



Alfen 2023 Q3 trading update

Webcast

13 November 2023



Disclaimer

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 2023 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.

A more comprehensive discussion of the risk factors affecting Alfen's business can be found in Alfen's annual report 2022 which can be found on Alfen's website, www.alfen.com.

The reported data in this webcast have not been audited.

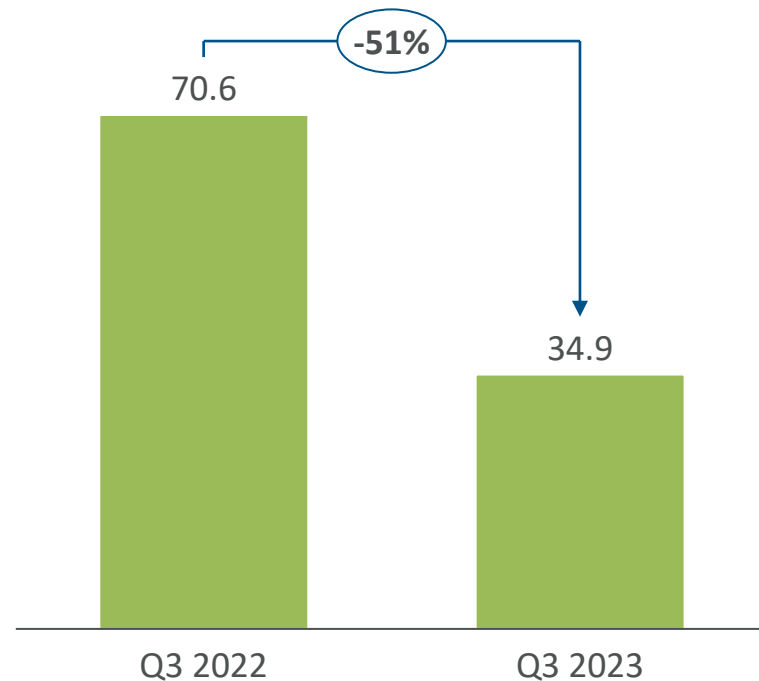
Alfen's highlights of Q3 2023

- > Q3 2023 revenues amounted to €136.4m, a growth of 11% versus Q3 2022 (€123.2m).
- > Gross margin at 29.4% compared with 34.8% in Q3 2022 and 28.8% in Q2 2023.
- > Adjusted EBITDA of €17.3m (12.7% of revenues) compared with €24.5m in Q3 2022 (19.9% of revenues) and €8.4m in Q2 2023 (7.6% of revenues). Strong improvement relative to Q2 2023 reflects operational leverage in Smart Grid Solutions and Energy Storage Systems.
- > Alfen reiterates its 2023 full-year revenue outlook of €490-520m.
- > CFO Jeroen van Rossen has decided to step down after AGM 2024 in April after more than eight years at Alfen. His successor will be Boudewijn Tans.

Segmental review | EV charging equipment

Revenues and other income

(€ million)

