

FY 2021 Earnings Release

March 29, 2022



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 annual consolidated accounts of the Company and its Group as of December 31, 2021, both audited by Ernst & Young S.L, as well as declarations concerning future forecasts.

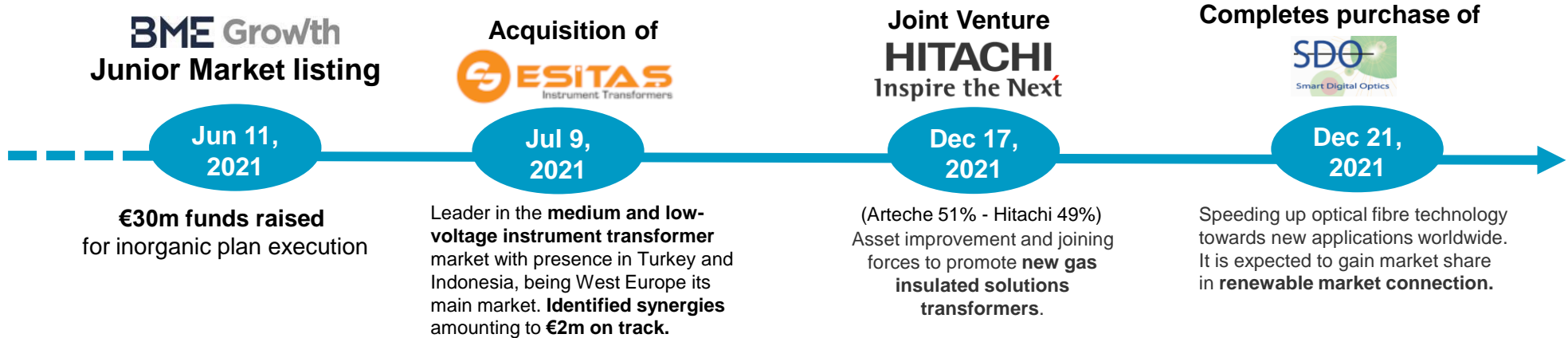
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- ✓ **Earnings per share** of €0.16 vs €0.02 in FY20, as a result of strong demand and financial discipline
- ✓ **Revenues** of €282.0m **up 6.6% vs FY20. Organic** revenue **up 3.8%.**
- ✓ **EBITDA** reached €26.1m, negatively impacted by transport and raw materials increase costs.
Overheads structure costs management **improved** to 24.2% of revenues vs 24.6% in FY20.
- ✓ **Disciplined operating and maintenance capex (excl. M&A) approach, sustained at 4% of revenues**
- ✓ **‘EBITDA-Capex’** reached €14.6m or 56% of EBITDA
- ✓ **FY21 inorganic growth strategy** successfully **implemented. Synergies** plan ahead scheduled.
- ✓ **Continued deleverage** reaching 1.95x NFD/EBITDA at December 31,2021 vs 2.22x at December 31,2020

