



TRADING UPDATE 9M 24
NOVEMBER 14TH, 2024

Explore the
POSSIBILITIES

Your speakers today

● **Highlights**
9M 24

Wolfgang Kirsch
CO-CEO
Strategy & Operations

● **Product**

Dimitar Dimitrov
CO-CEO
Research & Development

● **Financial
Details**

Wolfgang Kirsch
CO-CEO
Strategy & Operations



SHELLY – SMART CONNECTIVITY FOR THE HOME AND BEYOND

Software Solutions

Energy monitoring

Remote control

Real-time Notifications

Personalised scenes

Custom schedules

Smart Timers

Shelly

Shelly

Finder File Edit View Go Window Help Mon Jun 22 9:41 AM

Shelly

All Rooms All Groups All Scenes All Devices Alarms

Dashboard

My home

Add device

Consumption

Settings

Scenes All rooms

Alexa5

Alexa6

Alexa7

Alexa8

Alexa9

Alexa10

15.3°C Cloudy Humidity 65% Wind 1.4 m/s E

00:00 01:00 02:00 03:00 04:00 05:00

15.2° 15.7° 16.7° 18.2° 18.3°

15:00

Devices stats

154.62 W Consuming

27 All Devices

18 Offline

0 Hidden

2 Shared

Actively consuming devices (4)

23 Pro 4

653A-SEM

1743-Color

Pro 4

Shelly

All Rooms All Groups All Scenes

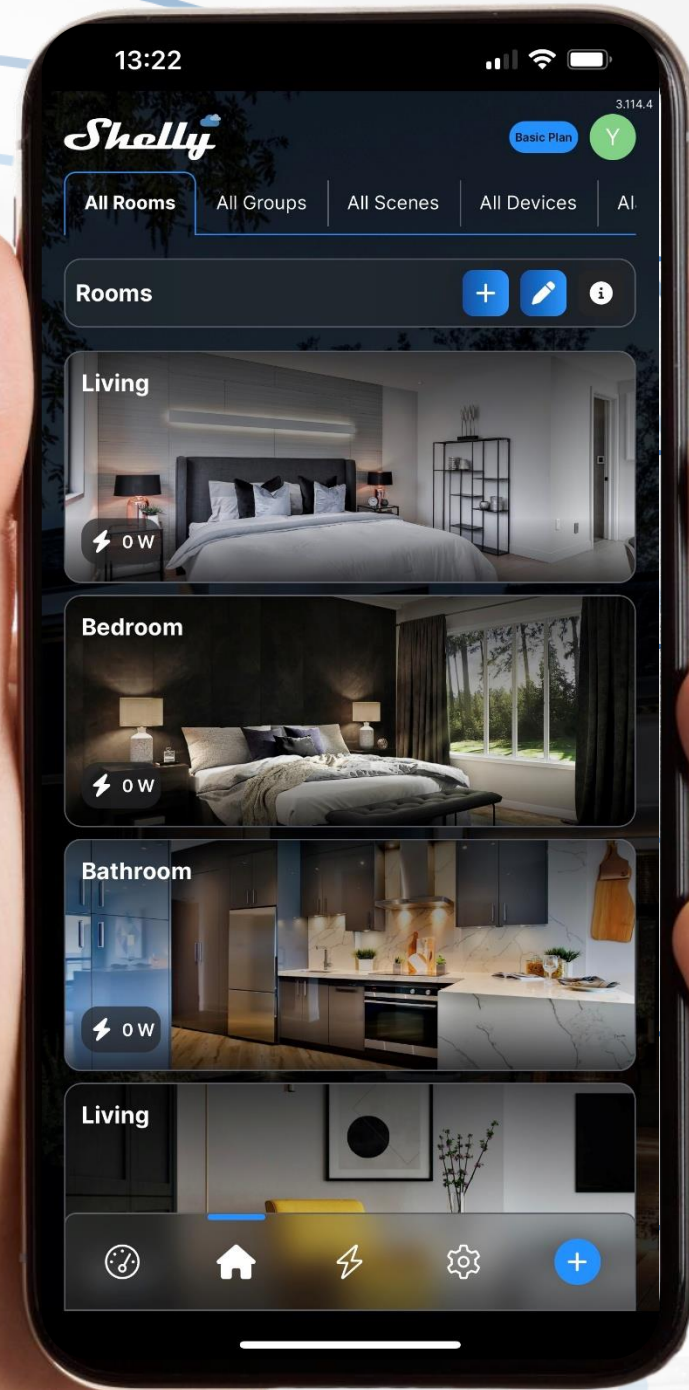
Bedroom

Living room

Kitchen

ENABLING AN ECO-FRIENDLY CONNECTED WORLD

SHELLY – KEY INVESTMENT HIGHLIGHTS



Market: Harnessing all growth angles in smart home and beyond



Brand: Leading brand in the software-powered home automation market, ready for full globalization



Tech: Innovative software-powered home ecosystem provider, with rigorous focus on R&D, addressing key consumer trends



Scale: Extensive global presence and relationships with premium smart home providers



Upside: Multiple avenues for transformation and growth: geographical and horizontal expansion, operational, commercial excellence and M&A



Financials: High growth, high margin profile with asset-light business model



Management: Strategic vision led by Shelly's founders who achieved tremendous growth since inception via transformation into an IoT platform



ESG: Enabling an Eco-Friendly, Connected World - One Device at a Time

Driving revenue growth and expanding our device base to lead in smart energy management and data innovation

Highlights

9M 24

Wolfgang Kirsch

Leading Smart Building Platform

>100 Countries

+18 M**
Devices sold



→ **+8 M**
→ Last 12 months

+3.6 M**
Households



→ **+1 M**
→ Last 12 months

+1.67 K**
Cloud users



→ **+570 K**
→ Last 12 months

**since 2018

Key Highlights

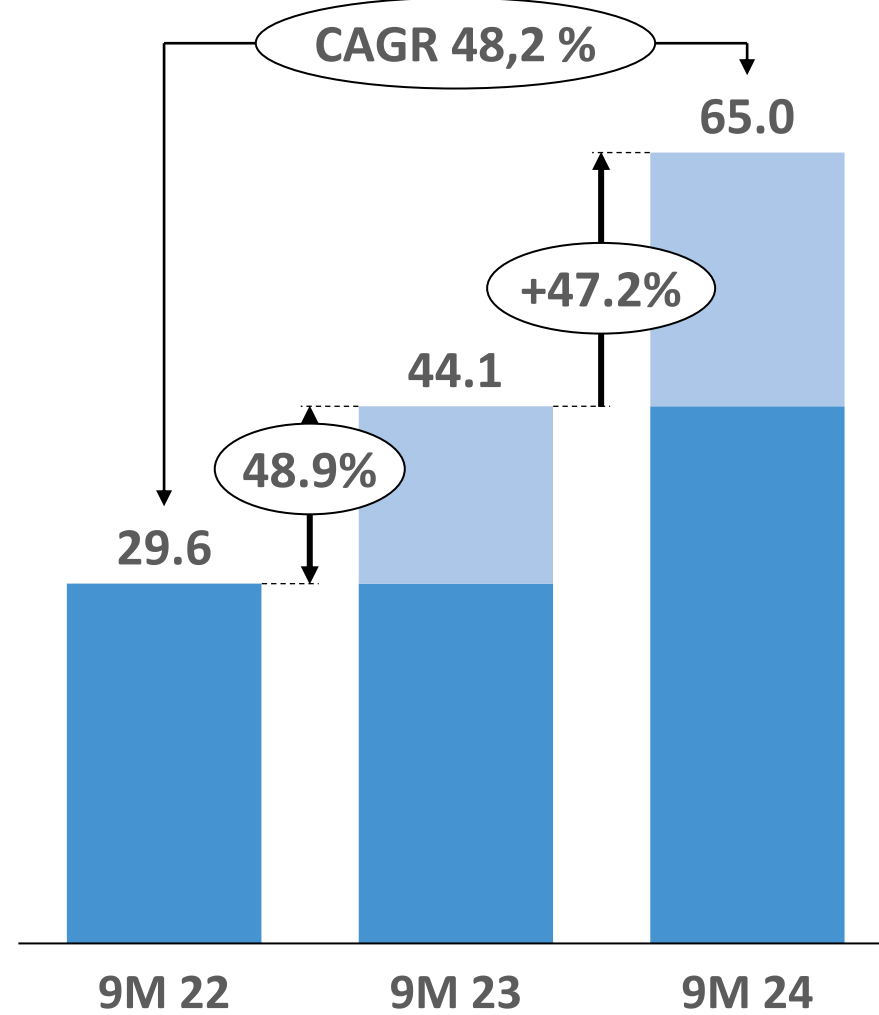
- Revenue growth outperforming the market in all regions
- Successful expansion of distribution channels
- 240 new installers onboarded (from 470 to >710)
- Presence on 6 trade shows in Q3 (Europe and Asia)
- Significant growth of addressable customer ownership
- Phase-out of older product generations successfully managed
- Cash levels maintained
- SAP integration nearly complete
- New Shelly website successfully launched



Financial Highlights 9M 22-24

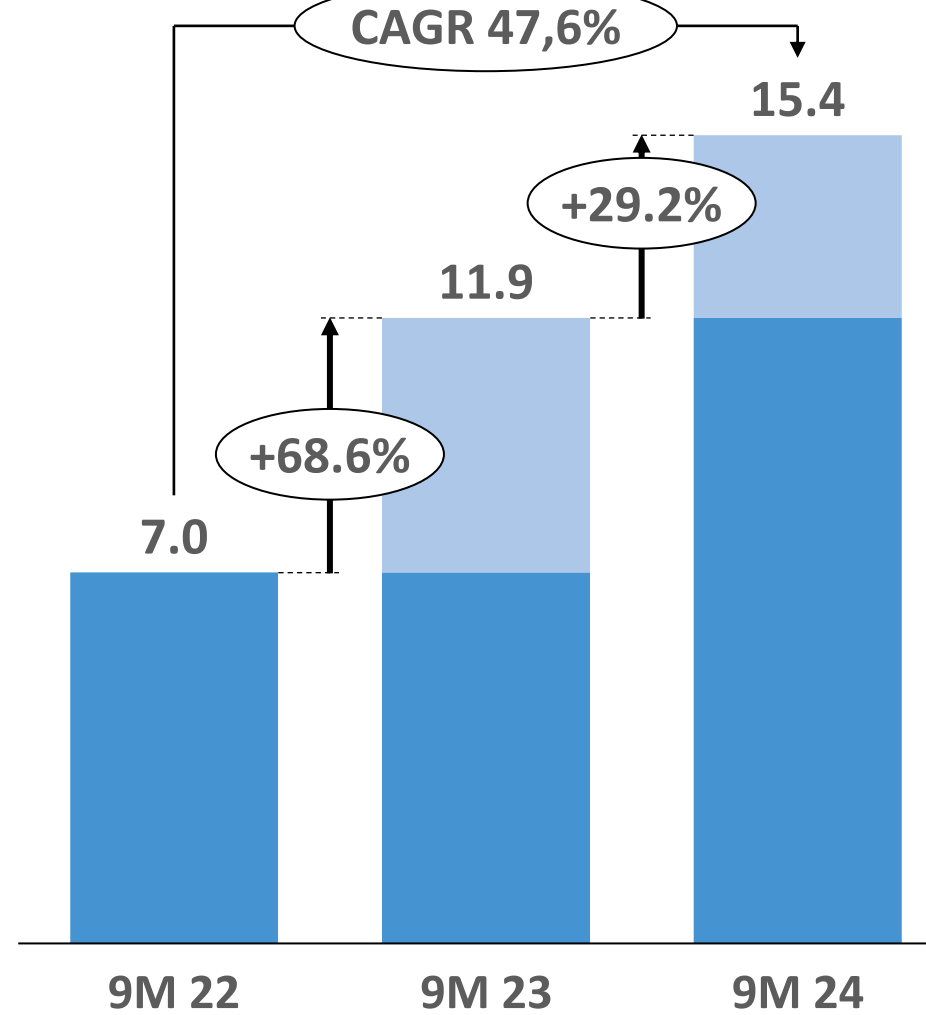
(in million EUR)

