AFRY AB (PUBL) YEAR-END REPORT
JANUARY–DECEMBER 2022

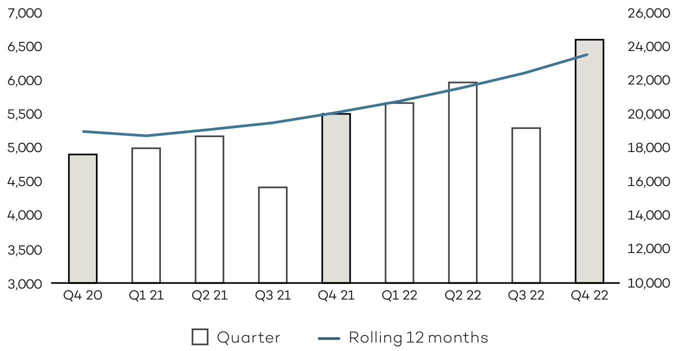
# Strong organic growth and stable results

**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)

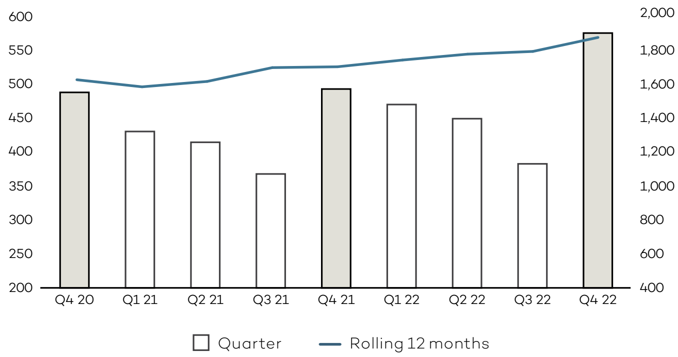
**January–December 2022**
- Net sales increased by 17.1 percent to SEK 23,552 million (20,104)
- Organic growth adjusted for calendar effects was 8.1 percent (5.3)
- EBITA, excl. items affecting comparability, was SEK 1,886 million (1,712)
- EBITA margin, excl. items affecting comparability, was 8.0 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).

"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."

**Net sales, SEK million**




**EBITA [1], SEK million**




[1] Excluding items affecting comparability.

# Comments from the CEO

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.

Jonas Gustavsson, President and CEO

# AFRY at a glance

AFRY is a European leader in sustainable engineering, design and advisory services with a global reach. We accelerate the transition towards a sustainable society. We are 19,000 devoted experts in infrastructure, industry, energy and digitalisation, creating sustainable solutions for generations to come.

# Take-Off Strategy

– Drive growth in targeted geographies – organic and by acquisition.
– Focus on transformative segments that deliver strong long-term growth.
– Lead in industrial digitalisation in the Nordics.
– Lead in sustainable solutions to enhance positive impact and drive growth.
– Establish an effective platform to create growth and scalability.

# Financial targets

– Annual growth of 10 percent. The target includes add-on acquisitions. Larger platform acquisitions will also be made.
– An EBITA margin of 10 percent (excluding items affecting comparability) over a business cycle.
– Net debt in relation to EBITDA of 2.5.

# Mission:

We accelerate the transition towards a sustainable society

# Vision:

Making Future

# Values:

Brave, devoted team players

Net Sales
SEK billion:

>23

Number of employees:

~19,000

Countries with projects:

>100

Figures refer to 2022

# AFRY as an investment

AFRY is a stable company with historically good returns and profitable growth. Global megatrends are expected to lead to growing demand for sustainable solutions, which will create major opportunities for AFRY where we can take a leading role as an enabler.

**Long-term value creation**
AFRY has, in line with the company's dividend policy, delivered a stable average dividend above 50 percent in recent years (with the exception of 2019 due to the Covid-19 pandemic). We represent long-term sustainable development that adds value for shareholders, clients, employees and the society as a whole.

**Leader in sustainable and digital solutions**
Global megatrends such as climate change, urbanisation and digitalisation are shaping demand amongst clients and are expected to lead to an increasing need for scalable and sustainable solutions, while digitalisation remains a driving force within all industries and sectors.

**Low cyclicality**
AFRY's broad portfolio and international presence enables us to take on larger and more complex assignments to meet our clients' needs for advanced and sustainable solutions. A broad portfolio also generates stability in the face of fluctuations in the economy and better spreads risk.

# SL

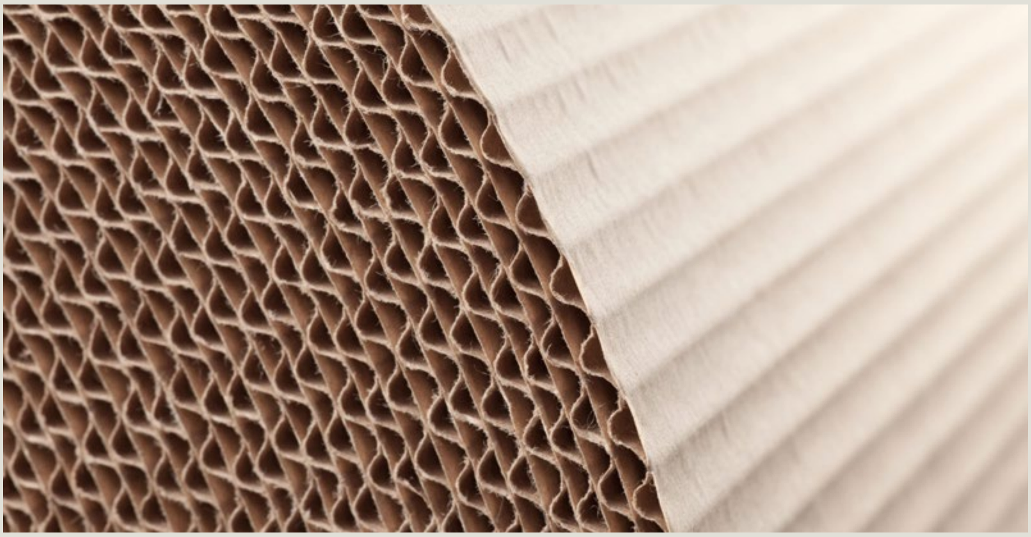
AFRY X has been selected as the IT supply partner to assist SL and Trafikförvaltningen with a number of systems for managing traffic information for travellers. The traffic information provides information about the current traffic situation and consists of map data, timetables, driving times, as well as disruptions and other important information that public transport passengers need.

# Liquid Wind

AFRY has been selected as engineer partner of Liquid Wind in the FlagshipTWO project in Sundsvall, Sweden. Liquid Wind, whose goal is to supply the shipping industry with electrofuel, will at their facilities produce more than 150,000 tonnes of green electrofuel per year and reduce the annual $CO_2$ emissions from international shipping by 200,000 tonnes of $CO_2$.

# Stora Enso

AFRY has been awarded an engineering assignment to support Stora Enso's growth in renewable packaging. The assignment concerns the conversion of a decommissioned paper machine into a consumer board production line at Stora Enso's mill in Oulu, Finland. The total annual capacity will be 750,000 tonnes of folding box board (FBB) and coated unbleached kraft (CUK).



# Financial summary

## October–December

### Net sales

Net sales for the fourth quarter amounted to SEK 6,609 million (5,509), an increase of 20.0 percent (12.3). Organic growth was 10.3 percent (8.2) and 11.3 percent (6.9) when adjusted for calendar effects.

### EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 578 million (495). The corresponding EBITA margin was 8.8 percent (9.0). Items affecting comparability amounted to SEK -16 million (-30), relating to costs for adaptation and configuration of cloud-based IT systems. The comparative period also related to restructuring costs for the Infrastructure Division. For more information, see reconciliation of alternative performance measures for EBITA on page 29.

EBITA and the EBITA margin were SEK 562 million (465) and 8.5 percent (8.4) respectively. The effects of IFRS 16 Leases were SEK 2 million (3) on EBITA and SEK 147 million (145) on EBITDA.

### Capacity utilisation

Capacity utilisation was 74.4 percent (74.9) for the quarter.

### Operating profit

EBIT totalled SEK 527 million (416). The difference between EBIT and EBITA consists of acquisition-related non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -44 million (-41), the change in estimates of future contingent considerations of SEK 9 million (8), write-down of excess value on property of SEK 0 million (-17) and exchange rate differences related to divested property of SEK -1 million (0).

### Financial items

Profit after financial items was SEK 475 million (371) and profit after tax for the period was SEK 398 million (301). Net financial items totalled SEK -52 million (-45) in the quarter.

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| **Net sales** | | | | |
| Net sales, SEK million | 6,609 | 5,509 | 23,552 | 20,104 |
| Total growth, % | 20.0 | 12.3 | 17.1 | 5.9 |
| (-) Acquired, % | 3.5 | 3.6 | 4.5 | 2.1 |
| (-) Currency effects, % | 6.2 | 0.5 | 4.9 | -1.8 |
| Organic, % | 10.3 | 8.2 | 7.8 | 5.6 |
| (-) Calendar effect, % | -1.0 | 1.3 | -0.3 | 0.3 |
| Organic growth adjusted for calendar effect, % | 11.3 | 6.9 | 8.1 | 5.3 |
| | | | | |
| **Profit/loss** | | | | |
| EBITA excl. items affecting comparability, SEK million | 578 | 495 | 1,886 | 1,712 |
| EBITA margin excl. items affecting comparability, % | 8.8 | 9.0 | 8.0 | 8.5 |
| EBITA, SEK million | 562 | 465 | 1,729 | 1,662 |
| EBITA margin, % | 8.5 | 8.4 | 7.3 | 8.3 |
| Operating profit (EBIT), SEK million | 527 | 416 | 1,444 | 1,523 |
| Profit/loss after financial items, SEK million | 475 | 371 | 1,220 | 1,393 |
| Profit/loss after tax, SEK million | 398 | 301 | 974 | 1,130 |
| | | | | |
| **Key ratios** | | | | |
| Basic earnings per share, SEK | 3.51 | 2.66 | 8.60 | 9.97 |
| Diluted earnings per share, SEK | 3.51[1] | 2.66[1] | 8.60[1] | 9.97[1] |
| Cash flow from operating activities, SEK million | 401 | 925 | 1,042 | 1,498 |
| Net debt, SEK million [2] | – | – | 4,646 | 3,565 |
| Net debt/equity ratio, percent [2] | – | – | 38.2 | 32.4 |
| Net debt/EBITDA, rolling 12 months, times [3] | – | – | 2.5 | 2.0 |
| Number of employees | – | – | 18,687 | 17,019 |
| Capacity utilisation, % | 74.4 | 74.9 | 74.7 | 74.7 |

1) Issued convertibles did not lead to any dilution during the period.
2) Excluding effects of IFRS 16 Leases.
3) Net debt/EBITDA excluding the effect of IFRS 16 and items affecting comparability over a rolling 12 months was 2.3 (1.9).

In addition to increased interest expenses, net financial items were affected by discount rates related to leasing in accordance with IFRS 16 Leases of SEK -14 million (-13) as well as discounting of contingent considerations of SEK -2 million (-1), which did not impact cash flow.

### Income tax

The tax expense amounted to SEK -77 million (-70), corresponding to a tax rate of 16.2 percent (18.8). The tax rate during the quarter was mainly affected by loss carry-forwards without corresponding capitalisation of deferred tax.

### Cash flow and financial position

Consolidated net debt including IFRS 16 Leases amounted to SEK 6,849 million (5,726).

Consolidated net debt excluding IFRS 16 Leases amounted to SEK 4,646 million (3,565) at the end of the quarter, and SEK 4,979 million (4,219) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 270 million (798) in the fourth quarter. During the quarter the company divested its share in Amata Power (Bien Hoa) Ltd, which reduced net debt by SEK 41 million.

