

Q3 Earnings Call

14 November 2024

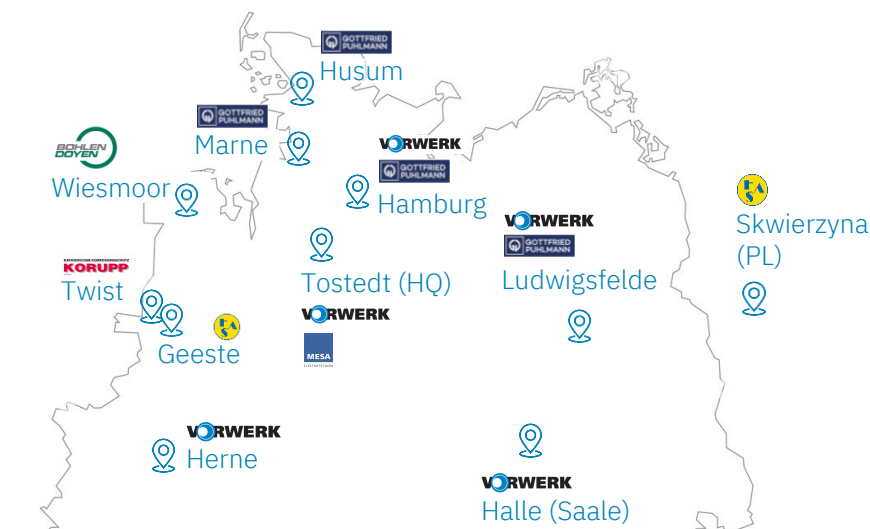


Driving the clean energy transition.

