

Stable performance and integration of Pöyry according to plan

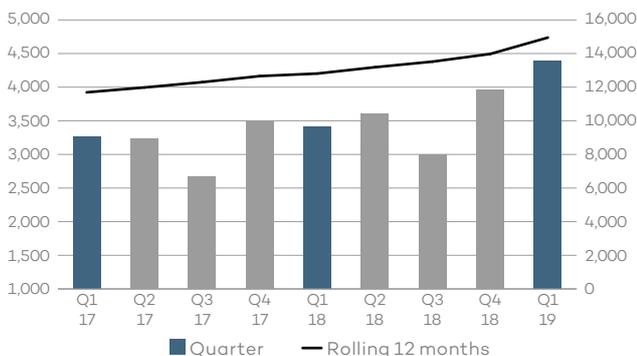


First quarter 2019¹

- Net sales amounted to SEK 4,389 million (3,415)
- EBITA, excl items affecting comparability, totalled SEK 390 million (325)
- EBITA margin, excl items affecting comparability, was 8.9 percent (9.5)
- EBITA totalled SEK 327 million (325)
- EBITA margin was 7.5 percent (9.5)
- EBIT (operating profit) amounted to SEK 313 million (311)
- Basic earnings per share, before dilution: SEK 2.32 (2.94)

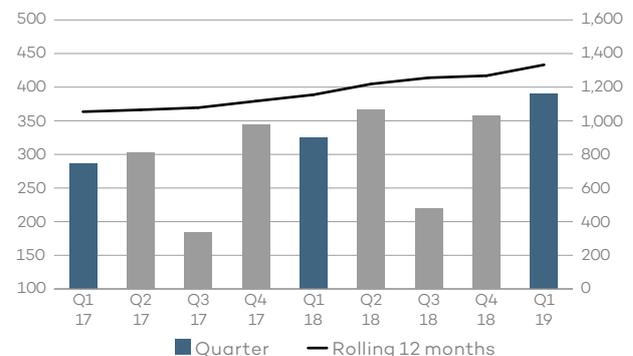
» We had a solid start in 2019 with strong organic growth, and have successfully completed the acquisition of Pöyry. The integration is proceeding according to plan, including the realisation of cost synergies. «

Net sales, SEK million



Pöyry was consolidated in ÅF Pöyry as from 28 February 2019.

EBITA, SEK million²



Pöyry was consolidated in ÅF Pöyry as from 28 February 2019.

¹Including effects from IFRS 16 Leases, see page 5 for further details

²Excluding items affecting comparability

Comments by the CEO



We had a solid start in 2019 with strong organic growth of 8.0 percent (0.5) in the quarter. Net sales amounted to SEK 4,389 million (3,415), which is an increase of 28.5 percent. EBITA, excluding items affecting comparability, amounted to SEK 390 million (325). We are also pleased that we closed the acquisition of Pöyry and that the integration is proceeding according to plan with good business momentum.

In connection with the rights issue process in March we announced an outlook for the first quarter for ÅF Pöyry and for Pöyry separately. We can now conclude that the actual outcome for the first quarter was in line with the outlook. Net sales was higher than last year for both entities. EBITA, excluding items affecting comparability, was in line with last year for ÅF Pöyry, and significantly higher for Pöyry.

Market trend

The general market and demand for sustainable solutions continue to be good with disruptive trends as strong drivers. The market for infrastructure continues to be favourable, and we can especially note a high demand for technical solutions in buildings. Demand in the industry sector remained stable, with 5G, electrification and automation as drivers. The process industries market has continued to be strong, especially in Europe. In the energy market we see continued demand for large-scale energy projects in Southeast Asia, and at the same time demand for renewable energy is increasing. There is also continued high demand for advisory services due to major transformations within process industries and the energy sector.

The ÅF Pöyry Group structure

With the acquisition of Pöyry, we are now forming a leading engineering, design and advisory company. From 21 February, we operate in five divisions: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy, and Management Consulting. A new Group management structure was also introduced during the quarter. Our operations have been integrated quickly, while keeping a strong focus on serving our clients as well as sustaining strong organic growth in the quarter.

The realisation of the committed cost synergies is developing according to plan. The annual run-rate savings after the first quarter amount to SEK 25 million. As previously announced, the cost synergies target is SEK 180 million and the majority is expected to be realised in 2019. The rights issue carried out after the quarter was well received and oversubscribed.

After the Pöyry acquisition we also reviewed and reconfirmed our financial targets which apply over a business cycle: annual growth of 10 percent, including add-on acquisitions, EBITA margin of 10 percent (excluding effects from IFRS 16 Leases and items affecting comparability), net debt in relation to EBITDA of 2.5, and a dividend policy where the dividend corresponds to approximately 50 percent of consolidated profit after tax excluding capital gains.

Performance among the divisions

The Infrastructure Division delivered a solid first quarter with good growth. However a slow start of the year affected utilisation negatively in the beginning of the quarter. The strong demand for technical solutions in buildings continued to contribute to the growth and profitability in the division.

The Industrial & Digital Solutions Division also started the year with a strong focus on growth and the demand for services and projects remained stable in the quarter. The division experienced continued demand for services within product development, electrification and automation.

The Process Industries Division performed well in the quarter with continued strong demand in Europe, especially within mining and metals in the Nordics. Digitalisation and sustainability remain the key drivers. Demand in Latin America showed potential to improve while other regions remain mixed.

The Energy Division showed improved growth and profitability and continues to adapt its structure to market changes. We have also seen that the required transition to sustainable, renewable energy is gaining momentum and the division was awarded with several assignments in the quarter.

The Management Consulting Division performed well in the quarter and the core markets have remained stable. The key industry drivers are the solid transaction volume across the sectors, as well as the ongoing transition of the energy sector.

We have an exciting year ahead of us with continuous and increasing demand for sustainable solutions driven by megatrends such as digitalisation and urbanisation. We are well positioned to meet these demands with ÅF Pöyry's combined strong offering.

Stockholm, Sweden – 15 May, 2019

Jonas Gustavsson
President and CEO

ÅF Pöyry - a strategic fit with complementary businesses

Following ÅF's launch of a strategy that focused on growth, increased value creation and international expansion in selected segments, ÅF announced the acquisition of Pöyry in 2018 with the objective of fulfilling these strategic objectives. On 28 February 2019, Pöyry was consolidated in ÅF Pöyry's consolidated accounts.

The new ÅF Pöyry Group

ÅF and Pöyry are two leading engineering and advisory companies in Europe with complementary operations. The combination creates a strong platform for international growth, combining wider expertise, greater scale, more resources and committed, highly educated employees. ÅF Pöyry will contribute to clients' continued development and meet the need for advanced sustainable solutions in increasingly complex assignments.

Strengthened international presence

The combined strengths of the operations enable greater international presence and improve conditions to increase the rate of internationalisation in selected segments. The Nordic region remains the combined Group's largest market.

In infrastructure, the Scandinavian region remains a strong base, but local operations are enhanced in parts of Europe such as Switzerland, where ÅF and Pöyry have complementary operations, as well as in Austria, Germany and Finland.

In the process industry, the operations are enhanced by Pöyry's Pulp & Paper operations, where ÅF Pöyry is world leading. The operations are further enhanced by its mining and petrochemical activities, primarily in the Nordic region, Southeast Asia, North America and Brazil.

In energy, ÅF Pöyry is a strong international operator in all segments and one of the leading engineers in hydro, with operations primarily in the Nordic region, the rest of Europe and Asia.

