



Alfen H1 2021 results

Webcast

27 August 2021



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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 revenues will be realised and the actual revenue for the financial year 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.

More details on Alfen's H1 2021 performance can be found in the 2021 semi-annual report and the H1 2021 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 2020 which can be found on Alfen's website, www.alfen.com.

Highlights of the first half-year

H1 2021 revenues of €115.3m, a growth of 28% versus H1 2020 (€90.3m), predominantly driven by strong growth of EV charging (+68%) and Energy storage (+47%)

Strong increase in profitability: adjusted EBITDA grew 69% to €16.9m (14.7% of revenues) versus €10.0m (11.1% of revenues) in H1 2020. Adjusted net profit of €9.3m, up 77% versus €5.3m in H1 2020

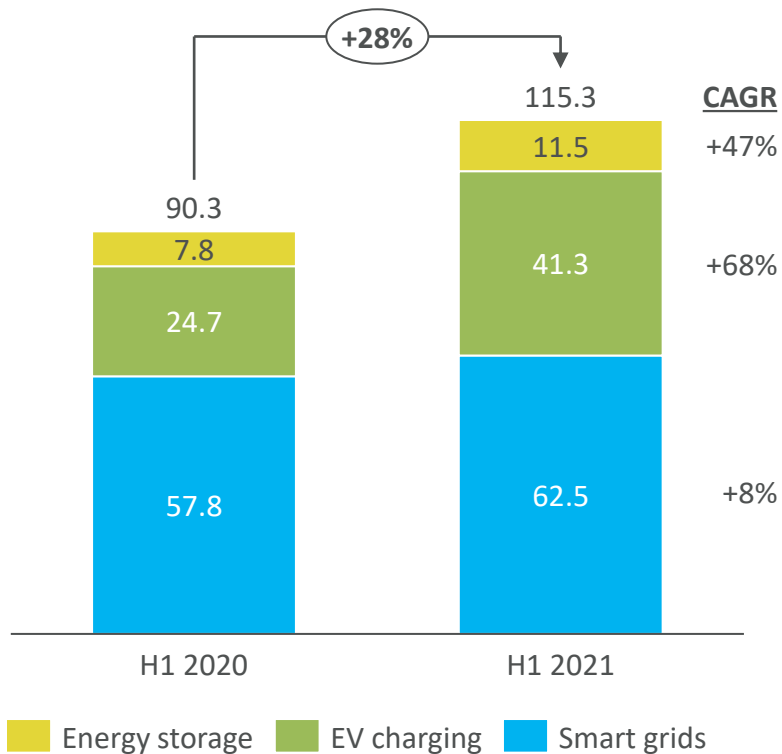
New important project and client wins further diversifying Alfen's client base

Alfen reconfirms its 2021 full-year revenue outlook of €225-250m

Revenue growth of 28% compared with H1 2020

Revenue and other income

(€ million)



Smart grids

- After relatively flat growth of the business line in the first quarter of this year, revenues in the second quarter increased with 15% compared to the same period in 2020.
- Grid operators continued to expand and reinforce the grid for the energy transition.
- Additionally, the momentum in the microgrids business has further recovered.
- Alfen benefitted through its existing framework agreements as well as through new and repeat clients.

EV charging

- Growth driven by increasing volumes under existing framework agreements, new client wins and further internationalisation.
- The EV charging market continued to grow favourably on the back of the strongly growing EV adoption predominantly in Western European markets.
- To enable growth in the EV charging business Alfen further strengthened its organisation, its marketing efforts and also added various new EV charging solutions to its broad international portfolio.
- In H1 2021, more than 60% of revenues was generated outside of the Netherlands.

