



Half Year Results

To 30 June 2015



INSPIRED
ENERGY PLC



Inspired Energy PLC Group

Information & Highlights

The Board, left to right: David Foreman, Mike Fletcher, Matthew Thornton, Janet Thornton, Bob Holt, Paul Connor

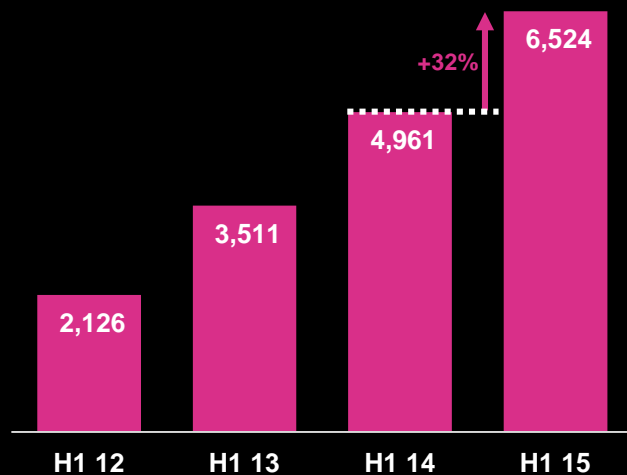


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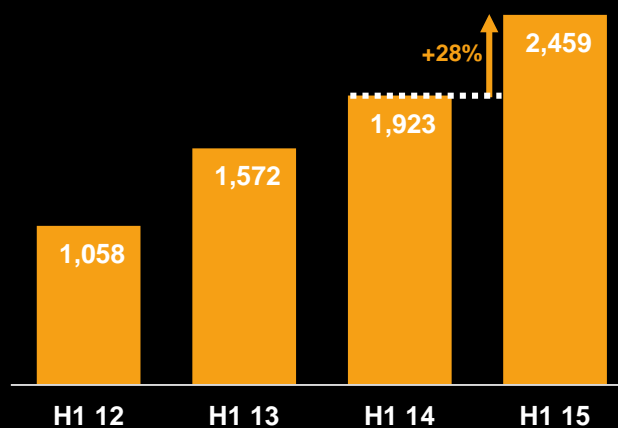
Group | H1 FY15 Financial Highlights

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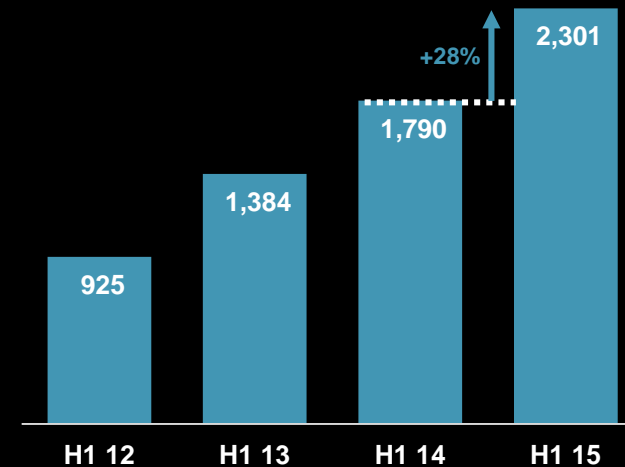
Revenue (£'000)



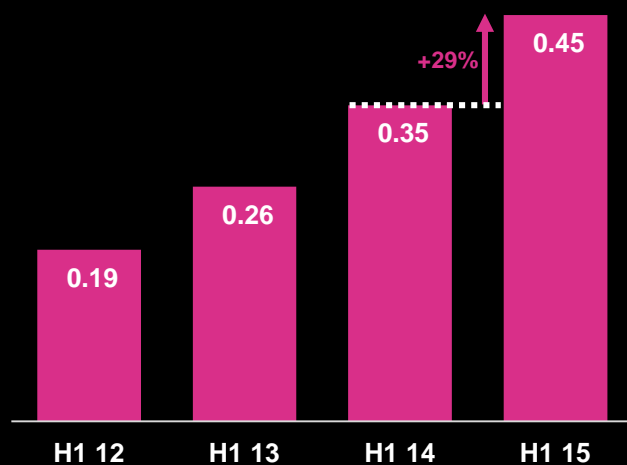
EBITDA (£'000)