Revenue



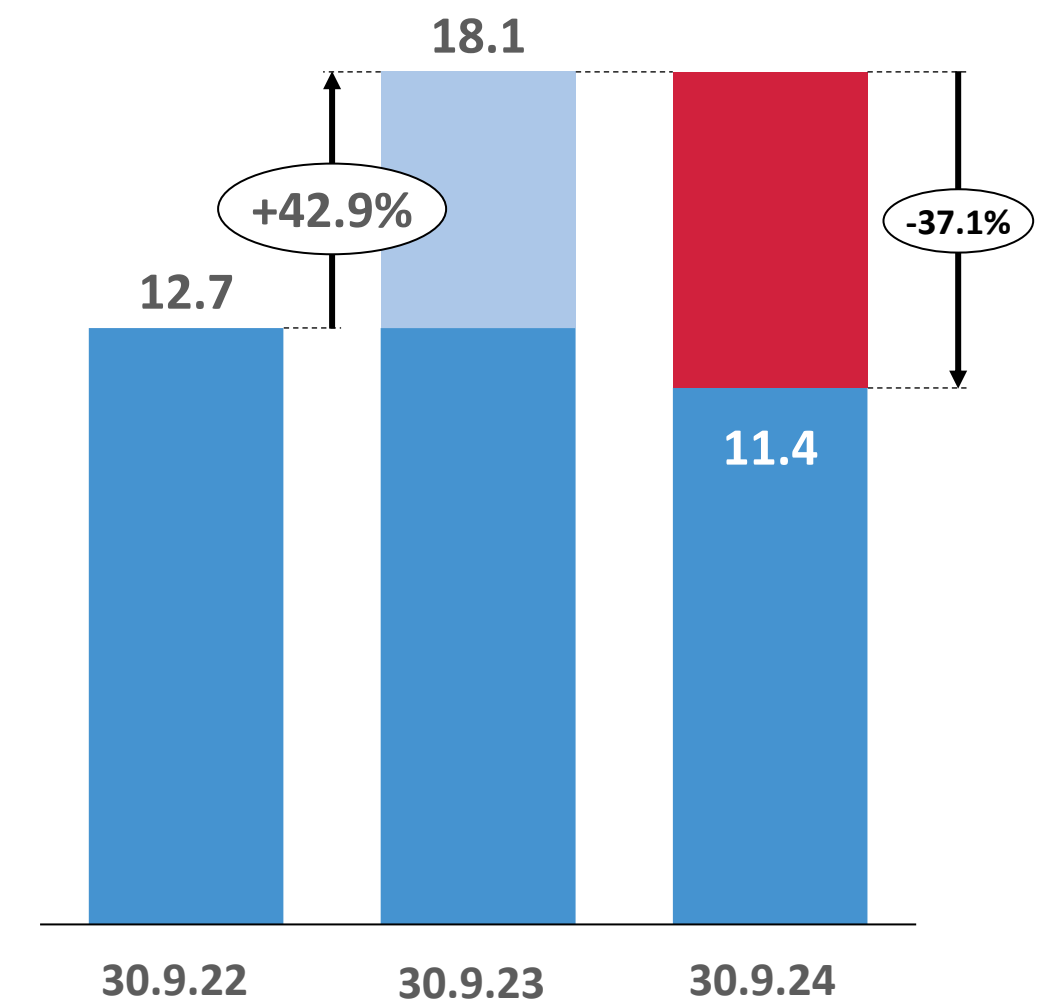
Sustainable & significant **above market growth**

EBIT



EBIT-Margin of **23.6%** is on track toward the 25% mid-term target

Cash



Generated cash fuels **working capital**, remaining at the June 30, 2024 level (**+900K Euro**)

Growing distribution platforms

Do-it-yourself



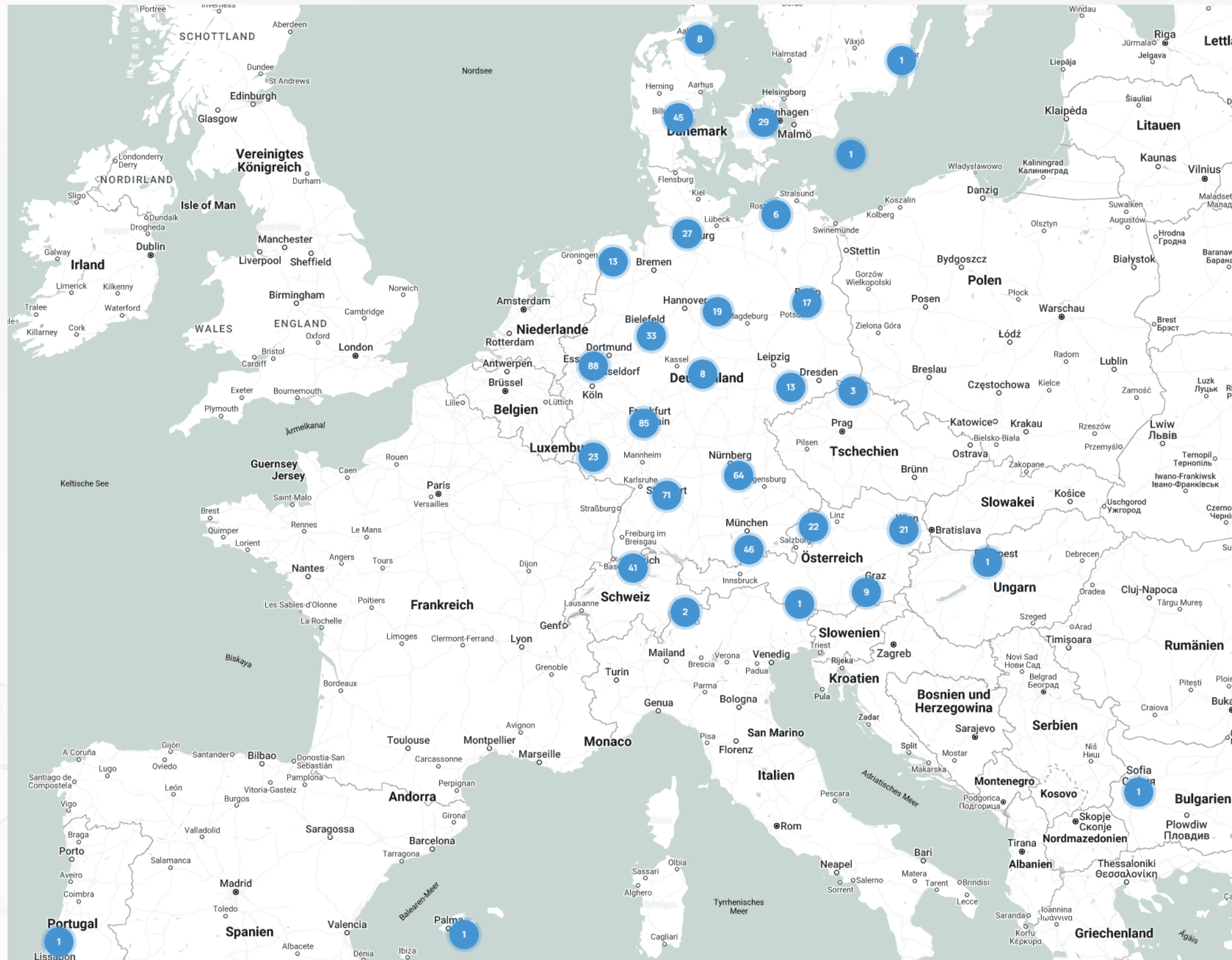
ManoMano



Professional



The Shelly Installer Finder



- The easy way to find your installer – in case doing the installation yourself is not an option
- Launched in March 2024
- Installer live on platform:
 - Germany: >520
 - Austria: >60
 - Switzerland: >30
 - Denmark: >80
 - Finland: >20
 - Sweden: >2
 - Luxembourg: >2

Product

Dimitar Dimitrov

A seamless ecosystem



INTELLIGENT SOLUTIONS

- Energy
- Lights
- Security
- Access
- Garage
- Water
- Solar

OPEN PLATFORM & PARTNER NETWORK



ADVANCED CLOUD PLATFORM



SHELLY COMMUNITY-DRIVEN PRODUCT INNOVATION STRATEGY

Social media feedback

- Engage daily with Shelly fans for feedback
- Incorporate community ideas into development
- Validate concepts with user insights

Collaborative Product Testing

- Share units with fan groups to accelerate product improvements
- Gather real-world feedback to speed up the product innovation strategy

How do we innovate?

