



Interim Statement

30 September 2024

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Nine months (unaudited)	2024	2023	Δ 2024 / 2023
	€k	€k	%
Order backlog	1,178,151	1,048,793	12.3
Order intake	516,449	1,008,841	-48.8
Earnings figures (adjusted*)	€k	€k	%
Revenue	339,102	275,141	23.2
Operating performance	339,102	275,141	23.2
Total performance	351,471	290,756	20.9
Cost of materials	-163,150	-147,185	10.8
Personnel expenses	-109,781	-96,717	13.5
EBITDA	49,741	20,391	143.9
<i>EBITDA margin</i>	<i>14.7%</i>	<i>7.4%</i>	
EBIT	34,368	7,144	381.1
<i>EBIT margin</i>	<i>10.1%</i>	<i>2.6%</i>	
EBT	32,035	6,697	378.4
<i>EBT margin</i>	<i>9.4%</i>	<i>2.4%</i>	
Consolidated net profit after non-controlling interests	22,331	4,369	411.1
EPS in €	1.12	0.22	411.1
Average number of shares outstanding	20,000,000	20,000,000	0.0
Earnings figures (IFRS)	€k	€k	%
EBITDA	49,741	20,391	143.9
Group result	22,254	4,301	417.5
EPS in €	1.11	0.22	417.5
Figures from the statement of financial position (IFRS)	30 Sep	31 Dec	%
	€k	€k	%
Non-current assets	155,298	137,697	12.8
Current assets	216,793	173,579	24.9
thereof cash funds	51,998	56,530	-8.0
Issued capital	20,000	20,000	0.0
Other equity	171,551	151,542	13.2
Total equity	191,551	171,542	11.7
<i>Equity ratio</i>	<i>51.5%</i>	<i>55.1%</i>	
Non-current liabilities	59,474	46,004	29.3
Current liabilities	121,066	93,730	29.2
Total assets	372,091	311,276	19.5
Net cash (+) / net debt (-)**	30,412	42,064	-27.7
Employees	1,934	1,695	14.1

* 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 is inclusive of securities.

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

Business Development

Revenue in the reporting period increased by 23.3% to €339.1 million (previous year: €275.1 million). The Group's profitability also improved significantly compared to the previous year. EBITDA increased from €20.4 million to €49.7 million and more than doubled in the current financial year, resulting in an EBITDA margin of 14.7%. Adjusted EBIT increased significantly by around 380% to €34.4 million (previous year: €7.1 million). The third quarter contributed particularly to this excellent result, after the revenue and profitability had already risen significantly in the second quarter. In the third quarter, FRIEDRICH VORWERK generated revenue of €145.0 million (previous year: €109.5 million) and EBITDA of €25.3 million (previous year: €6.8 million), which corresponds to an EBITDA margin of 17.5% (previous year: 6.2%). This excellent performance is driven by the high-quality order backlog, which is expected to grow further as the energy transition accelerates.

In terms of order intake, the FRIEDRICH VORWERK Group once again benefited from its excellent positioning in the rapidly growing market for energy infrastructure and acquired numerous new projects in the first nine months of the year. These include, for example, the onshore underground cable connections for the BalWin3 and LanWin4 offshore connection projects, three further lots of the South German natural gas pipeline (SEL), one lot of the Etzel-Wardenburg natural gas pipeline (EWA) and numerous plant construction projects in the Electricity (substations) and Adjacent Opportunities (biogas feed-in and biogas processing plants) segments. The order intake of FRIEDRICH VORWERK in the first nine months amounted to €516.4 million which corresponds to a book-to-bill ratio of 1.52. The order backlog as of 30 September 2024 amounts to €1,178.2 million (31 December 2023: €1,000.8 million).

After a construction period of just under a year, FRIEDRICH VORWERK, as part of a working group (joint venture), completed the Energy Transmission Line (ETL) 180 on schedule 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 makes 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 dedicated follow-up negotiations even after the completion of the construction work. Recultivation work along the approximately 55 km long route will continue into 2025.

