

Q2 report Apr-Jun 2021

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Strong organic growth

Q2 2021

Net sales: SEK 5,177 million (4,808)

EBITA: SEK 416 million (383)

EBITA-margin: 8.0% (8.0)

Jan-Jun 2021

Net sales: SEK 10,176 million (10,063)

EBITA: SEK 848 million (858)

EBITA-margin: 8.3% (8.5)

- Continued strengthened demand, especially in our industry segments
- Strong adjusted organic growth of 7.0%
- EBITA-margin was 9.2% when adjusted for change of salary accounting method
- FX negative impact of Net sales of approx. SEK 134 million and EBITA approx. SEK 12 million
- 12 acquisitions so far this year equal to annual sales of approx. SEK 500 million or 2.6%

Market update

- Continued strengthened demand, especially in our industry-segments, driven by sustainability and digitalisation
- In **Infrastructure**, continued stable demand driven by increased public spending in construction and transport infrastructure
- In **Industrial & Digital Solutions**, strong recovery in all segments, in particular automotive and manufacturing
- In **Process Industries**, the market remains stable, especially in smaller scale and mid-sized OPEX projects
- In **Energy**, the general sentiment is solid, however we continue to see delays in decision making for large CAPEX projects
- In **Management Consulting**, continued positive trend in both the energy and bioindustry sectors





Projects to highlight

- IT agreement for the Swedish public sector, approx. MSEK 100 per year
- Turn-key project, food & pharma for Chr. Hansen in Denmark
- Engineering partner on pumped storage power plant in Israel
- Engineering assignment for floating solar project in Thailand
- Assignment to develop the world's largest thermal energy storage for Vantaa Energy in Finland
- Main partner in Viking Malt's new production plant project in Finland
- Assignment for Deutsche Bahn for the expansions of the Berlin railway infrastructure
- Assignment for a pilot project for electrification of the Swedish state road network



Eight acquisitions in Q2 and twelve in total 2021

Q1 2021	Segment	Net sales
 ProTAK	Digital, Process Industries	MSEK 13
Gärderup	Building, Infrastructure	MSEK 8
EKOM	Water expertise, Energy	MSEK 5
 ITE Østerhus	Digital, Process Industries	MSEK 40
Total		MSEK 66

Q2 2021	Segment	Net sales
 TM Konsult	Buildings, Infra	MSEK 100
Evolve	Digital, IDS	MSEK 85
 Pinja Industry	Digital, Process Industries	MSEK 140
Numerola	Digital, Energy	MSEK 12
MosaicMill	Digital, MC	MSEK 4
Simosol	Digital, MC	MSEK 20
Suunnittelukide	Construction, Infra	MSEK 34
 Optima Nexus	Digital, IDS	MSEK 37
Total		MSEK 432

Active sustainability agenda

- Listed by Financial Times as one of the top 300 climate leaders in Europe for reducing CO₂ emission intensity between 2014-2019
- Awarded the highest sustainability rating, a Platinum level, by EcoVadis
- Most attractive employer among researchers in Sweden according to Framtidens Forskning
- Collaborations to accelerate the sustainable transition
 - Norrsken Foundation
 - Gapminder
 - 1.5 degree Business Playbook



