

Stable growth and profitability in first half of the year



Second quarter 2019¹

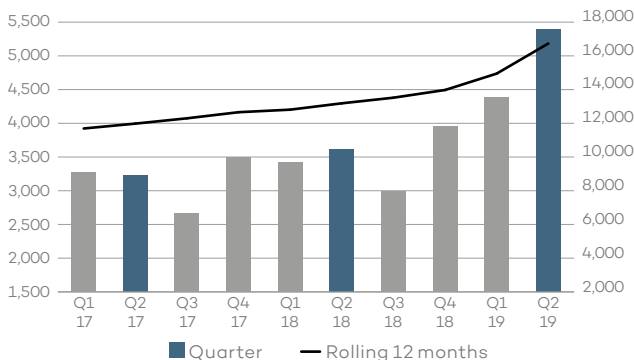
- Net sales amounted to SEK 5,393 million (3,608)
- EBITA, excl. items affecting comparability, was SEK 481 million (366)
- EBITA margin, excl. items affecting comparability, was 8.9 percent (10.2)
- EBITA totalled SEK 405 million (366)
- EBITA margin was 7.5 percent (10.2)
- EBIT (operating profit) amounted to SEK 392 million (353)
- Basic earnings per share: SEK 2.59 (3.35)

January-June 2019¹

- Net sales amounted to SEK 9,782 million (7,023)
- EBITA, excl. items affecting comparability, was SEK 870 million (691)
- EBITA margin, excl. items affecting comparability, was 8.9 percent (9.8)
- EBITA totalled SEK 732 million (691)
- EBITA margin was 7.5 percent (9.8)
- EBIT (operating profit) amounted to SEK 705 million (664)
- Basic earnings per share: SEK 4.94 (6.29)

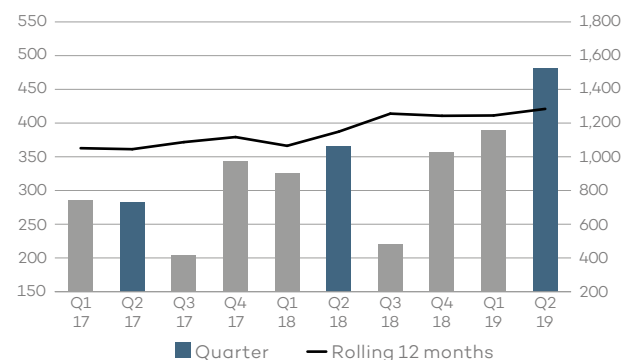
» We deliver stable earnings and growth, whilst the integration of Pöyry and the realisation of cost synergies are proceeding at a higher rate than foreseen. With a strengthened position we look forward to continued profitable growth in 2019. «

Net sales, SEK million



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

EBITA, SEK million²



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

¹ Including effects of IFRS 16 Leases 2019; see page 5 for further details

² Excluding items affecting comparability

Comments by the CEO

The first half of 2019 demonstrates a stable performance, with organic growth of 5.2 percent (4.5). Net sales in the second quarter totalled SEK 5,393 million (3,608). EBITA, excluding items affecting comparability, amounted to SEK 481 million (366) and corresponding EBITA margin to 8.9 percent (10.2). The integration of Pöyry is proceeding at high speed, while we are seeing persistently healthy demand for our services.

Market trend

The demand for sustainable solutions continued to be good with disruptive trends as strong drivers. The market for infrastructure continues to be favourable, and we can especially note a high demand for technical solutions in buildings. Demand in the industry sector remained stable, with 5G, electrification and automation as drivers. However, demand in the automotive industry is being impacted by cost savings and reprioritisation of R&D programmes, despite the fact that the industry is on the cusp of extensive technical changes. The process industries market remains strong, especially in Europe. In the energy market we see continued demand for large-scale energy projects in Southeast Asia, and at the same time demand for renewable energy is on the rise. There is also persistently high demand for advisory services due to major transformations within process industries and the energy sector.

Integration of Pöyry and synergies

With the acquisition of Pöyry, we are now forming a leading engineering, design and advisory company. Our operations have been integrated quickly, while maintaining a firm focus on our clients and we show organic growth in the quarter. The realisation of cost synergies is proceeding at a higher rate than foreseen.



The annual run-rate savings after the second quarter amount to SEK 99 million. As previously announced, the cost synergies target is SEK 180 million and the majority is expected to be realised in 2019. The issue of new shares carried out in April was well received and oversubscribed. In June, ÅF Pöyry issued bonds totalling SEK 2 billion to replace existing financing in connection with the acquisition. Following the issue of new shares and implemented financing, net debt in relation to EBITDA is at 2.7 (adjusted for Pöyry's EBITDA over the past 12 months), creating conditions for carrying out additional acquisitions in the second half of the year.

Performance among the divisions

The Infrastructure Division experienced a somewhat slow start to the year, but delivered a second quarter with stable growth. The profitability was negatively impacted by the slow down in architecture and weak development in Denmark. Strong demand for technical, low-carbon solutions for buildings continued to contribute to the division's growth and profitability.

The Industrial & Digital Solutions Division gave a stable performance in the second quarter despite demand in the automotive industry levelling off slightly. Demand for services in product development, electrification and automation remains good in all sectors. Business area Food & Pharma has performed well, and in the second quarter a new assignment was received from Arla Foods in Denmark for project planning of a new production facility.

The Process Industries Division performed well in the quarter, with persistently high demand in the Nordics. During the quarter, the division received an assign-

ment from Metsä Fibre for the design of a bioproduct mill, which is one of the largest investments in the Nordic paper and pulp industry. At the same time, there are good opportunities for growth in Latin America, the US and Russia, where major projects are entering the next phase. Digitalisation and sustainability continue to be the primary drivers.

The Energy Division exhibited improved growth and profitability in the second quarter, with the division's international delivery capabilities making a positive contribution. Meanwhile work is continuing on adapting the division's structure to both market changes and in order to boost profitability. The required transition to sustainable, renewable energy production is gaining momentum and the division was awarded several assignments in the quarter within hydropower, waste management and nuclear decommissioning.

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

Overall, the integration of Pöyry is successful and we have strengthened our position in all divisions. The two right issues that have been carried out have strengthened our capital structure, and we are at the forefront in terms of realising cost synergies.

With our new joint company and a market driven by megatrends such as digitalisation, urbanisation and climate change, we are ready to meet our clients' needs and to continue pursuing profitable growth.

Stockholm, Sweden – 12 July 2019

Jonas Gustavsson
President and CEO

Net sales and earnings 2019

April-June

Net sales during the quarter amounted to SEK 5,393 million (3,608). Growth amounted to 49.5 percent (11.7). Organic growth amounted to 2.5 percent (7.8) and 3.2 percent (5.1) when adjusted for calendar effects. This year, the Easter holiday took place during the second quarter while in 2018 it fell partly to March.

