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POSSIBILITIES

Münchener Kapitalmarkt Konferenz

April 24th -25th, 2024

We make Smart Building Solutions



...enabling an eco-friendly connected world

Leading Smart Building Platform

13 M**
Devices sold

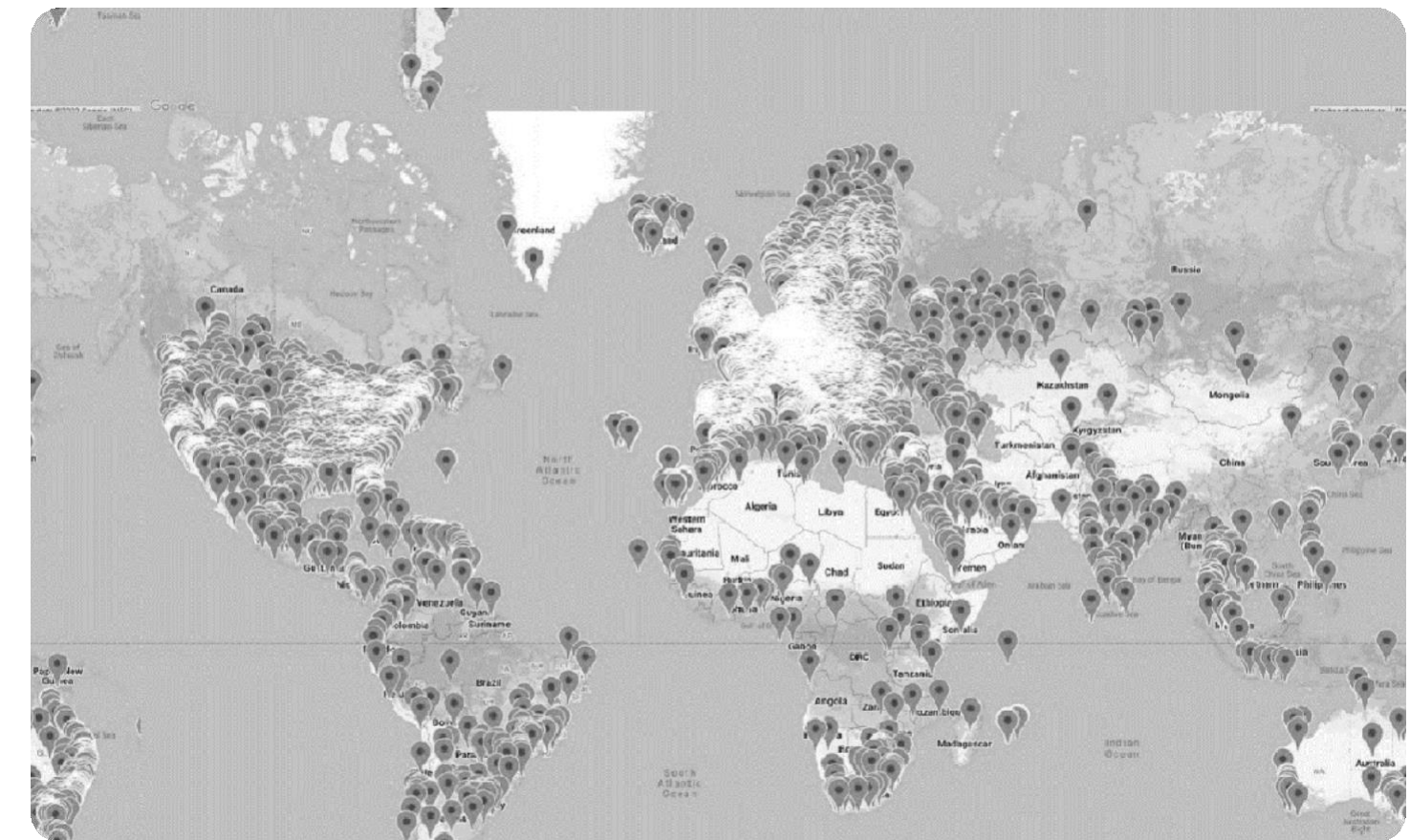


+5.0 M
Last 12 months

>100
Countries

3.0 M**
Households

+900K
Last 12 months



1.250K**
Cloud users



+573K
Last 12 months

**since 2018

Price Positioning – Best Value For Money

GIRA
SIEMENS

legrand®
Schneider
Electric

x2 price difference

homematic FIBARO



Shelly Pro

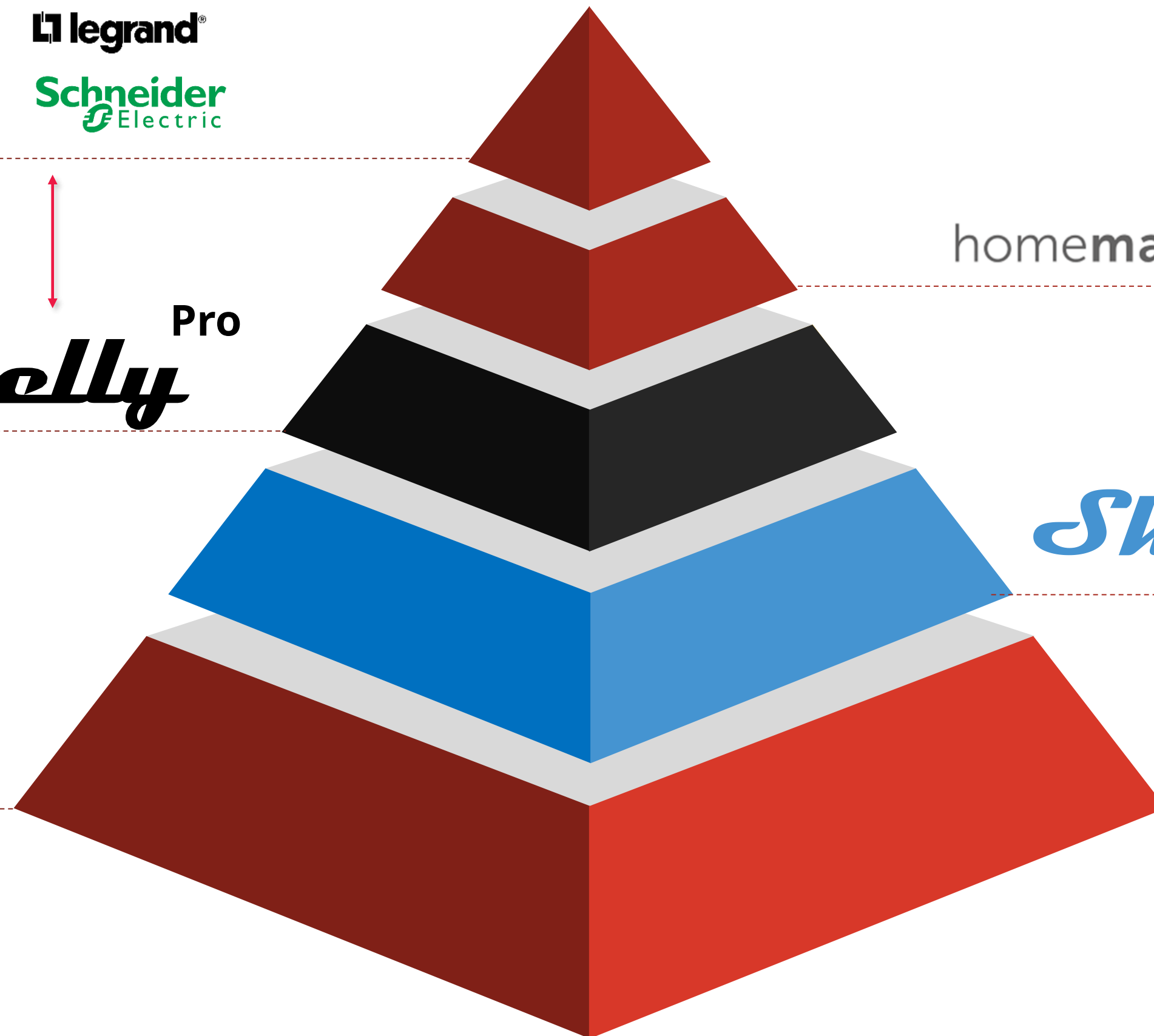
x2 price difference

Shelly

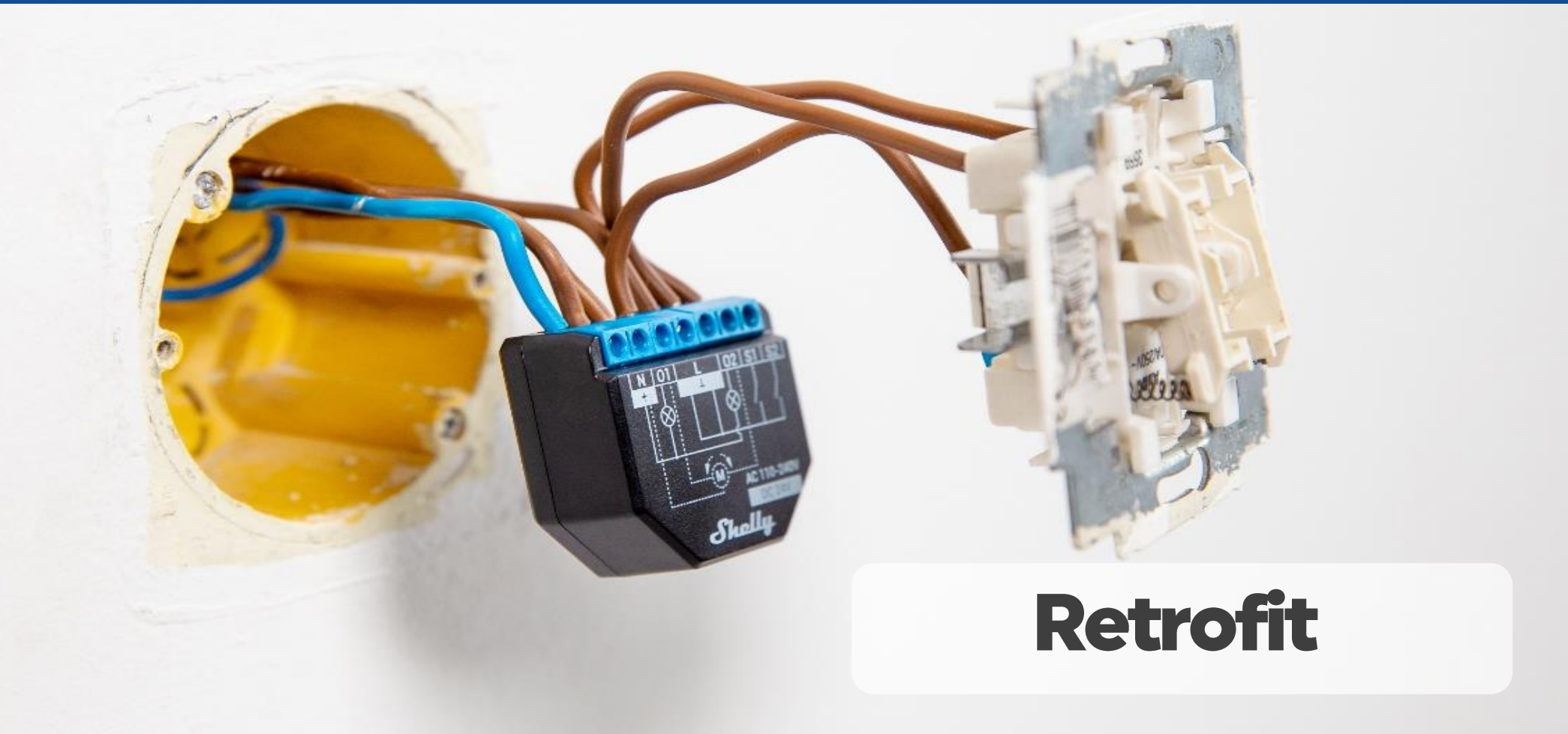


SONOFF® & other imports

ABB



How it works



Retrofit



Central Installation



Plug & Play



Remote control

Get the app on:



Why choose Shelly?

