



TECNICAS REUNIDAS

9M 2021

RESULTS PRESENTATION

NOVEMBER 15TH 2021

JUAN LLADÓ
CHAIRMAN

INDEX

1) CURRENT RESULTS IMPACTED BY COVID ENVIRONMENT

- Strong Covid impact on operations
- Q3 2021 P&L and cash position

2) TR WELL POSITIONED AND RESOURCED TO BENEFIT

- €4B new awards: quality and de-risked
- Restarting €4B reprogrammed projects
- Playing a proactive role in the energy transition
- SEPI funds to confirm our growth strategy

3) OUTLOOK AND GUIDANCE



IMPACTS ON OPERATIONS AND PROJECT MANAGEMENT

Higher costs, lower productivity and slow milestone achievement due to Covid

On-site

- **Mobilization and demobilization**
- **Quarantines**
- **Social distancing:** transport and site access

Manpower and logistics

- **Manpower management:** closed borders, lack of flights, visa and vaccination requirements
- **Delays on equipment arrivals:** idle workforce
- **Quarantines** for foreign inspection and commissioning experts
- **Delays and claims** from subcontractors

Project management

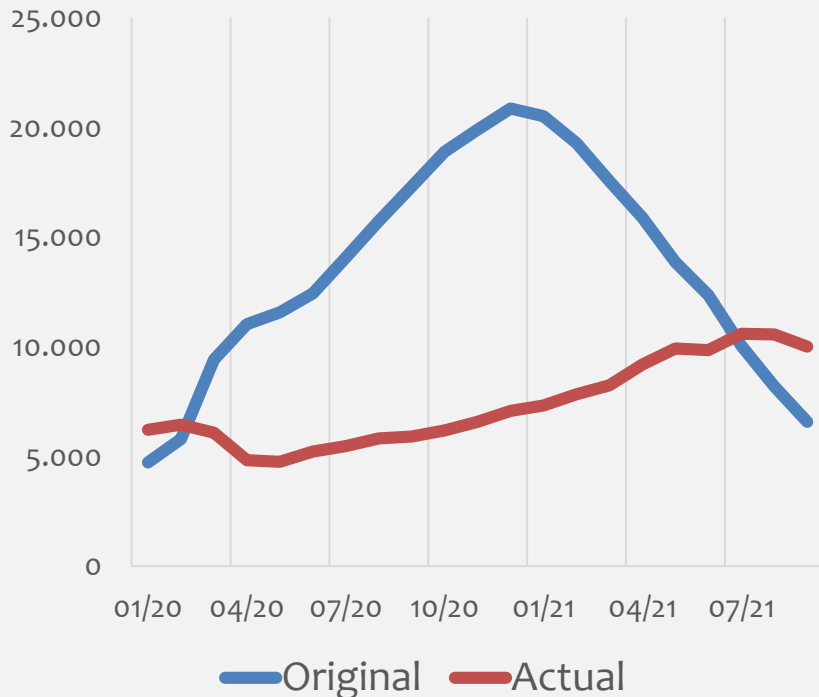
- **Slow milestone achievement:** low working capital realization
 - Billing at procurement stage: mainly when units are at the site
 - Billing at construction stage: delay of work certifications
- **Face to face negotiations restricted**
- **Change orders:** agreed with clients but not materialized until project closings

