



Good Energy Group plc

Preliminary financial results for
2023



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Overview

The business has undergone a significant transformation in the last 12 months, from renewable supplier to services provider

Strong financial performance

- ✓ Solid financial results for 2023 and a strong balance sheet to invest in the future of the business

Roll out of new tariffs and services

- ✓ Smart export rolled out to +60k customers, Solar Savings a leading competitive export rate

Investment in our installation footprint

- ✓ Through three acquisitions we now offer solar, storage and heat pumps across the south

Financial performance

Rupert Sanderson, CFO



Strong growth in operating profits

Revenue growth

- Revenue growth of £6.0m, up 2.4% versus 2022.
- Pricing reflects high commodity cost environment when entering 2023.
- 2024 will show falling revenues reflecting lower commodity costs and associated tariffs.

Commodity prices

- Commodity cost fall of £8.3m (-3.8%), versus 2022.
- Advantaged hedge position in H1 drove strong profitability. H2 a loss as expected, with a return to more normal margins expected in 2024 as commodity prices stabilise.

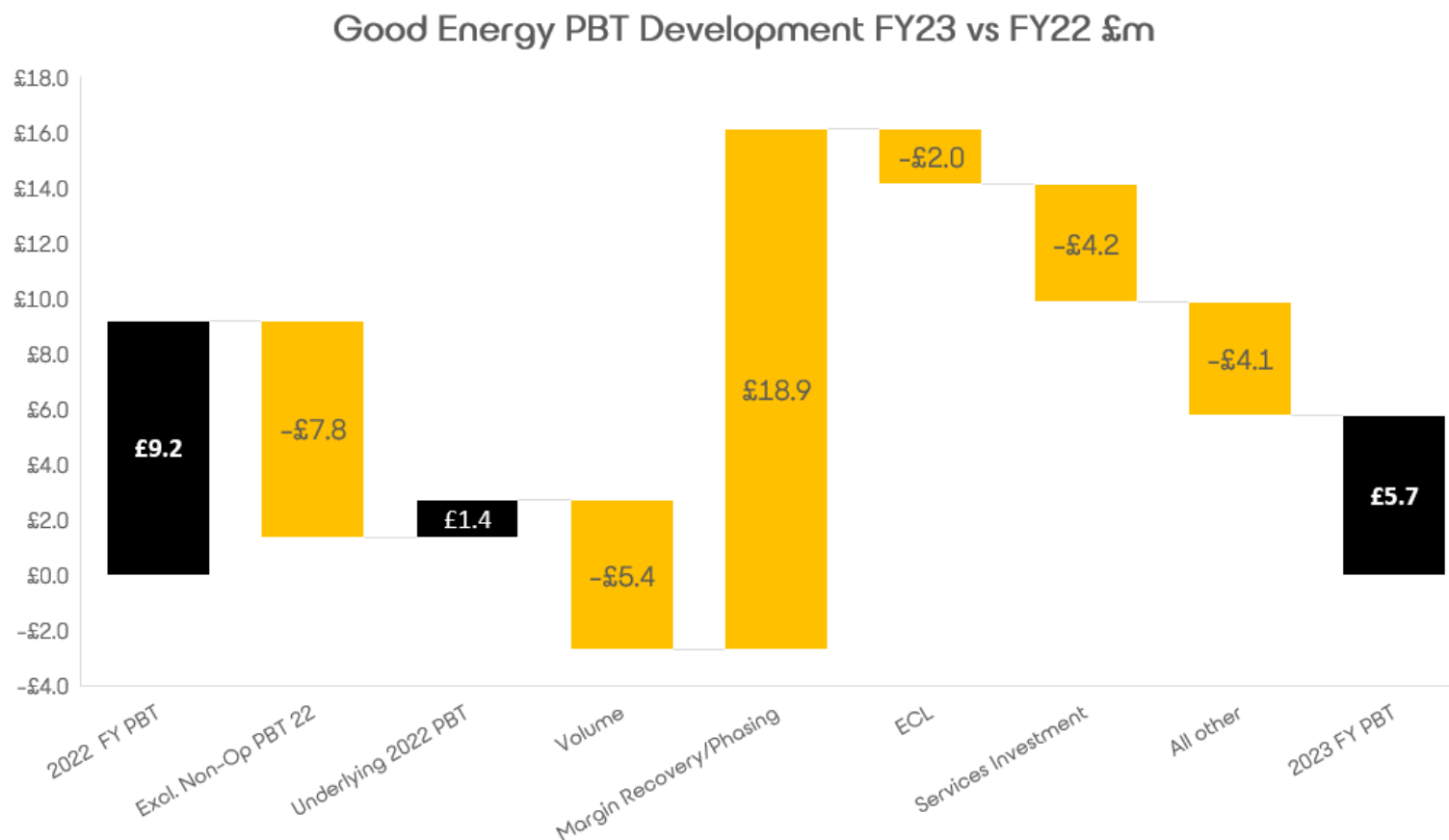
An evolving P&L

- Growth in overhead includes £4.2m investment into services business during 2023 (Works & Wessex) to deliver on strategy.
- Zapmap accelerates its development phase.
- Other admin costs include ECL and regulatory costs.

