



Interim Statement

March 31, 2022

FRIEDRICH VORWERK GROUP SE

21255 Tostedt

Friedrich Vorwerk in figures

Three months (unaudited)	2022	2021	Δ2022 / 2021
	€k	€k	%
Order backlog	377,935	318,952	18.5
Order intake	123,543	64,994	90.1
Earnings figures (adjusted*)	€k	€k	%
Revenue	58,386	52,550	11.1
Operating performance	58,386	52,550	11.1
Total performance	64,496	53,410	20.8
Cost of materials	-21,020	-14,947	40.6
Staff costs	-27,258	-21,064	29.4
EBITDA	9,076	11,547	-21.4
<i>EBITDA margin</i>	<i>15.5%</i>	<i>22.0%</i>	
EBIT	5,353	8,528	-37.2
<i>EBIT margin</i>	<i>9.2%</i>	<i>16.2%</i>	
EBT	4,595	7,679	-40.2
<i>EBT margin</i>	<i>7.9%</i>	<i>14.6%</i>	
Consolidated net profit after non-controlling interests	3,363	4,945	-32.0
eps in €	0.17	0.27	-38.3
Average number of shares in circulation	20,000,000	18,134,831	10.3
Earnings figures (IFRS)	€k	€k	%
EBITDA	9,076	8,530	6.4
Consolidated net profit	3,304	2,400	37.7
eps in €	0.17	0.13	24.8
Figures from the statement of financial position (IFRS)	31 Mar	31 Dec	%
	k€	k€	
Non-current assets	117,412	107,003	9.7
Current assets	161,977	183,458	-11.7
thereof cash and equivalents	65,289	108,282	-39.7
Issued capital (share capital)	20,000	20,000	0.0
Other equity	135,156	132,470	2.0
Total equity	155,156	152,470	1.8
<i>Equity ratio</i>	<i>55.5%</i>	<i>52.5%</i>	
Non-current liabilities	58,645	59,383	-1.2
Current liabilities	65,587	78,608	-16.6
Total assets	279,389	290,461	-3.8
Net cash (+) or net debt (-)**	43,594	83,589	-47.8
Employees	1,618	1,633	-0.9

* 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

The first quarter of the fiscal year brought significant changes from a macroeconomic perspective. The Russian war of aggression against Ukraine and the associated uncertainties on the international raw material and energy markets noticeably dampened the macroeconomic recovery after the Corona pandemic. At the same time, the changed geopolitical framework conditions have also led to a shift in the focus of political interest in many European countries to securing energy supplies. In Germany in particular, the existing energy supply is being put to the test and will in all likelihood undergo a fundamental reorganization in the coming years, which will require numerous additional infrastructure investments. Against this background, FRIEDRICH VORWERK, as a long-standing partner of the energy industry, continues to look positively into the future and expects an increasing market demand across all target markets.

In this environment, the FRIEDRICH VORWERK Group was able to achieve a record in order intake. In the first three months of the fiscal year, this amounted to €123.5 million, which corresponds to an increase of 90%. This includes the order to build a district heating pipeline in Hamburg with a volume of over €70 million. With an order backlog of €377.9 million at the reporting date, a new record was set.

While sales increased by 11.1% to €58.4 million (previous year: €52.5 million), adjusted EBIT decreased by €3.2 million to €5.4 million (previous year: €8.5 million) due to integration measures at the Gottfried Puhlmann Group, which was acquired in the previous fiscal year, and the simultaneous start-up of several major projects. While sales in the Natural Gas segment declined slightly by 10% to €32.4 million (previous year: €35.9 million), they increased in the Electricity segment by 42% to €10.4 million (previous year: €7.3 million) and in the Adjacent Opportunities segment by 101% to €14.3 million (previous year: €7.1 million). For the seasonally stronger summer months, we expect a further acceleration of revenue recognition and a return to the forecasted profitability level.

As of April 27, 2022, the FRIEDRICH VORWERK Group acquired Hempel Aluminiumbau GmbH, Storkow, a supplier of aluminum control cabinets. The company, whose products are used in some of our projects in the field of energy transformation, represents a strategic expansion of our existing portfolio of products and services and is thus part of our defined growth strategy. The company will be consolidated for the first time as of April 30, 2022.