Shelly's Own Chip



The powerful chip by Shelly ensures the quality and reliability of our devices. Equipped with an 8MB memory, this drastically improves the device performance and efficiency. The significant increase in memory not only guarantees smoother and faster operation but also provides our latest series for the introduction of new capabilities.

Affordable and quality end-to-end solutions



We offer cost-effective solutions for new and old buildings.

Open protocols



You are free to use the ecosystem you prefer or none at all.

No Cloud required



Control your Shelly devices locally without the need to connect them to an external Cloud or server.

Wide expanding connectivity range



Shelly currently supports Wi-Fi, Bluetooth and Z-Wave

EU regulated



You decide whether to use our Shelly Smart Control app and EU Cloud - that are GDPR compliant.

Active community support



Over 200K devoted community members sharing tips, support and ideas with each other, and even with our CEO.

Easy to install



No need to rewire or make complex installation changes to your home to start using Shelly devices.

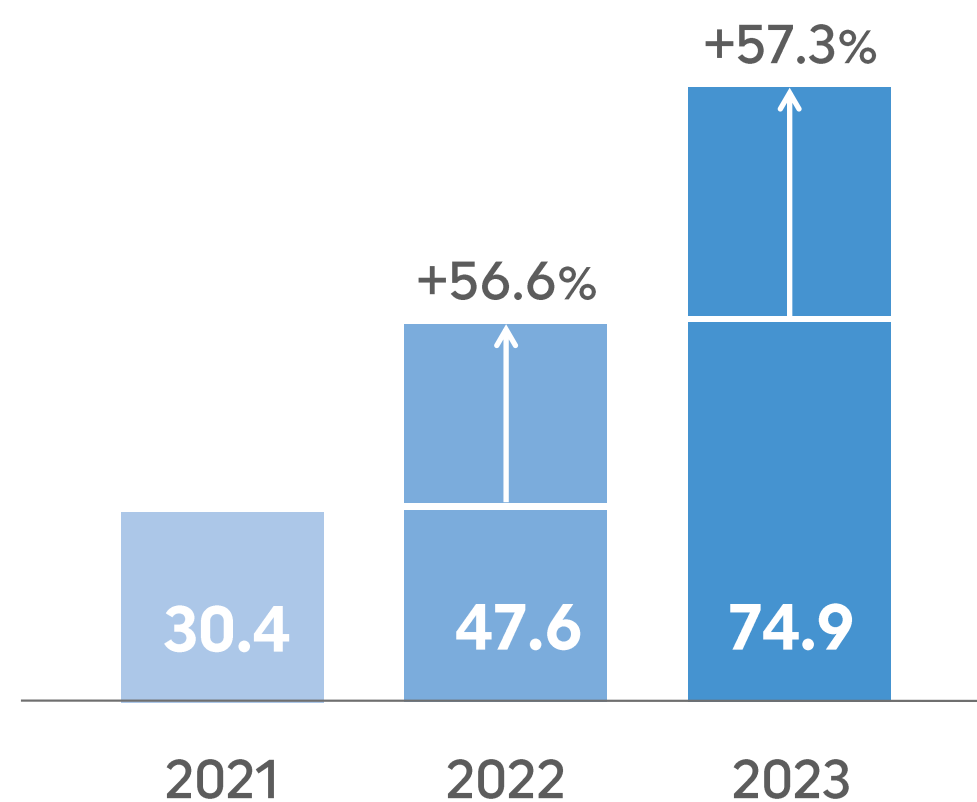
Financials

SPRINT

Financial Highlights 2023

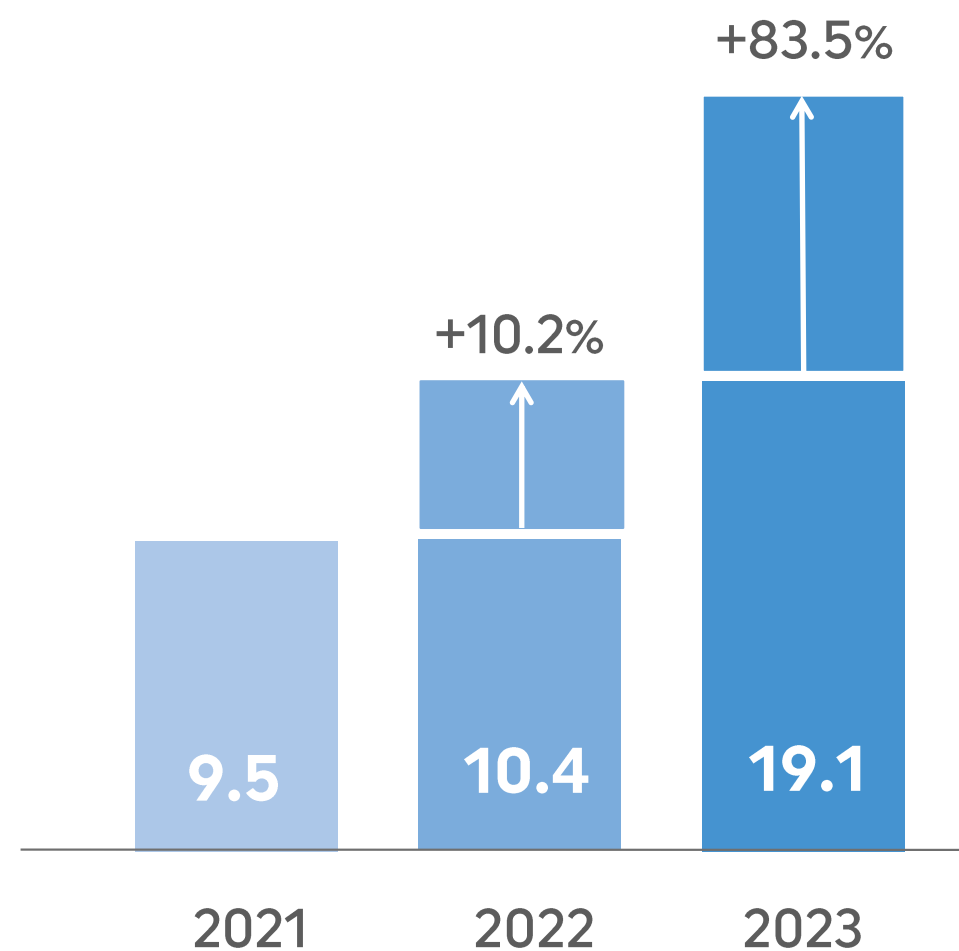
(in million euros)

Revenue



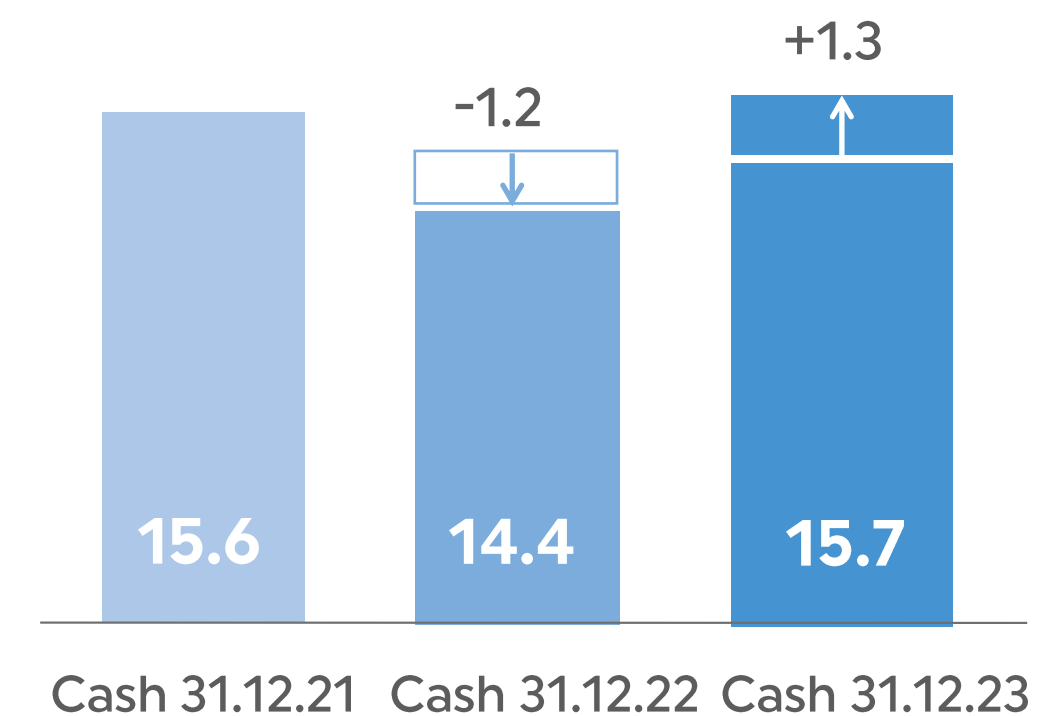
Sustainable & significant above market growth
CAGR: 56.97%

