

Berenberg EU Opp Conference

March 07, 2024

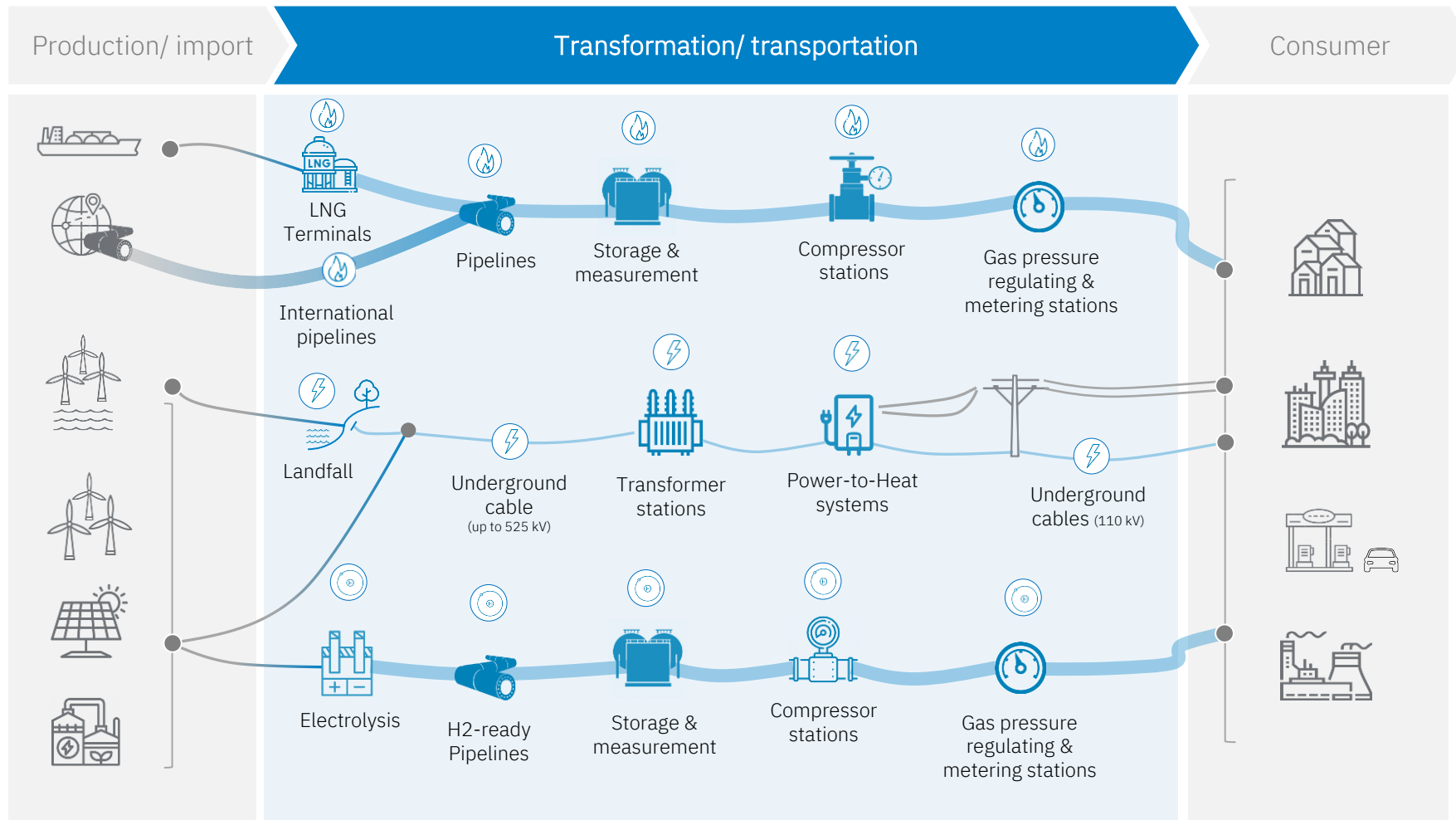


Driving the clean energy transition.

