



# ABN AMRO ODDO BHF

## Benelux Equities Conference 24 May 2023



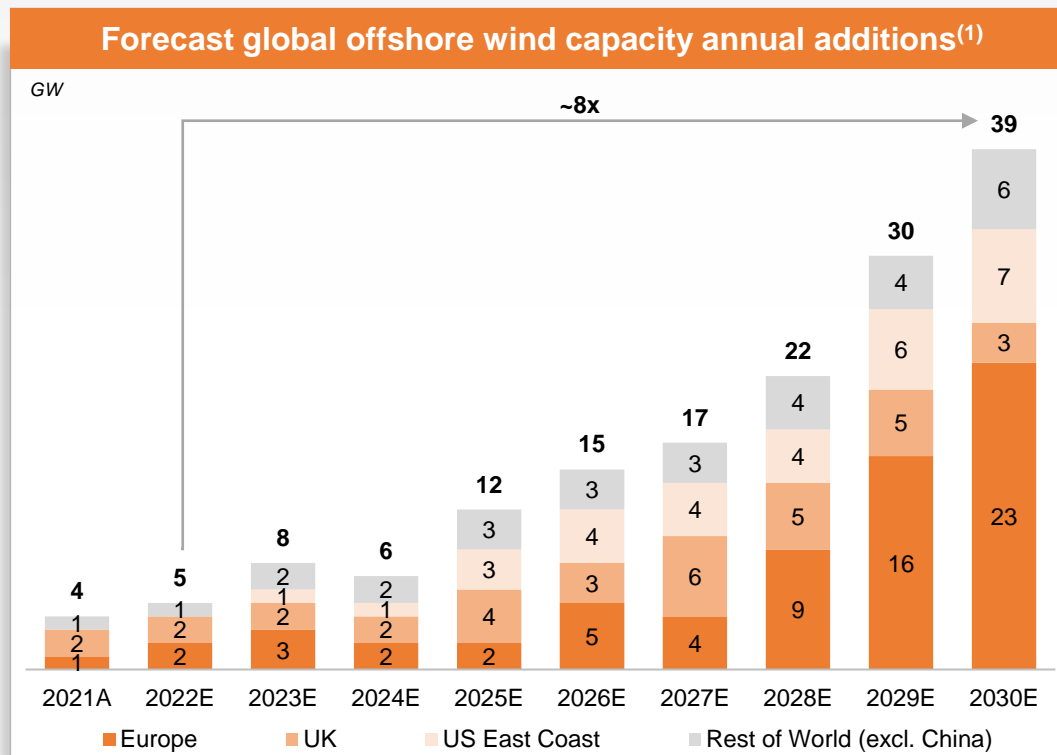
**Sif**

**OFFSHORE  
FOUNDATIONS**

Strictly private and confidential

> **SHAPING TOMORROW. PERFORMING TODAY.**

# Market Trends: Accelerating momentum in offshore wind market



## Policies and targets

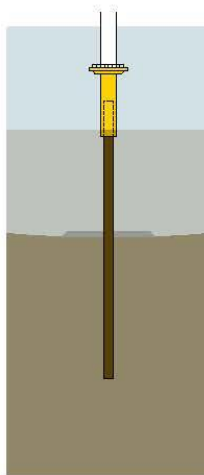
- European Green Deal, targeting to increase 2030 installed OSW capacity
- EU's Fit-for-55, reducing greenhouse gas by 55%
- REPowerEU, accelerating clean energy transition
- Cooperation framework between NSEC countries to target 260 GW of OSW by 2050
- Net Zero Act supports local European OSW solution providers
- US Inflation Reduction Act and government initiatives, boosting OSW



European  
Green Deal

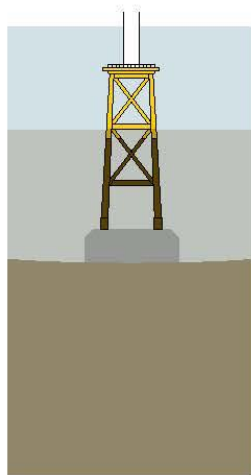


# Options for Offshore Wind Foundations: North Sea has 80% Monopiles, a total of > 5,000 units and almost 30 GW (of global 65 GW)



