

Driving the clean energy transition.

Earnings Call FY 2023

March 26, 2024



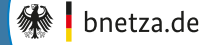
Market update





The recently confirmed GDP Electricity foresees investments of >320 bn € until 2045

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



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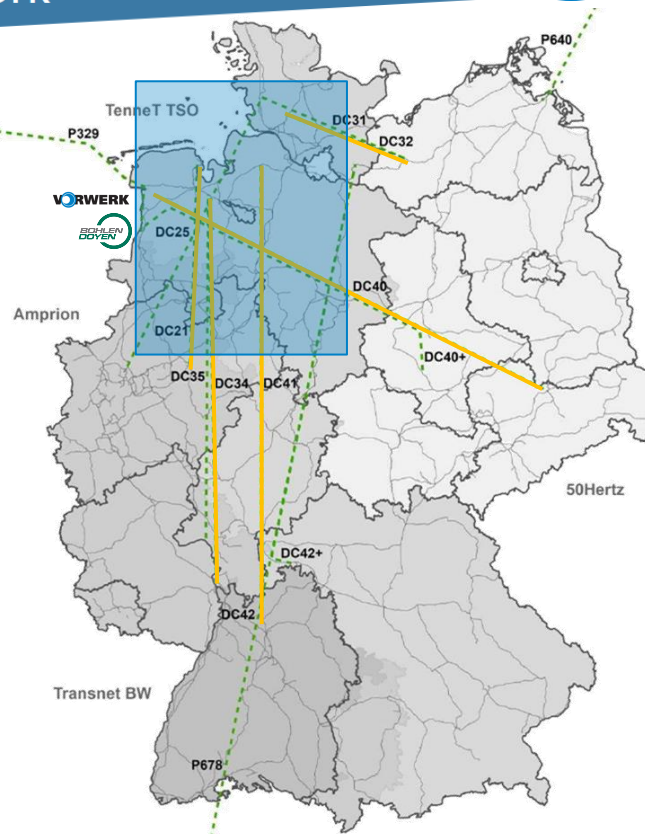
This is the first network development plan that presents the electricity network we need to complete the energy transition. We have carefully assessed all the projects that were proposed.

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 seven 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