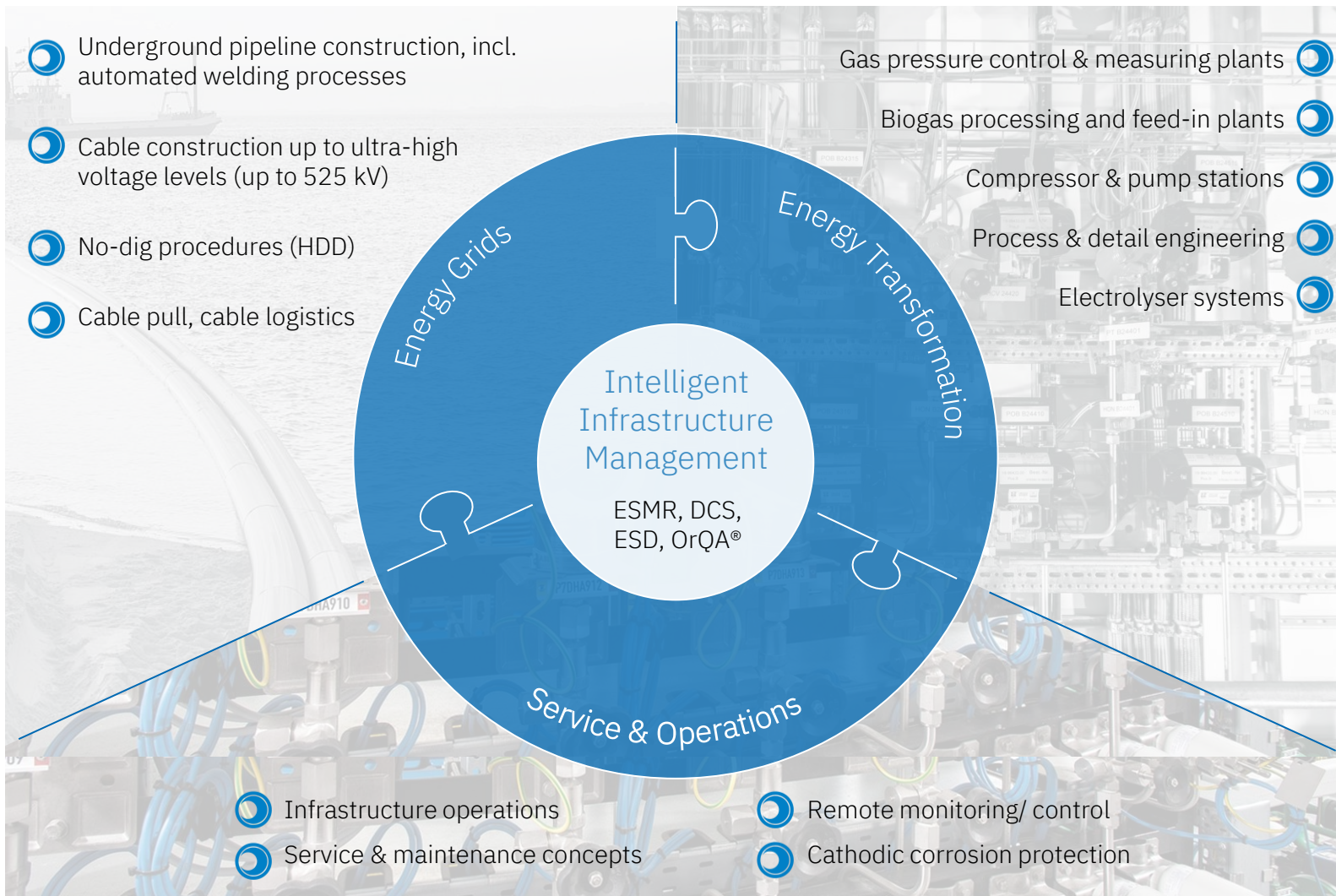
Introduction



VORWERK is critical in transforming and delivering energy from producers to consumers



VORWERK's fully integrated service offering enables critical energy infrastructure

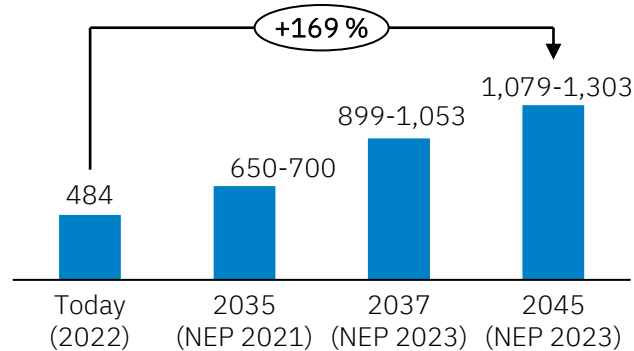


Market update

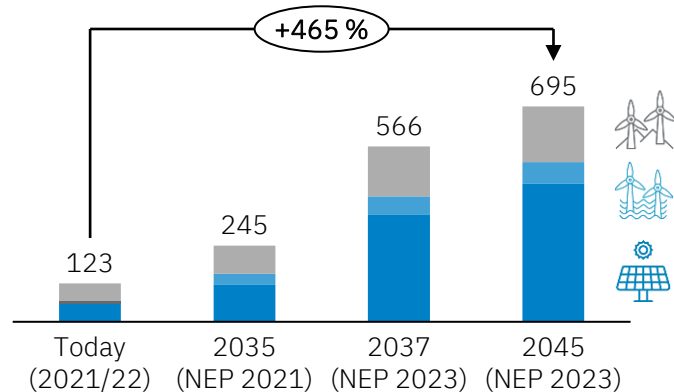


The draft grid development plan electricity foresees additional investments of 240 bn € by 2045

Gross electricity consumption
in TWh



Installed capacity Renewables
in GW



25,740 km

of additional electricity lines (on- and offshore) in Germany by 2045

240 bn €

total investment in new electricity lines (on- and offshore) in Germany by 2045 (vs. €118 bn € by 2035 in previous GDP)

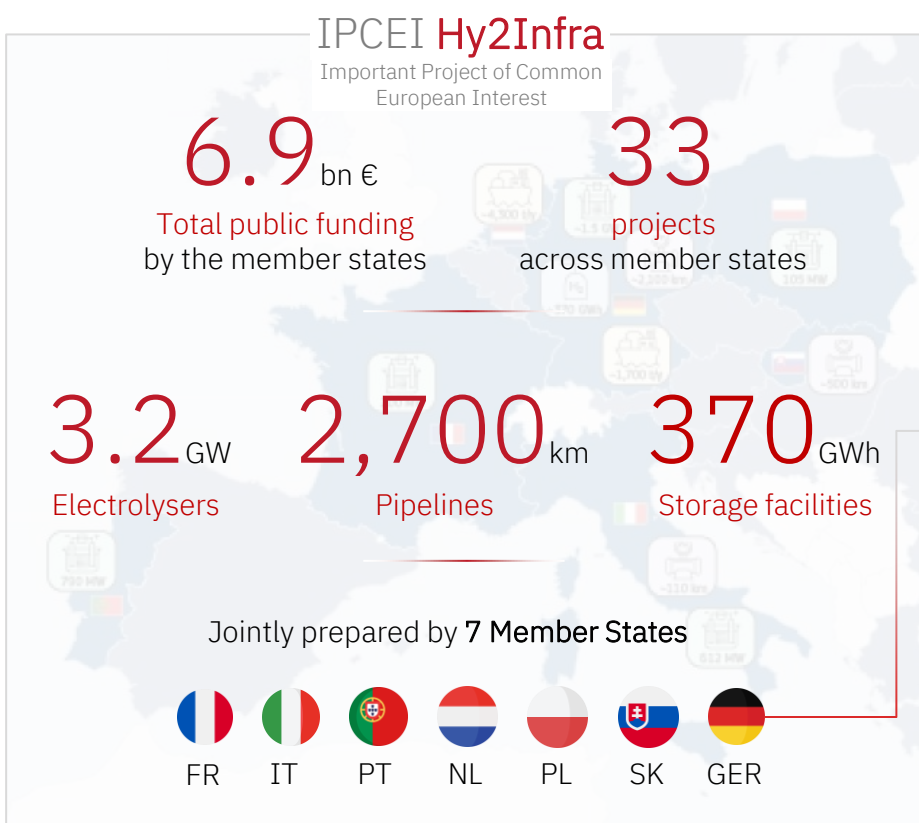
- Massive electricity demand for H2 production
- Five additional HVDC electricity highways
- Integration of new H2-ready gas power stations
- Increased electricity trade across borders

