

Event ID: 138147323186
Event Name: Q2 2022 Gogoro Inc Earnings Call
Event Date: 2022-08-11T12:00:00 UTC

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+++ presentation

Operator^ Welcome to the Gogoro Inc. Q2 Earnings Call.

This session will be recorded.

I would like to introduce Bruce Aitken, CFO of Gogoro, who will kick us off.

Bruce Aitken^ Thanks, Operator. Thanks to everyone for taking the time to join us today. I'm Bruce Aitken, CFO of Gogoro. I'm pleased to welcome you to our second quarter 2022 earnings call.

Hopefully, by now, you've seen our earnings review. If you haven't, it is available on the Investor Relations tab of our website, www.investor.gogoro.com and we will also be displaying materials on the webcast screen as we go along.

We're looking forward to sharing our Q2 results, adding some guidance on what we're seeing as the outlook for the second half of 2022. Before our CEO, Horace Luke shares, I'd like to introduce Michael Bowen of ICR who will share the process for today's call and provide some important disclosures. Michael?

Michael Bowen^ Thanks, Bruce. I'm sure you're all looking forward to hearing from Horace and Bruce and on behalf of Gogoro. But before that, allow me to remind you a few things. You are all currently on mute. But if you have a specific question, please use the chat function in the system to submit questions and we'll answer as many as time allows. After Horace has given a brief overview of Gogoro and some of the business highlights from Q2, first we'll go a bit deeper into the Q2 financial results.

During the call, we will make statements regarding our business that may be considered forward-looking within applicable securities laws, including statements regarding our third quarter and fiscal 2022 results.

Management's expectations for our future financial and operational performance, the capabilities of our technology, projections of market opportunity and market share, our potential growth, statements related to the expected impact of the COVID-19 pandemic, supply chain issues and other headwinds facing the Company, the Company's business plans including its expansion plans, the Company's expectations relating to growth in China, statements relating to the potential of our strategic

collaborations, partnerships and joint ventures, statements regarding regulatory developments and our plans, prospects and expectations.

These statements are not promises or guarantees and are subject to risks and uncertainties, which could cause them to differ materially from actual results. Information concerning those risks is available in our earnings press release distributed prior to the market open today and in our SEC filings. We undertake no obligation to update forward-looking statements, except as required by law.

Further, during the course of today's call, we will refer to certain adjusted financial measures. These non-IFRS financial measures should be considered in addition to, not as a substitute for or in isolation from IFRS measures. Additional information about these non-IFRS measures, including reconciliation of non-IFRS to comparable IFRS is included in our press release and investor presentation provided today.

Now, over to Horace.

Horace Luke^ Thanks, Bruce and Michael. This is our second earnings call as a publicly-traded Company and we're pleased to have this opportunity to meet with you all today. The ongoing COVID situation in Taiwan has resulted in first half sales volume for the two-wheel vehicle industry at the lowest experienced since 2013. It is quite possible that full year 2022 will be a 10-year low in terms of overall Taiwan two-wheel market volume.

Given that backdrop, we're satisfied with our performance and are continuing to execute in Taiwan, and also focus on our international expansion plans despite the continuing adverse external market conditions, both COVID and macroeconomic in nature.

On a year-on-year basis for Q2, overall revenue increased, battery swapping revenue increased, and both gross margin and adjusted EBITDA increased as well. Although on a lower volume basis, which fell short of our expectations, resulting in revenue being at the low end of the provided range.

We are unsure about the prospects for the second half of Taiwan market due primarily to ongoing COVID concerns. Although we saw a volume pickup in the second half of 2021, we cannot think on an outsize or quick demand recovery this year.

Additionally, severe lockdowns in China as well as general macroeconomic conditions meet our national revenue will fall short of expectations. Because of these market conditions, we're reducing our full year revenue forecast.

Our international focus for 2022 will continue to be educating consumers via network pilots and network expansion and working with leading OEMs to launch and broaden vehicle offerings.

We're also pursuing additional markets, including new countries, as well as deeper B2B integration and synergies, and we'll be able to provide

updates on specific efforts as they become more operational throughout the third and fourth quarters.

Given the reduced quarantine requirements on reentry into Taiwan, we started traveling again in Q2. During the trips to a variety of Southeast Asia countries, as well as India, we met with government officials, partners, and potential partners, consumers, two-wheel industry experts and spent a lot of time checking in specific market gains, conditions, and requirements.

