



# Genie Energy Ltd

(NYSE: GNE)

## Investor Presentation

December 2022



## Safe Harbor Statement

This presentation contains forward-looking statements. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- statements about Genie's and its divisions' future performance;
- projections of Genie's and its divisions' results of operations or financial condition; and
- statements regarding Genie's plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products and offerings.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on Genie's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Genie's control. Such known and unknown risks, uncertainties and other factors may cause Genie's actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements.

These factors include those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Genie's periodic filings made with the Securities and Exchange Commission.

Genie cautions that such factors are not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made and are statements of Genie's current expectations concerning future results, events and conditions and Genie is under no obligation to update any of the forward-looking statements, whether as a result of new information, future events or otherwise.



## Genie Energy Highlights

HQ

Newark, NJ

Key Leadership:

CEO

Michael Stein

CFO

Avi Goldin

Chairman

Howard Jonas

Lead Independent Dir.

Wesley Perry

Employees

~150

Tickers (NYSE)

GNE, GNEPRA

Trailing Twelve Months  
(TTM)\*

**\$303M**

Revenue

**47.4%**

GM

**\$72M**

Adj. EBITDA

**~3.0%**

Dividend Yield  
(12/5/22)

**\$16M**

Stock Repurchased\*\*

\*as of 9/30/22

\*\* includes \$10.3M in preferred stock





## Genie Energy at a Glance

**Genie is a leading domestic retail energy provider (REP) & emerging owner/developer of solar generation projects**





## The Foundation

Largest shareholder group has a consistent track record of building businesses & creating significant value for shareholders

Company	Market Value @9/14/09	Most Recent Market Value*
Genie Energy (NYSE: GNE)	10/28/11 (Spin-off)	\$272M
IDT Corp (NYSE: IDT)	\$53M	\$758M
IDW Media (NYSE American: IDW)	9/14/09 (Spin-off)	\$16M
Straight Path Communications (NYSE: STRP)	7/31/13 (Spin-off)	\$2,164M (sold to VZ 2/18)
Rafael Holdings (NYSE: RFL)	3/26/18 (Spin-off)	\$47M
Zedge (NYSE American: ZDGE)	6/1/16 (Spin-off)	\$34M
<b>Total</b>	<b>\$53M</b>	<b>\$3,291M</b>

\* Based on Yahoo market value as of 12/7/22



STRAIGHTPATH<sup>®</sup>  
CONNECTING PEOPLE WITH INDUSTRY

ZEDGE<sup>™</sup>

RAFAEL  
Holdings, Inc.

IDW<sup>™</sup>



## Investment Thesis

**Proven** cash generation from GRE through diverse commodity & economic market environments

Core GRE **profit growth** + emerging growth **optionality** in renewables

Portfolio & customer management drives **enhanced FCF** for growth investments & **shareholder value creation** strategies

