



Even
BIGGER
BETTER
FASTER
STRONGER

**TRANSFORMING BUSINESS
UTILITY SUPPLY**

FULL YEAR RESULTS

22 MARCH 2022

BOBBY KALAR – CEO

PAUL RAWSON – CFO

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INTRODUCTION



BOBBY KALAR CHIEF EXECUTIVE OFFICER

Bobby is founder and major shareholder of Yü Group. He has a 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. He has over 20 years' experience of the energy sector in a number of finance and general management roles with the Engie Group. He was previously Divisional CEO for energy solutions: a top 10 B2B gas and power supplier, and provider of energy services and smart technologies. Paul is 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 include Non-Executive Director of the UK Water Economic Regulatory Authority, OFWAT. He as 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. John was Managing Director of Sterling Power Utilities Ltd until Autumn 2013. He is a Board member of the St Modwens Environmental Trust.



ANTHONY PERKINS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Joined the Board in January 2020. Has been 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. He has extensive experience in financial, governance and risk management. He has advised on corporate strategy, transactions and expansion of businesses in the UK and internationally.

BUSINESS INTRODUCTION

WE ARE THE LEADING CHALLENGER SUPPLIER OF GAS, ELECTRICITY AND WATER, WITH THE CAPABILITY TO SERVICE EVERY BUSINESS IN THE UK

- Leading challenger supplier – not a Broker
- Serving the B2B market (not impacted by the price cap)
- Rapid, profitable growth with a strategy poised for continued strong growth
- Experienced team, strong processes and robust hedging policy

Our Products



Business Electricity, Gas and Water



Meter Installations including SMETS and New Connections



Sustainable Solutions – EV Charging, Green Electricity and Carbon Neutral Gas

We serve:

- SMEs
- Multi-site, complex I&C companies
- Third-party intermediaries (TPIs)
- Other partners

Through Our Channels:



Online



Inbound



Outbound

EXECUTIVE SUMMARY

- Strong profitable growth cementing our position as a leading challenger supplier
- Double digit growth in revenue, bookings, contracted revenue, adjusted EBTIDA and profit after tax
- Strong processes and robust hedging strategy have allowed us to successfully navigate volatile market and emerge stronger
- Appointed by Ofgem as AmpowerUK SoLR with seamless integration adding scale and immediate earnings enhancement
- Launch of 'Digital by Default' programme to:
 - Drive scale and simplify customer service
 - Drive cost efficiency
 - Create value through data analysis
- Underpinned by strong foundations we are poised for continued strong growth

"We've become one of the fastest growing utility challenger brands in the UK and central to this success as always are the amazing people who I have the good fortune to work with every day. A huge thank you to all my team."

Bobby Kalar, CEO

2021 IN NUMBERS



BIGGER
(high growth)

£157m

contracted revenue for year ahead

2020: £93m

2019: £80m

£13.8m

average monthly bookings

2020: £8.3m

2019: £4.2m

£155m

Revenue, up 53%

2020: £102m

2019: £112m



BETTER
(more profitable)

£1.7m

adjusted EBITDA,
up £3.4m y-o-y

2020: (£1.7m)

2019: (£4.2m)

£7.0m

Cash

2020: £11.7m

2019: £2.4m

28p

earnings per share

2020: (7p)

2019: (31p)



FASTER
("digital first")

5.5%

Overheads % to revenue –
to benefit from scale impact

2020: 6.2%

2019: 6.3%

2

Customer book integrations
onto scalable platform

2020: 2

2019: zero

~1%

market share

2020: 0.4%

2019: 0.4%



STRONGER
(robust and resilient)

145

Average number
of employees

2020: 111

2019: 141

4*

Leading Trustpilot
score

2020: 4.5*

2019: 4*

7 days

Overdue Customer
Receivables

2020: 8days

2019: 7days

ACCELERATING GROWTH & PROFIT

Excellent forward revenue visibility

- Forward contracted revenue for FY22 already at £156.6m (2020 for FY21: £93m)
- Average contract term of 30 months

