



Interim Statement

September 30, 2022

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Nine months (unaudited)	2022	2021	Δ2022 / 2021
	€k	€k	%
Order backlog	371,834	281,753	32.0
Order intake	317,770	184,186	72.5
Earnings figures (adjusted*)	€k	€k	%
Revenue	258,714	208,941	23.8
Operating performance	258,714	208,941	23.8
Total performance	273,880	215,948	26.8
Cost of materials	-119,154	-81,793	45.7
Staff costs	-89,044	-71,360	24.8
EBITDA	43,029	43,146	-0.3
<i>EBITDA margin</i>	<i>16.6%</i>	<i>20.6%</i>	
EBIT	31,146	33,656	-7.5
<i>EBIT margin</i>	<i>12.0%</i>	<i>16.1%</i>	
EBT	27,906	30,393	-8.2
<i>EBT margin</i>	<i>10.8%</i>	<i>14.5%</i>	
Consolidated net profit after non-controlling interests	19,613	21,065	-6.9
eps in €	0.98	1.09	-9.7
Average number of shares in circulation	20,000,000	19,389,706	3.1
Earnings figures (IFRS)	€k	€k	%
EBITDA	43,029	40,131	7.2
Consolidated net profit	19,475	18,493	5.3
eps in €	0.97	0.95	2.1
Figures from the statement of financial position (IFRS)	30 Sep k€	31 Dec k€	%
Non-current assets	133,805	107,003	25.0
Current assets	173,450	183,458	-5.5
thereof cash and equivalents**	9,255	108,282	-91.5
Issued capital (share capital)	20,000	20,000	0.0
Other equity	146,404	132,470	10.5
Total equity	166,404	152,470	9.1
<i>Equity ratio</i>	<i>54.2%</i>	<i>52.5%</i>	
Non-current liabilities	65,120	59,383	9.7
Current liabilities	75,731	78,608	-3.7
Total assets	307,255	290,461	5.8
Net cash (+) or net debt (-)**	-18,361	83,589	-122.0
Employees	1,667	1,633	2.1

* 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.

** This figure includes the value of securities.

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

Business Development

Fiscal 2022 to date has been dominated by the Russian-led war of aggression against Ukraine and its economic and social impact on Germany and Europe. In addition to disruptions to international supply chains, uncertainty on the energy and raw materials markets led to a loss of purchasing power at record levels for many households and a massive increase in costs for many companies. Annual inflation compared with the corresponding month of the previous year is estimated at 10.7% for the euro zone in October 2022, and slightly lower at 10.4% for Germany.

In this challenging macroeconomic environment, FRIEDRICH VORWERK was able to increase its sales by 23.8% to €258.7 million in the first nine months of the financial year (previous year: €208.9 million). An important driver of the significant sales growth is in particular the third quarter, in which FRIEDRICH VORWERK was able to exceed the previous year's figure of €76.3 million by 52% with sales of €115.9 million, thus achieving the strongest quarterly sales in the company's history. A major contribution to this development was made on the one hand by the recently acquired LNG pipeline in Wilhelmshaven, where very good progress was made on construction, and on the other hand by a further acceleration of the major projects started at the beginning of the year. Adjusted EBIT in the first nine months of the fiscal year came to €31.1 million, corresponding to an EBIT margin of 12% and thus a slight decrease of €2.5 million compared with the same period previous year. In the third quarter, the recovery in profitability already underway from the second quarter continued with an EBIT margin of 14.3%.

As of April 27, 2022, FRIEDRICH VORWERK acquired Hempel Aluminiumbau GmbH based in Storkow, an established producer of aluminum control cabinets that generated sales in the low single-digit million range in the past fiscal year. The company, whose products are used in various projects within the field of Energy Transformation, represents a strategic expansion of FRIEDRICH VORWERK's existing portfolio of products and services.

The Executive Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on June 1, 2022 to distribute a dividend of €0.20 per dividend-bearing share for the fiscal year 2021 and to carry forward the remaining amount to new account. The Annual General Meeting approved the company's proposal by a large majority. The dividend was paid on June 7, 2022.

The current turmoil on the energy and raw material markets is leading to a fundamental reorganization of energy supplies in Germany and Europe. With the realization of parts of the connecting pipelines of the LNG terminals in Wilhelmshaven and Brunsbüttel, which will enable the import of LNG and thus reduce dependence on Russian gas in the near future, FRIEDRICH VORWERK is already making an important contribution to the secure energy supply of Germany as an industrial location.

