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Trading Update 2023

February 27th, 2024

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● **Highlights**

Wolfgang Kirsch

CO-CEO
Strategy & Operations

● **Product**

Dimitar Dimitrov

CO-CEO
Research & Development

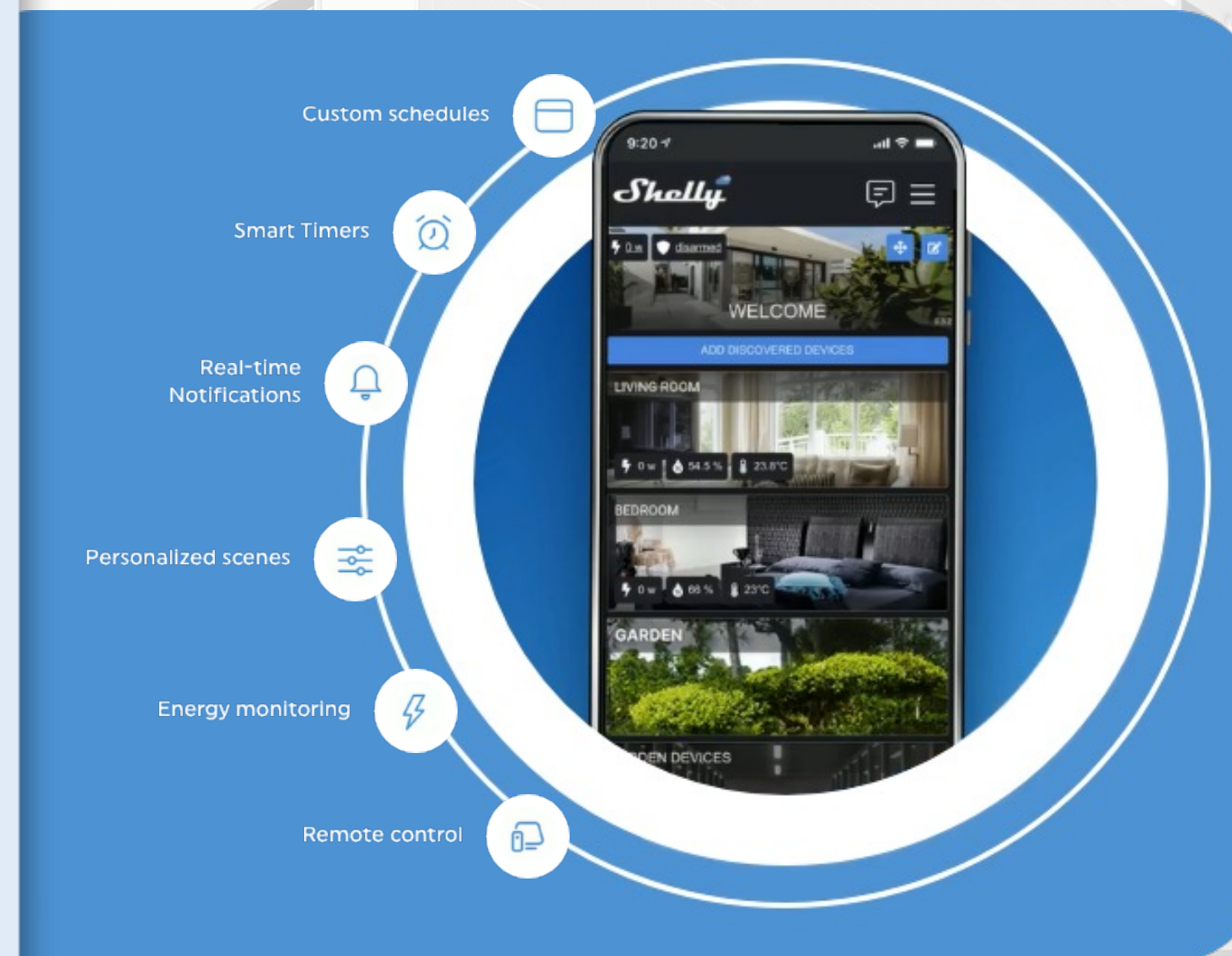
● **Financial
Details &
Outlook**

Wolfgang Kirsch

CO-CEO
Strategy & Operations



We make Smart Building Solutions



...enabling an eco-friendly connected world

Leading Smart Building Platform

13 M**
Devices sold



+5.0 M
Last 12 months

>100
Countries

3.0 M**
Households

+900 K
Last 12 months



1.250 K**
Cloud users



+573 K
Last 12 months

**since 2018

Highlights 2023

Wolfgang Kirsch



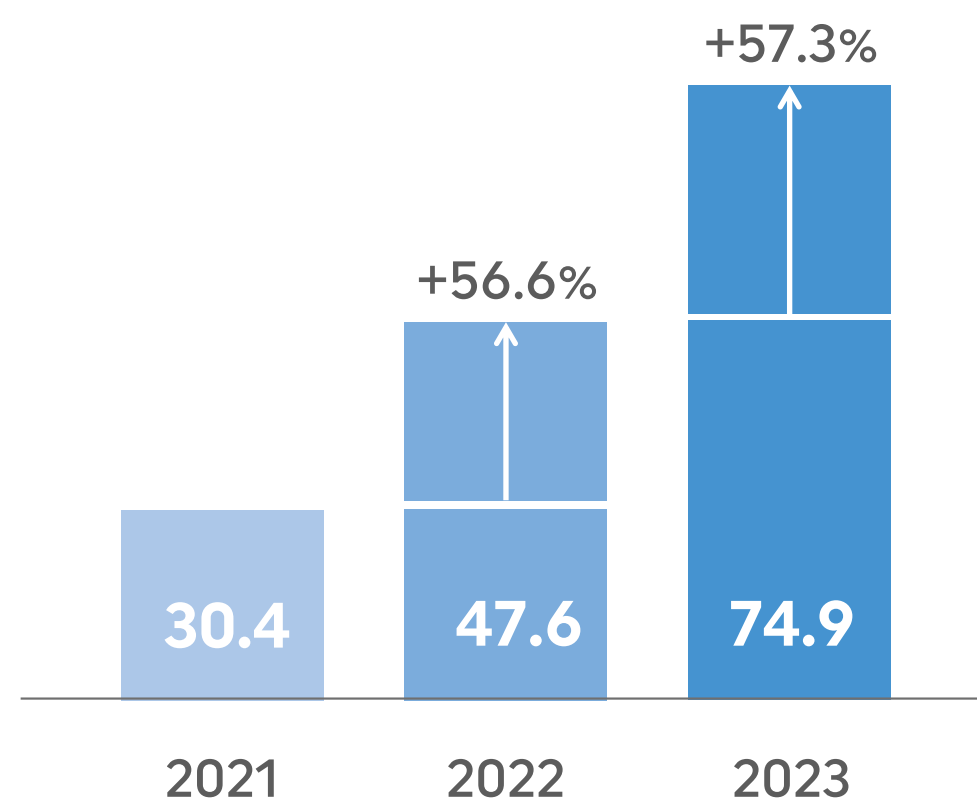
Key Highlights 2023

- **All KPIs and guidance met**
- **Revenue growth in all relevant markets**
- **Successfull enlargement of distribution channels**
- **Significant growth of adressable customer ownership**
- **Strategic widening of product portfolio**
- **Perfect product line-up for further growth**

