

16 July 2021

Continued stable performance

April–June 2021

- Net sales increased to SEK 5,643 million (5,489)
- EBITA increased to SEK 529 million (495), margin 9.4 per cent (9.0)
- EBITA decreased 9 per cent year-on-year after adjustment for the substantial positive calendar effect in the quarter
- EBIT increased to SEK 509 million (439), margin 9.0 per cent (8.0)
- Profit after tax increased to SEK 379 million (319), corresponding to SEK 1.06 per share (0.90)

January–June 2021

- Net sales increased to SEK 11,181 million (11,170)
- EBITA amounted to SEK 1,070 million (1,125), margin 9.6 per cent (10.1)
- EBITA decreased 2 per cent year-on-year after adjustment for the negative calendar effect in the period
- EBIT amounted to SEK 1,032 million (1,054), margin 9.2 per cent (9.4)
- Net debt/EBITDA increased to 1.0 x (0.5)
- Net debt increased to SEK 1,942 million (1,259)
- Profit after tax increased to SEK 771 million (762), corresponding to SEK 2.17 per share (2.15)

CEO comment

Continued stable performance despite remaining Covid-19 impact

In the second quarter net sales increased 3 per cent and we delivered margin improvements in five out of eight business areas. Organic growth was approximately 1 per cent, with higher average fees as the main driver.

Adjusted for calendar effects, EBITA declined year-on-year, mainly related to continued weak performances in Germany and the UK as well as a slow quarter in parts of the Finnish business. In addition, some of the cost reductions from last year were reversed as markets started to open.

Even if Covid-19 is still affecting the market, the overall situation is steadily improving. We had a stable inflow of new orders and the order book remains strong. We also continue to win the right type of projects, reflecting our expertise in the sustainable transformation of society. During the quarter, we were commissioned to work on the world's first energy island in Denmark, design an industrial-scale hydrogen plant in Finland and we also secured a 10-year contract for the North Bothnia Line railway in northern Sweden.

Margin improvements in five out of eight business areas

Net sales amounted to SEK 5,643 million (5,489) in the quarter, corresponding to organic growth of approximately 1 per cent after adjustment for the calendar effect in the quarter. Belgium and Denmark were the main organic growth drivers.

EBITA increased to SEK 529 million (495), with an EBITA margin of 9.4 percent (9.0). There was a substantial positive calendar effect of SEK 81 million in the quarter.

Sweco Sweden continued to deliver high margins, and Sweco Belgium sustained its positive trend with strong, double-digit margins and significant growth. Sweco Norway posted a substantial margin improvement after a slightly weaker first quarter. Sweco Denmark and Sweco Netherlands continued their positive momentum. Altogether, five out of eight business areas improved their margins in the quarter.

Sweco Finland noted a weaker performance in two divisions and was also negatively impacted by acquisition and integration costs. Sweco UK continued to face a challenging market, with some public projects being postponed. In Germany, the new leadership is focused on a turnaround of the German business, implementing efficient work processes focused on the right type of projects, underpinned

by strict project governance and control. This is a turnaround that we expect will take time.

We maintained a strong financial position with low net debt.

Acquisition of experts in net-zero emission buildings

During the quarter, we announced three strategic acquisitions. In April, we announced the acquisitions of Gaia Consulting, the largest sustainability consultancy in Finland, and Linja Arkkitehdit, architects specialised in the design of educational and business premises as well as residential buildings in Finland. In June we announced the acquisition of the Belgian consultancy Boydens Engineering.

Boydens Engineering was founded in 1961, employs 140 experts, and is well-known for designing sustainable net zero-emission buildings. This is a good example of how we lead the way in sustainable transformation and secure strong local positions. Together, we are creating a market-leading buildings design and engineering business with a clear sustainability profile in the Belgian market.

Sweco is well-positioned

As we see signs of market conditions improving and restrictions being eased, substantial business opportunities are emerging for Sweco. The pandemic has accelerated digitalisation and raised sustainability to the top of the agenda, resulting in new investments within our core areas of expertise. At Sweco, we have noted increased collaboration across skill sets and national borders. Sweco is well-positioned in the market and the strong financial position allows us to act on opportunities going forward.



Åsa Bergman
President and CEO

Europe's leading architecture and engineering consultancy

Urbanisation, digitalisation and sustainability are transforming society. Together with our clients, we are committed to ensuring that we have clean water, clean air, clean energy and a physical environment where we all can live, work and prosper. With more than 17,500 experts in Europe, we have the knowledge to solve the most challenging projects, no matter size or location.

Key figures

#1 In the European market	8 Business Areas	17,500 Full-time employees
SEK 20.9 bn Net sales R12	SEK 1.7 bn EBITA R12	8.2% EBITA margin R12

Group performance

Organic growth amounted to approximately 1 per cent after adjustment for calendar effects. Acquired growth amounted to 2 per cent. EBITA decreased approximately 9 per cent or SEK 47 million year-on-year after adjustment for calendar effects.

April–June

Net sales increased 3 per cent to SEK 5,643 million (5,489). Organic growth amounted to approximately 1 per cent after adjustment for calendar effects. Acquired growth amounted to 2 per cent and currency effects impacted growth with -2 per cent.

Organic growth adjusted for calendar effects was driven mainly by higher average fees, while a lower billing ratio and lower number of FTEs impacted negatively.

EBITA increased to SEK 529 million (495). The EBITA margin increased to 9.4 per cent (9.0).

EBITA decreased approximately 9 per cent or SEK 47 million year-on-year after adjustment for calendar effects. EBITA was impacted by lower earnings mainly in Finland, Germany and the United Kingdom. Belgium, Norway, Denmark and the Netherlands noted increasing EBITA levels. Overall for the Group, the EBITA decline was primarily driven by higher operating expenses and a lower billing ratio, while higher average fees and lower project adjustments contributed positively. The contribution from acquisitions also had a positive impact. Compared to earlier quarters, the advantage of lower costs, mainly related to effects of Covid-19, has been partly reversed,

as Q2 2020 was the first quarter with lower costs due to the pandemic.

At the end of the period, slightly more than 40 employees were on temporary lay-off, almost exclusively in the UK.

The quarter had eight more working hours compared with the same period last year. This corresponded to a positive year-on-year impact of approximately SEK 81 million on net sales and EBITA.

The billing ratio decreased to 75.0 per cent (75.5).

Total net financial items decreased to SEK -20 million (-14), primarily due to positive foreign exchange effects last

KPIs	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Net sales, SEK M	5,643	5,489	11,181	11,170	20,870	20,858
<i>Organic growth, %</i>	2	2	0	3		-1
<i>Acquisition-related growth, %</i>	2	5	2	6		4
<i>Currency, %</i>	-2	-1	-3	0		-2
<i>Total growth, %</i>	3	5	0	8		1
<i>Organic growth adj. for calendar, %</i>	1	1	1	2		-2
<i>Organic growth adj. for calendar & IAC, %</i>	1	1	1	2		-1
EBITA excl. IAC, SEK M ¹	529	495	1,070	1,125	2,001	2,056
<i>Margin, %</i>	9.4	9.0	9.6	10.1	9.5	9.7
EBITA, SEK M ¹	529	495	1,070	1,125	1,711	1,766
<i>Margin, %</i>	9.4	9.0	9.6	10.1	8.2	8.5
Profit after tax, SEK M	379	319	771	762	1,302	1,293
Earnings per share, SEK ²	1.06	0.90	2.17	2.15	3.66	3.64
Number of full-time employees	17,904	17,555	17,764	17,439	17,487	17,328
Billing ratio, %	75.0	75.5	74.3	74.5	74.1	74.3
Normal working hours	473	465	960	965	1,969	1,974
Net debt/EBITDA, x ³			1.0	0.5		0.5

1) EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA. For further information, see pages 18 and 21. IAC stands for Items affecting comparability, see definition on page 18.

2) Due to the share split conducted during Q4 2020, historical data has been restated in accordance with IAS 33.

