



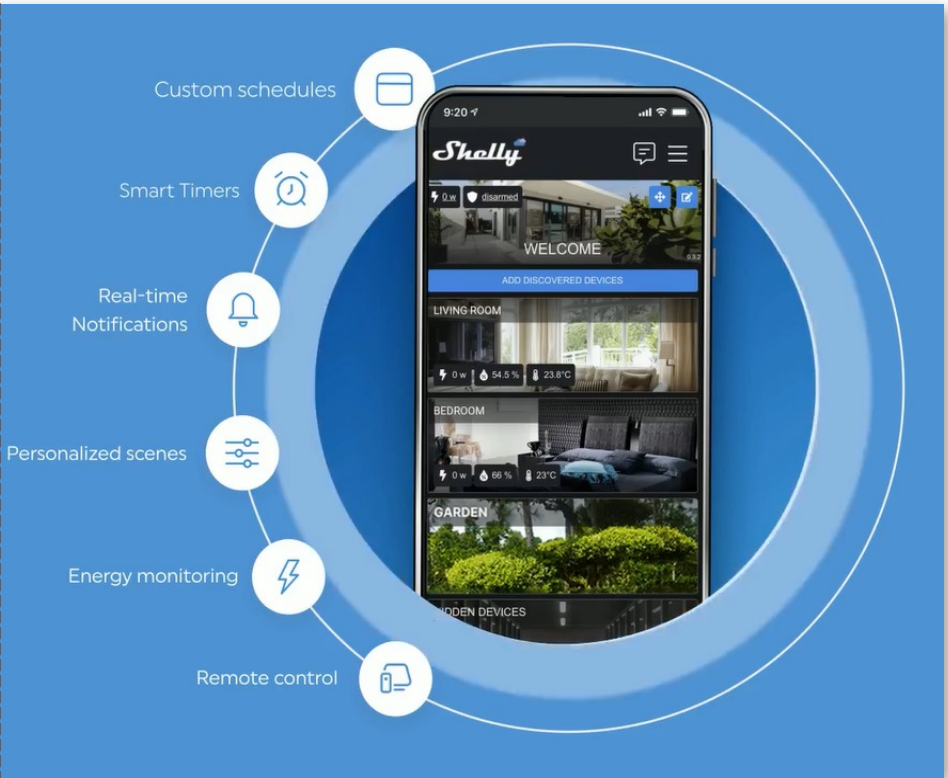
# ALLTERCO

*...ENABLING AN ECO-FRIENDLY CONNECTED WORLD*

**Trading Update 2022**

**March 14th 2023**

# We Make Smart Home Solutions



**...ENABLING AN ECO-FRIENDLY CONNECTED WORLD**

## Highlights

### Wolfgang Kirsch

*CO-CEO*

*Strategy & Operations*

## Product

### Dimitar Dimitrov

*CO-CEO*

*Research & Development*

## Financial Updates & Strategy

### Wolfgang Kirsch

*CO-CEO*

*Strategy & Operations*



# Highlights 2022

Wolfgang Kirsch

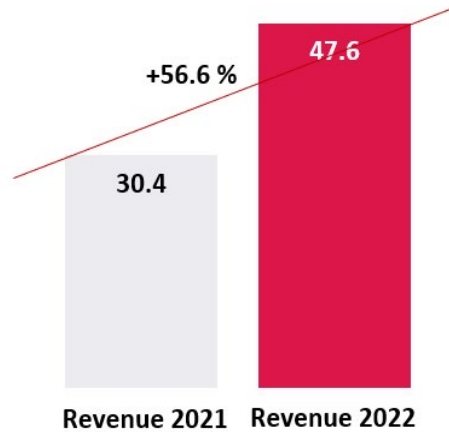




# Financial Highlights 2022

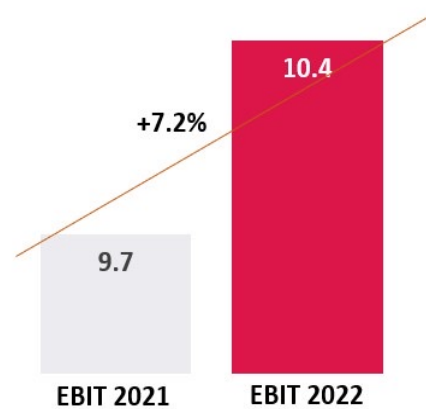


## Revenue



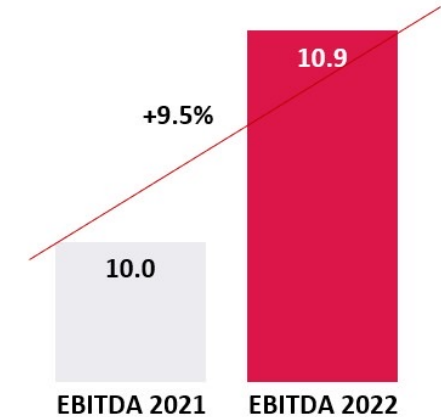
- Strong revenue growth
- Above Budget and FC
- **Budget was 43.5 Mio. €**
- Growth rate increased every Quarter in 2022

## EBIT



- EBIT above Budget
- **Budget 2022 was 9.6 Mio. €**
- EBIT Margin: 22%

## EBITDA



- EBITDA development in line with EBIT development
- EBITDA Margin: 22.9%

# Key Highlights 2022



- Increased capital market activity
- Growth of 57%
- EBIT-Margin +22%
- New Board Structure
- Acquisition of GOAP
- Outperformance of CDAX & Nasdaq

# Key Highlights 2022

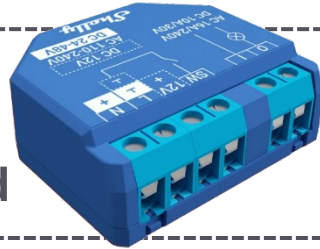


- New webshop launched
- First contracts with new distribution channels
  - Rexel - Finland
  - Lemvigh-Müller - Denmark
- >800 Installers trained
- Ongoing negotiations in other regions
- German Technical School Programm started
- Amazon direct vendor business startet

