



Kempower Corporation Half Year Financial Report, 1 January - 30 June 2023: Continuing on a strong and profitable growth track

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April-June 2023 highlights, IFRS (comparison figures in parenthesis April-June 2022)

- Order backlog increased to EUR 138.5 million (EUR 62.4 million) at end of Q2
- Order intake increased to EUR 86.3 million (EUR 55.0 million)
- Revenue increased by 235% to EUR 72.5 million (EUR 21.6 million)
- Revenue outside the Nordics increased to 59% (43%) of revenue
- Gross profit margin was 51.1% (45.2%)
- Operative EBIT increased to EUR 13.9 million (EUR 1.8 million), 19.2% of revenue (8.5%)
- Profit for the period was EUR 11.1 million (EUR 0.6 million)
- Cash flow from operating activities was EUR 20.5 million (EUR -1.6 million)
- Amount of personnel at the end of the period grew to 596 (260)

January-June 2023 highlights, IFRS (comparison figures in parenthesis January-June 2022)

- Order intake increased to EUR 147.7 million (EUR 81.9 million)
- Revenue increased by 287% to EUR 128.2 million (EUR 33.2 million)
- Gross profit margin was 51.0% (46.3%)
- Operative EBIT increased to EUR 20.8 million (EUR 0.8 million), 16.2% of revenue (2.6%)
- Profit for the period increased to EUR 16.7 million (EUR -0.5 million)
- Cash flow from operating activities was EUR 23.1 million (EUR -3.7 million)

IFRS key figures

MEUR	Q2/2023	Q2/2022	H1/2023	H1/2022	2022
Order backlog	138.5	62.4	138.5	62.4	118.9

Order intake	86.3	55.0	147.7	81.9	208.9
Revenue	72.5	21.6	128.2	33.2	103.6
Revenue growth, %	235%	225%	287%	268%	279%
Gross profit	37.0	9.8	65.4	15.3	48.2
Gross profit margin, %	51.1%	45.2%	51.0%	46.3%	46.5%
EBITDA	15.4	2.7	23.3	2.4	9.5
EBITDA margin, %	21.2%	12.3%	18.2%	7.3%	9.2%
Operating profit/loss (EBIT)	13.9	1.8	20.7	0.8	6.1
EBIT margin, %	19.2%	8.5%	16.2%	2.6%	5.9%
Operative EBIT	13.9	1.8	20.8	0.8	6.7
Operative EBIT margin, %	19.2%	8.5%	16.2%	2.6%	6.4%
Profit/loss for the period	11.1	0.6	16.7	-0.5	3.6
Equity ratio, %	58.1%	75.4%	58.1%	75.4%	67.5%
Cash flow from operating activities	20.5	-1.6	23.1	-3.7	-5.4
Investments	2.4	1.8	4.0	2.4	6.2
Net debt	-68.3	-66.5	-68.3	-66.5	-58.4
Items affecting comparability			0.1		0.6
Earnings per share, basic, EUR	0.20	0.01	0.30	-0.01	0.06
Earnings per share, diluted, EUR	0.20	0.01	0.30	-0.01	0.06
Headcount end of period	596	260	596	260	375

CEO Tomi Ristimäki comments on the Q2 2023 results: Kempower continued on a strong and profitable growth track

Over the quarter, the number of electric vehicles (EV) on the roads have further increased, indicating an even more positive shift towards sustainable transportation solutions. According to the market data, the amount of new EV registrations in Europe during the first half of 2023 increased by 45 percent compared to the same period in 2022. This upward trend in EV adoption aligns perfectly with our vision and product portfolio. We are well positioned to meet the charging needs of the expanding EV user base and contribute to the development of a cleaner and greener future.

Kempower continued its solid growth track and delivered strong results in the second quarter of 2023. Our revenue grew by 235 percent. Revenue growth was strong especially in Rest of Europe and Nordics. Our order intake and operative EBIT margin reached record high levels and our cash generation was strong. The amount of charging points produced during the first half of the year was 9,170 and charging capacity 475 megawatts, proving significant growth in our production volumes.

Sales development was strong in the second quarter of 2023. In June, Kempower confirmed a second large order from one of the largest retailers in the UK to deliver High Powered Charging systems for nation-wide public charging. We partnered with Arnold Clark, one of Europe's largest car retailers, to provide rapid EV charging solutions for the new Arnold Clark Charge network across the UK. We also strengthened our partnership with Gilbarco Veeder-Root by signing a service partnership agreement to further strengthen our position in the Nordics and UK. We achieved important milestones in our growth strategy in the US market as the nation's largest and most experienced EV charging station reseller and installer National Car Charging announced that it is adding Kempower's rapid EV charging technology to its portfolio. Kempower further expanded its presence also in Asia by providing charging systems for several fast-charging hubs in Malaysia.

