



## P R E S S   R E L E A S E

Published on 15 February 2023, 7:00 CET

# Alfen achieves 76% revenue growth to reach €440m with 18% EBITDA margin vs 14.8% in 2021

2023 revenue outlook of €540-600m

- **FY 2022 revenue grew 76% to €439.9m** compared with FY 2021 (€249.7m).
- **Adjusted EBITDA up 115% to €79.4m (18.0% of revenue)** versus €36.8m (14.8% of revenue) in 2021.
- **Adjusted net profit grew 146% to €54.4m** versus €22.1m in 2021.
- **Alfen provides full-year 2023 revenue outlook of €540-600m** driven by continued energy transition momentum throughout Europe.
- **Alfen will host a Capital Markets Day** in London on Wednesday May 10, 2023.

**ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), a specialist in energy solutions for the future, today reports its consolidated 2022 financial statements.**

**Marco Roeleveld, CEO of Alfen, said:**

*“2022 was a year of great pride for Alfen. We reinforced our critical position at the heart of Europe’s energy transition and as an expert in the electricity grid. The European Union has set ambitious goals for the EU towards 2030 for CO2 reduction, renewable share in the energy mix and for growth in EVs. The long-term goal remains to be climate neutral by 2050.*

*It shows that Alfen is in a good place going forward. We offer our customers innovative solutions to make the electricity grid fit for the future, and the demand for our transformer stations, energy storage systems and EV charging equipment is expected to rise significantly in the coming decade.*

*Against this backdrop, we achieved our strongest financial year in 2022: in revenue, profit and year-on-year growth. Clearly the energy transition is in full swing.*

*We are particularly excited about our growth in Energy Storage. We saw a momentum shift in late 2021, which led to an increased qualified lead pipeline throughout 2022. We saw strong pipeline conversion and backlog growth supporting increased revenue growth in Q3 and Q4. The total revenue for Energy Storage is approximately 2.5 times our 2021 revenue. The increase in revenue comes from both TheBattery Elements and TheBattery Mobile. On 1 January 2023, our total backlog exceeded total revenue of 2022. We expect Energy Storage to make a stronger contribution to Alfen’s overall revenue mix in 2023. To support this growth, we have been securing our battery supply, which does impact our working capital.*

*Alfen demonstrated enormous growth in EV charging. Our 2022 revenue was 143% higher than in 2021. The market grew exceptionally in the past year, due to a peak in demand after COVID-19 measures were released. Alfen was well positioned to benefit from this market growth with our presence across Europe and our reliable and innovative EV charging equipment that covers all segments in destination charging (home, business and public). We ramped up production capacity fast and delivered to our customers under challenging supply chain conditions. The easing of COVID-19 restrictions boosted revenues in the first half of 2022. In the second half, we saw excess inventory in our channels and expect this situation to continue through the first half of 2023. We remain positive about 2023 overall and the long-term market momentum. We are confident about Alfen’s strong position.*

*We expect our 2023 revenue to be between €540m and €600m, driven by growing energy transition momentum. To make sure Alfen can pursue its growth ambitions, we are now building a new facility in Almere that will be 3 times larger than our current largest facility. We installed the first pole in January 2023, and the facility will open in early 2024, making room for more product developers, designers, production employees and sales people.*

We are excited to continue our growth journey with our valued customers, employees, and partners.”

## Financial highlights

### Key figures

<i>In € millions</i>	2017	2018	2019	2020	2021	2022
<b>Revenue and other income</b>	74.3	101.9	143.2	189.0	249.7	439.9
<i>Y-o-Y growth</i>	21%	37%	41%	32%	32%	76%
<b>Gross margin</b>	21.6	30.2	50.3	69.3	89.8	153.5
<i>As % of revenue and other income</i>	29.1%	29.6%	35.1%	36.7%	36.0%	34.9%
<b>Operational expenses</b>	17.6	27.8	36.4	45.5	53.6	75.6
<i>As % of revenue and other income</i>	23.7%	27.3%	25.4%	24.1%	21.5%	17.2%
<b>Adjusted EBITDA</b>	4.9	3.6	14.5	24.4	36.8	79.4
<i>As % of revenue and other income</i>	6.6%	3.6%	10.1%	12.9%	14.8%	18.0%

**Revenue** and other income increased 76% from €249.7m in 2021 to €439.9m in 2022, driven by growth across all business lines: EV charging equipment (+143%), Smart grids solutions (+11%), and Energy storage systems (+157%).

**Gross margin** was 34.9% in 2022 compared with 36.0% in 2021. Alfen leveraged its growing scale and strong market position to dampen the effect of challenges in the global supply chain.

**Personnel costs** increased by 34% to €53.7m compared with €40.1m in 2021. Average FTEs increased from 636 in 2021 to 787 in 2022.