By approving 24 hydrogen projects, the EU paves the way for the German hydrogen economy



PRESS RELEASE | 15 February 2024 | Brussels

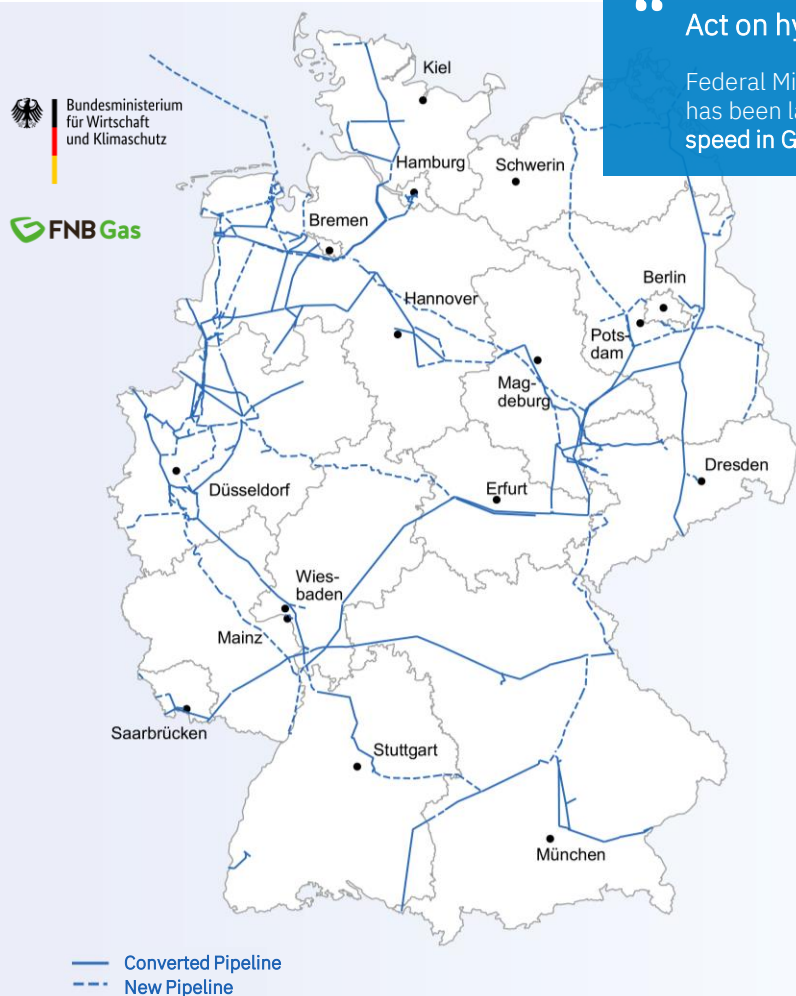
“ **Commission approves up to €6.9 billion of State aid by seven Member States for the third Important Project of Common European Interest in the hydrogen value chain** ”



The German government goes full throttle in the development of the hydrogen core grid

German Hydrogen Core Grid (Kernnetz)

“ Act on hydrogen grid planning and core grid financing passed
 Federal Minister Habeck: "The foundation stone for the future of hydrogen has been laid. The development of the hydrogen network is picking up speed in Germany.”



9,700 km

Total grid length

40%

New pipelines



60%

Converted pipelines

19.8 billion €

Total envisaged investment volume

2024-2032

Planned time for realizing the core grid with the first hydrogen flowing as early as 2025

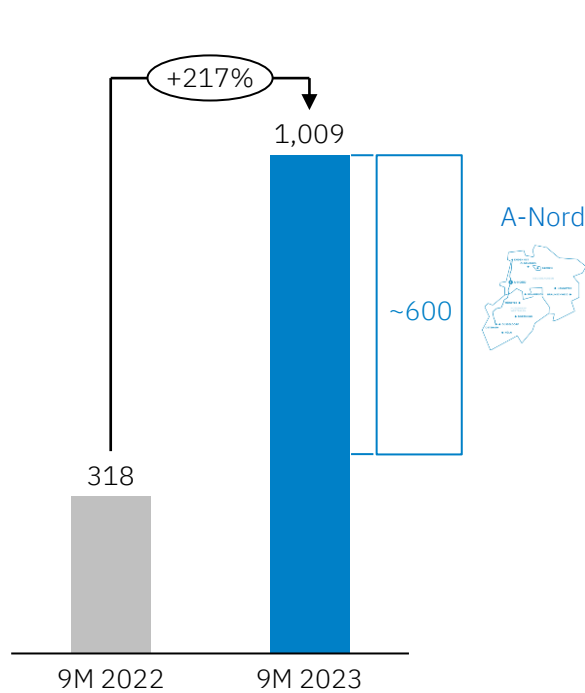
Financial performance



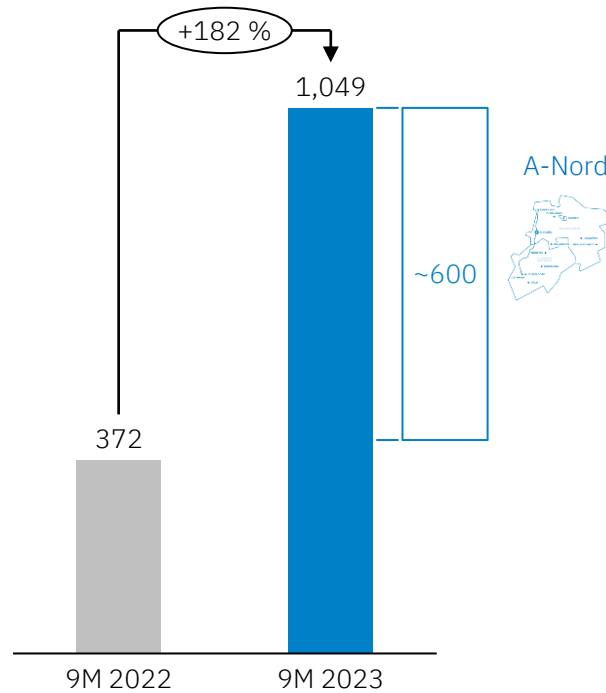
Driven by A-Nord, order intake in the first 9 months more than tripled compared to last year