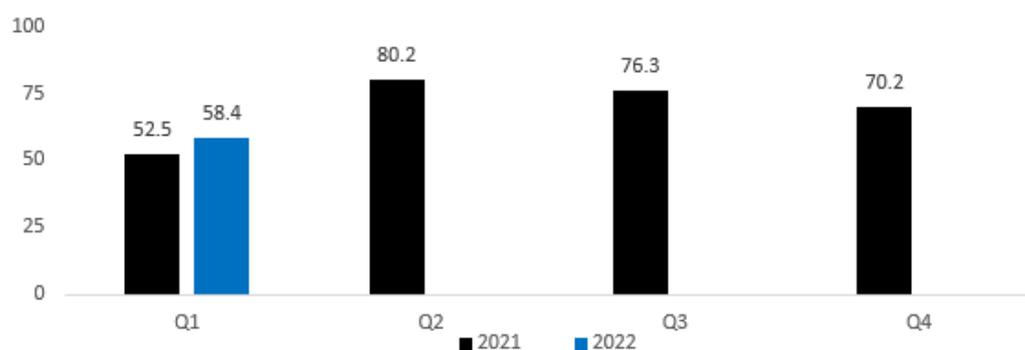
The Management Board and Supervisory Board have proposed to distribute a dividend of €0.20 per dividend-bearing share for the financial year 2021 and to carry forward the remaining amount to new account. The dividend is subject to approval by the Annual General Meeting, which will be held in virtual form on June 1, 2022 due to the ongoing spread of the coronavirus.

Result of operations, financial position and net assets

The results of operations, financial position and net assets of the FRIEDRICH VORWERK Group are positive. As of the reporting date of March 31, 2022, the order backlog amounted to € 377.9 million, while incoming orders totaled €123.5 million in the reporting period. Both figures have thus reached historic highs in the company's history. Of the order backlog, 46% is attributable to the Natural Gas segment, 10% to the Electricity segment, 3% to the Clean Hydrogen segment and 41% to the Adjacent Opportunities segment.

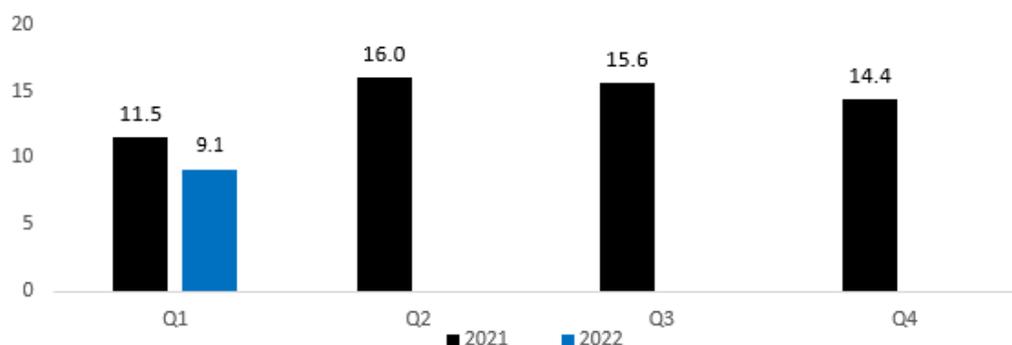
Consolidated sales of the FRIEDRICH VORWERK Group amounted to €58.4 million in the reporting period. This corresponds to an increase of 11.1% compared to the same period of the previous year (€ 52.5 million) and, in addition to the continued very strong market demand, is also attributable to the first-time consolidation of the Gottfried Puhlmann Group as of December 31 of the previous financial year and the better weather conditions compared to the previous year. On the other hand, start-up effects for major projects and a significant increase in Corona infections in the workforce had an opposite effect on total operating performance.

Revenue (adj.) by quarter
in millions of €



Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) fell by €2.5 million to €9.1 million in the first three months (previous year: €11.5 million). The decline is mainly due to integration measures at the Gottfried Puhlmann Group and start-up costs for the recently acquired major district heating orders from the Adjacent Opportunities segment. The adjustments relate only to the previous year and consist of expenses of €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 €3.7 million (previous year: €3.0 million), adjusted EBIT amounted to €5.4 million (previous year: €8.5 million). The year-on-year increase in depreciation, amortization and impairment losses is mainly due to the higher level of investment activity in the past financial year. Adjusted net income after minority interests amounted to €3.4 million (prior-year period: €4.9 million) or €0.17 per share (previous year: €0.27 per share).

Equity amounted to €155.2 million as of March 31, 2022 (December 31, 2021: €152.5 million). In relation to the consolidated balance sheet total of €279.4 million (December 31, 2021: €290.5 million), the equity ratio as of the balance sheet date is 55.5%, compared with 52.5% as of December 31, 2021. The increase is mainly due to the current annual result.