3) Net debt/EBITDA is an alternative performance measure (APM). Net debt is an alternative performance measure (APM) defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt. EBITDA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITDA. For further information, see pages 18 and 28.

year. Improved interest net and the lower interest cost of leasing had a positive impact on the quarter.

Earnings per share increased to SEK 1.06 (0.90).

January–June

Net sales increased slightly to SEK 11,181 million (11,170). Organic growth amounted to approximately 1 per cent after adjustment for calendar effects. Acquired growth amounted to 2 per cent and currency effects impacted growth with -3 per cent.

Organic growth adjusted for calendar effects was driven mainly by lower absence and higher average fees, while lower subconsultant revenue impacted negatively.

EBITA decreased to SEK 1,070 million (1,125). The EBITA margin decreased to 9.6 per cent (10.1).

EBITA decreased approximately 2 per cent or SEK 21 million year-on-year after adjustment for calendar effects. EBITA was impacted by lower earnings mainly in Finland, the United Kingdom and Germany. The other business areas noted rising EBITA levels. Overall for the Group, the EBITA decline was primarily driven by a lower billing ratio and negative FX effects. Lower absence, higher average fees and acquisitions had a positive impact.

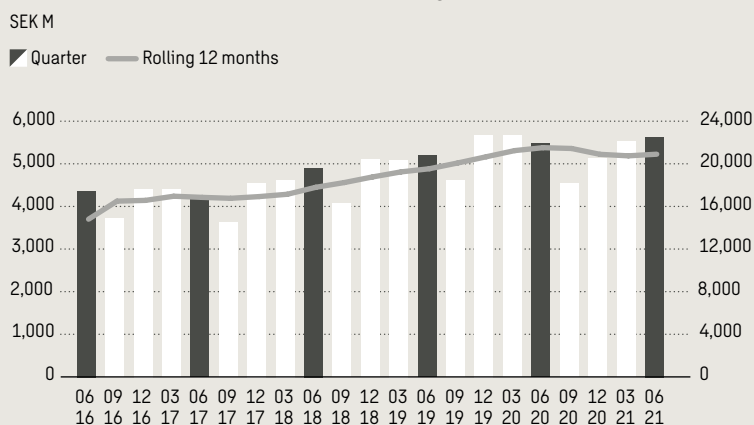
The calendar effect of five fewer hours had a negative year-on-year impact of approximately SEK 34 million on net sales and EBITA.

The billing ratio decreased slightly to 74.3 per cent (74.5).

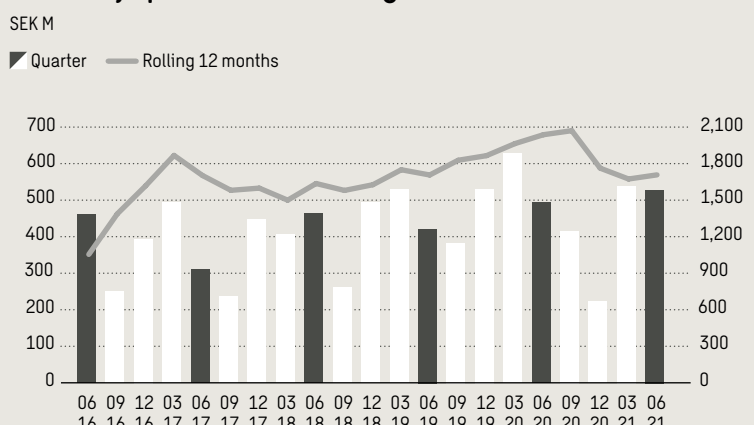
Total net financial items improved to SEK -38 million (-52), primarily driven by positive foreign exchange effects and lower interest expenses related both to leasing and borrowing.

Earnings per share increased to SEK 2.17 (2.15).

Net sales by quarter and rolling 12 months



EBITA by quarter and rolling 12 months



Employees

The number of full-time employees amounted to 17,764 (17,439) in the period.

Market

Overall, the underlying market for Sweco's services remained somewhat weak in the second quarter, due to the continued Covid-19 impact. Still, essentially all Business Areas experienced a relatively good market for Sweco's services in the infrastructure, water, environment and energy segments. Demand for services in the building and real estate segment and in parts of the industry market remained weaker.

Outlook

The Covid-19 situation continues to create uncertainty regarding future market development. Demand for Sweco's services normally follows the general macro-economic trend in Sweco's markets, with some time lag. A negative medium-term impact on demand can therefore be expected from the economic effects of Covid-19. However, this impact will most likely be partly mitigated by increased public spending.

Sweco does not provide forecasts.

Events during the quarter

On 7 April, Sweco announced the acquisition of Gaia Consulting, the largest sustainability consultancy in Finland. Gaia Consulting has around 60 employees and revenue in 2020 was SEK 66 million.

On 9 April, Sweco announced the acquisition of the Finnish architecture company Linja Arkkitechdit Oy. Linja Arkkitechdit Oy has approximately 60 architects located in Oulu, Helsinki and Jyväskylä. The company offers architectural services in the design of educational, residential and business premises. The revenue of Linja Arkkitechdit in 2020 was SEK 56 million.

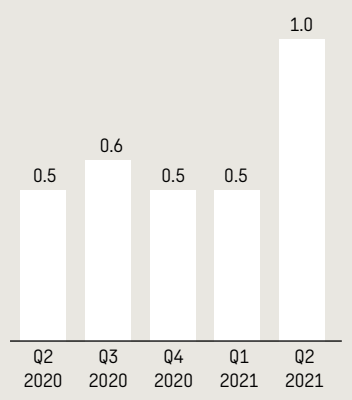
On 12 April, Julia Zantke took office as Business Area President for Germany & Central Europe and joined the Executive Team.

On 29 April, dividends totalling SEK 782 million were distributed to Sweco AB shareholders.

On 10 June, Sweco announced the appointment of Andreas Gyllenhammar as new Chief Sustainability Officer, succeeding Mattias Goldmann. Gyllenhammar is currently Head of Strategy, Innovation and Sustainability at Jämtkraft and is returning to Sweco, having previously worked more than ten years for the company. He will begin his new role on 1 October.

On 24 June, Sweco announced the acquisition of Belgian consultancy Boydens Engineering. Boydens Engineering is specialised in sustainable building projects in the public and private sectors and employs 140 specialists. Revenue in 2020 amounted to SEK 103 million.

Net debt/EBITDA, x



Events after the quarter

No significant events after the end of the quarter.

Cash flow and financial position

Group cash flow from operating activities totalled SEK 579 million (1,901) for the first half of the year. Net debt increased to SEK 1,942 million (1,259), primarily as a result of the decreased operating cash flow and higher dividend payment.

The Net debt/EBITDA ratio was 1.0 x (0.5).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 2,919 million (4,691) at the end of the quarter. The main reason for the decrease is a short-term credit line of SEK 1,000 million being terminated in December 2020.

Purchase considerations paid to acquire companies and operations totalled SEK 290 million (272) and had an impact of SEK -287 million (-232) on the Group's cash and cash equivalents. Purchase considerations received on the divestment of compa-

nies and operations totalled SEK 0.4 million (-) and had an impact of SEK -1 million (-) on the Group's cash and cash equivalents.

No repurchases of Sweco shares were made during the period or during the same period last year.

Investments, January–June 2021

Investments in equipment totalled SEK 93 million (105) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 110 million (116) and amortisation of intangible assets totalled SEK 75 million (71).

Examples of new projects

Sweco Belgium has been awarded a contract by the waste management company Indaver to provide engineering, procurement and construction management services in connection with a thermal depolymerization process, where plastics are degraded into smaller hydrocarbon chains, resulting in a high quality and pure product that can be re-used as raw material in the chemical industry. The contract value is SEK 4 million.

Sweco in the Czech Republic has been assigned to perform technical and design services connected to the reconstruction of the Bílý Potok water treatment plant, leading to increased water quality and a secure supply of drinking water for the area. The contract value is SEK 5 million.

Sweco Denmark has been assigned to provide integrated engineering and architectural services in connection with the construction of a new 6,700 m² swimming centre in Silkeborg. The contract value is SEK 279 million.