Order intake
in €m



Order backlog
in €m

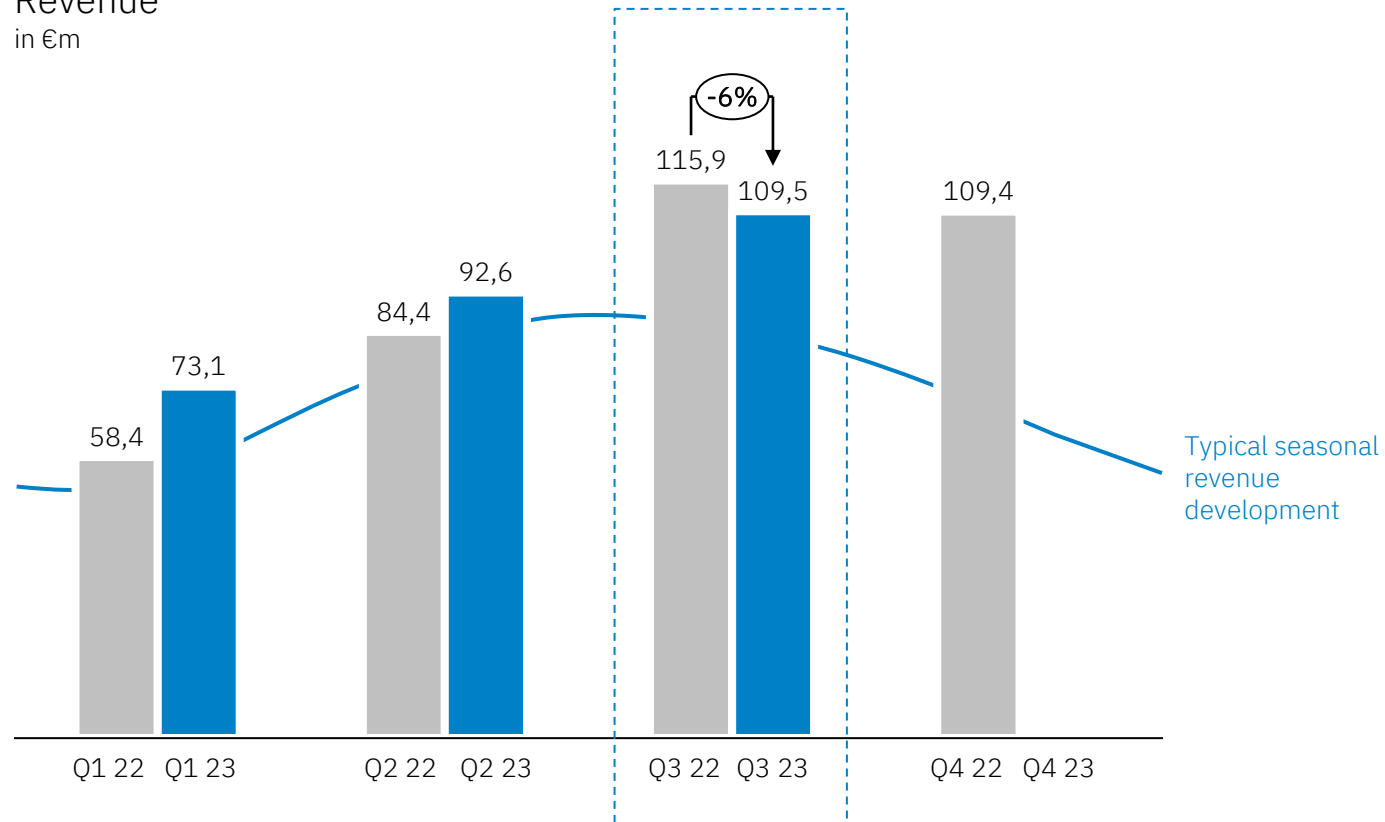


+ 217 %
Order intake
y-o-y in first 9M 2023

> 1 €bn
Order backlog
as at 30.09.2023

As expected, Q3 revenues came out slightly below the very strong previous year's level

