

Q2 Earnings Call

14 August 2024



Driving the clean energy transition.

Introduction



With 60 years of experience, VORWERK is realizing the energy infrastructure of the future

A strong group of companies...

... in highly attractive markets



Natural Gas



Electricity



Clean Hydrogen



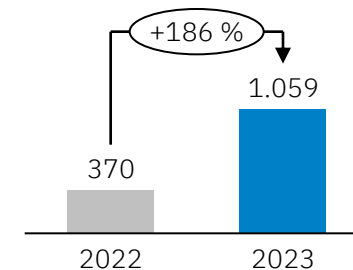
Adjacent Opportunities

... with decade-long customer relationships



...as major driver of the clean energy transition

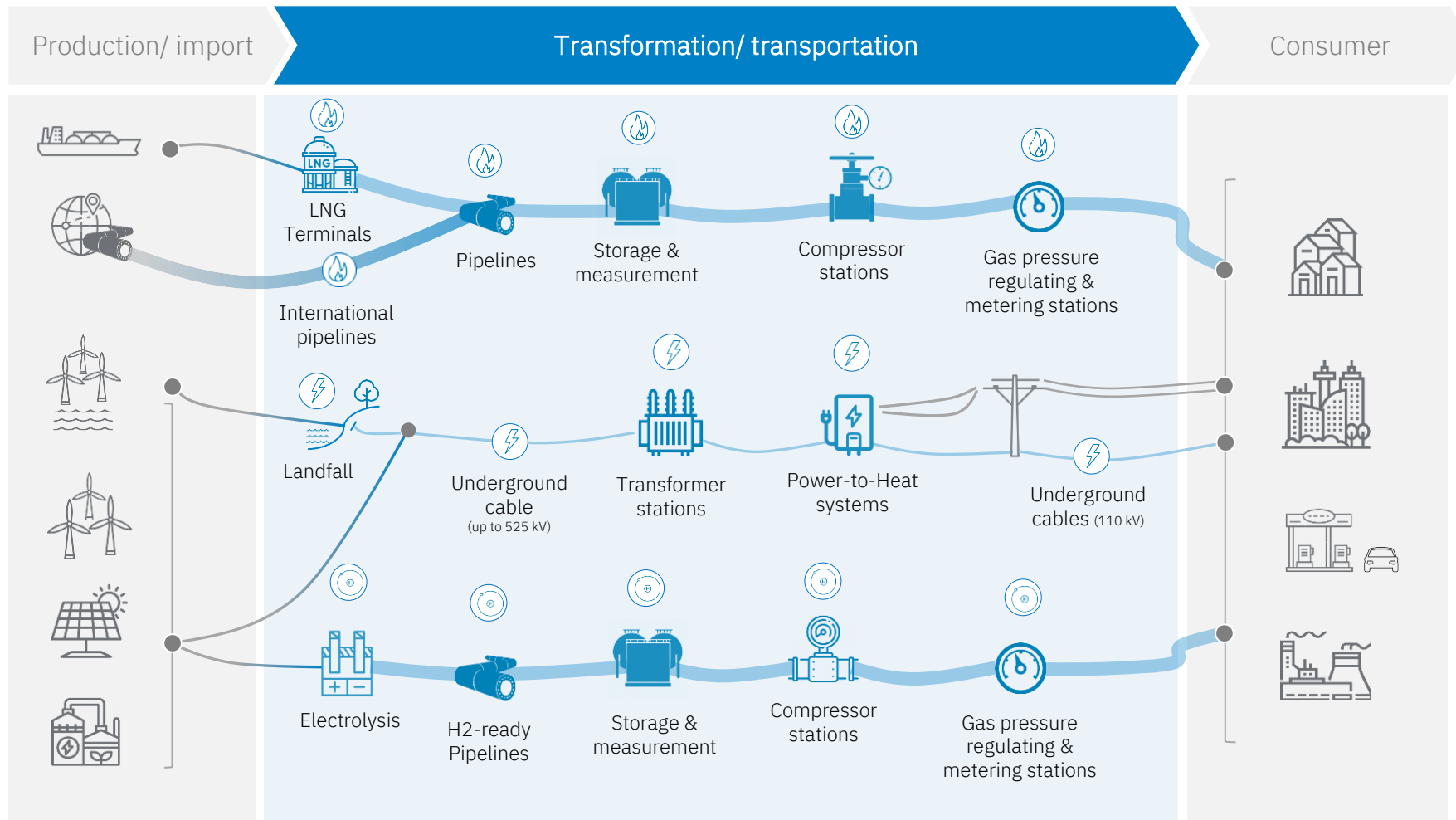
Order intake in €m



VORWERK GROUP

- 60+ years of industrial experience
- >1,900 employees
- 11 locations
- 20% annual growth 2019-2023

