

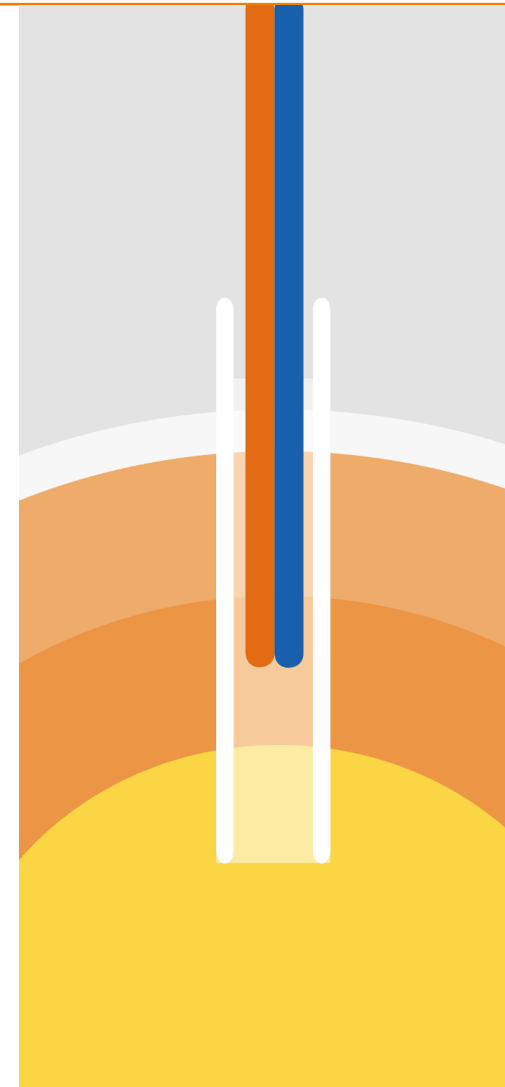
# Quirin Champions Conference 2024

Frankfurt Flughafen, 23 April 2024

## Heat transition as a growth driver

Andreas Tönies

Vorstandsvorsitzender (CEO)



## Overview

- Specialized drilling service provider
- Core segmente **geothermal energy**
- Founded more than 75 years ago
- Stock exchange listed since November 2007 (Scale 30 Index)
- Head of office in Oberhaching, Munich
- Subsidiaries in NL and CH
- Main activities in DACH and Benelux
- Shareholder structure
  - 58.4% Family Daldrup
  - 41.6% Free Float
- Shares issued: 5,989,500
- approx. 160 employees
- MarketCap: around EUR 48 mio.

