



Results to 31 December 2014

Highlights

Group | Financial Highlights

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Corporate Division

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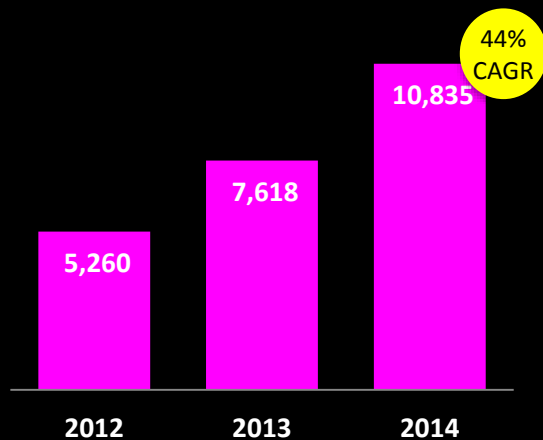
SME Division

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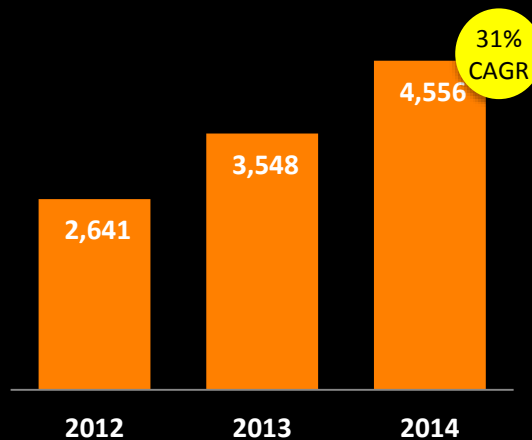


Group | Financial Highlights

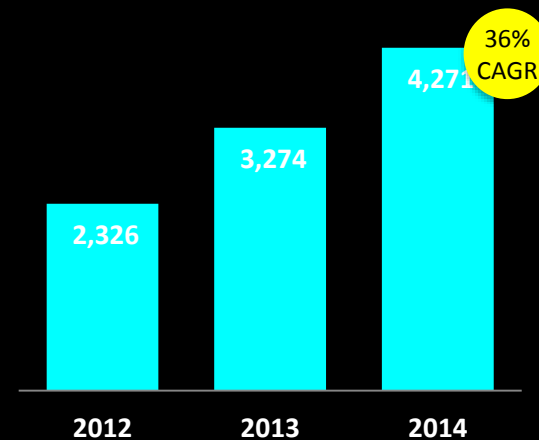
Revenue (£'000)



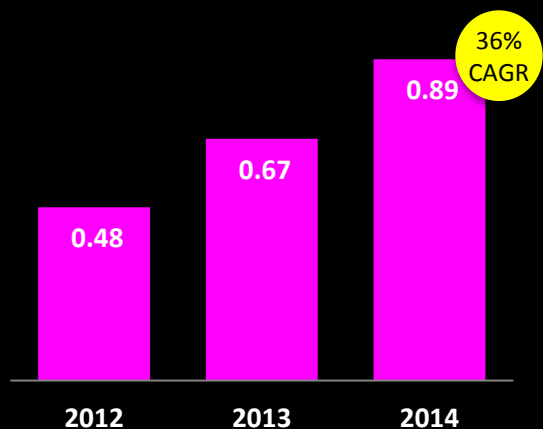
EBITDA (£'000)



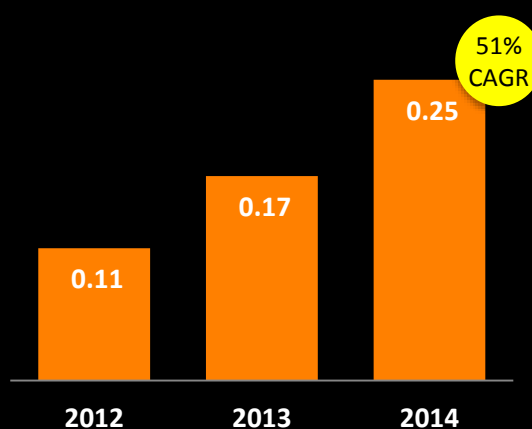
Adjusted PBT (£'000)



