



Interim Results

To 30th June 2014



INSPIRED
ENERGY PLC

Highlights

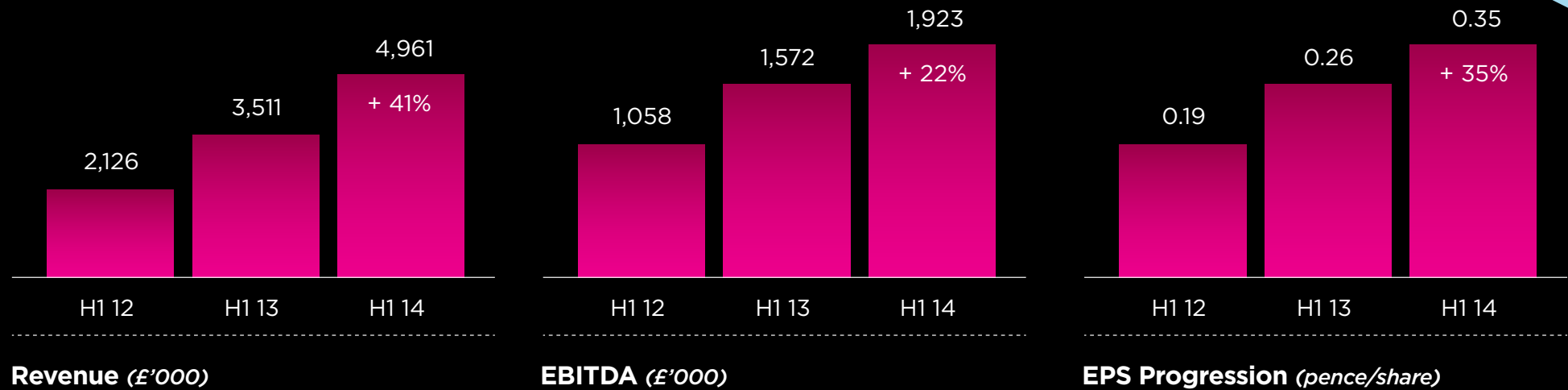
Financial
Highlights

Corporate
Division

SME
Division

3

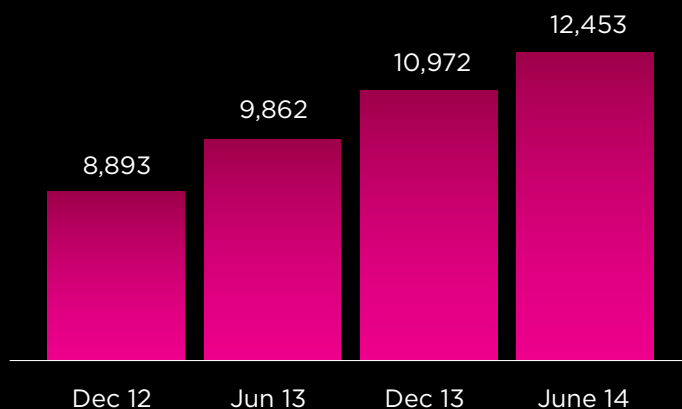
H1 FY14 – Financial Highlights



- Proposed interim dividend of 0.07 pence per share (2013: 0.05 pence per share)
- Contracted Corporate Order Book increased to £12.5m (H1 2013: £9.9m)
- SME revenue of £1.6 million

4

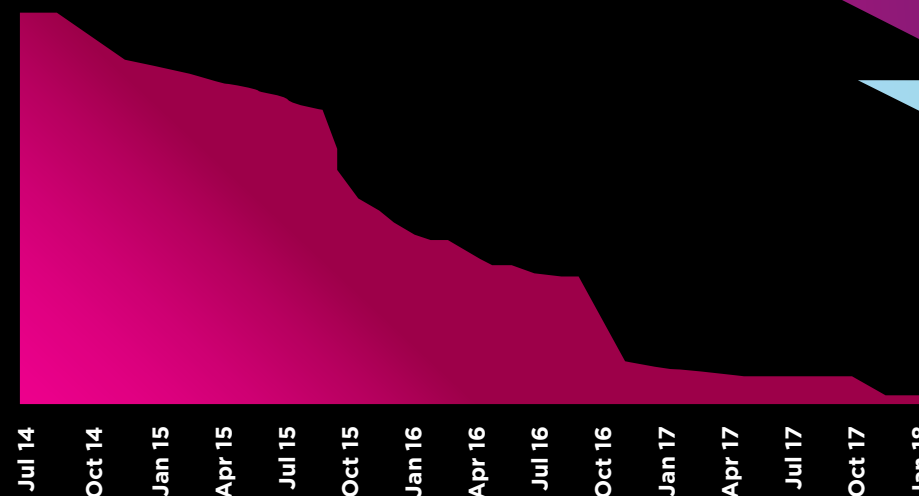
Corporate Division



Corporate Order Book (£'000)

