



Good Energy

Preliminary results: 31 December 2020

April 2021



Agenda

*Good Energy is a British renewable electricity company with a difference.
For more than 20 years, our mission has been to power a cleaner, greener world.
Today, that is what we are – an energy company for the future.*

Overview



Juliet Davenport
CEO
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Financial performance



Rupert Sanderson
CFO
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Juliet Davenport
CEO
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Summary



Juliet Davenport
CEO
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2021 notable activity

Good Energy
17,850 followers
2d · 🌐

Today we are announcing the appointment of Good Energy's new CEO, [Nigel Pocklington](#).

A widely experienced senior executive with a strong commercial, digital, and operational track record spanning over 25 years, Nigel will succeed [Juliet Davenport](#) in the CEO role from 1st May 2021.

News release: <https://lnkd.in/eQsrUe4>



👍 307 · 💬 26 comments

Good Energy Green Accreditation



All of Good Energy's tariffs achieved Gold Standard [Green Accreditation](#) under Uswitch's newly launched accreditation scheme in 2021. SVT Electricity, Good to Fix Electricity, SVT Gas and Good to Fix Gas are accredited as Gold level Green thanks to the supplier's commitment to sourcing and supplying renewable energy.

News

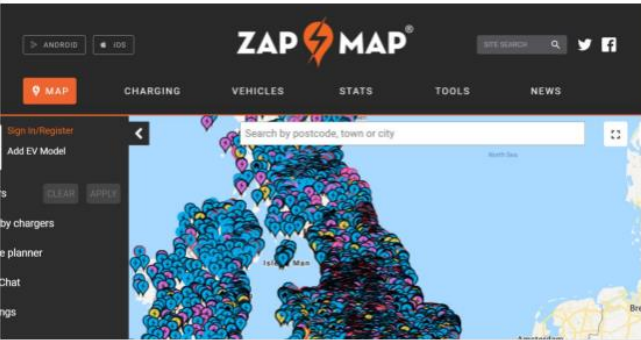
IN BRIEF: Good Energy restructures financing on generation assets

Good Energy Group PLC - Chippenham, England-based renewable electricity supplier and energy ...

Good Energy
17,850 followers
1h · 🌐

Today we are announcing a further £1m investment into [Zap-Map](#).

This will support the company's next stage of growth and new commercial opportunities.



Good Energy invests a further £1 million into Zap-Map
group.goodenergy.co.uk · 3 min read



Overview

A positive and resilient performance despite the ongoing macro conditions impacted by COVID. Foundations in place to benefit from new energy services.

Positive performance

A positive financial performance from the core business despite the ongoing macro conditions impacted by COVID.

Solid financials

Strong cash performance and prudent approach to cash management

Strategic development

Kraken integrated successfully and Smart meter rollout underway

Positioned for the future

Vertically integrated, next generation energy firm. Mobility as a Service first step in energy services transition, building on Zap-Map growth

Strong cash

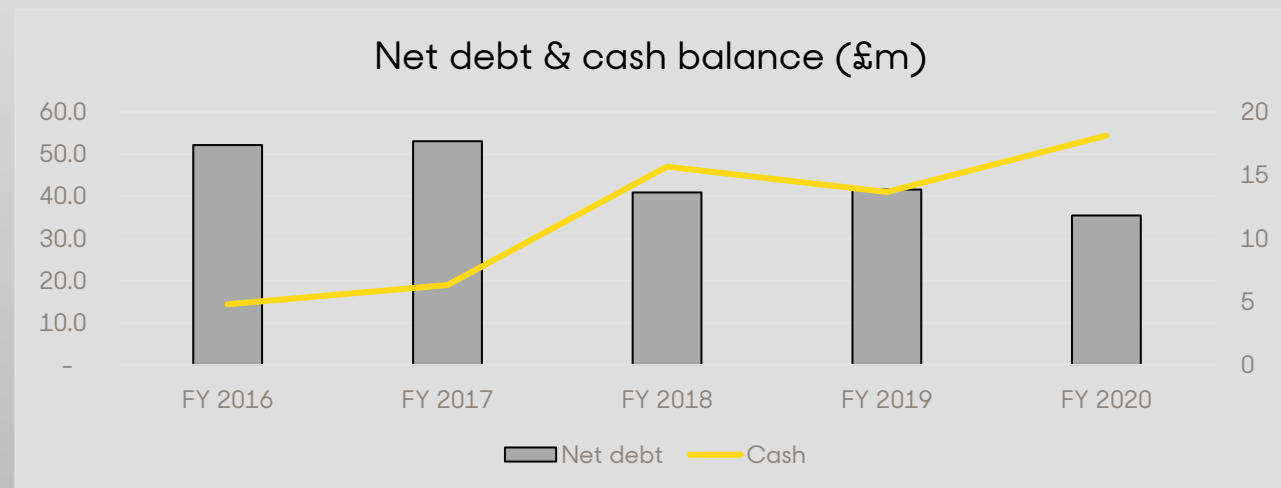
Gross cash balance of £18.3m, with good cash collection and strong cash from operations

Core growth

Total Business customer growth increased 9.0%

Assets

Generation portfolio revalued, with associated debt restructured





Financial performance



Profit bridge 2020

COVID

Selling back excess power, reduced COVID demand and additional ECL provision

Kraken benefits

Lower staff costs of £2.7m, realising the efficiency benefit of Kraken investment

Generation revaluation

Incremental ongoing depreciation charge of £1.1m. No impact on retained earnings.