Adjusted for items affecting comparability, EBITA totalled SEK 481 million (366). The EBITA margin was 8.9 percent (10.2). The items affecting comparability totalled SEK 76 (-) million relates to integration costs related to the acquisition of Pöyry.

EBITA and the EBITA margin were SEK 405 million (366) and 7.5 percent (10.2), respectively. The effects of IFRS 16 Leases on EBITA were SEK 8 million, and SEK 150 million on EBITDA, and SEK 16 million on interest expense, including four months of Pöyry.

Capacity utilisation was 76.6 percent (78.0) for the quarter. Utilisation is impacted by Pöyry having less professional services business and more project and

advisory business in for example management consulting services.

If Pöyry would have been consolidated as from 1 January 2018 (combined operations) net sales had amounted to approximately SEK 5,393 million (5,029), an increase of 7.3 percent. EBITA and EBITA margin would have amounted to approximately SEK 481 million (474) and 8.9 percent (9.4).

EBIT amounted to SEK 392 million (353). The difference between EBIT and EBITA consists entirely of acquisition-related items not affecting cash flow, namely, amortisation of acquisition-related assets amounting to SEK 60 million (10) and the changes in assessments of future contingent considerations amounting to SEK 48 million (-4).

Profit after financial items was SEK 336 million (335) and profit after tax for the period was SEK 266 million (258). Net financial items for the quarter totalled SEK -56 million (-18). Interest expense increased mainly due to higher borrowing and an increase in the average credit term in the loan portfolio.

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net Sales					
Net sales, MSEK	5,393	3,608	9,782	7,023	13,975
Total growth, %	49.5	11.7	39.3	8.1	10.4
Acquired, %	46.2	3.8	33.1	3.6	4.1
Organic, %	2.5	7.8	5.2	4.5	6.3
Currency, %	0.8	0.9	1.1	0.4	1.1
Adjusted/underlying organic growth due to calendar effect, %	3.2	5.1	5.0	4.0	5.6
Earnings					
EBITA excl items affecting comparability, MSEK	481	366	870	691	1,268
EBITA margin excl items affecting comparability, %	8.9	10.2	8.9	9.8	9.1
EBITA, MSEK	405	366	732	691	1,243
EBITA margin, %	7.5	10.2	7.5	9.8	8.9
Operating profit, EBIT, MSEK	392	353	705	664	1,203
Profit after financial items, MSEK	336	335	578	629	1,103
Profit after tax, MSEK	266	258	450	485	850
Key ratios					
Earnings per share, before dilution, SEK	2.59	3.35	4.94	6.29	10.98
Earnings per share, after dilution, SEK	2.55	3.27	4.87	6.15	10.76
Cash flow from operating activities, MSEK	51	182	343	403	874
Net debt, MSEK ¹	-	-	5,154	2,825	3,455
Net debt-equity ratio, % ¹	-	-	69.4	53.2	63.2
Net debt/EBITDA rolling 12-month, times ¹	-	-	5.3	2.2	2.5
Total number of employees	-	-	16,485	10,419	10,928
Capacity utilisation, %	76.6	78.0	76.3	77.6	77.2

¹ Excluding effects of IFRS 16 Leases 2019

Net financial items were also effected by discount rates related to leases in accordance with the new IFRS 16 regulation and revaluation of contingent considerations, which do not affect cash flow, amounting to SEK 16 million (-) and SEK 6 million (4) respectively.

January-June

Pöyry was consolidated as of 28th February 2019. Net sales during the period amounted to SEK 9,782 million (7,023). Growth amounted to 39.3 percent (8.1). Organic growth amounted to 5.2 percent (4.5) and 5.0 percent (4.0) when adjusted for calendar effects. This year, the Easter holiday took place during second quarter while in 2018 it fell partly to March.

Adjusted for items affecting comparability, EBITA totalled SEK 870 million (691). The EBITA margin was 8.9 percent (9.8). The items affecting comparability totalled SEK 138 (-) million of which approximately SEK 44 million relates to transaction costs in the process of acquiring Pöyry, and SEK 94 million relates to integration costs.

EBITA and the EBITA margin were SEK 732 million (691) and 7.5 percent (9.8), respectively. The effects of IFRS 16 Leases on EBITA were SEK 16 million, and SEK 260 million on EBITDA, and SEK 29 million on interest expense, including four months of Pöyry.

Capacity utilisation was 76.3 percent (77.6) for the period. Utilisation is impacted by Pöyry having less professional services business and more project and advisory business in for example management consulting services.

If Pöyry would have been consolidated as from 1 January 2018 (combined operations) net sales had amounted to approximately SEK 10,818 million (9,765), an increase of 10.8 percent. EBITA and EBITA margin would have amounted to approximately SEK 948 million (888) and 8.8 percent (9.1).

EBIT amounted to SEK 705 million (664). The difference between EBIT and EBITA consists entirely of acquisition-related items not affecting cash flow, namely, amortisation of acquisition-related assets amounting to SEK 88 million (20) and the change in assessments of future contingent considerations amounting to SEK 61 million (-7).

Profit after financial items was SEK 578 million (629) and profit after tax for the period was SEK 450 million (485). Net financial items for the period totalled SEK -127 million (-35). Interest expense increased mainly due to higher borrowing and an increase in the average credit term in the loan portfolio. Net financial items was effected by one-off financing costs of SEK 31 million linked to the acquisition of Pöyry shares.

Net financial items was also effected by discount rates related to leases in accordance with the new IFRS 16 regulation and revaluation of contingent considerations, which do not affect cash flow, amounting to SEK 29 million (-) and SEK 10 million (8) respectively.

The combined Group

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

COMBINED OPERATIONS	Apr-Jun 2019			Apr-Jun 2018		
	ÅF	Pöyry	Combined	ÅF	Pöyry	Combined
Net sales	3,809	1,585	5,393	3,608	1,489	5,029
Adj EBITA ¹	333	148	481	366	108	474
Adj EBITA %	8.7	9.4	8.9	10.2	7.6	9.4

	Jan-Jun 2019			Jan-Jun 2018		
	ÅF	Pöyry	Combined	ÅF	Pöyry	Combined
Net sales	7,653	3,165	10,818	7,023	2,742	9,765
Adj EBITA ¹	675	273	948	691	197	888
Adj EBITA %	8.8	8.6	8.8	9.8	7.2	9.1

The combined operations

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

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

Cash flow and financial position

Consolidated net debt incl. IFRS 16 Leases totalled SEK 7,728 million. Consolidated net debt excl. IFRS 16 Leases totalled SEK 5,154 million (2,825) at the end of the period and SEK 7,144 million (2,521) at the start of the period. Cash flow from operating activities reduced net debt by SEK 343 million. The acquisition of Pöyry's impact on net debt amounted to SEK 4,811 million. In March a directed share issue reduced net debt by SEK 1,210 million and in April a rights issue reduced the net debt in total of SEK 2,777 million. In March net debt increased by SEK 326 million due to repayment of a hybrid bond issued by Pöyry.

