

# TECHNIP ENERGIES FULL YEAR 2024 FINANCIAL RESULTS – TRANSCRIPT

Technip Energies N.V. Corporate Participants :

- **Arnaud Pieton** Technip Energies N.V. – Chief Executive Officer & Non-Independent Executive Director
- **Bruno Vibert** Technip Energies N.V. – Chief Financial Officer
- **Phillip Lindsay** Technip Energies N.V. – Vice President of Investor Relations

Paris, Thursday, February 27th, 2025, 1:00pm CET.

## Operator's Introduction

### Operator

*Good afternoon. This is the conference operator. Welcome and thank you for joining the Technip Energies full year 2024 Financial Results Conference Call. As a reminder, all participants are in listen-only mode.*

*At this time, I would like to turn the conference over to Mr. Phillip Lindsay, VP and Head of Investor Relations of Technip Energies, please go ahead, sir.*

## Welcome and Disclaimer

### Phillip Lindsay

*Thank you, Alyssia.*

*Hello, and welcome to Technip Energies' financial results for the full year 2024.*

*On the call today:*

- *our CEO – Arnaud Pieton will first discuss our full year performance and business highlights;*
- *This will be followed by CFO, Bruno Vibert, who will share more details on our financials.*
- *Then, Arnaud will come back with the outlook and conclusion.*

*We will then open for questions.*

*Before we start, I would encourage you to take note of the forward-looking statements on slide 2.*

*I will now pass the call over to Arnaud.*

# Business Highlights

Arnaud Pieton

**Technology & Engineering powerhouse**  
leading in energy & decarbonization infrastructure

|   |   |  |
|---|---|--|
| <b>LEADER</b><br>Energy & decarbonization                 | <b>SAFETY</b><br>The reference company        | <b>PIONEER</b><br>The industry benchmark                 |
| <b>BUSINESS EXPANSION</b><br>Offerings, clients & markets | <b>VALUE CREATION</b><br>For all stakeholders | <b>PEOPLE GROWTH</b><br>17,000+ global talents           |
| <b>2028 Financial framework</b>                           |   |  |
| <b>REVENUE</b><br>>€8.6bn                                 | <b>EBITDA</b><br>>€800m                       | <b>FREE CASH FLOW CONVERSION<sup>2</sup></b><br>70 – 85% |

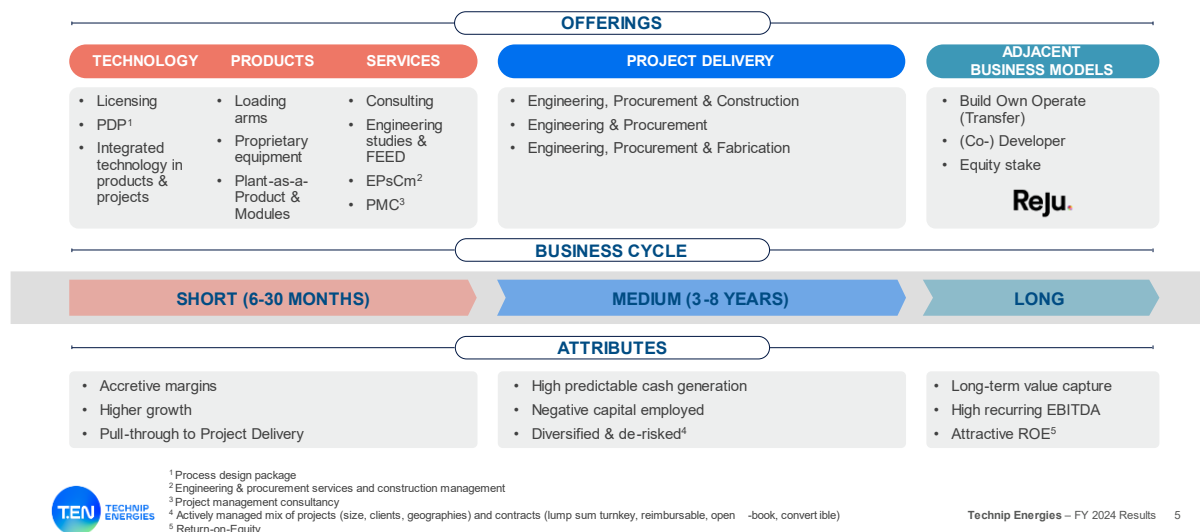
<sup>1</sup> Financial information is presented under adjusted IFRS  
<sup>2</sup> EBITDA-to-free cash flow conversion is stated excluding working capital

Technip ENERGIES Technip Energies – FY 2024 Results 4

*Thank you Phil, before diving into our results and 2024 highlights, I'd like to remind you of who we are at Technip Energies and our unparalleled value proposition.*

- *We are leaders in energy and decarbonization markets, prioritizing safety and innovation, and our 17,000 talents are the cornerstone of our success.*
- *We are a dynamic entity making strategic decisions that yield results, expanding and diversifying our portfolio;*
  - *Our ambitious roadmap through 2028 underscores T.EN's growth credentials.*
- *We are equipped with a strong balance sheet, generating significant and sustainable free cash flow.*
- *As we execute our business strategy and prioritize capital allocation for dividend growth and value-enhancing investments, we will accelerate value creation for our shareholders.*

# Complementary business models



Now let me remind you of our business models which have complementary strengths and business cycles.

- *Project Delivery – PD – is cash-generative, negative capital employed and de-risked. With a business cycle that brings several years of workload and cashflow visibility.*
- *PD is a portfolio of many types of projects and contractual schemes, with rigorous, active risk management.*
  - *Therefore Project Delivery @ T.EN represents a sound and robust baseload for cash generation... not just now, but for the foreseeable future - as you will see through our results presentation.*
- *Now, on Technology, Products and Services – TPS, our higher-margin, faster-growth segment. In many instances it is the precursor to Project Delivery ...it broadens our offering of proprietary solutions, it reinforces our differentiation and is the gateway to new markets & accelerated growth. For all these reasons, it is where our capital will be further deployed.*
- *Thanks to our success in PD and TPS, and our balance sheet strength, we have the ability to venture and pioneer in adjacent business models.*
  - *It's about generating recurring earnings and about longer-term value retention.*
  - *In 2023, we started with Reju, a TEN company that could be a €2bn revenue company by 2034, subject to investment decisions.*

## CMD highlights: T.EN a company in motion



Ready to thrive in any energy scenario

Before highlighting our full-year achievements, let's revisit the transformative milestones from our November Capital Markets Day.

- We demonstrated how our strategic choices are paying off and discussed the promising future of our expanding market landscape, with:
  - Continued growth in Energy and Energy Derivatives markets; and
  - Faster, double-digit growth in Decarbonization and Circularity.
- We also showcased a robust and diverse commercial pipeline valued at €75 billion through 2026.
- For the first time, we provided detailed financial guidance by business segment for 2025, AND outlined an ambitious roadmap through 2028, ensuring consistency in free cash flow conversion in the 70–85% range.
- And we offered deeper insights into our strong balance sheet and our economic net cash position, which has since grown to more than €1.4 billion.
- Lastly, we unveiled our capital allocation framework, emphasizing our dual priorities: dividend growth and strategic, technology-driven investments to enhance differentiation and accelerate value creation for our shareholders.

