



Stable results and strong cash flow in the quarter

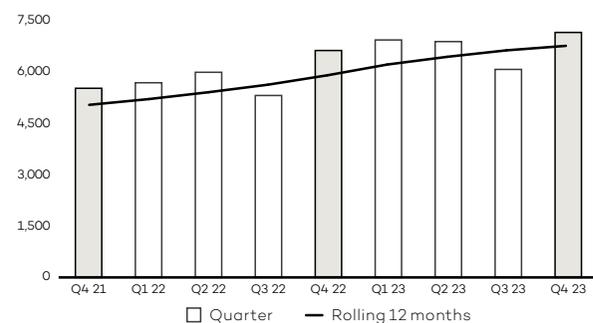
Fourth quarter 2023

- Net sales increased by 8.0 percent to SEK 7,135 million (6,609)
- Organic growth adjusted for calendar effects was 5.9 percent (11.3)
- EBITA, excl. items affecting comparability, was SEK 596 million (578)
- EBITA margin, excl. items affecting comparability, was 8.4 percent (8.8)
- EBITA totalled SEK 541 million (562)
- EBITA margin was 7.6 percent (8.5)
- EBIT (operating profit) amounted to SEK 501 million (527)
- Basic earnings per share: SEK 2.77 (3.51)

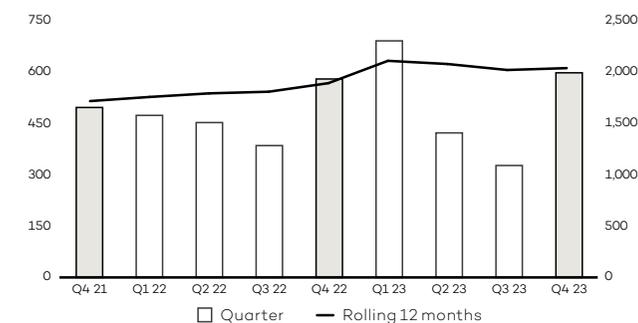
January–December 2023

- Net sales increased by 14.5 percent to SEK 26,978 million (23,552)
- Organic growth adjusted for calendar effects was 10.2 percent (8.1)
- EBITA excl. items affecting comparability was SEK 2,032 million (1,886)
- EBITA margin, excl. items affecting comparability, was 7.5 percent (8.0)
- EBITA totalled SEK 1,938 million (1,729)
- EBITA margin was 7.2 percent (7.3)
- EBIT (operating profit) amounted to SEK 1,779 million (1,444)
- Basic earnings per share: SEK 9.71 (8.60)
- The Board of Directors proposes a dividend of SEK 5.50 (5.50) per share for 2023

Net sales, SEK million



EBITA¹, SEK million



¹ Excluding items affecting comparability.

Comments from the CEO

The fourth quarter shows a positive development with good growth, stable results and strong cash flow. The ongoing improvement programme in Infrastructure is proceeding according to plan.

There is a general good demand for our expertise in the market, especially within the energy sector. Within the industry sector, we experience a mixed market with strong demand in several segments, while we see delayed decision processes for major investment projects in the pulp & paper segment. Demand in the real-estate segment remains weak.

Net sales amounted to SEK 7,135 million in the fourth quarter, an increase of 8 percent compared to the same period last year. Organic growth was 6 percent, adjusted for calendar effects, which was sequentially lower than previous quarter. The order stock has been high during 2023, but decreased slightly in the fourth quarter and amounted to SEK 19 billion at the end of the year.

EBITA, excluding items affecting comparability, amounted to SEK 596 million (578) for the fourth quarter, corresponding to an EBITA margin of 8.4 percent (8.8). Adjusted for calendar effects, the EBITA margin was in line with previous year. Restructuring costs for redundancies and lease terminations amounted to SEK 55 million in the quarter. A strong operating cash flow of SEK 958 million during the quarter improved our financial position, with net debt/EBITDA improving to 2.4 at year-end.

The Process Industries, Energy and Management Consulting Divisions reported continued strong results in the quarter with margins above 10 percent, driven by our strong position in energy, pulp & paper, and other bio-based industries.

The Infrastructure Division improved its results compared to the previous year, mainly driven by a higher utilisation rate. The ongoing improvement programme goes according to plan, and we executed planned redundancies during the quarter and further reduced office space. The quarter was a step in the right direction, and we are continuing our efforts to improve profitability in the division.

The Industrial & Digital Solutions Division reported weak results in the quarter following a project write-down, but also due to postponed and cancelled projects in some segments, such as telecom and IT. Focus for the division is to improve the utilisation rate and on strengthening the position in segments where we see continued strong demand, for example the automotive and defence industry.

In line with our strategy and ambition to be a leading partner in the sustainable transformation, we have entered several new exciting customer assignments. In the quarter, we want to highlight the collaboration with Nordic Paper to reduce emissions in the paper mill in Bäckhammar and the development of a future power grid for Statnett in Norway.

In 2023 we saw a healthy demand for AFRY's services, contributing to net sales of SEK 27 billion and a total growth of 15 percent. We improved our result, but the margin weakened slightly during the year. We took several measures to strengthen the margin, such as expanding the improvement programme in the Infrastructure Division and the restructuring of the AFRY X Division.

In 2024, we will continue to build on our strong position in the ongoing transition in energy and industry and on implementing improvement measures to strengthen our profitability.

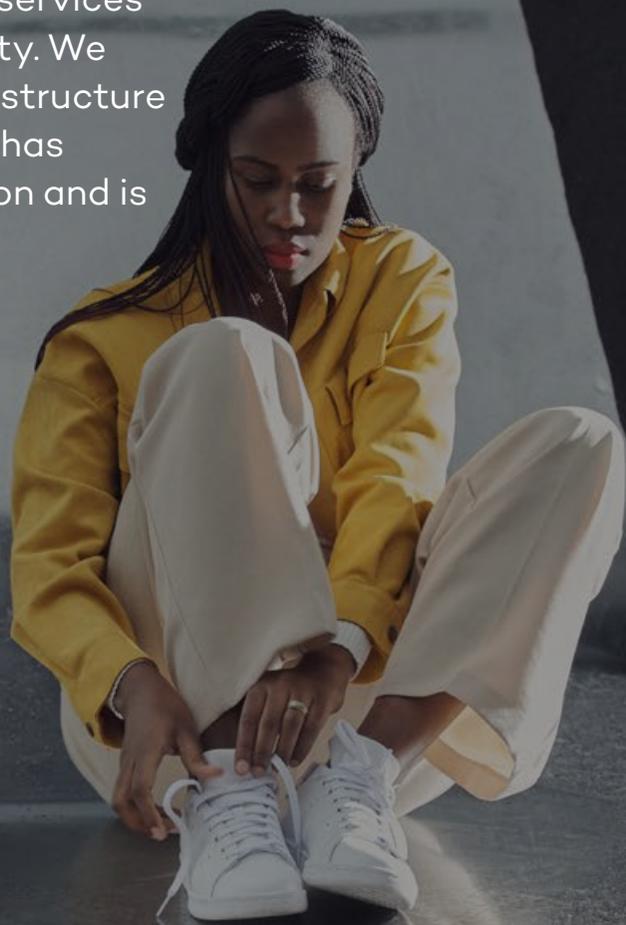
Finally, I would like to thank our clients, partners and employees for great collaboration during the year.

