

## Earnings Call Q1 2024

May 15, 2024



Driving the clean energy transition.

## Today's presenting team



**Torben Kleinfeldt**  
CEO

Group Strategy & Development  
VORWERKer since 2001  
20+ years industry experience  
Diplomas in Engineering and Business



**Tim Hameister**  
CFO

Finance & Controlling  
VORWERKer since 2019  
8+ years industry experience  
M.Sc. Financial Management & Accounting

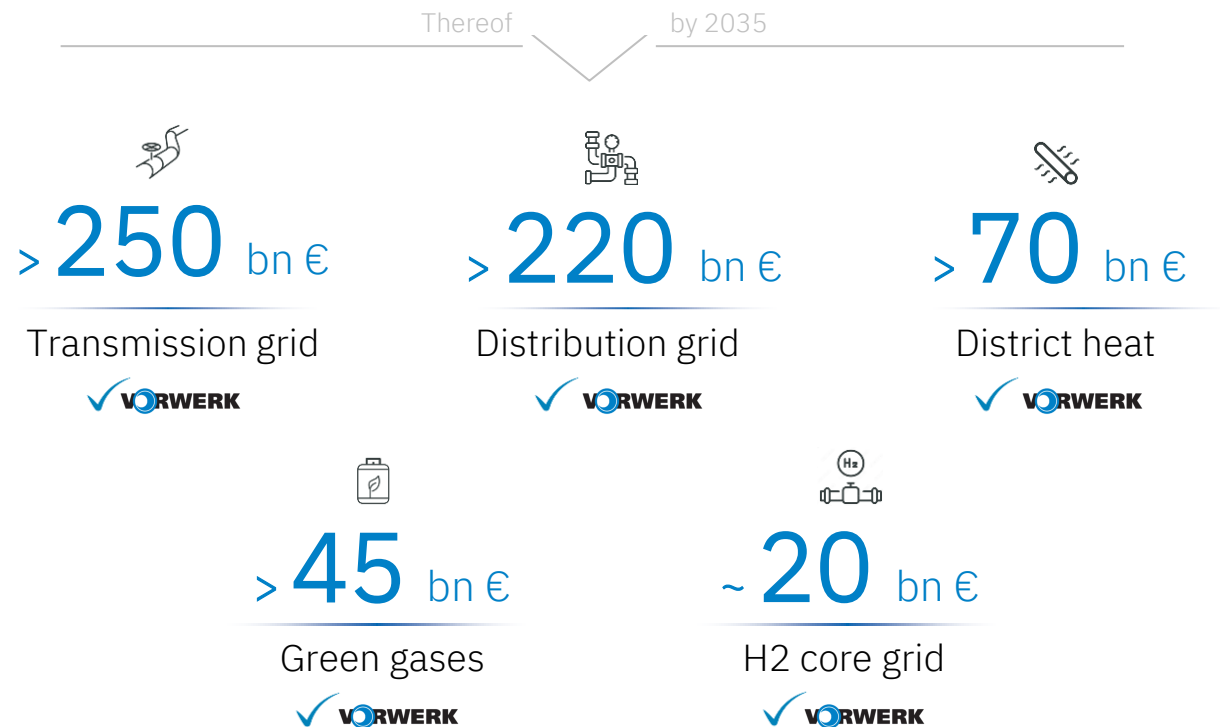
# Market update



A recent study estimates the investment for a successful energy transition at 1.2 trillion € - thereof >600 billion € directly addressable by Vorwerk

# 1.2 trillion €

Investment volume required to achieve the energy transition targets by 2030 and 2035 in Germany



Fortschrittsmonitor 2024  
Energiewende



Until 2045 investments in the electricity transmission grid will even exceed >320 billion €

## Bundesagentur confirms Electricity Network Development Plan 2023-2037/2045 for climate-neutral transmission network



”

