

# 1H 2022 Results Presentation

**GEK TERNA**  
GROUP OF COMPANIES



September 2022

*Hard Rock – GEK TERNA Group: Development of a world-class entertainment resort in Ellinikon*





*Construction works in Kentriki Odos (E65) South extension near Lamia*





*Lignite unit in Ptolemaida. Greece*





*Office building in Athens North business District recently completed*



# 1H 2022 Financial Results

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# 1H 2022 Group Key Financial Figures

## Revenues

**1,461.6**  
+232.7% y-o-y

## adj. EBITDA

**218.1**  
+60.1% y-o-y

## Net Earnings attributed to parent shareholders exc. non-operating items<sup>(1)</sup>

**34.3**  
1H 2021: -2.1

Amounts in € m (unless  
otherwise stated)

## Reported Net Earnings attributed to parent shareholders

**21.2**  
1H 2021: -8.8

## Capex

**156.6**  
1H 2021: 77.3

## Net debt

**1,608.8**  
FY 2021: 1,231.7  
**4.0x Leverage**

1. Non operating items include: i) Profit of € 21.5m from the acquisition of controlling stake in HERON Energy; ii) Profit of € 5.3m from the valuation of natural gas and power derivatives; iii) loss of € 49.6m from the valuation of embedded derivative (IRS) in motorways vs. loss of € 8.6m in 1H 2021

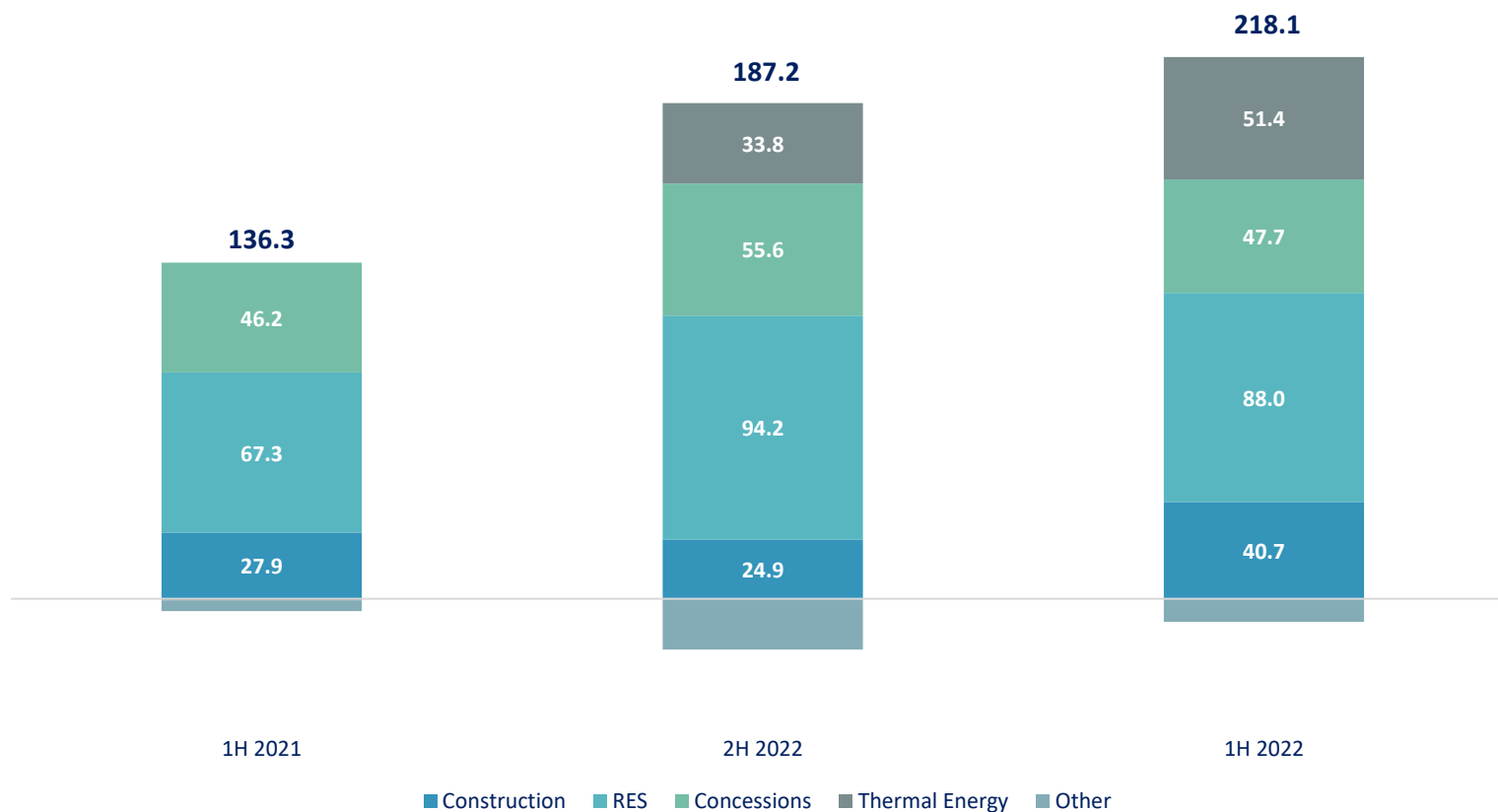


# Group adj. EBITDA

***Step up in operating profitability in 1H 2022. +60.1% y-o-y growth in group adj. EBITDA***

***~70% from activities with stable, visible and long-term cash flow profile***

Amounts in € m (unless otherwise stated)