+100

Shelly engineers

+1mm

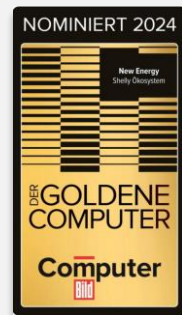
social media reach

+200k

support group members

+2.5k

user-generated videos



Direct communication channels

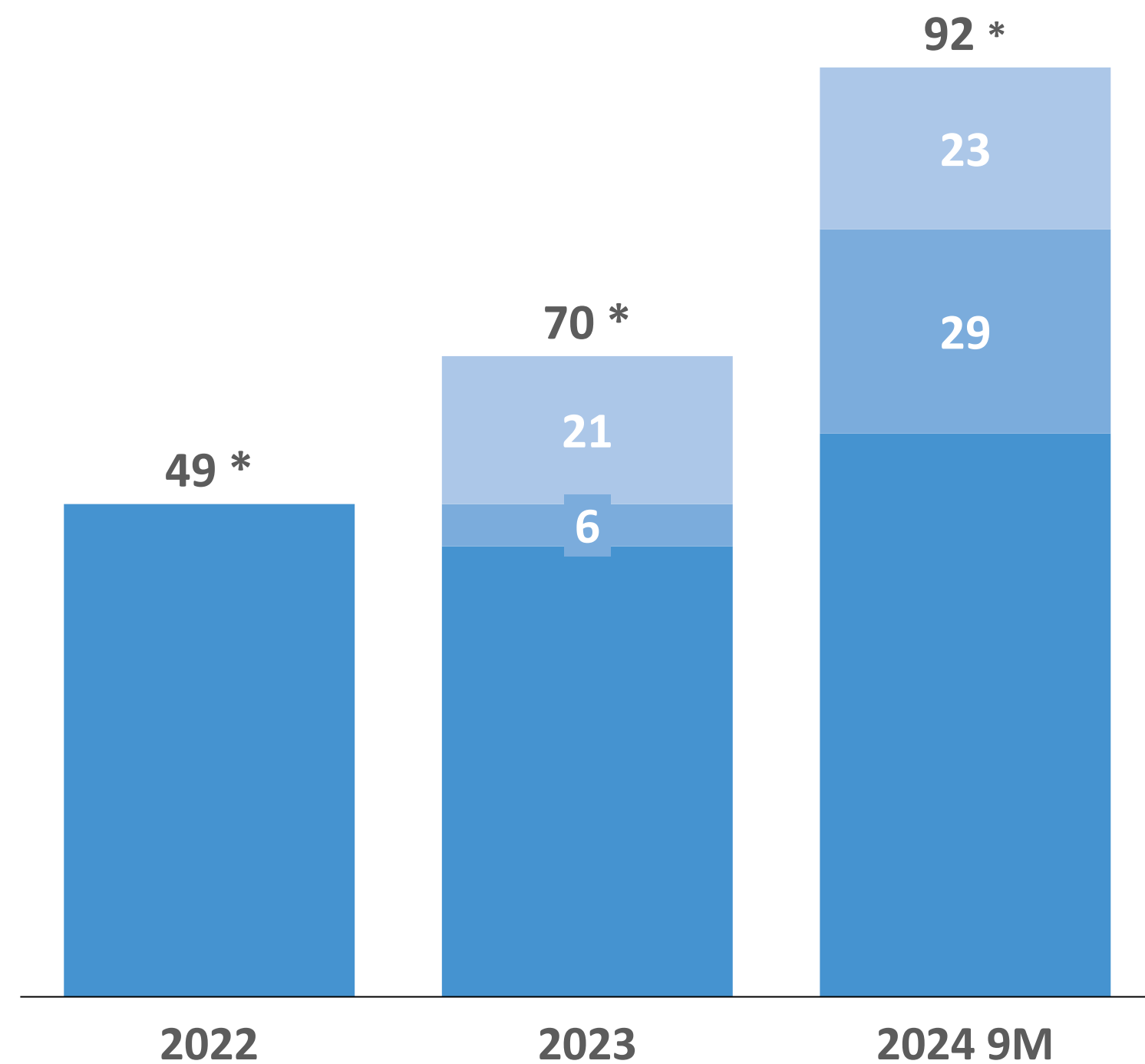
- Leverage social media for user-generated content, fueling promotion and innovation
- Engage with community platforms to drive organic marketing and inspire development

User-driven scripting

- Utilize user scripts to enhance features
- Users encouraged to share custom scripts, enabling others to replicate tailored applications

Shelly's community-driven approach accelerates innovation and go-to-market speed, setting industry-leading standards

A wider product range is one of the drivers of revenue growth

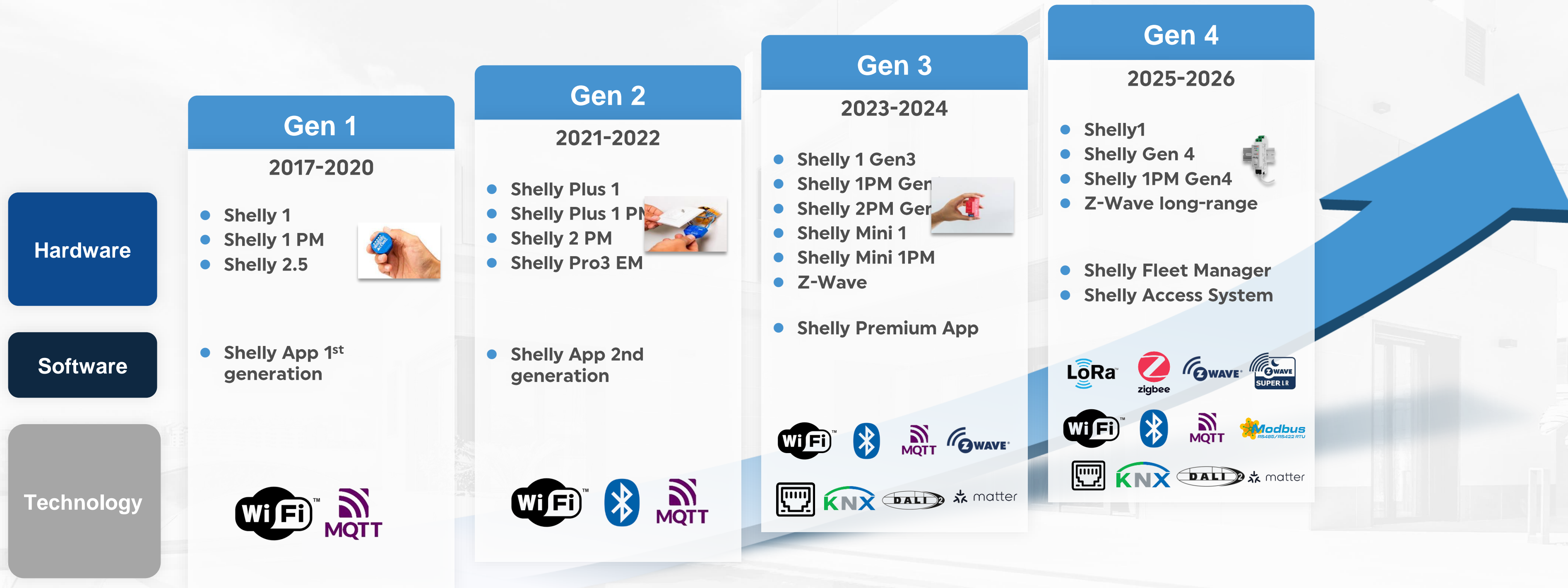


- **2023:**
 - 6 Products updated
 - 21 New products released
 - 3 New product categories

- **2024 9M:**
 - 29 Products updated
 - 23 New products released
 - 1 New product categories

- **2024 Outlook:**
 - 40-60 New products and product updates

HISTORY OF SHELLY TECHNOLOGY IN-HOUSE INNOVATION



Enlarging the technical gap with the competition in 2025 & 2026

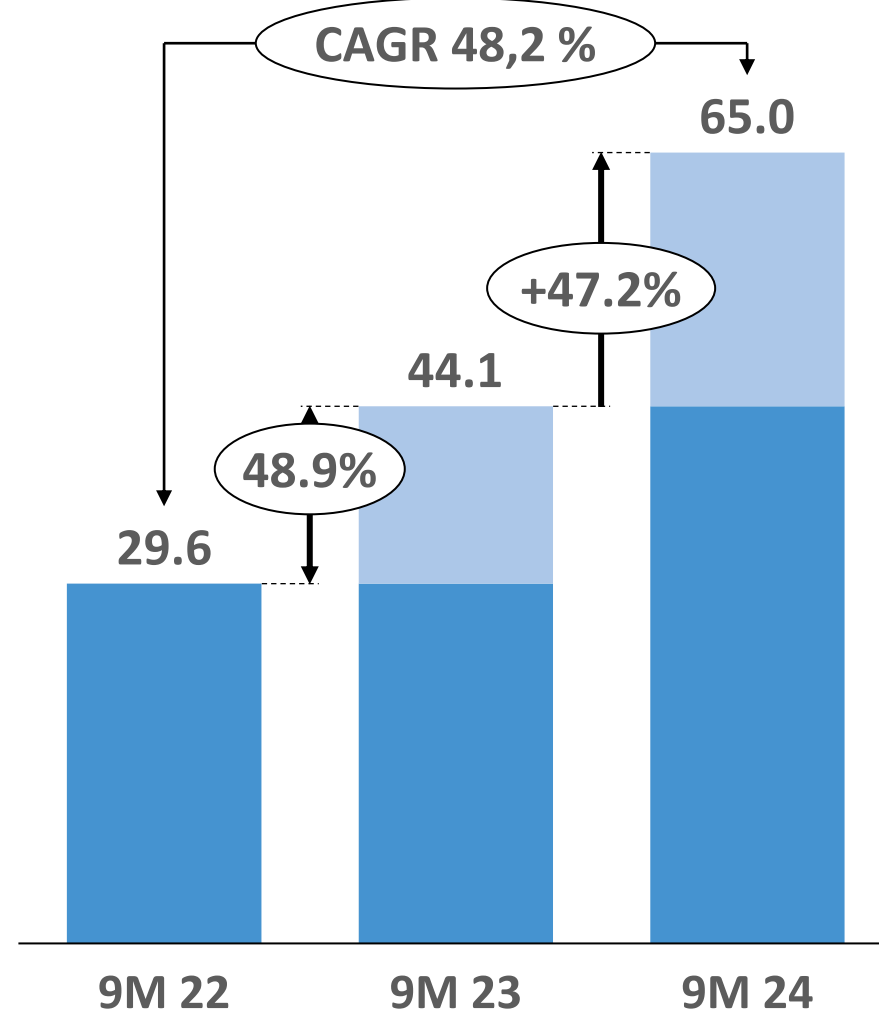
Financial Details

Wolfgang Kirsch

Financial Highlights 9M 22-24

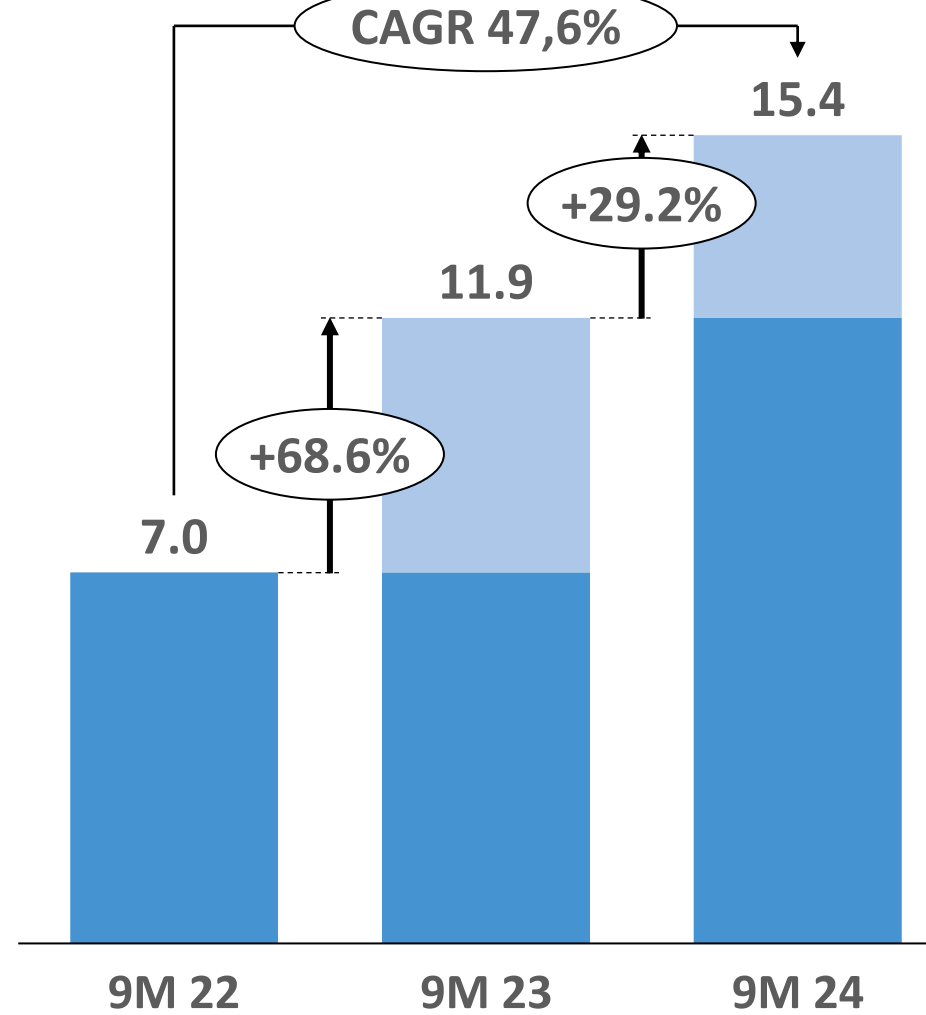
(in million EUR)

