



TECNICAS REUNIDAS

# FULL YEAR 2019 RESULTS PRESENTATION

FEBRUARY 27<sup>TH</sup> 2020

JUAN LLADÓ  
CEO





# CONTENT

- **Awards**
- Backlog
- Pipeline
- De-risking and Optimisation
- Financial Results
- Outlook



## RECENT AWARDS

### Q1 2020

- EPC clean fuel refinery for Sonatrach, Algeria
- EPm polypropylene project for CKPC, Canada

### Q4 2019

- Energy efficiency project for Termocandelaria, Colombia
- Competitive FEED, olefin complex for Ineos, Belgium
- Tuban BED and FEED for Pertamina and Rosneft, Indonesia
- Energy efficiency project for Suncor, Canada

# YTD 2020 AWARDS



- Hassi Messaoud refinery
- EPC for a high conversion grassroots refinery for clean fuel production for fulfillment of stringent environmental requirements (Euro V)
- Value: US\$ 3,700 million. 55% TR share exceeding US\$ 2,000 million
- Capacity of 5 million tons/year
- Design and execution will accomplish the most stringent safety and environmental standards



## YTD 2020 AWARDS

### CANADA KUWAIT PETROCHEMICAL CORPORATION

- Client: CKPC (joint venture 50/50 KIPIC and Pembina)
- New facility to convert propane into polypropylene (550,000 tons per year)
- Reimbursable EPM contract
- Polypropylene is one of the most commonly used building blocks in the manufacturing industry and it is fully recyclable
- This is the second polymer project executed in this country, which demonstrates the strong footprint of Técnicas Reunidas in the petrochemical sector in Canada

## RECENT 2019 AWARDS



- Client: Termocandelaria
- Conversion to combined cycle of Termocandelaria's gas turbine power plant in Cartagena (Colombia)
- Increase of the output of current operations by improving the overall efficiency of the plant and reducing by 30% its carbon footprint
- Value: US\$ 200 million



- Client: Ineos
- Competitive FEED for the utilities, power and infrastructure package of INEOS' large olefin complex in Belgium
- Largest investment in the European chemical industry in the last 20 years and a landmark in terms of energy efficiency
- Potentially convertible into an EPC project



# THE LAST 18-MONTHS AWARDS CONFIRM THE RECOVERY OF THE MARKET

## Upstream Oil & Gas

- Adgas
- Bu Hasa
- Marjan field
- FEED Upper Zakum

ADNOC  
ADNOC  
Saudi Aramco  
ADNOC/Exxon

## Refining

- Singapore
- FEED Tuban
- FEED
- Hassi Messaoud

Exxon  
Pertamina/Rosneft  
YPF  
Sonatrach

Repeating Customer

~10Bn\$

## Petrochemicals

- FEED LAB
- FEED Turkey
- FEED Tuban
- FEED INEOS
- Canada

ADNOC/CEPSA  
BP/Socar  
Pertamina/Rosneft  
INEOS  
CKPC

## Power & Water

- Hamriyah
- Cogeneration plant
- Combined cycle

Sumitomo/GE  
Suncor  
Undisclosed client



# CONTENT

- Awards
- **Backlog**
- Pipeline
- De-risking and Optimisation
- Financial Results
- Outlook