# Group Revenues adj. EBITDA

*Higher revenues and earnings across all key segments*

Revenues € m	1H 2021	1H 2022	y-o-y	% of total (1H 2022)
Construction	248.1	420.4	69.5%	27.2%
RES	98.5	122.4	24.3%	7.9%
Concessions	69.9	93.9	34.4%	6.1%
Thermal Energy generation supply and trading	26.6	900.1	Nm	58.2%
HQ and Other	7.4	9.5	27.4%	0.6%
Eliminations	(11.0)	(84.5)	Nm	
Group total	439.4	1.461.6	232.7%	100%

adj. EBITDA € m	1H 2021	1H 2022	y-o-y	% of total (1H 2022)
Construction	27.9	40.7	46.2%	17.9%
RES	67.3	88.0	30.6%	38.6%
Concessions	46.2	47.7	3.3%	21.0%
Thermal Energy generation supply and trading	(0.6)	51.4	Nm	22.6%
HQ and Other	(3.1)	(5.5)	75.9%	
Eliminations	(1.4)	(4.1)	Nm	
Group total	136.3	218.1	60.1%	100%

# Consolidated P&L

€ m	1H 2021	1H 2022	y-o-y
<b>Revenues</b>	<b>439.4</b>	<b>1,461.6</b>	<b>232.7%</b>
EBITDA	116.2	177.0	<b>52.3%</b>
Non-cash items	20.1	40.7	
<b>adj. EBITDA</b>	<b>136.3</b>	<b>218.1</b>	<b>60.1%</b>
Net depreciation	48.8	57.7	
<b>EBIT</b>	<b>67.4</b>	<b>119.3</b>	<b>77.1%</b>
Other income/(expenses)	0.5	5.5	
<b>Results before taxes, financing and investing activities</b>	<b>67.8</b>	<b>124.8</b>	<b>83.9%</b>
Net financial expenses	-46.9	-55.1	<b>17.5%</b>
Gains / (Losses) from financial instruments measured at fair value	-9	-44.3	
Other Income/Expenses	0.3	22.1	
<b>Earnings/(Losses) before taxes</b>	<b>12.2</b>	<b>47.5</b>	<b>288.0%</b>
Income tax	-2.8	-3.9	
<b>Net Earnings/(Losses) after taxes</b>	<b>9.3</b>	<b>43.5</b>	<b>365.1%</b>
Minorities	18.1	22.2	
<b>Net Earnings/(Losses) attributed to shareholders of the parent</b>	<b>-8.7</b>	<b>21.3</b>	
<b>EPS (€/sh)</b>	<b>-0.09</b>	<b>0.22</b>	
<b>Net Earnings attributed to shareholders of the parent exc. non-operating items<sup>(1)</sup></b>	<b>-2.1</b>	<b>34.2</b>	

***Higher revenues y-o-y** depicting growth in construction. RES and concessions. Results boosted by full consolidation of Heron II and Heron Energy (since 14.02.2022) vs. equity consolidation in 1H 2021*

***Adj. EBITDA increases** on higher contribution from RES (increased production) and construction (top-line growth and resilient margins). Positive contribution from thermal energy division post consolidation*

*Increased net financial expenses on the back of higher debt levels during the period to fund ongoing investments*

