



# Alfen H1 2022 results

## Webcast

25 August 2022



# Disclaimer

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This communication may include forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms such as guidance, expected, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improvements, promising, to offer, more, to be or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Alfen N.V. (**Alfen**)'s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Alfen's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements reflect the current views of Alfen and assumptions based on information currently available to Alfen. Forward-looking statements speak only as of the date they are made, and Alfen does not assume any obligation to update such statements, except as required by law.

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 revenue will be realised and the actual revenue for the financial year 2022 could differ materially. The expected revenue has 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 2022 performance can be found in the 2022 semi-annual report and the H1 2022 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 2021 which can be found on Alfen's website, [www.alfen.com](http://www.alfen.com).

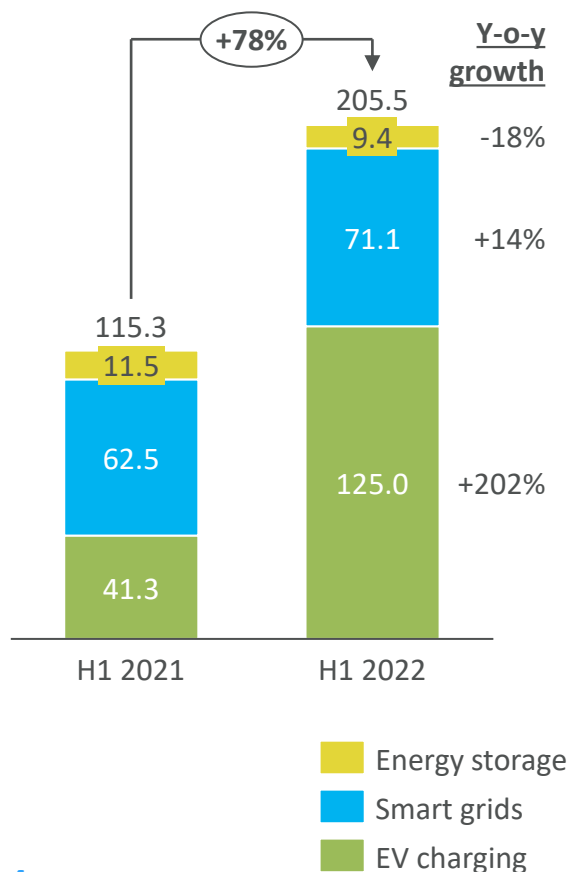
# Highlights of the first half-year

- > **Strong increase in revenue:** H1 2022 revenue of €205.5m, a growth of 78% versus H1 2021 (€115.3m).
- > **Strong increase in profitability:** Adjusted EBITDA amounted to €37.3m (18.1% of revenue), an increase of 120% compared to €16.9m (14.7% of revenue) in H1 2021.
- > **Supply chain:** Up until today, Alfen has been able to manage the supply chain challenges. Alfen increased stock levels and strategic down payments to secure components.
- > **Alfen increases its 2022 full-year revenue outlook from €350-420m to €410-470m.**

# Revenue growth of 78% compared with H1 2021

## Revenue and other income

(€ million)



### EV charging

- Growth is driven by increasing volumes under existing framework agreements, new client wins and further internationalisation.
- Alfen continued its internationalisation strategy by further strengthening its international organisation. In H1 2022, more than 69% of revenue was generated outside of the Netherlands.
- Alfen's ambition is to outperform the market. Yet, year-on-year growth figures in the first half of 2022 were exceptional due to a peak in demand after Covid measures were released and some of our customers building some inventory before the summer season.
- Now the first half of 2022 has ended, we expect a year-on-year growth rate for the second half of 2022 that is more in line with growth rates in previous years.

### Smart grids

- Grid operators continued to expand and reinforce the distribution grid for the energy transition, resulting in further growth in the number of substations needed.
- Alfen continued to benefit through existing framework agreements with the grid operators.
- The private networks business did not show as much growth in the first half of 2022; project execution takes longer under current supply chain conditions.

