ÅF PÖYRY AB (PUBL) INTERIM REPORT JANUARY–SEPTEMBER 2020

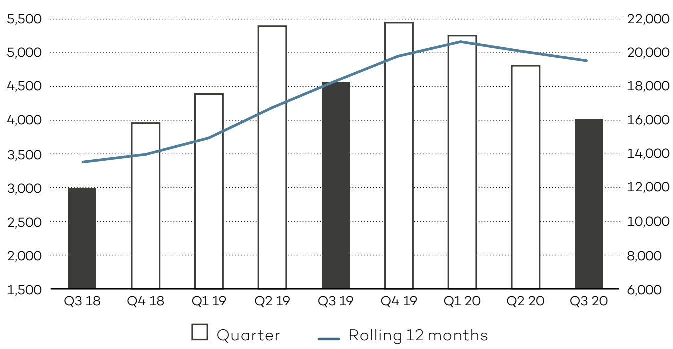
Stable results in a recovering market

Third quarter 2020
- Net sales amounted to SEK 4,021 million (4,562)
- EBITA, excl. items affecting comparability, was SEK 288 million (345)
- EBITA margin, excl. items affecting comparability, was 7.2 percent (7.6)
- EBITA totalled SEK 271 million (309)
- EBITA margin was 6.7 percent (6.8)
- EBIT (operating profit) amounted to SEK 229 million (274)
- Basic earnings per share: SEK 1.29 (1.67)

January–September 2020
- Net sales amounted to SEK 14,084 million (14,345)
- EBITA, excl. items affecting comparability, was SEK 1,146 million (1,216)
- EBITA margin, excl. items affecting comparability, was 8.1 percent (8.5)
- EBITA totalled SEK 1,106 million (1,041)
- EBITA margin was 7.9 percent (7.3)
- EBIT (operating profit) amounted to SEK 972 million (978)
- Basic earnings per share: SEK 5.64 (6.50)

"Despite a decline in net sales due to the Covid-19-pandemic, we are delivering solid results. We have successfully navigated through an uncertain period together with our clients, who require sustainable solutions. We are continuing to strengthen our balance sheet and increase our focus on growth."

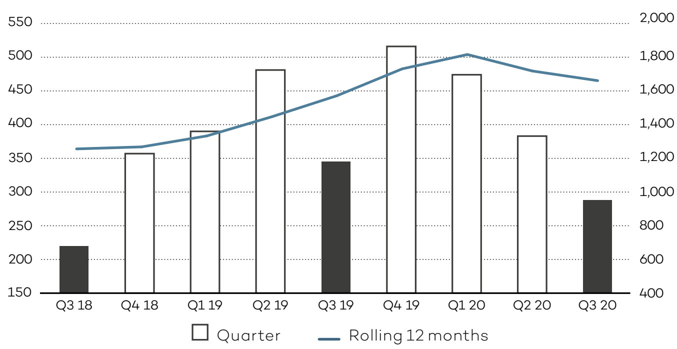
Net sales, SEK MILLION



Pöyry was consolidated into ÅF Pöyry as of 28 February 2019.

[1)]Excluding items affecting comparability

EBITA[1], SEK MILLION



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

Comments by the CEO

In the third quarter, we continued to feel the impact of the ongoing Covid-19-pandemic. Towards the end of the quarter we noted a recovery in most of our key segments and markets. Despite a decline in net sales, we can report solid results and cash flow. This enables us to continue strengthening our balance sheet and increase our focus on growth. We have maintained a high capacity for delivering to our clients, in parallel with a focus on cost optimisation and increased flexibility in the organisation.

Performance in the third quarter
Net sales amounted to SEK 4,021 million, which is a 7.6 percent year-on-year decline, adjusted for currency effects. Net sales was impacted by the Covid-19-pandemic, primarily in the automotive segment, but also as a result of the ongoing repositioning within the Energy Division. The market for infrastructure was generally good, but we noted a weak trend in the real estate segment in Scandinavia and Switzerland. Meanwhile, Food & Life Science and several other business areas within Process Industries and Management Consulting experienced persistently strong growth in the quarter. Our order backlog remains stable.

Extensive measures focusing on efficiency and cost reductions, combined with a slight recovery in September, contributed to a stable result. EBITA excluding items affecting comparability was SEK 288 million (345), corresponding to an EBITA margin of 7.2 percent (7.6). Currency effects had a negative impact on EBITA of approximately SEK -15 million.

Our financial position has strengthened, with a net debt/EBITDA ratio excluding the effect of IFRS 16 and items affecting comparability of 2.0x (2.7), and SEK 1.3 billion in available funds and just over SEK 3 billion in unused credit facilities.

Extensive measures
We were quick to implement strong measures to mitigate the effects of the pandemic. In the second quarter, 1,900 employees were under various short-term work schemes, which dropped to around 800 by the end of the third quarter. The plan is for these schemes to essentially cease by the end of November.

The previously announced efficiency programme of SEK 120 million is proceeding as planned and additional activities carried out during the quarter brought total costs down by roughly SEK 490 million through a combination of short-term and permanent savings.

Based on the cost-effective structure we have established, our focus is on pursuing growth in those segments

where we are seeing long-term stable demand. As a result, our portfolio has shifted towards strategically important growth segments such as infrastructure and the process industry, as well as food and pharma. A healthy trend in the Nordic public sector, the persistently stable bioeconomy sector, where AFRY holds a world-leading position and the favourable trend in the food and pharma industry are all contributing factors.

Performance in the divisions

The Infrastructure Division was affected by a weak trend in the real estate segment in Scandinavia and Switzerland. However, the trend in water and environment has indicated steady growth on most markets. We are seeing healthy underlying demand for our services as society transforms and there is a greater need for sustainable solutions.

The Industrial & Digital Solutions Division was impacted by the negative trend in the automotive industry, where clients have had a low rate of development and went through internal restructuring. A gradual recovery was noted during the quarter, albeit from low levels. Based on the situation, we have begun repositioning our offer to the automotive industry with the aim of delivering even more high value adding services. Meanwhile, we have noted a strong growth in Food & Life Science.

The Process Industries Division experienced a robust trend in our core markets, and major projects are progressing as planned. However, the division was to some extent affected by the Covid-19-pandemic with longer decision-making processes for new business.

The Energy Division's ongoing repositioning is proceeding as planned, which has helped maintain healthy results. Several projects have been postponed due to the ongoing pandemic, particularly within hydro, thermal and renewable sectors, which may impact sales in the coming quarter.

In the Management Consulting Division, energy consulting operations continued to perform strongly and clear indications of increased activity within the bioindustry sector were noted towards the end of the quarter.

We have delivered exciting projects for our clients during the quarter and I would particularly like to highlight our continued partnership with Metsä Fibre at the new bioproduction facility in Kemi, Finland. We have also won an order from Sermsang Power Corporation, a renewable energy producer, for a wind power project in Thailand, and from Øresundsbro Konsortiet as a partner for support and development of their IT system.

An attractive employer

I am delighted to see that AFRY has achieved top ratings in Academic Work and Universum's surveys, in which young people select Sweden's most attractive employers. This is evidence of a successful brand change and the fact that we have managed to communicate sustainability as a central aspect of our vision and business strategy. AFRY has also achieved a relatively even gender balance in its management team (40/60), earning a place on the Allbright Foundation's green list.

