

February 12th 2021

Q4 2020

AF Gruppen ASA



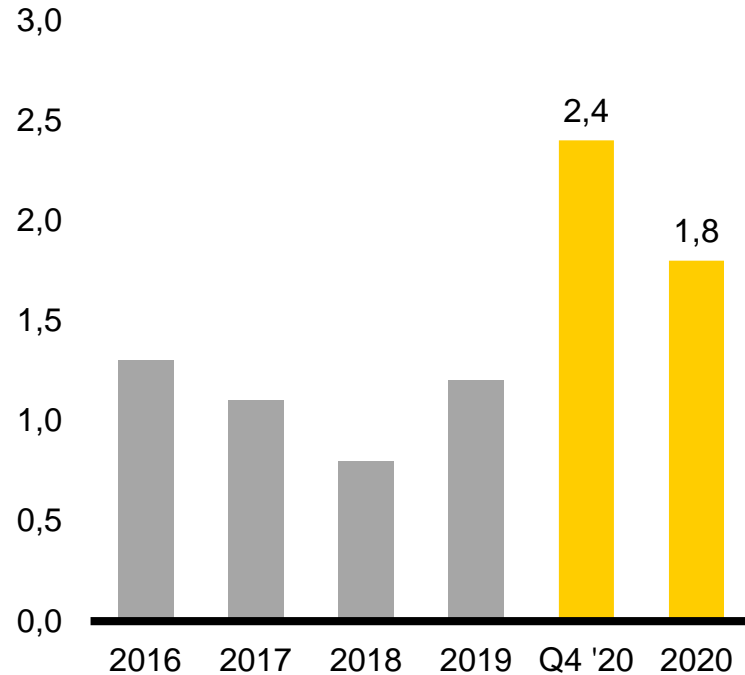
Highlights

AF Gruppen with 16 % revenue growth and strong earnings in the fourth quarter

- Revenue: NOK 7,485 million (6,465) in Q4 and NOK 27,025 million (22,612) for the full year
- Earnings before tax: NOK 614 million (388) in Q4 and NOK 1,447 million (1,317) for the full year
- Profit margin: 8.2 % (6.0 %) in Q4 and 5.4 % (5.8 %) for the full year
- Cash flow from operations: NOK -86 million (784) in Q4 and NOK 1,189 million (1,508) full year
- Order backlog: NOK 30,617 million (28,200) as of 31 December 2020
- Net interest-bearing receivables of NOK 90 million (-163) as of 31 December 2020
- Result per share in 2020 was NOK 9.29 (8.51). The Board of Directors has proposed a dividend payment of NOK 6.50 (6.00) for the first half of 2021

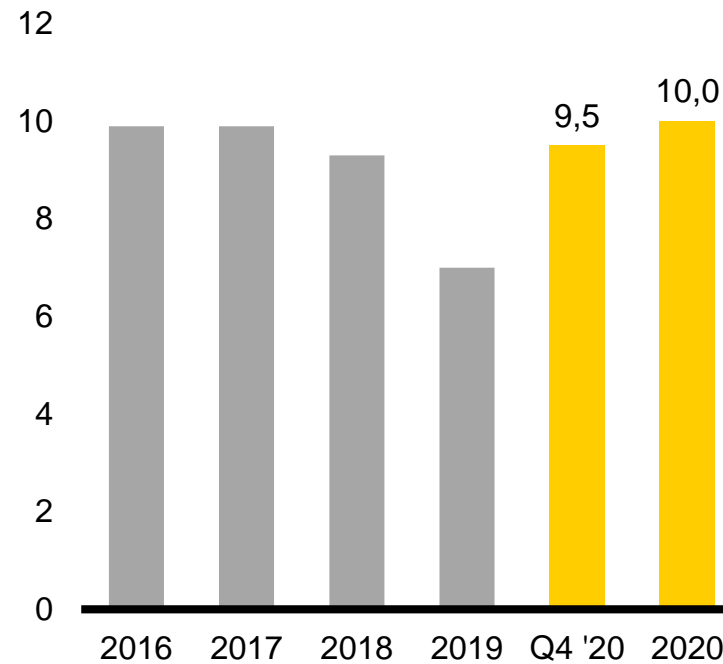
Safety

Lost-time injury frequency (LTIF)



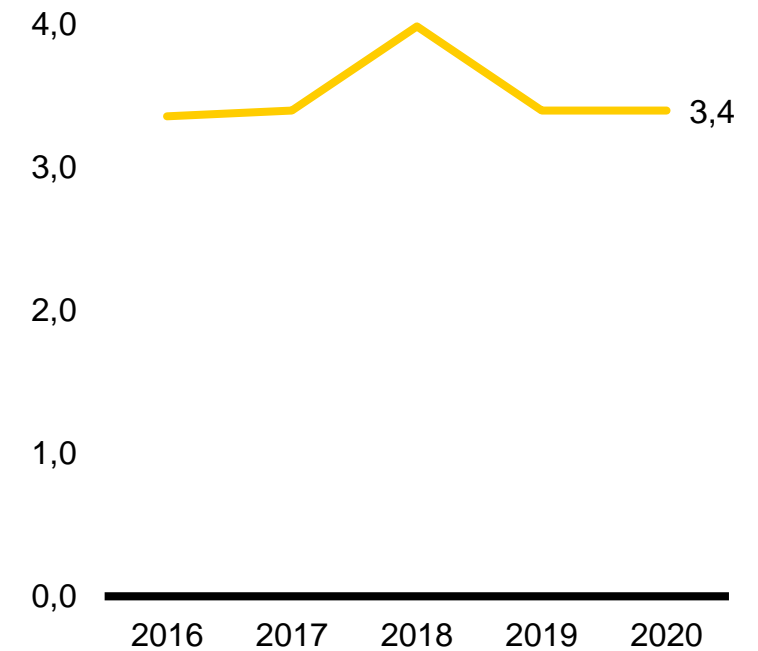
Number of lost-time injuries and severe personnel injuries not resulting in lost-time per million hours worked

Total recordable injury frequency (TRIF)



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

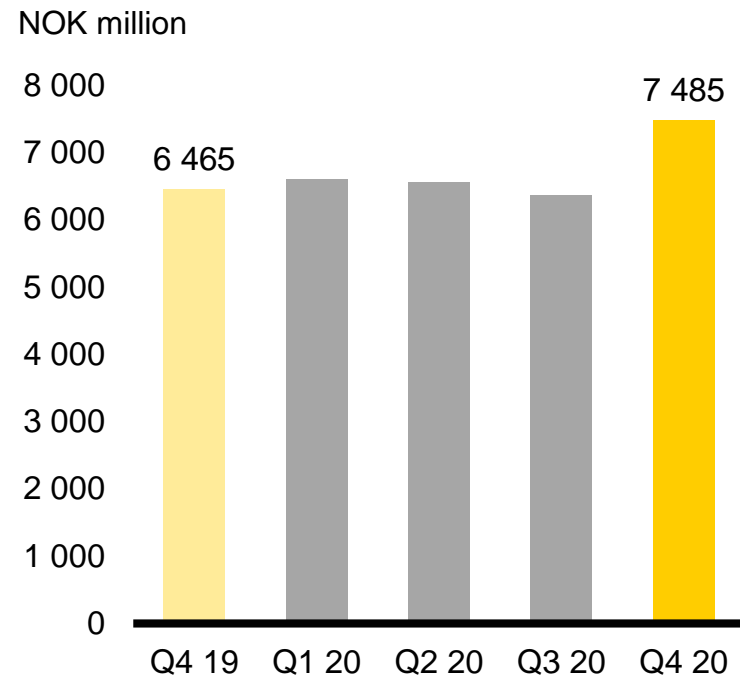
Reported unwanted incident frequency (RUIF)



