



Alfen H1 2020 results

Webcast

26 August 2020



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Alfen's revenue outlook estimates are management estimates resulting from Alfen's pursuit of its strategy. Alfen can provide no assurances that the estimated future revenues will be realised and the actual revenue for the financial year 2020 could differ materially. The expected revenues have also been determined based on assumptions and estimates that Alfen considered reasonable at the date these were made. These estimates and assumptions are inherently uncertain and reflect management's views which are also based on its historic success of being assigned projects, which may materially differ from the success rates for any future projects. These estimates and assumptions may change as a result of uncertainties related to the economic, financial or competitive environment and as a result of future business decisions of Alfen or its clients, such as cancellations or delays, as well as the occurrence of certain other events.

More details on Alfen's H1 2020 performance can be found in the 2020 semi-annual report and the H1 2020 results press release, published together with this presentation. A more comprehensive discussion of the risk factors affecting Alfen's business can be found in Alfen's annual report 2019 which can be found on Alfen's website, www.alfen.com.

COVID-19 update

- To cope with COVID-19, Alfen implemented additional safety measures to continue safe and responsible operations
- Limited interruptions of the business up to this point
- Order intake in Q2 2020 was reasonably strong with no cancelled orders, the supply chain kept functioning and production has been up and running
- There remains an inherent macro-economic uncertainty as a result of COVID-19

Key highlights of the first half-year

H1 2020 revenues of €90.3m, a growth of 47% versus H1 2019 (€61.6m), driven by strong growth across all business lines: Smart grids (+23%), EV charging (+154%) and Energy storage (+67%)

Strong increase in profitability: adjusted EBITDA grew with 107% to €10.0m (11.1% of revenues) versus €4.9m (7.9% of revenues) in H1 2019. Adjusted net profit of €5.3m, up 266% versus €1.4m in H1 2019

Important new project and client wins, amongst which (i) a service contract with Goldbeck to provide service & maintenance for 6 solar PV parks (c.180MWp) in the Netherlands, (ii) becoming a preferred EV charge point supplier of Elexent which is a new subsidiary of Groupe Renault dedicated to EV charging solutions, and (iii) supplying the Dutch provinces Noord-Brabant and Limburg with up to 4,000 charge points by 2022 with Vattenfall

Alfen reconfirms its 2020 full-year revenue outlook of €180-200m

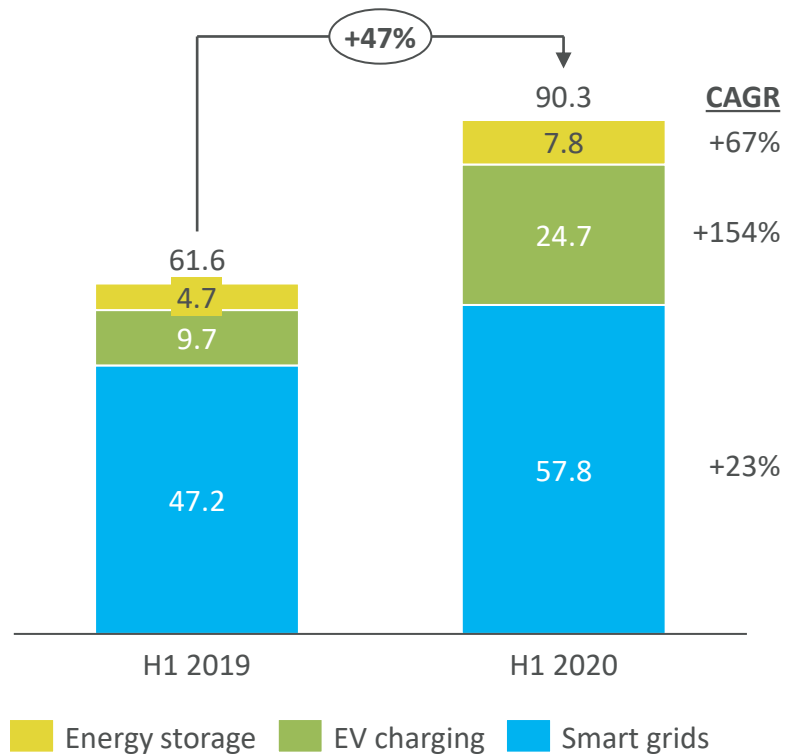
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Strong revenue growth of 47% compared with H1 2019