# FY 2024 – Key highlights

## REVENUE

€6.9bn

+14% Y/Y

## RECURRING EBITDA

€608m

+13% Y/Y

## BACKLOG

€19.6bn

+24% Y/Y

## PROPOSED DIVIDEND <sup>1</sup>

€0.85/sh

+49% Y/Y

### Outstanding financial performance

- Highest ever EBITDA / EBIT / EPS
- Strong platform to deliver 2025 guidance

### Excellent commercial success

- Q4 awards: NZT and Suriname topsides
- €10bn+ orders; record backlog of €19.6bn

### Improving shareholder returns

- Proposed dividend <sup>1</sup>: substantial Y/Y growth
- Share buyback: €100m program completed






<sup>1</sup> Subject to approval at the Annual General Meeting on May 6, 2025.  
Financial information is presented under adjusted IFRS (see Appendix 8.0 of FY 24 Results Release). Reconciliation of IFRS to non-IFRS financial measures provided in appendices.

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Turning to the highlights, Technip Energies delivered an outstanding 2024 performance for both revenue and earnings. This success is a testament to the ingenuity and commitment of our teams in their pursuit of excellence.

- Our operating results are stellar, boasting 14% growth in topline, with revenues exceeding the top-end of our Q3-upgraded guidance range.
- This robust topline growth, paired with excellence in execution, propelled a 13% increase in EBITDA to €608 million – translating to our highest ever levels of EBIT and Earnings per Share.
- 2024 was also a year of great commercial success with more than €10 billion of order intake across our markets including LNG and decarbonized power generation.
  - Orders significantly outpaced revenues for both business segments, driving our backlog to an all-time high – approaching €20 billion.
- Based on the strength of these results, and confidence in our business outlook, we are proposing a near-50% increase in annual dividend, which Bruno will touch on in his remarks on capital allocation.
- T.EN is a company in motion and these strong results provide a springboard for the next chapter of our growth story.

# Key Q4 2024 operational highlights

| Project Delivery  |  | TPS  |   |
|---|--|--|---|
| <br>Tortue FPSO  | <br>Assiut Complex  | <br>INEOS Project ONE  | <br>AM Green Project                                 |
| <b>Gas &amp; LNG</b><br>NFE: The piping erection activities are nearly complete for the first train and the main utilities are being commissioned.<br>Tortue FPSO: Ready for start-up milestone achieved. | <b>Downstream</b><br>Assiut Hydrocracking Complex: Piping prefabrication substantially complete; > 82% overall project progress.<br>Midor Refinery expansion: Provisional acceptance certificate received. | <b>Ethylene</b><br>INEOS Project ONE: Successful load-out from yard in Thailand, which celebrated 10.5 million work-hours without a LTI <sup>1</sup> . | <b>Green molecules</b><br>AM Green Kakinada Project - Rely: Started mobilization of site construction team on EPsCm <sup>2</sup> basis. |



<sup>1</sup> Loss Time Incident  
<sup>2</sup> Engineering, Procurement Services and Construction Management

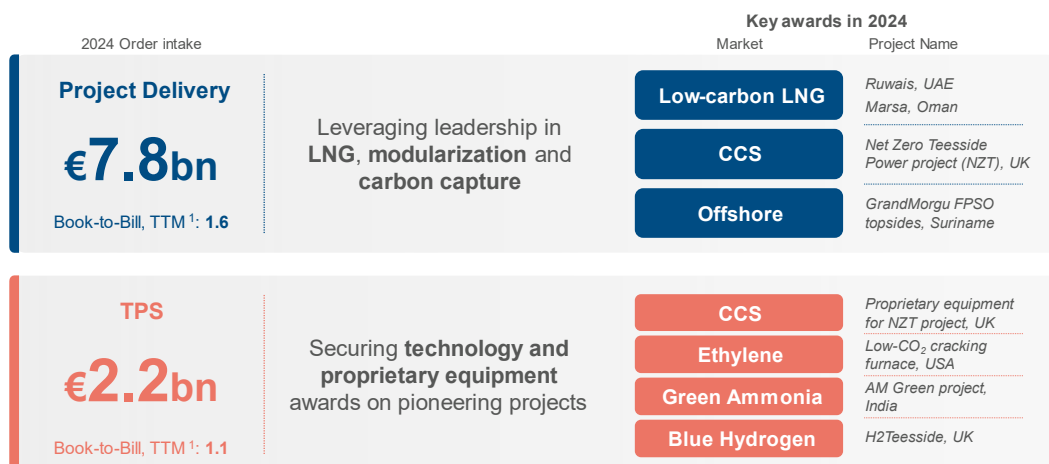
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Moving to operational highlights, we celebrated important milestones in the fourth quarter throughout our diverse portfolio of projects and TPS.

- In Project Delivery, we achieved the pivotal ready-for-start-up milestone on the Tortue FPSO for bp in Senegal and Mauritania.
  - I am immensely proud of the collaborative approach developed with the client and our project team; as well as our team's grit and unwavering determination to persevere on a project that faced many obstacles and find solutions to ultimately deliver successfully.
- Elsewhere in Project Delivery, we attained provisional acceptance on the Midor Refinery expansion, while in TPS, Project One for INEOS achieved successful load-out of the modular ethylene furnace from Thailand, en route to Belgium.

Overall, these accomplishments underscore our solid progress as we continue to execute our portfolio.

## €10bn of orders diversified by market and geography



<sup>1</sup> Trailing 12 months.

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Turning to orders intake, we achieved over €10 billion in 2024, marking our second consecutive year surpassing this milestone.

- A notable aspect of our 2024 intake is the breadth of awards across different markets and geographies.
- And with the two-year book-to-bill at 1.6, our growth trajectory is well supported.
- In LNG, we reinforced our leadership during 2024, with two electrified and low-emission plants in the Middle East – these projects define the next generation of LNG. We also positioned T.EN to play a future role in the US LNG market.
- A significant highlight in December was a major contract for Net Zero Teesside Power in the UK, the world's first gas-fired power station with carbon capture and storage.
  - NZT was the largest contract awarded to T.EN in 2024, and includes scope for both Project Delivery and TPS.
  - This contract reinforces our leadership in carbon capture, and benefits from a de-risked, hybrid structure with UK construction scope performed on a reimbursable model.
- Turning to TPS, which achieved its highest ever annual order intake at €2.2 billion, benefiting from key technology and proprietary equipment orders in carbon capture and ethylene, as well as robust services activity in traditional and new markets.
- In summary, I am thrilled with our commercial success in 2024, reaching €10bn across a diversified blend of markets and geographies.

# Sustainability: 2024 achievements at a glance



<sup>1</sup> The International Union for Conservation of Nature.

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Before passing on to Bruno, let me share some exciting updates on our sustainability journey, which is increasingly recognized by the market.

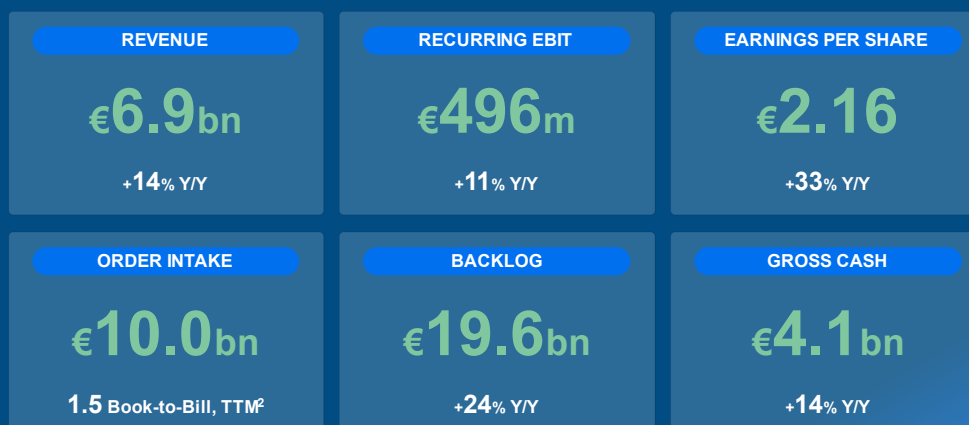
- Sustainability is deeply embedded in T.EN's business strategy, with aspirations to achieve net zero emissions for Scope 1 and 2 by 2030, and Scope 3 by 2050.
  - The company has achieved a 41% reduction in Scope 1 and 2 emissions compared to 2021, and, given this early success, has raised its emissions reduction targets from 30% to 45% by 2025.
- Other highlights include growth in investment and upskilling of our talents, as well as successful implementation of monitoring processes to enhance the sustainability, responsibility, and resilience of our supply chain.
- T.EN employees can be proud of our success, which is being recognized by notable improvements across leading rating agencies.
- Moving forward, we will continue pursuing our sustainability goals with a strong commitment to integrity, emphasizing robust governance, stakeholder engagement, and collaboration.

