

14 July 2022

## Press release from AFRY

### Interim Report January-June 2022

#### Strong growth and operational improvement

“The second quarter showed strong growth and operational improvement. The work with efficiency measures and the ongoing cost savings programme deliver according to plan, at the same time we see increased cost inflation and tough competition for talent”, said Jonas Gustavsson, President and CEO.

#### Second quarter 2022

- Net sales increased by 15.4 percent to SEK 5,975 million (5,177)
- Organic growth adjusted for calendar effects was 7.5 percent (7.0)
- EBITA, excl. items affecting comparability was SEK 451 million (416)
- EBITA margin, excl. items affecting comparability was 7.6 percent (8.0)
- EBITA totalled SEK 432 million (411)
- EBITA margin was 7.2 percent (7.9)
- EBIT (operating profit) amounted to SEK 335 million (392)
- Basic earnings per share: SEK 1.53 (2.57)

#### January-June 2022

- Net sales increased by 14.4 percent to SEK 11,645 million (10,176)
- Organic growth adjusted for calendar effects was 5.4 percent (3.6)
- EBITA, excl. items affecting comparability was SEK 924 million (848)
- EBITA margin, excl. items affecting comparability was 7.9 percent (8.3)
- EBITA totalled SEK 791 million (830)
- EBITA margin was 6.8 percent (8.2)
- EBIT (operating profit) amounted to SEK 652 million (781)
- Basic earnings per share: SEK 3.50 (5.13)

#### COMMENTS BY THE CEO JONAS GUSTAVSSON

The second quarter showed strong growth and operational improvement. The work with efficiency measures and the ongoing cost savings programme deliver according to plan, at the same time we see increased cost inflation and tough competition for talent.

Net sales was SEK 5,975 million, an increase by 15.4 percent in the quarter, and the organic growth was 7.5 percent adjusted for calendar effects. All divisions reported positive organic growth. The growth comes from continued high demand in most markets and increased prices. The order stock has improved and is at a continued high level.

EBITA, excluding items affecting comparability, amounted to SEK 451 million (416) and the corresponding EBITA margin was 7.6 percent (8.0). Adjusted for negative calendar effects, the underlying margin improved in the quarter. The Infrastructure Division strengthened its operating results following efficiency improvements and the cost savings program. Industrial & Digital Solutions delivered a continued improvement of the result driven by our strong position in the software business and advanced technical services. The development of the underlying margin in Process

Industries was slightly weaker due to a less favourable sales mix. The Energy and Management Consulting Divisions delivered strong results in the quarter. AFRY X delivered an increased margin in the service business. At the same time the work to evaluate and optimise the software portfolio continues.

As previously communicated, we are executing on our cost savings programme of SEK 100 million, with full effect during the second half of 2022. The cost savings are reflected in the improved operational performance and deliver according to plan. We also have a high pace in recruitment in all divisions, however competition for talent is fierce.

We have announced three acquisitions since the beginning of the year with annual net sales of around SEK 100 million. The latest addition is Ionic Consulting, a renewable electricity consultancy firm in Ireland with expertise in wind as well as solar and energy storage.

The current geopolitical situation, supply chain disruptions, as well as rising inflation and increased construction material costs are causing uncertainty. We experience delayed decision making and we are carefully monitoring the development in the real estate market. We continue to focus on efficiency improvements, cost savings and price increases. Despite the uncertainty, we see a high demand for our service and strong drivers to accelerate the transition towards a sustainable society.

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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 14 July 2022, 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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