

# Third quarter 2023

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23. November 2023  
- Result presentation

# AGENDA

- Q3 highlights
- Financial Performance
- ESG
- Additional information

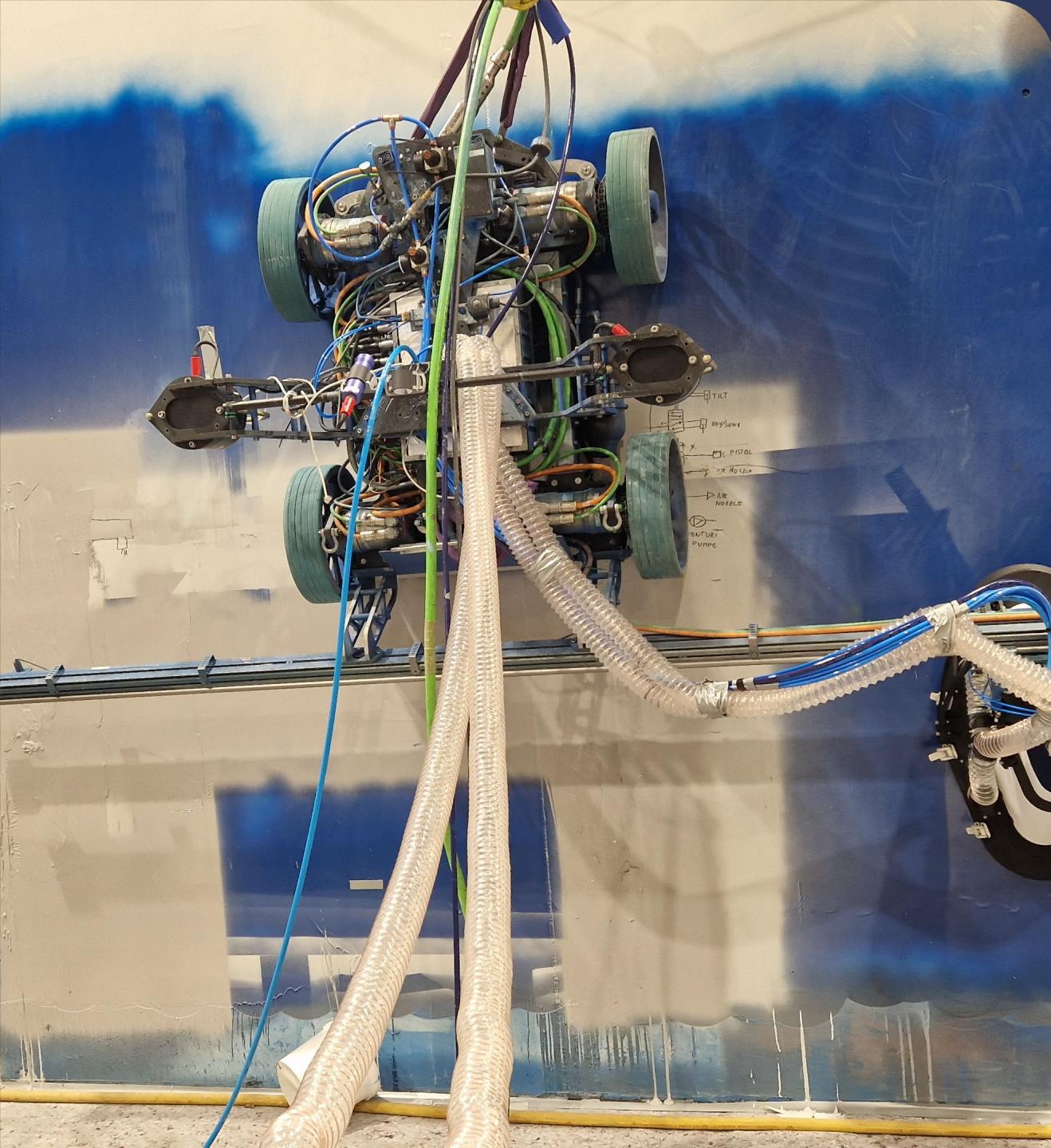


## Q3 HIGHLIGHTS

- Higher activity in Services.
- Gina Krogh included in portfolio from 2024
- Refinancing in Q3 and listing in October. Debt significantly reduced
- Extraordinary costs relating to listing



# Q3 HIGHLIGHTS



Q3 2023 Revenue

**579** mnok

YTD 23: 1 729 mnok  
Q3 22: 541 mnok

Adjusted Q3 EBITDA

**48** mnok

Adjusted EBITDA %: 8.2%  
EBITDA: 41 mnok (7%)  
Q3 22 EBITDA: 46 mnok (8.6%)