Financial Highlights 2023

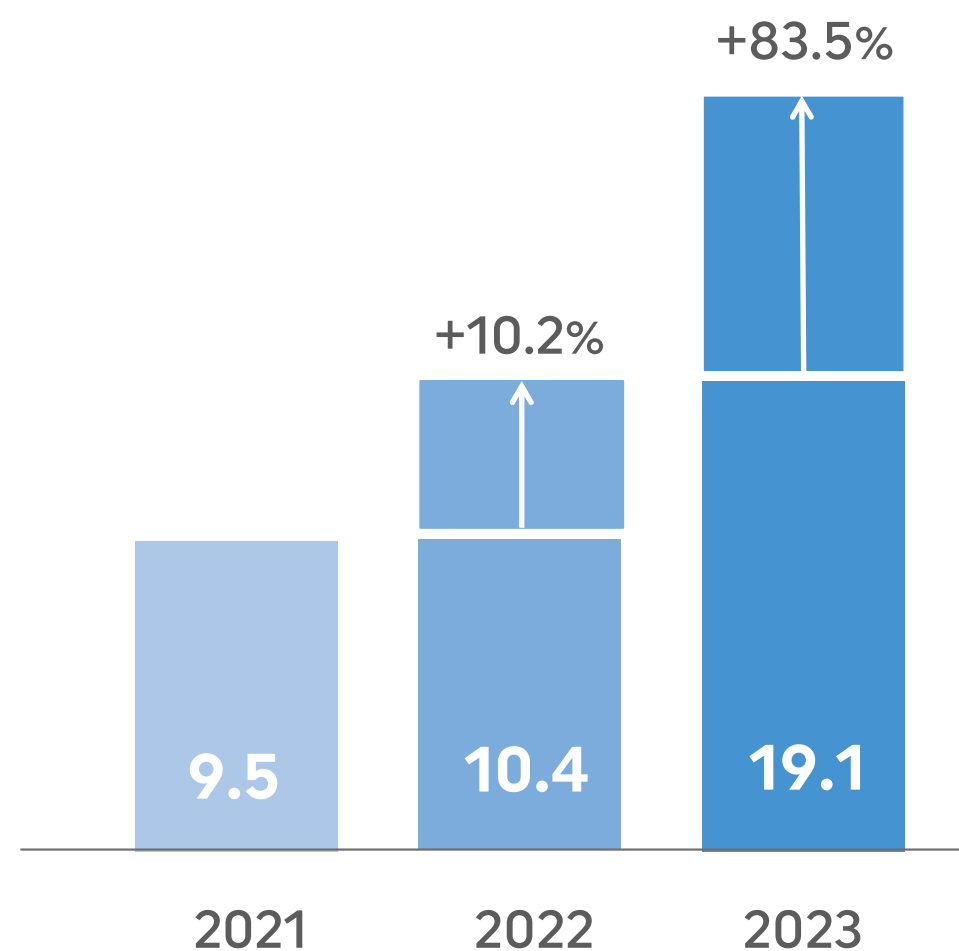
(in million EUR)

Revenue



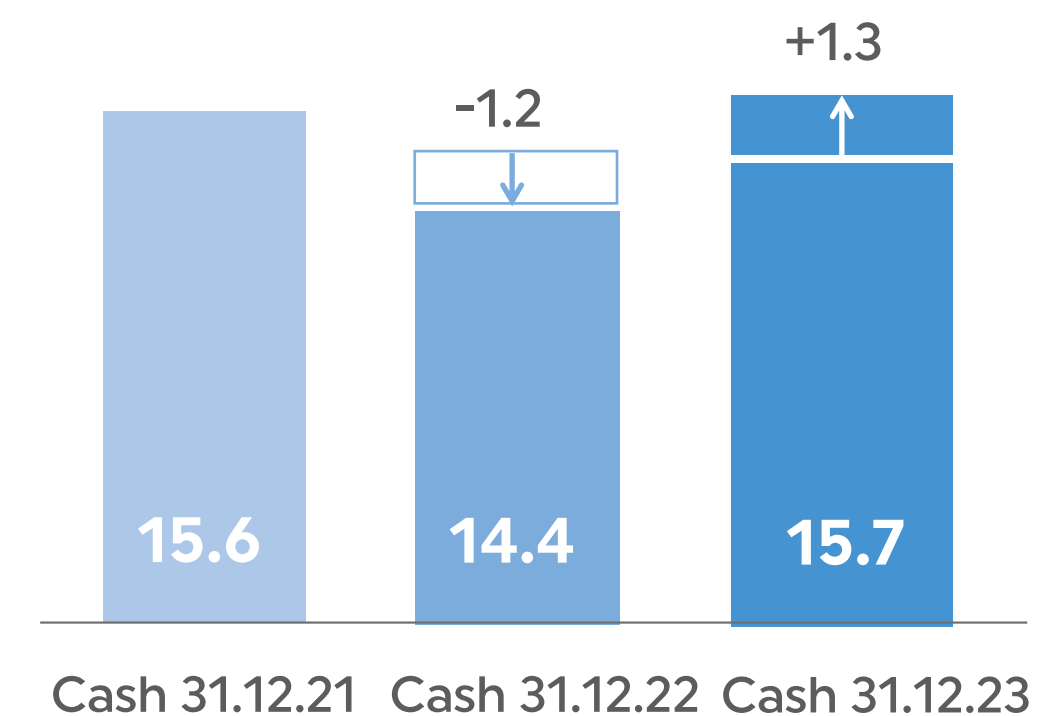
Growth Rate in 2023 on similar level as in 2022

EBIT



EBIT Margin increased from 21.9% to **25.5%**
EBIT growing faster than revenue

Cash



Growth fully financed from operations
1.3 Mio. cash increase despite higher WC, acquisition & dividend payment

Capital Market Highlights 2023



Capital market conferences

- Hamburger Investoren Tage Frühjahr
- Münchner Kapitalmarkt Konferenz
- Hamburger Investoren Tage Herbst
- Rüttnauer Research Konferenz
- Baader Investment Konferenz
- Micro Cap Club Conference Chicago
- Eigenkapitalforum Frankfurt

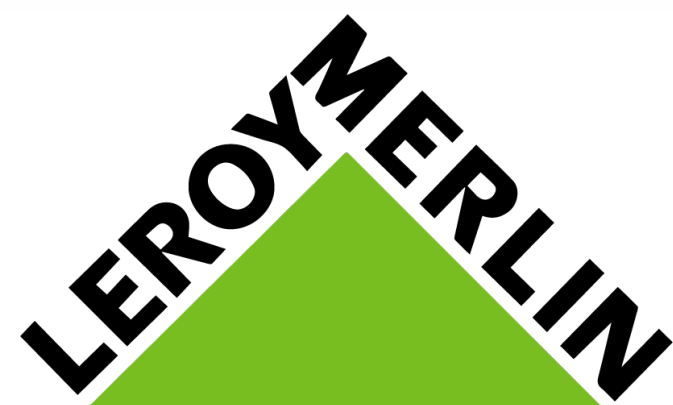
5 Roadshows:

- Cologne
- Frankfurt
- Hamburg
- Warsaw
- Gothenburg





ManoMano



Growing do-it-yourself distribution platform

- Amazon Direct Vendor Business
 - Germany since H2/22
 - Rollout to France, Italy, Spain & BeNeLux in 2023
 - USA and Australia planned for 2024
- Important steps from online to physical retail
 - Hornbach, Germany and Austria
 - Euronics, Italy
 - Leroy Merlin, Spain
 - Kjell & Company and Elbutik, Sweden
 - Verkkokauppa Mega Stores, Finland

....and many others in the pipeline for 2024

Growing professional distribution platform



- First contracts with new electric wholesalers (Pro-Market) in DACH and Nordics
- +4000 trained installers
- Technical School Program started in Germany & Nordics - +90 schools onboarded

Large & Growing Community

Reach in social media and community more than doubled

+12k

+6k

+9k

+150k

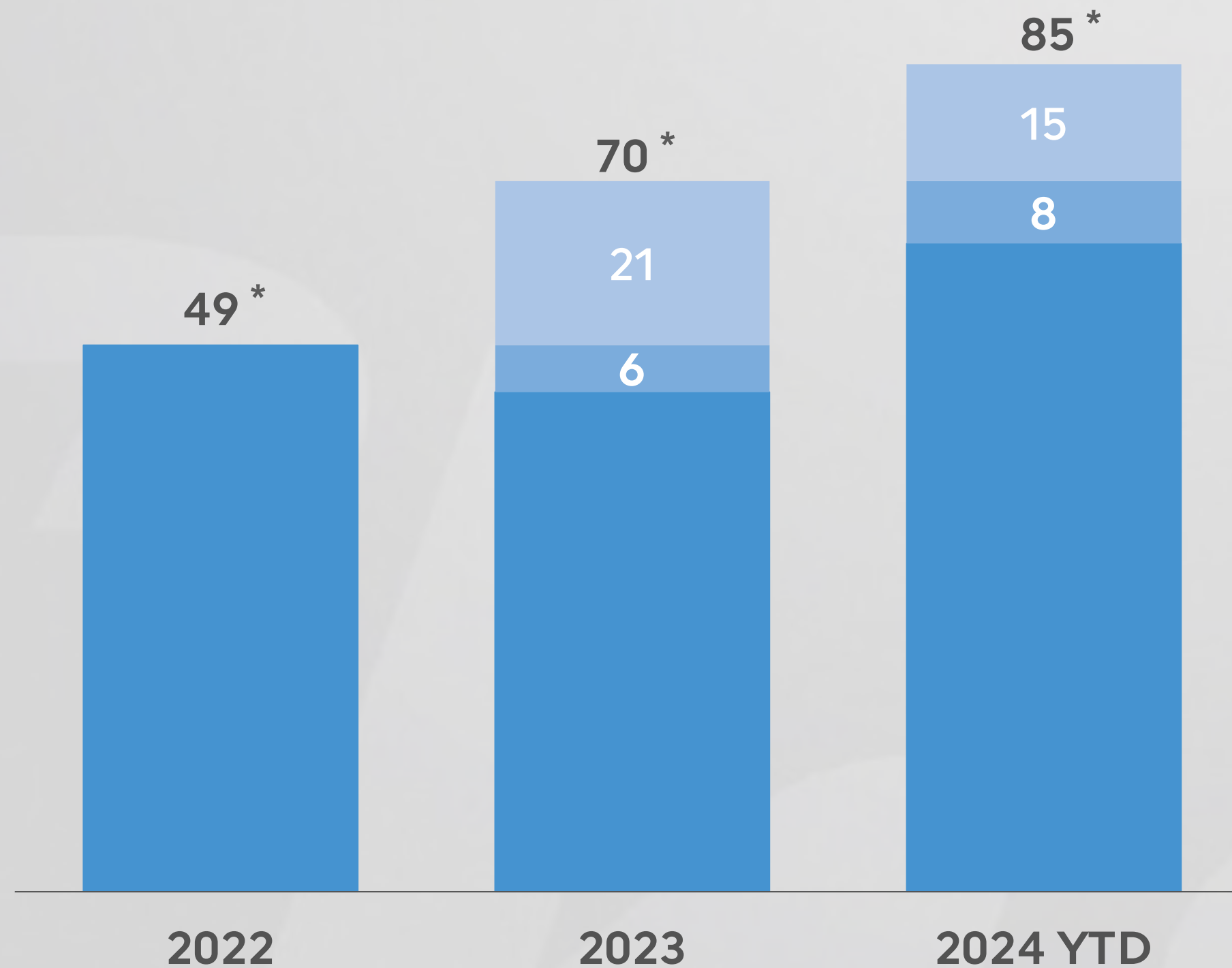
+110k

- **+10 social channels / +250k followers**
- **+2.2M social post reach**
- **Independent Shelly support groups with +150k members**
- **+2000 user generated videos**

Product

Dimitar Dimitrov

Wider product range is one driver for more revenue

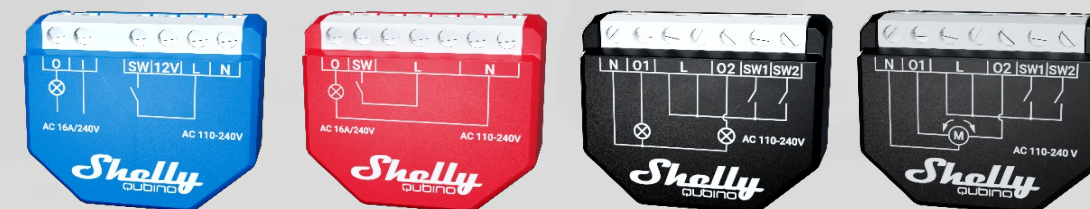
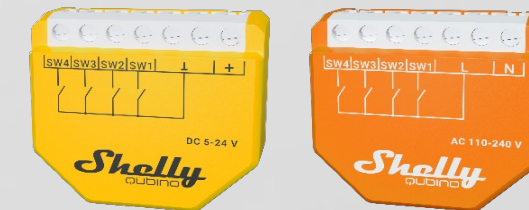


- **2023:**
 - 6 Products updated
 - 21 New products released
 - 3 New product categories
- **2024 YTD:**
 - 8 Products updated
 - 15 New products released
- **2024 Outlook**
 - 40-60 New products and product updates

* Excluding Accessories



- Bluetooth product range increased
- Long battery lifespan
- Very competitive prices
- easy to install



- Full range of Z-Wave devices
- Latest technology (Z-Wave 800)
- 50% cheaper than competition

Introducing **Shelly Smart Control Premium**

Upgrade Now

Shelly



- **New App launched in February '23**
- **Premium Version started in August '23**
- **Still in trial period, but promising first results**
- **First step into recurring revenues**