£m	FY23	FY22	Delta
Revenue	254.7	248.7	6.0
Cost of Sales	(210.5)	(218.8)	8.3
Gross Profit	44.2	29.9	14.3
Administration Costs	(37.3)	(28.1)	(9.2)
Other Operating Income	0.2	0.1	0.1
Operating Profit	7.1	1.9	5.3
Net Finance Income	0.6	0.3	0.3
Share of Loss in Associate	(2.0)	(0.7)	(1.3)
Gain on loss of control of subsidiary	-	7.8	(7.8)
Profit before tax	5.7	9.2	(3.5)
Tax charge	(2.8)	(0.6)	(2.2)
Profit after tax	2.9	8.6	(5.7)

PBT development

Margin upside peaked in H1 2023. H2 performance was marginally ahead of expectations. Expansion into energy services brings forecast additional costs in 2023 and sets the business up for future years.



Cashflow statement

Strong operational performance

Strongly cash generative in 2024 but:

- Customer credit balances growth of £9m – reflective of volatile wholesale costs, this will unwind over 2024.
- Ongoing requirement to hold cash for Working capital, Short term risk buffer, Regulatory commitments on credit balances/ROCs.
- £2.5m generated by releasing cash from security deposits.

Investing for growth

- £2.5m invested into Wessex, on acquisition.
- £4.2m invested into developing Works, Wessex and services offering during 2023.
- JPS purchase concluded Feb 2024.

Year End £(000)s	FY 2023	FY 2022
Operational cashflows before working capital	11,330	2,130
Working Capital movement	9,301	3,050
Cash generated from operations	£20,631	£5,180
Finance and tax cost	-£387	-£53
Net cashflow from operating activities	£20,244	£5,127
Net cashflow (used in)/from investing activities	-£2,369	£14,998
Net cashflow used in financing activities	-£1,015	-£2,337
Net increase in cash and cash equivalents	£16,860	£17,788
Cash and cash equivalents at beginning of year	£24,487	£6,699
Cash and cash equivalents at end of year	£41,347	£24,487
Memo:		
Credit balances in above numbers	£13,935	£4,876
Security balances excluded above	£5,912	£8,462

Capital allocation

- Substantially debt free with strong available cash balance of £21.2m* (2022 equivalent £14.6m).
- Further M&A in energy services to expand regional footprint – JPS Acquisition Feb 2024.
- £11m invested in solar and heat installation businesses. Updated segmentation reporting from 2024 to reflect evolution of business.
- Dividend of 2.25p final dividend (2022: 2.0p).