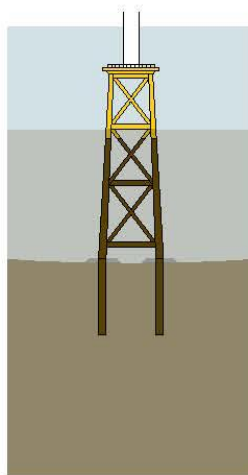
**Monopile**

**WATER DEPTH**  
up to 60 m



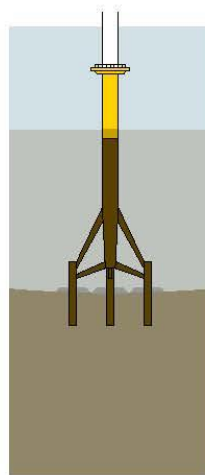
**Gravity based jacket**

**WATER DEPTH**  
30 to 80 m



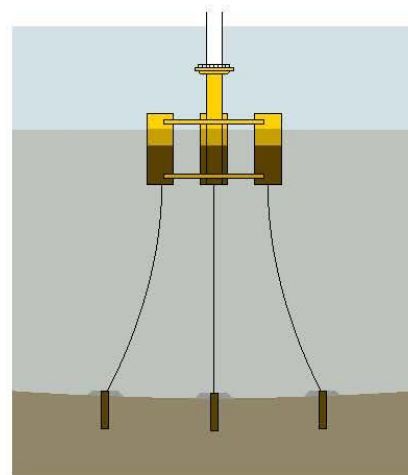
**Jacket / pinpiles**

**WATER DEPTH**  
40 to 80 m



**Tripod**

**WATER DEPTH**  
60-100 m



**Semi-submersible**

**WATER DEPTH**  
100-300 m



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# Market Trends are Evident: Monopiles remain Foundation of Choice, also for Next Gen Turbines 14 MW+

## > WIND TURBINES EVOLUTION OF HEIGHTS AND OUTPUT



## > MONOPILES EVOLUTION OF SIF PROJECTS (HIGHLIGHTS)



# 2022 in Retrospect: Operational Highlights

Marshaling services for Siemens  
Gamesa project Hollande Kust Zuid



Monopiles and Transition pieces for  
Dogger Bank A&B



TP-less Monopiles for Hollandse Kust  
Noord





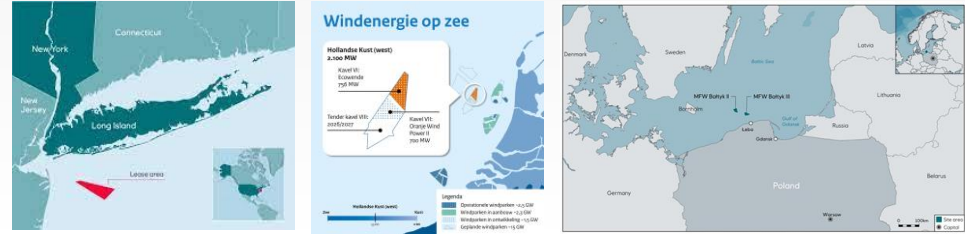
# Contract wins 2022 and Q1 2023 include

## Transition Pieces Noirmoutier and He Dreiht



- Sif has won the contracts for the transition pieces for He Dreiht (Germany) and Noirmoutier (France)
- Manufactured during 2023 – 2024
- A total of 126 transition pieces, representing 54 Kton

