

# Eqva ASA

# Fourth quarter results 2022

28 February 2023



# Agenda

1. **Business update**
2. Financial and operational highlights
3. Outlook

## Enclosure

- Consolidated financial statements

A knowledge-based active owner of industrial service companies that contribute to the green transition in maritime, power intensive and renewable industries

## Maritime services



Maritime service provider with attractive location, strong infrastructure and skilled organisation



Full-service provider of technical, sustainable solutions and services to maritime and landbased industries



A specialised hydropower plant developer and operator

# Eqva caps off a year of milestones with a solid fourth quarter



- **Solid Q4 performance:** Solid operational results driven by high activity, meeting expectations
- **Strong order book and outlook for 2023 boosted by major contract wins:** Several significant orders secured in Q4 2022 and early 2023, including BKS Industri's mNOK 160 contract with Boliden, the largest in its history
- **Completed strategic shift in Maritime Services segment :** Resulting in a number of new modification projects - with several comprising conversion to environmental-friendly propulsion systems
- **Robust business model:**
  - Diversified service offerings provide stability and resilience also in challenging market conditions
  - Havyard Leirvik pre-qualified to bid towards several large potential customers within offshore and land-based industry
- **Launched incentive programs for key personnel.** Aligns the interests of these individuals with the shareholders of the company

## Full year 2022 key figures\*

(unaudited, amounts in mNOK)

|  |                         |
|--|-------------------------|
| Revenues<br>629 million  | EBITDA*<br>17.8 million |
| Order book<br>31.12.2022<br>345 million<br>Order book<br>28.02.2023<br>491 million | Equity ratio<br>43 %    |

\*All figures in this presentation are pro forma figures and comprises the group's subsidiaries including BKS and Fossberg Kraft acquired in June 2022. See appendix for consolidated reported figures (unaudited).



# Products, Solutions & Renewable wins record-breaking mNOK 160 contract with Boliden



- BKS, a subsidiary of Eqva, was in February 2023 awarded a framework contract for refabrication and installation at Boliden's advanced zinc plant in Odda, Norway.
- For Eqva and BKS, the contract joins the series of assignments aimed at making Norwegian power-intensive industry and shipping more climate-friendly.
- Growing demand for such expertise, and it is expected that such climate and environmental projects will form an even larger part of the business in the years to come.



*One of the world's most climate-effective zinc plant to become even more climate-friendly, Odda*



# Maritime Services wins major conversion contract with Boreal



- Havyard Leirvik, a subsidiary of Eqva, has in January 2023 secured a new marine conversion contract with Boreal Sjø, a new customer in the maritime service sector.
- This new contract further confirms the success of Eqva's strategic shift towards service and maritime conversion.
- The value of such projects typically falls between NOK 10-20 million.



*M/F Vannes, Boreal Sjø*



# Sustainability serves as a driving force behind Eqva's continued growth

## ESG is integrated in corporate governance structures and industry strategies

- **Highlights Q4 2022:**
  - Progress made in materiality assessment and GRI reporting
  - Launching new Code of Conduct
- **Priorities 2023:**
  - Deepening materiality assessment
  - Setting sustainability reporting goals
  - Preparing GRI compliant sustainability report, with a key focus on UN's Sustainability Development Goals



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M/F Veøy, Fjord 1



# Q4 Operations on track, solid order intake ensures high volumes into 2023

## Highlights

- Maritime Services secured a contract with Fjord 1 for a full motor conversion of the ferry M/F Veøy to a more environmentally friendly solution.
- Products, Solutions & Renewables won several contracts for key environmentally efficient and technical equipment projects in Western Norway.
- The agreement to develop and sell the Skjeggfoss hydropower plant in Drangedal, southern Norway, to a UK-based infrastructure investor.

- Demonstrates the value of Eqva and Havyard Leirvik's strong relationship with key partners.
- Confirms Eqva and BKS' position as preferred partners for delivering complex services, particularly in environmentally impactful projects.
- Provides good utilisation of Eqva and Fossberg Kraft's capacity and expertise - generate profits above Eqva's target levels.

