



Interim Statement

March 31, 2021

FRIEDRICH VORWERK GROUP SE
21255 Tostedt

Friedrich Vorwerk in figures

Three months (unaudited)	2021	2020	Δ2021 / 2020
	€k	€k	%
Order backlog	318,952	280,185	13.8
Order intake	64,994	57,017	14.0
Earnings figures (adjusted*)	€k	€k	%
Revenue	52,550	62,162	-15.5
Operating performance	52,550	62,162	-15.5
Total performance	53,410	64,201	-16.8
Cost of materials	-14,947	-27,495	-45.6
Staff costs	-21,064	-20,508	2.7
EBITDA	11,547	8,210	40.6
<i>EBITDA margin</i>	<i>22.0%</i>	<i>13.2%</i>	
EBIT	8,528	5,591	52.5
<i>EBIT margin</i>	<i>16.2%</i>	<i>9.0%</i>	
EBT	7,679	5,090	50.9
<i>EBT margin</i>	<i>14.6%</i>	<i>8.2%</i>	
Consolidated net profit after non-controlling interests	4,945	3,182	55.4
eps in €**	0.27	0.18	55.4
Average number of shares in circulation	18,134,831		
Earnings figures (IFRS)	€k	€k	%
EBITDA	8,530	8,276	3.1
Consolidated net profit	2,400	3,110	-22.8
eps in €**	0.13	0.17	-22.8
Figures from the statement of financial position (IFRS)	31 Mar	31 Dec	%
	k€	k€	
Non-current assets	75,469	72,009	4.8
Current assets	174,945	104,903	66.8
thereof cash and equivalents	116,909	45,254	158.3
Issued capital (share capital)	20,000	3,120	541.0
Other equity	108,077	60,484	78.7
Total equity	128,077	63,604	101.4
<i>Equity ratio</i>	<i>51.1%</i>	<i>36.0%</i>	
Non-current liabilities	54,308	42,793	26.9
Current liabilities	68,028	70,515	-3.5
Total assets	250,414	176,912	41.5
Net cash (+) or net debt (-)	92,120	27,851	230.8
Employees	1,342	1,304	2.9

* For a detailed account of the adjustments please refer to the information provided in the section on results of operations, financial position and net assets.

** The values are based on the average number of shares outstanding in the reporting period.

Welcome Note from the Executive Management

Dear Shareholders,

In the first quarter of 2021, Friedrich Vorwerk Group SE succeeded in taking the step onto the capital market and making a successful stock market debut. We were particularly pleased to have gained a large group of globally positioned and sustainably oriented new shareholders for Friedrich Vorwerk, who will accompany us on our growth path.

With the subsiding of the COVID-19 pandemic, climate change is once again moving to the center of social interest. The already ambitious plans to decarbonize our world are growing even larger and are to be realized in even shorter timeframes. More climate-friendly policies in the United States and the recent ruling by the German Federal Constitutional Court on the inadequacies of Germany's Climate Protection Act are examples of the current acceleration of efforts to combat global warming. For Friedrich Vorwerk, these developments mean enormous growth opportunities.

The energy turnaround in Europe is bringing about a fundamental realignment of the energy infrastructure from which we are profiting significantly in our core markets of Natural Gas, Electricity and Hydrogen. Our presence on the capital market will enable us to respond flexibly to the dynamic growth of the relevant markets in the future and continue to play a leading role in the energy infrastructure sector.

From an operating point of view, we can look back on a successful first quarter. At €65 million, our order intake in the reporting period was significantly higher than in the prior-year period, and our order backlog reached a new record level of €319 million. Profitability also increased significantly and was 53% higher than in the prior-year period with adjusted EBIT of €8.5 million. Only sales were down year-on-year at €53 million, due to less favorable weather conditions with more frost and rainy days. Progress in the Energy Grids business area was therefore lower than a year earlier. Developments in our Clean Hydrogen segment were particularly pleasing. In this segment, sales of €2.2 million with an EBIT margin of 17.3% were realized for the first time in the history of the company in the first quarter.

Moreover, we succeeded in acquiring KORUPP-GmbH, based in Twist, in the first quarter of 2021. As a leading supplier in the field of cathodic corrosion protection, the company ideally complements our existing portfolio of products and services and at the same time underlines our defined growth strategy.

With an equity ratio of now 51.2% and a cash position of €117 million at the balance sheet date, we see the best conditions for accelerating our growth also by further company acquisitions.

We thank you for your trust and look forward to shaping the energy transition together with you.