IMPACTS ON OPERATIONS AND PROJECT MANAGEMENT

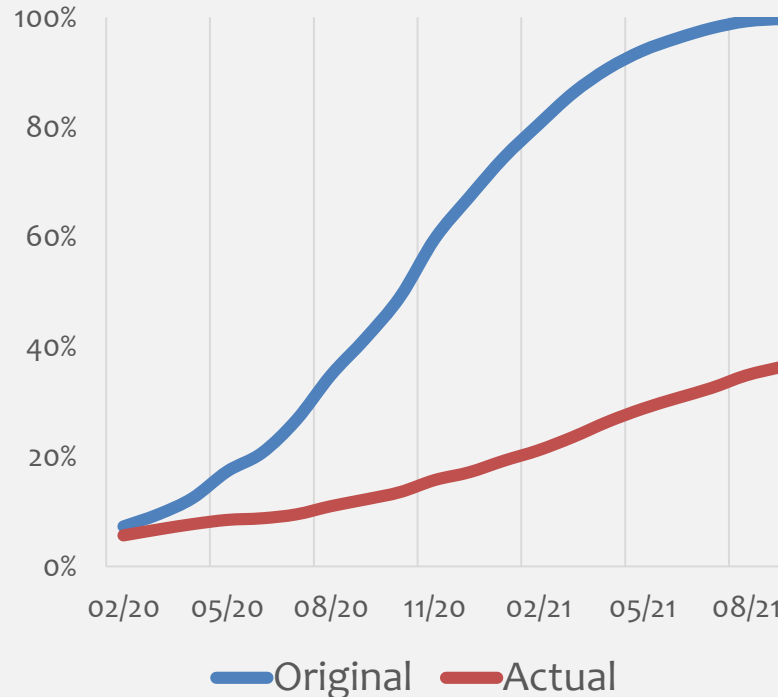
Higher costs, lower productivity and slow milestone achievement due to Covid

