

# 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

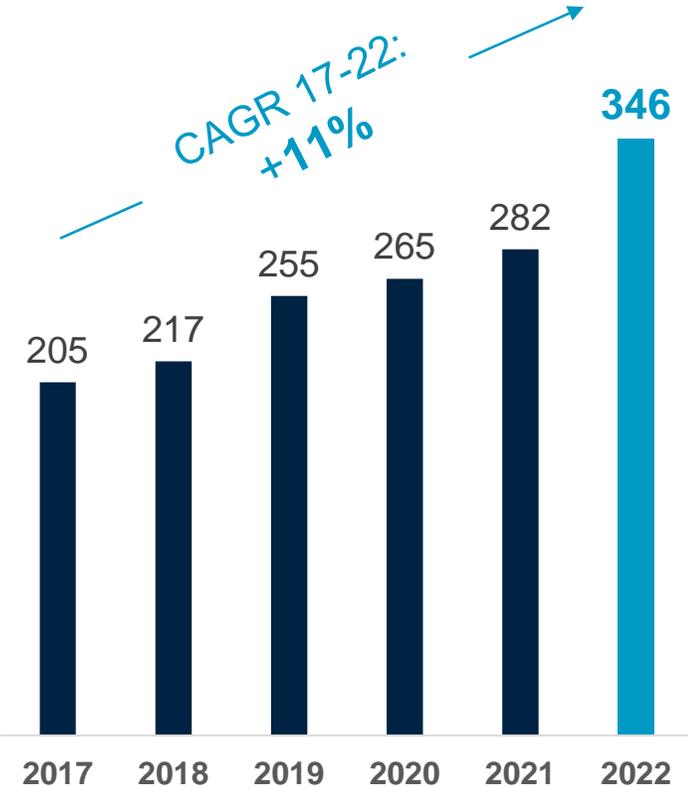
**Commercial** offices

**17** countries

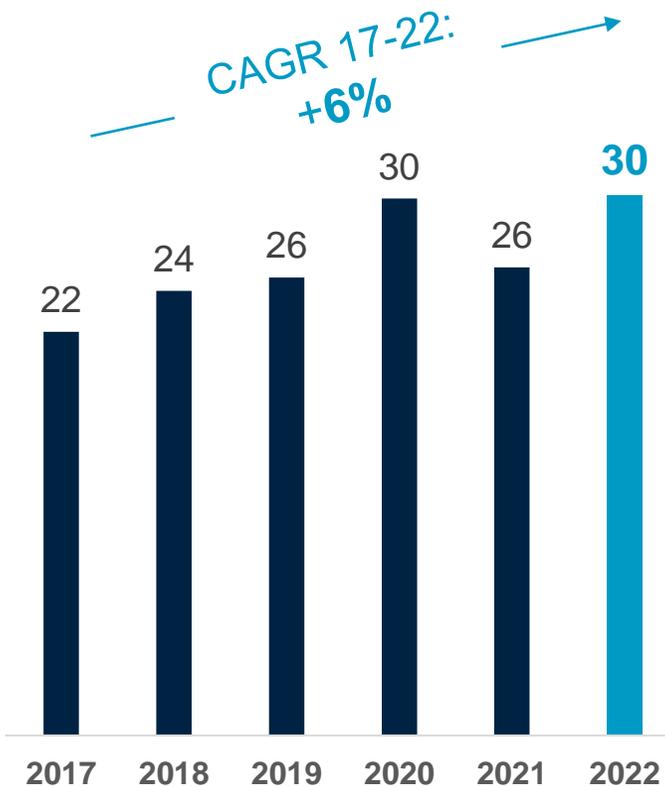
# ... with profitable growth and a strong balance sheet



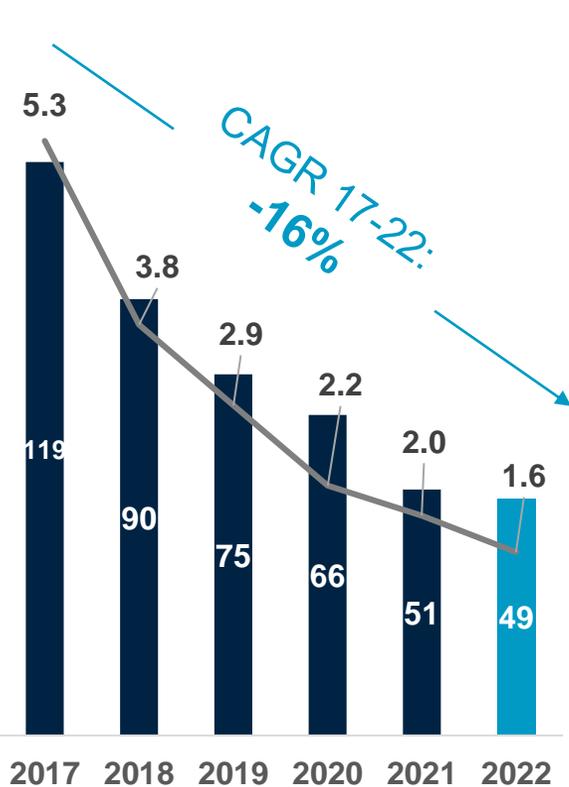
Revenue (€ million)



