



# Alfen 2020 Q3 trading update

## Webcast

4 November 2020



# 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, 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 2020 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 2019 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.

# COVID-19 update

- The health and safety of Alfen's people remains its top priority
- Up to this point we have experienced limited COVID-19 infections amongst our employees and fortunately none with a severe impact
- The supply chain is functioning and production is up and running
- Order intake has been reasonably strong and there are no cancelled orders although several investment decisions were, or may still be, delayed as a result of the COVID-19 pandemic which might affect order intake for Smart grid solutions and Energy storage solutions

# Highlights

**Q3 2020 revenues of €49.9m, a growth of 46% versus Q3 2019 (€34.3m), driven by all business lines (Smart grids +23%, EV charging +72%, Energy storage +488%)**

**Gross margin at 37.2%, compared with 35.1% in Q3 2019**

**Adjusted EBITDA of €7.5m (15.1% of revenues), a growth of 133% compared with €3.2m in Q3 2019 (9.4% of revenues)**

**Important new project and client wins, amongst which:**

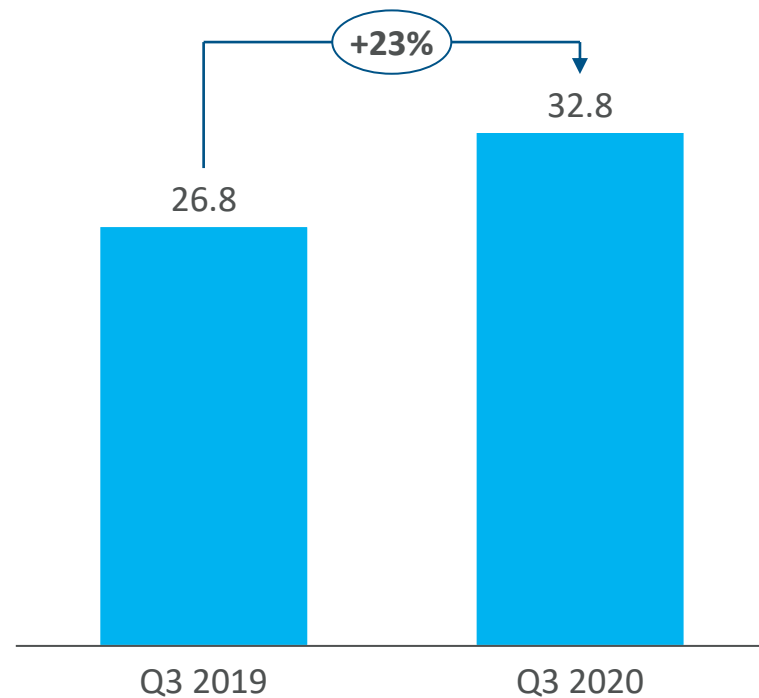
- a 3-year framework agreement in Finland to supply 300 substations each year to three grid companies in Finland;
- a framework agreement with SSE, one of the largest electricity network companies in the UK, to supply charge points; and
- a contract with PZEM, a Dutch utility, to supply a 1MW energy storage system together with grid integration and Alfen EV chargers for a parking plaza in the Netherlands where the storage system will be used for peak-shaving and frequency control

**Alfen reconfirms its 2020 full-year revenue outlook of €180-200m**

# Segmental review | Smart grid solutions

## Revenues and other income

(€ million)