# Products, solutions & renewables: Strong orderbook into 2023

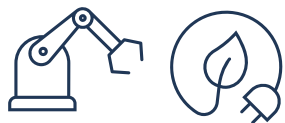
- High activity levels in **BKS**, particularly at the beginning of the quarter, partly offset by lower activity in December due to the Christmas holiday
- Significantly increasing order intake both in terms of contracts and volumes under frame agreements
  - Successfully secured multiple contracts worth NOK 43 million for the delivery of industrial services to leading companies in Norway's process industry
- **Fossberg Kraft** entered into an agreement to develop and sell the Skjeggfoss hydropower plant for approximately NOK 45 million
  - This, combined with another project in the order book secures the budgeted volumes for Fossberg Kraft for 2023, with satisfactory profits

## Pro forma figures FY 2022

(Q4 2022- unaudited)

|  |  |
|--|--|
| Revenues<br><b>392.4 million</b><br>(Q4 116.2 million)   | EBITDA*<br><b>20.8 million</b><br>(Q4 8.9 million) |
| Order book<br>31.12.2022<br><b>300 million</b><br><br>Order book<br>28.02.2023<br><b>435 million</b> | EBITDA margin<br><b>5 %</b>                        |

\*EBITDA adjusted for non-recurring items



# Maritime services: Successful implementation of strategic shift continues – developing towards a multi-service site



- The transition from newbuilding to multi-services continued according to plan, reducing risk and volatility
- Despite higher raw material prices, a weaker demand environment and uncertainty due to the Norwegian aquaculture tax, the underlying operations in the quarter remained solid
- Havyard Leirvik has continued to focus on diversifying its operations to include activities in the aquaculture and land-based industry and aims to increase utilisation of its infrastructure.
- The company has some large upcoming projects in the tender phase, which are expected to bring in significant volumes in 2023 and 2024
- Large pipeline of service projects with short time horizon for the order book, which is typical for this type of business

## Pro forma figures FY 2022

(Q4 2022 - unaudited)

|   |  |
|---|--|
| Revenues<br><b>235.1 million</b><br>(Q4 62.8 million) | EBITDA*<br><b>14.4 million</b><br>(Q4 4.2 million) |
| Order book<br>31.12.2022<br><b>45 million</b>         | EBITDA margin<br><b>6 %</b>                        |
| Order book<br>28.02.2023<br><b>56 million</b>         |  |

\*EBITDA adjusted for non-recurring items



# Segment overview



## Group consolidated unaudited financial figures YTD 2022

NOK in million

|                           | Maritime Services | Products, solutions & renewables | Other/elimination * | Eqva pro-forma pr. 31.12.2022 |
|---------------------------|-------------------|----------------------------------|---------------------|-------------------------------|
| Revenues                  | 235.1             | 392.4                            | 1.5                 | 629.0                         |
| Materials and consumables | 150.4             | 125.7                            | 5.0                 | 281.1                         |
| Payroll expenses          | 54.5              | 212.7                            | 10.6                | 277.8                         |
| Other operating expenses  | 17.7              | 35.7                             | 20.0                | 73.4                          |
| <b>EBITDA</b>             | <b>12.5</b>       | <b>18.3</b>                      | <b>-34.1</b>        | <b>-3.2</b>                   |
| Non-recurring items*      | 1.9               | 2.5                              | 16.6                | 21.0                          |
| <b>Adjusted EBITDA</b>    | <b>14.4</b>       | <b>20.8</b>                      | <b>-17.5</b>        | <b>17.8</b>                   |