The acquisition of Pöyry was fully financed through credit facilities from Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ). The debt financing consisted of a bank loan of EUR 81 million, bridge facility of EUR 182 million and bridge facility of SEK 3,644 million. To finance part of the repayment of the debt financing for the acquisition, ÅF issued 6,576,866 new Class B private placement shares on 21 February, which injected approximately SEK 1,210 million into the company which was subsequently used to reduce the bridge facility in March 2019. During the first quarter, ÅF Pöyry had a senior bond loan of SEK 500 million that matured on 21 March, 2019. In short term, ÅF Pöyry AB refinanced the bond loan through existing credit facilities within

ÅF Pöyry AB's other financing. Furthermore, Pöyry redeemed its EUR 30 million hybrid bond on 25 March, 2019.

On 27 March, the Board of Directors of ÅF Pöyry resolved a rights issue of approximately SEK 2,777 million. The rights issue was fully subscribed in April 2019 and subsequently with proceeds from the rights issue ÅF Pöyry has repaid the remaining bridge facility amounting to 2,434 million. In June ÅF Pöyry increased its MTN program and Commercial Paper Programs to SEK 5,000 million and SEK 2,000 million and then issued within its MTN program bonds in total amount of SEK 2,000 million to replace remaining bridge facility of EUR 182 million

Consolidated cash and cash equivalents totalled SEK 630 million (187) at the end of the period and unutilised credit facilities amounted to SEK 1,852 million (1,761).

If Pöyry would have been consolidated as from 1 January 2018 (combined operations) Net Debt/ EBITDA excluding IFRS 16 impact would have been 2,7.

Parent company

Parent company operating income for the period totalled SEK 491 million (408) and relates essentially to internal services within the Group. Loss after net financial items was SEK -100 million (50). Cash and cash equivalents totalled SEK 29 million (17) and gross investment in intangible assets and property, plant and equipment was SEK 39 million (13).

Acquisitions and divestments

No acquisitions or divestments during the quarter.

Number of employees

The average number of FTEs was 13,771 (9,816). The total number of employees at the end of the period was 16,485 (10,419).

Important events in the quarter and after end of reporting period

ÅF Pöyry announced the appointment of Susan Gustafsson as General Counsel and member of Group management. Susan will assume her position at ÅF Pöyry in September 2019.

On 27 March, the Board of Directors of ÅF Pöyry resolved a rights issue of approximately SEK 2,777 million. On 18th April ÅF Pöyry announced that rights issue was oversubscribed with subscriptions of approximately 182.7 per cent of offered shares. Through the rights issue ÅF Pöyry raised appr. SEK 2,777 million.

The 2018 Annual Report contains a description of the dispute with Danir regarding an additional purchase consideration in connection with ÅF Pöyry's acquisi-

tion of Epsilon Holding AB in 2012. The outcome of the arbitration process was announced on 23 May 2019, with the arbitration board ruling in favour of ÅF Pöyry. The ruling is consistent with ÅF Pöyry's expectations and in line with provisions made.

On June 14 2019, ÅF Pöyry successfully issued two senior unsecured bonds totalling SEK 2 billion. The first bond with amount of SEK 1 billion have a maturity of 3 years. The second bond with an amount of SEK 1 billion have a maturity of 5 years.

Marie Trogstam has been appointed Head of Sustainability and she will assume her position in October 2019.

ÅF Pöyry has after end of reporting period acquired the remaining 84.2 percent shares in AF-Incepal SA. The acquisition will complement ÅF Pöyry's strong position and expertise in pulp & paper and strengthen the global offer within paper, board and tissue. AF-Incepal has approximately 40 employees based in Spain and net sales of approximately 35 MSEK in 2018. The company was consolidated in ÅF Pöyry as per July 1 2019.

On July 12 Juuso Pajunen was appointed CFO and member of Group management.



Infrastructure

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



Industrial & Digital Solutions

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



Process Industries

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



Energy

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



Management Consulting

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

Infrastructure Division

- Second quarter net sales amounted to SEK 2,020 million (1,537)
- EBITA amounted to SEK 195 million (174) and the EBITA margin was 9.6 percent (11.4)
- Solid development within the Buildings business area

Second quarter was highlighted by integration of ÅF and Pöyry and demonstrated continued growth. Integration is progressing according to plan and companies are complementing each other well and winning new orders together.

Net Sales

Second quarter net sales amounted to SEK 2,020 million (1,537). Growth totalled 31.4 percent (-), of which 4.3 were organic, 26.0 structural effects and 1.1 currency effects. Adjusted for calendar effects, organic growth amounted to 6.4 percent. For period January to June net sales increased to SEK 3,827 million (2,994). Growth totalled to 27.8 percent of which organic was 7.7 percent. Adjusted for calendar effects organic growth amounted to 8.0 percent.

EBITA

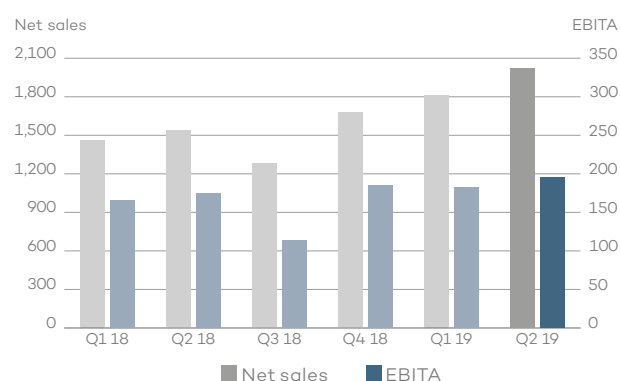
EBITA increased to SEK 195 million (174) and the EBITA margin was 9.6 percent (11.4). The EBITA increase is mainly attributable to the consolidation of the Infrastructure Division of Pöyry. For the period January to June EBITA increased to SEK 376 million (339) and the EBITA margin was 9.8 percent (11.3).

Market and business development

Demand continues to be strong in Sweden and Norway. Long-term investment plans of Swiss government will maintain high demand in market. The performance in Denmark was negatively impacted by ending projects as well as of the political situation. Market conditions in Finland are generally stable, newly elected government is emphasizing infrastructure investments which may have a positive impact in investments in the future.

The division sees continued high demand within the building sector, and by leveraging from the new ÅF Pöyry platform we are strengthening the position within the building sector in Finland. However the slow down in residential buildings in Sweden has impacted architectural service's demand. The market for smaller and medium sized projects continues to be strong. A number of extensive and complex projects are under way, such as new hospital areas in Malmö and Gothenburg. The need to modernize existing facilities increases as tenants increasingly demand smart, energy-efficient, flexible and connected properties. During the quarter a framework agreement was signed with Statens fastighetsverk (the national property agency) to assess possible places for solar power on a number of properties, including Drottningholm Castle.

