



PRESS RELEASE

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Alfen Q3 2021: revenue growth of 21% and EBITDA 16.0% of revenues

ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), specialist in energy solutions for the future, today publishes its trading update for the third quarter of 2021.

Highlights:

- **Q3 2021 revenues of €60.6m, a 21% growth** versus Q3 2020 (€49.9m).
- **Gross margin at 36.9%**, slightly lower compared to 37.2% in Q3 2020, but an increase of 50bps compared to 36.4% over the first half-year of 2021.
- **Adjusted EBITDA of €9.7m (16.0% of revenues), a 28% growth** compared with Q3 2020 (€7.5m, 15.1% of revenues).
- **Alfen reconfirms its 2021 full-year revenue guidance of €225-250m.**

Marco Roeleveld, CEO of Alfen, said:

“I am delighted that we continued to deliver revenue growth combined with a 28% increase in profitability as we further executed on our profitable growth strategy in the third quarter. With our unique business model and strong market position, we continued to benefit from the energy transition that keeps building momentum throughout Europe and beyond.”

We are excited about the realisation of the market momentum in EV charging. We have further expanded our market position across Europe and have been able to more than double our revenue this quarter compared to the same quarter last year.

Our energy storage business line continues to be in a nascent stage and saw a weaker quarter. Although we see significant pipeline growth, decision-making across the sector can still take longer than we initially anticipated resulting in longer lead-times to secure new orders. Nevertheless, we maintain our strong position in the market and remain convinced of the long-term market opportunity.

From a supply chain perspective, the high demand for components, especially electrical ones, continues to put pressure on the supply chain throughout the world. As such, we keep managing our supply chain closely and we have been able to mitigate the delivery challenges we experienced up to this point. Looking forward, we still expect supply chain pressure to continue well into 2022.

Long-term, we continue to anticipate positive market developments for all our business lines and we continue to further invest in our organisation, facilities and innovations for the future.

Financial highlights

In € millions	20Q3	20Q4	20FY	21Q1	21Q2	21Q3	21YTD
Revenues and other income	49.9	48.8	189.0	53.8	61.5	60.6	176.0
<i>Y-o-y growth</i>	46%	3%	32%	22%	33%	21%	26%
Gross margin	18.6	18.7	69.3	19.6	22.4	22.4	64.4
<i>As % of revenues and other income</i>	37.2%	38.3%	36.7%	36.5%	36.4%	36.9%	36.6%
Adjusted EBITDA	7.5	6.9	24.4	7.2	9.7	9.7	26.6
<i>As % of revenues and other income</i>	15.1%	14.1%	12.9%	13.3%	15.9%	16.0%	15.1%

Segmental review

In the **Smart grid solutions** business line, Q3 revenues were €33.2m (+1% from €32.8m in Q3 2020). Alfen continued to supply transformer substations to grid operators and smart grid solutions to, for instance, renewable projects, greenhouses and industrial customers. Revenue growth was partly offset by some project delays in the latter segment, which has been the result of customer schedule delays as well as grid operator planning challenges to establish grid connections.

In Q3 2021, Alfen produced approximately 910 substations, a 6% growth compared to Q3 2020 with approximately 860 substations.

In the **EV charging equipment** business line, Q3 revenues more than doubled to €25.2m (+123% from €11.3m in Q3 2020). Alfen benefitted from its strong international market position as the penetration of Electric Vehicles in new car sales keeps growing across Europe. More and more car OEM's have committed to electrification of their portfolios and are rapidly increasing and diversifying EV supply in the market. This together with the ongoing incentives for EVs across Europe is driving the growing demand for EV charge points at home, at businesses and in public locations.

From a supply chain perspective, a high demand for components, especially electrical ones, continued to put pressure on the supply chain throughout the world. Alfen continued to closely manage its supply chain and has been able to mitigate the delivery challenges up to this point.

In Q3 2021, Alfen produced approximately 28,000 charge points, a growth of 137% from Q3 2020 with approximately 11,800 charge points.

In the **Energy storage systems** business line, Q3 revenues were €2.2m (-62% from €5.8m in Q3 2020). The decrease in revenues is a result of COVID-19 headwinds in 2020 combined with ongoing decision-making delays across the sector resulting in longer lead-times to secure new orders and generate revenue. Nevertheless, Alfen's projects pipeline of qualified leads at the end of the third quarter has more than tripled compared to the same period last year and Alfen remains convinced of the long-term market opportunity.

Gross margin and adjusted EBITDA

Gross margin in Q3 2021 was 36.9%. Although this was slightly lower than the 37.2% gross margin in Q3 2020, it increased 50bps compared to the 36.4% gross margin of the first half-year of 2021. The differences are related to product mix effects.

Adjusted EBITDA mounted to €9.7m (16.0% of revenues) compared with €7.5m (15.1% of revenues) in Q3 2020. Despite a slightly lower gross margin, the adjusted EBITDA increased because of operational leverage.

Outlook

Alfen still expects supply chain pressure to continue from Q4 well into 2022. This may result in some adverse impact. At the same time, Alfen continues to anticipate strong market developments for all its business lines and as such, continues to further invest in its organisation, facilities and innovations for the future. Alfen reconfirms its 2021 full-year revenue guidance of €225-250m.

Webcast

Alfen will host a webcast at 9:00 CET this morning to comment on the 2021 Q3 trading update. Please see ir.alfen.com for details to participate.

Financial calendar

16 February 2022: 2021 full-year results
11 May 2022: 2022 Q1 trading update

About Alfen

Netherlands-based Alfen is operating internationally in the heart of the energy transition, as a specialist in energy solutions for the future. With over 80-years' history, Alfen has a unique combination of activities. Alfen designs, develops and produces smart grids, energy storage systems, and electric vehicle charging equipment and combines these in integrated solutions to address the electricity challenges of its clients. Alfen has a market leading position in the Netherlands and experiences fast international growth benefitting from its first mover advantage. For further information see Alfen's website at: www.alfen.com

For enquiries, please contact:

Investor relations:

Mr. Adriaan van Tets, IR manager Alfen, phone +31 (0) 36 549 34 00, email ir@alfen.com

Hefbrugweg 28

1332 AP Almere, The Netherlands

Phone: +31 (0) 36 549 34 00

info@alfen.com / www.alfen.com

Notes to the press release

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The reported data in this press release have not been audited.

Forward looking statements

This press release 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'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 revenues will be realised and the actual revenue for 2021 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.