Jonas Gustavsson
President and CEO

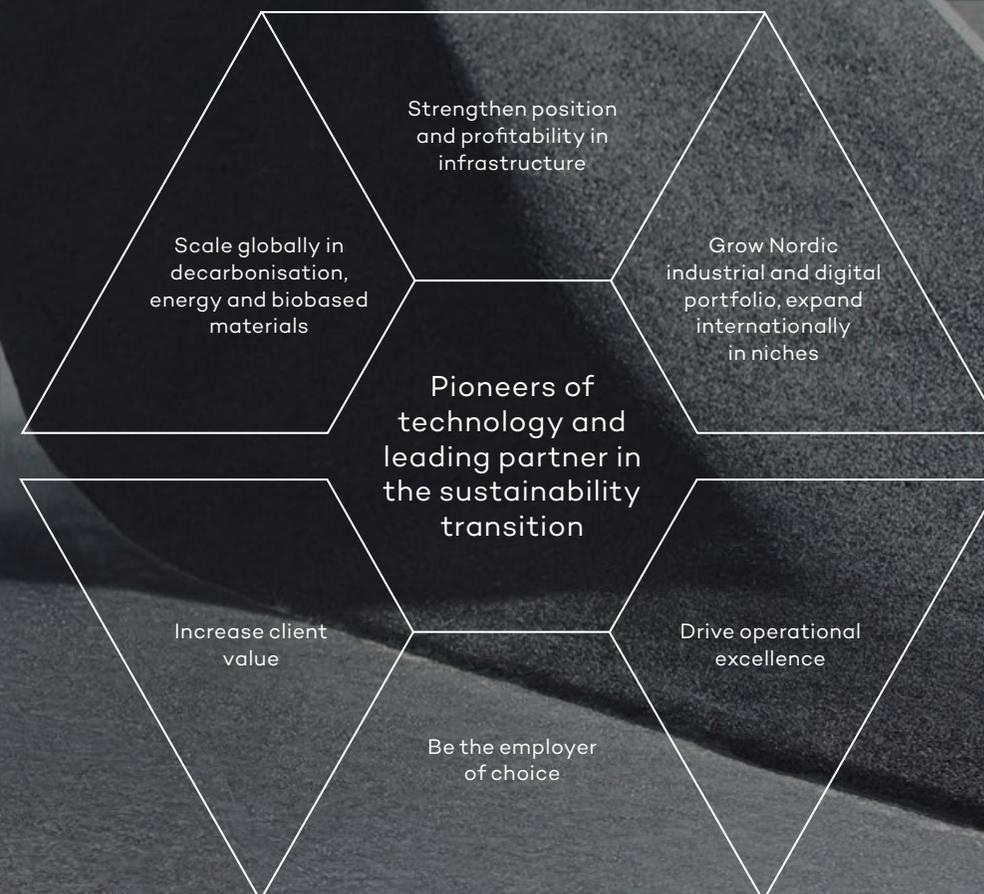


AFRY in short

AFRY provides engineering, design, digital and advisory services to accelerate the transition towards a sustainable society. We are 19,000 devoted experts in industry, energy and infrastructure sectors, creating impact for generations to come. AFRY has Nordic roots with a global reach, net sales of SEK 27 billion and is listed on Nasdaq Stockholm.



Business strategy



Who we are

Our vision

Making future

Our mission

We accelerate the transition towards a sustainable society

Our values

Brave
Devoted
Team players

Our people

Inclusive and diverse teams with deep sector knowledge

A clear vision

AFRY strives for profitable growth to generate long-term value for our shareholders and the society. The financial targets focus on growth, profitability and a strong financial position. The sustainability targets are key elements of our strategy. The targets focus on the development of sustainable solutions, responsible and ethical operations and our people.



Financial targets

- Annual growth of 10 percent. The target includes add-on acquisitions
- EBITA margin of 10 percent (excluding items affecting comparability)
- Net debt in relation to EBITDA of 2.5
- Dividend policy of approximately 50 percent of profit after tax excluding capital gains

Sustainability targets

- Increase taxonomy-eligible turnover
- 95 percent completion rate for sustainability training
- Halve CO₂ emissions by 2030 and achieve net zero emissions by 2040
- 95 percent completion rate for training in AFRY's Code of Conduct
- 40 percent female leaders by 2030
- Increase employee engagement

Net sales, SEK billion

27

Number of employees

19,000

Countries with projects

100

Numbers refer to full-year 2023

New assignments



Sustainable paper production in Bäckhammar, Sweden

Nordic Paper is a leading specialty paper producer in Sweden, Norway and Canada. The paper mill in Bäckhammar is today one of the most climate-efficient facilities in the global kraft paper industry. Investments are now being made to further improve efficiency and AFRY has been awarded the contract to provide engineering and project management services for a new wood room and electrostatic filter. The project will increase production efficiency and is expected to cut emissions of dust into the air by more than two thirds.



Urban development project in Prague, Czech Republic

Danish studio Bjarke Ingels Group has chosen AFRY as the general designer and local architect for a new concert hall in Prague, Czech Republic. The building is envisioned to become a national cultural centre for the public. Hand in hand with the concert centre, preparations for a challenging transport solution for the entire city area have been taking place. Therefore, the designers of AFRY work also on a complex solution that provides for transport by metro, trams, cars, buses, taxis, bicycles, river ferry and train.



Developing Norway's future power network

AFRY has been awarded two framework agreements for Statnett in Norway. The agreements are aimed at facilitating the further development and expansion of the transmission network in Norway and includes both project management services and detailed engineering services. Statnett, the state-owned enterprise responsible for Norway's power transmission system, must renew and improve the main power grid across the country for enabling the green shift and a sustainable value creation, as well as securing the power capacity and supply.

Financial summary

Fourth quarter

Net sales

Net sales for the quarter amounted to SEK 7,135 million (6,609), an increase of 8.0 percent (20.0). Organic growth was 5.0 percent (10.3) and 5.9 percent (11.3) when adjusted for calendar effects.

EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 596 million (578). The corresponding EBITA margin was 8.4 percent (8.8). Items affecting comparability amounted to SEK -55 million (-16) and related to restructuring costs for the Infrastructure and AFRY X Divisions and costs for premature termination of leases. The figure for the comparative period related to adaption and configuration of cloud-based IT systems. For more information, see alternative performance measures for EBITA on page 25.

EBITA and the EBITA margin were SEK 541 million (562) and 7.6 percent (8.5) respectively. The effects of IFRS 16 Leases on EBITA were SEK 23 million (2) on EBITDA and SEK 170 million (147).

Capacity utilisation

Capacity utilisation was 73.6 percent (74.4) for the quarter.

Operating profit/loss

EBIT totalled SEK 501 million (527). The difference between EBIT and EBITA consists mainly of acquisition-related non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -42 million (-44) and the change in estimates of future contingent considerations of SEK 4 million (9). For more information, see alternative performance measures for EBITA on page 25.

Financial items

Profit after financial items was SEK 391 million (475) and profit after tax for the period was SEK 314 million (398). Net financial items for the quarter totalled SEK -110 million (-52). In addition to increased interest expenses, net financial items were impacted by discount rates related to leasing in accordance with IFRS 16 Leases of SEK -19 million (-14) as well as discounting of contingent considerations of SEK -2 million (-2), which did not impact cash flow.

Income tax

The tax expense amounted to SEK -76 million (-77), corresponding to a tax rate of 19.6 percent (16.2). The tax rate during the quarter, as during the comparative period, was affected mainly by loss carry-forwards without corresponding capitalisation of deferred tax.

Cash flow and financial position

Consolidated net debt including IFRS 16 Leases amounted to SEK 6,842 million (6,849).

Consolidated net debt excluding IFRS 16 Leases amounted to SEK 4,868 million (4,646) at the end of the quarter, and SEK 5,611 million (4,979) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 806 million (270) in the fourth quarter. During the quarter, the company paid a total of SEK 69 million in contingent considerations for previous acquisitions, thereby increasing net debt. At the end of the fourth quarter, the company had SEK 407 million in outstanding issued commercial paper under its commercial paper programme.

Consolidated cash and cash equivalents totalled SEK 1,167 million (1,088) at the end of the period and unused credit facilities amounted to SEK 3,055 million (3,056).

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales				
Net sales, SEK million	7,135	6,609	26,978	23,552
Total growth, %	8.0	20.0	14.5	17.1
(-) Acquired, %	1.3	3.5	1.1	4.5
(-) Currency effects, %	1.7	6.2	3.8	4.9
Organic, %	5.0	10.3	9.6	7.8
(-) Calendar effect, %	-0.9	-1.0	-0.6	-0.3
Organic growth adjusted for calendar effects, %	5.9	11.3	10.2	8.1
Order stock	-	-	19,329	19,440
Profit/loss				
EBITA excl. items affecting comparability, SEK million	596	578	2,032	1,886
EBITA margin excl. items affecting comparability, %	8.4	8.8	7.5	8.0
EBITA, SEK million	541	562	1,938	1,729
EBITA margin, %	7.6	8.5	7.2	7.3
Operating profit (EBIT), SEK million	501	527	1,779	1,444
Profit/loss after financial items, SEK million	391	475	1,441	1,220
Profit/loss after tax, SEK million	314	398	1,100	974
Key ratios				
Basic earnings per share, SEK	2.77	3.51	9.71	8.60
Diluted earnings per share, SEK	2.77 ¹	3.51 ¹	9.71 ¹	8.60 ¹
Cash flow from operating activities, SEK million	958	401	1,794	1,042
Net debt, SEK million ²	-	-	4,868	4,646
Net debt/equity ratio, percent ²	-	-	39.1	38.2
Net debt/EBITDA, rolling 12 months, times ²	-	-	2.4	2.5
Number of employees	-	-	18,984	18,687
Capacity utilisation, %	73.6	74.4	73.5	74.7

¹ Issued convertibles did not lead to any dilution during the period.

² Excluding effects of IFRS 16 Leases.

Net debt/EBITDA excluding the effect of IFRS 16 and items affecting comparability over a rolling 12 months was 2.3 (2.3).

