

## Kempower Corporation Half Year Financial Report, 1 January - 30 June 2022: Strong order intake and revenue growth in Q2

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### Kempower Corporation Half Year Financial Report, 1 January - 30 June 2022: Strong order intake and revenue growth in Q2

#### April-June 2022 highlights, IFRS (comparison figures in parenthesis April-June 2021)

- Order backlog increased to EUR 62.4 million (EUR 14.9 million)
- Order intake increased to EUR 55.0 million (EUR 11.6 million)
- Revenue increased by 225% to EUR 21.6 million (EUR 6.7 million)
- Gross margin increased to 45% (42%)
- Operative EBIT increased to EUR 1.8 million (EUR 0.7 million), 8% of revenue (10%)
- Cash flow from operating activities was EUR -1.6 million (EUR -2.6 million)
- Amount of personnel at the end of the period grew to 260 (87)

#### January-June 2022 highlights, IFRS (comparison figures in parenthesis January-June 2021)

- Order intake increased to EUR 81.9 million (EUR 20.1 million)
- Revenue increased by 268% to EUR 33.2 million (EUR 9.0 million)
- Gross margin increased to 46% (45%)
- Operative EBIT increased to EUR 0.8 million (EUR 0.2 million), 3% of revenue (2%)
- Cash flow from operating activities was EUR -3.7 million (EUR -4.0 million)

#### IFRS KEY FIGURES

MEUR	Q2/2022	Q2/2021	H1/2022	H1/2021	2021
Order backlog	62.4	14.9	62.4	14.9	13.7
Order intake	55.0	11.6	81.9	20.1	37.4
Revenue	21.6	6.7	33.2	9.0	27.4
Revenue growth, %	225 %	1175 %	268 %	1107 %	741 %
Gross margin	9.8	2.8	15.3	4.1	12.9
Gross margin, %	45 %	42 %	46 %	45 %	47 %
EBITDA	2.0	0.7	1.2	0.5	0.5
EBITDA margin, %	9 %	11 %	4 %	6 %	2 %
Operating profit/loss (EBIT)	1.8	0.5	0.8	-0.0	-0.7
EBIT margin, %	8 %	7 %	3 %	-0%	-3 %
Operative EBIT	1.8	0.7	0.8	0.2	1.0

Operative EBIT margin, %	8 %	10 %	3 %	2 %	4 %
Profit/loss for the period	0.6	0.2	-0.5	-0.3	0.3
Equity ratio, %	75 %	9 %	75 %	9 %	91 %
Cash flow from operating activities	-1.6	-2.6	-3.7	-4.0	-2.6*
Investments	1.8	0.2	2.4	0.6	1.6
Net debt	-66.5	6.1	-66.5	6.1	-89.3
Items affecting comparability		0.2		0.2	1.7
Earnings per share, basic, EUR	0.01	0.01	-0.01	-0.01	0.01
Earnings per share, diluted, EUR	0.01	0.01	-0.01	-0.01	0.01
Headcount end of period	260	87	260	87	136
* Cash flow from operating activities for 2021 has been adjusted compared to the key figures published in the 23.6.2022 release "Kempower Corporation's transition to IFRS reporting and unaudited comparative IFRS information"					

## CEO TOMI RISTIMÄKI COMMENTS ON THE Q2 RESULTS:

Our business performance was strong during the second quarter of 2022. In the Q2 of 2022, our revenue grew 225% year-on-year driven by strong demand in all customer groups. Expansion outside the Nordics has been part of Kempower's growth targets, and in Q2 of 2022, the revenue in the European countries outside Nordics increased to EUR 8.4 million which is 39% of total revenue during the quarter compared to 9% in Q2 of 2021. Our order backlog reached record high EUR 62.4 million at the end of the quarter thanks to high demand of our products. Our operative EBIT turned positive during the quarter, and also in the first half of the year despite the significant expansion of our operations and increased amount of personnel according to our growth strategy.

In the end of Q2, we made an important decision regarding the expansion to the North American market. In our updated growth strategy, we target to establish operations in the United States already by the end of 2023. The plan includes Kempower's own legal entity and a local assembly of Kempower charging solutions. The decision was a natural continuation to earlier steps taken this year: the launch of Kempower C- and S-series products in the region and the signed contracts during the quarter in the US with GreenCore EV Services and with EV charging infrastructure and software developer ZEF Energy.

In this half year financial report, we publish our financial performance for the first time according to the International Financial Reporting Standards (IFRS) the target of which is to increase the comparability of our financials with other companies in the EV charging and to increase international investors' interest in Kempower as an investment.