Particularly positive is the commissioning of the second and now exclusive project phase for the realization of the new direct current connection A-North by the transmission system operator Amprion. In the second project phase, the reference construction target and the associated reference costs are to be determined. In case of a successful agreement as well as a subsequent commissioning of the next project phase by Amprion, the total order volume for the total of eight parties is expected to be in the range of €850 to 1,100 million, in which FRIEDRICH VORWERK would have a share of at least 30%.

Result of operations, financial position and net assets

The earnings indicators include IFRS-related measurement effects and non-recurring expenses that are not used for corporate management purposes. In the financial year, these mainly included depreciation and amortization of assets capitalized as part of purchase price allocations. The adjustments in the previous year mainly relate to expenses incurred in connection with the IPO. Management therefore manages the Group on the basis of adjusted earnings figures, which reflect the operating profitability and development of the Group much more transparently and sustainably.

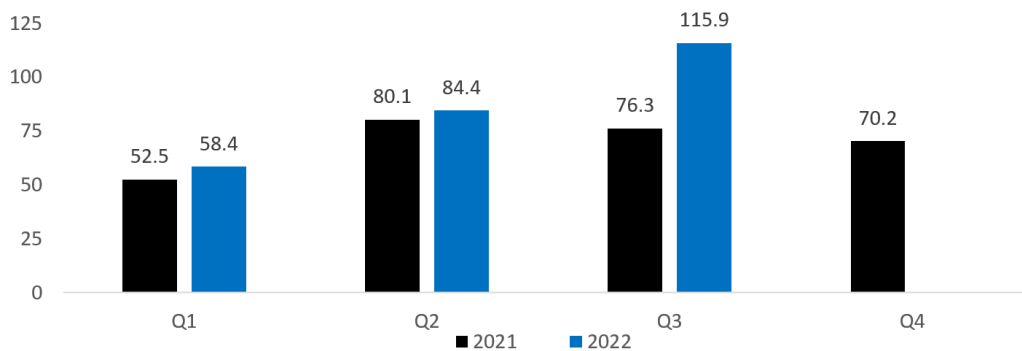
At €371.8 million, the order backlog as of the reporting date of September 30, 2022 is significantly above the previous year's level (September 30, 2021: €281.8 million). Of this figure, 37% is attributable to the Natural Gas segment, 15% to the Electricity segment, 8% to the Clean Hydrogen segment and 40% to the Adjacent Opportunities segment.

Order intake in the reporting period was €317.8 million, an increase of 72.5% compared with the previous year (prior-year period: €184.2 million). Due to the nature of the business, the development of order intake is subject to a certain degree of volatility, as it can be influenced both positively and negatively by individual major projects.

The significant increase in order intake is mainly due to the major new orders won in the first half of the year. In addition to the order for the construction of a district heating pipeline in Hamburg with a volume of over €70 million and the major order for cable laying and cable logistics for the new SuedLink line, two orders were won for the construction of connecting pipelines for the LNG terminals in Wilhelmshaven and Brunsbüttel.

The consolidated sales of the FRIEDRICH VORWERK Group amounted to €258.7 million in the reporting period. This corresponds to an increase of 23.8% compared to the same period of the previous year (€208.9 million). While at the beginning of the year start-up effects in major projects and an increased number of Corona infections in the workforce slowed down project progress, a significant acceleration in sales realization was achieved in the further course of the year. As a result, sales in the third quarter were €115.9 million, up 52.0% on the previous year's figure of €76.3 million. In addition to the aforementioned effects, this was mainly due to the very good progress made in completing the LNG connection pipeline in Wilhelmshaven.

Revenue by quarter
in millions of €



Income from equity investments increased significantly year-on-year to €10.4 million (previous year: €3.9 million), which is attributable to FRIEDRICH VORWERK's participation in joint ventures as part of several major projects. Other operating income also increased slightly to €4.7 million (prior-year period: €3.1 million). The adjustments relate to the previous year and consist of income from initial consolidations amounting to €0.1 million.

