



Interim Statement

30 September 2023

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Nine months (unaudited)	2023	2022	Δ 2023 / 2022
	€k	€k	%
Order backlog	1,048,793	371,834	182.1
Order intake	1,008,841	317,770	217.5
Earnings figures (adjusted*)	€k	€k	%
Revenue	275,141	258,714	6.3
Operating performance	275,141	258,714	6.3
Total performance	290,756	273,880	6.2
Cost of materials	-147,185	-119,154	23.5
Staff costs	-96,717	-89,044	8.6
EBITDA	20,391	43,029	-52.6
<i>EBITDA margin</i>	<i>7.4%</i>	<i>16.6%</i>	
EBIT	7,144	31,146	-77.1
<i>EBIT margin</i>	<i>2.6%</i>	<i>12.0%</i>	
EBT	6,697	27,906	-76.0
<i>EBT margin</i>	<i>2.4%</i>	<i>10.8%</i>	
Consolidated net profit after non-controlling interests	4,369	19,613	-77.7
EPS in €	0.22	0.98	-77.7
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	€k	€k	%
EBITDA	20,391	43,029	-52.6
Group result	4,301	19,475	-77.9
EPS in €	0.22	0.97	-77.9

Figures from the statement of financial position (IFRS)	30 Sep	31 Dec	%
	€k	€k	
Non-current assets	152,268	131,070	16.2
Current assets	175,496	177,009	-0.9
thereof cash funds	2,622	45,876	-94.3
Issued capital	20,000	20,000	0.0
Other equity	145,520	143,181	1.6
Total equity	165,520	163,181	1.4
<i>Equity ratio</i>	<i>50.5%</i>	<i>53.0%</i>	
Non-current liabilities	54,638	54,751	-0.2
Current liabilities	107,607	90,147	19.4
Total assets	327,765	308,079	6.4
Net cash (+) / net debt (-)**	-13,723	27,242	-150.4
Employees	1,694	1,657	2.2

* 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 is inclusive of securities.

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

Business Development

In terms of order intake, the FRIEDRICH VORWERK Group once again demonstrated its excellent market position in the first nine months and achieved record order intake of more than €1 billion. The third quarter in particular contributed to this, with order intake totalling €690 million. The main driver here is the A-Nord project, for which the Group together with its subsidiary Bohlen & Doyen has successfully completed the phase 2 of the contract award procedure at the end of August and was commissioned with the execution phase by transmission system operator Amprion.

In addition to the civil engineering work and the construction of the cable conduit systems required for the underground cables along the approximately 300 km long route, the scope of the A-Nord project also includes the parallel construction of the grid connection of the offshore systems BorWin 4 and DoWin 4, which are also to be realised by Amprion, over a distance of approximately 100 km. Apart from Bohlen & Doyen, executing companies include six other partner companies. The agreed project volume amounts to €1.5 billion, of which Bohlen & Doyen accounts for around 40%. The contract is being handled as a multi-party agreement (IPA) based on a "cost-plus-incentive-fee" remuneration structure with bonus-malus regulations. Preparatory work was already underway at the end of the third quarter. The overall project is scheduled for completion in 2026.

In addition, numerous other orders were acquired in the Electricity segment over the course of the year. These include the framework contract with the transmission system operator TenneT to carry out horizontal drilling for offshore connection lines in the North Sea from which an order volume in the high double-digit million range has already been called up, the land cable connection in the BorWin6 offshore connection project with an order volume in the mid double-digit million range and the Liedingen transformer station project.

Besides the aforementioned order intakes in the Electricity segment, numerous other orders were also won in the other segments during the reporting period. These include for example numerous biogas processing and feed-in plants as well as various pipeline renovation and construction projects. Order intake in the Clean Hydrogen segment in the high single-digit million range is also pleasing. As a partner in a joint venture, FRIEDRICH VORWERK is providing various services in the field of pipeline and plant construction for the new electrolyser to be built in Lingen.

Overall, order intake in the first nine months of the reporting period amounted to 1,008.8 million, which corresponds to an increase of 217.5% compared to the same period last year (previous year: €317.8 million). The order backlog as of 30 September 2023 thus grew to €1,048.8 million (31 December 2022: €315.1 million).