Net sales and EBITA, SEK million



KEY RATIOS ¹	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales, MSEK	2,020	1,537	3,827	2,994	5,955
EBITA, MSEK	195	174	376	339	637
EBITA margin, %	9.6	11.4	9.8	11.3	10.7
Average number of employees, FTEs ²	5,954	4,395	5,511	4,325	4,445
Total growth, %	31.4	-	27.8	-	-
Structural changes, %	26.0	-	18.7	-	-
Currency, %	1.1	-	1.5	-	-
Organic, %	4.3	-	7.7	-	-
of which adjusted/underlying organic growth due to calendar effect, %	6.4	-	8.0	-	-

The historical figures above are adjusted based on the organisational changes implemented June 1, 2019. Comparative figures for growth in 2018 are not available due to the fact that 2017 numbers have not been adjusted for the reorganisation.

¹ Excluding effects of IFRS 16 Leases 2019 accounted for in Group wide.

² FTEs 2019 include ÅF employees plus four months of Pöyry.

The market for transport infrastructure is strong in the division's core markets, and intensive tender work is ongoing where major infrastructure investments are being implemented. During the quarter ÅF Pöyry was commissioned, among other things, to produce an implementation study for a new tram line and city bus in Gothenburg.

ÅF Pöyry contributes with multidisciplinary counseling when the city of Geneva in Switzerland updates and expands the largest treatment plant in the country. As part of the Team 2+ consortium, geotechnical engineers and water experts from ÅF Pöyry will plan the extension of the biological treatment unit to eliminate micropollutants in the wastewater. The estimated order value is SEK 59 million.

ÅF Pöyry's lighting designers received international recognition for the Musicon Path in Roskilde, Denmark and also won Lamp 2019 award for innovative use of liquid light concept.

Industrial & Digital Solutions Division

- Second quarter net sales amounted to SEK 1,483 million (1,472)
- EBITA amounted to SEK 131 million (144) and the EBITA margin was 8.8 percent (9.8)
- Continued demand for services within product development, electrification and automation

Demand for the Industrial & Digital Solutions Division's services and projects remained stable during the second quarter with the exception of automotive industry where adjustments made by some clients impacted market negatively. At the same time customers continued to display a pattern of spending more time before finalising investment decisions.

Net Sales

Second quarter net sales amounted to SEK 1,483 million (1,472). Growth totalled 0.7 percent, of which -0.5 percentage points were organic and 1.0 structural effects. Adjusted for calendar effects, organic growth amounted to 1.6 percent. For period January to June net sales amounted to SEK 3,060 million (2,925). Growth totalled to 4.6 percent of which organic was 2.5 percent. Adjusted for calendar effects organic growth amounted to 3.3 percent.

EBITA

Second quarter EBITA decreased by 8.9 percent to SEK 131 million (144) and the EBITA margin was 8.8 percent (9.8). The decrease in margin was attributable to reduced demand especially in automotive industry. For period January to June EBITA decreased to SEK 276 million (281) and the EBITA margin was 9.0 percent (9.6)

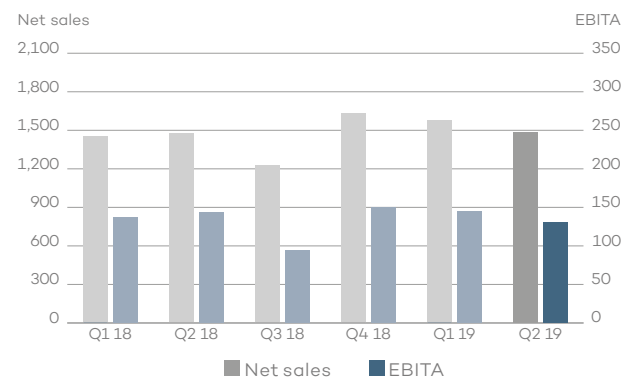
Market and business development

Interest within the manufacturing industry in industry robot solutions continues to be favourable, and in particular in virtual commissioning solutions. ÅF Pöyry and Siemens are strengthening their cooperation in relation to virtual commissioning, a strategic collaboration focusing on cutting project times and enabling significant savings for clients via virtual simulation models, also known as digital twins.

Despite the large and long-term technology changes in the automotive industry, the need for cost savings and re-prioritization of R&D programs has affected demand during the quarter and automotive industry market is slightly slowing down.

ÅF Pöyry is partner to a new automotive customer and is supplying advanced vehicle simulations such as strength calculations, fatigue analyses, crash calculations and vibration simulations. The customer is developing new types of city vehicle and is at the forefront when it comes to developing driverless vehicles.

Net sales and EBITA, SEK million



KEY RATIOS ¹	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales, MSEK	1,483	1,472	3,060	2,925	5,782
EBITA, MSEK	131	144	276	281	525
EBITA margin, %	8.8	9.8	9.0	9.6	9.1
Average number of employees, FTEs ²	3,825	3,732	3,835	3,672	3,748
Total growth, %	0.7	-	4.6	-	-
Structural changes, %	1.0	-	1.9	-	-
Currency, %	0.2	-	0.2	-	-
Organic, %	-0.5	-	2.5	-	-
of which adjusted/underlying organic growth due to calendar effect, %	1.6	-	3.3	-	-

The historical figures above are adjusted based on the organisational changes implemented June 1, 2019.

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

¹ Excluding effects of IFRS 16 Leases 2019 accounted for in Group wide.

² FTEs 2019 include ÅF employees plus four months of Pöyry.

The demand in defense sector remained strong benefiting ÅF Pöyry, one of the largest consultants in the field.

In telecom, the good demand in the market continued and was driven by product development within 5G and continuously improved IoT connectivity.

Food & Pharma continued to demonstrate strong demand and ÅF Pöyry is enabling our clients to launch new products with increasing pace. ÅF Pöyry has won a turnkey project to Arla Foods site in Hobro, Denmark, with a total order value of 60 MSEK.

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

Process Industries Division

- Second quarter net sales amounted to SEK 914 million (213)
- EBITA amounted to SEK 88 million (24) and the EBITA margin was 9.6 percent (11.4)
- Digitalisation and sustainability remains high on the agenda in all process industry sectors

The Process Industries Division continued performing well in the second quarter. Strong demand continued in Nordics and Russia, Latin American markets are recovering fast after downturn and big investment projects are proceeding in many regions.

Net sales

Second quarter net sales amounted to SEK 914 million (213). Growth totalled 329.7 percent, of which 12.4 was organic, and 316.8 was structural effects due to the acquisition of Pöyry Industry Business Group. Adjusted for calendar effects, organic growth amounted to 11.6 percent.

For period January to June net sales amounted to SEK 1,360 million (418). Growth totalled to 225.3 percent of which organic was 10.4 percent. Adjusted for calendar effects organic growth amounted to 10.0 percent.

