Gogoro Q3 2026 Earnings Conference Call
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Corporate Speakers

- Wendy Lee; Gogoro Inc.; Investor Relations
- Henry Chiang; Gogoro Inc.; Chief Executive Officer
- Jacky Lee; Gogoro Inc.; Principal Financial Officer

PRESENTATION

Operator^ Welcome to the Gogoro Inc. Third Quarter 2026 Earnings Conference Call. Today's conference is being recorded and broadcast live over the Internet. A replay of the webcast will be available on Gogoro's Investor Relations website following today's call. I will now turn the call over to the Gogoro team.

Wendy Lee^ Thank you, Operator. Welcome to Gogoro's third quarter 2026 earnings conference call hosted by our CEO, Henry Chiang; and Principal Financial Officer, Jacky Lee. Hopefully by now you've had an opportunity to review our earnings release and investor presentation -- both available on the Investor Relations section of our website.

Henry will begin with an overview of our business performance and strategic priorities, followed by Jacky, who will review our financial results in greater detail. We will then open the call for Q&A. Before we begin, please note that today's discussion contains forward-looking statements including statements regarding our business outlook and plans, future financial performance, planned capital expenditures, expansion in Vietnam, market opportunities and strategic initiatives.

Actual results may differ materially due to risks and uncertainties. Additional information concerning factors that could cause actual results to differ materially is contained in today's earnings release and our SEC filings including our annual report on Form 20-F. Forward-looking statements speak only as of today, and we undertake no obligation to update them except as required by law.

Today's discussion will also include certain non-IFRS financial measures. Reconciliations to the most directly comparable IFRS measures and additional information are included in our earnings release which is available on our website. With that, let me turn the call over to Henry.

Henry Chiang^ Thanks, Wendy. Thank you everyone, for joining us today. The third quarter represents another important step in Gogoro's transformation. Over the past two years, we've remained focused on strengthening our fundamentals, improving the economics of our business, and building a platform capable of delivering sustainable growth over time. This quarter, we delivered record high gross margins and a meaningful improvement in our bottom line performance.

We continued generating positive operating cash flow and made progress in expanding the reach of our battery swapping ecosystem beyond Taiwan. Last quarter, I talked about the first phase of our multiyear product renaissance. Our goal is to build a more relevant portfolio around distinct customer needs rather than relying on any single flagship model. A

renaissance is never defined by a single masterpiece, but by a collection of innovations that together reshape the world's perception of what is possible.

At Gogoro, we are pursuing that same vision for products and solutions, not simply introducing new products, but reimagining how they are designed, experienced, and how they transform urban mobility.

Each generation builds on the lessons of the last, bringing us closer to redefining the role and impact of electric 2-wheelers around the world. At the heart of this vision is our new brand philosophy, Simply Enjoy. We believe riding is more than just a way to get from one place to another. It's an expression of how we choose to live.

Simply Enjoy celebrates individuality, personal preferences, and the simple joy of riding. This philosophy guides how we design our products and create experiences that resonate with different lifestyles and customer needs.

We are particularly encouraged by the market response to Gogoro Luna which has resonated strongly with female riders since its launch. Designed with a deep understanding of their needs and preference, Gogoro Luna has gained strong traction in Taiwan's white-plate electric scooter segment.

Its strong performance has also helped Gogoro maintain its market share in the mid- to premium scooter segment among female riders. These results reinforce our belief that understanding our customers and designing products around their lifestyles is key to strengthening our competitive position.

Gogoro Luna is a great example of how our product renaissance is translating into meaningful consumer engagement even in a challenging market environment. The EZZY series and our Disney collaboration also continued to reinforce our competitive positioning. These products reflect our belief that thoughtful design and a better understanding of how people use their scooters can help us reach a broader range of consumers. Disney, EZZY, and Gogoro Luna are just the beginning of a broader journey of product innovation, and the best is yet to come.

We know there is more work to do. Our priority is to remain close to customers, continue improving our portfolio, and strengthen our competitiveness without losing the operational discipline we have worked hard to establish.

