

ÅF PÖRY AB (PUBL) INTERIM REPORT JANUARY–JUNE 2020

Stable results in a challenging quarter

Second quarter 2020

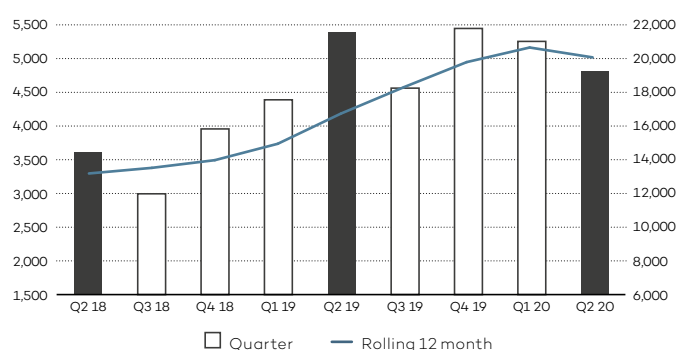
- Net sales amounted to SEK 4,808 million (5,393)
- EBITA, excl. items affecting comparability, was SEK 383 million (481)
- EBITA margin, excl. items affecting comparability, was 8.0 percent (8.9)
- EBITA totalled SEK 360 million (405)
- EBITA margin was 7.5 percent (7.5)
- EBIT (operating profit) amounted to SEK 331 million (392)
- Basic earnings per share: SEK 1.88 SEK (2.59)

January–June 2020

- Net sales amounted to SEK 10,063 million (9,782)
- EBITA, excl. items affecting comparability, was SEK 858 million (870)
- EBITA margin, excl. items affecting comparability, was 8.5 percent (8.9)
- EBITA totalled SEK 834 million (732)
- EBITA margin was 8.3 percent (7.5)
- EBIT (operating profit) amounted to SEK 742 million (705)
- Basic earnings per share: SEK 4.35 SEK (4.94)

“It has been a challenging quarter in many ways and I am proud of how quickly we have managed to adopt to the situation. Despite the lower sales in the quarter, we reported stable results and strong cash flow thanks to extensive measures.”

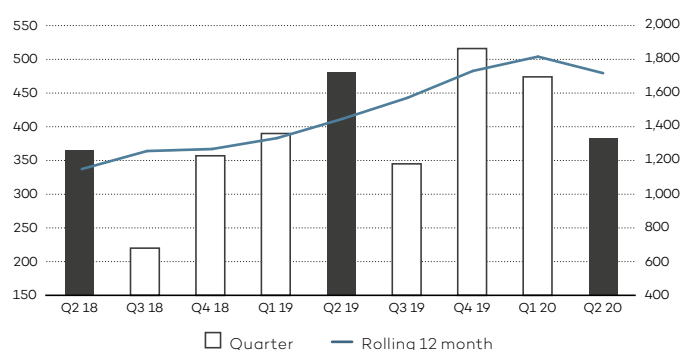
Net sales, SEK million



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

¹⁾ Excluding items affecting comparability

EBITA¹, SEK million



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

Comments from the president and CEO

As expected, the second quarter was affected by uncertainty and the impact of the ongoing Covid-19 pandemic. Our main focus continues to be the health and safety of our employees, while maintaining high delivery capacity for our clients all around the world via digital remote working.

Net sales declined during the quarter, primarily related to the automotive industry, which has heightened our need to reposition within this segment. We have taken extensive measures to mitigate the impact on our operations, with a focus on efficiency and cost savings. Despite the decline, we delivered stable results and a strong cash flow, which has strengthened our balance sheet. Towards the end of the quarter, we noted a slight recovery and stabilisation in demand. Given the uncertainty we see in the market and the ongoing repositioning, we expect to see continued limited growth in certain segments in the third quarter.

During quarter we have shifted our focus in portfolio towards strategically important growth segments such as infrastructure and the process industry, as well as the food and pharma industry.

Performance for the second quarter

Net sales for the quarter amounted to SEK 4,808 million (5,393), a decrease of 11 percent. The decrease was mainly driven by the automotive segment, where volume

decreased by about 40 percent as several key clients drastically reduced or periodically halted operations. The drop in sales was also impacted by the ongoing repositioning within the Energy Division and a recently completed EPC+ project.

Despite the decline in volume, we were able to report stable results and a strong cash flow for the quarter due to the extensive measures taken. Excluding items affecting comparability, EBITA was SEK 383 million (481), corresponding to an EBITA margin of 8.0 percent (8.9). Net debt/EBITA excluding the effect of IFRS 16 and items affecting comparability amounted to 2.0.

Extensive measures

AFRY was quick to introduce extensive measures in response to the Covid-19 pandemic in the first quarter. With the previously announced efficiency programme of SEK 120 million and additional activities implemented during the quarter, we succeeded in reducing total costs by approximately SEK 500 million through a combination of short-term and permanent savings. We have now begun a process for evaluating our offering to the automotive industry in order to provide even more value-adding services. This will result in a more resilient and stable business, with a higher share of project deliveries and less on-site professional services. This will also reduce the weight of the automotive segment in the total AFRY portfolio.



About 1,900 of our employees were affected by various short-term work allowance solutions during the quarter. We have also laid off about 200 employees mainly due to the situation in the automotive segment. The total cost of the restructuring in the automotive segment amounted to SEK 23 million during the quarter. We will continue with our repositioning work in the automotive segment in the second half of the year, with the aim of ensuring that the remaining business has a stronger position with improved profitability.

We are actively reviewing our strategic position and increasing operations in the segments where we see good recovery and long-term stable demand. This has strengthened our portfolio in the Infrastructure and Process Industries divisions. A stable and favourable trend in the Nordic public sector, primarily in road and rail, is contributing to developments and the persistently stable bioeconomy sector, where AFRY holds a world-leading position.

Performance in the divisions

In the Infrastructure Division, demand was generally good during the quarter. Developments in transport infrastructure and water continued to be stable and have generated good growth, especially in the Nordics. However, developments in the buildings segment and our operations in Central Europe declined somewhat. Several of the division's projects are of societal importance and are being prioritised even in the current circumstances, and the division now accounts for about 40 percent of AFRY's total net sales.

