



# ALLTERCO

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

**Trading Update Q1**

**May 16th, 2023**

# We Make Smart Home Solutions

The image is a composite graphic. On the left, a photograph of a modern home interior is overlaid with a white network mesh. In the center, a dashed-line box contains the 'Shelly QUBINO' logo and a collection of various smart home devices including a light bulb, a power switch, a temperature sensor, a smart meter, a light bulb, a camera, a smart light switch, and a smart light. On the right, a smartphone displays the Shelly app interface with a 'WELCOME' message and a list of rooms: 'LIVING ROOM', 'BEDROOM', and 'GARDEN'. Each room card shows battery level, humidity, and temperature. To the left of the smartphone, a vertical list of features is shown with corresponding icons: 'Custom schedules' (calendar), 'Smart Timers' (alarm clock), 'Real-time Notifications' (bell), 'Personalized scenes' (sliders), 'Energy monitoring' (lightning bolt), and 'Remote control' (remote).

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

## Highlights

### **Wolfgang Kirsch**

*CO-CEO*

*Strategy & Operations*

## Product

### **Dimitar Dimitrov**

*CO-CEO*

*Research & Development*

## Financial Details & Outlook

### **Wolfgang Kirsch**

*CO-CEO*

*Strategy & Operations*



# Highlights Q1/2023

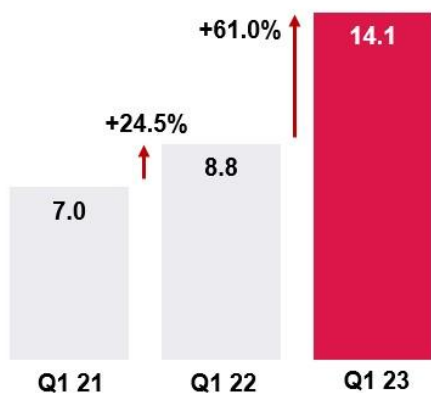
Wolfgang Kirsch



# Financial Highlights Q1/23 (IOT revenue only, in Mio. €)

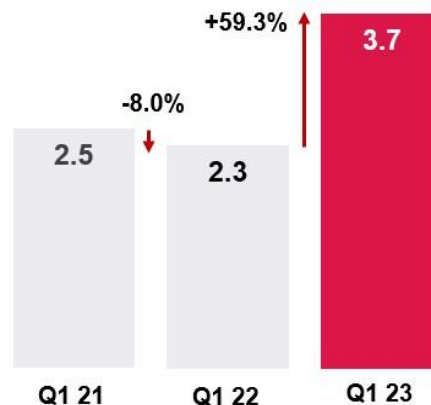


## Revenue



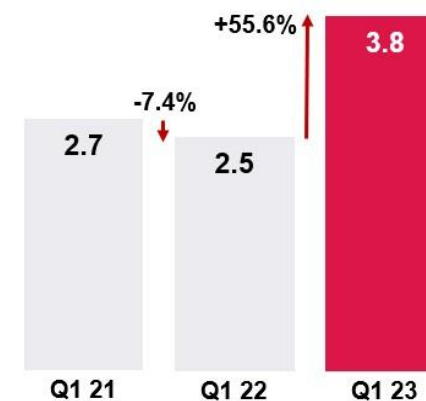
- Growth Rate increased vs. 2022 (61.0% vs. 24.5%)

## EBIT



- Strong EBIT Development
- EBIT Margin: 26.2%
- EBIT 2022 impacted by onboarding of new people

## EBITDA



- EBITDA Development in line with EBIT Development
- EBITDA Margin: 27.2%

# Key Highlights Q1/2023



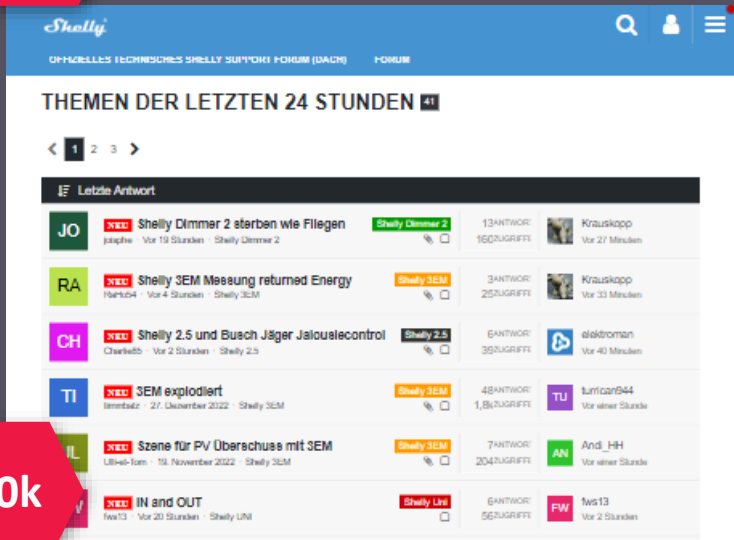
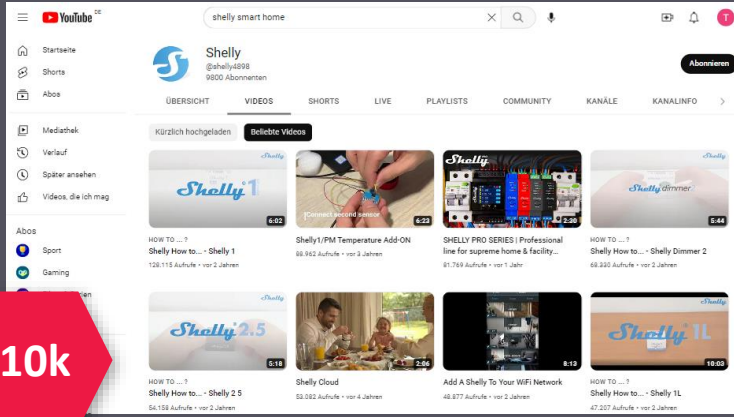
- Revenue Growth: 61.0%
- EBIT-Margin: 26.2%
- EBITDA-Margin: 27.2%
- Increased Capital Market Activity
- Acquisition of GOAP closed and signed
- Successful Consumer Electronics Show Las Vegas

# Key Highlights Q1/2023



- New web shop launched
  - English, German, French & US versions
- First contracts with new distribution channels
  - Rexel - Finland
  - Lemvigh-Müller - Denmark
  - 7 regional wholesalers - Germany
- +2000 Installers trained
- Technical School Programm started in Germany & Nordics
- Amazon Direct Vendor Business
  - Germany since H2/22
  - Rollout outside of Germany started

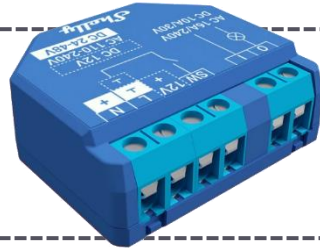
# Large & Growing Community



- +10 social channels / +150k followers
- +1.5m social post reach
- Independent Shelly support groups with +100k members
- + 2000 user generated videos