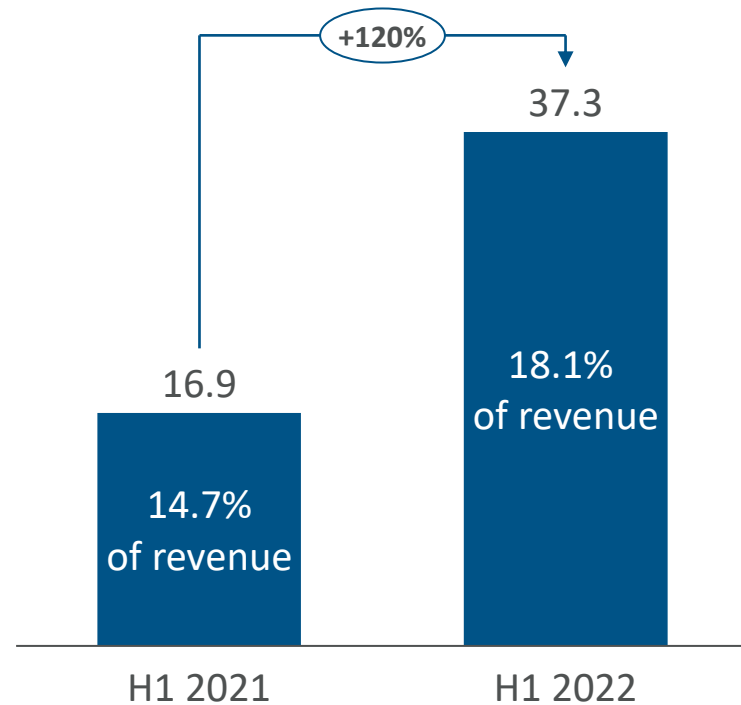
### Energy storage

- The momentum in the energy storage market continued to develop favourably, mostly driven by the growth of renewables and the need to balance electricity demand and supply.
- The pipeline of qualified leads and order intake continues to develop in a healthy manner, but project execution can be delayed for certain projects due to for instance the permitting process or obtaining a grid connection.
- As communicated in the Q1 trading update, energy storage revenue will be backloaded towards the second half of 2022.

# Increase in profitability driven by revenue growth combined with operational leverage

## Adjusted EBITDA

(€ million and as % of revenue)



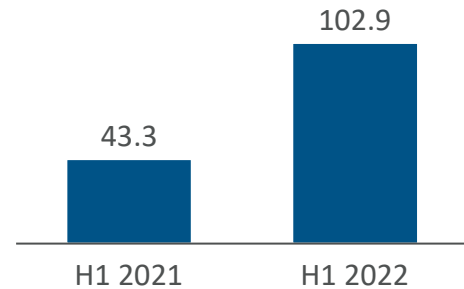
The adjusted EBITDA margin improvement is a **result of strong revenue growth combined with the operational leverage strategy.**

Going forward, Alfen will continue to pursue its strategy of **profitable growth.**

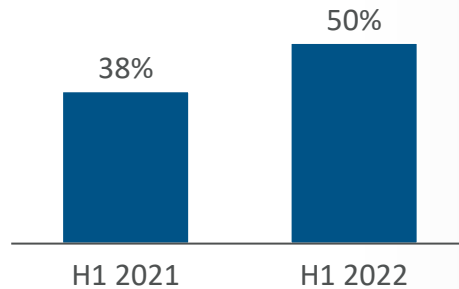
# Alfen continues to deliver strong international revenue growth