EBIT



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

Cash



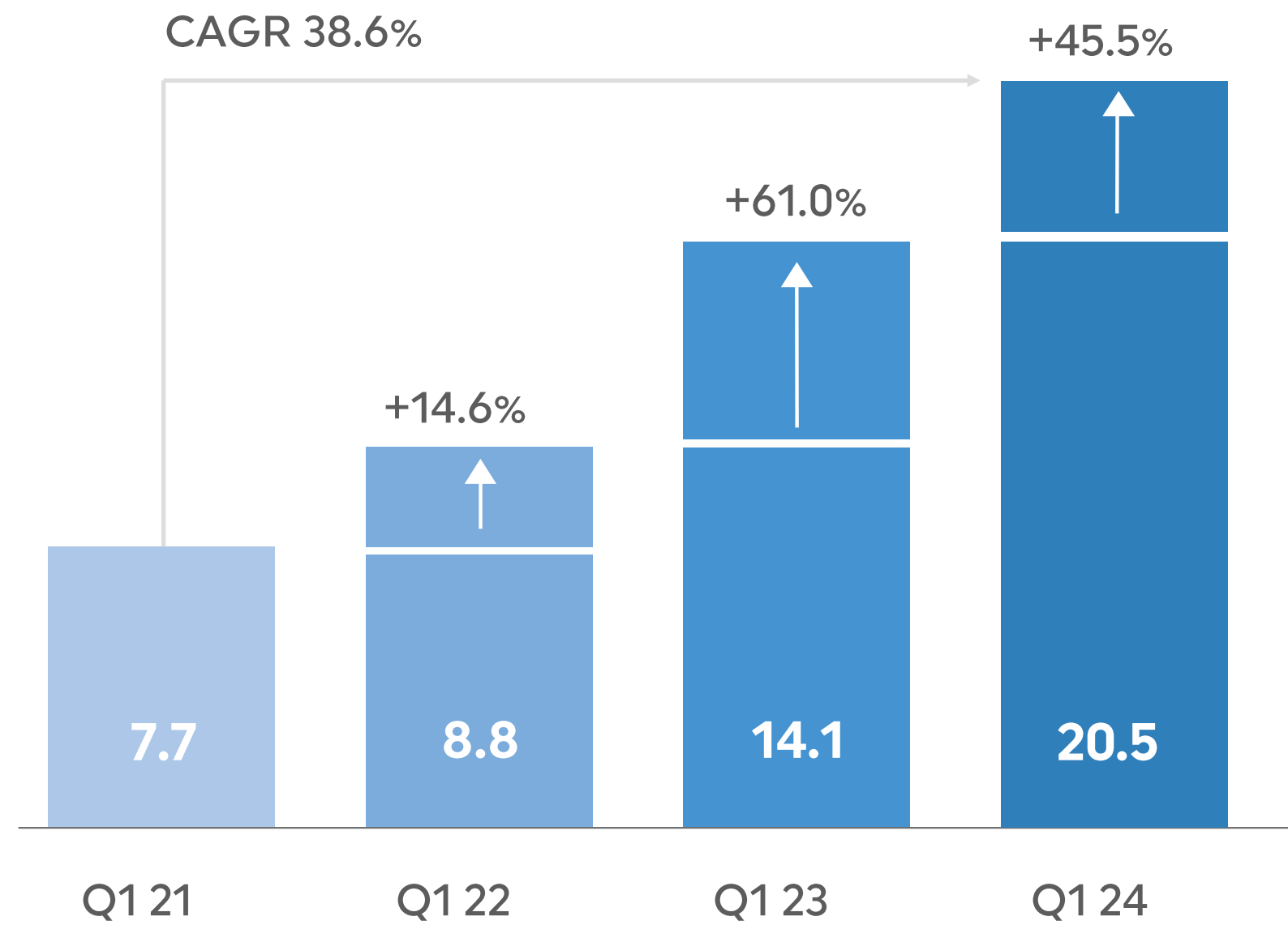
Growth fully financed from operations
1.3 M cash increase despite higher WC, acquisition & dividend payment

Revenue Q/Q

(in million euros)







Revenue

Q1 21-24



Q1/24 with 45.5% above budget
The growth story continues...





Key Financials 2021-2023

Targets	2021	2022	2023
 Revenue	30.4 M	47.6 M	74.9 M
 Revenue Development	50.0 %	56.6 %	57.3 %
 EBIT Margin	32.0 %	21.9 %	25.5 %
 EPS	0.45	0.50	0.94
 ROCE	27.4 %	25.2 %	33.6 %
 Equity Ratio	90.5 %	89.0 %	85.8 %
 Cash in bank accounts	15.6 M	14.4 M	15.7 M

* (in million euros)





Guidance vs. Achievement 2023

(in million euros)

Targets	2022 Baseline	2023 Guidance	2023 Actual
 Revenue	47.6	72.0	74.9
 YoY Growth	56.6 %	51.0 %	57.4 %
 EBIT	10.4	>17.0	19.1
 EBIT Margin	22.0 %	>23.0 %	25.5 %

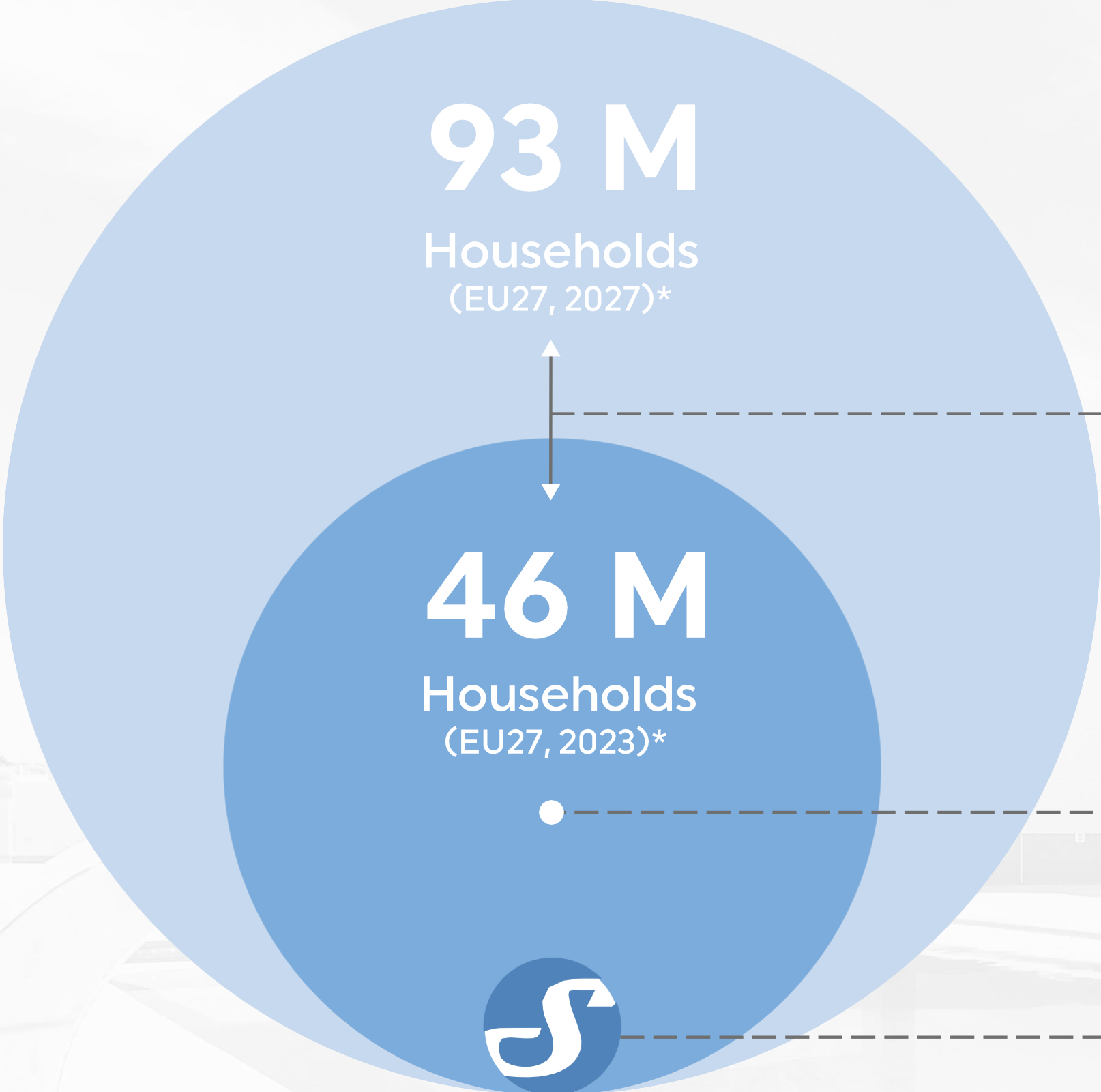
Guidance 2024

(in million euros)

Targets	2023	2024
 Revenue	74.9	105
 YoY Growth	57.4 %	40.2 %
 EBIT	19.1	26.0
 EBIT Margin	25.5 %	25.0 %