Corporate Order Book Development

Order Book b/f at 1 Jan 2014	£11.0m
Order Book Sales in Period	£4.8m
Revenue Recognised in Period	(£3.3m)
Order Book c/f at 30 June 2014	£12.5m

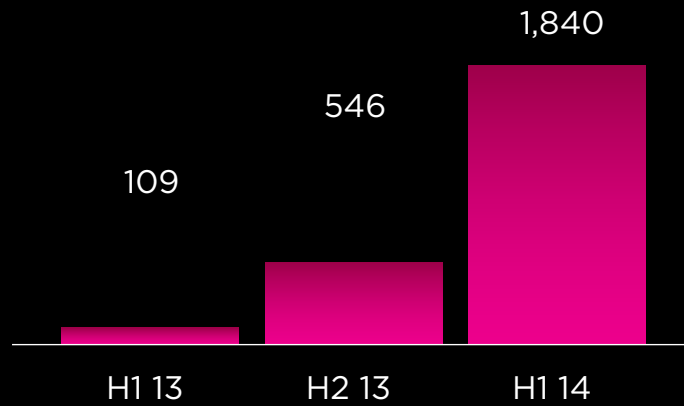


Corporate Cash Profile

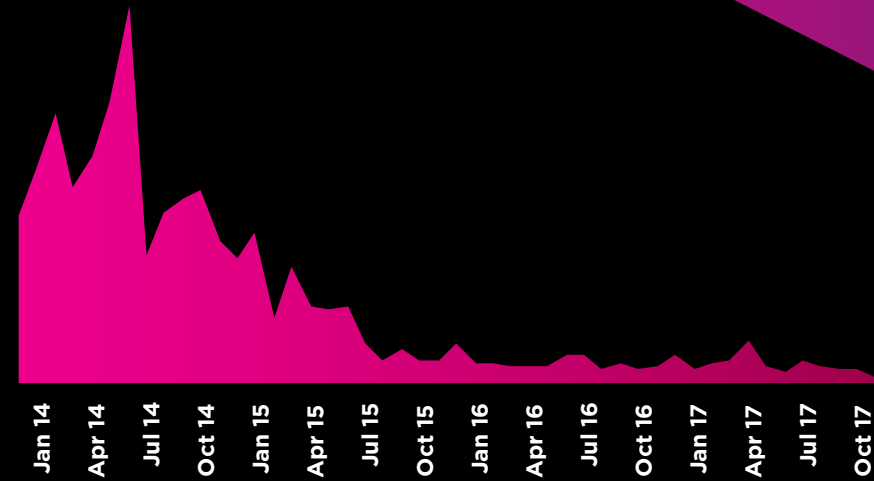
- **Continuation of strong growth in Corporate Division**
 - 13% growth in active clients
 - £1.5m growth in Order Book
- **Retention Rates**
 - Whole division – 85%
 - Risk Managed – 100%