## Drilling technology and drilling services

Geothermal Energy



Water Extraction



Raw Materials, Exploration



Infrastructure, Special Drilling, Services



### Focus

**Operational Drilling Business**

**High-Quality Drilling Services**

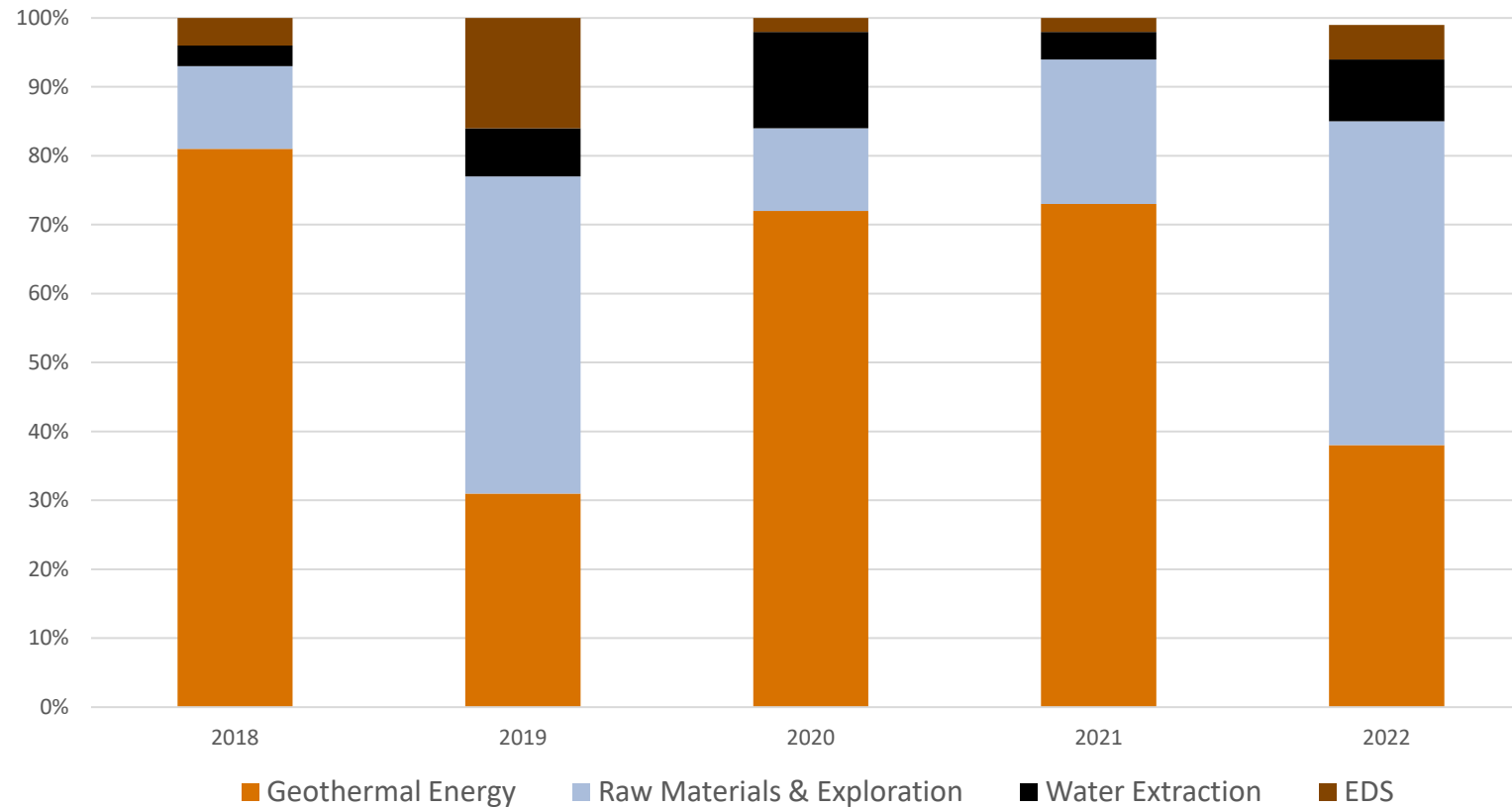
**Minority Stakes in Geothermal  
Heating Plants**