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



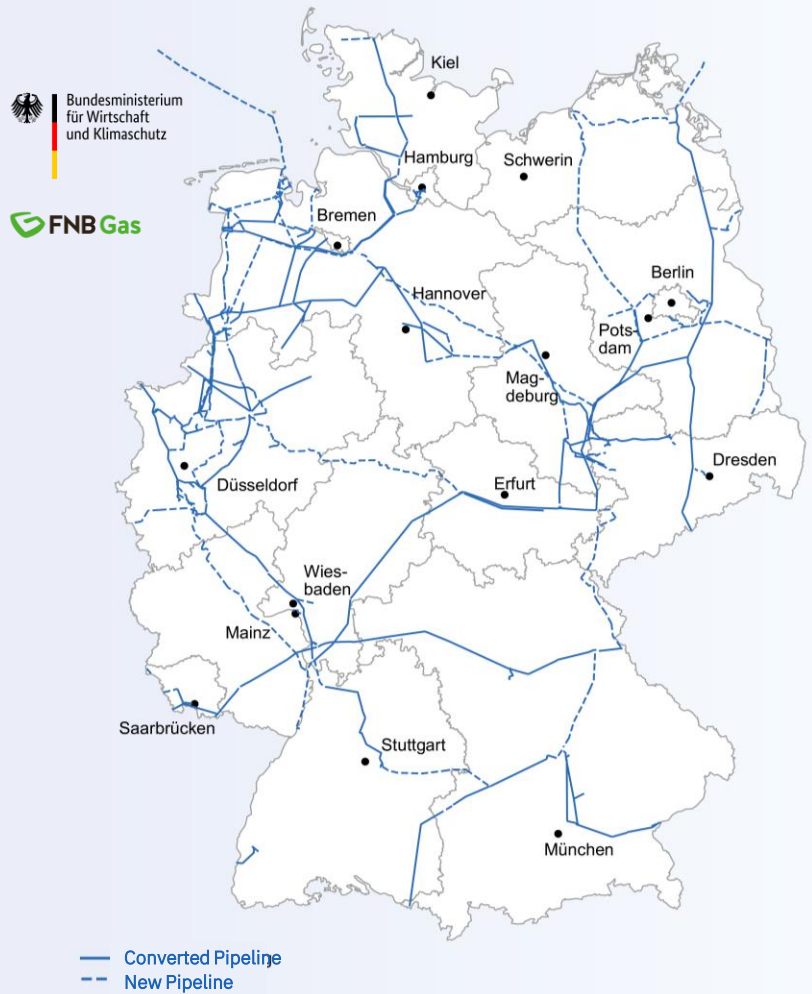
Market update





The German Grid operators have submitted their application for the realization of the H2 grid

German Hydrogen Core Grid (Kernnetz)



German Grid Operators Request Permit to Build Hydrogen Network

- H2 motorways to stretch over 9,666 km and cost €19.7 billion
- Nation aims to shift from natural gas use to hydrogen

Bloomberg

23. Juli 2024 at 11:04 MESZ

9,666 km

Total grid length

40%

New pipelines



60%

Converted pipelines

19.7 billion €

Total envisaged investment volume

2024-2032

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



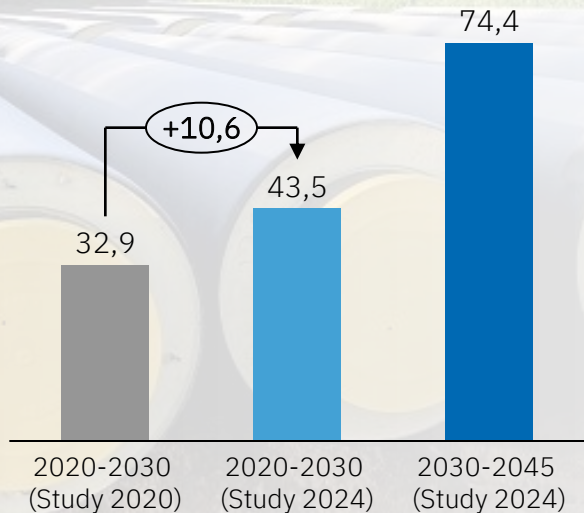
The expansion of the district heat grid remains a key pathway to decarbonize the buildings sector

Recent prognos study on required investment in district heating grid

Study on district heating grids: 43.5 billion euros must be invested in district heating by 2030

prognos
22 July 2024

Investment in district heating infrastructure*
in € bn



Number of buildings connected to district heating
to triple to 3.6 million residential buildings by 2045



Number of apartments supplied with district heating
to increase from just over 6 million to 14 million



Demand for district heating
will increase by more than 50 % from just under 110 TWh at present to 166 TWh in 2045



Share of renewable district heating generation and waste heat utilization
to increase to 50 % by 2030 and reach 100 % by 2045

* Thereof approximately 60 % earmarked for the realization/ expansion of the communal district heating grids