During the quarter, we continued to make investments according to our growth strategy. In H1 of 2022, we recruited 124 people, of which 20 are located outside Finland. During the quarter, our new 10 300m<sup>2</sup> factory became our main manufacturing site producing Kempower charging systems to all our customers globally. All assembly lines in the new factory are now up and running but we will continue to invest in capacity increase according to the market demand. The risk of reduced availability of electronic components has increased in 2022 and finding the right components as volumes grow requires even more efforts from our sourcing and R&D teams than in the past. We are following the component situation closely and will take necessary actions to have the needed buffer in our stock in addition to our dual sourcing strategy. We are mitigating possible increases in material and component prices through price increases and by unit cost reductions enabled by economies of scale.

During the quarter we signed new important customer contracts that further strengthen the existing solid customer base. In the charge point operators (CPO) and retail chains customer group one of the leading charging point operators in Europe, Mer, chose Kempower as one of its new electric vehicles (EV) fast charging partners in Norway. Moreover, Kempower's charging technology is now available to the Swedish EV drivers, as several public charging hubs built with Kempower

technology were opened in Sweden. During the quarter, we delivered Kempower ChargeEye's Depot Master to several sites in bus and truck operators customer group. The ChargeEye Depot Master is a charging management and optimization system.

In Q2 2022, we launched a new version of the Kempower S-Series charging satellite system featuring liquid-cooled charging. The system can deliver 400kW of continuous charging power until the actual megawatt charging standard gets approved to the market and is ideal for heavy-duty vehicles. We also launched a new adaptive voltage charging solution which allows our chargers to operate with EV batteries up to 1000V. We developed the solution in response to an increasing number of private electric vehicles with higher battery voltages and capacity in order to reduce charging times. In addition, we also launched new products such as Kempower ChargeEye for CPOs and a new version of our pantograph system.

I would like to thank our great people for our outstanding performance in H1 2022, which included winning the Finnish growth company of the year award by Kauppalehti. I wish our personnel, customers, EV drivers, suppliers, and shareholders a good and relaxing rest of the summer. Let's continue the work to create the world's most desired EV charging solutions for everyone, everywhere.

#### **New outlook for 2022:**

Kempower anticipates continued good demand and favorable market development for the products it offers. As we have successfully expanded our footprint outside the Nordic region, we do not expect material seasonality in our quarterly revenue.

Kempower will continue to expand its business in Europe according to its strategic growth targets. In 2022, Kempower is also exploring different options for expansion into the North American market, in order to meet its goal of having established operations in the United States by the end of the year 2023.

#### **Previous outlook for 2022:**

Kempower anticipates continued good demand and favorable market development for the products it offers. Kempower expects seasonality to affect its revenue on the first quarter and fourth quarter of the year. Seasonality relates mainly to the slowdown of the installation of chargers in the Nordics caused by the winter season.

Kempower will continue to expand its business in Europe according to set strategic growth targets. In 2022, Kempower is also exploring different alternatives for expansion into the North American markets.

#### **Invitation to Kempower's webcast on the half-year 2022 financial results**

Webcast for investors and media will take place on Thursday, August 11, 2022, at 1.00 p.m. EEST. In the webcast, Kempower's Chief Executive Officer **Tomi Ristimäki** and Chief Financial Officer **Jukka Kainulainen** will present the financial results. Chief Sales Officer **Tommi Liuska** and Chief Market Officer **Jussi Vanhanen** will also be present to discuss developments in Kempower's customer segments and product groups.

The event, including a Q&A session, will be held in English. Participants can ask questions in English and Finnish via the event chat room. Participants will be able to access the event as unregistered users on the webcast platform at: [www.worksup.com/kempower/](http://www.worksup.com/kempower/)

The webcast recording and the presentation material will be available after the webcast on Kempower's website: <https://investors.kempower.com/>

This release is a summary of Kempower Corporation Half Year Financial Report, 1 January – 30 June 2022. The complete report is attached to this release and available at <https://investors.kempower.com>

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**About Kempower:**

Kempower designs and manufactures DC fast charging solutions for electric vehicles and machines. We're a team of electric vehicle enthusiasts with a deep understanding of the charging market and a hands-on mentality. Our product development and production are rooted in Finland, with a majority of our materials and components sourced locally. We focus on all areas of transportation, from personal cars and commercial vehicles to mining equipment, boats, and motorsports. With Kemppi Group's 70 years' experience in perfecting DC power supplies, we set the bar high in engineering and user-experience design. Kempower is listed in the Nasdaq First North Growth Market Finland. [www.kempower.com](http://www.kempower.com)

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**Attachments**

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