### Conclusion

**There is no other group that covers  
such an extensive drilling spectrum.**

## Diversified Business Model

### Sales Share of Business Segments 2018-2022



## The right drilling rig for all tasks

Bohranlagen  
bis 1.000m

**ROTOMAX XL-GTC Raupe**



**Wirth B 2 A**



**Gebr. Schäfer CM 810.1**



**„DS 03“ Wirth B 4 A**



Bohranlagen  
für Tief-  
bohrungen

**450 t Hakenlast  
bis 7.000 m**



**272 t Hakenlast  
bis 4.500 m**



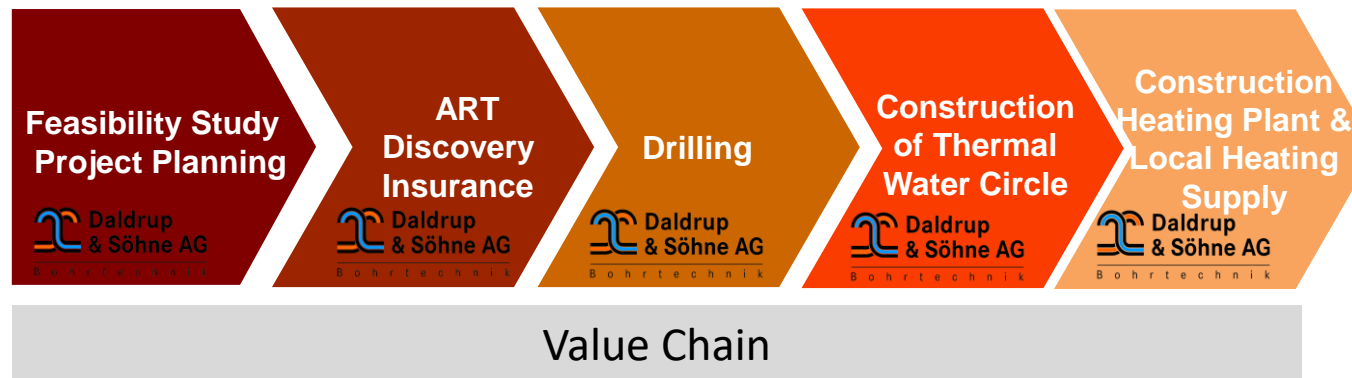
**175 t Hakenlast  
bis 3.500 m**



**125 t Hakenlast**



## Range of Geothermal Services



- Daldrup covers all stages of the value chain of a geothermal project through a broad network and cooperations
- Advantages over competitors
  - Complete planning of customized solutions for clients
  - Complete packages, all contract forms
  - ART insurance structure as security against discovery failures

## Range of Geothermal Services

### Alternative-Risk-Transfer-Concept

- Mechanism for hedging the exploration risks of geothermal projects
- Enables geothermal drilling and energy projects for the first time for many medium-sized customers
- Projects can be financed with a high share of debt capital
- Exploration risks are borne by third parties
- Daldrup acts neither as a financier nor as an insurer, no impact on the balance sheet
- Significant concept of customer and project acquisition for Daldrup, market access
- Unique selling point of Daldrup & Söhne AG

## Range of Geothermal Services

### Application ART-Structure

- ACL, Luttelgeest (NL)
  - Replacement of natural gas, local heat supply
  - Contract value EUR 21 mio.
  
- Nature's Heat (NL)
  - Replacement of natural gas, local heat supply
  - Contract value EUR 14.9 mio.
  
- Future geothermal projects in the Eastern Molasse





## Regulatory improvements in Germany

### BEW

Federal funding for  
efficient heating  
networks  
(Sept 2022)

### BMWK

Regulatory initiative  
to strengthen  
mid to deep  
geothermal  
energy supply  
(Nov 2022)

### GEG

Building Energy Act  
Geothermal energy  
recognized as  
fulfillment option  
(Sept 2023)

### WPG

Heat planning for  
municipalities to  
decarbonize heat  
supply  
(Jan 2024)

### NRW

Expands funding in  
the geothermal  
energy incl. state  
development bank  
(announcement April  
2024)

### BauGB

Privilege for  
geothermal energy  
(in negotiations)

### BMWK + KfW

Announcement of the  
establishment of a  
discoverability  
insurance  
(March 2024)

## BMWK key points for medium and deep geothermal energy

Geothermal campaign to strengthen medium and deep geothermal energy (1,500 m – 5,000 m)

