

Gogoro Inc. (Q1 2025 Earnings)
May 8, 2025

Corporate Speakers

- Bruce Aitken; Gogoro Inc.; Chief Financial Officer
- Henry Chiang; Gogoro Inc.; Interim Chief Executive Officer

PRESENTATION

Operator^ Welcome to the Gogoro Inc. 2025 First Quarter Earnings Call.

This conference call is being recorded and broadcast live on the Internet.

Webcast replay will be available within an hour after the conference is finished.

I'd now like to turn the call over to Gogoro team.

Bruce Aitken^ Welcome to Gogoro's 2025 first quarter earnings conference call hosted by our interim CEO, Henry Chiang; and myself, CFO, Bruce Aitken.

Hopefully by now you've seen our earnings release. If you haven't, it's available on the Investor Relations tab of our website, investor.gogoro.com.

We are hosting our earnings conference call via live webcast through Gogoro's website where you can also download all of the earnings release materials.

We will be displaying the materials on the webcast screen as we go.

(Operator Instructions) Henry will provide an overview of Gogoro's progress.

I will then go into the first quarter financial results in more detail. And we will open the line for question and answer as many questions as we can.

As usual, we would like to remind everyone that today's discussion may contain forward-looking statements that are subject to risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements.

Please refer to the forward-looking statements that appear in our press release and Investor Relations presentation provided today.

Additionally, many of the financial figures we will use in our webcast are on a non-IFRS basis.

For details about the non-IFRS measures and reconciliation to the corresponding IFRS measures, please refer to our earnings release.

Now I would like to turn the call over to Henry.

Henry Chiang^ Thank you. Good morning and good evening, everyone. And thank you for joining us for Gogoro's first quarter earnings call for 2025.

The word that best describes our hard work in the last quarter of 2024 and the first quarter of 2025 is focus.

We are focused on delivering a great experience for our customers, predictable financial results and a clear vision for the future.

We are executing our plan. We have spoken repeatedly about our business priorities in our energy business and our vehicle business.

Our profitability timeline commitment remains unchanged: achieve breakeven in the energy business by 2026, generate positive free cash flow in the energy business in 2027 and breakeven in the vehicle business in 2028. There is significant progress to report in each area. The results of our focus on resetting are clear.

In the first quarter, we achieved a non-IFRS gross margin of 18.2% and reduced operating expenses by \$9.9 million, a full 32.1% reduction versus the first quarter of 2024.

Fundamentally, our focus on efficiency is paying off, which we see in a reduced adjusted net loss by 36.5% to \$10.9 million in the first quarter from \$17.2 million in the first quarter of 2024.

Additionally, adjusted EBITDA is \$14.3 million in the first quarter versus \$10.2 million in the first quarter of 2024. These results have been achieved despite a year-over-year drop of 8.7% in revenue for the first quarter. Based on the early positive results of our strategy reset, we have received a new TWD 2 billion, approximately USD 61.5 million credit facility, which both provides capital for growth and also indicates market confidence in our plans for the future. Energy business.

Our core energy business continues to perform as expected.

In the first quarter, we recorded revenue of \$34.5 million in the Gogoro Network business, in line with our projections and showing 6.2% growth versus the first quarter of 2024. The energy business grows alongside the increasing subscriber base of Gogoro platform, and we now have a total of 644,000 subscribers.

In the first quarter, we launched a new off-peak unlimited mileage plan, which offers subscribers more flexible pricing options.

Initial market feedback is positive. We launched a redesigned Gogoro app, delivering a more seamless experience for subscribers including more clearly surfacing information regarding their riding efficiency, guiding them to the best GoStation to swap their batteries and other details,

which not only improve their experience, but also make their use of Gogoro vehicle more efficient.

Our energy storage collaboration with Taipower continues to progress as scheduled, and we continue to explore additional second life application for our battery. Vehicle business.

We have streamlined our vehicle offerings in the first quarter and have seen an increase in ASP and margin in our hardware sales business.

We have multiple vehicle launches planned.