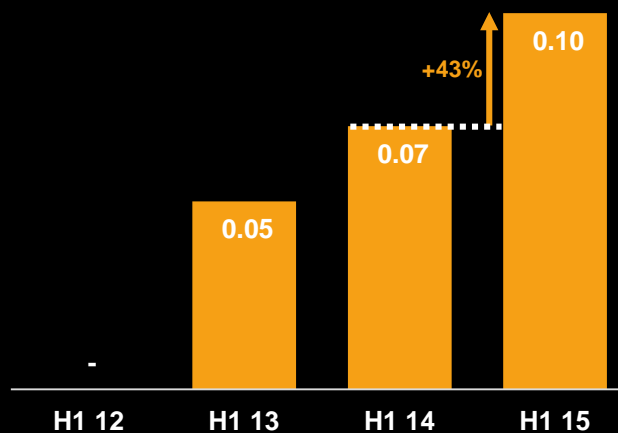
Adjusted PBT (£'000)



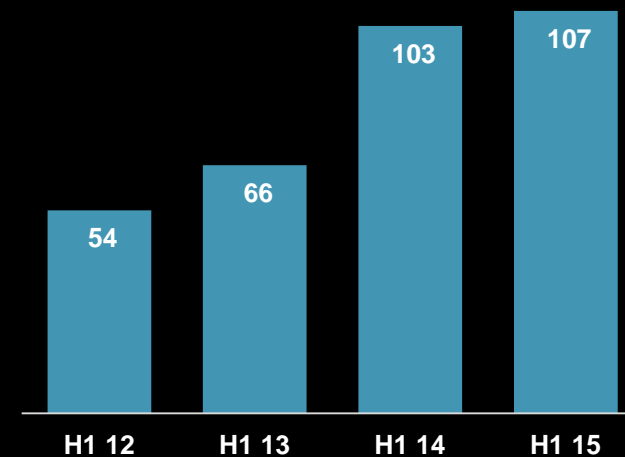
Basic EPS



Interim Dividend



Headcount





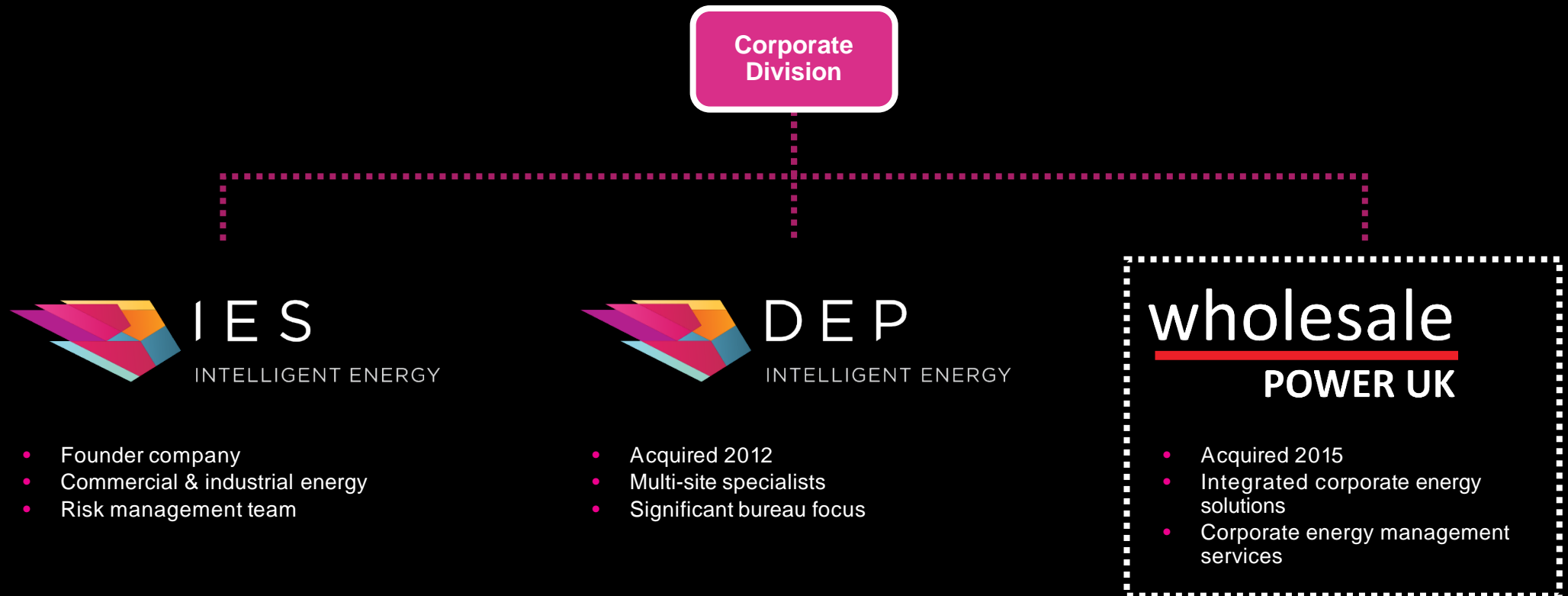
Corporate Division
Information & Performance



