The Sharing Group N.V. 2024H1 results

Highlights

- Revenues €45.1 million (2023H1: €45.0 million)
- Gross profit €16.4 million (+7%)
- 674 thousand customers serviced as per June, 2024 (+17%)
- Customer loyalty program implemented

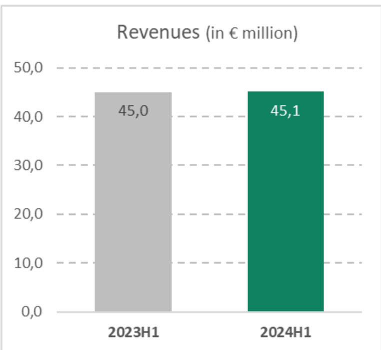
Introduction

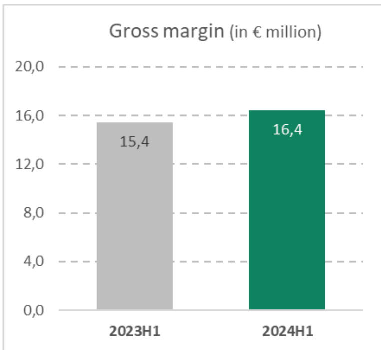
The first year-half has shown difference faces for The Sharing Group N.V. ("TSG") with new milestones that have been reached on the one side and challenging conditions for our scale up businesses on the other side. Consolidated, revenues have remained stable with gross margin improved year-on-year. We have implemented our customer loyalty program and have welcomed our first customers as a shareholder. We consider this a major achievement which suits perfectly with our sharing philosophy. Furthermore, we have obtained a majority interest in DROP Mobility, an e-bike sharing company in which we already held a minority equity interest of 20%.

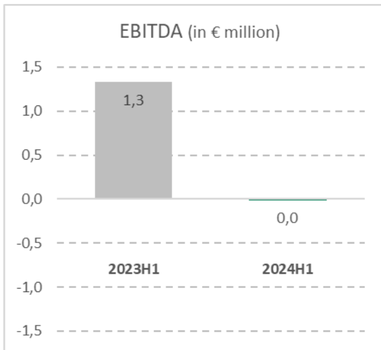
Development of financial results

Consolidated revenues were stable at €45.1 million (2023H1: €45.0 million). Gross margin amounted to €16.4 million (2023H1: €15.4 million). Gross margin as a percentage of revenues increased to 36% in the first year-half, compared to 34% in the same period last year. This is the result of improved margins for Technology and Energy, while Mobility's margin was under pressure.

TSG realised a break-even result (EBITDA[1]) in the first year-half (2023H1: EBITDA €1.3 million). Technology invested in growth, resulting in a slightly lower result in the first year-half. It is anticipated that as a result of price increased implemented in the beginning of this year, full-year results will grow year-on-year. Energy's operating performance was in line with budget, Mobility's performance was still under pressure despite various measures initiated by year-end 2023.







Technology

Revenues were stable at €15.6 million. As the shared hosting market in the Netherlands has matured, growth is primarily realised by increasing the average revenues per product & customer: price increases have contributed for the majority of revenues growth. At the same time, Mijndomein has invested in new product sales by granting aggressive discounts. Gross margin continued to improve as a percentage of revenues. Mijndomein managed to grow its base of accounts and hosted products. Average revenues per account developed solidly, increasing to €97 (2023H1: €92).

[1] Earnings Before Interest, Tax, Depreciation and Amortisation

Key figures TSG Technology	2023H1	2024H1	Growth
Amounts in euro million unless otherwise stated			YOY
Revenues	15,7	15,6	-1%
Products (in '000)	1.046	1.035	-1%
*Average revenues per product (ARPU) in €***	*23*	*26*	*13%*
Customers* (in '000)	265	270	2%
*Average revenues per customer (ARPA) in €***	*92*	*97*	*5%*

* Mijndomein B.V.

** Annualised.

Mijndomein expects that market growth will be modest given the maturity of the market and current economic conditions. Mijndomein anticipates that further adjustments in its commercial offering and pricing will enable the company to continue its path of profitable growth in the coming period.

