



Driving the clean energy transition.

H1 Results

August 2021



# Market update

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# Recent changes to the German Climate Change Act increase pressure

## Climate commitments



**Federal Ministry  
for Economic Cooperation  
and Development**

Climate Change Act 2021



Increasingly ambitious climate goals

Goal of cutting total carbon emission by 65% by 2030 (vs. previous target of 55%) and by 88% by 2040



Carbon neutrality by 2045

Goal of reaching full carbon neutrality by 2045 (vs. 2050 previously)



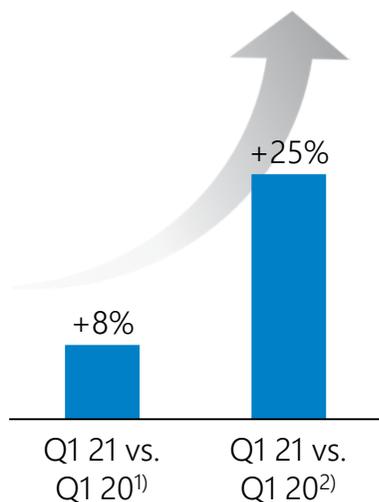
Compulsory carbon reduction goals by sector

Permissible annual CO2 emissions for individual sectors such as energy, industry, transport and buildings to be further reduced

# Natural gas continues to become a more critical energy source

## Gas consumption

YoY increase in %; in Europe



## Drivers



### Cold winter temperatures

2021's colder and longer winter caused an extended heating period



### Coal (and nuclear) phase out

Switch from coal- to gas-fired power plants due to coal/nuclear phase-out



### Increased share in renewable power generation

Gas as ideal backup for fluctuating renewable energy sources



### Heating purposes

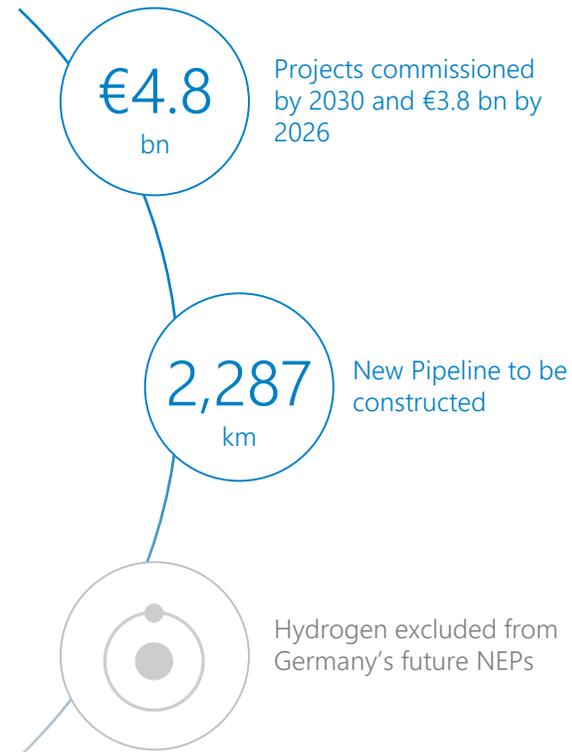
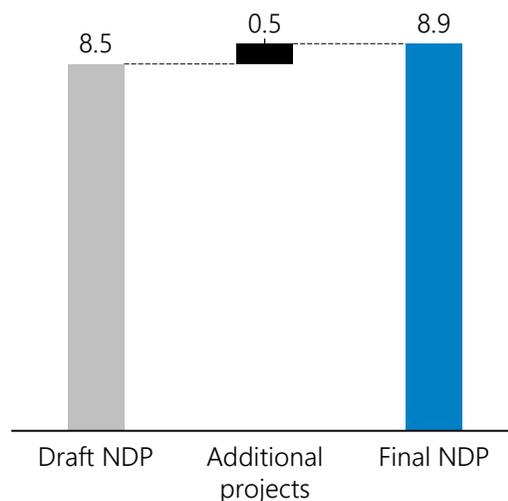
Natural gas becoming more widely used to heat residential and commercial buildings

Since the IPO planned TSO investments in gas grid have further increased

Planned investments in German natural gas infrastructure  
in €bn; according to the confirmed NDP 2030 (2020)

