

Interim Statement

31 March 2024

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Three months (unaudited)	2024	2023	Δ 2024 / 2023
	€k	€k	%
Order backlog	1,045,430	448,820	132.9
Order intake	121,337	206,803	-41.3
Earnings figures (adjusted*)	€k	€k	%
Revenue	76,710	73,074	5.0
Operating performance	76,710	73,076	5.0
Total performance	81,200	78,508	3.4
Cost of materials	-34,260	-36,306	-5.6
Staff costs	-31,994	-28,970	10.4
EBITDA	6,761	5,574	21.3
<i>EBITDA margin</i>	<i>8.8%</i>	<i>7.6%</i>	
EBIT	1,944	1,248	55.7
<i>EBIT margin</i>	<i>2.5%</i>	<i>1.7%</i>	
EBT	2,001	1,190	68.2
<i>EBT margin</i>	<i>2.6%</i>	<i>1.6%</i>	
Consolidated net profit after non-controlling interests	1,585	771	105.6
EPS in €	0.08	0.04	105.6
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	€k	€k	%
EBITDA	6,761	5,574	21.3
Group result	1,558	748	108.2
EPS in €	0.08	0.04	108.2
Figures from the statement of financial position (IFRS)	31 Mar	31 Dec	
	€k	€k	%
Non-current assets	145,435	137,697	5.6
Current assets	162,961	173,579	-6.1
thereof cash funds	37,005	56,530	-34.5
Issued capital	20,000	20,000	0.0
Other equity	153,307	151,542	1.2
Total equity	173,307	171,542	1.0
<i>Equity ratio</i>	<i>56.2%</i>	<i>55.1%</i>	
Non-current liabilities	52,731	46,004	14.6
Current liabilities	82,358	93,730	-12.1
Total assets	308,396	311,276	-0.9
Net cash (+) / net debt (-)**	15,593	42,064	-62.9
Employees	1,742	1,695	2.8

* With regard to the adjustments, please refer to the information provided in the section on result 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

The FRIEDRICH VORWERK Group once again demonstrated its excellent cross-segment market position in the first three months of the 2024 financial year, generating order intake of €121.3 million (previous year: €206.8 million), which largely resulted from plant construction projects attributable to the Electricity and Adjacent Opportunities segments. In addition to the aforementioned projects, further numerous renovation and service projects were acquired, meaning that the order backlog as at 31 March 2024 amounted to €1,045.4 million (31 December 2023: €1,000.8 million). The majority of the order backlog is attributable to the Electricity segment (€837.0 million), which therefore offers the greatest opportunities for growth in the short and medium term.

Despite sometimes challenging weather conditions, revenue in the reporting period increased by 5.0% to €76.7 million (previous year: €73.1 million), while EBITDA increased overproportionately from €5.6 million to €6.8 million in the current period. This corresponds to an EBITDA margin of 8.8%. Adjusted EBIT grew to €1.9 million (previous year: €1.2 million), which corresponds to an EBIT margin of 2.5%. The increase in profitability is mainly due to the gradual completion of the old projects acquired in 2020 and 2021 and are therefore affected by partly considerable increases in material and staff costs. Of particular note is here one major plant construction project in the Natural Gas segment, which is expected to be completed in the second quarter. In addition, the proportion of third party services was also reduced and a greater proportion of the value was generated using the company's own resources.

After a construction period of just under a year, FRIEDRICH VORWERK completed the Energy Transmission Line (ETL) 180 as part of a working group (joint venture) in the first quarter of 2024. The official commissioning of ETL 180, which connects the LNG terminal in Brunsbüttel with the existing long-distance pipeline network in the Hamburg area, took place on 11 March 2024 and make an important contribution to the security of energy supply in Germany. Due to the high time pressure of this critical infrastructure project and in some cases significant design changes, numerous items remain the subject of constructive follow-up negotiations even after the completion of the construction work. Recultivation work along the approximately 55 km-long route will take place over the remainder of the financial year.

On 29 February 2024, the FRIEDRICH VORWERK Group acquired 100% of the shares in Seyde und Coburg Kathodischer Korrosionsschutz GmbH, based in Ludwigsfelde. Seyde und Coburg generates profitable annual revenue in the low single-digit million range and expands the Group's increasingly important corrosion protection expertise.

