



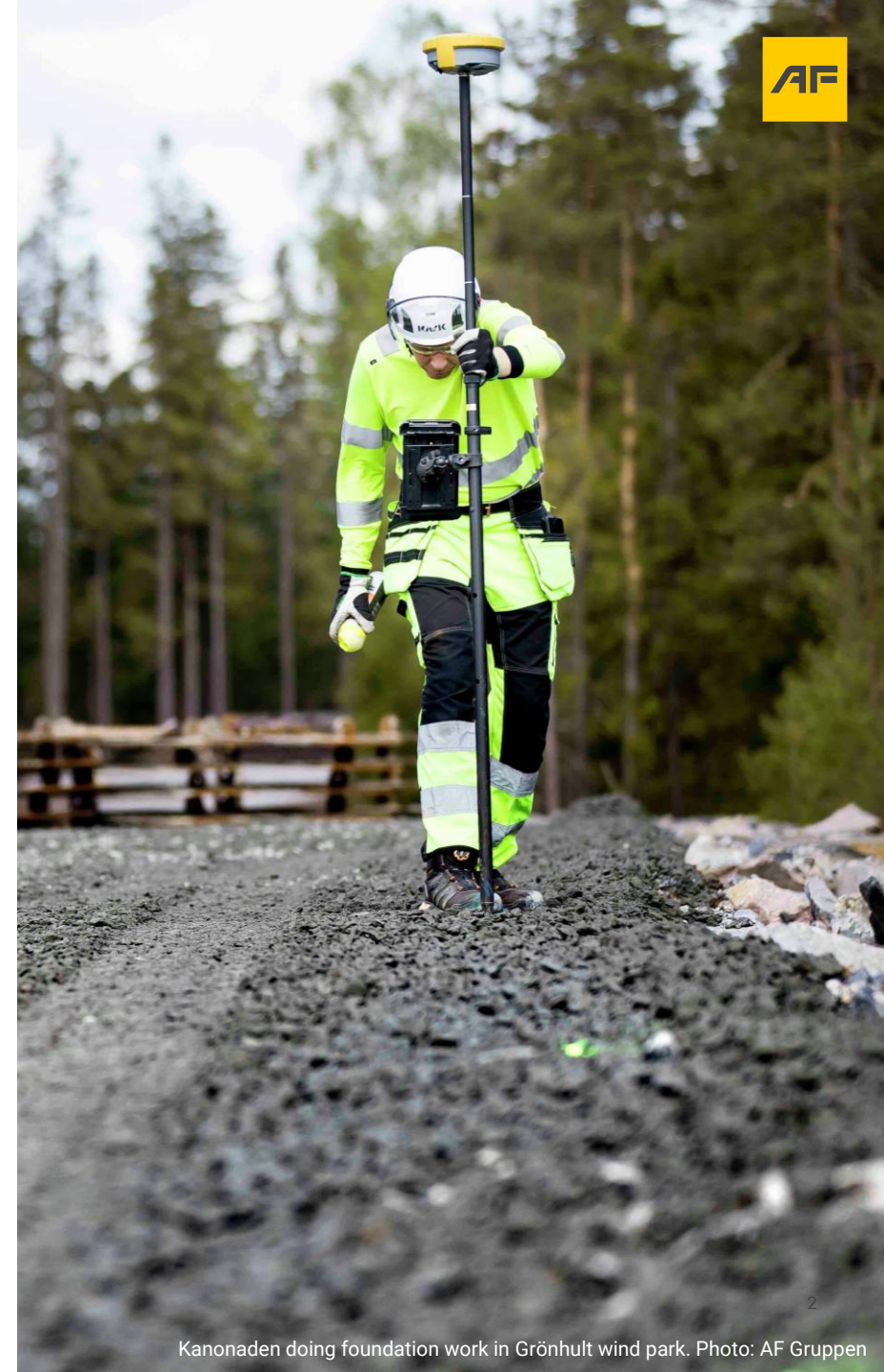
AF Gruppen ASA Q3 2023

10 November 2023

Overview

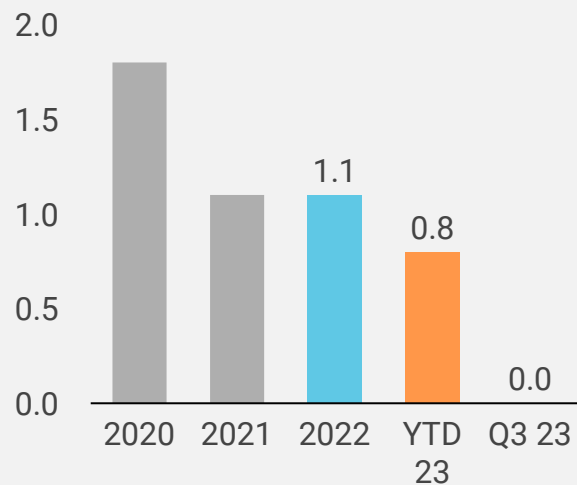
Lower activity level with a weak result in the 3rd quarter

- Revenue of NOK 6,907 (7,537) million in Q3 and NOK 22,152 (22,638) million year-to-date
- Earnings before tax of NOK 103 (263) million in Q3 and NOK 408 (898) million year-to-date
- Profit margin of 1.5% (3.5%) in Q3 and 1.8% (4.0%) year-to-date
- Cash flow from operations of NOK 494 (272) million in Q3 and NOK 697 (1,498) million year-to-date
- Order intake of NOK 4,078 (5,249) million in Q3 and NOK 24,251 (23,707) million year-to-date
- Order backlog of NOK 41,864 (39,716) million as of 30 September 2023
- Net interest-bearing debt of NOK 1,381 (-254) million as of 30 September 2023



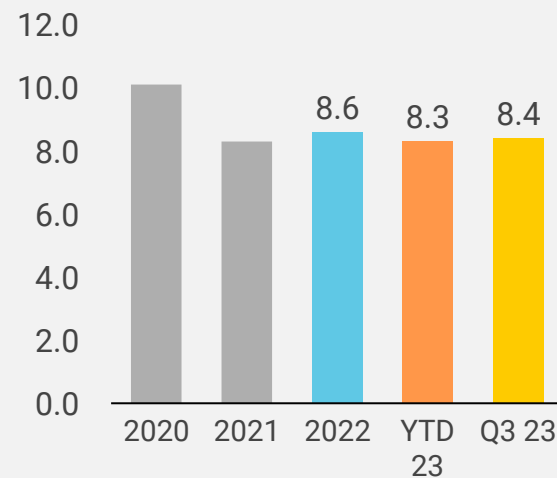
Health and Safety

Lost-time injury frequency (LTIF)



