

INTERIM REPORT JANUARY–SEPTEMBER 2014

SWECO AB (PUBL)

23 October 2014

IMPROVED PROFIT IN A STABLE MARKET

JULY – SEPTEMBER 2014

- Net sales: SEK 2,000.1 million (1,809.7)
- Operating profit: SEK 143.2 million (106.0); operating margin; 7.2 per cent (5.9)
- EBITA: SEK 155.2 million (118.2); EBITA margin: 7.8 per cent (6.5)
- Profit after tax: SEK 92.3 million (70.8); earnings per share SEK 1.02 (0.76)

JANUARY – SEPTEMBER 2014

- Net sales: SEK 6,659.1 million (5,729.0)
- Operating profit: SEK 510.4 million (430.6); operating margin: 7.7 per cent (7.5)
- EBITA: SEK 548.0 million (462.4); EBITA margin: 8.2 per cent (8.1)
- Profit after tax: SEK 344.8 million (309.2); earnings per share: SEK 3.78 (3.35)
- Net debt: SEK 1,703.8 million (1,550.7); net debt/EBITDA: 1.9 times (1.9)

Comments from President and CEO Tomas Carlsson:

- Operating profit is the highest for any third quarter in Sweco's history. The positive trend is mainly due to the successful and completed integration of Vectura as well as improved profit in Central Europe. Sweco's sales were up 11 per cent, of which 4 per cent was organic. Organic growth was particularly strong in Finland and Norway
- Overall, the market is stable and no major changes have taken place since the second quarter. The Swedish market improved somewhat during the quarter and the Norwegian market is stable. Markets in Finland and Central Europe remain challenging
- The Board of Directors adopted a new financial strength target: net debt of less than two times EBITDA. Concurrently with this, Sweco refinanced a SEK 800 million 5-year credit facility. With the new financial target and long-term financing Sweco is achieving a cost-effective capital structure and enabling additional value-creating acquisitions
- After the reporting period Sweco has been commissioned by the Stockholm County Council to design an 11-kilometer-long underground metro line from Kungsträdgården to Nacka and Gullmarsplan in Stockholm, which is expected to open in 2025. The contract is valued at approximately SEK 500-600 million, an estimated two-thirds of which amount will go to Sweco. This is one of the largest and most complex assignments in Sweco's history. The initiative is a key component in the entire region's development and will be a significant improvement to public transport

Sweco is the Nordic region's leading consultancy for sustainable urban development. Our 9,000 engineers, architects and environmental experts develop value-creating solutions for our clients and for society. Sweco is among the ten largest consulting engineering companies in Europe and annually conducts projects in 80 countries throughout the world. The company has yearly sales of approximately SEK 9 billion and is listed on NASDAQ OMX Stockholm AB.

Sweco is required to disclose the above information under the provisions of the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 23 October 2014 at 07:20 CET.

Profit and Operations

Sales and profit, July – September

Net sales increased 11 per cent to SEK 2,000.1 million (1,809.7). Organic growth was 4 per cent and was particularly strong in Norway and Finland.

Operating profit totalled SEK 143.2 million (106.0). The increase in operating profit is mainly attributable to successful and completed integration of Vectura as well as lower integration costs and improved profit in Central Europe due to increased utilisation and successful restructuring efforts.

The billing ratio for Sweco Group increased 1.8 percentage points year-on-year. Central Europe and Finland saw billing ratio improvements despite a challenging market situation.

The billing ratio in Sweden improved due to increased utilisation in the consulting operations and efficiency improvements in administration. The billing ratio in Norway decreased year-on-year.

There was a year-on-year difference of 2 more available working hours. Calendar effects had a positive effect of approximately SEK 5 million on profit and sales.

Vectura operations were part of Sweco Group in July, which was not the case in July of last year. The increased volume during the summer holiday period had an estimated negative year-on-year impact on profit of SEK 15 million.

Operating profit before acquisition-related items (EBITA) totalled SEK 155.2 million (118.2).

Profit was charged a total of SEK 0.4 (0.2) million in costs for acquisition-related activities.

Sales and profit, January – September

Net sales increased 16 per cent to SEK 6,659.1 million (5,729.0). Growth was primarily attributable to the acquisition of Vectura. Organic growth was 2 per cent during the period.

Operating profit totalled SEK 510.4 million (430.6). The profit improvement is primarily attributable to the contribution of Vectura in Sweden and to improved profit in Finland and Central Europe.

The billing ratio for Sweco Group increased 1.3 percentage points year-on-year. Sweden, Finland and Central Europe contributed positively to the improved billing ratio. Norway contributed negatively year-on-year.

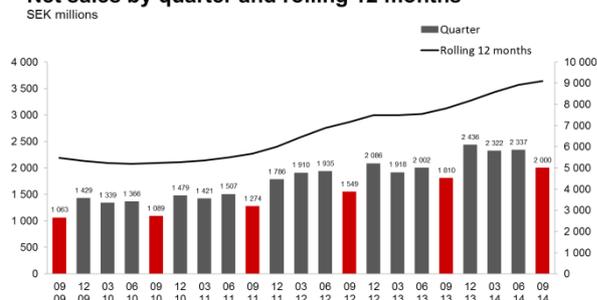
Negative calendar effects of 4 working hours had a negative year-on-year impact on operating profit of approximately SEK 19 million.