Very strong organic growth

- Record average monthly bookings of £13.8m for FY21
- Particularly strong Q4, with average monthly bookings of £24.0m

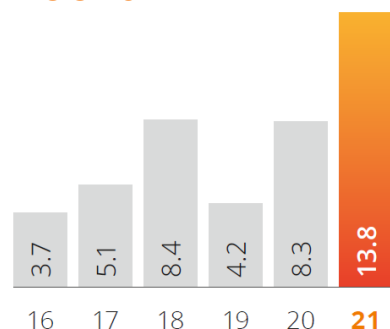
Clear profit improvement

AVERAGE MONTHLY NEW BOOKINGS

Average contract term: 30 months (£m)

£13.8m

+66%

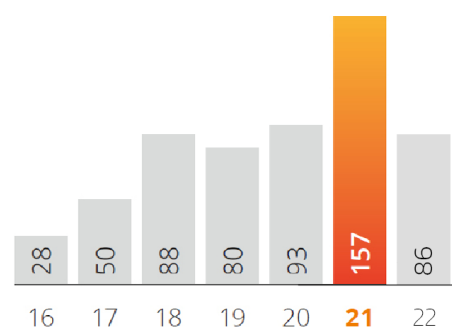


CONTRACTED REVENUE (ONE YEAR FORWARD)

(£m)

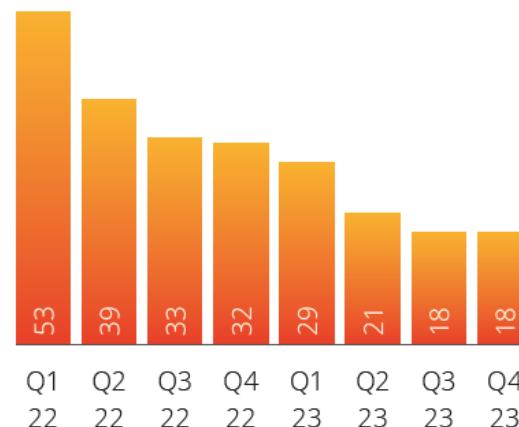
£157m

+69%



Contracted revenue

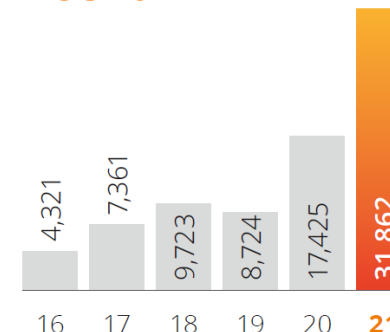
£m



TOTAL METER POINTS

31,862

+83%

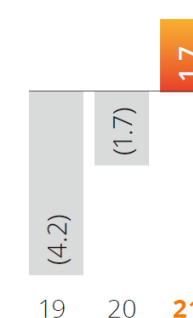


Adjusted EBITDA

£m

£1.7m

+£3.4m



CUSTOMER BOOK INTEGRATIONS

2020

BRISTOL
energy

Midlands based
supplier

2021

 **ampower**
energising lives

SQUEAKY
Energy

 **whoop**
energy

 **Xcel Energy**

2022

ofgem

Secured appointment as SoLR for AmpowerUK's customers in November 2021

£24m

The Group set its record average monthly bookings in Q4 2021 as a result of increased market opportunity

1 day

Timescale to onboard customers onto the Group's platform

ENERGY MARKET DYNAMICS

- Record high prices in commodity markets.
- 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.