Revenue in the reporting period increased by 6.3% to €275.1 million (previous year: €258.7 million). In the same period, adjusted EBIT decreased significantly to €7.1 million which corresponds to an EBIT margin of 2.6% (previous year: 12.0%). The decline in the EBIT margin in the current financial year is due in particular to the high cost of materials and personnel expenses, which are primarily impacting the projects and framework agreements calculated and acquired in 2020 and 2021. A single large-scale plant construction project in the Natural Gas segment has been particularly hard hit, as the lump-sum agreement concluded does not yet provide for the significant cost increases to be passed on. In this context, a provision of €7.4 million was recognised in the third quarter for expenses still to be expected, so that no negative effects from this project are expected in the future. In addition, the ongoing supplementary negotiations in connection with project delays and changes to the Brunsbüttel LNG connection pipeline could not yet be finalised in the third quarter despite significant progress.

At its meeting on 20 March 2023, the Supervisory Board of Friedrich Vorwerk Group SE has decided to extend the Management Board contracts of Torben Kleinfeldt and Tim Hameister. Torben Kleinfeldt was appointed CEO for a further six years until September 2029 and Tim Hameister was appointed CFO for a further four years until September 2027. In addition, the Supervisory Board of FRIEDRICH VORWERK Management SE, a subsidiary of FRIEDRICH VORWERK Group SE, has decided to appoint Torben Kleinfeldt and Kevin Loots for a further six years and Tim Hameister for a further four years as members of the Management Board of FRIEDRICH VORWERK Management SE. Klaus-Dieter Ehlen left the company as planned in October 2023 at his own request after 33 years with the Group and a three-year term as a member of the Management Board of FRIEDRICH VORWERK Management SE, but will continue to advise the Group.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 1 June 2023 to distribute a dividend of €0.12 per entitled share for the financial year 2022 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 out on 6 June 2023.

In the third quarter the company 5C-Tech GmbH was founded with two partners, in which FRIEDRICH VORWERK holds a 70% share. The company focuses on the development, production and sale of solutions in the field of automated welding technology.

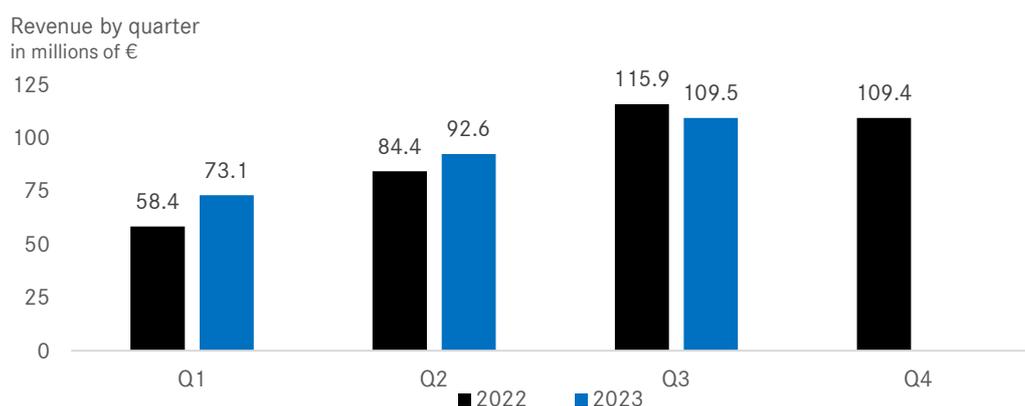
In September 2023 Friedrich Vorwerk SE & Co. KG acquired the non-controlling interests in Gottfried Puhmann GmbH (25.00%) and Gottfried Puhmann GmbH Havelländische Bauunternehmung (3.57%) and is now the sole shareholder of these companies.

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 amortisation of assets capitalised as part of purchase price allocations. 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 1,048.8 million, the order backlog as of the reporting date of 30 September 2023 is significantly above the previous year's level (30 September 2022: €371.8 million). Order intake in the reporting period was €1,009 million, which corresponds to an increase of 217.5% compared to the previous year (prior-year period: €317.8 million). Of the order backlog, 9% is attributable to the Natural Gas segment, 78% to the Electricity segment, 1% to the Clean Hydrogen segment and 11% to the Adjacent Opportunities segment.

The consolidated revenue of the FRIEDRICH VORWERK Group in the reporting period was €275.1 million. This corresponds to an increase of 6.3% compared to the same period of the previous year (€258.7 million). The growth in revenue was achieved in particular in the first quarter due to the high performance shares from plant construction and inner-city construction projects.

