



# 2023 INTERIM RESULTS & OUTLOOK

SEPTEMBER 2023

**BOBBY KALAR – CEO**  
**PAUL RAWSON – CFO**

## MOVING TO THE SCALE STAGE OF OUR JOURNEY



# 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 local supplier



### Nov 2021

Appointed by Ofgem as SoLR for AmpowerUK



### Feb 2022

Launch of online quote platform

### Aug 2014

Kensington Power (now Yü Energy) starts supplying electricity

### ~Jan 2018

Water supply license granted



### 2020

Received Innovative Financing of the Year Award for our commodity hedging facility arrangement.

### Feb 2022

Appointed by Ofgem as SoLR for Whoop Energy and Xcel Power



### May 2022

Acquisition of metering capability



### Q3 2022

July: Yü Smart receive Ofgem license to install smart meters  
Aug: Yü Smart install first smart meter



### Nov 2022

Received the Digital Transformation award at the Utility Week Awards 2022



### Sep 2023

Awarded AJ Bell AIM Listed Company of The Year award



### Oct 2022

Roll out of the Energy Bill Relief Scheme for non-domestic consumers

### May 2023

Recognised in the Sunday Times Best Places to Work List 2023





# EXECUTIVE SUMMARY



Strong performance driven by **competitive advantage**

- Proven strategy and exceeding every KPI
- Differentiated market positioning and user experience
- Established and scalable platform
- Vertical integration model through Yü Smart
- Underpinned by strong, experienced management team



Adjusted EBITDA and cash generation continues strong trajectory. FY 2023 EBITDA expected to exceed £33m substantially ahead of current market expectations



Significant market opportunity and strong contracted revenue provides confidence in sustainable growth (CAGR: 51%)



Digital by Default and Yü Smart vertical integration provides significant medium term margin benefits



Target of £500m+ revenue at 5%+ EBITDA no longer a stretch and to be re-evaluated for 2024

