

# AF Gruppen ASA Q1 2024

15 May 2024



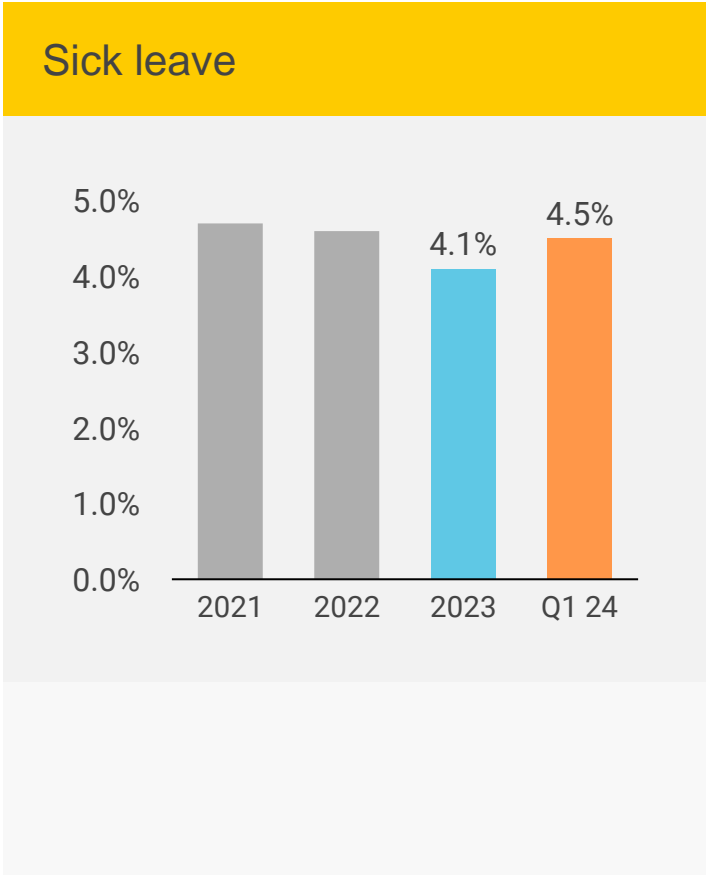
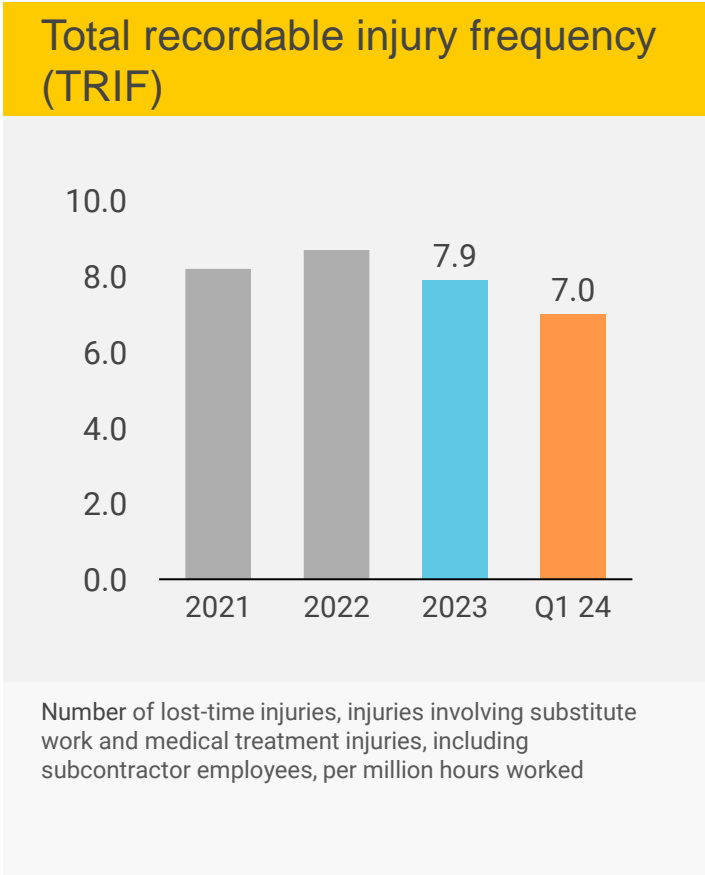
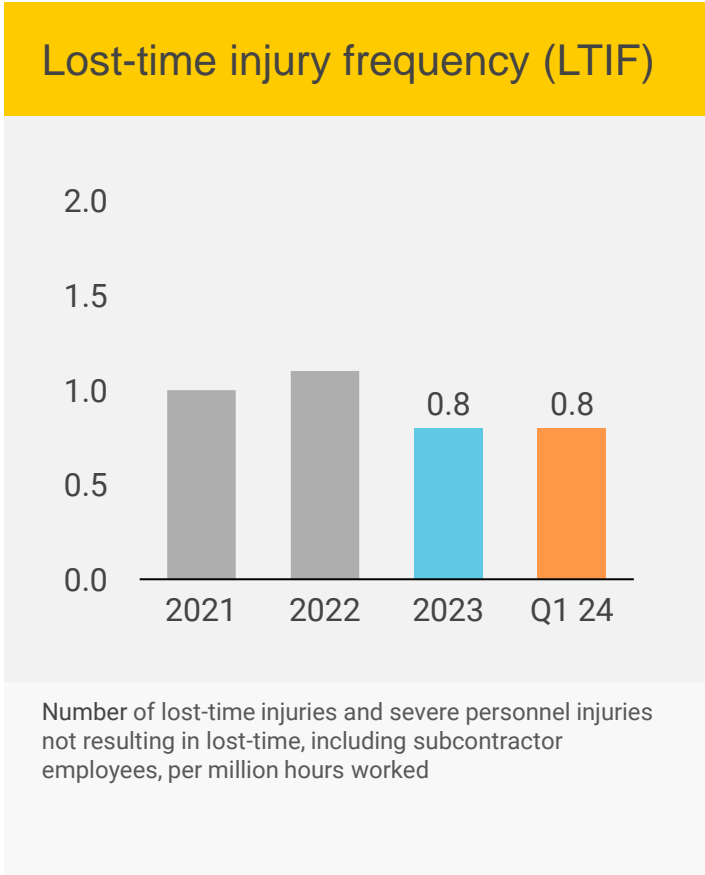
# Overview

