

# Cambi ASA

## Q2 2022

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# Key Takeaways

First half-year 2022

- Strengthened business drivers
- Confirmation of order intake outlook
- Acquired complementary THP technologies
- Stepping up DBO project development in key markets
- Results marked by force majeure and delays

# Circular economy game-changer in sludge management

Solving sustainability challenges in water, energy, and agriculture at the same time

Domestic biogas replacing scarce expensive LNG



Recycling soil nutrients and micronutrients



Lower sludge treatment costs



Reducing climate gas emissions



# New contracts, new markets and more tenders

+3

References in two new cities

+1

Countries, with Safi the first project in Morocco

2

Tender awards, not yet signed

27%

Increase in tendered value  
H1 2022 vs. H1 2021



# A repeat THP contract at the Psyttalia WWTP

Athens, Greece



- Repeat contract with the private plant operator for the metropolitan water utility EYDAP in Athens
- First Cambi THP system in operation since 2015
  - ▶ Treating half of the biological sludge before drying
  - ▶ Performance compared with untreated biological sludge
- Profitable investment with reliable performance
  - ▶ Higher biogas production and improved dewatering
  - ▶ Lower dryer energy demand – considerable savings
- New system will treat the remaining biological sludge
- Cambi has several repeat clients – satisfied with the product and services quality, and investment returns

# First THP contract in North Africa – industrial client

Safi, Morocco



- THP at a municipal wastewater treatment plant in a water-stressed port city in Morocco
- Project for the world leader in phosphate fertilisers
  - ▶ OCP Group has ambitious sustainability targets and will reuse the treated effluent for industrial process water
  - ▶ Thermal hydrolysis will increase biogas production and reduce carbon emissions at the site
- Start of operations is scheduled for 2023
- The first African THP contract in South Africa also went to an industrial client
  - ▶ Full-scale pilot for industrial biological sludge for the integrated energy and chemicals company Sasol

# Innovative THP design at greenfield treatment centre near Oslo

Lillestrøm, Norway



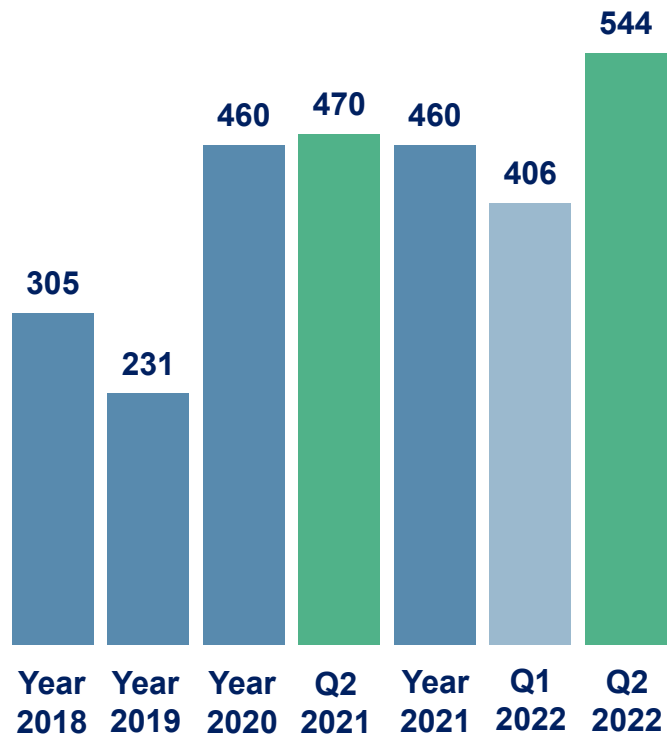
- THP plant with the latest design for higher energy efficiency and maximum value creation
- Key technology for greenfield sludge treatment centre
  - ▶ Maximising biogas output for green hydrogen production
  - ▶ Minimising the site's carbon footprint
  - ▶ Producing high-quality soil products
- Start of operations is scheduled for 2025