# Leading Smart Home Platform

**+8m**

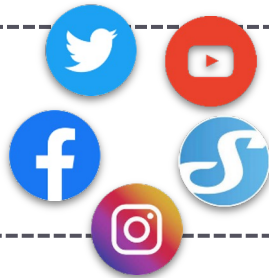
Devices sold



**+3m**  
LTM

**+1m**

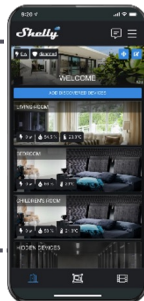
Social reach



**+60\***  
NPS

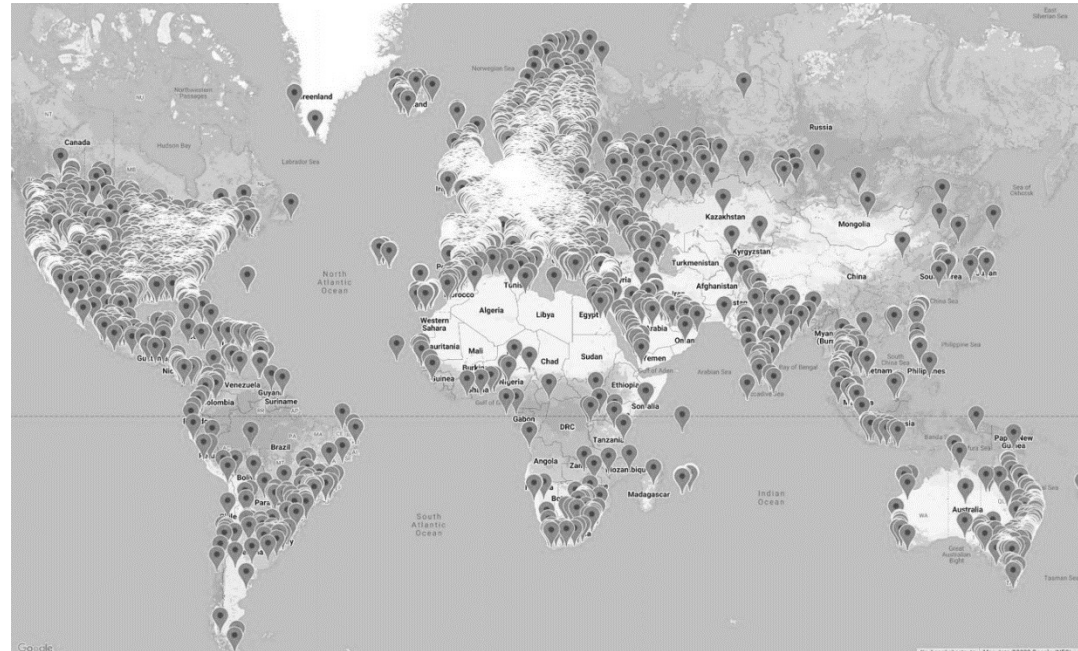
**+0.7m**

Cloud users



New every  
**6.5 sec.**

**+100 countries**



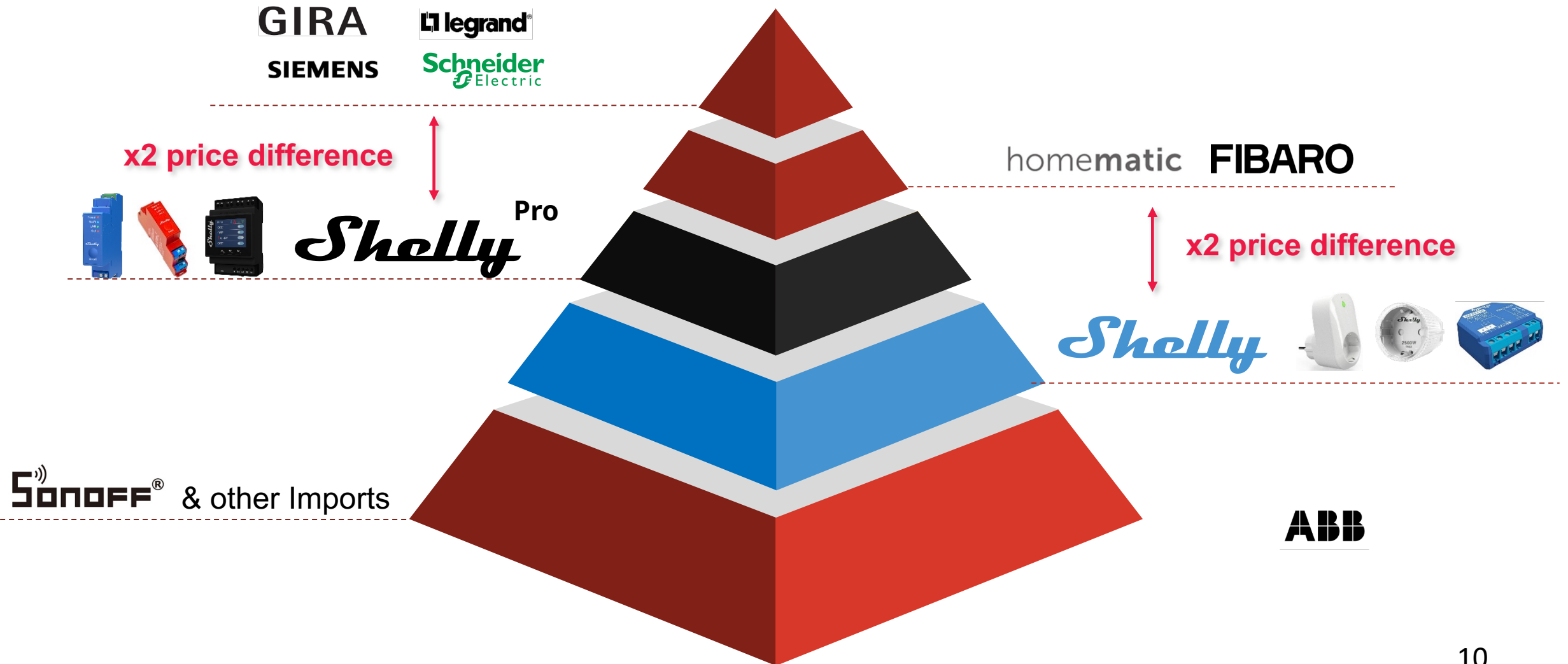
\*Consumer Electronics 2022: Ø 52

# Product

Dimitar Dimitrov



# Price Positioning – Best Value For Money

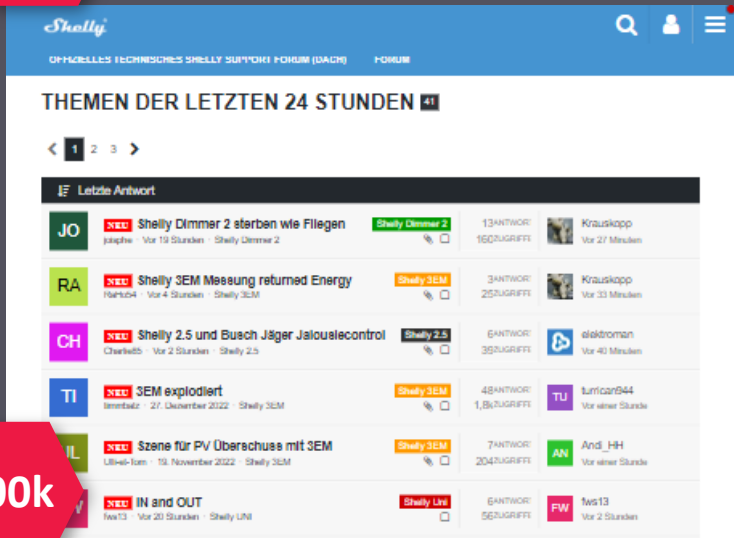
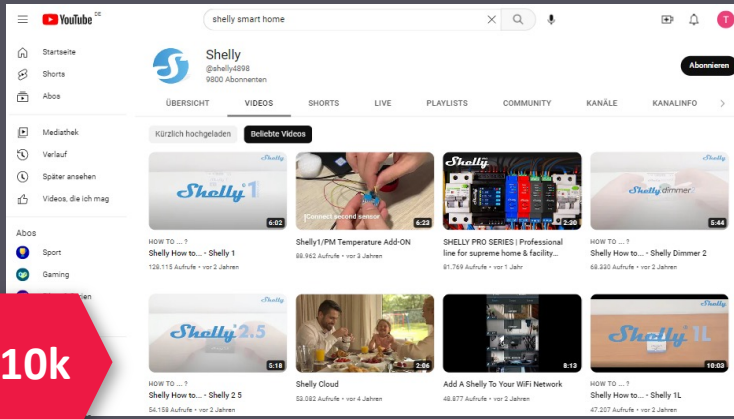


# Innovation Leader



- Award winning products
- Innovations in 2022:
  - WiFi-Repeater + Bluetooth
  - Shelly & Carplay
  - 15 new products
  - Pro Series
  - Upgrade of Shelly App

# Large & Growing Community



- +10 Social-Media Platforms / +150k followers
- +1m Social-Media Reach
- Independent Shelly support groups with +100k members
- + 2000 user generated videos



# SHELLY SMART CONTROL

One app to manage everything!

# Control your house and bills

The screenshot displays the Shelly smart home control interface, which is organized into several key sections:

- Navigation Sidebar:** Includes options for Dashboard, My home, Consumption, Settings, and Add device.
- Room Overview:** A grid of room cards showing temperature and power usage.
 

