

# Final Results to 31 December 2013

March 2014



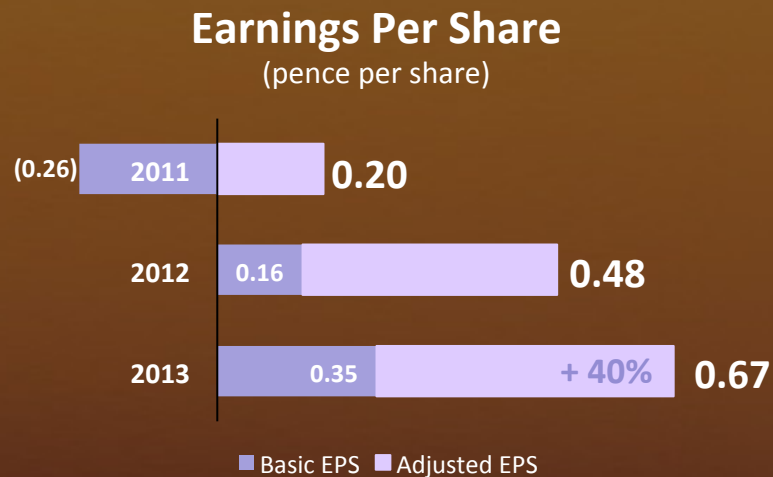
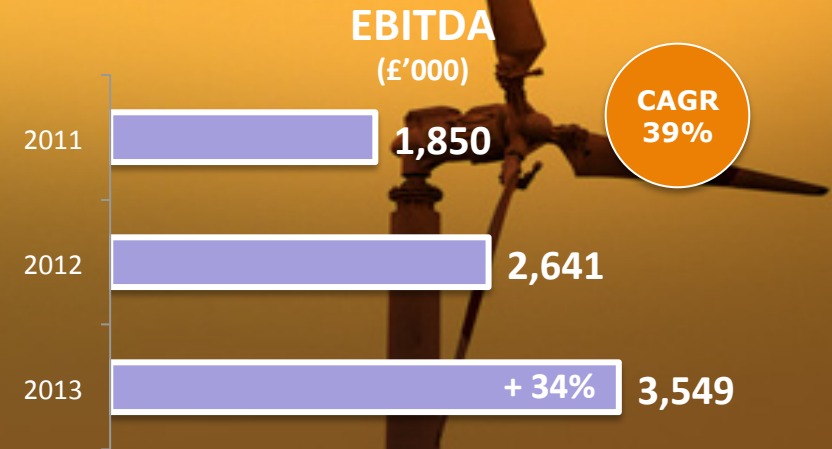
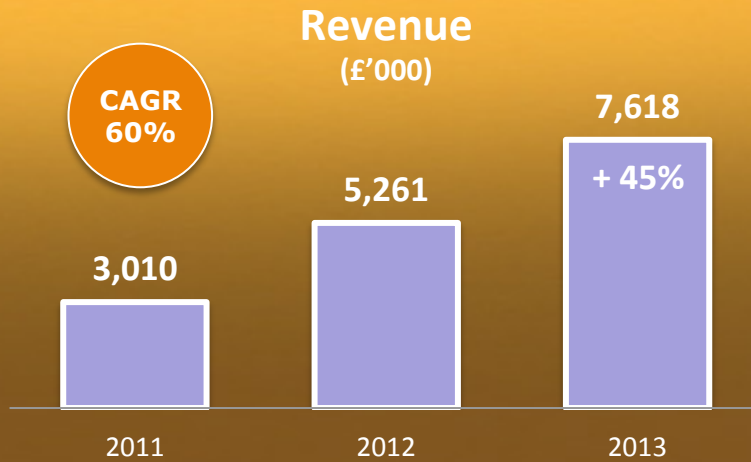
The image features a warm, orange-toned background with abstract, overlapping geometric shapes in lighter shades of orange and yellow. In the foreground, the silhouettes of several wind turbines are visible, their towers and nacelles extending upwards. The overall composition is clean and modern, emphasizing renewable energy.

# Highlights

# Overview

- Strong year for the Inspired Group which delivered record profits
- Corporate Division grew strongly increasing its client base by 32% to 825
- SME Division launched with EnergiSave which outperformed initial expectations
  - 2,375 customers in year one
- Continued significant investment in staff
- Proposed final dividend of 0.12 pence (total for the year of 0.17 pence) (2012: 0.11 pence)
- Completed two SME acquisitions post year end to bolster SME division

# Financial Highlights



# Operational Highlights



## Corporate

- Significant uptake of Multi Customer Management (MCM) product
- Reinvigoration of new sales within DEP
- Improved client retention levels
  - Corporate: 85%
  - Risk Managed: 100%
- Improved management reporting
- Increased forecasting capability
  - 2013 revenue at 102% of expectation at point of contract sale

