

The synergies developing among the Ideanomics family of companies offer the promise of a greener, cleaner future

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It's been a wild couple of weeks for technology stocks to say the least. It's not unusual to see 5%-10% (or more) daily moves in some of the biggest names in the stock market. That can be a little unsettling unless you have tremendous conviction in the equities you hold. And it gets even harder to stomach if you are participating in the leading edge (often called the bleeding edge) of disruptive or innovative companies. To have confidence in your holdings, such that you can weather the market gyrations and sleep at night, it helps if your equities are on firm footing.

With that in mind, today we are going to discuss a global company that is driving the sustainability transformation, but has the luxury of already generating revenue, churning out a quarterly gross profit and already had US\$256 million in cash at the end of Q3/21. That's the kind of cushion that should let an investor rest relatively easy while they await the promise of a greener, cleaner future. The company is [Ideanomics, Inc.](#) (NASDAQ: IDEX) and it is focused on the convergence of financial services and industries experiencing technological disruption. The Ideanomics Mobility division is a service provider which facilitates the adoption of electric vehicles by commercial fleet operators through offering vehicle procurement, finance and leasing, and energy management solutions under an innovative sale to financing to charging (S2F2C) business model. Ideanomics

Capital is focused on disruptive fintech solutions for the financial services industry.

Ideanomics has a lot of irons in the fire, and an attempt to review them all would result in a small (but interesting) novel. So today we are going to focus on a business segment that is generating a lot news of late – [US Hybrid](#). Ideanomics [acquired the privately held manufacturer](#) and distributor of electric powertrain components and fuel cell engines for medium and heavy-duty commercial fleet applications in May, 2021. Since that time US Hybrid has delivered EV power electronics components to several OEMs, including CAT, Pratt & Miller, FEV, and Nova Bus, as well as several powertrain kits for [battery electric street sweepers](#) deployed nation-wide. The latest news came out Wednesday as [US Hybrid was awarded an order](#) for 19 ADA (Americans with Disabilities Act) compliant electric, long-range, transit vans from AVTA (Antelope Valley Transit Authority, which is just North of Los Angeles) to expand their electric fleet. The zero-emission vans can be impactful game-changers in moving towards a fully electrified world with each electric van displacing the need for over 10,000 gallons of fossil fuel each year.

It's always good to see any of your business segments get traction in the market, but where investors should pay attention to this deal is in the synergies developing among different operating companies within the Ideanomics family. In 2017, AVTA started working with [WAVE](#), another wholly owned subsidiary of Ideanomics, to implement high-power wireless charging pads both in-route and at the bus depot. As of today, AVTA now powers the largest electric bus fleet in the U.S. powered by 12 WAVE wireless charging pads located in their four transit centers.

I find the WAVE technology fascinating. WAVE delivers near-instantaneous, safe, high power from charging pads embedded in

the roadway within seconds of scheduled stops. Medium- and heavy-duty electric vehicles gain substantial range and operation time without manual plug-in operations or mechanical contact. But beyond the interesting technology we are starting to see how the various Ideanomic brands are starting to lever off each other which could generate ever improving sales and revenue for the company.

Without writing that novel about other Ideanomics businesses, other mobility brands include:

[Energica](#) – The world's leading manufacturer of high-performance 100% battery-powered motorbikes

[Silk-FAW](#) – Attracting top industry talent to produce fully electric, luxury vehicles for the Chinese and global auto markets from the heart of Italy's Motor Valley

[Solectrac](#) – North America's first manufacturer and distributor of 100% battery-powered, all-electric tractors

[Treeletrik](#) – The first Malaysian company to locally manufacture a fully electric bike, pioneering innovative electric vehicle technologies for the Malaysian market, and beyond

And that's not even all of the Mobility divisions, let alone the Capital side of the business that includes a [real estate transaction tool](#) and a [commodity trading platform](#). This seems like a lot of company for its US\$492 million market cap when you consider that as of Sept 30, 2021, over 50% of that value was cash. Q4 and 2021-year end results are being released March 1st at which point in time we can reassess the cash position and the progress being made from the various synergies. It should make for an interesting read.

Investing in disruptive sectors, NASDAQ listed Ideanomics continues to expand its EV investment portfolio

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Investors are increasingly aware that we have an electric vehicle boom unfolding this decade. 2021 electric car sales are on track to increase about [100%](#) from 3.2 million in 2020 to a forecast 6-6.5 million in 2021. Of course, some electric car companies already have huge market caps such as Tesla (NASDAQ: TSLA) on [US\\$1.019 trillion](#), BYD Co (OTC: BYDDF) [US\\$108 billion](#), Rivian (NASDAQ: RIVN) [US\\$92 billion](#), and Lucid Group (NASDAQ: LCID) [US\\$78 billion](#). The last two are relatively new IPOs with almost no income in 2021.

What if I told you that there was an investment company that held significant positions in 9 different electric mobility related companies and 3 capital/fintech related companies with forecast 2021 revenues of [US\\$120 million](#), forecast to rise to US\$200 million in 2023. Plus its market cap is well under one billion US dollars. Actually its market cap is [US\\$676 million](#), or ~3.4x forecast 2023 revenues.

