

BIGGER BETTER FASTER STRONGER

HALF YEAR RESULTS

27 SEPTEMBER 2022

BOBBY KALAR – CEO

PAUL RAWSON – CFO

DELIVERING ON AN ATTRACTIVE EQUITY STORY



INTRODUCTION



Bobby Kalar

Chief Executive Officer

Bobby is founder and major shareholder of Yü Group. With a Degree in Electrical and Electronic Engineering and previous roles at Marconi PLC and COLT Telecommunications, he entered the energy sector as a TPI broker before moving into supply in 2012 to take advantage of the market opportunity presented by deregulation.



Paul Rawson

Chief Financial Officer

A qualified Chartered Accountant with a degree in Accountancy, Paul joined Yü Group in 2018. He has over 20 years' experience of the energy sector, previously holding a number of finance and general management roles within the industry and was formerly an Audit Manager with KPMG.

May 2013

KAL Energy starts supply of gas.
Yü energy is formed.



Mar 2016

Flotation on AIM as Yü Group plc
(AIM: YU.)

Aug 2020

Acquisition of B2B customer book
of Bristol Energy and Flogas



Feb 2022

Appointed by Ofgem as SoLR for
Whoop Energy and Xcel Power.



May 2022

Acquisition of metering
capability



Aug 2014

Kensington Power starts
supplying electricity

~Jan 2018

Water supply license
granted. Gas shipping



Nov 2021

Appointed by Ofgem as
SoLR for AmpowerUK



Feb 2022

Digital launch of
integrated pricing

THE AGENDA

1

INTRODUCTION

2

**EXECUTIVE
SUMMARY**

3

**ABOUT
YÜ GROUP**

4

**H1 2022 IN
NUMBERS**

5

**DIGITAL BY
DEFAULT
STRATEGY**

6

**SMART METERS
CHANGE THE
GAME**

7

**FINANCIAL
REVIEW**

8

**OUTLOOK &
SUMMARY**

EXECUTIVE SUMMARY



Very strong, profitable growth in every financial KPI.



Consistent and consecutive growth, year on year.



Seamless customer experience, driven by our joined-up processes, people and platforms, means there are no questions on the strength of our business.



Our investment in digital transformation is delivering

- Hands free, instant quoting and onboarding (27 seconds)
- Automated cradle to grave customer experience
- Flexible and fully configurable API plug and play



Strong hedge book enhancing customer lifecycle and support from the government Energy Bill Relief Scheme.

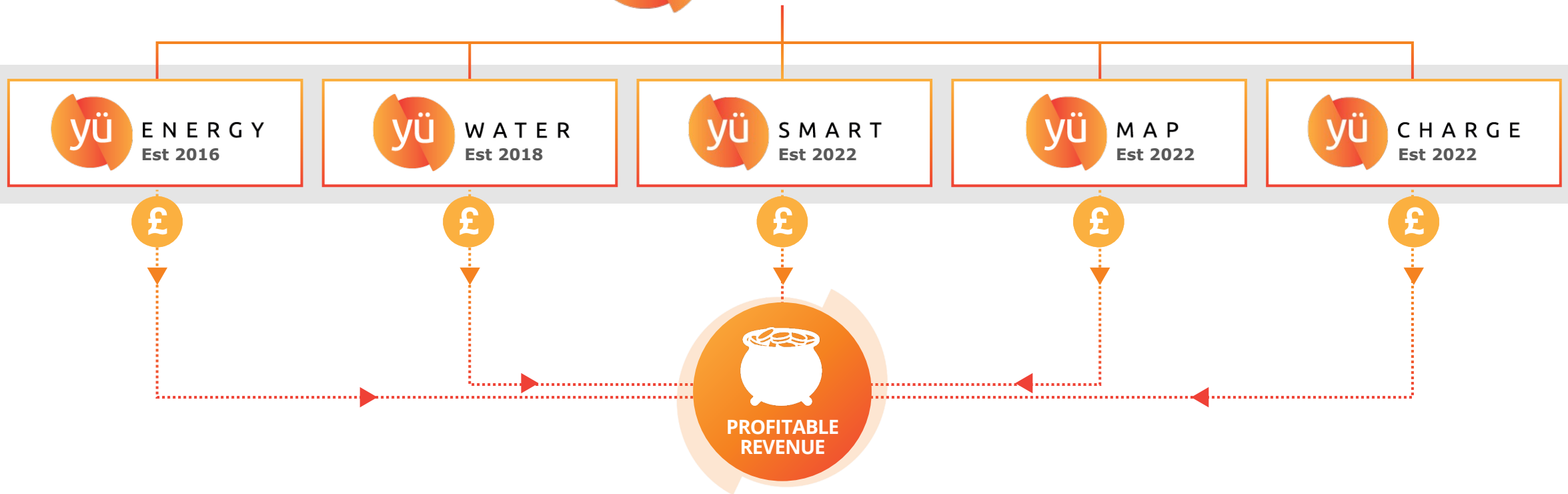


Creation of Yu Smart provides greater ownership of the value chain.

**“WE PERFORMED WELL
IN THE PANDEMIC,
EVEN BETTER IN 2021,
DESPITE CHALLENGES
IN THE MARKET, AND
WE EXPECT AN EVEN
BETTER PERFORMANCE
IN 2022”**

THE YÜ GROUP

GENERATING MULTIPLE STRONG REVENUE STREAMS



REVENUE GENERATING, PROFIT CONTRIBUTING SEGMENTS

H1 2022 IN NUMBERS

BIGGER, BETTER, FASTER, STRONGER

BIGGER

(High growth)

£129m▲

Revenue, up 96%

H1 2021:
£66m

H1 2020:
£46m

£14.3m▲

Average monthly bookings

H1 2021:
£9.6m

H1 2020:
£6.2m

26.1K▲

Meter points

H1 2021:
20.8K

H1 2020:
9.8K

BETTER

(More profitable)

£2.7m▲

Adjusted EBITDA

H1 2021:
£0.5m

H1 2020:
(£1.8m)

£15.7m▲

Cash

H1 2021:
£11.5m

H1 2020:
£17.9m

26p▲

Earnings per share

H1 2021:
5p

H1 2020:
(11p)

FASTER

("Digital first")

27▼

Seconds speed to quote

2021:
Hours

2020:
Hours/Days

4.6%▼

Overheads % to revenue

H1 2021:
6.2%

H1 2020:
6.3%

3,500▲

Number of meters owned by Yu Smart

2021: **0**

2020: **0**

STRONGER

(Robust and resilient)

184▲

Number of employees

2021:
145

2020:
111

4*

Leading Trustpilot score

2021:
4*

2020:
4.5*

7 days

Overdue Customer Receivables

2021:
7 days

2020:
9 days

ACCELERATING GROWTH & PROFIT

Continued growth in contracted book

Forward contracted revenue at 31 Aug 22 for FY23 already at £119m (prior year: £91m)

Average contract term 19 months (FY21: 30 months)

Increased number of uncontracted customers

Some customers delaying decisions to contract, and book increased following SoLR integrations.