Sweco Denmark has also been chosen by the Danish Energy Agency as technical adviser to establish the world's first energy island. The energy island will be a major contribution in the transition to green energy, both in Denmark and Europe. The contract will run for four years and has a value of approximately SEK 68 million.

Sweco Finland has signed an agreement for front-end engineering design of a green hydrogen plant with the Finnish hydrogen company P2X Solutions. The project is a valuable step in tackling the challenges of climate change and supporting a more sustainable society.

Sweco Norway has been awarded a contract by the Norwegian Public Roads Administration to provide engineering services for a 9.3 km long highway improvement between Lønset and Hjelset in Molde municipality. The contract value is SEK 40 million.

Sweco Sweden has been commissioned by the municipality of Eskilstuna to provide support in the form of architectural services for a development plan for the city. The plan provides the opportunity for sustainable growth and space to create 3,000 new homes as well as several new meeting places such as squares, parks, sports grounds and schools.

Sweco Sweden has also been commissioned by the Swedish Transport Administration for the planning of the new 270 kilometre section of the North Bothnia Line railway, with a total contract value of around SEK 200 million. In addition to managing complex project planning in an urban environment, a number of sustainability aspects need to be taken into consideration, including social and economic aspects as well as ensuring that construction can be completed with minimal climate impact.

Sweco UK has won a contract to deliver full-design and construction management services for a low carbon workplace and commercial hub in the heart of the City of London. The client is the real estate company LaSalle together with M3 Consulting. The building will be refurbished to meet the best-in-class, flexible occupier focused workspace, in excess of 56,000 m² gross area. The refurbishment includes extensions to existing floors, upgrades of existing facades and all new building services. The contract value is SEK 43 million.

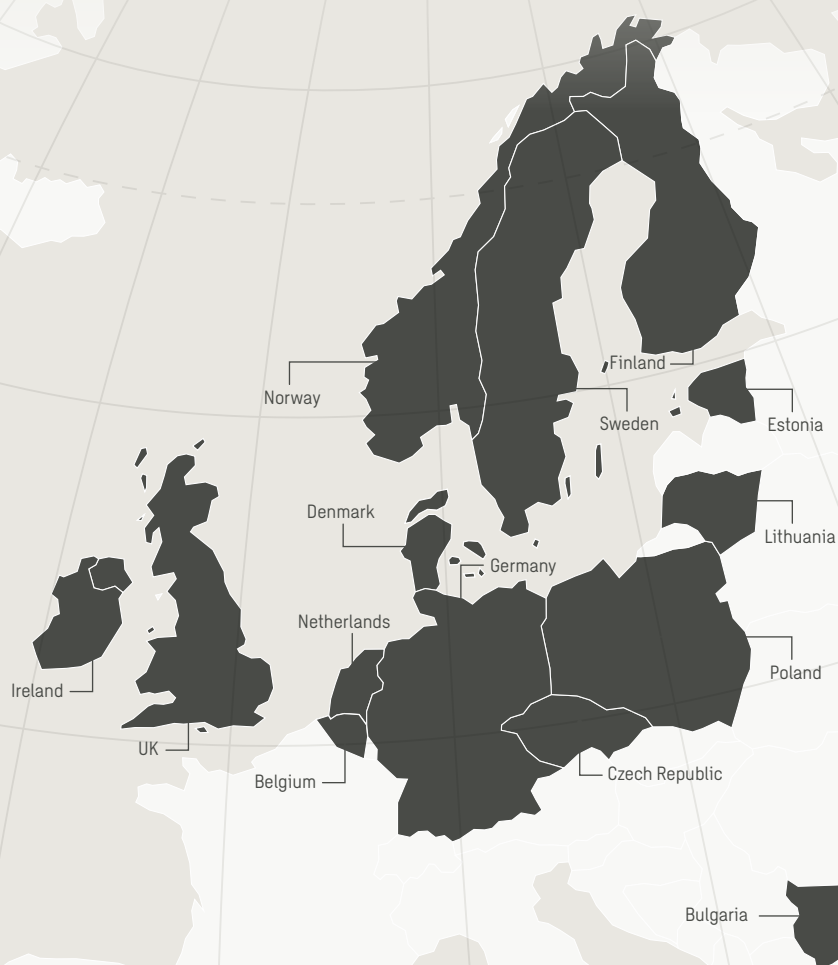
Together with Eskilstuna municipality Sweco is creating a plan for sustainable growth and space to create 3,000 new homes as well as squares, parks, sports grounds, and schools.



Sweco is contributing with the engineering design of the green hydrogen plant with the Finnish hydrogen company P2X Solutions.

Business Area Overview

Sweco's Business Areas are Sweden, Norway, Finland, Denmark, the Netherlands, Belgium, the UK and Germany and Central Europe.



Our markets

Sweco operates in fourteen markets. We have eight Business Areas where Sweco holds well-established positions and it is primarily here that we will grow in the future. These markets are economically and politically stable, while also being close to each other geographically and culturally.

Sweco Sweden

High margin, but EBITA declined slightly adjusted for calendar effects, mainly due to higher operating expenses and a lower billing ratio. Net sales were impacted by lower subconsultant revenue and a lower billing ratio. The market remains relatively good, but there was negative impact from Covid-19 in some segments.

Sales and profit, April–June

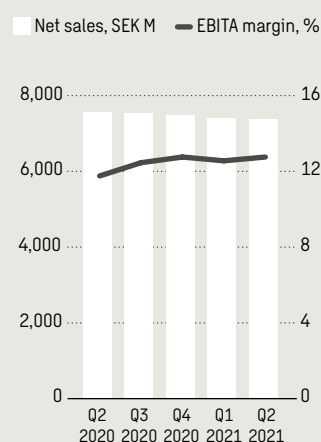
Net sales remained stable at SEK 2,012 million (2,015). Adjusted for calendar effects, organic growth was -1 per cent. Organic growth was impacted negatively mainly by lower revenue from subconsultants and a lower billing ratio, while lower project adjustments contributed positively. The year-on-year calendar effect of eight more hours had a positive impact on net sales and EBITA of approximately SEK 26 million.

EBITA decreased approximately 3 per cent, corresponding to SEK 7 million, after adjusting for calendar effects. The EBITA margin increased to 13.5 per cent (12.6). The EBITA decline was mainly driven by higher operating expenses and a lower billing ratio, while lower project adjustments impacted positively.

The Swedish market remained relatively good during the second quarter but there were variations between the different segments. Demand for infrastructure services was healthy, backed by major public investments. The markets for industrial investments, water and environmental services were also good. In the real estate market, there was good demand within public buildings and demand related to residential construction improved somewhat, with larger cities continuing to provide better conditions. The market for power transmission services was strong while demand in energy generation remained challenging.

During the second quarter, the business remained impacted by the Covid-19 pandemic. Caution prevailed in the quarter with regard to starting new projects within the private building and real estate market.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	2,012	2,015	3,917	3,999
Organic growth, %	0	3	-2	2
Acquisition-related growth, %	0	0	0	0
Currency, %	0	0	0	0
Total growth, %	0	3	-2	2
Organic growth adj. for calendar, %	-1	2	-2	1
EBITA, SEK M	272	253	519	523
EBITA margin, %	13.5	12.6	13.3	13.1
Number of full-time employees	5,913	5,934	5,862	5,922

Sweco Norway

Net sales and EBITA were positively impacted by lower negative project adjustments and higher hourly fees. EBITA improvement of 55 per cent after calendar adjustment. The market weakness continued due to Covid-19 restrictions.

Sales and profit, April–June

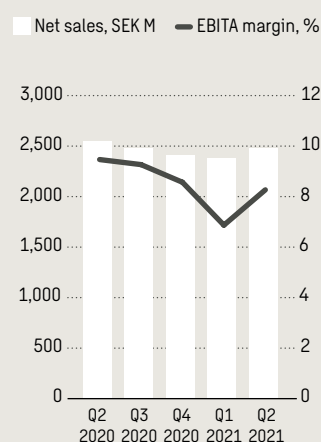
Net sales increased 16 per cent to SEK 696 million (598), to a large extent impacted by the acquisition of TAG, a significant positive calendar effect and a positive Norwegian krona. The acquisition of TAG Arkitekter contributed growth of 6 per cent. The year-on-year calendar effect of 24 more hours had a positive impact of approximately SEK 28 million on net sales and EBITA.

