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FRIEDRICH VORWERK grows revenues by 56% to €109 million in the fourth quarter of 2022, but reports a weak EBIT of €2.8 million due to high subcontractor costs

Tostedt, 30 January 2023 - FRIEDRICH VORWERK Group SE (ISIN DE000A255F11), a leading provider of energy infrastructure solutions for gas, electricity and hydrogen applications, achieved an exceptionally high revenue of €109 million in the fourth quarter based on preliminary figures, which corresponds to a growth of 56% compared to the same quarter of the previous year. A major reason for the strong increase in revenues are infrastructure projects in the Natural Gas segment, which were realised under high time pressure and with extensions that were commissioned on short notice in the fourth quarter. For the full year 2022, revenues of FRIEDRICH VORWERK reached €368 million and thus significantly exceeded the guidance of more than €320 million.

According to preliminary figures, the strong revenues in the fourth quarter are accompanied by an unexpectedly weak EBIT of €2.8 million, which corresponds to a margin of 2.6%. The reasons for the weak margin lie primarily in the limited personnel resources, which had to be compensated by subcontractors at short notice due to the high completion pressure in the critical infrastructure projects and the extended project scopes. This led to a significant deviation in the results of the revenue-driving projects. Significant cost increases in material procurement as well as the ongoing restructuring of the Puhlmann Group exerted additional pressure on the margin. As a result of an averted cyberattack at the end of the year, profitability was also burdened and visibility limited. For the 2022 financial year, this results in an adjusted EBIT of €33.8 million and an adjusted EBIT margin of 9.2%, which is significantly below the forecast.

In the current financial year 2023, the management of FRIEDRICH VORWERK expects lower revenues, which take into account the limited personnel resources. At the same time, numerous major projects in the Electricity segment are scheduled for 2024, which will already tie up significant planning and engineering resources in this year without making major revenue contributions. In total, the management expects revenues of more than €300 million for the transition year 2023. Due to the continuing cost pressure for materials and personnel, the EBITDA margin for the current financial year is expected to remain at the level of the previous year. The EBIT margin will be below the level of 2022 due to the past investments.

The full annual report for the year 2022 will be published on 30.03.2023 at www.friedrich-vorwerk.de.

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