While our hardware sales revenue and volume performance was below expectations, we believe this is a push-out of revenue rather than a reduction in revenue. Revenues in the first quarter.

We launched a new design model to expand reach to younger customers.

We launched a new Starlux Airlines co-branded model with record high in sales and market excitement.

We anticipate additional launches in the coming months, and we'll announce those as soon as we can.

Additionally, we will continue to work closely with PBGN partners and are offering programs to help our PBGN partners launch new vehicles.

In international markets, we completed the sign of a joint venture agreement with Castrol to expand internationally, and we expect to begin a pilot program together with Castrol in the second half of 2025. The partnership allows Gogoro to focus on collaborating to expand the use of our technology with a large and well-known brand.

We are excited about the prospects for this relationship.

In India, we are working with several potential candidates to pivot our strategy to providing technology support.

We are continuing to closely monitor policy developments regarding battery swapping and government support for battery swapping platforms.

Infrastructure scale and the future.

In addition to implementing our strategy, I would like to emphasize that we continue to receive support from both the Taiwan central government as well as local governments to implement EV policies. The Kaohsiung and Tainan city governments now provide subsidies toward customers' monthly subscription spending.

In Tainan, a customer can get up to TWD 500, approximately USD 15 per month in subsidies and in Kaohsiung, a customer can get up to TWD 7,200, approximately USD 225 of annual subsidy toward their subscription spending.

We continue to add to our 600 million infrastructure investment over the last 10 years, which has largely driven our losses. That investment has led to a strong foundation for EV adoption in Taiwan and has created high industry standards. The Taiwan central government as well as local governments continue to implement EV adoption policies and retain their commitment to net zero goals. The combination of our broadly deployed infrastructure and customer adoption indicate a clear future for Gogoro.

We are on track to reach our short-term and longer-term goals.

We seek to achieve these goals by continuing to focus on financial discipline, focusing on our energy and vehicle business and by working with partners for international expansion. NASDAQ status.

Finally, as announced in our 6-K filing on May 2, 2025, we have transferred our listing from the NASDAQ Global Select Market to the NASDAQ Capital Market. The global macro environment continues to present significant challenges, include volatility in U.S. markets and ongoing tariff issues, which have contributed to persistent downward pressure on broader market, consumer confidence and Gogoro's share price.

Our goal remains to retain our NASDAQ listing status while working to increase awareness in U.S. and global capital markets about the potential of the Asian two-wheeler market and the innovation opportunities within it, which Gogoro is well positioned to address. Thanks, and now I invite Bruce to give a bit more detail into our financial results from the first quarter.

Bruce Aitken^ Thank you, Henry.

We delivered meaningful financial improvements in the first quarter of 2025 and demonstrated that our focus is clear and effective. Just to recap a few of the important figures, in comparison to the first quarter of 2024, we grew our battery swapping revenue to \$34.5 million, we increased our company-wide non-IFRS gross margin to 18.2%, and we increased total adjusted EBITDA to \$14.3 million, a 40% increase on the previous year.

We also saw a reduction of \$9.6 million in operating expenses, and all of these results were achieved despite a 4.5% drop in total revenue versus Q1 2024 on a constant currency basis.

We continue to see increases in our total installed base of batteries and subscribers, total kilometers ridden on Gogoro's ecosystem and continued market penetration.

Battery swapping service revenue for the first quarter was 6.2% up year-over-year and 11.1% up year-over-year on a constant currency basis. Total subscribers at the end of the first quarter was 644,000, up 8% from 595,000 subscribers at the end of the same quarter last year.

We continue to see the strength of our subscription-based business model, which enables us to accrue more customers to maximize our battery swapping network efficiency.

Sales of hardware and other revenue for the first quarter was \$29.1 million, down 21.8% year-over-year and down 18.1% year-over-year on a constant currency basis. The year-over-year decrease in sales of hardware and other revenues was driven primarily by a decrease in vehicle sales volume on a year-over-year basis due to the delayed launch of one anticipated vehicle.

We believe this demand will shift to subsequent quarters.