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



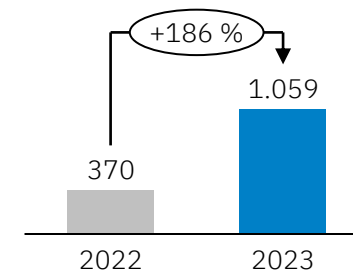
Adjacent Opportunities

... with decade-long customer relationships



...as major driver of the clean energy transition

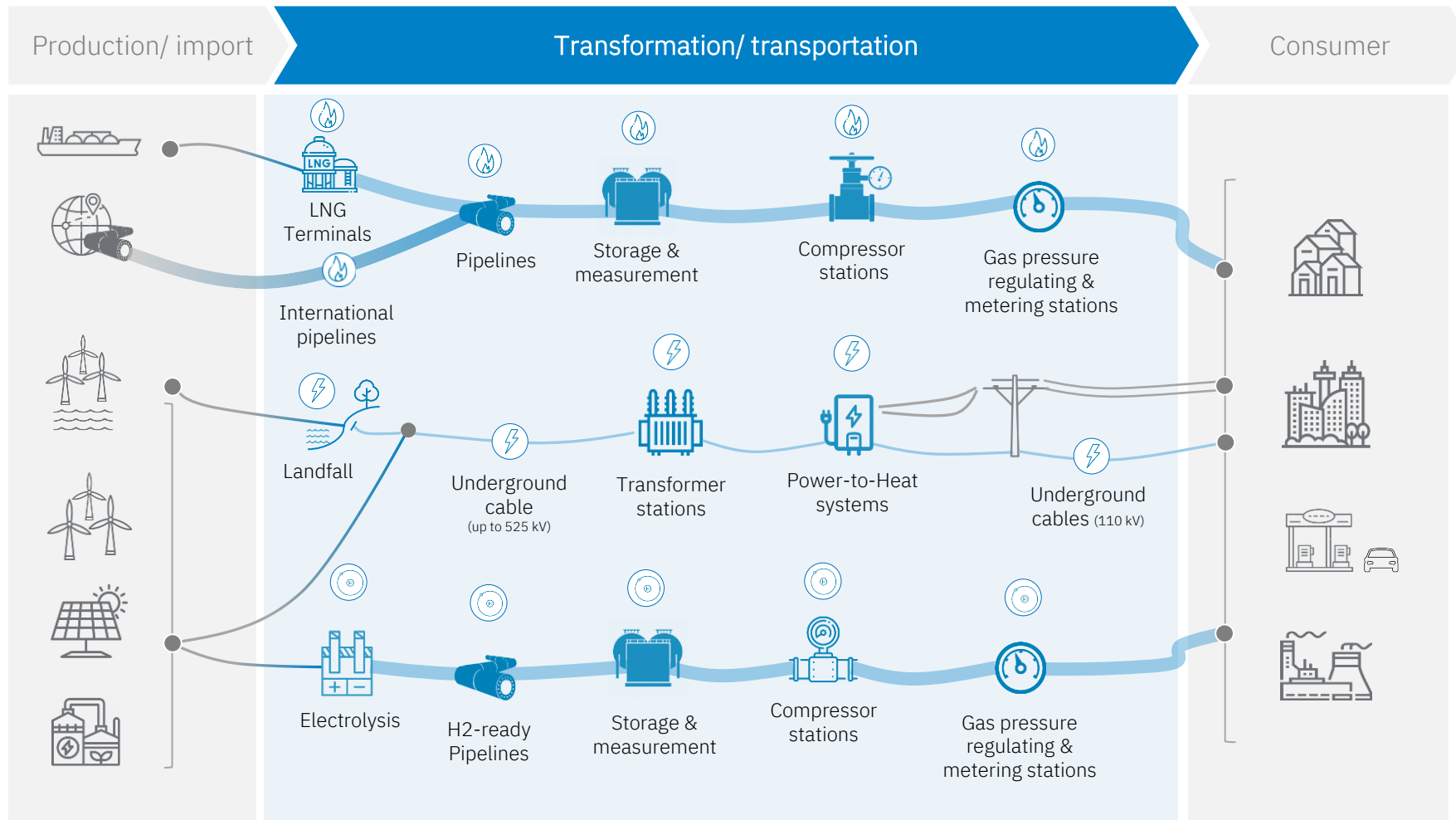
Order intake in €m



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



By approving the hydrogen core network, the Federal Network Agency has kicked off the H2 ramp-up

Planned German **HYDROGEN CORE GRID (KERNNETZ)**

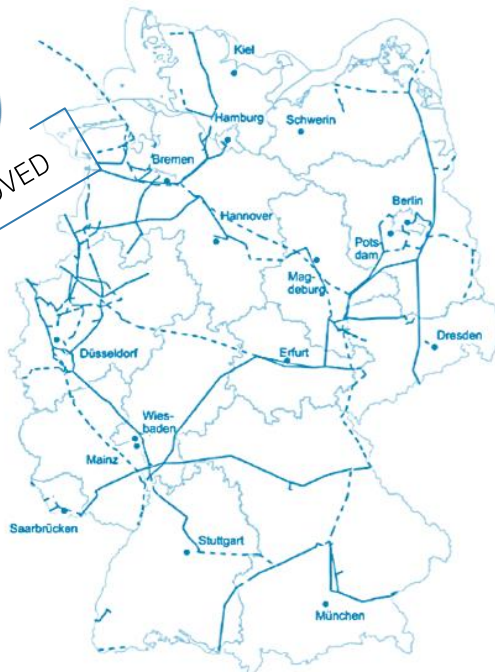
Berlin, 22. Oktober 2024.

Important milestone on the way to the **hydrogen core network**

Approval from the Federal Network Agency points the way for the hydrogen ramp-up



APPROVED



9,040 km

Total approved grid length

44 %

New pipelines



56 %

Converted pipelines

18.9 bn €

Total approved investment volume to realize planned German hydrogen core network

2024-2032

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

The transportation and storage of captured CO₂ requires a new pipeline network across Germany

Planned German CO₂ TRANSPORT NETWORK

Our CO₂ transportation grid starts

It consists of our projects WHV CO₂ Corridor, Delta Rhine Corridor, North Sea CO₂ Corridor, DK CO₂ Corridor and the Elbe estuary. The aim is to quickly develop the export options in Wilhelmshaven, Rotterdam, Ellund and Antwerp/Zeebrugge.



Up to 4,800 km

Total planned grid length

Up to 18.8 million t CO₂

Total planned transport capacity of the planned grid

100 %

New pipelines

>14 bn €

Total estimated investment volume to realize planned CO₂ starting network by 2035*