EBITA

EBITA was SEK 88 million (24), and EBITA margin was 9.6 percent (11.4). For period January to June EBITA increased to SEK 130 million (42) and the EBITA margin was 9.6 percent (10.1)

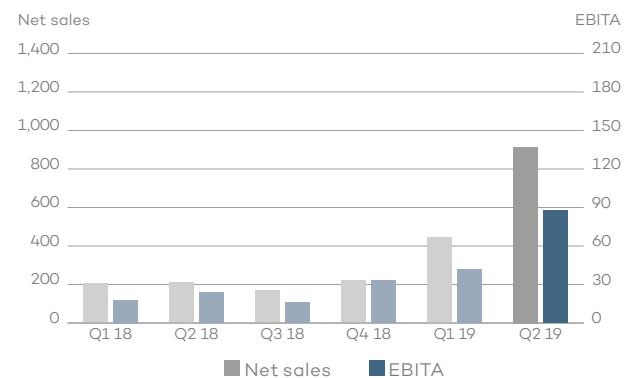
Market and business development

The market development for the process industries has continued to be strong. The division identifies major opportunities in Nordics, Latin America, North America and Russia where large projects are moving to the next phase.

Demand in the Nordics remains strong, especially in Pulp & Paper and Mining & Metals. There are some signs of bigger pulp investments starting in Russia. Central and Eastern Europe markets are remaining stable. The Latin America major pulp investments seem to be proceeding. Brazil's economy shows recovery and investment activity is increasing quickly. The North American market demand is increasing both in US and Canada, although American trade barriers and potential counter measures to them create uncertainties in North American markets. In Asia, the markets relevant to ÅF Pöyry's operations are somewhat uncertain but many opportunities exist, especially to the pulp and paper business.

New bio-based solutions in all process industry sectors are developed widely towards commercial solutions. Fossil-based materials substitution e.g. plastic substitution creates new markets and demand for the whole sector.

Net sales and EBITA, SEK million



KEY RATIOS ¹	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales, MSEK	914	213	1,360	418	811
EBITA, MSEK	88	24	130	42	91
EBITA margin, %	9.6	11.4	9.6	10.1	11.2
Average number of employees, FTEs ²	3,021	668	2,230	667	688
Total growth, %	329.7	-	225.3	-	-
Structural changes, %	316.8	-	214.3	-	-
Currency, %	0.5	-	0.6	-	-
Organic, %	12.4	-	10.4	-	-
of which adjusted/underlying organic growth due to calendar effect, %	11.6	-	10.0	-	-

The historical figures above are adjusted based on the organisational changes implemented June 1, 2019.

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

¹⁾ Excluding effects of IFRS 16 Leases 2019 accounted for in Group wide.

²⁾ FTEs 2019 include ÅF employees plus four months of Pöyry.

New bioproduct mills are being developed and as for example the division has been awarded with a bioproduct mill pre-engineering project for Metsä Fibre, part of Metsä Group, in Kemi. It is the biggest planned investment in Nordic's pulp & paper industry.

With digital solutions, process industry sector is looking for solutions for improved efficiency, safety and productivity. Companies are ready to invest in digital solutions and transform their business.

Demand for Health, Safety and Environmental consulting services remains high and safety is high on process industry companies strategies.

Energy Division

- Second quarter net sales amounted to SEK 830 million (406)
- EBITA amounted to SEK 61 million (29) and the EBITA margin was 7.3 percent (7.1)
- The global energy sector continues to be in a state of transformation. Significant changes are taking place in technology, politics and market conditions.

During second quarter Energy division continued with integration of Pöyry-operations and introducing efficiency improvement actions in overlapping operations.

Net sales

Second quarter net sales amounted to SEK 830 million (406). Growth totalled 104.6 percent, of which -4.0 percent was organic and 106.3 was structural effects. Adjusted for calendar effects, organic growth was -4.4 percent. For period January to June net sales amounted to SEK 1,369 million (765). Growth totalled to 79.0 percent of which organic was -2.2 percent. Adjusted for calendar effects organic growth amounted to -3.9 percent.

EBITA

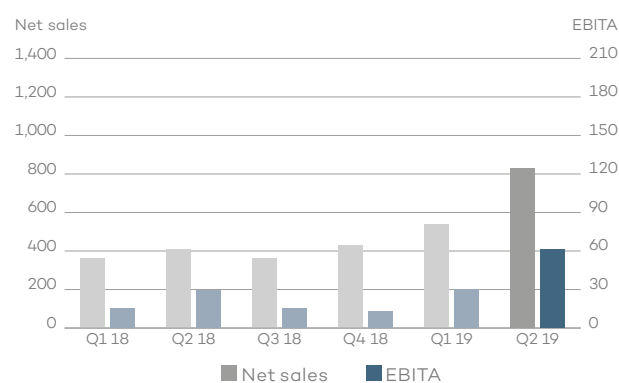
EBITA amounted to SEK 61 million (29) and the EBITA margin was 7.3 percent (7.1). The improved EBITA is attributable to on-going improvement actions related to integrating ÅF and Pöyry operations. The division also continues to adapt its structure to market changes, building on the combined global footprint of the new ÅF Pöyry Energy Division. For period January to June EBITA increased to SEK 91 million (43) and the EBITA margin was 6.7 percent (5.7)

Market and business development

The global energy sector continues to be in a state of transformation with significant changes in technology, politics and market conditions. Decentralized energy production, and an increased demand for renewable energy are trends driving the industry. Digitalization applications focused on increasing operational excellence are becoming more important as the energy industry transforms. Also, existing power plants are being refurbished, to prolong their life-time. Power grids are being strengthened and expanded to cope with increased energy consumption, and decentralized power generation. The requirement to transition to sustainable, renewable energy generation is gaining momentum coupled with clear focus on improving energy efficiency, reliability and cost of electricity supply.

The Nordic market is slightly increasing, particularly in maintenance and refurbishment assignments as well as renewable wind-investments. The European energy sector remains difficult with overcapacity of engineering services. The market in the Middle East is showing modest signs of recovery, after a slow-down driven by the oil price development. In Asia the effects of the on-going China – US trade negotiation uncertainty continues as demonstrated by investment

Net sales and EBITA, SEK million



KEY RATIOS ¹	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales, MSEK	830	406	1,369	765	1,559
EBITA, MSEK	61	29	91	43	72
EBITA margin, %	7.3	7.1	6.7	5.7	4.6
Average number of employees, FTEs ²	2,146	993	1,726	998	992
Total growth, %	104.6	-	79.0	-	-
Structural changes, %	106.3	-	78.5	-	-
Currency, %	2.3	-	2.7	-	-
Organic, %	-4.0	-	-2.2	-	-
of which adjusted/underlying organic growth due to calendar effect, %	-4.4	-	-3.9	-	-

The historical figures above are adjusted based on the organisational changes implemented June 1, 2019. Comparative figures for growth in 2018 are not available due to the fact that 2017 numbers have not been adjusted for the reorganisation.

