

# Cambi ASA

## Q4 2023

Eirik Fadnes, CEO  
Mats Tristan Tjemsland, CFO

7 March 2024

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# Financial highlights

	Operating income	EBITDA	Order intake	Order backlog
Q4	294	59	46	1,542
2023	977	249	1,453	

# Growing our diverse, talented and highly motivated team

## Building a stronger team



- Ensuring our capacity to deliver impeccable project execution for all new contracts
- Laying the ground for future growth by investing in sales, marketing, and services
- Cambi remains an attractive global employer for experienced professionals and talented youth

## Investing in people and collaboration

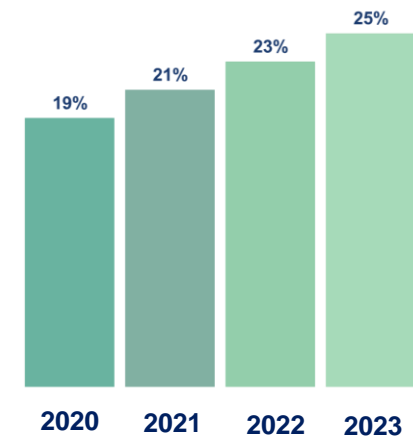


- Appointed Martine Sunde as Chief People & Culture
- Launched several initiatives
  - Improving onboarding experience
  - Developing new training and continuous learning programmes
  - Increasing collaboration efficiency between geographies and departments

## Improving gender equality



% female employees



# Embracing transparency to improve our environmental and social impact

- Sustainability at Cambi's core: Emphasizing health, safety, and environmental stewardship.
- Commitment to integrity and sustainable development through responsible sourcing, manufacturing, and delivery.
- Regular training supports the team in navigating any situations they may encounter
- Progress on supply chain transparency contributes to ensuring decent working conditions and respect for fundamental human rights for everyone connected to our business

**New** | Cambi's first Transparency Act and Modern Slavery Statement

**New** | ISO45001:2018 certification for occupational health and safety

**0** | No injuries nor any reportable incidents for Cambi/ Grønn Vekst

# Strengthening Cambi through focus on five strategic areas

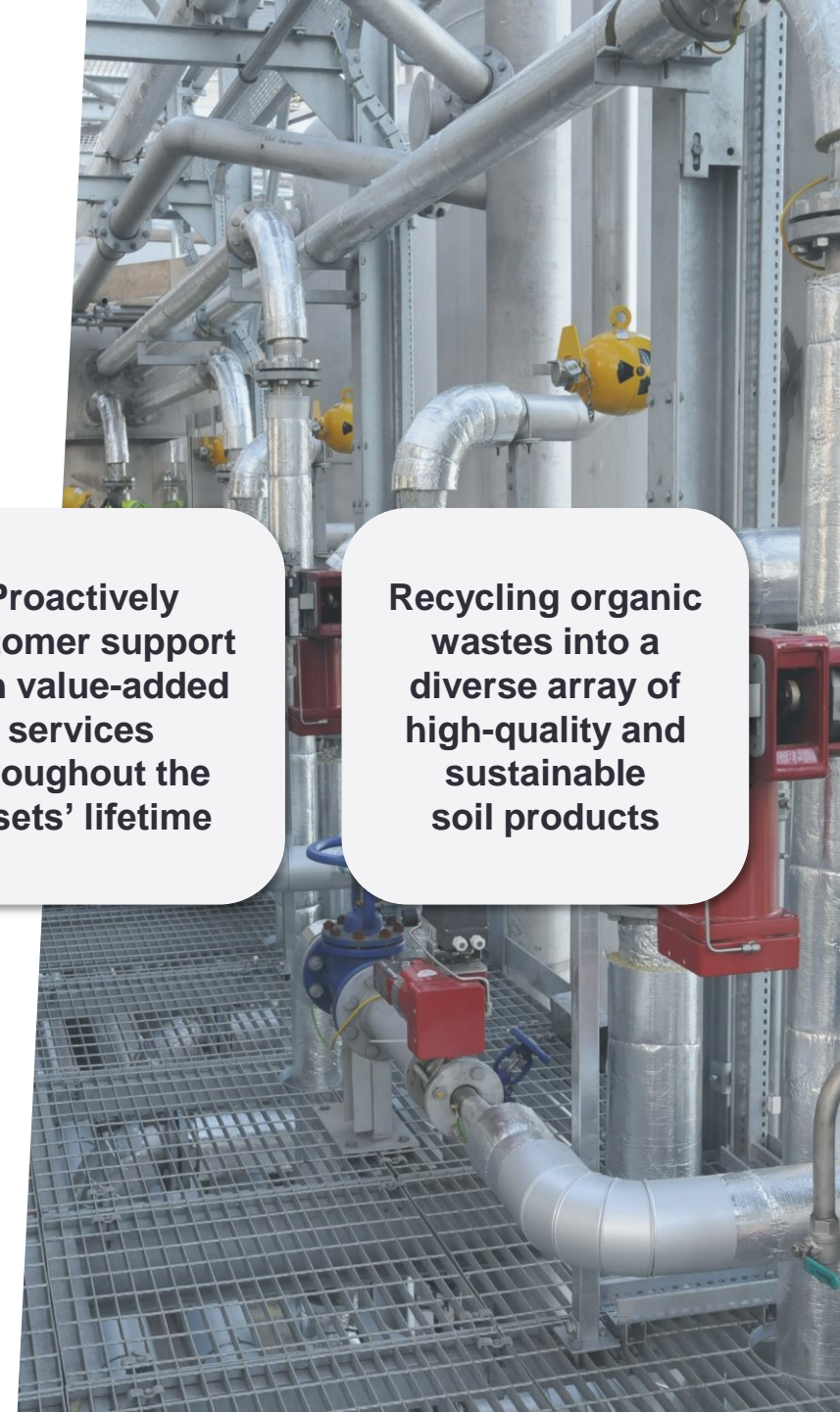
Be the industry benchmark for sludge treatment

All cities shall consider thermal hydrolysis for their wastewater solids treatment