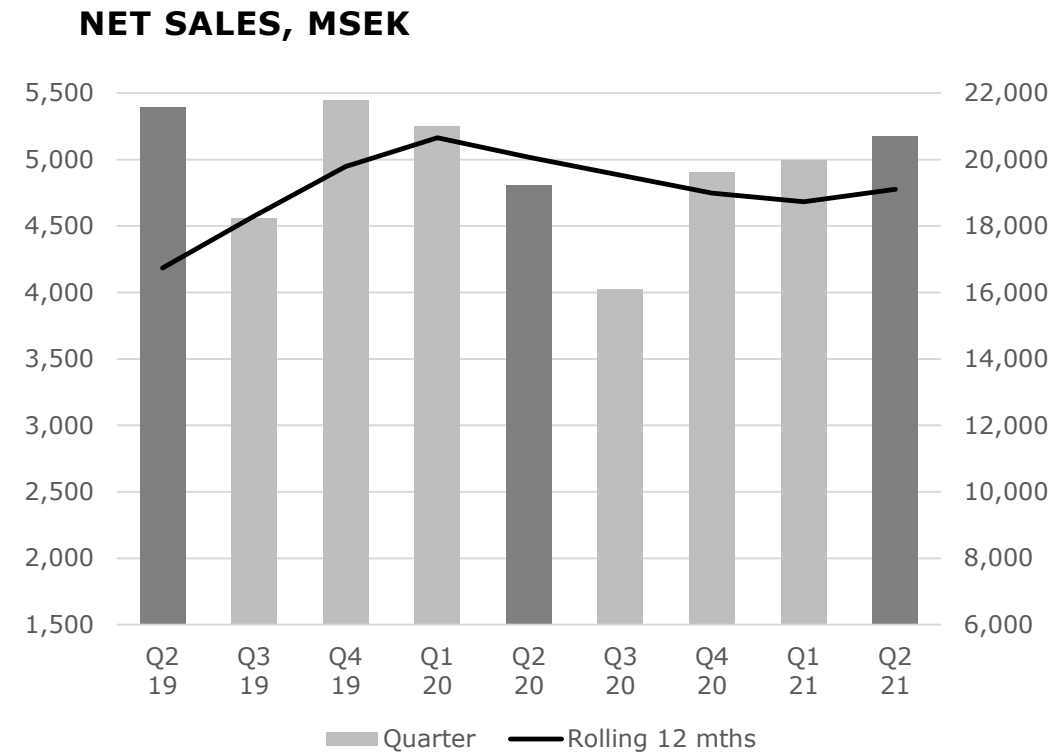
Net sales development

Q2 2021

- Net sales amounted to SEK 5,177 million (4,808)
- Total growth: 7.7%
- Growth excl. FX: 8.7%
- Adjusted organic growth: 7.0%

COMMENTS

- Strong organic growth
- FX-impact approx. SEK -134 million
- Strong development within Industrial & Digital Solutions, Process Industries and Management Consulting
- Order stock at a continued stable level