## Improved results and stable order backlog

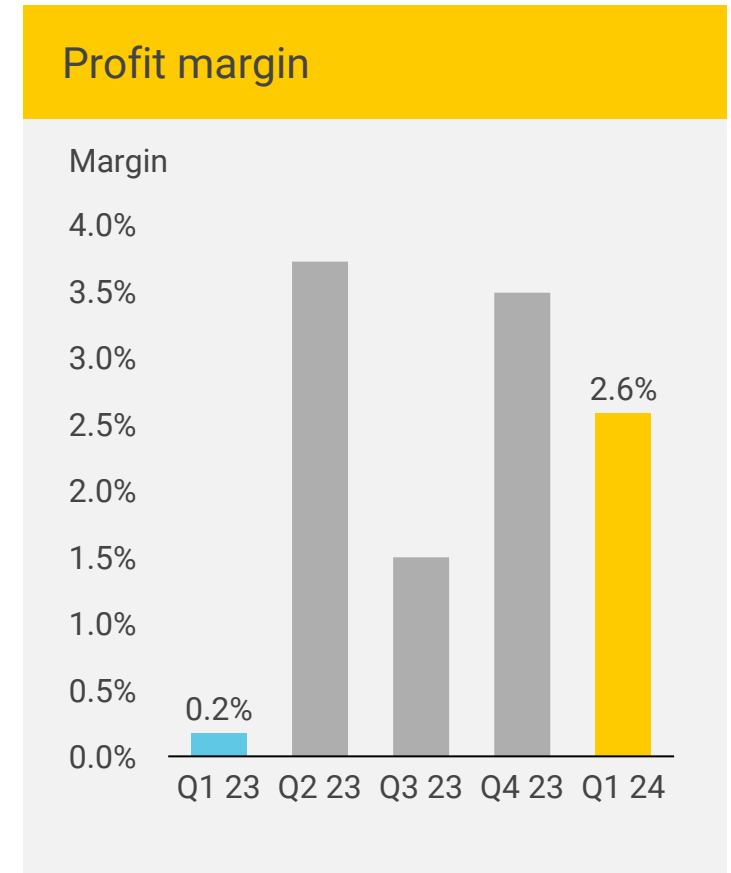
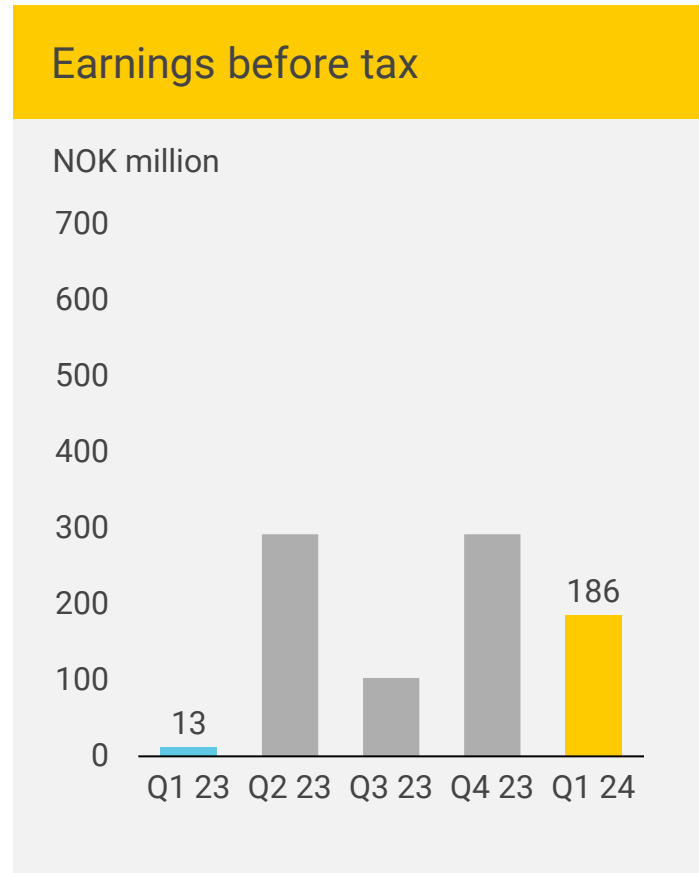
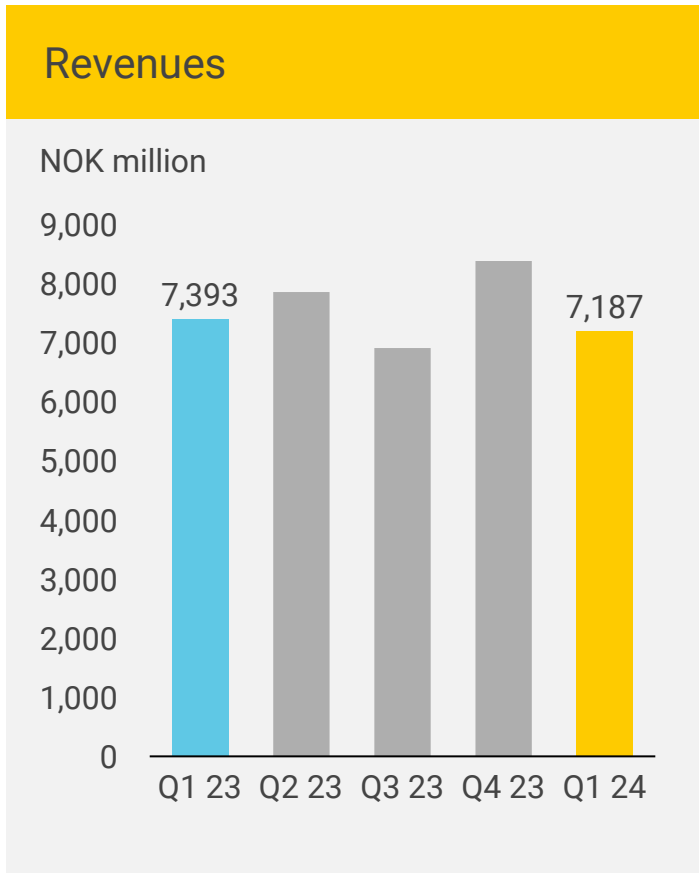
- Revenue of NOK 7,187 (7,393) million in Q1
- Earnings before tax of NOK 186 (13)
- Profit margin of 2.6% (0.2%)
- Cash flow from operations of NOK 128 (-24)
- Order intake of NOK 5,472 (9,296) million in Q1
- Order backlog of NOK 40,275 (41,668) million as of 31 March 2024
- Net interest-bearing debt of NOK 974 (570) million as of 31 March 2024
- The Board of Directors suggest a dividend of NOK 3,50 (6,50) per share to be paid out