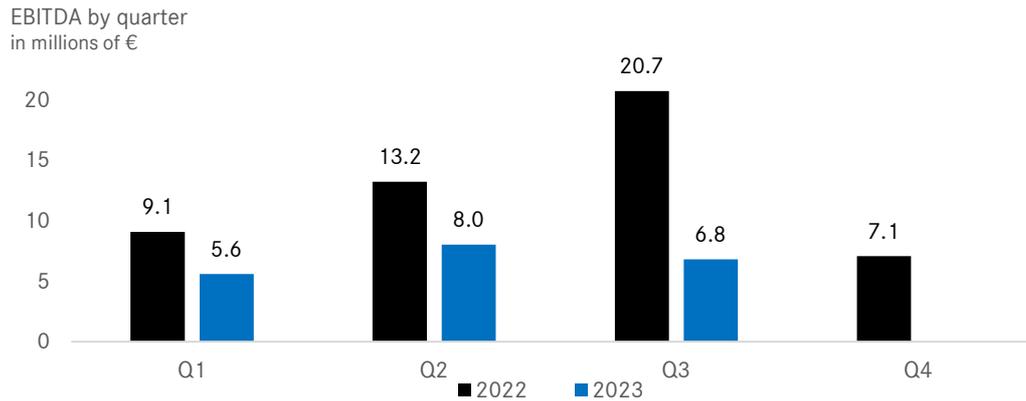


Income from equity investments decreased by €1.7 million to €12.1 million (previous year: €10.4 million). Other operating income fell by €1.2 million due to lower own work capitalised (previous year: €4.7 million).

The cost of materials increased significantly to €147.2 million (previous year: €119.2 million). The cost of materials ratio is therefore 53.5% (previous year: 46.1%). The increase was mainly due to significantly higher material prices and higher energy costs as well as a higher ratio of external services. Furthermore, the changed composition of the order backlog with a higher share of materials compared to the same period last year had a negative impact on the cost of materials ratio.

Personnel expenses of €96.7 million increased by 8.6% compared to the previous year (previous year: €89.0 million). The increase is mainly the result of wage and salary increases as well as a 2.2% increase in the average number of employees. The overheads increased by 16.8% to €26.5 million in the reporting period (previous year: €22.7 million). This includes in particular maintenance and servicing expenses, equipment rent, travel expenses and insurance premiums.

EBITDA (earnings before interest, taxes, depreciation and amortisation) decreased by €22.6 million to €20.4 million (previous year: €43.0 million). The EBITDA margin amounts to 7.4% (previous year: 16.6%).



After adjusted depreciation and amortisation of €13.2 million (previous year: €11.9 million), adjusted EBIT amounted to €7.1 million (previous year: €31.1 million). The year-on-year increase in depreciation and amortisation is mainly due to the increased investment activity in previous years. Adjusted consolidated net profit after non-controlling interests amounted to €4.4 million (previous year: €19.6 million) or €0.22 per share (previous year: €0.98 per share).

Equity amounted to €165.5 million as of 30 September 2023 (31 December 2022: €163.2 million). The increase in equity results from the current annual result. The payment of a dividend of €2.4 million, which was approved by the Annual General Meeting on 1 June 2023, had the opposite effect. In relation to the consolidated balance sheet total of €327.8 million (31 December 2022: €308.1 million), the equity ratio was 50.5% as of the balance sheet date, compared to 53.0% as of 31 December 2022.

As of 30 September 2023, the FRIEDRICH VORWERK Group has a liquidity reserve (including securities) of €4.9 million (31 December 2022: €48.4 million). The decrease in the liquidity reserve is mainly the result of the negative cash flow from operating activities, primarily due to the increase in working capital in the amount of €-13.5 million, as well as payments for investments (€-23.1 million). After deducting financial debt of €18.6 million (31 December 2022: €21.2 million), net cash and cash equivalents amounted to €-13.7 million as of the balance sheet date (31 December 2022: €27.2 million).

Change in cash and cash equivalents amounted to €-43.3 million (previous year: €-102.5 million) and is composed as follows:

Net cash outflow from operating activities amounted to €13.5 million (previous year: €65.9 million). The operating cash flow is generally characterised by a seasonal increase in net working capital in the first three quarters, which then reverses in the fourth quarter. A high positive cash flow from operating activities is expected for the year as a whole.

