

AF Gruppen ASA Q1 2025

15 May 2025

AF



Overview

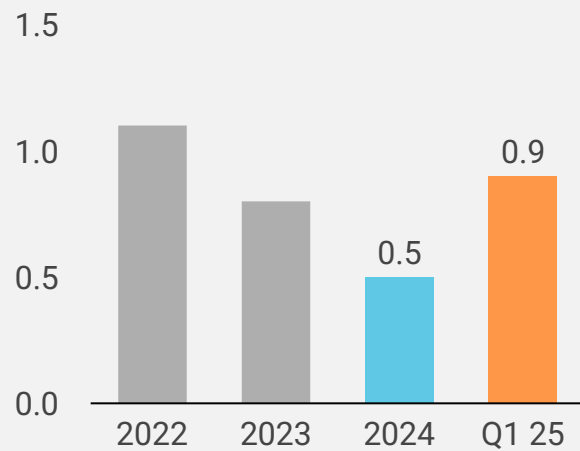
Improved results and stable order backlog

- Revenue of NOK 7,129 (7,187) million in Q1
- Earnings before tax of NOK 214 (186) million in Q1
- Profit margin of 3.0% (2.6%) in Q1
- Cash flow from operations of NOK 330 (128) million in Q1
- Order intake of NOK 11,010 (5,472) million in Q1
- Order backlog of NOK 44,232 (40,275) million as of 31 March 2025
- Net interest-bearing receivables (debt) of NOK 290 (-974) million as of 31 March 2025



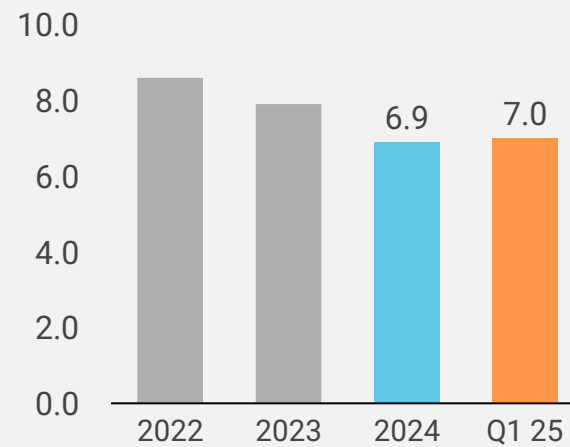
Health and Safety

Lost-time injury frequency (LTIF)



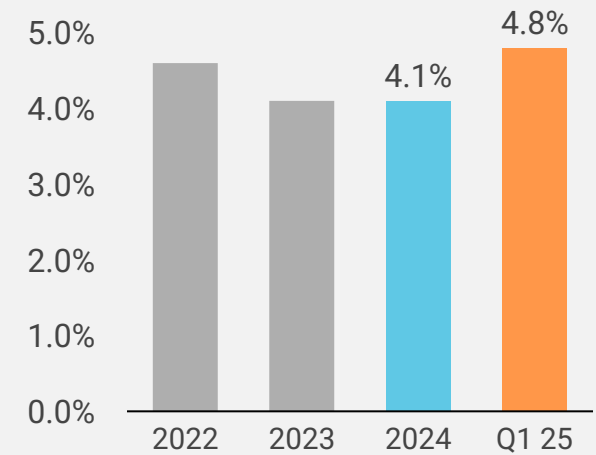
Number of lost-time injuries and severe personnel injuries not resulting in lost-time, including subcontractor employees, per million hours worked

Total recordable injury frequency (TRIF)

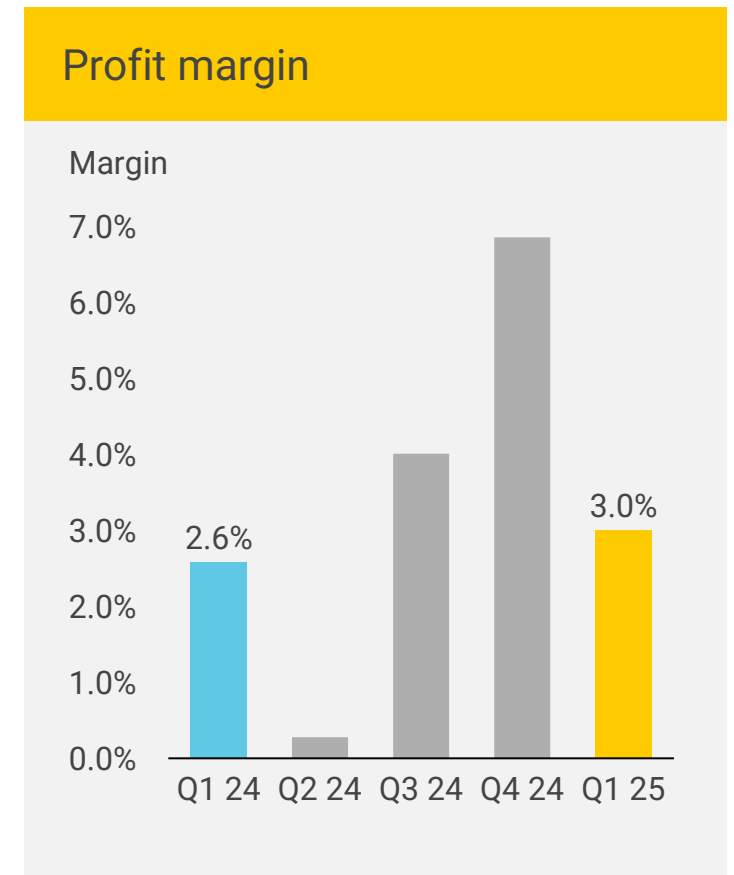
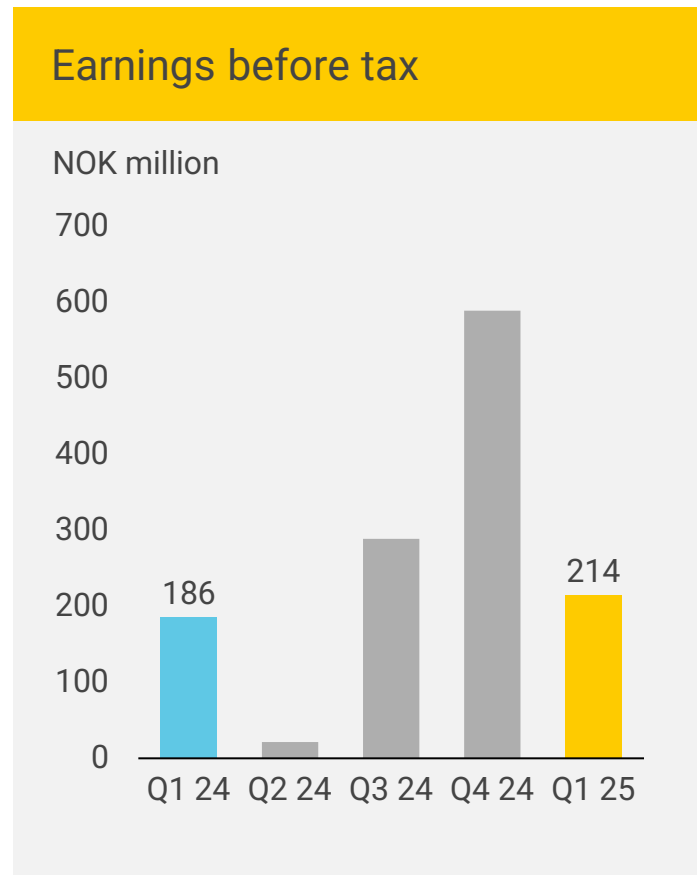
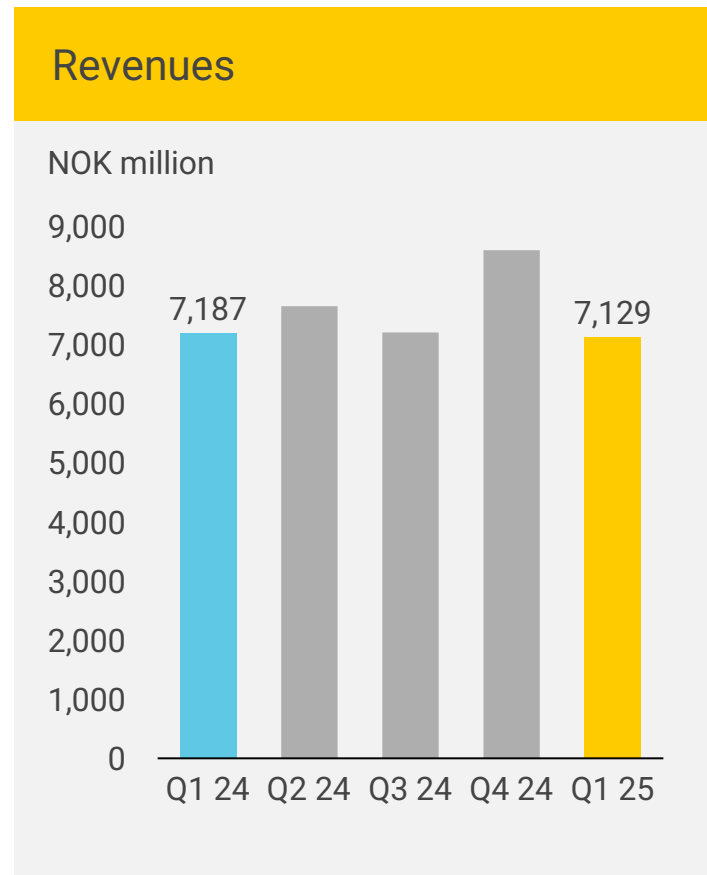