Significant events during the quarter**Improvement programme**

The improvement programme in the Infrastructure Division involving a planned decrease of around 300 full-time positions is proceeding to plan. There was a reduction of around 200 full-time positions during the fourth quarter.

Acquisitions

An agreement was entered into during the quarter to acquire all shares in SOM System Kft. and TTSA Mérnökiroda Kft (together "SOM") in Hungary, with annual sales of around SEK 30–40 million and 20 employees. The transaction is subject to approval by the authorities. The companies are expected to be consolidated into AFRY from February 2024.

January–December**Net sales**

Net sales for the period amounted to SEK 26,978 million (23,552), an increase of 14.5 percent (17.1). Organic growth was 9.6 percent (7.8) and 10.2 percent (8.1) when adjusted for calendar effects.

The order stock at the end of the period amounted to SEK 19,329 million (19,440), a decrease of 0.6 percent compared to the previous year.

EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 2,032 million (1,886). The corresponding EBITA margin was 7.5 percent (8.0). Items affecting comparability amounted to SEK -94 million (-157) and related to restructuring costs for the Infrastructure and AFRY X Divisions and costs for

early termination of leases. The figure for the comparative period related to costs for adaption and configuration of cloud-based IT systems and restructuring costs for the Infrastructure Division and Group functions. For more information, see alternative performance measures for EBITA on page 26.

EBITA and the EBITA margin were SEK 1,938 million (1,729) and 7.2 percent (7.3) respectively. The effects of IFRS 16 Leases on EBITA were SEK 34 million (-10) on EBITDA and SEK 666 million (545).

Capacity utilisation

Capacity utilisation was 73.5 percent (74.7) for the period.

Operating profit/loss

EBIT totalled SEK 1,779 million (1,444). The difference between EBIT and EBITA consists of acquisition-related non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -176 million (-170) and the change in estimates of future contingent considerations of SEK 19 million (14). The figure for the comparative period related to write-down of operations in Russia SEK -66 million and capital loss mainly from divestment of a property of SEK -63 million. For more information, see alternative performance measures for EBITA on page 26.

Financial items

Profit after financial items was SEK 1,441 million (1,220) and profit after tax for the period was SEK 1,100 million (974). Net financial items for the period totalled SEK -337 million (-224). In addition to increased interest expenses, net financial items

were impacted by discount rates related to leasing in accordance with IFRS 16 Leases of SEK -70 million (-48) as well as discounting of contingent considerations of SEK -11 million (-3), which did not impact cash flow. The net financial items for the comparative period were impacted by movements in the RUB/SEK exchange rate amounting to SEK -30 million.

Income tax

The tax expense amounted to SEK -341 million (-246), corresponding to a tax rate of 23.7 percent (20.2). The tax rate during the period was affected by the divestment of operations in Russia, tax attributable to the previous year and, as in the comparative period, the utilisation of previously unrecognised accumulated tax losses and non-deductible costs.

Parent company

Parent company's operating income totalled SEK 1,581 million (1,417) and relates primarily to internal services within the Group. Profit after net financial items was SEK 213 million (44). Cash and cash equivalents amounted to SEK 429 million (308). The tax rate for the period was affected by non-taxable income in the form of dividends from subsidiaries.

Gross investments in intangible assets and property, plant and equipment totalled SEK 56 million (41).

Number of employees

The average number of FTEs was 18,228 (17,340). The total number of employees at the end of the period was 18,984 (18,687).

Calendar effects

The number of normal working hours during 2023, based on a 12-months' sales-weighted business mix, is broken down as follows.

	2024	2023	2022	Difference ¹
Q1	500	511	504	7
Q2	485	476	482	-7
Q3	526	517	526	-10
Q4	494	498	502	-4
Full year	2,005	2,001	2,014	-13

¹ Refers to 2023 compared with 2022.

The share

The AFRY share price was SEK 139.70 (170.90) at the end of the reporting period.

Class A shares	4,290,336
B shares	108,961,405
Total number of shares	113,251,741
of which own Class B shares	-
Number of votes	151,864,765

Dividend distribution

The Board of Directors proposes a dividend of SEK 5.50 (5.50) per share for 2023.

Significant events after the end of the reporting period

No significant events after the end of the reporting period were identified.

Divisions



Infrastructure

The division offers engineering and consulting services for buildings and infrastructure, for example in the areas of road and rail as well as water and environment. The division also operates in the fields of architecture and design. The division operates in the Nordics and Central Europe.

37% of net sales, 28% of EBITA



Industrial & Digital Solutions

The division offers engineering and consulting services in the areas of product development, production systems & equipment, IT and defence. The division operates in all industry sectors with an emphasis on vehicles and food & pharma, and operates primarily in the Nordics.

24% of net sales, 20% of EBITA



Process Industries

The division offers engineering and consulting services, from early-stage studies to project implementation, in the areas of digitalisation, safety and sustainability solutions. The division operates in pulp and paper, chemicals, biorefining, mines and metals, as well as growth sectors such as batteries, hydrogen, textiles and plastics. The division operates globally.

20% of net sales, 28% of EBITA



Energy

The division offers engineering and consulting services in energy production from various energy sources such as hydro, gas, bio & waste fuels, nuclear power and renewable energy sources as well as services in transmission & distribution and energy storage. The division delivers solutions globally and has a leading position in hydropower.

13% of net sales, 16% of EBITA



Management Consulting

The division works to meet challenges and opportunities in the energy, bioindustry, infrastructure, industry and mobility sectors through strategic consulting, forward-looking market analysis, operational and digital transformation as well as M&A and transaction services. The division operates globally.

6% of net sales, 8% of EBITA

Division Infrastructure

Net sales

Net sales during the fourth quarter amounted to SEK 2,737 million (2,492), an increase of 9.8 percent. Adjusted for calendar effects, organic growth was 8.0 percent. The growth was driven by a good demand and increased average fees. The order stock remains at a stable level.

EBITA and EBITA margin

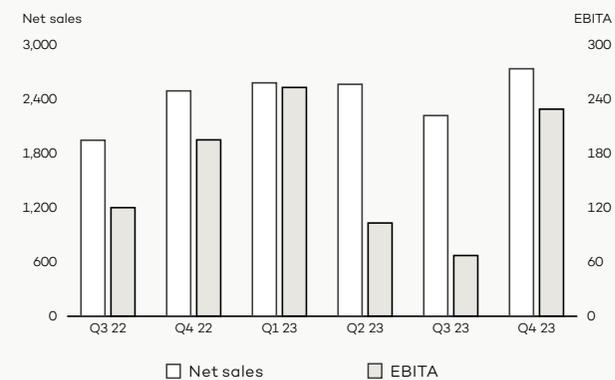
EBITA amounted to SEK 229 million (195), which corresponds to a margin of 8.4 percent (7.8). The margin was positively impacted by efforts within the division's improvement programme.

The ongoing improvement programme is proceeding according to plan and during the quarter planned redundancies and continued reduction of office space were implemented.

Market development

The real estate market shows no signs of recovery yet, but the active industrial, defence and energy sectors continue to drive demand for the division's solutions. Increased consumption of clean energy, focus on sustainability and lack of capacity in energy infrastructure drive investments in renewable energy, where AFRY is well positioned. Public investments in transport infrastructure and the transition towards sustainable transport and mobility remain at a stable level in the division's markets. Demand for solutions within water and the environment remains strong.

Net sales and EBITA, SEK million



Key ratios

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales, SEK million	2,737	2,492	10,216	9,039
EBITA, SEK million	229	195	657	679
EBITA margin, %	8.4	7.8	6.4	7.5
Order stock	-	-	8,659	8,133
Average full-time equivalents (FTEs)	6,901	6,620	6,863	6,509
Organic growth				
Total growth, %	9.8	19.8	13.0	15.9
(-) Acquired, %	1.1	5.8	0.8	6.6
(-) Currency effects, %	1.2	4.8	3.2	3.9
Organic, %	7.6	9.3	9.0	5.4
(-) Calendar effect, %	-0.4	-1.2	-0.5	-0.3
Organic growth adjusted for calendar effects, %	8.0	10.4	9.5	5.6

The historical figures above have been adjusted to account for organisational changes.

Division Industrial & Digital Solutions

Net sales

Net sales during the fourth quarter amounted to SEK 1,775 million (1,785), a decrease of 0.6 percent. Adjusted for calendar effects, organic growth was -0.5 percent. The decrease was driven by a lower activity in telecom and for IT consultants, while there was a continued good demand in the defence-, manufacturing- and automotive industries. The order stock remains in line with last year.