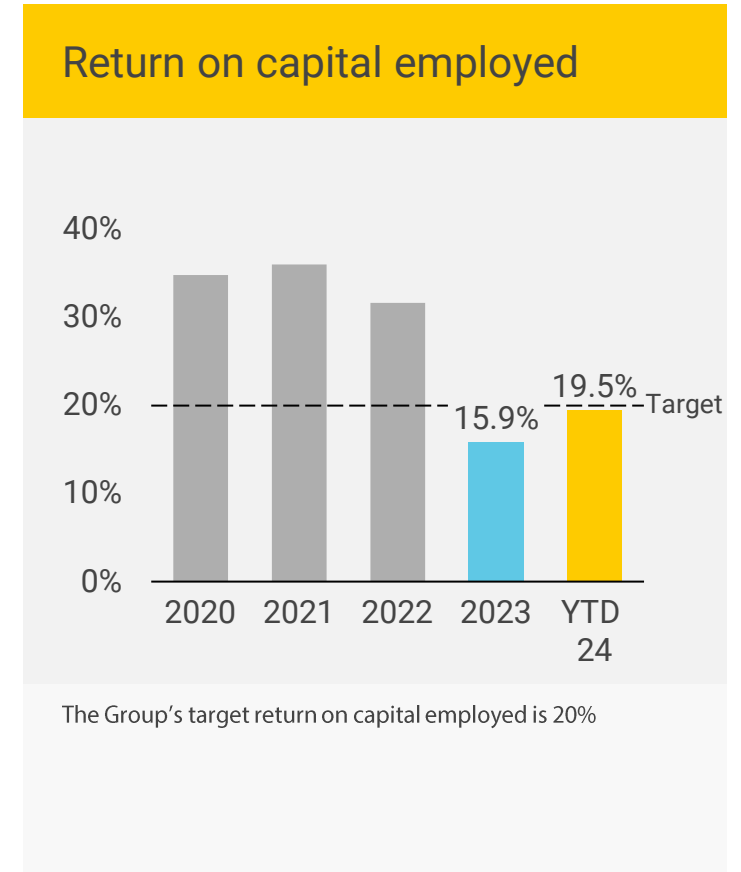
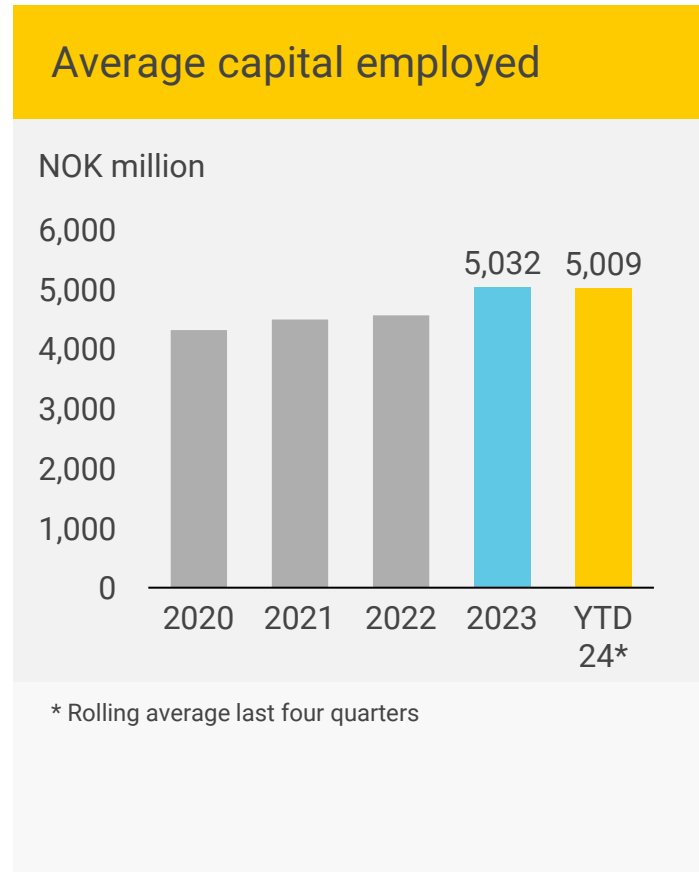
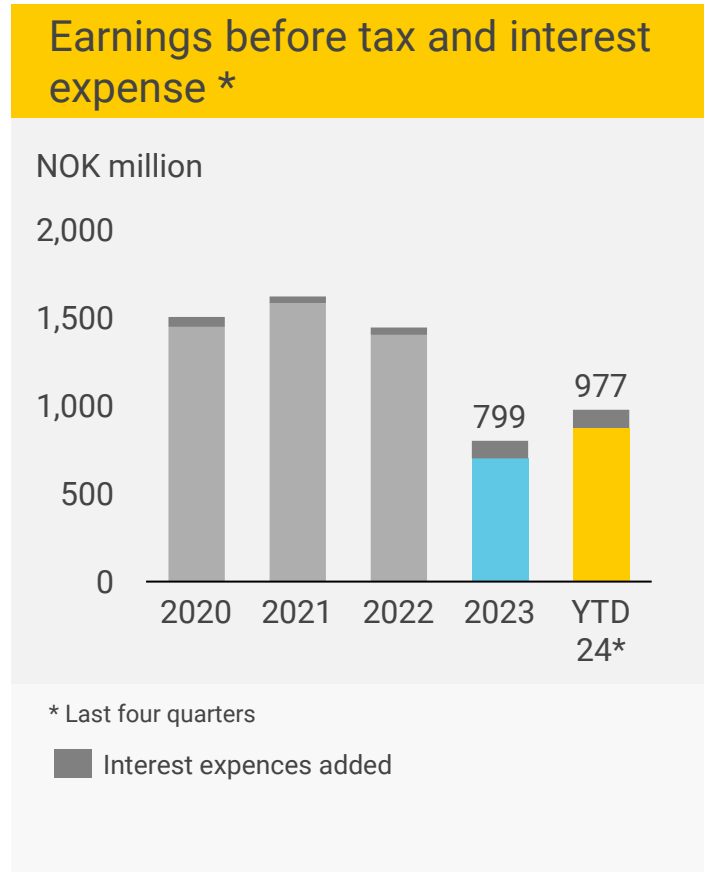
# Health and Safety