249%

year on year increase in forward gas prices¹

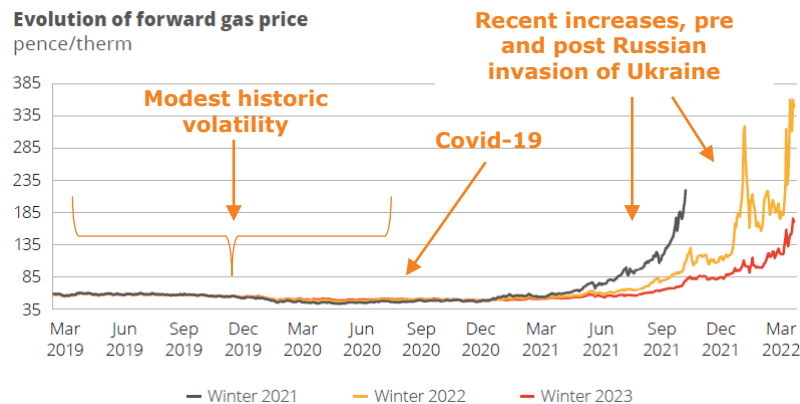
£248m

Yü Group value of forward gas and electricity hedges²

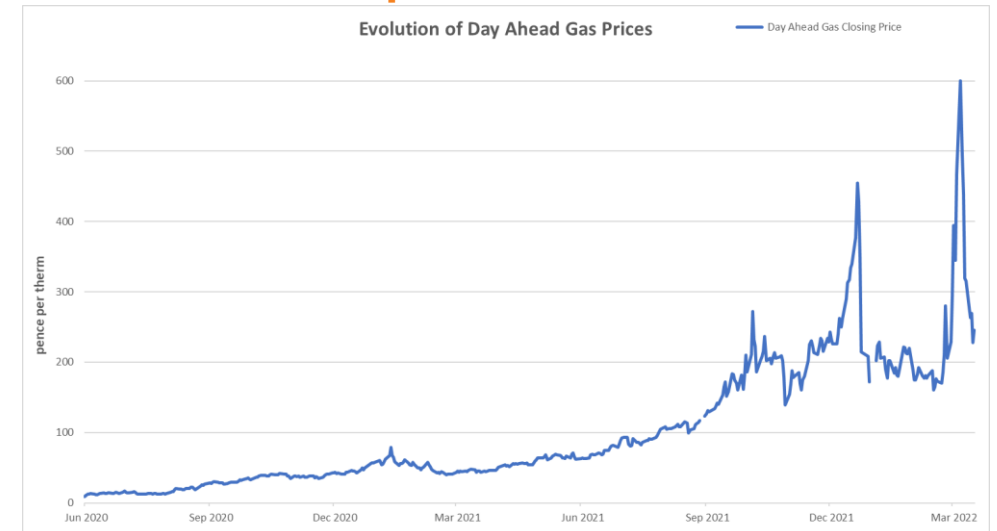
31

reduction in gas and electricity suppliers³

Commodity market movements, 2019 to Q1 2022:

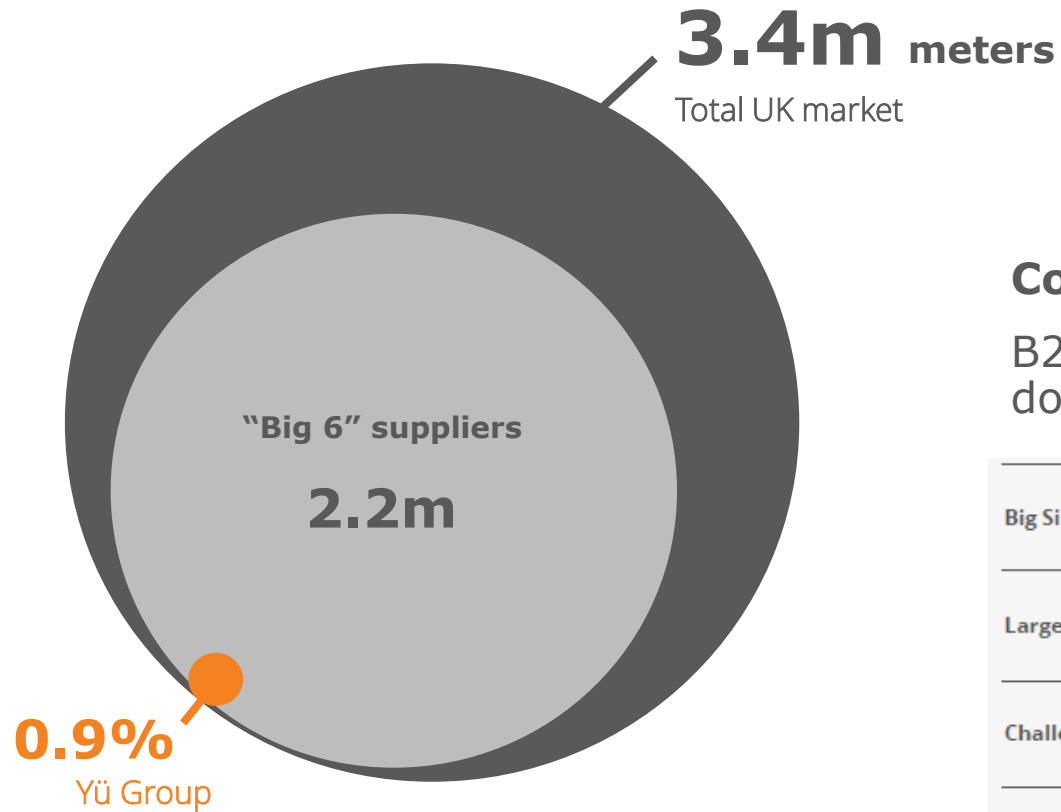


Volatile short-term prices:




MARKET OPPORTUNITY

Huge opportunity for growth in a market of 3.4m business energy meters



Competitor Landscape

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

Big Six	Historical large positions	
Large suppliers	~10 suppliers, typically £800m in revenues	
Challengers	Small group of challenger brands	 YÜ GROUP PLC Yü Group PLC is cementing its position as the leading challenger brand
Small suppliers	~20 smaller suppliers	

DIGITAL BY DEFAULT

Bringing disruptive innovation to the utilities sector to cover three core areas:



1. Driving and scaling new digital sales channels and simplifying customer service



2. Efficient and automated systems to drive cost efficiency



3. Data science and technology to identify opportunities to create value

Digital by default is progressing well. The digital customer portal is live along with our self-serve quote to registration journey.

This year we will be delivering strategic marketing campaigns to shift customers to our digital platform.

We now have the digital foundations firmly embedded.

Bobby Kalar, CEO



Zero human intervention



Digital prospect acquisition



Digital onboarding



Quick and easy personalised quote



Easy online account management



Smart meter decisioning



Smart lifecycle management

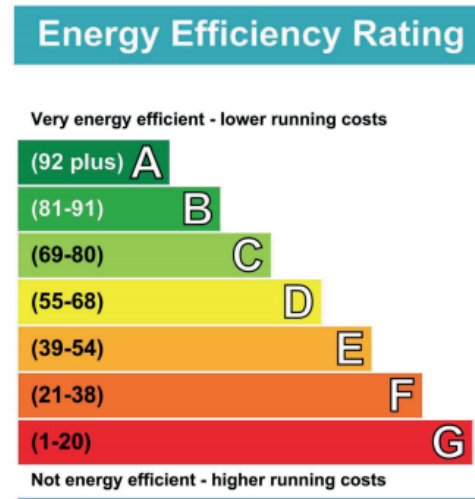


Automated digital contract

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





GROUP PLC

FINANCIAL REVIEW



FINANCIAL OVERVIEW

£'m	FY 2021	FY 2020	FY 2019
Revenue	155.4	101.5	111.6
Adjusted EBITDA¹	1.7	(1.7)	(4.2)
Profit after tax	4.5	(1.2)	(5.0)
Operating cash flow	(0.8)	12.1	(11.3)
Cash and cash equivalents	7.0	11.7	2.4
Earnings per share (basic)	27p	(7p)	(31p)

- Strong **revenue growth**, up 53% to £155.4m
 - high organic growth (38% growth); &
 - integration of AmpowerUK's customer book (~£15m).
- **Clear trajectory** in profitability. Adjusted EBITDA up £3.4m to £1.7m:
 - gross margin increased by 2.2%, to 9.8%;
 - overheads decreased by 0.6% to 5.6%.
- **Profit after tax of £4.5m** up from a £1.2m loss in FY20:
 - £3.3m gain on our £248m forward trade book; &
 - Tax credit from value of forward losses.
- **Earnings per share** of 27p, up from a 7p loss in FY21.
- **Cash of £7.0m** (FY20: £11.7m):
 - continued investment into 'Digital by Default' strategy including the opening of the new Leicester innovation centre.