Operating profit before acquisition-related items (EBITA) totalled SEK 548.0 million (462.4).

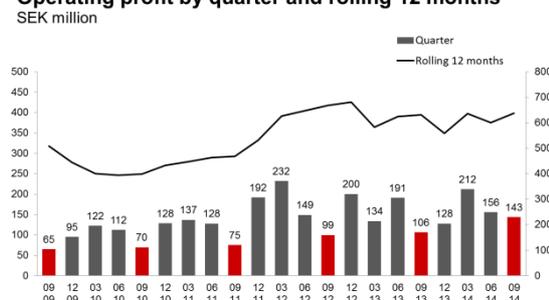
Profit was charged a total of SEK 3.3 (5.7) million in costs for acquisition-related activities.

Key ratios	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 – Sep 2014	Full-year 2013
Net sales, SEK M	2,000.1	1,809.7	6,659.1	5,729.0	9,095.1	8,165.0
<i>Organic growth, %</i>	4	3	2	2		1
<i>Acquisition-driven growth, %</i>	5	14	14	6		9
EBITA, SEK M	155.2	118.2	548.0	462.4	738.0	652.4
<i>Margin, %</i>	7.8	6.5	8.2	8.1	8.1	8.0
Operating profit (EBIT), SEK M	143.2	106.0	510.4	430.6	638.1	558.3
<i>Margin, %</i>	7.2	5.9	7.7	7.5	7.0	6.8
Profit after tax, SEK M	92.3	70.8	344.8	309.2	415.2	379.6
Earnings per share, SEK	1.02	0.76	3.78	3.35	4.54	4.11
Billing ratio, %	76.0	74.2	75.4	74.1	75.1	74.2
Number of normal working hours	525	523	1,480	1,484	1,963	1,967
Average number of employees	8,410	8,007	8,480	7,708	8,503	7,917

Net sales by quarter and rolling 12 months



Operating profit by quarter and rolling 12 months



Market

Overall, the market was stable during the third quarter. Significant investments are planned, primarily in housing and infrastructure. Several major infrastructure projects are under procurement.

At the same time, recovery is slow and the road to a robust growth in demand has several pitfalls in terms of the general economic development. Geopolitical turbulence, uncertainty about global economic development, the policies of the new Swedish government, and household debt are some of the risk factors that may interfere with the recovery trend.

The market situation varies between Sweco's business areas. Sweden demonstrated some market improvement during the quarter. The Norwegian market is somewhat weakened but characterised by stable demand. Markets in Finland and Central Europe remain challenging, although positive signs can be discerned in the Czech Republic, Poland and Lithuania.

Outlook

Demand for Sweco's services is stable overall and largely follows the general economic trend in Sweco's submarkets, with some degree of lag.

Acquisitions and divestments during the third quarter

No acquisitions or divestments were made during the third quarter.

Events after the end of the reporting period

After the reporting period Sweco has been commissioned by the Stockholm County Council to design an 11-kilometer-long underground metro line from Kungsträdgården to Nacka and Gullmarsplan in Stockholm, which is expected to open in 2025. The contract is valued at approximately SEK 500-600 million, an estimated two-thirds of which amount will go to Sweco. This is one of the largest and most complex assignments in Sweco's history. The initiative is a key component in the entire region's devel-

opment and will be a significant improvement to public transport.

Cash flow and financial position

The Board of Directors has adopted a new financial strength target: "net debt as a percentage of EBITDA shall be less than 2.0". The new target replaces Sweco's former debt-equity ratio target (net debt should not exceed 40 per cent of equity). The aim of the new target is to achieve a cost-effective capital structure and facilitate the continuation of acquisition-based growth with balanced risk.

Sweco refinanced the credit facility taken up in connection with the acquisition of Vectura. The new SEK 800 million credit facility runs over a 5-year period. The refinancing involves an extension of the loan maturity term from 3 to 5 years with more favourable terms.

With the new credit facility and existing loans, Sweco has secured long-term loan financing totalling approximately SEK 1,700 million for more than 3 years. In addition has Sweco a short-term financing of more than SEK 500 million.

Disposable cash and cash equivalents including unutilised bank overdraft facilities at the end of the reporting period totalled SEK 666.6 million (668.2).

Group cash flow from operating activities totalled SEK 56.1 million (198.5) during the period. Interest-bearing net debt totalled SEK 1,703.8 million (1,550.7). The net debt/EBITDA ratio was 1.9 times (1.9). The net debt/equity was 100.7 per cent (97.7).

Group cash flow was negatively impacted by an increase in tied-up operating capital, which is expected to be temporary.

Pension liabilities in Norway were revalued due to lower market rates. The revaluation resulted in an increase in pension liability of SEK 24.8 million, which is charged to Other Comprehensive Income and thus to Sweco Group equity.

Business Area – Sweco Sweden

Sales and profit, July-September

Sales increased 11 per cent during the quarter. Organic growth was 3 per cent. The billing ratio improved due to increased utilisation and efficiency improvements in administration.