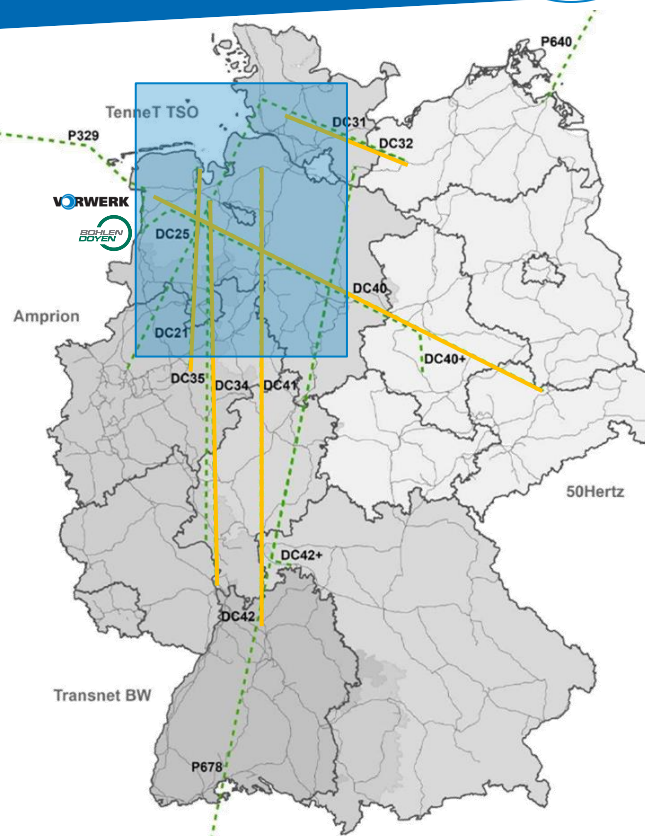
This is the first network development plan that presents **the electricity network we need to complete the energy transition**. We have carefully assessed all the projects that were proposed.

**We need to build a significant number of additional lines by 2045 to achieve a climate-neutral electricity system,”**



**Klaus Müller**  
President, Federal Network Agency  
(Bundesnetzagentur)

”



**+4,800 km**  
New electricity lines\*

**+2,500 km**  
reinforced electricity lines\*

**+5**  
new HVDC transmission lines each  
with a capacity of 2 gigawatts\*

**320** bn €

Investments in the German electricity transmission network by 2045

\* As compared to the current Federal Requirements Plan (“Bundesbedarfsplanung”)



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

Commission approves up to €6.9 bn of State aid by 7 Member States for the third Important Project of Common European Interest in the hydrogen value chain