Organically, net sales increased 1 per cent adjusted for calendar effects. The positive organic growth was mainly driven by lower negative project adjustments and higher hourly rates.

EBITA increased to SEK 65 million (24). The large EBITA increase was impacted by the large positive calendar effect. Adjusted for calendar effects, EBITA improved approximately SEK 13 million, corresponding to 55 per cent. The EBITA margin increased to 9.4 per cent (4.1). The EBITA improvement was mainly driven by lower negative project adjustments and higher hourly rates, while a lower billing ratio and higher operating expenses impacted negatively.

Covid-19 restrictions continued into the second quarter, with a negative effect on the market. The national infrastructure market remained good and stable, while the commercial building market remained weak.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	696	598	1,370	1,306
Organic growth, %	6	3	-1	4
Acquisition-related growth, %	6	0	5	0
Currency, %	5	-12	0	-8
Total growth, %	16	-9	5	-4
Organic growth adj. for calendar, %	1	1	0	3
EBITA, SEK M	65	24	118	121
EBITA margin, %	9.4	4.1	8.6	9.3
Number of full-time employees	1,732	1,664	1,749	1,647

Sweco Finland

A relatively weak quarter in parts of the Finnish business concluded a slower first six months, after a long period of strong performance. EBITA was impacted by a lower billing ratio and higher expenses. The market remained relatively stable, even if Covid-19 still had an impact on the construction segment.

Sales and profit, April–June

Net sales increased 7 per cent to SEK 776 million (726). Acquired growth contributed 11 per cent and pertained to recent acquisitions. A weaker Euro had an effect of -5 per cent on growth. Organic growth was approximately 0 per cent adjusted for calendar effects. Organic growth was impacted negatively by the lower billing ratio, while higher average fees had a positive effect. The year-on-year calendar effect of eight more hours had a positive impact of approximately SEK 10 million on net sales and EBITA.

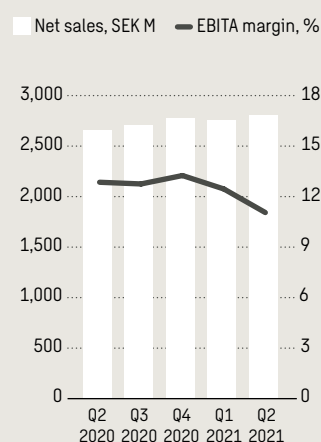
EBITA decreased approximately 40 per cent, corresponding to SEK 42 million adjusted for calendar effects and the EBITA margin decreased to 9.2 per cent (14.3). The decrease in EBITA was mainly attributable to higher operating

expenses, higher personnel costs and the lower billing ratio. This decline was mainly attributable to two of the Finnish divisions. In addition, Finland was negatively impacted by acquisition and integration costs.

Overall, the Finnish market was relatively stable during the second quarter, with differences between segments. Demand for services within the building and real estate segments was relatively good, but there were variations between subsegments. The renovation, maintenance and improvement market was relatively stable. The market for industrial services was good and the market for infrastructure-related services was also good.

During the second quarter, there was still some impact of Covid-19 on the construction segment, with some projects postponed or cancelled.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	776	726	1,499	1,464
Organic growth, %	1	1	-1	4
Acquisition-related growth, %	11	18	9	18
Currency, %	-5	0	-5	1
Total growth, %	7	19	2	23
Organic growth adj. for calendar, %	0	2	-1	5
EBITA, SEK M	72	104	147	204
EBITA margin, %	9.2	14.3	9.8	14.0
Number of full-time employees	2,835	2,557	2,744	2,514

Sweco Denmark

The positive momentum in Denmark from the first quarter continued. Higher average fees and FTE growth drove positive organic growth and increased EBITA. Overall, the market was relatively stable.

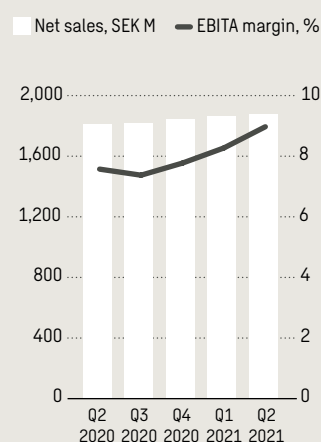
Sales and profit, April–June

Net sales increased 2 per cent to SEK 476 million (467). Organic growth was 5 per cent, adjusted for calendar effects. Organic growth was impacted positively by higher average fees and a higher number of employees, while lower revenue from subconsultants impacted negatively. The year-on-year calendar effect of seven more hours had a positive impact of approximately SEK 6 million on net sales and EBITA.

EBITA increased approximately 39 per cent, corresponding to SEK 9 million adjusted for calendar effects and the EBITA margin increased to 7.7 per cent (4.8). The EBITA improvement was mainly driven by higher average fees.

Overall, the Danish market was relatively stable during the second quarter, with slight differences between segments. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The infrastructure market was fairly stable in the municipal market. The Danish state has agreed on an infrastructure investment plan, which is expected to increase demand in the market for state financed road, rail and public infrastructure. The market for building services and the residential market were relatively stable.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	476	467	956	926
Organic growth, %	6	-1	6	-3
Acquisition-related growth, %	0	7	2	4
Currency, %	-5	0	-5	1
Total growth, %	2	6	3	3
Organic growth adj. for calendar, %	5	-1	6	-3
EBITA, SEK M	37	22	78	53
EBITA margin, %	7.7	4.8	8.2	5.7
Number of full-time employees	1,296	1,250	1,290	1,214

Sweco Netherlands

EBITA improved 14 per cent driven by lower operating expenses and a higher billing ratio, despite negative organic growth. The market remained relatively good, even if Covid-19 still had an impact on projects in some segments.

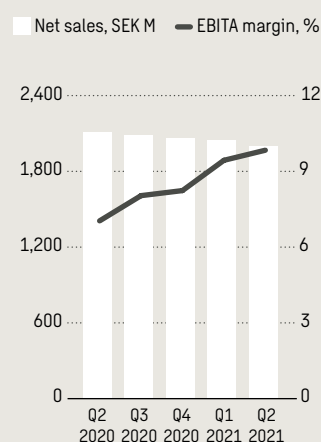
Sales and profit, April–June

Net sales decreased to SEK 495 million (538) largely due to a negative currency effect. Organic growth amounted to -3 per cent as an effect of fewer FTEs, more absence and lower revenue from subconsultants. There was no year-on-year difference in the number of available working hours.

EBITA increased approximately 14 per cent, corresponding to SEK 5 million. The EBITA improvement was mainly attributable to lower operating expenses and a higher billing ratio. The EBITA margin improved to 8.1 per cent (6.6).

Despite the Covid-19 situation, the Dutch market remained relatively good during the second quarter, albeit with differences between segments. Demand for infrastructure services was good, backed by major public investments. Demand within residential building remained high due to the continued shortage of residential homes. Also the market for building services systems was good. The market for industrial services was diversified, in the sense that the food sector was stable but the chemical sector remained under pressure. Within the energy market there was substantial demand to increase infrastructure to facilitate green energy like solar energy and wind farms, and there was an increasing interest in hydrogen.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	495	538	1,022	1,084
Organic growth, %	-3	3	-1	4
Acquisition-related growth, %	0	0	0	0
Currency, %	-5	0	-5	1
Total growth, %	-8	4	-6	6
Organic growth adj. for calendar, %	-3	4	0	4
EBITA, SEK M	40	35	113	87
EBITA margin, %	8.1	6.6	11.1	8.0
Number of full-time employees	1,356	1,399	1,359	1,401

Sweco Belgium

Significant growth, organically and from acquisitions. The EBITA margin improved, driven by a higher billing ratio and higher average fees. Mixed picture in the market with some strong segments and others that were more impacted by Covid-19.