Revenue and other income

(€ million)



Smart grids

- Continued to benefit from grid investments, investments related to solar PV and revenues from service
- COVID-19 had limited effect on Smart grids in the first half-year as Alfen experienced a continued focus on grid expansion by the grid operators and microgrid projects regained momentum after some project execution delays due to country lockdowns in Q2

EV charging

- Growth driven by increasing volumes under framework agreements that have been set-up over the past years, new client wins and further internationalisation
- Although the market for light duty vehicles has been impacted by COVID-19, the electric vehicle segment has proven to be more resilient
- Governments across Europe have announced additional incentive packages to further boost EVs
- Successfully completed the relocation of EV charging operations to a new and larger facility and significantly expanded EV charge points production capacity

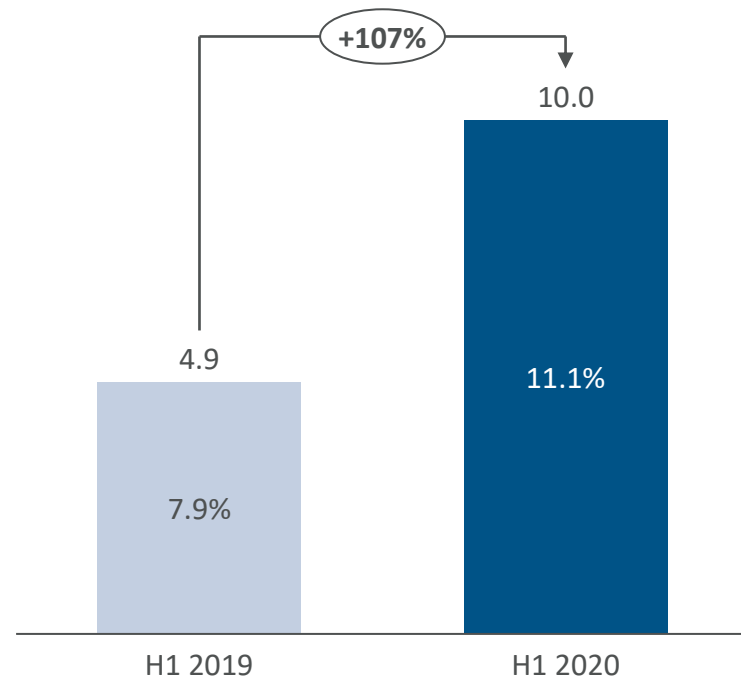
Energy storage

- Revenue increase driven by strong market momentum resulting in contract wins in the last months of 2019 as well as in Q1 2020
- However, as a result of COVID-19, market circumstances were again challenging in Q2 this year as decision making was postponed across the industry
- In this market dynamic, Alfen's proven track record across multiple storage applications is playing to its advantage as well as its strong market position

Strong increase in profitability driven by revenue growth and operational leverage

Adjusted EBITDA

(€ million and as % of revenues)





The adjusted EBITDA margin improvement is a **result of strong revenue growth and operational leverage**. The latter through leveraging the fixed cost base such as R&D and overhead costs

Going forward, Alfen's strategy is a continuation of its strong revenue growth and **further leverage** of its fixed cost base

Continued investments in innovation

Selected examples of recent innovations

 <h3>Direct payment functionality for EV charge points in Germany</h3> <ul style="list-style-type: none">• Developed direct payment functionality for Alfen charge points using Giro-e technology• Giro-e technology allows payments to be transferred directly between bank accounts• Alfen Connect, Alfen's back-office, establishes the relevant bank connections for the exchange	Innovation	 <h3>Dedicated substation for onshore wind installations</h3> <ul style="list-style-type: none">• Alfen Elkamo developed a 36kV substation especially for onshore wind farms• Closely placed to the windmills, the substation collects the generated power and allows more efficient evacuation to the grid connection, which can be many kilometers away• This saves single connections for each windmill to the grid connection
<p>EV drivers in Germany can pay directly at an Alfen charge point using their debit card, instead of using a dedicated EV charging card</p>		Benefit

Commercial successes in H1 2020

Selected examples of new business

Smart grids



A service contract with Goldbeck to provide service & maintenance for 6 solar PV parks (c.180MWp) in the Netherlands



Multiple contracts with HVC, a Dutch waste management and sustainable energy company, to provide microgrid solutions for a total of 5 new solar PV installations across NL



