

18 July 2023

Continued strong performance

April–June 2023

- Net sales increased to SEK 7,249 million (6,116)
- EBITA increased to SEK 564 million (486), margin 7.8 per cent (7.9)
- EBITA increased 29 per cent year-on-year after adjustment for calendar effects
- EBIT amounted to SEK 532 million (535), margin 7.3 per cent (8.8)
- Profit after tax amounted to SEK 357 million (409), corresponding to SEK 0.99 per share (1.14)

January–June 2023

- Net sales increased to SEK 14,389 million (12,193)
- EBITA increased to SEK 1,412 million (1,134), margin 9.8 per cent (9.3)
- EBITA increased 23 per cent year-on-year after adjustment for calendar effects
- EBIT increased to SEK 1,370 million (1,165), margin 9.5 per cent (9.6)
- Net debt/EBITDA amounted to 1.5 x (0.9)
- Net debt amounted to SEK 4,097 million (2,014)
- Profit after tax increased to SEK 982 million (872), corresponding to SEK 2.74 per share (2.44)

Sweco plans and designs the sustainable communities and cities of the future. Together with our clients and the collective knowledge of our 21,000 architects, engineers and other specialists, we co-create solutions to address urbanisation, capture the power of digitalisation and make our societies more sustainable. Sweco is Europe's leading engineering and architecture consultancy, with sales of approximately SEK 26 billion (EUR 2.3 billion). The company is listed on Nasdaq Stockholm. This information is information that Sweco is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons, at around 12:00 CEST on 18 July 2023.

CEO comment

Continued strong performance

Sweco delivered a strong combination of organic and acquired growth, with total growth of 19 per cent in the second quarter. EBITA increased 29 per cent, adjusted for calendar effects. With the green transition in society as a core driver in all business areas, we continued to note higher average fees and solid FTE growth. VK Architects+Engineers (VK), our largest acquisition since 2015, is now part of Sweco Belgium and the Netherlands in the quarter.

Demand for Sweco's services remains good and we keep strengthening our order book, while also maintaining a positive momentum in recruitment and retention. Our decentralised business model and diversified client portfolio continue to prove their strength.

Improvements across most business areas

Net sales increased to SEK 7,249 million (6,116), with an organic growth rate of 9 per cent. EBITA increased to SEK 564 million (486), resulting in an EBITA margin of 7.8 per cent (7.9). The EBITA improvement was primarily driven by higher average fees, a higher number of employees and the contribution from VK and other acquisitions, while higher personnel costs and other operating expenses had a negative impact.

Seven out of eight business areas reported positive organic growth and increasing EBITA levels in the quarter. Sweco Belgium reported yet another strong quarter with high growth and margins, and Denmark continued to show positive momentum. Norway, Finland and the Netherlands also reported growth and EBITA improvements, while Sweden reported a solid quarter with good margins.

Germany & Central Europe continues to take steps in the right direction, with good growth in the quarter and a steady inflow of new orders. The UK remains challenging, with weakening markets in infrastructure and commercial buildings impacting growth and EBITA.

Acquisitions and projects

We continued to capture opportunities during the quarter, with four new acquisitions in four countries – Sweden, the UK, Finland and Belgium – and another acquisition on 5 July, adding around 220 experts. This amounts to a total of eight acquisitions this year with close to 900 new experts joining us.

In Sweden, Sweco acquired Metria AB's survey business with 110 experts, strengthening our already leading position in the market. We also strengthened our position in the UK market for building inspections through the acquisition of Ball & Berry, with 40 experts. In Finland, we acquired Neva Architects with 30 architects, thereby strengthening Sweco's position in the high-growth Tampere region. In addition, we made an important addition in Belgium with the acquisition of fire protection consultancy firm FPC risk, with 30 experts.

We won several important projects during the quarter. To mention a couple: Sweco will help Belgium's public transport company De Lijn to transform their bus depots into facilities for electric buses as part of the plan to make Belgium's public transport emission-free by 2035; and in Finland, Sweco will, together with Stora Enso, develop a new wood building concept to increase circularity in buildings.

Well positioned in a mixed market

Our decentralised business model and diversified client portfolio are the backbone of Sweco, and demonstrate their benefits in the current market. In the second quarter we continued to advance our market positions, building on our long-term strategy for growth and profitability. The demand for Sweco's services remains solid, going hand-in-hand with the green transition we see in all of our business areas. With our strong financial position, continued focus on costs and efficiency, as well as our acquisition agenda, Sweco is well positioned to continue delivering on our strategy.



A stylized handwritten signature in black ink.

Åsa Bergman
President and CEO

Europe's leading architecture and engineering consultancy

Sweco operates at the centre of the green transition. With the collective knowledge of our more than 21,000 architects, engineers and other experts, we co-create solutions with our clients that transform societies. Our work approach enables us to offer a combination of global expertise together with local presence and understanding, and by this we are adapting to our clients' business and reality.

Key figures

#1 In the European market	8 Business Areas	20,000 Full-time employees
SEK 26.5 bn Net sales R12	SEK 2.5 bn EBITA R12	9.5% EBITA margin R12

Group performance

The second quarter resulted in good organic growth of 9 per cent, adjusted for calendar effects, and acquired growth of 7 per cent. EBITA increased approximately 29 per cent or SEK 140 million year-on-year after adjustment for calendar effects.

April–June

Net sales increased 19 per cent to SEK 7,249 million (6,116). Organic growth amounted to approximately 9 per cent, after adjustment for calendar effects, and acquired growth amounted to 7 per cent. Currency effects were 4 per cent in the quarter.

Higher average fees, a higher number of employees and higher revenue from subconsultants were the major drivers for organic growth.

EBITA increased to SEK 564 million (486) and the EBITA margin amounted to 7.8 per cent (7.9). EBITA increased approximately 29 per cent or SEK 140 million year-on-year after adjustment for calendar effects.

The seven business areas Belgium, Denmark, Finland, the Netherlands, Norway, Germany & Central Europe and Sweden all achieved increasing EBITA levels, adjusted for calendar effects. Overall for the Group, EBITA was positively affected by higher average fees, a higher number of employees and the contribution from VK Architects + Engineers and other acquisitions. Higher personnel expenses and higher other operating expenses had a negative impact. The negative impact from sickness absence in the second quarter last year was reversed.

VK Architects + Engineers was consolidated into Sweco Belgium and Sweco Netherlands as of 31 March and contributed with net sales of SEK 230 million and an EBITA of SEK 32 million in the second quarter.

The quarter had six less working hours compared with the same period last year. This corresponded to a negative year-on-year impact of approximately SEK 63 million on net sales and EBITA.

The billing ratio decreased slightly to 74.2 per cent (74.3). Excluding acquired entities, the billing ratio increased slightly. These entities have not yet been integrated into Sweco's processes for time reporting and billing ratio follow-up.

Total net financial items reduced to SEK -57 million (-20), primarily due to higher interest rates and increased debt.

Earnings per share decreased to SEK 0.99 (1.14).