Sales and profit, April–June

Net sales increased 14 per cent to SEK 474 million (418), and organic growth was approximately 12 per cent. Organic growth was driven by FTE growth, a higher billing ratio and higher average fees. Recent acquisitions contributed 6 per cent to growth. There was no year-on-year difference in the number of available working hours.

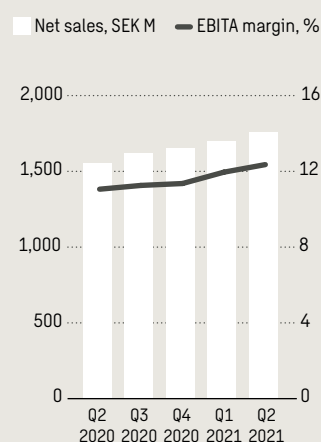
EBITA increased approximately 32 per cent, corresponding to SEK 14 million and the EBITA margin increased to 12.5 per cent (10.8). The improvement in earnings was mainly attributable to the higher billing ratio and higher average fees.

The market remained good within most segments and both the private and the public sector building markets were

stable. The residential market was stable as was the office market. The industry market was recovering and the public infrastructure markets remained strong. Belgium is in the middle of a complete energy transition with a focus on decarbonisation in the transportation, building and industry sectors as well as transforming energy production. The electrification in industry and the public domain is increasing.

On 24 June, Sweco announced the acquisition of Belgian consultancy Boydens Engineering. Boydens Engineering is specialised in sustainable building projects in the public and private sectors and employs 140 specialists. Revenue in 2020 amounted to SEK 103 million.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	474	418	953	849
Organic growth, %	12	7	10	11
Acquisition-related growth, %	6	12	7	12
Currency, %	-5	0	-5	1
Total growth, %	14	19	12	24
Organic growth adj. for calendar, %	12	7	11	10
EBITA, SEK M	59	45	124	95
EBITA margin, %	12.5	10.8	13.0	11.2
Number of full-time employees	1,190	1,054	1,171	1,039

Sweco UK

The UK is the market most impacted by Covid-19 and organic growth remained negative in the quarter. EBITA was negatively impacted by project adjustments, higher operating expenses and a lower billing ratio. The market remains challenging overall, although some segments are showing signs of improvement.

Sales and profit, April–June

Net sales amounted to SEK 289 million (305). Organic growth was approximately -4 per cent and the decline was mainly driven by a lower number of employees, lower average fees and a lower billing ratio. There was no year-on-year difference in the number of available working hours.

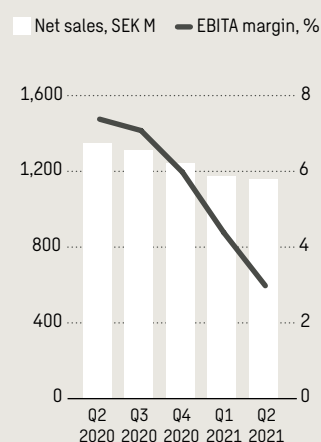
EBITA decreased approximately 78 per cent, corresponding to SEK 16 million. The EBITA margin declined to 1.5 per cent (6.8). Earnings were negatively impacted by lower average fees, higher operating expenses and a lower billing ratio.

The UK market remained challenging in the second quarter and the government's temporary furlough scheme will continue in the United Kingdom until the end of September 2021.

Demand in the buildings market improved in the second quarter. The energy, environment and water markets remained fairly stable with moderate impact from Covid-19. The transport infrastructure market remained challenging.

At the end of the quarter, 40 employees were on furlough.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	289	305	602	687
Organic growth, %	-4	-10	-8	-2
Acquisition-related growth, %	0	15	0	36
Currency, %	-2	-1	-4	1
Total growth, %	-5	5	-12	36
Organic growth adj. for calendar, %	-4	-10	-7	-2
EBITA, SEK M	4	21	20	60
EBITA margin, %	1.5	6.8	3.4	8.8
Number of full-time employees	1,188	1,246	1,194	1,245

Sweco Germany and Central Europe

Slightly negative organic growth due to a lower billing ratio and lower number of employees. The lower billing ratio and project adjustments had a negative impact on EBITA. The new leadership has initiated a turnaround of the business. The market remained stable with Covid-19 primarily impacting the private real estate market.

Sales and profit, April–June

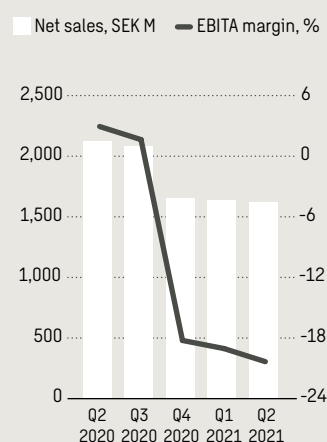
Net sales decreased 3 per cent to SEK 487 million (504) mainly due to a foreign exchange effect of -5 per cent. Organic growth was around -1 per cent, adjusted for calendar effects, and was impacted negatively by a lower billing ratio and lower number of employees. The year-on-year calendar effect of twelve more hours had a positive impact of approximately SEK 11 million on net sales and EBITA.

EBITA decreased approximately SEK 28 million adjusted for calendar effects. EBITA was impacted negatively by the lower billing ratio and project adjustments.

The new leadership in Germany is focused on a turnaround of the German business. This includes implementing efficient work processes focused on the right type of projects, underpinned by strict project governance and control. This is a turnaround that will take time.

Overall, the German market remained stable in the second quarter despite Covid-19. However, private investors continued to slow down or stop projects and tenders in the real estate market. On the other hand, the German publicly funded sector remained good and energy transition projects have continued as planned.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales and profit				
Net sales, SEK M	487	504	970	1,002
Organic growth, %	1	0	2	4
Acquisition-related growth, %	0	15	0	16
Currency, %	-5	-1	-5	1
Total growth, %	-3	15	-3	20
Organic growth adj. for calendar, %	-1	0	2	3
EBITA, SEK M	-9	8	-11	17
EBITA margin, %	-1.8	1.7	-1.1	1.7
Number of full-time employees	2,342	2,405	2,347	2,411

Other information

Parent Company, January–June 2021

Parent Company net sales totalled SEK 469 million (438) and were attributable to intra-group services. Profit after net financial items totalled SEK 309 million (287). Investments in equipment totalled SEK 32 million (24). Cash and cash equivalents at the end of the period totalled SEK 154 million (1,447).

Accounting principles

Sweco complies with the International Financial Reporting Standards (IFRS) and interpretive statements from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. This report was prepared in accordance with IAS 34, Interim Reporting; the Swedish Annual Accounts Act; and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities. The Group applies the same accounting and valuation principles as those described in Note 1 in the Annual Report for 2020.

In this report, amounts in brackets refer to the corresponding period of the previous year. Because table items are individually rounded off, table figures do not always tally. The interim report comprises pages 1–28; the interim financial information presented on pages 1–28 is therefore part of this financial report.

Key performance measures

Sweco follows the guidelines from ESMA (European Securities and Markets Authority) regarding APMs (Alternative Performance Measures). In brief, these are measures of historical or ongoing operating results and financial performance that are not specified or defined in IFRS. The presentation of non-IFRS financial measures is limited as an analytical tool and should not be used as a substitute for key ratios pursuant to IFRS. Sweco believes that the APMs will enhance investors' evaluation of our ongoing operating results, aid in forecasting future periods and facilitate meaningful comparison of results between periods. The non-IFRS financial measures presented in this report may differ from similarly titled measures used by other companies. A complete list of all Sweco's definitions can be found on our website: <https://www.swecogroup.com/investor-relations/financial-information/definitions>

Sweco's key financial metrics, defined as Alternative Performance Measures (APMs) in accordance with IFRS, are EBITA and Net debt/EBITDA.

EBITA is the Group's key metric for operational performance at Group and BA level. Sweco's EBITA measure is defined as Earnings Before Interest, Taxes and Acquisition-related items. All leases are treated as operating leases and the total cost of the lease affects EBITA. Operating lease treatment follows IAS 17 (the standard for leases applicable through 31 December 2018).

