Comunicación de Información Financiera del período enero-junio 2024

Arteche Lantegi Elkartea, S.A.

9 de septiembre de 2024

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 227 de la Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión, y disposiciones concordantes, así como en la Circular 3/2020 del segmento BME Growth de BME MTF Equity ("BME Growth"), Arteche Lantegi Elkartea, S.A. (la "Sociedad"), comunica la siguiente:

OTRA INFORMACIÓN RELEVANTE

I. Presentación de resultados 1S 2024 que se utilizará en la conference call del equipo gestor del 9 de Septiembre 2024 a las 10am CET.

De conformidad con lo dispuesto en la citada Circular 3/2020 se indica que la información comunicada por la presente ha sido elaborada bajo la exclusiva responsabilidad de la Sociedad y sus administradores.

Atentamente

Arteche Lantegi Elkartea, S.A.

D. Alexander Artetxe

Presidente del Consejo de Administración

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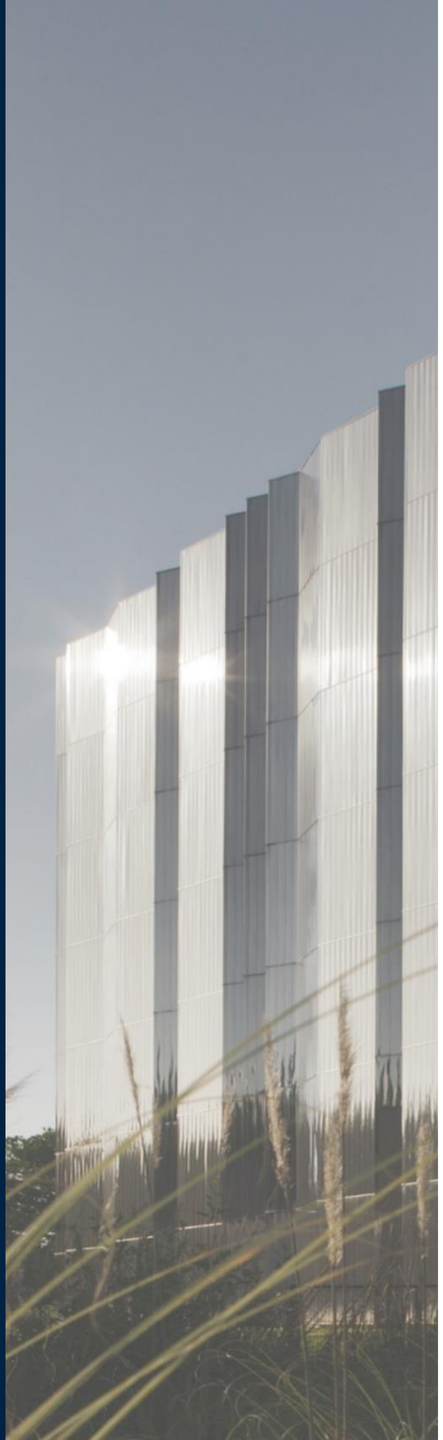
H1 2024 Earnings Release

September 9, 2024

DISCLAIMER



The information contained in this presentation of results has been prepared by Arteche Lantegi Elkartea, S.A. (hereinafter the Company or Arteche Group) and includes financial information drawn from the the first half consolidated accounts of the Company and its Group as of June 30, 2024, reviewed by Ernst & Young S.L, as well as declarations concerning future forecasts.

The information and declarations concerning future forecasts about Arteche Group are not historical facts, as they are based on numerous assumptions, subject to risks and uncertainties, many of which are difficult to predict and, generally, beyond the control of Arteche Group. Shareholders and investors are hereby informed that these risks could lead to real results and developments significantly differing from those expressed, implied or projected in the information and future forecasts. With the exception of the aforementioned information, the information, opinions and statements contained in this document have not been verified by independent third parties and, for this reason, no warranty of any kind, either express or implied, is given regarding the impartiality, accuracy, completeness or correctness of the information, opinions and statements expressed therein.

This document does not constitute an offer or invitation to purchase or suscribe shares, in accordance with the provisions of the Spanish Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the Securities Market Act, and its draft legislation. Likewise, this document does not constitute an offer of purchase, sale or exchange, nor a request of an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction.

H1 2024 Key highlights

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Orders intake grew in the first half by **+15.0%** to €284.5 million, well above market growth.

Revenue increased by **+19.6%** to €224.9m and **grew** by **double digit** both in **Q1 and Q2.**

Direct margin improved +300 bps versus a year ago to reach **35.0% in H1 24** vs 32.0% in H1 23

EBITDA reached €24.6 million, **growing by +41.4% year on year.**
EBITDA margin increased +173 bps versus a year ago, **up to 11.0% over revenue.**

Deleveraging continued to **0.8x NFD/EBITDA** at 30 June 2024 **vs 1.0x** at 31 December 2023.