Number of lost-time injuries, injuries involving substitute work and medical treatment injuries, including subcontractor employees, per million hours worked

Sick leave



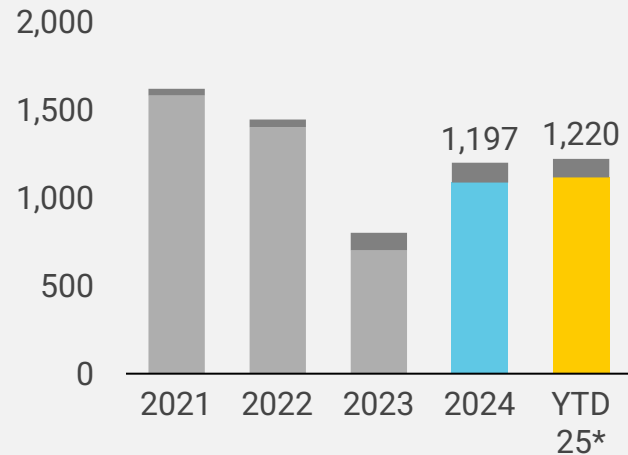
Revenues and earnings



Return on capital employed

Earnings before tax and interest expense *

NOK million

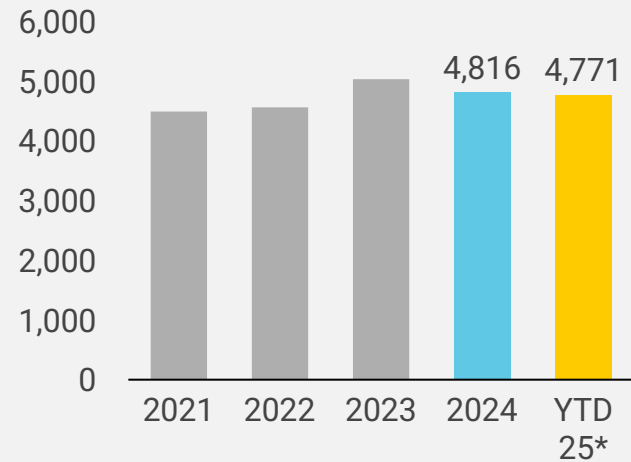


* Last four quarters

■ Interest expenses added

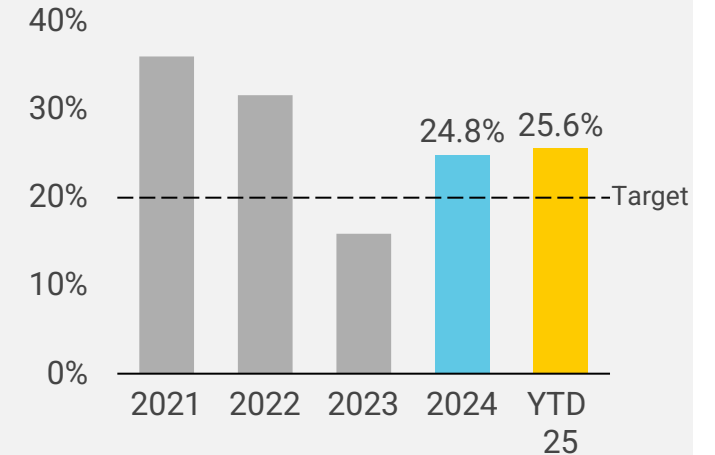
Average capital employed *

NOK million



* Rolling average last four quarters

Return on capital employed



The Group's target return on capital employed is 20%

Cash flow statement

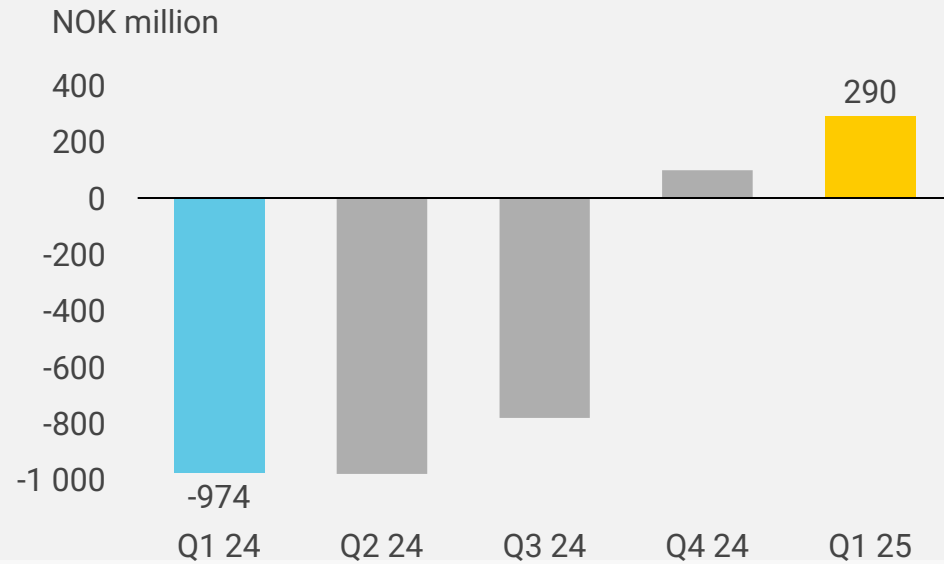
NOK million	Q1 2025	Q1 2024	2024
EBIT	223	201	1,149
Depreciation, amortisation and impairment	183	156	701
Change in net working capital	-25	-158	700
Taxes paid	-45	-58	-298
Other	-5	-13	-35
Cash flow from operations	330	128	2,217
Net investments	22	-110	-226
Dividend to shareholders in ASA	0	0	-380
Other capital transactions	-87	-206	-374
Interest paid and change in interest bearing debt	-264	190	-544
Net change in cash and cash equivalents	1	2	693
Net cash and cash equivalents at beginning of period	1,033	347	347
Change in cash and cash equivalents without cash effect	3	0	-7
Net cash and cash equivalents end of period	1,037	348	1,033

