

# Update on Recent Business Developments & Q3 2022/23 Financials

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# With you today



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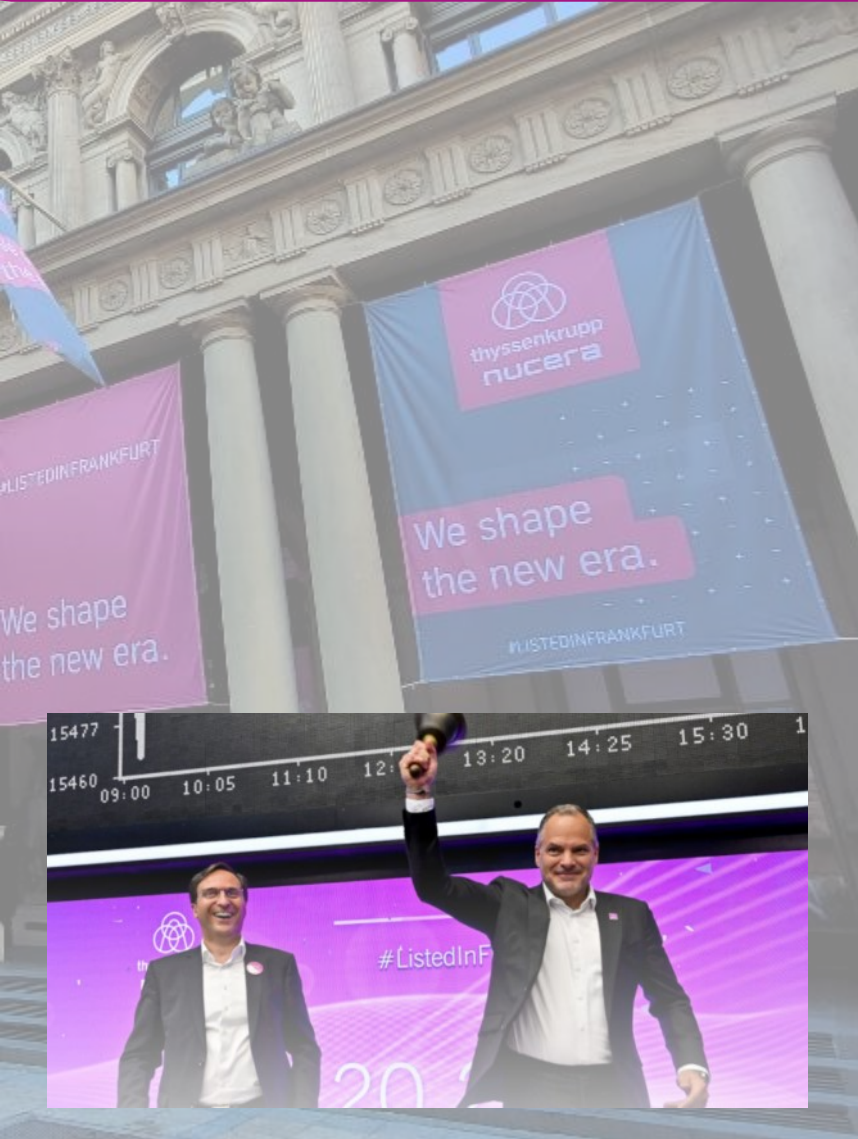
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# Recap IPO: Listing at Deutsche Börse on July 7



+ 6.8%

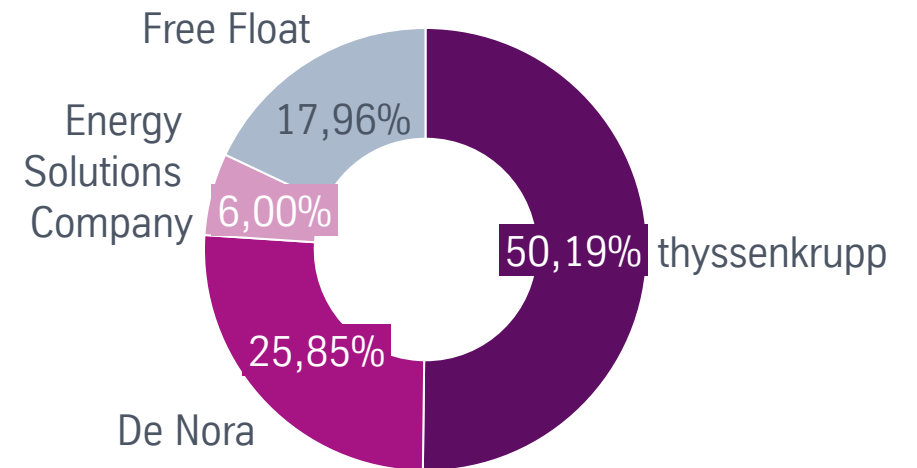
Share price development<sup>1</sup> vs. offer price of 20€