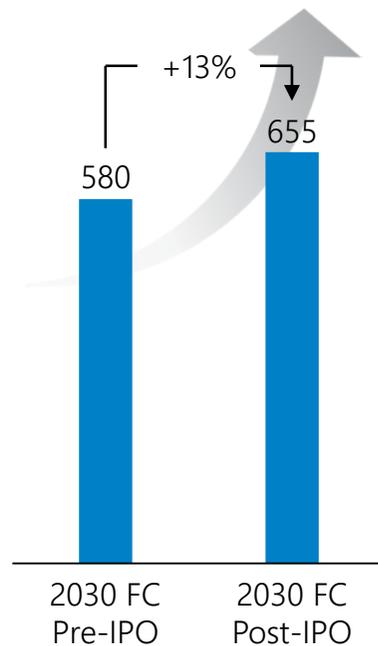


- Transmission pipelines
- - - Pipelines not in operation
- 🚧 Compressor not in operation
- Storage connections abroad
- Storage on transmission networks



## Forecasts for electricity consumption by 2030 continue to rise

### Electricity consumption in TWh; in Germany<sup>1)</sup>



### Drivers



#### Electric vehicles

Expectation of 14 million cars on the road by 2030 up from a previous forecast of 10 million



#### Heat pumps

Increased usage of electrical heat pumps in buildings to replace fossil heating systems

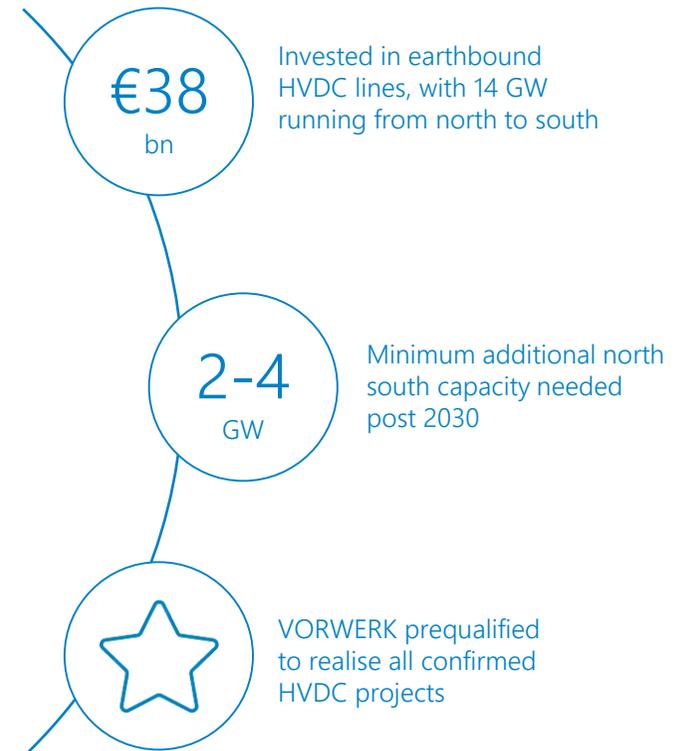
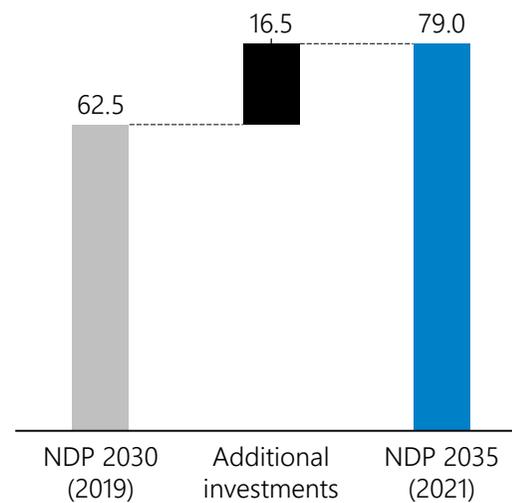
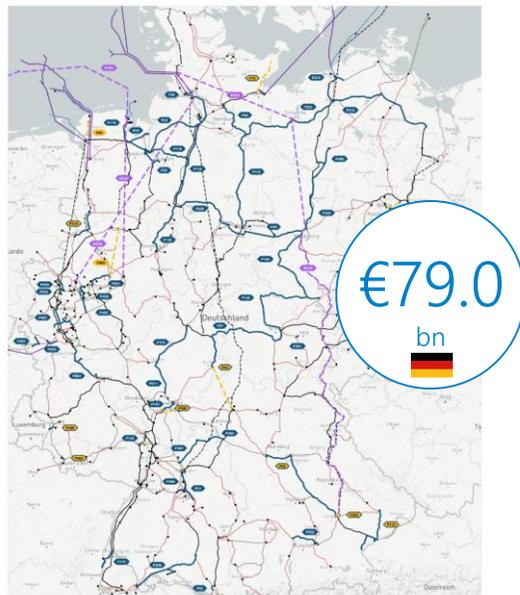