A long-term, sustainable recovery driven by digitalisation

The need for a societal green recovery after the Covid-19-pandemic has boosted the need for digital and sustainable solutions. AFRY is well positioned to contribute to this development: we have a business that is increasingly focused on transformative segments with long-term growth, in-depth sector knowledge and a strong digitalisation offer.

Outlook

We noted a slight recovery and stabilisation at the end of the quarter, but there is still considerable uncertainty as the pandemic continues globally. Although the challenges are far from over, we are optimistic about coming through this stronger than before. We hold a market-leading position in sustainable solutions, and we have broad exposure to many industries and markets. Our focus is to drive growth, maintain flexibility, and optimise costs to take AFRY to the next level.

Our employees have made a fantastic contribution and I would like to thank everyone for their considerable commitment, flexibility and strong client focus.

I would also like to welcome you to our virtual capital markets day on 24 November, at which we will present our strategy going forward.

Stockholm, Sweden – 23 October 2020

Jonas Gustavsson
President and CEO

Net sales and earnings 2020

July–September
Net sales for the quarter amounted to SEK 4,021 million (4,562) a decrease of -11.9 percent (52.3). The organic decrease was -7.6 percent (1.1) and -7.8 percent (0.2) when adjusted for calendar effects.

During the quarter, the Group received state subsidies, mainly related to the short-term work allowances. State subsidies reported under other income amounted to SEK 62 million (0).

Adjusted for items affecting comparability, EBITA was SEK 288 million (345). The corresponding EBITA margin was 7.2 percent (7.6). Items affecting comparability totalled SEK 17 million (37) and relate to repositioning costs for Division Energy. The comparative period related to integration costs pertaining to the acquisition of Pöyry.

EBITA was SEK 271 million (309) and the EBITA margin was 6.7 percent (6.8). The effects of IFRS 16 Leases were SEK 9 million (8) on EBITA, SEK 137 million (150) on EBITDA and SEK 14 million (16) in increased interest expenses.

Capacity utilisation was 75.3 percent (75.3) in the quarter.

EBIT totalled SEK 229 million (274). The difference between EBIT and EBITA consists of acquisition-related non-cash items; amortisation of acquisition-related assets amounting to SEK 41 million (62) and the change in estimates of future contingent considerations amounting to SEK -1 million (27).

Profit after financial items was SEK 208 million (228) and profit after tax for the period was SEK 145 million (189). Net financial items in the quarter totalled SEK -22 million (-46), the decline mainly relates to currency effects. Net financial items were also affected by discount rates related to leases in accordance with the IFRS 16 standard and revaluation of contingent considerations that do not

	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales					
Net sales, SEK million	4,021	4,562	14,084	14,345	19,792
Total growth, %	-11.9	52.3	-1.8	43.2	41.6
Structural changes, %	-0.8	50.5	6.1	38.3	39.0
Organic, %	-7.6	1.1	-6.7	3.9	1.7
Currency, %	-3.5	0.7	-1.2	1.0	0.9
Adjusted/underlying organic growth due to calendar effect, %	-7.8	0.2	-7.3	3.5	2.1
Earnings					
EBITA excl. items affecting comparability, SEK m	288	345	1,146	1,216	1,731
EBITA margin excl. items affecting comparability, %	7.2	7.6	8.1	8.5	8.7
EBITA, SEK m	271	309	1,106	1,041	1,368
EBITA margin, %	6.7	6.8	7.9	7.3	6.9
Operating profit (EBIT), SEK m	229	274	972	978	1,276
Profit after net financial items, SEK m	208	228	835	805	1,039
Profit after tax, SEK m	145	189	633	640	821
Key ratios					
Basic earnings per share, SEK	1.29	1.67	5.64	6.50	8.07
Diluted earnings per share, SEK	1.30	1.67	5.66	6.44	7.99
Cash flow from operating activities, SEK m	45	571	1,323	915	1,993
Net debt, SEK m[1]	-	-	3,523	5,112	4,424
Net debt/equity ratio, %[1]	-	-	35.3	54.1	47.2
Net debt/EBITDA, rolling 12 months, times[1]	-	-	2.3	3.5	3.0
Number of employees	-	-	15,915	16,625	16,348
Capacity utilisation, %	75.3	75.3	75.7	76.0	75.8

1) Excluding effects of IFRS 16 Leases.
* Net debt/EBITDA excluding the effect of IFRS 16 and items affecting comparability, including combined operations rolling 12m is 2.0 (2.7)

affect cash flow, amounting to SEK 14 million (16) and SEK 2 million (3) respectively.

The tax expense amounted to SEK 63 million (39), corresponding to a tax rate of 30.4 percent (17.0). The tax rate for the current period was affected by non-recurring effects attributable to write-downs of deferred tax assets. The lower tax for the comparative period is attributable to lower tax in acquired companies.

January–September
Pöyry was consolidated as of 28 February 2019. Net sales for the period amounted to SEK 14,084 million (14,345), a decrease of -1.8 percent (43.2). Organic decrease excluding Pöyry totalled -6.7 percent (3.9) and -7.3 percent (3.5) when adjusted for calendar effects.

During the period, the Group received state subsidies, mainly related to the short-term work allowances. State subsidies reported under other income amounted to SEK 159 million (0).

Adjusted for items affecting comparability, EBITA was SEK 1,146 million (1,216). The corresponding EBITA margin was 8.1 percent (8.5). Items affecting comparability totalled SEK 40 million (175) and relate to restructuring costs for Division Energy and Division Industrial & Digital Solutions. The comparative period related to transaction and integration costs pertaining to the acquisition of Pöyry.

EBITA and the EBITA margin were SEK 1,106 million (1,041) and 7.9 percent (7.3). The effects of IFRS 16 Leases were SEK 25 million (24) on EBITA, SEK 418 million (410) on EBITDA and SEK 42 million (45) in increased interest expenses.

Capacity utilisation was 75.7 percent (76.0) for the period.

If Pöyry had been consolidated as of 1 January 2019 (combined operations), net sales would have amounted to approximately SEK 14,084 million (15,380), a decline of 8.4 percent. The corresponding EBITA and EBITA margin adjusted for items affecting comparability would have amounted to approximately SEK 1,146 million (1,293) and 8.1 percent (8.4) respectively.

EBIT totalled SEK 972 million (978). The difference between EBIT and EBITA consists of acquisition-related non-cash items; amortisation of acquisition-related non-current assets amounting to SEK 143 million (150), the change in estimates of future contingent considerations amounting to SEK 20 million (88) and capital losses from divestment of operations of SEK -10 million (0).

Profit after financial items was SEK 835 million (805) and profit after tax for the period was SEK 633 million (640). Net financial items totalled SEK -137 million (-173) in the period. In the previous year, net financial items were affected by non-recurring financing costs of SEK 31 million related to the acquisition of Pöyry.

Net financial items were affected by discount rates related to leases in accordance with the IFRS 16 standard and revaluation of contingent considerations that do not affect cash flow, amounting to SEK 42 million (45) and SEK 7 million (13) respectively.