Strategic update

Nigel Pocklington, CEO



The UK energy supply market will be transformed over the next 10 years

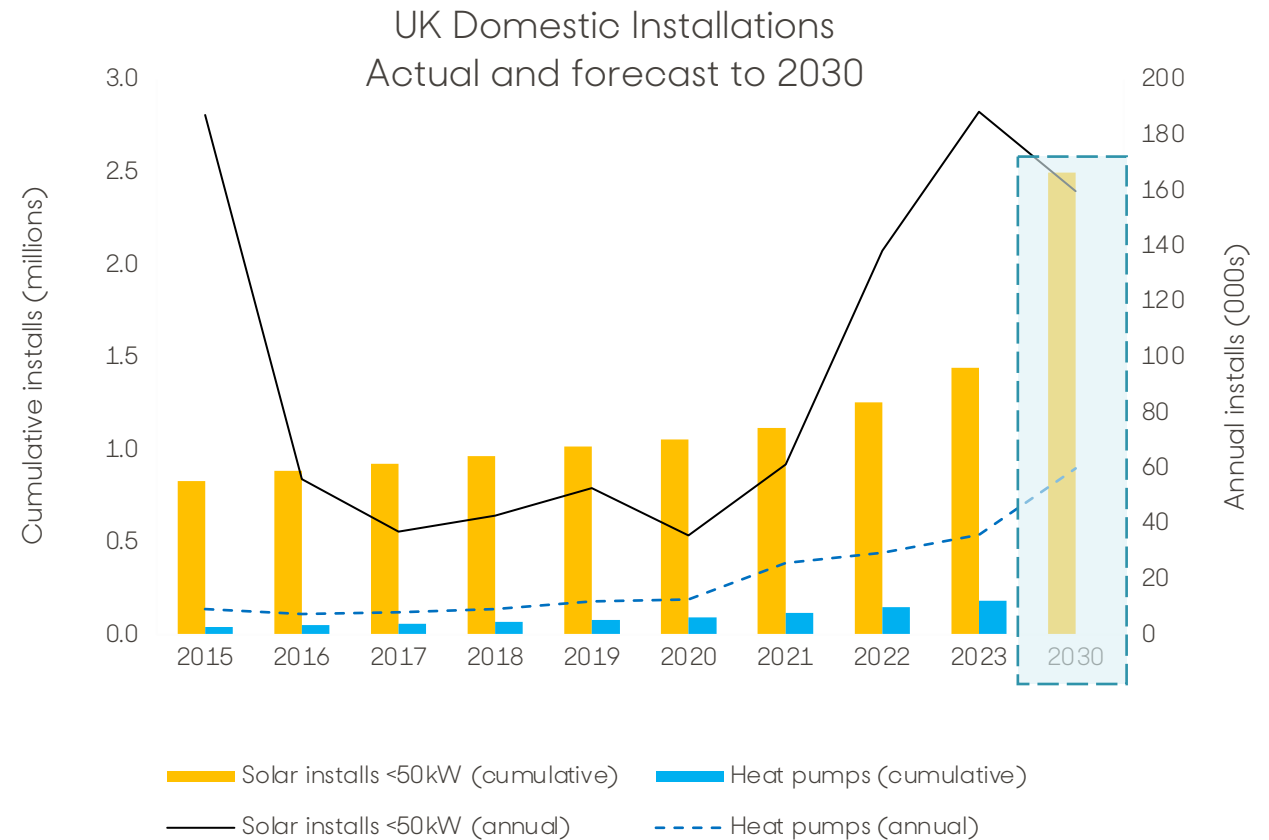
Mass transition towards small-scale, low carbon

Solar and storage

- UK Solar market worth £1.9bn*, installations +38% in 2023
- Market anticipated to be worth £4.6bn* by 2030: +11% CAGR.

Heat pumps

- Air source heat pump installations grew 20% in 2023 to over 35,000, grant increased to £7,500.
- UK government target of 600,000 installations per year by 2028.



100% renewable electricity supply

Match all the power you use with renewable energy.

Solar panels

Get cheaper, greener electricity.

Solar export payments

Get the highest rate when you sell your excess solar power to us.

Home battery

Cut your bills by storing your solar power to use later

Air source heat pump for green, efficient heating

Heat pumps are 4x more efficient than boilers. Get bespoke green heating designed around you.

EV charging

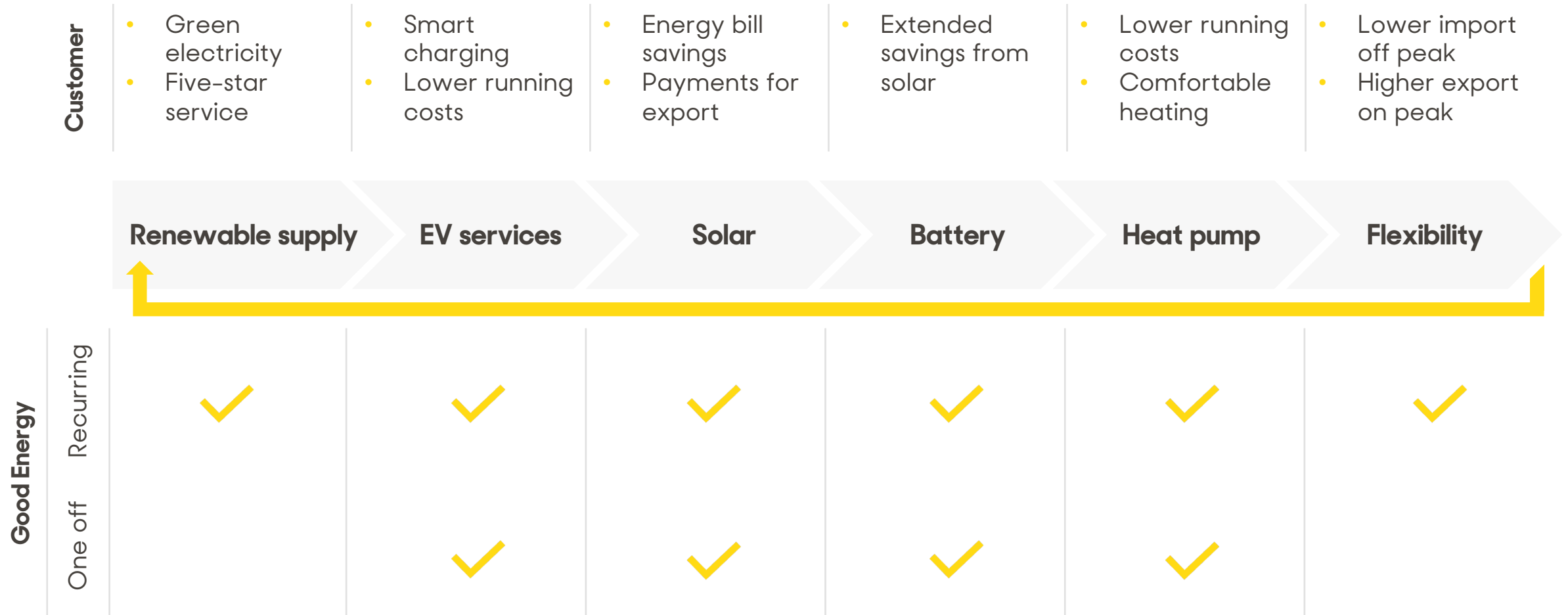
Drive electric with EV chargers and smart tariffs.