# Leading Smart Home Platform

**+8.8m\*\***  
Devices sold



**+3.1m**  
LTM

**+1.5m\*\***  
Social reach



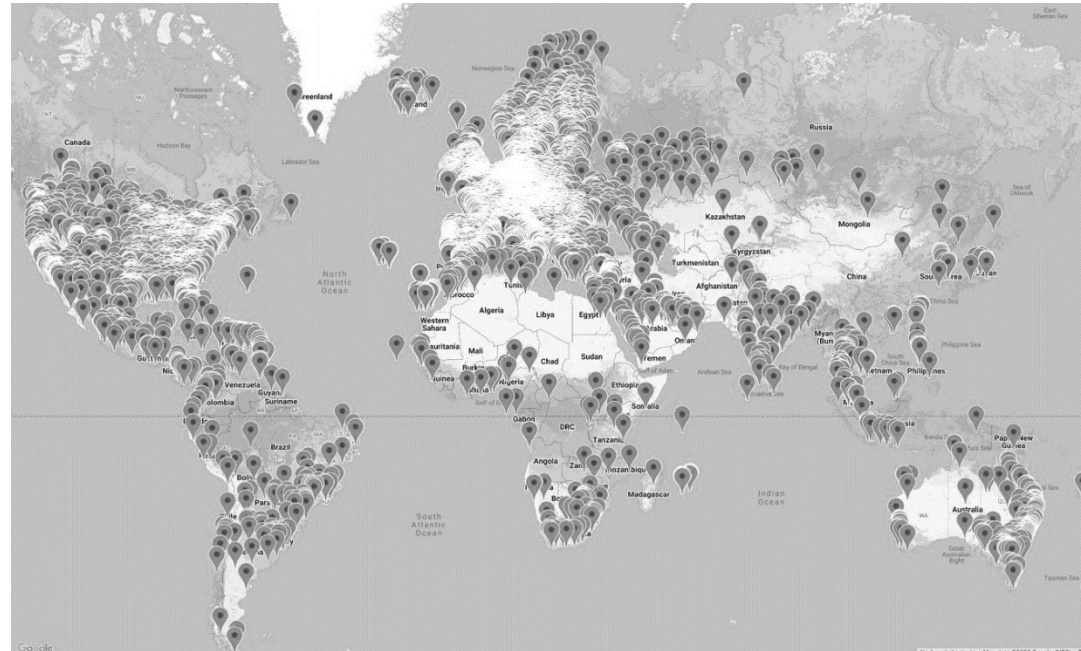
**+60\***  
NPS

**+857k\*\***  
Cloud users



New every  
**6.5 sec.**

**+100 countries**



\*Consumer Electronics 2022: Ø 52

\*\*31.03.2023

# Product

Dimitar Dimitrov



*Shelly*

# Shelly BLU Button1 is here!

Enjoy lightning-fast actions control



shelly.cloud



**Introducing  
Shelly Smart Control**  
One app to manage everything!

*Shelly*

# Control your house and bills



**Shelly** BETA

BETA version 3.0.1040

All Rooms | All Groups | All Scenes | All Devices | Alarms

**Weather:** 6.13°C, Humidity 42%, Wind 3.04m/s 310°, Cloudy, Dragalevtal

**Rooms:** Livingroom (23.5°C), Kitchen (23.9°C), Bedroom (20°C), Kids (22.9°C), Playground, Cabinet (21.3°C), Fitness, office, HOME, POOL, SAUNA

**Devices stats:** 2.55 kW

**Current Consumption:** 3.55 kW

**Consumption By Appliance Type:** 3.31 kW

**Rooms current consumption:** Kitchen (8.79 W), Garden (20.51 W)

**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 Consumption (Last 24 hours):**

- WC Light: 68.12 wh
- ROBW2 Stairs: 31.24 wh
- WC panno: 3.67 wh
- Small radiator: 0.33 wh
- Small curtain: 0.26 wh
- Long curtain: 0.1 wh
- Router level 1: 68.2 wh
- Kitchen appliances: 66.17 wh
- Coffee machine Plug S: 4.17 wh
- Toster: 0.07 wh
- Bedroom sockets: 42.51 wh
- Dresroom light: 14.1 wh
- Parno koridor level 2: 12 wh
- Kids panno: 2.69 wh
- Parno bathroom: 2.21 wh
- Curtain: 0.13 wh

# Why *Shelly* wins

## Hardware



=

**+8.8m sold devices**

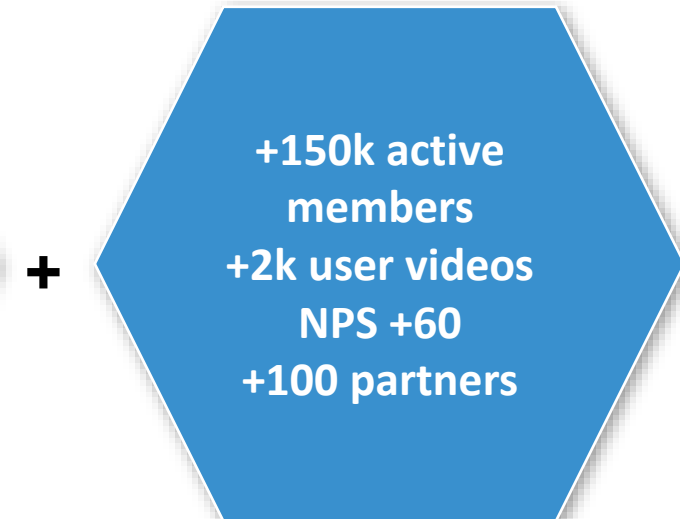
## Software



=

**Every 6.5s new device installed**

## Community

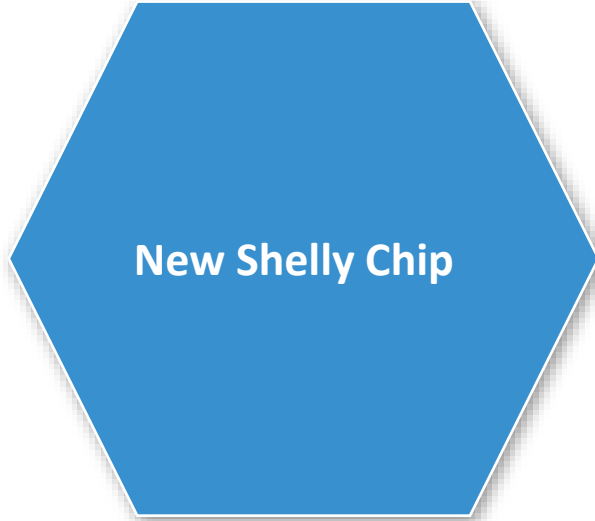


=

**+1.8m households**

# Why *Shelly* wins - outlook

## Hardware



=

**more power  
& functions**

+

## Software



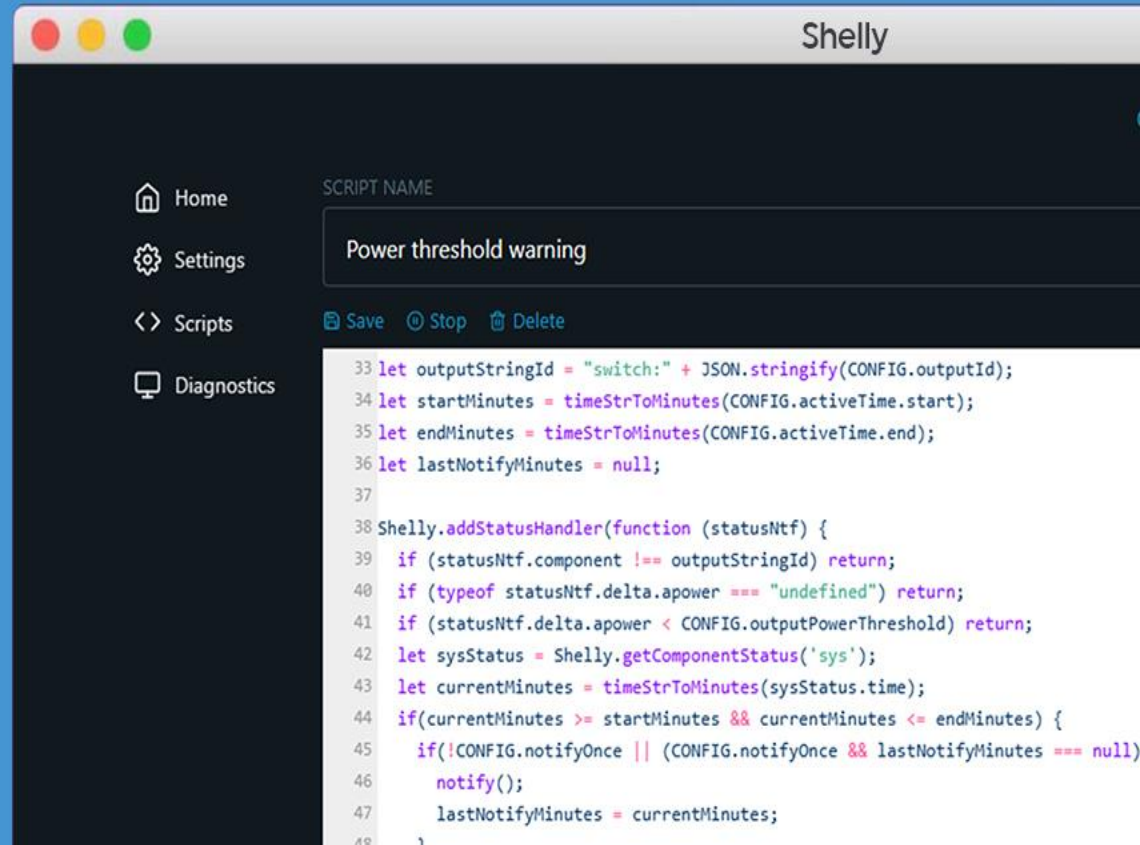
=

**More flexibility  
& future readiness**

# Shelly Academy

## SHELLY SCRIPTING BASICS COURSE

Harness our Most Powerful Feature for  
Limitless Smart Home Possibilities!