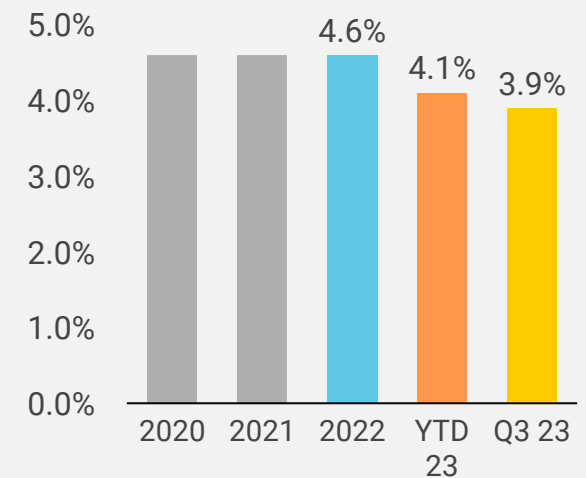
Number of lost-time injuries and severe personnel injuries not resulting in lost-time, including subcontractor employees, per million hours worked

Total recordable injury frequency (TRIF)

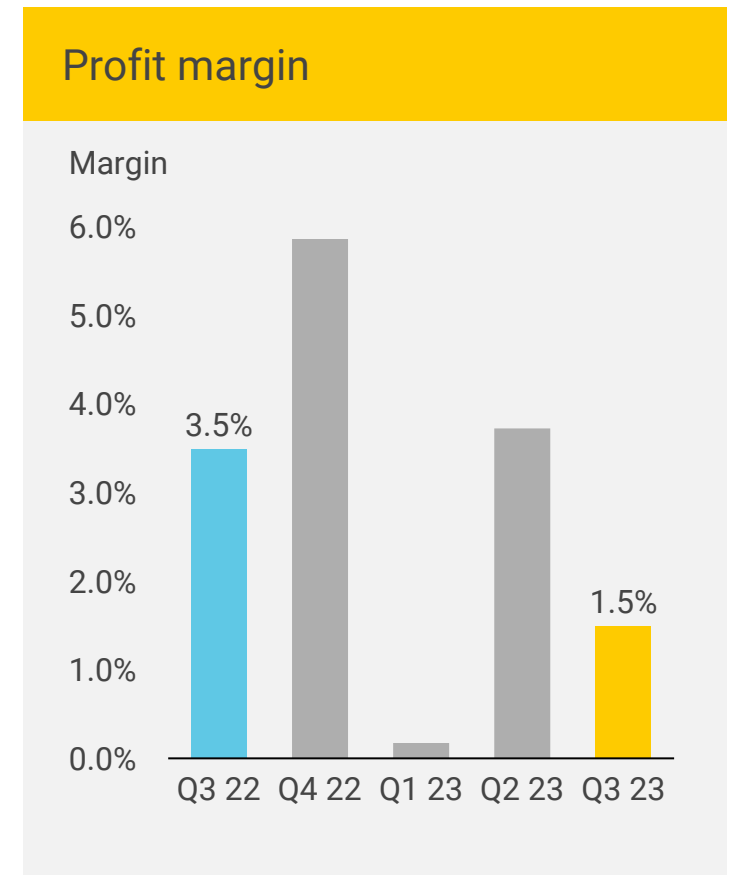
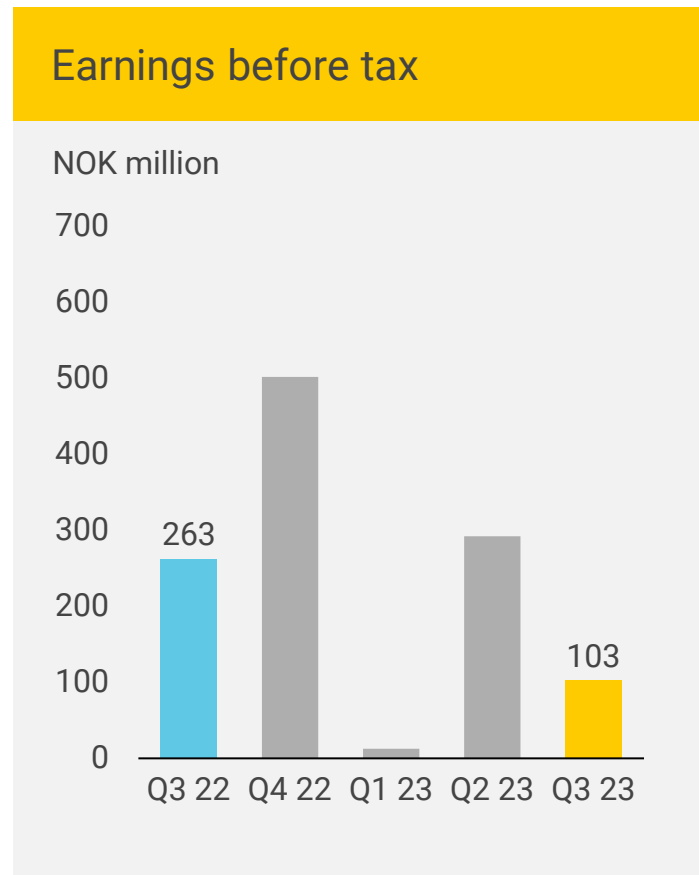
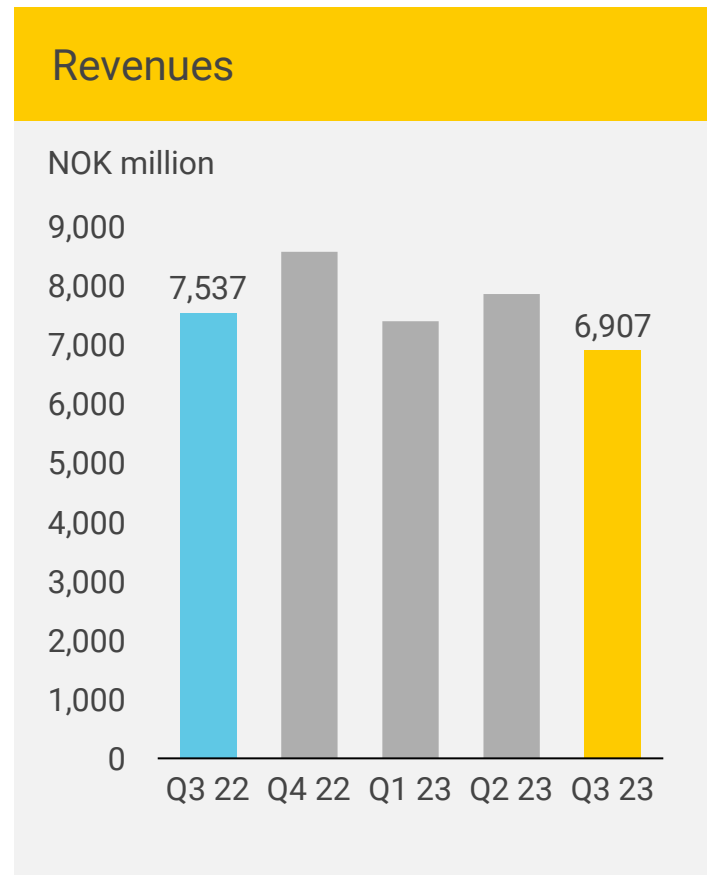


