



11 May 2021

Q1 2021

AF Gruppen ASA

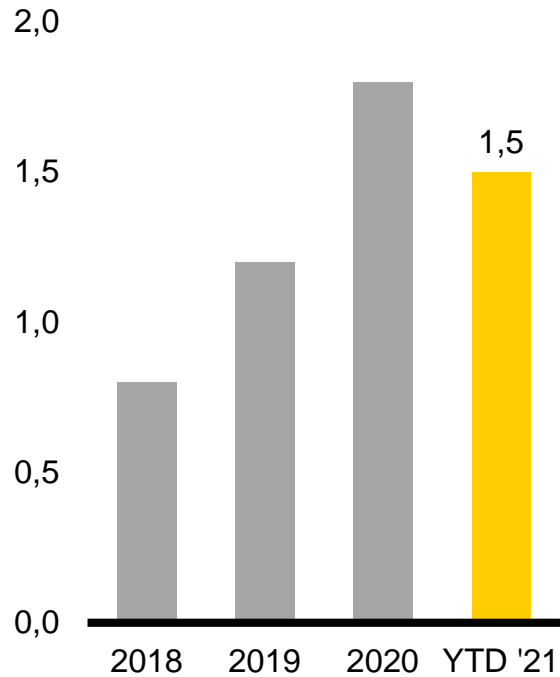
Highlights

AF Gruppen with good and improved profitability in the first quarter

- Revenue: NOK 6,209 million (6,607) in Q1
- Earnings before tax: NOK 245 million (206) in Q1
- Profit margin: 4.0% (3.1%) in Q1
- Cash flow from operations: NOK 205 million (499) in Q1
- Order backlog: NOK 33,818 million (32,492) as of 31 March 2021
- Net interest-bearing receivables of NOK 46 million (52) as of 31 March 2021

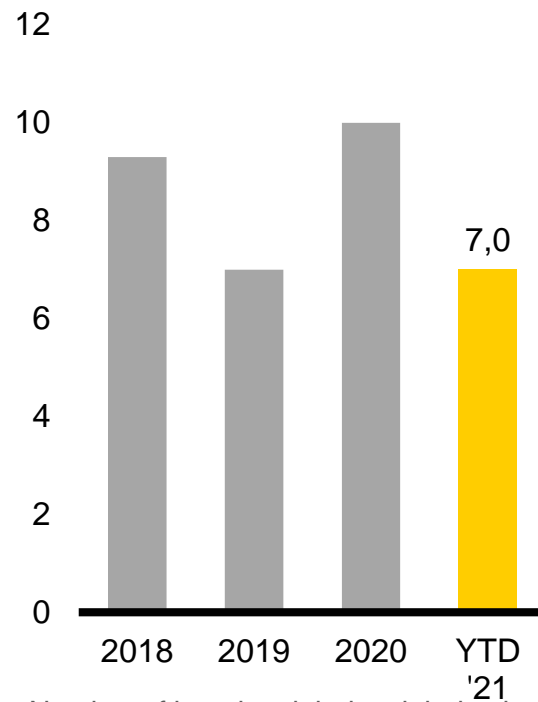
Safety and health

Lost-time injury frequency (LTIF)



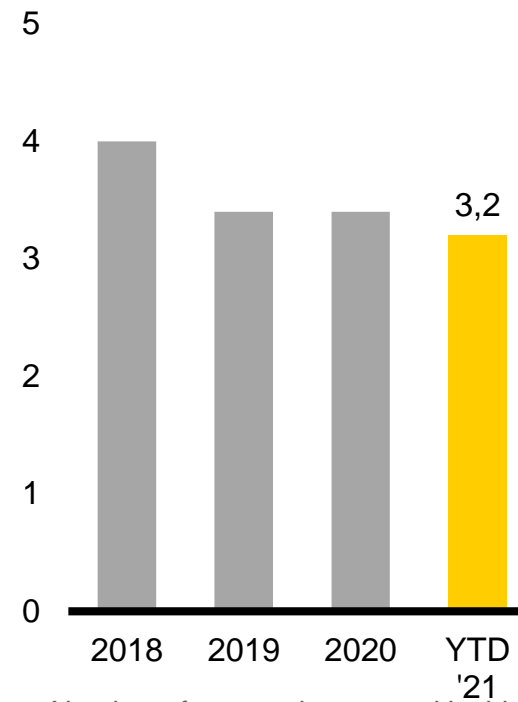
Number of lost-time injuries and severe personnel injuries not resulting in lost-time per million hours worked

Total recordable injury frequency (TRIF)



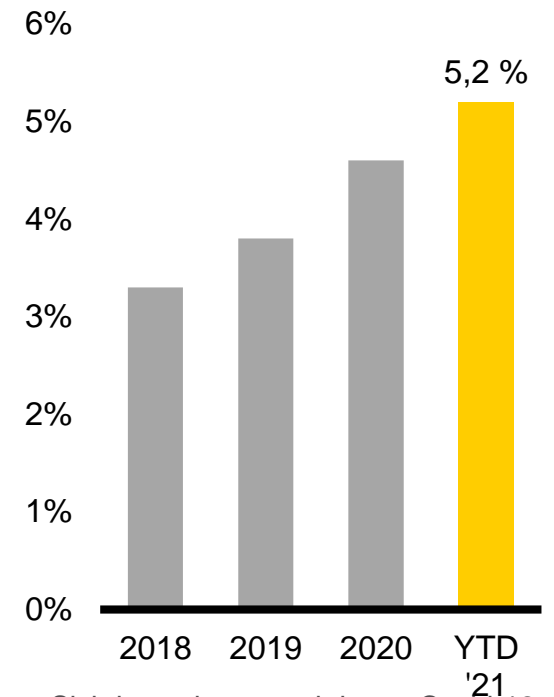
Number of lost-time injuries, injuries involving substitute work and medical treatment injuries per million hours worked

Reported unwanted incident frequency (RUIF)



Number of reported unwanted incidents per man-year

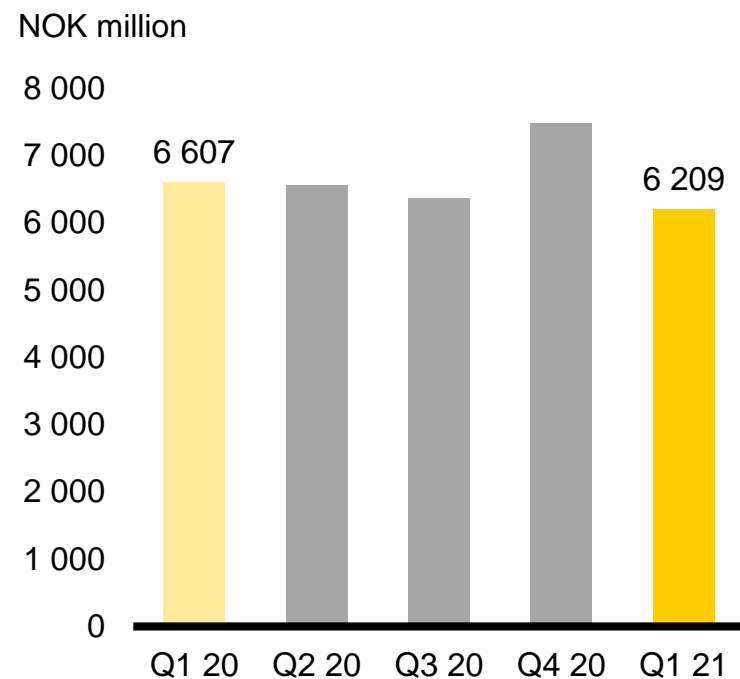
Sick leave



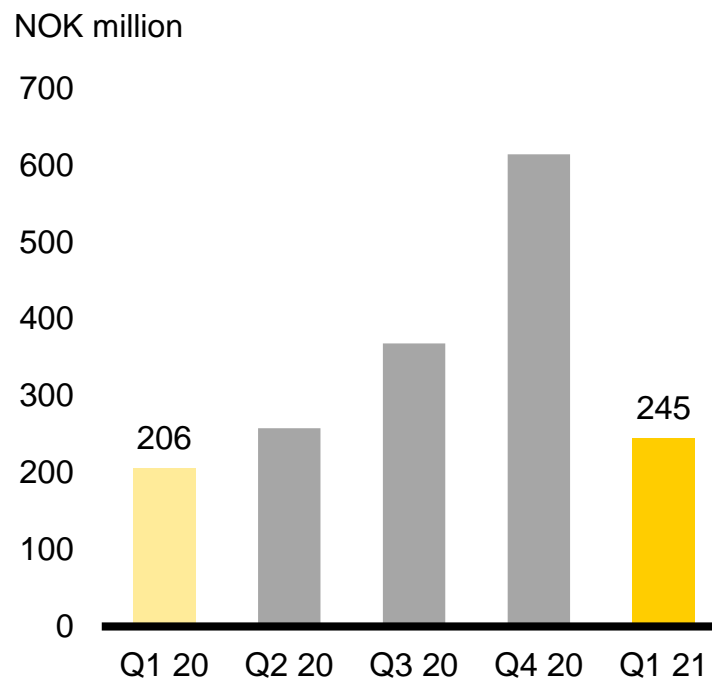
Sick-leave increased due to Covid-19. Covid-19 related absence estimated to 12% of the total absence

