

General Shareholders' Meeting

5 May 2023

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- 1. >75 years creating value for the electrical sector**
- 2. FY2022 main figures and milestones**
- 3. Expected trends for FY2023**

> 75 years creating value for the electrical sector...



Activity

We are an **international reference**: we **design, manufacture, integrate and provide** electrical equipment...



... and solutions for the **measuring, protection, automation, control and communication** ...



Underlying sectors

...mainly across the electrical sector: **generation, transmission and distribution**...



... with a special focus **on integrating renewables and smart grids.**



Global reach



175 countries



Production and R&D plants



15 países

Experienced team



> 2,600 people



Utilities, main customer



> 1,500 worldwide



... always close to our customers ...



Global **distribution**

175 countries

Decentralized factories

13 factories

Diversified **R&D**

6 R&D centers

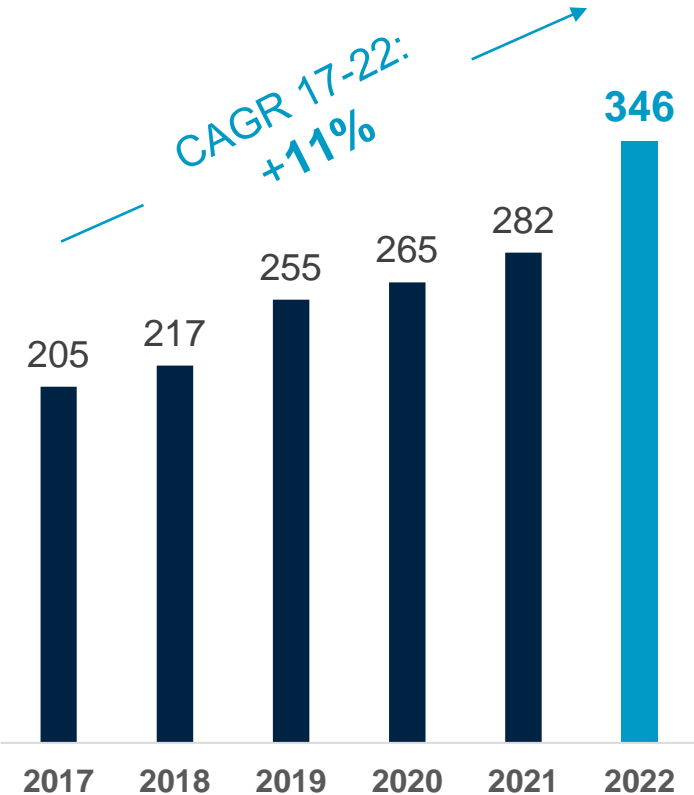
Commercial offices

17 countries

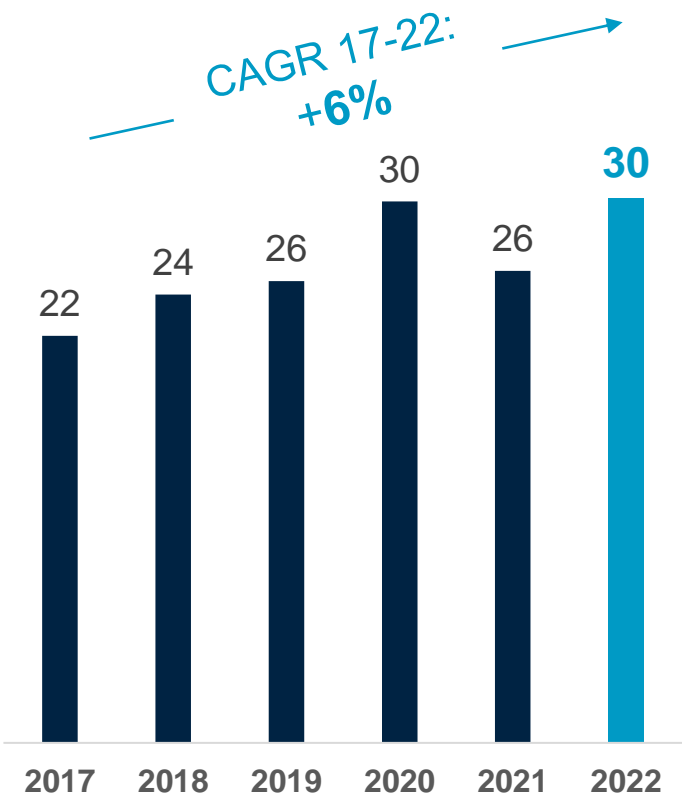
... with profitable growth and a strong balance sheet