The tax expense amounted to SEK 202 million (165), corresponding to a tax rate of 24.1 percent (20.6). The lower tax for the comparative period is attributable to lower tax in acquired companies.

Cash flow and financial position
Consolidated net debt including IFRS 16 Leases amounted to SEK 6,050 million (7,627). Consolidated net debt excluding IFRS 16 Leases amounted to SEK 3,523 million (5,112) at the end of the quarter, and SEK 3,586 million (5,154) at the start of the quarter. Cash flow from operating activities reduced net debt by SEK 983 million (529), while cash flow from operating activities including IFRS 16 amounted to SEK 1,323 million (915). During the quarter, a previous credit facility loan (RCF loan) of SEK 200 million was repaid. In the month of August, borrowing increased by SEK 149 million via the annual staff convertible programme. This loan had no effect on consolidated net debt but strengthened the Group's cash and cash equivalents, as the Annual Gerenal Meeting resolved that no shares will be repurchased during the year for the 2020 convertible programme.

As has already been communicated, the Board has withdrawn the previously announced dividend proposal for the purposes of further consolidating the Group's financial position. In the first quarter of 2020, some of the Group's credit facilities were also renewed, extending them by three years and increasing them by SEK 500 million. A previous bond loan of SEK 700 million was repaid in May. This bond maturity was partly financed using a three-year bank loan of SEK 500 million.

Consolidated cash and cash equivalents totalled SEK 1,299 million (808) at the end of the period, and unused credit facilities amounted to SEK 3,053 million (1,730).

Covid-19 update
Health and safety for employees and clients
ÅF Pöyry's chief priority during the pandemic has been, and remains the health and safety of our employees and clients. The company quickly adjusted most of its

activities to allow for remote working and expanded its digital partnerships, which continued and improved during the third quarter. ÅF Pöyry launched a centralised crisis management team to execute a global contingency and action plan for the global pandemic, and introduced travel restrictions and guidelines in close cooperation with international experts to help our employees. The company has established a Covid-19 safety protocol to maintain safe operations. Since the pandemic is developing at different stages in different markets, we have adopted more market-specific safety measures, and we anticipate that measures will continue to be adapted to specific business areas and markets going forward.

Varied impact

ÅF Pöyry has broad exposure to a number of industries and currently operates in several different markets. The effects of the Covid-19-pandemic have varied, with the greatest impact being on the automotive segment, which saw a notable decline in volume in the second and third quarters. The manufacturing segment also noted a significant impact, as investments have been postponed. On the other hand, segments such as the process industry, food & pharma, nuclear and transport infrastructure experienced a neutral trend in the second and third quarters compared with previous trends.

Extensive measures to counteract negative financial impact

ÅF Pöyry was quick to implement a number of extensive measures across the organisation to mitigate the financial impact of the lower level of demand caused by the Covid-19-pandemic.

In the second quarter, a total of 1,900 employees were affected by various furloughing schemes, most of which were linked to the automotive industry. By the end of the third quarter this figure had dropped to around 800, with a plan to effectively bring the schemes to a close by the end of November. State aid recognised in the Group and parent is detailed on pages 4–6. By the end of September, around 270 permanent redundancies had been implemented. During the quarter, the previously announced efficiency programme of SEK 120 million and additional activities carried out during the quarter brought total costs down by roughly SEK 490 million through a combination of short-term and permanent savings. The investment programme connected to the systems platform is being reviewed and adapted to the current situation. All in all, the measures ensure that the company will continue to be in a good position going forward and will be well placed operationally and financially once the situation has stabilised.

Valuation of the Group's assets and provisions

As a result of the development of Covid-19, ÅF Pöyry has assessed the valuation of the Group's goodwill, the assessment has not given rise to an indication of impairment. No significant provisions have been made during period.

Acquisitions and divestments

No acquisitions or divestments were made during the quarter.

Parent company

Parent company operating income for the January–Septemer period totalled SEK 952 million (727) and relates chiefly to internal services within the Group. During the period, the parent company received state subsidies, primarily for the short-term work allowances that has been implemented. State subsidies is recognised as other income and amounts to SEK 4 million (0). Profit after net financial items was SEK -40 million (-123). Cash and cash equivalents amounted to SEK 564 million (15). Gross investments in intangible non-current assets and property, plant and equipment totalled SEK 69 million (54). One business was divested during the period; the consideration paid was SEK 10 million on a debt-free basis and the capital loss was SEK -42 million.

Number of employees

The average number of full-time employees (FTEs) was 15,314 (14,385). The total number of employees at the end of the period was 15,915 (16,625).

Significant events during the quarter and after the end of the reporting period

After the end of the reporting period, AFRY acquired software and expertise company Ramentor in Finland. The company has annual sales of around SEK 7 million and employs six people in Finland.

The Infrastructure Division provides technical solutions for buildings and infrastructure, in areas such as road and rail, as well as water and environment. The division also operates in 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.

The Industrial & Digital Solutions Division conducts engineering operations in the field of product development and production systems, as well as IT and defence technology. The division is active in all industry sectors and works with both private and public sector clients. Technical capabilities include 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. Services encompass the entire value chain and the assignments are project-based or end-to-end solutions for specific functions. The division is led by Robert Larsson and operates primarily in the Nordic region.

The Process Industries Division provides engineering and consulting services, project management and implementation services to clients in the process industry. Its clients are primarily in the forest, chemical and biorefinery industries, as well as the metal and mining industries. Focus sectors extend from pulp and paper to chemicals and biorefining, metals and 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.

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 energy sources, such as water, coal, gas, bio- and waste fuel, nuclear power and renewable energy sources, and holds a leading position in hydro. The division has a high level of technical capability when it comes to complex environmental aspects. Owing to the division's ability to cover the entire spectrum of power generation as well as the complete investment life cycle, it can offer its clients comprehensive expertise. The division, led by Richard Pinnock, delivers solutions globally and operates primarily in the Nordic region, Switzerland, Czech Republic and Southeast Asia.

The Management Consulting Division provides strategic and operational advisory services across the value chain, underpinned by in-depth expertise and market insights. Core services encompass a wide range 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 Roland Lorenz and has operations in 17 offices across three continents.

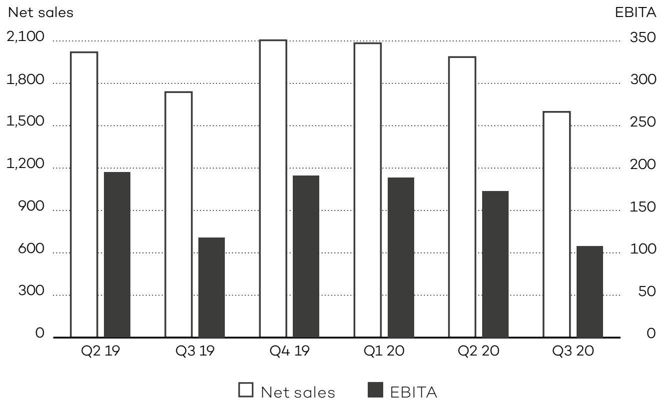
Division Infrastructure

Net sales
Net sales in the third quarter amounted to SEK 1,598 million (1,738), a decrease by -8.0 percent. Adjusted for negative currency effects and structural changes, the organic decrease was -5.2 percent.The reduction in sales is mainly related to a weak development within the real estate segment in Scandinavia and Switzerland. The development within water and environment has shown a steady growth in most markets.