Number of lost-time injuries, injuries involving substitute work and medical treatment injuries, including subcontractor employees, per million hours worked

Sick leave



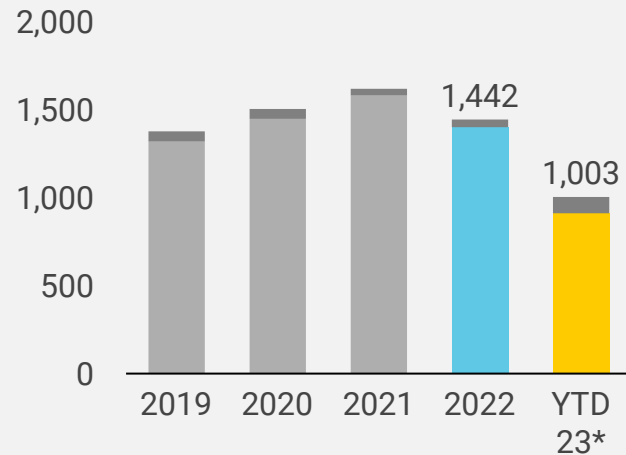
Revenues and earnings



Return on Capital Employed

Earnings before tax and interest expense *

NOK million

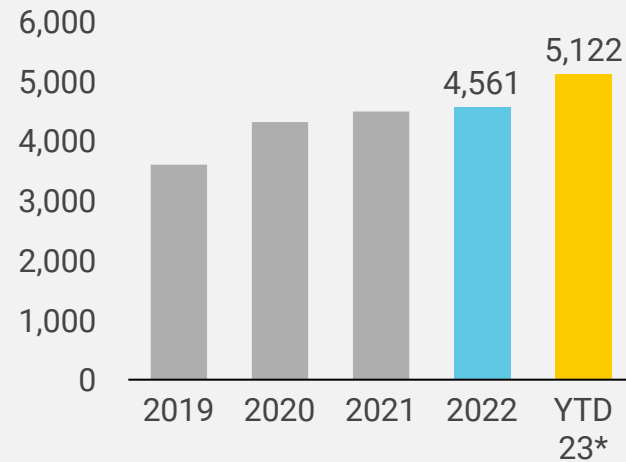


* Last four quarters

■ Interest expenses added

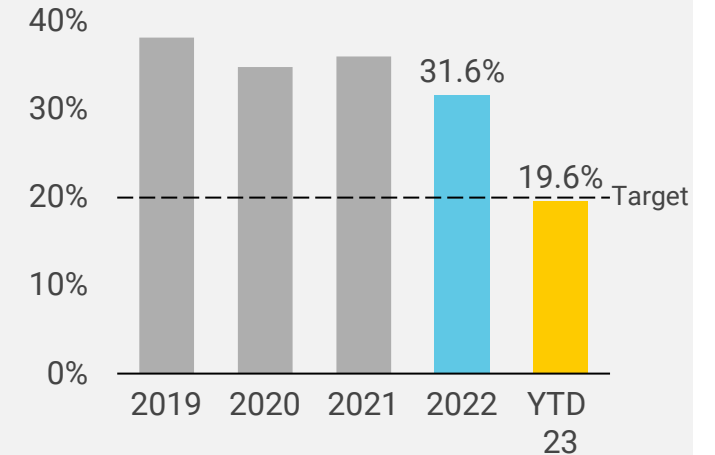
Average capital employed

NOK million



* Rolling average last four quarters

Return on capital employed



The Group's target return on capital employed is 20%

Cash flow statement

NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022
EBIT	128	271	447	907
Depreciation, amortisation and impairment	142	133	408	399
Change in net working capital	240	-77	62	532
Taxes paid	-41	-42	-193	-217
Other	24	-12	-27	-124
Cash flow from operations	494	272	697	1 498
Net investments	-104	-25	-504	144
Dividend	-1	-1	-840	-937
Other capital transactions	-21	-19	-45	-116
Interest paid and change in interest bearing debt	-330	-280	407	-242
Net change in cash and cash equivalents	38	-53	-285	347
Net cash and cash equivalents at beginning of period	494	1,086	765	680
Change in cash and cash equivalents without cash effect	-7	3	45	8
Net cash and cash equivalents end of period	526	1,036	526	1 036