**£358m**

REVENUE CONTRACTED  
FOR FY24

**201%**

YEAR-ON-YEAR  
INCREASE

**+259%**

MONTHLY  
BOOKINGS

**+52%**

METER POINTS

**+51%**

REVENUE

**£11m**

ADJUSTED EBITDA

**+133%**

NET  
CASH

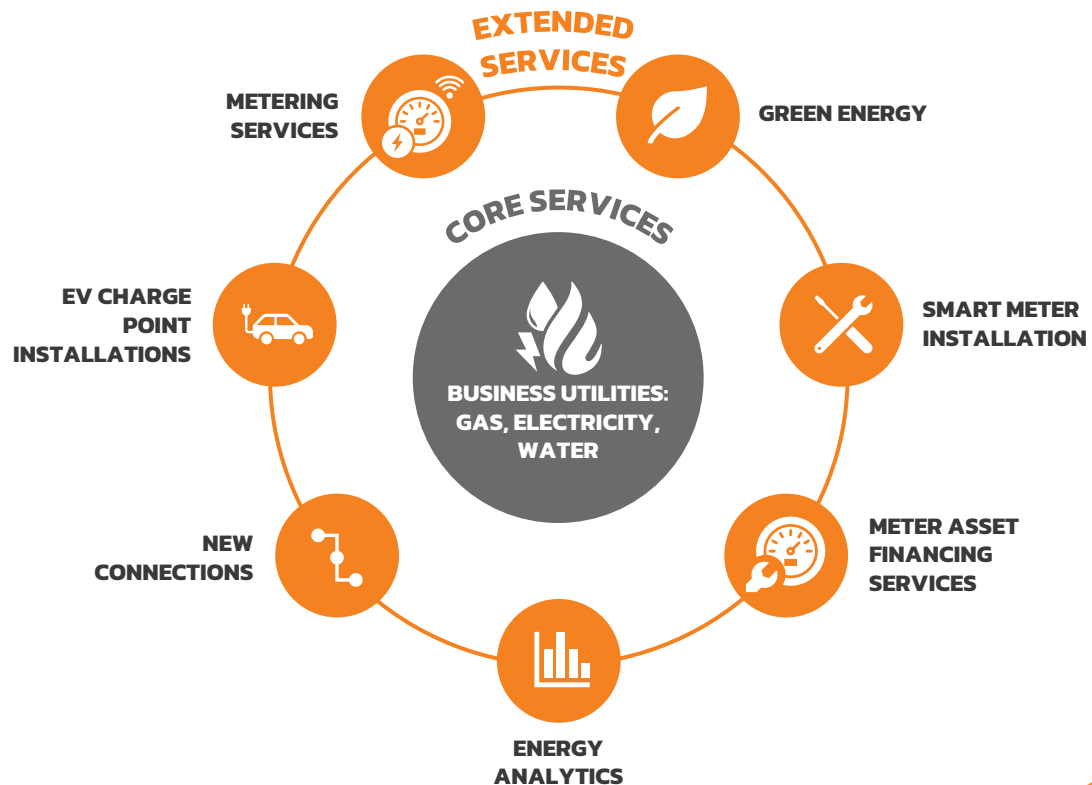
**+48p**

ADJUSTED EARNINGS  
PER SHARE

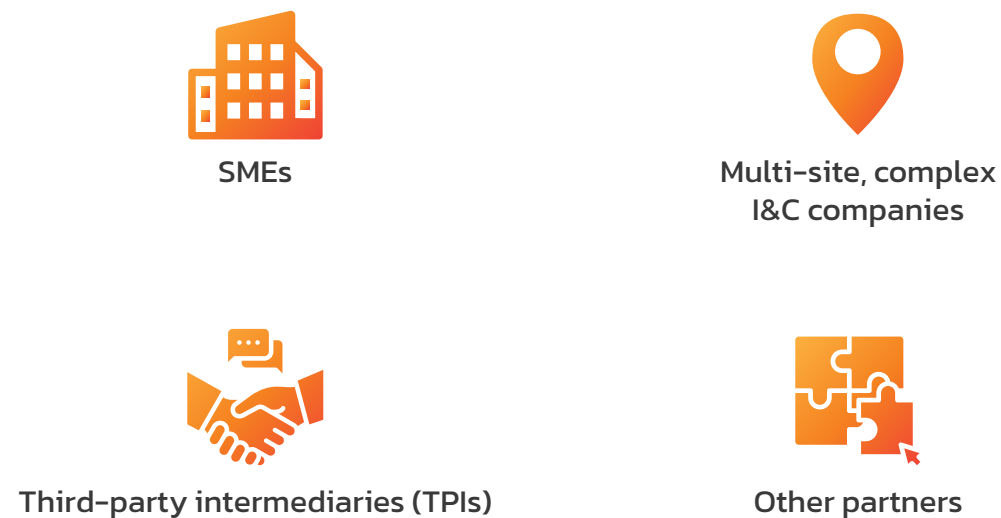
\* Movements are all from H1 23 vs. H1 22, with the exception of contracted revenue (31 August 2023 vs. 31 August 2022)

# WHAT WE DO & WHO WE SERVE

## OUR PRODUCTS



## OUR CUSTOMERS



## THROUGH OUR CHANNELS



Online



Inbound







Outbound

# SUSTAINABLY SCALING OUR BUSINESS

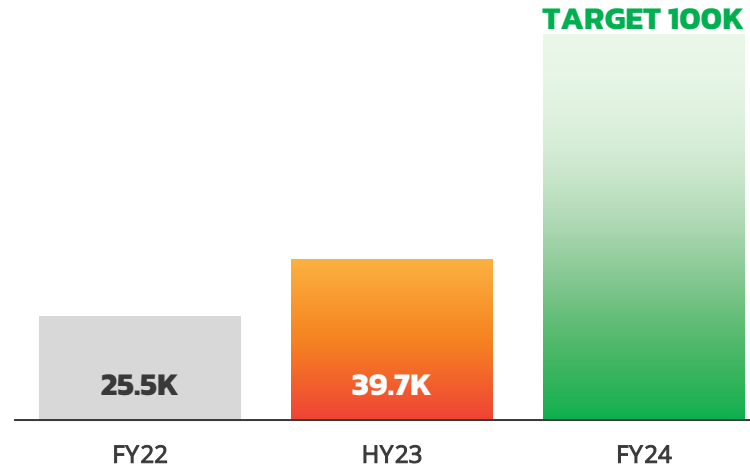
## Reduced Market Competition

-  No new significant competitors since 2021
-  ~95 non-domestic energy suppliers in the market in 2018. As of June 23, only 38 active suppliers <sup>1</sup>
-  Market positioning (SME) brings competitive advantage
-  Huge opportunity for growth through multiple avenues

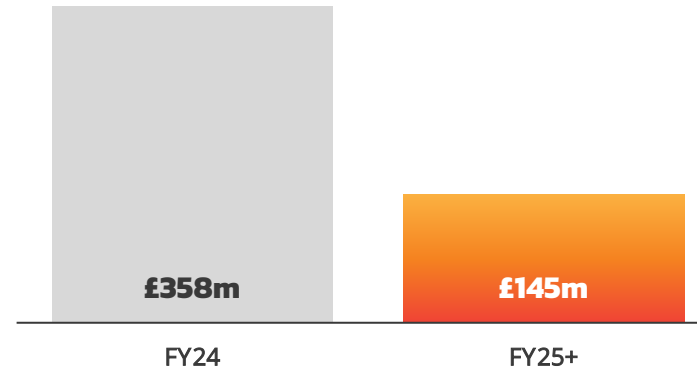
## Underpinned by Digital Innovation

-  Speed and simplicity throughout the customer lifecycle with no margin leakage
-  Quick to adapt to market changes and customer needs
-  Reducing our cost to serve
-  Data science and technology informs commercial decisions

