

Q2 report Jan-Jun 2023

JONAS GUSTAVSSON, PRESIDENT & CEO
BO SANDSTRÖM, CFO

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Q2 - Strong organic growth in a mixed market

- Continued strong demand in our industry and energy segments, while clear slowdown in the real estate segment
- Strong adjusted organic growth
- Order stock at a continued high level
- Result impacted by lower utilisation and negative calendar effect
- Process Industries, Energy and Management Consulting reported strong results
- Acquisition of KSH, with annual net sales of SEK 180 million

6,869

Net sales, SEK million

15.0

Total growth, %

10.8

Adj. organic growth, %

421

EBITA, SEK million

6.1

EBITA margin, %

Note: EBITA and EBITA margin excluding items affecting comparability

Jan-Jun 2023

13,784

Net sales, SEK million

18.4

Total growth, %

13.2

Adj. organic growth, %

1,110

EBITA, SEK million

8.0

EBITA margin, %

Note: EBITA and EBITA margin excluding items affecting comparability

Market update

In general, high demand driven by the green industrial transition

INDUSTRIAL & ENERGY SEGMENTS

- Strong underlying demand in most industrial and energy segments such as mining & metal, energy transformation and electrification
- Increased uncertainty in pulp & paper CAPEX investments

INFRASTRUCTURE

- Clear slowdown within the real estate segment in Finland and Sweden
- Public investments in infrastructure and transport at a stable level

Development by division

Infrastructure

9.5% adj. organic growth
4.0% EBITA margin



Process Industries

20.5% adj. organic growth
11.5% EBITA margin



AFRY X

1.6% adj. organic growth
0.5% EBITA margin



Industrial & Digital Solutions

9.8% adj. organic growth
6.3% EBITA margin



Share of net sales Q2, 2023

Energy

4.7% adj. organic growth
9.0% EBITA margin



Management Consulting

10.0% adj. organic growth
13.1% EBITA margin



An aerial photograph of a dense green forest. A road or path is visible, partially obscured by a thick layer of white mist or fog that hangs low over the trees.

FORTUM

engineering assignment
for hydrogen study

An aerial photograph of a large industrial facility, likely a recycling plant. The complex consists of several large, light blue and white buildings with flat roofs. There are numerous pipes, storage tanks, and piles of materials within the site. The plant is surrounded by green trees and fields under a cloudy sky.

STENA RECYCLING

recycling plant for
electric car batteries

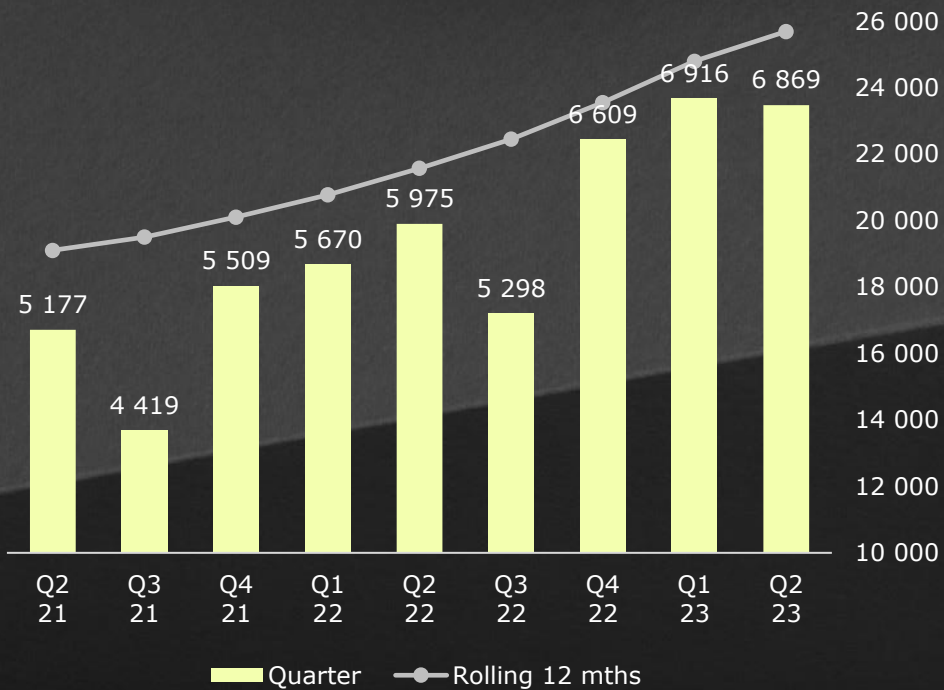
A photograph showing a person riding a bicycle on a paved path. The path has a white bicycle symbol painted on it. To the left of the path is a field of tall, golden-yellow grass. The background is bright and slightly out of focus.