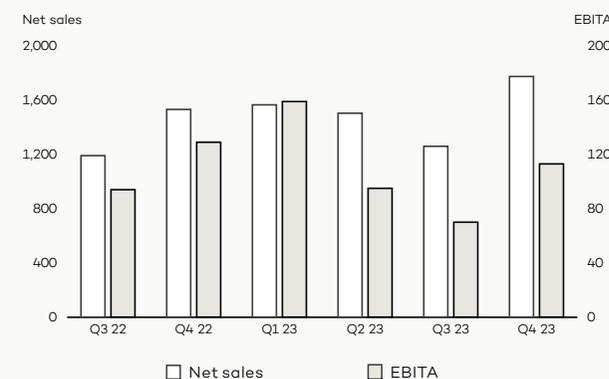
EBITA and EBITA margin

EBITA amounted to SEK 113 million (152) and the corresponding margin was 6.3 percent (8.5). The margin was negatively affected by a larger project write-down, as well as a lower utilisation rate, primarily driven by delayed project starts and canceled projects.

Market development

Demand for design and development of products, services and production capacity was stable during the quarter. Clients have displayed continued high ambitions and needs driven by the transition towards a sustainable society, while there is a continued caution linked to the uncertainty in the market. The defence industry and manufacturing industry within the energy segment show high demand. Demand within the automotive industry is at a good level, while telecom and the IT market is more cautious.

Net sales and EBITA, SEK million



Key ratios

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales, SEK million	1,775	1,785	6,790	6,378
EBITA, SEK million	113	152	464	521
EBITA margin, %	6.3	8.5	6.8	8.2
Order stock	-	-	2,652	2,750
Average full-time equivalents (FTEs)	3,846	3,870	3,840	3,776
Organic growth				
Total growth, %	-0.6	12.0	6.5	11.6
(-) Acquired, %	0.0	0.8	0.1	1.7
(-) Currency effects, %	0.2	1.4	0.7	1.1
Organic, %	-0.8	9.8	5.6	8.8
(-) Calendar effect, %	-0.3	-0.1	-0.5	0.0
Organic growth adjusted for calendar effects, %	-0.5	9.9	6.1	8.8

The historical figures above have been adjusted to account for organisational changes.

Division Process Industries

Net sales

Net sales in the fourth quarter amounted to SEK 1,432 million (1,294), an increase by 10.7 percent. Adjusted for calendar effects, the organic growth was 7.6 percent. The growth was driven by steady performance in most of the Business Areas, especially in Sweden, North America, and Central Europe. The order stock is somewhat lower than last year mainly due to a weaker order intake of large investment projects.

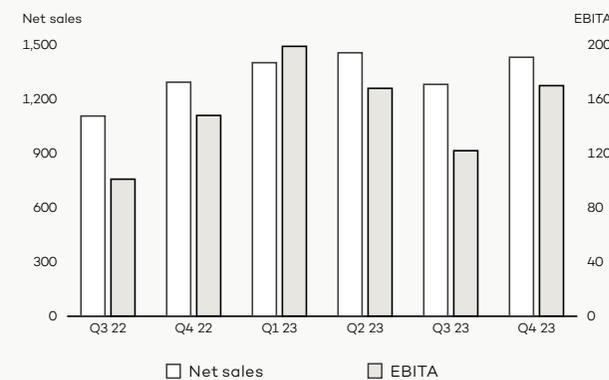
EBITA and EBITA margin

EBITA amounted to SEK 170 million (148), and the corresponding margin was 11.9 percent (11.5). The margin was positively impacted by well-executed projects, but also by a good cost control.

Market development

Overall activities continued to remain on a high level in the quarter. However, some investment decision delays are seen in CAPEX projects due to increased material costs, inflation and the uncertain market environment. New CAPEX projects are expected to be decided in chemicals, biorefining and mining & metals sectors as well as in new growth sectors like hydrogen, battery sector, regenerated textile fibers and plastics recycling. Operational phase services, technical consulting and efficiency improvement project demand remains high in all process industry sectors.

Net sales and EBITA, SEK million



Key ratios

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales, SEK million	1,432	1,294	5,572	4,617
EBITA, SEK million	170	148	659	486
EBITA margin, %	11.9	11.5	11.8	10.5
Order stock	-	-	3,028	3,428
Average full-time equivalents (FTEs)	4,230	4,314	4,336	4,116
Organic growth				
Total growth, %	10.7	20.9	20.7	21.0
(-) Acquired, %	3.1	0.0	1.8	1.1
(-) Currency effects, %	2.1	11.0	5.2	8.6
Organic, %	5.6	9.9	13.7	11.3
(-) Calendar effect, %	-2.0	-0.8	-0.7	-0.5
Organic growth adjusted for calendar effects, %	7.6	10.6	14.4	11.8

Division Energy



Net sales

Net sales in the fourth quarter amounted to SEK 961 million (840), an increase by 14.4 percent. Adjusted for calendar effects the organic growth was 9.4 percent. Several segments reported positive organic growth. The order stock is at a continued high level but is affected in the quarter of seasonal variations.

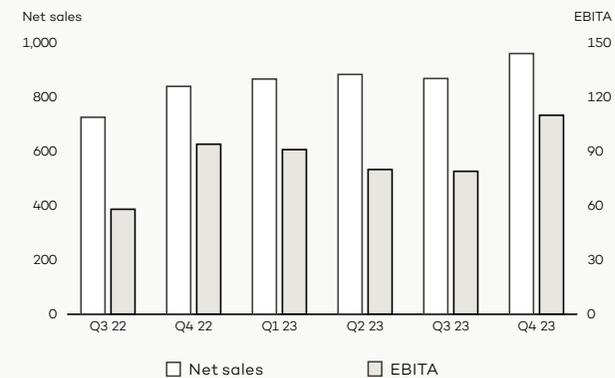
EBITA and EBITA margin

EBITA amounted to SEK 110 million (94) and the corresponding margin was 11.5 percent (11.2). The margin was positively impacted by tight cost control and a continued strong performance, especially in Renewable, Thermal and Hydro.

Market development

The general outlook for the energy sector is strong and green capex industry investment drive the energy transition. There is a strong focus on solar and wind projects, on hydro and nuclear, waste-to-energy projects, pump storage projects as well as green ammonia/hydrogen. There is also a strong market for electrical power grids to connect new energy production, but also to strengthen the existing grids. There is also a definite trend towards modernisation, upgrades and maintenance of existing production capacity across the world. The prevailing economic situation, supply chain disturbances and the fight for talent are expected to continue to influence short term client decision making.

Net sales and EBITA, SEK million



Key ratios

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales, SEK million	961	840	3,581	3,032
EBITA, SEK million	110	94	360	294
EBITA margin, %	11.5	11.2	10.0	9.7
Order stock	-	-	4,570	4,798
Average full-time equivalents (FTEs)	1,936	1,819	1,900	1,754
Organic growth				
Total growth, %	14.4	16.5	18.1	13.0
(-) Acquired, %	2.4	2.1	3.2	2.1
(-) Currency effects, %	3.9	9.0	6.7	6.6
Organic, %	8.1	5.3	8.3	4.3
(-) Calendar effect, %	-1.3	-3.6	-1.2	-0.6
Organic growth adjusted for calendar effects, %	9.4	8.9	9.4	4.9

Division Management Consulting



Net sales

Net sales in the fourth quarter amounted to SEK 453 million (366), an increase by 23.5 percent. Adjusted for calendar effects the organic growth was 20.4 percent. The growth reflects the continued strong consulting market driven by the energy and sustainability transitions.

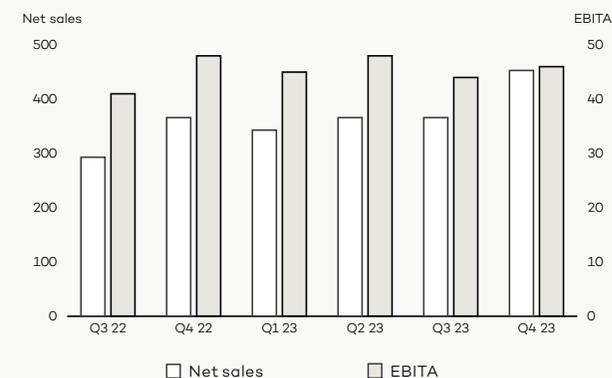
EBITA and EBITA margin

EBITA amounted to SEK 46 million (48) and the corresponding margin was 10.2 percent (13.0). The margin was negatively impacted by a write down of software development.

Market development

A stable energy supply has been in strong focus during the quarter due to the continued uncertain geopolitical situation. As a result, companies are adapting their strategies and demand for digital transformation services is high. The shift towards sustainable practices is continuously increasing need for bio-based alternatives and circular solutions and is in turn driving demand for consulting services. At the same time, companies in the traditional bioindustry sectors of pulp and paper are showing slower decision-making processes.

