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FRIEDRICH VORWERK plans Initial Public Offering (IPO) to accelerate growth in the hydrogen market

- FRIEDRICH VORWERK is planning the admission to trading its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange as early as Q1 2021
- The Company is a leading provider of energy transportation and transformation infrastructure for the gas, electricity and hydrogen markets with more than €291 million in revenues at 16 % EBIT margin in 2020
- The clean energy transition is expected to lead to substantial investments of more than €17 billion in the German electricity grids until 2026 and more than €430 billion in the European hydrogen economy by 2030
- The Company targets gross proceeds of approximately €90 million from newly issued shares to further accelerate the growth of its business, especially in the hydrogen and electricity markets
- The Company's existing shareholders have committed to a significant secondary component to reach a target free float of around 45 %

Tostedt, 8 March 2021 - FRIEDRICH VORWERK Group SE, a leading provider of energy transportation and transformation infrastructure for the gas, electricity and hydrogen markets ("FRIEDRICH VORWERK" or the "Company"), announces its intention to float its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange as early as in the first quarter of 2021. The Company is a subsidiary of MBB SE (ISIN DE000A0ETBQ4). The planned initial public offering will comprise newly issued shares from a capital increase against cash and existing shares from its current shareholders (including a potential over-allotment), leading to a target free float of around 45 %. Importantly, FRIEDRICH VORWERK will remain an owner-managed business going forward with CEO Torben Kleinfeldt retaining a significant stake in the Company. The lock-up period will be 180 days for the Company and 365 days for the selling shareholders. The gross proceeds from newly issued shares of approximately €90 million are primarily intended to grow the Company's hydrogen and electricity business that is expected to benefit from substantial investments in light of the clean energy transition .

FRIEDRICH VORWERK has almost 60 years of experience in energy transportation and transformation infrastructure. With more than 1,300 highly qualified employees, the Company covers a wide range of critical services for gas, electricity and hydrogen applications. From the planning and design of energy grids to the engineering and realization of complex energy transformation systems, FRIEDRICH VORWERK offers the entire range of turnkey services to leading network operators and industrial customers in Europe.

Innovative technologies in areas like horizontal directional drilling (HDD), flow measurement, dust liquidity separation and cathodic corrosion protection have enabled FRIEDRICH VORWERK to achieve a 16 % EBIT margin in 2020 and 22 % revenue growth per year from 2014 to 2020 (CAGR). More than 50 certifications and accreditations allow the Company to work on critical high-pressure and high-voltage energy. The combination of technological expertise, hard-to-attain certifications and long-standing customer relationships enables FRIEDRICH VORWERK to benefit from the upcoming market opportunities.

The clean energy transition will lead to substantial investments into Europe's energy infrastructure

Europe intends to become the first climate-neutral continent by 2050. Achieving this ambitious goal commands a fundamental and sustained transformation of the European energy infrastructure. FRIEDRICH VORWERK's core end-markets natural gas, electricity and hydrogen play a crucial role in reaching net-zero emissions and are hence attracting unparalleled infrastructure investments by governmental and private actors alike.

As many countries across Europe plan to phase-out coal and , especially in Germany, also nuclear power, natural gas is gaining an increasingly important role as a reliable and flexible energy source that complements fluctuating renewable energy production. In the power sector as well as in many other sectors of the economy, low-carbon natural gas offers huge potentials to improve air quality and cut carbon emissions by replacing other energy sources such as coal or oil. As a result, German network operators have firmly committed to invest almost €9 billion in the upgrade and expansion of its 500,000+ km natural gas network by 2030.

Electricity grids are facing significant capacity constraints, as an ever-increasing amount of wind and solar power has to be transported from its source to the largest consumer hubs in Europe. To enable a stable and efficient power grid, the German network operators have hence committed to invest €61 billion in the electricity transmission grid over the next 10 years, approximately half thereof earmarked for the realization of Germany's first long-distance underground electricity highways.