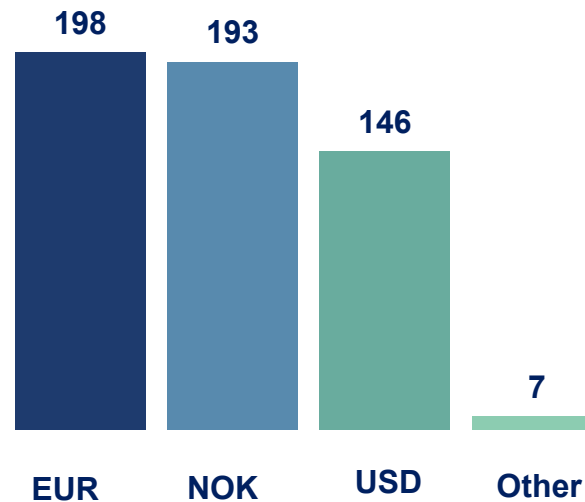
# Order backlog growth – three new Equipment contracts

H1 2022

## Backlog development

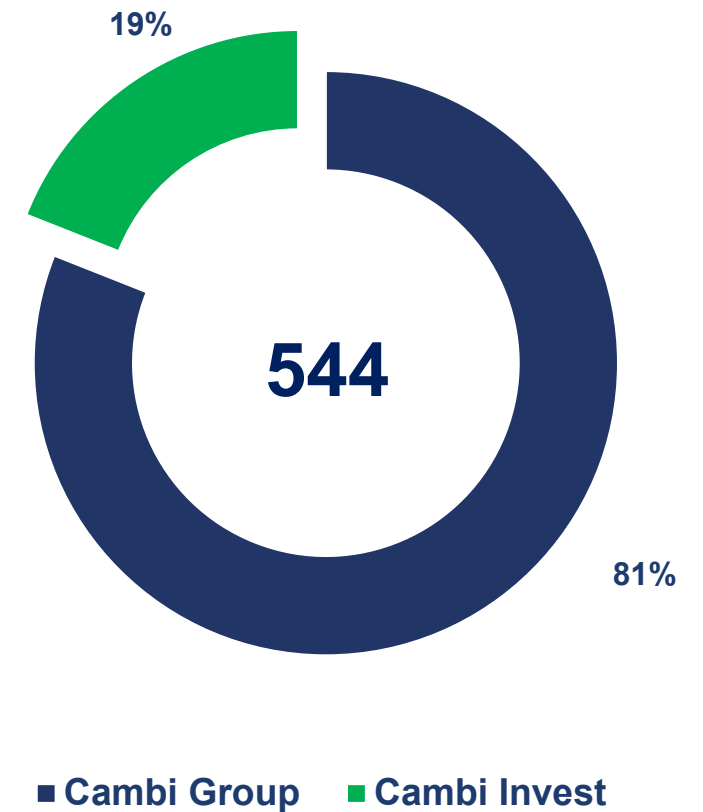


## Backlog by currency



million NOK equivalent at Q2 2022 FX

## Backlog by segment



# Recent developments

Two turnkey contracts signed so far in Q3

## Copenhagen, Denmark

- Turnkey contract for a thermal hydrolysis plant for BIOFOS at Damhusåen WWTP
- Improving site energy balance, reducing costs and carbon emissions
- Hand-over in 2024



## Fredrikstad, Norway

- Turnkey contract for a sludge treatment plant for Frevar at Øra WWTP
- Reducing operational costs and simplifying biosolids handling following sterilisation
- Signed collaboration phase contract, with construction contract expected in 2023 and hand-over in 2027