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 <sup>1</sup>	EBITDA	Profit for the year <sup>2</sup>	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

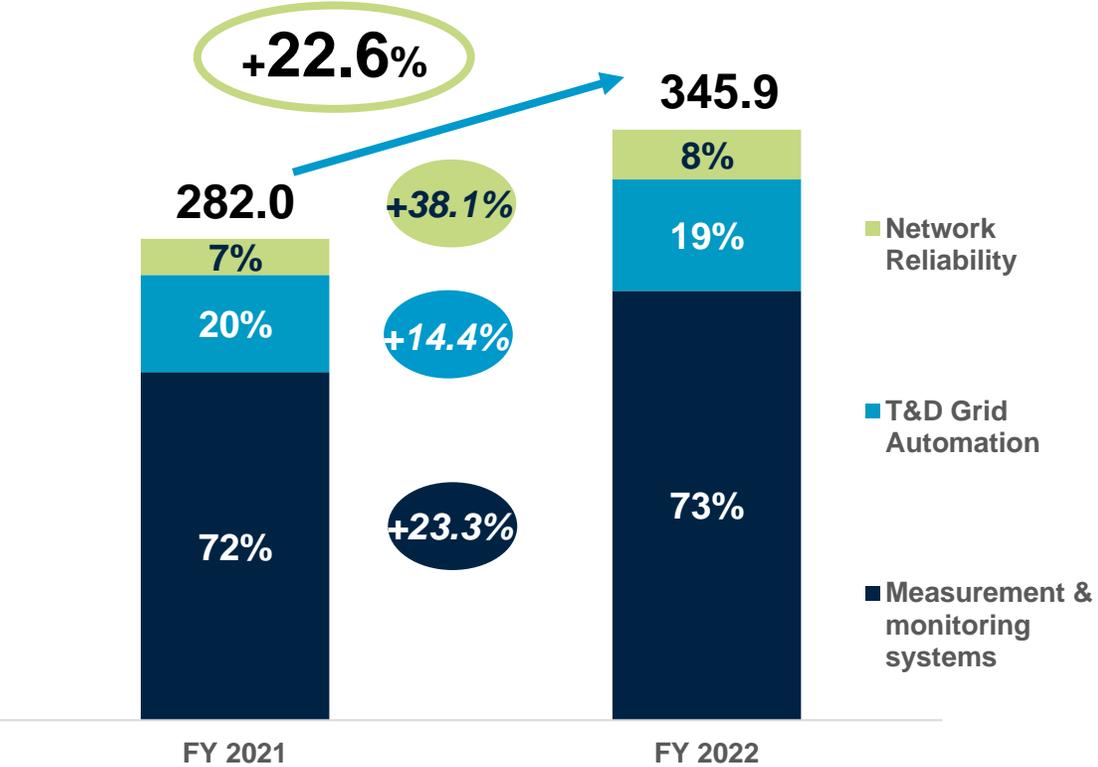
(1) Direct margin = Income at selling price – procurement – direct labor – direct operating expenses

(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.