5

SME Division

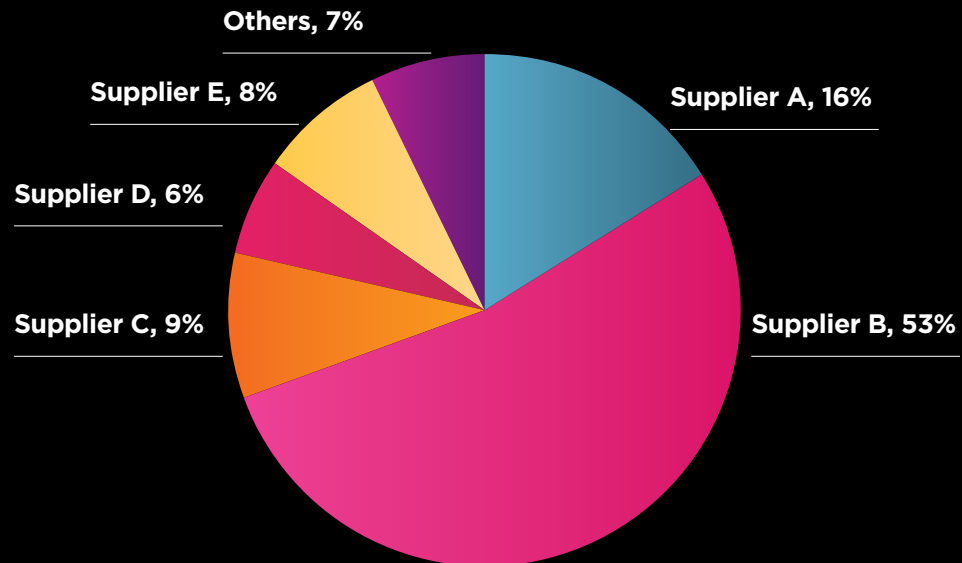


SME Sales (£'000)



SME Cash Profile

2014 Sales



Suppliers	%	Terms
Supplier A	16%	80% on live date
Supplier B	53%	60% on live date
Supplier C	9%	Monthly in arrears
Supplier D	6%	40%-60% on live date
Supplier E	8%	100% up front
Others	7%	Various



INSPIRED
ENERGY PLC

Inspired Group

Inspired
Group

Key Stats

Clients

7

Inspired Group



Through optimising energy procurement on behalf of its clients, Inspired enables its clients to achieve greater certainty of their energy costs and in many cases delivers significant savings.

Inspired Energy Solutions

- **Founder company**
- **Energy procurement and consultancy to UK and Irish corporates**
- **Risk Management team**

DEP

- **Acquired 2012**
- **UK Corporate, multi-site specialists**
- **Significant bureau focus**

EnergiSave

- **Began trading in Nov 2012**
- **SME customers; fixed price contracts**
- **Rapid growth from inception**

Simply Business Energy

- **Acquired in March 2014**
- **Online quoting platform**
- **Complements back office process of EnergiSave**

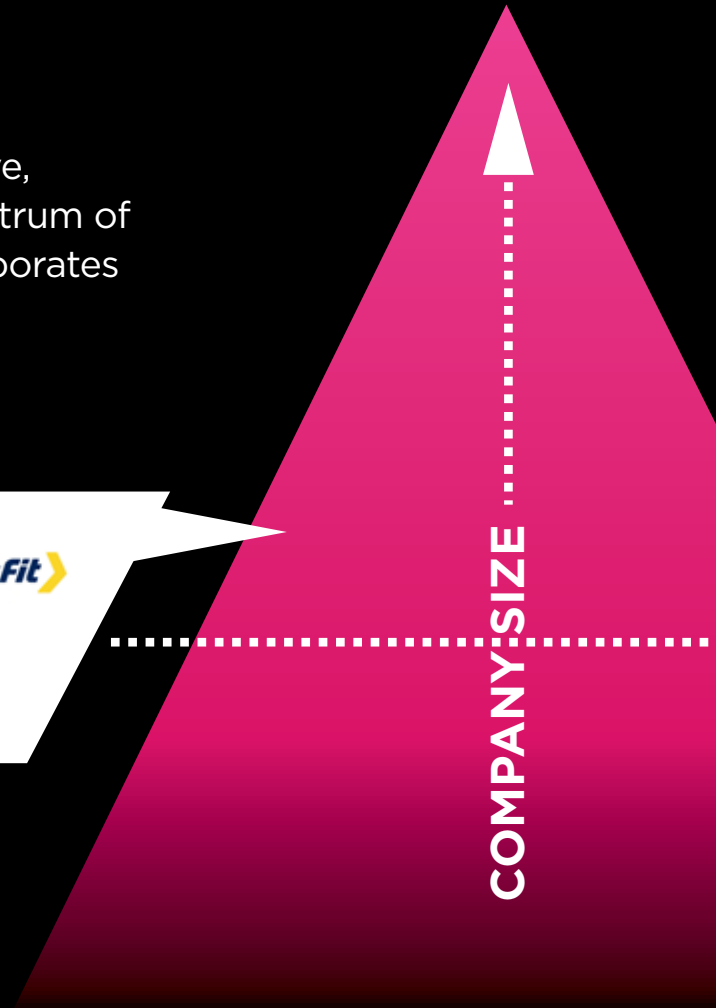
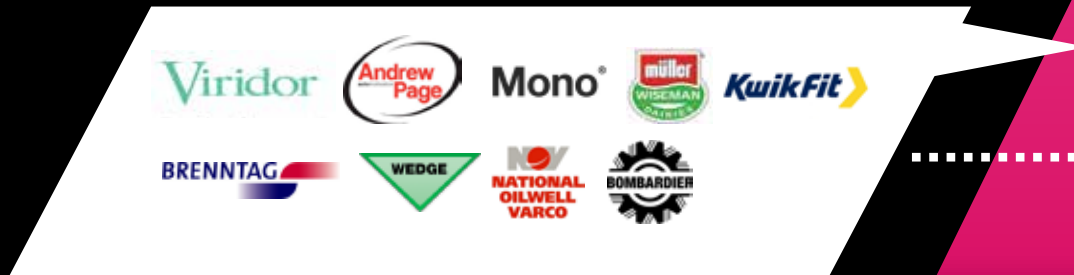
KWH