I will now pass the call over to Bruno

# Business Highlights

Bruno Vibert

## Outstanding FY 2024 performance



<sup>1</sup> Attributable to Technip Energies Group.  
<sup>2</sup> Trailing 12 months.  
Financial information is presented under adjusted IFRS (see Appendix 8.0 of FY 2024 Results Release). Reconciliation of IFRS to non-IFRS financial measures are provided in appendices.

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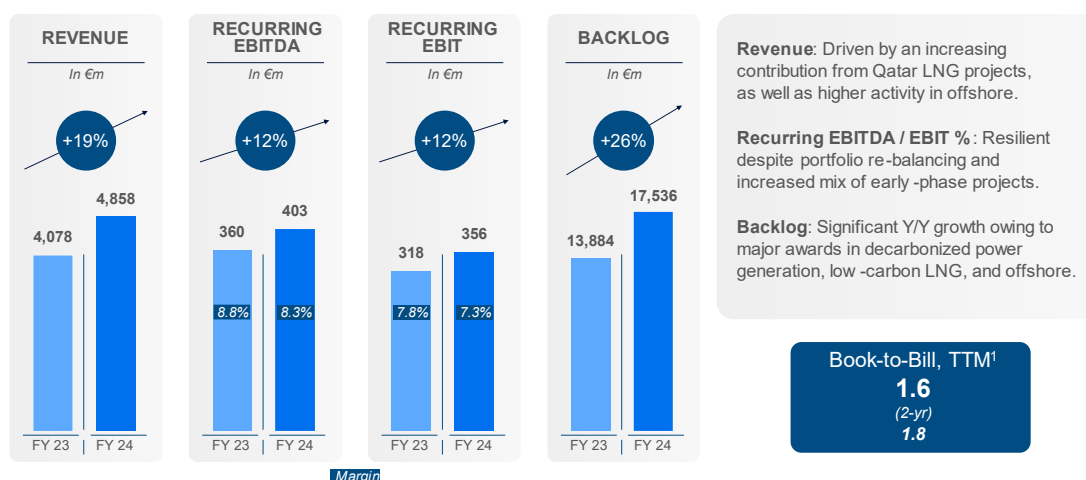
Thanks Arnaud, good afternoon everyone.

Turning to the highlights of our strong financial performance in 2024:

- **Our revenues** increased by 14% year-over-year, reaching €6.9 billion euros – just above the top-end of the upgraded guidance range from Q3.
  - This growth was driven by both business segments, with significant contributions from LNG Qatar projects and steady growth in TPS.
- **Recurring EBIT** increased by 11% to reach a new high of €496 million, benefiting from growth in revenue, with margins comfortably within the guided range of 7.0% - 7.5%.
- **EPS** demonstrated a substantial 33% increase to 2.16 euro a share due to strong operational performance, higher net financial income, and lower non-recurring items versus the prior year.
- Turning to orders,
  - **Adjusted order intake** was €10 billion for the second consecutive year, leading to a healthy book-to-bill ratio of 1.5.
  - This drove a **25% year-over-year increase in backlog approaching €20 billion**, equivalent to nearly 3 times 2024 revenues..
- Fueled by solid cash flow generation, **gross cash** at year-end was €4.1 billion.
- **In summary** – the collective efforts and performance of our teams have resulted in an outstanding 2024 performance.

# Segment performance: Project Delivery

Project delivery supported by buoyant LNG market



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<sup>1</sup> Trailing 12 months.

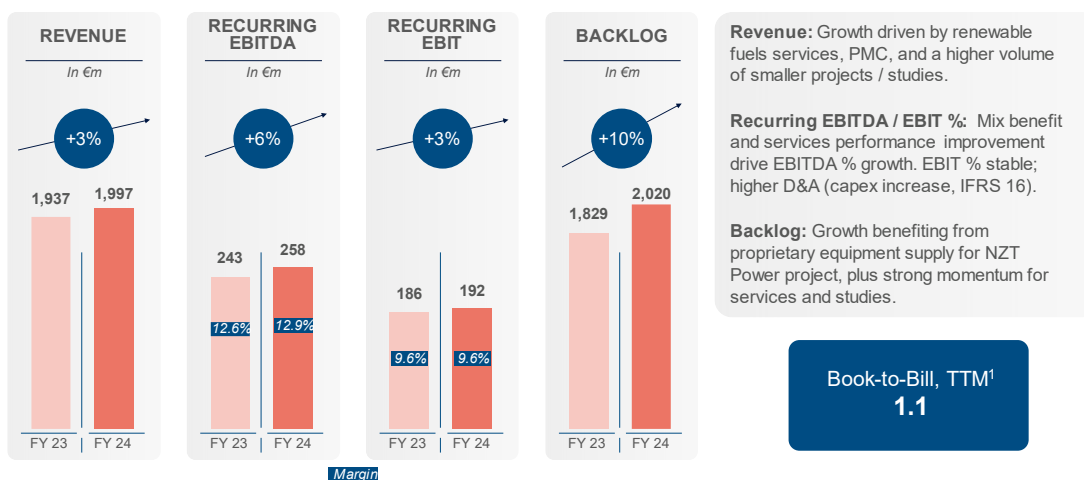
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Turning to our segment reporting, starting with Project Delivery, where our 2024 performance demonstrates a buildup of activities.

- **Revenues** are up a significant 19% year-over-year to €4.1 billion thanks to activity growth on Qatar LNG projects and offshore projects.
- Trends for segment EBITDA and EBIT are very similar:
  - Both metrics increased by 12% year-over-year; and
  - Both saw a 50-basis point contraction in margin due to the re-balancing of our project portfolio with increased revenue contribution from early-phase projects with limited margin recognition.
- Project Delivery margins remain, however, **best-in-class**.
- Finally, **backlog** increased by 26% year over year, equivalent to 3.6 times the segment revenues for 2024, and benefiting from key awards in decarbonized power generation, LNG and offshore.
  - As outlined during our Capital Market Day in November, we have a large and diversified commercial pipeline for 2025 / 2026 that supports award momentum.
  - All this underpins our trajectory through the medium-term.

# Segment performance: Technology, Products & Services

Building momentum with strong finish to 2024



Financial information is presented under adjusted IFRS (see Appendix 8.0 of FY 2024 Results Release). Reconciliation of IFRS to non-IFRS financial measures are provided in appendices.  
<sup>1</sup> Trailing 12 months.