Strong, **debt-free** balance sheet provides strategic flexibility





## Genie's Growth Strategy

**Expand** U.S. retail operations to spur **organic growth**

**Grow** vertically integrated  
solar & renewables solutions businesses

Identify **new markets** for expansion

Introduce **new products** into  
existing, successful marketing channels



**GENIE RETAIL  
ENERGY**  
(GRE)



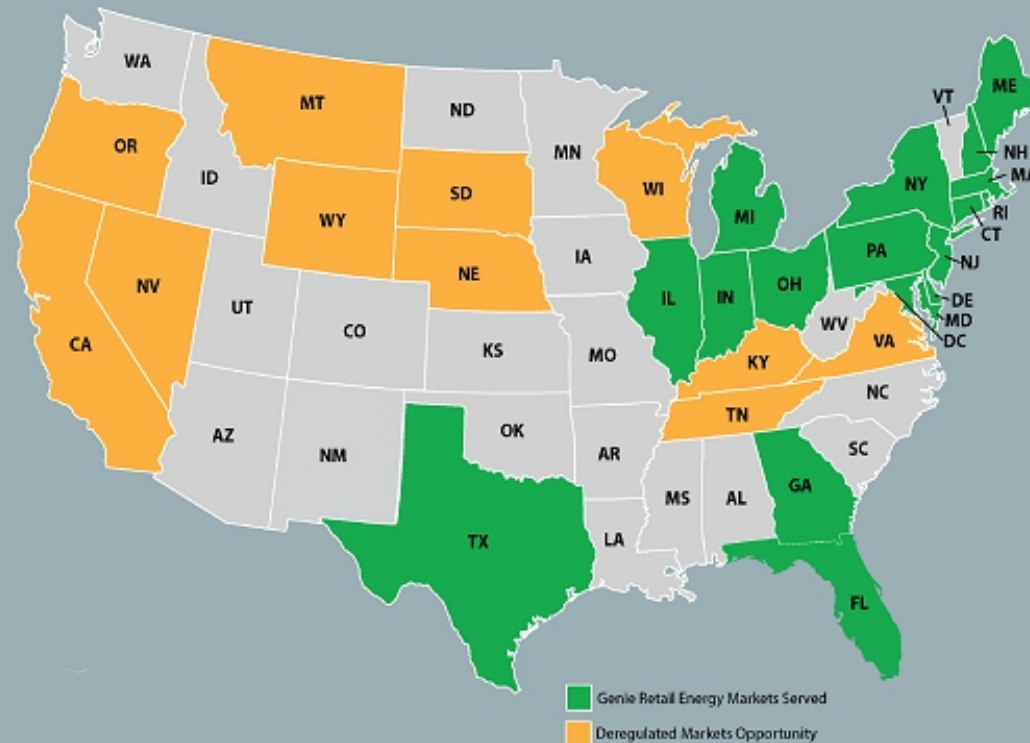


# GRE: US Market Opportunity & Dynamics

28

**Deregulated Markets**  
(State x State regulatory structure)

**Competition**  
Incumbent utility & other REPs



18

**States served + D.C.**

**Role of Utilities**  
Distribution & Billing  
(most markets)



# GRE Value Creation

## Customer Acquisition Model

Multiple sales channels to residential  
& small commercial

Diverse portfolio of products  
highlighted by green energy, variable  
& fixed rate plans

Deep data analysis to identify market  
opportunities & optimize offerings

## Risk Management

Hedging strategies reduce  
commodity volatility risk

Utilities assume bad debt  
risk in most markets

Geographic diversity reduces  
weather/regulatory risks

## Customer Retention

Superior customer service

Customer rewards program

## = Attractive Financial Returns

Attractive margin & cash flow cycle

Targeted payback period tailored to  
product & customer type



# Hedging Program Provides Portfolio Optionality

## Portfolio Management Approach Created Opportunistic Upside Returns During Recent Market Volatility:

- Increased long position heading into the Winter months
- Global geo-political & economic circumstances led to volatility & significantly higher commodity prices & customer acquisition costs
- GNE strategically paused new customer acquisition & did not renew certain lower margin customers/deals

### Results:

- Record gross margin, Net Income, adjusted EBITDA & cash flow
- Consistent dividend, repurchased common & preferred stock & provided investment capital for attractive projects across the portfolio





**GENIE RENEWABLES  
(GREW)**



## GREW Growth Strategy

**Develop, own & operate** commercial, community  
& utility-scale solar projects

Strong balance sheet & access to capital markets provides lower cost of capital vs  
competition

**Differentiate** through vertical integration

**Generate** near-term revenue/profits through existing businesses  
to help fund ownership

Diversegy provides experience with origination channels



## Vertical Integration: A Competitive Advantage

### Genie Solar

- Develop, own & operate solar energy projects ranging from 1 to 30mW in size
- Originate, design & construction/installation (C&I) of commercial, industrial and utility-scale projects for 3rd parties
- Leverages a combination of in-house & outsourced capabilities

### Sunlight Energy Investments (SEI)

- Acquire/develop commercial, community & utility-scale projects
- GNE is General Partner & investor

### Prism Solar

- Designs & manufactures solar panels
- Non-China operations provide competitive advantage incl. supply chain
- Used by Genie Solar & 3<sup>rd</sup> party installers

### CityCom Solar

- Customer acquisition, billing & management services for community solar projects
- Service offerings for GREW and 3<sup>rd</sup> party solar developers

### Diversegy

- Complementary sales channels with Solar companies





## US Solar Market Dynamics

**131 GW\***

Installed Capacity

**~50%\***

% of new grid capacity  
(1H22)