526mn €

IPO primary proceeds for thyssenkrupp nucera

Shareholder structure post-IPO<sup>2</sup>



<sup>1</sup> As of August 25, 2023. <sup>2</sup> Based on voting rights notifications as of August 25, 2023. Free Float includes shareholding of BNP Paribas (3.4%) and Norges (3%)

# Q3 Highlights



**Continued dynamic growth in third quarter 2022/23** – organizational ramp-up and project execution going according to plans



**Strong orderbook momentum continues** – Significant increase of order intake in Chlor-Alkali accompanied by signed contract with H2GS for one of the largest gH2 projects in Europe



**First 4 scalum 20MW AWE modules** have been **delivered** to different customers - start-up in line with latest planning of the customers over the next months



**Sales grew 90%** driven by an elevenfold increase in gH2 sales, which exceed the 100 million euro mark per quarter for the first time

**CA order intake  
>200mn €**

**AWE sales  
>100mn €**

**Total order backlog  
~1.5bn €**

# 1. Business update



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# Strong orderbook momentum continued for both gH2 and CA

## Green H<sub>2</sub> – AWE

### H<sub>2</sub>green steel

#### Installation of >700 MW

Signed one of the largest gH<sub>2</sub> projects in Europe to install > 700 MW of electrolysis capacity to fuel an integrated green steel plant in Sweden

**First phase of project execution started**

## Chlor-Alkali



#### Retrofit of large-scale CA plant

Partnership with OxyChem to install next generation eBiTAC v7 electrolyzers at Battleground chlor-alkali electrolysis plant in LaPorte, Texas

**Expansion of manufacturing facilities planned**



#### High multi hundred MW range

Signed reservation agreement to supply >30 “scalum” modules for one of the biggest planned gH<sub>2</sub> production sites in North America

**Proof of concept for US market approach**










#### Transformation of CA plants

Strong new build business in South America in line with regulatory push in a couple of countries to modernize Chlor-alkali plants

**Preferred partner offering world-class technology**

# Accelerating demand for large-scale gH2 electrolyzers fuels project pipeline – strongest market dynamics currently seen in North America

		as of Aug 22		as of May 23		as of Aug 23		as of Aug 22		as of May 23		as of Aug 23
Substantial pipeline <sup>1</sup>	 No. of projects	#97	↗	#101	↗	<b>#103</b>	 Potential contract value	>17 €bn	↗	~19 €bn	↗	<b>&gt;21 €bn</b>
	 Median project size	~135 MW	↗	200 MW	→	<b>200 MW</b>	 Aggregated size	>42 GW	→	~41GW	↗	<b>&gt;46 GW</b>
pursue												
Actively pursued projects <sup>2</sup>	 No. of projects	#28	↗	#34	↗	<b>#36</b>	 Potential contract value	>2.9 €bn	↗	>6 €bn	→	<b>&gt;6 €bn</b>
	 Average project size	~240 MW	↗	~380 MW	→	<b>~360MW</b>	 Aggregated size	~6.8 GW	↗	>12 GW	→	<b>&gt;12 GW</b>

1. Projects which thyssenkrupp nucera had first interactions with and that are being monitored closely 2. Projects which already passed the pursue / non-pursue gate



# Accelerating organizational ramp-up in line with growth strategy



## Operations

- Strengthening of supply chain and **expansion of manufacturing capacities to 5 GW** by end of 25/26 **well on track**
- **First 4 scalum 20 MW AWE modules delivered** to customers
- Global alignment of processes and IT systems, as key pillar of growth strategy strengthened by selection of a **new global ERP system and streamlined engineering tools**
- **Activities in assembly lab in Germany commenced** to develop new state of the art methods for automated AWE cell element mass production



## Organization

- **Headcount increased further** (to 628 employees per end of June) in order **to leverage growth opportunities and strengthen global footprint** – biggest increase in Germany, the US and Italy
- **Ramp-up of local US organization** in line with current strategic focus on North America and Europe
- **Indian subsidiary founded**
- **Initial group-wide ISO certification for the Integrated Management System** after comprehensive verification of business processes and HSEQ policy by TÜV Nord



## ESG-related topics

- Setup of a **central ESG steering and global governance concept**
- Commitment to NFRD (CSR-RUG in Germany) and **introducing own GRI reporting for FY 2023/24**
- **ISO energy management system certification** for Germany

## 2. Update on Q3 22/23 financials & Q4 outlook



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# Dynamic top-line development continues in Q3 - organizational and supply chain ramp-up accelerating