\*Transaction-/restructuring costs

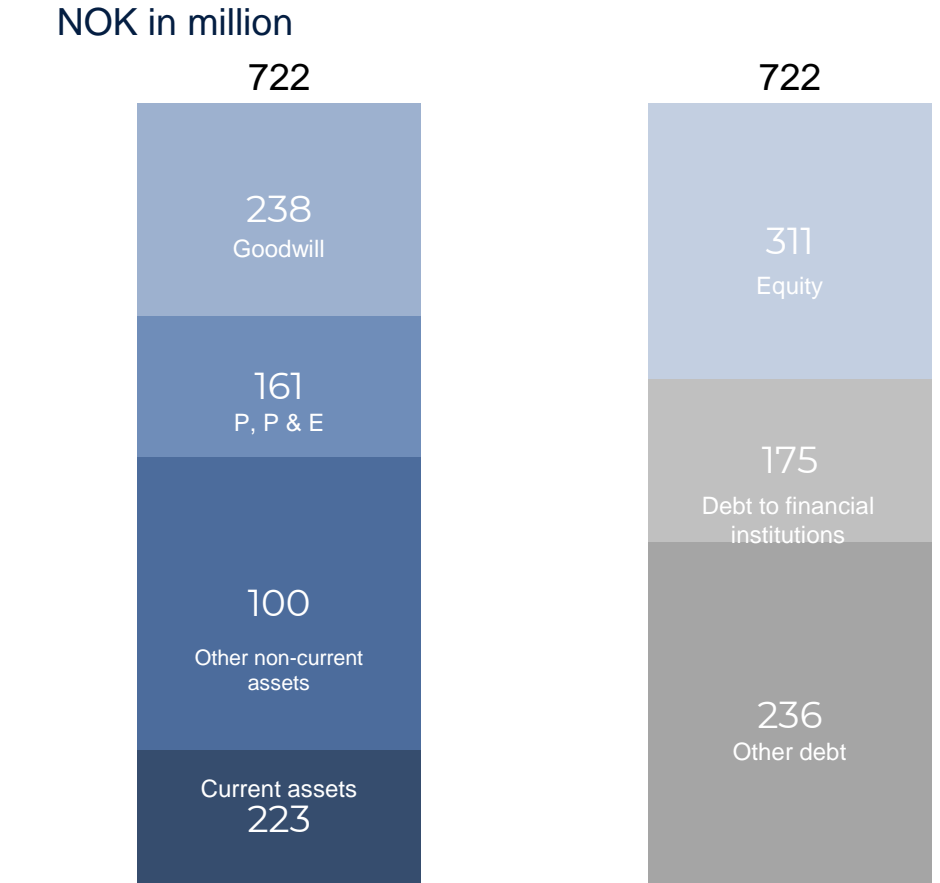


# Solid financial position



## Balance sheet as of 31 December 2022

- Total assets and liabilities reduced during the quarter
  - Delivery of projects
  - Adjustment of purchase price allocation within 12 months period according to IFRS 3
- Cash position in 2022 decreased mainly due to non-operational items (transaction effects) and planned debt reductions. Solid operational cash generation expected in 2023.
- Equity ratio of 43 per cent
- Total debt decreased from NOK 433 million by the end of third quarter to NOK 411 million in the end of fourth quarter.
  - Total outstanding debt to credit institutions decreased from NOK 198 million to NOK 175 million (of which construction loans amount to NOK 22 million)
  - Main reason for the reduction in debt to credit institutions can be attributed to a decrease in construction loans, which resulted from the completion of various projects
- Net interest-bearing debt\* NOK 109 million as of 31 December



# Robust orderbook supports optimistic outlook for 2023



## Order book as of 31 December 2022

### Maritime Services at NOK 45 million

- Ibestad delivered in January 2023
- Veøy started in Q4 2022 – main part of project to be executed in Q1 2023
- Service part of business with short horizons when it comes to order book – normal for this kind of business