### IPCEI Hy2Infra

Important Project of Common European Interest

6.9 bn €

Total public funding by the member states

33

projects across member states

3.2 GW

Electrolysers

2,700 km

Pipelines

370 GWh

Storage facilities

Jointly prepared by 7 Member States



### H2 Projects Germany

4.6 bn €

Public funding by the Government

3.4 bn €

Private Funding by companies

24

projects in Germany

Projects in Lower Saxony and Hamburg



HyPerLink



Lingen Green Hydrogen



GetH2



Clean Hydrogen Coastline



HH Win



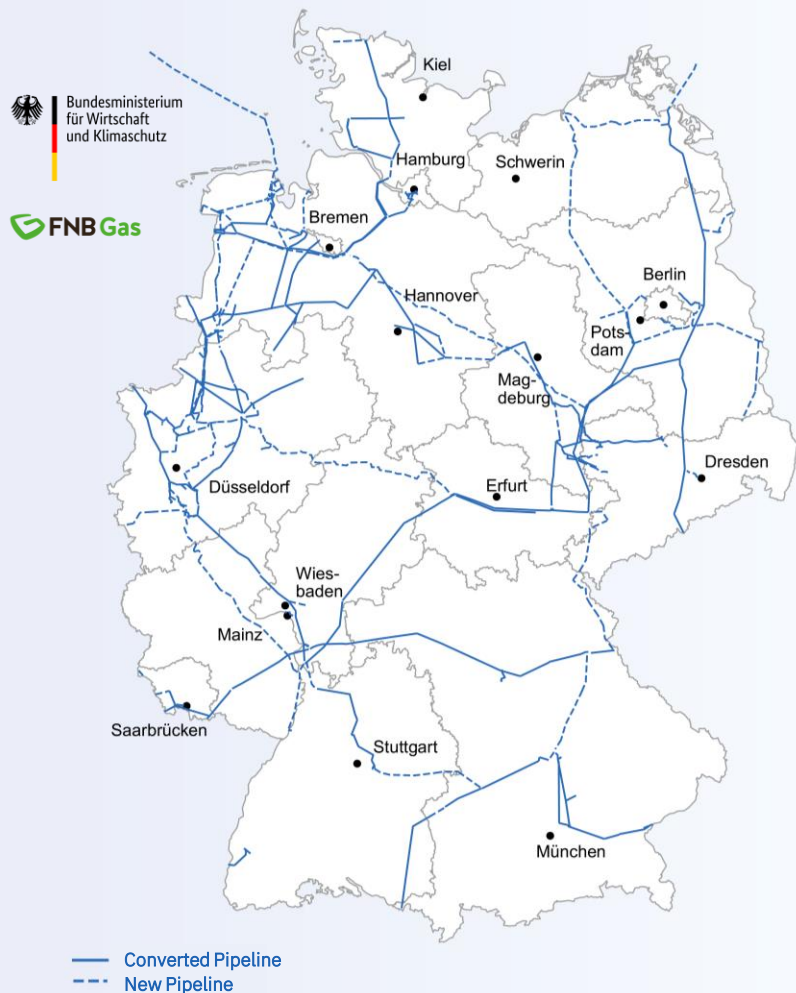
AquaDuctus





The IPCEI approval is an important step towards the German Hydrogen Core Grid (“Kernnetz”)

