

Energy One Limited (ASX:EOL)

Full Year Results FY21



energyone

personal use only

Disclaimer

This document has been prepared by Energy One Limited (EOL) and comprises written materials and slides for a presentation concerning EOL.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance and achievements expressed or implied by any such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by EOL that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, EOL and its respective officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law, or any relevant listing rules of the ASX, EOL disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of EOL since the date of this presentation.

Contents

About Energy One	4
Financial results	7
Operational review	17
Company outlook	24
Guidance for FY22	30
Appendices	32

personal use only

Energy One
- a profitable
SaaS &
Services
company

energyone

- Energy One Limited (ASX:EOL) is a leading independent global supplier of Energy Trading and Risk Management (ETRM) software systems.
- Hybrid business model of recurring (SaaS) revenue (80%) and project T&M (20%)
- Solutions for the trading of energy derivatives and the scheduling of physical energy (including electricity, gas, liquid commodities and environmental and carbon trading).
- EOL has offices in Australia, UK and France, with 200+ customer installations in 19 countries, many with blue-chip international utility and infrastructure companies.
- With a market share approaching 50% in Australia, 15% in the UK and less than 5% in Europe, there is a long runway for growth.
- EOL has a strong track record of year-on-year growth in revenue and earnings.

personal use only

Supplying large
blue chip
companies in
essential
industries

energyone

Our customers are often large:

- Utilities – such as power stations and vertically integrated retailers
- Infrastructure providers – such as gas pipelines, electricity transmission
- Include new generation sources (such as wind and solar)
- Our customers supply an essential service, namely gas and electricity
- The software we supply is mission-critical to these enterprises
- Offices in Australia, UK and Europe

EOL's suite of software tools are used by customers to manage their exposure to risk and volatility









Our software is used to trade and manage both physical energy and derivative contracts either bilaterally (B2B) or on public exchanges.

personal use only

Financial Results

Financial results summary

	30 June 20	30 June 21	Change	
Revenue	\$20,604,000	\$27,902,000		35%
EBITDA	\$5,320,000	\$8,130,000		53%
NPAT	\$1,647,000	\$3,705,000		125%
EPS diluted (cents)	7.30	14.30		96%
Cash and equivalents	\$3,534,000	\$5,422,000		54%
Borrowings	\$644,000	\$0		

* Excludes one off charges relating to acquisition costs

personal use only

Another great result and the 8th consecutive year of profit

Revenue was up 35% to \$27.9M

- This was driven in good part by having a full 12 months contribution from eZ-nergy
- Leaving aside the contribution from eZ, organic revenue growth was 15% for the year

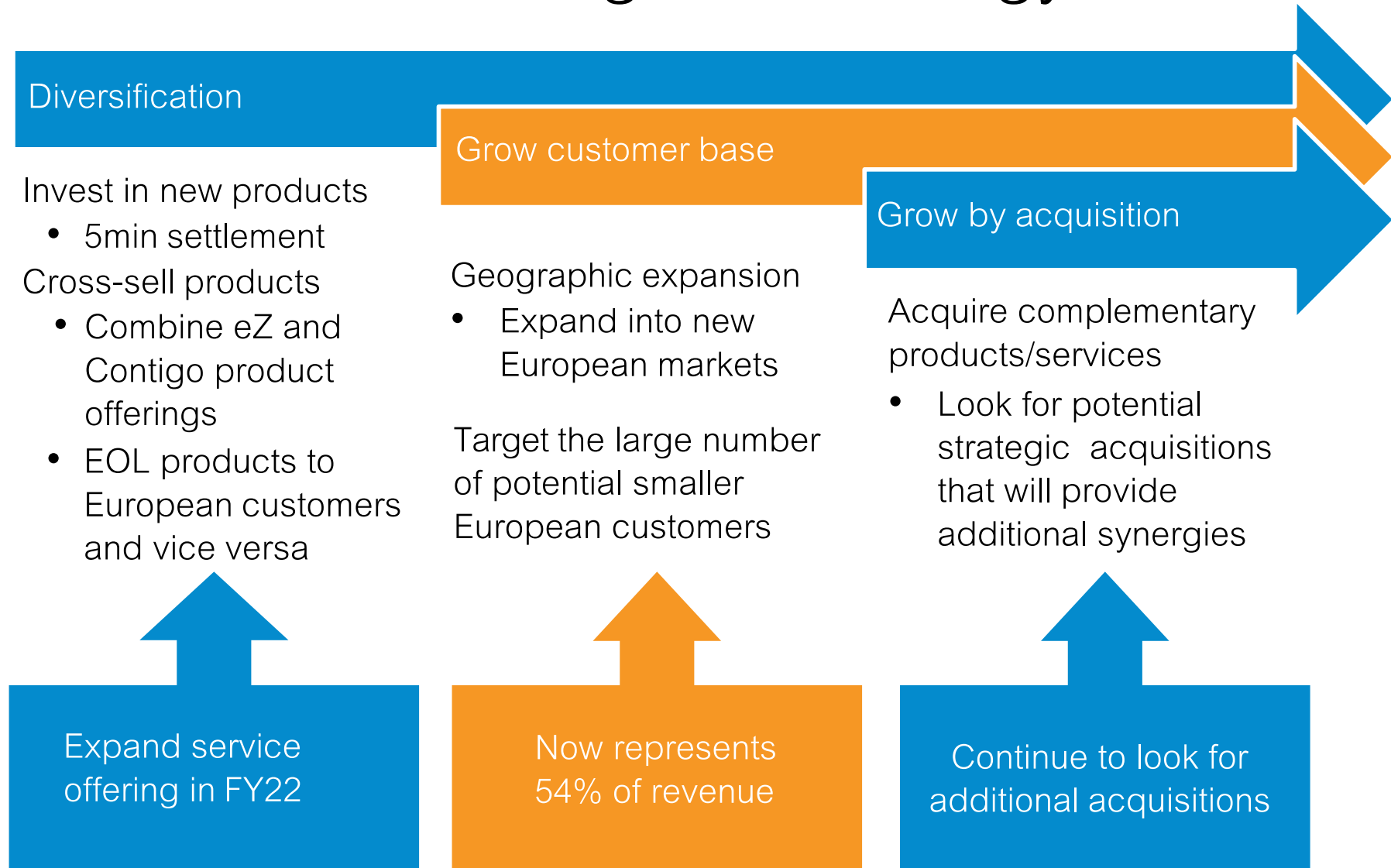
EBITDA increased 53% to \$8.1M driven by:

- A full year's contribution from eZ-nergy. Underlying EBITDA growth was 26%
- Reduced costs associated with travel and marketing