FY 2021: Broadening our edges

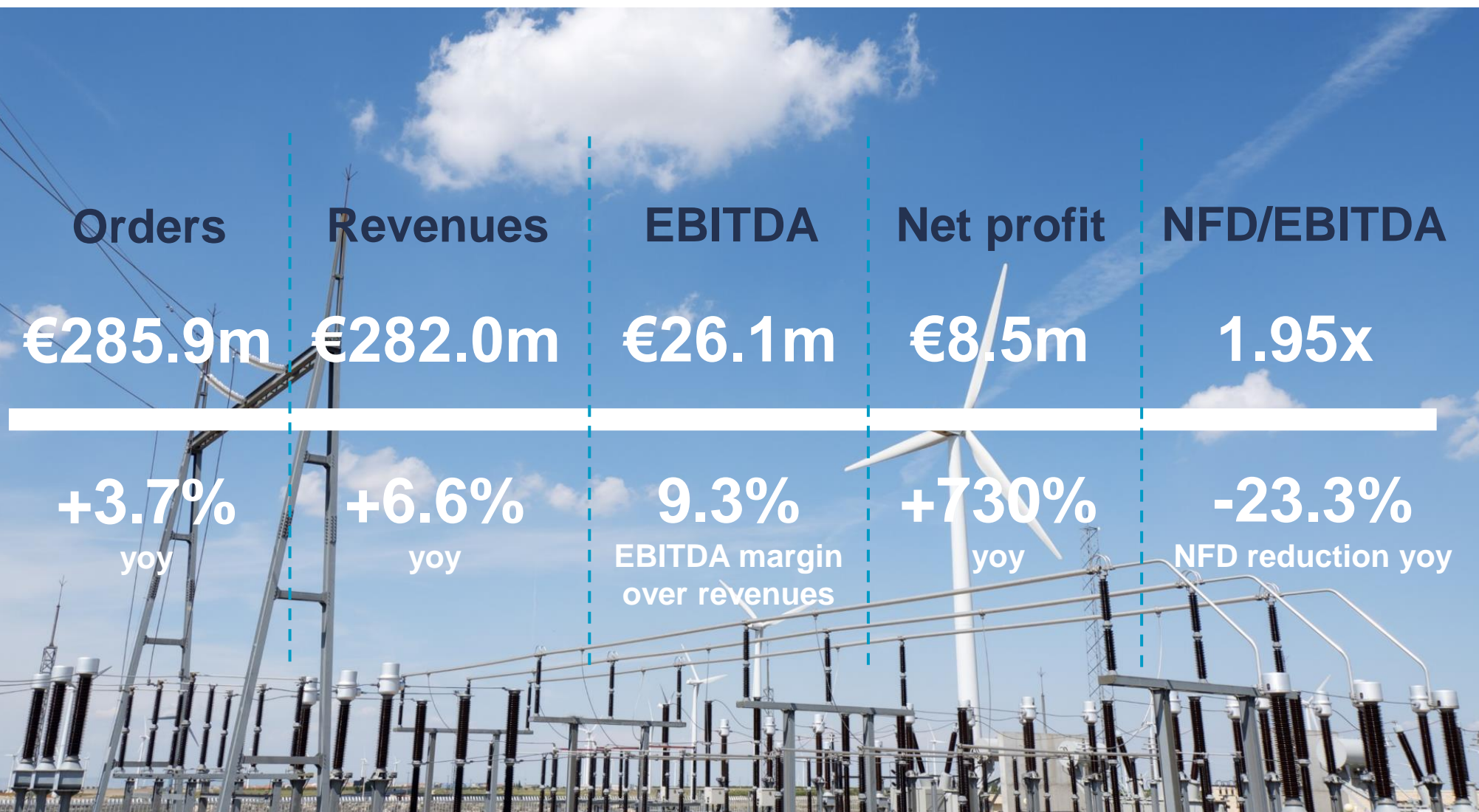


These 3 operations are part of the **inorganic growth strategy** as defined in our **2023 Strategic Plan**.

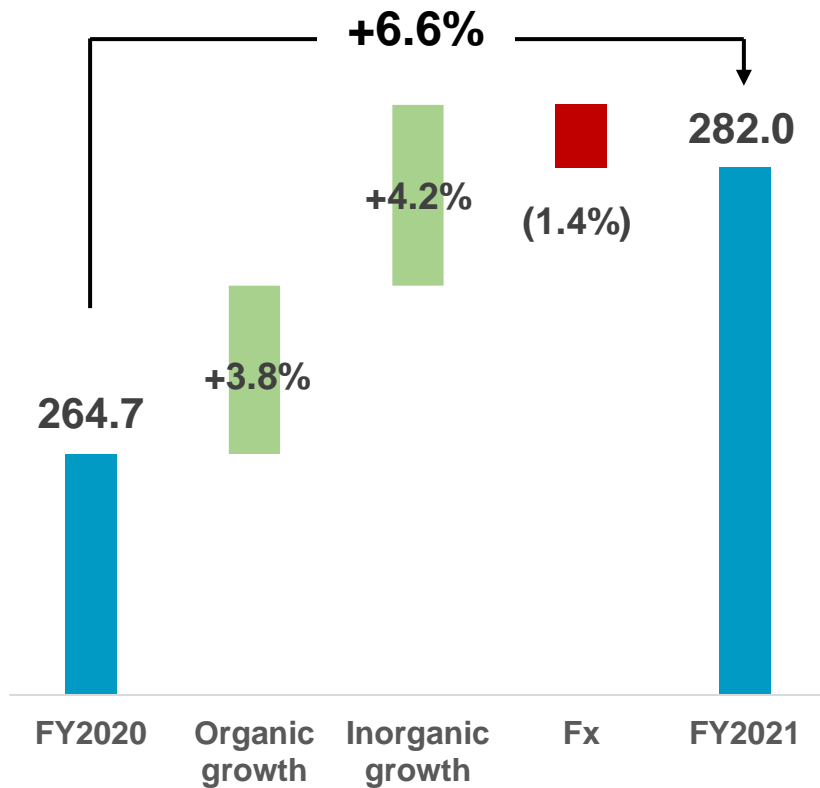
Arteche has a **stronger position** across its target markets, **adding 3 strategic assets and product portfolio**, ready to be delivered to their customers