* Study by the Verein Deutscher Zementwerke (VDZ) 2024

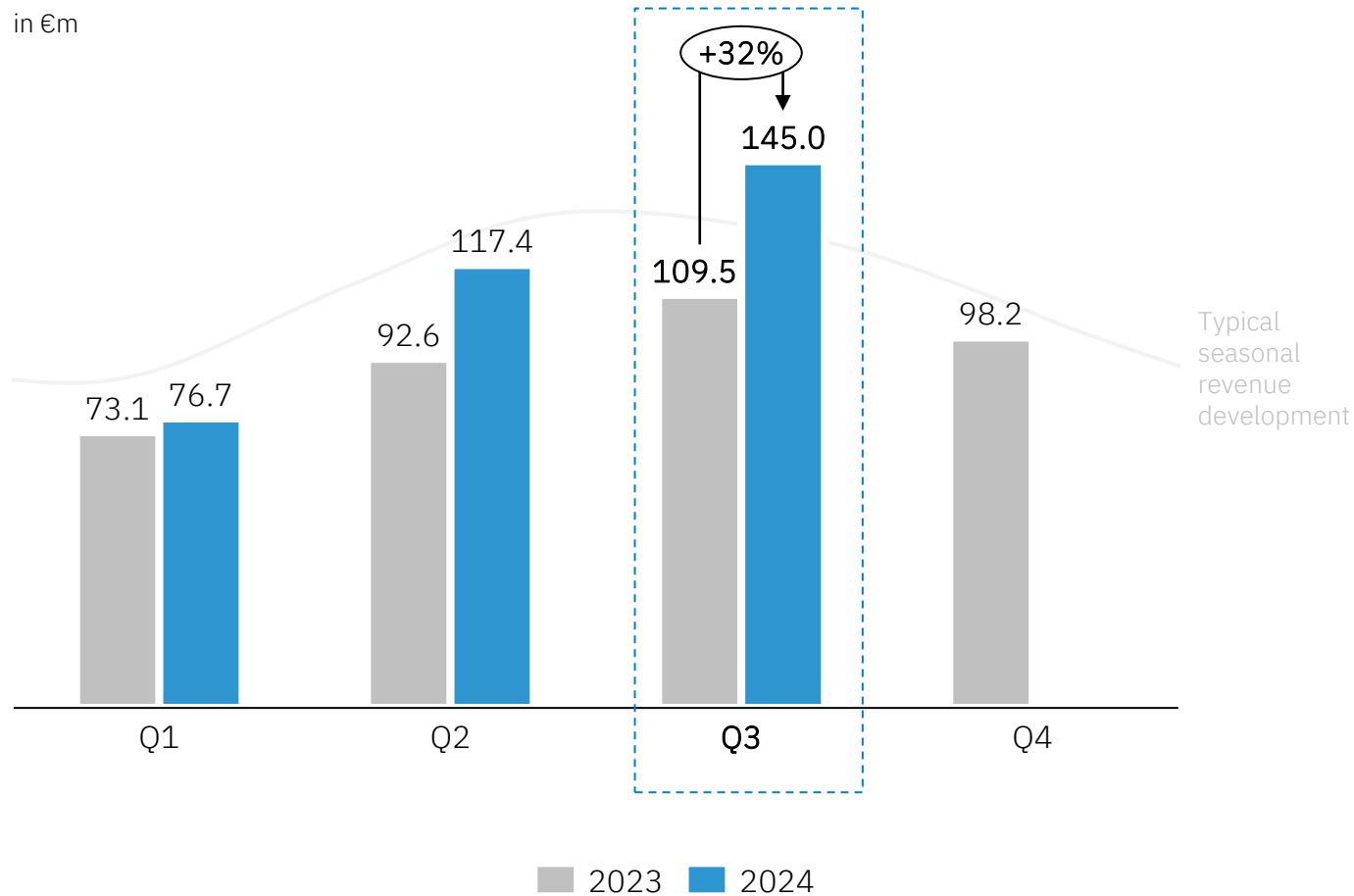
Financial performance





The third quarter again showed a significant growth compared to the previous year