KPIs	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Net sales, SEK M	7,249	6,116	14,389	12,193	26,493	24,296
Organic growth, %	8	4	10	4		6
Acquisition-related growth, %	7	2	5	2		2
Currency, %	4	2	4	3		3
Total growth, %	19	8	18	9		11
Organic growth adj. for calendar, %	9	5	10	4		6
EBITA, SEK M ¹	564	486	1,412	1,134	2,504	2,225
Margin, %	7.8	7.9	9.8	9.3	9.5	9.2
Profit after tax, SEK M	357	409	982	872	1,763	1,652
Earnings per share, SEK	0.99	1.14	2.74	2.44	4.91	4.61
Number of full-time employees	20,310	18,626	19,845	18,439	19,340	18,651
Billing ratio, %	74.2	74.3	73.7	73.9	73.7	73.9
Normal working hours	462	468	966	965	1,972	1,971
Net debt/EBITDA, x ²			1.5	0.9		0.4

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.

2) 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.

January–June

Net sales increased 18 per cent to SEK 14,389 million (12,193). Organic growth amounted to approximately 10 per cent after adjustment for calendar effects. Acquired growth amounted to 5 per cent and currency effects impacted growth with 4 per cent.

Organic growth adjusted for calendar effects was driven mainly by higher average fees, a higher number of employees and higher revenue from subconsultants.

EBITA increased to SEK 1,412 million (1,134). The EBITA margin increased to 9.8 per cent (9.3).

EBITA increased approximately 23 per cent or SEK 266 million year-on-year after adjustment for calendar effects. Belgium, Denmark, Norway, the Netherlands, Sweden, Finland and Germany & Central Europe noted increasing EBITA levels, adjusted for calendar effects. The UK reported lower earnings. Overall for the Group, the EBITA increase was primarily driven by higher average fees, a higher number of employees and the contribution from VK Architects + Engineers and other acquisitions, while higher personnel expenses and higher other operating expenses had a negative impact.

The calendar effect of two more hours had a positive year-on-year impact of approximately SEK 12 million on net sales and EBITA.

The billing ratio decreased to 73.7 per cent (73.9).

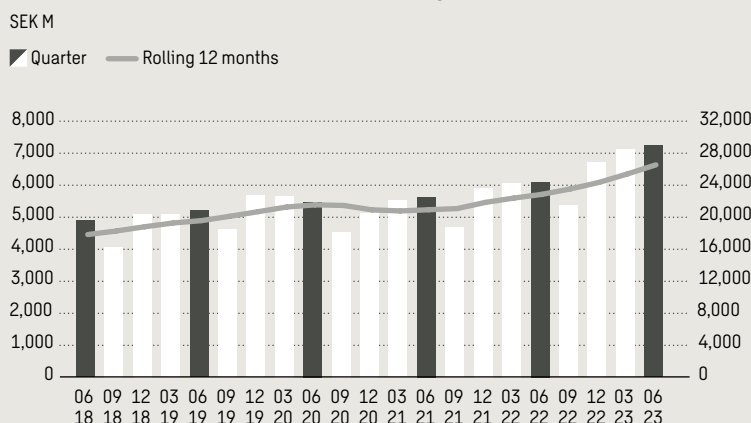
Total net financial items reduced to SEK -96 million (-41) primarily due to higher interest rates and increased debt.

Earnings per share increased to SEK 2.74 (2.44).

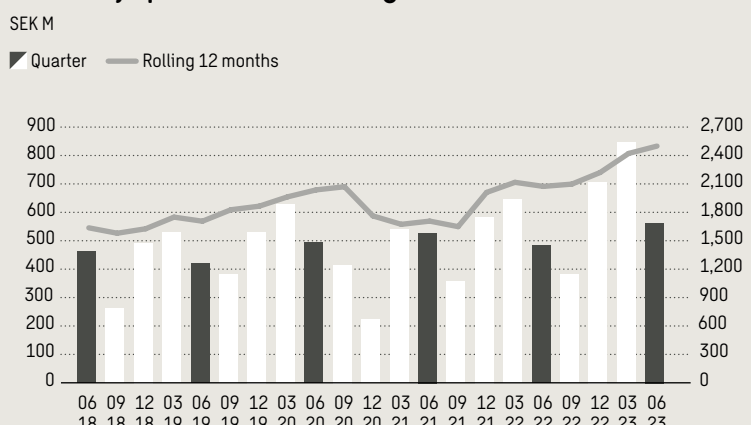
Employees

The number of full-time employees amounted to 19,845 (18,439) in the period.

Net sales by quarter and rolling 12 months



EBITA by quarter and rolling 12 months



Market

The underlying market for Sweco's services was good in the second quarter. Essentially all business areas experienced good demand for Sweco's services in the infrastructure, water, environment, energy and industry segments. However, demand for services in parts of the building and the real estate segments continued to weaken, with negative impact primarily in residential and commercial real estate.

Outlook

Russia's full-scale invasion of Ukraine and its macroeconomic impact continues to create significant uncertainty regarding future market development. The general economy and Sweco's

markets are impacted by increased inflation, higher interest rates and energy supply risk. While some of Sweco's market segments were negatively impacted, there was a concurrent increase in demand in other segments. Overall demand for Sweco's services normally follows the general macro-economic trend, with some time lag.

Sweco does not provide forecasts.

Events during the quarter

On 17 April, Sweco announced the acquisition of Metria AB's planning and survey business in Sweden. Planning and Survey has around 110 employees and annual net sales of SEK 139 million. The acquisition was completed

on 2 May 2023 and consolidated into Sweco Sweden as of May 2023.

On 3 May, Sweco acquired Neva Architects in Finland with around 30 experts. The acquisition contributes to Sweco now being one of Finland's largest architecture consultancies with over 150 architects. In 2022, Neva Architects had a turnover of SEK 33 million. Neva Architects was consolidated into Sweco Finland as of May 2023.

On 4 May, Sweco announced the acquisition of Approved Inspector Building Control firm Ball & Berry in the UK. Ball & Berry has around 40 experts. In 2022, the company had a turnover of SEK 44 million. Ball & Berry was consolidated into Sweco UK as of May 2023.

On 27 April, dividends totalling SEK 968 million (876) were distributed to Sweco AB shareholders.

On 24 May, Sweco announced the conversion of its EUR 400 million revolving credit facility to a sustainability-linked loan.

On 1 June, Thomas Hietto took up the role as the new Business Area President for Sweco Finland and joined Sweco AB's Executive Team. Thomas Hietto succeeds Markku Varis who is retiring after 30 successful years with Sweco.

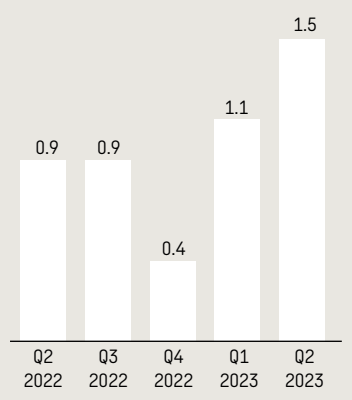
Events after the quarter

On 5 July, Sweco announced the acquisition of fire protection consultancy firm FPC Risk in Belgium. The company has around 30 experts in fire risk and emergency management.

Cash flow and financial position

Group cash flow from operating activities totalled SEK 512 million (739) for the half of the year. Net debt increased to SEK 4,097 million (2,014), primarily as a result of increased outflows for acquisitions and working capital build-up.