Revenue Q3 23 vs 22

**+7%**

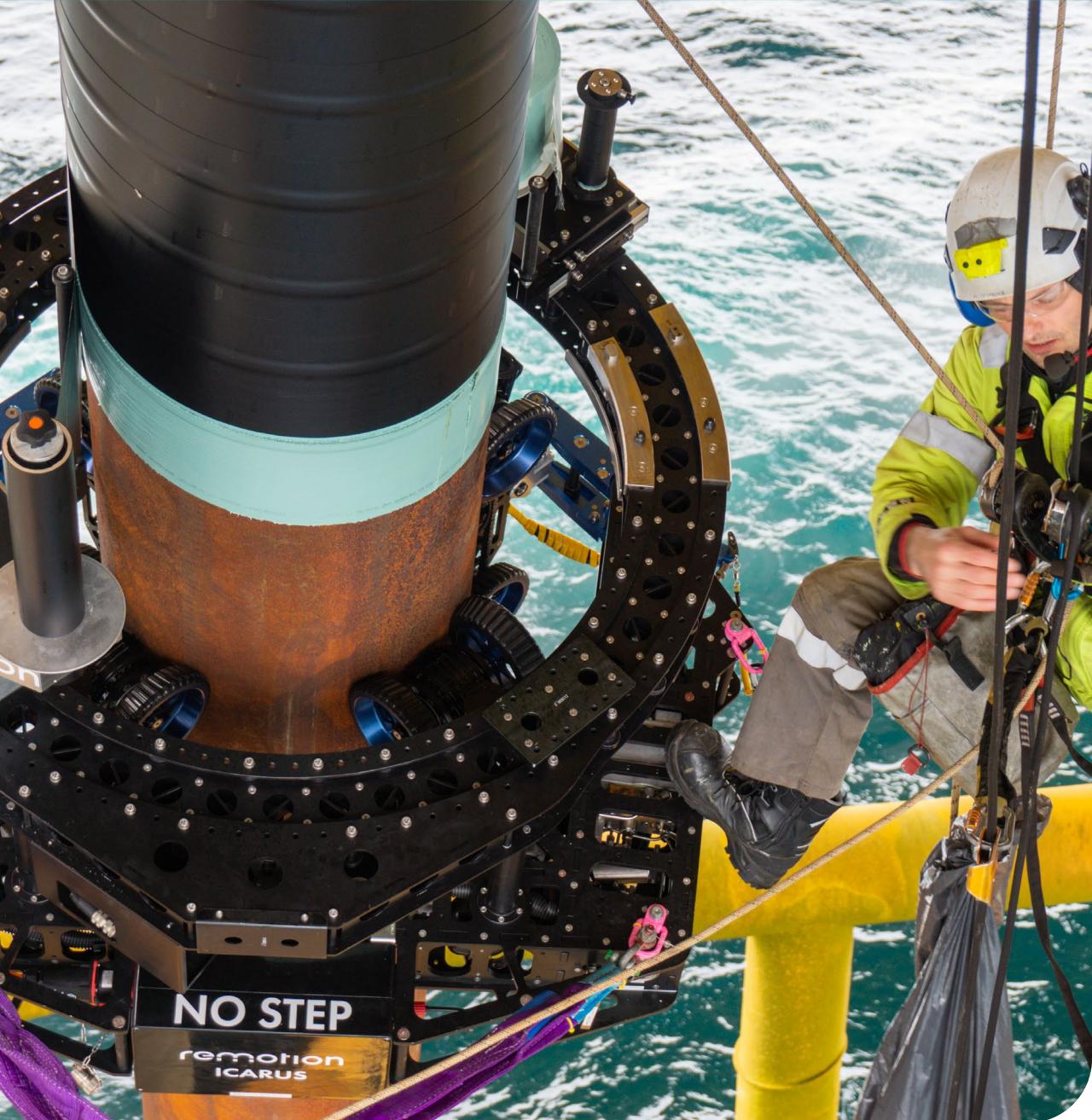
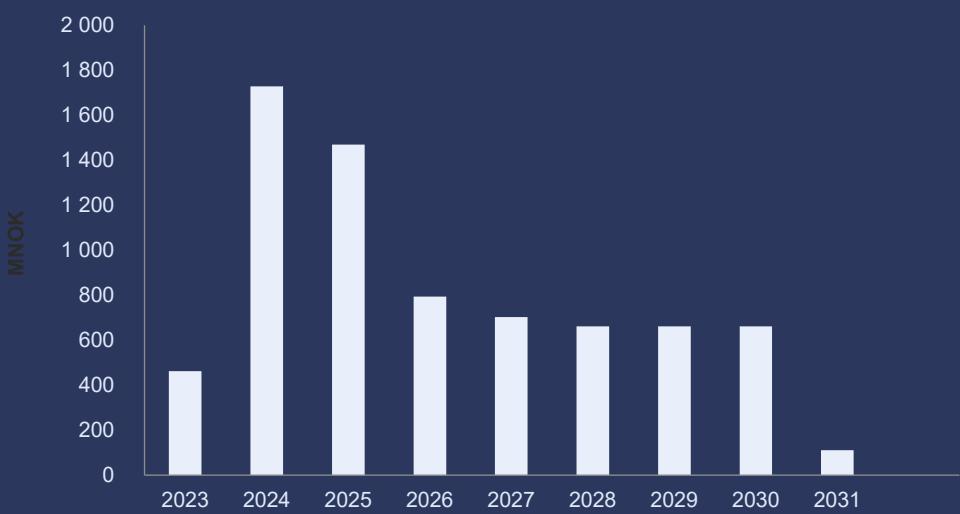
Order intake Q3 23:

**353** mnok

Order intake Q3 22: 93 mnok

# ORDER BACKLOG

- Order backlog NOK 7 billion
- Order intake in Q3 23 NOK 353 million



# SERVICE

## Contracts

- Gina Krogh
  - Existing offshore frame agreement as part of FLX (Late life)
  - Estimated NOK 260 million
  - End 2031
- Contract at Kårstø
  - Replacement of flare towers
  - < NOK 50 million
- Smaller contract within mechanical services

## Operations

- Relatively high activity both onshore and offshore in Q3
- Mainly related to turnaround activities and annual maintenance program
- Strong demand for additional services including robotics
- Successfully completed robotics projects both in Brazil and on the NCS
- Cost pressure still an issue related to labour, travel and materials

## Outlook

- Ongoing tender processes related to offshore frame agreements
- Several tenders related to robotic surface treatment, both on the NCS and internationally. Brazil contract secured in Q4, < NOK 50 million
- Commercial discussions regarding cost increase recovery progressed

Harnessing the power of robotic solutions to transform our position in the maintenance market

## New Product Launches in 2024

The future of robotic surface treatment

### Proteus Smart



Designed to excel in both beyond and in-line-of-sight

- Built on the foundation of the cutting-edge RoboCoat technology
- Can be used beyond line-of-sight and in line-of-sight operations
- Advanced yet user-friendly and intuitive remote control
- Versatile tooling options, offers flexibility depending on tasks. Can be used for sandblasting, UHP, Coating, Grinder, NDT

The world's first ATEX Zone 01 magnetic robot

### Proteus Safe



In compliance with strict international regulations

- Built on the foundation of the cutting-edge RoboCoat technology
- Designed for Atex Zone 01
- Advanced yet user-friendly and intuitive remote control
- Versatile tooling options, offers flexibility depending on tasks. Can be used for sandblasting, UHP, NDT

A compact magnetic robot for confined spaces

### Pluto



The future of confined spaces operations

- Designed for versatile use in confined spaces, pressure vessels and pipes
- Reduce the need for personnel in confined spaces
- Equipped with camera and light, remotely controlled from the outside. The robot can be used for sandblasting, UHP, NDT, CVI

## Contracts

- Stable order intake related to subsea insulation
- High tender activity although only smaller contracts signed for insulation products

## Operations

- A weak quarter for our product segment due to low activity, especially in Asia
- With delay both on awarded contracts and on award of new contracts we saw limited activity in Asia
- In Europe activity has been steadier but with many smaller orders
- Within the subsea insulation activity was stable with several deliveries both in Norway and internationally

## Outlook

- New build market in Asia and on the NCS is looking attractive with high overall activity
- Market for replacement of Passive Fire Protection (PFP) solutions is developing
- We are progressing qualifications for new applications of aerogel, both for construction and subsea

# FINANCIAL PERFORMANCE



# FINANCIAL PERFORMANCE

- **7% revenue growth compared to Q3 2022**
- **Adjusted EBITDA NOK 48 million**
  - NOK 7 million in one offs (Listing process)
  - EBITDA NOK 41 million
- **Adjusted EBITDA YTD NOK 152 million vs NOK 134 million EBITDA YTD 22**
- **Finance cost high due to refinancing and early redemption of bond**