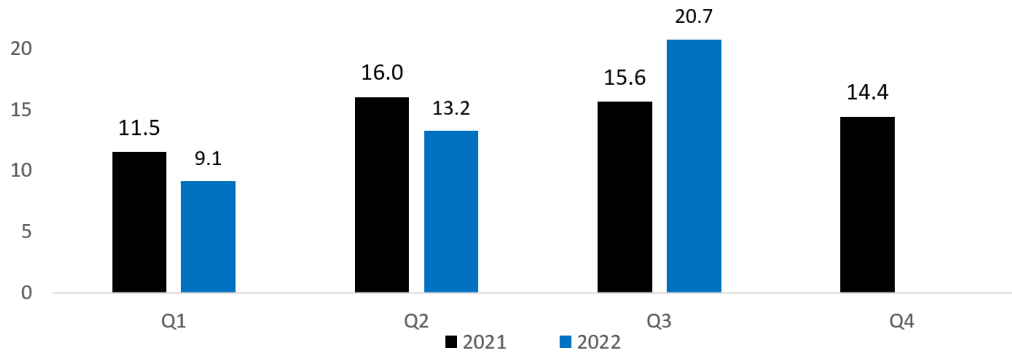
The cost of materials increased to €119.2 million (previous year: €81.8 million). The cost of materials ratio is therefore 46.1% (previous year: 39.1%). The increase is mainly due to a change in the composition of the order backlog with a higher proportion of materials and subcontractors compared with the prior-year period. In addition, the cost of materials increased as a result of in some cases significantly higher material prices and higher energy costs, which could not be passed on in full to the customers.

Adjusted personnel expenses of €89.0 million were up 24.8% on the previous year (€71.4 million). However, at 34.4%, the personnel expense ratio is slightly lower than in the previous year (35.5%). The increase in personnel expenses is mainly due to the year-on-year increase in the number of employees (+19%) and to wage and salary increases. The adjustments relate to the previous year and result from bonuses of €2.7 million in connection with the IPO.

Adjusted overheads increased moderately by 15.3% to €22.7 million in the reporting period (previous year: €19.6 million). The adjustments relate to the previous year and consist of consulting costs in connection with the IPO amounting to €0.4 million.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) remained almost constant at €43.0 million in the reporting period (prior-year period: €43.1 million). Following a decline in profitability in the first half of the year due to integration measures at the Gottfried Puhlmann Group and the aforementioned cost increases in the areas of materials, energy and personnel, profitability increased significantly in the third quarter. At €20.7 million, adjusted EBITDA in the third quarter was thus 32.8% higher than in the same period of the previous year (€15.6 million). The adjustments relate to the previous year and consist of expenses totaling €3.2 million attributable to the IPO and income of €0.1 million from the change in the scope of consolidation.

EBITDA (adj.) by quarter
in millions of €



After depreciation and amortization of €11.9 million (previous year: €9.5 million), adjusted EBIT amounted to €31.1 million (previous year: €33.7 million). The year-on-year increase in depreciation and amortization is mainly due to the consolidation of the Gottfried Puhlmann companies and increased investment activity in the past and current financial years. Adjusted Group earnings after minority interests amounted to €19.6 million (prior-year period: €21.1 million) or €0.98 per share (previous year: €1.09 per share).

The cash-effective change in cash and cash equivalents amounted to €-102.5 million in the reporting period (previous year: €17.3 million) and is composed as follows:

Net cash outflow from operating activities amounted to €65.9 million (previous year: €26.8 million). Cash flow from operating activities is generally characterized by a seasonal increase in net working capital in the first three quarters, which then reverses in the fourth quarter. In addition to the strong sales growth, the significantly higher level of net working capital compared with the previous year is mainly the result of higher contract assets that could not yet be invoiced due to contractual milestones in several major projects, as well as higher inventories of materials to cushion potential delivery bottlenecks. A significant reduction in net working capital and a corresponding increase in cash and cash equivalents are expected by the end of this fiscal year.

Cash flow from investing activities amounts to €-24.5 million (previous year: €-20.3 million) and mainly relates to investments in our technical equipment and machinery, the expansion and extension of the Group's sites, and the conversion of the energy supply at the Wiesmoor site to renewable energies.

Cash flow from financing activities amounts to €-12.1 million (previous year: €64.5 million) and consists mainly of current interest and redemption payments and the dividend payment of €4.0 million. In addition, €3.6 million was distributed to non-controlling shareholders. The previous year's balance resulted mainly from the capital increase in the context of the IPO in the amount of €90.0 million, payments for dividends, interest and principal payments, and proceeds from new loans.