Following the early start of construction in the fourth quarter of 2023, the Federal Network Agency completed the planning approval procedure for the "NDS1" and "NDS2" sections of the A-Nord project in the second and third quarters of 2024. The planning approval notice also applies to the parallel DolWin4 and BorWin4 lines. Local resources have been increased accordingly. Construction permits for the other four sections are expected to be granted successively over the course of the year or by the end of the first quarter of 2025.

On 22 October 2024, the Federal Network Agency approved the joint application of the transmission system operators for the hydrogen core network with minor changes. The hydrogen core network approval provides now for measures with a pipeline length of 9,040 km, around 60% of which is based on the rededication of existing natural gas pipelines. The transmission system operators are currently planning to invest a total of €18.9 billion by the target year of 2032. The hydrogen core network is to be developed in stages and the first hydrogen pipelines are to go into operation as early as 2025.

The Management Board and Supervisory Board of Friedrich Vorwerk Group SE proposed to the Annual General Meeting on 3 June 2024 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 Annual General Meeting approved the company's proposal by a large majority. The dividend was paid out on 6 June 2024.

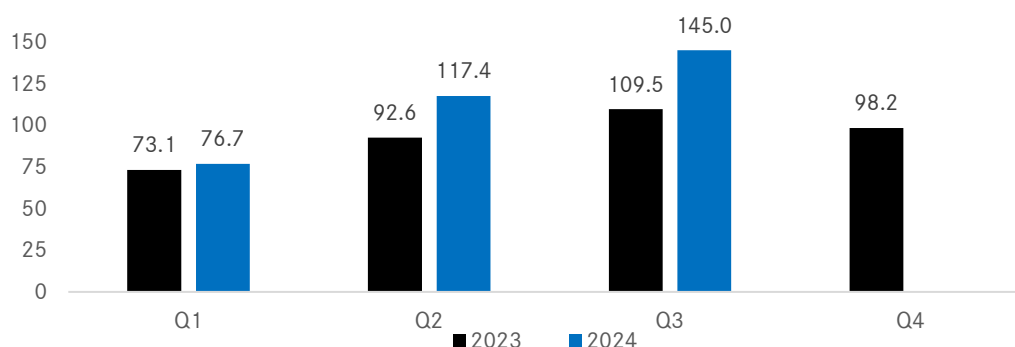
Results of operations, financial position and net assets

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 included depreciation and amortisation of assets capitalised as part of purchase price allocations. The management therefore manages the Group on the basis of adjusted earnings figures, which reflect the operating profitability and development of the Group in a more transparent and sustainable manner.

At €1,178.2 million, the order backlog as of the reporting date of 30 September 2024 is above the previous year's level (30 September 2023: €1,048.8 million). Order intake in the reporting period was €516.4 million, which represents a decrease of 48.8% compared the previous year (prior-year period: €1,008.8 million). The decline in order intake is due to the lighthouse project A-Nord, which was acquired in August 2023 and led to a sharp increase in order intake with a volume of around €600 million. Of the order backlog, 11% is attributable to the Natural Gas segment, 78% to the Electricity segment, 1% to the Clean Hydrogen segment and 9% to the Adjacent Opportunities segment.

The consolidated revenue of the FRIEDRICH VORWERK Group in the reporting period was €339.1 million. This corresponds to an increase of 23.2% compared to the same period of the previous year (€275.1 million). The strong driver of revenue growth in the first nine months, but especially in the third quarter, is the major A-Nord project, which restarted as planned in February 2024 after a short winter break and was ramped up further during the summer months. Another important prerequisite for the continued growth course is the remarkable recruiting success in the financial year. The number of employees increased by 14.1% compared to the last reporting date to 1,934.