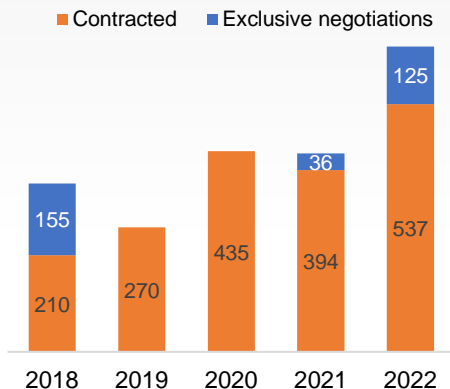
## Hollandse Kust West VI, Empire Wind and Baltyk 2 & 3



- Sif has won the contracts for the foundations of Hollandse Kust West plot VI (the Netherlands), Empire Wind (USA) and Baltyk 2+3 (Poland)
- Manufactured during 2024-2026
- A total of 274 foundations representing 453 Kton

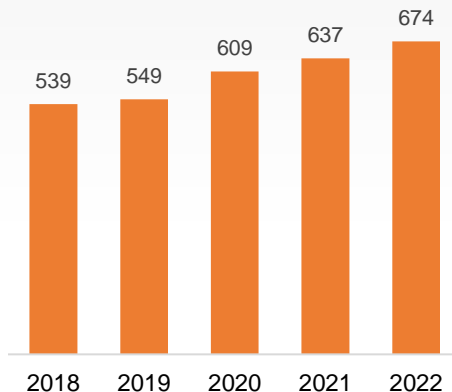
# Positive Market Development on Key Indicators

## Orderbook (Kton)



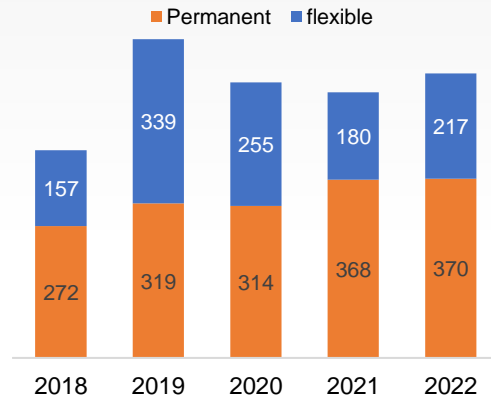
- At the end of 2022, Sif's orderbook contained 662 Kton (+54% on 2021) signed orders and exclusive positions, which extends well into 2026

## Contribution € per ton<sup>(1)</sup>



- Contribution per ton is a leading financial indicator because it excludes:
  - Steel price fluctuations
  - Level of subcontracting
- Contribution per ton increased by 5.8% on 2021

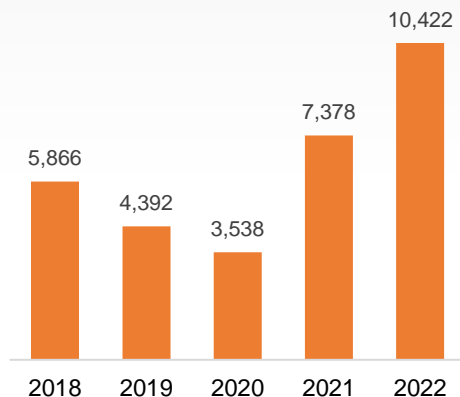
## Workforce



- At the end of 2022, Sif's total workforce consisted of 587 FTEs compared to 548 FTEs in 2021
- Of the flexible workforce, 99% are factory workers
- Labour markets were and remain tight.

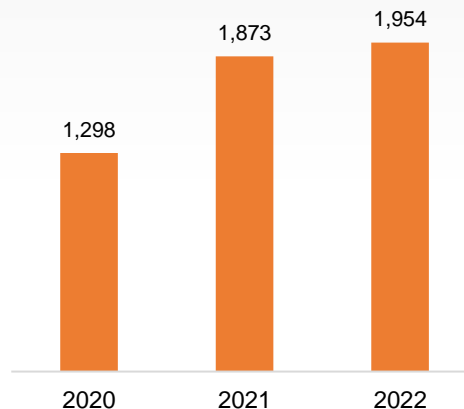
# Social and Environmental Results (limited assurance)