Net debt/EBITDA, x



The Net debt/EBITDA ratio was 1.5x (0.9).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 3,235 million (3,250) at the end of the quarter.

Purchase considerations paid to acquire companies and operations had an impact of SEK -1,320 million (-444) on the Group's cash and cash equivalents. No divestments were made during the period. Last year divestments of companies and operations had an impact of SEK 69 million on 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 2023

Investments in equipment totalled SEK 162 million (118) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 115 million (106) and amortisation of intangible assets totalled SEK 96 million (67).

New projects

Energy and Industry

Wind power expansion in the north, nuclear decommissioning in the south and increased electricity consumption in Sweden, require increased trans-

mission capacity in the electricity grid. National authority Svenska kraftnät has tasked Sweco with designing two parallel 400 kV overhead power lines to be built along a 100-kilometre-long section, thereby aiming to improve Sweden's long-term electricity supply. Sweco's experts within power lines, geotechnics, hydrogeology, surveying and mapping are involved in the assignment, contributing to creating a resilient society. The order value amounts to SEK 30 million.

Sweco has won a framework agreement for Energinet, an independent public enterprise owned by the Danish Ministry of Climate, Energy and Utilities. Energinet's purpose is to own, operate and develop the overall energy infrastructure, thus contributing to the development of a climate-neutral energy supply. Sweco will act as an advisor for Energinet and handle an eight-year resource lending framework agreement with environmental assessment on land. The project started on 12 June 2023 and runs until 2031. The value of the framework agreement is SEK 390 million.

Wind energy is taking an ever-larger share of the electricity mix in northern Germany. To be able to transport electricity generated from wind power to other parts of the country, power lines are being planned along various nationwide routes. Sweco has been selected by one of Europe's largest grid operators as a planning partner for investigating the ideal routing for the important Elbe-Lübeck power line. The order value is SEK 223 million and the project is scheduled to finish in 2026.

Sweco has been appointed advisor for increased resilience in Mozambique's energy system as a part of an agreement between the governments of Sweden and Mozambique, for the state-owned energy company Electricidade de Moçambique (EDM). Sweco is to develop the preparedness of the

national energy system as well as processes for disaster management to protect infrastructure from extreme weather. The project length is 12 months and has an order value of about SEK 5 million, and entails collaboration by Sweco's experts in energy, the environment and infrastructure with local and international partners.

Transport and infrastructure

Sweco supports De Lijn, a public transport company in Belgium, to transform bus depots into facilities for electric buses. This is part of a plan to make public transport emission-free by 2035, including the full transition to a green bus fleet and the conversion of bus depots to support the necessary charging infrastructure. Sweco will support this transition by providing extensive multidisciplinary expertise on electrification as well as project management, and various engineering and environmental studies. The contract value is SEK 17 million.

The Wesel-Datteln Canal is one of two entrance gates for Germany's only west-east waterway connection and it connects the Ruhr area via the Rhine with the seaports of Rotterdam, Antwerp and Amsterdam. As more freight traffic is to be shifted to the waterways, the lock systems must be renewed and adapted. In an engineering consortium, Sweco was commissioned to develop planning for the replacement of the locks and pumping stations at three locations and providing project and structural planning in hydraulic engineering, civil engineering and construction supervision. The order value is SEK 82 million.

Sweco's consultants have developed a customised digital tool for UK local authority South Tyneside Council, designed to support the assessment of transportation issues by utilising advanced GIS datasets and spatial data analysis techniques. The services include development of the software,

scenario testing and impact assessment as well as detailed stakeholder engagement to ensure the council has the necessary data to make investment decisions on future cycling infrastructure schemes. The contract value is SEK 0.3 million.

Buildings and Architecture

Sweco is taking part in developing a unique wood building concept for mixed hotel and office use in Finland. The client is Stora Enso, a leading provider of renewable products in packaging, biomaterials, and wooden construction. The concept made with Stora Enso's prefabricated wood products enables real estate investors to build a seven-story flexible wood building and proposes new ways of increasing the circularity of buildings. The wooden building concept stores 408 tonnes of carbon over the building's life cycle, which implies that 1,496 tonnes CO₂e will be kept away from the atmosphere.

Sweco has been assigned to perform project management over the construction of a pilot military complex in Limanowa in Poland. This is the first project of this type in Poland, which, if successful, will be replicated at other locations across the country. The investment is carried out by the Ministry of National Defense and the City of Limanowa with the support of the Polish Development Fund. The planned date of completion of construction is the fourth quarter of 2024. The Sweco order sum is SEK 2 million.

Sweco is providing expert advice in the transformation of a listed heritage property in Manchester. The project will see the Great Northern Warehouse reopen as a mixed-use site that will house office space, commercial units and apartments. Sweco will assist the design team in ensuring construction meets regulatory requirements for listed buildings whilst incorporating

carbon reduction and capture strategies, techniques and materials. The client is Trilogy Real Estate and Peterson Group and the value of Sweco's contribution is SEK 2 million.

Resilience, environment

Sweco is working with Flanders Environment Agency (VMM), an agency of the Flemish government, to design water retention basins for flood protection in the municipality of Voeren. The basins will also contribute to the prevention of drought and erosion as well as the restoration of wetlands. The project aims to create 60,000 m³ of buffer capacity by 2026. Sweco's approach takes into account nature objectives, landscape value, and agricultural use in the valley areas. Sweco is responsible for the preliminary study, pre-design, final design, permit and tender documents. The contract value is SEK 4 million.

Sweco is assisting the Port of Antwerp-Bruges, a major European port and a leader in circular economy and energy transition, with the assessment and management of PFAS (per- and polyfluoroalkyl substances) pollution in the port area. Sweco's experts will create a detailed soil and ground-water model of the area. This will enable the port to plan future developments and improve environmental quality. Sweco is responsible for the permit design and basic engineering of the project. The contract value is SEK 4 million.

Northern Gas Networks Limited (NGN) is a UK company distributing gas to homes and businesses via 36,000 kilometers of pipelines. Sweco will perform land quality assessment services with the aim of supporting NGN's fulfilment of environmental commitments through supplementary embodied carbon assessments for chosen remediation methods and delivering biodiversity enhancements by design.

Sweco is taking part in developing a unique wood building concept for mixed hotel and office use for the client Stora Enso in Finland.



Sweco is assisting the Port of Antwerp-Bruges, a major European port and a leader in circular economy and energy transition, with the assessment and management of PFAS pollution in the port area.

Business Area Overview

Sweco operates its business in and through eight geographical business areas: Sweden, Norway, Finland, Denmark, the Netherlands, Belgium, the UK and Germany and Central Europe.



- 1) Part of Business Area Finland
- 2) Part of Business Area Germany and Central Europe
- 3) Part of Business Area Belgium
- 4) Part of Business Area UK

Sweco's markets

Sweco is present in some 15 European markets and holds well-established positions in its business areas. It is primarily in these areas that the company will grow in the future. These markets are economically and politically stable, while also being close to each other geographically and culturally.

Sweco Sweden

Organic growth amounted to 5 per cent and EBITA increased 1 per cent, adjusted for calendar effects, both mainly driven by FTE growth and higher average fees. The market remained relatively good, albeit with continued weakness in the residential and commercial buildings segment.