Revenues and earnings – quarterly

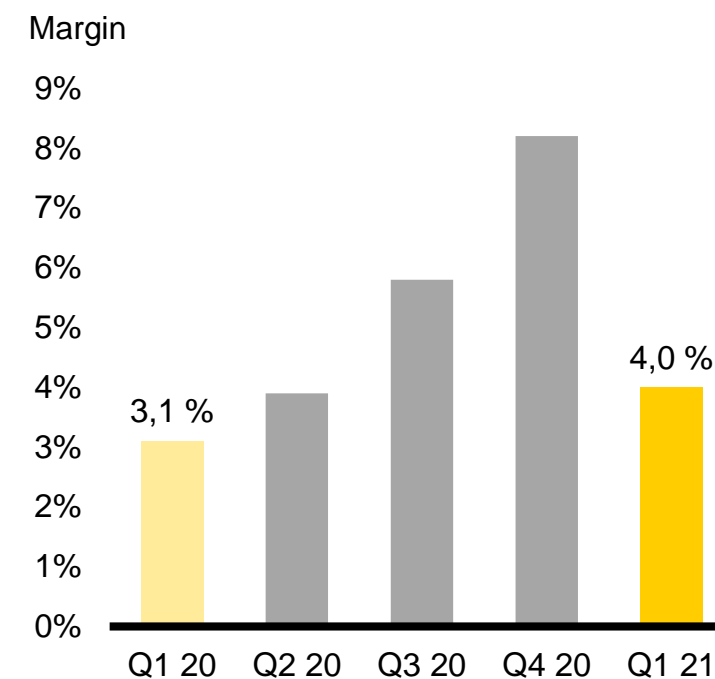
Revenues



Earnings before tax



Profit margin

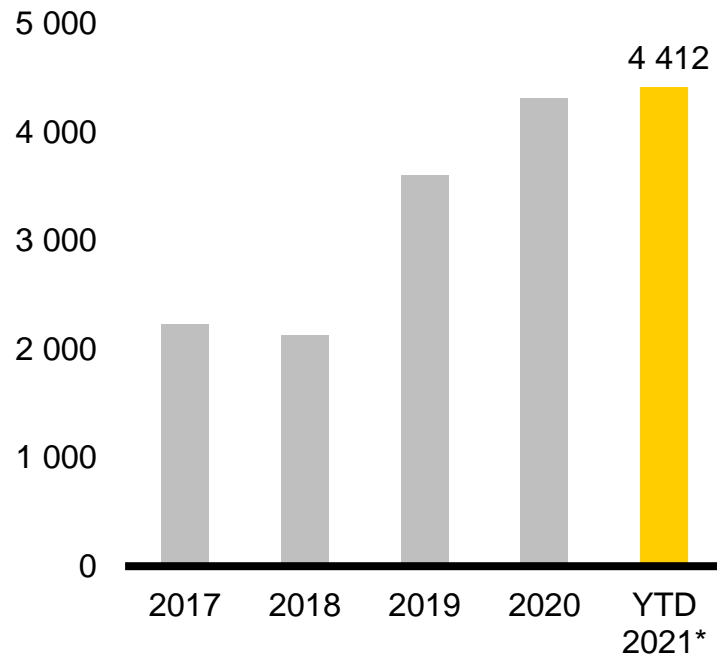


Return on capital employed

Rolling average last four quarters

Capital employed

MNOK

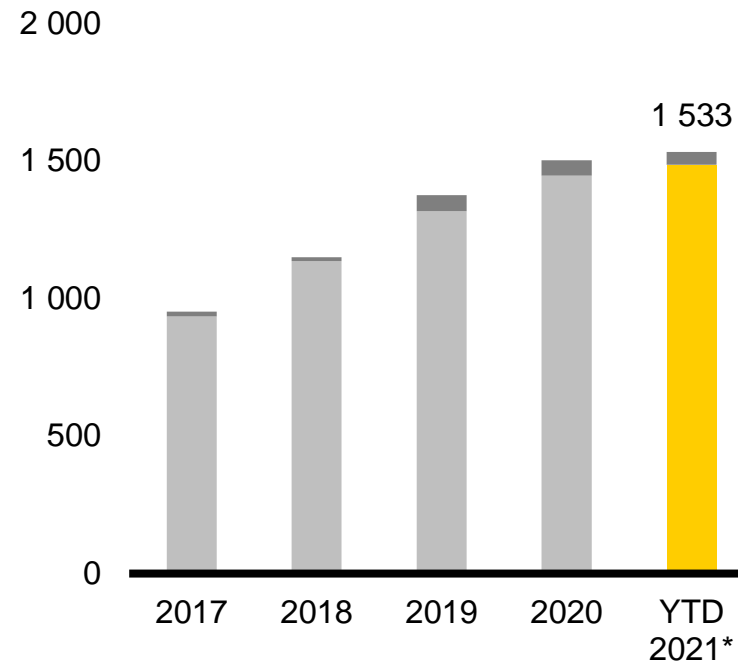


* Rolling average last four quarters

Earnings before tax

(interest expense added)

