



# Half Year Presentation

Results to 30 June 2016



INSPIRED  
ENERGY PLC



## Inspired Energy PLC Group

Information & Highlights

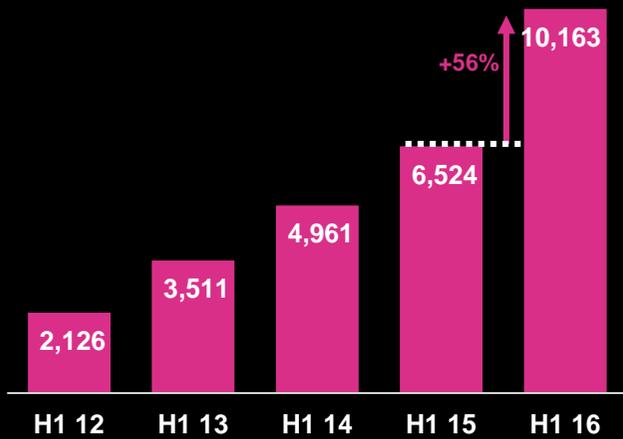
The Board, left to right: David Foreman, Mike Fletcher, Matthew Thornton, Janet Thornton, Bob Holt, Paul Connor



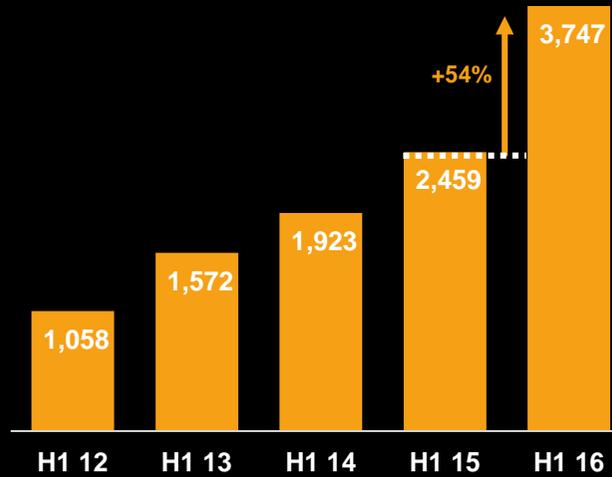
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# Group | H1 FY16 Financial Highlights

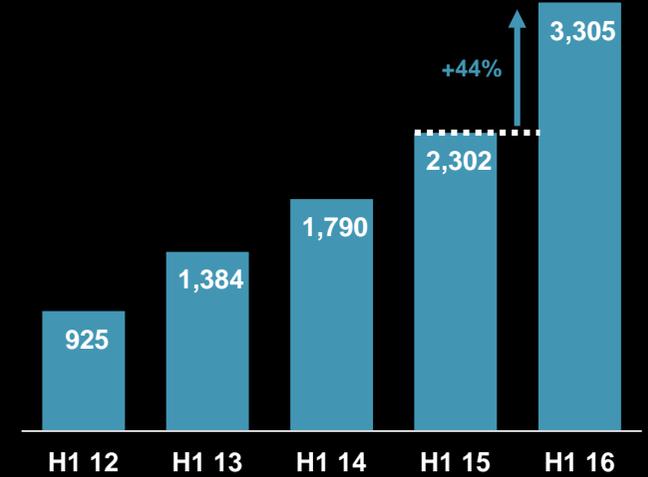
### Revenue (£'000)



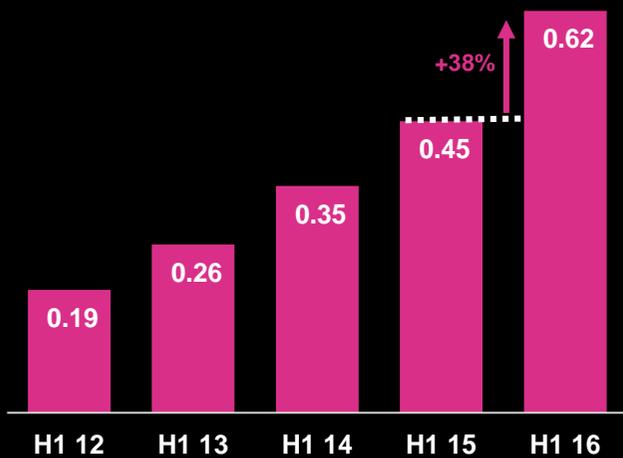
### EBITDA (£'000)