The screenshot shows the Shelly web interface with a sidebar on the left containing navigation links: Home, Settings, Scripts, and Diagnostics. The main area displays a script editor for a script named "Power threshold warning". The script code is as follows:

```
33 let outputStringId = "switch:" + JSON.stringify(CONFIG.outputId);
34 let startMinutes = timeStrToMinutes(CONFIG.activeTime.start);
35 let endMinutes = timeStrToMinutes(CONFIG.activeTime.end);
36 let lastNotifyMinutes = null;
37
38 Shelly.addStatusHandler(function (statusNtf) {
39   if (statusNtf.component !== outputStringId) return;
40   if (typeof statusNtf.delta.apower === "undefined") return;
41   if (statusNtf.delta.apower < CONFIG.outputPowerThreshold) return;
42   let sysStatus = Shelly.getComponentStatus('sys');
43   let currentMinutes = timeStrToMinutes(sysStatus.time);
44   if(currentMinutes >= startMinutes && currentMinutes <= endMinutes) {
45     if(!CONFIG.notifyOnce || (CONFIG.notifyOnce && lastNotifyMinutes === null))
46       notify();
47     lastNotifyMinutes = currentMinutes;
48   }
49 }
```

# Product Outlook 2023



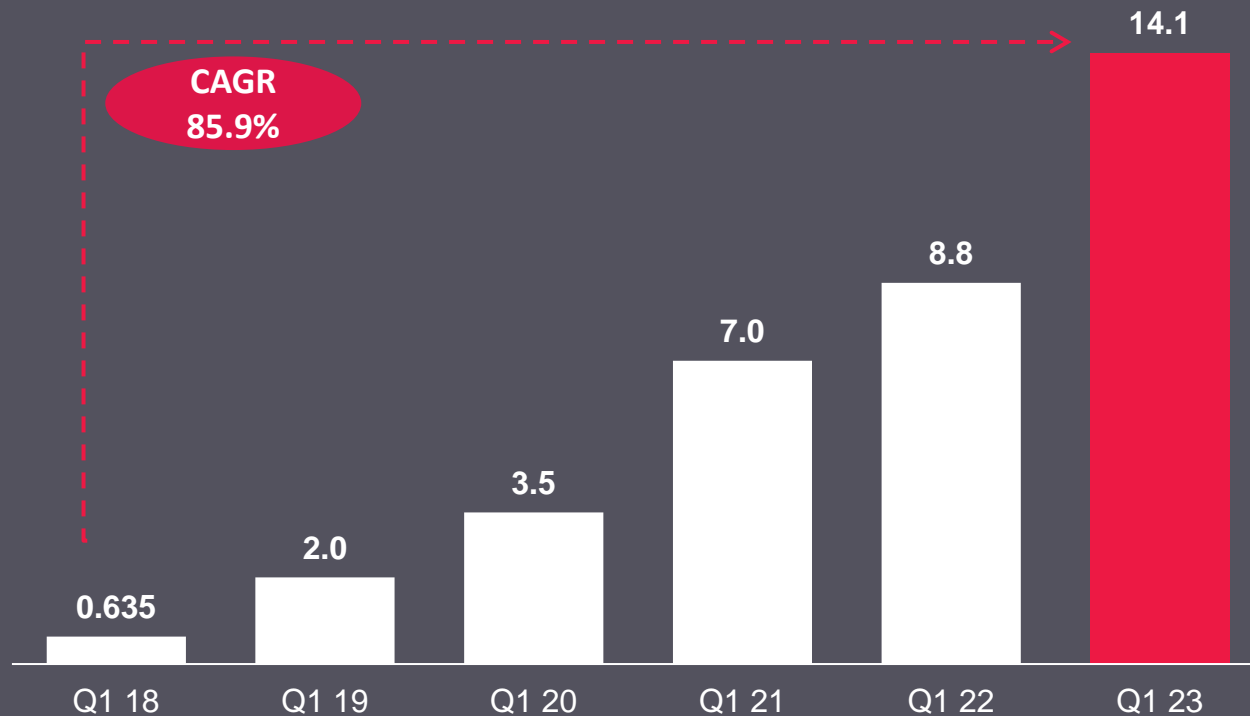
- Launch of up to 10 new Shelly products in July
  - WIFI
  - Bluetooth
  - Z-Wave
- Launch of up to 10 more products in September
- First Alexa special products in Q4/23
- New operating system
  - Shelly OS
- Gen3 Products
  - with new Chip & Operating System Q4/23

# Financial Update & Strategy

Wolfgang Kirsch



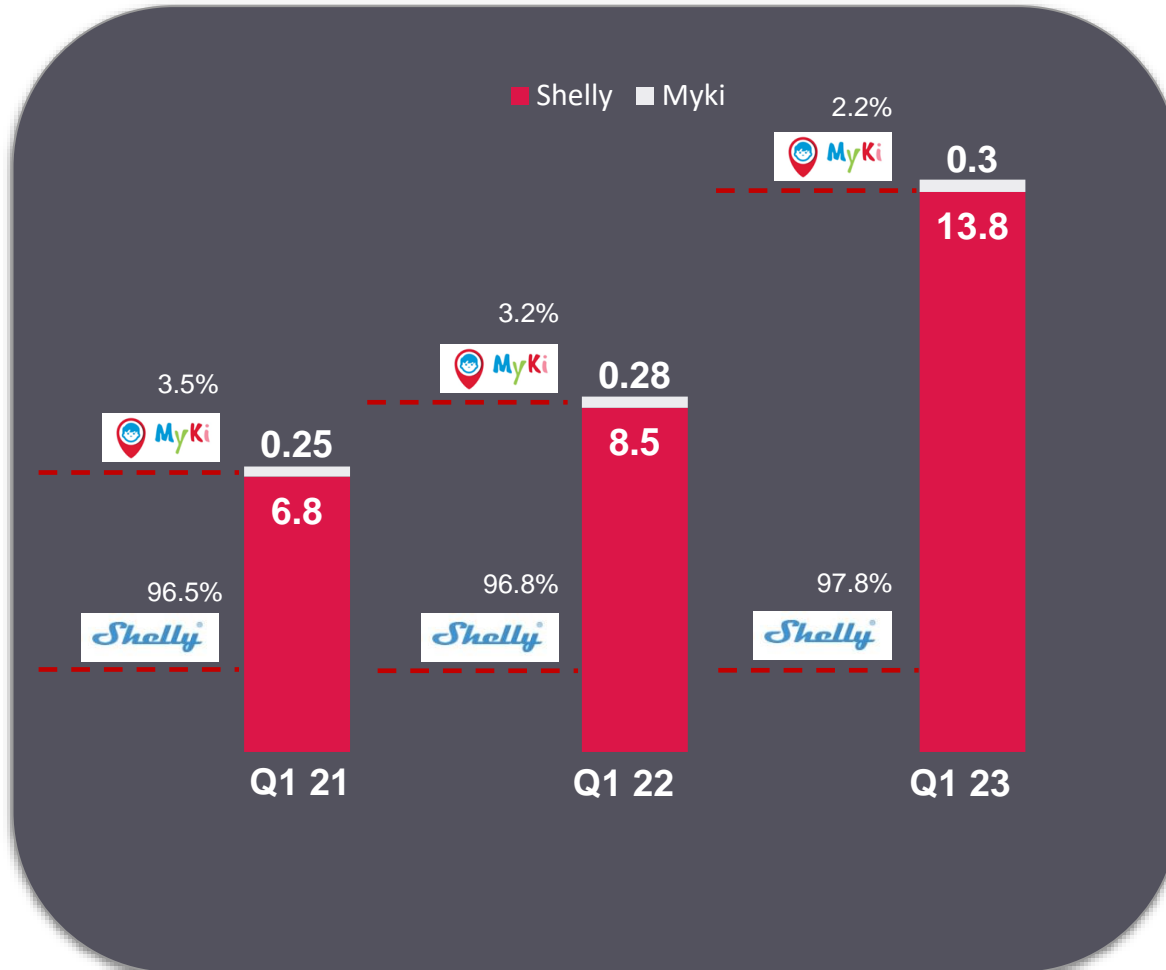
# Revenue Q1/2023



- CAGR of 85.9% for the period 2018 – 2023 (Q1)
- Strong Top line Performance with 61% growth in Q1/2023
- Revenue in Q1/2023 realised without aggressive promotions