Gross CO2 (tonnes)



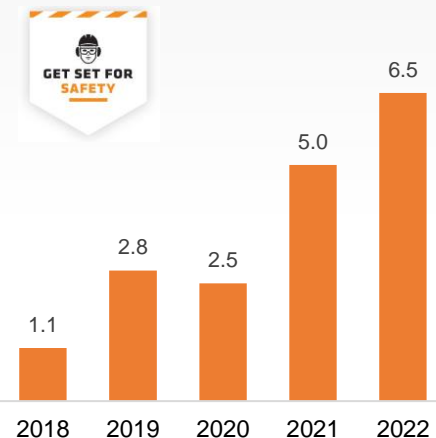
- Reporting brought more into line with Greenhouse Gas Protocol
- Gross scope 2 emissions are (partly) compensated by the energy generated on Sif's premises via the Haliade
- Compensation negatively impacted by more downtime in 2021 and 2022

Contribution to renewable energy (MW)



- Participation in projects that will result in renewable energy capacity

LTIF (per mln hours worked)

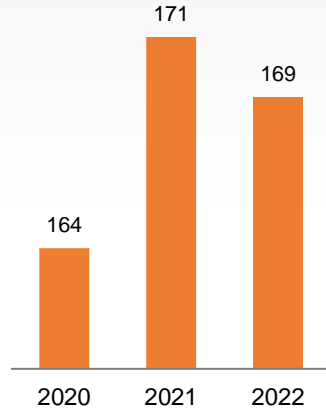


- LTIF, Lost Time Injury Frequency, amounted to 6.5 in 2022, considerably above Sif's target level of 1.5
- Key focus and actions identified to improve LTIF

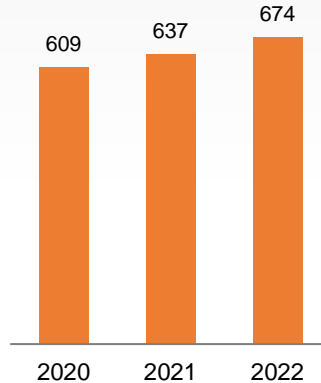


# Financial Results 2022 in Line with Guidance

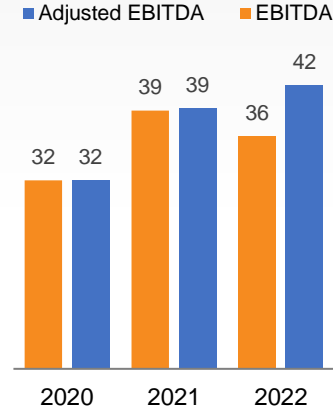
Production Kton



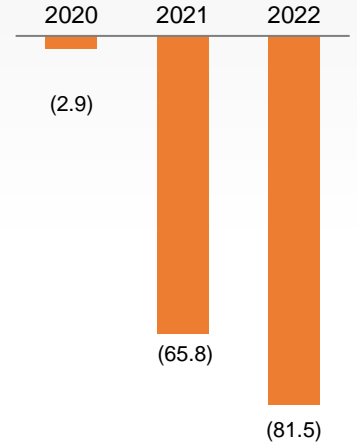
Contribution € per ton



(Adj.) EBITDA (EURm)



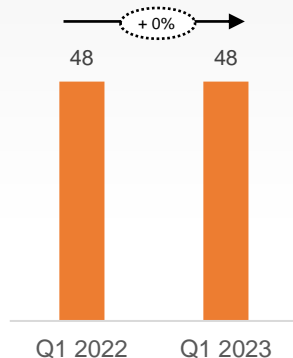
Working Capital (EURm)



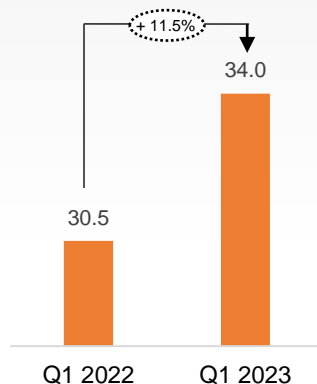
- Gradually increasing contribution margin underpins improving market conditions
- Contribution margin cleaned for marshalling and engineering