wholesale
POWER UK

Corporate | Overview – Platform for growth

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Corporate | Wholesale Power UK Acquisition

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wholesale
POWER UK

Entry into new
industry sectors
i.e. Leisure and
Logistics

Enhances existing
service offering within
Corporate sector

Provides expertise
to enable additional
bolt on services for
existing Inspired
customer base

11 highly experienced
staff based
in Blackpool

Expected to be
Earnings
Enhancing

Takes Corporate
Order Book to
over £20m

Experienced team of
engineers & analysts
complementing
Inspired's market leading
Risk Management Team

Initial consideration
of £2m with up to
£0.75m contingent
payment

Order Book Analysis

	£m
Order Book b/f at 31 Dec 2014	14.0
Add: Order Book Sales in period	5.5
Less: Revenue recognised from Order Book in period	(4.3)
Order Book c/f at 30 June 2015	15.2

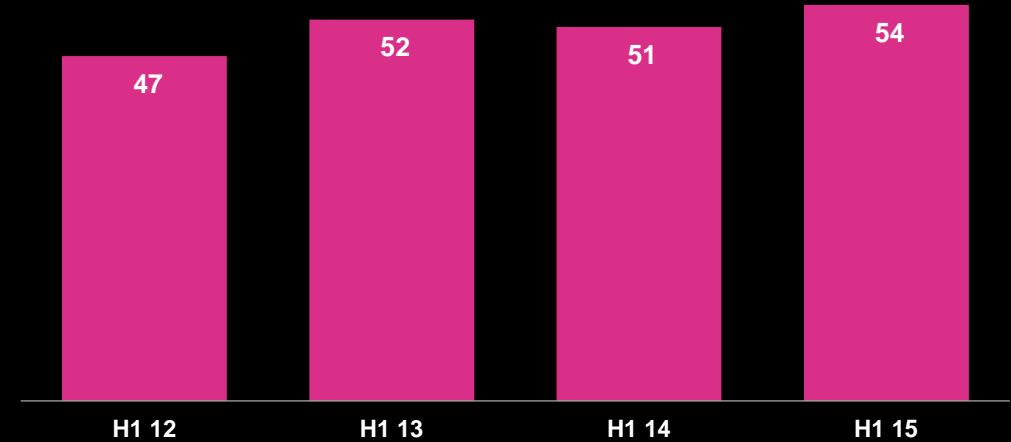
Inspired Corporate Order Book prior to Acquisition (31 July 2015)	15.6
WPUK UK Order Book (31 July 2015)	4.4
	20.0