Room	Temperature	Power	Usage %
Livingroom	23.5°C	0 W	23.6%
Kitchen	23.9°C	4.4 W	25.6%
Bedroom	20°C	-	-
Kids	22.9°C	3 W	28.2%
Playground	-	3.8 W	35%
Cabinet	21.3°C	0.92 W	34%
Fitness	-	1.2 W	32%
office	-	0 W	-
HOME	-	3.55 kW	-
POOL	-	3.25 kW	-
SAUNA	-	0.76 W	53%
- Weather and Device Status:** Shows current weather (6.13°C, Cloudy) and device statistics (3.55 kW).
- Energy Consumption Summary:**
  - Total Current Consumption:** 3.55 kW (Consuming).
  - Consumption By Appliance Type:** A pie chart showing 3.31 kW total, with categories like Heating/cooling, Unknown, Electric vehicle, Entertainment, Ventilation, Pool and garden, and Cooking.
  - Rooms current consumption:** A bar chart showing power usage across various rooms, with the SAUNA room showing the highest consumption.
- 24-Hour Consumption Reports:**
  - Total Consumption - Last 24 hours:** 56.65 kWh, 11.29 BGN.
  - Livingroom - Last 24 hours:** 103.72 Wh, 0.03 BGN.
  - Kitchen - Last 24 hours:** 70.41 Wh, 0.02 BGN.
  - Bedroom - Last 24 hours:** 78.64 Wh, 0.02 BGN.
- Appliance Usage Details:**
  - Kitchen:** 8.79 W total, including Kitchen appliances (4.4 W) and Router level 1 (4.39 W).
  - Garden:** 20.51 W total, including Garage energy meter (13.7 W) and Robot and irrigation (6.8 W).
  - Bedroom:** 47.51 Wh total, including Bedroom sockets (47.51 wh) and Parno koridor level 2.

# Open Platform & Partner Network



## Industry Partners



+30 others...

## Compatible with...



+100 others...

# Why *Shelly* wins

## Hardware

+

## Software

+

## Community



=

**+8m sold devices**



=

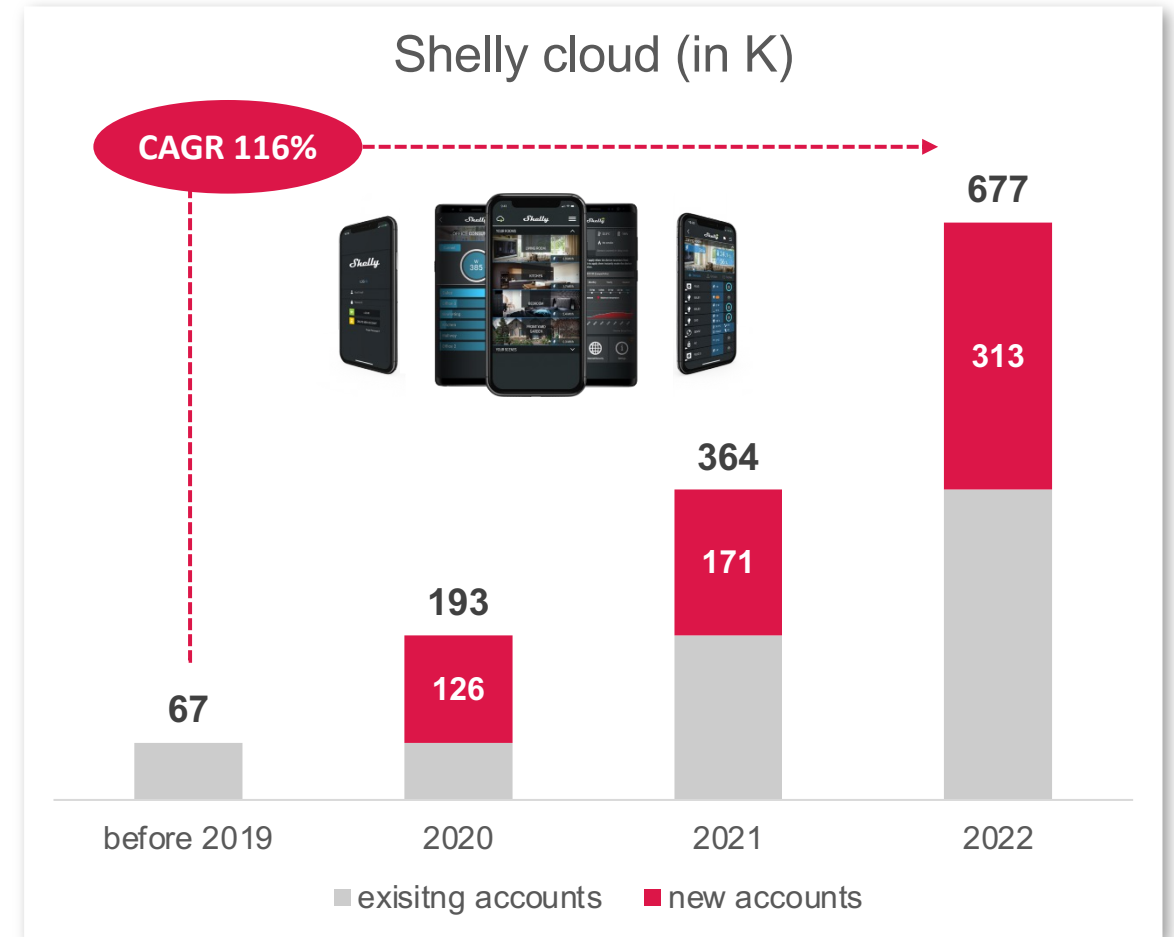
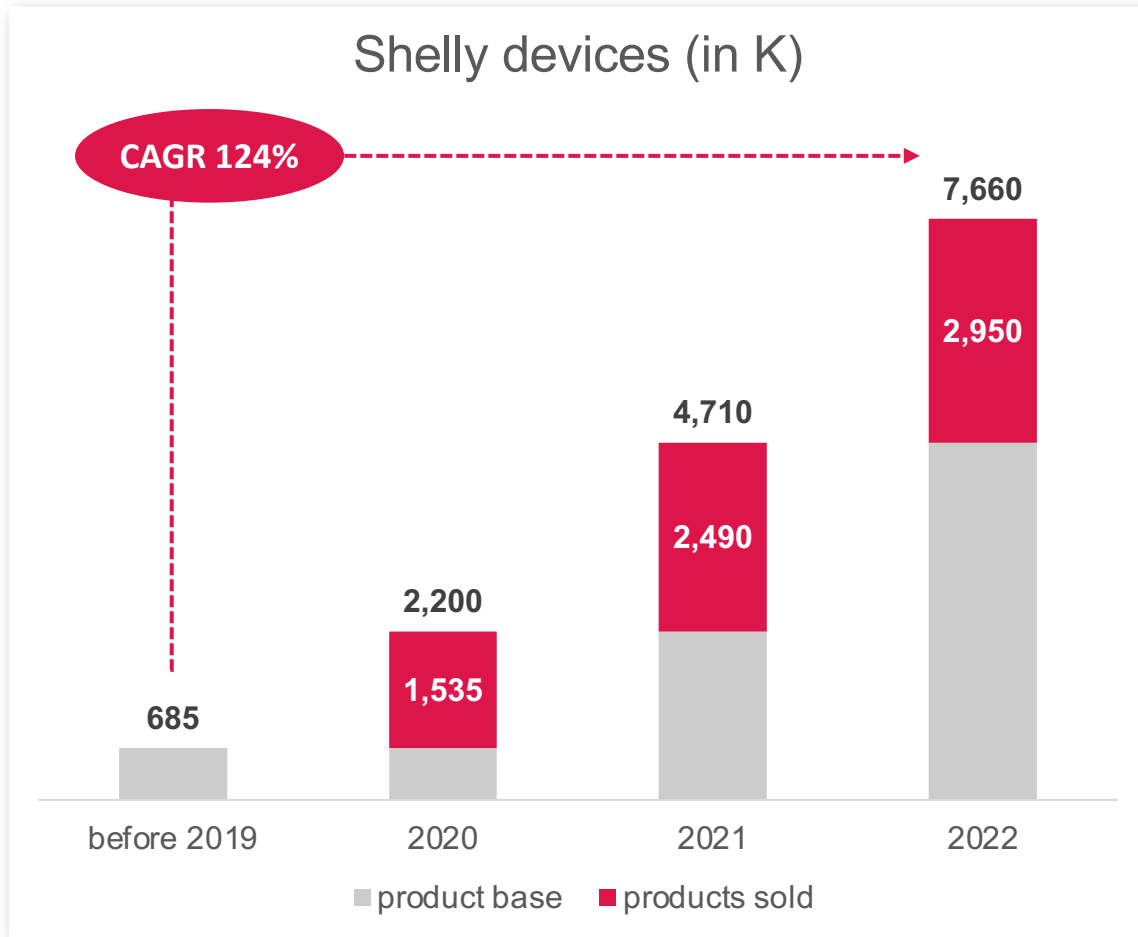
**Every 6.5s new  
device installed**