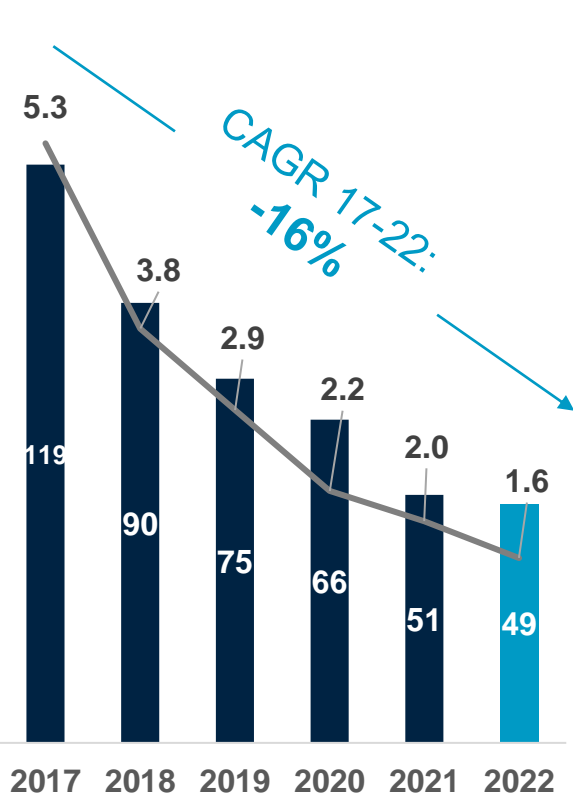
Revenue (€ million)



EBITDA (€ million)



Net debt (€ million, times EBITDA)



Highlights 2022



We meet our challenges in a complicated context

- ✓ **We celebrate 75 years of our solid project** with internal and external events.
- ✓ A full year of **experience in the stock market** since our listing in BME Growth.
- ✓ **Successful integration of new acquisitions.**
- ✓ Committed to **sustainability** with a clear plan and results **certified by reference entities.**
- ✓ **Arteche Innovation Ecosystem** underway.
- ✓ **Best supplier in Competitiveness and Industrial Excellence** as recognized by RTE (and endorse more than 1,500 utilities).

FY 2022: we consolidate our growth



Order book	Revenue	Direct Margin ¹	EBITDA	Profit for the year ²	NFD / EBITDA
407.3 M€	345.9 M€	103.0 M€	30.1 M€	8.3 M€	1.63x
+42.6% yoy	+22.6% yoy (+17.0% in constant currency)	+16.0% yoy (+10,5% in constant currency)	+15.4% yoy	-4.4% yoy	vs 1.95x at 31 December 2021