EBITA and margin
EBITA amounted to SEK 108 million (118) and the corresponding margin was 6.8 percent (6.8). The margin was negatively impacted by the real estate segment, whereas the transport infrastructure and water segments had a positive impact. Also short-term work allowance and cost savings during the quarter together with a strengthened market in September had a positive contribution to the margin.

Market development
The Covid-19-pandemic had a continued impact on the division during the quarter, especially affecting the hospitality and retail sector within real estate. The real estate market is prioritising refurbishments, remodeling and upgrades rather than new builds. In transport infrastructure, investments remain stable with indications of increase as the segment is at the beginning of a digital and sustainability transformation, that has been accelerated by the pandemic.

Net sales and EBITA, SEK million



Key ratios[1]

	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million	1,598	1,738	5,669	5,565	7,670
EBITA, SEK million	108	118	470	494	685
EBITA margin, %	6.8	6.8	8.3	8.9	8.9
Average number of fulltime employees (FTEs)	5,851	5,916	5,930	5,653	5,729
Total growth, %	-8.0	35.7	1.9	30.2	28.8
Structural changes, %	-0.1	29.2	4.2	21.8	22.2
Currency, %	-2.7	0.7	-1.0	1.2	1.0
Organic, %	-5.2	5.8	-1.3	7.1	5.5
Adjusted/underlying organic growth due to calendar effect, %	-5.8	4.2	-2.2	6.8	5.7
Combined growth[2], %	-	-	-2.5	11.4	8.9

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

1) Excluding effects of IFRS 16 Leases, which are recognised under the Group-wide item.
2) The figures are presented as though consolidation of Pöyry took place on 1 January 2018. Combined operations are presented on page 24.

Division Industrial & Digital Solutions

Net sales

Net sales in the third quarter amounted to SEK 1,056 million (1,204), a decrease by -12.3 percent. The decrease in sales is related mainly to the automotive segment where some of the larger clients reduced activities in both production and development. Compared to the previous quarter a gradual recovery in the automotive segment was noted, albeit from low levels. The manufacturing segment also reported negative growth as many investments have been postponed, while a very favourable development within Food & Life Science contributed positively to the growth.

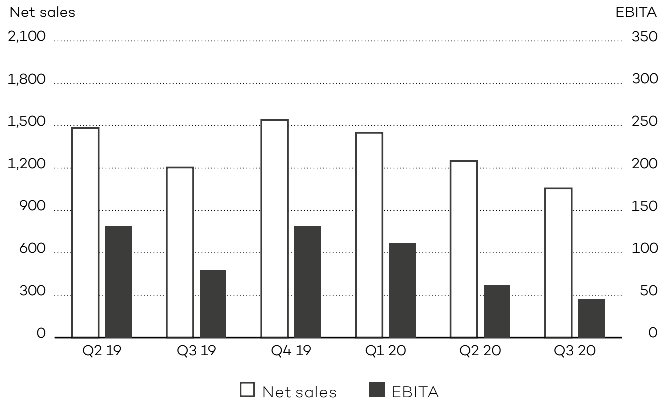
EBITA and margin

EBITA amounted to SEK 46 million (80) and the margin decreased to 4.4 percent (6.6). The lower margin is due to lower sales mainly in the automotive and manufacturing segments. Cost reduction activities and short-term work allowance together with a strengthened market in September contributed to mitigate some of the shortfall in net sales.

Market development

The market is gradually recovering, but the pandemic has continued to have a significant impact in the quarter where automotive clients have had a low rate of development and went through internal restructuring. Based on the situation, AFRY has initiated a repositioning of the offer to the automotive industry with the aim of delivering even more high value adding services. The repositioning continues according to plan. The manufacturing industry also had a continued impact of the pandemic in the quarter as decision making is postponed due to clients' cost control and caution in the current market.

Net sales and EBITA, SEK million



Key ratios[1]

	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million	1,056	1,204	3,756	4,265	5,805
EBITA, SEK million	46	80	219	355	486
EBITA margin, %	4.4	6.6	5.8	8.3	8.4
Average number of fulltime employees (FTEs)	3,522	3,738	3,633	3,801	3,800
Total growth, %	-12.3	-2.0	-11.9	2.7	0.4
Structural changes, %	0.9	0.3	0.9	1.4	1.2
Currency, %	-0.7	0.2	-0.3	0.2	0.2
Organic, %	-12.5	-2.5	-12.5	1.0	-1.0
Adjusted/underlying organic growth due to calendar effect, %	-12.5	-4.0	-13.0	1.0	-0.6

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

[1] Excluding effects of IFRS 16 Leases, which are recognised under the Group-wide item.

Division Process Industries

Net sales

Net sales in the third quarter amounted to SEK 743 million (770), a decrease by -3.5 percent. Adjusted for negative currency effects (mainly Brazilian real) and structural changes, growth amounted to 5.3 percent. The positive growth is mainly due to ongoing large pulp and paper engineering projects in Brazil and North America and mining projects in Finland. The Covid-19-pandemic had a continued negative impact on professional services in the Nordics.

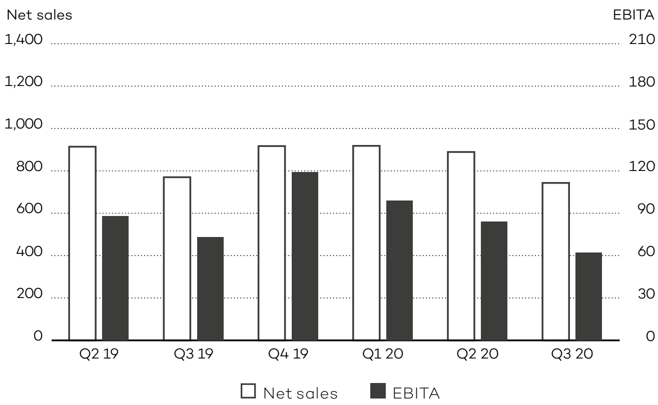
EBITA and margin

EBITA amounted to SEK 62 million (73) and the margin decreased to 8.4 percent (9.5). The margin was solid despite normal seasonality. It was positively impacted by a strengthened development in Sweden, Finland and Latin America but negatively by the Covid-19-pandemic and lower sales from professional services.

Market development

The division has had some impact from the Covid-19-pandemic. A continued shift in client behaviour that entails longer decision-making processes, has impacted growth in some markets. However, major projects already in order stock have been carried out according to plan in several regions, also bringing new orders. The most important drivers continue to be the ongoing transition of the bioindustry sectors, sustainability, digitalisation and overall efficiency.