Cash flow from operations

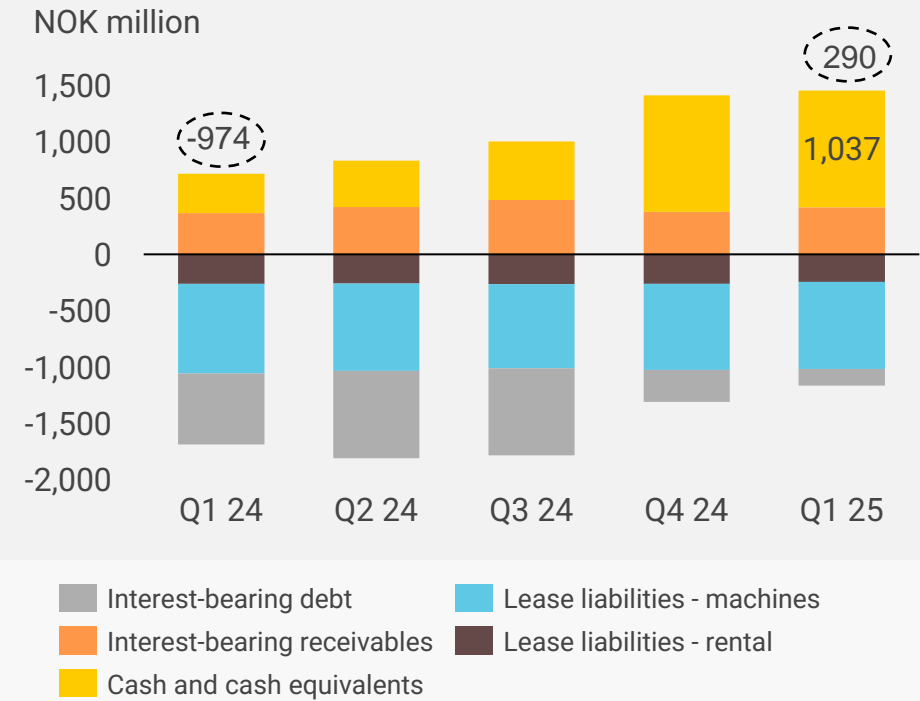


Net interest-bearing debt and liquidity

Net interest-bearing receivables (debt)



Components net interest-bearing receivables (debt)

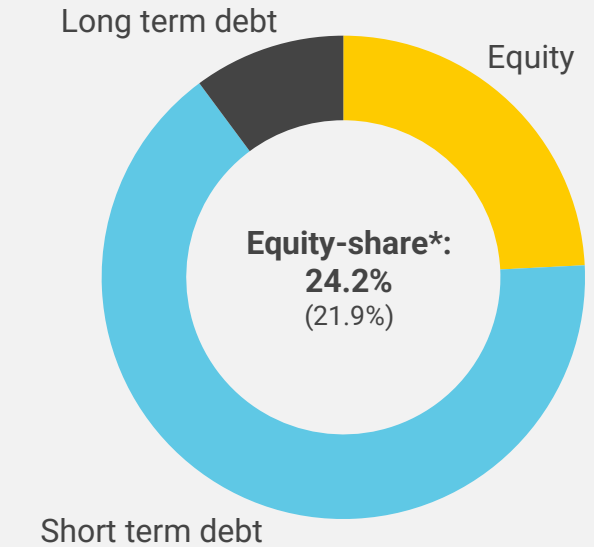


Available liquidity: NOK 4,496 million (including financial facilities of NOK 3,500 million)

Balance sheet

NOK million	31.03.24	31.03.23	31.12.23
Non-current assets	8,465	8,543	8,451
Current assets, ex. cash	5,504	6,146	5,519
Cash and cash equivalents	1,037	348	1,033
Total assets	15,006	15,038	15,003
Equity	3,632	3,288	3,488
Long term debt	1,524	1,389	1,537
Short term debt	9,850	10,360	9,978
Total equity and debt	15,006	15,038	15,003

Equity share

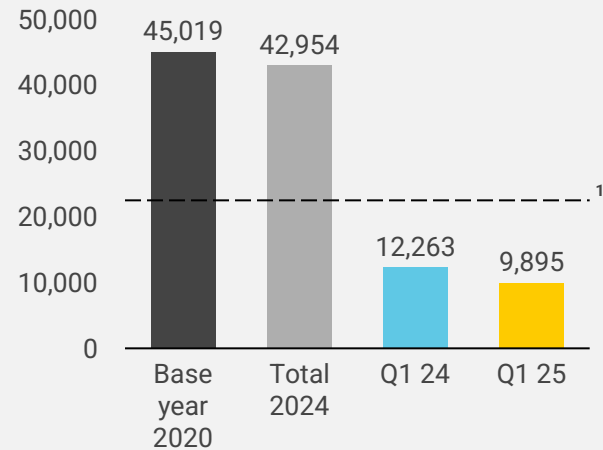


* Equity ratio excluding the effect of IFRS 16 is 25.5% per 31 March 2025

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

Climate and environment

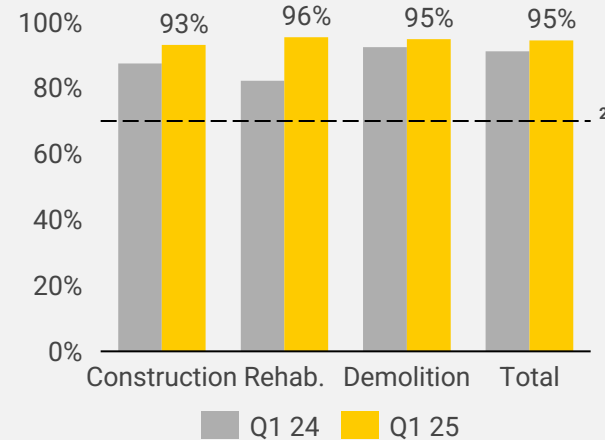
Greenhouse gas emissions (scope 1 and 2)

Tonnes CO₂e

¹ AF Gruppen goal for scope 1 og 2 by 2028

AF Gruppen has a goal of halving total greenhouse gas emissions by 2030, relative to revenue. For 2024, AFs greenhouse gas emissions were 649,822 CO₂e, where scope 1 and 2 emissions accounts for 7%

Source separation rate

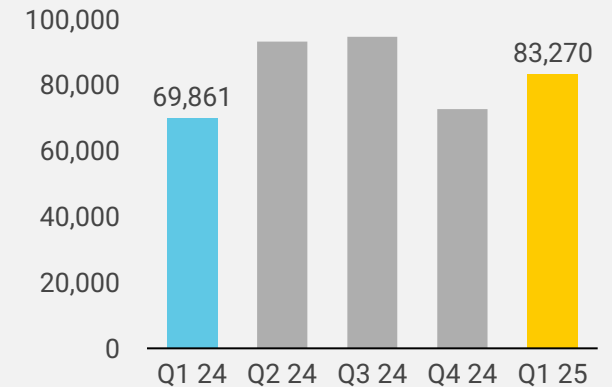


² Government requirement in TEK 17

Source separation of 50,267 tonnes (44,096) of waste in this quarter

Recycled contaminated masses and metal from demolition services

Tonnes



83,270 tonnes = 37,600 (29,777) tonnes reduction in alternative CO₂e emissions in this quarter