=

**+1.5m households**

# Adoption

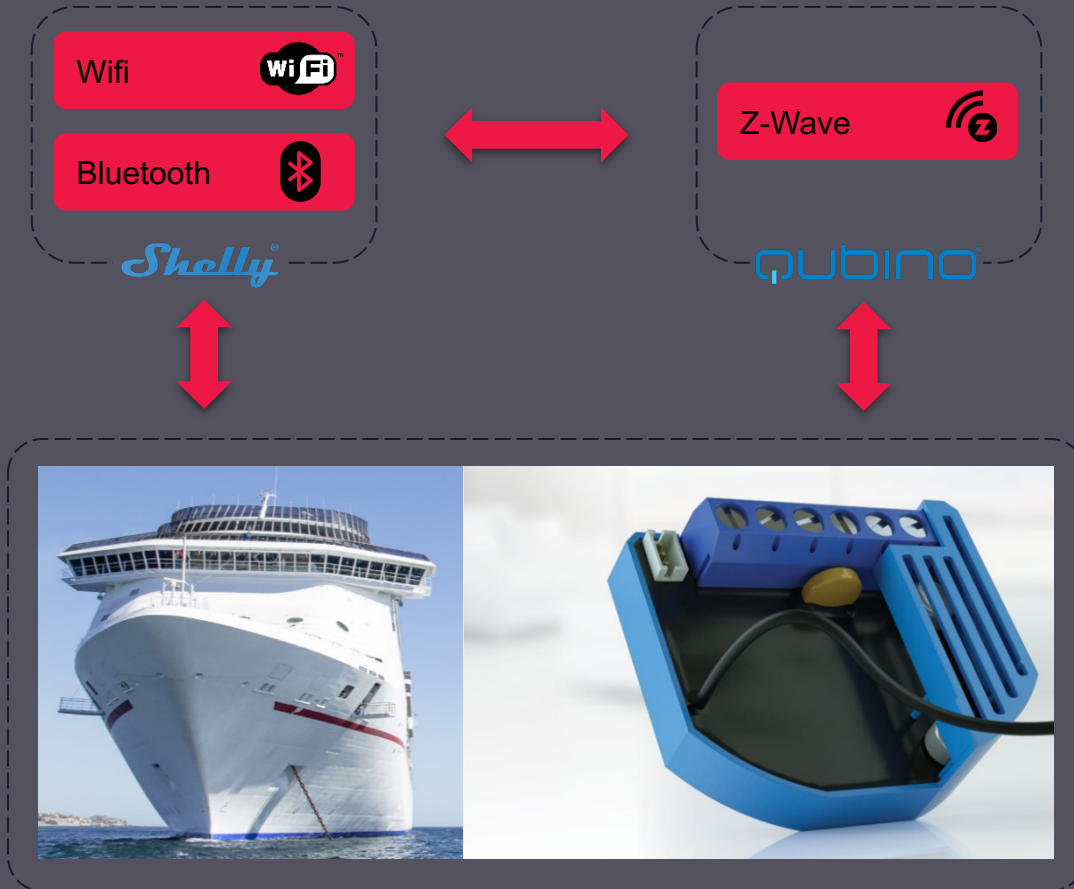


# Key Metrics

Fiscal Year	2020	2021	2022
<b>Total devices sold (M)</b>	<b>2.2</b>	<b>4.7</b>	<b>7.7</b>
<i>Change</i>	<i>1.5</i>	<i>2.5</i>	<i>3.0</i>
<b>Average selling price (€)</b>	<b>11.18</b>	<b>11.43</b>	<b>15.42</b>
<i>Change</i>	<i>-0.69</i>	<i>0.24</i>	<i>4.00</i>
<b>Cloud users (k)</b>	<b>193</b>	<b>364</b>	<b>677</b>
<i>Change</i>	<i>126</i>	<i>171</i>	<i>313</i>
<b>Cloud devices (m)</b>	<b>0.65</b>	<b>1.6</b>	<b>3.1</b>
<i>Change</i>	<i>0.50</i>	<i>0.9</i>	<i>1.5</i>

- Positive development on all Key Metrics
- Average price increase in 2022 from strong smart meter business
- Approx. 40% of all devices registered in shelly cloud

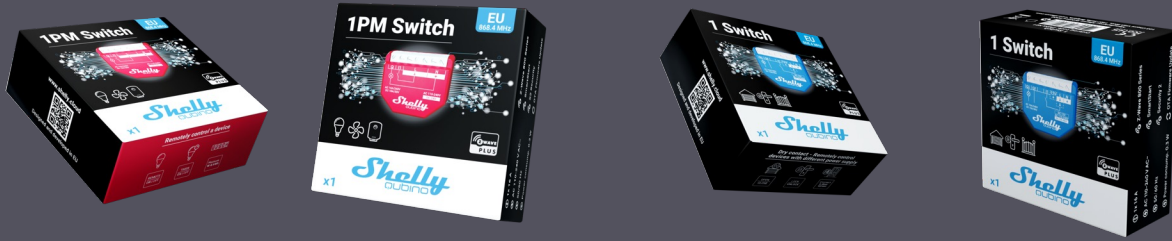
# M&A – Example QUBINO



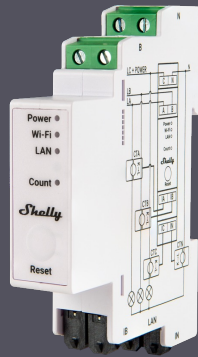
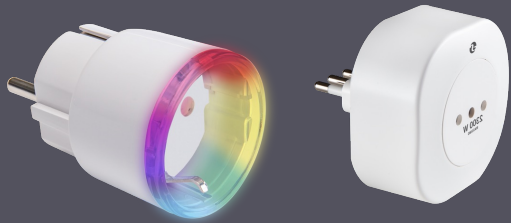
- Extension of customer base
- Z-Wave technology as alternative for specific use-cases
- Strengthen the R&D capacity
- Significant possibility to reduce Z-Wave cost prices
- Increasing the market potential with new price points
- Additional supply chain

# Product Outlook H1/23

**Shelly**<sup>®</sup>  
qubino



**Shelly**



- Launch of 5 new **Shelly** - Products in Q1
- Launch of up to 10 new Shelly-WiFi & BLE Products in Q2
- Launch of first 2 **Shelly-Qubino** Z-Wave-Products in Q2
- New **Premium Account** App in Q2
- New Operating System – Shelly OS