We have continued to develop production and supply chain operations to match with the rapidly developing market. We have managed to increase our production capacity significantly while improving our delivery lead times thanks to our improved productivity. Our very competitive lead times are enabling us to serve our customers even better than in the past.

During the second quarter, we signed two strategic service agreements with two global US based semiconductor technology providers to further secure our supply of critical components. These agreements support our further growth and enable the transition to new silicon carbide-based (SiC) semiconductors.

Our expansion and operations in the US are progressing according to the plan. We have managed to build up our organization and also production preparations and customer pipeline development are progressing well. As communicated, we are expecting the U.S. production to start by the end of 2023. To further address the growing demand for EV charging we announced in June that Kempower will expand its operations and open a new production facility in Lahti, Finland. The premises, comprising approximately 10,000 square meters of space will also house Research, Development and Innovation (RDI) facilities and office space, among other functions. The new production facility will be opened gradually during 2024, and it will double Kempower's production capacity in Europe. Since the new facility will be located in existing building in Isku Center, circular economy and biodiversity has been taken into account.

Kempower took important steps in research and development as we opened a new RDI center in Vaasa and expanded an existing one in Tampere. The new RDI center in Vaasa concentrates especially on developing Megawatt Charging Systems for commercial vehicles. We also announced that Kempower will join forces with LUT University to open a new Kempower Electric Mobility Research Center in Lahti, Finland during 2023. This center will serve as a hub for fostering technological advancements, driving collaboration, and accelerating our product development and innovation efforts to stay ahead in the competitive landscape.

During the second quarter, we introduced a new Plug and Charge solution to simplify the EV charging experience. The solution will offer a seamless and user-friendly charging experience and payment by automating the communication and billing processes between EVs and its charging stations. It also reinforces our commitment to providing cutting-edge solutions in the charging infrastructure domain. We also announced that we will include NACS charging standard for all our charging solutions in North America. We want our chargers to be available for everyone, everywhere.

The rapid business growth also means that our headcount has grown rapidly. Healthy culture and employee satisfaction are crucial for us in order to serve and support our customers in the best possible manner. I am very excited to continue our growth journey with all our dedicated employees, and above all, our customers whose trust, support and collaboration have been crucial in our success. Together, we will continue to strive for excellence, more electric future including acceleration of our growth initiatives towards the year 2024.

New outlook for 2023

Kempower gave a positive profit warning on 18 July 2023 and raised its profit guidance for 2023.

Strong demand for Kempower's electric vehicle charging solutions continued in the second quarter of 2023, exceeding the company's expectations. At the same time, Kempower has succeeded in increasing its production capacity to match the surging market demand.

Kempower continues to seek strong growth in a profitable manner. In H2 of 2023 Kempower will accelerate its growth initiatives towards the year 2024 both in Europe and in North America. Kempower expects significantly higher fixed costs for the second half of the year 2023.

Kempower expects:

- 2023 revenue; EUR 280–310 million, assuming no major impact from foreign currency exchange rates (revenue 2022: EUR 104 million),
- 2023 operative EBIT margin, %; over 10%

Kempower growth initiatives include capacity scale up in Europe and North America, R&D programs and further recruitments enabling growth in the future.

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

Webcast for shareholders, analysts and media will take place today Tuesday, July 25, 2023, at 1.00 p.m. EEST. In the webcast, Kempower's President and CEO Tomi Ristimäki and CFO Jukka Kainulainen will present the results and discuss current company topics. The event, including the Q&A session, will be held in English. However, 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 <https://kempower.worksup.com>.

Presentation material and webcast recording will be available later on the company's website at <https://investors.kempower.com>.

This release is a summary of Kempower Corporation's Half Year Financial Report, 1 January – 30 June 2023. The complete report is attached to this release and available at <https://investors.kempower.com>.

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About Kempower:

We design and manufacture reliable and user-friendly DC fast charging solutions for electric vehicles. Our vision is to create the world's most desired EV charging solutions for everyone, everywhere. Our product development and production are based in Finland, with a majority of our materials and components sourced locally. We focus on all areas of e-mobility, from electric cars, trucks, and buses to machines and marine. Our modular and scalable charging system and world-class software are designed by EV drivers for EV drivers, enabling the best user experience for our customers around the world. Kempower is listed in the Nasdaq First North Growth Market Finland. www.kempower.com

Attachments

- [Download announcement as PDF.pdf](#)
- [Kempower H1-2023 EN.pdf](#)