



# Good Energy Group plc Interim results

6 months to 30 June 2023

19 September 2023



# Agenda

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Nigel Pocklington, CEO

Rupert Sanderson, CFO

# Overview

Nigel Pocklington

CEO



### Delivering on strategy

- ✓ Scaling up our energy services portfolio

### Launched new services

- ✓ To help scale our energy services offering

### Growing our installation footprint

- ✓ Two installers acquired with M&A ongoing

### Full year guidance

- ✓ Strong performance, confidence in full year outlook

## H1 snapshot

Continued expansion of our energy services portfolio.

Powering a cleaner, greener future. We make it simple to generate, share, store, use and travel by clean power.

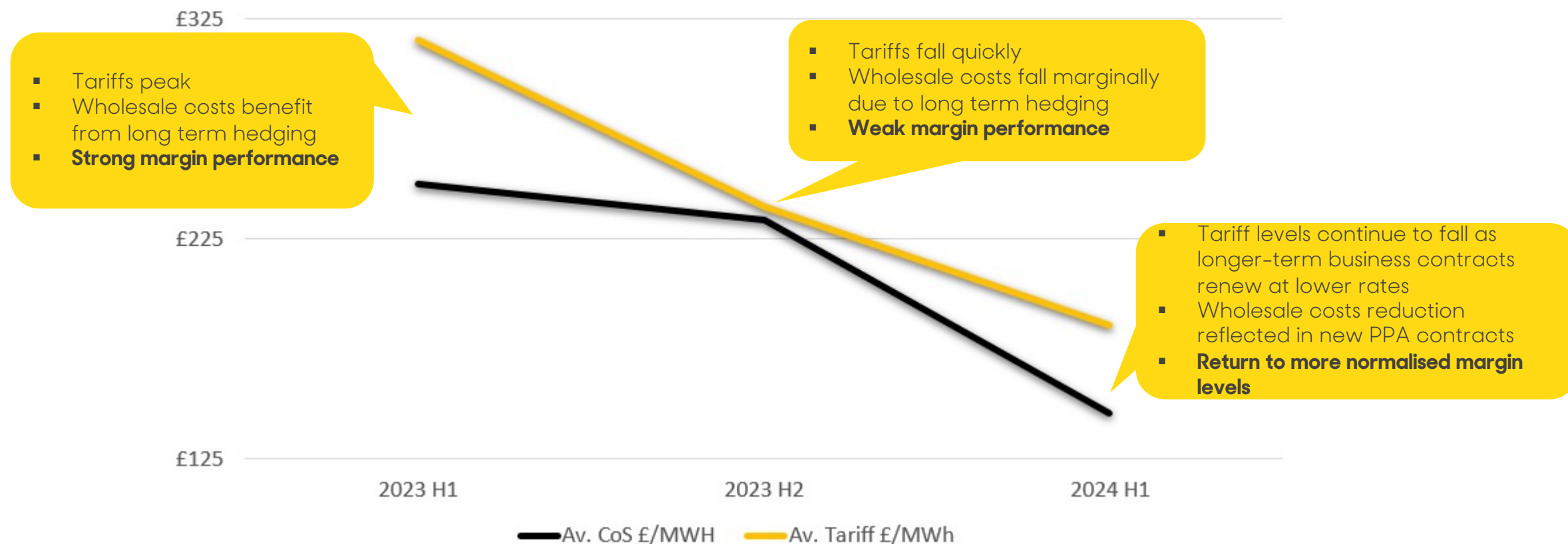
# Financial performance

Rupert Sanderson  
CFO



# 2023 profitability significantly weighted to H1 due to effect of power/gas purchasing approach

Average Tariff and Cost of Sale Development H1-2023 to H1-2024



# Delivering stability in a volatile market

## Revenue growth sharply weighted to H1

- Revenue growth of £49m, up 45% versus H1 2022
- Reflects the steep wholesale cost increases in 2022

## Hedging bridges a rising then falling market

- Commodity cost growth of 29%, versus H1 2022
- Advantaged position in H1 which will reverse in H2 with commodity costs falling steadily since Sept-22