Examples of different projects in Middle-East

Project 1: manpower on-site



Project 2: construction progress



Project 3: Covid data

1,746 positive cases on-site

5,912 workers on quarantine on-site

76,474 Man-days lost in quarantines

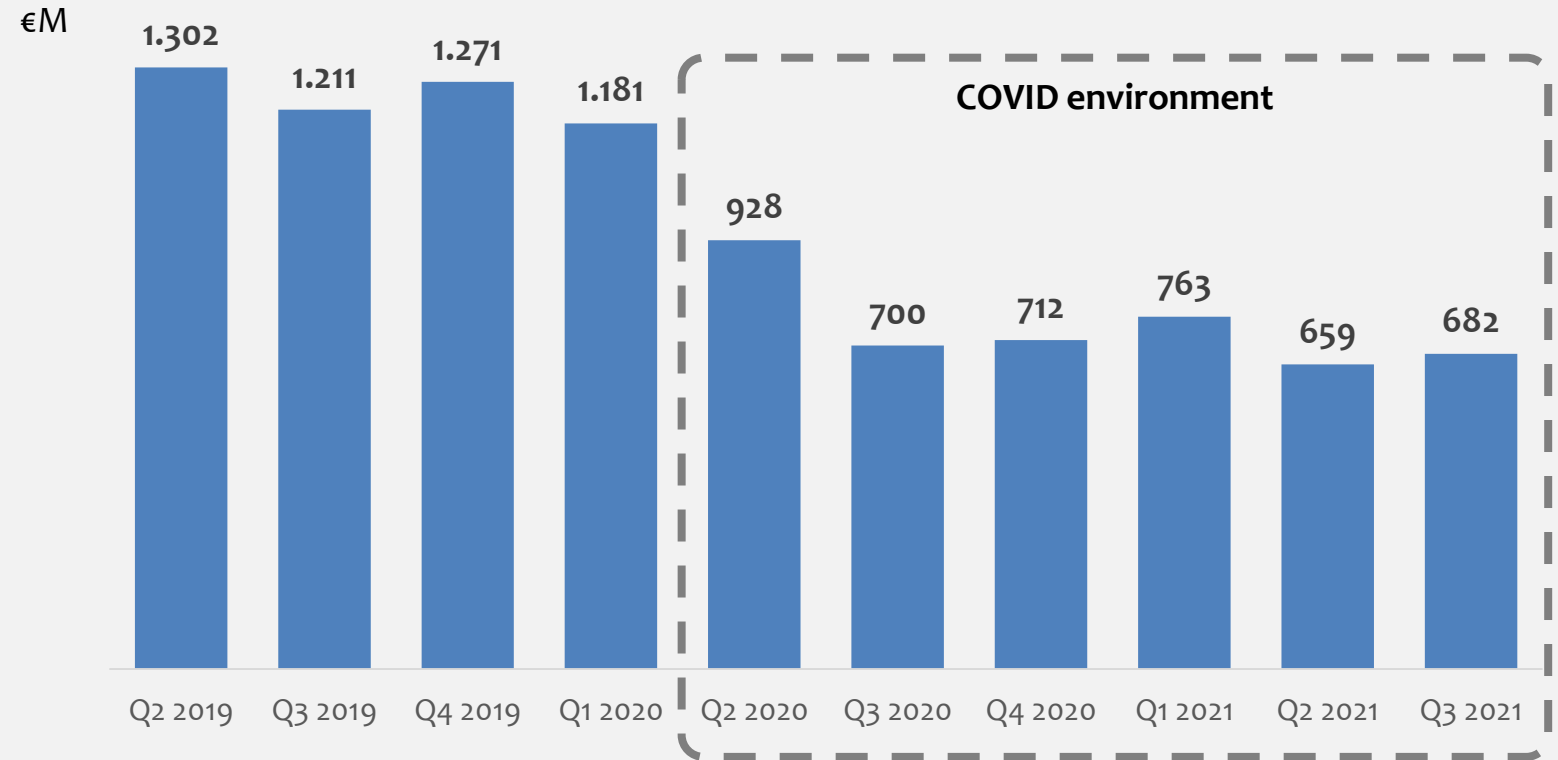
>570 daily PCRs

IMPACTS ON OPERATIONS AND PROJECT MANAGEMENT

40% reduction in sales from 2019

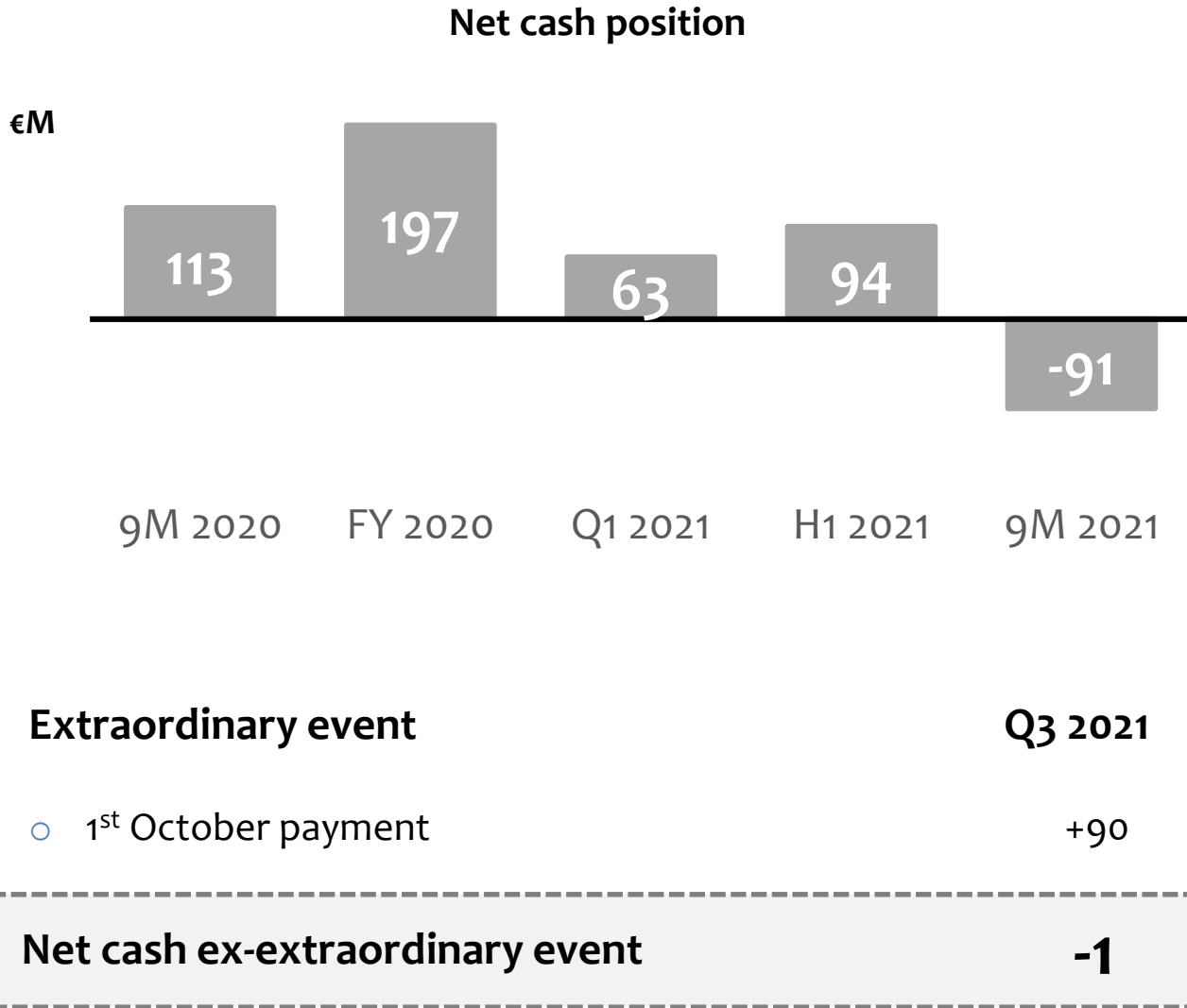
On-site
 Manpower
 and logistics
 Project
 management