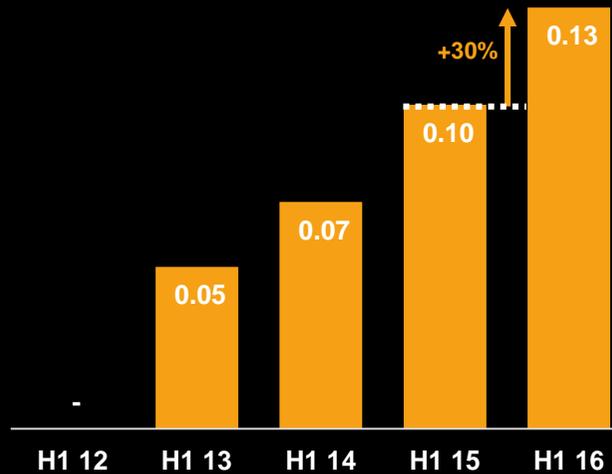
### Adjusted PBT (£'000)



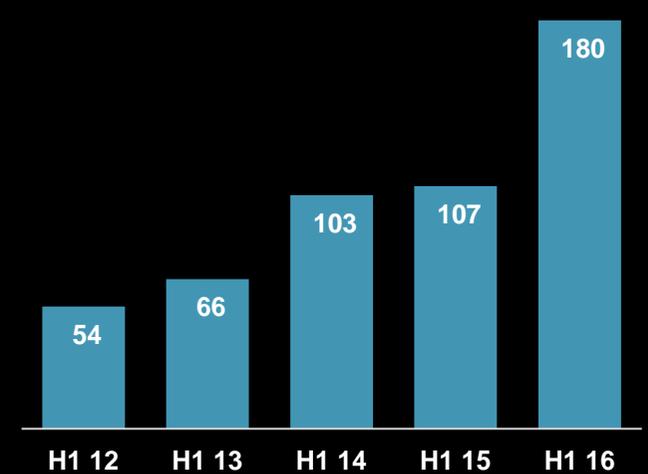
### Adjusted EPS



### Interim Dividend



### Headcount



# Group | Overview & Structure



## Corporate Division



**IES**  
INDUSTRIAL &  
COMMERCIAL ENERGY

- Founder company
- Commercial & industrial energy
- Risk management team



**STC**  
ENERGY MANAGEMENT  
SPECIALISTS

- Acquired November 2015
- UK leading bureau & estate management
- Broad range of bureau, billing and management products and services



**DEP**  
MULTI-SITE  
ENERGY SPECIALISTS

- Acquired 2012
- Multi-site specialists
- Significant bureau focus



**WPUK**  
INTEGRATED  
ENERGY SOLUTIONS

- Acquired July 2015
- Integrated corporate energy solutions
- Corporate energy management services

## SME Division



**ESO**  
INTELLIGENT ENERGY

- Began trading in Nov 2012
- Fixed price SME contracts
- Rapid growth from inception