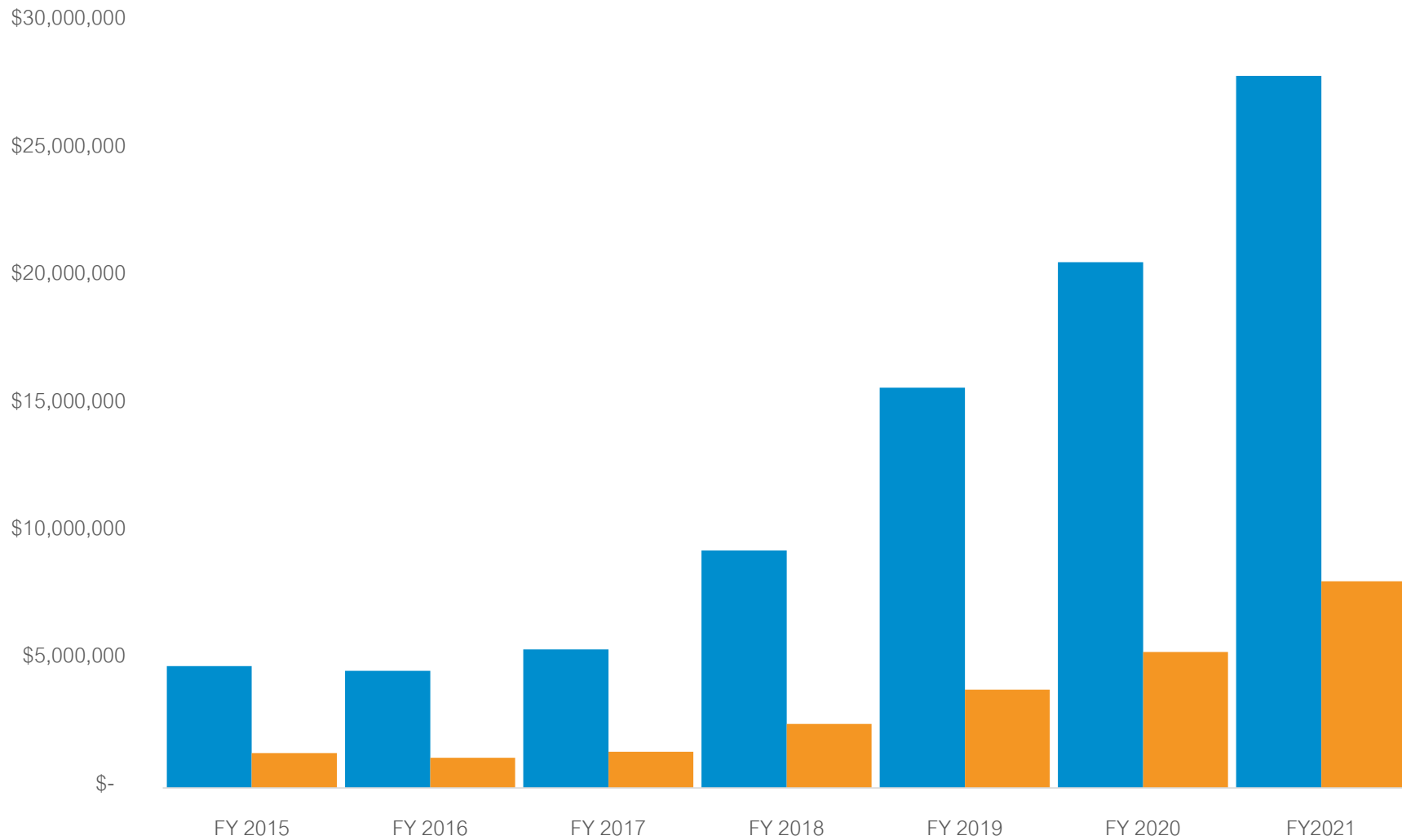
NPAT increased 125% to \$3.7M driven by:

- Strong operating results
- Synergies and operational leverage being realized. (e.g. EBITDA margin grew from 26% to 29%)
- Lower acquisition costs than the previous period

The results are evidence of the successful execution of our long-term strategy

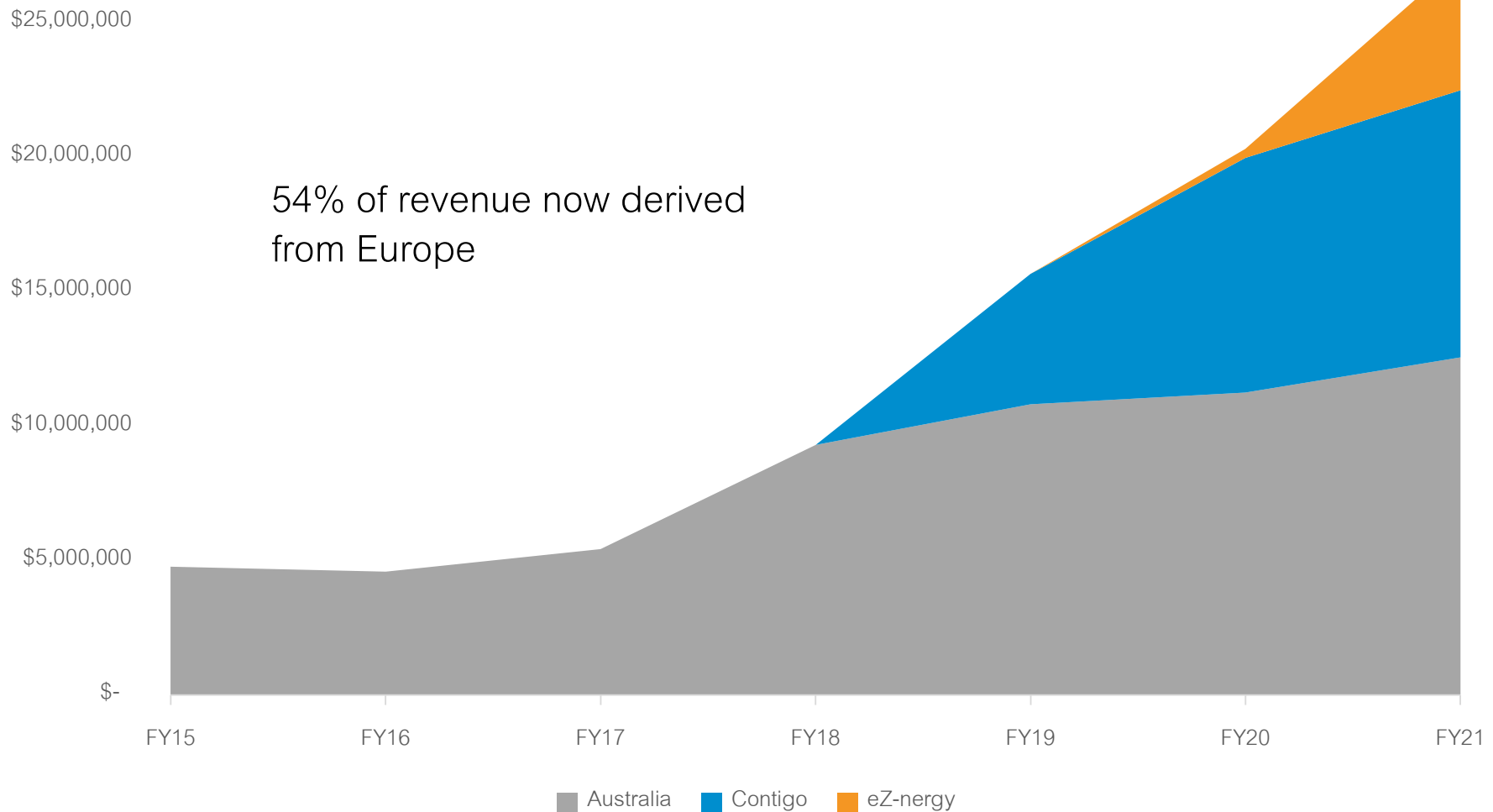


This strategy has seen revenue grow at 45% & EBITDA at 48% p.a. over the last 5 years



