



-chargepoint+®

Investment Memo

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Company Overview

Business Description

- ChargePoint (NYSE:CHPT) provides electric vehicles (EV) charging network and charging solutions in the United States.
- Founded in 2007, with 1,000+ employees worldwide
- Business Model:
 - **Equipment revenue:** Sales of charging points are the major source of income.
 - **Operating Income:** Provide professional reports and billing tools for owners of the charging points.
 - **Maintenance Income:** Sales of equipment parts and warranty services.



Networked Charging Stations



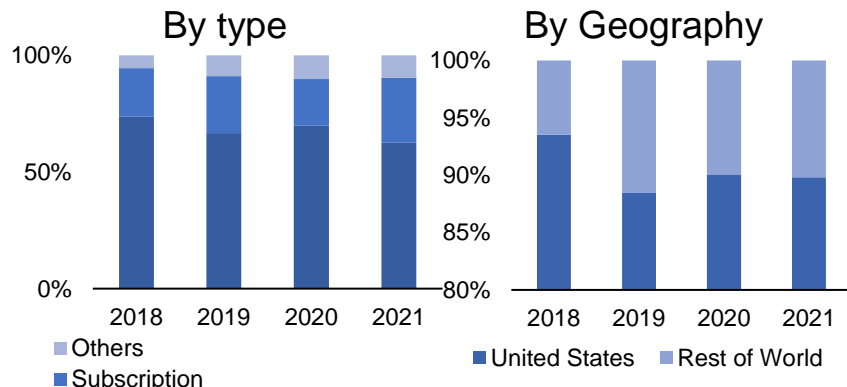
Subscription Software



Services Assured

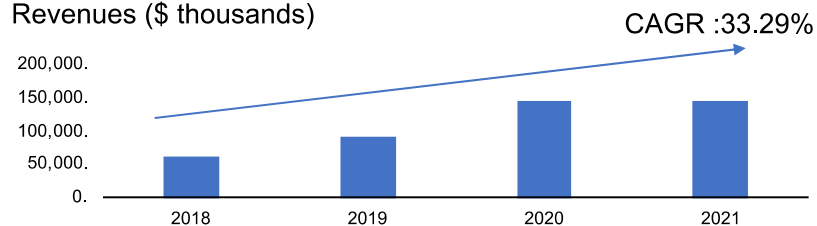
- ✓ Commercial (including Fueling & Convenience)
- ✓ Fleet
- ✓ Residential

Revenue Breakdown

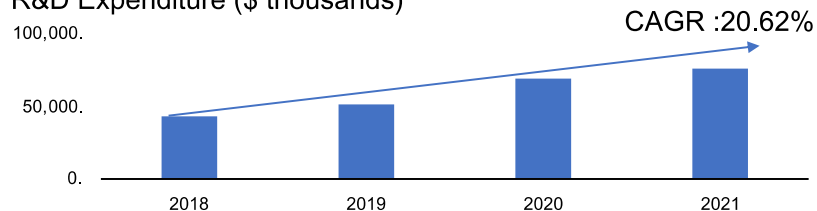


Key Financials

Revenues (\$ thousands)

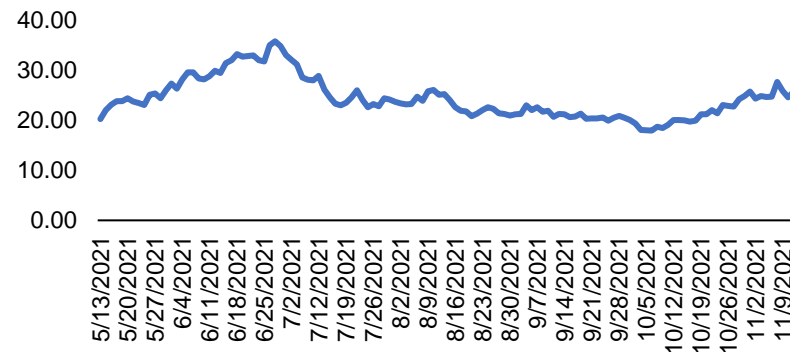


R&D Expenditure (\$ thousands)



Share Price Performance

CHPT-Share Price(\$)



