



# Alfen FY2024 trading update & strategy update

## Webcast

13<sup>th</sup> of February 2025



# 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, expects, aims, 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, 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 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, 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 2025 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 can be found in Alfen's annual report 2024 which can be found on Alfen's website, [www.alfen.com](http://www.alfen.com).

The reported data in this webcast have not been audited.

- ① 2024 highlights
- ② 2024 business line view
- ③ 2024 financials
- ④ Strategy update, 2025 outlook & medium-term ambition



# Alfen's highlights of FY2024

- > **Revenue at lower end of updated guidance as anticipated in Q3 and adjusted EBITDA in line with updated revenue guidance.** Revenue amounted to €487.6m in 2024, a 3.3% decline compared to 2023. Adjusted EBITDA margin in 2024 was 5.8% compared to 11.3% in 2023.
- > **Results impacted by headwinds across business lines as earlier communicated,** e.g. lower EV subsidies, significant price decline of batteries in energy storage and a moisture issue in one of our substation models.
- > **Positive free cash flow of €21.4m in 2024,** compared to a negative cash flow of €27.2m in 2023, exceeding our updated guidance primarily due to reduced inventory and timing of energy storage projects.
- > **Alfen updated its strategy in H2 2024: enhanced focus on core markets (NL, BE, DE, FR and Nordics)** to further optimise product-market fit.
- > **Earlier communicated cost-base adjustments in H2 2024 finalised, adapting to new market conditions:** accomplished an expected €13.1m P&L impact in 2025 compared to 2024 cost-base.
- > **Full-year 2025 outlook is €445-505m revenue, high single digit adjusted EBITDA margin and CAPEX below 4% of revenue,** driven by strategic repositioning to sharpen focus and current market visibility.
- > **Updated medium-term ambition for 2026-2027 amid current market volatility and macroeconomic uncertainty:** 5-10% revenue growth rate beyond 2025, year-on-year improvement of adjusted EBITDA margin towards low double digits and CAPEX below 4% of revenue.

# Sustainability | Alfen published its new Sustainability Statement according to CSRD mandate with many new disclosures

## Highlights

**99.5%**

of 2024 revenue aligned with EU Taxonomy.

**SBTi**

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by Alfen N.V. conform with the SBTi Corporate Net Zero Standard.

**30+ pages**

of qualitative and quantitative disclosures on our ESG activities in our Sustainability Statement (see Annual Report on our website).

## 15 material topics identified and reported on

### E1 Climate change

1. GHG emissions
2. Energy mix and consumption

### S1 Own workers

3. Collective bargaining coverage
4. Adequate wages
5. Social dialogue
6. Health & safety
7. Diversity
8. Equal pay
9. Training and development
10. Violence and harassment

### S2 Value chain workers

11. Healthy & safety
12. Forced labour

### G1 Business conduct

13. Corporate culture
14. Protection of whistleblowers
15. Corruption and bribery

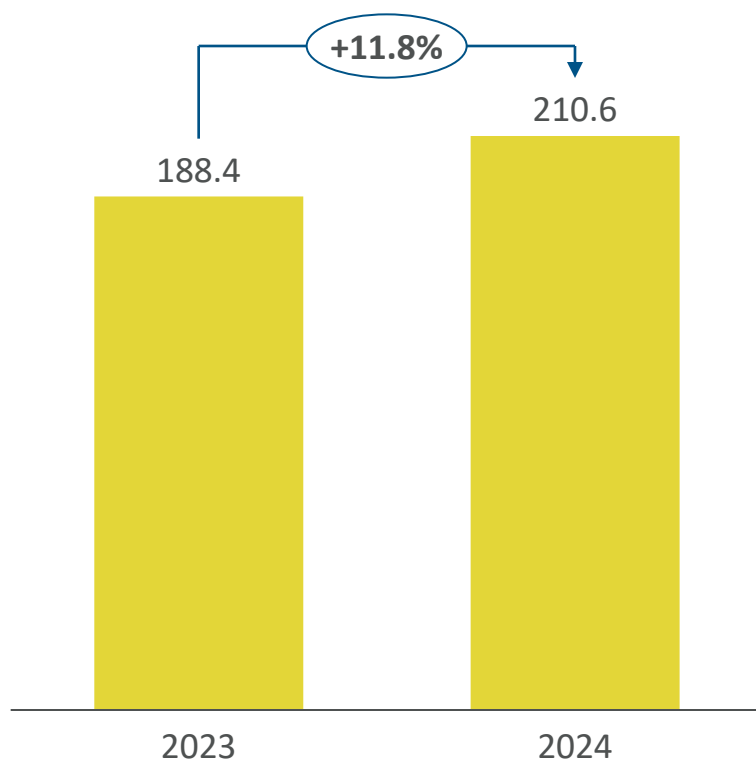
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# Segmental view | Smart Grid Solutions revenue grew +11.8%, in line with updated revenue guidance of +10%

## Revenues and other income

In € million

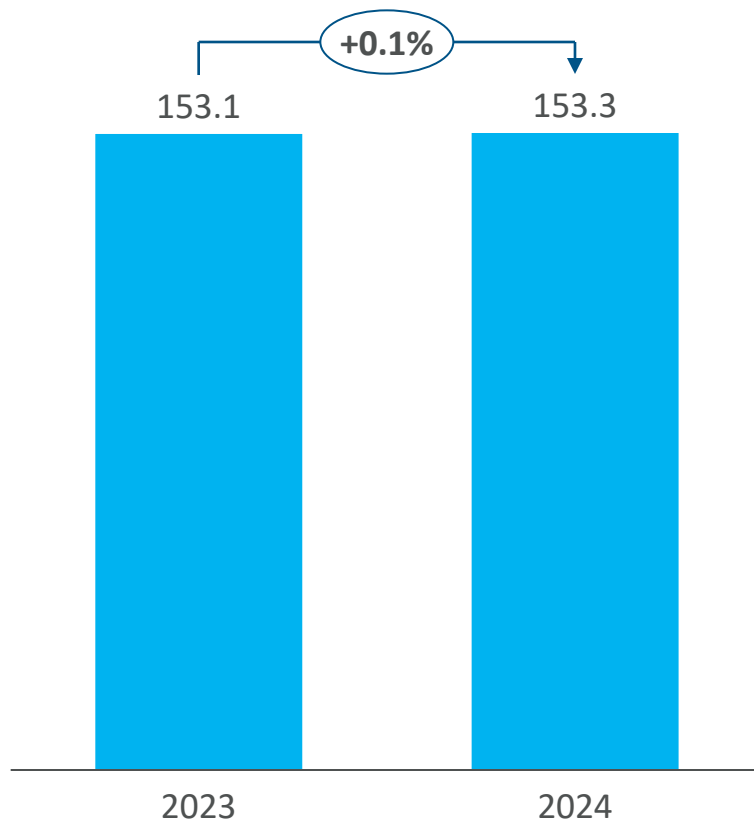


- **Revenue for Smart Grid Solutions (SGS) grew by 11.8%** to €210.6m compared to 2023
- **Grid operator segment contributed 66% to revenue**, 34% came from the private domain. Grid congestion drove grid operator segment demand but hampered private domain demand
- **Gross margin was 15.5%**, a decline compared to 2023 (29.7%)
- **Adjusted gross margin was 22.8%**, adjusted for a €15.4m warranty provision for moisture issue
- **We manufactured 3,524 substations:** 2,958 substations in the Netherlands and 566 in Finland
- **Commercial win:** One of the significant commercial wins this year was implementing a medium voltage microgrid for a sustainable greenhouse with Leen Middelburg
- **Innovation:** We changed the way we deliver our relatively new Transport Distribution Station for Enexis, including our modular approach to the manufacturing process, as well as our additional role as an end-to-end contractor