SWEDISH TRANSPORT ADMINISTRATION

project management for
Södertörn crosslink

Net sales development

NET SALES, SEK MILLION



Q2 2023

SEK 6,869 million

Net sales

15.0%

Total growth

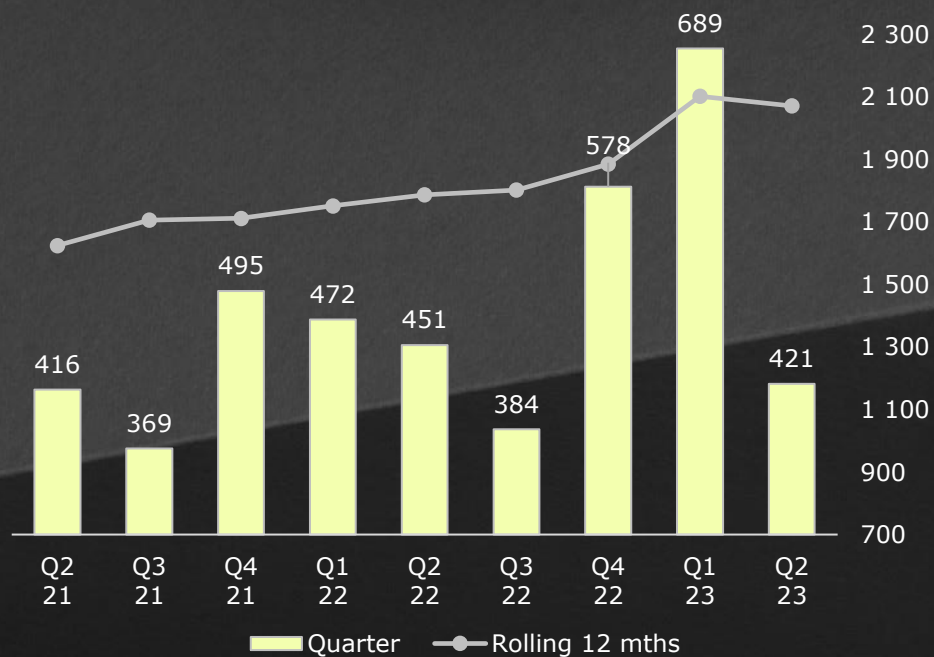
10.8%

Adjusted
organic growth

- Continued strong organic growth, supported by sustained level of price increases
- Order stock increased sequentially to SEK 21 billion, 14% higher than last year