Revenue
in €m

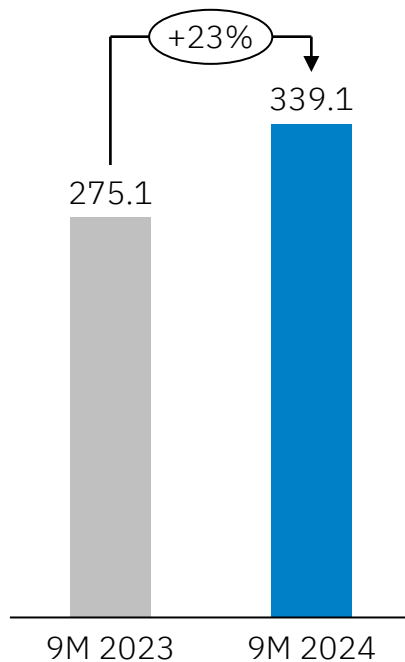


+ 32%
revenue increase
y-o-y in Q3 2024

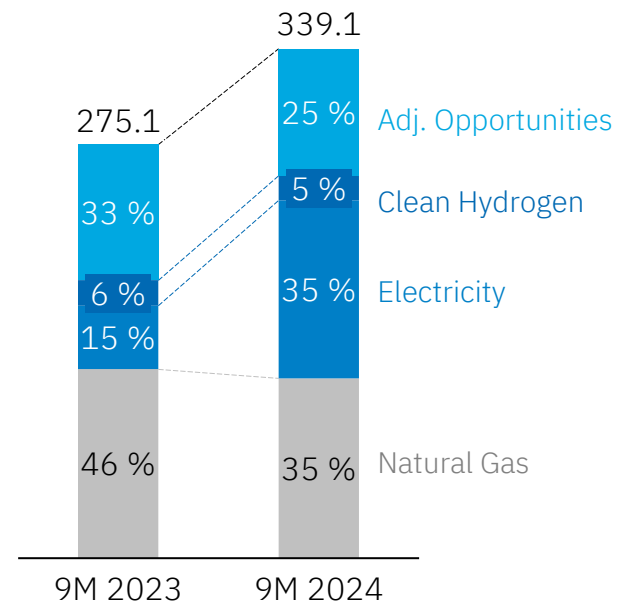


As a result, revenues in the first 9 months increased by 23 % compared to the previous year

Revenue
in €m



Revenue by segment
in %



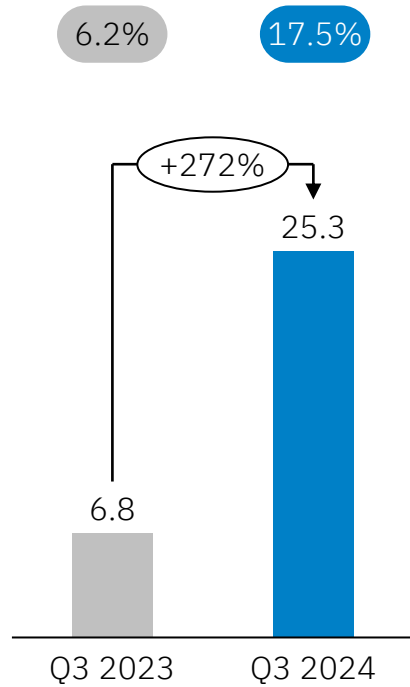
+ 23 %
revenue increase
y-o-y in 9M 2024



The EBITDA more than tripled in the third quarter compared the previous year

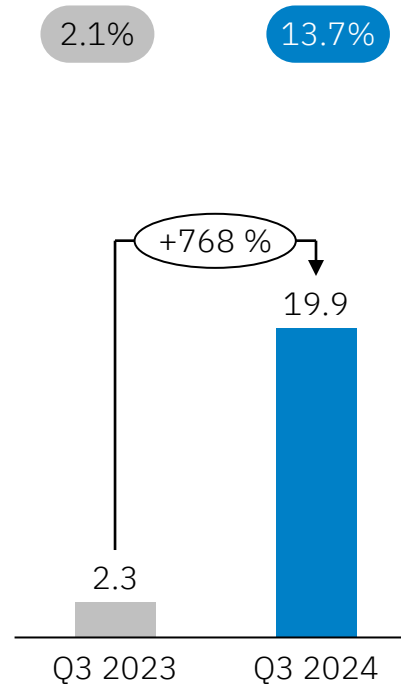
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