At the start of the fourth quarter, AFRY AB and AFRY Group Finland Oy repaid interest-bearing internal borrowings totalling RUB 561 million in respect of AFRY RUS LLC. When the repayment was made, the internal loans in RUB and accompanying previously executed currency derivatives in RUB/SEK were closed with an accumulated currency effect on the Group's net financial items totalling SEK -30 million.

AFRY issued commercial papers at the end of the fourth quarter to the value of SEK 190 million as part of its commercial paper programme.

Consolidated cash and cash equivalents totalled SEK 1,088 million (2,112) at the end of the period and unused credit facilities amounted to SEK 3,056 million (2,451).

### Significant events during the quarter

#### Divestment of operations

AFRY divested its share of Amata Power (Bien Hoa) Ltd during the fourth quarter. Capital gain from the divestment amounted to SEK 31 million and had a positive impact on EBITA.

#### Changes to Group Executive Management

Bo Sandström was appointed to the post of CFO on 7 November 2022.

#### Acquisitions

No acquisitions were completed during the quarter.

## January–December

### Net sales

Net sales for the period amounted to SEK 23,552 million (20,104), an increase of 17.1 percent (5.9). Adjusted for calendar effects, organic growth was 7.8 percent (5.6) and 8.1 percent (5.3).

### EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 1,886 million (1,712). The corresponding EBITA margin was 8.0 percent (8.5). Items affecting comparability amounted to SEK -157 million (-50), relating to costs for adaptation and configuration of cloud-based IT systems, as well as restructuring costs for the Infrastructure Division and Group functions. For more information, see reconciliation of alternative performance measures for EBITA on page 30.

EBITA and the EBITA margin were SEK 1,729 million (1,662) and 7.3 percent (8.3). The effects of IFRS 16 Leases on EBITA were SEK -10 million (3) on EBITDA and SEK 545 million (569).

### Capacity utilisation

Capacity utilisation was 74.7 percent (74.7) for the period.

### Operating profit

EBIT totalled SEK 1,444 million (1,523). The difference between EBIT and EBITA consists of acquisition-related non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -170 million (-159), change in estimates of future contingent considerations of SEK 14 million (36), capital loss mainly from the divestment of a property of SEK -63 million (0) and write-down of operations in Russia and write-down of excess value of property of SEK -66 (-17). Basic earnings per share excluding divestment of property and write-down of operations in Russia amounted to SEK 9.73 during the period.

### Financial items

Profit after financial items was SEK 1,220 million (1,393) and profit after tax for the period was SEK 974 million (1,130). Net financial items for the period totalled SEK -224 million (-129).

In addition to higher interest expenses, net financial items were affected by discount rates related to leases in accordance with IFRS 16 Leases amounting to SEK -48 million (-46) and discounting of contingent considerations totalling SEK -3 million (-5), that did not impact cash flow. Exchange rate fluctuations related to RUB/SEK had an impact on net financial items of SEK -30 million during the period.

### Income tax

The tax expense amounted to SEK -246 million (-264), corresponding to a tax rate of 20.2 percent (18.9). The tax rate during the period was mainly impacted by the utilisation of previously unrecognised accumulated tax losses and non-deductible costs.

### Write-down of operations in Russia
AFRY signed an agreement during the period to divest its Russian subsidiary to the local management team. This divestment is expected to be completed during 2023 and is contingent upon regulatory approval. The business in Russia accounts for less than 1 percent of AFRY's total sales. The Russian subsidiary currently has around 125 employees in Russia.

A write-down of group values regarding Russia was carried out during the period, with a negative impact on net profit of SEK 66 million (adjusted for currency). The final financial impact will be reported when the divestment is completed.

### Parent company
Parent company's operating income for the January–December period totalled SEK 1,417 million (1,278) and relates primarily to internal services within the Group. Profit after net financial items was SEK 44 million (79). Cash and cash equivalents amounted to SEK 308 million (1,155). Gross investments in intangible assets and property, plant and equipment were SEK 41 million (85). The tax rate was impacted during the period by non-taxable income in the form of dividends from subsidiaries.

### Number of employees
The average number of full-time employees (FTEs) was 17,340 (15,659). The total number of employees at the end of the period was 18,687 (17,019).

### Calendar effects
The number of normal working hours during 2022, based on a 12-months' sales-weighted business mix, is broken down as follows.

| | 2023 | 2022 | 2021 | Difference [1] |
|---|---|---|---|---|
| Q1 | 511 | 504 | 498 | 6 |
| Q2 | 476 | 482 | 488 | -6 |
| Q3 | 518 | 526 | 527 | -1 |
| Q4 | 498 | 502 | 507 | -5 |
| Full year | 2,003 | 2,014 | 2,020 | -6 |

[1] Refers to 2022 compared with 2021.

### Shares
The AFRY share price was SEK 170.90 (255.00) at the end of the reporting period.

| | |
|---|---|
| Class A shares | 4,290,336 |
| Class B shares | 108,961,405 |
| Total number of shares | 113,251,741 |
| *of which own Class B shares* | – |
| Number of votes | 151,864,765 |

### Dividend distribution
The Board of Directors proposes a dividend for 2022 of SEK 5.50 (5.50).

# AFRY operates in six divisions

**Infrastructure Division**
The Infrastructure Division offers engineering and consulting services for buildings and infrastructure, for example in the areas of road and rail as well as water and environment. The division also operates in the fields of architecture and design. The division operates in the Nordics and Central Europe.

37% of net sales, 32% of EBITA

**Industrial & Digital Solutions Division**
The Industrial & Digital Solutions Division offers engineering and consulting services in the areas of product development, production systems, IT and defence technology. In addition to services, the division delivers ready-made production equipment. The division operates in all industry sectors with an emphasis on vehicles and food & pharma, and operates primarily in the Nordics.

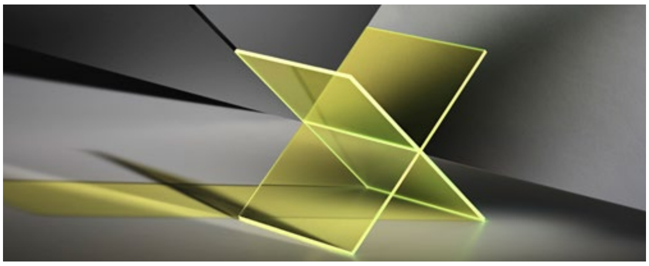
22% of net sales, 21% of EBITA

**Process Industries Division**
The Process Industries Division offers engineering and consulting services globally, from early-stage studies to project implementation, especially in the areas of digitalisation, safety and sustainability solutions. The division operates in pulp and paper, chemicals, biorefining, mines and metals, as well as growth sectors such as batteries, hydrogen, textiles and plastics.

19% of net sales, 24% of EBITA

**Energy Division**
The Energy Division offers engineering and consulting services in the areas of transmission and distribution of all types of electricity generated from various energy sources, such as water, gas, bio- and waste fuel, nuclear power and renewable energy sources, and holds a leading position in hydropower. The division delivers solutions globally.

12% of net sales, 15% of EBITA



**AFRY X Division**
The AFRY X Division offers consulting services and software products. The division help organisations undergoing digital transformation to redefine their business for the digital age. Important sectors include industry, energy and the public sector. The division operates primarily in the Nordics.

5% of net sales, 1% of EBITA

**Management Consulting Division**
The Management Consulting Division works globally to meet challenges and opportunities in the energy, bioindustry, infrastructure, industry and mobility sectors through strategic consulting, forward-looking market analysis, operational and digital transformation as well as M&A and transaction services.

5% of net sales, 7% of EBITA

Numbers refer to full-year 2022

# Division Infrastructure

**Net sales**

Net sales in the fourth quarter amounted to SEK 2,466 million (2,058), an increase by 19.8 percent. Adjusted for calendar effect the organic growth was 10.4 percent. Growth was driven by a strong demand across most segments and markets, and a shift in real estate from private to industrial and public clients. The order stock is at a continued high level.

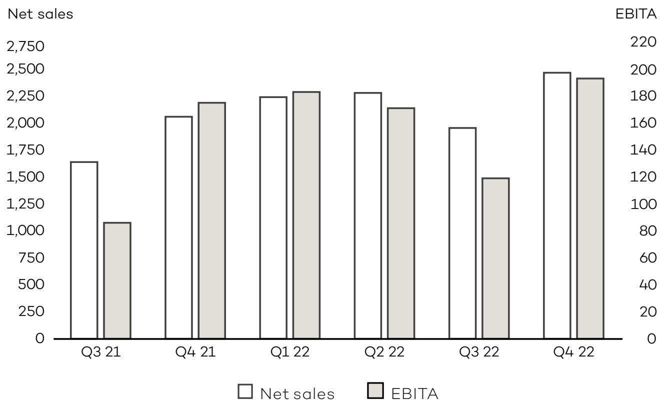
**EBITA and EBITA margin**

EBITA amounted to SEK 193 million (175) and the corresponding margin was 7.8 percent (8.5). The margin was supported by the cost program initiated in the first quarter, but negatively impacted by a weak development in Finland and an increased use of sub-consultants.

**Market development**

Public investments in transport infrastructure is on a continued stable level in all markets. Political uncertainty affects redistribution of public spending which could slow down investments. Higher costs, interest rates and rising construction and material cost, slow down the real estate market. Investments in education and healthcare facilities, as well as industrial segments, are stable and drive demand for the division's services. Water sector investments remain at a stable level. Ageing water and wastewater infrastructure, more stringent environmental regulations, climate change effects, continue to drive the necessity for large investments in this area.

**Net sales and EBITA, SEK million**




**Key ratios**

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 2,466 | 2,058 | 8,939 | 7,714 |
| EBITA, SEK million | 193 | 175 | 665 | 569 |
| EBITA margin, % | 7.8 | 8.5 | 7.4 | 7.4 |
| Average full-time equivalents (FTEs) | 6,603 | 5,998 | 6,483 | 5,914 |
| **Organic growth** | | | | |
| Total growth, % | 19.8 | 3.9 | 15.9 | 0.8 |
| (-) Acquired, % | 5.8 | 1.5 | 6.6 | 1.2 |
| (-) Currency effects, % | 4.8 | 1.0 | 3.9 | -0.8 |
| Organic, % | 9.3 | 1.4 | 5.4 | 0.4 |
| (-) Calendar effect, % | -1.2 | 2.0 | -0.3 | 0.4 |
| Organic growth adjusted for calendar effects, % | 10.4 | -0.5 | 5.6 | 0.0 |

# Division Industrial & Digital Solutions

### Net sales

Net sales in the fourth quarter amounted to SEK 1,548 million (1,382), an increase by 12.0 percent. Adjusted for calendar effects the organic growth was 9.9 percent. Growth was driven by continued strong demand across all segments, especially within automotive, manufacturing and defence.

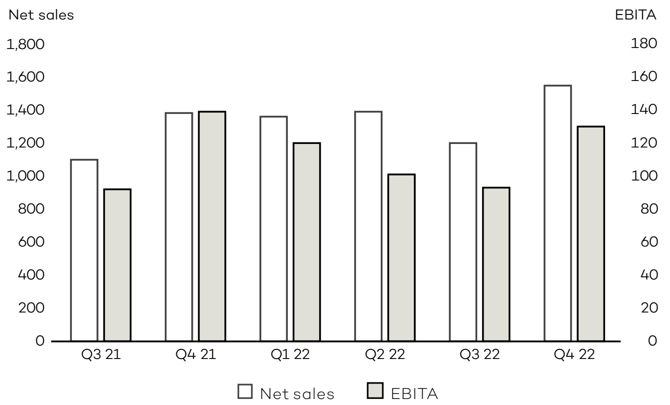
### EBITA and margin

EBITA amounted to SEK 130 million (139), and the corresponding margin was 8.4 percent (10.1). The margin was negatively impacted by an increased use of sub-consultants and a larger write-down of a project, while higher average fees impacted the margin positively.