Hydrogen is expected to become the only viable clean energy alternative whenever electrification is not a feasible pathway to decarbonisation. As a result, clean hydrogen produced from renewable energy is building unprecedented political and business momentum. Fuelled by the ambitious European Hydrogen Strategy and a projected investment volume of more than €430 billion by 2030, players from across industries are beginning to launch major projects, both for industrial-scale hydrogen production as well as its seamless transport through a dense European pipeline backbone.

FRIEDRICH VORWERK's technological competence sets it apart

FRIEDRICH VORWERK offers its customers cutting-edge energy transportation and transformation systems as turnkey solutions. Starting with the planning & design phase, the Company employs state-of-the-art technologies such as airborne laser scanning for meta- and approval planning. In the area of energy grids, FRIEDRICH VORWERK's automated welding technologies as well as patented no-dig drilling procedures ensure safe and reliable grids. For energy transformation systems, FRIEDRICH VORWERK leverages its proprietary components to engineer complex and customized plants, equipped with intelligent infrastructure management systems. Finally, FRIEDRICH VORWERK offers its customers a full range of services & operations from ultrasonic inspections to the operational management of energy grids.

With more than 50 official accreditations and certificates as well as its ability to deliver innovative, tailor-made and efficient solutions to customers, the Company commands strong market positions across its natural gas, electricity as well as hydrogen markets. Building on its broad engineering expertise and long-standing relationships with customers, the Company typically enters projects at a very early stage, oftentimes resulting in joint development projects with customers. Showcasing its innovative edge, FRIEDRICH VORWERK currently realizes the first CO₂-neutral gas pressure regulating system for a major German grid operator, with its proprietary vortex tubes as the heart of the system.

With a history in the hydrogen industry dating back to the first hydrogen electrolyser project in 2008, FRIEDRICH VORWERK is leveraging its experience in handling complex gases at high pressures by engineering sophisticated clean hydrogen electrolyser systems as well as hydrogen-ready pipeline grids. Already accounting for 7% of the order backlog as of 31 December 2020 and with all major natural gas customers planning significant hydrogen investments going forward, FRIEDRICH VORWERK is well positioned to capitalise on its first-mover advantage and the substantial market opportunities ahead. Through its memberships in Europe's leading industry associations such as the European Clean Hydrogen Alliance or Hydrogen Europe, FRIEDRICH VORWERK continuously engages with partners, researchers as well as policy makers in order to actively shape the hydrogen industry of the future.

Highly attractive financial profile in line with outstanding competitive position

The operational strength of FRIEDRICH VORWERK is clearly reflected in its attractive financial profile. The revenues of the Company grew to more than €291 million in 2020. EBITDA and EBIT reached €59 million and €47 million respectively. The Company's asset-light business model is underlined by a depreciation of less than 4% of revenues and a cash conversion of 65% in 2020. The equity ratio of 36% is further testament of the Company's strength.

Order backlog as at 31 December 2020 reached a record €307 million, out of which 7% or €21 million were already attributable to the hydrogen segment, 73% to the natural gas segment, 13% to the electricity segment and 7% to adjacent opportunities. Additionally, FRIEDRICH VORWERK has a sales pipeline with large potential order volumes from the new underground electricity highways Suedlink, Suedostlink and Corridor A-Nord as well as a number of hydrogen electrolyzer plants and pipelines.

On the back of this excellent position, FRIEDRICH VORWERK sees the potential to grow its revenues to more than €500 million over the next 3-5 years and to over €1 billion over the next 7-10 years. The share of revenues from the electricity segment is expected to grow significantly in the coming years. The strongest growth is anticipated in the hydrogen segment that could account for half of FRIEDRICH VORWERK's revenues in the long term.

New funds enable expansion of the business

In order to seize the market opportunities in the context of the clean energy transition, FRIEDRICH VORWERK plans to considerably expand its business over the next years. The growing hydrogen market will require large-scale solutions for production, transportation and storage of hydrogen. FRIEDRICH VORWERK is therefore planning a dedicated hydrogen lab that will become the centre of its hydrogen focused research and development activities. The hydrogen lab will also serve as a demonstration and testing platform for joint development with customers.