Key Highlights

— Growing Addressable Market —

Strong electrification trend



— Industry Leadership —

- Leading EV charging network
- Market leader in North America



— Winning Business Model —

- Vertical integrated
- Software enabled
- Network solution



Electric vehicle charger size in 2019

USD **3.8** billion



Electric vehicle charger size in 2027

USD **25.5** billion

200,000+

ports accessible via roaming integrations

118,000+ activated ports

3700+ activated DC ports



Vertically integrated through
Hardware + Software + Services



Recurring SaaS model,
100% attach to software



Network effects reinforce
ChargePoint value

Historical Insights (1/2)

-
- ChargePoint Inc. is the **modern-day Shell**
 - Both are **progenitors** in their field
 - Most obvious difference: Shell provides petrol infrastructure for cars with ICEs and ChargePoint provides charging infrastructure for electric vehicles
 - **4 key factors** of Shell's long-term success link to ChargePoint's business model
-

01

First Mover
Advantage



02

Embrace of
International
Markets



03

Adaption to
Crises



04

Cross Selling



Historical Insights (2/2)

Royal Dutch Shell

1

- **Early start** in oil sector
- Selecting more attractive niches in most promising areas
- Obtained **greater market shares** than latecomers

2

- Expanding operations globally
- Opportunity to **demonstrate** the **quality** of its products within the global market

3

- War was great catalyst for **innovation**
- Major advances in fuel and chemicals research
- **Diversifying** after OPEC shocks

4

- Gas stations selling items unrelated to petrol
- **Leveraged** the networking of **existing infrastructure**

ChargePoint Inc.




- Charging environment still very **new**
- **Sales** of electric vehicles **increasing**
- Rise in battery ranges
- Customers will develop **broad range** of needs

- Dominating American company
- **Expanding** in Europe
- Europe overtook China as biggest electric vehicle market

- Modern-day crisis is **climate change**
- Need for action through **technological innovation**
- Charging infrastructure could be the start

- Charging stations can be **anywhere**
- Charging times are **longer**

Risks & Mitigations (1/2)

	Risks	Mitigations
 Realisation of Growth Forecast	<ul style="list-style-type: none">Concerns about whether optimistic growth estimations can be materialized and sustained	<ul style="list-style-type: none">The Bipartisan Infrastructure Bill will generate continued growth momentum
 Competitive Pressure	<ul style="list-style-type: none">Will face competition from rivals, such as Blink Charging, EVgo, Volta and Podpoint	<ul style="list-style-type: none">ChargePoint enjoys a first mover advantage and pioneers in this sector
 Technology	<ul style="list-style-type: none">Home-based EV chargers may lower demand for public charging stations	<ul style="list-style-type: none">ChargePoint started offering home EV chargingThe U.S. government subsidises ChargePoint home installation costs

Risks & Mitigations (2/2)

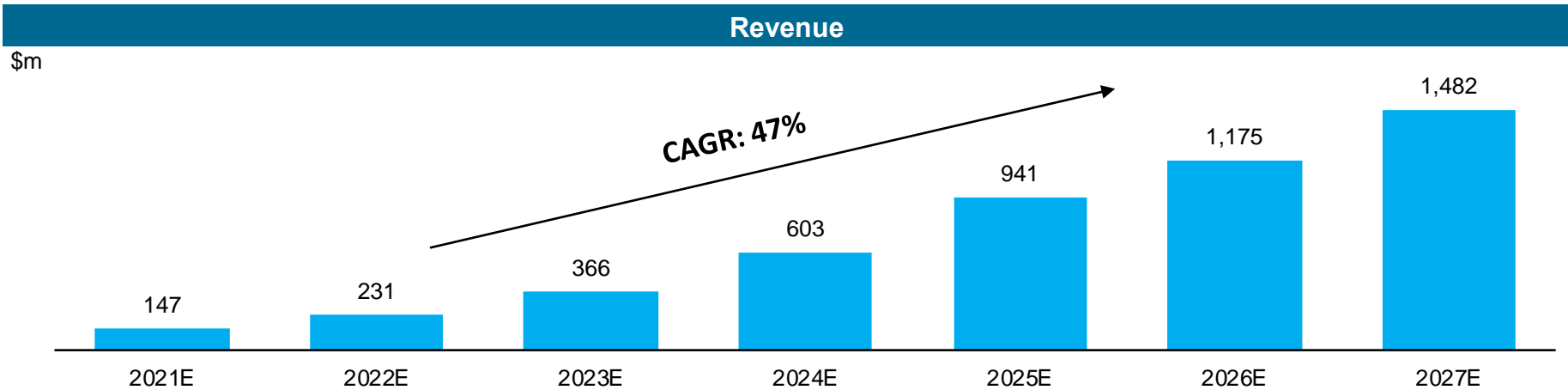
	Risks	Mitigations
 Software development	<ul style="list-style-type: none">Revenue growth for its higher-margin software subscription service falls behind.	<ul style="list-style-type: none">Completed acquisitions of 2 software providers.Recent charging in-app integration with Mercedes-Benz.
 Negative Net Earnings	<ul style="list-style-type: none">Negative annual net incomes in recent years.	<ul style="list-style-type: none">This is due to costs of strategic expansion of its global reach. Those short-term costs pave way for large sustainable profits in the long-run.