Cash flow from operations

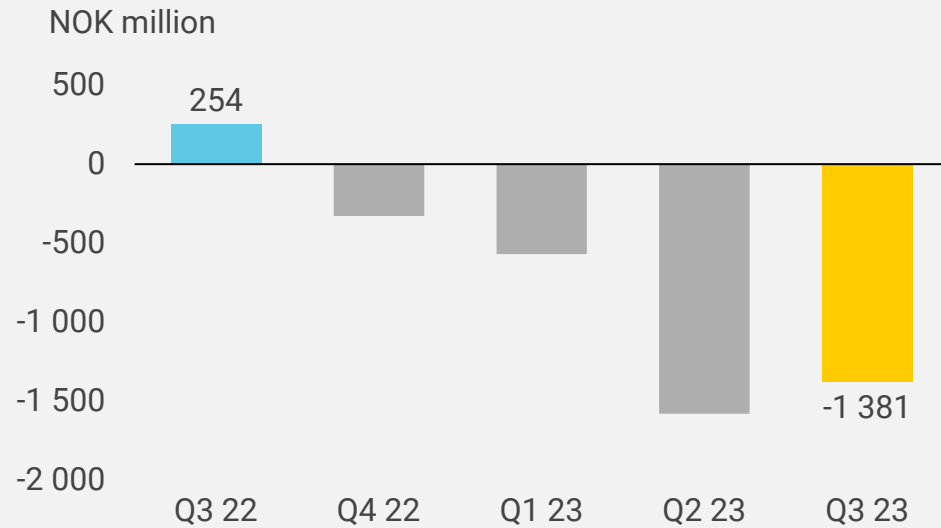
NOK million



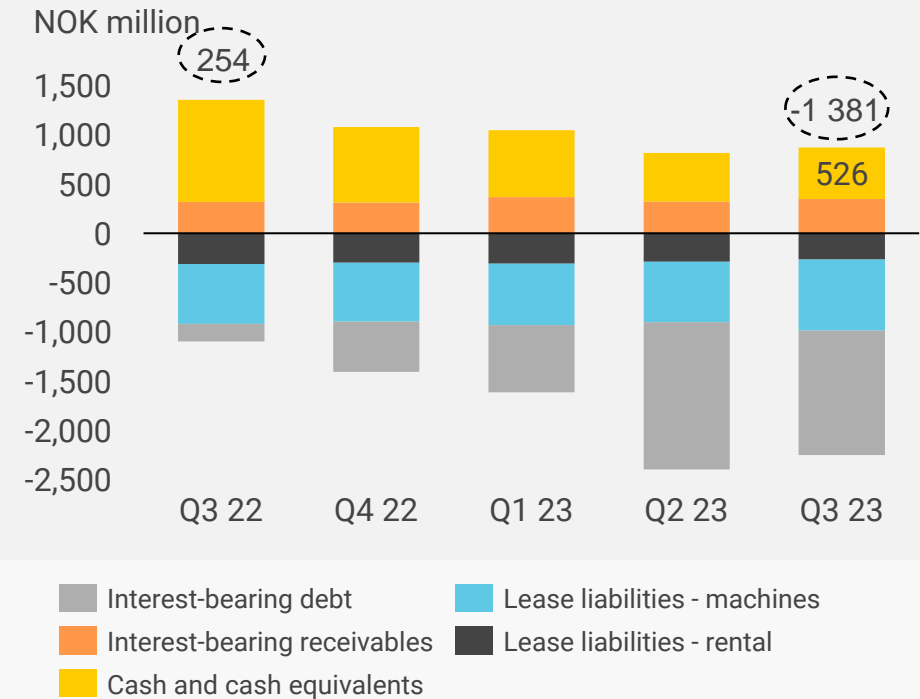
■ YTD 2022
■ YTD 2023

Net interest-bearing debt and liquidity

Net interest-bearing receivables (debt)



Components net interest-bearing receivables (debt)

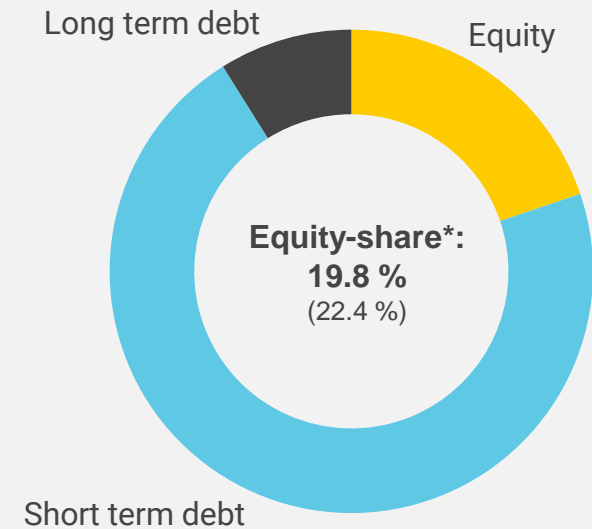


Available liquidity: NOK 2,847 million (including financial facilities of NOK 3,500 million)

Balance Sheet

NOK million	30.09.23	30.09.22	31.12.22
Non-current assets	8,242	7,705	7,630
Current assets, ex. cash	6,241	5,955	6,062
Cash and cash equivalents	526	1,036	765
Total assets	15,009	14,695	14,457
Equity	2,973	3,286	3,494
Long term debt	1,337	1,563	1,250
Short term debt	10,698	9,847	9,713
Total equity and debt	15,009	14,695	14,457

Equity share



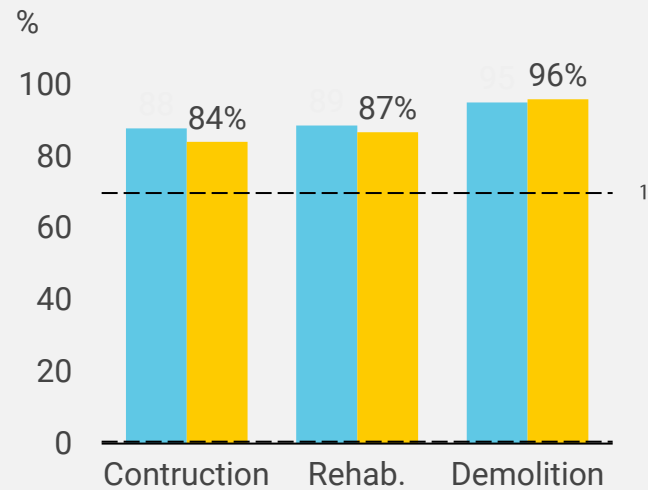
* Equity ratio excluding the effect of IFRS 16 is 20.9% per 30.09.23

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

Environment

Source separation rate

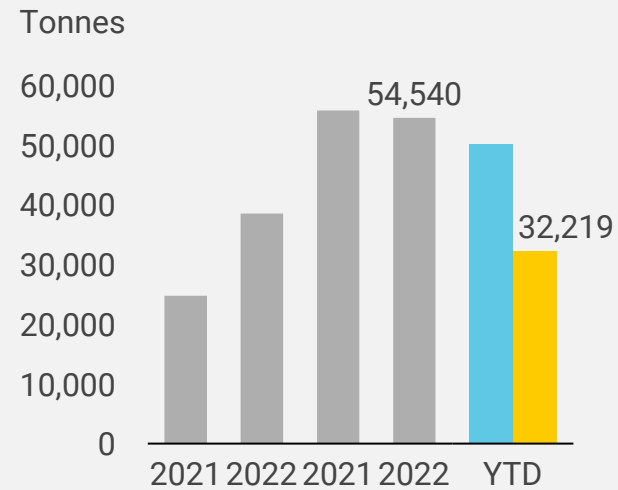
Waste sorted: 218,291 (213,963) tonnes YTD in 2023



¹ Regulatory requirement of 70%

■ YTD 2022
■ YTD 2023

Metal demolished and sorted for recycling

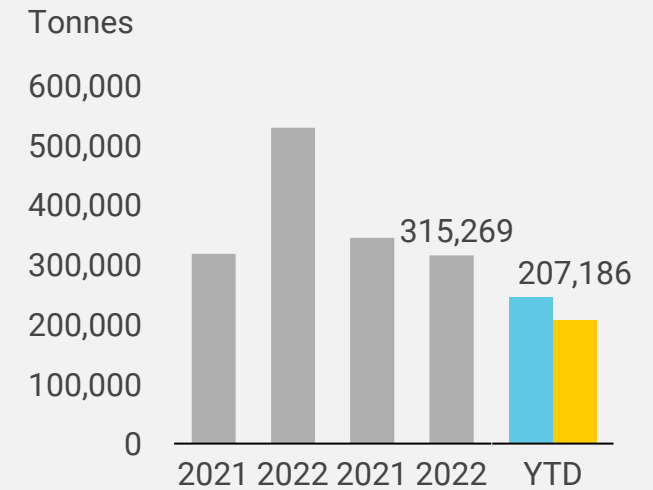


32,219 tonnes = 32,219 (50,133) tonnes CO₂-equivalents saved

■ YTD 2022
■ YTD 2023

Recycling environmental parks

Recycling rate 78% (81%) YTD in 2023



207,186 tonnes = 16,012 (18,800) tonnes CO₂-equivalents saved

■ YTD 2022
■ YTD 2023

Business Areas

3rd quarter 2023



High Activity and Very Good Profitability

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	1,680	1,462	4,636	4 241
EBIT	129	92	310	275
EBT	135	93	320	272
EBIT %	7.7%	6.3%	6.7%	6.5%
EBT %	8.0%	6.4%	6.9%	6.4%