FR



IT



PT



NL



PL



SK



GER

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



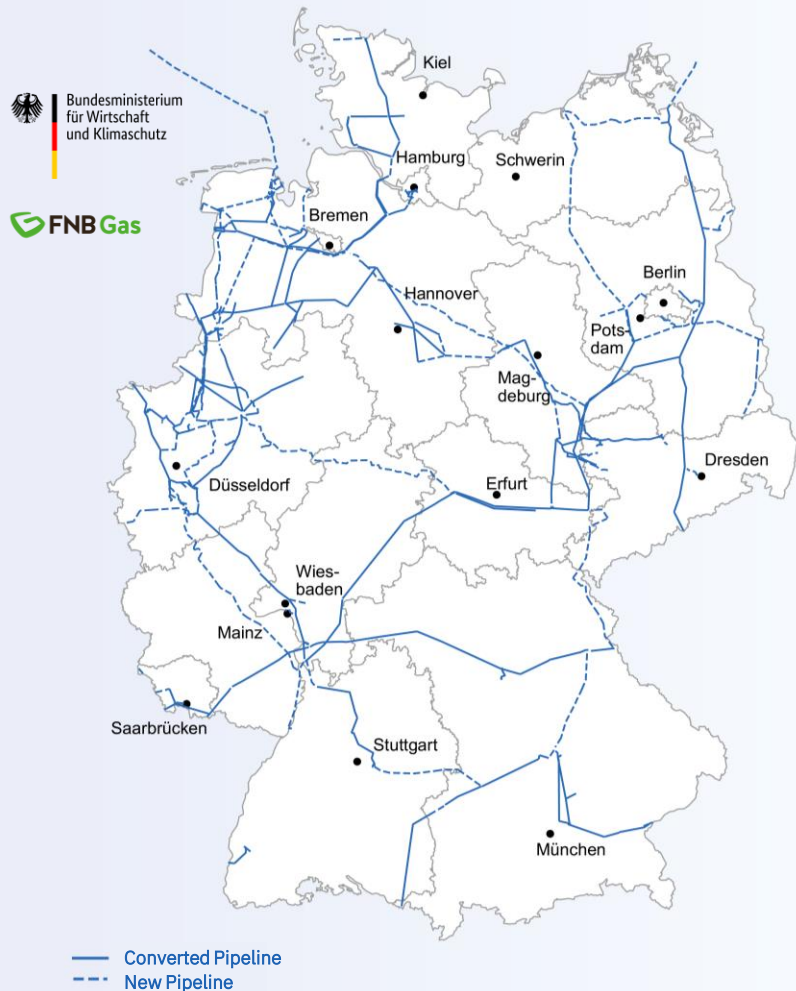
AquaDuctus





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**

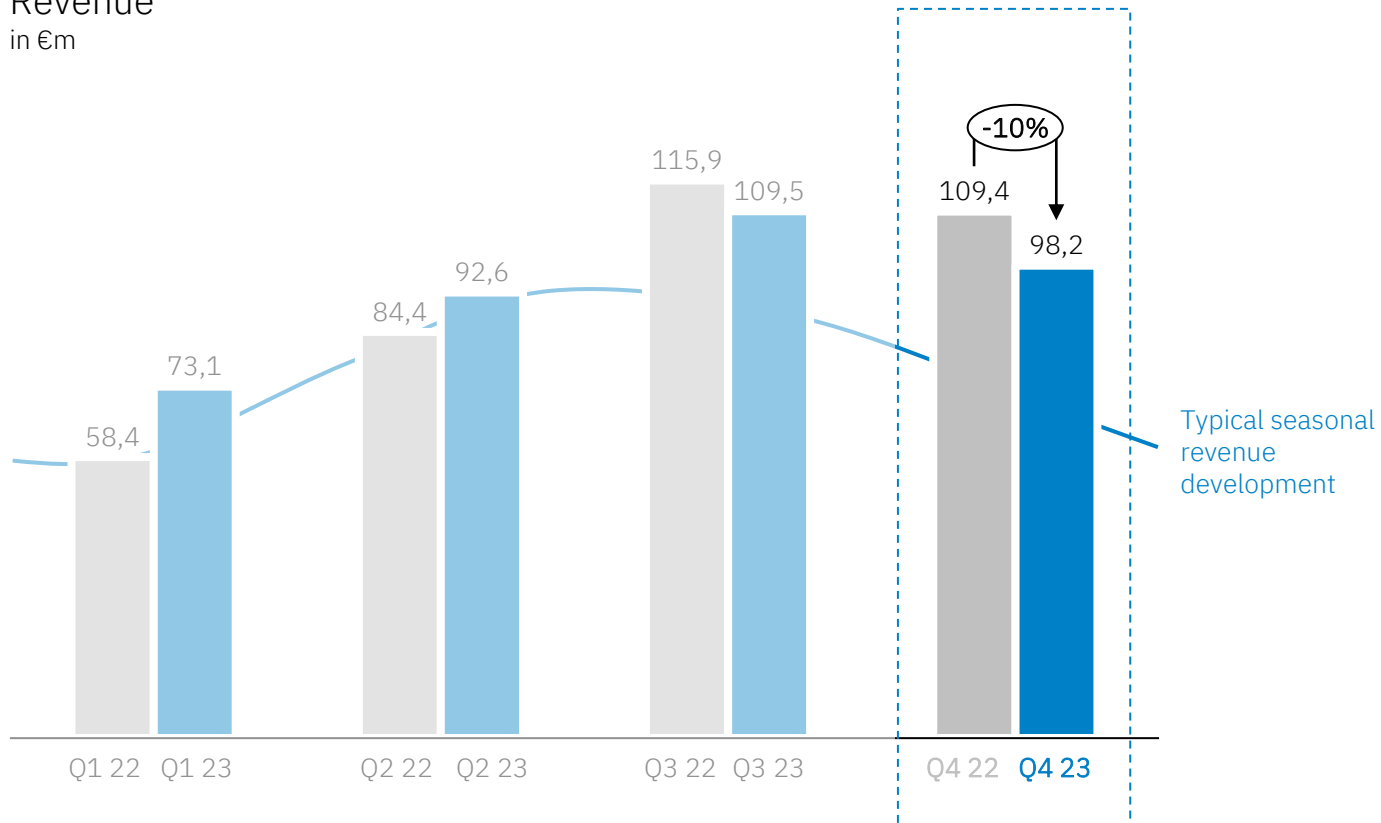
Financial performance FY 2023





As expected, Q4 revenues came out slightly below the very strong previous year's level

Revenue
in €m



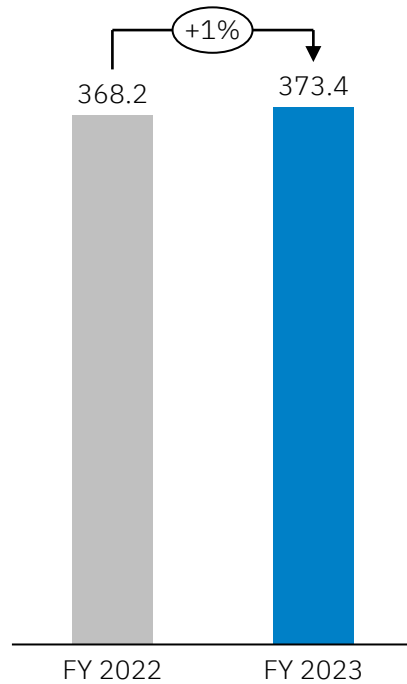
-10 %

Revenue
development
y-o-y in Q4 2023

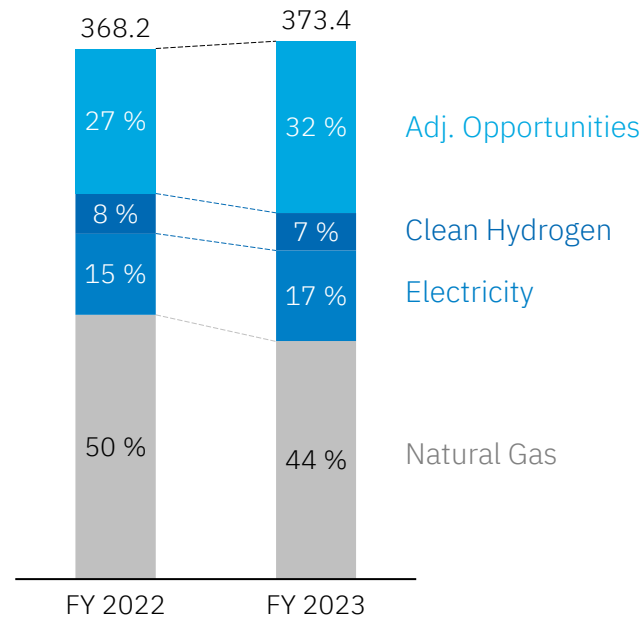


Despite last year's rapid growth, revenue in FY 2023 showed a moderate y-o-y increase

Revenue
in €m



Revenue by segment
in %



+1.4 %

Revenue growth
y-o-y FY 2023

>2.8

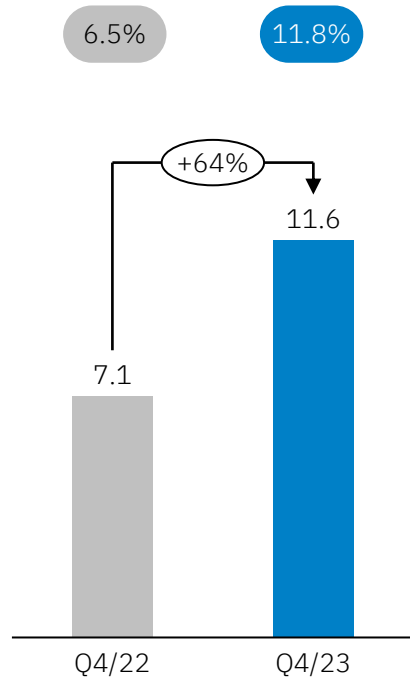
Book-to-bill ratio
FY 2023



At the same time, profitability could be improved significantly compared to Q4 in the previous year

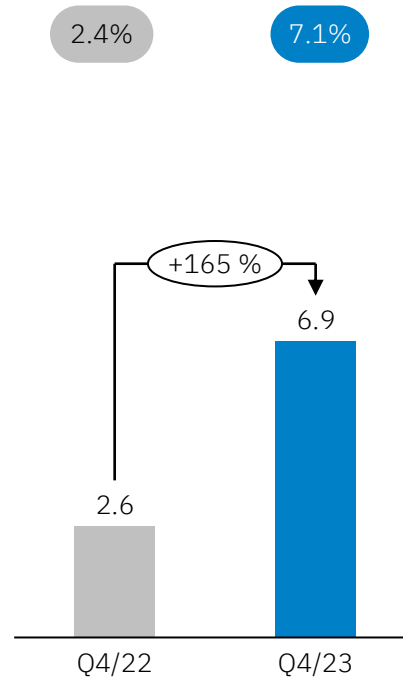
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