## Condensed Consolidated Income Statement

Group Summary	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Amounts in NOK million				
Operating revenue	579	541	1 729	1 653
Operating expenses	538	495	1 590	1 521
EBITDA	41	46	139	131
EBITDA margin	7.0 %	8.6 %	8.1 %	8.0 %
<b>Adjusted EBITDA</b>	<b>48</b>	<b>49</b>	<b>152</b>	<b>134</b>
<b>Adjusted EBITDA margin</b>	<b>8.2 %</b>	<b>9.0 %</b>	<b>8.8 %</b>	<b>8.1 %</b>
Depreciation	17	15	47	41
EBITA	24	32	93	90
Amortisation	3	4	12	12
Operating profit (EBIT)	21	27	81	78
Finance costs - net	29	20	64	55
Profit before tax (EBT)	-9	8	17	22
Income Tax expense	-2	2	4	5
<b>Net profit</b>	<b>-7</b>	<b>6</b>	<b>13</b>	<b>17</b>

# SERVICES

- Positive revenue development
  - 10 % increase vs Q3 22
  - Carbon Capture Storage project with high activity
  - Strong activity within frame agreements.
  - New Build with smaller projects
  - High activity in Robotics
- EBITDA of NOK 43 million
  - vs NOK 40 million Q3 22
- Order intake NOK 310 million

Q3 23 Revenue

**548** mnok

YTD23: 1 640 mnok  
Q322: 498 mnok

Q3 EBITDA

**43** mnok

EBITDA %: 7.9%  
EBITDA Q3 22: 40 mnok (8.1%)

Revenue Q3 23 vs 22

**+10%**

Order intake Q3 23:

**310** mnok

# BENARX

- Challenging quarter
  - Low activity in Asia
    - Delays on projects
  - Europe with many small deliveries
  - Subsea performing well
- EBITDA NOK -2 million
  - Low activity in the quarter
  - Measures taken to reduce overhead cost.
- Order intake NOK 43 million

Q3 23 Revenue

**44** mnok

YTD23: 138 mnok  
Revenue Q3 22: 60 mnok

Q3 EBITDA

**-2** mnok

EBITDA %: -5.7%  
EBITDA Q3 22 : 6 mnok (10%)

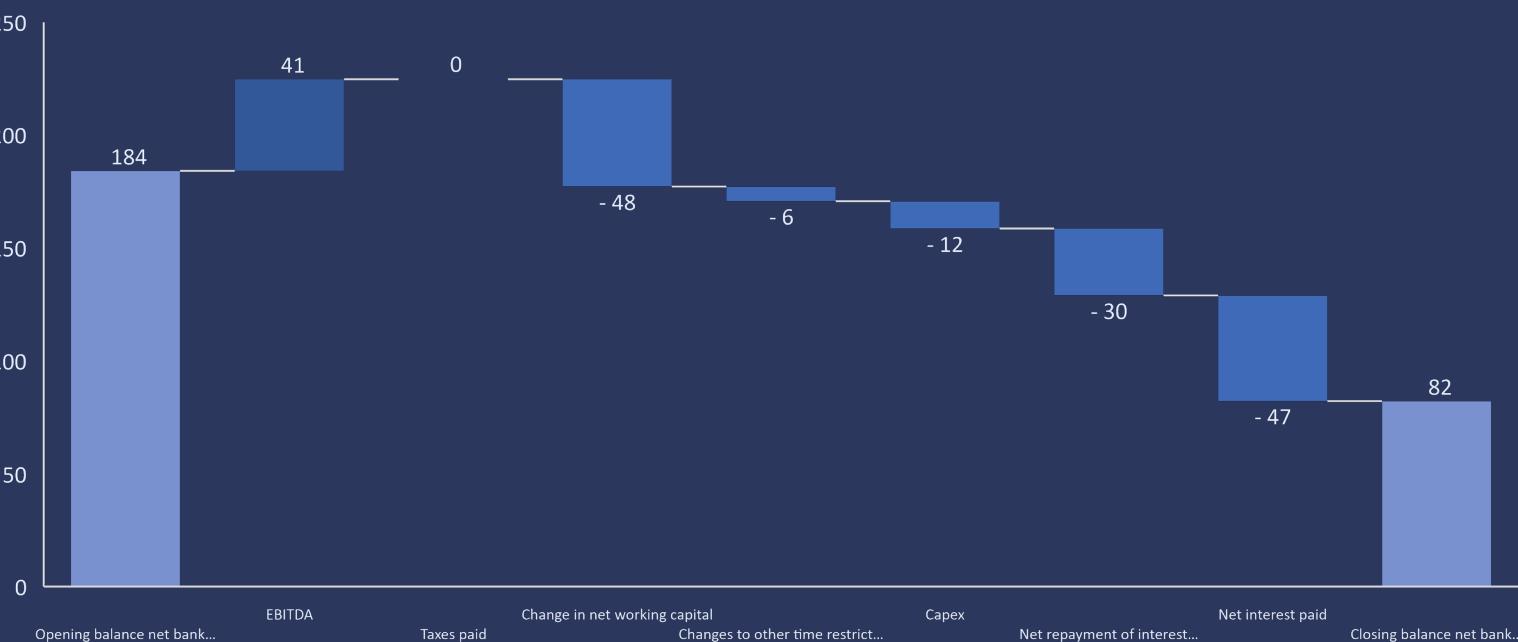
Revenue Q3 23 vs Q3 22

**-27%**

Order intake Q3 23:

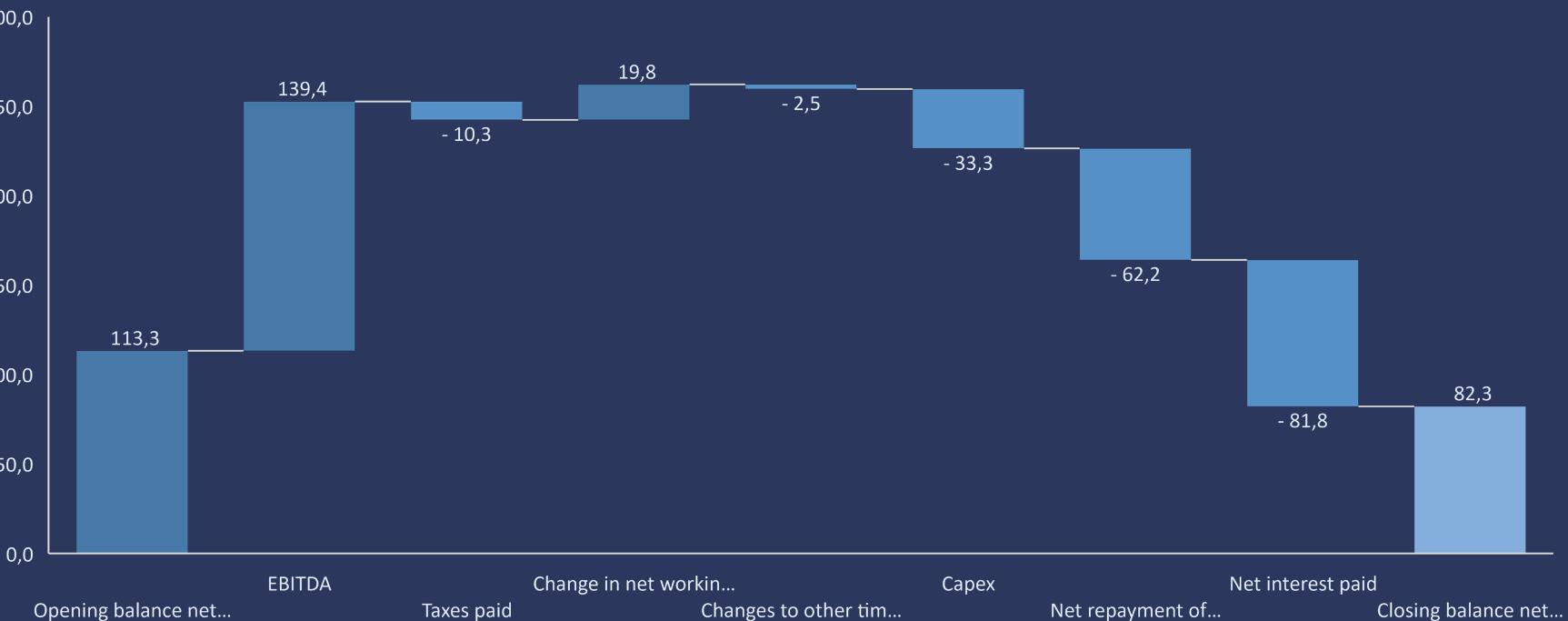
**43** mnok

# CASH FLOW Q3

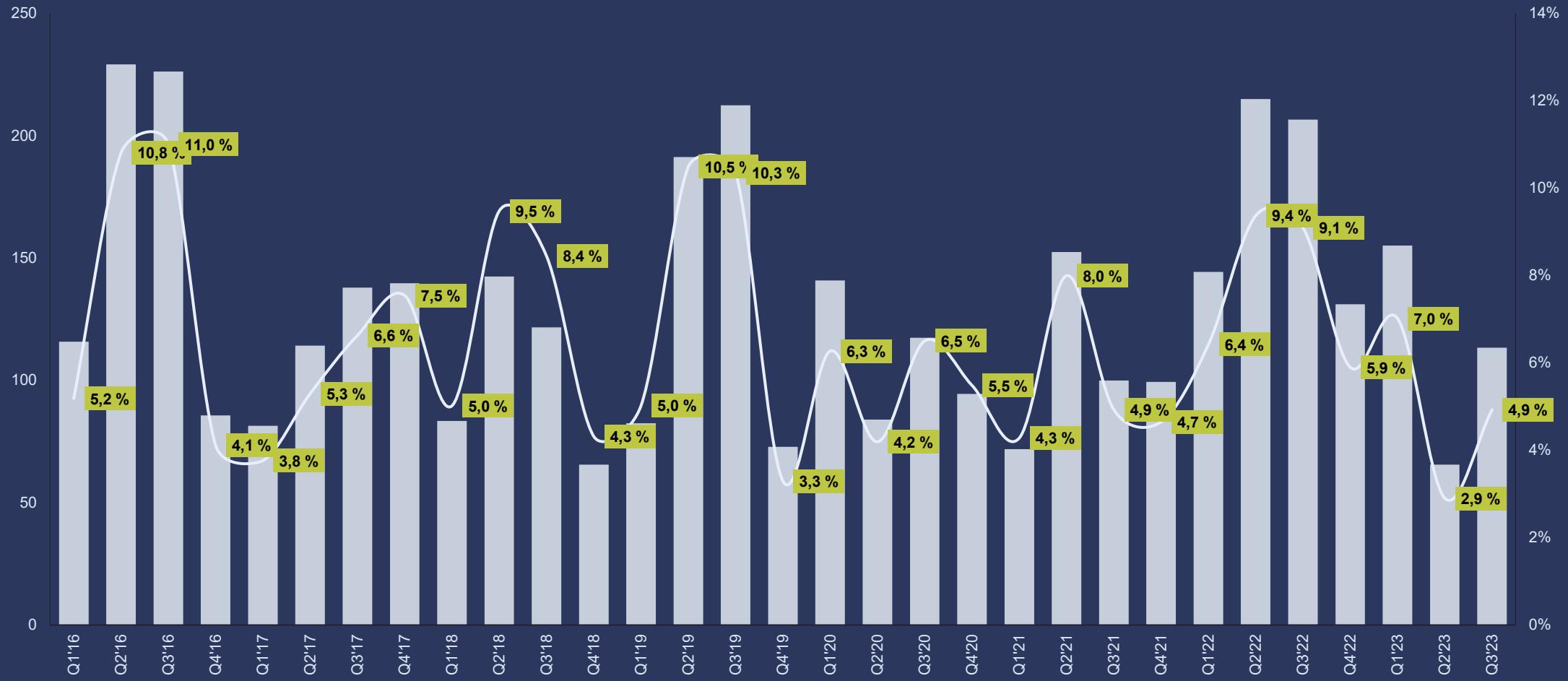


- **Cash flow from operations was NOK 13 million negative due to NWC**
  - NWC will normally be in the range of 4-6% of LTM revenue
- **Capex was NOK 12 million in the quarter**
- **Net cash flow from financing activities influenced by:**
  - Early redemption of bond
  - Entering into Bank financing
  - Repayment of interest-bearing debt
  - Normalization from Q4
    - Amortization NOK 10 million in the quarter
    - Interest cost NOK 10million

# CASH FLOW YTD 23



- **Cash flow from operations was NOK 146 million**
  - **NWC minor effects YTD**
  - **NWC will normally be in the range of 4-6% of LTM revenue**
- **Capex NOK 33 million YTD**
- **Net cash flow from financing activities influenced by:**
  - **Repayment of interest-bearing debt**
    - **Amortization Bond NOK 25 million**
    - **Repaid NOK 25 million when refinancing**
    - **IFRS Leasing**
  - **Early redemption of bond**
    - **Affects interest paid**
    - **Call cost NOK 25 million early redemption of bond**
    - **Bank fee NOK 10 million when refinancing**
  - **Entering into Bank financing**
    - **Normalization from Q4**
      - **Amortization NOK 40 million annually**
      - **Interest cost NOK 40 million annually**
      - **IFRS Leasing**



## EVENTS Q4

- Listed on Euronext Growth on October 5th
- Repaid Tranche C in SR Bank NOK 200 million



# LISTED ON EURONEXT GROWTH October 5th.

## PROFORMA BALANCE SHEET AS OF LISTING

<b>Bank 82</b>
<b>Fin. Fix. assets 15</b>
<b>Property, plant and equipment 260</b>
<b>Goodwill and Intangible assets 821</b>
<b>NWC 113</b>

Assets

<b>Short term liabilities 265</b>
<b>Long term liabilities 447</b>
<b>Equity 579</b>