Revenue
in €m

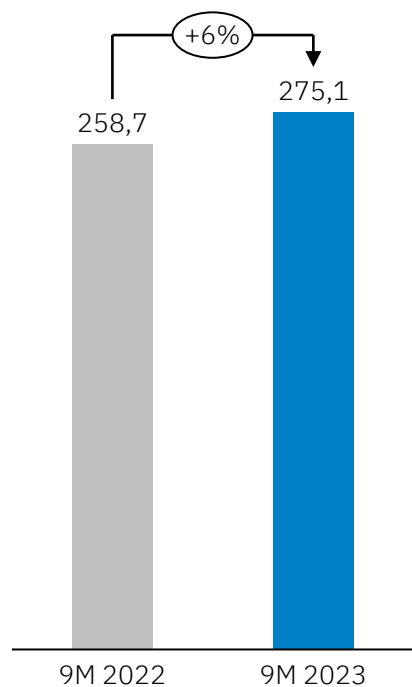


-5.5 %

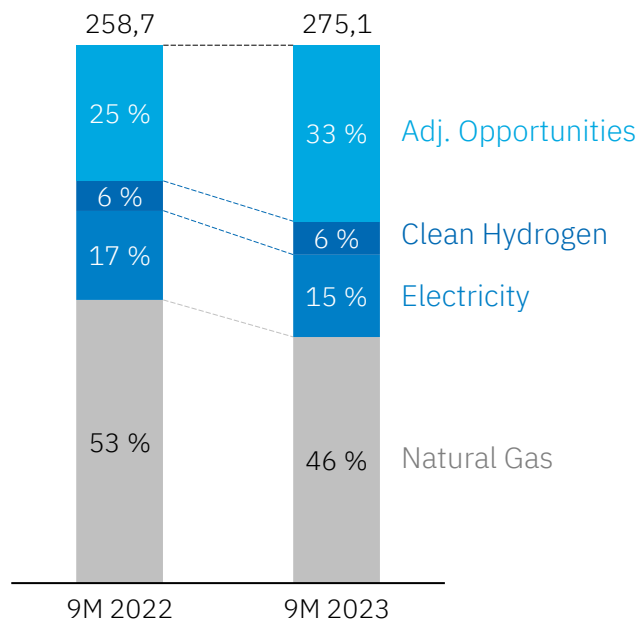
Revenue
development
y-o-y in Q3 2023

In total, revenues in the first 9 months increased by 6 % compared to the previous year

Revenue
in €m



Revenue by segment
in %



+6.3 %

Revenue growth
y-o-y in first 9M 2023

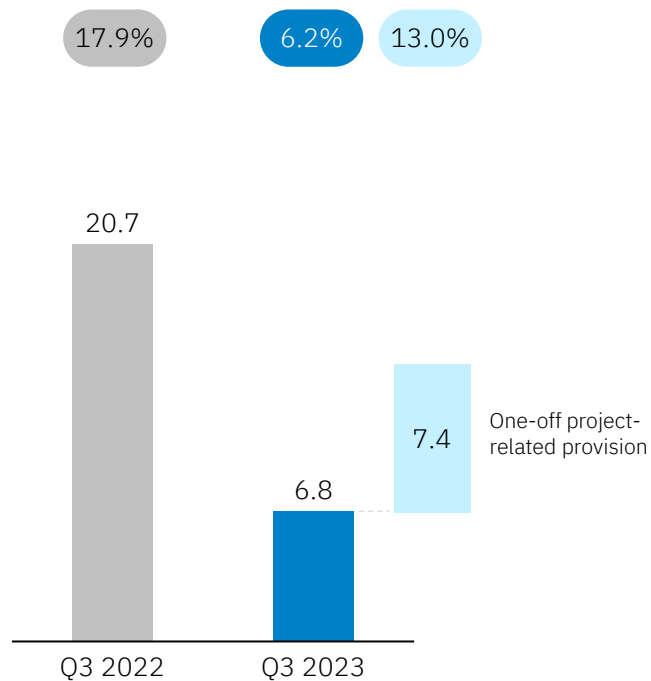
~3.7

Book-to-bill ratio
in first 9M 2023

However, Q3 profitability lies significantly below the strong previous year's levels

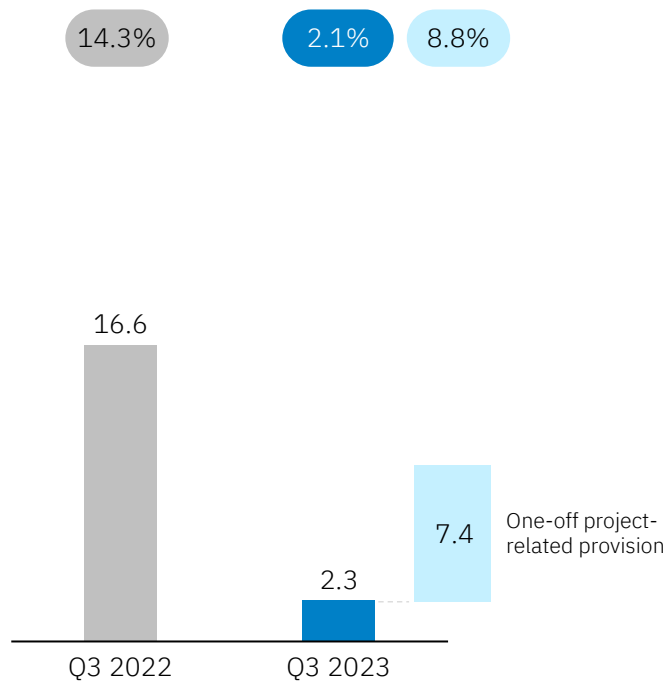
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



6.2 %
EBITDA margin
in Q3 2023

2.1 %
EBIT margin
in Q3 2023

Profitability in Q3 was impacted heavily by an extraordinary project-related one-off effect

