

# 9M 2022 Results Presentation

**GEK TERNA**  
GROUP OF COMPANIES



December 2022

# 9M 2022 Group Key Financial Figures

## Revenues

**2,762.0**  
+294.2% y-o-y

## adj. EBITDA

**404.8**  
+90,3% y-o-y

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

**93.2**  
+534.0% y-o-y

Amounts in € m (unless  
otherwise stated)

## Reported EPS

**0.72**  
9M 2021: 0.05

## Capex

**280.0**  
9M 2021: 77.2

## Net debt

**1,567.5**  
FY 2021: 1,231.7  
**3.0x Leverage**

1. Non operating items include: i) Profit of € 21.5m from the acquisition of controlling stake in HERON Energy; ii) Profit of € 7,0m from the valuation of natural gas and power derivatives; iii) loss of € 53,2m from the valuation of embedded derivative (IRS) in motorways vs. loss of € 9,8m in 9M 2021

## Gek Terna Group

- **Robust financial performance by all segments leads to record level profitability (9M 2022 LTM adj.EBITDA € 515m)**
- **Maturing investments and market positioning drive growth momentum**
  - ✓ Diversified portfolio of activities and vertical integration mitigates risks
- **Leverage declines on the back of rising profitability - High liquidity – No near-term refinancing needs**
  - ✓ Fully funded investment pipeline with cash on balance sheet
  - ✓ Consolidated leverage declines to 3.0x on the back of rising profitability
  - ✓ Comfortable cash buffers to support increasing activity in construction and energy

## Construction

- **Activity ramp up continues (9M 2022 LTM Revenues > € 0.85bn)**
- **Profitability preserved** despite inflationary pressures due to diversified project mix and solid underwriting
- **Backlog** expected to increase further given expected new projects tendering

## Concessions

- **Traffic volumes in motorways above pre-pandemic levels**
  - ✓ Seamless cash distributions from operating motorways inline with concession contracts
- **Maturing pipeline of projects of € 4.5bn** to support growth and further increase size and shareholder cash returns
  - ✓ Perfectly positioned to capitalize on favorable market backdrop

## RES

- **Continued investments and portfolio quality** drive profitability higher
  - ✓ TE Load factor in Greece at 31.5% in 9M2022, vs. market average of 25%-27%
- **1.2GW currently underway**
  - ✓ Kafireas 330MW approaching completion – Amfilochia 650MW now under construction