INCREASING PROFITABILITY WITH SCALE

GROWTH

 **Bigger**

**Subscription Revenue
Model**

EBITDA

 **Better**

**Net Customer
Contribution**

 **Faster**

**Leverage
Overheads**

CASH

 **Stronger**

Cash focus

***We continue strong momentum in financial results,
governed via our clear financial framework.***

***In short, the Board is fully driven to further increase
adjusted EBITDA from the 1.1% achieved in FY21
and on significantly increased revenue.***

INCREASING PROFITABILITY WITH SCALE

GROWTH

↗ **Bigger**

Subscription Revenue Model

EBITDA

👍 **Better**

Net Customer Contribution

➡ **Faster**

Leverage Overheads

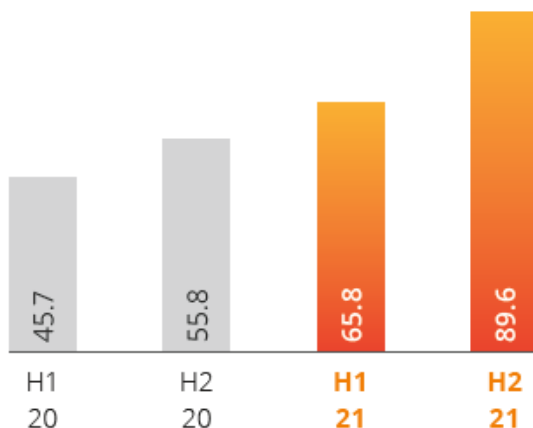
CASH

🔗 **Stronger**

Cash focus

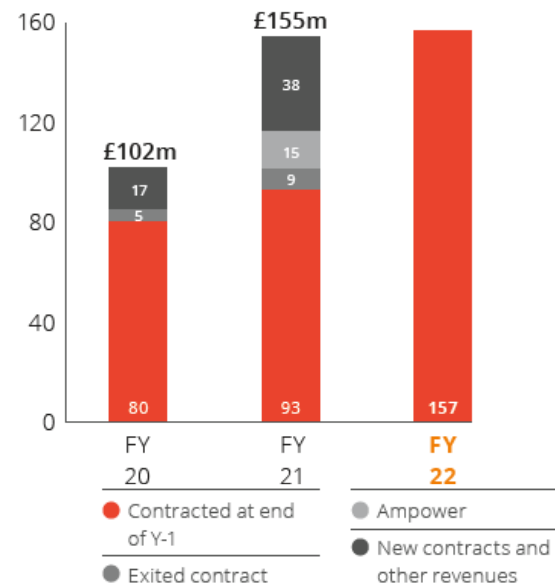
Revenue evolution

£'m



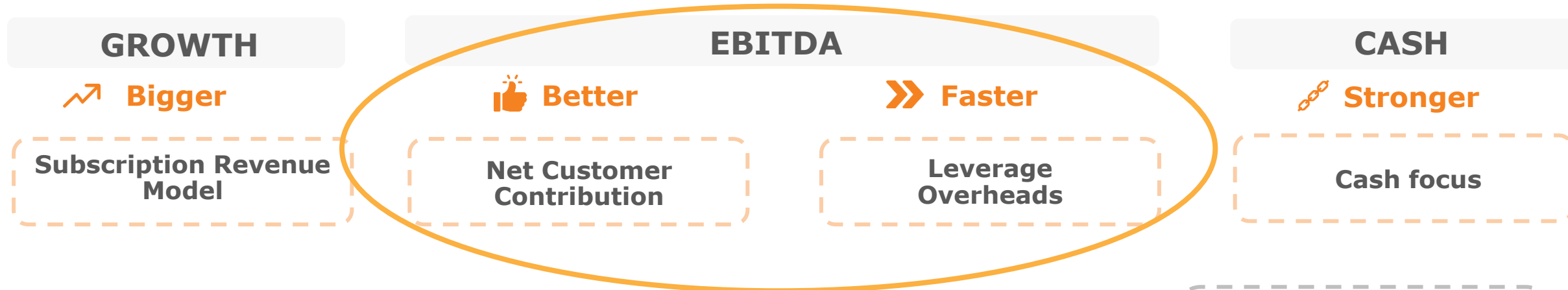
Revenue conversion

£'m



- **£89.6m revenue** delivered in H2 2021 (+36% on H1 21)
- Increased **forward contract book** from strong Q4 2021 bookings:
 - £157m already contracted for FY22 (up 63%)