Net sales and EBITA, SEK million



Key ratios

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales, SEK million	453	366	1,608	1,304
EBITA, SEK million	46	48	185	164
EBITA margin, %	10.2	13.0	11.5	12.6
Order stock	-	-	420	331
Average full-time equivalents (FTEs)	791	696	759	649
Organic growth				
Total growth, %	23.5	26.9	23.3	22.8
(-) Acquired, %	0.0	0.0	0.0	0.0
(-) Currency effects, %	5.0	12.4	9.0	9.5
Organic, %	18.6	14.5	14.3	13.3
(-) Calendar effect, %	-1.8	-0.7	-0.9	-0.2
Organic growth adjusted for calendar effects, %	20.4	15.2	15.1	13.6

The historical figures above have been adjusted to account for organisational changes.

Financial statements

Condensed consolidated income statement

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	7,135	6,609	26,978	23,552
Personnel costs	-4,271	-3,894	-16,310	-14,428
Purchases of services and materials	-1,550	-1,435	-5,585	-4,897
Other costs	-585	-564	-2,373	-1,903
Other income	3	34	7	98
Profit/loss attributable to participations in associates	0	3	0	8
EBITDA	732	753	2,718	2,430
Depreciation/amortisation and impairment of non-current assets ¹	-191	-191	-780	-702
EBITA	541	562	1,938	1,729
Acquisition-related items ²	-41	-35	-159	-285
Operating profit (EBIT)	501	527	1,779	1,444
Financial items	-110	-52	-337	-224
Profit/loss after financial items	391	475	1,441	1,220
Tax	-76	-77	-341	-246
Profit/loss for the period	314	398	1,100	974
Attributable to:				
Shareholders of the parent company	314	398	1,100	974
Non-controlling interest	0	0	0	0
Profit/loss for the period	314	398	1,100	974
Basic earnings per share, SEK	2.77	3.51	9.71	8.60
Diluted earnings per share, SEK	2.77 ³	3.51 ³	9.71 ³	8.60 ³
Number of shares outstanding	113,251,741	113,251,741	113,251,741	113,251,741
Average number of basic shares outstanding	113,251,741	113,251,741	113,251,741	113,247,847
Average number of diluted shares outstanding	113,251,741	113,251,741	113,251,741	113,247,847 ³

Statement of consolidated comprehensive income

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit/loss for the period	314	398	1,100	974
Items that have been or will be reclassified to profit/loss for the period				
Change in translation reserve	-307	53	-85	624
Change in hedging reserve	-84	11	-103	202
Tax	9	-3	10	-16
Items that will not be reclassified to profit/loss for the period				
Revaluation of defined-benefit pension plans	-18	2	-27	-11
Tax	2	14	4	27
Other comprehensive income	-397	77	-201	826
Comprehensive income/loss for the period	-83	475	899	1,800
Attributable to:				
Shareholders of the parent company	-83	475	899	1,800
Non-controlling interest	0	0	0	0
Total	-83	475	899	1,800

¹ Depreciation/amortisation and impairment of non-current assets refers to non-current assets excluding acquisition-related intangible assets.

² Acquisition-related items are defined as depreciation/amortisation and impairment of acquisition-related intangible non-current assets including goodwill, revaluation of contingent considerations and gains/losses on divestment of companies and operations. For more details, see Note 5, Note 6 and alternative performance measures for EBITA on page 25.

³ Issued convertibles did not lead to any dilution during the period.

Condensed consolidated balance sheet

SEK million	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	15,760	15,590
Property, plant and equipment	382	355
Other non-current assets	2,020	2,272
Total non-current assets	18,162	18,217
Current assets		
Current receivables	8,843	8,690
Cash and cash equivalents	1,167	1,088
Total current assets	10,010	9,778
Total assets	28,172	27,996
EQUITY AND LIABILITIES		
Equity		
Attributable to shareholders of the parent company	12,454	12,176
Attributable to non-controlling interest	1	2
Total equity	12,454	12,178
Non-current liabilities		
Provisions	607	657
Non-current liabilities	6,067	6,139
Total non-current liabilities	6,674	6,797
Current liabilities		
Provisions	61	45
Current liabilities	8,982	8,975
Total current liabilities	9,043	9,021
Total equity and liabilities	28,172	27,996

Condensed statement of change in consolidated equity

SEK million	31 Dec 2023	31 Dec 2022
Equity at start of period	12,178	10,993
Comprehensive income/loss for the period	899	1,800
Dividends paid	-623	-623
Conversion of convertible bonds into shares	-	8
Equity at end of period	12,454	12,178

Condensed statement of consolidated cash flows

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit/loss after financial items	391	475	1,441	1,220
Adjustment for non-cash items, etc.	195	50	1,041	1,005
Income tax paid	-140	-145	-433	-385
Cash flow from operating activities before change in working capital	445	380	2,049	1,840
Cash flow from change in working capital	512	21	-255	-797
Cash flow from operating activities	958	401	1,794	1,042
Cash flow from investing activities	-139	-8	-756	-873
Cash flow from financing activities	-553	-195	-942	-1,012
Cash flow for the period	265	199	95	-843
Opening cash and cash equivalents	853	862	1,088	2,112
Exchange difference in cash and cash equivalents	49	28	-16	-180
Closing cash and cash equivalents	1,167	1,088	1,167	1,088

Change in consolidated net debt (excluding IFRS 16)

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Opening balance	5,611	4,979	4,646	3,565
Cash flow from operating activities (excl. IFRS 16)	-806	-270	-1,188	-550
Investments	43	37	172	46
Acquisitions/divestments and contingent considerations	83	-37	575	817
Dividend distribution	-	-	623	623
Other	-62	-63	40	147
Closing balance	4,868	4,646	4,868	4,646

Parent company income statement

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	283	265	1,111	1,020
Other operating income	118	104	470	397
Operating income	401	369	1,581	1,417
Personnel costs	-99	-93	-388	-328
Other costs	-418	-355	-1,599	-1,431
Depreciation/amortisation	-10	-9	-39	-37
Operating profit/loss	-125	-88	-446	-379
Financial items	287	-9	659	423
Profit/loss after financial items	162	-97	213	44
Appropriations	313	299	313	299
Profit/loss before taxes	476	201	526	343
Tax	-12	-39	25	11
Profit/loss for the period	464	162	551	353
Other comprehensive income	-51	0	-43	73
Comprehensive income/loss for the period	412	162	507	427

Parent company balance sheet

SEK million	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	2	5
Property, plant and equipment	146	133
Financial assets	14,156	14,142
Total non-current assets	14,303	14,281
Current assets		
Current receivables	5,082	5,033
Cash and cash equivalents	429	308
Total current assets	5,511	5,340
Total assets	19,814	19,622
EQUITY AND LIABILITIES		
Equity	9,089	9,204
Untaxed reserves	89	103
Provisions	14	36
Non-current liabilities	4,665	4,349
Current liabilities	5,957	5,930
Total equity and liabilities	19,814	19,622

Notes

Note 1

Accounting policies

This report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies conform with International Financial Reporting Standards (IFRS), as well as with the EU-approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in AFRY's Annual and Sustainability Report 2022 (Note 1).

New or revised IFRS standards that came into force in 2023 did not have any material impact on the Group. Regarding the amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction that the International Accounting Standards Board (IASB) published in May 2021, the change is that the exception at the time of accounting does not apply to transactions where equal amounts of deductible and taxable temporary differences occur. The changes to IAS 12 take effect for reporting periods which begin on or after 1 January 2023. AFRY has analysed the future impact on the Group and the net effect will not have a significant impact on the financial statements.

The parent company complies with the Swedish Financial reporting Board's Recommendation RFR2, which requires that the parent company's annual reports apply all IFRS standards and interpretations approved by the EU as far as possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Trygandelagen), and while considering the relationship reporting and taxation. Disclosures according to IAS 34.16A can partly be found on the pages preceding the condensed consolidated income statement.

Note 3

Income

Net sales according to the business model

SEK million	Jan–Dec 2023		
	Project Business	Professional Services	Total
Infrastructure	9,956	260	10,216
Industrial & Digital Solutions	2,602	4,188	6,790
Process Industries	4,099	1,474	5,572
Energy	3,026	555	3,581
Management Consulting	1,581	26	1,608
Group-common/eliminations	-580	-209	-789
Group	20,684	6,294	26,978

The Group applies the accounting standard IFRS 15 Revenue from Contracts with Customers. AFRY's business model is divided into two client offerings: Project Business and Professional Services. Project Business is AFRY's offering for major projects and end-to-end solutions. In such projects, AFRY acts as a partner to the client, leading and running the entire project. Professional Services is AFRY's offering in which the client manages and runs the project, while AFRY provides suitable expertise at the appropriate time.