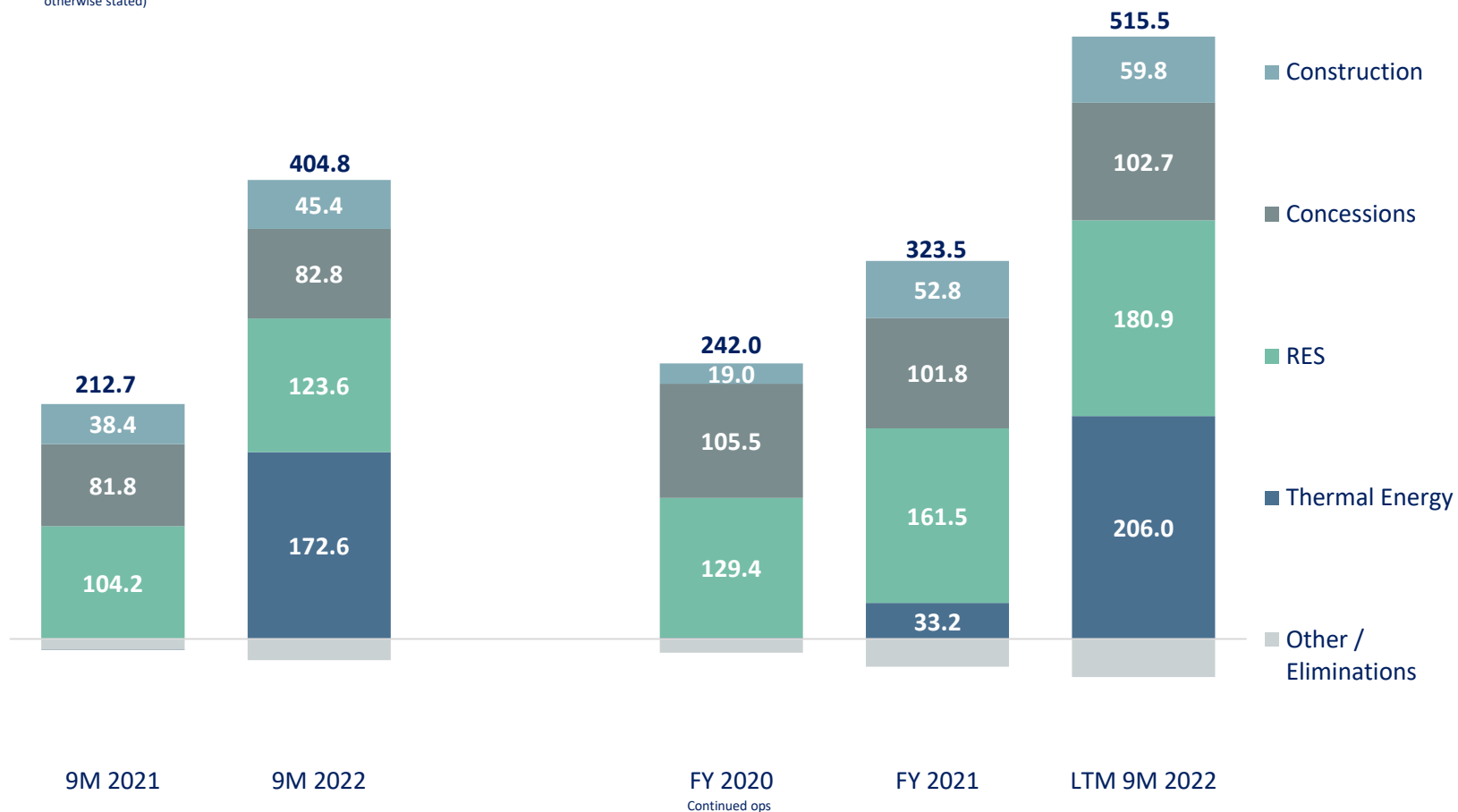
## Thermal Energy Generation and Supply

- **Strong operational performance** despite market volatility
  - ✓ Vertical integration and solid asset management
- **Regulatory measures impacting sentiment but offering near term stability**
  - ✓ Full set of provisions included in 9M 2022 for all announced interventions

# Group adj. EBITDA

*Strong growth momentum driven by investments and market positioning*

Amounts in € m (unless otherwise stated)



# Group Revenues adj. EBITDA

*Higher revenues and earnings across all key segments*

Revenues € m	9M 2021	9M 2022	y-o-y	% of total (9M 2022)
Construction	398,8	649,7	62,9%	22,4%
RES	150,6	175,2	16,3%	6,0%
Concessions	124,2	152,7	22,9%	5,3%
Thermal Energy generation supply and trading	69,5	1.901,2	2637,0%	65,7%
HQ and Other	10,0	16,7	67,4%	0,6%
Eliminations	(52,4)	(133,4)	nm	
Group total	700,7	2.762,0	294,2%	100%

adj. EBITDA € m	9M 2021	9M 2022	y-o-y	% of total (9M 2022)
Construction	38,4	45,4	18,2%	10,7%
RES	104,2	123,6	18,6%	29,1%
Concessions	81,8	82,8	1,2%	19,5%
Thermal Energy generation supply and trading	(0,2)	172,6	Nm	40,7%
HQ and Other	(6,2)	(7,2)	16,1%	
Eliminations	(5,2)	(12,4)	nm	
Group total	212,7	404,8	90,3%	100%