As of March 31, 2022, the FRIEDRICH VORWERK Group has liquidity (including securities) of € 69.5 million (December 31, 2021: € 111.6 million). The decline in liquidity is mainly due to the negative cash flow from operating activities of € -30.5 million. The operating cash flow is characterized by a seasonal increase in net working capital over the course of the year, which was further intensified in the first quarter by the simultaneous start-up of several major projects in the energy grids area. Furthermore, operating cash flow in the first quarter was impacted by various temporary capital gains and sales tax effects (-€15.3 million), which partially offset over the course of the year. Another reason for the decline in liquidity is an increase in investment activity compared with the prior-year period. After deducting financial debt of € 25.9 million (December 31, 2021: € 28.0 million), net cash and cash equivalents amounted to € 43.6 million as of the balance sheet date (December 31, 2021: € 83.6 million).

Outlook

Against the background of the very good order situation, management continues to expect total sales of over €320 million with an adjusted EBIT margin of 15% for fiscal year 2022.

Consolidated statement of profit or loss

IFRS consolidated statement of profit or loss (unaudited)	1 Jan - 31 Mar 2022 k€	1 Jan - 31 Mar 2021 k€
Revenue	58,386	52,550
Badwill	0	138
Result from joint ventures and associates	4,920	-125
Other operating income	1,190	985
Total performance	64,496	53,548
Cost of raw materials and supplies	-3,430	-5,211
Cost of purchased services	-17,590	-9,737
Cost of materials	-21,020	-14,947
Wages and salaries	-21,156	-19,101
Social security and pension costs	-6,102	-4,708
Staff costs	-27,258	-23,809
Other operating expenses	-7,142	-6,262
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9,076	8,530
Amortization and depreciation expense	-3,825	-3,041
Earnings before interest and taxes (EBIT)	5,250	5,490
Finance revenue	6	2
Finance costs	-271	-175
Earnings attributable to non-controlling interests	-487	-688
Net finance costs	-751	-861
Earnings before taxes (EBT)	4,499	4,628
Income tax expense	-1,269	-2,198
Other taxes	-124	-101
Profit or loss for the period	3,106	2,330
Non-controlling interests	198	70
Consolidated net profit	3,304	2,400
Earnings per share (in €)	0.17	0.13

Consolidated statement of comprehensive income

IFRS consolidated statement of other comprehensive income (unaudited)	Jan 1 - 31 Mar 2022 k€	Jan 1 - 31 Mar 2021 k€
Consolidated net profit	3,304	2,400
Non-controlling interests	-198	-70
Profit or loss for the period	3,106	2,330
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-4	-7
Items that may not be subsequently reclassified to profit and loss		
Fair value changes shares	-230	0
Other comprehensive income after taxes	-234	-7
Comprehensive income for the reporting period	2,872	2,323
thereof attributable to:		
- Shareholders of the parent company	3,070	2,393
- Non-controlling interests	-198	-70

Consolidated statement of financial position

Statement of financial position	31 Mar 2022	31 Dec 2021
Assets (IFRS)	unaudited	audited
	k€	k€
Non-current assets		
Concessions, industrial property rights and similar rights	741	772
Goodwill	2,247	1,692
Intangible assets	2,989	2,464
Land and buildings including buildings on third-party land	32,500	32,225
Technical equipment and machinery	32,955	32,778
Other equipment, operating and office equipment	16,037	15,067
Advance payments and assets under development	1,600	544
Property, plant and equipment	83,092	80,614
Investments in associates	13,130	8,470
Investment securities	4,217	3,295
Other loans	629	610
Financial assets	17,975	12,375
Deferred tax assets	13,356	11,550
	117,412	107,003
Current assets		
Raw materials and supplies	8,248	6,031
Work in progress	110	114
Inventories	8,358	6,146
Trade receivables	19,822	15,809
Contract assets	54,101	45,227
Other current assets	14,407	7,995
Trade receivables and other current assets	88,329	69,031
Cash in hand	83	85
Cash at banks	65,207	108,196
Cash in hand and at banks	65,289	108,282
	161,977	183,458
Total assets	279,389	290,461