¹ Excluding effects of IFRS 16 Leases 2019 accounted for in Group wide.

² FTEs 2019 include ÅF employees plus four months of Pöyry.

decisions being delayed. But some positive signs are starting to emerge. Latin American markets remain slow and investment decisions are being influenced by the ongoing US – Mexico trade and border issues and the Venezuelan crisis.

During the quarter, the Energy Division won several orders in hydro power, including new assignments in Austria, Laos, India, Malawi, Nigeria, Peru and Columbia. In the thermal and renewables business a number of interesting assignments were secured in the waste to energy sector in Vietnam and plant modernization in Finland.

In the Swedish nuclear sector new contracts were awarded for decommissioning and waste management services. Our transmission and distribution business saw a number of larger assignments focusing on the extension and upgrade of the Austrian transmission and distribution networks including substation modernizations and specific transmission network future grid solutions and data centre substation solution studies in Sweden were secured in the quarter.

Management Consulting Division

- Second quarter net sales amounted to SEK 197 million (-)
- EBITA amounted to SEK 30 million (-) and the EBITA margin was 15.3 percent
- Solid transaction volume across all sectors, partly as a result of the requirement to meet the Paris decarbonisation targets, along with the impact of digitalisation

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

Net sales

Second quarter net sales amounted to SEK 197 million. For period January to June net sales amounted to SEK 271 million.

EBITA

EBITA amounted to SEK 30 million and EBITA margin was 15.3 percent. For period January to June EBITA amounted to SEK 44 million and EBITA margin was 16.1 percent.

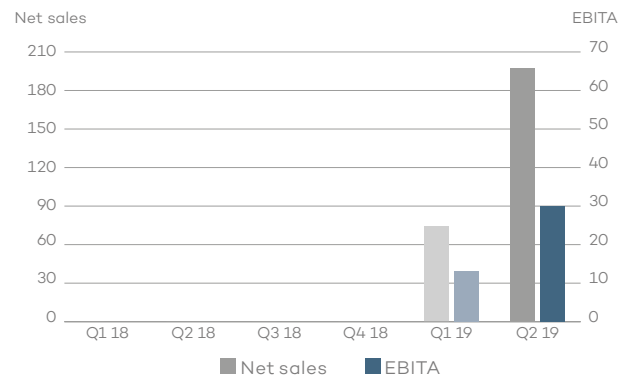
Market and business development

The core markets of the Management Consulting Division have remained generally stable as compared with the first quarter 2019.

Key industry drivers remain the strong transaction volume across the sectors, as well as the ongoing transition in the Energy sector, required to meet the Paris decarbonisation targets combined with the impact of digitalisation. In the bio economy sector, forest investment remains stable on the back of modest annual growth in industrial wood demand, whilst in pulp and paper the demand in packaging and tissue remains good, on the back of changes in shopping patterns and general population growth, but elsewhere growth is modest with declines in some traditional paper grades.

The division has won several new assignments, for example advising global companies in designing their bio-based feedstock procurement strategies, and a project where AI in combination with the division's expertise is used to identify the most promising start-up companies in bio-economy.

Net sales and EBITA, SEK million



KEY RATIOS ¹	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales, MSEK	197	-	271	-	-
EBITA, MSEK	30	-	44	-	-
EBITA margin, %	15.3	-	16.1	-	-
Average number of employees, FTEs	348	-	227	-	-
Total growth, %	-	-	-	-	-
Structural changes, %	-	-	-	-	-
Currency, %	-	-	-	-	-
Organic, %	-	-	-	-	-
of which adjusted/underlying organic growth due to calendar effect, %	-	-	-	-	-

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

¹⁾ Excluding effects of IFRS 16 Leases 2019 accounted for in Group wide.

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 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 Pöyry's Annual Report for 2018 and in Pöyry PLC's Annual Review for 2018. No significant risks are considered to have arisen since the publication of the annual report. The 2018 Annual Report contains a description of the dispute with Danir regarding an additional purchase consideration in connection with ÅF Pöyry's acquisition of Epsilon Holding AB in 2012. The outcome of the arbitration process was announced on 23 May 2019, with the arbitration board ruling in favour of ÅF Pöyry. The ruling is consistent with ÅF Pöyry's expectations.

Accounting policies

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

New or revised IFRS standards that came into force in 2019 have not had any material impact on the Group, with the exception of IFRS 16. The parent company has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent in the legal entity must 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. Some disclosures in accordance with IAS 34.16A are found on the pages before the condensed consolidated income statement.

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

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

The Group applied the modified retrospective approach. This means that the accumulated effect was recognised as the opening balance at 1 January 2019 without recalculation of comparative figures. Right-of-use assets attributable to previous operating leases have been recognised at the value of the liability on 1 January 2019, with adjustments for advance payments recognised in the balance sheet at 31 December 2018. Existing finance leases recognised in accordance with IAS 17 have been recognised in accordance with IFRS 16 at the amount of their value immediately prior to the transition to the new standard. All effects of IFRS 16 have been allocated to group-wide.

The Group does not expect the introduction of IFRS 16 to affect its ability to meet the requirements contained in the covenants for the Group. The parent will not apply IFRS 16; it will instead utilise the exception in RFR 2.

Definitions

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

The share

The ÅF share price at the end of the reporting period was SEK 210.20 (204.80).

A shares	4,290,336
B shares	108,342,086
Total shares	112,632,422
Of which own B shares	-
Votes	112,632,422

To finance part of the repayment of the debt financing for the acquisition of Pöyry PLC, ÅF issued 28,052,129 new Class A and B private placement shares during the quarter. Shares were also converted during the period as per the 2016 staff convertible programme, increasing the number of B shares by 423,906.