### Market development

The ongoing transition in the industry, driven by digitisation and electrification, is resulting in a continued high demand for design and development of products, services and production capacity. The high demand for competence in the market is met through more efficient delivery models, like agile teams, and further utilisation of subconsultants in the AFRY Partner Network. Within the manufacturing industry, the high demand for product development and production capacity improvement projects continues and the demand within the food & life science segment remain favorable.

### Net sales and EBITA, SEK million




### Key ratios

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 1,548 | 1,382 | 5,496 | 4,924 |
| EBITA, SEK million | 130 | 139 | 445 | 399 |
| EBITA margin, % | 8.4 | 10.1 | 8.1 | 8.1 |
| Average full-time equivalents (FTEs) | 3,376 | 3,141 | 3,261 | 3,014 |
| **Organic growth** | | | | |
| Total growth, % | 12.0 | 22.2 | 11.6 | 13.9 |
| (-) Acquired, % | 0.8 | 3.8 | 1.7 | 2.1 |
| (-) Currency effects, % | 1.4 | 0.1 | 1.1 | -0.1 |
| Organic, % | 9.8 | 18.3 | 8.8 | 11.9 |
| (-) Calendar effect, % | -0.1 | 1.6 | 0.0 | 0.4 |
| Organic growth adjusted for calendar effects, % | 9.9 | 16.8 | 8.8 | 11.5 |

The historical figures above have been adjusted to account for organisational changes.

# Division Process Industries

## Net sales

Net sales in the fourth quarter amounted to SEK 1,294 million (1,070), an increase by 20.9 percent. Adjusted for calendar effects the organic growth was 10.6 percent. The growth was driven by big CAPEX projects in North and South America, Finland and Central Europe. The order stock is at a continued high level.

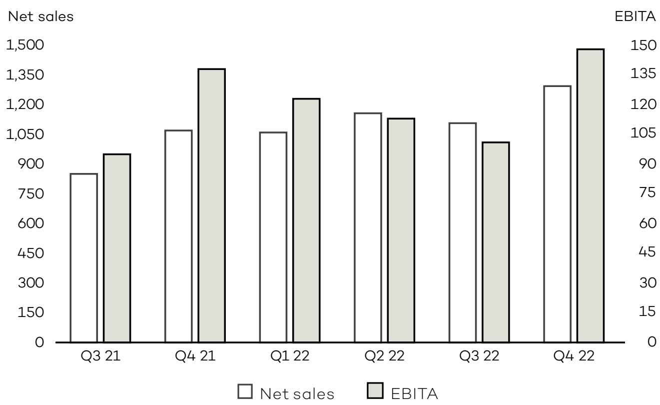
## EBITA and EBITA margin

EBITA amounted to SEK 148 million (138) and the corresponding margin was 11.5 percent (12.9). The margin was positively impacted by a strong development in Finland and Central Europe, but negatively by cost inflation and a less favourable project mix in South America.

## Market development

Overall, market activities remained on a high level in the quarter. Investment decisions for several bigger CAPEX projects both in the pulp & paper and mining & metals sectors have been decided and many projects are in development phase. Component disruption, inflationary pressures and increasing interest rates may lead to delays in investment decisions. New sustainable technologies and solutions like batteries and regenerated textile fibers are rapidly increasing. These new technologies bring many new companies in the markets with great opportunities but also some uncertainty in financing and project execution experience.

## Net sales and EBITA, SEK million




## Key ratios

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 1,294 | 1,070 | 4,617 | 3,817 |
| EBITA, SEK million | 148 | 138 | 486 | 470 |
| EBITA margin, % | 11.5 | 12.9 | 10.5 | 12.3 |
| Average full-time equivalents (FTEs) | 4,314 | 3,734 | 4,116 | 3,591 |
| **Organic growth** | | | | |
| Total growth, % | 20.9 | 19.6 | 21.0 | 10.9 |
| (-) Acquired, % | 0.0 | 6.3 | 1.1 | 3.6 |
| (-) Currency effects, % | 11.0 | -0.3 | 8.6 | -3.9 |
| Organic, % | 9.9 | 13.6 | 11.3 | 11.2 |
| (-) Calendar effect, % | -0.8 | 0.0 | -0.5 | 0.3 |
| Organic growth adjusted for calendar effects, % | 10.6 | 13.6 | 11.8 | 10.9 |

The historical figures above have been adjusted to account for organisational changes.

# Division Energy

## Net sales

Net sales in the fourth quarter amounted to SEK 840 million (721), an increase by 16.5 percent. Adjusted for calendar effects the organic growth was 8.9 percent. The growth was driven by a continued strong demand, especially within hydro and renewable energy & thermal. The order stock is at a continued high level.

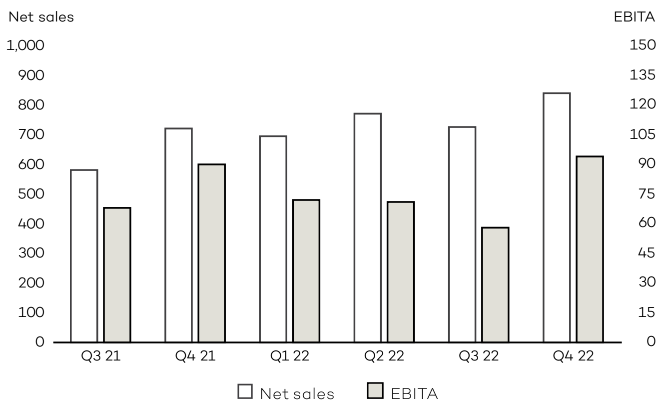
## EBITA and EBITA margin

EBITA amounted to SEK 94 million (90) and the corresponding margin was 11.2 percent (12.5). The margin was at a high level and was positively impacted by a continued tight cost control and a strong performance in all segments.

## Market development

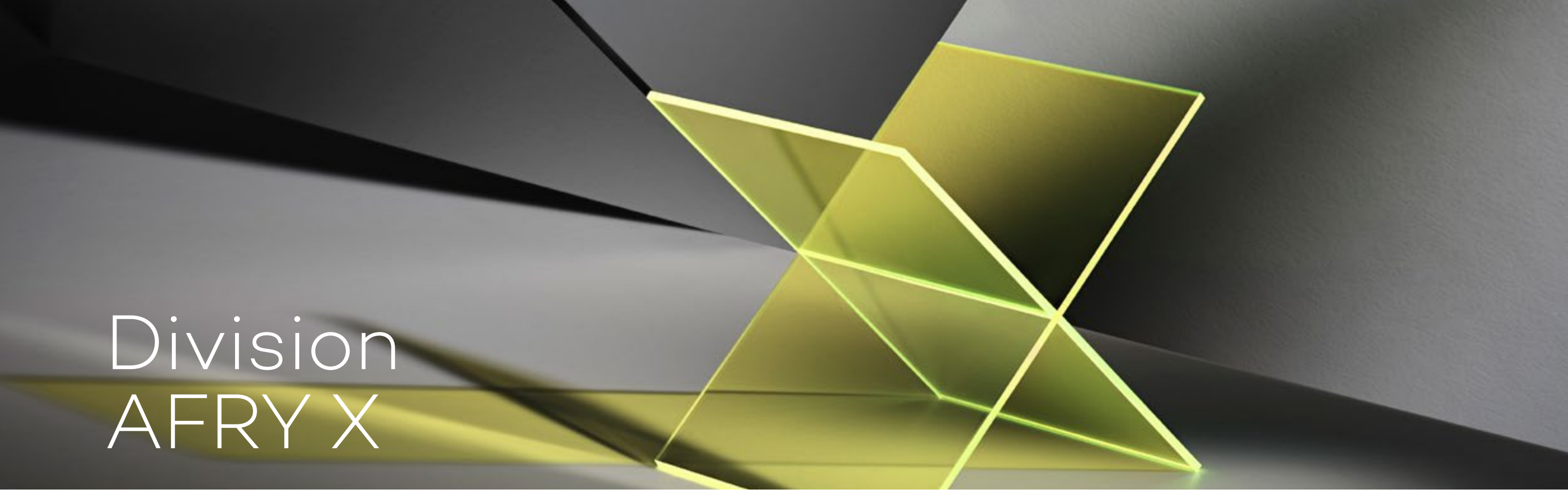
The general outlook for the energy sector is improving in most areas and industrial decarbonisation investments continue to increase, driving the energy transition. Demand is strong in hydro and nuclear rehabilitation/life extension investments, waste-to-energy projects, as well as green ammonia/hydrogen and solar & wind projects. There is also a strong market for electrical power connections to connect new energy production like onshore and offshore wind, but also to strengthen existing grids, for example to allow for more electric vehicle charging. Even if there are uncertainties in the market, the investments in especially renewable energy in Europe is expected to increase even further in 2023 and the competition for talent is expected to continue.

## Net sales and EBITA, SEK million




## Key ratios

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 840 | 721 | 3,032 | 2,683 |
| EBITA, SEK million | 94 | 90 | 294 | 301 |
| EBITA margin, % | 11.2 | 12.5 | 9.7 | 11.2 |
| Average full-time equivalents (FTEs) | 1,819 | 1,603 | 1,754 | 1,683 |
| **Organic growth** | | | | |
| Total growth, % | 16.5 | -5.8 | 13.0 | -4.1 |
| (-) Acquired, % | 2.1 | 0.7 | 2.1 | 0.7 |
| (-) Currency effects, % | 9.0 | -0.5 | 6.6 | -3.3 |
| Organic, % | 5.3 | -5.9 | 4.3 | -1.4 |
| (-) Calendar effect, % | -3.6 | 4.1 | -0.6 | 0.6 |
| Organic growth adjusted for calendar effects, % | 8.9 | -10.1 | 4.9 | -2.0 |



# Division AFRY X

## Net sales

Net sales for the fourth quarter amounted to SEK 327 million (293) and include SEK 7 million of software revenue. The total growth was 11.6 percent. Adjusted for calendar effects the organic growth was 2.4 percent. The growth was supported by higher fees and an increased use of sub-consultants.

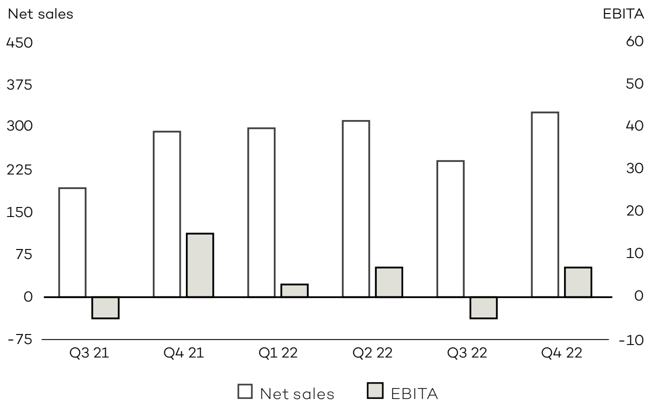
## EBITA and EBITA margin

EBITA amounted to SEK 7 million (15) and the corresponding margin was 2.3 percent (5.1). EBITA for business area Services was SEK 29 million (37) with a margin of 9.3 percent (13.0). Utilisation in the Service business has improved markedly since last quarter. The review of the software portfolio was completed during the quarter, resulting in write-downs.

## Market development

Demand for digital services is at a stable level. There is a particularly high demand within cyber security and business intelligence. At the same time the demand for senior developers and team deliveries is increasing. There is a continued shortage of competence and high level of employee turnover within the IT and digital market, therefore retaining talent and recruiting is a key challenge for the division.