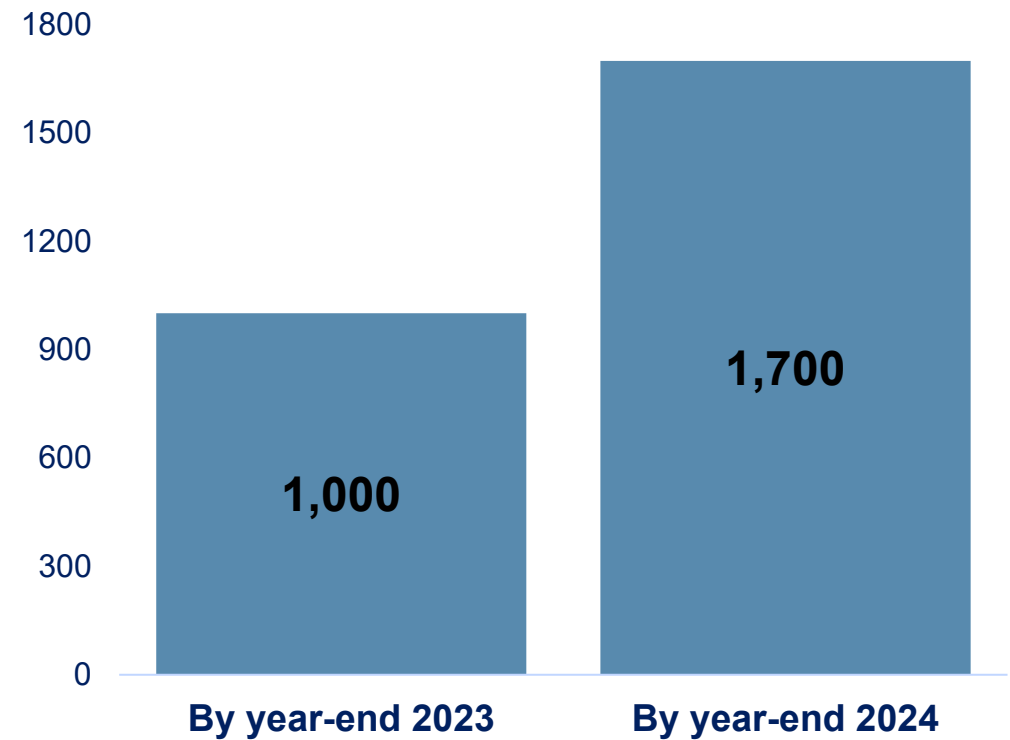


# On track to meet order intake targets

Strong business fundamentals and robust sales pipeline

- Ca. 30% of expected order intake by 2023 secured as per reporting date
- Ca. 45% of expected order intake by 2024 secured by contracts, tender awards and letters of intent as per reporting date
- Several projects maturing in all key geographies

## Medium-term outlook for Equipment order intake



in million NOK, starting from second quarter 2022

# Strengthened THP patent portfolio

Underlining commitment to supplying the best treatment technologies in anaerobic digestion projects

- Cambi acquired all patents, trademarks and know-how related to the Exelys and Thelys technologies
- Opens opportunities in new market segments
  - Smaller and CAPEX-sensitive wastewater treatment plants
  - Biogas substrates other than wastewater solids and food waste

## EXELYS™

- Continuous THP system with 9 references
- Suitable at small wastewater treatment plants

## BIO THELYS™

- Batch THP system similar to Cambi's with 11 references in France, UK, Italy, and Poland
- Suitable at small and medium-sized wastewater treatment plants



# DBO project development

## Q2 update

- Good progress for projects in the UK and USA
- Several projects in emerging markets are developing slower than expected
  - Ongoing process of identifying local partners to mature discussions beyond the feasibility stage

## Outlook

- Expecting to enter exclusive negotiations before the end of 2022 on at least one project
- Stepping up efforts to promote a full-service concept



# Recycling – Grønn Vekst

Sludge recycling and soil production



- Stable activity levels on organic waste contracts, as envisaged
- Bulk soil sales slightly below 2021
- Several growth and profitability initiatives:
  - ▶ Production optimisation and commercial strategy review to secure healthy margins amid pricing uncertainty
  - ▶ Establishing soil production and sales in the Bergen and Stavanger areas
  - ▶ Investing in a packaging facility to increase sales to the consumer segment

# Recycling – peat-free soil bags

On track for growth in peat-free soil bags segment

## Developing environmentally superior products

- **Peat mining is unsustainable**
  - ▶ Releasing vast amounts of stored carbon
  - ▶ Depleting peat bogs
- Grønn Vekst launched its first peat-free soil in 2006
  - ▶ The market was not ready
  - ▶ Restarted development in 2015, refining the recipes with new ingredients to optimise price, fertiliser value, soil structure and raw material access



