

# Eqva ASA

# First quarter results 2023

16 May 2023



# Agenda

1. **Business update**
2. Operational and financial highlights
3. Outlook

## Enclosure

- Consolidated financial statements

# Q1 Highlights

Strong operational performance driven by volume increase and major contract wins

- **Solid performance** driven by volume increase in the division Products, Solutions & Renewables (mainly in BKS)
- **Major contract wins** boost order book and 2023 outlook
- **Robust business model**
  - Diversified service offerings provide market resilience
  - Havyard Leirvik pre-qualified for bids in offshore and land-based industries
- **Firm order book and order intake** supports growth in the upper part of Eqva's 2023 revenue guidance.

## Q1 2023 key figures

*(unaudited, amounts in mNOK)*

Revenues  
200 million

EBITDA  
8.4 million

Order book  
31.12.2022  
345 million

Order book  
31.03.2023  
461 million

Equity ratio  
43 %

# New contracts awarded

High activity on current projects

- **Products, Solutions & Renewables:**

- Major NOK 160 million contract awarded by Boliden. Project started in Q1
- Significant contracts secured with key customers in process and land-based industries
- Increasing volumes on frame agreements with main customers

- **Maritime Services:**

- Engine conversion on MF Veøy (Fjord1) underway to lower emissions. Major part of the project completed in Q1 2023.
- Refit completed on MF Vannes (Boreal)



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

# Sustainability is key to our continued growth

## Key ESG highlights

- **Highlights Q1 2022:**

- Identified **five** key SDGs that our business can significantly influence and contribute to
- Ongoing materiality assessment process

- **Plans and priorities for 2023:**

- Growing supplies to the green transition
- Setting sustainability reporting goals
- Preparing GRI compliant sustainability report



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# Solid operational performance in challenging market environment

## Q1 2023 Operational highlights

- Strong order intake for Products, Solutions & Renewables and high activities on key strategic projects in Western Norway.
- Maritime Services performed well operationally, despite slow order intake due to challenging demand environment.
- Successfully finalised the construction of Kvævebekken hydropower plant according to plan, sold to a UK-based infrastructure investor early April.

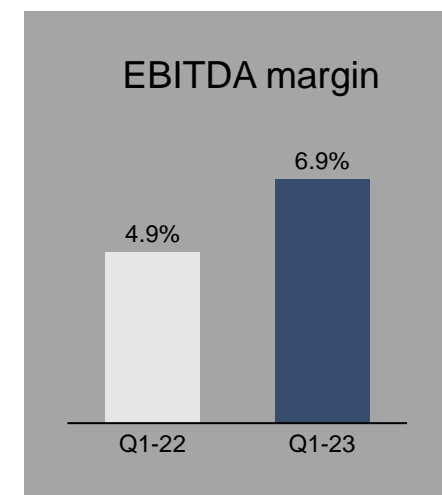
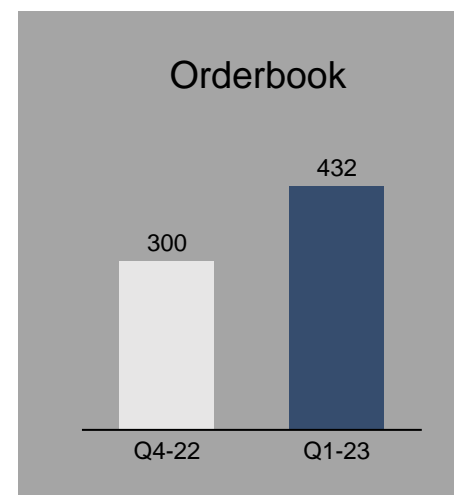
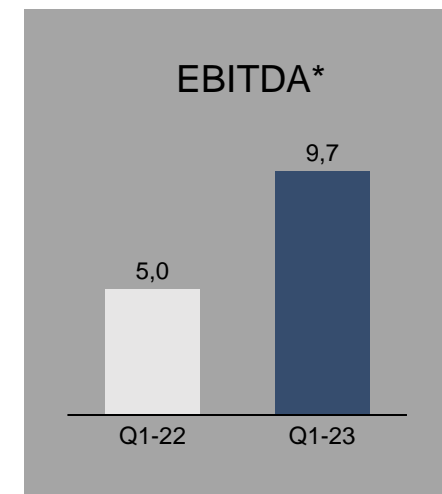
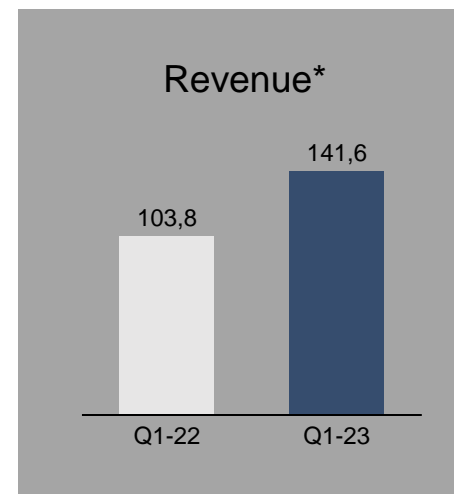