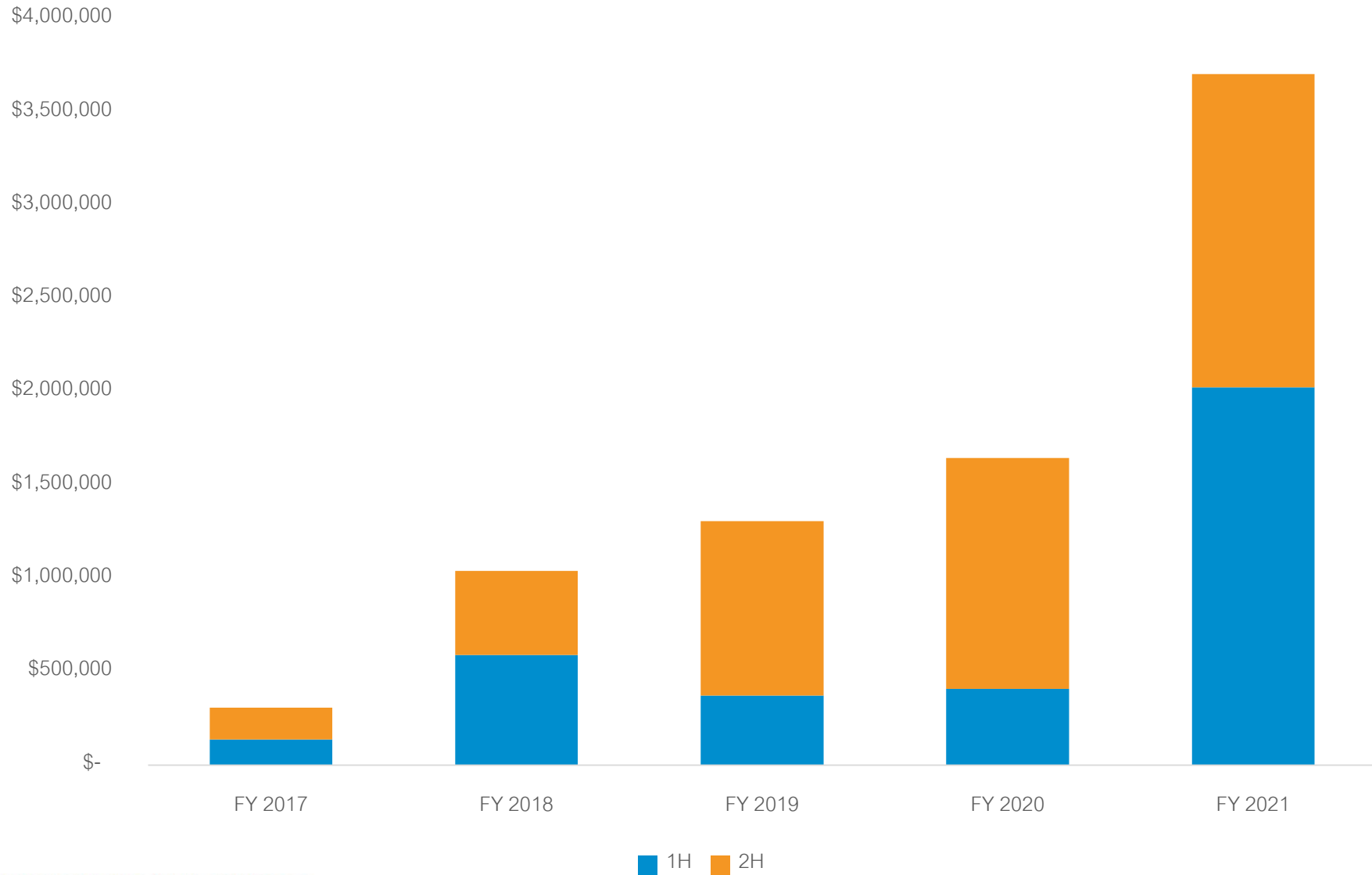
personal use only

Revenue growth has been both organic and from acquisitions



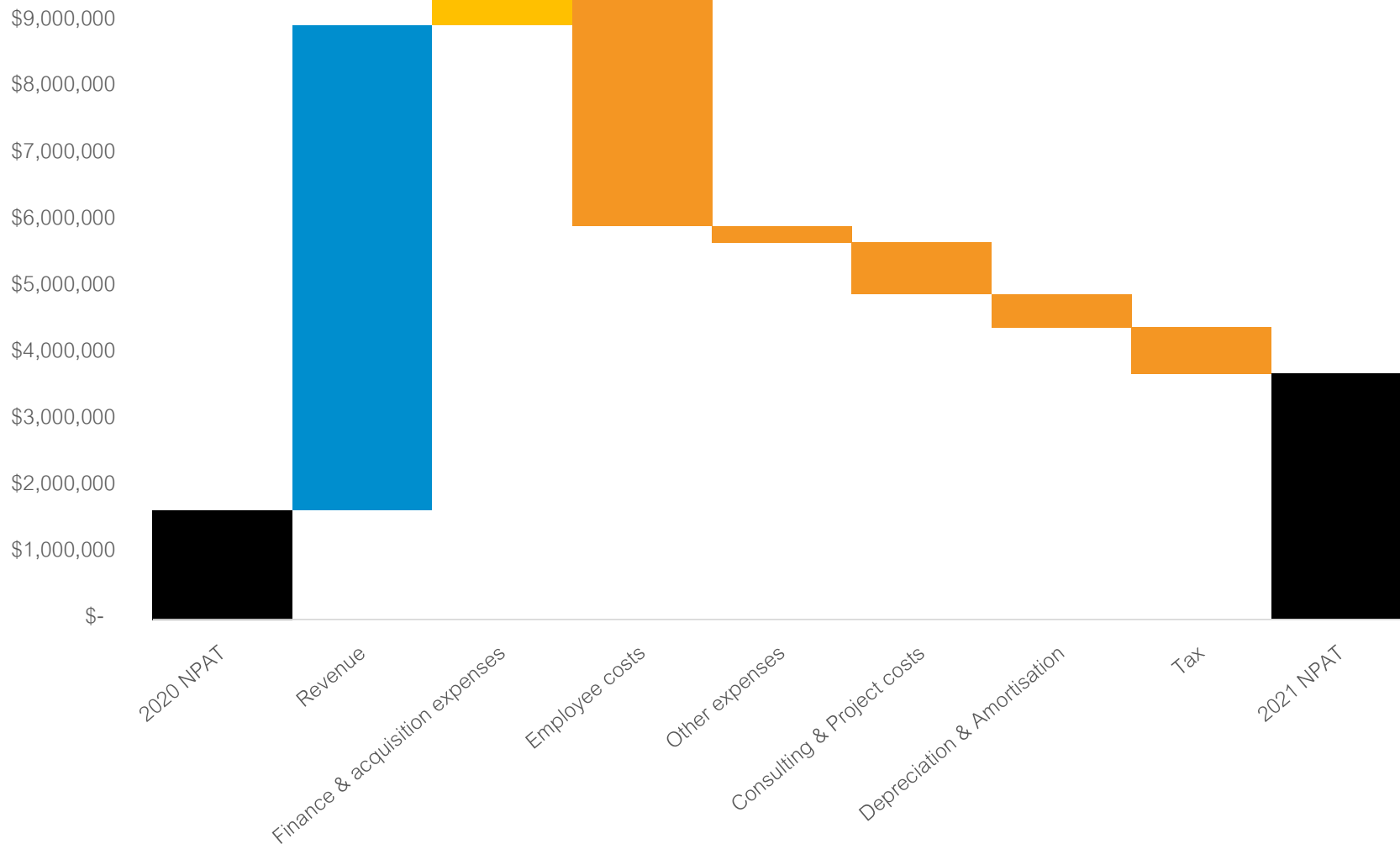
personal use only

NPAT for FY21 was strong

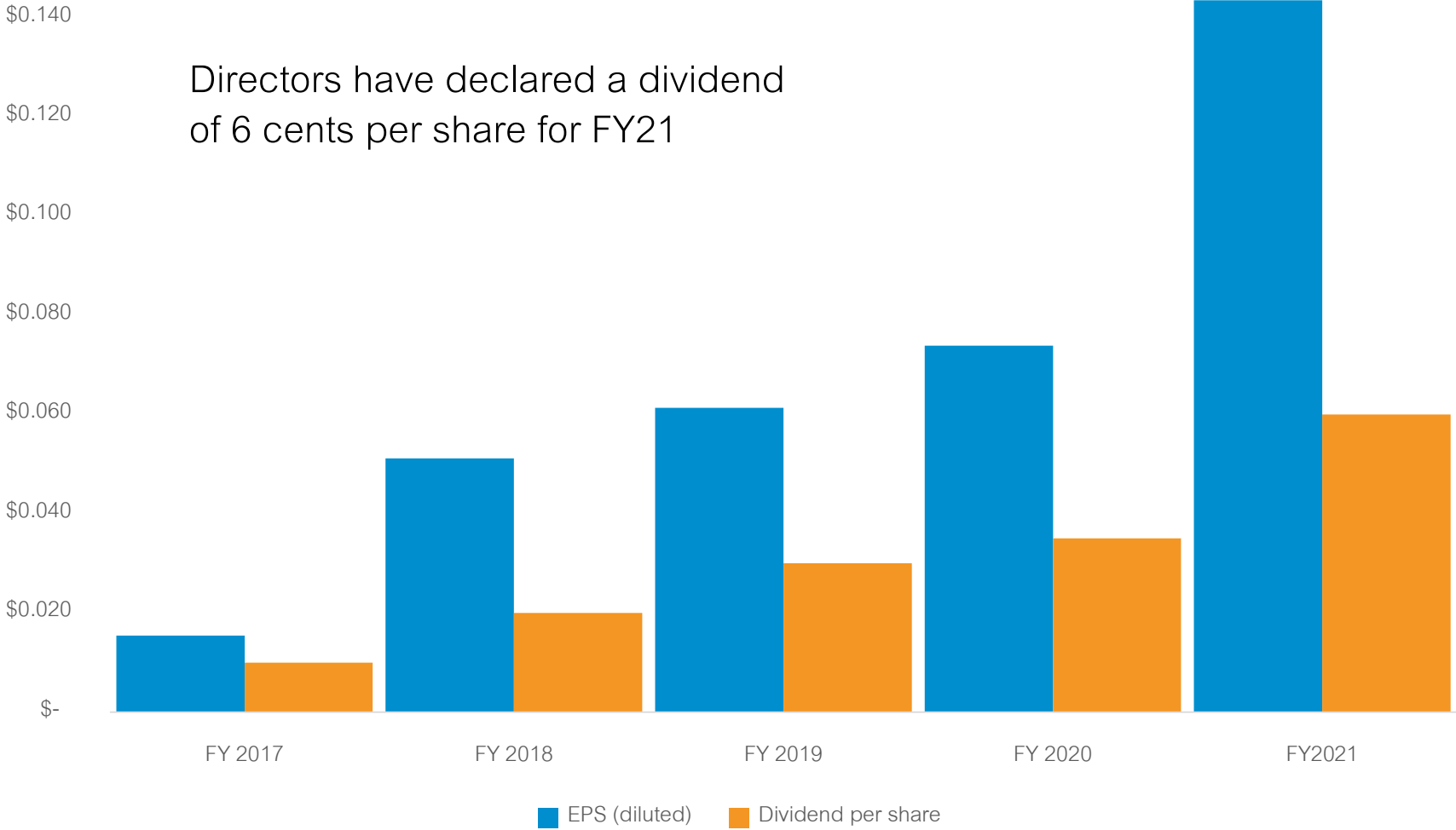


personal use only

12months contribution from eZ-nergy and improved margin helped improve NPAT



All of which translates into earnings per share and dividend growth



personal use only

Strong cash flows from recurring business model

Total receipts from customers increased 31% to \$27.6M

Operating cash flow increased 62% to \$8.1M

Recurring revenue of >80% across the group

All bank debt has been repaid

A strong balance sheet and good operational cash flows position the company well for any future acquisitions

Operational review



The Australian business continued to grow

- Revenue increased 13% over the year and EBITDA increased 18%. A pleasing result given the maturity of the market and our market share.
- EBITDA margin increased from 30% to 31%.
- Work on the 5 Minute Settlement (5MS) market is complete. The new market is due to commence in October this year with many existing customers already upgraded.
- We have won 3 new customers as a result of the market change and we may pick up a few more during the year.
- Good sales pipeline. Need to sign 1-2 projects each year (20% project related revenue)