**~4%\***

% of Total US  
Generation



**Community**

**8X**

DOE Est. Gr. thru 2025



**Commercial**

**>600K**

Commercial Facilities Penetration

**1%**



**Utility-Scale**

**Component**

Shortages due to global  
supply chain issues

\*Solar Energy Industry Association



## Favorable Regulatory Environment

- Federal ITC (investment tax credit) proposals could open additional opportunities
- Increase ITC from 26% to 30%
- Potential transition from tax credit to cash back (eliminates need for tax liability)
- Still needed for depreciation
- Community solar guarantees customers L-T savings over utility
- **Inflation Reduction Act** *“In the next half decade, the long-term tax incentives and manufacturing provisions in the IRA provide the market certainty needed to boost expected solar deployment by over 40% compared to pre-IRA projections.”*  
— Solar Energy Industry Association

Potential for up to **30-40%** of invested capital recovered  
through incentives within 24 months



## FINANCIAL SUMMARY





## Genie Energy Pro forma Consolidated Financials\*



\*Pro forma excluding the impact of Texas Winter Storm Uri, GREI & GoGas operations a/o 9/30/22. Please see reconciliations in Appendix



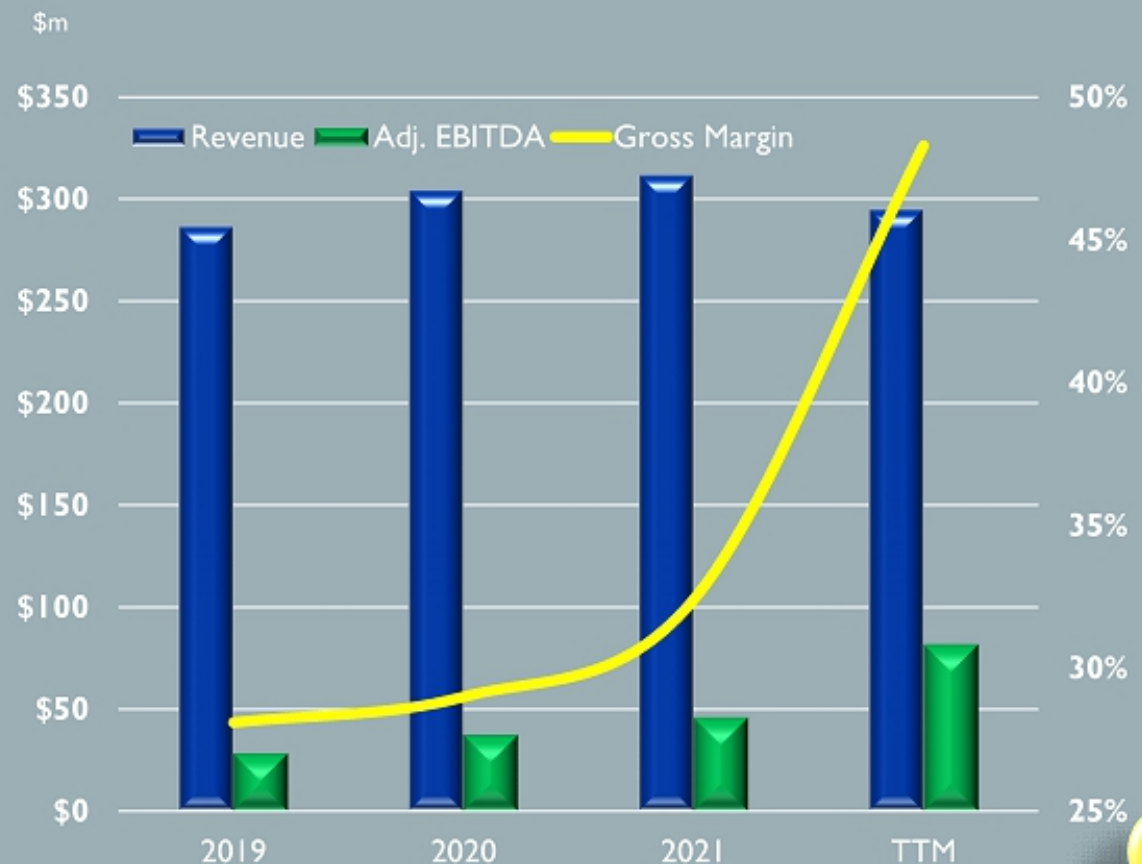
## GRE Pro forma Financial Highlights\*

### Key drivers of TTM performance

- Increased long position ahead of Winter 2021
- Following increase in market prices and volatility, strategically reduced customer book