Supplying Shell with 6 additional substations for their ultrafast EV charging network across the Netherlands

EV charging



VATTENFALL

Supplying the Dutch provinces Noord-Brabant and Limburg with up to 4,000 charge points by 2022 with Vattenfall



Becoming a preferred EV charge point supplier of Elexent which is a new subsidiary of Groupe Renault dedicated to EV charging solutions



Supplying 48 locations of the German hypermarket chain Globus with EV charge points for the next 2 years together with Amperio

Energy storage

**VLOT
SMART
SOLUTIONS**

A contract with transport service provider Vlot Smart Solutions to supply 2 mobile storage systems together with 3 mobile high power chargers, deployed to support charging of heavy transport



A 20MWh energy storage system for Vattenfall in Sweden



3 storage systems (2.5MW) to provide frequency stability services to Elia, on behalf of 41 Belgium municipalities

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Four levers of growth

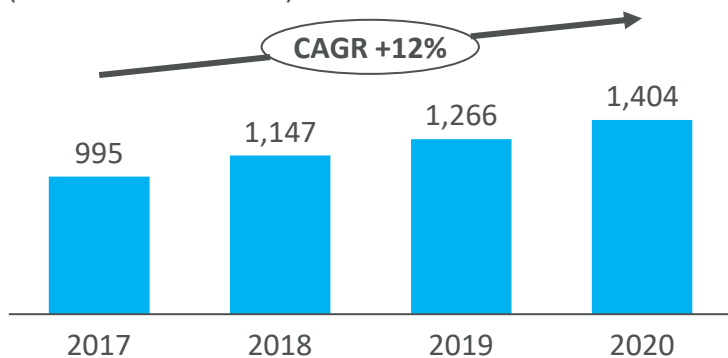
 Market growth	Benefitting from strong market growth trends and further grow market share
 Internationalisation	Significant internationalisation opportunity, further strengthening position in existing countries and entering new countries
 Service & maintenance	Expanding existing service offering and benefitting from increasing installed base
 Cross-selling	Increasing cross-selling opportunities between Alfen's three business lines and offering of integrated solutions



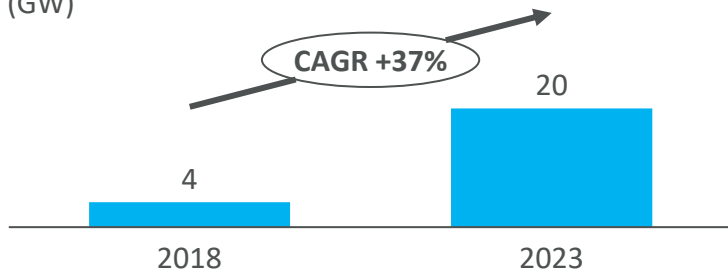
Benefitting from fast growing market segments

Smart grids

Substation investments Dutch top-3 DSOs¹
(# of new substations)

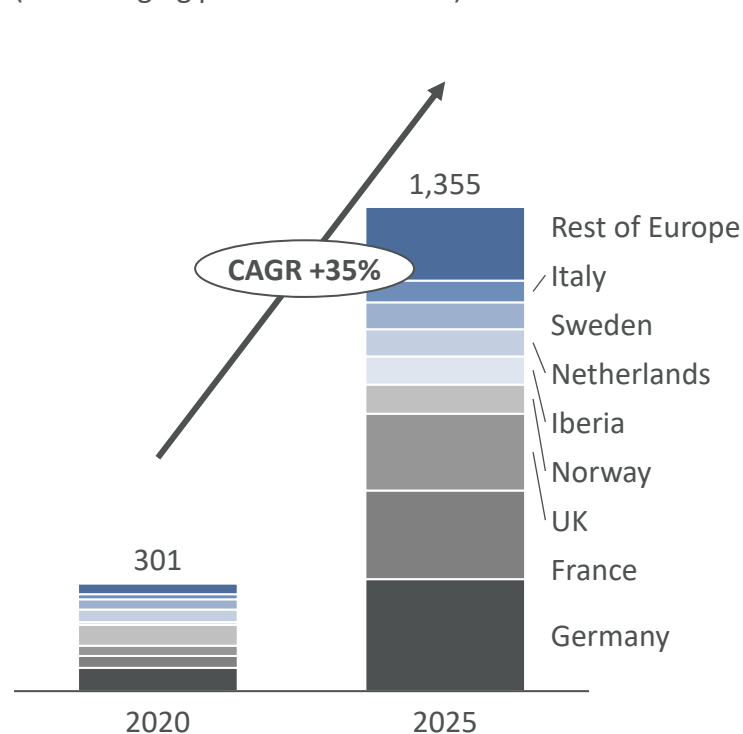


Dutch solar PV installed capacity²
(GW)