Like for like stability

Normalised PBT stability in a difficult marketplace

External

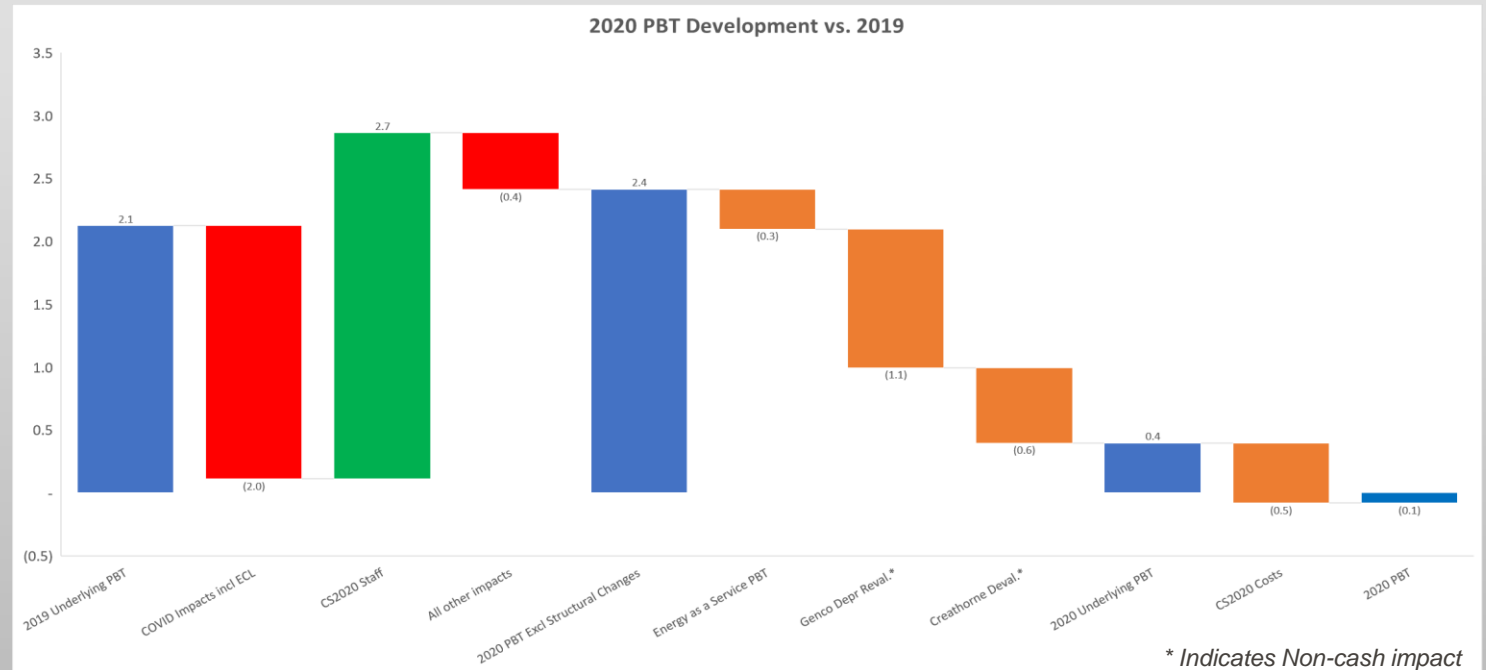
Initial lockdown had material impact on macro and energy demand

Internal

Prudent approach to cost control

Highlighted items

Generation asset portfolio revaluation and P&L impact of Zap-Map consolidation





Income statement

Positive performance

Underlying performance of the core business in line but impacted by COVID

Admin costs

Kraken benefits substantially offset by additional COVID related ECL provision and solar site write down. Cautious approach to discretionary spend

Kraken savings

Cost savings and total investment within original business case outlined

Restructure

Non underlying costs relate to completion of CS2020 transition costs

Year end £m	FY 2020 Underlying	FY 2020 Non - underlying	FY 2020 Reported	FY 2019 Underlying	% change Underlying
Revenue	130.6	0.0	130.6	124.3	5.1%
Cost of Sales	-101.1	0.0	-101.1	-92.6	9.2%
Gross Profit	29.6	0.0	29.6	31.7	-6.6%
Administration Costs	-25.0	-0.5	-25.5	-25.2	-0.8%
Operating Profit	4.5	-0.5	4.1	6.4	-29.5%
Finance costs	-4.1	0.0	-4.1	-4.3	-3.3%
Share of loss of associate	-0.0	0.0	-0.0	-0.0	0.0%
Profit before tax	0.4	-0.5	-0.1	2.1	-81.4%
Tax	0.0	0.0	0.0	-0.2	-106.9%
Profit after tax	0.4	-0.5	-0.1	1.9	-78.7%