**KWH**  
INTELLIGENT ENERGY

- Acquired in March 2014
- Energy, utilities & telecoms
- Focus on larger SMEs



**simply business energy**

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



## Corporate Division

Information & Performance



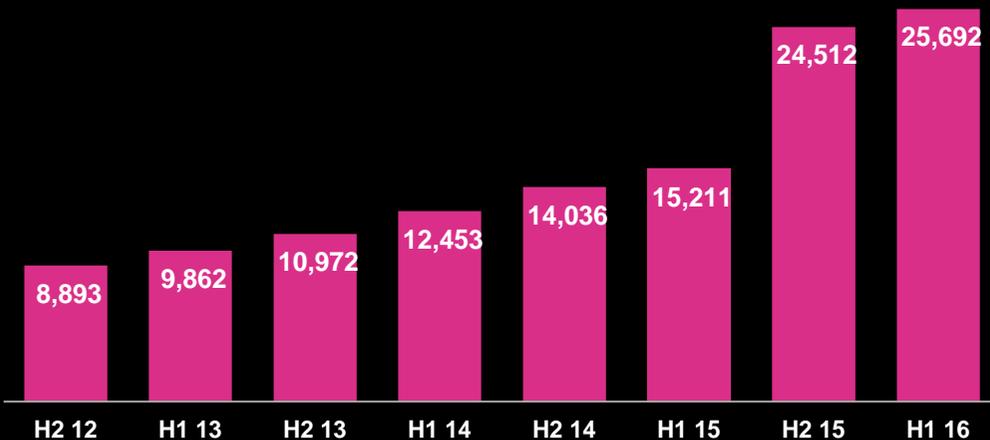
# Corporate Division | H1 FY16 Overview

Corporate (£'000)	H1 2016	H1 2015	Var.
Revenue	7,498	4,354	+72%
Gross Profit	6,591	3,745	+76%
Gross Profit Margin (%)	88%	86%	
<b>EBITDA</b>	<b>3,234</b>	<b>2,118</b>	<b>+53%</b>
EBITDA Margin (%)	43%	49%	