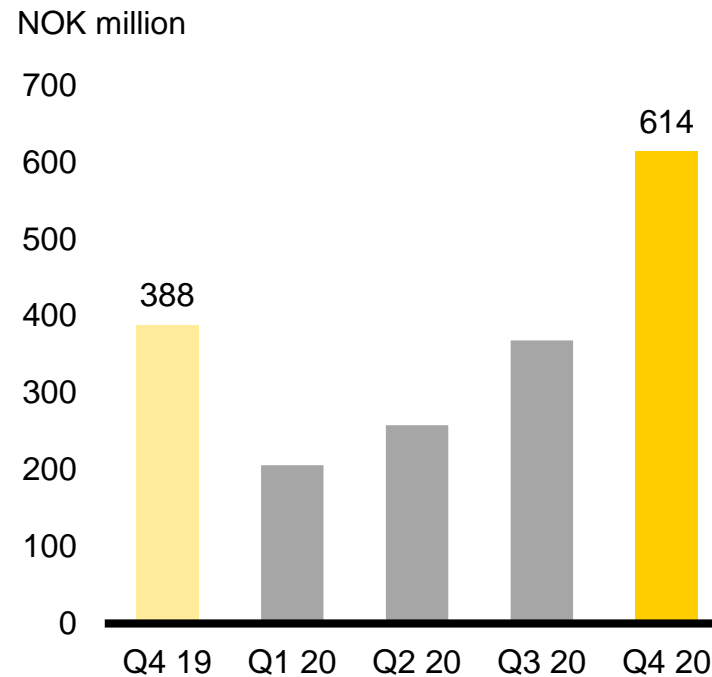
Number of reported unwanted incidents per man-year