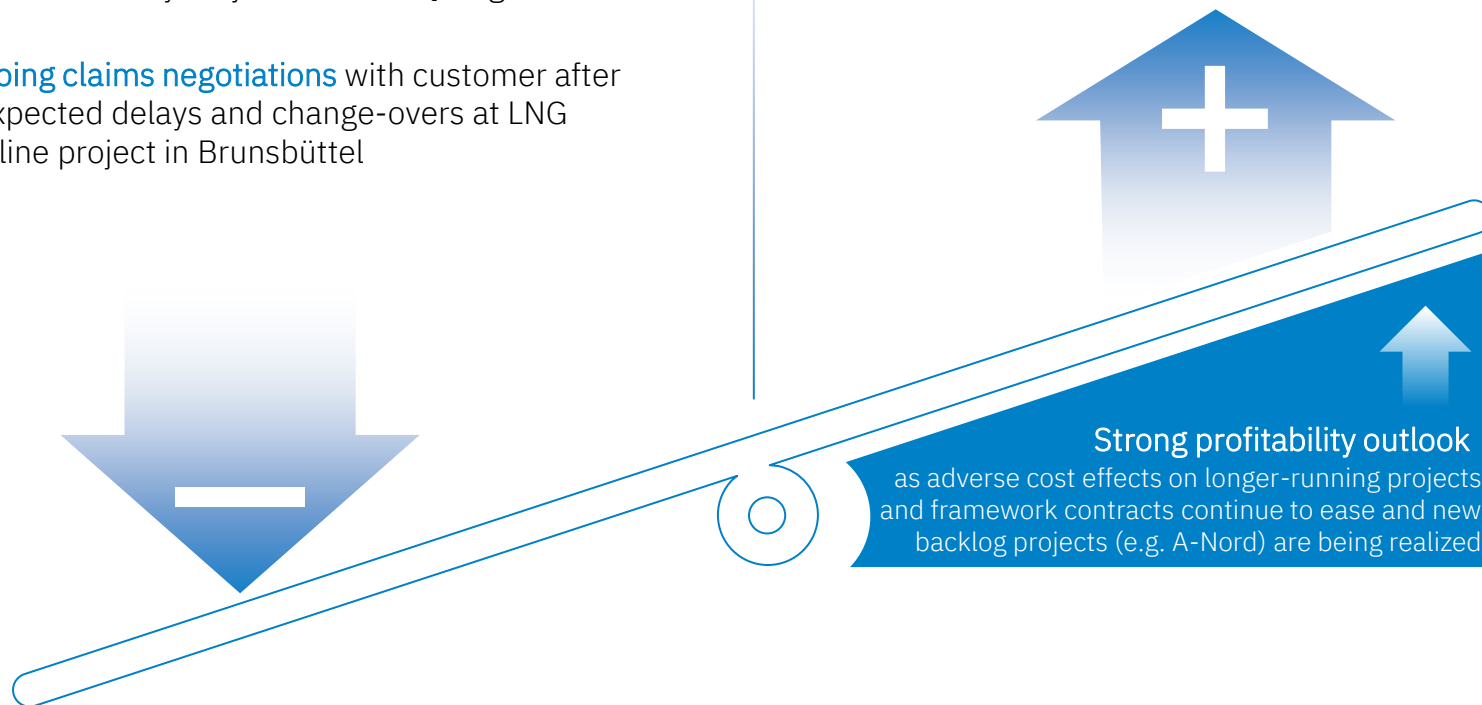
Sustained material and personnel price increases weighing down on longer-running projects and framework agreements

Extraordinary project-related one-off effects concerning a large plant construction project – provision already fully reflected in Q3 figures

Ongoing claims negotiations with customer after unexpected delays and change-overs at LNG pipeline project in Brunsbüttel

Recently acquired Puhlmann Group makes clearly positive EBITDA contribution as restructuring process takes effect

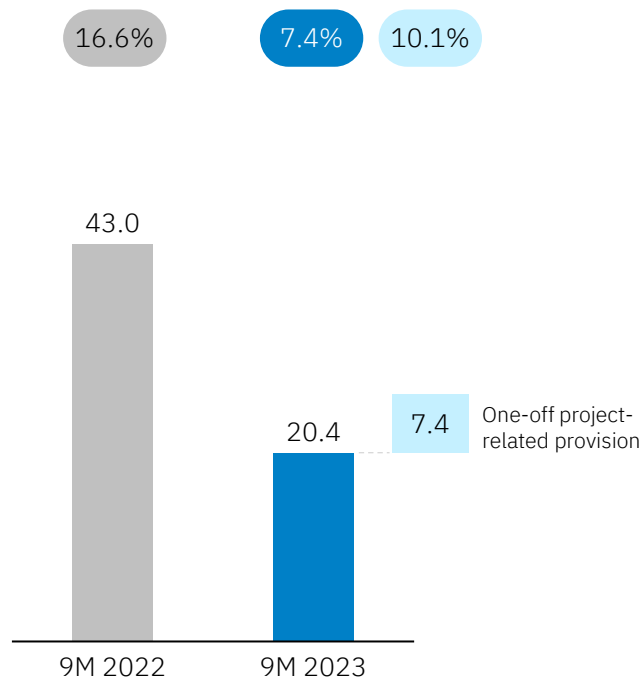
Successful claims negotiations as a result of change-overs on projects or pass-on of inflation effects



Due to these effects, year-to-date profitability remains below the previous year's level

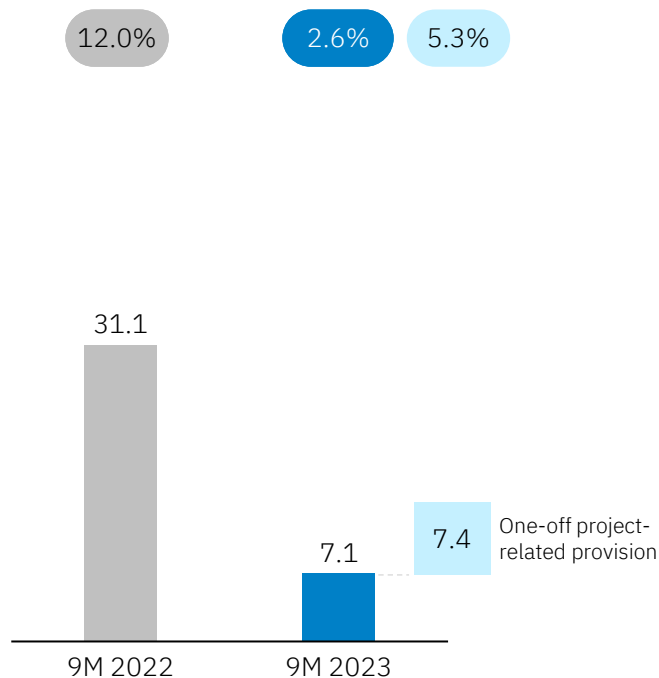
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



7.4 %

EBITDA margin
in first 9M 2023

2.6 %

EBIT margin
in first 9M 2023

Business update



VORWERK again secured major project orders across all segments

- ✓ DN600 FSRU connection pipeline Stade
- ✓ DN400 pipeline Dradenau
- ✓ Rehabilitation of various pipelines (e.g. FGL065, FGL209 and FGL211)

NATURAL GAS

- ✓ Phase 3 for A Nord HVDC project
- ✓ Transformer station Liedingen
- ✓ 380kV cable line Stade-Landesbergen