- Civil Engineering reports high activity and a very good result in Q3
- AF Anlegg reports strong revenue growth and a very good result in Q3, with solid profit contributions from several projects. Several large projects in production report high activity and good operations
- Målselv Maskin & Transport and Stenseth & RS report revenue growth and very good results. Consolvo reports somewhat below expectation. Eiqon has a low activity level and a weak result
- Order intake: NOK 1,092 (1,157) million. Order backlog: NOK 19,441 (11,887) million



Several Business Units With Good Results

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	2,285	2,631	7,549	8 029
EBIT	93	100	256	199
EBT	89	99	240	199
EBIT %	4.1%	3.8%	3,4%	2,5%
EBT %	3.9%	3.8%	3,2%	2,5%

- Construction has decreased revenues this quarter and profitability in line with the same quarter last year
- Strøm Gundersen, Strøm Gundersen Vestfold and Åsane Byggmesterforretning report very good results in Q3. AF Byggfornyelse, AF Bygg Østfold and Haga & Berg report good results
- FAS has weak results, other units have results somewhat below expectations
- LAB Entreprenør will expand Lagunen Storsenter in Bergen with a contract value of NOK 365 million excl. VAT. Two additional contracts were announced in the quarter, with a total contract value of NOK 267 excl. VAT.
- Order intake: NOK 1,150 (1,304) million. Order backlog: NOK 9,335 (11,844) million



Lower Activity and Weak Profitability

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	1,059	1,252	3,382	3,768
EBIT	19	37	86	89
EBT	25	41	102	91
EBIT %	1.8%	3.0%	2,6%	2.4%
EBT %	2.3%	3.3%	3,0%	2.4%

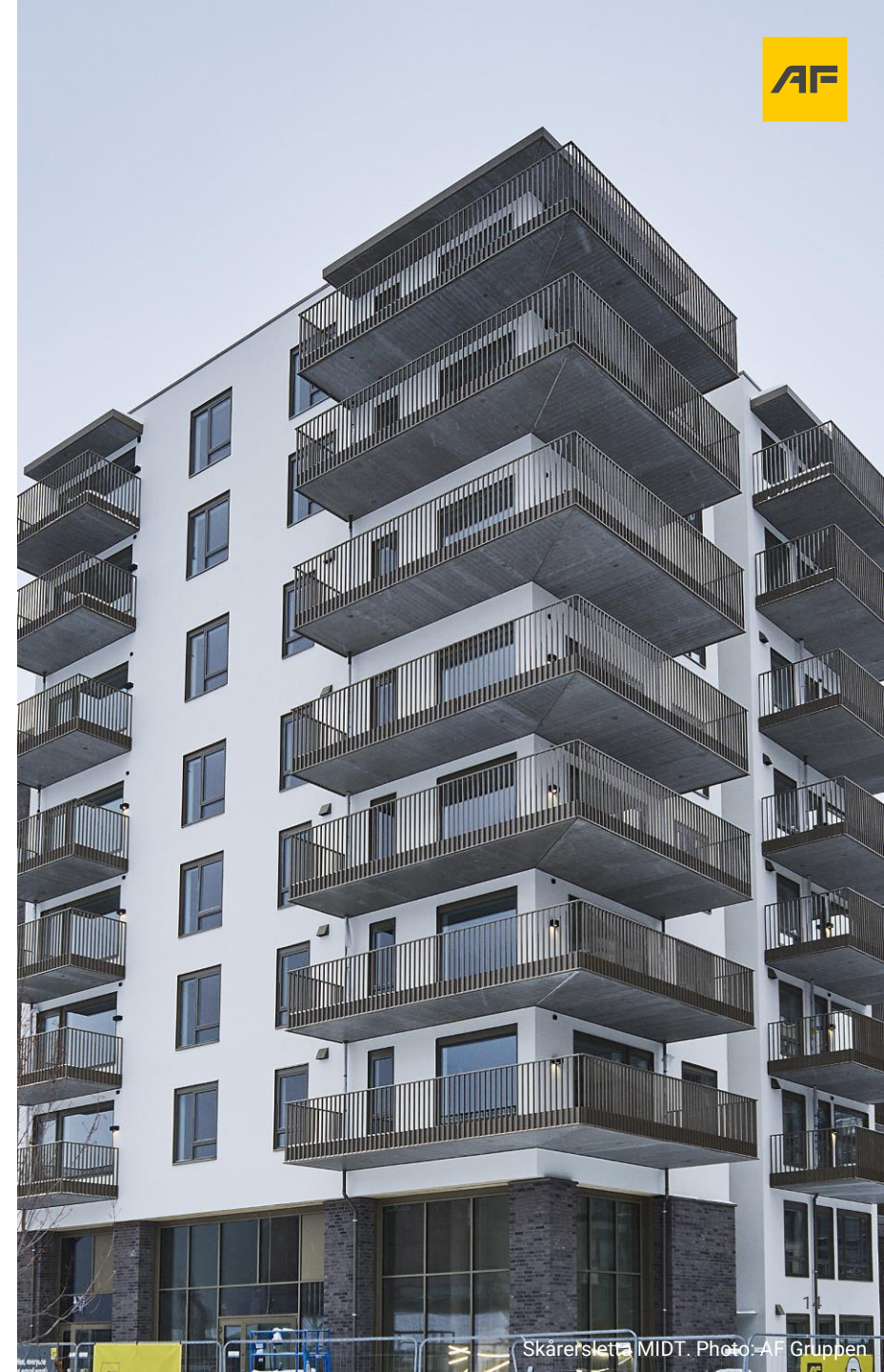
- Betonmast has decreased revenues compared to the same quarter last year and a weak result in Q3
- Betonmast Røsand, Asker og Bærum and Østfold report good results in the quarter
- Betonmast Trøndelag and Buskerud-Vestfold report results below expectations, while Betonmast Oslo, Romerike, Boligbygg and Innlandet have weak results in Q3
- In the quarter, Betonmast Røsand entered into an agreement to build a new primary school in Kristiansund. The turnkey contract has a contract value of approximately NOK 200 excl. VAT.
- Order intake: NOK 1,047 (377) million. Order backlog: NOK 4,887 (5,370) million



Low Sales

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	4	7	20	18
EBIT	-4	-5	-9	54
EBT	0	-3	0	59
Capital employed	792	548	792	548

- An uncertain market sentiment and increased interest rates affect sales negatively and contribute to low sales in the quarter. Sales contracts for 5 (89) residential units were signed in the quarter, whereof AF's share was 2 (34)
- Six projects with a total of 920 residential units are in production (AF's share is 422). The sales ratio in commenced projects is 77%
- Residential portfolio under development: 1,629 (1,522) units. AF's share: 813 (760)
- Commercial portfolio under development: 73,107 (62,342) GFA sqm. AF's share: 36,374 (30,949)