Net profit grew by 73.0% compared to the previous year, to **€7.4 million.**

H1 2024 Financial highlights

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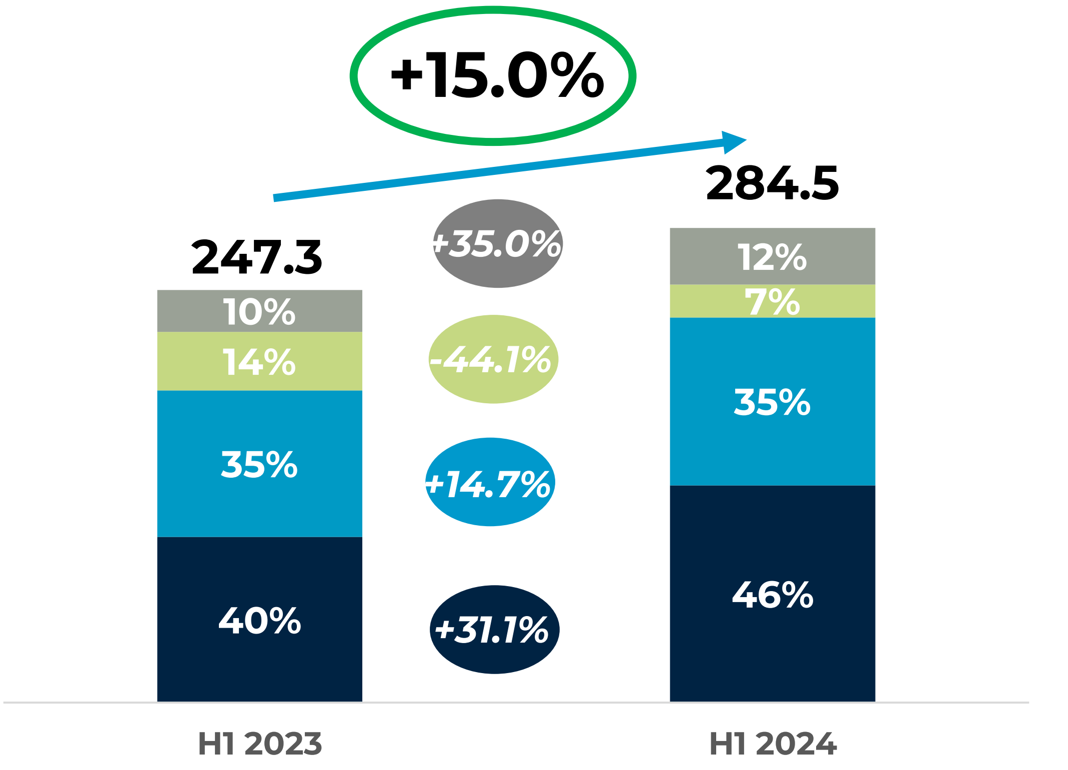
Order intake	Revenue	Direct Margin[1]	EBITDA	Net profit	NFD / EBITDA
€284.5M	€224.9M	€82.4M	€24.6M	€7.4M	0.8x
+15.0% y/y	+19.6% y/y *(+23.7% in constant currency)*	+24.5% y/y *(+27.8% in constant currency)*	+41.4% y/y *(+48.2% in constant currency)*	+73.0% y/y	vs 1.0x at 31 December 2023

(1) Direct margin = Income at selling price – procurement – direct labor – direct operating expenses

Revenue grew at double-digit rate in H1 2024

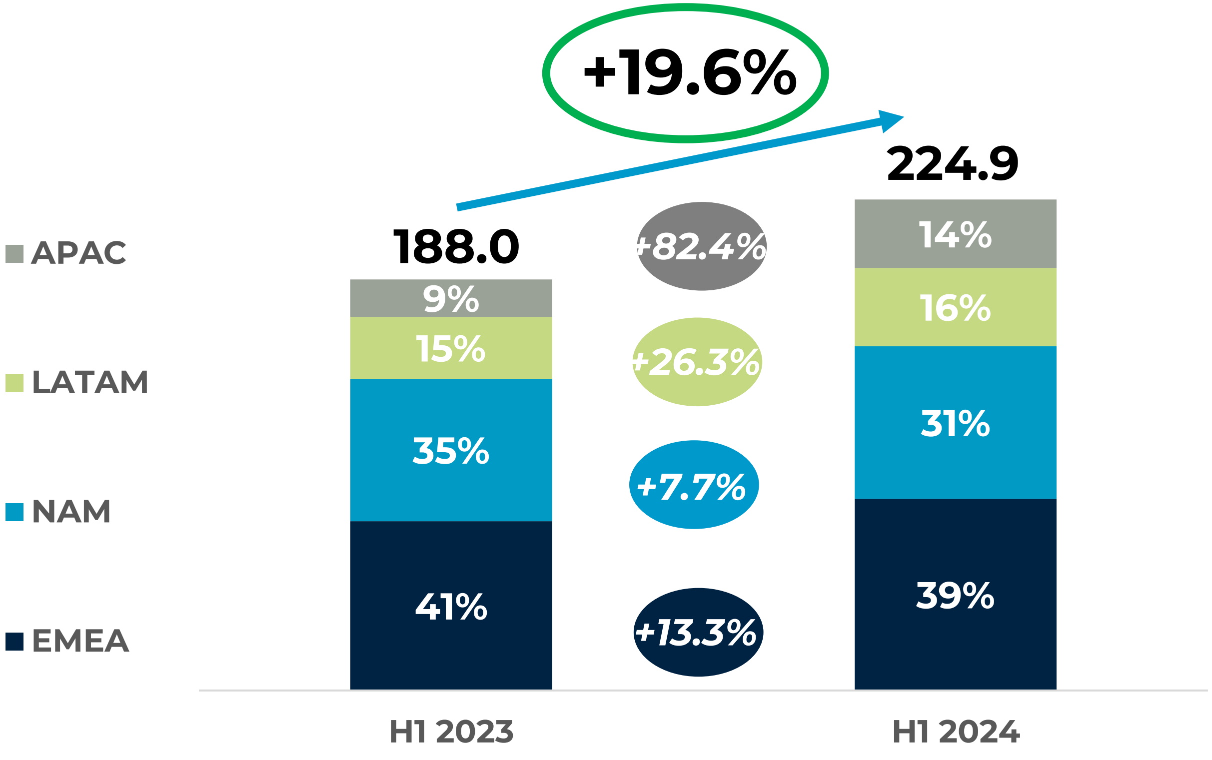
Order intake (€M,%)