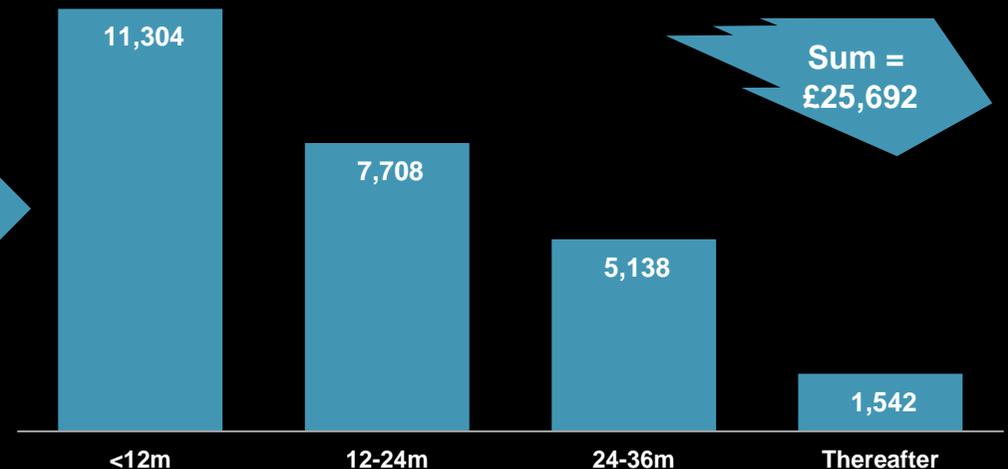
Headcount

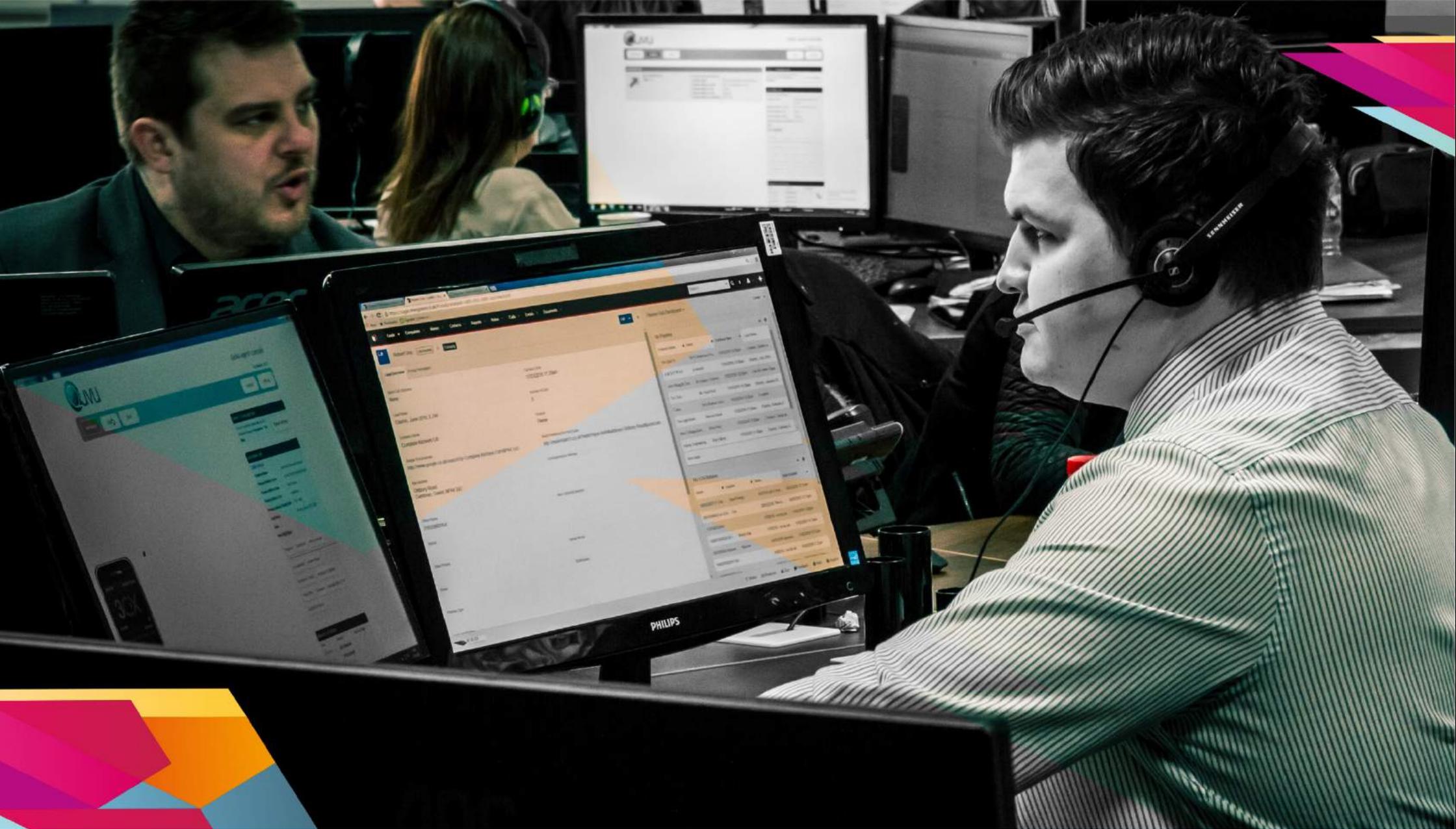


Order Book (£'000)



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





## SME Division

Information & Performance





- Began trading in Nov 2012
- Fixed price SME contracts
- Rapid growth from inception



