

OKWIND Group gets ready for a new growth cycle

H1 2024 results impacted by cyclical factors

- Half-year revenue of €31.4 million, down €6.1 million (-16%), over 1st half of 2023
- EBITDA to €1.2 million, down €3.5 million
- Gross margin improved by more than 2 points
- Strong cash position to €15.2 million¹, vs. €14.0 million as of December 31, 2023

Business for the 3rd quarter of 2024

- Q3 2024 revenue at €14.7 million, down 17% vs. Q3 2023
- Backlog² amounted to €25.5 million as of September 30, 2024

Adjustment of 2024 targets

- Sales momentum expected to rebound in the 4th quarter of 2024
- 2024 revenue expected of around €64 million
- 2024 consolidated EBITDA rate above 7%
- Forecast backlog expected to exceed €30 million at end of 2024

To meet its customers' expectations and take advantage of market growth while capitalizing on its know-how, Groupe OKWIND will develop its offering towards a multi-technology one: tracker, shading, photovoltaic table, storage, charging station and intelligent regulation.

Driven by its initial results, Groupe OKWIND is pursuing its commercial development with all players in the Water cycle.

Finally, the Company is expanding its offering with the development of collective self-consumption for industries, local authorities and farmers.

Torcé - France, October 16, 2024 – 6:00 p.m. CEST – Groupe OKWIND (FR0013439627 – ALOKW), which is specialized in the design, manufacture and sale of smart energy generation and management systems dedicated to self-consumption, today announces its half-year results for 2024 and sales for the first nine months of the year.

¹ Cash and cash equivalents include available cash, bank overdrafts and short-term marketable securities as of June 30, 2024.

² The backlog corresponds to orders for which a purchase order has been signed, some of which are invoiced on delivery and the remainder on commissioning of the trackers.

Louis MAURICE, Founder and Chairman of Groupe OKWIND, comments: "As announced ahead of summer, the prevailing unfavorable environment during the first half of 2024 (electricity price volatility, political uncertainties, high interest rates and adverse weather conditions) had temporarily impacted our sales and financial performance without impairing our cash position, which remains solid. In addition, we have invested in gearing up for the Group's new phase of growth by structuring our organization to make it more efficient. Besides, the first half of 2024 was marked by the strategic repositioning of our Offering to cover the entire value chain, with a complete connected ecosystem from now on. This new Offering has been favorably received by professionals in the agricultural sector as long-standing customers, and we are now intending to deploy it across all our markets. We are currently observing an upturn in our sales momentum, which should be reflected by a sharp acceleration in order intake in the final quarter. Lastly, the construction of a new manufacturing facility illustrates our confidence in the Group's ability to get back to a phase of strong growth thanks to its unique positioning, particularly in collective self-consumption. The 2025 fiscal year will illustrate our significant progress in the Water market, which has experienced a longer-than-expected commercial cycle".

Simplified income statement

<i>in €million</i>	30/06/2024	30/06/2023	Change in %
Revenue	31.4	37.5	-16%
of which BtoB	27.7	33.5	-17%
of which BtoC	3.7	4.0	-7%
Other operating income	1.3	1.0	+33%
Purchases consumed	(15.7)	(19.6)	-20%
Personnel expenses	(7.6)	(6.8)	+11%
Other operating expenses	(8.0)	(7.2)	+12%
Taxes	(0.2)	(0.2)	+16%
EBITDA	1.2	4.7	-74%
Net changes in D&A and impairment	(1.1)	(0.9)	+25%
Operating income	0.1	3.8	-97%
Financial income and expenses	(0.5)	(0.2)	+197%
Non-recurring income and expenses	-	(0.1)	n.s.
Income tax	0.1	(0.7)	n.s.
Net income (Group share)	(0.2)	2.8	-108%

Business for the 1st half of 2024

In the first half of 2024, Groupe OKWIND's business was penalized by several cyclical factors, more particularly a volatile electricity price environment compared with the previous year. The first-half revenue came to €31.4 million, down 16% compared with the first half of 2023. The revenue breaks down as follows:

- 88% of revenue from the BtoB segment: €27.7 million, down 17%,
- 12% of revenue from the BtoC segment: €3.7 million, down slightly by 7%.

More specifically, in the Farm business, the Group's largest market, the crisis in the sector, particularly adverse weather conditions and uncertainties linked to the recent economic and political environment had been impacting the Group's sales momentum.