Everything you need for a greener home or business

- Renewable supply
- Solar and storage
- Heat pumps
- Electric vehicles

Flexibility, import and export tariffs enabling the technology to deliver carbon and cost savings for the customer.

The greener home and business value chain



Truly renewable supply

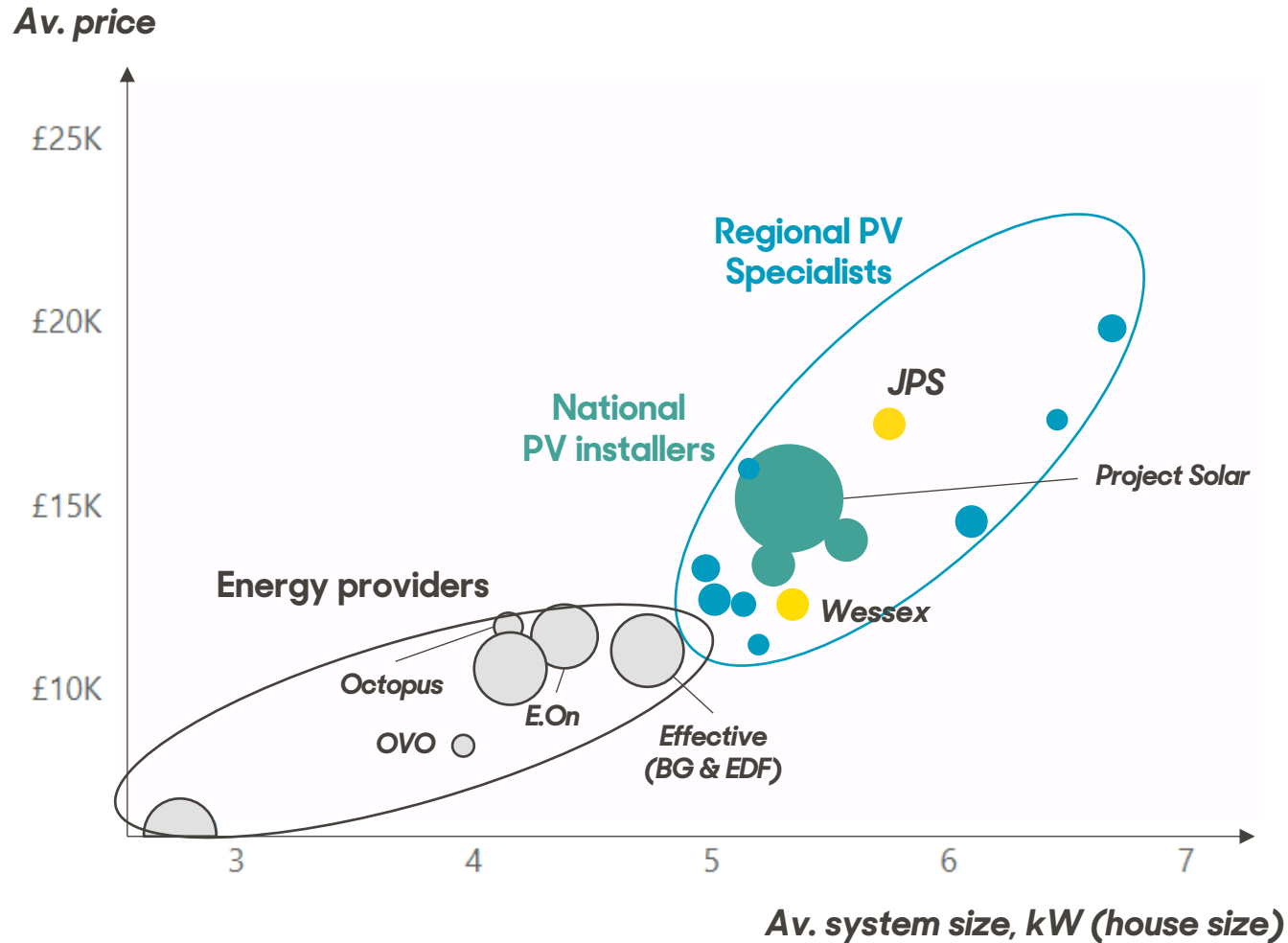
Good Energy supply remains recognised as a greener product providing a solid foundation for our services.