Book – to – Bill: 1.27x

Backlog: €264.7M

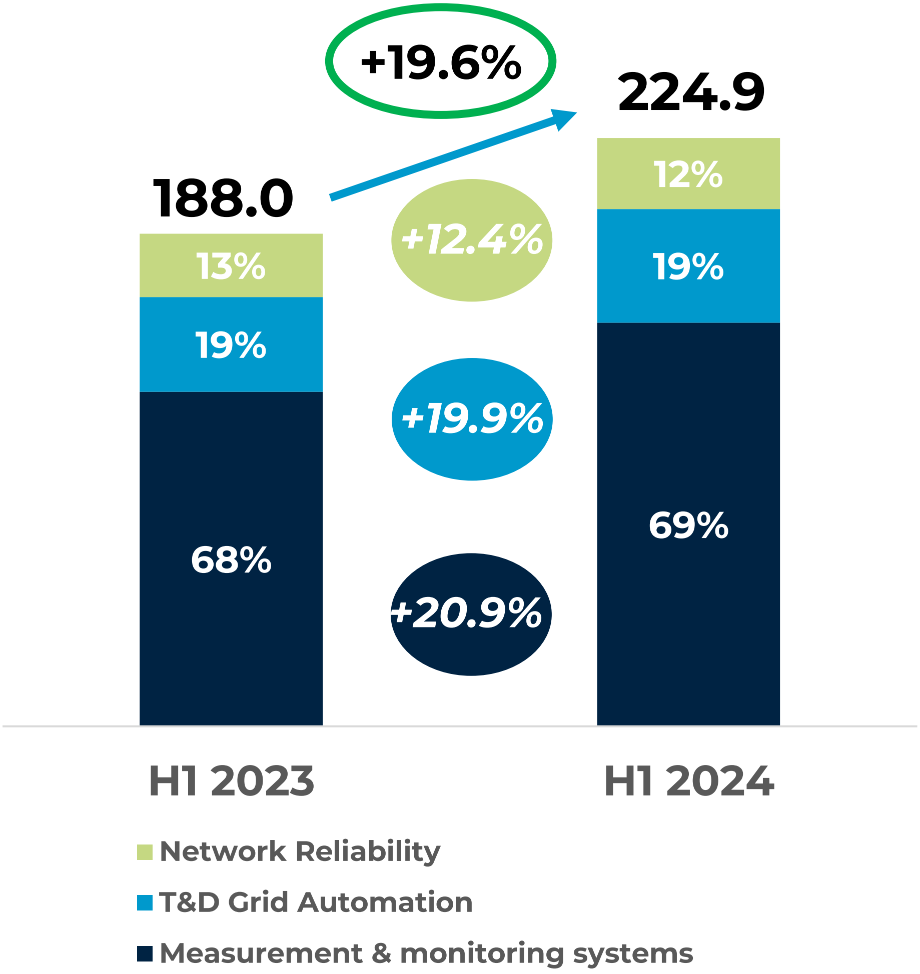
Revenue by geographical region(1) (€M,%)



(1) Revenue by destination: EMEA (Europe, Middle East and Africa), NAM (Mexico, USA and Canada), APAC (Asia Pacific and Turkey), LATAM (South and Central America).

Positive contribution from all businesses

Revenue by business line (€M,%)



Measurement and Monitoring Systems

Progressing towards #1 in HV while staying in Top 10 in MV

- New products: **Capacitive voltage ITs,** Sustainable **insulated auxiliary services ITs** (with no SF6, clean air instead) and **28% less carbon footprint** in **oil insulated UTPs.**
- Main markets by volume: US, Mexico, Spain, Canada, Turkey, UK and France.
- Project launched for **new 8,000 square meter factory in Indonesia.**
- Continous **growth in HVDC** projects using Optical Technology. **Signed OEM agreements** with **major european suppliers**.