€ m	9M 2021	9M 2022	y-o-y
<b>Revenues</b>	<b>700,7</b>	<b>2762,0</b>	<b>+294,2%</b>
EBITDA	187,0	330,2	<b>+76,8%</b>
Non-cash items <sup>(1)</sup>	25,7	74,6	
<b>adj. EBITDA</b>	<b>212,7</b>	<b>404,8</b>	<b>+95,6%</b>
Net depreciation	(73,7)	(86,3)	
<b>EBIT</b>	<b>113,3</b>	<b>243,9</b>	<b>+115,6%</b>
Net financial expenses	(69,9)	(83,3)	<b>+19,2%</b>
Gains / (Losses) from financial instruments measured at fair value	(12,5)	(59,0)	
Other Income/Expenses	6,3	31,7	
<b>Earnings/(Losses) before taxes</b>	<b>37,2</b>	<b>133,3</b>	<b>+258,3%</b>
Income tax	(5,5)	(30,4)	
Net Earnings/(Losses) after taxes	31,7	102,9	<b>+224,6%</b>
Minorities	(26,8)	(34,3)	
<b>Net Earnings/(Losses) attributed to shareholders of the parent</b>	<b>4,9</b>	<b>68,6</b>	<b>+1300,0%</b>
<b>EPS (€/sh)</b>	<b>0,05</b>	<b>0,72</b>	<b>+1340,0%</b>
<b>Net Earnings attributed to shareholders of the parent exc. non-operating items<sup>(2)</sup></b>	<b>14,7</b>	<b>93,2</b>	<b>+534,0%</b>

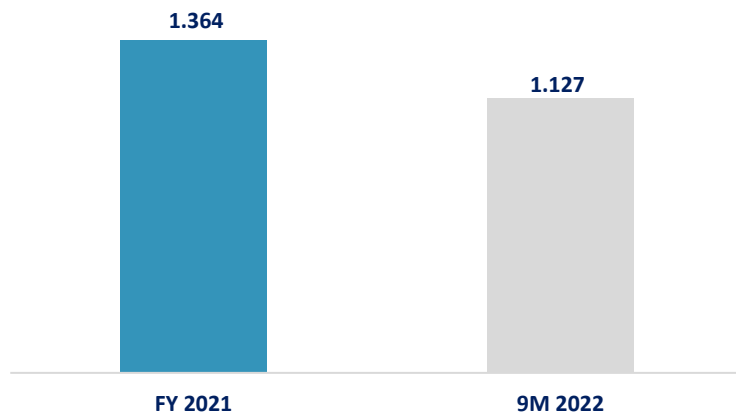
- **Higher revenues y-o-y** depicting growth in construction, RES and concessions. Results boosted by full consolidation of Heron II and Heron Energy (since 14.02.2022) vs. equity consolidation in 9M 2021
- **Adj. EBITDA increases** on higher contribution from RES (increased production) and construction (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
  - No cash impact
  - Effect on equity position counterbalanced by respective gains in Other Comprehensive Income (OCI)
- Positive impact from acquisition of control in subsidiaries (Heron Energy)
- Higher minorities due to increased profitability in Terna Energy

1. Non-cash items include mainly heavy maintenance provisions in concessions segment and provision for stock option plan in RES

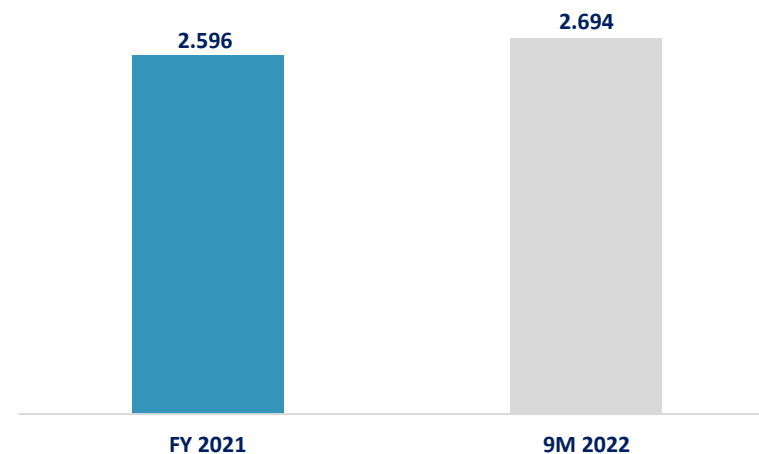
2. Non operating items include: i) Profit of € 21.5m from the acquisition of controlling stake in HERON Energy; ii) Profit of € 7,0m from the valuation of natural gas and power derivatives; iii) loss of € 53,2m from the valuation of embedded derivative (IRS) in motorways vs. loss of € 9,8m in 9M 2021