*Negative impact of embedded derivatives valuation*

*Positive impact from acquisition of control in subsidiaries (Heron Energy)*

*Higher minorities due to increased profitability in Terna Energy*

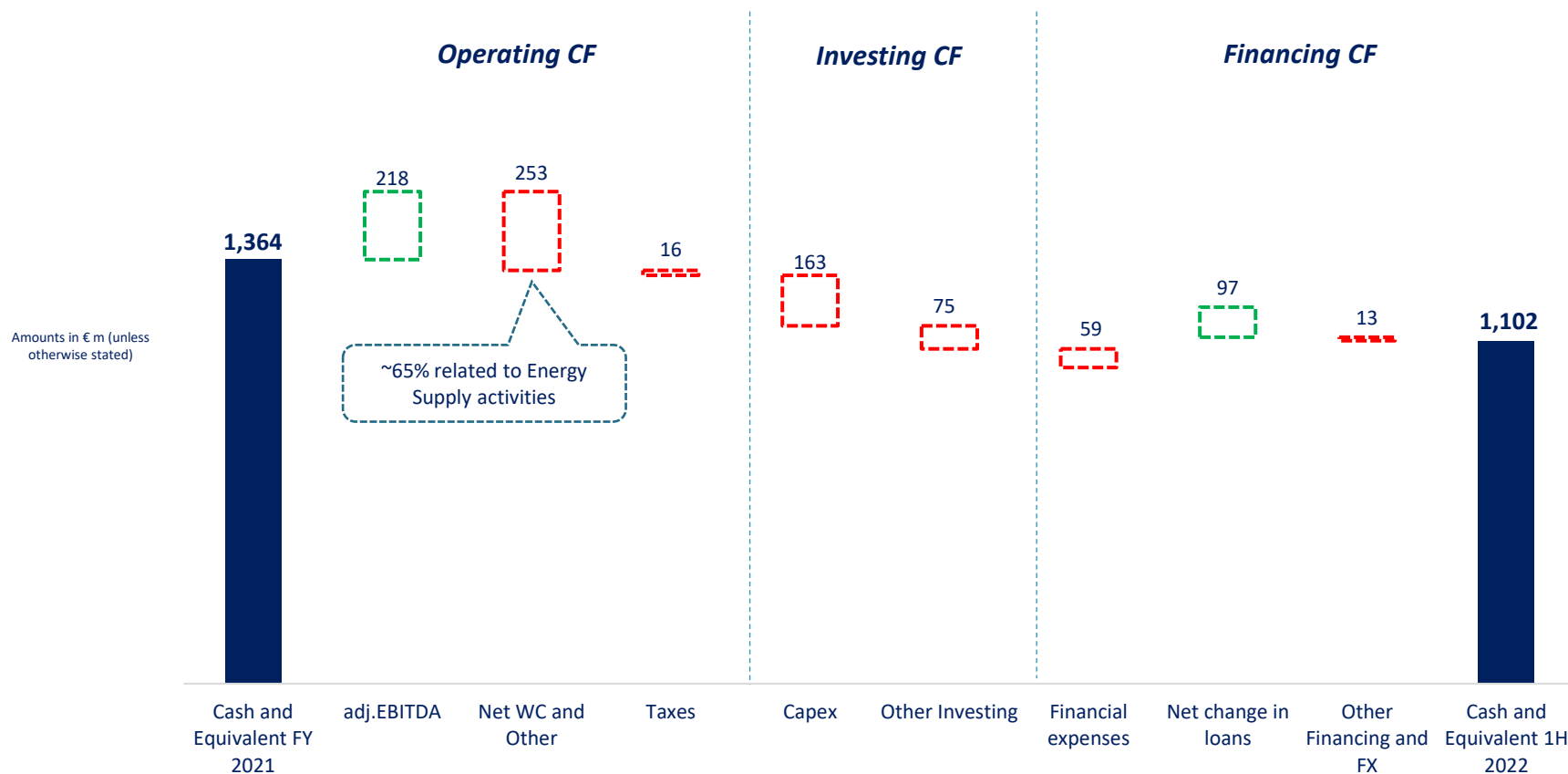
1. Non operating items include: i) Profit of € 21.5m from the acquisition of controlling stake in HERON Energy; ii) Profit of € 5.3m from the valuation of natural gas and power derivatives; iii) loss of € 49.6m from the valuation of embedded derivative (IRS) in motorways vs. loss of € 8.6m in 1H 2021



# Group cash flow generation

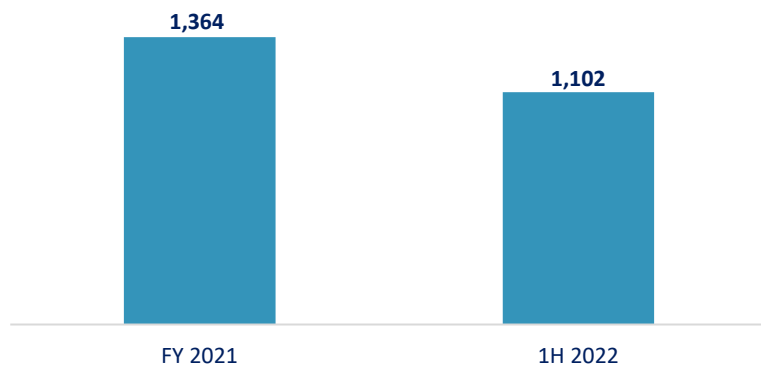
*Operating cash flow generation affected by increased WC needs in energy supply due to high energy prices and construction seasonality*

*Investments focused on energy (primarily RES) and new projects in concessions*

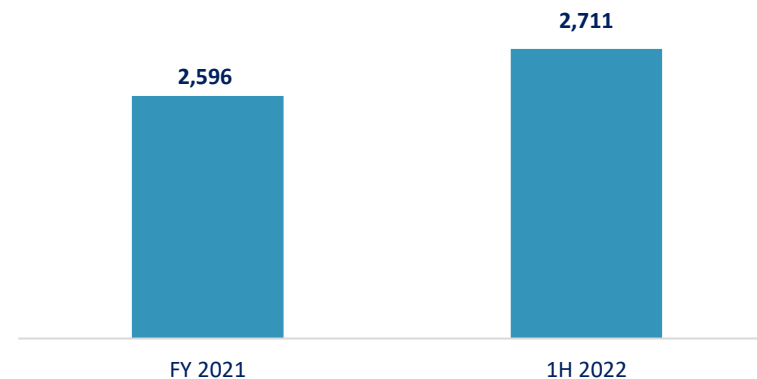


# Debt highlights I: Consolidated leverage

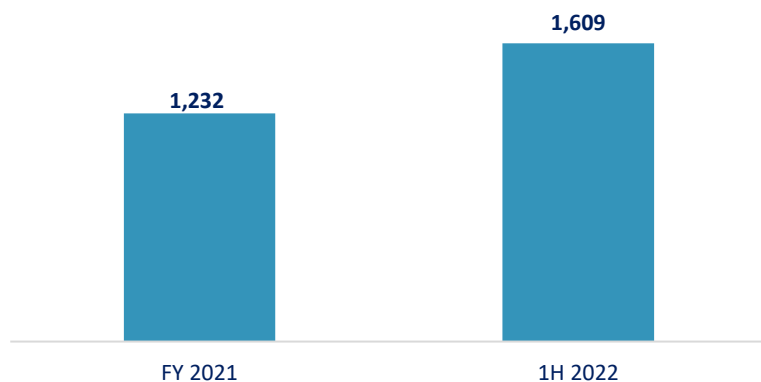
## Consolidated Cash and Cash Equivalent (€ m)