Greener product, competitive price, five-star customer service.

First UK supplier to offer hourly matching to all business customers.



A premium solar offering



High quality service focus

- Installation price c. 40% above national average
- Average domestic install size c. 24% larger than national average
- 5* Trust a Trader reviews

A differentiated combined position

- Offer larger, more complex, more expensive jobs than volume driven national installers
- Offer supply, export and smart tariffs
- Greater customer reach than local installers

Targeting maintained margin c30%

Bespoke heat pump systems

Green heating made simple

- Bespoke design and end to end installations for more complex properties.
- 10 year warranty and performance monitoring with proven +340% efficiency.
- 7.5% larger than average system size compared to top 200 UK installers at 28% margin.

Targeting improvement on 28% margin



Product pipeline

2023



Solar savings and smart export

- 60k customers on smart export and new Solar Savings leading export rate open to non-FiT generator customers.

Demand flexibility

- 'Power Pause' demand flexibility scheme successfully trialled.

Smart meter installs

- +46k smart meters now installed.

Plan to deliver in 2024



Operational efficiency

- Automating and digitising services.
- Apple and Google play in app.

In year growth

- New partnerships and tariffs including EV tariff with Zap Premium.
- Maintenance and servicing plans for additional recurring revenues.

Future capability

- Expand demand flexibility.
- Bring together products, services and brand.

Aligning the Good Energy brand



- Supply and export - national
- EV charging, solar and storage
- EV charging and heat
- EV charging, solar, storage and heat

Keeping greener energy simple?

That's good energy

Discover solar panels, heat pumps and 100% renewable electricity.

visit goodenergy.co.uk

Good Energy matches your electricity usage with 100% renewable electricity. Heat pumps cut your carbon footprint by 55% compared to a gas boiler. More details at goodenergy.co.uk/greener-energy

Trusted by the independent experts

That's good energy

Discover solar panels, heat pumps and 100% renewable electricity.

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Good Energy matches your electricity usage with 100% renewable electricity. Heat pumps cut your carbon footprint by 55% compared to a gas boiler. More details at goodenergy.co.uk/greener-energy

Renewable power pioneers for 25 years?

