



## Corporate News

15.05.2024

Page 1/7

### thyssenkrupp nucera Significantly Increases Sales in the Green Hydrogen Business

- High sales growth at thyssenkrupp nucera in the second quarter and first half of fiscal year 2023/2024
- 59% increase in sales in alkaline water electrolysis (AWE) for the production of green hydrogen
- Sales development experiencing delays due to postponements in final investment decision in the project business
- EBIT lower as expected due to start-up costs for implementing the growth strategy
- Strong financial foundation to support continued high growth

Dortmund, May 15, 2024 – Despite difficult conditions in the market for green hydrogen, thyssenkrupp nucera significantly increased sales in the alkaline water electrolysis (AWE) business in the second quarter and first half of 2023/2024. The supplier of leading global technologies for highly efficient electrolysis plants also made significant progress in implementing its growth strategy and completing customer projects.

thyssenkrupp nucera has successfully started the preparatory work for the commissioning of CF Industries' water electrolysis plant in Louisiana, USA. The US company is a leader in nitrogen products such as ammonia. "CF Industries' plant is the world's first of our high-performance 20 MW (megawatt) electrolyzers, which will soon start producing green hydrogen on an industrial scale as planned. We are thus opening a new chapter in the history of green hydrogen at thyssenkrupp nucera," Dr. Werner Ponikwar, CEO of thyssenkrupp nucera.

In the second quarter, the electrolysis specialist also laid the foundation for the expansion of its technology portfolio and thus a further growth area. In March, thyssenkrupp nucera entered into a strategic partnership with Fraunhofer IKTS in the highly innovative high-temperature electrolysis (SOEC) technology. The company has also taken a major step forward in one of its core growth markets, North America. The US Department of Energy (DOE) has selected thyssenkrupp nucera to advance the mass production of water electrolysis cells and the development of an automated assembly line for these cells.

At the end of April, thyssenkrupp nucera signed a contract with a company of the basic industry for a more than 100 MW electrolysis project in Europe. It is further proof that it is mainly projects in the ammonia, steel and refinery sectors that are driving the growth of green hydrogen.



Cepsa, a leading company in the mobility and energy sector in Spain, has chosen thyssenkrupp nucera as its preferred supplier for an AWE plant with an installed capacity of 300 megawatts for the production of green hydrogen at the Cepsa refinery in the “La Rábida” energy park in the southern Spanish province of Huelva. With an annual production capacity of up to 47,000 tons of green hydrogen, this plant will be part of the large-scale project planned by Cepsa in the south of Spain, with a total capacity of 2 gigawatts of electrolysis capacity by 2030.

Australian project developer ABEL Energy had previously selected the electrolysis specialist as the preferred supplier for its 260 MW project in Australia. The company, which specializes in green hydrogen and green methanol projects, aims to reduce fossil carbon emissions in the maritime business.

The positive developments on the order side were offset by developments that slowed momentum in the reporting period. For example, delays in the final investment decisions of many potential customers became increasingly apparent. “We are currently seeing a discrepancy in Europe and North America between originally planned projects and final investment decisions on the necessary electrolysis capacities. Although the necessary progress on the regulatory side is evident, many investors are waiting for the regulatory framework to be finalized. This situation is causing a level of uncertainty in the market and is therefore dampening investment momentum. Obstacles to investment such as the design of regulatory requirements and the pace of funding commitments should be removed quickly,” says Dr. Christoph Noeres, Head of Green Hydrogen at thyssenkrupp nucera.

In addition to the natural fluctuations in the project business and the subdued investment momentum, the postponement of the Full Notice to Proceed at H2 Green Steel to the third quarter also had a negative impact on the order intake trend. Under the Full Notice to Proceed, suppliers are authorized to proceed in full with the work required under the contract. As a result, thyssenkrupp nucera's **order intake** of EUR 75.3 million in the second quarter of the 2023/2024 financial year was significantly lower than in the same quarter of the previous year (EUR 130.9 million).

In the AWE segment, the company recorded new orders of EUR 11.6 million after EUR 82.0 million in the second quarter of 2022/2023. The electrolysis specialist increased its order intake in the chlor-alkali (CA) segment very strongly by almost a third (30%) to EUR 63.6 million (same quarter of the previous year: EUR 48.9 million). At EUR 250.8 million, incoming orders in the first six months of the current reporting year were 14.0% below the corresponding figure for the previous year (EUR 292.1 million). However, a significant increase in incoming orders is expected in the coming quarters.