Clear profit improvement

Improved adjusted EBITDA to £2.7m, vs. £1.7m for FY 21

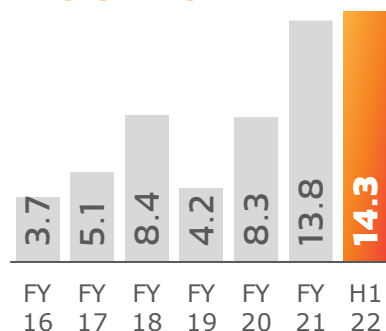
Strong hedge book provides high forward confidence and commercial opportunity

Average Monthly New Bookings

(£m)

£14.3m

+£0.5m on FY21

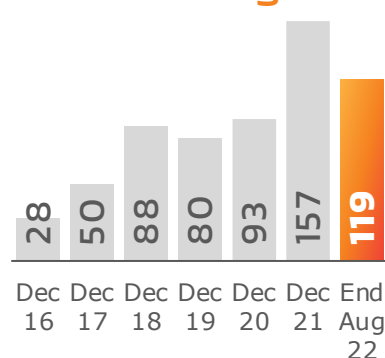


Contracted Revenue (One Year Forward)

(£m)

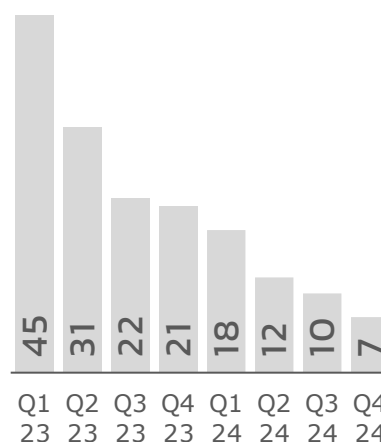
£119m

+31% to Aug 21



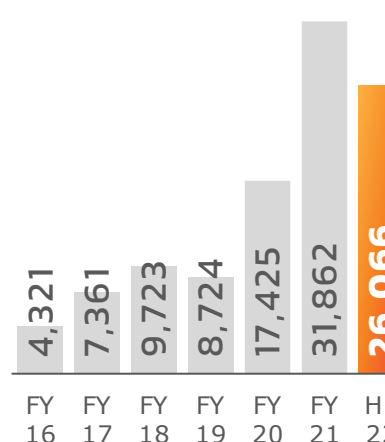
Contracted Revenue (at 31 August 2022)

(£m)



Total Meter Points

26,066

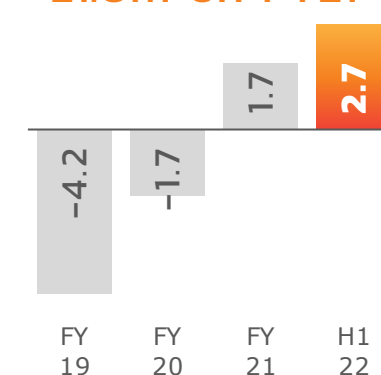


Adjusted EBITDA

(£m)

£2.7m

+£1.0m on FY21

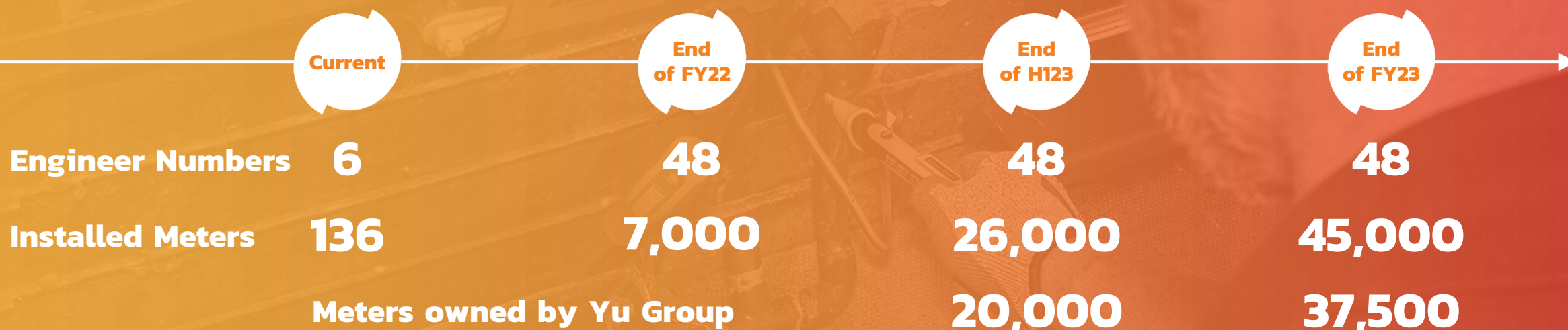


SMART METERS CHANGE THE GAME

TARGETING NEW MARKET SEGMENTS

The integration of our own metering business creates multiple opportunities to target new market segments, reduce debt risk and improve customer experience

- In house engineers **give confidence** of install
- Customers have **better control** of their usage
- Reduction in debt exposure** for Yü Energy



FINANCIAL REVIEW

FINANCIAL OVERVIEW

£'m	H1 2022	H1 2021	FY 2021
Revenue	129.2	65.8	155.4
Adjusted EBITDA¹	2.7	0.5	1.7
Depreciation	(0.6)	(0.4)	(0.7)
Non-recurring	-	-	(0.6)
Share Based Payments	-	(0.2)	(0.2)
Financial Derivative Gain	3.3	1.2	3.3
Tax	(1.0)	(0.2)	1.0
Profit after tax	4.4	0.9	4.5
Earnings per share (statutory, diluted)	26p	5p	26p
Operating cash flow	10.3	2.3	(0.8)
Cash and cash equivalents	15.7	11.5	7.0

¹ Adjusted EBITDA excludes depreciation, amortisation and exceptional gains or losses. For 2021 and prior, it also excluded share based payment charges.