Revenue by quarter
in millions of €



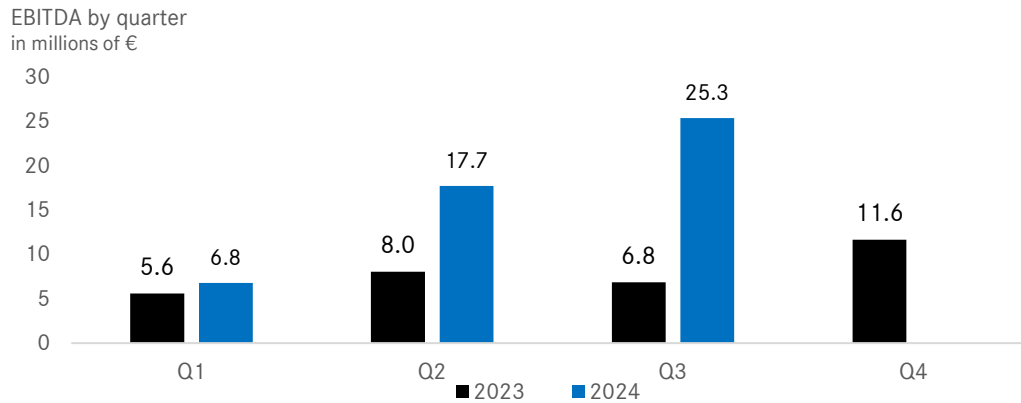
Income from equity investments decreased by €3.5 million to €8.6 million (previous year: €12.1 million). The decline is mainly due to lower earnings contributions from working groups (joint ventures), the amount of which is always subject to fluctuations due to the project structure in the order backlog. Other operating income increased slightly to €3.8 million (previous year: €3.5 million).

Due to lower proportion of subcontractor services, the cost of materials increased disproportionately low by 10.8% to €163.1 million (previous year: €147.2 million). The cost of materials ratio is therefore 48.1% which is below the cost of materials ratio of the previous year (previous year: 53.5%).

Personnel expenses of €109.8 million increased by 13.5% compared to the previous year (previous year: €96.7 million). The increase is mainly due to wage and salary increases as well as an increase in the average number of employees. Compared to the previous year, the average number of employees rose by 9.3%.

The overheads increased by 8.8% to €28.8 million in the reporting period (previous year: €26.5 million). This includes in particular maintenance and servicing expenses, equipment rent, travel expenses and insurance premiums.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by €29.4 million to €49.7 million (previous year: €20.4 million). The main driver of this development is the high-quality order backlog and the now fully completed old projects. The EBITDA margin amounts to 14.7% (previous year: 7.4%).



After adjusted depreciation and amortisation of €15.4 million (previous year: €13.2 million), adjusted EBIT amounted to €34.4 million (previous year: €7.1 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 €22.3 million (previous year: €4.4 million) or €1.12 per share (previous year: €0.22 per share).

Equity amounted to €191.6 million as of 30 September 2024 (31 December 2023: €171.5 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 3 June 2024, had the opposite effect. In relation to the consolidated balance sheet total of €372.1 million (31 December 2023: €311.3 million), the equity ratio was 51.5% as of the balance sheet date, compared to 55.1% as of 31 December 2023.

As of 30 September 2024, the FRIEDRICH VORWERK Group has a liquidity reserve (including securities) of €53.9 million (31 December 2023: €58.6 million). The decrease in the liquidity reserve is mainly due to payments for investments of €27.8 million and the increase in working capital of €14.7 million. After deducting financial debt of €23.5 million (31 December 2023: €16.5 million), net cash and cash equivalents amounted to €30.4 million (31 December 2023: €42.1 million).

Change in cash and cash equivalents in the reporting period amounted to €-4.5 million (previous year: €-43.3 million) and is made up as follows:

Net cash inflow from operating activities amount to €21.7 million (previous year: net cash outflow of €13.5 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 significantly higher cash flow from operating activities is expected for the year as a whole. The improvement in operating cash flow compared to the same period of the previous year is primarily the result of higher advance payments received and optimised billing processes.

Cash flow from investing activities amounted to €-27.7 million (previous year: €-22.8 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 €1.5 million (previous year: €-7.0 million) and is mainly due to proceeds from borrowing of financial loans of €8.0 million, current interest and redemption payments as well as the dividend payment of €2.4 million.

Outlook

Against the backdrop of the excellent development and an unchanged positive outlook, the Management Board of Friedrich Vorwerk Group SE raised its forecast for the financial year 2024 for the second time on 21 October 2024 and now expects revenue of €430-460 million after previously forecasting revenue of more than €410 million. In addition, the Management Board has raised the forecast of EBITDA margin to 14-15%, which was previously expected to be at the upper end of the range of 11-13%.