Business Areas

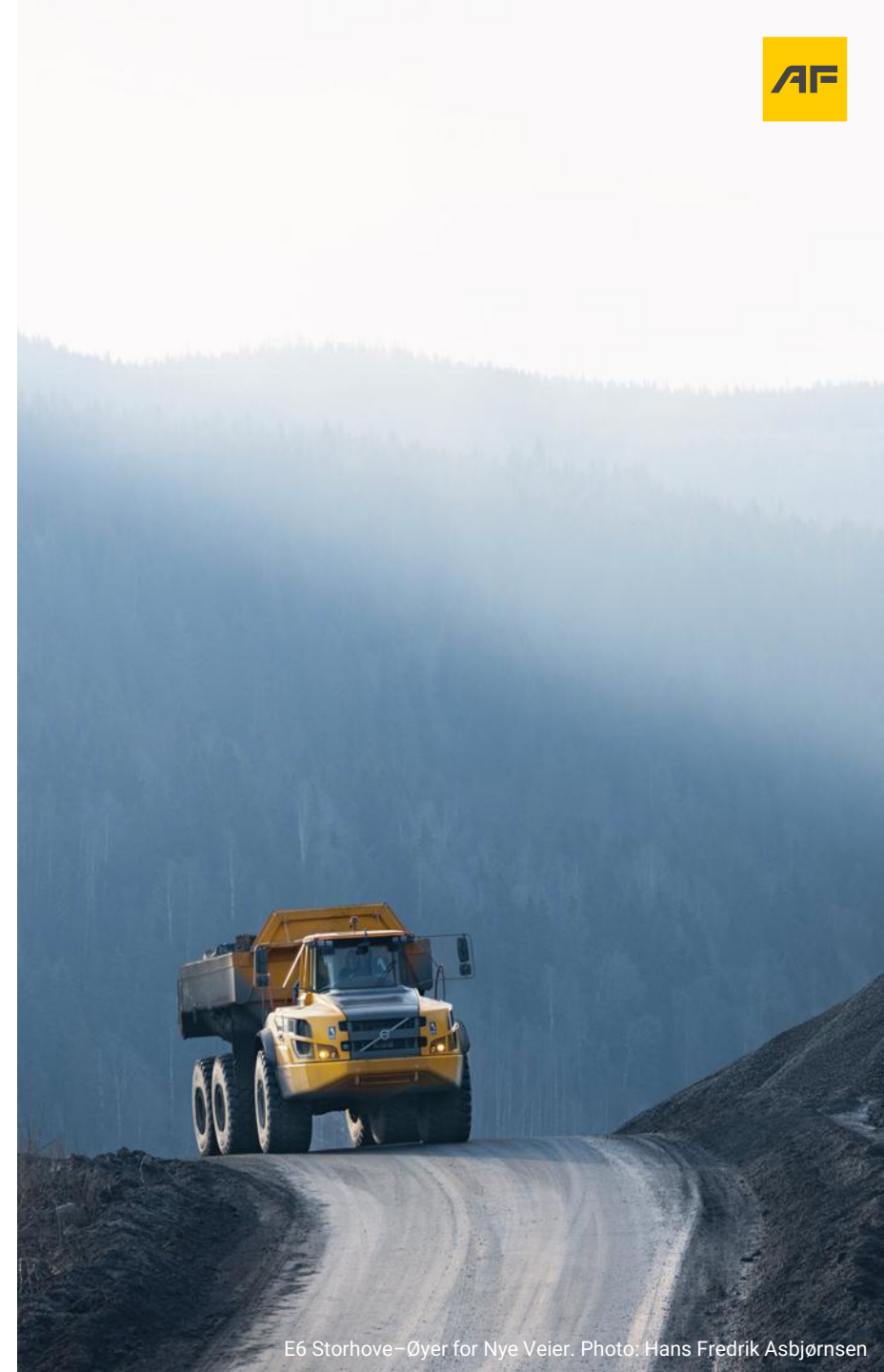
1st quarter 2025



Impacted by cancelled Stockholm contract

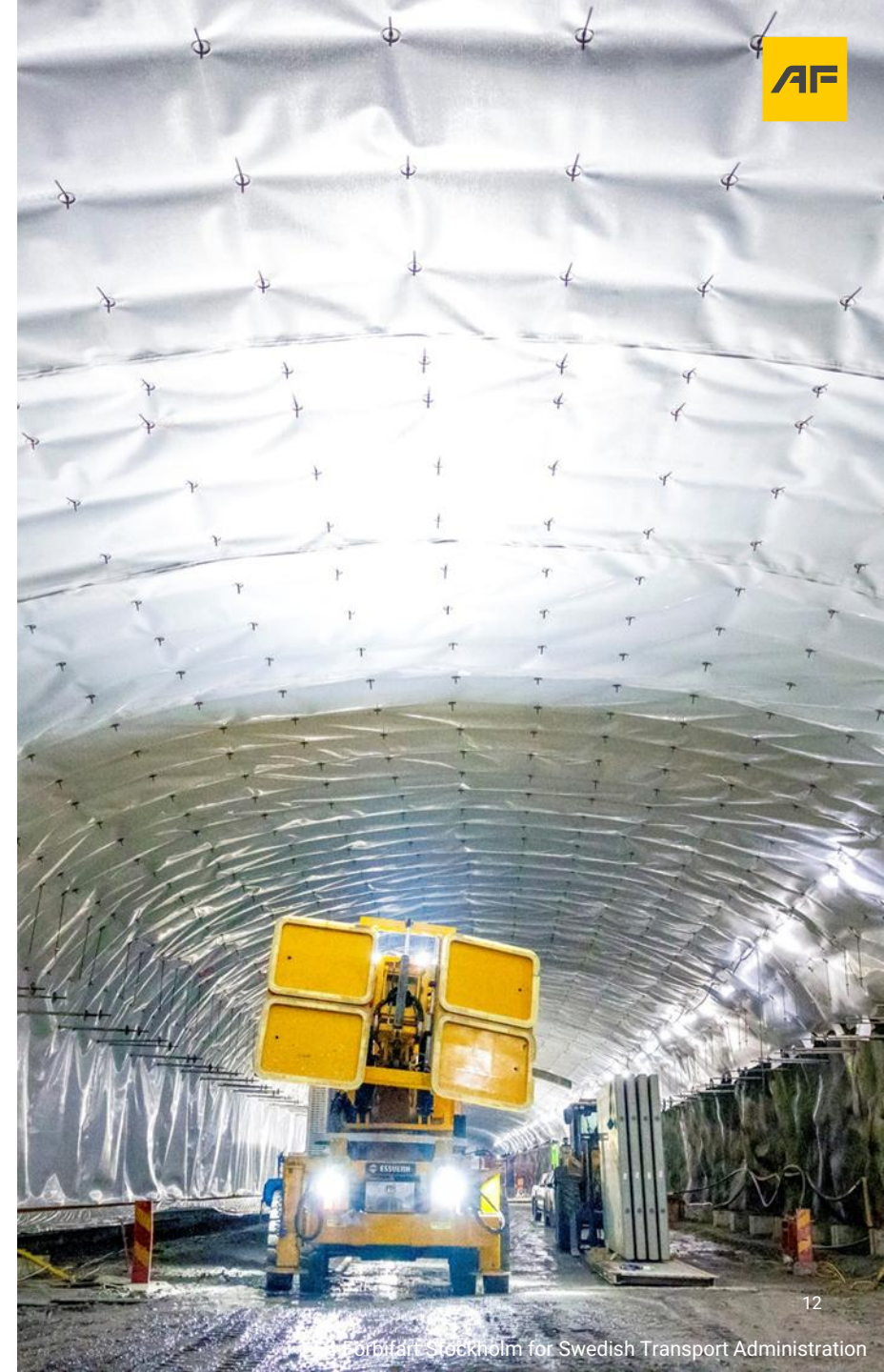
NOK million	Q1 25	Q1 24	2024
Revenues	2,366	2,044	9,590
EBIT	65	116	655
EBT	88	131	723
EBIT %	2.8%	5.7%	6.8%
EBT %	3.7%	6.4%	7.5%

- Civil Engineering has high activity and revenue growth of 16% from Q1 last year.
- AF Anlegg reports a result below expectations following cancellation costs related to the discontinuation of project E4 Förbifart Stockholm. Remaining project portfolio maintains high activity and good operations in the quarter.
- Målselv Maskin & Transport delivered a very good result in Q1. Stenseth & RS reports a good result in the quarter. Eiqon and VSP had weak results in the quarter.
- AF Anlegg signed a contract for detailed engineering and building of the new E6 Roterud–Storhove . The contract has a value of NOK 6,350 million excluding VAT.
- Order intake: NOK 6,584 (508) million. Order backlog: NOK 20,651 (16,604) million