Corporate Division | H1 FY15 Overview

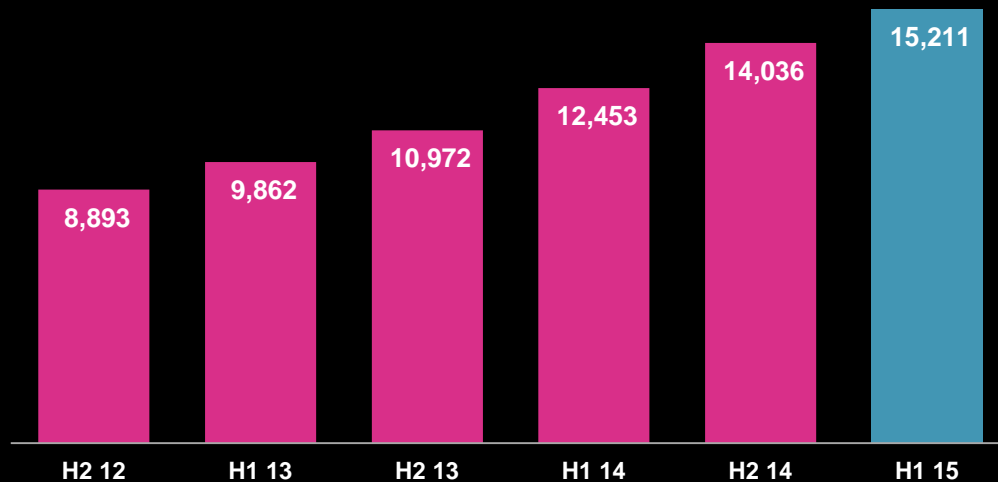
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Corporate (£'000)	H1 2015	H1 2014	Var.
Revenue	4,354	3,305	+35%
Gross Profit	3,745	2,992	+25%
Gross Profit Margin (%)	86%	91%	
EBITDA	2,218	1,719	+25%
EBITDA Margin (%)	51%	53%	

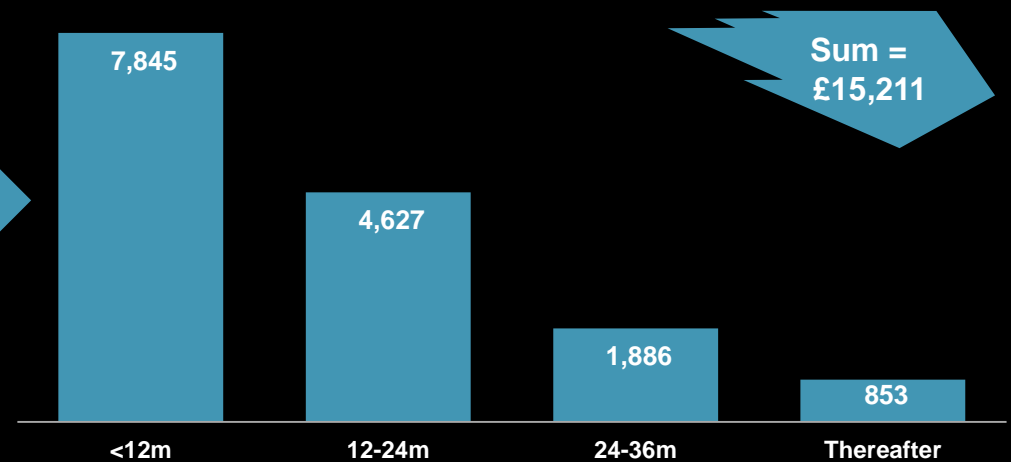
Headcount



Order Book (£'000)