We came away from these visits even more convinced of our core beliefs and the strength of our business thesis. First, that the transition to electric mobility is inevitable. Regardless of who we talked to, it was clear that the appetite for electric is growing, the sense of urgency heightened, the eagerness for quality products obvious. And when are you coming was a question we heard repeatedly.

Second, the battery swapping solves many of the challenges to electrifying mobility. This is eminently clear for B2B customers who want to never lose business due to time spent charging, but also for B2C customer, giving recent non-Gogoro-related fires and safety incidents across the region during the hot summer months.

Our system addresses range anxiety, saves time, ensure customer safety, and if at a price parity, when governments don't incentivize the ongoing use of fossil fuel via gas or gas vehicle subsidies.

And third, a vertically integrated technology is ahead of the competition and widely sought after. We're continually urged to speed up our expansion and we working hard toward that.

The role of government policy in these technology discussions is important. We urge governments across the world to focus on safety for consumers, as well as a faster transition from fossil fuel toward cleaner, more sustainable electric mobility.

We're fully committed to diversifying our source of revenue to deliver the best possible electric battery swapping solution regardless of which of the many brands and almost 50 Gogoro Network compatible models a customer may choose.

We continue to invest in R&D. As we previously highlighted, approximately 20% of our total workforce is in either hardware or software product technology development. We have self-developed all our hardware and software capabilities and today we manufacture vehicles, as well as powertrain and battery packs in our highly automated facilities.

Self-developed technology is at the core of who and what Gogoro is. We deploy our latest R&D innovations across multiple vehicle categories, as well as across our customer experience. A great example of this is in our just released Gogoro Delight vehicle. It was designed from the ground up by women for women, and it's the first such product of its kind.

Additionally, we've seen customer pickup in the technology and performance focus Gogoro SuperSport vehicle we launched in late Q1, has high speed computing power and software-driven traction control.

In May, we announced our partnership with Metro Motor and Paz Group in Israel to launch in Tel Aviv this summer. We're still on track and looking forward to entering the Israel market soon.

There were some bright spots in our 2022 Q2 results, which Bruce will provide more color on shortly. Briefly, our Google Network revenue continues to grow with accumulating subscribers. With over 484 monthly subscribers and are expected to exceed 0.5 million by the end of the year.

Secondly, we saw strong growth of nearly 30% in the global network business, a record quarterly revenue of \$30.4 million and continue to keep a close to 100% attach rate of customers.

Thirdly, despite the overall softness of the (inaudible) market in the first half of 2022 as described before, electric vehicle as a percentage of our total vehicle increased by 16.1% versus 2021, while gas vehicle expense up 4.3%.

Both Gogoro and our vehicle partners, sales grew by 3.5% and 10.5%, respectively versus 2021. This is a shift in market share we have planned for as we broaden our reach as a platform.

Both Gogoro and our vehicle partners market share grew in first half 2022 versus first half 2021. Gogoro and our vehicle partners represent 92.2% of the overall electric vehicle sales in the first half of 2022. This figure typically ranges from 90% to 95% of the total market and we're happy to see growth in the overall electric sector in Taiwan.

Our gross margin was up both quarter-on-quarter and year-on-year. With anticipated seasonal volume pickup in the second half of 2022, we expect to maintain a similar margin profile. Adjusted EBITDA was also up from quarter two 2021.

Let me quickly recap our macro strategies for 2022 and how we're doing. We had three areas of focus. First, we'll continue to expand our vehicle and hardware sales in Taiwan by increasing our penetration, broadening our coverage, and growing sales of B2V, B2B, and B2G customers.

Secondly, to further develop our solutions business, we'll build on the success of our Gogoro component kits to enable our partners to further diversify product offerings in launch multiple SKUs in Taiwan, China, and India.

And finally, to grow our Gogoro Network business in Taiwan and internationally, we'll increase Go Station density and continue to improve network efficiency and launch services in additional cities.

We're passionate about what we do. We make it irresistible for consumers to be responsible to increased efficiency and environmentally-friendly

solutions. I'm proud of the work the team has put in to continue to make progress toward these goals, which will allow us to continue to further penetrate Taiwan market with our vehicle partners, and begin to build momentum for growth overseas.

Bruce will now walk us through our business and financial highlights for Q2 2022.

Bruce Aitken^ Thanks Horace. Q2 2022 was a quarter of solid results given the extreme market conditions. We saw an increase of 5.3% in revenue versus Q2 2021 and an increase of 29.1% in Gogoro Network revenue versus Q2 2021. We also continue to accumulate subscribers on our Taiwan Gogoro Network, which now has over 484,000 monthly subscribers. We're mostly pleased with the results in our Google Network business, as they demonstrate continued growth and accumulating subscriber base and recurring revenue generated by our battery swapping business model.