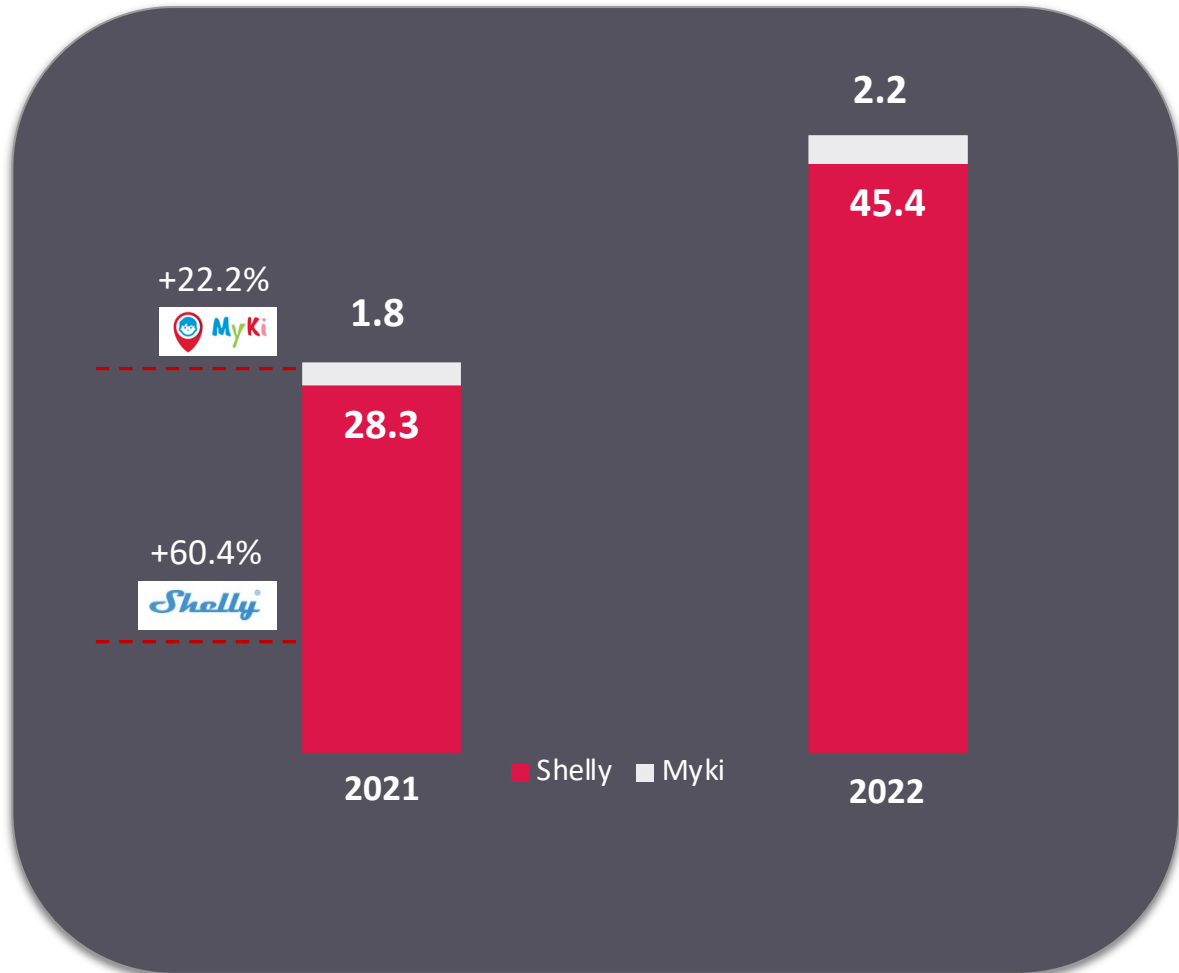
# Financial Update & Strategy

Wolfgang Kirsch



# Revenue Breakdown by Brand

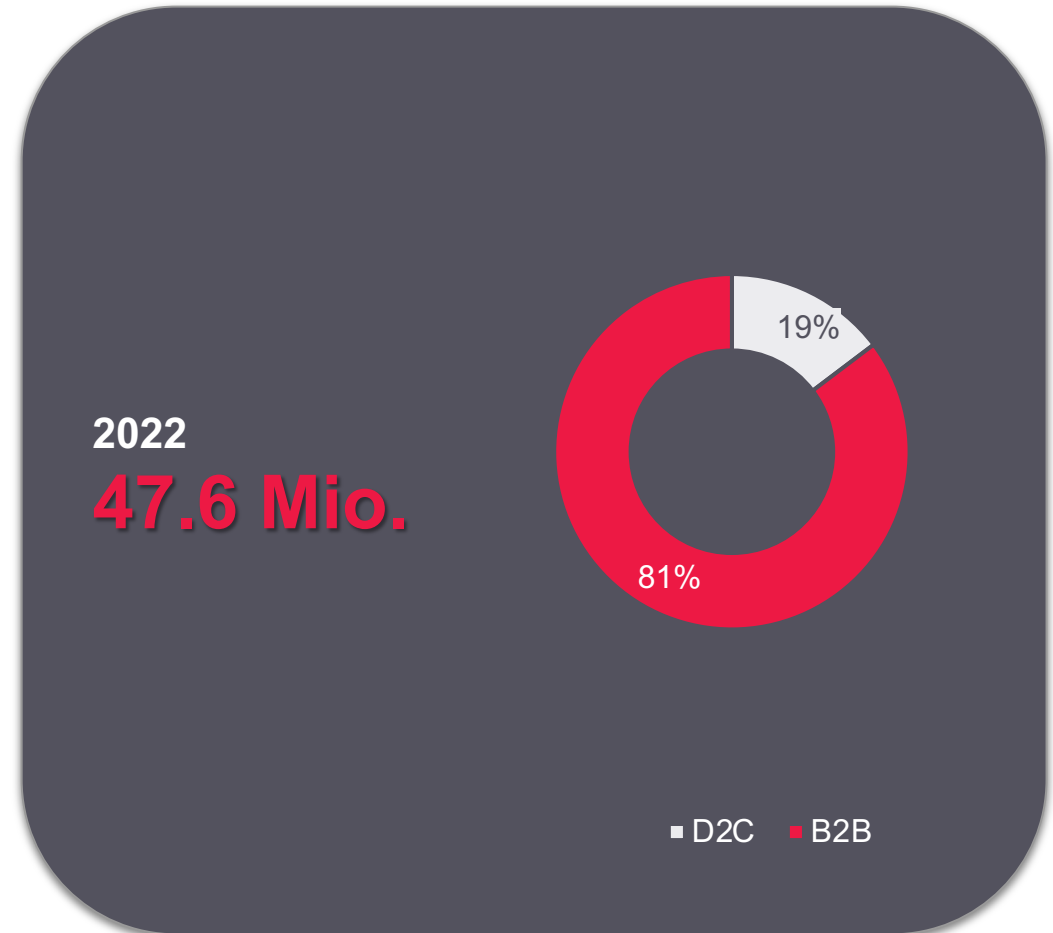
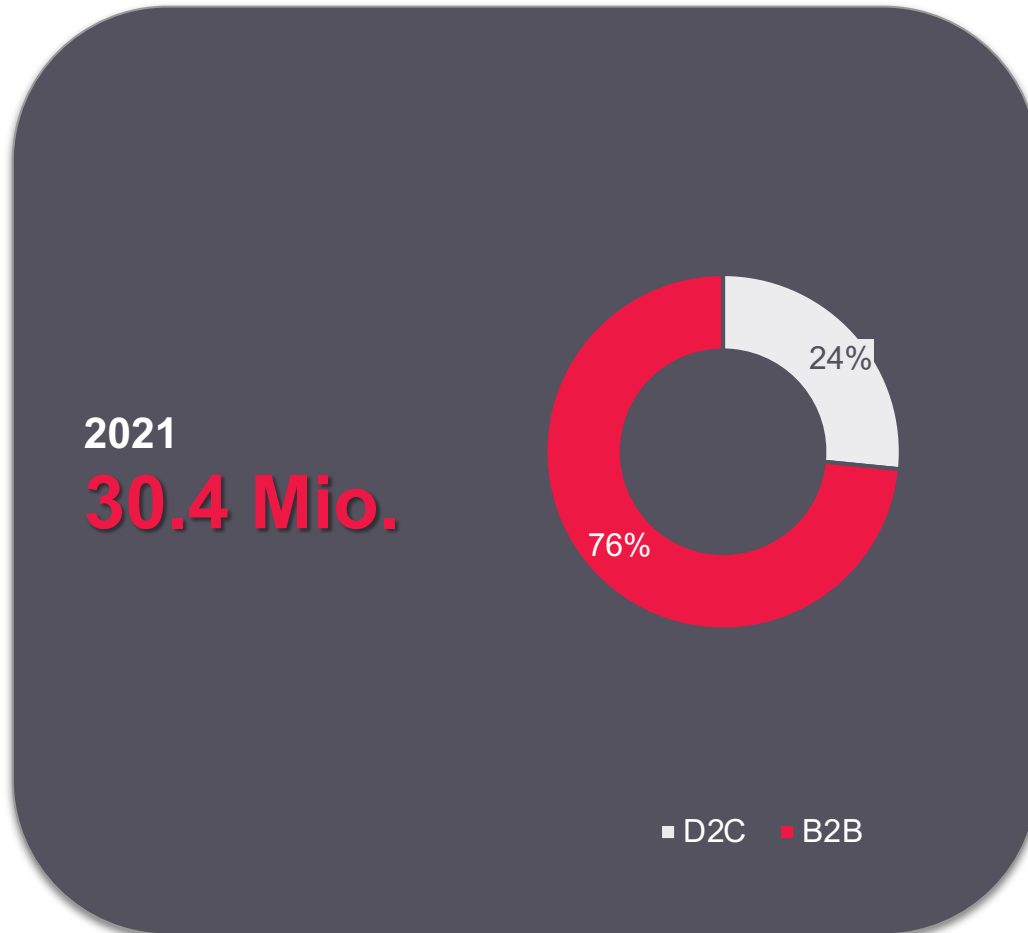
Based on 12M/22