Looking past those short-run inadequacies, ChargePoint displays **strong growth prospects** ahead.

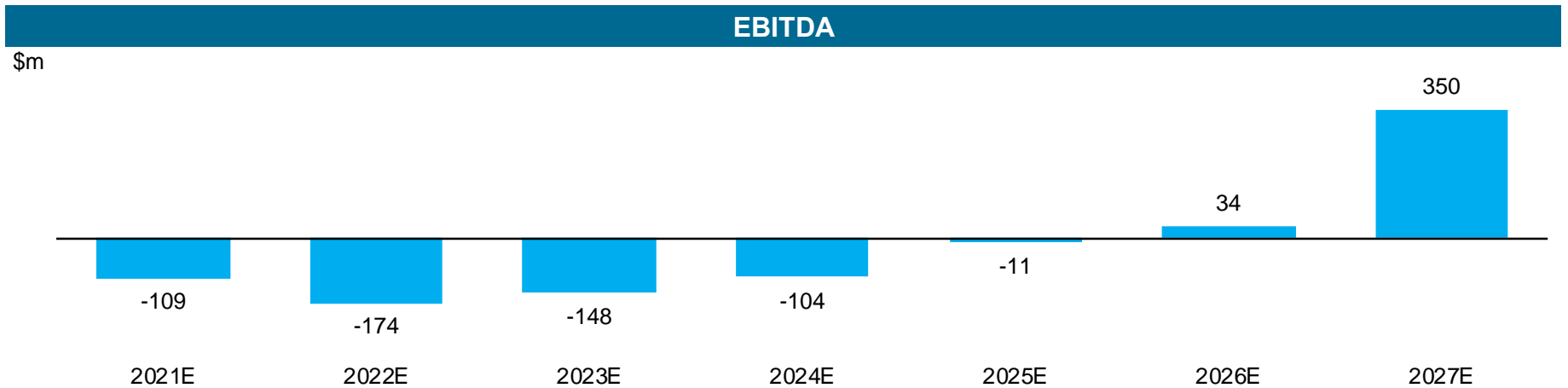
-chargepoint+

Projected Financials (1/2)



- EV market growth is **certain** in the years ahead
- **Tighter emission reduction targets** in Europe, the US and Canada
- Robust **government support**
- **Positive shift** in consumer preference
- **Well-positioned for constant growth** over the next five to ten years.

Projected Financials (2/2)



- Operating expenses (OPEX) ↓
- Gross profit margin ↑
- **Narrowing losses**
- **Profit realisation** from 2026 onwards

Recommendation

BUY ChargePoint Holdings



Govt. Support

- Favourable **government financial policy support**
- Accelerated EV market expansion due to **tighter emissions regulations**



Market Leader

- **First mover advantage**
- **Echoes of successful strategies** taken by Shell in its early stages



Sizeable Returns

- Take advantage of the current **undervaluation** of the stock
- Powerful key investors showing **strong confidence**
- Covered by **12 analysts**



Visionary

- ChartPoint aware of its inadequacies and took **visionary steps** to mitigate them, i.e. acquisitions, Europe expansion