11.8 %

EBITDA margin
in Q4 2023

7.1 %

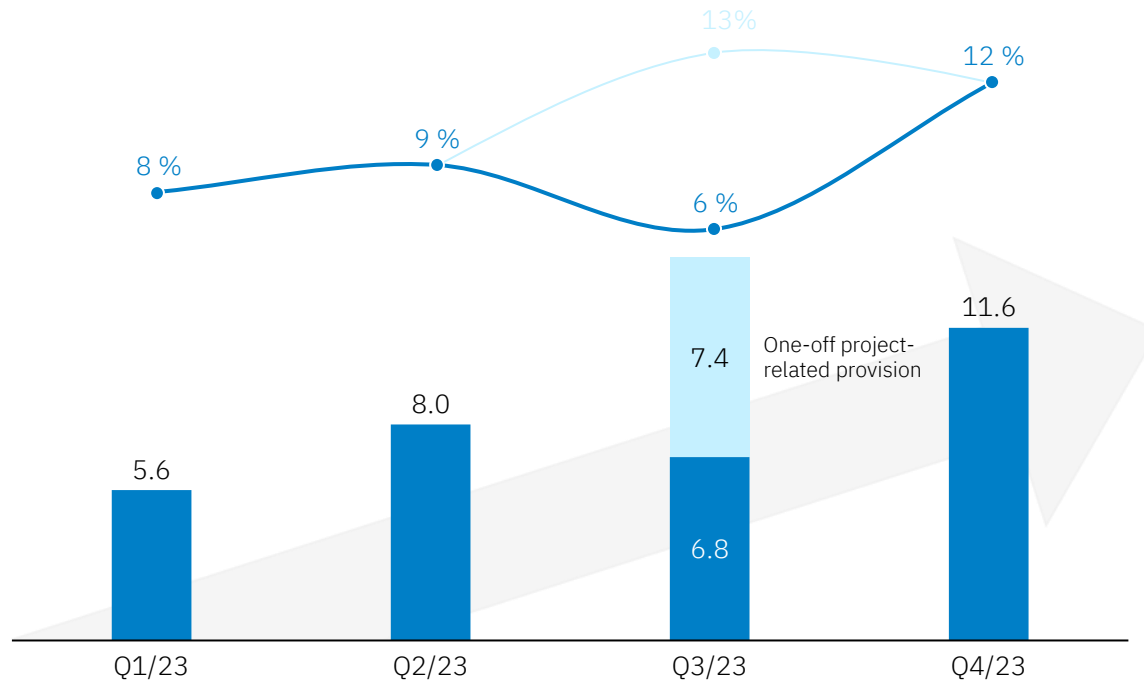
EBIT margin
in Q4 2023



Without one-off effects, we have seen continuous margin improvements over the year

EBITDA

in €m, blue bubbles show EBITDA margin



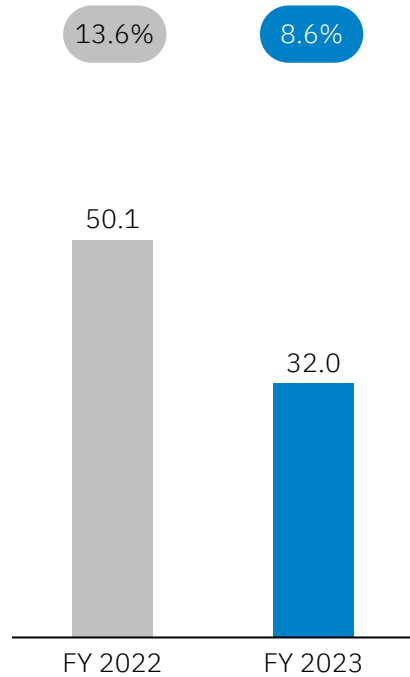
+4 PP
EBITDA Margin
Q4/23 vs. Q1/23



Despite recent margin improvements, full-year profitability remains significantly below previous year

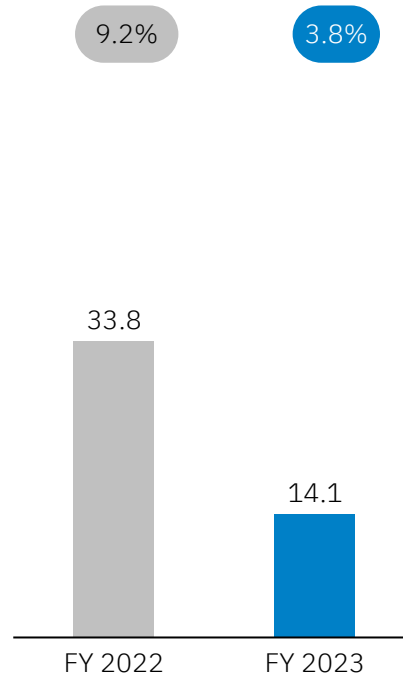
EBITDA

in €m, blue bubbles show EBITDA margin



EBIT (adj.)