The **order backlog** as at March 31, 2024 amounted to around EUR 1.2 billion, of which EUR 0.8 billion was attributable to the AWE business and EUR 0.5 billion to the CA business.

thyssenkrupp nucera increased its **sales** in the second quarter of the current financial year by 11.1% to EUR 168.0 million (prior-year quarter: EUR 151.2 million). Growth was driven by sales in the area of



electrolysis plants for the production of green hydrogen. The swift completion of projects in Saudi Arabia, Brazil and Sweden led to a sharp 59.1% increase in sales in the AWE segment to EUR 95.0 million (prior-year quarter: EUR 59.7 million). In contrast, sales in the CA business fell by 20.2% to EUR 73.0 million (same quarter of the previous year: EUR 91.5 million). As expected, the increase in sales in the new construction business could not compensate for the decline in the service business; the service business had grown very strongly in the previous year.

At EUR 376.3 million, sales in the first half of 2023/2024 exceeded the previous year's figure (EUR 306.0 million) by almost a quarter (23.0%). In the AWE business, sales rose even more sharply by 68.6% to a record level of EUR 215.8 million (first half of the previous year: EUR 128.0 million). The increase in AWE sales was mainly driven by the good progress made with NEOM project execution in Saudi Arabia. Construction of the first 20 MW modules has begun on the world's largest gigawatt electrolysis project, NEOM. The Unigel project in Brazil and H2 Green Steel in Sweden also contributed to the positive sales performance in the first half of the year. At EUR 160.5 million, sales in the CA business were 9.8% down on the previous year (EUR 178.0 million).

The electrolysis specialist also continued to systematically drive forward the organizational measures required to implement its growth strategy. At the end of the second quarter (March 31, 2024), the company employed 855 people worldwide. Compared to the previous year (March 31, 2023), the number of **employees** increased by 261. **Research and development** costs almost doubled from EUR 4.4 million to EUR 9.2 million in the second quarter and from EUR 7.6 million to EUR 14.6 million in the first half of the year.

The higher expenses associated with the implementation of the strategy, a lower gross margin due to a higher AWE share of total sales and mix effects from the expected lower service business led to negative earnings before interest and taxes (**EBIT**) of EUR -10.6 million (same quarter of the previous year: EUR 2.3 million). As expected, the electrolysis specialist's EBIT fell to EUR -11.4 million in the first six months of the current financial year 2023/2024 (prior-year period: EUR 13.3 million).

The **EBIT margin** weakened from 1.5% to -6.3% in the second quarter. The EBIT margin fell from 4.4% to -3.0% in the first half of 2023/2024.

The provider of world-leading technologies for highly efficient electrolysis systems continues to have a strong net financial asset position to finance its growth plans. The **financial result** rose sharply from EUR 2.7 million to EUR 6.1 million in the second quarter, primarily due to higher interest income. Higher interest income was also the main driver behind the improvement in the financial result to EUR 11.9 million in the first six months of 2023/2024 (prior-year period: EUR 3.2 million).

The lower EBIT caused earnings after taxes on income and earnings (**net result**) to fall to EUR -7.2 million in the second quarter (same quarter of the previous year: EUR 3.6 million). After income taxes, the net result for the first half of the year amounted to EUR -4.4 million (prior-year period: EUR 12.1 million).



**Earnings per share** attributable to the shareholders of thyssenkrupp nucera fell accordingly to EUR -0.06 (prior-year period: EUR 0.12).

“The market for green hydrogen continues to have very high growth potential. With our strong financial position and our highly efficient electrolysis technology, we at thyssenkrupp nucera are very well positioned to exploit this potential. We therefore expect incoming orders to grow more strongly again,” said Dr. Arno Pfannschmidt, CFO of thyssenkrupp nucera.

The sales and earnings forecast for the 2023/2024 financial year is confirmed. The Group sales forecast has also been specified within the originally communicated forecast range. In line with the previously expected significant sales increase in the mid double-digit percentage range compared to the past financial year (2022/2023 around EUR 652.8 million), thyssenkrupp nucera now expects sales in the range of EUR 820 million to EUR 900 million. The expected growth momentum will mainly be driven by the execution of already contractually agreed projects in the AWE area. Overall, thyssenkrupp nucera anticipates sales of between EUR 500 million and EUR 550 million in the alkaline water electrolysis segment in the 2023/2024 financial year compared to the previous year with EUR 323 million.

The necessary start-up costs for the implementation of the growth strategy and the scaling of the AWE business for the long-term and sustainable improvement of competitiveness and profitability will probably necessitate a negative EBIT in the mid double-digit million Euro range in the 2023/2024 financial year.

#### **Photos**

If you need photos, please contact us.



