

ASX/Media Release

For immediate release

15 November 2017

2017 Annual General Meeting

Energy Action Limited (ASX: EAX) is today holding its 2017 Annual General Meeting commencing at 2.00pm (AEDT).

In accordance with ASX Listing Rule 3.13.3, please find attached the following documents which will be presented at the meeting:-

- The Chairman's opening address; and
- The Chief Executive Officer's presentation.

Anna Sandham
Company Secretary

ENDS

Further information:

Ivan Slavich : CEO : +61 2 9633 6476

Michael Fahey : COO : +61 2 9633 6405

Energy Action Limited

Chairman's address for Annual General Meeting

to be held on Wednesday 15th November 2017 at 2.00pm

1.1 Introduction

We welcome the opportunity to update you in person on the business of the company. After the meeting closes, we invite you to join us for informal discussions and light refreshments.

Following the appointment of Ivan Slavich as the Company's new CEO in April 2017, the strategy has been reviewed and overhauled with a clear focus on improving sales and marketing execution and raising the profile of Energy Action amongst potential clients. Pleasingly, we are seeing progress against these goals and I will talk further about this shortly.

2017 Financial Year Results

The 2017 Financial Year has seen a resumption of revenue growth in the second half of the year, with second half revenues 6% higher the prior comparative period, with particularly strong growth in Procurement and PAS. However, this was not enough to compensate for the weak first half and the full year Operating NPAT of \$2.521 million was 28% below FY16. The strong second half enabled the Board to declare a full year dividend of 1.4 cents per share, fully franked.

The second half results were encouraging, seeing improvements in Revenue, Profits and Operating Cash Flows. Costs continued to be tightly managed, largely flat with the previous period.

Following the strategic review held by new CEO Ivan Slavich, an increased focus on the external profile and increased media involvement has started to generate new client leads and opportunities.

1.1 Progress against our Strategy

Energy Action is in business to “help our clients understand and take control of their energy needs.” We have reviewed our strategy and distilled this into five key priorities. These are:

- Reviewing and optimising the pricing of all our products and services;
- Developing and exploiting regional opportunities;
- Market penetration – improving sales and marketing delivery & effectiveness;
- Using IT to improve our services; and,
- Creating a winning culture across our organisation.

I’m pleased to say that we are making solid progress on all of these priorities. These actions include:

- We have completed a competitive & pricing review of our Metrics service;
- We have boosted sales resources in regional NSW;
- We have raised the Company’s profile via media interviews, local area sponsorships and becoming active members of organisations such as the British Chamber to enhance networking opportunities. We have also invested in our sales team capability with additional training and upgraded the Company’s CRM system. All of this is beginning to bear fruit with solid sales orders in the first two months of the year, especially in Procurement and PAS.
- We continue to invest in our core systems with the enhanced Auction Platform and Energy Metrics platform due to go live Q3 / Q4 this financial year. Additionally, we have been trialling digital signatures with excellent client feedback and look forward to further enhancements in this area.

- We are investing in our people via technical training and the creation of the inaugural Energy Action Leadership program, which will be run in November this year. Pleasingly, we have also seen improvements in our latest employee engagement survey, up 14ppts since last year to 65%.

We are seeing solid improvements as these strategic measures get implemented, and are pleased with management's progress on implementing these.

1.2 Current energy market landscape

Energy markets remain volatile and energy is a top concern for most businesses. Increased electricity and gas prices are hurting Australian businesses.

The recently announced National Energy Guarantee is slated for commencement in 2019 and many businesses will continue to encounter substantial cost pressures in the interim. However, there is the potential for some downward pressure on contract prices in the interim.

1.3 Opportunities for Energy Action

The current external environment is positive for Energy Action. Energy remains as a high profile challenge for many industries and Energy Action has the products, services and skills to help clients understand and take control of their energy needs.

We cover the entire procurement market from SME's up to and including some of the biggest energy users in the country. Our range of products includes tariff contracts, reverse auctions, tenders and structured products and progressive purchasing arrangements for our larger clients, all of which can deliver meaningful savings for clients.

Current high energy prices also provide opportunities for our PAS business to help clients reduce their consumption and become more self-sufficient with their energy needs.