# Revenue Breakdown by Brand

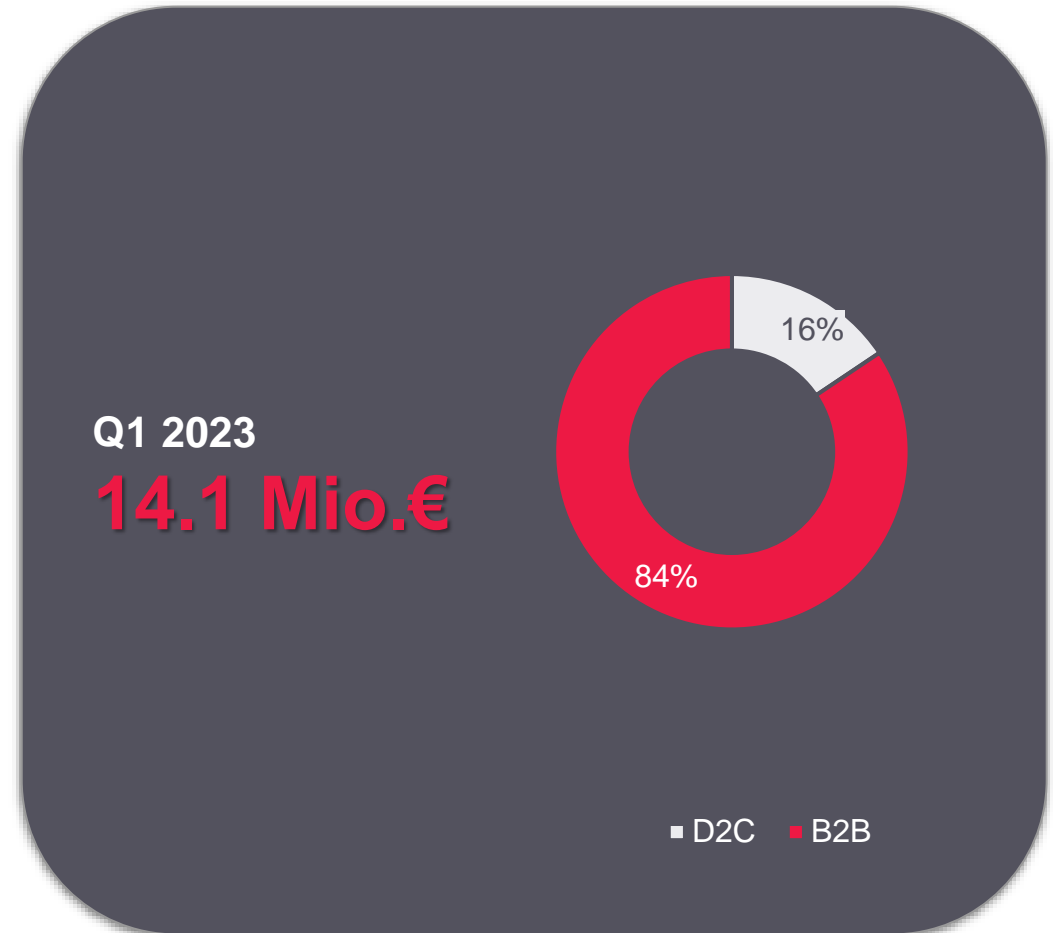
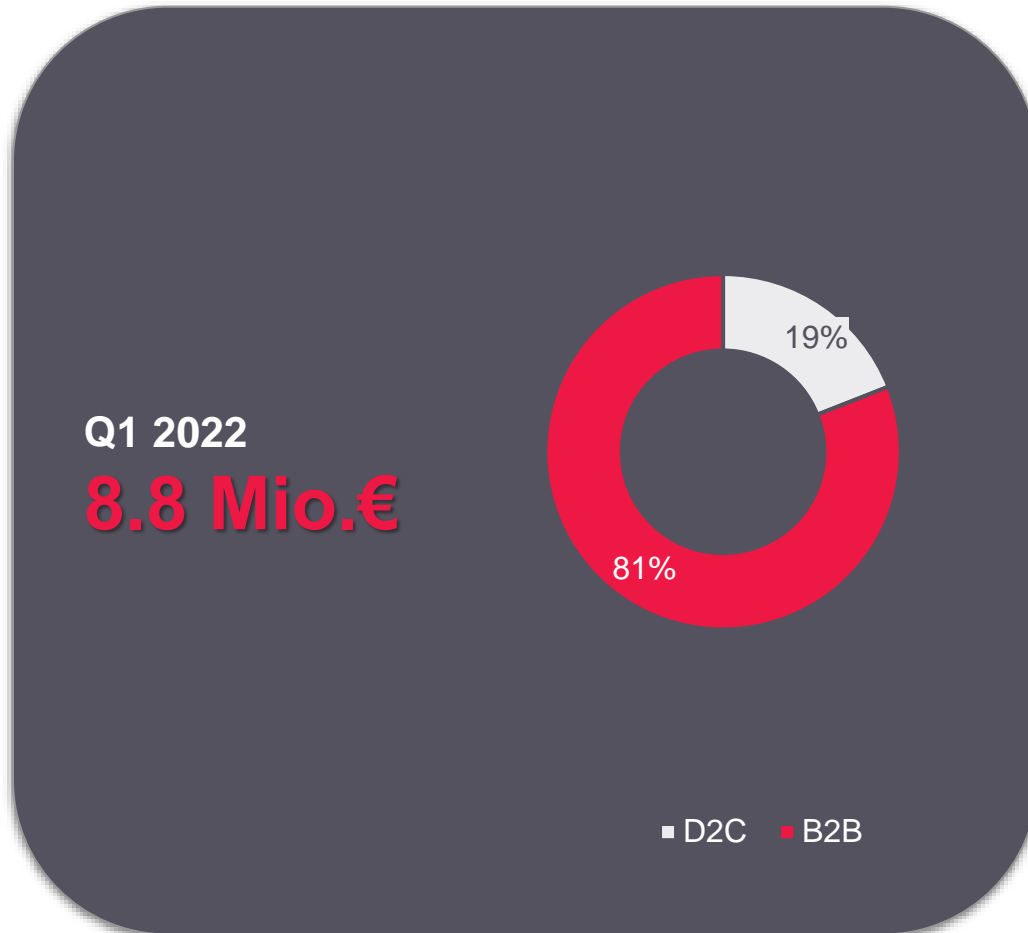
Based on 3M/23 – in Mio.€



- Total product revenue +61%
- Shelly revenue +63%
- Myki revenue +9%
- Clear focus on Shelly as the dominant brand

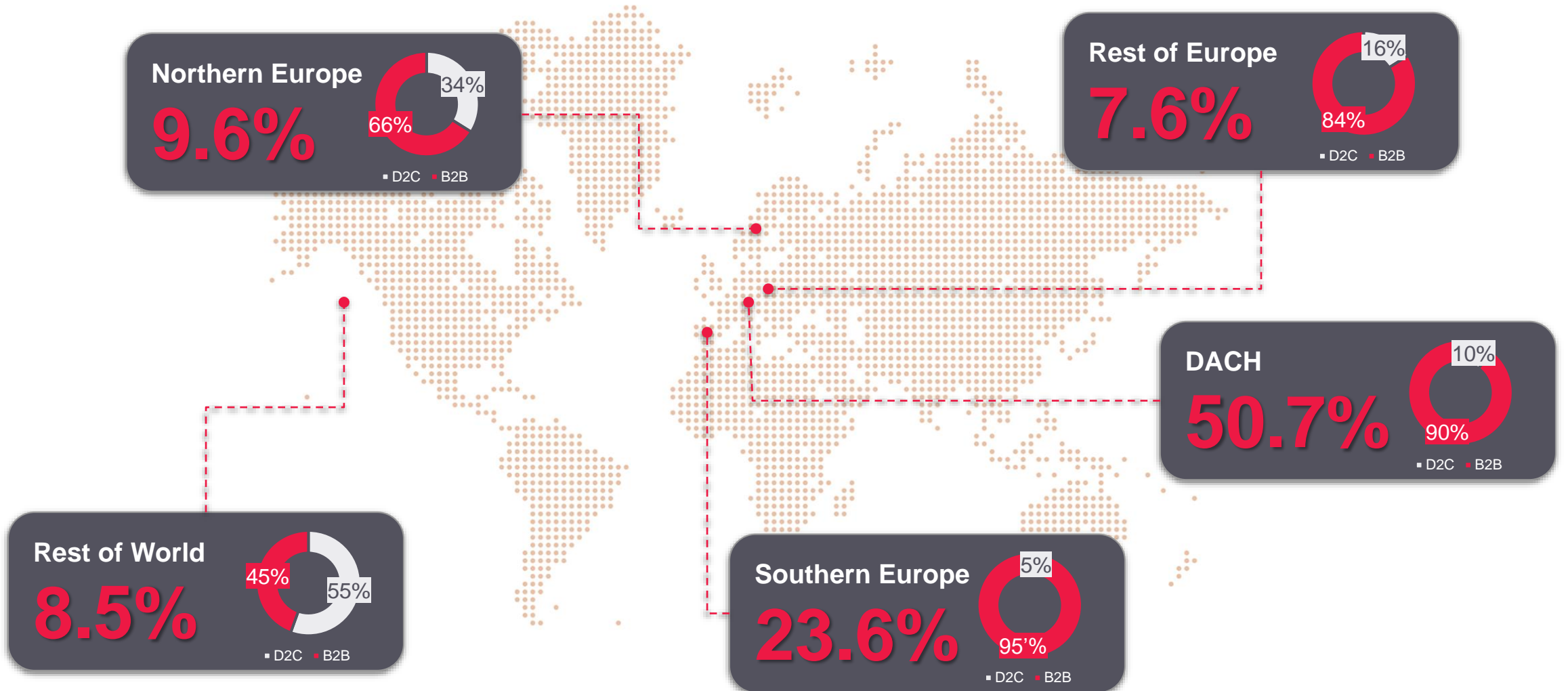
# Revenue Breakdown Channel (B2B vs D2C)