Cashflow statement

Cash positive

Cash generative business model with strong cash balance of £18.3m

Investment

£7.8m cash generated from operations supporting future investment

Working capital

Working capital benefits from strong and sustained business and domestic collections despite COVID and lockdowns

Zap-Map

Strategic investment in Zap – Map for £1.1m in February 2019, with further £1m investment in April 2021

Year end £000s	FY 2020	FY 2019
Operational cashflows before working capital	10,628	9,991
Working capital movement	797	-1,844
Cash generated from operations	11,425	8,146
Finance and tax cost	-3,650	-4,031
Net cashflows from operating activities	7,775	4,115
Net cashflow from investing activities	-598	1,357
Net cashflows from financing activities	-2,562	-7,467
Net increase in cash and cash equivalents	4,615	-1,995
Cash and cash equivalents at beginning of year	13,667	15,662
Cash and cash equivalents at end of year	18,282	13,667



Net debt & funding

Debt reduction

Continued reduction in underlying net debt to £34.6m

Asset revaluation

Revaluation of generation portfolio results in £13.3m uplift to reserves. Commenced in 2019 and completed in H1 2020

Gearing

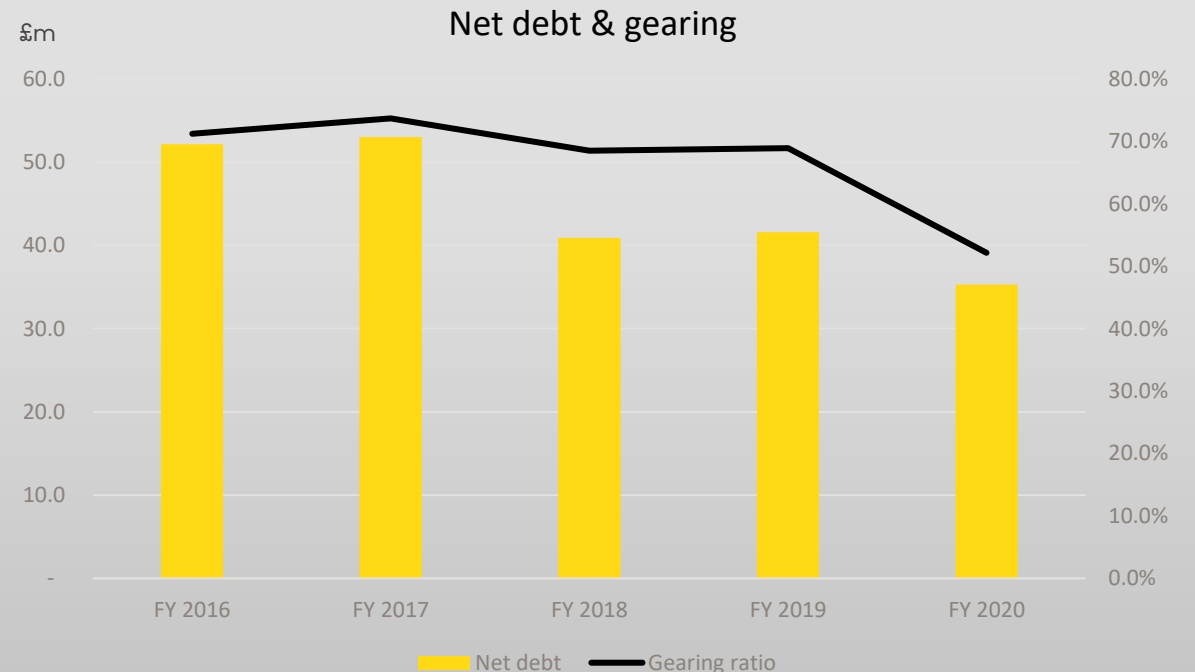
Gearing ratio decreased significantly to 51.6% from 68.9%

Refinance

Generation portfolio refinanced in April 2021. Additional £7.8m un-restricted cash. Interest charge expected to be unchanged

Bond

Enables the commitment of completing repayment of the outstanding £16.8m Good Energy bonds by the end of FY22 . Bond interest cost £0.8 p.a.





Current trading, outlook and dividend

Current trading and outlook

- Underlying performance is in line with management expectations
- Cash collections have remained consistent and strong
- Reinstated marketing, comms and test & learn expenditure from 2020's restrictions

Future growth

- Foundations in place to benefit from increased scale as a leading integrated energy supplier driven by energy services
- Continue to deliver system improvements, digital and online capabilities including completion of ENSEK integration and Smart meter rollout
- Zap-Map continuing to invest to capitalise on market leading position in fast growing EV market

Dividend

- Board recognises the importance of dividends to many shareholders
- The Board will review the appropriate balance between investment in the core business and shareholder returns
- The dividend policy will resume from 2021