IFRS consolidated income statement

IFRS consolidated income statement (unaudited)	1 Jan – 30 Sep 2024 €k	1 Jan – 30 Sep 2023 €k
Revenue	339,102	275,141
Operating performance	339,102	275,141
Income from equity investments	8,551	12,080
Other operating income	3,818	3,535
Total performance	351,471	290,756
Cost of raw materials and supplies	-40,238	-31,721
Cost of purchased services	-122,912	-115,464
Cost of materials	-163,150	-147,185
Wages and salaries	-84,590	-74,387
Social security and pension costs	-25,191	-22,330
Personnel expenses	-109,781	-96,717
Other operating expenses	-28,798	-26,463
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	49,741	20,391
Depreciation and amortisation	-15,495	-13,363
Earnings before interest and taxes (EBIT)	34,247	7,028
Finance income	721	157
Finance expenses	-916	-492
Earnings attributable to non-controlling interests	-2,129	-105
Net finance costs	-2,324	-439
Earnings before taxes (EBT)	31,922	6,589
Income tax expense	-9,309	-1,830
Other taxes	-376	-332
Profit or loss for the period	22,237	4,427
Non-controlling interests	17	-126
Consolidated net profit	22,254	4,301
Earnings per share (in €)	1.11	0.22

IFRS consolidated statement of comprehensive income

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 30 Sep 2024 €k	1 Jan – 30 Sep 2023 €k
Profit or loss for the period	22,237	4,427
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	6	5
Items that cannot be subsequently reclassified to profit and loss		
Changes in the fair value of shares	166	300
Other comprehensive income after taxes	172	304
Comprehensive income for the reporting period	22,409	4,731
thereof attributable to:		
- Shareholders of the parent company	22,426	4,605
- Non-controlling interests	-17	126

IFRS consolidated income statement - quarter

IFRS consolidated income statement (unaudited)	1 Jul – 30 Sep 2024 €k	1 Jul – 30 Sep 2023 €k
Revenue	144,978	109,511
Operating performance	144,978	109,511
Income from equity investments	3,057	5,270
Other operating income	1,196	1,061
Total performance	149,231	115,842
Cost of raw materials and supplies	-16,021	-13,189
Cost of purchased services	-55,799	-51,972
Cost of materials	-71,820	-65,160
Wages and salaries	-31,003	-25,961
Social security and pension costs	-9,523	-7,723
Personnel expenses	-40,526	-33,683
Other operating expenses	-11,586	-10,190
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	25,299	6,808
Depreciation and amortisation	-5,487	-4,558
Earnings before interest and taxes (EBIT)	19,812	2,250
Finance income	258	15
Finance expenses	-323	-185
Earnings attributable to non-controlling interests	-1,343	89
Net finance costs	-1,408	-81
Earnings before taxes (EBT)	18,403	2,169
Income tax expense	-5,554	-697
Other taxes	-127	-225
Profit or loss for the period	12,723	1,247
Non-controlling interests	16	-77
Consolidated net profit	12,739	1,170
Earnings per share (in €)	0.64	0.06

IFRS consolidated statement of financial position

IFRS consolidated statement of financial position	30 Sep 2024	31 Dec 2023
Assets	unaudited	audited
	€k	€k
Non-current assets		
Concessions, industrial property rights and similar rights	1,098	1,147
Goodwill	4,450	4,276
Intangible assets	5,547	5,423
Land and buildings including buildings on third-party land	50,367	36,758
Technical equipment and machinery	39,134	36,154
Other equipment, operating and office equipment	32,444	23,310
Advance payments and assets under construction	2,657	14,118
Property, plant and equipment	124,602	110,340
Equity investments	13,183	10,591
Investment securities	1,874	2,068
Financial assets	15,057	12,659
Deferred tax assets	10,091	9,276
	155,298	137,697
Current assets		
Raw materials and supplies	7,572	7,241
Work in progress	945	7
Inventories	8,516	7,249
Trade receivables	40,803	37,431
Contract assets	107,392	66,174
Other current assets	8,084	6,194
Trade receivables and other current assets	156,279	109,800
Cash in hand	12	28
Cash at banks	51,987	56,503
Cash in hand, bank balances	51,998	56,530
	216,793	173,579
Total assets	372,091	311,276