**Order backlog:** Increase in CA due to new build orders in the Americas – AWE in line with ongoing project execution slightly below PY – significant order intake from H2GS still to come



**Sales:** Group grew by 90% vs. PY – AWE sales growing 11x year-on-year benefitting from conversion of large-scale contracts secured in 2021/22



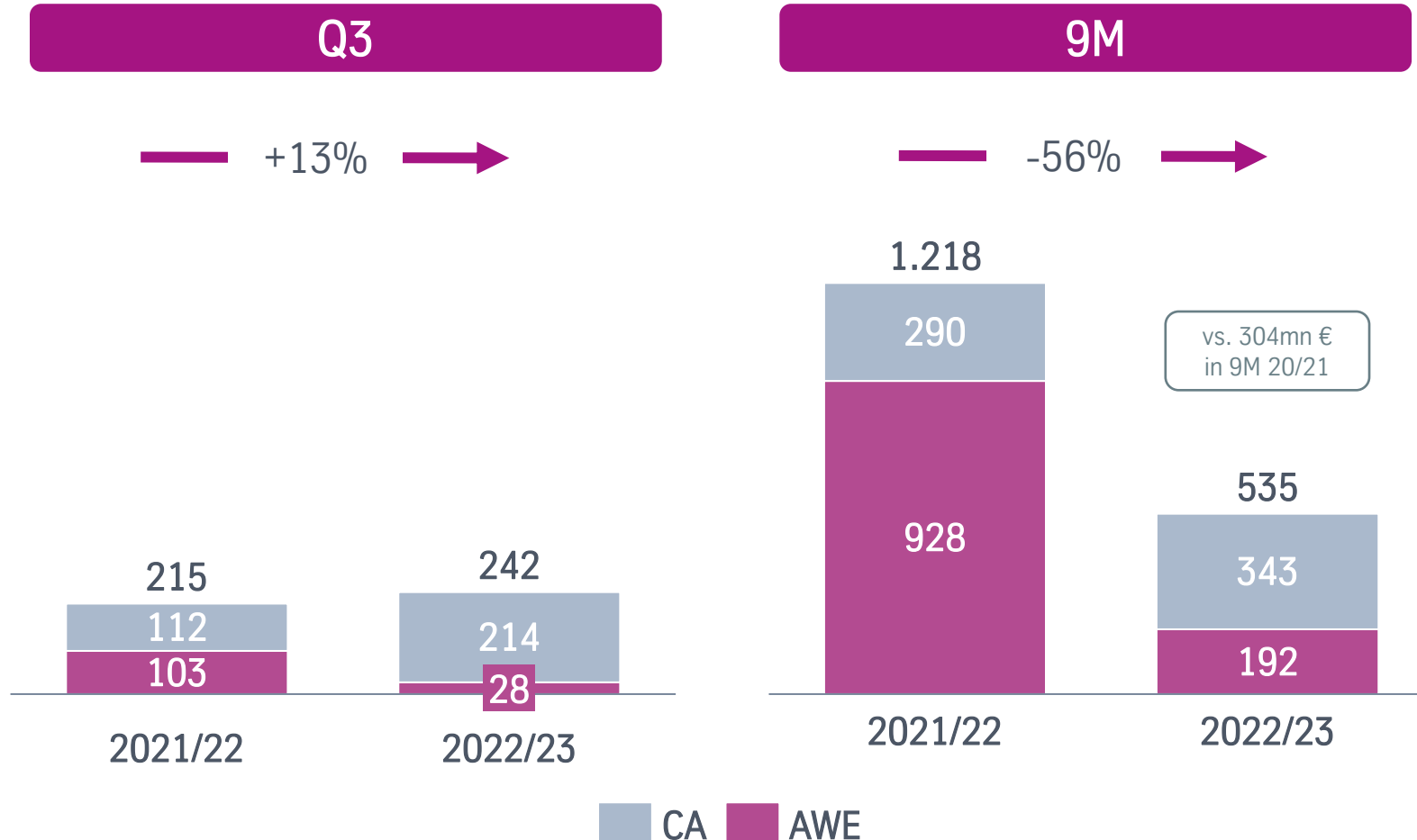
**EBIT:** Absolute increase in earnings driven by volume effects, margin is impacted by accelerating ramp-up costs



**Cash flow:** Termination of cash pool with thyssenkrupp AG led to strong increase in cash and cash equivalents - Operating CF below PY due to processing of down payments received and higher inventory