Sales and profit, April–June

Net sales increased 5 per cent to SEK 2,177 million (2,067). Organic growth was approximately 5 per cent, adjusted for calendar effects, and was mainly driven by a higher number of employees and higher average fees. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 26 million on net sales and EBITA.

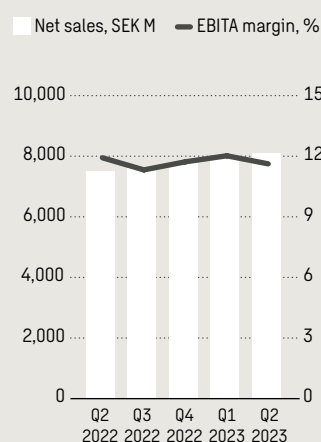
EBITA increased approximately 1 per cent, corresponding to SEK 2 million, adjusted for calendar effects. The EBITA increase was mainly driven by higher average fees and a higher number of employees, while higher personnel expenses, higher negative project adjustments and a lower billing ratio impacted negatively. The EBITA margin decreased to 10.2 per cent (11.9).

Market

The Swedish market remained relatively good during the quarter, albeit with large variations between the different segments. Demand for infrastructure services was good, backed by major public and industrial investments. The market for energy investments as well as for water and environmental services was also good.

The trend in the industry segment is somewhat uncertain, with the exception of northern Sweden, which continues to be a booming market driven by the green transition. In the real estate market, the weakness in the residential and commercial segments continued. The demand in the public building segments was good.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	2,177	2,067	4,355	4,035
Organic growth, %	4	2	7	2
Acquisition-related growth, %	1	1	1	1
Currency, %	0	0	0	0
Total growth, %	5	3	8	3
Organic growth adj. for calendar, %	5	3	7	2
EBITA, SEK M	221	245	531	500
EBITA margin, %	10.2	11.9	12.2	12.4
Number of full-time employees	6,391	6,002	6,302	5,926

Sweco Norway

Organic growth amounted to 9 per cent and EBITA increased 38 per cent, adjusted for calendar effects. Both were mainly driven by higher average fees and FTE growth. The market was stable, except for the residential and commercial buildings segments that remained weak.

Sales and profit, April–June

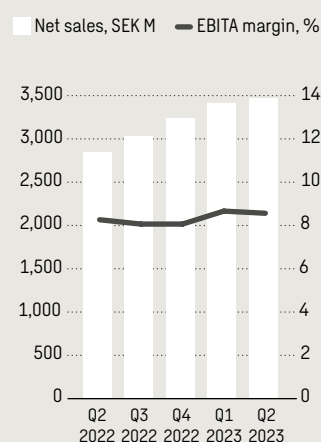
Net sales increased 8 per cent to SEK 840 million (778). Organic growth was approximately 9 per cent, adjusted for calendar effects, and was driven mainly by higher average fees, a higher number of employees and higher revenue from subconsultants. Acquisitions contributed 6 per cent to growth. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 11 million on net sales and EBITA.

EBITA increased approximately 38 per cent, corresponding to SEK 14 million, adjusted for calendar effects. The EBITA increase was mainly driven by higher average fees and a higher number of employees, while higher personnel expenses impacted negatively. The EBITA margin was stable at 4.8 per cent (4.8).

Market

The Norwegian market was stable during the quarter, however with variations between the different segments. The demand for services in the industry, energy, environment and water markets was good, partly driven by the shift towards electrification. The demand for infrastructure services was stable. In the real estate market, the weakness in the residential and commercial segments continued, while the public building segment was stable.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	840	778	1,834	1,600
Organic growth, %	8	2	11	8
Acquisition-related growth, %	6	7	8	3
Currency, %	-6	4	-5	5
Total growth, %	8	12	15	17
Organic growth adj. for calendar, %	9	6	11	7
EBITA, SEK M	41	38	190	153
EBITA margin, %	4.8	4.8	10.4	9.6
Number of full-time employees	2,052	1,865	2,066	1,826

Sweco Finland

Organic growth amounted to 10 per cent, adjusted for calendar effects, driven by higher average fees and a higher billing ratio, which also impacted earnings positively. The market continued to be somewhat weak although some segments showed good demand.

Sales and profit, April–June

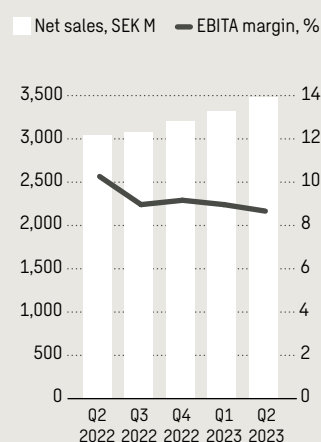
Net sales increased 19 per cent to SEK 969 million (812). Organic growth amounted to approximately 10 per cent, adjusted for calendar effects, and was impacted positively by higher average fees, higher revenue from subconsultants and a higher billing ratio. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 11 million on net sales and EBITA.

EBITA increased approximately 26 per cent, corresponding to SEK 18 million, adjusted for calendar effects. The EBITA increase was mainly attributable to higher average fees and a higher billing ratio, while higher personnel expenses impacted negatively. The EBITA margin decreased to 7.6 per cent (8.3).

Market

Overall, the Finnish market remained somewhat weaker, but with large differences between segments. The market for industrial services and energy was good, as was the market for infrastructure-related services. Demand for services within the residential and commercial building segments remained challenging, while the public building segment was stable.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	969	812	1,873	1,600
Organic growth, %	9	1	8	1
Acquisition-related growth, %	1	0	0	2
Currency, %	9	3	8	3
Total growth, %	19	5	17	7
Organic growth adj. for calendar, %	10	1	8	0
EBITA, SEK M	74	67	150	142
EBITA margin, %	7.6	8.3	8.0	8.9
Number of full-time employees	2,985	2,933	2,931	2,870

Sweco Denmark

Organic growth amounted to 18 per cent, adjusted for calendar effects. EBITA more than doubled, adjusted for calendar effects, and was driven by higher average fees and higher earnings from subconsultants. The market was good, albeit with weakness in the private residential building segment.

Sales and profit, April–June

Net sales increased 30 per cent to SEK 683 million (527). Organic growth amounted to approximately 18 per cent, adjusted for calendar effects, and was impacted positively by a higher number of employees, higher revenue from subconsultants and higher average fees. Acquired growth amounted to 4 per cent. The year-on-year calendar effect of eight less hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

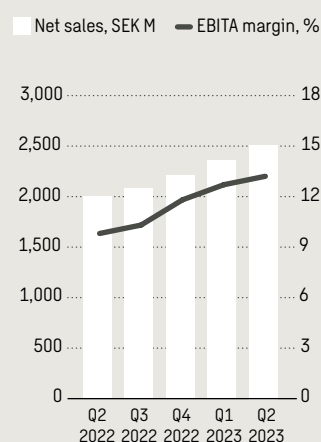
EBITA increased approximately 121 per cent, corresponding to SEK 40 million, adjusted for calendar effects. The EBITA margin increased to 9.7 per cent (6.3). The EBITA increase was mainly driven by higher average fees, higher earnings from subconsultants and a higher number of employees.

Market

The Danish market was overall stable during the second quarter. Activity within the public sector increased moderately, while most of the private sector remained stable during the period. The industry market shows increasing demand, mainly driven by large investments in pharma.