### 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 Q1 2024

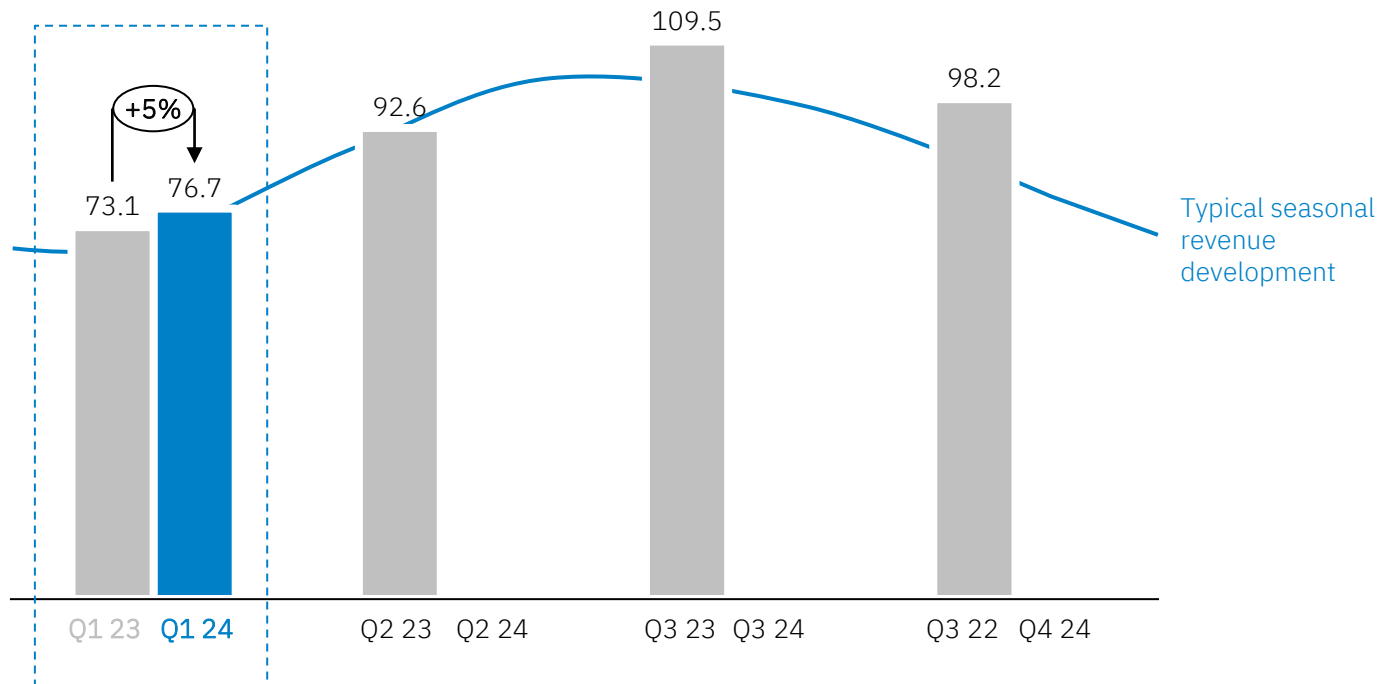






## Revenue increased slightly in the first quarter despite challenging weather conditions

Revenue  
in €m



+5%

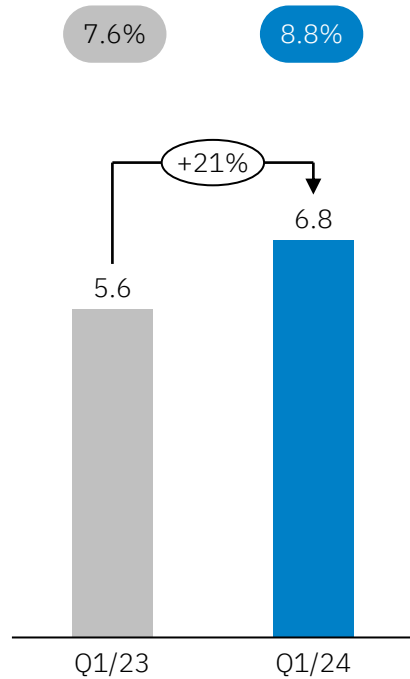
Revenue  
development  
y-o-y in Q1 2024