# Revenues and Earnings



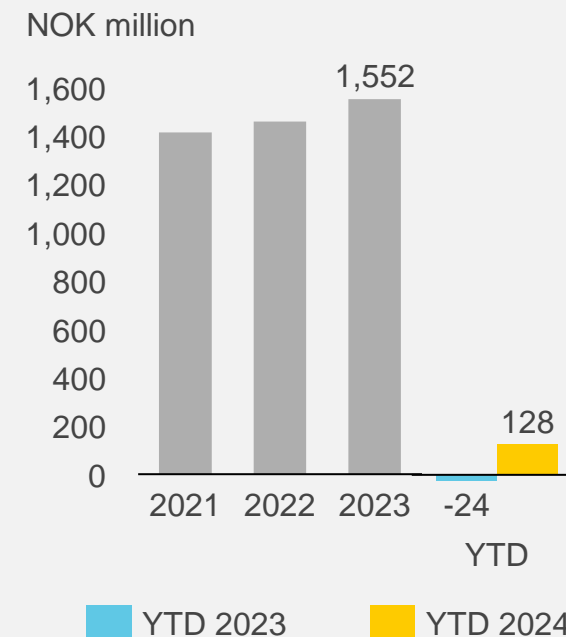
# Return on Capital Employed



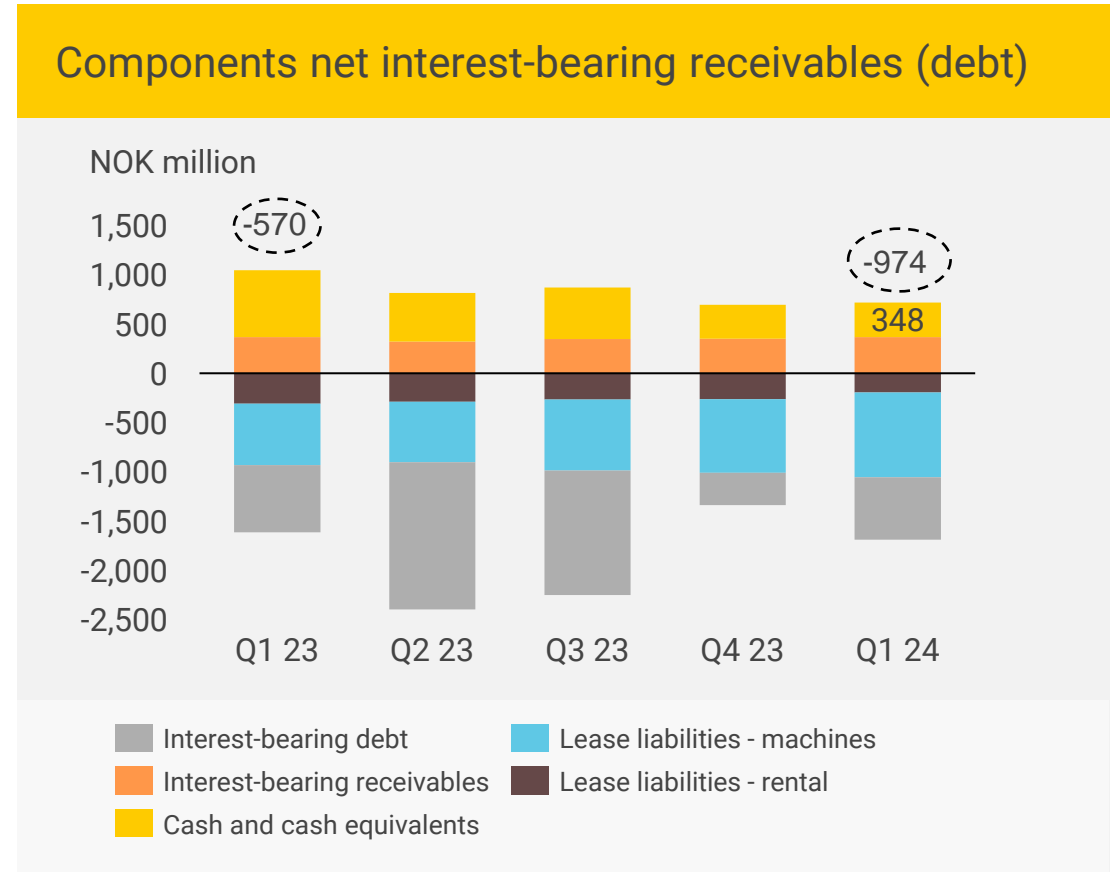
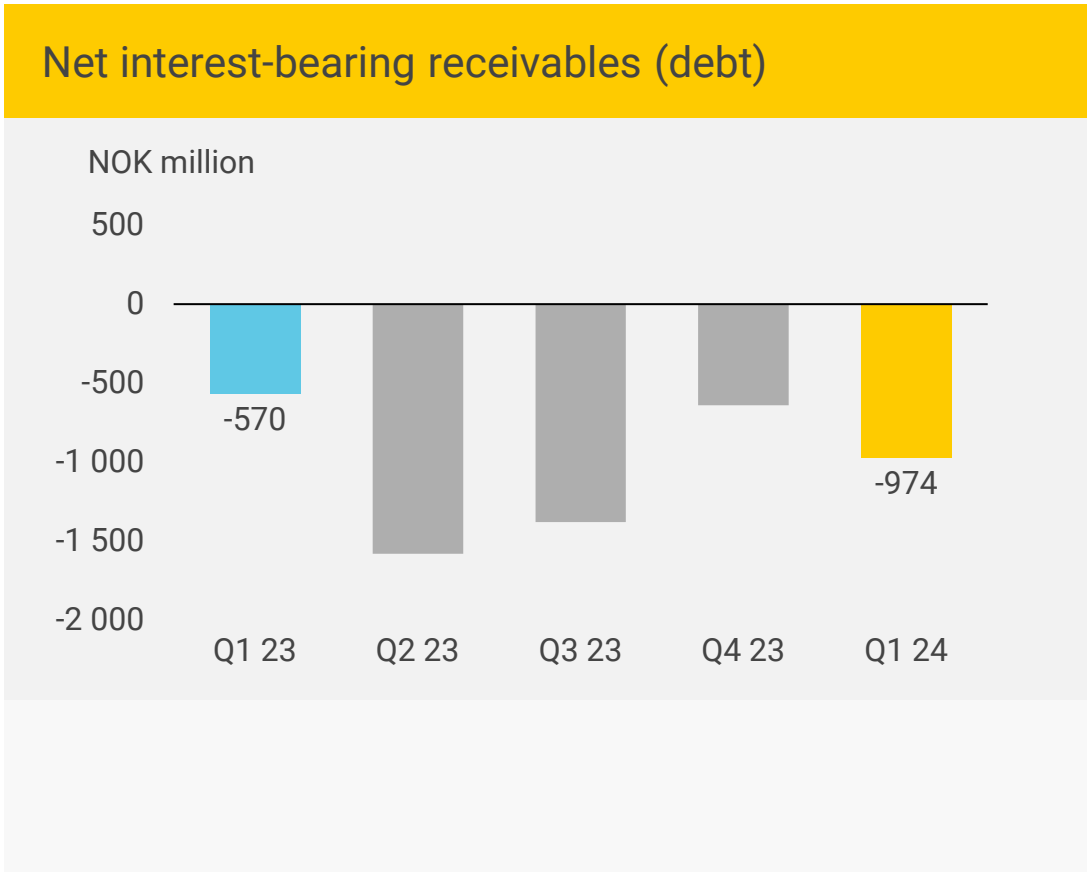
# Cash Flow Statement

NOK million	Q1 2024	Q1 2023	2023
EBIT	201	15	749
Depreciation, amortisation and impairment	156	131	576
Change in net working capital	-158	-63	675
Taxes paid	-58	-81	-470
Other	-13	-27	22
<b>Cash flow from operations</b>	<b>128</b>	<b>-24</b>	<b>1,552</b>
Net investments	-110	-77	-613
Dividend	-49	-53	-842
Other capital transactions	-157	-30	56
Interest paid and change in interest bearing debt	190	50	-615
<b>Net change in cash and cash equivalents</b>	<b>2</b>	<b>-134</b>	<b>-462</b>
Net cash and cash equivalents at beginning of period	347	765	765
Change in cash and cash equivalents without cash effect	0	45	44
<b>Net cash and cash equivalents end of period</b>	<b>348</b>	<b>677</b>	<b>347</b>