### Net Results:

- Yielded excess power locked in above market prices
- Higher margins, Adj. EBITDA and cash flow



\*Pro forma excluding the impact of Texas Winter Storm Uri, GREI & GoGas operations a/o 9/30/22. Please see reconciliations in Appendix



## Genie Renewables Financial Highlights\*

### 2020

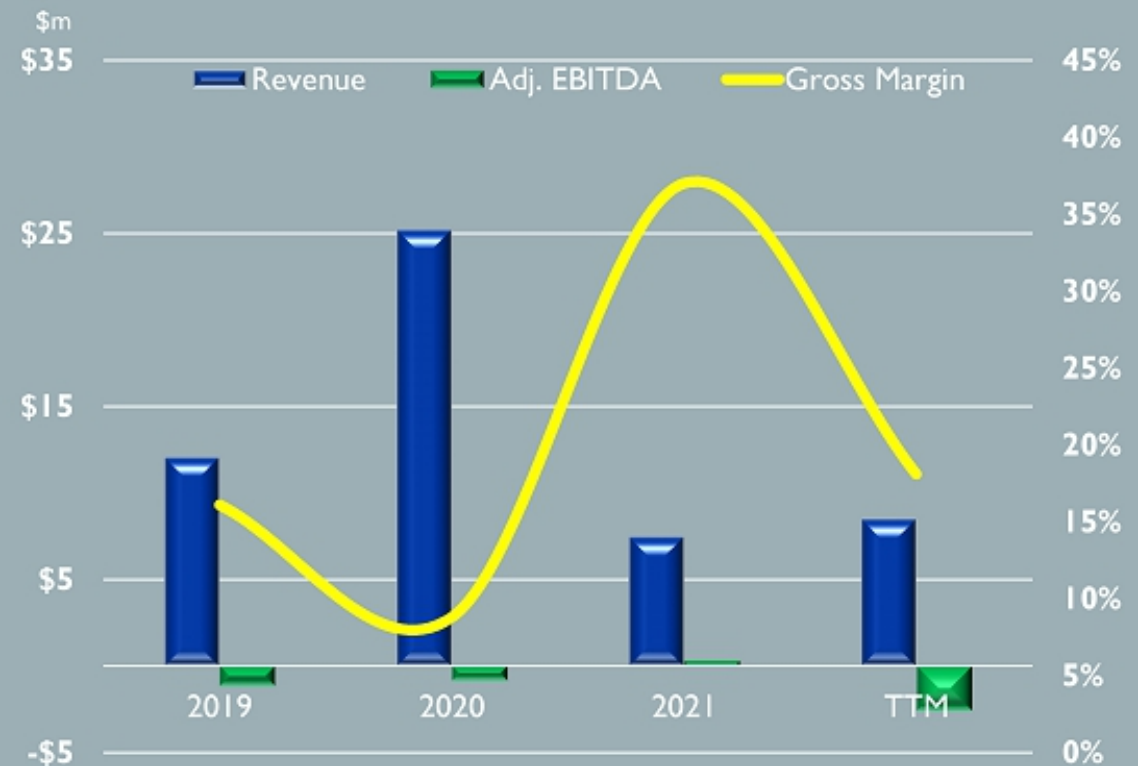
- Sold low margin solar panels

### 2021

- Refocused the business to focus on services and development led to margin improvements