## Soil bag factory construction underway

- **Estimated Norwegian market for soil bags**
  - ▶ 300-400 thousand tonnes (15-20 million bags)/ year
  - ▶ 2-3% was peat-free in 2021, with Grønn Vekst capturing about 50% of the segment
- **New soil bag factory ready for the 2023 season**
  - ▶ Up to 40,000 tonnes (2 million bags)/year
  - ▶ Flexible setup to pack other products or expand capacity



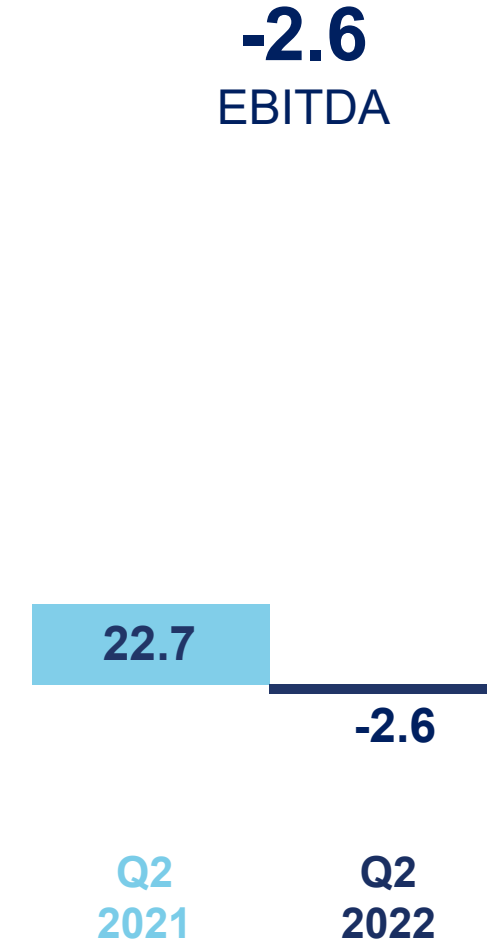
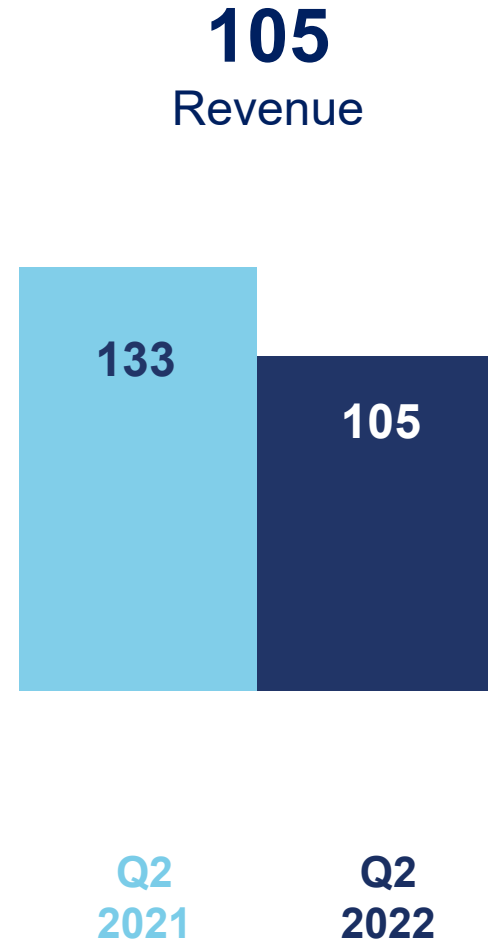
# Q2 2022 | Cambi ASA – revenue and EBITDA

- Revenue

- ▶ Low revenue recognition, with the project in Lviv on hold due to force majeure
- ▶ Supply chain disruptions and delays at customer sites affecting execution of backlog projects

- EBITDA

- ▶ Lower revenue and different revenue mix
- ▶ Increased raw materials and energy costs
- ▶ Higher SG&A costs due to increased activity