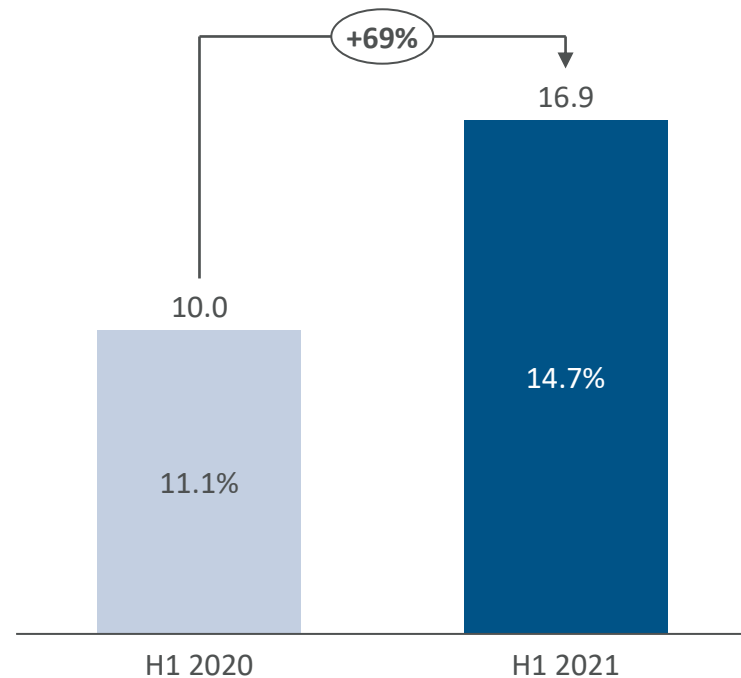
Energy storage

- The momentum in the energy storage market continued to develop favourably mostly driven by the growth of renewables and the need to balance the offset between energy demand and supply.
- Alfen benefitted from earlier secured contracts and framework agreements. For the latter, Alfen will be delivering its first two energy storage systems later this year.
- With its deep expertise and proven track-record Alfen is well positioned to further benefit from the growing momentum.

Increase in profitability driven by revenue growth combined with higher gross margins and operational leverage

Adjusted EBITDA

(€ million and as % of revenues)



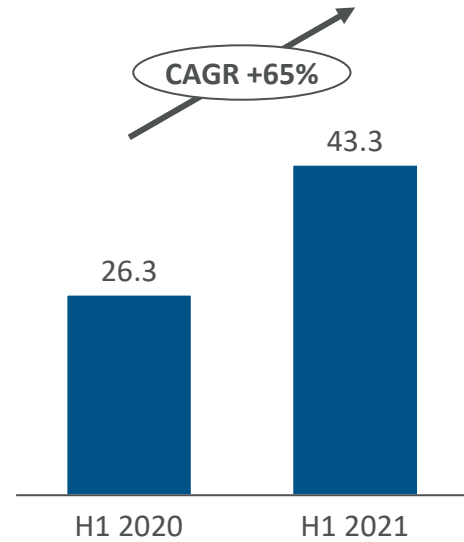
The adjusted EBITDA margin improvement is a **result of strong revenue growth combined with higher gross margins as well as the operational leverage strategy.**