Net sales and EBITA, SEK million



Key rations[1]

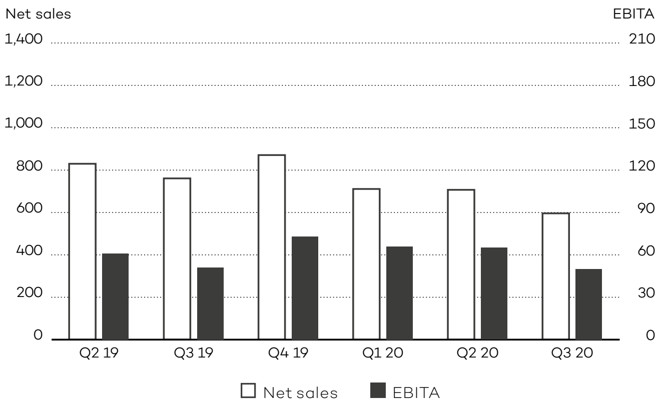
	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million	743	770	2,550	2,131	3,047
EBITA, SEK million	62	73	245	204	323
EBITA margin, %	8.4	9.5	9.6	9.6	10.6
Average number of full-time employees (FTEs)[3]	3,249	3,084	3,222	2,547	2,680
Total growth, %	-3.5	352.0	19.7	262.0	275.5
Structural changes, %	-0.7	340.0	19.2	250.7	262.1
Currency, %	-8.2	0.4	-4.5	0.6	0.5
Organic, %	5.3	11.4	5.0	10.7	13.0
Adjusted/underlying organic growth due to calendar effect, %	4.1	14.7	4.2	11.5	14.0
Combined growth[2], %	-	-	0.8	9.1	8.9

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

1) Excluding effects of IFRS 16 Leases, which are recognised under the Group-wide item
2) The figures are presented as though consolidation of Pöyry took place on 1 January 2018. Combined operations are presented on page 24.
3) As a result of an internal redistribution between the second and third quarters of 2019, the comparative figures have been adjusted to better reflect operations.

Division Energy

Net sales and EBITA, SEK million



Net sales

Net sales in the third quarter amounted to SEK 596 million (761), a decrease by -21.6, percent. Adjusted for negative currency effects and structural changes, the organic decrease was -13.0 percent. The repositioning within the division and the completion of a large EPC+ project earlier this year resulted in lower net sales in the quarter compared to the same period last year. The impact of the Covid-19-pandemic was also seen with the delay in project start-ups especially in the hydro, thermal and renewables business. Growth within the Nuclear business continued to be strong during the quarter, particularly in the Nordics and Central Europe.

EBITA and margin

EBITA amounted to SEK 50 million (51) and the margin increased to 8.3 percent (6.7). The improved margin is due to the ongoing repositioning of the division, cost savings and a strong performance in Nuclear, and improved performance in Transmission & Distribution. The result in the quarter was adjusted for a non-recurring cost of SEK 17 million related to the repositioning of the division.

Market development

The Covid-19-pandemic had a continued impact on the division during the quarter with delays of ongoing and new projects especially in the hydro, thermal and renewable sectors. The general outlook for the energy sector is improving in most operational areas however the recovery in Asia and Latin America operations is expected to be slower.

Key ratios[1]

	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million	596	761	2,014	2,130	3,001
EBITA, SEK million	50	51	181	142	215
EBITA margin, %	8.3	6.7	9.0	6.7	7.2
Average number of full-time employees (FTEs)	1,688	2,059	1,762	1,841	1,885
Total growth, %	-21.6	109.3	-5.4	88.7	92.5
Structural changes, %	-4.9	112.0	4.8	89.3	93.1
Currency, %	-3.7	2.8	0.1	2.7	2.8
Organic, %	-13.0	-5.4	-10.3	-3.2	-3.4
Adjusted/underlying organic growth due to calendar effect, %	-13.8	-8.0	-11.6	-5.2	-2.4
Combined growth[2], %	-	-	-16.6	11.3	7.6

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

1) Excluding effects of IFRS 16 Leases, which are recognised under the Group-wide item.

2) The figures are presented as though consolidation of Pöyry took place on 1 January 2018. Combined operations are presented on page 24.

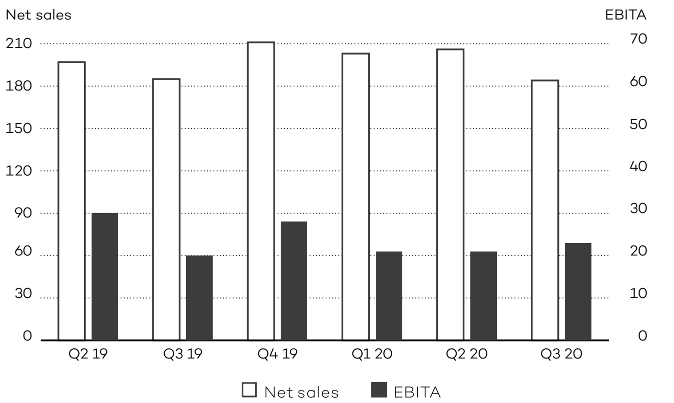
Division Management Consulting

Net sales
Net sales in the third quarter amounted to SEK 184 million (185), a decrease of -0.6 percent. Adjusted for negative currency effects and structural changes, growth amounted to 5.8 percent. Although ongoing uncertainty in some sectors continues to impact business volumes, the energy consulting business continued to deliver a strong performance. In addition, there were clear signs of increased activity in the bioindustry sector towards the end of the quarter.

EBITA and margin
EBITA amounted to SEK 23 million (20) and the margin increased to 12.6 percent (10.7). The positive margin development is mainly related to the strong development within the energy consulting business and the cost saving measures introduced.

Market development
The Covid-19-pandemic, with continued global travel restrictions, continues to have an impact on mainly the asset transaction related business. The long-term growth prospects for the bio-based industries are good but many market segments have been challenged in the short term. The energy transition continues to drive a stable demand of advice. Whilst there was a slowdown at the second quarter, activity has been increasing.

Net sales and EBITA, SEK million



Key ratios[1]

	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million	184	185	593	457	668
EBITA, SEK million	23	20	65	63	92
EBITA margin, %	12.6	10.7	11.0	13.9	13.7
Average number of full-time employees (FTEs)[3]	416	359	418	279	300
Total growth, %	-0.6	-	29.8	-	-
Structural changes, %	-1.1	-	26.9	-	-
Currency, %	-5.3	-	-1.0	-	-
Organic, %	5.8	-	3.9		
Adjusted/underlying organic growth due to calendar effect, %	5.9	-	6.4		
Combined growth[2], %	-	-	3.0	0.9	-2.1

There are no comparative figures for growth in 2019 since the division was completely formed by Pöyry

1) Excluding effects of IFRS 16 Leases, which are recognised under the Group-wide item
2) The figures are presented as though consolidation of Pöyry took place on 1 January 2018. Combined operations are presented on page 24.
3) As a result of an internal redistribution between the second and third quarters of 2019, the comparative figures have been adjusted to better reflect operations.

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 2019. No significant risks are considered to have arisen since then apart from the effects of the Covid-19 pandemic, see page 5.

Calendar effects[1]

The number of normal working hours during 2020, based on a twelve months' sales-weighted business mix, is broken down as follows:

	2020	2019	Difference
Q1	507	506	1
Q2	480	473	7
Q3	528	527	1
Q4	499	495	4
Full year	2,014	2,001	13

[1] As a result of an internal redistribution between the second and third quarters, figures for the year and comparative figures have been adjusted to provide a better reflection of operations.