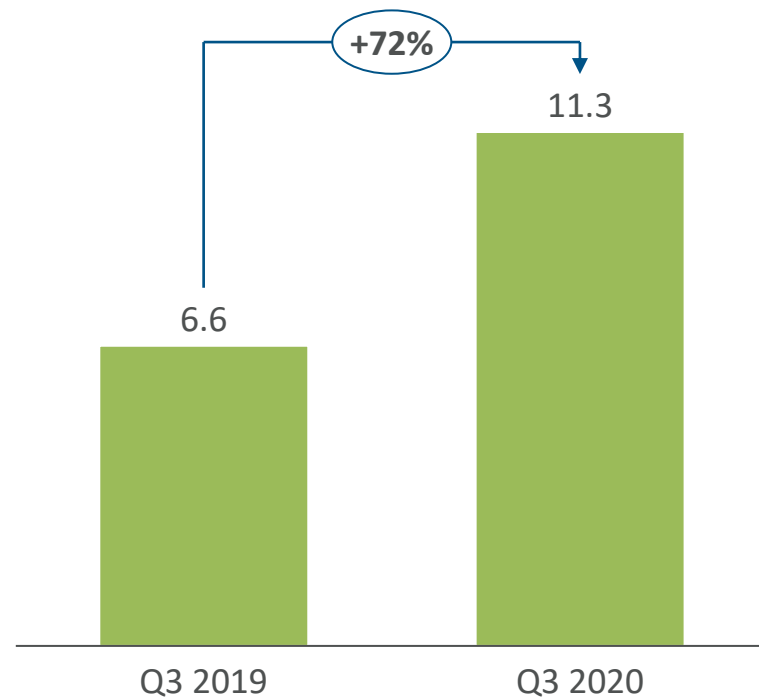


- Grid operators continued to expand the electricity grids in order to accommodate the growing number of renewable energy installations such as solar PV, from which Alfen continued to benefit
- COVID-19 had effect on the sector as several project investment decisions were delayed which may affect order intake
- Commercial successes include a 3-year framework agreement in Finland to supply 300 substations each year to three grid companies in the eastern part of Finland and a contract with Steag, an international solar power developer, to provide the local grid solution for their first solar PV park in the Netherlands
- In Q3 2020, Alfen produced approximately 860 substations (including 235 by Alfen Elkamo), a growth of 5% compared to Q3 2019 with approximately 820 substations (including 180 by Alfen Elkamo)

# Segmental review | EV charging equipment

## Revenues and other income

(€ million)

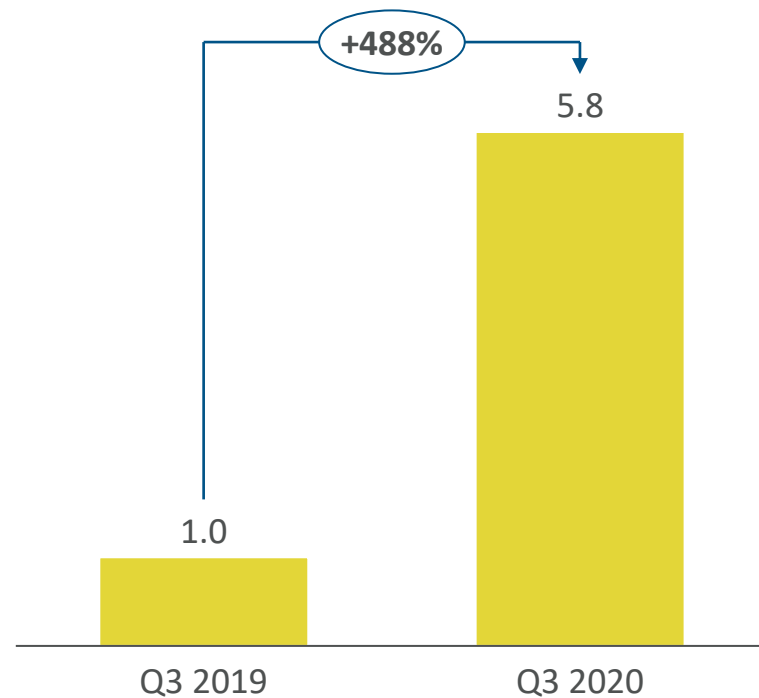


- The market for electric vehicles continued to grow with new electric vehicles coming to the market which are becoming increasingly affordable
- Additionally, governmental incentive packages that were made available across Europe in a response to COVID-19 started to show effect. For instance, increased subsidy for EV's in Germany have further boosted EV sales in that market
- Alfen continued to benefit from increasing volumes under framework agreements that have been set-up over the past years, new client wins and further internationalisation
- Commercial successes include supplying charge points to Bosch outlets in Germany with Swarco and a framework agreement with SSE, one of the largest electricity network companies in the UK, to supply charge points for their own and customers' fleets
- In Q3 2020, Alfen produced approximately 11,800 charge points, a growth of 69% from Q3 2019 with approximately 6,900 charge points

# Segmental review | Energy storage systems

## Revenues and other income

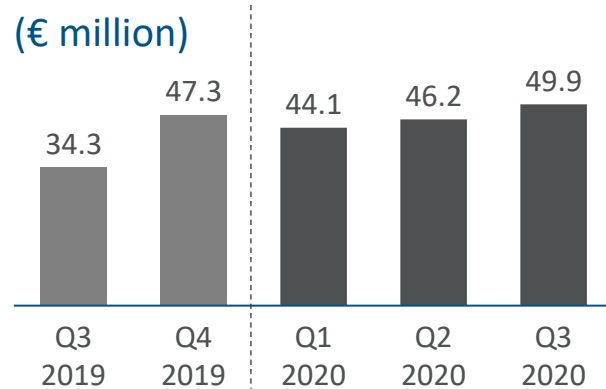
(€ million)