EBITA development

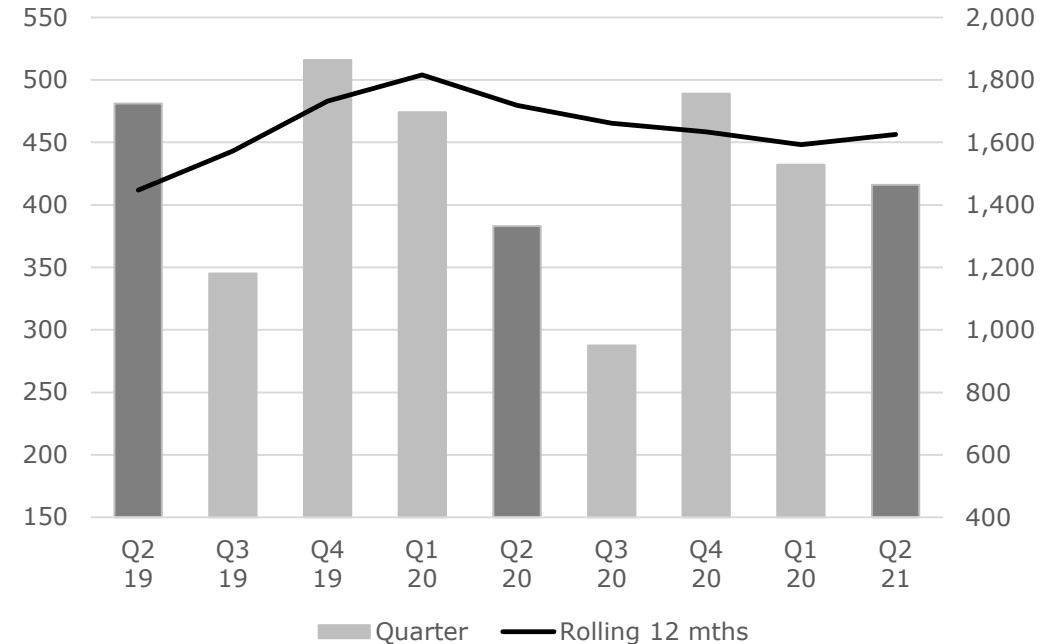
Q2 2021

- EBITA amounted to SEK 416 million (383)
- EBITA-margin was 8.0% (8.0)

COMMENTS

- Stable margin development, if adjusted for change of salary accounting method EBITA-margin would have improved to 9.2%
- Strong development within Process Industries, Energy and Management Consulting
- General cost savings impacting positively
- One working day more
- Negative FX-impact of approx. SEK 12 million

EBITA, MSEK

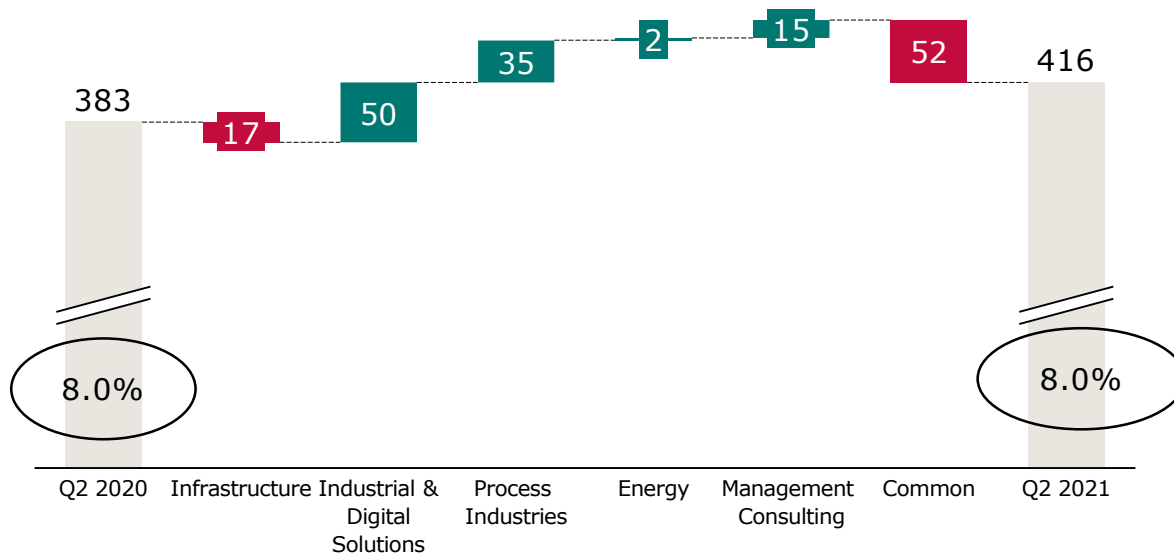


Changed salary accounting method

- Ahead of implementation of our new ERP system the salary accounting method in Sweden was updated
- Altered method for allocating personnel costs between quarters but with neutral impact on the full year
- For Q2 the change impacted EBITA by SEK 60 million and adjusted for this the EBITA-margin would have improved to 9.2%
- For January-June the change impacted EBITA by SEK 88 million and adjusted for this the EBITA-margin would have improved to 9.2%

Actual and estimated EBITA impact, MSEK	
Q1 / actual	-28
Q2 / actual	-60
Q3 / estimate	92
Q4 / estimate	-3
Full-year	0