### Products, Solutions & Renewables at NOK 300 million

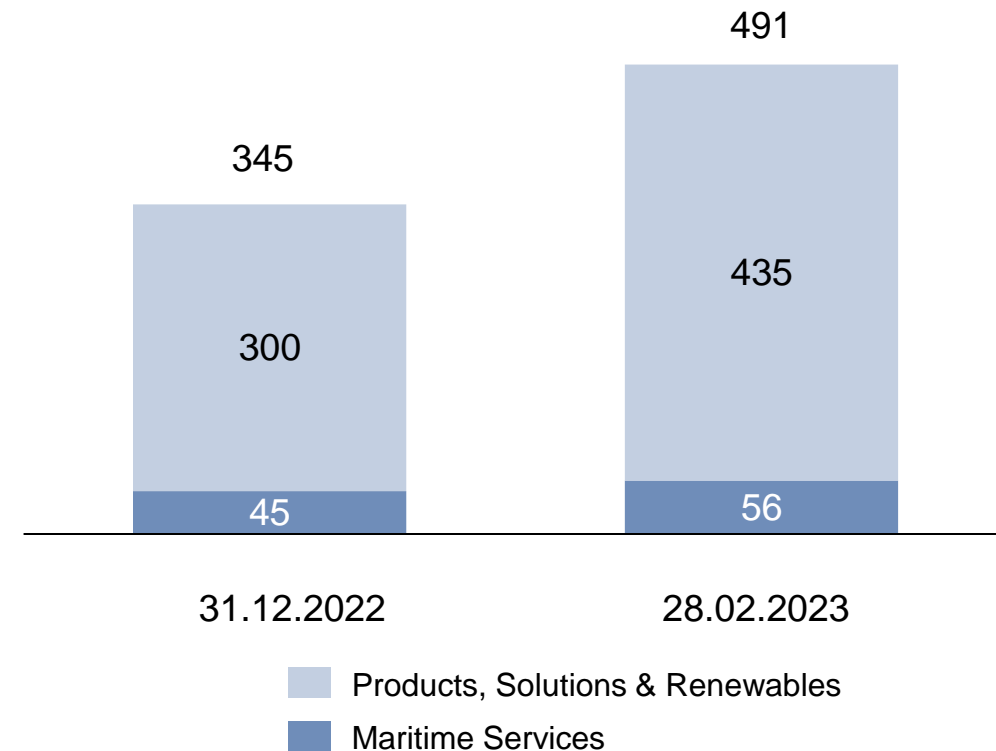
#### BKS

- Contracts and frame agreements with a value of approx. NOK 230 million
- Significant increase in order book in Q1 2023 due to large contract awarded with Boliden in February 2023

### Fossberg Kraft

- Projects in order book for execution in 2023 at approx. NOK 70 million
- Current order book covers budgeted volumes for 2023

## Order book pr. 31.12.2022 vs. 28.02.2023 (mNOK)



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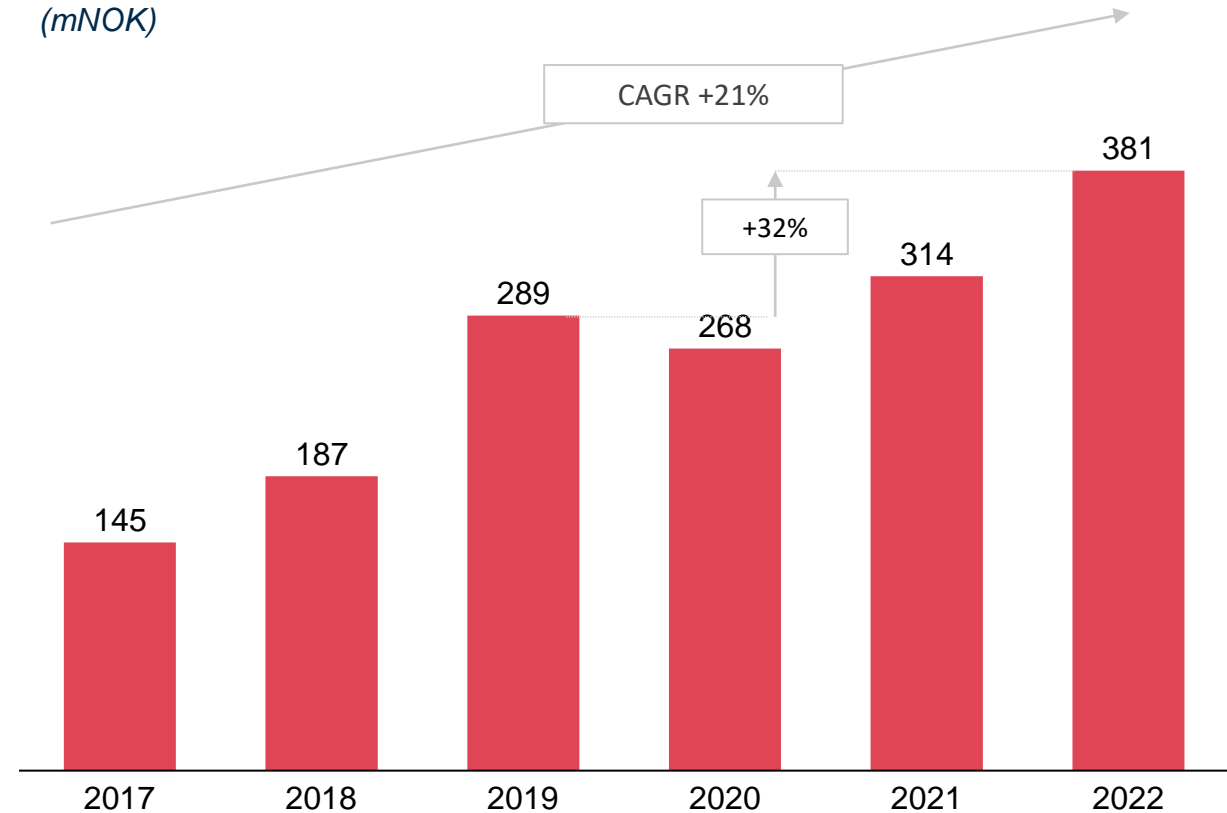
- Consolidated financial statements