Revenue Potentials

Market potential



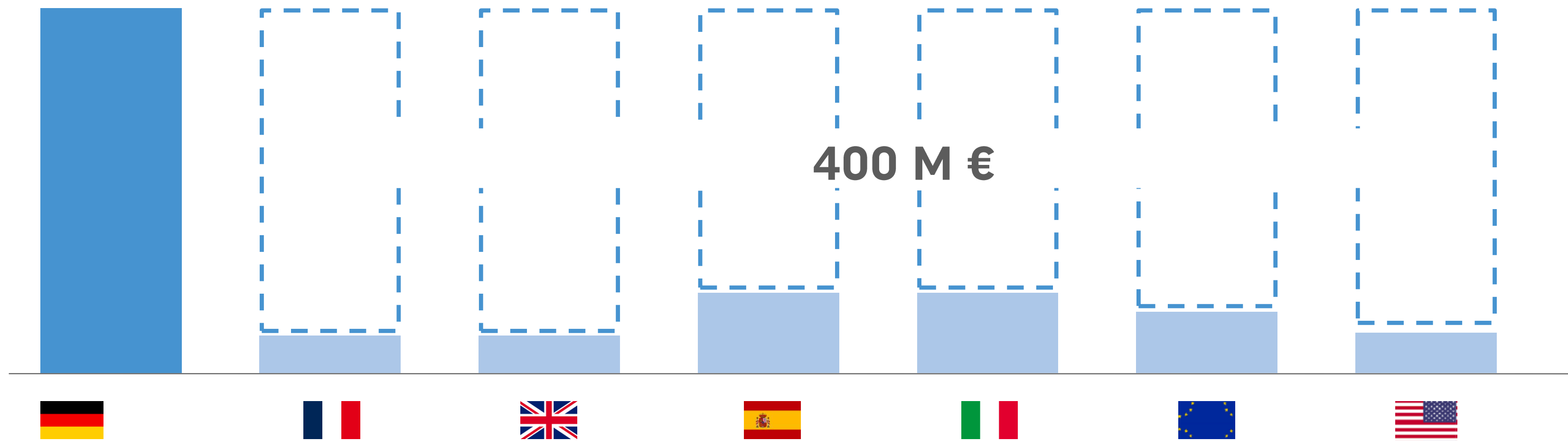
- **CAGR 20%**
Market growth by 2027

- **Market to double**
Within the next 4 yrs

- **Shelly's growth**
More than 20% above the market

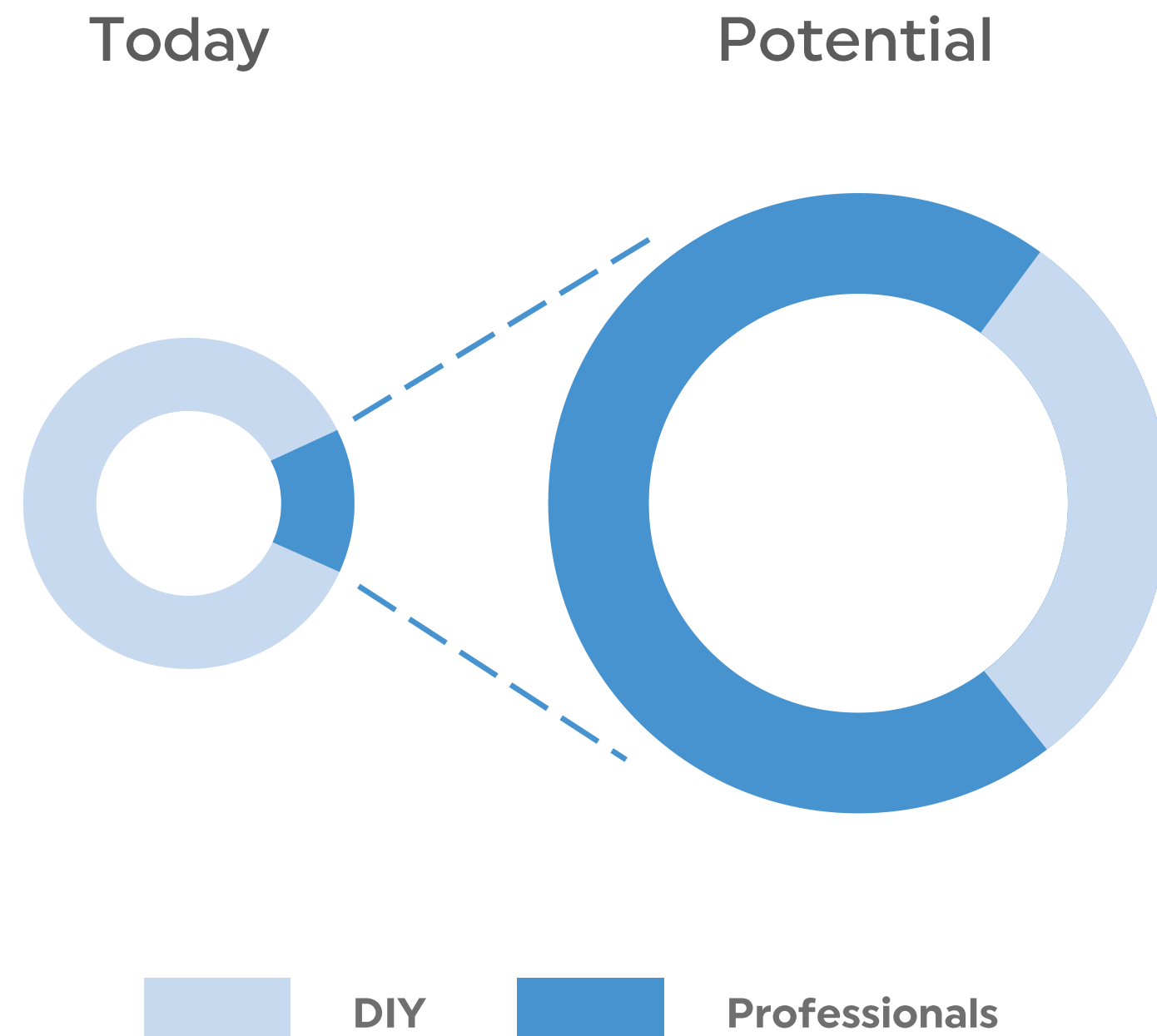
Geographical potential

Market potential (status quo)



Same revenue as in DACH region across Europe and the USA would lead to +400 M Euro revenue - today

B2B/Professional potential

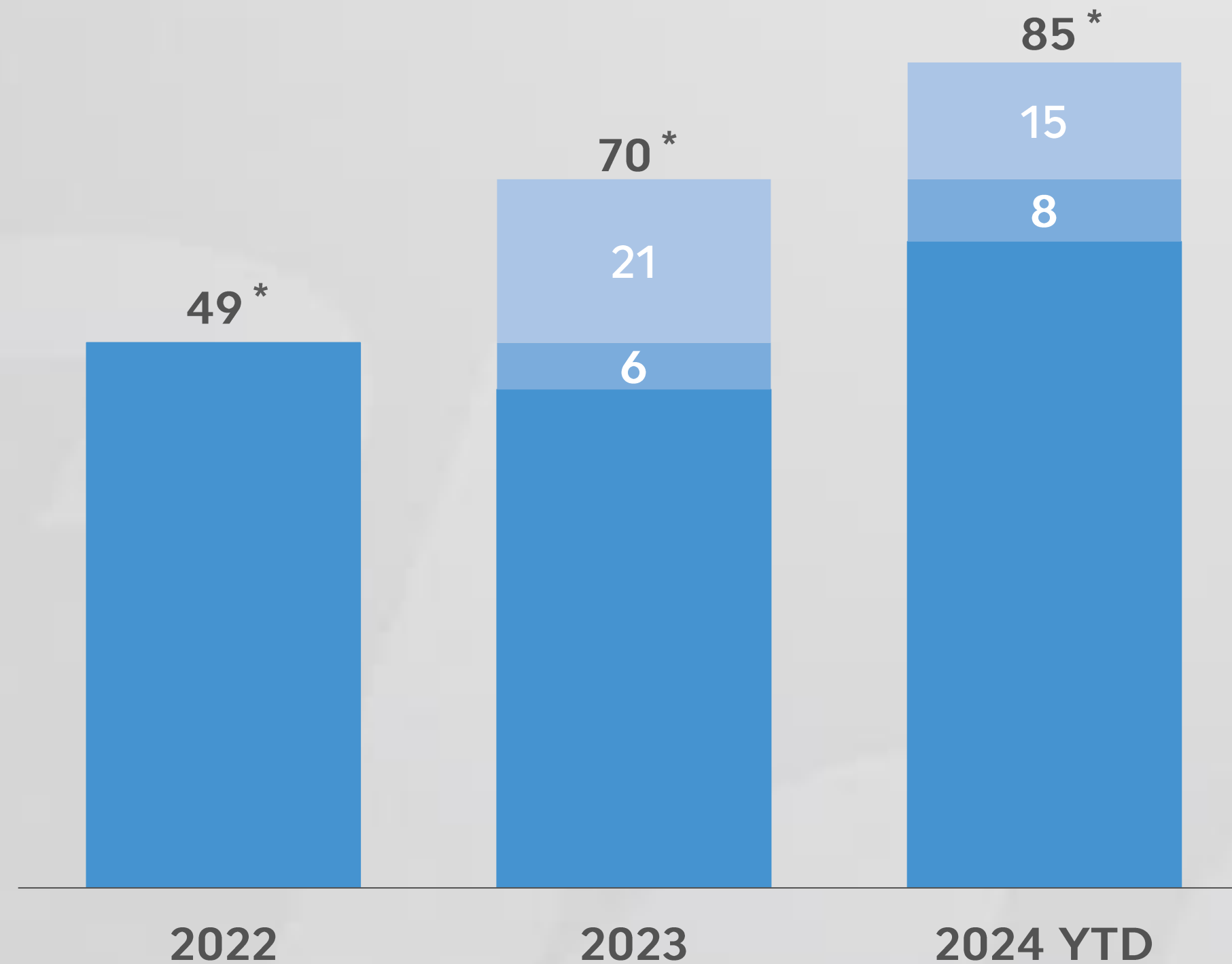


- **Professional B2B Market substantially bigger than DIY**

- **Negotiations with largest distributors underway**

- **Cooperation with several professional schools initiated**

Market potential

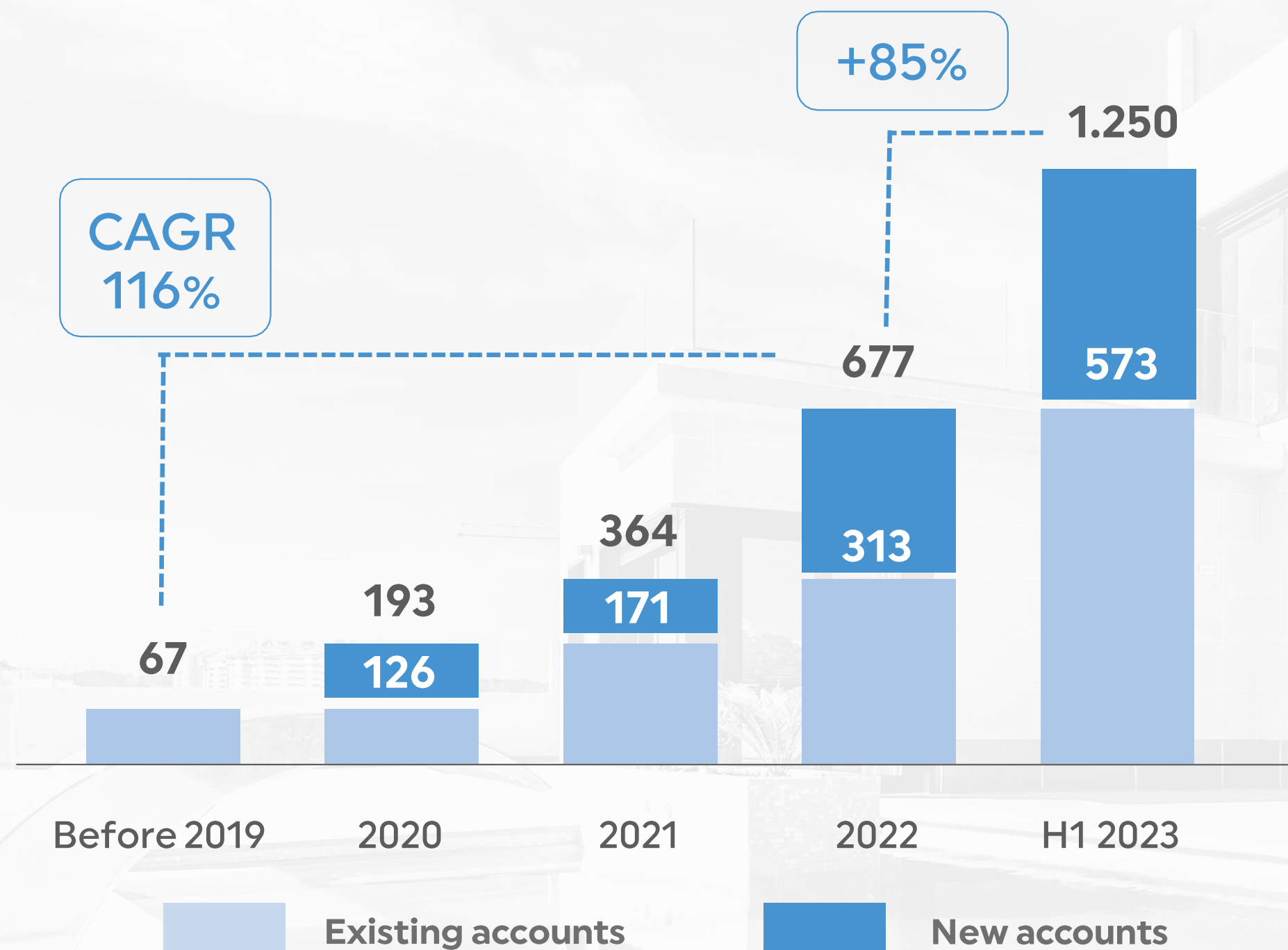


- **2023:**
 - 6 Products updated
 - 21 New products released
 - 3 New product categories
- **2024 YTD:**
 - 8 Products updated
 - 15 New products released
- **2024 Outlook:**
 - 40-60 New products & product updates