# Q3 shows increased order intake, 9M below record-breaking PY

## Order intake (mn €)



### Order Intake Q3

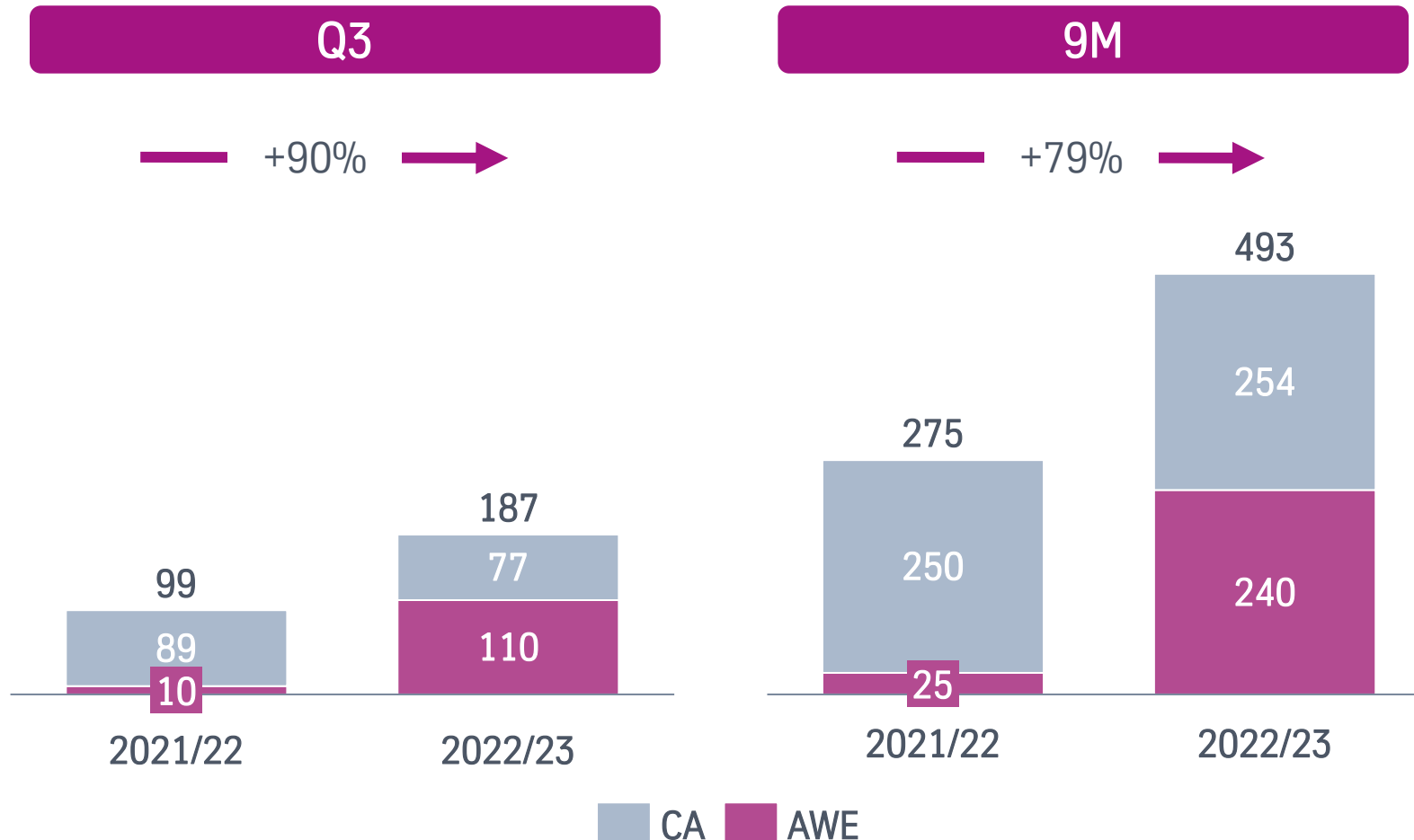
- AWE order intake mainly driven by first phase of H2GS project
- CA order intake driven by strong new build business in North and South America

### Order Intake 9M

- AWE below record level of PY, which was characterized in particular by the NEOM project
- CA order intake driven by strong business in the Americas
- 9M 22/23 backlog of ~1.5bn € thereof ~1.0bn € AWE

# Positive top-line performance due to strong growth in AWE business

Sales (mn €)



## Sales development Q3

- AWE increased 11x and for the 1<sup>st</sup> time exceeds the 100 million euro mark per quarter
- Continuous ramp-up in line with expectations driven by Shell and NEOM project
- In CA a growing new build business was overcompensated by lower service sales

