

Earnings Call

H1/2023

14 August 2023

Successful in Megatrends

DISCLAIMER

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change.

Actual results can differ materially from those anticipated in the forward-looking statements of 3U HOLDING AG (the “Company”) as a result of a range of factors, many of which are beyond the control of the Company, including those set forth from time to time in the Company’s press releases and reports and those set forth from time to time in the Company’s analyst and investor calls and discussions. The company does not assume any obligation to update the forward-looking statements contained in this presentation.

This presentation does not constitute an offer to sell or a solicitation or offer to buy any securities of the Company, and no part of this presentation shall form the basis of or may be relied upon in connection with any offer or commitment whatsoever. This presentation is being presented solely for information purposes and is subject to change without notice.

In particular, the figures for capacity expansion in the Renewable Energies Segment depend, among other things, on the existence of legal requirements and further official approvals. The expected values listed in this presentation could also be significantly exceeded based on the current state of technology.



Events & Earnings

H1/2023

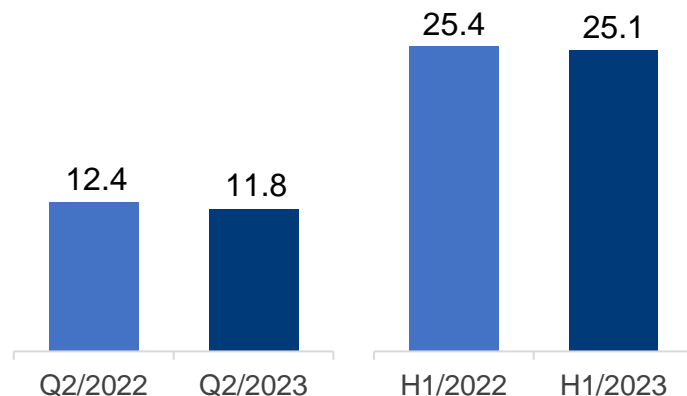
High-margin ITC and Renewable Energy (RE) businesses remain growth drivers despite challenging economic environment / SHAC segment outperforms market but cannot resist economic slowdown in second quarter

- Declines in SHAC (largest segment in the Group) cannot be offset by the revenue increases achieved in ITC and RE; Group revenue approx. 1% below previous year; EBITDA margin in the entire reporting period at 10% within the communicated forecast range
- Based on the positive development in the ITC and RE segments and in anticipation of an increase in demand, especially for climate-friendly heating systems in the second half of the year, the forecast for 2023 is confirmed
- In the summer, Management presented its new medium-term goals in the form of MISSION 2026: The announced strategic measures provide for an extensive investment program in the coming years in order to leverage the significant value potential in the business segments
- Start of active marketing of the new ThermCube! The market launch can be followed live on YouTube on 16 August.

3U continues to be well positioned to meet the current challenges. The megatrends in our markets are intact and will noticeably favour the development of our business in the coming years.

Q2/2022 vs. Q2/2023 and H1/2022 vs. H1/2023 (continued operations) in EUR million

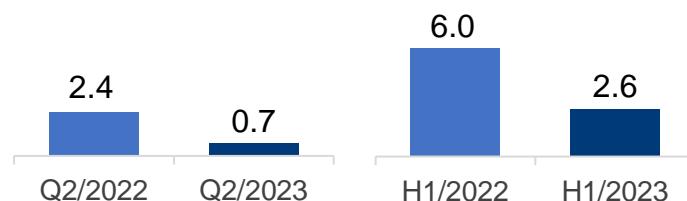
Revenue



- Economic conditions and uncertainties affect Q2 growth rates
- H1/2023 Group sales with delta of -1.1% in almost at previous year's level

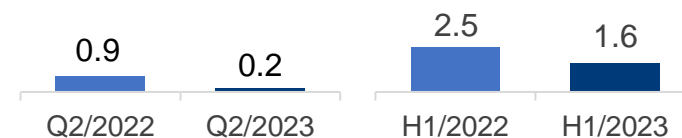
- Overall development significantly burdened by decline in demand in SHAC eCommerce in the second quarter
- High-margin segments ITC and RE continue to achieve sales growth
- EBITDA of the operating business segments at the previous year's level with a total of EUR 4.6 million (EUR 4.8 million)
- Earnings per share (diluted and basic): EUR 0.04 (previous year: EUR 0.05)

EBITDA



- Extraordinary income in the previous year due to the InnoHubs property development project
- EBITDA margin of 10.3% within the forecast range