Revenue



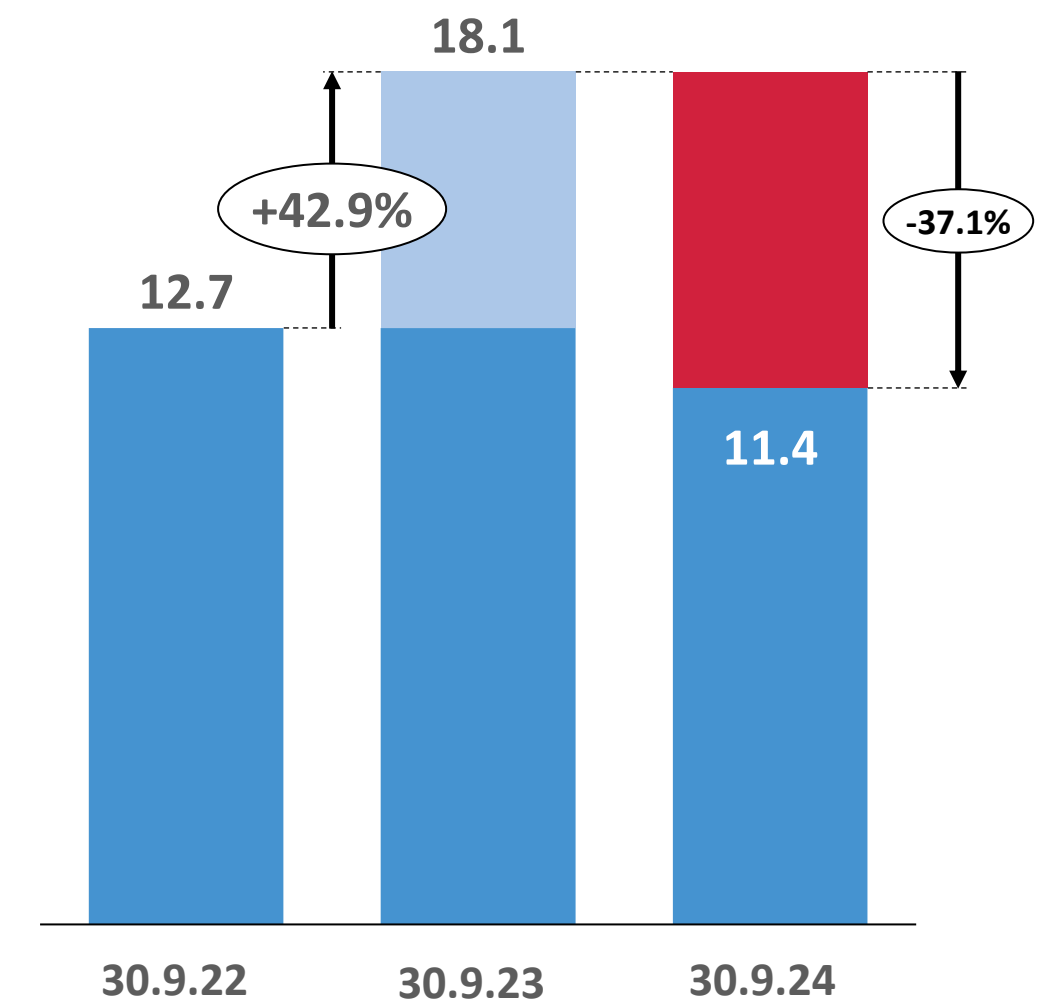
Sustainable & significant **above market growth**

EBIT



EBIT-Margin of **23.6%** is on track toward the 25% mid-term target

Cash

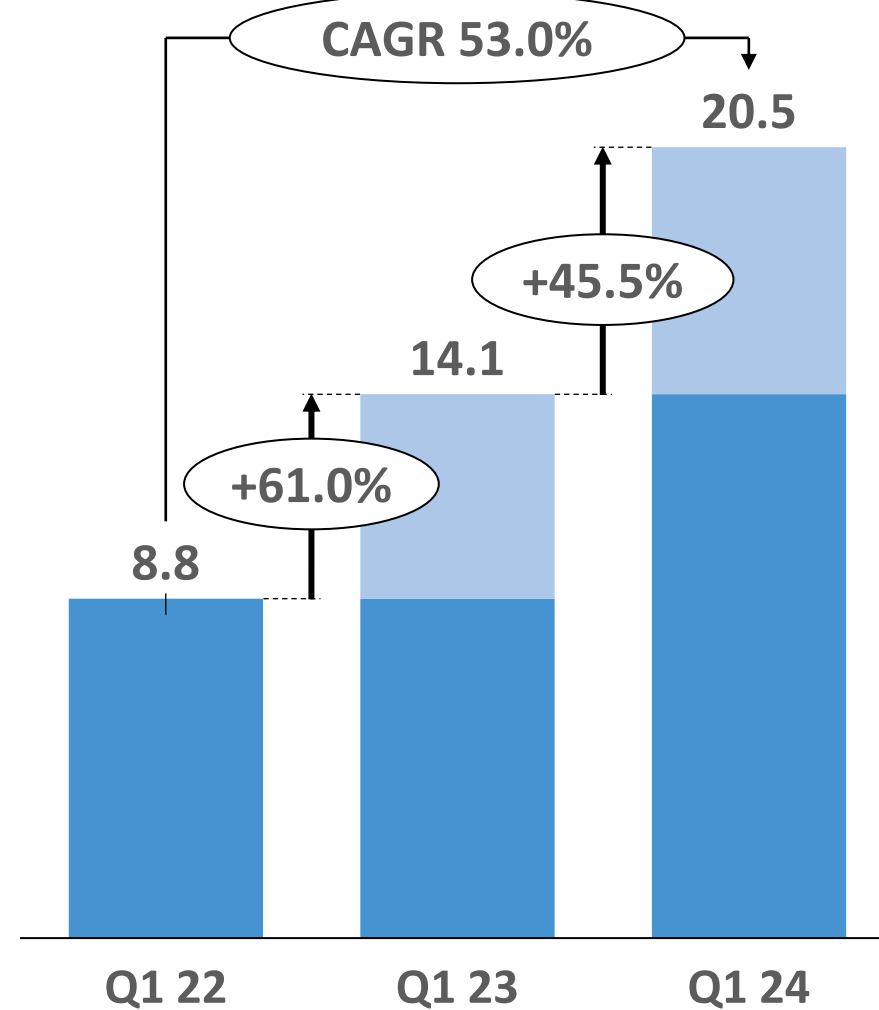


Generated cash fuels **working capital**, remaining at the June 30, 2024 level (**+900K Euro**)

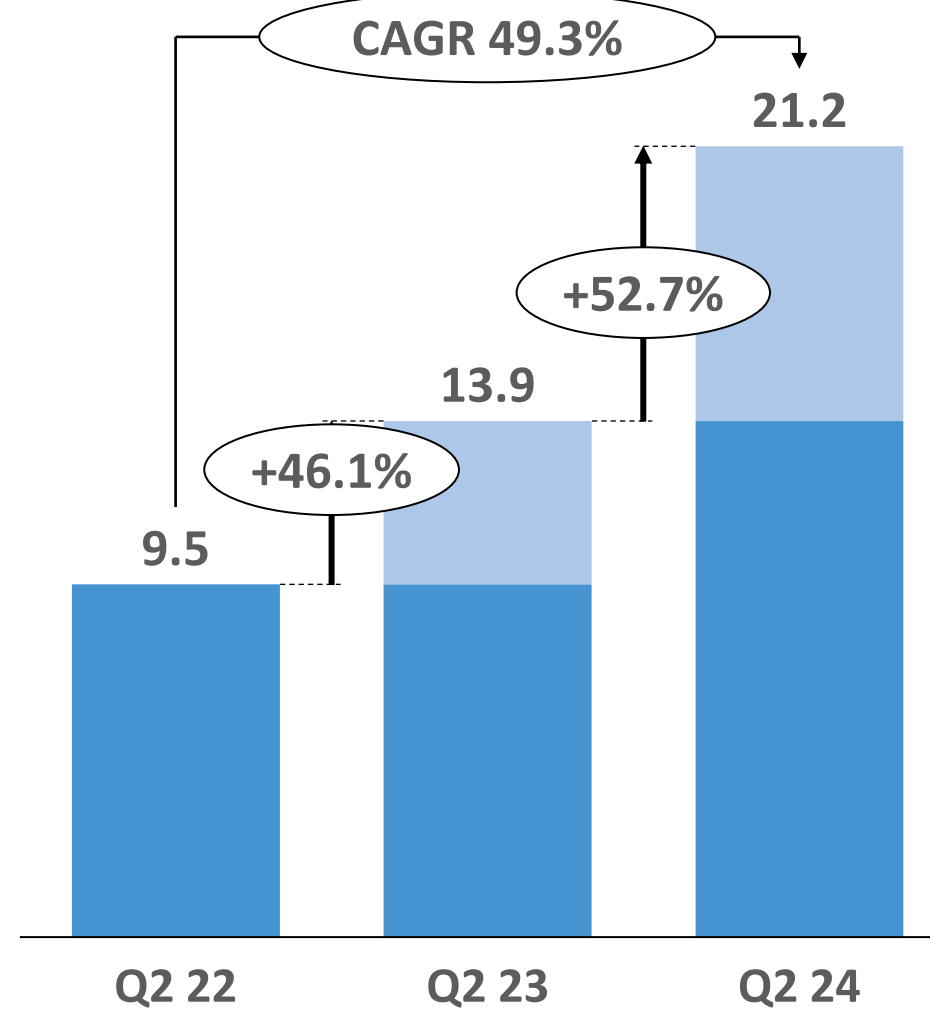
Revenue Q over Q

(in million EUR)