Wider product range is one driver for more revenue

* Excluding Accessories

Cloud potential



- 573K new Cloud users in 2023

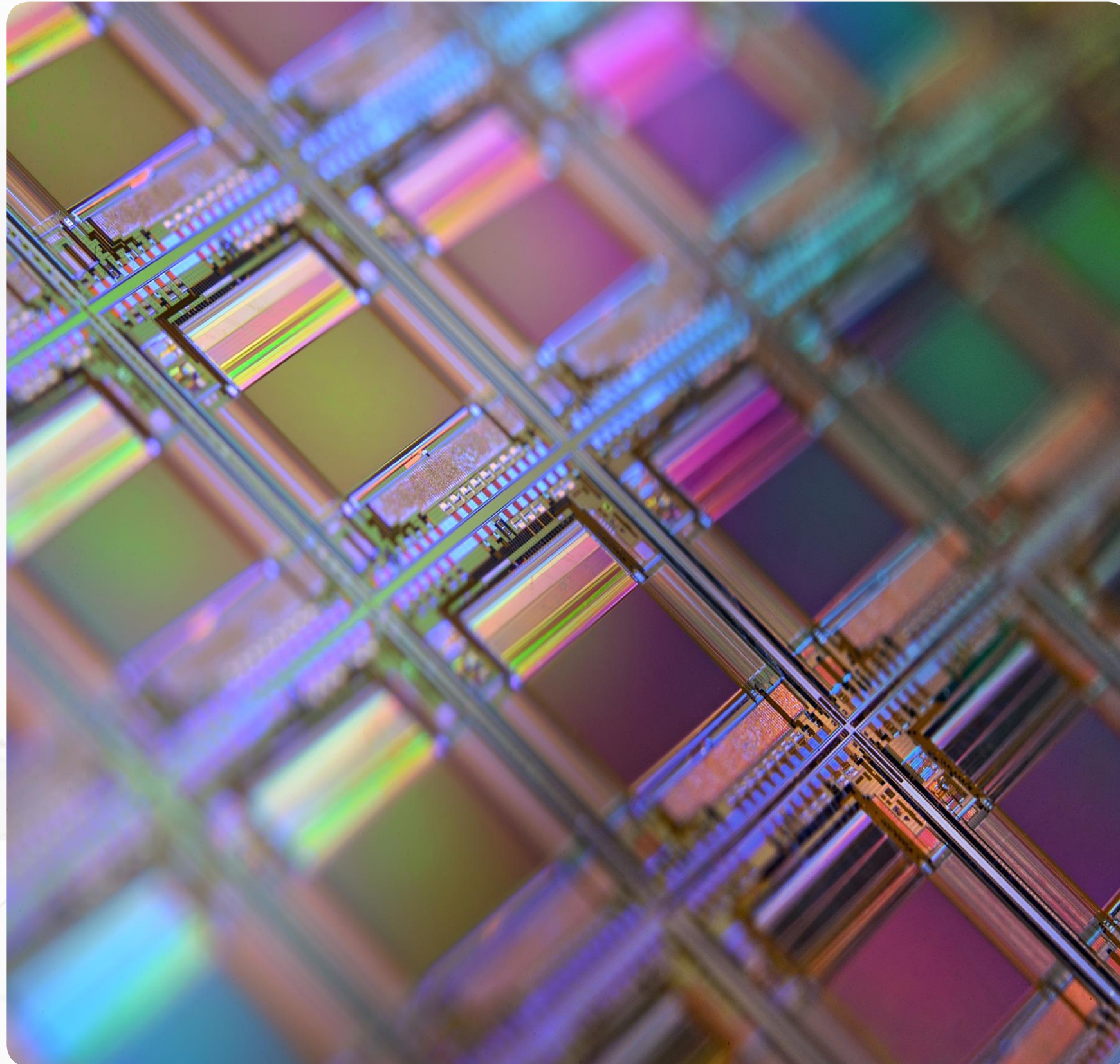
- Fast growing Cloud user base

- 60% of all products sold registered in Cloud

- New app launched with Freemium model on Aug. 1st, 2023

- Revenue potential depending on conversion to premium rate

Module business potential

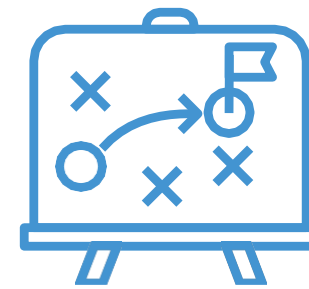


- **The Shelly module as basis for CE Partners to become smart**
- **Getting market share from players such as Tuya**
- **Enlarging the reach of Shelly Platform**
- **New and separate business line**

Summary



- **Healthy and growing market**
- Strategy and products enable **growth** significantly **above the market**
- This **growth is sustainable** – already proven to work outside of DACH

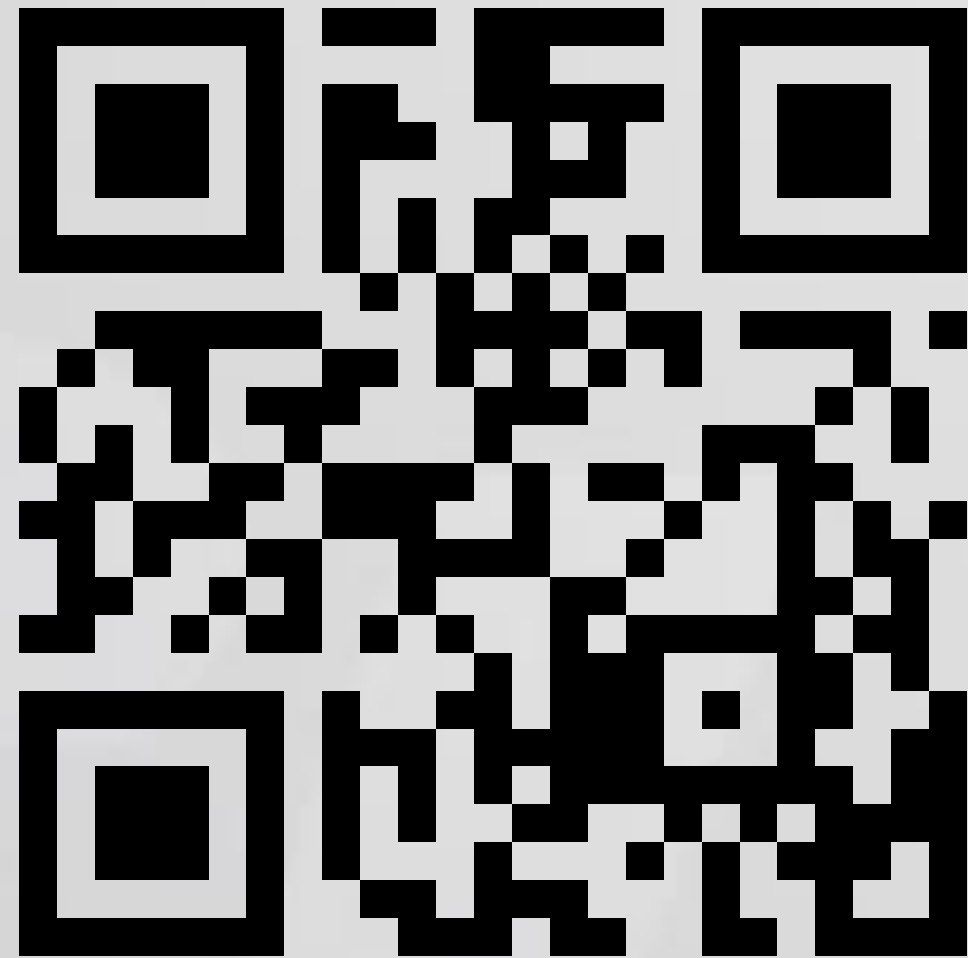


- **Regional expansion**
- From **DIY** to **Professional Market**
- Wider **product range** **supports growth**
- **Cloud and premium App** as additional potentials

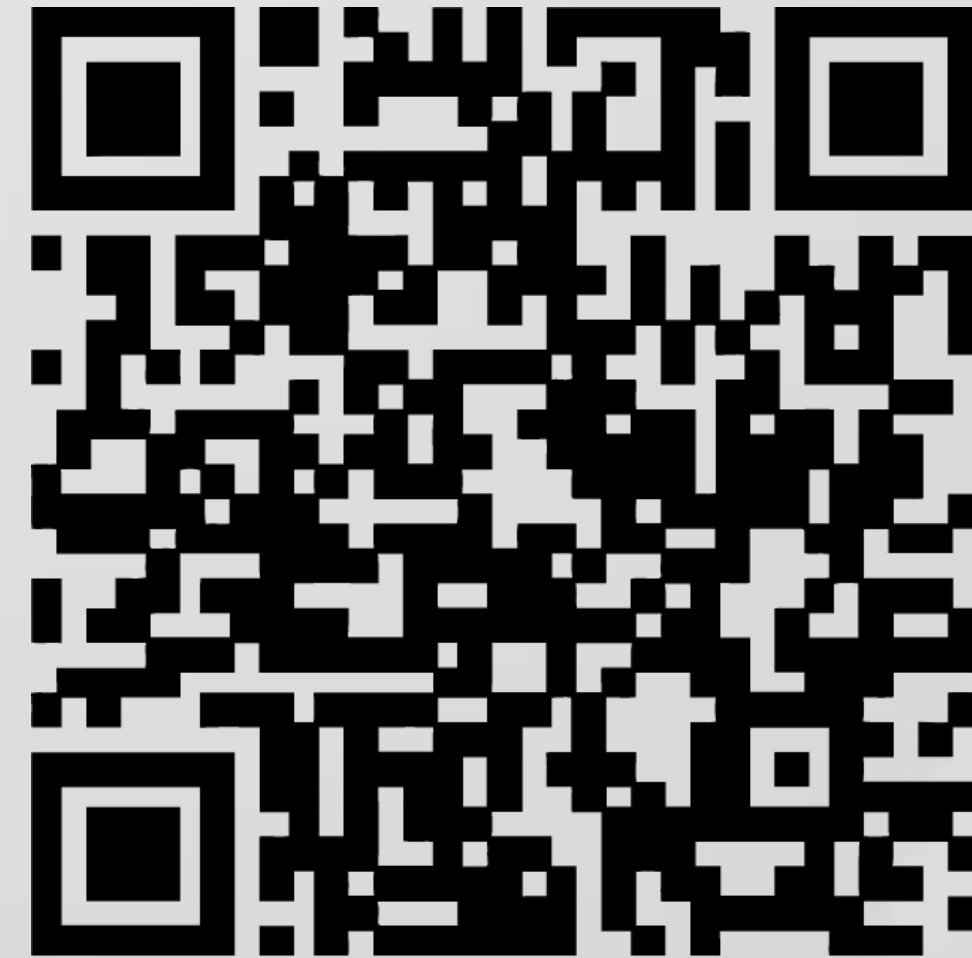


- **+200 M Euro revenue goal in 2026**
- **+50 M Euro EBIT in 2026**
- **Enough cash to finance growth**

