



# Interim 2023 results:

Full-year outlook confirmed, Order book extended, Expansion project on schedule

25 August 2023



**Sif**

**OFFSHORE  
FOUNDATIONS**

Strictly private and confidential

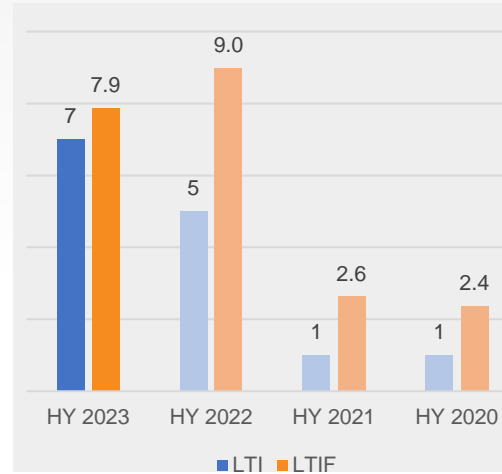
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# Update on Health and Safety

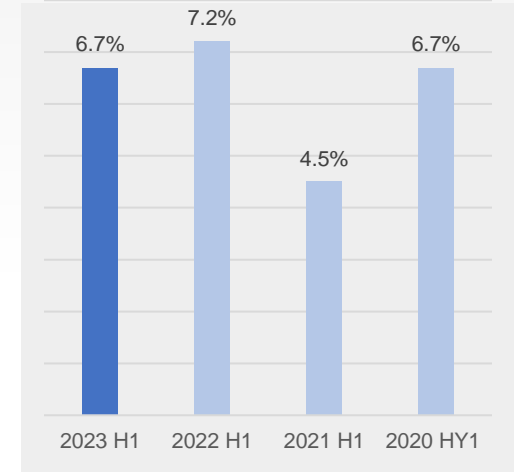


- **Today's venue and program**
  - No planned evacuation drills
  - Follow the signs to the meeting point

**Safety statistics (#)**



**Sick leave (%)**



- **Safety first**
  - Two day safety stand still has resulted in improved safety behavior and performance
  - Coping with inflow of less experienced temporary workforce and increasing product dimensions remains key
- **Safety as non-financial performance indicator**
  - LTIF KPI for short term remuneration CEO
  - Subject to limited assurance by EY on a full year reporting

# First Half 2023 in Retrospect: Operational Highlights

1

Monopiles and transition pieces for offshore wind project Dogger Bank A and transition pieces He-Dreht



2

Electron Beam Welding successfully applied in Dogger bank B monopile



3

Finalizing Marshalling services for Siemens Gamesa Hollandse Kust Zuid project



4

Two day safety stand still at both loactions



# Order book additions year-to-date 2023

1

## Baltyk 2+3 for Equinor and Polenergia



- Capacity reservation agreement for 105 kton monopiles
- Manufacturing expected 2025-2026