Additionally, FRIEDRICH VORWERK sees large potential in a further international expansion. Investments into the hydrogen economy and a hydrogen infrastructure are developing on a European level, as witnessed by the European Green Deal and European hydrogen strategy. The Company therefore sees the opportunity to increase its geographical footprint in other European countries. Furthermore, FRIEDRICH VORWERK has already invested significantly into its digitization efforts over the past years, becoming a digital leader in its industry. In order to strengthen this position, further investments into digitization and automation are planned for the future.

FRIEDRICH VORWERK therefore intends to raise approximately €90 million from newly issued shares in order to finance its organic expansion plans and to allow for M&A that could be an attractive accelerator to organic growth. With a long track-record and the last acquisition completed just less than two weeks ago, FRIEDRICH VORWERK has both the experience and the discipline to successfully complete acquisitions and to integrate newly acquired subsidiaries.

For the planned initial public offering, Berenberg and Jefferies are acting as joint global coordinators and Hauck & Aufhäuser as joint bookrunner.

Key financial figures (in € thousand)

Adjusted figures	2020	2019 Like-for-like ¹
Revenue ²	291,228	269,487
EBITDA ³	58,570	49,988
<i>EBITDA margin</i>	20.1%	18.5%
EBIT ⁴	47,394	39,500
<i>EBIT margin</i>	16.3%	14.7%
Net income ⁵	30,521	30,931
<i>Net income margin</i>	10.5%	11.5%

Reported figures	2020	2019 Like-for-like ¹
EBITDA	58,822	56,190
<i>EBITDA margin</i>	20.2%	20.3%
EBIT	47,468	45,361
<i>EBIT margin</i>	16.3%	16.4%

- 1) Like-for-Like Financial Information of FRIEDRICH VORWERK Group SE presents income statement as if Bohlen & Doyen Bau GmbH and Bohlen & Doyen Service und Anlagentechnik GmbH (together "Bohlen & Doyen") had been part of the Company for the full fiscal year 2019
- 2) Calculated based on the revenue as reported adjusted for the revenue contributions from offshore operations conducted by Bohlen & Doyen which were discontinued going forward
- 3) Adjusted EBITDA represents EBITDA as reported adjusted for income from initial consolidation, which is due to the "Badwill" realized in connection with acquisitions, and minus the EBITDA contributions from offshore operations conducted by Bohlen & Doyen which was discontinued going forward.
- 4) Adjusted EBIT is based on Adjusted EBITDA minus depreciation and amortization (as reported) and adjusted for depreciation and amortization on assets capitalized in connection with purchase price allocations.
- 5) Adjusted Net profit is based on Adjusted EBIT minus financial income and financial costs, income taxes and other taxes (each as reported) and adjusted for deferred taxes in connection with purchase price allocations and for taxes attributable to the offshore operations conducted by Bohlen & Doyen which was discontinued going forward.

About FRIEDRICH VORWERK

FRIEDRICH VORWERK is a leading provider of energy transportation and transformation infrastructure for the gas, electricity and hydrogen markets. With almost 60 years of experience in pipeline and plant engineering, FRIEDRICH VORWERK's 1,300 highly qualified employees cover a wide range of critical services for the European clean energy transition. In 2020, FRIEDRICH VORWERK generated revenues of more than €291 million with EBITDA of €59 million and EBIT of over €47 million.

Further information on FRIEDRICH VORWERK can be found at www.friedrich-vorwerk.de.

Contact Details

FRIEDRICH VORWERK Group SE
Niedersachsenstraße 19-21
21255 Tostedt
Tel +49 4182 - 1047
Fax +49 4182 - 6155
tostedt@friedrich-vorwerk.de
www.friedrich-vorwerk.de/

Management Board
Torben Kleinfeldt (CEO)
Tim Hameister

Chairman of the Supervisory Board
Dr. Christof Nesemeier

Court of Registration
District Court of Tostedt, registration number: HRB 208170

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