

27 April 2023

Press release from AFRY

Interim Report January-March 2023

AFRY starts the year with strong growth and EBITA development

First quarter 2023

- Net sales increased by 22.0 percent to SEK 6,916 million (5,670)
- Organic growth adjusted for calendar effects was 15.9 percent (3.3)
- EBITA, excl. items affecting comparability, was SEK 689 million (472)
- EBITA margin, excl. items affecting comparability, was 10.0 percent (8.3)
- EBITA totalled SEK 689 million (359)
- EBITA margin was 10.0 percent (6.3)
- EBIT (operating profit) amounted to SEK 646 million (317)
- Basic earnings per share: SEK 3.85 (1.97)

COMMENTS BY THE CEO JONAS GUSTAVSSON

We start the year with a continued high demand for our services and report strong organic growth and EBITA development. AFRY has a solid position in the green industrial transition and an all-time high order stock.

Net sales came in at SEK 6,916 million, an increase of 22 percent compared to the same period last year. Organic growth amounted to 16 percent adjusted for calendar effects after a strong development in all divisions. The organic growth was mainly generated by high demand, price increases and a good recruitment pace. The order stock continued to strengthen and amounted to SEK 20 billion.

EBITA, excluding items affecting comparability, increased by 46 percent during the quarter and amounted to SEK 689 million (472), with a corresponding EBITA margin of 10.0 percent (8.3). All divisions contributed to the good results, where Process Industries, in particular, had a quarter with strong margin and growth. The margin development is explained by price increases and the ability to grow while strengthening the profitability. The result was also impacted by a positive calendar effect.

In line with our strategy to be the leading partner in the sustainability transition, we acquired two companies during the quarter with annual net sales of around SEK 120 million. BLIX Consultancy are experts in renewable energy with their base in the Netherlands and XPRO is a consulting company in project management in Norway. Apart from acquisitions, AFRY continues to grow organically with a good recruitment pace and a downward trend in staff turnover.

At AFRY's Capital Markets Day in March, we presented an updated business strategy, to reinforce AFRY's position as the leader in the sustainability transition and improve the EBITA margin. The direction of the strategy is to expand globally within decarbonisation and strengthening our position and profitability within infrastructure,

as well as growing our Nordic industrial and digital portfolio. We also announced that the financial targets remain unchanged and that the order stock will be reported quarterly.

There is a general high demand for our expertise in the market and we have a strong position in the green industrial transition. However, the continued uncertain market situation has resulted in delayed decision processes within certain industry segments, and we are now seeing clearer signs of a slowdown within the real estate segment. In line with our updated business strategy, our focus is to increase profitability through efficiency improvements and price increases, as well as strengthening our client offering.

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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 27 April 2023, 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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