### BMWK boost with 8 measures, including

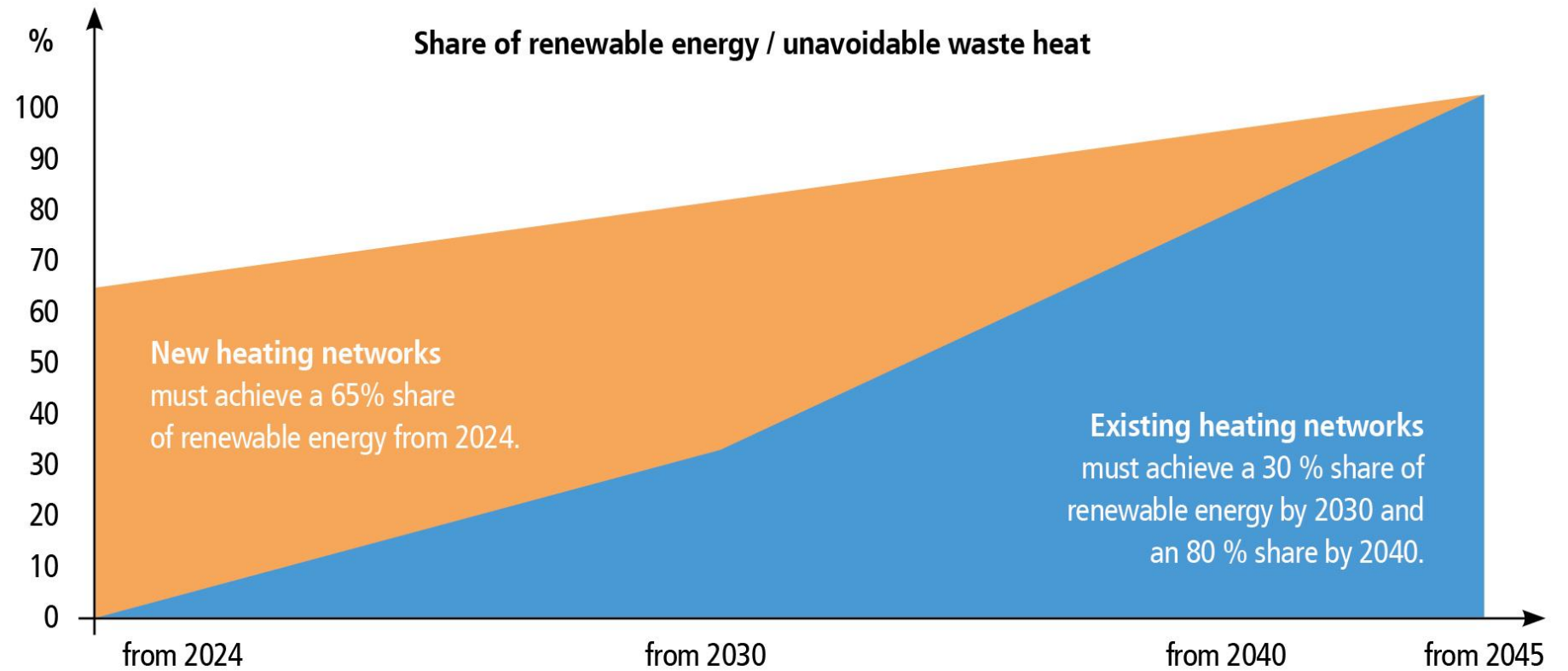
- I. Acceleration of approval procedures
- II. Support programs (BEW, EEW, ...)
- III. Risk mitigation
- IV. Availability of skilled workers and drilling rigs
- V. Raising awareness & acceptance

**Target: 50 % of heat to be generated in a climate-neutral way by 2030 (currently ~ 18 %)**

- of which 10 TWh medium and deep geothermal energy – a multiplication
- at least 100 projects until 2030 (i.e. 14 projects per year)
- Connection to heating networks
- Direct supply of residential buildings, neighborhoods, industry
- LIAG/BMWK study: at least 100 exploration wells / demonstration projects