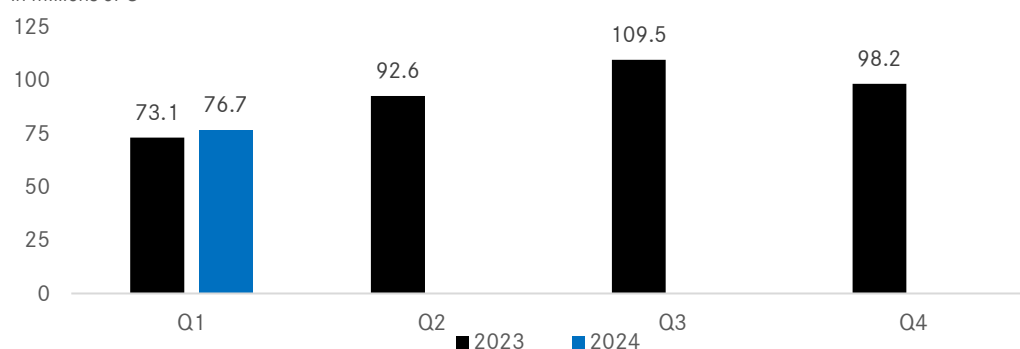
The Management Board and the Supervisory Board of Friedrich Vorwerk Group SE have proposed to distribute a dividend of €0.12 per entitled share for the financial year 2023 and to carry forward the remaining amount to new account. The dividend is subject to approval by the Annual General Meeting, which will be held in Hamburg on 3 June 2024.

Result of operations, financial position and net assets

The order backlog as of the reporting date of 31 March 2024 amounted to €1,045.4 million. Of the order backlog, 9% is attributable to the Natural Gas segment, 80% to the Electricity segment, 1% to the Clean Hydrogen segment and 10% to the Adjacent Opportunities segment. Order intake in the reporting period amounted to €121.3 million.

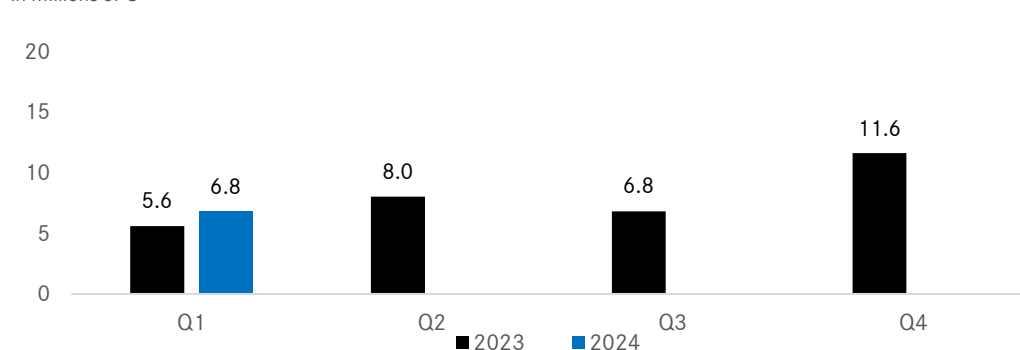
Consolidated revenue of the FRIEDRICH VORWERK Group amounted to €76.7 million in the reporting period. This corresponds to an increase of 5.0% compared to the same period of the previous year (€73.1 million). The increase in revenue is mainly due to a high revenue share from the major A-Nord project acquired in the previous year, where work on the preparatory measures started again in February after a short winter break. In addition, the inner-city construction projects and plant construction projects in particular contributed to revenue growth despite challenging weather conditions.

Revenue by quarter
in millions of €



EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by €1.2 million in the first three months to €6.8 million (same period in the previous year: €5.6 million). The profitability of the projects in the same period of the previous year was impacted in particular by sharp rises in the costs of materials, energy and third party services. The majority of these projects were completed by the reporting date, meaning that no further negative effects on profitability are expected.

EBITDA by quarter
in millions of €



After adjusted depreciation and amortisation of €4.8 million (previous year: €4.3 million), adjusted EBIT amounted to €1.9 million (previous year: €1.2 million). The year-on-year increase in depreciation and amortisation is mainly the result of increased investment activity in recent financial years. Adjusted net income after minority interests amounted to €1.6 million (previous year: €0.8 million) and €0.08 per share (previous year: €0.04 per share).