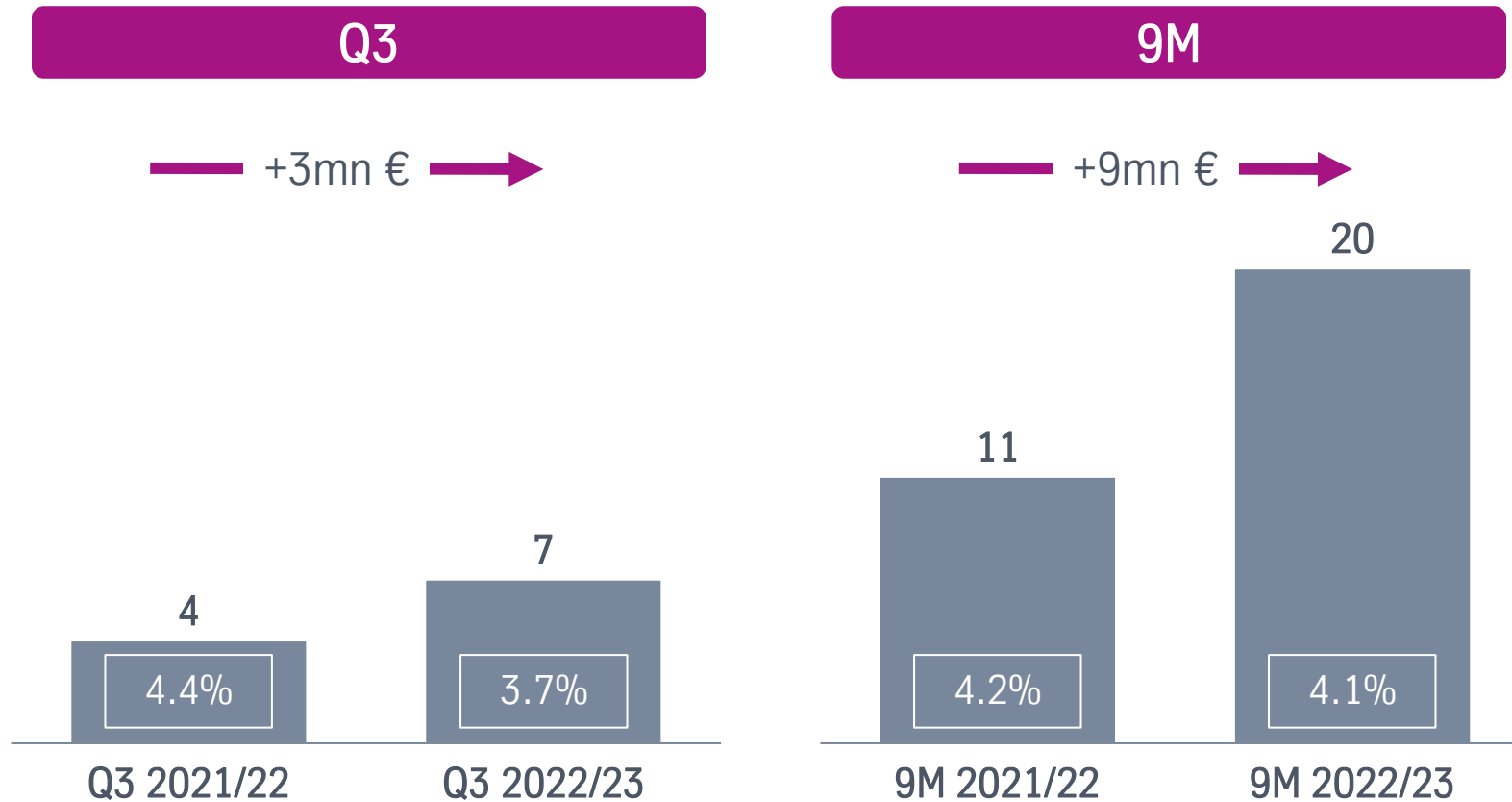
## Sales development 9M

- AWE grew dynamically, sales multiplied to 240 million euros
- CA sales slightly above PY due to strong new build business

# Earnings growth in absolute terms despite accelerating ramp-up costs

EBIT (mn €)