## Cash flow from operations



# Net Interest-bearing Debt and Liquidity

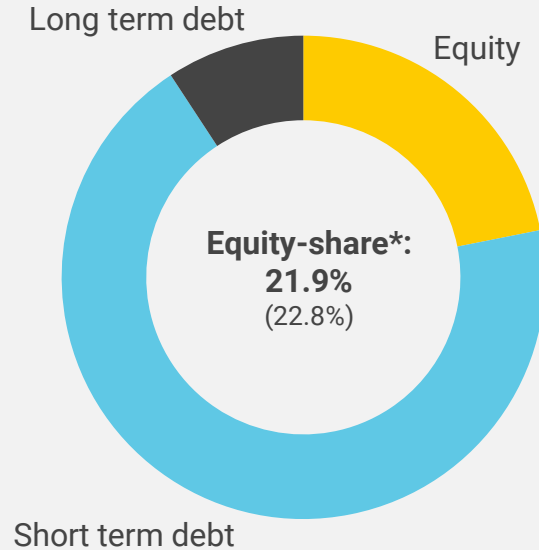


Available liquidity: NOK 3,317 million (including financial facilities of NOK 3,500 million)

# Balance Sheet

NOK million	31.03.24	31.03.23	31.12.23
Non-current assets	8 543	7 859	8 407
Current assets, ex. cash	6 146	6 643	5 894
Cash and cash equivalents	348	677	347
<b>Total assets</b>	<b>15 038</b>	<b>15 180</b>	<b>14 647</b>
Equity	3 288	3 458	3 203
Long term debt	1 389	1 323	1 338
Short term debt	10 360	10 399	10 106
<b>Total equity and debt</b>	<b>15 038</b>	<b>15 180</b>	<b>14 647</b>

## Equity share

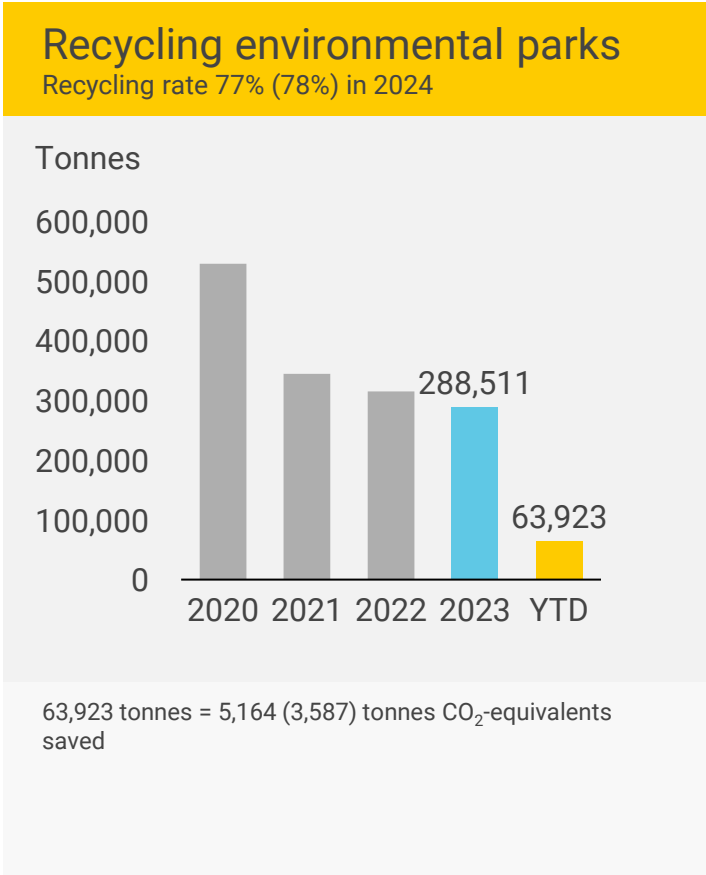
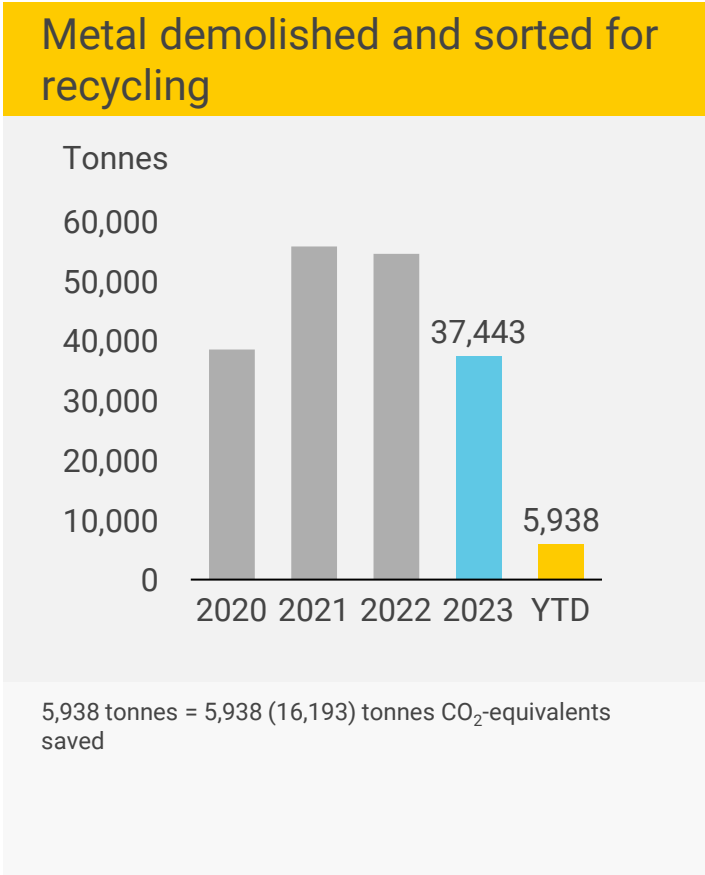
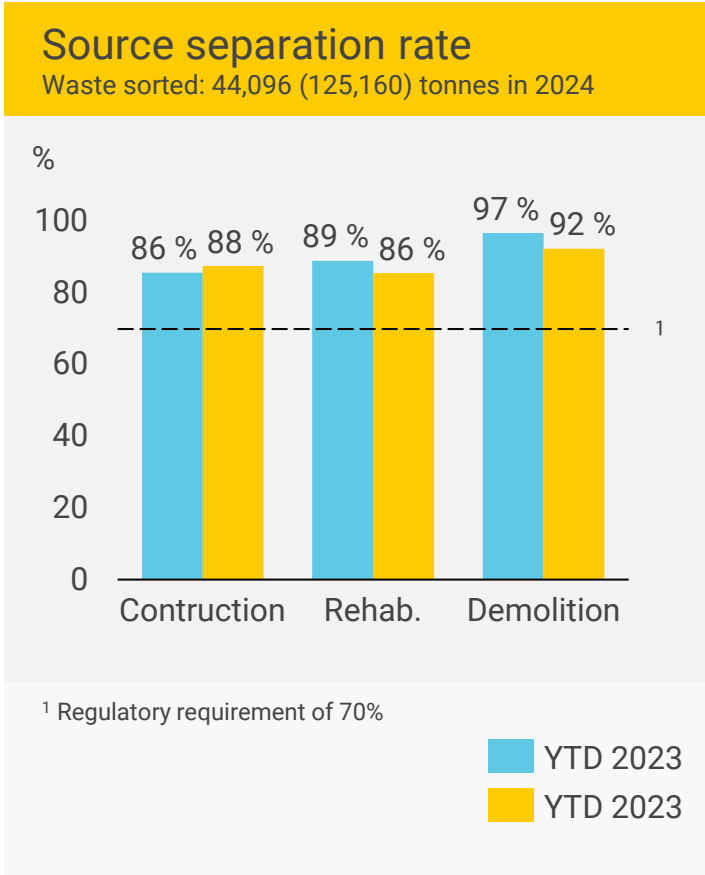