- Product Sales +57%
- Shelly Sales increased period over period +60%
- Myki Sales increased Period over Period by +22%
- Clear focus on Shelly

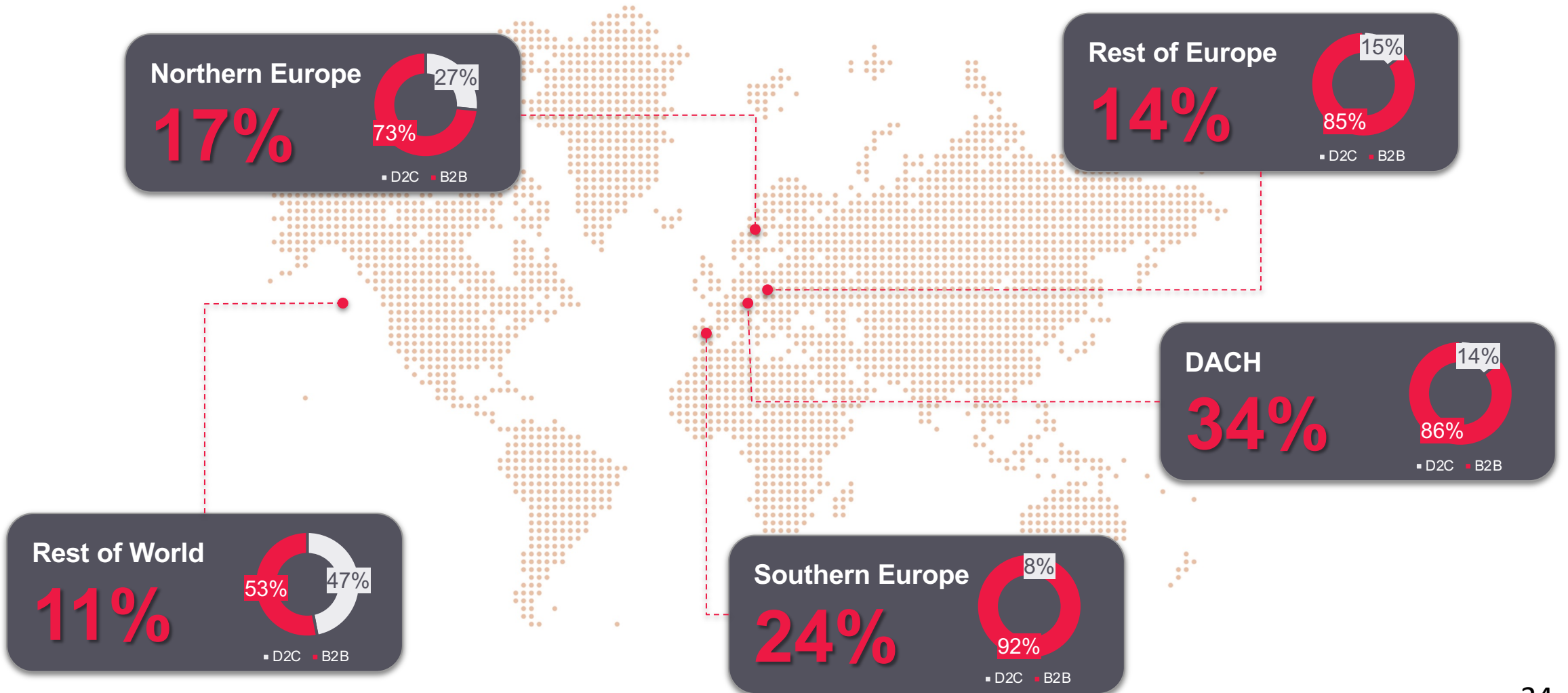
# Revenue Breakdown Channel (B2B vs D2C)

Based on 12M/22



# Revenue Breakdown by Region

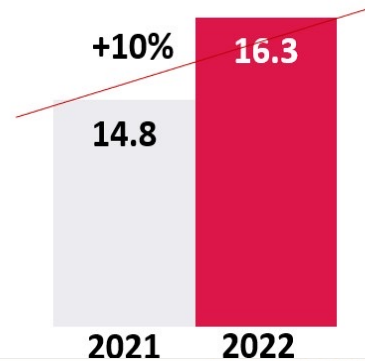
Based on 12M/22



# DACH, North- & South Europe, 12M 2022

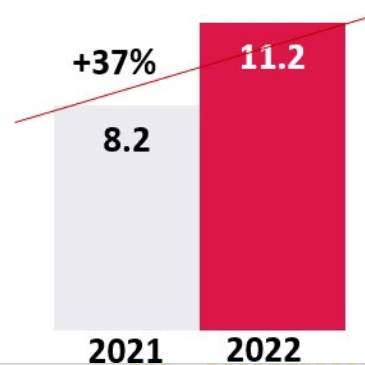


DACH



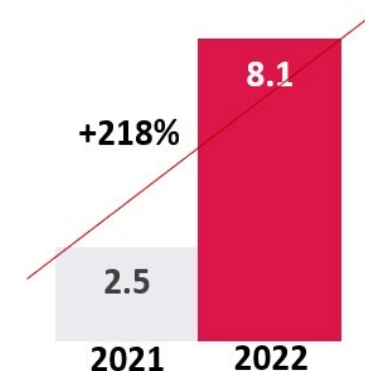
- Strongest region with solid development
- Local structure enables stronger 2023 growth rate

Southern Europe



- Very positive development in Iberia and Italy
- Still much higher potential

Northern Europe

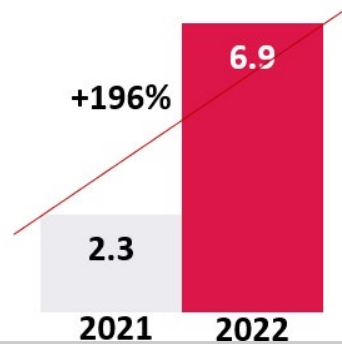


- First effect from own local sales structure
- Further development for 2023 expected