T&D Grid Automation

Contributing to T&D electrical systems digitalization

- Record high **middle east order intake**.
- Good progress in **development of new hybrid relay platform** (railway + energy).
- New Mexican **CFE frame contracts** for Protection & Control projects**.**
- **Joining VPAC alliance** (virtual protection automation & control alliance)

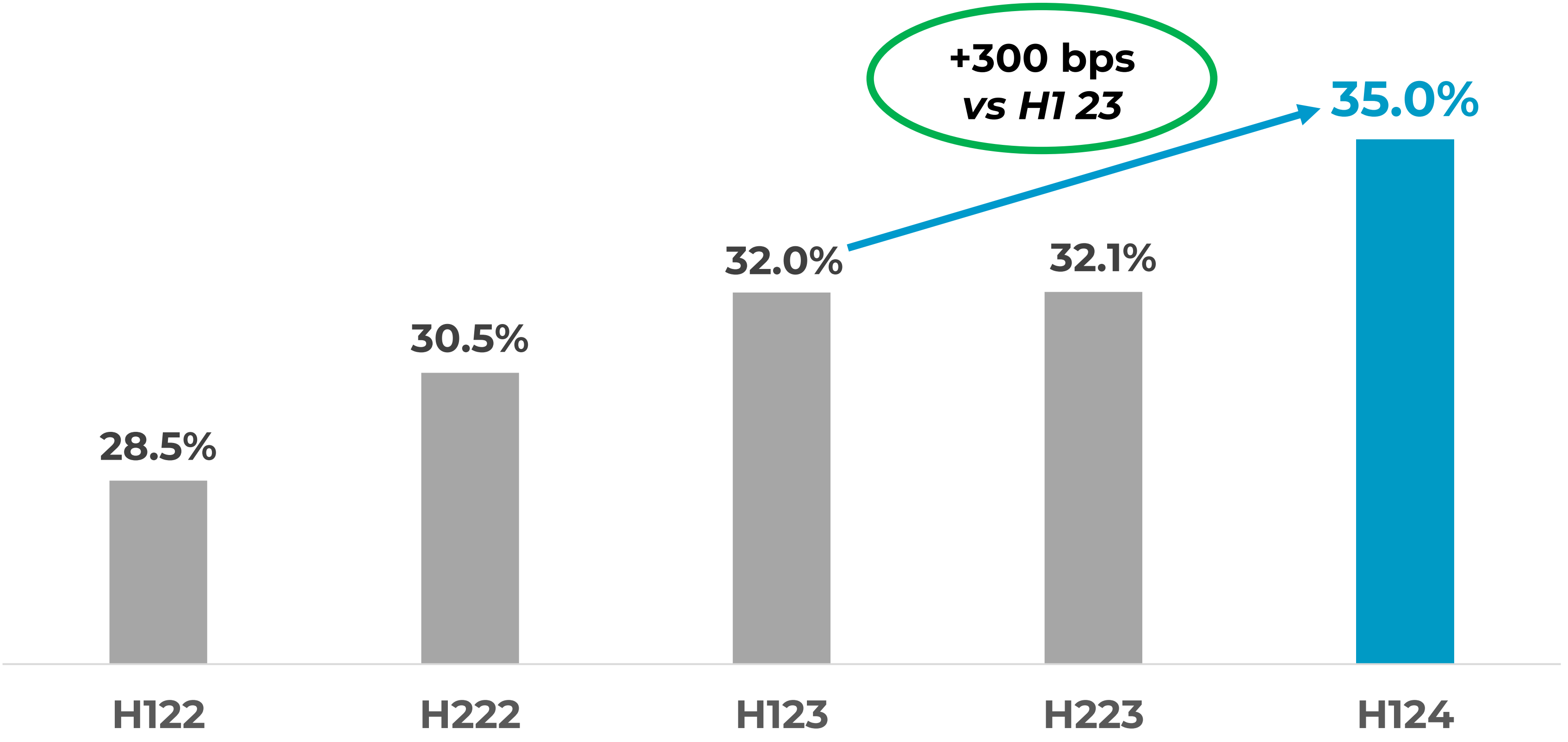
Network Reliability

Easing renewable generation access thanks to grid code fulfillment

- **New value proposition in storage batteries** (state of the art flywheels).
- **KEMA laboratory approval** for new **15kV recloser** with **20% less carbon footprint.**
- **New Mexican factory for power quality** 3,000 square feet in Tepeji.
- **First Arteche designed controls** (P51 device) installed in Arteche reclosers.

Progressive direct margin improvement

Direct margin[1] evolution by half
(% of income at selling price[2])

