



## P R E S S   R E L E A S E

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# Alfen delivers record-quarter in revenues and improves EBITDA compared to Q2 2023

*ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), specialist in energy solutions for the future, today publishes its trading update for the third quarter of 2023.*

### Highlights:

- **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.

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

*“The third quarter of 2023 has been a record revenue quarter for Alfen. This was driven by ongoing strong growth at Energy Storage Systems and Smart Grid Solutions. This has led to operational leverage advantages which positively impact our EBITDA in the quarter. As earlier announced, EV charging has seen a decline in revenue compared to the same period last year, due to the ongoing destocking. The revenues however were slightly higher than in Q2 of this year and our view on the market is that destocking is at its end. Almost all customers have moved through their inventory and we have seen new orders again from our customers.*

*The breakthrough year for Energy Storage Systems unfolds further. We triple our revenues in Q3 relative to the same period last year. We continue our trajectory to gain significant market share in Europe in 2023. 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.*

*Smart Grid Solutions revenue accelerates to 41% increase in Q3 relative to the same period last year. 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. 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. The construction of our new production & warehouse facility is on schedule for completion in Q1 2024.*

*In EV Charging, the destocking challenge continued in Q3 and revenues were in line with Q2 as we have communicated during our HY results in August. 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. 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.*

*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.*

*Lastly, in terms of our revenue guidance, we reiterate our full-year guidance of €490-520m for 2023.”*

## Financial highlights

<i>In € millions</i>	22Q3	22Q4	22FY	23Q1	23Q2	23Q3	23YTD
<b>Revenues and other income</b>	123.2	111.1	439.9	113.2	110.7	136.4	360.3
<i>Y-o-y growth</i>	103%	51%	76%	19%	1%	11%	10%
<b>Gross margin</b>	42.9	38.1	153.5	36.4	31.9	40.1	115.5
<i>As % of revenues and other income</i>	34.8%	34.2%	34.9%	32.1%	28.8%	29.4%	30.1%
<b>Adjusted EBITDA</b>	24.5	17.6	79.4	12.7	8.4	17.3	38.4
<i>As % of revenues and other income</i>	19.9%	15.8%	18.0%	11.2%	7.6%	12.7%	10.7%

## Segmental review

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. Compared to the second quarter sales were however slightly higher. Our view on the market is that destocking is at its end. Almost all customers have moved through their inventory and we have seen new orders again from our customers.

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.

The European market for EV charge points has a long-term growth trend with a CAGR of 15-20% from 2022 to 2027 (source: Guidehouse & BNEF). This long-term growth trend is also reflected in Q3 2023 with growing EV adoption in European markets: 50% more battery EVs registered than in the same period last year (source: ACEA).

In the **Smart grid solutions** business line, Q3 revenues were €49.9m (+41% from €35.5m in Q3 2022). Grid operators continued to expand and reinforce the distribution grid to support the energy transition. Alfen continued to benefit from these plans with existing framework agreements with grid operators. Both the grid operator and the private networks segments contributed to our revenue growth. 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%.

In the **Energy storage systems** business line, Q3 revenues were €51.5m (+201% from €17.1m in Q3 2022). This revenue increase was driven by both our stationary systems (“TheBattery Elements”) and our mobile systems (“TheBattery Mobile”). The momentum in the energy storage market remains powerful, mostly driven by continuous renewables growth and the need to balance electricity demand and supply.

The market momentum remains strong and Alfen’s pipeline and backlog continues to grow in a healthy manner due to new contract wins.

### **Gross margin and adjusted EBITDA**

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 from EV charging 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.

### **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 decides to step down after AGM 2024 and successor has been found**

After having served as CFO at Alfen for more than 8 years, Jeroen van Rossen has decided to step down in April after AGM 2024. He is stepping down to spend more time with his family and to pursue other interests. He has instilled a profitable growth mindset throughout the company with his relentless focus on driving operational leverage and maintaining an asset light business model. Alfen has found a strong and highly competent successor in Boudewijn Tans (Dutch, born 1978). He will be proposed to the shareholders for the CFO position at the AGM 2024.

Boudewijn Tans brings relevant and valuable sector experience in the full breadth of the energy transition. He has detailed finance expertise and is used to work in fast-growth environments. Over the past 3.5 years he has been the CFO of Koolen Industries. Prior to that, he has accumulated an extensive resume as investment banker and board room advisor. Notably, he oversaw Alfen's IPO in 2018 as Global Coordinator on behalf of Barclays, granting him a profound understanding of Alfen's strategy and business model.

*Marco Roeleveld, CEO of Alfen, said:*

“I would like to thank Jeroen for his leadership, dedication and commitment to Alfen. While his departure is a regrettable loss, we respect his choice to spend more time with his family and pursue his other interests. Until his departure in April 2024, Jeroen is fully committed to Alfen to ensure a smooth transition. I wish him all the best on his future career path. I am happy to welcome Boudewijn Tans, who will be an excellent successor to continue our profitable growth strategy.”

*Jeroen van Rossen, CFO of Alfen, said:*

“It has been a privilege to work with so many strong and dedicated people within Alfen since I joined the company in 2015. Alfen’s growth journey over the last eight years has been an intensive and exciting time for me. Alfen has an inspiring purpose and a clear strategy, and I believe all the levers of success are in place to continue to deliver value for all our stakeholders. I will remain fully committed to Alfen until the AGM 2024 and will ensure my responsibilities are smoothly handed over to my successor Boudewijn Tans. After the AGM, I will first take a sabbatical to spend more time with my family. After that I will focus on potential new opportunities.”

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## [Webcast](#)

Alfen will host a webcast at 9:00 CEST on Monday morning November 13 to comment on the 2023 Q3 trading update. Please see [ir.alfen.com](http://ir.alfen.com) for details to participate.

## [Financial calendar](#)

14 February 2024:                      FY 2023 results

## [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 over 85 years of 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: <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, 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 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 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.