Additional factors include a minor reduction in parts, accessories and service revenue and less international sales than in Q1 of 2024.

For the first quarter, non-IFRS gross margin was 18.2%, up from 15.1% in the same quarter last year. This was primarily driven by lower depreciation across our entire installed base of battery packs from increased network efficiency as well as the extended lifespan of upgraded batteries.

In the first quarter, we decreased operating expenses by \$9.6 million.

This was the result of our focus on savings in general and administrative expenses, and marketing and promotional expenses, and other organizational efficiency efforts.

Over the last three years, we have invested approximately \$100 million per year in capital expenditures.

For the first quarter, net loss was \$18.6 million, but the adjusted EBITDA was \$14.3 million, representing an increase of \$4.1 million from \$10.2 million in the same quarter last year. This sets us up well to deliver against our financial targets for the year and for each of our businesses.

With a cash balance of \$93.3 million at the end of the first quarter of 2025 and the additional credit facilities that are available to us, we believe we have sufficient sources of funding to meet our near-term business growth objectives.

In the first quarter, we continued our focus on cost optimization and aligned our operations accordingly. The plan aims to drive operational efficiency, reduce costs, accelerate our path to profitability and reinforce our primary focus as an energy and subscription-based business based on our energy platform leadership. Gogoro is expected to create approximately \$25 million in savings in 2025 compared to 2024 as a result of this cost efficiency plan.

We expect our Gogoro network battery swapping business to reach profitability on a non-IFRS basis and deliver non-IFRS net income in 2026 and our hardware sales business to reach profitability on a non-IFRS basis in 2028.

We believe the Taiwan two-wheeler market in 2025 will remain at approximately 2024 levels.

For the full year 2025, we reiterate our revenue forecast of between \$295 million to \$315 million on a constant currency basis.

We estimate that approximately 95% of such full year revenue will be generated from the Taiwan market.

Our gross margin may be continuously negatively impacted in the short term because of our ongoing and accelerated battery upgrade initiatives, which are expected to be completed by the end of 2025.

We believe that Gogoro is on the right path to profitability. We're conscious of the need to stay focused and deliver, and we look forward to doing so throughout the balance of 2025.

We will now take questions.

QUESTIONS AND ANSWERS

Operator^ Thank you, Henry and Bruce, for the updates.

As attendees are formulating their questions, I will ask a few questions that we have collected in advance.

First question, looks like Gogoro is focusing on your network business with supercharge and quick charge technologies dramatically improving and shortening the electric vehicle charging time. Do you view that as a threat, or how are you going to respond to the continued improvement of charging time for charging station models?

Henry Chiang^ Yes. Thank you.

We recognize the rapid advancements being made in fast charging and supercharging technology across the broader electric vehicle ecosystem. But these innovations are helping accelerate EV adoption overall, which is positive for the entire industry.

However we don't view them as a direct threat to Gogoro's battery swapping model. Our battery swapping platform was purpose-built for the unique needs for urban mobility, particularly two-wheelers.

The key value proposition remains speed, convenience and efficiency.

With Gogoro, a rider can swap a depleted battery for a fully charged one in less than six seconds, no waiting time no grid strain and no need for dedicated parking or long wait time which are often required even with the fastest chargers.

I think fast charging often comes with trade-offs including battery degradation, infrastructure investment and grid stability issues.

Our closed-loop system allows us to better manage the battery health, optimize energy load and offer a consistent user experience at scale. This is especially relevant in high-density urban environment like those in Taiwan and Southeast Asia.

That said, we are not standing still. We continue to invest in R&D to improve our battery technology, energy efficiency and system scalability.

So in short, we see the advancement of charging technology as part of the broader ecosystem evolution.

Our focus remains on being the most efficient, scalable and rider-centric energy platform for urban mobility based on our battery swapping technology.

Operator^ Our second question.

Please provide some commentary on the transfer to the NASDAQ capital market as well as your future plans to gain compliance with NASDAQ requirements and other plans for your listing status.

Bruce Aitken^ Thanks for the question.

As we did mention briefly during the call we have completed a transfer from the NASDAQ Global Select Market to the NASDAQ Capital Market in late April.