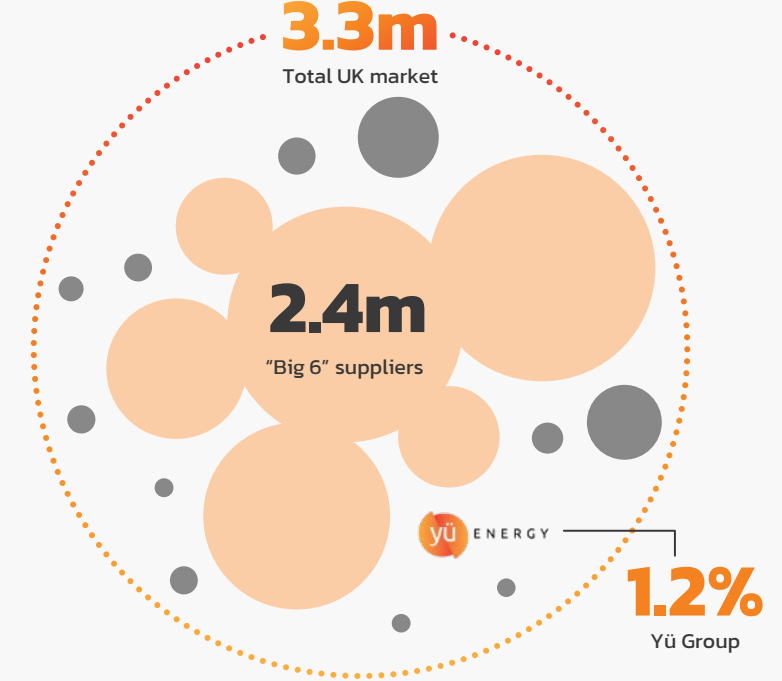
## Meter Points



## Contracted Revenue



## Room for Sustained Growth



“







**YU ENERGY SEES THIS SURVEY'S LARGEST GAIN IN BOTH VOLUME AND METER NUMBERS"**

- Q2 23 Cornwall Insight Business Market Share

# SMART METERING DRIVING GROWTH






CREATING GROWTH OPPORTUNITIES, ANNUITY INCOME, AND FAVOURABLE CUSTOMER OUTCOMES

## New Installation Opportunities




-  4,000 installs in H1 23
-  Of which, 1,300 are owned by Yü
-  Ambition to have 10,000 installs by end 2023
-  Greatly increased our engineering headcount
-  Wider **engineer reach** provides additional service and operational benefits
-  Opportunity to install meters for other suppliers

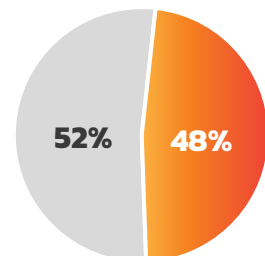


## Benefits to the Group

-  Better understanding of customer usage and payment habits
-  Faster debt resolution
-  New, higher value sector opportunities
-  Optimised energy trading decisions
-  Pre-pay (Pay-as-You-Go) meters

## Annuity Income

-  15+ year, index-linked, rental income
-  £2m cap-ex (10k meters) provides c£0.4m/yr income, and financed by debt
-  Revenue extends beyond energy supply



### Smart Meter Opportunity

**48%** of non-domestic market still using traditional meters

- [www.data.gov.uk](http://www.data.gov.uk)



