

10 February 2023

Press release from AFRY

Year-end report January-December 2022

Strong organic growth and stable results

"The fourth quarter showed high demand primarily in our industry and energy segments. This was reflected in the organic growth, which amounted to 11 percent, and an order stock at a historical high level", said Jonas Gustavsson, President and CEO.

Fourth quarter 2022

- Net sales increased by 20.0 percent to SEK 6,609 million (5,509)
- Organic growth adjusted for calendar effects was 11.3 percent (6.9)
- EBITA, excl. items affecting comparability, was SEK 578 million (495)
- EBITA margin, excl. items affecting comparability, was 8.8 percent (9.0)
- EBITA totalled SEK 562 million (465)
- EBITA margin was 8.5 percent (8.4)
- EBIT (operating profit) amounted to SEK 527 million (416)
- Basic earnings per share: SEK 3.51 (2.66)

January-December 2022

- Net sales increased by 17.1 percent to SEK 23,552 million (20,104)
- Organic growth adjusted for calendar effects was 8.1 percent (5.3)
- EBITA, excl. items affecting comparability, was SEK 1,886 million (1,712)
- EBITA margin, excl. items affecting comparability, was 8.0 percent (8.5)
- EBITA totalled SEK 1,729 million (1,662)
- EBITA margin was 7.3 percent (8.3)
- EBIT (operating profit) amounted to SEK 1,444 million (1,523)
- Basic earnings per share: SEK 8.60 (9.97)
- The Board of Directors proposes a dividend for 2022 of SEK 5.50 (5.50)

COMMENTS BY THE CEO JONAS GUSTAVSSON

2022 was marked by a tense geopolitical situation, increased inflation and high interest rates, which led to increased uncertainty in the market. I am proud of how we at AFRY have navigated the year while, at the same time, strengthening our operations. The demand was high and it was driven by the transition primarily in the industry and energy segments. We delivered strong growth of 17 percent during the year, of which 8 percent was organic, an improved operating result, completed our 2022 cost saving programme and continued to invest in our system platform.

The fourth quarter showed strong demand, especially in our industry and energy segments. Demand was also strong in our infrastructure segment, whereas it was weaker in parts of the real estate segment. Net sales amounted to SEK 6,609 million, an increase by 20 percent compared to last year and the organic growth was 11 percent adjusted for calendar effects. The organic growth was mainly a result of continued high demand and an increased number of employees, as well as higher fees. Our order stock continued to strengthen and is at a historical high level.

EBITA, excluding items affecting comparability, increased by 15 percent during the fourth quarter and amounted to SEK 578 million (495), with a corresponding EBITA margin of 8.8 percent (9.0). Process Industries, Energy and Management Consulting all had strong margins and growth. The margin was negatively impacted by an increased use of sub-consultants and a weak performance for Infrastructure in Finland.

During 2022, AFRY has grown by circa 1,700 employees through acquisitions and new recruits, an increase of 10 percent. Competition for the best talent continue at a high level, as engineers are a key competence in the transition towards a sustainable society.

There is still uncertainty in the market and we are following the economic situation closely. Despite the uncertainty, we see high demand for our services, and the transition towards a sustainable society is apparent. AFRY is one of the highest-ranked companies in sustainability measurements in our industry and we are well-placed to take a leading position with a strong client offer. We have a well-diversified portfolio in sectors facing the transition and a healthy mix of private and public sectors.

We continue to focus on efficiency improvements and price increases, as well as strengthening our client offering, and we are well-prepared for an uncertain 2023.

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

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 10 February 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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