

## **CORPORATE PARTICIPANTS**

**Travis VanderZanden**, *Founder and Chief Executive Officer, Bird*

**Yibo Ling**, *Chief Financial Officer, Bird*

**Andrew Tom**, *Investor Relations, Bird*

### **Andrew Tom**

Good afternoon, everyone, and welcome to Bird's Third Quarter 2021 Earnings Conference Call.

Before we begin, I need to remind you that this call contains forward-looking statements under US federal securities laws. These statements are neither promises nor guarantees and are subject to risks and uncertainties that could cause actual results to differ materially from historical experience or present expectations. A description of some of the risks and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements on this call can be found in the Risk Factors section of our Form 10-Q filed on November 15, 2021 and our other filings with the Securities and Exchange Commission.

This call will also reference non-GAAP measures that we view as important in assessing the performance of our business. A reconciliation of the non-GAAP to GAAP amounts is available in our earnings release on the company's Investor Relations page at [www.bird.co](http://www.bird.co).

I will now turn the conference over to Bird's CEO and Founder, Travis VanderZanden.

### **Travis VanderZanden**

Thank you Andrew and thank you everyone for joining us today for our third quarter earnings call. This marks our first earnings call as a public company following the close of our business combination with Switchback II on November 4th. I want to thank the Bird and Switchback teams for their hard work and dedication that have led us to this next chapter for Bird. I could not be prouder of our accomplishments and the growth we have delivered in just four years, and I know we are just getting started.

Today I will review our third quarter performance highlights as well as progress to date against our strategic initiatives. Yibo Ling, our CFO, will then provide more details on our financial performance and outlook before we open the call up for questions.

Our third quarter results reflect continued momentum in the business as we drove strong revenue growth and improved profitability for the period. Due to the strong year-to-date performance, we are pleased to increase our full year 2021 outlook as part of our third quarter update.

We delivered \$65.4 million in revenue for the quarter, representing 63% revenue growth versus last year, combined with significant gross margin expansion, which drove improved Adjusted EBITDA. Underlying this performance was strengthening demand across regions, continued benefits from the roll out of our new Bird Three, growth in our long-tail markets, and continued strength from our Fleet Manager program. We reported \$79.5 million in Gross Transaction Value, representing a 60% increase compared to last year, while Ride Profit Margin before Vehicle Depreciation as a percentage of sharing revenue was 50%.

We have grown our global footprint, expanding to over 350 cities across more than 30 countries. During the quarter, we were pleased to launch our service in New York City as well as win a series of notable new permits, permit renewals, and fleet size increases, including: San Francisco, Indianapolis, Lexington, Durham, Redditch, and Antwerp. We are also pleased with our pace of long-tail market expansion. On average, year-to-date, we are launching our service in 1 new city every other day or every 48 hours. Cities of all sizes and geographies are embracing micromobility more than ever before and we are thrilled to help enable this momentum and to meet the demand for eco-friendly transportation alternatives.

A key reason why cities select and partner with Bird is our best-in-class vehicles, which are centered around three principles – sustainability, safety and smart technology. Earlier this year, we began the roll out of our Bird Three vehicles, which has been a marked success for our vehicle evolution as well as our unit economics. Furthering this innovation and in response to city demand, we developed and designed the industry's first Smart Sidewalk Protection technology featuring an integrated sensor-fusion module. The technology is designed to deliver centimeter-level location accuracy specifically for the micromobility use case.

Along with continued enhancements to our e-scooter fleet, we continue to advance and scale our e-bike offering. In August we introduced our new, electric Bird Bike for consumers. The future of transportation is all-electric. By diversifying Bird's consumer and shared products to include e-bikes as well as e-scooters, we are uniquely positioned to lead the revolution to eco-friendly transportation for the billions of annual trips that are five miles or less. Our new Bird Bike for sharing is now live in San Diego and

Windsor, with plans to launch in Newark and Rome. And importantly - we are the first globally scaled micro EV company that has both capabilities in shared services as well as in retail. While we are experiencing some delays attributed to the global supply chain disruption, which Yibo will provide more color on in a moment, demand for our bikes is surpassing expectations.

Vehicle innovation is a key component of our compelling unit economics and is further strengthened by our Fleet Manager model where we partner with local logistics companies to aid in our operations. We continue to drive significant ride profit improvement through our novel Fleet Manager operating structure. Since rolling out our Fleet Manager model, we have consistently delivered year-over-year Ride Profit Margin expansion, and we continue to see opportunities to drive this further. Importantly, the Fleet Manager model has empowered local businesses and entrepreneurs, given cities a hyper-local resource with on-the-ground neighborhood expertise, and helped enable our expansion into long-tail cities. Our Fleet Manager retention and sourcing pipeline remains very robust. We continue to see strong demand from providers looking to become Fleet Managers and our retention remains high.

In summary, we are continuing to make great progress against our initiatives, and our excitement for the future and the opportunity to further our mission has never been greater.