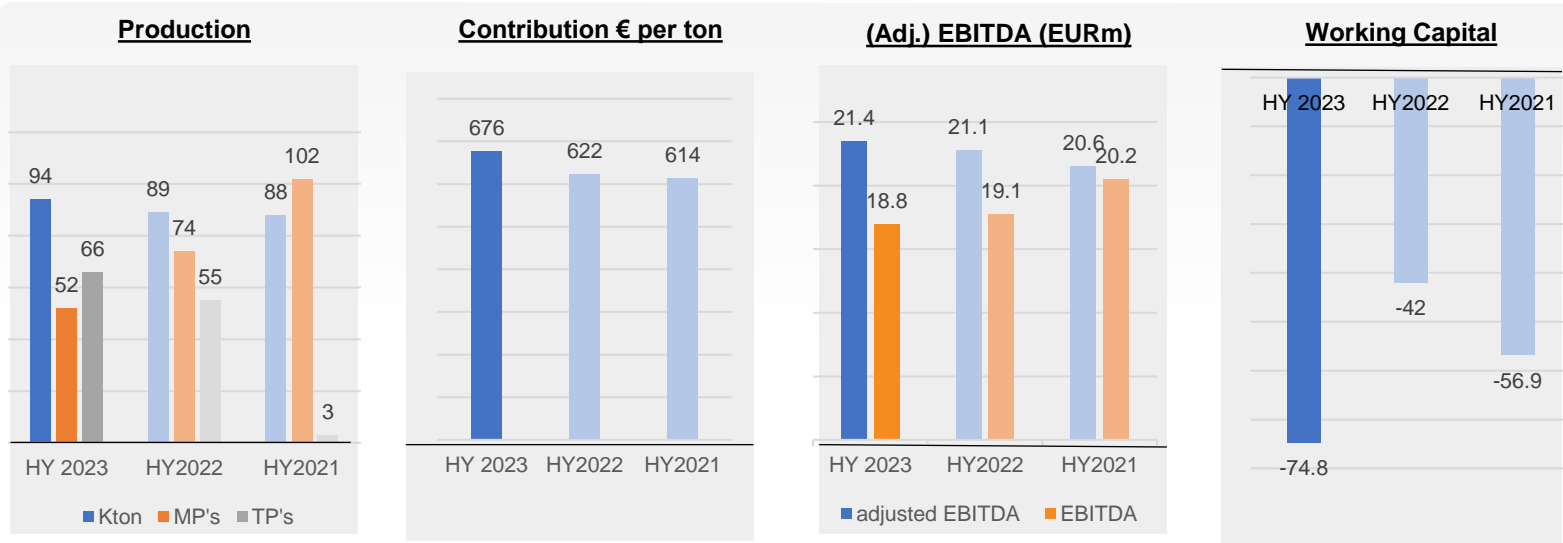
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## Undisclosed project



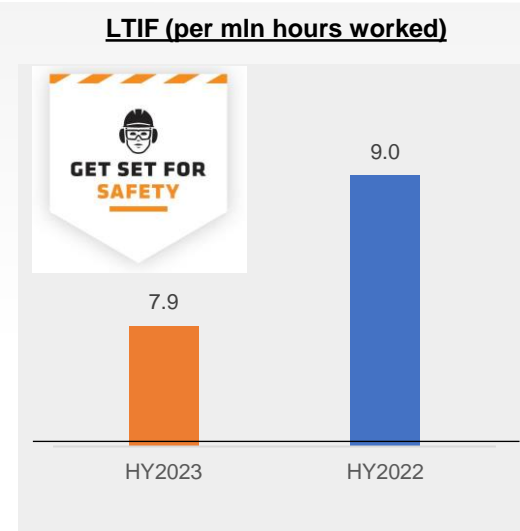
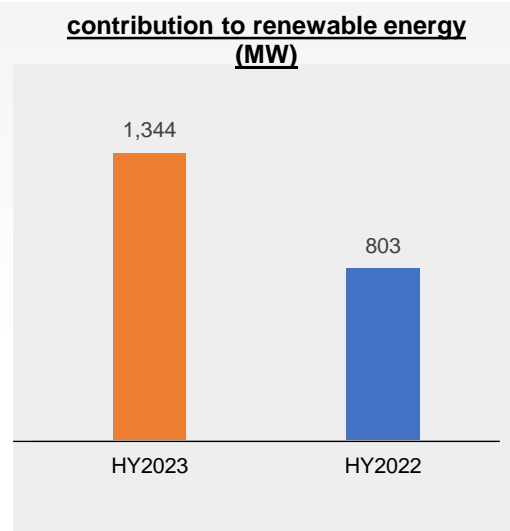
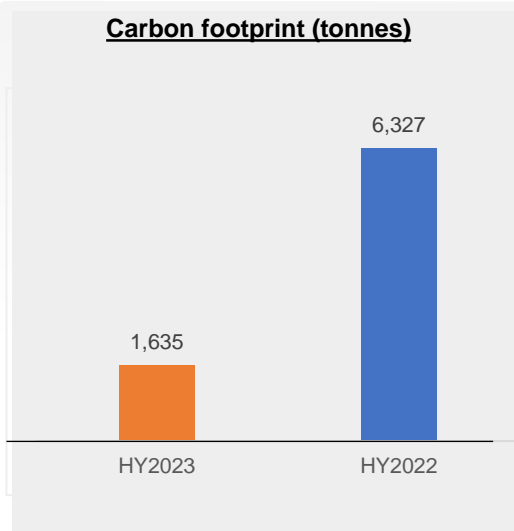
- Sif is the preferred supplier for 80 Kton monopiles
- Manufacture scheduled for 2026