Revenues and earnings – quarterly

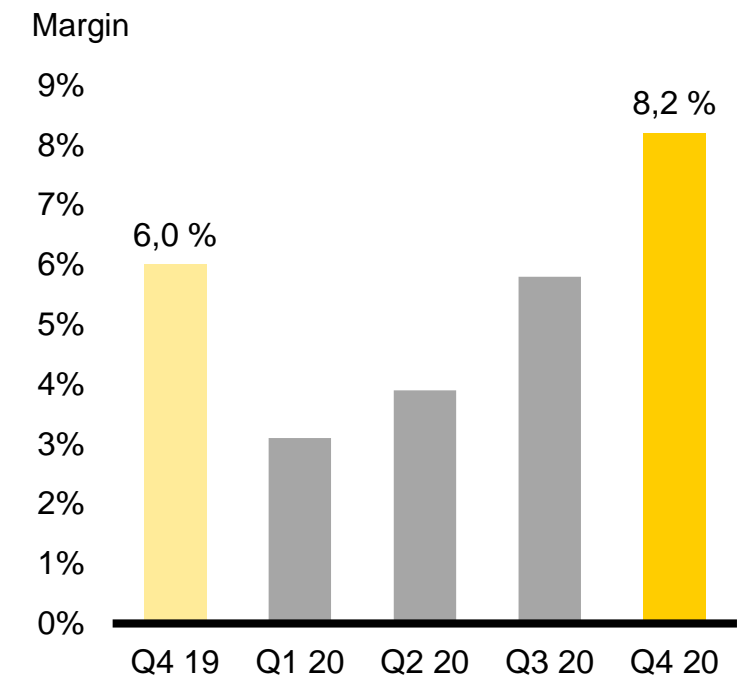
Revenues



Earnings before tax

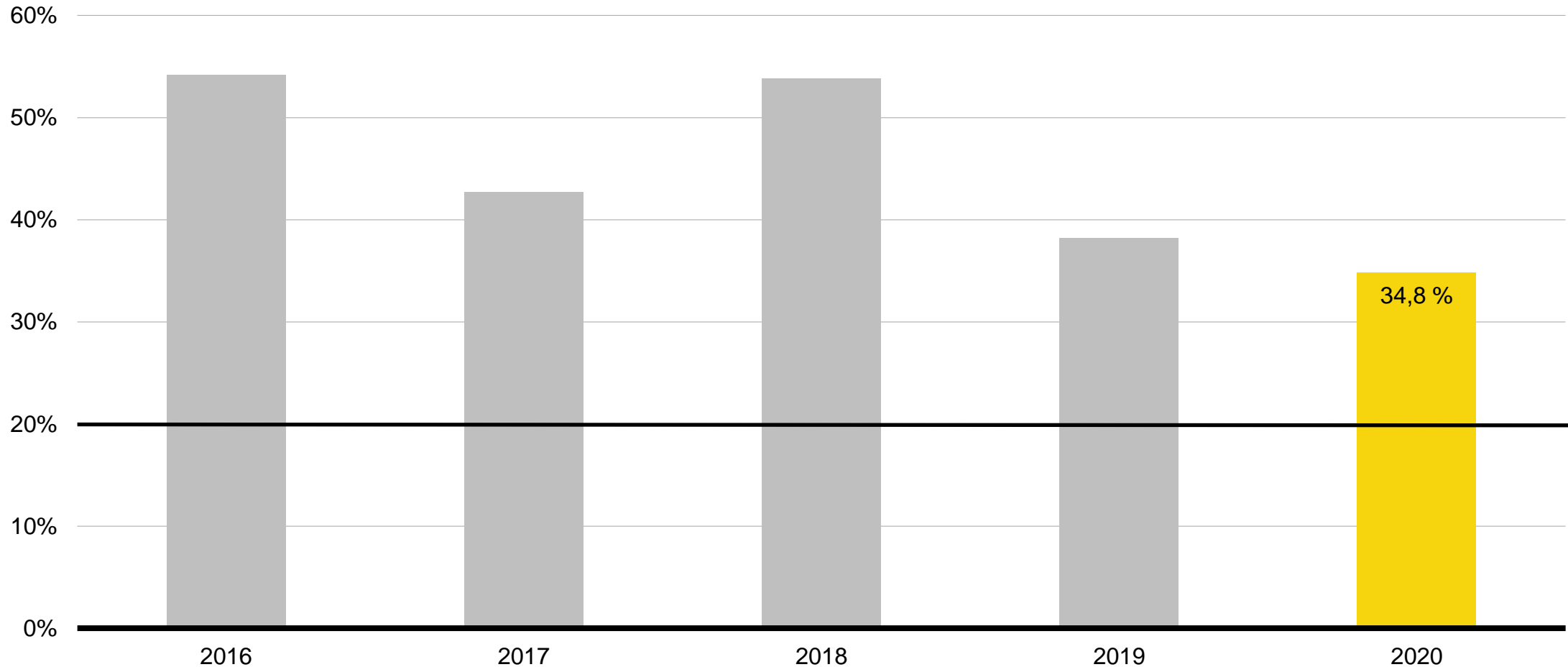


Profit margin



Return on capital employed

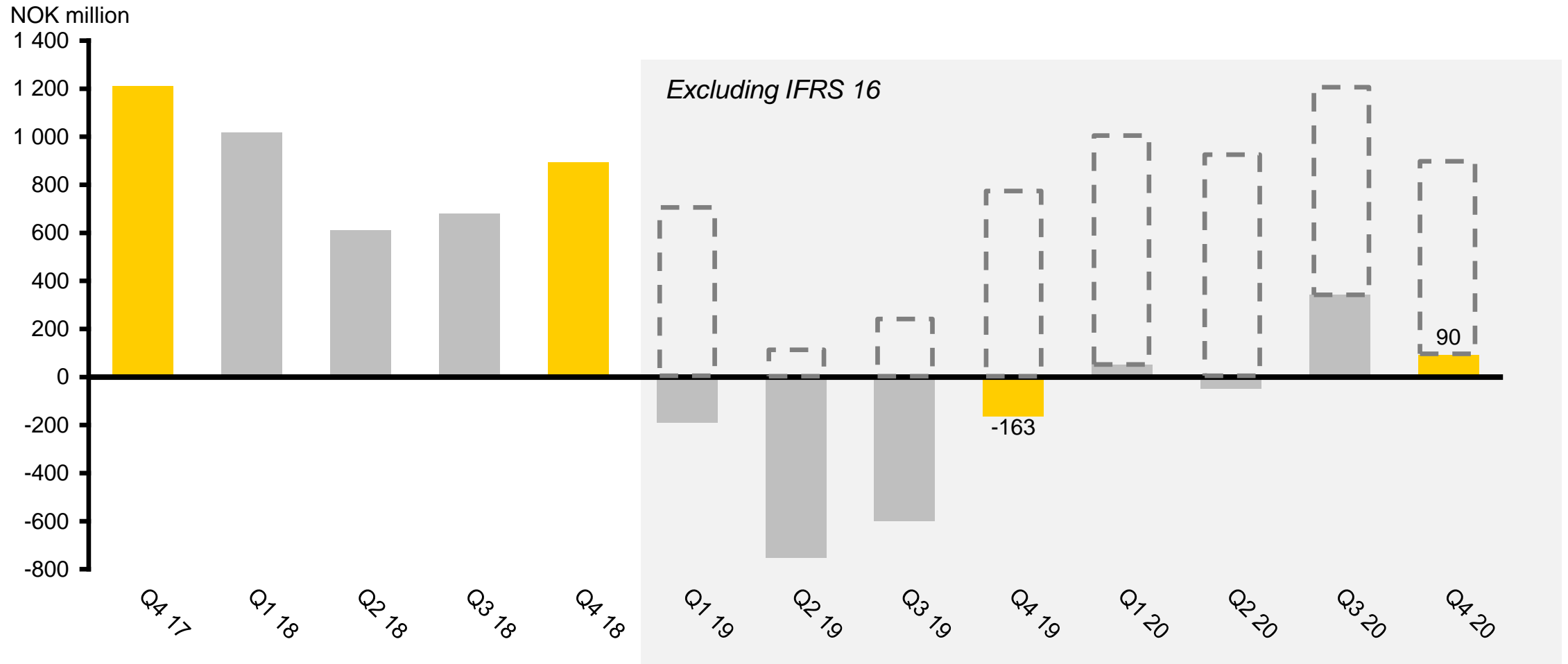
Rolling average last four quarters



Cash flow statement

NOK million	Q4 2020	Q4 2019	2020	2019
EBIT	633	391	1,480	1,335
Depreciations, amortization and impairment	169	198	573	547
Change in net working capital	-472	331	-233	12
Other adjustments / taxes paid	-415	-136	-631	-386
Cash flow from operations	-86	784	1,189	1,508
Net investments	234	-128	112	-838
Cash flow from capital activities	-277	112	-809	-537
Interest paid and change in interest bearing debt	-47	-389	-357	-221
Net change in cash and cash equivalents	-176	380	135	-88
Net cash and cash equivalents at beginning of period	893	186	563	656
Change in cash and cash equivalents without cash effect	-9	-3	10	-5
Net cash and cash equivalents end of period	708	563	708	563

Net interest-bearing receivables



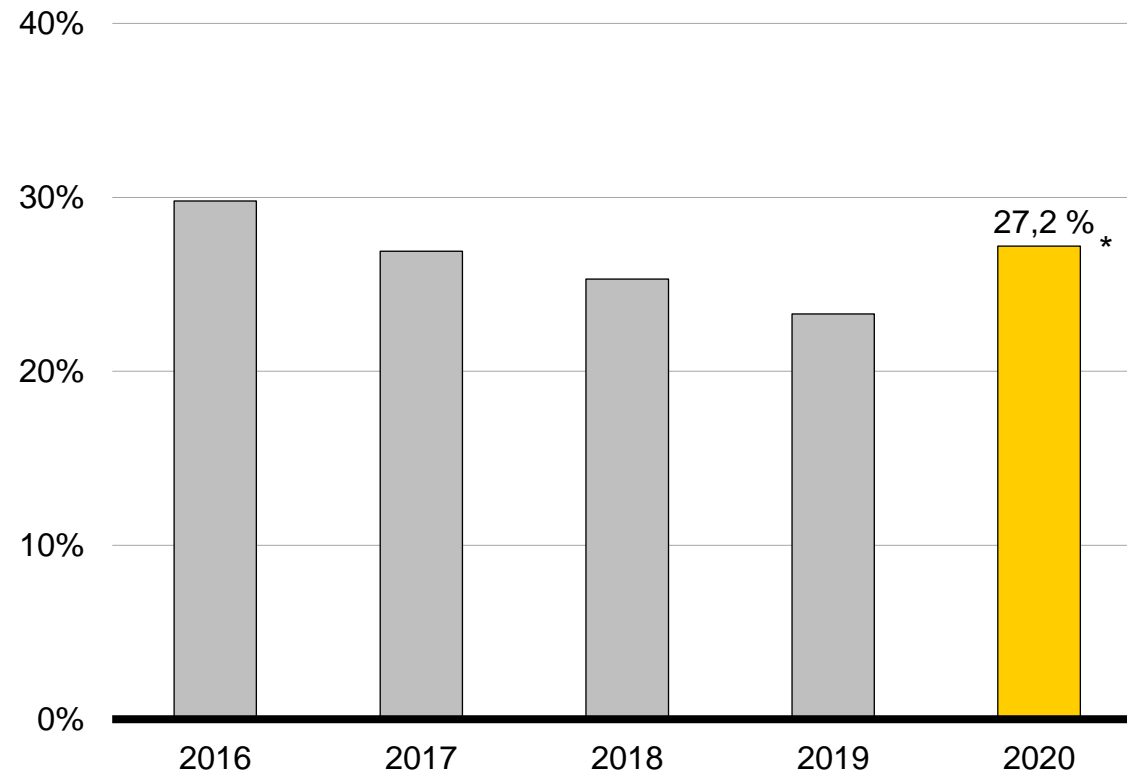
All the company's covenants exclude the effect of IFRS 16 Lease