Q&A



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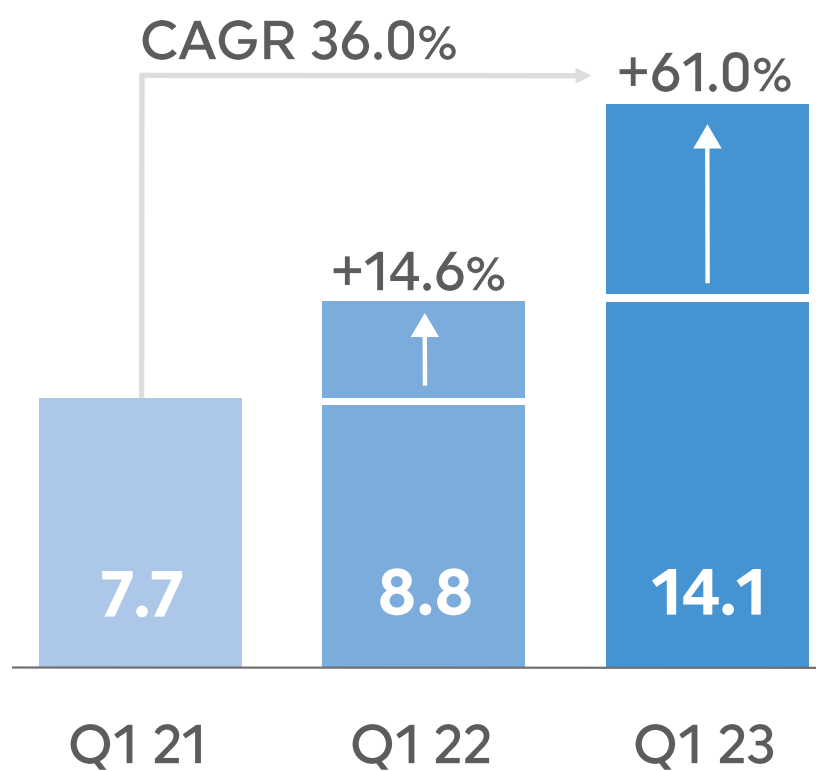
Appendix I

Financial Details & Outlook

Revenue Q/Q

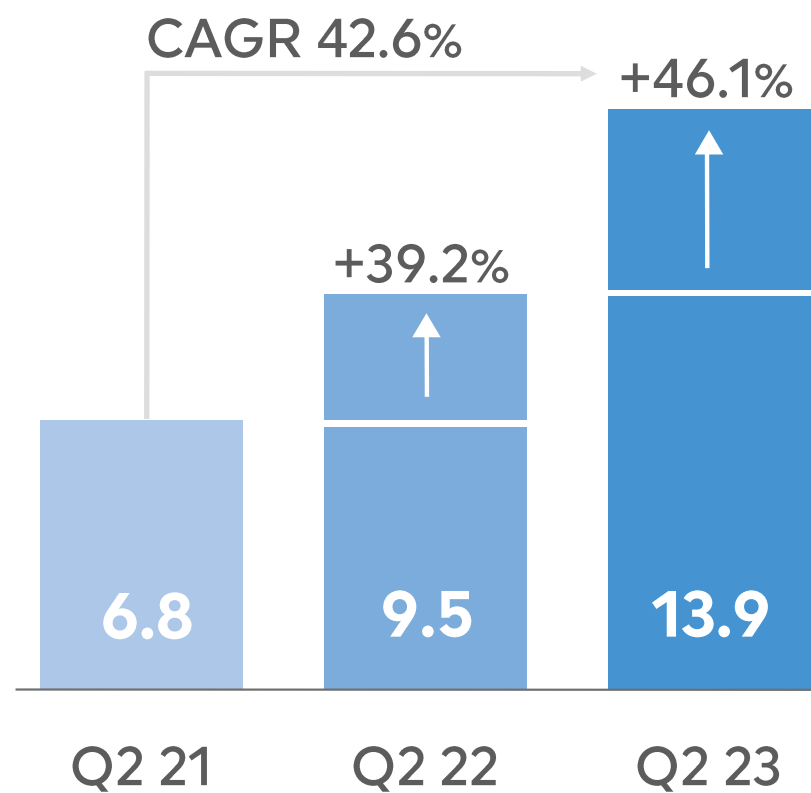
(in million euros)

Revenue Q1 21-23



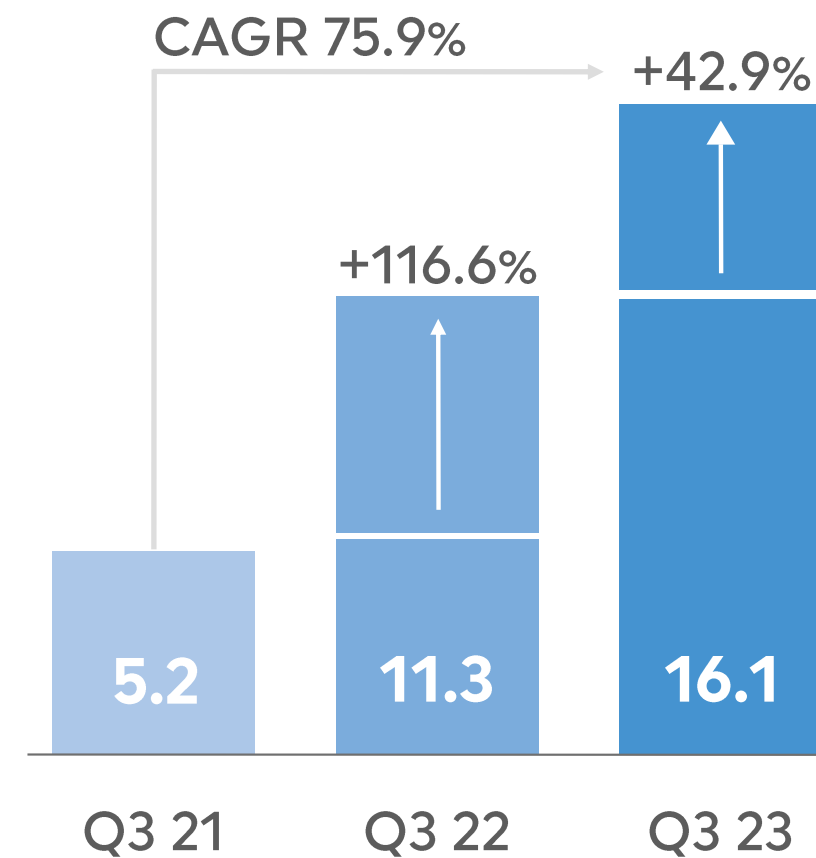
Growth Rate in Q1/23 almost 4 times higher than in Q1/22

Revenue Q2 21-23



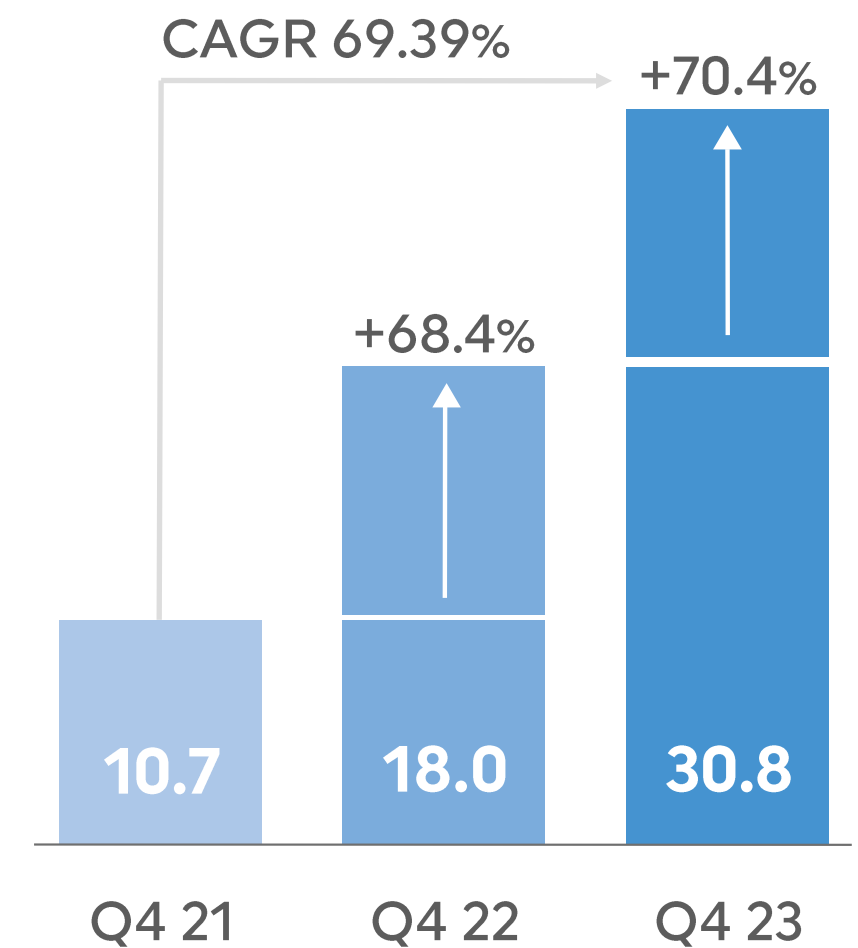
Growth Rate decreased vs. Q1/23 mainly because of a stronger Q2 in previous year

Revenue Q3 21-23



Revenue growth lower than in Q1 and Q2 but above budget

Revenue Q4 21-23



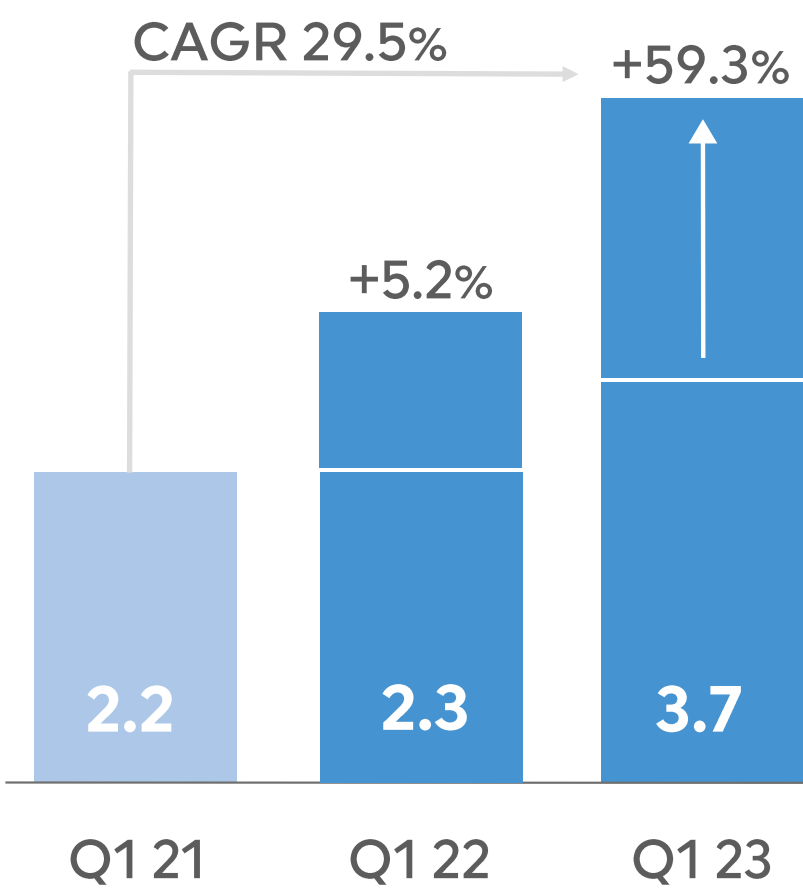
Q4 with a very high revenue share and accelerated growth as planned