Equity amounted to €173.3 million as at 31 March 2024 (31 December 2023: €171.5 million). In relation to the consolidated balance sheet total of €308.4 million (31 December 2023: €311.3 million), the equity ratio as of the balance sheet date was 56.2% compared to 55.1% as at 31 December 2023. The increase is mainly due to the current result.

As at 31 March 2024, the FRIEDRICH VORWERK Group has liquidity (including securities) of €39.3 million (31 December 2023: €58.6 million). The decrease in liquidity is mainly the result of the negative cash flow from operating activities €-17.7 million. The operating cash flow is characterised in particular by the seasonal increase in net working capital, which is regularly reduced again by the end of the year. Another reason for the decline in cash and cash equivalents is the high level of investment activity of €8.1 million. This was offset by proceeds from borrowing of financial loans of €8.0 million. After deducting financial liabilities of €23.7 million (31 December 2023: €16.5 million), net cash and cash equivalents amounted to €15.6 million as at the reporting date (31 December 2023: €42.1 million).

Outlook

For the seasonally stronger summer months, the Management Board expects an acceleration in revenue recognition and a further increase in profitability, so that Group revenue of more than €380 million and an increased EBITDA margin of 11-13% are still expected. The adjusted EBIT margin will increase at a comparable rate despite higher depreciation as a result of investment activities.

IFRS consolidated income statement

IFRS consolidated income statement (unaudited)	1 Jan - 31 Mar 2024 €k	1 Jan - 31 Mar 2023 €k
Revenue	76,710	73,077
Increase (+), decrease (-) in finished goods and work in progress	0	-1
Operating performance	76,710	73,076
Income from equity investments	3,198	4,410
Other operating income	1,292	1,022
Total performance	81,200	78,508
Cost of raw materials and supplies	-8,485	-5,329
Cost of purchased services	-25,774	-30,977
Cost of materials	-34,260	-36,306
Wages and salaries	-24,756	-21,827
Social security and pension costs	-7,238	-7,142
Staff costs	-31,994	-28,970
Other operating expenses	-8,185	-7,659
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6,761	5,574
Depreciation and amortisation	-4,858	-4,364
Earnings before interest and taxes (EBIT)	1,904	1,209
Finance income	323	115
Finance expenses	-252	-135
Earnings attributable to non-controlling interests	-11	-35
Net finance costs	60	-56
Earnings before taxes (EBT)	1,963	1,153
Income tax expense	-294	-352
Other taxes	-112	-30
Profit or loss for the period	1,557	771
Non-controlling interests	0	-23
Consolidated net profit	1,557	748
Earnings per share (in €)	0.08	0.04

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 31 Mar 2024 €k	1 Jan – 31 Mar 2023 €k
Profit or loss for the period	1,557	771
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	4	1
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	205	173
Other comprehensive income after taxes	209	174
Comprehensive income for the reporting period	1,767	945
thereof attributable to:		
- Shareholders of the parent company	1,767	922
- Non-controlling interests	0	23

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position	31 Mar 2024	31 Dec 2023
Assets	unaudited	audited
	€k	€k
Non-current assets		
Concessions, industrial property rights and similar rights	1,186	1,147
Goodwill	4,406	4,276
Intangible assets	5,593	5,423
Land and buildings, including buildings on third-party land	48,733	36,758
Real estate		
Technical equipment and machinery	37,440	36,154
Other equipment, operating and office equipment	25,210	23,310
Advance payments and assets under construction	2,759	14,118
Property, plant and equipment	114,142	110,340
Equity investments	13,096	10,591
Investment securities	2,273	2,068
Financial assets	15,369	12,659
Deferred tax assets	10,332	9,276
	145,435	137,697
Current assets		
Raw materials and supplies	7,852	7,241
Work in progress	7	7
Inventories	7,860	7,249
Trade receivables	32,500	37,431
Contract assets	77,420	66,174
Other current assets	8,176	6,194
Trade receivables and other current assets	118,097	109,800
Cash in hand	17	28
Bank balances	36,988	56,503
Cash in hand, bank balances	37,005	56,530
	162,961	173,579
Total assets	308,396	311,276