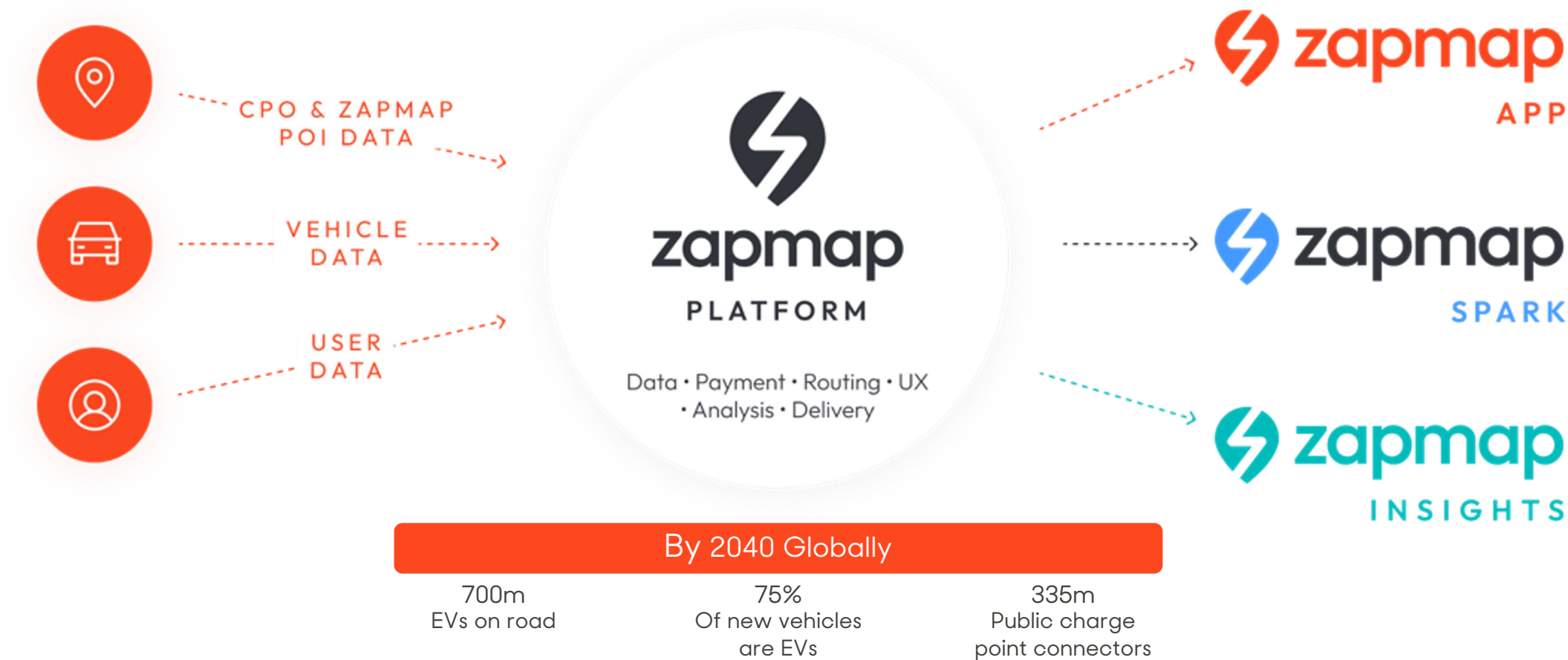
That's good energy

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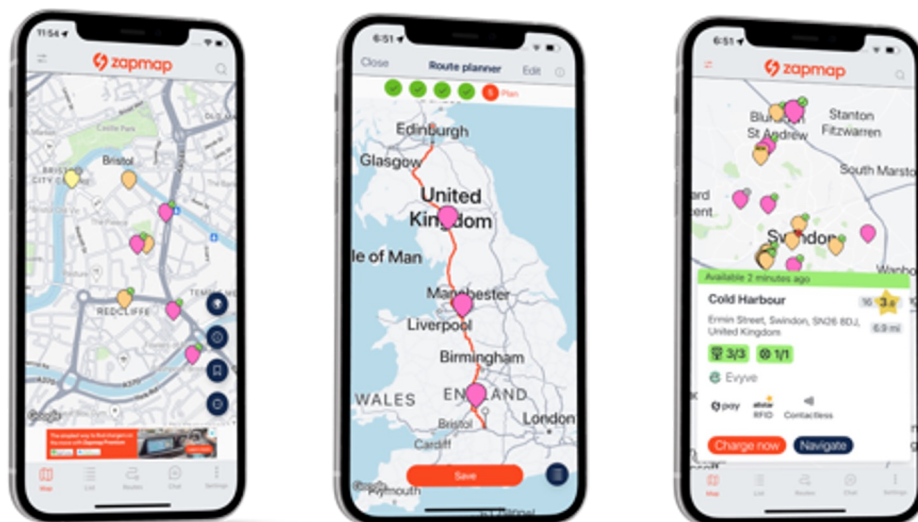
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An overview of Zapmap