## Net sales and EBITA, SEK million




## Key ratios

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 327 | 293 | 1,180 | 947 |
| *Professional Service & Project Business* | *321* | *281* | *1,120* | *908* |
| *Software Business* | *7* | *12* | *60* | *39* |
| EBITA, SEK million | 7 | 15 | 12 | 44 |
| EBITA margin, % | 2.3 | 5.1 | 1.0 | 4.6 |
| Average full-time equivalents (FTEs) | 681 | 702 | 714 | 594 |
| **Organic growth** | | | | |
| Total growth, % | 11.6 | – | 24.6 | – |
| (-) Acquired, % | 5.0 | – | 18.3 | – |
| (-) Currency effects, % | 1.4 | – | 1.5 | – |
| Organic, % | 5.1 | – | 4.9 | – |
| (-) Calendar effect, % | 2.7 | – | 0.7 | – |
| Organic growth adjusted for calendar effects, % | 2.4 | – | 4.2 | – |

Comparative figures for growth in 2021 are not available since the Division was formed as of 1 January 2022.

## Revenue from Software Business

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| AFRY X | 7 | 12 | 60 | 39 |
| **Group** | **7** | **22** | **83** | **73** |

Software revenue defined as revenue from SaaS solutions, licences, support, maintenance and implementation of software.

# Division Management Consulting

## Net sales

Net sales in the quarter amounted to SEK 320 million (253), an increase by 26.9 percent. Adjusted for calendar effects the organic growth was 15.2 percent. The growth reflects the continued positive market environment in the energy and bioindustry sectors across our service portfolio and an active transaction markets.

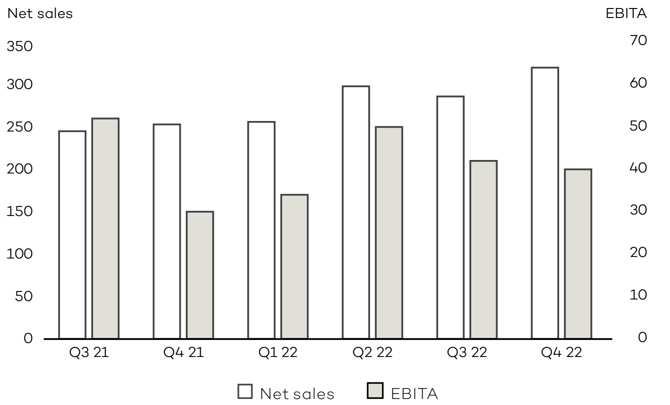
## EBITA and EBITA margin

EBITA amounted to SEK 40 million (30) and the corresponding margin was 12.5 percent (12.1). The margin was positively impacted by a continued strong demand in both the energy and bioindustry sectors.

## Market development

The balance between ensuring security of supply in the short-term and ongoing decarbonisation is a key area of discussion across the global economy. Major regulatory changes in many parts of the world are being brought forward. As a result, companies are adapting their strategies and seeking advisory services. The green transition is continuously increasing need for bio-based alternatives and circular solutions and is in turn driving demand for consulting services. Limited raw material availability and surging costs support demand for sourcing strategies, operational excellence and digital transformation services. Demand for consulting services in the energy and bio-based sectors remains strong. The recruitment market remains tight and acts as a constraint for the strong growth.

## Net sales and EBITA, SEK million




## Key ratios

| | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net sales, SEK million | 320 | 253 | 1,160 | 945 |
| EBITA, SEK million | 40 | 30 | 166 | 152 |
| EBITA margin, % | 12.5 | 12.1 | 14.3 | 16.1 |
| Average full-time equivalents (FTEs) | 559 | 485 | 521 | 457 |
| **Organic growth** | | | | |
| Total growth, % | 26.9 | 29.1 | 22.8 | 21.8 |
| (-) Acquired, % | 0.0 | 15.5 | 0.0 | 5.9 |
| (-) Currency effects, % | 12.4 | 1.4 | 9.5 | -3.6 |
| Organic, % | 14.5 | 12.2 | 13.3 | 19.5 |
| (-) Calendar effect, % | -0.7 | -0.6 | -0.2 | -0.3 |
| Organic growth adjusted for calendar effects, % | 15.2 | 12.8 | 13.6 | 19.8 |

The historical figures above have been adjusted to account for organisational changes.

# Sustainability

**Fourth quarter 2022**

- AFRY received Leadership score in the disclosure through CDP, category climate change. This means that AFRY with the score A- is one of the highest-rated companies.
- AFRY's magasine Sustainable Stories won the prestigious Publishing prize in the digital newspapers and magasines category.
- AFRY receives the green light for both scope 1, 2 and 3 from the Hagainiative, meaning that the goals set are in line with the Paris Agreement's 1.5 degree ambition.
- AFRY's Head of Strategy and Sustainability Henrik Tegnér was one of around 600 global leaders who signed #wecandoit, a global call launched during COP27 to speed up climate change mitigation efforts.

**Sustainability targets**

The sustainability targets are key elements of the company's strategy. The targets focus on developing sustainable solutions, conducting business responsibly and being an attractive employer.

- Increase the net positive impact through our assignments to accelerate the sustainability transition.
- Halve $CO_2$-emissions by 2030 and achieve net zero emissions by 2040 [1].
- Increase inclusion and diversity of background and culture, including achieving a gender balanced workforce (40 percent female leaders by 2030 [2]).
- Safeguard employee occupational health and worklife balance.
- Empower brave leadership.
- Increase employee engagement.
- Increase customer satisfaction.
- Ensure ethical business.

1) Base year 2019. $CO_2$ emissions from our own operations (business travel and facility energy usage).
2) Amongst permanent employees.

**AFRY 1.5ºC Roadmap**

In 2021, AFRY developed a climate roadmap for our climate efforts, the AFRY 1.5°C Roadmap, which formalises and supports AFRY's climate action. The roadmap is based on the Exponential Roadmap Initiative's 1.5°C Business Playbook, which aims to help organisations and companies take action in line with the 1.5°C target. The AFRY 1.5ºC Roadmap is a roadmap for how AFRY should achieve its climate targets and the intention is to update it as climate efforts progress.

AFRY has establish science-based targets in line with the 1.5 degree ambition. The targets are validated and approved by the Science Based Targets initiative (SBTi).

**The EU taxonomy**

The EU taxonomy, which went into effect in July 2020, is a common classification system, for environmentally sustainable economic activities in the EU. For the 2021 financial year, AFRY has reported the proportion of taxonomy-eligible activities based turnover, capital expenditures and operating expenditures, see AFRY's Annual and Sustainability Report for 2021. For 2022, the requirements are expanded to include the proportion of taxonomy-eligible activities and taxonomy-aligned activities based on turnover, capital expenditure and operating expenditure. This will be reported in the Annual and Sustainability report for 2022.

# Financial statements

## Condensed consolidated income statement

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net Sales | 6,609 | 5,509 | 23,552 | 20,104 |
| Personnel costs | -3,894 | -3,225 | -14,428 | -12,266 |
| Purchases of services and materials | -1,435 | -968 | -4,897 | -3,918 |
| Other costs | -564 | -714 | -1,903 | -1,623 |
| Other income | 34 | 37 | 98 | 58 |
| Profit/loss attributable to participations in associates | 3 | 1 | 8 | 5 |
| **EBITDA** | **753** | **640** | **2,430** | **2,359** |
| | | | | |
| Depreciation/amortisation and impairment of non-current assets [1] | -191 | -175 | -702 | -697 |
| **EBITA** | **562** | **465** | **1,729** | **1,662** |
| | | | | |
| Acquisition-related items [2] | -35 | -49 | -285 | -139 |
| **Operating profit (EBIT)** | **527** | **416** | **1,444** | **1,523** |
| | | | | |
| Financial items | -52 | -45 | -224 | -129 |
| **Profit/loss after financial items** | **475** | **371** | **1,220** | **1,393** |
| | | | | |
| Tax | -77 | -70 | -246 | -264 |
| **Profit/loss for the period** | **398** | **301** | **974** | **1,130** |
| | | | | |
| Attributable to: | | | | |
| Shareholders in the parent company | 398 | 301 | 974 | 1,129 |
| Non-controlling interest | 0 | 0 | 0 | 0 |
| **Profit/loss for the period** | **398** | **301** | **974** | **1,130** |
| | | | | |
| Basic earnings per share, SEK | 3.51 | 2.66 | 8.60 | 9.97 |
| Diluted earnings per share, SEK | 3.51 [3] | 2.66 [3] | 8.60 [3] | 9.97 [3] |
| | | | | |
| Number of shares outstanding | 113,251,741 | 113,212,471 | 113,251,741 | 113,212,471 |
| Average number of basic shares outstanding | 113,251,741 | 113,206,428 | 113,247,847 | 113,227,458 |
| Average number of diluted shares outstanding | 113,251,741 | 113,206,428 [3] | 113,247,847 [3] | 113,227,458 [3] |

1) Depreciation/amortisation and impairment of non-current assets refers to non-current assets excluding acquisition-related intangible non-current assets.
2) Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible non-current assets, revaluation of contingent considerations and gains/losses on divestment of companies and operations. For more details, see Note 5, Note 6 and alternative performance measures for EBITA on page 29.
3) Issued convertibles did not lead to any dilution during the period.

## Statement of consolidated comprehensive income

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| **Profit/loss for the period** | **398** | **301** | **974** | **1,130** |
| | | | | |
| **Items that have been or will be reclassified to profit or loss** | | | | |
| Change in translation reserve | 53 | 165 | 624 | 357 |
| Change in hedging reserve | 11 | 2 | 202 | -10 |
| Tax | -3 | -1 | -16 | 0 |
| | | | | |
| **Items that will be not be reclassified to profit or loss** | | | | |
| Pensions | 2 | 125 | -11 | 130 |
| Tax | 14 | -23 | 27 | -24 |
| **Other comprehensive income** | **77** | **268** | **826** | **452** |
| | | | | |
| **Comprehensive income for the period** | **475** | **569** | **1,800** | **1,582** |
| | | | | |
| Attributable to: | | | | |
| Shareholders in the parent company | 475 | 568 | 1,800 | 1,581 |
| Non-controlling interest | 0 | 0 | 0 | 0 |
| **Total** | **475** | **569** | **1,800** | **1,582** |

## Condensed consolidated balance sheet

| SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible non-current assets | 15,590 | 14,045 |
| Property, plant and equipment | 355 | 495 |
| Other non-current assets | 2,272 | 2,317 |
| **Total non-current assets** | **18,217** | **16,857** |
| | | |
| **Current assets** | | |
| Current receivables | 8,690 | 6,944 |
| Cash and cash equivalents | 1,088 | 2,112 |
| **Total current assets** | **9,778** | **9,056** |
| **Total assets** | **27,996** | **25,913** |
| | | |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Attributable to shareholders in the parent company | 12,176 | 10,992 |
| Attributable to non-controlling interest | 2 | 1 |
| **Total equity** | **12,178** | **10,993** |
| | | |
| **Non-current liabilities** | | |
| Provisions | 657 | 676 |
| Non-current liabilities | 6,139 | 6,338 |
| **Total non-current liabilities** | **6,797** | **7,014** |
| | | |
| **Current liabilities** | | |
| Provisions | 45 | 34 |
| Current liabilities | 8,975 | 7,871 |
| **Total current liabilities** | **9,021** | **7,905** |
| **Total equity and liabilities** | **27,996** | **25,913** |

## Condensed statement of change in consolidated equity

| SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| **Equity at start of period** | **10,993** | **10,005** |
| **Comprehensive income for the period** | **1,800** | **1,582** |
| | | |
| Dividends paid | -623 | -566 |
| Conversion of convertible bonds into shares | 8 | 176 |
| Share buy-backs | – | -205 |
| **Equity at end of period** | **12,178** | **10,993** |