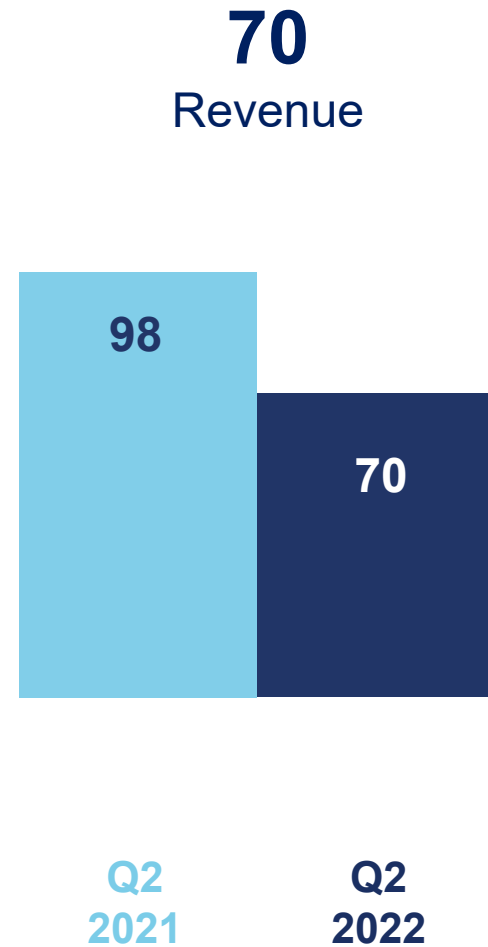


in million NOK



# Q2 2022 | Cambi Group – revenue and EBITDA

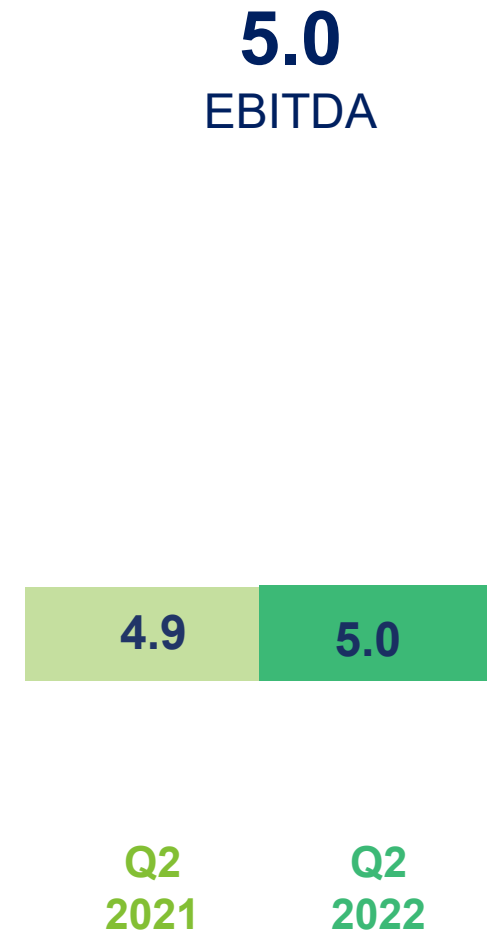
- Revenue down 29%
  - Lower recognition and fewer project milestones reached at end of the quarter
- Negative EBITDA
  - Lower revenue
  - Increased cost of materials
  - SG&A at the same level as in Q1 2022. Increased compared to same period last year due to higher activity in sales and marketing and general cost increase.