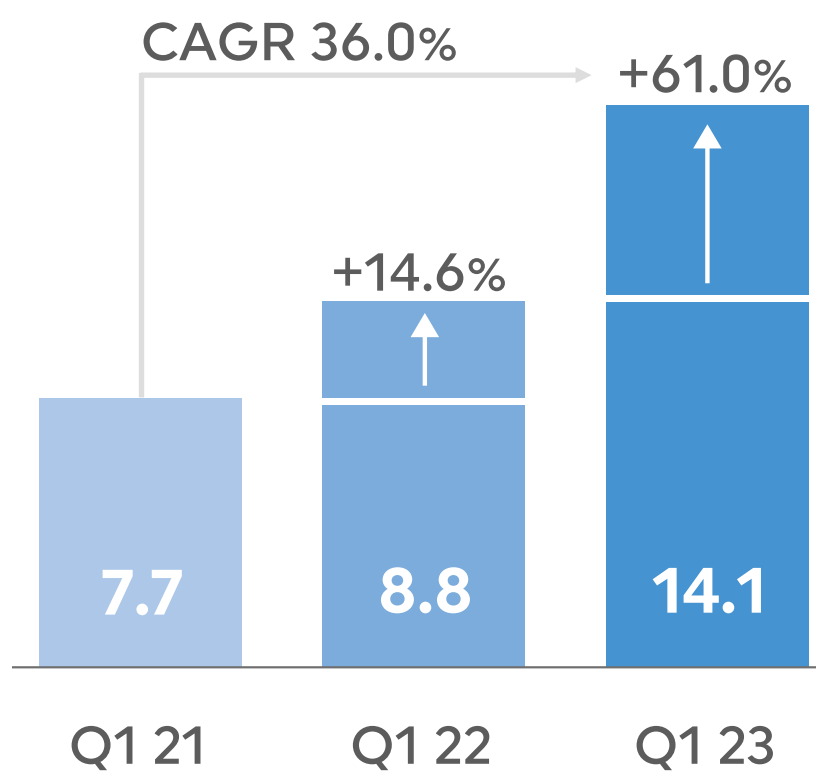
Financial Update & Strategy

Wolfgang Kirsch

Revenue Q / Q

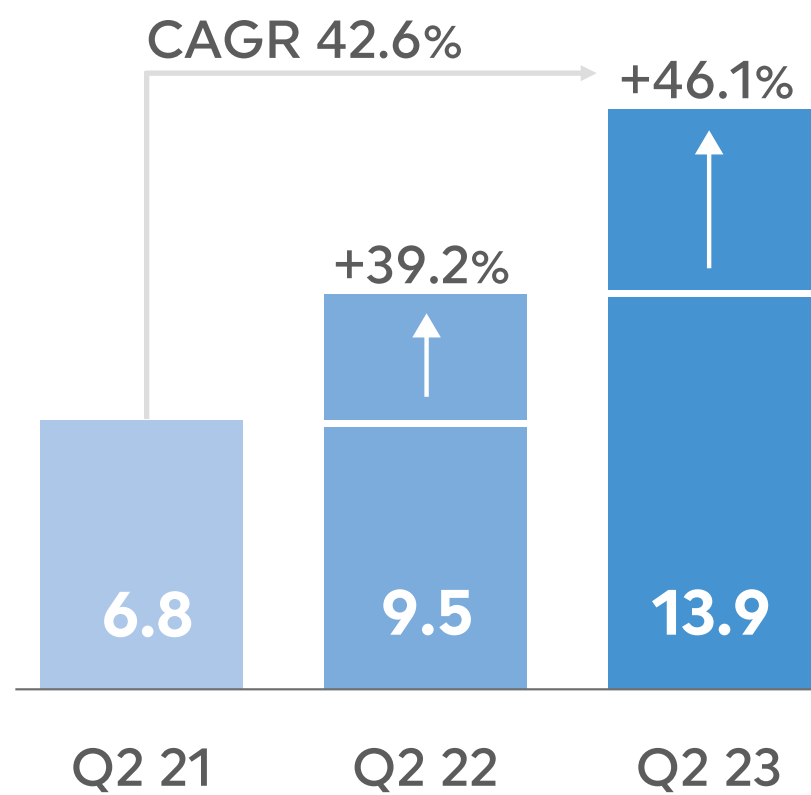
(in million EUR)

Revenue Q1 21-23



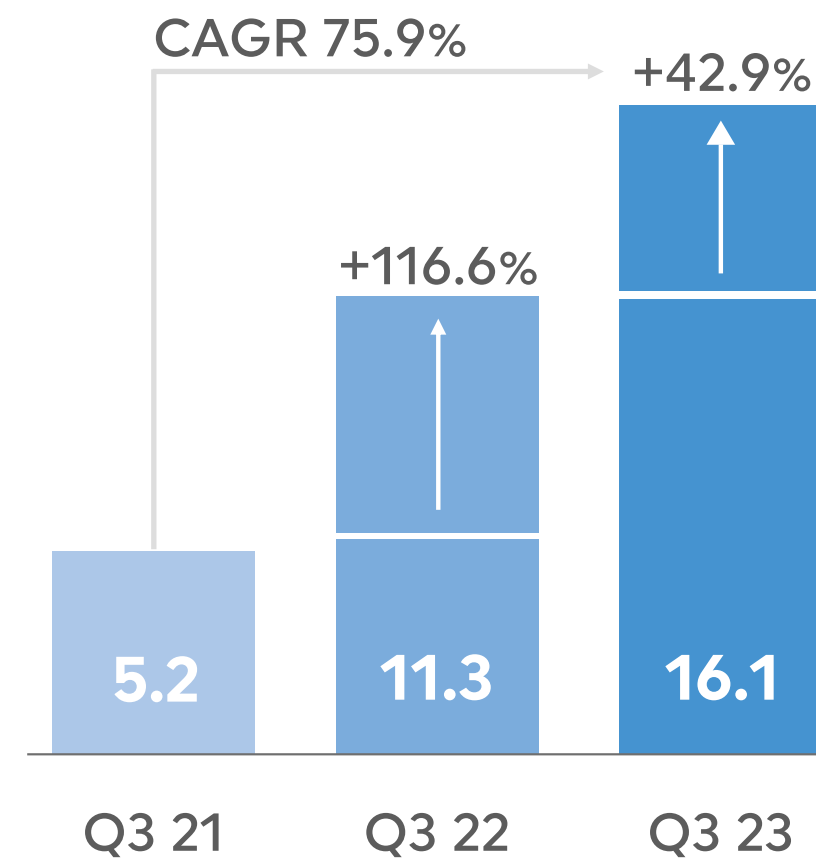
Growth Rate in Q1/23 almost 4 times higher than in Q1/22

