

Compleo starts fiscal year 2022 with sales successes according to plan

Compleo reports on course of business in first quarter of 2022 | Sales nearly tripled compared to same period of previous year | Strategic partnerships for service range | Integration of innogy eMobility Solutions advanced further | Independent software organization established

Dortmund, May 19, Mai 2022 – Compleo Charging Solutions AG (“Compleo”), a leading European full-service provider of charging technologies, reports on its business development in the first quarter of 2022. Accordingly, Compleo managed to achieve total sales of EUR 23.5 million at Group level, which roughly equates to a threefold increase compared to the same period of the previous year. At the same time, key strategic milestones were achieved with the progress made in integrating innogy eMobility Solutions (“ieMS”) and the establishment of a separate software company. Furthermore, additional strategic partnerships were concluded and the current product range and expansion of sales activities in the European region were driven forward.

Course of business

Segment Charging Stations

A number of gratifying sales successes were achieved in the first quarter of fiscal year 2022 – a development that continued dynamically in the weeks that followed. In the public sector, for example, Compleo won major tenders in the German states of Berlin, North Rhine-Westphalia and Hesse. With the Berlin public utility company, another customer was acquired for a major project to expand the urban charging infrastructure as part of an EU-wide tender. Over a period of two years, the Berlin-based utility will take delivery of a large number of DUO IMS charging stations. The first delivery is scheduled for July 2022. The decisive factor in awarding the contract to Compleo was, among other factors, its innovative payment solution in the area of credit card billing, which already complies with the charging station ordinance that will come into force in July 2023. In addition to the charging station, the connection to Compleo’s own backend eOperate as a further service was a particularly convincing factor in the tender for the state of Hesse.

Sales activities in the private sector are also proving very successful: On the one hand, Compleo concluded a framework agreement with ChargeOne, the e-mobility solution provider of Claus Heinemann Elektroanlagen GmbH. As a charge point operator, ChargeOne offers turnkey e-mobility charging concepts to commercial customers. The framework agreement covers the supply of at least 11,000 wallboxes from the Compleo eBOX professional product range. The purchase volume up to the end of 2024 will be in the low double-digit million euro range. Secondly, since the first quarter of 2022, Compleo has been a new supplier to Comfort Charge, a subsidiary of Deutsche Telekom for the technical operation of charging stations, which will equip around 700 stores of a leading German food retailer with the CITO 500.

Segment Software

With Compleo Connect and the former company ieMS, which now does business as Compleo Technologies GmbH, Compleo entered the SaaS-based software business as well as transaction-based charging model in the past twelve months. As software platforms will be one of the decisive factors for the operation of charging infrastructure in the future, Compleo established an independent software organization as a consequence in January 2022, with which it will further intensify the development and operation of software in the field of electromobility. The first months of the fiscal year already showed a gratifying development in this newly created segment. The number of charging points connected to the Compleo backend increased by around 50% within a year to nearly 40,000. The number of charging transactions processed via the eMarketplace more than doubled by the end of March 2022 compared to the previous year. Internationally, the first successes were also achieved in the area of software, with the first customer from France being migrated from a competitor backend to the Compleo platform. Building on this, the future focus is clearly on the acquisition of new customers and international expansion into other European countries.

Segment Services

As part of the expansion of its service offering on maintenance and ensuring smooth operation for charging station operators in Europe, Compleo entered into a partnership with Diebold Nixdorf earlier this year. Through the strategic cooperation with Diebold Nixdorf, Compleo gains a leading service partner in the market to meet the increasing demand for service offerings that come with increasing charging columns. As part of this strategic partnership, the first solution and service concepts for pilot customers were successfully designed and implemented in the first quarter of 2022. In addition, the integration and harmonization of service processes and structures of the former ieMS, taking consistently high service quality into account, was a key focus in the Service segment.

Progress in integrating ieMS, which was fully consolidated as of January 1, 2022, was also very positive. Thanks to the integration process of innogy eMobility's European e-mobility business into Compleo's portfolio and product range, which progressed very successfully in the first quarter, the Group is on its way to becoming a leading independent provider of charging technologies and solutions in Europe. As the operational structures of ieMS are very similar to those of Compleo, they can be excellently integrated into the business structure. Compleo is thus significantly increasing its access and market share in the charging infrastructure sector.