# Products, solutions & renewables: Capitalising on strong underlying growth in BKS and bright prospect ahead



- BKS has consistently delivered solid underlying growth with a CAGR of 21 per cent since 2017.
- This impressive growth rate provides a strong foundation for BKS's future success and expansion.
- By continuing to build on this growth trajectory and expanding its market reach, BKS is well-positioned to become a leading player in its industry.

**Historical revenue development in BKS**  
(mNOK)



**BKS**  
www.bksas.no



# 2023 Financial Targets: Solid outlook and increased guidance



## Financial guidance for 2023 as of 28.02.2023:

FY'2023 revenue (million)

**650-750**

FY'2023 EBITDA margin

**4-7%**

- Strong revenue growth expected due to solid order intake in recent months
- Targeted long-term EBITDA margin for the group is 7-9 per cent

## Entering 2023 with a stronger orderbook

- Strong orderbook bodes well for 2023, with first half of the year expected to bring increased activity, particularly for Products, Services & Renewables.
- With the industry's focus on reducing emissions and transitioning to more sustainable practices, we expect an increase in demand for our services. Eqva's expertise in efficient technology and climate change solutions will position us well to support these efforts.
- With growing demand for modular solutions and cost-effective pre-fabrication, our yard is well equipped to meet this demand, and our Maritime Services segment is well positioned to be a leading sub-contractors for larger projects in land-based and offshore industry.
- Our strong customer relationships and broad market expertise provide us with a clear path to achieve profitable growth.

# Thank you

Please direct any questions to [eirik.saevareid@eqva.no](mailto:eirik.saevareid@eqva.no)

# Consolidated statement of profit and loss



|  |  | 2022 | YTD Q4         | 2021                   |
|--|--|------|----------------|------------------------|
|  |  |      |                | Unaudited<br>Urevidert |
| (NOK 1,000)  |  |      |                |                        |
| Revenues   | Salgsinntekt   |      | 438 216        | 902 893                |
| Other operating revenues   | Annen driftsinntekt  |      | 2 502          | 7 293                  |
| <b>Operating income</b>  | <b>Driftsinntekt</b>   |      | <b>440 718</b> | <b>910 186</b>         |
| Materials and consumables  | Varekostnader  |      | 211 174        | 636 956                |
| Payroll expenses   | Lønnskostnader   |      | 172 360        | 164 574                |
| Other operating expenses   | Andre driftskostnader  |      | 67 111         | 51 761                 |
| <b>Operating expenses</b>  | <b>Driftskostnader</b>   |      | <b>450 646</b> | <b>853 291</b>         |
| <b>Operating profit/loss before depreciation and amortisation (EBITDA)</b> | <b>Driftsresultat før avskrivninger og nedskrivninger (EBITDA)</b> |      | <b>-9 928</b>  | <b>56 895</b>          |
| Impairment of non-current assets   | Nedskrivning av anleggsmidler                                      |      | -139           | 0                      |
| Depreciation   | Avskrivninger  |      | 7 598          | 5 409                  |
| <b>Operating profit/loss (EBIT)</b>  | <b>Driftsresultat (EBIT)</b>                                       |      | <b>-17 387</b> | <b>51 486</b>          |
| Financial income   | Finansinntekter  |      | 1 496          | 57 597                 |
| Financial expenses   | Finanskostnader  |      | -19 584        | -16 245                |
| Share of profit/loss of associate  | Andel av resultat fra tilknyttet selskap                           |      | -10 090        | -1 128                 |
| <b>Profit / loss before tax</b>  | <b>Resultat før skatt</b>  |      | <b>-45 565</b> | <b>91 711</b>          |
| Income tax expense   | Skattekostnad  |      | -16 781        | -957                   |
| <b>Profit from continued operations</b>                                    | <b>Resultat fra viderført virksomhet</b>                           |      | <b>-28 784</b> | <b>92 666</b>          |
| <b>Profit from discontinued operation</b>                                  | <b>Resultat fra ikke viderført virksomhet</b>                      |      | <b>0</b>       | <b>286 997</b>         |
| <b>Profit for the period</b>   | <b>Perioderesultat</b>   |      | <b>-28 784</b> | <b>379 663</b>         |
| <b>Attributable to :</b>   | <b>Tilordnet:</b>  |      |                |                        |
| Equity holders of parent   | Aksjonærer i morselskapet  |      | -30 548        | 347 200                |
| Non-controlling interest   | Ikke-kontrollerende eierinteresser                                 |      | 1 763          | 32 463                 |
| <b>Total</b>   | <b>Sum</b>   |      | <b>-28 784</b> | <b>379 663</b>         |

