



TECNICAS REUNIDAS

FY 2021

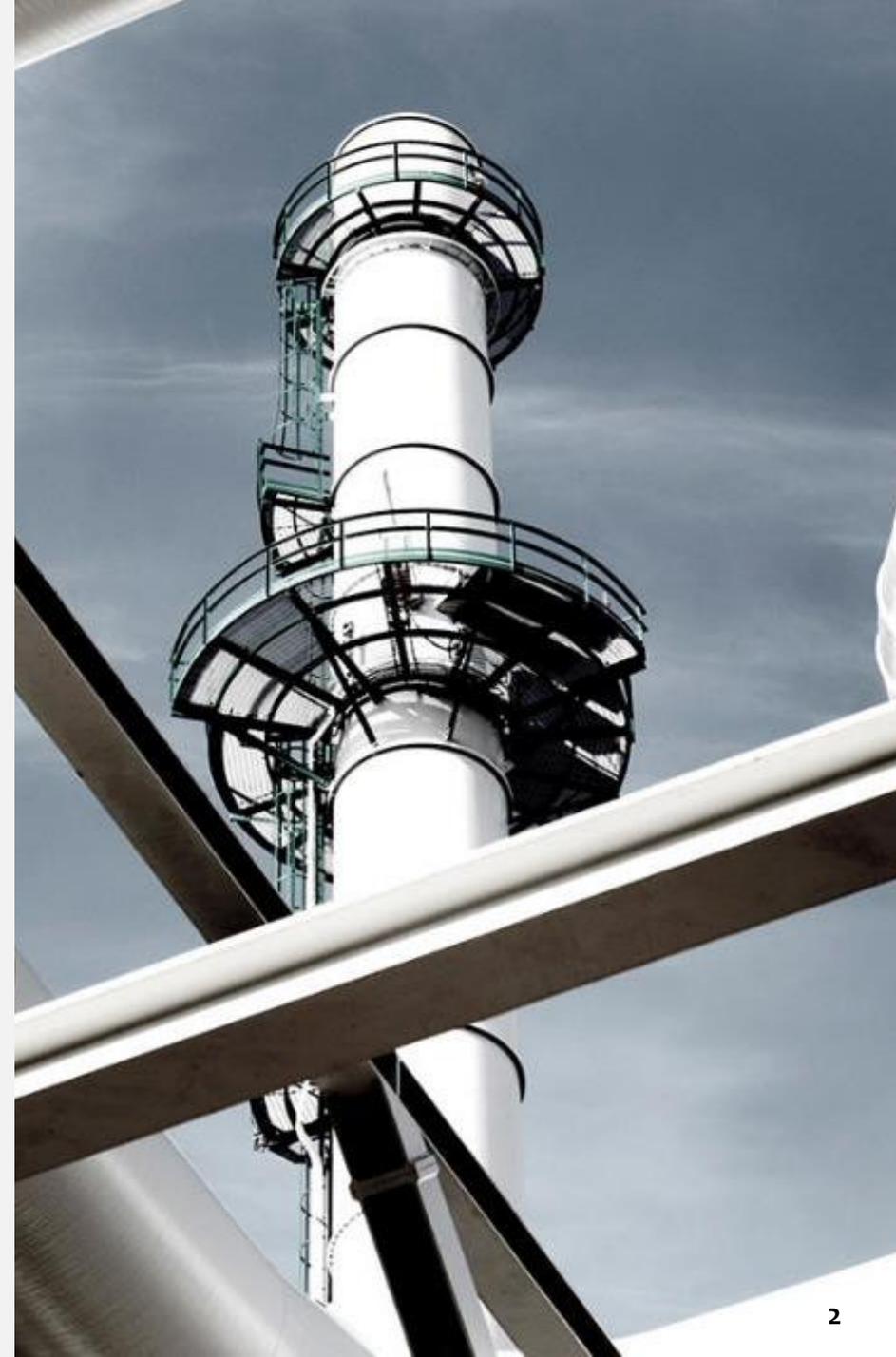
RESULTS PRESENTATION

MARCH 1<sup>ST</sup> 2022

JUAN LLADÓ – EXECUTIVE CHAIRMAN  