# H1 2023 IN NUMBERS

BIGGER, BETTER, FASTER, STRONGER

## HIGH GROWTH

**£195m▲**

Revenue, up 51%

H1 2022:  
**£129m**

H1 2021:  
**£66m**

**£51.3m▲**

Average monthly bookings

H1 2022:  
**£14.3m**

H1 2021:  
**£9.6m**

**39.7K▲**

Meter points

H1 2022:  
**26.1K**

H1 2021:  
**20.8K**

## MORE PROFITABLE

**£13.7m▲**

Adjusted EBITDA

H1 2022:  
**£2.7m**

H1 2021:  
**£0.5m**

**£36.6m▲**

Net Cash

H1 2022:  
**£15.7m**

H1 2021:  
**£11.5m**

**58p▲**

Adjusted, FD, EPS

H1 2022:  
**10p**

H1 2021:  
**0.4p**

## "DIGITAL FIRST"

**27▼**

Seconds speed to quote

2022:  
**Hours**

2021:  
**Hours/Days**

**6.0%▲**

Overheads % to revenue

H1 2022:  
**4.6%**

H1 2021:  
**6.2%**

**1.3k▲**

Meters Financed

2022: **0**

2021: **0**

## ROBUST AND RESILIENT

**271▲**

Number of employees

2022:  
**190**

2021:  
**145**

**4\***

Leading Trustpilot score

2022:  
**4\***

2021:  
**4\***

**4 days**

Overdue Customer Receivables

2022:  
**7 days**

2021:  
**7 days**

# 2023: ACCELERATING GROWTH & PROFIT

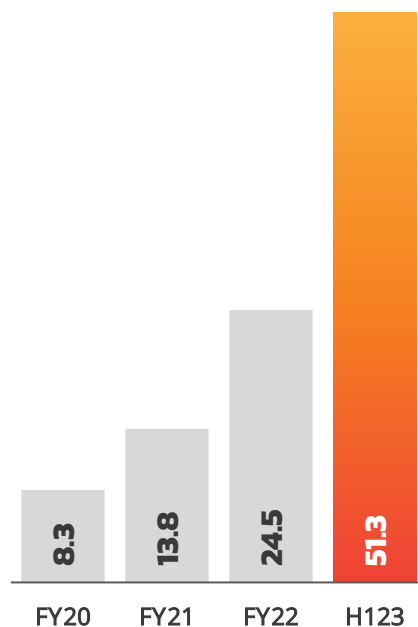
CONSISTENT AND CONSECUTIVE GROWTH WITH INCREASING MARKET EXPECTATIONS

## Average Monthly New Bookings

(£m)

**£51.3m ▲**

+109% on FY 22

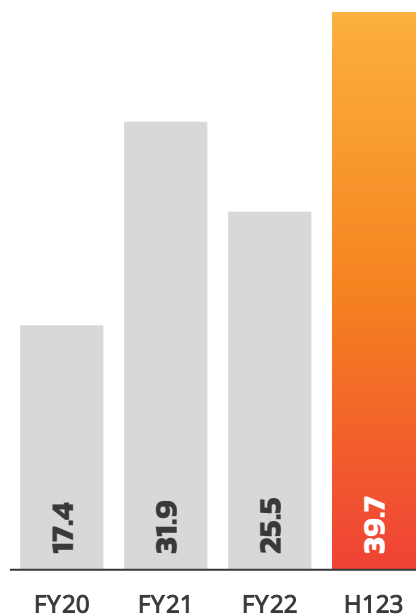


## Meter Points

(,000)

**39.7k ▲**

+56% on FY 22

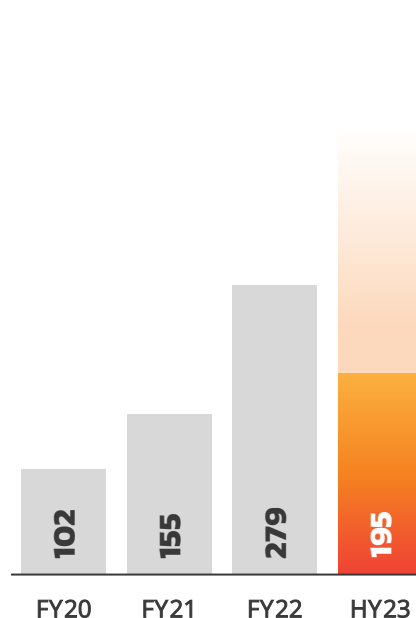


## Revenue

(£m)

**£195m ▲**

+51% on H1 22

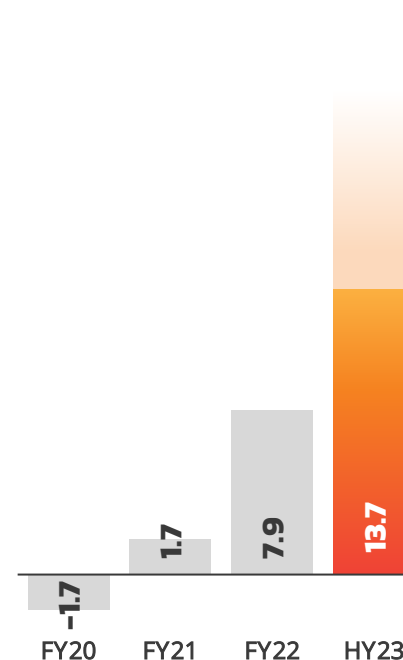


## Adjusted EBITDA<sup>1</sup>

(£m)

**£13.7m ▲**

+£11.0m on H1 22

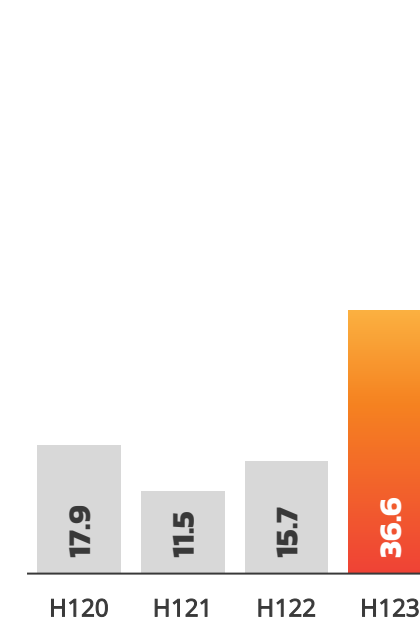


## Net Cash

(£m)