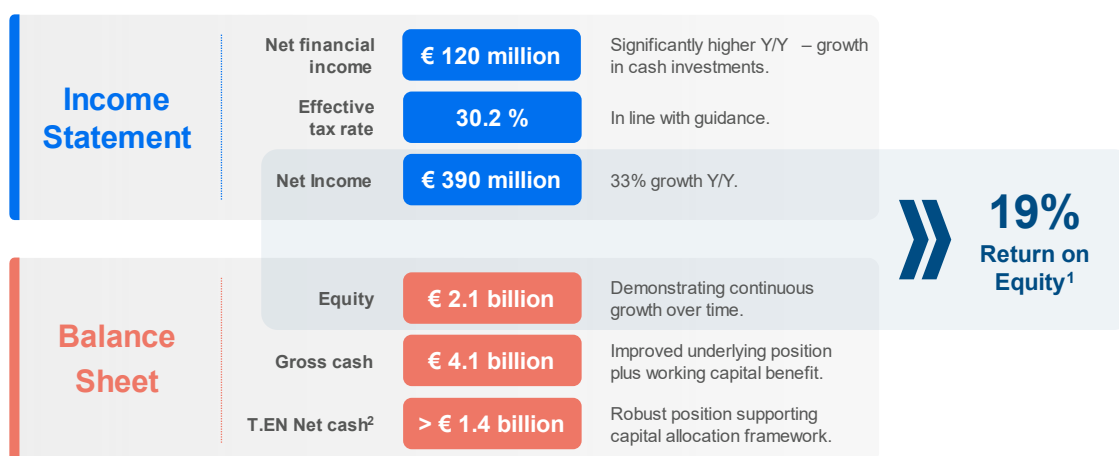
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Moving to Technology, Products & Services.

- **TPS Revenues** continued to be solid with top-line reaching very close to €2 billion, driven by renewable fuels services, PMC, and a higher volume of smaller projects and studies.
- **TPS recurring EBITDA margin** expanded by 30 basis points year-over-year to 12.9% benefiting from mix and business performance improvement within services.
  - **Recurring EBIT margins** were stable at 9.6% due to increased depreciation and amortization expense associated with higher capital investment, and also the impact of IFRS 16.
- **Commercially**, a solid **book-to-bill** of 1.1 drove a 10% year-over-year increase in **backlog** to €2.0 billion, benefiting in particular from the proprietary equipment scope within the Net Zero Teesside Power award in December, as well as sustained momentum in services and studies throughout the year.
- **In summary**, a solid TPS performance in 2024 which we intend to build on in 2025 as our strategy and commercial focus drive further success.

## Other key metrics and balance sheet

Solid net income supporting high return on equity



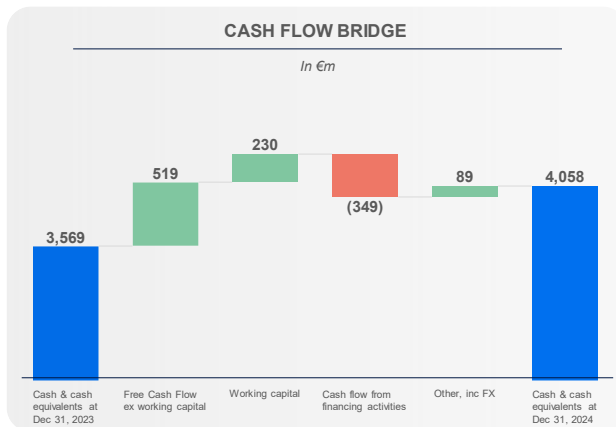
Financial information is presented under adjusted IFRS (see Appendix 8.0 of FY 2024 Results Release). Reconciliation of IFRS to non-IFRS financial measures are provided in appendices.  
<sup>1</sup> Return on Equity: Net Income attributable to T.EN as a % of average Equity at 31 December 2023 and 31 December 2024.  
<sup>2</sup> T.EN's net cash adjusted for project-associated cash.

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Turning to other key performance items, beginning with the income statement.

- **Net financial income** reached €120 million, benefiting from cash investments and favorable global interest rates.
- **Effective tax rate** at 30.2% is within the guided range of 29% - 33%.
- At the bottom line – with the robustness of our earnings in relation to our equity, we achieved an attractive **19% return on equity**.
- Finally, **the balance sheet** is robust with growth in gross cash to €4.1 billion.
- We also update for **T.EN's economic net cash position** – a disclosure we first gave at CMD, which adjusts for cash associated to projects.
  - The bridge from gross cash to T.EN's net cash is provided in the appendix – but at €1.4 billion-plus, it clearly provides T.EN with the flexibility to deploy capital into value accretive investments and shareholder returns.

## Consistent strength in free cash flow generation



- **Operating cash flow:** €834m; Free cash flow <sup>1</sup>: €748m, after €230m inflow from working capital and provisions.
  - ✓ **Free cash flow**, excluding working capital impact: €519m.
  - ✓ **Free cash conversion** from Adj. Rec. EBITDA / EBIT: 85% / 105%.
  - ✓ **Capex:** €86m (2023: €49m).
- **2021 – 2024 working capital, cumulative:** €192m inflow.
- **Cash flows from financing activities**
  - ✓ €102m dividends paid in Q2 2024.
  - ✓ €100m of share buyback.
  - ✓ €72m lease liability payments.



TECHNIP ENERGIES Financial information is presented under adjusted IFRS (see Appendix 8.0 of FY 2024 Results Release). Reconciliation of IFRS to HFRS financial measures are provided in appendices. <sup>1</sup> Free cash flow is calculated as cash provided (required) by operating activities less capital expenditures.

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Now, let's dive further into our cash flows.

- **Free cash flow excluding working capital and provisions** was €519 million, with cash conversion from EBITDA at 85% reflecting three main factors:
  - 1) our asset light business model
  - 2) strength in operational execution; and
  - 3) the positive impact of financial income derived from our cash.
- **Working capital was an inflow of €230 million** for the year. As I have discussed previously, working capital should be approximately neutral on a long-term basis, as evidenced by the cumulative working capital impact since 2021, which is quite negligible.
- As outlined last quarter, the **capital expenditure** of €86 million represents a significant year-over-year increase, driven by investments in the Reju demonstration plant and the lease recognition of new offices in US and Europe, which are contributing to our scope 1-2 emission reduction targets.
- Additionally, when combining the dividend distributed in the second quarter with the completion of our €100 million buyback program, **T.EN returned over €170 million in cash to shareholders.**

# Confirmed group 2025 guidance and 2028 framework

|                       | 2025 GUIDANCE                                   |  |           | 2028 FRAMEWORK                                  |  |                 |
|-----------------------|---|--|-----------|---|--|-----------------|
|                       | <b>Project Delivery</b>                         | <b>Technology, Products &amp; Services</b> |           | <b>Project Delivery</b>                         | <b>Technology, Products &amp; Services</b> |                 |
| Revenue               | €5.0 - 5.4bn                                    | €2.0 - 2.2bn                               |           | >€6.0bn   | >€2.6bn                                    |                 |
| EBITDA % <sup>1</sup> | ~8%   | ~13.5%                                     |           | ~8.5%   | ~14.5%                                     |                 |
|                       | Effective tax rate <sup>2</sup>                 | Corporate costs                            | R&D Spend | Effective tax rate <sup>2</sup>                 | Corporate costs                            | R&D Spend       |
|                       | 26% - 30%                                       | €50 – 60m                                  | ~€70m     | 26% - 30%                                       | ~€60m                                      | ~1% of revenues |
|                       | Adjacent business model investment <sup>3</sup> |  |           | Adjacent business model investment <sup>3</sup> |  |                 |
|                       | <€50m   |  |           | Subject to investment decisions                 |  |                 |



Financial information is presented under adjusted IFRS

<sup>1</sup> Depreciation and Amortization component of EBITDA estimated at ~100 basis points of Project Delivery margin, and ~350 basis points of TPS margin

<sup>2</sup> Subject to fiscal regime changes in key jurisdictions

<sup>3</sup> As part of its capital allocation framework for long-term value creation, the Company may invest in adjacent business models including Build Own Operate (BOO) and co-development. Since Q3 2024, these investment costs are recorded as non-recurring items.