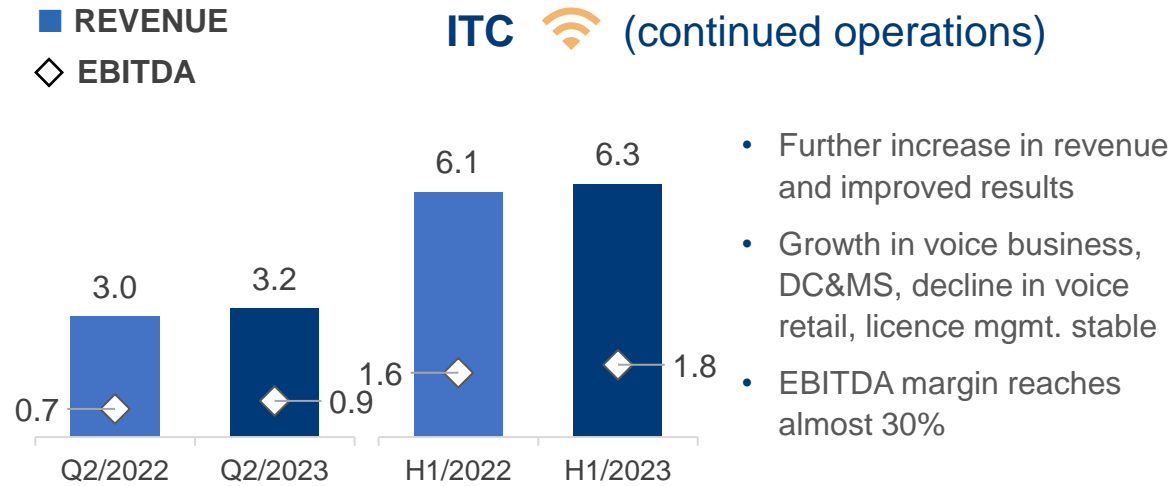
Net results



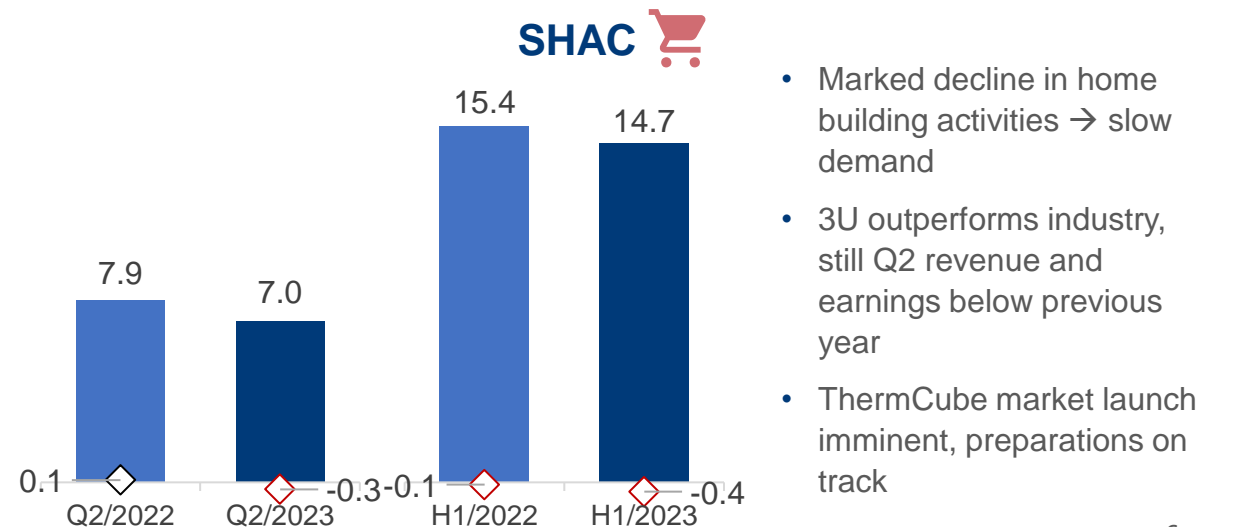
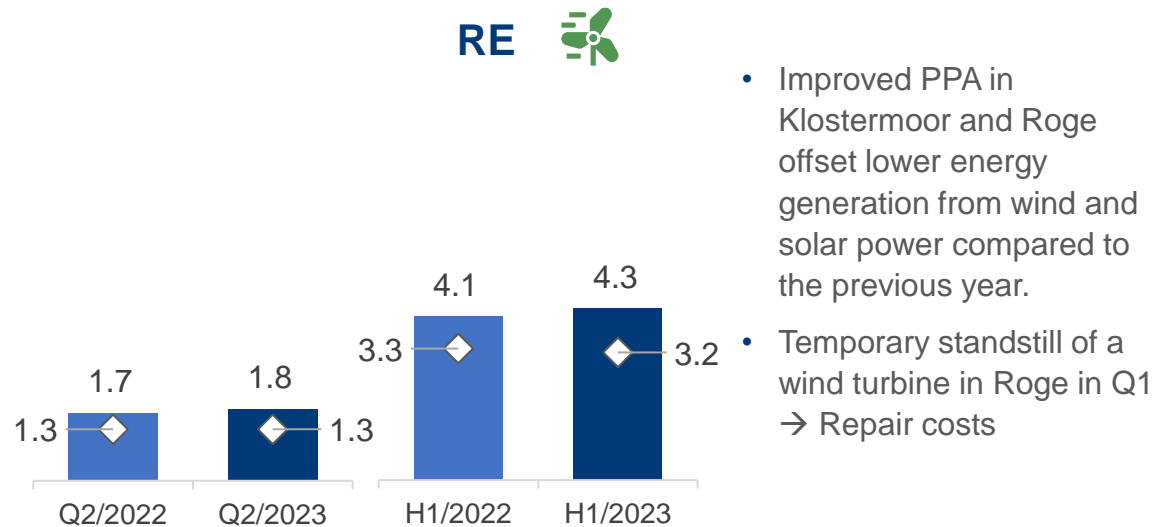
- Financial result significantly improved to EUR 1.4 million (previous year: EUR -0.1m)
- Net margin H1/2023: 6.4% (previous year: 9.7%)