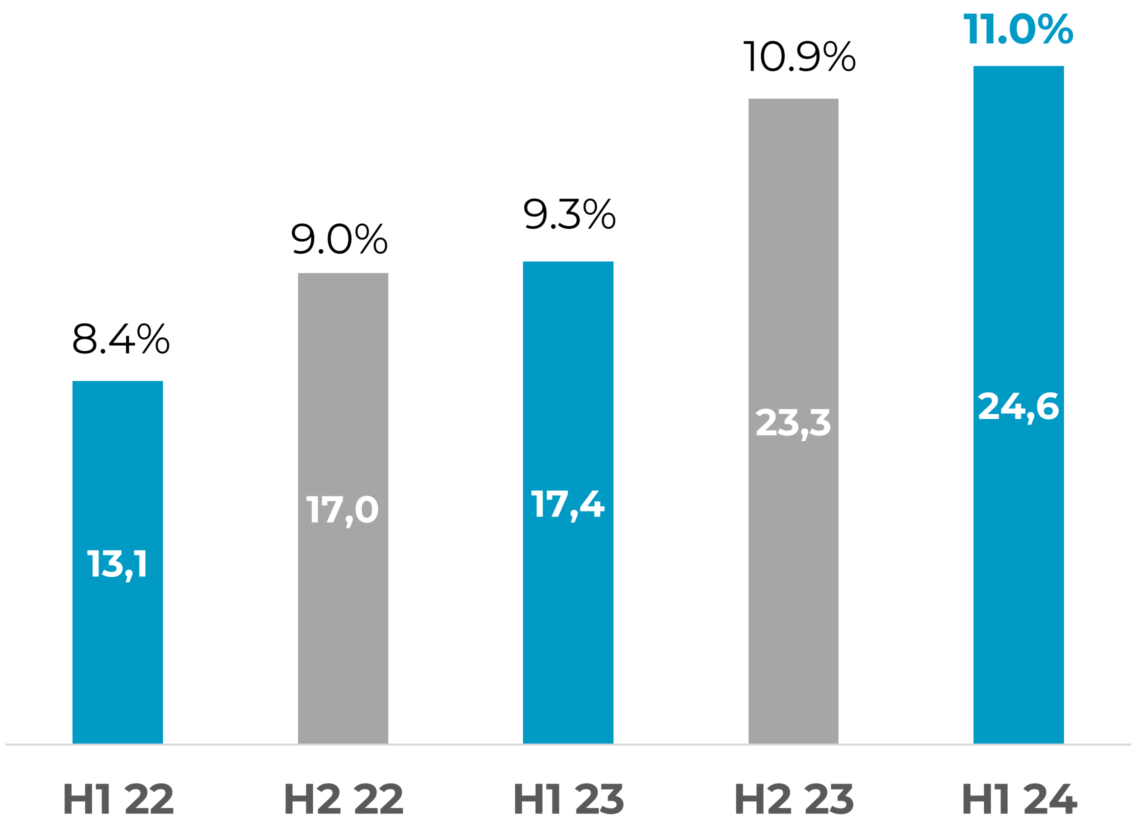


(1) Direct margin = Income at selling price – procurement – direct labor – direct operating expenses.
(2) Income at selling price = Revenue +/– change in inventories at selling price.

EBITDA H1 2024

Record growth of +40% in the first half

EBITDA evolution by half
(€ million,% of revenue)



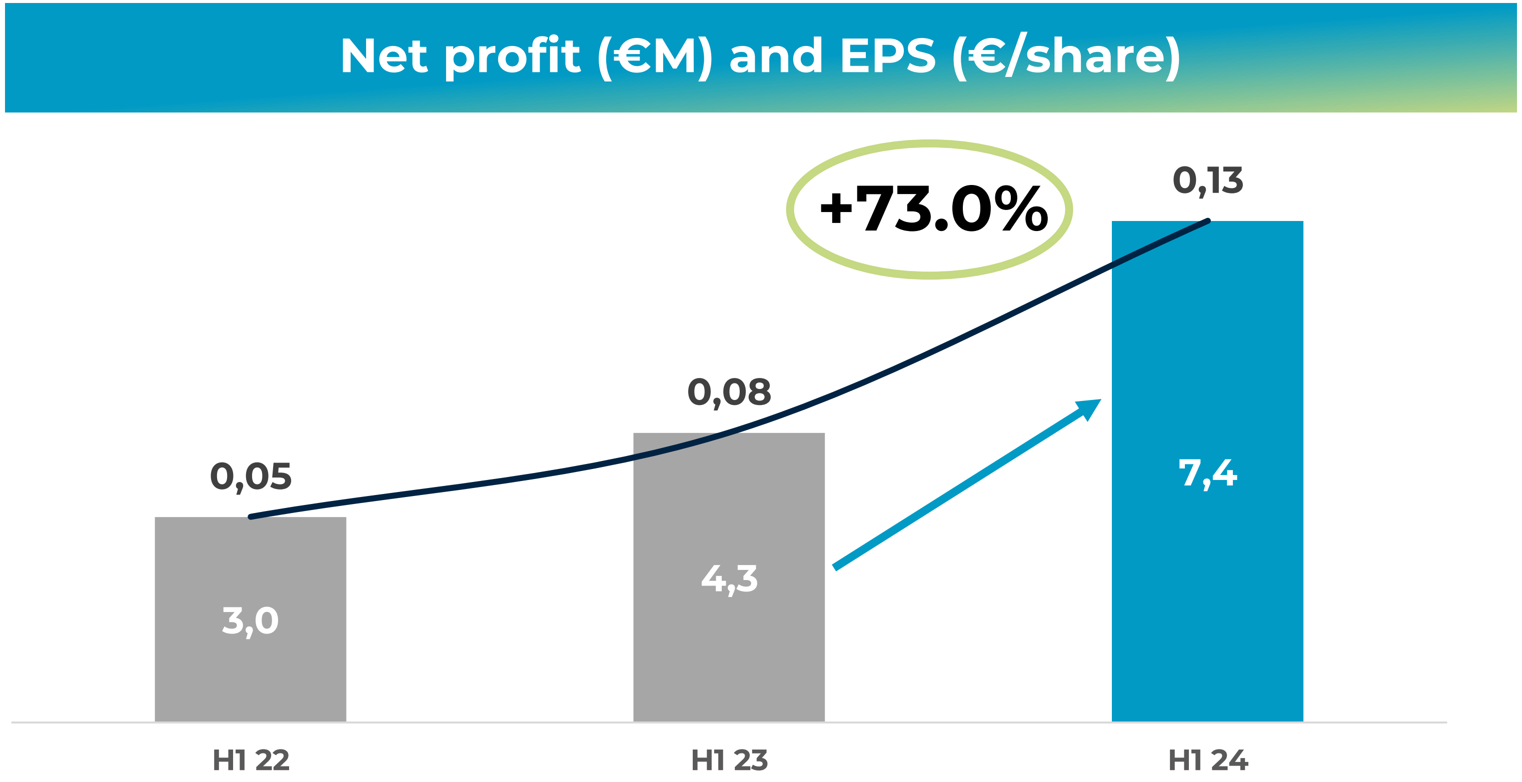
- **EBITDA increased** in the first half as a result of **record sales volume, updated sales prices and operational productivity improvements.**