# Segmental view | EV Charging showed flat revenues (+0.1%) this year, above adjusted guidance of -5% revenue

## Revenues and other income

In € millions

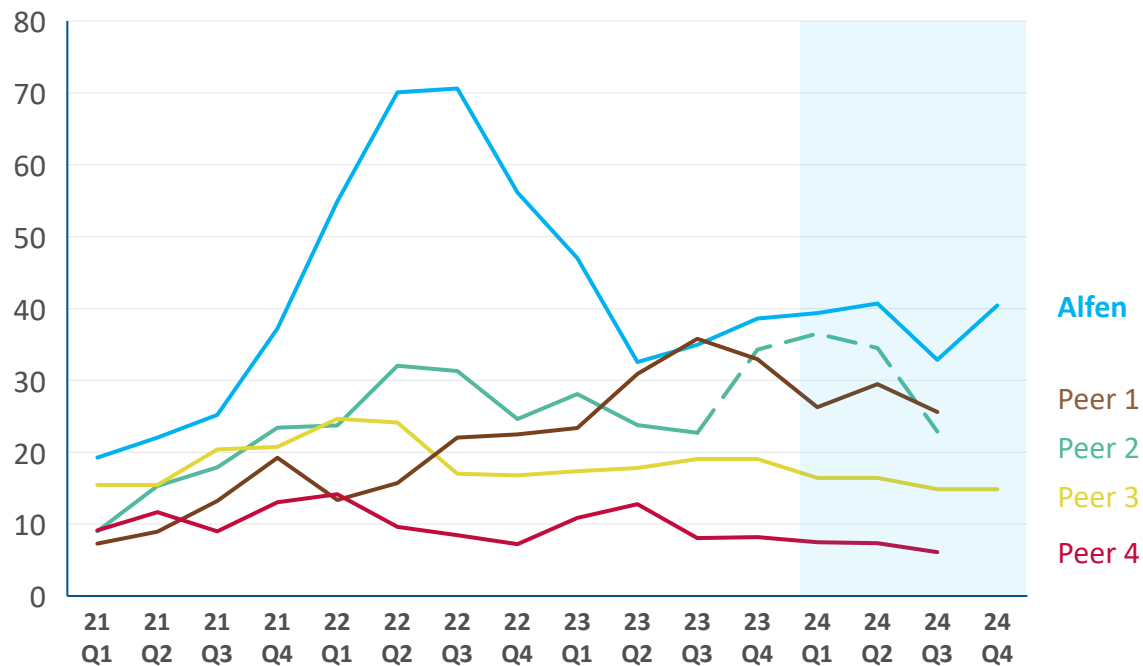


- **Revenue for EV Charging** was €153.3m in 2024, a 0.1% growth compared with €153.1 million in 2023
- **Alfen produced approximately 146,900 charge points**, compared to 150,800 charge points in 2023
- **Gross margin for EV Charging** was 31.5% compared to 38.3% in 2023, decline mainly driven by a one-off provision for obsolete inventory of €6.5m
- **Adjusted gross margin for EV Charging** amounted to 36.1%, which is lower than expected due to initial recognition of a general warranty provision of €4.0m
- **Commercial win:** we will continue to deliver Twins for the municipality of Groningen until at least 2027 with our partner Heijmans
- **Innovation:** Introduced our Twin 5 Plus with LED display and dynamic QR codes



# Segmental view | Alfen kept stable revenue, market share remained similar in a difficult year across the board for EV charging

Revenue movement of EV Charging listed peers in Europe  
In € millions



Alfen's position in the market

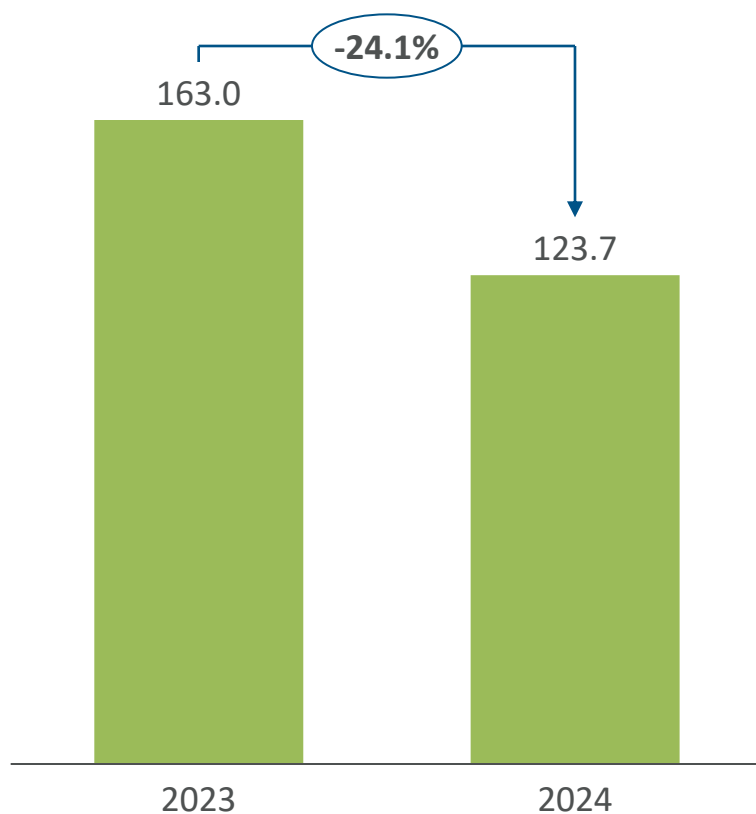
- Alfen remains leading among listed peers
- When comparing our charge point sales to BEV registrations:
  - Gained market share in top-4 countries, being Netherlands, Belgium, Germany, and France
  - Slightly lost market share in aggregate outside top-4 countries

Source: financial publications listed peers. Note: not all peers have published FY24 figures