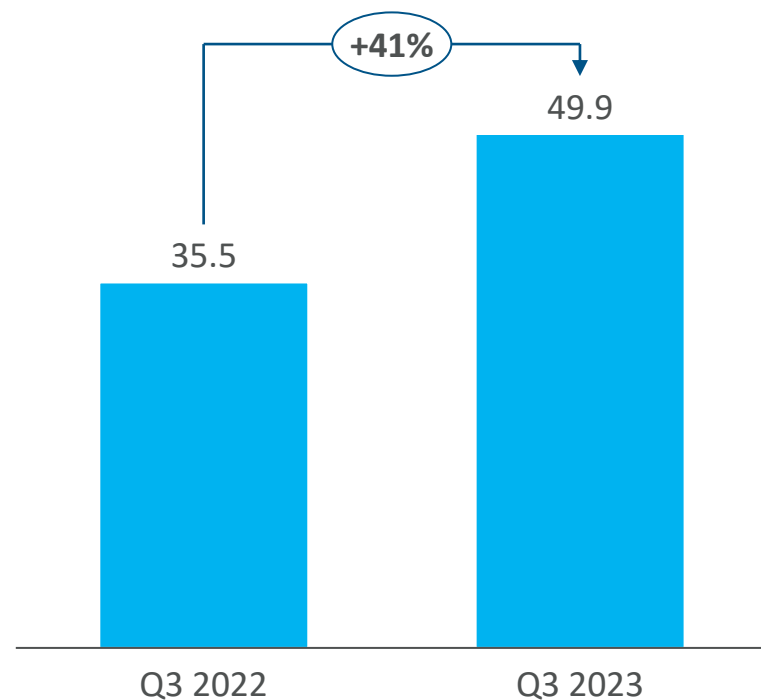


- In the EV charging equipment business line, Q3 revenues were €34.9m (-51% from €70.6m in Q3 2022). The decline was driven by lower volume as the market destocked excess inventories from 2022.
- Almost all customers have moved through their inventory. Throughout Q3 we see customers that have started to order again, albeit at lower volume than in 2022 driven by market conditions.
- In the third quarter, approximately 57% of revenues were generated from outside the Netherlands. Alfen produced approximately 36,000 charge points, a decline of 43% from Q3 2022 with approximately 63,500 charge points. The number of charge points produced is lower, as 2022 was characterized by exceptional demand post-COVID.
- We continue to expect sequential increase in revenue for EV charging in the next quarter.
- For 2024, we expect to grow this business line with 15-20% relative to 2023.

Segmental review | Smart grid solutions

Revenues and other income

(€ million)

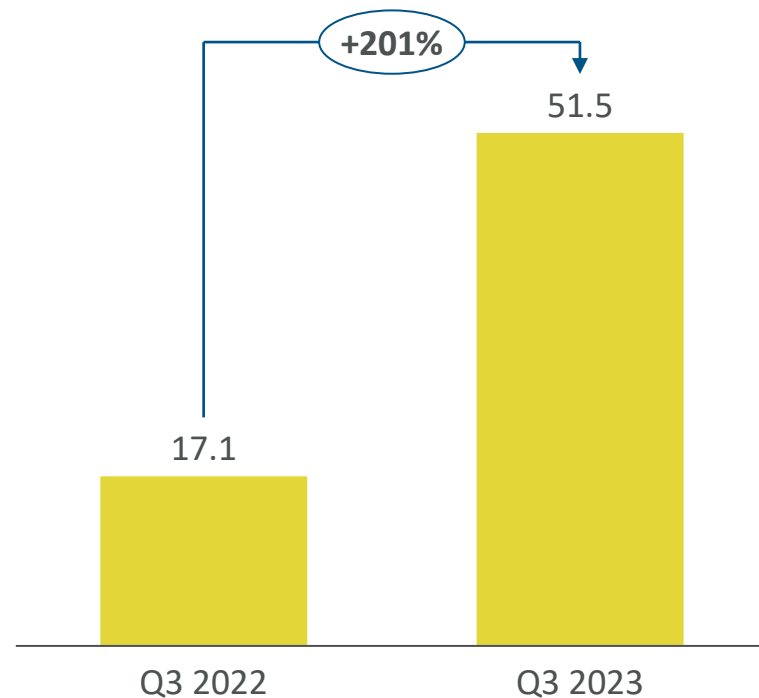


- In the Smart grid solutions business line, Q3 revenues were €49.9m (+41% from €35.5m in Q3 2022). Both the grid operator and the private networks segment grew fast, but private networks even doubled in revenue, after it was hampered by the supply chain constraints in 2022.
- Alfen continues to prepare for a step change in growth in coming years as the grid operators scale up in their investment plans.
- In Q3 2023, Alfen produced approximately 789 substations, a decrease of 1% compared with Q3 2022 with approximately 801 substations. The decline was driven by a pivot in business strategy of Alfen Elkamo towards lower volume higher value substations. On the other hand, volumes in the Benelux increased with ~10%.
- We expect Q4 revenues to be in line with Q3 revenues for SGS. In 2024, we expect to grow this business line with approximately 20% relative to 2023.

Segmental review | Energy storage systems

Revenues and other income

(€ million)

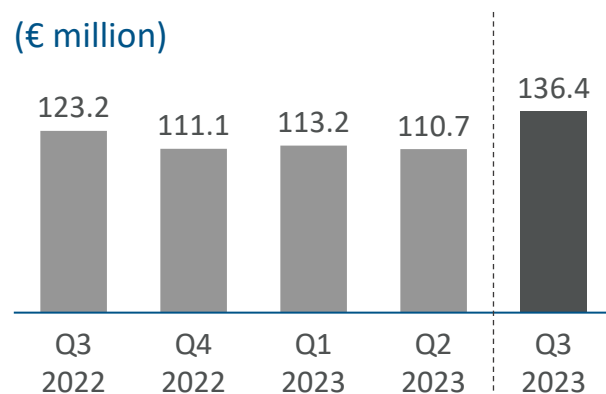


- In the Energy storage systems business line, we triple our revenues in Q3 relative to the same period last year. Q3 revenues were €51.5m (from €17.1m in Q3 2022). This revenue increase was driven by both our stationary systems (“TheBattery Elements”) and our mobile systems (“TheBattery Mobile”).
- We continue our trajectory to gain significant market share in Europe in 2023.
- The momentum in the energy storage market remains powerful, mostly driven by continuous renewables growth and the need to balance electricity demand and supply.
- For Q4, we expect a revenue level in line with Q3. The prospect for 2024 is also positive, as we steadily build lead pipeline & backlog for 2024 with new order wins. In 2024, we expect to grow this business line with at least 40% relative to 2023. Please do note that revenue for Energy Storage is highly susceptible to project execution and the timing of component allocation.