Expanding European opportunity

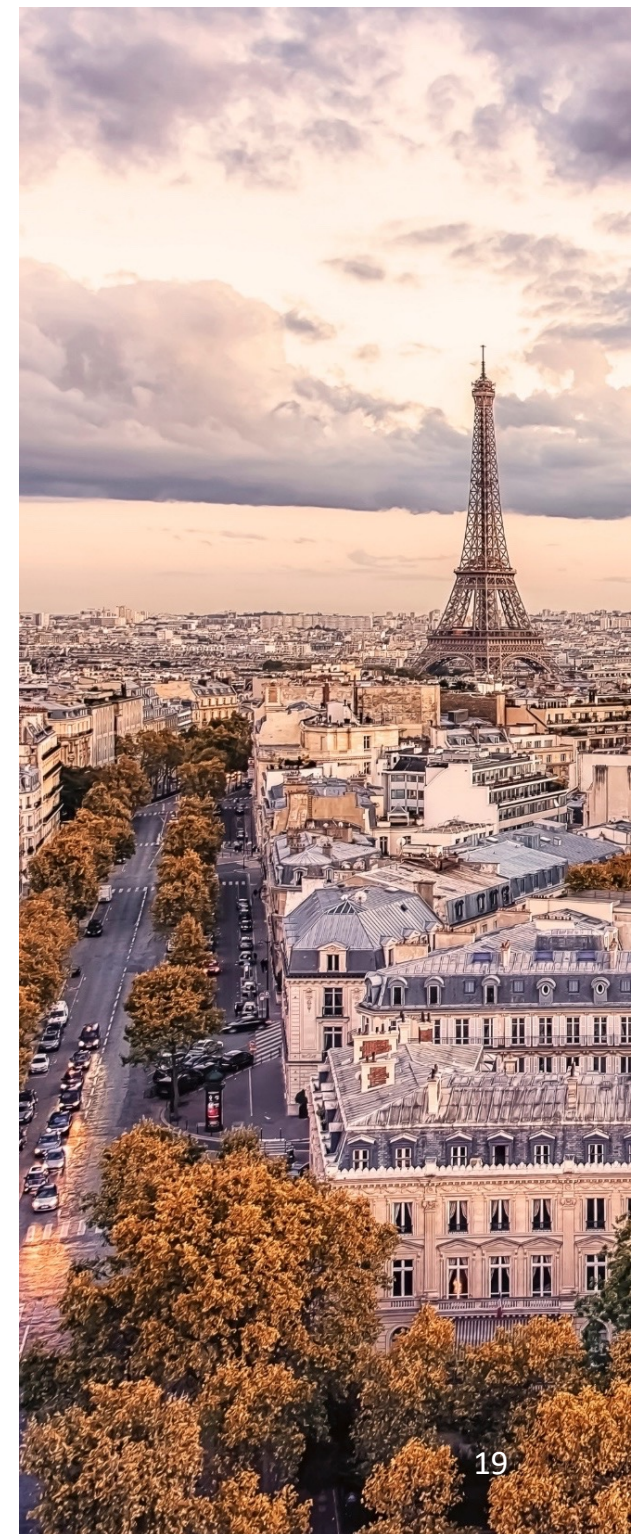
At the end of FY20 44% of group revenue was generated in Europe this has increased to 54% at the end of FY21

Contigo delivered 17% organic revenue growth over the last year and improved EBITDA by 40%. Since acquisition the management team has steadily grown the EBITDA margin from 15% at acquisition to 25% last year.

In its first full year eZ-nergy performed well producing \$4.7M of revenue and \$1.6M of EBITDA - this was ahead of acquisition forecasts.

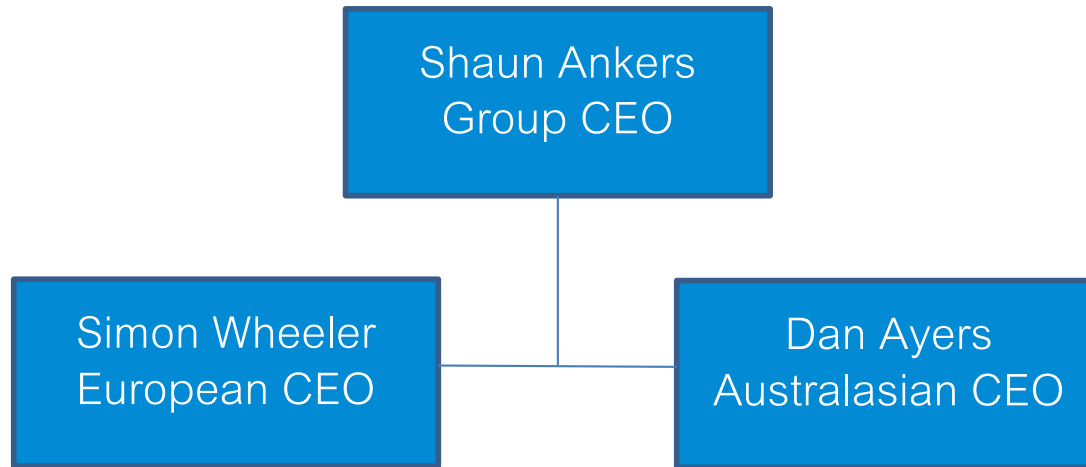
Contigo and eZ won and are successfully delivering their first joint customer, a prestigious European utility.

Like Australia, Contigo needs to win 1-2 new large projects each year. eZ model is less dependent on projects.



An operational restructure to facilitate future growth

Having successfully integrated a number of acquisitions over recent years and with a substantial part of our business now in Europe we have restructured some business operations to reflect the changing business and facilitate future growth. We will continue this investment in managerial resource during the year ahead.



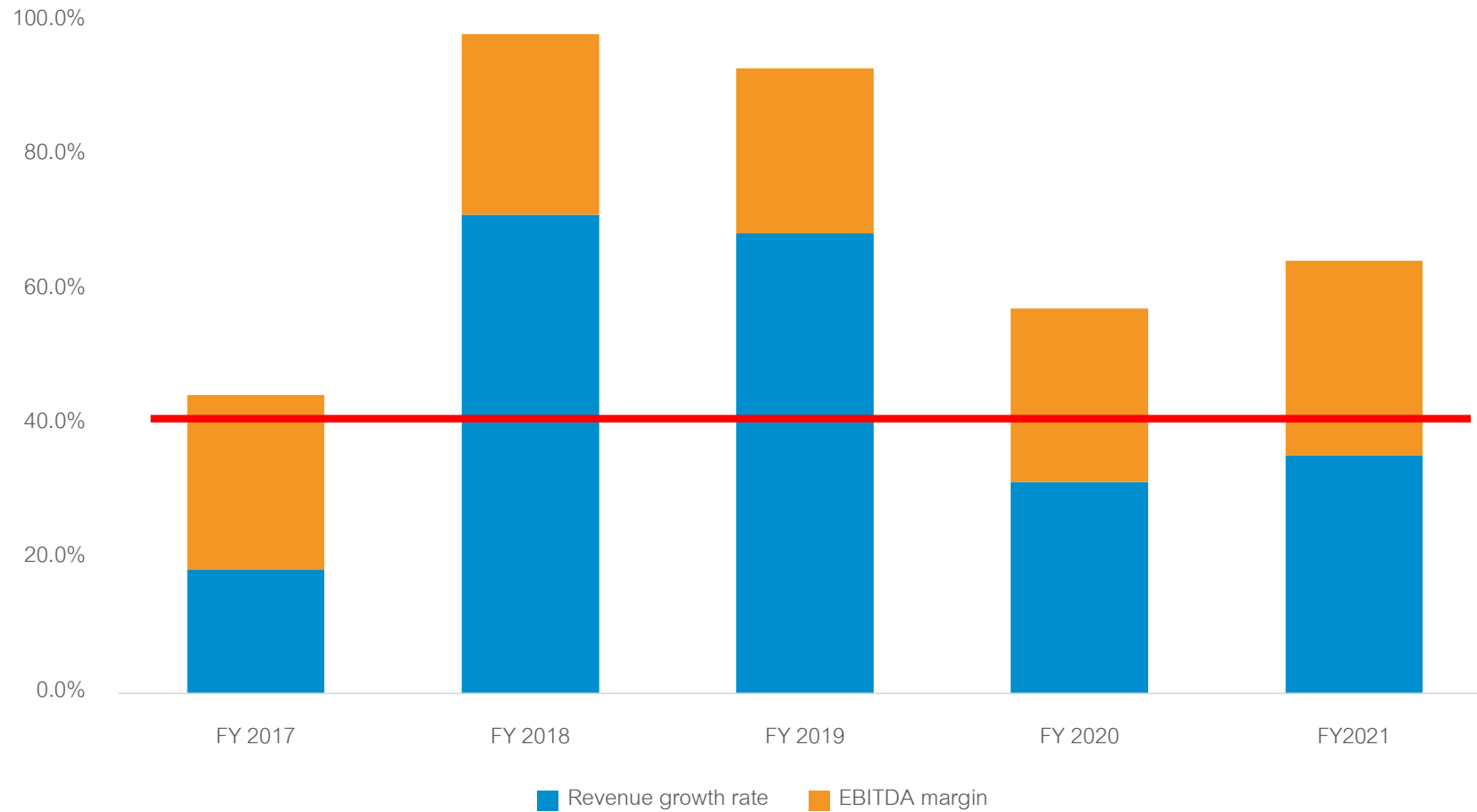
Sticky customer base...