**Other operating costs** increased by 57% to €21.3m compared with €13.6m in 2021.

**Adjusted EBITDA** amounted to €79.4m (18.0% of revenue), an increase of 115% versus €36.8m (14.8% of revenue) in financial year 2021. The adjusted EBITDA margin improvement is a result of Alfen’s operational leverage strategy. EBITDA adjustments in financial year 2022 amounted to €1.5m (versus €0.6m in 2021) and comprised of Alfen’s 85 year anniversary and share-based payment expenses.

**Adjusted net profit** grew 146% from €22.1m in 2021 to €54.4m in 2022.

**Capital expenditure** amounts to €21.0m (or 4.8% of revenues) compared to €11.7m (or 4.7% of revenues) in 2021. Capex 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. Alfen capitalised €9.6m of development costs (2021: €7.7m), demonstrating the company's continued efforts to invest in innovations for the future.

**Working capital**<sup>1</sup> increased to €87.6m (versus €23.8m at 31 December 2021). The increase is mainly related to Alfen's successful measures to mitigate supply chain pressures with higher inventory levels. Working capital also increased due to strategic down payments for batteries, inverters, containers and electrical components. In terms of financing, we increased our working capital facility from €30m to € 100m and our bank guarantee facility from € 10m to € 40m.

**Operating cash flow** was €0.4m compared with €10.5m in 2021. The reduced operating cash flow is mainly related to the increase in Alfen's inventories to ensure continued deliveries to our customers under global supply chain pressures.

**Net cash position** at 31 December 2022 amounted to €4.4m compared to a net cash position of €28.9m at 31 December 2021. The decrease in the net cash position is the result of an increase of working capital.

### Segmental review

In the **EV charging equipment** business line, 2022 revenues were €251.8m, a 143% growth compared with €103.8m in 2021. The easing of COVID-19 restrictions boosted revenues in 2022. Across Europe, positive market developments for electric driving took place. The number of EVs on the road continues to grow. Approximately 29% more Battery Electric Vehicles were registered in 2022 compared to 2021. Car manufacturers also increasingly have committed to electrifying their portfolios and are rapidly increasing and diversifying EV supply in the market. Governments continue to support the transition to electric driving with financial incentives and regulatory measures. Alfen benefitted from increasing volumes under framework agreements set-up over the past years, new client wins and further internationalisation.

In the second half, Alfen saw excess inventory in its channels and expects this situation to continue through the first half of 2023. Alfen remains positive about 2023 overall and the long-term market momentum. Bloomberg New Energy Finance expects approximately 20% growth in the number of EVs coming to the European market in 2023.

Alfen's internationalisation strategy continued to deliver growth across Europe, and in 2022 approximately 70% of our EV charging revenue was generated outside of the Netherlands.

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<sup>1</sup> Calculated as total current assets excluding cash and cash equivalents, minus total current liabilities excluding bank overdrafts

Furthermore, Alfen continued to further diversify its customer base. Select commercial successes include: strengthening our relationship with WAAT, which led to several new projects in France, supplying charge points to Chargemaker for large office buildings and fleets of large companies in Germany, and partnering with Equans, who won a tender in Amsterdam to increase the city's public charging infrastructure. They won with Alfen's EV charger with ISO 15118 communication functionality.

Additionally, we continued to invest in innovations, which led to new technologies and product features. Alfen implemented the ISO 15118 standard end-to-end, which provides more extensive communications between our charge points and EVs and allow an EV to identify itself without the need for a charge card. This is also the required technology for implementing vehicle-to-grid in the future. Alfen continued to mature its platform for future feature development. For instance it made it easier to link with different smart meters in different countries.

In 2022, Alfen produced approximately 265,600 charge points, a 131% growth compared to 2021 with approximately 114,800 produced charge points.

In the **Smart Grid Solutions** business line, 2022 revenues were €142.6m, a 11% growth compared with €128.2m in 2021. Markets for our SGS business line keep growing, and it is becoming increasingly clear what the grid impact will be as more electricity is consumed and produced. On the demand side, more electricity is needed to power EVs, heat and electric cooking, as well as to electrify businesses that are decarbonising its processes. On the supply side, we need to grid connect decentralized generation such as solar and wind power.

Grid operators continued to expand and reinforce the distribution grid for the energy transition. Alfen continued to benefit through existing framework agreements with grid operators. The private networks business did not show as much growth in 2022; project execution took longer due to supply chain conditions in 2022. For 2023 Alfen has a solid backlog for private networks.

In this light, Alfen secured a contract with BAM-Aecom/Shell to roll out fast chargers at 100+ DIY store locations and mobility hubs in cities. Other selected commercial successes include signing new contracts with Chint Solar for a total of 90 MWp new solar projects in the Netherlands that will be built and commissioned in 2023, and signing a new contract with Pfalzsolar for a solar project of 25 MWp.