Equity amounted to €166.4 million as of September 30, 2022 (December 31, 2021: €152.5 million). In relation to the consolidated balance sheet total of €307.3 million (December 31, 2021: €290.5 million), the equity ratio was 54.2% as of the balance sheet date, compared with 52.5% as of December 31, 2021. The increase resulted from the current net profit for the year. This was offset by the payment of a dividend of €4.0 million, which was approved by the Annual General Meeting on June 1, 2022.

As of September 30, 2022, the FRIEDRICH VORWERK Group has a liquidity portfolio (including securities) of €9.3 million (December 31, 2021: €108.3 million). The decrease in cash and cash equivalents is mainly due to the negative cash flow from operating activities in the amount of €-65.9 million as well as payments for investments and the repayment of financial liabilities. After deducting financial debt of €27.6 million (December 31, 2021: €24.7 million), net cash and cash equivalents amounted to €-18.4 million at the reporting date (December 31, 2021: €83.6 million).

Outlook

The global economy continues to be characterized by numerous macroeconomic challenges, such as inflationary pressure and disrupted global supply chains. FRIEDRICH VORWERK is actively countering these challenges and is therefore currently not affected by any significant delivery failures or project stoppages.

Against this background, the Executive Board continues to expect consolidated sales of more than €320 million and an adjusted EBIT margin of 13-15% for the fiscal year 2022.

IFRS consolidated statement of profit or loss

IFRS consolidated statement of profit or loss (unaudited)	1 Jan - 30 Sep 2022	1 Jan - 30 Sep 2021
	k€	k€
Revenue	258,714	208,941
Operating performance	258,714	208,941
Badwill	0	138
Result from joint ventures and associates	10,437	3,894
Other operating income	4,730	3,113
Total performance	273,880	216,087
Cost of raw materials and supplies	-22,312	-16,068
Cost of purchased services	-96,841	-65,725
Cost of materials	-119,154	-81,793
Wages and salaries	-68,257	-57,809
Social security and pension costs	-20,787	-16,296
Staff costs	-89,044	-74,105
Other operating expenses	-22,654	-20,057
Earnings before interest, taxes, depreciation and amortization (EBITDA)	43,029	40,131
Amortization and depreciation expense	-12,130	-9,557
Earnings before interest and taxes (EBIT)	30,899	30,575
Finance revenue	19	7
Finance costs	-679	-554
Earnings attributable to non-controlling interests	-2,565	-2,725
Net finance costs	-3,225	-3,272
Earnings before taxes (EBT)	27,674	27,303
Income tax expense	-8,028	-8,564
Other taxes	-290	-270
Profit or loss for the period	19,356	18,469
Non-controlling interests	119	25
Consolidated net profit	19,475	18,493
Earnings per share (in €)	0.97	0.95

IFRS consolidated statement of other comprehensive income

IFRS consolidated statement of other comprehensive income (unaudited)	1 Jan - 30 Sep 2022 k€	1 Jan - 30 Sep 2021 k€
Consolidated net profit	19,475	18,493
Non-controlling interests	-119	-25
Profit or loss for the period	19,356	18,469
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-18	-6
Items that may not be subsequently reclassified to profit and loss		
Fair value changes shares	-928	-5
Other comprehensive income after taxes	-946	-11
Comprehensive income for the reporting period	18,410	18,458
thereof attributable to:		
- Shareholders of the parent company	18,528	18,483
- Non-controlling interests	-119	-25

IFRS consolidated statement of profit or loss - quarter

IFRS consolidated statement of profit or loss (unaudited)	1 Jul - 30 Sep 2022	1 Jul - 30 Sep 2021
	k€	k€
Revenue	115,901	76,260
Operating performance	115,901	76,260
Results from joint ventures and associates	4,249	3,513
Other operating income	1,919	845
Total performance	122,069	80,619
Cost of raw materials and supplies	-9,543	-5,081
Cost of purchased services	-53,038	-27,747
Cost of materials	-62,581	-32,827
Wages and salaries	-22,980	-19,043
Social security and pension costs	-7,494	-6,054
Staff costs	-30,474	-25,097
Other operating expenses	-8,286	-7,082
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	20,728	15,613
Amortization and depreciation expense	-4,193	-3,296
Earnings before interest and taxes (EBIT)	16,535	12,317
Other interest and similar income	6	2
Interest and similar expenses	-236	-185
Earnings attributable to non-controlling interests	-1,344	-949
Net finance costs	-1,573	-1,131
Earnings before taxes (EBT)	14,963	11,186
Income tax expense	-4,437	-2,967
Other taxes	-88	-80
Profit or loss for the period	10,437	8,140
Non-controlling interests	-106	-68
Consolidated net profit	10,331	8,072
Earnings per share (in €)	0.52	0.42

