
PRESIDENT AND CEO ÅSA BERGMAN'S SPEECH SWECO'S ANNUAL GENERAL MEETING 2023

20 April 2023

My dear shareholders.

Welcome to Sweco's Annual General Meeting. It's always so nice to meet you all in this context, to have the opportunity to talk to you about events at Sweco over the past year and to answer your questions.

As I'm sure you understand, it's been an intense and occasionally bewildering year, what with the consequences of Russia's full-scale invasion of Ukraine, the aftermath of the pandemic, inflation and disruptions in supply chains. It's clear that we're living in uncertain times.

But there were also positive aspects of the year for Sweco. Some of them brought about by the uncertainty I just mentioned, which has helped accelerate the green transition. We saw increased public and private investments in transitioning Europe's industries, energy systems and transportation infrastructure as well as a focus on making Europe's cities and societies more resilient. It's clear that Sweco has an important role to play.

I'm proud that since January, we've supported the construction of homes in six cities in western Ukraine to provide immediate relief for internal refugees in terms of housing, heat, water and electricity. This is an EU project that we're implementing on behalf of Nefco, the EU's Implementing Agency. This is a two-year project and we are doing it together with Ukrainian sub-consultants. I'm happy to see that Sweco's expertise can be of use in such an important and practical way.

The year in brief

Looking back on the past year, it's clear that we continued to grow and strengthen our position as Europe's leading architecture and engineering consultancy.

Sweco is at the centre of the green transition. Our 20,000 engineers, architects and other experts worked on more than 120,000 client projects during the year. It's these projects where, together with our clients, we help build a sustainable society.

Today, Sweco is active in some 15 markets in Europe through eight business areas, in addition to export projects in many countries around the world.

Net sales for 2022 increased 11 per cent to just over SEK 24 billion. Earnings increased to SEK 2.2 billion, with a margin of 9.2 per cent. This was driven by our clients' increased investments in the transition, and our ability to raise our fees and increase recruitment.

Organic growth doubled year-on-year, reaching 6 per cent.

We improved earnings in Denmark, Norway, Belgium and the UK. Earnings in Germany and Central Europe also improved despite limited growth.

In Sweden, Finland and the Netherlands, earnings decreased slightly for the full year, but increased toward the end of the year, paving the way for a good performance in 2023.

The broad geographical spread in Northern Europe, the balanced customer base comprising both private- and public-sector clients as well as the breadth of our operations means that we're flexible when faced with market fluctuations – something that creates stability.

Adviser for transformative projects

As I mentioned earlier, Sweco is at the centre of the green transition and during the year we noted increased demand within infrastructure, energy, the environment, water management and digital services. I'd like to take the opportunity to mention projects that I think are especially exciting and that highlight our expertise.

Sweco is an adviser to H2 Green Steel in its development of large-scale fossil-free steel production in Norrbotten, in northern Sweden which will reduce the steel industry's global carbon footprint.

We're working on the expansion of the metro in Paris and here in Stockholm.

We're introducing the new digital signal system ERTMS for train traffic in Finland, the Netherlands, Sweden and Germany. This system is the foundation for sustainable transportation and high-speed trains.

We're designing the new football stadium in Aarhus, Denmark.

We're the lead architect and designer for the remodelling of Sturekvarteret, a neighbourhood in Stockholm comprised of listed buildings. This includes 14 buildings and an entirely new metro exit connecting Östermalmstorg station with the new Sturegallerian.

And we've been contracted as architect for the new Nobel Center, also here in Stockholm, which will become a destination for science, culture and dialogue. We're very proud to take on this task from the Nobel Foundation.

I'm happy to say that Sweco is currently the world's fourth largest architectural company.

In Norway, we're providing project management and construction for the expansion of the Ålesund hospital in order to increase capacity.

We also have a hospital project in Växjö, Sweden, which includes the construction of a new 135,000 square metre emergency hospital.

Verviers in east Belgium suffered flooding in 2021. Sweco is now an adviser in a project to transform the heart of the city through roads and by integrating green environments so that the city can better withstand climate change.

In the UK, Sweco is helping a water company in Yorkshire improve its readiness for cyberattacks through a risk management method that identifies threats, vulnerabilities and scenarios for various methods of attack. Our work was hailed by the Drinking Water Inspectorate as the best in the UK.