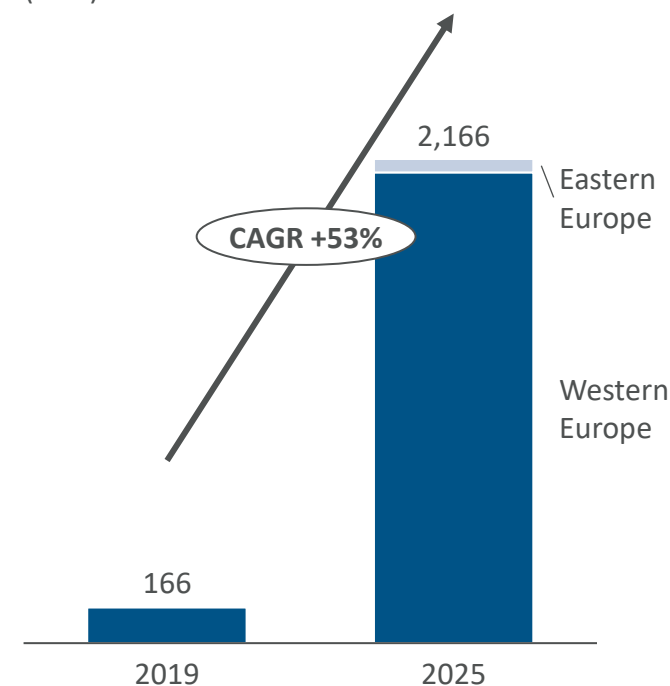
EV charging

Annual new charge points in Europe³
(# of charging points in thousands)



Energy storage

Annual new battery energy storage capacity in Europe, excluding residential⁴
(MW)



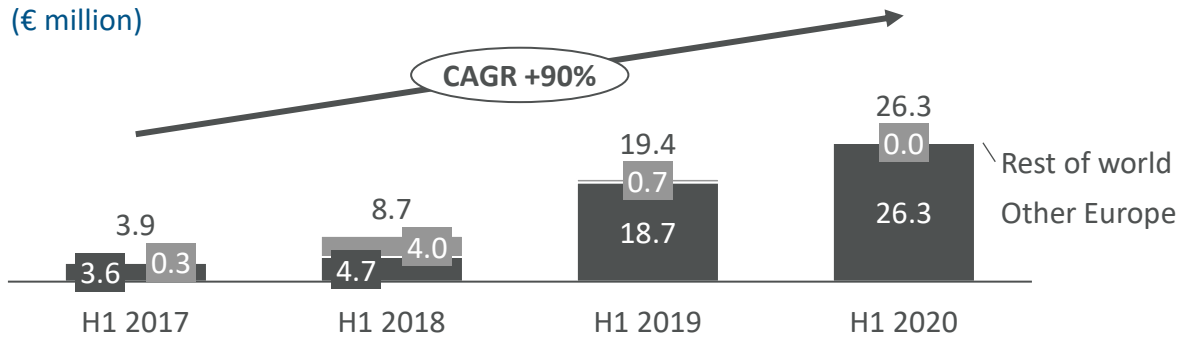
1. Analysis based on Kwaliteits- en capaciteitsdocument Alliander, Enexis and Stedin as published by the DSOs in 2017. 2. SolarPower Europe. 3. Navigant Research June 2020. 4. Navigant Research Q4 2019



Further expanded footprint

Alfen revenues outside the Netherlands

(€ million)