DEVELOPMENT IN Q2 SHOWS MIXED PICTURE IN THE SEGMENTS

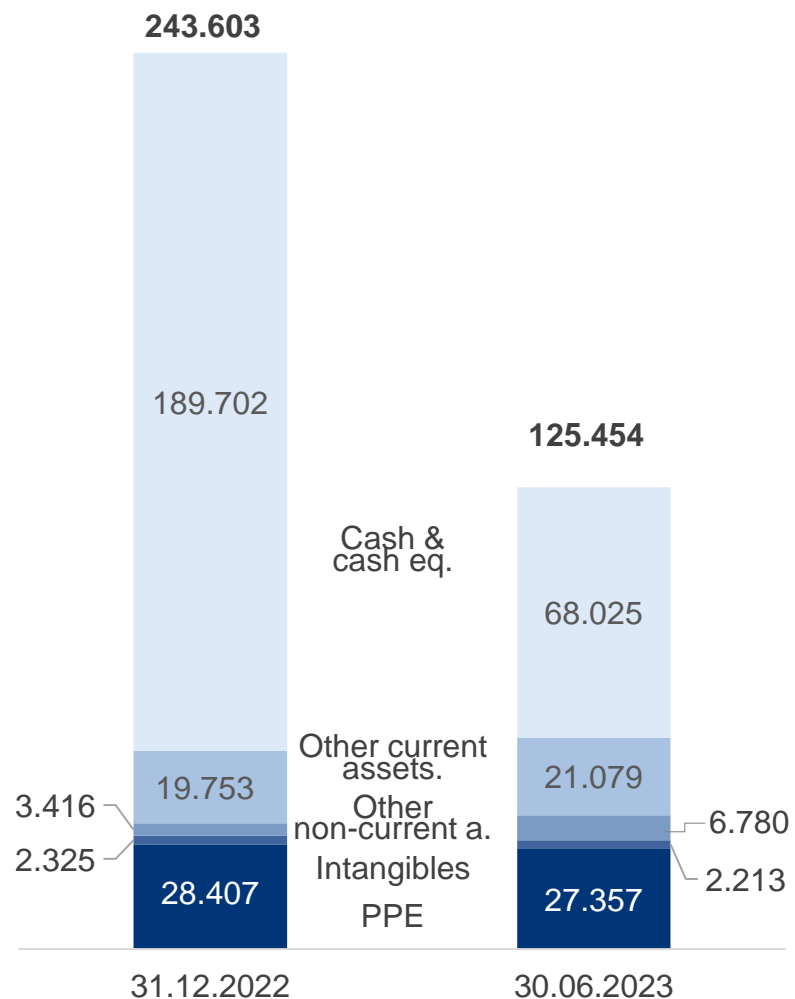
Q2/2022 vs. Q2/2023 and H1/2022 vs. H1/2023 in EUR million



- **ITC:** Implementation of strategic measures according to plan; successful expansion of DC&MS activities, in relation to recurring revenues, and screening of potential takeover candidates for external growth.
- **RE:** Sound earnings quality in the segment can be maintained; important course set for planned capacity expansion; filings for re-powering in Langendorf progressing
- **SHAC:** Focus on marketing start of the ThermCube "The heat pump all-in-one heating cabinet" in mid-August; a more dynamic development in the segment is expected for the second half of the year



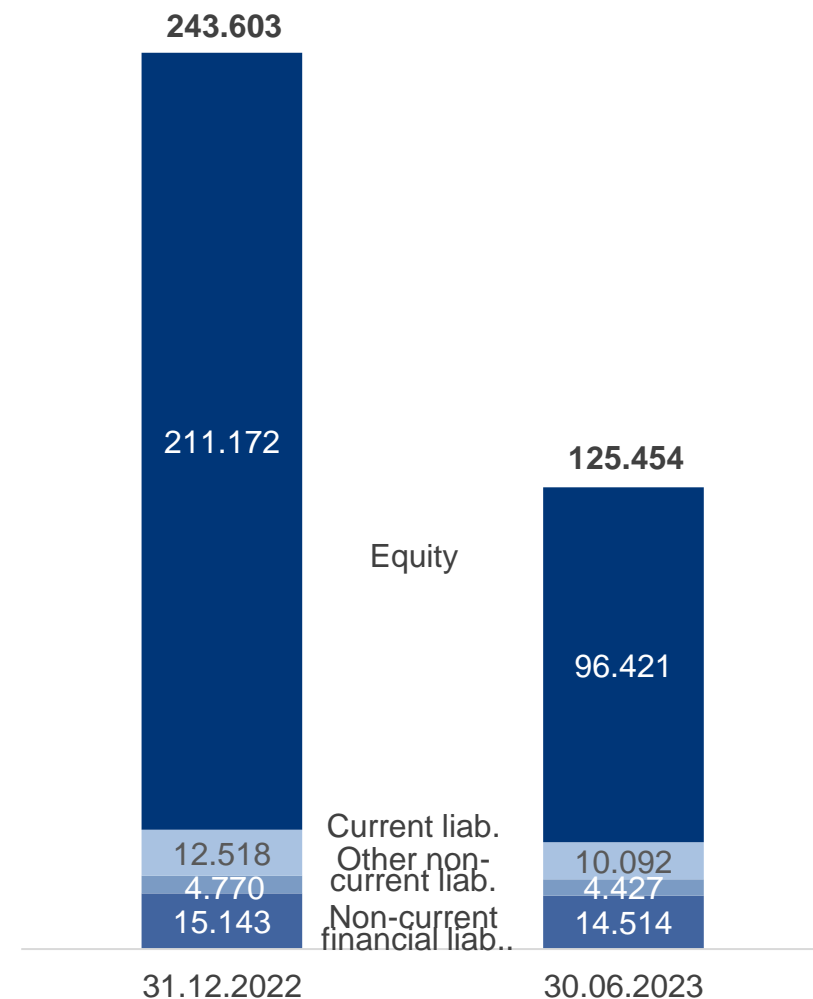
Assets (in EUR million)



- The balance sheet reduction is mainly due to the dividend payment of EUR 117.5 million.
- Increase in inventories by EUR 1.0 million to EUR 11.8 million is mainly due to the expected business development + market launch in SHAC
- Increase in investment property to EUR 3.5m due to acquisition of office space originally used by weclapp SE in the InnoHubs building in Würzburg
- Working capital: EUR 79.0 million (31.12.2022: EUR 196.9 million)

3U's consolidated balance sheet shows sufficient cash and cash equivalents as well as a sound capital structure to attain the planned strategic goals.