# Segmental view | Energy Storage Systems showed 24% revenue decline, close to 20% guided revenue decline

## Revenues and other income

In € millions

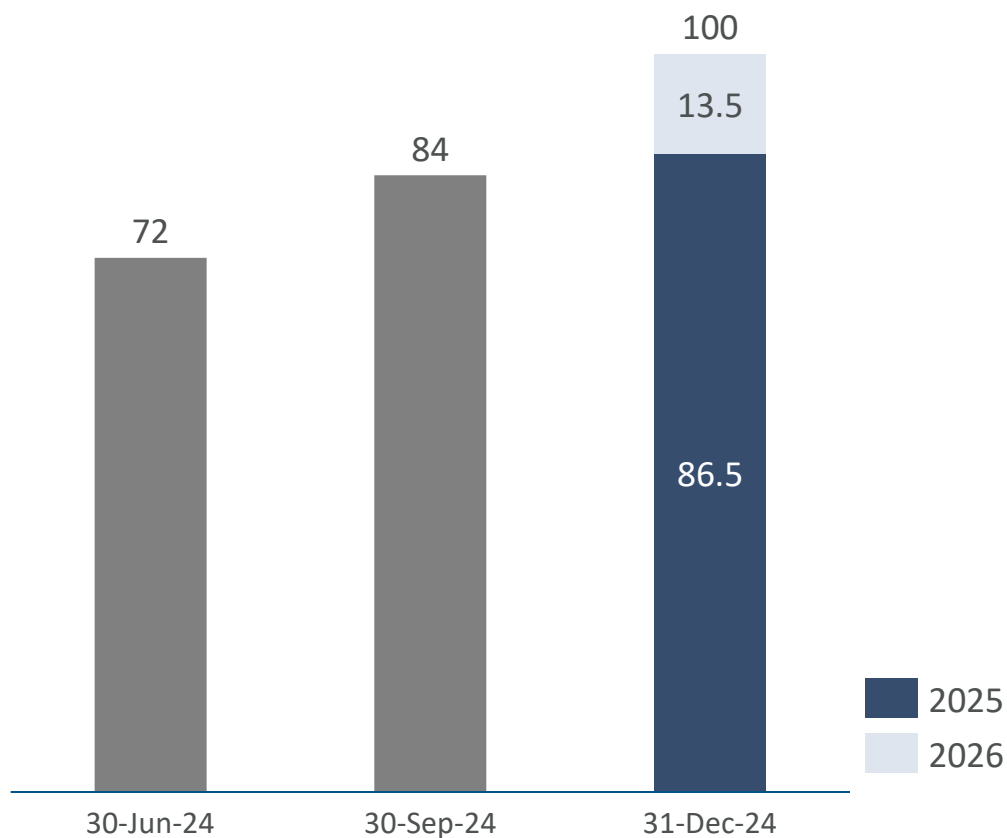


- **Revenue for Energy Storage Systems in 2024 was €123.7m**, a 24.1% decline compared with €163.0m in 2023
- **Adjusted gross margin for Energy Storage Systems increased to 29.1%** compared to 22.4% in 2023. An adjustment was made for net-realizable value impairment of 'old' batteries. Unadjusted gross margin is 27.6% in 2024.
- **Commercial win:** This year was a landmark agreement with FlevoBESS for a 126.4 MWh BESS, the largest project in Alfen's history and among the first large-scale, four-hour systems in The Netherlands.
- **Innovation:** We adapted the Elements battery system to fit in a 20 ft. container, enhancing cost-competitiveness, capacity density and system integration.

# Segmental view | Alfen sees growing backlog (in revenue) over past 3 quarters, while battery price decline limits revenue growth

## Energy storage backlog as of 31 December 2024

In € millions



## Remarks

- I Deals closed in H1 2025, can still contribute to 2025 revenue
- II Pipeline foresees deals to be closed to fill gap between backlog and 2025 outlook of 5-15% revenue decline (= €105-118m)  
Pipeline for 2025 consists of larger number of deals in small to medium sized utility scale projects (in range 5 – 60 MWh) and our mobile storage systems.

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# Income statement FY2024: €2.9m adjusted net profit after significant one-off adjustments

In € '000	2024	2023
<b>Revenue and other income</b>	<b>487,643</b>	<b>504,477</b>
Smart grids solutions	210,615	188,378
EV charging equipment	153,331	153,120
Energy storage systems	123,697	162,979
<b>Gross margin</b>	<b>115,386</b>	<b>151,095</b>
as % of revenues	23.7%	29.9%
<b>Adjusted gross margin</b>	<b>139,369</b>	<b>151,089</b>
as % of revenues	28.6%	29.9%
Personnel cost	87,060	68,511
Other operating cost	32,540	26,489
<b>EBITDA</b>	<b>-4,228</b>	<b>56,022</b>
as % of revenues	-0.9%	11.1%
<b>Adjusted EBITDA</b>	<b>28,514</b>	<b>57,076</b>
as % of revenues	5.8%	11.3%
<b>Adjusted net profit</b>	<b>2,892</b>	<b>30,738</b>

- **Revenue** in 2024 amounted to €487.6m, at lower end of our updated revenue guidance of €485-520m. Compared to 2023, revenue in 2024 was 3.3% lower
- **Gross margin** was 23.7% (2024) compared to 29.9% (2023), driven by
  1. Inefficiencies due to moisture issue resolution and move to new production facility
  2. Revenue shift from private domain substations to grid operators
  3. A warranty provision for EV charging
  4. Timing effect in Energy Storage Solutions
- **Adjusted gross margin** was 28.6% in 2024. Margins were adjusted for:
  1. €15.4m provision for Smart Grid Solutions moisture issue
  2. €6.5m provision for EV Charging obsolete inventory
  3. €1.6m net-realizable value write-down of 'old' batteries in Energy Storage
  4. €0.5m inventory write-down due to revised strategy
- **Personnel costs** increased by 27.1% in 2024 as at the start of 2024, Alfen anticipated faster market growth. Effects of organizational restructuring will start to show in Q1 2025
- **Other operating expenses** increased by 22.8% and include €3.7m one-off charges

# Move to new headquarters and new SGS production facilities materially impacted balance sheet

In € '000	31 Dec 2024	31 Dec 2023
Non-current assets	111,289	81,468
Current assets	251,461	314,501
<i>Of which Cash and cash equivalents</i>	17,068	2,073
<b>Total assets</b>	<b>362,750</b>	<b>395,969</b>
Non-current liabilities	60,421	25,653
Current liabilities	150,094	190,703
Equity	152,235	179,613
<b>Total equity and liabilities</b>	<b>362,750</b>	<b>395,969</b>

- **Non-current assets** increased by €29.8m due to commissioning of our new facilities and an impairment on capitalized R&D in response to our strategic focus
- **Current assets** decreased by €63.0m, driven by inventory reductions
- **Non-current liabilities** increased by €34.8m caused by an increase of lease liabilities, Smart Grid Solutions moisture provision, EV Charging warranty provision and a decrease of deferred tax liabilities due to an impairment on capitalized R&D
- **Current liabilities** decreased by €40.6m due to a reduction in bank overdrafts of €6.4m and repayment of the loan facility
- **Net debt position** improved from €55.1m at the end of 2023, to €32.7m at the end of 2024
- **Free cash flow** was €21.4m positive in 2024, compared to €27.2m negative in 2023, which is in line with our guidance