Consolidated statement of profit and loss includes P&L-effect from the companies acquired in June 2022 (BKS, Fossberg Kraft) only from July 1st, 2022.

No adjustments for non-recurring items are made in the consolidated figures

|   |  |       |       |
|---|--|-------|-------|
| Earnings per share (NOK)                  | Resultat per aksje (NOK)                 | -0,40 | 14,01 |
| Diluted earnings per share (NOK)          | Utvannet resultat per aksje (NOK)        | -0,40 | 14,01 |
| <b>Earnings from continued operations</b> | <b>Resultat fra viderført virksomhet</b> |       |       |
| Earnings per share (NOK)                  | Resultat per aksje (NOK)                 | -0,40 | 3,74  |
| Diluted earnings per share (NOK)          | Utvannet resultat per aksje (NOK)        | -0,40 | 3,74  |



# Consolidated statement of financial position YTD Q4 2022



## Assets

| ASSETS                             | EIENDELER                             | 2022 YTD Q4            | 2021                |
|------------------------------------|---------------------------------------|------------------------|---------------------|
|                                    |                                       | Unaudited<br>Urevidert | Audited<br>Revidert |
| <b>Non-current assets</b>          | <b>Anleggsmidler</b>                  |                        |                     |
| Deferred tax benefit               | Utsatt skattefordel                   | 1 710                  | 1 710               |
| Goodwill                           | Goodwill                              | 238 343                | 0                   |
| Licenses, patents and R&D          | Lisenser, patenter og FoU             | 36 478                 | 0                   |
| Property, plant and equipments     | Eiendom, anlegg og utstyr             | 161 339                | 16 116              |
| Right of use assets                | Bruksrett eiendeler                   | 6 237                  | 332                 |
| Investment in associates           | Investeringer i tilknyttet selskap    | 22 737                 | 194 185             |
| Loan to associates                 | Lån til tilknyttet selskap            | 4 840                  | 4 338               |
| Investment in financial assets     | Investeringer i finansielle eiendeler | 20 579                 | 4 610               |
| Other non-current receivables      | Andre langsiktige fordringer          | 7 249                  | 111                 |
| <b>Total non-current assets</b>    | <b>Sum anleggsmidler</b>              | <b>499 512</b>         | <b>221 403</b>      |
| <b>Current Assets</b>              | <b>Omløpsmidler</b>                   |                        |                     |
| Inventory                          | Varelager                             | 12 823                 | 2 781               |
| Accounts receivables               | Kundefordringer                       | 108 673                | 19 784              |
| Other receivables                  | Andre kortsiktige fordringer          | 40 450                 | 26 176              |
| Contract assets customer contracts | Kontraktseiendeler kundekontrakter    | 0                      | 0                   |
| Cash and cash equivalents          | Bankinnskudd                          | 61 102                 | 221 733             |
| <b>Total current assets</b>        | <b>Sum omløpsmidler</b>               | <b>223 048</b>         | <b>270 474</b>      |
| <b>TOTAL ASSETS</b>                | <b>SUM EIENDELER</b>                  | <b>722 560</b>         | <b>491 877</b>      |