% of sales



## EBIT development Q3

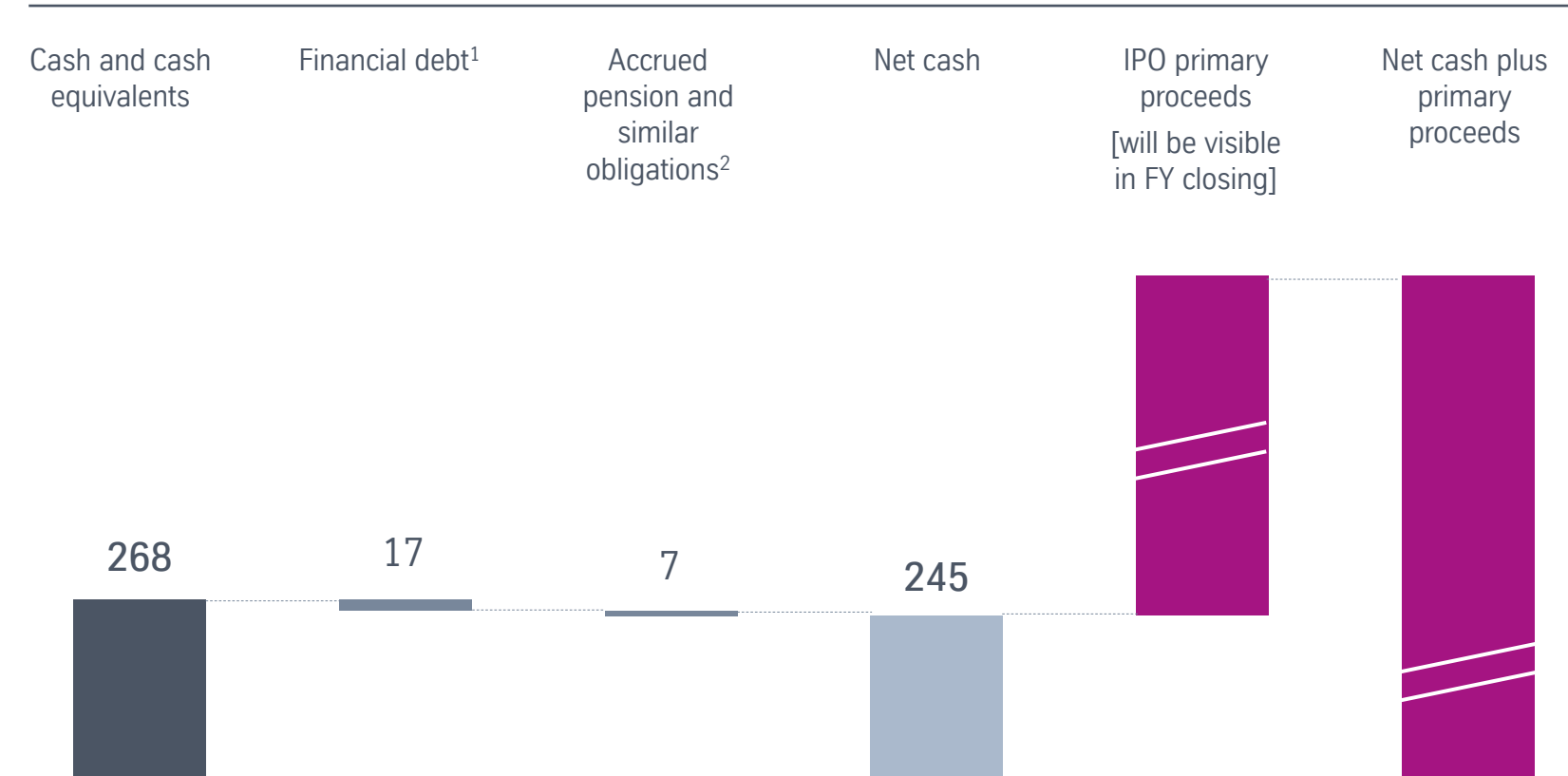
- Increase in absolute EBIT driven by volume effects, which were partially compensated by higher ramp-up costs

## EBIT development 9M

- Increase in absolute EBIT driven by volume effects and resilient 9M margin
- Higher AWE sales and improved CA new build business only partially offset by costs for organizational capacity build-up for future growth

# Solid balance sheet will be further scaled up by IPO Proceeds

## Capital structure as of June 30, 2023 (mn €)



- Strong and well capitalised balance sheet driven by profitable operations and advance payments
- Net Cash impacted by negative exchange-rate effects
- IPO primary proceeds of 526mn € will be used for, e.g.:
  - Funding of strong AWE growth (R&D and capex)
  - Strengthening of the financial position to meet counterparty requirements
  - Ability to deliver on large scale projects incl. provision of required guarantees

1. Includes lease liabilities current and non-current and other financial liabilities 2. Includes accrued pension and similar obligations and provisions for other non current employee benefits

# How we see Q4 2022/23

## Sales

- **Expectation:** Continuation of strong sales growth against previous year
- **Main driver:** ongoing execution of significant AWE order backlog

## EBIT

- **Expectation:** Negative EBIT margin in Q4, cumulative FY 2022/23 with positive EBIT contribution
- **Main driver:** Continued organizational ramp-up to capitalize on increasing demand for large-scale gH2 solutions in the mid- and long-term; acceleration of ramp-up costs as planned in upcoming FY 2023/24