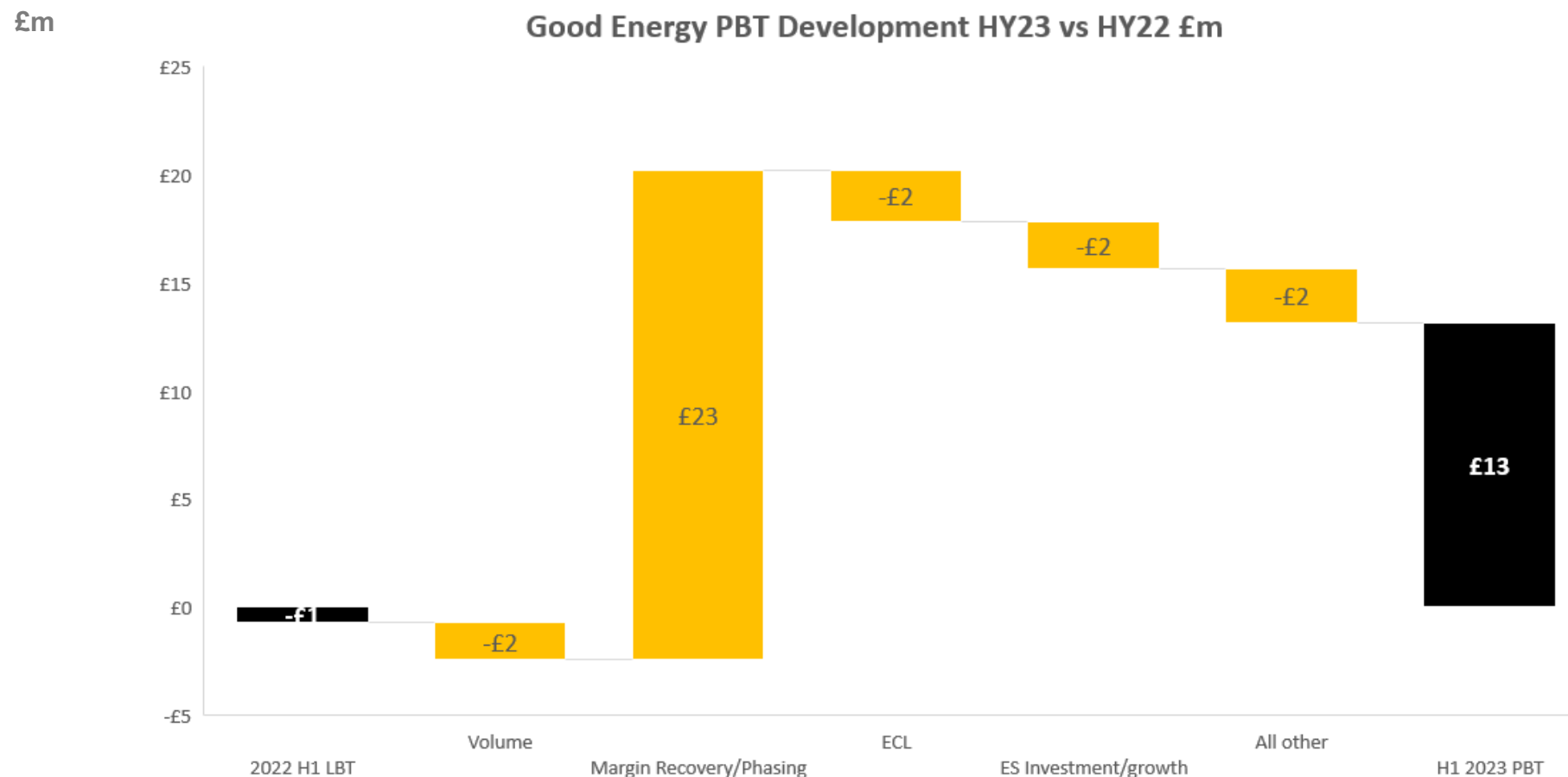
## P&L

- Admin costs include Services, ECL and one-off regulatory costs
- Strong PBT performance in H1. H2 will see gross margin fall sharply with losses in the period
- Trading in line with full year expectations