EDUARDO SAN MIGUEL - CEO

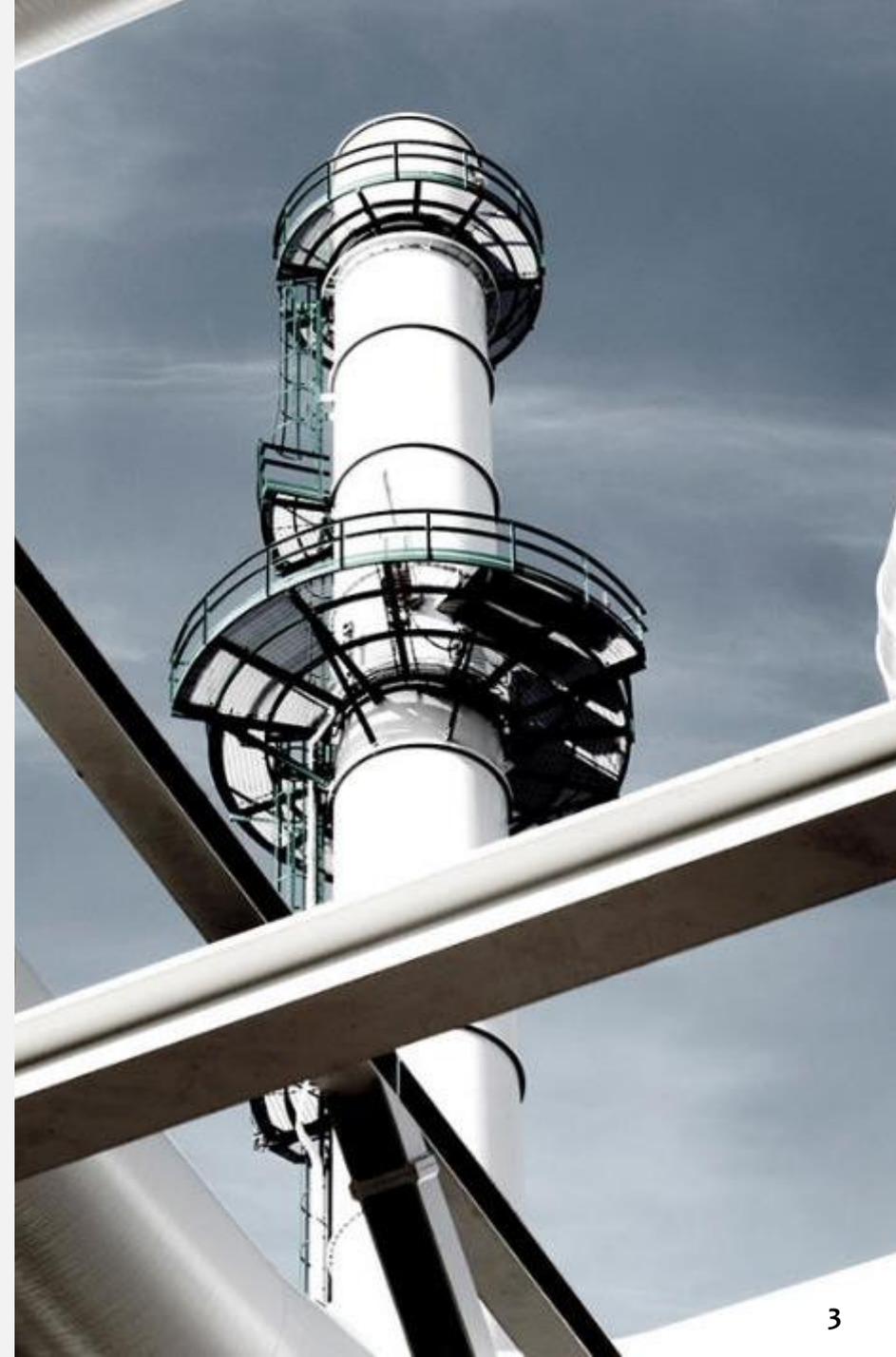
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# EXECUTIVE CHAIRMAN REMARKS

