Making Future
Our mission
We create sustainable engineering and design solutions
Stable results in Q1

THE COMBINED COMPANY
Net sales: SEK 5,255 million (5,423)
EBITA*: SEK 474 million (467)
EBITA-margin*: 9.0% (8.6)

— Improved profitability, due to cost synergies and strong development within Process Industries and Energy

REPORTED NUMBERS
Net sales: SEK 5,255 million (4,389)
EBITA*: SEK 474 million (390)
EBITA-margin*: 9.0% (8.9)

— Sales affected negatively by challenging market conditions in automotive, the repositioning of Division Energy and the completion of a large EPC+ project

— Solid cash flow development

— Extensive measures to mitigate future effects on operations

*Excl Items affecting comparability
Measures to address the challenges of Covid-19

— Remote work and digital collaborations as well as other safety precautions
— Short term work allowances for approximately 1,600 employees mainly within automotive, but also support functions
— Reduction of all cost spending
— Increased pace of ongoing cost and synergy program of 120 MSEK
— Investment program connected to the systems platform reviewed
— Withdrawal of dividend and renewal of credit facilities
Flexible cost structure allows quick measures

Q1, 2020

Materials and services:
Mainly related to project deliveries and adjusts according to volume

Personnel expenses:
Fixed and variable pay schemes
Quick reaction through work time allowances

Other expenses:
IT related expenses especially – short time impact difficult to achieve

SEK 4,6 billion in total cost, excl depreciation and amortisation
Growth impacted by challenging market conditions

**COMBINED, Q1 2020**
- Total growth: -3.1%

**REPORTED, Q1 2020**
- Total growth: 19.7%
- Organic growth: -2.7%
- Adjusted/underlying organic growth: -3.0%

**COMMENTS**
- Growth affected by lower demand in automotive, the repositioning of Division Energy and the completion of a large EPC+ project
- Positive growth in three out of five divisions
- Reduction of materials and subconsulting of 230 MSEK (combined operations) and divestment of a unit in Energy of appr. 35 MSEK
Improved profitability

**COMBINED, Q1 2020***
- EBITA increased to SEK 474 million (467)
- EBITA margin up to 9.0% (8.6)

**REPORTED, Q1 2020***
- EBITA increased to SEK 474 million (390)
- EBITA margin up to 9.0% (8.9)

**COMMENTS**
- Strong development within Process Industries and Energy
- Positive impact from synergy program and general cost savings
- Negative impact mainly from the challenging situation within automotive

* Excl. items affecting comparability
Improved profitability

Q1 PROFITABILITY STABLE BUT DIVISIONS IN DIFFERENT POSITIONS

EBITA CHANGE COMPARED TO PREVIOUS YEAR

- Minor calendar effects; 2 hours more vs. 2019
- Except for Industrial & Digital Solutions, only minor impact by Covid-19 in Q1
- Cost synergies visible, especially in group expenses
Growth and profitability

**INFRASTRUCTURE**
— Solid growth in most segments, profitability in line with Q4. Some neg impact in Buildings.

**INDUSTRIAL & DIGITAL SOLUTIONS**
— Growth and profitability down due to a sharp drop in volumes in automotive segment

**PROCESS INDUSTRIES**
— Strong growth mainly in the Nordics and South America, profitability on a high level.

**ENERGY**
— Decline in growth due to the material completion of a large EPC+ project, improved profitability due to the repositioning and strong development in nuclear.