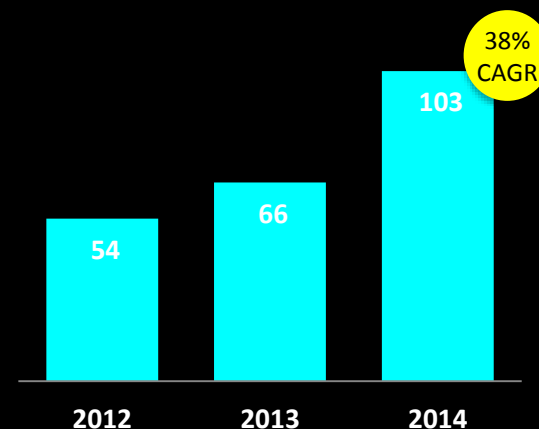
Adjusted EPS (pence)



Dividend (pence)



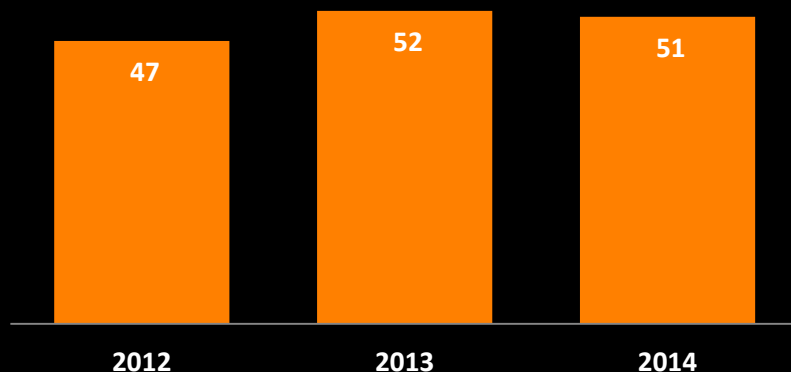
Headcount



Corporate | Overview

Corporate (£'000)	2014	2013	Var.
Revenue	7,200	6,174	+16%
Gross Profit	6,740	5,834	+15%
Gross Profit Margin (%)	93%	94%	
EBITDA	4,012	3,274	+22%
EBITDA Margin (%)	56%	53%	