Cost synergies through economies of scale

ÅF Pöyry will realise cost synergies, for example through lower general and administrative costs and efficiency enhancements in offices, IT and operating structures. Cost synergies are expected to total at least SEK 180 million, of which the majority will

be realised in 2019. As of the end of the first quarter, achieved annual run-rate synergies amounted to SEK 25 million. The realisation of the committed cost synergies has proceeded according to plan during the course of the quarter, and substantial revenue synergies are expected.

A new division structure

ÅF Pöyry now operates through five divisions: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy and Management Consulting. The divisions offer services to multiple industries and sectors. The divisions create sustainable solutions in the infrastructure, industry and energy sectors, with clients from both the private and public sectors.

The Infrastructure Division is formed by ÅF and Pöyry, and provides technical solutions for buildings and infrastructure. The Industrial and Digital Solutions Division is formed by ÅF, and is one of the leading providers of Industrial and Digital Solutions in the Nordics. The Process Industries Division is formed by Pöyry as well as ÅF, and the division is world leading within pulp and paper. The Energy Division is formed by both ÅF and Pöyry with a global presence, serving clients in over 80 countries. The Management Consulting Division is formed by Pöyry and provides strategic and operational advisory services across the value chain.

The combined Group

In order to facilitate comparisons following the acquisition, as Pöyry was consolidated as from 28 February this report presents also the Group and divisions as if the consolidation was performed on 1 January 2018, called combined operations.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	3,842	1,581	5,423	3,415	1,349	4,765
Adj EBITA ¹	342	126	467	325	91	416
Adj EBITA %	8.9	7.9	8.6	9.5	6.7	8.7

The combined operations

The numbers are presented as if the consolidation of Pöyry took place on 1 January 2018. Net Sales for the combined operations would have amounted to SEK 5,423 million (4,765), an increase of 13.8 percent, of which 8.9 percentage points were organic growth adjusted for currency effects. The EBITA margin would have been 8.6 (8.7) percent for the first quarter.

¹ Adjusted EBITA is according to the definition in ÅF's annual report 2018, EBITA excluding items affecting comparability.

Net sales and earnings 2019

January-March

Pöyry was consolidated as from 28 February 2019. Net sales during the quarter amounted to SEK 4,389 million (3,415), of which former ÅF represented SEK 3,842 million and former Pöyry amounted to SEK 547 million. Growth amounted to 28.5 percent (4.6). Organic growth amounted to 8.0 percent (0.5) and 7.5 percent (2.1) when adjusted for calendar effects. This year, the Easter holiday took place after the end of the quarter, while it fell partly in March in 2018.

Adjusted for items affecting comparability, EBITA totalled SEK 390 million (325), of which ÅF represented SEK 342 million and Pöyry SEK 48 million. The EBITA margin was 8.9 percent (9.5). The items affecting comparability totalled SEK 63 (0) million of which approximately SEK 44 million relates to transaction costs in the process of acquiring Pöyry, and SEK 19 million relates to integration costs.

	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net Sales			
Net sales, MSEK	4,389	3,415	13,975
Total growth, %	28.5	4.6	10.4
Structural changes, %	19.2	4.3	4.1
Currency, %	1.3	-0.2	1.1
Organic, %	8.0	0.5	5.2
Adjusted/underlying organic growth due to calendar effect, %	7.5	2.1	2.1
Earnings			
EBITA excl items affecting comparability, MSEK	390	325	1,268
EBITA margin excl items affecting comparability, %	8.9	9.5	9.1
EBITA, MSEK	327	325	1,243
EBITA margin, %	7.5	9.5	8.9
Operating profit, EBIT, MSEK	313	311	1,203
Profit after financial items, MSEK	242	294	1,103
Profit after tax, MSEK	185	227	850
Key ratios			
Earnings per share, before dilution, SEK	2.32	2.94	10.98
Earnings per share, after dilution, SEK	2.28	2.88	10.76
Cash flow from operating activities, MSEK	292	221	874
Net debt, MSEK (excl IFRS 16) ¹	7,144	2,521	3,455
Net debt/EBITDA rolling 12-month, times ¹	5.2	2.1	2.5
Net debt-equity ratio, % ¹	107.9	47.4	63.2
Total number of employees	16,393	10,015	10,928
Capacity utilisation, %	75.9	77.2	77.2

¹ Excluding effects of IFRS 16 leases

EBITA and the EBITA margin were SEK 327 million (325) and 7.5 percent (9.5), respectively. The effects of IFRS 16 Leases on EBITA were SEK 8 million, and SEK 110 million on EBITDA, and SEK 13 million on interest expense, including one month of Pöyry.

Capacity utilisation was 75.9 percent (77.2) for the quarter.

On 27 March an outlook for the first quarter for ÅF Pöyry (excluding Pöyry) and for Pöyry separately in light of the rights issue was presented. The actual outcome for the quarter was in line with the outlook. Net sales was higher than last year for both entities. EBITA, excluding items affecting comparability, was in line with last year for ÅF Pöyry (excluding Pöyry), and significantly higher for Pöyry.

If Pöyry would have been consolidated as from 1 January 2018 (combined operations) net sales had amounted to approximately SEK 5,423 million (4,765), an increase of 13.8 percent, of which 8.9 was organic growth, adjusted for currency effects. EBITA and EBITA margin would have amounted to approximately SEK 467 million (416) and 8.6 percent (8.7).

EBIT amounted to SEK 313 million (311). The difference between EBIT and EBITA consists entirely of acquisition-related items not affecting cash flow, namely, amortisation of acquisition-related assets amounting to SEK 27 million (10) and the change in assessments of future contingent considerations amounting to SEK 13 million (-4).

Profit after financial items was SEK 242 million (294) and profit after tax for the period was SEK 185 million (227). Net financial items for the quarter totalled SEK -71 million (-17). Interest expense increased mainly due to higher borrowing and an increase in the average credit term in the loan portfolio. Net financial items was effected by one-off financing costs of SEK 31 million linked to the acquisition of Pöyry shares.

Net financial items was also effected by discount rates related to leases in accordance with the new IFRS 16 regulation and revaluation of contingent considerations, which do not affect cash flow, amounting to SEK 13 million (0) and SEK 4 million (4) respectively.

Cash flow and financial position

Consolidated net debt incl. IFRS 16 Leases totalled SEK 9,824 million. Consolidated net debt excl. IFRS 16 Leases totalled SEK 7,144 million (2,521) at the end of the quarter and SEK 3,455 million (2,631) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 292 million. The acquisition of Pöyry's impact on net debt amounted to SEK 4,811 million. A directed share issue reduced net debt by SEK 1,210 million. Net debt increased by SEK 326 million due to repayment of a hybrid bond issued by Pöyry.

The acquisition of Pöyry is fully financed through credit facilities from Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ). The debt financing consists of a bank loan of EUR 81 million, bridge facility of EUR 182 million and bridge facility of SEK 3,644 million. The facilities run with a maturity of 12-36 months. To finance part of the repayment of the debt financing for the acquisition, ÅF issued 6,576,866 new Class B private placement shares on 21 February, which injected approximately SEK 1,210 million into the company which was subsequently used to reduce the bridge facility in March 2019. Furthermore, the Board of Directors received authorisation at the extraordinary general meeting on 16 January to issue new class A and B shares with preferential rights for the company's shareholders on one or more occasions during the period until the 2019 Annual General Meeting. The total number of shares that were authorized to be issued must remain within the limits of the share capital as per the Articles of Association and may not exceed the number of shares that correspond to issue proceeds of approximately SEK 2,777 million. On 27 March, the Board of Directors of ÅF Pöyry resolved a rights issue of approximately SEK 2,777 million. The rights issue was fully subscribed in April 2019 and subsequently with proceeds from the rights issue ÅF Pöyry has repaid the remaining bridge facility amounting to 2,434 million.