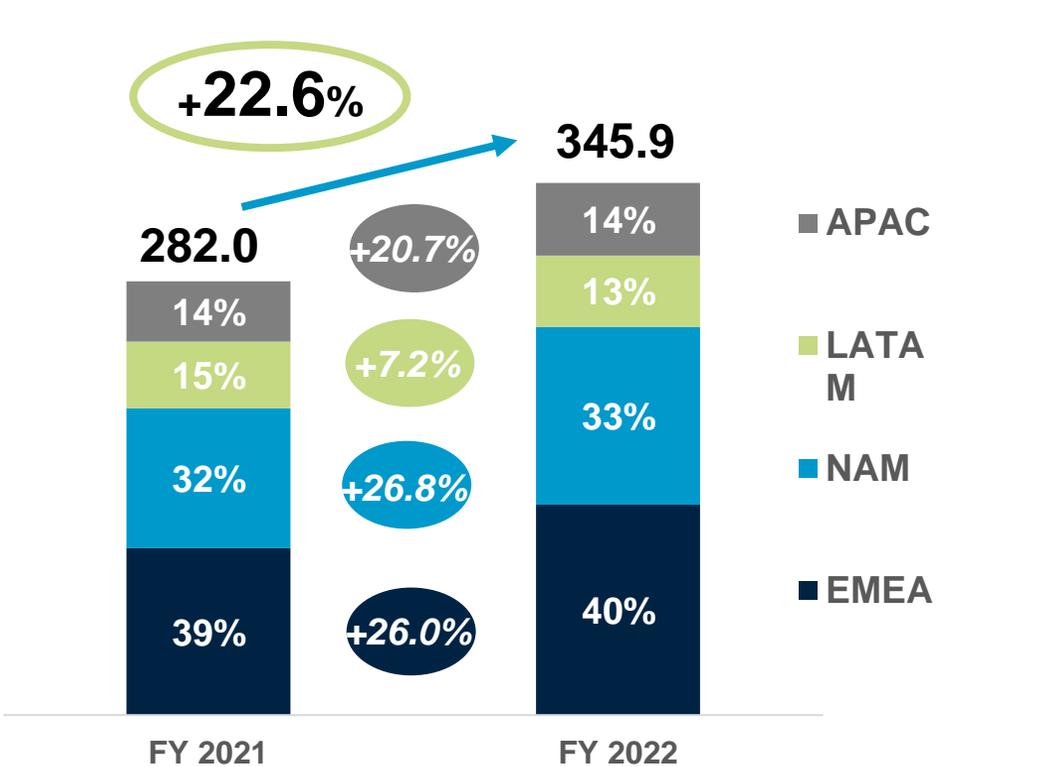
# Positive contribution from all businesses and regions



Revenue by business division (€ million,%)



Revenue by region<sup>(1)</sup> (€ 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
<b>Revenue</b> ( <i>€ million</i> )	<b>325 - 340</b>	<b>346</b>	 
<b>EBITDA</b> ( <i>€ million</i> )	<b>30 – 35</b>	<b>30</b>	
<b>EBITDA Margin</b> ( <i>% over revenue</i> )	<b>9%-10%</b>	<b>9%</b>	

# Always looking to the future



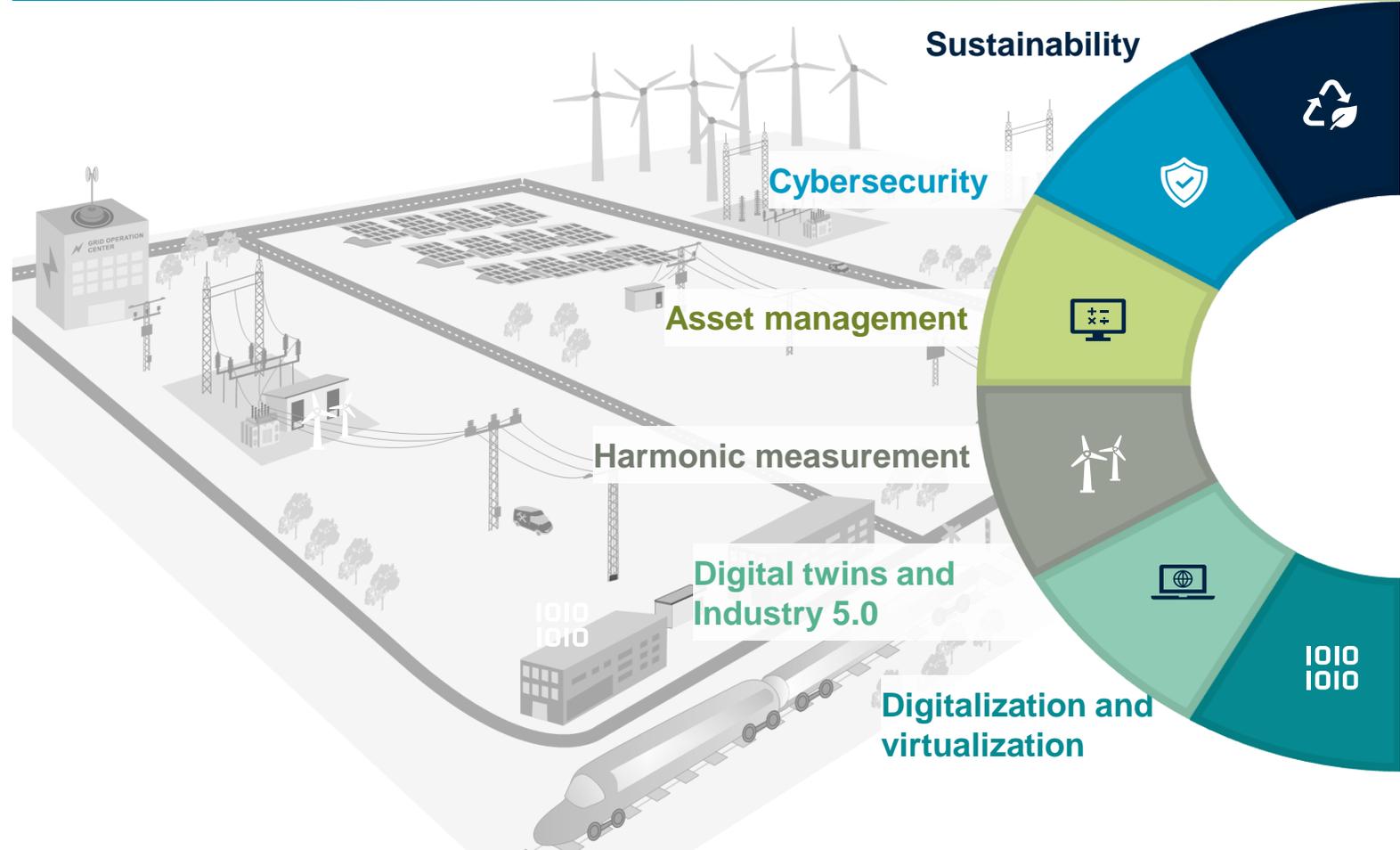
## Scalable business with innovation at the center