£m	HY 23	HY 22 Reported	% change
Revenue	£156.1	£107.6	45%
Cost of Sales	-£123.5	-£95.4	29%
<b>Gross Profit</b>	<b>£32.7</b>	<b>£12.2</b>	<b>168%</b>
Administration Costs	-£18.6	-£12.7	47%
<b>Operating Profit</b>	<b>£14.1</b>	<b>-£0.5</b>	<b>2919%</b>
Net Finance Income/(Costs)	£0.2	-£0.2	200%
Share of Loss of Associate	-£1.1	-	100%
<b>Profit/(Loss) before tax</b>	<b>£13.1</b>	<b>-£0.7</b>	<b>1977%</b>
Tax	-£1.2	£1.0	216%
<b>Profit after tax</b>	<b>£12.0</b>	<b>£0.3</b>	<b>3895%</b>
Profit from discontinued operations before tax	-	£0.0	0%
Tax on discontinued operations	-	£0.4	-100%
<b>Profit for the period</b>	<b>£12.0</b>	<b>£0.8</b>	<b>3895%</b>

# PBT development – H1 2023

Margin upside seen in H2 2022 peaks in H1 2023. Supply earnings peak in H1 23 before falling to normalised position longer term. Expansion into Energy Services brings forecast additional costs in 2023



# Cashflow statement

## Strong operational performance in a difficult market

- £13m of cash generated from operations reflecting strong profitability in H1 2023
- Ongoing requirement to hold cash for Working capital, Short term risk buffer, Regulatory commitments on credit balances/ROCs

## Investing for growth

- £2.5m in investment in Wessex ECOEnergy in June 2023
- Further investments in Energy services sector being actively considered

Year End £(000)s	H1 2023	FY 2022
Operational cashflows before working capital	£13,273	£2,799
Working Capital movement	-£240	£2,964
<b>Cash generated from operations</b>	<b>£13,033</b>	<b>£5,763</b>
Finance and tax cost	-£80	-£334
<b>Net cashflow from operating activities</b>	<b>£12,953</b>	<b>£5,429</b>
Net cashflow from investing activities	-£2,227	£14,183
Net cashflow from financing activities	-£287	-£1,824
<b>Net increase in cash and cash equivalents</b>	<b>£10,439</b>	<b>£17,888</b>
Cash and cash equivalents at beginning of year	£24,487	£6,699
<b>Cash and cash equivalents at end of year/Half year</b>	<b>£34,926</b>	<b>£24,487</b>

# Active planning for changes in commodity market conditions

- Actively executed winter 22 and summer 23 trading and risk mitigation as planned, supporting strong H1 financial performance
- Wholesale costs are more stable, but still subject to market shocks
- Well hedged for winter 2023, with a hedge position of over 90%
- Fuel mix continually monitored to reduce over exposure to single technologies
- Counterparty trading environment becoming more positive than 2022, however challenges remain



## Capital allocation

- Substantially debt free with strong available cash balance of £29.4m\*
- Further M&A in energy services to expand regional footprint
- Invest in services and transport product development
- Interim dividend of 1.00p proposed (2022 Interim 0.75p)