in €m, blue bubbles show EBIT margin



8.6 %

EBITDA margin
in FY 2023

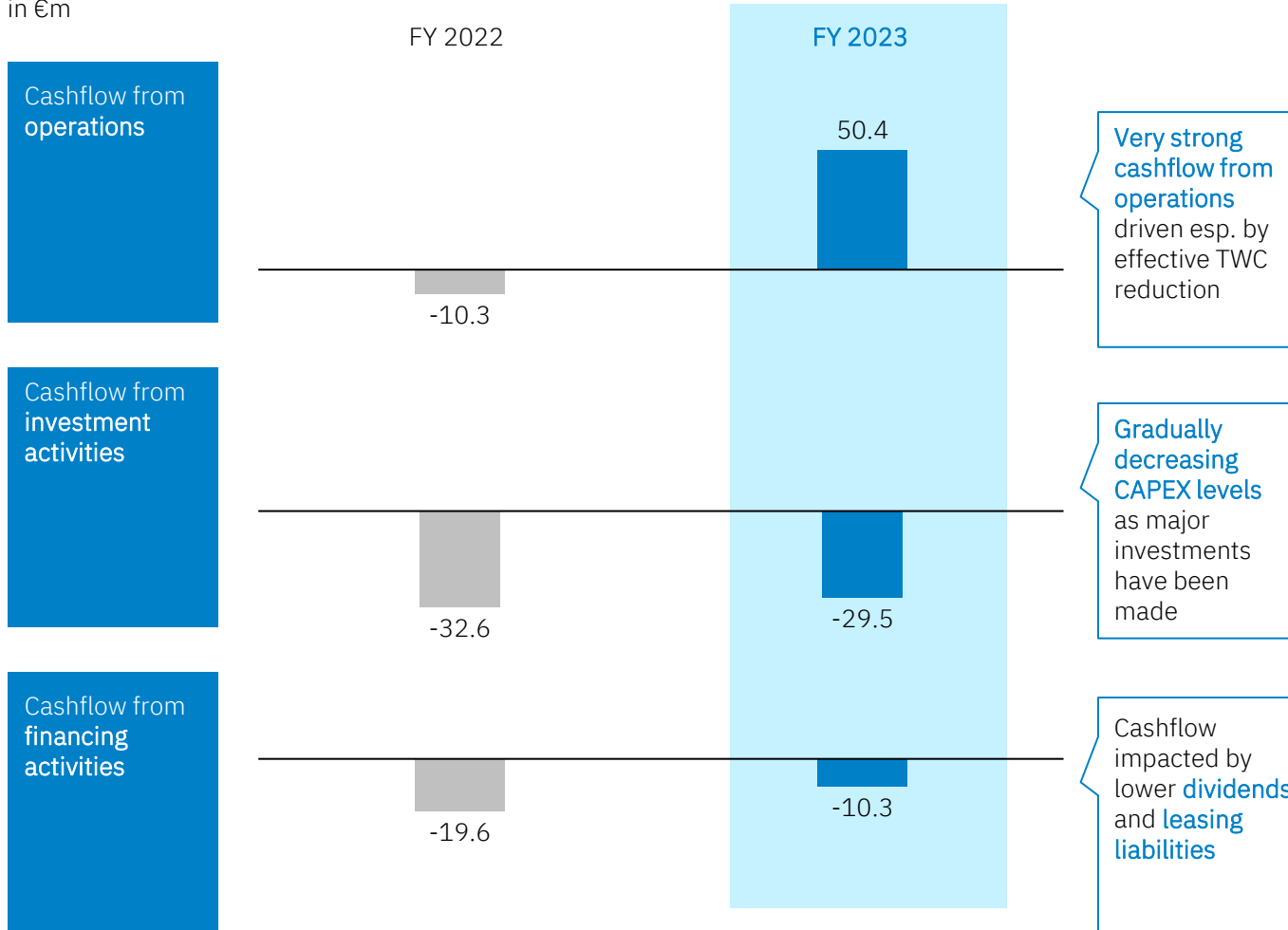
3.8 %

EBIT margin
in FY 2023



VORWERK achieved a strong operating cashflow of more than 50 million € in 2023

Cash flow in €m



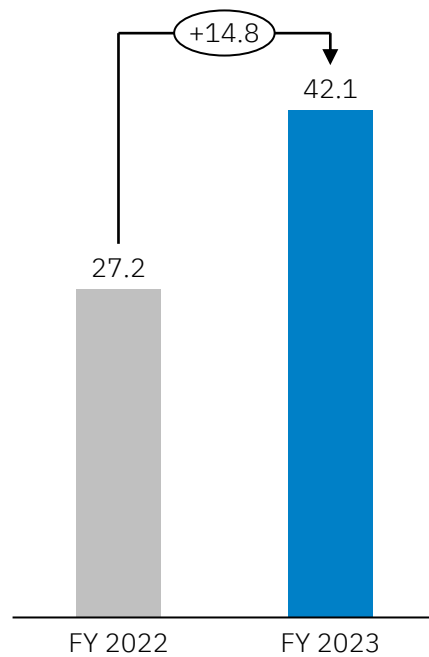
50.4 €m
Operating Cashflow
in FY 2023



As a result, net liquidity increased strongly by the end of the year

Net liquidity

in €m, as at 31.12. of the respective year



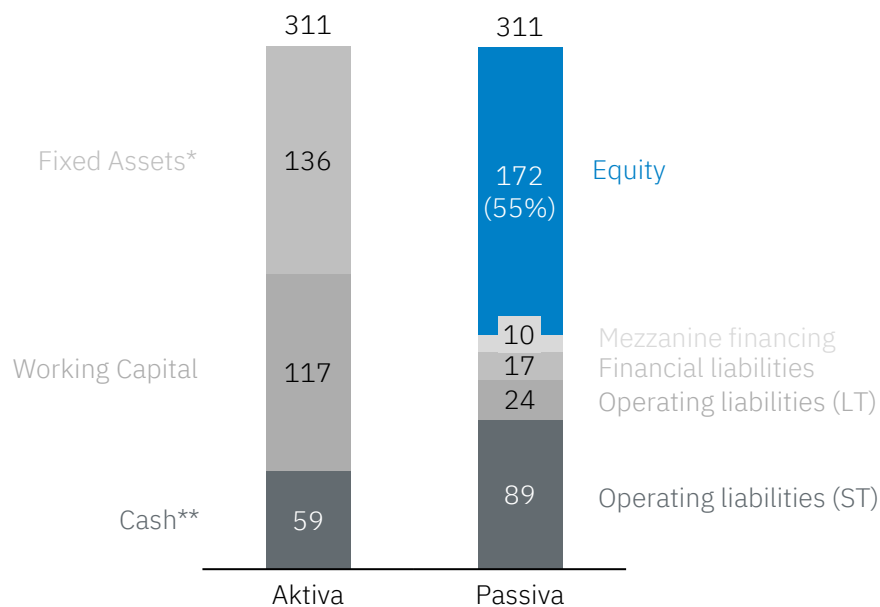
42.1 €m

Net liquidity
as at 31.12.2023



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

Balance Sheet
in €m, as at 31.12.2023



55.1 %
Equity ratio

12 ct./ share

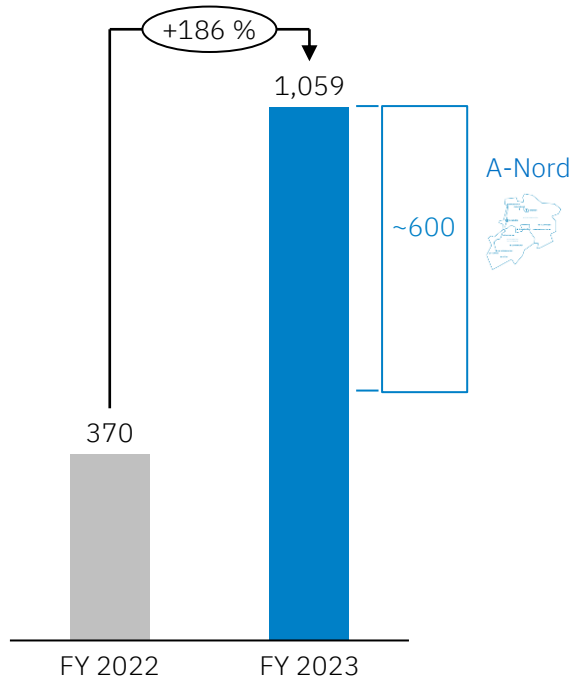
Dividend proposed at
AGM on 3 June 2024

* W/o Cash Positions
** Incl. securities

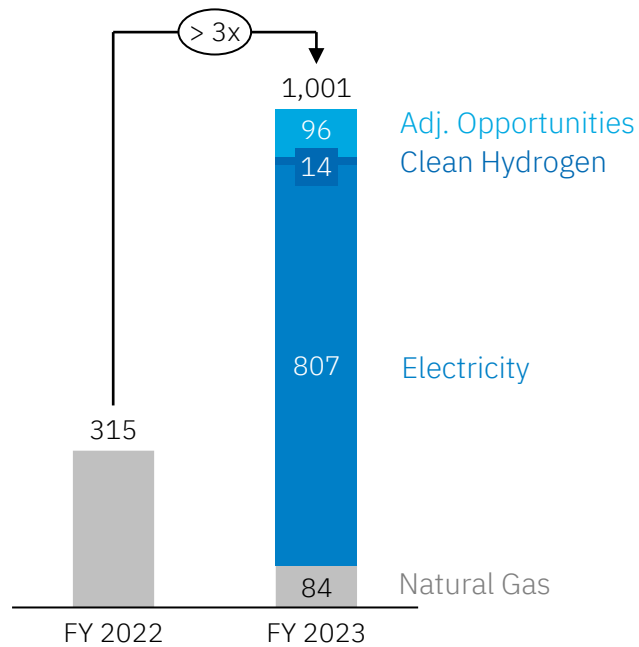


Driven by A-Nord, the order backlog more than tripled compared to last year

Order intake
in €m



Order backlog
in €m



+ 182 %

Order intake
y-o-y in FY 2023

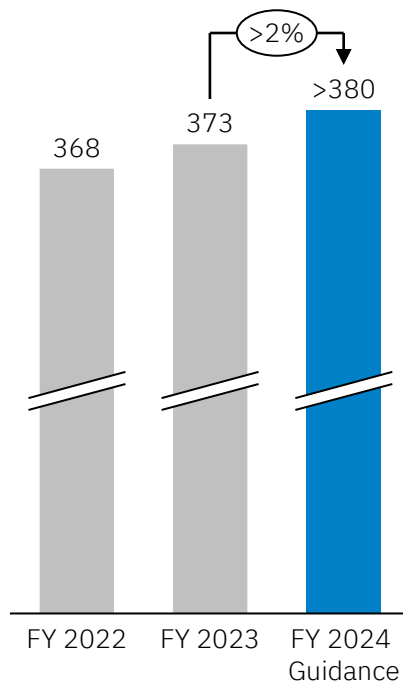
1.0 € bn

Order backlog
as at 31.12.2023

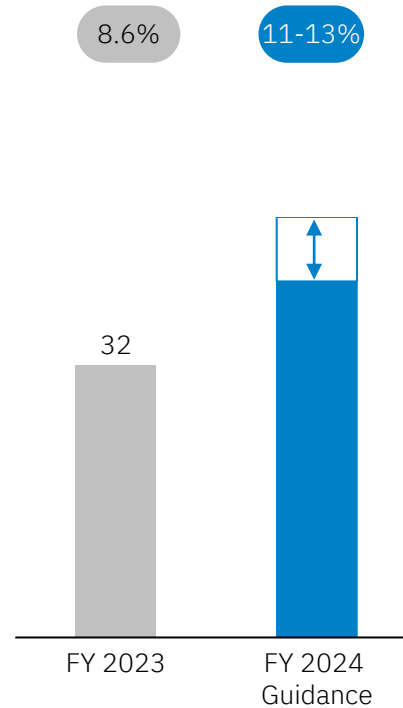