IFRS Statement of financial position

Statement of financial position	30 Sep 2022	31 Dec 2021
Assets (IFRS)	unaudited	audited
	k€	k€
Non-current assets		
Concessions, industrial property rights and similar rights	365	772
Goodwill	3,270	1,692
Intangible assets	3,635	2,464
Land and buildings including buildings on third-party land	32,501	32,225
Technical equipment and machinery	34,908	32,778
Other equipment, operating and office equipment	19,475	15,067
Advance payments and assets under development	5,694	544
Property, plant and equipment	92,578	80,614
Investments in associates	19,562	8,470
Investment securities	3,519	3,295
Other loans	637	610
Financial assets	23,718	12,375
Deferred tax assets	13,875	11,550
	133,805	107,003
Current assets		
Raw materials and supplies	10,961	6,031
Work in progress	109	114
Inventories	11,070	6,146
Trade receivables	26,488	15,809
Contract assets	120,810	45,227
Other current assets	9,344	7,995
Trade receivables and other current assets	156,643	69,031
Cash in hand	41	85
Cash at banks	5,695	108,196
Cash in hand and at banks	5,736	108,282
	173,450	183,458
Total assets	307,255	290,461

Statement of financial position Liabilities and Equity (IFRS)	30 Sep 2022 unaudited k€	31 Dec 2021 audited k€
Equity		
Issued capital	20,000	20,000
Reserves	76,204	76,204
Retained earnings and other reserves	69,328	55,208
Non-controlling interests	871	1,058
	166,404	152,470
Non-current liabilities		
Liabilities to banks	13,506	15,295
Lease liabilities	3,176	5,979
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	8,647	5,860
Pension provisions	2,727	2,727
Deferred tax liabilities	26,850	19,308
	65,120	59,383
Current liabilities		
Liabilities to banks	7,373	3,689
Lease liabilities	3,561	3,024
Trade payables	4,829	6,818
Contract liabilities	3,461	10,817
Liabilities to non-controlling interests	1,217	4,997
Other liabilities	20,454	20,101
Accruals	23,655	12,676
Income tax liabilities	5,418	10,921
Other provisions	5,764	5,565
	75,731	78,608
Total equity and liabilities	307,255	290,461

Consolidated statement of cash flows

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Sep 2022	1 Jan - 30 Sep 2021
	k€	k€
1. Cashflow from operating activities		
Earnings before interest and taxes (EBIT)	30,899	30,575
Amortization and depreciation	12,130	9,557
Increase (+), decrease (-) in provisions	-1,201	-2,890
Gains (-), Losses (+) from disposal of non-current assets	-97	-392
Result from joint ventures and associates	-10,437	-3,894
Other non-cash expenses / income	-263	-175
Adjustments for non-cash transactions	132	2,206
Increase (-), decrease (+) in inventories, trade receivables and other assets	-93,068	-50,376
Decrease (-), increase (+) in trade payables and other liabilities	5,504	-1,926
Change in working capital	-87,564	-52,302
Income taxes paid	-10,282	-8,543
Interest received	19	7
Dividend proceeds from equity investments	858	1,227
Cash flow from operating activities	-65,938	-26,830
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-64	-78
Investments (-), divestments (+) of property, plant and equipment	-23,076	-17,416
Investments (-), divestments (+) of non-current financial assets and securities	-1,179	-1,961
Business combination (less cash and cash equivalents received)	-181	-888
Cash flow from investing activities	-24,500	-20,343
3. Cash flow from financing activities		
Repayments of loans	-5,909	-1,585
Profit distribution to shareholders	-4,000	-25,116
Payments for lease liabilities	-2,925	-4,272
Interest payments	-678	-737
Payments to non-controlling interests	-3,584	-678
Proceeds from contributions to equity by shareholders of the parent company	0	90,000
Payments for transaction costs from the issue of equity instruments	0	-3,655
Proceeds from borrowings	4,992	10,550
Cash flow from financing activities	-12,105	64,506