# Strategic update

Nigel Pocklington

CEO

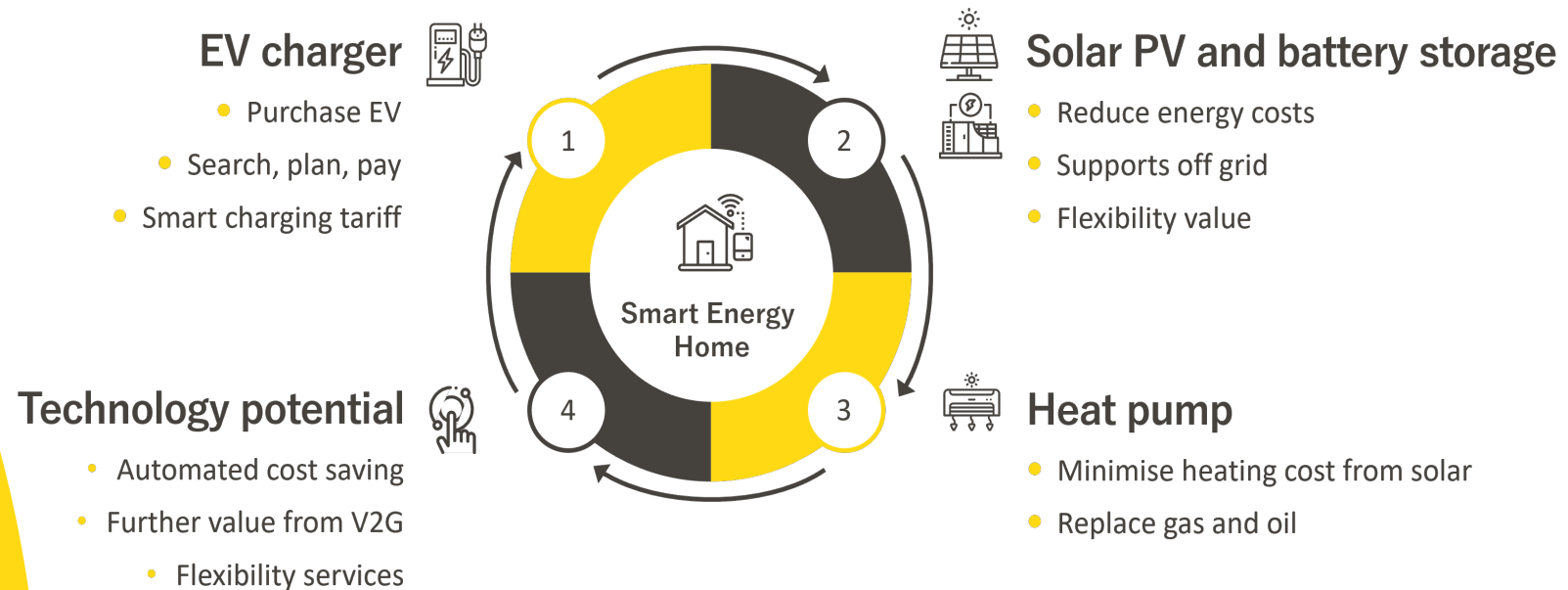


# Energy services: a multi-product strategy

## 2023 Growth

- ✓ Rolling out of solar services and tariffs
- ✓ New time of use tariffs
- ✓ Growing solar, storage and heat pump installations
- ✓ M&A to accelerate services strategy faster
- ✓ Zapmap delivering pathway of EV drivers

### Energy services pathway



# The future of energy and why this makes us a better business

	Market growth	EBITDA margin	Working capital intensity
Energy services	10 – 20%	10 – 15%	Low
Energy supply	0%	1 – 3%	High

- ✓ Building incremental revenue streams
- ✓ Diversifying across the energy supply and services market
- ✓ Lower working capital intensity
- ✓ Increased customer lifetime value through multi product offerings
- ✓ Making energy supply an enabler not a commodity

# Building a targeted energy supply offering

## Today



### Changing customer mix

Domestic and small-scale commercial customers  
Reduction in higher volume business supply

### Energy services focus

Import and export tariffs will make it cheaper  
Time of use tariff and demand flexibility launching

### Underpinned by technology and quality service

Smart meter installs to 50% of customers  
Kraken platform enables new product rollout  
5\* Trustpilot rating