Vectura operations were included in July of 2014, which was not the case in July of last year. The increased volume during the summer holiday period had an estimated negative year-on-year impact on profit of SEK 15 million. Thus, the operating profit Q3 2013 pro forma Vectura amounted to SEK 64 million with a margin of 5.6 per cent.

There was a year-on-year difference of one less available working hour, which had a negative effect of approximately SEK 2 million on profit and sales.

Sales and profit, January-September

Sales were up 23 per cent and operating profit increased SEK 36.3 million. Growth was due primarily to acquisitions. There was a year-on-year difference of 9 fewer available working hours, which had a negative impact of approximately SEK 23 million on profit and sales.

Market

The market situation is somewhat improved as compared with the previous quarter. Demand for Sweco's services in Sweden remains stable overall. Demand is solid in the construction and real estate market. Housing construction is expected to increase in cities and account for a significant portion of future construction investment. The market for energy-related services is cautious, while the industrial sector shows signs of improvement. Government investments guarantee good medium-term growth for the infrastructure market.

Events and measures

Sweco's proposal for the new travel centre in Linköping won first prize at the 2014 World Architecture Festival competition.

Assignments

Sweco was commissioned by the Swedish National Grid to design new power lines for the construction of a transmission network in western Sweden and the replacement of old lines in northern Sweden. The project, worth around SEK 40 million, is expected to continue through 2020.

Sweco is responsible for project management of the design of Uppsala's new Ulleråker district, where 6,000-8,000 new residences will be constructed. The project is worth approximately SEK 10 million, with an option for extension.

After the reporting period Sweco has been commissioned by the Stockholm County Council to design



Net sales and profit	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net sales, SEK M	1,219.0	1,103.0	4,132.2	3,356.1
Organic growth, %	3	4	0	4
Acquisition-driven growth, %	8	24	23	7
Operating profit, SEK M	81.0	79.1	359.5	323.2
Operating margin, %	6.6	7.2	8.7	9.6
Average number of employees	4,456	4,102	4,568	3,750

an 11-kilometer-long underground metro line in Stockholm, which is expected to open in 2025. The contract is valued at approximately SEK 500-600 million, an estimated two-thirds of which amount will go to Sweco.

About Sweco Sweden

Sweco Sweden is the country's leading consulting engineering company and the Group's largest business area, with close to 5,000 employees in approximately 50 locations. Operations include architecture, structural and construction engineering, building service systems, infrastructure, water and environment, industrial engineering, project management, energy systems, IT for urban development and societal analysis and strategy.

Business Area – Sweco Norway

Sales and profit, July-September

Organic growth remained strong during the quarter, totalling 8 per cent. Operating profit increased to SEK 41.5 million (34.9) due to solid growth and improved gross margins.

There was no change from last year in the number of available working hours, while the billing ratio was somewhat lower.

Sales and profit, January-September

Organic growth totalled 8 per cent. Operating profit decreased SEK 5.5 million due to a lower billing ratio.

The billing ratio was lower than the previous year. Calendar effects of +8 hours had a positive year-on-year impact on profit and sales of approximately SEK 7 million.

Market

Growth in the Norwegian economy has largely stabilised. More public sector investments are being made, primarily in transportation infrastructure and healthcare. Increased investments in transportation infrastructure are also anticipated in coming years. The energy market remains weak. Investments in the oil and gas industry and housing construction continue to decline.

Demand for Sweco's services is stable despite slower-than-normal growth in the Norwegian economy.

Assignments

Sweco procured several framework agreements during the quarter, including a new agreement with Avinor AS for HVAC and electricity design at Stavanger Airport. Sweco was also awarded a four-year environment and planning framework agreement by the Norwegian Public Roads Administration. Under an eight-year framework agreement signed with Dalar Energy, Sweco is responsible for impact assessment and detailed planning for hydro-power and wind power.

Larvik municipality has given Sweco overall responsibility for the design of Thorstvedt School, which will meet BREEAM international environmental compatibility requirements. The project is worth approximately SEK 11 million.



Net sales and profit	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net sales, SEK M	419.1	377.6	1,396.5	1,327.9
Organic growth, %	8	8	8	4
Acquisition-driven growth, %	0	2	0	2
Operating profit, SEK M	41.5	34.9	121.0	126.5
Operating margin, %	9.9	9.2	8.7	9.5
Average number of employees	1,246	1,187	1,241	1,189

About Sweco Norway

Sweco is one of Norway's leading engineering consultancies, with more than 1,300 employees. The Norwegian business area offers services primarily in the areas of energy, structural and construction engineering, building service systems, infrastructure, water and environment and industrial engineering.

Business Area – Sweco Finland

Sales and profit, July-September

Sales increased to SEK 341.9 million (293.1). Organic growth remained strong at 5 per cent and was primarily attributable to construction and real estate operations.

The operating margin fell 1.2 percentage points due to, among other things, restructuring costs and project losses in the international operations.

Calendar effects of +9 hours had a positive impact on profit and sales of approximately SEK 6 million.