During the first quarter, ÅF Pöyry had a senior bond loan of SEK 500 million that matured on 21 March, 2019. In short term, ÅF Pöyry AB refinanced the bond loan through existing credit limits within ÅF Pöyry AB's other financing. However, long term, the Group intends to return to the bond market. Furthermore, Pöyry redeemed its EUR 30 million hybrid bond on 25 March, 2019.

Consolidated cash and cash equivalents totalled SEK 1,013 million (233) at the end of the period and unutilised credit facilities amounted to SEK 1,759 million (1,606).

Parent company

Parent company operating income for the period totalled SEK 228 million (196) and relates essentially to internal services within the Group. Loss after net financial items was SEK -80 million (14). Cash and cash equivalents totalled SEK 72 million (38) and gross investment in intangible assets and property, plant and equipment was SEK 18 million (5).

Acquisitions and divestments

During the quarter, ÅF completed the voluntary recommended cash takeover bid for all shares in Pöyry.

Number of employees

The average number of FTEs was 12,125 (9,685). The total number of employees at the end of the period was 16,393 (10,015).

Important events in the quarter and after end of reporting period

On 22 February, ÅF Pöyry announced a new Group structure and Group management for the combined company. ÅF Pöyry also announced its intention to launch a united brand and a joint client offering during 2019. It was announced that the combined company will operate in five new divisions: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy and Management Consulting, and the new Group management consists of people from both companies, effective on 22 February. Pöyry was consolidated in ÅF Pöyry's consolidated accounts as from 28 February.

After the end of the reporting period, ÅF Pöyry announced the appointment of Susan Gustafsson as General Counsel and member of Group management. Susan will assume her position at ÅF Pöyry in September 2019. It was also announced that Nyamko Sabuni will leave the company and her role as Head of Sustainability and member of Group management.

Divisions



Infrastructure

The Infrastructure Division provides technical solutions for buildings and infrastructure, for example in the areas of road and rail as well as water and environment. The division also operates within the fields of architecture and design. The division's strengths include its in-depth knowledge of sustainable, high-tech solutions, and its clients are primarily within the property and urban development sectors. The division is led by Malin Frenning and operates in the Nordic region and Central Europe.



Industrial & Digital Solutions

The Industrial & Digital Solutions Division conducts engineering operations in the field of product development and production systems, as well as IT and defense technology. The division is active in all industry sectors and works with both private and public sector clients. The division's technical capabilities encompass project management, industrial design, mechanical product development, automation, quality assurance and digitalisation services for various industries to develop and connect systems and products and create the society of the future. The services encompass the entire value chain and the assignments are project-based or end-to-end solutions for a specific function. The division is led by Robert Larsson and operates primarily in the Nordic region.



Process Industries

The Process Industries Division provides engineering and consulting services, project management and implementation services to clients in the process industry. Its clients primarily come from the forest, chemical and biorefinery industries, as well as the metal and minings industries. Focus sectors extend from pulp & paper to chemicals & biorefining, metals & mining and other process industries, and the division delivers solutions for both new investment projects and reconstruction of existing plants. The division, led by Nicholas Oksanen, delivers solutions globally and operates primarily in the Nordic region and South America.



Energy

The Energy Division provides international engineering and consulting services to clients in over 80 countries. The division has expertise in the transmission and distribution of all types of electricity generated from various types of energy sources, such as water, coal, gas, bio and waste fuels, nuclear power and renewable energy types, and has a leading position in hydro. The division has a high level of technical capabilities when it comes to complex environmental aspects. Thanks to its ability to cover the entire spectrum of power generation as well as the complete investment life-cycle, the division can offer its clients comprehensive expertise. The division, led by Richard Pinnock, delivers solutions globally and operates primarily in the Nordic region, Switzerland and Czech Republic, as well as Southeast Asia.



Management Consulting

The Management Consulting Division provides strategic and operational advisory services across the value chain, underpinned by deep expertise and market insights. The core services encompass a wide array of consulting services and include corporate and business strategies; resource, technology and investment strategies; operational and organisational excellence; market insights and modelling, sales and supply chain strategies; M&A and due diligence as well as innovation management and digitalisation. The services are primarily aimed at the energy sector, the forest industry and bio-based industries. The division is led by Martin à Porta and have operations in 17 offices across three continents.

Infrastructure Division

- First quarter net sales amounted to SEK 1,781 million (1,456)
- EBITA amounted to SEK 179 million (165) and the EBITA margin was 10.1 percent (11.4)
- Solid and positive development within the Buildings business area

The Infrastructure Division had a solid first quarter with good growth. Due to a slow start of the year there was a negative effect on capacity utilisation. The strong demand for technical solutions in buildings continued to contribute to the growth and profitability in the division.

Net sales

First quarter net sales amounted to SEK 1,781 million (1,456). Growth totalled 22.3 percent (10.8), of which 11.0 were organic, 9.4 structural effects and 1.9 currency effects. Adjusted for calendar effects, organic growth amounted to 10.0 percent.

EBITA

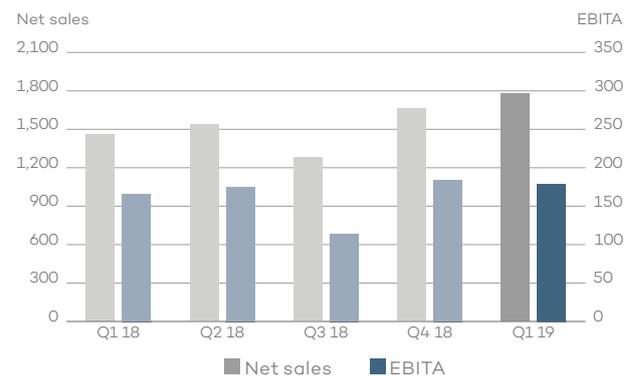
EBITA increased to SEK 179 million (165) and the EBITA margin was 10.1 percent (11.4). The EBITA increase is mainly attributable to the consolidation of the Infrastructure Division of Pöyry.

Market and business development

The division's offer within buildings technology continues to be in high demand. Higher standards within security, flexibility, energy efficiency and connected services generate an increase in assignments within reconstruction and renovation of existing buildings. The capacity to take on large, multidisciplinary, end-to-end projects continues to be a success factor for the offer within buildings, as an increasing amount of clients see the advantages of a single point of contact. As the division is mainly focused on public, commercial and industrial buildings, the general slowdown in residential projects in big city areas has only had a negligible effect on the business.

The Norwegian operations notice a positive trend in roads, railways and metro investments, with an increasing share of design and build contracts. In Switzerland, investments remain on a high and stable level, and operations are growing, though continued price pressure. At the same time, state investments are secured for the next decade, and the division sees a growing demand for maintenance and renovation. A political agreement on substantial infrastructure investments including railways and motorways in Denmark from 2021 to 2030 has been presented, entailing around DKK 113 billion.