The exception in the market is private residential building, which has decreased significantly.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	683	527	1,358	1,058
Organic growth, %	17	7	17	7
Acquisition-related growth, %	4	0	3	0
Currency, %	9	3	8	3
Total growth, %	30	11	28	11
Organic growth adj. for calendar, %	18	7	17	7
EBITA, SEK M	66	33	167	94
EBITA margin, %	9.7	6.3	12.3	8.9
Number of full-time employees	1,534	1,368	1,503	1,363

Sweco Netherlands

Organic growth amounted to 6 per cent. EBITA increased 43 per cent mainly driven by a higher billing ratio, higher average fees and contributions from acquisitions. The market was relatively stable, still with differences between segments.

Sales and profit, April–June

Net sales increased 27 per cent to SEK 701 million (552). Acquired growth contributed 12 per cent. Organic growth amounted to 6 per cent and was mainly driven by a higher billing ratio, higher revenue from subconsultants and higher average fees. There was no year-on-year difference in the number of available working hours.

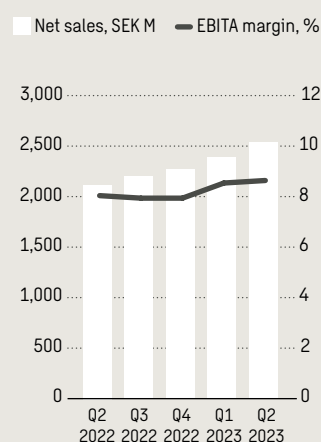
EBITA increased 43 per cent, corresponding to SEK 15 million. The EBITA margin increased to 6.9 per cent (6.1). The EBITA increase was mainly attributable to a higher billing ratio, higher average fees and contributions from acquisitions, while higher personnel expenses impacted negatively.

Market

The Dutch market was relatively stable in the quarter, albeit with differences between segments. The water & environment markets were stable. The energy market was good due to increased demand from energy transition.

Demand in the infrastructure and building segments remained subdued caused by the so called nitrogen issue, related to uncertainties around the impact from the EU regulation of nitrogen emissions in the Netherlands. Furthermore, the residential building segment remained weak.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	701	552	1,387	1,119
Organic growth, %	6	5	9	3
Acquisition-related growth, %	12	4	7	3
Currency, %	9	3	8	3
Total growth, %	27	12	24	9
Organic growth adj. for calendar, %	6	5	8	2
EBITA, SEK M	48	34	122	83
EBITA margin, %	6.9	6.1	8.8	7.4
Number of full-time employees	1,604	1,422	1,554	1,429

Sweco Belgium

Organic growth amounted to 16 per cent. EBITA almost doubled and was driven by higher average fees and contributions from acquisitions. The market remained good with continued investments in healthcare and pharma as well as infrastructure and energy transition.

Sales and profit, April–June

Net sales increased 67 per cent to SEK 980 million (587). Organic growth was 16 per cent and was mainly driven by higher average fees and higher revenue from subconsultants. Acquisitions contributed 42 per cent to growth and mainly pertained to the acquisition of VK Architects+Engineers. There was no year-on-year difference in the number of available working hours.

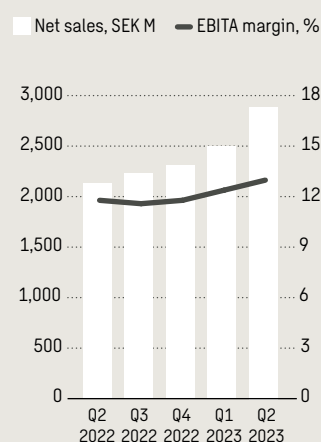
EBITA increased 98 per cent, corresponding to SEK 66 million. The EBITA margin increased to 13.7 per cent (11.5). The EBITA increase was mainly attributable to higher average fees and contributions from acquisitions, while higher personnel and other operating expenses had a negative impact.

Market

The Belgian market remained good within most segments. The building markets were overall stable and new investments were planned in the healthcare and pharmaceutical industries. However, the slowdown in residential and office investments continued.

The demand in the energy and environment segments were good driven by energy transition investments. Demand in the industry segment was stable. The infrastructure market was overall good.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	980	587	1,768	1,184
Organic growth, %	16	11	17	12
Acquisition-related growth, %	42	10	25	9
Currency, %	9	3	8	3
Total growth, %	67	24	49	24
Organic growth adj. for calendar, %	16	11	17	11
EBITA, SEK M	134	68	251	145
EBITA margin, %	13.7	11.5	14.2	12.3
Number of full-time employees	2,069	1,503	1,854	1,483

Sweco UK

Organic growth amounted to -1 per cent and EBITA decreased significantly, both mainly driven by a lower billing ratio. The UK market remained challenging in the quarter, with the infrastructure market continuing to weaken, as did the market for commercial buildings.

Sales and profit, April–June

Net sales increased 8 per cent to SEK 375 million (347). Organic growth was -1 per cent and the decline was mainly driven by a lower billing ratio and higher negative project adjustments. Currency effects amounted to 7 per cent. There was no year-on-year difference in the number of available working hours.

EBITA decreased 121 per cent, corresponding to SEK 15 million. The EBITA margin decreased to -0.7 per cent (3.5). The EBITA decrease was mainly attributable to a lower billing ratio and higher negative project adjustments.

In light of the weak second quarter, actions are being taken to bring underperforming parts of the business back on track.

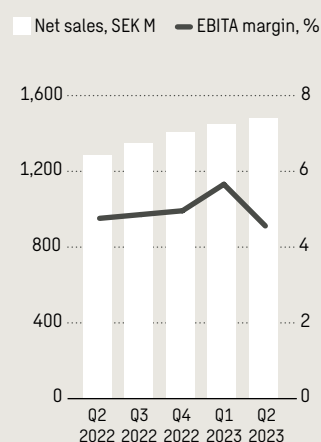
Market

The UK market remained challenging in the second quarter. The demand for services in the energy market was very good, driven by energy storage and green energy generation investments.

The infrastructure market continued to weaken due to the delays of major transport infrastructure projects announced by the government in the previous quarter. The water market was stable, while the environment market weakened.

In the real estate market, the weakness in the residential segment remained. The commercial buildings segment weakened due to increased market uncertainty. Other building segments such as data centres, life sciences and healthcare showed good demand.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	375	347	761	691
Organic growth, %	-1	15	5	8
Acquisition-related growth, %	2	0	1	0
Currency, %	7	5	4	7
Total growth, %	8	20	10	15
Organic growth adj. for calendar, %	-1	17	4	9
EBITA, SEK M	-3	12	24	27
EBITA margin, %	-0.7	3.5	3.2	3.9
Number of full-time employees	1,266	1,163	1,251	1,162

Sweco Germany and Central Europe

Organic growth amounted to 13 per cent and EBITA increased 61 per cent, adjusted for calendar effects, both mainly driven by higher average fees. The market remained somewhat weak, mainly in private real estate, whereas energy transition and infrastructure investments continued to drive demand.