Profitability was also improved significantly compared to the previous year

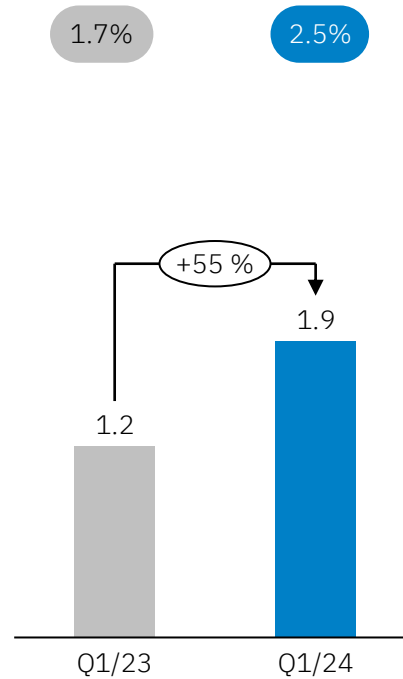
### EBITDA

in €m, blue bubbles show EBITDA margin



### EBIT (adj.)

in €m, blue bubbles show EBIT margin



8.8 %

EBITDA margin  
in Q1 2024

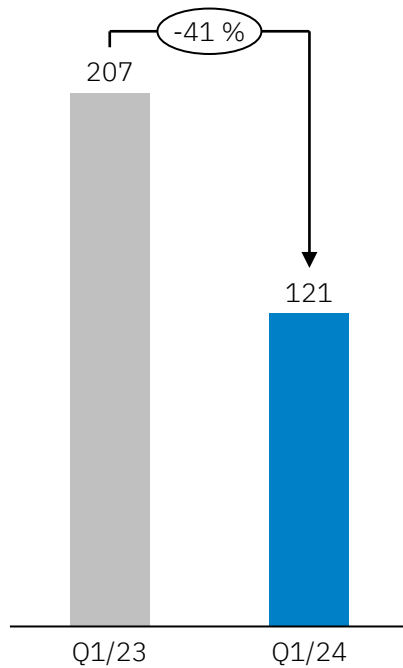
2.5%

EBIT margin  
in Q1 2024

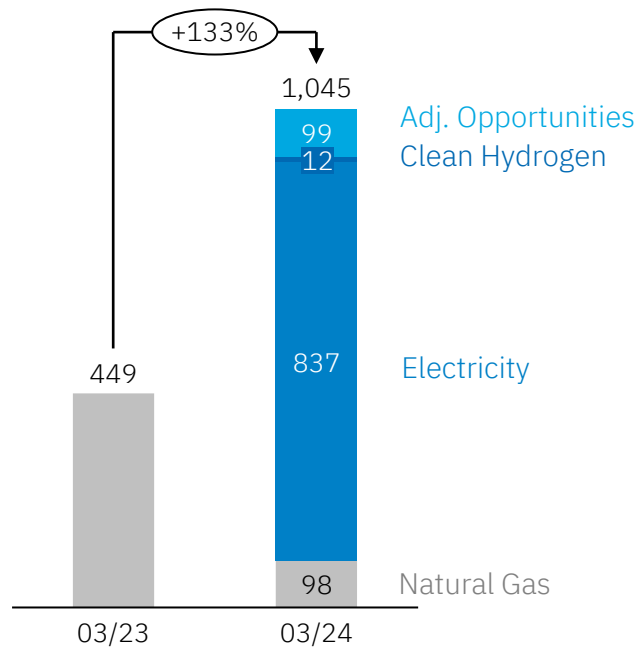


Driven by A-Nord, the order backlog more than doubled compared to last year

Order intake  
in €m



Order backlog  
in €m



121 € m

Order intake  
in Q1 2024

>1.0 € bn

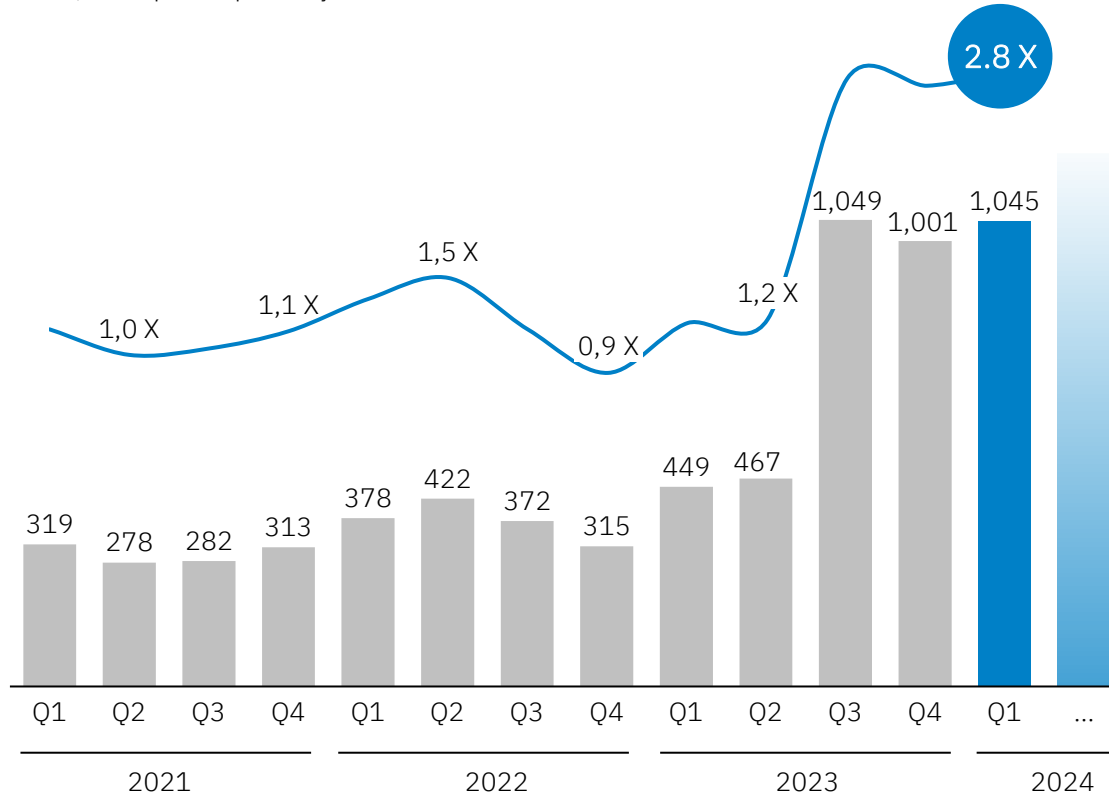
Order backlog  
as at 31.03.2024



Driven by the energy transition, the sales backlog ratio currently stands at 2.8 X

### Order backlog & sales backlog ratio (12-month rolling)

in €m/ multiple of quarterly sales



# 2.8 X

Sales backlog ratio  
(12M-rolling) in  
Q1 24

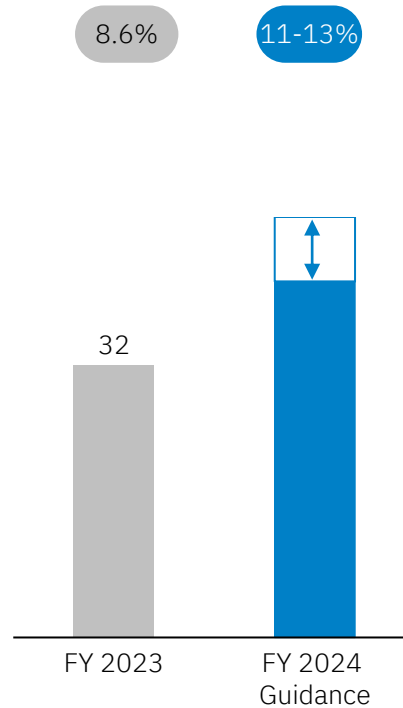


Based on our strong order backlog, we expect moderate revenue growth at clearly improving margins