EBIT Q/Q

(in million euros)

EBIT

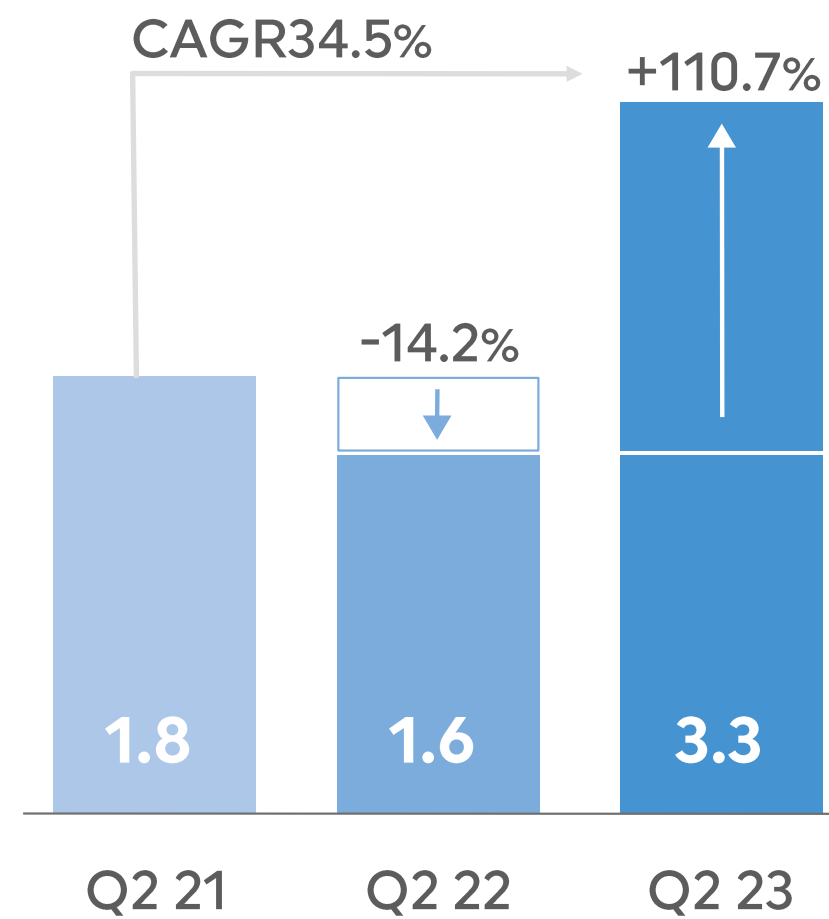
Q1 21-23



Strong EBIT growth after small increase in 2022

EBIT

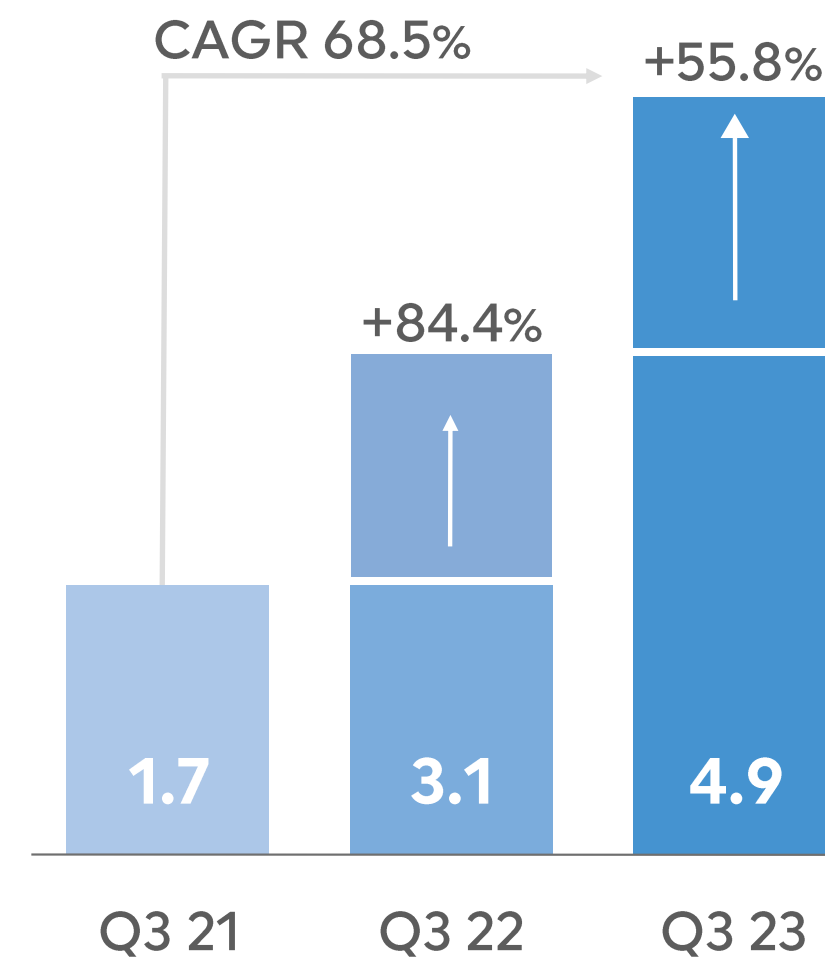
Q2 21-23



EBIT in Q2/23 more than doubled

EBIT

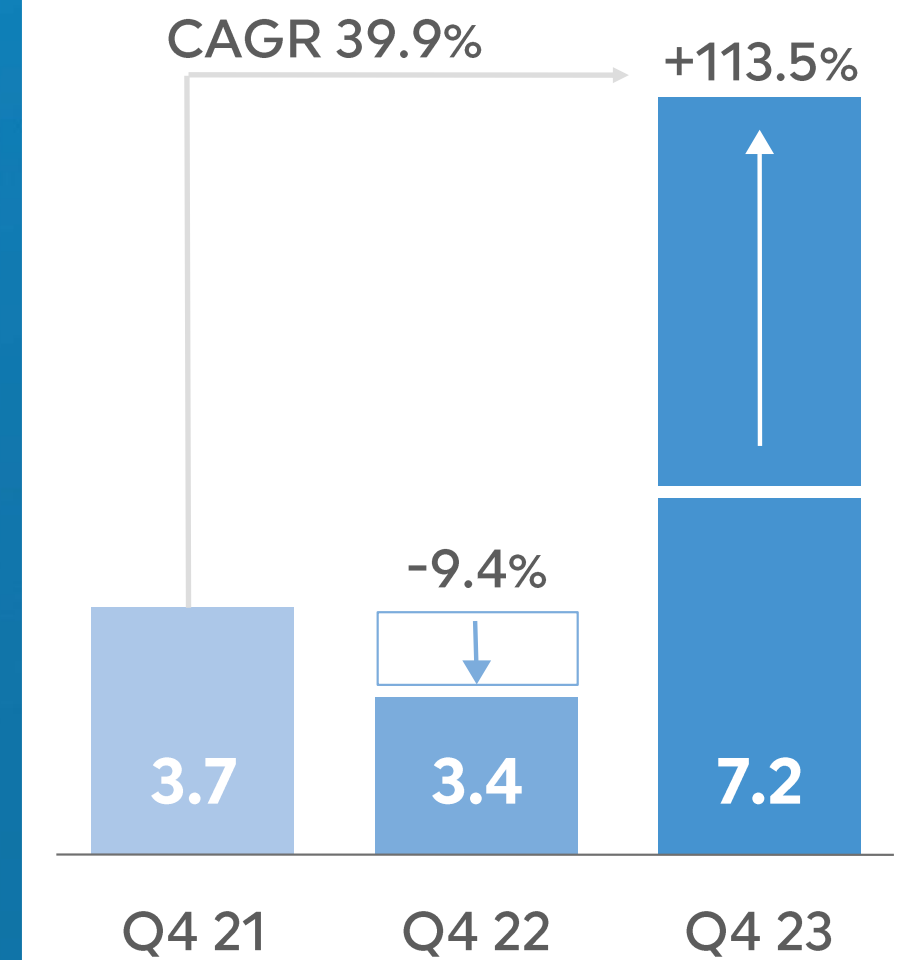
Q3 21-23



Very solid EBIT development

EBIT

Q4 21-23



EBIT in Q4/23 more than doubled vs. 2022

Profit & Loss 2023

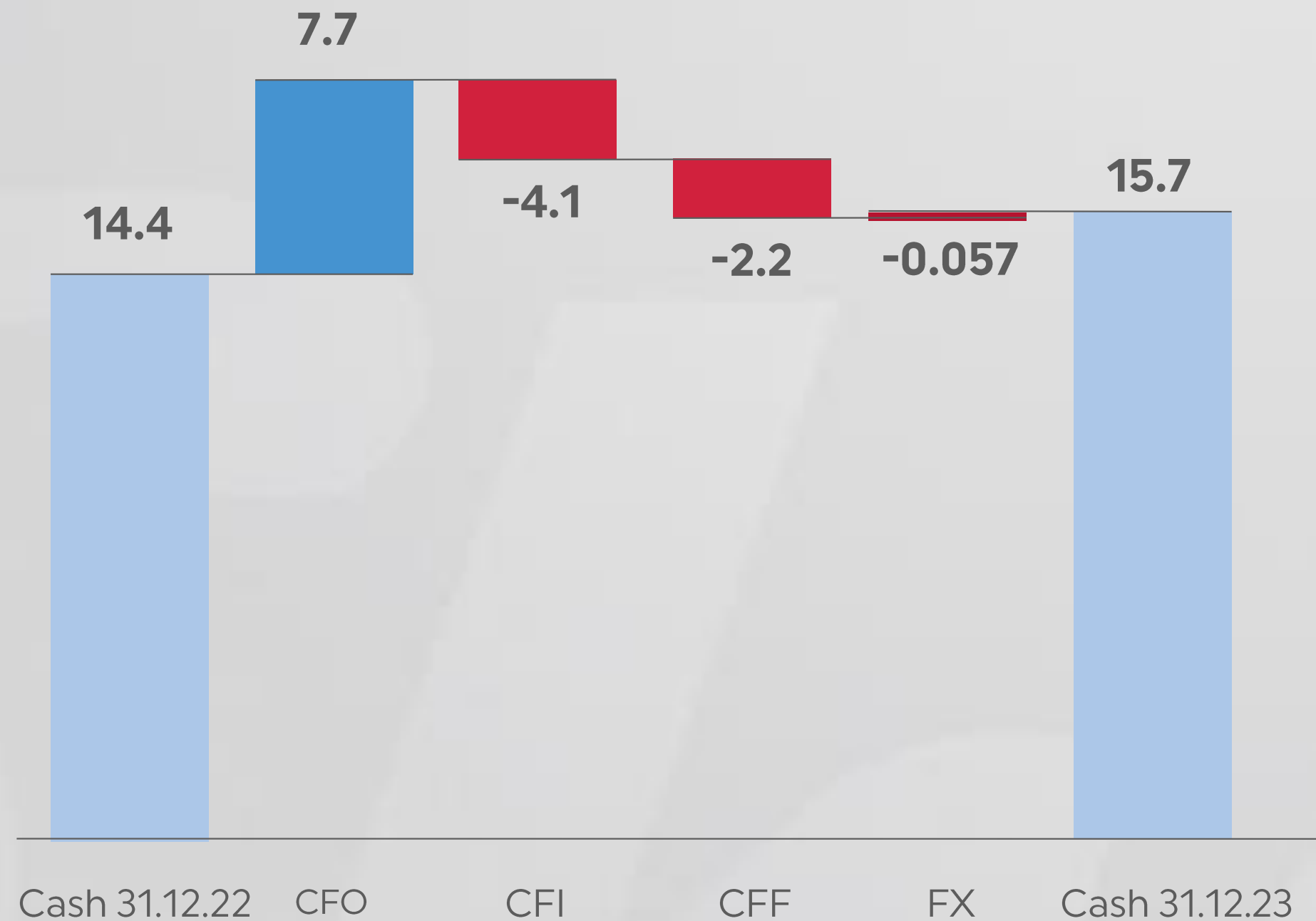
(in million euros)