Revenue Q2 21-23



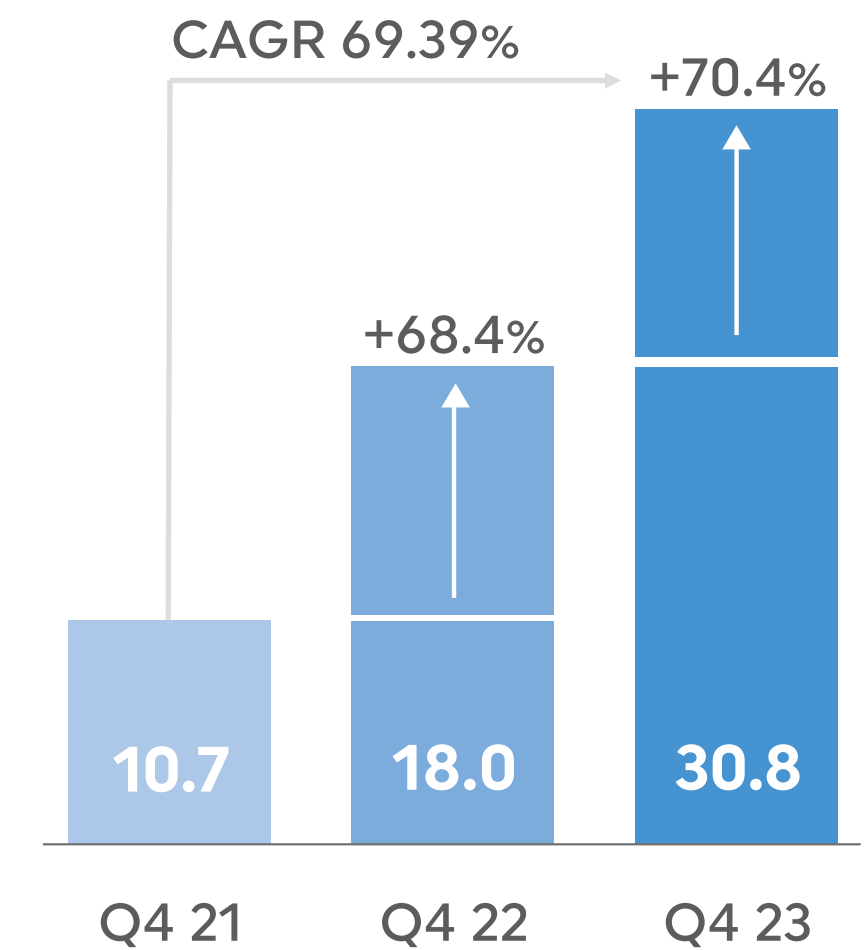
Growth Rate decreased vs Q1/23 mainly because of a stronger Q2 in previous year

Revenue Q3 21-23



Revenue growth lower than in Q1 and Q2, but above budget

Revenue Q4 21-23



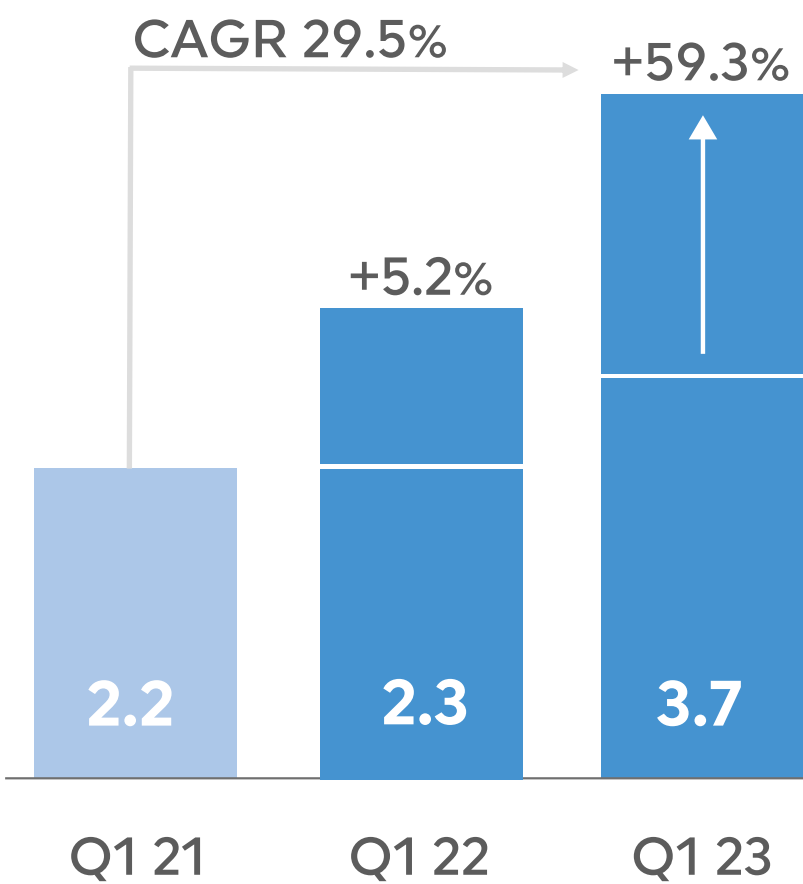
Q4 with a very high revenue share and accelerated growth as planned

EBIT Q/Q

(in million EUR)

