

The Sharing Group N.V. 2024Q1 financial results

Highlights

- Revenues €19.5 million year-to-date (-11%)
- Gross margin €7.6 million year-to-date (+8%)
- 647 thousand customers serviced as per March 31, 2024

Development of financial results

In the past three months, The Sharing Group N.V. ("TSG") has witnessed a decelerating growth in comparison with previous periods. TSG has continued to take further measures to reshape MyWheels in order to improve the performance of our shared mobility business. Notwithstanding these efforts, the operating performance is still lagging behind. Nevertheless TSG has again been able to grow its gross margin. As a result of continued investment in our operations, operating result for the quarter was lower in comparison with the same period last year.

Technology

Mijndomein has increased its prices at the start of the year, aligning prices with current market standards. Throughout 2024, our customers will be charged the new prices for their subscriptions, which will drive operating result in the course of this year. During the first quarter, Mijndomein explicitly invested in growth, offering aggressive commercial promotions for new customers. This has led to an acceleration of growth in new sales, whereas installed base of existing products remained stable. Simultaneously, Mijndomein has invested in new, innovative products that should contribute to future growth in the coming years.

Energy

Revenues of our energy business declined as a result of lower energy prices compared to the first quarter of 2023. Underlying growth of our installed base was solid, resulting in strong growth of fees charged to our customers. Gross margin maintained double digit growth during the quarter under review. EnergyZero has further sharpened its focus on improving the quality of its existing services and developing new products & features to service its customers as a true energy as a service platform. It is foreseen that several new products will be introduced to its customers in the field of insights with regard to energy usage and management of energy assets.

Mobility

MyWheels still struggled to improve its performance, despite substantial measures taken in 2023. In addition, performance was impacted by one-off effects. TSG was forced to engage in unforeseen investments in MyWheels. Additional measures are undertaken to maintain the perspective of reaching break-even level by the end of 2024.

Group results

Consolidated revenues have declined to €19.5 million (2023Q1: €21.9 million), as a result of lower revenues for EnergyZero due to energy prices. This decline does not reflect a lower level of business activities: installed base and margin revenues for EnergyZero have continued to demonstrate healthy growth. Revenues for Mijndomein and MyWheels were stable.

TSG's operating result (EBITDA) amounted to €1.2 million negative (2023Q1: €0.1 million negative). Especially operating performance for MyWheels lagged behind, while the performance of Mijndomein and EnergyZero were in line with TSG's expectations. Despite this lower performance, TSG is unconditionally committed to invest in growth as it strongly believes in the strategic perspective of its shared mobility and sustainable energy business.

Business development

The Sharing Group is on a mission to accelerate the Good Sharing economy, balancing profit and impact. In the first quarter of 2024 further, significant steps have been taken to enhance our mission. The membership platform of TSG is entering into a new phase where we will issue certificates of shares to our customers, our members, that onboarded the loyalty program. This underlines our long term commitment to make a substantial impact whilst running a profitable business together with our stakeholders.

Outlook

TSG has witnessed challenges which it needs to address in order to maintain its growth path. Nevertheless, TSG remains committed to its value strategy: driving further (accelerated) growth while enhancing the impact we make on people and planet. Technology is expected to continue its solid performance of profitable growth, driven by price increases introduced at the beginning of this year. Mobility will be marked by enhancing performance in order to approach break-even levels in the fourth quarter of 2024. TSG considers this as a condition to reinstate growth initiatives for its shared mobility business in the future. Energy's focus will be on management of working capital, sustaining growth and simultaneously continue to work on the development and enrichment of its energy-as-a-service platform.