Market leading app



search

available
charge
points



plan

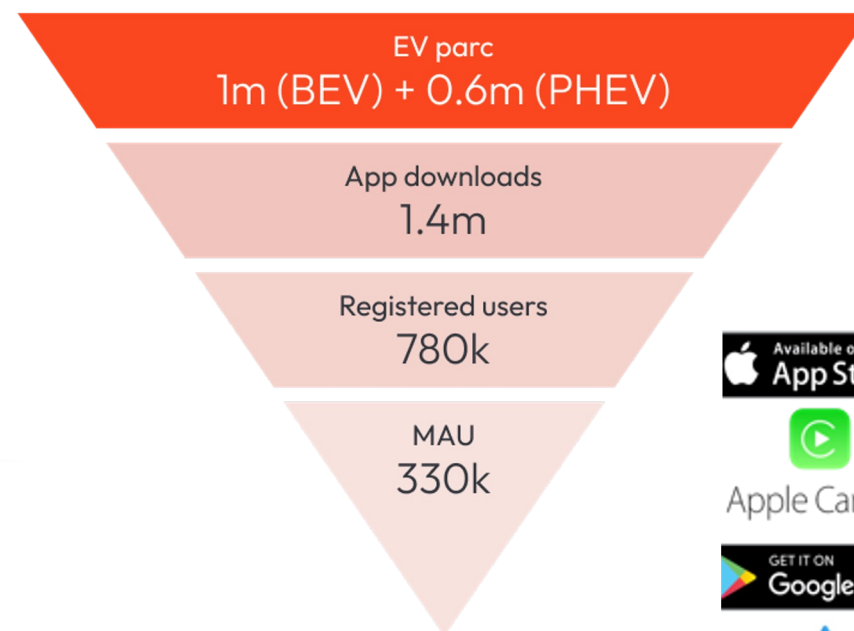
charging
on long
journeys



pay

across
multiple
networks

The market leading app for EV drivers



Apple CarPlay™



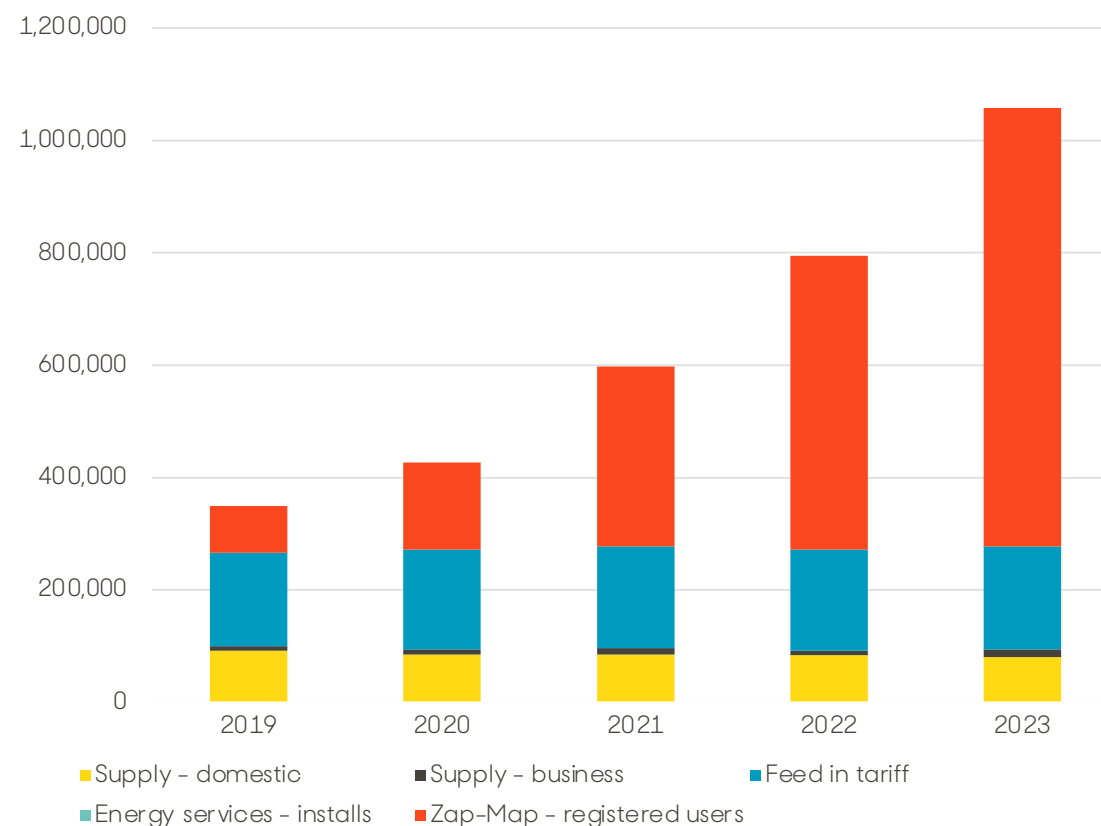
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Good Energy now helps over one million customers cut carbon

Set a goal of helping one million homes and businesses to cut carbon by 2025.

We have hit the goal one year early through –

- Explosive growth in Zapmap register users
- New services
- Steady management of our FiT and supply businesses



Q&A



Appendix



Simplifying flexibility

Our goal is to make access to smart, flexible energy systems accessible and straightforward following the principles of universal design, tailored products, educational and enhanced support services.

Customer

- Genuine renewable power
- Savings by shifting demand to off peak

Import

Good Energy

- Margin on supply
- Partnership and cross sell opportunities



Export

- Leading rates on export
- Export at peak times for enhanced rates

- Match with demand
- Additional margin via trading to wholesale market
- Enhanced rates to incentivise heat and solar installations

Our accreditations

Green supply



Customer service



Solar and heat pump installations



JPS



Employer



Health and safety annual audit:



Accident rates -
Good Energy Heat: 0.17 per person
Wessex : 0.26 per person

Growing our services business

Cross-selling

- Introduce wider Good Energy product suite, including export tariffs, further installations and flexibility services.
- 14% of Good Energy new Heat Pump installations take supply
- 20% of new solar installations take Good Energy supply and export
- 60,000 FiT meters switched to Smart Export
- 40 B2B contracts in pipeline stage for import and micro-generation