# We reduced net working capital, primarily driven by movements in inventories

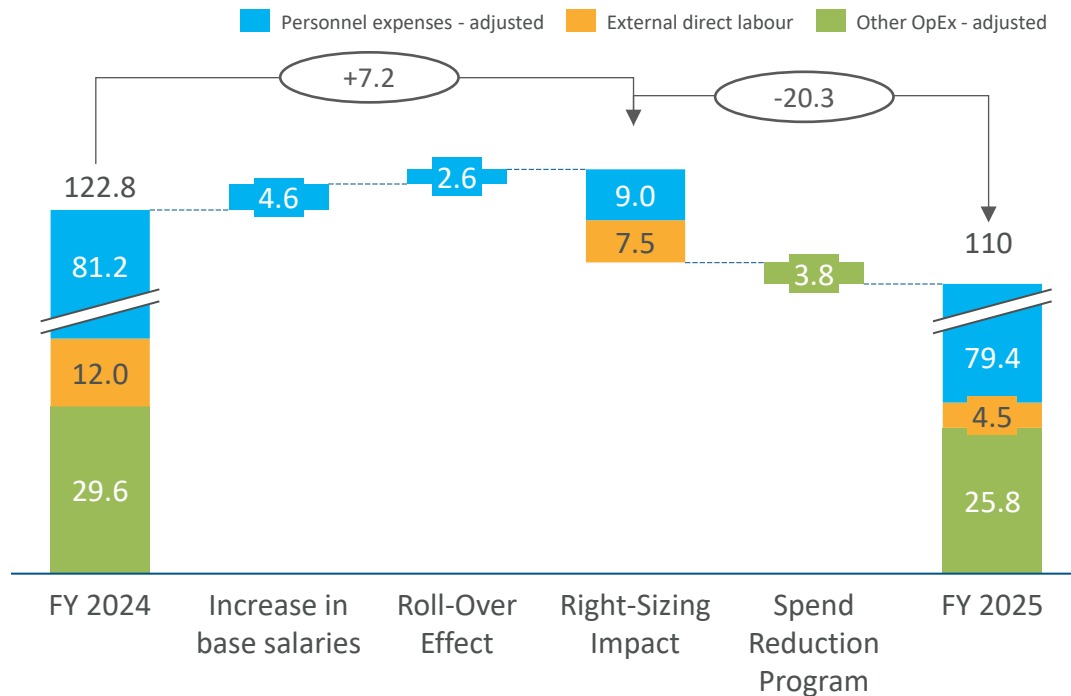
In € million	31/12/2024	31/12/2023	Working Capital Movements
Inventories	101.5	150.8	-49.3
Trade and other receivables	128.9	135.9	-7.0
- of which: Amounts due from customers for contract work - mainly ESS	22.4	28.1	-5.8
Current tax receivables	4.0	-	4.0
<b>Trade and other payables</b>	<b>-142.3</b>	<b>-148.6</b>	<b>-6.3</b>
- of which: Amounts due to customers for contract work - mainly ESS	-46.7	-43.1	-3.6
Current tax liabilities	-0.1	-3.5	3.4
<b>Net working capital</b>	<b>92.0</b>	<b>134.6</b>	<b>-42.6</b>

- **Working capital** declined from €134.6m in 2023 to €92.0m at the end of 2024
- **Reduction primarily driven by inventory management:** Alfen significantly brought down our overall stock levels and strategic stock down payments
  1. **Energy Storage Systems:** €29.1 reduction of battery inventories, €19.6m was due to timing effect from 2023 to 2024 of shipment
  2. **EV Charging:** €20.2m inventory and stock downpayments reduction
  3. **Smart Grid Solutions:** elevated substation inventories are back to €24.3m, slightly below end of 2023
  4. **Inventory write down** of €10.8m due to net realizable value impairment batteries, strategic focus and obsolescence EV charging inventories
- **Current tax receivables** is €4.0m as we have realized a loss over 2024 for which we can claim a tax refund

# We have successfully executed our H2 2024 cost saving program, reducing operational and labour costs by €13.1m

## Gross impact of H2 2024 cost savings program

In € millions



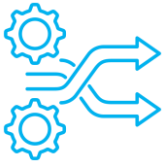
- **Expected net impact of savings program is €13.1m**, impacting the P&L in 2025
- **Estimated total gross savings are €20.3m**
- **Cost reductions are a net impact**, taking into account €7.2m upward pressures, such as collective labour agreement related salary increases and the roll-over effect
- **Direct external labour cost reductions** add up to €7.5m, impacting gross margin
- **Other OpEx** was reduced by €3.8m through an organization-wide spend reduction program



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# 2024 Recap | Alfen conducted a strategy review and organisational right-sizing in direct response to changing market conditions in H1 2024



## 2024 H1 | Changing market circumstances

- Rapidly decreasing battery prices made ESS customers postpone to sign deals
- Lowered EV subsidies resulted in tempered growth of BEV sales in Europe
- SGS faced a moisture issue in one of its substations
- **Outcome:** Alfen issued a profit warning in June and took immediate action: strategy review and organisational right-sizing



## 2024 Q3 | Strategy review

- Reassessed core competitive advantage
- Reassessed our product-market combination on:
  - Market attractiveness
  - Alfen's competitive position
  - Alfen's activity & margin levels
  - Fit with Alfen's capabilities
- **Outcome:** further focus in product-market combinations



## 2024 Q4 | Org right-sizing

- Realigned Alfen's organisation to new level of market growth, new strategy and making it more effective
- Targeting high single digit adjusted EBITDA margin
- **Outcome:** implemented new organisation in December and reduced expected costs for 2025 in total by net €13.1m

# Executive summary of our strategic update today

**Context** | Alfen plays a pivotal role in a high growth energy transition

- 1a Alfen has a **unique business model** based on 3 business lines: Smart Grid Solutions, EV Charging and Energy Storage Systems. Its competitive advantage is offering convenient E2E solutions through consultative selling (customer centricity), leveraging its deep grid understanding
- 1b **Business lines are synergetic** for Alfen and have their own contribution to the overall portfolio
- 1c Alfen operates in **long-term growth markets** with double-digit volume growth

**Case for change** | Why do we update our strategy?

- 2 Pace of **technological and regulatory changes** put pressure on growth and require focus. Secondly, after years of fast growth, Alfen's organisation needs to be **streamlined** for future success

**We believe a more focused strategy allows us to excel on our core strengths**, while simultaneously reducing costs through less internal complexity

- 3a **Focused business line strategy** | Alfen will focus on product-market combinations aligned with its competitive advantage: SGS, complex mid-scale ESS, and the Public, Business and Home Corp EV Charging markets in core growth markets NL, BE, DE, FR and Nordics
- 3b **Organisational change** | Alfen has further optimised its organisation by using five key effectiveness and efficiency levers: doing less, fewer duplications, doing things differently, flatter organisation and adjust to market

**2025 outlook and medium-term ambition** | The renewed strategy will enable:

- 4a **2025 outlook:** €445-505m revenue, high single digit adjusted EBITDA-margin and CAPEX below 4% of revenue
- 4b **2026-2027 ambition:** 5-10% y-o-y revenue growth, y-o-y improvement to low double-digit adjusted EBITDA margin & CAPEX below 4% of revenue

**Phases of growth** | What will the focus of implementation be in coming quarters?

- 5 Q1 2025 is centred on activating Alfen's strategy around its core competencies to be fit for focused profitable growth from Q2 2025 onwards and potential market expansion per 2027

# Context | Alfen is set up as an energy transition solution provider, with synergetic legs in smart grids, EV charging and energy storage

**Our vision:** build a connected, smart & sustainable energy system for future generations

**Our mission:** boost the energy transition by developing, producing, integrating and connecting high-quality energy solutions



## Smart grid solutions

Market leading position in mature and growing market, built on in-house developed substations for the public and private domain, providing stable cash flows for the EV-charging and ESS growth engines



## EV charging

Innovative solutions, reliable high-quality products and leading after-sales services targeting destination charging within the business and public segment, resulting in product-market fit within proven growth markets



## Energy storage systems

Turnkey E2E solutions for complex mid-scale utilities and C&I applications (e.g., energy trading, grid balancing, peak shaving), exposing Alfen to growth market upside

## Our core strengths



### Deep grid understanding

Deep grid integration know-how and strong relationships in local eco-systems



### Convenient E2E solutions

Ability to offer (complex) integrated solutions in a convenient and reliable way



### Customer centricity

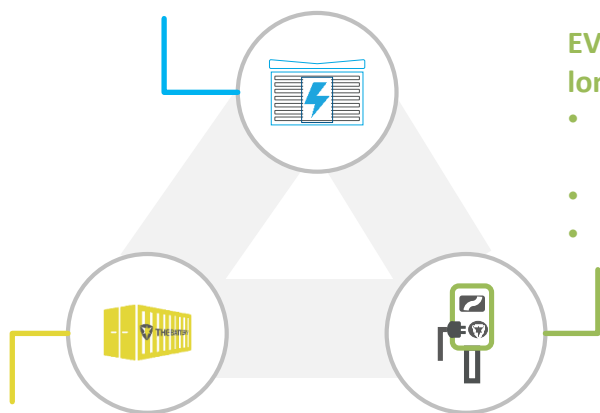
Customer centricity combined with opportunistic commercial DNA, developing E2E solutions tailored to client needs