Innovation highlights of 2022 include introducing an innovative cover for the high voltage transformer covers (CANO). The protection cover prevents severe accidents from happening by protecting service operators from accidentally touching the HV parts of a transformer. Alfen will sell this product as an accessory in our product range. Alfen brought a special substation to the market for DC high performance chargers with a low voltage rack that is optimised for function and cost to this specific use case of the substation.

In 2022, Alfen produced approximately 3,065 substations, a 5% decline compared to 2021 with approximately 3,240 substations.

In the **Energy Storage Systems** business line, 2022 revenues were €45.5m, a 157% growth compared with €17.7m in 2021. The battery energy storage market picked up momentum after COVID-19 headwinds, mostly driven by renewables growth and the need to balance electricity demand and supply.

There are various signs of this growing momentum. The regulatory environment continues to develop favourably in Europe with for instance measures to shorten the permitting cycle for energy storage systems. Another positive development is that double taxation of battery energy storage systems (i.e. at the time of recharging and at feed-into the grid) no longer applies in the Netherlands since 1 January 2022. The United Kingdom did the same and introduced a clear framework for grid stabilisation services. Belgium created a bigger role for batteries in their capacity market. Germany provides a subsidy for batteries in combination with solar fields.

The backlog that Alfen communicated at the start of 2022 came through in our revenue figures from both TheBattery Elements and TheBattery Mobile. For TheBattery Elements, Alfen has more projects in the execution phase, and the average project size is increasing. The increased average project size means the percent of costs in a project related to batteries also increases. This trend influences the resulting gross margin. Furthermore, Alfen has seen prices to be relatively stable. This was reflected in a benchmark from Bloomberg New Energy Finance for the pricing of turnkey energy storage systems. BNEF found that across suppliers, average prices for one-hour, two-hour and four-hour durations in Europe in 2022 were \$400/kWh, \$360/kWh and \$300/kWh, respectively, based on usable capacity.

Alfen has seen various new contract wins that will support 2023 revenue. For instance, Alfen signed a framework agreement with KatoenNatie to rollout BESS projects at various warehouse locations to optimize PV production and local energy consumption. Initial projects have been ordered for several of their Belgian sites totalling approximately 25MWh. The next phase will also include deployments outside Belgium. Alfen also secured two projects for two 15MW-15MWh systems with Ellevio in Sweden. Furthermore, Alfen secured a multi-year frame agreement with Aggreko to strengthen their green rental fleet with multiple TheBattery Mobiles.

On 1 January 2023, total backlog exceeded total revenue of 2022. Alfen expects Energy Storage to have a stronger contribution to Alfen's overall revenue mix in 2023. To support this growth Alfen has been securing our battery supply, which does have an impact on our working capital, partly due to larger batch sizes that are ordered with our suppliers.

Selected innovations of our Energy Storage business include developing an energy and power management functionality (EMS/PMS) that allows TheBattery to optimise the energy usage of local grids, such as locations with solar PV or with limited grid connections. Also we developed capability to support 60Hz grids such as offshore and maritime locations with our Mobile energy storage solutions.

### **Navigating through supply chain challenges**

Due to the rapidly recovering economy after COVID-19, demand has grown strongly for metals such as aluminium, copper, steel and electrical components, putting pressure on global supply chains. Throughout the year, this pressure remained high and introduced challenges to secure deliveries of components and materials to our factories and our contract manufacturers. Moreover, it was not only a matter of securing components, but also a logistical challenge.

The global supply chain challenges affected Alfen directly through its own supply chain and indirectly, for example, through the EV supply chain. Until now, Alfen has effectively managed these challenges.

Above all we prioritise delivery to our customers. We focus on proactive planning with our customers to continue to optimally support their business models.

Alfen sees the first signs that the peak of supply chain pressures is behind us. Lead times for some electric components are decreasing, but lead times for transformers and high voltage switchgear remain high. Logistics is another supply chain element that has somewhat improved.

Alfen expects that the supply chain pressures remain in 2023. Therefore, Alfen continues to deploy its proactive measures to maximise its grip on the supply chain and secure supplies: (1) Frequent meetings of an integrated team (purchasing, R&D, sales and operations) to make purchasing and logistical decisions under direct supervision of Alfen's Board, (2) engagement with Alfen's tier 2 and tier 3 suppliers, next to tier 1 suppliers and (3) strategic down payments to safeguard strategic stock levels for batteries, inverters, containers and electrical components.