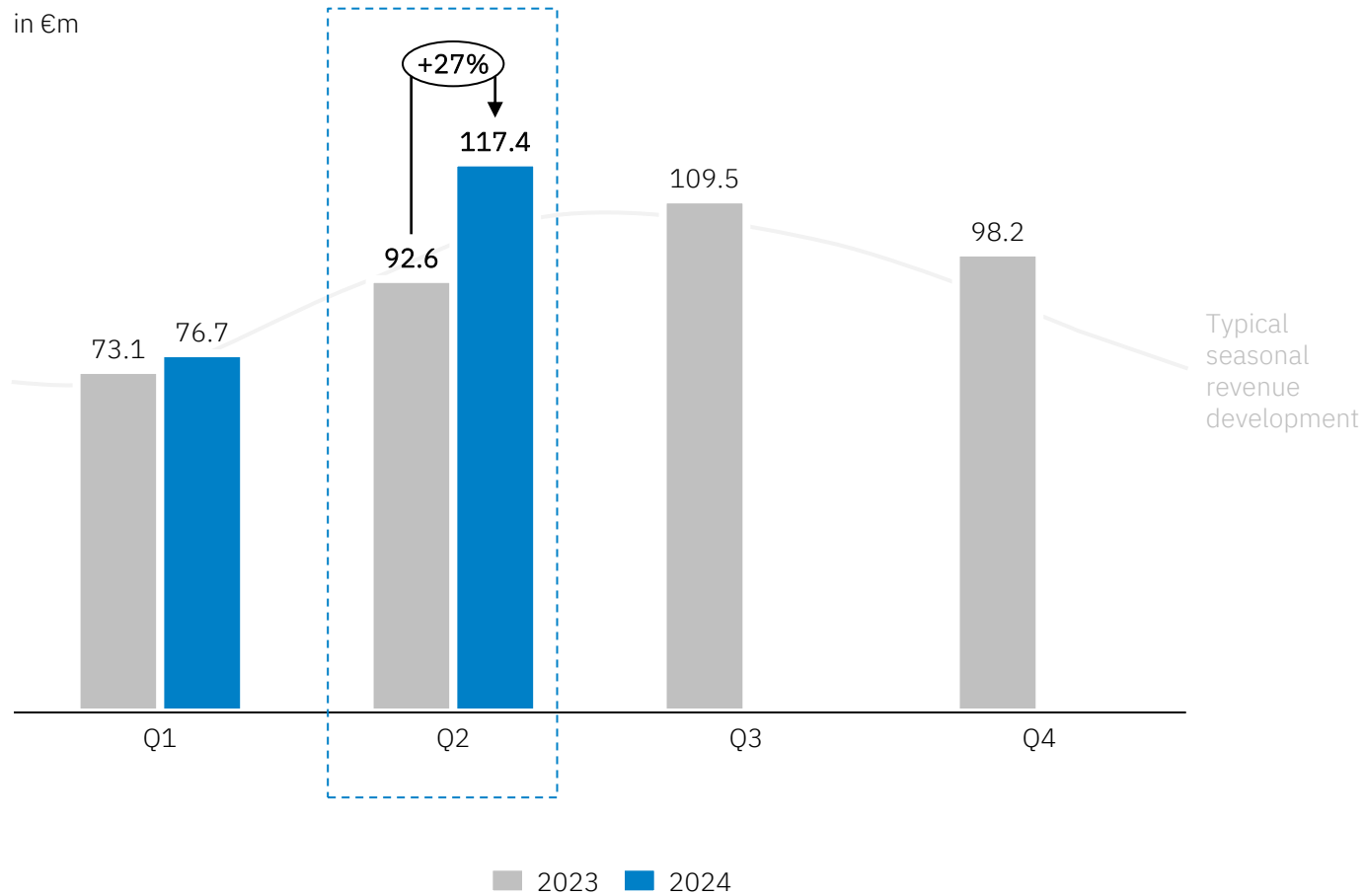
Financial performance





The second quarter saw a strong revenue increase compared to previous year

Revenue
in €m

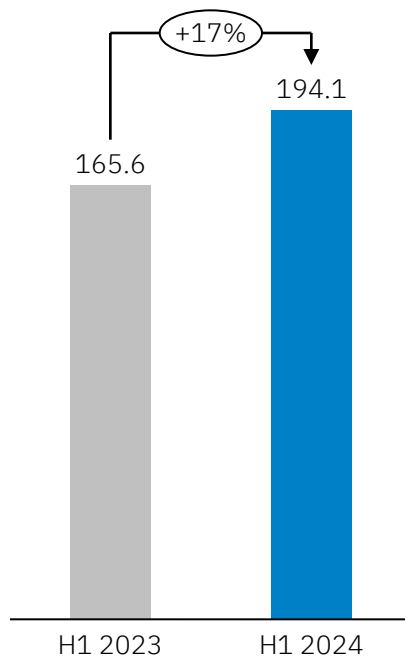


+ 27 %
revenue increase
y-o-y in Q2 2024

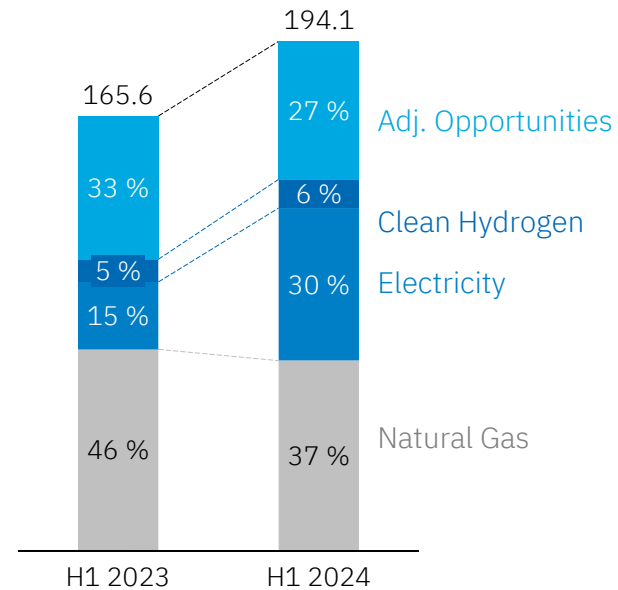


As a result, half-year revenues increased by 17 % compared to the previous year

Revenue
in €m



Revenue by segment
in %



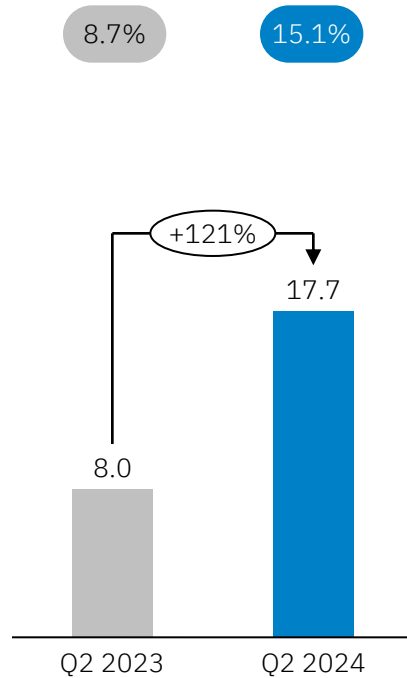
+ 17 %
revenue increase
y-o-y in H1 2024