## Condensed statement of consolidated cash flows

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Profit/loss after financial items | 475 | 371 | 1,220 | 1,393 |
| Adjustment for items not included in cash flow and other | 50 | 228 | 1,005 | 874 |
| Income tax paid | -145 | -39 | -385 | -229 |
| **Cash flow from operating activities before change in working capital** | **380** | **560** | **1,840** | **2,038** |
| | | | | |
| Cash flow from change in working capital | 21 | 365 | -797 | -540 |
| **Cash flow from operating activities** | **401** | **925** | **1,042** | **1,498** |
| | | | | |
| Cash flow from investing activities | -8 | -226 | -873 | -1,213 |
| Cash flow from financing activities | -195 | 609 | -1,012 | -12 |
| **Cash flow for the period** | **199** | **1,308** | **-843** | **274** |
| | | | | |
| **Opening cash and cash equivalents** | **862** | **852** | **2,112** | **1,930** |
| Exchange difference in cash and cash equivalents | 28 | -48 | -180 | -92 |
| **Closing cash and cash equivalents** | **1,088** | **2,112** | **1,088** | **2,112** |

## Change in consolidated net debt (excl. IFRS 16)

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Opening balance | 4,979 | 4,219 | 3,565 | 2,756 |
| Cash flow from operating activities (excl. IFRS 16) | -270 | -798 | -550 | -981 |
| Investments | 37 | 4 | 46 | 52 |
| Acquisitions and contingent considerations paid | -37 | 232 | 817 | 1,159 |
| Dividend distribution | – | – | 623 | 566 |
| Share buy-backs | – | – | – | 205 |
| Other | -63 | -93 | 147 | -192 |
| **Closing balance** | **4,646** | **3,565** | **4,646** | **3,565** |

## Parent company income statement

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|---|---|---|---|
| Net Sales | 265 | 232 | 1,020 | 919 |
| Other operating income | 104 | 93 | 397 | 360 |
| **Operating income** | **369** | **325** | **1,417** | **1,278** |
| | | | | |
| Personnel costs | -93 | -60 | -328 | -232 |
| Other costs | -355 | -374 | -1,431 | -1,334 |
| Depreciation/amortisation | -9 | -10 | -37 | -36 |
| **Operating profit** | **-88** | **-119** | **-379** | **-323** |
| | | | | |
| Financial items | -9 | 0 | 423 | 403 |
| **Profit/loss after financial items** | **-97** | **-119** | **44** | **79** |
| | | | | |
| Appropriations | 299 | 519 | 299 | 519 |
| **Profit/loss before tax** | **201** | **399** | **343** | **598** |
| | | | | |
| Tax | -39 | -55 | 11 | -19 |
| **Profit/loss for the period** | **162** | **344** | **353** | **579** |
| | | | | |
| Other comprehensive income | 0 | 9 | 73 | 15 |
| **Comprehensive income for the period** | **162** | **353** | **427** | **595** |

## Parent company balance sheet

| SEK million | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible non-current assets | 5 | 9 |
| Property, plant and equipment | 133 | 125 |
| Financial assets | 14,142 | 14,202 |
| **Total non-current assets** | **14,281** | **14,336** |
| | | |
| **Current assets** | | |
| Current receivables | 5,033 | 2,746 |
| Cash and cash equivalents | 308 | 1,155 |
| **Total current assets** | **5,340** | **3,902** |
| **Total assets** | **19,622** | **18,238** |
| | | |
| **EQUITY AND LIABILITIES** | | |
| Equity | 9,204 | 9,393 |
| Untaxed reserves | 103 | 101 |
| Provisions | 36 | 36 |
| Non-current liabilities | 4,349 | 4,423 |
| Current liabilities | 5,930 | 4,285 |
| **Total equity and liabilities** | **19,622** | **18,238** |

# Notes

Note 1

## 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 AFRY's Annual and Sustainability Report 2021 (Note 1).

New or revised IFRS standards that came into force in 2022 did not have any material impact on the Group. The parent company complies with the Swedish Financial Reporting Board's Recommendation RFR 2, which requires that the parent company's annual report apply all IFRS standards and interpretations approved by the EU as far as possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and while considering the relationship between reporting and taxation. Disclosures according to IAS 34.16A can partly be found on the pages preceding the condensed consolidated income statement.

Note 2

## Risks and uncertainties

The significant risks and uncertainties to which the AFRY 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 AFRY's Annual and Sustainability Report 2021.

**The current geopolitical situation**
The war in Ukraine and uncertainties in the world pose various risks for AFRY that are mainly related to delayed projects. The consequences include disruptions to supply chains, shortages of components, higher building costs and inflationary pressures. AFRY has decided not to take on any new projects in Russia and signed an agreement to divest its operations in that country to local management. The divestment is expected to be completed in 2023 and is subject to regulatory approvals. The business in Russia represented less than 1 percent of AFRY's total net sales in 2021. AFRY will evaluate the situation and its potential effects on future development on a continuous basis.

**Contingent liabilities**
Reported contingent liabilities reflect one part of the AFRY Group's exposure to risk. AFRY provides clients with both corporate and bank guarantees when clients request them. This typically involves tender guarantees, advance payment guarantees or performance guarantees. Corporate guarantees are mainly provided by the parent company, AFRY AB, and bank guarantees by AFRY's banks. As at 31 December 2022, the Group's c orporate guarantees amounted to SEK 356 million (84)  and bank guarantees to SEK 539 million (530). The guarantee amounts do not include pension guarantees, advance payment guarantees or leasing as these are already reported on the liability side in the balance sheet.

Note 3

## Income

**Net sales January–December 2022 according to business model**

| SEK million | Infrastructure | Industrial & Digital Solutions | Process Industries | Energy | AFRY X | Management Consulting | Group-wide/ eliminations | Total Group |
|---|---|---|---|---|---|---|---|---|
| Project Business | 8,717 | 1,989 | 3,139 | 2,655 | 373 | 1,113 | -616 | 17,369 |
| Professional Services | 222 | 3,502 | 1,472 | 377 | 748 | 32 | -253 | 6,100 |
| Software Business | 0 | 5 | 7 | 0 | 60 | 15 | -3 | 83 |
| **Total** | **8,939** | **5,496** | **4,617** | **3,032** | **1,180** | **1,160** | **-872** | **23,552** |

The Group applies the accounting standard IFRS 15 Revenue from Contracts with Customers. AFRY's business model is divided into three client offerings: Project Business, Professional Services and Software Business. Project Business is AFRY's offering for major projects and end-to-end solutions. In such projects, AFRY acts as a partner to the client, leading and running the entire project. Professional Services is AFRY's offering where the client leads and runs the project, while AFRY provides suitable expertise at the right time. Software Business is AFRY's digital service and product offering that focuses on digitalisation and digital transformation.

Invoicing in Project Business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in contract assets. However, AFRY sometimes receives advance payments or deposits from our clients before the income is recognised, which then results in contract liabilities. In Professional Services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in Project Business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional Services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15.B16. In Software Business, revenue is recognised when a performance obligation is fulfilled for the product or service. Performance obligations can be fulfilled over time as the service is provided or when the client gains access to the service. If the service is not distinct from an agreed licence or product, revenue is recognised as a performance obligation in accordance with IFRS 15.B54.

Note 4

## Quarterly information by division

| Net sales, SEK million | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2021 Full year | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2022 Full year |
|---|---|---|---|---|---|---|---|---|---|---|
| Infrastructure | 1,972 | 2,045 | 1,638 | 2,058 | 7,714 | 2,240 | 2,279 | 1,954 | 2,466 | 8,939 |
| Industrial & Digital Solutions | 1,192 | 1,252 | 1,099 | 1,382 | 4,924 | 1,360 | 1,388 | 1,200 | 1,548 | 5,496 |
| Process Industries | 909 | 986 | 851 | 1,070 | 3,817 | 1,060 | 1,157 | 1,107 | 1,294 | 4,617 |
| Energy | 707 | 674 | 581 | 721 | 2,683 | 695 | 771 | 726 | 840 | 3,032 |
| AFRY X | 219 | 241 | 193 | 293 | 947 | 299 | 312 | 241 | 327 | 1,180 |
| Management Consulting | 217 | 230 | 245 | 253 | 944 | 256 | 298 | 286 | 320 | 1,160 |
| Group-wide/eliminations | -218 | -251 | -187 | -269 | -924 | -240 | -229 | -217 | -187 | -872 |
| **Group** | **4,999** | **5,177** | **4,419** | **5,509** | **20,104** | **5,670** | **5,975** | **5,298** | **6,609** | **23,552** |

| EBITA, SEK million | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2021 Full year | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2022 Full year |
|---|---|---|---|---|---|---|---|---|---|---|
| Infrastructure | 151 | 156 | 86 | 175 | 569 | 183 | 171 | 119 | 193 | 665 |
| Industrial & Digital Solutions | 80 | 89 | 92 | 139 | 399 | 120 | 101 | 93 | 130 | 445 |
| Process Industries | 119 | 119 | 95 | 138 | 470 | 123 | 113 | 101 | 148 | 486 |
| Energy | 76 | 67 | 68 | 90 | 301 | 72 | 71 | 58 | 94 | 294 |
| AFRY X | 19 | 15 | -5 | 15 | 44 | 3 | 7 | -5 | 7 | 12 |
| Management Consulting | 32 | 38 | 52 | 30 | 152 | 34 | 50 | 42 | 40 | 166 |
| Group-wide/eliminations [1] | -57 | -72 | -21 | -122 | -273 | -176 | -80 | -32 | -50 | -338 |
| **Group** [1] | **419** | **411** | **367** | **465** | **1,662** | **359** | **432** | **376** | **562** | **1,729** |

| EBITA margin, % | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2021 Full year | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2022 Full year |
|---|---|---|---|---|---|---|---|---|---|---|
| Infrastructure | 7.6 | 7.6 | 5.3 | 8.5 | 7.4 | 8.2 | 7.5 | 6.1 | 7.8 | 7.4 |
| Industrial & Digital Solutions | 6.7 | 7.1 | 8.4 | 10.1 | 8.1 | 8.8 | 7.3 | 7.8 | 8.4 | 8.1 |
| Process Industries | 13.1 | 12.0 | 11.1 | 12.9 | 12.3 | 11.6 | 9.8 | 9.2 | 11.5 | 10.5 |
| Energy | 10.7 | 10.0 | 11.6 | 12.5 | 11.2 | 10.3 | 9.2 | 8.0 | 11.2 | 9.7 |
| AFRY X | 8.7 | 6.1 | -2.6 | 5.1 | 4.6 | 0.9 | 2.1 | -2.1 | 2.3 | 1.0 |
| Management Consulting | 14.6 | 16.3 | 21.4 | 12.1 | 16.1 | 13.4 | 16.8 | 14.7 | 12.5 | 14.3 |
| **Group** | **8.4** | **7.9** | **8.3** | **8.4** | **8.3** | **6.3** | **7.2** | **7.1** | **8.5** | **7.3** |

| Average number of employees, FTE | 2021[1] Q1 | 2021[1] Q2 | 2021[1] Q3 | 2021[1] Q4 | 2021[1] Full year | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2022 Full year |
|---|---|---|---|---|---|---|---|---|---|---|
| Infrastructure | 5,801 | 5,955 | 5,901 | 5,998 | 5,914 | 6,436 | 6,455 | 6,440 | 6,603 | 6,483 |
| Industrial & Digital Solutions | 2,952 | 2,962 | 2,999 | 3,141 | 3,014 | 3,162 | 3,239 | 3,265 | 3,376 | 3,261 |
| Process Industries | 3,421 | 3,518 | 3,684 | 3,734 | 3,591 | 3,870 | 4,072 | 4,202 | 4,314 | 4,116 |
| Energy | 1,669 | 1,791 | 1,678 | 1,603 | 1,683 | 1,676 | 1,738 | 1,783 | 1,819 | 1,754 |
| AFRY X | 491 | 538 | 643 | 702 | 594 | 730 | 737 | 711 | 681 | 714 |
| Management Consulting | 428 | 465 | 451 | 485 | 457 | 485 | 511 | 527 | 559 | 521 |
| Group functions | 382 | 387 | 414 | 432 | 405 | 466 | 514 | 489 | 494 | 490 |
| **Group** | **15,145** | **15,618** | **15,770** | **16,096** | **15,659** | **16,825** | **17,267** | **17,418** | **17,846** | **17,340** |

| Number of working days | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2021 Full year | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2022 Full year |
|---|---|---|---|---|---|---|---|---|---|---|
| Sweden only | 62 | 61 | 66 | 63 | 252 | 63 | 60 | 66 | 63 | 252 |
| All countries | 62 | 61 | 66 | 63 | 252 | 63 | 60 | 66 | 63 | 252 |

As a result of an organisational change on 1 January 2022, comparative figures for 2021 have been adjusted to provide a better reflection of the business.