The company is [Ideanomics Inc.](#) (NASDAQ: IDEX). Ideanomics is a global investment company focused on investing in disruptive companies such as those driving the adoption of electric vehicles and fintech services innovation.

In addition to owning significant percentages in 9 electric **mobility** related companies, Ideanomics also has ownership in 3 **capital** (fintech/financial services) companies. Ideanomics' latest acquisitions include 100% of VIA Motors International and increasing from 20% to 70% of Energica Motor Company.

Ideanomics Mobility

In electric mobility Ideanomics works to assist commercial fleets in vehicle procurement, EV financing, mobility services, charging infrastructure (including wireless charging), and energy management. Ideanomics 9 electric mobility related investments/companies are:

- **Medici Motor Works** aims to develop the North American specialty vehicle and pick-up truck market.
- **Wireless Advanced Vehicle Electrification Inc. (WAVE)** develops inductive charging solutions for medium and heavy-duty vehicles in the U.S. Ideanomics [acquired 100% of WAVE](#) in early 2021.
- **Ideanomics China (formerly Mobile Energy Global, "MEG")**, **(100% owned)** provides group purchasing discounts on commercial electric vehicles, EV batteries and electricity as well as financing and charging solutions in China.
- **Treeletrik** is an approved EV manufacturer and distributor for Malaysia. Treeletrik plans to drive ASEAN commercial EV sales leveraging Chinese & Korean OEM partners for manufacturing. Ideanomics bought [51% of Treeletrik](#) in 2019.
- **Solectrac** develops and sells electric tractors and is based in California, USA. Ideanomics bought a [14.7% investment in Solectrac](#) which was [later increased to 22%](#).
- **Energica Motor Company** is an Italian manufacturer and distributor of high performance 100% battery-powered electric motorcycles. Ideanomics [acquired 20%](#) and more

recently agreed to increase this to [70%](#). More details [here](#). Energica recently announced [additional U.S. dealers in their network expansion](#) across the USA. Energica is growing rapidly with [91% sales growth](#) in 2020, and continued growth in 2021. Consumer demand remains high, and dealers already have a backlog of pre-orders.

- **SilKEV** offers Italian engineering and design services.
- **US Hybrid** – [Announced](#) in May 2021, Ideanomics acquired 100% of US Hybrid, a company that has pioneered clean transportation technologies for more than 20 years. US Hybrid offers proven zero-emission powertrain components for electric, hybrid and fuel cell medium and heavy-duty municipality vehicles, commercial trucks, buses, and specialty vehicles throughout the world.
- **VIA Motors International Inc.** – [Announced](#) in August 2021, a 100% acquisition of VIA Motors by Ideanomics for a base transaction price of US\$450 million via an all-stock transaction. VIA Motors is headquartered in Orem, Utah. VIA designs, manufactures and markets electric commercial vehicles, with superior life-cycle economics, for use across a broad cross-section of the global fleet customer base. VIA utilizes a scalable and flexible electric skateboard platform for Class 2, 3, 4 and 5 vans and trucks, along with a modular body approach that enables a capital-light single design for its platforms, drive systems and vehicle models.

Ideanomics Capital

This division focuses on fintech disruption and financial services. Ideanomics 3 investments are:

- **Timios Holding Corp.** – A leading title and settlement solutions provider based in California USA with operations in [44 U.S states](#). Ideanomics acquired [100% of Timios](#)

[Holdings Corp.](#) in 2020.

- **Technology Metal Market (TM2)** – A London-based digital commodity issuance and trading platform for technology metals, including those used for EV battery production, energy storage systems, and solar cells.
- **JUSTLY Markets** (formerly Delaware Board of Trade Holdings Inc.) is an equity crowdfunding platform for investors that focuses beyond profit and dividends. It thinks about how the investments made today shape the future of our planet. JUSTLY connects engaged investors and passionate founders who care about ‘social responsibility’ and building thriving businesses. JUSTLY recently [partnered with Invest Green](#) to provide insights and clean technology investment opportunities. More details [here](#).

Ideanomics Q3 2021 results announced in November highlight the progress the Company is making. Apart from the new acquisition of VIA Motors, and the increased stake to 70% in Energica, the [Q3 result highlights](#) were:

- “Revenues for the quarter ended September 30, 2021, were \$27.0 million and gross profit of \$4.5 million.
- \$256.9 million cash at quarter end providing a deep pool of capital for investment in Ideanomics Mobility & Capital business units.
- Aaron Gillmore (former BYD and Tesla executive) appointed as CEO of WAVE.
- Mani Iyer (former CEO of Mahindra Agriculture Americas) appointed as CEO of Solectrac.
- WAVE received order from AVTA for vehicle-side charging equipment for 28 buses.
- US Hybrid delivered EV power electronics components to several OEMs, including CAT, Pratt & Miller, FEV, and Nova Bus, as well as several powertrain kits for battery electric street sweepers deployed nation-wide.