The Industrial & Digital Solutions Division was impacted by the negative trend in the automotive industry, where volume declined by approximately 40 percent during the quarter. We took extensive measures in response to the falling demand, including short term work allowances and redundancies. There was a slight recovery in the second quarter, albeit from low levels. Based on this situation, we have initiated a repositioning of the automotive segment which will reduce AFRY's total exposure to the automotive segment. Meanwhile, we have noted strong growth in the food and pharma industry.

The Process Industries Division had a solid performance in the quarter with limited impact from the Covid-19 pandemic. We noted continued good growth in our core markets and major projects continue as planned. However, the division has noted a shift in client behaviour that entails longer decision-making processes, which has impacted growth in some markets.

The Energy Division's ongoing repositioning is proceeding as planned, which helped increase stability and boost the earnings trend. Due to the prevailing pandemic, several projects have been delayed or paused, but many projects were resumed in the quarter, especially in hydro and renewable energy and transmission & distribution. In

the latter part of the quarter, we noted increased activity in the market and the quarter ended with a strong order intake.

The Management Consulting Division noted strong demand in energy consulting operations. However, ongoing uncertainty related to Covid-19 continued to affect our transaction-related services, resulting in a negative impact on earnings. There was an increase in activity towards the end of the quarter, however.

A long-term, sustainable recovery

This Covid-19 pandemic has made us keenly aware of the need for a long-term sustainable recovery and extensive stimulus measures are ongoing. This is expected to benefit AFRY as we have broad exposure to areas such as infrastructure but also to stable bioeconomy segments.

In the spring, we entered new partnerships to increase our contribution to sustainable development. We have partnered with "The 1.5°C Business Playbook" to adapt our climate strategies to the 1.5°C goal, and together with the Gapminder Foundation we will work to promote a more fact-based conception of the world linked to UN's global goals.

We have delivered exciting projects for our clients during the quarter, and I would particularly like to highlight our assignment for SunPine in Sweden, as the engineering partner for their new production plant for renewable fuel. We also won an order for an end-to-end solution to build a production line for Oatly, who is taking the next step in its global expansion and starting production in Singapore, and entered an agreement with Lund Municipality for a new innovation project.

Outlook

Towards the end of the quarter we noted some market recovery and stabilisation but there is great uncertainty about the pandemic's continued impact on our operations and the macroeconomy. We therefore continue to focus on cost optimisation and flexibility in all our operations. We have a good financial position, and cash flow for the quarter was strong. This ensures that the company will continue to be in a good position going forward and will be well placed operationally and financially when the situation has stabilised.

I would like to take the opportunity to thank all our employees for their considerable commitment, flexibility and strong client focus throughout the first half of 2020.

Stockholm - 14 July 2020

Jonas Gustavsson
President and CEO

Net sales and earnings 2020

April–June

Net sales for the quarter amounted to SEK 4,808 million (5,393). Growth amounted to -10.9 percent (49.5). Organic growth totalled -9.2 percent (2.5) and -9.8 percent (3.2) 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 87 million (0).

Adjusted for items affecting comparability, EBITA was SEK 383 million (481). The corresponding EBITA margin was 8.0 percent (8.9). Items affecting comparability amounted to SEK 23 million (76), and relates to restructuring costs for Division Industrial & Digital Solutions. The previous period relate to integration costs associated with the acquisition of Pöyry.

EBITA was SEK 360 million (405) and the EBITA margin was 7.5 percent (7.5). The effects of IFRS 16 Leases were SEK 7 million (8) on EBITA, SEK 138 million (150) on EBITDA and SEK 14 million (16) in increased interest expenses.

Capacity utilisation was 77.1 percent (76.6) in the quarter. Capacity utilisation was positively impacted by the short-term work allowances carried out in the quarter.

EBIT totalled SEK 331 million (392). The difference between EBIT and EBITA consists of acquisition-related non-cash items; amortisation of acquisition-related non-current assets amounting to SEK 41 million (60) and the change in estimates of future contingent consideration amounting to SEK 13 million (48).

	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Net sales					
Net sales, SEK million	4,808	5,393	10,063	9,782	19,792
Total growth, %	-10.9	49.5	2.9	39.3	41.6
Acquired, %	-0.5	46.2	9.3	33.1	39.0
Organic, %	-9.2	2.5	-6.3	5.2	1.7
Currency, %	-1.1	0.8	-0.2	1.1	0.9
Adjusted/underlying organic growth due to calendar effect, %	-9.8	3.2	-6.7	5.0	2.1
Earnings					
EBITA excl. items affecting comparability, SEK million	383	481	858	870	1,731
EBITA margin excl. items affecting comparability, %	8.0	8.9	8.5	8.9	8.7
EBITA, SEK million	360	405	834	732	1,368
EBITA margin, %	7.5	7.5	8.3	7.5	6.9
Operating profit (EBIT), SEK million	331	392	742	705	1,276
Profit after net financial items, SEK million	264	336	627	578	1,039
Profit after tax, SEK million	211	266	489	450	821
Key ratios					
Basic earnings per share, SEK	1.88	2.59	4.35	4.94	8.07
Diluted earnings per share, SEK	1.88	2.55	4.36	4.87	7.99
Cash flow from operating activities, SEK million	908	51	1,277	343	1,993
Net debt SEK million ¹	–	–	3,586	5,154	4,424
Net debt/equity ratio, % ¹	–	–	36.7	69.4	47.2
Net debt/EBITDA, rolling 12 months, times ¹	–	–	2.3 ²	5.3	3.0
Number of employees	–	–	16,106	16,485	16,348
Capacity utilisation, %	77.1	76.6	75.9	76.3	75.8

1) Excluding effects of IFRS 16 Leases

2) Net debt/EBITA excluding the effect of IFRS 16 and items affecting comparability is 2.0.

Profit after financial items was SEK 264 million (336) and profit after tax for the period was SEK 211 million (266). Net financial items totalled SEK –68 million (–56) in the quarter, the increase is mainly driven by currency effects. In the previous year net financial items were affected by non-recurring financing costs of SEK 31 million related to the acquisition of Pöry.

