



Kempower H1 2023 Financial Results





Q2/2023: Kempower continued on a strong and profitable growth track



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Highlights

Demand exceeding expectations

Increased production capacity

Record high quarter in many key figures





Q2 2023

Profitable growth continues



72.5

EUR million
Revenue

86.3

EUR million
Order intake



235%

Revenue growth
year-on-year, %

19.2%

Operative EBIT
margin, %

Strong demand for Kempower's electric vehicle charging solutions continued.

Improved **production capacity** to match surging demand.





Dedicated and reliable EV charging solution partner

TOP 5 PLAYER IN EUROPE AND NORTH AMERICA BY 2030

Europe



Top position in the Nordics
and increasing market
share in the Rest of Europe

North America



Rapidly growing market,
entry in 2023

Rest of the World



Business development stage
to screen key markets*

** currently sales via distribution partners, excluding China, Russia and Belarus*



One million new BEVs registered in Europe in H1 2023; increase of 45 percent

EUR 14 billion
DC charging market in 2030

Europe

EUR 7.6 billion

50 million EVs by 2030



44
million
BEVs



500,000
eTrucks



5
million
eVans



250,000
eBuses

North America

EUR 6.5 billion

40 million EVs by 2030



36
million
BEVs



600,000
eTrucks



4
million
eVans



200,000
eBuses



Customer highlights

We received a second 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 across the UK.

National Car Charging, North American **EV charging station reseller and installer in the US** added Kempower charging technology to its portfolio.





We continue to **scale-up** production

We were able to answer surging demand through continuous improvement in our production and supply chain operations.

We produced 9,170 charging points and 475 megawatts of power during the first half of 2023.

Europe

- Improved production capacity in Lahti factory.
- New production facility in Lahti will be opened gradually during 2024.

North America

- Production to start by the end of year 2023.



North America entry advancing as planned

Production preparations and customer pipeline development are progressing well.

We are currently building our US organization and recruited **Tim Joyce as President, North America** to lead our US operations.

Production to start in the US by the end of 2023.