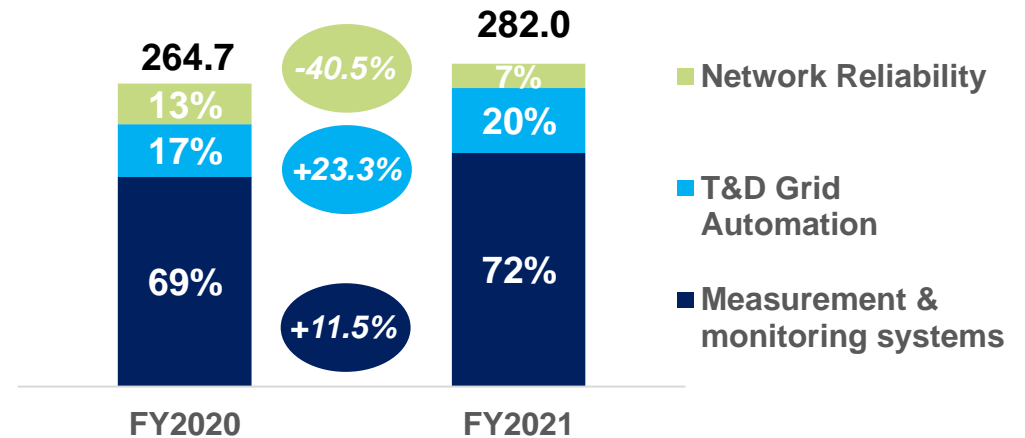
FY 2021 Financial highlights



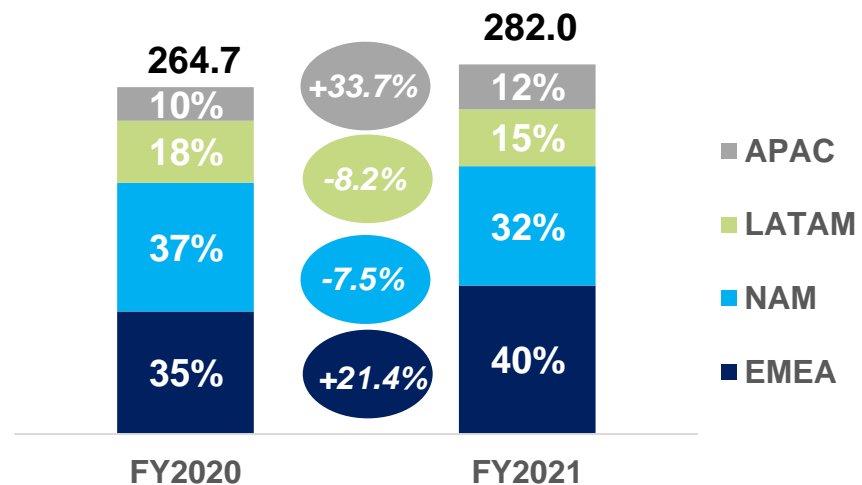
Revenues evolution (€m,%)



Evolution by business line (€m,%)