1) The calculation of the average number of FTEs has changed in connection with organisational changes. This has led to a more accurate and weighted calculation of the number of available hours for all divisions.

Note 5

## Acquisitions and divestments

**The following acquisitions have been made during the period**

| Consolidated from | Company[1] | Country | Division | Annual net sales, SEK million | Average number of employees |
|---|---|---|---|---|---|
| January | Vahanen International Oy | Finland | Infrastructure | 470 | 500 |
| February | Swedish Electrical and Power Control AB | Sweden | Energy | 28 | 16 |
| April | Weop AB | Sweden | Industrial & Digital Solutions | 23 | 22 |
| July | Ionic Consulting Limited | Ireland | Energy | 57 | 42 |
| **Total** | | | | **578** | **580** |

[1] Company name at time of acquisition.

**Acquired companies' net assets on acquisition date**

| | Jan-Dec 2022 | | |
|---|---|---|---|
| **SEK million** | **Vahanen Group** | **Other** | **Total** |
| Intangible assets | 64 | 0 | 64 |
| Property, plant and equipment | 5 | 1 | 6 |
| Right-of-use assets | 41 | 16 | 57 |
| Financial assets | – | – | – |
| Accounts receivable and other receivables | 81 | 32 | 113 |
| Deferred tax asset | 4 | – | 4 |
| Cash and cash equivalents | 44 | 16 | 60 |
| Accounts payable, loans and other liabilities | -179 | -72 | -250 |
| **Net identifiable assets and liabilities** | **59** | **-6** | **53** |
| | | | |
| Goodwill | 619 | 212 | 831 |
| Fair value adjustment, intangible assets | 9 | 10 | 20 |
| Fair value adjustment, non-current provisions | -2 | -2 | -3 |
| **Purchase consideration including estimated contingent consideration** | **685** | **214** | **900** |
| | | | |
| Transaction costs | 5 | 2 | 7 |
| *Less:* | | | |
| Cash (acquired) | 44 | 16 | 60 |
| Estimated contingent consideration | – | 18 | 18 |
| Holdback | – | 24 | 24 |
| **Net cash outflow** | **646** | **159** | **805** |

**Acquired company**
Acquisition analyses are preliminary as the net assets in the companies acquired have not been conclusively analysed. The purchase considerations for acquisitions for the year were larger than the booked net assets of the acquired companies, which means that the acquisition analyses have resulted in intangible assets.

**Contingent consideration**
Total undiscounted contingent consideration for the companies acquired during the year is a maximum of SEK 20 million.

**Holdback**
Part of the purchase price withheld by the buyer as security for any claims against the seller, paid to the seller according to the agreed payment plan. The withheld parts of the purchase price are independent of conditions linked to the future performance of acquired companies.

**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. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill.

**Other intangible assets**
Order stock and client relationships are identified and assessed in connection with completed acquisitions.

**Transaction costs**
Transaction costs are recognised as other external costs in profit or loss. Transaction costs amounted to SEK 7 million for the period.

**Revenue and profit/loss from acquired companies**
The acquired companies are expected to contribute net sales of approximately SEK 578 million and operating profit of roughly SEK 51 million over a full year.

Since their acquisition dates, acquired companies have contributed SEK 545 million (381) to consolidated revenue and SEK 46 million (50) to operating profit.

**Acquisitions after the end of the reporting period**
No completed acquisitions after the end of the reporting period.

**Divestments**
During the period, the divestment of a property had a major impact on operating profit of SEK -63 million, while realised exchange effects impacted net financial items by SEK -15 million.

AFRY divested its share of Amata Power (Bien Hoa) Ltd during the fourth quarter. Capital gain from the divestment amounted to SEK 31 million and had a positive impact on EBITA.

No other significant divestments were made during the period.

Note 6

## Financial instruments

Valuation principles and classification of the Group's financial assets and liabilities, as described in Note 13 of AFRY's 2021 Annual and Sustainability Report, have been applied consistently throughout the reporting period.

### Financial assets and liabilities

| SEK million | Level | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|---|
| **Financial assets measured at fair value** | | | |
| Interest rate derivatives, hedge accounting applied | 2 | 132 | 44 |
| Forward exchange contracts, hedge accounting applied | 2 | 15 | 8 |
| Forward exchange contracts, hedge accounting not applied | 2 | 45 | 22 |
| Bought foreign exchange options | 2 | 4 | – |
| **Total** | | **197** | **74** |
| | | | |
| **Financial assets not recognised at fair value** | | | |
| Accounts receivable | | 5,205 | 4,206 |
| Revenue generated but not invoiced | | 2,325 | 1,927 |
| Financial investments | | 8 | 8 |
| Non-current receivables | | 12 | 17 |
| Cash and cash equivalents | | 1,088 | 2,112 |
| **Total** | | **8,638** | **8,269** |
| | | | |
| **Financial liabilities measured at fair value** | | | |
| Interest rate derivatives, hedge accounting applied | 2 | 17 | 2 |
| Forward exchange contracts, hedge accounting applied | 2 | 18 | 2 |
| Forward exchange contracts, hedge accounting not applied | 2 | 54 | 40 |
| Sold foreign exchange options | 2 | 2 | – |
| Contingent considerations | 3 | 197 | 225 |
| **Total** | | **287** | **270** |
| | | | |
| **Financial liabilities not recognised at fair value** | | | |
| Bank loans | | 2,587 | 1,012 |
| Bonds | | 2,500 | 3,500 |
| Commercial paper | | 189 | 600 |
| Staff convertibles | | 316 | 376 |
| Lease liabilities | | 2,203 | 2,162 |
| Work invoiced but not yet carried out | | 2,134 | 1,914 |
| Accounts payable | | 1,286 | 1,097 |
| **Total** | | **11,214** | **10,660** |

**Fair value of financial assets and liabilities**
Recognised and fair values of the Group's financial assets and liabilities are presented above. The fair value of derivatives is based on level 2 of the fair value hierarchy. Contingent considerations are valued at market value in accordance with level 3. Derivative instruments where hedge accounting is not applied are measured at fair value through profit/loss, and derivatives where hedge accounting is applied are measured at fair value through other comprehensive income. All other financial assets and liabilities are measured at amortised cost. Compared with 2021, no switches have been made between different levels in the fair value hierarchy for derivatives or loans. Nor have any significant changes been made in terms of valuation techniques, inputs or assumptions.

Note 6, cont.

**Contingent considerations**
Contingent considerations are valued at market value in accordance with level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are mainly linked to expected EBIT for the acquired companies over the next two to three years. The change in the balance sheet item is recognised in the table (on the right).

**Change in contingent considerations**

| SEK million | 31 Dec 2022 |
|---|---|
| Opening balance 1 January 2022 | 225 |
| Acquisitions for the year | 18 |
| Payments | -44 |
| Changes in value recognised in income statement | 14 |
| Adjustment of preliminary acquisition analysis | -4 |
| Discounting | 3 |
| Translation differences | -16 |
| **Closing balance** | **197** |

**Derivative instruments**

| SEK million | Level | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|---|
| **Forward exchange contracts, no hedge accounting applied** | | | |
| Total nominal values | | 2,741 | 3,362 |
| Fair value, gains | 2 | 45 | 22 |
| Fair value, loss | 2 | -54 | -40 |
| **Fair value, net** | | **-9** | **-18** |
| | | | |
| **Forward exchange contracts, cash flow hedging reporting** | | | |
| Total nominal values | | 702 | 569 |
| Fair value, gains | 2 | 15 | 8 |
| Fair value, loss | 2 | -18 | -2 |
| **Fair value, net** | | **-2** | **6** |
| | | | |
| **Bought foreign exchange options, no hedge accounting** | | | |
| Total nominal values | | 270 | – |
| Fair value, gains | 2 | 2 | – |
| Fair value, loss | 2 | – | – |
| **Fair value, net** | | **2** | **–** |
| | | | |
| **Sold foreign exchange options, no hedge accounting** | | | |
| Total nominal values | | 540 | – |
| Fair value, gains | 2 | 1 | – |
| Fair value, loss | 2 | 0 | – |
| **Fair value, net** | | **1** | **–** |
| | | | |
| **Cross currency rate swaps, hedge accounting for net investments applied** | | | |
| Total nominal values | | 1,850 | 1,850 |
| Fair value, gains | 2 | 31 | 39 |
| Fair value, loss | 2 | -17 | – |
| **Fair value, net** | | **14** | **39** |
| | | | |
| **Interest rate swaps, cash flow hedge accounting applied** | | | |
| Total nominal values | | 1,056 | 1,513 |
| Fair value, gains | 2 | 101 | 5 |
| Fair value, loss | 2 | – | -2 |
| **Fair value, net** | | **101** | **2** |

Note 7

## Related party transactions

There were no material transactions between AFRY and its related parties during the period.

Note 8

## Significant events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

# Alternative performance measures

The consolidated financial statements contain financial ratios defined according to IFRS. They also include measurements not defined according to IFRS, known as alternative performance measures. developmentThe purpose of this is to provide information for comparing trends across years and to understand the underlying operations. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

**Definitions**
The key ratios and alternative performance measures (APMs) used in this report are defined in AFRY's Annual and Sustainability Report 2021 and on our website: https://afry.com/en/investor-relations/.

## Organic growth

Since the Group is active in a global market, sales are transacted in currencies other than the Swedish krona, which is the presentation currency. Exchange rates have been relatively volatile historically, and the Group carries out acquisitions/divestments of operations on an ongoing basis. Taken together, this has led to the Group's sales and performance being evaluated on the basis of organic growth. Organic sales growth represents comparable sales growth or sales reduction and enables separate valuations to be carried out on the impact of acquisitions/divestments and exchange rate fluctuations.

| | Infrastructure | | Industrial & Digital Solutions | | Process Industries | | Energy | | AFRY X | | Management Consulting | | Group[1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| % | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 |
| Total growth | 19.8 | 3.9 | 12.0 | 22.2 | 20.9 | 19.6 | 16.5 | -5.8 | 11.6 | – | 26.9 | 29.1 | 20.0 | 12.3 |
| (-) Acquired | 5.8 | 1.5 | 0.8 | 3.8 | 0.0 | 6.3 | 2.1 | 0.7 | 5.0 | – | 0.0 | 15.5 | 3.5 | 3.6 |
| (-) Currency effect | 4.8 | 1.0 | 1.4 | 0.1 | 11.0 | -0.3 | 9.0 | -0.5 | 1.4 | – | 12.4 | 1.4 | 6.2 | 0.5 |
| **Organic** | **9.3** | **1.4** | **9.8** | **18.3** | **9.9** | **13.6** | **5.3** | **-5.9** | **5.1** | **–** | **14.5** | **12.2** | **10.3** | **8.2** |
| (-) Calendar effect | -1.2 | 2.0 | -0.1 | 1.6 | -0.8 | 0.0 | -3.6 | 4.1 | 2.7 | – | -0.7 | -0.6 | -1.0 | 1.3 |
| **Organic growth adjusted for calendar effects** | **10.4** | **-0.5** | **9.9** | **16.8** | **10.6** | **13.6** | **8.9** | **-10.1** | **2.4** | **–** | **15.2** | **12.8** | **11.3** | **6.9** |

1) The Group includes eliminations.