The implementation of IFRS 16 from January 1st 2019 led to an increase of interest-bearing debt. As of 31 December 2020, the effect was NOK 803 million

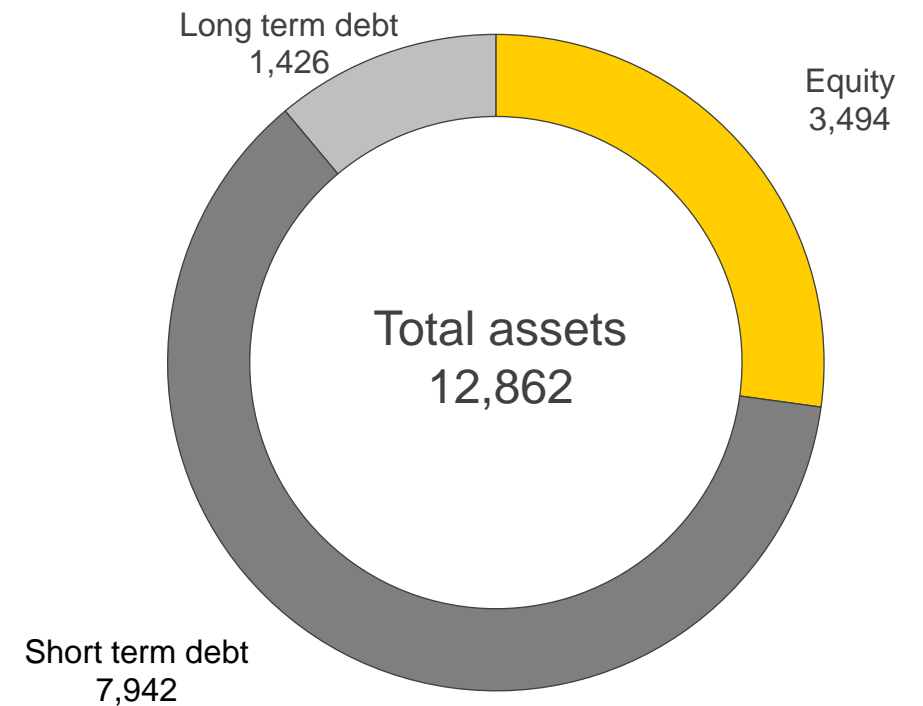
Balance sheet

NOK million	31.12.2020	31.12.2019
Non-current assets	7,760	7,718
Current assets, ex. cash	4,394	4,573
Cash and cash equivalents	708	563
Total assets	12,862	12,854
Equity	3,494	2,999
Long term debt	1,426	1,423
Short term debt	7,942	8,432
Total equity and debt	12,862	12,854

Equity ratio

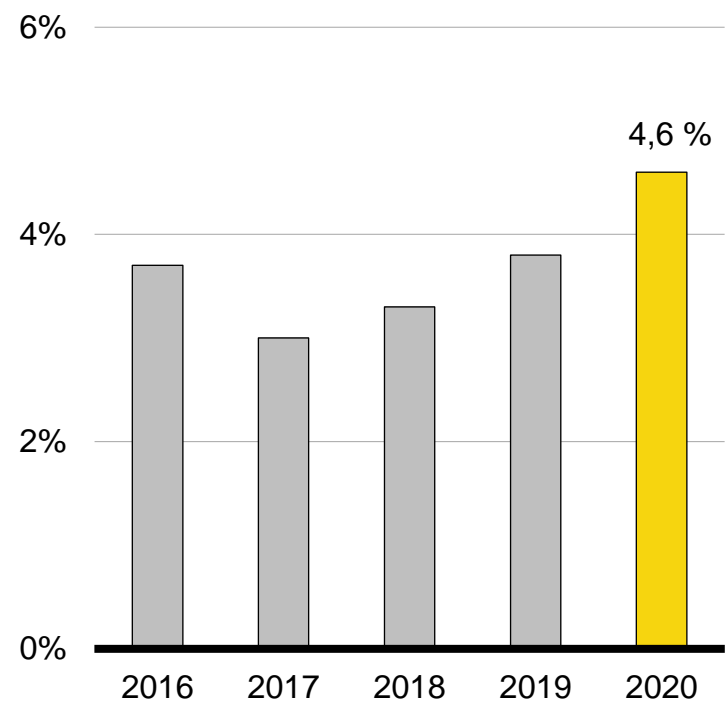


* Equity ratio excluding the effect of IFRS 16 would be 29,0 % at 30 September 2020
All the company's covenants exclude the effect of IFRS 16