EXECUTIVE CHAIRMAN  
Juan Lladó



## TR's three main accomplishments

### Organization strengthened

- Highly experienced team
- Pilot the new growth phase

### Financial position reinforced

- European funds support through SEPI

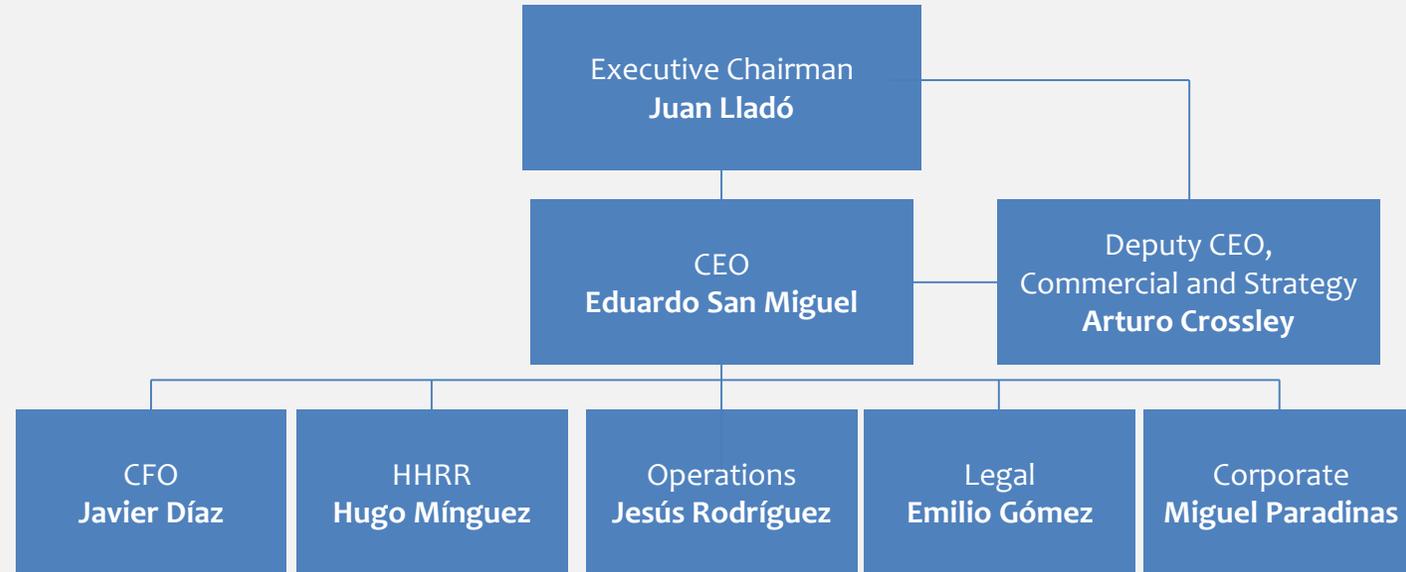
### Backlog rebuilt

- €4.8bn awards in last 14 months
- Diversified and de-risked

# TR'S NEW ORGANIZATION

Experienced management team to address the new growth stage

- **CEO: Eduardo San Miguel**
  - Former CFO
  - 17 years of experience in TR
  
- **Deputy CEO and Commercial and Strategy General Manager: Arturo Crossley**
  - Former Commercial General Manager
  - 18 years of experience in TR
  
- **CFO: Javier Díaz**
  - Former deputy CFO
  - 16 years of experience in TR



# SEPI FUNDS WILL SUPPORT OUR GROWTH STRATEGY

## European requirements

- Heavily impacted by Covid
- Solvent and viable company
- Strategic company for Spain

## Why is TR strategic?

- Leading company in the design and construction of industrial plants in the energy sector
- For both traditional and new energies
- Presence in more than 50 countries
- Workforce of 7,000 professionals: 4,000 located in the Spanish hub

# NEW AWARDS: DIVERSIFIED AND DE-RISKED

## €4.8bn awards

<b>Petrochemicals</b> €2,050m	Natural Gas €1,150m	Power & Water €900m	Clean Fuels €470m	Energy transition €200m
----------------------------------	------------------------	------------------------	----------------------	----------------------------

- |   |   |  |  |  |
|---|---|--|--|--|
| <ul style="list-style-type: none"> <li>▪ Orlen €900m</li> <li>▪ Sasa €600m</li> <li>▪ Rönesans €550m</li> </ul> | <ul style="list-style-type: none"> <li>▪ Qatargas €700m</li> <li>▪ ADNOC €450m</li> </ul> | <ul style="list-style-type: none"> <li>▪ GE Poland €300m</li> <li>▪ Siemens Mexico €300m</li> <li>▪ Mitsubishi Mexico €300m</li> </ul> | <ul style="list-style-type: none"> <li>▪ Gazprom €240m</li> <li>▪ YPF €230m</li> </ul> | <ul style="list-style-type: none"> <li>▪ G.I.Dynamics €200m</li> </ul> |
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# FRESH, DE-RISKED AND DIVERSIFIED BACKLOG