| | Infrastructure | | Industrial & Digital Solutions | | Process Industries | | Energy | | AFRY X | | Management Consulting | | Group[1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SEK million | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 |
| Total growth | 408 | 77 | 166 | 297 | 224 | 175 | 119 | -44 | 34 | – | 68 | 64 | 1,100 | 602 |
| (-) Acquired | 118 | 29 | 11 | 51 | 0 | 56 | 15 | 5 | 15 | – | 0 | 34 | 193 | 176 |
| (-) Currency effect | 99 | 20 | 19 | 1 | 118 | -3 | 65 | -4 | 4 | – | 31 | 3 | 339 | 22 |
| **Organic** | **191** | **28** | **135** | **245** | **106** | **122** | **39** | **-45** | **15** | **–** | **37** | **27** | **569** | **404** |
| (-) Calendar effect | -24 | 39 | -1 | 21 | -8 | 0 | -26 | 32 | 8 | – | -2 | -1 | -53 | 66 |
| **Organic growth adjusted for calendar effects** | **214** | **-11** | **137** | **224** | **114** | **122** | **64** | **-77** | **7** | **–** | **38** | **28** | **621** | **337** |

1)The Group includes eliminations.

| % | Infrastructure Full year 2022 | Infrastructure Full year 2021 | Industrial & Digital Solutions Full year 2022 | Industrial & Digital Solutions Full year 2021 | Process Industries Full year 2022 | Process Industries Full year 2021 | Energy Full year 2022 | Energy Full year 2021 | AFRY X Full year 2022 | AFRY X Full year 2021 | Management Consulting Full year 2022 | Management Consulting Full year 2021 | Group [1] Full year 2022 | Group [1] Full year 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total growth | 15.9 | 0.8 | 11.6 | 13.9 | 21.0 | 10.9 | 13.0 | -4.1 | 24.6 | – | 22.8 | 21.8 | 17.1 | 5.9 |
| (-) Acquired | 6.6 | 1.2 | 1.7 | 2.1 | 1.1 | 3.6 | 2.1 | 0.7 | 18.3 | – | 0.0 | 5.9 | 4.5 | 2.1 |
| (-) Currency effect | 3.9 | -0.8 | 1.1 | -0.1 | 8.6 | -3.9 | 6.6 | -3.3 | 1.5 | – | 9.5 | -3.6 | 4.9 | -1.8 |
| **Organic** | **5.4** | **0.4** | **8.8** | **11.9** | **11.3** | **11.2** | **4.3** | **-1.4** | **4.9** | **–** | **13.3** | **19.5** | **7.8** | **5.6** |
| (-) Calendar effect | -0.3 | 0.4 | 0.0 | 0.4 | -0.5 | 0.3 | -0.6 | 0.6 | 0.7 | – | -0.2 | -0.3 | -0.3 | 0.3 |
| **Organic growth adjusted for calendar effects** | **5.6** | **0.0** | **8.8** | **11.5** | **11.8** | **10.9** | **4.9** | **-2.0** | **4.2** | **–** | **13.6** | **19.8** | **8.1** | **5.3** |

[1] The Group includes eliminations.

| SEK million | Infrastructure Full year 2022 | Infrastructure Full year 2021 | Industrial & Digital Solutions Full year 2022 | Industrial & Digital Solutions Full year 2021 | Process Industries Full year 2022 | Process Industries Full year 2021 | Energy Full year 2022 | Energy Full year 2021 | AFRY X Full year 2022 | AFRY X Full year 2021 | Management Consulting Full year 2022 | Management Consulting Full year 2021 | Group [1] Full year 2022 | Group [1] Full year 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total growth | 1,225 | 63 | 572 | 707 | 801 | 375 | 349 | -113 | 233 | – | 216 | 177 | 3,448 | 1,113 |
| (-) Acquired | 509 | 94 | 83 | 107 | 41 | 124 | 57 | 18 | 173 | – | 0 | 48 | 896 | 391 |
| (-) Currency effect | 302 | -64 | 56 | -4 | 329 | -135 | 177 | -93 | 14 | – | 90 | -30 | 980 | -336 |
| **Organic** | **414** | **33** | **434** | **605** | **431** | **386** | **116** | **-39** | **46** | **–** | **126** | **159** | **1,572** | **1,058** |
| (-) Calendar effect | -21 | 31 | -2 | 20 | -19 | 10 | -16 | 17 | 6 | – | -2 | -2 | -59 | 54 |
| **Organic growth adjusted for calendar effects** | **435** | **2** | **436** | **585** | **450** | **376** | **132** | **-56** | **40** | **–** | **128** | **161** | **1,632** | **1,004** |

[1] The Group includes eliminations.

## EBITA/EBITA excluding items affecting comparability

Operating profit before associates and items affecting comparability refers to the operating profit after restored tangible items and events related to changes in the Group's structure and operations which are relevant for an understanding of the Group's performance on a comparable basis. This metric is used by Group Executive Management to monitor and analyse underlying profit/loss and to provide comparable figures between periods.

| SEK million | Infrastructure Q4 2022 | Infrastructure Q4 2021 | Industrial & Digital Solutions Q4 2022 | Industrial & Digital Solutions Q4 2021 | Process Industries Q4 2022 | Process Industries Q4 2021 | Energy Q4 2022 | Energy Q4 2021 | AFRY X Q4 2022 | AFRY X Q4 2021 | Management Consulting Q4 2022 | Management Consulting Q4 2021 | Group [1] Q4 2022 | Group [1] Q4 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EBIT (operating profit/loss) | 193 | 175 | 130 | 139 | 148 | 138 | 94 | 90 | 7 | 15 | 40 | 30 | 527 | 416 |
| **Acquisition-related items** | | | | | | | | | | | | | | |
| Amortisation and impairment of intangible assets | – | – | – | – | – | – | – | – | – | – | – | – | 44 | 41 |
| Revaluation of contingent considerations | – | – | – | – | – | – | – | – | – | – | – | – | -9 | -8 |
| Divestment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 1 | – |
| Impairment of operations | – | – | – | – | – | – | – | – | – | – | – | – | – | 17 |
| **Profit/loss (EBITA)** | **193** | **175** | **130** | **139** | **148** | **138** | **94** | **90** | **7** | **15** | **40** | **30** | **562** | **465** |
| | | | | | | | | | | | | | | |
| **Items affecting comparability** | | | | | | | | | | | | | | |
| Restructuring costs, Infrastructure Division | – | – | – | – | – | – | – | – | – | – | – | – | – | 10 |
| Cost of customisation/configuration of cloud-based IT systems | – | – | – | – | – | – | – | – | – | – | – | – | 16 | 20 |
| **EBITA excl. items affecting comparability** | **193** | **175** | **130** | **139** | **148** | **138** | **94** | **90** | **7** | **15** | **40** | **30** | **578** | **495** |

[1] The Group includes eliminations.

| % | Infrastructure | | Industrial & Digital Solutions | | Process Industries | | Energy | | AFRY X | | Management Consulting | | Group [1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 |
| EBIT margin | 7.8 | 8.5 | 8.4 | 10.1 | 11.5 | 12.9 | 11.2 | 12.5 | 2.3 | 5.1 | 12.5 | 12.1 | 8.0 | 7.6 |
| **Acquisition-related items** | | | | | | | | | | | | | | |
| Amortisation and impairment of intangible assets | – | – | – | – | – | – | – | – | – | – | – | – | 0.7 | 0.7 |
| Revaluation of contingent considerations | – | – | – | – | – | – | – | – | – | – | – | – | -0.1 | -0.2 |
| Divestment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 0.0 | – |
| Impairment of operations | – | – | – | – | – | – | – | – | – | – | – | – | – | 0.3 |
| **Profit/loss (EBITA margin)** | **7.8** | **8.5** | **8.4** | **10.1** | **11.5** | **12.9** | **11.2** | **12.5** | **2.3** | **5.1** | **12.5** | **12.1** | **8.5** | **8.4** |
| | | | | | | | | | | | | | | |
| Items affecting comparability | – | – | – | – | – | – | – | – | – | – | – | – | 0.2 | 0.5 |
| **EBITA margin excl. items affecting comparability** | **7.8** | **8.5** | **8.4** | **10.1** | **11.5** | **12.9** | **11.2** | **12.5** | **2.3** | **5.1** | **12.5** | **12.1** | **8.8** | **9.0** |

[1] The Group includes eliminations.

| SEK million | Infrastructure | | Industrial & Digital Solutions | | Process Industries | | Energy | | AFRY X | | Management Consulting | | Group [1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 |
| EBIT (operating profit/loss) | 665 | 569 | 445 | 399 | 486 | 470 | 294 | 301 | 12 | 44 | 166 | 152 | 1,444 | 1,523 |
| **Acquisition-related items** | | | | | | | | | | | | | | |
| Amortisation and impairment of intangible assets | – | – | – | – | – | – | – | – | – | – | – | – | 170 | 159 |
| Revaluation of contingent considerations | – | – | – | – | – | – | – | – | – | – | – | – | -14 | -36 |
| Divestment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 63 | – |
| Impairment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 66 | 17 |
| **Profit/loss (EBITA)** | **665** | **569** | **445** | **399** | **486** | **470** | **294** | **301** | **12** | **44** | **166** | **152** | **1,729** | **1,662** |
| | | | | | | | | | | | | | | |
| **Items affecting comparability** | | | | | | | | | | | | | | |
| Restructuring costs, Infrastructure Division | – | – | – | – | – | – | – | – | – | – | – | – | 80 | 10 |
| Restructuring costs, Group functions | – | – | – | – | – | – | – | – | – | – | – | – | 20 | – |
| Cost of customisation/configuration of cloud-based IT systems | – | – | – | – | – | – | – | – | – | – | – | – | 57 | 40 |
| **EBITA excl. items affecting comparability** | **665** | **569** | **445** | **399** | **486** | **470** | **294** | **301** | **12** | **44** | **166** | **152** | **1,886** | **1,712** |

[1] The Group includes eliminations.

| % | Infrastructure | | Industrial & Digital Solutions | | Process Industries | | Energy | | AFRY X | | Management Consulting | | Group [1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 | Full year 2022 | Full year 2021 |
| EBIT margin | 7.4 | 7.4 | 8.1 | 8.1 | 10.5 | 12.3 | 9.7 | 11.2 | 1.0 | 4.6 | 14.3 | 16.1 | 6.1 | 7.6 |
| **Acquisition-related items** | | | | | | | | | | | | | | |
| Amortisation and impairment of intangible assets | – | – | – | – | – | – | – | – | – | – | – | – | 0.7 | 0.8 |
| Revaluation of contingent considerations | – | – | – | – | – | – | – | – | – | – | – | – | -0.1 | -0.2 |
| Divestment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 0.3 | – |
| Impairment of operations | – | – | – | – | – | – | – | – | – | – | – | – | 0.3 | 0.1 |
| **Profit/loss (EBITA margin)** | **7.4** | **7.4** | **8.1** | **8.1** | **10.5** | **12.3** | **9.7** | **11.2** | **1.0** | **4.6** | **14.3** | **16.1** | **7.3** | **8.3** |
| | | | | | | | | | | | | | | |
| Items affecting comparability | – | – | – | – | – | – | – | – | – | – | – | – | 0.7 | 0.2 |
| **EBITA margin excl. items affecting comparability** | **7.4** | **7.4** | **8.1** | **8.1** | **10.5** | **12.3** | **9.7** | **11.2** | **1.0** | **4.6** | **14.3** | **16.1** | **8.0** | **8.5** |

[1] The Group includes eliminations.

## Net debt

Net debt is the total of interest-bearing liabilities less cash and cash equivalents and interest-bearing assets. Lease liabilities after the deduction of receivables relating to subleases are included in net debt. Net debt also includes dividends approved but not yet paid out. Net debt is used by Group Executive Management to monitor and analyse the debt trend in the Group and evaluate the Group's refinancing requirements. Net debt/EBITDA is a key ratio for net debt in relation to cash-generating profit in the operation, which provides an indication of the business's ability to pay its debts. This metric is commonly used by financial institutions to measure creditworthiness. A negative figure means that the Group has a net cash balance (cash and cash equivalents exceed interest-bearing liabilities).