17.5 %

EBITDA margin
in Q3 2024

13.7 %

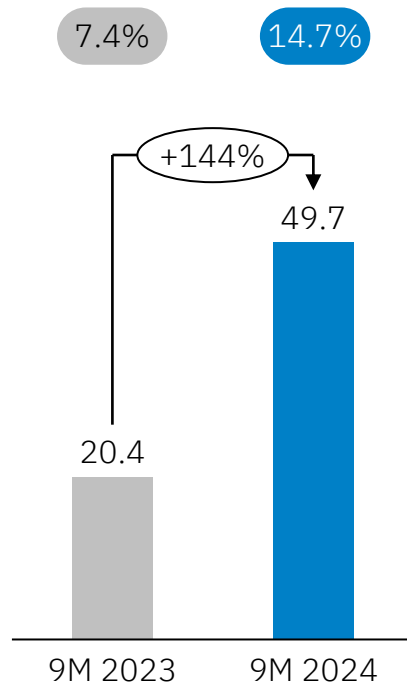
EBIT margin
in Q3 2024



After nine months, the EBIT margin is finally back in the double-digit range

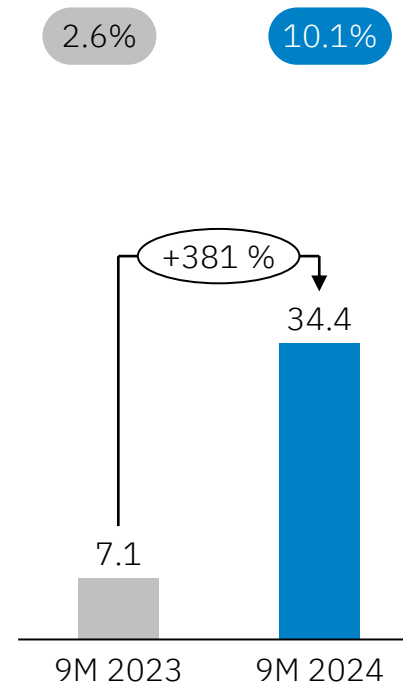
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



14.7%

EBITDA margin
in 9M 2024

10.1%

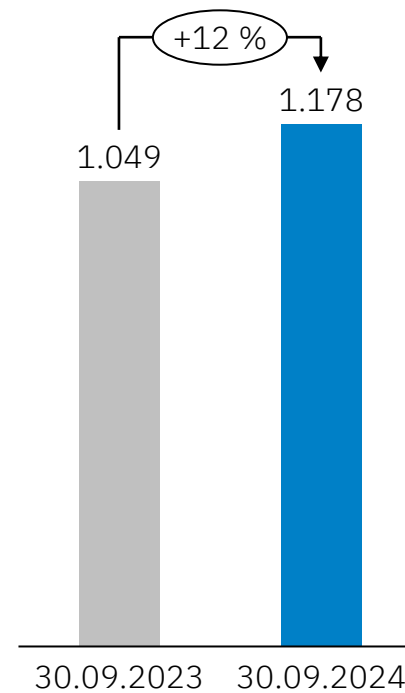
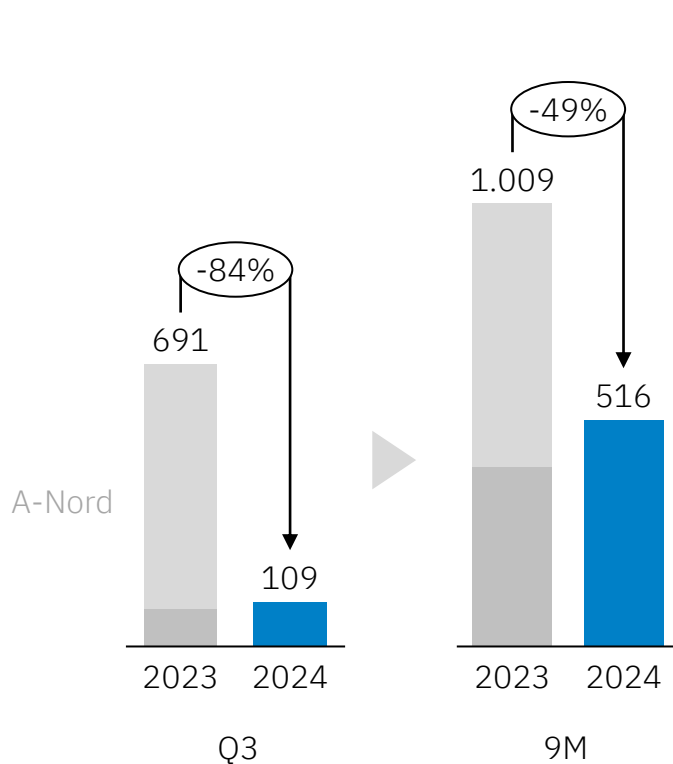
EBIT margin
in 9M 2024



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

Order intake
in €m

Order backlog
in €m



516 €m

Order intake
9M 2024

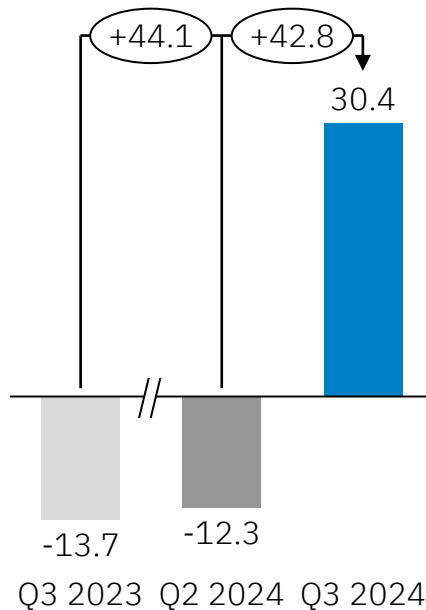
~1.2 €bn

Order backlog
as per 30.09.2024



Despite the strong revenue growth, net liquidity increased by 42.9 €m since Q2/24