According to statistics published by Taiwan's Department of Motor Vehicles, there were 15,386 Gogoro vehicles registered in Q2, down slightly from Q2 2021, but 20% higher than Gogoro vehicles registered in Q1 of this year.

The total Taiwan two-wheeler scooter market volume for the first half of 2022 is the lowest since 2013. Despite this low, there are some positive indicators for both the transition to electric two wheelers, as well as for Gogoro and for are powered by the Gogoro Network partners.

Total sales volume of Gogoro vehicles in the first half of 2022 were up 3.5% from the first half of 2021. Additionally, partner vehicles which are tracked under each brand sales, represent additional volume in Q2.

We extended our Taiwan channel and now Gogoro vehicles are for sale in a total of 417 traditional scooter sales locations, making Gogoro vehicles broadly available and increasing the customer touchpoints is important. Our market share in the six biggest cities in Taiwan was 9.8% during the first half of 2022, up marginally from 9.6% in the first half of 2021, and we achieved 22.9% market share in entirety during the second quarter.

Sales of vehicles and associated registration figures for [I.1] services in China have not met our expectations. Because of the substantial external headwinds from COVID lockdowns, supply chain issues, retail traffic, and spending reductions, overall consumer confidence as well as other factors, we've slowed the deployment of the network infrastructure in China.

As of June 30th, we have deployed 109 stations in Hangzhou, 40 stations in Wuxi, and 53 stations in Quinming. We continue to track progress not just in terms of vehicle sales and hardware revenue, but also in terms of expansion of city-served, locations and visibility of the I.1 network within each city and the variety and customer appeal of models released by partners.

We will likely delay the further expansion of the I.1 network to additional cities in the second half of the year. But we'll still work

with Yadea on vehicle launches. Perhaps of interest is a B2B, dedicated SKU, which launched during Q2.

Providing customers with sufficient choice of power, price, and styling is important to the scaling of the I.1 ion JV network. We recently worked closely with Yadea and I.1 to open a flagship store in Quinming, that is educating customers about the benefits of battery swapping, and the wide variety of vehicles that are available to meet customer needs.

We're still very committed to the China market, but experiencing some potential near-term delays. It is these delays largely impossible to control or predict, and their unknown duration, which are responsible for our conservative predictions for the China business in the second half of 2022. These uncertainties will likely extend into 2023.

We are progressing towards the late 2022 network launch in India, where consumer adoption of EVs is being encouraged by both local and national governments. We continue to believe the Gogoro battery swapping solution serves an unmet need in the second largest two-wheeler market in the world.

ESG is a big part of why Gogoro exists. Gogoro is a technology innovation Company, promoting renewable urban energy and transportation. To align with this vision, we are also focused on utilizing renewable energy in our operations, and promoting renewable energy use by local governments, businesses, and city residents where it is desperately needed.

Our goal is to achieve 100% renewable energy for all of Gogoro's operations and we are making good progress on this commitment. By the end of the year, we expect more than 40% of our manufacturing electricity consumption will be powered by renewable energy.

Additionally, in the second quarter, we open two new retail stores that utilize 100% renewable energy and offer clean energy battery swapping to Gogoro Network subscribers. This clean energy comes from solar and wind and we are engaging Taiwan's Clean Energy sector to broaden access to this new resource.

In addition to our own clean energy commitments, we are also taking a proactive approach to commercializing renewable energy across the industry in Taiwan by enabling businesses and Gogoro Network riders to embrace and utilize renewable energy in their daily lives and daily commutes. We'll be providing all Gogoro Network riders with the option to choose renewable energy in the future.

Finally, in the area of policy, governments continue to investigate a variety of ways to facilitate a transition to electric mobility and we are pleased to be helping to navigate these sensitive policy issues. We expect to continue meaningful dialogue with a variety of governments to see how Gogoro technology can aid in the faster adoption of safe battery swapping solutions for urban centers around the region. Our business objective is to do well while doing good. In Q2, we were able to deliver towards both objectives.

Now, more specifically turning to our financial results. Q2 was challenging in many ways, but our results indicate both continued progress in difficult circumstances, and that the inevitable shift to electric mobility continues to gain momentum.

Specifically, let me provide some color into our revenue, gross margin, EBITDA, and net loss results, as well as providing some updated guidance for the balance of 2022. Before I go into those details, let me say a few words about exchange rates. We booked the vast majority of our revenue in Taiwan dollars, but now reported in U.S. dollars. This year, the change in exchange rate has been substantial, with the U.S. dollar strengthening against the Taiwan dollar by 6.7% since the beginning of the year.