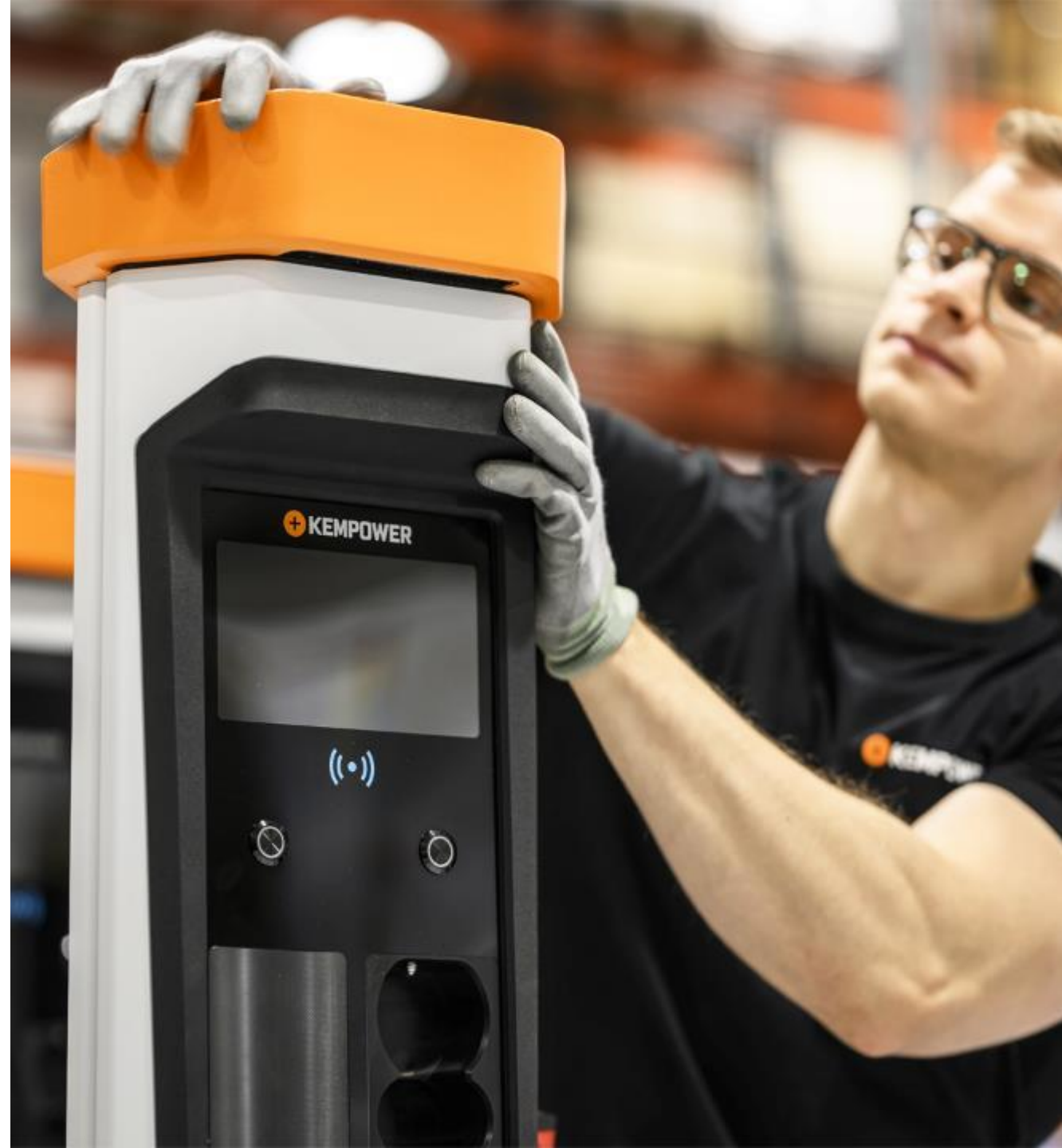
+ Important milestones in RDI and Technology

Research, Development and Innovation

- A new Kempower Electric Mobility Research Center in cooperation with LUT University in Finland.
- A new RDI center was opened in Vaasa, Finland, with a focus on Megawatt Charging Systems.
- Expansion of Tampere RDI center.

Technology

- We introduced a new Plug and Charge solution to simplify EV charging experience.
- NACS charging standard to be included to all charging solutions in North America.





Sustainability

Kempower was awarded with Carnegie Sustainability Award for its sustainability and climate mitigation contributions in Q2 of 2023.

We achieved an excellent eNPS score of 71 in H1 of 2023.

Our new planned production facility in Finland will take into account circular economy and biodiversity like our existing facilities in use.

We have a clear roadmap on how we will achieve carbon neutrality in our own operations in 2035.





Financial Review





Key figures

during the review period, IFRS

EUR million	Q2/2023	Q2/2022	H1/2023	H1/2022	2022	Comments
Order backlog	138.5	62.4	138.5	62.4	118.9	
Order intake	86.3	55.0	147.7	81.9	208.9	• Record high Order intake, Revenue and Operative EBIT margin, %.
Revenue	72.5	21.6	128.2	33.2	103.6	
Revenue growth, %	235%	225%	287%	268%	279%	• Operative EBIT margin, % positive 19.2% in Q2 due to strong demand and profitable deliveries.
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%	• Total equity and liabilities EUR 212.6 million at the end of Q2 2023.
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%	• Strong Cash flow from operating activities .
Profit/loss for the period	11.1	0.6	16.7	-0.5	3.6	
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	
Total equity and liabilities	212.6	133.3	212.6	133.3	154.2	
Headcount end of period	596	260	596	260	375	