Based on 3M/23 – IOT revenue



# Revenue Breakdown by Region

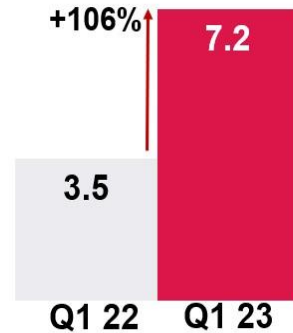
Based on 3M/23



# DACH, North- & South Europe ( in Mio. € )

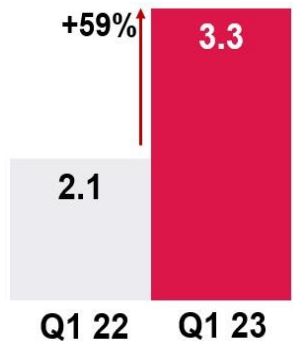


DACH



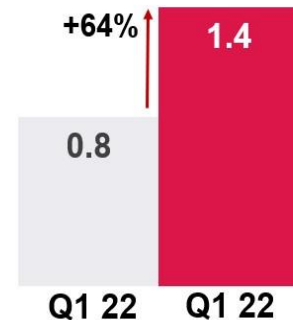
- Strongest region with overproportional development
- Local structure enables stronger 2023 growth rate

Southern Europe



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

Northern Europe



- First effect from local sales structure
- Further acceleration for 2023 expected

# Rest of Europe & Rest of the World ( in Mio. € )

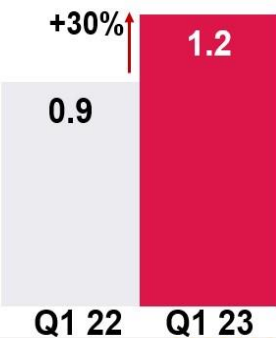


## Rest of Europe



- Negative development in non focus countries
- “Cleaning Up” – Effect
- Measures taken to change the trend

## Rest of World



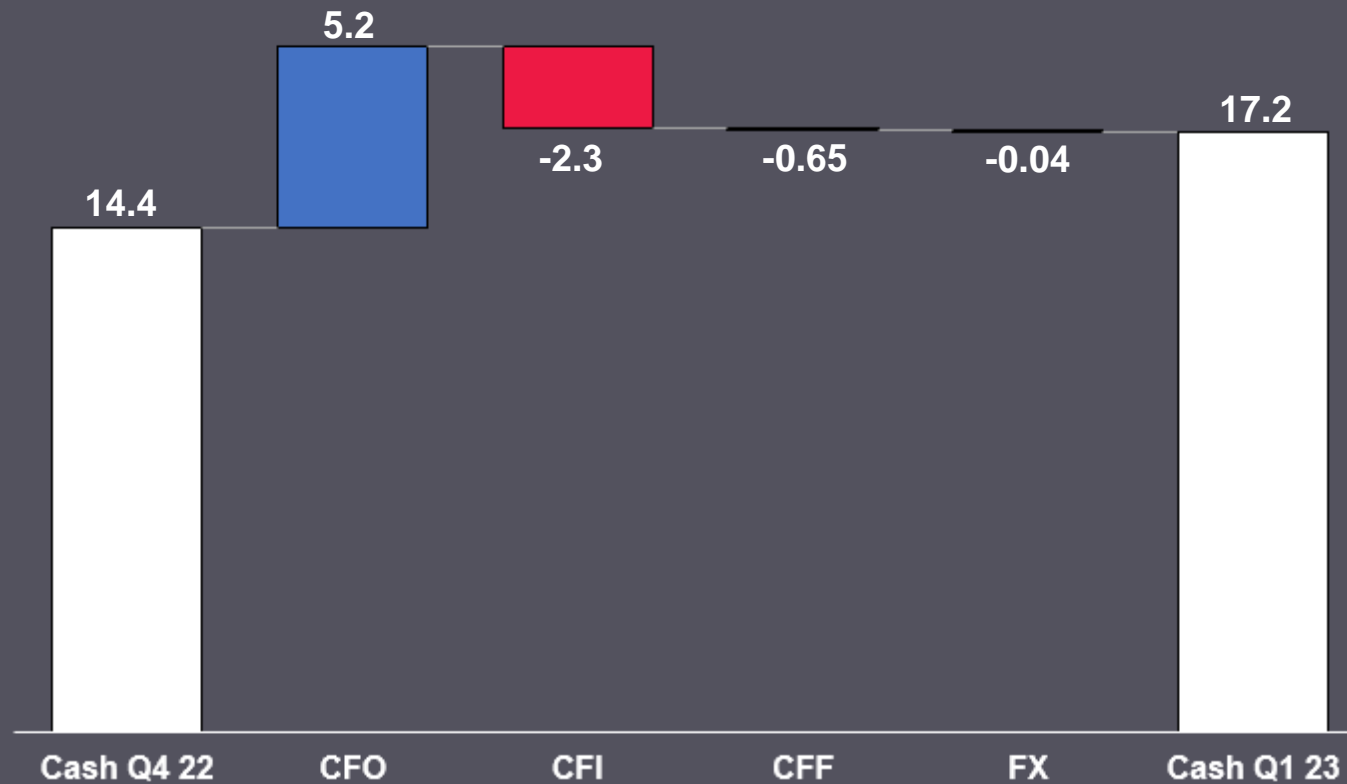
- Solid development
- High potential for future growth

# Profit & Loss ( in K )

Period	Q1 2021	Q1 2022	Δ	Q1 2023	Δ
<b>Revenue</b>	7.653	8.769	+15%	14.116	+61%
<b>Gross Profit</b>	3.650	4.738	+30%	7.653	+62%
<i>Gross Margin</i>	47.7%	54.0%		54.2%	
<b>Sales &amp; Marketing</b>	-297	-375	+26%	-375	0%
<i>% of Revenue</i>	-3.9%	-4.3%		-2.7%	
<b>G&amp;A</b>	-946	-2.044	+116%	-3.584	+75%
<i>% of Revenue</i>	-12.4%	-23.3%		-25.4%	
<b>EBIT</b>	2.204	2.319	+5%	3.694	+59%
<i>EBIT Margin</i>	28.8%	26.4%		26.2%	
<b>Net Income</b>	2.070	1.999	-3%	3.028	+51%
<i>Net Income Margin</i>	27.0%	22.8%		21.5%	

- COGS impacted by currency rate and optimised supply chain
- Margin above Budget
  - COGS & Promotion Effect
- 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 ( in Mio. € )



- Inventory reduced from **11.8 Mio.€** to **10.7 Mio. €**
- Less prepayments to factories
- CFI mainly affected the GOAP acquisition in January 2023
- Small negative FX effects mainly from USD