**MANAGEMENT CONSULTING**
— Growth and profitability impacted negatively by lack of success fees and minor impact from Covid-19

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**Q1 ORGANIC GROWTH, ADJUSTED WITH CALENDAR EFFECTS**

- Infrastructure: 0.8%
- Industrial & Digital Solutions: -8.5%
- Process Industries: -11.0%
- Energy: 2.4%

**Q1 EBITA % (previous year)**

- Infrastructure: 9.1% (9.7%)
- Industrial & Digital Solutions: 7.6% (9.2%)
- Process Industries: 10.8% (10.7%)
- Energy: 9.3% (6.6%)
- Management consulting: 10.1% (12.9%)

* Combined operations
Net debt development – strong liquidity

— Solid operating cash flow in Q1 pushing adjusted Net Debt/EBITDA to 2.3 (reported at 2.7)

— Net Debt reduced by 67 MSEK compared to end of last year
  — Reduced due to operating cash flow by 249 MSEK
  — Increased due to investments and acquisition related items by 106 MSEK
  — Other impact mainly non-cash related and increased net debt by 76 MSEK

— Available liquid assets of 887 MSEK and unutilised credit lines of 3 300 MSEK and in addition committed term loan of 500 MSEK to replace bond maturing in May 2020

— Board of Directors proposes no dividend for 2019 given the uncertain and challenging market

### Net Debt, MSEK
excl. items affecting comparability and IFRS16

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>2Q19</th>
<th>Q1 2020</th>
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<tbody>
<tr>
<td>2017</td>
<td>2,631</td>
<td>3,455</td>
<td>7,144</td>
<td>5,154</td>
<td>5,112</td>
<td>4,424</td>
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<td>4,357</td>
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</table>

### Net Debt/EBITDA*
excl. items affecting comparability and IFRS16

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<th>Q1 2019</th>
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<th>Q4 2019</th>
<th>2Q19</th>
<th>Q1 2020</th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.8</td>
<td>2.2</td>
<td>2.2</td>
<td>2.3</td>
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</table>

* Calculated excluding IFRS16 impact, including Pöyry for rolling 12m and excluding items affecting comparability
1895
The steam boiler association is founded by owners of steam boilers and pressure vessels to prevent accidents.

1958
Jaakko Pöyry starts his business with the roots in Finnish forest industries.

2019
ÅF and Pöyry join forces, creating a Nordic leader within Engineering, Design and Advisory services.
We offer a broad portfolio

- **Infrastructure**
  - Transportation
  - Buildings
  - Project Management
  - Water
  - Environment
  - Architecture & Design

- **Industrial & Digital Solutions**
  - Advanced Automation
  - Automotive R&D
  - Connected Products
  - Experience Design
  - Food & Pharma
  - IT Solutions

- **Process Industries**
  - Bioindustries
  - Chemicals
  - Pulp, Board, paper & tissue
  - Metal & Mining
  - Smart solutions

- **Energy**
  - Thermal Heat & Power Renewables
  - Hydro
  - T&D
  - Nuclear
  - Contracting

- **Management Consulting**
  - Energy Sector
  - Bioindustry Sector
  - Market Analysis
  - Strategic Advice
  - Operational Excellence
  - M&A and Transactions

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**Business areas**

- **Share of net sales**
  - 38%
  - 29%
  - 15%
  - 15%
  - 3%

- **EBITA-margin**
  - 9.1%
  - 7.6%
  - 10.8%
  - 9.3%
  - 10.1%
Diversified portfolio balances risks

Net sales by segment
Dec 2019

- Infrastructure
- Energy and Power
- Process Industry
- Real Estate
- Automotive and Vehicles
- Life Science, Food & Pharma
- Telecom and ICT
- Manufacturing Industry
- Management Consulting
- Defence
- Other

30% Public business
70% Private business
Market update

— Overall good activity in Q1 in majority of business segments, however uncertain market situation.

— Risk of delayed projects and investment decisions.

— In **Infrastructure**, core markets show continued solid demand, however some impact in buildings segment.

— In **Industrial & Digital Solutions** significantly lower volumes in automotive. Continued good demand in defense and food & pharma.


— Stable demand in **Energy** and effects of repositioning faster than expected.