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 spending, but still on relatively low level
- Strong increase in G&A due to sales and structure built up as planned
- Over proportional investments in R&D (conservative capitalization policy) as planned

Cash Flow

(in million euros)

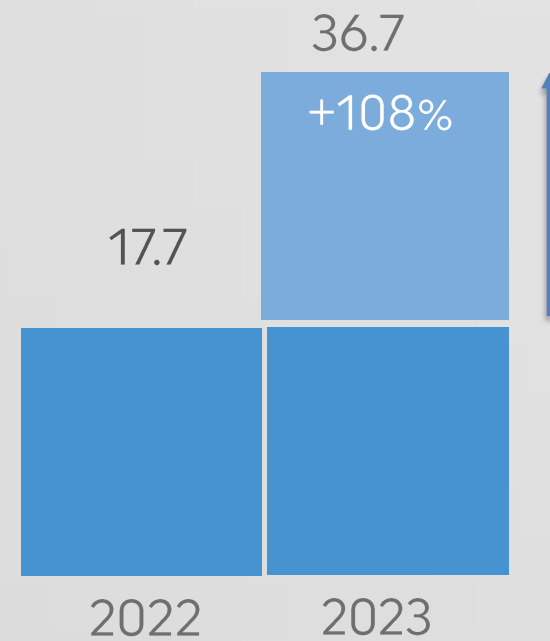


- Inventory reduced from **11.8 M** to **9.3 M**
- **3.5 M** higher prepayments to factories
- CFI reflects the GOAP acquisition in January 2023 + investments in R&D
- CFF related to payment of dividend
- **11 M** higher customer receivables
- Equity Ratio of **85.8%**

Regional share and growth

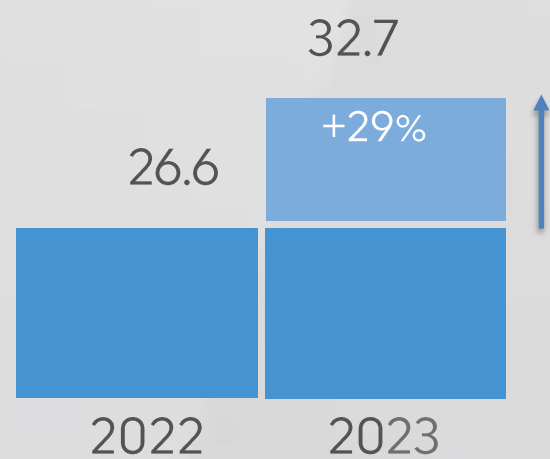
(in million euros)

DACH
49.0%



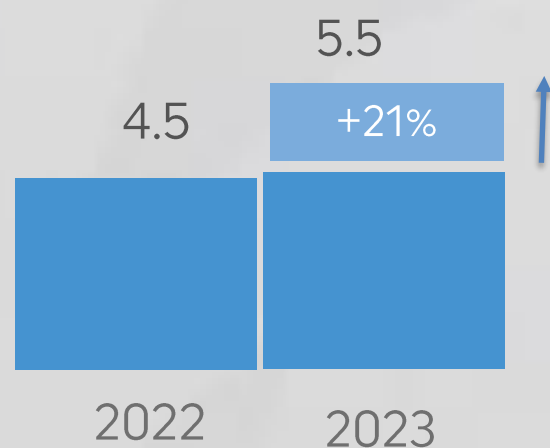
- **Strongest region** with over-proportional development
- Local structure and new channel policy **enables stronger 2023 growth rate**

Rest of Europe
43.7%



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

Rest of World
7.3%



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

Investor relations



Denitsa Georgieva

Investor Relations

Officer

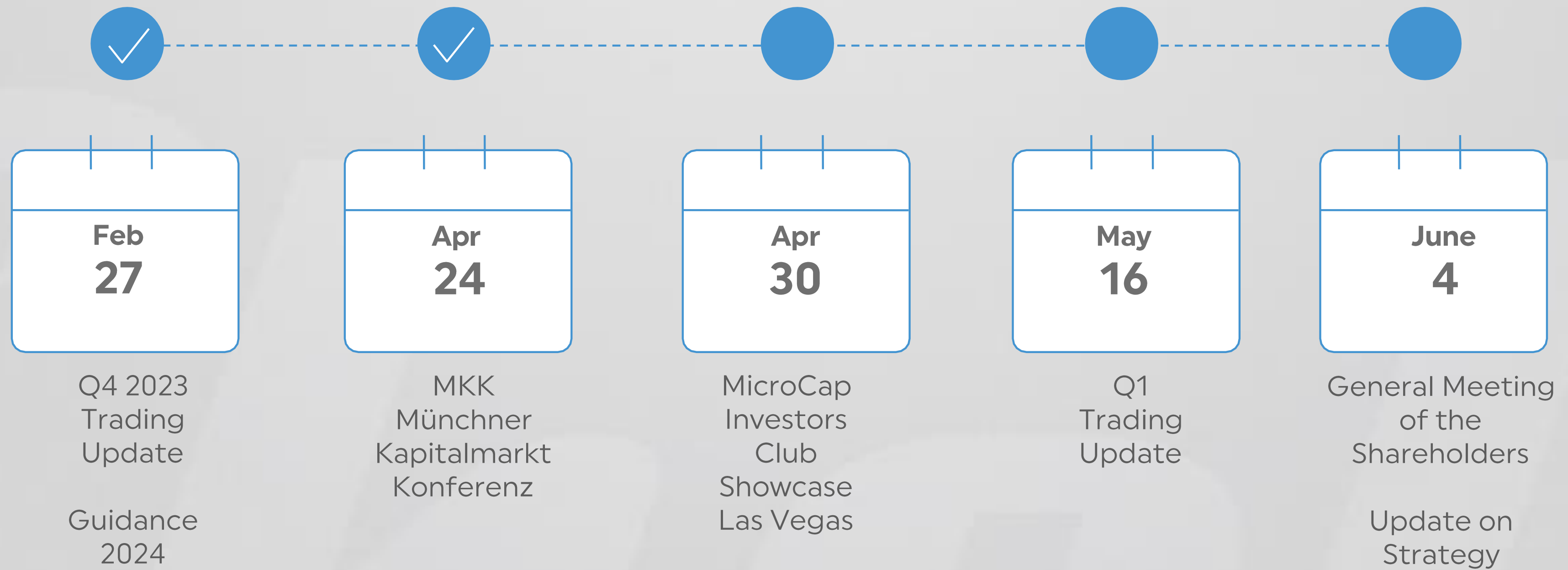
investors@shelly.com



Appendix II

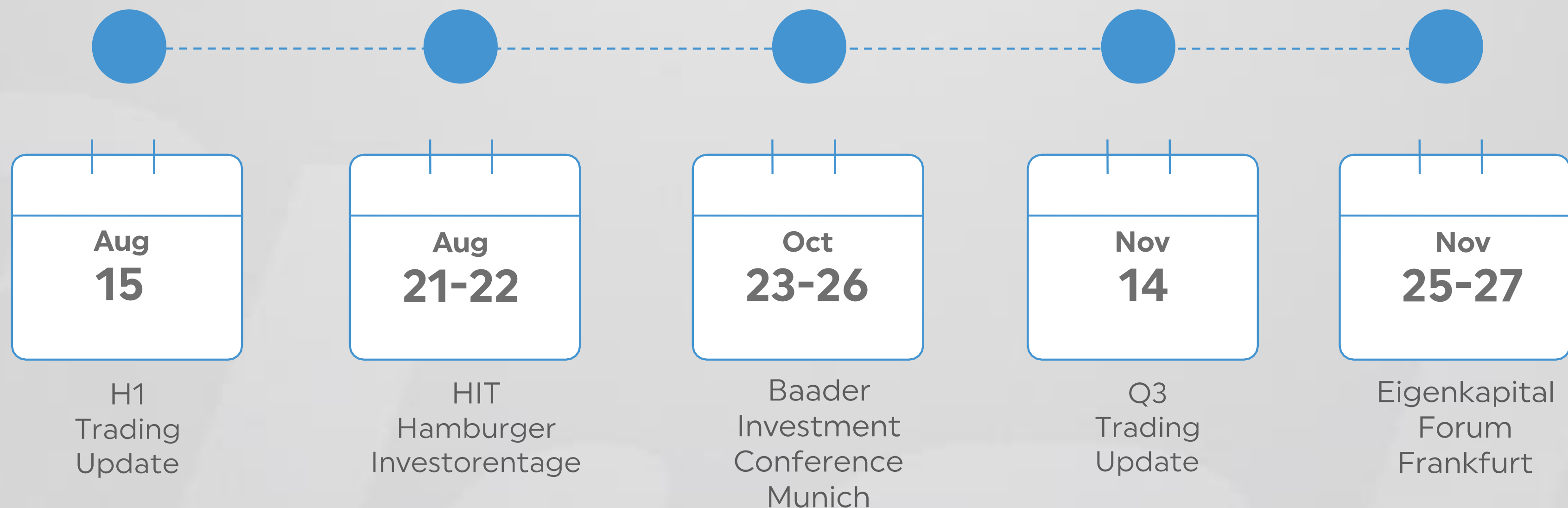
Investor relations

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 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. 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.

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