# Guidance, Market & Sources for Growth



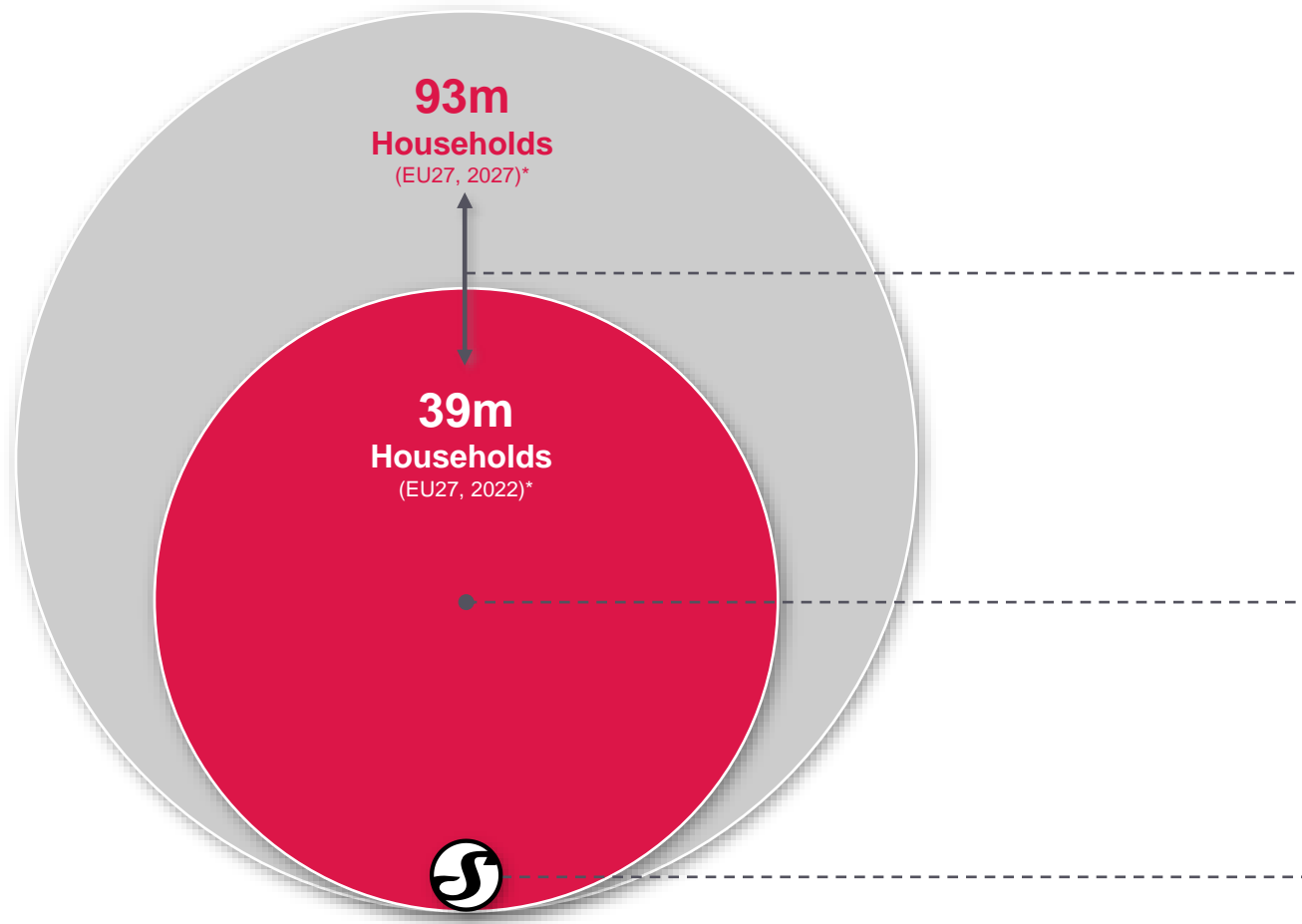
# Guidance 2023 - 2026



## Guidance in €

Targets	2022 Baseline	2023	2026
 Revenue CAGR >43.2%	47.6M	72M	>200M
 YoY Growth	56.6%	51.0%	>320% vs. 2022
 EBIT CAGR >48.1%	10.4M	>17.0M	>50M
 EBIT Margin	22%	>23%	>25%

# Framing the Opportunity: Households



**CAGR ~ 20%**  
Market growth until 2027

**~ 4%**

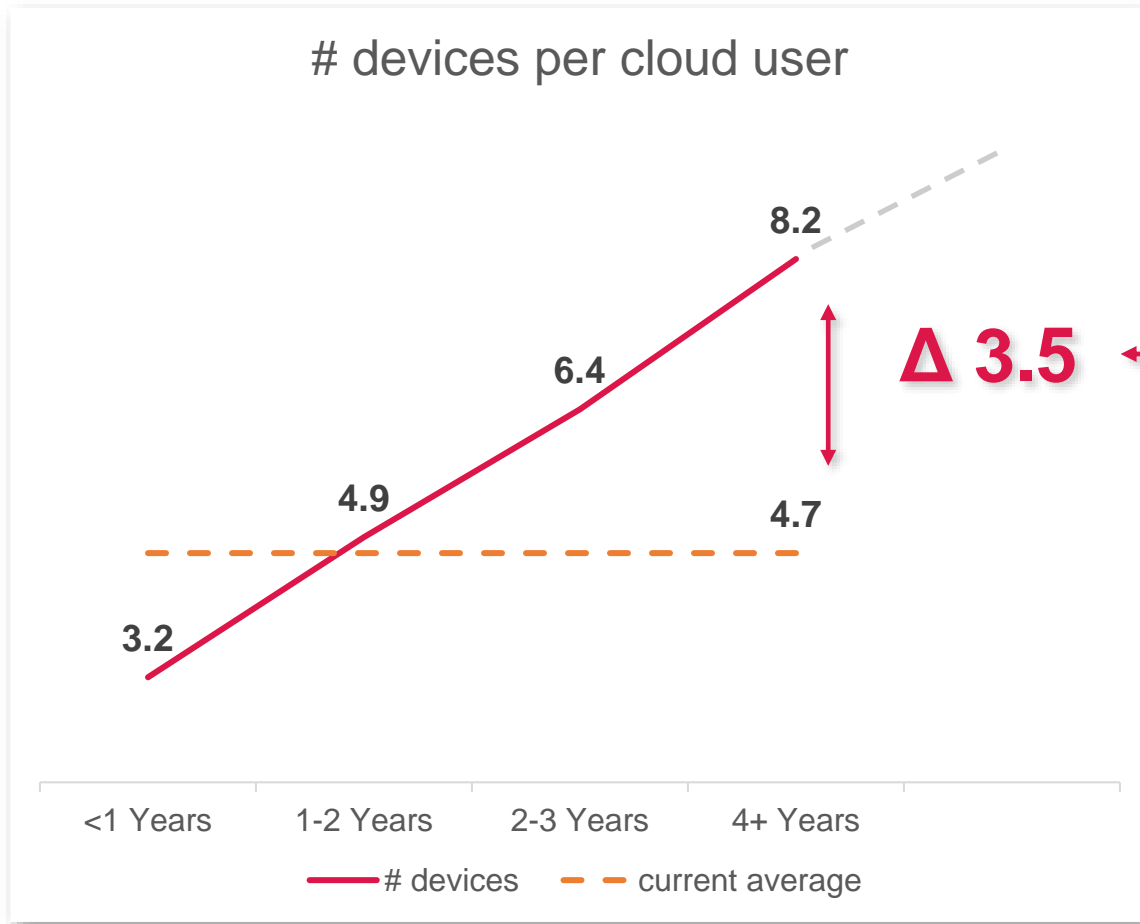
Market share

**1.5m\***  
FY22 Households

\*estimate

\*Source: Statista

# Household Potential



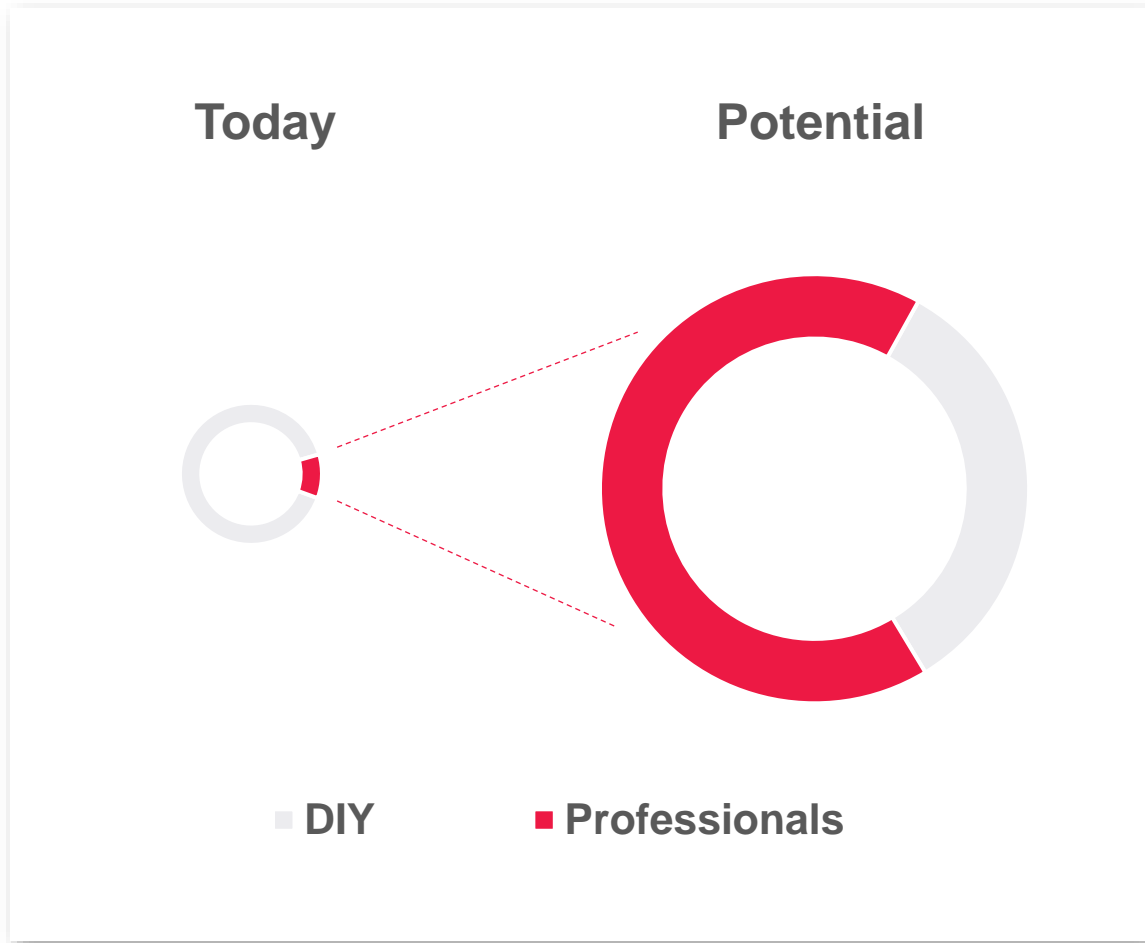
- Potential of 3.5 devices per cloud user to current average