Net debt/EBITDA is Sweco's key metric for financial strength. The definition remains essentially in line with the covenants defined in Sweco's bank financing agreements. Net debt is defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt. As with the calculation of EBITA, when calculating EBITDA all leases are assumed to comprise operating leases pursuant to IAS 17.

Items affecting comparability (IAC): To assist in understanding its operations, Sweco believes that it is useful to consider certain measures and ratios exclusive of items affecting comparability. Items affecting comparability include items that are non-recurring, have a significant impact and are considered to be important for understanding the operating performance when comparing results between periods. Items affecting comparability relate to restructuring and integration costs, costs related to acquisitions and divestments, project write-downs and other one-off items when amounts are significant. The items affecting comparability are disclosed in this report. All measures and ratios in this report have been disclosed including items affecting comparability first and then excluding items affecting comparability as a second measure when deemed appropriate.

The reconciliation of Sweco's key financial metrics, described above, and IFRS measures is presented on page 21 and 28. Organic growth calculation is presented on page 27.

The Sweco share

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 155.70 at the end of the period, representing a 9 per cent increase during the quarter. Nasdaq Stockholm OMXSPI increased 5 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,086,598 Class A shares and 332,164,859 Class B shares. The total number of shares outstanding was 357,485,070: 31,086,598 Class A shares and 326,398,472 Class B shares.

Risks and uncertainties

Significant risks and uncertainties affecting the Sweco Group and the Parent Company include business risks associated with the general economic trend and investment level in various markets, the capacity to attract and retain skilled personnel, the effects of political decisions as well as risks and uncertainties related to the Covid-19 pandemic. The Group is also exposed to various types of financial risk, such as foreign currency, interest rate and credit risk. The risks to which Sweco is exposed are detailed in Sweco's 2020 Annual Report (page 96–97, Risks and Risk Management).

Calendar effects

Year 2021

The number of normal working hours in 2021, based on the 12-month sales-weighted business mix as of September 2020, is broken down as follows:

	2021	2020	
Quarter 1:	487	500	-13
Quarter 2:	473	465	8
Quarter 3:	517	518	-1
Quarter 4:	496	491	5
Total:	1,973	1,974	-1

Acquisition-related amortisation

Acquisition-related intangible assets and expensed costs for future services will be amortised pursuant to the following schedule, based on acquisitions to date:

2021 Estimate	SEK -139 million
2022 Estimate	SEK -91 million
2023 Estimate	SEK -48 million
2024 Estimate	SEK -18 million

Forthcoming financial information

Interim report January–September	29 October 2021
Year-end report 2021	11 February 2022

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This report has not been audited.

The Board of Directors and the President give their assurance that this interim report gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, 16 July 2021

Johan Nordström
Board Chairman

Gunnel Duveblad
Board member

Johan Hjertansson
Board member

Christine Wolff
Board member

Elaine Grunewald
Board member

Alf Göransson
Board member

Maria Ekh
Employee representative

Anna Leonsson
Employee representative

Görgen Edenhagen
Employee representative

Åsa Bergman
President & CEO
Board member

KPIs

KPIs ¹	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Profitability						
EBITA margin excl. IAC, %	9.4	9.0	9.6	10.1	9.5	9.7
EBITA margin, %	9.4	9.0	9.6	10.1	8.2	8.5
Operating margin (EBIT), %	9.0	8.0	9.2	9.4	8.1	8.2
Profit margin, %	8.7	7.7	8.9	9.0	7.7	7.7
Revenue growth²						
Organic growth, %	2	2	0	3		-1
Acquisition-related growth, %	2	5	2	6		4
Currency, %	-2	-1	-3	0		-2
Total growth, %	3	5	0	8		1
Organic growth adj. for calendar, %	1	1	1	2		-2
Organic growth adj. for calendar & IAC, %	1	1	1	2		-1
Debt						
Net debt, SEK M			1,942	1,259		943
Interest-bearing debt, SEK M			2,417	3,146		3,031
Financial strength						
Net debt/Equity, %			25.1	16.8		12.5
Net debt/EBITDA, x			1.0	0.5		0.5
Equity/Assets ratio, %			39.5	36.7		37.9
Available cash and cash equivalents, SEK M			2,919	4,691		3,898
– of which unutilised credit, SEK M			2,444	2,803		1,811
Return						
Return on equity, %			17.1	21.3		17.6
Return on capital employed, %			12.8	15.5		12.9
Share data³						
Earnings per share, SEK	1.06	0.90	2.17	2.15	3.66	3.64
Diluted earnings per share, SEK	1.06	0.88	2.15	2.10	3.63	3.58
Equity per share, SEK ⁴			21.59	21.09		21.25
Diluted equity per share, SEK ⁴			21.55	20.65		21.07
Number of shares outstanding at reporting date			357,485,070	355,197,963		355,197,471
Number of repurchased Class B shares			5,766,387	8,053,494		8,053,986

1) The definitions of the Key Performance Indicators (KPIs) are available on Sweco's website.

2) See page 27 for details on Sweco's calculation of revenue growth.

3) Due to the share split conducted during Q4 2020, all historical share data have been restated in accordance with IAS 33.

4) Refers to portion attributable to Parent Company shareholders.

Reconciliation of EBIT and the APMs EBITA and EBITDA, SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Operating profit (EBIT)	509	439	1,032	1,054	1,684	1,706
Acquisition-related items	36	74	70	110	95	135
Lease expenses ¹	-202	-192	-397	-387	-793	-782
Depreciation and impairments, right-of-use assets	186	174	365	348	725	708
EBITA²	529	495	1,070	1,125	1,711	1,766
Amortisation/depreciation and impairment, tangible and intangible fixed assets	69	71	137	142	273	278
EBITDA³	598	566	1,206	1,267	1,983	2,044

1) Lease expenses pertain to adjustments made in order to treat all leases as operating leases.

2) EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

3) EBITDA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITDA.

Reconciliation of the APMs EBITA and EBITA excl. IAC, SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
EBITA	529	495	1,070	1,125	1,711	1,766
Items affecting comparability (IAC) ¹	–	–	–	–	290	290
EBITA excl. IAC	529	495	1,070	1,125	2,001	2,056

1) Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations in Q4 2020 and are reported in Business Area Germany & Central Europe.

Consolidated income statement

SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Net sales	5,643	5,489	11,181	11,170	20,870	20,858
Other income	0	1	2	6	4	7
Other external expenses	-1,045	-1,041	-2,023	-2,160	-4,043	-4,180
Personnel expenses	-3,799	-3,691	-7,556	-7,362	-14,054	-13,859
Amortisation/depreciation and impairment, tangible and intangible fixed assets ¹	-69	-71	-137	-142	-273	-278
Depreciation and impairment, right-of-use assets	-186	-174	-365	-348	-725	-708
Acquisition-related items ²	-36	-74	-70	-110	-95	-135
Operating profit (EBIT)	509	439	1,032	1,054	1,684	1,706
Net financial items ³	-8	-10	-18	-21	-43	-46
Interest cost of leasing ⁴	-12	-14	-24	-29	-49	-54
Other financial items ⁵	0	10	4	-3	8	2
Total net financial items	-20	-14	-38	-52	-84	-98
Profit before tax	489	425	994	1,002	1,600	1,608
Income tax	-110	-106	-223	-240	-298	-316
PROFIT FOR THE PERIOD	379	319	771	762	1,302	1,293
Attributable to:						
Parent Company shareholders	379	319	771	762	1,301	1,292
Non-controlling interests	0	0	0	0	1	1
Earnings per share attributable to Parent Company shareholders, SEK ⁶	1.06	0.90	2.17	2.15	3.66	3.64
Average number of shares outstanding ⁶	356,769,580	354,636,064	356,030,569	354,054,684	355,614,102	354,626,159
Dividend per share, SEK ⁶						2.20

1) Includes tangible assets and intangible assets that are not acquisition-related.