MNOK



* Rolling average last four quarters

■ Earnings before tax ■ Interest expenses

Return on capital employed

60%

50%

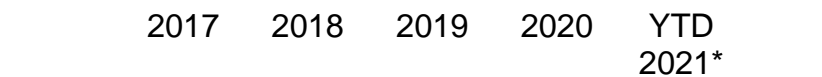
40%

30%

20%

10%

0%

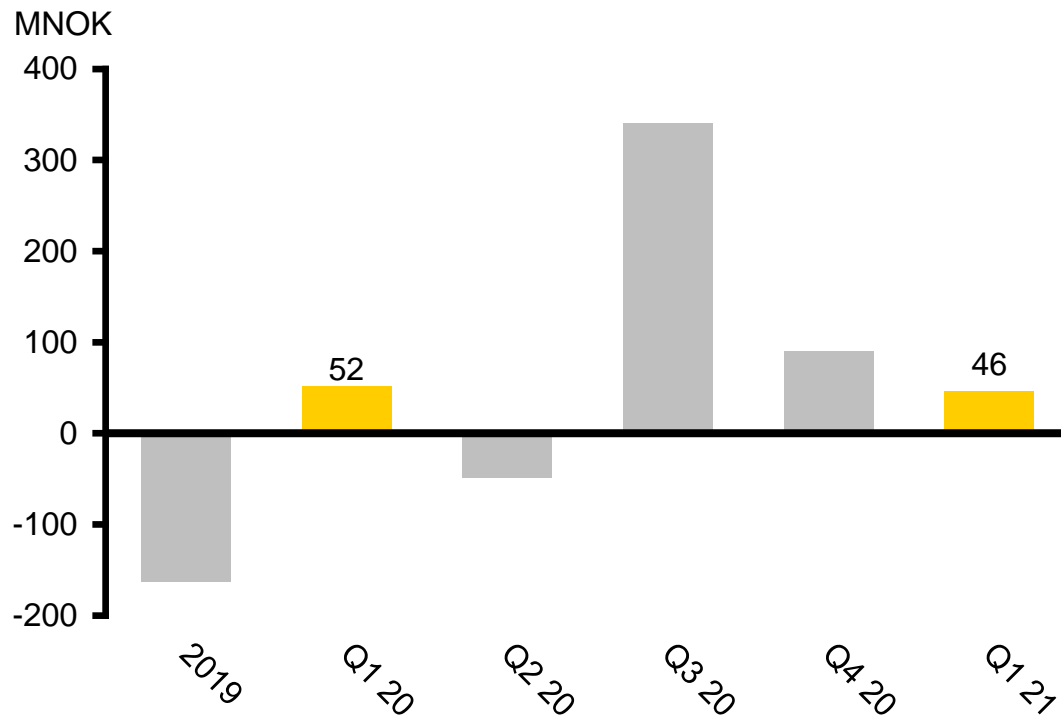


Cash flow statement

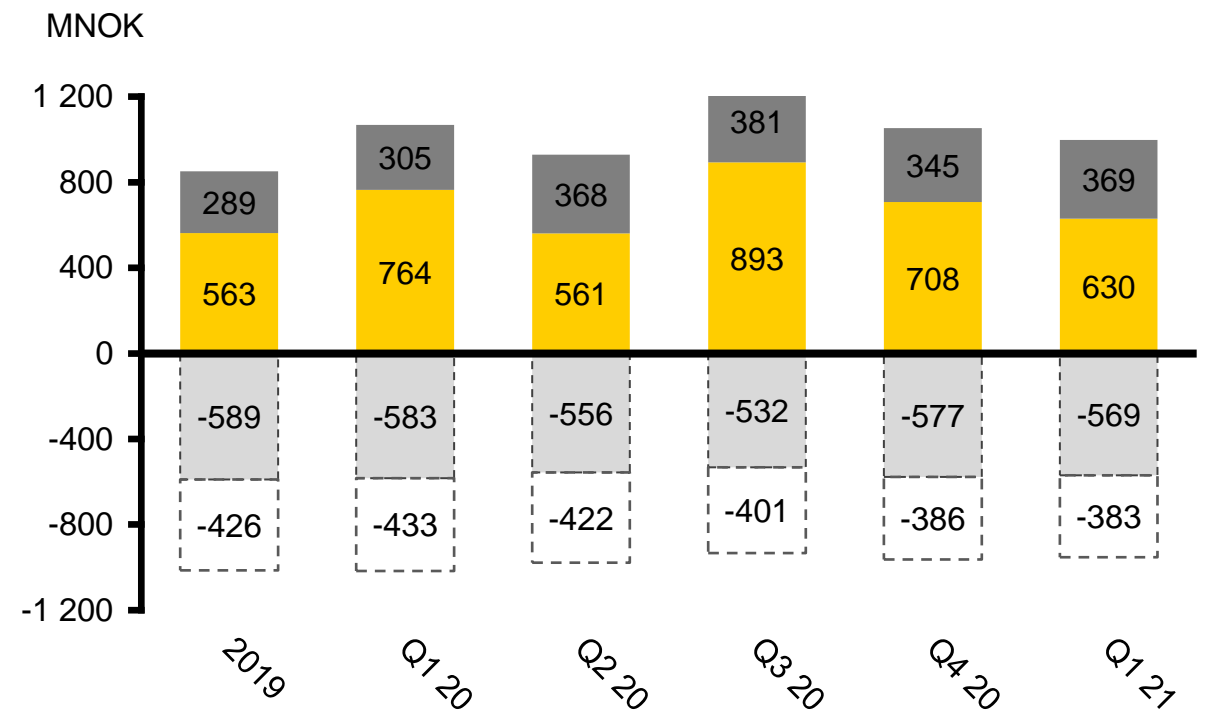
NOK million	Q1 2021	Q1 2020	2020
EBIT	264	213	1 480
Depreciations, amortization and impairment	136	132	573
Change in net working capital	-115	211	-233
Other adjustments / taxes paid	-80	-57	-631
Cash flow from operations	205	499	1 189
Net investments	-38	-97	112
Cash flow from capital activities	-93	-152	-809
Interest paid and change in interest bearing debt	-104	-69	-357
Net change in cash and cash equivalents	-29	182	135
Net cash and cash equivalents at beginning of period	708	563	563
Change in cash and cash equivalents without cash effect	-49	20	10
Net cash and cash equivalents end of period	630	764	708

Net interest-bearing receivables and liquidity

Net interest-bearing receivables



Net available liquidity



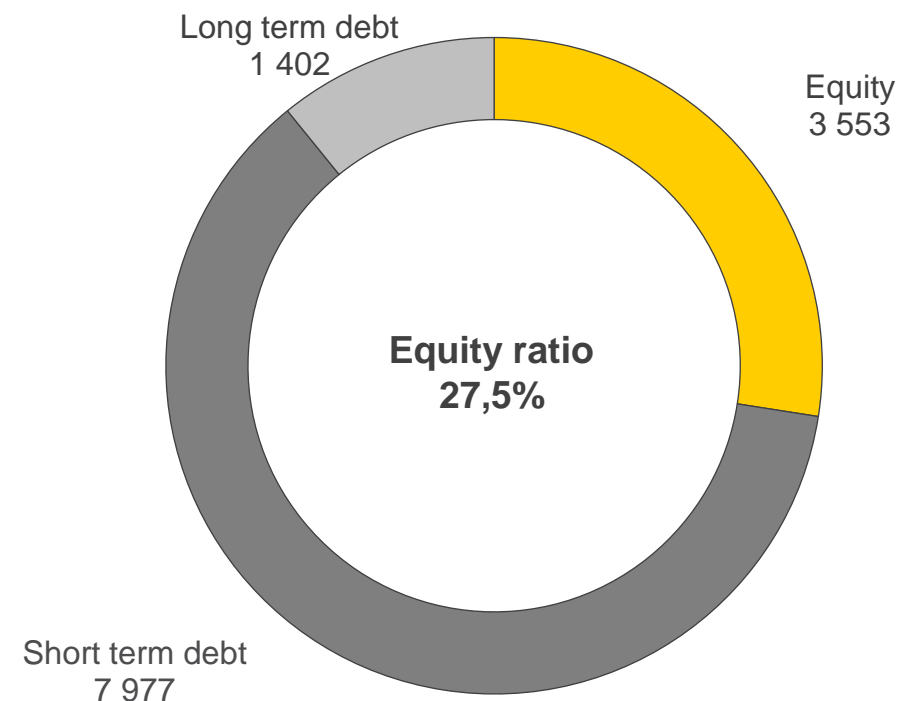
Available liquidity amounts to NOK 3,630 million (including financial facilities of NOK 3 000 million).

■ Cash and cash equivalents
■ Lease liabilities - machines

■ Net receivables (interest-bearing)
■ Lease liabilities - rental

Balance sheet

NOK million	31.03.2021	31.03.2020	31. 12.2020
Non-current assets	7,689	7,877	7,760
Current assets, ex. cash	4,613	4,397	4,394
Cash and cash equivalents	630	764	708
Total assets	12,932	13,037	12,862
Equity	3,553	3,045	3,494
Long term debt	1,402	1,545	1,426
Short term debt	7,977	8,447	7,942
Total equity and debt	12,932	13,037	12,862

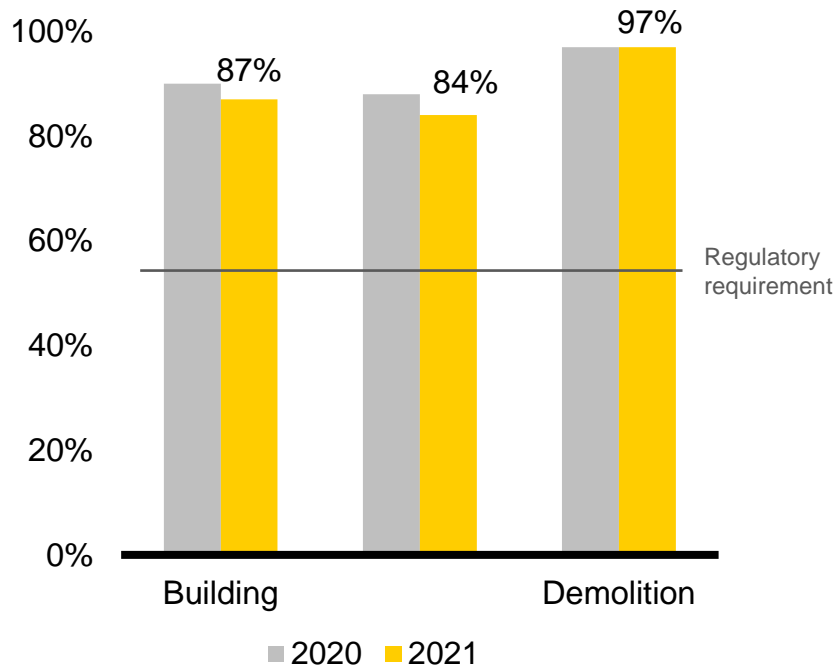


Equity ratio excluding the effect of IFRS 16 would be 29,2% at 31.03.21
All the company's covenants exclude the effect of IFRS 16

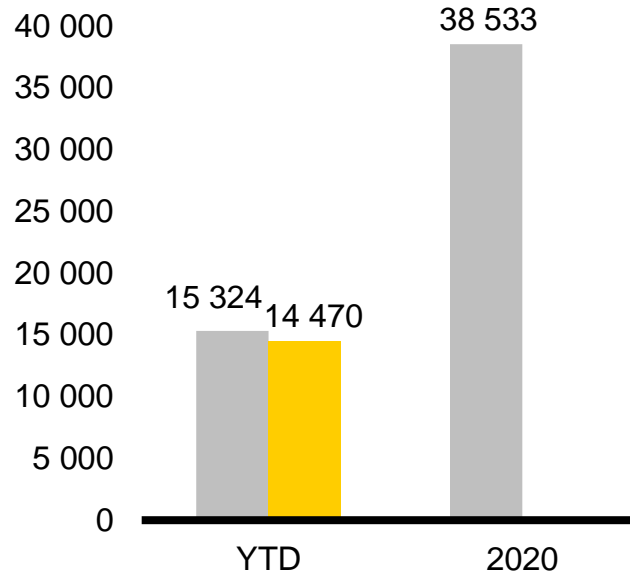
Environment

Source separation rate

Waste sorted: 105,369 tonnes (103,336)
YTD



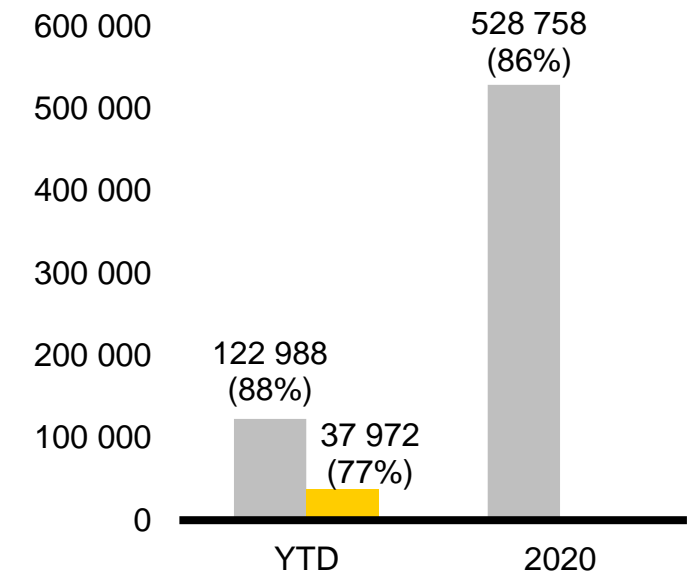
Metal demolished and sorted for recycling