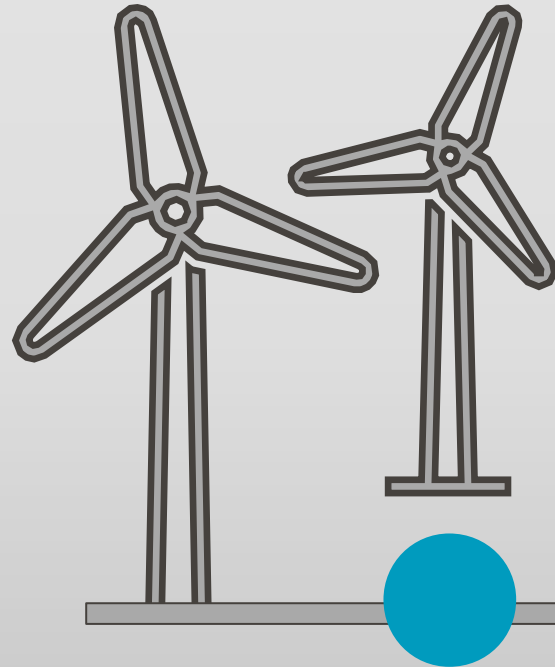


Strategic update



Vertically integrated next – generation energy company

Good Energy is a next-generation energy company, founded on a deep green domestic offering. A strong and competitive core business, with a mature wind & solar generation portfolio, and an increasing focus on small businesses and electric mobility



Generation

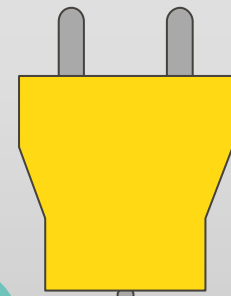
- 47.5MW portfolio
- 6 solar, 2 wind sites
- Long term power purchase agreements
- 16% of total GE supply
- Over 1,600 generators
- Cash generative

Supply

- 100% renewable energy
- 270k customers
- Business & Domestic
- Purpose brand

Feed in tariff

- 2nd largest UK FIT customer base
- High margin recurring revenue
- Opportunity to leverage customer base



Services

- Evolution to energy as a service model
- Mobility represents the first major step
- Provision of Supply, hardware & services
- UK's leading EV charging app, Zap-Map





Building blocks in place



Kraken customer service platform

- Implemented for 100% of customers
- Technology platform for scalable future growth
- Delivering significant returns already through operating leverage

Smart meters

- Unlocking the potential of future energy systems
- 2020: 5,100 SMETS2 smart meters installed
- 2021: 20 - 30,000 planned installs. Ramping up in H2 2021

Ensek business billing platform

- Offer a more digital service for businesses
- Improved customer service and self serve portal
- Over 80% of business customers migrated to date

Mobility as a Service

- Offering focused on supply, hardware and services
- Partnerships to accelerate offering
- Domestic EV solution and smart tariffs launching

Proposition pipeline

- Mobility as a Service for businesses and fleets
- Smart domestic services including roll out of EV, solar, heat and storage
- Business solutions in Selectricity and Smart Export Guarantee



Kraken: technology platform success

Integration implemented successfully

- 100% of customer accounts migrated successfully to date
- Reduced headcount from the project resulted in lower staff costs of £2.7m
- On track to deliver expected project returns

Improved service

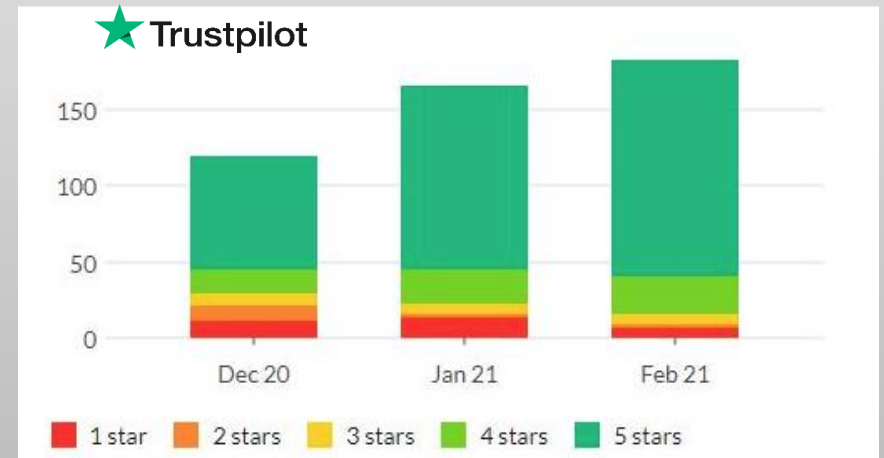
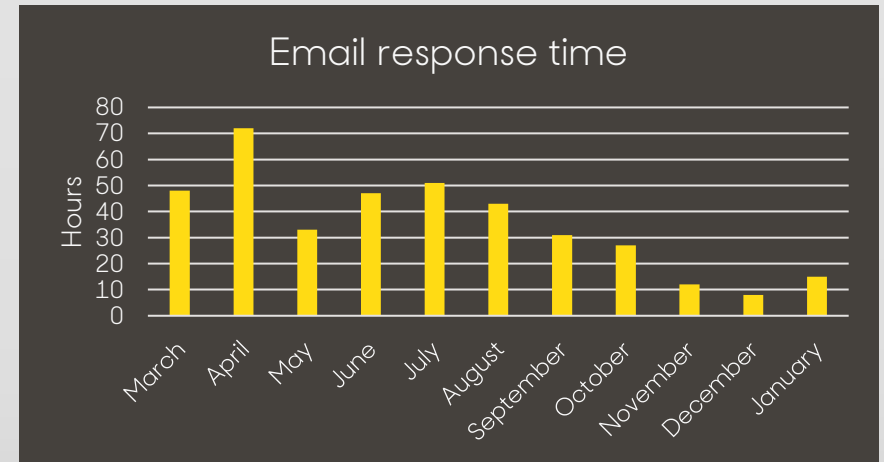
- Service continues to shift online from calls, increasing speed and efficiency
- Email response time halved from 48 hours to 24 hours
- 2020 Net promoter score, following contact, has been consistently +30
- Review requests triggered after onboarding