## €11.1bn YTD backlog

### Advanced projects

**12%** of backlog

- Delivering to full client satisfaction even under COVID environment

### Reprogrammed projects

**47%** of backlog

- Optimized execution scenario
- Either finished procurement stage at reprogramming or renegotiated scope

### New awards

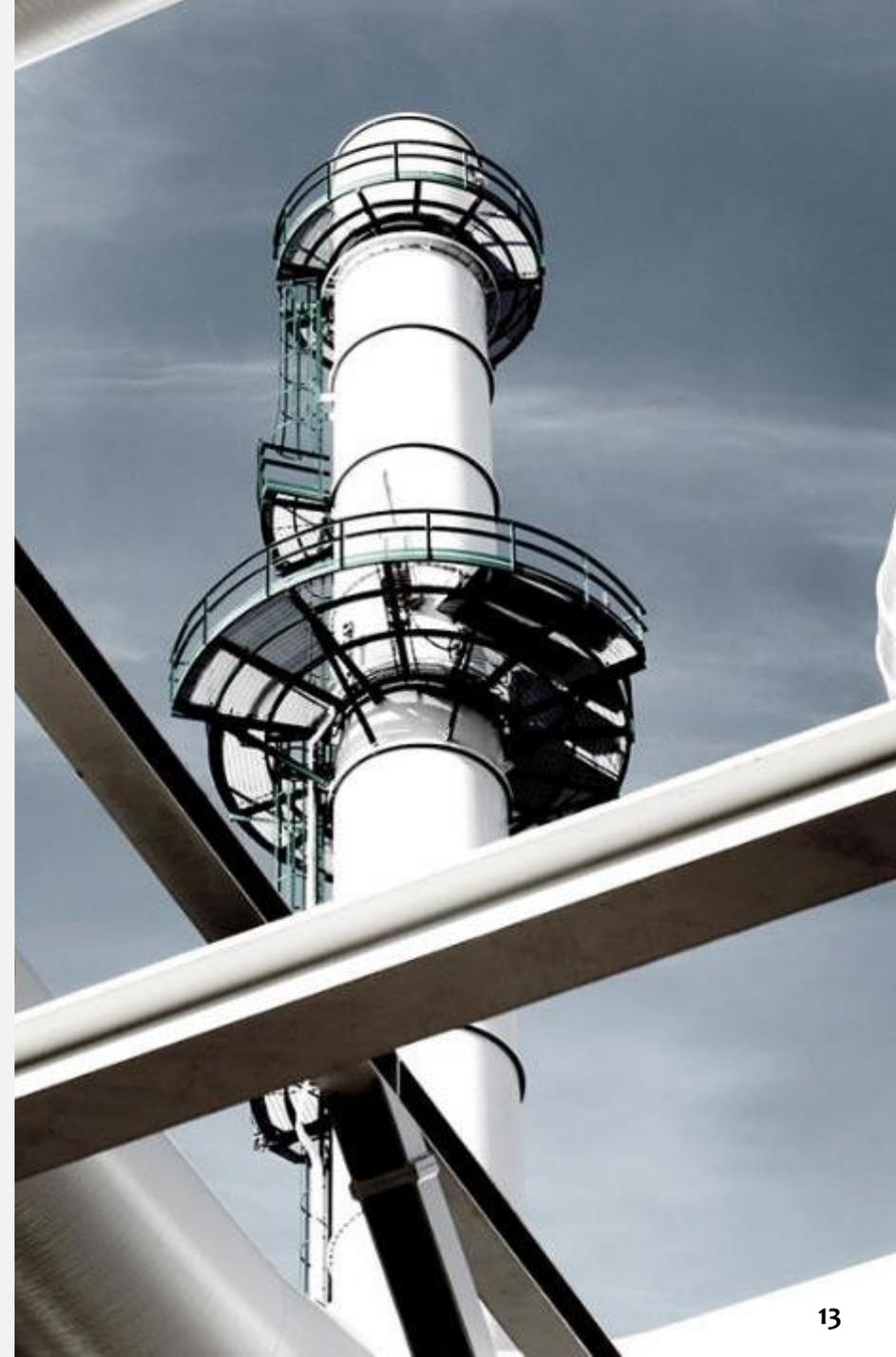
**41%** of backlog

- Achieving de-risked execution schemes in a higher demand market
- Pricing already includes new raw materials scenario
- Diversified by client, product and geography
- Focus on major investment trends: petrochemicals, natural gas and energy transition