14,470 tonnes = 14,470 tonnes CO₂-equivalents

Recycling environmental parks

Recycling rate 77% (88%) YTD



37,972 tonnes = 2,815 tonnes CO₂-equivalents

Q1 2021

Business areas



AF GRUPPEN



Good activity and solid profitability

NOK million	Q1 2021	Q1 2020	2020
Revenues	1,509	1,170	5,218
EBIT	96	56	314
EBT	94	59	292
EBIT %	6.4 %	4.8 %	6.0 %
EBT %	6.2 %	5.0 %	5.6 %

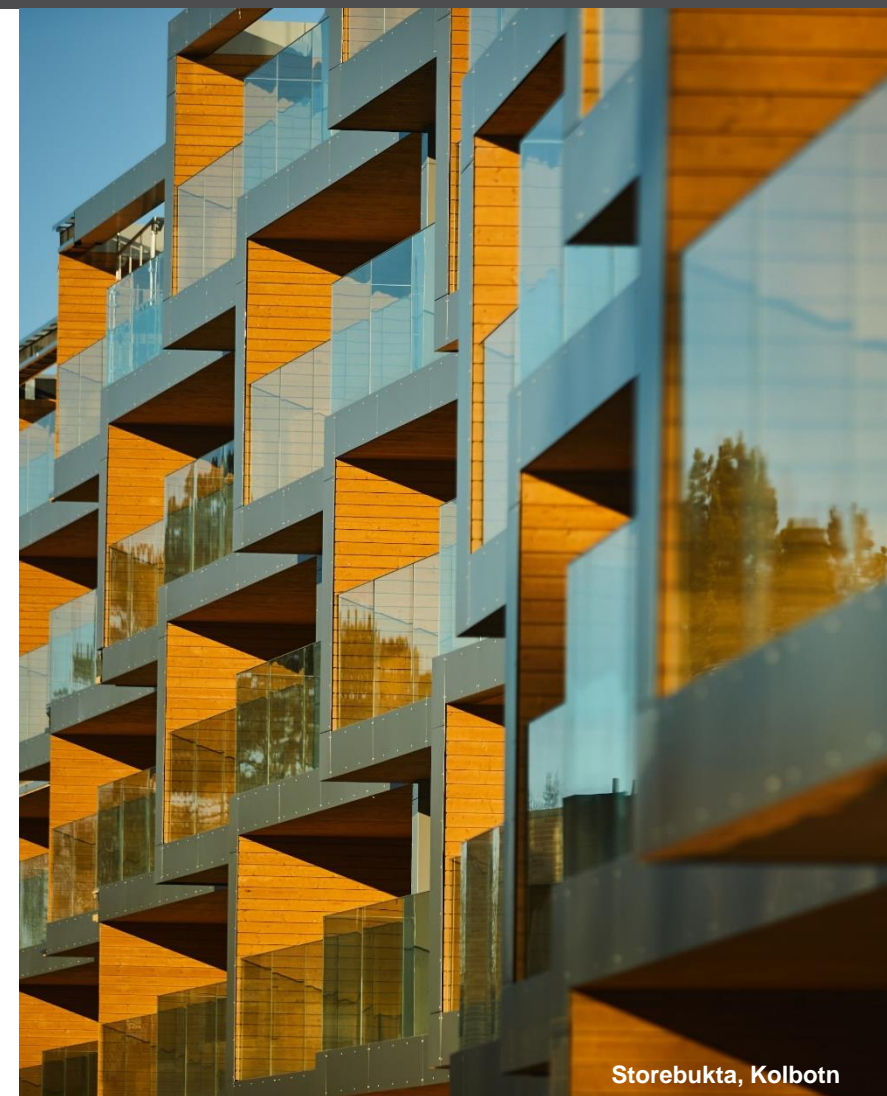
- AF Anlegg delivered good results. The operational performance of the unit's project portfolio is in general good
- Målselv Maskin & Transport continues to deliver strong results
- Eiqon and Consolvo delivered results below expectations due to variation in the profitability in the project portfolios
- The Covid-19 outbreak and associated restrictions create challenges and impact all projects. However, most projects have managed to maintain good production
- Order backlog: NOK 7,140 million (9,259 million) as of 31 March 2021



Good order intake and solid order backlog

NOK million	Q1 2021	Q1 2020	2020
Revenues	1,853	2,316	8,684
EBIT	82	123	502
EBT	82	126	513
EBIT %	4.4 %	5.3 %	5.8 %
EBT %	4.4 %	5.4 %	5.9 %

- The activity level was reduced, and profitability is somewhat weaker than expected
- Several units delivered good results in the quarter, including AF Bygg Oslo, Strøm Gundersen, AF Bygg Østfold, HTB and AF Byggfornyelse
- AF Nybygg and Strøm Gundersen Vestfold delivered weak results in the quarter due to variation in the project portfolio and a low level of activity, respectively
- Covid-19 has created challenges in several projects, however most projects have managed to maintain good production
- Order backlog: NOK 12,041 million (9,798 million) as of 31 March 2021



Storebukta, Kolbotn

Weak profitability but stable order backlog

NOK million	Q1 2021	Q1 2020	2020
Revenues	1,656	1,823	7,862
EBIT	37	44	261
EBT	27	46	252
EBIT %	2.2 %	2.4 %	3.3 %
EBT %	1.7 %	2.5 %	3.2 %

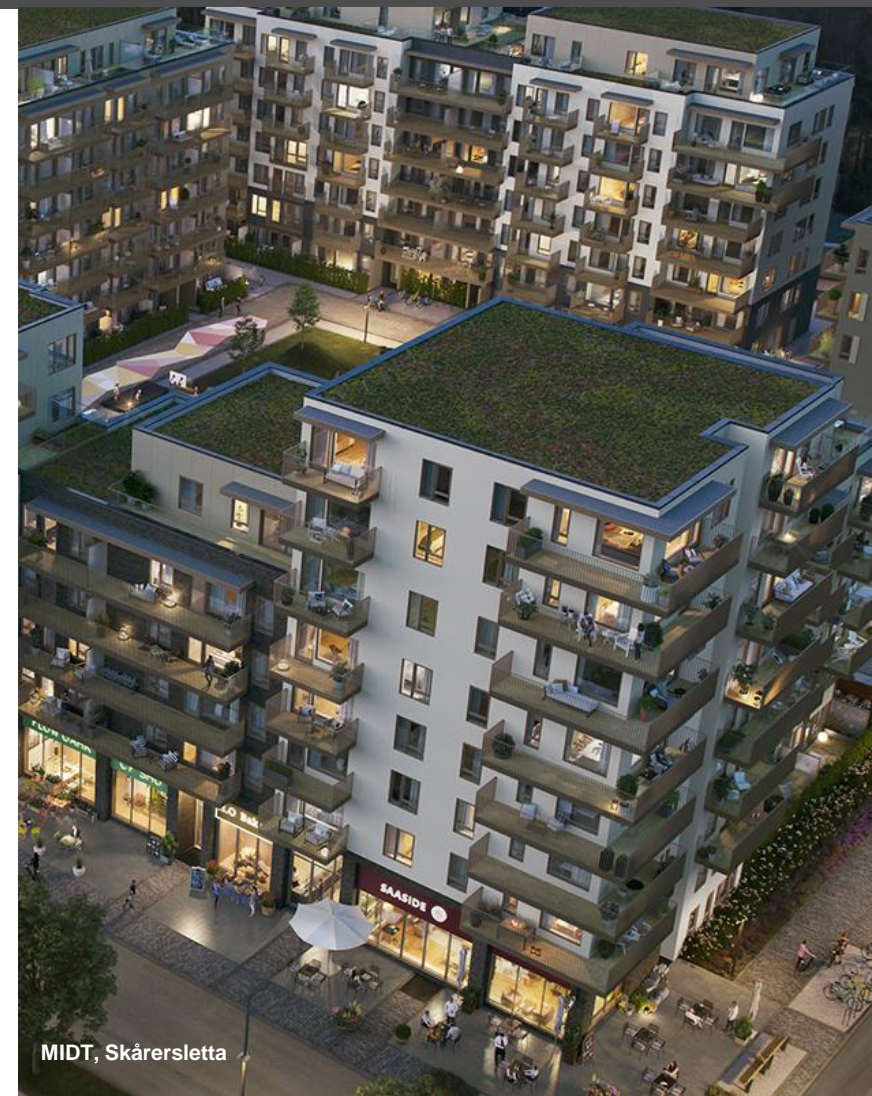
- Betonmast delivered weak profitability in the quarter
- Considerable variation in the results to the Norwegian units. Betonmast Romerike, Oslo og Østfold deliver consistently good results
- Betonmast Boligbygg delivered another quarter with results below expectation. Organisational changes were implemented and risk reviews of all ongoing projects were initiated
- The activity level and the profitability of the Swedish Betonmast units are stable
- Betonmast's property portfolio has three property projects under production
- Order backlog: NOK 8,073 million (8,057 million) as of 31 March 2021