Scalable

- Increases use of paperless billing planned from 82% to 90%
- Drives usage to the app & portal: 50% expected by end of 2021
- Greater number of customers on direct debit >85% by end of 2021
- Smart meter rollout planned to 25k customers by end of 2021

Building blocks for energy services

- Ability to design multiple new, smart enabled tariffs driving innovation
- Improves speed of product launches
- Platform for domestic half hourly settlement





Energy as a service

The green revolution

Leader in renewable energy supply and services. Proven credentials as 100% renewable electricity supply.

Strong societal and regulatory drivers of mass shift to renewable energy consumption

Growing market of business and domestic customers looking to make an impact on climate change





In focus Mobility & EV



'Mobility as a Service'

More access, to more energy throughout the mobility ecosystem

Customer Types

- 1. Direct ownership
- 2. Decentralised fleet ownership
- 3. Centralised fleet ownership

100% renewable supply

Supply competitive green energy tailored to consumption patterns of customers across different flexible payment plans



Infrastructure

GE customers have access to an affordable charge point service anytime and anywhere through Zap-map/pay and private installations



EVs



Match energy customers to OEMs at preferential rates in order to lock-in a fixed-term energy supply contract for EV



Services

Provide all the services and products in one place for a customer(s) to use one or more electric vehicles without any hassle