Shareholders' equity and liabilities (in EUR million)



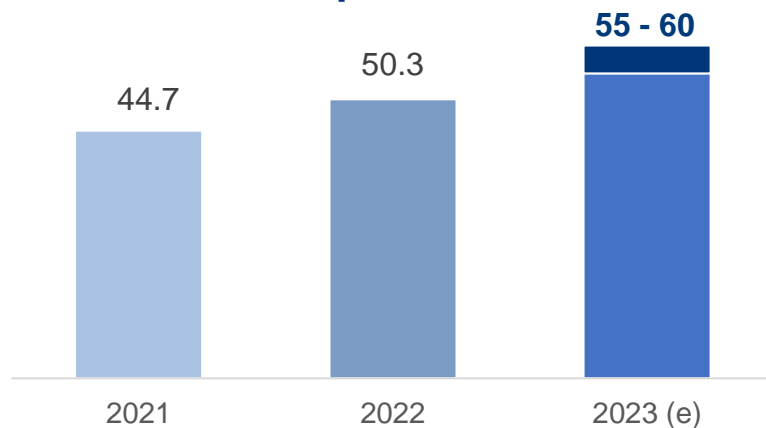
In EUR million	30.06.2023	31.03.2023	31.12.2022
Total assets	125.5	244.8	243.6
Inventories	11.8	12.1	10.8
Cash and cash equivalents	68.0	185.8	189.7
Equity	96.4	213.8	211.2
Equity ratio	76.9 %	87.3 %	86.7 %
Debt to equity (liabilities / equity)	30.1 %	14.5 %	15.4 %
Net cash position (cash and cash equivalents – financial liabilities)	52.1	169.5	173.2
Free cash flow (Op. CF + Inv. CF)	-3.7	-4.1	164.4

FORECAST 2023

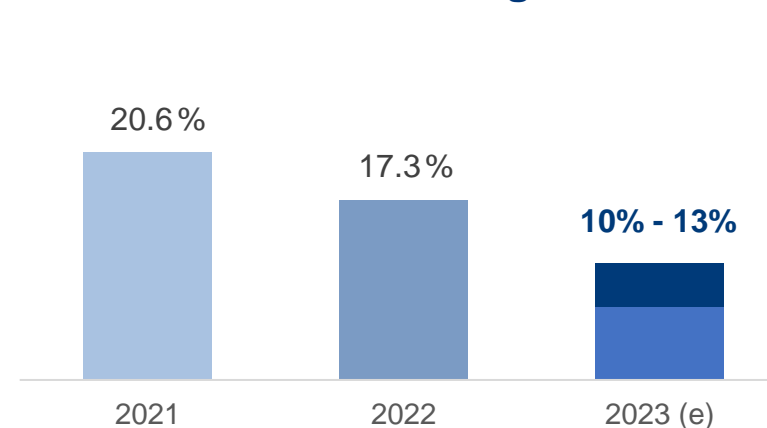
STRONG REVENUE GROWTH, NORMALISED EBITDA DUE TO LOWER INCOME AT HOLDING LEVEL

Group KPI (in EUR million)*

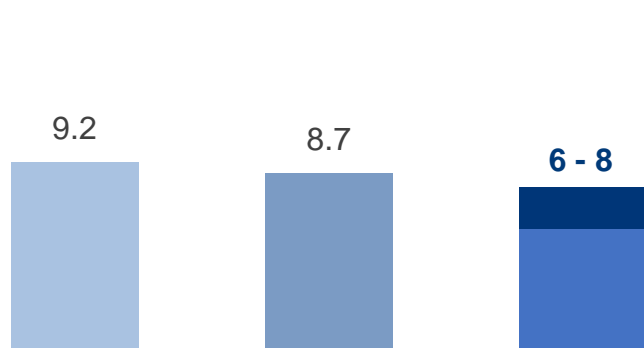
Group Revenue



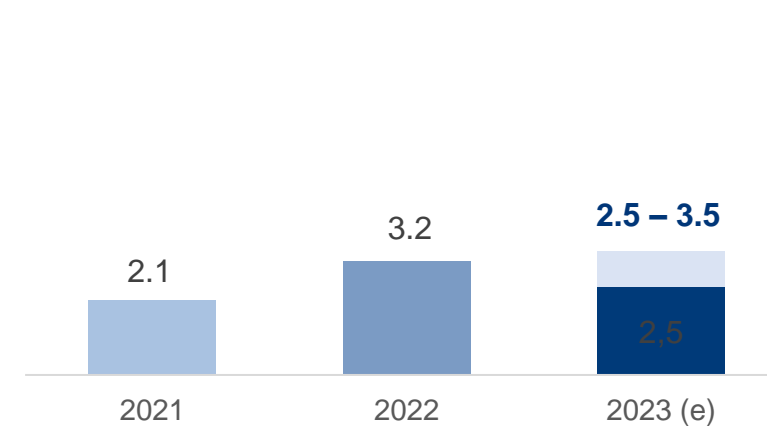
EBITDA Margin



EBITDA



Net Result



* continued operations only (ex weclapp-subgroup)

TARGETS AND STRATEGY

Successful in Megatrends



3U MISSION 2026

3U HOLDING AG's value potential

SHAC
e-commerce
EUR 300-350 million

Renewable
Energies
EUR 150-200 million

ITC
Digitalisation
EUR 60-70 million

3U's total value potential 2026: EUR 510-620 million

Our mission is anchored in a sound growth strategy which has been successfully implemented for years and is now firmly on track.