- **Top-up of revenue:**
 - new business secured in year, plus
 - *out of contract* opportunity
- Bookings at ~£12.5m/month (from a standing start) builds to **£0.5bn+ revenue by year 5**

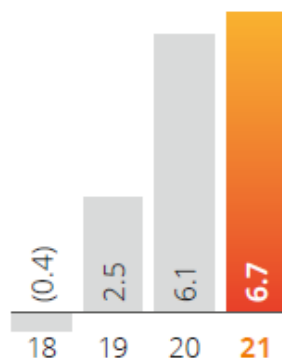
INCREASING PROFITABILITY WITH SCALE



NET CUSTOMER CONTRIBUTION

6.7%

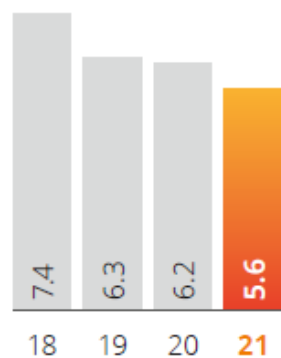
Improvement of 0.6% in 2021



GENERAL OVERHEADS

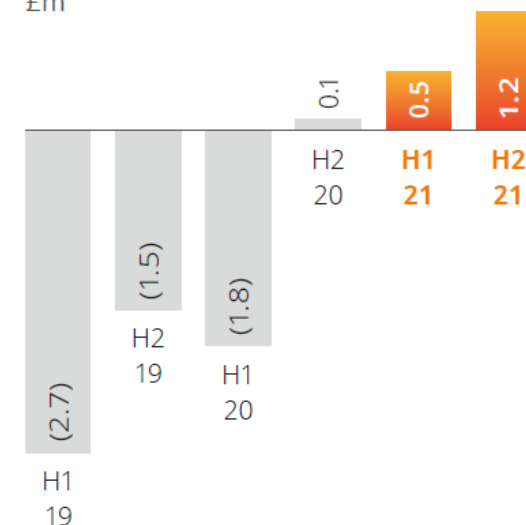
5.6%

Improvement of 0.6% in 2021



- **Net Customer Contribution** increase:
 - GM% increased to 9.8% (FY20: 7.6%);
 - Bad debt charge of 3.1% (prudent basis) for FY21 provides scope for improvement.
- **Overheads** benefiting from significant scale impact:
 - 54% increase in revenues vs. 36% increase in costs;
 - Benefit set to increase following Digital by Default actions. Target £15m benefit at £0.5bn revenue.
- **Adjusted EBITDA** at 1.1% for FY21:
 - significant potential to increase profitability over the short/medium-term.