# Rest of Europe & Rest of the World, 12M 2022

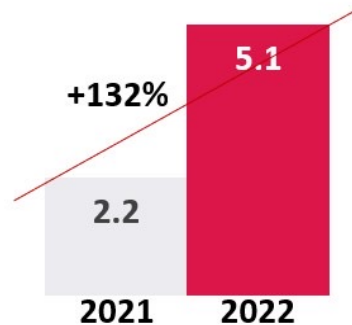


Rest of Europe



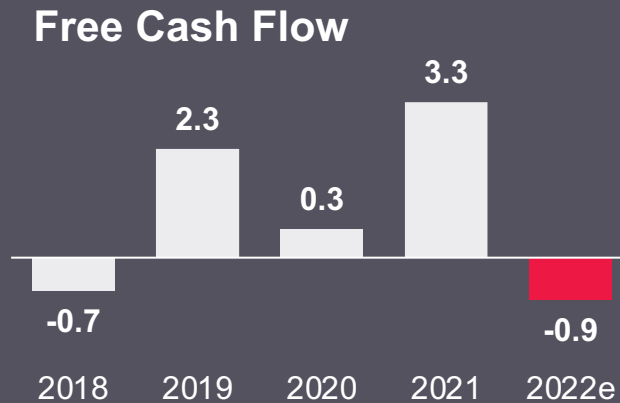
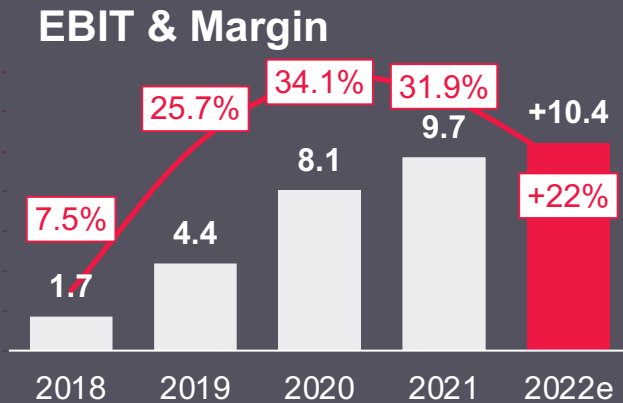
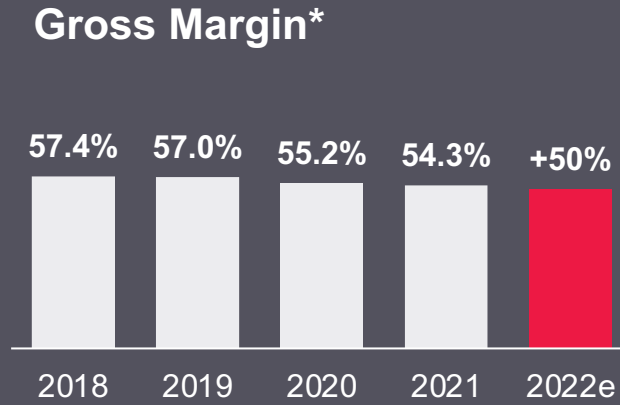
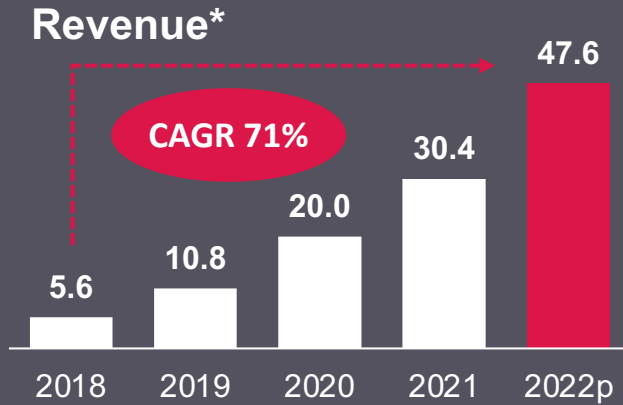
- Very good growth in non focus countries shows further potential

Rest of World



- Solid development
- High potential for future growth

# Financial Overview



- Strong Top line Performance with CAGR of 71%
- Good GP-Profile despite value-for-money approach and maturing market
- Always profitable with high return profile (+38.5% ROCE)
- EBIT-Margin Target 2025: ~30%
- Solid FCF despite strong growth – 2022 burdened from supply chain

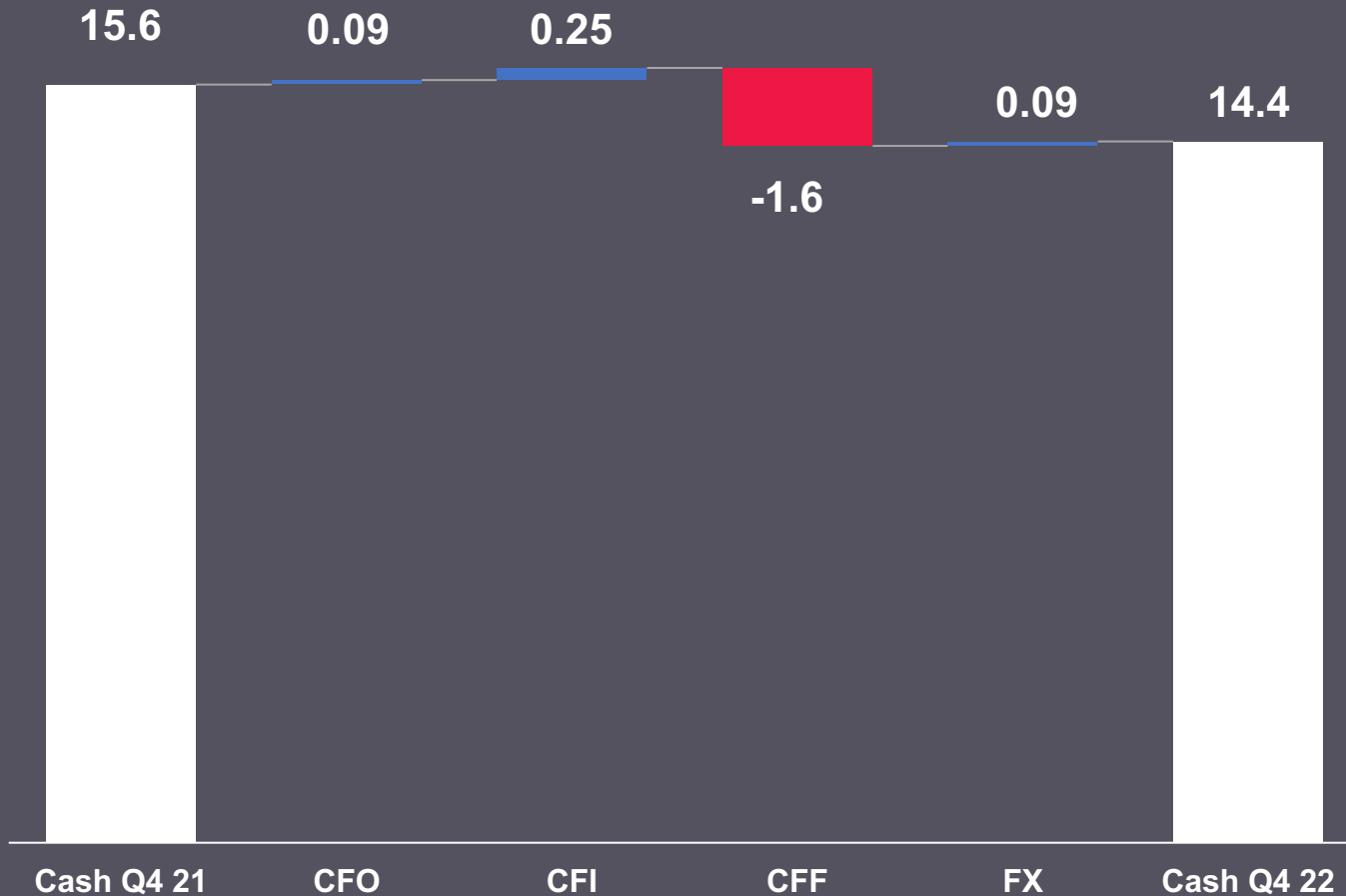
# Profit & Loss

Period	2020	2021	Δ	2022	Δ
<b>Revenue</b>	<b>20.0</b>	<b>30.1</b>	+50%	<b>47.6</b>	+57%
<b>Gross Profit</b>	<b>10.4</b>	<b>16.5</b>	+59%	<b>23.8</b>	+74%
<i>Gross Margin</i>	<i>52.0%</i>	<i>55.0%</i>		<i>50.0%</i>	
<b>Sales &amp; Marketing</b>	<b>0.3</b>	<b>1.4</b>	+366%	<b>2.0</b>	+45%
<i>Sales Revenue</i>	<i>1.2%</i>	<i>4.5%</i>		<i>4.2%</i>	
<b>G&amp;A</b>	<b>3.9</b>	<b>5.9</b>	+51%	<b>11.5</b>	+94%
<i>Sales Revenue</i>	<i>16.4%</i>	<i>19.5%</i>		<i>24.1%</i>	
<b>EBIT</b>	<b>4.4</b>	<b>9.7</b>	+120%	<b>10.4</b>	+8%
<i>EBIT Margin</i>	<i>34.0%</i>	<i>32.0%</i>		<i>22.0%</i>	
<b>Net Income</b>	<b>6.9</b>	<b>8.1</b>	+17%	<b>8.9</b>	+10%
<i>Net Income Margin</i>	<i>29.0%</i>	<i>26.7%</i>		<i>18.7%</i>	