- Demonstrates the value of Eqva's strong relationship with key partners.
- Norway's tough market environment highlights the importance of the yard's strategic shift, strong partnerships, and diversified services in mitigating market challenges.
- Provides good utilisation of Eqva and Fossberg Kraft's capacity and expertise – continues to generate profits above Eqva's target levels.

# Products, Solutions & Renewables

Strong orderbook into 2023

- **BKS** reports of high activity levels on ongoing projects
  - Continued increasing order intake
  - Order book is a fundament for continuing the company`s growth history
  - Increased volumes capitalizing on current cost structure – secures increased profit margins compared to the last years (6.9% in Q1 2023 vs. 4.9% in Q1 2022)
- **Fossberg Kraft** progress according to plan
  - Construction of Skjeggfoss plant (5.6 GWh) progress according to plan – Haugsvær plant (4.4 GWh) in last phase of planning
  - In tender phase of several new projects

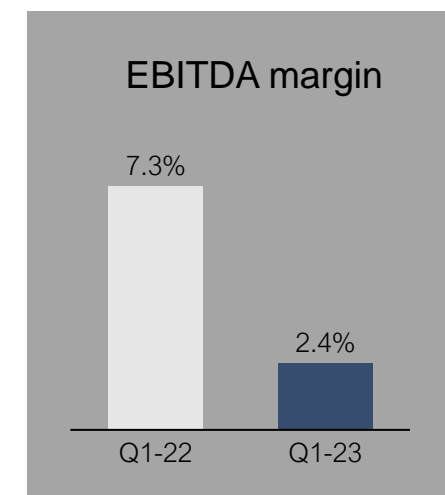
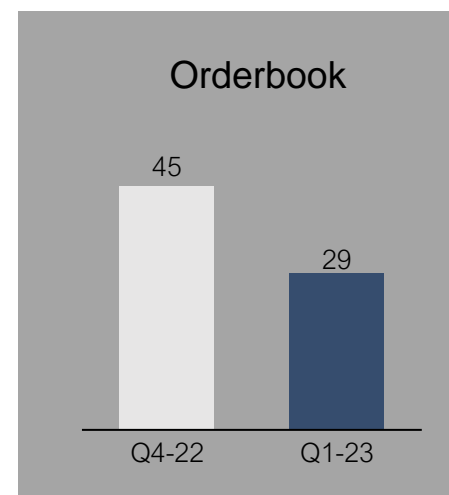
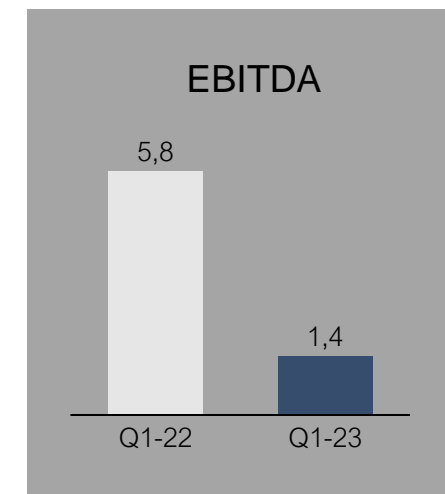
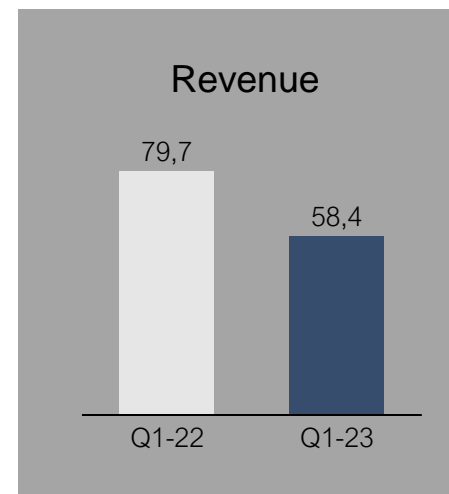