Well-functioning systems that become good references from satisfied customers

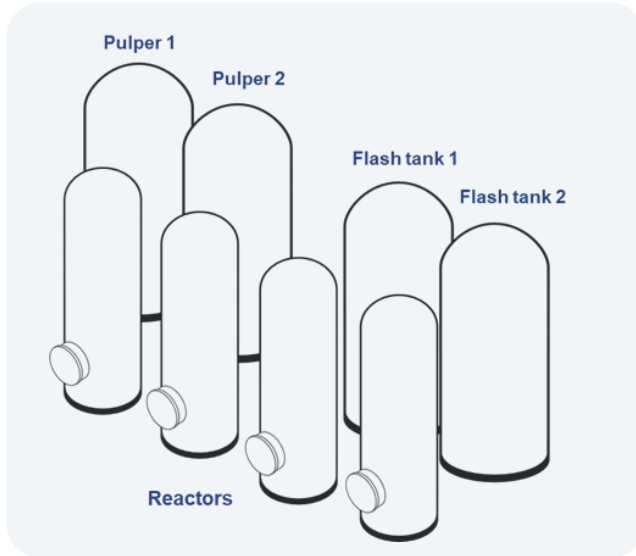
Proactively customer support with value-added services throughout the assets' lifetime

Recycling organic wastes into a diverse array of high-quality and sustainable soil products



# Industry benchmark for wastewater solids treatment solutions

Continuous investments in research and development



- Launched three new THP models – S, P, and E
  - All already under delivery
  - Part of Cambi's commitment to technological excellence for maximum energy efficiency and reduced maintenance



- Improved our smallest product, the B2 system
- Launched Plug & Go, a modular sludge pre-treatment solution based on the B2
  - Available as asset sales and financed solutions



- Successfully trialed the THP for converting industrial solids into hydrocarbon fuels & chemicals
  - Full-scale plant under delivery to Sasol in South Africa
  - Significantly reducing waste and greenhouse gas emissions

# All cities will evaluate Cambi THP for their sludge treatment





# Well-functioning THP references and satisfied customers

## Customer Satisfaction



### Strongford

*“All the Cambi staff I have dealt with are extremely competent, they have extensive knowledge of the product, helpful and courteous, even in difficult situations.”*

*“Cambi have been a very helpful and open partner throughout the project, I would hope to work with them on future projects.”*



### Oxley Creek

*“Cambi were essential to the successful delivery of the upgrade project. Their site personnel went above and beyond the requirements to making sure that the upgraded system worked «as sold».”*

**>90%**

Average satisfaction score

- Timeliness
- Reliability
- Working methods
- Professionalism
- Finding solutions
- Availability
- Training
- Relationship

# Well-functioning references and satisfied customers



San Francisco, USA



Brussels, Belgium



Oslo, Norway



Beijing, China



Washington DC, USA



Dublin, Ireland



Wellington, New Zealand



London, UK



Kansas City, USA



Athens, Greece



Birmingham, UK



Hong Kong, China



Dallas, USA



Panama City, Panama



Edinburgh, UK



Singapore



Santiago, Chile



Warsaw, Poland



Sofia, Bulgaria



Sydney, Australia



# Proactively support clients through value-added services and solutions

- Expanded Services team for enhanced global support
  - Offering advice, annual maintenance, and spare parts
  - Close collaboration for upgrade business cases
- Increasing demand for upgrades and end-of-life replacements
  - Packaged deliveries for improved energy efficiency, capacity, performance
- Key 2023 project highlights:
  - Ringsend, Dublin: Comprehensive THP upgrade, doubling sludge throughput
  - Psyttalia, Athens: Incremental THP adoption for efficient investment
  - Hengelo, Netherlands: System expansion through additional reactor
  - First construction project delivered with Cambi PLUS from the outset, for advanced process insights



# Recycling organic wastes into sustainable soil products

- New biosolids handling contract in Trondheim
  - All contracts are executed as planned
- Soil sales growth, including farm soil restoration
- Grønn Vekst opened last summer Norway's first peat-free soil packaging facility in Kristiansand
- Peat-free soil R&D investments are bearing fruit
  - The retail offer now includes four peat-free soil products, LECA, and bark
  - Retail deliveries started in January 2024
- Good prospects for future growth



# Cambi will improve solids treatment in Hawaii – major contract

- Cambi has been awarded a contract to supply a THP system to the Honouliuli wastewater treatment plant
- Cambi's 12th project in the US, with operations scheduled to start in 2027
- Modern, efficient, earthquake-safe THP system
- Saves space and cost by substituting new digesters and enables safe biosolids reuse



# Grønn Vekst was awarded an important biosolids handling contract

- Grønn Vekst has been awarded one of Norway's largest contracts for handling biosolids for Veas
- Veas is Norway's largest wastewater treatment plant, serving more than 800,000 people
- The contract has a firm duration of 2 years, with two extension options of one year for a total duration of up to 4 years.
- The estimated contract value, including options, is up to NOK 80 million.
- Cambi's process and Grønn Vekst's experience with biosolids-based soil products will strengthen Veas' role in the local circular economy, contributing to a healthier Oslo fjord.



# Outlook

- Interest in Cambi's solutions continues to increase
  - Stricter regulations in many markets drive demand for THP systems and peat-free soils
- Measures in place to mitigate geopolitical risks and the financial risks of currency fluctuations
- Cambi continues to target its five strategic focus areas to realise its growth potential
- In 2024, Cambi is utilising its high operational leverage to invest in marketing, sales, and services
- Board will propose of a dividend of NOK 1.00 per share to the AGM meeting on 2 May