Good sales

NOK million	Q1 2021	Q1 2020	2020
Revenues	6	6	33
EBIT	7	4	135
EBT	7	3	132
Capital employed	897	906	844

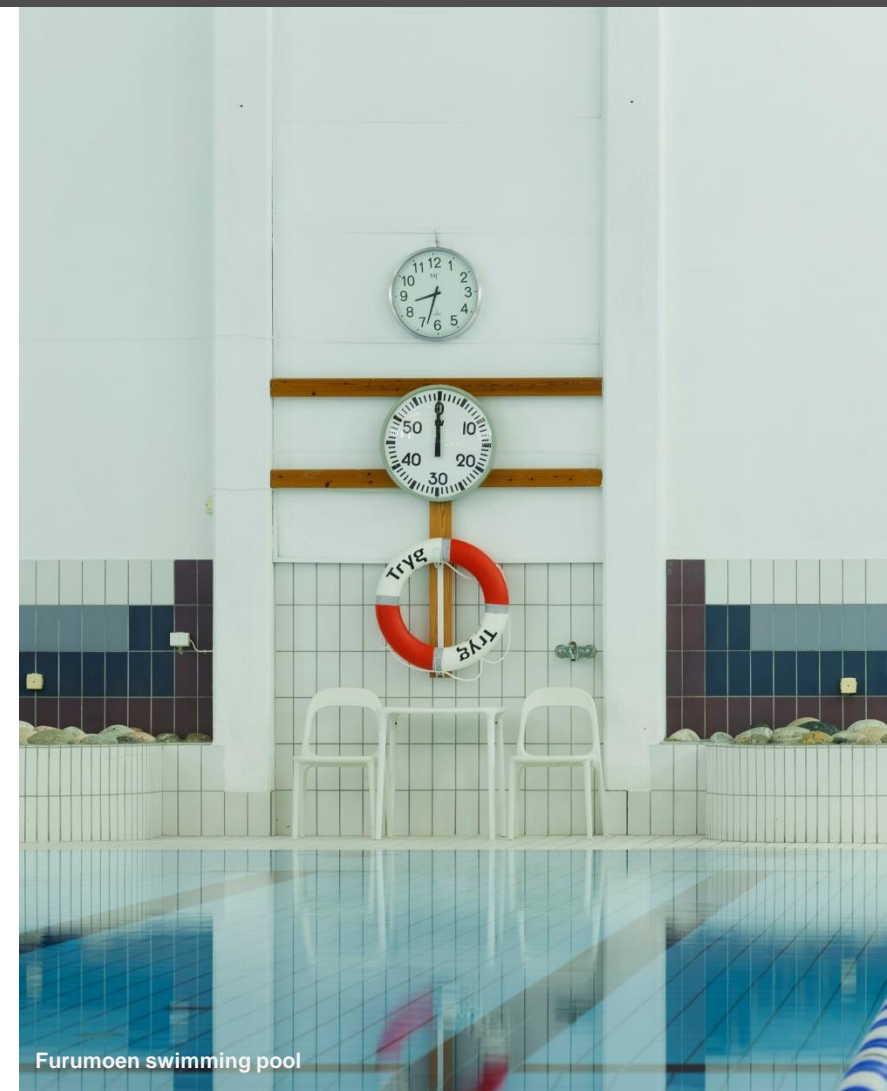
- From the beginning of the year, Property has been divided into two operating units, AF Eiendom and LAB Eiendom, to ensure increased local roots
- Good sales in the quarter, especially for AF Eiendom's project Fyrstikkbakken. A total of 122 (80) apartments were sold in the quarter, of which AF's share was 44 (28)
- Four residential property projects under production with a total of 558 units, of which AF's share was 209. The sales ratio for commenced projects was 87%.
- Property also has a significant development portfolio estimated at 2,438 (2,423) units. AF's share of this was 1,223 (1,183) residential units



Stable activity level and good profitability

NOK million	Q1 2021	Q1 2020	2020
Revenues	250	224	962
EBIT	11	2	54
EBT	9	6	52
EBIT %	4.4 %	0.8 %	5.6 %
EBT %	3.7 %	2.8 %	5.5 %

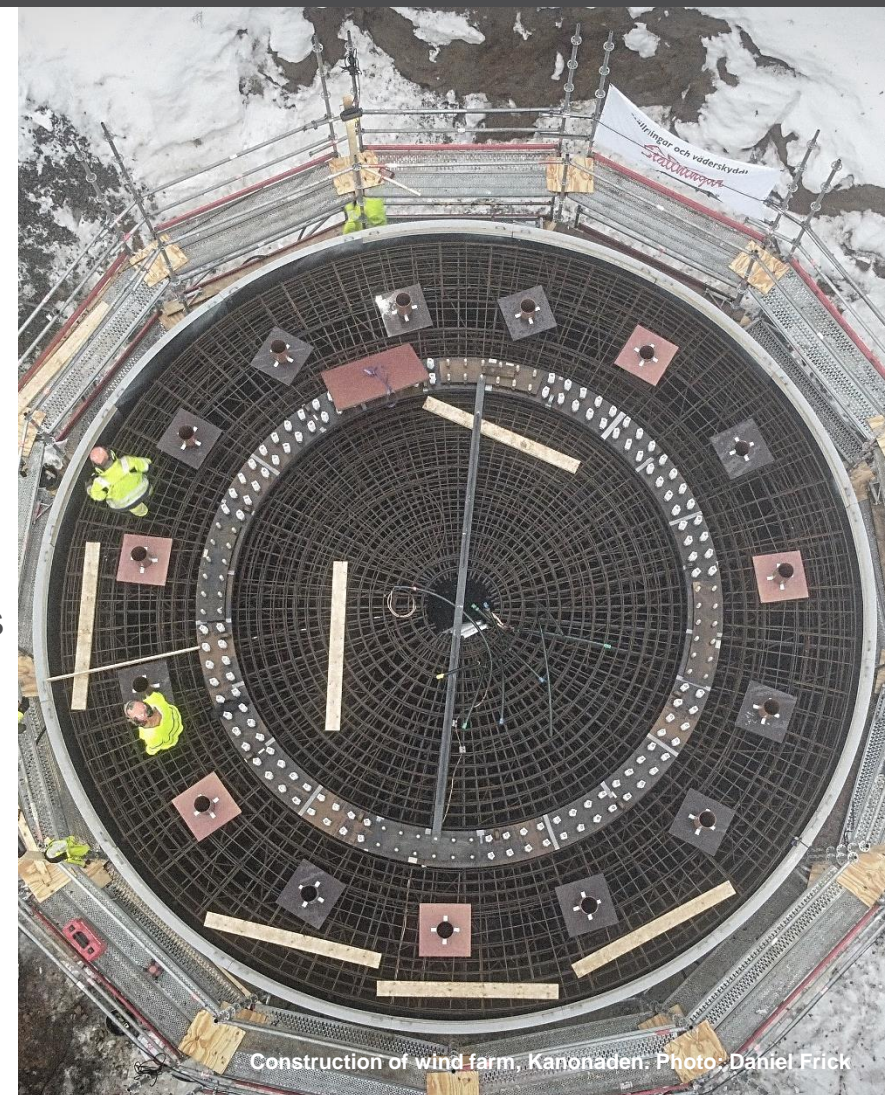
- AF Decom increased its level of activity and continues to deliver good profitability for both demolition and recycling at AF's environmental centres
- The environmental centres have recovered a total of 37,972 (122,988) tonnes of materials year to date, and the recycling rate realised for contaminated materials was 77%. Cool weather has affected the volume of recovered materials in the quarter
- AF Decom has demolished and facilitated the recycling of 3,706 (7,191) tonnes of metal in the quarter
- Profitability in AF Energi & Miljøteknikk's project portfolio is variable and there is a need for a further increase in the level of activity
- Order backlog: NOK 701 million (533 million) as of 31 March 2021



Stable activity and profitability

NOK million	Q1 2021	Q1 2020	2020
Revenues	959	1 035	4 138
EBIT	39	42	219
EBT	38	41	212
EBIT %	4.1 %	4.0 %	5.3 %
EBT %	3.9 %	3.9 %	5.1 %