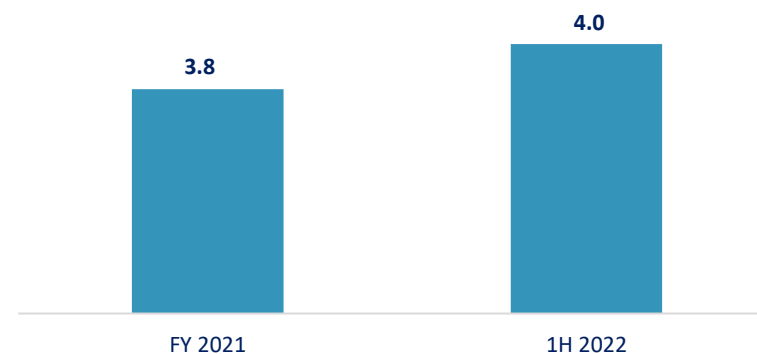
## Consolidated Gross Debt (€ m)



## Consolidated Net Debt (€ m)

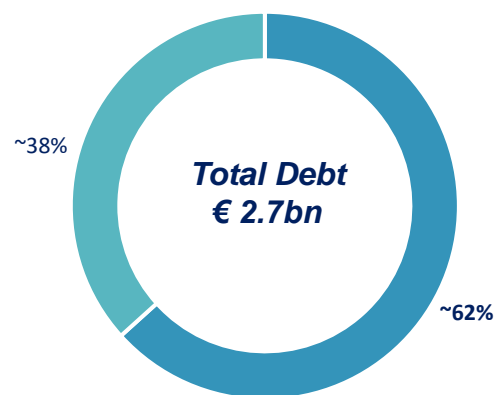


## Net Debt / LTM adj. EBITDA (x)

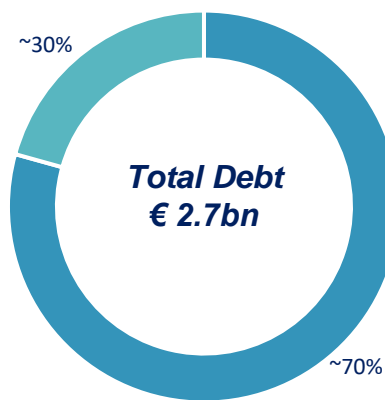




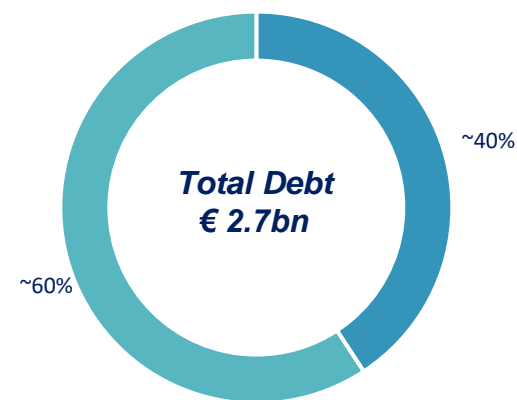
# Debt highlights II: Composition and cost (1H 2021)



