



# Kempower Corporation Financial Statements Release, 1 January - 31 December 2023 (unaudited): Outstanding year 2023

14.2.2024 09:30:00 EET | Kempower Oyj | Interim information

Kempower Corporation, Company release, 14.02.2023 at 9:30 am EEST

## Kempower Corporation Financial Statements Release, 1 January - 31 December 2023 (unaudited): Outstanding year 2023

### October-December 2023 highlights, IFRS (comparison figures in parenthesis October-December 2022)

- Order backlog was EUR 110.6 million (EUR 118.9 million) at end of Q4
- Order intake increased to EUR 66.7 million (EUR 61.7 million)
- Revenue increased by 119% to EUR 82.8 million (EUR 37.8 million)
- Revenue outside the Nordics increased to 63% (52%) of revenue
- Gross profit margin was 53.1% (46.9%)
- Operative EBIT increased to EUR 5.5 million (EUR 3.5 million), 6.7% of revenue (9.1%)
- Profit for the period was EUR 5.3 million (EUR 2.5 million)
- Cash flow from operating activities was EUR 0.7 million (EUR -8.4 million)
- Amount of personnel at the end of the period grew to 737 (375)

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

- Order intake increased to EUR 275.3 million (EUR 208.9 million)
- Revenue increased by 174% to EUR 283.6 million (EUR 103.6 million)
- Gross profit margin was 52.1% (46.5%)
- Operative EBIT increased to EUR 40.7 million (EUR 6.7 million), 14.3% of revenue (6.4%)
- Profit for the period increased to EUR 33.7 million (EUR 3.6 million)
- Cash flow from operating activities was EUR 39.7 million (EUR -5.4 million)

### IFRS KEY FIGURES

MEUR	Q4/2023	Q4/2022	H2/2023	H2/2022	2023	2022
Order backlog	110.6	118.9	110.6	118.9	110.6	118.9
Order intake	66.7	61.7	127.6	127.0	275.3	208.9
Revenue	82.8	37.8	155.4	70.5	283.6	103.6
Revenue growth, %	119%	352%	120%	284%	174%	279%
Gross profit	43.9	17.7	82.4	32.8	147.7	48.2
Gross profit margin, %	53.1%	46.9%	53.0%	46.6%	52.1%	46.5%
EBITDA	7.8	3.9	23.8	7.1	47.1	9.5
EBITDA margin, %	9.4%	10.3%	15.3%	10.0%	16.6%	9.2%
Operating profit (EBIT)	5.5	2.9	19.8	5.3	40.6	6.1

EBIT margin, %	6.7%	7.6%	12.8%	7.5%	14.3%	5.9%
Operative EBIT	5.5	3.5	19.9	5.8	40.7	6.7
Operative EBIT margin, %	6.7%	9.1%	12.8%	8.3%	14.3%	6.4%
Profit for the period	5.3	2.5	17.0	4.1	33.7	3.6
Equity ratio, %	58.3%	67.5%	58.3%	67.5%	58.3%	67.5%
Cash flow from operating activities	0.7	-8.4	16.6	-1.8	39.7	-5.4
Investments	2.9	2.2	5.7	3.8	9.6	6.2
Net debt	-74.6	-58.4	-74.6	-58.4	-74.6	-58.4
Items affecting comparability		0.6	0.0	0.6	0.1	0.6
Earnings per share, basic, EUR	0.10	0.05	0.31	0.07	0.61	0.06
Earnings per share, diluted, EUR	0.10	0.05	0.31	0.07	0.61	0.06
Headcount end of period	737	375	737	375	737	375

## OUTLOOK FOR 2024

Kempower remains committed to strive for rapid and profitable growth. In the year 2024, the company will intensify its efforts to expand within key markets. These efforts include strengthening our market activities and capacity increase in Europe. In addition, we continue growth strategy execution in North America and launch of a new, next generation fast-charging product portfolio.

In the short term, the fixed costs associated with these growth initiatives are expected to outpace revenue growth, thereby impacting profitability for the year 2024. Outlook for 2024 expects successful market launch of next generation product portfolio.

Kempower expects:

- 2024 revenue; between EUR 360 million and EUR 410 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin, %; between 5 % - 10%

Customers' high inventory levels and the launch of the next generation product portfolio impacted our order intake towards the end of 2023 and beginning of 2024 reflecting to Q1/2024 financials. The launch has delayed the purchasing decisions of some customers as they prefer the latest technology in their purchasing decisions:

- In Q1 of 2024 Kempower expects revenue to be between EUR 51 million and EUR 56 million and operative EBIT to be significantly below the Q1 of 2023.

## FINANCIAL TARGETS

The Board of Directors resolved on Kempower's financial targets on 19 April 2023.

- Growth: revenue of EUR 750 million in the medium term (years 2026-2028)
- Profitability: operative EBIT margin of 10 percent to 15 percent reached in the medium term (years 2026-2028) and operative EBIT margin of at least 15 percent in the long term
- Dividends: No dividends in the short term

## CEO TOMI RISTIMÄKI COMMENTS ON THE Q4/23 RESULTS:

### Outstanding year 2023

In the last quarter we recorded a record high revenue of EUR 82.8 million. Order intake was on a good level EUR 66.7 million. Operative EBIT margin of 6.7 percent was lower than in previous quarters as expected and was impacted by

increased fixed costs, additional provisions and additional costs arising from North America operations. During the last quarter of the year we produced around 5,000 charging points and the electricity charged through Kempower chargers grew from 30,000 MWh in Q4 of 2022 to 70,000 MWh in Q4 of 2023.