## SME

- Significant investment in staffing
- Increased new long term SME product range
- Secured 4 new SME suppliers
- Acquired additional capability through acquisition of Simply and kWh
  - Online platform
  - Broker network
  - Heavyweight team

# Inspired Group



# 7 Inspired Group



## 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

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

## KWH

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

# Products & Services

	Corporate	SME
<b>Contracts</b>		
Fixed price contracts	✓	✓
Flexible contracts	✓	
Risk Management	✓	
<b>Additional Services</b>		
Administrative support	✓	✓
Bill validation	✓	
Retrospective audits	✓	
<b>Average annual value of contract</b>	<b>£4,068</b>	<b>£380</b>



# Clients

Following 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

825  
Clients



Company Size

## SME

- EnergiSave
- KWH
- Simply

2,375  
Clients

# Financials

# 11 Financial Highlights

Year Ended 31 December (£'000)	2013	2012	Growth
<b>Income Statement</b>			
Revenue (£'000)	7,618	5,261	45%
EBITDA* (£'000)	3,548	2,641	34%
Adjusted EPS (pence/share)	0.67p	0.48p	40%
Proposed Dividend (pence/share)	0.17p	0.11p	55%
<b>Cashflow Statement</b>			
Operating Cash Flow (£'000)	2,026	709	186%
Cash Flow Conversion (£'000)	57%	27%	111%
<b>Balance Sheet</b>			
Net Debt (£'000)	2,126	1,825	16%
Net Debt / EBITDA	0.59x	0.70x	(16%)

- before exceptional costs and share-based payments costs

# 12 Income Statement

<b>Audited Income Statement (£'000)</b>	<b>2013</b>	<b>2012</b>	<b>Growth</b>
<b>Turnover</b>	<b>7,618</b>	<b>5,261</b>	<b>45%</b>
<b>Cost of Sales</b>	<b>(1,009)</b>	<b>(284)</b>	<b>255%</b>
<b>Gross Profit</b>	<b>6,609</b>	<b>4,977</b>	<b>33%</b>
<b>Administrative expenses</b>	<b>(3,061)</b>	<b>(2,336)</b>	<b>31%</b>
<b>EBITDA before exceptional items</b>	<b>3,548</b>	<b>2,641</b>	<b>34%</b>
<b>Adjusted EPS</b>	<b>0.67</b>	<b>0.48</b>	<b>40%</b>

# Statement of Financial Position

Statement of Financial Position (£'000)	31 Dec 2013	31 Dec 2012
<b>Non-Current Assets</b>		
Intangible Assets	2,333	2,893
Fixed Assets	297	198
	<u>2,630</u>	<u>3,091</u>
<b>Current Assets</b>		
Trade and Other Debtors	3,369	2,438
Cash	930	1,070
	<u>4,299</u>	<u>3,508</u>
<b>Total Assets</b>	<u>6,929</u>	<u>6,599</u>
<b>Current Liabilities</b>		
Trade and Other Payables	707	542
Bank Borrowings	700	524
Contingent Consideration	608	1,000
Current Tax Liability	621	870
	<u>2,636</u>	<u>2,936</u>
<b>Non-Current Liabilities</b>		
Bank Borrowings	2,357	2,372
Trade and Other Payables	313	103
Contingent Consideration	-	527
Interest Rate Swap	5	26
Deferred Tax	59	254
	<u>2,734</u>	<u>3,256</u>
<b>Total Liabilities</b>	<u>5,370</u>	<u>6,192</u>
<b>Net Assets</b>	<u>1,559</u>	<u>408</u>

# 14 Cash Flow Statement

<b>Audited Statement of Cash Flows (£'000)</b>	<b>2013</b>	<b>2012</b>
<b>Profit before income tax</b>	<b>1,746</b>	<b>890</b>
Depreciation, amortisation and finance expenditure	<b>1,651</b>	<b>1,321</b>
<b>Cashflows before changes in working capital</b>	<b>3,397</b>	<b>2,211</b>
Increase in trade and other receivables	<b>(931)</b>	<b>(1,132)</b>
(Increase)/Decrease in trade and other payables	<b>328</b>	<b>45</b>
<b>Cash generated from operations</b>	<b>2,794</b>	<b>1,124</b>
Income taxes paid	<b>(768)</b>	<b>(414)</b>
<b>Net cash flows from operating activities</b>	<b>2,026</b>	<b>710</b>
Contingent consideration	<b>(1,100)</b>	-
Consideration, net of cash acquired	-	<b>(844)</b>
Purchases of PPE and intangibles	<b>(526)</b>	<b>(266)</b>
Equity fundraising	<b>167</b>	<b>941</b>
Dividends	<b>(649)</b>	-
Financing	<b>(58)</b>	<b>(728)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(140)</b>	<b>(187)</b>
<b>Net Debt</b>	<b>2,126</b>	<b>1,825</b>
<b>Net Debt / EBITDA</b>	<b>0.59x</b>	<b>0.70x</b>