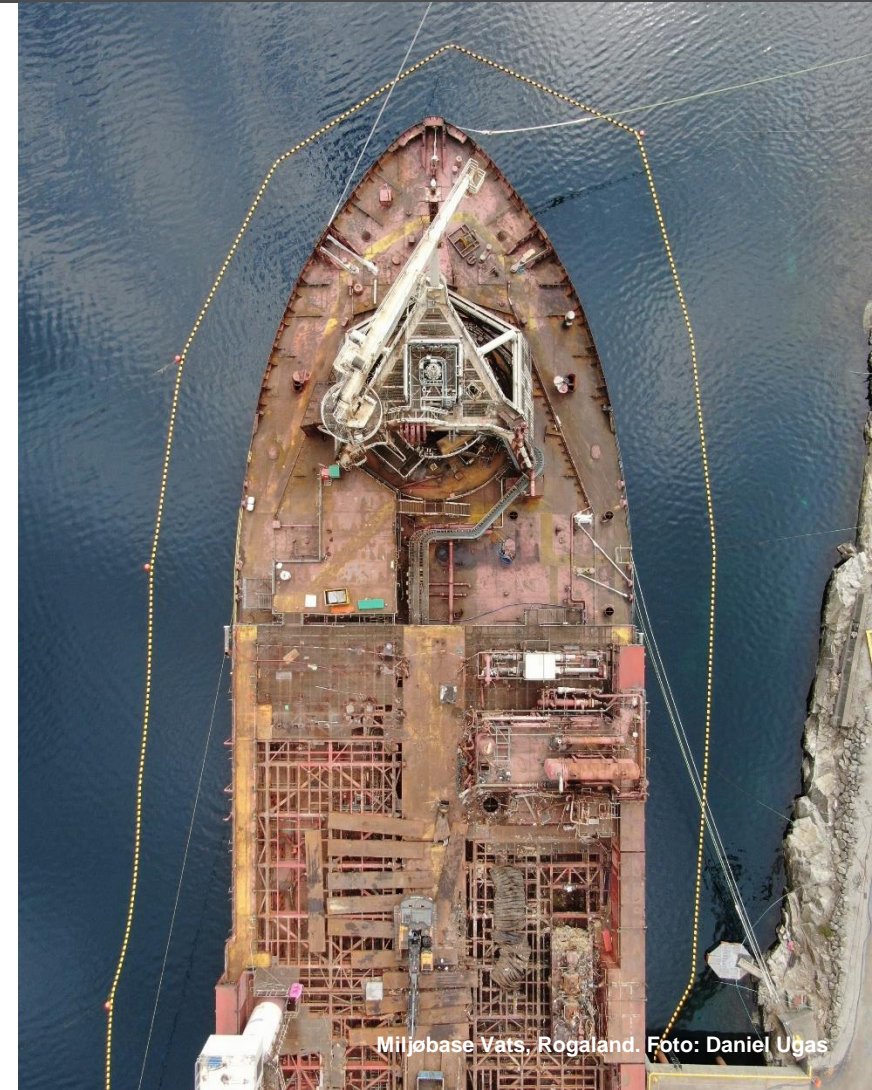
- Sweden maintained stable profitability
- Kanonaden delivered strong revenue growth and stable good results
- HMB delivered good profitability in the quarter, while the other construction units reported somewhat weaker profitability
- AF Härnösand Byggregurer increased the activity level and maintained good results
- AF Projektutveckling has two residential and a school project under production
- Order backlog: NOK 3,966 million (3,056 million) as of 31 March 2021



Increased activity and improved results

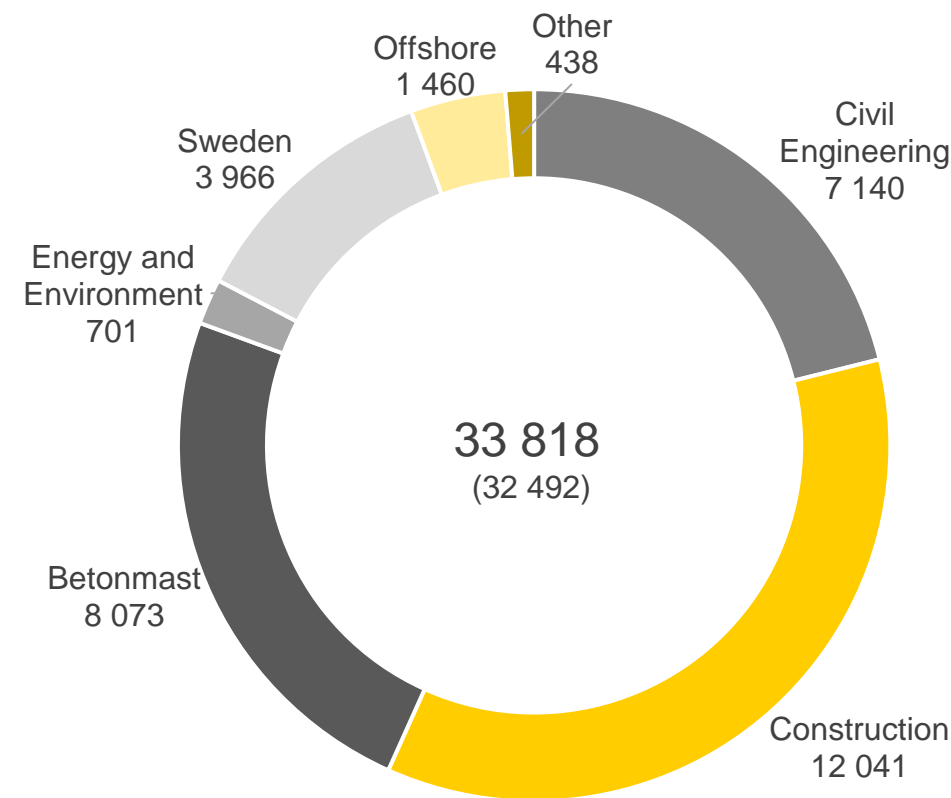
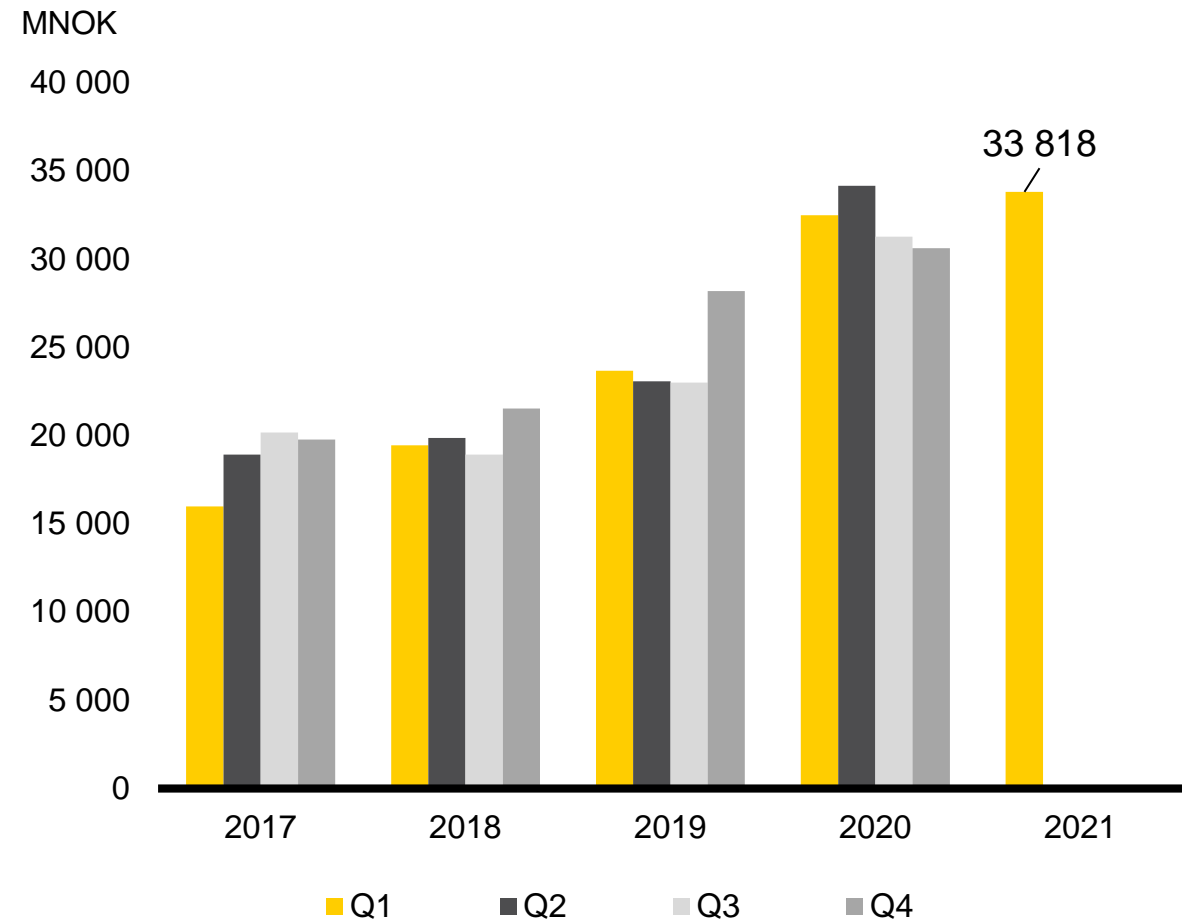
NOK million	Q1 2021	Q1 2020	2020
Revenues	160	128	672
EBIT	8	-52	-25
EBT	6	-55	-40
EBIT %	4.9 %	-40.9 %	-3.7 %
EBT %	3.7 %	-43.3 %	-5.9 %