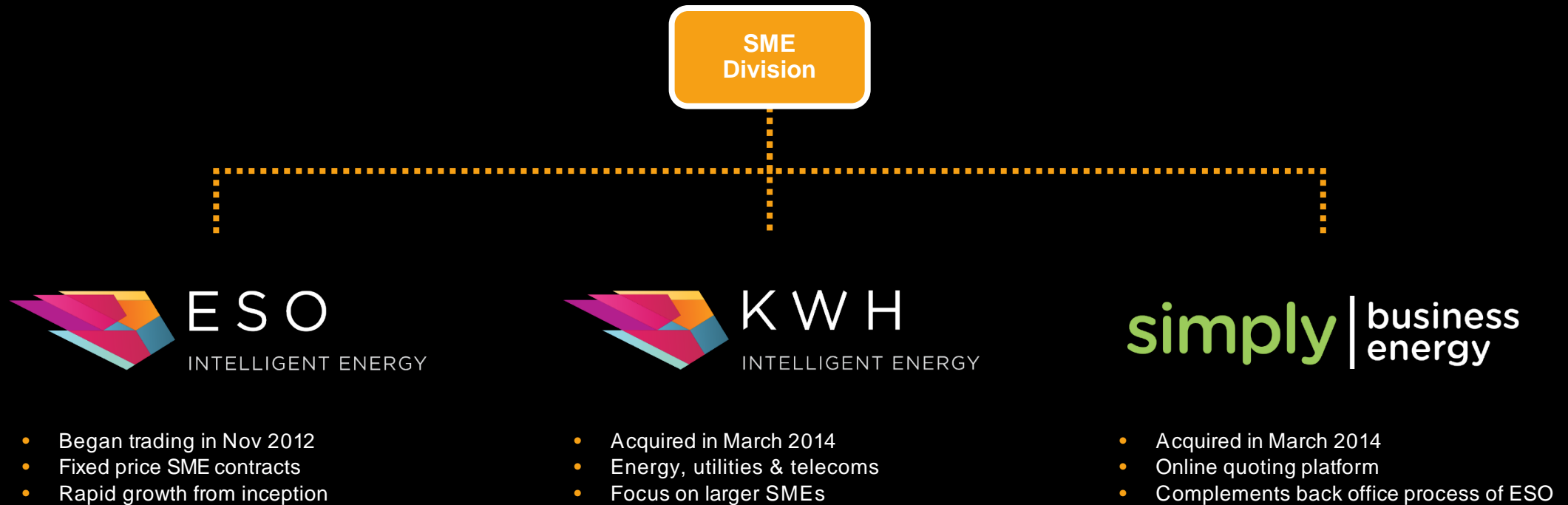
Secured Revenue Profile (£'000)
(When Order Book Will Convert to Revenue and Cash)





SME Division
Information & Performance





SME | H1 2015 Overview

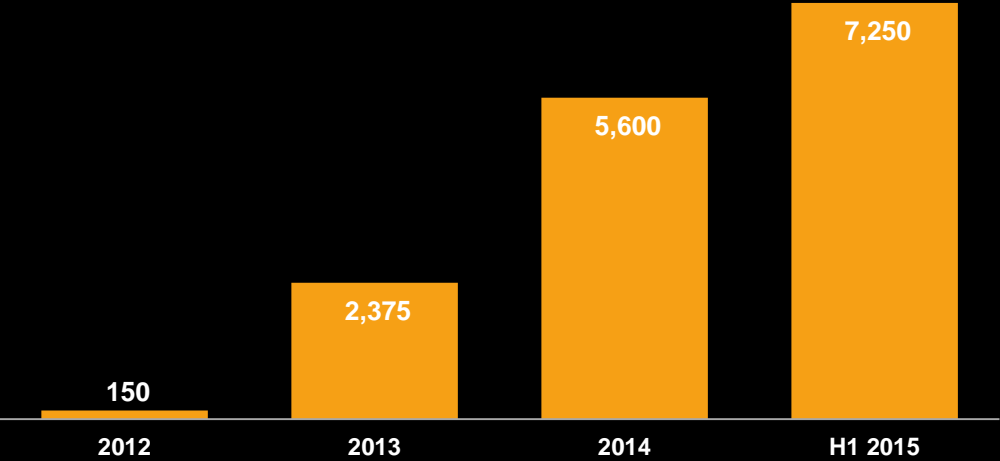
SME (£'000)	H1 2015	H1 2014	Var.
Revenue	2,110	1,616	31%
Gross Profit	1,093	767	43%
Gross Profit Margin (%)	52%	47%	
EBITDA	629	297	
EBITDA Margin %	30%	18%	

Revenue by Suppliers	H1 2015	FY 2014	Terms
Supplier A	28%	22%	80% on live date
Supplier B	31%	51%	60% on live date
Supplier C	9%	-	100% on live date
Supplier D	6%	-	80% on live date
Supplier E	10%	11%	Monthly in arrears
Others	16%	16%	Various