Energy

Energy's revenues have inrecased to €14.8 million (2023H1: €14.4 million). EnergyZero's base of connections has increased during the first year-half, primarily driven by ANWB. This partnership, initiated in the first half of 2021 with a pilot, has proven successful. In the course of this partnership, ANWB has shifted to its proprietary ACM license. In the first year-half, EnergyZero and ANWB have agreed to end their partnership. Parties have entered into a termination agreement. During the second year-half of 2024 and first year-half of 2025, connections will gradually be migrated from EnergyZero's platform. As a result, EnergyZero's base of connections will substantially decline in the coming period. EnergyZero has implemented a rationalisation plan to adjust its organisation for this lower base.

Simultaneously, EnergyZero has entered into new partnerships and is in active negotiates with numerous attractive prospects. It is expected that – with these partnerships, EnergyZero will be able grow its base of connections so that break-even will be reached in the course of 2025. The company is solidly funded to carry operating losses until that time.

In 2023, TSG initiated HEGG, aiming to build a community dedicated to contribute to the energy transition. Currently, the company services approximately 10 thousand connections. A commercial proposition for the exploitation and management of home batteries will be introduced in the second year-half to a limited group of users. Once proven successful, HEGG aims to rollout this proposition to a wider range of customers in the course of 2025.

Key figures Energy	2023H1	2024H1	Growth
Amounts in euro million unless otherwise stated			YOY
Revenues	14,4	14,8	3%
Customers (in '000)	137	156	13%
Average monthly revenues per customer (ARPA) in €*	*3,1*	*3,8*	*23%*
Connections E&G (in '000)	261	296	13%
Average monthly revenues per connection (ARPU) in €*	*1,6*	*2,0*	*23%*

* Based on fee revenues.

Mobility
In the second year-half of 2023, TSG has initiated a reorganisation at MyWheels. The steep growth path and integration of various other carsharing businesses has proven complex. While MyWheels continued to grow its base of users, cars and revenues, operating losses increased. Rationalisation of expenses and narrowing the variety of services offered to business and residential customers was implemented, lowering the company's cost base. In the first year-half performance was still lagging behind, but we are positive that we will be able to reach break-even by year-end as we see first signs of recovery.

Revenues have slightly declined year-on-year to €15.4 million. MyWheels has decided to adjust its commercial proposition, no longer offering one-way trips to its (business) customers and integrating former Amber customers into the MyWheels platform. This process was finalized in the first quarter, putting pressure on utilisation of the fleet. Revenues in the second quarter improved on the back of availability of the fleet and seasonal effects. Revenues per kilometer have increased as a result of pricing adjustments.

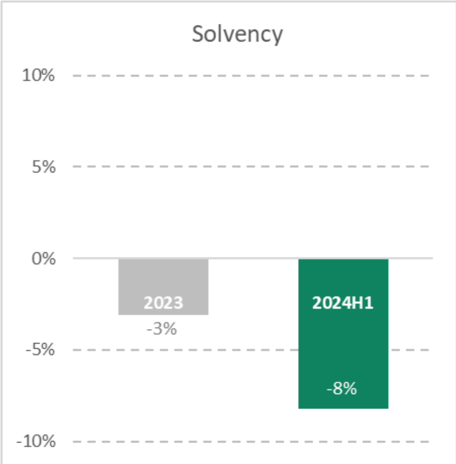
Key figures Mobility	2023H1	2024H1	Growth
Amounts in euro million unless otherwise stated			YOY
Revenues	15,8	15,4	-3%
Accounts* (in '000)	173	248	43%
Cars	2.919	2.840	-3%
Average revenues per KM in €	*0,54*	*0,55*	*1%*

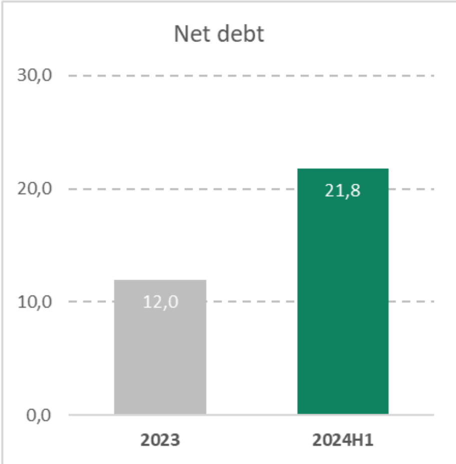
* MyWheels, validated accounts

In April, TSG has acquired a majority stake in DROP. TSG already had a 20% minority interest. DROP has been able to obtain a multiyear contract with ASML to provide a closed circuit e-bike solution for its employees. This is a major breakthrough for the company, but requires further investments. Together with TSG, DROP was able to attract debt funding to enable the necessary investments. DROP will be consolidated in TSG's results from July onwards, results in the first year-half are not material.