2) Acquisition-related items consist of amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of purchase price, profit and losses on the divestment of companies, operations, land and buildings, as well as costs for received future service. See page 25 for additional details.

3) Net financial items comprise interest expenses on credit facilities and costs related to credit facilities less interest income on cash and cash equivalents.

4) Interest cost of leasing comprises the interest cost of leasing pursuant to IFRS 16.

5) Other financial items: Result and distributions from participation in associated companies and other securities, result from sale of participations in associated companies and other securities, foreign exchange gains and losses on financial assets and liabilities, and other interest income and interest expenses.

6) Due to the share split conducted during Q4 2020, historical data has been restated in accordance with IAS 33.

Consolidated statement of comprehensive income

SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Profit for the period	379	319	771	762	1,302	1,293
Items that will not be reversed in the income statement						
Revaluation of defined benefit pensions, net after tax ^{1,2}	-	-22	-	-22	-12	-34
Items that may subsequently be reversed in the income statement						
Translation differences, net after tax	-59	-193	89	-131	-94	-314
COMPREHENSIVE INCOME FOR THE PERIOD	321	104	861	609	1,197	945
Attributable to:						
Parent Company shareholders	321	104	860	609	1,196	945
Non-controlling interests	0	0	0	0	0	0
1) Tax on revaluation of defined benefit pensions	-	7	-	7	4	11

2) Revalued annually. Reviewed quarterly in the event of material changes to actuarial assumptions.

Consolidated cash flow statement

SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Profit before tax	489	425	994	1,002	1,600	1,608
Amortisation/depreciation and impairment	280	267	550	536	1,085	1,071
Other non-cash items	99	102	128	109	521	502
Cash flow from operating activities before changes in working capital, tax paid, interest paid and received	869	794	1,672	1,647	3,205	3,181
Interest cost leasing	-12	-14	-24	-29	-49	-54
Net interest paid	-4	-8	-9	-14	-23	-28
Tax paid	-152	-117	-283	-224	-397	-337
Changes in working capital	-423	779	-776	520	-809	488
Cash flow from operating activities	279	1,434	579	1,901	1,927	3,249
Acquisition and divestment of subsidiaries and operations	-260	32	-287	-232	-590	-535
Purchase and disposal of intangible and tangible assets	-50	-75	-117	-130	-206	-220
Other investing activities	0	0	-1	2	6	9
Cash flow from investing activities	-310	-43	-405	-361	-790	-746
Borrowings and repayment of borrowings	867	-9	-687	381	-691	376
Principal elements of lease payments	-186	-175	-369	-349	-720	-700
Dividends paid	-782	-365	-782	-365	-1,149	-733
Cash flow from financing activities	-101	-550	-1,838	-334	-2,560	-1,056
CASH FLOW FOR THE PERIOD	-132	841	-1,663	1,206	-1,423	1,447

Consolidated balance sheet

SEK M	30 Jun 2021	30 Jun 2020	31 Dec 2020
Goodwill	7,914	7,571	7,593
Other intangible assets	330	353	340
Property, plant and equipment	514	558	519
Right-of-use assets	2,626	2,860	2,705
Financial assets	379	404	391
Current assets excl. cash and cash equivalents	7,332	6,812	6,312
Cash and cash equivalents incl. short-term investments	475	1,887	2,088
TOTAL ASSETS	19,569	20,446	19,948
Equity attributable to Parent Company shareholders	7,717	7,492	7,548
Non-controlling interests	10	10	10
Total equity	7,727	7,502	7,557
Non-current lease liabilities	2,029	2,309	2,135
Non-current interest-bearing debt	2,136	3,097	2,996
Other non-current liabilities	837	915	832
Current lease liabilities	716	698	706
Current interest-bearing debt	281	49	34
Other current liabilities	5,844	5,875	5,688
TOTAL EQUITY AND LIABILITIES	19,569	20,446	19,948
Contingent liabilities	897	953	942

Consolidated statement of changes in equity

SEK M	Jan–Jun 2021			Jan–Jun 2020		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, opening balance	7,548	10	7,557	7,154	10	7,164
Comprehensive income for the period	860	0	861	609	0	609
Share bonus scheme	87	–	87	93	–	93
Share savings schemes	3	–	3	3	–	3
Transfer to shareholders	-782	0	-782	-365	0	-365
EQUITY, CLOSING BALANCE	7,717	10	7,727	7,492	10	7,502

Acquisitions

The following acquisition of companies and operations were carried out during the period.

Company or operations ¹	Included from	Business area	Acquired share, % ²	Annual net sales in SEK M ³	Number of employees (individuals)
Bureau voor Urbanisme (BUUR) BV	January	Belgium	100	47	65 ⁴
Linja Arkkitehdit Oy	April	Finland	100	54	59
Gaia Consulting Oy	April	Finland	100	67	58
Boydens Engineering Group	June	Belgium	100	103	140 ⁵
Other ⁶			–	15	19
TOTAL				286	341

1) Acquired goodwill attributable to acquisition of assets is tax deductible in event of future write-downs.

2) No acquired ownership share reported for asset deals.

3) Estimated annual net sales.

4) Of which 63 self employed.

5) Of which 5 self employed.

6) Acquisition of Wendelbo Landskap AS (Norway), Arcade Concept Engineering (Belgium) and Mark & Pieler Ingeniuere (Germany).

During the period, the acquired companies contributed SEK 58 million in net sales, SEK 4 million in EBITA and SEK -2 million in operating profit (EBIT). If the companies had been owned as of 1 January 2021 they would have contributed approximately SEK 148 million in net sales, about SEK 13 million in EBITA and about SEK 4 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 5 million.

The purchase considerations of the acquisitions carried out in the period totalled SEK 290 million and had a negative impact on cash and cash equivalents of SEK 287 million. The acquisition analyses regarding Bureau voor Urbanisme (BUUR) BV, Linja Arkkitehdit Oy, Gaia Consulting Oy, Arcade Concept Engineering, Mark & Pieler Ingeniuere and Boydens Engineering are preliminary. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

Acquisitions, SEK M

Intangible assets	256
Property, plant and equipment	7
Right-of-use assets	18
Financial assets	0
Current assets	94
Non-current lease liabilities	-17
Non-current other liabilities	-5
Deferred tax	-7
Other current liabilities	-57
Total purchase consideration	290
Payment of deferred purchase price	19
Cash and cash equivalents in acquired companies	-22
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	287

Divestments

In the beginning of the year, Sweco divested its Norwegian subsidiary Årstiderne Arkitekter AS with 3 employees. The divestment had no impact on profit and the divested company did not contribute any net sales or profit during the period.

Acquisition-related items

SEK M	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jul 2020– Jun 2021	Full-year 2020
Amortisation of acquisition-related intangible assets	-26	-22	-48	-46	-87	-85
Revaluation of additional purchase price	0	-39	0	-39	2	-38
Profit/loss on divestment of buildings and land	–	0	–	0	6	6
Profit/loss on divestment of companies and operations	–	–	–	–	29	29
Cost for received future service	-11	-13	-22	-25	-45	-47
ACQUISITION-RELATED ITEMS	-36	-74	-70	-110	-95	-135

Fair value of financial instruments

The Group's financial instruments consist of shares, trade receivables, other receivables, cash and cash equivalents, trade payables, forward exchange contracts, interest bearing liabilities, other liabilities, and contingent considerations. Descriptions of each category and valuation techniques for the different levels are shown below and in the 2020 Annual Report, Note 33 Financial instrument per category. No transfers between any of the levels took place during the period.

Forward exchange contracts are measured at fair value based on Level 2 inputs. As per 30 June 2021, forward contracts with a positive market value amounted to SEK 0 million compared to SEK 1 million as per 31 December 2020 and forward contracts with a negative market value amounted to SEK 0 million compared to SEK 0 million as per 31 December 2020. Unlisted financial assets and contingent considerations are measured at fair value based on Level 3 inputs. The fair value of unlisted financial assets amounted to SEK 10 million as per 30 June 2021 compared to SEK 10 million as per 31 December 2020, and financial liabilities for contingent considerations amounted to SEK 32 million compared to SEK 49 million as per 31 December 2020. Other financial assets and liabilities are measured at accrued amortised cost. Accrued amortised cost is considered a good approximation of fair value since the fixed interest period for all loans is less than one year.