- AF Offshore Decom had a significantly higher level of activity and improved profitability compared to same quarter last year
- Good operational performance at AF Environmental Base Vats contributed to the good results in the quarter
- AF Offshore Decom has demolished and facilitated the recycling of 10,764 (8,133) tonnes of steel in the quarter
- AF AeronMollier reported a decrease in revenue in the quarter as a result of the postponements of several projects. However, the unit managed to deliver a weak positive result in the quarter
- Order backlog: NOK 1,460 million (1,385 million) as of 31 March 2021



Miljøbase Vats, Rogaland. Foto: Daniel Ugas

Strong order backlog



May 11th 2021

Environment

AF Gruppen will increase competitiveness and promote profitable growth through four strategic initiatives





Climate and environment

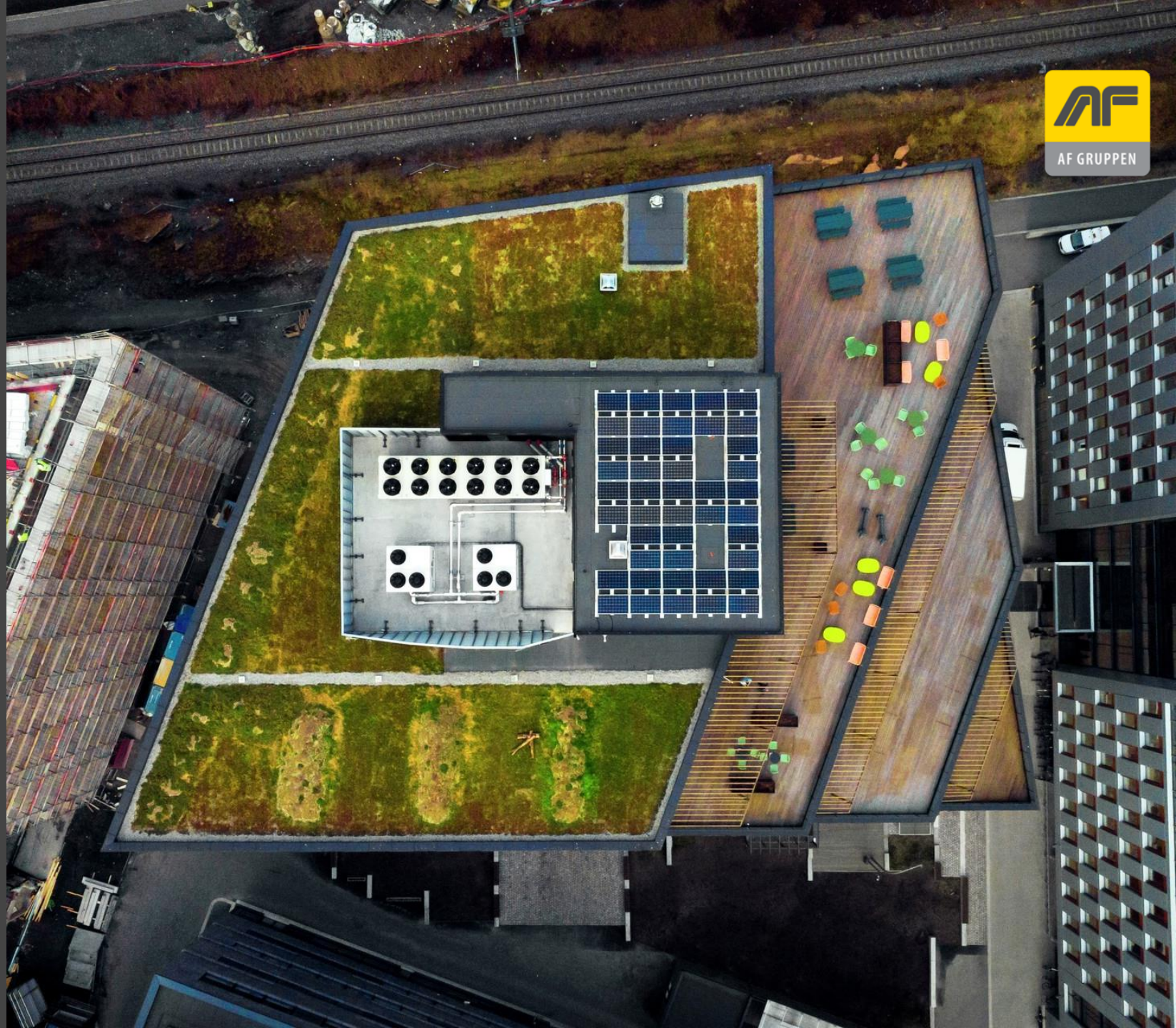
We will reduce our footprint and lead the way in creating socially beneficial business opportunities

NEW SOCIALLY BENEFICIAL BUSINESS OPPORTUNITIES

REDUCE OUR FOOTPRINT

RESOURCE EFFICIENCY AND CIRCULARITY

GOOD CLIMATE AND ENVIRONMENTAL MANAGEMENT





New socially beneficial business opportunities

Our vision: Clearing up the past, building for the future



At AF Miljøbase Vats we have:

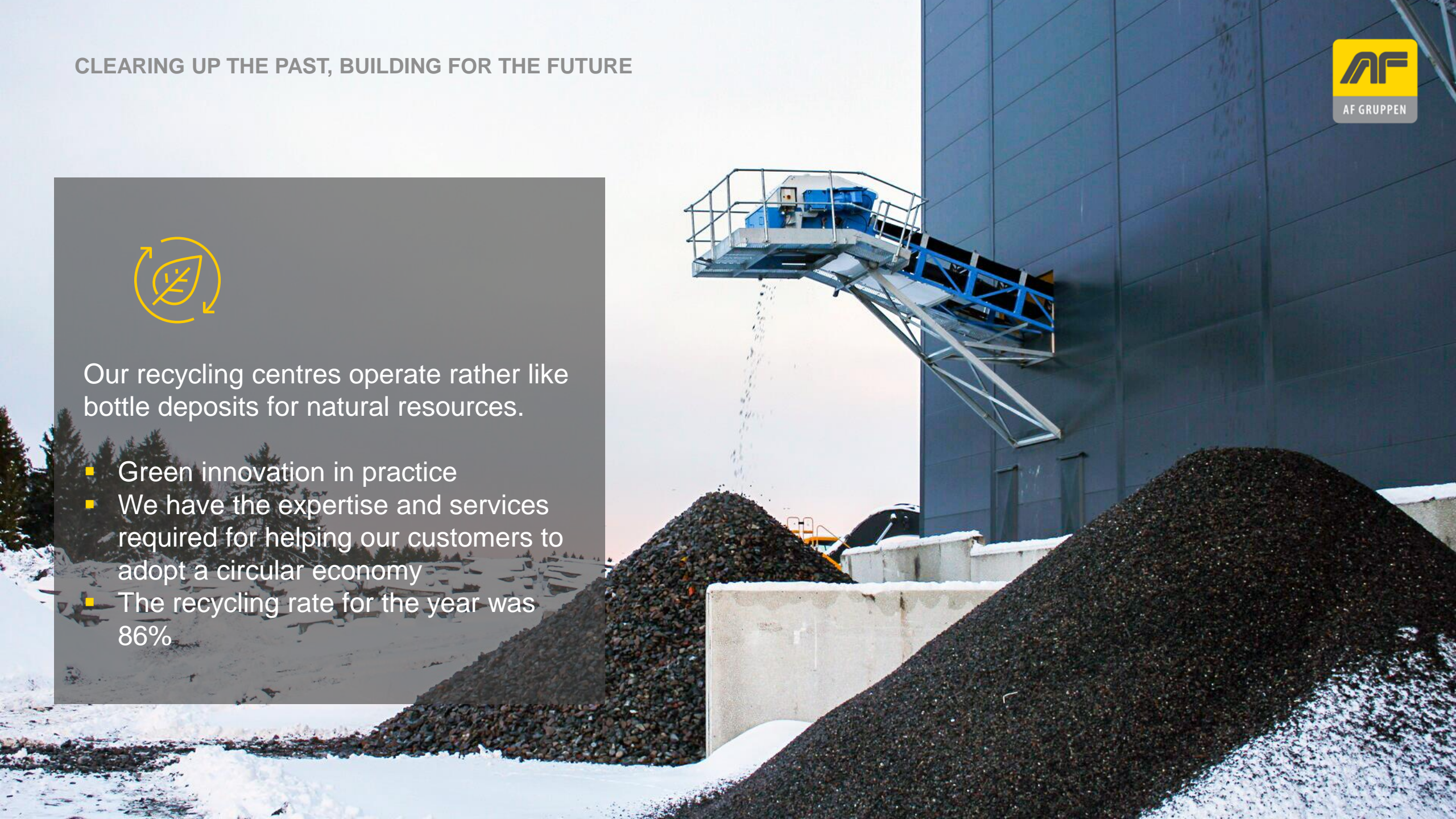
- Prepared steel for recycling the equivalent of 27 Eiffel Towers
- Contributed towards saving 283,500 tonnes of CO₂, the equivalent of 40% of the annual emissions of all construction machinery in Norway





Our recycling centres operate rather like bottle deposits for natural resources.