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Sep 2022	1 Jan - 30 Sep 2021
	k€	k€
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-102,543	17,334
Effects of changes in foreign exchange rates (non-cash)	-3	-1
Cash and cash equivalents at beginning of period	108,282	45,254
Cash and cash equivalents at end of period	5,736	62,587
Composition of cash and cash equivalents		
Cash in hand	41	73
Bank balances	5,695	62,513
Reconciliation to liquidity reserve on 30 Sep		
	2022	2021
Cash and cash equivalents at end of period	5,736	62,587
Securities	3,519	1,956
Liquidity reserve on 30 Sep	9,255	64,543

Notes to the interim consolidated financial statements

Accounting policies

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2021. The preparation of the financial statements is influenced by recognition and measurement methods, as well as assumptions and estimates, which have an impact on the amount and disclosure of the assets, liabilities and contingent liabilities recognized, and on the income and expense items. Revenue-dependent items are accrued during the year.

Business combinations

As part of the initial consolidation of Hempel Aluminiumbau GmbH as of April 30, 2022, goodwill in the amount of €0.2 million was disclosed.

Within the measurement period as defined by IFRS 3.45, the purchase price allocation of the Gottfried Puhlmann Group was adjusted due to the now finalized measurement of the contract assets and liabilities and the resulting change in the net assets acquired. Compared to the preliminary purchase price allocation and the presentation published within the Annual Report 2021, contract assets have decreased by €0.8 million and intangible assets by €0.3 million, while other provisions have increased by €1.4 million. Taking into account deferred taxes and a decrease in non-controlling interests of €0.5 million, goodwill increased by €1.4 million to €2.8 million.

Dividend

On June 1, 2022, the Annual General Meeting of Friedrich Vorwerk Group SE resolved to distribute a dividend in the amount of €0.20 per no-par value share entitled to dividend for the fiscal year 2021. The dividend was paid out on June 7, 2022.

Segment reporting

The management of the FRIEDRICH VORWERK-Group defines the segments as follows:

Segment reporting 1 Jan - 30 Sep 2022 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	136,189	42,893	14,361	65,271	0	258,714
EBIT	22,159	1,827	2,045	5,046	-178	30,899
EBIT-margin	16.3%	4.3%	14.2%	7.7%		11.9%
Share in Revenue	52.6%	16.6%	5.6%	25.2%		

Segment reporting 1 Jan - 30 Sep 2021 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	135,946	36,383	8,400	28,212	0	208,941
EBIT	21,616	5,370	1,709	4,970	-3,090	30,575
EBIT-margin	15.9%	14.8%	20.3%	17.6%		14.6%
Share in Revenue	65.1%	17.4%	4.0%	13.5%		

Related party transactions

Related parties are entities and persons that have the ability to control the FRIEDRICH VORWERK Group or exercise significant influence over its financial and operating policies. The affiliated companies included in the consolidated financial statements and those not included are also considered to be related parties. Transactions between the company and its subsidiaries have been eliminated on consolidation and are not explained in this note.

In addition, companies included in the consolidated financial statements using the equity method are considered related parties.

Business relations between fully consolidated Group companies, with other related parties, and with MBB SE and other companies of the MBB Group are conducted on an arm's length basis.

Voting rights announcements

The notifications pursuant to § 40 of the German Securities Trading Act (WpHG) can be viewed on the website of Friedrich Vorwerk Group SE at <https://www.friedrich-vorwerk.de/en/investor-relations/corporate-governance.html>.

Events after the end of the reporting period

On October 12, 2022, Friedrich Vorwerk SE & Co. KG acquired the remaining shares of 50% in SKS Straßenbau GmbH, Tostedt. The company has already been fully included in the consolidated financial statements since January 1, 2021 on the basis of a voting rights agreement.

Tostedt, 11 November 2022

Torben Kleinfeldt
Chief Executive Officer

Tim Hameister
Chief Financial Officer

Financial calendar

Quarterly Report Q3 2022

11 November 2022

End of Fiscal Year 2022

31 December 2022

Conferences

German Equity Forum

28 November 2022

Berenberg European Conference

6 December 2022

Berenberg EU Opportunities Conference

16 March 2023

Jefferies Pan-European Conference

28 - 29 March 2023

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Contact

Friedrich Vorwerk Group SE
Niedersachsenstrasse 19-21
21255 Tostedt

Tel.: +49 4182 – 2947 0

Fax.: +49 4182 – 6155

www.friedrich-vorwerk.de

ir@friedrich-vorwerk.de

Imprint

Friedrich Vorwerk Group SE
Niedersachsenstrasse 19-21
21255 Tostedt