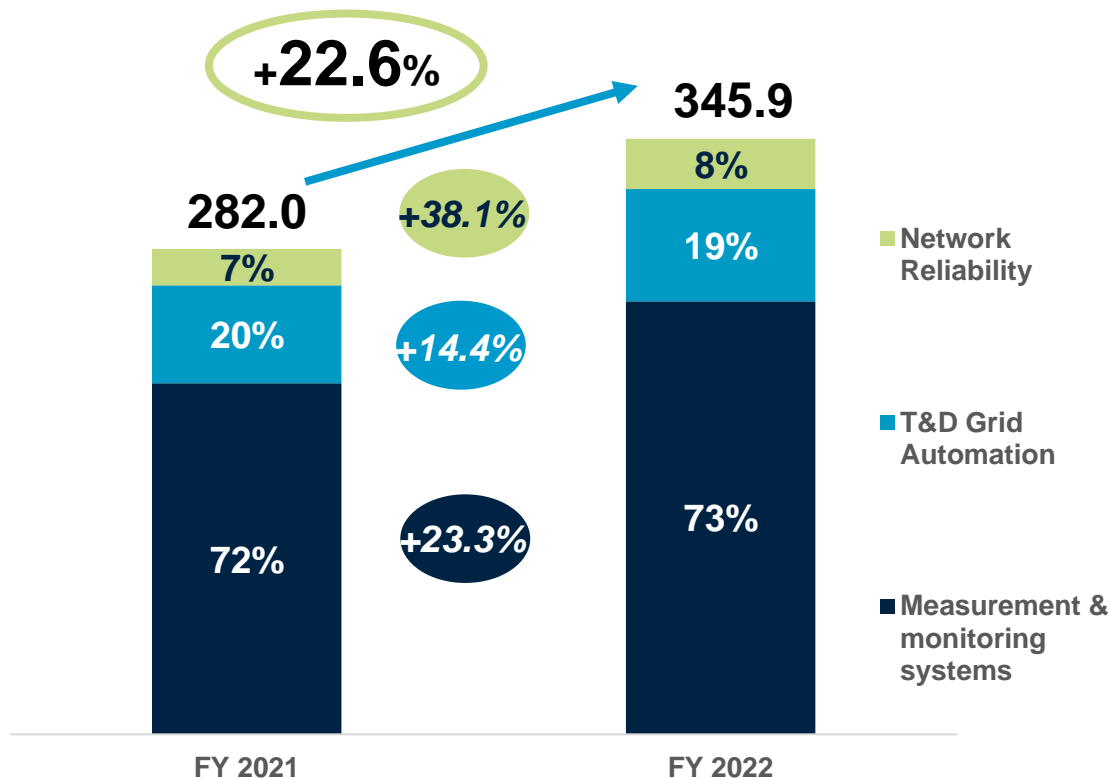
(1) Direct margin = Income at selling price – procurement – direct labor – direct operating expenses

(2) (Profit for the year is the reference figure for the purpose of allowing a homogeneous comparison since it includes the result attributed to external partners (€0.6 million). In addition, the result was negatively impacted by €1.4 million due to an accounting adjustment as a result of the hyperinflation declared in Turkey.

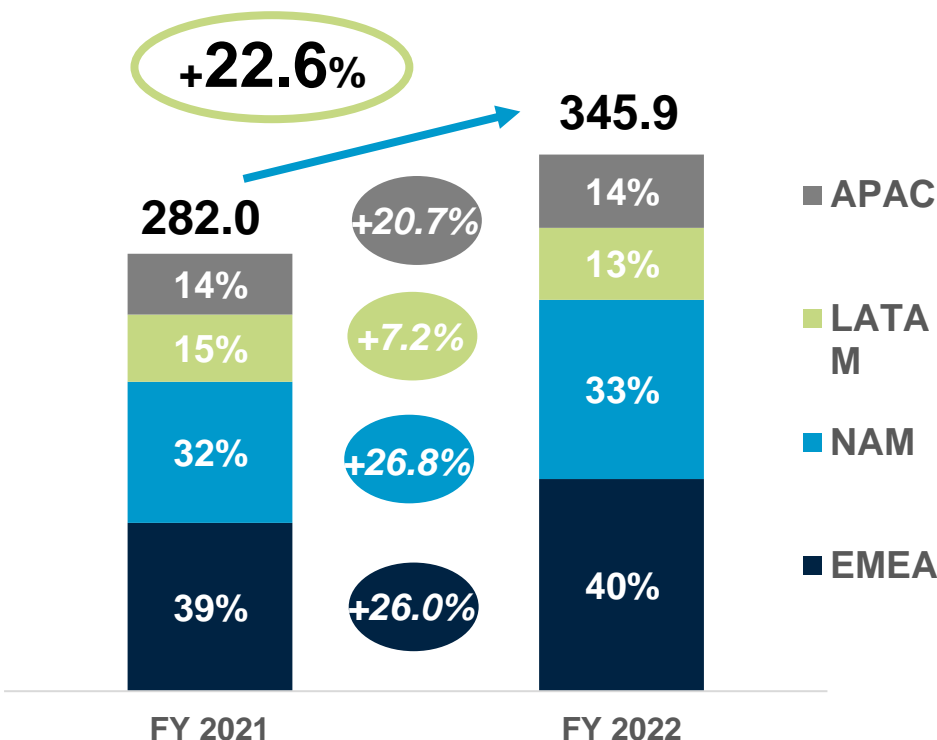
Positive contribution from all businesses and regions