- **Acquired in March 2014**
- **Broker network**
- **Focus on larger SMEs**



8 Clients

Following the introduction of EnergiSave, the Group can now service the full spectrum of UK businesses, from multi-national Corporates to local micro-SMEs



Corporate

- Inspired Energy
- DEP

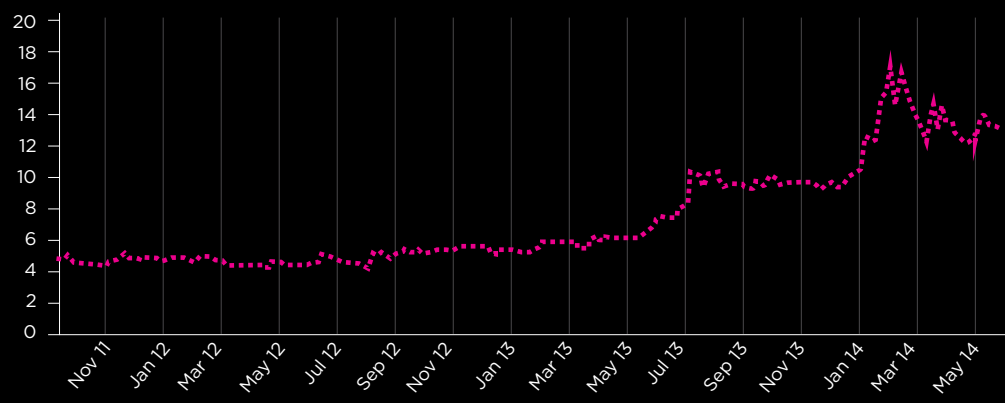
900 Clients
(Dec 13: 825)

SME

- EnergiSave
- KWH
- Simply

5,875 Clients
(Dec 13: 2,375)

Key Stats



Share Price Performance

- Floated on 28 November 2011 at 3.0p
- Progressive dividend policy
 - FY12 - 0.11p
 - FY13 - 0.17p
 - FY14 interim - 0.07p
- Ticker: INSE

Shareholder	Shares (m)	Holding (%)
Board		
Janet Thornton	69.5	17%
Matthew Thornton	69.5	17%
Praetura	35.2	8%
Bob Holt	7.5	2%
	181.7	44%
Significant Shareholders		
ISIS	47.6	11%
Octopus	25.5	6%
Miton	29.5	7%

Financials

Income
Statement

Cash Flow
Statement

Balance
Sheet

Normalised
Cash Flow

Income Statement

Unaudited Income Statement (£'000)

	6m to Jun 14	6m to Jun 13	Year to Dec 13
Turnover	4,961	3,511	7,618
Cost of Sales	(1,161)	(470)	(1,009)
Gross Profit	3,800	3,041	6,609
Administrative expenses	(1,877)	(1,469)	(3,061)
EBITDA before exceptional items	1,923	1,572	3,548
Adjusted EPS	0.35	0.26	0.67

Segmental Reporting	Corp	SME	Plc	Total
Revenue	3.3	1.6	-	5.0
Gross Profit	3.0	0.8	-	3.8
GP%	91%	47%	n/a	76%
EBITDA	1.7	0.3	(0.1)	1.9
EBITDA %	52%	19%	n/a	38%