in million NOK

# Q2 2022 | Cambi Invest – revenue and EBITDA

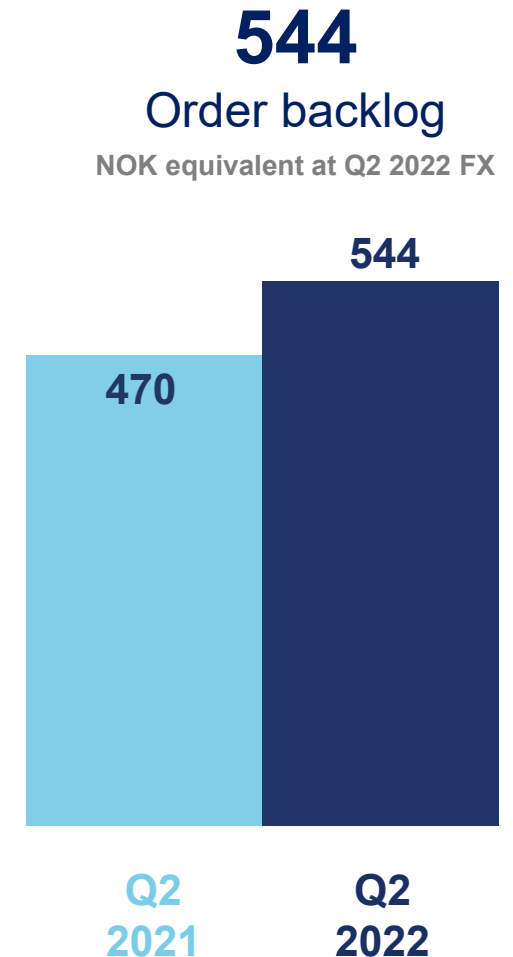
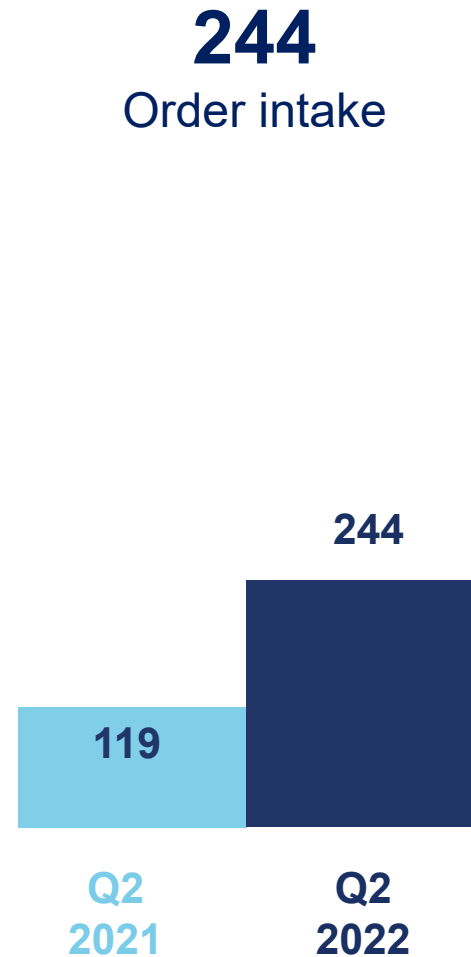
- Grønn Vekst revenue in line with last year
- Slightly lower EBITDA
  - Cost at 2021 levels except for rising fuel and transportation prices
- DBO projects progress as expected