Procurement

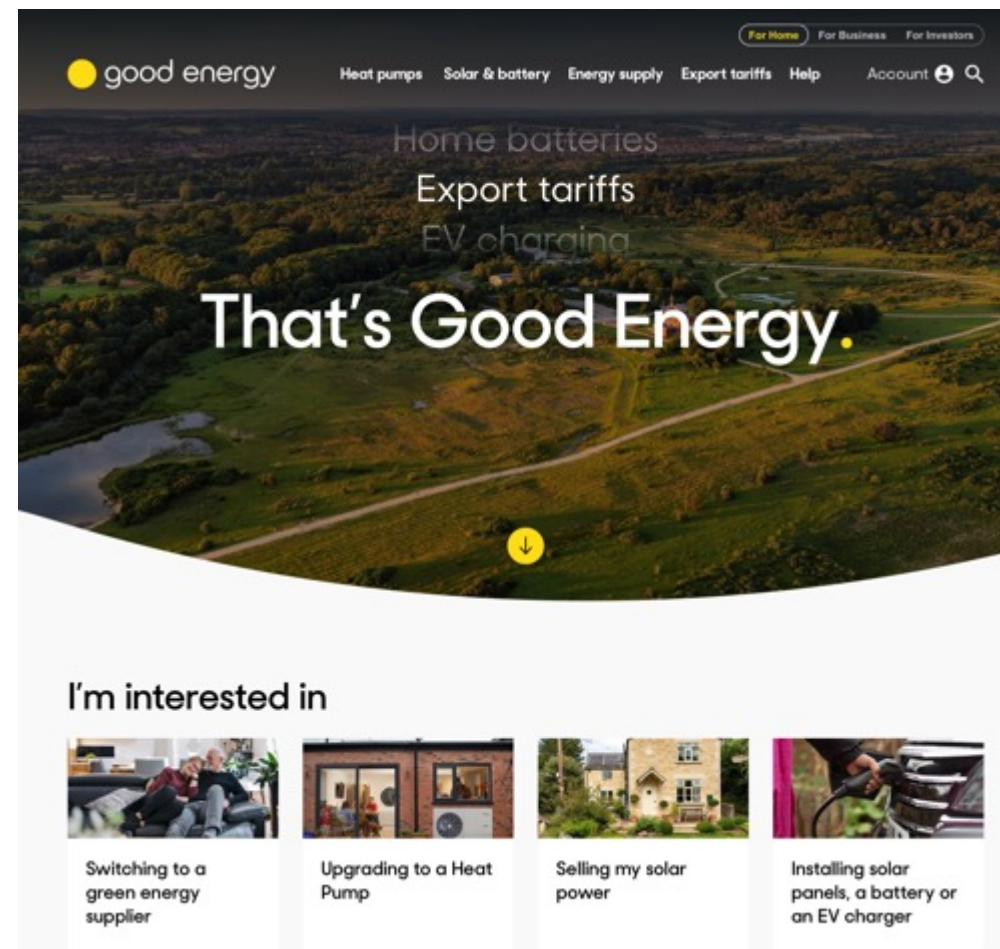
- Margin upside potential using Trust Solar for Group procurement.

Integrated teams

- Integrated sales, product, propositions and technology teams. Further support across marketing, HR, finance and legal.

Service quality

- Installation, maintenance and aftercare delivered through Wessex, Works and JPS. Good Energy a 5* rated customer service.



PROVISIONAL

Balance Sheet

Strong operational performance

- Increase in cash and cash equivalents includes £9m growth in customer credit balances, and release of £2.5m from restricted deposit accounts
- Reduction in receivables as tariffs fall during 2023
- Falling wholesale costs reduce trade and other payables, mirroring receivables, part offset with increase in customer credit balances
- Growth in Equity reflect PAT performance in 2023

Year End £m	FY 2023	FY 2022
Total Non-Current Assets	£17.8	£16.7
<i>Inventories & Receivables</i>	<i>£46.9</i>	<i>£66.6</i>
<i>Restricted Deposit Accounts</i>	<i>£5.9</i>	<i>£8.5</i>
<i>Cash & Cash Equivalents</i>	<i>£41.3</i>	<i>£24.5</i>
Total Current Assets	£94.1	£99.6
Total Assets	£111.9	£116.3
Total Non-Current Liabilities	£5.7	£4.9
<i>Borrowings and other financial liabilities</i>	<i>£0.5</i>	<i>£0.2</i>
<i>Trade & other payables</i>	<i>£63.7</i>	<i>£72.2</i>
Total Current Liabilities	£64.2	£72.2
Total Liabilities	£69.9	£72.4
Total Equity	£42.0	£38.9
Total Equity and Liabilities	£111.9	£116.3

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