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# Financial performance

Mats Tristan Tjemsland, CFO

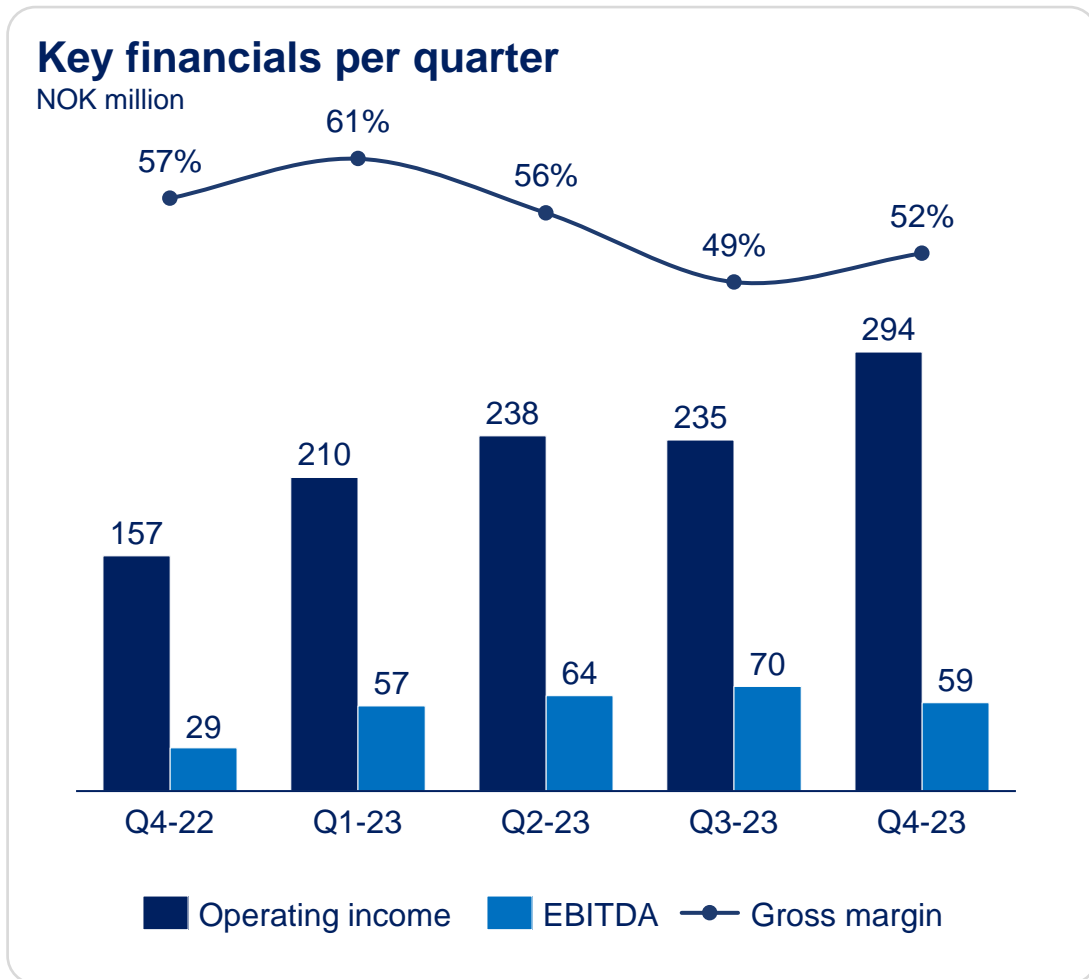


# Financial highlights for the quarter

- All-time high operating income
- Continued robust EBITDA performance
- High cash flow from operations
- Solid financial position
- Dividends of NOK 0.60 per share were distributed
- A dividend of 1.0 NOK per share for 2023 is proposed, subject to approval by the AGM

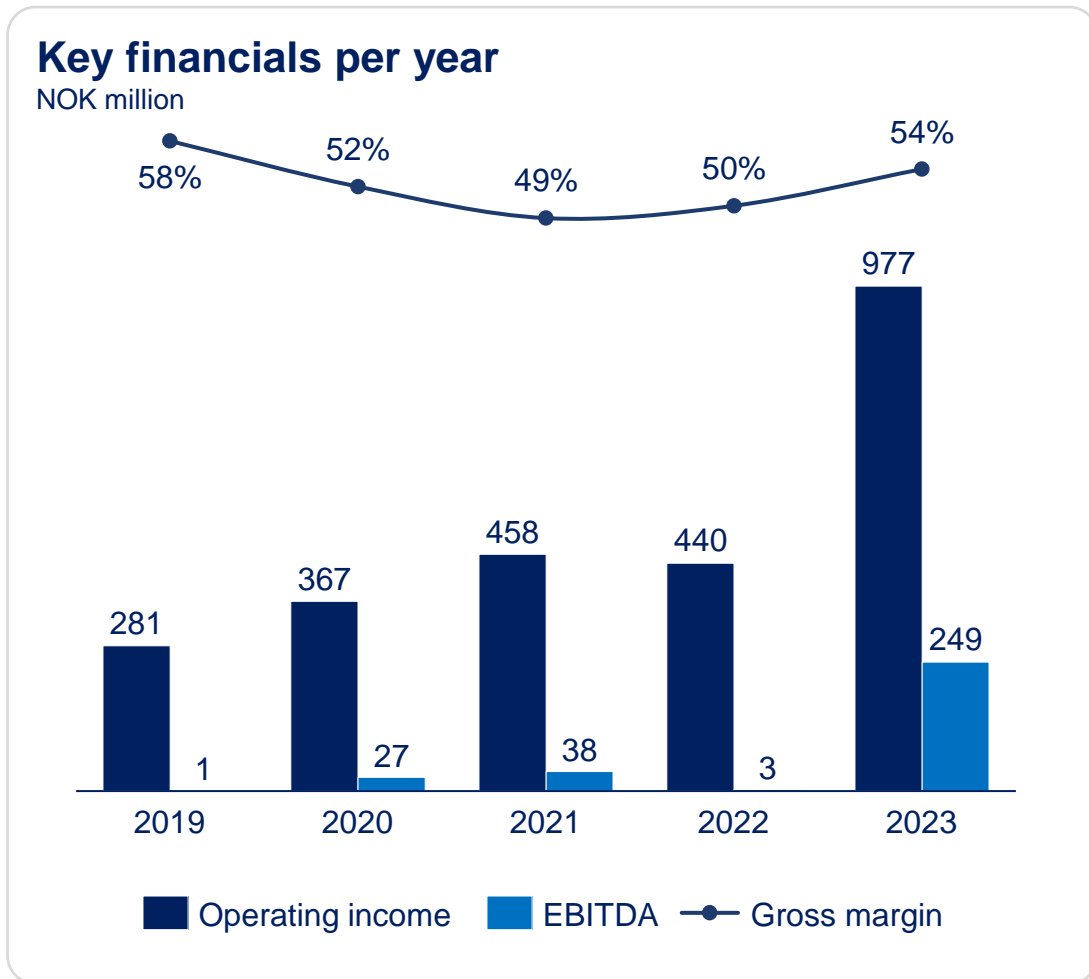


# Quarterly operating income and EBITDA



- Solid progress on a high number of ongoing construction projects
- Gross margins in line with previous quarter
- Increase in payroll costs
- Operational leverage unlocking profitability