Revenue Guidance  
in €m



Profitability guidance | EBITDA margin  
in €m / in %



> 380 m€

Revenue Guidance  
FY 2024

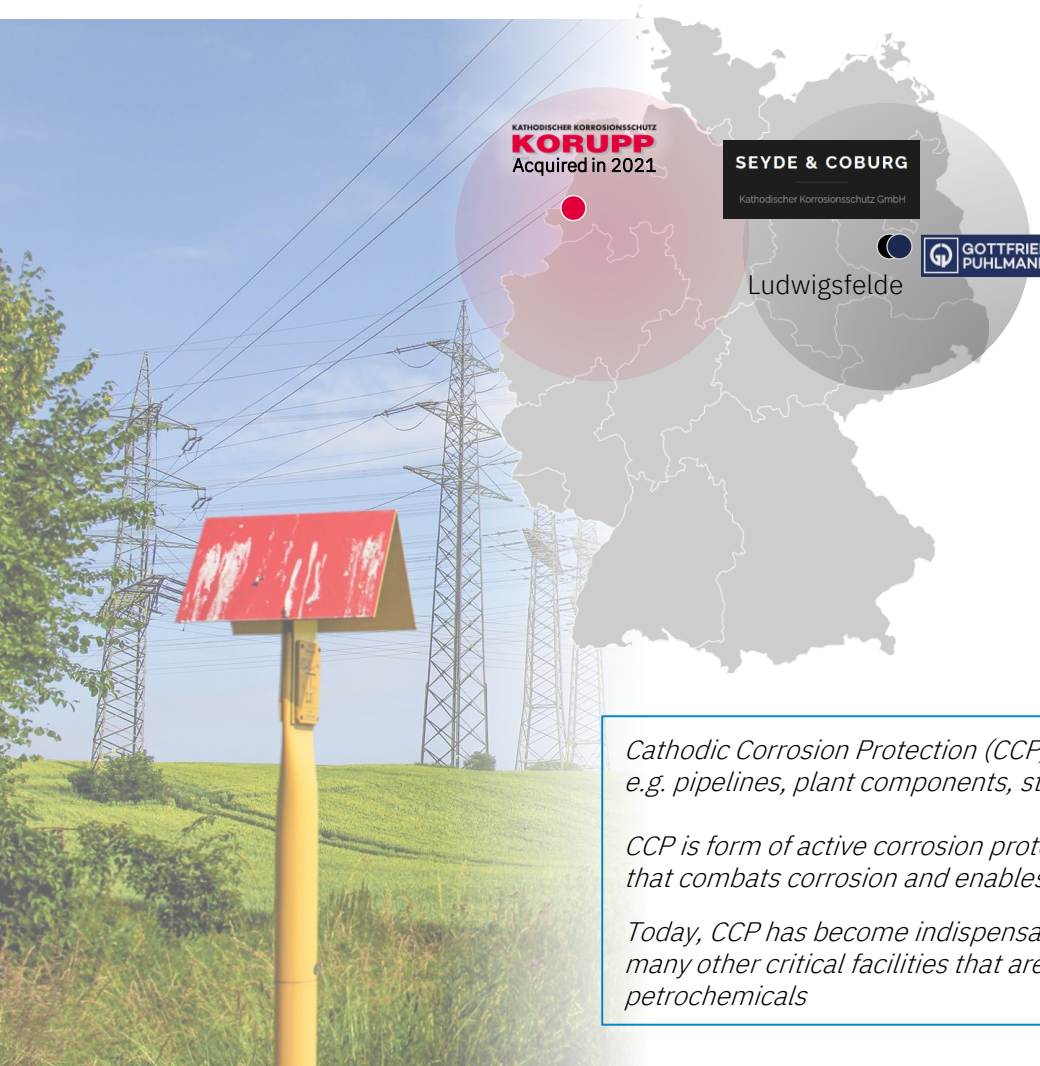
11-13%

Profitability Guidance  
FY 2024

# Business update



The recent acquisition of Seyde & Coburg forms yet another step in the strategy to insource critical technological know-how and hence reduce the reliance on third parties