# Progress Q1 2023

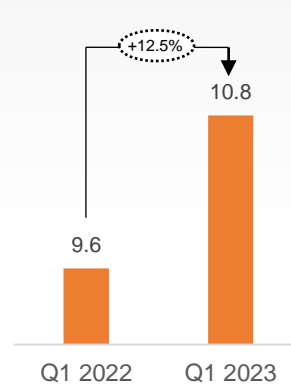
## Production (Kton)



## Contribution (EURm)



## Adj. EBITDA (EURm)



## 2023 Outlook

- Adjusted EBITDA for 2023 is expected to be at the same level as the 2022 adjusted EBITDA

- Contribution per ton at €644 in Q1 2023 compared to €554 in Q1 2022 due better commercial conditions
- Working capital at end of Q1 2023 at (€85.7) million; (€81.5) million at YE 2022
- Cash on balance €138.2 million; €89.8 million at YE 2022
- Orderbook 170 Kton for rest 2023 and 549 Kton for 2024 and beyond

# Operational situation today



## Supply chain challenges

- Steel and flange availability for our orderbook is secured; price changes are passed through so no price risk for Sif involved
- Energy prices coming down
- Extra buffer of production materials to mitigate shortage risks



## Tender processes

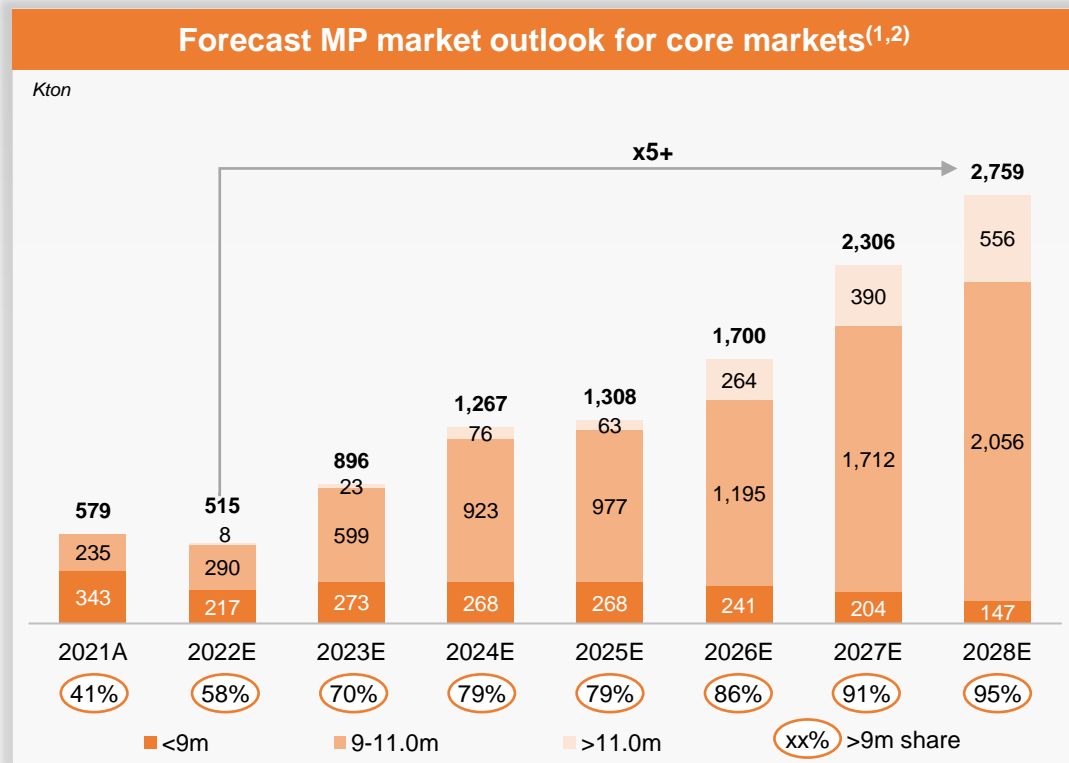
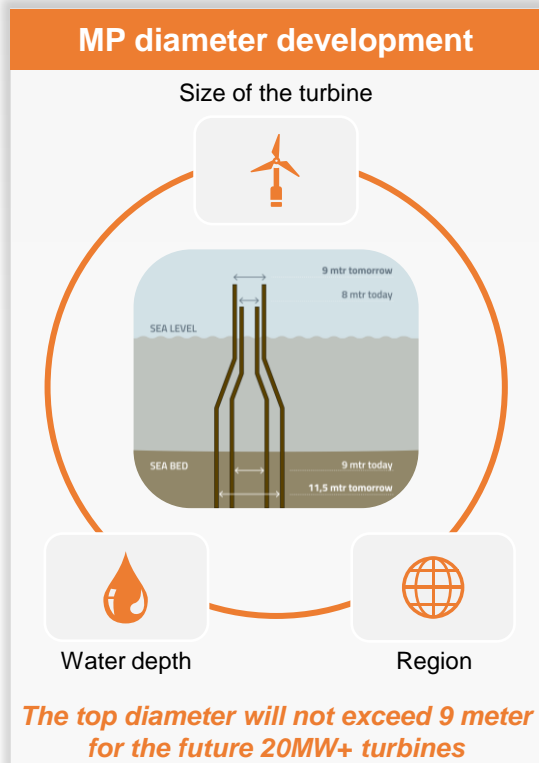
- No decrease in the number of tenders; more the opposite
- Capacity agreement Equinor pays off with reservation for Baltyk II&III
- Relation DH and Sif is on a competitive edge but push from customers on alternative suppliers from Asia is increasing due to price gaps