# Financial Results First Half 2023 in Line with Expectations



- Contribution margin per tonne reflects improved market conditions
- Increased contribution per tonne excluding contribution from marshalling and engineering
- Expected production full year 2023 208 Kton, expected adjusted EBITDA at the level of 2022

# First Half 2023 in Retrospect: Social and Environmental Results



- Guarantees of Origin from turbine on Sif-terrain for scope 2 emissions
- Scope 1 emissions decreased by replacing diesel by HVO (vegetable oil)
- Scope 3 business travel only

\*Prior period numbers are restated in line with the restatements as disclosed in the 2022 Annual report

- Participation in projects that will result in renewable energy capacity
- Increase driven by larger number of projects Sif was involved in

- LTIF Lost Time Injury Frequency, amounted to 7.9 in HY1 2023\*, considerably above Sif's target level of 1.5
- Safety shutdown for 2 days at each factory in May 2023.

\*Is a rolling 12 months number



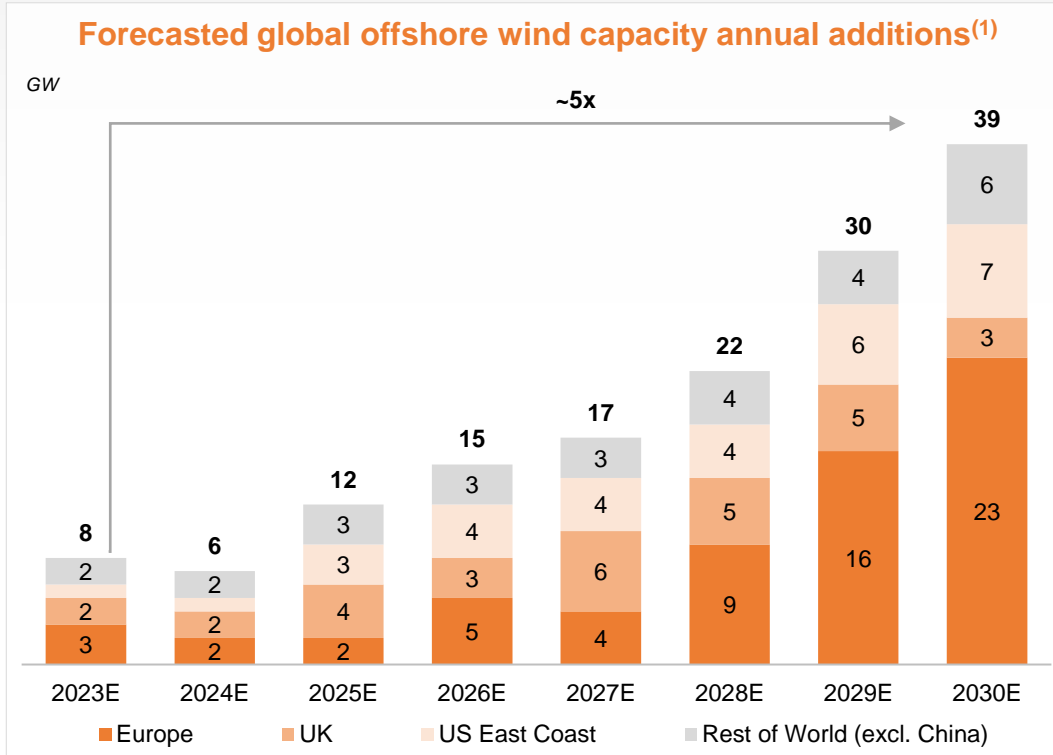
# Strong order book to reach target volumes

- Order book of 754 Kton stretches well into 2026 with 2023 and 2024 fully booked
- 2025 largely booked and on schedule to reach EBITDA level of €135 million in 2025
- First bookings for business plan production volume of 375 Kton for 2026 to reach EBITDA level of €160 million
- Healthy tender pipeline for period 2026 and beyond

Order book per 25 August 2023



# Undisputed and ever increasing ambitions in offshore wind



Source: Company information, international strategy consultant.  
 Note: 1. Displayed years are years of grid connection.