Net liquidity
in €m



Significantly **higher profitability**



Increased focus on contractual agreements in terms of billing terms



Monthly invoicing on major project **A-Nord**



Improved internal **project controlling and billing processes**

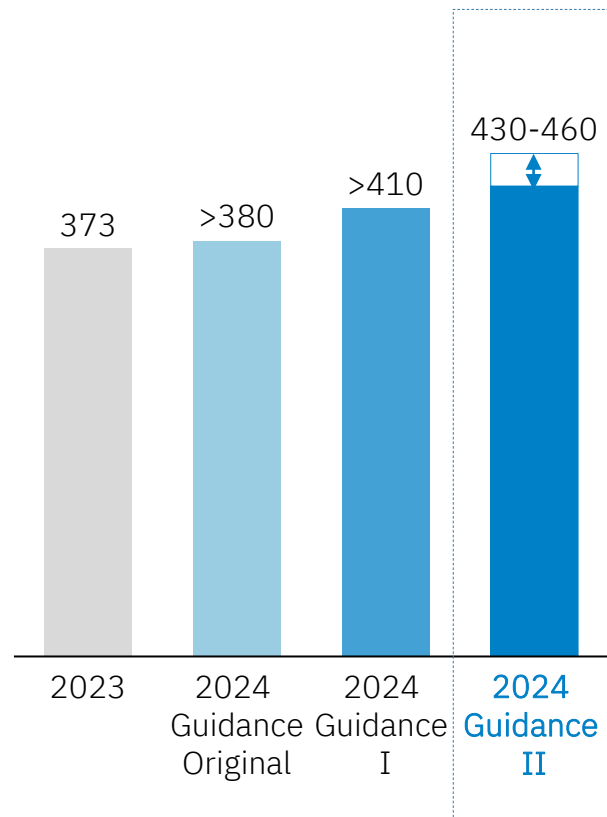
30.4 m€

Net cash as per
30.09.2024

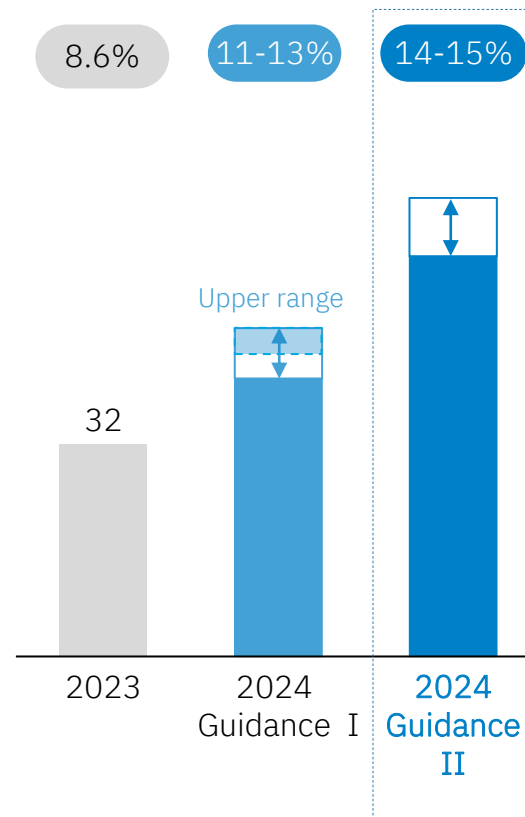


Based on our strong performance we raise our revenue and profitability guidance for the second time

Revenue
in €m



EBITDA margin
in €m / in %



430-460
€ million
Revenue FY 2024

14-15 %
EBITDA margin
Profitability FY 2024

Business update





VORWERK was recently able to win one of the two construction lots for the planned EWA pipeline