 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

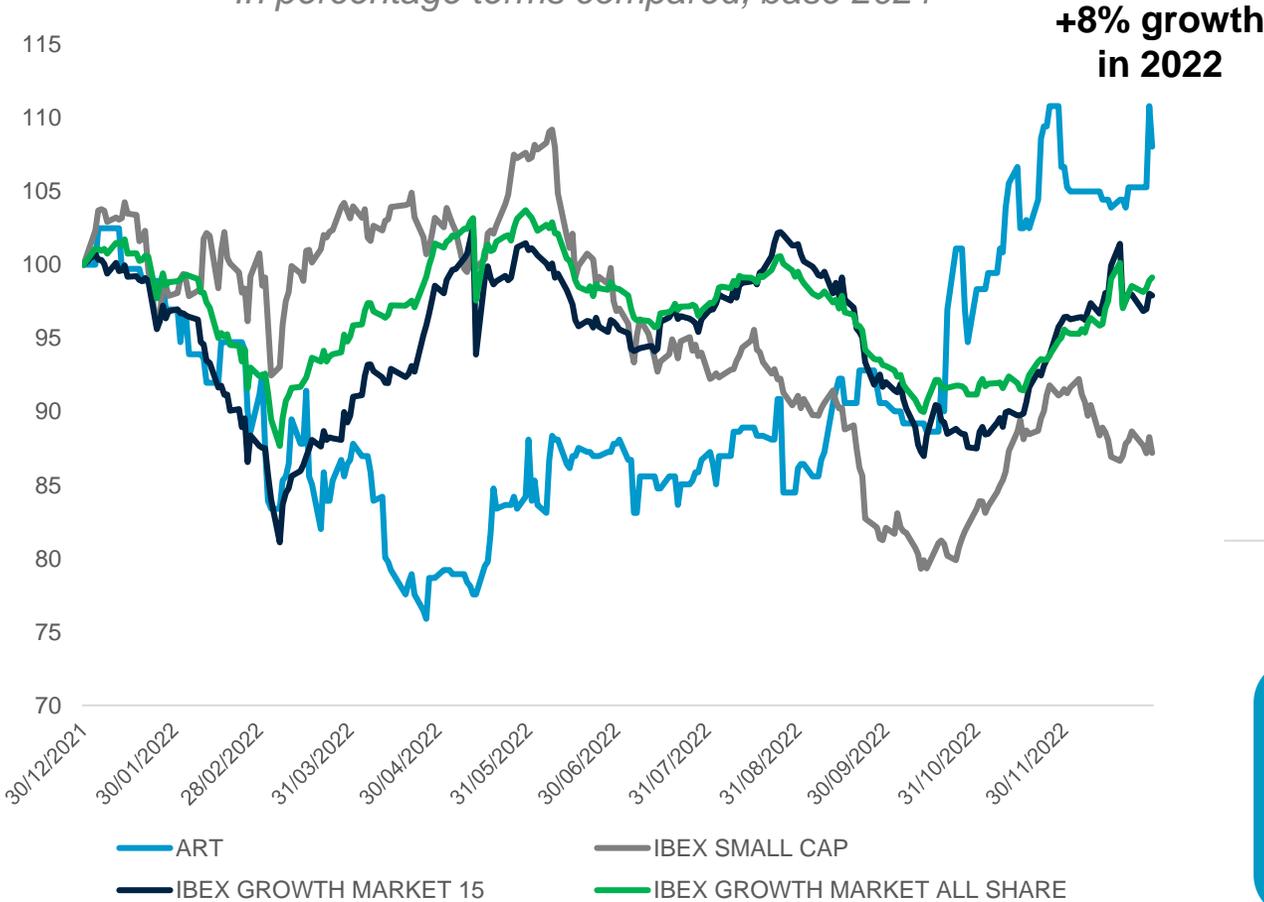


# Focus on generating shareholder value

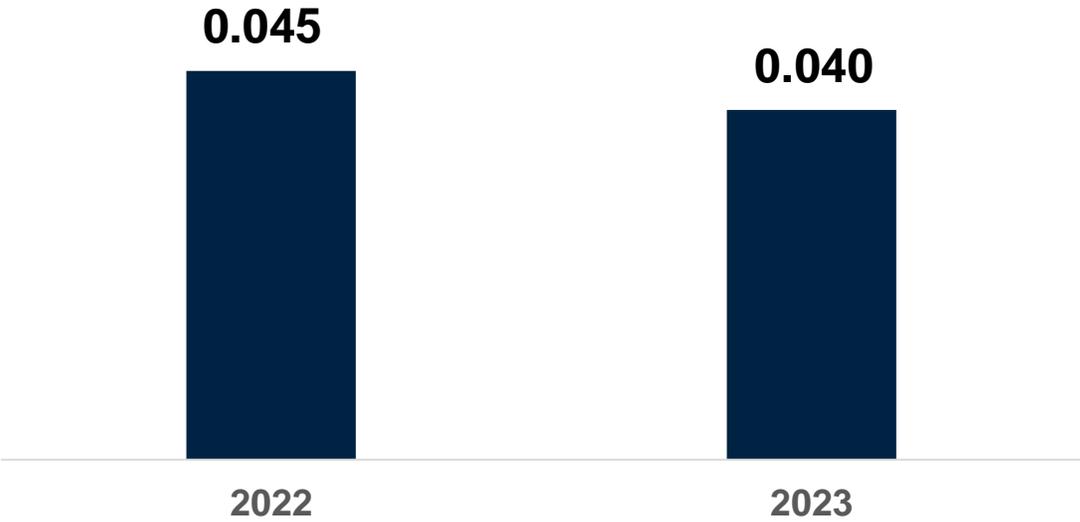
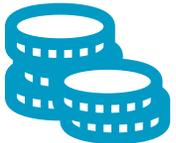


## Arteche stock price evolution

In percentage terms compared, base 2021