- Acquired in March 2014
- Energy, utilities & telecoms
- Focus on larger SMEs



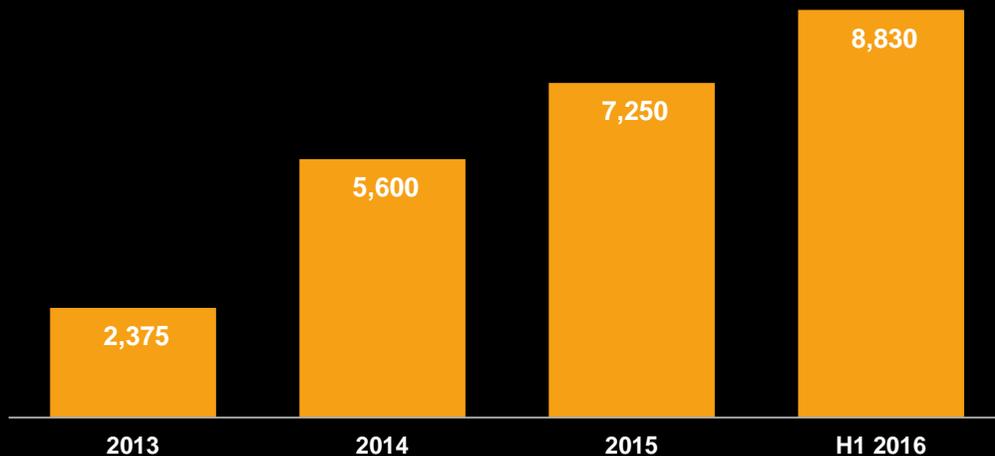
- Acquired in March 2014
- Online quoting platform
- Complements back office process of ESO

# SME | H1 2016 Overview

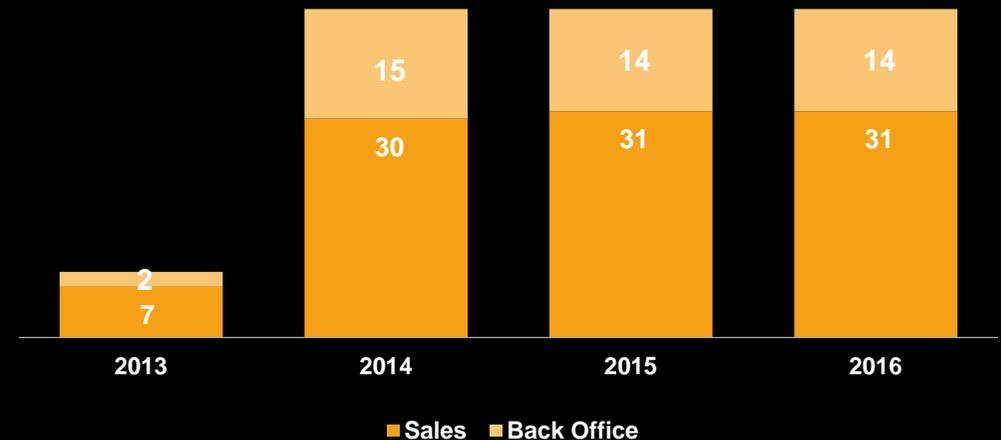
SME (£'000)	H1 2016	H1 2015	Var.
Revenue	2,606	2,110	24%
Gross Profit	1,300	1,093	19%
Gross Profit Margin (%)	50%	52%	
<b>EBITDA</b>	<b>868</b>	<b>579</b>	<b>50%</b>
<b>EBITDA Margin %</b>	<b>33%</b>	<b>27%</b>	

Revenue by Suppliers	H1 2016	FY 2015	Terms
Supplier A	24%	21%	80% on live date
Supplier B	53%	46%	80% on live date
Supplier C	1%	4%	100% on live date
Supplier D	2%	2%	80% on live date
Supplier E	6%	7%	Monthly in arrears
Others	14%	20%	Various

Clients



Headcount





# Financial Statements

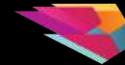
Group Performance



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IES  
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DEP  
INTELLIGENT ENERGY