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 14 million (16) and SEK 2 million (6) respectively.

The tax expense amounted to SEK 53 million (70), corresponding to a tax rate of 19.9 percent (20.8).

January–June

Pöry was consolidated as from 28 February 2019. Net sales for the period amounted to SEK 10,063 million (9,782). Growth amounted to 2.9 percent (39.3). Organic growth excluding Pöry totalled –6.3 percent (5.2) and –6.7 percent (5.0) 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 94 million (0).

Adjusted for items affecting comparability, EBITA was SEK 858 million (870). The corresponding EBITA margin was 8.5 percent (8.9). Items affecting comparability amounted to SEK 23 million (138), and relates to restructuring costs for Division Industrial & Digital Solutions. The previous period relate to integration costs associated with the acquisition of Pöry.

EBITA was SEK 834 million (732) and the EBITA margin was 8.3 percent (7.5). The effects of IFRS 16 Leases were SEK 16 million (16) on EBITA, SEK 280 million (260) on EBITDA and SEK 29 million (29) in increased interest expenses.

Capacity utilisation was 75.9 percent (76.3) in the period. Capacity utilisation is negatively affected by the fact that Pöry offers fewer services within Professional Services and more projects and advisory business within areas such as Management Consulting. Capacity utilisation was positively impacted by the short-term work allowances carried out in the quarter.

If Pöry had been consolidated as from 1 January 2019 (combined operations), net sales would have amounted to approximately SEK 10,063 million (10,824), a decrease of 7.0 percent. The corresponding EBITA and EBITA margin adjusted for items affecting comparability would have amounted to approximately SEK 858 million (948) and 8.5 percent (8.8) respectively.

EBIT amounted to SEK 742 million (705). The difference between EBIT and EBITA consists of acquisition-related non-cash items; amortisation of acquisition-related assets amounting to SEK 102 million (88), the change in estimates of future contingent consideration amounting to SEK 20 million (61) and divestment of operations of SEK 10 million (0).

Profit after financial items was SEK 627 million (578) and profit after tax for the period was SEK 489 million (450). Net financial items totalled SEK –116 million (–127) in the period. Net financial items were affected by non-recurring costs of SEK 31 million related to the acquisition of Pöry.

Net financial items were impacted 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 28 million (29) and SEK 5 million (10) respectively.

Tax expense amounted to SEK 138 million (127), corresponding to a tax rate of 22.1 percent (21.9).

Cash flow and financial position

Consolidated net debt including IFRS 16 Leases amounted to SEK 6,166 million (7,728). Consolidated net debt excluding IFRS 16 Leases amounted to SEK 3,586 million (5,154) at the end of the quarter and SEK 4,357 million (7,144) at the beginning of the quarter. Cash flow from operating activities reduced net debt by SEK 1,048 million (343), cash flow from operating activities including IFRS 16 amounted to SEK 1,277 million (343). Cash flow from operating activities increased due to changes in operating receivables. Net debt increased partly through considerations paid, including contingent considerations, of SEK 34 million. During the quarter, previously issued commercial papers were repaid in the amount of SEK 700 million, in part via the utilisation of a three-year term loan of SEK 500 million that was signed in March.

In order to further strengthen the Group's financial position, as previously announced, the Board of Directors has withdrawn the earlier proposed dividend. During the first quarter of 2020, ÅF Pöry also renewed part of the groups credit facilities, which was increased by SEK 500 million and extended for three years.

Consolidated cash and cash equivalents totalled SEK 1,367 million (630) at the end of the period and unused credit facilities amounted to SEK 2,852 million (1,852).

Covid-19 update

Health and safety of employees and customers

ÅF Pörys main priority during the pandemic is the health and safety of our employees and customers. We quickly restructured most of our activities to remote work and expanded our digital collaborations. ÅF Pöry initiated a

centralised crisis alert team to carry out a global pandemic contingency and preparedness response plan as well as initiated travel rules and guidelines in close collaboration with international experts to help our employees. The company has established a Covid-19 Safety Protocol to ensure safe operations.

Varied impact of the outbreak

ÅF Pöyry has a broad exposure to a number of industries and is currently operating in various geographies. The effects of the Covid-19 pandemic have varied with the biggest impact on the automotive segment, experiencing a considerable reduction in volumes in the second quarter. The manufacturing segment also noted a considerable impact as many investments have been postponed. Other segments such as process industries, food & pharma, nuclear, thermal & renewables, and the transport infrastructure business have on the other hand noted a neutral development compared to earlier trends during the quarter.

Extensive measures to mitigate the financial impact

ÅF Pöyry implemented several extensive measures across the organisation to mitigate the financial impact of the decline in volumes because of the Covid-19 pandemic.

About 1,900 employees have been on different types of short-term work allowances during the quarter, most of them connected to the automotive industry, but also including administrative staff. State subsidies affecting the groups result is reported on page 4 and 5. At the end of June about 200 employees related to the automotive industry have been terminated. With the previously announced efficiency programme of SEK 120 million and additional activities implemented during the quarter, total costs were reduced by approximately SEK 500 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 prevailing situation. The measures ensure that the company will continue to be in a good position going forward and will be well placed operationally and financially when 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–June totalled SEK 646 million (492) and relates chiefly to internal services within the Group. During the quarter, the Parent Company received state subsidies due to short-term allowances. State subsidies reported under other income amounted to SEK 3 million (0). Profit after

net financial items was SEK –43 million (–100). Cash and cash equivalents totalled SEK 602 million (29). Gross investments in intangible assets and property, plant and equipment totalled SEK 51 million (39), the increase relates primarily to investments in new business systems. 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 15,445 (13,771). The total number of employees at the end of the period was 16,106 (16,485)

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

ÅF Pöyry has appointed Elisabeth Virve Meesak as interim HR manager and member of group management and she took up office in June 2020.

No significant events have occurred after the reporting period.