## Alfen revenue outside of the Netherlands

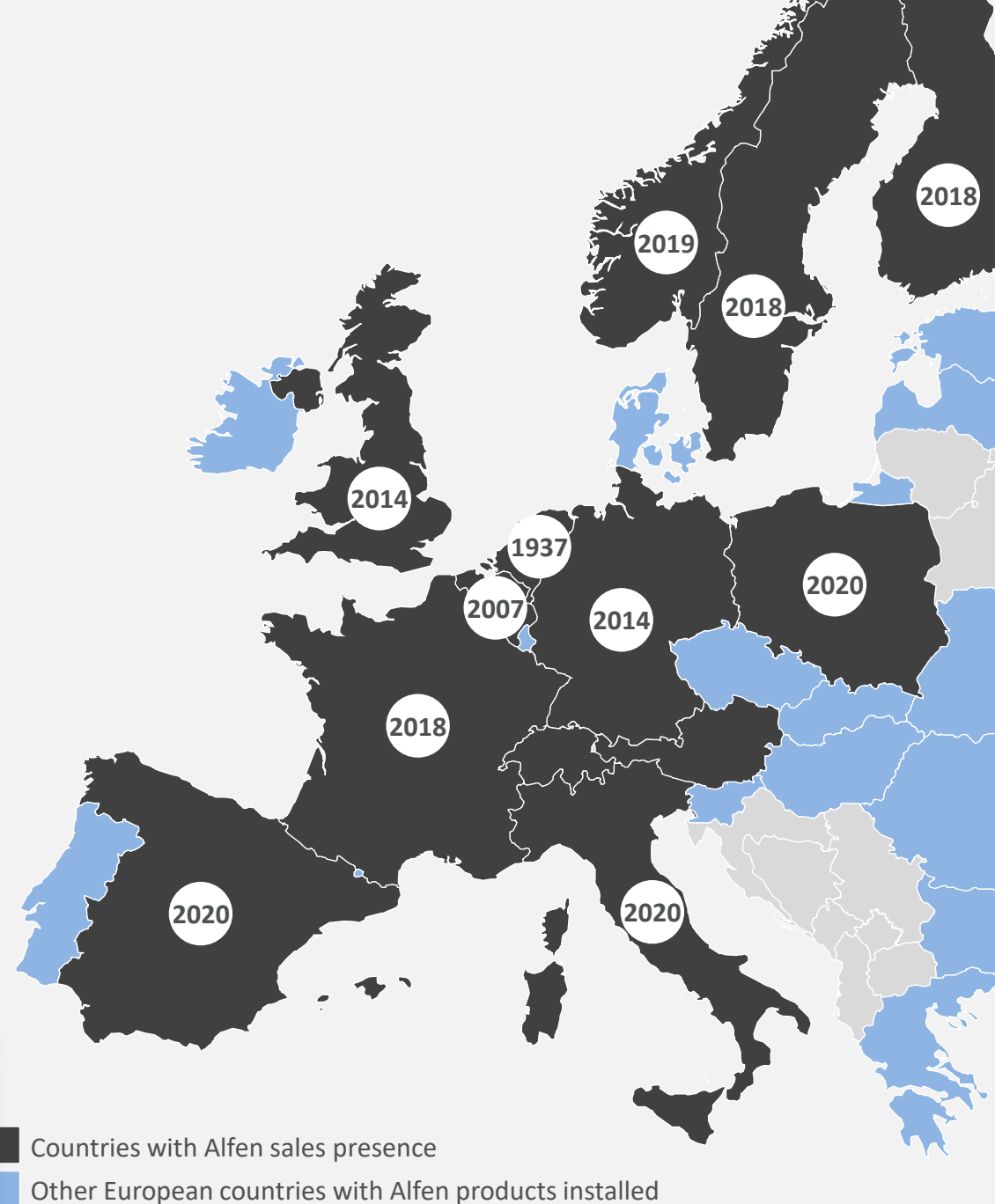
Alfen international revenue  
in € million



Alfen international revenue  
as % of group revenue



- Alfen continued to deliver international revenue growth. Alfen's rapid growth throughout Europe is currently mostly driven by the expansion of its EV charging business line.
- Alfen sees two reasons for its international revenue growth: (1) Alfen strengthens its pan-European presence and organisation leading to new clients across Europe, as well as (2) internationalisation and growth of Alfen's existing customers.
- Alfen has its products installed in approximately 30 European countries.



# Alfen had further commercial successes in H1 2022

## Selected examples

### EV charging



Strengthening of partnership with E-On Drive resulting in several new projects in the up-and-coming EV market in Central and Eastern Europe



Won supplier contract with TotalEnergies for Europe regarding complete Alfen portfolio until January 2025



Multi-supplier framework agreement until 2024 to supply charging equipment to Stromnetz Hamburg GmbH, for the city of Hamburg and its local authorities

### Smart grids



A contract closed with PfalzSolar GmbH to provide the grid solution including 23 substations for two big solar fields (Harderwold with 44MWp and Coevorden with 30MWp)



A contract to deliver 10 substations to build the first solarpark (37MWp) for Bejulo in the Netherlands



Alfen is building Solarpark Braambergen (14 MWp) in Almere for Energiezorg (JV of Afvalzorg/HVC). Alfen will realize the high voltage micro grid, 1 grid connecting station and 4 transformer substations

### Energy storage



Alfen is building Finland's third largest battery energy storage facility for EPV Energy's Teuva wind farm. The facility will have 12MW of power and 12MWh of energy capacity



A contract with Nybro Energi AB (regional grid operator in Sweden) to supply a 5MW/5MWh system for energy trading and ancillary services



A contract with Nimble Energy (Czech Energy equipment and solutions provider) for Battery installations at Czech SUAS Group to supply two 5MW/3.7MWh systems

# Alfen continues to deploy mitigating actions against supply chain pressures

- The current global supply chain challenges affect Alfen directly through its own supply chain and indirectly, for example, through the supply chain of electric vehicles.
- Up until this point, Alfen has been able to manage these challenges.
- Alfen expects that the supply chain pressures remain in 2022 and 2023.
- Therefore, Alfen continues to deploy its measures to maximize grip on the supply chain and secure supplies



1

Integrated team (purchasing, R&D, sales and operations) monitors and engages the supply chain and takes purchasing and logistical decisions on a daily basis in order to secure supplies.