Equity and liabilities

<b>Bank 116</b>
<b>Fin. Fix. assets 15</b>
<b>Property, plant and equipment 260</b>
<b>Goodwill and Intangible assets 821</b>
<b>NWC 113</b>

Assets

<b>Short term liabilities 65</b>
<b>Long term liabilities 447</b>
<b>Equity 813</b>

Equity and liabilities

CONSOLIDATED BALANCE SHEET 30 SEPTEMBER 2023

PROFORMA CONSOLIDATED BALANCE SHEET 30 SEPTEMBER 2023  
AFTER IPO AND REPAYMENT OF DEBT

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Equity and liabilities

CONSOLIDATED BALANCE SHEET 30 SEPTEMBER 2023

PROFORMA CONSOLIDATED BALANCE SHEET 30 SEPTEMBER 2023  
AFTER IPO AND REPAYMENT OF DEBT

# FINANCIAL COVENANTS

- 3 financial covenants
  - TLR
  - Current assets/Current liabilities
  - Equity ratio
- Significant headroom

TLR Q3 23

**3.37**

LIMIT: <4  
AFTER REPAYMENT: 2.1

CURRENT ASSETS/CURRENT LIABILITIES Q3 23

**1.39**

LIMIT: >1.15

EQUITY RATIO Q3 23

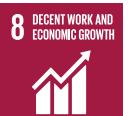
**34%**

LIMIT: >25%  
AFTER LISTING: 45%

**ESG**

**BEERENBERG**



Focus area	#	Key KPIs	2023 Goal	Q3 2023 Actual	Impact on UN's SDGs
 Sustainable materials  Sustainable methods  Climate action	1	Reduced release of microplastics in connection with surface treatment *	>20%	10 %	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  13 CLIMATE ACTION  14 LIFE BELOW WATER
	2	Reduced CO2 footprint in connection with surface treatment**	>10%	16 %	
	3	Number of new sustainable technology, materials or solutions studied, tested, developed or adopted	>8	7	
	4	Share of turnover in new and sustainable markets	>8%	9 %	
 Safe work environment  Responsible procurement  Attractive workplace	5	SIF (serious incident frequency) - YTD	0	0,9	 3 GOOD HEALTH AND WELL-BEING  8 DECENT WORK AND ECONOMIC GROWTH
	6	TRIF (total recordable incident frequency) - YTD	3,0	6,4	
	7	Proportion of sick leave	<6,5%	8 %	
	8	Competence development - Trade certificates	30	32	
	9	Planned supplier follow up meetings and audits	80 %	33 %	
 ESG governance  ESG communication  Business ethics	10	Proportion of employees who have completed training in ethics	90 %	80 %	 8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	11	Proportion of operational employees who have completed training in HSE***	90 %	65 %	
	12	Human rights due diligence assessment	75 %	66 %	
	13	Regularly publish articles on Beerenbergs ESG initiatives (external)	10	9	

\* Benchmark 2020. Scope surface treatment Offshore

\*\* Benchmark 2020. Scope surface treatment Offshore and Onshore

\*\*\* Reported monthly

## Additional information



# Condensed Consolidated Income Statement

## Condensed Consolidated Income Statement

# Income statement

Group Summary		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2023	2022	2023	2022	2022
Operating revenue	6	578,9	540,9	1 729,1	1 652,9	2 221,9
Operating expenses		538,3	494,5	1 589,7	1 521,4	2 041,9
EBITDA	6	40,6	46,4	139,4	131,4	180,0
Depreciation		17,0	14,6	46,7	41,4	56,7
EBITA		23,6	31,8	92,7	90,0	123,3
Amortisation		3,1	4,4	11,5	12,4	25,2
Operating profit (EBIT)		20,6	27,3	81,2	77,7	98,1
Finance costs - net	4	29,1	19,6	64,4	55,2	78,7
Profit before tax (EBT)		-8,5	7,7	16,8	22,4	19,4
Income Tax expense		-2,0	1,7	3,6	5,5	0,0
Net profit		-6,5	6,0	13,2	17,0	19,4
<b>Profit for the period is attributable to:</b>						
Shareholders of the parent company		-8,1	6,0	13,2	17,6	19,6
Non controlling interests	7	1,6	0,0	0,0	-0,5	-0,2
Net profit		-6,5	6,0	13,2	17,0	19,4
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		7,0 %	8,6 %	8,1 %	8,0 %	8,1 %
EBITA margin		4,1 %	5,9 %	5,4 %	5,4 %	5,6 %