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



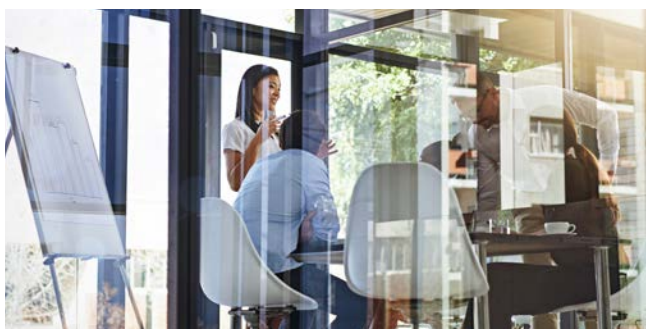
The Industrial & Digital Solutions Division conducts engineering operations in the field of product development and production systems, as well as IT and defence technology. The division is active in all industry sectors and works with both private and public sector clients. Technical capabilities include 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 second quarter amounted to SEK 1,986 million (2,020), a decrease by 1.7 percent. The minor decrease in net sales is due to a somewhat weak development within the real estate segment and the business in Central Europe. The development within transport infrastructure and water has remained stable, generating a continued growth, especially in Sweden and Finland.

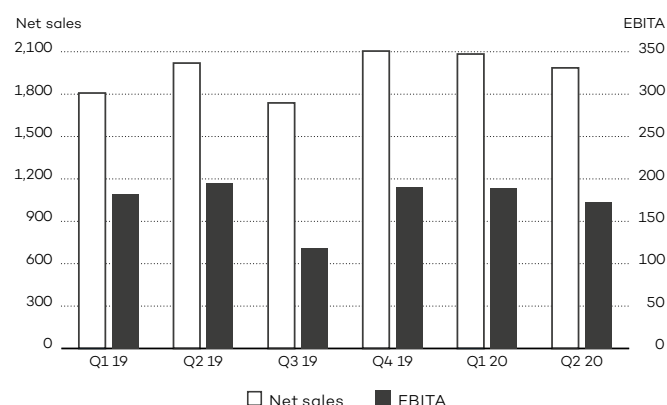
EBITA and margin

EBITA amounted to SEK 173 million (195) and the corresponding margin was 8.7 percent (9.6). The market in the Nordics remain strong, however the lower margin is mainly caused by a weaker Central European market. Short-term work allowance and cost savings were initiated during the quarter which partly offset the lower sales.

Market development

The demand is still strong especially in the Nordics while Central Europe has been more impacted by the Covid-19 pandemic. In transport infrastructure the investments are on a high level, and additional budget support given by several governments can contribute to a continued healthy market. Many of the division's projects are of societal importance and are being prioritised even in the current circumstances.

Net sales and EBITA, SEK million



Key ratios¹

	Apr–jun 2020	Apr–jun 2019	Jan–jun 2020	Jan–jun 2019	Full year 2019
Net sales, SEK million	1,986	2,020	4,070	3,827	7,670
EBITA, SEK million	173	195	362	376	685
EBITA margin, %	8.7	9.6	8.9	9.8	8.9
Average number of full-time employees (FTEs)	6,013	5,954	5,972	5,511	5,729
Total growth, %	-1.7	31.4	6.3	27.8	28.8
Structural changes, %	-0.2	26.0	6.2	18.7	22.2
Currency, %	-1.3	1.1	-0.3	1.5	1.0
Organic, %	-0.2	4.3	0.4	7.7	5.5
Adjusted/underlying organic growth due to calendar effect, %	-1.6	6.4	-0.7	8.0	5.7
Combined growth ² , %	-	-	-0.1	13.4	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 23.

Division Industrial & Digital Solutions

Net sales

Net sales in the second quarter amounted to SEK 1,249 million (1,483), a decrease by 15.8 percent. The drop in net sales is related to the automotive segment where some of the larger clients opted to reduce or fully stop their activities in both production and development. The manufacturing segment also reported negative growth as many investments have been postponed. A favourable development within food & pharma contributed positively to the growth, while the defence and telecom segments had a stable development in the quarter.

EBITA and margin

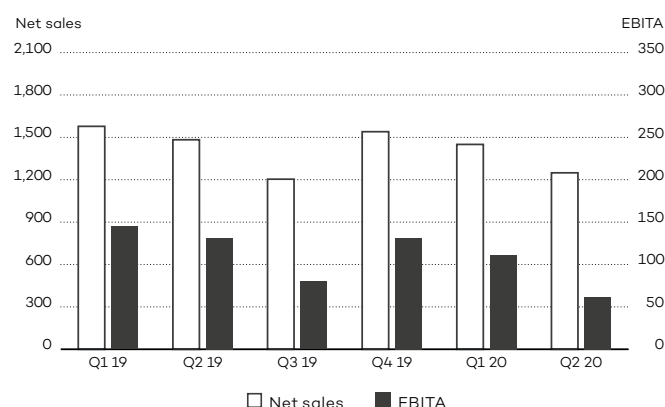
EBITA amounted to SEK 62 million (131) and the margin decreased to 5.0 percent (8.8). The margin drop is due to lower sales mainly in the automotive segment. Extensive cost mitigation action was taken in the quarter such as short-term work allowance, staff reductions and cost reductions to meet the severe fall in demand. The division is ready to take further measures depending on how the market develops. The result in the quarter was affected by a non-recurring cost of SEK 23 million related to termination of staff mainly in the automotive segment.

Market development

The Covid-19 pandemic had a significant impact on the division in the quarter, linked to both disruption in the supply chains as well as the vast reduction in demand in the automotive industry. The automotive clients and their subcontractors are slowly starting up production at some levels. Some other sectors were also affected and demonstrated an increased caution in investments.

AFRY has decided and is in the process of repositioning its offerings in the automotive industry to improve the position as a high value adding service provider. This is expected to provide more resilient business with a higher share of project deliveries and less of on-site professional services, and also reduce the weight of the automotive segment in the total AFRY portfolio.