SaaS Metric	FY 19	FY 20	FY 21
Average LTV per customer	\$1,449,506	\$1,666,245	\$2,470,876
LTV/CAC	11.7	14.8	28.9
Customer-installs	143	205	230
Typical contract length	1-5 year initial term, then annual renewals		
Churn	3.8%	4.1%	2.9%
Gross margin	60%	59%	62%

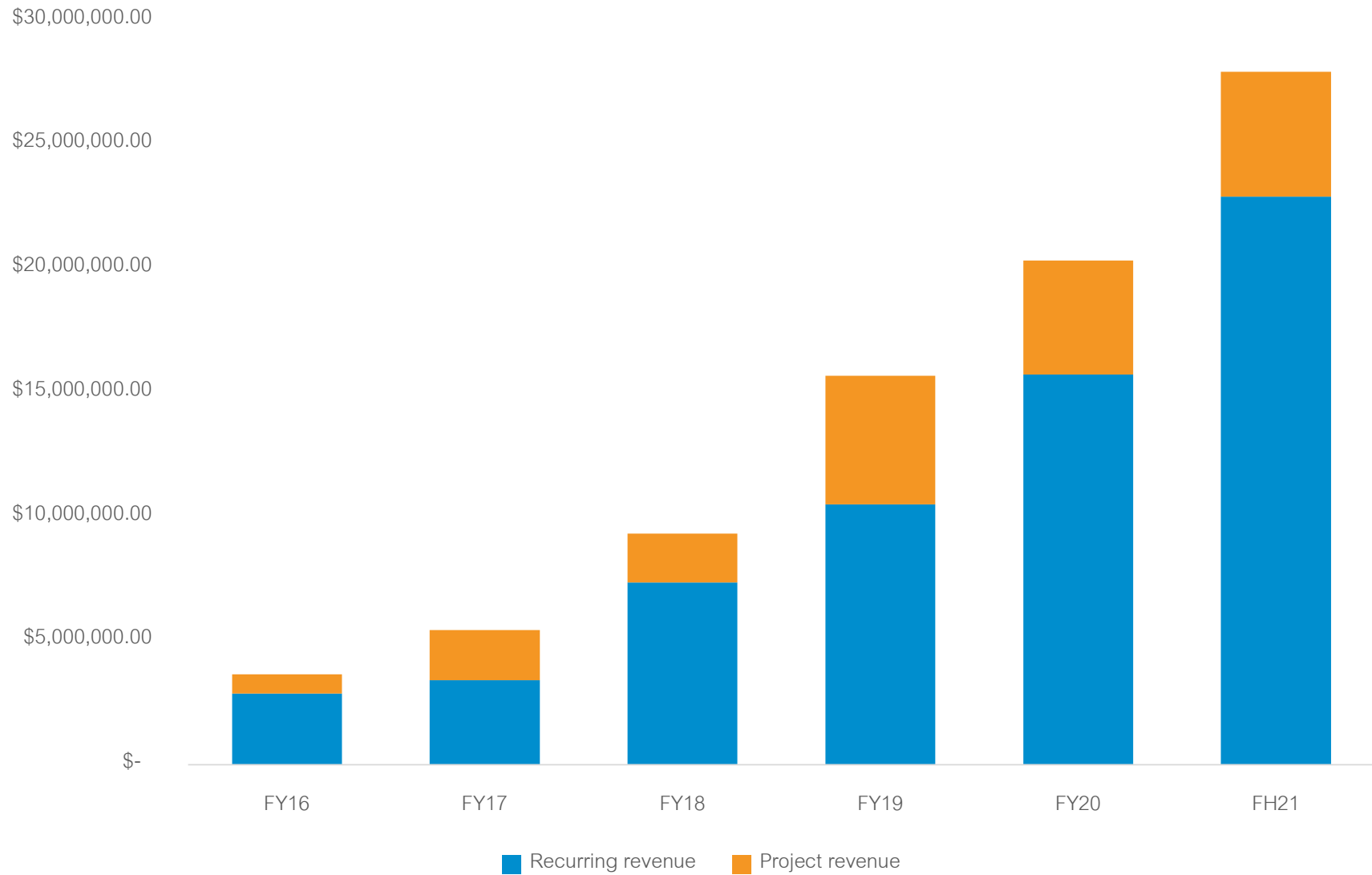
- Group ARR currently \$23.6M (FY20:\$20.3M). Up 16% on last year.
- GM% arises from recurring (80%) and project revenue (20%), so a hybrid SaaS model.
- We seek to sell more than one product from the range to customers. Current average 1.3 products per customer with 5 products the highest.

personal use only

The business has exceeded the “Rule of 40” for each of the last 5 years



Recurring revenue continues to grow strongly



personal use only

personal use only

Company Outlook

energy one

Rapidly changing energy markets are presenting new growth opportunities

- The energy market is fragmenting. In the future there will be fewer large generation units and more distributed energy resources.
- For example rather than a single 2,500MW thermal coal generator there might be 5 x 200MW solar farms plus 5 x 200MW wind farms combined with 5 x 200MW batteries. This fragmentation is termed Distributed Energy Resources or DER's.

Dispatching distributed energy resources into electricity networks can be more difficult

- The growing share of green distributed power generation increases the complexity in both the European and Australian energy markets
- Given the smaller size of Distributed Energy Resources it is often uneconomical for operators to man 24/7 control rooms to dispatch energy. Furthermore, the two-sided market (users also nominate) is active in Europe and coming to Australia
- While eZ-nergy offers the software to facilitate market operations it also offers a bureau service to submit market notices on behalf of customers.
- This is done based on an agreed set of operational/commercial parameters. (i.e. EOL do not take energy market risk)



Energy One will launch a new product offering to address this rapidly growing market by selling software with a service

- We intend expanding the types of services currently provided by eZ-nergy.
- Aspiring to a global 24/7 operations function to complement our software
- Our automation software (enFlow) means EOL is well placed to automate these manual operations on behalf of customers
- Goal is to expand this offering not only in Europe but also introduce it to Australia.