- The company's **structural costs improved to 23.0% of revenue** vs 23.8% a year ago, despite the **inflationary environment.**

*Fixed costs= Total personnel costs + Outside services – Direct staff costs - Allowances - Direct operating expenses

Net profit H1 2024

Record growth of +73% in the first six months



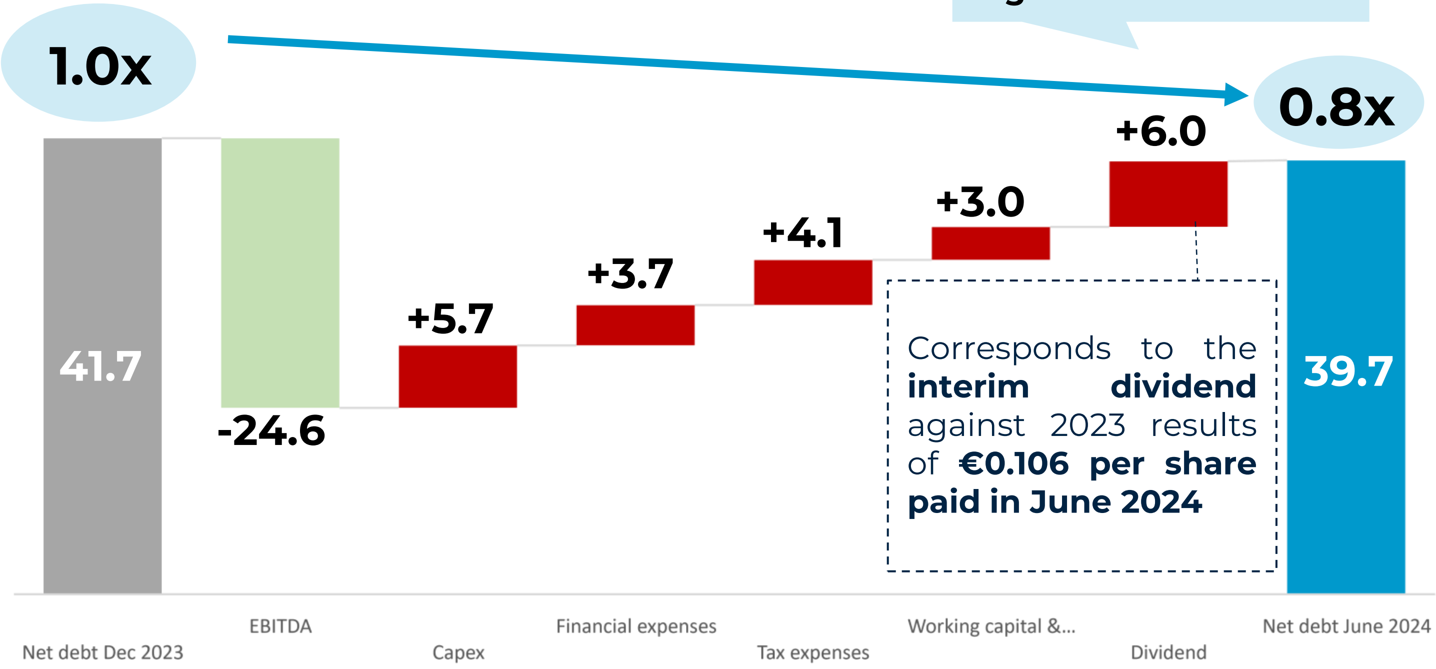
Shareholder remuneration: During the first half, the company distributed **a dividend of €6.0 million** against FY 2023 results, equivalent to a **pay-out of 50%.**