Strong revenue growth, up 96% on H121 and already 83% of FY 21.



Clear trajectory in profitability, with adjusted EBITDA increased to 2.1% of revenue (FY21: 1.3%)



Profit after tax of £4.4m up from £0.9m H121:

- £3.3m gain based on our ~£0.3bn MtM hedge position, leading to a £7.3m financial derivative asset at H1 22.



Earnings per share of 26p, as per FY21:

- Adjusted EPS of 10p (FY 21: 14p).



Strong cash position of £15.7m, up £4.2m from H121:

- £10.3m operational cash inflow (H121: £2.3m)
- No debt finance (operating lease liabilities of £0.3m)

STRONG CASH FOCUS

GROWTH

BIGGER

Subscription
Revenue Model

EBITDA

BETTER

Net Customer
Contribution

FASTER

Leverage
Overheads

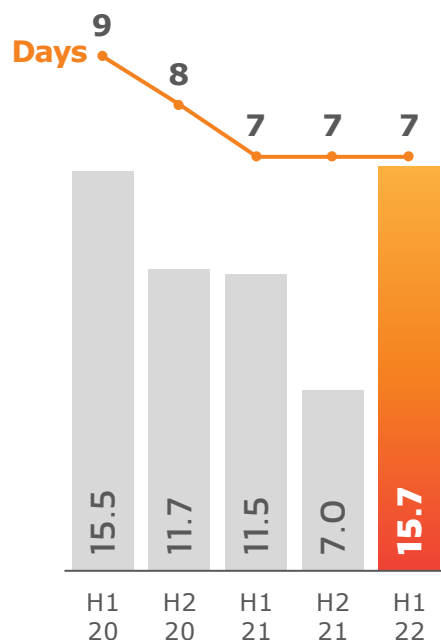
CASH

STRONGER

Cash focus

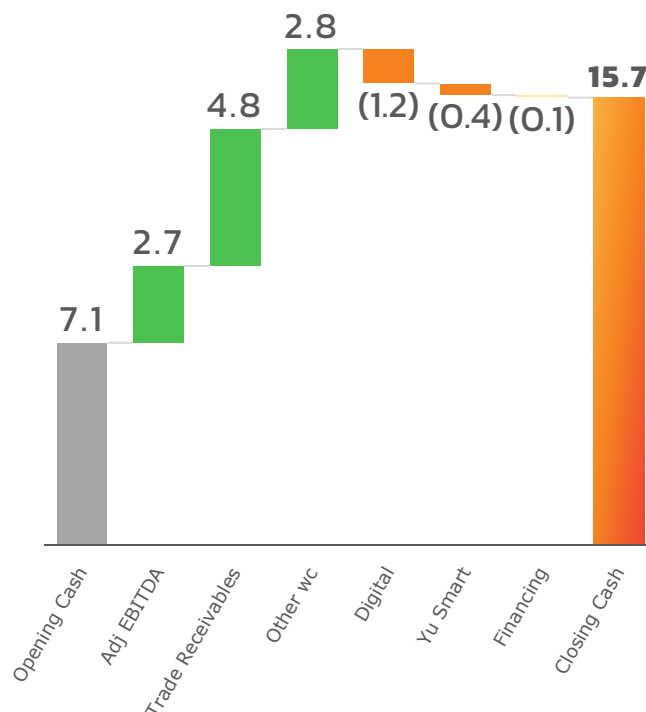
Cash & OCR¹

£'m & Days



H122 Cash Evolution

£'m



Strong H122 cash generation, with £10.3m operational cash inflow:

- After Q122 £1.4m Covid-19 VAT deferral now fully settled.
- £1.2m investment in digital (growth and efficiency)
- £0.4m H122 cap-ex in Yü Smart
- Annual ROC payment settled in full in August 2022



Focus on trade receivables and bad debt management for Winter 22

- OCR remains at low levels reflecting prudent provisioning policies
- Smart meter installations and SoLR *wash-through* should reduce % of bad debt
- Government business Energy Bill Relief Scheme should significantly assist customers and enable a reduced bad debt. BEIS confirm scheme is expected to be cash flow neutral for suppliers



Meter financing and dividend under consideration

- Investments in metering assets provide new income streams for the Group, with annuity income
- Progressive dividend under consideration from full year results, depending on capital allocation