ESO  
INTELLIGENT ENERGY



KWH  
INTELLIGENT ENERGY

wholesale  
POWER UK

simply | business  
energy

# Group | Income Statement

Income Statement (£'000)	6m to June 2016	6m to June 2015	Year to 31 Dec 2015
<b>Revenue</b>	<b>10,163</b>	<b>6,524</b>	<b>15,188</b>
Cost of Sales	(2,212)	(1,626)	(3,622)
Gross Profit	7,951	4,898	11,566
<b>Margin</b>	<b>78%</b>	<b>75%</b>	<b>76%</b>
Administrative Expenses	(4,204)	(2,439)	(5,877)
<b>EBITDA</b>	<b>3,747</b>	<b>2,459</b>	<b>5,689</b>
<b>EBITDA Margin</b>	<b>37%</b>	<b>38%</b>	<b>37%</b>
Depreciation	(197)	(71)	(194)
Finance Expenditure	(244)	(87)	(359)
<b>Adjusted PBT</b>	<b>3,306</b>	<b>2,301</b>	<b>5,136</b>
Stated after:			
Exceptional Costs	151	169	480
Share Based Payment Costs	156	150	313

### Revenue

- £10.163m Group revenue in H1 2016, split 74% Corporate division, 26% SME division
- 2015: 67% Corporate and 33% SME
- Revenue contributed by FY15 acquisitions, WPUK + STC in the 6m to 30 June 2016, £2.7m.

### Gross Profit + EBITDA Margin

- Margins broadly inline with FY15.
- H1 2016 vs H1 2015 margins rising due to increased revenue contribution from Corporate division.

### Exceptional Costs

- Deal Fees - £53k
- Restructuring costs- £98k

# Group | Statement of Financial Position

Statement of Financial Position (£'000)	6m to June 2016	6m to June 2015	Year to 31 Dec 2015
<b>Non-Current Assets</b>			
Tangible & Intangible Assets	8,049	3,190	8,898
Goodwill	9,401	624	9,401
Deferred Tax Asset	-	50	-
<b>Current Assets</b>			
Trade and Other Debtors	10,574	6,645	9,460
Cash	1,775	1,225	1,605
<b>Total Assets</b>	<b>29,799</b>	<b>11,734</b>	<b>29,364</b>
<b>Current Liabilities</b>			
Trade and Other Payables	1,447	1,019	1,357
Bank Borrowings	1,513	2,200	2,000
Contingent Consideration	457	-	1,655
Dividend Payable	-	772	-
Current Tax Liability	920	930	1,144
<b>Non-Current Liabilities</b>			
Bank Borrowings	8,340	1,306	8,491
Trade and Other Payables	54	120	50
Contingent Consideration	1,486	-	1,788
Interest Rate Swap	-	15	77
Deferred Tax Liability	1,538	-	1,495
<b>Total Liabilities</b>	<b>15,755</b>	<b>6,362</b>	<b>18,057</b>
<b>Net Assets</b>	<b>14,044</b>	<b>5,372</b>	<b>11,307</b>

#### Trade and Other Debtors

- Accrued Revenue – £7.7m (Dec-15: £6.7m)
- 72% of accrued revenue receivable within 12 months
- Trade Debtors – £1.9m (Dec-15: £1.9m)

#### Net Debt

- £8.1m at Jun-16 (£8.9m at Dec-15)