■ Non-Recourse to GEK TERNA ■ Recourse to GEK TERNA

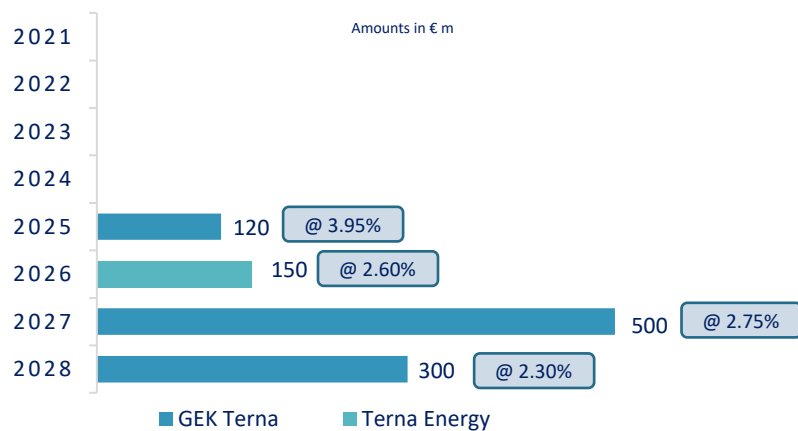


■ Hedged/Fixed ■ Floating

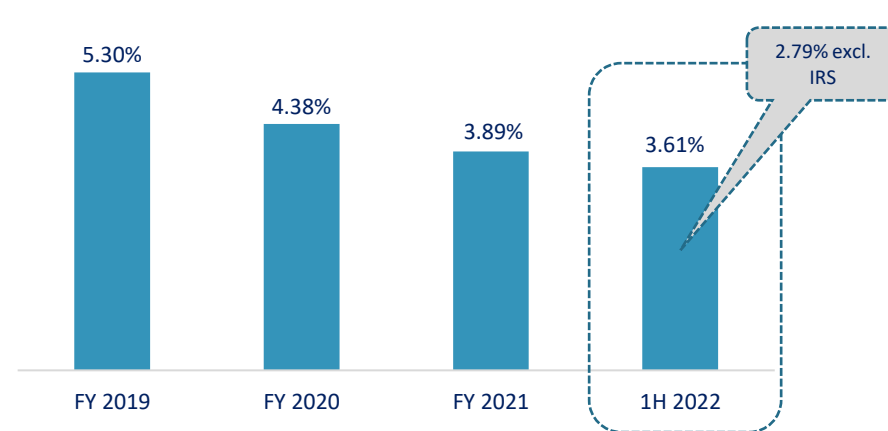


■ Non-bank debt ■ Bank Debt

## Corporate Bonds Maturity



## Weighted Average Cost of Debt



# Debt highlights III: Financial debt by business line

€ m	1H 2022			FY 2021		
	Gross Debt	Cash	Net Debt/(Cash)	Gross Debt	Cash	Net Debt/(Cash)
Construction	60.6	238.8	-178.2	87.7	334.9	-247.2
RES	987.5	295.2	692.3	912.6	312.2	600.5
Thermal Energy	247.9	92.7	155.2	101.1	53.3	47.8
Concessions	736.3	145.1	591.2	652.8	123.3	529.5
Holding and Other	679.0	330.7	348.3	841.8	520.7	301.1
Total	2,711.3	1,102.5	1,608.8	2,596.0	1,344.4	1,231.7
x LTM adj. EBITDA			4.0x	3.8x		
Concessions & RES			1,283.5	1,130.0		
x LTM adj. EBITDA			4.5x	4.3x		
Other			325.3	101.7		
x LTM adj. EBITDA			2.7x	1.7x		



# Business Segments Review

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(€m)	1H 2021	1H 2022
Revenues	248.1	420.4
<i>o/w Intersegment</i>	9.8	75.0
adj. EBITDA	27.9	40.7
<i>margin</i>	11.2%	9.7%
EBIT	22.9	32.1
<i>margin</i>	9.2%	7.6%
Net	11.0	28.0

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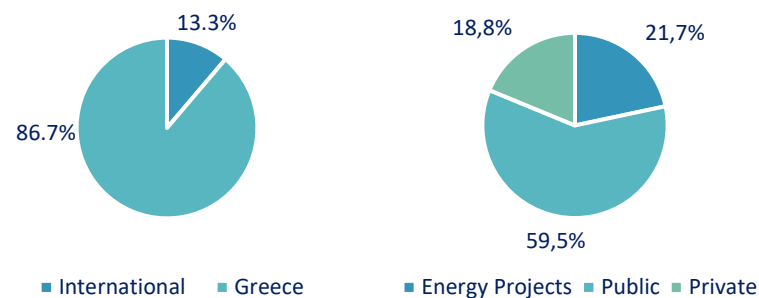
(€m)	FY 2021	1H 2022
Loans	87.7	60.5
Cash	334.9	238.7
Net Debt / (Cash)	(247.2)	(178.2)

- Increased activity levels following launch of new projects and post pandemic recovery
- Profitability preserved despite inflationary pressures
- Solid cash position to support the ramp up of activity levels and seasonality impact on WC
- € 0.6bn of new projects signed ytd - Backlog remains at high level of € 4.9bn with € 2.8bn of projects signed and € 2.1bn pending to be signed

## Backlog <sup>(1)</sup> evolution € bn



## Signed Backlog overview (1H 2022)





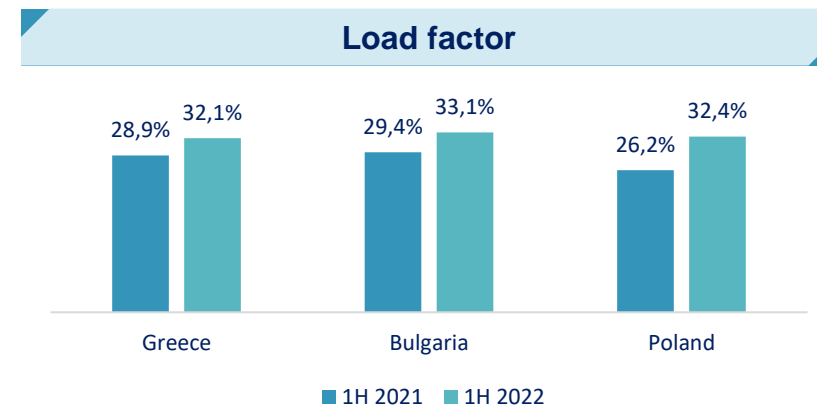
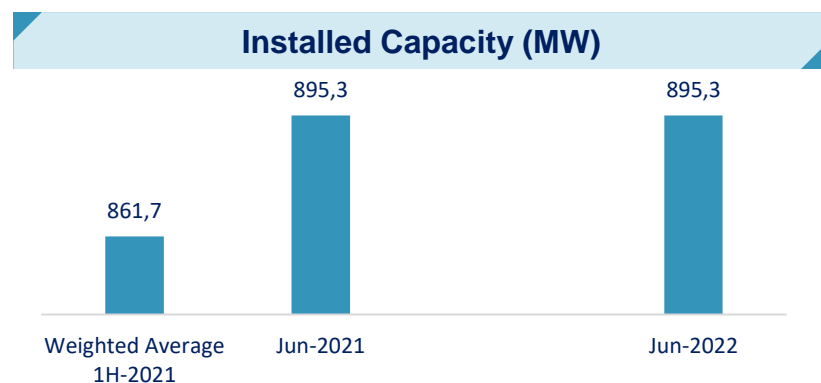
(€m)	1H 2021	1H 2022
Revenues	98.5	122.4
adj. EBITDA	67.3	88.0
margin	68.3%	71.9%
EBT	33.4	36.8
Net	26.7	24.7