Cash flow from investing activities amounted to €-22.8 million (previous year: €-24.5 million) and mainly relates to investments in our technical equipment and machinery and the expansion and extension of the Group's locations.

Cash flow from financing activities amounted to €-7.0 million (previous year: €-12.1 million) and mainly consists of current interest and redemption payments as well as the dividend payment of €2.4 million. In addition, €1.2 million was distributed to non-controlling shareholders.

Outlook

The Management Board of Friedrich Vorwerk Group SE continues to expect consolidated revenue of over €330 million with an adjusted EBITDA margin of 8-11% for the financial year 2023.

IFRS consolidated income statement

IFRS consolidated income statement (unaudited)	1 Jan – 30 Sep 2023 €k	1 Jan – 30 Sep 2022 €k
Revenue	275,141	258,714
Operating performance	275,141	258,714
Income from equity investments	12,080	10,437
Other operating income	3,535	4,730
Total performance	290,756	273,880
Cost of raw materials and supplies	-31,721	-22,312
Cost of purchased services	-115,464	-96,841
Cost of materials	-147,185	-119,154
Wages and salaries	-74,387	-68,257
Social security and pension costs	-22,330	-20,787
Staff costs	-96,717	-89,044
Other operating expenses	-26,463	-22,654
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	20,391	43,029
Depreciation and amortisation	-13,363	-12,130
Earnings before interest and taxes (EBIT)	7,028	30,899
Finance income	157	19
Finance expenses	-492	-679
Earnings attributable to non-controlling interests	-105	-2,565
Net finance costs	-439	-3,225
Earnings before taxes (EBT)	6,589	27,674
Income tax expense	-1,830	-8,028
Other taxes	-332	-290
Profit or loss for the period	4,427	19,356
Non-controlling interests	-126	119
Consolidated net profit	4,301	19,475
Earnings per share (in €)	0.22	0.97

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 30 Sep 2023 €k	1 Jan – 30 Sep 2022 €k
Profit or loss for the period	4,427	19,356
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	5	-18
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	300	-928
Other comprehensive income after taxes	304	-946
Comprehensive income for the reporting period	4,731	18,410
thereof attributable to:		
- Shareholders of the parent company	4,605	18,528
- Non-controlling interests	126	-119

IFRS consolidated income statement - quarter

IFRS consolidated income statement (unaudited)	1 Jul – 30 Sep 2023 €k	1 Jul – 30 Sep 2022 €k
Revenue	109,511	115,901
Operating performance	109,511	115,901
Income from equity investments	5,270	4,249
Other operating income	1,061	1,919
Total performance	115,842	122,069
Cost of raw materials and supplies	-13,189	-9,543
Cost of purchased services	-51,972	-53,038
Cost of materials	-65,160	-62,581
Wages and salaries	-25,961	-22,980
Social security and pension costs	-7,723	-7,494
Staff costs	-33,683	-30,474
Other operating expenses	-10,190	-8,286
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6,808	20,728
Depreciation and amortisation	-4,558	-4,193
Earnings before interest and taxes (EBIT)	2,250	16,535
Finance income	15	6
Finance expenses	-185	-236
Earnings attributable to non-controlling interests	89	-1,344
Net finance costs	-81	-1,573
Earnings before taxes (EBT)	2,169	14,963
Income tax expense	-697	-4,437
Other taxes	-225	-88
Profit or for the period	1,247	10,437
Non-controlling interests	-77	-106
Consolidated net profit	1,170	10,331
Earnings per share (in €)	0.06	0.52

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position	30 Sep 2023	31 Dec 2022
Assets	unaudited	audited
	€k	€k
Non-current assets		
Concessions, industrial property rights and similar rights	417	273
Goodwill	4,276	4,276
Intangible assets	4,693	4,549
Land and buildings including buildings on third-party land	34,791	33,916
Technical equipment and machinery	37,314	34,722
Other equipment, operating and office equipment	22,298	20,732
Advance payments and assets under construction	13,230	7,862
Property, plant and equipment	107,633	97,233
Equity investments	24,672	17,072
Investment securities	2,282	2,560
Other loans	640	627
Financial assets	27,594	20,259
Deferred tax assets	12,348	9,029
	152,268	131,070
Current assets		
Raw materials and supplies	8,263	10,165
Work in progress	101	100
Inventories	8,364	10,266
Trade receivables	45,351	17,683
Contract assets	111,717	95,428
Other current assets	7,442	7,756
Trade receivables and other current assets	164,511	120,867
Cash in hand	19	31
Bank balances	2,603	45,845
Cash in hand, bank balances	2,622	45,876
	175,496	177,009
Total assets	327,765	308,079