**x 1.5m hh\* x 15€ ~ 80m €  
→ Revenue Potential**

- Data supports further increase of devices per household
- Top 50k clients have average of 23.5 products

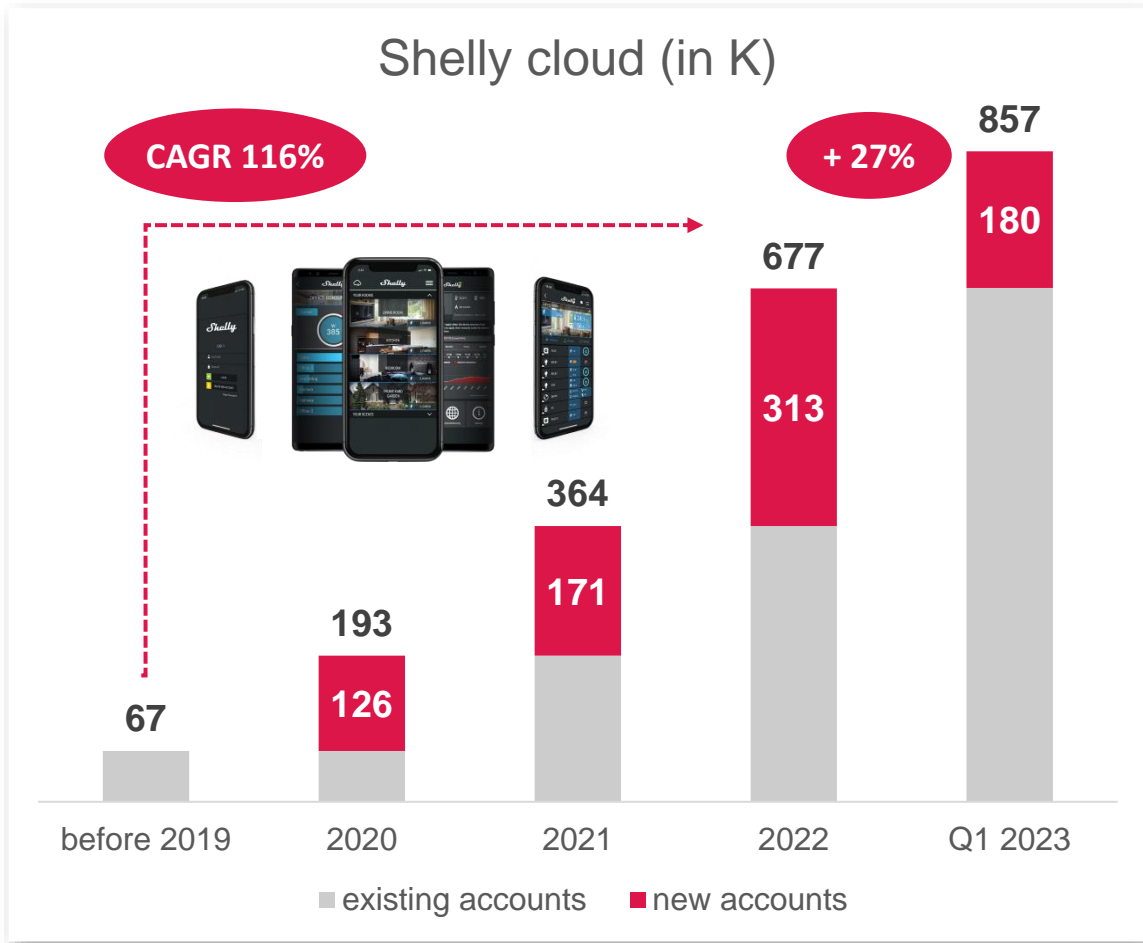
\*estimate

# B2B-Professional Potential



- Professional B2B Market substantially bigger than DIY
- Negotiations with largest distributors underway
- Cooperation with several professional schools initiated