Cancellation of contract at Lovö in Stockholm

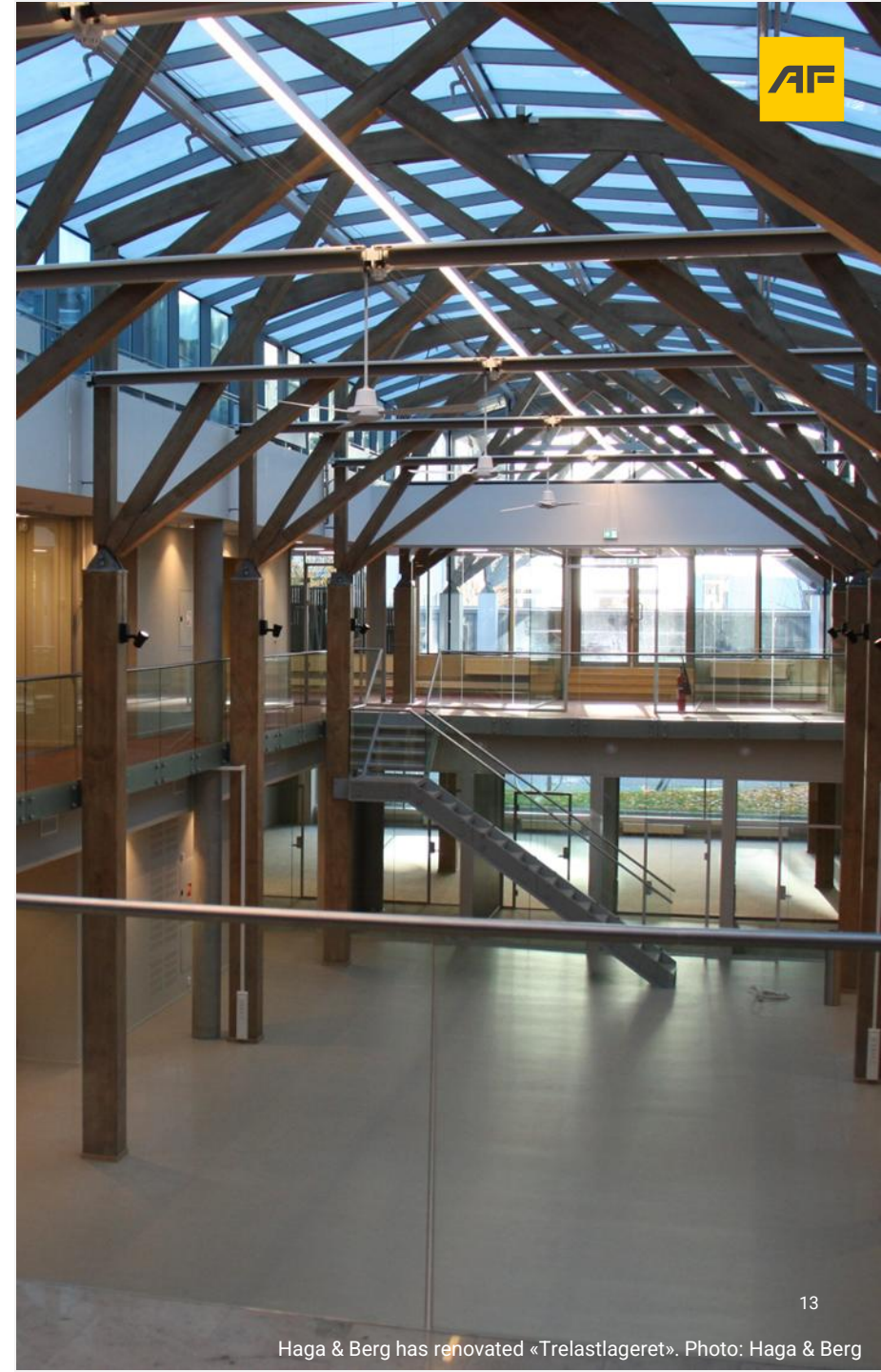
- The 19th of February the Swedish Transport Administration terminated the contract with AF Anläggning AB regarding the project E4 Förbifart Stockholm. The business unit has since been subject to legal proceedings.
- AF has performed work on the project since the summer of 2020, with estimated remaining production value of ca. NOK 1,000 million excl. VAT. Expected completion was Q4 2025.
- E4 Förbifart Stockholm was the only project in AF Anläggning AB. This business unit is expected to be poorly positioned for new contracts in Sweden while the dispute is ongoing.
- As a result of the termination we have incurred termination costs amounting to ca. NOK 100 million.
- AF strongly disagree with the accusations made by the Swedish Transport Administration and challenges the decision to terminate. The affected business unit will seek reparations for damages as a result of the termination.



Results somewhat below expectations in Q1

NOK million	Q1 25	Q1 24	2024
Revenues	2,114	2,203	8,881
EBIT	69	64	337
EBT	77	66	351
EBIT %	3.3%	2.9%	3.8%
EBT %	3.7%	3.0%	4.0%

- Construction has stable activity in Q1, with a result somewhat below expectations.
- AF Byggfornyelse, AF Bygg Østfold, Strøm Gundersen Vestfold and ÅBF delivered good results in Q1.
- Haga & Berg and LAB Entreprenør had results somewhat below expectations. Strøm Gundersen and HTB reported results below expectations. AF Bygg Oslo, AF Håndverk and FAS had weak results this quarter.
- LAB Entreprenør will rehabilitate a commercial property in Bergen. The contract has a value of NOK 131 million excl. VAT. Strøm Gundersen Vestfold will build a new office building in Horten. The collaboration contract has a value of NOK 108 million excl. VAT.
- Order intake: NOK 960 (3,386) million. Order backlog: NOK 9,977 (10,647) million



Stable activity and improved profitability

NOK million	Q1 25	Q1 24	2024
Revenues	1,044	1,005	4,367
EBIT	42	-20	120
EBT	55	-11	163
EBIT %	4.0%	-2.0%	2.8%
EBT %	5.3%	-1.1%	3.7%

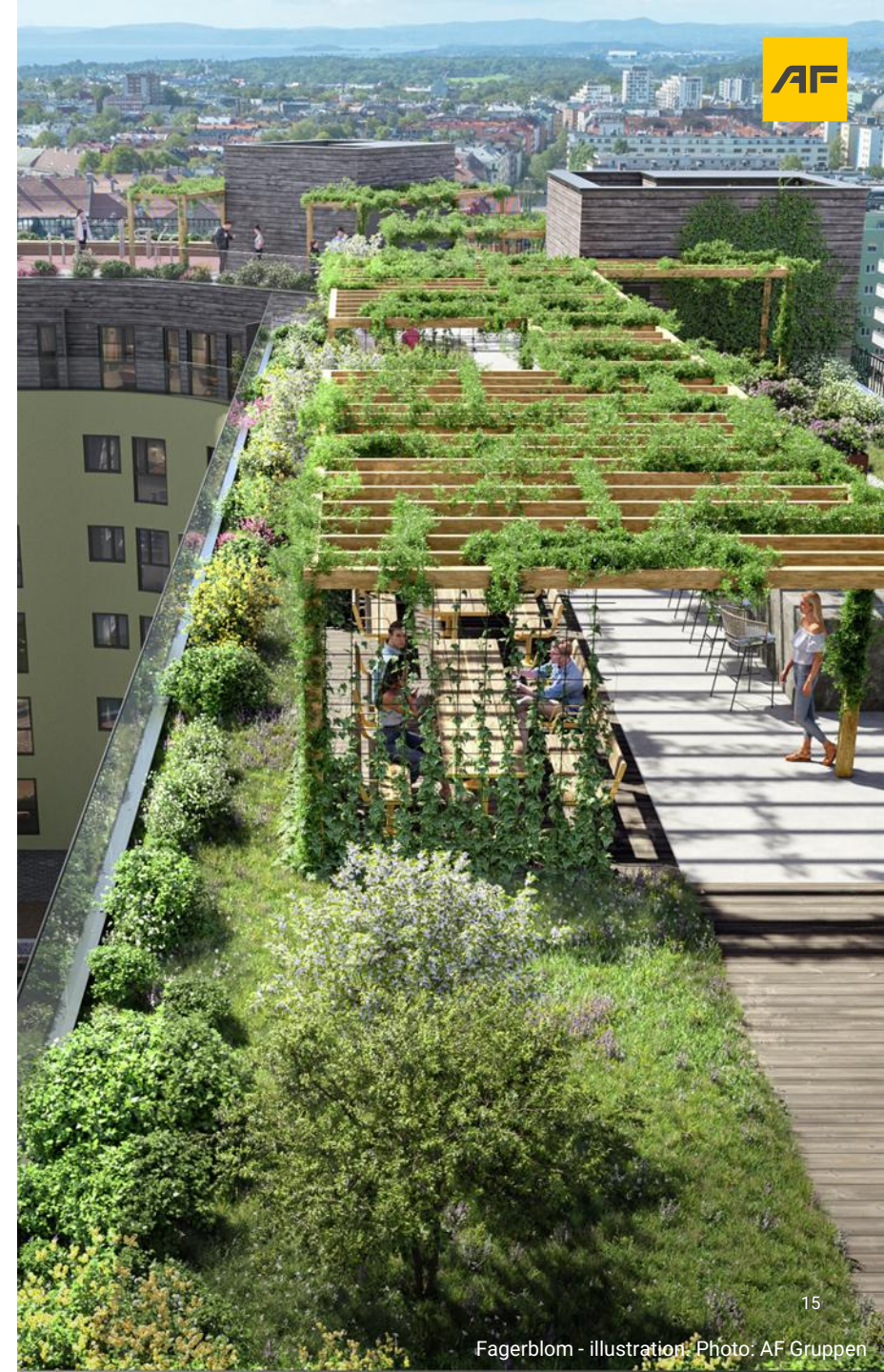
- Betonmast has stable activity and an improved profitability compared to Q1 of last year.
- Betonmast Oslo, Buskerud-Vestfold, Røsand, Innlandet and Østfold delivered good results in the quarter. Betonmast Trøndelag and Asker og Bærum reported somewhat below expectations, while Betonmast Romerike and Boligbygg had weak results in the quarter.
- Betonmast announced two new contracts in Q1. Betonmast Røsand will build a hotel by Campus Kristiansund amounting to NOK 320 million excl. VAT. Betonmast Oslo was selected by Oslobygg KF for additional buildings and rehabilitation at Stovner skole. The turnkey contract has a value of ca. NOK 300 million excl. VAT
- Order intake: NOK 1,171 (342) million. Order backlog: NOK 4,958 (5,539) million