Development of sales

Sales in the first three months of fiscal year 2022 practically tripled compared to the same period of the previous year (+197%). This was due in particular to inorganic sales growth - triggered by the first-time consolidation of Compleo Connect and Compleo Charging Technologies. Both acquisitions not only increased sales in the Charging Stations segment, but also laid the foundation for the newly created software business. The strong sales growth in the first quarter was nevertheless impacted by challenges in the core business of charging station sales. While sales of AC and DC charging stations proceeded according to plan, sales of wallboxes fell short of expectations. This was due, among other factors, to lower than expected call-off behavior by the company's largest utility customers in the wallbox business. By contrast, the new software company established as of January 1, 2022, performed better than originally expected in the first three months of the fiscal year. This was primarily due to strong organic growth among the company's current customer base as well as the acquisition of new customers. Overall, the Services segment remained in line with sales expectations. While the traditional service business relating to the maintenance and operation of charging stations increased more than six-fold in the first quarter of 2022,

with sales growth of more than EUR 1 million, sales revenue from the low-margin Projects & Installation business declined by just under EUR 0.6 million in line with the strategy.

Gross margin

The gross margin after the first three months of 2022 was 20.9% (Q1 2021: 20.3%). The development of the gross margin is mainly attributable to the following significant influencing factors: The significant expansion of personnel and production capacity undertaken in recent months with the objective of being prepared for the expected business growth in the coming years has not yet been absorbed by correspondingly high sales growth. As a result, the fixed cost degression will only be gradually realized as growth increases over the next few years. This expected positive development will also be supported by increasingly efficient production processes and the integration of highly specialized third-party manufacturers.

At segment level, the Charging Stations and Software segments show encouraging gross margins of 24.1% and 24.8%, respectively. These segments account for the majority of the gross profit generated, which totaled EUR 4.9 million. In the Services segment, the Projects & Installation unit is currently still having a negative impact on the margin, which stood at -7.8% for the first quarter of 2022. This is mainly due to the cost overruns already communicated in 2021 in a project with a major leading automotive manufacturer as well as warranty and guarantee cases. In order to curb these negative effects, appropriate countermeasures were already taken at an early stage. For example, Compleo is now increasingly acting as a consultant for the planning of installation projects, but will no longer bear the price change risk of a general contractor in the future.

Development of the workforce

Compleo is consistently continuing with its growth and expansion strategy in fiscal year 2022 as well. This included the further expansion of the workforce to include highly qualified specialists and managers. The number of employees increased from 440 employees as of December 31, 2021, to 584 employees as of the end of March 2022, primarily due to the teams taken over from Compleo Charging Technologies.

Development of EBITDA

Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) adjusted for non-recurring effects amounted to EUR -7.3 million in the first quarter of 2022, compared to EUR -2.4 million the previous year. The non-recurring effects of EUR 2.7 million mainly comprised expenses in connection with the integration of the acquired innogy eMobility Solutions GmbH and the introduction of a new, group-wide standardized ERP system. The adjusted EBITDA margin was -31.0 % (Q1 2021: also -31.0 %). Unadjusted EBITDA amounted to EUR -10.0 million, compared to EUR -2.7 million in the same period of the previous year. The unadjusted EBITDA margin was -42.6% (Q1 2021: -33.8%).

Cash flow

Cash flow from operating activities amounted to EUR -2.4 million in the first quarter of 2022 (previous year: EUR -6.2 million). This net loss can be explained on the one hand by the operating loss driven by the extensive investments made in the first quarter and the increase in personnel, and on the other hand by the substantial build-up of inventories and finished goods. The latter serves to prevent supply bottlenecks for electronic components and to be able to deliver even in the event of increased demand at short notice.

Sustainable implementation of the Paris Agreement goals

We are committed to the goals of the Paris Agreement in the fight against climate change. Under the 2015 climate change agreement, 194 nations around the world, as well as the entire European Union, have now recognized the urgency of the climate crisis and have contractually committed to limiting global warming to well below 2°C compared to the pre-industrial era – if possible, even to remain below 1.5°C warming. Compleo is mindful of its own impact and therefore striving to keep its own contribution to climate change as low as possible. Our reduction pathways are in line with the Paris Agreement.