# Context | Alfen benefits from financial, commercial and operational synergies as only independent player active in SGS, EVC & ESS

## Diverse business portfolio reinforces each other

### Smart Grid Solutions: Fundament and source of grid expertise

- Core of the company and source of grid expertise
- Continued stable revenue growth and free cash flow
- Predictable revenue due to long-term framework contracts
- Cross-fund opportunities with the growth engines



### EV charging: High gross margin long-term growth market

- Established growth market with highest gross margins
- Intrinsic flow business
- Volatility driven by EV-subsidies

### Energy Storage Systems: SGS synergy and long-term growth

- Volatile market, with strongest (double-digit) growth
- High synergy with SGS (cross-sell opportunities, project & service org)
- Different risk profile, driven by lumpiness of project conversion

## Additional commercial and operational synergies



**Grid expertise:** Grid expertise built in SGS enables complex ESS solutions and accelerates product development in EVC



**International footprint:** International footprint established with EV Charging, provides lower-risk stepping stone for ESS and SGS



**Brand equity:** EV Charging establishes visible brand to large customer base, benefiting recruitment and brand awareness



**R&D:** Innovations benefit multiple business lines (e.g., back-office mgmt.)



**Cross-sell and commercial bundling:** Strong individual solutions are cross-sold to customers and bundled to new customers



**Operational excellence:** Lean-principles used in EVC are applied to SGS and ESS, and cross-trained workforce is adaptive to volatility



**Combined purchasing power and other shared services:** Support functions are centralised to realise economies of scale/expertise

## Context to market expectations

Our expectations deviate from publicly available market data

We base our diverging view on:

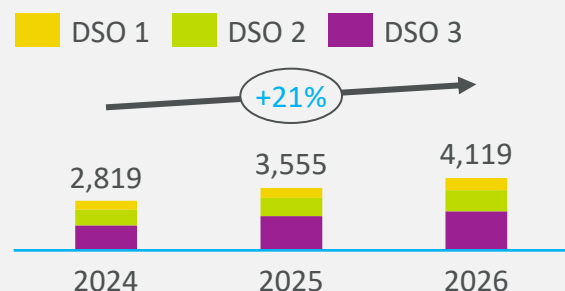
- Strategic conversations with customers
- Order intake run rates
- Historic changes in expected growth rates of publicly available market data

We can readily scale if markets pick up faster than we currently expect

# Context SGS | Alfen to profit from volume growth of grid operators, but is cautious due to execution constraints and grid congestion in private domain

## Planned annual substation additions by Dutch DSOs

Grid operators



From 2024 to 2033, we need to add ~23,000 substations to the base

## Alfen commentary

**Alfen expects ~8% annual volume market growth for grid operators between 2024-2027**

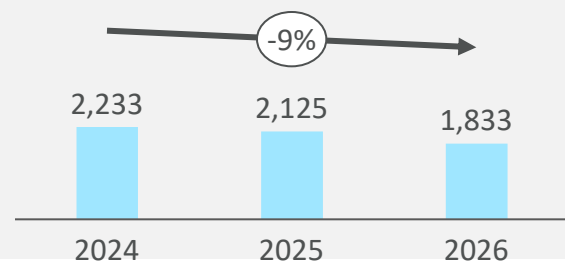
Reason: Alfen expects slower pace than investment plans due to observed execution constraints in value chain



As of 2024H1, we have installed 16% of 6,000 additional substations that are needed before 2030

## Annual capacity (MWp) additions Dutch solar

Private domain



## Alfen commentary

**Alfen expects ~0% annual volume market growth between 2024-2027**

Reasons: Grid congestions slows down obtaining a grid connection for private entities. Potential slowdown of renewable integration.

## Market trends



### Rising electricity demand

Strengthen distribution grid to cope with higher peak loads



### Roll-out of wind and solar capacity

Renewables need to be grid connected



### Capacity constrained grid

Microgrids and grid intelligence need to cope with local electricity production and bi-directional flows



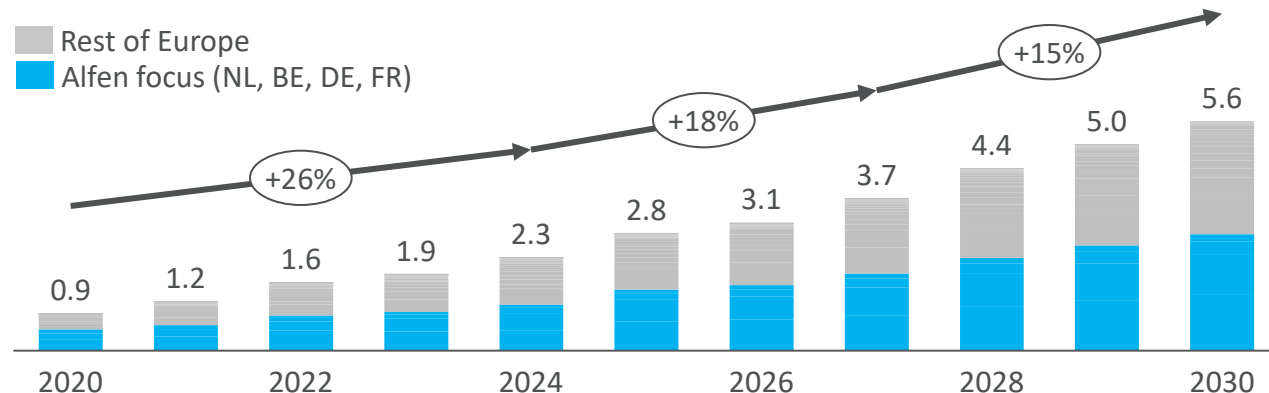
### Governmental financing

Government facilitates financing of DSOs to enable grid investments

# Context EVC | Alfen expects to profit from mid- to long-term market growth while being less optimistic in the short-term

## Annual installed charging points in Europe

In # million



## Alfen commentary

Alfen foresees a **10% CAGR between 2024-2027** for EV charging sales volume.