### thyssenkrupp nucera: Key Financials (in EUR million)

	Q2			1th Half Year		
	2022/2023	2023/2024		2022/2023	2023/2024	
<b>Order Intake</b>	130.9	75.3	-42%	292.1	250.8	-14%
AWE <sup>1</sup>	82.0	11.6	-86%	163.4	120.8	-26%
CA <sup>2</sup>	48.9	63.6	30%	128.7	130.1	1%
<b>Sales</b>	151.2	168.0	11%	306.0	376.3	23%
AWE <sup>1</sup>	59.7	95.0	59%	128.0	215.8	69%
CA <sup>2</sup>	91.5	73.0	-20%	178.0	160.5	-10%
<b>EBITDA</b>	3.3	-9.1	--	15.2	-8.8	--
<b>EBIT</b>	2.3	-10.6	--	13.3	-11.4	--
<b>EBIT Margin</b>	1.5%	-6.3%	-	4.4%	-3.0%	-
<b>Net Result</b>	3.6	-7.2	--	12.1	-4.4	--
<b>Earnings per Share</b>	0.04	-0.06	-	0.12	-0.06	-

<sup>1</sup> Alkaline water electrolysis <sup>2</sup> Chlor-alkali electrolysis

#### Financial information

The presentation and the complete financial tables (income statement, balance sheet, cash flow statement, statement of changes in equity) on the results for the second quarter and first half of the 2023/2024 financial year are available [here](#).

#### Conference call for investors

As part of the publication of the results for the second quarter and the first half of fiscal year 2023/2024, thyssenkrupp nucera will hold a conference call (in English) for analysts and investors on May 15, 2024 from 08:00 to 09:00 CEST. An audio recording will be available on our IR website after the conference.



### **Virtual press conference**

On May 15, 2024, thyssenkrupp nucera will offer the media the opportunity to participate in the virtual press conference (in German) from 10:00 to 12:00 (CEST).

### **Investor inquiries:**

Dr. Hendrik Finger  
Head of Investor Relations  
Phone: +49 231 229 724 347  
E-Mail: [hendrik.finger@thyssenkrupp-nucera.com](mailto:hendrik.finger@thyssenkrupp-nucera.com)

### **Media inquiries:**

Rita Syre  
Senior Media Relations Manager  
Mobile: +49 174 161 86 24  
E-Mail: [rita.syre@thyssenkrupp-nucera.com](mailto:rita.syre@thyssenkrupp-nucera.com)

### **About thyssenkrupp nucera:**

thyssenkrupp nucera offers world-leading technologies for high-efficiency electrolysis plants. The company has extensive in-depth knowledge in the engineering, procurement, and construction of electrochemical plants and a strong track record of more than 600 projects with a total rating of over 10 gigawatts already successfully installed. With its water electrolysis technology to produce green hydrogen, the company offers an innovative solution on an industrial scale for green value chains and an industry fueled by clean energy – a major step towards a climate-neutrality. thyssenkrupp nucera successfully made an IPO in July and is a member of the SDAX of the Frankfurt Stock Exchange since September.

[www.thyssenkrupp-nucera.com](http://www.thyssenkrupp-nucera.com)

### **Forward-Looking Statements**

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of thyssenkrupp nucera AG & Co. KGaA. These statements may be identified by words such as “may”, “will”, “expect”, “anticipate”, “contemplate”, “intend”, “plan”, “believe”, “continue” and “estimate” and variations of such words or similar expressions. These forward-looking statements are based on our current assessments, expectations and assumptions, of which many are beyond control of thyssenkrupp nucera, and are subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements. Should these risks or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of thyssenkrupp nucera may materially vary from those described explicitly or implicitly in the relevant forward-looking statement. This could result from a variety of factors, such as actual customer orders received by thyssenkrupp nucera, the level of demand for the electrolysis technology in the market, the timing of final acceptance of products by customers, the condition of financial markets and access to financing for thyssenkrupp



nucera, general conditions in the market for electrolysis plants and macroeconomic conditions, cancellations, rescheduling or delays in product shipments, production capacity constraints, extended sales and qualification cycles, difficulties in the production process, the general development in the electrolyzer industry, increased competition, fluctuations in exchange rates, availability of public funding, fluctuations and/or changes in interest rates, delays in developing and marketing new products, a deterioration of the general economic situation and any other factors. Any forward-looking statements contained in this document are based on current expectations and projections of the executive board based on information available the date hereof. thyssenkrupp nucera undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

This document is an English language translation of a document in German language. In case of discrepancies, the German language document shall prevail and shall be the valid version.