New project acquisitions

Project pipeline

Planned OGE pipelines EWA and WAD

Project details

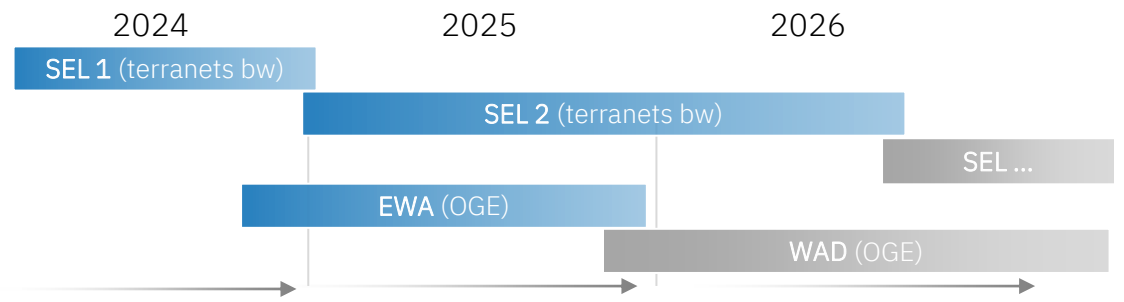


Contract comprises pipeline section with total length of ~24 km

Project executed by equal Joint Venture (ARGE) FV/ BoDo/ PPS/ Habau

Total order volume in high double-digit million Euro range

Completion planned for 2025 – additional pipeline project WAD to be executed directly afterwards





Besides EWA, many more large-scale grid projects are currently being tendered

New project acquisitions

Project pipeline

NATURAL GAS



ELECTRICITY



ETL 182*

86 km	2027	gasu ^{ne}
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LanWin2

12 km	2030	Nexans
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EWA*



60 km	2025	OGE
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SuedLink*

700 km	2028	tennet TRANSNET BW
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WAD*

90 km	2026	OGE
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SuedOstLink*

758 km	2030	tennet 50hertz
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Spessart-Odenwald-Leitung (SPO)*

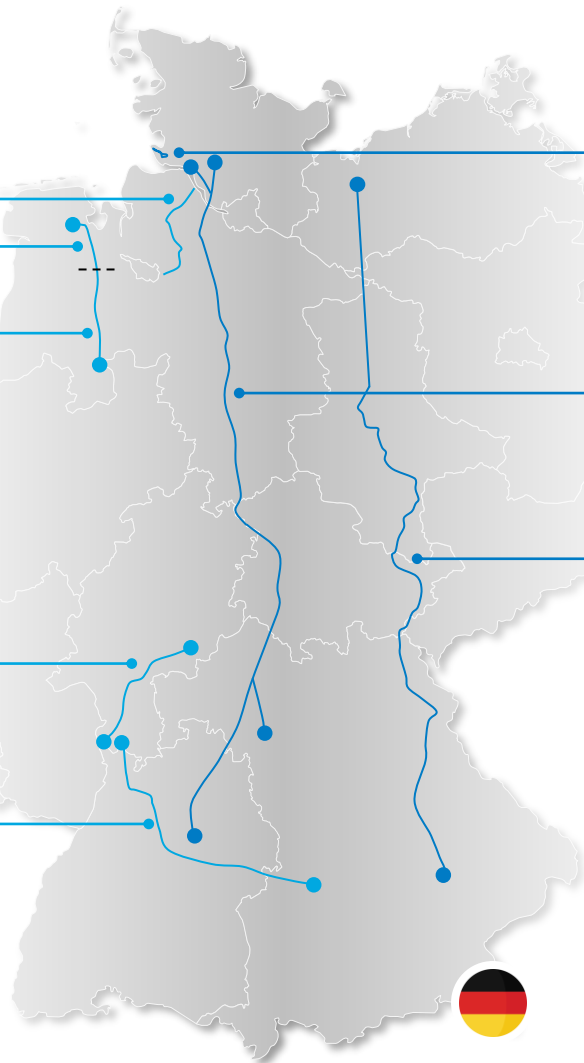
117 km	2027	terranets bw
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Sueddeutsche Erdgasleitung (SEL)*

250 km	2026	terranets bw
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ETL 179.200	gasu ^{ne}
Augusta	bayernets ⁺ energy transport systems

...and many more transformer stations





The demand for electrolyser systems is also picking up pace rapidly

New project acquisitions

Project pipeline

H2 Lighthouse project Bohlen & Doyen, Wiesmoor

250 KW 2025



Electrolyser system (Engineering)