## Personnel and facilities

- Availability of skilled workers has not further deteriorated but still stretched labor market
- Priority on safety culture
- Relocation office for extension completed
- Replacement of gas pre-heating with induction on schedule resulting in decreased carbon footprint

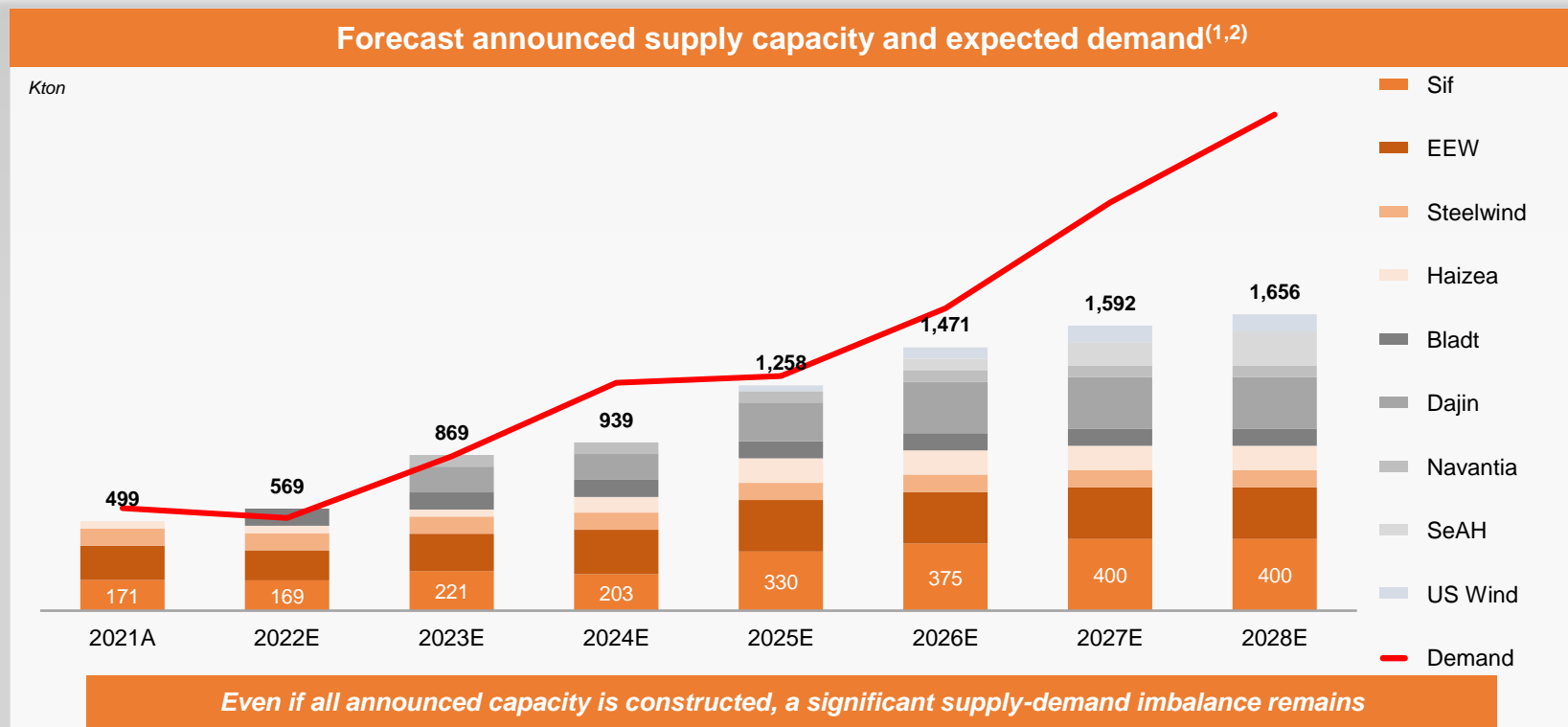
# Market Trends: Shift to next generation 3XL monopile foundation



Source: Company information, International strategy consultant.

Notes: 1. Displayed years corresponds to year of production. 2. US East Coast and Europe including UK.

# Market Trends: Significant supply-demand imbalance



Source: Company information, International strategy consultant.

Notes: 1. Capacity displayed assuming max. 80% utilization; For Sif the actual and expected production volumes are included; For new facilities a 2 year ramp up period is expected with 33% in year 1, 66% in year 2 and 100% in year 3; For expansion of existing facilities, a 1 year ramp up period is expected with 50% in year 1 and 100% in year 2. 2. US East Coast and Europe including UK.

# FID February 2023: Invest €328 million in expansion of existing manufacturing facilities



Execution of plans 1 April 2023- 31 December 2024

Financed by:

- €100 m AFP launching customers
- €50 m preferred equity combined with capacity framework agreement Equinor
- €81 million Term loan Invest-NL + banks
- €40 m lease RABO
- €50 m rights issue



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# Expansion plan on schedule to reach $\geq$ €160m EBITDA by 2026

## Expansion plan update



Execution building the manufacturing plant on schedule



All key suppliers contract signed



Highest safety and environmental standards included



Order book filled with 719 Kton supporting the business plan



Equinor, Shell/Eneco financial contribution coming in as planned



No budgetary issues

*Strong focus on project execution in order to deliver on time and within budget*

# Significant growth potential post 2026

## Substantial and tangible strategic options

### Total Solutions Platform



- Expansion of solutions to include offering to fully circular offshore wind parks
- Additional high-value engineering offering and marshaling & logistics services

### Geographical Expansion



- Expansion to the US to benefit from undersupplied market (partnering)
- Deepen relationship and license agreement with GS Entec