Reasons:

- 1) Growth predictions about 2025 are not yet seen in increased BEV sales and in run rate order intake
- 2) Uncertain European regulatory environment surrounding EVs can impact short- to mid-term adoption speed

Source: BNEF (2024)

## Market trends



### EV-market dynamics

Disparity between maturing and growing markets, impact of subsidies & ICE cost parity



### Government regulations

Increasing divergence across countries, particularly complex within public segment



### Advanced features

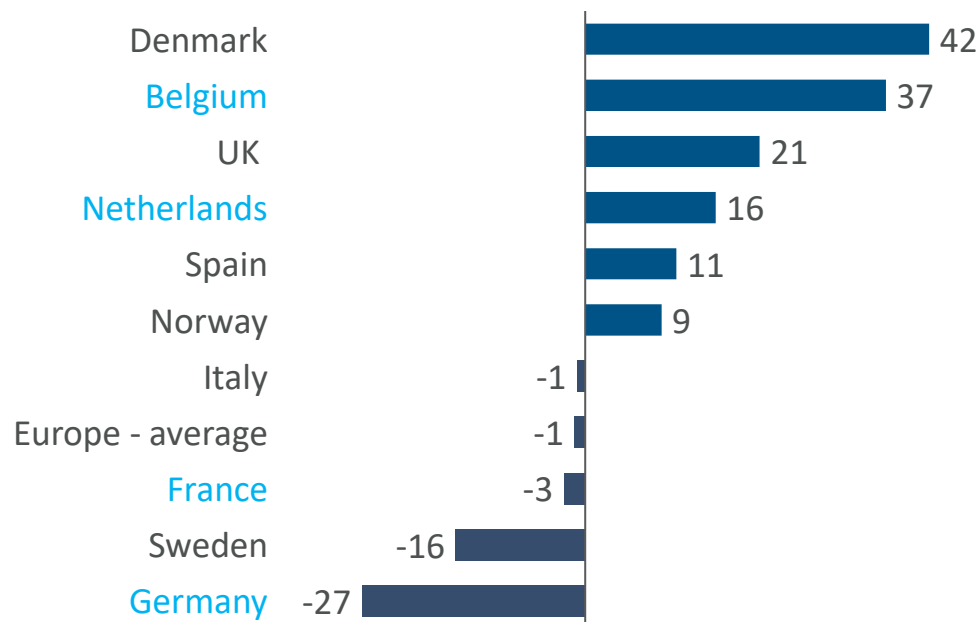
Roll-out of ISO 15118 and consequent Plug & Charge and bi-directional charging (V2G)



# Context EVC | Alfen remains cautious for 2025 after EV sales stagnated in '24 but optimistic on mid- to long-term growth rates

## BEV registrations growth over 2024 show large differences

In [%] y-o-y compared 2023



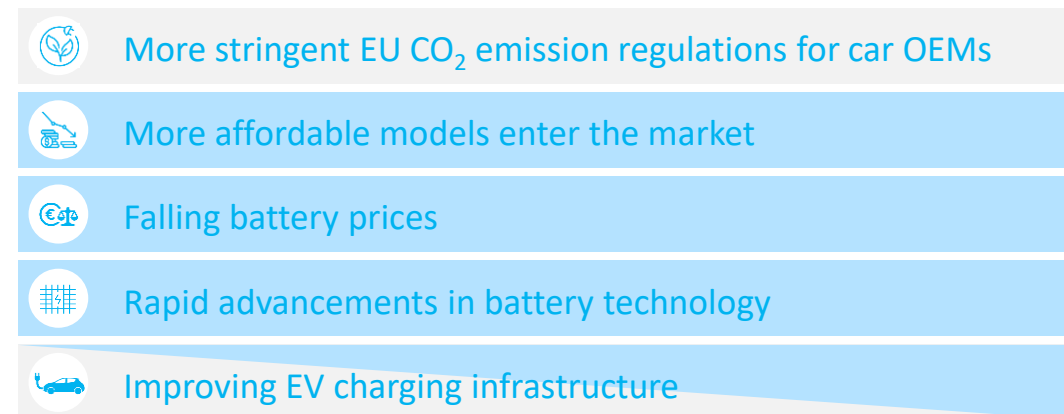
Blue: Alfen EV charging core markets

## Alfen cautious with short-term EV growth figures for 2025

Bloomberg forecast ~30% growth in EV sales for Europe<sup>1</sup>

- Regulatory uncertainties surrounding EU's CO<sub>2</sub> regulations
- Downward forecast adjustments of market researchers over 2024
- Delay between EV registrations and charge point sales

## Mid- to long-term view supported by strong set of drivers



Main adoption driver:

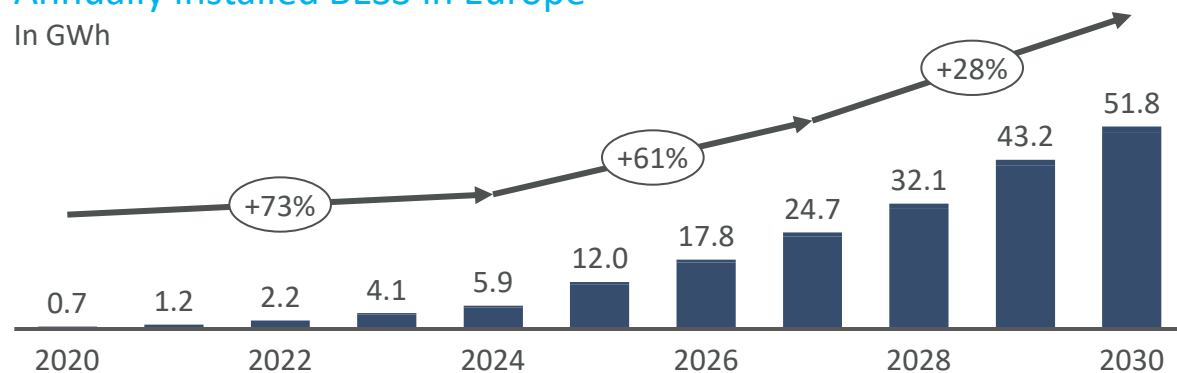
Regulation

Consumer

# Context ESS | Alfen remains cautious based on current market dynamics, but still foresees double digit volume growth

## Annually installed BESS in Europe<sup>1</sup>

In GWh



## Alfen commentary

Alfen foresees **15% annual volume market growth** between 2024-2027 for ESS, which is lower than market growth.

Reasons:

- 1) Alfen plays in mid-scale BESS, while volume growth is highest in mega projects
- 2) Alfen still sees slower deal cycles due to lower risk appetite by customers/banks, complexity in estimating profitability of BESS project, energy market pricing volatility and increased interest rates

1. BNEF (2024)

## Market trends



### Decarbonisation targets and policy

CO<sub>2</sub> reduction targets and policy (e.g., capacity markets) drive renewables penetration, with BESS offsetting unbalance between supply and demand



### Cost parity with fossil dispatchable energy sources

Technology advancements, manufacturing scale and revenue sources move BESS towards cost parity with dispatchable sources (mid to late 20's)

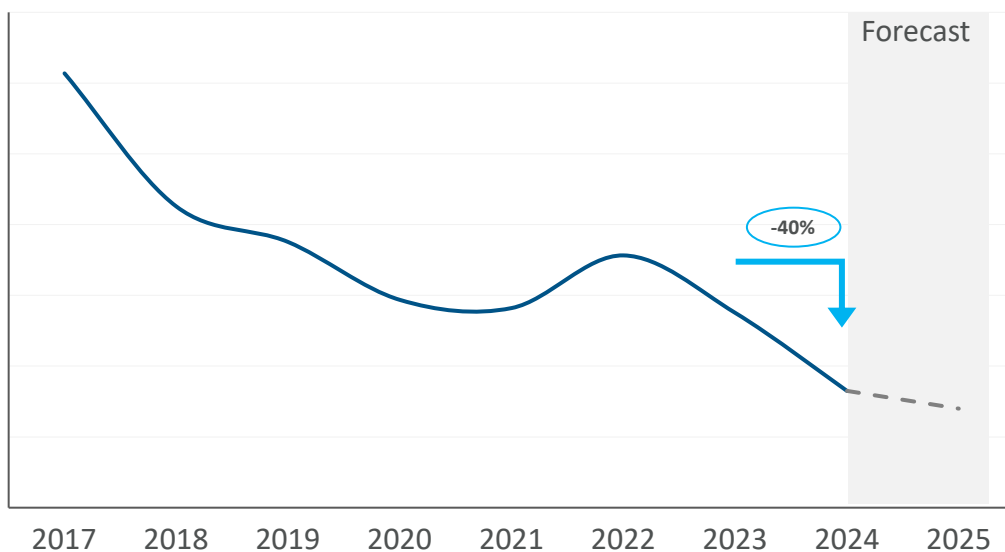


### Solution to net congestion

Electrification (e.g. more EVs) and intermittent renewables lead to higher peak demand. Peak shaving by batteries helps overcome grid connection constraints

# Context ESS | Energy storage systems price declines expected to slowdown after experiencing a sharp decline of ~40% during 2024

## Historical development of average global energy storage system prices



Note: this graph shows the price development of the weighted average of global energy storage system prices which can differ between regions.