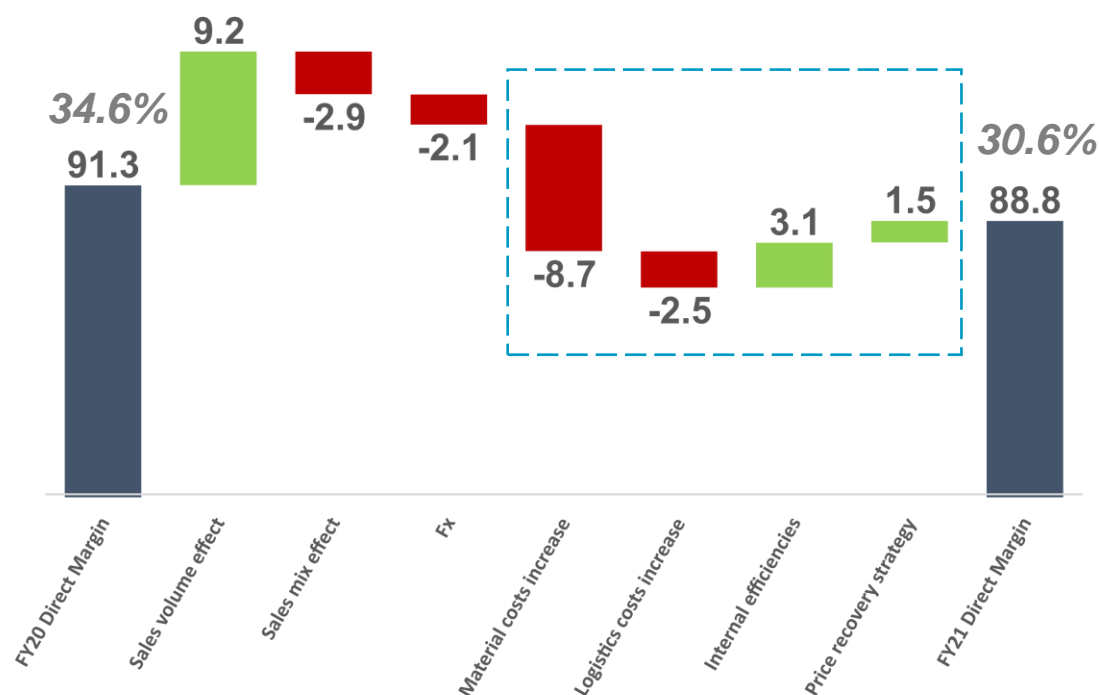


Evolution by region (€m,%)

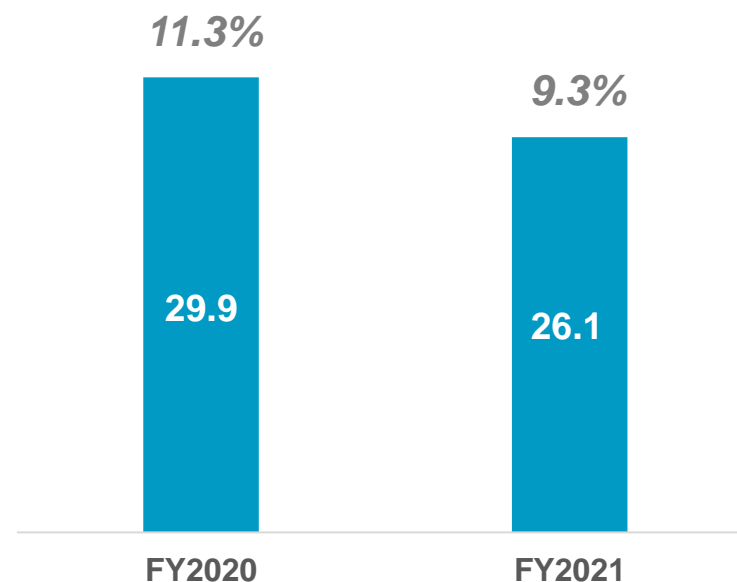


FY 2021 Direct margin and EBITDA margin

Direct margin⁽¹⁾ evolution (€m,% of income⁽²⁾)