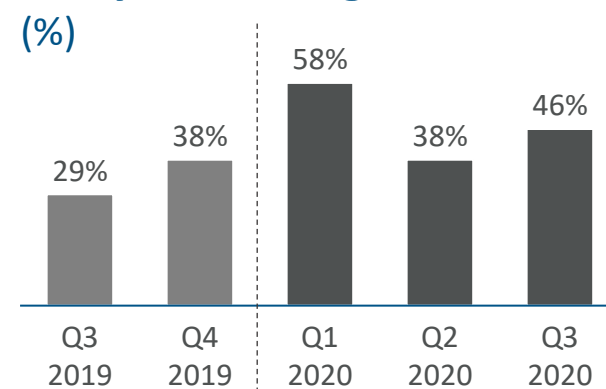
- Alfen predominantly benefitted from contracts won pre-COVID-19 whereas the battery energy storage market continued to face headwinds as a result of COVID-19, affecting order intake as decision making across the industry was again postponed
- Commercial wins include a contract with PZEM, a Dutch utility, to supply a 1MW energy storage system together with grid integration and Alfen EV charge points for a parking plaza in the Netherlands where the storage system will be used for peak-shaving and frequency control, and a contract to provide an energy storage system to Flux 50, a Belgium organisation to enhance the Flemish smart energy industry

# Group financials

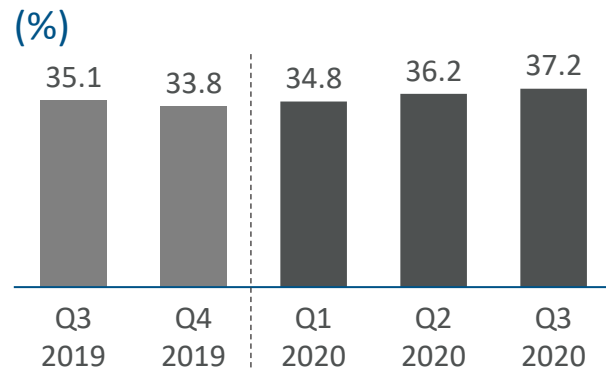
## Revenues (€ million)



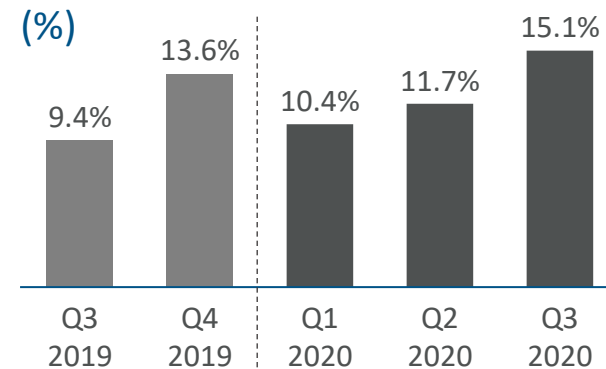
## Y-o-y revenue growth (%)



## Gross margin (%)



## Adjusted EBITDA (%)



- Revenues in Q3 2020 of €49.9m, 46% higher compared with Q3 2019 with revenues of €34.3m
- Gross margin in Q3 2020 of 37.2%, compared with 35.1% in Q3 2019. Alfen continued to benefit from its strong market position, leverage from increased scale and a shift towards increasingly complex solutions
- Adjusted EBITDA of €7.5m (15.1% of revenues), compared with €3.2m (9.4% of revenues) in Q3 2019



# Outlook

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- Alfen anticipates that COVID-19 will continue to impact the wider economy, which may have an impact on capital expenditure levels of Alfen's customers and consequently on Alfen's order intake and revenue growth. The impact will also depend on the duration and the development of the pandemic and any measures adopted by governments
- Therefore, Alfen takes into account that the revenue growth in Q4, compared to a very strong Q4 in 2019, may be lower than achieved in the first nine months
- At the same time, Alfen expects the energy transition to keep building further momentum as European governments increasingly take action to support the European Union's Green Deal to become climate neutral by 2050
- As such, Alfen continues to anticipate long-term positive market developments in all its business lines. Alfen continues to invest in its organisation, innovation and production facilities and is well positioned for further growth based on its leading market position
- Alfen reconfirms its full year 2020 revenue outlook of €180m to €200m



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