Condensed income statement

SEK million	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full year 2018	Jul 2018– Jun 2019
Net sales	5,393	3,608	9,782	7,023	13,975	16,734
Personnel costs	-3,194	-2,060	-5,804	-4,059	-7,996	-9,741
Purchases of services and materials	-1,210	-900	-2,190	-1,713	-3,547	-4,024
Other costs	-406	-276	-748	-528	-1,074	-1,259
Other income	0	23	0	24	0	-60
Profit attributable to participations in associates	1	0	1	0	0	1
EBITDA	584	395	1,041	747	1,358	1,652
Depreciation/amortisation and impairment of non-current assets ¹⁾	-180	-28	-309	-56	-115	-368
EBITA	405	366	732	691	1,243	1,284
Acquisition-related items ²⁾	-13	-13	-27	-27	-40	-41
Operating profit (EBIT)	392	353	705	664	1,203	1,243
Net financial items	-56	-18	-127	-35	-99	-191
Profit after financial items	336	335	578	629	1,103	1,052
Tax	-70	-77	-127	-144	-253	-236
Profit for the period	266	258	450	485	850	816
Attributable to:						
Shareholders in the parent company	267	259	452	487	850	824
Non-controlling interest	-1	-1	-1	-1	0	-2
Profit for the period	266	258	450	485	850	815
Basic earnings per share, SEK	2.59	3.35	4.94	6.29	10.98	-
Diluted earnings per share, SEK	2.55	3.27	4.87	6.15	10.76	-
Number of shares outstanding	112,632,422	77,900,111	112,632,422	77,900,111	77,376,703	-
Average number of basic shares outstanding	103,221,307	77,446,156	91,403,253	77,393,634	77,396,321	-
Average number of diluted shares outstanding	105,654,432	80,058,281	93,955,588	80,058,232	80,021,397	-

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

²⁾ Acquisition-related items are defined as 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	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Profit for the period	266	258	450	485	850
Items that have been or will be reclassified to profit or loss					
Change in translation reserve	143	55	202	162	87
Change in hedging reserve	-12	0	-9	-2	2
Change in fair value reserve	-	-	5	-	15
Tax	-	0	-1	0	0
Items that will be not be reclassified to profit or loss					
Pensions	1	0	1	1	-31
Tax	0	0	0	0	6
Other comprehensive income	131	55	198	161	79
		-		-	
Comprehensive income for the period	397	313	649	647	929
Attributable to:					
Shareholders in the parent company	398	313	650	647	929
Non-controlling interest	-2	-1	-1	-1	0
Total	397	313	649	647	929

Condensed balance sheet

SEK million	30 Jun 2019	30 Jun 2018	Full year 2018
ASSETS			
Non-current assets			
Intangible assets	13,469	6,968	7,166
Property, plant and equipment	592	532	571
Other non-current assets	2,792	20	695
Total non-current assets	16,853	7,521	8,432
Current assets			
Current receivables	6,718	4,436	4,538
Cash and cash equivalents	630	187	239
Total current assets	7,348	4,623	4,776
Total assets	24,201	12,144	13,208
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders in parent company	9,200	5,297	5,449
Attributable to non-controlling interest	17	16	16
Total equity	9,217	5,313	5,465
Non-current liabilities			
Provisions	941	332	389
Non-current liabilities	7,656	2,085	3,329
Total non-current liabilities	8,597	2,417	3,718
Current liabilities			
Provisions	57	55	58
Current liabilities	6,331	4,359	3,968
Total current liabilities	6,388	4,414	4,026
Total equity and liabilities	24,201	12,144	13,208

Condensed statement of change in consolidated equity

SEK million	30 Jun 2019	30 Jun 2018	Full year 2018
Equity at start of period	5,465	4,987	4,987
Comprehensive income for the period	649	647	929
Dividends	-560	-387	-387
Rights issue	3,967	-	-
Conversion of convertible bonds into shares	27	67	103
Value of conversion right	-	-	10
Share buy-backs/sales	-	-	-177
Repayment of hybrid bond	-331	-	-
Share savings programmes	-	0	0
Equity at end of period	9,217	5,313	5,465

Condensed statement of consolidated cash flows

SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Profit after financial items	336	335	578	629	1,103
Adjustment for items not included in cash flow and other	98	13	197	37	47
Income tax paid	-95	-54	-176	-144	-256
Cash flow from operating activities before changes in working capital	338	294	598	522	894
Cash flow from changes in working capital	-288	-112	-255	-119	-21
Cash flow from operating activities	51	182	343	403	874
Cash flow from investing activities	-252	-152	-5,042	-245	-1,153
Cash flow from financing activities	-179	-75	5,095	-185	306
Cash flow for the period	-381	-44	396	-27	26
Opening cash and cash equivalents	1,013	233	239	223	223
Exchange difference in cash and cash equivalents	-2	-2	-5	-8	-10
Closing cash and cash equivalents	630	187	630	187	239

Change in consolidated net debt (excl. IFRS 16)

SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Opening balance	7,144	2,521	3,455	2,631	2,631
Cash flow from operating activities	-51	-182	-343	-403	-874
Investments	61	22	103	42	121
Acquisitions and contingent considerations	191	131	5,037	205	374
Dividend	560	387	560	387	387
Share buy-backs/sales	-	-	-	-	177
Acquisition of Pöyry PLC shares	-	-	-	-	657
Private placement issue	-2,757	-	-3,967	-	-
Repayment of hybrid bond	5	-	331	-	-
Other	1	-53	-21	-37	-19
Closing balance	5,154	2,825	5,154	2,825	3,455

Consolidated net debt (incl. IFRS 16)

SEK million	30 Jun 2019	30 Jun 2018	Full year 2018
Loans and credit facilities	5,483	2,913	3,553
Net pension liability	302	100	141
Leasing liability (IFRS 16)	2,574	-	-
Cash and cash equivalents	-630	-187	-239
Group	7,728	2,825	3,455

Consolidated net debt (excl. IFRS 16)

SEK million	30 Jun 2019	30 Jun 2018	Full year 2018
Loans and credit facilities	5,483	2,913	3,553
Net pension liability	302	100	141
Cash and cash equivalents	-630	-187	-239
Group	5,154	2,825	3,455

Consolidated key ratios¹

SEK million	Jan–Jun 2019	Jan–Jun 2018	Full year 2018
Return on equity, %	13.4	16.5	16.1
Return on capital employed, %	9.8	14.4	14.3
Equity ratio, %	41.0	43.8	41.4
Equity per share, SEK	98.71	68.00	70.42
Interest-bearing liabilities, SEK m	8,359	3,012	3,694
Average number of full-time employees (FTEs) ²	13,771	9,816	10,037

¹ Including IFRS 16 Leases 2019

² This key ratio includes ÅF employees and four months of Pöyry employees.

Items affecting comparability

SEK million	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full year 2018
Transaction costs related to Pöyry	-	-	-44	-	-25
Integration costs	-76	-	-94	-	-
Total	-76	-	-138	-	-25

Income

Net sales January–June 2019 according to business model

SEK million	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting	Group-wide/ eliminations	Total Group
Project Business	3,681	815	786	1,140	243	-105	6,599
Professional Services	147	2,245	575	229	28	-40	3,183
Total	3,827	3,060	1,360	1,369	271	-145	9,782

The Group applies the 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. ÅF Pöyry acts as a partner to 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 our customers 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				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	1,457	1,537	1,280	1,680	5,955	1,808	2,020			
Industrial & Digital Solutions	1,453	1,472	1,229	1,628	5,782	1,578	1,483			
Process Industries	206	213	170	223	811	447	914			
Energy	359	406	363	430	1,559	539	830			
Management Consulting	-	-	-	-	-	74	197			
Group-wide/eliminations	-59	-20	-48	-5	-132	-56	-50			
Group	3,415	3,608	2,995	3,957	13,975	4,389	5,393			