# 2021 RESULTS

# 2022 GUIDANCE

CEO  
Eduardo San Miguel



# 2021 RESULTS

**Sales** €2.808m

- Covid:
  - Slow milestone achievement
  - Projects reprogramming

**EBIT** €-157m

- Teesside project
- Covid costs not recovered
- Lower fixed costs absorption

**Adjusted EBIT\*** €48m

**Net cash position** €-76m

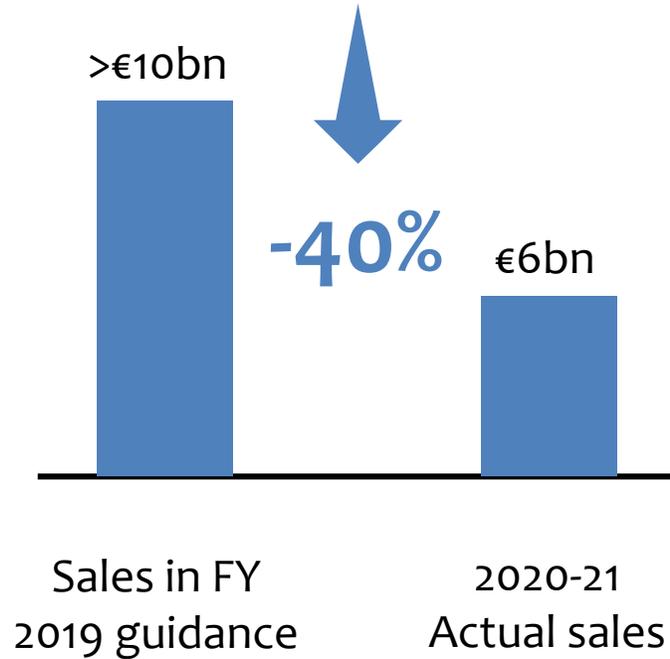
- Teesside project outflow
- Covid:
  - Slow pace of project execution
  - Slow resolutions of negotiations

\*FY 2021 Adjusted EBIT includes €204m of extraordinary impacts

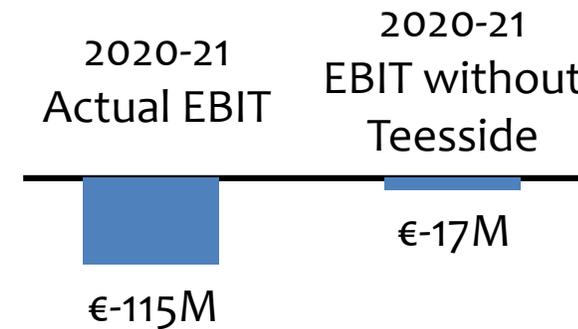
# GREAT MANAGEMENT EFFORT TO OFFSET COVID IMPACT

Figures correspond to accumulated 2020 – 2021 years

DESPITE 40% LOWER SALES THAN  
EXPECTED IN 2020-2021...



... AND WITHOUT TEESSIDE WE  
ALMOST BROKE EVEN



# SEPI FUNDS WILL SUPPORT OUR GROWTH STRATEGY

Terms and conditions

**€340m** injection of funds from SEPI support



**€175m** participative loan  
(booked as equity):

- 4.5 year bullet payment
- Euribor + 4.5% average
- No conversion option

**€165m** ordinary loan:

- Amortized from 2<sup>nd</sup> year  
(20% + 30% + 30% + 20%)
- 2% cost of funding