With a 121 % y-o-y EBITDA hike, profitability growth has outperformed the revenue growth by far

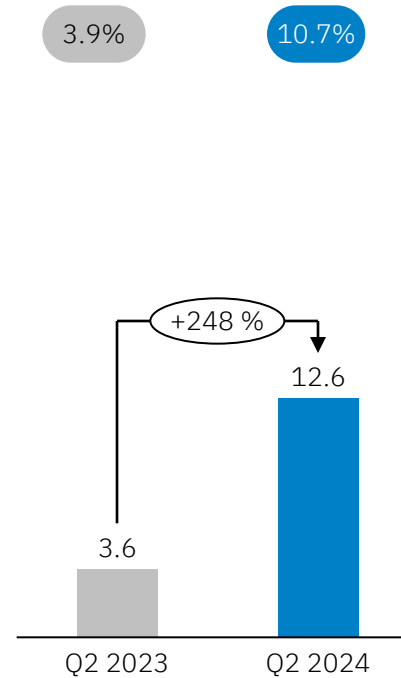
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



15.1 %

EBITDA margin
in Q2 2024

10.7 %

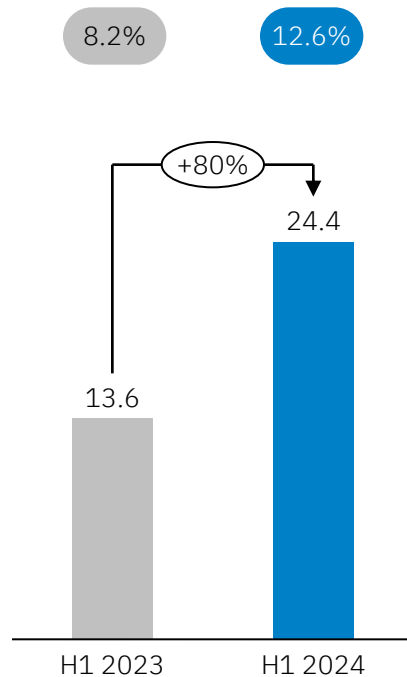
EBIT margin
in Q2 2024



Year to date, EBITDA margin is at 12.6 % and EBIT up 199 % compared to previous year

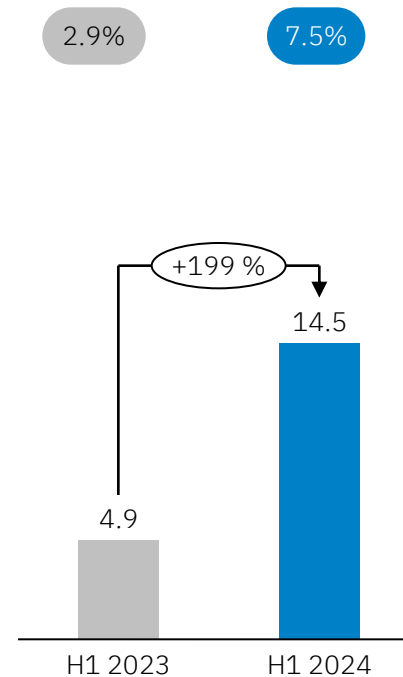
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