### Consolidated net debt (excl. IFRS 16)

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Loans and credit facilities | 4,309 | 4,590 | 4,729 | 5,471 | 4,913 | 5,771 | 5,667 | 5,580 |
| Net pension liability | 344 | 340 | 342 | 205 | 206 | 207 | 174 | 155 |
| Cash and cash equivalents | -1,735 | -1,103 | -852 | -2,112 | -902 | -1,187 | -862 | -1,088 |
| **Total net debt** | **2,919** | **3,826** | **4,219** | **3,565** | **4,217** | **4,792** | **4,979** | **4,646** |

### Net debt/EBITDA excl. IFRS 16 rolling 12 months, times

| SEK million | Apr 2020–Mar 2021 | Jul 2020–Jun 2021 | Oct 2020–Sep 2021 | Full year 2021 | Apr 2021–Mar 2022 | Jul 2021–Jun 2022 | Oct 2021–Sep 2022 | Full year 2022 |
|---|---|---|---|---|---|---|---|---|
| Profit/loss (EBITA) | 1,467 | 1,541 | 1,649 | 1,662 | 1,602 | 1,623 | 1,632 | 1,729 |
| Depreciation, amortisation and impairment of non-current assets | 655 | 666 | 686 | 697 | 703 | 695 | 685 | 702 |
| **EBITDA** | **2,122** | **2,207** | **2,335** | **2,359** | **2,305** | **2,318** | **2,317** | **2,430** |
| | | | | | | | | |
| Lease expenses | -548 | -553 | -561 | -564 | -554 | -543 | -535 | -540 |
| **EBITDA excl. IFRS 16** | **1,575** | **1,654** | **1,774** | **1,796** | **1,751** | **1,775** | **1,783** | **1,890** |
| Net debt | 2,919 | 3,826 | 4,219 | 3,565 | 4,217 | 4,792 | 4,979 | 4,646 |
| **Net debt/EBITDA, excl. IFRS 16, rolling 12 months, times** | **1.9** | **2.3** | **2.4** | **2.0** | **2.4** | **2.7** | **2.8** | **2.5** |
| | | | | | | | | |
| Items affecting comparability | 126 | 85 | 57 | 50 | 150 | 165 | 171 | 157 |
| **EBITDA excl. IFRS 16 and items affecting comparability** | **1,701** | **1,738** | **1,832** | **1,846** | **1,901** | **1,940** | **1,953** | **2,047** |
| Net debt | 2,919 | 3,826 | 4,219 | 3,565 | 4,217 | 4,792 | 4,979 | 4,646 |
| **Net debt/EBITDA, excl. IFRS 16 and items affecting comparability, rolling 12 months, times** | **1.7** | **2.2** | **2.3** | **1.9** | **2.2** | **2.5** | **2.5** | **2.3** |

### Net debt/equity ratio

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Net debt | 2,919 | 3,826 | 4,219 | 3,565 | 4,217 | 4,792 | 4,979 | 4,646 |
| Equity | 10,538 | 10,204 | 10,422 | 10,993 | 11,420 | 11,318 | 11,703 | 12,178 |
| **Net debt/equity ratio, %** | **27.7** | **37.5** | **40.5** | **32.4** | **36.9** | **42.3** | **42.5** | **38.2** |

### Consolidated net debt (incl. IFRS 16)

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Loans and credit facilities | 6,782 | 6,957 | 7,014 | 7,633 | 7,022 | 7,903 | 7,819 | 7,783 |
| Net pension liability | 344 | 340 | 342 | 205 | 206 | 207 | 174 | 155 |
| Cash and cash equivalents | -1,735 | -1,103 | -852 | -2,112 | -902 | -1,187 | -862 | -1,088 |
| **Total net debt** | **5,391** | **6,193** | **6,504** | **5,726** | **6,326** | **6,923** | **7,131** | **6,849** |

## Return on equity

Return on equity is the business's profit/loss after tax during the period in relation to average equity. This key ratio is used to show the return on the owners' invested capital, which gives an indication of the business's ability to create value for its owners.

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Profit after tax, rolling 12 months | 956 | 1,054 | 1,166 | 1,130 | 1,062 | 945 | 877 | 974 |
| Average equity | 10,006 | 10,074 | 10,215 | 10,433 | 10,715 | 10,872 | 11,171 | 11,522 |
| **Return on equity, %** | **9.6** | **10.5** | **11,4** | **10.8** | **9.9** | **8.7** | **7.8** | **8.5** |

## Return on capital employed

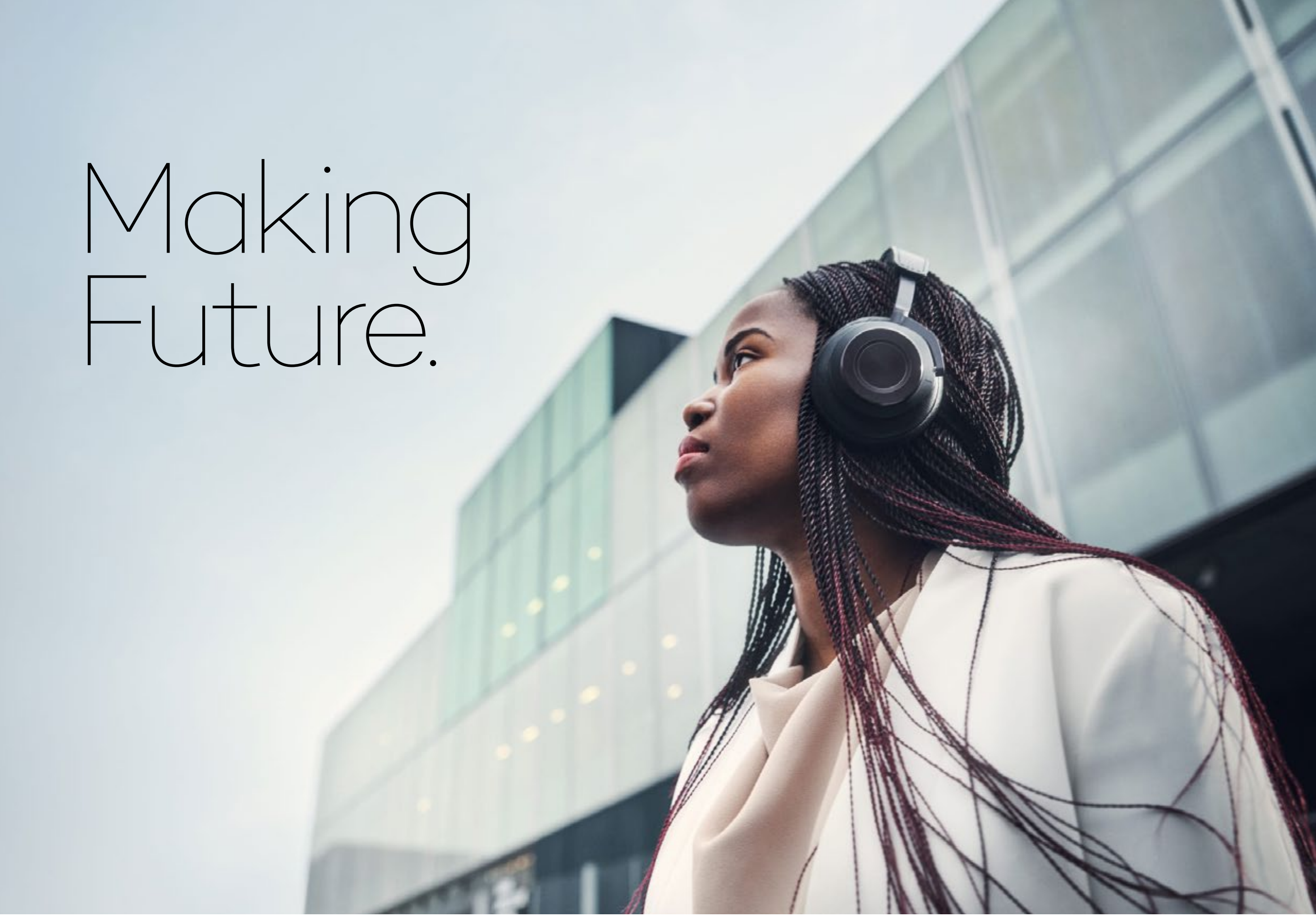
Return on capital employed shows the business's profit/loss after financial items, adjusted for interest expenses in relation to average interest-bearing capital in the business's balance sheet total. The key ratio is used to evaluate how the company utilises capital which has some form of return requirement (for example, dividends on invested capital from shareholders as well as interest on bank loans).

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Profit after financial items rolling 12 months | 1,205 | 1,329 | 1,433 | 1,393 | 1,324 | 1,196 | 1,116 | 1,220 |
| Financial expenses, rolling 12 months | 118 | 102 | 10 | 148 | 167 | 162 | 117 | 206 |
| **Profit** | **1,322** | **1,431** | **1,442** | **1,542** | **1,491** | **1,358** | **1,233** | **1,426** |
| | | | | | | | | |
| Average balance sheet total | 23,920 | 23,831 | 23,860 | 24,383 | 24,831 | 25,373 | 25,912 | 26,711 |
| Average other current liabilities | -5,908 | -5,928 | -5,824 | -6,020 | -6,164 | -6,386 | -6,496 | -6,853 |
| Average other non-current liabilities | -192 | -175 | -185 | -200 | -216 | -229 | -235 | -237 |
| Average deferred tax liability | -230 | -223 | -226 | -229 | -219 | -210 | -197 | -190 |
| **Capital employed** | **17,590** | **17,506** | **17,625** | **17,934** | **18,232** | **18,547** | **18,985** | **19,432** |
| **Return on capital employed, %** | **7.5** | **8.2** | **8.2** | **8.6** | **8.2** | **7.3** | **6.5** | **7.3** |

## Equity ratio

The equity ratio shows the business's equity in relation to total capital and describes how large a proportion of the business's assets are not matched by liabilities. The equity ratio can be seen as the business's ability to pay in the long term. The key ratio is impacted by profitability during the period and by how the business is financed. This metric is often used to provide an indication of how the company is financed and also to see trends in how the business's funds are utilised. A change in the equity ratio over time may, for example, be an indication that the business is reviewing its financing structure or is utilising its equity to finance an expansion.

| SEK million | 31 Mar 2021 | 30 Jun 2021 | 30 Sep 2021 | 31 Dec 2021 | 31 Mar 2022 | 30 Jun 2022 | 30 Sep 2022 | 31 Dec 2022 |
|---|---|---|---|---|---|---|---|---|
| Equity | 10,538 | 10,204 | 10,422 | 10,993 | 11,420 | 11,318 | 11,703 | 12,178 |
| Balance sheet total | 24,207 | 24,272 | 24,001 | 25,913 | 25,762 | 26,917 | 26,971 | 27,996 |
| **Equity ratio, %** | **43.5** | **42.0** | **43.4** | **42.4** | **44.3** | **42.0** | **43.4** | **43.5** |




Stockholm, Sweden – 10 February 2023

AFRY AB (publ)
Jonas Gustavsson
President and CEO

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

This information fulfils AFRY AB (publ)'s disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was sreleased, through the agency of the above-mentioned contact person, for publication on 10 February 2023 at 07.00 CET.

All forward-looking statements in this report are based on the company's best assessment 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.

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**Investor presentation**

| | |
|---|---|
| Time: | 10 February 2023 at 10.00 CET |
| Webcast: | https://youtu.be/F8lJNymlv40 |
| For analysts/investors: | Click here to connect to the meeting<br>With the opportunity to ask questions |

**Calendar**

| | |
|---|---|
| Q1 2023 | 27 April 2023 |
| Annual General Meeting | 27 April 2023 |
| Q2 2023 | 18 July 2023 |
| Q3 2023 | 27 October 2023 |