As part of this effort, from the energy network solution front, we introduced multiple robust energy subscription plans that are tailored to consumer needs to enhance customer satisfaction. Furthermore, the $30 million capital expenditure initiative announced in our Q1 2026 earnings release is progressing well supporting ongoing network optimization and technology upgrades aimed at enhancing the overall customer experience.

As part of this initiative, we have made substantial progress in retiring and recycling legacy first-generation batteries, allowing more consumers to benefit from newer, more efficient battery technology. Consumer feedback on this transition has been positive, particularly regarding the extended riding range per battery swap.

In addition, our planned pilot deployment of GoStation Q in Taiwan remains on track for year-end 2026. Beyond hardware, the Gogoro Network continues to be a fundamental source of strength for the business.

At the end of the quarter, our subscriber base reached approximately 684,000, up 4% year-over-year. This growth reflects the resilience of our recurring revenue model and the continued value customers place on convenient, reliable battery swapping. The mix of lower mileage subscribers continues to put some pressure on average revenue per user.

But on a constant currency basis, battery swapping service revenue grew year-over-year. Just as importantly, we are improving how we operate the network through better utilization, disciplined maintenance, and more efficient management of our battery fleet. These are not one-time improvements. They are part of the structural work we have been doing to make the network more efficient and economically sustainable over the long term.

I also want to spend a few minutes on Vietnam, where we see a meaningful opportunity to extend our ecosystem into a new market. Vietnam has approximately 80 million powered 2-wheelers in circulation, and the transition toward electric 2-wheelers is accelerating. The country's electric 2-wheeler market presents significant growth potential with sales reaching approximately 735,000 units in 2025 which is more than 20% of total 2-wheeler sales.

In the first nine months of 2026 alone, electric 2-wheeler sales had already surpassed the full year 2025 total, highlighting the rapid pace of adoption. This growing demand presents substantial opportunities for electric mobility solutions and battery swapping infrastructure. Through Castrol Gogoro Mobility, our joint venture with Castrol, we established our presence in Vietnam during the third quarter of 2026 and expanded our battery swapping infrastructure in Ho Chi Minh City.

The collaboration with two of the leading Vietnamese mobility platforms is intended to pilot our battery swapping technology for high-utilization commercial riders and evaluate the operating model in local conditions.

Initial feedback from the pilot program has been very encouraging, reinforcing our confidence in the potential of battery swapping to support Vietnam's growing commercial electric mobility market.

In the Vietnam pilot, participating riders travel approximately 150 to 160 kilometers. This is an important opportunity to learn. Commercial riders depend on uninterrupted vehicle operations, and we believe battery swapping has the potential to address that need. We are approaching the market thoughtfully, testing the economics, learning from our partners, and laying the foundation for future expansion rather than getting ahead of ourselves.

Looking ahead, our priorities remain clear. We will continue bringing more relevant products to customers, and we will pursue international opportunities with the same disciplined approach to capital allocation that has guided our transformation.

While we do not expect significant revenue growth from the Taiwan market alone, we anticipate Vietnam will serve as a powerful catalyst for Gogoro's next phase of growth. We are encouraged by the progress we have made, but we also recognize that sustained execution matters more than any single quarter. We believe the foundation we are building gives

Gogoro a stronger platform for long-term success. With that, let me turn the call over to Jacky to walk through the financial results.

Jacky Lee^ Thank you, Henry. And good morning, everyone. I'm pleased to join you for my first earnings call as Gogoro's Principal Financial Officer. As Henry mentioned, our third quarter results reflect continued progress in strengthening the underlying economics of our business.

We are seeing the benefits of improved efficiency, more disciplined spending, and a clearer focus on sustainable financial performance. Before going into the details of our third quarter financial performance, I would like to provide some context on our revenue trends and the priorities guiding our commercial strategy.

Q3 revenue declined year-over-year on both a reported and a constant currency basis amid challenging market conditions, reflecting continued pressure on our hardware businesses. Rather than pursuing short-term volume growth through aggressive marketing spending, we have remained disciplined in prioritizing healthier product economics, revenue quality, and sustainable customer economics.

At the same time our core battery swapping business continues to demonstrate healthy operating momentum, supported by subscriber growth and strong customer retention. We are also making progress in improving operating efficiency and resource allocation with a focus on translating these improvements into stronger financial performance.