SCALE AND PROFIT

GROWTH

BIGGER

Subscription
Revenue Model

BETTER

Net Customer
Contribution

EBITDA

FASTER

Leverage
Overheads

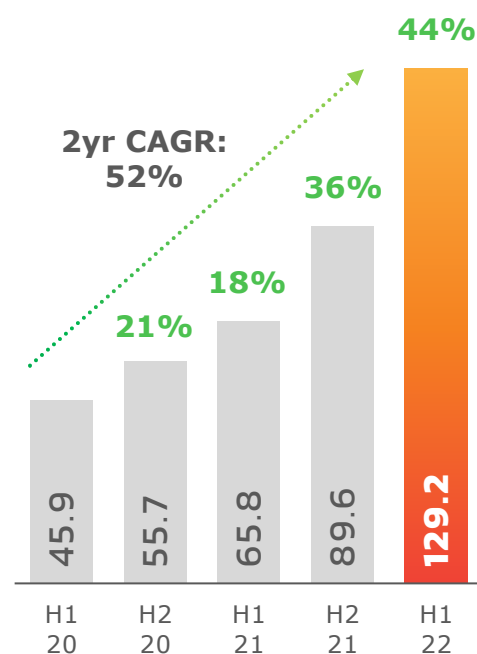
CASH

STRONGER

Cash focus

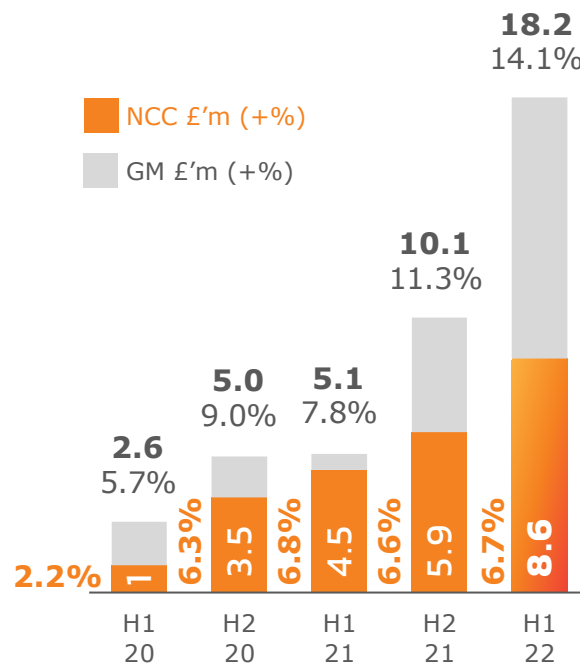
Revenue

£'m and 6-month growth %



Gross Margin and NCC¹

£'m and % of revenue



£129.2m revenue delivered in H122 (+96% on H121 and +44% on H221):

- £104.3m from firm book, up £51.8m (99%) on H121
- £23.4m from non-firm book, up £18.9m on H121
- £1.5m other revenue, down £7.2m on H121 (exit of a low margin contract)



Forward contract book and uncontracted meters on supply provides high confidence in continued growth:

- Forward revenue contracted at 31 August 2022 for FY23 at £119m; 31% up on prior year



Margin improvement to 14.1% of revenue, with 6.7% NCC:

- Strong non-firm contribution increases margin
- Bad debt at 7.4% of revenue (H221: 4.7%) reflecting SoLR and high levels of non-firm book
- Significant commercial focus provides confidence for H222+

PROVEN PROFIT TRAJECTORY

GROWTH

BIGGER

Subscription
Revenue Model

EBITDA

BETTER

Net Customer
Contribution

FASTER

Leverage
Overheads

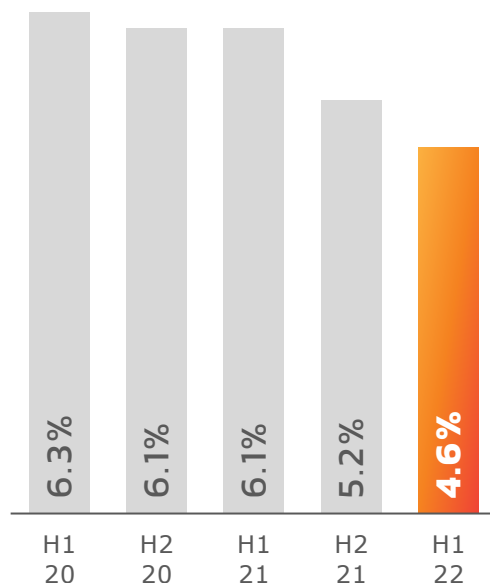
CASH

STRONGER

Cash focus

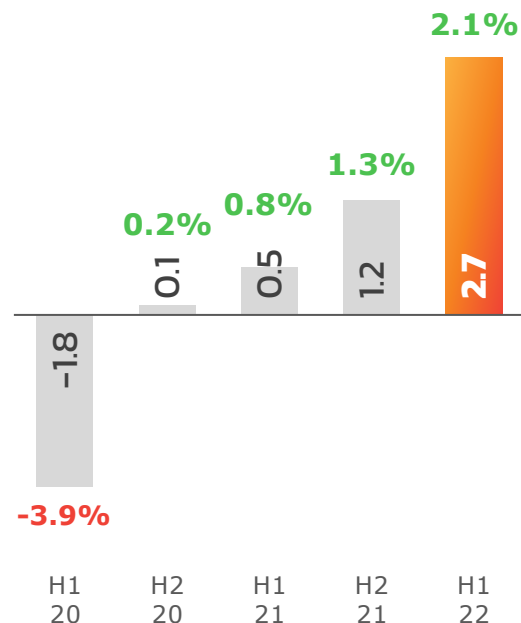
Overheads

% of revenue



Adjusted EBITDA¹

£'m and % of revenue



Significant overhead benefits from scale and high price environment, plus digital investment:

- Overheads at 4.6% of revenue (from 5.6% in FY21)
- Investment in digital targeted to unlock further benefits (to overheads below 3.5% at £500m revenue)



Consistent improvement in adjusted EBITDA since H218:

- Management focus on 4%+ adjusted EBITDA at £500m revenue
- 4 consecutive periods of "£ and %" improvement (7 periods, except for H120 (Covid-19))



Well placed to deliver increased profitability:

- Hedge book provides flexibility and potential upside from H222 and FY23+ (~£0.3b MtM value)
- Group's commercial strategies well developed to optimise the current high, or a potentially reducing, commodity price environment
- Energy Bill Relief Scheme supports customers and should support a reduction in bad debt
- Full scale launch of the Yü Smart business expected to further enhance % returns from FY23.

OUTLOOK & SUMMARY

A CLEAR VISION-TARGET

£500m+

revenue targeted by 2023

>4% EBITDA

via increased net customer contribution and reducing overheads



Significant confidence in high revenue growth based on increased forward contract book



Well positioned. We remain strong and focused on delivering continued profitable and controlled growth



Excited about the long term benefits we will unlock from our **'Digital by Default' strategy** and **Yü Smart**



Our vision remains the same - Bigger, Better, Faster, Stronger

APPENDIX

THE RIGHT TEAM AT YÜ



Bobby Kalar

Chief Executive Officer

- **Bobby is founder and major shareholder of Yü Group.**
- Degree in Electrical and Electronic Engineering
- Previous roles at Marconi PLC and COLT Telecommunications.
- Owned and managed a chain of care homes which he subsequently sold in 2013.
- Entered energy sector as a TPI broker before moving into supply in 2012 to take advantage of the market opportunity presented by deregulation.