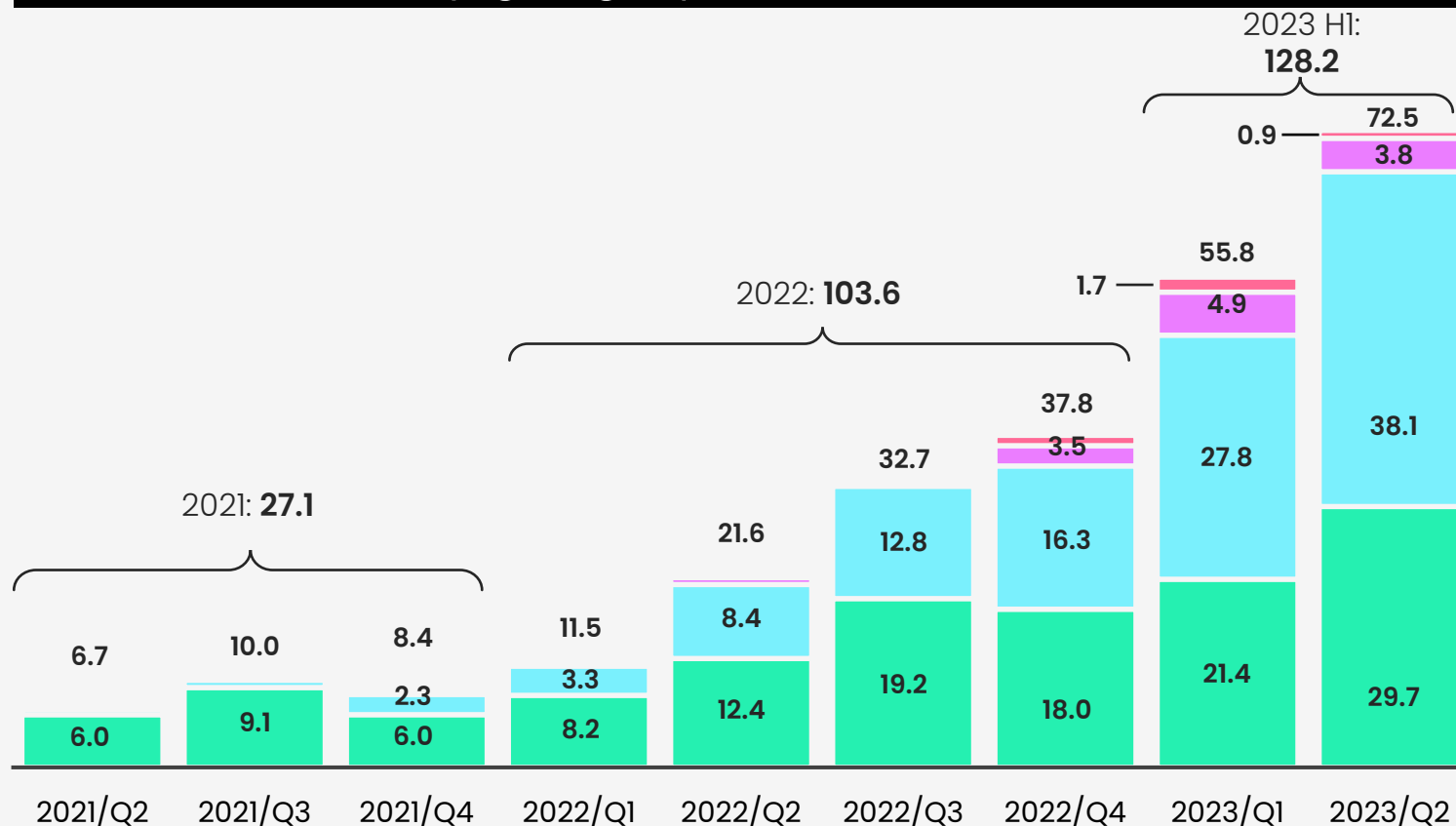
*Operative EBIT = EBIT – items affecting comparability of operating profit/loss (items can arise from, e.g. external advisory costs related to capital reorganization & strategic projects)