Net sales and EBITA, SEK million



KEY RATIOS	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales, MSEK	1,781	1,456	5,935
EBITA, MSEK	179	165	638
EBITA margin, %	10.1	11.4	10.8
Average number of employees, FTEs ¹	5,026	4,253	4,426
Total growth, %	22.3	10.8	16.1
Structural changes, %	9.4	7.6	4.4
Currency, %	1.9	-0.4	1.5
Organic, %	11.0	3.6	10.2
of which adjusted/underlying organic growth due to calendar effect, %	10.0	5.4	10.6

¹ FTEs Q1 2019 include ÅF employees plus one month of Pöyry.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	1,656	371	2,027	1,456	336	1,792
Adj EBITA	170	27	197	165	22	187
Adj EBITA %	10.2	7.3	9.7	11.4	6.5	10.4

The numbers are presented as if the consolidation of Pöyry took place on 1 January 2018. Net Sales for the combined division amounted to SEK 2,027 million (1,792), an increase of 13.1 percent. The adjusted EBITA margin was 9.7 (10.4) percent for the first quarter.

The division sees a continued strong and positive development within the road and rail segment in most of our core markets. The sustainability benefits of a strengthened railway grid are highlighted on both European and national levels, and major investments are being made in transportation infrastructure – new as well as reinvestments of existing assets. In the quarter, the Swedish Transport Administration turned to ÅF Pöyry to develop tender documentation for design-and-build contracts, and deliver construction monitoring services for two sections of Hallsberg – Degerön, a part of the Bergslagen freight corridor, which has an estimated value of SEK 65 million.

Industrial & Digital Solutions Division

- First quarter net sales amounted to SEK 1,611 million (1,471)
- EBITA amounted to SEK 143 million (137) and the EBITA margin was 8.9 percent (9.3)
- Continued demand for services within product development, electrification and automation

Demand for the Industrial & Digital Solutions Division's services and projects remained stable during the first quarter, and at the same time customers, especially within automotive, displayed a pattern of spending more time before finalising investment decisions.

Net Sales

First quarter net sales amounted to SEK 1,611 million (1,471). Growth totalled 9.5 percent, of which 5.3 percentage points were organic and 3.9 structural effects. Adjusted for calendar effects, organic growth amounted to 4.9 percent. Growth is driven by an overall good demand across all key market segments.

EBITA

EBITA increased by 4.4 percent to SEK 143 million (137) and the EBITA margin was 8.9 percent (9.3). The slight decrease in margin was attributable to a slow start in the quarter.

Market and business development

There are indications of a slower demand from automotive customers within product development for connected, electrified and autonomous vehicles. Simultaneously, these technology shifts create uncertainties and challenging decision-making in future investments.

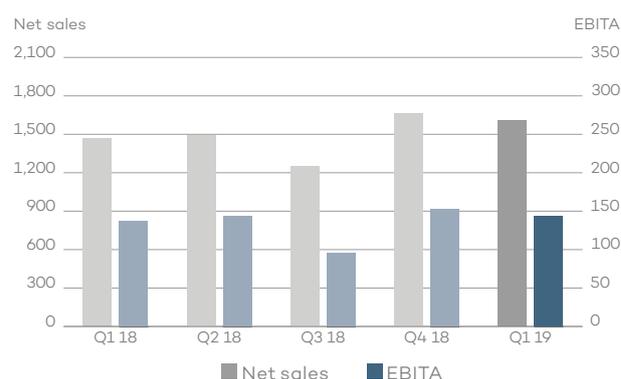
The demand for engineering services and new project investments in food and pharma has continuously been favourable over the course of the quarter. It has especially been strong for projects in the dairy market.

In the telecom supplier market, 5G development has been a driver which continued at a fast pace in the quarter. Simultaneously, artificial intelligence is increasingly important for the development of future industry sectors, cities and societies. Moreover, the demand for the offering within the defence sector has remained high during the quarter.

During the quarter the division won a prestigious contract in the area of simulating communication networks and their components. The operator side is characterised by consolidation and cost saving programmes, although investments in infrastructure continued.

Within the manufacturing industry, market activities continue at a high level, although the investment decision process is somewhat extended. The growth of electromobility and the need for stationary energy storage

Net sales and EBITA, SEK million



KEY RATIOS	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales, MSEK	1,611	1,471	5,876
EBITA, MSEK	143	137	528
EBITA margin, %	8.9	9.3	9.0
Average number of employees, FTEs ¹	3,977	3,681	3,873
Total growth, %	9.5	-	-
Structural changes, %	3.9	-	-
Currency, %	0.3	-	-
Organic, %	5.3	-	-
of which adjusted/underlying organic growth due to calendar effect, %	4.9	-	-

The historical figures above are adjusted based on the organisational changes implemented in the first quarter 2019, where Industry Division and Digital Solutions Division were merged.

Comparative figures for growth in 2018 are not available due to the fact that 2017 numbers have not been adjusted for the reorganisation.

¹FTEs Q1 2019 include ÅF employees plus one month of Pöyry.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	1,611	-	1,611	1,471	-	1,471
Adj EBITA	143	-	143	137	-	137
Adj EBITA %	8.9	-	8.9	9.3	-	9.3

The numbers are presented as if the consolidation of Pöyry took place on 1 January 2018.

increases the demand for high power batteries. The division has completed the delivery of the first robotised assembly line in Northern Europe to Alelion, a supplier of energy storage solutions for material handling and industrial vehicles.

Demand for digitalisation remains high relating to new technologies, business models and eco systems. The combination of domain and technical knowledge within the division makes ÅF Pöyry a strong partner for digitalisation of all industries.

Process Industries Division

- First quarter net sales amounted to SEK 400 million (187)
- EBITA amounted to SEK 44 million (18) and the EBITA margin was 10.9 percent (9.9)
- Digitalisation and sustainability remains high on the agenda in all process industry sectors

The Process Industries Division performed well in the quarter. The division experiences a continued strong demand in Europe, especially for the mining and metals services in the Nordics. Digitalisation and sustainability remain the key drivers in the sector.

Net sales

First quarter net sales amounted to SEK 400 million (187). Growth totalled 114.2 percent, of which 3.5 was organic, and 110.1 was structural effects due to the acquisition of Pöyry Industry Business Group. Adjusted for calendar effects, organic growth amounted to 3.2 percent.

EBITA

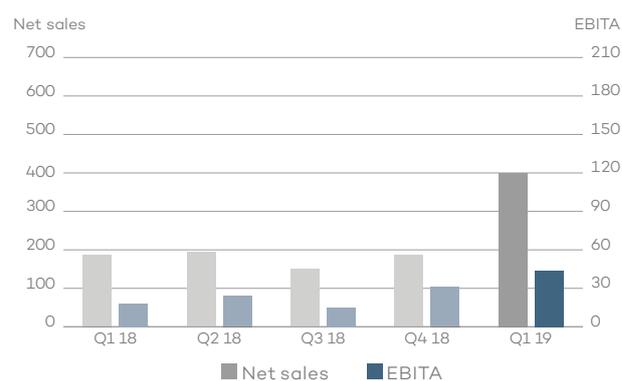
EBITA was SEK 44 million (18), and EBITA margin was 10.9 percent (9.9).