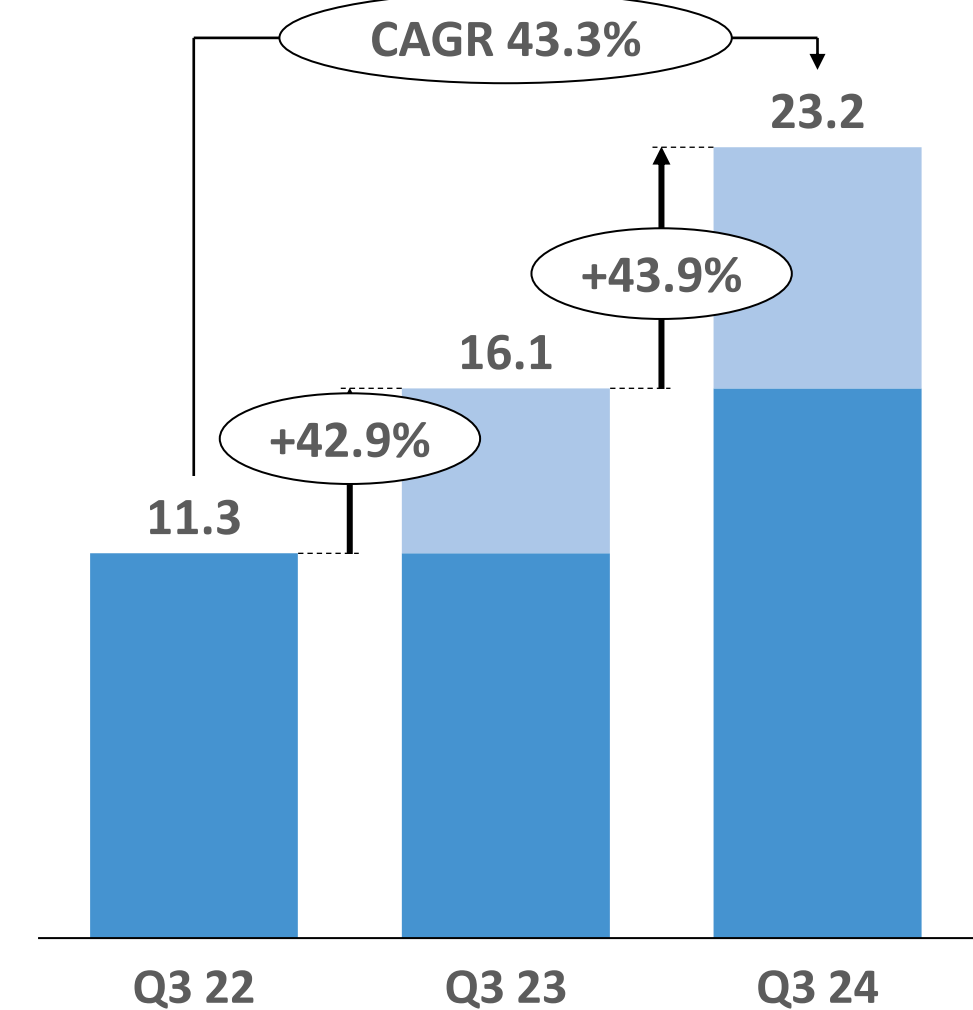
Revenue Q1 22-24



Revenue Q2 22-24



Revenue Q3 22-24

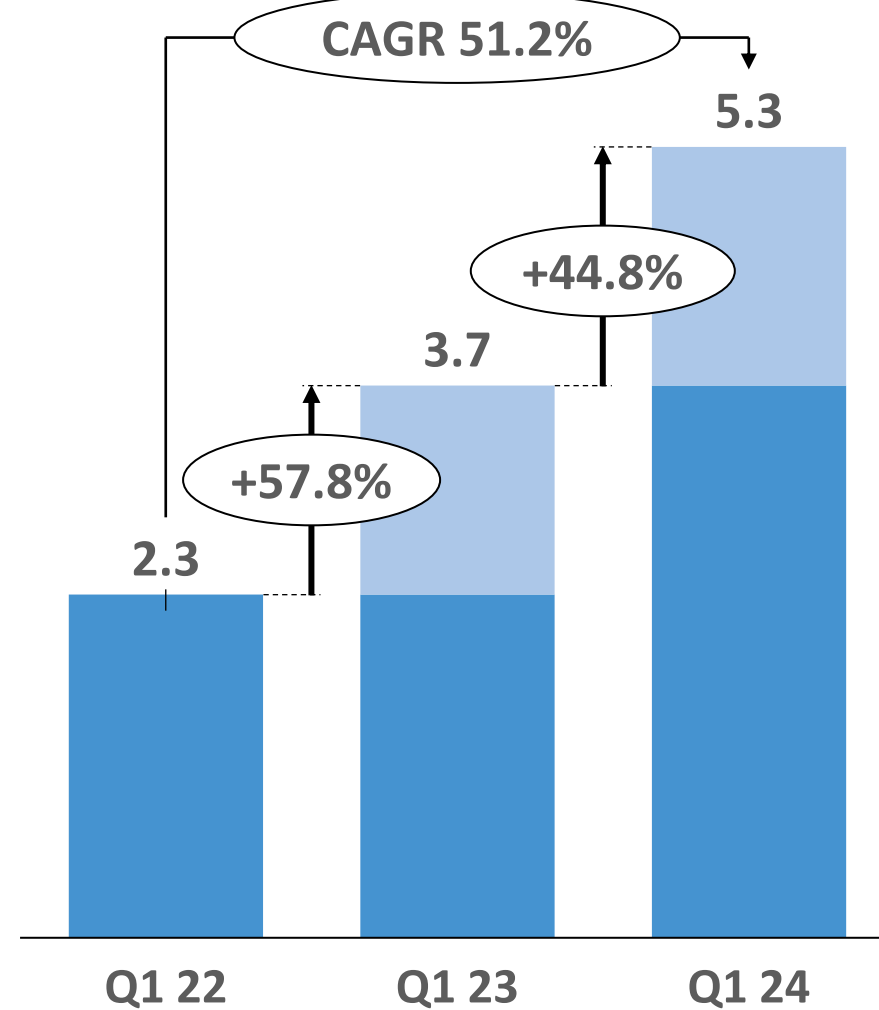


- Continuous revenue growth, quarter over quarter
- Revenue slightly **above internal targets** in every quarter
- Q3 growing **43.9%** despite high revenue level in 2023

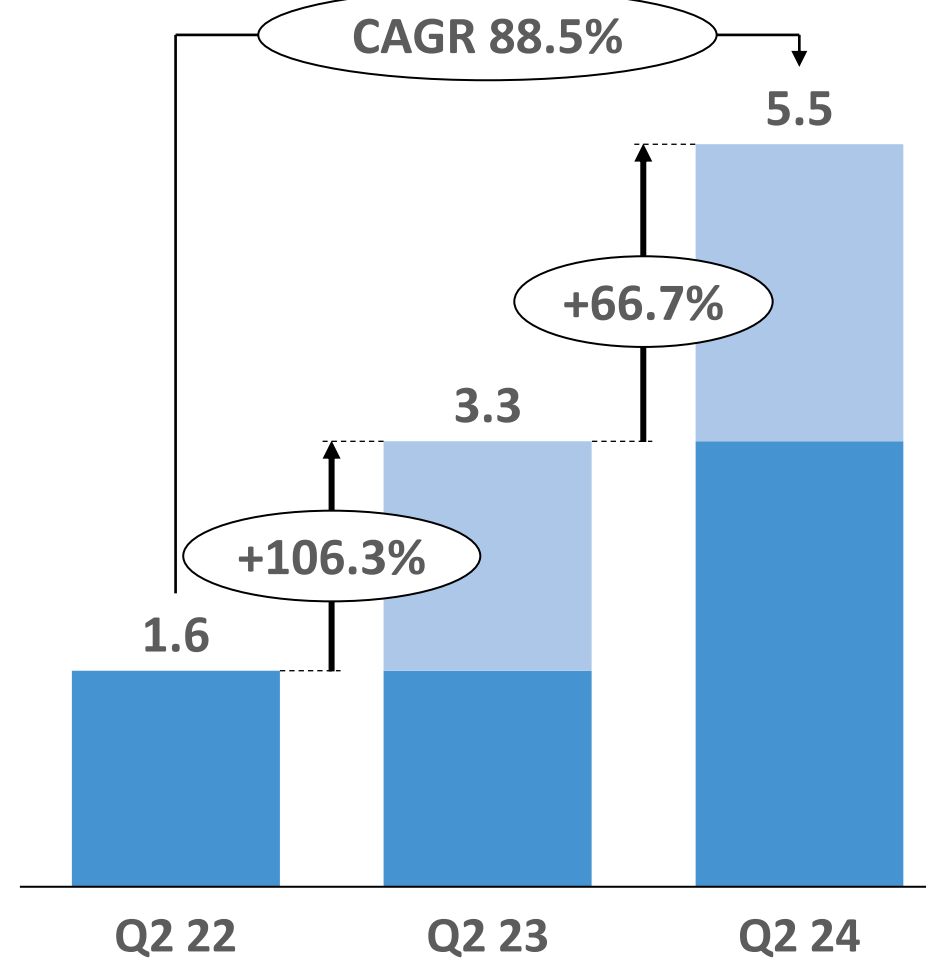
EBIT Q over Q

(in million EUR)