Paul Rawson

Chief Financial Officer

- Joined Yü Group on 3 September 2018.
- **Over 20 years' experience of the energy sector in a number of finance and general management roles** with the Engie Group.
- Previously divisional CEO for energy solutions: a top 10 B2B gas and power supplier, and a provider of energy services and smart technologies.
- A Qualified Chartered Accountant with a degree in Accountancy, and was previously an Audit Manager with KPMG.



Robin Paynter-Bryant

*Independent
Non-Executive Chairman*

- Joined the Board in January 2020.
- Robin has **more than 30 years experience in corporate finance with a strong background in utilities.**
- Previous roles have included Non-Executive Director of the UK Water Economic Regulatory Authority, OFWAT.
- Advised a range of companies including Severn Trent Water Plc, Endesa SA, Italgas SpA and Centrex European Energy & Gas AG.



John Glasgow

*Independent
Non-Executive Director*

- **Over 35 years experience in engineering, operations, trading and IT across the energy industry.**
- Senior roles have included Head of Powergen Technical Audit, Head of Powergen Energy Management Centre, and General Manager of Powergen Energy Solutions.
- Latterly held Board roles including Head of Strategy at the establishment of the new E.ON Energy Services business, E.ON Director of New Connections & Metering and Director of Operations and Asset Management at E.ON Central Networks.



Anthony Perkins

*Senior independent
Non-Executive director*

- Joined the Board in January 2020.
- **A senior audit partner at BDO for many years and has acted for many fully listed and AIM companies in the professional services, natural resources, technology, manufacturing and retail sectors.**
- Extensive experience in financial, governance and risk management. He has advised on corporate strategy, transactions and expansion of businesses in the UK and internationally.

WHO ARE WE



Serving the **B2B supply market**
(no price cap)



Rapid & profitable growth



Experienced team
& processes



Robust
hedging policy

**OUR MISSION IS TO CREATE
YÜTILITY SIMPLICITY FOR TIME
STARVED B2B CUSTOMERS.**

WHAT WE DO & WHO WE SERVE

OUR PRODUCTS



Business Electricity, Gas
and Water



Smart Meter Installations
and Services and New
Connections



Sustainable Solutions -
Green Electricity Carbon
Neutral Gas



EV Charging

OUR CUSTOMERS



SMEs



Multi-site, complex
I&C companies



Third-party intermediaries
(TPIs)



Other partners

THROUGH OUR CHANNELS



Online



Inbound



Outbound

BUSINESS OVERVIEW

SERVICE AND OPERATIONS

OPERATIONS



184

Employees



26,000+

meters



FORWARD

commodity trading
Hedged position



ROBUST

Systems & processes

SERVICE



DIGITAL

by default



LEADING

Trust Pilot score



No hidden costs.

FIXED PRICE

contracts, multi-utility



**YÜTILITY
SIMPLICITY**

Easy to deal with

OUR DIFFERENTIATION



YÜTILITY SIMPLICITY

Unique multi-utility offer



CUSTOMER SERVICE

Three-ring pick up and easy to deal with



INNOVATION/DIGITAL

Partner portal for easy access plus digital solutions to engage with future customers



SUSTAINABLE SOLUTIONS

Pure green energy supply, energy insight and EV charging solutions for customers and serving our communities and people



OUR CUSTOMERS

Targeting disengaged SMEs who want to be treated fairly



FLEXIBILITY

Bespoke systems, flexible approach, speed of turnaround and agility

DISRUPTING THE ENERGY MARKET

WHILST OUR COMPETITORS WRESTLE WITH LEGACY SYSTEMS
OUR BRAND-NEW TECHNOLOGY STACK DELIVERS REAL VALUE
TO OUR CUSTOMERS



From click to
contract in just
27 seconds

Our instant quote
platform is lightning fast



Bespoke pricing
**without human
intervention**

Broker partners and
customers can access
bespoke pricing without
human intervention



Always **one
step ahead** of
the competition

Our pricing is so fast we
can keep pricing when
the majority of suppliers
withdraw from the market



Reducing costs
whilst **improving**
brand experience

Through automation
of marketing and
customer service



**Real time
analytics**

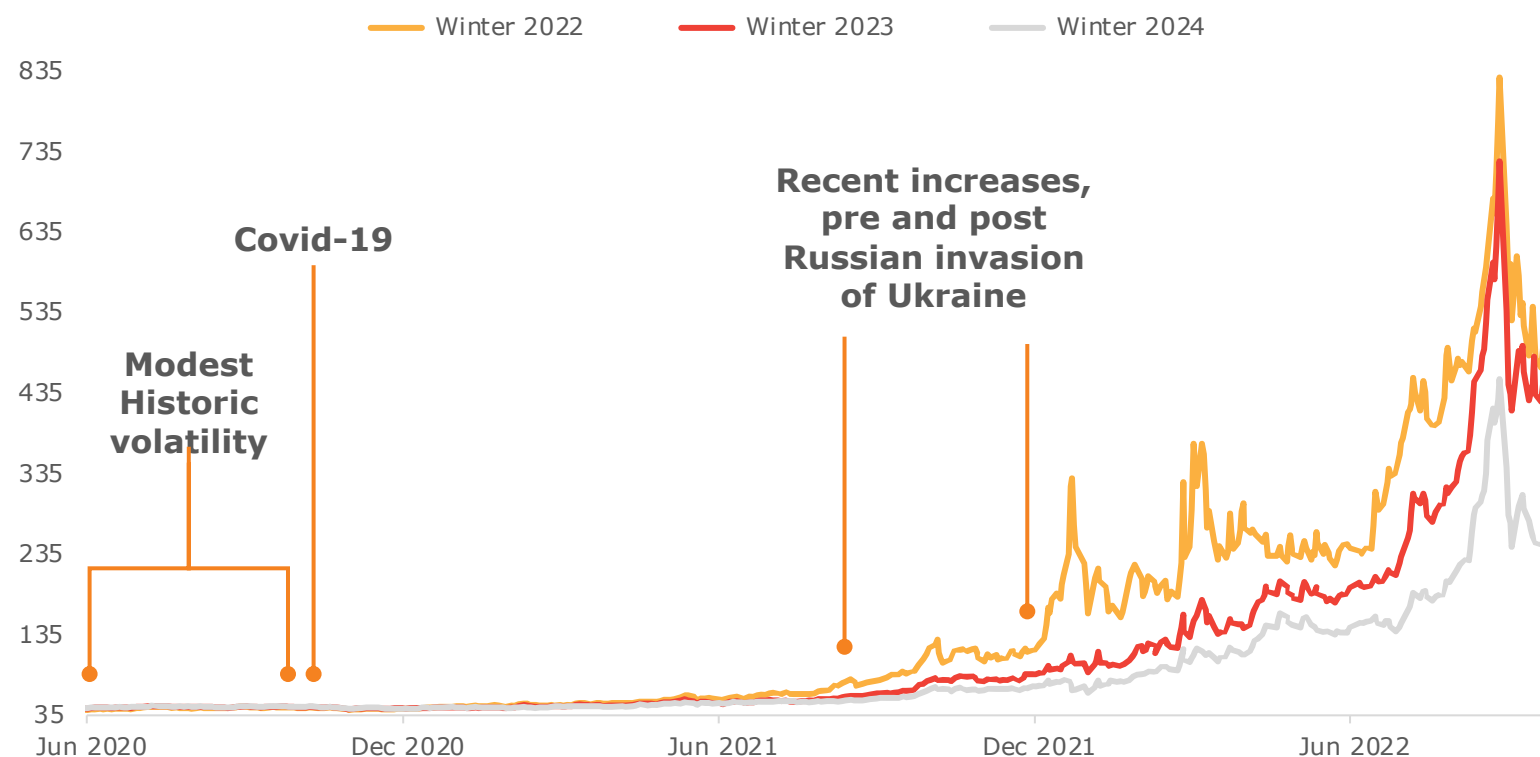
improves profitability
and predictability