Sales bottoming out and expected to rise from Q3 2021



Profits have been pushed forward

NET CASH POSITION



- One major payment (€90m) delayed to October 1st
- Long billing cycles
- Slow cash collections from clients
- Payment to suppliers to consolidate the recovery of projects



P&L FIGURES AND BACKLOG

	Q3 2021	9M 2021
Sales	€682m	€2.104m
EBIT	€0m	€-148m
Adjusted EBIT*	€-3m	€40m
YTD Order intake		€3.7B
YTD Backlog		€10.4B

*9M 2021 Adjusted EBIT includes €188m of extraordinary impacts

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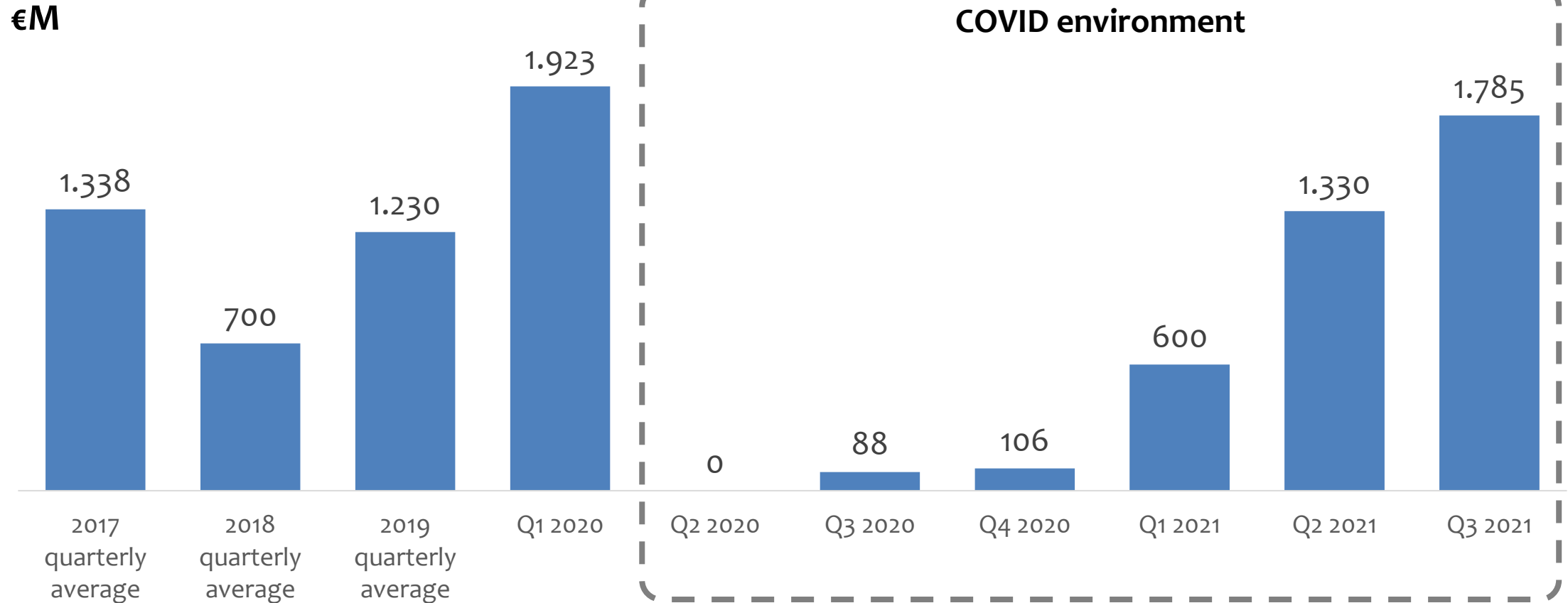
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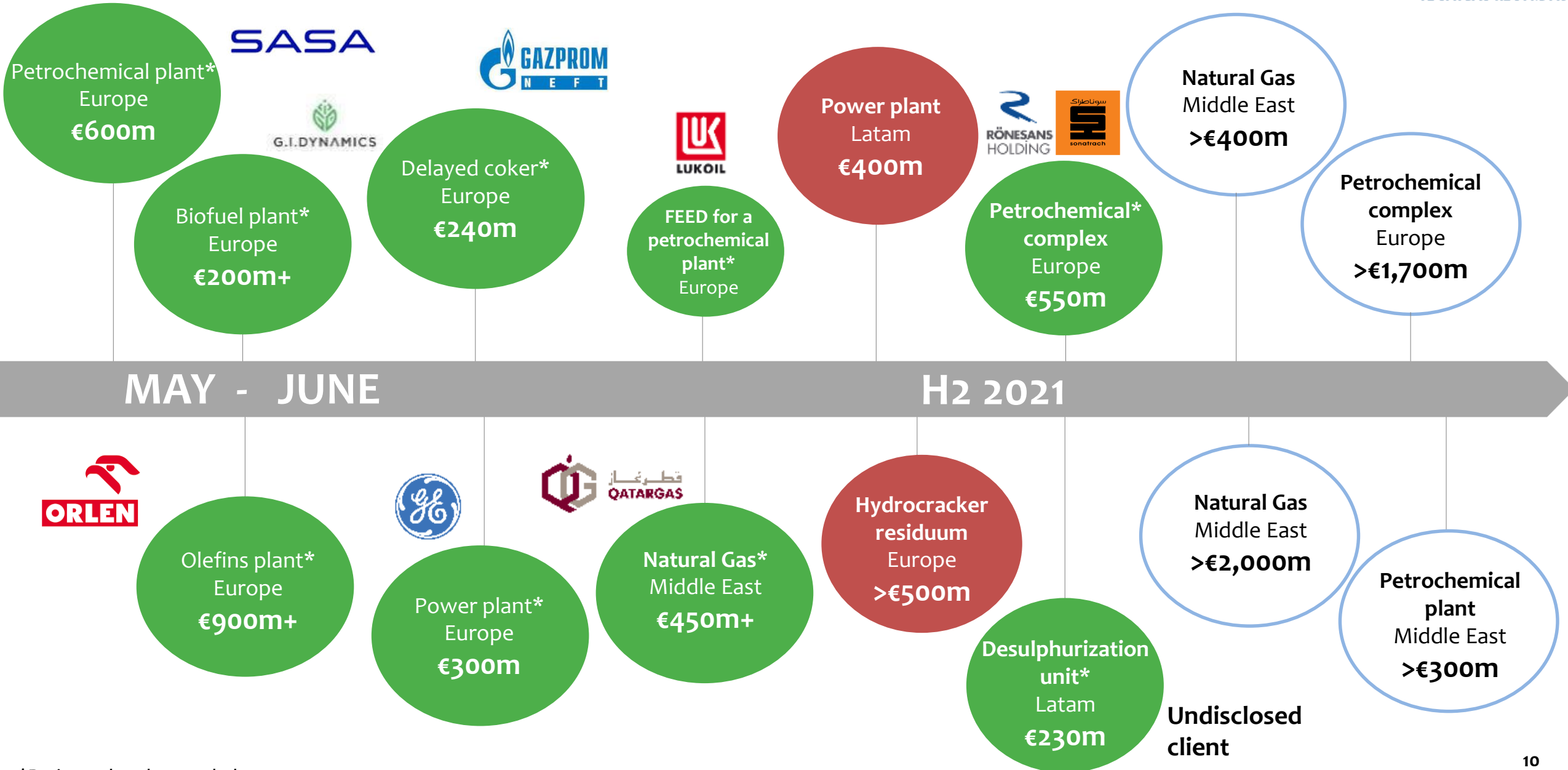
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TR awards