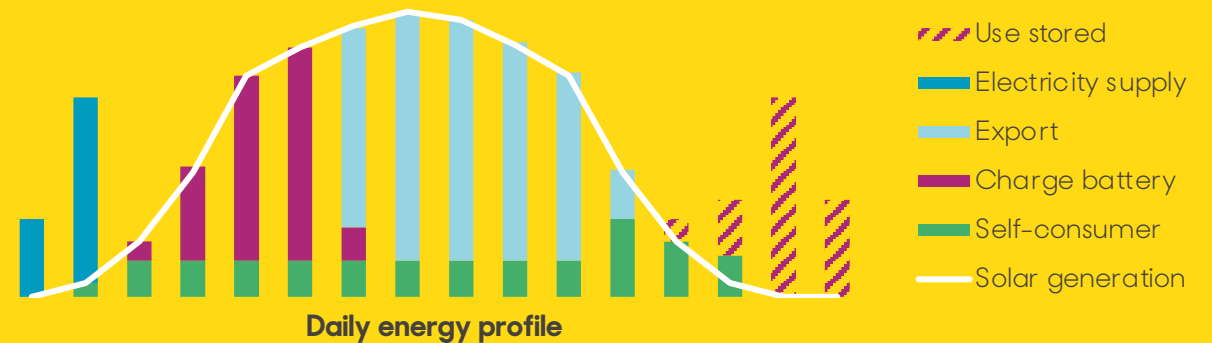
## 2023 and beyond



Energy supply is one strand of our energy services offer

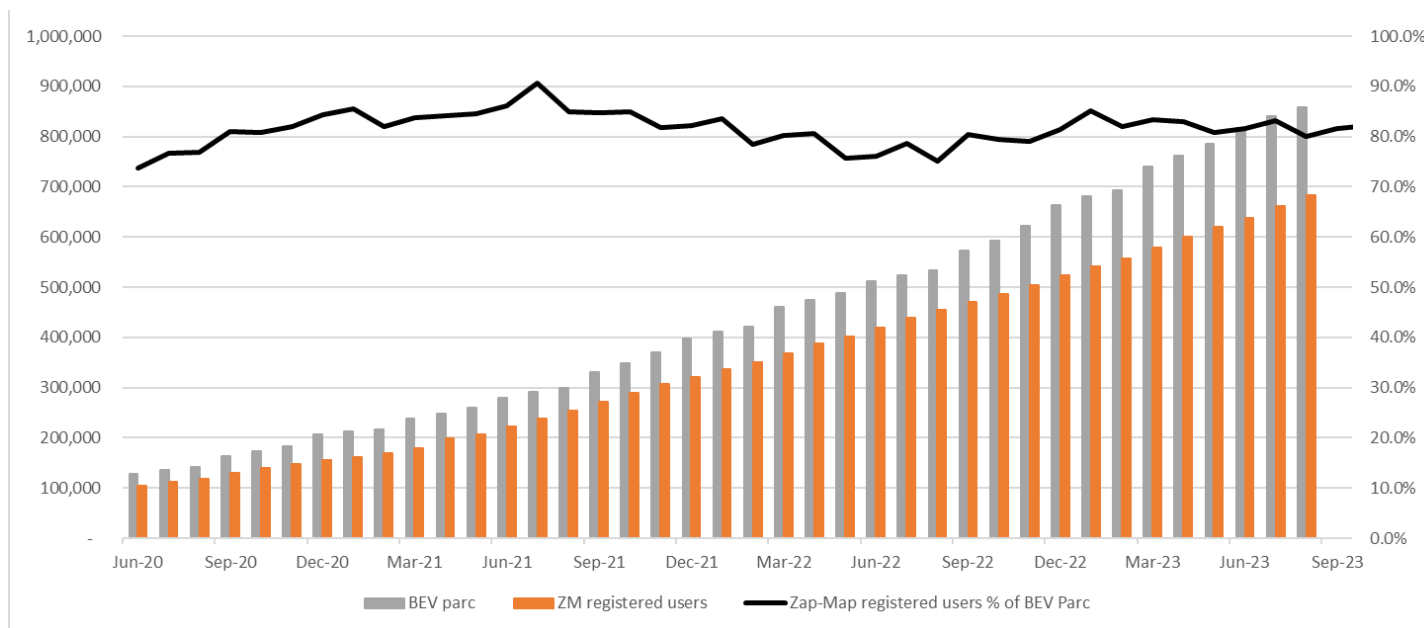
Clear customer segments for supply and services – we are not all things to all people

Targeting multi product offerings and increased customer lifetime value – customer usage evolves



# Delivering a market leading EV position in Zapmap

**Zapmap: registered users v battery EV parc**



**12 months  
to June 2023**

**Total downloads:  
1.25m / +41%**

**Registered users:  
683k / +52%**

**Monthly active app  
users:  
285k / +16%**

## Zapmap: Building scale and recurring revenue

### Today



- ✓ Refreshed brand and website
- ✓ Approaching £2m Q4 run-rate ARR
- ✓ Subscriptions relaunch
- ✓ 10 Zap-Pay networks live
- ✓ Launched Zapmap Spark to enable 3<sup>rd</sup> party digital platforms with EV charging search, plan and payment services
- ✓ Data & Insights, expanded team, new products and channel revenues