Sales and profit, January-September

Sales for Sweco Finland increased to SEK 1,088.5 million (946.1). Organic growth was 6 per cent.

Operating profit improved to SEK 81.0 million (60.3). The increase was mainly attributable to an improved billing ratio. Calendar effects of -3 hours had a negative impact on profit and sales of approximately SEK 3 million.

Market

Although the protracted economic downturn of the Finnish market remains challenging, there is stable demand for Sweco's services. Demand for construction- and property-related services is satisfactory. The infrastructure and industrial engineering markets remain weak.

Events and measures

Twenty employees remained on temporary layoff during the third quarter.

Assignments

Sweco was given overall responsibility for the design, planning and completion of Mondo Mineral's nickel production facility in Vuonos. The project is worth approximately SEK 16 million.

Sweco is responsible for structural and construction engineering and rock constructions at the Posiva encapsulation facility for spent nuclear fuel in Olkiluoto. The project is worth approximately SEK 14 million.

Sweco is delivering procurement services in Tammerfors, where a new 23.5-km-long tramway will be built. The project, commissioned by Tammerfors municipality, is worth approximately SEK 2 million.

Sweco was commissioned to conduct a feasibility study for a proposed train connection between Helsinki and Tallinn. The study will examine the feasibility of constructing an approximately 80-km-long railway tunnel between the two capital cities.



Net sales and profit	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net sales, SEK M	341.9	293.1	1,088.5	946.1
Organic growth, %	5	-5	6	-1
Acquisition-driven growth, %	6	1	4	8
Operating profit, SEK M	26.5	26.1	81.0	60.3
Operating margin, %	7.7	8.9	7.4	6.4
Average number of employees	1,878	1,768	1,844	1,792

About Sweco Finland

Sweco Finland is one of the country's largest consulting engineering companies, with around 2,000 employees. The business area chiefly provides services focused on structural and construction engineering, building service systems, energy, environment, industrial engineering and project management.

Business Area – Sweco Central Europe

Sales and profit, July-September

Operating profit increased SEK 10.2 million to SEK 4.3 million (-5.9) due to an improvement in utilisation and the successful restructuring of operations, particularly in Poland and Russia.

Sales decreased to SEK 67.7 million (71.4), due primarily to the sale of the Lenvodokanalproekt subsidiary in Russia. The business area has, however, reversed the negative trend and is now reporting organic growth.

Sales and profit, January-September

Operating profit increased SEK 18.4 million to SEK 6.8 million (-11.6). The improvement is primarily due to increased utilisation in Poland and Russia and restructuring measures implemented within these operations.

Sales for Sweco Central Europe fell to SEK 194.5 million (209.8). The decrease was mainly due to the restructuring of the Russian operations.

Market

The Central European market is still impacted by the effects of the 2008 financial crisis. Investment levels are very low in most of the countries in the business area and, accordingly, demand for Sweco's services is weak. Demand is decreasing in Russia and the conflict in Ukraine is creating uncertainty.

Despite this, there are signs of improved demand in the Czech Republic, Poland and Lithuania, Sweco's largest markets in the region. Preparations have also been commenced for projects financed by the EU's structural funds for 2014-2020, although the tendering processes for these projects are not expected to begin on a large scale before the end of the year.

Events and measures

Measures continue in Poland to streamline operations and reduce administrative costs.

Assignments

In the Czech Republic Sweco has been commissioned by the Thomas Garrique Masaryk Water Research Institute to propose measures to mitigate damage caused by flooding. The project is worth approximately SEK 9 million.



Net sales and profit	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net sales, SEK M	67.7	71.4	194.5	209.8
Organic growth, %	3	-24	1	-35
Acquisition-driven growth, %	-10	0	-9	0
Operating profit, SEK M	4.3	-5.9	6.8	-11.6
Operating margin, %	6.3	-8.2	3.5	-5.5
Average number of employees	820	925	809	962

About Sweco Central Europe

Sweco Central Europe has approximately 900 employees and operates in Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Russia and Bulgaria.

Other information

Investments, January-September 2014

Investments in equipment totalled SEK 85.0 million (67.5) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 104.3 million (81.0) and amortisation of intangible assets totalled SEK 42.5 million (40.2).

Purchase consideration paid to acquire companies totalled SEK 81.6 million (950.3) and had an impact of SEK -69.4 million (-856.7) on Group cash and cash equivalents. Purchase consideration received for the divestment of companies totalled SEK 45.2 million (-) and had a positive impact of SEK 42.9 million (-) on Group cash and cash equivalents.

Dividends totalling SEK 295.8 million (296.2) were distributed to Sweco AB shareholders during the year.

Parent Company, January-September 2014

Parent Company net sales totalled SEK 239.7 million (194.0) and were attributable to intra-group services. Profit after net financial items totalled SEK 158.4 million (187.4). Investments in equipment totalled SEK 17.2 million (15.7). Cash and cash equivalents at the end of the period totalled SEK 0.1 million (0.0).

The Sweco share

The Sweco share is listed on NASDAQ Stockholm. The share price of the Sweco B share was SEK 102.25 at the end of the period, a 4 per cent decrease since the start of the year. The OMX Stockholm General Index grew by 5.0 per cent over the same period.