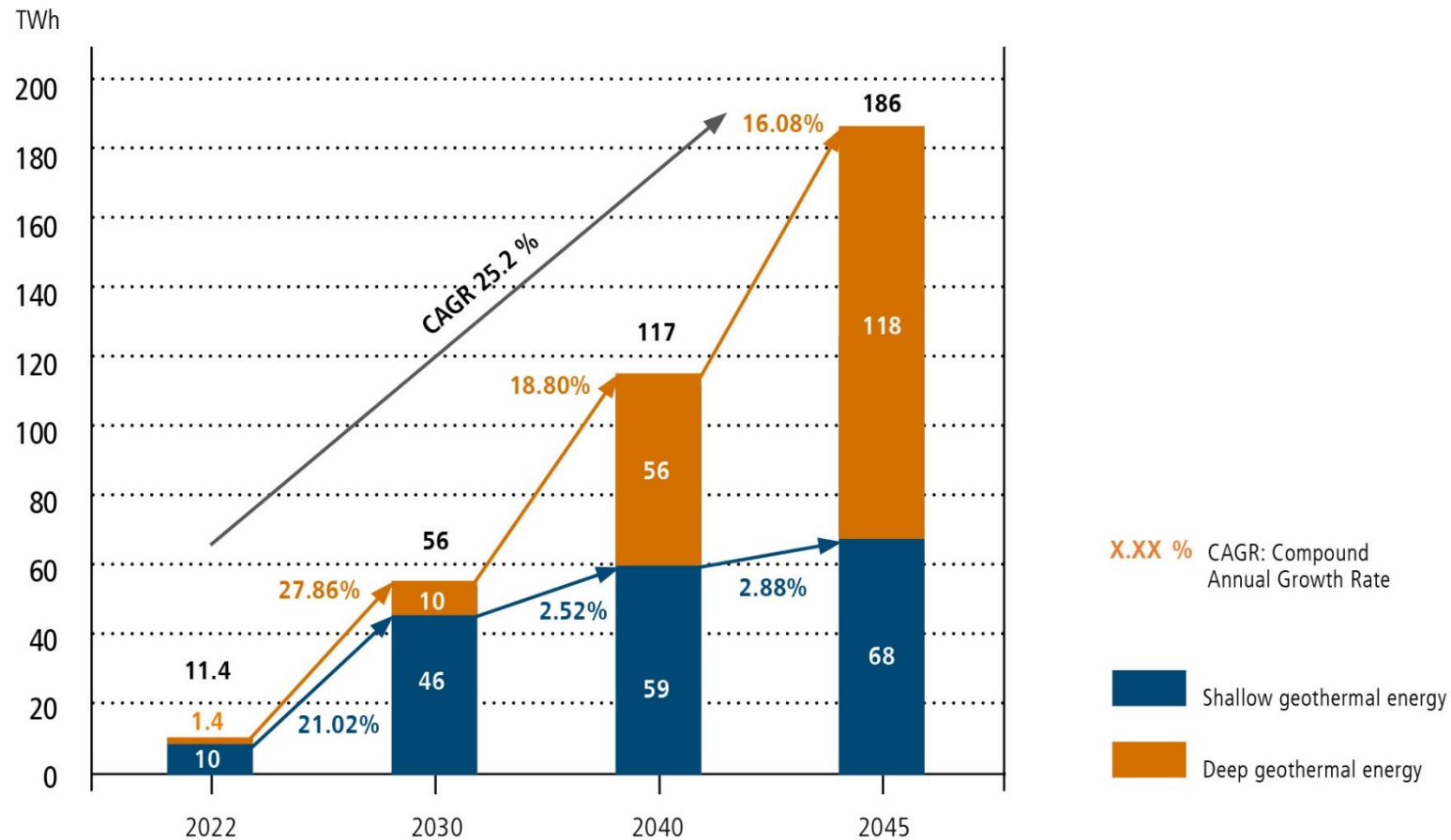
## Booster for our geothermal energy business