Based on our strong order backlog, we expect moderate revenue growth at clearly improving margins

Revenue Guidance
in €m



Profitability guidance | EBITDA margin
in €m / in %



> 380 m€

Revenue Guidance
FY 2024

11-13%

Profitability Guidance
FY 2024

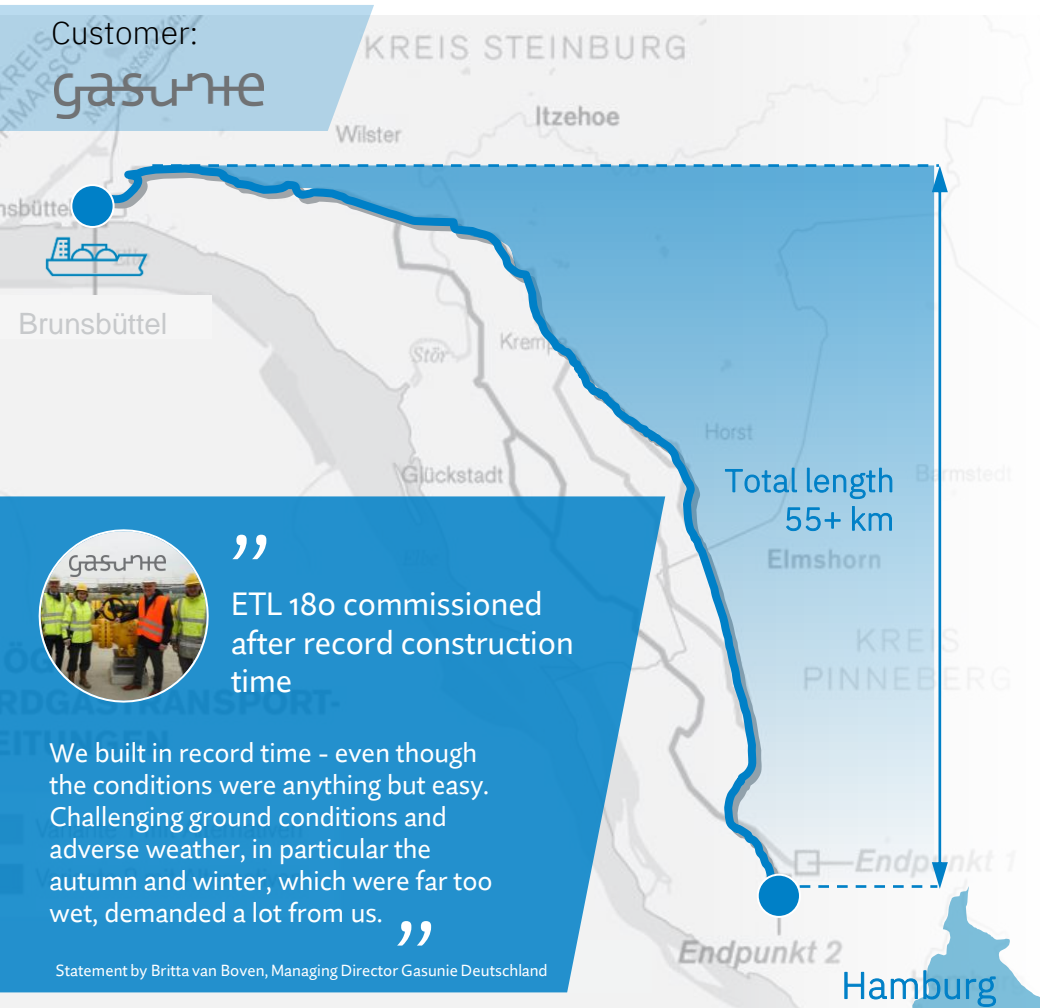
Business update



Despite severe adverse soil conditions and weather, the Brunsbüttel LNG connecting pipeline was successfully commissioned in March 2023

Brunsbüttel LNG connecting pipeline

Project update



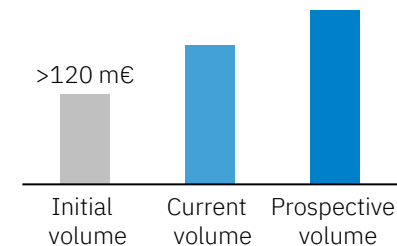
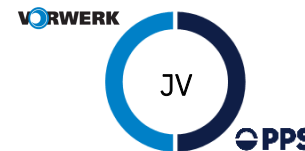
Despite challenging soil conditions, adverse weather and sabotage, the pipeline was **successfully completed and commissioned in record-time**



Due to severely changed project scope and timing, many positions remain subject to constructive **contract negotiations** – project result, however, is **expected to remain clearly positive**



Follow-up project for recultivation of pipeline route currently under negotiation and likely to **continue until end of 2024**



In addition, various important service contracts were successfully extended by VORWERK