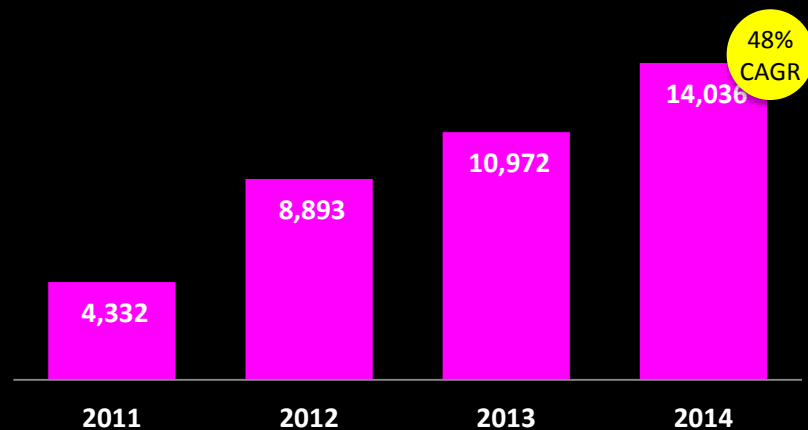
Headcount



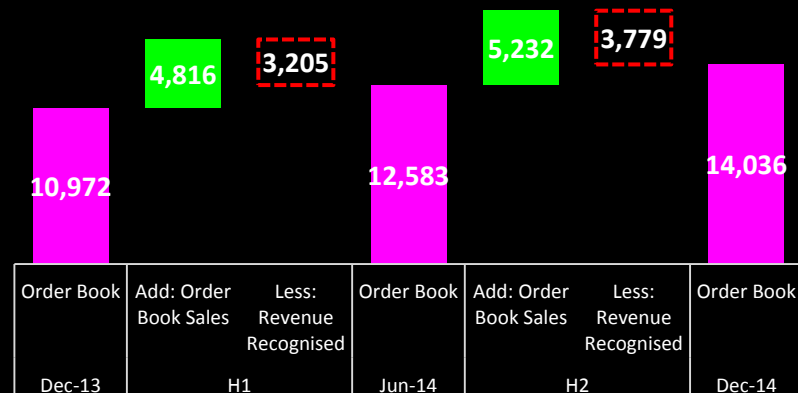
- Growth achieved with existing headcount
 - Demonstrates robustness of systems and processes
 - Infrastructure in place will allow for further growth without additional staff
- Relocation of Direct Energy Purchasing (DEP) to the Kirkham office to sit alongside Inspired Energy Solutions (IES)
 - Centralised telesales operation and rationalisation of central functions
 - Greater synergies between IES risk management team and DEP
- Continued development of MCM product portfolio within Risk Managed division
- Significant Client Wins
 - FM Conway
 - Formica Group
 - ECOPlastics Recycling Group

Corporate | KPIs

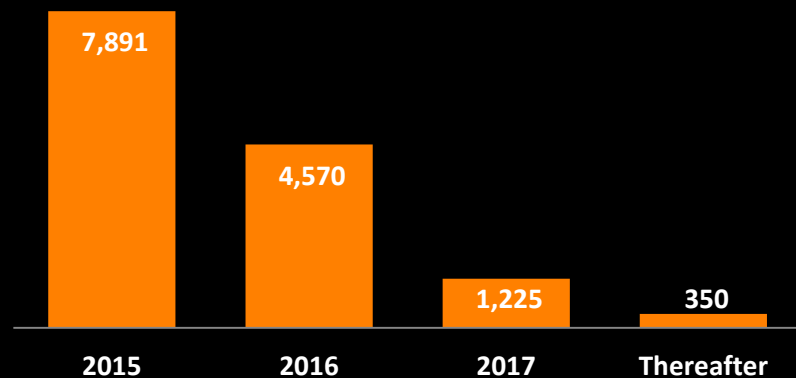
Order Book (£'000)



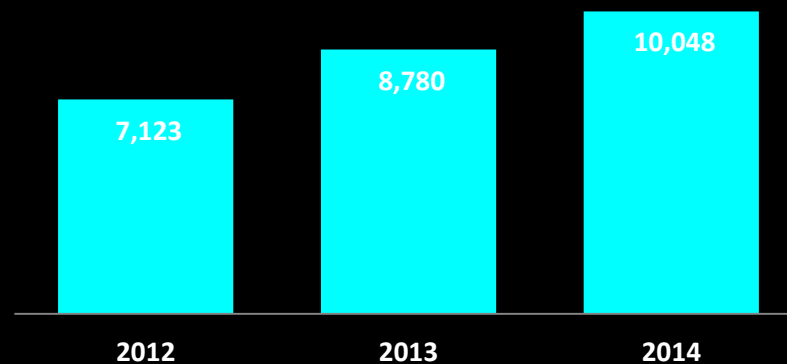
Order Book Bridge (£'000)



Secured Revenue Profile (£'000)