### Municipal heating planning



Source: BMWSB

## Expansion path for deep geothermal energy acc. to LIAG study

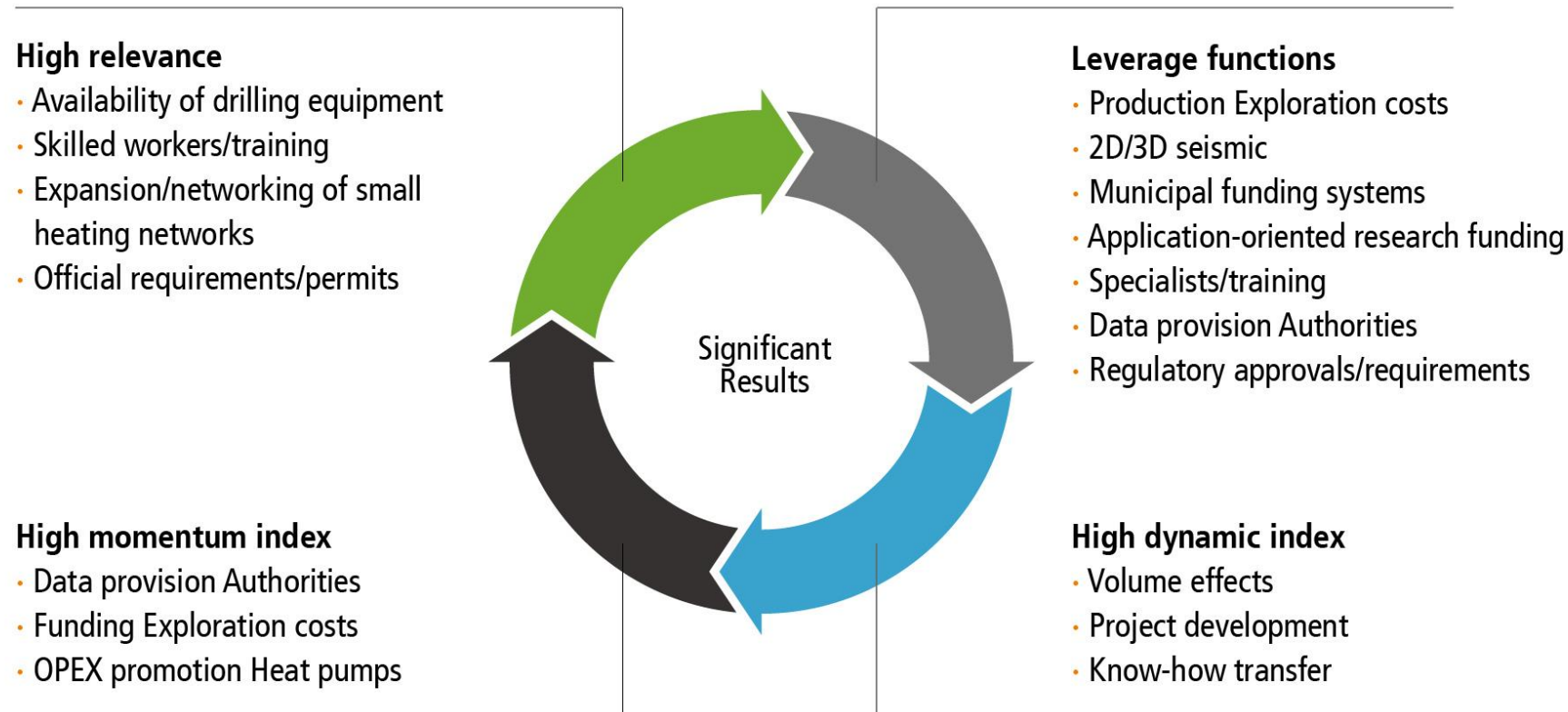


Source: LIAG

### Bottlenecks

- additional drilling rigs
- additional specialized personnel

## Further improvements necessary: key factors for the ramp-up of geothermal energy



## Latest reference projects heat transition I



Quelle: ZfK, „Geothermie-Anlage in Neustadt-Glewe wird erweitert“, 3. Aug. 2023, Foto WEMAG/Marschner

- **Neustadt-Glewe**
  - Sidetrack from existing borehole
  - Local heating capacity expansion
  - Net order volume EUR 3.3 mio.



- **Neuruppin**
  - 2 geothermal boreholes (duplicate) each 2,000 m, contract value ca. EUR 5 mio.
  - Funding 40% from the federal funding program "Efficient heating networks" (BEW) for municipal utilities

## Latest reference projects heat transition II



- **MTU Aero Engines AG, Munich**
  - Geothermal drilling
  - Utilization for heating plant with heat pumps
  - Expected contract value EUR 14 mio.