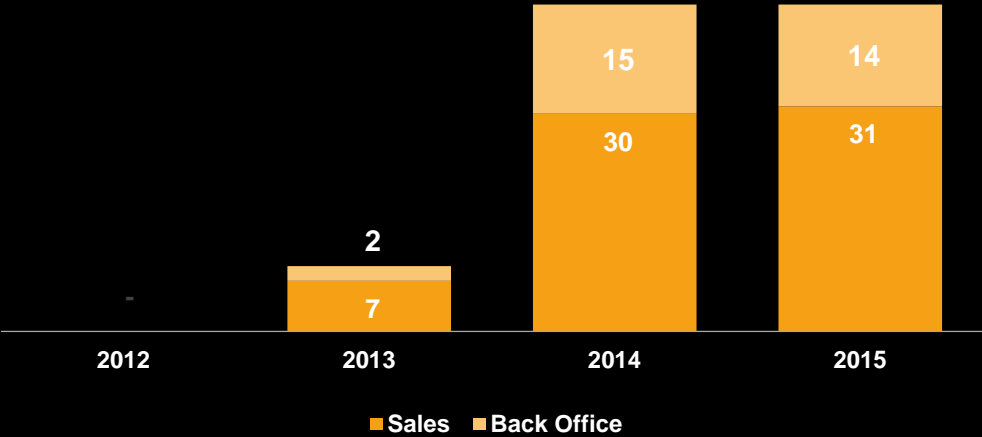
NEW
SUPPLIER
TERMS

NEW
SUPPLIER
TERMS

Clients



Headcount





Financial Statements
Group Performance



Group | Income Statement

Income Statement (£'000)	6m to June 2015	6m to June 2014	Year to 31 Dec 2014
Revenue	6,524	4,961	10,835
Cost of Sales	(1,626)	(1,161)	(2,312)
Gross Profit	4,898	3,800	8,524
Margin	75%	77%	79%
Administrative Expenses	(2,439)	(1,923)	(3,968)
EBITDA	2,459	1,923	4,556
EBITDA Margin	38%	39%	42%
Depreciation	(71)	(48)	(116)
Finance Expenditure	(87)	(85)	(169)
Adjusted PBT	2,301	1,790	4,271
Stated after:			
Exceptional Costs	169	240	458
Share Based Payment Costs	150	106	299

Margin

- Reducing margin due to mix of revenue between corporate and SME
- Divisional margins stable

Exceptional Costs

- Deal Fees - £100k
- Restructuring costs- £69k

Group | Statement of Financial Position

Statement of Financial Position (£'000)	6m to June 2015	6m to June 2014	Year to 31 Dec 2014
Non-Current Assets			
Tangible & Intangible Assets	3,190	2,901	3,120
Goodwill	624	547	560
Deferred Tax Asset	50	-	50
Current Assets			
Trade and Other Debtors	6,645	4,476	6,200
Cash	1,225	1,310	775
Total Assets	11,734	9,234	10,705
Current Liabilities			
Trade and Other Payables	1,019	881	892
Bank Borrowings	2,200	700	2,200
Deferred consideration	-	-	50
Dividend Payable	772	501	-
Current Tax Liability	930	828	1,160
Non-Current Liabilities			
Bank Borrowings	1,306	3,507	1,657
Trade and Other Payables	120	249	184
Deferred Consideration	-	-	300
Interest Rate Swap	15	-	15
Deferred Tax Liability	-	58	-
Total Liabilities	6,362	6,724	6,458
Net Assets	5,372	2,510	4,247

Trade and Other Debtors

- Accrued Revenue – £5.0m (Dec-14: £4.8m)
- 72% of accrued revenue receivable within 12 months
- Trade Debtors – £1.1m (Dec-14: £1.0m)

Net Debt

- £1.5m RCF shown as current borrowings
- £2.3m at 30 June 2015, down £0.8m, from £3.1m at 31 December 2014.

Group | Cash Flow Statement

Cash Flow Statement (£'000)	6m to June 2015	6m to June 2014	Year to 31 Dec 2014
Profit before income tax	1,765	1,154	2,981
Adjustments			
Depreciation	70	48	117
Amortisation	218	289	521
Share based payment costs	150	106	300
Contingent consideration	-	191	142
Finance expenditure	87	85	168
Other financial items	-	-	10
Cash flows before changes in working capital	2,290	1,874	4,240
Movement in working capital			
Increase in trade and other receivables	(445)	(1,123)	(2,553)
Increase in trade and other payables	63	109	50
Cash generated from operations	1,908	861	1,737
Income taxes paid	(635)	(109)	(133)
Net cash flows from operating activities	1,273	723	1,604
Cash flows from investing activities			
Contingent consideration paid	(50)	-	(750)
Acquisition of a subsidiary, net of cash acquired	-	(1,100)	(224)
Payments to acquire PPE	(422)	(313)	(380)
Payments to acquire intangible assets	-	(184)	(627)
Cash flows from financing activities			
New bank loans (net of debt issue costs)	-	1,500	1,500
Proceeds from equity fundraising	87	188	407
Repayment of bank loans	(350)	(350)	(700)
Interest on bank loans paid	(87)	(85)	(179)
Dividends paid	-	-	(797)
Repayment of hire purchase agreements	-	-	(9)
Increase /(Decrease) in cash and cash equivalents	450	379	(156)
Cash and cash equivalents brought forward	775	930	930
Cash and cash equivalents carried forward	1,225	1,309	775