EBIT

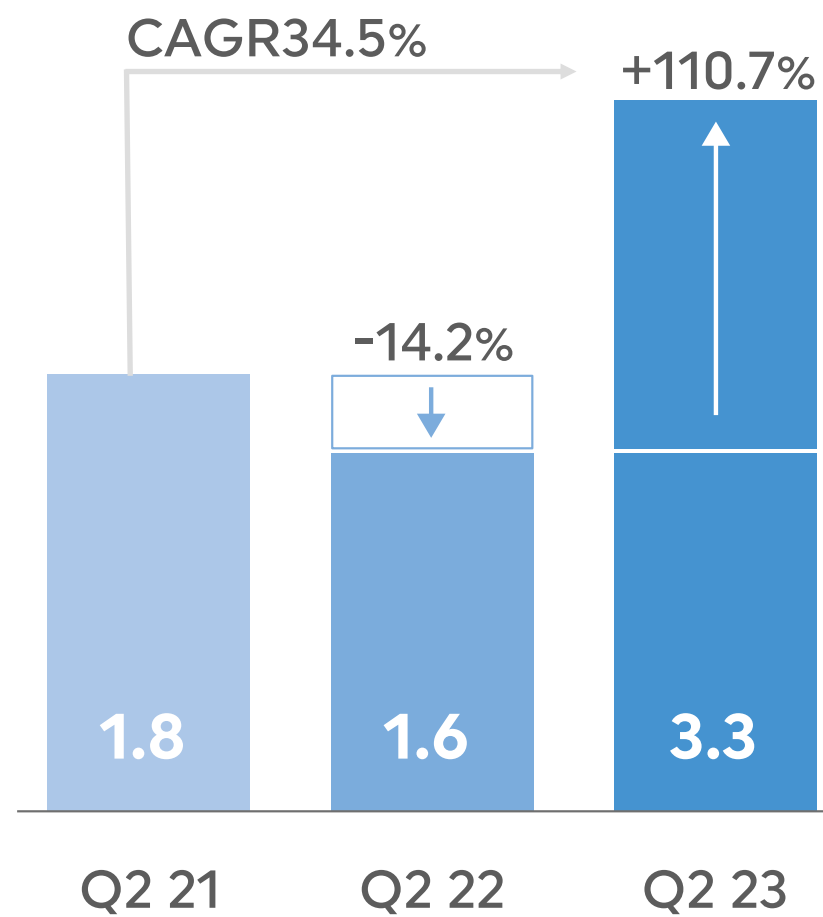
Q1 21-23



Strong EBIT growth after small increase in 2022

EBIT

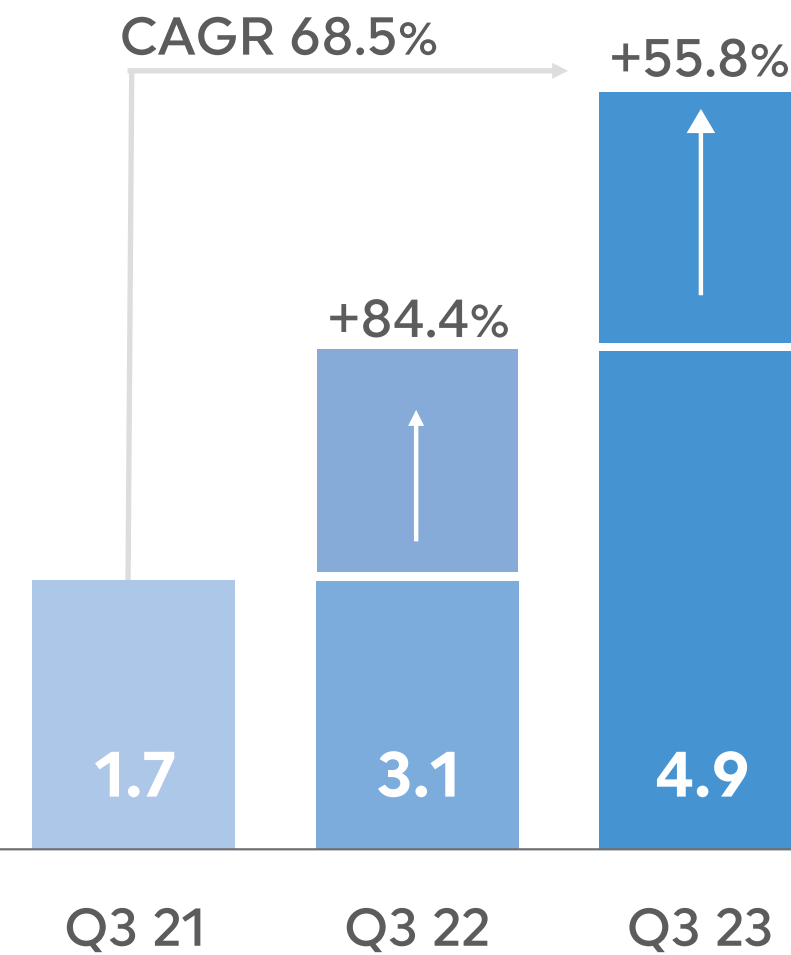
Q2 21-23



EBIT in Q2/23 more than doubled

EBIT

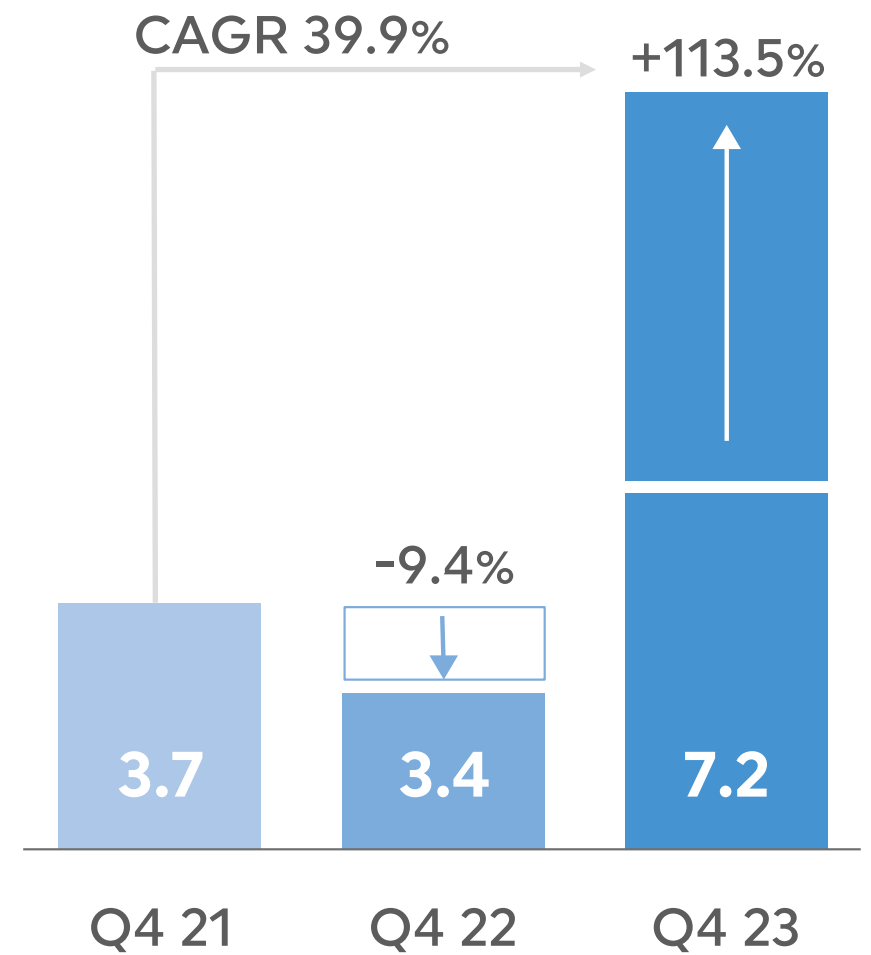
Q3 21-23



Very solid EBIT development

EBIT

Q4 21-23

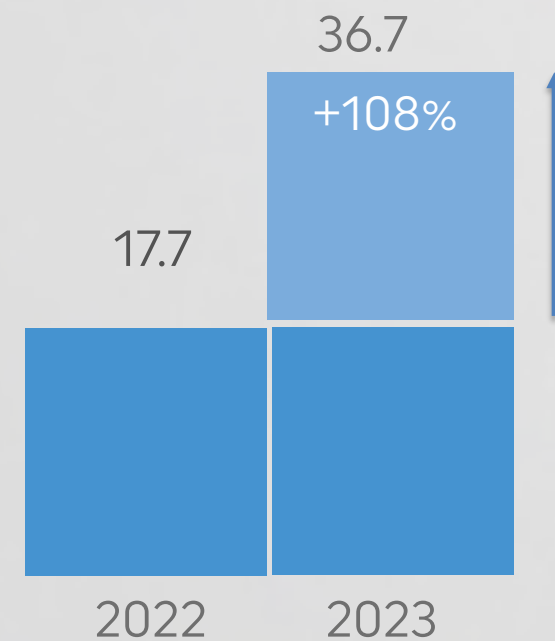


EBIT in Q4/23 more than doubled vs 2022

Regional share and growth

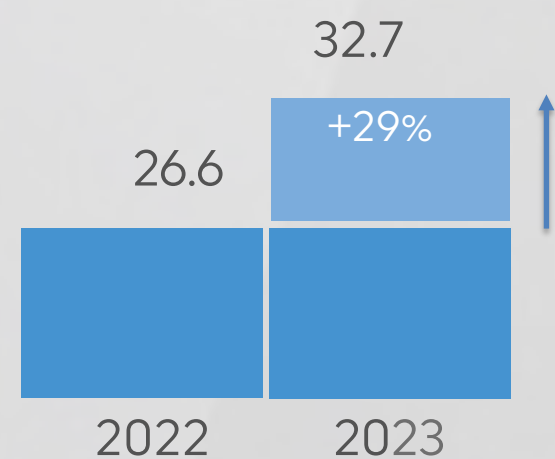
(in million EUR)