Varying Performances and Weak Result

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	1,567	1,759	5,644	5 303
EBIT	0	-35	-135	86
EBT	-4	-36	-141	82
EBIT %	0.0%	-2.0%	-2,4%	1,6%
EBT %	-0.2%	-2.0%	-2,5%	1,6%

- Sweden has a negative result. There are large variations in the units' performances
- AF Prefab and AF Härnösand Byggretur report very good results. Kanonaden and HMB report good results. AF Bygg Syd reports somewhat below expectation
- Other units report weak results in Q3. Organisational and structural changes have been conducted in several units
- Two new turnkey contracts were announced in Q3. HMB will build 60 apartment units in Täby. The contract value is SEK 137 million excl. VAT. AF Bygg Syd will expand and renovate Busör sewage treatment plant in Halmstad, with a contract value of SEK 134 million excl. VAT.
- Order intake: NOK 511 (1,351) million. Order backlog: NOK 5,156 (8,071) million



Solid Revenue Growth and a Good Result

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	381	261	994	753
EBIT	21	21	51	51
EBT	22	21	56	50
EBIT %	5.6%	8.2%	5,1%	6,8%
EBT %	5.9%	7.9%	5,6%	6,7%

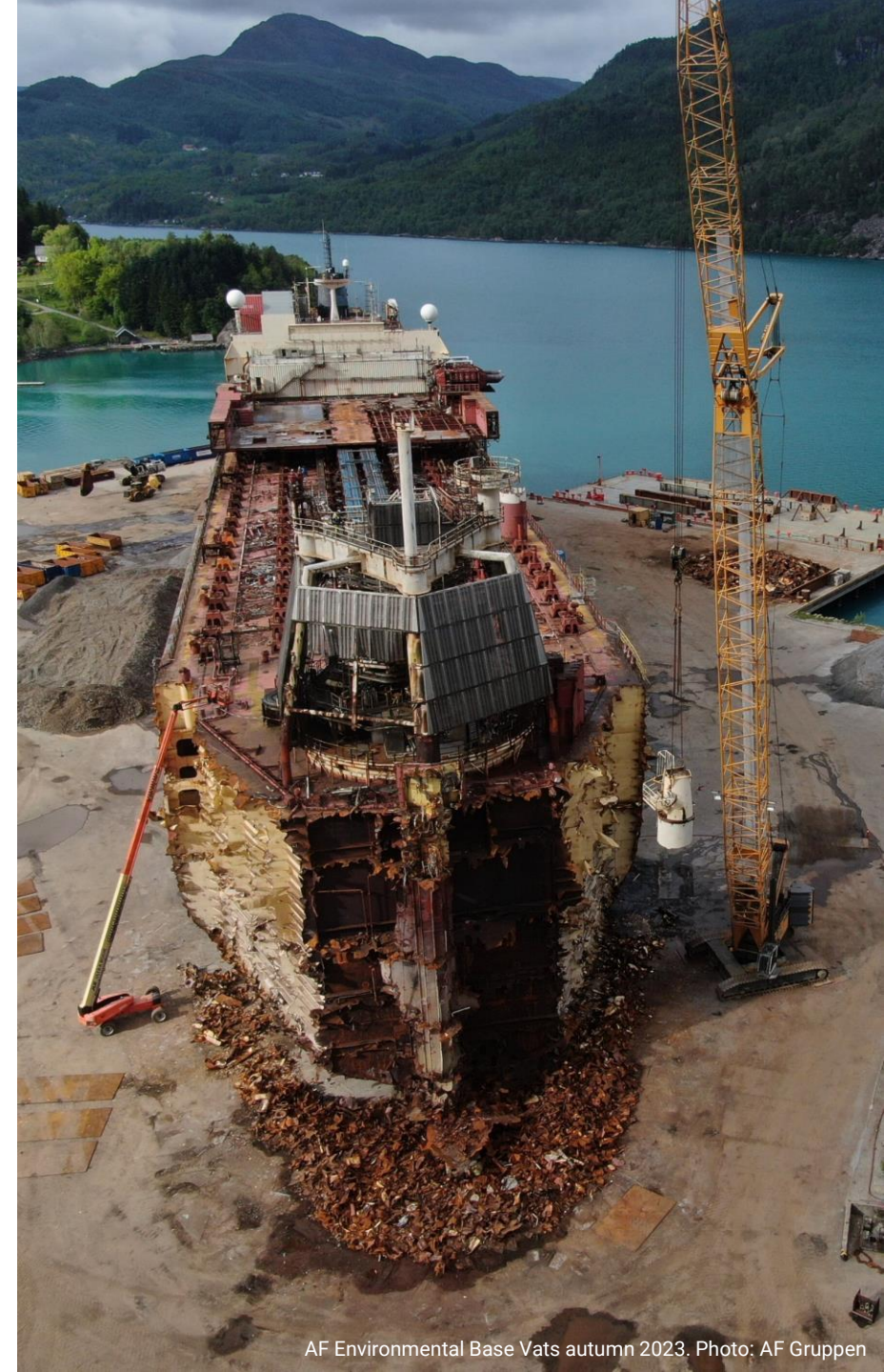
- Energy and Environment increased the activity level by 46% compared to the same quarter last year and reports a good result in Q3
- AF Energi reports a significant revenue growth. The unit reports a good result due to high activity and good operations in the projects
- AF Decom increased the activity level and reports a good result
- AF Decom has sorted metal for recycling and recycled materials at the environmental centers corresponding to 24,342 (34,488) CO₂-equivalents
- Order intake: NOK 300 (262) million. Order backlog: NOK 1,403 (688) million



Challenging Quarter with Negative Result

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	208	380	795	870
EBIT	-119	51	-84	105
EBT	-126	46	-98	102
EBIT %	-56.9%	13.4%	-10,6%	12,0%
EBT %	-60.2%	12.2%	-12,3%	11,7%