Sweco repurchased 63,982 B shares during the quarter on the Stockholm Stock Exchange for a total of SEK 6.6 million, corresponding to SEK 103.44 per share. At the end of the period Sweco held 1,518,474 Treasury shares: 618,474 B shares and 900,000 C shares.

The total number of shares at the end of the period was 92,416,847: 9,368,164 A shares, 82,148,683 B shares and 900,000 C shares. After the allowance for Treasury shares, the total number of outstanding shares at the end of the period was 90,898,373: 9,368,164 A shares and 81,530,209 B shares.

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 interim 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. As of 1 January 2014, Sweco applies IFRS 10,

Consolidated Financial Statements; IFRS 11, Joint Arrangements; and IFRS 12, Disclosure of Interest in Other Entities.

The accounting-related amendment is that the Group's joint venture, Sweco Soyuz Engineering, applies the equity method since the formerly applied proportional method is no longer a valid accounting option. Accordingly, the comparative periods have been adjusted by transferring the company's earnings of SEK 1.9 million for the full-year, SEK 1.3 million for the January-September period and SEK 0.0 million for the quarter to Net Financial Items, and transferring the company's net assets of SEK 4.1 million for the full-year and SEK 3.4 million for the period through the end of September to Financial Assets. The Group's comprehensive income and equity were thus not affected by the amended accounting principles. Cash flow was adjusted marginally.

The definition of EBITA was amended during the third quarter and the term "acquisition-related items" was introduced. EBITA is now defined as "operating profit with reversal of acquisition-related items". Acquisition-related items are defined as "amortisation and impairments of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies and operations".

Acquisition-related items do not include transaction costs, integration costs or similar costs.

As a result of the amendment, amended estimates concerning additional purchase prices and profit and loss on divestments will not impact EBITA. The change was made for the purpose of using EBITA as an operational performance measure. Historical comparative figures in this report have been updated in accordance with the new definition.

In all other respects, the Group applied the same accounting and valuation principles as those described in Note 1 of the 2013 annual report. In this interim report, amounts in brackets refer to the corresponding period of the previous year.

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 spending in various markets, the capacity to attract and retain skilled personnel and the effects of political decisions. The Group is also exposed to various types of financial risks, such as foreign currency, interest rate and credit risks. No significant risks are deemed to have arisen apart from the risks detailed in Sweco's 2013 annual report (page 82, Risk Management).

Normal working hours

The number of normal working hours in 2014, based on the 12-month volume-weighted business mix as of Q3 2013 (pro forma acquisitions), is broken down as follows:

Quarter 1:	494 (484)	+10
Quarter 2:	461 (477)	-16
Quarter 3:	525 (523)	+2
Quarter 4:	483 (483)	0
Total 2014:	1,963 (1,967)	-4

Financial calendar 2014

Year-end report 2014	12 February 2015
Interim report January-March	7 May 2015
Interim report January-June	17 July 2015
Interim report January-September	23 October 2015

Stockholm, 23 October 2014

Tomas Carlsson
President and CEO
Board Member

For further information please contact:

Tomas Carlsson, President and CEO
Phone: +46 8 695 66 60 / +46 70 552 92 75
tomas.carlsson@sweco.se

Jonas Dahlberg, CFO
Phone: +46 8 695 63 32 / +46 70 347 23 83
jonas.dahlberg@sweco.se

SWECO AB (publ) Corp. Reg. No. 556542-9841
Gjörwellsgatan 22, PO Box 34044, SE-100 26
Stockholm, Sweden
Phone: +46 8 695 60 00, Fax +46 8 695 66 10
Email: info@sweco.se www.swecogroup.com

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2014 to 30 September 2014 for Sweco AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 October 2014
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant
Auditor in charge

Key ratios

Key ratios ¹⁾	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 – Sep 2014	Full-year 2013
Profitability						
EBITA margin, %	7.8	6.5	8.2	8.1	8.1	8.0
Operating margin (EBIT), %	7.2	5.9	7.7	7.5	7.0	6.8
Profit margin, %	6.7	5.1	7.1	7.1	6.5	6.4
Revenue growth						
Organic growth, %	4	3	2	2		1
Acquired growth, %	5	14	14	6		9
Currency effects, %	2	-1	0	-2		-1
Total growth, %	11	16	16	6		9
Operational key ratios						
Billing ratio, %	76.0	74.2	75.4	74.1	75.1	74.2
Normal working hours	525	523	1,480	1,484	1,963	1,967
Average number of employees	8,410	8,007	8,480	7,708	8,503	7,917
Debt						
Net debt, SEK M			1,703.8	1,550.7		1,323.6
Interest-bearing debt, SEK M			1,852.3	1,760.4		1,642.3
Financial strength						
Net debt/Equity, %			100.7	97.7		81.1
Net debt/EBITDA, x			1.9	1.9		1.7
Equity/Assets ratio			26.5	26.5		27.2
Available cash and cash equivalents, SEK M ²⁾			666.6	668.2		1,022.5
Return						
Return on equity, %			25.5	29.1		22.9
Return on capital employed, %			18.7	22.2		19.7
Share data						
Earnings per share, SEK	1.02	0.76	3.78	3.35	4.54	4.11
Earnings per share after dilution, SEK	1.00	0.76	3.74	3.34	4.49	4.10
Equity per share, SEK ³⁾			18.45	17.19		17.75
Equity per share after dilution, SEK ³⁾			18.17	17.14		17.70
Number of outstanding shares, end of period			90,898,373	91,135,382		91,112,882
Number of class B and class C treasury shares			1,518,474	381,465		403,965

¹⁾ Key ratio definitions can be found on Sweco's website and in Sweco's 2013 annual report. For definition of EBITA, see page 8.