### 2024 and beyond



#### Consumer app

Build on leading capabilities for the mass market to offer the simplest way to find and pay for affordable, available and reliable charging, in the UK, EU and North America

#### B2B services

Data and insights – the broadest, richest, most accessible, & complete charging data

ZapMap Spark – scale API enabled technology solution

Media partnership opportunities

#### Series B

A further funding round is required in 2024 to deliver on the potential of the Zapmap platform



# Becoming the go to company for solar power services

## Today



Launched smart export for Feed-in Tariff customers

Rolled out to 44k smart meter customers

Beta dedicated smart export tariff launched at market leading 10p/kWh rate

## 2023 and beyond



Targeting 75,000 customers on export products

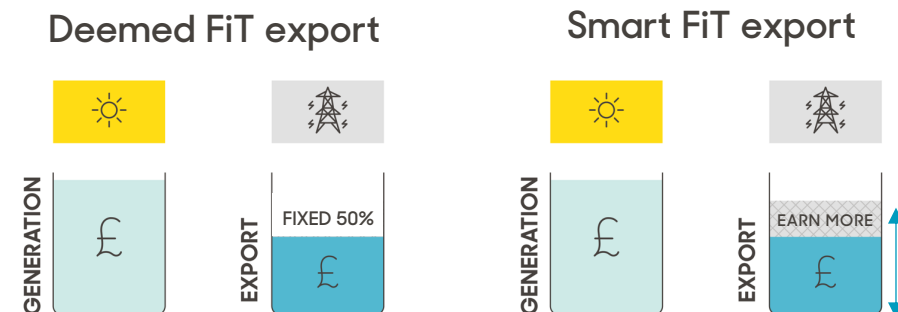
Now launching Solar Savings out of beta at 15p/kWh