Net sales and EBITA, SEK million



Key ratios¹

	Apr–jun 2020	Apr–jun 2019	Jan–jun 2020	Jan–jun 2019	Full year 2019
Net sales, SEK million	1,249	1,483	2,699	3,060	5,805
EBITA, SEK million	62	131	173	276	486
EBITA margin, %	5.0	8.8	6.4	9.0	8.4
Average number of full-time employees (FTEs)	3,632	3,825	3,692	3,835	3,800
Total growth, %	-15.8	0.7	-11.8	4.6	0.4
Structural changes, %	1.0	1.0	0.9	1.9	1.2
Currency, %	-0.4	0.2	-0.2	0.2	0.2
Organic, %	-16.3	-0.5	-12.5	2.5	-1.0
Adjusted/underlying organic growth due to calendar effect, %	-18.5	1.6	-13.3	3.3	-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 second quarter amounted to SEK 889 million (914), a decrease by 2.7 percent. The Covid-19 pandemic had a negative impact on professional service sales in Sweden, Finland and Norway as clients have cut down frame-work agreement based assignments. China had the biggest drop in growth whilst Brazil and North America had strong sales due to ongoing pulp and paper projects.

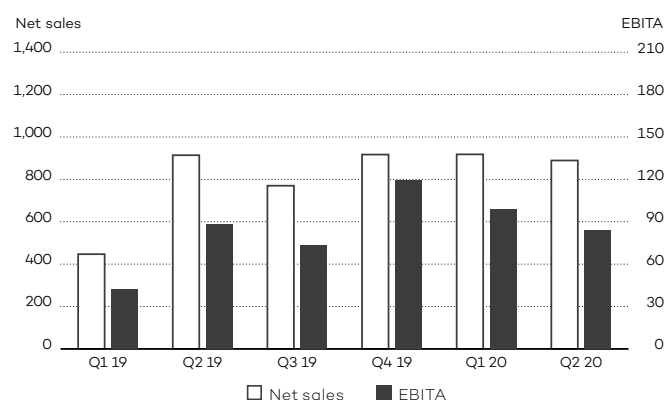
EBITA and margin

EBITA amounted to SEK 84 million (88) and the margin decreased to 9.4 percent (9.6). The somewhat lower margin is due to lower sales due to Covid-19. Short term work allowance and cost savings were initiated during the period, which partly offset the loss of volume.

Market development

The division has had limited impact from the Covid-19 pandemic and major projects already in order stock have been proceeding with full speed. However, the division has noted a shift in client behaviour that entails longer decision-making processes, which has impacted growth in some markets.

Net sales and EBITA, SEK million



Key ratios¹

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales, SEK million	889	914	1,807	1,360	3,047
EBITA, SEK million	84	88	183	130	323
EBITA margin, %	9.4	9.6	10.1	9.6	10.6
Average number of full-time employees (FTEs)	3,220	3,021	3,207	2,230	2,680
Total growth, %	-2.7	329.7	32.8	225.3	275.5
Structural changes, %	0.1	316.8	30.5	214.3	262.1
Currency, %	-3.6	0.5	-2.5	0.6	0.5
Organic, %	0.7	12.4	4.7	10.4	13.0
Adjusted/underlying organic growth due to calendar effect, %	1.3	11.6	5.6	10.0	14.0
Combined growth ² , %	-	-	2.8	9.2	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 23.

Division Energy

Net sales

Net sales in the second quarter amounted to SEK 707 million (830), a decrease by 14.8 percent. The repositioning within the division had a negative impact on net sales. During the first quarter, the EPC+ project in the Philippines was essentially completed with some final close-out actions left. The revenue levels for the contracting business are expected to be lower in 2020 compared to 2019 due to its completion. Growth within the nuclear business continued to be strong during the second quarter, particularly in the Nordics and Central Europe.

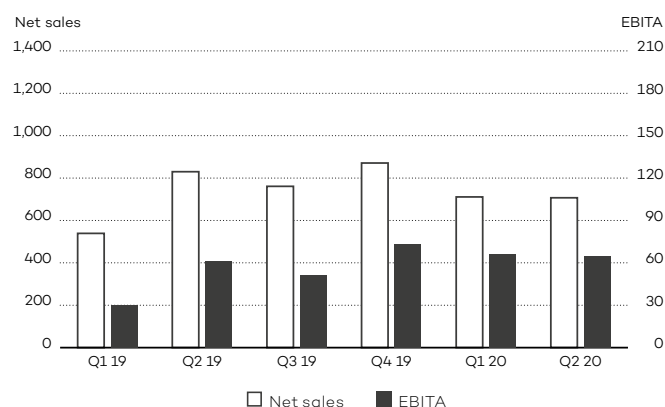
EBITA and margin

EBITA amounted to SEK 65 million (61) and the corresponding margin was 9.2 percent (7.3). The improved margin was due to the repositioning, cost savings, well executed projects within the contracting business in the Philippines, and a strong performance in nuclear, thermal and renewables.

Market development

Due to Covid-19 pandemic several projects have been delayed or paused, but many projects were resumed in the quarter, especially in hydro, renewables and transmission & distribution. The general outlook for the energy sector is improving in most operational areas however the recovery in Latin America operations is expected to be slower.

Net sales and EBITA, SEK million



Key ratios¹

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales, SEK million	707	830	1,418	1,369	3,001
EBITA, SEK million	65	61	131	91	215
EBITA margin, %	9.2	7.3	9.2	6.7	7.2
Average number of full-time employees (FTEs)	1,793	2,146	1,801	1,726	1,885
Total growth, %	-14.8	104.6	3.6	79.0	92.5
Structural changes, %	-4.6	106.3	10.2	78.5	93.1
Currency, %	0.9	2.3	2.2	2.7	2.8
Organic, %	-11.1	-4.0	-8.9	-2.2	-3.4
Adjusted/underlying organic growth due to calendar effect, %	-11.5	-4.4	-10.3	-3.9	-2.4
Combined growth ² , %	-	-	-14.1	17.2	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 22.

Division Management Consulting

Net sales

Net sales in the second quarter amounted to SEK 206 million (197), an increase by 4.5 percent. The key driver behind the increase was a strong performance from the Energy consulting business driven by demand related to the energy transition and building up offering in AFRY core countries.