### **Progress against strategy**

Alfen kept relentless focus executing its profitable growth strategy. The company continued to strengthen its presence across Europe with employees in 13 countries. Alfen continued to deliver international revenue growth, which is a result of internationalising its organisation, as well as the internationalisation of its customers. In 2022, Alfen's revenue generated outside of the Netherlands year over year increased 132%, which is significantly higher than the overall group revenue growth. 51% of its revenue was earned outside the Netherlands in 2022 (vs 38% in 2021).

Our rapid growth throughout Europe is mostly driven by the expansion of our EV charging business line and Energy Storage Systems. As such, we continued to expand our service network for our charge points and significantly strengthened our coverage to support our customers even better with agreements with partners in multiple European countries.

To support further growth, we continued to invest in our organisation. We significantly expanded our R&D teams to drive our innovation roadmap. We also automated parts of the production lines for EV charging.

Our profitable growth model is based on growing our revenue quicker than our cost base. With our 76% revenue growth in 2022 versus 41% growth in OPEX, we once again further leveraged our cost base.

### Capital Markets Day

Alfen will host a Capital Markets Day in London on Wednesday May 10, 2023 at which we will share an update on our business strategy and financial objectives. More information on the Capital Markets Day will be made available in a press release in April 2023.

### Sustainability

Alfen's business model directly contributes to a sustainable economy and society. We are at the heart of the energy transition by enabling the generation, distribution and consumption of emission-free electricity with our smart grids, EV charging equipment and energy storage solutions. This link with sustainability is reflected in our vision: "to build a connected, smart and sustainable energy system for future generations" and in our mission: "to boost the energy transition by engineering, manufacturing, integrating and connecting high quality energy solutions that are innovative, reliable and smart".

Alfen renewed its Corporate Sustainability Reporting framework in 2019 and started reporting its impact in 2020. In 2022, Alfen potentially avoided 3.8 Mtons of CO<sub>2</sub> equivalent emissions as its installed charge points power electric vehicles avoid harmful emissions. This is a strong increase compared to the 2.2 Mtons of CO<sub>2</sub>e Alfen potentially avoided by 2021, demonstrating how Alfen continues to make impact with its EV charging solutions. Moreover, Alfen enabled renewable energy supply to around 283,000 households by connecting solar PV farms to the public grid through its smart grid solutions, which is significantly more than compared to 206,000 households previous year.

Alfen's CSR has been extended to include more ESG topics. Please see this section in Alfen's Annual Report 2022 that can be found on <http://www.alfen.com>.



While the legislative framework for Corporate Sustainability Reporting Directive (CSRD) was developing this year, Alfen initiated an internal strategic program early 2022 to understand its implications and take corresponding action.

Alfen is committed to continuing to further improve its sustainability performance as it transitions towards a truly sustainable society for future generations. As such, in 2023 Alfen will work out its material Environment, Social and Governance topics. This involves among others setting KPIs and data requirements, collecting data, setting targets and developing action plans to achieve its targets. Highlighting the environmental topic of greenhouse gas emissions, Alfen plans to commit to emission targets for our scope 1, 2 and 3 emissions, which are science-based and in line with global warming limitation targets.

We expect the markets for all our business lines will continue to develop favourably, driven by the energy transition. We are convinced that we are well positioned to benefit from this market growth and to continue to grow our business rapidly as we must execute our strategy.

Additionally, we anticipate supply chain pressures to continue into 2023. As such, we will keep proactively managing our supply chain closely and continue to monitor the situation carefully, as we have successfully done in the past years. Our priority will always be to safeguard continuous delivery to our customers.

As we anticipate further growth of our business in 2023, we plan to further invest in our organisation, our people, facilities, production and new innovations. Like 2022, we expect our capital investments to exceed depreciation and amortisation. We also anticipate a further increase in the number of personnel.

For 2023, Alfen expects its revenue to be between €540m and €600m, driven by the growing momentum of the energy transition.

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*The 2022 Annual Report report is available in the Investor Relations section of the website [www.alfen.com](http://www.alfen.com).*

#### *Analyst call / webcast*

Alfen will host an analyst call and webcast at 9:00 CET on 15 February 2023 to comment on the 2022 full year results. Please see the Investor Relations section of [www.alfen.com](http://www.alfen.com) for details to participate.

### *Financial calendar*

Annual General Meeting:	6 April 2023 - invitation and agenda will be announced on Alfen's website
Capital Markets Day	10 May 2023
Q1 2023 trading update:	17 May 2023
HY 2023 results:	23 August 2023
Q3 2023 trading update:	8 November 2023

### *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 its 85-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](http://www.alfen.com).

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### *Notes to the press release*

This is a public announcement by Alfen N.V. pursuant to section 17 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Alfen N.V.

### *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 revenue will be realised and the actual revenue for 2023 could differ materially. The expected revenue 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.