Given our revenue concentration in Taiwan dollars, this is not really an operational issue, but rather a foreign exchange translation issue. This exchange rate had a negative \$6.5 million impact on our revenue as reported since the beginning of the year.

For the second quarter, operating revenue was \$90.7 million, up 5.3% from \$86.1 million in the same quarter last year. Gogoro Network revenue for the second quarter was \$30.4 million, up 29.1% from \$23.6 million in the same quarter last year.

Total subscribers increased to more than 484,000 monthly battery swapping users at the end of the second quarter. This increase in battery swapping revenue was primarily due to the accumulating subscriber base and the high retention rate of all subscribers.

Sales of hardware and other revenues for the second quarter was \$60.3 million, down 3.6% from \$62.6 million in the same quarter last year. This was due to general consumer conservatism in Taiwan, which was driven by COVID and the associated drop in retail foot traffic and vehicle sales year-over-year. However, sales of Gogoro vehicles for the first half of 2022 grew by 3.5% compared to the first half of 2021.

For the second quarter gross margin was 14%, up from 12.7% in the same quarter last year and non-IFRS gross margin was 15.5%, up from 12.7%. These gross margin and non-IFRS gross margin increases were driven by an increase in the average selling price of our vehicles, favorable changes in our product mix, and the continuously improving efficiency of the Gogoro Network operations.

For the second quarter, net loss was \$121.1 million, up \$100.5 million from \$20.6 million in the same quarter last year, primarily due to a one-time \$178.8 dollar listing expense related to the [SPAC] merger transaction we closed at the beginning of Q2.

Additional contributors included \$18.5 million in merger expenses and \$11 million in share-based compensation expense, which were partially offset by an increase in the fair market value of outstanding warrants and earnout shares of \$104.1 million. Non-IFRS net loss was \$16.8 million, up \$0.1 million from \$16.7 million in the same quarter last year.

For the second quarter, adjusted EBITDA was \$9.3 million, up 14.4% from \$8.1 million in the same quarter last year. The increase was primarily due to non-IFRS gross profit increasing to \$14.1 million, up 28.1% from \$11 million in the same quarter last year, as a result of the continuous growth of the Gogoro Network business in the second quarter.

Cash balance at the end of the second quarter was \$378.8 million. Given the current market and macroeconomic conditions, combined with the impact of COVID in Taiwan, and continued COVID and adverse market conditions in China and other markets, we are adjusting our 2022 full year revenue guidance down to \$380 million to \$410 million. We will focus on maintaining our gross margins in the second half of the year.

Third quarter revenue is expected to contribute around 25% of the full year revenue target and we estimate that almost all 2022 full year revenue will be from the Taiwan market.

It has been an eventful quarter for Gogoro and we look forward to continuing to work hard to introduce battery swapping capability to new markets and new customers.

Michael, I will hand it back to you for Q&A.

+++ q-and-a

Michael Bowen^ Okay, thanks Horace and Bruce, for that update, details on financial results, and forward guidance as attendees are formulating their questions. I will go ahead and ask a couple of questions, which I think are likely on everyone's mind from what you just heard.

So, apologies in advance for the multi-part question. But here's the first one. Could you please elaborate on the primary factors that lead you to lower your revenue guidance?

And what gives you the confidence that this new lower rate will be (technical difficulty) in light of the fact that prior guidance also factored in COVID impact in Taiwan as well as internationally?

And then related to that as you stated in your prepared remarks, you're going to be focusing on gross margin the second half of the year. Could you elaborate on any margin whether it's gross margin or operating margin leverage you could benefit from as your revenues come under anticipated pressure? And what gives you confidence again, maintaining those margin levels?

And then finally, since you now expect Taiwan to generate almost all of your revenue for 2022, that's an increase from 90% to 95% you stated last quarter. So, can you elaborate on your -- on how you view the path to return to your prior mix expectations?

Bruce Aitken^ Thanks for the question, Michael, I'll take a first crack at this and then Horace can add some color. In the first half of the year, as we reported, sales in two-wheelers in Taiwan were really

impacted across the entire industry. It's the lowest first half total since 2013 and it's possible that full year might follow a similar trend.

When we gave guidance a few months ago, we anticipated a slightly faster recovery from COVID in Taiwan and while that recovery is underway, and the underlying consumer sentiment is still quite conservative, and quite cautious. We broadly met our revenue margin and EBITDA forecast to the second quarter, although we were at the low end of that range. And we're targeting relatively flat market share to last year for the second half of the year, we might see a slight seasonal pickup in sales for Gogoro Network partners as well as the overall market that would be largely driven by seasonality.