Amounts in NOK 1 000

## Equity and liabilities

| EQUITY AND LIABILITIES               | EGENKAPITAL OG GJELD               | 2022 YTD Q4            | 2021                |
|--------------------------------------|------------------------------------|------------------------|---------------------|
|                                      |                                    | Unaudited<br>Urevidert | Audited<br>Revidert |
| <b>Equity</b>                        | <b>Egenkapital</b>                 |                        |                     |
| Share capital                        | Aksjekapital                       | 3 599                  | 1 239               |
| Share premium reserve                | Overkurs                           | 195 175                | 22 535              |
| Treasury shares                      | Egne aksjer                        | -905                   | -3                  |
| Retained earnings                    | Opptjent egenkapital               | 108 301                | 274 042             |
| Non-controlling interests            | Ikke-kontrollerende eierinteresser | 4 769                  | 0                   |
| <b>Total equity</b>                  | <b>Sum egenkapital</b>             | <b>310 939</b>         | <b>297 814</b>      |
| <b>Non-current liabilities</b>       | <b>Langsiktig gjeld</b>            |                        |                     |
| Deferred tax liability               | Utsatt skatt                       | 2 978                  | 2 441               |
| Lease liabilities                    | Leieforpliktelser                  | 6 923                  | 225                 |
| Loans and borrowings                 | Gjeld til kredittinstitusjoner     | 157 216                | 4 348               |
| Other long-term liabilities          | Annen langsiktig gjeld             | 43 629                 | 31 933              |
| <b>Total non-current liabilities</b> | <b>Sum langsiktig gjeld</b>        | <b>210 746</b>         | <b>38 947</b>       |
| <b>Current liabilities</b>           | <b>Kortsiktig gjeld</b>            |                        |                     |
| Accounts payables                    | Leverandørgjeld                    | 49 682                 | 27 793              |
| Tax payables                         | Betalbar skatt                     | 1 796                  | 2 603               |
| Public duties payables               | Skyldig offentlige avgifter        | 42 568                 | 17 523              |
| Loans and borrowings, current        | Gjeld til kredittinstitusjoner     | 18 150                 | 435                 |
| Contract liabilities                 | Kontraksforpliktelse               | 0                      | 35 558              |
| Lease liabilities                    | Leieforpliktelse kortsiktig        | 1 353                  | 132                 |
| Other current liabilities            | Annen kortsiktig gjeld             | 87 325                 | 71 073              |
| <b>Total current liabilities</b>     | <b>Sum kortsiktig gjeld</b>        | <b>200 874</b>         | <b>155 117</b>      |
| <b>Total liabilities</b>             | <b>Sum gjeld</b>                   | <b>411 620</b>         | <b>194 063</b>      |
| <b>TOTAL EQUITY AND</b>              | <b>SUM EGENKAPITAL OG GJELD</b>    | <b>722 560</b>         | <b>491 877</b>      |

Adjustment of purchase price allocation within 12 months period according to IFRS 3

# Bridge pro-forma figures vs. consolidated P&L YTD Q4 2022



|                            | Consolidated figures | Acquired companies 01.01-30.06 | Non-recurring items | Pro-forma figures |
|----------------------------|----------------------|--------------------------------|---------------------|-------------------|
| <b>Operating income</b>    | 440,7                | 188,3                          |                     | <b>629,0</b>      |
| Materials and consumables  | 211,2                | 69,9                           |                     | <b>281,1</b>      |
| Payroll expenses           | 172,4                | 105,4                          |                     | <b>277,8</b>      |
| Other operating expenses   | 67,1                 | 6,3                            |                     | <b>73,4</b>       |
| <b>Operating expenses</b>  | 450,6                | 181,5                          | 0,0                 | <b>632,2</b>      |
| <b>EBITDA</b>              | -9,9                 | 6,7                            | 0,0                 | <b>-3,2</b>       |
| <b>Non-recurring items</b> |                      |                                | 21,0                | <b>21,0</b>       |
| <b>Adjusted EBITDA</b>     | -9,9                 | 6,7                            | 21,0                | <b>17,8</b>       |

Amounts in mNOK

- Consolidated figures includes the companies acquired in June 2022 (operational companies are BKS and Fossberg Kraft) only from July 1<sup>st</sup>, 2022 in the P&L
- Table to the left shows the bridge between the consolidated figures and the pro-forma figures for the full year 2022 (the latter comprises the group's subsidiaries including BKS and Fossberg Kraft acquired in June 2022 as well as adjustment for non-recurring items)