Invoicing in Project Business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in contract assets. However, AFRY sometimes receives advance payments or deposits from our clients before the income is recognised, which then results in contract liabilities. In Professional Services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in Project Business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional Services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15 B16.

Note 2

Risks and uncertainties

The significant risks and uncertainties to which the AFRY Group is exposed include strategic risks linked to the market, acquisitions, sustainability and IT, and operational risks related to projects and the ability to recruit and retain qualified employees. In addition, the Group is exposed to several financial risks, such as currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in AFRY's Annual and Sustainability Report 2022.

Geopolitical and macroeconomic uncertainties

Geopolitical tensions and uncertainties in the economic situation entail various risks for AFRY and mainly pertain to delayed decision processes and project launches.

Contingent liabilities

Reported contingent liabilities reflect one part of the AFRY Group's exposure to risk. AFRY provides clients with both corporate and bank guarantees when clients request them. This typically involves tender guarantees, advance payment guarantees or performance guarantees. Corporate guarantees are mainly provided by the parent company, AFRY AB, and bank guarantees by AFRY's banks. As at 31 December 2023, the Group's corporate guarantees amounted to SEK 464 million (356) and bank guarantees to SEK 629 million (539). The guarantee amounts do not include pension guarantees, advance payment guarantees or leasing, as these are already reported on the debt side in the balance sheet.

Order stock

SEK million	31 Dec 2023	31 Dec 2022
Infrastructure	8,659	8,133
Industrial & Digital Solutions	2,652	2,750
Process Industries	3,028	3,428
Energy	4,570	4,798
Management Consulting	420	331
Group	19,329	19,440

As a result of organisational changes, comparative figures have been adjusted to provide a better reflection of the business.

Note 4

Quarterly information by division

Net sales, SEK million	2022					2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	2,276	2,305	1,966	2,492	9,039	2,629	2,601	2,249	2,737	10,216
Industrial & Digital Solutions	1,574	1,627	1,392	1,785	6,378	1,814	1,747	1,455	1,775	6,790
Process Industries	1,060	1,157	1,107	1,294	4,617	1,402	1,457	1,282	1,432	5,572
Energy	695	771	726	840	3,032	867	884	869	961	3,581
Management Consulting	293	333	311	366	1,304	372	398	385	453	1,608
Group-common/eliminations	-228	-218	-203	-169	-818	-167	-218	-182	-222	-789
Group	5,670	5,975	5,298	6,609	23,552	6,916	6,869	6,059	7,135	26,978

EBITA, SEK million	2022					2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	188	174	121	195	679	260	103	65	229	657
Industrial & Digital Solutions	143	127	98	152	521	182	101	69	113	464
Process Industries	123	113	101	148	486	199	168	122	170	659
Energy	72	71	58	94	294	91	80	79	110	360
Management Consulting	35	44	38	48	164	48	49	42	46	185
Group-common/eliminations	-202	-97	-41	-75	-415	-91	-103	-67	-126	-387
Group	359	432	376	562	1,729	689	398	310	541	1,938

EBITA margin, %	2022					2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	8.3	7.5	6.2	7.8	7.5	9.9	4.0	2.9	8.4	6.4
Industrial & Digital Solutions	9.1	7.8	7.1	8.5	8.2	10.1	5.8	4.7	6.3	6.8
Process Industries	11.6	9.8	9.2	11.5	10.5	14.2	11.5	9.5	11.9	11.8
Energy	10.3	9.2	8.0	11.2	9.7	10.5	9.0	9.1	11.5	10.0
Management Consulting	11.8	13.1	12.3	13.0	12.6	12.9	12.3	10.8	10.2	11.5
Group	6.3	7.2	7.1	8.5	7.3	10.0	5.8	5.1	7.6	7.2

As a result of organisational changes, comparative figures have been adjusted to provide a better reflection of the business. The calculation of the average number of FTEs has changed in connection with organisational changes. This has led to a more accurate and weighted calculation of the number of available hours for all divisions.

Average number of employees	2022					2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	6,475	6,483	6,460	6,620	6,509	6,767	6,923	6,867	6,901	6,863
Industrial & Digital Solutions	3,679	3,771	3,784	3,870	3,776	3,839	3,840	3,834	3,846	3,840
Process Industries	3,870	4,072	4,202	4,314	4,116	4,394	4,383	4,334	4,230	4,336
Energy	1,676	1,738	1,783	1,819	1,754	1,851	1,907	1,906	1,936	1,900
Management Consulting	599	641	658	696	649	712	758	774	791	759
Group functions	527	567	523	527	535	527	531	537	530	531
Group	16,825	17,273	17,412	17,846	17,340	18,091	18,342	18,252	18,235	18,228

Number of working days	2022					2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Sweden only	63	60	66	63	252	64	59	65	63	251
All countries	63	60	66	63	252	64	59	65	62	250

Note 5

Acquisitions and divestments

The following acquisitions have been made during the period

Consolidated from	Company ¹	Country	Division	Annual net sales, SEK million	Average number of employees
March	BLIX Consultancy B.V.	Netherlands	Energy	50	25
March	XPRO AS	Norway	Infrastructure	71	40
April	Grünenfelder + Keller Winterthur	Switzerland	Infrastructure	19	11
May	KSH Solutions Inc.	Canada	Process Industries	180	130
Total				320	206

¹⁾ Company name at time of acquisition.

Acquired companies

Acquisition analyses are preliminary as the net assets in the companies acquired have not been conclusively analysed. The purchase considerations for acquisitions for the year were larger than the booked net assets of the acquired companies, which means that the acquisition analyses have resulted in intangible assets.

Contingent consideration

Total undiscounted contingent consideration for the companies acquired during the year is a maximum of SEK 23 million.

Holdback

Part of the purchase price withheld by the buyer as security for any claims against the seller, paid to the seller according to the agreed payment plan. The withheld parts of the purchase price are independent of conditions linked to the future performance of acquired companies.

Goodwill

Goodwill consists mainly of human capital in the form of employee skills and synergy effects. Goodwill is not expected to be tax deductible on acquisition of a company. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill.

Other intangible assets

Order stock and client relationships are identified and assessed in connection with completed acquisitions.

Transaction costs

Transaction costs are recognised in Other external costs in profit or loss. Transaction costs amounted to SEK 10 million for the period.

Revenue and profit/loss from acquired companies

The acquired companies are expected to contribute net sales of approximately SEK 320 million and operating profit of roughly SEK 56 million over a full year.

Since their acquisition dates, acquired companies have contributed SEK 240 million to consolidated revenue and SEK 26 million to operating profit.

Divestments

During the second quarter, AFRY finalised the divestment of its Russian subsidiary to the local management team. The business included around 125 employees and accounted for less than 1 percent of AFRY's total net sales. The Group's estimated capital losses amounted to SEK -64 million, of which SEK -66 million impacted net profit in 2022, as a result of the write-down of our business in Russia. The divestment had an impact on the Group's cash flow of SEK -107 million.

Acquisitions after the end of the reporting period

After the end of the reporting period, no acquisitions have been concluded.

Acquired companies' net assets on acquisition date

SEK million	Jan–Dec 2023
Intangible assets	–
Property, plant and equipment	4
Right-of-use assets	6
Financial assets	0
Trade and other receivables	74
Deferred tax asset	0
Cash and cash equivalents	57
Trade payables, loans and other liabilities	-70
Net identifiable assets and liabilities	72
Goodwill	350
Fair value adjustment, intangible assets	13
Fair value adjustment, non-current provisions	-3
Purchase consideration including estimated contingent consideration	432
Transaction costs	10
Less:	
Cash (acquired)	57
Estimated contingent consideration	20
Holdback	10
Net cash outflow	355

Note 6

Financial instruments

Valuation principles and classification of the Group's financial assets and liabilities, as described in Note 13 of AFRY's 2022 Annual and Sustainability Report, have been applied consistently throughout the reporting period.