Net financial debt at June 30, 2024

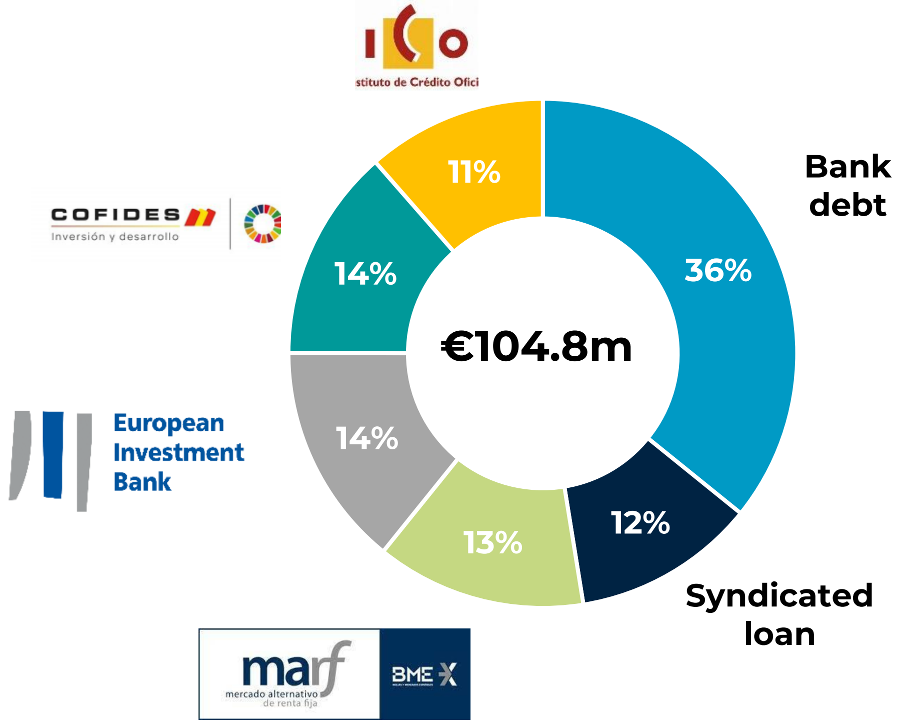
Leverage ratio improvement in the first six months

Net financial debt (NFD) / EBITDA evolution (€ million, times EBITDA)

Avg. maturity: 3.8 years
Avg. cost: 4.2%



H1 2024 Gross financial debt breakdown by source (%)



Free Cash Flow / EBITDA at June 30,2024: **33%**

Immediately available long-term resources: €29.0 M
(improving avg. maturity to c.4.8 years)

63% of total long-term loans are **hedged** against the risk of interest rate variation

Our ESG Commitment

Moving forward with our 2030 ESG strategy

	Target	Indicator	FY23	H124	2030
Environment	Reused or recycled waste	Total D+ND waste (reused + recycled)/ Total D+ND waste generated (%)	58%	67%	100%
	Reduce carbon footprint	Scope 1+2 emission reduction vs2021	39%	42%	>50%
	Renewable electricity consumption	Total renewable electricity consumption / Total electric energy consumption (%)	34%	59%	100%
Social	Equal opportunities for development	Women in the "front line management" category/ Total employees in the "front line" category (%)	28%	31%	40%
	Accident frequency rate	Number of accidents with sick leave * 1.000.000 / number of hours worked	12	6	0
Governance	Internal Control Financial Information System (SCIIF)	Assessment and certification	In process of impleme-ntation	In process of impleme-ntation	Audited by a third-party

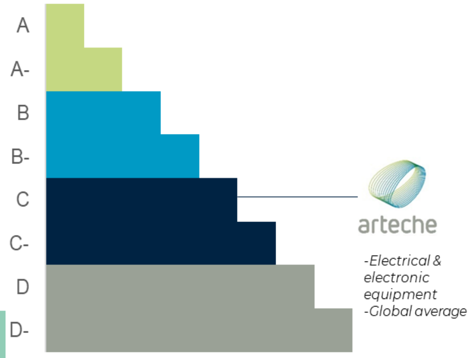
Net Zero Carbon

Gender Diversity

Ethics & Transparency

CDP DISCLOSURE INSIGHT ACTION

CDP SCORE REPORT – CLIMATE CHANGE 2023



Outlook for FY 2024

	FY2023	Outlook FY2024	LTM
Revenue *(€ million)*	401.3	**440.0 – 460.0**	438.1
EBITDA *(€ million)*	40.7	**45.8 – 50.6**	47.9
EBITDA Margin *(% over revenue)*	*10.1%*	***10.4% - 11.0%***	*10.9%*

Conclusions

Sound growth in orders (+15.0% y/y) and revenue (+19.6% y/y) in a context marked by **strong demand** and **commercial discipline.**

Strength in revenue together with **a tight cost management** support **direct margin strong recovery (+300 bps y/y)**.

Transforming our **portfolio through new products and markets development** to **deliver higher growth** and **better margins**.

Continuous improvement of our ESG performance that is creating **value for all stakeholders**.

Generating positive free cash flow to reinforce our balance sheet in order to face **future growth**

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Moving together

Q&A

ARTECHE LANTEGI ELKARTEA, S.A.
Investor Relations Office
Tel: +34 620 328 643
investors@arteche.com
www.arteche.com

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Annex

Annex | Alternative Performance Measures (APM)

