

18 July 2023

## Press release from AFRY

### Interim Report January-June 2023

#### Strong organic growth in a mixed market

##### Second quarter 2023

- Net sales increased by 15.0 percent to SEK 6,869 million (5,975)
- Organic growth adjusted for calendar effects was 10.8 percent (7.5)
- EBITA, excl. items affecting comparability, was SEK 421 million (451)
- EBITA margin, excl. items affecting comparability, was 6.1 percent (7.6)
- EBITA totalled SEK 398 million (432)
- EBITA margin was 5.8 percent (7.2)
- EBIT (operating profit) amounted to SEK 363 million (335)
- Basic earnings per share: SEK 1.77 (1.53)

##### January-June 2023

- Net sales increased by 18.4 percent to SEK 13,784 million (11,645)
- Organic growth adjusted for calendar effects was 13.2 percent (5.4)
- EBITA, excl. items affecting comparability was SEK 1,110 million (924)
- EBITA margin, excl. items affecting comparability, was 8.0 percent (7.9)
- EBITA totalled SEK 1,087 million (791)
- EBITA margin was 7.9 percent (6.8)
- EBIT (operating profit) amounted to SEK 1,008 million (652)
- Basic earnings per share: SEK 5.62 (3.50)

##### COMMENTS BY THE CEO JONAS GUSTAVSSON

**In the second quarter we had a continued strong demand within our industry and energy segments and reported a strong organic growth as well as a high order stock. The result was impacted by a lower utilisation rate and negative calendar effect.**

The market is mixed with a strong underlying demand in most industry and energy segments, where AFRY has a leading position in decarbonisation, energy and biobased materials. However, the real estate market clearly slowed down in the second quarter, while public sector investments in infrastructure and transport are at a stable level.

Net sales came in at SEK 6,869 million, an increase of 15 percent compared with the same period last year. Organic growth was 11 percent adjusted for calendar effects. All divisions reported positive organic growth, which was particularly strong in Process Industries. The order stock continued to strengthen in the quarter and amounted to SEK 21 billion.

EBITA, excluding items affecting comparability, decreased by 7 percent during the quarter and amounted to SEK 421 million (451), which corresponded to a EBITA margin of 6.1 percent (7.6). The result was affected by a lower utilisation rate and negative calendar effect.

Process Industries, Energy and Management Consulting reported continued strong results. Industrial & Digital Solutions had a stable development in the quarter, while AFRY X had a weak development.

The result in Infrastructure was negatively impacted by a lower utilisation rate as a result of a clearly weaker real estate market in Sweden and Finland in particular. During the quarter, we have taken measures, such as staff reductions, to address the declining demand. We will take further actions and at the same time, the long-term work to strengthen profitability and the position in the division continues.

The work to re-shape our office premises continues, which during the quarter resulted in one-off costs of SEK 23 million.

Operating cash flow totalled SEK 504 million, which is a clear improvement compared to last year.

During the quarter, we communicated the acquisition of KSH, a Canadian engineering company within the process industry with annual sales of around SEK 180 million and 130 employees. Through the acquisition, we create a strong platform in North America and strengthen our offering within pulp and paper, mining and metals, as well as chemicals.

Finally, I would like to thank our clients, partners and fantastic colleagues for a great collaboration and wish everyone a nice summer.

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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 18 July 2023, at 07.00 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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