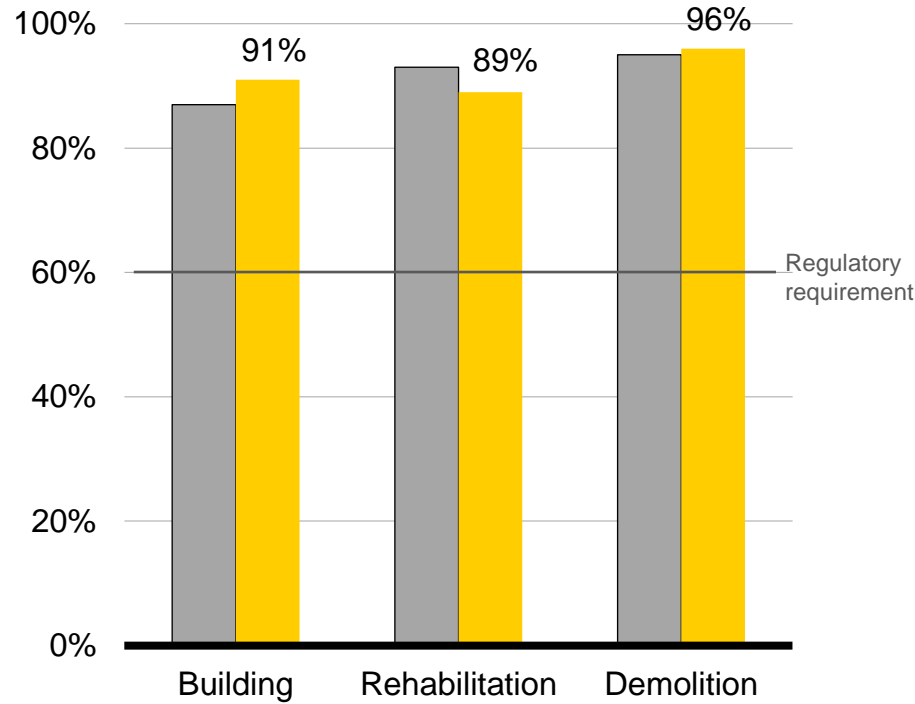
Health and environment

Sick leave



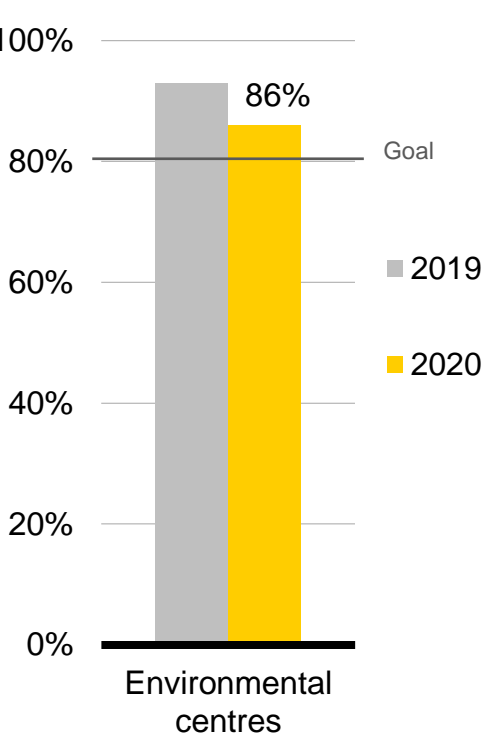
Sick-leave increased due to Covid-19.
Covid-19 related absence estimated to 0.5 % in 2020

Source separation rate



A total of 402,535 (360,368) tonnes of waste have been sorted in 2020

Recycling rate



A total of 528,758 (317,730) tonnes of contaminated materials have been recycled in 2020

Q4 2020

Business areas

Strong margins

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	1,302	1,117	4,157	5,787
EBIT	145	137	331	373
EBT	129	138	315	376
EBIT %	11.1 %	12.3 %	8.0 %	6.5 %
EBT %	9.9 %	12.3 %	7.6 %	6.5 %

- AF Anlegg delivered strong results. Several projects in the final phase contributed to the high profitability in the quarter
- Målselv Maskin & Transport continues to deliver strong results
- Although covid-19 impacts all projects, most of the projects were able to maintain good level of activity in the quarter
- Order backlog: NOK 6,709 million (5,424) as of 31 December 2020



Trysfjordbrua, E39 Kristiansand vest-Mandel øst. Photo: Eirik Førde

Good activity level and solid results

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	2,436	2,788	9,459	10,581
EBIT	149	202	486	656
EBT	151	206	491	667
EBIT %	6.1 %	7.3 %	5.1 %	6.2 %
EBT %	6.2 %	7.4 %	5.2 %	6.3 %

- Several units deliver strong results in the quarter
- AF Bygg Oslo, Haga & Berg and Åsane Byggmesterforretning deliver good results in the quarter and for the year
- AF Håndverk, Eiçon and Strøm Gundersen Vestfold delivered below expectation in the quarter
- Covid-19 has created challenges in several projects, however most projects have managed to maintain good production
- Order backlog: NOK 10,025 million (10,045) as of 31 December 2020



Ulriken, Bergen. Photo: LAB Entreprenør

Variable results, but improved profitability

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	2,116	1,226	7,862	1,226
EBIT	88	49	261	49
EBT	86	46	252	46
EBIT %	4.2 %	4.0 %	3.3 %	4.0 %
EBT %	4.0 %	3.8 %	3.2 %	3.8 %

- Betonmast improved the profitability in the quarter. As expected, for the year as a whole profitability is weaker than for other business areas in AF Gruppen
- Varying results among the different units. Betonmast Romerike and Betonmast Oslo excelled with strong results
- Betonmast Boligbygg, Telemark, Ringerike and Innlandet delivered results below expectation
- Betonmast's operations in Sweden had a good level of activity and stable profitability for the quarter
- Betonmast's property portfolio has two property projects under production
- Order backlog: NOK 7,274 (4,293) million as of 31 December 2020



Good sales in the quarter

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	15	7	33	18
EBIT	95	20	135	107
EBT	93	16	132	100
Capital employed	844	785	844	785

- The good result relates to the sale of the ATEA building
- Property enjoyed good sales at Lilleby Triangel and Fyrstikkbakken in the quarter. A total of 90 (60) apartments were sold in the quarter, of which AF's share was 37 (22)
- Five residential property projects under production with a total of 701 units, of which AF's share was 265. The sales ratio for commenced projects was 81 %. At quarter end a total of 1 (32) unsold completed apartments, of which AF's share was 1 (11)
- Property also has a significant development portfolio estimated at 2,133 (1,865) units. AF's share of this was 1,048 (916) residential units



Lower activity level, but good margins

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	294	299	962	1,072
EBIT	22	35	54	78
EBT	21	34	52	75
EBIT %	7.5 %	11.7 %	5.6 %	7.3 %
EBT %	7.0 %	11.5 %	5.5 %	7.0 %

- AF Decom maintains good profitability for both demolition and recycling at AF's environmental centers
- The environmental centers have recovered a total of 528,758 (317,730) tonnes of materials year to date, and the recycling rate realised for contaminated materials was 86 %
- AF Decom has demolished and facilitated the recycling of approximately 19,380 tonnes of metal in 2020, which corresponds to a reduction of alternative CO₂ emissions by 19,380 tonnes
- AF Energi & Miljøteknikk delivered variable results in the project portfolio
- Order backlog: NOK 703 million (371) as of 31 December 2020



Svea, Svalbard. Photo: Store Norske

Revenue growth and good margins

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	1,169	1,093	4,138	3,683
EBIT	88	52	219	149
EBT	87	53	212	146
EBIT %	7.5 %	4.8 %	5.3 %	4.0 %
EBT %	7.4 %	4.8 %	5.1 %	4.0 %

- Sweden with 7% revenue growth and improved results compared with same quarter last year
- Kanonaden reported strong revenue growth compared with the same quarter last year, and the unit delivered strong results. Påplintar with reduced level of activity after the liquidation of the foundation business
- AF Bygg Syd and HMB with good results in the quarter. For the demolition business, the level of activity fell for the quarter, but AF Härnösand Byggreturer maintained good results
- AF Projektutveckling has two residential and a school project under production
- Order backlog: NOK 4,120 million (2,946) as of 31 December 2020



Ekebackshöjd. Photo: Marie Ullnert

Revenue growth and improved profitability

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	162	178	672	679
EBIT	15	-78	-25	-83
EBT	10	-82	-40	-94
EBIT %	9.1 %	-43.5 %	-3.7 %	-12.2 %
EBT %	5.9 %	-46.1 %	-5.9 %	-13.9 %