12.6 %

EBITDA margin
in H1 2024

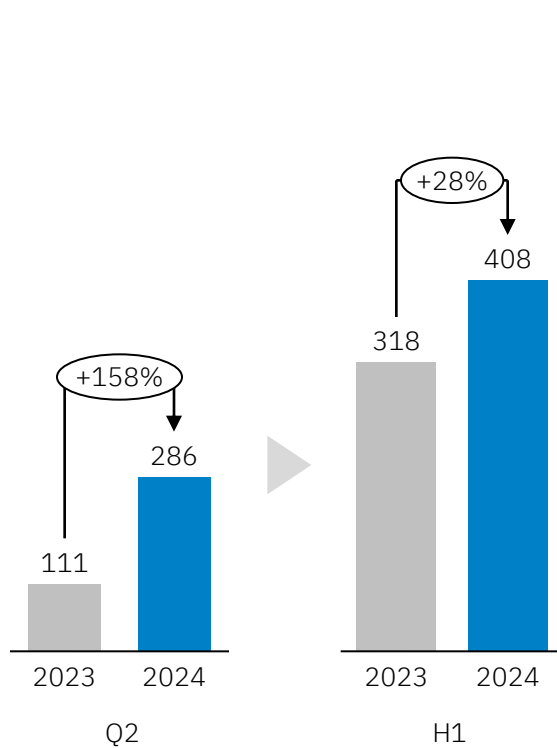
+199 %

EBIT increase
y-o-y in H1 2024

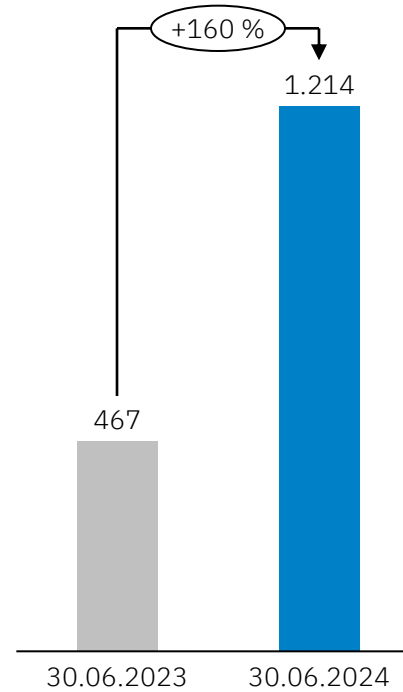


Driven by strong market demand, order intake and backlog remain on record level

Order intake
in €m



Order backlog
in €m



+28 %

Order intake
year-on-year

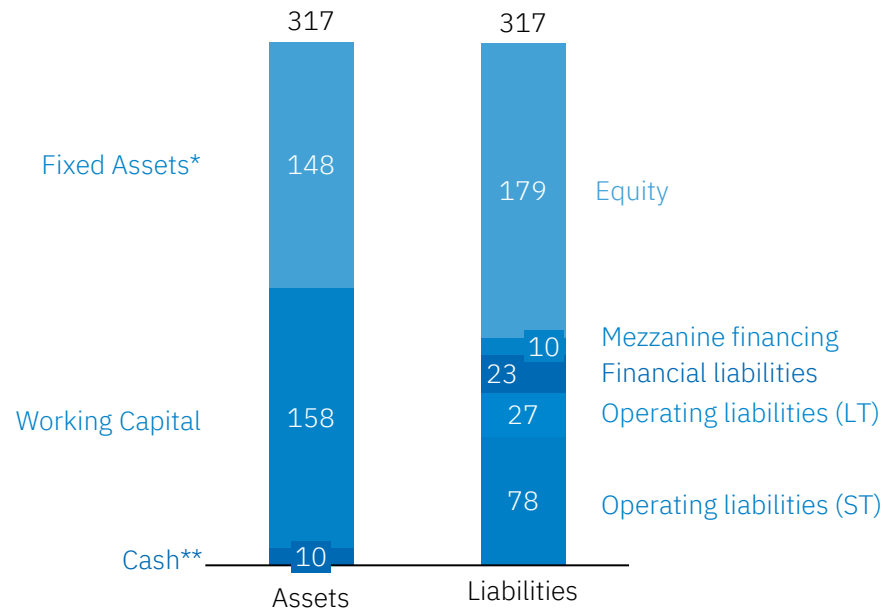
1.2 €bn

Order backlog



VORWERK continues to have a strong balance sheet as basis for further growth

Balance Sheet
in €m, as at 30.06.2024



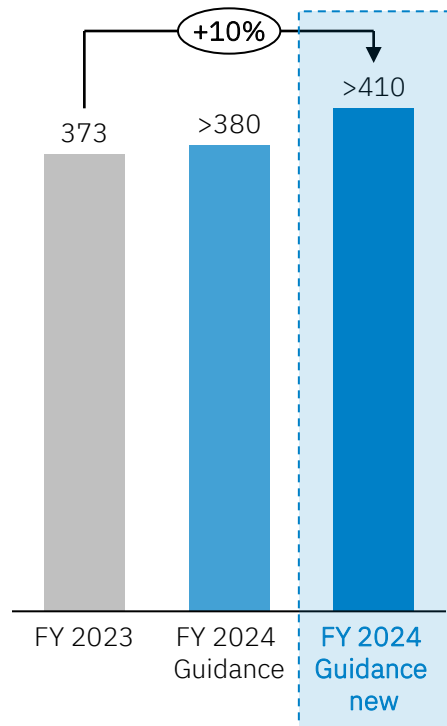
56.4 %
Equity ratio

* W/o Cash Positions
** Incl. securities

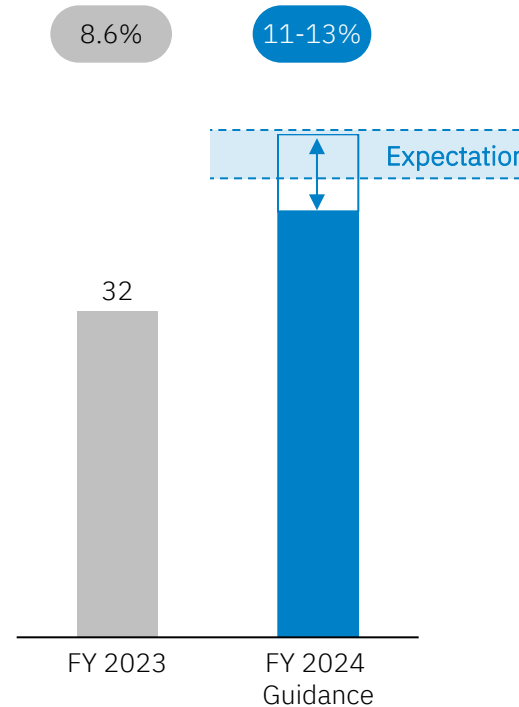


For 2024, we raise our guidance to >€410m revenues at upper end of 11-13% EBITDA-margin range