And we think that absent other large or other unexpected market factors, we should be on track to meet that guidance. The reality is the vehicle side of our business is subject to market factors.

But if you look at the Gogoro Network side of the business, as we were reporting, finished 29% increase in revenues this quarter over a year ago and that really demonstrates a couple of different things. Number one, the power of accumulating subscribers. Number two, the fact that that market is slightly more immune from short-term up or down impacts. And number three, that we just continued to get more efficient in how we run the business. So, that's kind of a quick update in terms of the range and our comfort level in hitting the range.

In terms of gross margin, we adjusted ASP up during the second quarter, we launched some new products that helps take ASP up just a little bit. We are exposed, obviously, like many other players to increase in costs that have occurred in the second quarter, whether those are raw material costs, some are driven purely by supply chain, some are driven by scarcity of ICs, for example. And so that has had an impact, we have been able to maintain our gross margin and we do anticipate being able to maintain that gross margin through the second half of the year.

At the bottom-line level, we're going to really focus on costs. So, we've got to make sure that we're operating efficiently, both on the vehicle side of the business and on a Gogoro Network side of the business. And again, we're expecting to maintain our margins for the second half of this year, which should put us on track to margins that are similar to past performance.

And then finally, Taiwan generating the lion's share of our revenue, we did previously expect that we would get about 10% of revenue from international markets, what we're finding is largely because of the COVID situation and the even broader market conditions in China, and in other international locations, that we're going to see a short-term delay in terms of those markets picking up. We are going to continue to, as we mentioned, rollout, networks across Hangzhou, Quinming, and Wuxi continue to explore other opportunities in China, other partnerships, potentially B2B, a number of different product offerings that we'll be looking at.

But fundamentally, we're committed not to the next six months, but to the long haul. And we believe that across the long haul, that transition to

electric mobility is really clear. It's inevitable. We think that battery swapping solves many, many of the customer pain points, whether they're B2C or B2B customers.

And we're continuing to invest in R&D and continuing to roll out the right products that we think give us a long-term capability to develop new revenue streams, develop new markets, and help to equalize that revenue, so that over time, Taiwan becomes a little bit less of a revenue contributor, and then frankly, will be a little bit more insulated from specific downturns that may occur in Taiwan in any given year.

Michael Bowen^ Okay, great. Thanks for that, Bruce. And I'll ask one more, and then we'll turn it over to the operator for analyst questions. But before we do that, for the better part of the past decade, Gogoro has demonstrated a lot of success and market share dominance with its unit base model in Taiwan. However, Taiwan's a relatively small market when compared to the other international markets you're entering into. So, given that, can you shed some light on how the Gogoro model has fared in China thus far?

What challenges have you seen in the Chinese market that you didn't face in Taiwan? And what is your expected outlook for the China market for the second half of 2022 and as we look into 2023? And then I'll, I'll come back with a couple of follow-ups.

Horace Luke^ Great. I'll take a crack at that. And then Bruce will add some color later. The idea has always been to develop technology and prove it out in a relatively small market like Taiwan, and then to take that learning and that business operation knowhow and business momentum and apply to a much larger market like China and India.

Now, I've been very proud of the progress we've made in Taiwan so far, both in market share penetration and stickiness of our subscriber base. But, going into other markets has always been a higher goal of demonstrate ability to perform both financially and making an impact in a better planet, I'm happy to say that, give some insight that the deployment of our first three city has gone much smoother and much quicker than I first anticipated.

At the end of Q2 with almost 200 stations across Anjo, we see an economy, but the zero COVID policy has certainly put some speed bumps on the road. But I think that's really is temporary. But as we look at, Q3 and Q4 opening backup, we're super excited to engage the market. And as we said earlier, our technology, as we deploy, we start doing a lot of real time market research and talking to both riders, other partners that are in the market.

And what we found was that the riders will need quick and constant access to energy in either long distance writing or B2B delivery, have certainly saw the benefits of what Gogoro has to offer to our not only our quick battery swapping system, but also the high energy density that is far more higher than any other competitive product on the market today.

So I think that, we'll continue to work hard with our vehicle partners to commercialize both the vehicles that has already been announced, and then to develop even more vehicles that will hopefully serve the broader needs of the of the China market. So that said, I want to ask Bruce to add some colors to that also, as well.