# Yearly operating income and EBITDA

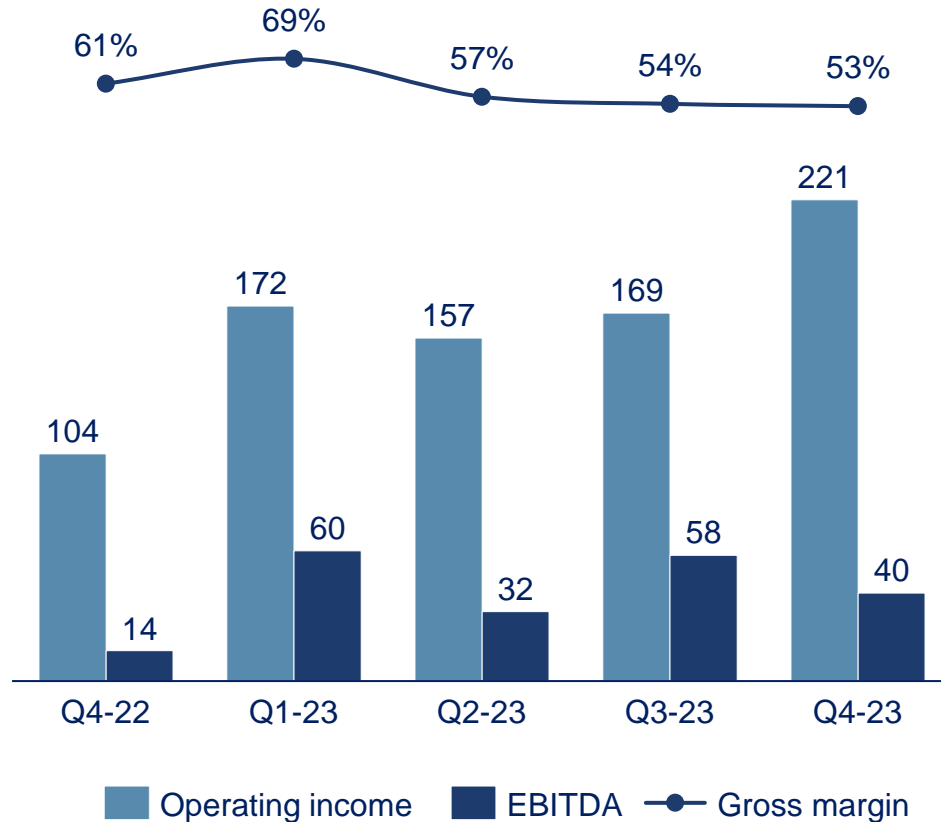


- All-time high operating income and EBITDA
- A weak NOK has provided an uplift from project revenues in foreign currencies
- Solid gross margin levels
- EBITDA margin of 25%

# Quarterly operating income and EBITDA

## Key financials per quarter

NOK million

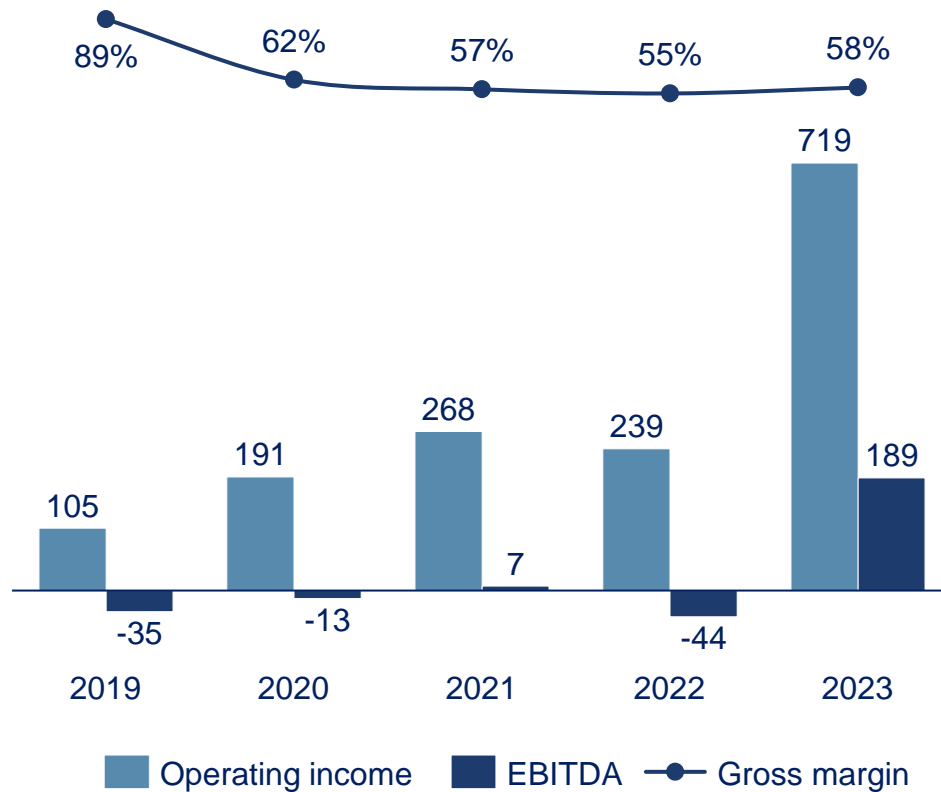


- Technology segment consists of R&D, sales, manufacturing and delivery of construction projects
- Strong performance driven by many ongoing construction projects
- There were 15 ongoing construction projects at the end of Q4
- Variation in project scopes is a key driver for reported gross margin
- Solid profitability unlocked when activity levels are high