#### Hydrogen production

Germany's 2030 hydrogen production forecast raised to 19 billion kWh from a previous estimate of 14 billion

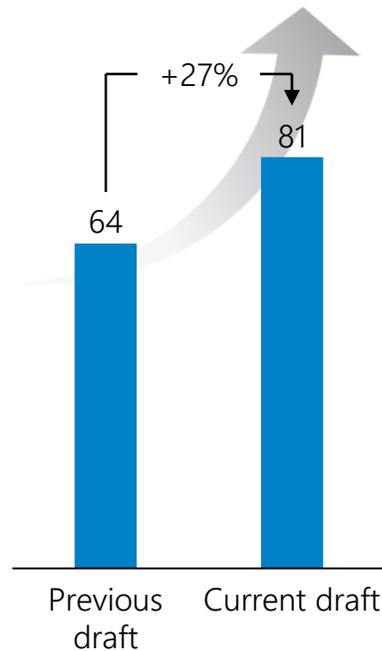
# New electricity NDP draft 2035 (2021) leads to substantially higher investment volumes

Planned investments in German electricity infrastructure  
in €bn; according to the 2<sup>nd</sup> draft NDP 2035 (2021)



# Cost estimates of envisioned hydrogen backbone have increased significantly since IPO

Est. cost of hydrogen backbone  
in bn € by 2040<sup>1)</sup>



## Drivers

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**More newly built pipelines**  
Share of 30+% of newly built pipelines vs. ~25% in previous draft
- 

**Greater network length**  
Extension of envisioned hydrogen backbone from 23,000 km to 39,600 km
- 

**Larger pipeline diameter**  
Increased cost estimate due to increased pipeline diameter for efficient hydrogen transport