IFRS consolidated statement of financial position	31 Mar 2024	31 Dec 2023
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	77,058	75,293
Non-controlling interests	44	45
	173,307	171,542
Non-current liabilities		
Liabilities to banks	17,230	10,333
Liabilities to non-controlling interests	6,602	6,591
Liabilities from participation rights	10,213	10,213
Lease liabilities	1,146	1,364
Pension provisions	1,990	1,990
Deferred tax liabilities	15,550	15,513
	52,731	46,004
Current liabilities		
Liabilities to banks	2,902	2,370
Contract liabilities	20,644	25,541
Trade payables	5,057	3,695
Liabilities to non-controlling interests	1,832	1,821
Other liabilities	14,799	19,221
Lease liabilities	2,407	2,267
Provisions with liability character	20,969	25,100
Tax provisions	6,846	6,811
Other provisions	6,903	6,904
	82,358	93,730
Total equity and liabilities	308,396	311,276

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 31 Mar 2024 €k	1 Jan – 31 Mar 2023 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	1,904	1,209
Depreciation and amortisation	4,858	4,364
Increase (+), decrease (-) in provisions	-30	-1,179
Losses (+), gains (-) from disposal of property, plant and equipment	6	-17
Results from equity investments	-3,198	-4,410
Other non-cash expenses and income	16	25
Adjustments for non-cash transactions	1,652	-1,217
Increase (-), decrease (+) in inventories, trade receivables and other assets	-8,090	-11,742
Decrease (-), increase (+) in trade payables and other liabilities	-11,976	-4,992
Change in working capital	-20,066	-16,734
Income taxes paid	-1,484	-5,149
Interest received	323	115
Cash receipts from dividends paid by equity investments	0	1,141
Cash flow from operating activities	-17,671	-20,635
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-114	-232
Investments (-), divestments (+) in property, plant and equipment	-7,895	-7,920
Investments (-), divestments (+) in financial assets and securities	0	-4
Acquisitions (less cash received)	-126	0
Cash flow from investing activities	-8,134	-8,156
3. Cash flow from financing activities		
Proceeds from borrowing financial loans	8,000	0
Repayments of financial loans	-771	-595
Repayments of lease liabilities	-702	-773
Interest payments	-248	-132
Payments to non-controlling interests	0	-1,234
Cash flow from financing activities	6,280	-2,734

IFRS consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2024 €k	1 Jan - 31 Mar 2023 €k
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-19,526	-31,526
Effects of changes in foreign exchange rates (non-cash)	1	-1
Cash and cash equivalents at the beginning of the period	56,530	45,876
Cash and cash equivalents at the end of the period	37,005	14,349
Composition of cash and cash equivalents		
Cash in hand	17	21
Bank balances	36,988	14,328
Reconciliation to liquidity reserve on 31 Mar		
Cash and cash equivalents at the end of the period	37,005	14,349
Investment securities	2,273	2,733
Liquidity reserve on 31 Mar	39,278	17,082

Segment reporting

Segment reporting 1 Jan – 31 Mar 2024 (unaudited)	Natural gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	28,387	20,032	5,217	23,074	0	76,710
EBIT	2,159	98	-64	-250	-40	1,904
EBIT margin (in %)	7.6%	0.5%	-1.2%	-1.1%		2.5%
Revenue share	37.0%	26.1%	6.8%	30.1%		

Segment reporting 1 Jan – 31 Mar 2023 (unaudited)	Natural gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	35,924	10,872	2,698	23,580	0	73,074
EBIT	2,615	-536	481	-1,282	-69	1,209
EBIT margin (in %)	7.3%	-4.9%	17.8%	-5.4%		1.7%
Revenue share	49.1%	14.9%	3.7%	32.3%		

Financial calendar

Quarterly report Q1 2024

15 May 2024

Annual General Meeting

3 June 2024

Half-year financial report 2024

14 August 2024

Quarterly report Q3 2024

14 November 2024

End of financial year

31 December 2024

Conferences

Berenberg European Conference, Manhattan

23 May 2024

Berenberg and Goldman Sachs German Corporate Conference, Munich

24 September 2024

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

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