# Yearly operating income and EBITDA

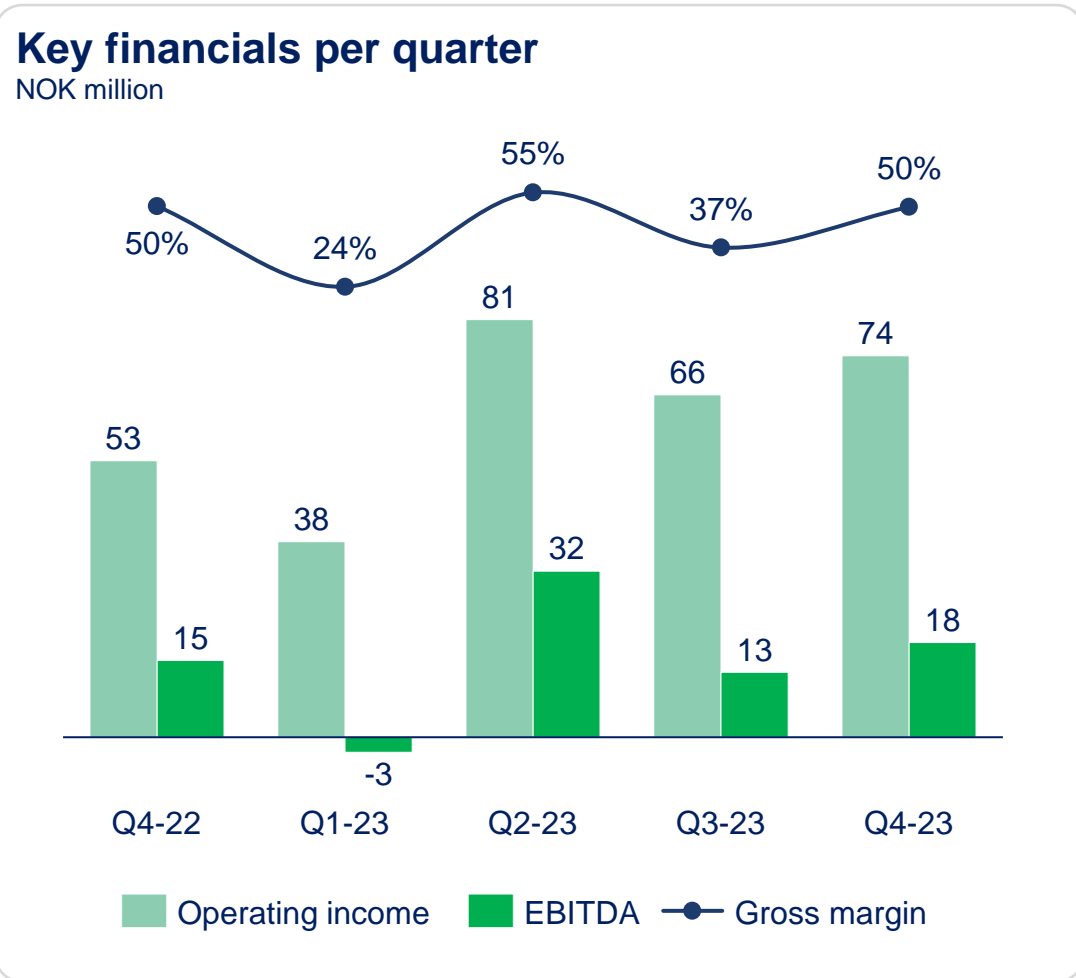
## Key financials per year

NOK million



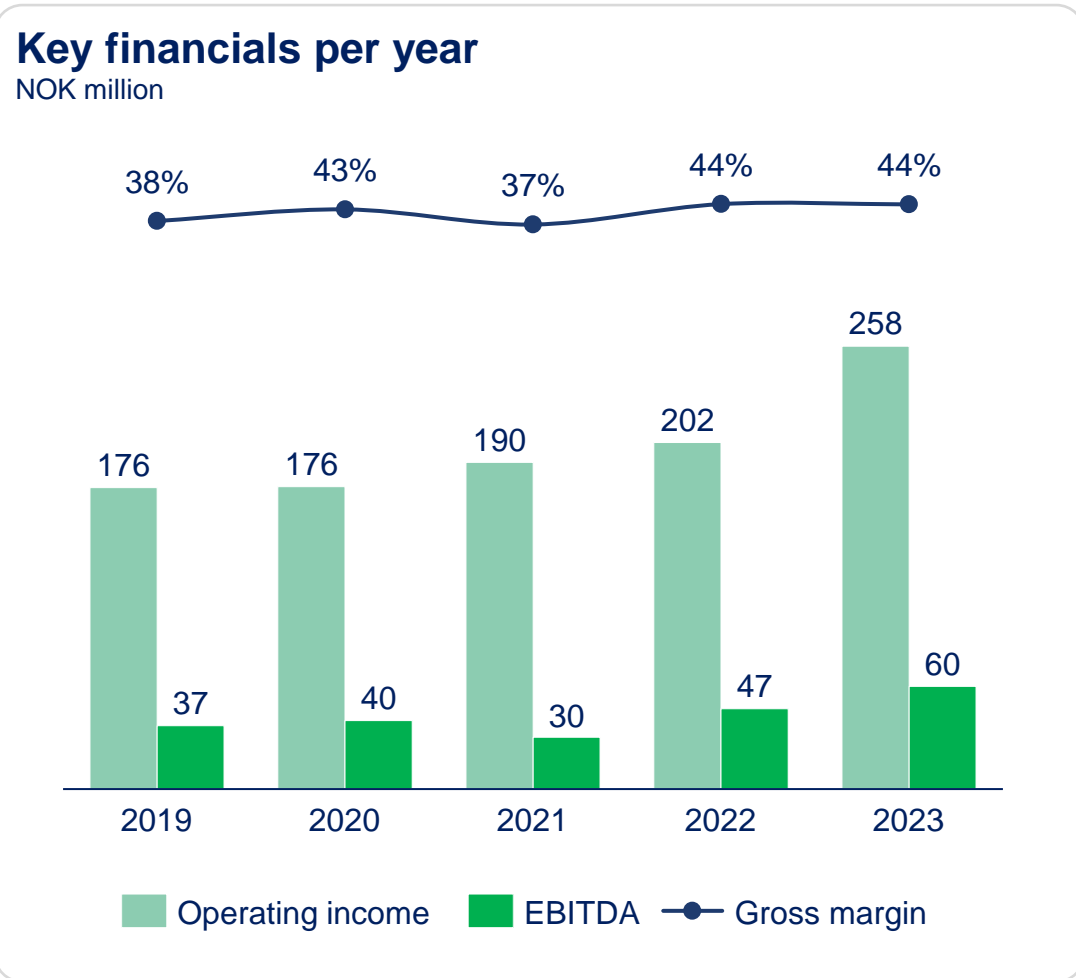
- A remarkable year for the Technology segment
- All-time high reported operating income and EBITDA
- Stable development of gross margins
- EBITDA margin of 26%

# Quarterly operating income and EBITDA



- The Solutions segment consists of all services delivered to existing clients in the installed base and the recycling company Grønn Vekst
- The segment contributed 25% of Cambi's total quarterly operating income.
- The segment had 1 ongoing construction project at the end of Q4 (down from 3 in Q3)
- Gross margins influenced by operating income mix
- EBITDA margin of 24%

