



## P R E S S   R E L E A S E

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# Alfen revenues more than doubled in Q3 2022, adjusted EBITDA 153% higher

*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 2022.*

### Highlights:

- **Q3 2022 revenues amounted to €123.2m, a growth of 103%** versus Q3 2021 (€60.6m). This growth was primarily driven by EV charging equipment and Energy Storage Systems.
- **Gross margin at 34.8%** compared with 36.9% in Q3 2021.
- **Adjusted EBITDA of €24.5m (19.9% of revenues), a growth of 153%** from Q3 2021 (€9.7m, 16.0% of revenues).
- **Supply chain update:** Up until today, Alfen has been able to manage the supply chain challenges. Supply chain pressures have sustained at a high level in the past months.
- **Alfen increased its existing working capital facility to €100m (previously €30m) and bank guarantee facility to €40m (previously €10m).** The increase reflects the growth in activities of Alfen.
- **Alfen reiterates its 2022 full-year revenue outlook of €410-470m.**

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

*“The third quarter of 2022 has been another strong quarter for Alfen, in which we realized a doubling of revenues and even stronger growth in adjusted EBITDA. We have experienced that our strategy of profitable growth is successful, and that operational leverage is delivering results. In the past years we have been able to cope well with the global supply chain pressures, not in the least due to our active supply chain management and close ties with our suppliers. What we have seen in the past months is that the pressure on our supply chains has sustained at a high level. We will continue to monitor this closely and pursue our active management to offset the strains in the supply chain.*

*Our EV charging equipment revenues nearly tripled compared with Q3 2021. The adoption of battery electric vehicles continues to grow. Alfen is well positioned to benefit from that and continues to make investments for the future, also by currently building our new facility in Almere, doubling the footprint of our production facilities. As stated during HY 2022 results, we continue to expect that revenues for EV charging in the second half of 2022 will be in the area of doubling year-on-year. At the same time, we are not blind to the large economic and geopolitical changes we are experiencing. We see that inflation is currently high, while fears of recession are starting to have an effect on the end-market of cars. Even though the percentage of car sales with a battery is increasing, the total number of cars sold is decreasing this year. What the exact effect of these developments will be is unclear, but we continue to expect significant growth in the EV market going forward.*

*With over €17m, revenues in our Energy Storage business line in the third quarter were close to its full year revenues in 2021. We see that the business cases for our customers are improving as more renewables are added to the electricity mix. We continue to build a strong pipeline and backlog, which are fuelling Alfen for further growth in this business line, which is expected to continue to grow considerably in the coming years.*

*Lastly, in terms of our revenue guidance, we reiterate our full-year guidance of €410-470m for 2022.”*

**Financial highlights**

<i>In € millions</i>	<b>21Q3</b>	<b>21Q4</b>	<b>21FY</b>	<b>22Q1</b>	<b>22Q2</b>	<b>22Q3</b>	<b>22YTD</b>
<b>Revenues and other income</b>	60.6	73.7	249.7	95.5	110.0	123.2	328.8
<i>Y-o-y growth</i>	21%	51%	32%	77%	79%	103%	87%
<b>Gross margin</b>	22.4	25.4	89.8	34.1	38.5	42.9	115.5
<i>As % of revenues and other income</i>	36.9%	34.5%	36.0%	35.7%	35.0%	34.8%	35.1%
<b>Adjusted EBITDA</b>	9.7	10.2	36.8	17.1	20.2	24.5	61.8
<i>As % of revenues and other income</i>	16.0%	13.9%	14.8%	17.9%	18.4%	19.9%	18.8%

## Supply chain update

The current global supply chain challenges affect Alfen directly through its own supply chain and indirectly, for example, through the supply chain of electric vehicles. Up until this point, Alfen has been able to manage these challenges. Alfen expects supply chain pressures to remain through 2023. Therefore, Alfen continues to deploy measures to maximize grip on the supply chain and secure supplies: (1) Daily meetings of an integrated team (purchasing, R&D, sales and operations) to make purchasing and logistical decisions under direct supervision of Alfen's Board, (2) engagement with Alfen's tier 2 and tier 3 suppliers, next to tier 1 suppliers and (3) strategic down payments and safeguard of strategic stock levels for batteries, inverters, containers and electrical components.