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

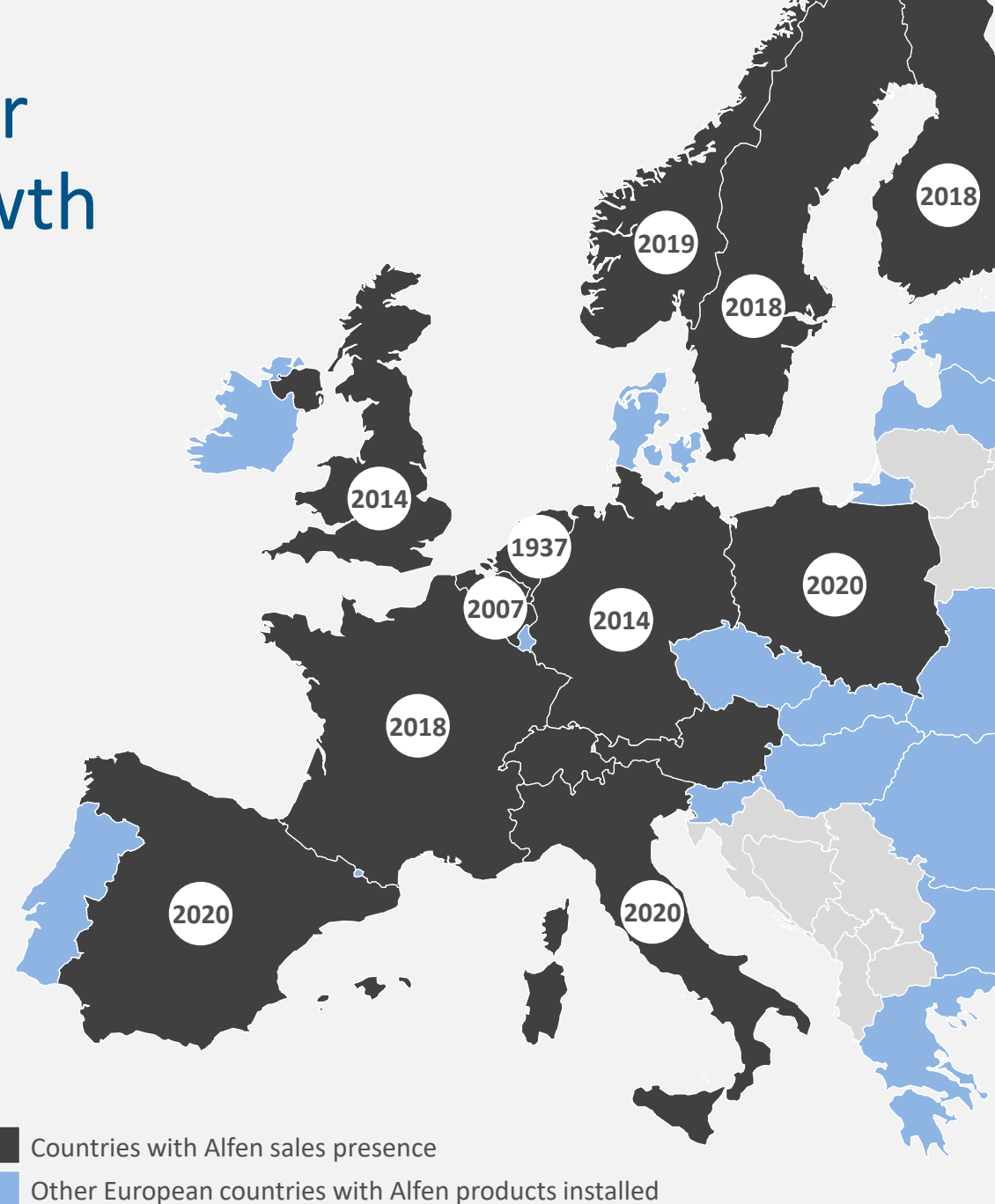
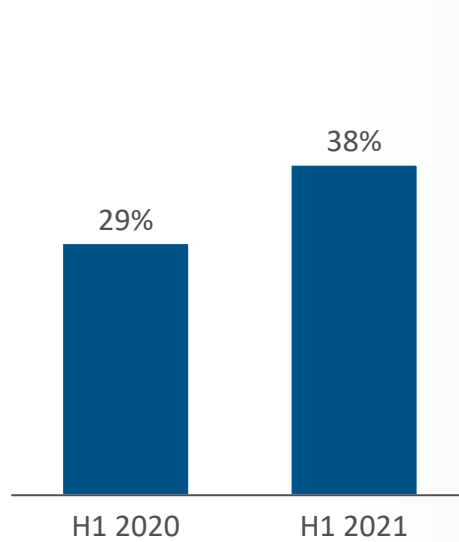
Alfen strategy continues to deliver strong international revenue growth

Alfen revenues outside of the Netherlands

Alfen international revenues in € million



Alfen international revenues as % of group revenues



Commercial successes in H1 2021

Selected examples

Smart grids



Supplying newly engineered switching stations especially designed for onshore wind installations to Jämtkraft and Power Forze in Sweden



A contract to help Rotterdam The Hague airport becoming a “next generation airport” by providing a smart grid solution for their new solar PV park



A contract with PfalzSolar GmbH to provide the grid solution for a 60MWp solar PV park in Terneuzen in the Netherlands

EV charging



A 3-year framework agreement with Mitsui for the supply of charge points in Ireland



A new framework agreement with ESTG which is a wholesaler that distributes sustainable products throughout Europe



Supplying EV chargers to Porsche Moon Power which they will use for their e-mobility solutions

Energy storage



A contract to supply three energy systems of 2MW to Vital Energi which will be deployed at three different hospitals in the UK