(€m)	FY 2021	1H 2022
Capex	217.1	123.8
Loans	912.6	987.5
Cash	312.2	295.2
<b>Net Debt</b>	<b>600.5</b>	<b>692.3</b>

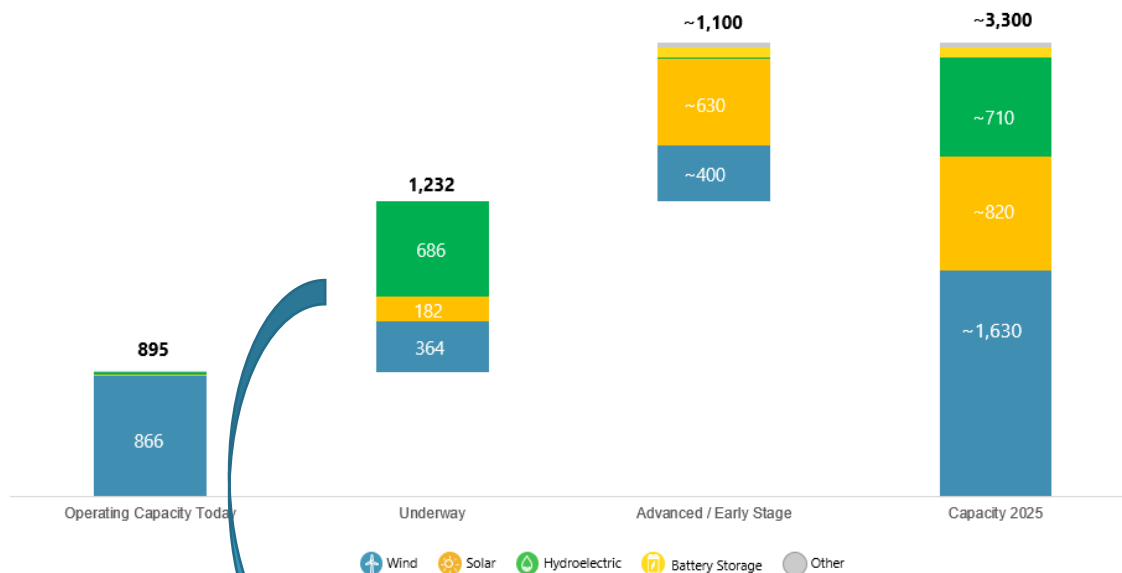
- Higher RES generation and sales on the back of increased effective capacity and improved wind dynamics
- No material impact from merchant market volatility as assets base is under long term contracted offtake agreements
- Operating profitability increases following top line performance
- Capex at high levels to support growth

## 1.2GW of projects underway

- Kafireas 330MW wind project partial operation by end of 2022/start of 2023
- Fokida 110MW and Kossos 72MW PV projects to be commissioned by end 2023
- Amfilochia hydro pump storage entering construction phase (680MW | COD 2026)



**Capacity Evolution**  
In MW



Project	Type	Capacity (MW)	Capex (€ m)	Cash Grant (€ m)	Project Finance Debt (€ m)	Equity/Cash (€ m)	Expected commercial operation
Kafireas Wind Park	Wind	330	555	-	444	111	2023
PV Fokidas	Solar	110	58	-	47	12	2023
PV Kossos	Solar	72	38	-	31	8	2023
Drosero-Trapeza	Wind	24	24	-	19	5	2023
Other Wind Projects	Wind	10	11	-	9	2	2023
Ladonnas	Hydroelectric	6	25	-	20	6	2023
Amfilochia	Hydroelectric	680	650	250	300	100	2025/26
Perivallontiki Peloponnissou	Other	2	112	65	38	10	2023
<b>Total</b>		<b>1,234</b>	<b>1,473</b>	<b>315</b>	<b>908</b>	<b>254</b>	