**£36.6m ▲**

+114% on H1 22





# FINANCIAL REVIEW

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# FINANCIAL OVERVIEW

## STRONG GROWTH, MARGIN AND CASH PERFORMANCE

£'m	H1 2023	H1 2022	FY 2022
Revenue	194.9	129.2	278.6
Adjusted EBITDA <sup>1</sup>	13.7	2.7	7.9
Depreciation & amortisation	(0.6)	(0.6)	(1.1)
Non-recurring costs	-	-	-
Financial derivative (loss) / gain	(4.2)	3.3	(0.9)
Taxation	(1.6)	(1.0)	(1.1)
Profit after tax	7.3	4.4	4.8
Earnings per share (adjusted, diluted)	58p	10p	30p
Operating cash flow	18.7	10.3	14.7
Net Cash	36.6	15.7	19.0
Dividend per share	3p interim	-	3p final



Strong revenue growth, up 51% to £194.9m; and already 70% of FY 2022.



Continuing trajectory in profitability, with adjusted EBITDA of £13.7m.

- H1 2023 margin of 7.0%, up from 2.8% for FY 2022.
- Cautious bad debt provisioning policy remains



Profit after tax of £7.3m, reflects 'non-cash' charges:

- £4.2m charge for non-cash financial derivative liability on forward trades due to softening commodity markets. Actual impact covered in premia and balancing activities.
- £1.6m tax charge with significant benefit from available tax allowances



Earnings per share (adjusted, fully diluted) of 58p, 193% of full year 2022.



Strong cash position, with £36.6m held.