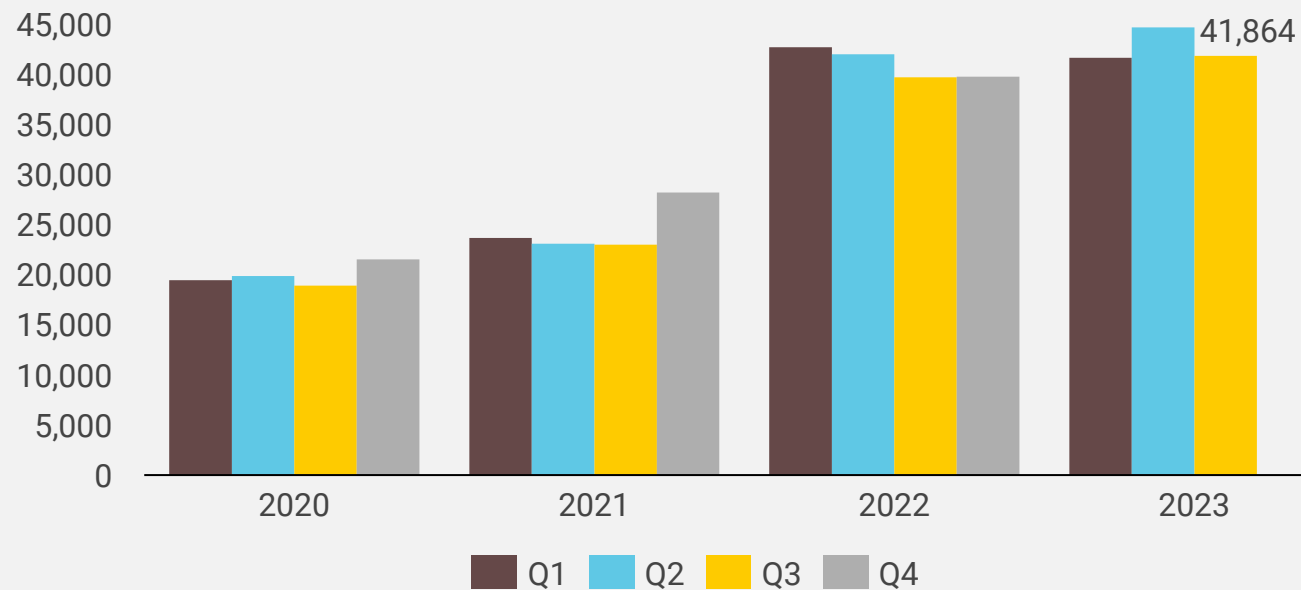
- Offshore has low activity and a weak result in the 3rd quarter
- AF Offshore Decom has a negative result this quarter, which in its entirety is related to a negative adjustment of the project estimate of one project
- As of the second quarter, metal sorted for recycling corresponds to savings of 23,894 (34,445) CO₂-equivalents at AF Miljøbase Vats
- Aeron maintains a high activity level and report profitability somewhat below expectations
- Order intake: NOK 125 (873) million. Order backlog: NOK 1,362 (1,927) million



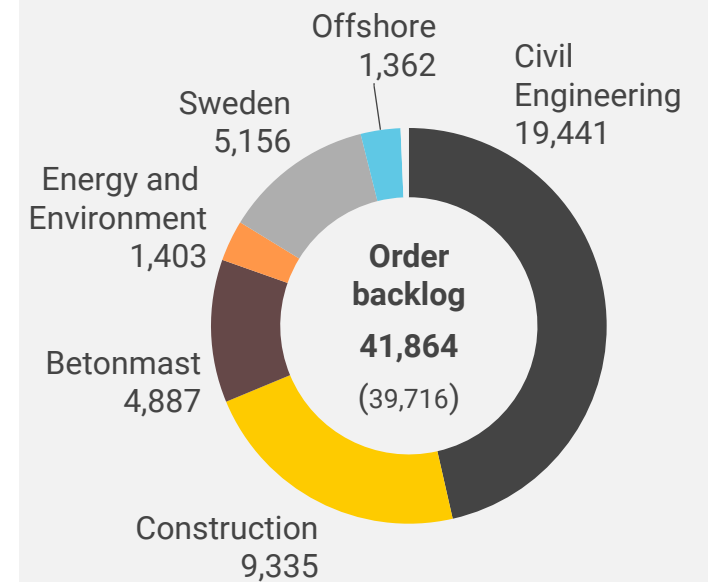
Stable Order Backlog

Development in Order Backlog

NOK million



Order Backlog Business Areas



Safety

Q3 2023 | Theme presentation

AF

Business Idea

To create value and opportunities through projects with an uncompromising attitude to **safety** and ethics



