

Nel ASA: First quarter 2023 financial results

(April 27 - 2023, Oslo, Norway) Nel ASA (Nel, OSE:NEL) reported revenues of NOK 359 million in the first quarter of 2023, up 68% from NOK 213 million in the same quarter of 2022. Order intake was NOK 580 million, up 105% year-on-year, positively impacted by purchase orders from HH2E (EUR 34 million) and HyCC (EUR 12 million). At the end of the first quarter, the order backlog was NOK 2 913 million, up 126% from Q1 2022. The cash balance was NOK 4 621 million at quarter end.

Quarterly highlights

- Nel reported revenue and operating income in the first quarter of 2023 of NOK 359 million, up 68% from the first quarter of 2022 (Q1 2022: 213). All segments, Fueling, PEM electrolysers and alkaline electrolysers experienced strong growth compared to the same quarter last year.
- Order intake in the quarter amounted to NOK 580 million (96% from electrolyser), up 105% from the same quarter last year (Q1 2022: 283).
- At quarter end, Nel had a record high order backlog of NOK 2 913 million (88% related to electrolyser), up 126% from the first quarter of 2022 and up 12% compared to the previous quarter.
- EBITDA of NOK -121 million (Q1 2022: -152) driven by high losses in Fueling, low margins on electrolyser projects signed in 2020/2021, and increased personnel expenses to prepare for large-scale projects.
- Net loss of NOK -192 million (Q1 2022: 84), mainly related to loss from operations and a net negative unrealized fair value adjustment from shareholdings of NOK -76 million. The same quarter last year had a positive unrealized fair value adjustment from shareholdings of NOK 270 million.
- Cash balance of NOK 4 621 million (Q1 2022: 3 940) following a successful private placement during the quarter which raised NOK 1 609 million in gross proceeds.

Nel had a good start to 2023 with robust growth for its Electrolyser division compared to the previous year's first quarter. The production volumes at the company's manufacturing facility at Herøya in Norway are increasing, and the company received two large purchase orders for its alkaline electrolyser equipment. The new contracts followed a solid second half of 2022, with the company improving terms and conditions on significantly larger contracts.

"Our results are improving as a consequence of increased production volumes and the fact that better margins on our newest contracts have started to impact our financial results," says Nel's CEO, Håkon Volldal.

At quarter-end, the cash balance was NOK 4 621 million (Q1 2022: 3 940) following a successful private placement on 6 March 2023. The capital raise puts Nel in a solid financial position as the company is committed to capitalizing on its position as a technology front-runner.

Vollidal says Nel will continue to invest in the organization, in technology development, and in scaling up the production capacity.

“Nel is observing a constant increase in interest and potential opportunities within the hydrogen industry. Our pipeline continues to improve and mature, and we continue to secure large-scale contracts. As a result, we shall keep on investing in the organization, improving our technology platforms, and scaling manufacturing capacity,” says Vollidal.

The construction of Nel’s second production line at Herøya is progressing according to plan, bringing the total production capacity to 1 GW. In addition, the company is preparing to automate its PEM electrolyser technology’s production process, and expand to ~500 MW manufacturing capacity at its facility in Wallingford, Connecticut.

Furthermore, the site selection process for Nel’s new gigawatt Alkaline and PEM manufacturing facility in the US is now in its very final stage, and the company will shortly communicate in which state this factory will be located.

The first quarter 2023 report and presentation are enclosed and available on www.news-web.no (Ticker: NEL) and www.nelhydrogen.com. The presentation will be a virtual event only, followed by a Q&A session. The live presentation can be accessed on the company’s website www.nelhydrogen.com or by following this [link](#). A recording of the presentation will be publicly available following the event.

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About Nel ASA | www.nelhydrogen.com

Nel has a history tracing back to 1927 and is today a leading pure play hydrogen technology company with a global presence. The company specializes in electrolyser technology for production of renewable hydrogen, and hydrogen fueling equipment for road-going vehicles. Nel’s product offerings are key enablers for a green hydrogen economy, making it possible to decarbonize various industries such as transportation, refining, steel, and ammonia.

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