KINGO ENERGY

GUATEMALA
PRESENCE: Guatemala, Colombia.

Kingo turns lives ON through a prepaid solar energy service that combines state-of-the-art technology and commercial innovation to bring to Bottom of the Pyramid customers affordable and clean energy, thus replacing dirty, harmful, and expensive alternatives. Its vision is to create the largest clean energy user base in history.

Kingo is looking for:
• Investments (USD 8 million in equity, Series C) for expansion in both current and foreign markets and for the next generation hardware
• Joint venture partnerships for country expansion
• Partnerships with governments and multinational corporations to deploy rural electrification programmes in Latin America

CHALLENGE

According to the IEA, in 2019 approximately 12 million people in Guatemala, Colombia, Honduras, Nicaragua and the Caribbean lacked access to electricity, mostly in isolated rural communities, consisting primarily of Mayan and other indigenous minorities. Living without energy is a fundamental barrier to improve livelihoods, particularly for women and children. Lack of access to energy also impacts negatively access to health, education, food security, gender equality and limits efforts toward poverty reduction.

SOLUTION

Kingo targets BoP customers in off-the-grid communities and has developed a pre-paid Solar-Home-System that combines a rooftop photovoltaic module with a compact battery. Depending on the model of the Kingo unit, ranging from 15W to 900W, systems can power light bulbs, phone chargers, and a wide range of add-on products including TVs, refrigerators, and productive electronic appliances. In line with the prepaid service, it offers a lifetime warranty and service model as well as offering day, week, or month codes to provide a flexible and affordable service to BoP customers.

“Kingo deploys an existing technology in a very smart and sophisticated way, to better meet the needs of last-mile communities.”
– Josep Segarra, Impact Investment Manager, Quadia

Its competitive advantage stems from its distribution model, which leverages shopkeepers who act as distributors of energy codes through a proprietary data management software comprised of mobile apps for the management, monitoring, and reporting of operations, and web-apps that gather information relevant to users, systems and sales. These smart tools effectively work also without mobile connectivity, allowing to reach last-mile costumers while maintaining operational efficiency.

IMPACT

92% of customers report saving money, with an average household witnessing a 47% reduction in monthly energy expenditures. Before adopting Kingo’s products, most rural households used candles, kerosene lamps, and diesel generators, which present health, safety, and environmental threats in addition to being costly and less efficient. With Kingo, overall good health and safety increase, as one Kingo ultra-LED light bulb is equivalent to 246 candles, diminishing also the risk of fire accidents. 86% customers report children improved academic performance with 250% increase in study time. Kingo has also avoided 0.01T CO2/household/year emissions.

Kingo’s impact in 2020 involved:
• 2000+ people directly and indirectly employed.
• 60% of workforce employed from local communities.
• 33,406 households and 167,030 people got access to electricity.
• 841 Kilowatt of solar energy installed in 2020.

WOMEN EMPOWEREMENT

50% of women in C-suite positions

As a part of its distribution model, the company partners with local shopkeepers in the communities it serves, 45% of which are female-run. Women sell energy codes to the local users and earn a commission, thus increasing their income. They also benefit from a solar kit for their personal use at a discounted price.

SCALABILITY

The targeted customers are the approximately 22 million of people in Latin America who do not have access to electricity. First objective to reach to at least one country by Q4 2021, and to find local Joint Venture partners in Honduras, Nicaragua, Panama, and Mexico. The company is working on B2B and B2G large contracts. The agents are hired directly from the communities served and focus on promoting the service to new potential customers and shopkeepers through large promotion events and follow-ups. Second goal is to obtain public rural electrification contracts, including with the Ministry of education of Guatemala, the Energy Office Chihuahua Government in Mexico and the Ministry of Energy (FENOGE) in Colombia.

INVESTMENTS

Kingo aims to close its Series C of USD27 million new equity. SEAF leads the round with IDB Invest. USD8 million in preferred shares remain available for investors.

Kingo raised equity in several rounds amounting to a total of USD39.8 million. Total debt raised amounted to USD10 million. Institutions involved include ENGIE, FMO-Entrepreneurial Development Bank, Empresas públicas de Medellin - FCP, Proparco, DWM, IDB Invest and SEAF.

PARTNERSHIPS

Kingo collaborates with IDB for debt investments and technical assistance, and with China2West for technical supplies and supply chains consulting services. It further established joint ventures with EPM and Suncolombia.

AWARDS

DIGITAL TECHNOLOGIES

Kingo provides a smartphone to local shopkeepers acting as distributors, and trains employees and shopkeepers on how to use the software suite. The software enables shops to enter clients’ data and sell credit even offline, and uses secure algorithms to generate credit scores. This optimises data flow throughout the day and improves Kingo’s serviceability.

FOUNDER

Juan Fermín Rodríguez is the Co-Founder, Chairman and Executive Vice President of Kingo. Juan has 15 years of business experience in Guatemala, and holds a BBA from the Universidad Francisco Marroquín, Guatemala.

MORE INFORMATION

Website: www.kingoenergy.com
Instagram: @kingoenergy
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