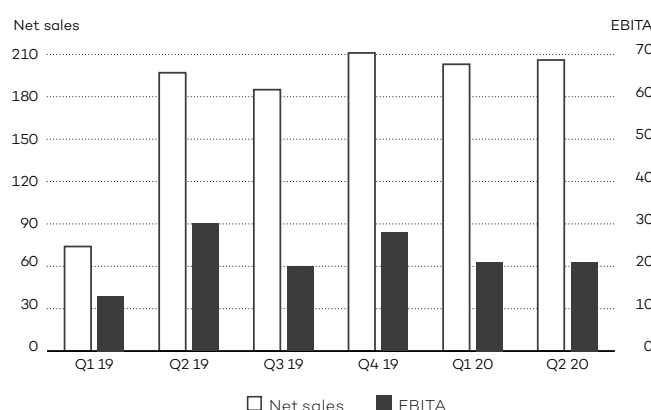
EBITA and margin

EBITA amounted to SEK 21 million (30) and the corresponding margin was 10.3 percent (15.3). Ongoing uncertainty, arising out of Covid-19, continued to impact deal closing in the asset transaction related business, resulting in a materially lower level of success fees than in the same quarter previous year, which had a direct impact on EBITA and the related margin. Cost savings were initiated during the period.

Market development

The Covid-19 pandemic, with continued global travel restrictions, continues to have an impact on mainly the asset transaction related business. The energy transition and developments in the bioindustry continue, resulting in stable demand for advice. Whilst there was a slowdown at the start of the second quarter, activity has been increasing.

Net sales and EBITA, SEK million



Key ratios¹

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales, SEK million	206	197	409	271	668
EBITA, SEK million	21	30	42	44	92
EBITA margin, %	10.3	15.3	10.2	16.1	13.7
Average number of full-time employees (FTEs)	422	348	418	227	300
Total growth, %	4.5	-	50.6	-	-
Structural changes, %	-0.5	-	46.1	-	-
Currency, %	-0.7	-	1.9	-	-
Organic, %	5.7	-	2.7	-	-
Adjusted/underlying organic growth due to calendar effect, %	8.9	-	5.1	-	-
Combined growth ² , %	-	-	4.7	-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 23.

Risks and uncertainties

The significant risks and uncertainties to which the ÅF Pöry 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 co-workers. 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 Pöry'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

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	2
Q2	475	477	-2
Q3	525	523	2
Q4	499	495	4
Full year	2,005	2,000	5

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 has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent in the legal entity shall apply all EU approved IFRS and related statements as far as this is possible, while continuing to apply the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and paying due regard to the relationship between accounting and taxation. Disclosures according to IAS 34.16A can partly be found on the pages preceding the condensed consolidated income statement.

The IBOR reform

ÅF Pöry 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 Pöry expects continued hedge effectiveness with no material interest impact. The nominal value of outstanding exposures is SEK 2.0 billion. ÅF Pöry 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 Pöry accounts for state subsidies 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 Pöry and its related parties during the period.

Definitions

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

The share

The ÅF Pöry share price at the end of the reporting period was SEK 200.00 (210.20).

Class A shares	4,290,336
Class B shares	108,160,599
Total number of shares	112,450,935
Of which own Class B shares	-
Votes	151,063,959

Shares were converted during the period as per the 2016 staff convertible programme, increasing the number of B-shares by 74,416.

Shares were converted during the period as per the 2017 staff convertible programme, increasing the number of B-shares by 36,950.

Condensed consolidated income statement

SEK MILLION	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019	Jul 2019– Jun 2020
Net sales	4,808	5,393	10,063	9,782	19,792	20,072
Personnel costs	-3,117	-3,194	-6,352	-5,804	-11,782	-12,330
Purchases of services and materials	-961	-1,210	-1,945	-2,190	-4,408	-4,163
Other costs	-292	-406	-692	-748	-1,608	-1,552
Other income	90	0	97	0	27	124
Profit attributable to participations in associates	1	1	2	1	4	5
EBITDA	530	584	1,174	1,041	2,024	2,157
Depreciation/amortisation and impairment of non-current assets ¹	-170	-180	-340	-309	-657	-687
EBITA	360	405	834	732	1,368	1,470
Acquisition-related items ²	-28	-13	-92	-27	-91	-156
Operating profit (EBIT)	331	392	742	705	1,276	1,314
Net financial items	-68	-56	-116	-127	-237	-225
Profit after financial items	264	336	627	578	1,039	1,089
Tax	-53	-70	-138	-127	-219	-230
Profit for the period	211	266	489	450	821	859
Attributable to:						
Shareholders in the parent	211	267	489	452	821	859
Non-controlling interest	0	-1	-1	-1	0	1
Profit for the period	211	266	488	450	821	859
Basic earnings per share, SEK	1.88	2.59	4.35	4.94	8.07	–
Diluted earnings per share, SEK	1.88	2.55	4.36	4.87	7.99	–
Number of shares outstanding	112,450,935	112,632,422	112,450,935	112,632,422	112,174,128	
Average number of basic shares outstanding	112,418,501	103,221,307	112,351,462	91,403,253	101,712,840	
Average number of diluted shares outstanding	113,989,981	105,654,432	113,989,981	93,955,588	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 21 for further details.

Statement of consolidated comprehensive income

SEK MILLION	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Profit for the period	211	266	489	450	821
Items that have been or will be reclassified to profit or loss for the period					
Change in translation reserve	-213	143	-107	202	81
Change in hedging reserve	-111	-12	-5	-9	14
Change in fair value reserve	-	-	-	5	5
Tax	-25	-	-1	-1	-4
Items that will be not be reclassified to profit or loss for the period					
Pensions	2	1	3	1	-97
Tax	-3	0	-3	0	18
Other comprehensive income	-349	131	-112	198	16
Comprehensive income for the period	-138	397	376	649	837
Attributable to:					
Shareholders in the parent	-138	398	377	650	837
Non-controlling interest	0	-2	-1	-1	0
Total	-138	397	376	649	837