# Debt highlights I: Consolidated leverage

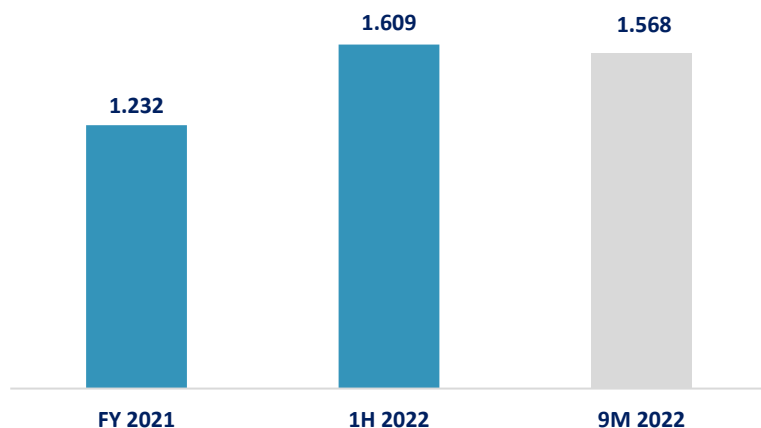
## Consolidated Cash and Cash Equivalent (€ m)



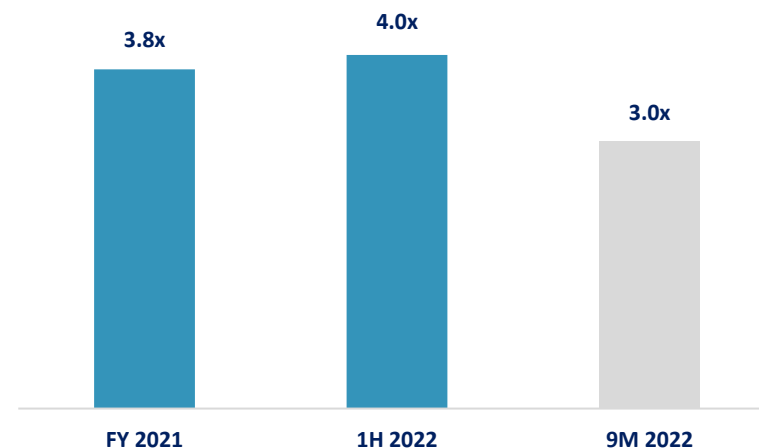
## Consolidated Gross Debt (€ m)



## Consolidated Net Debt (€ m)



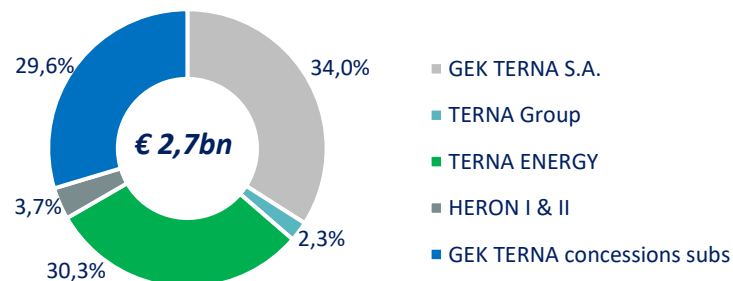
## Net Debt / LTM adj. EBITDA (x)