# Condensed Consolidated Balance Sheet

## Financial position

Group Summary Amounts in NOK million	Note	Q2 30.09.2023	Q3 30.09.2022	YTD 31.12.2022
<u>Intangible assets</u>		37,8	38,4	52,1
Goodwill		782,8	782,8	782,8
Property, plant and equipment		259,7	200,1	210,0
Financial fixed assets		15,1	27,6	14,3
Deferred tax assets		0,0	0,0	0,0
<b>Total non-current assets</b>		<b>1 095,4</b>	<b>1 048,8</b>	<b>1 059,2</b>
Inventory		93,7	85,2	93,9
Accounts receivables from customers		286,3	341,1	261,7
Earned, not invoiced accounts receivables		154,1	137,8	215,9
Other receivables		49,5	35,1	41,9
Cash at bank		82,3	70,3	113,3
<b>Total current assets</b>		<b>665,9</b>	<b>669,5</b>	<b>726,7</b>
<b>TOTAL ASSETS</b>		<b>1 761,3</b>	<b>1 718,3</b>	<b>1 785,8</b>
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		312,1	300,9	302,3
Non controlling interests	7	0,0	-0,7	-0,5
<b>Total equity</b>		<b>579,1</b>	<b>567,3</b>	<b>568,8</b>
Pension liabilities		21,7	17,8	19,3
Deferred tax liabilities		2,2	3,9	0,0
Interest bearing long-term liabilities	4	422,6	644,8	26,1
<b>Total non-current liabilities</b>		<b>446,6</b>	<b>666,5</b>	<b>45,4</b>
Interest bearing short-term liabilities	4	265,8	84,7	680,0
Supplier liabilities		131,5	121,5	133,9
Tax payable		-0,4	7,2	9,4
Social Security, VAT and other taxes		64,2	48,6	83,5
Other short-term liabilities		254,4	200,6	242,7
Warranty liabilities		20,2	21,9	22,2
<b>Total Current Liabilities</b>		<b>735,7</b>	<b>484,6</b>	<b>1 171,6</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>1 761,3</b>	<b>1 718,3</b>	<b>1 785,8</b>

# Condensed Consolidated Statement of Cash Flow

## Cash flow

Amounts in NOK million	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	YTD 2022	FY 2022
EBITDA		40,6	46,4	139,4	131,5	131,5	180,0
<u>Taxes paid</u>		0,0	0,7	-10,3	-12,4	-12,4	-19,8
Change in net working capital		-47,6	8,3	19,8	-110,5	-110,5	-23,5
Changes to other time restricted items		-6,5	2,0	-2,5	4,9	4,9	8,0
<b>Net Cash flow from operating activities</b>		<b>-13,5</b>	<b>57,4</b>	<b>146,3</b>	<b>13,5</b>	<b>144,8</b>	
<u>Capex</u>		-12,2	-6,9	-33,3	-20,8	-20,8	-36,6
<u>Acquisition of shares in subsidiary</u>		0,0	0,0	0,0	-25,2	-25,2	-50,2
<b>Net cash flow from investing activities</b>		<b>-12,2</b>	<b>-6,9</b>	<b>-33,3</b>	<b>-46,0</b>	<b>-86,8</b>	
Net repayment of <u>interest bearing debt</u>		-29,6	-3,8	-37,2	-33,9	-33,9	-64,7
<u>Net interest paid</u>	4	-46,7	-18,4	-106,8	-56,6	-56,6	-73,4
<b>Net cash flow from financing activities</b>		<b>-76,3</b>	<b>-22,3</b>	<b>-144,1</b>	<b>-90,5</b>	<b>-138,1</b>	
<b>Total cash flow</b>		<b>-101,9</b>	<b>28,2</b>	<b>-31,0</b>	<b>-123,0</b>	<b>-80,1</b>	
Opening balance net bank deposits		184,2	42,2	113,3	193,3	193,3	193,3
Closing balance net bank deposits		82,3	70,3	82,3	70,3	70,3	113,3

# Split per segment

## Revenue by Segment

Amounts in NOK million	Q3	Q3	YTD	YTD	FY
	2023	2022	2023	2022	2022
Services	547,5	498,1	1 639,5	1 542,8	2 063,7
Benarx	43,6	59,8	138,0	153,9	219,2
Eliminations	-12,2	-17,1	-48,4	-43,8	-61,0
Total	578,9	540,9	1 729,1	1 652,9	2 221,9

## EBITDA by Segment

Amounts in NOK million	Q3	Q3	YTD	YTD	FY
	2023	2022	2023	2022	2022
Services	43,1	40,4	143,2	124,0	159,2
Benarx	-2,5	6,0	-3,8	7,5	20,9
Total	40,6	46,4	139,4	131,4	180,0

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