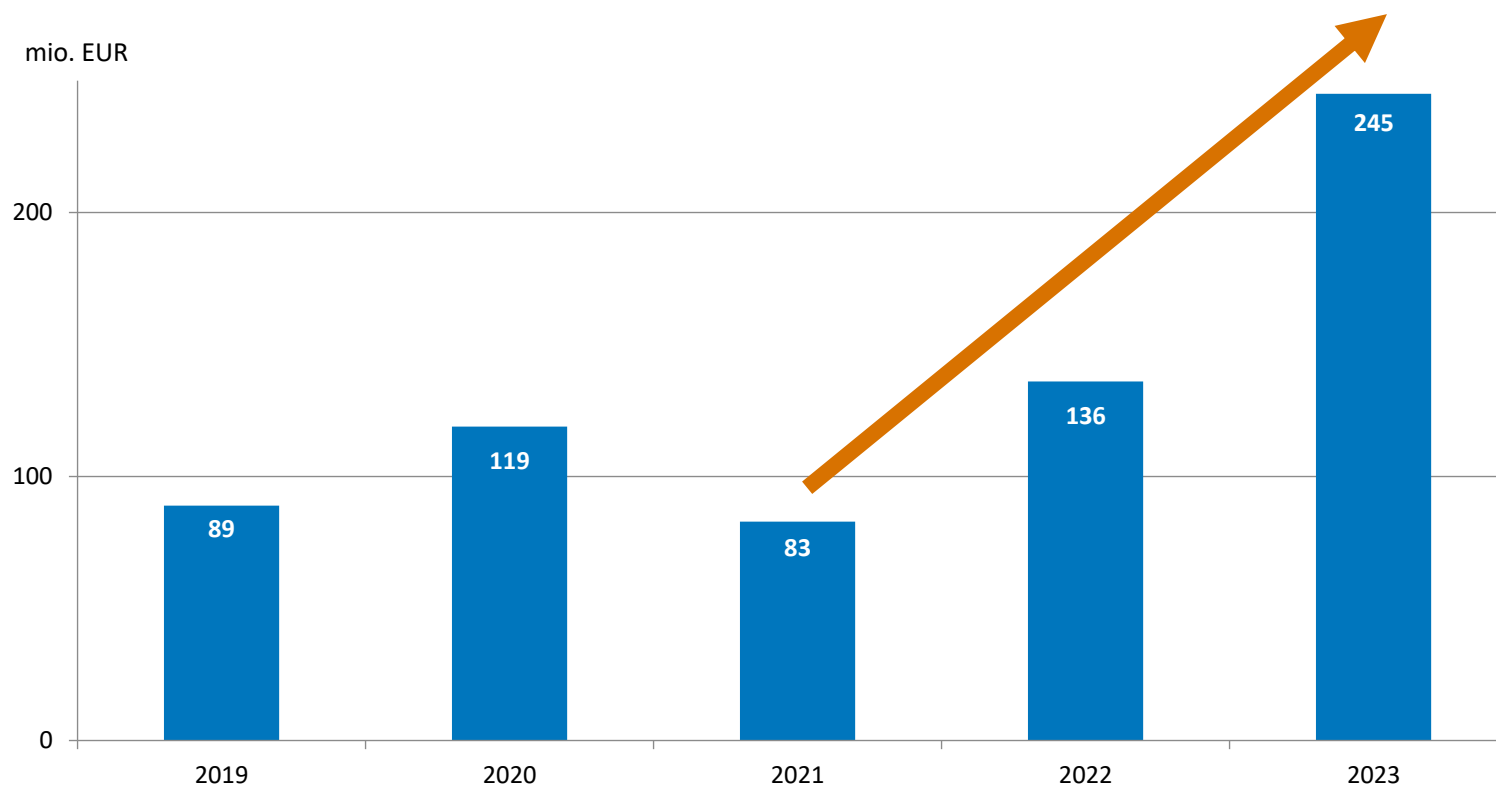


## KPIs Daldrup-Group

	as at 30 June 2023	as at 30 June 2022	Δ
<b>Total Output</b>	24,128	17,740	<b>+ 36.0 %</b>
Cost of materials	-10,855	-6,708	- 61.8 %
- of which from expenses for services procured	-5,893	-2,533	- 132.6 %
Personnel expenses	-5,347	-4,901	- 9.1 %
<b>EBITDA</b>	2,653	2,444	<b>+ 8.6 %</b>
Depreciation of property, plant and equipment	-1,223	-1,203	- 1.7 %
<b>EBIT</b>	1,430	1,240	<b>+ 15.3 %</b>
Financial result	-642	-902	+ 28.8 %
Consolidated net income for the period	722	415	+ 74.0 %
Group equity-ratio	57.0 %	49.7 %	
Employees	137	127	+ 7.9 %