- COGS impacted by input price and currency fluctuations in 2022
- **Margin exactly as in Budget = 50%**
- Stabilization expected on current levels for 2023
- Exceptionally low Sales & Marketing spend due to word-of-mouth marketing
- **Strong increase in G&A due to sales and structure build up as planned**
- **Over proportional investments in R&D (conservative capitalization policy) as planned**

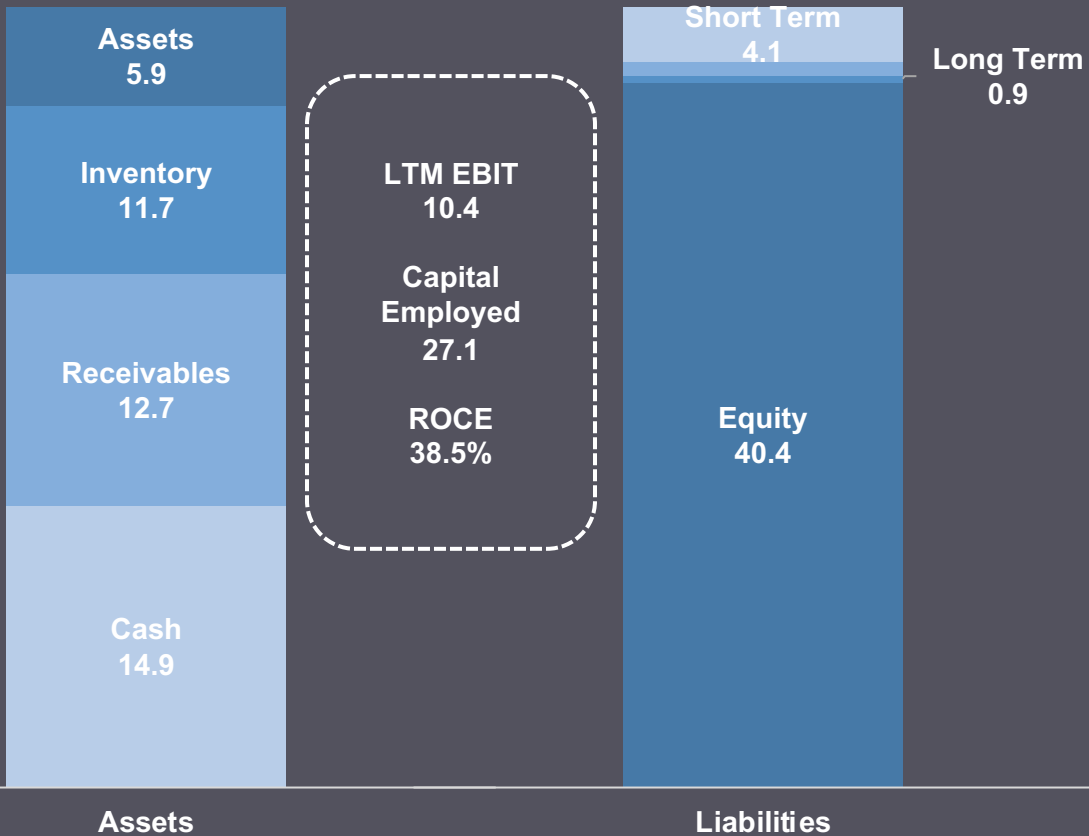
# Cash Flow



- Inventory build up from **3.9 Mio.€** to **11.8 Mio. €**
- Over proportional investments in R&D
- CFF affected by dividend payment in Q3 (**920K€**) and share buy back (**399K€**)
- Positive FX effects mainly from USD

# Balance

31.12.22 in € m



- Strong balance sheet with equity ratio 89%
- Assets dominated by cash and receivables
- Strong returns with ROCE 38.5%

# Guidance



FY 2023

**65m €**

Revenue

**49.5%**

GP Margin

**24%**

EBIT Margin

FY 2025

**+125m €**

Revenue

**~48.5%**

GP Margin

**~30%**

EBIT Margin



Will be updated in H1/2023



# Summary - 2022



- Increased speed of growing every quarter – Plan overachieved
- Investments in future developments done – transformation to manage higher growth rates
- Very solid financial situation - equity ratio of 89 %



- Headcount doubled in the last 12 month – mainly in R&D and Sales
- New online shop live – English and German language
- Sales Team in Nordics & France successfully onboarded & generating pipeline



- Qubino Acquisition successfully completed – Signing and Closing on Jan 3<sup>rd</sup> 2023
- First step of new channel strategy implemented
- Sales is “ahead of the wave” – Q1/23 well prepared



# Forward Looking Goals



- **Planned growth from 47.6 Mio. € (2022) to 125 Mio. € (2025) – Update will follow**
- **Planned EBIT margin of around 30% by 2025**
- **Addressing regions with high potential (France, UK, Nordics and the US)**



- **New Managers onboarded – Solid ground for future growth**
- **Internal HR development program started – Investment in the future**
- **Stronger than ever R&D team - highest flexibility to adapt to supply chain challenges and new trends (Matter)**



- **Open for acquisitions where they make sense - for technical or regional expansion**
- **Fastest growing Smart Home brand**
- **Strong partnerships with multinational “enablers” - Amazon, SmartThings, Google**

# Investor Relations

## Upcoming events



MAR  
14th

Q4 2022  
Trading Update



MAY  
16th

Q1 Trading  
Update



JUNE

General Meeting  
of the  
Shareholders

Update on  
Strategy &  
Revenue  
Guideline



AUG  
17th

H1 Trading  
Update



NOV  
14th

Q3 Trading  
Update



FEB  
29th

Q4 Consolidated  
Financial Report

Investor Relations



[allterco.com/en/for-investors/financial-results](https://allterco.com/en/for-investors/financial-results)



[investors@allterco.com](mailto:investors@allterco.com)



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ALLTERCO

*...ENABLING AN ECO-FRIENDLY CONNECTED WORLD*

# Definitions

Term	Definition
EBIT	Earnings before interest and taxes (EBIT) is an indicator of a company's profitability. EBIT can be calculated as revenue minus expenses excluding tax and interest.
EBITDA	EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.
FCF	Free cash flow (FCF) represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets.
IoT	Objects with computing devices in them that are able to connect to each other and exchange data using the internet
YOY	Year-over-year (YOY)—sometimes referred to as year-on-year—is a frequently used financial comparison for looking at two or more measurable events on an annualized basis.
PY	The previous Financial Year.
Organic Growth	Organic growth is the growth a company achieves by increasing output and enhancing sales internally.

Term	Definition
Inorganic Growth	Inorganic growth arises from mergers or takeovers rather than an increase in the company's own business activity.
CAGR	The compound annual growth rate (CAGR) is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.
Quarterly	A fiscal quarter is a three-month period in which a company reports its financial results.
Opex	An operating expense is an expense a business incurs through its normal business operations.
Capex	Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.
ROCE	Return on capital employed ( ROCE) is a long-term profitability ratio that measures how effectively a company uses its capital.
EBITDA Margin	The EBITDA margin is a measure of a company's operating profit as a percentage of its revenue.

# Appendix - Notice to Reporting

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