Group financials

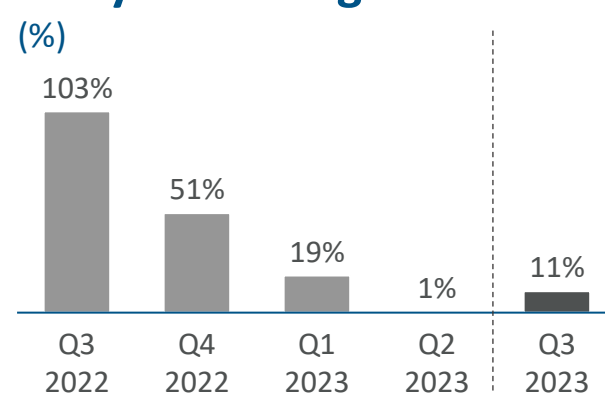
Revenues

(€ million)



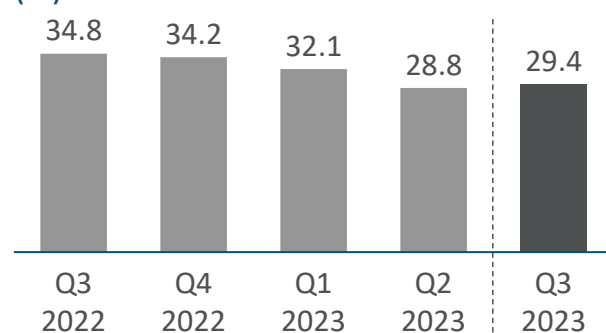
Y-o-y revenue growth

(%)



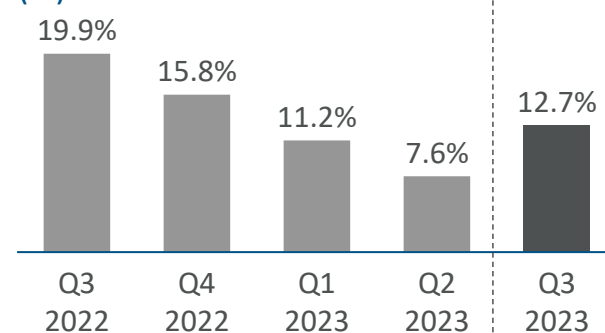
Gross margin

(%)



Adjusted EBITDA

(%)



Q3 2023 revenues amounted to €136.4m, a growth of 11% versus Q3 2022 (€123.2m). This growth was driven by Smart Grid Solutions and Energy Storage Systems.

Gross margin in Q3 2023 was 29.4%, compared with 34.8% in Q3 2022. This is a result of a changed business line mix towards Energy Storage Systems. Relative to Q2 2023 (28.8%) gross margin improved, driven by the product mix within Energy Storage Systems and Smart Grid Solutions.

Adjusted EBITDA was €17.1m (12.7% of revenues), compared with €24.5m (19.9% of revenues) in Q3 2022. The decline was caused by lower EV Charging volumes creating deleverage on the EV charging organisation. On the other hand, relative to Q2 2023 (7.6%) the company showed improvement in adjusted EBITDA driven by operational leverage in its Smart Grid Solutions and Energy Storage Systems business lines.

At FY2023, we will provide a full statement of **cashflows**. As interim update, we would like to share that we generated a free cashflow of €17.3m in Q3 2023. Hence, cashflow is developing in a positive way relative to the end position of H1, as we also anticipated.

Outlook

- Alfen expects that the Energy Storage Systems and Smart Grid Solutions markets will continue to grow throughout 2023 as Europe's transition to a carbon-free energy system that is not dependent on fossil fuels continues to gain momentum.
- For EV Charging, 2023 is considered a bridge year after extraordinary demand in 2022.
- Long-term, Alfen continues to anticipate positive market developments for all its business lines.
- Alfen reiterates its full-year 2023 revenue outlook of €490-520m.
- CFO Jeroen van Rossen has decided to step down after AGM 2024 in April and his successor will be Boudewijn Tans. Smooth transition period has been secured.



ALF FEN

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