Sales and profit, April–June

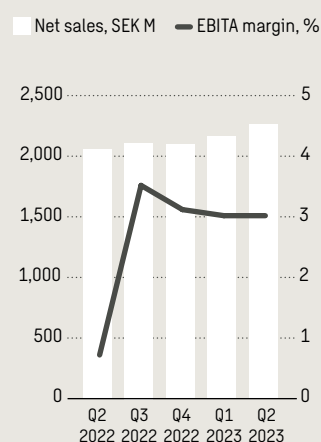
Net sales increased 20 per cent to SEK 607 million (505). Organic growth amounted to approximately 13 per cent, adjusted for calendar effects, and was mainly driven by higher average fees. The year-on-year calendar effect of nine less hours had a negative impact of approximately SEK 7 million on net sales and EBITA.

EBITA increased approximately 61 per cent, corresponding to SEK 9 million, adjusted for calendar effects. The EBITA increase was mainly driven by higher average fees, while higher personnel and other operating expenses impacted negatively. The EBITA margin decreased to 2.6 per cent (2.8).

Market

Overall, the German market remained somewhat weak in the second quarter. This effect was in particular driven by weaker demand in the commercial real estate sector and overall in the private sector due to market uncertainty and higher construction costs. The demand for services in the energy, environment and water markets was good, with energy transition and new regulation for waste treatment boosting demand. The demand for infrastructure services was good and stable.

Net sales & EBITA margin, rolling 12 months



In brief

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022
Net sales and profit				
Net sales, SEK M	607	505	1,184	1,014
Organic growth, %	12	0	9	1
Acquisition-related growth, %	-2	0	-1	0
Currency, %	10	3	8	3
Total growth, %	20	4	17	5
Organic growth adj. for calendar, %	13	0	9	0
EBITA, SEK M	16	14	35	32
EBITA margin, %	2.6	2.8	2.9	3.1
Number of full-time employees	2,319	2,317	2,307	2,330

Other information

Parent Company, January–June 2023

Parent Company net sales totalled SEK 567 million (524) and were attributable to intra-group services. Profit after net financial items totalled SEK 247 million (279). Investments in equipment totalled SEK 40 million (9). Cash and cash equivalents at the end of the period totalled SEK 119 million (202).

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 2022.

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 main 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 Business Area 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 are presented on pages 21 and 28. The 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 118.70 at the end of the period, representing a decrease of 10 per cent during the quarter. Nasdaq Stockholm OMXSPI increased 1 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,065,598 Class A shares and 332,185,859 Class B shares. The total number of shares outstanding was 359,141,452: 31,065,598 Class A shares and 328,075,854 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 war in Ukraine. 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 2022 Annual Report (page 54–58, Risks and Risk Management).

Calendar effects

Year 2023

The number of normal working hours in 2023, based on the 12-month sales-weighted business mix as of September 2022, is broken down as follows:

	2023	2022	
Quarter 1:	504	497	8
Quarter 2:	462	468	-6
Quarter 3:	508	516	-7
Quarter 4:	487	490	-2
Total:	1,962	1,971	-8

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:

2023 Estimate	SEK -178 million
2024 Estimate	SEK -116 million
2025 Estimate	SEK -90 million
2026 Estimate	SEK -76 million

Forthcoming financial information

Interim report January–September	27 October 2023
Capital markets day	14 November 2023
Year-end report 2023	9 February 2024

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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, 18 July 2023

Johan Nordström
Board Chairman

Johan Hjertonsson
Board member

Christine Wolff
Board member

Alf Göransson
Board member

Susanne Pahlén Åklundh
Board member

Johan Wall
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 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Profitability						
EBITA margin, %	7.8	7.9	9.8	9.3	9.5	9.2
Operating margin (EBIT), %	7.3	8.8	9.5	9.6	9.3	9.2
Revenue growth²						
Organic growth, %	8	4	10	4		6
Acquisition-related growth, %	7	2	5	2		2
Currency, %	4	2	4	3		3
Total growth, %	19	8	18	9		11
Organic growth adj. for calendar, %	9	5	10	4		6
Debt						
Net debt, SEK M			4,097	2,014		1,075
Interest-bearing debt, SEK M			4,745	2,633		1,926
Financial strength						
Net debt/Equity, %			39.5	22.7		10.8
Net debt/EBITDA, x			1.5	0.9		0.4
Equity/Assets ratio, %			40.6	42.2		45.4
Available cash and cash equivalents, SEK M			3,235	3,250		4,869
– of which unutilised credit, SEK M			2,588	2,631		4,018
Return						
Return on equity, %			18.3	19.2		17.8
Return on capital employed, %			15.5	15.7		16.5
Share data						
Earnings per share, SEK	0.99	1.14	2.74	2.44	4.91	4.61
Diluted earnings per share, SEK	0.99	1.14	2.73	2.43	4.90	4.60
Equity per share, SEK ³			28.84	24.73		27.71
Diluted equity per share, SEK ³			28.81	24.70		27.60
Number of shares outstanding at reporting date			359,141,452	358,619,404		358,619,404
Number of repurchased Class B shares			4,110,005	4,632,053		4,632,053

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) Refers to portion attributable to Parent Company shareholders.

Reconciliation of EBIT and the APMs EBITA and EBITDA, SEK M	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Operating profit (EBIT)	532	535	1,370	1,165	2,451	2,245
Acquisition-related items	53	-34	79	0	122	43
Lease expenses ¹	-235	-206	-461	-412	-878	-829
Depreciation and impairments, right-of-use assets	214	190	424	381	809	767
EBITA²	564	486	1,412	1,134	2,504	2,225
Amortisation/depreciation and impairment, tangible and intangible fixed assets	70	61	135	127	264	256
EBITDA³	634	547	1,547	1,261	2,767	2,481

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.

Consolidated income statement

SEK M	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Net sales	7,249	6,116	14,389	12,193	26,493	24,296
Other income	6	1	10	6	36	31
Other external expenses	-1,501	-1,234	-2,811	-2,368	-5,374	-4,930
Personnel expenses	-4,884	-4,130	-9,580	-8,158	-17,508	-16,087
Amortisation/depreciation and impairment, tangible and intangible fixed assets ¹	-70	-61	-135	-127	-264	-256
Depreciation and impairment, right-of-use assets	-214	-190	-424	-381	-809	-767
Acquisition-related items ²	-53	34	-79	0	-122	-43
Operating profit (EBIT)	532	535	1,370	1,165	2,451	2,245
Net financial items ³	-42	-12	-64	-20	-95	-51
Interest cost of leasing ⁴	-16	-11	-31	-22	-53	-44
Other financial items ⁵	1	3	-1	2	4	7
Total net financial items	-57	-20	-96	-41	-144	-89
Profit before tax	474	515	1,274	1,124	2,307	2,156
Income tax	-117	-107	-292	-252	-544	-505
PROFIT FOR THE PERIOD	357	409	982	872	1,763	1,652
Attributable to:						
Parent Company shareholders	357	409	982	872	1,761	1,651
Non-controlling interests	0	0	0	0	1	1
Earnings per share attributable to Parent Company shareholders, SEK	0.99	1.14	2.74	2.44	4.91	4.61
Average number of shares outstanding	358,979,115	358,279,204	358,621,883	357,920,048	358,620,643	358,269,726
Dividend per share, SEK						2.70

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.