Our core markets, Europe and North America, developed very differently towards the end of the year. At the end of 2023 we witnessed some European customers reducing their inventory levels and delaying orders driven by improved lead times and components availability. The component shortage during COVID-19 had led to certain customers increasing their inventory levels in 2022 and early 2023. We also saw lower investment activity in some markets due to delays in grid connection availability which reflected on order intake in Q4 of 2023. Electric vehicle (EV) growth numbers continue to paint a clearly positive picture of the DC charging market development. In 2023 the share of EV's of all new car registrations were 16 percent in Europe and 8 percent in North America representing 28 percent and 18 percent growth in absolute terms respectively compared to 2022. The ever-growing amount of EVs and zero emission targets drives investments in DC charging infrastructure in both continents.

In the US, the channeling of National Electric Vehicle Infrastructure (NEVI) funding to customers has been slower than anticipated in 2023. We expect more efficient allocation of NEVI funding to DC charging infrastructure in 2024 and the funding will further increase the demand in the US. As we see high demand in North America, I am very delighted that our operations and manufacturing in North Carolina have successfully started on planned schedule. We received the Electrical Testing Laboratories (ETL) certification for the production, which was the last milestone needed before full operations could start. Our order intake from North America was 10 percent of total order intake and sales pipeline has developed positively which represents growing trust towards Kempower brand.

We have now successfully delivered the first wave of products from North Carolina production site to our customers. I am proud to witness the tangible results of all the hard work done by the Kempowerians. The rapid establishment and efficient operations of our Durham production site is a proof of our robust execution capabilities. We will utilize this experience in our next production facility expansion in Lahti which is set to be fully operational in the second half of 2024.

Sales development was good in the last quarter of the year. We signed a contract to deliver DC fast charging solutions to the energy transition company St1 which is one of the largest energy companies in Northern Europe. Kempower also announced a strategic partnership with Aqua superPower to assist high usage operators like Yacht Club de Monaco to service the needs of the next generation e-boats.

We have recently announced our strategic partnership with Sainsbury's. Kempower provides fast charging technology to Sainsbury's new Smart Charge EV charging business. Sainsbury is one of the largest retailers in UK and in Europe and has almost 600 supermarkets and over 800 convenience stores. Smart Charge will have over 750 charging points in more than 100 Sainsbury's locations by the end of 2024, making it one of the UK's top five providers of ultra-rapid EV charging. We received more than EUR 20 million in orders from Sainsbury's during first half of the year as we communicated in June 2023.

In the commercial vehicle segment, we delivered our fast charging technology to Malta's first electric bus depot with over 3 MW of charging power, and were selected to deploy our solutions to electric bus station in Elizabeth Quay, Western Australia.

Kempower continues to be a front runner in DC charging technology. After the review period we took another important step in technology front as we introduced the first part of our next generation charging solutions with silicon carbide technology (SiC). Kempower's next generation fast charging products, to be rolled out throughout the year 2024, will benefit from lower power losses at high operating frequencies, leading to increased system efficiency. We also introduced Megawatt Charging Program for electric trucks and electric vehicles using power above one megawatt. This new technology is an enabler for us in achieving our ambitious growth targets as we see the commercial vehicles segment to be the largest segment in DC charging market by 2030. In addition, the North American Charging Standard (NACS) will be available to our customers during the first quarter of 2024.

It has been an incredible, fast-paced, and also exciting year for Kempower as we almost tripled our revenue from the previous year. The way Kempowerians repeatedly exceeded all expectations during the year makes me very proud of our people. The progress I have witnessed in all functions of the company is truly amazing. Huge thanks to all Kempowerians for the outstanding results during the year. A big thanks goes also to our customers and everyone who has been involved in our journey. Everyone's contribution has been valuable in making the planet a cleaner and quieter place for all of us. After successful 2023 I am truly excited and confident about the future and all the opportunities we will have in front of us in this exciting and rapidly moving industry. We continue executing our growth strategy and with a keen eye on the long-term growth trajectory. DC charging industry is expected to grow from EUR 2 billion in 2023 to EUR 14 billion per year by 2030 both in Europe and North America.

## **Webcast**

Webcast for shareholders, analysts and media will take place on Wednesday, February 14, 2024, starting at 1.00 p.m. EET. 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 <https://kempower.videosync.fi/q4-2023>

This release is a summary of Kempower Corporation Financial Statements Release, 1 January – 31 December 2023. The complete report is attached to this release and available at <https://investors.kempower.com>.

**Kempower, investor relations:**

Jukka Kainulainen, CFO, Kempower

[jukka.kainulainen@kempower.com](mailto:jukka.kainulainen@kempower.com)

Tel. +358 29 0021900

**Kempower, media relations:**

Paula Savonen, VP, Communications, Kempower

[paula.savonen@kempower.com](mailto:paula.savonen@kempower.com)

Tel. +358 29 0021900

**Certified Adviser:**

Aktia Alexander Corporate Finance Oy

Tel. +358 50 520 4098

**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 and in the U.S., 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](http://www.kempower.com)

**Attachments**

- [Download announcement as PDF.pdf](#)
- [Kempower\\_Q4\\_2023\\_EN\\_140224.pdf](#)