- Green innovation in practice
- We have the expertise and services required for helping our customers to adopt a circular economy
- The recycling rate for the year was 86%



CLEARING UP THE PAST, BUILDING FOR THE FUTURE



By mapping and implementing energy-efficient and renewable solutions, AF has:

- Delivered energy efficient solutions to more than 2 million m² of building stock in public buildings
- Contributed to producing 300 GWh annually. This corresponds to the consumption of 15,000 houses
- Leveraged local energy sources and various renewable energy carriers such as seawater, sewage, geothermal and solar energy



Technology - also a catalyst for climate benefits

- Investments in early-stage start-ups
- Software that streamlines traditional working methods
- More efficient ways to solve tasks
- Positive effect for climate and environment



VREX



SCALED ROBOTICS
Digitizing Construction



BCF ISSUE	Column intersects with ventilation
GUID	CYLINDER_TB_COL2
Weight (Kg)	44
Material	Steel
Standard	EN 10025 S355J
Made by	Johan Holmen
Checked by	Jon Karlsrud
Approved by	Ingvar Strømmen
Release Status	Released
Class Name	Int ark
Project IDs	90420



Reduce our footprint

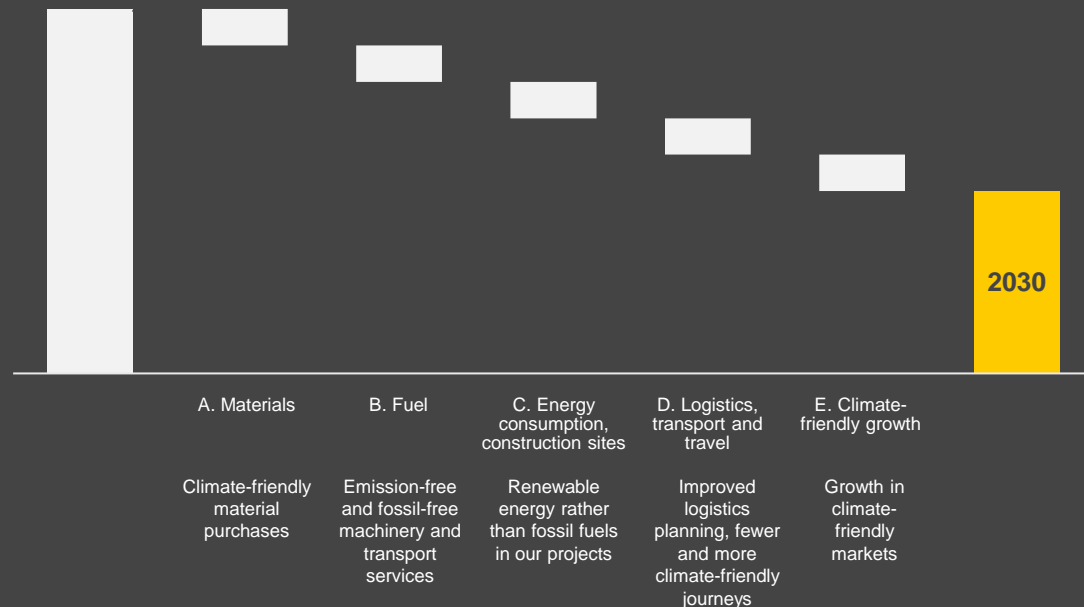
In order to achieve our long-term climate and environmental ambitions, we will increase our knowledge about our greenhouse gas emissions and waste production

STRATEGIC INITIATIVES

In order to achieve our long-term climate and environmental ambitions, we will increase our knowledge about our greenhouse gas emissions

CARBON FOOTPRINT

In line with the Paris Agreement, AF Gruppen will reduce its relative greenhouse gas emissions by 50% by 2030



AF Gruppen will:

- Halve relative greenhouse gas emissions by 2030, in terms of CO2 equivalents per million revenue.
- Set goals and prioritise measures per business area.
- Report what constitutes green revenues in accordance with the EU's taxonomy.



Statistics Norway's statistics on mass withdrawals in Norway

- 2.6 million tonnes of lightly contaminated mass
- 10 million tonnes of pure mass and blasted rock
- Reduction will lead to major environmental benefits



Resource efficiency and circularity

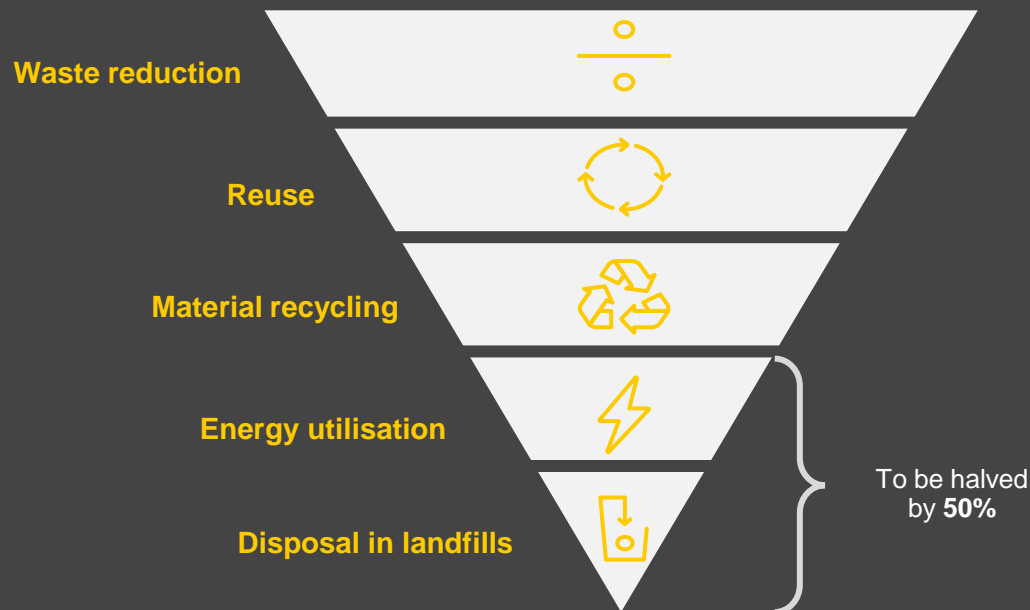
Limited access to resources and development trends in society requires the development of new and sustainable solutions.

STRATEGIC INITIATIVES

In order to achieve our long-term climate and environmental ambitions, we will increase our knowledge about our waste production

CIRCULAR ECONOMY

AF Gruppen will halve the amount of waste materials that are not recycled or reused by 2030, and will also contribute towards a growing circular economy



AF Gruppen will:

- Halve the amount of waste that cannot be recycled by 2030.
- Process waste as close to the top of the hierarchy as possible, and avoid the unnecessary disposal of waste that could have been reused or recycled.



Good climate and environmental management

If we are to achieve the goals we have set, we are dependent on having good climate and environmental management throughout the organisation, all the way down from senior management to our projects.

We seek risks that we can influence



Climate risk based on analyses



Customer and supplier cooperation



Development of expertise and training



Material resources and modern machinery and equipment



Digitalisation



Efficient operations



Early involvement



Societal challenges with profitability potential

AWARENESS OF EXPLOITING OUR ROLE AS A BUILDER AND CONTRACTOR

Planning

- Early involvement with everyone involved can produce climate and environmental savings by making good material choices

Digital solutions increase customer orientation

- Digital planning tools improve customer experiences and minimise late-stage adjustments

Certifications

- FutureBuilt
- BREEAM



Our strategy is taking external drivers into account



Climate accounts and measurements 2020

<u>Emissions from own business</u>	<u>Emissions</u>
Total emissions own business (tonnes CO ₂ e)	48,528 (51,338) tonnes CO ₂ e
<i>Carbon footprint (tonnes CO₂e per NOK 1 million revenue)</i>	<i>1.8 (2.3) tonnes CO₂e/NOK 1 million</i>
<u>Savings from Offshore, Energy and Environment business</u>	<u>Savings</u>
Recycled materials environmental parks 528,758 (317,730) tonnes	-32,266 (-13,195) tonnes CO ₂ e
Demolished and facilitated recycling of metal 38,533 (24,764) tonnes	-38,533 (-24,764) tonnes CO ₂ e
Total savings compared to conventional production	-70,799 (-37,959) tonnes CO ₂ e


1st quarter 2021

Summary

NOK million	Q1 2021	Q1 2020	2020
Revenues	6,209	6,607	27,025
EBIT	264	213	1 480
EBT	245	206	1 447
EBIT %	4.2 %	3.2 %	5.5 %
EBT %	4.0 %	3.1 %	5.4 %

- Good profit margin
- Strong financial position
- High order intake
- Order backlog: NOK 33,818 million (32,492 million)



A scenic landscape photograph of a frozen lake at sunset. A person in a green jacket and blue beanie sits on a rocky shore in the foreground. A bridge spans the lake in the background, surrounded by a dense forest of evergreen and deciduous trees. The sky is a mix of orange, yellow, and blue.

Thank you for your
attention

Q2 2021
August 27th 2021