# Yearly operating income and EBITDA

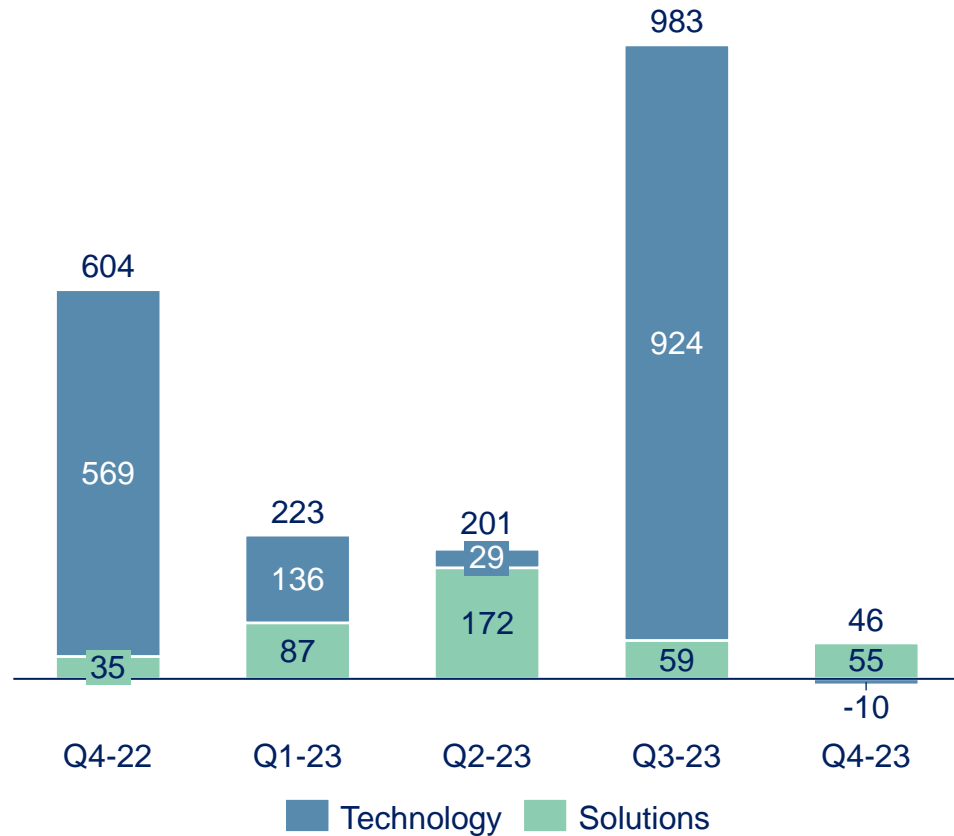


- Financial performance of the segment is stable and predictable
- Operating income growth coming from higher activity across the line
- Stable gross margin development
- EBITDA margin of 23%