\* Equity ratio excluding the effect of IFRS 16 is 23.2% per 31 March 2024

All the company's covenants exclude the effect of IFRS 16



# Environment



# Business Areas

1<sup>st</sup> quarter 2024



## Very High Level of Activity and Good Result

<b>NOK million</b>	<b>Q1 24</b>	<b>Q1 23</b>	<b>2023</b>
Revenues	2,044	1,451	6,776
EBIT	116	77	550
EBT	131	78	572
EBIT %	5.7%	5.3%	8.1%
EBT %	6.4%	5.4%	8.4%

- Civil Engineering increases revenues by 41% compared to the same quarter last year and reports a good result in the first quarter of the year
- AF Anlegg reports record high quarterly turnover in the quarter and a good result, with solid profit contributions from several projects. There is generally high activity and good operations in the projects
- Målselv Maskin & Transport and Stenseth & RS report good results in Q1. VSP reports a result below expectations. Eiqon has a low level of activity and a weak result this quarter
- Order intake: NOK 508 (3,599) million. Order backlog: NOK 16,604 (17,517) million



## Improved Profitability and Solid Order Intake

NOK million	Q1 24	Q1 23	2023
Revenues	2,203	2,591	10,182
EBIT	64	51	396
EBT	66	46	378
EBIT %	2.9%	2.0%	3.9%
EBT %	3.0%	1.8%	3.7%

- Construction has a revenue decrease of 15% and improved profitability compared to the corresponding quarter last year
- AF Bygg Østfold reports very good results in Q1. AF Byggfornyelse, Haga & Berg, Strøm Gundersen, Strøm Gundersen Vestfold, ÅBF and HTB report good results
- AF Bygg Oslo has a result somewhat below expectations this quarter. LAB Entreprenør has results below expectations. AF Håndverk and FAS have weak results
- Construction announced seven new contracts to the stock exchange this quarter with an estimated value of NOK 2,356 million excluding VAT.
- Order intake: NOK 3,386 (1,887) million. Order backlog: NOK 10,647 (9,342) million



## Reduced Level of Activity and a Negative Result

NOK million	Q1 24	Q1 23	2023
Revenues	1,005	1,206	4,553
EBIT	-20	34	34
EBT	-11	40	58
EBIT %	-2.0%	2.8%	0,7%
EBT %	-1.1%	3.3%	1,3%

- Betonmast has a revenue decrease of 17% compared to the same quarter last year and a negative result for the quarter
- Betonmast Røsand and Østfold report good results in the quarter. Buskerud-Vestfold and Innlandet have results somewhat below expectations
- Romerike and Asker og Bærum have results below expectations. Oslo, Boligbygg and Trøndelag have weak results
- Order intake: NOK 342 (1 906) million. Order backlog: NOK 5,539 (5,115) million



## Low Sales and Uncertain Market Sentiment

NOK million	Q1 24	Q1 23	2023
Revenues	6	10	27
EBIT	-7	-1	-20
EBT	-3	1	-8
Capital employed	870	678	818

- A challenging property market with high interest has contributed to low sales. Sales contracts for 19 (20) residential units were signed in the quarter, AF's share was 8 (9). A total of 103 units were handed over in the quarter
- AF Eiendom has together with a partner completed the purchase of the plot Ullevålsveien 114 in the quarter
- Three residential projects with a total of 735 residential units are in production (AF's share is 319). The sales ratio in commenced projects is 70%
- Residential portfolio in development: 1,707 (1,580) units. AF's share: 852 (788)  
Commercial portfolio in development: 73,407 (58,899) GFA sqm. AF's share: 36,524 (29,270)



## Revenue Decline and Break-Even Result

NOK million	Q1 24	Q1 23	2023
Revenues	1,361	1,927	7,501
EBIT	2	-162	-152
EBT	0	-163	-160
EBIT %	0.1%	-8.4%	-2.0%
EBT %	0.0%	-8.5%	-2.1%

- Sweden has a revenue decline of 29% compared to the corresponding quarter last year and a weak result in the 1<sup>st</sup> quarter
- AF Prefab Mälardalen contributes with a very good result and Kanonaden has a good result in the 1<sup>st</sup> quarter. AF Bygg Syd and AF Härnösand Byggreturer report results somewhat below expectations and HMB has a weak result this quarter
- The former Betonmast Sweden business units had negative results this quarter
- Order intake: NOK 905 (1,934) million. Order backlog: NOK 4,672 (7,645) million



## Revenue Growth and a Good Result

NOK million	Q1 24	Q1 23	2023
Revenues	338	287	1 417
EBIT	17	11	90
EBT	17	13	96
EBIT %	5.1%	3.7%	6,3%
EBT %	5.1%	4.4%	6,8%

- Energy and Environment increased revenues by 18% compared to the same quarter last year, and reports a good result in the 1<sup>st</sup> quarter
- AF Energi has significantly increased the activity level compared to the corresponding quarter last year. High activity and good operations in the projects contribute to a very good result in the 1<sup>st</sup> quarter
- AF Decom has increased revenues compared to the same quarter last year with a result somewhat below expectations
- AF Decom has during 1<sup>st</sup> quarter sorted metal for recycling and recycled materials at the environmental centers corresponding to 6,330 (8,129) CO<sub>2</sub>-equivalents
- Order intake: NOK 347 (341) million. Order backlog: NOK 1,258 (694) million