Tostedt, 25 May 2021

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

Business development, result of operations, financial position and net assets

Business Development

The economy as a whole had a slow start to the year in Europe. The COVID-19 pandemic and the associated measures to combat it, in particular the far-reaching travel and contact restrictions, continue to be perceived as a burden. In the further course of the year, however, the extensive economic policy support measures and increasing vaccination of the population should lead to a gradual normalization of the general conditions.

In this environment, Friedrich Vorwerk Group has made a successful start to the year 2021 and was able to increase its order intake in the first quarter by 14% compared to the previous year. At €52.5 million, sales were down on the previous year's figure of €62.2 million. The decline in sales compared with the prior-year quarter is attributable to less favorable weather conditions with significantly more frost and rainy days, which slowed down the progress of work, particularly in the energy grids business. We expect a significant acceleration in sales in the seasonally stronger summer months. The share of sales from our growth markets Electricity and Clean Hydrogen increased from 11.4% in the prior year to 18.1% in the reporting period. Adjusted EBIT grew to €8.5 million in the first quarter of 2021 compared with €5.6 million in the prior-year quarter. This corresponds to an EBIT margin of 16.2% (previous year: 9.0%). All segments contributed positively to this development.

In February 2021, Friedrich Vorwerk Group acquired KORUPP-GmbH, one of the leading suppliers of products and services in the field of cathodic corrosion protection, thus expanding its own technological competences in this area. The company fits perfectly into our existing portfolio of products and services and at the same time underlines our defined growth strategy. The company will be consolidated for the first time from the second quarter of 2021.

Initial public offering of Friedrich Vorwerk Group SE

On March 25, 2021, Friedrich Vorwerk Group SE completed a very successful IPO. As part of the IPO, 2,000,000 new shares were issued as a capital increase. The Friedrich Vorwerk Group received gross issue proceeds of €90.0 million from the capital increase. Taking into account the costs of €6.8 million directly attributable to the IPO, the net issue proceeds for the group amount to €83.2 million.

The costs attributable to the IPO on the Group side include bank commissions of €3.6 million, personnel expenses from bonuses of €2.7 million and other costs of €0.5 million. The above-mentioned costs were not yet fully cash-effective as of March 31, 2021.

In accordance with IAS 32, a total of €3.7 million (mainly bank commissions) relating to the IPO was recognized directly in equity, while €3.1 million (mainly personnel expenses) was recognized in profit or loss. The amount recognized directly in equity includes bank commissions of €3.6 million and other costs of €0.1 million. The costs recognized in profit or loss include personnel expenses from bonuses of €2.7 million and other costs of €0.4 million. Group equity increased by €64.5 million, in particular as a result of the IPO, so that the Group equity ratio is now 51.1%. Similarly, the net cash position of the Friedrich Vorwerk Group increased to €92.1 million as of the balance sheet date, mainly due to the IPO.

Result of operations, financial position and net assets

The result of operations, financial and net asset situation of Friedrich Vorwerk is very positive. The order backlog as at the reporting date of March 31, 2021 is €319.0 million, while order intake in the reporting period amounted to €65.0 million. Both figures have thus reached historic highs in the company's history. Of the order backlog, 72 % is attributable to the Natural Gas segment, 12 % to the Electricity segment, 7 % to the Clean Hydrogen segment and 9 % to the Adjacent Opportunities segment.

Consolidated sales of the Friedrich Vorwerk Group amounted to €52.5 million in the reporting period. This corresponds to a decline compared with the same period of the previous year, in which sales of €62.6 million were generated.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) rose by 40.6% to €11.5 million in the first three months (same period last year: € 8.2 million). This figure was adjusted for expenses of €3.2 million attributable to the IPO and income of € 0.1 million from the change in the scope of consolidation.

After depreciation and amortization of € 3.0 million (previous year: € 2.6 million), adjusted EBIT amounted to €8.5 million (previous year: €5.6 million). Adjusted net income after non-controlling interests amounted to €4.9 million (prior-year period: €3.2 million) or €0.27 per share (previous year: €0.18 per share).

Equity amounts to €128.1 million as of March 31, 2021 (December 31, 2020: €63.6 million). In relation to the consolidated balance sheet total of €250.4 million (December 31, 2020: €176.9 million), the equity ratio as of the balance sheet date is 51.1% compared to 36.0% as of December 31, 2020. The increase results from the capital increase in connection with the IPO. This was offset by the payment of a dividend of €25.1 million for the 2020 financial year, which was approved by the Annual General Meeting on February 10, 2021.