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 2019 (Note 1).

New or revised IFRS standards that came into force in 2020 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's annual report apply all IFRS standards and interpretations approved by the EU as far as is 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.

The IBOR reform

ÅF Pöyry applies hedge accounting to interest rate derivatives. The upcoming IBOR reform, when implemented, will impact future cash flows as regards interest income and interest expenses. ÅF Pöyry expects continued hedge effectiveness with no material interest impact. The nominal value of outstanding exposures with STIBOR rate is SEK 3.7 billion whereof 2.0 billion is hedged at fixed interest rate. ÅF Pöyry will continue to monitor any changes to the STIBOR reference rate and update the relevant financial agreements accordingly, together with counterparties, when these changes occur.

State subsidies

ÅF Pöyry accounts for state aid in accordance with IAS 20. Reporting of receivables and income is done once the assessment is made that there is reasonable certainty that conditions will be fulfilled, and it is reasonably certain that the support will be received.

Related party transactions

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

Definitions

Key ratios and alternative performance measures used in this report are defined in ÅF Pöyry's Annual Report for 2019.

The share

The ÅF Pöyry share price at the end of the reporting period was SEK 253.80 (198.00).

A shares	4,290,336
B shares	108,510,479
Total number of shares	112,800,815
of which own Class B shares	-
Votes	151,413,839

Shares were converted during the quarter as per the 2017 staff convertible programme, increasing the number of B shares by 349,880.

Auditor's review report

To ÅF Pöyry AB (publ), Corp. Id. 556120-6474

Introduction
We have conducted a review of the condensed interim financial information (interim report) for ÅF Pöyry AB (publ) at 30 September 2020 and the nine-month period there ended. The Board of Directors and Chief Executive Officer are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of the review
We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review engagement consists of making inquiries, primarily of persons responsible for the preparation of financial and accounting matters, and applying analytical and other review procedures. A review engagement is different and substantially less in scope than an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden. The procedures performed during a review do not enable us to obtain assurance that we would become aware of all significant circumstances that might be identified in an audit. The opinion expressed based on a review engagement does not therefore provide the same level of assurance as a conclusion based on an audit.

Opinion
Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been prepared in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the parent.

Stockholm, Sweden – 23 October 2020

KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Condensed consolidated income statement

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019	Okt 2019–sep 2020
Net sales	4,021	4,562	14,084	14,345	19,792	19,531
Personnel costs	-2,531	-2,735	-8,883	-8,539	-11,782	-12,126
Purchases of services and materials	-822	-1,001	-2,766	-3,191	-4,408	-3,983
Other costs	-300	-357	-991	-1,105	-1,608	-1,494
Other income	65	15	162	15	27	174
Share of profits of associates	1	2	4	3	4	5
EBITDA	**436**	**486**	**1,610**	**1,527**	**2,024**	**2,108**
Depreciation/amortisation and impairment of non-current assets[1]	-165	-177	-505	-487	-657	-675
EBITA	**271**	**309**	**1,106**	**1,041**	**1,368**	**1,433**
Acquisition-related items[2]	-42	-35	-134	-62	-91	-163
Operating profit (EBIT)	**229**	**274**	**972**	**978**	**1,276**	**1,270**
Net financial items	-22	-46	-137	-173	-237	-201
Profit after financial items	**208**	**228**	**835**	**805**	**1,039**	**1,069**
Tax	-63	-39	-202	-165	-219	-254
Profit for the period	**145**	**189**	**633**	**640**	**821**	**815**
Attributable to:						
Shareholders in the parent	145	188	634	639	821	816
Non-controlling interest	0	1	-1	0	0	0
Profit for the period	**145**	**189**	**633**	**640**	**821**	**815**
Basic earnings per share, SEK	1.29	1.67	5.64	6.50	8.07	-
Diluted earnings per share, SEK	1.30	1.67	5.66	6.44	7.99	-
Number of shares outstanding	112,800,815	112,187,077	112,800,815	112,187,077	112,174,128	
Average number of basic shares outstanding	112,565,464	112,401,016	112,422,796	98,402,507	101,712,840	
Average number of diluted shares outstanding	114,336,591	114,337,934	114,105,518	100,749,703	104,043,894	

[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 assets, revaluation of contingent considerations and gains/losses on divestment of companies and operations. See page 22 for further details.

Statement of consolidated comprehensive income

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Profit for the period	**145**	**189**	**633**	**640**	**821**
Items that have been or will be reclassified to profit or loss for the period					
Change in translation reserve	-16	133	-130	335	81
Change in hedging reserve	-12	-60	-20	-69	14
Change in fair value reserve	-	-	-	5	5
Tax	6	15	4	14	-4
Items that will not be reclassified to profit or loss for the period					
Revaluation of defined-benefit pension plans	2	1	5	1	-97
Tax	4	-1	1	0	18
Other comprehensive income	**-27**	**88**	**-139**	**286**	**16**
Comprehensive income for the period	**117**	**277**	**494**	**926**	**837**
Attributable to:					
Shareholders in the parent	117	276	495	926	837
Non-controlling interest	0	1	-1	0	0
Total	**117**	**277**	**494**	**926**	**837**

Condensed consolidated balance sheet

SEK MILLION	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
Intangible assets	13,219	13,554	13,355
Property, plant and equipment	563	595	587
Other non-current assets	2,650	2,721	2,929
Total non-current assets	**16,432**	**16,870**	**16,872**
Current assets			
Current receivables	5,634	6,537	6,505
Cash and cash equivalents	1,299	808	997
Total current assets	**6,934**	**7,346**	**7,502**
Total assets	**23,366**	**24,215**	**24,375**
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders in the parent	9,977	9,450	9,367
Attributable to non-controlling interest	1	3	1
Total equity	**9,978**	**9,454**	**9,369**
Non-current liabilities			
Provisions	925	919	1,032
Non-current liabilities	6,367	7,772	7,207
Total non-current liabilities	**7,293**	**8,691**	**8,240**
Current liabilities			
Provisions	83	64	101
Current liabilities	6,012	6,006	6,666
Total current liabilities	**6,095**	**6,070**	**6,767**
Total equity and liabilities	**23,366**	**24,215**	**24,375**

Condensed statement of change in consolidated equity

SEK MILLION	30 Sep 2020	30 Sep 2019	31 Dec 2019
Equity at start of period	**9,369**	**5,465**	**5,465**
Comprehensive income for the period	**494**	**926**	**837**
Dividend paid	-	-560	-560
Private placement	-	3,967	3,967
Conversion of convertible bonds into shares	108	143	147
Value of conversion option	7	8	8
Share buy-backs/sales	-	-164	-164
Hybrid	-	-331	-331
Equity at end of period	**9,978**	**9,454**	**9,369**