20 MW 2027



20 MW

Electrolyser system incl. fuelling station

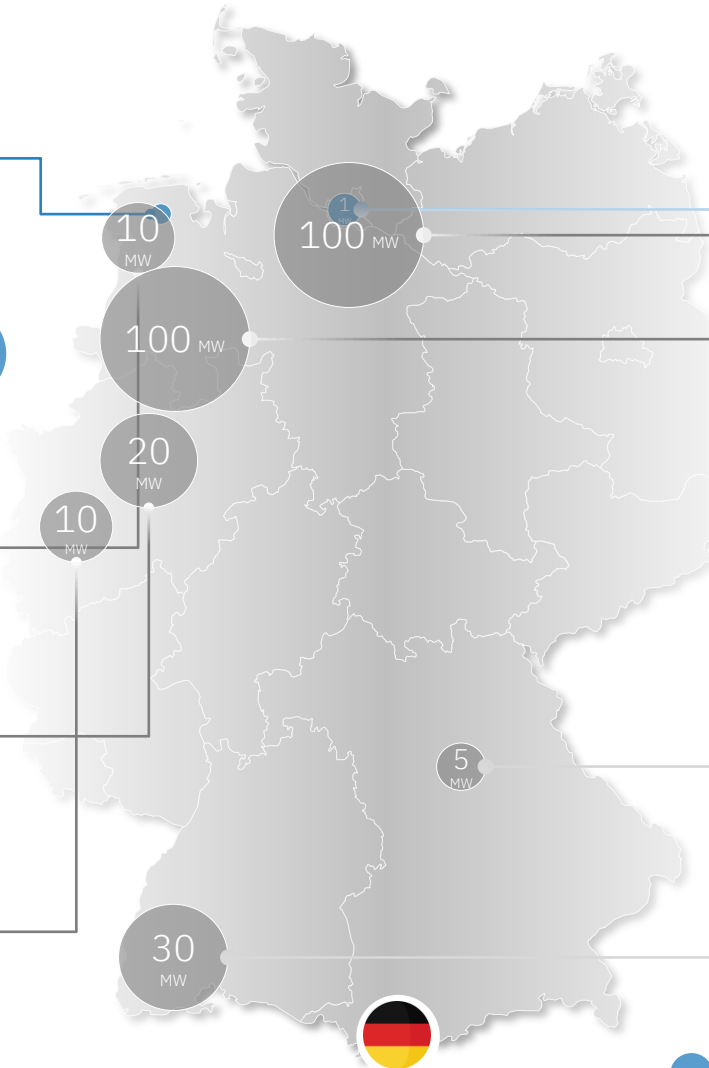
10 MW 2027

Electrolyser system incl. fuelling station

20 MW 2027

Electrolyser system incl. fuelling station

10 MW 2027



Electrolyser system

1 MW 2025



STADTREINIGUNG HAMBURG

Electrolyser system (EPC)

100 MW 2027

Electrolyser system (EPC)

100 MW 2027

Electrolyser system

5 MW 2027

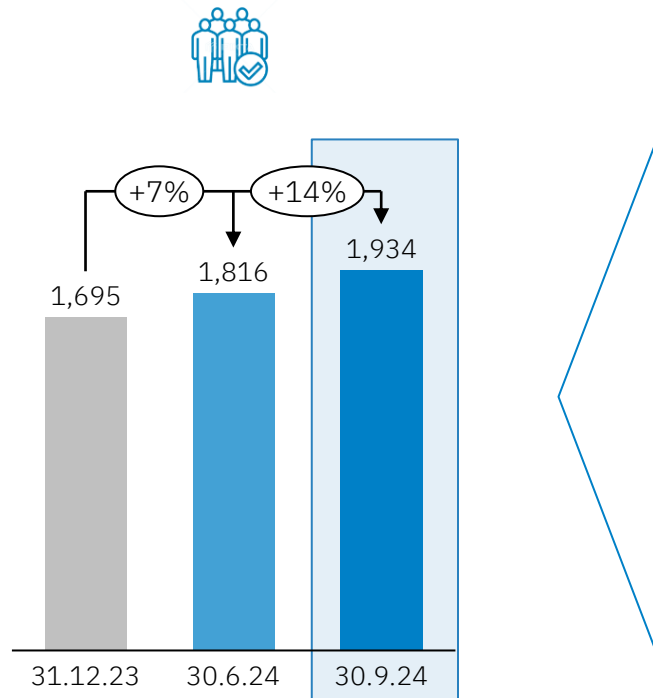
Electrolyser system (EPC)

5 MW 2027



The positive hiring momentum from the first half-year has continued in the third quarter

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.