in million NOK

# Q2 2022| Cambi ASA – order intake and order backlog

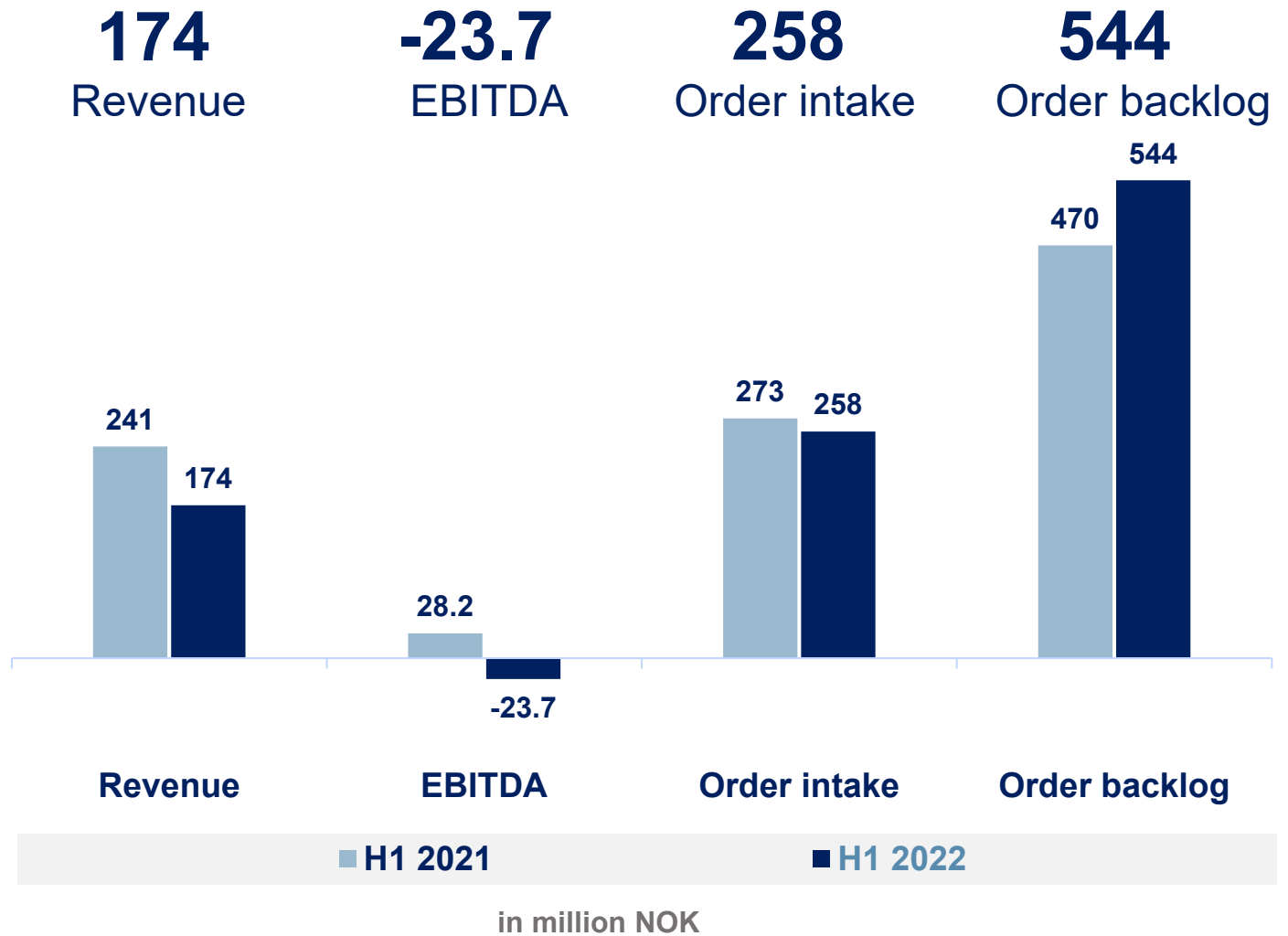
- Quarterly order intake
  - Three equipment contracts signed in the quarter
  - Several larger contracts coming closer to award
- Backlog up 16%
- The value of all the projects announced to the market but not qualifying for recognition in the backlog as per the second quarter is estimated at more than NOK 460 million.



in million NOK

# H1 2022 | Cambi ASA highlights

- Revenue down 28%
- EBITDA impact a result of slower project execution and increased sales and marketing activity.
- Order intake down 5%
- Order backlog up 16%



# Cambi has a solid financial position

Unaudited, in NOK million

<i>Assets</i>	Q2 2022	Q2 2021	Year 2021
Intangible assets	90.2	46.9	44.5
Tangible assets	19.6	20.4	19.8
Financial assets	2.1	2.0	2.1
<b>Total non-current assets</b>	<b>111.9</b>	<b>69.3</b>	<b>66.4</b>
Inventories	47.2	42.6	45.1
Debtors	136.0	157.8	140.0
Financial assets	100.5	200.2	200.9
Bank deposits	120.5	129.1	70.1
<b>Total current assets</b>	<b>404.2</b>	<b>529.7</b>	<b>456.1</b>
<b>Total assets</b>	<b>516.1</b>	<b>599.0</b>	<b>522.5</b>

Unaudited, in NOK million

<i>Equity</i>	Q2 2022	Q2 2021	Year 2021
<b>Total equity</b>	<b>418.3</b>	<b>442.9</b>	<b>442.0</b>

Unaudited, in NOK million

<i>Liabilities</i>	Q2 2022	Q2 2021	Year 2021
Non-current liabilities	1.8	11.9	2.4
Current liabilities	96.0	144.2	78.1
<b>Total liabilities</b>	<b>97.8</b>	<b>156.1</b>	<b>80.5</b>
<b>Total equity and liabilities</b>	<b>516.1</b>	<b>599.0</b>	<b>522.5</b>

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