Interim dividend of 3p/share

# SUBSTANTIAL REVENUE & MARGIN GROWTH

## GROWTH

### BIGGER

Subscription  
Revenue Model

### BETTER

Net Customer  
Contribution

## EBITDA

### FASTER

Leverage  
Overheads

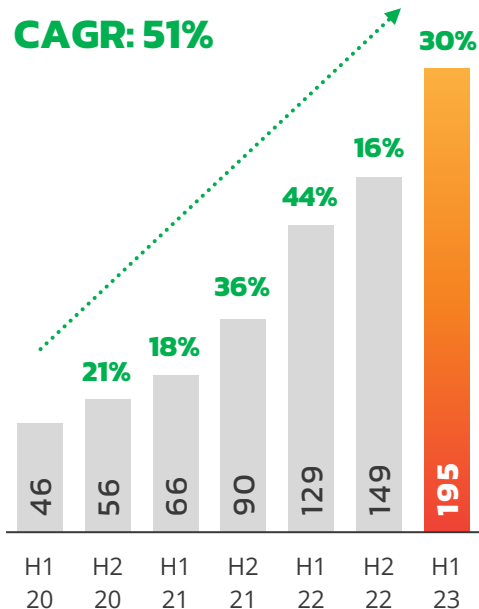
## CASH

### STRONGER

Cash focus

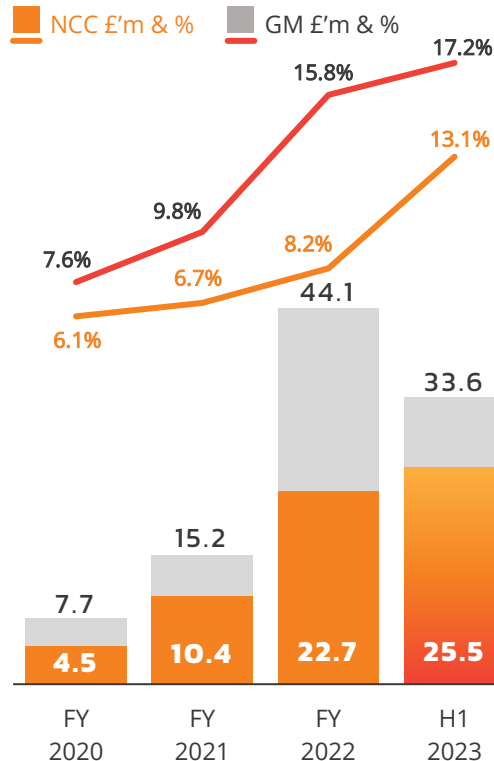
## Revenue

£'m and 6-month growth %



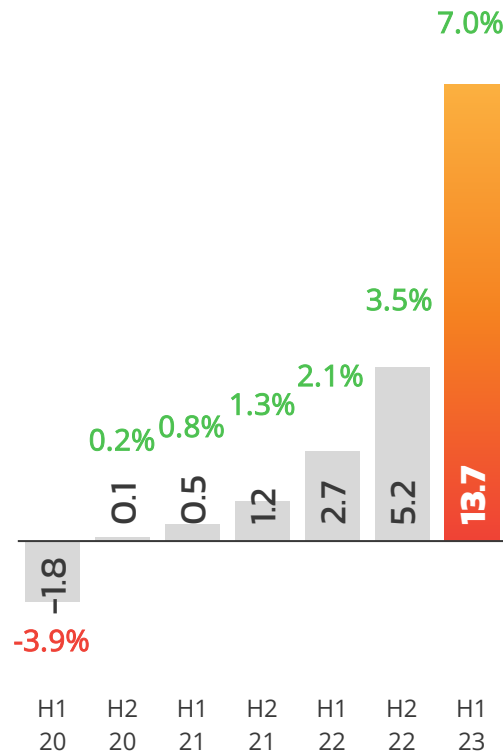
## Gross Margin and NCC<sup>2</sup>

£'m and % of revenue



## Adjusted EBITDA<sup>1</sup>

£'m and % of revenue



### Strong organic growth with 51% CAGR:

- £358m already contracted for 2024 delivery (£247m exit 2023)
- Contracted revenues of c£145m for FY 2025 and beyond

### Increased gross margin and NCC

- Differentiated market positioning provides good GM opportunity
- Reduced bad debt charge despite cautious provisioning. Overdue Customer Receivables of 4 days' (H1 2022: 7 days') provides significant upside opportunity.

### Proven adjusted EBITDA trajectory

- Exceeded managements 5% target, with further growth and digital investment planned.
- Digital by Default efficiency / analytics and Yü Smart set to add value over the medium-term.