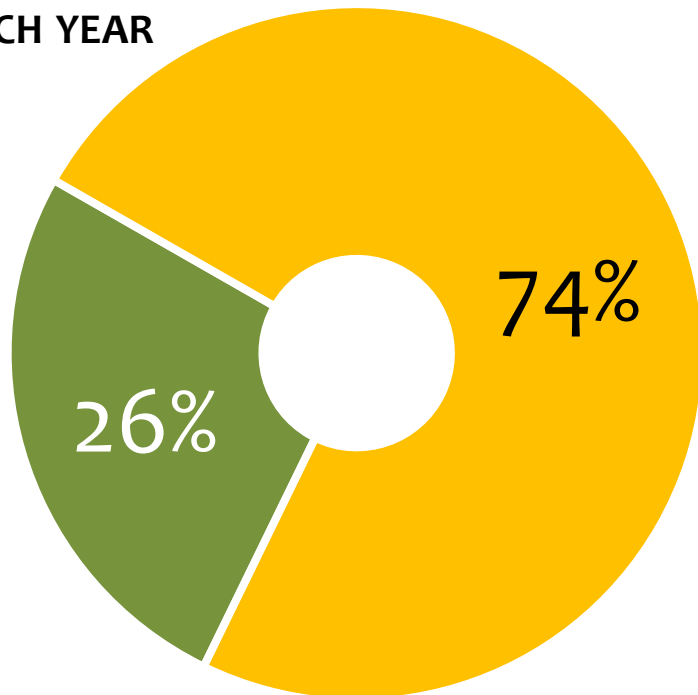


# LARGE, FRESH AND DIVERSIFIED BACKLOG

... starting 2020 at almost €12bn backlog<sup>1</sup>

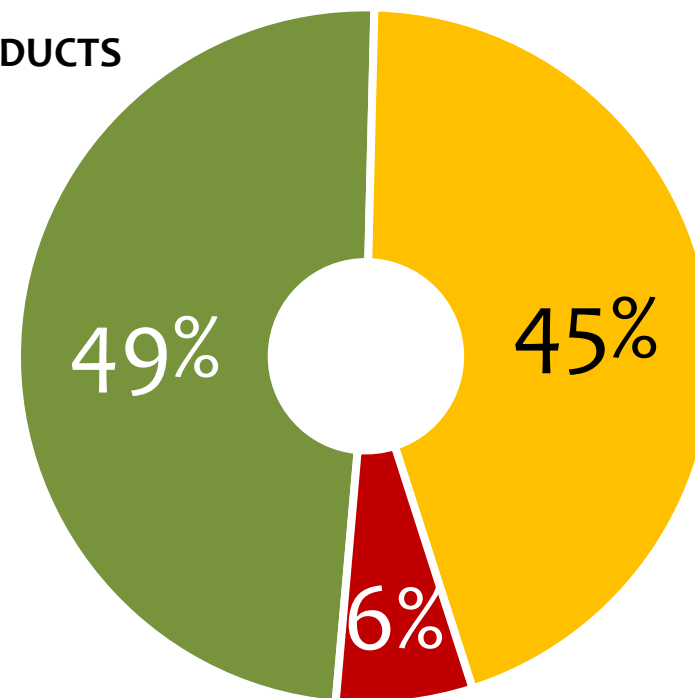
## BACKLOG SPLIT

BY LAUNCH YEAR



■ Pre-2018   ■ 2018 and 2019

BY PRODUCTS



■ Upstream   ■ Downstream   ■ Power

1. Including Algeria



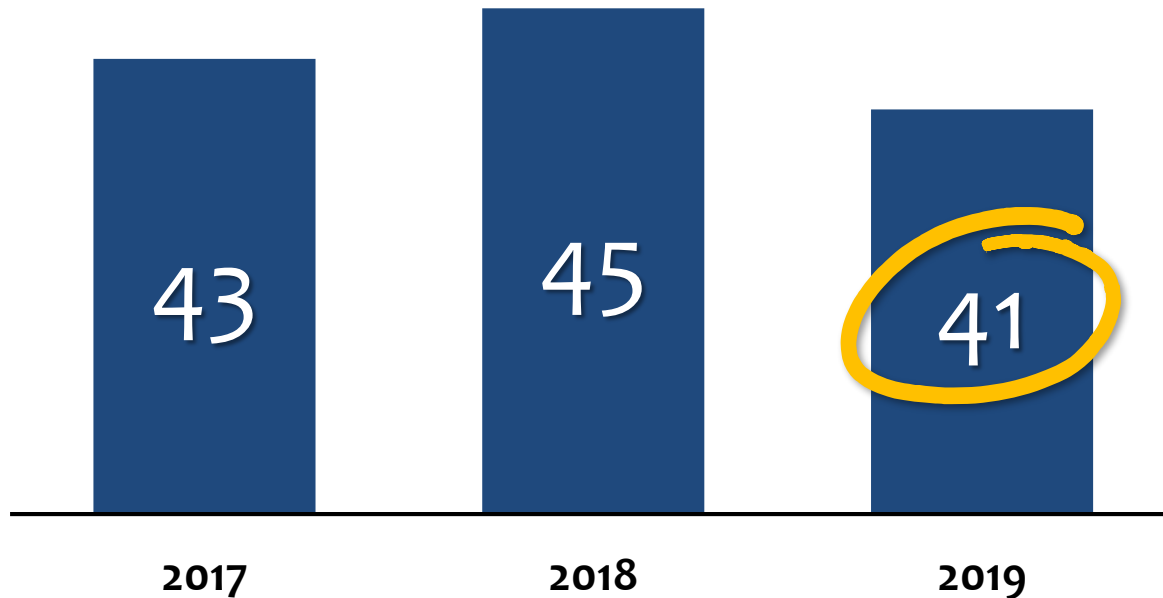
# CONTENT

- Awards
- Backlog
- **Pipeline**
- De-risking and Optimisation
- Financial Results
- Outlook



## LARGE AND DYNAMIC PIPELINE

Billion USD



The pipeline reflects the strong fundamentals of the industry

- Gas as the backbone of the energy transition
- Upstream asset replacement
- Demand growth for energy and petrochemicals in emerging countries
- Process efficiency improvement
- Adaptation to stringent environmental requirements

Supporting social and economic growth with sustainable energy



# CONTENT

- Awards
- Backlog
- Pipeline
- **De-risking and Optimisation**
- Financial Results