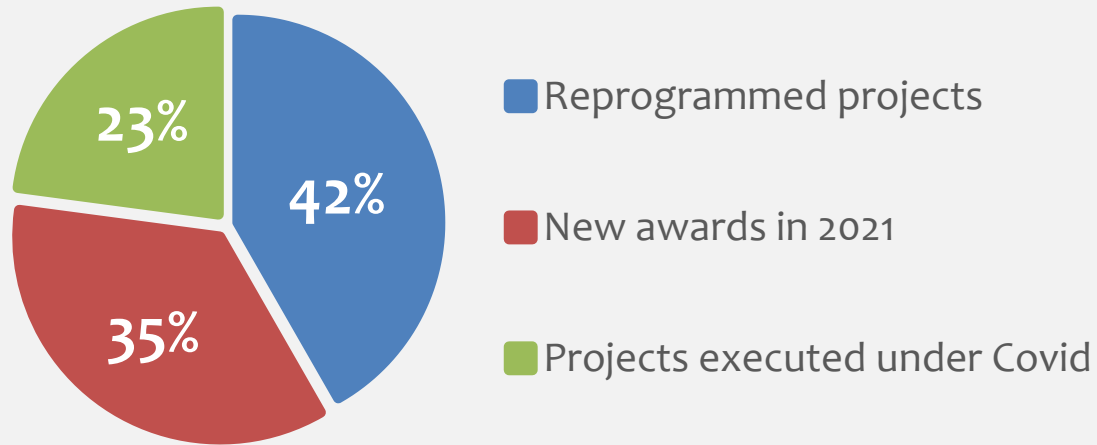
€4B OF DIVERSIFIED AND DE-RISKED AWARDS



*Projects already awarded

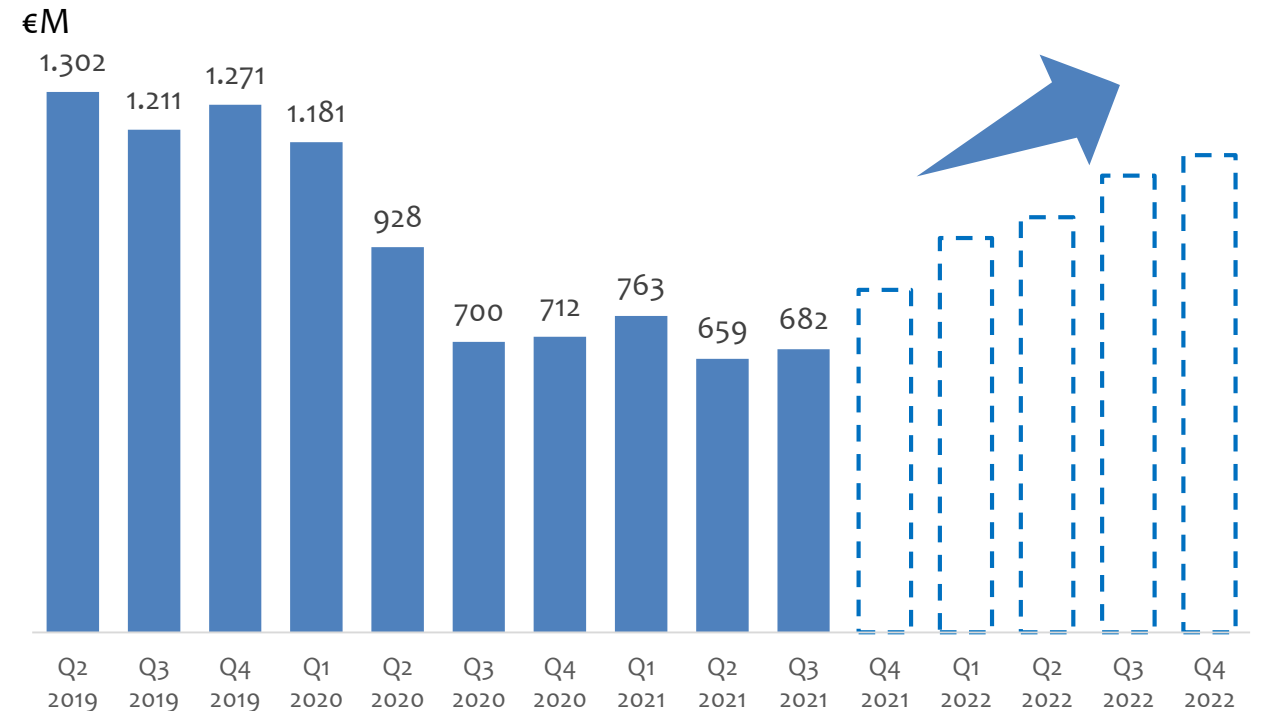
RESTARTING MAIN REPROGRAMMED PROJECTS

YTD backlog status (€10.4B)



More than €4B reprogrammed projects to be progressively in operation again from Q4 2021

Sales ramp up due to reprogrammed projects restart and new awards



2022 pipeline: **€37B**

TR AND THE ENERGY TRANSITION

Main projects under execution:

■ Circular economy

- **G.I.Dynamics: bio methanol plant** from residual waste and biomass
- **Swiss Zinc:** technology licensing for **metals recovery** on solid waste
- **ZAR Foundation:** technology license for **phosphor recovery** on wastewater sludge

■ Decarbonization

- **Repsol:** agreement to develop **decarbonization** technologies and promote circular economy
- **Acerinox:** expanding our know how on **energy transition technologies** to other energy intensive industries (steel plant)

■ Hydrogen:

- **Enagas/Acciona:** engineering services for **decarbonization of transport**
- Feasibility studies for **two large IOC** for **decarbonization of refining assets** with green hydrogen (up to 500 MW)
- Shine Fleet: charging solutions for **renewable hydrogen mobility**

Requested by clients to define and shape their projects...

TR AND THE ENERGY TRANSITION

...and actively taking the lead to make energy transition happen

- **Catalyzing projects related to energy transition**
 - Decarbonization roadmaps
 - Second generation bioethanol plant
 - Green ammonia for low carbon shipping
- **Structuring own and third party technologies for the energy transition**
 - Methane emissions monitorization
 - Carbon and fiberglass recycling
 - Co – development of electrolysis technology
- **An opportunity for recurrent revenues**
 - Methane emissions monitorization
 - Asset monitorization
- **Minority stakes in selected projects and technologies to make them feasible**

SEPI FUNDS TO CONFIRM OUR GROWTH STRATEGY

- €340m injection of funds from SEPI support
 - Supporting scheme developed by the EU for strategic and solvent companies impacted by COVID
 - Large companies in Germany, France or Italy already accessed this support
- Reference tenor: **4.5 years**, subject to business evolution
 - **Participative loan (hybrid equity) of €175m**
 - 4.5 year bullet payment
 - Euribor + 4.5% average
 - **Ordinary loan of €165m**
 - Amortized from 2nd year (20% + 30% + 30% + 20%)
 - 2% cost of funding
 - Milestones for **Q4 2021**
 - Nov-Dec: Spanish Government cabinet approval
 - December: funds disbursement

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OUTLOOK AND 2021 GUIDANCE

MACRO & AWARDS

- Higher oil and gas prices driving new investments

EXECUTION

- Fast vaccination progress
- On-site manpower level improving
- Logistics constraints decreasing
- Clients willing to move ahead on current contracts

ENERGY TRANSITION

- Positioning in projects and technologies

BALANCE SHEET

- Cost, cash and working capital management
- SEPI funding disbursed

2021 Guidance*

Sales

€3B+

EBIT (for H2 2021)