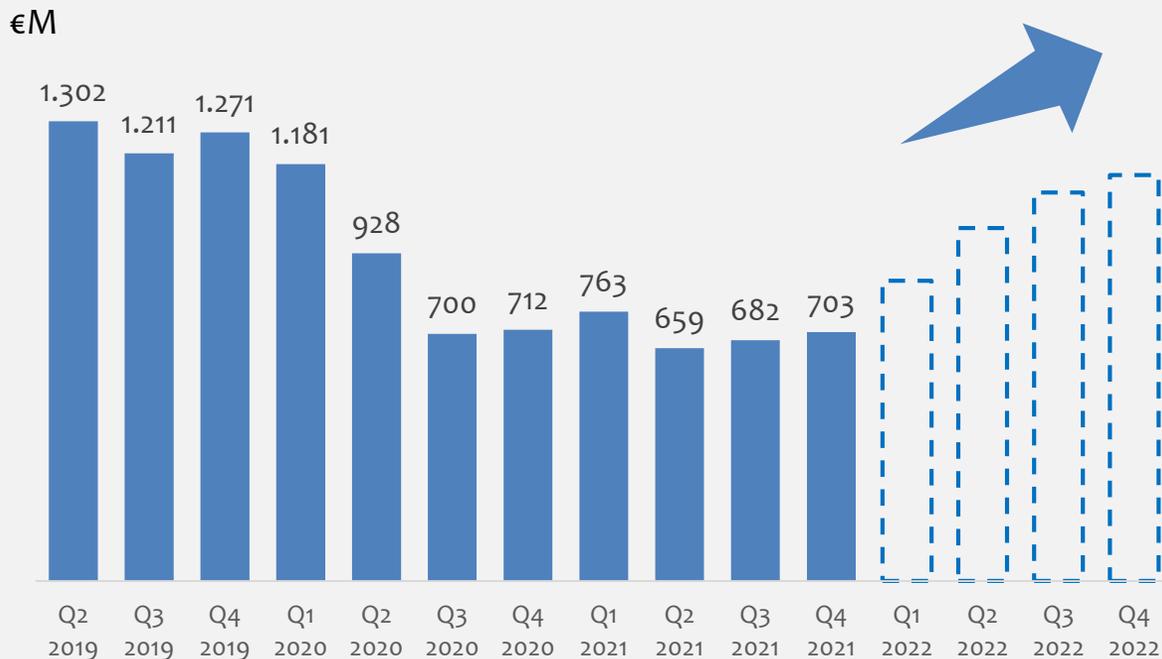
**4.5 years** reference tenor subject  
to business evolution

**Dividends** restricted until loans  
are fully repaid

**Proceeds** to accelerate working  
capital cycle and project execution

# 2022 GUIDANCE: CONFIRMED

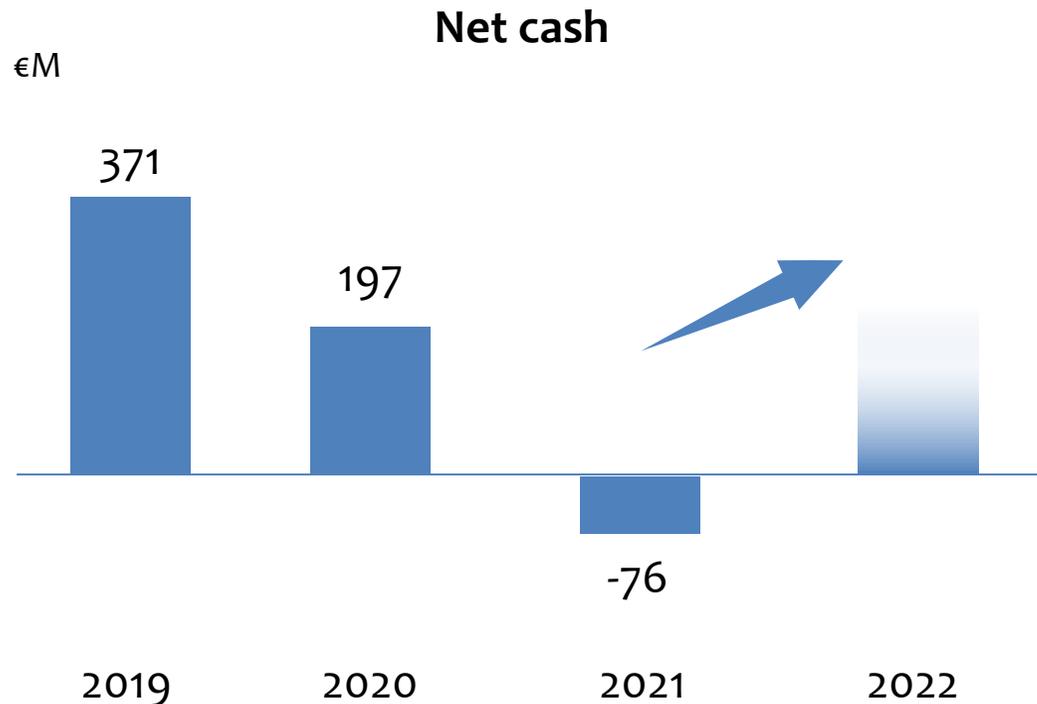
- COVID scenario: progressively back to normality
- Quick restart of reprogrammed projects
- Projects awarded in 2021 at initial stages
- TR-ansforma plan continues to optimize operations and costs
- Oil majors stepping up investment plans on the back of strong energy prices