Source: BNEF Energy storage system cost survey (dec, 2024)




## Market commentary

- Market researchers do not expect same downward pressure on energy storage system prices in 2025 as witnessed in 2024
- Lower energy storage cost improve project economics for our customers

## Benchmark price range for >10MWh turnkey projects in 2024:

Between €180K and €260K per MWh

### Variable factors

-  Bigger system size in MWh
-  Longer duration in hours
-  Additional scope of work for Alfen

### Price effect



# Case for change | We believe a more focused strategy allows us to excel on our core strengths, while simultaneously reducing internal complexity

## MARKET DYNAMICS



### Attractive market growth across business lines

- Each business line shows attractive growth until at least '30
- Given abundant opportunities, Alfen will have to prioritise product-market combinations in which it is advantaged



### Rapid technological and regulatory developments

- Technologies advance rapidly, costs continue to decline and regulation is still being shaped
- This requires Alfen to adapt quickly to stay ahead



### Consolidation of maturing markets

- The markets increasingly consolidate as they mature
- This puts increasing pressure on value positioning: product leadership vs. customer intimacy vs. operational excellence

## NEED FOR FOCUS ON CORE STRENGTHS



### Leveraging Alfen's core strengths

- Deep grid integration know-how
- Convenient and reliable E2E solutions
- Customer centricity with opportunistic DNA



### Focus in strategic activities

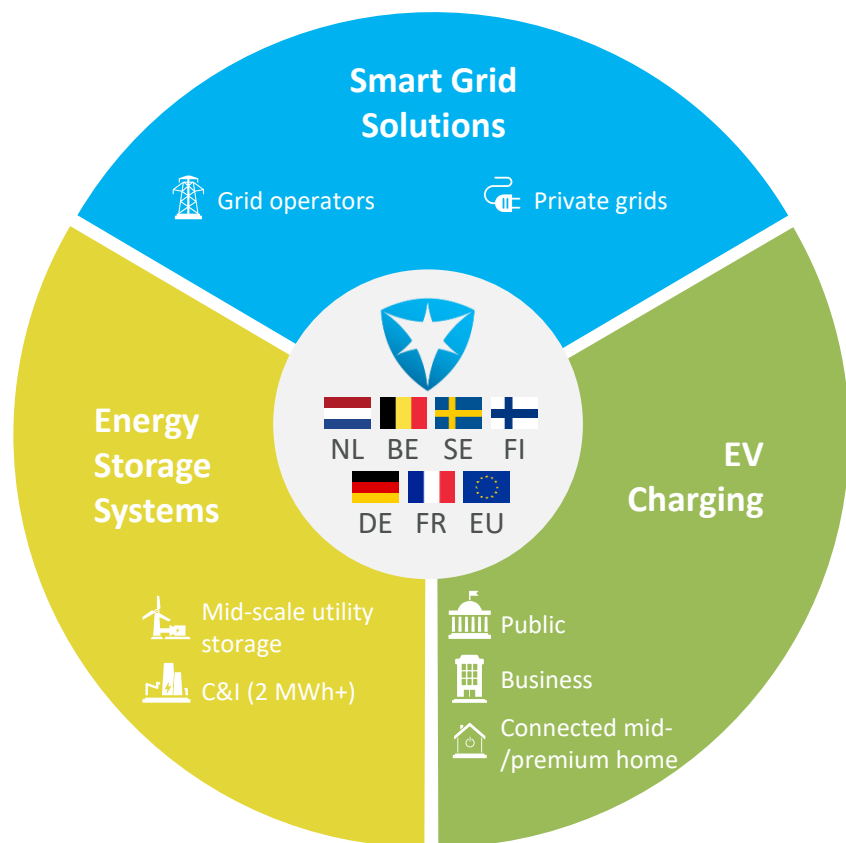
Focus on market segments and geographies where Alfen has, or can attain, a top 3 position



### Streamlined organisation for profitable growth

Simplify the organisation through streamlined E2E processes, value-driven prioritisation of R&D and organisation-wide cost awareness

# Strategy of focus | Alfen will focus within each business line on the market segments aligned with its competitive advantage



## Smart Grid Solutions | Since 1937

- Design and development of **E2E Smart Grid Solutions** for the **public** and **private domain**
- In-house developed and produced range of substations for **grid operators** and **microgrids**, **incl. service & maintenance** on installed substations for private entities
- Focus on **accelerated reliable production** with new facility using lean principles

## EV Charging Equipment | Since 2008

- **Innovative solutions, reliable high-quality products** and **leading after-sales** guarantees based on strong local presence in core markets
- **In-house developed** and produced smart chargers and maintenance offering
- R&D focus on **enhancing profitable AC-products**

## Energy Storage Systems | Since 2011














- **Turnkey E2E solutions with long-term performance guarantees**, leveraging complex grid integration know-how, local presence, and strong service
- **Design, integrate** (incl. BMS), **configure, install and maintain** systems, targeting energy trading, grid balancing and peak shaving use cases
- R&D focus on **standardisation, modular designs** and **high-density** containerised batteries

# SGS | Alfen's comprehensive Smart Grid Solution portfolio and customer centricity enable serving specific customer needs

## VALUE PROPOSITION

- ✓ Proven track record of in-house expertise to design and develop reliable Smart Grid Solutions
- ✓ E2E solutions, incl. grid automation services and service & maintenance
- ✓ Cost-effective, large-scale production facility for secure supply
- ✓ Customer-centric problem-solvers with tailor-made solutions for private domain