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APM	Unit	Definition	30 June 2024	FY 2023	30 June 2023
Income at selling price	€m	Revenue +/- Change in stocks at sale price	**€235.2m** = 224.9 + 10.3	**€416.6m** = 401.2 + 15.4	**€206.8m** = 188.0 + 18.8
Direct costs	€m	Supplies (without depreciations or extraordinary costs) + direct staff costs + other direct operating costs	**€152.8m** = 120.8 + 19.8 + 12.2	**€283.0m** = 227 + 34.7 + 21.3	**€140.6m** = 113.6 + 17 + 10
Direct margin	€m	Income at sale price – direct costs	**€82.4m** = 235.2 – 152.8	**€133.6m** = 416.6 – 283	**€66.2m** = 206.8 – 140.6
% Direct margin	%	Direct margin / Income at sale price	**35.0%** = 82.4 / 235.2	**32.1%** = 133.6 / 416.5	**32.0%** = 66.2 / 206.8
Gross operating profit (EBITDA)	€m	Operating income + amortization and depreciation + impairment of trade operations + impairment of goods + impairment of finished products and products in process	**€24.6m** = 17.6 + 7.7 + 0.2 - 0.6 - 0.3 + 0	**€40.7m** = 24.2 + 14.6 - 0.06 + 0.5 + 1.1 + 0.2	**€17.4m** = 9.3 + 7.4 + 0.1 + 0.6 - 0.02
EBITDA LTM	€m	Operating income + Amortization of fixed assets + Impairment of trading operations + Impairment of merchandise + Impairment of work in progress and finished goods + Impairment and losses on fixed assets	**€47.9m** = 32.6 + 14.9 - 0.05 - 0.7 + 0.9 + 0.2	**LTM**	**€34.4m** = 17.8 + 15.0 + 0.2 + 0.8 + 0.7
% EBITDA	%	EBITDA / Revenues	**11%** = 24.6 / 224.9	**10.1%** = 40.7 / 401.3	**9.3%** = 17.4 / 188.0
Gross Financial Debt (GFD)	€m	Amounts owed to credit institutions + other financial liabilities + financial lease creditors + debentures and other marketable securities – financing without cost +/- Interest and accrued commissions	**€104.8m** = 49.4 + 44.3 + 0.1 + 14 - 3.0 + 0	**€104.2m** = 55.2 + 41.0 + 0.2 + 13.8 - 6.2 + 0.1	**€120.0m** = 56.7 + 42.6 + 0.1 + 23.6 - 3.4 + 0.3
Net Financial Debt (NFD)	€m	GFD – temporary financial investments – credits to companies (no group) – cash and other equivalent liquid assets	**€39.7m** = 104.8 – 1.8 - 0 – 63.4	**€41.7m** = 104.2 – 1.6 - 0.2 – 63.4	**€60.5m** = 120.0 – 1.5 - 0.1 - 57.9
Net Financial Debt/ LTM EBITDA	times (x)	NFD / EBITDA	**0,83x** = 39.7 / 47.9	**1,02x** = 41.7 / 40.7	**1,76x** = 60.5 / 34.4
Free Cash Flow	€m	$NFD_{()-1}$ – $NFD_{()}$ + Payd Dividends - Acquisition of group companies, associates and jointly controlled entities	**€8.1M**= 41.7 – 39.7 +6 -0	**€9.6M** = 49.0 – 41.7 + 2.3 -0	**€(9.1)M** = 49.0 -60.5 + 2.3 - 0
EBITDA to cash conversion	%	Free Cash Flow / EBITDA	**33%** = 8.1/24.6	**24%** = 9.6/40.7	**(52%)**= (9.1)/17.4
Book to bill ratio	Times(x)	Order intake / Revenue	**1,27x** = 284.5/224.9	**1,18x** = 473.8/401.3	**1,32x** = 247.3/188.0
Earnings per share (basic and diluted)	€/share	Profit for the year attributable to equity holders of the Parent / (weighted average number of ordinary shares outstanding - weighted average number of own shares)	**0, 13€** = 7.4 / (57.1 – 0.14)	**0,21 €** = 12.1 / (57.1 – 0.14)	**0,08 €** = 4.3 / (57.1 – 0.14)

Annex | Key Financial Figures

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Key Financial Figures

€m	30.06.2024	30.06.2023	% change
Revenue	**224.9**	**188.0**	***+19.6%***
Direct margin	**82.4**	**66.1**	***+24.5%***
Direct margin (% over income)*	35.0%	32.0%	+300bps
EBITDA	**24.6**	**17.4**	***+41.4%***
EBITDA margin (% over revenue)	11.0%	9.3%	+170bps
EBIT	**17.6**	**9.3**	***+90.1%***
EBIT margin (% over revenue)	7.8%	4.9%	+290bps
Net profit	**7.4**	**4.3**	***+73%***
Net profit margin (% over revenue)	3.3%	2.3%	+100bps
EPS (€/share)	**0.13**	**0.08**	***+62.5%***

** Income = Revenue +/- Change in stocks at selling price*

Annex | Consolidated Balance Sheet

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Consolidated Balance Sheet €m	30.06.2024	31.12.2023
Non-current Assets	**105.6**	**105.5**
Current Assets	**225.9**	**226.8**
Inventories	83.4	88.0
Trade and other receivables	74.6	77.3
Short-term financial investments	3.6	3.0
Cash and cash equivalents	63.4	57.9
Others	0.9	0.6
TOTAL ASSETS	**331.5**	**332.3**
Total Shareholders' Equity	**74.8**	**69.6**
Non-current Liabilities	**70.9**	**80.8**
Long term debt	64.6	74.3
Other non-current liabilities	6.3	6.5
Current Liabilities	**185.8**	**181.9**
Short term debt	44.0	49.4
Trade and other payables	141.4	131.5
Other short-term debt	0.4	1.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**331.5**	**332.2**