- Corporate Division continues to show impressive EBITDA conversion from revenue
- The SME division is a new business and has seen significant growth in the period. As a result it has undertaken significant start up costs that have not contributed to revenue, profit or cashflow
- It is anticipated EBITDA margins will increase in future periods as recovery of fixed overhead occurs

Balance Sheet

Statement of Financial Position (£'000)

	30 June 2014	31 June 2013	31 Dec 2013
Non-Current Assets			
Intangible Assets	2,901	2,500	2,333
Fixed Assets	547	239	297
	3,448	2,739	2,630
Current Assets			
Trade and Other Debtors	4,476	1,952	3,369
Cash	1,310	2,911	930
	5,786	4,863	4,299
Total Assets	9,234	7,602	6,929
Current Liabilities			
Trade and Other Payables	881	594	707
Bank Borrowings	700	700	700
Current Tax Liability	828	814	608
Dividend Payable	500	446	621
Contingent Consideration	-	1,501	
	2,910	4,055	2,636
Non-Current Liabilities			
Bank Borrowings	3,507	2,706	2,357
Trade and Other Payables	249	-	313
Deferred Tax Liability	59	253	59
Interest Rate Swap	-	-	5
	3,814	2,959	2,733
Total Liabilities	6,724	7,015	5,370
Net Assets	2,510	586	1,559

Cash Flow Statement

Audited Statement of Cash Flows (£'000)	6m to Jun 14	6m to Jun 13	Year to Dec 13
Operating Profit	1,155	802	1,746
Depreciation, amortisation and finance expenditure	719	694	1,651
Cashflows before changes in working capital	1,874	1,496	3,397
Increase in trade and other receivables	(1,123)	457	(931)
(Increase)/Decrease in trade and other payables	109	(49)	328
Cash generated from operations	860	1,903	2,794
Income taxes paid	(137)	(366)	(768)
Net cash flows from operating activities	723	1,537	2,026
Contingent consideration	(1,100)	-	(1,100)
Payments to acquire intangible assets	(184)	-	-
Purchases of PPE and intangibles	(312)	(93)	(526)
Equity fundraising	187	28	167
Dividends	-	-	(649)
Financing	1,065	369	(58)
Increase /(Decrease) in cash and cash equivalents	380	1,841	(140)

Normalised Cash Flow

Statement of Cash Flows	As Reported (£'000)	Non- Recurring Items	Corporate Supplier Mix	Reversal of Up front payment	Non-contributing New Starters	Pro-Forma (£'000)
Profit before income tax	1,155					1,155
Depreciation, amortisation and finance expenditure	719					719
Cashflows before changes in working capital	1,874					1,874
Increase in trade and other receivables	(1,122)	42	140	65	43	(883)
Decrease in trade and other payables	109					109
Cash generated from operations	861	42	140	65	43	1,150
EBITDA	1,923					1,923
Cash / EBITDA conversion	45%					60%

- Non-Recurring Items include restructuring costs in relation to DEP relocation and the cost of set up of new SME teams and integration with new suppliers
- Within the Corporate Division, the MCM product is with a new supplier for Inspired. This supplier pays on a quarterly in arrears basis and, as the commission has grown on this product, there has been a one-off working capital outflow in respect of the MCM product
- In 2013, the business received an up-front payment from a large energy supplier. This was in order to help set up the new division and on-board a new SME product. This has reversed in the period.
- There has been a number of new starters in the year which have not yet made a contribution to revenue. This is not anticipated to continue into future periods as we have reached our target headcount within the SME division
- The Group has also undertaken a number of one-off capital expenditure items including the expansion and refurbishment of head office facilities and investment in the Group's websites and branding

Appendix 1: Board

Bob Holt, Non-Executive Chairman

- Chairman of Mears Plc and Green Compliance Plc
 - Significant AIM experience
-

Janet Thornton, Managing Director

- Founder of Inspired Energy
 - 20 years' industry experience
-

Matthew Thornton, Sales Director

- Established Risk Management division of Inspired
 - Team has 100% retention rate
-

David Foreman, Finance Director

- Founding partner of Praetura Capital LLP, a specialist investment company
 - Chartered accountant, trained at KPMG
-

Mike Fletcher, Non-Executive Director

- NED of Fairpoint Plc, Starcount Pte Ltd and Praetura Asset Finance Ltd
- Founding partner of Praetura Capital LLP