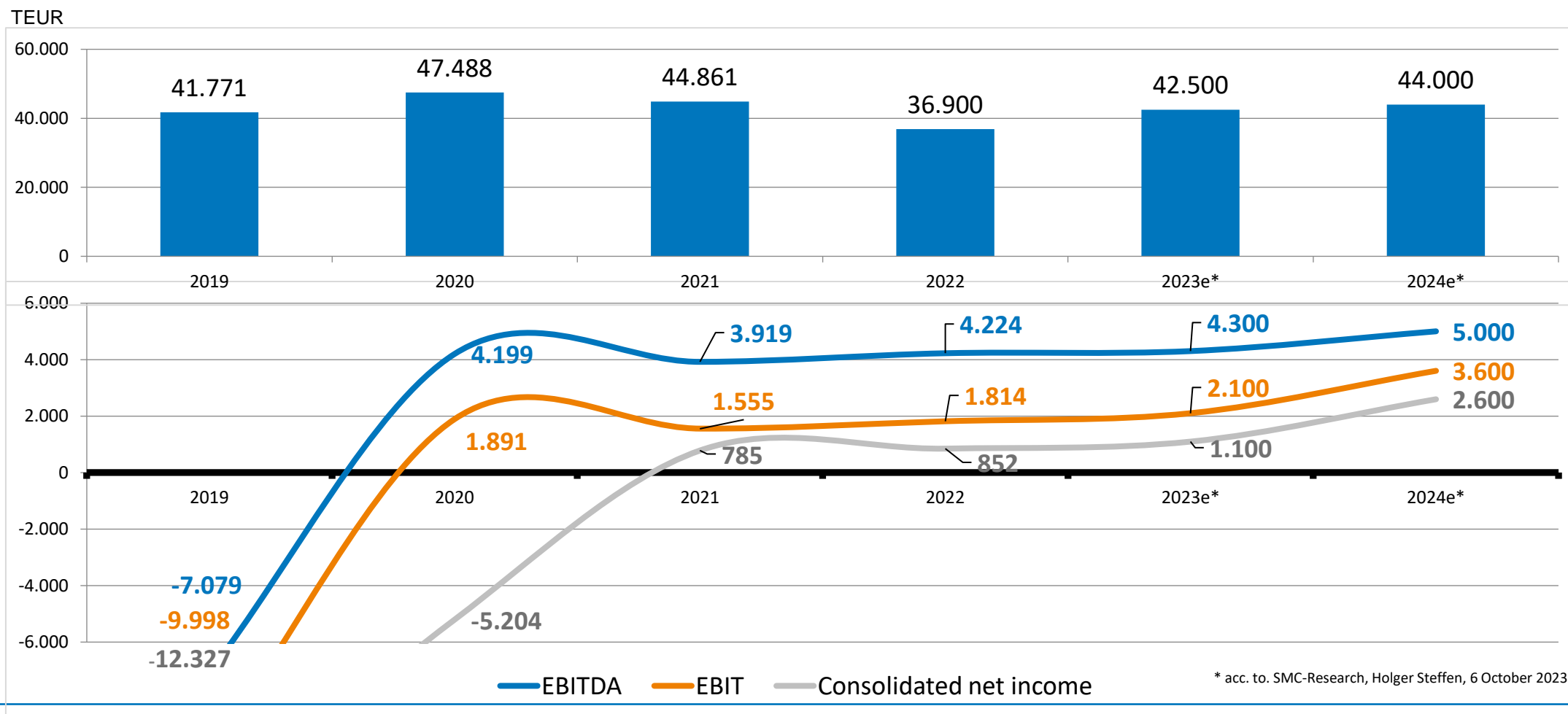


## Order potential\* reflects future structural



\* The relevant, processed market volume assessed with probabilities of occurrence as a prospect of possible incoming orders in the coming years; values in September of each year

## Total output and operating profitability



## Strengthening earning's power



Targeted investments in increasing the efficiency of drilling equipment



Targeted investments in project controlling as a precursor to artificial intelligence



Supporting market growth from 2025 with the largest planned investment program since the IPO 2007



Earnings potential of ca. EUR 1.5 mio. due to expiry of the „double burden“ from depreciation and amortization and maintenance from the IPO leap investment



Continued selective replacement of expensive rental equipment with own purchases

## Outlook 2024 / 2025



Order backlog of EUR 38 mio. as at Sept. 2023 well covered overall



Relevant market volume: EUR 245 mio. as at Sept. 2023



### Forecast 2023:

- ca. EUR 41 mio. group total output
- operating EBIT margin: 3 % to 5 % of total output



from **2025**: significant increase in the number of major geothermal projects expected

## Financial calendar 2024

31 May 2024	Publication of consolidated financial statement as of 31 Dec. 2023
29 Aug. 2024	AGM 2024
30 Sept. 2024	Publication of consolidated financial statement as of 30 June 2024
27-29 Nov. 2024	EK-Forum, Frankfurt

### IR-Contact

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