20p/kWh rate for customers who install through Good Energy

## Customers earn more on smart export

Actual export averages +20% more than deemed 50%

Earn even more with the best flat rate export tariffs on the market

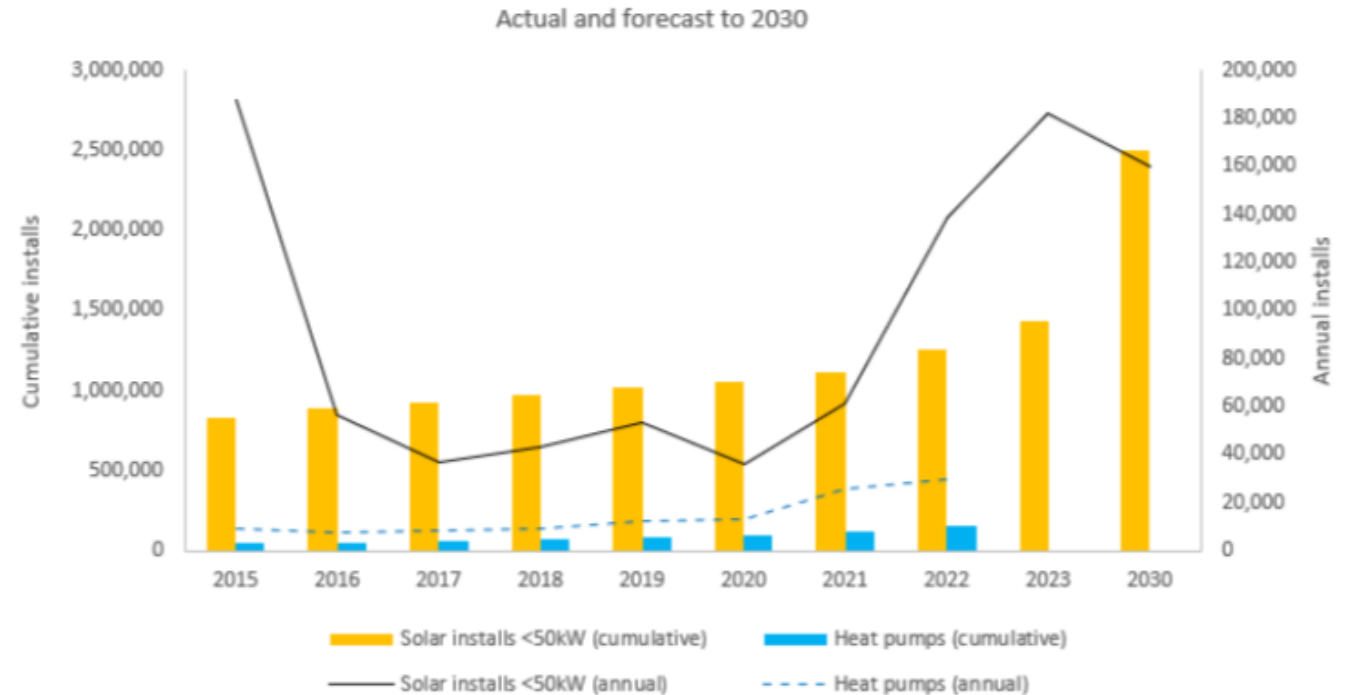


**New revenues via tradeable power and increased efficiencies in metering and network costs**

## Impressive solar market growth continues whilst heat market is slower

### 2023 Growth

- ✓ Solar installations continue to grow : **+18%.**
- ✓ Target CAGR: **9.9% to 2030**
- ✓ Heat growth is slower. **+7%**
- ✓ Greater installs in the South of England



# Scaling installation services

## Today



### Scaling through acquisitions

Expand through regional footprints  
Triple install capacity by 2025

### Solar leads the way

Targeting 200 solar installs in 2023  
and doubling by 2024  
Heat business right sized for  
market growth, targeting 100 installs

### Expanding services

Improved tariffs for install customers  
From tariffs and monitoring to  
financing packages

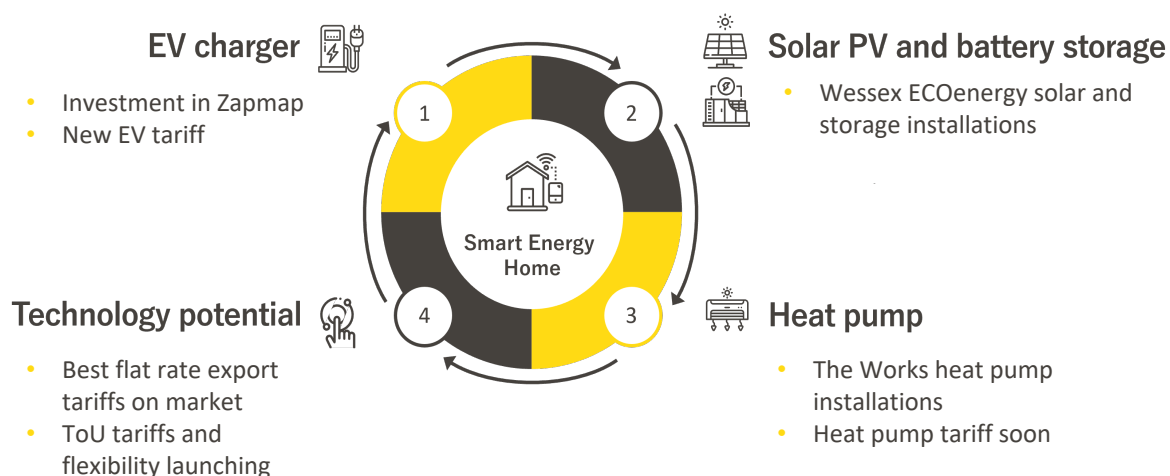
## 2023 and beyond



- ✓ Wessex Eco doubling capacity by end of 2024
- ✓ Heat pump installs set to accelerate in 2024
- ✓ Consensus energy services earnings of £4m by 2025 – solar driven