You are all well aware, I'm sure, that after Russia's full-scale invasion of Ukraine, the EU decided to become independent from Russian gas and fossil fuel by 2030. This will require an investment of some EUR 210 billion by 2027 to succeed.

At Sweco, we have a very important role to play as Europe's entire energy system is renewed and expanded. Here are some projects in the energy sector I'd like to highlight:

In Belgium, we're engineering partners in upgrading the Belgian gas network so that it can also transport hydrogen gas. This is essential for reducing carbon emissions and reducing energy dependency.

In the Netherlands, we're helping VoltH2 with designs and permits for facilities to produce green hydrogen. This project is being led by a team of experts at Sweco from the Netherlands, Belgium and Germany. We'll hear more about this from Bert van Renselaar, business director for energy transition at Sweco Netherlands.

We're technical advisers to the world's first energy island, which is planned for the North Sea. Denmark has unique offshore wind resources, which will help support the green energy transition.

We're helping the battery manufacturer Northvolt convert the hundred-year-old Kvarnsveden paper mill in Borlänge, Sweden. The old industrial property will become a cutting-edge battery factory, which will help electrification in society.

We're collaborating with one of Norway's largest grid projects from Sogndal to Kollsnes in western Norway, which will provide the area with more energy.

As you've noticed, there are more and more innovative projects in the energy sector and I'd like to sum up by saying that Sweco's experts work with many of today's most exciting and transformative projects.

Digitalisation

Digital solutions are often a prerequisite for the sustainable transition, and Sweco's strategy is to develop these solutions together with our clients.

One example is our award-winning tool Carbon Cost Compass, which shows how different material choices in construction projects affect carbon emissions and the economy. The tool provides much-appreciated decision support for builders and property developers who want – and need – to build sustainable, cost-efficient buildings.

In close collaboration with several property clients in Sweden, Sweco has developed a tool called Twinfinity. Using digital twins, Twinfinity visualises buildings' operational data, business data and climate data. This provides the prerequisites for minimising climate impact, lowering operating costs and creating new value for property owners, tenants and residents. Twinfinity was unbundled to form an own company in the autumn to strengthen development and sales.

Acquisition agenda remains active

In the last 20 years, Sweco has completed 160 acquisitions. Acquisitions are an important component of our growth strategy. They help strengthen our geographic presence and offering as well as provide the cutting-edge expertise we need for the future.

We carried out twelve acquisitions in 2022, welcoming nearly 400 experts to Sweco.

This included the Belgian company Futureproofed, which strengthened Sweco's leading edge offering in digitalised climate calculation services for companies and cities.

I'd also like to note that just in the beginning of this year we've already made three acquisitions: one in Belgium and two in the Netherlands that collectively added 700 new engineers and architects to Sweco.

In my opinion, there are still excellent acquisition opportunities in growth areas to strengthen Sweco's position.

Our employees are our most important asset

The ability to attract, develop and retain employees is essential for Sweco's business and our ability to help drive the green transition.

In 2022 we welcomed more than 4,000 new employees to Sweco, and it's also gratifying that in the Nordic region we rank as one of the industry's most attractive employers.

But there is considerable demand for engineers and the skills shortage is, and will remain, a challenge for the entire industry.

An important part of retaining employees is our leadership. We work actively with leadership and ensuring that our employees have the support and development that they need.

Another focus is increased gender equality and diversity. Creating sustainable societies means our mix of employees needs to reflect society. When we build teams with people who have different backgrounds and experience, we become more innovative and better at problem solving, which ultimately is more profitable.

Well-positioned for continued growth

While we live in a time with rising interest rates, inflation and energy prices in all of our markets, it's in times like these that Sweco steps up.

With the strength of the collective expertise of our more than 20,000 architects, engineers and other experts, we work with our clients to create solutions that will accelerate the transformation of society.

Sweco was founded based on Gunnar Nordström's vision of a combined architectural and engineering firm that could work across disciplines. This interdisciplinary approach is more relevant than ever for managing climate change, urbanisation and digitalisation.

I'd like to conclude by extending my thanks to the Board for their continued trust. I'd also like to thank our employees, clients and partners for the initiatives we took together in 2022.

And I'd like to thank you, our shareholders, for your support.