²⁾ Including unutilised credit.

³⁾ Refers to shares attributable to parent company shareholders.

Consolidated Income Statement and Comprehensive Income Statement

Income statement SEK M	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 – Sep 2014	Full-year 2013
Net sales	2,000.1	1,809.7	6,659.1	5,729.0	9,095.1	8,165.0
Other operating income	0.0	-	0.1	-	0.1	-
Other external expenses	-515.4	-458.2	-1,551.3	-1,316.7	-2,178.8	-1,944.2
Personnel costs	-1,290.6	-1,197.8	-4,448.7	-3,859.8	-6,022.2	-5,433.3
EBITDA	194.1	153.7	659.2	552.5	894.2	787.5
Amortisation/depreciation and impairments	-38.9	-35.5	-111.2	-90.1	-156.2	-135.1
EBITA	155.2	118.2	548.0	462.4	738.0	652.4
Acquisition-related items ¹⁾	-12.0	-12.2	-37.6	-31.8	-99.9	-94.1
Operating profit (EBIT)	143.2	106.0	510.4	430.6	638.1	558.3
Net financial items	-9.0	-13.5	-39.1	-22.6	-48.5	-32.0
Profit before tax	134.2	92.5	471.3	408.0	589.6	526.3
Income tax	-41.9	-21.7	-126.5	-98.8	-174.4	-146.7
PROFIT FOR THE PERIOD	92.3	70.8	344.8	309.2	415.2	379.6
Attributable to:						
Parent company shareholders, SEK M	92.3	69.3	343.5	305.5	412.9	374.9
Non-controlling interests, SEK M	0.0	1.5	1.3	3.7	2.3	4.7
Earnings per share attributable to parent company shareholders, SEK	1.02	0.76	3.78	3.35	4.54	4.11
Average number of shares	90,927,290	91,135,382	90,989,272	91,135,382	91,023,924	91,133,507
Dividend per share, SEK	-	-	-	-	-	3.25

¹⁾ Acquisition-related items are defined as amortisation and impairments of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies and operations.

Consolidated income statement and other comprehensive income, SEK M	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 – Sep 2014	Full-year 2013
Profit for the period	92.3	70.8	344.8	309.2	415.2	379.6
Items that will not be reversed in the income statement						
Revaluation of defined benefit pension, net after tax ¹⁾	-18.1	-43.5	-18.1	-43.5	-27.6	-53.0
Items that may subsequently be reversed in the income statement						
Translation differences	7.8	-22.0	42.4	-45.4	49.1	-38.7
Translation differences transferred to profit for the year	-	-	8.0	-	8.0	-
COMPREHENSIVE INCOME FOR THE PERIOD	82.0	5.3	377.1	220.3	444.7	287.9
Profit for the period attributable to:						
Parent company shareholders, SEK M	82.1	4.0	375.5	216.6	441.3	282.4
Non-controlling interests, SEK M	-0.1	1.3	1.6	3.7	3.4	5.5
¹⁾ Tax on revaluation of defined benefit pensions, SEK M	6.7	16.9	6.7	16.9	8.6	18.8

Consolidated Balance Sheet, Statements of Consolidated Cash Flow and Changes in Equity

Cash flow statement SEK M	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 – Sep 2014	Full-year 2013
Cash flow from operating activities before changes in working capital and tax paid	189.1	142.0	633.2	529.6	843.9	740.3
Tax paid	-61.4	-51.7	-239.5	-192.7	-273.9	-227.1
Changes in working capital	-258.2	-36.8	-337.6	-138.4	-216.5	-17.3
Cash flow from operating activities	-130.5	53.5	56.1	198.5	353.5	495.9
Cash flow from investing activities	-50.1	-867.1	-114.6	-923.3	-187.1	-997.6
Cash flow from financing activities	148.1	851.6	-139.1	591.7	-258.8	472.0
CASH FLOW FOR THE PERIOD	-32.5	38.0	-197.6	-133.1	-92.4	-29.7