Bruce Aitken^ I've couple of things I would add, Michael, China's different than Taiwan, China already has a pretty mature electric tool market where approximately 70% of two vehicles are already electric, but it's skewed toward the low end. And it's really skewed towards charging solutions, we expect and we continue to expect that over time, there will be a switch to scooters that match the new national standard -- the national standard, and that are charged with lithium ion batteries, and that there will be a battery swapping capability.

Those are slightly more premium products. And that would require a switch from charging to swap them. The government has banned in many locations home charging, but the government is focused on other priorities at the moment rather than enforcing those regulations. So the market is migrating at a slower pace than we anticipated. We believe it'll take a little bit longer to educate the market, maybe even the distribution channel on the benefit of our swapping solutions.

So because of that we're as Horace said, focused on rolling out stations, getting the foundation in place, and then working with both Yadea and with I want one to ensure that we have the right vehicles, the right business model B2B or B2C, and that we're ready to launch as those changes in the market are seen.

Michael Bowen^ Okay, great. And then lastly, could you give us a similar update for the India and Indonesian markets? And related to that, when do you expect to see material unit sales from these markets, and an associated meaningful contribution to your total revenue? Thanks.

Horace Luke^ Sure. We started traveling again in Q2, because of the mainly the delay in travel overseas has been due to the long quarantine period that is required for re-entry into Taiwan. So the team started traveling again. And I personally actually visited Indonesia, I visited also India, as well as a number of other countries where I am happy to tell you that, I -- when I visited Indonesia, I was really proud to see the Gogoro vehicle on road.

And I was able to talk to a lot of the GoJek riders and our partner Electrum, to really get feedback on the Gogoro user experience. Lots of great feedback, that the most important thing I walked away with was not only is the young Indonesia population, very sustainability focused, but also at the same time, I would say both a rider and even more a passenger and the customers that were being picked up, were surprised when a powerful electric vehicle came up to pick them up instead of a hot, polluting, noisy gas vehicle that you typically showed up.

So a lot of great feedback from, from the market overall, the riders love it, the customers love it, the government loves it, I was able to talk to a lot of high level government officials about, what we can do together

there. So we're working really hard to find ways to really scale that pilot to a meaningful size in Jakarta and beyond.

So, I hope there's more to come in the next several quarters, but I'm super excited about what I've been able to see and the feedback has been awesome has been really great from riders to passenger as well as the operator of the network of Electrum.

Now as for India, I have -- I'm happy to report that we just passed literally, within the last several days, we passed India's battery pack safety requirements AIS-156. And both our goal station our batteries are now ready for India for deployment. I'm hoping that next time we talk -- we can provide more updates, but I'm very optimistic about what we can do in India.

Given, both the conditions are in India today when it comes to petroleum price and also cost of mobility, but also as well as some of the tailwinds that are coming into place such as, for example, in the Delhi NCR area by the end of 2024 for logistics and B2B vehicles will be banned from using gasoline. So making the converted conversion to electric even faster, so I'm super excited about it. I'm hoping to see, some meaningful impact to our job business in the next several quarters. So stay tuned, and I think there's more to come.

Michael Bowen^ Okay, great. Thanks for that.

Operator^ (Operator Instructions) Thank you. We have a first question from the line of [Fong Chang] from Benchmark Company. Please go ahead.

Unidentified Participant^ Hey, Horace. Hey, Bruce. Thanks for taking my questions. First of all, I wanted to dig a little bit deeper into your guidance. It seems like despite the softness in Taiwan market, you guys do kicking market share, I just wonder what's the underlying driver for your outperformance over the industry? And related to that, what's the incline assumptions for turbo market growth for full year 2022 And your target market share for that whole market?

Bruce Aitken^ So thanks for the question, Fong. The whole markets down as you heard, the electric as a percentage of total group. That's an important one to note, because I think that indicates that the inevitable shift to electric. Within that context of electric Gogoro vehicles grew in the first half versus first half of last year, and then are powered by the government network the requirements also grew 3.5% on the Gogoro side 10.5% on the partner vehicle side and 60% for electric as a percentage in total in terms of growth.

So those are great. Those are great figures in -- and that gives us a great deal of confidence for the long term. In terms of the second half of the year Gogoro market share. We don't expect a massive upswing in upswing in Gogoro volume. You may recall that last year in the second half, there was a big uptick.

In theory, that's possible. But we certainly aren't banking on that if we set our guidance for the back half of the year, we're expecting roughly

flat market share to where we are at the moment, which is roughly in the 9% to 10% range for the Taiwan -- for the Gogoro branded vehicles in the second half of this year. We would like to see faster growth and we will be working hard to see faster growth picked up in an overall flat market environment, but the shift to electric is pretty clear.

