

Date
24/11/2020

Press release from AFRY

AFRY's next growth journey presented at the Capital Markets Day

At the Capital Markets Day, CEO Jonas Gustavsson together with the Executive Management team, present the new Take-Off Strategy for growth and reiterate the financial targets.

AFRY is now turning to the next phase of its journey with a strong focus on growth in transforming segments enabled by key initiatives within sustainability and digitalisation as well as best in class operations.

"We are in the midst of several major transitions in our society today, driven by digitalisation and a demand for more sustainable solutions. Daily life in the coming decades will change radically for large parts of the world's population. Based on our Nordic heritage and global reach, we will accelerate the sustainable transition, leverage our digital excellence, and continue to create value for our owners, customers, employees and society as a whole", said Jonas Gustavsson, President and CEO at AFRY.

Financial Targets unchanged

The financial targets are continuously evaluated based on market conditions and changes in the company. The existing financial targets are reiterated and will apply over a business cycle.

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

Take-off Strategy for growth

We are aiming for a position as *A European leader in sustainable engineering, design and advisory with a global reach*. The new strategy outline how we get there and is based on five pillars;

1. Drive growth in targeted geographies – organic and acquired

AFRY will re-accelerate organic growth in core markets by attracting and retain talent. Based on our strengthened balance sheet we will also ramp up our acquisition agenda targeting both add-ons as well as strategic platforms.

2. Target transforming segments that shows secular growth

AFRY will focus on segments that show secular growth, e.g. Infrastructure, Bioindustry, Food & Life Science and Clean Energy. We are aiming for leading positions

in these segments and will focus on assignments where we have a strong position in the customer value chains.

The demand for carbon-free energy is increasing and AFRY will be a leader in the transition towards cleaner energy. As one action AFRY will not take on any new build coal CAPEX-projects from January 2021, however existing agreements will be fulfilled.

3. Develop AFRY Digital – a strategic growth platform

AFRY will be a driver of industrial digitalisation and be the best at applying digital in our core sectors. Within the next 5 years we target to triple our digital revenue to make up >20% of group revenue. A digital unit "Digital X" will be established as of January 2021 to strengthen the digital transformation. The digital unit will have approximately 200 employees by mid-2021.

4. Lead in sustainable solutions to drive impact and growth

AFRY is uniquely positioned to take a leading role as an enabler in the sustainability transition as outlined in the EU Taxonomy and the EU Green Deal given our client offering, presence and ambitions. AFRY has signed the Science Based Targets' Initiative 1.5°C Commitment Letter and we will during this process validate our target to reach net zero CO2 emissions by 2050 at the latest.

5. Deliver best in class operations to drive growth and scalability

AFRY has established a scalable platform to enable efficient cross-sales, improved quality and better usage of information. The focus is also to benefit from efficient transactional service centres, leverage of scale in core countries and increase the use of excellence centres. During 2019 the cost synergies amounted to MSEK 218. In 2020 the accumulated sustainable savings so far amount to >MSEK 150 annually (compared to MSEK 120 that has been previously communicated).

Attractive employer

AFRY has a strong ambition and strategy to accelerate growth and create value for its stakeholders. We will continue to drive our culture and leadership in combination with supporting our brand journey where AFRY should be viewed as one of the most exciting and interesting employers in the Nordics. AFRY has updated the brand platform to fit the growth ambition and strong purpose of the company.

Mission: We accelerate the transition towards a sustainable society

Vision: Making Future

Values: Brave Devoted Team Players

People: Inclusive and diverse teams with a deep sector knowledge

Corporate Communication

ÅF Pöyry AB (publ)

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AFRY is an international engineering, design and advisory company. We support our clients to progress in sustainability and digitalisation.

We are 17,000 devoted experts within the fields of infrastructure, industry and energy, operating across the world to create sustainable solutions for future generations.

Making Future