# Progress on our transition to an energy services company in 2023



Rolling out of solar services and tariffs to 75k existing customers



Ramping up solar and heat installs through owned brands



Further M&A to accelerate installation capability



Trialing remote monitoring and demand flexibility services



Zapmap series B planned to focus B2B and International expansion



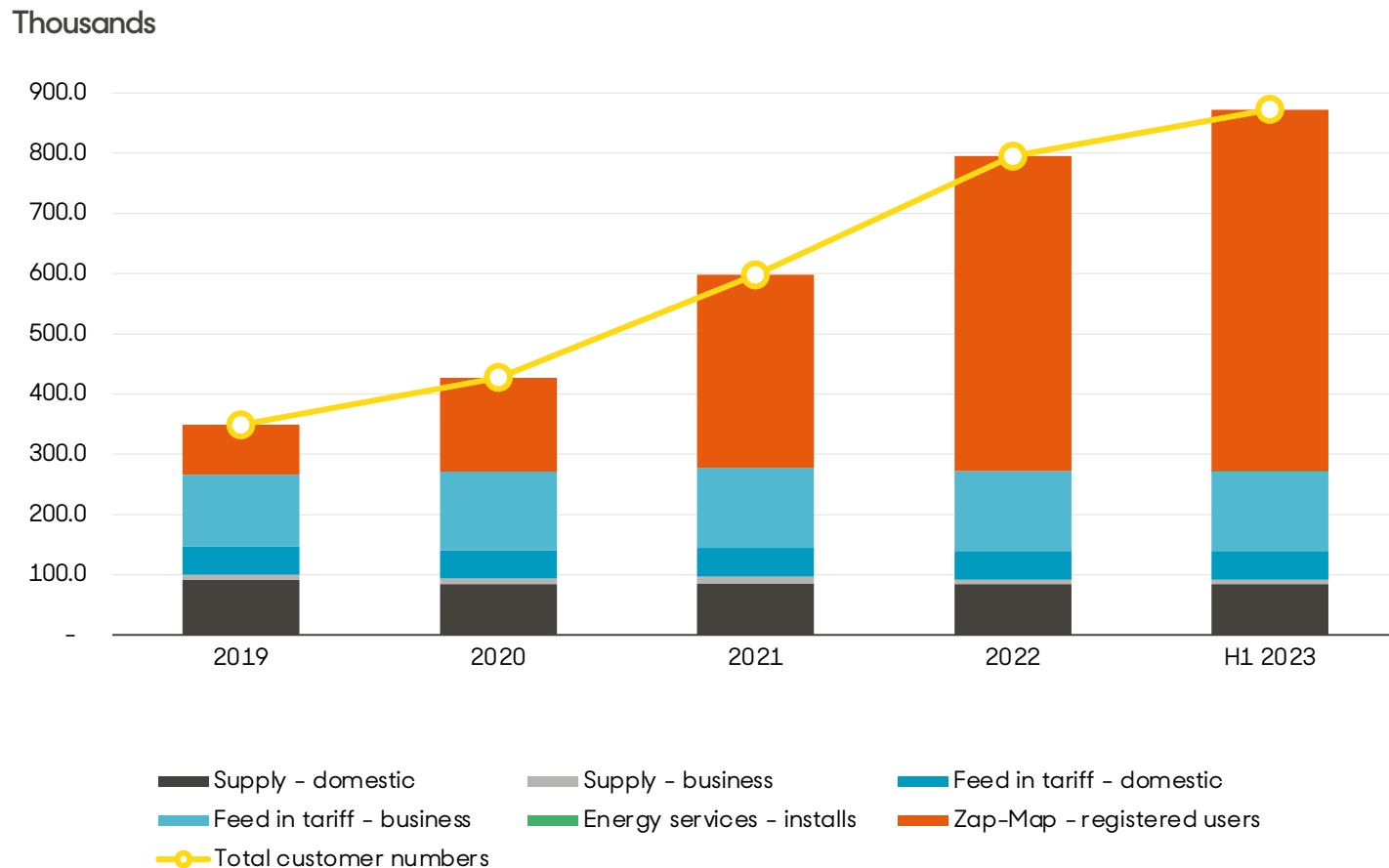
# Q&A



# Appendices



## Good Energy customer numbers evolution



**Our goal  
is to support  
one million homes  
and businesses  
cut carbon  
from their energy  
and transport  
use by 2025**

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