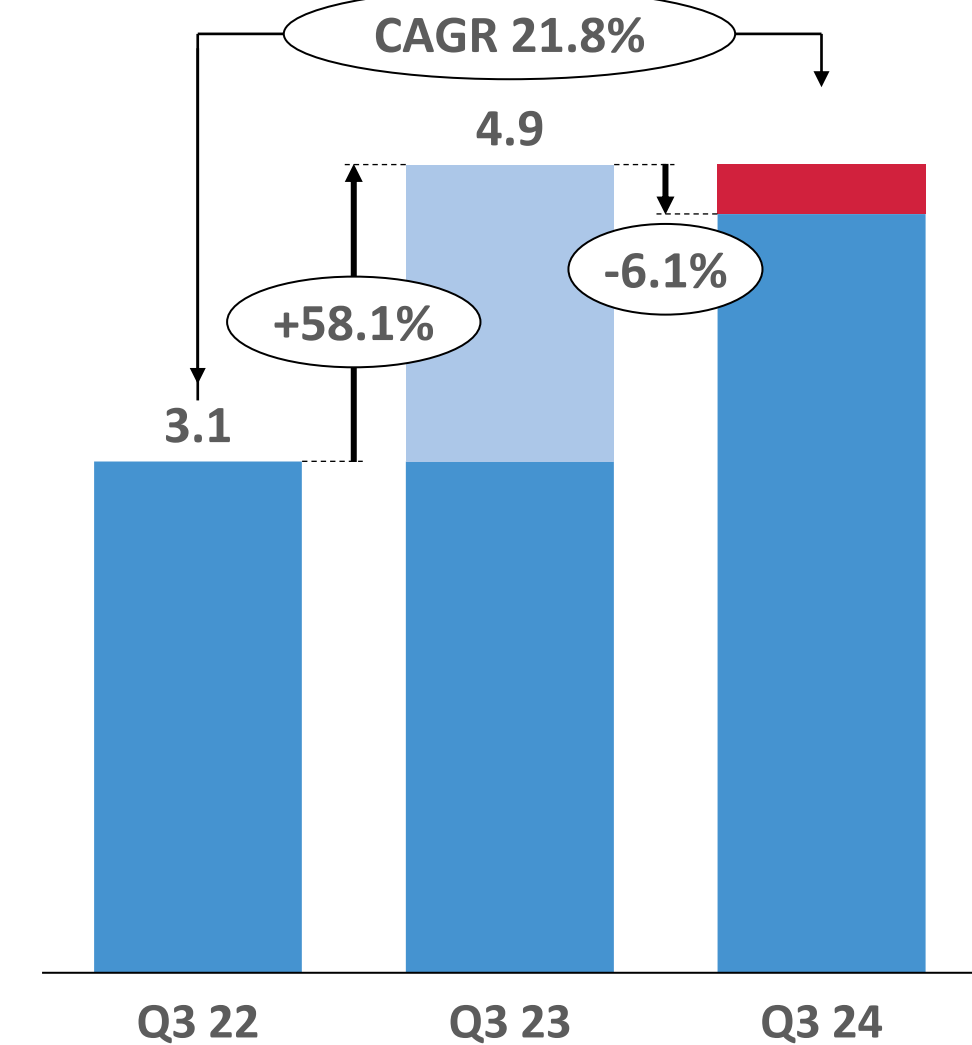
EBIT Q1 22-24



EBIT Q2 22-24



EBIT Q3 22-24

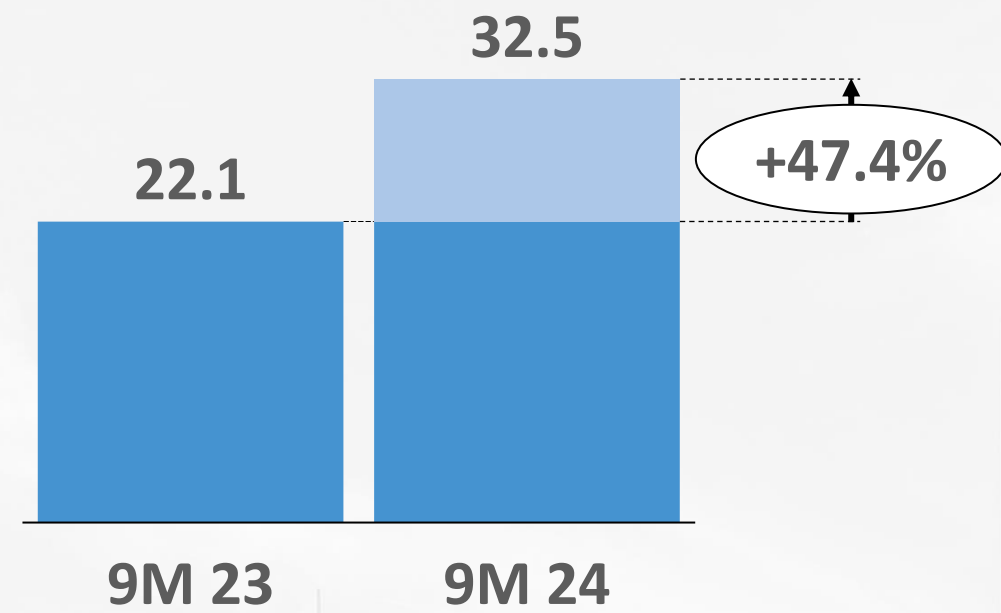


- EBIT margin YTD at 23.7% - in Q3 at 20.0% - impacted by some one-time effects
- **Stock clearance activities** – phase out of older generations
- **Well prepared for Q4** incl. Black Friday and Christmas sales

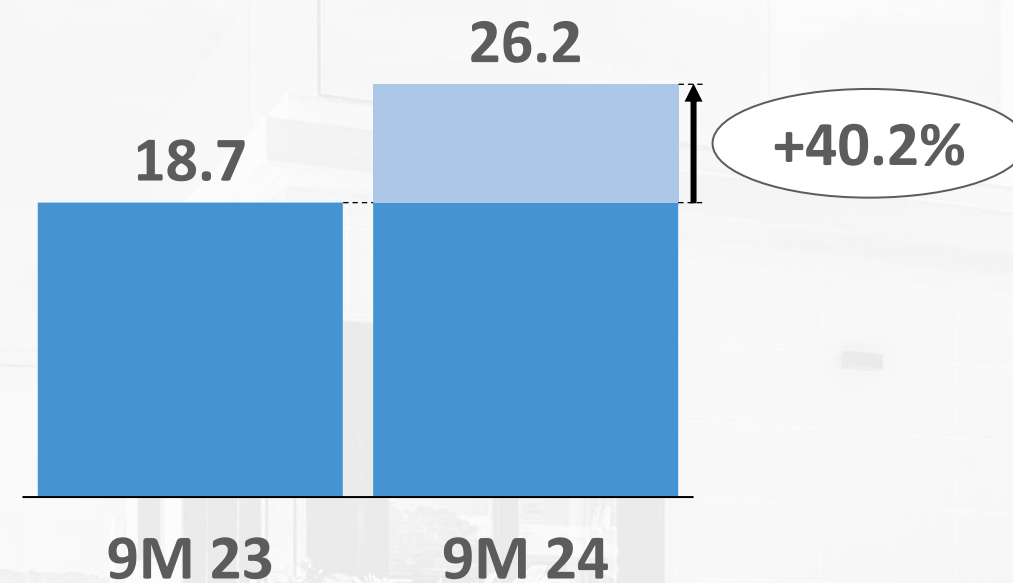
Regional share and growth

(in million EUR)

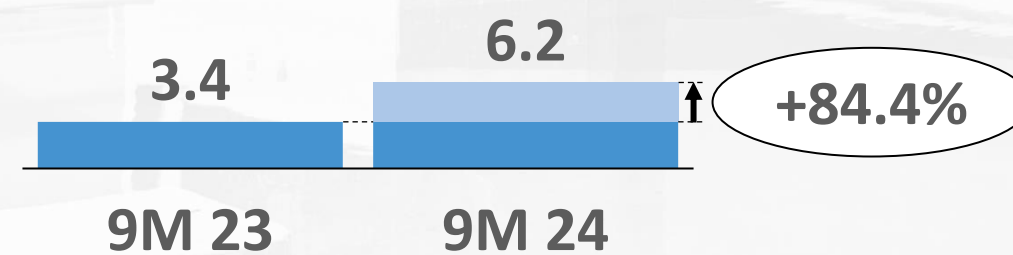
DACH
51.4%



Rest of Europe
39,0%



Rest of World
9,6%



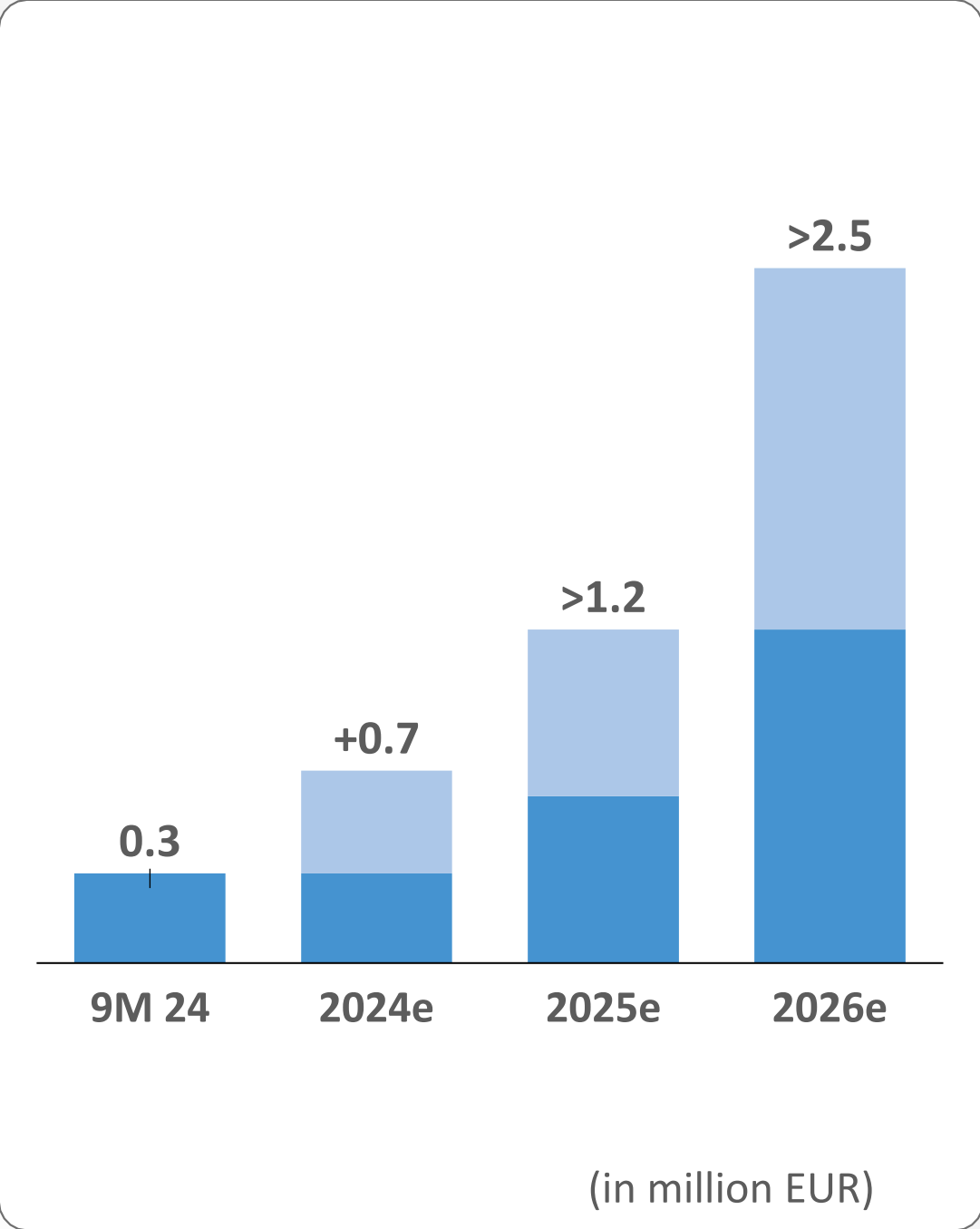
- **Leading region** with strong growth
- Local structure and new channels enable **continuous growth in 2024 and beyond**

- Good development, especially in **Italy & Iberia**
- Local teams hired. **Growth development accelerated vs H1**
- **UK as focus region for 2025**