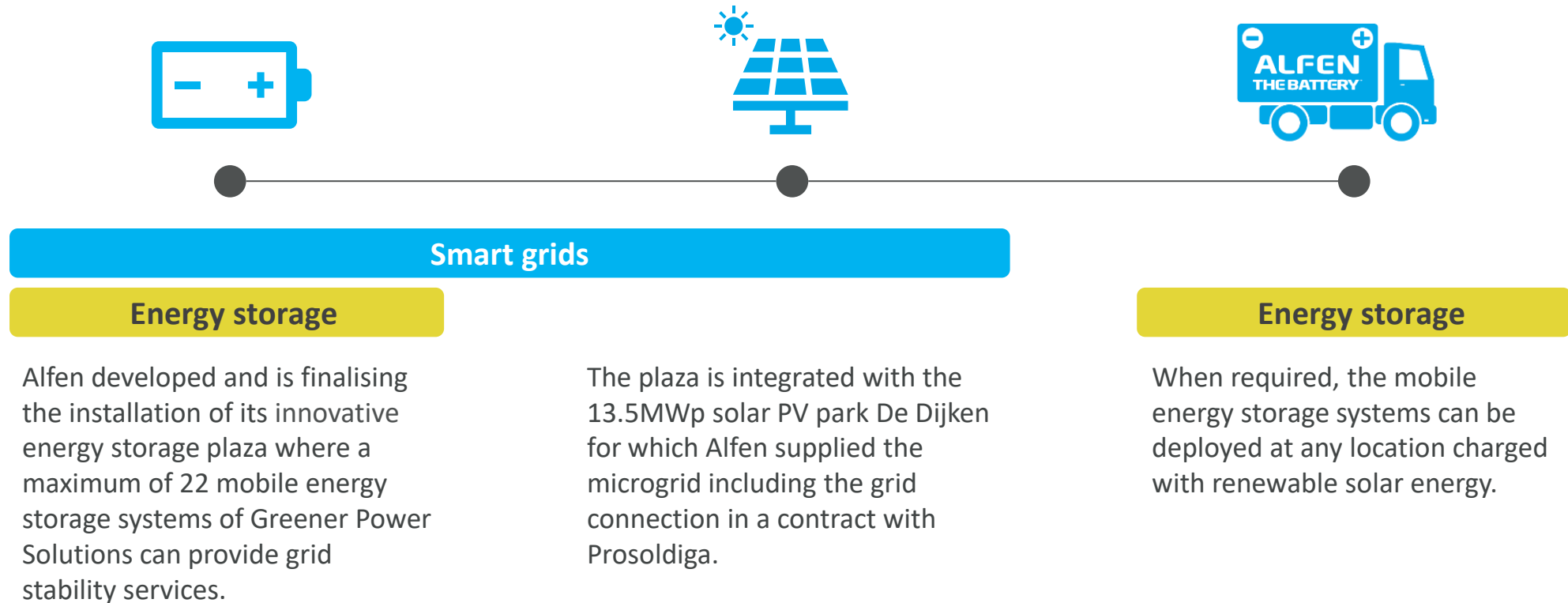
a 10MW storage solution for SemperPower at Koegorspolder in Terneuzen, the Netherlands, which is scheduled to be installed later this year



The supply of a mobile energy storage solution to EnBW which they intend to use for various events as well as grid services

Unique business model continues to deliver integrated and innovative solutions

Integrated project example | Energy storage plaza integrated with solar PV park



Further developed smart energy solutions offering

Selected examples



Smart grids

Introduction of a new and innovative substation range

Especially for the new Enexis contract, Alfen engineered a new and innovative substation that meets the latest standards and requirements, such as technical and safety requirements as well as sustainability criteria.



EV charging

Added various EV charging solutions to its broad international portfolio

Alfen introduced various new solutions to its EV charging portfolio. Selected examples include the expansion of its domestic charger offering with higher charging speeds and more functionality, and Alfen further developed its portfolio in compliance with the latest OCPP standards as well as ENCS standards.



Energy storage

New scalable battery energy storage solution

Alfen engineered a new scalable battery energy storage solution also allowing Alfen to deliver projects for utility-scale applications.

On top of the supply chain to mitigate pressures

- **Pressure on the supply chain throughout the world** as a result of high demand for components, especially electrical ones.
- **Two key actions** as Alfen also experiences supply chain challenges, which it has been able to mitigate up to this point.
- **Alfen anticipates some adverse impact** in the second half of the year.
- **Alfen continues to be on top of the situation** as it expects incremental supply chain pressure to continue well into 2022.



Integrated team that monitors and engages the supply chain and takes purchasing decisions on a daily basis in order to secure supplies.



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

Financials | Income statement

In € '000	H1 2021	H1 2020
Revenue and other income	115,345	90,327
<i>Smart grids</i>	62,500	57,832
<i>EV charging</i>	41,349	24,681
<i>Energy storage</i>	11,496	7,814
Gross margin	42,021	32,040
<i>as % of revenues</i>	36.4%	35.5%
Personnel cost	19,645	17,107
Other operating cost	5,773	5,279
EBITDA	16,646	9,654
<i>as % of revenues</i>	14.4%	10.7%
Adjusted EBITDA	16,917	10,023
<i>as % of revenues</i>	14.7%	11.1%
Adjusted net profit	9,295	5,257

Gross margin increased to 36.4% in the first half-year of 2021 compared with 35.5% in the first half-year of 2020. Despite challenges in the global supply chain, up to this point Alfen was able to further leverage its growing scale on top of its strong market position.