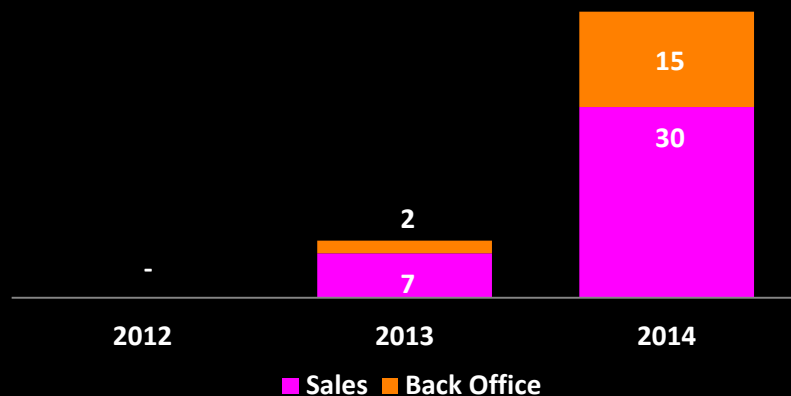
Order Book Sales (£'000)



SME | Overview

SME (£'000)	2014	2013	Var.
Revenue	3,634	1,443	+152%
Gross Profit	1,783	774	+130%
Gross Profit Margin (%)	49%	50%	
EBITDA	1,155	440	+163%
EBITDA Margin %	31%	25%	

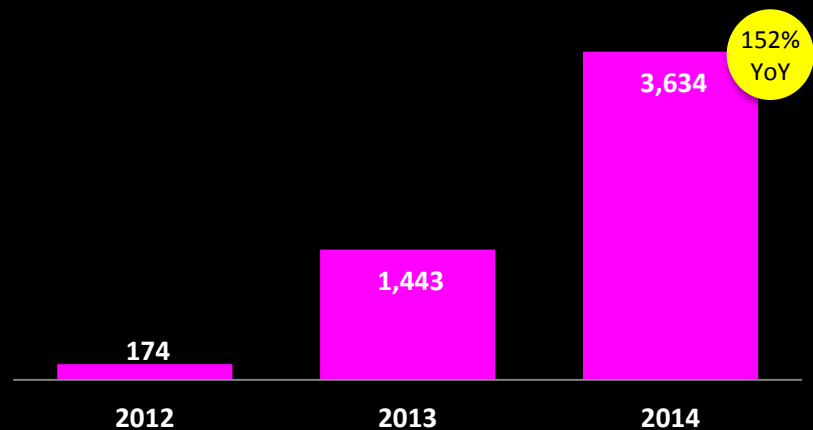
Headcount



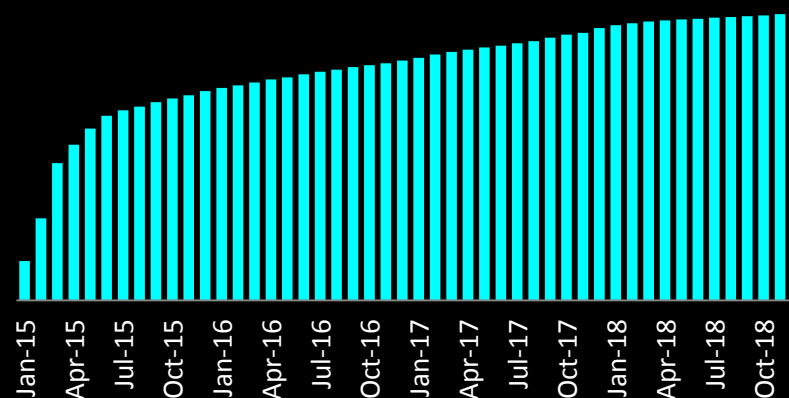
- Successful acquisition and integration of Simply Business Energy Limited and KWH Consulting Limited
 - SBE has provided the Group with a fully automated operational online quoting platform for SME customers enhancing the platform for growth
 - As an umbrella broker network KWH strengthened the Group's SME energy supplier relationships
- Strong uptake of EnergiSave product
- Implementation of end to end CRM and contracts management system
- Investment in compliance
 - Separate autonomous division
 - All calls reviewed
- Significant increase in infrastructure and process resulting in fit for purpose platform from which to continue rapid growth
- EBITDA Margin has increased to 31% from 19% for the six months ended 30 June 2014 as consultants introduced in H1 have begun to reach maturity