Horace Luke^ Fong, this is Horace. I'll add a little more color on that. I think there are other factors such as product innovation that drove a lot excitement in the market such as the Gogoro SuperSport, which really is the first product on two wheel that not only has a unprecedented computing power, but also as well as a self-develop traction control system that allow consumers to ride not only in a sporty way but also in a safe way that contributed quite a bit to our overall performance. I would say in the sector, performance base vehicle that was a very meaningful contributor, I would add.

But also at the same time, I think that the product mix itself, we have everything from mainstream product to entry product to high end products or performance base to premium products that are really great look and feel. So it's not something for everyone. And I think that what we know how that translated into the overall market was, of course, as Bruce mentioned, a slight up for a -- from a year-on-year market share perspective.

But also at the same time, if you look at where, Taipei market share, we were at about 20% market share, slightly over 20% market share. So, that's just through the demonstrate this -- the willingness to convert to electric, as a -- island that is highly populated, very dense, a lot of curiosity and a lot of interest on not only electrifying, but what electrifying can mean, when it comes to safety, when it comes to health, when also when it comes to just owning something that is a modern mobility instead of a something that's formed decades old technology. So overall, I think, that is one of the reasons why we've been able to get market share and will continue to grow that.

The other thing that I'm very excited about is the fact that our partners have grown also in market share. Over the last quarter, we've seen our [PDGM] partner, Gogoro Network partner, who looks quite significantly year-on-year. And that has always been by design, where we saw ourselves demonstrating the size and opportunity of the market, but also the same time, letting the -- letting an -- that's always been by design, where we saw ourselves demonstrating the size and opportunities in the market, but also at the same time, letting the -- letting an enabling vehicle makers to convert and change from maybe perhaps a traditional portfolio to now an electric portfolio without worrying about the refueling infrastructure. And that has certainly picked up quite a bit infrastructure. And that has certainly picked up quite a bit in the overall penetration site, which I'm super proud of.

I think that further demonstrates the attractiveness of our platform. But most of all, I think, also is just the fact that we will -- 30% on subscriber base. In that further demonstrates the strength of our thesis, that even with a flat or slightly uptick on the market share, we were able to grow pretty significantly on subscriber base, which I would love

to remind everybody, that is a thesis in which we're taking a business overseas.

And as we look at that that subscriber base is also close to -- very, very close to 100% sticky. So we've been able to keep that subscriber without losing people off the list. And that cumulated kind of sticky subscriber base is what we have started the Company on and we're great to see that even in a challenging market today in Taiwan, where COVID has definitely has had a big impact to buying supplements, being able to attract foot traffic coming into the retail stores.

Despite all that, we still saw a great performance on the Gogoro network side, the battery swapping side. I think that those pieces all added up to be, I think, a pretty good Q2 for us. However, I think that as Bruce mentioned, the COVID situation has not -- is not over yet. The concerns are still great in Taiwan has been, of course, it was an island that was close to most visitors coming in. The recent outburst has lasted much longer than 2021 outburst, and so we're just -- I wanted to take more of a conservative position to ensure that we are -- we're ready for stormy day if we are -- if the stormy day comes.

Unidentified Participant^ Understood. That's very helpful. Thanks Horace. Switching gear to your China market. Understand a COVID, especially the lockdown has been strong headwinds. Just wonder whether you are adjusting your strategic focus in China whether it's the second half or heading to 2023 in terms of increasing in your density within your existing market base, the city you have entered, or you will continue to expand your geographic, I think presence, just wonder any venues out there. And also understand there is a lot of moving parts right now, how should we think about in 2023 for China market potentially?

Horace Luke^ Great. Thanks for that. I'll take the first one and maybe Bruce can add a little color. I think the most important thing is operational efficiency and creating momentum. As Bruce mentioned, and I mentioned earlier, there are over 200 stations already in Hangzhou, over 100 in Hangzhou, and then between Wuxi and also Kunming, there's also another 100 stations.

So the density is there already in that city to accept the first wave of riders that are going to be utilizing the network. The goal for us is to make sure that we build that momentum in those three cities, demonstrate success, and then move to other cities, trying to go fast and furious, especially in a situation today, where COVID impact is on and off.