By doing so, we gained an additional 180-day grace period to regain compliance with the NASDAQ bid price requirement. That gives us till the end of October, almost, to be compliant.

So we're not focused on short-term stock price gains. We believe that our financial improvements, which hopefully, you've seen some of today, really indicates that we're on the right track, and we're delivering against our stated plans. So we're taking the long-term view on the stock. And obviously, we hope that there's organic stock price increase over the course of the next 180 or so days.

In addition to that organic increase, there are a number of different options that we could explore for regaining compliance. Those could include a reverse stock split, for example, or other actions.

We'll carefully consider all of those actions and provide updates to our shareholders and to the public markets as we can in the interim. But we do not have any immediate plans, and so we'll continue to watch the stock price, we'll continue to evaluate all options over the course of the next few months up until the extended deadline in late October.

Operator^ Question number three. You mentioned the network business and scooter business will breakeven in 2026 and 2028, respectively. To help us derive Gogoro's value today, what is your longer-term top line and bottom line growth plans?

Bruce Aitken^ Thanks for that one, too. I'll take this one.

So as you said, we anticipate network breakeven in '26, scooter breakeven in 2028 and network cash flow positive in 2027.

So we do see the opportunity as soon as we've reached those specific milestones to really have a meaningful shift in operational leverage and a meaningful shift in our profitability.

So from a top line standpoint, the biggest driver of our growth is the increasing subscription business that we have, which is predictable, it's recurring.

We have 644,000 subscribers right now and every new subscriber that we add to the network contributes to our top line growth.

In addition to that top line growth in the energy business, we do obviously see sales of Gogoro branded vehicles and partner-branded vehicles as well being good sources of revenue in the future.

At a bottom line level, we expect improvement in that income because as the revenue grows, we don't expect that our cost base -- our fixed cost base to grow at the same speed.

So we should be able to leverage higher-margin network services business as that becomes a bigger and bigger part of our overall revenue.

So the key to Gogoro's business is the recurring revenue nature of our accumulating subscriber base.

We're seeing that now. We're predicting breakeven in 2026. It's possible that we'll even see operational breakeven toward the end of this year.

So once we've gotten to that point, then I think the story really shifts and we become about growth going into the future.

Operator^ Question number four. Congratulations on making good progress on controlling costs.

I'm wondering whether your current operating efficiency model is sustainable and scalable when Gogoro grows beyond breakeven points? Can you touch on your cost structure and gross margin between the two different business models, i.e., network business and scooter business model?

Henry Chiang^ Thank you for the questions and for also recognizing the progress we have made on cost control. To address your first point, yes, we believe our current operating efficiency model is both sustainable and scalable.

Over the past few quarters, we have made deliberate efforts to streamline operations, optimize our supply chain and leverage automation where possible.

As we move beyond breakeven and scale into new markets, these efficiencies gives us a strong foundation. Most importantly, our platform approach, especially with our battery swapping network allows us to scale without a linear increase in operating costs. That's the key advantage.

Now on the cost structure and gross margin between the two business models, in our network business, which includes battery swapping and energy services, we see predictable and repeatable gross margin. This is largely due to the recurring nature of the revenue and the capital efficiency of the infrastructure once it's deployed.

So as [utilization] grows, margins improve further due to operating leverage.

And on the scooter business side, gross margin are more sensitive to component cost and volume. However, we view the vehicle business as a strategic enabler. It drives adoption of our energy platform and helps build the ecosystem.

So going forward, we remain focused on improving margins across both segments, but particularly on expanding the member business as the core engine of the long-term profitability. Thanks again for the question, it really give us an opportunity to explain our thoughts.

Operator^ Those are all the questions that I had.

Henry Chiang^ So let's continue. Thanks for attending today's call.

It should be clear that our focus is paying off. We are seeing improved financial performance, and we will continue to execute on this path to profitability.

We thank our customers for their trust in Gogoro, and we thank all of you that you joined the call. We will keep working to provide the best battery swapping service in the world while also innovating for the future.

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