# We implement our growth strategy and confirm our mid- and long-term ambition

✓ Dynamic sales growth

✓ Consistent and profitable project execution

✓ Well on track to reach AWE EBIT and FCF break-even targets

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May 15, 2023

## New outlook driven by accelerating market dynamics

Financial targets reflecting thyssenkrupp nucera's attractive positioning and strong order backlog in AWE





AWE	CA	Group
<p><b>Sales</b></p> <ul style="list-style-type: none"> <li>• 600 mn € – 700 mn € Sales by FY23/24</li> <li>• 850 mn € – 950 mn € Sales by FY24/25                             <ul style="list-style-type: none"> <li>– Assumes strong demand based on an expected exponentially growing market</li> <li>– Global roll out in the long-term expected to contribute to further acceleration of growth</li> </ul> </li> <li>• Service Sales expected to ramp up 6-8 years after installation</li> </ul>	<p><b>Sales</b></p> <ul style="list-style-type: none"> <li>• Sales reflect project business related Order Intake movements, expected at around 350-400 mn € by FY25/26</li> <li>• Thereafter, expected to grow in line with GDP</li> </ul>	<p><b>R&amp;D expense</b></p> <ul style="list-style-type: none"> <li>• Aggregated R&amp;D expense between FY22/23 and FY25/26 is expected to amount to 150 mn € to 250 mn € (reflected in EBIT margin)</li> </ul>
<p><b>EBIT</b></p> <ul style="list-style-type: none"> <li>• Break-even expected around FY24/25<sup>1</sup> <ul style="list-style-type: none"> <li>– Organizational build-up including additional R&amp;D to meet expected demand in mid- and long-term and to achieve higher growth and margins</li> <li>– Strong acceleration of profitability post break-even expected</li> </ul> </li> <li>• In the long-term increase to low double digit to mid-teen margins also driven by increasing service share</li> </ul>	<p><b>EBIT</b></p> <ul style="list-style-type: none"> <li>• Mid-term target to achieve high single-digit EBIT margin</li> </ul>	<p><b>Cash flow</b></p> <ul style="list-style-type: none"> <li>• Aggregate Capex between FY22/23 and FY25/26 is expected to amount to 150 mn € to 250 mn € to drive higher growth and margins</li> <li>• Expected Capex excludes potential investments into complementary technology e.g. via M&amp;A</li> <li>• NWC expected to increase slightly into positive territory over time</li> <li>• FCF break-even expected around FY25/26</li> </ul>

EBIT and EBIT margin on product group level are not expected to be reported as part of the segment reporting in the near future  
1. We expect the gross margin in AWE will remain in the low single digit percentage area up until the time where we reach EBIT break-even in AWE

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# Key messages | Q3 2022/23 showed again strong momentum and ability to win in gH2

-  High, above-market sales growth, reflected in an 11-fold increase in gH2 sales and supported by a significant order backlog
-  Strong CA business generated growing order intake while AWE business continues to expand successfully
-  Capacity build-up in line with growth strategy ongoing. Higher ramp-up cost expected for Q4 2022/23 and 2023/24
-  Significant upside potential in the long-term driven by strong market position in a dynamically growing industry

# Questions & Answers



# Events & Financial Calendar



## Upcoming events

- Sep 9 CoBa & ODDO Corporate Conference (Frankfurt)
- Sep 12 Virtual Roundtable (AlsterResearch)
- Sep 20 12th German Corporate Conference (Munich)
- Sep 21 Baader Investment Conference (Munich)



## Financial calendar

Dec 18 FY 2022/23



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# Appendix



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# Group | Summary income statement Q3

(in mn €)	Q3 21/22	Q3 22/23
<b>Sales</b>	<b>98.7</b>	<b>187.5</b>
<i>% growth</i>	7%	90%
Cost of sales	-80.0	-161.4
<b>Gross margin</b>	<b>18.7</b>	<b>26.1</b>
<i>% margin</i>	18.9%	13.9%
R&D	-3.9	-5.1
SG&A	-10.5	-14.9
Other income /(expense), net	0.2	0.9
<b>EBIT</b>	<b>4.4</b>	<b>7.0</b>
<i>% margin</i>	4.4%	3.7%
Financial income /(expense), net	-0.2	1.8
Income tax expense	-1.5	-2.7
<b>Net income</b>	<b>2.7</b>	<b>6.1</b>