# Maritime services

Development towards a multi-service site

- The transition from newbuilding to multi-services continues according to plan, reducing risk and volatility
- Challenging demand environment in the maritime sector in Norway, but yard is well-positioned with its diverse and broad service offering
- Pre-qualified towards several large clients with tenders within land-based industry and offshore (module prefabrication)
- Some upcoming projects in the tender phase, expected to bring in significant volumes late 2023 and 2024



# Segment overview

Key financial figures Q1 2023

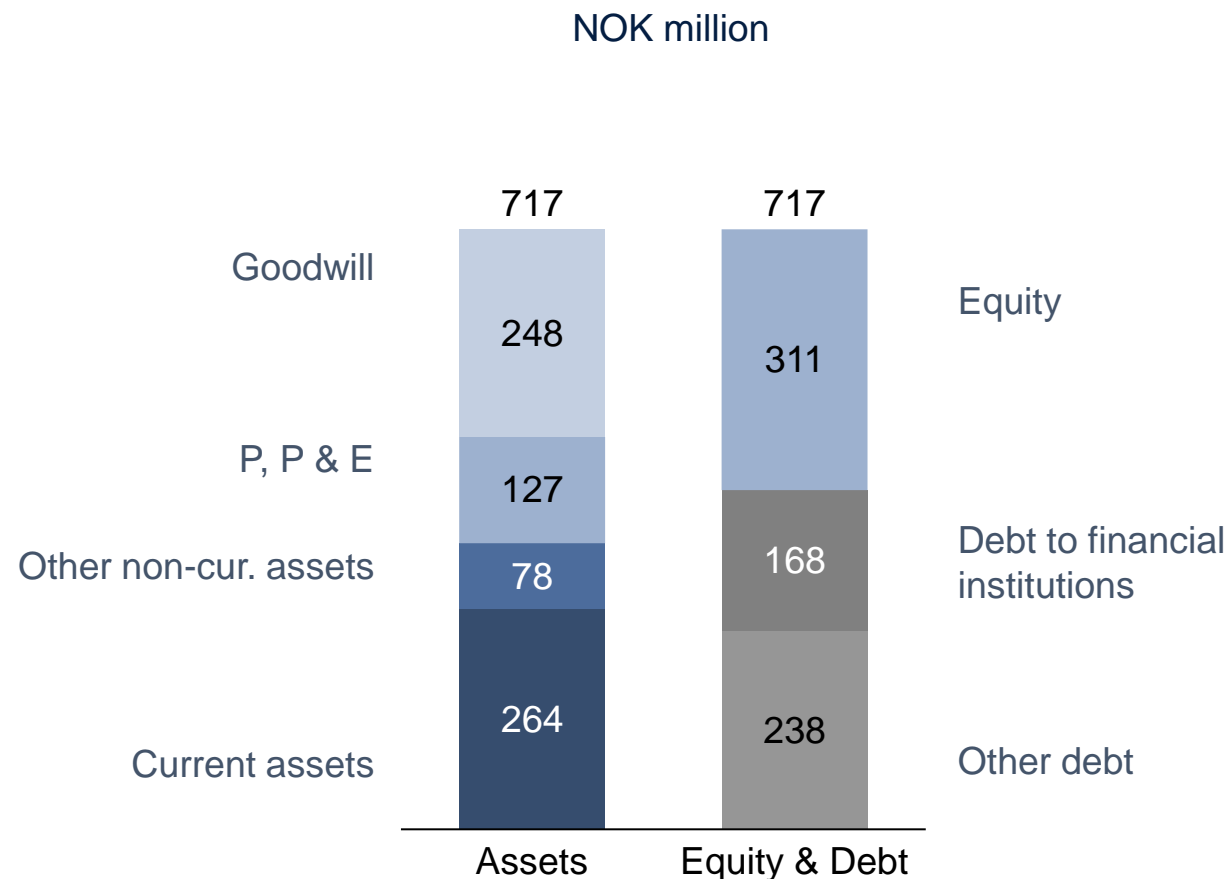
NOK million	Products, solutions & renewables	Maritime Services	Real Estate	Other/elim.	Eqva group pr. 31.03.2023
<b>Revenues</b>	<b>141.6</b>	<b>58.4</b>	<b>2.9</b>	<b>-2.6</b>	<b>200.3</b>
Materials and consumables	48.6	35.3	-	-	83.9
Payroll expenses	65.2	15.8	-	3.2	84.1
Other opex	18.2	5.9	0.2	-0.3	23.8
<b>EBITDA</b>	<b>9.7</b>	<b>1.4</b>	<b>2.7</b>	<b>-5.4</b>	<b>8.4</b>