# STRONG BALANCE SHEET & CASH POSITION

## GROWTH

### BIGGER

Subscription  
Revenue Model

## EBITDA

### BETTER

Net Customer  
Contribution

### FASTER

Leverage  
Overheads

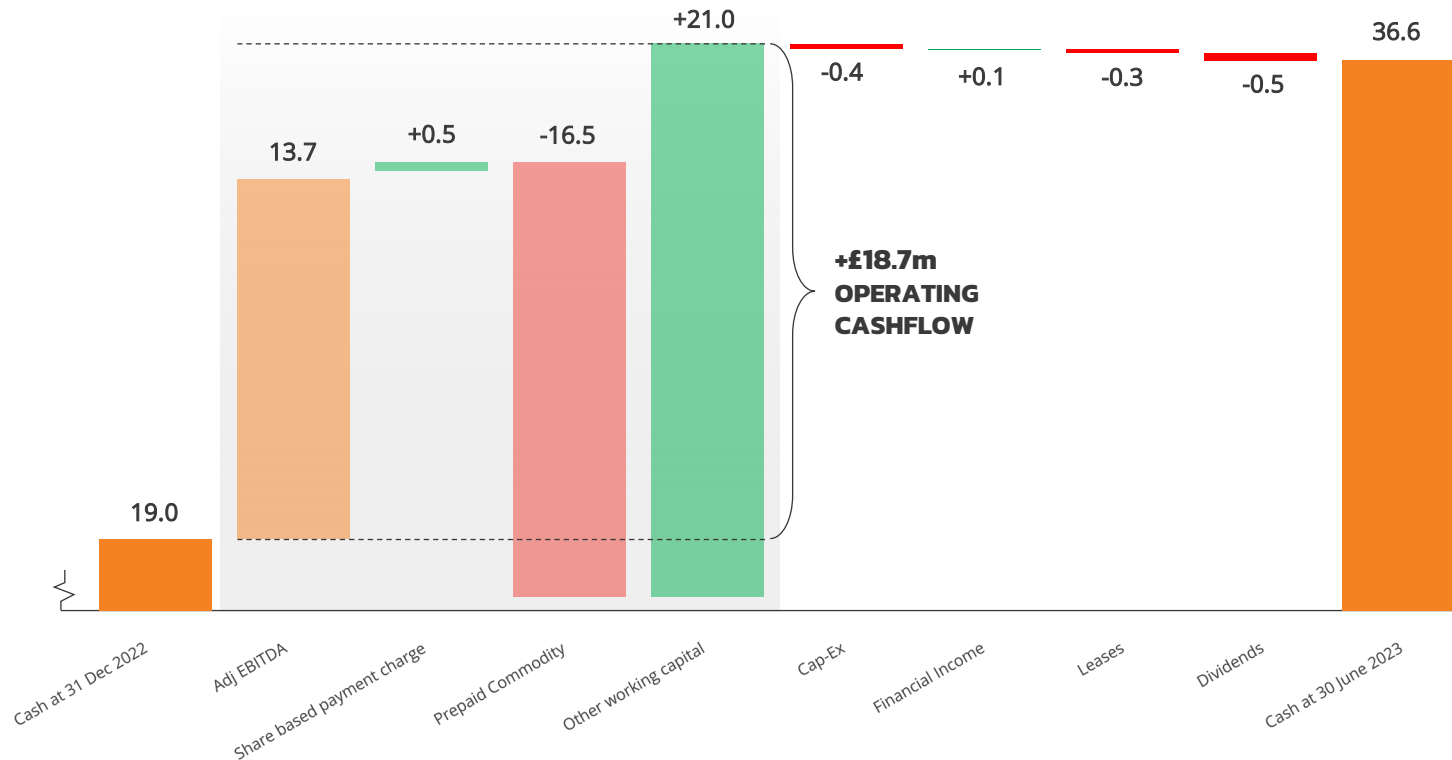
## CASH

### STRONGER

Cash focus

## Cash Flow

£'m



**Operational cash inflow** of £18.7m with strong customer collections.



**£16.5m prepayment** of commodity nets against inflow. H2 2023 £15.2m ROC payment made.



**Pending introduction of £5.2m debt facility** to fund smart metering activities.

- £2m cap-ex over 10k meters
- Investment provides 15+ year annuity at £0.4m/year, in addition to significant operational benefits from smart metering



**£0.5m dividend** paid in H1 2023 as Group established progressive dividend policy.

- Prudent interim dividend (3p/share, being £0.5m) declared to pay December 2023.

# SUMMARY AND OUTLOOK

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# OUTLOOK



## VERY STRONG GROWTH

Average monthly bookings of £51.3m, up 109% on FY22

Contracted revenue of £358m at 31 August 2023 for FY24, provides good basis for further growth



## DIFFERENTIATED MARKET POSITIONING

Increasing market share, in a huge and 'disruptable' market

Focus on the under-served SME market

Digital by Default and customer centricity provides differentiation



## STRONG MARGIN PERFORMANCE

Strong margins in forward contract book

Vertical integration via Yü Smart provides more favourable outcomes

Bad debt control and operational leverage provides significant additional opportunity



## MANAGEMENT FOCUS

Investment in smart meters creates a 15+year annuity, & supply benefits

FY23 expected to exceed £33m adjusted EBITDA

Target of >£500m revenue in clear sight, with 5%+ EBITDA achieved



# APPENDIX

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# BUSINESS OVERVIEW

## SERVICE AND OPERATIONS

### OPERATIONS



**271**

Employees



**>40,000**

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

# 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** 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.**

# 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 <i>Subscription Revenue Model</i>	BETTER <i>Net Customer Contribution</i>	FASTER <i>Leverage Overheads</i>	STRONGER <i>Cash focus</i>
 Growing in a huge market	 Consistent growth	 Digital by Default driving efficient customer experience	 Committed to sustainability strategy, and increasing stakeholder engagement
 Maintain and retain customers	 Increasing customer contribution	 Smart metering services	 Hedging strategy to mitigate risk
 Multiple routes to market	 Control expenditure and costs	 Cost advantage – Lower cost to acquire and cost to serve	 Employee career progression
 Strategic acquisitions	 Cash flow management	 New acquisition channels creating disruption in the market	 Experienced management team