Low activity

NOK million	Q1 25	Q1 24	2024
Revenues	5	6	23
EBIT	-8	-7	-39
EBT	-5	-3	-25
Capital employed	794	870	846

- A challenging property market with high interest has continued to contribute to low sales in the quarter. Sales contracts for 25 (19) residential units were signed in the quarter, AF's share was 11 (8). A total of 79 units were handed over in the quarter.
- One project was under production at the end of the quarter: Rolvsrud Arena in Lørenskog. The project has 95 units in production, of which AF's share is 32. The sales ratio in commenced projects is 34%.
- Residential portfolio in development: 1,542 (1,707) units. AF's share: 779 (852)
Commercial portfolio in development: 102,749 (73,407) GFA sqm. AF's share: 51,966 (36,524)



Improved result and increased order backlog

NOK million	Q1 25	Q1 24	2024
Revenues	960	1,361	5,399
EBIT	40	2	79
EBT	38	0	65
EBIT %	4.2%	0.1%	1.5%
EBT %	3.9%	0.0%	1.2%

- Sweden has improved profitability compared to the same quarter last year with a lower activity level.
- Kanonaden and AF Prefab Mälardalen deliver very good results in Q1. HMB reported results somewhat below expectations, while AF Härnösand Byggreturer, AF Bygg Syd, AF Bygg Öst and AF Bygg Väst had weak results in the 1st quarter.
- HMB announced a turnkey contract for the building of nursing homes in Eskilstuna. The project has a contract value of SEK 138 million excl. VAT.
- Order intake: NOK 1,455 (905) million. Order backlog: NOK 5,351 (4,672) million



Revenue growth and increased order intake

NOK million	Q1 25	Q1 24	2024
Revenues	365	338	1,510
EBIT	18	17	93
EBT	18	17	90
EBIT %	5.0%	5.1%	6.2%
EBT %	4.9%	5.1%	5.9%

- Energy and Environment increased activity levels by 8% compared to Q1 last year.
- AF Energi and AF Decom had results somewhat below expectations in the quarter. The environmental centers contributed with a very good result and has recycled 74,900 (63,923) tonnes of material in the 1st quarter.
- AF Energi announced that they were awarded a contract for electromechanical works at Aker hospital heating plant. The contract has a value of ca. NOK 100 million excl. VAT.
- Order intake: NOK 436 (347) million. Order backlog: NOK 1,265 (1,258) million



Reduced revenue and weak profitability

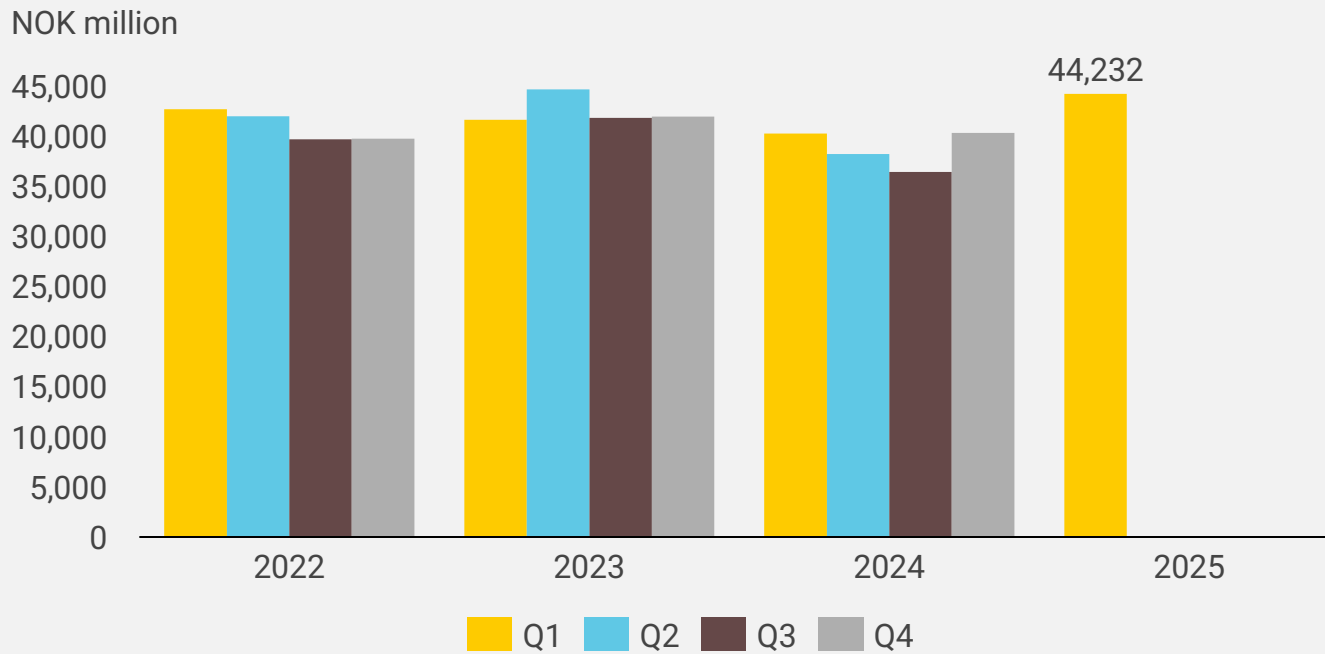
NOK million	Q1 25	Q1 24	2024
Revenues	261	295	1,081
EBIT	2	14	-201
EBT	-5	7	-236
EBIT %	0.9%	4.7%	-18.6%
EBT %	-2.1%	2.3%	-21.8%

- Offshore has reduced revenue and weak profitability in the quarter.
- Aeron maintains a high level of activity and delivers good profitability.
- AF Offshore Decom has low activity and a weak result in the 1st quarter.
- Aeron was awarded a contract by the steel producer Stegra for delivery of ventilation systems in their new production facility in Sweden. The contract has a value of ca. NOK 200 million excl. VAT.
- Order intake: NOK 338 (183) million. Order backlog: NOK 1,830 (1,297) million