Condensed statement of consolidated cash flows

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Profit after financial items	208	228	835	805	1,039
Adjustment for items not included in cash flow and other	72	440	470	637	880
Income tax paid	-58	-79	-203	-255	-284
Cash flow from operating activities before change in working capital	**222**	**588**	**1,102**	**1,187**	**1,635**
Cash flow from change in working capital	-177	-17	220	-272	358
Cash flow from operating activities	**45**	**571**	**1,323**	**915**	**1,993**
Cash flow from investing activities	-29	-77	-273	-5,119	-5,290
Cash flow from financing activities	-162	-312	-829	4,783	4,066
Cash flow for the period	**-146**	**182**	**221**	**579**	**769**
Opening cash and cash equivalents	1,367	630	997	239	239
Exchange difference in cash and cash equivalents	79	-4	82	-10	-11
Closing cash and cash equivalents	**1,299**	**808**	**1,299**	**808**	**997**

Change in consolidated net debt (excl. IFRS 16)

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Opening balance	3,586	5,154	4,424	3,455	3,455
Cash flow from operating activities	65	-185	-983	-529	-1,473
Investments	30	24	127	127	197
Acquisitions and contingent considerations	1	71	128	5,108	5,201
Rights issue	-	-	-	-3,967	-3,967
Dividend	-	-	-	560	560
Share buy-backs/sales	-	164	-	164	164
Repayment of hybrid bond	-	-	-	331	331
Other	-159	-116	-174	-137	-44
Closing balance	**3,523**	**5,112**	**3,523**	**5,112**	**4,424**

Consolidated net debt (excl. IFRS 16)

SEK MILLION	30 Sep 2020	30 Sep 2019	31 Dec 2019
Loans and credit facilities	4,433	5,611	5,034
Net pension liability	390	308	387
Cash and cash equivalents	-1,299	-808	-997
Group	**3,523**	**5,112**	**4,424**

Consolidated net debt (incl. IFRS 16)

SEK MILLION	30 Sep 2020	30 Sep 2019	31 Dec 2019
Loans and credit facilities	6,960	8,126	7,813
Net pension liability	390	308	387
Cash and cash equivalents	-1,299	-808	-997
Group	**6,050**	**7,627**	**7,203**

Consolidated key ratios

SEK MILLION	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Return on equity, %	8.4	12.4	10.6
Return on capital employed, %	6.6	9.4	8.3
Equity ratio, %	42.7	39.0	38.4
Equity per share, SEK	88.45	84.24	83.51
Interest-bearing liabilities, SEK m	7,350	8,436	8,201
Average number of full-time employees (FTEs)	15,314	14,385	14,680

Items affecting comparability

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Transaction costs, Pöyry	-	-	-	-44	-44
Integration costs, Pöyry	-	-37	-	-131	-215
Restructuring costs, Energy Division	-17	-	-17	-	-105
Restructuring costs, Industrial & Digital Solutions Division	-	-	-23	-	-
Total	**-17**	**-37**	**-40**	**-175**	**-364**

Income
Net sales for Jan–Sep 2020 according to business model

SEK MILLION	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting	Group-wide/ eliminations	Total Group
Project Business	5,578	1,340	1,681	1,659	572	-309	10,522
Professional Services	91	2,415	869	355	21	-189	3,562
Total	**5,669**	**3,756**	**2,550**	**2,014**	**593**	**-498**	**14,084**

The Group applies the new accounting standard IFRS 15 Revenue from Contracts with Customers as of 1 January 2018. ÅF Pöyry's business model is divided into two client offerings: Project Business and Professional Services. Project Business is ÅF Pöyry's offering for major projects and end-to-end solutions. In such projects, ÅF Pöyry acts as a partner for the client, leading and running the entire project. Professional Services is ÅF Pöyry's offering where the client leads and runs the project, while ÅF Pöyry provides suitable expertise at the right time.

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, ÅF Pöyry sometimes receives advance payments or deposits from 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.

Quarterly information by division

	2018		2019				2020		
Net sales, SEK million	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Infrastructure	1,280	1,680	1,808	2,020	1,738	2,105	2,084	1,986	1,598
Industrial & Digital Solutions	1,229	1,628	1,578	1,483	1,204	1,540	1,450	1,249	1,056
Process Industries	170	223	447	914	770	917	918	889	743
Energy	363	430	539	830	761	871	711	707	596
Management Consulting	–	–	74	197	185	211	203	206	184
Other/eliminations	-48	-5	-56	-50	-96	-197	-112	-229	-157
Group	**2,995**	**3,957**	**4,389**	**5,393**	**4,562**	**5,447**	**5,255**	**4,808**	**4,021**

	2018		2019				2020		
EBITA, SEK m	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Infrastructure	113	185	182	195	118	191	189	173	108
Industrial & Digital Solutions	94	150	145	131	80	131	111	62	46
Process Industries	16	33	42	88	73	119	99	84	62
Energy	15	13	30	61	51	73	66	65	50
Management Consulting	–	–	13	30	20	28	21	21	23
Other/eliminations[1]	-18	-49	-86	-100	-33	-214	-11	-44	-18
Group	**220**	**332**	**327**	**405**	**309**	**327**	**474**	**361**	**271**

	2018		2019				2020		
EBITA margin, %	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Infrastructure	8.8	11.0	10.1	9.6	6.8	9.0	9.1	8.7	6.8
Industrial & Digital Solutions	7.7	9.2	9.2	8.8	6.6	8.5	7.6	5.0	4.4
Process Industries	9.2	14.7	9.5	9.6	9.5	13.0	10.8	9.4	8.4
Energy	4.2	3.1	5.7	7.3	6.7	8.3	9.3	9.2	8.3
Management Consulting	–	–	18.1	15.3	10.7	13.3	10.1	10.3	12.6
Group	**7.4**	**8.4**	**7.5**	**7.5**	**6.8**	**6.0**	**9.0**	**7.5**	**6.7**

	2018		2019				2020		
Average number of full-time employees (FTEs)[2]	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Infrastructure	4,465	4,660	5,098	5,954	5,916	5,962	5,935	6,013	5,851
Industrial & Digital Solutions	3,782	3,863	3,845	3,825	3,738	3,797	3,748	3,632	3,522
Process Industries	672	747	1,471	3,111	3,084	3,075	3,195	3,220	3,249
Energy	960	1,015	1,326	2,146	2,059	2,016	1,809	1,793	1,688
Management Consulting	–	–	112	379	359	362	415	422	416
Group functions	184	161	228	279	267	363	314	396	343
Group	**10,063**	**10,445**	**12,081**	**15,693**	**15,422**	**15,575**	**15,416**	**15,476**	**15,069**

	2018		2019				2020		
Number of working days	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Sweden only	65	62	63	59	66	61	63	60	66
All countries	65	62	63	60	65	62	63	60	66

1) Including IFRS 16 Leases as of 2019, which is recognised under the Group-wide item.
2) As a result of an internal redistribution between the second and third quarters 2019, comparative figures have been adjusted to provide a better reflection of operations.

The historical figures above have been adjusted based on the organisational changes implemented on 1 June 2019, involving certain changes among the divisions.

New divisional structure

Since 22 February 2019, ÅF Pöyry's operations are conducted through five divisions: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy and Management Consulting.