#### Contingent Consideration

- £1.9m relating to STC and WPUK
  - £0.7m WPUK
  - £1.2m STC

# Group | Cash Flow Statement

Cash Flow Statement (£'000)	6m to June 2016	6m to June 2015	Year to 31 Dec 2015
<b>Profit before income tax</b>	<b>1,933</b>	<b>1,765</b>	<b>3,494</b>
<b>Adjustments</b>			
Depreciation	197	70	194
Amortisation	1,065	218	787
Share based payment costs	157	150	313
Contingent consideration	-	-	-
Finance expenditure	244	87	359
Other financial items	-	-	62
<b>Cash flows before changes in working capital</b>	<b>3,596</b>	<b>2,290</b>	<b>5,209</b>
<b>Movement in working capital</b>			
Increase in trade and other receivables	(1,113)	(445)	(2,201)
Increase in trade and other payables	70	63	(289)
<b>Cash generated from operations</b>	<b>2,553</b>	<b>1,908</b>	<b>2,719</b>
Income taxes paid	(533)	(635)	(988)
<b>Net cash flows from operating activities</b>	<b>2,020</b>	<b>1,273</b>	<b>1,731</b>
<b>Cash flows from investing activities</b>			
Contingent consideration paid	(750)	(50)	(50)
Acquisition of a subsidiary, net of cash acquired	-	-	(5,571)
Payments to acquire PPE	(188)	(423)	(246)
Payments to acquire intangible assets	(226)	-	(530)
Proceeds for disposal of PPE	-	-	20
<b>Cash flows from financing activities</b>			
New bank loans (net of debt issue costs)	-	-	7,363
Proceeds from equity fundraising	258	87	315
Repayment of bank loans	(700)	(350)	(613)
Interest on bank loans paid	(244)	(87)	(355)
Dividends paid	-	-	(1,211)
Repayment of hire purchase agreements	-	-	(23)
<b>Increase /(Decrease) in cash and cash equivalents</b>	<b>170</b>	<b>450</b>	<b>830</b>
Cash and cash equivalents brought forward	1,605	775	775
<b>Cash and cash equivalents carried forward</b>	<b>1,775</b>	<b>1,225</b>	<b>1,605</b>

## Amortisation

- Increased due to full six month charge of intangibles resulting from business combinations in FY15.

## Cash Generated from Operations

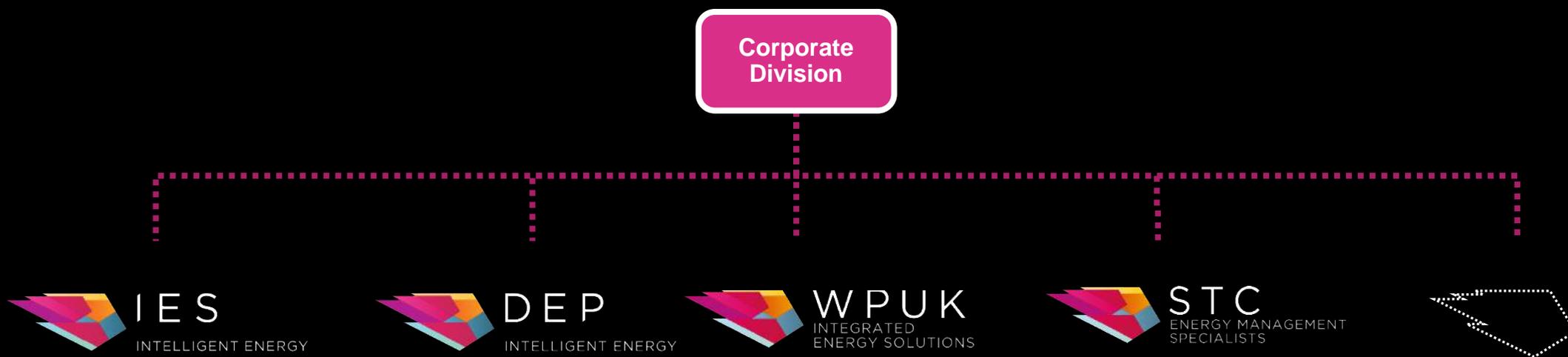
- Increase in cash generation partly as a result of change in revenue/profit mix towards Corporate division (addition of WPUK and STC to group) and improved supplier payment terms in SME division.

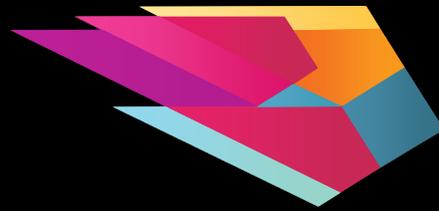
## Contingency consideration

- Resulting from payment of first tranche of STC consideration.

# Group | Outlook – Platform for growth

- The Group has made a strong start to H2 2016, providing a robust platform to deliver further growth for the year ahead
- Structures and people in situ to provide further organic growth
- Continued benefits from successfully integrated acquisitions – WPUK and STC
- Excellent position on which to add additional complementary and strategic Corporate acquisitions
- Increase in interim dividend to 0.13 pence (2015: 0.10 pence)





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