SME | KPIs

Revenue (£'000)

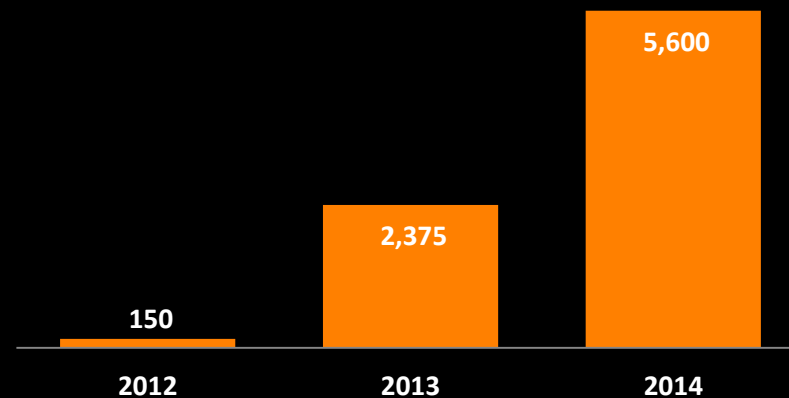


Cumulative SME Cash Forecast



Suppliers	H1	H2	Terms
Supplier A	16%	22%	80% on live date
Supplier B	53%	53%	60% on live date
Supplier C	6%	8%	40% - 60% on live date
Supplier D	9%	5%	Monthly in arrears
Others	7%	12%	Various

Clients



Financials

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Group | Income Statement

Income Statement (£'000)	31 Dec 2014	31 Dec 2013
Revenue	10,835	7,618
Cost of Sales	(2,312)	(1,009)
Gross Profit	8,524	6,609
Margin	79%	87%
Employment Costs	(2,699)	(2,219)
Other Administrative Costs	(1,269)	(842)
EBITDA	4,556	3,548
EBITDA Margin	42%	47%
Depreciation	(116)	(50)
Finance Expenditure	(169)	(224)
Adjusted PBT	4,271	3,274
Stated after:		
Exceptional Costs	458	358
Share Based Payment Costs	299	212

Margin

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

Employment Costs

- Increase in employment costs predominantly in SME and Central

Exceptional Costs

- Acquisition Fees - £50k
- Consideration - £141k
- Restructuring of DEP and Ireland - £267k

Group | Statement of Financial Position

Statement of Financial Position (£'000)	31 Dec 2014	31 Dec 2013
Non-Current Assets		
Intangible Assets	3,120	2,333
Fixed Assets	560	297
Deferred tax asset	50	-
Current Assets		
Trade and Other Debtors	6,200	3,369
Cash	775	930
Total Assets	10,705	6,929
Current Liabilities		
Trade and Other Payables	892	707
Bank Borrowings	2,200	700
Deferred consideration	50	-
Contingent Consideration	-	608
Current Tax Liability	1,160	621
Non-Current Liabilities		
Bank Borrowings	1,657	2,357
Trade and Other Payables	184	313
Deferred Consideration	300	-
Interest Rate Swap	15	5
Deferred Tax Liability	-	59
Total Liabilities	6,458	5,369
Net Assets	4,247	1,559

Trade and Other Debtors

- Accrued Revenue – £4.8m (2013: £2.0m)
- Trade Debtors – £1.0m (2013: £0.7m)

Bank Borrowings

- £1.5m RCF shown as current borrowings

Deferred Consideration

- KWH - £50k (cash)

Deferred Consideration

- Simply - £300k (shares)