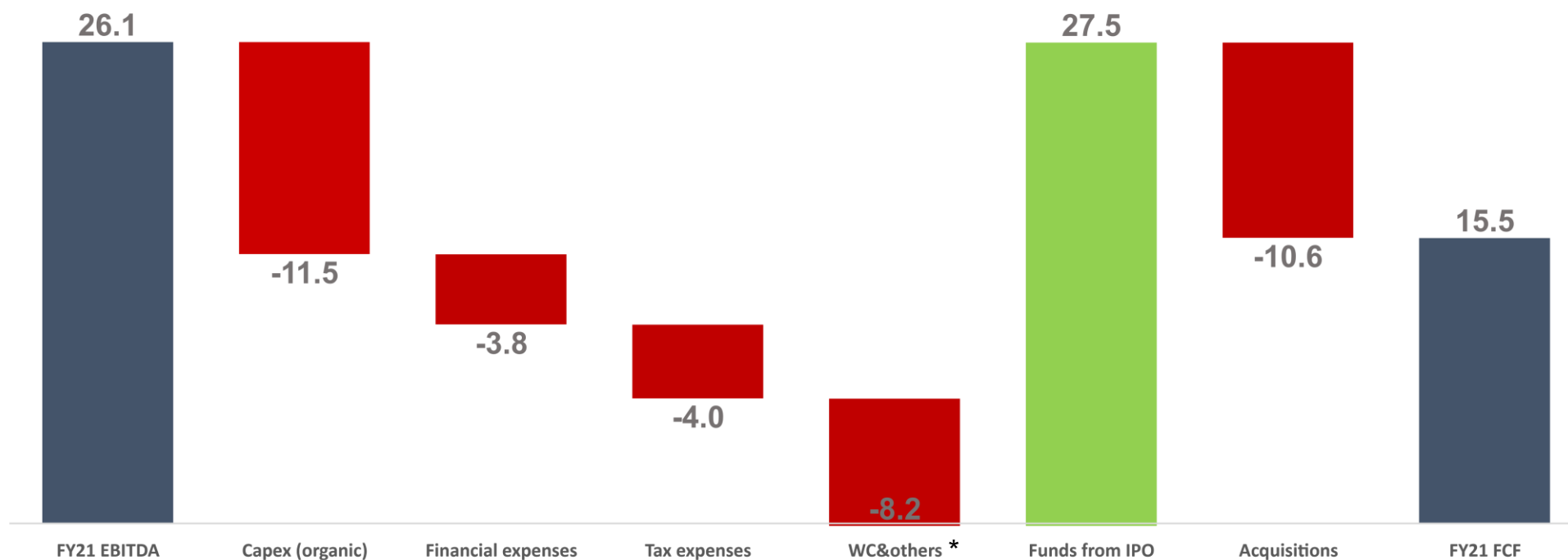


EBITDA margin⁽³⁾ evolution (€m,% of revenues)



- **FY2021 EBITDA** was impacted by **raw material and logistic headwinds** as well as by **one-off effects** (i.e. €0.6m of advisory costs for ESITAS acquisition).
- **Arteche managed to reduce structure costs**, down to 24.2% of revenues in FY21 from 24.6% in FY20.

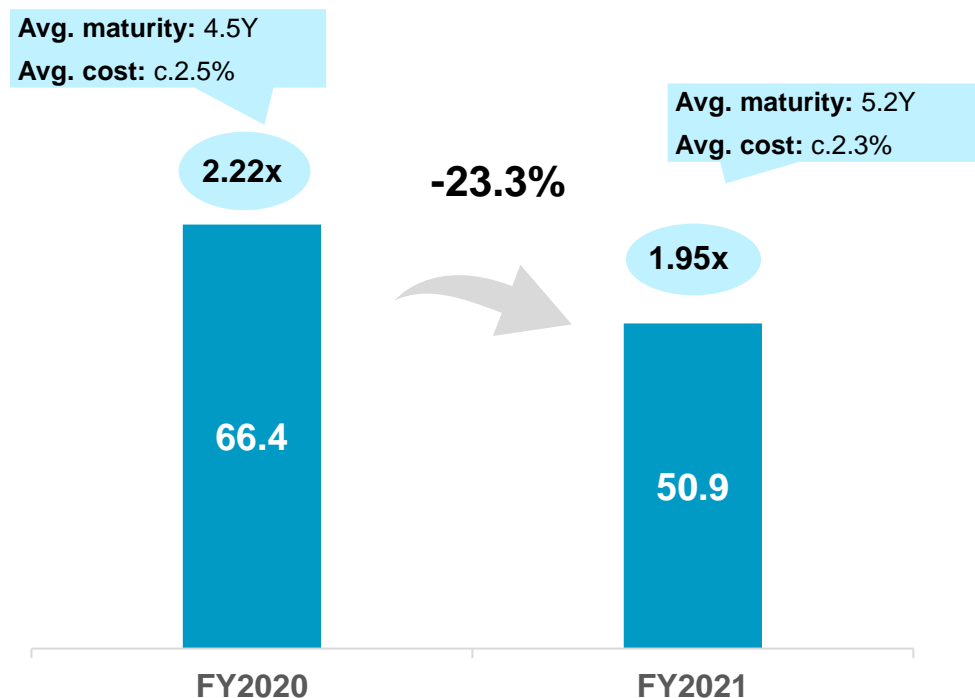
FY2021 Cash Flow Generation (€m)