EBITA-bridge

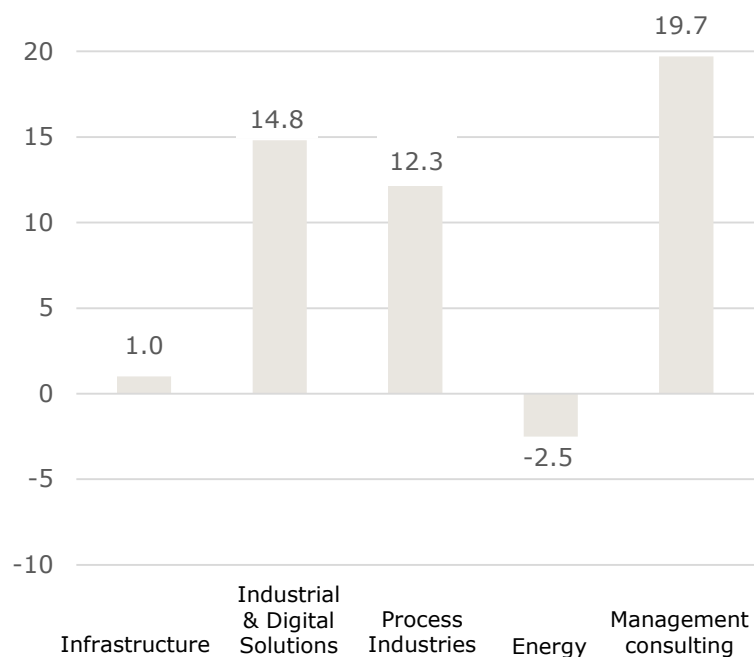


EBITA CHANGE COMPARED TO PREVIOUS YEAR

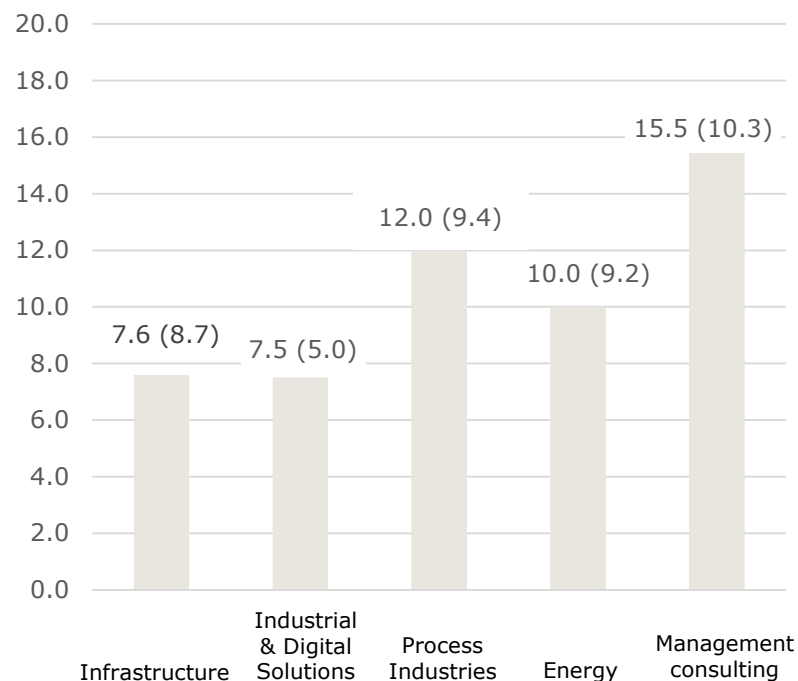
- Industrial segments seeing improved market conditions
- Change of salary accounting method impacting especially Infrastructure and Industrial & Digital Solutions
- Positive calendar impact of approx. 8 hours
- Common costs increased due to investments in digitalisation and preparing for new ways of working causing empty premises

Growth and profitability

Q2 ADJUSTED ORGANIC GROWTH, %



Q2 EBITA, % (previous year)



INFRASTRUCTURE

— Growth in most segments, stable results

INDUSTRIAL & DIGITAL SOLUTIONS

— Strong growth and an improved result driven by a strong development in the automotive and industrial segments.