EBITA development

EBITA, SEK MILLION



Q2 2023

SEK 421 million

EBITA

6.1%

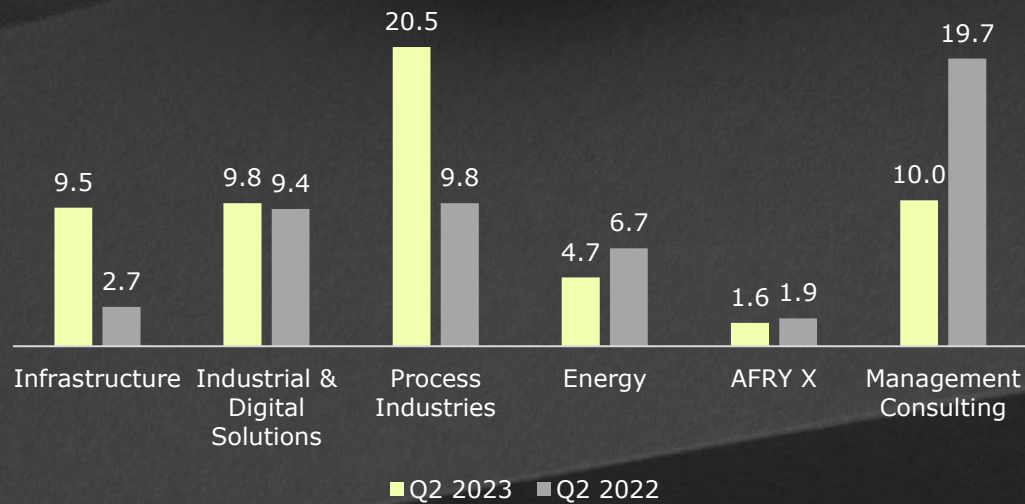
EBITA margin

- EBITA decreased by 7% from last year, affected by lower utilisation rate and a negative calendar effect
- Costs for early termination of lease contracts for office premises reported as items affecting comparability

EBITA and EBITA margin excluding items affecting comparability

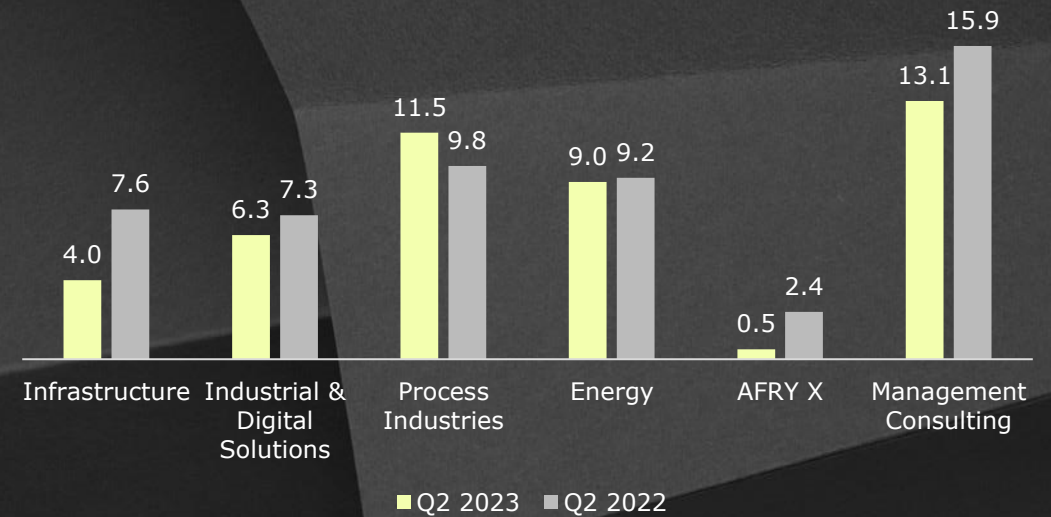
Development by division

ADJUSTED ORGANIC GROWTH, %



- Positive adjusted organic growth across all divisions
- Process Industries continued strong growth, other divisions sequentially softening

EBITA MARGIN, %



- Process Industries, Energy and Management Consulting continued strong results in seasonally weak quarter
- Industrial & Digital Solutions stable development, adjusted for calendar effects
- Infrastructure and AFRY X had a weak development, driven by lower utilisation and calendar effects