Revenue Guidance
in €m



Profitability guidance | EBITDA margin
in €m / in %



> 410 m€

New revenue
guidance FY 2024

11-13%

Profitability guidance
FY 2024

Business update





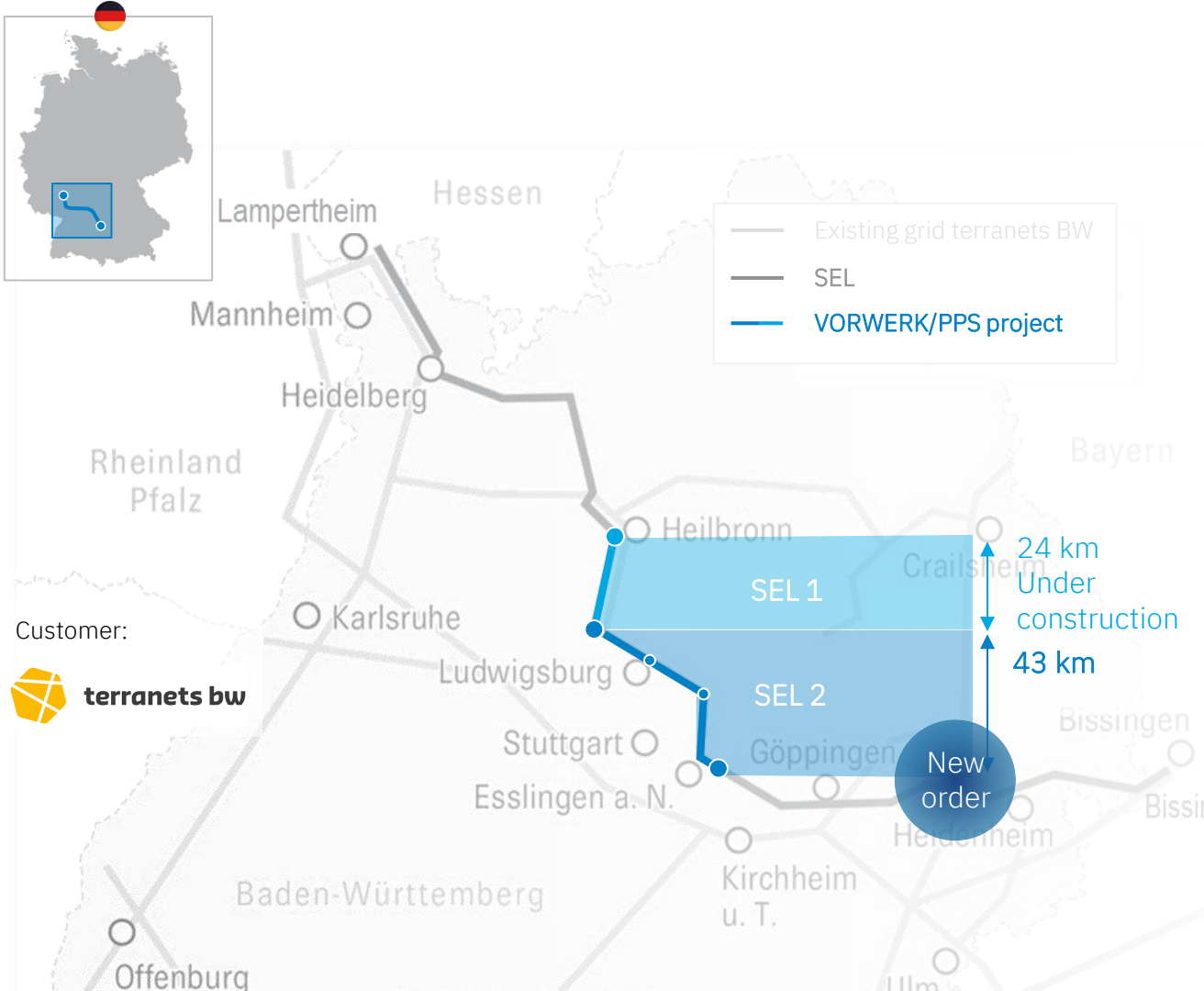
Based on excellent performance, VORWERK was able to win three additional lots of the SEL

New project acquisitions

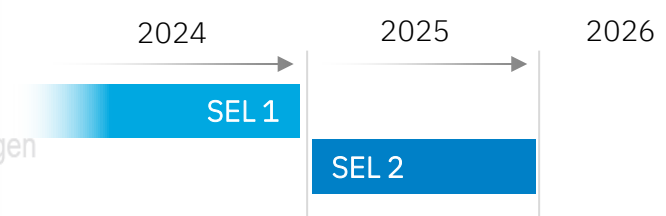
Current project update

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

Project details



- Contract comprises 3 construction lots with a total length of ~43 km
- Project executed by equal Joint Venture (ARGE) FV/ BoDo/ PPS/ Habau
- Total order volume in high double-digit million Euro range
- Completion planned for 2026 - further parts of SEL will be put out to tender on an ongoing basis