The focus of our activities is to steadily **increase value** in the interest of all stakeholders. This approach will deliver our 3U 2026 targets for raising value which currently total EUR 510-620 million.



We harness our core competences in three megatrends, which enables us to repeatedly generate value with extremely high-yield **investments** – most recently with an enterprise value realised from weclapp amounting to EUR 240 million.



We strive for sustainable **growth** in sales and earnings based on the latest technologies, in-depth knowledge of the market and many years of experience.



With a reliable and experienced **management**, we will continue to successfully fulfil the company's purpose of increasing value in the future, just as we have done in past years.



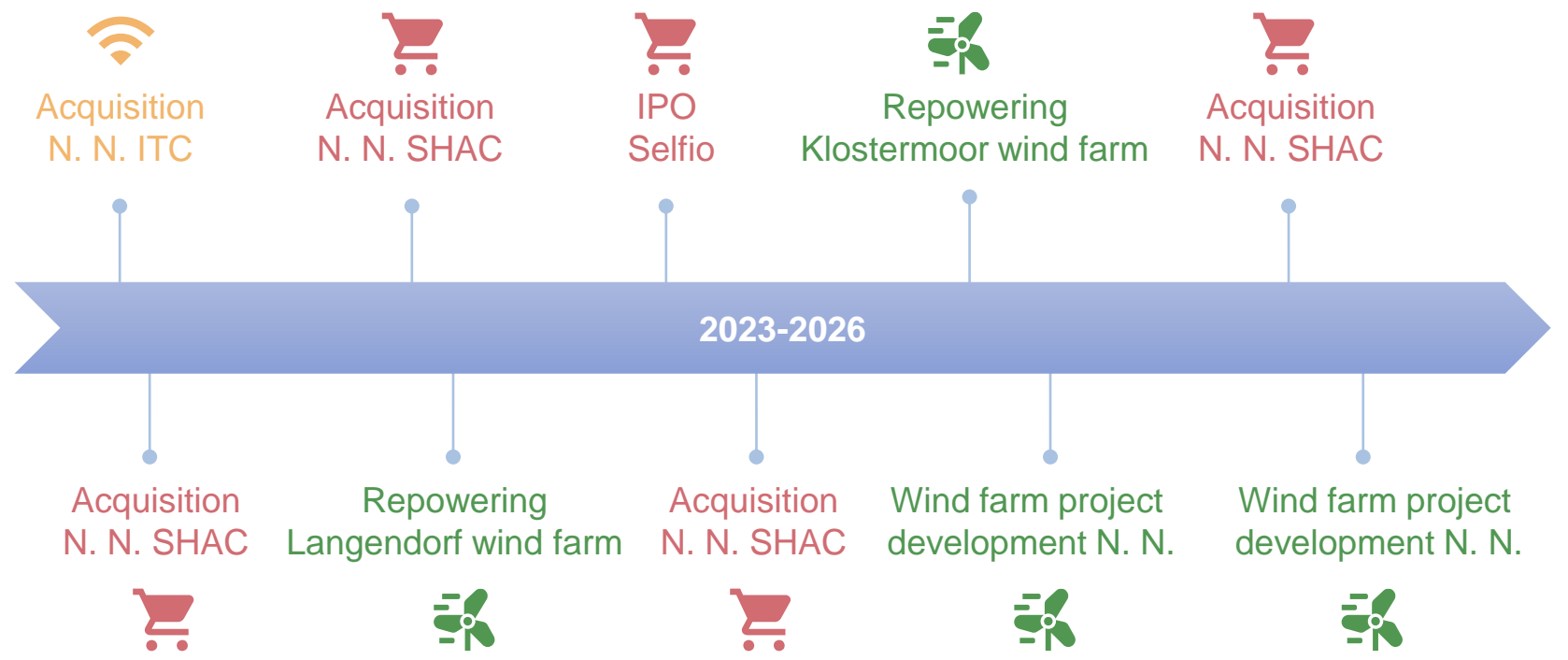
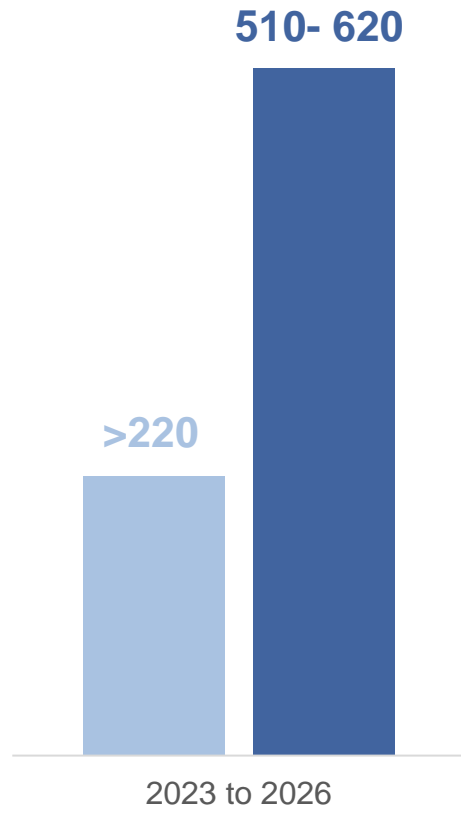
A shareholder-friendly dividend of around 50 % of the consolidated profit is a matter of course for us. In the case of realised extraordinary increases in value, even significantly more. Most recently for FY 2022: EUR 3.20 per share or EUR 117 mn.