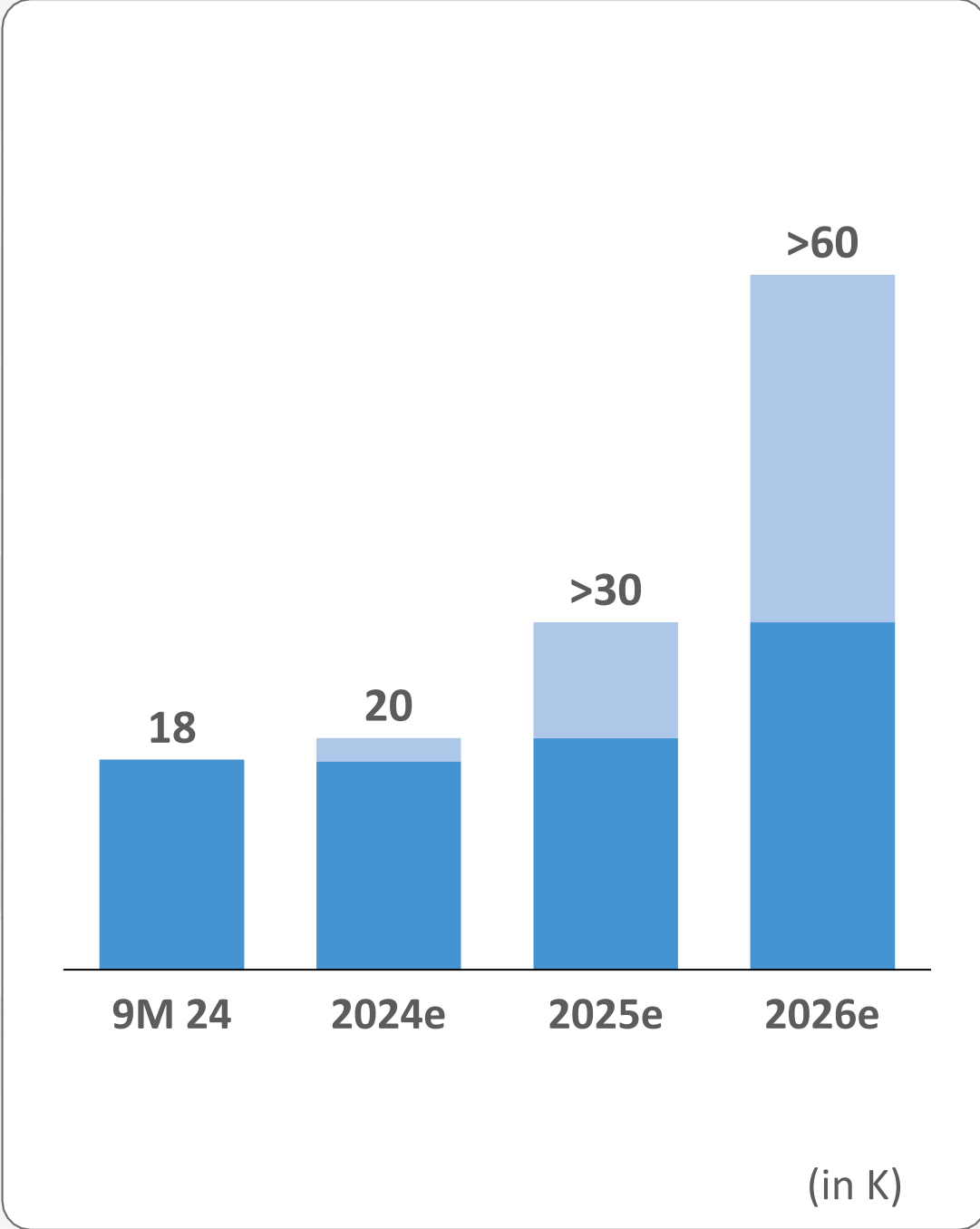
- Good growth outside of Europe, though still at a low level
- Promising steps in **Asia** and **Australia**

Premium App

Revenue



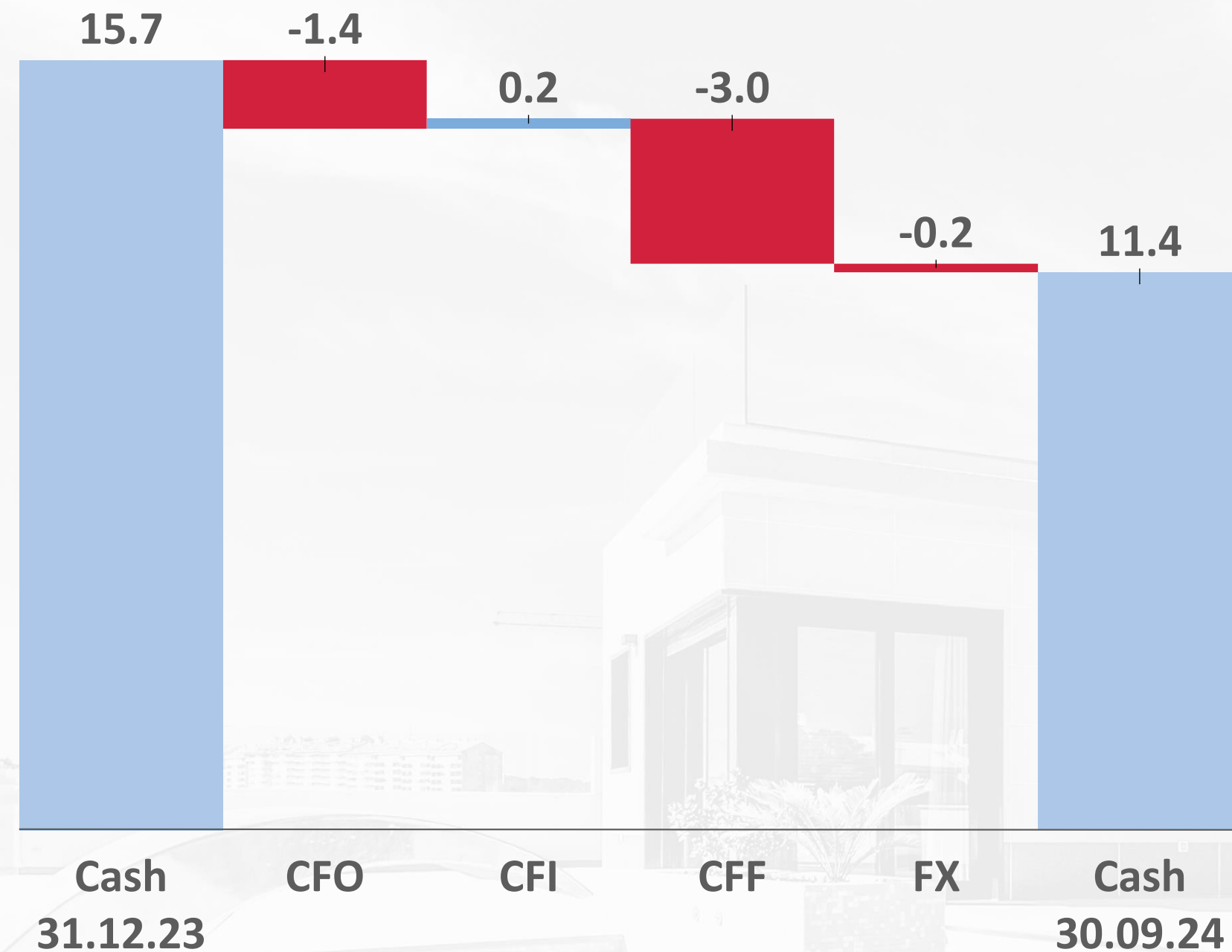
No. of Users



- Premium App users still at a low level, but promising initial results
- No. of users on target, revenue delayed because of trial period effect
- >2.5 M euros in revenue expected in 2026
- Gross margin is almost 100%

Cash Flow

(in million EUR)







- **Inventory** increased by **12.7 M (22.0M total)**
- **240 K higher prepayments (5.5 M total)**
- Increase of shares in **Shelly Tech** and **Shelly Asia** - **1.137 M**
- **R&D investments of -1.9 M**
- **Sale of assets +3.0 M**
- **Loan repayment -1.0 M**
- **Dividend payments of -2.3 M**
- **Equity Ratio of 88.7%**




Working Capital and Margin Measures for 2025

Working Capital

Better planning tools as basis for optimization (e.g. SAP)

- Reduction of stock (from 4-5 months to 3-4 months) 
- Start of negotiations of payment terms with Chinese (and US) suppliers 
- More restrictive customer payment terms 
- Factoring as an option 

Margin

- Dedicated Procurement department in Sofia and in China 
- More shipments using sea freight instead of air freight
- Price negotiations with factories and suppliers (economies of scale) 
- Improved stock control leads to better margins 

Profit & Loss 9M 24

(in million EUR)

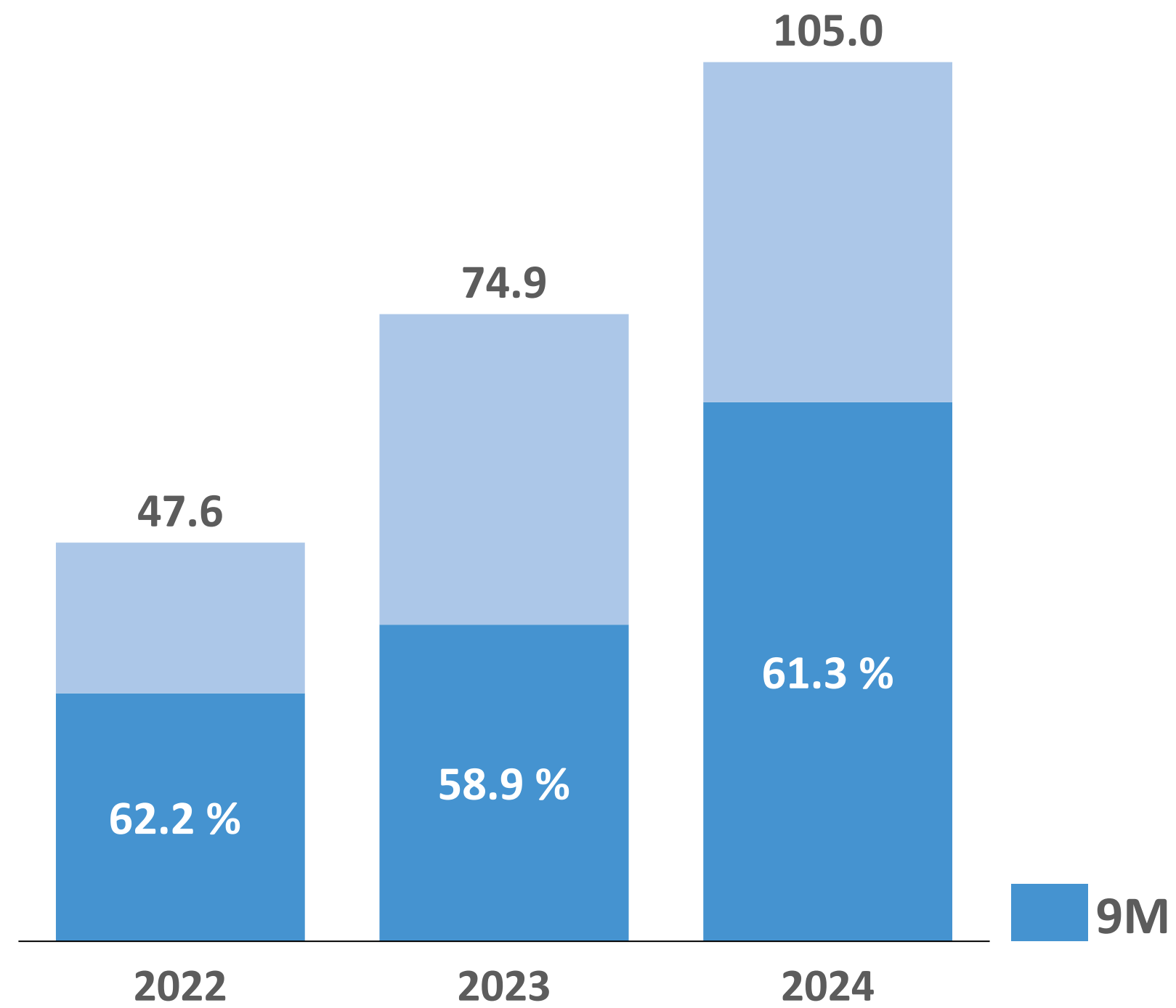
Period	9M 23	9M 24	▲
Revenue	44.137	64.953	47.2%
Gross Profit Gross Margin	25.241 57.2%	37.205 57.3%	47.4%
Sales & Marketing & of Revenue	-2.621 -5.9%	-9.565 -14.7%	264.9%
G & A % of Revenue	-10.743 -24.3%	-12.290 -18.9%	14.4%
EBIT EBIT Margin	11.877 26.9%	15.350 23.6%	29.2%
Net Income Net Income Margin	9.945 22.5%	13.773 21.2%	38.5%