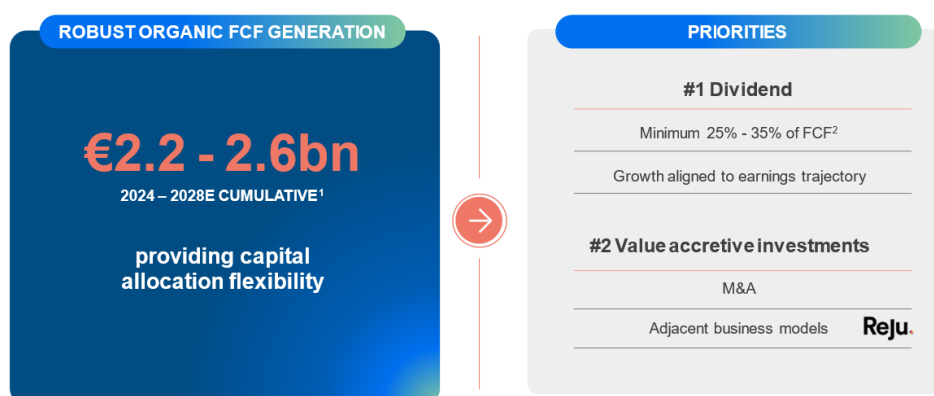
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Before talking about capital allocation, I will briefly remind you of the 2025 guidance and 2028 framework that we first presented during our Capital Markets Day, and that we confirm today.

- In 2025:
  - For **Project Delivery**, we see revenues of €5 to €5.4 billion and an EBITDA margin of around 8%.
  - For **TPS**, we anticipate revenues to range from €2 to €2.2 billion, with a EBITDA margin of 13.5%.
  - The footnote gives you an indication of expected D&A - de-facto giving you segment guidance for EBIT as well – you are welcome!
- Moving to our **2028 framework**:
  - We uncapped **Project Delivery** topline and see controlled growth to €6 billion-plus, with EBITDA margin expansion to around 8.5%.
  - For **TPS** – our strategic growth segment – we see revenues increasing to more than €2.6 billion with EBITDA margin reaching 14.5%.
- **Other items**, such as effective tax rate, corporate cost and R&D are expected to be broadly consistent through 2028.
- **One last element to consider** – which is more a capital allocation versus a guidance item – is adjacent business modes, such as Reju, where we expect to invest up to €50 million in 2025 – treated as non-recurring – as we work towards potential investment decisions in late 2025 or into 2026.

In summary, we reaffirm our guidance and growth outlook to 2028.

# Prioritizing shareholder returns and strategic investments



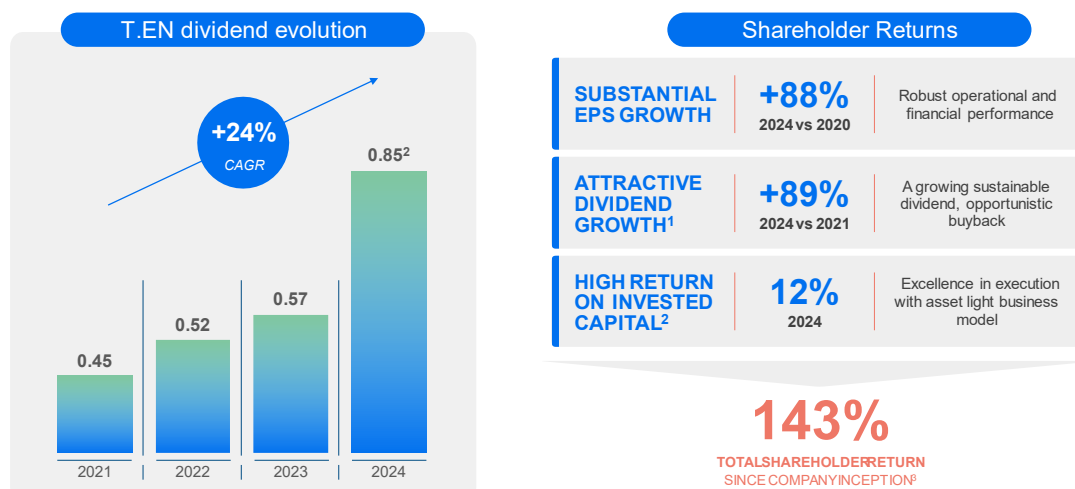
<sup>1</sup> Based on medium-term financial framework and expected 70% – 85% Free Cash Flow (FCF) conversion from EBITDA.  
<sup>2</sup> FCF excluding working capital and post IFRS 16 lease repayment.

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## Moving now to **capital allocation**.

- *Within our medium-term framework, we anticipate generating free cash flow of €2.2 billion and €2.6 billion cumulative between 2024 – 2028, and with more than €500 million generated in 2024, we are firmly on track.*
- *With our balance sheet in pristine health, our capital allocation strategy focuses on **two key priorities**:*
  - *First, **dividends**. As earnings grow, so will dividends, with a commitment to distribute a minimum of 25% to 35% of free cash flow; the dividend we propose today represents a payout just north of 28%.*
  - *Second, **value-accretive investments**. We will apply the same discipline and selectivity to our investment decisions as we do in our operations. Our rigorous framework for risk assessment and value creation ensures strict capital discipline. Our approach is two-fold:*
    - *We will pursue **M&A** to expand our TPS offerings across geographies and markets with a clear focus on Technology and Products, where we can maximize value and achieve additional synergies in services and projects.*
    - *As I just explained, we will also explore **Adjacent business models**.*
- *In **summary**, our capital allocation strategy is designed to return cash to shareholders while creating additional value through disciplined capital deployment.*

## Attractive shareholder returns



<sup>1</sup>Based on medium-term financial framework and expected 70% – 85% FCF conversion from EBITDA, post IFRS 16 lease repayment

<sup>2</sup>Subject to approval at the Annual General Meeting on May 6, 2025.

<sup>3</sup>TSR calculated from the average first 10 days of trading in TE security from February 16, 2021 to December 31, 2024, considering reinvested dividends and the portion of the 2024 share buyback program used to reduce the Company's share capital through the cancellation of treasury shares.

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Before passing back to Arnaud, I will discuss shareholder returns.