- Ideanomics China delivered 652 vehicles, with a large order backlog due to supply chain constraints, and entered into agreements to secure first access to thousands of new electric vehicles as they roll off assembly lines.
- WAVE made substantial progress toward final testing of 125kW and 500kW wireless charging systems, which will broaden WAVE's market reach to additional applications.
- US Hybrid moved to new larger facility to support greater scale of innovation and manufacturing
- Treeletrik moved to a new office and assembly plant to support manufacturing and delivery of its orders."

Ideanomics CEO, Alf Poor, [commented](#): "This quarter was highlighted by two very important strategic planned acquisitions of VIA Motors and Energica **both scheduled to close in the first quarter...** The integration of these two companies provides Ideanomics with full OEM capabilities across vehicle types, and positions Ideanomics as one of the only full-service, turnkey, offerings in the market today."

Closing remarks

Ideanomics really is becoming a powerful force both with their EV related businesses and their capital/financial services businesses.

Certainly, Ideanomics is not an easy company to fully comprehend with just so much going on. Despite this the revenue growth and numbers paint a picture of a growing enterprise. The recent stock price pullback means the stock now trades on only ~3.4x forecast 2023 revenues. That compares to the more flashy EV companies with multiples often over 10x.

It looks like a very good time to take a second look at Ideanomics Inc.

Focused on the EV sector and fintech solutions, Ideanomics identifies opportunity

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The commercial electric vehicle (EV) space is starting to accelerate now, boosted by Government initiatives and favorable economics. In October 2020, there was a big announcement in China that many people missed. It was [announced](#) that China passed a plan to boost their new energy vehicle industry (NEVs are mostly comprised of EVs). The key point [was](#): “Starting from 2021, at least 80 percent of public transportation, taxi and logistics vehicles in the national ecological civilization pilot zones in Fujian, Jiangxi, Guizhou and Hainan should be new energy vehicles.” This is very big news for the Chinese commercial EV space. The Company I am discussing today is focused precisely on this area.

The global commercial vehicle market is enormous, with the new opportunity being the switch to EVs



[Source](#)

[Ideanomics, Inc.](#) (NASDAQ: IDEX) is a global fintech company for transformative industries with a goal of empowering a new economy. Ideanomics has identified a niche market in the **commercial electric vehicle (EV) segment** – helping companies with EV fleet purchases by financing and brokering deals, EV

leasing, and EV charging with an initial focus on China but also expanding globally. Many fleet operators are restricted in what they can borrow on EVs as opposed to on internal combustion engine (ICE) vehicles – hence an opportunity for Ideanomics.

Ideanomics has two key divisions:

- **Mobile Energy Global (MEG)** – Provides group purchasing discounts on commercial electric vehicles, EV batteries and electricity as well as financing and charging solutions. The main focus for now is Chinese EV fleet operators, however a recent [14.7% investment into Solectrac](#) (California e-tractor company) shows the intention for global expansion. Another was their 2019 [51% acquisition of Treeletrik](#), the only licensed pure-play EV manufacturer and distributor in Malaysia.
- **Ideanomics Capital** – Provides disruptive fintech solutions and services across the financial services industry. Ideanomics focuses on leveraging technology and innovation to improve efficiency, transparency, and profitability for the financial services industry. A recently announced purchase of [100% of California-based Timios Holdings Corp.](#) (a leading title and settlement solutions provider) again shows Ideanomics is expanding globally.

Ideanomics – Driving commercial EV adoption and disruptive fintech solutions



[Source](#)

Ideanomics business model is to target new and disruptive industries such as EVs and fintech. Added to this, Ideanomics takes a long term view and aims to establish solid businesses with recurring revenues. Some examples would be regular EV fleet

sales, EV charging, EV financing, real estate settlement/title services and other fintech businesses.

Ideanomics' DNA is to serve as a catalyst for change through innovation. With innovation comes the chance to drive greater efficiencies that can lead to greater revenues and ultimately profits. Ideanomics MEG division remains Ideanomics's core business, accounting for [95%](#) of revenue in Q3, 2020. A November 10, 2020 [paid broker report](#) guides for Ideanomics revenues to be US\$30M in CY20 (Q3 2020 revenue was [US\\$10.6M](#)) and to ramp up to about US\$100M in CY22. They quote an end CY22 intrinsic value for Ideanomics of US\$2.44/share.

Also of some interest is that there has been [recent buyer activity](#) from Morgan Stanley.

Ideanomics revenue is growing fast achieving US\$10.6M in Q3 2020



[Source](#)

Commercial EV deliveries growing each month led by taxi and ride hailing



[Source](#)

Closing remarks

The commercial EV space is currently undergoing the first and early stages of an enormous disruption as the global fleets move towards electrification. China is leading the way and hence is where Ideanomics has their main initial focus. I would expect the trend to grow exponentially both in China and globally as operators start to understand the massive cost savings of

running EV fleets versus combustion cars. Ideanomics has already expanded into Malaysia and California, USA.

Ideanomics has been traveling under the radar with many investors not yet knowing or understanding their business, leaving a potential opportunity for early investors. As the Company grows so will the recognition and revenues, and in time profits. Ideanomics trades on a current market cap of US\$236M. One to follow.