## 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







# Pressure on returns of some projects lead to FID delay's. Is a perfect storm building in the industry?



BP published to push for renegotiating the power purchase agreements (PPAs) for the offshore wind projects Empire and Beacon in the USA (source: Reuters)

Avangrid Terminates Long-Fought PPAs in Massachusetts at Cost of Almost USD 50 Million

Vattenfall says it is stopping British Norfolk Boreas offshore wind farm (source: Reuters)

The government of Sweden has rejected Vattenfall's application to build an offshore wind farm at Stora Middelgrund off Sweden's west coast, citing *"negative effects on the environment"* and *"national interests"* as the reasons for the decision.



All our orderbook projects include delay/cancellation clauses

Non of our order book projects is subject to a fact based cancellation discussion

Should a delay occur on a project, options are in place to reschedule to assure stable production. Always the fall back of a contractual delay clause

For all projects preparation works proceed as planned

Full customer focus on monitoring our factory build schedule

# Operational Situation Today



- Supply chain situation
  - Steel availability for our orderbook is secured; steel is a pass-through item
  - Availability flanges secured; no pricing consequences for existing orderbook
  - Energy prices largely fixed for 2023



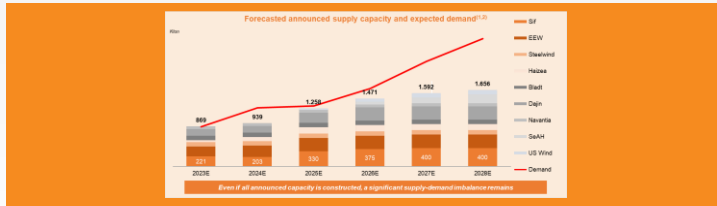
- Tender processes
  - No decrease of the number of tenders noticeable; tendering activity remains high
  - Especially the EU North Sea and Baltic projects are firmly progressing



- Personnel
  - Labor markets a bit more relaxing but availability of skilled workers remains low
  - Recruiting strategy remains key
  - New HR director with recruitment plans in place



# No slow-down at competition and supplychain-members



- **EEW**; started deliveries from USA factory.
- **Bladt**: New owner CS Wind (towers); expected to continue investment in foundation factory
- **Windar**: New main shareholder Bridgepoint; expected to invest in foundation production
- **SeAH**: Construction work progressing at Teesside for 400M£ investment in Monopile factory
- **Dajin**; Delivering first Monopiles to UK for Morray west. Investing in MP factory to support global demand



- **Tennet**; Preparing grid connections for 2030 - 2040 period
- **Vessels**: Massive investments to assure sufficient capacity on installation and support vessels
- **Shipbuilding yards** fully booked; fight for building slots continues
- **Supplychain** push for realistic pricing and slowdown turbine size growth gaining momentum. Message starts being picked up by developers as well
- **Policymakers** now to pick up the message to:
  1. Assure level playing field and support measures EU offshore supplychain
  2. Support fair energy prices

## Maasvlakte 2 today and after expansion



- Expansion of capacity to 500 Kton, upscaling capability to produce monopiles with a diameter of 11.5m
- In addition, the facilities will be upgraded to the next generation of automation and able to produce 4x 3XL monopile foundations per week
- Financing arrangement in place and being executed in line with plan: Equity raised (EUR 100 million), AFP partly raised (EUR 50 million), Term Loans and Lease facilities still to be drawn upon
- Launching orders committed for production 2024-2025
- 90% of suppliers committed and locked in
- On schedule for on time and on budget first production in second half 2024 and fully operational in 2025



**Thank you for your attention;  
happy to take your questions!**



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