Statement of financial position Liabilities and Equity (IFRS)	31 Mar 2022 unaudited k€	31 Dec 2021 audited k€
Equity		
Issued capital	20,000	20,000
Capital reserve	76,204	76,204
Retained earnings and other reserves	58,119	55,208
Non-controlling interests	833	1,058
	155,156	152,470
Non-current liabilities		
Liabilities to banks	14,701	15,295
Lease liabilities	3,891	5,979
Liabilities from participation rights	10,213	10,213
Liabilities to non-controlling interests	6,347	5,860
Pension provisions	2,727	2,727
Deferred tax liabilities	20,765	19,308
	58,645	59,383
Current liabilities		
Liabilities to banks	3,126	3,689
Lease liabilities	4,194	3,024
Trade payables	4,050	6,818
Contract liabilities	6,355	10,817
Liabilities to non-controlling interests	4,637	4,997
Other liabilities	15,620	20,101
Accruals	11,643	12,676
Income tax liabilities	11,851	10,921
Other provisions	4,112	5,565
	65,587	78,608
Total equity and liabilities	279,389	290,461

Consolidated statement of cash flows

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2022 k€	1 Jan - 31 Mar 2021 k€
1. Cashflow from operating activities		
Earnings before interest and taxes (EBIT)	5,250	5,490
Amortization and depreciation	3,825	3,041
Increase (+), decrease (-) in provisions	-1,453	-958
Gains (-), Losses (+) from disposal of non-current assets	-64	-227
Result from joint ventures and associates	-4,920	125
Other non-cash expenses / income	-92	-170
Adjustments for non-cash transactions	-2,703	1,810
Increase (-), decrease (+) in inventories, trade receivables and other assets	-20,684	2,123
Decrease (-), increase (+) in trade payables and other liabilities	-10,279	-2,383
Change in working capital	-30,963	-260
Income taxes paid	-2,535	-1,062
Interest received	6	2
Dividend proceeds from equity investments	455	663
Cash flow from operating activities	-30,489	6,642
2. Cash flow from investing activities		
Investments (-), divestments (+) of intangible assets	-4	-37
Investments (-), divestments (+) of property, plant and equipment	-6,067	-3,398
Investments (-), divestments (+) of non-current financial assets and securities	-1,170	0
Business combination (less cash and cash equivalents received)	0	2
Cash flow from investing activities	-7,241	-3,433
3. Cash flow from financing activities		
Proceeds from contributions to equity by shareholders of the parent company	0	90,000
Profit distribution to shareholders	0	-25,116
Payment of transaction costs for issue of share capital	0	-3,616
Proceeds from borrowings	0	10,618
Repayments of loans	-3,970	-399
Payments for lease liabilities	-1,021	-2,866
Interest payments	-270	-174
Cash flow from financing activities	-5,261	68,448

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2022 k€	1 Jan - 31 Mar 2021 k€
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-42,991	71,657
Effects of changes in foreign exchange rates (non-cash)	-2	-1
Cash and cash equivalents at beginning of period	108,282	45,253
Cash and cash equivalents at end of period	65,289	116,909
Composition of cash and cash equivalents		
Cash in hand	83	68
Bank balances	65,207	116,841
Reconciliation to liquidity reserve on 31 Mar		
	2022	2021
Cash and cash equivalents at end of period	65,289	116,909
Securities	4,217	0
Liquidity reserve on 31 Mar	69,506	116,909

Segment reporting

Segment reporting 1 Jan - 31 Mar 2022 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp.	Reconcilia- tion €k	Group €k
Revenue from third parties	32,425	10,365	1,336	14,260	0	58,386
EBIT	6,660	-251	302	-1,431	-30	5,250
EBIT-margin	20.5%	-2.4%	22.6%	-10.0%		
Share in Revenue	55.5%	17.8%	2.3%	24.4%		

Segment reporting 1 Jan - 31 Mar 2021 (unaudited)	Natural Gas €k	Electricity €k	Clean Hydrogen €k	Adjacent Opp.	Reconcilia- tion €k	Group €k
Revenue from third parties	35,932	7,314	2,207	7,097	0	52,550
EBIT	5,619	1,074	381	1,455	-3,039	5,490
EBIT-margin	15.6%	14.7%	n.a.	20.5%		
Share in Revenue	68.4%	13.9%	4.2%	13.5%		

Financial calendar

Quarterly report Q1 2022

13 May 2022

Annual General Meeting

1 June 2022

Half-year financial report 2022

12 August 2022

Quarterly report Q3 2022

11 November 2022

End of financial year

31 December 2022

Conferences

Berenberg Conference USA

25 May 2022

Berenberg and Goldman Sachs German Corporate Conference

21 September 2022

Deutsches Eigenkapitalforum

28 - 30 November 2022

Berenberg European Conference

6 December 2022

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