Forecast for 2022

Despite the supply chain issues and the ongoing corona pandemic, Compleo assumes that the expansion of electromobility will continue to be strongly promoted in Germany as well as in Europe and that a continuous increase in registered electric cars to up to 15 million vehicles can be expected over the next few years. This is likely to be accompanied by an increase in the demand for publicly accessible charging points to up to 1.5 million. There are no indications at present, nor any expectations in the near future, of any unfavorable changes in the regulatory, competitive or economic environment that could conflict with the company's growth strategy. The extent to which the war in Ukraine will impact the overall economic and sector-specific conditions in 2022 cannot be conclusively assessed at present due to considerable uncertainties and the highly dynamic nature of the situation.

The Management Board expects total sales at Group level for fiscal year 2022 to be in a corridor of between EUR 115 million and EUR 135 million. Accordingly, the threshold of EUR 100 million in sales is to be reached for the first time in the company's history. For the newly established Software segment, sales of between EUR 8 and 10 million are anticipated, while sales of between EUR 100 and 115 million are expected for the Charging Stations segment. Sales of between EUR 7 and 10 million are forecast for the Services segment.

Due to the acquisition of Compleo Connect and ieMS, an inorganic contribution to sales in the mid, double-digit million-euro range is expected. At the same time, organic growth in the clear double-digit percentage range is anticipated.

For the fully consolidated Compleo Group, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) are anticipated to be between EUR -25 million and EUR -30 million in fiscal year 2022. A key factor here is the expected negative earnings contribution due to the first-time consolidation of ieMS in fiscal year 2022.

Medium-term forecast

For the coming years as well, Compleo is planning to achieve further dynamic sales growth with a significant increase in profitability. The Management Board expects sales in the Charging Stations segment to increase to around EUR 400 million by 2025. In the Software segment, sales of around EUR 140 million are anticipated in the medium term. In the Services segment, the Management Board anticipates an increase in sales to around EUR 20 million by 2025. At the same time, the Management Board plans to increase the Group's profitability to an adjusted EBITDA margin in a target corridor of 10 to 15%.

Condensed Statement of Income as of March 31, 2022, and March 31, 2021

Statement of Comprehensive Income as of March 31, 2022, and March 31, 2021

	Q1 2022	Q1 2021
in EUR thousands		
Revenues	23,524	7,850
Cost of sales	(18,598)	(6,255)
Gross profit	4,926	1,595
Other income	946	63
Selling expenses	(5,290)	(1,212)
Research and development expense	(5,617)	(1,342)
General administrative expense	(8,779)	(2,079)
Earnings before interest and tax (EBIT)	(13,814)	(2,975)
Financial income	706	2
Financial expenses	(138)	(75)
Earnings before tax (EBT)	(13,246)	(3,048)
Income tax	179	942
Result of the period	(13,067)	(2,106)
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	251	-
Other comprehensive income, net of tax	251	-
Total comprehensive income of the period	(12,816)	(2,106)
Total net result of the period is attributable to:	(13,067)	(2,106)
Owners of Compleo Charging Solutions AG	(13,058)	(2,106)
Non-controlling interest	(9)	-
Total comprehensive income for the period is attributable to:	(12,816)	(2,106)
Owners of Compleo Charging Solutions AG	(12,807)	(2,106)
Non-controlling interest	(9)	-
Earnings per share		
Basic (in EUR)	-2.58	-0.62
Diluted (in EUR)	-2.58	-0.62

Condensed Statement of Financial Position / Assets

Assets		March 31, 2022	December 31, 2021
in EUR thousands			
Non-current assets			
Intangible assets		36,975	16,684
Goodwill		26,245	26,245
Property, plant and equipment		6,564	3,190
Rights-of-use assets		4,639	2,863
Other non-current financial assets		24	24
Other non-current assets		244	238
Deferred tax assets		2,771	18
Total non-current assets		77,462	49,262
Current assets			
Inventories		36,293	21,458
Trade accounts receivables		20,688	7,315
Contract assets		2,033	2,235
Other current financial assets		1,612	1,075
Other current assets		56,588	60,211
Cash and cash equivalents		16,088	12,434
Total current assets		133,401	104,728
Total assets		210,863	153,990