Investment volumes and value potential – 2023 to 2026 in EUR million

Investments Value potential

 SHAC e-commerce
 Renewable Energies
 ITC Digitalisation





Focus on core competencies in **three megatrends**

- SHAC e-commerce with excellent growth prospects
- Environmentally friendly energy generation by means of wind power and photovoltaics
- Digitalisation in small and medium-sized enterprises.

Strategic focus on strong **organic growth**

- Targeted enhancement of successful business models
- Market-driven expansion of product and service portfolio
- Investments in upgrading and expanding our RE facilities

Accelerated **external growth** through value-creating **acquisitions** to consolidate the market, grow and complete the product range, to extend know-how and human resources and expand sites.

Above-average value enhancement potential of the subsidiary Selfio in the Sanitary, Heating and Air Conditioning Technology segment (SHAC) through **IPO** or **PE exit**. Identical to the approach taken in the recent and extremely successful realisation of value from weclapp.

3U MISSION2026

Segments



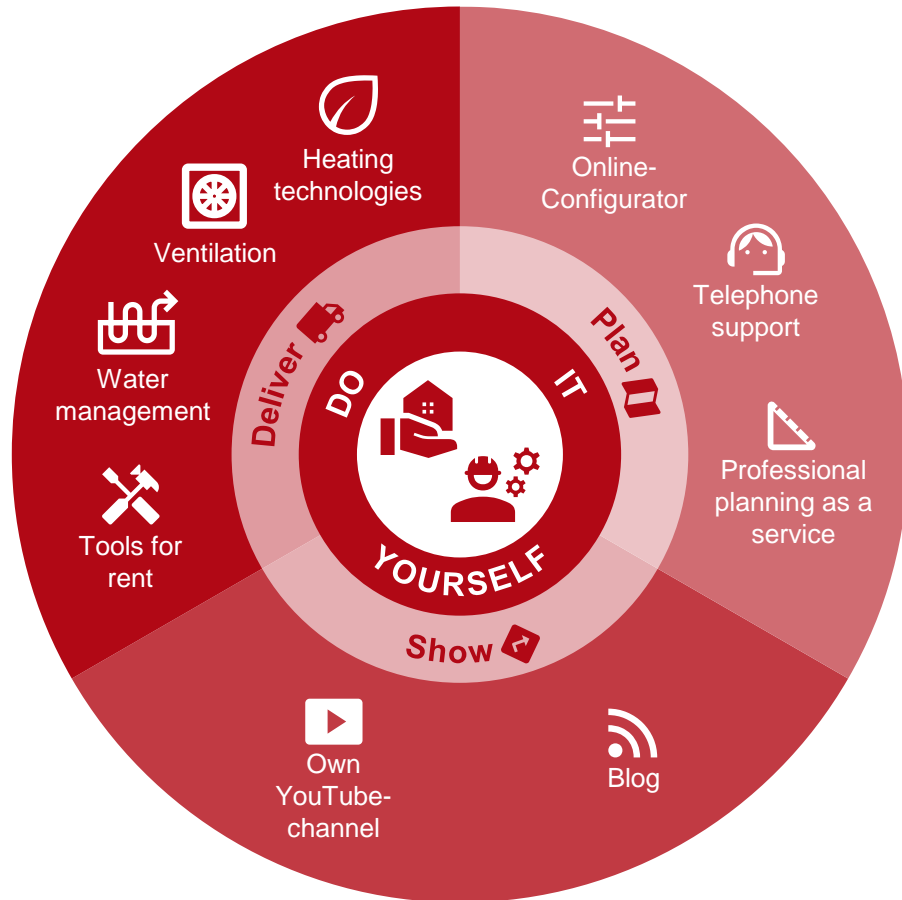
SHAC
e-commerce



**Renewable
Energies**



ITC
Digitalisation



Above-average revenue growth to EUR >100 million is targeted:

- strong organic growth and acquisitions
- Excellent framework conditions due to legally prescribed heat transition (65 % RE target), accompanied by an increasing shortage of skilled workers

Development of further market segments, especially the prefabricated house industry

Ideal conditions for efficient and rapid growth through:

- Process-oriented organisational structure
- Economies of scale, partly due to continuous expansion and completion of the product range
- Gradually raising share of own brands
- Currently a 14,000 sq m modern logistics centre
- Expansion of locations in Germany and in selected EU countries
- Currently around 150 how-to-videos available in the online shop and on YouTube



Establishment as a leading online provider in the growth markets of sanitary, heating and air conditioning technology (SHAC) and Do-It-Yourself (DIY).

Significant profitability improvement with a view to achieving a sustainable **EBITDA margin of up to 8 %**.

Primarily self-funded acquisitions of around **EUR 80-100 million**.