ELECTRICITY

- ✓ Get H2 Nukleus in Lingen
- ✓ 1 MW electrolyser system with ancillary storage facilities
- ✓ H2 pipeline Werne

CLEAN HYDROGEN

- ✓ Multiple biogas feed-in plants
- ✓ Multiple biogas processing plants
- ✓ CO₂ liquification plant

ADJACENT OPPORTUNITIES

✓ Deep-dive on next pages



To ensure timely completion of the project, the first preparatory works have already been started

Project details



300 km HVDC cable line for the transport of wind power from Lower Saxony to Northrhine-Westfalia



>1.5 bn € Total planned project volume for civil engineering works along 300 km corridor

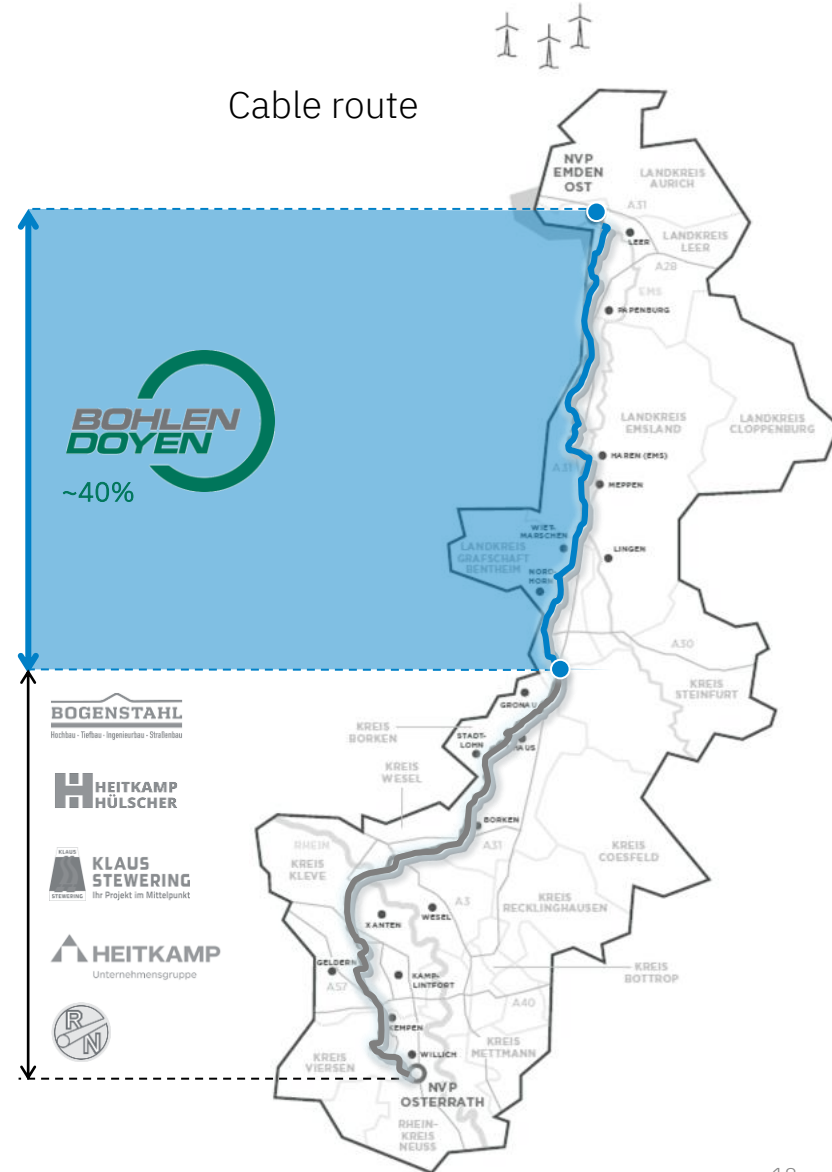


>40% Share of VORWERKs Bohlen & Doyen in total project volume (corresponds to €600 million)



Q4/2023 Project start with envisaged duration of three years (2023-2026)