Adjusted EBITDA £m



BALANCE SHEET & CASHFLOW

Balance Sheet Extracts	31 Dec 2021	31 Dec 2020
	£'m	£'m
Tangible & intangible fixed assets	5.3	2.3
Deferred tax	5.9	4.8
Trade Receivables (net of prov'n)	5.6	3.0
Accrued Income (net of prov'n)	22.0	11.2
Financial derivative asset (incl'd'g >1 yr)	4.0	0.6
Other receivables	9.7	3.5
Accrued Expenses and Deferred income	(34.5)	(19.3)
Other Creditors	(15.0)	(12.1)
Net working capital	(8.2)	(13.1)
Cash at bank	7.0	11.7
Debt (Lease Liabilities)	(0.3)	(0.4)
Non-current liabilities	(0.4)	(0.8)
Net assets	9.3	4.5

Cashflow Statement	31 Dec 2021	31 Dec 2020
	£'m	£'m
Adjusted EBITDA	1.7	(1.7)
<i>Inflow / (Outflow) from...</i>		
Cash Collateral	-	10.2
Trade & other receivables mov't	(19.7)	(0.3)
Trade & other payables mov't	16.8	3.9
Cash from customer books	0.4	-
Operating Cashflow	(0.8)	12.1
Cap-Ex: Property	(2.6)	(0.9)
Cap-Ex: Digital by Default	(1.1)	-
Acquisition of Customer Books	-	(1.7)
Financing activities	(0.2)	(0.1)
Net cash inflow / (outflow)	(4.7)	9.4

OUTLOOK & SUMMARY

OUTLOOK AND SUMMARY

- Significant confidence in high revenue growth based on increased forward contract book
- Despite turbulence in the wider external market, we remain strong and focussed on delivering continued profitable and controlled growth
- Well positioned given different regulatory framework to B2C suppliers and value of hedge book
- Excited about the long term benefits we will unlock from our 'Digital by Default' strategy

A CLEAR VISION

£500m +

revenue targeted by 2025

>4% EBITDA

via increased net customer contribution
and reducing overheads

- **Huge market** - We are approaching a 1% market share, and increasing commodity prices, and a consolidated competitive environment, provides enhanced opportunity.
- **Strong organic growth** - Demonstrated ability to secure high organic growth rates (>50% in 2021).
- **Enhanced profitability** - Clear trajectory on profitability, set to increase as we benefit from our scalable platform and greater customer lifecycle management.
- **Value enhancing acquisitions** - 3 SoLR's and 3 acquisitions completed and successfully integrated since H2 2020. Market opportunity likely to be significant forward.



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APPENDIX




BUSINESS OVERVIEW

OPERATIONS

150
EMPLOYEES



31,000+
METERS




Forward
commodity
trading
**Hedged
Position**


ROBUST
Systems &
Processes



SERVICE



DIGITAL
By Default



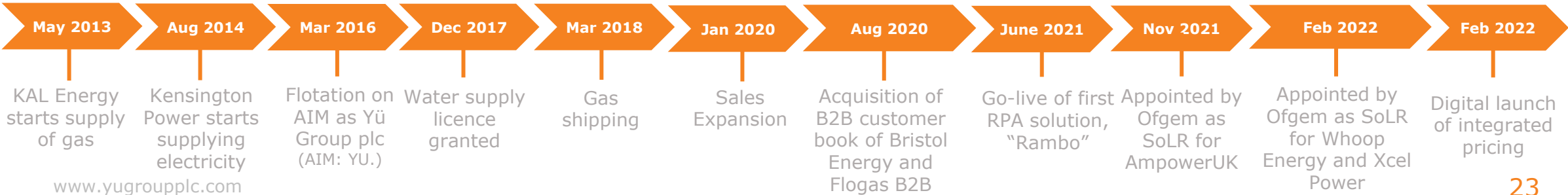
**LEADING TRUST
PILOT SCORE**



No
hidden
costs
**FIXED PRICE
CONTRACTS,
MULTI-UTILITY**



**Yütilty
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

OUR STRATEGIC PRIORITIES

BIGGER



Targeting a huge UK market



Maintain and retain customers



Multiple routes to market



Strategic acquisitions

BETTER



Consistent growth



Increasing customer contribution



Control expenditure and costs



Cash flow management

FASTER



Efficient customer experience



Cost advantage



New acquisition channels



Disrupt market and accelerate scalability

STRONGER



Committed sustainability strategy



Hedging strategy to mitigate risk



Employee career progression



Experienced management team

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