Group | Cash Flow Statement

Cash Flow Statement (£'000)		31 Dec 2014	31 Dec 2013
Profit before income tax		2,981	1,746
Adjustments			
Depreciation		117	50
Amortisation		521	948
Share based payment costs		300	212
Contingent consideration		142	207
Finance expenditure		168	224
Other financial items		10	10
Cash flows before changes in working capital		4,240	3,397
Movement in working capital			
Increase in trade and other receivables		(2,553)	(931)
Increase in trade and other payables		50	329
Cash generated from operations		1,737	2,794
Income taxes paid		(133)	(768)
Net cash flows from operating activities		1,604	2,026
Cash flows from investing activities			
Contingent consideration paid		(750)	(1,100)
Acquisition of a subsidiary, net of cash acquired		(224)	-
Payments to acquire PPE		(380)	(115)
Payments to acquire intangible assets		(627)	(388)
Cash flows from financing activities			
Repayment of loan facility		-	(2,989)
New bank loans (net of debt issue costs)		1,500	3,500
Proceeds from equity fundraising		407	167
Repayment of bank loans		(700)	(350)
Interest on bank loans paid		(179)	(229)
Dividends paid		(797)	(650)
Repayment of hire purchase agreements		(9)	(13)
Increase /(Decrease) in cash and cash equivalents		(156)	(140)
Cash and cash equivalents brought forward		930	1,070
Cash and cash equivalents carried forward		775	930

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 is classified as remuneration

Increase in Trade and Other Receivables

- Increase in Corporate due to mix of suppliers
- Increase in SME is accrued revenue increase, reflecting 90% up front revenue recognition policy

Cash Generated from Operations

- Cash generated : EBITDA of 39%
- This is skewed by investment in SME
- More detail provided on page 11

Contingent Consideration

- Final payment made in respect of DEP
- Payment made in March 2014

New Bank Loans

- Drawdown of £1.5m RCF to fund acquisition of Simply and to provide working capital for the Group

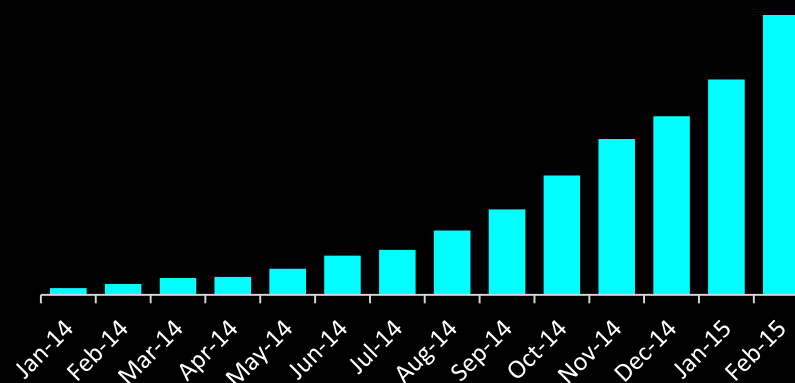
Group | Cash Generation

Cash Conversion (£'000)	Division			Group Total
	Corp	SME	PLC	
H1	1,711	(546)	(300)	861
H2	1,126	104	(350)	876
Total	2,837	(450)	(650)	1,737
EBITDA	4,000	1,155	(611)	4,550
EBITDA Conversion	71%	n/a		38%

Corporate Cash Conversion

- Corporate cash generation is affected by winter billing as cash is received c. 2-3 months post usage:
 - Winter usage in Q4 is received in Q1 of following year
 - Winter usage in Q1 is received in Q2
- Q1 2015 Corporate cash receipts are materially higher than Q1 2014 and than Q4 2014

SME | Cumulative Cash Received



SME Cash Conversion

- SME division became cash positive in H2 of 2014 following significant investment in staff headcount in H1 of 2014
- SME division cash generation is not impacted by seasonality
- SME cash generation is dependent on the timing of when contracts go live with 75% of revenue from suppliers who pay 60-80% of the contract value on live date
- Expected that SME division will contribute materially to Group cash generation in 2015

Outlook

- Strong growth across both divisions delivered performance above market expectations in 2014
- 2015 has started strongly, with both divisions performing ahead of the Board's expectations
- Strong structural growth trend within the energy consultancy sector continues, which will benefit the Group in the year ahead
- Increase in full year dividend to 0.25 pence demonstrates confidence

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