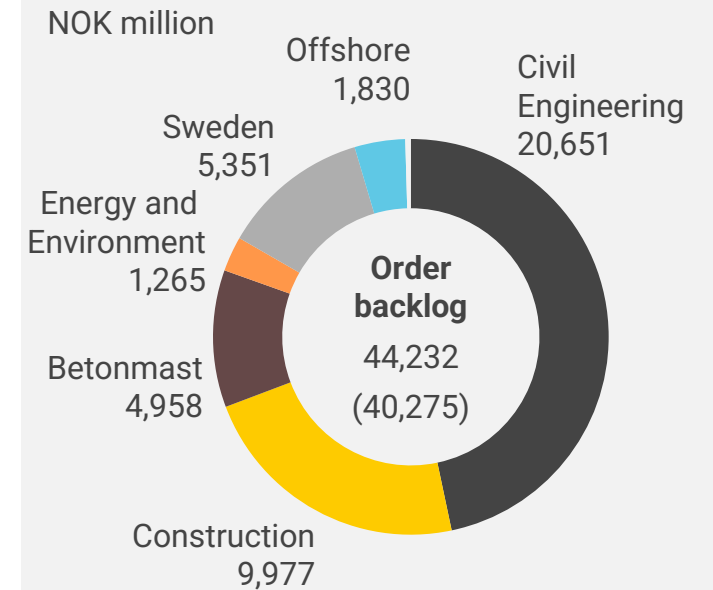


Strong order backlog

Development in order backlog



Order backlog distribution



Group Strategy AF Gruppen

2025–2028

Theme presentation Q1 25

AF



Our strategy and priorities are influenced by our surroundings



Global
uncertainty



Economic cycles

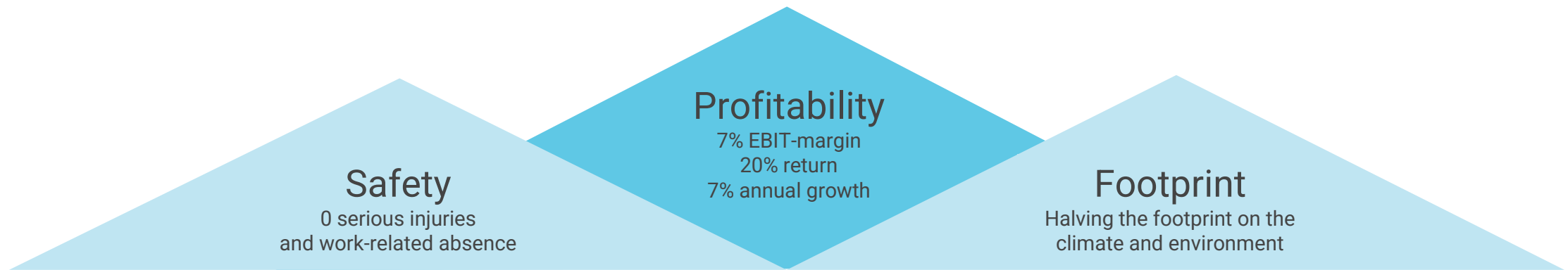


Green transition
and technological
progress

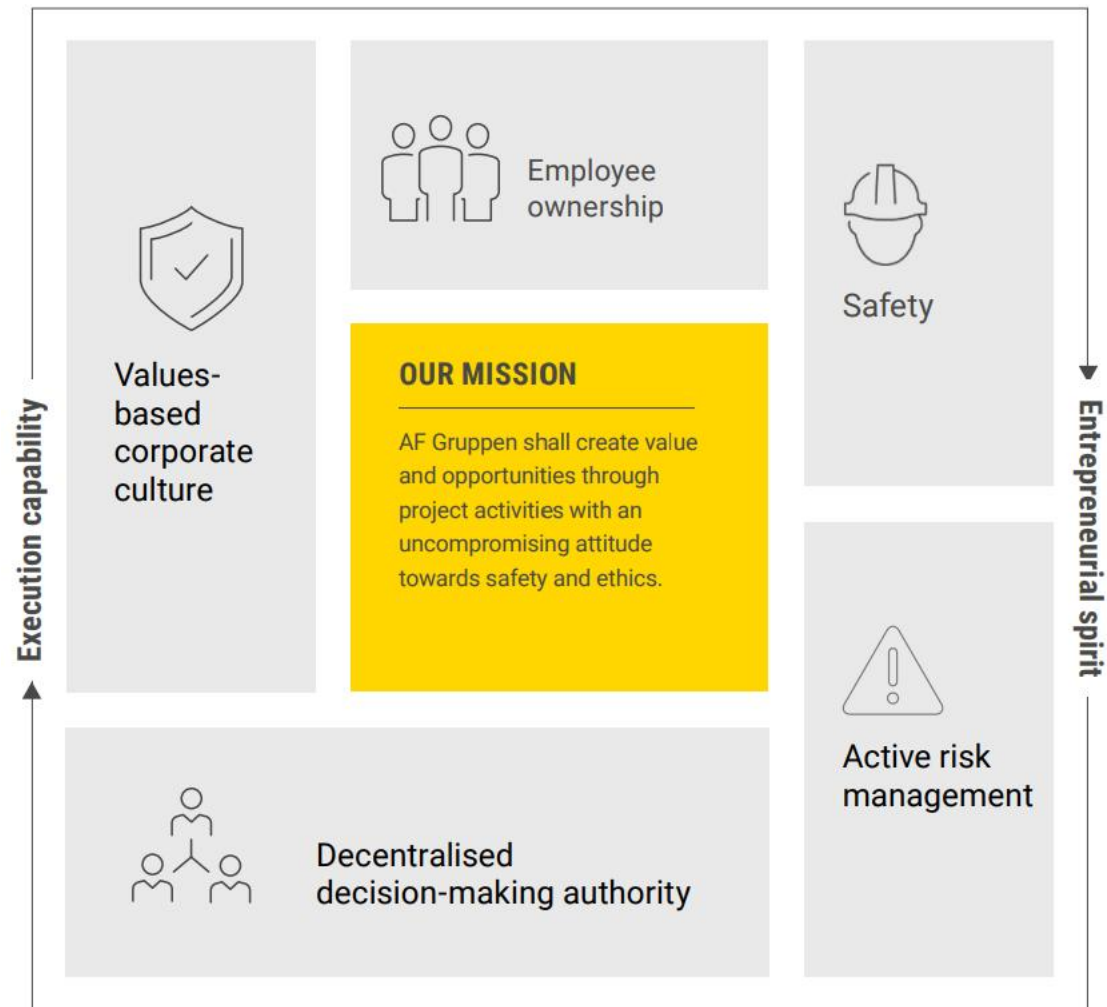


Competition for
qualified resources

AF Gruppen holds a three-part goal towards 2028



Clearing up the past, building for the future



AF Gruppen has two strategic initiatives that will strengthen our ability to achieve our goals





Leadership and expertise

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

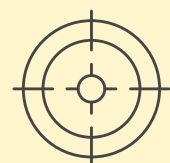
Preferred employer

Strong culture and high job satisfaction

Targeted skills development

Robust organization and good managerial capacity

We must ensure compliance with the core principles of our project operations



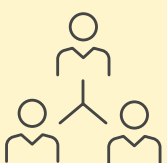
Project selection



Customer relations



Calculation



Project organization



Planning



Procurement



Financial management



Contract management



Innovation

We will lead the way in solving critical societal challenges

Halve the carbon footprint

Improve production and project operations

Business opportunities

Expertise and insight



Productivity: We will strengthen our competitiveness by improving our production and project activities

Measuring and improvement of core processes and critical operations

Industrialisation and technology, utilisation of data and artificial intelligence

Greenhouse gas emissions:

We will halve our total greenhouse gas emissions

Target for emissions

BY 2028

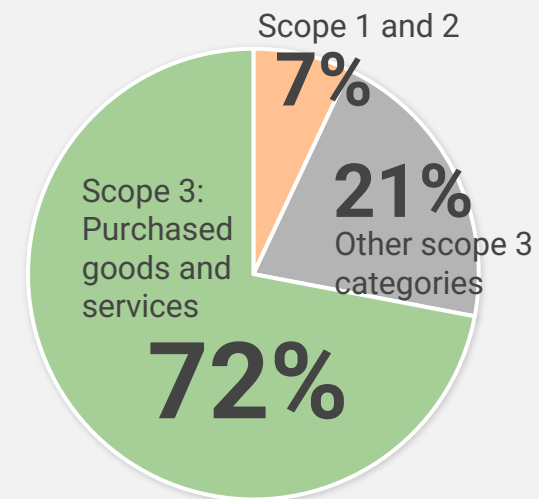
Halve
absolute emissions
for scope 1 and 2

Emissions from machines and buildings owned or controlled by AF, and AF's own energy consumption