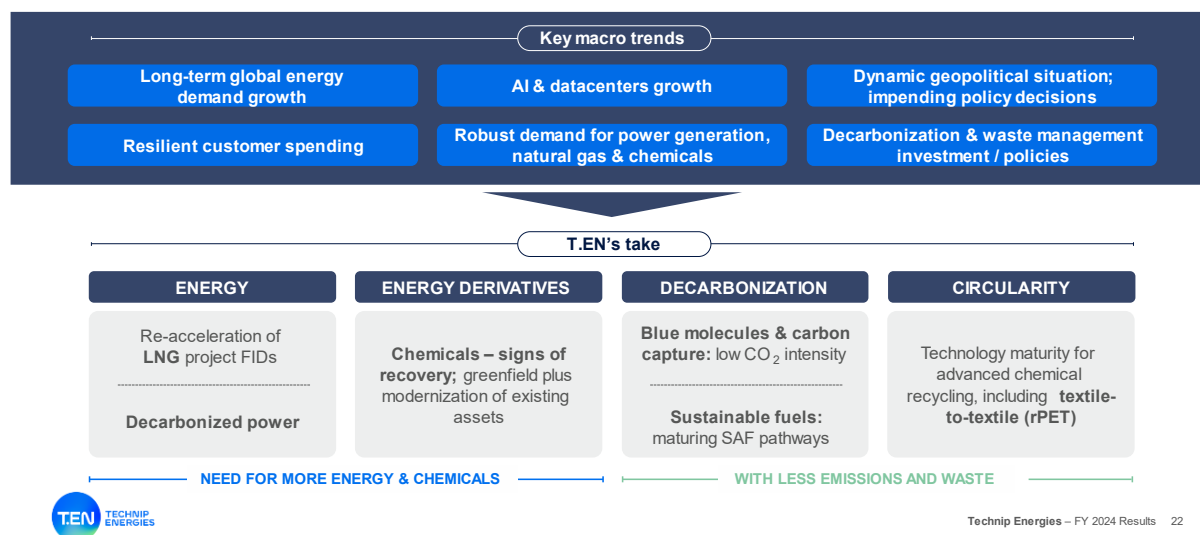
- *Building on the robust performance of our 2024 results and confidence in business outlook, we propose a 49% increase of our annual dividend.*
  - *This will see compound annual growth rate at an impressive 24% since our maiden dividend in 2021.*
- *Since company inception, we have delivered substantial earnings and dividend growth, and generated consistently strong returns.*
  - *And our investors have been rewarded with more than 140% total shareholder return over four years.*
  - *The good news is that our strategic choices are paying off, our market positioning is strong, and our value-accretive investment activities are only just getting started.*
  - *We're really just at the beginning of our long-term value creation journey.*

I'll now turn the call back to Arnaud for the outlook.

# Outlook & Conclusion

Arnaud Pieton

## A view from T.EN – market trends and key observations



Thanks Bruno, Now, let's discuss the outlook and key market trends that will enable T.EN to thrive in any energy scenario.

- **First**, Despite economic uncertainties and geopolitical shifts, global demand for energy and derivatives is rising.
  - Power consumption and the role of gas in mitigating intermittency are boosting natural gas and LNG demand.
  - Additionally, the recent lifting of the US moratorium on LNG is likely to spur a renewed wave of LNG project investments.
  - And we continue to anticipate a capacity requirement of nearly 800 million tonnes per annum by 2030, as we outlined at our CMD in November.
- **Second**, the push for decarbonization and emissions abatement is driving industries to pursue affordable, sustainable development.
  - Despite policy uncertainties in clean technology sectors, our customer engagements remain positive.
    - In the US, the 45V update for the Inflation Reduction Act is seen as supportive, especially for blue hydrogen and blue ammonia projects targeting demand from Japan and Korea.
  - Moreover, our studies for numerous clients consider scenarios without subsidies or tax incentives, so any government support would enhance an already solid economic framework.
- **In summary**, the market is active with promising opportunities ahead.
  - We possess the right skills and market positioning to succeed.
  - Our expertise in forming ecosystems, scaling, and industrializing is key to mitigating risks for emerging industries; and
  - With our technological leadership, proven EPC capabilities, and financial strength, T.EN is positioned to capitalize on our growing markets.



## Delivering FY 2024 Key takeaways

### Outstanding 2024

#### Robust earnings and FCF

- EPS + 33% YY
- FCF: >€500m

#### Backlog reaches ~€20bn

- Excellent, multi -year visibility
- Underpins earnings trajectory

### Positive outlook

#### Attractive opportunity set

- Positioned for sizable prospects in 2025 / 26

#### Complementary growth engines

- High demand for TPS and Project Delivery

### Strong shareholder return

#### Growing dividends

- Proposed €0.85/share
- 49% increase YY

#### 12-month TSR

- 27% for FY 2024



### In closing

- *We delivered an outstanding 2024 with robust earnings and cash flows, while a strong, diversified order intake drove backlog to a new high approaching €20 billion.*
- *With the tailwind of positive markets, we intend to build on our strong business momentum through resolute focus on execution while capitalizing on high demand for what T.EN offers.*
- *We are committed to shareholder returns - proposing an almost 50% rise in the annual dividend.*
- *And, as we continue to modernize T.EN, we remain steadfast in our commitment to continuous innovation, smart engineering and excellence in execution.*
  - *Through this unwavering approach, we can win the affordability battle, building the bridge between prosperity and sustainability for a world designed to last.*

*With that, let's open the line for questions.*

## Question and Answers

### Kate O'Sullivan – Citi - Analyst

Hi, congrats on the results and thanks for taking my question.

- So first one may be on transition projects. You booked the significant Net Zero Teesside Award in 4Q And we heard from BP the strategy update yesterday about a limited number of low carbon projects this decade. You have the FEED for the BP low carbon hydrogen facility. Previously, I think we mentioned expected in potentially 2Q '25 and FID, from your conversations with clients, do you see any change to outlook or timeline?
- Also, if you could give an indication on the scale of award, perhaps, in relative to Net Zero Teesside. Do you expect your bidding for it to be able to demonstrate many synergies through your existing work on Net Zero Teesside?

### Arnaud Pieton

Hi Kate, thank you.

So let me first make a statement about Net Zero Teesside. I think you and I have listened to and replayed the BP conference yesterday and I have interacted with BP after their conference. And I want to reiterate our confidence in the fact that Net Zero Teesside is not at all threatened by BP's latest announcement around reduction in their transition or low carbon energy investment. Net Zero Teesside is preserved because of a very specific funding structure that is not solely dependent on BP's capital, so that's point number one.

Net Zero Teesside is well under execution, no change to the plan. You're right to mention that we have a FEED ongoing for BP H2Teesside. The FEED continues and there is on our side no change of plan on this one. The ambition for the Teesside hub and the low carbon alliance over there remains strong.

I believe the FID will be more a function of our client finding the necessary offtake for the blue hydrogen and the product, so this is very much what will drive the decision for FID and the timing of the FID, so we will stay tuned on this one. As for the synergies, there will be likely synergies between the two projects, in particular when it comes to construction resources and ability to mobilize, so we should be well placed. It will be competitive, but we should have a bit of an advantage just because of already being on location.

- Perfect. Just on the scale of the award potential, Net Zero Teesside was obviously your biggest award in 2024, so just relative to that, how do you expect this award to look?.

### Arnaud Pieton

It would be much smaller, still a significant project for T.EN, but not in the same orbit as Net Zero Teesside..

### Bertrand Hodée – Kepler Cheuvreux - Analyst

Hello. Thank you for taking my question.

- The first one is on the LNG dynamics in the US. We can feel some contradictory forces at work. LNG moratorium has been lifted, but there is also the fears around tariffs, so that could probably complicate, I would say, a modularized approach when it comes to constructing LNG sites in the US and also tariffs imposed by China would probably make Chinese utilities being more prudent in signing a new LNG offtake. So can you share your thoughts around the two major opportunities, US Commonwealth LNG and US Lake Charles and what are your discussion around those potential tariff threats and how you can mitigate those issues?

### Arnaud Pieton

Hi Bertrand, thanks for the questions.

So LNG in the US and the contradictory forces. So first we are tracking two major opportunities in the US as you know, Lake Charles LNG, which is signed in a sense, and Commonwealth LNG, which would be a first award for our SnapLNG modularized concept if it reaches FID. Where are we at the moment? So the moratorium has been lifted and, with both developments, we are in a price verification campaign.

In other words, this is work for which we are being paid and naturally, as a prudent company it is important that before reconfirming the price to the customer for those two developments that we go through a price verification so that we give them an update on the actual cost of their infrastructure. So that's something that was built into the contract and the flow of activities that had to be done between late 2024 and into 2025 and at the time of the moratorium being lifted. We were committed and they were committed to paying T.EN for price verification to make sure that they and we would still be satisfied with the price on the project and its structure. So that's what is ongoing at the moment. Then comes the subject of the permit and being ready to reach FID, so the FID for me on those two projects is really a second half event. It's not going to be an H1 event; at the earliest it's H2.