FCF amounted to €15.5m

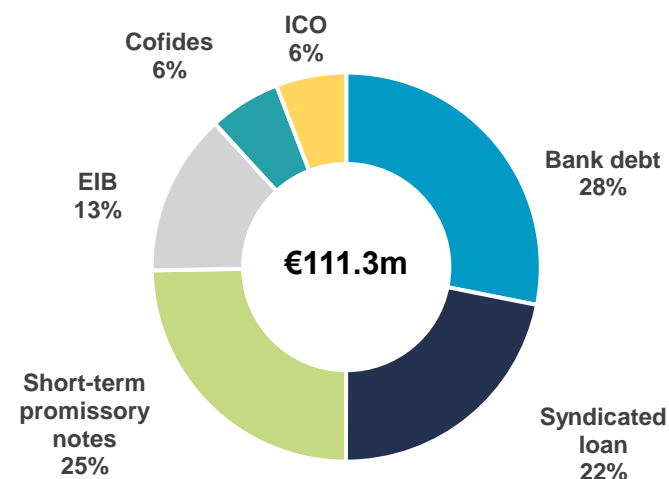
*** Extraordinary inventory increase in order to guarantee supply chain continuity**

Net financial debt (NFD), NFD/EBITDA evolution (€m, x)



Our liquidity reserves increased during 2021 thanks to the funds raised after IPO of the company at BME Growth last June 2021 as well as new financing coming from diversified sources: EIB, ICO, MARF,...

2021 Gross financial debt breakdown by source (%)



62% of total long-term loans are hedged against the risk of interest rate variation

ESG always at the centre of Arteche's core activities

Achievements

€3m

Loan from Cofides with a variable component related to the reduction of CO2 emissions

-44%

Hazardous waste generated

-5%

Electricity consumption & Scope 1 greenhouse gas emissions

+40%

Training hours

80%

Local providers

0

Environmental incidents

Sustainability Strategic Goals 2030

5 strategic lines

1

Net-zero carbon

2

100% use of Renewable Electric Energy

3

Zero impact of our products and packaging

4

Excellence in Corporate Governance

5

Diverse but equal



10 strategic objectives

- ✓ Products designed with ecological insulation.
- ✓ Digitalization of all processes.
- ✓ Reuse/recycle 100% of waste generated.
- ✓ Use of 100% recycled cardboard.
- ✓ Packaging free of single-use plastic.
- ✓ 100% renewable Energy consumption.
- ✓ Reduce our carbon footprint by more than 50%.
- ✓ Same development opportunities. Equality
- ✓ 0 days lost due to work-place injury.
- ✓ Recognized for Best Practices in Continuous Market Corporate Governance.

Safety and Health



Quality Management



Information Security Management



Environmental Management



Signatories



Our Sustainability Strategic Plan 2030, Our Ambition Journey

Expected trends in 2022

- ✓ Prevailing strong and dynamic market demand worldwide
- ✓ Arteche footprint is well positioned
 - ✓ Geographic markets / product portfolio (reinforced by 2021 M&A)
 - ✓ Market share / good order intake (Q1 2022)
- ✓ Arteche 'Business Model' proved to be resilient
 - ✓ Price recovery strategy on track
 - ✓ Cost saving programs speeding up (from design to delivery)
- ✓ Supply chain disruptions (energy, raw material, logistic costs) increase pressure on input costs
- ✓ **Shareholder remuneration:** The Board of Directors will propose to the Annual General Meeting (to be held next May 11, 2022) to distribute a dividend of 0.045 euros/share (30% pay-out against FY 2021 results)

1

Arteche has a leadership position in a specialized market



2

Well aligned with growth trends of electrification, energy transition and digitalization



3

Transforming our portfolio to deliver higher growth and better margins



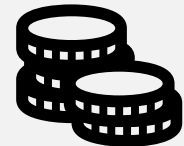
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Ongoing commitment to ESG that's creating value for all stakeholders