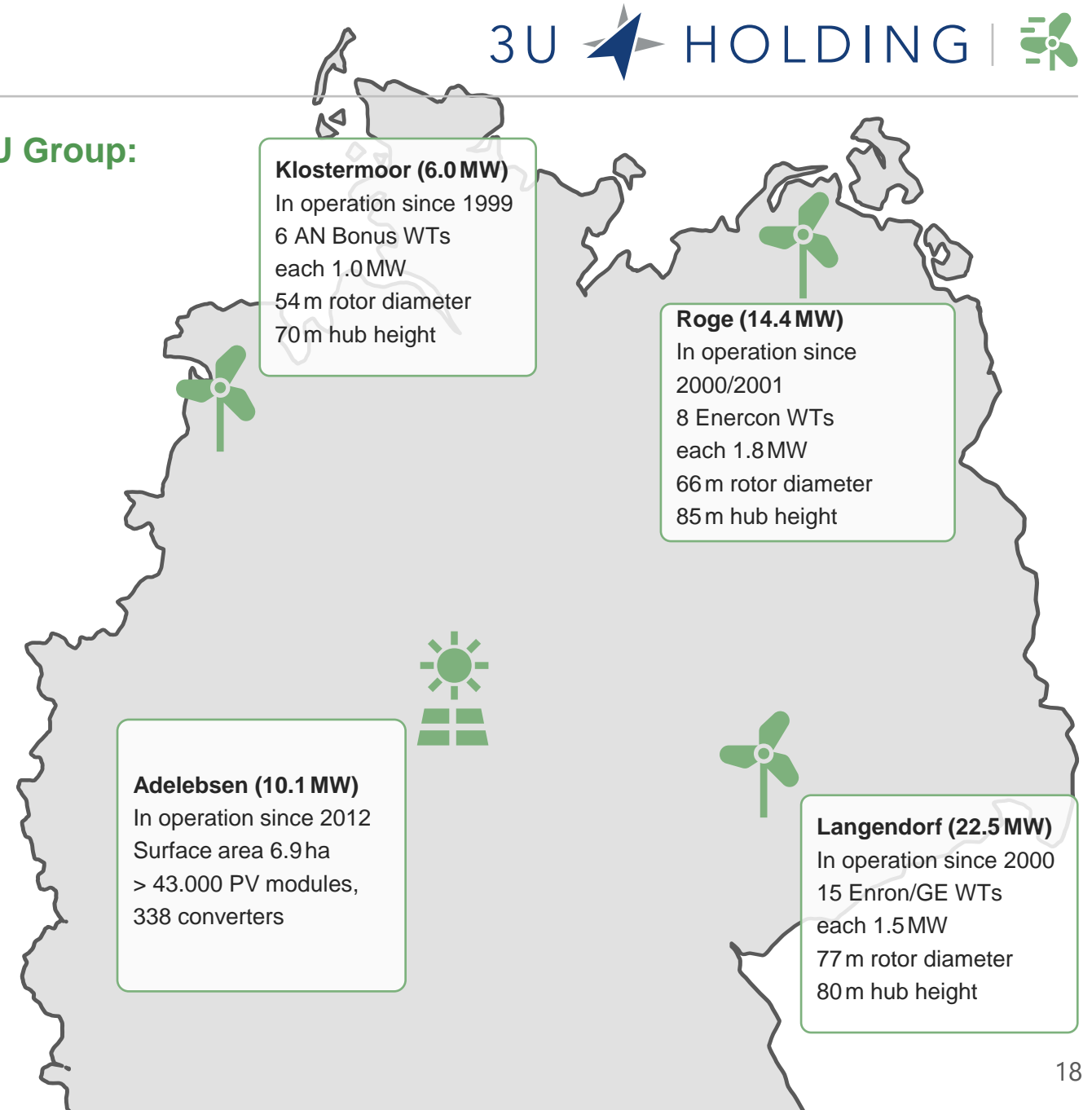
Assuming the market environment improves, the SHAC segment (Selfio) is also aiming for an **IPO** or **PE exit** by 2025, analogous to the approach taken in the recent and extremely successful value realisation of weclapp.



resulting value potential and a market cap target: **EUR 300-350 million**.

Power production from renewable energies in the 3U Group: three wind farms, one solar park

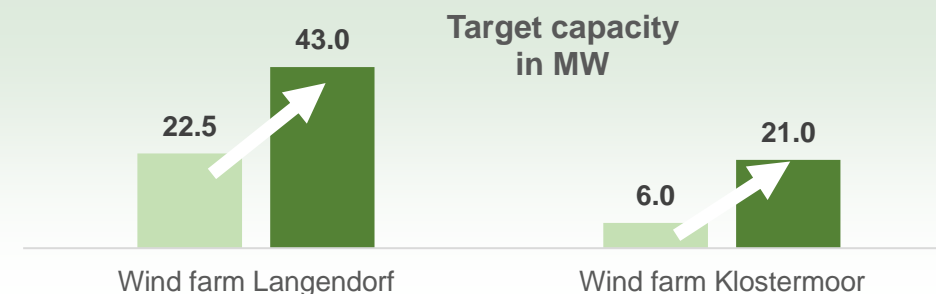
- Nominal output currently at 53 MW
- Cash flow through the sale of the electricity generated
- Advantageous power supply contracts for 2023
- Business success also depends on weather conditions in particular
- Repowering opportunities



Investments for modernisation and new construction of RE facilities

- Strong growth potential thanks to politically intensified electricity transition to renewable energies
- We are now setting in place the prerequisites for implementing forward-looking projects in repowering and project development as from the beginning of 2025
- Customary market medium- to long-term financing requirements of **EUR >150 million**, of which **10 % to 20 %** will be self-funded
- Extensive investments to increase nominal output to **150 MW to 200 MW** up from a current 53 MW

Repowering: more than doubling nominal capacity and tripling of electricity generation in these facilities



Project development:

- Construction of additional wind turbines as part of existing projects.
- Target: about 15 new units with a nominal capacity of 6-7 MW each.