Financial assets and liabilities

SEK million	Level	31 Dec 2023	31 Dec 2022
Financial assets measured at fair value			
Interest rate derivatives, hedge accounting applied	2	63	132
Forward exchange contracts, hedge accounting applied	2	26	15
Forward exchange contracts, hedge accounting not applied	2	36	45
Bought foreign exchange options	2	1	4
Total		125	197
Financial assets not recognised at fair value			
Trade receivables		5,429	5,205
Revenue generated but not invoiced		2,442	2,325
Financial investments		8	8
Non-current receivables		8	12
Cash and cash equivalents		1,167	1,088
Total		9,053	8,638

SEK million	Level	31 Dec 2023	31 Dec 2022
Financial liabilities measured at fair value			
Interest rate derivatives, hedge accounting applied	2	62	17
Forward exchange contracts, hedge accounting applied	2	13	18
Forward exchange contracts, hedge accounting not applied	2	75	54
Sold foreign exchange options	2	0	2
Contingent considerations	3	109	197
Total		260	287
Financial liabilities not recognised at fair value			
Bank loans		2,834	2,587
Bonds		2,500	2,500
Commercial paper		402	189
Staff convertibles		148	316
Lease liabilities		1,974	2,203
Work invoiced but not yet carried out		2,077	2,134
Trade payables		1,182	1,286
Total		11,117	11,214

Fair value of financial assets and liabilities

Recognised and fair values of the Group's financial assets and liabilities are presented in the table on the left. The fair value of derivatives is based on level 2 of the fair value hierarchy. Contingent considerations are valued at market value in accordance with level 3. Derivative instruments where hedge accounting is not applied are measured at fair value through profit or loss, and derivatives where hedge accounting is applied are measured at fair value through other comprehensive income. All other financial assets and liabilities are measured at amortised cost. Compared with 2022, no switches have been made between different levels in the fair value hierarchy for derivatives or loans. Nor have any significant changes been made in terms of valuation techniques, inputs or assumptions.

Contingent considerations

Contingent considerations are valued at market value in accordance with level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are chiefly linked to expected EBIT for the acquired companies over the next two to three years. The changes in the balance sheet is recognised in the table below.

SEK million	31 Dec 2023
Opening balance 1 January 2023	197
Acquisitions for the year	20
Payments	-103
Changes in value recognised in income statement	-19
Adjustment of preliminary acquisition analysis	-1
Discounting	11
Translation differences	4
Closing balance	109

Note 6, cont.

Derivative instruments

SEK million	Level	31 Dec 2023	31 Dec 2022
Forward exchange contracts, hedge accounting not applied			
Total nominal values		2,894	2,741
Fair value, profit	2	36	45
Fair value, loss	2	-75	-54
Fair value, net		-39	-9
Forward exchange contracts, cash flow hedging reporting			
Total nominal values		744	702
Fair value, profit	2	26	15
Fair value, loss	2	-13	-18
Fair value, net		13	-2
Bought foreign exchange options, hedge accounting not applied			
Total nominal values		48	270
Fair value, profit	2	0	2
Fair value, loss	2	-	-
Fair value, net		0	2

SEK million	Level	31 Dec 2023	31 Dec 2022
Sold currency options, hedge accounting not applied			
Total nominal values		92	540
Fair value, profit	2	0	1
Fair value, loss	2	0	0
Fair value, net		0	1
Cross currency rate swaps, hedge accounting for net investments applied			
Total nominal values		1,850	1,850
Fair value, profit	2	1	31
Fair value, loss	2	-47	-17
Fair value, net		-46	14
Interest rate swaps, cash flow hedge accounting applied			
Total nominal values		1,354	1,056
Fair value, profit	2	62	101
Fair value, loss	2	-16	-
Fair value, net		47	101

Note 7

Related party transactions

There were no material transactions between AFRY and its related parties during the period.

Note 8

Significant events after the end of the reporting period

No significant events after the end of the reporting period were identified.

Alternative performance measures

The consolidated financial statements contain financial ratios defined according to IFRS. They also include measurements not defined according to IFRS, known as alternative performance measures. The purpose of this is to provide information for comparing trends across years and to understand the underlying operations. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

Definitions

The key ratios and alternative performance measures (APMs) used in this report are defined in AFRY's Annual and Sustainability Report 2022 and on our website:

<https://afry.com/en/investor-relations/>

Organic growth

Since the Group is active in a global market, sales are transacted in currencies other than the Swedish krona, which is the presentation currency. Exchange rates have been relatively volatile historically, and the Group carries out acquisitions/divestments of operations on an ongoing basis. Taken together, this has led to the Group's sales and performance being evaluated on the basis of organic growth. Organic sales growth represents comparable sales growth or sales reduction and enables separate valuations to be carried out on the impact of acquisitions/divestments and exchange rate fluctuations.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group ¹	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
%												
Total growth	9.8	19.8	-0.6	12.0	10.7	20.9	14.4	16.5	23.5	26.9	8.0	20.0
(-) Acquired	1.1	5.8	0.0	0.8	3.1	0.0	2.4	2.1	0.0	0.0	1.3	3.5
(-) Currency effect	1.2	4.8	0.2	1.4	2.1	11.0	3.9	9.0	5.0	12.4	1.7	6.2
Organic	7.6	9.3	-0.8	9.8	5.6	9.9	8.1	5.3	18.6	14.5	5.0	10.3
(-) Calendar effect	-0.4	-1.2	-0.3	-0.1	-2.0	-0.8	-1.3	-3.6	-1.8	-0.7	-0.9	-1.0
Organic growth adjusted for calendar effects	8.0	10.4	-0.5	9.9	7.6	10.6	9.4	8.9	20.4	15.2	5.9	11.3
SEK million												
Total growth	244	408	-11	166	138	224	121	119	86	68	526	1,100
(-) Acquired	26	118	0	11	40	0	20	15	0	0	86	193
(-) Currency effect	29	99	4	19	27	118	33	65	18	31	112	339
Organic	188	191	-15	135	72	106	68	39	68	37	327	569
(-) Calendar effect	-11	-24	-6	-1	-26	-8	-11	-26	-7	-2	-61	-53
Organic growth adjusted for calendar effects	199	214	-9	137	98	114	79	64	75	38	388	621

¹⁾ The Group includes eliminations.

Organic growth cont.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group ¹	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022
%												
Total growth	13.0	15.9	6.5	11.6	20.7	21.0	18.1	13.0	23.3	22.8	14.5	17.1
(-) Acquired	0.8	6.6	0.1	1.7	1.8	1.1	3.2	2.1	0.0	0.0	1.1	4.5
(-) Currency effect	3.2	3.9	0.7	1.1	5.2	8.6	6.7	6.6	9.0	9.5	3.8	4.9
Organic	9.0	5.4	5.6	8.8	13.7	11.3	8.3	4.3	14.3	13.3	9.6	7.8
(-) Calendar effect	-0.5	-0.3	-0.5	0.0	-0.7	-0.5	-1.2	-0.6	-0.9	-0.2	-0.6	-0.3
Organic growth adjusted for calendar effects	9.5	5.6	6.1	8.8	14.4	11.8	9.4	4.9	15.1	13.6	10.2	8.1
SEK million												
Total growth	1,176	1,225	412	572	955	801	549	349	304	216	3,426	3,448
(-) Acquired	75	509	8	83	85	41	96	57	0	0	264	896
(-) Currency effect	286	302	47	56	240	329	203	177	118	90	903	980
Organic	815	414	357	434	630	431	250	116	186	126	2,259	1,572
(-) Calendar effect	-47	-21	-33	-2	-32	-19	-35	-16	-11	-2	-151	-59
Organic growth adjusted for calendar effects	862	435	390	436	663	450	285	132	197	128	2,410	1,632

¹⁾ The Group includes eliminations.

EBITA/EBITA excluding items affecting comparability

Operating profit before associates and items affecting comparability refers to the operating profit after restored tangible items and events related to changes in the Group's structure and operations which are relevant for an understanding of the Group's performance on a comparable basis. This metric is used by Group Executive Management to monitor and analyse underlying profit/loss and to provide comparable figures between periods.

SEK million	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group ¹	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
EBIT (operating profit/loss)	229	195	113	152	170	148	110	94	46	48	501	527
Acquisition-related items												
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	42	44
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-4	-9
Divestment of operations	-	-	-	-	-	-	-	-	-	-	3	1
Profit/loss (EBITA)	229	195	113	152	170	148	110	94	46	48	541	562
Items affecting comparability												
Restructuring costs AFRY X Division	-	-	-	-	-	-	-	-	-	-	8	-
Restructuring costs Infrastructure Division	-	-	-	-	-	-	-	-	-	-	46	-
Cost of customisation/configuration of cloud-based IT systems	-	-	-	-	-	-	-	-	-	-	-	16
EBITA excl. items affecting comparability	229	195	113	152	170	148	110	94	46	48	596	578
%												
EBIT margin	8.4	7.8	6.3	8.5	11.9	11.5	11.5	11.2	10.2	13.0	7.0	8.0
Acquisition-related items												
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	0.6	0.7
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1
Divestment of operations	-	-	-	-	-	-	-	-	-	-	0.0	0.0
EBITA margin	8.4	7.8	6.3	8.5	11.9	11.5	11.5	11.2	10.2	13.0	7.6	8.5
Items affecting comparability	-	-	-	-	-	-	-	-	-	-	0.8	0.2
EBITA margin excl. items affecting comparability	8.4	7.8	6.3	8.5	11.9	11.5	11.5	11.2	10.2	13.0	8.4	8.8

The historical figures above have been adjusted to account for organisational changes.

¹⁾ The Group includes eliminations.