# Key Performance Indicators

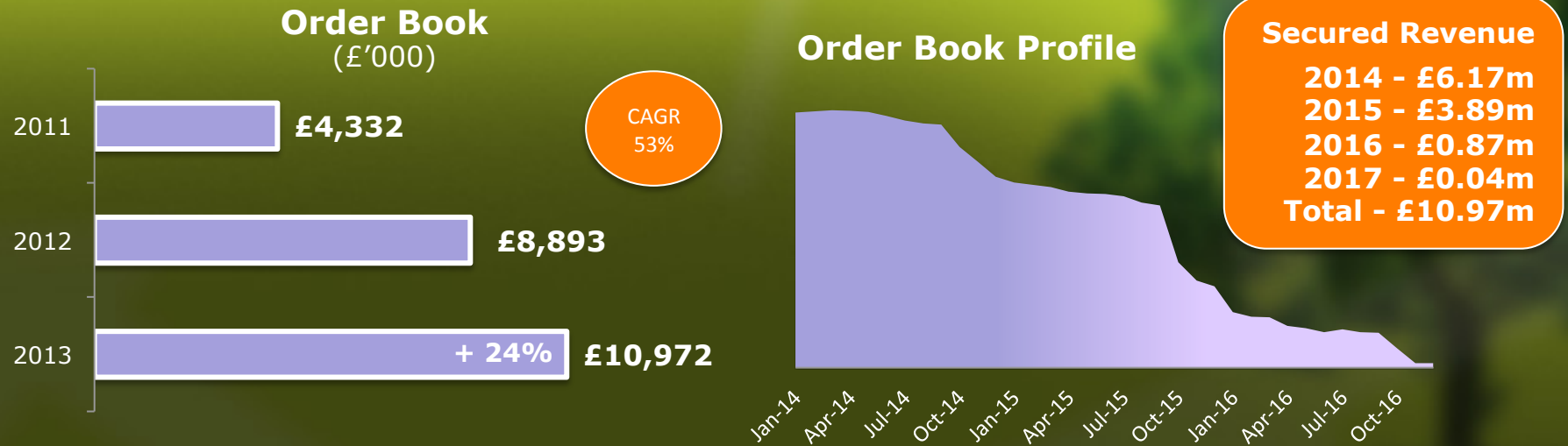
# Corporate Division



- Strong year of growth within Corporate division
- 32% growth in active clients
- 21% growth in turnover
- Retention Rates
  - Whole division – 85%
  - Risk Managed – 100%
- Contract performance vs estimated revenue at time of contract: 102%



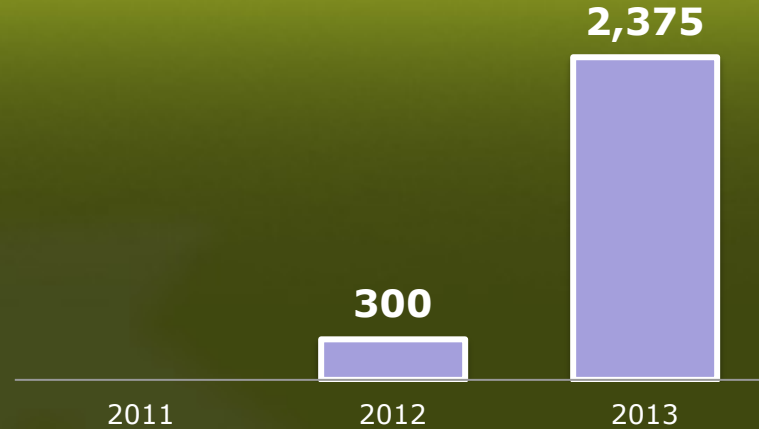
# Corporate Order Book



- Corporate Order Book demonstrates significant growth
- Growth in Order Book is an indicator of future revenue growth
- £6.17m of revenue secured for 2014
  - Corporate revenue in 2013 was £6.18m

# SME Division

### SME Customers



### SME Revenue (£'000)



- From a standing start, SME division has grown to £1.3m of revenue
- Continued investment in division planned
- Profitability of new products beginning to come through
- 39 Sales Agents as at 31 December 2013

# Outlook



# Outlook

- Maintain traction of accelerated growth rates achieved to date
- Integrate and optimise the operational benefits of recent acquisitions to enhance the SME Division
- Q1 2014 has exceeded expectations and we are looking to further build on the strong start to the year and expand our client reach, both by sector, size and geographic reach



# 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