Condensed consolidated balance sheet

SEK MILLION	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Intangible non-current assets	13,236	13,469	13,355
Property, plant and equipment	580	592	587
Other non-current assets	2,725	2,792	2,929
Total non-current assets	16,540	16,853	16,872
Current assets			
Current receivables	6,004	6,718	6,505
Cash and cash equivalents	1,367	630	997
Total current assets	7,371	7,348	7,502
Total assets	23,912	24,201	24,375
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders in parent company	9,774	9,200	9,367
Attributable to non-controlling interest	1	17	1
Total equity	9,775	9,217	9,369
Non-current liabilities			
Provisions	954	941	1,032
Non-current liabilities	6,250	7,656	7,207
Total non-current liabilities	7,203	8,597	8,240
Current liabilities			
Provisions	105	57	101
Current liabilities	6,829	6,331	6,666
Total current liabilities	6,934	6,388	6,767
Total equity and liabilities	23,912	24,201	24,375

Condensed statement of change in consolidated equity

SEK MILLION	30 Jun 2020	30 Jun 2019	31 Dec 2019
Equity at start of period	9,369	5,465	5,465
Comprehensive income for the period	376	649	837
Dividends	–	–560	–560
Private placement	–	3,967	3,967
Conversion of convertible bonds into shares	30	27	147
Value of conversion right	–	–	8
Share buy-backs/sales	–	–	–164
Repayment of hybrid bond	–	–331	–331
Equity at end of period	9,775	9,217	9,369

Condensed statement of consolidated cash flows

SEK MILLION	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Profit after financial items	264	336	627	578	1,039
Adjustment for items not included in cash flow and other	194	98	398	197	880
Income tax paid	-71	-95	-145	-176	-284
Cash flow from operating activities before change in working capital	386	338	880	598	1,635
Cash flow from change in working capital	521	-288	397	-255	358
Cash flow from operating activities	908	51	1,277	343	1,993
Cash flow from investing activities	-118	-252	-244	-5,042	-5,290
Cash flow from financing activities	-311	-179	-666	5,095	4,066
Cash flow for the period	479	-381	367	396	769
Opening cash and cash equivalents	887	1,013	997	239	239
Exchange difference in cash and cash equivalents	-1	-2	2	-5	-11
Closing cash and cash equivalents	1,367	630	1,367	630	997

Change in consolidated net debt (excl. IFRS 16)

SEK MILLION	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Opening balance	4,357	7,144	4,424	3,455	3,455
Cash flow from operating activities	-799	-51	-1,048	-343	-1,473
Investments	40	61	98	103	197
Acquisitions and contingent considerations	79	191	127	5,037	5,201
Rights issue	–	-2,757	–	-3,967	-3,967
Dividend	–	560	–	560	560
Share buy-backs/sales	–	–	–	–	164
Repayment of hybrid bond	–	5	–	331	331
Other	-91	1	-15	-21	-44
Closing balance	3,586	5,154	3,586	5,154	4,424

Consolidated net debt (excl. IFRS 16)

SEK MILLION	30 Jun 2020	30 Jun 2019	31 Dec 2019
Loans and credit facilities	4,564	5,483	5,034
Net pension liability	390	302	387
Cash and cash equivalents	-1,367	-630	-997
Group	3,586	5,154	4,424

Consolidated net debt (incl. IFRS 16)

SEK MILLION	30 Jun 2020	30 Jun 2019	31 Dec 2019
Loans and credit facilities	7,144	8,057	7,813
Net pension liability	390	302	387
Cash and cash equivalents	-1,367	-630	-997
Group	6,166	7,728	7,203

Consolidated key ratios¹⁾

SEK MILLION	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Return on equity, %	9.0	13.4	10.6
Return on capital employed, %	6.4	9.8	8.3
Equity ratio, %	40.9	41.0	38.4
Equity per share, SEK	86.92	98.71	83.51
Interest-bearing liabilities, SEK m	7,534	8,359	8,201
Average number of full-time employees (FTEs)	15,445	13,771	14,680

¹⁾ Including IFRS 16 LeasesItems affecting comparability¹⁾

SEK MILLION	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Transaction costs, Pöyry	–	–	–	-44	-44
Integration costs, Pöyry	–	-76	–	-94	-215
Restructuring costs, Energy Division	–	–	–	–	-105
Restructuring costs, Industrial & Digital Solutions Division	-23	–	-23	–	–
Total	-23	-76	-23	-138	-364

¹⁾ Items affecting comparability are recognised as personnel costs and other costs.

Income

Net sales for Jan–Jun 2020 according to business model

SEK MILLION	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting	Group-wide/ eliminations	Total Group
Project Business	3,930	872	1,145	1,173	356	-211	7,265
Professional Services	140	1,827	662	245	53	-130	2,797
Total	4,070	2,699	1,807	1,418	409	-341	10,063

The Group applies the new accounting standard IFRS 15 Revenue from Contracts with Customers as from 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 period-

ically (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

Net sales, SEK million	2018			2019				2020	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Infrastructure	1,537	1,280	1,680	1,808	2,020	1,738	2,105	2,084	1,986
Industrial & Digital Solutions	1,472	1,229	1,628	1,578	1,483	1,204	1,540	1,450	1,249
Process Industries	213	170	223	447	914	770	917	918	889
Energy	406	363	430	539	830	761	871	711	707
Management Consulting	–	–	–	74	197	185	211	203	206
Other/eliminations	-20	-48	-5	-56	-50	-96	-197	-112	-229
Group	3,608	2,995	3,957	4,389	5,393	4,562	5,447	5,255	4,808

EBITA, SEK million	2018			2019				2020	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Infrastructure	174	113	185	182	195	118	191	189	173
Industrial & Digital Solutions	144	94	150	145	131	80	131	111	62
Process Industries	24	16	33	42	88	73	119	99	84
Energy	29	15	13	30	61	51	73	66	65
Management Consulting	–	–	–	13	30	20	28	21	21
Other/eliminations ¹⁾	-5	-18	-49	-86	-100	-33	-214	-11	-45
Group	366	220	332	327	405	309	327	474	360

EBITA margin, %	2018			2019				2020	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Infrastructure	11.4	8.8	11.0	10.1	9.6	6.8	9.0	9.1	8.7
Industrial & Digital Solutions	9.8	7.7	9.2	9.2	8.8	6.6	8.5	7.6	5.0
Process Industries	11.4	9.2	14.7	9.5	9.6	9.5	13.0	10.8	9.4
Energy	7.1	4.2	3.1	5.7	7.3	6.7	8.3	9.3	9.2
Management Consulting	–	–	–	18.1	15.3	10.7	13.3	10.1	10.3
Group	10.2	7.4	8.4	7.5	7.5	6.8	6.0	9.0	7.5