## Increased Level of Activity this Quarter

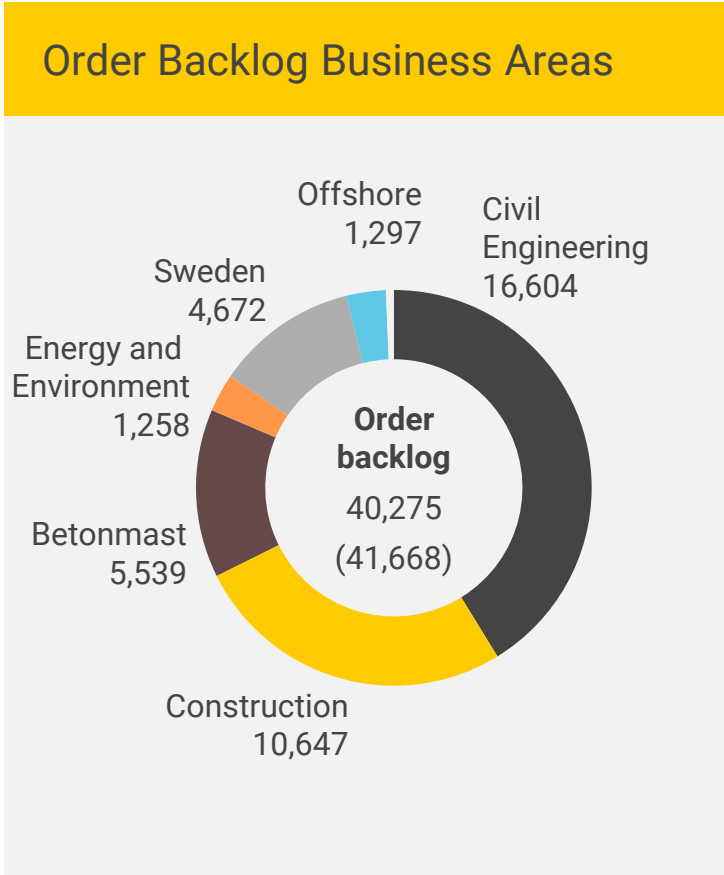
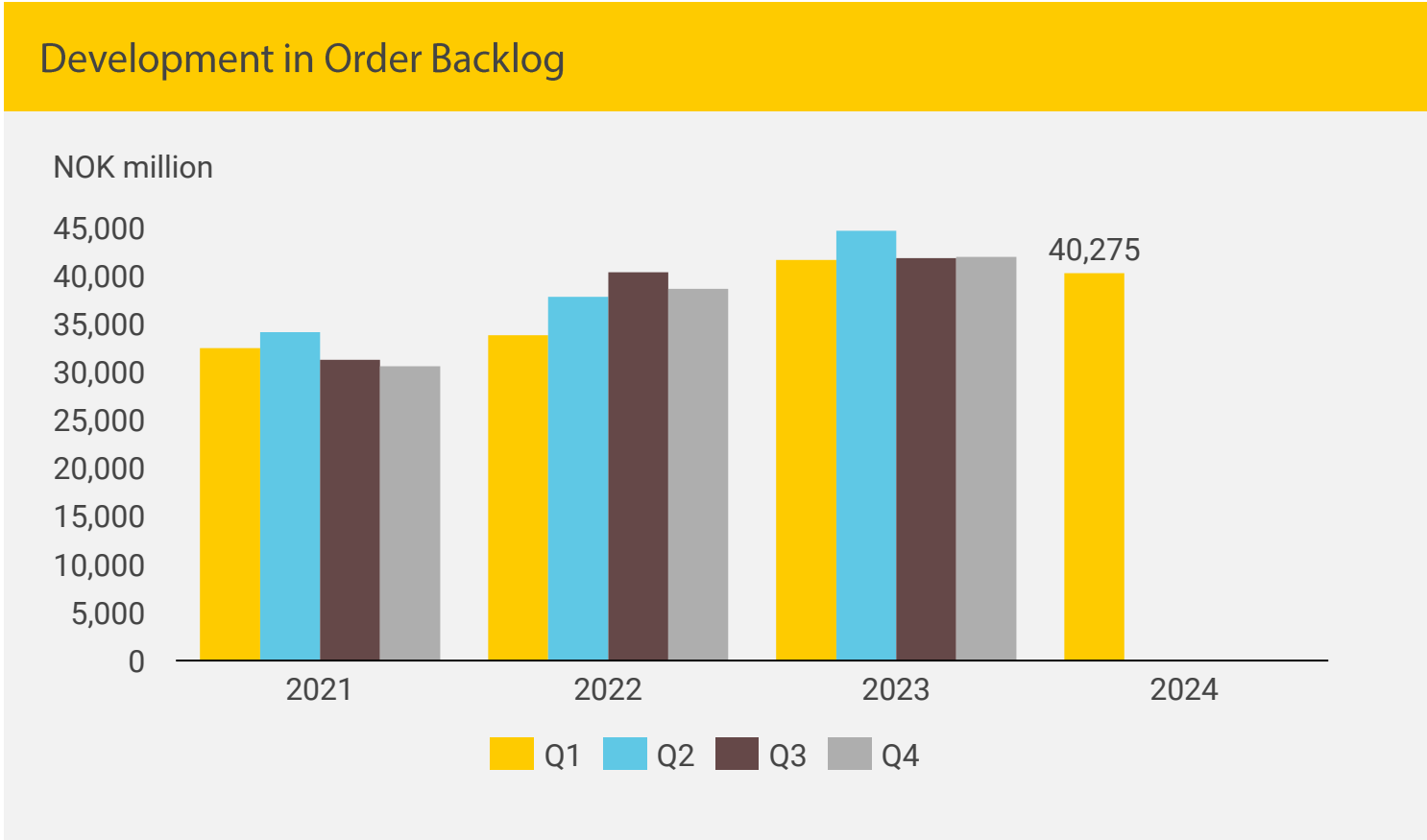
NOK million	Q1 24	Q1 23	2023
Revenues	295	244	1 082
EBIT	14	18	-124
EBT	7	16	-139
EBIT %	4.7%	7.2%	-11,5%
EBT %	2.3%	6.4%	-12,9%

- Offshore has increased its level of activity compared to the same quarter last year
- Aeron maintains a high level of activity and reports good profitability in the 1<sup>st</sup> quarter
- AF Offshore Decom has completed several offshore campaigns this quarter and reports a weak result in the 1<sup>st</sup> quarter
- Metal sorted for recycling during the 1<sup>st</sup> quarter corresponds to savings of 4,772 (11,651) CO<sub>2</sub>-equivalents at AF Miljøbase Vats
- Order intake: NOK 183 (175) million. Order backlog: NOK 1,297 (1,625) million