IFRS consolidated statement of financial position	30 Sep 2023	31 Dec 2022
Equity and liabilities	unaudited	audited
	€k	€k
Equity		
Issued capital	20,000	20,000
Capital reserve	76,204	76,204
Retained earnings and other reserves	69,296	66,602
Non-controlling interests	19	374
	165,520	163,181
Non-current liabilities		
Liabilities to banks	11,117	12,912
Liabilities to non-controlling interests	6,925	6,820
Liabilities from participation rights	10,213	10,213
Lease liabilities	1,388	2,646
Pension provisions	1,991	1,991
Deferred tax liabilities	23,003	20,168
	54,638	54,751
Current liabilities		
Liabilities to banks	2,415	2,388
Contract liabilities	17,340	7,296
Trade payables	6,689	10,888
Liabilities to non-controlling interests	1,365	2,534
Other liabilities	36,833	22,757
Lease liabilities	2,508	3,247
Provisions with liability character	24,908	24,640
Tax provisions	4,439	11,697
Other provisions	11,111	4,700
	107,607	90,147
Total equity and liabilities	327,765	308,079

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Sep 2023 €k	1 Jan – 30 Sep 2022 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	7,028	30,899
Depreciation and amortisation	13,363	12,130
Increase (+), decrease (-) in provisions	6,411	-1,201
Losses (+), gains (-) from disposal of property, plant and equipment	-244	-97
Results from equity investments	-12,080	-10,437
Other non-cash expenses and income	51	-263
Adjustments for non-cash transactions	7,501	132
Increase (-), decrease (+) in inventories, trade receivables and other assets	-40,222	-93,068
Decrease (-), increase (+) in trade payables and other liabilities	19,086	5,504
Change in working capital	-21,136	-87,564
Income taxes paid	-9,776	-10,282
Interest received	157	19
Cash receipts from dividends paid by equity investments	2,741	858
Cash flow from operating activities	-13,484	-65,938
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-335	-64
Investments (-), divestments (+) in property, plant and equipment	-23,052	-23,076
Investments (-), divestments (+) in financial assets and securities	565	-1,179
Acquisitions (less cash received)	0	-181
Cash flow from investing activities	-22,822	-24,500
3. Cash flow from financing activities		
Proceeds from borrowing financial loans	15,171	4,992
Repayments of financial loans	-15,739	-5,909
Profit distribution to shareholders	-2,400	-4,000
Repayments of lease liabilities	-2,266	-2,925
Payments to non-controlling interests	-1,234	-3,584
Interest payments	-481	-678
Cash flow from financing activities	-6,950	-12,105

IFRS consolidated statement of cash flows (unaudited)	1 Jan -30 Sep 2023 €k	1 Jan - 30 Sep 2022 €k
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-43,257	-102,543
Effects of changes in foreign exchange rates	3	-3
Cash and cash equivalents at the beginning of the period	45,876	108,282
Cash and cash equivalents at the end of the period	2,622	5,736
Composition of cash and cash equivalents		
Cash in hand	19	41
Bank balances	2,603	5,695
Reconciliation to liquidity reserve on 30 Sep		
	2023	2022
Cash and cash equivalents at the end of the period	2,622	5,736
Investment securities	2,282	3,519
Liquidity reserves on 30 Sep	4,904	9,255

Segment reporting

Segment reporting 1 Jan – 30 Sep 2023 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	125,832	42,192	17,026	90,090	0	275,141
EBIT	220	3,337	3,581	36	-146	7,028
EBIT margin	0.2%	7.9%	21.0%	0.0%		2.6%
Revenue share	45.7%	15.3%	6.2%	32.7%		

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%
Revenue share	52.6%	16.6%	5.6%	25.2%		

Financial calendar

Quarterly Report Q3 2023

14 November 2023

End of financial year

31 December 2023

Conferences

Deutsches Eigenkapitalforum

27 - 29 November 2023

Berenberg European Conference

5 December 2023

Furthermore, we would like to draw your attention to our newsletter, which you can subscribe to at www.friedrich-vorwerk.de.

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