# Debt highlights II: Financial debt by segment

€ m	9M 2022			FY 2021		
	Gross Debt	Cash	Net Debt/(Cash)	Gross Debt	Cash	Net Debt/(Cash)
Construction	63.6	142.9	(79.3)	87.7	334.9	(247.2)
RES	993.4	342.2	651.2	912.6	312.2	600.5
Thermal Energy	276.8	219.4	57.4	101.1	53.3	47.8
<i>o/w external debt</i>	<i>100.4</i>					
Concessions	736.0	188.5	547.5	652.8	123.3	529.5
Holding and Other	624.6	233.8	390.7	841.8	540.7	301.1
<i>o/w external debt</i>	<i>920.0</i>					
<b>Total</b>	<b>2,694.4</b>	<b>1,126.9</b>	<b>1,567.5</b>	<b>2,596.0</b>	<b>1,364.4</b>	<b>1,231.7</b>
<i>x LTM adj. EBITDA</i>			<i>3.0x</i>			<i>3.8x</i>
<b>Concessions &amp; RES</b>	<b>1,729.4</b>	<b>530.7</b>	<b>1,198.7</b>			<b>1,130.0</b>
<i>x LTM adj. EBITDA</i>			<i>4.2x</i>			<i>4.3x</i>
<b>Other</b>	<b>965.0</b>	<b>596.2</b>	<b>368.8</b>			<b>101.7</b>
<i>x LTM adj. EBITDA</i>			<i>1.6x</i>			<i>1.7x</i>

Gross debt by key subsidiaries





# Business Segments Review

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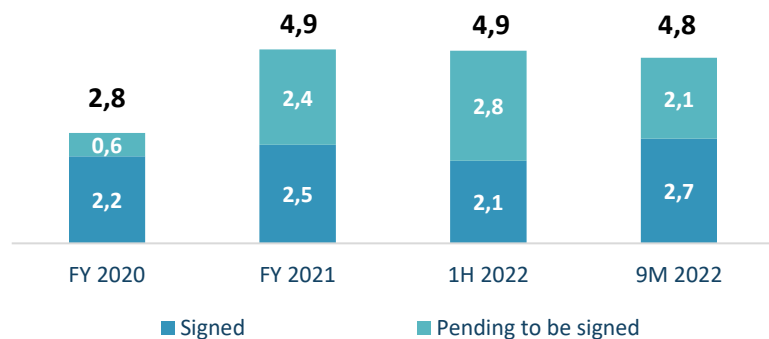


(€m)	9M 2021	9M 2022
Revenues	398.8	649.7
adj. EBITDA	38.4	45.4
margin	9.6%	9.4%
EBIT	29.4	34.0
margin	7.3%	5.2%
Net	20.2	30.1

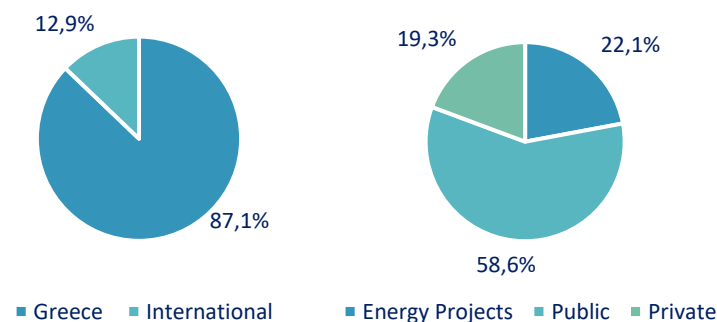
(€m)	FY 2021	1H 2022
Loans	87.7	63.6
Cash	334.9	142.9
Net Debt / (Cash)	(247.2)	(79.3)

- Increased activity levels following launch of new projects and post pandemic recovery
- Resilient profitability despite inflationary pressures supported by:
  - Diversified project mix
  - Solid underwriting
  - Continuous monitoring
- Solid cash position to support the ramp up of activity levels and seasonality impact on WC
- Backlog to remain at high levels given expectation for new projects tendering

## Backlog evolution € bn



## Signed Backlog overview (9M 2022)



# Energy from Renewable Energy Sources

(€m)	9M 2021	9M 2022
Revenues	150.6	175.2
adj. EBITDA	104.2	123.6
margin	69.2%	70.6%
EBT	51.9	47.2
Net	39.1	29.8

- 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
  - 9M 2022 reported figures include provision for stock option plan
- Capex at high levels to support growth

(€m)	FY 2021	9M 2022
Capex	217.1	190.8
Loans	912.6	993.4.
Cash	312.2	342.2
<b>Net Debt</b>	<b>600.5</b>	<b>651.1</b>