Condensed Statement of Financial Position / Liabilities

Equity and debt in EUR thousands	March 31, 2022	December 31, 2021
Equity		
Subscribed capital	5,070	5,070
Capital reserves	144,675	144,675
Other reserves	246	(5)
Retained earnings	(41,032)	(27,974)
Non-controlling interests	(32)	(23)
Total equity	108,927	121,743
Non-current liabilities		
Defined benefit obligations and other accrued employee benefits	9,585	-
Other provisions	3,131	1,882
Financial liabilities - non-current	7,278	7,743
Lease liabilities - non-current	2,969	1,684
Other non-current financial liabilities	2	5
Deferred tax liabilities	1,816	2,050
Total non-current liabilities	24,781	13,364
Current liabilities		
Other provisions	25,016	1,288
Financial liabilities - current	1,333	1,060
Lease liabilities - current	1,794	1,325
Trade accounts payable	26,224	12,305
Contract liabilities	512	3
Other current financial liabilities	16,863	82
Other current liabilities	5,413	2,820
Total current liabilities	77,155	18,883
Total equity and liabilities	210,863	153,990

Condensed Statement of Cash Flows as of March 31, 2022, and March 31, 2021

Cash flow statement for the first quarter of 2022 and the first quarter of 2021

in EUR thousands	Q1 2022	Q1 2021
Results of the period	(13.067)	(2.106)
Amortization of intangible assets	3.015	26
Depreciation of property, plant and equipment and right-of-use assets	782	293
Increase /(decrease) in other current provisions	(113)	132
Other non-cash expenses /(income) items	(1.081)	-
(Increase) /decrease in inventories	(11.895)	(2.655)
(Increase) /decrease in trade receivables	(1.321)	(1.205)
(Increase) /decrease in other assets	4.272	(763)
Increase /(decrease) in trade payables	4.869	(120)
Increase /(decrease) in other liabilities	13.480	1.058
Net (gain) /loss on disposal of intangible assets	(1)	-
Interest expenses /(income)	(568)	73
Increase /(decrease) in income tax payables and deferred tax liabilities	(740)	(944)
Income tax payments (-/+)	-	-
Net cash flow from operating activities	(2.368)	(6.211)
(Purchase) of intangible assets	(1.334)	(350)
(Purchase) of property, plant and equipment	(583)	(535)
Payments for investment in financial assets	-	(552)
Payment for acquisition of subsidiary, net of cash acquired	8.738	-
Interest received	-	2
Net cash flows used in investing activities	6.821	(1.435)
Proceeds from financial liabilities	-	156
Repayment of financial liabilities	(192)	(2)
Repayment of lease liabilities	(469)	(128)
Interest (paid)	(138)	(75)
Net cash flows from financing activities	(799)	(49)
Net increase/decrease in cash and cash equivalents	3.654	(7.695)
Cash and cash equivalents at the beginning of the period	12.434	35.736
Cash and cash equivalents at the end of the period	16.088	28.041

About Compleo

Compleo Charging Solutions AG is one of the leading full-service providers of charging technology in Europe. The company supports its business customers with its charging technologies as well as its charging stations, the software of the charging infrastructure and, if required, also with planning, installation, maintenance and service. Compleo's offering includes both AC and DC charging stations. DC charging stations from Compleo are the first DC charging stations on the market that comply with calibration regulations. The company is headquartered in Dortmund, Germany, with production facilities located in Paderborn, Germany, in addition to Dortmund. The manufacturer focuses on innovation, safety, consumer-friendliness and cost-effectiveness. Its customers include Aldi, Allego, Clever, E.ON, EWE Go, Daimler, Siemens and more than 300 municipal utilities in Germany. Compleo started production of its first charging stations in 2009. The fast-growing company currently employs more than 550 people. Compleo is listed in the Prime Standard segment of the Frankfurt Stock Exchange (ISIN: DE000A2QDNX9). In April 2021, Compleo acquired 100 percent of the shares in wallbe GmbH, now Compleo Connect GmbH, and in January 2022 Compleo acquired 100 percent of the shares in innogy eMobility Solutions GmbH. More info at: compleo-cs.com/

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