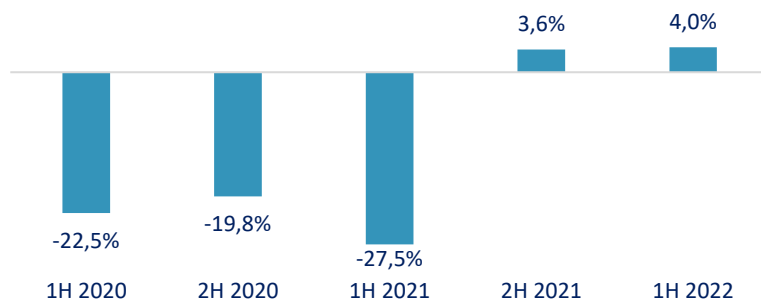


(€m)	1H 2021	1H 2022
Revenues	69.9	93.9
adj. EBITDA	46.2	47.7
margin	66.1%	50.8%
EBT	-17.1	-58.2
Net	-6.4	-39.5

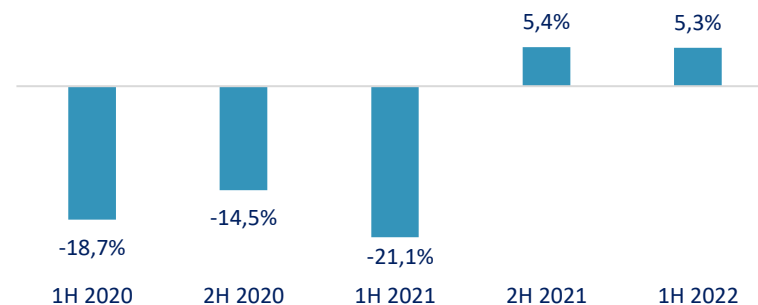
(€m)	FY 2021	1H 2022
Loans	652.8	736.3
Cash	123.3	145.1
<b>Net Debt</b>	<b>529.5</b>	<b>591.2</b>

- Continued recovery of motorway traffic driven by lift of restrictions and underlying economic growth
- adj. EBITDA improves on higher traffic (1H 2021 included pandemic-related compensation)
- Negative impact (non-cash) from IRS valuation (loss of €49.9m compared to loss of € 8.5m in 1H 2021)
- Segment getting ready to onboard new projects inc.:
  - Egnatia Motorway
  - Kasteli Airport
  - Hellinikon IRC
  - North Crete Motorway (PPP project)
  - Komotini CCGT

## Motorways Traffic Volume – Change vs 2019



## Motorways Toll Revenues – Change vs 2019



*The Group is ready to invest equity on the awarded projects with an average remaining life of c.35 years*

Project	% Stake	Equity to be deployed (€m)	Expected Commercial Operation	Concession Expiration
Kastelli airport	33%	141 (~75% already deployed)	2025	2055
Hellinikon entertainment and MICE	49%	TBC	2026	2055
Egnatia Odos	75%	300	2023	2056
Peloponnese waste management <sup>(1)</sup>	100%	10	2023	2052
North Crete Motorway PPP Project <sup>(2)</sup>	55%	18	2027	2052
Kavala Port <sup>(2)</sup>	35%	7	2023	2062

*...already invested >300m of equity in projects with an average remaining life of c.25 years*

Project	% Stake	Equity Invested (€m) <sup>(2)</sup>	Commercial Operation	Concession Expiration
E65 & Nea Odos motorways	100%	259	2018	2037
Olympia Odos	17%	35	2018	2044
Epirus waste management <sup>(1)</sup>	100%	10	2019	2047
Other (Parking. e-Ticket)	10%-20%	18	n/a	n/a
<b>Total</b>		<b>317</b>		

1. Reported under Terna Energy
2. Preferred bidder
3. Due to be decided

# Thermal Energy Production. Supply and Trading

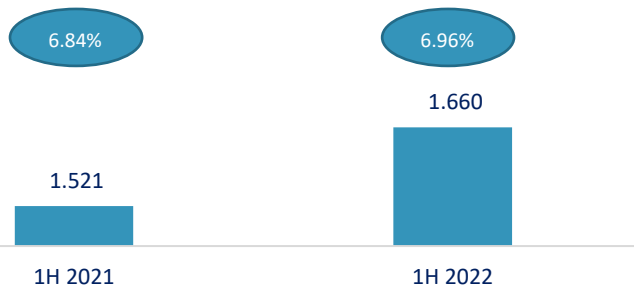
(€m)	1H 2021	1H 2022
Revenues	26.6	900.1
adj. EBITDA	-0.6	51.4
margin	nm	5.7%
EBT	-1.2	32.8
Net	-1.2	28.5

(€m)	FY 2021	1H 2022
Assets	393.6	941.8
Loans	101.1	247.9
Cash	53.3	92.7
<b>Net Debt</b>	<b>47.8</b>	<b>155.2</b>

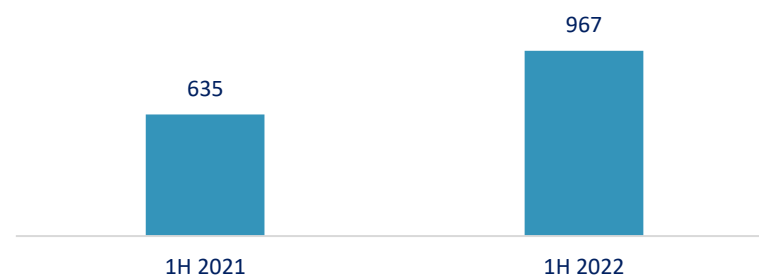
- *Changes in consolidation perimeter (Heron II full consolidation for entire quarter and Heron Energy since 14.02.2022) vs. equity consolidation for both in 1H 2022*
- *Positive operating performance despite significant market headwinds*
- *Higher energy sales due to high prices in energy markets – market share preserved*
- *Balanced profitability for generation and supply – Full indexing of supply tariffs*
- *Bad debt formation still inline with historical levels*
- *Increased WC needs due to high energy prices*
- *Visibility impacted by volatile market conditions and regulatory interventions*