Consolidated statement of comprehensive income

SEK M	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Profit for the period	357	409	982	872	1,763	1,652
Items that will not be reversed in the income statement						
Revaluation of defined benefit pensions, net after tax ^{1,2}	–	–	–	–	39	39
Items that may subsequently be reversed in the income statement						
Translation differences, net after tax	342	129	356	209	594	447
COMPREHENSIVE INCOME FOR THE PERIOD	699	538	1,339	1,081	2,396	2,138
Attributable to:						
Parent Company shareholders	699	538	1,338	1,080	2,394	2,136
Non-controlling interests	0	0	0	0	2	2
1) Tax on revaluation of defined benefit pensions	–	–	–	–	-14	-14

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

Consolidated cash flow statement

SEK M	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Profit before tax	474	515	1,274	1,124	2,307	2,156
Amortisation/depreciation and impairment	335	276	636	555	1,198	1,116
Other non-cash items	99	29	120	36	195	111
Cash flow from operating activities before changes in working capital, tax paid, interest paid and received	908	820	2,030	1,715	3,700	3,384
Interest cost leasing	-16	-11	-31	-22	-53	-44
Net interest paid	-34	-4	-46	-8	-63	-25
Tax paid	-101	-130	-333	-380	-342	-389
Changes in working capital	-380	-170	-1,109	-566	-955	-412
Cash flow from operating activities	376	505	512	739	2,287	2,515
Acquisition and divestment of subsidiaries and operations	-103	-343	-1,320	-375	-1,555	-610
Purchase and disposal of intangible and tangible assets	-97	-67	-169	-134	-337	-302
Other investing activities	0	0	-2	2	1	5
Cash flow from investing activities	-201	-410	-1,491	-507	-1,891	-907
Borrowings and repayment of borrowings	1,078	1,058	2,188	775	1,391	-22
Principal elements of lease payments	-215	-196	-427	-396	-821	-790
Dividends paid	-968	-876	-968	-876	-968	-876
Cash flow from financing activities	-105	-14	793	-497	-398	-1,688
CASH FLOW FOR THE PERIOD	71	81	-186	-264	-2	-80

Consolidated balance sheet

SEK M	30 Jun 2023	30 Jun 2022	31 Dec 2022
Goodwill	10,712	8,782	9,198
Other intangible assets	678	261	273
Property, plant and equipment	677	539	589
Right-of-use assets	2,574	2,487	2,438
Financial assets	338	334	319
Current assets excl. cash and cash equivalents	9,915	8,025	8,249
Cash and cash equivalents incl. short-term investments	648	619	850
TOTAL ASSETS	25,541	21,048	21,916
Equity attributable to Parent Company shareholders	10,356	8,868	9,939
Non-controlling interests	6	10	4
Total equity	10,362	8,878	9,943
Non-current lease liabilities	1,805	1,837	1,740
Non-current interest-bearing debt	3,089	2,312	1,410
Other non-current liabilities	902	863	779
Current lease liabilities	827	739	773
Current interest-bearing debt	1,656	321	516
Other current liabilities	6,900	6,097	6,756
TOTAL EQUITY AND LIABILITIES	25,541	21,048	21,916
Contingent liabilities	1,298	1,067	1,211

Consolidated statement of changes in equity

	Jan–Jun 2023			Jan–Jun 2022		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
SEK M						
Equity, opening balance	9,939	4	9,943	8,594	10	8,604
Comprehensive income for the period	1,338	0	1,339	1,080	0	1,081
Share bonus scheme	46	–	46	66	–	66
Share savings schemes	2	–	2	3	–	3
Non-controlling interests in acquired companies	–	2	2	–	–	–
Divestment of non-controlling interests	–	-1	-1	–	–	–
Transfer to shareholders	-968	–	-968	-876	–	-876
EQUITY, CLOSING BALANCE	10,356	6	10,362	8,868	10	8,878

Acquisitions

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

Company	Included from	Business area	Acquired share, %	Annual net sales in SEK M ¹	Number of employees (individuals)
VAN AKEN concepts, Architecture & Engineering B.V.	January	Netherlands	100	78	48
Pro-Consult	February	Norway	100	66	35
VK Architects+Engineers Group	March	Belgium ²	100	888	520 ³
Metria, asset deal	May	Sweden		139	109
Ball & Berry Limited	May	UK	100	46	42
Arkkitehtitoimisto Neva Oy	May	Finland	100	36	29
DS-Engineering, asset deal	June	Belgium		12	8
TOTAL				1,264	791

1) Estimated annual net sales.

2) Part of VK Group was consolidated into Sweco Netherlands, representing about 14 per cent of net sales.

3) Including self-employed, VK Group has some 600 experts.

During the period, the acquired companies contributed SEK 333 million in net sales, SEK 51 million in EBITA and SEK 22 million in operating profit (EBIT). If the companies had been owned as of 1 January 2023, they would have contributed approximately SEK 640 million in net sales, about SEK 82 million in EBITA and about SEK 27 million in operating profit (EBIT). The transaction costs for the acquisitions during this period and the previous period totalled SEK 23 million.

Of the considerations paid, SEK 19 million is classified in accordance with IFRS as the cost for future service of staff. The cost for future service is thus accounted for as a prepaid asset and will be expensed over the coming three years on the line Acquisition-related items. Since the amount is prepaid, it impacts the operating cash flow on the line Changes in working capital. The purchase consideration, excluding cost for future service, totalled SEK 1,447 million and had a negative impact on cash and cash equivalents of SEK 1,320 million. The acquisition analyses during the period are preliminary. The acquisitions impacted the consolidated balance sheet as detailed in the table below.

Acquisitions, SEK M

Intangible assets	1,603
Property, plant and equipment	32
Right-of-use assets	20
Financial assets	10
Current assets	717
Non-current lease liabilities	-11
Other non-current liabilities	-478
Deferred tax	-110
Current lease liabilities	-8
Other current liabilities	-327
Non-controlling interest	-2
Total purchase consideration	1,447
Purchase price outstanding	-11
Payment of deferred purchase price	6
Cash and cash equivalents in acquired companies	-122
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	1,320

Acquisition-related items

SEK M	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jul 2022– Jun 2023	Full-year 2022
Amortisation of acquisition-related intangible assets	-50	-24	-78	-47	-125	-94
Revaluation of additional purchase price	–	0	–	0	11	11
Profit/loss on divestment of companies and operations	–	64	1	64	-5	58
Cost for received future service	-2	-6	-2	-17	-3	-17
ACQUISITION-RELATED ITEMS	-53	34	-79	0	-122	-43

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 2022 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 2023, forward contracts with a positive market value amounted to SEK 0 million compared with SEK 0 million as per 31 December 2022 and forward contracts with a negative market value amounted to SEK 2 million compared with SEK 3 million as per 31 December 2022. 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 12 million as per 30 June 2023 compared with SEK 11 million as per 31 December 2022, and financial liabilities for contingent considerations amounted to SEK 0 million compared with SEK 0 million as per 31 December 2022. 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