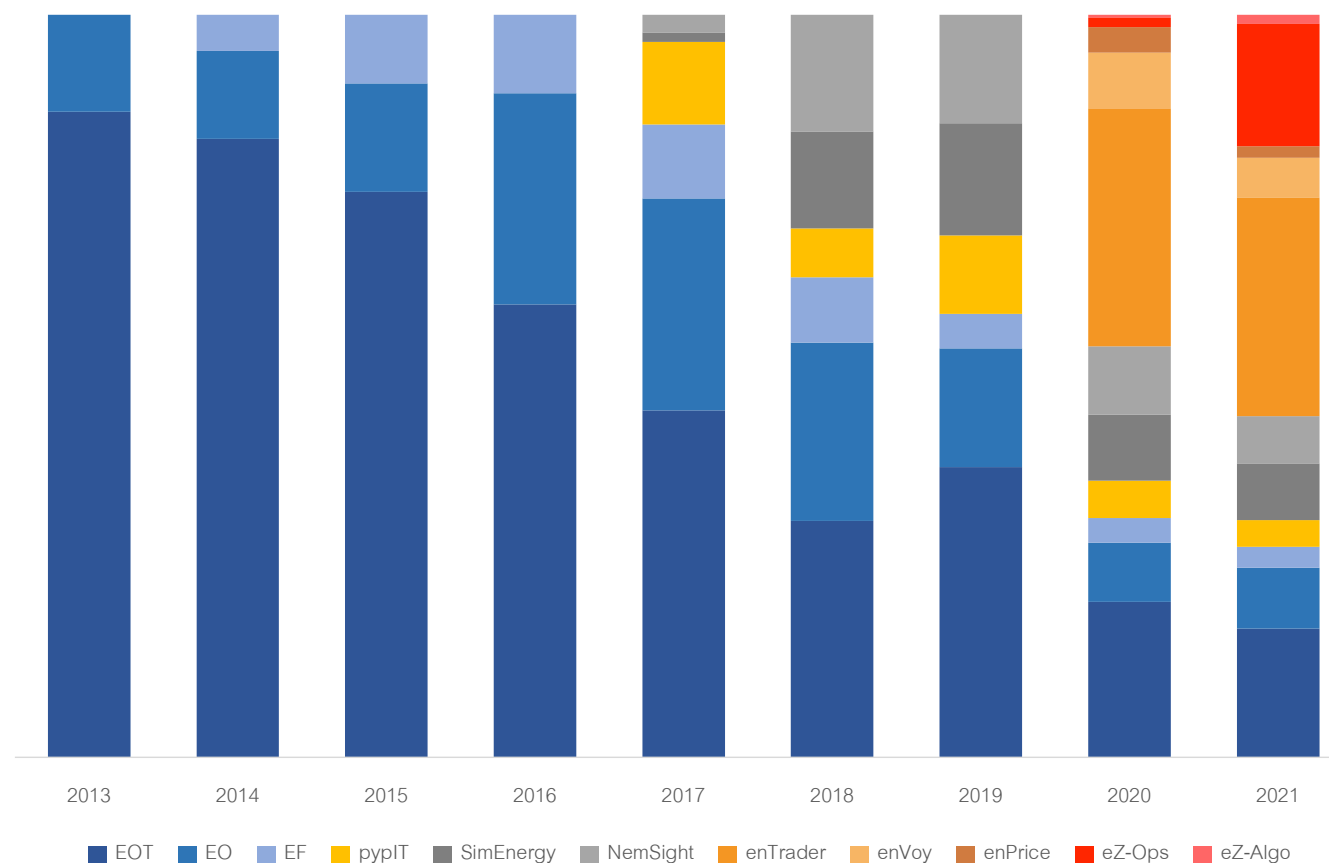


The strategy to diversify revenue by product and geography has been successful

In FY22 we will continue this diversification with additional revenue from new services

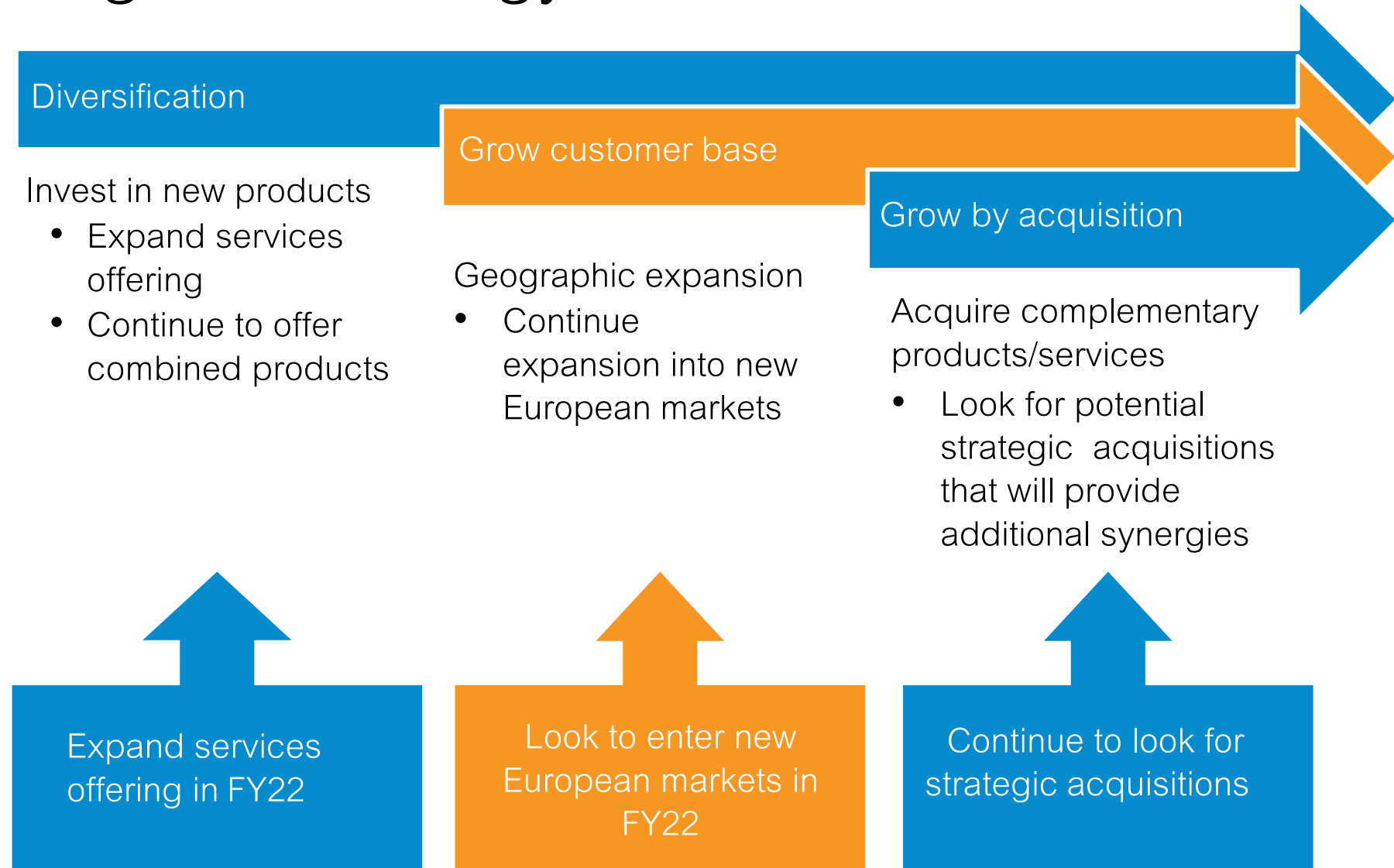
In 2013 EOT was our biggest product representing 90% of total revenue or ~\$1.5M

In 2021 EOT is still a significant product with ~\$4.7M in sales but it now represents less than 17% of total revenue



personal use only

In FY22 we will continue to execute on our long-term strategy



personal use only

Guidance for FY22

- Focus will be on consolidating a strong FY21 and leveraging our technologies and eZ capability in the dispatch services space.
- We will invest in additional managerial resources in Europe to facilitate additional growth.
- Group revenue consists of 80% recurring revenue and 20% project revenue.
- As we enter the second year of Covid-19 travel restrictions are making it more difficult to close the large new project work.
- The company currently has a number of projects in the pipeline. Until we have greater certainty regarding our growth prospects for FY22 we expect revenue and earnings to be similar to FY21.
- Pleasingly we are already beginning to see the easing of travel restrictions in Europe.
- With a strong balance sheet and cash flow we continue to seek strategic acquisition opportunities.