- Outlook

## DE-RISKED AND OPTIMISATION INITIATIVES

- **TR-ansforma plan** will redefine the group's cost structure and optimize company operations
- **Non-core divestment plan** expected to be closed in H1 2020. Circa € 50 million capital gains expected (€15.7 million<sup>1</sup>)
- **Tax settlement** closed with the Spanish Tax Inspection to reduce tax liability risk and eliminate uncertainties (€64.5 million<sup>1</sup>)
- **Preservation and maintenance** contracts for successful delivery



# CONTENT

- Awards
- Backlog
- Pipeline
- De-risking and Optimisation
- **Financial Results**
- Outlook

# PROFIT AND LOSS

## PROFIT AND LOSS

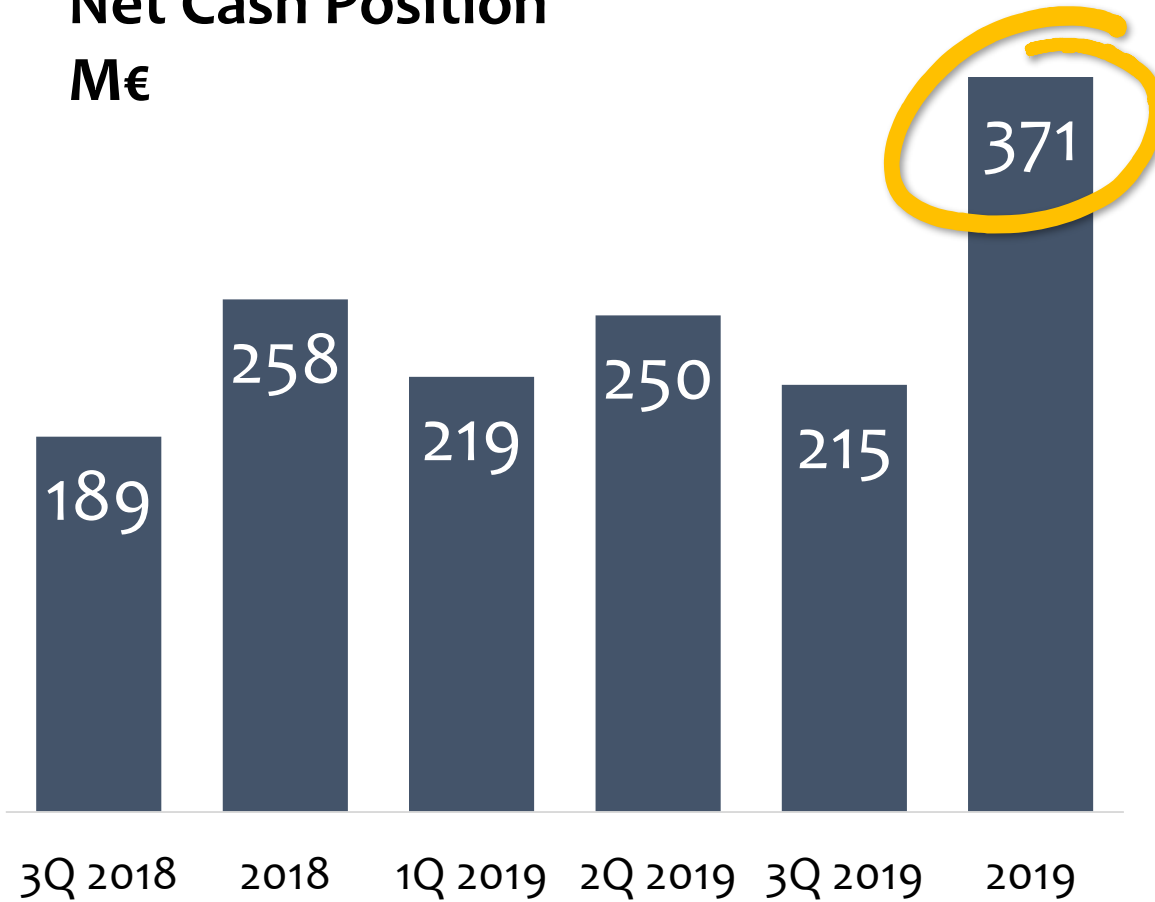
€ Million	2019 Adjusted	2018	Var.
Revenues	4,699	4,396	+7%
EBIT <sup>1</sup>	68.1	42.1	+66%
Margin	1.5%	1.0%	
Net financial results <sup>1</sup>	-17.1	-18.8	
Profit before taxes	51.0	22.3	129%
Taxes <sup>1</sup>	-11.6	-7.8	
Net profit <sup>1</sup>	39.4	14.4	173%