Quarterly review per business area

	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Net sales, SEK M									
Sweco Sweden	2,012	1,905	1,992	1,489	2,015	1,985	2,054	1,519	1,952
Sweco Norway	696	675	620	489	598	708	692	550	658
Sweco Finland	776	723	729	584	726	738	663	536	611
Sweco Denmark	476	480	500	421	467	458	477	410	442
Sweco Netherlands	495	528	515	466	538	547	542	488	519
Sweco Belgium	474	478	414	392	418	431	381	326	352
Sweco UK	289	313	280	280	305	382	348	317	291
Sweco Germany & Central Europe	487	483	175	481	504	497	605	502	438
Group-wide, Eliminations, etc.	-62	-47	-83	-56	-81	-65	-71	-26	-49
TOTAL NET SALES	5,643	5,538	5,142	4,547	5,489	5,680	5,692	4,623	5,214
Items affecting comparability (IAC) ²	-	-	290	-	-	-	-	-	-
TOTAL NET SALES excl. IAC	5,643	5,538	5,432	4,547	5,489	5,680	5,692	4,623	5,214
EBITA, SEK M¹									
Sweco Sweden	272	247	282	149	253	269	271	102	233
Sweco Norway	65	53	44	44	24	97	65	55	18
Sweco Finland	72	76	85	80	104	101	64	76	73
Sweco Denmark	37	41	50	41	22	30	41	44	16
Sweco Netherlands	40	73	42	44	35	51	39	24	37
Sweco Belgium	59	65	46	48	45	50	41	38	41
Sweco UK	4	16	6	9	21	40	24	15	4
Sweco Germany & Central Europe	-9	-3	-317	0	8	9	21	26	18
Group-wide, Eliminations, etc.	-12	-27	-13	2	-18	-17	-34	3	-18
EBITA	529	540	224	417	495	630	532	384	422
Items affecting comparability (IAC) ²	-	-	290	-	-	-	-	-	-
EBITA excl. IAC	529	540	514	417	495	630	532	384	422
EBITA margin, %¹									
Sweco Sweden	13.5	13.0	14.2	10.0	12.6	13.6	13.2	6.7	11.9
Sweco Norway	9.4	7.8	7.1	8.9	4.1	13.7	9.4	10.0	2.7
Sweco Finland	9.2	10.5	11.7	13.7	14.3	13.7	9.6	14.2	12.0
Sweco Denmark	7.7	8.6	9.9	9.7	4.8	6.7	8.6	10.7	3.6
Sweco Netherlands	8.1	13.8	8.1	9.4	6.6	9.4	7.2	5.0	7.1
Sweco Belgium	12.5	13.5	11.0	12.3	10.8	11.5	10.7	11.6	11.7
Sweco UK	1.5	5.1	2.2	3.1	6.8	10.4	7.0	4.8	1.4
Sweco Germany & Central Europe	-1.8	-0.5	-180.8	0.0	1.7	1.8	3.5	5.2	4.1
EBITA margin	9.4	9.8	4.4	9.2	9.0	11.1	9.4	8.3	8.1
Items affecting comparability (IAC) ²	-	-	5.1	-	-	-	-	-	-
EBITA margin excl. IAC	9.4	9.8	9.5	9.2	9.0	11.1	9.4	8.3	8.1
Billing ratio, %	75.0	73.6	74.1	73.8	75.5	73.6	74.6	73.6	74.8
Number of normal working hours	473	487	491	518	465	500	485	519	462
Number of full-time employees	17,904	17,628	17,470	16,988	17,555	17,330	17,084	16,463	16,281

1) EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

2) Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations in Q4 2020 and are reported in Business Area Sweco Germany & Central Europe.

Period review per business area

January–June Business Area ¹	Net sales, SEK M		EBITA, SEK M ²		EBITA margin, % ²		Number of full-time employees	
	2021	2020	2021	2020	2021	2020	2021	2020
Sweco Sweden	3,917	3,999	519	523	13.3	13.1	5,862	5,922
Sweco Norway	1,370	1,306	118	121	8.6	9.3	1,749	1,647
Sweco Finland	1,499	1,464	147	204	9.8	14.0	2,744	2,514
Sweco Denmark	956	926	78	53	8.2	5.7	1,290	1,214
Sweco Netherlands	1,022	1,084	113	87	11.1	8.0	1,359	1,401
Sweco Belgium	953	849	124	95	13.0	11.2	1,171	1,039
Sweco UK	602	687	20	60	3.4	8.8	1,194	1,245
Sweco Germany & Central Europe	970	1,002	-11	17	-1.1	1.7	2,347	2,411
Group-wide, Eliminations, etc. ³	-108	-147	-40	-35	-	-	49	45
TOTAL GROUP	11,181	11,170	1,070	1,125	9.6	10.1	17,764	17,439

1) Sweco is not applying IFRS 16 at the business area level.

2) EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.

3) Group-wide, Eliminations, etc. includes Group functions and the Dutch real estate operations.

Net sales growth

The table below shows the calculation of organic growth excluding calendar effect and items affecting comparability – i.e., net sales growth adjusted for the impact of acquisitions and divestments as well as the effect of foreign currency fluctuations and calendar effects.

	Apr–Jun 2021	Apr–Jun 2020	Growth, % Apr–Jun 2021	Jan–Jun 2021	Jan–Jun 2020	Growth, % Jan–Jun 2021
Reported net sales	5,643	5,489	3	11,181	11,170	0
Adjustment for currency effects		-105	-2		-295	-3
Net sales, currency-adjusted	5,643	5 384	5	11,181	10,875	3
Adjustment for acquisitions/divestments	-137		2	-276		2
Comparable net sales, currency-adjusted	5,506	5 384	2	10,904	10,875	0
Adjustment of calendar effect	-81		1	34		0
Comparable net sales, adjusted for currency and calendar effects	5,425	5 384	1	10,938	10,875	1

	Apr–Jun 2020	Apr–Jun 2019	Growth, % Apr–Jun 2020	Jan–Jun 2020	Jan–Jun 2019	Growth, % Jan–Jun 2020
Reported net sales	5,489	5,214	5	11,170	10,315	8
Adjustment for currency effects		-77	-1		-48	0
Net sales, currency-adjusted	5,489	5,137	7	11,170	10,266	9
Adjustment for acquisitions/divestments	-289	-31	5	-667	-65	6
Comparable net sales, currency-adjusted	5,201	5,106	2	10,503	10,201	3
Adjustment of calendar effect	-23		0	-50		0
Comparable net sales, adjusted for currency and calendar effects	5,178	5,106	1	10,452	10,201	2

Net debt

SEK M	30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current interest-bearing debt	2,136	3,097	2,996
Current interest-bearing debt	281	49	34
Cash and cash equivalents incl. short-term investments	-475	-1,887	-2,088
NET DEBT¹	1,942	1,259	943

¹ Net debt is an alternative performance measure (APM) defined as financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from Net debt.

Parent Company income statement

SEK M	Jan–Jun 2021	Jan–Jun 2020	Full-year 2020
Net sales	469	438	874
Operating expenses	-512	-463	-909
Operating loss	-43	-26	-35
Net financial items	353	313	1,071
Profit/loss after net financial items	309	287	1,036
Appropriations	1	–	-180
Profit/loss before tax	310	287	856
Tax	–	–	-117
PROFIT/LOSS AFTER TAX	310	287	739

Parent Company balance sheet

SEK M	30 Jun 2021	31 Dec 2020
Intangible assets	21	24
Property, plant and equipment	74	60
Financial assets	6,540	6,541
Current assets	2,060	4,593
TOTAL ASSETS	8,695	11,218
Equity	4,292	4,673
Untaxed reserves	654	654
Non-current liabilities	2,031	2,906
Current liabilities	1,718	2,985
TOTAL EQUITY AND LIABILITIES	8,695	11,218