EBITA/EBITA excluding items affecting comparability cont.

SEK million	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group ¹	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022	Full year 2023	Full year 2022
EBIT (operating profit/loss)	657	679	464	521	659	486	360	294	185	164	1,779	1,444
Acquisition-related items												
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	176	170
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-19	-14
Divestment of operations	-	-	-	-	-	-	-	-	-	-	2	63
Impairment of business	-	-	-	-	-	-	-	-	-	-	-	66
Profit/loss (EBITA)	657	679	464	521	659	486	360	294	185	164	1,938	1,729
Items affecting comparability												
Costs for the premature termination of leases for facilities	-	-	-	-	-	-	-	-	-	-	23	-
Restructuring costs AFRY X Division	-	-	-	-	-	-	-	-	-	-	25	-
Restructuring costs Infrastructure Division	-	-	-	-	-	-	-	-	-	-	46	80
Restructuring costs Group functions	-	-	-	-	-	-	-	-	-	-	-	20
Cost of customisation/configuration of cloud-based IT systems	-	-	-	-	-	-	-	-	-	-	-	57
EBITA excl. items affecting comparability	657	679	464	521	659	486	360	294	185	164	2,032	1,886
%												
EBIT margin	6.4	7.5	6.8	8.2	11.8	10.5	10.0	9.7	11.5	12.6	6.6	6.1
Acquisition-related items												
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	0.7	0.7
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1
Divestment of operations	-	-	-	-	-	-	-	-	-	-	0.0	0.3
Impairment of business	-	-	-	-	-	-	-	-	-	-	-	0.3
EBITA margin	6.4	7.5	6.8	8.2	11.8	10.5	10.0	9.7	11.5	12.6	7.2	7.3
Items affecting comparability												
EBITA margin excl. items affecting comparability	6.4	7.5	6.8	8.2	11.8	10.5	10.0	9.7	11.5	12.6	7.5	8.0

The historical figures above have been adjusted to account for organisational changes.

¹⁾ The Group includes eliminations.

Net debt

Net debt is the total of interest-bearing liabilities less cash and cash equivalents and interest-bearing assets. Lease liabilities after the deduction of receivables relating to subleases are included in net debt. Net debt also includes dividends approved but not yet paid out. Net debt is used by Group Executive Management to monitor and analyse the debt trend in the Group and evaluate the Group's refinancing requirements. Net

debt/EBITDA is a key ratio for net debt in relation to cash-generating profit in the operation, which provides an indication of the business's ability to pay its debts. This metric is commonly used by financial institutions to measure creditworthiness. A negative figure means that the Group has a net cash balance (cash and cash equivalents exceed interest-bearing liabilities).

Consolidated net debt (excl. IFRS 16)

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Loans and credit facilities	4,913	5,771	5,667	5,580	5,947	6,631	6,312	5,876
Net pension liability	206	207	174	155	156	155	152	159
Cash and cash equivalents	-902	-1,187	-862	-1,088	-1,162	-1,079	-853	-1,167
Total net debt	4,217	4,792	4,979	4,646	4,941	5,708	5,611	4,868

Net debt/equity ratio

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Net debt	4,217	4,792	4,979	4,646	4,941	5,708	5,611	4,868
Equity	11,420	11,318	11,703	12,178	12,602	12,552	12,537	12,454
Net debt/equity ratio, %	36.9	42.3	42.5	38.2	39.2	45.5	44.8	39.1

Consolidated net debt (incl. IFRS 16)

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Loans and credit facilities	7,022	7,903	7,819	7,783	8,136	8,763	8,343	7,850
Net pension liability	206	207	174	155	156	155	152	159
Cash and cash equivalents	-902	-1,187	-862	-1,088	-1,162	-1,079	-853	-1,167
Total net debt	6,326	6,923	7,131	6,849	7,130	7,839	7,642	6,842

Net debt/EBITDA excl. IFRS 16 rolling 12 months

SEK million	Apr 2021– Mar 2022	Jul 2021– Jun 2022	Oct 2021– Sep 2022	Full year 2022	Apr 2022– Mar 2023	Jul 2022– Jun 2023	Oct 2022– Sep 2023	Full year 2023
Profit/loss (EBITA)	1,602	1,623	1,632	1,729	2,059	2,025	1,958	1,938
Depreciation/amortisation and impairment of non-current assets	703	695	685	702	727	753	780	780
EBITDA	2,305	2,318	2,317	2,430	2,786	2,778	2,738	2,718
Lease expenses	-554	-543	-535	-540	-577	-614	-650	-676
EBITDA excl. IFRS 16	1,751	1,775	1,783	1,890	2,209	2,164	2,088	2,042
Net debt	4,217	4,792	4,979	4,646	4,941	5,708	5,611	4,868
Net debt/EBITDA, excl. IFRS 16, rolling 12 months, times	2.4	2.7	2.8	2.5	2.2	2.6	2.7	2.4
Items affecting comparability	150	165	171	157	44	47	55	94
EBITDA excl. IFRS 16 and items affecting comparability	1,901	1,940	1,953	2,047	2,253	2,212	2,143	2,136
Net debt	4,217	4,792	4,979	4,646	4,941	5,708	5,611	4,868
Net debt/EBITDA, excl. IFRS 16 and items affecting comparability, rolling 12 months, times	2.2	2.5	2.5	2.3	2.2	2.6	2.6	2.3

Return on equity

Return on equity is the business's profit/loss after tax during the period in relation to average equity. This key ratio is used to show the return on the owners' invested capital, which gives an indication of the business's ability to create value for its owners.

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Profit after tax, rolling 12 months	1,062	945	877	974	1,187	1,214	1,184	1,100
Average equity	10,715	10,872	11,171	11,522	11,844	12,071	12,314	12,465
Return on equity, %	9.9	8.7	7.8	8.5	10.0	10.1	9.6	8.8

Return on capital employed

Return on capital employed shows the business's profit/loss after financial items, adjusted for interest expenses in relation to average interest-bearing capital in the business's balance sheet total. The key ratio is used to evaluate how the company utilises capital which has some form of return requirement (for example, dividends on invested capital from shareholders as well as interest on bank loans).

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Profit after financial items rolling 12 months	1,324	1,196	1,116	1,220	1,498	1,549	1,526	1,441
Financial expenses, rolling 12 months	167	162	117	206	247	306	322	396
Profit/loss	1,491	1,358	1,233	1,426	1,746	1,855	1,848	1,837
Average balance sheet total	24,831	25,373	25,912	26,711	27,211	27,961	28,238	28,478
Average other current liabilities	-6,164	-6,386	-6,496	-6,853	-6,964	-7,184	-7,163	-7,278
Average other non-current liabilities	-216	-229	-235	-237	-232	-210	-177	-140
Average deferred tax liability	-219	-210	-197	-190	-184	-186	-185	-192
Capital employed	18,232	18,547	18,985	19,432	19,831	20,382	20,712	20,868
Return on capital employed, %	8.2	7.3	6.5	7.3	8.8	9.1	8.9	8.8

Equity ratio

The equity ratio shows the business's equity in relation to total capital and describes how large a proportion of the business's assets are not matched by liabilities. The equity ratio can be seen as the business's ability to pay in the long term. The key ratio is impacted by profitability during the period and by how the business is financed. This metric is often used to provide an indication of how the company is financed and also to see trends in how the business's funds are utilised. A change in the equity ratio over time may, for example, be an indication that the business is reviewing its financing structure or is utilising its equity to finance an expansion.

SEK million	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023	31 Dec 2023
Equity	11,420	11,318	11,703	12,178	12,602	12,552	12,537	12,454
Balance sheet total	25,762	26,917	26,971	27,996	28,411	29,513	28,298	28,172
Equity ratio, %	44.3	42.0	43.4	43.5	44.4	42.5	44.3	44.2

Making Future



Stockholm, 2 February 2024

AFRY AB (publ)
Jonas Gustavsson
President and CEO

This report has not been subjected to scrutiny by the company’s auditors.

This information fulfils the disclosure requirements of AFRY AB (publ) under the provisions of the EU’s Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the contact person set out above on 2 February 2024 at 07.00 CET.

All forward-looking statements in this report are based on the company’s best assessment at the time the report was written. As is the case with all assessments of the future, such assumptions are subject to risks and uncertainties, which may mean that the actual outcome differs from the anticipated result.

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Investor presentation

Time:	2 February 2024 10.00 CET
Webcast:	https://www.youtube.com/watch?v=4uEpWew2U6U
For analysts/ investors:	Click here to connect to the meeting With the opportunity to ask questions

Calendar

Q1 2024	23 April 2024
Annual General Meeting	23 April 2024
Q2 2024	16 July 2024
Q3 2024	25 October 2024
Q4 2024	7 February 2025