●●○NTRAS

Duration: **2025-2027** with extension option

Region: **Region Berlin, Magdeburg and Leipzig**

Scope: **Service & fault clearance** of the transmission grid, service & operation of the compressor station in Bobbau, Saxony-Anhalt

Volume: **Mid double-digit volume** over five years

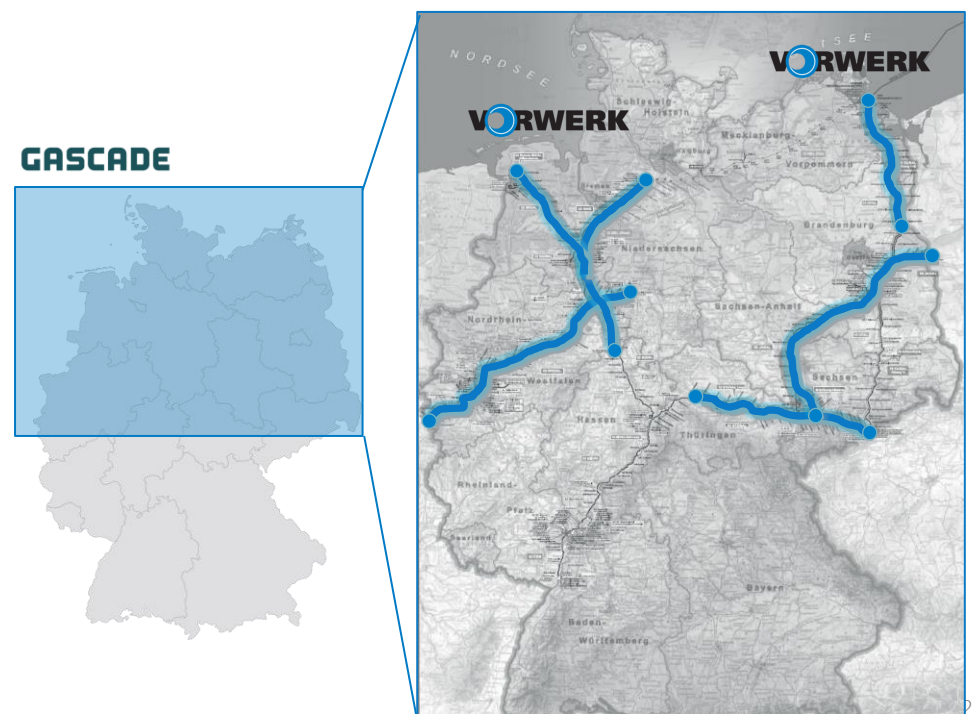
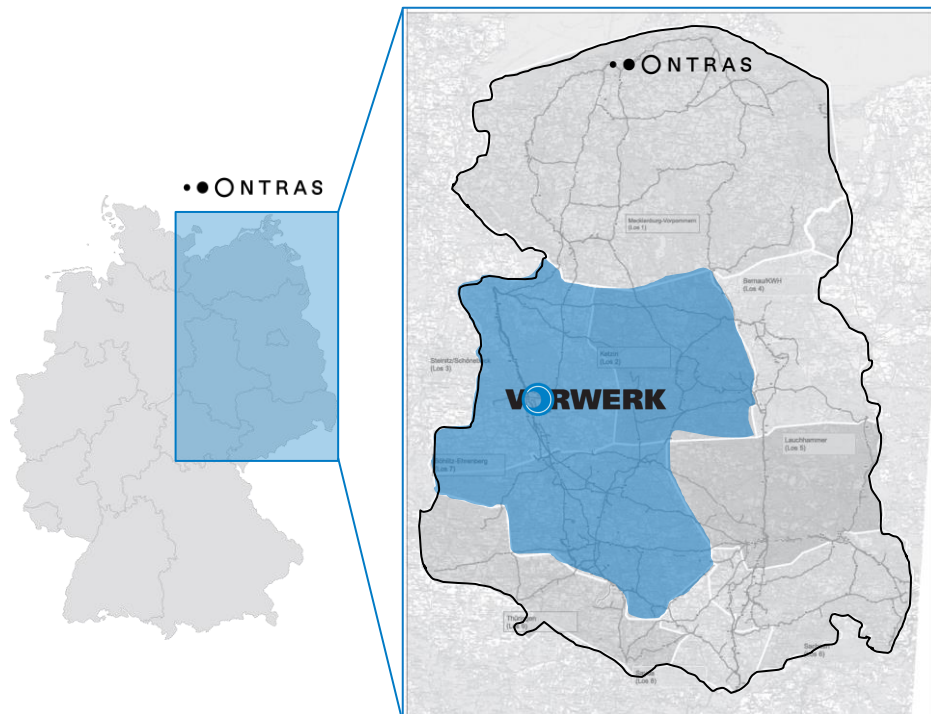
GASCADE

Duration: **2023-2025**

Region: **Various transmission pipelines** in Eastern and Western Germany

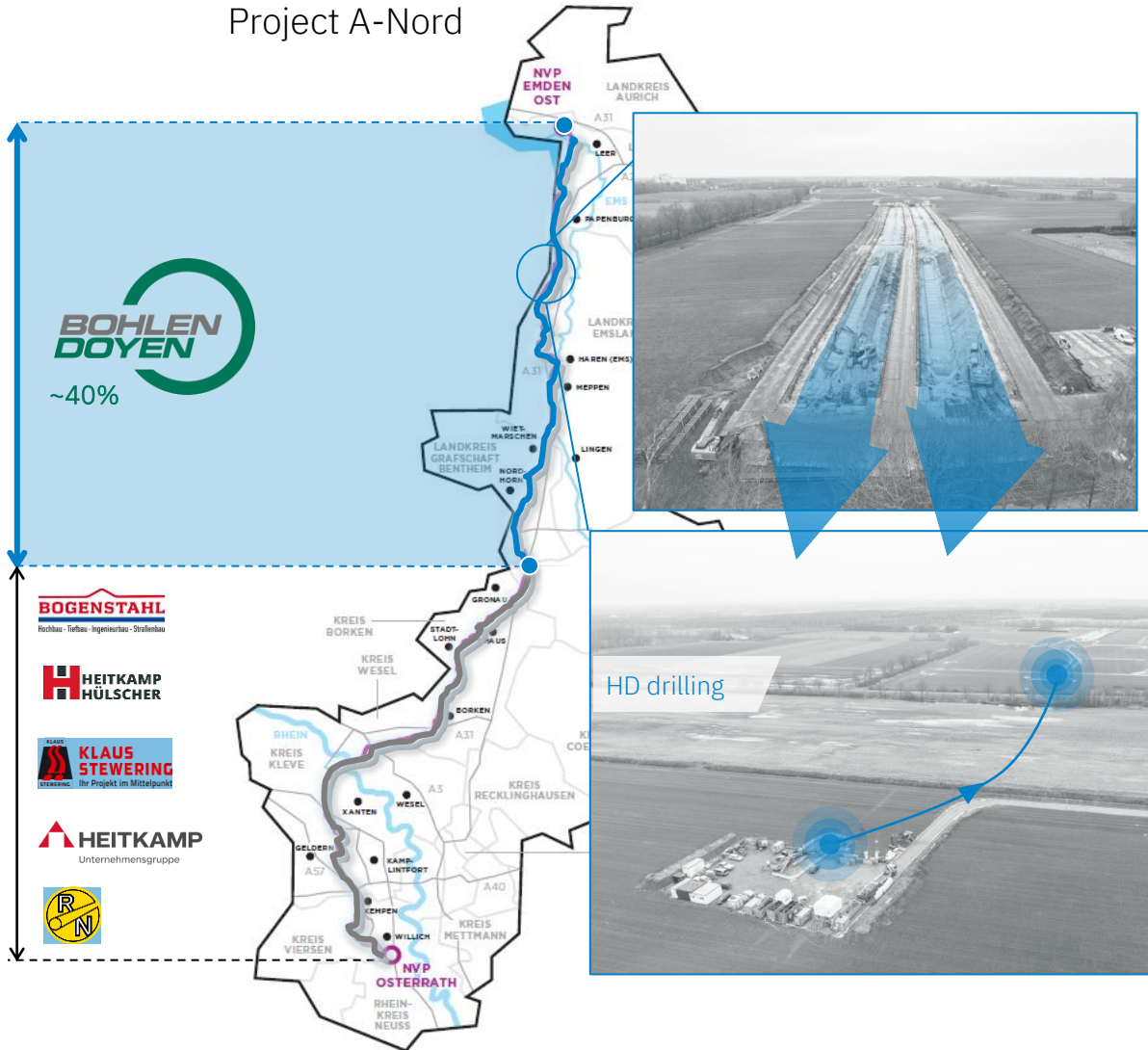
Scope: **Fault clearance** (provision of civil engineering and pipeline welding personnel; **initial backup** (in the event of faults, personnel must be on site within 30 minutes))

