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OCTOBER 2021



ATLANTIC CAPITAL MARKETS



Pod Point IPO

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Introduction

The company was launched in 2009 by mechanical engineer Erik Fairbairn, who began his career at Ford and had previously founded and sold supercar rental club Ecurie25. Initially, Fairbairn invested much of his own capital in Pod Point and acquired angel funding in the early stages.

In 2014 the company raised £1.5mn in equity crowdfunding on Seedrs, followed by another crowdfunding round, this time for £1.9mn on Crowdcube, the following year.

Pod Point is a leading UK provider of charging infrastructure for electric vehicles, based in London, England. It provides charging units for home, business and public use. Since forming in 2009, Pod Point have manufactured and sold over 40,000 charging points and developed one of the UK's largest public networks, connecting EV drivers with hundreds of charging stations nationwide.

The Business

Pod Point operates the “Pod Point Network”. The Pod Point Network is accessible via the Pod Point smartphone app.

In 2018, Tesco, Volkswagen and Pod Point teamed up to install electric vehicle charging points in over 600 stores by 2022.

In February 2020, Pod Point was acquired by EDF Energy through a newly formed joint venture with Legal and General Capital. The deal was worth around £110mn and is part of EDF's plans on being the leading energy company for EVs in Europe. Pod Point's charging solutions were to become part of EDF's EV offering in the UK, and the deal enabled Pod Point's national roll out of more charging points to be facilitated quicker and smoother. Legal & General Capital also took a stake in the joint venture amounting to 23% of the new business.

Pod Point has established itself as one of the UK's leading charging networks for electric vehicles. Today, Pod Point controls more than 3700 bays on its public EV charging network and has sold some 100,000 charging points for home use across the UK and Norway.

Charging Solutions

Smart Home Charging

The Solo Smart Charger pairs up with the Pod Point App and automatically power balances with your home. Solo Smart Home Chargers also come installed with a 3-year warranty with an option to extend to 5 years. The charge activity monitoring with the Pod Point App gives you insight into your energy usage giving you the charging costs and track every kWh used. It also Learns when it's cheapest to charge on your energy tariff.

Pod Point network

You can start, stop and pay for your charge directly from the Pod Point App, so forget about waiting for RFID cards or key fobs in the post. Once you plug in your vehicle, the charge will start instantly. The network is accessible to everyone with fair pricing. There is no subscription fee or connection charge to use any of the charge points. Where there is a fee, you'll be charged per hour or kWh of electricity you consume.

Pod Point in recent years have established key relationships with key brands to help build the network.

- Supermarkets: Tesco's, Sainsbury's, Lidl, Aldi
- Shopping Centres: Bluewater, The Bull Ring, Lakeside
- Entertainment Venues: Chester Zoo, National Theatre, Warner Bros. Studio
- Hotels: Hilton, Travel Lodge, Holiday Inn
- Restaurants: McDonald's, Fuller's Pubs

Charging at Work

Pod Point have already partnered with some major employers including:- Airbus, Amazon, Aviva, Bank of America, DHL, Diageo, GlaxoSmithKline, JCB, Lloyds Bank, Mitie, nestle, PepsiCo and Virgin Atlantic, to name but a few.

Due to preferential Benefit-in-Kind tax rates for zero emissions company cars, there is likely a high demand for Workplace EV charging, and with Array Charging (load balancing) and Passive Wiring, it's quick and easy to install additional charging points.

The Workplace Charging solution has key features that make it ideal for commercial and fleet drivers with certain benefits to operate on a larger scale.

- Dual Authenticating Twin Chargers.
- Smart Reporting - The charger analytics platform gives an overview of all charge points, allows the user to set access, control tariffs and generates reports that will give an insight into driver behaviour and charging activity.
- Pod Point Network - A place to charge on-the-go for all business and fleet drivers. We currently have over 3000 bays available on the Pod Point App.

How does Pod Point make money?

Pod Point makes money through the sale of its private charging points to individuals and businesses, this income is also supplemented by maintenance packages and hardware upgrades. It also makes money through allowing customers to lease their Pod Point.

Is Pod Point profitable?

The latest set of accounts do highlight that at this stage pod point is not profitable, the firm suffering an operating loss of around £6.8mn before tax for the period to June 2019. However, the year represented a time of expansion for the company in other ways, with major investments in its sales team, technology and operations infrastructure all factors that contributed to the deficit at that point.

Dates and Timing

Recent announcements have pointed towards the IPO coming to market in early November and will comprise an issue of new shares expected to raise around £120mn and an offer of existing shares to be sold by Legal & General Capital Investments Ltd and existing employees. The final offer price will be set via a book-building process.

The company, will have its primary listing in London with a free float of at least 25%. It is expected that EDF and LGCIL will sell shares representing 10% of the offer as part of an over-allotment option.

EDF, who currently own a 77.7% stake is set to retain over 50% of Pod Point after it lists, and will continue to support its future growth through co-operation in relation to EDF's UK customer base and through access to EDF's capabilities across the energy value chain.

Erik Fairbairn, CEO of Pod Point, said: " Now is the right time for us to list - as a market leader, we are well placed to capture the significant market opportunity ahead.

"I believe our smart network of charge points will be key in enabling the mass adoption of electric vehicles, helping our customers to reduce their carbon footprint and supporting the UK to meet its net zero carbon emissions target."

About Atlantic Capital Markets

We are a multi-Asset brokers offering clients the ability to buy the shares either in a traditional fashion with standard shares or taking advantage of leverage and purchase via a CFD.

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