IFRS consolidated statement of financial position	30 Sep 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	95,318	75,293
Non-controlling interests	28	45
	191,551	171,542
Non-current liabilities		
Liabilities to banks	15,694	10,333
Liabilities to non-controlling interests	8,721	6,591
Liabilities from participation rights	10,213	10,213
Lease liabilities	1,521	1,364
Pension provisions	1,990	1,990
Deferred tax liabilities	21,336	15,513
	59,474	46,004
Current liabilities		
Liabilities to banks	3,068	2,370
Contract liabilities	38,900	25,541
Trade payables	12,417	3,729
Liabilities to non-controlling interests	1,295	1,787
Other liabilities	21,921	19,221
Lease liabilities	3,178	2,267
Provisions with liability character	25,636	25,100
Tax provisions	5,708	6,811
Other provisions	8,943	6,904
	121,066	93,730
Total equity and liabilities	372,091	311,276

IFRS consolidated statement of cash flows

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Sep 2024	1 Jan – 30 Sep 2023
	€k	€k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	34,247	7,028
Depreciation and amortisation	15,495	13,363
Increase (+), decrease (-) in provisions	2,010	6,411
Losses (+), gains (-) from disposal of property, plant and equipment	-97	-244
Results from equity investments	-8,551	-12,080
Other non-cash expenses and income	-22	51
Adjustments for non-cash transactions	8,835	7,501
Increase (-), decrease (+) in inventories, trade receivables and other assets	-40,033	-40,222
Decrease (-), increase (+) in trade payables and other liabilities	25,373	19,086
Change in working capital	-14,660	-21,136
Income taxes paid	-7,463	-9,776
Interest received	721	157
Cash receipts from dividends paid by equity investments	29	2,741
Cash flow from operating activities	21,710	-13,484
2. Cash flow from investing activities		
Investments (-), divestments (+) in intangible assets	-177	-335
Investments (-), divestments (+) in property, plant and equipment	-27,802	-23,052
Investments (-), divestments (+) in financial assets and securities	359	565
Acquisitions (less cash received)	-126	0
Cash flow from investing activities	-27,745	-22,822
3. Cash flow from financing activities		
Proceeds from borrowing financial loans	8,000	15,171
Repayments of financial loans	-2,141	-15,739
Profit distribution to shareholders	-2,400	-2,400
Repayments of lease liabilities	-484	-2,266
Payments to non-controlling interests	-570	-1,234
Interest payments	-903	-481
Cash flow from financing activities	1,502	-6,950

IFRS consolidated statement of cash flows (unaudited)	1 Jan – 30 Sep 2024 €k	1 Jan – 30 Sep 2023 €k
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-4,534	-43,257
Effects of changes in foreign exchange rates	2	3
Cash and cash equivalents at the beginning of the period	56,530	45,876
Cash and cash equivalents at the end of the period	51,998	2,622
Composition of cash and cash equivalents		
Cash in hand	12	19
Bank balances	51,987	2,603
Reconciliation to liquidity reserve on 30 Sep		
Cash and cash equivalents at the end of the period	51,998	2,622
Investment securities	1,874	2,282
Liquidity reserves on 30 Sep	53,872	4,904

Segment reporting

Segment reporting 1 Jan – 30 Sep 2024 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp. €k	Reconcilia- tion €k	Group €k
Revenue from third parties	119,716	118,374	16,614	84,398	0	339,102
EBIT	16,268	12,623	1,424	4,054	-122	34,247
EBIT margin	13.6%	10.7%	8.6%	4.8%		10.1%
Revenue share	35.3%	34.9%	4.9%	24.9%		

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%		

Financial calendar

Quarterly Report Q3 2024

14 November 2024

End of financial year

31 December 2024

Conferences

Deutsches Eigenkapitalforum, Frankfurt

26 November 2024

Berenberg European Conference, London

3 December 2024

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

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