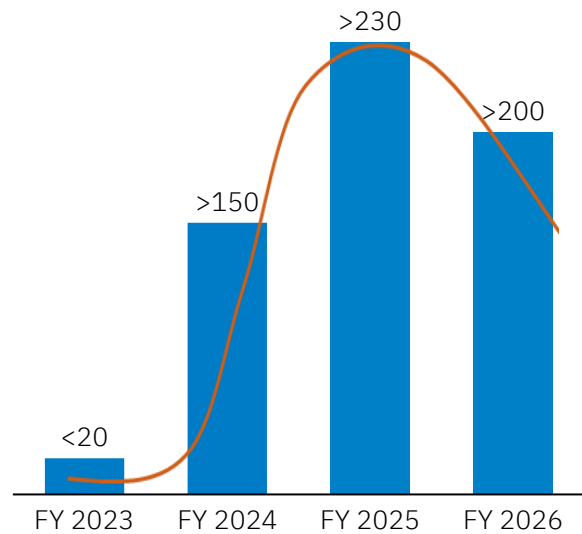
Cable route



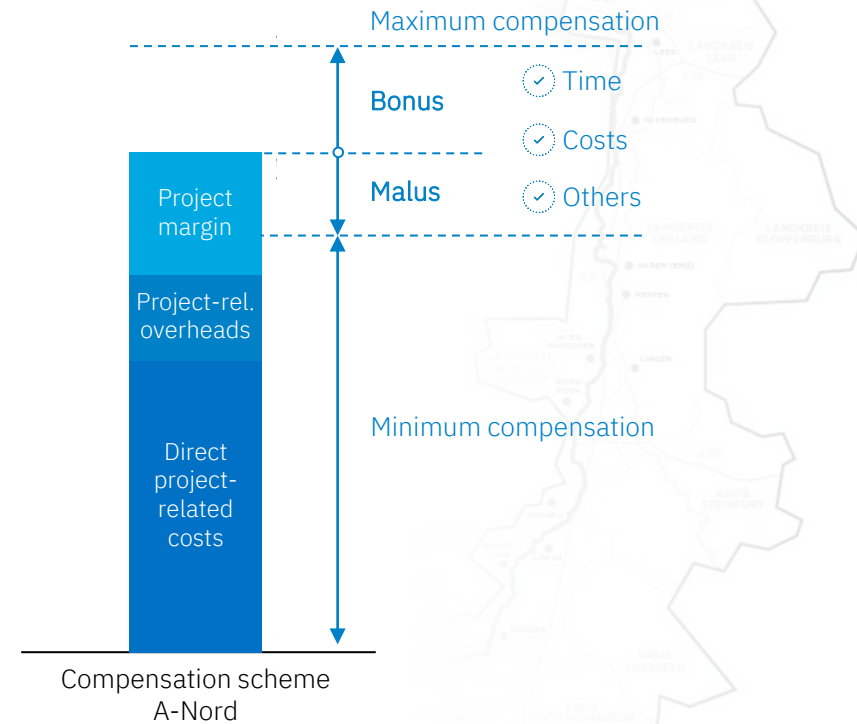


We expect the largest revenue contributions in the financial years 2025 and 2026

Estimated revenue distribution
in €m, estimation

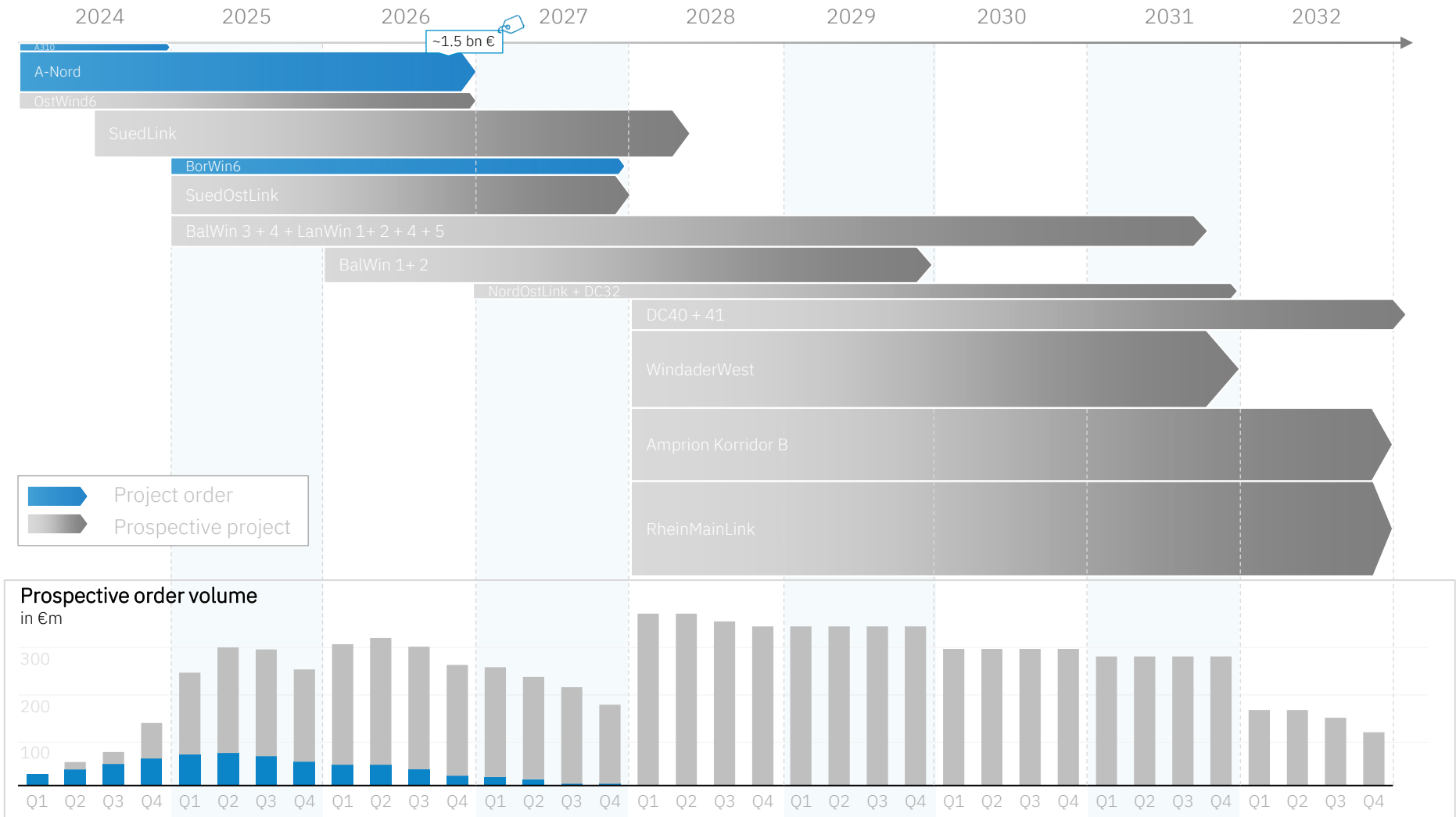


A-Nord compensation scheme
Schematic representation





Besides A-Nord, there are numerous even larger electricity projects coming up





In Lingen, VORWERK again participates in one of the most ambitious hydrogen projects in Germany

Project Get H2 Nukleus

Project description

Customer:

RWE



RWE recently ordered two 100 MW PEM electrolyzers from Linde – they are part of RWE’s **plan to build a total of 300 MW of electrolyser capacity in Lingen by 2026** as part of GET H2



VORWERK takes part in a joint venture with Ludwig Freytag and MBN to realize **required buildings, facilities and ancillary infrastructure** required for the commissioning of electrolyser system



VORWERK scope includes wide range pipeline works, e.g. for the cooling water, the waste process water or the deionized water supply, as well as the delivery and installation of the hydrogen transfer station



VORWERK project volume lies in **high single-digit million range** – project **completion is planned for 2024**



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Driving the Clean Energy Transition.