PROCESS INDUSTRIES

— Strong growth and results, especially in Sweden, Finland and Latin America.

ENERGY

— Continued strong results, but negative growth we continue to see delays in decision making for large CAPEX projects

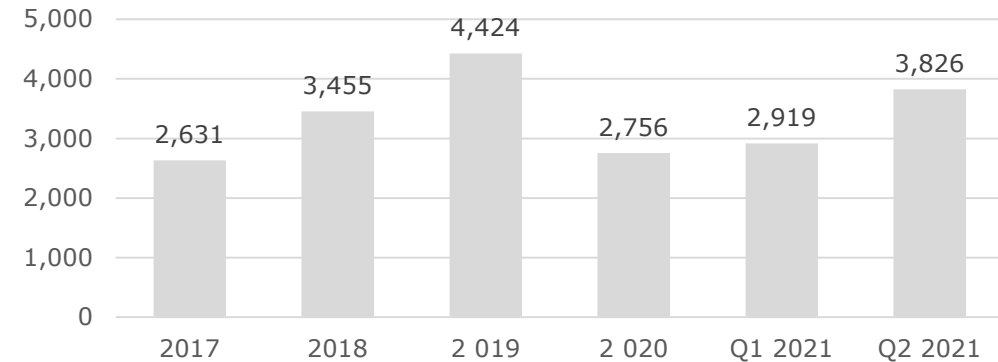
MANAGEMENT CONSULTING

— Strong growth and results due to a continued strong activity level in the energy and bioindustry sector.

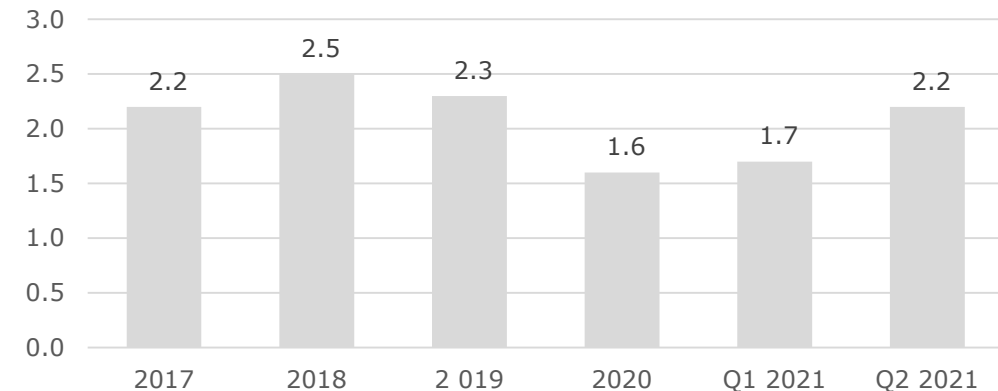
Net debt development – strong liquidity

- Net debt at SEK 3,826 million, an increase by SEK 240 million compared to Q2 2020
- Solid financial position with Adjusted Net Debt/EBITDA at 2.2 (2.0)
- Net debt reduced during quarter by positive operating cash flow
- Net debt increased by dividend and mainly acquisitions
- Available liquid assets of SEK 1,103 million and unutilised credit lines of SEK 2,751 million

Net Debt¹, MSEK



Net Debt/EBITDA²



1. Excl. Item affecting comparability and IFRS16

2. Calculated excluding IFRS16 impact, including Pöyry for rolling 12m and excluding items affecting comparability

Focus going forward

- Build upon the positive market momentum and our strong platform
- Continued focus on organic growth and high pace M&A-agenda
- Scale our digital offering and building AFRY X
- Company wide focus on sustainability
- Continued rigorous implementation of IT system landscape



Questions

Thank you!