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net sales, SEK M									
Sweco Sweden	2,177	2,178	2,201	1,549	2,067	1,968	2,035	1,446	2,012
Sweco Norway	840	994	933	712	778	822	719	533	696
Sweco Finland	969	904	930	680	812	788	802	646	776
Sweco Denmark	683	674	642	517	527	531	512	436	476
Sweco Netherlands	701	686	627	528	552	567	554	448	495
Sweco Belgium	980	788	577	549	587	597	504	450	474
Sweco UK	375	386	355	365	347	344	295	302	289
Sweco Germany & Central Europe	607	577	553	532	505	509	568	477	487
Group-wide, Eliminations, etc. ¹	-81	-49	-87	-59	-59	-50	-70	-48	-62
TOTAL NET SALES	7,249	7,140	6,732	5,372	6,116	6,077	5,920	4,691	5,643
Items affecting comparability (IAC) ²	-	-	-	-	-	-	-	16	-
TOTAL NET SALES excl. IAC	7,249	7,140	6,732	5,372	6,116	6,077	5,920	4,707	5,643
EBITA, SEK M³									
Sweco Sweden	221	309	318	97	245	255	269	132	272
Sweco Norway	41	150	77	33	38	116	58	24	65
Sweco Finland	74	77	109	46	67	75	89	84	72
Sweco Denmark	66	100	101	68	33	61	55	50	37
Sweco Netherlands	48	74	60	40	34	49	54	34	40
Sweco Belgium	134	117	61	65	68	78	50	57	59
Sweco UK	-3	27	11	33	12	15	7	28	4
Sweco Germany & Central Europe	16	19	21	12	14	17	30	-48	-9
Group-wide, Eliminations, etc. ¹	-34	-23	-48	-12	-25	-17	-26	-1	-12
EBITA	564	849	709	382	486	648	585	359	529
Items affecting comparability (IAC) ²	-	-	-	-	-	-	-	56	-
EBITA excl. IAC	564	849	709	382	486	648	585	415	529
EBITA margin, %³									
Sweco Sweden	10.2	14.2	14.4	6.3	11.9	12.9	13.2	9.1	13.5
Sweco Norway	4.8	15.1	8.3	4.6	4.8	14.1	8.1	4.6	9.4
Sweco Finland	7.6	8.5	11.7	6.7	8.3	9.5	11.1	13.0	9.2
Sweco Denmark	9.7	14.9	15.7	13.2	6.3	11.4	10.7	11.4	7.7
Sweco Netherlands	6.9	10.7	9.6	7.5	6.1	8.7	9.8	7.5	8.1
Sweco Belgium	13.7	14.8	10.6	11.9	11.5	13.0	9.8	12.6	12.5
Sweco UK	-0.7	6.9	3.1	9.0	3.5	4.3	2.3	9.3	1.5
Sweco Germany & Central Europe	2.6	3.2	3.7	2.3	2.8	3.4	5.3	-10.1	-1.8
EBITA margin	7.8	11.9	10.5	7.1	7.9	10.7	9.9	7.6	9.4
Items affecting comparability (IAC) ²	-	-	-	-	-	-	-	1.2	-
EBITA margin excl. IAC	7.8	11.9	10.5	7.1	7.9	10.7	9.9	8.8	9.4
Billing ratio, %	74.2	73.2	74.4	73.0	74.3	73.6	74.1	73.7	75.0
Number of normal working hours	462	504	490	516	468	497	496	517	473
Number of full-time employees	20,310	19,416	19,265	18,464	18,626	18,263	18,058	17,627	17,904

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

2) Items affecting comparability encompass the provision related to the execution of the turn-around plan in Germany of SEK 56 million in Q3 2021, which is reported in Business Area Germany & Central Europe.

3) 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.

Period review per business area

January–June	Net sales, SEK M		EBITA, SEK M ²		EBITA margin, % ²		Number of full-time employees	
Business Area ¹	2023	2022	2023	2022	2023	2022	2023	2022
Sweco Sweden	4,355	4,035	531	500	12.2	12.4	6,302	5,926
Sweco Norway	1,834	1,600	190	153	10.4	9.6	2,066	1,826
Sweco Finland	1,873	1,600	150	142	8.0	8.9	2,931	2,870
Sweco Denmark	1,358	1,058	167	94	12.3	8.9	1,503	1,363
Sweco Netherlands	1,387	1,119	122	83	8.8	7.4	1,554	1,429
Sweco Belgium	1,768	1,184	251	145	14.2	12.3	1,854	1,483
Sweco UK	761	691	24	27	3.2	3.9	1,251	1,162
Sweco Germany & Central Europe	1,184	1,014	35	32	2.9	3.1	2,307	2,330
Group-wide, Eliminations, etc. ³	-131	-109	-57	-42	–	–	77	51
TOTAL GROUP	14,389	12,193	1,412	1,134	9.8	9.3	19,845	18,439

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, the Dutch real estate operations and Twinfinity AB.

Net sales growth

The table below shows the calculation of organic growth excluding calendar effects – 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 2023	Apr–Jun 2022	Growth, % Apr–Jun 2023	Jan–Jun 2023	Jan–Jun 2022	Growth, % Jan–Jun 2023
Reported net sales	7,249	6,116	19	14,389	12,193	18
Adjustment for currency effects		261	4		441	4
Net sales, currency-adjusted	7,249	6,377	14	14,389	12,634	14
Adjustment for acquisitions/divestments	-416	-8	7	-606	-23	5
Comparable net sales, currency-adjusted	6,833	6,369	8	13,783	12,611	10
Adjustment of calendar effect	63		-1	-12		0
Comparable net sales, adjusted for currency and calendar effects	6,896	6,369	9	13,771	12,611	10

	Apr–Jun 2022	Apr–Jun 2021	Growth, % Apr–Jun 2022	Jan–Jun 2022	Jan–Jun 2021	Growth, % Jan–Jun 2022
Reported net sales	6,116	5,643	8	12,193	11,181	9
Adjustment for currency effects		131	2		302	3
Net sales, currency-adjusted	6,116	5,774	6	12,193	11,483	6
Adjustment for acquisitions/divestments	-131	-10	2	-233	-14	2
Comparable net sales, currency-adjusted	5,985	5,764	4	11,960	11,469	4
Adjustment of calendar effect	45		-1	-54		0
Comparable net sales, adjusted for currency and calendar effects	6,030	5,764	5	11,906	11,469	4

Net debt

SEK M	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current interest-bearing debt	3,089	2,312	1,410
Current interest-bearing debt	1,656	321	516
Cash and cash equivalents incl. short-term investments	-648	-619	-850
NET DEBT¹	4,097	2,014	1,075

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 2023	Jan–Jun 2022	Full-year 2022
Net sales	567	524	1,061
Operating expenses	-614	-567	-1,145
Operating loss	-47	-42	-84
Net financial items	294	321	1,135
Profit/loss after net financial items	247	279	1,051
Appropriations	–	–	-189
Profit/loss before tax	247	279	862
Tax	–	–	-115
PROFIT/LOSS AFTER TAX	247	279	748

Parent Company balance sheet

SEK M	30 Jun 2023	30 Jun 2022
Intangible assets	13	17
Property, plant and equipment	84	62
Financial assets	6,577	6,552
Current assets	2,970	2,584
TOTAL ASSETS	9,644	9,215
Equity	3,965	4,156
Untaxed reserves	954	764
Non-current liabilities	1,320	2,162
Current liabilities	3,405	2,132
TOTAL EQUITY AND LIABILITIES	9,644	9,215