- ✓ Seyde & Coburg is an **established full-service provider active in the field of cathodic corrosion protection (CCP)**
- ✓ Founded in 1991, the company generates **revenues in the low single-digit million Euro range** and possesses **various long-standing framework contracts with major VORWERK customers**
- ✓ Following the acquisition of CCP specialist Korupp in Twist in 2021, the acquisition of Seyde & Coburg further **broadens the VORWERK service offering in the region of Berlin/ Brandenburg**
- ✓ Part of VORWERK **strategy to insource technological know-how** required and hence strengthen position as full-service provider



*Cathodic Corrosion Protection (CCP) is used to prevent corrosion of critical infrastructure, e.g. pipelines, plant components, storage tanks & vessels and steel-enforced concrete structures*

*CCP is form of active corrosion protection and works by injecting a direct or protective current that combats corrosion and enables the reliable detection of coating defects around the structure*

*Today, CCP has become indispensable for the safe and efficient operation of pipeline networks and many other critical facilities that are exposed to a risk due to gas or other potentially harmful petrochemicals*

With the SEL, VORWERK is working on one of the largest pipeline projects in Southern Germany

terrane**t**s bw Süddeutsche Erdgasleitung (SEL)

Project details



Customer:  
 terrane**t**s bw



First 25 km section (DN1200) of overall 250+ km pipeline project



Construction works as part of equal joint venture VORWERK, Bohlen & Doyen, PPS and Habau



Project started in Q1/24 – completion of first section planned by end of 2024



Total project volume for joint venture of more than 30 million €



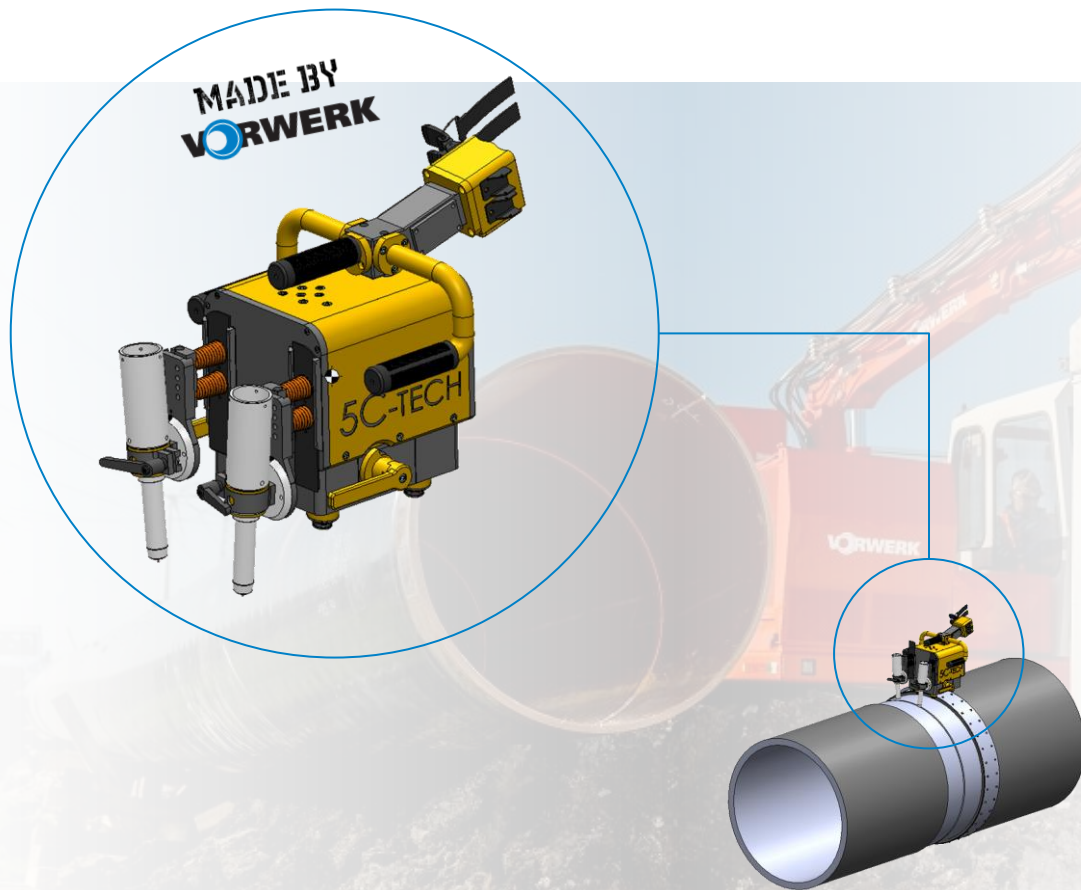
Further pipeline sections of SEL already in advanced award procedures