With that context, let me walk you through our third quarter financial performance and the key factors behind the year-over-year changes. Third quarter revenue was $70.6 million, a decrease of 9.1% year-over-year or 2.9% on a constant currency basis. Foreign exchange movements remained a meaningful headwind.

At prior year average exchange rates, revenue would have been approximately $4.8 million higher. Battery swapping service revenue was $37.1 million, down 4.7% on a reported basis, but up 1.8% on a constant currency basis. Our subscriber base continued to grow.

Subscriber growth and strong customer retention supported the underlying performance of the business, while a greater proportion of lower mileage subscribers modestly affected average revenue per user. Hardware and other revenue was $33.5 million, down 13.5% year-over-year or 7.5% on a constant currency basis.

The decline reflected lower Gogoro branded and PBGN scooter registrations, reduced component and accessory sales to international customers and PBGN partners, and lower sharing revenue. These pressures were partially offset by improved average selling prices, reflecting a more favorable product mix following the launch of Gogoro Luna.

While top-line conditions remain challenging, we are maintaining our focus on the quality of revenue and the economics of the business. The most significant highlight of the quarter was our gross margin performance. Both IFRS and non-IFRS gross margins reached quarterly record highs of 24.4% compared with 12.2% and 22.2%, respectively, a year ago.

Several factors contributed to this improvement. First, the completion of our battery upgrade program at the end of last year eliminated $7.7 million of costs that had affected the prior year quarter. Second, improved production volumes supported better overhead absorption.

Third, operating efficiencies across the Gogoro Network including lower depreciation, maintenance, and electricity costs continued to benefit margins. And finally, the shift toward higher-end scooter models supported average selling prices. Importantly, these results reflect the cumulative impact of initiatives we have been implementing over multiple quarters.

We are building a more efficient cost structure and improving the underlying economics of both our hardware and energy businesses. Net loss narrowed by $11.5 million to $3.4 million compared with $14.9 million a year ago.

Gross profit increased by approximately $7.7 million, while operating expenses declined by $3.0 million, supported by restructuring-related savings and lower share-based compensation. Non-IFRS net loss improved to $3.9 million from $6.7 million in the prior year quarter. Adjusted EBITDA was $19.0 million compared with $20.2 million a year ago.

The modest decline in adjusted EBITDA reflects lower non-IFRS gross profit before depreciation and amortization, partly offset by lower operating expenses, excluding share-based compensation and depreciation and amortization. Taken together, these results demonstrate meaningful progress toward a more sustainable financial model even as we navigate a difficult revenue environment.

Cash generation remains another important area of focus. For the first nine months of 2026, operating cash flow increased 8.8% year-over-year to $27.9 million compared with $25.7 million in the same period last year. This marks six consecutive quarters of positive operating cash generation and reflects the benefits of operating discipline, organizational restructuring, and careful working capital management.

We ended September with $68.9 million in cash and cash equivalents. This included the initial $16.7 million equity investment received from Gold Sino under the previously announced funding commitment of up to TWD 2.5 billion.

In October, we received an additional $61.8 million in equity proceeds, completing the second and final round of funding under that commitment. These proceeds were received after the September quarter end and therefore are not included in the September 30 cash balance. They will be recognized in equity in the fourth quarter.

This additional capital strengthens our financial flexibility and gives us greater capacity to execute our priorities while continuing to manage resources carefully. We remain committed to disciplined capital allocation and to directing investment toward opportunities that support long-term value creation.

Turning to our outlook. Given the continued challenging market conditions, we expect our full year 2026 revenue guidance to be a range of $270 million to $290 million. Our longer-term financial objectives remain unchanged. We remain on track to achieve free cash flow in 2027 and profitability in 2028. Our third quarter results reinforce our confidence that the actions we have taken are improving the financial foundation of the company.

We still have work ahead, but we believe disciplined execution, stronger unit economics, and a more resilient balance sheet position us well for the next phase of Gogoro's development. Henry, back to you.