Internationalisation strategy

Smart grids

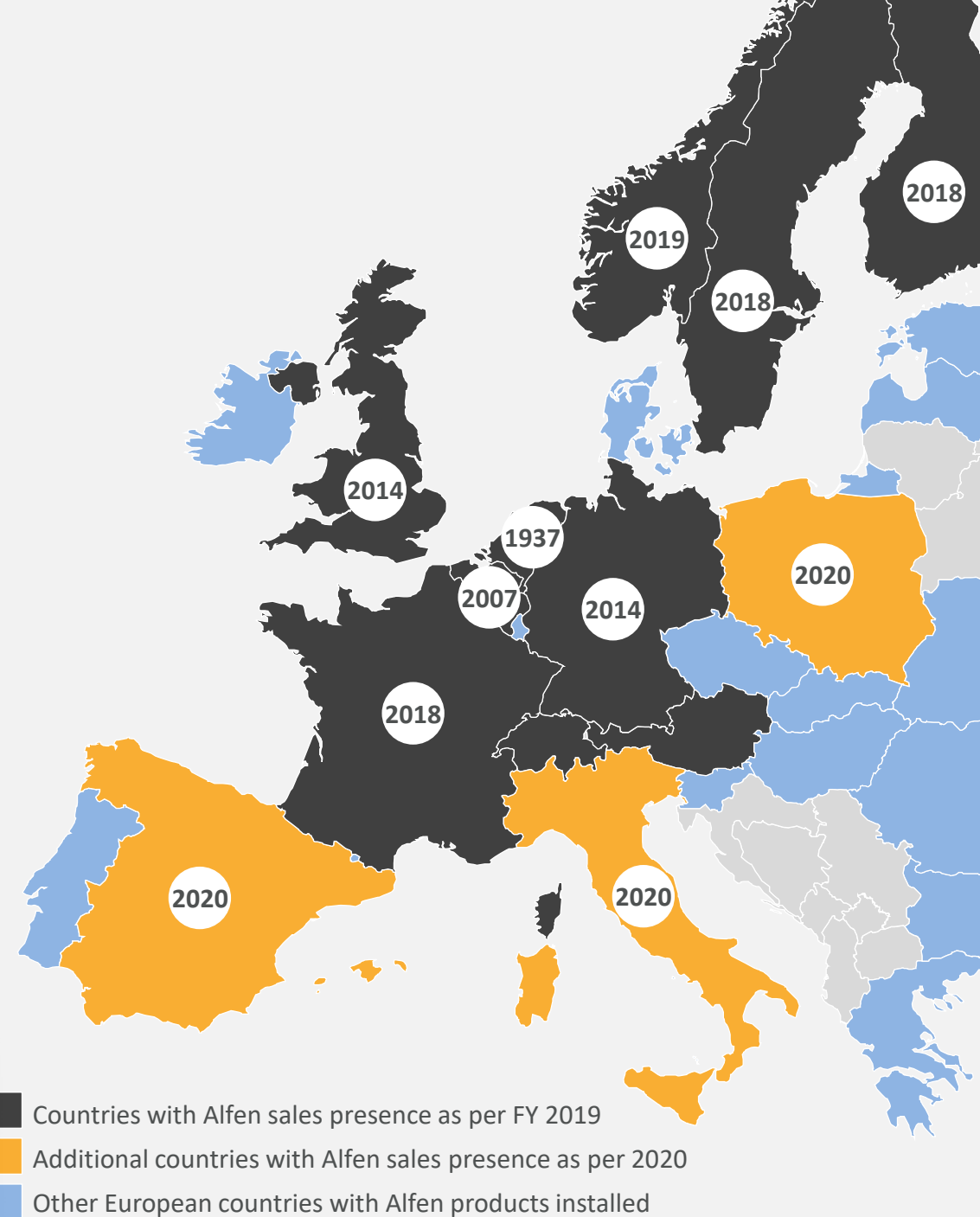
- Maintain strong market positions in the Netherlands, Belgium and Finland
- Further grow internationally in Sweden and selectively in other countries ('follow-the-customer' approach)

EV charging

- Further build strong positions in home market
- Grow market share in countries with Alfen sales presence, strengthen teams and enter new countries across Europe
- Benefit from international client base

Energy storage

- Scale-up with existing international clients
- Add new clients across Europe (rest of world with a 'follow-the-customer' approach)





Service benefits from growing installed base

International and dedicated service propositions for all its business lines

Increasingly benefitting from the growing installed base of Alfen's smart energy solutions

International service partners to support EV charging customers in Belgium, Finland, France, Germany, Italy, Norway, Portugal, Spain, Sweden and UK