Market and business development

The market development for the process industry has continued to be strong, especially in Europe, and activity is expected to remain strong. Demand in the Nordics remains compelling, and new bio-based solutions in all sectors are developed widely towards commercial solutions. At the same time, price competition in the Nordic market has remained high. Key drivers are sustainability and digitalisation. Fossil-based materials are being replaced with renewable materials. Plastic substitution as well as other fossil-based materials substitution creates new markets and demand for the whole sector. For example the division worked for Colabitoil in a technical due diligence of a new concept for fossil free bio-fuels production, as continuation of an environmental permit project. Digitalisation and sustainability remains high on the agenda of the mining and metals sector. Thus, efficient recycling of raw materials as well as new value chain solutions are being developed. Also, the demand for bio-based solutions is growing. Overall, the value chain is changing as more and more side and waste streams are utilised as raw materials or new products. With digital solutions, process industries are looking for solutions for efficiency and for improved safety and productivity.

The Latin America region is mixed, but Brazil's economy may show recovery more quickly as investment activity is anticipated to increase. The North American market demand continues to be good, although American trade barriers and potential counter measures to them create uncertainties in North American and global markets. In Asia, the markets relevant to our operations continue to be active and offer

Net sales and EBITA, SEK million



KEY RATIOS	Jan–Mar 2019	Jan–Mar 2018	Full year 2018
Net sales, MSEK	400	187	717
EBITA, MSEK	44	18	88
EBITA margin, %	10.9	9.9	12.3
Average number of employees, FTEs ¹	1,336	599	598
Total growth, %	114.2	-	-
Structural changes, %	110.1	-	-
Currency, %	0.5	-	-
Organic, %	3.5	-	-
of which adjusted/underlying organic growth due to calendar effect, %	3.2	-	-

The historical figures above are adjusted based on the organisational changes implemented in the first quarter 2019, when the Process Industries Division was created.

Comparative figures for growth in 2018 are not available due to the fact that 2017 numbers have not been adjusted for the reorganisation.

¹ FTEs Q1 2019 include ÅF employees plus one month of Pöyry.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	194	601	795	187	564	751
Adj EBITA	21	70	91	18	60	78
Adj EBITA %	11.1	11.6	11.5	9.9	10.7	10.5

The numbers are presented as if the consolidation of Pöyry took place on 1 January 2018. Net Sales in the combined division increased to SEK 795 (751) million, an increase of 5.9 per cent. EBITA increased by 16.4 percent to SEK 91 (78) million. The EBITA margin was 11.5 (10.5) percent. The improvements in EBITA and EBITA margins are mainly attributable to continued overall performance improvements in the "Pöyry units" combined with good development of the business in Germany.

opportunities, especially to the pulp and paper business. The division identifies major opportunities in Latin America where large projects appear to be moving to the next phase. Paper conversion projects are being developed and are expected to be realised in different regions. At the same time, we see new opportunities in side and waste stream solutions.

Energy Division

- First quarter net sales amounted to SEK 569 million (361)
- EBITA amounted to SEK 33 million (14) and the EBITA margin was 5.9 percent (3.9)
- Requirement to transition to sustainable, renewable energy generation, which addresses the areas of energy efficiency, reliability and cost of electricity supply

Increasing demand for renewable energy sources and digitalisation are the main trends. At the same time, existing power plants are being refurbished in order to prolong their life span.

Net sales

First quarter net sales amounted to SEK 569 million (361). Growth totalled 57.7 percent, of which 1.2 percent was organic and 53.3 was structural effects. Adjusted for calendar effects, organic growth was 1.3 percent.

EBITA

EBITA amounted to SEK 33 million (14) and the EBITA margin was 5.9 percent (3.9). The increase is mainly attributable of the consolidation of the Energy division of Pöyry, but some improvements in the former ÅF Energy Division were noted.

Market and business development

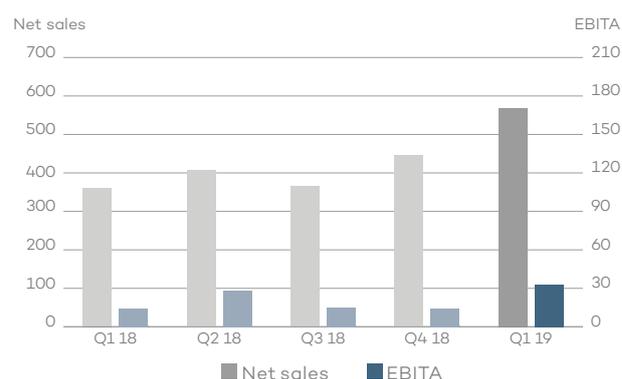
The global energy sector is in a state of transformation. Significant changes are taking place within technology, politics and market conditions and energy generation by traditional power plants is complemented by decentralised energy production. The power grid is being strengthened and expanded in order to cope with increased energy consumption and decentralised power generation.

Environmental concerns have increased globally among political decision makers, as well as among consumers. The requirement to transition to sustainable, renewable energy generation is gaining momentum, which also addresses the areas of energy efficiency, reliability and cost of electricity supply.

The Nordic market is slightly increasing, particularly in maintenance and refurbishment assignments, as well as renewable wind investments. The European energy sector remains weak with an overcapacity of engineering services.

The market in Middle East is showing modest signs of recovery, after a slowdown driven by oil price developments. In Asia, the slowdown in the economy is demonstrated by investment decisions being delayed due to the ongoing US – China trade negotiation uncertainty, although positive signs are starting to emerge. The markets in Latin America remain slow and investment decisions are been influenced by the US – Mexico border issues as well as the Venezuelan crisis.

Net sales and EBITA, SEK million



KEY RATIOS	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales, MSEK	569	361	1,580
EBITA, MSEK	33	14	71
EBITA margin, %	5.9	3.9	4.5
Average number of employees, FTEs ¹	1,448	1,007	1,012
Total growth, %	57.7	-2.6	5.8
Structural changes, %	53.3	0.0	2.5
Currency, %	3.2	-0.4	2.5
Organic, %	1.2	-2.2	0.8
of which adjusted/underlying organic growth due to calendar effect, %	1.3	-0.2	1.0

¹ FTEs Q1 2019 include ÅF employees plus one month of Pöyry.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	416	434	851	361	283	644
Adj EBITA	23	34	57	14	18	32
Adj EBITA %	5.5	7.8	6.7	3.9	6.5	5.0

The numbers are presented as if the consolidation of Pöyry took place on 1 January. Net Sales in the combined division amounted to SEK 851 (644) million, an increase of 32 percent. The increase is mainly attributable to a large project won by the former Pöyry Group in Q2 2018. The improved EBITA is attributable to that specific project combined with improved margins in hydropower, thermal and nuclear assignments.

During the quarter, the Energy Division won several orders in hydropower, including technical consulting services for a new installation in Laos, and owner's engineering (OE) services in Uganda. Within the field of renewable energies, ÅF Pöyry was awarded assignments for OE services for a biomass plant in France, a feasibility study for a biomass plant in Ethiopia, as well as a wind farm in Kazakhstan and solar PV plants in Vietnam. In addition, the division has won two contracts to refurbish the Austrian transmission and distribution network.

Management Consulting Division

- First quarter net sales amounted to SEK 73 million (-)
- EBITA amounted to SEK 13 million (-) and the EBITA margin was 18.5 percent
- Solid transaction volume across all sectors and requirement to meet the Paris decarbonisation targets along with the impact of digitalisation

The Management Consulting Division's core markets have remained stable and the key industry drivers remain the solid transaction volume across the sectors, as well as the ongoing transition of the energy sector.

Net sales

First quarter net sales amounted to SEK 73 million.

EBITA

EBITA amounted to SEK 13 million and EBITA margin was 11.4 percent.