The Drivers for Safety in AF

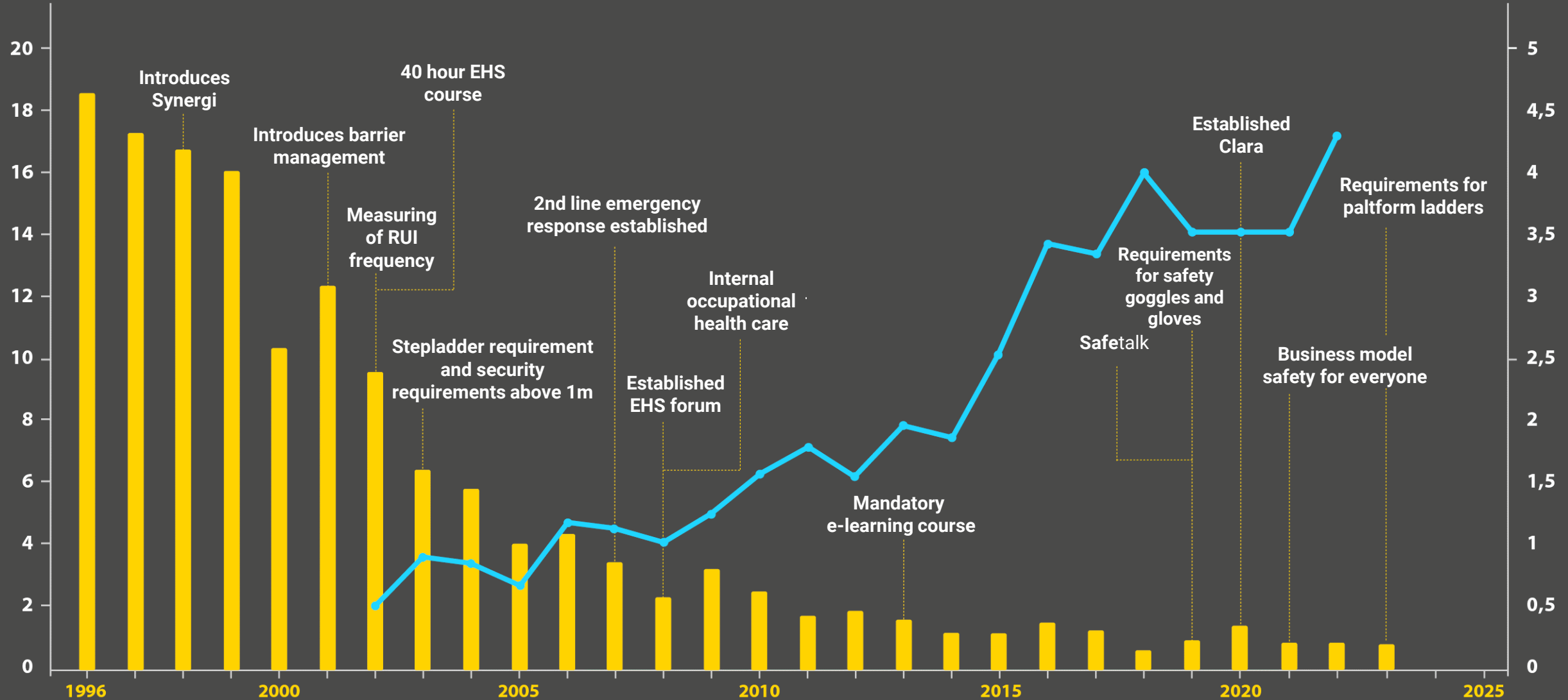


History of Safety



LTIF value

RUI





Risk Management in AF



Level 1

Risk management before
actual start of the project

Level 2

Risk management
during the project

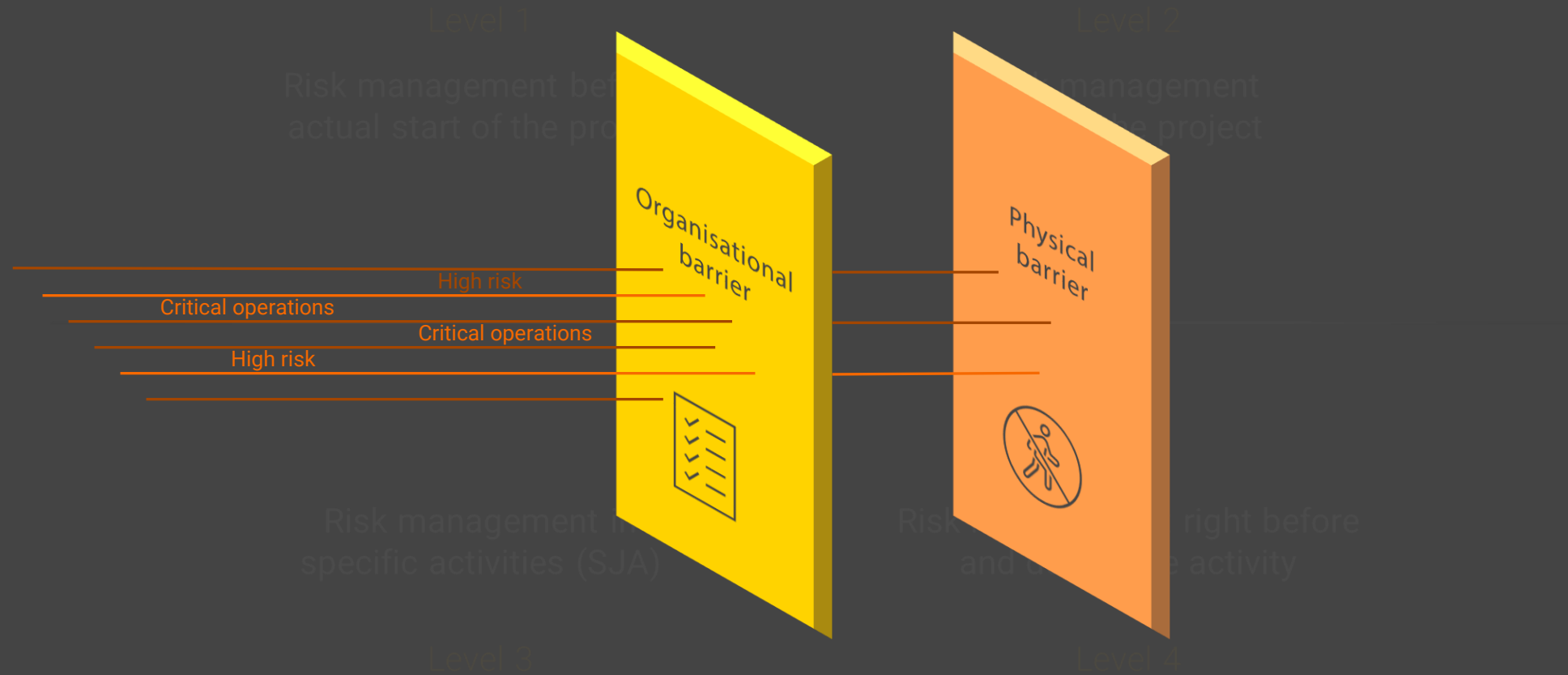
Risk management in
specific activities (SJA)

Level 3

Risk management right before
and during the activity

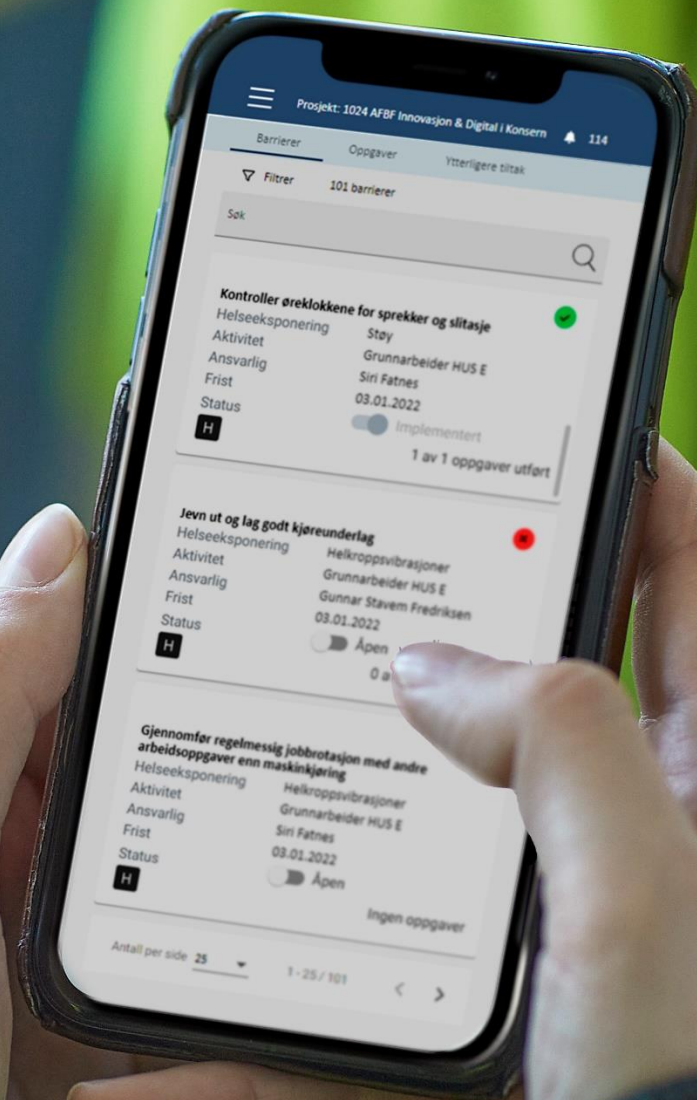
Level 4

Risk Management in AF



Better risk
management with
systemised use of
data and digital tools.

CLARA



Summary

NOK million	Q3 23	Q3 22	YTD 3Q 23	YTD 3Q 22
Revenues	6,907	7,537	22,152	22 638
EBIT	128	271	447	907
EBT	103	263	408	898
EBIT %	1.9%	3.6%	2,0%	4,0%
EBT %	1.5%	3.5%	1,8%	4,0%

- LTIF = 0
- Weak result
- Strong financial position
- Order intake: NOK 4,078 (5,249) million
- Stable order backlog: NOK 41,864 (39,716) million



Thank you for your
attention

Q4 | 15 February 2024

AF