Volume: **Low single-digit million** volume per annum



The A-Nord Project is already underway and is making steady progress

Project A-Nord

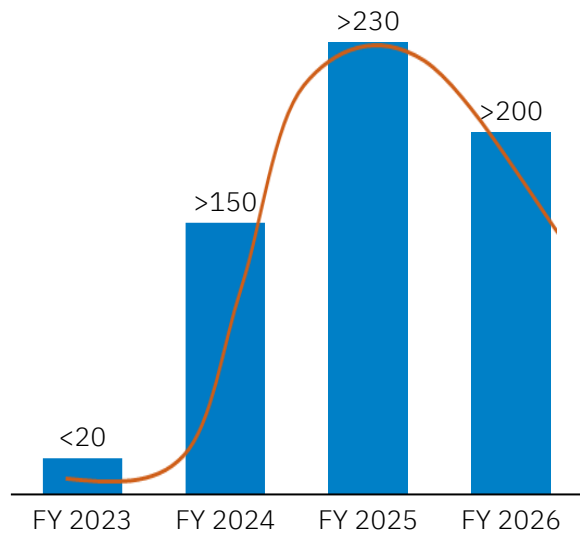


Project update

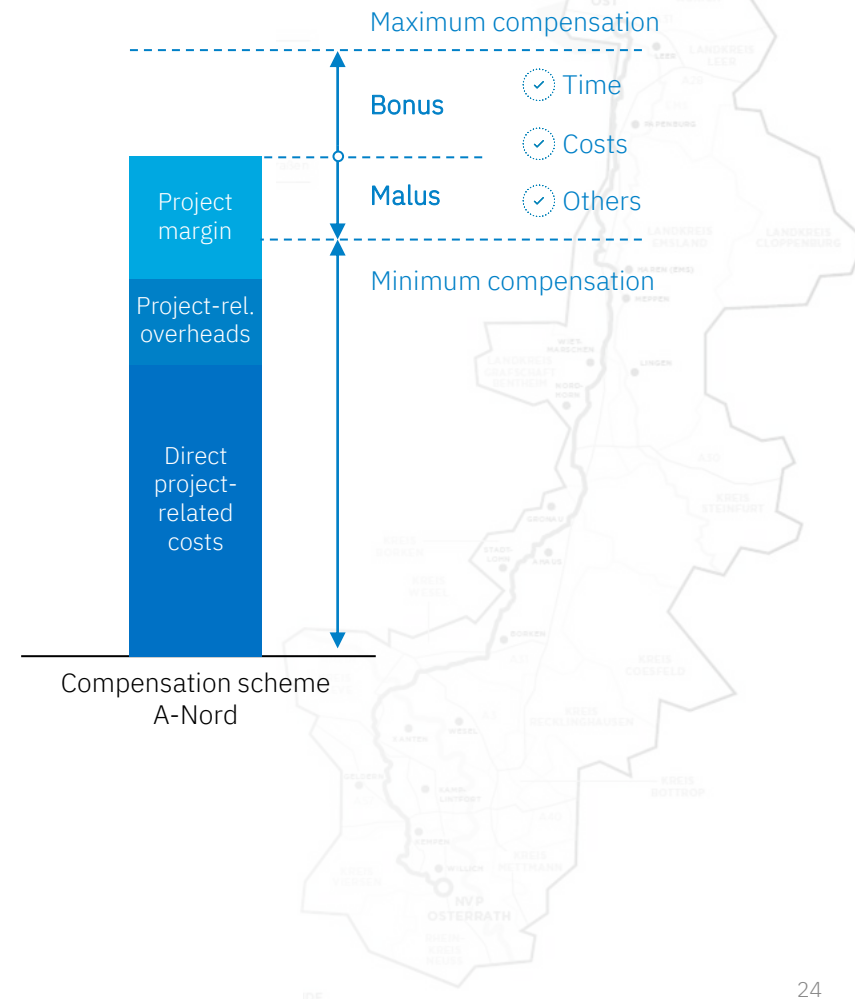
-  08/23 Signing of IPA contract
-  09/23 First Sections approved for early start of construction in line with §44c EnWG
-  10/23 Official start of construction
-  03/24 First section of cable route successfully completed
-  03/24 Continuation of work on successively approved sections
-  Ongoing Acquisition of rights of way from private landowners and communities
-  Ongoing Issuance of official planning approval decision ("Planfeststellungsbeschluss")