# Solid financial position

Balance sheet as of 31 March 2023

- Equity ratio of 43 per cent at the end of Q1
- Net interest-bearing debt was NOK 107 million
- Repaid NOK 6 million loans during Q1 according to ordinary schedules
- Strong cash generation expected in particularly 2nd half of 2023



\*NIBD definition : Debt to financial institutions less unrestricted cash. Construction loans not included as part of NIBD.

# Orderbook remains solid

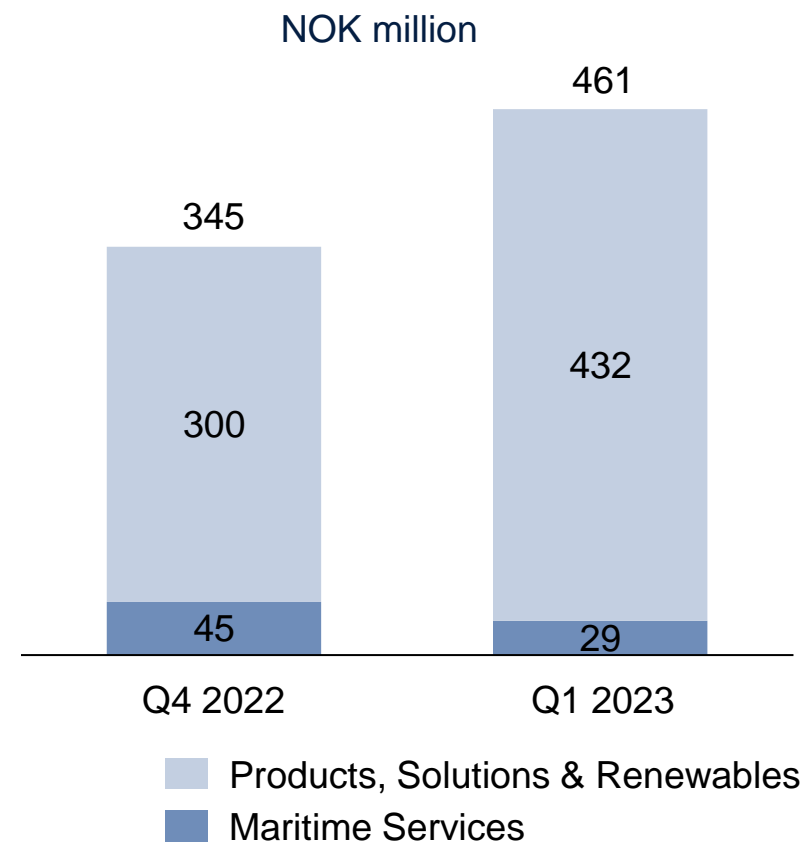
Supports continued optimistic outlook in turbulent market sentiment