## 2022 Guidance

Sales	~ €4B
EBIT margin	Above 2%
Awards	~ €4B

# WORKING CAPITAL



**Management focus on working capital and financial profile recovery**

- Working capital deterioration in 2020 and 2021 due to Covid:
  - No awards in 2020
  - Slow pace of projects
  - Slow resolution of negotiations
  - Advances to suppliers to support operations
- Strong management focus in 2022 to convert working capital into cash:
  - Accelerate agreements with clients
  - Restart projects
  - Improve payment conditions

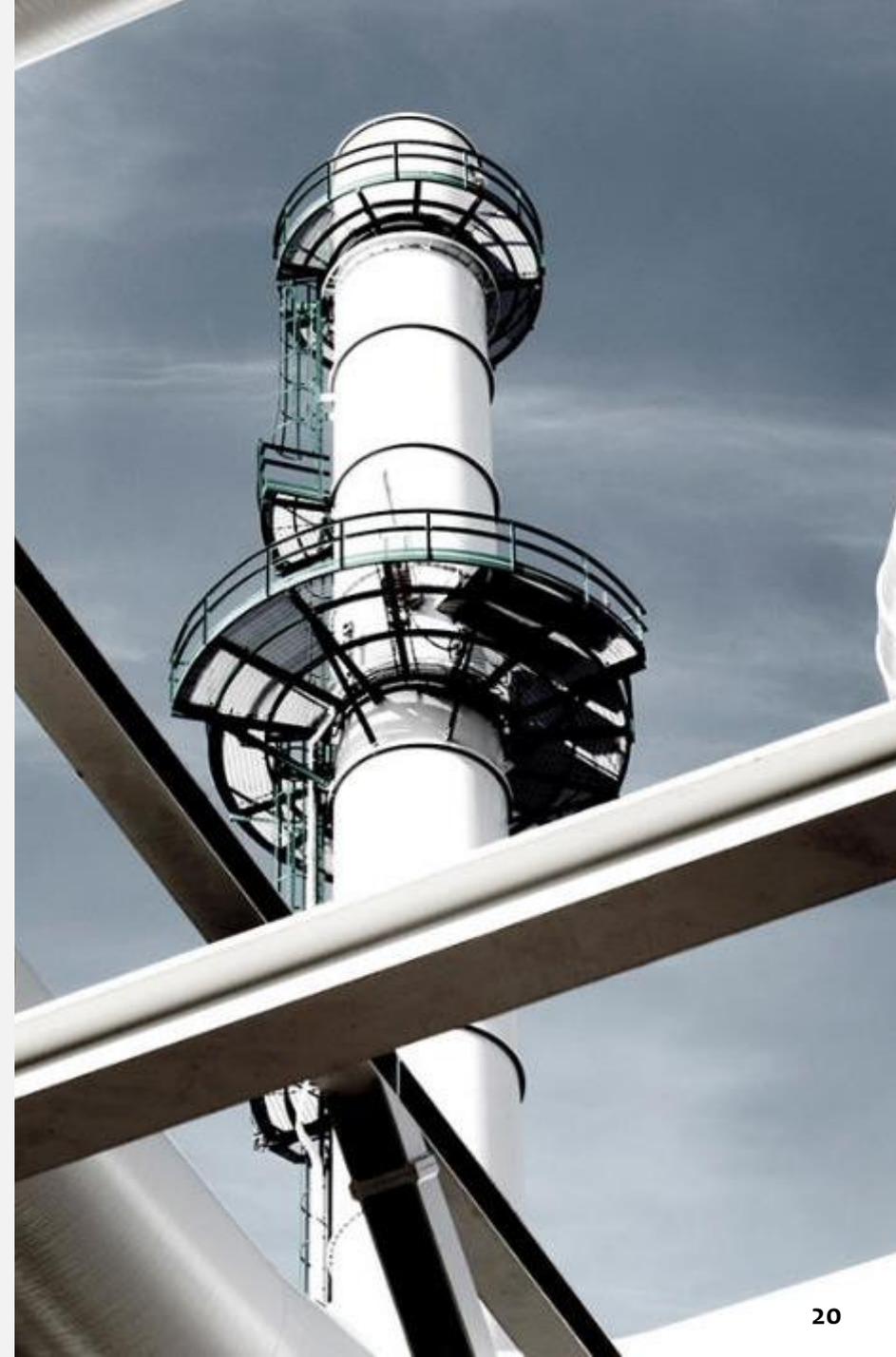
# RAW MATERIALS ENVIRONMENT

TR is proactively managing current raw materials scenario

- 2022 guidance already includes raw materials impact
- New raw materials pricing already included in recent and current bids
- Agreements with nominated subcontractors in bidding stage
- Clients open to partially share extraordinary costs
- On-going implementation of TR-ansforma:
  - Agreements with suppliers (additional scopes, long-term agreements,...)
  - Agreements with clients (open vendor lists, material surplus shared among projects to reach synergies,...)
  - Searching for suppliers in new markets
  - Time and cost savings through process and equipment standardization
