



# PRESS RELEASE

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## Alfen sees moderate revenue growth in first quarter and reconfirms full-year guidance

*ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), a specialist in energy solutions for the future, today publishes its trading update for the first quarter of 2024.*

### Highlights:

- **Q1 2024 revenue amounted to €116.8m, a 3% growth** versus Q1 2023 (€113.2m), driven by Smart Grid Solutions (+32%) versus Energy Storage (-8%) and EV Charging (-16%).
- **Gross margin stable at 32.0%** compared with 32.1% in Q1 2023. Note: this gross margin excludes the one-off €5m costs related to the Liander Pacto substations moisture issue.
- **Adjusted EBITDA declined 25% to €9.6m (8.2% of revenue)** from €12.7m in Q1 2023 (11.2% of revenue) as a result of lower revenue in Energy Storage.
- **Revenue backloaded towards H2 2024** driven by ramp-up in substation production, demand for AFIR-compliant EV chargers and timing of energy storage projects.
- **Alfen has found an interim CFO: Onno Krap will join Alfen per May 21<sup>st</sup> 2024.**
- **Alfen has extended its Executive Committee with Bart Kempen (COO) and Anne van Nood (CHRO).**

- **Alfen reconfirms its 2024 full-year revenue, EBITDA margin and FCF outlook.** Alfen also reconfirms its growth ambitions for Smart Grid Solutions and EV Charging, but Energy Storage will likely be less than 40% revenue growth due to rapid decline in battery prices.

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

*“The first quarter showed modest revenue growth of 3%, driven by strong growth (+32%) in Smart Grid Solutions (SGS). SGS is growing fast as grid operators are scaling up to strengthen the distribution grid. For Q2, we expect one-off impact on SGS revenue due to the temporary production stop for Liander, but for the full year we continue to expect roughly 20% revenue growth as we can largely catch up on production in Q3 and Q4.*

*EV Charging (EVC) revenue declined compared to Q1 2023, but quarter-on-quarter we continue to see modest growth (+2%). In 2024 we expect to grow this business line by approximately 15%, partly driven by strong order intake for our new public charger (Twin 5 Plus) that is compliant with the new European AFIR regulation on payment transparency.*

*Revenue in Q1 for Energy Storage Solutions (ESS) were lower compared to last year as a result of the volatile nature of revenue recognition in this business line. Due to falling battery prices over the past couple of months and the volatile nature of revenue recognition, we now expect less than 40% revenue growth. We expect the rate of battery price decline to slow as it is coupled with the current slowdown in EV sales. At the same time, we already see a market response to lower battery prices and more projects in our qualified leads pipeline, for which Alfen is well positioned, especially with our modular TheBattery Elements solution. There is a certain time lag effect to this increased volume response from the market before it generates revenue. Based on the status of pending projects and deals that are close to being awarded, we see ESS revenue growth backloaded towards the second half of this year.*

*We decided to fill our open CFO position on a temporary basis to give us time to carefully manage the selection process for a permanent CFO going forward. We intend to announce a permanent CFO in early 2025.*

*I am pleased to share that Onno Krap will join Alfen as Interim CFO as per 21 May 2024. He will focus on leading our financial priorities. Onno brings 25+ years of broad finance and leadership experience to Alfen. He has worked in a variety of finance roles in a wide range of industries across multiple public, private and PE owned companies. In particular, he has a balanced mix of experience as both a strategic advisor, as well as hands-on operational leader with expertise building processes, teams and capabilities in international manufacturing settings.*

Until recently he was the CFO and Member of the Board at Kinly Group BV, a PE owned global service provider in the visual collaboration industry. Prior to that, he accumulated extensive experience as CFO and Member of the Board for 7 years at Exact Group NV (later BV), an international software vendor in 17+ countries. He was also CFO at Crucell, a vaccine company with operating activities in 8 countries.

As previously announced, Jeroen van Rossen will stay on as an advisor to the Board. He will work closely with Onno to ensure a smooth transition.

As Alfen continues to grow, we decided to extend the Executive Committee as per January this year with Bart Kempen (COO) and Anne van Nood (CHRO). This extended executive team allows for more dedicated attention on key areas of the business such as operations (previously with CEO) and people (previously with CFO), while it leads to more focus for the existing Board.