As per September 1, 2024 a new CEO has been appointed for MyWheels.

Financial position
TSG's financial position has been impacted by substantial write-offs as per year-end. Subsequently, solvency has turned negative. The company's cash position remains very solid. As per June 30, 2024 the company's net cash position amounts to €21.8 million (2023: €12.0 million). In the first quarter, TSG extended its bank funding at TSG Technology with €3.2 million. In July, a further extension of €5 million was effectuated to fund the company's scale up losses and growth investments.





Outlook
Despite challenging conditions TSG was faced with, we believe that again the company has set major steps in growth and impact. Our priorities are to further execute on our value strategy, while reaching profitability for our scale-up activities and simultaneously enhancing the impact we make on people and planet. Technology is expected to continue its solid performance of profitable growth, despite the market maturing fast. Mobility will be marked by optimizing performance in order to approach break-even levels in the fourth quarter of 2024. Energy's focus will be on adjusting its operation to the new conditions the company will be in after the migration of its main customer. Simultaneously, Energy is working on new (strategic) partnerships that will generate a new growth engine.

Appendix: Financial tables

Consolidated Profit and Loss Account*	2023H1	2024H1
Amounts in euro million unless otherwise stated	Consolidated	Consolidated
Net revenues	45,0	45,1
Growth year-on-year	*58,6%*	*0,2%*
Cost of goods sold	-29,6	-28,7
Gross margin	15,4	16,4
% of revenues	34,2%	36,4%
Operating expenses	-14,1	-16,4
EBITDA	1,3	0,0
Depreciation & amortisation	-3,7	-3,5
Operating result	-2,4	-3,5
Financial result	-1,1	-1,2
Taxes	0,0	0,0
Net result	-3,5	-4,6
Net result attributable to parent company	*-2,4*	*-3,6*
Minority interests	*-1,1*	*-1,1*

* Unaudited

Consolidated balance sheet	**2023**	**2024H1**
Amounts in euro million unless otherwise stated	Unaudited	Unaudited
ASSETS		
Intangible fixed assets	29,5	27,7
Tangible fixed assets	2,3	3,1
Financial fixed assets	4,8	4,8
Total fixed assets	*36,5*	*35,6*
Trade receivables	7,6	15,3
Deferred expenses	5,5	4,8
Other receivables	4,4	9,5
Total current assets	*17,5*	*29,6*
Cash & cash equivalents	17,6	9,6
Balance sheet total	**71,6**	**74,8**
SHAREHOLDERS' EQUITY & LIABILITIES		
Shareholders' equity	-2,2	-6,2
Provisions	0,8	0,8
Long-term interest-bearing debt	24,4	26,2
Other non-current liabilities	2,2	2,6
Total non-current liabilities	*27,4*	*29,5*
Short-term portion interest-bearing debt	5,2	5,2
Trade payables	4,1	7,0
Deferred income	14,0	14,1
Taxes & social securities	3,9	1,7
Other current liabilities	19,2	23,5
Total current liabilities	*46,4*	*51,4*
Balance sheet total	**71,6**	**74,8**

Consolidated cash flow	2023H1	2024H1
Amounts in euro million unless otherwise stated		
Operating result	-2,4	-3,5
Plus: Depreciation & amortisation	3,7	3,5
Plus/Minus: Change in net working capital	-9,3	-6,5
Plus/Minus: Change in provisions	-2,2	-0,1
Operating cash flow	-10,1	-6,6
Minus: Investments	-1,4	-2,4
Plus/Minus: Change in financial fixed assets	0,6	-0,1
Free cash flow	-10,9	-9,1
Financial result	-1,1	-1,2
Taxes	-	0,0
Change in interest-bearing debt	-0,6	1,8
Change in other non-current liabilities	0,4	0,4
Other changes		
Change in cash & cash equivalents	**-12,3**	**-8,0**
Cash & cash equivalents start-of-period	26,9	17,6
Cash & cash equivalents end-of-period	*14,6*	*9,6*

* Unaudited

Change in shareholders' equity	2024H1
Amounts in euro million unless otherwise stated	
Shareholders' equity start-of-period	1,0
Net result	-3,6
Other movements	-1,1
Shareholders' equity end-of-period	-3,6
Non-controlling interest	-2,6
Group equity	-6,2

Unaudited