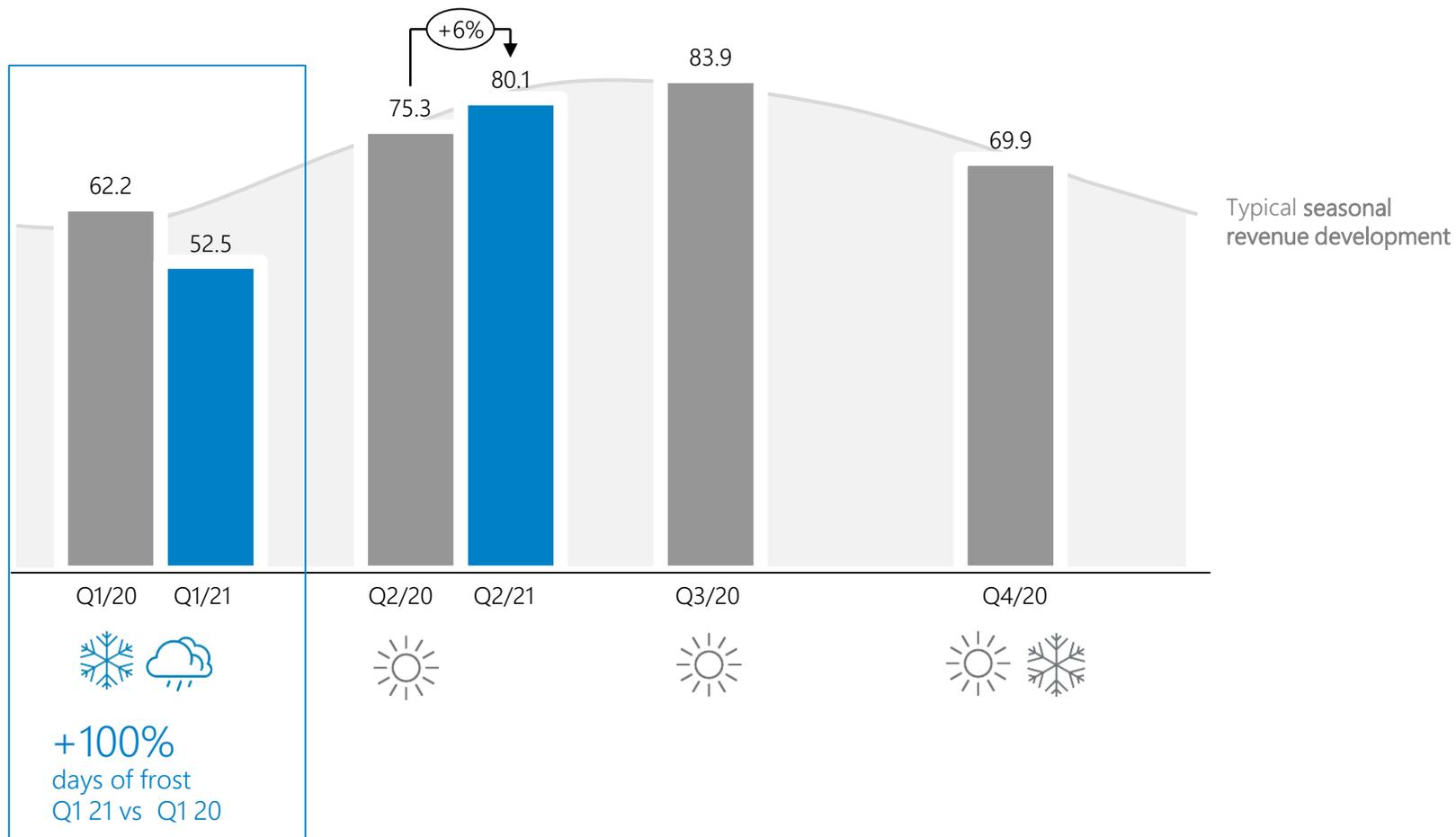
Financial performance

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After adverse weather conditions in Q1 Vorwerk was able to exceed previous year's Q2 revenues

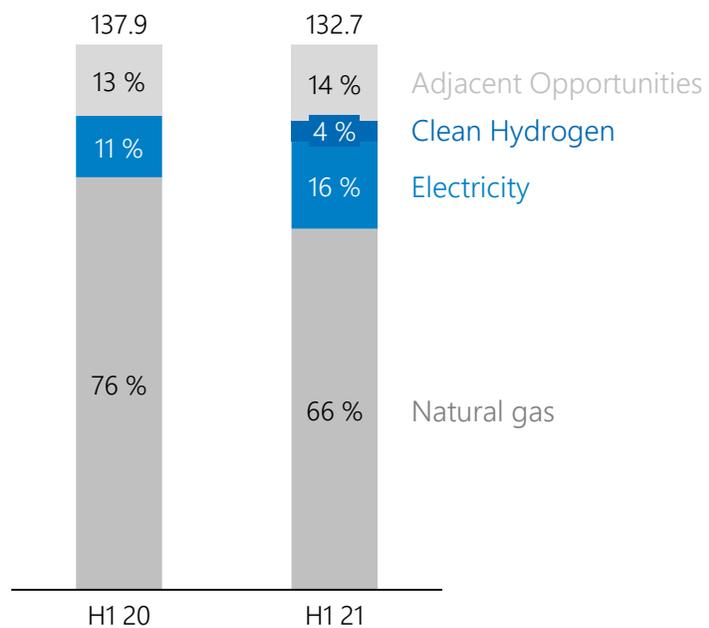
Revenue  
in €m<sup>1</sup>



1) Revenues represent revenues as reported adjusted for the revenue contributions from offshore operations conducted by Bohlen & Doyen which were discontinued following the acquisition  
Source: Weather Online

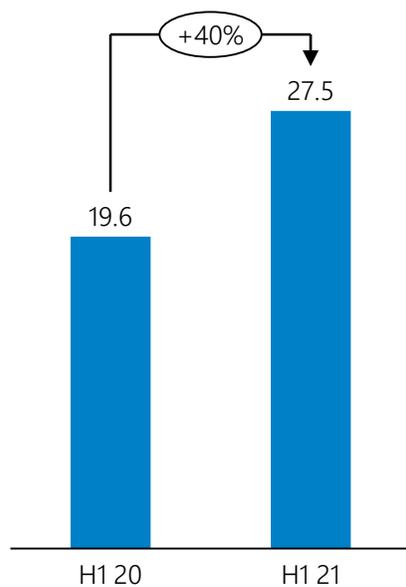
The share of the growth segments Electricity and Clean Hydrogen continues to increase