# No notable contract awards during Q4, but an all-time high order intake for the full year 2023

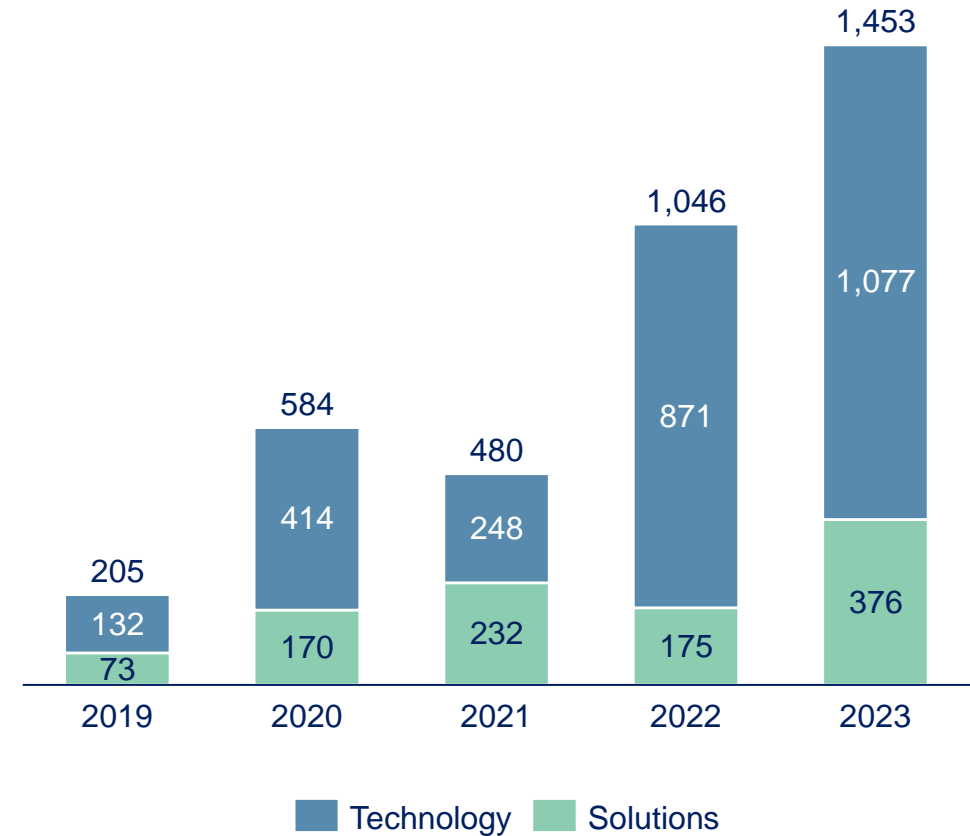
## Order intake per quarter

NOK million



## Order intake per year

NOK million

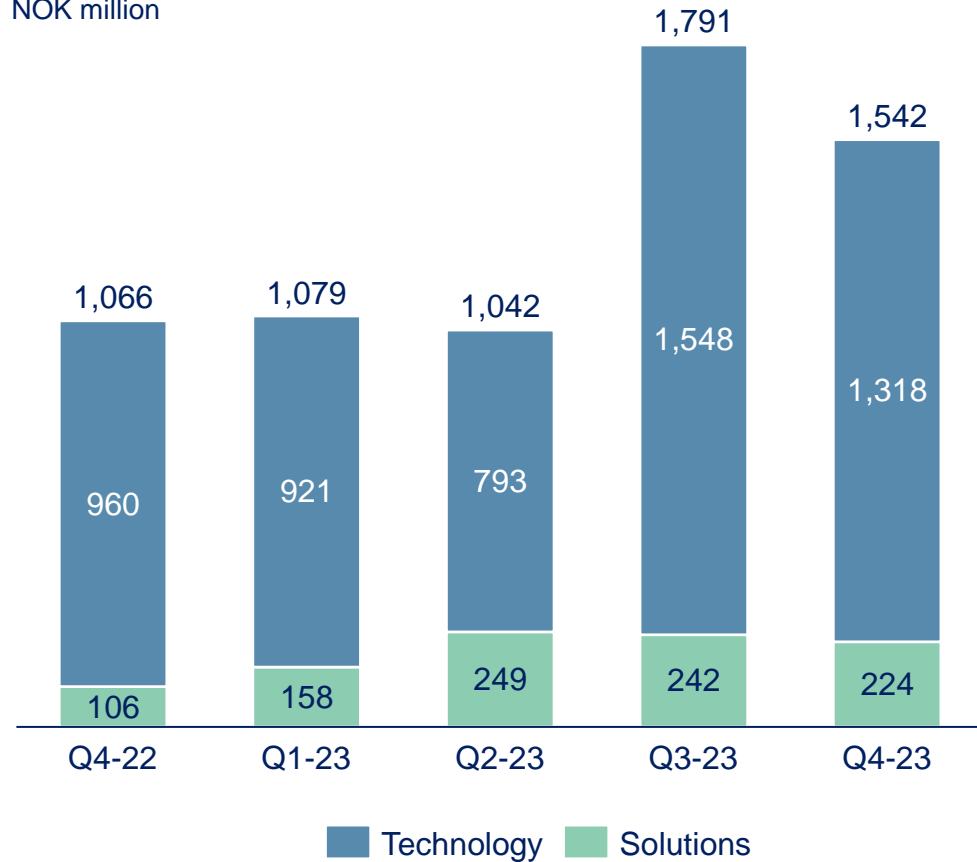




# Order backlog was NOK 1.5 billion at the end of Q4, providing a solid financial foundation going forward

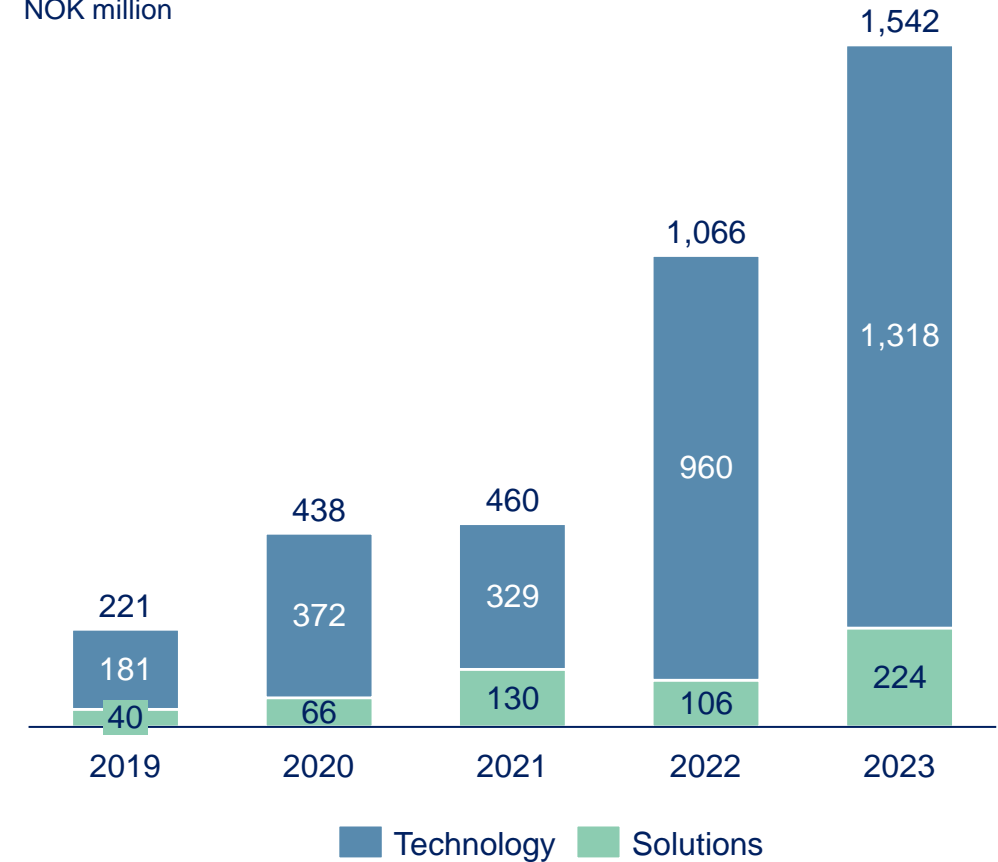
## Order backlog per quarter

NOK million



## Order backlog per year

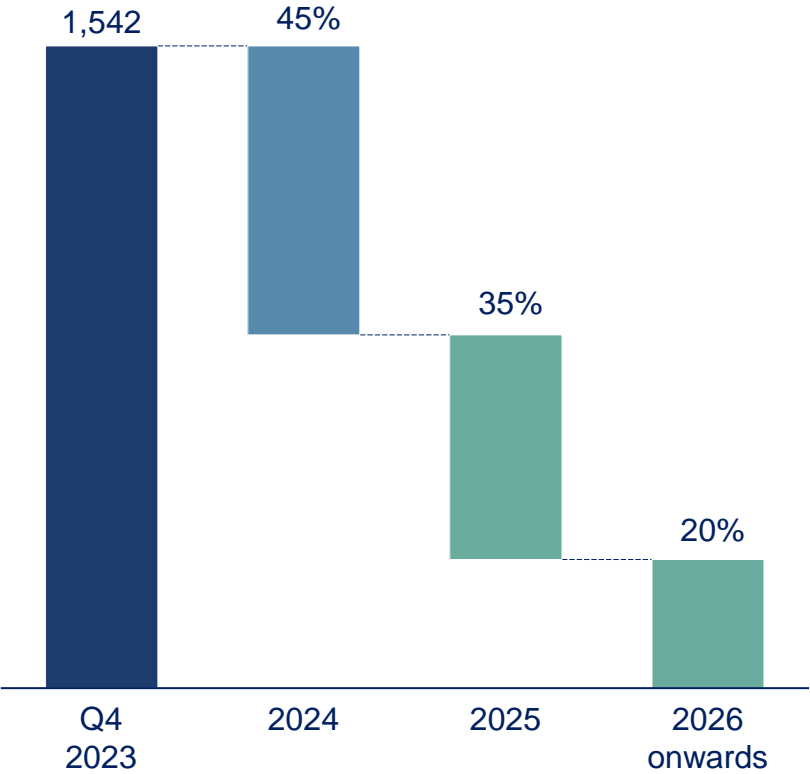
NOK million



# Backlog breakdown by execution year provides Cambi good financial visibility for the next years

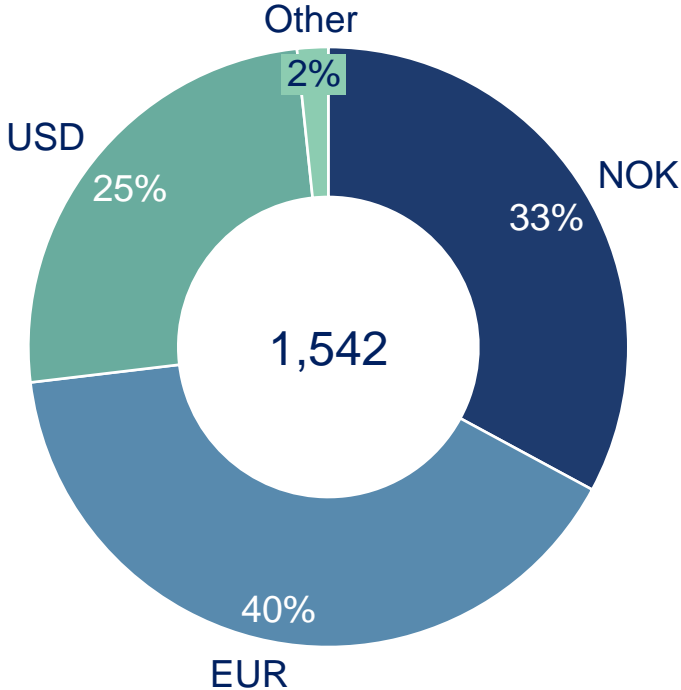
### Order backlog by execution year

NOK million



### Order backlog by currency

NOK million



# Profit and loss statement

## Consolidated statement of profit and loss

NOK million	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Operating income	157	210	238	235	294
Costs of goods sold	67	81	105	119	140
<b>Gross margin</b>	<b>90</b>	<b>128</b>	<b>133</b>	<b>116</b>	<b>154</b>
Payroll expenses	36	39	37	42	64
Other operating expenses	26	33	32	4	32
<b>Operating expenses</b>	<b>62</b>	<b>72</b>	<b>69</b>	<b>45</b>	<b>96</b>
<b>EBITDA</b>	<b>29</b>	<b>57</b>	<b>64</b>	<b>70</b>	<b>59</b>
Depreciation and amortisation	11	6	6	6	6
<b>Operating profit</b>	<b>18</b>	<b>51</b>	<b>58</b>	<b>64</b>	<b>53</b>
Net financial items	0	-2	-5	6	5
<b>Profit (loss) before tax</b>	<b>18</b>	<b>48</b>	<b>53</b>	<b>70</b>	<b>57</b>
Tax expense	-2	0	0	0	44
<b>Net profit (loss)</b>	<b>20</b>	<b>48</b>	<b>53</b>	<b>70</b>	<b>13</b>

- Cost of goods sold does not include payroll costs related to manufacturing
- The reported payroll in Q4 includes a variable remuneration accrual of NOK 17 million for the full year 2023
- Expenses related to R&D are not activated as intangible assets on the balance sheet
- Depreciation mainly related to the acquired technology portfolio, estimated to end medio 2025
- Net financial items mainly related to interest from bank deposits and money market funds
- Tax expense of NOK 44 million mainly due to changes in deferred tax

# Balance sheet shows that Cambi has a solid financial position

## Consolidated statement of financial position

NOK million	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
<i>Assets</i>					
Intangible assets	82	77	72	67	30
Tangible assets	20	20	31	32	35
Financial assets	1	1	1	1	1
<b>Total non-current assets</b>	<b>103</b>	<b>98</b>	<b>104</b>	<b>99</b>	<b>66</b>
Inventories	43	60	75	75	71
Debtors	163	176	251	222	242
Financial assets	102	102	102	102	108
Bank deposits	167	199	168	282	240
<b>Total current assets</b>	<b>475</b>	<b>537</b>	<b>597</b>	<b>681</b>	<b>661</b>
<b>Total assets</b>	<b>577</b>	<b>635</b>	<b>701</b>	<b>780</b>	<b>726</b>
<i>Equity and liabilities</i>					
<b>Equity</b>	<b>402</b>	<b>464</b>	<b>520</b>	<b>489</b>	<b>500</b>