STATE OF THE MARKET

COMMODITY MARKET MOVEMENTS, 2019 TO Q1 2022

Evolution of forward gas price

Pence/Therm



Record high prices in commodity markets resulting in £0.3 billion MtM position



Some smaller suppliers do not have the agreements or balance sheet to hedge effectively.



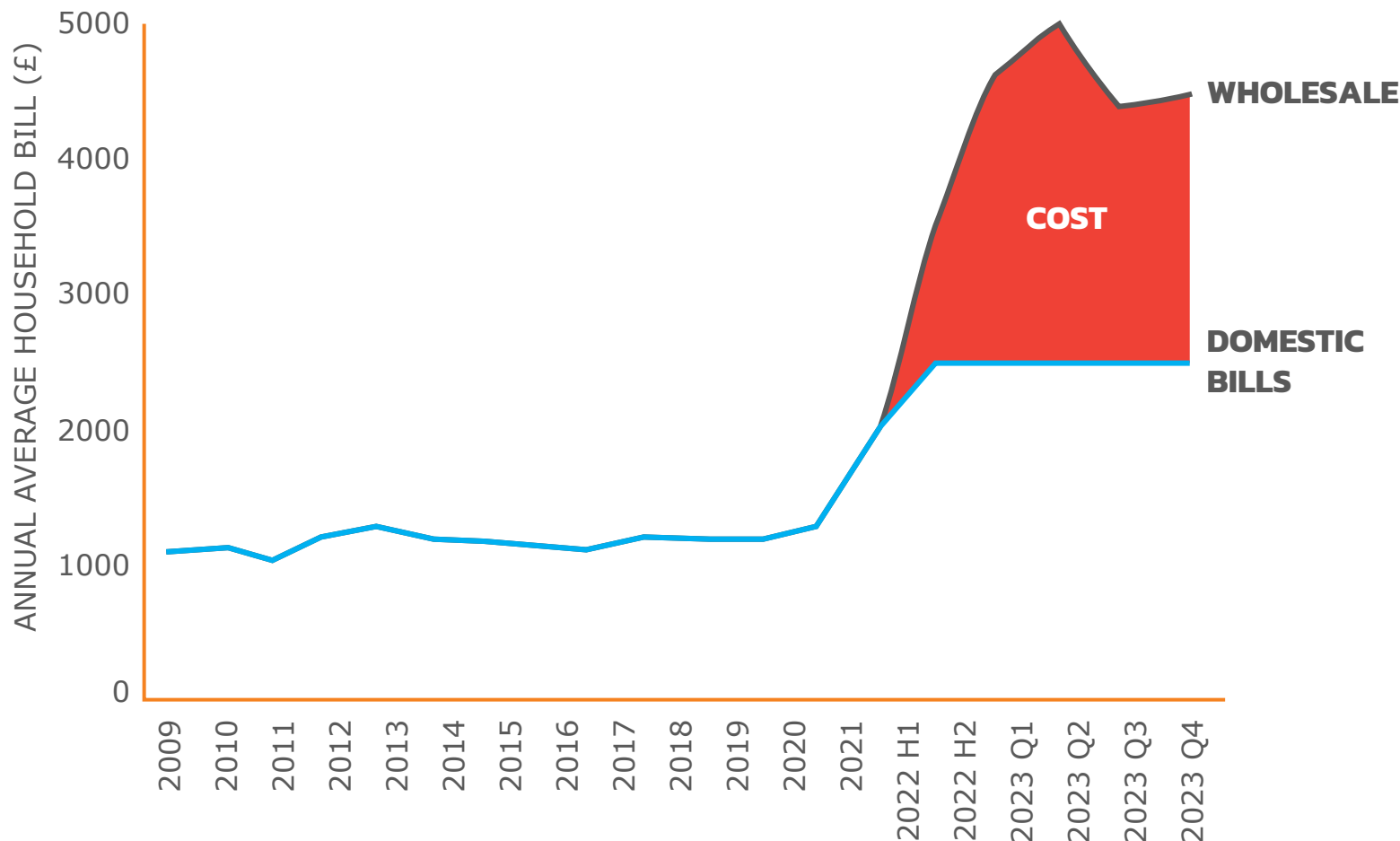
B2C price cap creates imperfect hedging conundrum for domestic suppliers. B2B market does not have this restriction.



Market consolidation continues.

ENERGY PRICE GUARANTEE

EFFECT ON DOMESTIC VS BUSINESS



DOMESTIC PRICE CAP

Government price cap on domestic energy bills sets a total tariff which can be charged by the supplier to the retailer.