Share Based Payment Costs

- Increased due to share options granted in respect of acquisition of Simply Business Energy

Contingent Consideration

- Part of the consideration in respect of DEP and Simply Business Acquisitions was classified as remuneration in FY14

Increase in Trade and Other Receivables

- £0.2m of movement in trade receivables as a result of increase in accrued revenue.

Cash Generated from Operations

- Cash generated : EBITDA of 78% compared to 45% in H1 2014.

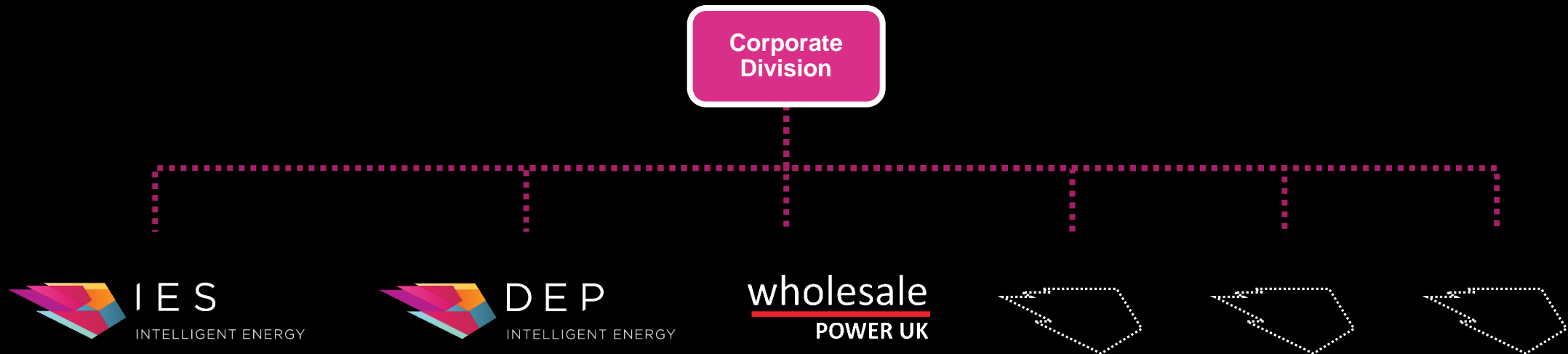
Group | Cash Generation

Cash Conversion (£'000)	H1 2015			Group Total	H1 2014			Group Total
	Corp	SME	PLC		Corp	SME	PLC	
Cash Generated	2,074	371	(537)	1,908	1,711	(546)	(300)	861
EBITDA	2,118	579	(238)	2,459	1,719	297	(94)	1,922
EBITDA Conversion	98%	67%		78%	100%	n/a		45%

- Group cash conversion of 78% in H1 2015, compared to 45% in H1 2014. Improvement as a result of SME division, as forecast, contributing significant cash to the Group following investment in staff headcount in H1 of 2014.
- Corporate cash conversion in H1 is affected by winter billing as cash is received for winter consumption in Q4 and Q1.
- SME division cash generation is not impact by seasonality.
- SME remains dependent on the timing of when contracts go live with 74% of revenue from suppliers who pay 60-100% of the contract value on live date.
- The Group remains focused on improving supplier payment terms within the SME division to improve cash conversion further.

Group | Outlook – Platform for growth

- The Group has made a strong start to H2 2015, providing a robust platform to deliver further growth for the full year
- Structures and people in situ to provide further organic growth
- Completed the acquisition of Wholesale Power UK Limited, and integration is going as planned
- Excellent position on which to add additional complementary acquisitions
- Increase in interim dividend to 0.10 pence (2014: 0.07 pence)





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