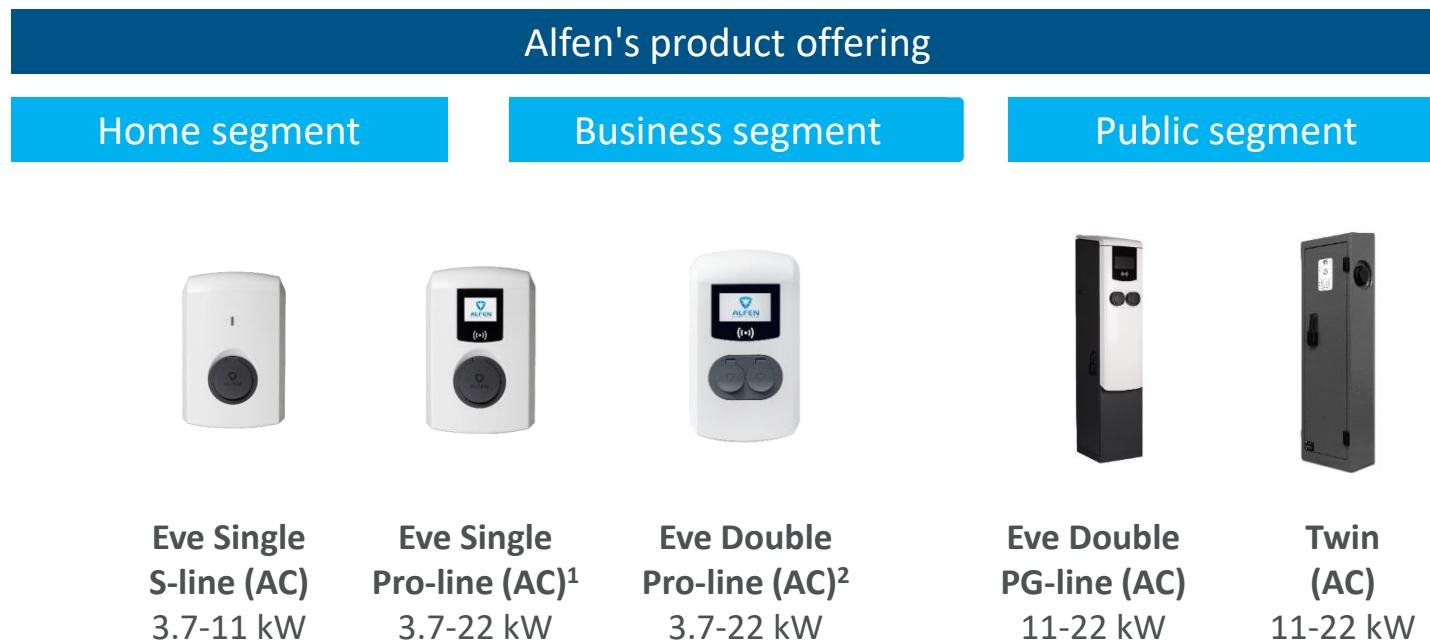
## Alfen's product offering

Walk-in stations	Non-walk-in stations	Special products and services	Other products and services
			 <b>Switchgear</b>
			 <b>Microgrid projects</b>
			 <b>Grid automation</b>
			 <b>Service &amp; maintenance</b>

# EVC | Alfen EV Charging provides state-of-the-art chargers for the Home, Business and Public segments

## VALUE PROPOSITION

- ✓ Independent provider of high-quality, reliable, interoperable EV chargers with best-in-class service
- ✓ Leading industry innovation with advanced features such as Smart Charging Networks (SCN) and wide EMS compatibility
- ✓ Tailored for business needs through seamless payment integration (e.g., RFID, Plug & Charge, certified MID meters)



1. Also used in business segment. 2. Also used in home segment

# ESS | Alfen offers E2E turnkey solutions configured to customer needs with strong performance guarantees

## VALUE PROPOSITION

- ✓ Availability of latest technologies with modular design and high density
- ✓ Convenient E2E solutions, configured to customer needs on complex integration applications
- ✓ Deep grid integration know-how through local presence and SGS experience

## Alfen's product offering

### Advisory



- Designing project solutions tailored to customer needs
- Guiding customer E2E through the steps towards final investment decision and commissioning

### Elements



- Modular design for highly scalable energy density solution
- Local grid embedding and network integration

### Connect



- Pro-active maintenance, and optimization of assets lifetime
- Reliable performance over extended period to maximise yields

### Mobile X



- Robust, mobile 10ft container (720 kWh) with high ease of use
- Focused on rental and construction firms



# Organisational change | We have made our organisation future-proof to grow profitability in coming years

Lever	Description	Examples
<b>A</b> Doing Less	<ul style="list-style-type: none"> <li>Stop/reduce activities that are not in line with strategic priorities</li> <li>Right-size areas that have expanded in recent years but no longer need to operate at the same scale</li> </ul>	<ul style="list-style-type: none"> <li>Stop DC charging segments</li> <li>Adjust staff functions to align with reductions elsewhere in org</li> </ul>
<b>B</b> Fewer duplications	<ul style="list-style-type: none"> <li>Consolidate, centralise or streamline overlapping or dispersed activities across departments</li> <li>Improve interfaces between R&amp;D, Operations and Sales to reduce handovers</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate Service ESS and SGS teams to leverage synergies and better align planning</li> </ul>
<b>C</b> Doing things differently	<ul style="list-style-type: none"> <li>Adopt new ways of working in selected areas to improve efficiency and agility</li> <li>Standardise or automate activities and processes to improve efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Evolve R&amp;D structure and processes in line with agile principles by introducing stable end-to-end teams by product/platform organized around Chapters</li> </ul>
<b>D</b> Flatter organisation	<ul style="list-style-type: none"> <li>Reduce coordination roles with limited spans of control and layers to speed up decision-making and improve responsiveness</li> </ul>	<ul style="list-style-type: none"> <li>Reduce management roles by optimizing spans of control</li> </ul>
<b>E</b> Adjust to market	<ul style="list-style-type: none"> <li>Right-size direct workforce by adjusting size and composition of direct workforce to production levels</li> <li>Use multiskilling or outsource for a more flexible workforce and/or less expensive resources</li> </ul>	<ul style="list-style-type: none"> <li>Optimize the size and composition of production and supply chain workforce to align with production levels</li> </ul>



With the revised strategy, we update our ambition for 2025, 2026 and 2027

### Financial outlook 2025



Revenue at **€445-505m**



**High single digit** adjusted EBITDA margin



CAPEX of **<4%** of sales

### Medium-term ambition 2026 & 2027



**5-10% revenue growth** y-o-y



**Y-o-y improvement** in adjusted EBITDA margin towards low double digits



CAPEX of **<4%** of sales

# More detail | 2025 outlook for revenue and adjusted EBITDA broken down by business line

Revenue at €445-505m (2024: 488m)



## Smart Grid Solutions

- Growth in grid operator segment
- Flat revenue in private domain



## EV charging

- Short-term impact of strategic focus
- Increased BEV sales not yet coming through in run rates order intake



## Energy Storage Systems

- ~78% of ESS outlook (at the midpoint) is covered by backlog at 31/12/24

High single digit adjusted EBITDA margin (2024: 5.8%)



- + Higher production efficiency (limited impact of moisture issue)
- + Operational leverage related to revenue growth



- + Gross margin improvement due to renegotiation with suppliers



- Gross margin decline, because one-off timing effects of energy storage projects from 2024 will not have same effect in 2025

Across Alfen: impact of restructuring and cost-saving program from 2024

# More detail | 2026 & 2027 ambition are based on key assumptions on market developments

## Core assumptions for 5-10% revenue growth y-o-y

Note: numbers indicate point estimate, but in reality more uncertainty

All % relate to y-o-y effects

	SGS	EVC	ESS
Market volume growth	+5%	+10%	+15%
Price development	+2%	-3%	-6%
Alfen market share	Stable	Stable	Stable
Net effect on revenue	5-10% revenue growth y-o-y		

## Core assumptions for y-o-y improvement towards low double digit adjusted EBITDA margin

**Revenue development** as describes on the left-hand side

**Operational leverage possibilities** driven by strict control on costs and FTE increases, making cost-base grow more slowly than revenues

### Gross margin ranges for 2025-2027

- **SGS:** 20-30% (driven by larger share of grid operator revenue with lower gross margin compared to private domain)
- **EVC:** 35-45% (same as CMD 2023)
- **ESS:** 15-25% (driven by large share of utility-scale revenue with lower gross margin compared to traditional Mobiles revenue)

# Phases of growth | Q1 2025 is centred on activating Alfen's strategy around its core competencies for focused profitable growth from Q2 2025 onwards





**ALF FEN**

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