# Group | Summary income statement 9M

(in mn €)	9M 21/22	9M 22/23
<b>Sales</b>	<b>275.0</b>	<b>493.4</b>
<i>% growth</i>	<i>25%</i>	<i>79%</i>
Cost of sales	-221.9	-420.4
<b>Gross margin</b>	<b>53.1</b>	<b>73.1</b>
<i>% margin</i>	<i>19.3%</i>	<i>14.8%</i>
R&D	-10.7	-12.7
SG&A	-30.1	-39.6
Other income /(expense), net	-0.9	-0.5
<b>EBIT</b>	<b>11.4</b>	<b>20.3</b>
<i>% margin</i>	<i>4.2%</i>	<i>4.1%</i>
Financial income /(expense), net	-0.5	5.0
Income tax expense	-3.7	-7.1
<b>Net income</b>	<b>7.2</b>	<b>18.2</b>

# Group | Summary balance sheet assets

(in mn €)	Sept 30, 2022	June 30, 2023
Property, plant and equipment	8.4	9.4
Goodwill	57.4	54.6
Intangible assets other than goodwill	0.9	0.6
Other non-current assets <sup>1</sup>	12.5	16.2
<b>Total non-current assets</b>	<b>79.2</b>	<b>80.7</b>
Inventories	77.3	89.0
Trade accounts receivable	35.9	46.6
Contract assets	10.5	21.8
Other financial assets <sup>2</sup>	256.0	1.4
Cash and cash equivalents	27.3	268.3
Other current assets <sup>3</sup>	55.2	68.0
<b>Total current assets</b>	<b>462.2</b>	<b>495.2</b>
<b>Total assets</b>	<b>541.4</b>	<b>575.8</b>

1. Includes Other financial assets, Other non-financial assets and Deferred tax assets 2. Includes the receivables from cash pooling arrangements with tk group 3. Includes Other non financial assets, Current income tax assets excluding Receivables from cash pooling arrangements with tk group



# Group | Summary balance sheet equity and liabilities

(in mn €)	Sept 30, 2022	June 30, 2023
<b>Equity attributable to equity holders</b>	<b>211.4</b>	<b>221.0</b>
Accrued pension and similar obligations <sup>1</sup>	7.0	7.4
Other provisions	1.8	1.3
Deferred tax liabilities	7.4	9.3
Lease liabilities	1.8	2.2
<b>Total non-current liabilities</b>	<b>17.9</b>	<b>20.3</b>
Trade accounts payable	43.1	98.8
Contract liabilities	209.0	165.1
Lease liabilities and other financial liabilities	6.8	13.6
Other current liabilities <sup>2</sup>	53.2	57.1
<b>Total current liabilities</b>	<b>312.1</b>	<b>334.6</b>
<b>Total liabilities</b>	<b>330.0</b>	<b>354.9</b>
<b>Total equity and liabilities</b>	<b>541.4</b>	<b>575.8</b>

1. Includes Accrued pension and similar obligations and Provisions for other non-current employee benefits 2. Includes Provisions for current employee benefits, Other provisions, Current income tax liabilities and Other non-financial liabilities

# Group | Summary cash flow statement

(in mn €)	9M 21/22	9M 22/23
<b>Net income</b>	<b>7.2</b>	<b>18.2</b>
Depreciation & amortisation	2.5	3.3
Change in NWC <sup>1</sup>	71.4	-17.2
Other operating cash flow <sup>2</sup>	-2.1	-2.2
<b>Operating cash flow</b>	<b>79.0</b>	<b>2.1</b>
Capital expenditures	-0.4	-1.3
Proceeds from disposals	0.2	0.1
Cashpool withdrawals/(deposits)	-53.4	247.6
<b>Investing cash flow</b>	<b>-53.6</b>	<b>246.3</b>
Dividends paid to equity holders	-10.0	0.0
Other financing cash flow <sup>3</sup>	2.2	-1.5
<b>Financing cash flow</b>	<b>-7.8</b>	<b>-1.5</b>
Effect of exchange rate changes	-0.9	-6.0
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>17.6</b>	<b>246.9</b>

1. As per Cash Flow Statement and defined as: Changes in assets and liabilities, net of non-cash effect, for Inventories, Trade accounts receivable, Contract assets, Trade accounts payable, Contract liabilities - current assets, Changes in assets and liabilities, net of non-cash effects in - Accrued pension and similar obligations and Other provisions, Other assets/liabilities not related to investing financing activities from tk group

2. Includes Deferred income taxes, net, (Gain)/loss on disposal of non-current assets, Changes in assets and liabilities, net of non-cash effects in - Accrued pension and similar obligations and Other provisions, Other assets/liabilities not related to investing financing activities

3. Includes Cash flow from redemption of lease liabilities, Contributions



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