Revenues by segment  
in %

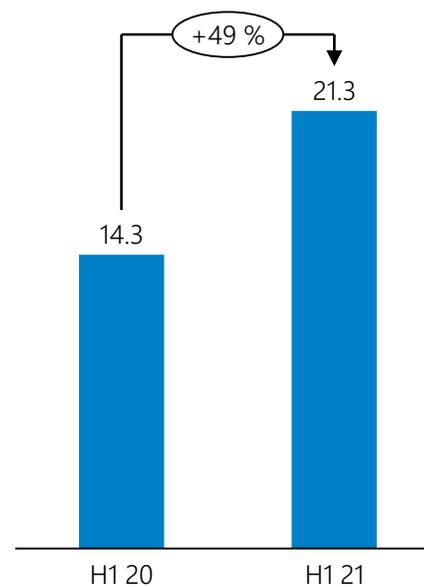


# Vorwerk maintains its superior profitability based on unique market positioning

EBITDA (adj.<sup>1</sup>)  
in €m



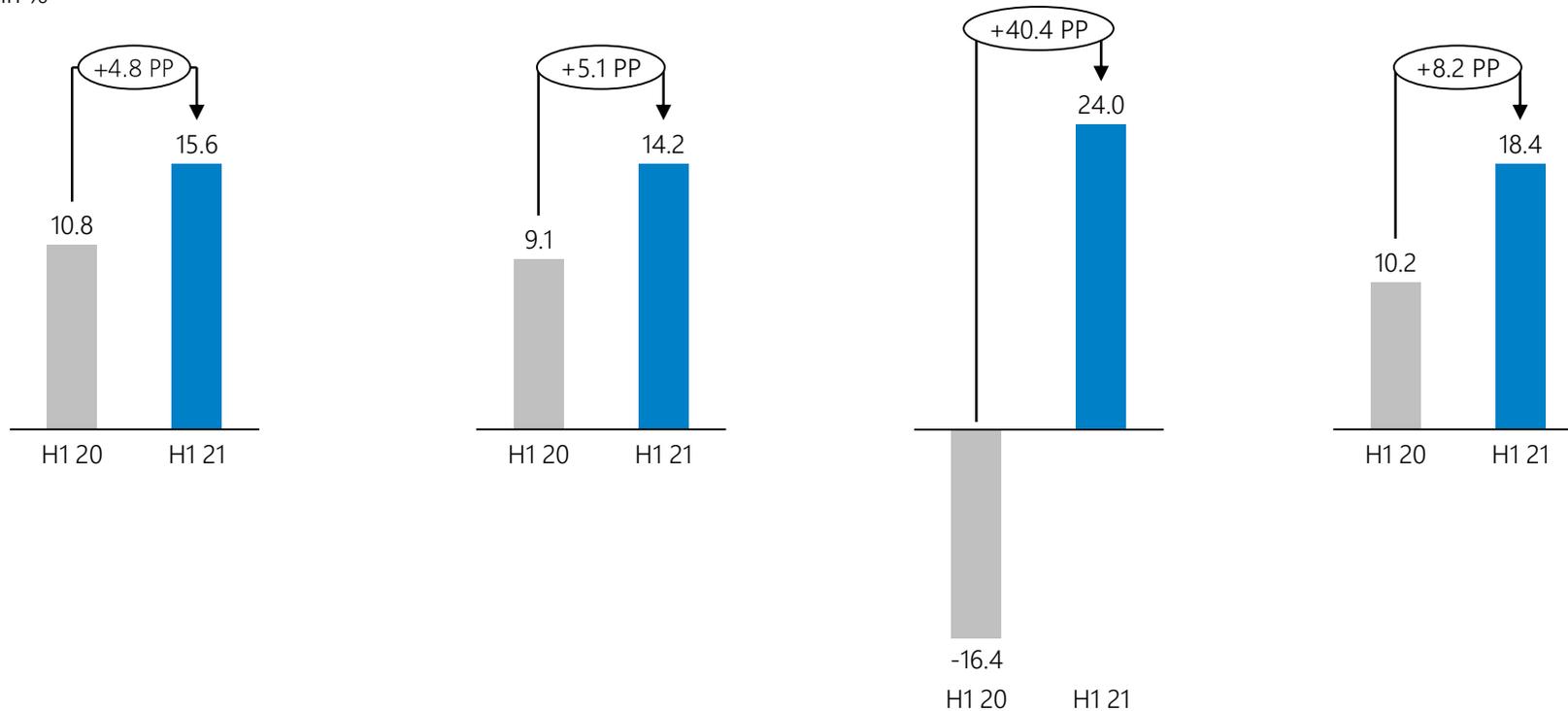
EBIT (adj.<sup>1</sup>)  
in €m



1) Adjustments primarily refer to IPO-related costs

# Substantial margin uplifts could be realized across all segments

EBIT margin  
in %



  
Natural Gas

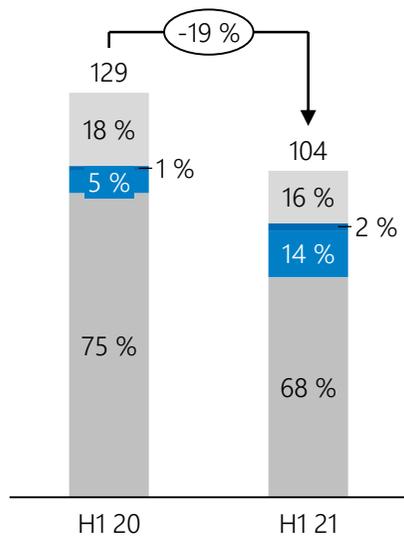
  
Electricity

  
Clean Hydrogen

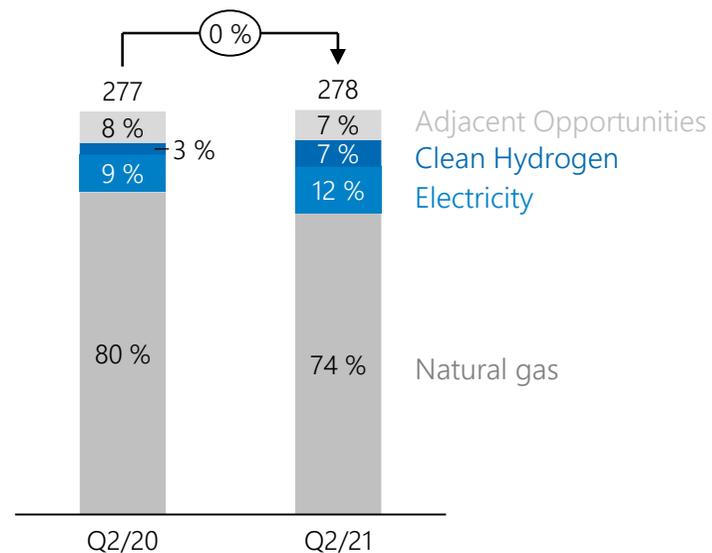
  
Adjacent Opportunities

# Postponement of project awards leads to decrease in order intake

Order intake  
in €m



Order backlog  
in €m



## Business update

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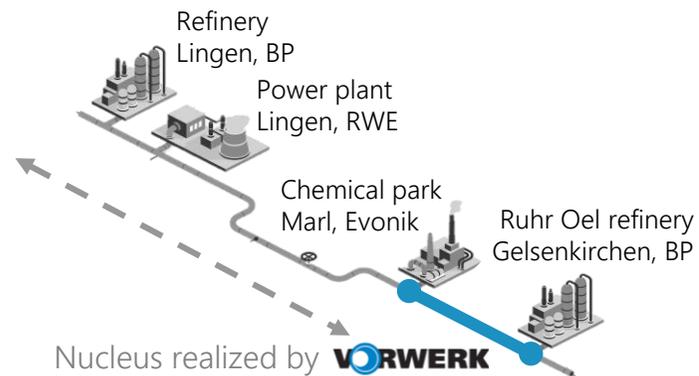
# VORWERK joins the GET H2 initiative & realizes its first major project

## Members of the GET H2 initiative



+ many more...

## Nucleus and 2050 Vision



Nucleus realized by **VORWERK**



## Key Investment Highlights



Climate change commands **billions in infrastructure investments** in VORWERK core end markets gas, electricity and hydrogen



**50+ years of technology leadership** in design, realization and operation of system critical energy infrastructure



**Key player in ramping up the European hydrogen infrastructure** thanks to a unique combination of know-how and decade-long customer relations



**Double-digit revenue growth** with a stable **>16% EBIT margin** as an ideal starting point for **exponential growth potential** ahead



**Owner-managed business** with an **ambitious strategy** to further accelerate profitable growth

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

Friedrich Vorwerk Group SE  
Niedersachsenstraße 19-21  
D-21255 Tostedt  
web: [www.friedrich-vorwerk.de](http://www.friedrich-vorwerk.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