Revenue by business division (€ million,%)



Revenue by region⁽¹⁾ (€ million,%)



(1) Revenue by destination: EMEA (Europe, Middle East and Africa), NAM (Mexico, USA and Canada), APAC (Asia Pacific and Turkey), LATAM (South and Central America).

Measurement and Monitoring Systems – Milestones 2022



Top 3 worldwide in High Voltage and Top 10 in Medium Voltage



We **double capacity** in **Turkey** to meet growing demand.

We develop a **globally competitive supplier base** for key components in Turkey.



US market booming: we **increase capacity** and invest in a **new ultra high voltage laboratory** in Mexico.



Joint launch with **Hitachi** of the **first 420kV GIS** (Gas Insulated Switchgear) **transformer** with a **sustainable gas alternative**.

We develop a **new biodegradable oil** for application in high voltage insulation.

**We move to a new plant in Turkey to double
our production capacity and respond to
growing demand**



T&D Grid Automation – Milestones 2022



Top 1 worldwide in auxiliary relays and Top 10 in substation automation systems



Launch of a new protection and control platform.

Lever to **improve profitability** in the future.



We obtain new technical approvals in **APAC** (Laos, Vietnam and Indonesia for Bay Control Units).



Kick-off of R&D project for new range of railway relays.



Network Reliability – Milestones 2022



Definition of a new strategy in the renewable energy business



We grow at double-digit in the **'reclosers' business** after the recovery of this segment post - COVID 19.



Growth in the US, Australia and Mexico. Our Power Quality division is **increased to double digits**.







We advance in the **servitization** process with new value propositions.



FY 2022 Guidance Met



	Guidance FY2022	Reported FY 2022	Achievement
Revenue (<i>€ million</i>)	325 - 340	346	 
EBITDA (<i>€ million</i>)	30 – 35	30	
EBITDA Margin (<i>% over revenue</i>)	9%-10%	9%	