### 2022

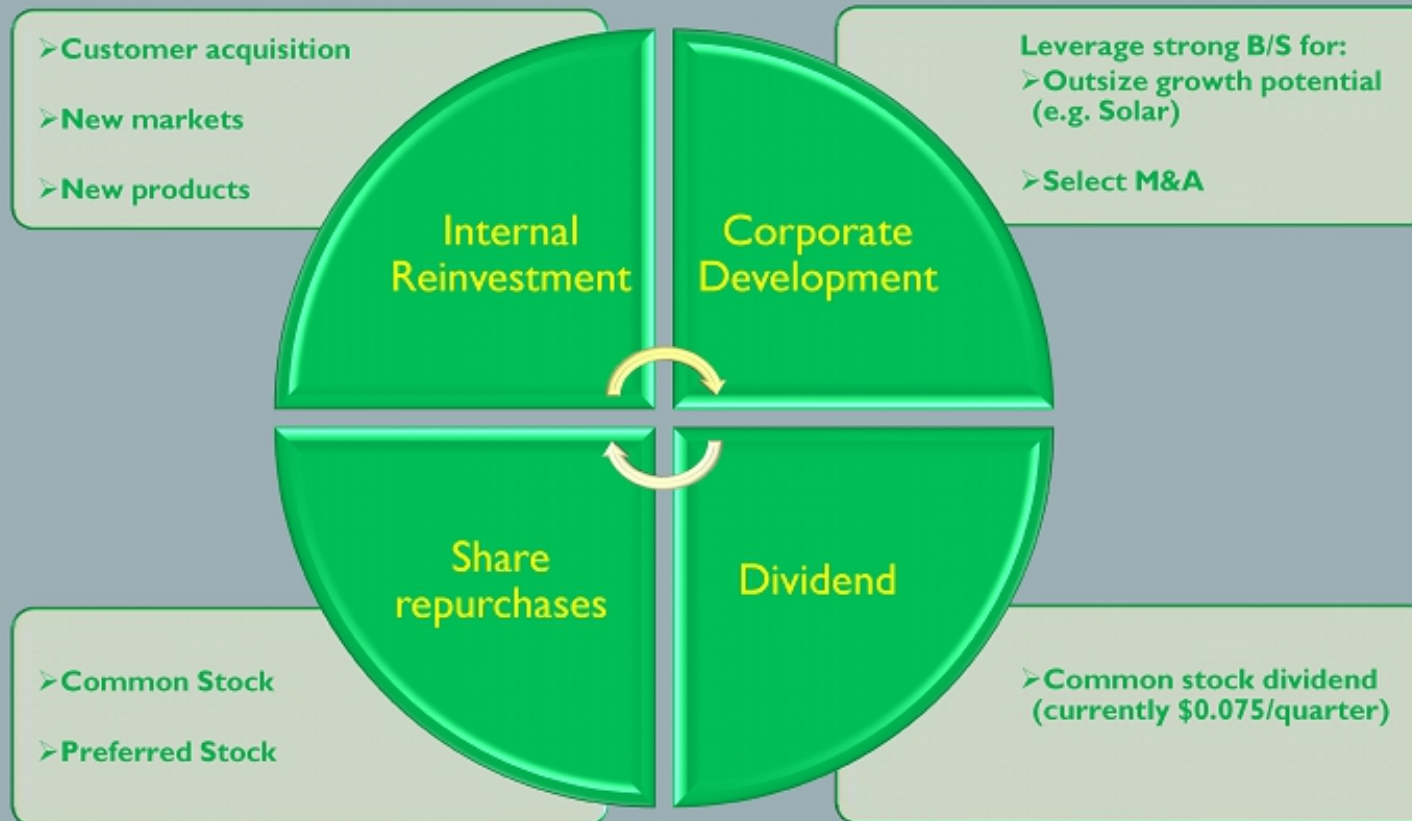
- Formed Sunlight Energy Investments
- Acquired first project
- Expanding salesforce



\* Please see reconciliations in Appendix



# Capital Allocation





## Genie Energy Summary

**Proven** cash generation from GRE through diverse commodity & economic market environments

**Core** GRE profit growth +  
emerging growth **optionality** in renewables

Portfolio management drives **enhanced** FCF for growth investment  
& **shareholder value** creation strategies

Strong, **debt-free** balance sheet provides strategic flexibility



THANK YOU!

**Michael Stein**

Chief Executive Officer

**Avi Goldin**

Chief Financial Officer

**IR Contact:**

Brian Siegel  
Senior Managing Director  
Hayden IR  
(346) 396-8696  
[brian@haydenir.com](mailto:brian@haydenir.com)



## \*Pro forma Financials

Genie Consolidated				
\$ (000's)	2019	2020	2021	TTM
Revenue	\$298,700	\$329,660	\$319,340	\$303,360
COGS	\$216,120	\$239,140	\$215,680	\$159,560
Gross Profit	\$82,570	\$90,520	\$103,660	\$143,800
Gross Margin	27.6%	27.5%	32.5%	47.4%
SG&A	\$63,840	\$61,810	\$64,970	\$74,570
Pro-Forma EBITDA	\$21,790	\$32,070	\$41,320	\$72,160

\* Pro forma excluding the impact of Texas Winter Storm Uri, GoGas, UK & Japan operations. Please see reconciliations in Appendix