Acquisitions 2020

The following acquisitions were made during the period

SEK million	Company	Country	Division	Annual net sales	Average no. of employees
Period					
Jan–Mar	One World AS	Norway	Infrastructure	15	8
Total				**15**	**8**

Acquired companies' net assets on acquisition date

SEK million	Jan–Sep 2020
Intangible assets	-
Property, plant and equipment	0
Right-of-use assets	-
Financial assets	0
Accounts receivable and other receivables	2
Cash and cash equivalents	4
Accounts payable, loans and other liabilities	-3
Net identifiable assets and liabilities	**5**
Non-controlling interest	-
Goodwill	17
Fair value adjustment, intangible assets	1
Fair value adjustment, non-current provisions	0
Purchase consideration including estimated contingent consideration	**23**
Transaction costs	0
Less:	
Cash (acquired)	4
Estimated contingent consideration	7
Estimated minority buyout	0
Net cash outflow	**11**

Acquired company
The acquisition analysis is preliminary since the assets of the acquired company have not been definitively analysed. The purchase consideration for the acquisition for the year was larger than the book assets of the acquired company, and the acquisition analysis resulted in intangible assets. When acquiring consulting companies, the main asset acquired is human capital in the form of employee skills, which is why the majority of the acquired companies' intangible assets are attributable to goodwill.

Contingent consideration
Total undiscounted contingent consideration for the company acquired during the year is a maximum of SEK 7 million.

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
Outstanding orders and client relationships are identified and measured in conjunction with the completed acquisition.

Acquisition-related costs
Transaction costs are recognised in Other external costs in profit or loss. Transaction costs amount to SEK 0.4 million.

Revenue and profit from acquired companies
The acquired company is expected to contribute sales of approximately SEK 15 million and operating profit of roughly SEK 2 million over a full year for 2020.

Acquisitions 2019
In 2019, ÅF Pöyry took over all the shares in Pöyry PLC, along with other acquisitions that are not individually significant based on net sales and number of employees. The details and effects of completed acquisitions can be found in Note 3 of ÅF Pöyry's published 2019 Annual Report.

Change in contingent considerations

SEK million	30 Sep 2020
Opening balance 1 January 2020	358
Acquisitions for the year	7
Payments	-56
Changes in value recognised in income statement	-20
Adjustment of preliminary acquisition analysis	0
Discounting	7
Translation differences	3
Closing balance	**300**

Measurement of fair value

Contingent considerations are measured at fair value and classified at level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are chiefly linked to expected EBIT for the acquired companies over the next two to three years. The change in the balance sheet items is recognised in the adjacent table.

As regards other financial assets and liabilities, no significant changes in fair value measurement have been made since the 2019 Annual Report. Fair values are essentially consistent with carrying amounts.

Acquisition-related items

SEK million	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Amortisation and impairment of intangible non-current assets	-41	-62	-143	-150	-211
Revaluation of contingent considerations	-1	27	20	88	119
Divestment of operations	-	-	-10	-	1
Total	**-42**	**-35**	**-133**	**-62**	**-91**

Parent income statement

SEK MILLION	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales	232	166	724	524	701
Other operating income	74	69	229	203	271
Operating income	**306**	**235**	**952**	**727**	**972**
Personnel costs	-38	-36	-127	-170	-225
Other costs	-249	-197	-787	-606	-853
Depreciation/amortisation	-11	-8	-30	-25	-34
Operating profit/loss	**8**	**-7**	**9**	**-75**	**-140**
Net financial items	-6	-17	-49	-49	440
Profit after financial items	**3**	**-24**	**-40**	**-123**	**300**
Appropriations	-	-	-	-	248
Pre-tax profit	**3**	**-24**	**-40**	**-123**	**548**
Tax	-1	6	1	34	2
Profit for the period	**2**	**-18**	**-39**	**-89**	**549**
Other comprehensive income	-1	-6	-13	-14	9
Comprehensive income for the period	**1**	**-23**	**-52**	**-103**	**558**

Parent balance sheet

SEK MILLION	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
Intangible assets	127	32	61
Property, plant and equipment	146	151	155
Financial assets	13,221	13,253	13,267
Total non-current assets	**13,494**	**13,435**	**13,483**
Current assets			
Current receivables	2,674	2,171	2,875
Cash and bank balances	564	15	133
Total current assets	**3,237**	**2,186**	**3,007**
Total assets	**16,732**	**15,621**	**16,490**
EQUITY AND LIABILITIES			
Equity	9,061	8,332	8,997
Untaxed reserves	82	57	82
Provisions	84	120	100
Non-current liabilities	4,361	5,401	4,803
Current liabilities	3,143	1,712	2,508
Total equity and liabilities	**16,732**	**15,621**	**16,490**

Combined operations

The figures are presented as though consolidation of Pöyry took place on 1 January 2019.

	Jan–Sep 2020	Jan–Sep 2019	Full year 2019
Net sales, SEK million			
Infrastructure	5,669	5,811	7,917
Industrial & Digital Solutions	3,756	4,265	5,805
Process Industries	2,550	2,525	3,442
Energy	2,014	2,412	3,284
Management Consulting	593	575	785
Group-wide/eliminations	-497	-208	-405
Group	**14,084**	**15,380**	**20,827**
EBITA excl. items affecting comparability, SEK m			
Infrastructure	470	512	702
Industrial & Digital Solutions	219	355	486
Process Industries	245	252	371
Energy	181	166	238
Management Consulting	65	75	103
Group-wide/eliminations[1]	-34	-66	-91
Group	**1,146**	**1,293**	**1,809**
EBITA margin excl. items affecting comparability, %			
Infrastructure	8.3	8.8	8.9
Industrial & Digital Solutions	5.8	8.3	8.4
Process Industries	9.6	10.0	10.8
Energy	9.0	6.9	7.3
Management Consulting	11.0	13.0	13.1
Group	**8.1**	**8.4**	**8.7**

[1)] Including IFRS 16 Leases 2019, which is recognised under the Group-wide item.

AFRY is an international company that works with technology, design and consulting. We help our clients advance in the areas of sustainability and digitalisation. We are 17,000 dedicated experts in the areas of infrastructure, industry and energy who work all over the world to create sustainable solutions for future generations.

Stockholm, Sweden – 23 October 2020

ÅF Pöyry AB (publ)
Jonas Gustavsson
President and CEO

This report has been subject to review by the company's auditors.

This information fulfils ÅF Pöyry AB's (publ) disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. This information was released, through the agency of the above-mentioned contact person, for publication on 23 October 2020, 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.

Jonas Gustavsson, President and CEO
+46 70 509 16 26

Juuso Pajunen, CFO
+358 10 33 26632

Head Office: ÅF Pöyry AB, SE-169 99 Stockholm, Sweden
Street address: Frösundaleden 2, Solna
Tel: +46 10 505 00 00
www.afry.com
info@afry.com
Corp. ID no 556120-6474

Investor presentation

Time:	23 October 10.00 CET
Webcast:	https://afry.com/en/investor-relations/financial-reports
For analysts/ investors:	Join Microsoft Teams Meeting With opportunity to ask questions
By telephone:	+46 8 535 270 39, conference code 832 866 613#.

Calendar

Capital Markets Day	24 November 2020 (1.00–3.30 pm)
Q4 2020	5 February 2021
Q1 2021	29 April 2021
Annual General Meeting	29 April 2021 (4.00 pm)
Q2 2021	14 July 2021
Q3 2021	26 October 2021