Breakeven

Awards

€4B+

*Assuming current COVID conditions and trends

OUTLOOK AND 2022 GUIDANCE

MACRO & AWARDS

- Oil and gas prices remain at current levels
- Additional awards

EXECUTION

- Projects awarded in 2021 moving to accretive phases
- Restarting reprogrammed projects
- COVID scenario improves

ENERGY TRANSITION

- Active role in shaping projects and technologies

BALANCE SHEET

- Cost, cash and working capital management
- Financial profile recovery

2022 Guidance*

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

*Assuming current conditions and trends

OUTLOOK AND MID-TERM TARGET

MACRO & AWARDS

- Oil and gas prices remain at current levels
- Additional awards from pipeline

EXECUTION

- Fresh and healthy backlog
- COVID with limited impact

ENERGY TRANSITION

- Materializing projects and technologies
- Conversion into relevant sales share

BALANCE SHEET

- Normalized working capital
- Active cost management
- Strengthened financial profile

Mid-term target*

Sales	~ €5B
EBIT margin	~ 4%
Awards	~ €5B

*Assuming current conditions and trends



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KEY AWARDS RECENTLY MATERIALIZED: CLIENT TRUST AND FRANCHISE STRENGTH



EPC for a liquified natural gas project for the expansion of Qatargas onshore facilities at North Field

More than €450m + potential additional options



EPC for a new polypropylene plant in Turkey for a JV formed by Rönesans and Sonatrach

€1B total investment (€550m for TR)

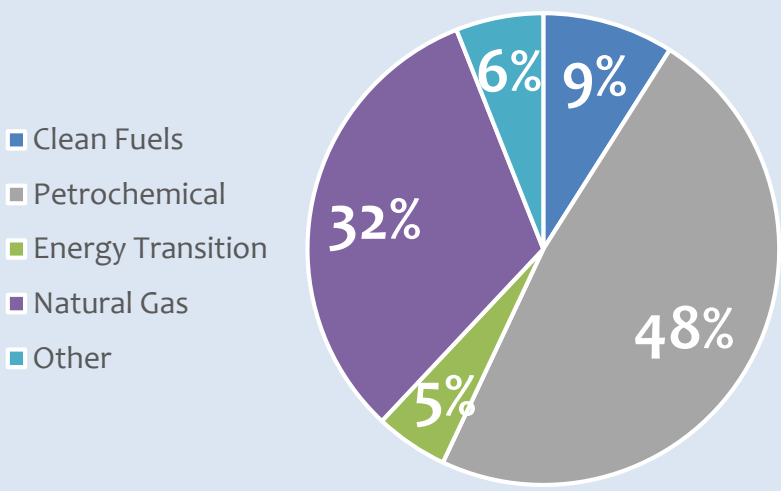


Competitive FEED for a new polypropylene unit in Russia for Lukoil

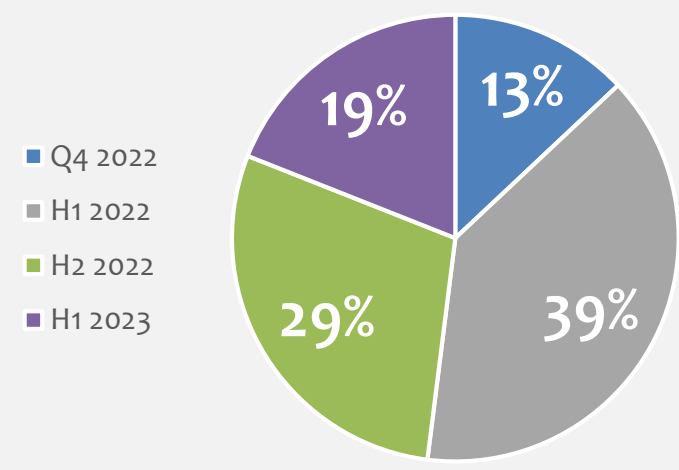
The complex will become the largest polymer production center integrated into a refinery in Russia

PIPELINE ANALYSIS

Pipeline per division



Pipeline per calendar (expected award date)



Pipeline per geography