2



Alfen increased the engagement with its suppliers and besides its tier 1 suppliers, Alfen also engages some of its tier 2 and tier 3 suppliers in order to increase its circle of influence and to secure supplies.

3



Strategic down payments for batteries and electrical components in order to safeguard and enhance resilience in Alfen's global supply chain.



# Financials | Income statement

In € '000	H1 2022	H1 2021
<b>Revenue and other income</b>	<b>205,529</b>	<b>115,345</b>
<i>Smart grids</i>	<i>71,149</i>	<i>62,500</i>
<i>EV charging</i>	<i>124,989</i>	<i>41,349</i>
<i>Energy storage</i>	<i>9,391</i>	<i>11,496</i>
<b>Gross margin</b>	<b>72,607</b>	<b>42,021</b>
<i>as % of revenue</i>	<i>35.3%</i>	<i>36.4%</i>
Personnel cost	25,762	19,645
Other operating cost	9,974	5,773
<b>EBITDA</b>	<b>36,417</b>	<b>16,646</b>
<i>as % of revenue</i>	<i>17.7%</i>	<i>14.4%</i>
<b>Adjusted EBITDA</b>	<b>37,302</b>	<b>16,917</b>
<i>as % of revenue</i>	<i>18.1%</i>	<i>14.7%</i>
<b>Adjusted net profit</b>	<b>25,320</b>	<b>9,295</b>

● **Gross margin** decreased to 35.3% in the first half-year of 2022 compared with 36.4% in the first half-year of 2021. Alfen was able to leverage its growing scale and strong market position to dampen the effect of challenges in the global supply chains.

● **Personnel costs** increased by 31% to €25.8m compared with €19.6m in the first half-year of 2021. Alfen grew from 683 FTEs on 31 December 2021 to 770 FTEs on 30 June 2022.

● **Adjusted EBITDA** amounted to €37.3m (18.1% of revenue), an increase of 120% compared to €16.9m (14.7% of revenue) in H1 2021. The adjusted EBITDA margin improvement is a result of the operational leverage strategy.

# Financials | Balance sheet

In € '000	30 June 2022 <sup>1</sup>	31 Dec 2021
Non-current assets	50,542	43,119
Current assets (excl. cash)	171,503	103,788
Cash and cash equivalents	35,362	47,277
<b>Total assets</b>	<b>257,407</b>	<b>194,181</b>
Non-current liabilities	18,288	17,916
Current liabilities (excl. overdrafts)	116,656	79,949
Bank overdrafts	938	-
Equity	121,525	96,319
<b>Total equity and liabilities</b>	<b>257,407</b>	<b>194,184</b>

- Capital expenditure** amounted to €10.1m (4.9% of revenue) in H1 2022 as compared to €5.4m (4.7% of revenue) in the same period of 2021. Capex in the first half-year of 2022 includes investments in new moulds for our EV Charging and Smart grids business lines, followed by product line automation for EV Charging, ongoing investments in IT-infrastructure and Data Security as well as investments in additional solar panels for our buildings. Additionally, Alfen capitalised €4.8m (versus €3.3m in the first half-year of 2021) of development costs, which demonstrates Alfen's continued efforts to invest in innovations for the future.

- Working capital**<sup>2</sup> increased from €23.8 million on 31 December 2021 to €54.8 million on 30 June 2022. Given the supply chain challenges Alfen maintains higher safety stock levels, further supported by strategic stock down payments for batteries, inverters, containers and electrical components in order to safeguard and enhance resilience in our global supply chain.

1. Unaudited

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

# Outlook

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**Alfen expects that its markets will continue to grow throughout 2022**, as the transition to a carbon-free energy system that is not dependent on fossil fuels is building ever more momentum across Europe.

**Alfen continues to experience supply chain challenges** and expect challenges to continue well into 2023. Alfen remains committed to being on top of the situation through deploying its rigid operational processes.

**Long-term, Alfen continues to anticipate positive market developments for all its business lines.** As such, Alfen continues to further invest in its organisation, innovations and production facilities.

Based on the first half year performance and current revenue visibility, **Alfen raises its full-year 2022 revenue outlook** from €350-420m to €410-470m.



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**P O W E R T O A D A P T**