As of March 31, 2021, Friedrich Vorwerk Group has a cash position of €116.9 million (December 31, 2020: €45.3 million). Less financial liabilities of €24.8 million (December 31, 2020: €17.4 million), net cash and cash equivalents as at the balance sheet date amount to €92.1 million (December 31, 2020: €27.9 million).

Consolidated statement of profit or loss

IFRS consolidated statement of profit or loss (unaudited)	1 Jan - 31 Mar 2021 k€	1 Jan - 31 Mar 2020 k€
Revenue	52,550	62,607
Operating performance	52,550	62,607
Badwill	138	0
Result from joint ventures and associates	-125	1,456
Other operating income	985	582
Total performance	53,548	64,645
Cost of raw materials and supplies	-5,211	-3,891
Cost of purchased services	-9,737	-23,814
Cost of materials	-14,947	-27,705
Wages and salaries	-19,101	-16,118
Social security and pension costs	-4,708	-4,390
Staff costs	-23,809	-20,508
Other operating expenses	-6,262	-8,156
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8,530	8,276
Amortization and depreciation expense	-3,041	-2,686
Earnings before interest and taxes (EBIT)	5,490	5,591
Finance revenue	2	25
Finance costs	-175	-164
Earnings attributable to non-controlling interests	-688	-348
Net finance costs	-861	-487
Earnings before taxes (EBT)	4,628	5,103
Income tax expense	-2,198	-1,893
Other taxes	-101	-99
Profit or loss for the period	2,330	3,110
Non-controlling interests	70	0
Consolidated net profit	2,400	3,110
Earnings per share (in €)*	0.13	0.17

* The values are based on the average number of shares outstanding in the reporting period.

Consolidated statement of comprehensive income

IFRS consolidated statement of other comprehensive income (unaudited)	Jan 1 - 31 Mar 2021 k€	Jan 1 - 31 Mar 2020 k€
Consolidated net profit	2,400	3,110
Non-controlling interests	-70	0
Profit or loss for the period	2,330	3,110
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-7	0
Other comprehensive income after taxes	-7	0
Comprehensive income for the reporting period	2,323	3,110
thereof attributable to:		
- Shareholders of the parent company	2,393	3,110
- Non-controlling interests	-70	0

Consolidated statement of financial position

Statement of financial position	31 Mar 2021	31 Dec 2020
Assets (IFRS)	unaudited	audited
	k€	k€
Non-current assets		
Concessions, industrial property rights and similar rights	270	265
Intangible assets	270	265
Land and buildings including buildings on third-party land	27,262	17,566
Technical equipment and machinery	22,404	22,208
Other equipment, operating and office equipment	11,612	10,807
Advance payments and assets under development	25	9,238
Property, plant and equipment	61,304	59,820
Investments in associates	5,753	5,403
Financial assets	5,753	5,403
Deferred tax assets	8,143	6,521
	75,469	72,009
Current assets		
Raw materials and supplies	4,788	4,374
Work in progress	574	565
Advance payments	610	0
Inventories	5,973	4,938
Trade receivables	16,123	20,931
Contract assets	29,140	27,821
Other current assets	6,799	5,959
Trade receivables and other current assets	52,063	54,711
Cash in hand	68	50
Cash at banks	116,841	45,204
Cash in hand and at banks	116,909	45,254
	174,945	104,903
Total assets	250,414	176,912

Statement of financial position	31 Mar 2021	31 Dec 2020
Liabilities and Equity (IFRS)	unaudited	audited
	k€	k€
Equity		
Issued capital	20,000	3,120
Reserves	76,783	6,739
Retained earnings and other reserves	31,021	53,744
Non-controlling interests	273	0
	128,077	63,604
Non-current liabilities		
Liabilities to banks	15,963	6,864
Lease liabilities	3,582	4,210
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	7,738	7,050
Pension provisions	427	427
Deferred tax liabilities	16,384	14,029
	54,308	42,793
Current liabilities		
Liabilities to banks	2,518	1,466
Lease liabilities	2,726	4,863
Trade payables	2,872	2,019
Contract liabilities	18,153	17,819
Liabilities to non-controlling interests	4,675	4,894
Other liabilities	6,849	7,125
Accruals	14,374	15,729
Income tax liabilities	8,022	8,234
Other provisions	7,841	8,367
	68,028	70,515
Total equity and liabilities	250,414	176,912