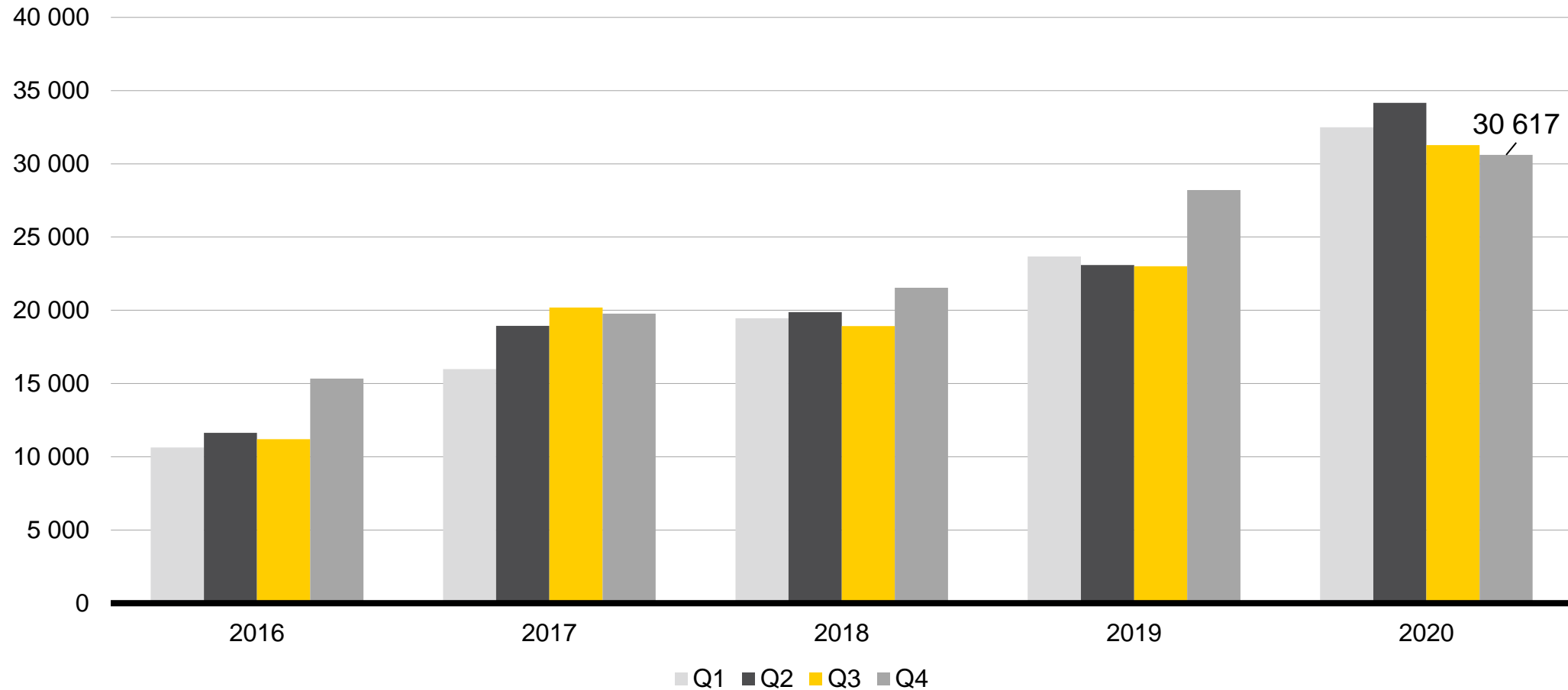
- AF Offshore Decom had a higher level of activity and improved profitability compared to same quarter last year
- At AF Miljøbase Vats there has been a high level of activity which contributed to a good profitability. There is also ongoing preparatory work for the coming offshore campaigns and demolition at the environmental centre in 2021 and 2022
- AF AeronMollier reported a decrease in revenue in the quarter, but improved profitability. Electrification of ferries entails a significant reduction in greenhouse gas emissions compared with the use of fossil fuels, in 2020 AF AeronMollier has supplied systems and equipment for the electrification of 33 ferries
- Order backlog: NOK 1,365 million (1,351) as of 31 December 2020



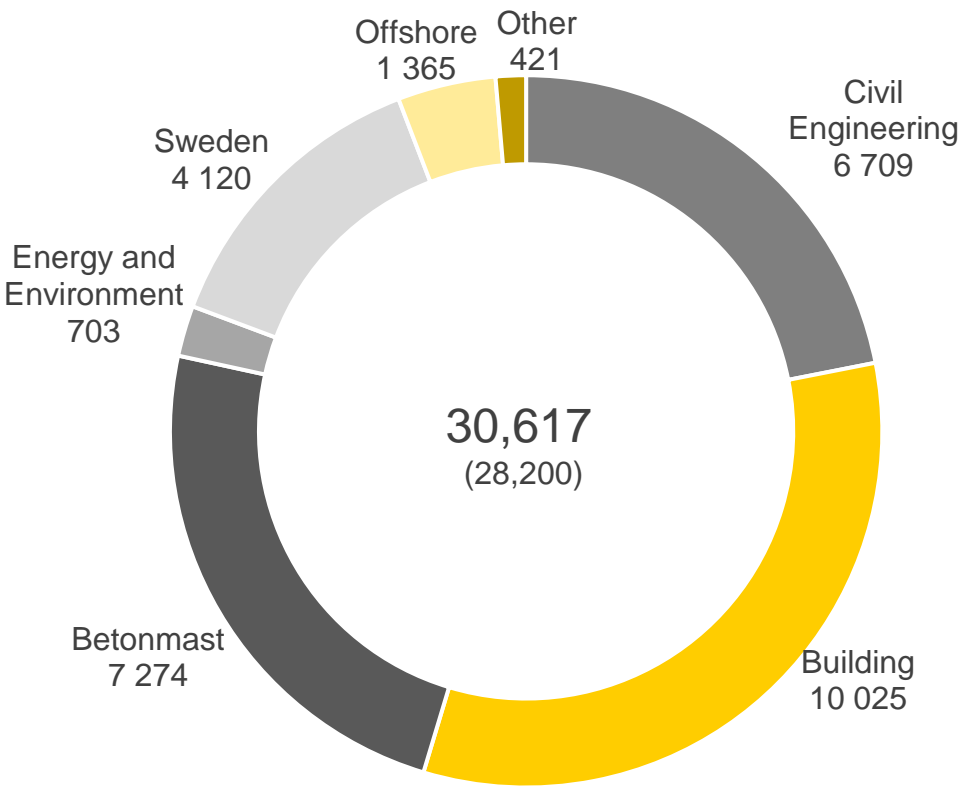
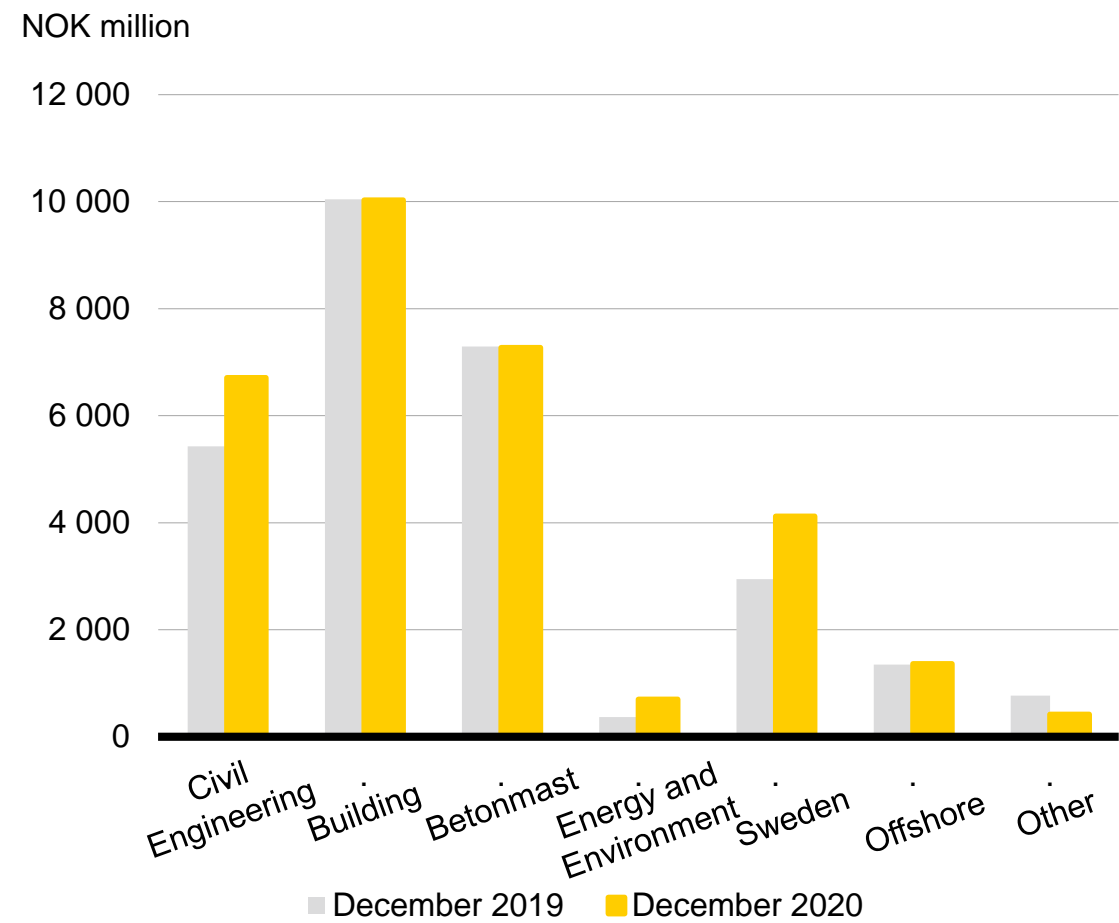
Photo: Ulstein Group / Per Eide Studio