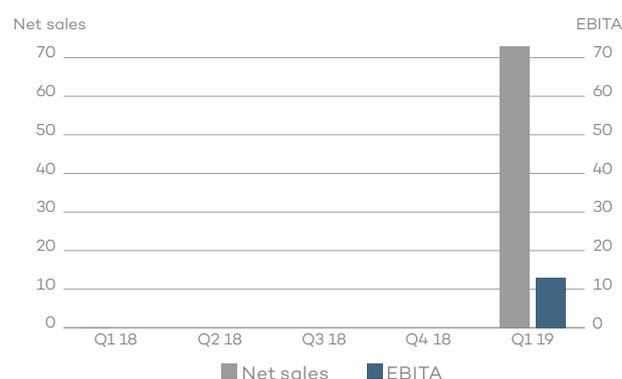
Market and business development

The core markets of the Management Consulting Division have remained generally stable as compared with the fourth quarter 2018, but have improved in energy, and remained flat in process industry.

The key industry drivers remain the solid transaction volume across the sectors, as well as the ongoing transition in the energy sector, and the requirement to meet the Paris decarbonisation targets along with the impact of digitalisation.

In the bio economy sector, forest investment remains stable following annual growth in industrial wood demand of around 2 percent. In pulp and paper, the demand for packaging remains good in conjunction with changes in consumption behaviour and general population growth. However, in other areas, growth is modest with declines in some traditional paper grades.

Net sales and EBITA, SEK million



KEY RATIOS	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales, MSEK	73	-	-
EBITA, MSEK	13	-	-
EBITA margin, %	18.5	-	-
Average number of employees, FTEs	114	-	-
Total growth, %	-	-	-
Structural changes, %	-	-	-
Currency, %	-	-	-
Organic, %	-	-	-
of which adjusted/underlying organic growth due to calendar effect, %	-	-	-

Comparative figures for growth in 2019 and 2018 are not available due to the fact that this division is formed entirely by Pöyry.

COMBINED OPERATIONS	ÅF Q1 2019	Pöyry Q1 2019	Total Q1 2019	ÅF Q1 2018	Pöyry Q1 2018	Total Q1 2018
Net sales	-	190	190	-	170	170
Adj EBITA	-	25	25	-	21	21
Adj EBITA %	-	13.0	13.0	-	12.6	12.6

Numbers are presented as if the consolidation of Pöyry took place on 1 January. Net Sales amounted to SEK 190 (170) million during the quarter. The EBITA margin has developed positively and was 13.0 (12.6) percent. The strongest improvement has been generated from the European Energy consulting business.

Risks and uncertainties

The significant risks and uncertainties to which the ÅF Pöyry Group is exposed include strategic risks linked to the market, acquisitions, sustainability and IT, and operational risks related to projects and the ability to recruit and retain qualified employees. In addition, the Group is exposed to several financial risks, such as currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in ÅF Pöyry's Annual Report for 2018 and in Pöyry PLC's Annual Review for 2018. No significant risks are considered to have arisen since the publication of the annual report.

Accounting policies

This report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies conform with International Financial Reporting Standards (IFRS), as well as with the EU approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in the Annual Report for 2018 (Note 1). As from 2019 IFRS 16 Leases has been implemented.

New or revised IFRS standards that came into force in 2019 did not have any material impact on the Group, with the exception of IFRS 16 Leases. The parent company has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent in the legal entity shall apply all EU approved IFRS and related statements as far as this is possible, while continuing to apply the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and paying due regard to the relationship between accounting and taxation. Disclosures according to IAS 34.16A can partly be found in the pages preceding the condensed income statement.

The Group applies IFRS 16 Leases as of 1 January 2019. IFRS 16 introduces a uniform lease accounting model for lessees. A lessee recognises a right of use asset that represents a right to use the underlying asset and a lease liability that represents an obligation to make lease payments. ÅF Pöyry applies exemptions for short-term leases and leasing of low-value assets. The interest rate that has been used is set per country and asset class, and as regards the respective contract's lease term.

On 1 January 2019 the Group recognised additional lease liabilities of approximately SEK 1.7 billion (after adjustment for prepayment of leases recognised on 31 December 2018), as well as right of use assets approximately SEK 1.7 billion.

The Group applied the modified retroactive method. This means that the accumulated effect was recognised in the opening balance at 1 January 2019 without restating comparative figures. The right of use assets attributable to previous operational leases have been recognised at the value of the liability on 1 January 2019, with adjustments for advance payments recognised in the balance sheet at 31 December 2018. Existing finance leases recognised in accordance with IAS 17 have been recognised in accordance with IFRS 16 at the amount of their value directly before the transition to the new standard. All effects from IFRS 16 have been allocated to group-wide.

The Group does not expect the introduction of IFRS 16 to affect its ability to meet the covenants for the Group. The parent company will not apply IFRS 16, it will use the exception in RFR 2.

LEASING

Operating leases 2018-12-31	2,837
Adjustment lease term options	-740
Discounting	-100
Finance leases 2018-12-31	69
Short term leases and low value leases	-295
Variable lease payments, index etc	65
Other	-107
Lease liability as of 2019-01-01	1,729

Definitions

Key ratios and alternative performance measures (APM) in this report are defined in ÅF Pöyry's Annual Report for 2018 and on ÅF Pöyry's website.

The share

The ÅF share price at the end of the reporting period was SEK 155,00 (182,20). The total return on the OMX Stockholm Allshare index amounted to 12.9 percent.

A shares	3,217,752
B shares	80,938,635
Total shares	84,156,387
Of which own B shares	-
Votes	113,116,155

To finance part of the repayment of the debt financing for the acquisition of Pöyry PLC, ÅF issued 6,576,866 new Class B private placement shares during the quarter. Shares were also converted during the period as per the 2015 staff convertible programme, increasing the number of B shares by 202,818.

Condensed income statement

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018	Apr 2018- Mar 2019
Net sales	4,389	3,415	13,975	14,948
Personnel costs	-2,610	-1,999	-7,996	-8,607
Purchases of services and materials	-1,024	-813	-3,547	3,757
Other costs	-298	-252	-1,074	-1,120
Other income	0	1	0	-1
Profit attributable to participations in associates	0	0	0	0
EBITDA	457	353	1,358	1,462
Depreciation/ amortisation and impairment of non-current assets ¹	-130	-28	-115	-217
EBITA	327	325	1,243	1,245
Acquisition-related items ²	-14	-13	-40	-41
Operating profit (EBIT)	313	311	1,203	1,204
Net financial items	-71	-17	-99	-153
Profit after financial items	242	294	1,103	1,051
Tax	-57	-67	-253	-243
Profit for the period	185	227	850	808
Attributable to:				
Shareholders in parent company	185	228	850	807
Non-controlling interest	0	0	0	0
Profit for the period	185	227	850	808
Earnings per share before dilution, SEK	2.32	2.94	10.98	-
Earnings per share after dilution, SEK	2.28	2.88	10.76	-
Number of shares outstanding	84,156,387	77,372,466	77,376,703	
Average number of outstanding shares before dilution	79,585,198	77,340,891	77,396,321	
Average number of outstanding shares after dilution	82,256,745	80,057,962	80,021,397	

¹ Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.

² Acquisition-related items are defined as depreciation/amortisation and impairment of acquisition-related intangible non-current assets including goodwill, revaluation of contingent consideration and gains/losses on divestment of companies and businesses. See page 26 for further details.