- **Products, Solutions & Renewables**

- **BKS** orderbook at NOK 402 million as of end-March  
Continued good order intake into Q2
- **Fossberg Kraft** orderbook for execution in 2023 at NOK 30 million as of end-March

- **Maritime Services**

- Orderbook at NOK 29 million as of end-March
- Shorter horizons for Maritime Service segment, typical for this type of business



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# 2023 Outlook

Reiterate full year guidance

Financial guidance for 2023 as of Q1 2023

FY'2023 revenue (million)

**650-750**

FY'2023 EBITDA margin

**4-7%**

Long-term EBITDA margin target for the group at 7-9 per cent

# Concluding remarks

## Solid start to the year

- **Strong orderbook bodes well for 2023**, expected to maintain high activity, particularly for Products, Services & Renewables
- **Weaker market sentiment in maritime sector in Norway** post resource rent tax proposal for aquaculture, may impact demand for Maritime Services short-term. Positive indications regarding strengthening of finance and guarantee mechanisms for the Norwegian maritime sector may increase demand medium and long-term
- **Growing demand for modular solutions and cost-effective pre-fabrication** in the medium- to long-term, which places Maritime Services at the forefront to meet this demand and become a leading subcontractor
- **Well-positioned for long-term value creation** by scaling our benefits as a group, while also maintaining local ownership and nurturing company independence/autonomy
- **We are proactively pursuing M&A opportunities** and have identified various high-potential companies along the coast for value creation.

| Thank you



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



# Consolidated statement of profit and loss

Q1 2023



(NOK 1,000)		2023	YTD Q1	2022
		Unaudited	Unaudited	Audited
		Urevidert	Urevidert	Revidert
Revenues	Salgsinntekt	200 154	456 431	
Other operating revenues	Annen driftsinntekt	164	2 562	
<b>Operating income</b>	<b>Driftsinntekt</b>	<b>200 318</b>	<b>458 994</b>	
Materials and consumables	Varekostnader	83 921	228 756	
Payroll expenses	Lønnskostnader	84 135	172 360	
Other operating expenses	Andre driftskostnader	23 866	67 219	
<b>Operating expenses</b>	<b>Driftskostnader</b>	<b>191 921</b>	<b>468 335</b>	
<b>Operating profit/loss before depreciation and amortisation (EBITDA)</b>	<b>Driftsresultat før avskrivninger og nedskrivninger (EBITDA)</b>	<b>8 397</b>	<b>-9 342</b>	
Impairment of non-current assets	Nedskrivning av anleggsmidler		0	
Depreciation	Avskrivninger	2 776	9 860	
<b>Operating profit/loss (EBIT)</b>	<b>Driftsresultat (EBIT)</b>	<b>5 621</b>	<b>-19 202</b>	
Financial income	Finansinntekter	47	4 138	
Financial expenses	Finanskostnader	-2 589	-21 045	
Share of profit/loss of associate	Andel av resultat fra tilknyttet selskap	-3 400	668	
<b>Profit / loss before tax</b>	<b>Resultat før skatt</b>	<b>-322</b>	<b>-35 441</b>	
Income tax expense	Skattekostnad	0	-15 795	
<b>Profit from continued operations</b>	<b>Resultat fra viderført virksomhet</b>	<b>-322</b>	<b>-19 646</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>-322</b>	<b>267 351</b>	
<b>Attributable to :</b>	<b>Tilordnet:</b>			
Equity holders of parent	Aksjonærer i morselskapet	-863	-21 410	
Non-controlling interest	Ikke-kontrollerende eierinteresser	542	1 763	
<b>Total</b>	<b>Sum</b>	<b>-322</b>	<b>-19 647</b>	

Share of profit/loss of associate : Main reason for negative figure is (unrealized) agio loss in the underlying investment