Average number of full-time employees (FTEs)	2018			2019				2020	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Infrastructure	4,395	4,465	4,660	5,098	5,954	5,916	5,962	5,935	6,013
Industrial & Digital Solutions	3,732	3,782	3,863	3,845	3,825	3,738	3,797	3,748	3,632
Process Industries	668	672	747	1,471	3,021	3,170	3,075	3,195	3,220
Energy	993	960	1,015	1,326	2,146	2,059	2,016	1,809	1,793
Management Consulting	–	–	–	112	348	389	362	415	422
Group functions	165	184	161	228	267	269	363	314	396
Group	9,954	10,063	10,445	12,081	15,562	15,540	15,575	15,416	15,476

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

¹⁾ Including IFRS 16 Leases as from 2019, which are recognised under the Group-wide item.

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–jun	One World AS	Norway	Infrastructure	15	8
Total				15	8

Acquired companies' net assets on acquisition date

SEK million	Jan–Jun 2020
Intangible non-current 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
Deduct:	
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. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the companies acquired are thus 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 customer relationships were 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 to sales of approximately SEK 15 million and operating profit of approximately SEK 2 million for the full year 2020.

Acquisitions 2019

In 2019, ÅF Pöry took over all the shares in Pöry 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 Pöry's published 2019 Annual Report.

Change in contingent considerations/option

SEK million	30 Jun 2020
Opening balance 1 January 2020	358
Acquisitions for the year	7
Payments	-55
Changes in value recognised in income statement	-20
Adjustment of preliminary acquisition analysis	0
Discounting	5
Translation differences	4
Closing balance	299

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 over the next two to three years for the acquired companies. The change in the balance sheet items is recognised in the above 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	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Amortisation and impairment of intangible non-current assets	-41	-60	-102	-88	-211
Revaluation of contingent considerations	13	48	20	61	119
Divestment of operations	-	-	-10	-	1
Total	-28	-13	-92	-27	-91

Parent income statement

SEK MILLION	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Net sales	245	197	494	359	701
Other operating income	79	67	153	133	271
Operating income	324	264	646	492	972
Personnel costs	-47	-76	-89	-134	-225
Other costs	-277	-213	-537	-409	-853
Depreciation/amortisation	-10	-8	-20	-17	-34
Operating profit/loss	-10	-34	1	-68	-140
Net financial items	0	14	-43	-32	440
Profit after financial items	-10	-20	-43	-100	300
Appropriations	–	–	–	–	248
Pre-tax profit/loss	-10	-20	-43	-100	548
Tax	4	12	2	28	2
Profit for the period	-6	-8	-41	-71	549
Other comprehensive income	-5	-11	-12	-8	9
Comprehensive income for the period	-11	-19	-52	-80	558

Parent balance sheet

SEK MILLION	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Intangible non-current assets	110	23	61
Property, plant and equipment	151	151	155
Financial assets	13,222	12,572	13,267
Total non-current assets	13,482	12,746	13,483
Current assets			
Current receivables	2,617	2,907	2,875
Cash and bank balances	602	29	133
Total current assets	3,219	2,936	3,007
Total assets	16,701	15,682	16,490
EQUITY AND LIABILITIES			
Equity	8,973	8,396	8,997
Untaxed reserves	82	57	82
Provisions	84	158	100
Non-current liabilities	4,218	5,278	4,803
Current liabilities	3,344	1,793	2,508
Total equity and liabilities	16,701	15,682	16,490

Combined operations

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

	Jan–Jun 2020	Jan–Jun 2019	Full year 2019
Net sales, SEK million			
Infrastructure	4,070	4,076	7,917
Industrial & Digital Solutions	2,699	3,060	5,805
Process Industries	1,807	1,758	3,442
Energy	1,418	1,652	3,284
Management Consulting	409	390	785
Group-wide/eliminations	-341	-112	-405
Group	10,063	10,824	20,827
EBITA excl. items affecting comparability, SEK million			
Infrastructure	362	394	702
Industrial & Digital Solutions	173	276	486
Process Industries	183	178	371
Energy	131	115	238
Management Consulting	42	55	103
Group-wide/eliminations ¹	-33	-70	-91
Group	858	948	1,809
EBITA margin excl. items affecting comparability, %			
Infrastructure	8.9	9.7	8.9
Industrial & Digital Solutions	6.4	9.0	8.4
Process Industries	10.1	10.2	10.8
Energy	9.2	7.0	7.3
Management Consulting	10.2	14.1	13.1
Group	8.5	8.8	8.7

¹⁾ Including IFRS 16 Leases, which are recognised under the Group-wide items.

The Board of Directors and Chief Executive Officer provide assurance that this interim report for the January–June 2020 period gives an accurate overview of the

company and Group's operations, financial position and earnings, and describes significant risks and uncertainties to which the company and companies included in the Group are exposed.

Stockholm, Sweden – 14 July 2020

Anders Narvinger
Chairman of the Board

Jonas Gustavsson
President and CEO

Jonas Abrahamsson
Director

Gunilla Berg
Director

Henrik Ehrnrooth
Director

Salla Pöyry
Director

Joakim Rubin
Director

Kristina Schauman
Director

Anders Snell
Director

Ulf Södergren
Director

Tomas Ekvall
Director,
employee representative

Stefan Löfqvist
Director,
employee representative

AFRY is an international company that works with technology, design and consulting. We help our customers 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 – 14 July 2020

ÅF Pöry AB (publ)

Jonas Gustavsson

President and CEO

This report has not been reviewed by the company's auditors.

This information fulfils ÅF Pöry AB's (publ) disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. This information was released, through the agency of the above-mentioned contact person, for publication on 14 July 2020, at 08.00 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:	14 July at 10.00 CET
Webcast:	https://afry.com/sv/investor-relations/finansiella-rapporter
Via telephone:	code 35008393#
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Calendar

Q3 2020	23 October 2020
Q4 2020	5 February 2021