Consolidated statement of cash flows

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2021 k€	1 Jan - 31 Mar 2020 k€
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	5,490	5,591
Amortization and depreciation	3,041	2,686
Increase (+), decrease (-) in provisions	-958	641
Gains (-), Losses (+) from disposal of non-current assets	-227	26
Result from joint ventures and associates	125	-1,456
Other non-cash expenses / income	-170	-3
Adjustments for non-cash transactions	1,810	1,894
Increase (-), decrease (+) in inventories, trade receivables and other assets	2,123	-16,779
Decrease (-), increase (+) in trade payables and other liabilities	-2,383	-1,266
Change in working capital	-260	-18,045
Income taxes paid	-1,062	-797
Interest received	2	25
Dividend proceeds from equity investments	663	511
Cash flow from operating activities	6,642	-10,822
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-37	-14
Investments (-), divestments (+) of property, plant and equipment	-3,398	-3,547
Business combination (less cash and cash equivalents received)	2	0
Cash flow from investing activities	-3,433	-3,560
3. Cash flow from financing activities		
Proceeds from contributions to equity by shareholders of the parent company	90,000	0
Profit distribution to shareholders	-25,116	0
Payments for transaction costs from the issue of equity instruments	-3,616	0
Proceeds from borrowings	10,618	850
Repayments of loans	-399	-339
Payments for lease liabilities	-2,866	-1,143
Interest payments	-174	-162
Cash flow from financing activities	68,448	-795

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2021 k€	1 Jan - 31 Mar 2020 k€
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	71,657	-15,177
Effects of changes in foreign exchange rates (non-cash)	-1	0
Cash and cash equivalents at beginning of period	45,254	52,361
Cash and cash equivalents at end of period	116,909	37,184
Composition of cash and cash equivalents		
Cash in hand	68	77
Bank balances	116,841	37,107
Liquidity reserve on 31 Mar	116,909	37,184

Segment reporting

Segment reporting 1 Jan - 31 Mar 2021 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	35,932	7,314	2,207	7,097	0	52,550
EBIT	5,619	1,074	381	1,455	-3,039	5,490
EBIT-margin	15.6%	14.7%	17.3%	20.5%		
Share in Revenue	68.4%	13.9%	4.2%	13.5%		

Segment reporting 1 Jan - 31 Mar 2020 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	47,480	7,154	0	7,973	0	62,607
EBIT	4,972	-94	-38	817	-66	5,591
EBIT-margin	10.5%	-1.3%	n.a.	10.2%		
Share in Revenue	75.8%	11.4%	0.0%	12.7%		

Statement of changes in consolidated equity

Statement of changes in consolidated equity								
	Issued capital	Reserves	Retained Earnings		Generated	Attributable to	Non-	Consolidated
			Currency	Pension	consolidated	Vorwerk -	controlling	equity
	k€	k€	translation	reserve	equity	shareholders	interests	k€
			difference					
	k€	k€	k€	k€	k€	k€	k€	k€
1 Jan 2020	2,000	11,556	0	-59	24,384	37,880	0	37,880
Reorganisation of the company structure	1,120	-4,817	0	0	-1,133	-4,829	0	-4,829
Subtotal	3,120	6,739	0	-59	23,251	33,051	0	33,051
Amounts recognised in other comprehensive income	0	0	0	-7	0	-7	0	-7
Consolidated net profit	0	0	0	0	30,559	30,559	0	30,559
Total comprehensive income	0	0	0	-7	30,559	30,552	0	30,552
31 Dec 2020	3,120	6,739	0	-66	53,810	63,604	0	63,604
Dividends paid	0	0	0	0	-25,116	-25,116	0	-25,116
Subtotal	3,120	6,739	0	-66	28,694	38,488	0	38,488
Amounts recognised in other comprehensive income	0	0	-7	0	0	-7	0	-7
Consolidated net profit	0	0	0	0	2,400	2,400	-70	2,330
Total comprehensive income	0	0	-7	0	2,400	2,393	-70	2,323
Capital increase	16,880	70,043	0	0	0	86,923	0	86,923
Changes in the scope of consolidation	0	0	0	0	0	0	343	343
31 March 2021	20,000	76,783	-7	-66	31,094	127,803	273	128,077

Financial calendar

Half-year Financial report 2021

20 August 2021

Quarterly Report Q3 2021

12 November 2021

End of Fiscal Year 2021

31 December 2021

Conferences

Jefferies Pan European Mid Cap Virtual Conference

26 May 2021

Berenberg and Goldman Sachs Tenth German Corporate Conference

20 - 22 September 2021

Deutsches Eigenkapitalforum

22 - 24 November 2021

Berenberg European Conference

06 - 09 December 2021

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