resulting value potential: **EUR 150-200 million**

Organic growth through expanding the Managed Services business segment:

- Comprehensive service for medium-sized companies at eye level
- Positioning as a digitalisation partner with a high level of competence and sustainable, long-term customer orientation
- Long-term contracts to boost the share of recurring revenues

Accelerated external growth through self-funded acquisitions

Stable cash flows in established core business

Future-oriented investments in technology platforms, systems, infrastructures and processes

Sustainably high EBITDA margin of **25 % - 30 %**



resulting value potential: **EUR 60-70 million**

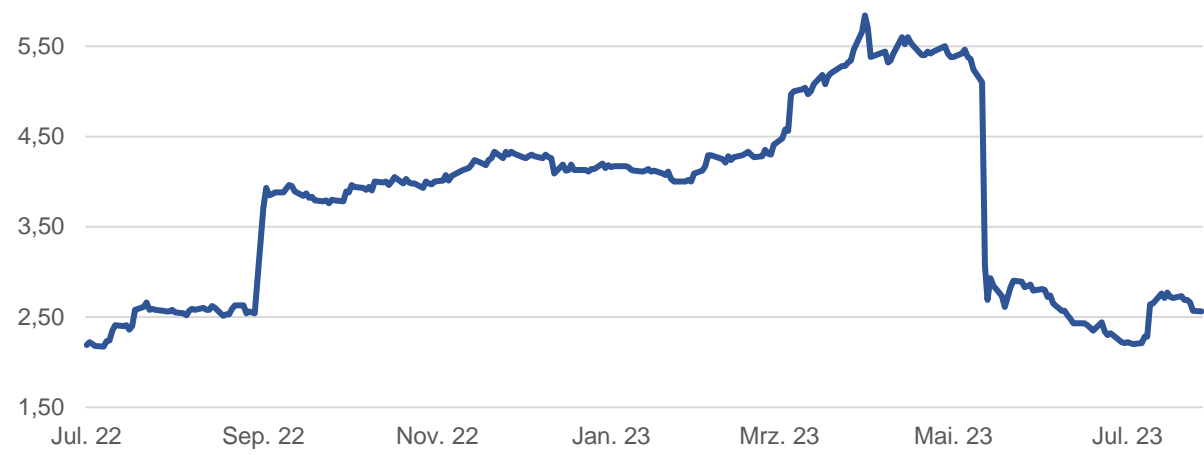
Excellent personnel and economic basis for next planned growth spurt



- Experienced management - track record of successfully increasing value
- An exceptionally motivated and effective team as a decisive success factor
- Sound balance sheet ratios - equity ratio $\geq 75\%$, and positive net cash flow
- Current liquid funds of around EUR 68 million (as of 30 June 2023)
- Financing of acquisitions secured from own funds
- Ample access to different financing options (debt and equity) to expand capacities in the RE parks or to opportunistically embark on developer projects
- Investment volume in the short to medium term of more than EUR 220 million, of which at least EUR 60 million from own funds, along with additional liquidity from IPO proceeds (Selfio) and positive net cash flow

Appendix

Share price development (6 May 2022 – 31 July 2023)

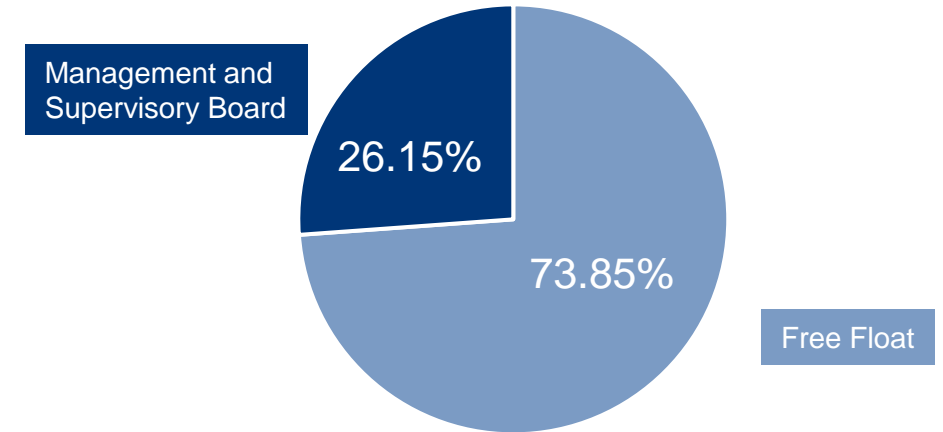


Average daily trading volume (XETRA): ~90.000

Dividend policy:

- Roughly half of the Group's operating net profit to be distributed in the form of dividend
- The AGM in May approved the payment of a dividend of EUR 3.20 per share for the financial year 2022

Shareholder structure (30.06.23)



Market segment	Prime Standard
Shares issued	36.7 million
ISIN	DE0005167902
Bloomberg Ticker	UUU

Date	Event
14 August 2023	Publication Half Year Report and conference call
23/24 August 2023	Hamburg Investors' Day
4/5 September 2023	Fall Conference Equity Forum in Frankfurt/M
8 November 2023	Publication 9-months interim statement and conference call
15/16 November 2023	MKK Munich
27-29 November 2023	Deutsche Börse Equity Forum Frankfurt/M
12 December 2023	GBC Capital Market Conference in Zurich

Contact

Thomas Fritsche

Head of Investor Relations

3U HOLDING AG

Frauenbergstraße 31–33

35039 Marburg

Deutschland

Tel. +49 6421 999 1200

Fax +49 6421 999 1222

ir@3u.net

www.3u.net