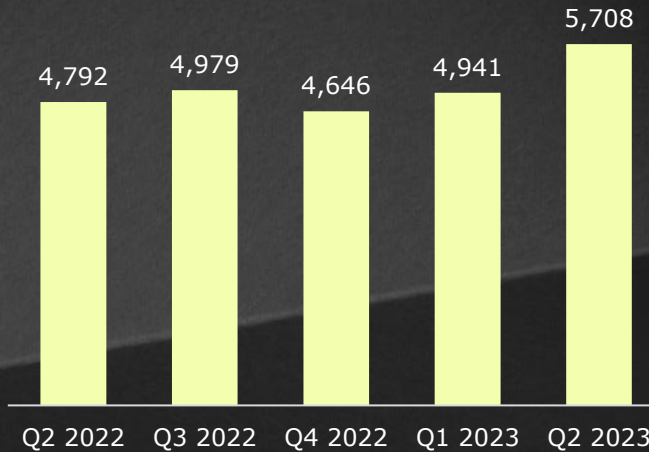
Cash flow and financial position

OPERATING CASH FLOW, SEK MILLION



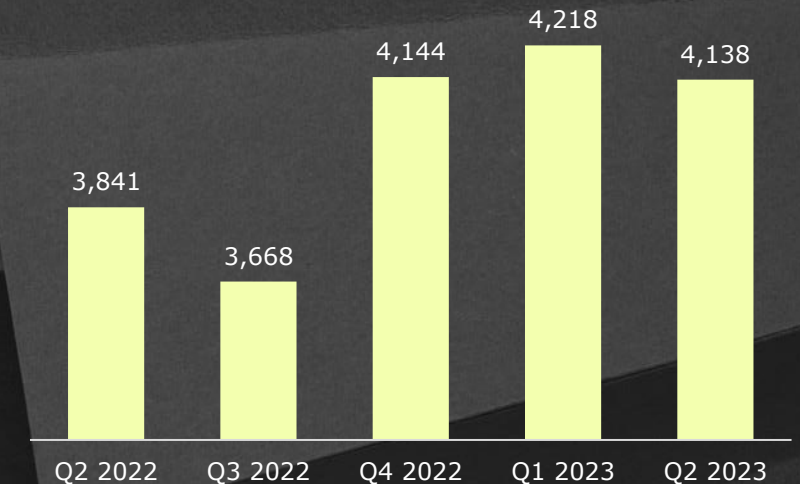
- Improved cash flow from operating activities in Q2 2023
- Working capital stable sequentially despite continued growth

NET DEBT (EXCL IFRS16), SEK MILLION



- Net debt of SEK 5.7 billion
- Acquisitions and dividend pay-out in the quarter increasing net debt