DACH
49,0%



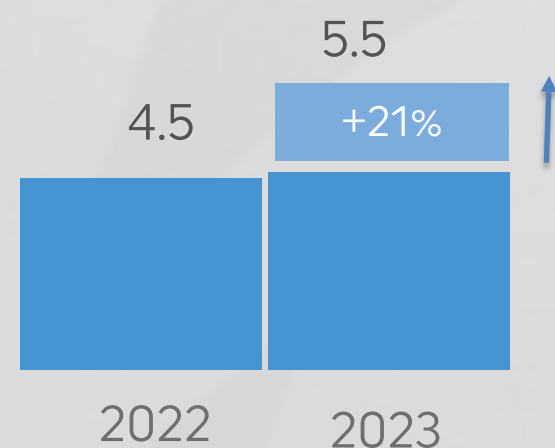
- **Strongest region** with over-proportional development
- Local structure and new channel policy **enables stronger 2023 growth rate**

Rest of Europe
43,7%



- **Good development** supported by first success in France
- Local sales people hired, **growth acceleration expected for 2024**

Rest of World
7,3%



- **Positive development despite complicated market environment**
- **Sales funnel filled with a good number of new accounts**

Profit & Loss 2023

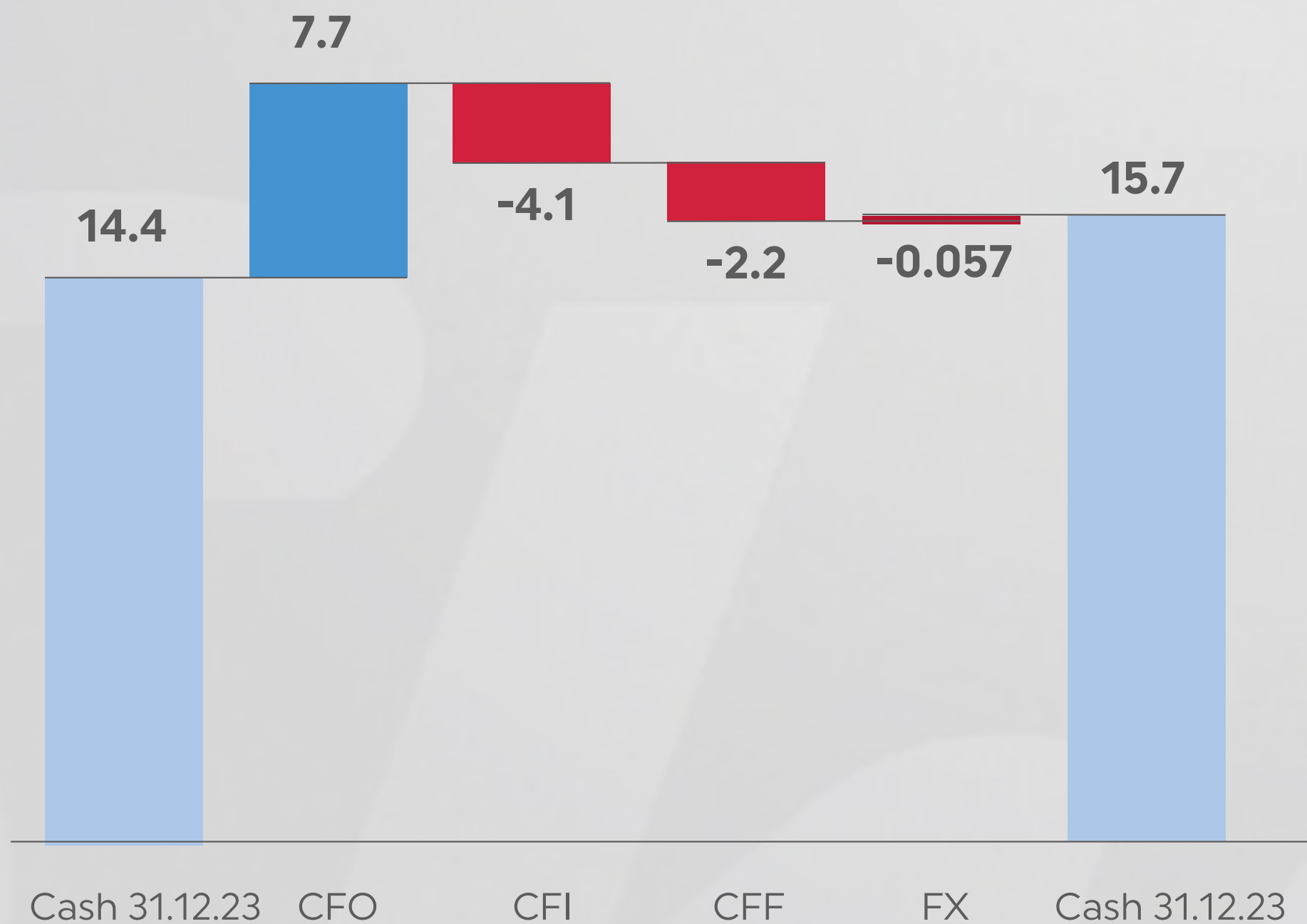
(in million EUR)

Period	2021	2022	▲	2023	▲
Revenue	30.426	47.641	+56.6%	74.926	+57.3%
Gross Profit Gross Margin	16.764 55.1%	23.955 50.3%	+42.9%	42.790 57.1%	+78.6%
Sales & Marketing & of Revenue	-1.378 -4.5%	-2.035 -4.3%	+47.7%	-5.201 -6.9%	+155.6%
G & A % of Revenue	-5.929 -19.5%	-11.501 -24.1%	+94.0%	-18.476 -24.7%	+51.95%
EBIT EBIT Margin	9.457 31.1%	10.419 21.9%	+10.2%	19.113 25.5%	+83.5%
Net Income Net Income Margin	8.125 26.7%	8.913 18.7%	+9.7%	16.832 22.5%	+88.8%

- COGS impacted by currency rate, optimized supply chain and product mix
- Margin above Budget
- COGS & Promotion Effect
- Increasing Sales & Marketing spend, but still on relatively low level
- 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 million EUR)







- Inventory reduced from **11.8 Mio.** to **9.3 Mio.**
- **3.5 Mio.** higher prepayments to factories
- CFI reflects the GOAP acquisition in January 2023 + investments in R&D
- CFF in particular related to payment of dividend
- **11 Mio.** higher customer receivables
- Equity Ratio of **85.8%**

Guidance vs. Achievement





Guidance vs. Achievement 2023

(in million EUR)

Targets	2022 Baseline	2023 Guidance	2023 Actual
 Revenue	47.6	72	74.9
 YoY Growth	56.6%	51.0%	57.4%
 EBIT	10.4	>17.0	19.1
 EBIT Margin	22%	>23%	25.5%

Guidance 2024

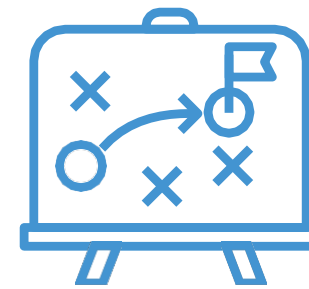
(in million EUR)