- Stable **gross margin**, no price increases
- Increasing Sales & Marketing spend, due to **higher trade show presence, third-party marketing activities** and **end-of-life promotions**
- **Under proportional G&A development** in spite of a higher headcount

Guidance vs. Achievement

Achievement of Annual Revenue Target

(in million EUR)

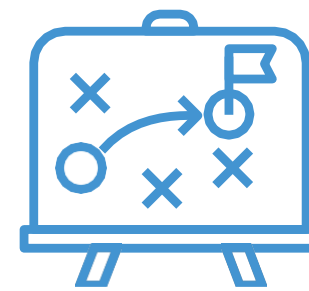


- 9M achievement on similar level as previous 2 years
- A small head start in achieving the annual sales target of 105 million euros.
- Annual target confirmed

Summary



- **9M 24 Revenue above target**
- **EBIT in Q4 lower than average due to marketing and sell out activities**
- **EBIT stabilization expected in Q4**
- **All regions are growing above market averages**



- **Regional expansion continues**
- **Strong progress in moving from the DIY to the professional market**
- **Wider product range supports growth**
- **Cloud and premium App as additional potentials**



- **Guidance for 2024 (105 M Euro revenue & 26 M Euro EBIT) confirmed**
- **2026 goal of +200 M Euro revenue and +50 M Euro EBIT confirmed**
- **Measures to optimize working capital prepared and partially implemented**

Q&A



Scan to download
presentation

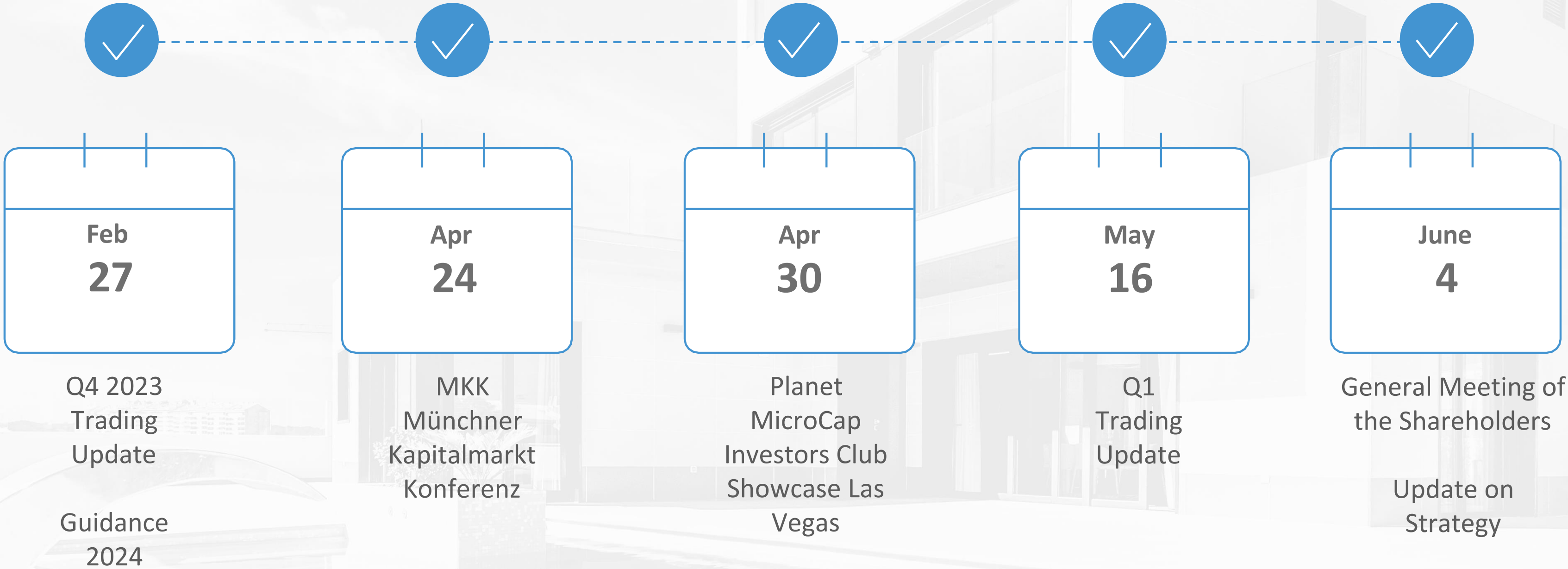


Scan to subscribe to the
newsletter

Appendix

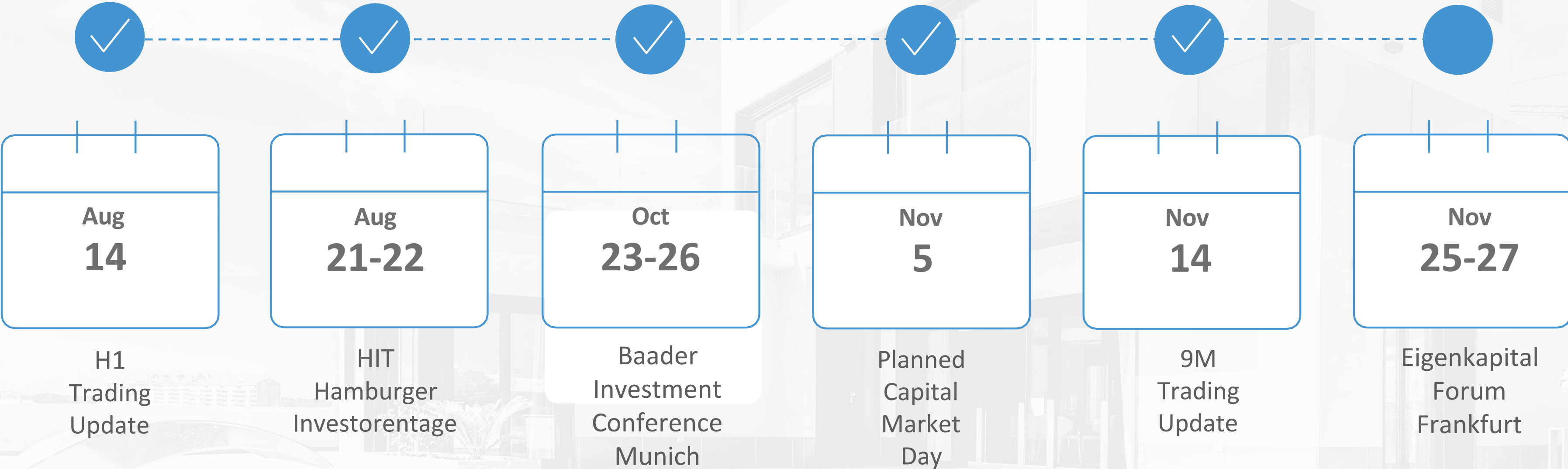
Investor relations

1st HY events



Investor relations

2nd 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 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. It 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 lifespan.
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

The following presentation, including any printed or electronic copy of these slides, the talks given by the presenters, the information communicated during any delivery of the presentation and any question and answer session and any document or material distributed at or in connection with the presentation (together, the “Presentation”), has been prepared by Shelly Group AD (the “Company”), is not an offer to sell any securities or an invitation to purchase securities or the solicitation of an offer to buy securities. This Presentation is not an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended.

The Presentation is provided for general information only and does not purport to contain all the information that may be required to evaluate the Company. The information in the Presentation is subject to updating, completion, revision and verification.

No reliance may be placed for any purpose whatsoever on the information or opinions contained or expressed in the Presentation or on the accuracy, completeness or fairness of such information and opinions. To the extent permitted by law and regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company, or any of its parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of its respective directors, officers, partners, employees, agents, affiliates, representatives or advisers, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation.

None of the Company, its affiliates and advisers, agents and/or any other party undertakes or is under any duty to update the Presentation or to correct any inaccuracies in any such information which may become apparent or to provide you with any additional information. Save in the case of fraud, no responsibility or liability is accepted by any such person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred,

however, arising, directly or indirectly, from any use of, because of the reliance on, or otherwise in connection with, the Presentation. In addition, no duty of care or otherwise is owed by any such person to recipients of the Presentation or any other person in relation to the Presentation.

The Presentation includes statements that are, or may be deemed to be, forward looking statements. These statements are based on the current views, expectations and assumptions of the management of the Company and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations and competition from other companies, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company and other factors. The Company does not assume any obligations to update any forward-looking statements.

The presentation includes statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on analysis by the Company of multiple sources, including certain studies commissioned from third parties (the “Market Repots”). The Market Repots may include and be based on, amongst other things, information obtained from primary interviews and field visits conducted by third parties with industry experts and participants, third parties’ secondary market research and internal financial and operational information supplied by, or on behalf of, the Company, as well as information obtained from (i) data providers; (ii) industry associations and country organizations; and (iii) publicly available information from other sources, such as information publicly released by the Company's competitors. To the extent available, the industry, market and competitive position data contained in the Presentation has come from official or third-party sources. Third party industry publications, studies and surveys generally state that the data contained in them have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in the Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in the Presentation. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described in the Presentation. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance.

The distribution of this Presentation in certain jurisdictions is restricted by law. Therefore, it must not be distributed, published or reproduced (in whole or in part) or disclosed by its recipients to any other person for any purpose, other than with the consent of the Company. All trademarks remain the property of their respective owners. By accepting receipt of, a ending any delivery of, or electronically accessing, the Presentation, you agree to be bound by the above limitations and conditions and, in particular, you represent, warrant and undertake to the Company that: (i) you will not forward the Presentation to any other person or reproduce or publish this document, in whole or in part, for any purpose; and (ii) you have read and agree to comply with the contents of this notice.

Investor relations



Denitsa Georgieva
Investor Relations Officer
investors@shelly.com





Explore the
POSSIBILITIES