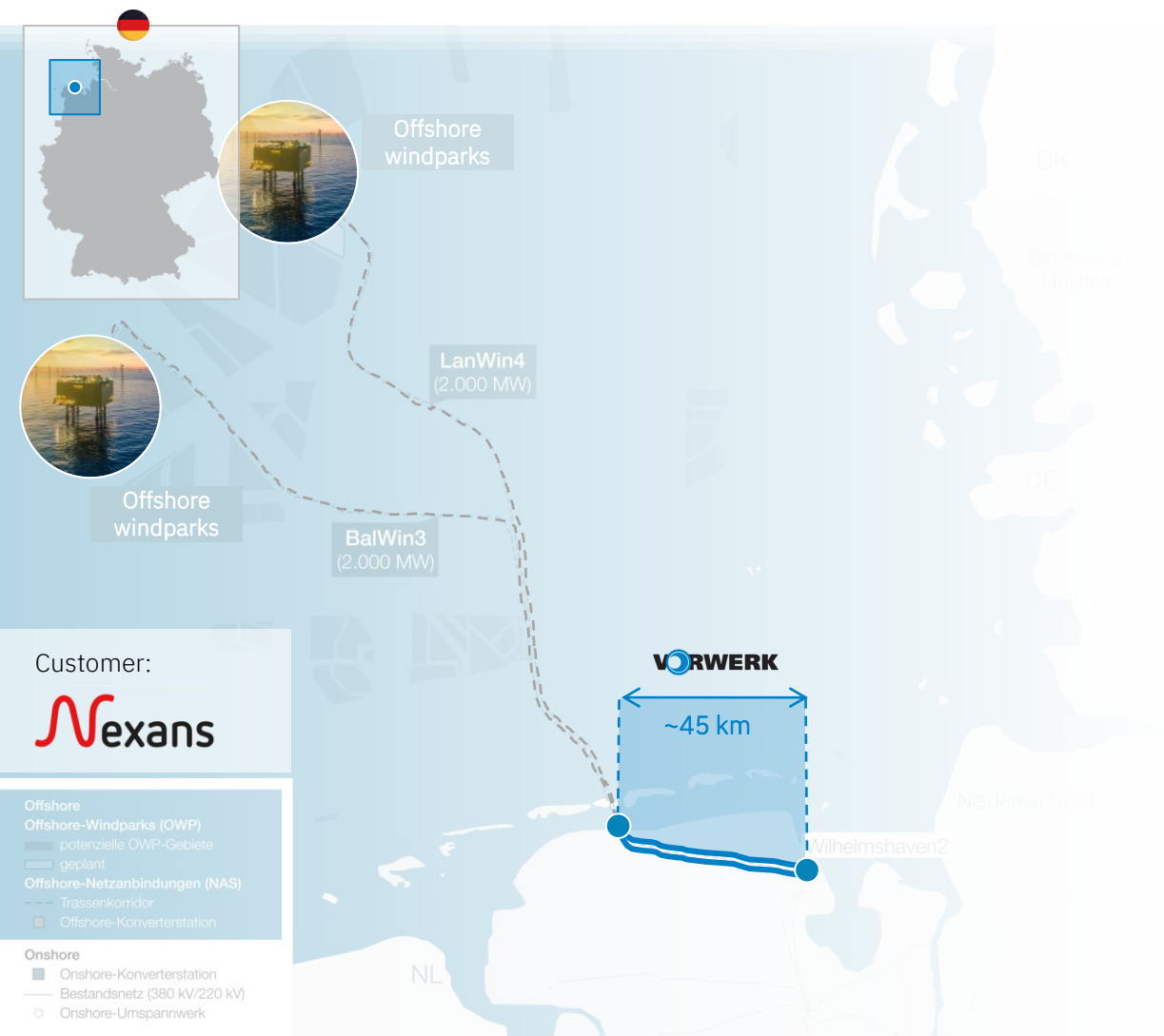
BalWin3/LanWin4 again represent a milestone project in the growing area of offshore grid connections

New project acquisitions

Current project update

Offshore grid connection projects BalWin3 and LanWin4

Project details



Connection line for two offshore wind farms in the North Sea



Largely parallel routes – total length of around 45 km each



High share of HDD drilling to protect sensitive ecosystems in the north German coastal area



Project start planned for 2026 - Commissioning of the entire system planned for 2031