Always looking to the future



Scalable business with innovation at the center



3.2% of revenue dedicated to R+D+i activities

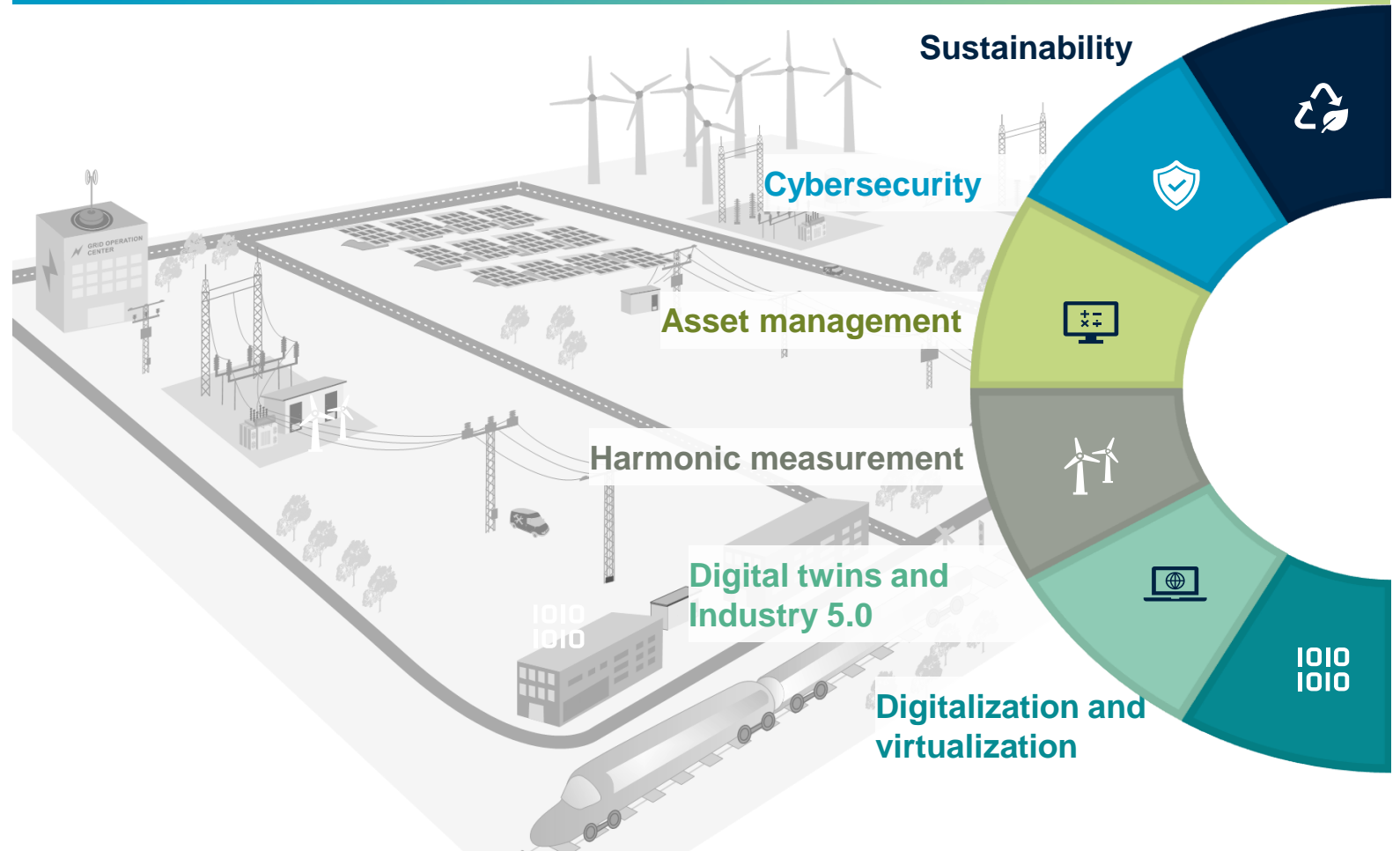


Products updated in the last 3 years constitute more than 80% of the order book



24 patents in progress

Incorporating new technologies throughout the electrical sector

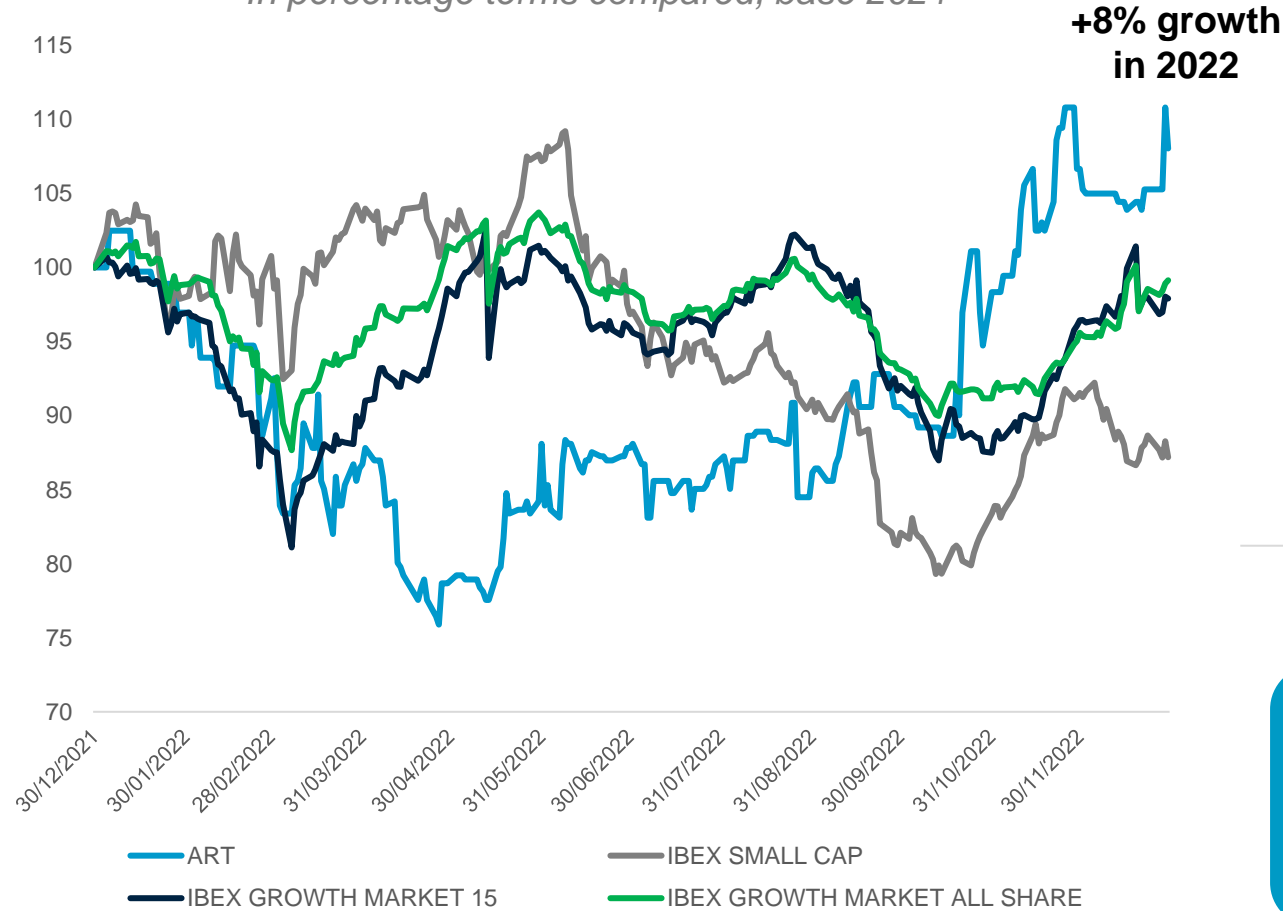


Focus on generating shareholder value

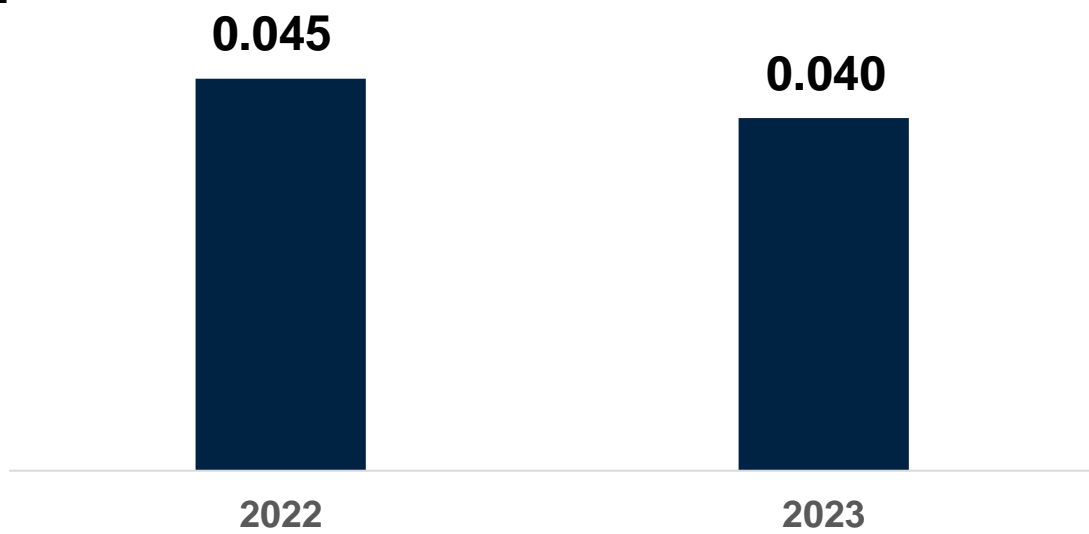
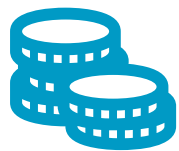


Arteche stock price evolution

In percentage terms compared, base 2021



Shareholder remuneration Cash dividends (€/share)

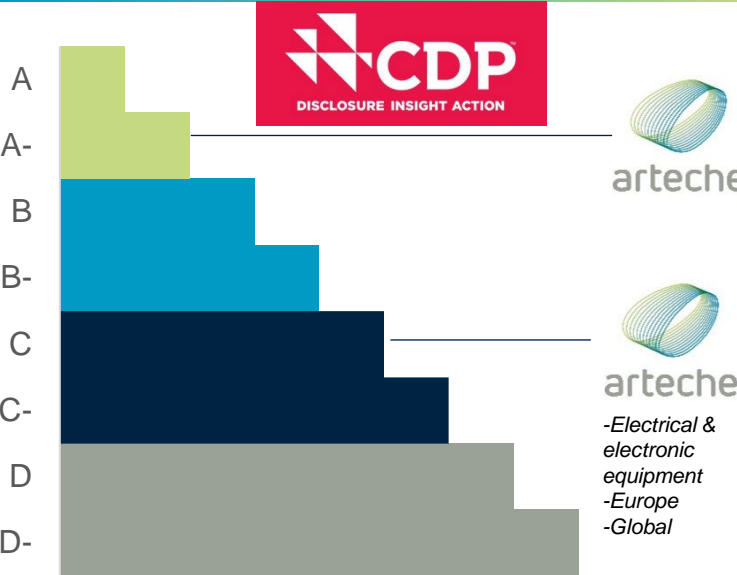