+

Strong revenue growth in Q2 2023

Revenue by geographical area (EUR million)

Comments



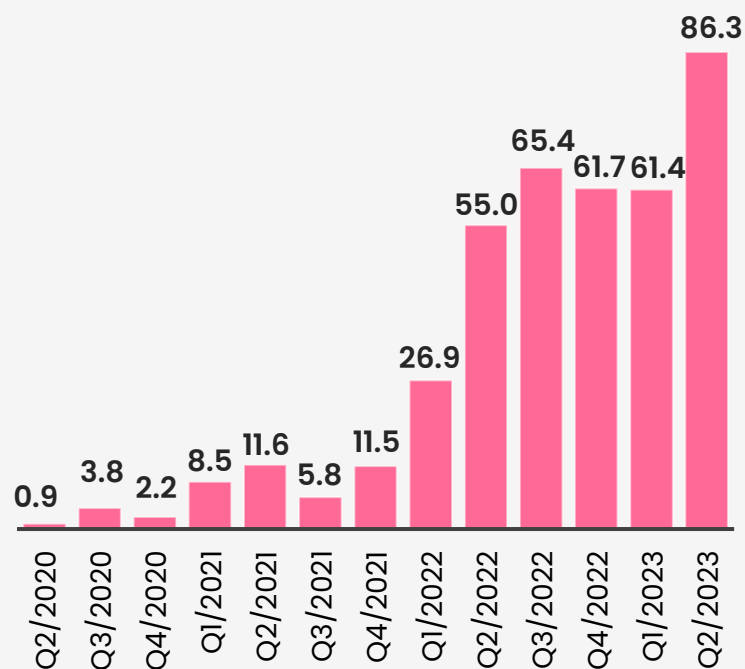
- Q2 2023 **revenue** EUR **72.5** million growing **235%** year-on-year.
- In absolute terms biggest year-on-year growth in Q2 and H1 was in **Rest of Europe** and **Nordics**.
- In Q2 2023 share of revenue in **Rest of Europe** was **53%** (39% in Q2 2022) of total revenue and in **Rest of the World and North America** **6%** (4% in Q2 2022) of total revenue.

● Nordics ● Rest of Europe ● Rest of the World ● North America

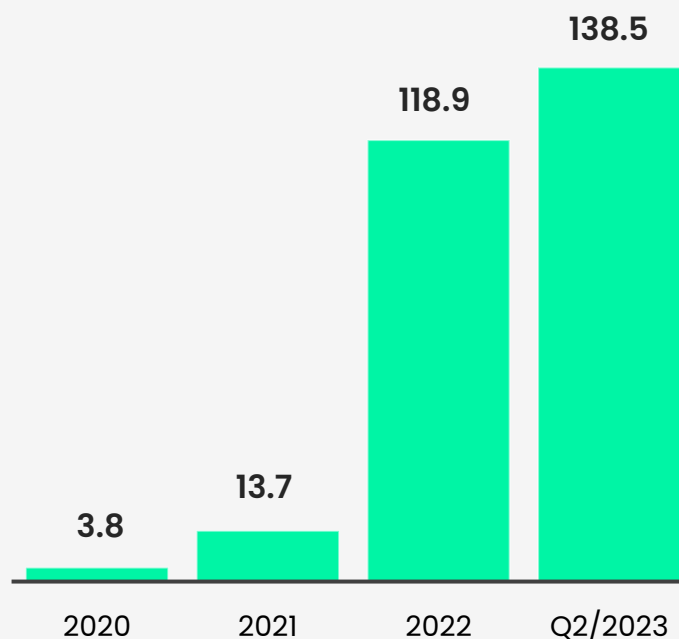


Excellent sales performance in Q2 2023

Order intake (EUR million)