## Heron Energy Sales (GWh)

Market share  
interconnected system



## Heron II Generation (GWh)





# Outlook

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***The group's performance during the first half of the year set's the tone for an improved performance in FY 2022 compared to FY 2021 despite macro headwinds - Multiple levers ahead to maintain growth momentum***

***Construction:*** High backlog and increased demand for greenfield/brownfield infrastructure are expected to support activity levels over the coming periods. while new project tendering continues. Profitability, despite inflationary pressures, should remain at healthy levels

***RES:*** Commissioning of Kafireas in early 2023 to boost profitability. Overall segment growth momentum to be maintained following the gradual commissioning of new capacity with 1.2GW already underway

***Concessions:*** Segment to be a major growth driver for the group following the gradual onboarding of major new projects that the group has signed/awarded or selected as preferred bidder (including Egnatia, Kasteli, Helliniko IRC, North Crete PPP Motorway, Kavala Port etc.) - Continuously seeking and evaluating new opportunities as market backdrop remains supportive.

***Thermal Energy:*** Performance to be considered in the context of the length and extend of the ongoing energy crisis and shifting regulatory environment. Market positioning, vertical integration and focused management are key to maintain positive performance. Construction works at new CCGT in Komotini along with Motor Oil in progress with commercial operation expected by 2024

# Appendix

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# Performance by Segment

1H 2022 (€ m)	Construction	RES	Concessions	Thermal Energy generation, supply and trading	Hold Co and Other	Eliminations	Group
Revenues	420.4	122.4	93.9	900.1	9.5	(84.5)	1,461.6
Gross profit	52.0	74.7	23.0	51.8	(0.5)	(3.6)	197.5
adj.EBITDA	40.7	88.0	47.7	51.4	(5.5)	(4.1)	218.1
EBIT	32.1	53.2	13.1	35.2	(10.7)	(3.6)	119.3
EBT	36.3	36.8	(58.2)	32.8	3.5	(3.6)	47.5
Net Earnings	28.0	24.7	(39.5)	28.5	5.5	(3.7)	43.5
Loans	60.6	987.5	736.3	247.9	679.0	0.0	2,711.3
Cash and Cash Equivalents	238.8	295.2	145.1	92.7	330.7	0.0	1,102.5
Net Debt	(178.2)	692.3	591.2	155.2	348.3	0.0	1,608.8

1H 2021 (€ m)	Construction	RES	Concessions	Thermal Energy generation, supply and trading	Hold Co and Other	Eliminations	Group
Revenues	248.1	98.5	69.9	26.6	7.4	(11.0)	439.4
Gross profit	36.4	55.4	6.5	(0.3)	(1.2)	(1.0)	95.7
adj.EBITDA	27.9	67.3	46.2	(0.6)	(3.1)	(1.4)	136.3
EBIT	22.9	46.1	12.1	(0.6)	(12.6)	(0.5)	67.6
EBT	19.3	33.4	(17.1)	(1.2)	(21.7)	(0.5)	12.2
Net Earnings	11.0	26.7	(6.4)	(1.2)	(20.5)	(0.4)	9.3
Loans	118.2	764.3	634.9	0.0	754.8	0.0	2,272.1
Cash and Cash Equivalents	228.8	294.6	82.0	1.7	438.5	0.0	1,045.7
Net Debt	(110.7)	469.7	552.9	(1.7)	316.2	0.0	1,226.4

# Consolidated Cash Flow and Balance Sheet

## Consolidated Cash Flow

€ m	1H 2021	1H 2022
Adj. EBITDA	136.3	218.1
Non-cash adjustments	-0.7	-0.9
Net WC changes	-48.5	-252.7
Taxes	-8.5	-15.8
<b>Operating CF</b>	<b>78.6</b>	<b>-51.3</b>
Capex	-75.4	-162.6
Other Investing	-4.5	-74.5
<b>Investing CF</b>	<b>-79.9</b>	<b>-237.1</b>
Financial Expenses	-50.5	-59.2
Buy-back	-18.1	-9.3
Net change in loans	13.2	96.9
Other	-3.3	-3.7
<b>Financing CF</b>	<b>-58.7</b>	<b>24.7</b>

## Consolidated Balance Sheet

€ m	FY 2021	1H 2022
Tangible and Intangible fixed assets	1,986	2,100
Investments	254	354
Other long-term assets	272	332
Inventories and Receivables	935	1,501
Cash and cash equivalent	1,364	1,102
<b>Total assets</b>	<b>4,812</b>	<b>5,388</b>
Total loans	2,596	2,707
Grants	87	84
Other Long-term liabilities	516	549
Other Short-term liabilities	742	1,050
<b>Total Liabilities</b>	<b>3,941</b>	<b>4,391</b>
<b>Total Equity</b>	<b>871</b>	<b>997</b>
Non controlling interest	271	280
<b>Shareholders equity</b>	<b>600</b>	<b>717</b>

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