BUSINESS NO PRICE CAP

Government support will not impose a price cap on energy bills. A discount is provided to business customers, providing relief from high prices to end customers.

A GREAT TEAM AT YÜ

2022 SNAPSHOT, 6 MONTHS PERIOD (JAN/JUN)



184▲
Total Yü employees

2021:
£66m
2020:
£46m



37%▲
Female identifying employees

2021:
33%
2020:
30%



80%▲
Employee engagement

2021:
73.9%
2020:
71%



18.8▼
Length of service (months)

2021:
22.3
2020:
22.23



4%▼
Absence

2021:
1%
2020:
1%



38▲
Average colleague ages

2021:
36
2020:
33



6%▲
Staff turnover

2021:
4.89%
2020:
5%



44▲
Roles filled

2021:
41
2020:
57



8▲
Placement students

2021:
4
2020:
0



4▼
Apprentices

2021:
5
2020:
7



6▲
Internal 'major' promotions

2021:
4
2020:
9

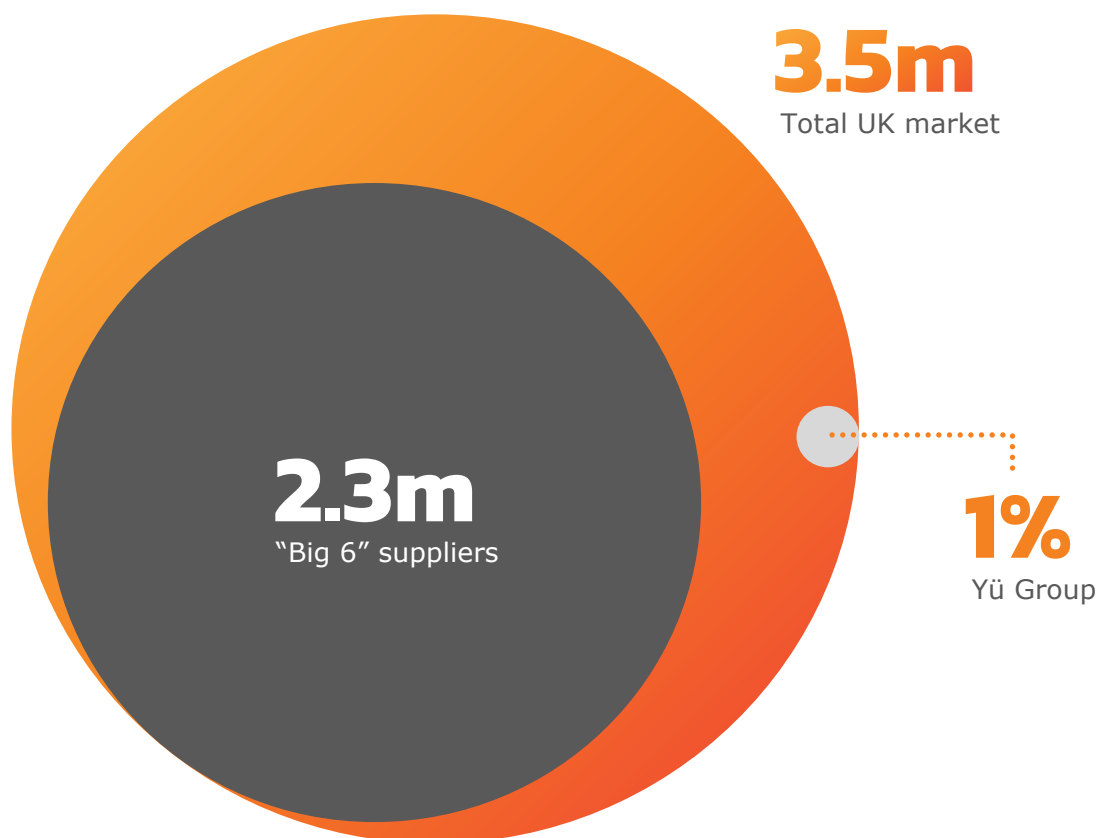


15▲
Internal people moves

2021:
5
2020:
510

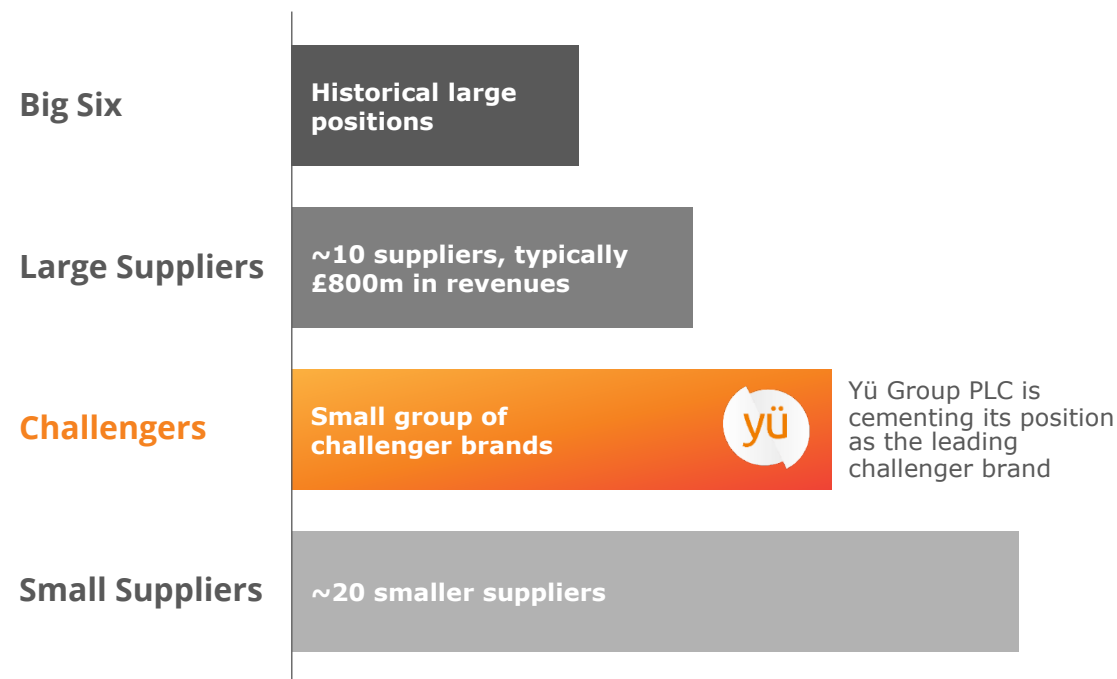
MARKET OPPORTUNITY

HUGE OPPORTUNITY FOR GROWTH IN A MARKET OF 3.5M BUSINESS ENERGY METERS



Competitor Landscape

B2B supply market is more complex than the domestic space with fewer suppliers



OUR STRATEGIC PRIORITIES

BIGGER

Subscription Revenue Model



Targeting a huge UK market



Maintain and retain customers



Multiple routes to market



Strategic acquisitions

BETTER

Net Customer Contribution



Consistent growth



Increasing customer contribution



Control expenditure and costs



Cash flow management

FASTER

Leverage Overheads



Efficient customer experience



Cost advantage



New acquisition channels



Disrupt market and accelerate scalability

STRONGER

Cash focus



Committed sustainability strategy



Hedging strategy to mitigate risk



Employee career progression

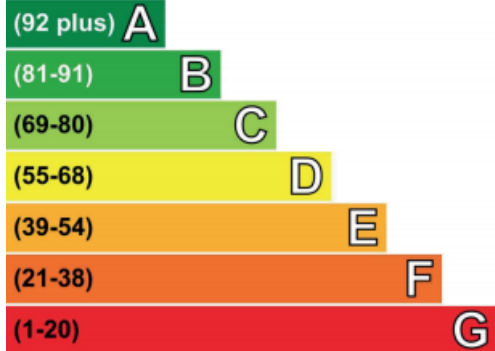


Experienced management team

Underpinned by our Digital by Default approach...

Energy Efficiency Rating

Very energy efficient - lower running costs



Not energy efficient - higher running costs



SUPPORTING OUR CLIENTS NET ZERO AMBITIONS

Proud to support a world going green with a growing number of customers who want to make cleaner, greener business choices.



Launched our certified Pure Green Energy Plan in 2020, and our Carbon Neutral Gas plan in 2021



Provide solutions for energy efficiency and EV chargers

BALANCE SHEET & CASHFLOW

BALANCE SHEET EXTRACTS	30 JUNE 2022	30 JUNE 2021	31 DEC 2021
	£'m	£'m	£'m
Tangible & intangible fixed assets	6.3	4.3	5.3
Deferred tax	4.9	4.6	5.9
Trade Receivables (net of prov'n)	9.7	4.7	5.6
Accrued Income (net of prov'n)	15.0	8.6	22.0
Prepayments and other receivables	7.9	4.0	9.8
Accrued Expenses and Deferred income	(31.8)	(17.6)	(34.5)
Other payables, trade payables, tax and SS	(16.9)	(12.8)	(15.1)
Net working capital	(16.1)	(13.1)	(12.2)
Financial Derivative Asset	7.3	1.9	4.0
Cash at bank	15.7	11.5	7.0
Debt (Lease Liabilities)	(0.2)	(0.3)	(0.3)
Non-current liabilities	(4.1)	(3.3)	(0.4)
Net assets	13.8	5.6	9.3

CASHFLOW STATEMENT	30 JUNE 2022	30 JUNE 2021	31 DEC 2021
	£'m	£'m	£'m
Adjusted EBITDA¹	2.7	0.5	1.7
<i>Inflow / (Outflow) from...</i>			
Trade & other receivables mov't	4.8	0.3	(19.7)