I will now turn the call over to Yibo, to review our financial results and outlook.

### **Yibo Ling**

Thank you, Travis. My discussion today will focus mainly on key highlights from the third quarter. Please see today's press release for additional commentary on our financial performance and our reconciliation of GAAP to non-GAAP metrics.

For the third quarter, we reported GTV of \$79.5 million, up 60% year-over-year. This reflects continued progress on expanding our deployed vehicle fleet coupled with strong utilization as COVID trends normalize. Our average rides per deployed vehicle per day for the quarter was 2.1x, up 31% year-over-year and up 17% quarter-over-quarter. Across regions, we see a high correlation between high vaccine rates, an uptick in re-opening activity, and therefore, ride utilization or demand. Compared to 2019, our average rides per deployed vehicle per day in the quarter represents 73% of 3Q 2019 utilization levels, up from 65% in the second quarter of 2021 and 49% in the first quarter of 2021. We would expect

as COVID conditions incrementally improve that ride utilization will continue to normalize to at least pre-COVID levels. That said, we continue to closely monitor COVID trends given the rise in the Delta variant during the quarter.

Despite global supply chain disruption, average deployed vehicles were up 52% year-over-year to 79 thousand vehicles. We remain highly attentive to market-wide supply chain issues. While we have experienced selective pressures for certain vehicle components, in general we feel comfortable that we have gotten ahead of it for 2022 on long lead time parts. We continue to monitor logistics conditions. To varying degrees, all global companies have been impacted by supply chain and logistics, but we think we have done a much better job than others in the space and tangent markets.

Supply chain was a particular headwind in our product sales business, principally for our new e-bike launch. However, as Travis mentioned, demand for our e-bike is surpassing expectations. But given global supply chain issues, we have seen difficulties, particularly around logistics. As an example, \$10 million of product sales we expected to realize in the third quarter was pushed back into the fourth quarter as a result of shipping logistics which directly impacted revenue recognition timing. We have now recognized that delayed e-bike sales revenue in October. We continue to monitor the situation closely and are opportunistically exploring ways to creatively mitigate supply chain pressures in the business.

Turning to the rest of our P&L...

Gross margin was positive \$13.5 million, buoyed by a mix shift towards newer generation vehicles, compared to approximately positive \$900 thousand in Q3 2020. Ride Profit Margin before vehicle depreciation increased to 50%, compared to 43% in the prior year period, on the back of increased ride utilization coupled with optimizations to our Fleet Manager revenue share structure in the US business. We are very pleased with the consistent improvement in margins, which is a reflection of the improvements in vehicle unit economics coupled with our novel Fleet Manager operating model. Over the past four quarters, Ride Profit Margin before vehicle depreciation has remained consistently over 40%, despite continued COVID headwinds, varying seasonal conditions, and global supply chain constraints. We expect to see continued margin improvement ahead as global demand returns to pre-pandemic levels.

We reported an Adjusted EBITDA loss of \$5.3 million in the third quarter, representing an improvement of \$22.7 million compared to the prior year period, reflecting higher ride utilization, strong ride profit

margins, and well controlled operating expenses, partially offset by delays in product sales timing and global supply chain issues restricting deployed vehicle supply.

Our third quarter results reflect continued momentum from our strong first half performance leading to year to date revenue growth of 114%, GTV growth of 112%, and Adjusted EBITDA improvement of \$102 million compared to the prior year nine-month period.

Turning to our balance sheet and cash flows...

We ended the period with total cash and cash equivalents of \$63 million. Following our completed combination with Switchback II on November 4, 2021. The combined company added approximately \$414 million in incremental liquidity through a combination of Switchback II cash in trust, the proceeds of the previously announced private placement, and availability under Bird's credit facility with Apollo Investment Corporation and MidCap Financial Trust, in each case before payment of fees and expenses related to the business combination. Accordingly, total cash and cash equivalents as of September 30, 2021 were \$309 million after adjusting for \$246 million received at the closing of the business combination. With the increased liquidity provided by the upsized facility plus the financing from our listing, we remain confident with our ability to fund the business and our objectives. We are always exploring cost efficient forms of capital to fund the business and opportunities to further optimize our capital structure.

Now, turning to our outlook...

Based on our strong year to date performance, we are increasing our expectations for fiscal 2021 as previously laid out in our Form S-4 initially filed with the SEC on May 14, 2021 in connection with our business combination with Switchback II.

For fiscal 2021 we now expect revenue to be between \$195 million and \$205 million, compared to our original expectation of \$188 million. And we expect Adjusted EBITDA to be between a loss of \$(85) million and \$(75) million, compared to our original expectation of a loss of \$(96) million. This increased outlook reflects higher than expected ride utilization, partially offset by global supply chain disruption on both our sharing and product sales businesses. We have exceeded our expectations year-to-date, with outperformance across revenue, gross margin, Ride Profit, and Adjusted EBITDA and we are pleased to be able to raise our fiscal 2021 outlook.

And with that - operator, let's open it up for questions.