In 2023 we will distribute 30% of the net result to our shareholders, following the trend initiated in 2022

Progressing in our ESG Commitment



2022 CDP report



Rating A- in Supplier Engagement Rating (SER) in CDP's Climate Change questionnaire.

Rating C in Carbon Disclosure Project (CDP)

Ecovadis Rating



70.^o
percentil

SILVER medal, 70th percentile

First reverse factoring sustainable line

We sign with **IDB Invest** the **first** reverse factoring **sustainable line** amounting to **USD 20 million**

- ✓ **Arteche** is positioned as the **first company** chosen by IDB Invest to sign a reverse factoring line with **sustainability criteria**.



Expected trends for FY2023



- ✓ **Strong and dynamic market demand** worldwide.
- ✓ Our **order backlog** reaches **record levels: > €200 million** as at Q1 2023.
- ✓ **Double-digit sales growth** continues in **Q1 2023 : +25.1%** vs Q1 2022.
- ✓ **Direct margin improvement** consolidated during **Q1 2023: +317 bps** vs Q1 2022 up to 31% over income at selling price.
- ✓ **Favourable evolution** of **fixed costs** in relative terms (over revenue).
- ✓ **Good trend** for the **continuous recovery** in business margins to **consolidate throughout FY2023.**

#MovingTogether

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