Balance sheet SEK M	2014-09-30	2013-09-30	2013-12-31
Goodwill	2,153.5	2,090.0	2,088.4
Other intangible assets	128.9	159.7	150.6
Property, plant and equipment	398.2	395.0	394.7
Financial assets	65.6	53.1	55.9
Current assets excl. cash and cash equivalents	3,499.9	3,077.3	2,994.5
Cash and cash equivalents incl. short-term investments	148.5	209.8	318.7
TOTAL ASSETS	6,394.6	5,984.9	6,002.8
Equity attributable to parent company shareholders	1,677.2	1,566.8	1,617.5
Non-controlling interests	14.4	20.3	15.1
Total equity	1,691.6	1,587.1	1,632.6
Non-current liabilities	1,618.4	1,759.5	1,638.4
Current liabilities	3,084.6	2,638.3	2,731.8
TOTAL EQUITY AND LIABILITIES	6,394.6	5,984.9	6,002.8
Pledged assets	-	1.8	-
Contingent liabilities	215.0	220.7	188.9

Changes in equity SEK M	Jan–Sep 2014			Jan–Sep 2013		
	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	1,617.5	15.1	1,632.6	1,651.7	22.3	1,674.0
Comprehensive income for the period	375.5	1.6	377.1	216.6	3.7	220.3
Transfer to shareholders	-295.8	-3.2	-299.0	-296.2	-5.7	-301.9
Non-controlling interests in acquired companies	-	0.8	0.8	-	-	-
Acquisition of non-controlling interests	0.0	0.0	0.0	-	-	-
Divestment of non-controlling interests	-	0.1	0.1	-	-	-
Buy-back of treasury shares	-22.7	-	-22.7	-7.1	-	-7.1
Share savings schemes	2.7	-	2.7	1.8	-	1.8
EQUITY, CLOSING BALANCE	1,677.2	14.4	1,691.6	1,566.8	20.3	1,587.1

Acquisitions, Divestments and Fair Value of Financial Instruments

Acquisition of subsidiaries and operations

During the period Sweco acquired Tocoman Services Oy, Alfakonsult AB, Metro Arkitekter Göteborg AB and Savon Controlteam Oy, as well as operations within Metro Arkitekter AB, Helsingborg Energikonsult AB and Profil-bau Consulting Oy. Sweco also acquired minority shares in Sweco Lietuva and Sweco Hidroprojekta. The acquired businesses have an aggregate total of 123 employees. Purchase consideration totalled SEK 81.6 million and had a negative impact on cash and cash equivalents of SEK 69.4 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below. Of the unsettled purchase price commitment of SEK 3.2 million, SEK 1.3 million refers to conditional contingent consideration. Contingent consideration may not exceed SEK 1.3 million. During the period the acquired companies contributed SEK 71.0 million in sales and SEK 3.5 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2014 they would have contributed approximately SEK 108 million in sales and about SEK 10 million in operating profit. Transaction costs for the acquisitions are recognised in operating profit and totalled SEK 1.4 million during the period.

Acquisitions, SEK M	
Intangible assets	73.8
Property, plant and equipment	2.1
Current assets	30.1
Deferred tax	-3.1
Other current liabilities	-20.5
Non-controlling interests	-0.8
Total purchase consideration	81.6
Unsettled purchase price consideration	-3.2
Purchase price paid for acquisitions in previous years	3.4
Cash and cash equivalents in acquired companies	-12.4
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	69.4

Divestment of subsidiaries and operations

During the period Sweco sold Sweco Lenvodokanalprojekt with 98 employees, UAB FMC Probalt with 13 employees and an operation within the Traffic Measurement division with 22 employees. The companies and operations contributed SEK 6.9 million in sales and an operating loss of SEK 1.5 million. The sales generated capital gains of SEK 0.4 million and had an impact on the Group's cash and cash equivalents of SEK 42.9 million. The effect of the divestments on the consolidated balance sheet is presented in the table below.

Divestments, SEK M	
Intangible assets	36.1
Property, plant and equipment	0.9
Current assets	18.9
Other current liabilities	-11.2
Non-controlling interests	0.1
Gain recognised on sale	0.4
Total purchase consideration	45.2
Cash and cash equivalents in divested companies	-2.3
INCREASE IN GROUP CASH AND CASH EQUIVALENTS	42.9

Fair value of financial instruments

The Group's financial assets measured at fair value totalled SEK 12.4 million (13.3). The derivative instruments are forward currency contracts, the fair value of which are determined based on listed prices for forward currency contracts on the balance sheet date (Level 2). The fair value of unlisted financial assets is determined through market valuation techniques (observable market inputs) such as recent transactions, listed prices of similar instruments and discounted cash flows. In the event no reliable inputs are available for determining fair value, financial assets are reported at acquisition value (Level 3). There were no transfers between levels during the period.