Order backlog (EUR million)



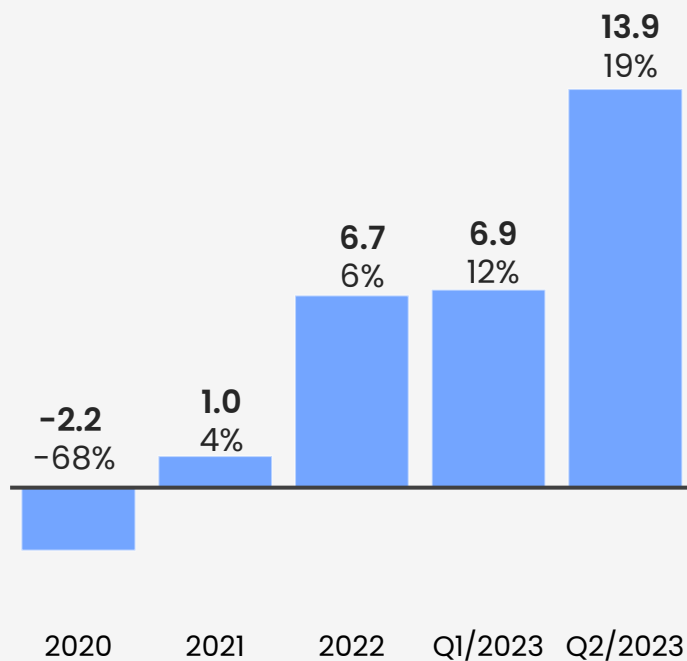
Comments

- Q2 2023 order intake growth 57% year-over-year.
- At the end of Q2 2023 Order Backlog grew to EUR 138.5 million (62.4 million in Q2 2022).

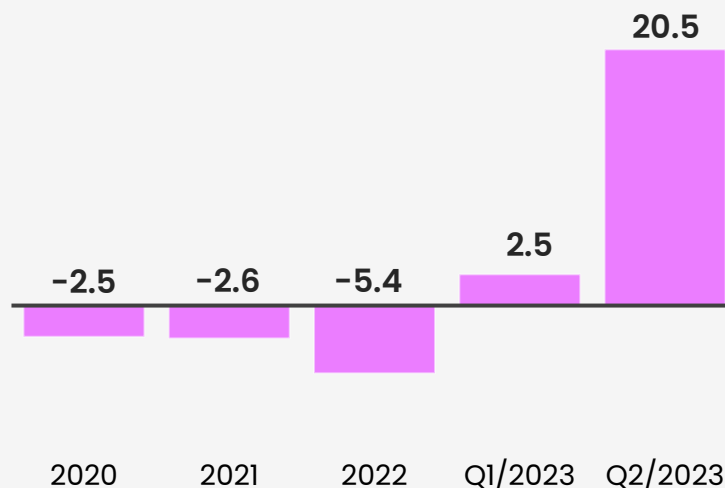


Strong cash generation during the quarter

Operative EBIT (EUR million)



Operating cash flow (EUR million)



Comments

- Strong Operative EBIT during the quarter.
- Operating cash flow positive EUR 20.5 million in Q2 driven by revenue growth, strong margins and improved working capital situation.



Kempower's new outlook for 2023

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

Kempower expects:

- 2023 revenue; **EUR 280–310 million**, assuming no major impact from foreign currency exchange rates (revenue 2022: EUR 104 million, the revenue outlook published earlier on 14 April 2023 was EUR 240–270 million)
- 2023 operative EBIT margin, %; **over 10%** (the operative EBIT margin, % outlook published on 14 April 2023 was a positive 5% – 10%)

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's financial targets

Financial targets

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

Dividend policy

Dividend

Short term: no dividends

1) Operative EBIT = EBIT – items affecting comparability of operating profit/loss (items can arise from, e.g. external advisory costs related to capital reorganization & strategic projects)



Q&A