### Capabilities Scale-up

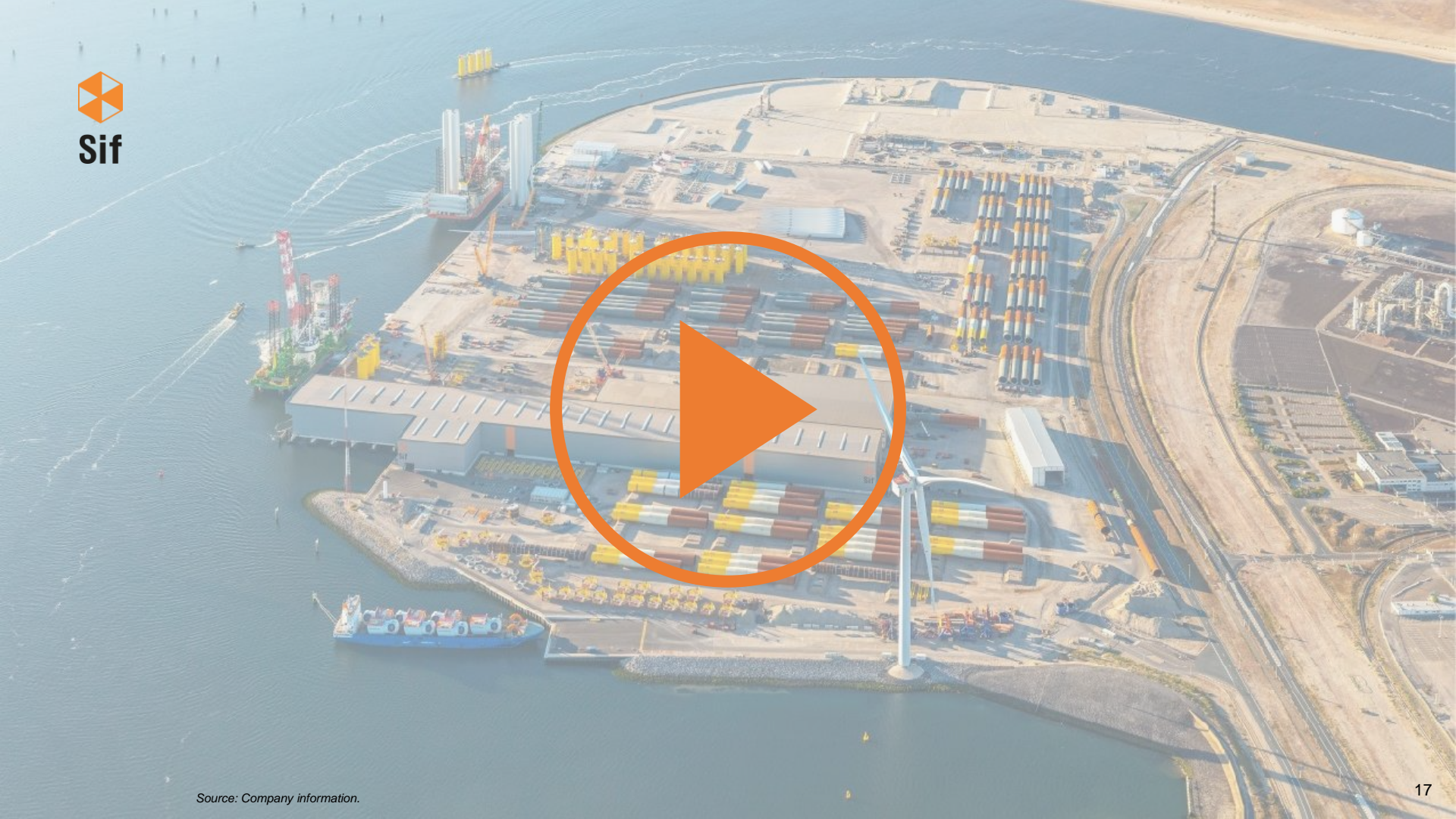


- Expansion to manufacture MPs with a larger diameter in case of market need and appropriate return requirements
- Scale-up of transition piece manufacturing volumes
- Alternative foundations (e.g. tripod) and skybox commercialization





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