Mr Shaun Ankers - CEO and Managing Director

Email: enquiries@energyone.com Level 13, 77 Pacific Highway

North Sydney NSW 2060

+61 2 8916 2200

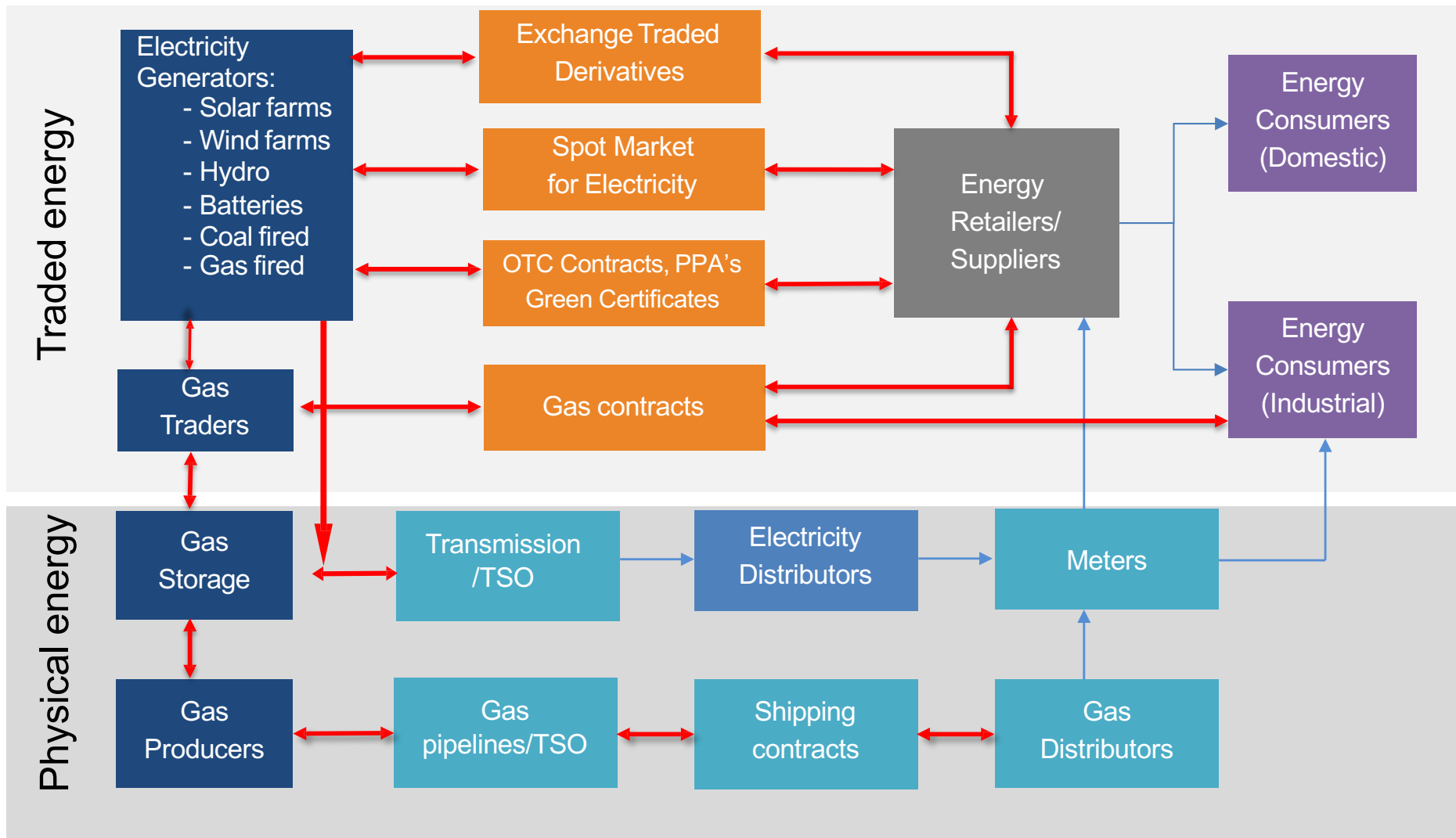
Appendix

Additional information



Many energy market participants use EOL software

personal use only



A comprehensive suite of software

Physical Bidding

Allows a power station to bid its electricity (quantity, price, time and place) into the National Electricity Market. Takes into account potential constraints in the transmission system allowing optimum dispatch for companies with multiple generators.

ETRM

Contract management for recording physical trades (PPA's) and financial derivatives (Swaps, Options, Caps etc). Records the trade allocating it to a hedge book / portfolio. As market prices change hedge books are revalued. Forward books can be five years or more. Provides risk analytics such as GMar, VaR, CaR, Monte Carlo etc. Electricity, gas, carbon, diesel, coal and Fx

Business Process Automation

Many systems and contracts in energy markets can be very complex. These tools automate complex but mundane tasks increasing not only accuracy but also efficiency. Can be used to help transport gas from one point through several different pipelines to an end point. Pipeline capacity for each pipeline has to be bought in advance

Market Analytics

Detailed data and market analytics platform and various trading tools for energy traders

Business analytics, intelligence and reporting

Wrapping around various software products is a user-configured dashboard that can provide alerts, various market feeds, task management etc. It also offers comprehensive reporting and analytics

personal use only

EOL software makes life easier

Participant	Challenges faced	EOL group products
Generators	Accurate, compliant energy spot market bidding	✓
	Efficiently dispatching generation during constrained network events	✓
	Energy operations (B2B, bid preparation, monitoring, compliance)	✓
	Hedging output against volatile spot market using derivatives	✓
	Management and valuation of complex PPA's	✓
Renewables	Automated bidding into the spot market	✓
	Curtailing dispatch during negative price events	✓
Retailers/Suppliers	Hedging load against the spot market and reconciliation with spot market	✓
	Trading energy derivatives deal capture and contract management	✓
	Logistics – transporting gas across multiple pipelines	✓
	Evaluation of risk exposure, monitoring risk limits	✓
	Renewable energy compliance	✓
	Energy operations (B2B, bid preparation, monitoring, compliance)	✓
Pipelines/TSOs	Deal capture, settlements, capacity trading	✓
	Contract and network optimisation	✓
Industrial customers	Management of PPA's and gas transport logistics	✓
	Carbon trading management	✓
	Energy monitoring	x
	Retail invoice reconciliation	x
Energy traders	Single comprehensive source of market data and analytics	✓
	Trading tools to facilitate / manage complex derivative trades	✓

personal use only