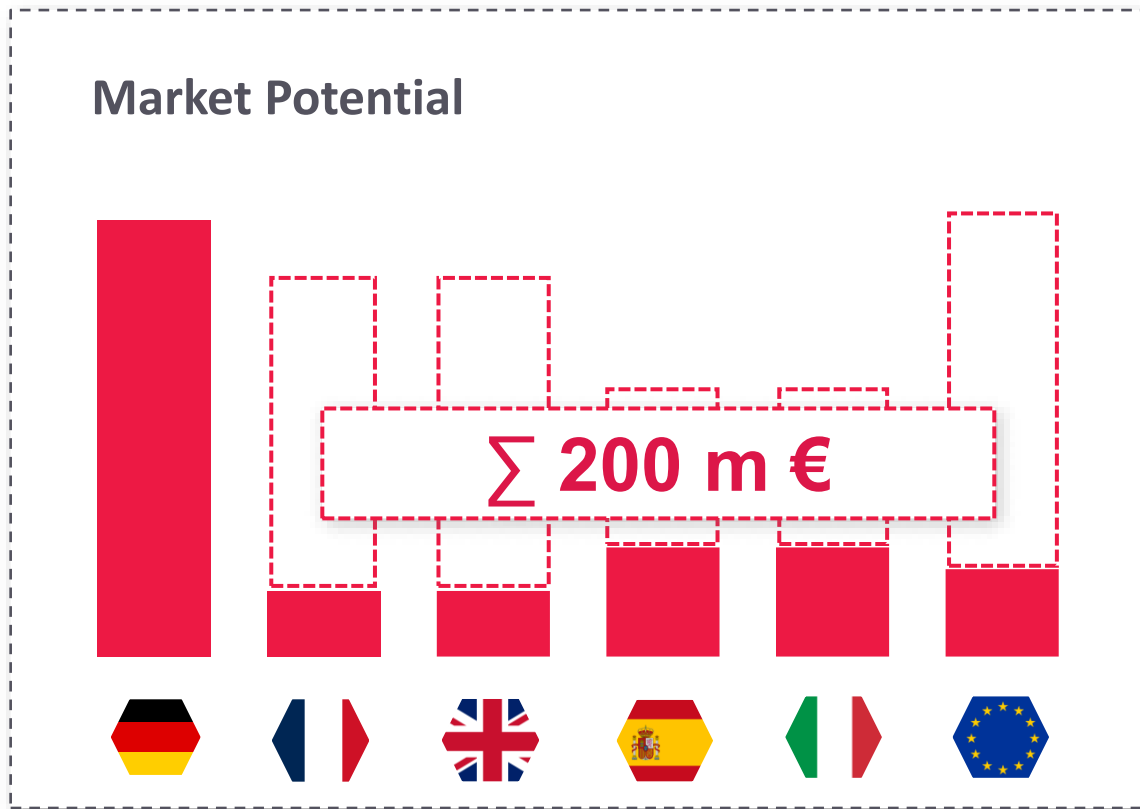
# Cloud Potential



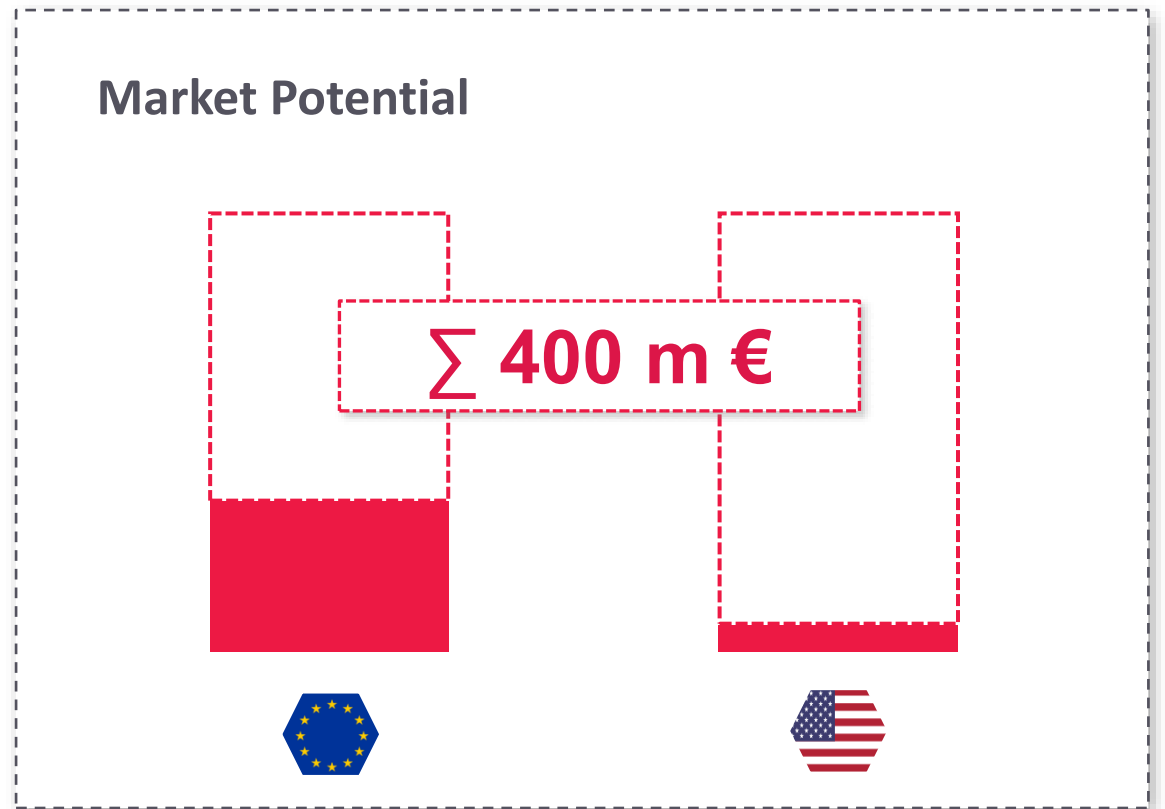
- 180K new cloud users in only 3 months
- Fast growing cloud user base
- Accelerating in Q1/23
- 40% of all products sold registered in cloud
- New app launch with freemium model in Q2/23

# Geographic Potential

## Catching Up in Europe



## Entering the US



# Summary – Q1/2023



- **Continuing strong and profitable growth**
- **Investments in future developments done – transformation to manage higher growth rates**
- **Very solid financial situation - equity ratio of 87.4 %**



- **Headcount doubled in the last 12 month – mainly in R&D and Sales**
- **New online shop live – English, German and French language**
- **New Sales Teams in Nordics, France & UK 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” – Q2/23 well prepared**

# Forward Looking Goals - 2023



- **Planned growth from 47.6 Mio. € (2022) to 72 Mio. € (2023)**
- **Planned EBIT of +17 Mio. € (2023)**
- **Addressing regions with high potential (France, UK, Nordics, Italy, Iberia)**



- **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)**
- **New Shelly Chip & Operating System - as basis for further product advantages**



- **Widening the product range – to cover more customer needs**
- **Shelly Premium App - higher customer satisfaction and new source of income**
- **Strong partnerships with multinational “enablers” - Amazon, SmartThings, Google**

# Forward Looking Goals – 2024ff



- **Growing to +200 Mio. € (2026)**
- **EBIT target of +50 Mio. € (2026)**
- **Addressing more regions with local sales teams (Poland, Turkey, .....)**



- **Build strong structures to enable faster growth**
- **Stay technically ahead of competition – Benefit from new Shelly Chip & Operating System**
- **Move from a hardware and software brand towards a platform for IOT devices**



- **Open for acquisitions, where they make sense - for technical or regional expansion**
- **Fastest growing Smart Home brand**
- **Partnerships for Platform Business – countless Consumer Electronics Bands**

# Investor Relations

## Upcoming events



Investor Relations



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



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



103 Cherni Vrah Blvd, Bulgaria, Sofia 1407

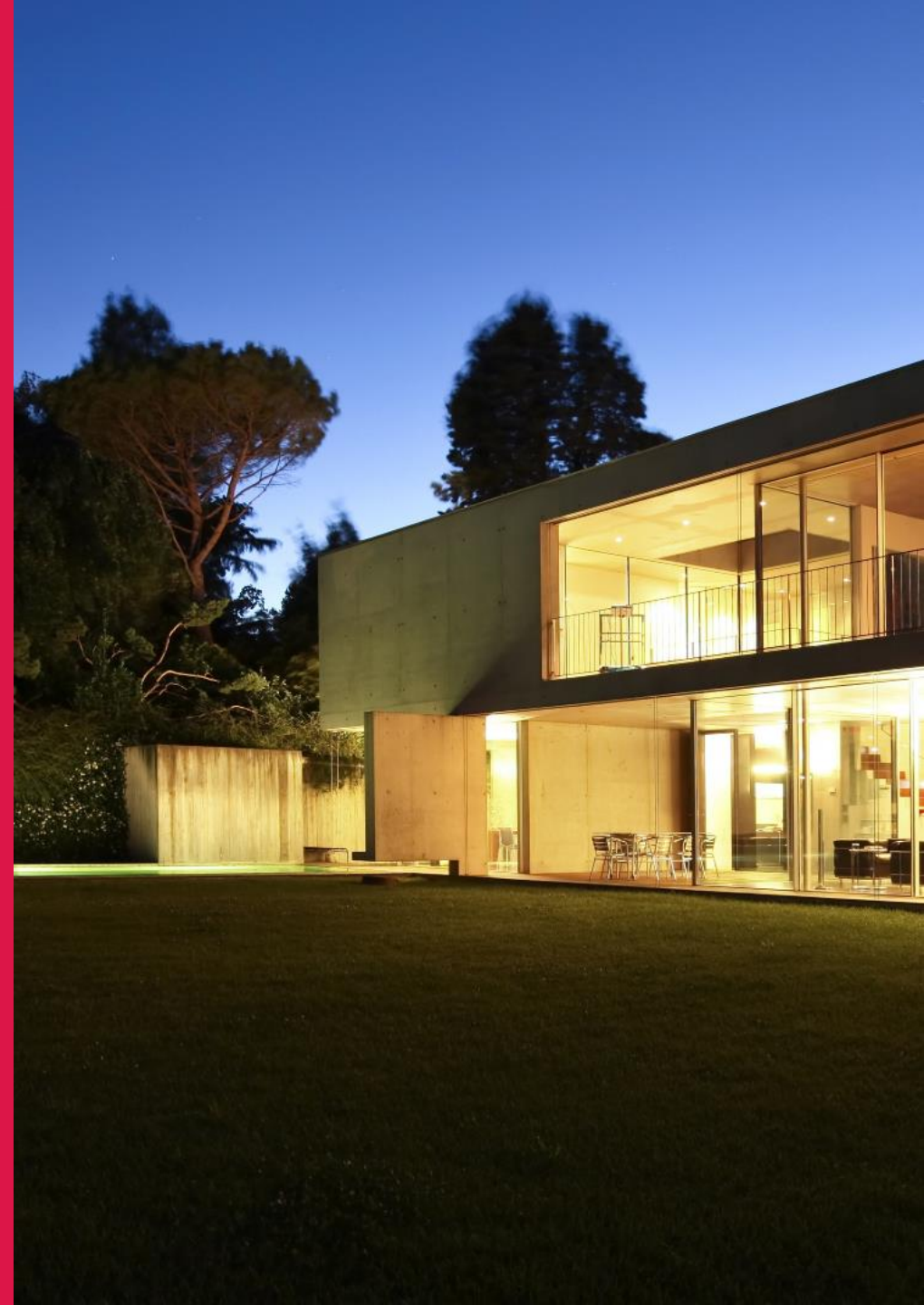
# Scan to subscribe to the newsletter

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# Appendix



# 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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