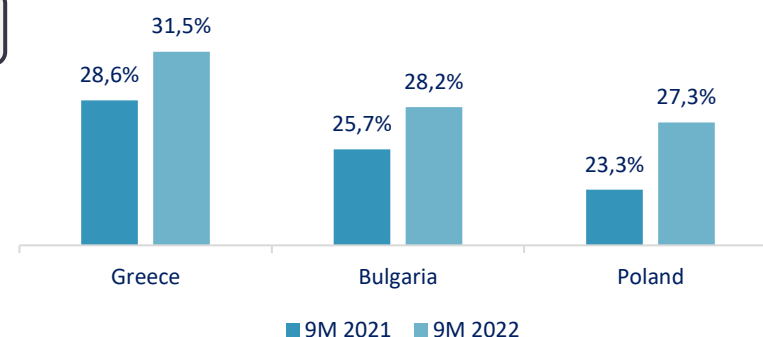
## **1.2GW of projects underway**

- Kafiareas 330MW wind project at final stages of construction – full operation by end 1Q 2023
- Fokida 110MW and Kossos 72MW PV projects to be commissioned by end 2023
- Amfilochia hydro pump storage started construction (680MW | COD 2026)

## Installed Capacity (MW)



## Load factor

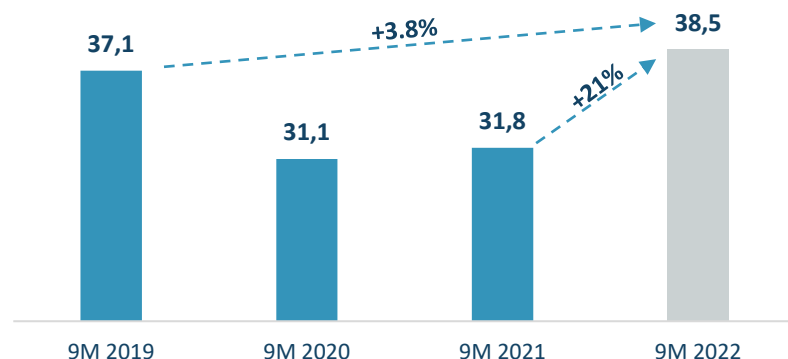


(€m)	9M 2021	9M 2022
Revenues	124.2	152.7
adj. EBITDA	81.8	82.8
margin	65.8%	54.2%
EBT	(13.1)	(70.3)
Net	0.0	(44.8)

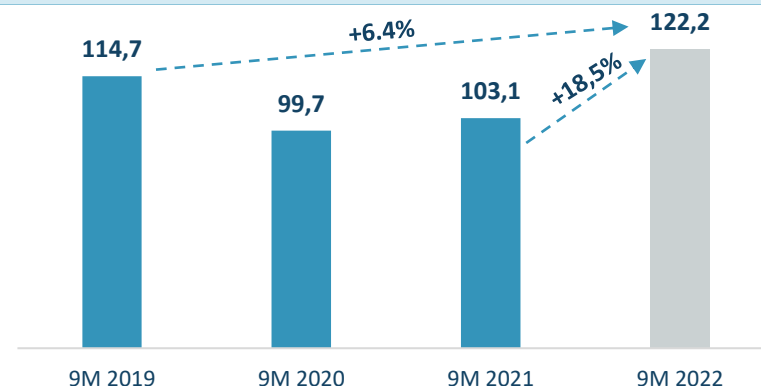
(€m)	FY 2021	9M 2022
Loans	652.8	736.1
Cash	123.3	188.5
<b>Net Debt</b>	<b>529.5</b>	<b>547.5</b>

- Continued recovery of motorway traffic driven by lift of restrictions and underlying economic growth
- adj. EBITDA increases on higher traffic
  - margin normalizes as 9M2021 included COVID-related compensation
- Negative impact (non-cash) from IRS valuation (loss of €53.2m compared to loss of € 9.8m in 9M 2021)
- Segment getting ready to onboard new projects inc.:
  - Egnatia Motorway
  - Kasteli Airport
  - Hellinikon IRC
  - North Crete Motorway (PPP project)