Strong order backlog

NOK million



Order backlog per business area



Februar 12th 2021

Strategy 2024

AF Gruppen ASA



Distinct targets and strategic initiatives

7% EBIT margin

0 serious injuries or
work-related absence

Profitable growth
The Nordic region's most profitable contractor

40bn revenue

20% ROCE

SAFETY

VALUE-BASED CORPORATE
CULTURE

EMPLOYEE OWNERSHIP

DECENTRALISED DECISION-MAKING
AUTHORITY

ACTIVE RISK MANAGEMENT



COMPETENCE

We will attract and develop the industry's best management and technical expertise



CUSTOMERS AND SUPPLIERS

We will work to ensure that we will be selected as the preferred partner



ENVIRONMENT

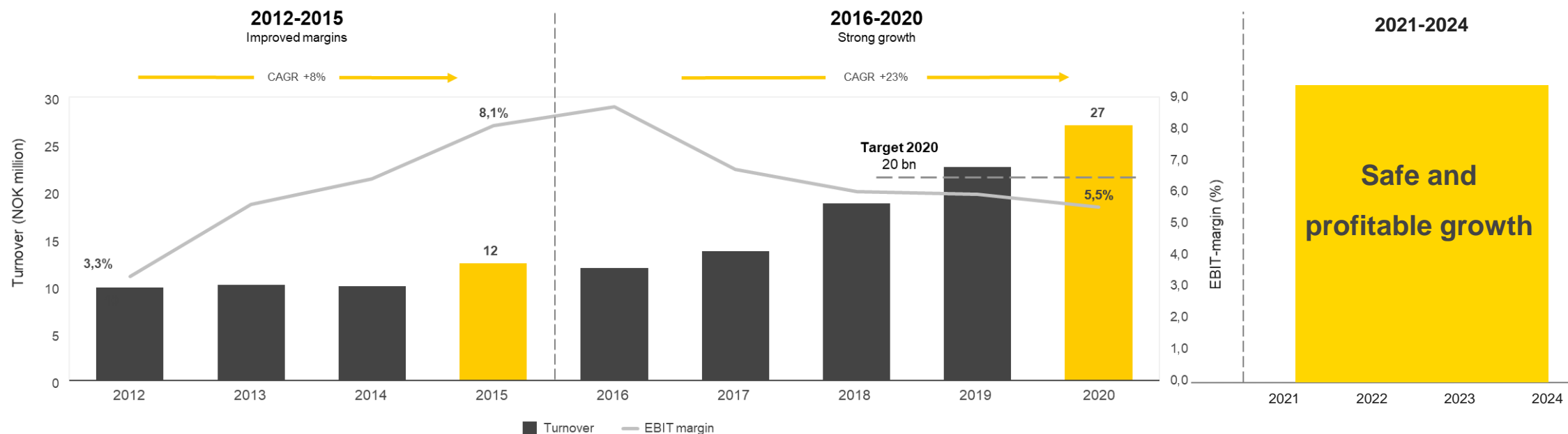
We will strengthen our competitiveness through profitable business opportunities that provide societal benefits



