

FRIEDRICH VORWERK increases revenue by 6% in the first nine months with an EBITDA margin of 7.4% and triples order intake to over €1 billion

Tostedt, 14 November 2023 – Friedrich Vorwerk Group SE (ISIN DE000A255F11), a leading provider of energy infrastructure solutions for gas, electricity and hydrogen applications, increased its order intake to €1,009 million in the first nine months of the financial year. This is more than three times the previous year's already high figure of €318 million. The third quarter in particular contributed to this, with incoming orders of €690 million alone. The order backlog as of 30 September 2023 increased to €1,049 million as a result. The main driver of the rapid order growth is the contract awarded in August for the execution phase of the A-Nord electricity project, which is worth around €600 million to FRIEDRICH VORWERK.

FRIEDRICH VORWERK increased its revenue by 6.3% to €275.1 million in the first nine months. As expected, the third quarter, with revenue of €109.5 million, was somewhat weaker than the strong prior-year quarter. With an EBITDA margin of 7.4% and an adjusted EBIT margin of 2.6%, profitability in the first nine months remained significantly below the previous year. The decline in profitability in the current financial year is due in particular to the persistently high material and personnel costs, 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 concluded in the third quarter despite significant progress.

Despite the temporarily lower level of profitability, the Management Board of Friedrich Vorwerk Group SE is looking positively to the future. The order backlog at a record level forms an excellent basis for further profitable growth. The A-Nord project, which is being handled as a multi-party agreement (IPA) and is based on a “cost-plus-incentive-fee” remuneration structure with bonus-malus regulations, is particularly noteworthy. Preparatory work began at the end of the third quarter and the overall project is scheduled for completion in 2026. At the same time, the burdens resulting from cost increases for old projects are expected to weaken noticeably over time. Against this backdrop, the Management Board continues to expect Group revenue of over €330 million with an adjusted EBITDA margin of 8-11% in 2023.

The full quarterly statement can be found at www.friedrich-vorwerk.de.

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Court of Registration
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