In the Industry/Local authorities business line, momentum remained steady: the Group now has a track record across the full spectrum of players: local authorities, trade unions and the main service providers. The number of calls for projects is steadily increasing in this booming market, on which significant progress is expected from 2025 onwards. However, the sales cycle in the Water and sanitation market turned out to be longer than expected.

In the first half of 2024, the gross margin was up by more than two points, as a result of the work carried out with suppliers and the disinflation of some raw materials. Personnel costs rose by 11% as a result of the organizational restructuring, with reinforced sales force specialized by market, supply chain and manufacturing. Other operating expenses came to €8.0 million, vs. €7.2 million in the first half of 2023.

After taking these items into account, EBITDA for the first half of 2024 stands at €1.2 million, representing an EBITDA rate of 3.8%.

Financing and cash position as of June 30, 2024

In 2023, Groupe OKWIND subscribed to a €25 million syndicated credit facility, consisting of a €10 million revolving credit facility to finance its working capital requirement. The Group also benefits from a medium-term credit facility of €15 million, which has not yet been drawn down.

As of June 30, 2024, Groupe OKWIND had a solid cash position¹ of €15.2 million, compared with €14 million as of December 31, 2023.

Subsequent event

On October 1st, the short-term credit facility was increased from €10 million to €16 million.

Third quarter 2024 revenue and 2024 outlook

As of September 30, 2024, revenue totaled €46.1 million, compared with €55.3 million a year earlier.

Firm order intake since January 1st of the current fiscal year, consolidated at the end of September 2024, amounted to €36.9 million, vs. €60.3 million at the end of September 2023. Consequently, the backlog as of September 30, 2024 stood at €25.5 million, compared with €45.9 million as of September 30, 2023.

This weak quarterly performance reflects the wait-and-see attitude of some prospects and customers spurred by political and economic uncertainties.

In this framework, the Group is reviewing its short-term targets. 2024 annual revenue should be close to €64 million, while the consolidated EBITDA rate for the current year should be over 7%.

Development strategy and outlook

The fourth quarter should enable the Group to record a rebound in order intake: related to several parameters:

- In the **Farm** business line, the Groupe OKWIND signed framework agreements with several agricultural cooperatives which should have positive results in the last quarter of 2024. The Group is still in the process of obtaining local authorizations for agri-solar permits for several identified projects.
- In the **Water** business line, the Group benefits from a recognized positioning with several landmark installations and unrivalled results in the optimization of energy processes on wastewater treatment plants. Despite a longer-than-anticipated sales cycle, the market interest has been confirmed by the growing number of

commercial offers recorded since 2022. The Group is in advanced contact with several prime contractors in the Water market on large-scale Tender Offers.

- Across **all business lines**, the Group OKWIND will continue to roll out its new multi-technology offering, bringing even greater value in terms of self-sufficiency and energy efficiency. As a long-standing expert in self-consumption, the Groupe OKWIND also intends to position on larger-scale collective self-consumption projects.

Looking ahead 2026, the company is currently studying its financial targets.

Construction of a new plant with expanded manufacturing capacity

Groupe OKWIND has just obtained a building permit for its future plant in Etreilles, Brittany, a site that will enable the Groupe to triple its production capacity over time and meet the growing demand for renewable energies.

Implementation of the share buyback program

In accordance with the decisions of the last Annual General Meeting, Groupe OKWIND has decided to implement a share buyback program to cover future allocation of free shares ("AGA", in French).

Half-year financial report 2024 availability

The half-year financial statements were approved by the Board of Directors and reviewed on October 16, 2024. The 2024 half-year financial report will be available by October 31, 2024 on the Investor Relations website (www.okwind-finance.com), in the Documentation section.

About Groupe OKWIND

Founded in 2009 by Louis Maurice, Chairman and CEO, the French Group OKWIND is the expert in individual and collective self-consumption of energy. Its global approach and cutting-edge technology aim at enhancing the energy independence and sufficiency of farms, companies, local authorities and private individuals. Every day, the OKWIND Group strives to deploy local, controlled, stable, low-carbon, fixed-cost energy to accelerate and optimize the ecological transition. The Group designs, develops and deploys complete green energy management solutions (local solar production, self-consumption, excess energy recovery, improved consumption practices). By becoming producer-consumers (prosumers), OKWIND customers can generate their own energy, control their production and regulate their electrical processes. Historically based in the Great West of France, 30km from Rennes (Torcé), the OKWIND Group is close to its customers, with several agencies and work centers throughout France. In 2023, the OKWIND Group generated consolidated revenue of €82.5 million and today has 235 employees, with more than 4,700 installations throughout France.

For more information: www.okwind.fr

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