EBITA (SEK million)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	165	174	113	185	637	182	195			
Industrial & Digital Solutions	137	144	94	150	525	145	131			
Process Industries	18	24	16	33	91	42	88			
Energy	15	29	15	13	72	30	61			
Management Consulting	-	-	-	-	-	13	30			
Group-wide/eliminations ³	-10	-5	-18	-49	-82	-86	-100			
Group	325	366	220	332	1,243	327	405			

EBITA margin (%)	2018					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	11.3	11.4	8.8	11.0	10.7	10.1	9.6			
Industrial & Digital Solutions	9.4	9.8	7.7	9.2	9.1	9.2	8.8			
Process Industries	8.8	11.4	9.2	14.7	11.2	9.5	9.6			
Energy	4.1	7.1	4.2	3.1	4.6	5.7	7.3			
Management Consulting	-	-	-	-	-	18.1	15.3			
Group	9.5	10.2	7.4	8.4	8.9	7.5	7.5			

Average number of full-time employees (FTEs)	2018					2019 ¹				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Infrastructure	4,258	4,395	4,465	4,660	4,445	5,098	5,954			
Industrial & Digital Solutions	3,616	3,732	3,782	3,863	3,748	3,845	3,825			
Process Industries	666	668	672	747	688	1,471	3,021			
Energy	1,002	993	960	1,015	992	1,326	2,146			
Management Consulting	-	-	-	-	-	112	348			
Group functions	144	165	184	161	164	228	267			
Group	9,685	9,954	10,063	10,445	10,037	12,081	15,562			

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

¹This key ratio includes ÅF employees and four months of Pöry employees.

²Estimated weighted average.

³Including IFRS 16 Leases 2019 that is reported under Group wide.

The historical figures above are adjusted based on the organisational changes implemented June 1, 2019 where some changes between divisions have been implemented.

New divisional structure

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

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

Acquisition of operations

The following acquisitions were made during the period

SEK million	Company	Country	Division	Annual net sales	FTEs
Period					
Jan-Mar	Pöyry PLC	FI	All	5,944	4,700
Apr-Jun	-				
Total				5,944	4,700

Acquired companies' net assets on acquisition date

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

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

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

The purchase consideration was higher than the book value of the acquired net assets (equity), and the acquisition analysis resulted in intangible assets. The acquisition of a consulting business primarily involves the acquisition of human capital in the form of employee expertise, which is why most of the intangible assets in the company acquired are attributable to goodwill.

Goodwill

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

Other non-current assets

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

Acquisition-related costs

Transaction costs are recognised as other external costs in profit or loss. Transaction costs amounted to SEK 69 million, of which SEK 25 million was expensed in 2018.

Revenue and profit from acquired company

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

Change in contingent consideration

SEK million	30 Jun 2019
Opening balance, 1 January 2019	731
Acquisitions for the year	-
Payments	-230
Changes in value recognised in income statement	-61
Adjustment of preliminary acquisition analysis	-
Discounting	10
Translation differences	6
Closing balance	456

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 mainly related 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 table.

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

Acquisition-related items

SEK million	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Amortisation and impairment of intangible non-current assets	-60	-10	-88	-20	-41
Revaluation of contingent considerations	48	-4	61	-7	2
Divestment of operations	-	-	-	-	-1
Total	-13	-13	-27	-27	-40

Parent income statement

SEK million	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full year 2018
Net sales	197	157	359	298	601
Other operating income	67	55	133	109	230
Operating income	264	211	492	408	831
Personnel costs	-76	-48	-134	-93	-188
Other costs	-213	-173	-409	-325	-678
Depreciation and amortisation	-8	-9	-17	-17	-34
Operating profit/loss	-34	-18	-68	-27	-69
Net financial items	14	54	-32	77	753
Profit/loss from financial items	-20	36	-100	50	684
Appropriations	-	-	-	-	107
Pre-tax profit	-20	36	-100	50	791
Tax	12	5	28	7	1
Profit for the period	-8	40	-71	57	792
Other comprehensive income	-11	0	-8	-1	17
Comprehensive income for the period	-19	40	-80	56	808

Parent balance sheet

SEK million	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS			
Non-current assets			
Intangible assets	23	8	12
Property, plant and equipment	151	114	137
Financial assets	12,572	6,003	6,818
Total non-current assets	12,746	6,125	6,967
Current assets			
Current receivables	2,907	2,106	2,630
Cash and bank balances	29	17	32
Total current assets	2,936	2,123	2,662
Total assets	15,682	8,247	9,629
EQUITY AND LIABILITIES			
Equity	8,396	4,420	5,041
Untaxed reserves	57	136	57
Provisions	158	207	252
Non-current liabilities	5,278	1,508	2,828
Current liabilities	1,793	1,976	1,451
Total equity and liabilities	15,682	8,247	9,629

Combined operations

The figures are presented as though the consolidation of Pöyry took place on 1 January 2018.

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Net sales, SEK million				
Infrastructure	2,020	1,807	4,074	3,593
Industrial & Digital Solutions	1,483	1,472	3,060	2,925
Process Industries	914	828	1,755	1,609
Energy	830	769	1,652	1,410
Management Consulting	197	208	389	394
Group-wide/eliminations	-50	-56	-112	-39
Group	5,393	5,029	10,818	9,892
Adjusted EBITA, SEK million				
Infrastructure	195	201	394	387
Industrial & Digital Solutions	131	144	276	281
Process Industries	88	80	178	156
Energy	61	52	115	185
Management Consulting	30	21	55	42
Group-wide/eliminations ¹	-24	-24	-70	-63
Group	481	474	948	888
Adjusted EBITA, %				
Infrastructure	9.6	11.1	9.7	10.8
Industrial & Digital Solutions	8.8	9.8	9.0	9.6
Process Industries	9.6	9.6	10.1	9.7
Energy	7.3	6.8	7.0	6.0
Management Consulting	15.3	10.2	14.1	10.7
Group	8.9	9.4	8.8	9.0

¹ Including IFRS 16 Leases 2019 that is reported under Group-wide.

Signatures

The Board of Directors and the President/CEO certify that this interim report for the January–June 2019 period gives a true and fair presentation of the Parent and the Group’s operations, financial position and

profits, and that it describes the material risks and uncertainties facing the Parent and the companies that together constitute the Group.

Stockholm, Sweden – 12 July 2019

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

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Stockholm, Sweden – 12 July 2019

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. The information was issued for publication through the agency of the contact person set out above on 12 July 2019 at 08.00 CEST.

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.

This is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

Presentation to investors

Time:	12 July at 10.00 CEST
Webcast:	http://www.afconsult.com/sv/investor-relations/finansiella-rapporter/
Via telephone:	code 9469137
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Calendar 2019

Q3 2019	30 October
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ÅF PÖRY – MAKING FUTURE.

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