Statement of consolidated comprehensive income

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Profit for the period	185	227	850
Items which will be transferred to profit or loss			
Change in translation reserve for the period	59	107	87
Change in value of cash flow hedging	-1	-1	2
Tax	0	0	0
Items which will not be transferred to profit or loss			
Change in fair value reserve	5	-	15
Pensions	0	0	-31
Tax	0	0	6
Other comprehensive income for the period	62	107	79
		-	
Comprehensive income for the period	247	334	929
Attributable to:			
Shareholders in the parent	247	334	929
Non-controlling interest	0	0	0
Total	247	334	929

Condensed balance sheet

SEK million	31 Mar 2019	31 Mar 2018	Full year 2018
ASSETS			
Non-current assets			
Intangible assets	13,423	6,745	7,166
Property, plant and equipment	580	524	571
Other non-current assets	2,903	20	695
Total non-current assets	16,906	7,290	8,432
Current assets			
Current receivables	6,683	4,100	4,538
Cash and cash equivalents	1,013	233	239
Total current assets	7,696	4,333	4,776
Total assets	24,602	11,623	13,208
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders in parent company	6,605	5,303	5,449
Attributable to non-controlling interest	18	17	16
Total equity	6,623	5,321	5,465
Non-current liabilities			
Provisions	965	330	389
Non-current liabilities	7,674	2,063	3,329
Total non-current liabilities	8,639	2,392	3,718
Current liabilities			
Provisions	43	77	58
Current liabilities	9,297	3,833	3,968
Total current liabilities	9,340	3,910	4,026
Total equity and liabilities	24,602	11,623	13,208

Condensed statement of change in consolidated equity

SEK million	31 Mar 2019	31 Mar 2018	Full year 2018
Equity at start of period	5,465	4,987	4,987
Comprehensive income for the period	247	334	929
Dividends	-	-	-387
Directed share issue	1,210	-	-
Conversion of staff convertible into shares	27	-	103
Value of conversion right	-	-	10
Share buy-backs/sales	-	-	-177
Repayment of hybrid bond	-326	-	-
Share savings programmes	-	0	0
Equity at end of period	6,623	5,321	5,465

Condensed statement of consolidated cash flows

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Profit after financial items	242	294	1,103
Adjustment for items not included in cash flow	98	24	47
Income tax paid	-81	-90	-256
Cash flow from operating activities before changes in working capital	259	228	894
Cash flow from changes in working capital	-33	-7	-21
Cash flow from operating activities	292	221	874
Cash flow from investing activities	-4,789	-93	-1,153
Cash flow from financing activities	5,274	-110	306
Cash flow for the period	777	17	26
Opening cash and cash equivalents	239	223	223
Exchange difference in cash and cash equivalents	-2	-6	-10
Closing cash and cash equivalents	1,013	233	239

Change in consolidated net debt

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Opening balance	3,455	2,631	2,631
Cash flow from operating activities	-292	-221	-874
Acquisition of intangible assets, property, plant and equipment	42	20	121
Acquisition and contingent considerations paid	4,846	74	374
Dividend	-	-	387
Share buy-backs/sales	-	-	177
Purchase of shares in Pöyry PLC	-	-	657
IFRS 16 - Leases	2,680	-	-
Directed share issue	-1,210	-	-
Repayment of hybrid bond	326	-	-
Other	-22	16	-19
Closing balance	9,824	2,521	3,455

Consolidated net debt (incl. IFRS 16)

SEK million	31 Mar 2019	31 Mar 2018	Full year 2018
Loans and credit facilities	10,530	2,656	3,553
Net pension liability	307	98	141
Cash and cash equivalents	-1,013	-233	-239
Group	9,824	2,521	3,455

Consolidated net debt (excl. IFRS 16)

SEK million	31 Mar 2019	31 Mar 2018	Full year 2018
Loans and credit facilities	7,850	2,656	3,553
Net pension liability	307	98	141
Cash and cash equivalents	-1,013	-233	-239
Group	7,144	2,521	3,455

Consolidated key ratios¹

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Return on equity, %	14.3	15.5	16.1
Return on capital employed, %	11.8	13.8	14.4
Equity ratio, %	26.9	45.8	41.4
Equity per share, SEK	78.49	68.59	70.42
Interest-bearing liabilities, MSEK	10,837	2,754	3,694
Average number of employees (FTEs) ²	12,125	9,685	10,037

¹ Including IFRS 16 Leases

² FTEs Q1 2019 include ÅF employees plus one month of Pöyry employees.

Items affecting comparability

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Integration costs Pöyry	-19	-	-
Transaction costs Pöyry	-44	-	-25
Total	-63	-	-25

Revenue

Net sales January-March 2019 according to business model

SEK million	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting	Groupwide/ eliminations	Total Group
Project Business	1,752	431	204	470	64	-28	2,893
Professional Services	29	1,180	196	99	9	-17	1,496
Total	1,781	1,611	400	569	73	-45	4,389

Quarterly information by division

Net sales (in millions of SEK)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	1,456	1,535	1,279	1,665	5,935	1,781				
Industrial & Digital Solutions	1,471	1,492	1,248	1,665	5,876	1,611				
Process Industries	187	194	151	186	717	400				
Energy	361	408	365	446	1,580	569				
Management Consulting	-	-	-	-	-	73				
Group-wide/ eliminations	-60	-20	-48	-5	-133	-45				
Group	3,415	3,608	2,995	3,957	13,975	4,389				

EBITA (in millions of SEK)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	165	175	114	184	638	179				
Industrial & Digital Solutions	137	144	95	152	528	143				
Process Industries	18	24	15	31	88	44				
Energy	14	28	15	14	71	33				
Management Consulting	-	-	-	-	-	13				
Group-wide/ eliminations	-10	-5	-18	-49	-82	-86				
Group	325	366	220	332	1,243	327				

EBITA margin (%)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	11.4	11.4	8.9	11.1	10.8	10.1				
Industrial & Digital Solutions	9.3	9.7	7.6	9.1	9.0	8.9				
Process Industries	9.9	12.2	10.0	16.6	12.3	10.9				
Energy	3.9	7.0	4.0	3.2	4.5	5.9				
Management Consulting	-	-	-	-	-	18.5				
Group	9.5	10.2	7.4	8.4	8.9	7.5				

Employees (FTEs)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1 ¹	Q2	Q3	Q4	Full year
Infrastructure	4,253	4,389	4,455	4,605	4,426	5,026				
Industrial & Digital Solutions	3,681	3,797	3,867	4,001	3,837	3,977				
Process Industries	599	602	586	607	598	1,336				
Energy	1,007	1,000	971	1,070	1,012	1,448				
Management Consulting	-	-	-	-	-	114				
Group functions	144	165	182	164	164	224				
Group	9,685	9,954	10,063	10,445	10,037	12,125				

Number of working days	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Sweden only	63	60	65	62	250	63	59	66	61	249
All countries	63	60	65	62	249	63	59 ²	66 ²	61 ²	249 ²

¹ FTEs Q1 2019 include ÅF employees plus one month Pöry employees.

² Estimated weighted average.

The historical figures above are adjusted based on the organisational changes implemented in Q1, 2019.

New divisional structure

Since 22 February 2019, ÅF Pöry's operations are conducted through five divisions: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy and Management Consulting. The divisions offer services to multiple industries and sectors. The divisions create sustainable solutions in the infrastructure, industry and energy sectors, with clients from both the private and public sectors.