VORWERK is continuously working on new technologies to further automate welding procedures

Automatic welding system engineered by VORWERK

Advantages



- ✓ Higher cost efficiency due to
  - ✓ Increased welding speed based on state-of-the-art dual torch stepper motor design
  - ✓ Reduced personnel costs due to higher speed and operator-friendly control devices
  - ✓ Less costly re-work due to significantly lower error rate based on automated error detection
- ✓ Improved quality of welding seams leads to higher safety and reliability of overall pipeline system
- ✓ Positive environmental impacts due to less travel and transportation costs of welding teams and less gas leakage

The massive grid expansion plans require a large number of new substations which results in substantial market potential for VORWERK

New project acquisition  
**Liedingen 380 kV substation**

Past project reference:  
Substation Stade-West (completed in 2021)



Project awarded in H2/23 by major customer TenneT



Project scope involves the turnkey construction of the Liedingen substation incl. all required systems, ancillary systems and components



The substation is a critical infrastructure to enable the decarbonization of the steel production hub in Salzgitter



Total project volume > 25 million € - completion of the project is planned in 2024



Many more large-scale substations required over the next decade in the context of massive grid expansion plans



Liedingen,  
Lower Saxony

# Questions & Answers



Torben Kleinfeldt  
CEO



Tim Hameister  
CFO

# Disclaimer

By accessing this document, you agree to abide by the limitations set out hereafter. The information contained in this document relating to Friedrich Vorwerk Group SE ("Friedrich Vorwerk" or the "Company") may not be redistributed, reproduced, published, or passed on to any other person and must not be relied upon for any purpose as it is given without any guarantee .

This document is being presented solely for informational purposes and should not be treated as giving investment advice. It is not and is not intended to be a prospectus. It is not and should not be construed as an offer to sell or the solicitation of an offer to buy any securities and should not be used as the basis of an evaluation of the Company and investors should not subscribe for or purchase any shares or other securities in the Company on the basis of or in reliance on the information in this document.

If the information in this document expresses forecasts, estimates, opinions or expectations, or forward-looking statements are made, these statements can be related to known and unknown risks and uncertainties. Therefore, the actual results and developments can differ greatly from the expectations and assumptions expressed here. No one undertakes to publicly update or revise any such forward-looking statement in light of developments which differ from those anticipated.

As far as information is contained in this document that is based on statements by third parties, we advise you that no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of this information or any other information or opinions contained herein for any purpose whatsoever.

Neither the Company nor any of their respective officers, employees or affiliates nor any other person shall assume or accept any responsibility, obligation or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or the statements contained herein. In providing this document, neither Friedrich Vorwerk nor its respective agents undertake any obligation to provide the recipient with access to any additional information or to update this document or any information or to correct any inaccuracies in any such information.

As far as measures are being used in this document which are not measurements of financial performance defined under IFRS, these should neither be viewed in isolation nor considered as an alternative of the Company's financial position, results of operations or liquidity as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided. Percentages may not precisely reflect the absolute figures and percentages may not precisely add up to 100%.

In case of any questions in relation to this document, please contact:

Friedrich Vorwerk Group SE  
Harburger Straße 19  
D-21255 Tostedt  
web: [www.friedrich-vorwerk-group.de](http://www.friedrich-vorwerk-group.de)  
Tel: +49-4182-29470  
Fax: +49-4182-6155  
E-mail: [tostedt@friedrich-vorwerk.de](mailto:tostedt@friedrich-vorwerk.de)

Driving the Clean Energy Transition.