## \*Pro-forma Financials

	Genie Retail Energy			
\$ (000's)	2019	2020	2021	TTM
Revenue				
Electricity	\$246,690	\$270,890	\$273,020	\$241,140
Gas	\$39,930	\$33,560	\$38,810	\$53,690
Total Revenue	\$286,610	\$304,450	\$311,830	\$294,830
COGS				
Electricity	\$180,160	\$197,040	\$188,480	\$117,760
Gas	\$25,820	\$19,100	\$22,470	\$34,810
Total COGS	\$205,990	\$216,140	\$210,950	\$152,570
Gross Profit	\$80,620	\$88,310	\$100,880	\$142,260
Gross Margin	28.1%	29.0%	32.4%	48.3%
SG&A	\$53,450	\$51,800	\$56,190	\$61,990
Pro-Forma EBITDA	\$28,340	\$37,440	\$46,000	\$81,750

\* Pro-forma excluding the impact of Texas Winter Storm Uri a/o 12/31/21. Please see reconciliations in Appendix



## Reconciliation Tables

### Slides 3,18,24 – Genie Energy Financials - Consolidated

	2019	2020	2021	TTM
Consolidated revenue (as reported)	\$300,100	\$338,430	\$323,270	\$303,360
Less:				
Revenue of Genie Japan	\$1,400	\$8,770	\$3,930	---
Pro forma consolidated revenue	\$298,700	\$329,660	\$319,340	\$303,360
Consolidated gross profit (as reported)	\$82,330	\$91,480	\$91,640	\$143,800
Less				
Gross profit (loss) of Genie Japan	(\$240)	\$960	(\$2,020)	---
Gross (loss) profit from Winter Storm Uri	---	---	(\$10,000)	---
Pro-forma consolidated gross profit	\$82,570	\$90,520	\$103,660	\$143,800
Pro forma consolidated gross profit margin	27.6%	27.5%	32.5%	47.4%
Income (Loss) from Operations	\$12,620	\$23,140	\$24,530	\$68,210
Add Back:				
Non-Cash Compensation	\$1,050	\$970	\$2,820	\$3,460
Depreciation & Amortization	\$1,960	\$1,100	\$440	\$380
Impairment	\$400	\$1,400	---	---
Consolidated Adjusted EBITDA (as reported)	\$16,020	\$26,610	\$27,780	\$72,050
Less:				
Adjusted EBITDA of Genie Japan	(\$4,500)	(\$3,340)	(\$3,360)	---
Profit (loss) from Winter Storm Uri	---	---	(\$10,000)	---
Adjusted EBITDA of GOGAS	(\$1,260)	(\$2,120)	(\$180)	(\$110)
Pro forma consolidated Adjusted EBITDA	\$21,790	\$32,070	\$41,320	\$72,160



## Reconciliation Tables

Slides 19,25 – GRE Financial Highlights

	2019	2020	2021	TTM
GRE revenue (as reported)	\$286,610	\$304,450	\$311,830	\$294,830
GRE gross profit (as reported)	\$80,620	\$88,310	\$90,880	\$142,260
Less				
Gross profit (loss) from Winter Storm Uri	---	---	(\$10,000)	---
Pro-forma GRE gross profit	\$80,620	\$88,310	\$100,880	\$142,260
Pro-forma GRE gross profit margin	28.1%	29.0%	32.4%	48.3%
Income (Loss) from Operations	\$27,180	\$36,510	\$34,690	\$80,270
Add Back:				
Non-Cash Compensation	\$460	\$460	\$930	\$1,140
Depreciation & Amortization	\$700	\$460	\$380	\$330
Impairment	---	---	---	---
GRE Adjusted EBITDA (as reported)	\$28,340	\$37,440	\$36,000	\$81,750
Less				
Profit (loss) from Winter Storm Uri			(\$10,000)	---
Pro forma GRE Adjusted EBITDA	\$28,340	\$37,440	\$46,000	\$81,750



## Reconciliation Tables

### Slides 20 – Genie Renewables

	2019	2020	2021	TTM
Income (Loss) from Operations	(\$2,890)	(\$2,570)	\$250	(\$2,610)
Add Back:				
Non-Cash Compensation	---	---	---	---
Depreciation & Amortization	\$1,010	\$330	\$50	\$50
Impairment	\$400	\$1,400	---	---
GREW Adjusted EBITDA (as reported)	(\$1,490)	(\$850)	\$300	(\$2,570)