The Infrastructure Division is formed by ÅF and Pöry, and provides technical solutions for buildings and infrastructure. The Industrial & Digital Solutions Division is formed by ÅF, and is one of the leading providers of Industrial & Digital Solutions in the Nordics. The Process Industries Division is formed by Pöry as well as ÅF, and the division is world leading within pulp and paper. The Energy Division is formed by both ÅF and Pöry with a global presence, serving clients in over 80 countries. The Management Consulting Division is formed by Pöry and provides strategic and operational advisory services across the value chain.

Acquisition of operations

The following acquisitions have been made during the period

SEK million	Company	Country	Division	Annual Net Sales	FTEs
Period					
Jan-Mar	Pöyry PLC	FI	All	5,944	4,700
Total				5,944	4,700

Acquired companies' net assets at time of acquisition

SEK million	Jan-Mar 2019
Intangible assets	1,312
Property, plant and equipment	66
Right of use assets	938
Financial assets	303
Accounts receivable and other receivables	1,753
Cash equivalents	1,043
Accounts payable, loans and other liabilities	3,592
Net identifiable assets and liabilities	1,824
Non-controlling interest	-2
Goodwill	3,574
Fair value adjustment intangible assets	1,304
Fair value adjustment non-current provisions	-293
Purchase price	6,406
Transaction costs	69
Deduct:	
Cash (acquired)	1,043
Estimated minority buyout	46
Net outflow of cash	5,387

In February 2019 ÅF Pöyry announced the completion of the acquisition of Pöyry PLC. Pöyry is an international consultancy and engineering company supplying services related to energy, the process industry, infrastructure and management consulting.

Shown in the table is the acquisition's effect on consolidated assets and liabilities. The acquisition analysis is preliminary since fair value has not been determined for all items.

The purchase consideration was higher than the book value of the acquired net assets (equity), and the purchase price allocation resulted in intangible assets. The acquisition of a consulting business primarily involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill.

Goodwill

Goodwill consists mainly of human capital in the form of employee skills and synergy effects. Goodwill is not expected to be tax deductible on acquisition of a company.

Other non-current assets

Order backlogs and customer relationships were identified and measured in connection with the acquisition.

Acquisition-related costs

Transaction costs are recognised as other external costs in the income statement. Transaction costs amount to SEK 69 million, of which SEK 25 million were expensed in 2018.

Income and profit from acquired company

If the acquisition had been completed at 1 January 2018, it would have contributed sales of approximately EUR 580 million and operating profit of approximately EUR 55 million.

Change in contingent consideration

SEK million	31 Mar 2019
Opening balance as at 1 January 2019	731
Acquisitions this year	-
Payments	-35
Changes in value recognised in income statement	-13
Discounting	4
Exchange differences	6
Closing balance	692

Valuation of fair value

Contingent considerations are valued to fair value in accordance with level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are mainly related to expected EBIT the next two to three years for the acquired companies. The balance sheet items change is recognised in the table.

As regards other financial assets and liabilities, no significant changes in fair value measurement have been made since the 2018 Annual Report. Fair values are essentially consistent with carrying amounts.

Acquisition-related items

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Amortisation and impairment of intangible assets	-27	-10	-41
Revaluation of contingent consideration	13	-4	2
Divestment of operations	-	-	-1
Total	-14	-13	-40

Parent income statement

SEK million	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales	162	142	601
Other operating income	66	55	230
Operating income	228	196	831
Personnel costs	-59	-44	-188
Other costs	-195	-152	-678
Depreciation and amortisation	-8	-9	-34
Operating profit/loss	-34	-9	-69
Net financial items	-46	23	753
Profit/loss after financial items	-80	14	684
Appropriations	-	-	107
Pre-tax profit/loss	-80	14	792
Tax	17	2	1
Profit/loss for the period	-63	16	792
Other comprehensive income	3	-1	17
Comprehensive income for the period	-60	15	808

Parent balance sheet

SEK million	31 Mar 2019	31 Mar 2018	31 Dec 2018
ASSETS			
Non-current assets			
Intangible assets	17	9	12
Property, plant and equipment	144	113	137
Financial assets	12,587	5,990	6,818
Total non-current assets	12,748	6,112	6,967
Current assets			
Current receivables	2,702	1,969	2,630
Cash and bank balances	72	38	32
Total current assets	2,774	2,007	2,662
Total assets	15,522	8,119	9,629
EQUITY AND LIABILITIES			
Equity	6,219	4,700	5,041
Untaxed reserves	57	136	57
Provisions	249	206	252
Non-current liabilities	5,068	1,506	2,828
Current liabilities	3,929	1,571	1,451
Total equity and liabilities	15,522	8,119	9,629

Combined operations

The numbers are presented as if the consolidation of Pöyry took place on 1 January 2018.

ÄF PÖYRY GROUP	Q1 2018		Q2 2018		Q3 2018		Q4 2018		Q1 2019	
	ÄF	Pöyry								
Net sales										
Infrastructure	1,456	336	1,535	423	1,279	351	1,665	379	1,656	371
Industrial & Digital Solutions	1,471	-	1,492	-	1,248	-	1,665	-	1,611	-
Process Industries	187	564	194	587	151	506	186	608	194	601
Energy	361	283	408	357	365	384	446	451	416	434
Management Consulting	-	170	-	186	-	148	-	216	-	190
Group-wide/eliminations	-60	-3	-20	-5	-48	6	-5	-4	-36	-15
Group	3,415	1,349	3,608	1,549	2,995	1,395	3,957	1,650	3,842	1,580
Adj EBITA	ÄF	Pöyry								
Infrastructure	165	22	175	27	114	18	184	14	170	27
Industrial & Digital Solutions	137	-	144	-	95	-	152	-	143	-
Process Industries	18	60	24	55	15	49	31	74	21	70
Energy	14	18	28	24	15	30	14	47	23	34
Management Consulting	-	21	-	21	-	27	-	37	-	25
Group-wide/eliminations	-10	-31	-5	-21	-18	-12	-25	-36	-16	-30
Group	325	91	366	106	220	112	356	135	342	126
Adj EBITA %	ÄF	Pöyry								
Infrastructure	11.4	6.5	11.4	6.3	8.9	5.1	11.1	3.6	10.2	7.3
Industrial & Digital Solutions	9.3	-	9.7	-	7.6	-	9.1	-	8.9	-
Process Industries	9.9	10.7	12.2	9.4	10	9.6	16.6	12.2	11.1	11.6
Energy	3.9	6.5	7.0	6.6	4.0	7.9	3.2	10.3	5.5	7.8
Management Consulting	-	12.6	-	11.4	-	18.2	-	17.0	-	13.0
Group	9.5	6.7	10.2	6.8	7.4	8.1	9.0	8.2	8.9	7.9

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Stockholm, Sweden - 15 May 2019

ÅF Pöry AB (publ)
Jonas Gustavsson
President and CEO

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

This information fulfils ÅF Pöry AB's (publ) disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the contact person set out above at 11.00 CEST on 15 May 2019.

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.

Presentation to investors

Time:	15 May at 14.00 CEST
Webcast:	http://www.afconsult.com/en/investor-relations/financial-reports/
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Calendar 2019

Q1 2019	15 May
Q2 2019	12 July
Q3 2019	30 October

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ÅF Pöry is a leading European engineering, design and advisory company. We create solutions to support our customers worldwide to act on sustainability as well as the global trends of urbanisation and digitalisation. We are more than 16,000 devoted experts within the fields of infrastructure, industry and energy operating across the world to create sustainable solutions for the next generation. Making Future.