Earnings per share (NOK)	Resultat per aksje (NOK)	0,00	-0,27
Diluted earnings per share (NOK)	Utvannet resultat per aksje (NOK)	0,00	-0,27
<b>Earnings from continued operations</b>	<b>Resultat fra viderført virksomhet</b>		
Earnings per share (NOK)	Resultat per aksje (NOK)	0,00	-0,27
Diluted earnings per share (NOK)	Utvannet resultat per aksje (NOK)	0,00	-0,27

# Consolidated statement of financial position

31 March 2023

## Assets

(NOK 1,000)

		2023 YTD Q1	2022
		Unaudited	Audited
		Urevidert	Revidert
<b>Non-current assets</b>	<b>Anleggsmidler</b>		
Deferred tax benefit	Utsatt skattefordel		
Goodwill	Goodwill	248 260	248 260
Licenses, R&D and customer relationships	Lisenser, patenter og FoU	34 123	32 208
Property, plant and equipments	Eiendom, anlegg og utstyr	127 221	128 927
Right of use assets	Bruksrett eiendeler	10 868	10 933
Investment in associates	Investeringer i tilknyttet selskap	22 144	25 544
Loan to associates	Lån til tilknyttet selskap	4 840	4 840
Investment in financial assets	Investeringer i finansielle eiendeler	3 000	16 163
Other non-current receivables	Andre langsiktige fordringer	3 378	2 648
<b>Total non-current assets</b>	<b>Sum anleggsmidler</b>	<b>453 834</b>	<b>469 523</b>
<b>Current Assets</b>	<b>Omløpsmidler</b>		
Inventory	Varelager	10 288	13 681
Accounts receivables	Kundefordringer	107 359	90 955
Other receivables	Andre kortsiktige fordringer	36 699	25 552
Contract assets customer contracts	Kontraktseiendeler kundekontrakter	60 812	51 537
Cash and cash equivalents	Bankinnskudd	48 363	61 117
<b>Total current assets</b>	<b>Sum omløpsmidler</b>	<b>263 521</b>	<b>242 843</b>
<b>TOTAL ASSETS</b>	<b>SUM EIENDELER</b>	<b>717 354</b>	<b>712 366</b>

## Equity and liabilities

		2023 YTD Q1	2022
		Unaudited	Audited
		Urevidert	Revidert
<b>Equity</b>	<b>Egenkapital</b>		
Share capital	Aksjekapital	3 599	3 599
Share premium reserve	Overkurs	195 175	195 175
Treasury shares	Egne aksjer	-25	-16
Retained earnings	Opptjent egenkapital	108 624	109 991
Non-controlling interests	Ikke-kontrollerende eierinteresser	3 929	3 387
<b>Total equity</b>	<b>Sum egenkapital</b>	<b>311 302</b>	<b>312 136</b>
<b>Non-current liabilities</b>	<b>Langsiktig gjeld</b>		
Deferred tax liability	Utsatt skatt	0	0
Lease liabilities	Leieforpliktelser	9 595	9 624
Loans and borrowings	Gjeld til kredittinstitusjoner	146 368	152 868
Other long-term liabilities	Annen langsiktig gjeld	43 431	41 474
<b>Total non-current liabilities</b>	<b>Sum langsiktig gjeld</b>	<b>199 394</b>	<b>203 967</b>
<b>Current liabilities</b>	<b>Kortsiktig gjeld</b>		
Accounts payables	Leverandørgjeld	82 049	56 147
Tax payable	Betalbar skatt	580	1 360
Public duties payables	Skyldig offentlige avgifter	27 413	37 524
Loans and borrowings, current	Gjeld til kredittinstitusjoner	21 507	22 498
Contract liabilities	Kontraksforpliktelse	5 722	861
Lease liabilities	Leieforpliktelse kortsiktig	1 571	1 619
Other current liabilities	Annen kortsiktig gjeld	67 817	76 255
<b>Total current liabilities</b>	<b>Sum kortsiktig gjeld</b>	<b>206 659</b>	<b>196 263</b>
<b>Total liabilities</b>	<b>Sum gjeld</b>	<b>406 053</b>	<b>400 230</b>
<b>TOTAL EQUITY AND</b>	<b>SUM EGENKAPITAL OG GJELD</b>	<b>717 354</b>	<b>712 366</b>