— Solid demand in **Management Consulting** driven by the transition in Energy and Bioindustry

— We expect the effects of Covid-19 to have a negative impact of net sales in Q2.
Climate challenge
Globalisation and Urbanisation
Digitalisation
Sustainability
Smart Cities and Infrastructure
Changing Energy Markets
Future Mobility
Industrial Digitalisation
Transition to Bioeconomy
Our commitment to Sustainability

- Sustainable solutions
- Responsible business
- Attractive employer
Sustainable Stories

How we together with our clients contribute to a more sustainable society
Sustainability boost for world’s largest dissolving pulp mill

Turning battery waste into organic fertilizer

Connected cars pave the way for increased road safety
Our strategic framework

WHO WE ARE

OUR VISION
Providing leading solutions for generations to come
Making Future

OUR VALUES
Brave
Devoted
Team players

OUR MISSION
We create sustainable engineering and design solutions

HOW WE WIN

GROWTH DRIVERS
Smart cities and infrastructure
Future mobility
Industrial digitalisation
Changing energy markets
Transition to bioeconomy

OUR STRATEGY

GROWTH
International expansion into leading positions

VALUE CREATION
Business model shift to deliver higher value

OPERATIONS
Operational excellence

PEOPLE
Best in class people practices
Driving strong acquisition agenda

2018

Adding 600 MSEK in revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gottlieb Paludan Architects</td>
<td>Architecture &amp; Design</td>
</tr>
<tr>
<td>Arcad Architects</td>
<td>Architecture &amp; Design</td>
</tr>
<tr>
<td>Facilia</td>
<td>Nuclear decommissioning</td>
</tr>
<tr>
<td>Effekt</td>
<td>Buildings</td>
</tr>
<tr>
<td>Samtanke</td>
<td>Digital</td>
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<td>Konsultbolag1</td>
<td>Digital</td>
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<td>Mometo</td>
<td>Digital</td>
</tr>
<tr>
<td>LBP</td>
<td>Digital</td>
</tr>
<tr>
<td>Profil-Bau Industrial</td>
<td>Buildings</td>
</tr>
<tr>
<td>P.A.P</td>
<td>Industrial engineering</td>
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<tr>
<td>IFEC Ingegneria</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td>Energy/Infrastructure</td>
</tr>
</tbody>
</table>

2019

Adding + 6 BSEK MSEK in revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>PÖYRY</td>
<td>Multidisciplinary</td>
</tr>
<tr>
<td>AF-Incepal S.A</td>
<td>Process Industries</td>
</tr>
<tr>
<td>CTT Electronics</td>
<td>Electronic prod. dev</td>
</tr>
<tr>
<td>Sonny Svensson</td>
<td>Building installation</td>
</tr>
<tr>
<td>Cervino Consulting</td>
<td>Defence</td>
</tr>
<tr>
<td>One World</td>
<td>Security, Infrastructure</td>
</tr>
</tbody>
</table>
Strong service offer and increased position in project delivery

**ÅF**  
Dec 2018

<table>
<thead>
<tr>
<th>Projects</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>40%</td>
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**ÅF Pöyry**  
Dec 2019

<table>
<thead>
<tr>
<th>Projects</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>30%</td>
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</table>

**PRODUCTS**

- EPC+
- Turn key projects
- Fixed price projects
- Time & Material Projects
- Operating “Satellites”
- After market ~ 24/7
- Professional Teams
- Professional services

**CONCEPTS**

**SOLUTIONS**

**PROJECTS**

**SERVICE**
Strong track of delivering growth at stable margins

2014-2019
CAGR of **12%** p.a. and including Pöyry 24%
Focus moving forward

React & adjust
(Q1/Q2)

- React to Covid-19 crisis - distance work using digital platforms
- Cost savings across all areas including short term allowances
- Focus on operational efficiency and adjusting investments

Sustain & lean
(Q2/Q3)

- Based on 120 MSEK cost program, and short-term savings in Q2, setting lean operational structure:
  - Increased efficiency
  - Increased flexibility
- Review of strategy and scenario planning: Where to play and how to win in new normal

Win in new normal
(Q3/Q4)

- Leverage from lean and flexible structure with strong position in key segments and regions.
- Growth, M&A, brand-building and attractive employer
- Execution of strategy with focus on:
  - Sustainability
  - Digitalisation