

# Kontrol Energy Announces Third Quarter 2018 Results with Strong Revenue Growth of 35%

written by Raj Shah | November 29, 2018

✖ November 28, 2018 ([Source](#)) – Kontrol Energy Corp. ([CSE:KNR](#), [FSE:1K8](#)), (“Kontrol” or the “Company”) reported its Q3 2018 financial statements for the nine months ended September 30, 2018. “In less than 2 years we have grown our revenue run rate from \$1.8 Million to \$16 Million,” says Paul Ghezzi, CEO Kontrol Energy. “Kontrol is delivering on our stated goals and objectives and we seek to continue our strong growth through further accretive acquisitions and the expansion of our smart energy technologies. In 2019 we anticipate being cash flow positive based on our current run rate of \$16 million in revenue. We have delivered robust growth while maintaining a very tight share structure with approximately 28 Million shares outstanding.”

## Key Accomplishments in the Quarter

- On September 13, 2018 Canadian Business and Maclean’s ranked Kontrol Energy Corp. No. 7 on the 2018 Startup 50 ranking of Canada’s Top New Growth Companies
- On September 20, 2018, the company finalized the acquisition of CEM Specialties Inc. an Ontario based emission integrator that generated \$6 Million of annual revenues and approximately \$1 Million in annualized EBITDA during its most recent ending fiscal year
- Following the CEM Specialties Inc. acquisition, Kontrol has received 2 significant customer orders, totaling over

\$2 million

- Secured 2 contracts with Licenced Producers in the Cannabis sector to provide energy efficiency services
- Growing backlog of power generation projects in development

## Highlights

- Nine months ended September 30, 2018 revenues of \$6.6 million, up 35% over corresponding period last year
- Record quarterly revenue in Q3 2018 of \$2.4 million
- Gross profit margin of 67% for Q3 2018 and nine months ended September 30, 2018
- Adjusted EBITDA(1) of \$8,453 for Q3 2018

## Outlook

- Approximately \$4 Million of revenue for Q4, 2018 based on existing order book
- \$16 million of revenue run rate
- Multiple accretive acquisitions in various stages of due diligence

## Financial summary

	Three months ended					Nine months ended				
Financial Results	Sept 30, 2018			Sept 30, 2017		Sept 30, 2018			Sept 30, 2017	
Revenue	\$	2,408,303		\$	2,202,564	\$	6,632,091		\$	4,911,073
Gross profit	\$	1,612,802		\$	1,426,372	\$	4,459,715		\$	3,262,319
Net loss	\$	(443,742 )		\$	(149,439 )	\$	(1,774,672 )		\$	(874,267 )

**Add for adjusted EBITDA reconciliation:**

Amort. and depr.	\$	224,489		\$	136,743		\$	728,766		\$	292,707
Finance expense	\$	135,242		\$	163,182		\$	376,590		\$	435,421
Share based comp.	\$	19,464		—			\$	208,809		\$	200,000
Acquisition related expenses	\$	73,000		\$	7,252		\$	92,250		\$	32,342
Adjusted EBITDA(1)	\$	8,453		\$	157,738		\$	(368,257 )		\$	86,203

*[1] Adjusted EBITDA is a non-IRFS financial measure. The Company defines Adjusted EBITDA as net income or loss before interest, income taxes, amortization and depreciation, share based compensation, and acquisition related expenses*

**Strategic Initiatives**

- Expansion of smart energy technologies into US markets
- Addition of accretive and strategic acquisitions
- Acceleration of recurring SaaS revenues

“In 2019 we will be focused on completing up to two accretive acquisitions and accelerating our existing recurring SaaS revenues,” continues Ghezzi. “As the broader market becomes more aware of our ability to scale our recurring revenues and our overall growth rates, we believe our shareholders will be rewarded.”

*A complete set of Financial Statements and Management’s Discussion & Analysis has been filed [www.sedar.com](http://www.sedar.com).*

## **About Kontrol Energy**

**Kontrol Energy Corp.** (CSE: KNR, FSE: 1K8) is a leader in the energy efficiency sector through IOT, Cloud and SaaS technology. With a disciplined mergers and acquisition strategy, combined with organic growth, Kontrol Energy Corp. provides market-based energy solutions to our customers designed to reduce their overall cost of energy while providing a corresponding reduction in Greenhouse Gas (GHG) emissions.

Kontrol Energy was recently announced as the 7th fastest growing Startup in Canada by *Canadian Business* and *Maclean's*.

*Additional information about Kontrol Energy Corp. can be found on its website at [www.kontrolenergy.com](http://www.kontrolenergy.com) and by reviewing its profile on SEDAR at [www.sedar.com](http://www.sedar.com)*

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### **Caution Regarding Forward Looking Statements:**

Certain information included in this press release, including information relating to future financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements regarding possible future acquisitions and/or investments in operating businesses and/or technologies, accelerated organic growth, Expansion of smart energy technologies into US markets, Acceleration of recurring SaaS revenues, the provision of solutions to customers and Greenhouse Gas emissions reductions, proposed financial savings and sustainable energy benefits and energy monitoring. Where the Company expresses or implies an expectation or belief

as to future events or results, such expectation or belief are based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, that suitable businesses and technologies for acquisition and/or investment will be available, that such acquisitions and or investment transactions will be concluded, that sufficient capital will be available to the Company, that technology will be as effective as anticipated, that organic growth will occur, and others. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, lack of acquisition and investment opportunities or that such opportunities may not be concluded on reasonable terms, or at all, that sufficient capital and financing cannot be obtained on reasonable terms, or at all, that technologies will not prove as effective as expected that customers and potential customers will not be as accepting of the Company's product and service offering as expected, and government and regulatory factors impacting the energy conservation industry. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other documents whether as a result of new information, future events or otherwise, except as required under applicable securities law.