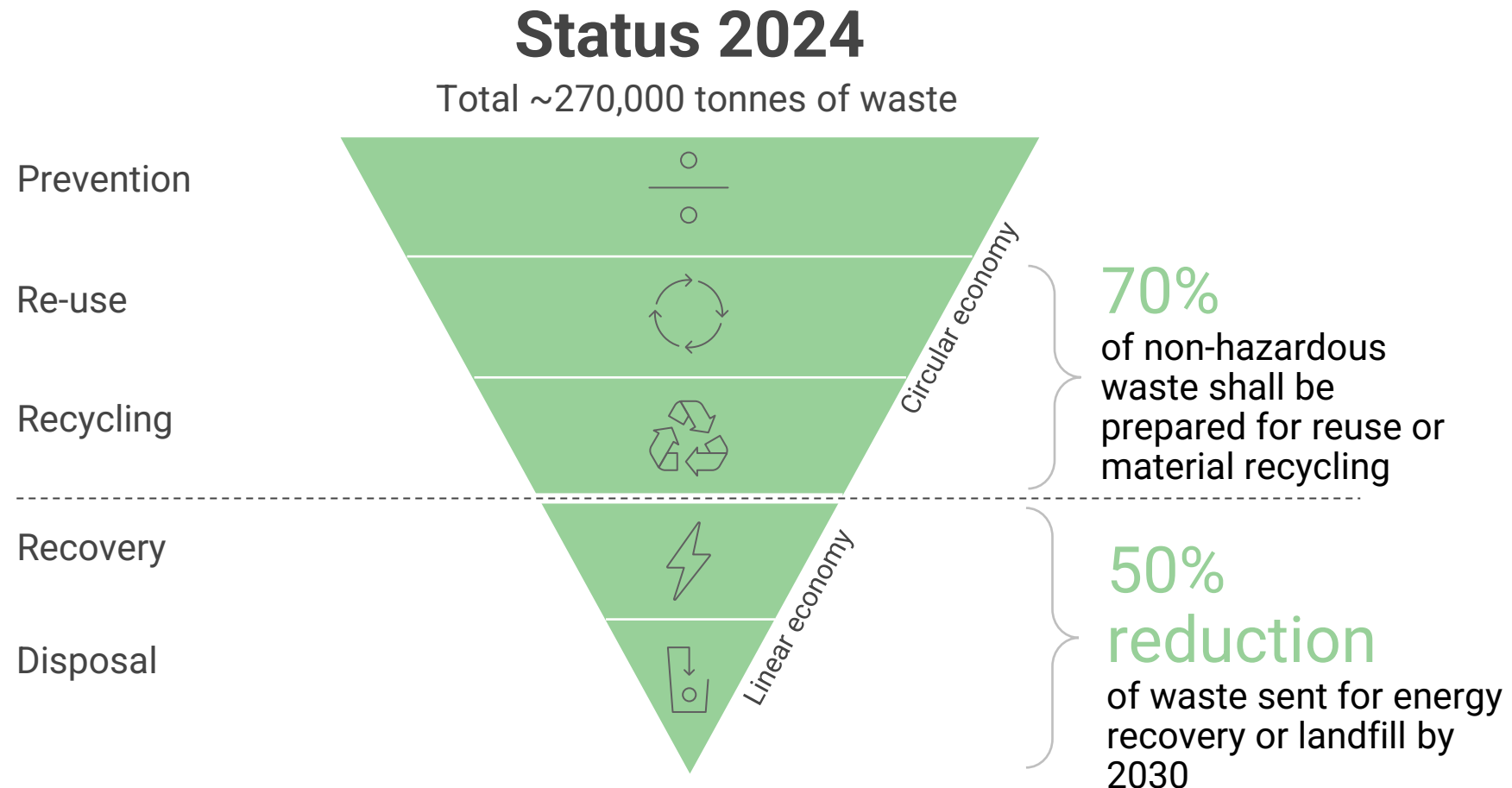
BY 2030

Halve
total emissions
relative to revenue

also includes scope 3, which express emissions in the value chain



Circular economy: We will prepare for re-use or recycling



Our goals are ambitious



Our compass is clear:

Competitiveness
New business
Profitability

AF will seek new strategic positions that develop and differentiate us as an industrial player

- Industrial ownership
- Project related business
- Long term value creation
- Differentiating
- Develop competence



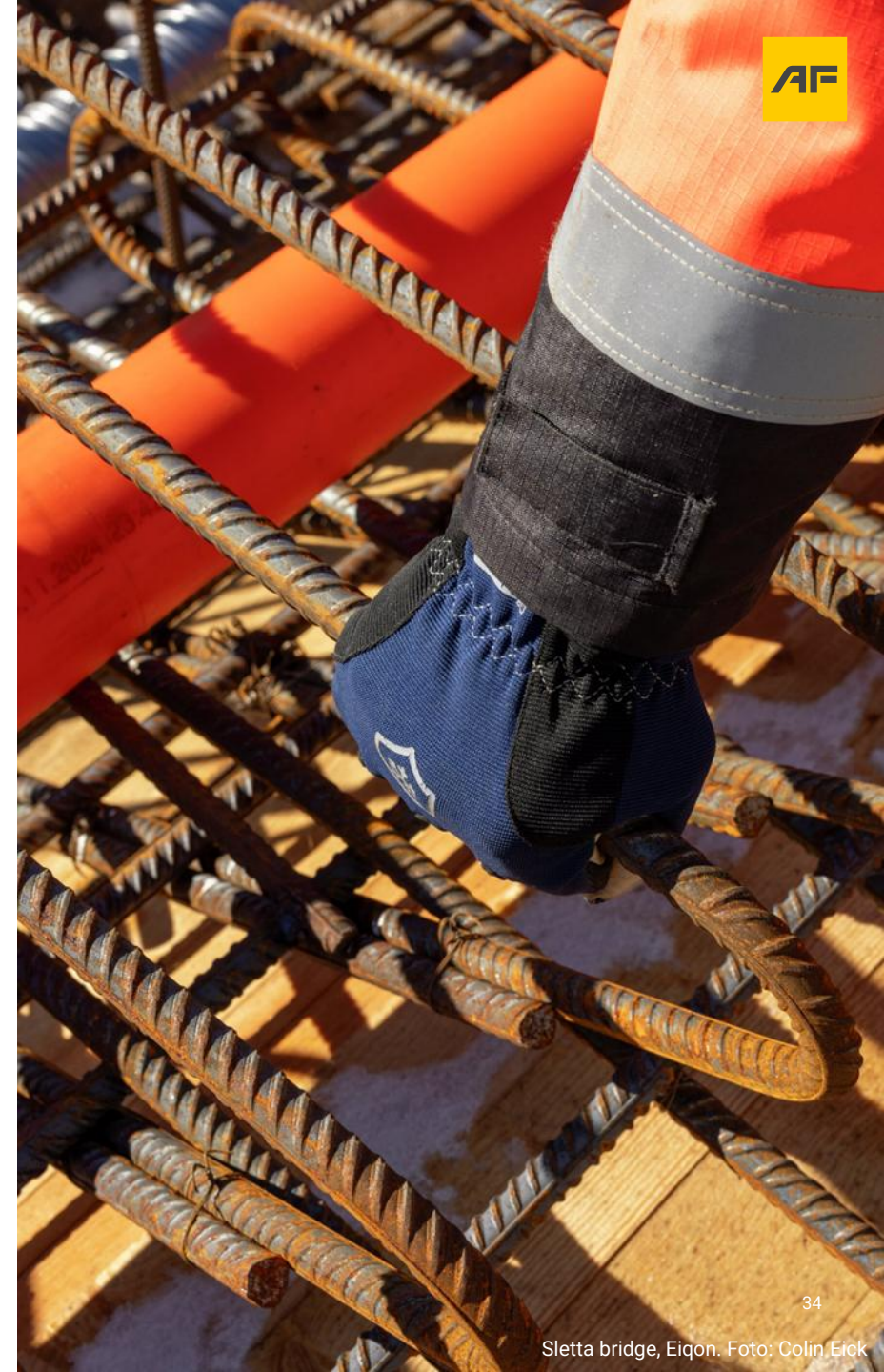
Clearing up the past, building for the future



Summary

NOK million	Q1 25	Q1 24	2024
Revenues	7,129	7,187	30,638
EBIT	223	201	1,149
EBT	214	186	1,085
EBIT %	3.1%	2.8%	3.8%
EBT %	3.0%	2.6%	3.5%

- Improved results
- Strong financial position
- Order intake: NOK 11,010 (5,472) million
- Solid order backlog: NOK 44,232 (40,275) million



Thank you for your attention

Presentation of Q2
29 August 2025

The AF logo is displayed in a yellow square in the top right corner. It consists of the letters 'AF' in a bold, black, sans-serif font.