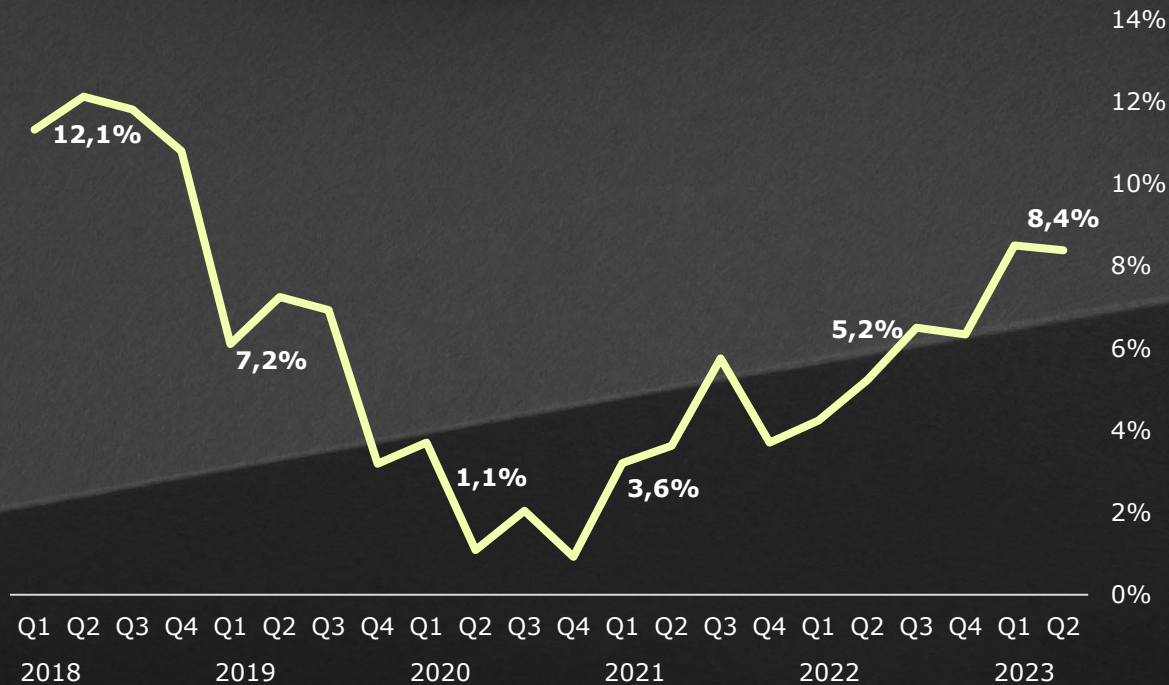
LIQUID ASSETS & CREDIT LINES, SEK MILLION



- Continued strong liquidity, now at SEK 4.1 billion

Working capital development

NET WORKING CAPITAL OVER NET SALES R12, %

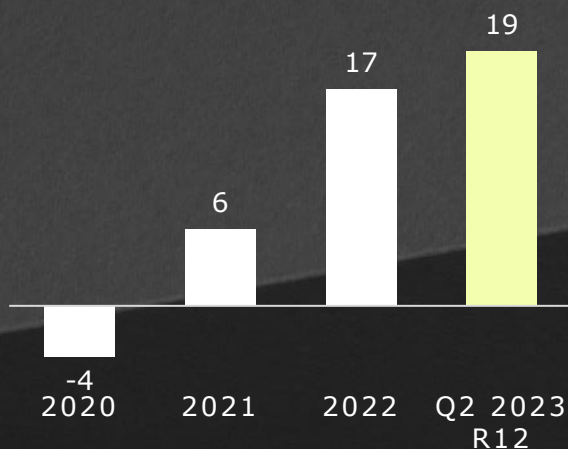


- Pöyry acquisition in 2019 reset the normalised level due to different cash flow mechanics in larger scale projects
- Negative growth contracts NWC ratio, while significant growth expands NWC ratio
- Slight improvement sequentially in Q2 2023

Financial targets

10%

TOTAL GROWTH¹



- Sustained R12 level in Q2, well above target level

1) Excluding Pöyry acquisition

10%

EBITA MARGIN²

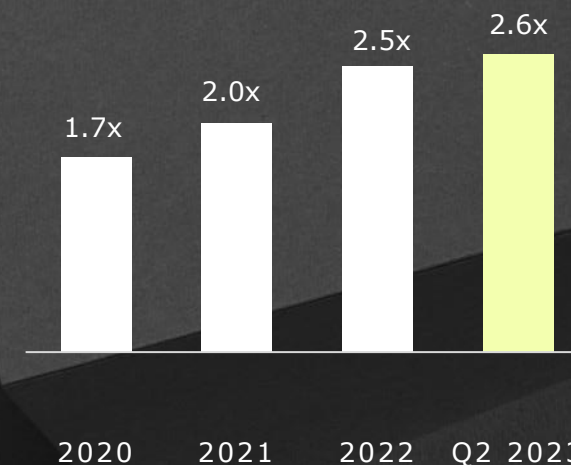


- Moderate improvement on R12 EBITA margin since 2022, net of calendar effects

2) Excluding items affecting comparability

2.5x

NET DEBT / EBITDA, EOY



- Increased leverage in Q2, primarily due to dividend payout and KSH acquisition

Focus going forward

- Leverage on our strong position and high demand in the industry and energy segments
- Mitigate effects from slowdown in the real estate segment, and improve utilisation
- Strengthen profitability and position in Infrastructure in the long-term continues



Making Future