In 2024, we reiterate our revenue guidance in the range of €590 to €660 million. We expect that the majority of the revenue will be achieved in the second half due to the ramp-up in substation production, demand for AFIR-compliant EV chargers and timing of our energy storage projects. We expect to generate positive free cash flow over 2024, and to improve our adjusted EBITDA margin relative to the 11.3% in FY2023.”

## Financial highlights

In € millions	23Q1	23Q2	23Q3	23Q4	23FY	24Q1
<b>Revenue and other income</b>	113.2	110.7	136.4	144.2	504.5	116.8
Y-o-y growth	19%	1%	11%	30%	15%	3%
<b>Gross margin</b>	36.4	31.9	40.1	42.7	151.1	37.4
As % of revenue and other income	32.1%	28.8%	29.4%	29.6%	30.0%	32.0%
<b>Adjusted EBITDA</b>	12.7	8.4	17.3	18.7	57.1	9.6
As % of revenue and other income	11.2%	7.6%	12.7%	13.0%	11.3%	8.2%

## Segmental review

In the **EV Charging** business line, Q1 revenue were €39.3m (-16% from €47.0m in Q1 2023). Alfen continues to see quarter-on-quarter improvement in revenue (2023 Q4 was €38.6m). In the first quarter, approximately 66% of revenue were generated from outside the Netherlands, and Alfen produced approximately 37,700 charge points, a decline of 14% from Q1 2023 with approximately 43,800 charge points.

In the **Smart Grid Solutions** business line, Q1 revenue were €54.9m (+32% from €41.7m in Q1 2023), with the grid operator businesses especially contributing to revenue growth. Alfen continues to see a long-term

growth trend in smart grids solutions underpinned by electrification of society's energy needs. In Q1 2024, Alfen produced approximately 914 substations, a 18% increase compared with Q1 2023 with approximately 777 substations. The growth is driven by the acceleration of substation demand among grid operators.

In the **Energy Storage Systems** business line, Q1 revenue were €22.6m (-8% from €24.5m in Q1 2023). The prospect for this business line remains strong. In this quarter, the volatile revenue profile quarter-on-quarter is reflected as timing of revenue recognition milestones in a project plays a large role. The market is expected to grow considerably in the coming years driven by the need to balance electricity demand and supply and manage grid congestion.

### Gross margin and adjusted EBITDA

Gross margin in Q1 2024 was 32.0%, compared with 32.1% in Q1 2023. Note: this gross margin excludes the one-off €5m costs related to Liander Pacto substations moisture issue. As a result, this is also excluded from the adjusted EBITDA. The revenue mix shift from EVC towards SGS (with typically lower gross margin) is compensated by higher gross margins within ESS and EVC. Adjusted EBITDA was €9.6m (8.2% of revenue), compared with €12.7m (11.2% of revenue) in Q1 2023. The main driver for this adjusted EBITDA decrease is lower volume in our ESS business line, causing temporary operational deleverage.

### Outlook

The transition to a carbon-free energy system that is not dependent on fossil fuels keeps on building momentum across Europe. Alfen foresees long-term positive market developments for all of its business lines, and it continues to invest in its organisation, production lines and innovations for the future. For 2024, Alfen reconfirms its full-year revenue outlook of €590-660m. Alfen also reiterates its guidance on adjusted EBITDA (>11.3% of revenue) and free cash flow (positive).

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### Webcast

Alfen will host a webcast at 9:00 CEST tomorrow morning to comment on the 2024 Q1 trading update. Please see [ir.alfen.com](http://ir.alfen.com) for details to participate.

### Financial calendar

HY 2024 results:	22 August 2024
Q3 2024 trading update:	7 November 2024

### 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 more than 85 years of expertise in the electricity grid, Alfen has a unique combination of energy solutions. Alfen designs, develops and produces smart grids, energy storage systems, and electric vehicle charging equipment, and it combines these products into integrated solutions to address its customers' electricity challenges. Alfen has a market leading position in the Netherlands and is experiencing fast international growth benefitting from its first mover advantage. For further information see Alfen's website at: <https://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.

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, expects, aims, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improve, 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, adjusted EBITDA margin and free cash flow guidance is based on management estimates resulting from Alfen's pursuit of its strategy. Alfen can provide no assurances that the guidance will be realised and the actual results for 2024 could differ materially. The guidance 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 orders and projects, which may materially differ from the success rates for any future orders and 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. A more comprehensive discussion of the risk factors affecting Alfen's business as well as reconciliation of EBITDA with adjusted EBITDA can be found in Alfen's annual report 2023 which can be found on Alfen's website.