Further expanding EV charging service to more European countries

Benefitting from cross-sell and integrated solutions

Cross-sell example |



Smart grids: Alfen selected to deliver grid connections for Shell's ultrafast EV charging network across the Netherlands. Throughout 2020, Alfen will supply, install and commission 50-60 substations, which will facilitate the grid connection of ultrafast Shell Recharge EV points at Shell forecourt locations



Energy storage: Alfen selected to deliver an energy storage system to provide peak-shaving for Shell's ultrafast EV charging network

Integrated solutions example |



Smart grids: Alfen selected by Greenchoice to develop a charging hub for mobile storage systems



Energy storage: At this hub, mobile storage systems can be recharged with renewable energy and provide grid stabilising services (Frequency Containment Reserve) whenever they are not deployed at events or festivals



EV charging: To deliver this solution, Alfen combines its expertise in smart grids, energy storage and EV charging

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Financials | Income statement

In € '000	H1 2020	H1 2019
Revenue and other income	90,327	61,571
<i>Smart grids</i>	57,832	47,162
<i>EV charging</i>	24,681	9,721
<i>Energy storage</i>	7,814	4,688
Gross margin	32,040	22,253
<i>as % of revenues</i>	35.5%	36.1%
Personnel cost	17,107	13,343
Other operating cost	5,279	4,380
EBITDA	9,654	4,477
<i>as % of revenues</i>	10.7%	7.3%
Adjusted EBITDA	10,023	4,850
<i>as % of revenues</i>	11.1%	7.9%
Adjusted net profit	5,257	1,435

● Revenue growth driven by strong market growth, further bolstered by internationalisation, cross-selling and service

● Compared to Q1 2020, the gross margin improved from 34.8% to 36.2% in Q2 2020, as Alfen continued to benefit from a strong market position, continued leverage from increased scale and a shift towards increasingly complex solutions

● Increase in FTEs from 457 at 30 June 2019 to 563 at 30 June 2020, including 84 FTEs at Alfen Elkamo

● Adjusted EBITDA increased 107% versus H1 2019, where the adjusted EBITDA margin improvement is a result of strong revenue growth and operational leverage

Financials | Balance sheet

In € '000	30 June 2020 ¹	31 Dec 2019
Non-current assets	32,321	27,732
Current assets (excl. cash)	66,465	48,762
Cash and cash equivalents	35,756	134
Total assets	134,542	76,628
Non-current liabilities	15,718	14,642
Current liabilities (excl. overdrafts)	51,642	45,671
Bank overdrafts	482	3,267
Equity	66,700	13,048
Total equity and liabilities	134,542	76,628

- Capex amounted to €4.9m as compared to €3.2m in the same period of 2019. Capex in H1 2020 includes investments in new moulds for Smart grids as well as investments in a new and significantly larger EV charging production facility. Additionally, Alfen capitalised €2.5m of development costs which demonstrates the company's continued efforts to invest in innovations for the future
- Working capital² increased to €14.8m (versus €3.1m at 31 December 2019 and €8.8m at 30 June 2019¹) due to pre-deliveries in the supply chain to cover the summer period, some strategic stock for additional resilience related to COVID-19 as well as increased stock levels reflecting further growth of the business. Furthermore, contract balances increased as a result of a timing effect in triggering payment milestones
- Equity increased as a result of the capital that Alfen raised in June 2020

1. Unaudited

2. Calculated as total current assets excluding cash and cash equivalents, minus total current liabilities excluding bank overdrafts

Outlook | Well prepared for further growth in the second half-year and beyond

Alfen anticipates positive market developments in all its business lines

- The markets for Smart grid solutions and EV charging are expected to remain strong. The latter also further bolstered by the EV incentive packages across Europe that were announced as a result of the corona crisis. Furthermore, the long-term market fundamentals for energy storage remain solid
- Alfen is well positioned to benefit from these market developments based on its strong market position
- While COVID-19 had limited effect on the first half-year, there remains an inherent macro-economic uncertainty for the second half-year of 2020

Alfen continues to invest in its organisation, innovation and production facilities

- With the additional capital that Alfen raised in June 2020, Alfen has more financial flexibility to further strengthen and expand its international footprint throughout Europe as well as further investing in research & development
- Alfen continues to invest in further optimisation of its businesses and processes

Alfen reconfirms its 2020 full-year revenue outlook of €180-200m based on the first half-year performance and current revenue visibility



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