And so what we don't want to do is go in basically waste resource and not able to operate efficiently. So we're going to focus on really penetrating those three cities, demonstrating what we have to offer, and then also at the same time working with Yadea. And also of course, working with Dachangjiang to enable them to tick their vehicles, if they have already shipped, or but Yadea has already shipped, the six vehicles that they're shipping today to get it into the market and get into the hands of the riders and demonstrate how great the user experience is.

So we feel very positive about it. I think that China, as you said, it's a market that has seen a high penetration of electric two-wheel, but at the same time with the new regulation, and also with, especially some of the riders that are maybe using longer distance or riding more hours of the day, such as B2B and other markets. We think that there's a great opportunity for us to contribute.

So long story short is, of course, we always adjusting, and we're always looking at new opportunity. But at the same time, we want to make sure that the markets that we already deployed, we were ready for when COVID opens up, that we're ready to go big. So really demonstrating operational efficiency first.

Unidentified Participant^ Okay. So clear.

Bruce Aitken^ And I think now that's going on -- we're 100% committed to China, I think the answer to your question is both strategies, grow within cities, but also add cities, our thesis is intact. We believe China is a big market, there is a slight delay. I think that's where a lots of different factors. It doesn't take a genius to figure out what many of them are COVID, macroeconomic, lots of those combined. And so we're 100% committed to the market will continue to grow.

Unidentified Participant^ Got it. Thanks, Bruce. My last question is actually on the B2B opportunity, you mentioned that it seems like you guys making some initial inroads there, just wonder how should we're looking at the potential market opportunity in a specific segments? And when do we expect a more meaningful or visible and revenue stream down the road?

Horace Luke^ Fong, are you asking B2B -- I'm sorry, we cut out there for a second. Are you asking B2B or B2C, I just want to get your question correct?

Unidentified Participant^ B2B.

Horace Luke^ B2B. Okay. Great. I think where we win on a -- on as it applies to a B2B market is number one, our energy density of our batteries is 1.6 kilowatt hour to 1.7 kilowatt hour when the market itself it's about 800 watt to maybe perhaps slightly over a kilowatt hour. So that's 70% increase in energy promises a delivery rider much longer range and much less anxiety when the hot delivery cycle comes right, so such as lunch, dinner, breakfast or afternoon snacks. He's not -- he or she is not really worried about the energy running out halfway. So that -- and clearly the energy density plays an important role for us to be able to demonstrate our benefit there, number one.

And I think number two has to do with reliability of our system, and having over 1 million batteries now deployed in Taiwan, being able to be in a number of other markets moving -- mostly we don't know that, for example Gogoro today is doing a lot of delivery in B2B business for our partner in South Korea, as well as powering a ride sharing fleet in Germany.

Those are those are great demonstration about our system is ready for not only a consumer that is using it, I would say, casualty, but also as a business -- a ruggedized business tool for people to actually build their living on.

So, great opportunity, I see. We've always thought that going into a market such as China is not just a to see market, but also to be market as well. Seeing lighters, using our system today, on the beat, to do B2B delivery, they certainly have a smile on their face, when they see their -- other riders having to go find ways to charge their vehicles or end their shifts early because they couldn't get a battery.

Certainly a lot of opportunities there, I would say. And we're still exploring that within, I would say the cities that we're deployed in and then also scoping out future cities that we can go into that has high penetration of that opportunity also as well.

Bruce Aitken^ It's clearly a really cost conscious market fund, both on the vehicle side and on the energy side. But the advantages are no downtime. And the advantage from a Gogoro standpoint is a faster depreciation, if you will, on our battery given the faster consumption of energy. As long as we get paid for those amp hours that are consumed, then we're really excited about the B2B opportunity.

Unidentified Participant^ Got it. It's very helpful. That's my question. Thank you so much.

Operator^ (Operator Instructions) There are no more question at this time. Back to you, Michael.

Michael Bowen^ All right. Well, this concludes our Q&A session. I'd like to now turn the conference back over to both Horace and Bruce for any closing remarks.

Horace Luke^ Thanks, Michael. Well, Q2 was one where our vehicle business follow the overall market due to the impact of COVID and other external factors. Global network business continues to accumulate subscribers as we discussed earlier, and show the healthy revenue growth due to the unique nature about sticky business model.

We're not sure what the second half holds in terms of COVID and general economics -- macroeconomic factors. So, we're taking more of a cautious and conservative view into our second half. But our fundamental belief in our business model and business thesis remains unchanged.

The question is whether or not -- what is -- not whether a transition to electric mobility will occur, but really, how quickly will it will convert? We're excited to work with our partners, policy makers across the countries we already announced and consumers to lead this transition. Thanks everyone for--

Operator^ Thank you. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.