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Press Release from AFRY

Interim report January-March 2024

Stable results and improved order stock

First quarter 2024

- Net sales decreased by 0.4 percent and amounted to SEK 6,891 million (6,916)
- Organic growth adjusted for calendar effects was 0.5 percent (15.9)
- Calendar effects had a negative impact of SEK 149 million on net sales and SEK 117 million on EBITA
- EBITA, excl. items affecting comparability, was SEK 590 million (689)
- EBITA margin, excl. items affecting comparability, was 8.6 percent (10.0)
- EBITA totalled SEK 582 million (689)
- EBITA margin was 8.4 percent (10.0)
- EBIT (operating profit) amounted to SEK 541 million (646)
- Earnings per share amounted to SEK 3.13 (3.85)

COMMENTS BY THE CEO JONAS GUSTAVSSON

The first quarter showed a varied market, stable results adjusted for calendar effects and an improved order stock. The improvement programme in Infrastructure is proceeding according to plan.

There is a strong demand in the energy sector. The industrial sector is more varied with healthy demand in some segments, such as automotive and defence. Demand for large investment projects in pulp and paper is still weak, and the real estate segment remains at a low level.

Net sales amounted to SEK 6,891 million in the first quarter, a decrease of 0.4 percent compared to the same period last year. Organic growth adjusted for calendar effects was 0.5 percent. The sequentially lower growth was mainly a result of reduced volumes in Process Industries, as well as capacity adjustments within AFRY during the second half of 2023. All divisions with the exception of Process Industries, reported a positive adjusted organic growth. The order stock increased both sequentially and year-on-year, amounting to SEK 20 billion, with the greatest increase in Energy.

EBITA, excluding items affecting comparability, amounted to SEK 590 million (689), corresponding to an EBITA margin of 8.6 percent (10.0). Calendar effects of 11 less hours during the quarter had a negative impact of SEK 149 million on net sales and SEK 117 million on EBITA. This means that adjusted for calendar effects, the EBITA margin was slightly higher than previous year.

Cash flow from operating activities totalled SEK 108 million and was slightly higher than last year. Net debt/EBITDA was 2.6 at the end of the quarter.

Infrastructure reported a slightly improved results adjusted for calendar effects, primarily due to a higher utilisation and activities in the ongoing improvement programme. The programme is proceeding according to plan, and we will continue to work on further strengthening profitability in the division.

Process Industries reported lower growth and margin than last year, driven by a weak market for large investment projects, mainly in pulp and paper. We have made capacity adjustments during the quarter in response to this weaker demand.

Industrial & Digital Solutions had a stable margin adjusted for calendar effects. The Energy and Management Consulting divisions reported another strong quarter with high margins, driven by healthy demand and a strong position.

We took on a number of interesting assignments during the quarter. One project to highlight is with the Swedish grid operator Svenska Kraftnät, where AFRY will support a more flexible and robust transmission network capable of transferring more power from the north to the south of the country.

During the quarter, we announced the acquisition of Carelin Oy, a leading Finnish provider of project management services for renewable energy, with annual sales of approximately SEK 60 million and 40 employees. The acquisition is a continuation of building up AFRY's capacity in renewable energy through strategic acquisitions in Europe over the past couple of years.

Our priority going forward is to further strengthen our business and profitability through improvements in structure and efficiency. AFRY has built a strong position in the ongoing energy and industrial transition, and I would like to thank our clients, partners and employees for great collaboration.

For further information:

Jonas Gustavsson, President and CEO, +46 70 509 16 26
Bo Sandström, CFO, +4670 545 87 87

Head Office: AFRY AB, SE-169 99 Stockholm, Sweden
Visiting address: Frösundaleden 2, Solna, Sweden
Tel: +46 10 505 00 00
www.afry.com
info@afry.com
Corp. ID no 556120-6474

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

This information fulfils AFRY AB's (publ) disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. This information was released, through the agency of the above-mentioned contact person, for publication on 23 April 2024, at 11.00 CET.

All assumptions about the future that are made in this report are based on the best information available to the company 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.

This is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

The full report including tables (pdf) is available for download.

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