Now the tariffs. First of all, as a prudent contractor we won't be exposed to any risk associated to tariffs. If tariffs were to be imposed well our price and our cost base will exclude any tariffs. The tariffs will be a risk for the client, not a risk for T.EN. The risk for T.EN is, as you highlighted, that the project doesn't reach FID because of tariffs being so high that they jeopardize the overall economics of a project. What we are working on at the moment as part of the price verification exercise on those two projects is to reconfirm where modules would be fabricated because in both cases the execution plan is assuming a highly modularized execution and maybe less modules in China, more in other countries, in other parts of Asia, India, Vietnam, Thailand, Indonesia. It's part of the exercise to propose an execution plan that would at least mitigate partly the risk on tariffs.

As for the offtake, that's more a question for our clients. I'm not enough in the detail of their discussions, but when I was in India during an India Energy Week a few days ago, a lot of conversation around the increased import of US Gas in India. So there might be a bit less China if tariffs are imposed by China on gas, but more of India. That's more a question for those who do that on a day-to-day basis and really our customers.

- Thank you. And my second question is around the blue hydrogen opportunity, especially in the US, where you are pursuing several significant opportunities. In your earlier comment, you pointed or hinted that the pathway for blue hydrogen projects in the US, despite Trump being in office, is not at all being jeopardized. Can you give us a feel of what could materialize for T.EN in the US on the blue hydrogen space or more broadly on a post-condition CCS project?

## **Arnaud Pieton**

Yes. I will give you a partial answer because there are some prospects that are a little bit under the radar from the market and the competition, and I would like to keep them this way. But I will provide some color.

And we see some positive progress for potential awards and FIDs for Blue Ammonia in the US in 2025 with very strong building blocks. There is one that is super well known and that's the Baytown project with Exxon for which we are executing the FEED and we are at the moment finalizing the EPC price. I think interacting with the clients, they have very positive views on how the 45V is applied through the four-tier production tax credit. In other words, that means that probably the customer, the client, can achieve higher than the \$0.6 per kilogram of hydrogen credit.

We understand that they are eligible for greater tax credit based on the conversation they've had in Washington. It's simply confirming their economic model or comforting their economic model. That we've heard from several customers. The Blue projects, for as long as the EPC price is right, do not seem to be threatened by the new administration.

On the contrary, I think that the 45V update comforts them in the direction that they have taken. It makes of the US., as you rightly pointed, a very interesting landscape for 2025 and 2026 in terms of order intake potential for T.EN because beyond LNG, you have the Blue molecule, but also some carbon capture opportunities in North America with cement companies, and also utilities post-combustion. We are hyperactive at the moment in the US on those commercial targets.

## **Richard Dawson – Berenberg – Analyst**

Hi, good afternoon. Thank you for taking my questions. Two from my side

- You reiterated value-accretive investments as one of the capital allocation priorities. I appreciate you can't get into too much detail, but can you maybe give us a flavor of any M&A opportunities that you're looking at and maybe timescales for that?

- Secondly, just a clarification, we saw Neste come out this month with higher investment requirements for its Rotterdam expansion project and some delays in the startup there. Given Technip Energies involvement in that project, are there any impacts for you on that? Thank you.

## Arnaud Pieton

*I'll start and then I'll go to Bruno on capital allocation. Richard, the M&A, of course, I'm not going to disclose on this call the list of targets that we are looking at, but I can confirm that, like I stated in my remarks, that where we are going to deploy our capital in TPS, so in the push for more technology and more proprietary products and potentially more services.*

*More technology, because with more technology comes more proprietary products, and this gives a very positive volume impact to TPS. You've heard from Bruno about Net Zero Teesside contributing to both Project Delivery and TPS well, that's because as part of the scope to Net Zero Teesside comes a proprietary product related to the carbon capture technology that we have co-developed or for which we have collaborated with Shell. We've seen that this investment in the capture technology has led to a proprietary product, such as a CO2 absorber, for example, that now forms part of our catalog of proprietary solutions. The catalog is being enriched, and we were very pleased to see that our technology being selected, the projects contribute to both project delivery and TPS so we need and we want more of that going forward. That's what we tried to convey during the CMD as well. No change to that. Capital will be deployed where there is technology and an opportunity to grow the portfolio of proprietary solutions.*

*In terms of the impact on Neste, we are working on the services model, so purely reimbursable. In other words, there is no impact on T.EN because of the delays faced by Neste. It's a very particular setup. We are not driving the show fully. We are alongside Neste.*

*We are addressing with them some of the construction issues related to a difficult situation with some of the subcontractors, lack of availability, competition etc. There is no net negative impact on Technip Energies due to the model that we've selected with Neste. It's a pure service reimbursable model. To the pertinence of the model that we've selected with Neste on this project.*

*There's a reason why we are following this path and have selected this contracting scheme. There's a reason why, while we are very excited about the US Market, we always stated we would never take lump sum construction risk or lump sum risk in-country in the US and we are pushing for that model as well. Back to what I stated during the CMD, it is very much about the active management of the portfolio and making sure that you have what you need in terms of the blend between lump sum and reimbursable or open book estimates, etc. Again, Neste, purely reimbursable, no negative impact on T.EN.*

## Jean Luc Romain – CIC Market Solutions- Analyst

- You were mentioning carbon capture projects by utilities. In the US we are seeing oil majors and I think power generation projects for the needs of AI. Do you see them installing carbon capture immediately on those projects or maybe just keeping the optionality to install it later?

## Arnaud Pieton

*In our projection and growth path, our business plan does not include a vast acceleration of the carbon capture deployment on power gen attached to data centers. The conversations are to deploy the carbon capture. First of all, to deploy carbon capture, you need sequestration. If you don't have sequestration or a pipeline next to it, then there's no point talking about capture.*

*The location of the power gen and the data center have to be a close proximity to an existing pipeline or a reservoir or a geology for sequestration. That's point number one.*

*Point number two, our discussions are more with utilities on existing plants than brand new power plants being built for or towards data centers.*

*And three, we are scouting for potentially joint offering between those who are also large contributors to the data centers or providers of equipment or turbines, not to name them.*

*So the question is: is there something that can be bundled in terms of an offering to someone who would want to invest into a data center, combining latest generation turbines plus CO2 capture capacity? In terms of prospects and strategic marketing, that's directionally something that we are tracking. Too early to say whether this will have*

an impact. Our long-term plan or medium-term plan at Technip Energies does not include a massive spike of carbon capture deployment on Power Gen attached to, directly attached to AI and data centers.

## **Sebastian Erskine – Redburn Atlantic - Analyst**

Good afternoon, Arnaud, Bruno, Phil, and team. Many congratulations on the results today and the dividend increase.

- *If I may, I just wanted to start by following up on Kate's question on the UK. It's clearly an exciting market driven by kind of CCS The Net Zero Teesside Awards, H2 Teesside, Harbors Viking, CCS, and now the FEED on Uniper's Connah's Quay. I guess you talked at the CMD about limits on construction resource. So how many of these prospects would you hope to convert in the next kind of two to three years? How do you prioritize them?*
- *Secondly, on Reju, you've now said targeting FID of the first two regeneration hubs for the end of 2025, but clearly you'll demand an accretion to kind of group returns, I think 12% to 13% of group LOIC, it seems on track, but I guess if you could give a color on the timing and quantum of when we can expect to see a shift from kind of OpEx to CapEx, that would be helpful.*
- *And then finally, on the 2025 and 2028 guidance, some color on kind of the moving parts behind there. I got the sense perhaps that the 2028 framework baked in a degree of conservatism vis-a-vis IRA, what would need to go better than expected upwards pressure on both of those frameworks. Thank you.*

## **Arnaud Pieton**

Okay. So that's a very vast set of questions, Sebastian, but I will take the first two and so that you get to hear Bruno as well, I'll give him the third one.