5

Shareholder-oriented capital allocation demonstrated through disciplined M&A and dividend distribution to be proposed





arteche
Moving together

Q&A

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Annex | Alternative Performance Measures (APM)

| APM | Unit | Definition | FY 2021 | FY 2020 |
|--|-----------|---|---|---|
| Income at sale price | €m | Revenue +/- Change in stocks at sale price | €290.5m = 282.0 + 8.5 | €264.1m = 264.7 - 0.6 |
| Direct costs | €m | Supplies (without depreciations or extraordinary costs) + direct staff costs + other direct operating costs | €201.7m = 161.7 + 23.7 + 16.3 | €172.8m = 137.3 + 21.6 + 14.0 |
| Direct margin | €m | Income at sale price – direct costs | €88.8m = 290.5 – 201.7 | €91.3m = 264.1 – 172.8 |
| % Direct margin | % | Direct margin / Income at sale price | 30.6% = 88.8 / 290.5 | 34.6% = 91.3 / 264.1 |
| Gross operating profit (EBITDA) | €m | Operating income + amortisation and depreciation + impairment of trade operations + impairment of goods + impairment of finished products and products in process | €26.1m = 12.5 + 11.6 + 0.7 + 0.1 + 1.2 | €29.9m = 17.2 + 10.8 + 0.7 + 0.3 + 0.9 |
| % EBITDA | % | EBITDA / Revenues | 9.3% = 26.1 / 282.0 | 11.3% = 29.9 / 264.7 |
| Gross Financial Debt (GFD) | €m | Amounts owed to credit institutions + other financial liabilities + financial lease creditors + debentures and other marketable securities – financing without cost | €111.3m = 53.5 + 43.1 + 1.0 + 27.5 - 13.8 | €101.8m = 40.8 + 23.6 + 23.7 + 4.0 + 0.4 + 0.4 + 14.0 - 5.1 |
| Net Financial Debt (NFD) | €m | GFD – temporary financial investments – credits to companies (no group) – cash and other equivalent liquid assets | €50.9m = 111.3 – 58.7 - 1.7 | €66.4m = 101.8 - 2.3 - 2.4 - 30.6 - 0.1 |
| Net Financial Debt/ EBITDA | times (x) | NFD / EBITDA | 1.95x = 50.9 / 26.1 | 2.22x = 66.4 / 29.9 |
| 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) | 0.16 € = 8.5 / (53.7 – 0.07) | 0.02 € = 1.0 / (49.5 – 0) |

| Key Financial Figures | | | |
|--|--------------|--------------|---------------|
| €m | | | |
| | 31.12.2021 | 31.12.2020 | % change |
| Revenues | 282.0 | 264.7 | 6.6% |
| Direct margin | 88.8 | 91.3 | -2.7% |
| <i>Direct margin (% over income*)</i> | 30.6% | 34.6% | -4.0% |
| EBITDA | 26.1 | 29.9 | -12.8% |
| <i>EBITDA margin (% over revenues)</i> | 9.3% | 11.3% | -2.1% |
| EBIT | 12.5 | 17.2 | -27.1% |
| <i>EBIT margin (% over revenues)</i> | 4.4% | 6.5% | -2.0% |
| Net profit | 8.5 | 1.0 | 730.2% |
| <i>Net profit margin (% over revenues)</i> | 3.0% | 0.4% | 2.6% |
| EPS (€/share) | 0.16 | 0.02 | 700.0% |

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

| Consolidated Balance Sheet | | |
|---|--------------|--------------|
| €m | | |
| | 31.12.2021 | 31.12.2020 |
| Non-current Assets | 101.7 | 84.9 |
| Current Assets | 183.6 | 141.4 |
| Inventories | 61.8 | 50.0 |
| Trade and other receivables | 60.4 | 53.1 |
| Cash and cash equivalents | 60.7 | 37.5 |
| Others | 0.7 | 0.8 |
| TOTAL ASSETS | 285.3 | 226.3 |
| Total Shareholders' Equity | 58.5 | 26.1 |
| Non-current Liabilities | 76.5 | 70.8 |
| Long term debt | 71.6 | 65.0 |
| Other non-current liabilities | 4.9 | 5.9 |
| Current Liabilities | 150.4 | 129.4 |
| Short term debt | 55.2 | 42.2 |
| Trade and other payables | 93.8 | 84.5 |
| Other short-term debt | 1.4 | 2.7 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 285.3 | 226.3 |