- Delivering projects for \$15 Bn
- Sales growth as new projects progress
- Operating margin improvement

1. Adjustments for non-recurrent items and IFRS 16 effect, detailed in the appendix.

# CASH POSITION

## Net Cash Position M€



- Working capital improvement
- >70% of the backlog in Middle East



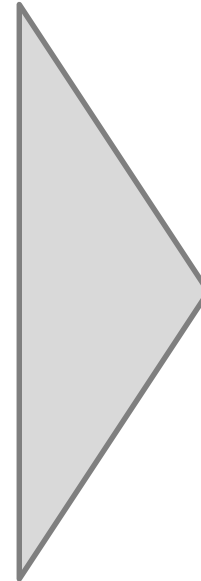


# CONTENT

- Awards
- Backlog
- Pipeline
- De-risking and Optimisation
- Financial Results
- **Outlook**

## A strengthened franchise...

- Successful delivery of complex projects
- Repeating business with renowned clients
- Technological skills increasingly recognized
- Ongoing dynamic pipeline
- A far more efficient TR



### Guidance 2020:

- Sales: €5.2 – €5.5 Bn
- EBIT margin above 3%

## **DISCLAIMER**

*This document has been prepared by Técnicas Reunidas S.A. (the Company) solely for use at presentations held in connection with the announcement of the Company's results for the first nine months of 2019.*

*This document contains forward-looking statements of the Company and/or its management. These forward looking statements such as statements relating to the Company's or management's intent belief or current expectations of the future growth in the Company's business and capital expenditure in the oil and gas industry in general are subject to risks and variables that are beyond the Company's control and that could materially and adversely affect the outcome and financial effects of the facts expressed implied or projected herein.*

*The Company is under no obligation to update or keep current the information contained in this presentation including any looking forward-statements or to correct any inaccuracies that may later become apparent.*

*No representation or warranty express or implied is made as to and no reliance should be placed on the fairness accuracy completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates advisors or representatives shall have any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection with this document.*

*This document is only provided for information purposes and does not constitute nor may it be interpreted as an offer to sell or exchange or acquire or solicitation for offers to purchase any share in the Company. Any decision to buy or invest in shares in relation to a specific issue must be made on the basis of the information contained in the relevant prospectus filed by the Company in relation to such specific issue.*



## APPENDIX: P&L ADJUSTMENTS

€ Million	FY 2019	IFRS 16	Non-recurrent items	FY 2019 Adjusted
EBITDA	110.2	-28.5	-	81.7
DEPRECIATION	-42.1	28.5	-	-13.6
EBIT	68.2	-0.1	-	68.1
NET FINANCIAL RESULT	-12.4	0.9	-5.7	-17.1
TAX	-65.8	-	54.2	-11.6
NET PROFIT	-10.0	0.9	48.5	39.4