Personnel costs increased by 15% to €19.6m. FTEs increased from 563 at 30 June 2020 to 621 at 30 June 2021.

Adjusted EBITDA grew with 69% compared to the first half-year of 2020. The improvement is a result of higher gross margins as well as the operational leverage strategy. EBITDA adjustments in the first half-year 2021 amounted to €0.3m (versus €0.4m in H1 2020) and solely comprised of share-based payment expenses.

Financials | Balance sheet

In € '000	30 June 2021 ¹	31 Dec 2020
Non-current assets	39,683	37,806
Current assets (excl. cash)	74,393	56,402
Cash and cash equivalents	48,952	52,344
Total assets	163,028	146,552
Non-current liabilities	17,553	18,430
Current liabilities (excl. overdrafts)	61,952	53,894
Bank overdrafts	-	-
Equity	83,523	74,228
Total equity and liabilities	163,028	146,552

- Capex amounted to €5.4m (4.6% of revenues) as compared with €4.9m (5.4% of revenues) in the first half-year of 2020. Capex includes investments in IT-infrastructure and Data Security, R&D test facilities, new moulds for Smart grids as well as Production and Warehousing related improvements. Additionally, Alfen capitalised €3.3 million (versus €2.5 million in the first half-year of 2020) of development costs, which demonstrates Alfen's continued efforts to invest in innovations for the future.
- Working capital² increased from €2.5m at 31 December 2020 to €12.4m at 30 June 2021 (€14.8m at 30 June 2020), driven by strategic stock down payments for batteries and electrical components of €5.5m in order to safeguard and enhance resilience in Alfen's global supply chain. Furthermore, contract balances increased as a result of a timing effect in triggering payment milestones.

1. Unaudited

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

Outlook

Alfen expects that its markets will continue to grow throughout 2021 while they are being less and less affected by COVID-19 as vaccination schemes progress further and as restrictions can increasingly be lifted across Europe.

From a supply chain perspective, a high demand for components, especially electrical ones, is putting pressure on the supply chain throughout the world. Alfen also experiences supply chain challenges, which it has been able to mitigate up to this point. Alfen has an integrated team that monitors and engages the supply chain and takes purchasing decisions on a daily basis in order to secure supplies. Still, Alfen anticipates some adverse impact in the second half of the year. Alfen continues to be on top of the situation as it expects incremental supply chain pressure to continue well into 2022.

Long-term, Alfen continues to anticipate positive market developments for all its business lines. Underpinned by the agreed climate law and the launch of the Fit for 55 package under the European Green Deal which is expected to further accelerate growth of Alfen's end markets in the years to come. 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 reconfirms its full-year 2021 revenue outlook of €225m to €250m.**



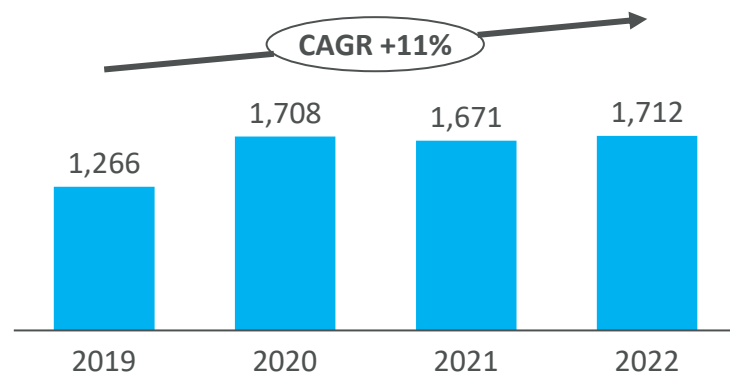
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P O W E R T O A D A P T

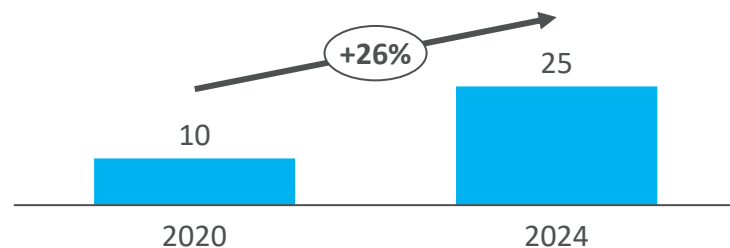
Strong growth for all Alfen's business lines