## Segmental review

In the **EV charging equipment** business line, Q3 revenues were €70.6m (+180% from €25.2m in Q3 2021). Alfen benefitted from higher EV adoption in its core markets leading to strong demand for EV charge points in all segments: at home, in semi-public places like offices, and in the public segment for on-street parking. Even though EV adoption of battery electric vehicles is increasing, the European Automobile Manufacturers' Association (ACEA) has seen demand for cars decrease by 10% in the first nine months of 2022. Up until now, the market was only constrained on the supply side due to ongoing component shortages. However, demand may also constrain the market over the coming months due to inflation and fears of recession. Alfen expects the market for BEV to continue to grow in absolute terms, but the declining total car market has an inhibiting effect. As stated during HY 2022 results, Alfen continues to expect that revenues for EV charging in the second half of 2022 will be in the area of doubling year-on-year.

Alfen continued its internationalization strategy by further strengthening its international organisation. In the third quarter, approximately 72% of revenues were generated from outside the Netherlands. In Q3 2022, Alfen produced approximately 63,500 charge points, a growth of 126% from Q3 2021 with approximately 28,000 charge points. The number of charge points produced is lower than in Q2 2022, as the first half of 2022 was characterized by exceptional demand post-COVID.

In the **Smart grid solutions** business line, Q3 revenues were €35.5m (+7% from €33.2m in Q3 2021). The private networks business continued to be hampered by supply chain pressures in Q3. Project execution takes longer under the current supply chain conditions. The Dutch grid operators are scaling up operationally to deliver on their investment plans, but this has not fully materialized yet in 2022. The challenging economic environment is hindering progress, but steps to scale up are taken on an ongoing basis. For instance, in Q3 Liander announced a new approach for rolling out substations: by taking a pro-active approach and rolling out the substations needed in a neighbourhood at once for the years to come, efficiencies are gained in the

preparation phase with municipalities and in the execution phase. Liander states that it aims to double the number of installed substations towards 2040, coming from 35,000 substations today.

In Q3 2022, Alfen produced approximately 801 substations, a decline of 12% compared with Q3 2021 with approximately 910 substations.

In the **Energy storage systems** business line, Q3 revenues were €17.1m (from €2.2m in Q3 2021). In this quarter, the backlog that Alfen has communicated about in previous quarterly updates comes through in its revenue figures. The increase in revenues comes from both TheBattery Elements and TheBattery Mobile. For TheBattery Elements, Alfen has more projects in the execution phase and the average size of projects is increasing. The increased average size of projects means that the percent of costs in a project related to batteries also increases. This trend influences the resulting gross margin.

Revenues for Energy Storage are expected to remain volatile, given that the timing of component allocation and project execution has a large effect on revenues. The market momentum remains strong and Alfen's backlog continues to grow in a healthy manner due to new contract wins.

### Gross margin and adjusted EBITDA

Gross margin in Q3 2022 was 34.8%, compared with 36.9% in Q3 2021. This is a result of price pressures in the supply chain on a wide range of components. Adjusted EBITDA was €24.5m (19.9% of revenues), compared with €9.7m (16.0% of revenues) in Q3 2021. The main driver for the increase in adjusted EBITDA is operational leverage.

Alfen present its financial results today in a world with high inflation and a risk of recession. The energy transition will continue to progress, but Alfen expects that ongoing inflationary pressures on raw material prices and labour costs will continue its downward pressure on our gross margin in 2023.

### Increase in credit facility

Although Alfen has a net cash position, it increased its existing working capital facility of €30m and bank guarantee facility of €10m to a new working capital facility of €100m and a bank guarantee facility of €40m due to the growth and the increased sizing of the company.

### Outlook

Alfen expects that its markets will continue to grow throughout 2022. Alfen continues to experience supply chain challenges that it expects will continue well into 2023. Alfen remains committed to being on top of the situation through deploying its rigid operational processes. Long-term, Alfen continues to anticipate positive

market developments for all its business lines. Alfen reiterates its full-year 2022 revenue outlook of €410-470m.

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### *Webcast*

Alfen will host a webcast at 9:00 CEST this morning to comment on the 2022 Q3 trading update. Please see [ir.alfen.com](http://ir.alfen.com) for details to participate.

### *Financial calendar*

21 November 2022:	EGM 2022
15 February 2023:	FY 2022 results
6 April 2023:	AGM 2023

### *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 85-years' 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 2022 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.