# 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

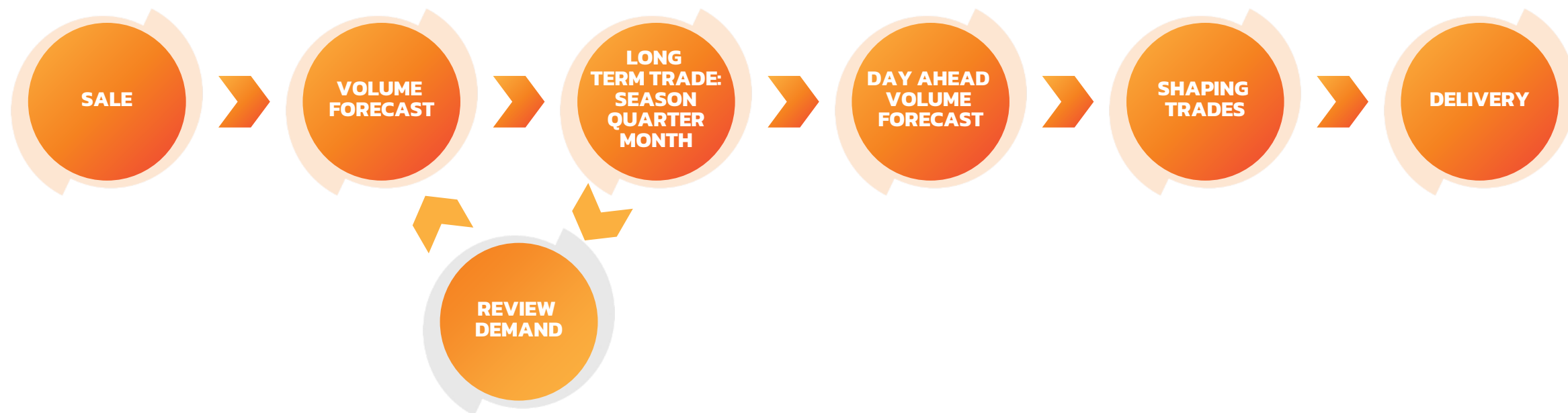


Real time **analytics**

improves profitability and predictability

# FORECASTING AND HEDGING DEMAND

HEDGED POSITION IS CONSTANTLY REVIEWED IN LINE WITH FORECASTED VOLUME



- We review our hedged position on an ongoing basis, updating our volume forecast in line with:
  - New customer sales
  - Updated volume assumptions
- This process ensures the position maintains adherence to the Hedging Strategies and Risk Mandates
- Trades are conducted at both the long-term stage, using standard liquid wholesale contracts to obtain a volume neutral firm position, and the short-term timeframe to deliver forecasted demand at delivery granularity (daily for gas, half-hourly for power)

# BALANCE SHEET & CASHFLOW

BALANCE SHEET EXTRACTS	JUNE 2023	JUNE 2022	DEC 2022
	£'m	£'m	£'m
Tangible & intangible fixed assets	8.2	6.3	6.9
Deferred tax	3.7	4.9	5.3
Trade receivables (net of prov'n)	10.8	9.7	11.5
Accrued income (net of prov'n)	17.4	15.0	31.8
Prepayments, stock and other receivables	26.0	7.9	11.4
Accrued expenses	(50.8)	(31.8)	(55.3)
Other payables, trade payables, tax and SS	(22.0)	(16.9)	(18.4)
<b>Net working capital</b>	<b>(18.6)</b>	<b>(16.1)</b>	<b>(19.0)</b>
Financial derivative (liability) / asset	(1.2)	7.3	3.0
Cash at bank	36.6	15.7	19.0
Debt (IFRS 16 Lease liabilities)	(1.5)	(0.2)	(0.2)
Non-current liabilities	(5.1)	(4.1)	(0.2)
<b>Net assets</b>	<b>22.1</b>	<b>13.8</b>	<b>14.8</b>

CASHFLOW STATEMENT EXTRACTS	H1 2023	H1 2022	FY 2022
	£'m	£'m	£'m
Adjusted EBITDA <sup>1</sup>	13.7	2.7	7.9
<i>Inflow / (Outflow) from...</i>			
Prepayment of commodity costs	(16.5)	-	-
Trade & other receivables mov't	17.1	4.8	(17.4)
Trade & other payables mov't	3.9	2.8	23.9
Other mov't	0.5	-	0.3
<b>Total working capital mov't</b>	<b>5.0</b>	<b>7.6</b>	<b>6.8</b>
<b>Operating Cashflow</b>	<b>18.7</b>	<b>10.3</b>	<b>14.7</b>
Cap-Ex: Digital by Default & Property	(0.0)	(1.2)	(2.4)
Cap-Ex: Yü Smart	(0.4)	(0.4)	(0.2)
Financing activities	(0.1)	(0.1)	(0.2)
Dividends	(0.5)	-	-
<b>Net cash inflow</b>	<b>17.7</b>	<b>8.6</b>	<b>11.9</b>

# OUR VALUES AND HABITS

## OUR VALUES



### CUSTOMERS

We are passionate about our customers as they are the core of our business, and we strive to exceed their expectations on every experience



### INTEGRITY

We are trusted and accountable to uphold the highest standards of integrity in all our actions



### TEAMWORK

We work together seamlessly, across boundaries, to meet the needs of our customers and to help our Company win



### INNOVATION

Our colleagues are full of new ideas, fuelling better products, services and processes. We use imagination to drive innovation through continuous learning

## OUR HABITS



### MANAGE YOURSELF

1. Be proactive
2. Begin with the end in mind
3. Put first things first



### LEAD OTHERS

4. Think win-win
5. Seek to understand, then be understood
6. Synergise



### UNLEASH POTENTIAL

7. Sharpen the saw

**PROUD TO BE NAMED IN....**

THE SUNDAY TIMES  
**T Best Places to Work 2023**

# SUSTAINABILITY: OUR COMMITMENT TO PEOPLE AND PLANET



## PRODUCT

### SUSTAINABLE ENERGY SOLUTIONS

To support businesses on their journey to net zero, offering a range of green energy solutions that are simple to switch to, alongside complementary products such as EV Charger Installation and Data Analytics to further reduce carbon footprints.



## PLANET

### SOCIAL AND ENVIRONMENTAL IMPROVEMENT

To reduce our carbon footprint and overall impact on the environment by operating responsibly, and to have a positive effect on society, supporting charity initiatives and the communities in which we operate.



## PEOPLE

### POSITIVE PEOPLE CULTURE

To continue to develop a dynamic, engaging and inclusive work culture, where ambition thrives and our employees feel valued and can fulfil their potential to deliver excellence in business utility supply.



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