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

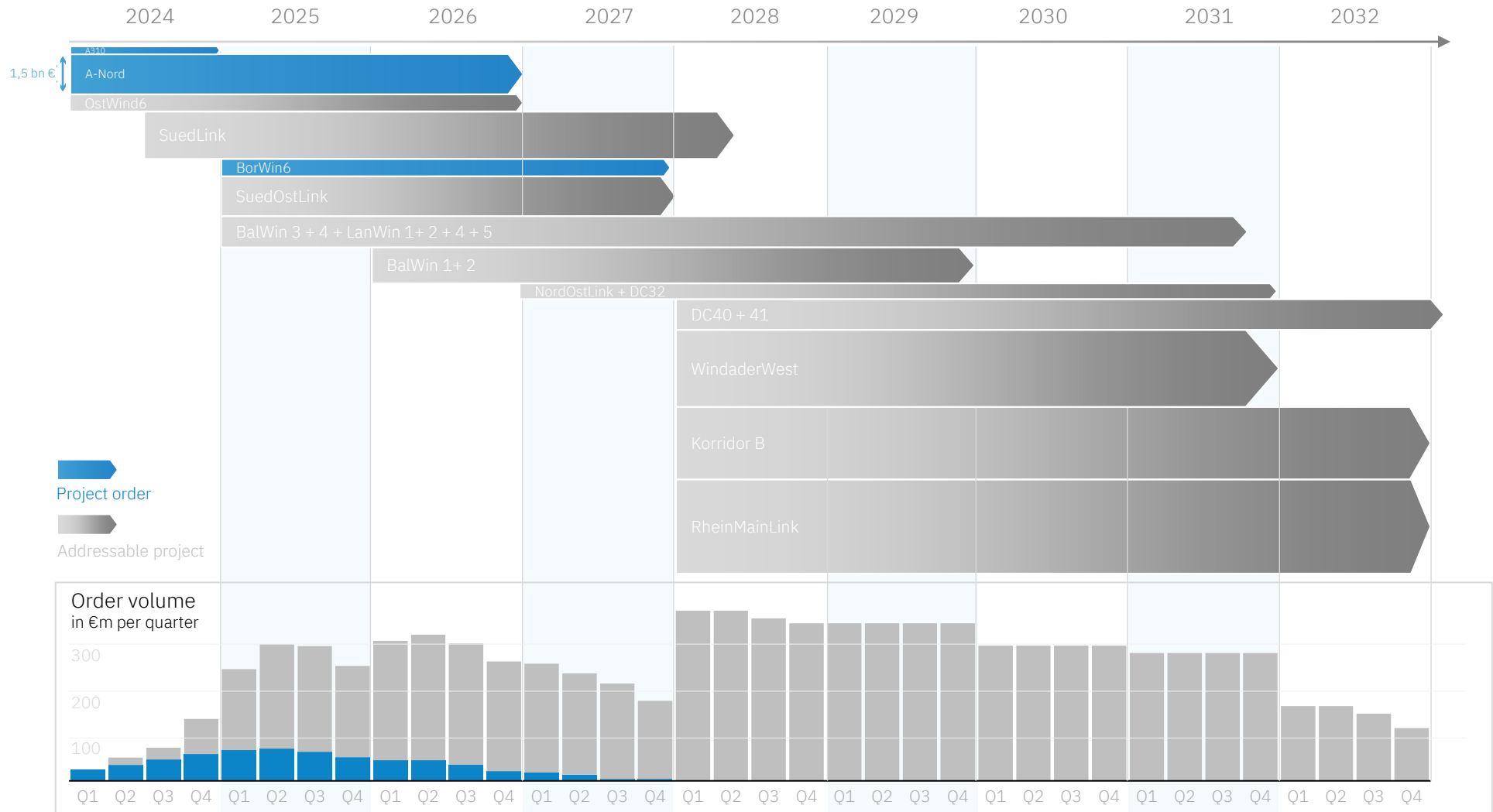
Estimated revenue distribution
in €m, estimation



A-Nord compensation scheme
Schematic representation



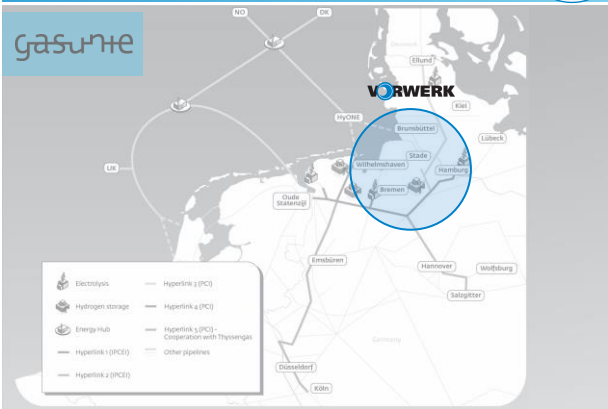
Besides A-Nord, there are numerous even larger electricity projects coming up



VORWERK is already participating in various large-scale hydrogen projects

hyperlink

Project HyPerLink Germany
HyPerLink 1-5



Part of major project and IPCEI project
“Clean Hydrogen Coastline”

660 km of pipeline infrastructure connecting hydrogen production centres with consumers in Bremen, Hamburg and Hannover

Conversion/ upgrade as well as new-build



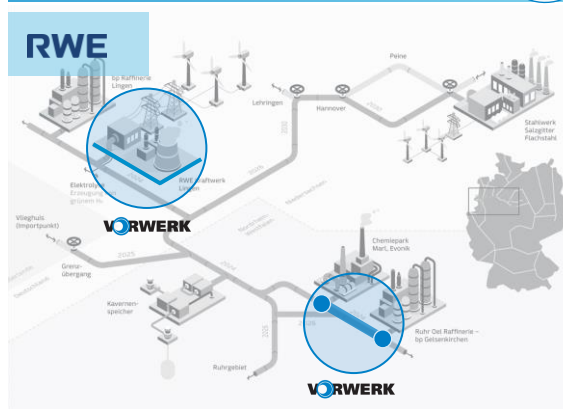
Exclusive Gasunie framework contract partner

Active across various pipeline sections and plant stations

Project scope includes civil engineering and pipeline works as well as component upgrading and replacement for future H2 transport



Get H2 Nukleus
Lingen Green Hydrogen



First starting point for a connected European hydrogen economy

130+ km Pipeline network from Lingen to the Ruhr region and from the Dutch border to Salzgitter

300 MW of electrolysis capacity by 2026

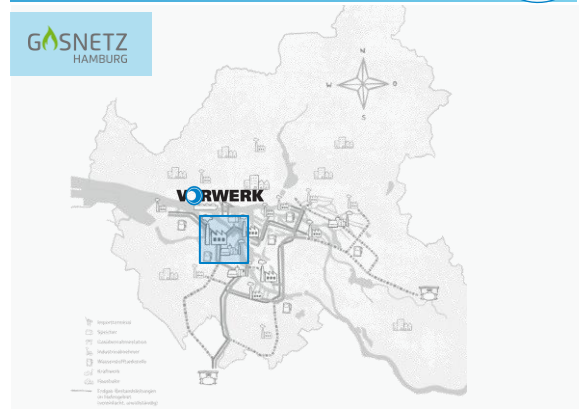


First 9 km pipeline section between Marl and Gelsenkirchen already realized in 2020

Project scope in Lingen includes wide range pipeline works, e.g., for the cooling water or deionized water supply, as well as delivery & installation of the transfer station



HH Win
Hamburger H2 Industrienetz



60+ km pipeline network connecting large industrial centres with green hydrogen import and production facilities

Part of larger project involving conversion of former power station Moorburg into 100+ MW electrolyser



Turnkey-realization of H2 ready pipeline as part of future HH Win pipeline network including planning and engineering and final documentation

Start in 2023, completion planned by the end of 2024

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

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