## Shareholder remuneration Cash dividends (€/share)

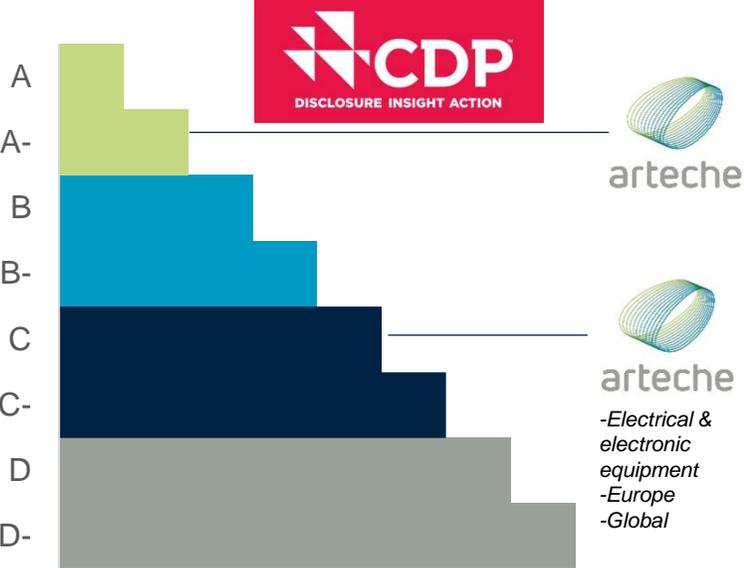


In 2023 we will distribute 30% of the net result to our shareholders, following the trend initiated in 2022

# 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.<sup>o</sup>  
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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