Stable results in a challenging quarter

**Q2 2020**
- Net sales: SEK 4,808 million (5,393) **-11%**
- EBITA*: SEK 383 million (481)
- EBITA-margin*: 8.0% (8.9)

**Jan-Jun 2020**
- Net sales: SEK 10,063 million (9,782) **+2.9%**
- EBITA*: SEK 858 million (870)
- EBITA-margin*: 8.5% (8.9)

— Sales affected mainly by the automotive segment, where volume decreased by ca 40%
— Stable results due to extensive cost mitigation activities and good development within Infrastructure, Process Industries and Energy
— Strong cash flow
— Repositioning of automotive segment initiated to provide more value-adding services
— Slight recovery and stabilisation in demand end of quarter, still with uncertainty how market will develop in remaining 2020

*Excl Items affecting comparability
Extensive measures in response to Covid-19

— Remote work and digital collaborations as well as other safety precautions
— Ca 1,900 employees on short term work and permanent layoff of about 200 employees, mainly within automotive
— Reduction of all cost spending
— Increased pace of ongoing efficiency program of SEK 120 million but still focus on mitigating market turmoil
— Total costs reduced by approx. SEK 500 million in Q2, mix of short-term and permanent savings
— State subsidies to support our employees of approx. SEK 87 million
Reduction of sales mitigated in cost structure

Change vs. PY, BSEK

0.59

0.49

~11%

Reduction of Revenue

0.25

Reduced EBITA of appr. 0.1 BSEK

Reduction of Expenses

0.24

Direct project expenses:
Materials, subconsulting and other project related expenses reduced along with the sales

Indirect expenses:
Other expenses such as personnel expenses, facility, IT etc.
Market update

— Major impact of Covid-19 in the automotive segment and varied effect on other industry segments and markets

— In **Infrastructure**, demand strong in the Nordics while Central Europe more impacted

— In **Industrial & Digital Solutions** significantly lower volumes in automotive and related supply chain. Strong demand in food & pharma

— Solid demand in **Process Industries**, however shift in client behaviour and longer decision-making processes

— Stable demand in **Energy** and increased activity in the market noted end of Q2

— In **Management Consulting**, strong demand in energy consulting. Continued impact on transaction-related services
During Q2 increased share in Infrastructure and Process Industries due to a stable and favourable situation in the Nordic public sector as well as the continued stable bioeconomy sector.

Two major repositioning areas; Automotive and Energy.

AFRY-portfolio geared towards Infrastructure, Process Industries as well as fast growing segments such as Food & Pharma.
New projects

— Owner’s engineering services assignment for 6 gas-fired cogeneration power plant projects in Thailand
— Assignment for Vistin Pharma to double the production capacity of diabetes medicine
— Process solutions for TINE in Norway
— Contract for consultancy services for Daimer Basha dam project, Pakistan
— New contract with Largo Resources in Brazil
— Digitalisation of Lund with integration platform
— Production line for Oatly in Singapore
Growth mainly impacted by the automotive segment

**Q2 2020**
- Total growth: -10.9%
- Organic growth: -9.2%
- Adjusted/underlying organic growth: -9.8%

**COMMENTS**
- Growth affected by a vast reduction in demand in automotive, the repositioning of Division Energy and the completion of a large EPC+ project
- Volume down 40% in the automotive segment
- Continued limited growth in some segments in Q3 is expected
Stable results despite decline in volume

Q2 2020*
- EBITA amounted to SEK 383 million (481)
- EBITA margin down to 8.0% (8.9)

COMMENTS
- Negative impact mainly from the challenging situation within automotive
- Strong positive impact from efficiency program and general cost savings
- SEK 500 million in cost savings in the quarter
- Solid development within Infrastructure, Process Industries and Energy

* Excl. items affecting comparability
Division performance Q2

PROFITABILITY MIXED AMONG DIVISIONS

EBITA CHANGE COMPARED TO PREVIOUS YEAR

- Minor calendar effects; approx. 3 hours more vs. 2019
- Negative impact in divisions by Covid-19 but scale of impact mixed
- Repositioning of Energy providing results
Growth and profitability

Q2 ORGANIC GROWTH, % ADJUSTED WITH CALENDAR EFFECTS

- Infrastructure: -18.5%
- Industrial & Digital Solutions: 1.3%
- Process Industries: -11.5%
- Energy: 8.9%

Q2 EBITA % (previous year)

- Infrastructure: 8.7 (9.6)
- Industrial & Digital Solutions: 5.0 (8.8)
- Process Industries: 9.4 (9.6)
- Energy: 9.2 (7.3)
- Management consulting: 10.3 (15.3)

INFRASTRUCTURE
- Results negatively impacted by the real estate segment and business in Central Europe. Strong transport infrastructure in the Nordics.

INDUSTRIAL & DIGITAL SOLUTIONS
- Growth and profitability down due to a sharp drop in volumes in automotive segment. Strong development in Food & Pharma.

PROCESS INDUSTRIES
- Strong development in China, Brazil and North America. Growth impacted mainly in the Nordics OPEX business.

ENERGY
- Decline in growth due the completion of a large EPC+ project, improved profitability due to the repositioning and cost savings.

MANAGEMENT CONSULTING
- Profitability impacted negatively by lack of success fees.
Net debt development – strong liquidity

— Strong operating cash flow in Q2 pushing adjusted Net Debt/EBITDA to 2.0 (reported at 2.3)
  — Driven by reduction in net working capital
— Net Debt position improved from SEK 4,357 million to SEK 3,586 million
— No signs of delays in customer payments
— Available liquid assets of SEK 1,367 million and unutilised credit lines of SEK 2,852 million

* Calculated excluding IFRS16 impact, including Pöyry for rolling 12m and excluding items affecting comparability
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
- Repositioning of Energy and Automotive

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
Thank you!

Save the date:
Capital Markets Day on November 24