Zap-Map : charging made simple

95%+

of public points with
c.70% showing live
data



180,000+

Registered users



140,000+

cross-platform
users each month



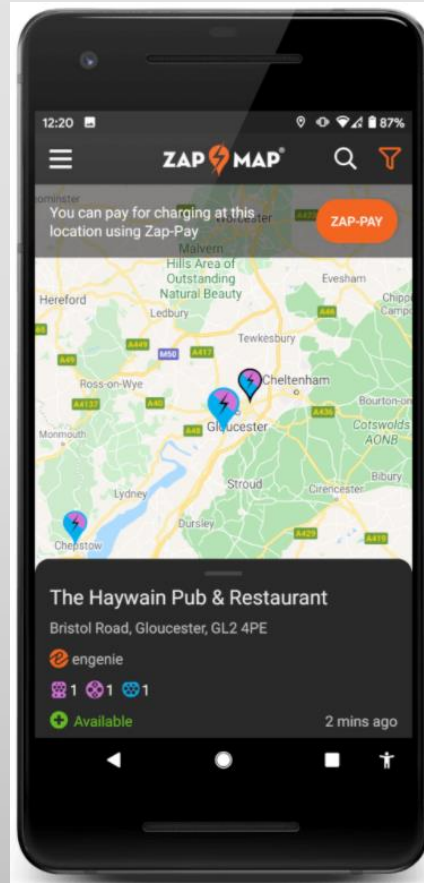
130,000+

Route plans saved



12,000+

User comments per
month



Search

For available charging points



Plan

Longer electric journeys



Share

Updates with EV drivers



Pay

For charging on
participating networks



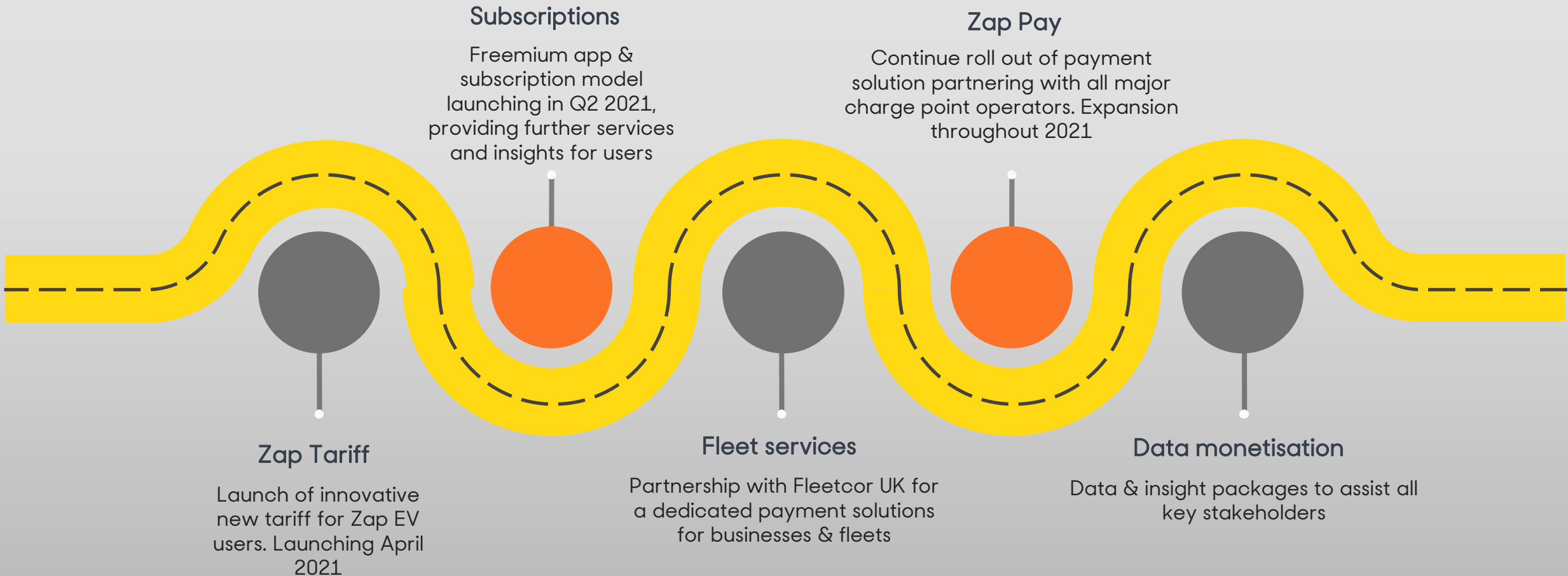
Drive

And receive real time
updates in car



Commercial milestones 2021

Critical business milestones underpin investment strategy, driving customer loyalty and maintaining engaged userbase





Case study: Zap flash tariff launched

EV drivers that want their cars to be powered by 100% renewable energy on an innovative time of use tariff

Strategic partnership

Leveraging both companies core capabilities. Zap as a leading channel for EV drivers

Customer driven

Tariff created based on Zap customer survey and EV driver feedback

Free flash periods

Weekly flash period of free electricity. Driven by weather and excess renewable supply. Helping renewable energy consumption.

Technology & data

Smart enabled time of use tariff, aimed at optimising consumption. Weekly signals help influence behaviour

Flash days

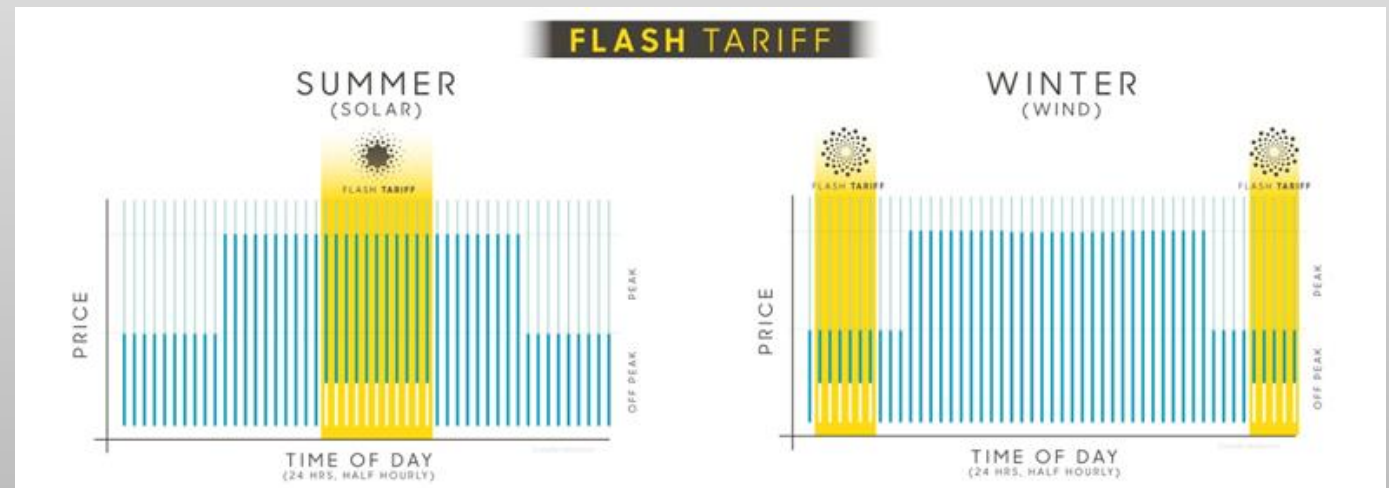
Signaled to customers in advance

Behaviour

Customers incentivized to use electricity when GE has surplus renewable power

Innovative

Unlike any other tariff. Focused on genuine time of use pricing and availability





Summary



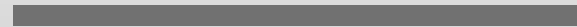
Summary

A positive performance despite challenging market conditions.
Investment in key building blocks paying off, as business primed to capitalise on growth in energy and EV markets.