Quarterly and Full-year Review per BA

Quarterly summary	2014 Q3	2014 Q2	2014 Q1	2013 Q4 ¹⁾	2013 Q3 ¹⁾	2013 Q2 ¹⁾	2013 Q1 ¹⁾	2012 Q4 ¹⁾	2012 Q3 ¹⁾	2012 Q2 ¹⁾	2012 Q1 ¹⁾
Net sales, SEK M											
Sweco Sweden	1,219.0	1,447.4	1,465.8	1,537.8	1,103.0	1,139.1	1,114.0	1,191.9	866.4	1,071.6	1,090.2
Sweco Norway	419.1	490.0	487.4	486.6	377.6	493.3	457.0	466.0	356.2	448.7	482.3
Sweco Finland	341.9	391.1	355.5	346.2	293.1	336.6	316.4	344.8	282.9	357.5	263.9
Sweco Central Europe	67.7	68.9	57.9	91.6	71.4	68.0	70.4	113.4	68.4	95.3	98.9
Group-wide eliminations, etc.	-47.6	-60.1	-44.9	-26.2	-35.4	-35.3	-40.2	-30.2	-25.0	-37.8	-25.7
TOTAL GROUP	2,000.1	2,337.3	2,321.7	2,436.0	1,809.7	2,001.7	1,917.6	2,085.9	1,548.9	1,935.3	1,909.6
Operating profit, SEK M											
Sweco Sweden	81.0	125.5	153.0	172.8	79.1	132.0	112.1	144.0	51.7	101.5	147.6
Sweco Norway	41.5	24.7	54.8	59.5	34.9	64.0	27.6	97.5	29.8	24.1	71.7
Sweco Finland	26.5	27.9	26.6	9.2	26.1	17.9	16.3	25.3	36.8	40.5	33.6
Sweco Central Europe	4.3	2.3	0.2	-1.9	-5.9	1.1	-6.8	-7.8	-11.9	0.3	2.2
Group-wide eliminations, etc.	1.9	-12.6	-9.6	-49.6	-16.0	-14.9	-5.1	-24.2	-1.1	-5.6	-12.4
EBITA	155.2	167.8	225.0	190.0	118.2	200.1	144.1	234.8	105.3	160.8	242.7
Acquisition-related items ²⁾	-12.0	-12.2	-13.4	-62.3	-12.2	-9.5	-10.1	-34.4	-5.9	-11.9	-10.7
TOTAL GROUP (EBIT)	143.2	155.6	211.6	127.7	106.0	190.6	134.0	200.4	99.4	148.9	232.0
Operating margin, %											
Sweco Sweden	6.6	8.7	10.4	11.2	7.2	11.6	10.1	12.1	6.0	9.5	13.5
Sweco Norway	9.9	5.0	11.2	12.2	9.2	13.0	6.0	20.9	8.4	5.4	14.9
Sweco Finland	7.7	7.1	7.5	2.7	8.9	5.4	5.1	7.4	13.0	11.3	12.7
Sweco Central Europe	6.3	3.3	0.4	-2.0	-8.2	1.6	-9.7	-6.9	-17.4	0.3	2.3
EBITA	7.8	7.2	9.7	7.8	6.5	10.0	7.5	11.3	6.8	8.3	12.7
Acquisition-related items ²⁾	-0.6	-0.5	-0.6	-2.6	-0.7	-0.5	-0.5	-1.7	-0.4	-0.6	-0.6
TOTAL GROUP (EBIT)	7.2	6.7	9.1	5.2	5.9	9.5	7.0	9.6	6.4	7.7	12.1
January-September											
	Net sales SEK M		Operating profit SEK M		Operating margin %		Average number of employees				
Business area	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Sweco Sweden	4,132.2	3,356.1	359.5	323.2	8.7	9.6	4,568	3,750			
Sweco Norway	1,396.5	1,327.9	121.0	126.5	8.7	9.5	1,241	1,189			
Sweco Finland	1,088.5	946.1	81.0	60.3	7.4	6.4	1,844	1,792			
Sweco Central Europe	194.5	209.8	6.8	-11.6	3.5	-5.5	809	962			
Group-wide eliminations, etc. ³⁾	-152.6	-110.9	-20.3	-36.0	-	-	18	15			
Acquisition-related items ²⁾	-	-	-37.6	-31.8	-	-	-	-			
TOTAL GROUP	6,659.1	5,729.0	510.4	430.6	7.7	7.5	8,480	7,708			

¹⁾ All quarters in 2012 and 2013 have been restated due to changed accounting principles

²⁾ Acquisition-related items are defined as amortisation and impairments of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies and operations.

³⁾ Operating profit for Group-wide is chiefly comprised on the Parent Company loss of SEK -12.8 million (-19.6).

Parent Company Income Statement and Balance Sheet

Parent Company income statement, SEK M	Jan-Sep 2014	Jan-Sep 2013	Full-year 2013
Net sales	239.7	194.0	271.4
Operating expenses	-252.5	-213.6	-301.0
Operating loss	-12.8	-19.6	-29.6
Net financial items	171.2	207.0	493.8
Profit after net financial items	158.4	187.4	464.2
Appropriations	-	-	86.7
Profit before tax	158.4	187.4	550.9
Tax	-	-	-74.0
PROFIT AFTER TAX	158.4	187.4	476.9

Parent Company balance sheet, SEK M	Jan-Sep 2014	Full-year 2013
Intangible assets	3.1	5.2
Property, plant and equipment	35.1	28.9
Financial assets	2,031.7	2,031.3
Current assets	547.9	1,624.9
TOTAL ASSETS	2,617.8	3,690.3
Equity	1,287.8	1,445.0
Untaxed reserves	1.3	1.3
Non-current liabilities	1,268.0	1,320.9
Current liabilities	60.7	923.1
TOTAL EQUITY AND LIABILITIES	2,617.8	3,690.3