Targets	2023	2024
 Revenue	74.9	105
 YoY Growth	57.4%	40.2%
 EBIT	19.1	26
 EBIT Margin	25.5%	25%

Summary – 2023



- Continuing **strong and profitable growth (+57.3%)**
- EBIT grows faster than revenue **(+83.5%)**
- Very solid financial situation **equity ratio of 85.8 %**



- **Headcount doubled** in the last 12 month - mainly in R&D and Sales
- **Slower headcount growth planned for the coming periods**
- **New Sales Teams** in Nordics, France & UK successfully onboarded

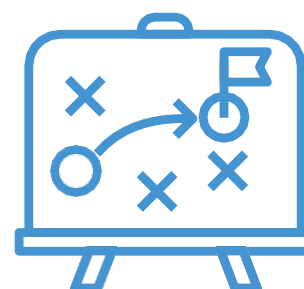


- **Qubino Acquisition successfully completed – Full line of new products on the market**
- **New channel strategy implemented in DACH & Nordics - rollout to other regions ongoing**
- **Structure built to continue growing**

Forward Looking Goals –2024-2026



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



- **Continue building strong structures** to enable faster growth
- Move from a hardware and software brand towards **a platform for IOT devices**
- **Production capacities prepared for the growing demand**



- **Stay technically ahead of competition** - Benefit from new Shelly Chip & Operating System
- **Generation 3 devices** in the pipeline for 2024
- **Generation 4 devices** planned for 2025

Q & A



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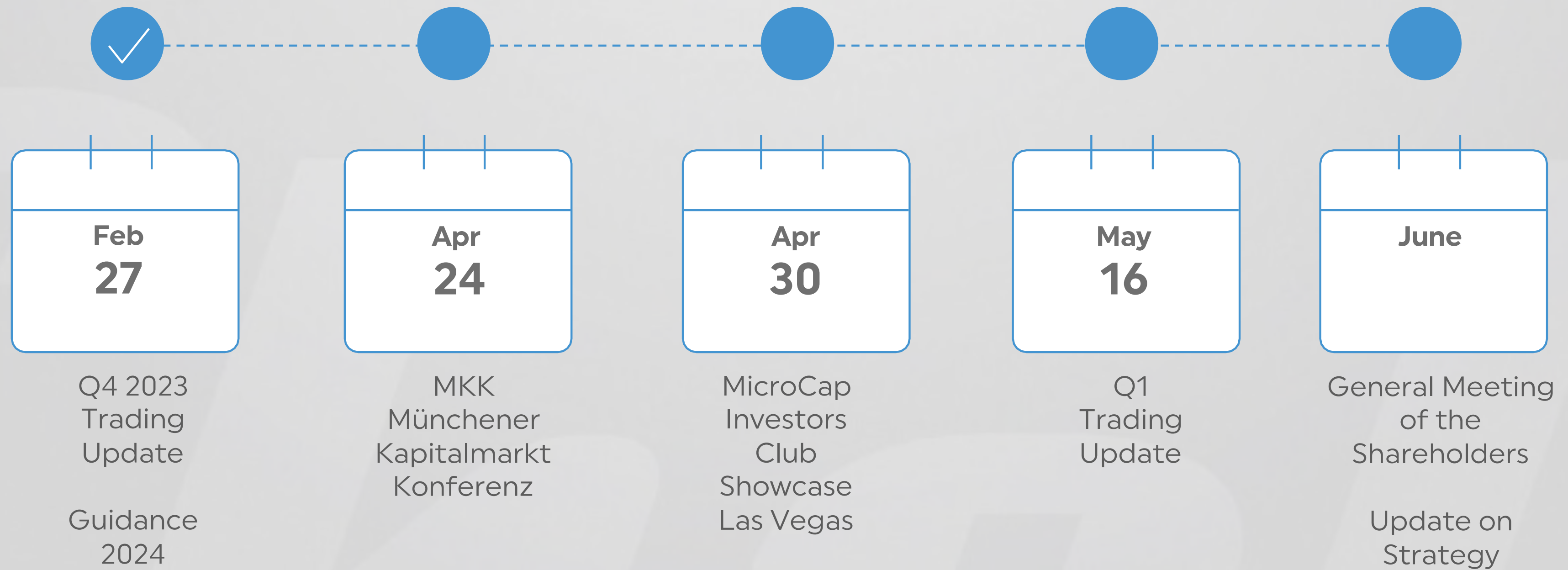


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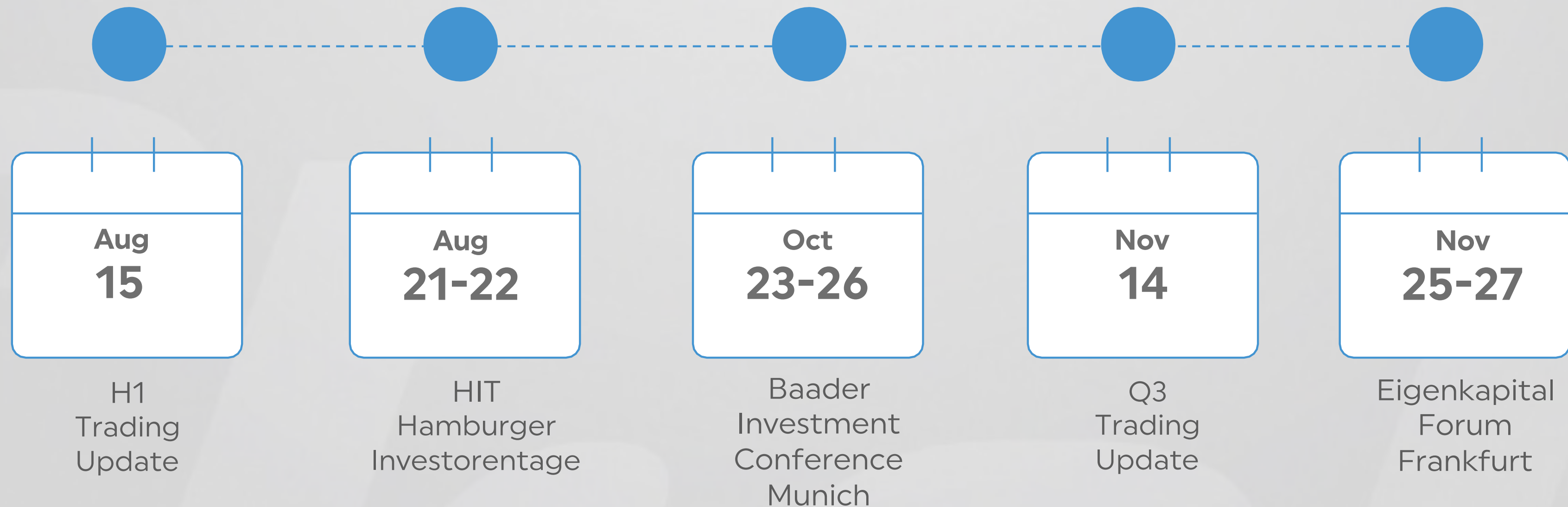
Investor relations

1 HY events



Investor relations

2 HY events



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 amortisation, 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 annualised 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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