Platform arriving at AF Environmental base in Vats. Photo: AF Gruppen

# Stable Order Backlog





# Energy

Q1 2024 | Theme presentation

# Good Growth and Profitability

All numbers: Q1 2024

## REVENUE

**338**  
NOK million

## RESULTS

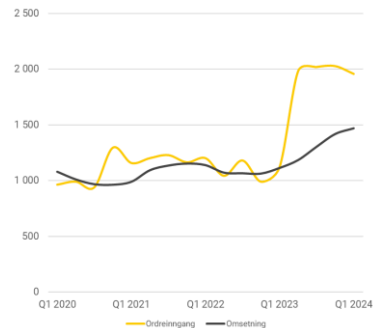
**17** EBIT  
NOK million

**5,1** EBIT %

## SAFETY - HSE

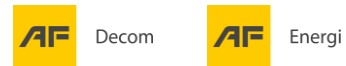
H1-value  
**1,1**

## REVENUE AND ORDER BACKLOG

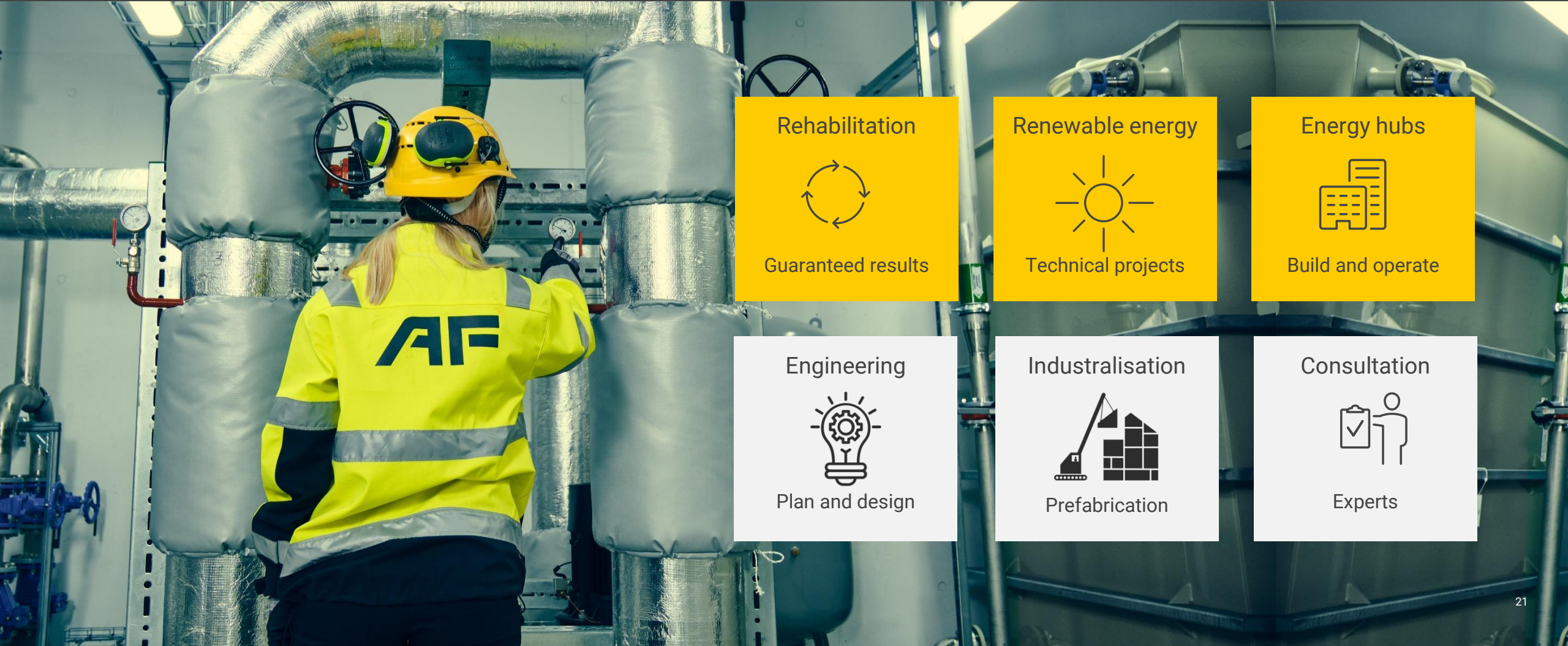


## BUSINESS UNITS

- **AF Energi**  
Enaktiva  
AF Energija Baltic
- **AF Decom**  
Rimol Miljøpark  
Nes Miljøpark  
Jølsen Miljøpark
- **Mepex**



# AF Energi Delivers Energy-efficient and Industrialised Solutions that Society Needs




Rehabilitation



Guaranteed results

Renewable energy




Technical projects

Energy hubs



Build and operate

Engineering




Plan and design

Industrialisation



Prefabrication

Consultation



Experts

# Broad Project Portfolio with Diversified Customer Groups

## COMMERCIAL BUILDINGS



**PROJECT**  
Møller Bil

**CUSTOMER**  
Møller Eiendom

## AIRPORTS



**PROJECT**  
Oslo Airport Gardermoen

**CUSTOMER**  
Avinor

## HOSPITALS



**PROJECT**  
Radiumhospitalet

**CUSTOMER**  
Helse Sør-Øst RHF

## HOTELS



**PROJECT**  
Vestlia Hotel

**CUSTOMER**  
Vestlia Resort

## HOUSING



**PROJECT**  
Billingstad  
Energy Hub

**CUSTOMER**  
Billingstad  
Energi

## UNIVERSITIES



**PROJECT**  
Life Science Building

**CUSTOMER**  
Statsbygg

# Life Science Building

Norway's largest university building at 97,500 square meters with a overall cost limit of NOK billion 12.5.

- **Project value** NOK million 680.
- **Social mission** Facilitating interdisciplinary collaboration to solve major social challenges within health and environment.
- **Execution** Implementation agreement includes sanitary, heating, fire extinguishing, gas and compressed air, process- and comfort cooling.

The contract is the largest to date entered by AF Gruppen's energy division



Enclosure of prefabricated pipe shafts at the Life Science Building, Photo: Eirik Forde, Catchlight



From Radiumhospitalet, Photo: AF Gruppen

# Radiumhospitalet

Radiumhospitalet is Norway's leading cancer hospital with the country's first proton therapy center.

- **Project value** NOK million 90.
- **Social mission** Contribute to better treatment options in Norway, with functional and energy-efficient solutions.
- **Execution** Establish energy hub and cooling system for the new clinic and proton building.
- **Focus area** Optimise efficient prefabrication to ensure that equipment and materials arrive at the right place, at the right time, and with the correct quality.




# The Big Picture: Development of Future Energy Sectors

Bioenergy is a preferred renewable energy source and a central part of future energy solutions as fossil fuels are phased out and district heating systems are expanded.




Illustration: Enova.no



5 % of energy use in Norway



Replace coal and oil



Prioritised support program



Relieves the power grid

## New Area: Bioenergy

ETA Norge AS is Norway's leading supplier of bioenergy

- Environmentally friendly
- No emission of greenhouse gases
- Efficient resource utilisation
- Versatile (complements solar/wind/district heating)
- Efficiently utilises residual products

”

*Bioenergy is a preferred renewable energy source and is a central part of future energy solutions as fossil fuels are phased out.*



# Solution Combining Renewable Energy Sources



RECYCLING



SEWER



DATA CENTERS

+



BIO



WATER



GROUND



SUN



## Our Curiosity Moving Forward

- Energy and environment-related services
- Solution for reducing energy consumption
- Further develop competencies in sustainable and functional solutions that provide value
- Efficient and industrialised project implementation

# Summary

NOK million	Q1 24	Q1 23	2023
Revenues	7,187	7,393	30,530
EBIT	201	15	749
EBT	186	13	700
EBIT %	2.8%	0.2%	2,5%
EBT %	2.6%	0.2%	2,3%

- Improved results
- Strong financial position
- Order intake: NOK 5,472 (9,296) million
- Stable order backlog: NOK 40,275 (41,668) million
- The Board of Directors suggests a dividend of NOK 3,50 (6,50) per share to be paid in the first half of 2024



# Thank you for your attention

Presentation of Q2  
30 August 2024



AF Decom decommissioning the Earth Observatory in Ny-Ålesund. Photo: Dag S. Roland