Henry Chiang^ Thank you, Jacky. As we look back on the third quarter, what stands out to me is the progress we are making in the areas we can control. We delivered record high gross margins. We substantially narrowed our net loss. We continued generating operating cash flow, and we took important steps to advance our international strategy in Vietnam.

At the same time we remain realistic about the challenges in Taiwan's electric scooter market. Our response is not to chase growth at any cost. It is to keep improving our products, making our energy network more efficient, and investing in opportunities where we believe we can build a durable competitive advantage. The transition to electric mobility is a long-term commitment.

We believe Gogoro's combination of technology, customer relationships, and operating experience positions us to play an important role in that transition. We are cautiously optimistic about the path ahead. Our focus remains on disciplined execution, sustainable profitability, and creating long-term value for our customers, partners, and shareholders. I will now hand the call back to Wendy for Q&A. Thank you.

QUESTIONS AND ANSWERS

Wendy Lee^ Thank you, Henry and Jacky, for the update. As attendees are formulating your questions, I will begin with two questions we have collected. Question number one. Henry, Gogoro delivered record high gross margins this quarter despite a challenging revenue environment. How should investors think about the sustainability of these margin improvements?

Henry Chiang^ Thanks, Wendy. Achieving a record high gross margin this quarter reflects the progress we have made in improving manufacturing efficiency, optimizing our product mix, and making the Gogoro Network more cost effective to operate. However we recognize that sustaining this level of gross margin will be challenging when raw material and component costs continue to rise amid inflationary pressures.

Our focus is on carefully balancing product pricing, market competitiveness, and the cost management. We will continue to pursue operational efficiencies, work with suppliers to manage cost pressures, and make disciplined pricing decisions that reflect both market conditions and our cost structures.

While we may not be able to sustain every benefit at the same level each quarter, our priority is to protect our gross margin over the long term while remaining competitive and delivering value to customers. This discipline is essential to building a more sustainable and profitable business.

Wendy Lee^ Thanks, Henry. Question number two, you've highlighted progress in Vietnam and the new collaboration with leading delivery platforms in Vietnam. What will you be looking for as you evaluate the opportunity to expand the battery swapping ecosystem there?

Henry Chiang^ Yes. Thanks for the question. Vietnam is going to be a big thing. Vietnam represents an important growth opportunity for Gogoro as electrification continues to gain momentum. Through Castrol Gogoro Mobility collaboration with leading delivery platforms on the Vietnam pilot, we are starting with high utilization commercial riders where reliability, convenience, and operating efficiency matter most. At this stage, our focus is on validating the operating model through real market usage.

We will be looking closely at rider adoption and utilization, network performance, service quality, partner execution, and the overall economics of the model. The pilot is providing useful early learnings, and we will use those insights to determine the appropriate pace and scope of further expansion. Over time as the ecosystem and operating model mature, we believe there may also be opportunity to serve a broader set of customers in Vietnam.

Operator^ Thank you, Henry. Now we open the line for more questions.

Wendy Lee^ Okay. We got one question on the line. Considering the high concentration of shares in a small group of interest, what is your commitment to keep Gogoro as a NASDAQ-listed company and use stock market to attract further investors?

Henry Chiang^ I think Gogoro vision on electrification is very long term. We have started the company in 2011, and it has been 15 years with a continued investment over time. So we started from a small company and raising capital back into 2011. And along the 15 years, we have so committed to the vision of electrification, we want to use our technology to bring the cities for a better living. And under that vision, we believe that our investors, no matter which group of investors, will continue to support us.

And of course, as a NASDAQ-listed company, it is always a privilege to attract global capital and also global strategic investors. So with that in mind, we are very committed to delivering our electrification vision not only in Taiwan, but also in Vietnam and other cities await. So going back to your question, I think we are very committed to our vision, and we are happy to explore any investor connections.

Wendy Lee^ Thank you, Henry. And now we wait a few moments to see if there is any more questions. Okay. So there are no more questions.

Henry Chiang^ Okay. Thank you. Thanks again everybody for joining the conference call. It's really a privilege to serve all the interest party and investors in this call. Thank you for your question. And thank you again for joining us today and for your continued support of Gogoro. We look forward to updating you on our progress in the coming quarters. Have a good night.