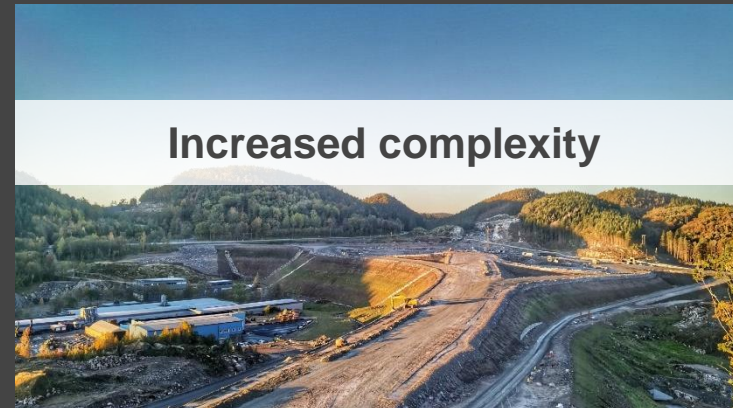
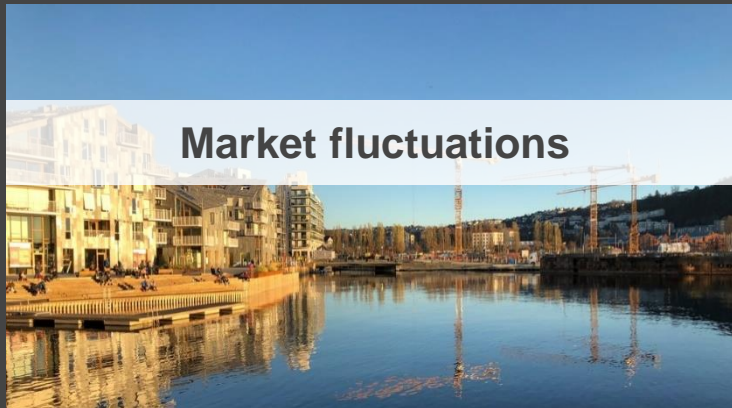
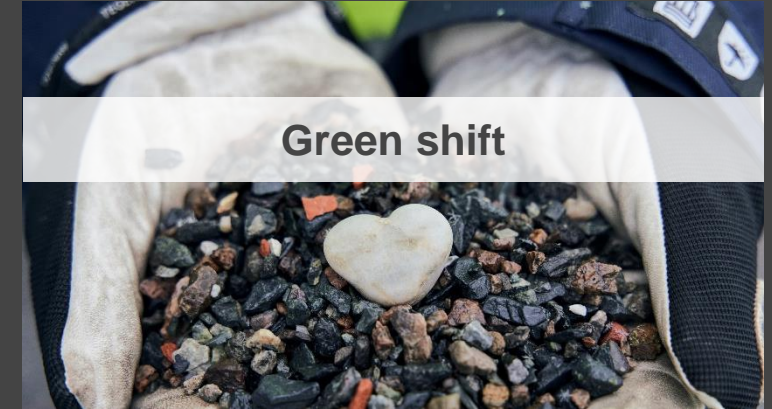
INNOVATION

We will be the Nordic region's most curious contractor

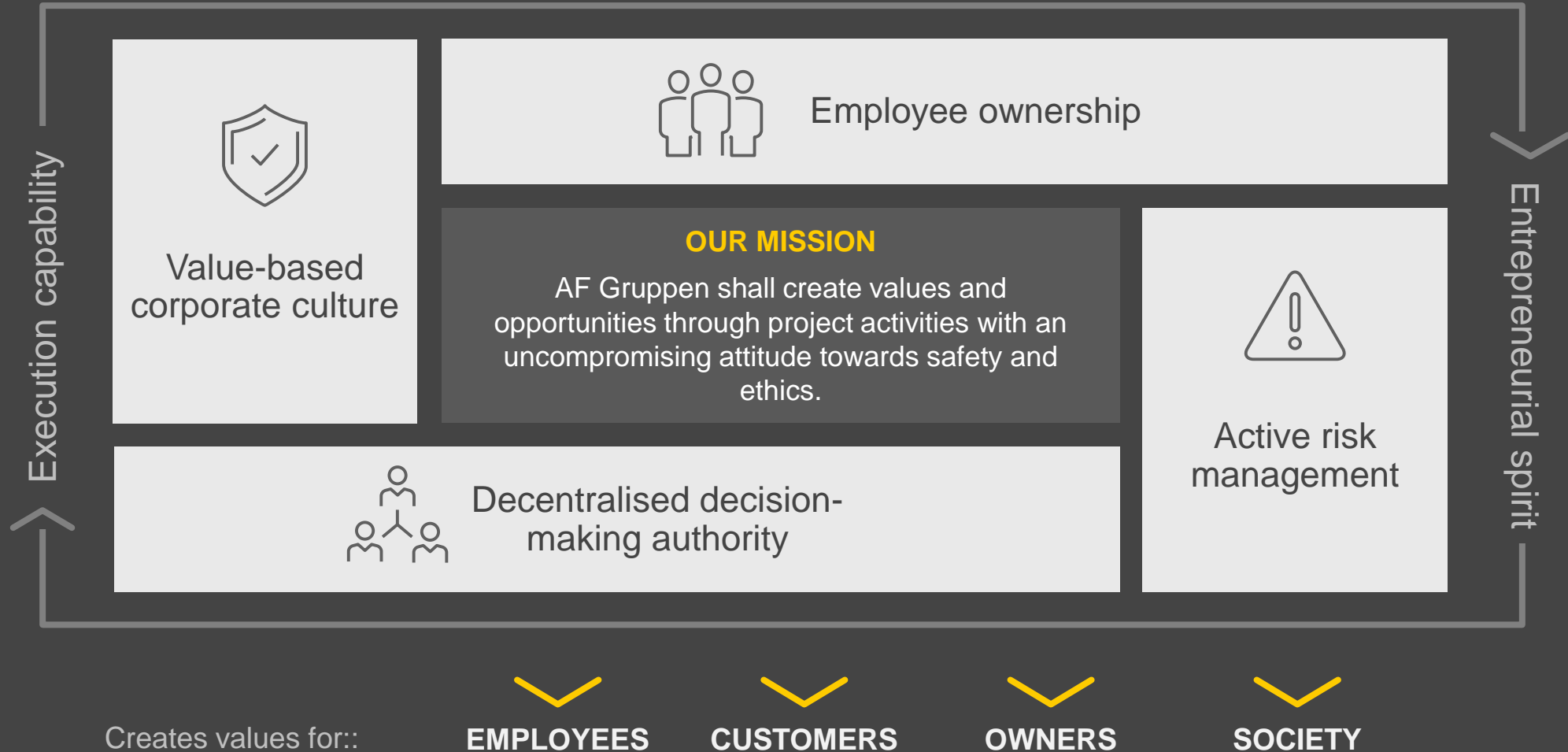
The Group Strategy 2024 builds on a period with strong growth



Takes into account external drivers



Strong foundation in today's business model





Competence

We will attract and develop the industry's best management and technical expertise.

- Preferred employer
- Strong culture and high well-being
- Targeted competence development
- Robust organisation and adequate management capacity





Customers and suppliers

We will work to ensure that we will be selected as the preferred partner.

- Long-term and value-creating relationships
- Understand and solve customer needs
- Collaboration skills





Environment

We will strengthen our competitiveness through profitable business opportunities that provide societal benefits.

- **New, socially beneficial business opportunities**
- **Reduce footprints**
- **Resource efficiency and circularity**
- **Measurable and actionable ESG expertise**





Innovation

We will be the Nordic region's most curious contractor.

- **Strong entrepreneurial spirit**
- **Digitalisation and industrialisation**
- **New business opportunities**
- **Ownership in early phase companies**



Safe, eco-friendly, innovative and profitable



Company



Environment



**PROFITABLE
GROWTH**



Innovation



Customers and
suppliers

Summary

NOK million	Q4 2020	Q4 2019	2020	2019
Revenues	7,485	6,465	27,025	22,612
EBIT	633	391	1,480	1,335
EBT	614	388	1,447	1,317
EBIT %	8.5 %	6.0 %	5.5 %	5.9 %
EBT %	8.2 %	6.0 %	5.4 %	5.8 %

- Revenue growth continues
- Good profit margin
- Strong financial position
- Order backlog: NOK 30,617 million (28,200)
- The Board of Directors has proposed a dividend payment of NOK 6.50 (6.00) for the first half of 2021



Thank you for your
attention

Q1 2021:
May 11th 2021