Smart grids

Annual substation installations Dutch DSOs¹
(# of new substations)

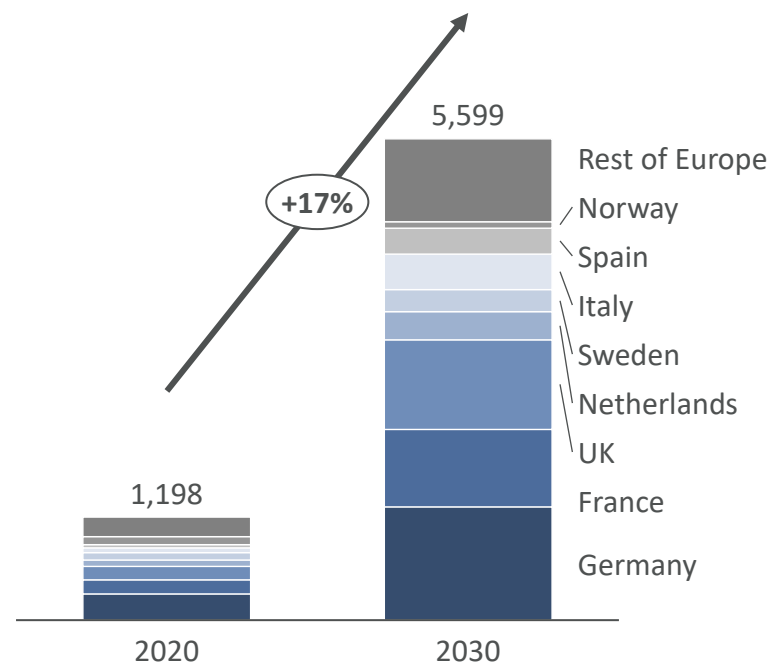


Dutch solar PV cumulative installed capacity²
(GW)



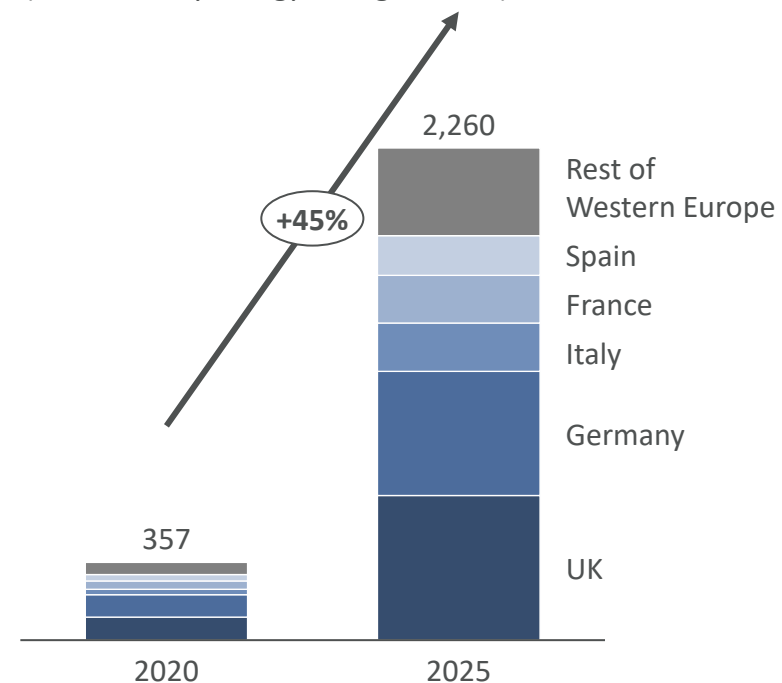
EV charging

Annual installed EV charge points³
(# of charge points in thousands)



Energy storage

Annual installed energy storage capacity in Western Europe, excluding residential³
(Li-ion battery energy storage in MW)



1. Analysis for the year 2019 based on Kwaliteits- en capaciteitsdocument Alliander, Enexis and Stedin as published by the DSOs in 2017. Analysis for the years 2020-2022 based on investment plans ("Investeringsplannen") of Alliander, Enexis and Stedin as published by the DSOs in 2020. 2. SolarPower Europe. 3. Guidehouse June 2021.