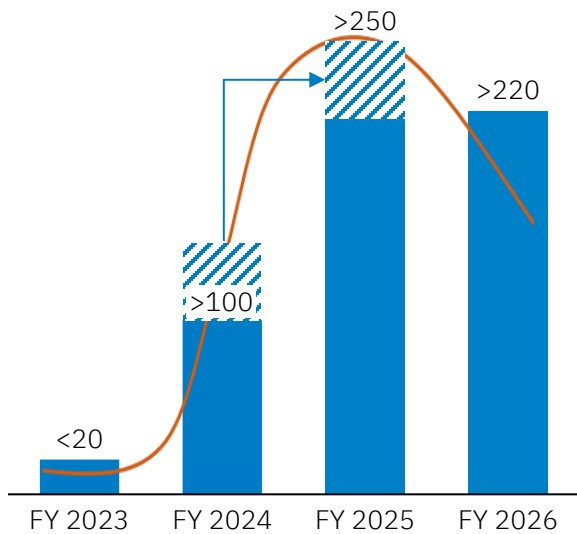


Total order volume in the clear three-digit million range

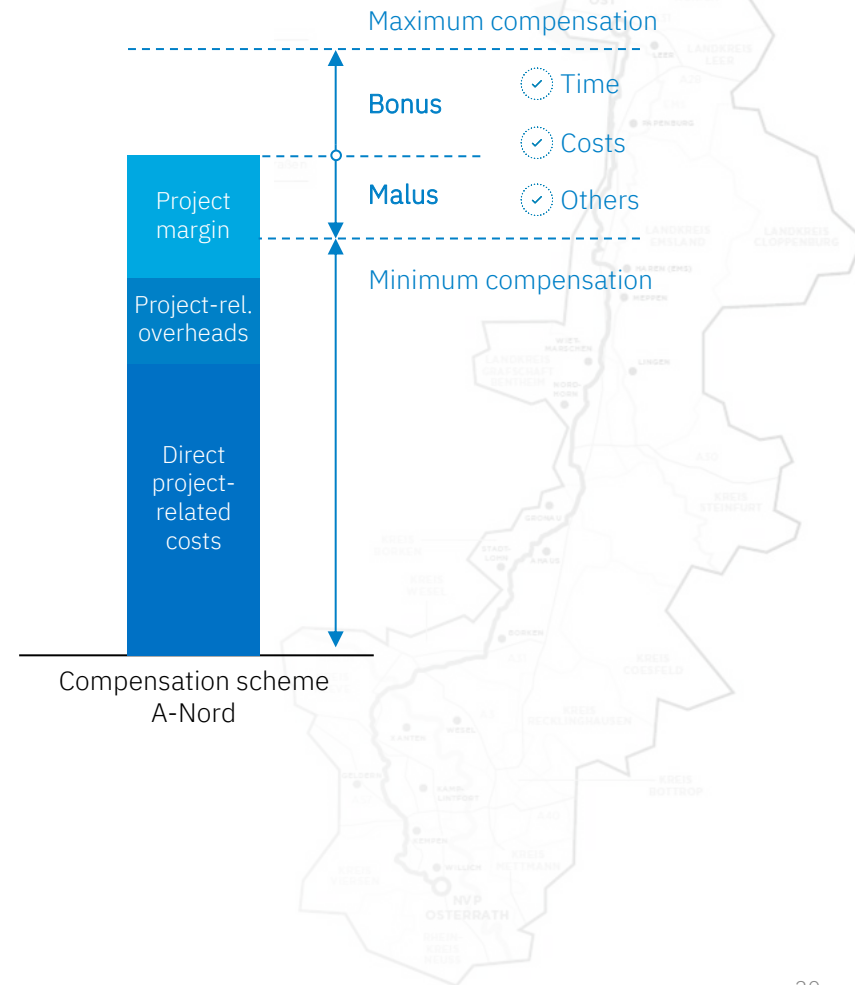


We continue to expect the largest revenue contributions in the financial years 2025 and 2026

Estimated revenue distribution
in €m, estimation



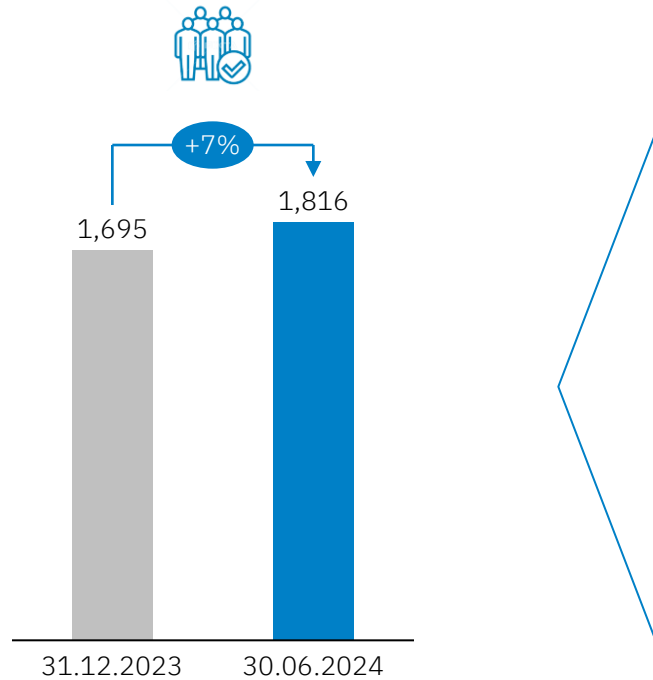
A-Nord compensation scheme
Schematic representation





The expansion of our workforce has made strong progress since the beginning of this year

Number of employees



Key drivers



Comprehensive roll-out of improved **VORWERK employer brand**



Introduction of **various employee benefits**, incl. doubling of compensation for away-from-home work assignments



Significant **expansion of recruiting efforts**, including sourcing employees from abroad



Increasing structural tailwind due to easing of overall employment market and substantial slump in building construction industry

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Driving the Clean Energy Transition.