Trade & other payables mov't	2.8	1.5	16.8
Cash from customer books	-	-	0.4
Total working capital mov't	7.6	1.8	(2.5)
Operating Cashflow	10.3	2.3	(0.8)
Cap-Ex: Property	-	(2.4)	(2.6)
Cap-Ex: Digital by Default	(1.2)	(0.1)	(1.1)
Cap-Ex: Yu Smart	(0.4)	-	-
Financing activities	(0.1)	(0.1)	(0.2)
Net cash inflow / (outflow)	8.6	(0.3)	(4.7)

¹ Adjusted EBITDA excludes depreciation, amortisation and exceptional gains or losses. For 2021 and prior, it also excluded share based payment charges.

DISCLAIMER

- This presentation is designed to provide information about YU Group PLC and its business and operations. It is intended as general information only and is not to be relied upon for any particular purpose. In particular, no information contained in this presentation constitutes, or shall be deemed to constitute, an invitation to invest or otherwise deal in any securities of YU Group PLC. Although we endeavour to ensure that the content of this presentation is accurate and up-to-date, YU Group plc gives no representation or warranty as to the accuracy or completeness of any information contained in this presentation.
- Accordingly, no liability is accepted by such persons and they will not be liable for any direct, indirect or consequential loss (including without limitation loss of profit) or damage suffered by any person resulting from the use of the information contained in this presentation, or for any opinions expressed by any such person, or any errors, omissions or misstatements made by any of them. Nothing in this notice excludes any remedy in respect of fraud or fraudulent misrepresentation.
- This presentation is being supplied to you solely for your information and may not be copied, distributed, published, reproduced in whole or in part or disclosed to any other person or for any purpose whatsoever at any time. This disclaimer forms an integral part of this presentation, and the presentation will be incomplete without it.
- This presentation contains forward-looking statements, beliefs and opinions which involve risks and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements, beliefs or opinions depending on a variety of factors and accordingly there can be no assurance that the projections or developments will be achieved and no representation or warranty is given as to the reasonableness or achievability, and no reliance should be placed on any projections, estimations or forecasts or the statements, beliefs and opinions expressed herein. In addition, this presentation contains historical information and it should be noted that past performance cannot be relied on as a guide for future performance.
- This notice is to be interpreted and construed in accordance with English law and any claims or disputes arising out of, or in connection with, this notice shall be subject to the exclusive jurisdiction of the English courts. By accepting this presentation you agree to be bound by the foregoing restrictions.

thank yü

Investor Enquiries
IR@YuGroupPlc.com

Broker Enquiries
YuGroup@Liberum.com

Media
YuGroup@TulchanGroup.com