## Nea Odos & Central Greece traffic (m crossings)



## Nea Odos & Central Greece Toll Revenues (€ m)



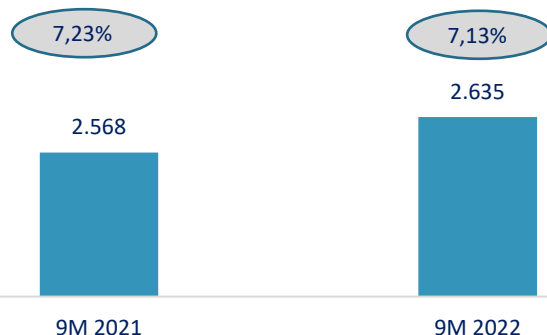
(€m)	9M 2021	9M 2022
Revenues	69.5	1,901.2
adj. EBITDA	0.1	172.6
margin	Nm	9.1%
EBT	4.6	134.0
Net	4.6	103.5

(€m)	FY 2021	9M 2022
Assets	393.6	1.321
Loans	101.1	276.8
<i>o/w external debt</i>		100.4
Cash	53.3	219.4
<b>Net Debt</b>	<b>47.8</b>	<b>57.4</b>

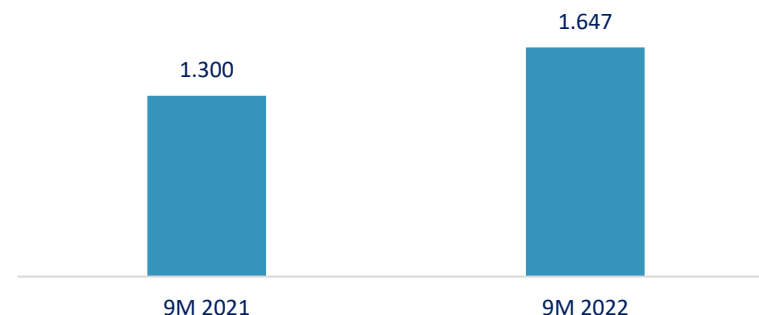
- *Changes in consolidation perimeter (Heron II full consolidation for entire period and Heron Energy since 14.02.2022) vs. equity consolidation for both in 9M 2021*
- *Positive operating performance despite significant market headwinds due to vertical integration*
- *Balanced profitability for generation and supply – Positive contribution from trading*
- *Bad debt formation inline with historical levels*
- *Stabilization of WC during 3Q 2022 – gradual unwinding*
- *Visibility impacted by volatile market conditions and regulatory interventions*
  - *Full set of provisions included in 9M 2022 in the context of relevant announced regulatory measures for electricity supply and generation*
- *Komotini CCGT (877MW-JV with Motor Oil) under construction (COD 2024)*

## Heron Energy Sales (GWh)

Market share  
interconnected system  
end of period



## Heron II Generation (GWh)





# Appendix

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# Performance by Segment

9M 2022 (€ m)	Construction	RES	Concessions	Thermal Energy generation, supply and trading	Hold Co and Other	Eliminations	Group
Revenues	649,7	175,2	152,7	1.901,2	16,7	(133,4)	2.762,0
Gross profit	61,2	107,3	46,4	188,8	1,6	(13,5)	391,7
adj.EBITDA	45,4	123,6	82,8	172,6	(7,2)	(12,4)	404,8
EBIT	34,0	72,3	30,8	134,0	(13,7)	(13,7)	243,8
EBT	42,4	47,2	(70,3)	131,8	(4,0)	(13,8)	133,2
Net Earnings	30,1	29,8	(44,8)	103,5	(2,5)	(13,3)	102,8

9M 2021 (€ m)	Construction	RES	Concessions	Thermal Energy generation, supply and trading	Hold Co and Other	Eliminations	Group
Revenues	398,8	150,6	124,2	69,5	10,0	(52,4)	700,7
Gross profit	48,6	86,0	28,7	0,1	(1,4)	(4,0)	157,9
adj.EBITDA	38,4	104,2	81,8	(0,2)	(6,3)	(5,2)	212,7
EBIT	29,4	72,2	31,0	(0,2)	(15,2)	(3,8)	113,3
EBT	27,2	51,9	(13,1)	4,6	(28,5)	(4,9)	37,2
Net Earnings	20,2	39,1	(0,0)	4,6	(27,3)	(4,9)	31,7

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