Net Zero Teesside or the UK in general, maybe a bit of color on the Net Zero Teesside, the construction will be executed, as you know, the construction partner that we have selected for this venture. The headcount to be deployed on Net Zero Teesside, at peak is around 2,000 people. It is not comparable with what we're deploying in Qatar on large LNG project, where we have north of 40,000 people at the moment working on NFE and NFS. The scale of the project in terms of headcount is not as large as what we have in the Middle East, for example, it's more contained, therefore a bit more manageable.

I remind you that the Net Zero Teesside construction is executed on a reimbursable basis, so as well as what I've discussed a minute ago, we have de-risked that aspect of the project. We have announced a FEED for Connor Quay for more carbon capture. We will work with the customer on finding the contracting structure and contracting model that works, we will continue to protect ourselves against the potential shortage of resources in the UK. I am confident that the relationship we are building with Balfour Beatty on the Net Zero Teesside could be a segway for further collaboration on other similar projects in the UK as we build experience and get to know one another. We would bet on that momentum, but you can rely on Technip Energies to be selective and maybe be naturally selective in a sense that if we cannot reach an agreement with the customer on finding a de-risked contracting model, then the project is not for Technip Energies and therefore we won't take the project. From that standpoint, we would just simply de-risk the topic of access to resources.

Reju is making progress. We have the demonstration plant being commissioned and starting and working in Germany. There are conditions for us to reach a final investment decision on Reju. There are several conditions. First, the commissioning of the demonstration plant has to happen and, we are well on the way and satisfied with what we are and how the technology is performing. That's extremely encouraging.

Then we need feedstock secured for several years of operation of the first two plants at the right price because we will not take risk on feedstock, this is very clear, and we also will not be taking risk on offtake. We need feedstock and offtake well secured. We also need what I will call the Reju guarantee secured, i.e. the blockchain solution to guarantee the circularity along the way from feedstock selection all the way to the final product to the end consumer. That also needs to be in place. Site selection is ongoing. One plant in Europe and one plant in the US., so we have a good idea of where we want those plants to be. Some may be announced before the summer, and then it's about fine-tuning the model, and depending on the price of the feedstock and the price at which we can sell the product with off-takers, this will basically tell us whether we have something or not.

Right now, no showstopper, and we're feeling very good about it, but if we take a final investment decision on the first two plants late this year or Q1 2026, then you need a couple of years to have them built and in operation, so you would be into 2028 before you see production of the two plants. But I will insist on the fact that Technip Energies, we're not gamblers, so we will make a final investment decision as we have all that I've said secured, feedstock, offtake, technology, as well as the Reju guarantee, in order to be able to prove the circularity of the product along

the way from the start to completion and back to the start.

This is extremely important to Technip Energies. On capital allocation, on the last one, Bruno?

### **Bruno Vibert**

Yes, on the guidance and the framework and some of the building blocks. Guidance, well-backed, and Arnaud mentioned it earlier in the call, by the backlog for 2025, even more so, for project delivery, long cycle business, for which there is a very high coverage of the guidance with the backlog that we have in hand, so it's going to be about execution. As always, for the shorter cycle TPS business, always a bit more to deliver, as we will have book and turn, and the momentum on TPS remains strong.

After a couple of quarters where we were having a slightly lower than one book to build, as indicated in the Q3 call, we reversed and backlog of TPS has grown quite meaningfully in Q4. If we project to 2028 for the medium-term framework, we start with the EUR20 billion backlog that we have in hand, up EUR4 billion, close to EUR4 billion versus where we were in Q3, that's the first major point.

The second, the EUR75 billion of opportunities that we had allotted during our CMD, still very much present. And what's great about this pipeline, it's very diversified by geographies, by markets, so we absolutely do not rely on any of geographies or markets or on one project to be able to deliver that. As Arnaud was saying, we will absolutely remain very disciplined and consistent in the way we approach with no must-win projects. And that will be the right projects with the right risk criteria, the right hybrid model of risk we onboard, risk we don't onboard, and notably for construction, that have the right setup that we will make it to our backlog.

Standing here today we feel very good about the opportunities and the building blocks to reach both basically segment medium-term framework kind of trajectory. It's all about now continuing to differentiate, continuing to present to our client the right execution setup so that the projects' economics match their own investment criteria. But we have quite a few things to target.

### **Jamie Franklin – Jefferies – Analyst**

Hi there. Thank you for taking my questions.

- Firstly, just order intake, obviously very strong orders in the quarter, which came in about a EUR1.5 billion above consensus. I think the market was expecting NZT awards coming around EUR2 billion to EUR3 billion, Suriname just above EUR1 billion, just trying to work out what a delta is here. Is it that NZT was above that kind of EUR2 billion to EUR3 billion range? Or was the delta primarily smaller unannounced projects? if you'd give us a bit of a guide on how much of NZT is in the TPS backlog now.
- Secondly, I think you've kind of answered this already, but your backlog is very much secure on the project's business for 2025. We don't have the kind of historic backlog phasing by division that you've kindly given us this year. So just trying to get a sense of the typical level of short cycle work in the project.

### **Bruno Vibert**

I can start with both questions and then Arnaud can complement. On the orders, as you had noted, two main awards during the quarter, NZT and Suriname. Now, the market had indicated NZT from EUR2 billion to EUR3 billion. It's within this range. It's maybe on the higher part of this range, taking a mid-assumption. For Suriname, above one, meaning it can be a bit more above one. I think these were clearly the two strong contributors.

But on top of that, you had some more traditional unannounced awards because it's smaller projects, it's VOs, services, projects that go in steps with limited notice to proceed, or early work that will gradually make it to our backlog towards an FID. So, you had a bit of those that complement and also those that are unannounced as per the request of the client. Overall, a significant contribution. Now we are not really announcing or splitting the NZT award between PD and TPS because when we talk about a lot of these awards of carbon capture, we will provide the main equipment, an absorber for the main scope of the carbon capture, plus work around project. Now, each project will be different.

Although there will be meaningful contributions from TPS scope in some of these future carbon capture, just as there is in Net Zero Teesside, it won't be really easy to make kind of a rule of thumb that each project will have exactly the same percentage, because the blend of the project from a geography, from the scope of work, from the type of work we take or not take will be slightly different. This is why, although it will contribute to both, it has for NZT, it will be for other projects. It's difficult to have one exact calculation that will apply for all.

### **Daniel Thomson – BNP Paribas-Exane- Analyst**

*Hi, congrats on the solid quarter.*

- *I wanted to touch on the ethylene market and tendering opportunity set. That kind of market has been a bit slower in 2024. How does the building pipeline going into this year compare to maybe what you saw at the beginning of last year? Are you seeing any sort of signs of improvement in projects moving forward in that market? Thank you.*

### **Arnaud Pieton**

*Hi Daniel. We see a recovery 2025, 2026 on this market.*

*It's difficult to say whether it's going to be as early as 2025 or 2026. I think, 2025, we will see. Nonetheless, customers are making a commitment on the technology and the proprietary equipment, technology selection and equipment selection taking place in 2025. We have a couple of them on the horizon with a high level of certainty.*

*And then probably FID on projects into 2026. That's what I would guess is going to happen, but equipment selection and technology selection, some will happen this year.*

### **Phillip Lindsay**

*Thank you. That concludes today's call. Please contact the IR team with any follow-up questions. Thank you, and goodbye.*