Strong core

- Positive performance despite COVID and macro impact
- Business customer growth



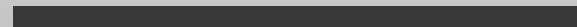
Cash

- Strong cashflow generation
- Net cash position provides capital flexibility



Platform for growth

- Kraken and smart meter rollout progressing well
- Zap-Map primed to scale commercial opportunities



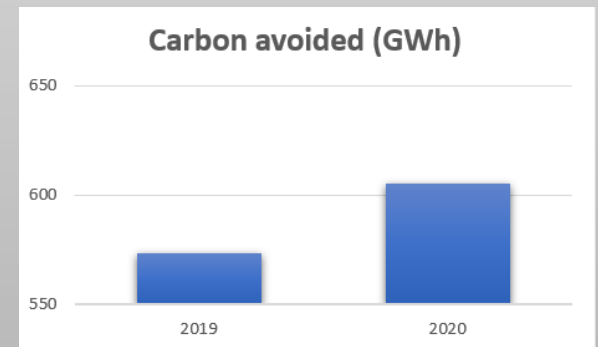
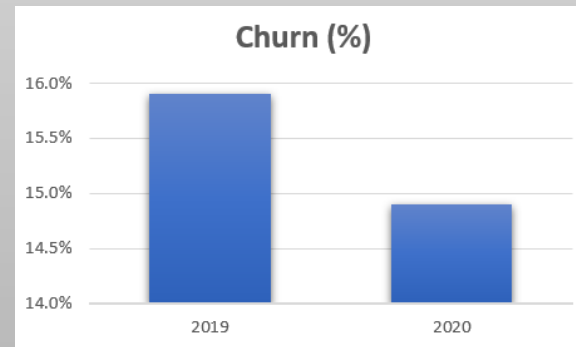
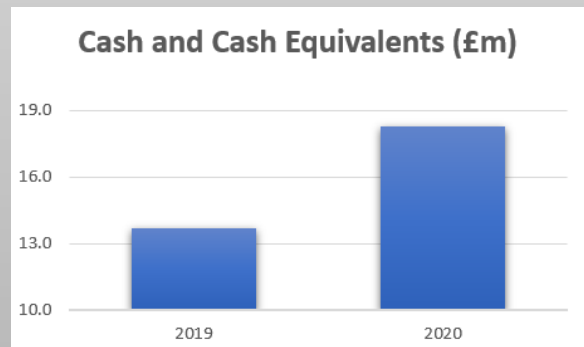
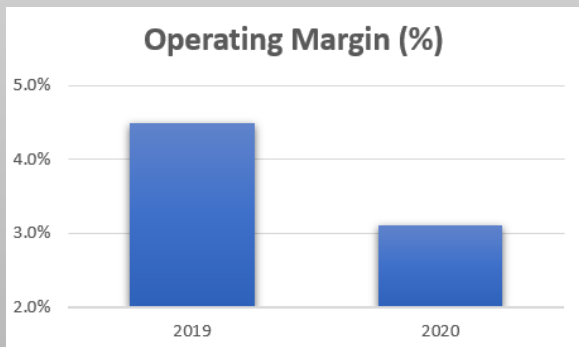
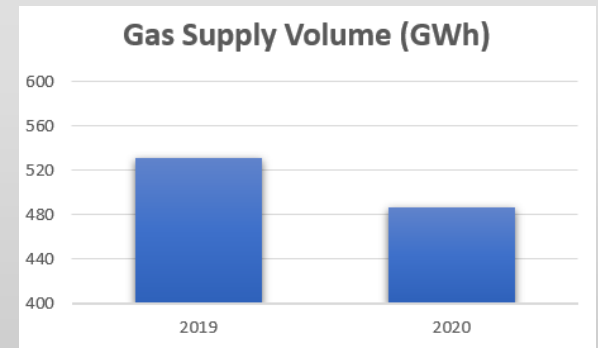
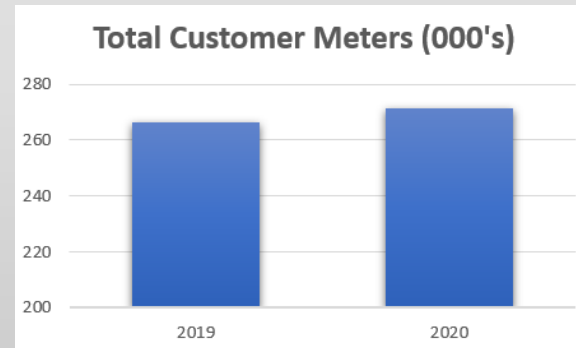
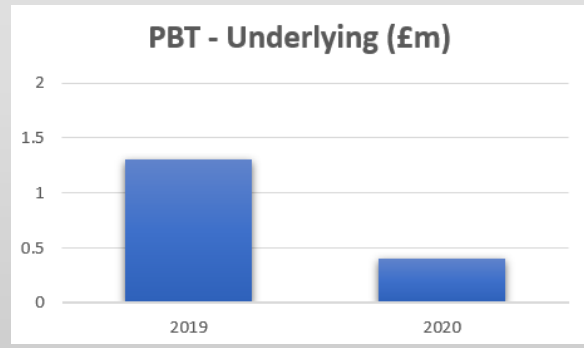
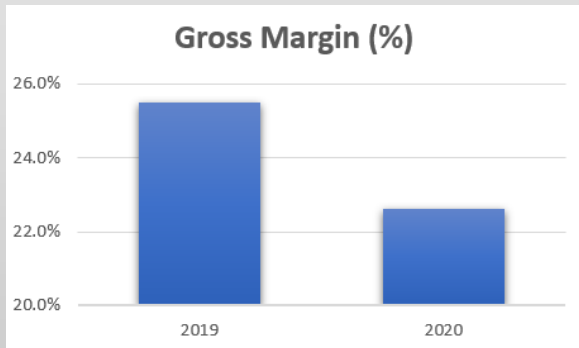
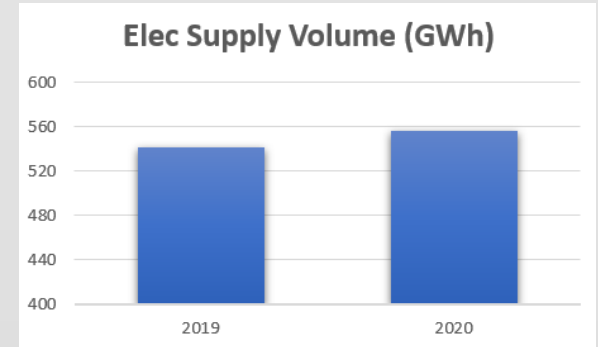
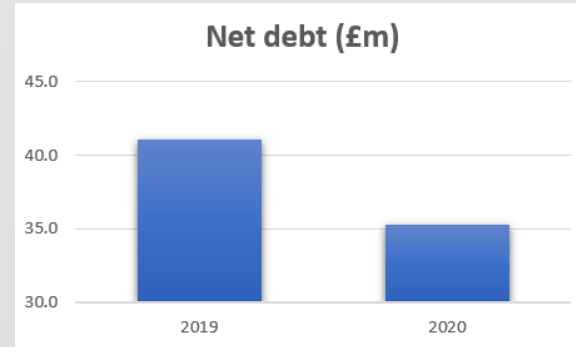
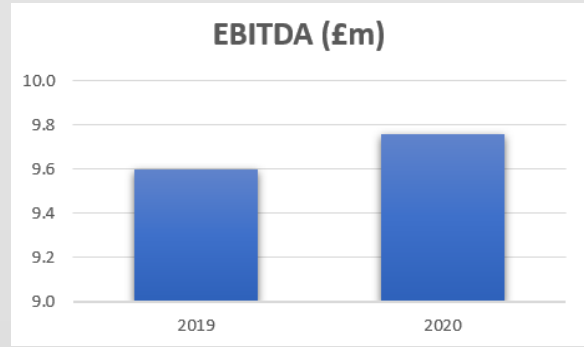
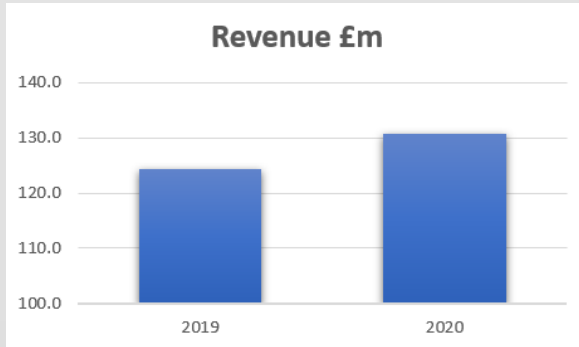
Innovation

- Investment to embed ourselves in future energy ecosystems
- Energy & Mobility as a Service progressing well





Appendix





Customer numbers & volumes

Customer numbers 000's	Dec-19	Jun-20	Dec-20	FY20 vs FY19
Domestic Supply	91.9	88.6	84.9	-7.7%
Domestic FiT	46.7	50.0	47.2	1.1%
Total Domestic Customers	138.6	138.6	132.0	-4.7%
SME	6.7	7.1	7.6	13.5%
HH	1.1	1.2	1.2	5.2%
Total Business Supply	7.8	8.3	8.8	12.3%
Business FiT	120.0	125.7	130.5	8.8%
Total Business Customers	127.8	134.0	139.3	9.0%
Total Customer Numbers	266.5	272.6	271.3	1.8%

Supply volumes MWh 000's	Dec-19	Dec-20	FY20 vs FY19
NHH	282.6	264.4	-6.4%
HH	259.3	292.1	12.6%
Total Electricity supply	541.9	556.4	2.7%
Gas	531.7	486.4	-8.5%
Total Supply	1,073.5	1,042.9	-2.9%



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