Non-current liabilities	1	1	1	0	0
Current liabilities	174	170	180	291	226
<b>Total liabilities</b>	<b>175</b>	<b>171</b>	<b>181</b>	<b>292</b>	<b>226</b>
<b>Total equity and liabilities</b>	<b>577</b>	<b>635</b>	<b>701</b>	<b>780</b>	<b>726</b>

- Deferred tax assets (part of intangible assets) reduced from NOK 31 million to zero
- A deferred tax (part of current liabilities) of NOK 11 million is recorded
- Bank deposits and financial assets total of NOK 348 million
- No non-current liabilities

# Cash flow statement shows solid cash generation in Q4 and 2023

## Consolidated statement of cash flows

NOK million	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
<i>Cash flow from operating activities</i>					
Profit/loss before tax	-14	48	53	70	57
Tax paid for the period	-2	0	0	0	-0
Ordinary depreciation	18	6	6	6	6
Change in inventory	2	-17	-15	0	4
Change in accounts receivable	-25	-17	-69	18	-16
Change in accounts payable	2	4	21	-9	10
Effect of exchange rate fluctuations	7	6	3	-6	-2
Change in other accrual items	72	4	6	35	-3
<b>Net cash flow from operating activities</b>	<b>59</b>	<b>34</b>	<b>5</b>	<b>115</b>	<b>58</b>
<i>Cash flow from investment activities</i>					
Payments for the purchase of fixed assets	-3	-1	-12	-1	-4
Payments for the purchase of intangible assets	-49	0	0	0	0
Payments for share buy back	-10	-1	0		0
Proceeds for the sales of money market fund shares	100	1	1		0
<b>Net cash flow from investment activities</b>	<b>38</b>	<b>-1</b>	<b>-11</b>	<b>-1</b>	<b>-4</b>
<i>Cash flows from financing activities</i>					
Instalment payments of long-term liabilities	-1	0	0	0	-0
Dividends paid			-24		-96
Change investment equity method	1	0	0	0	0
<b>Net cash flows from financing activities</b>	<b>0</b>	<b>0</b>	<b>-24</b>	<b>0</b>	<b>-96</b>
<b>Net change in cash and cash equivalents</b>	<b>97</b>	<b>32</b>	<b>-30</b>	<b>114</b>	<b>-42</b>
Cash and cash equivalents at the start of the period	70	167	199	168	282
Cash and cash equivalents at the end of the period	167	199	168	282	240

- Solid operational cash flow generation of NOK 58 million in Q4 and NOK 212 million for 2023
- Limited investments in 2023, mainly related to Grønn Vekst's new soil packaging facility
- Dividend payments of 96 NOK million made during Q4
- For 2023, the total dividend payments were NOK 120 million (NOK 0.75 per share)
- Cash and cash equivalents do not include financial assets

# The Board has proposed to distribute a dividend for 2023

Subject to approval by the Annual General Meeting  
scheduled for 2 May 2024

**Cambi reiterates its ambition to pay  
60-80% of net profits for the fiscal year  
2024 as dividends**



**NOK  
1.00  
per share**

# Q&A

A dark blue background featuring a faint, light blue world map. A vertical white line is positioned at the top center of the page.

# Thank you

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