  - Lighter structure production through a more efficient design
  - Timing adaptation of purchasing windows

# OUTLOOK AND MAIN STRATEGIC LINES

EXECUTIVE CHAIRMAN  
Juan Lladó



# PROMISING BUSINESS OUTLOOK

## €45bn pipeline in 2022

- Strong energy demand results in high prices that support rising investment activity for 2022 and beyond
- Opportunities in energy transition becoming tangible and material
- Increasing opportunities in petrochemicals and natural gas
- TR's engineering excellence is best placed: worldwide customers request us to bid

# TR'S MAIN STRATEGIC LINES

- 1 Accelerate energy transition
- 2 Reduce construction risk
- 3 Diversify towards less mature markets
- 4 Increase efficiency and digitalization
- 5 Spanish technology hub

## Mid-term target

Awards	€5B
Sales	€5B
EBIT margin	4%



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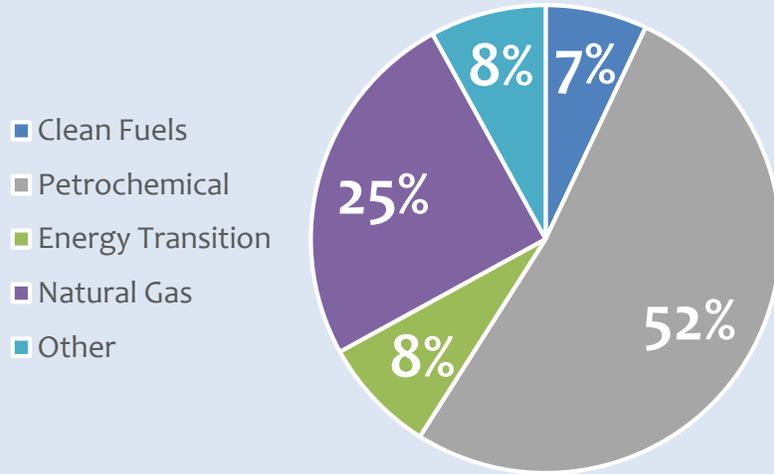
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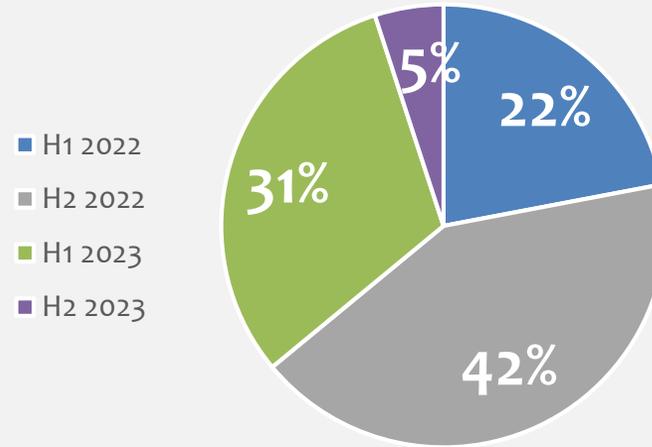
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# PIPELINE ANALYSIS

## Pipeline per division



## Pipeline per calendar (expected award date)



## Pipeline per geography