Energy Action will continue to explore further opportunities to help clients reduce their energy costs and also improve internal efficiencies.

1.4 Conclusion and Acknowledgements

Your Board is monitoring these changing energy market conditions and progressing with the implementation of the strategic growth initiatives as outlined in this speech.

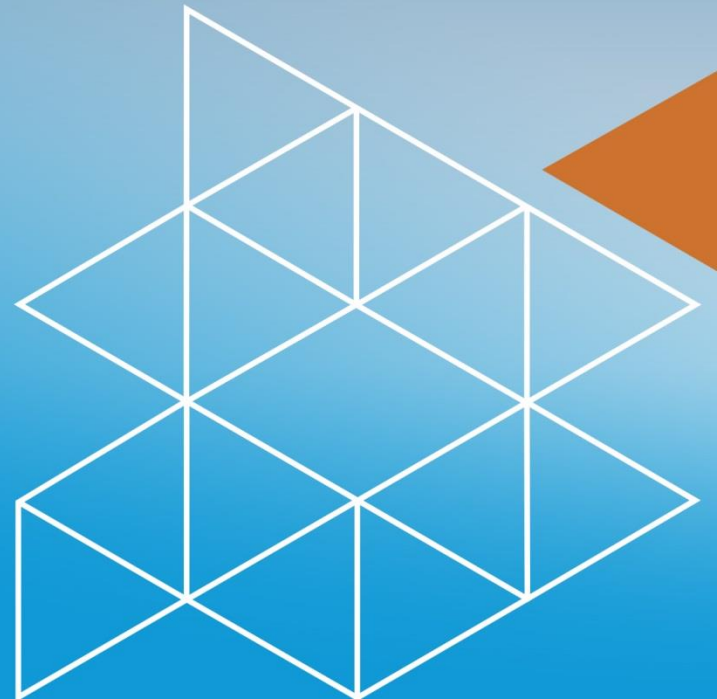
I would also like to take this opportunity to thank our Directors, Nitin Singhi, John Mackay, Paul Meehan and Mark de Kock for their efforts during the year.

I'd also like to acknowledge the services of Dr Ronald Watts who resigned from the Board on 30 June 2017. Ron was a co-founder of Energy Action and had been a Director since the incorporation of the company in 2003. On behalf of the Company, I'd like to thank Ron for his valuable insight, knowledge and judgement over the years of his involvement.

Finally I would like to thank the management team, in particular Ivan Slavich and Michael Fahey and their teams for their hard work and dedication over the year.



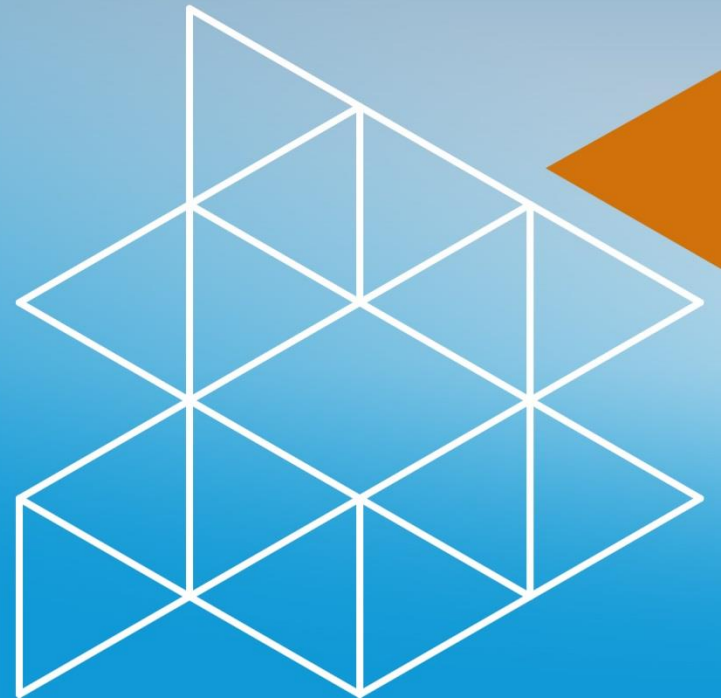
2017 Annual General Meeting





Welcome & Introductions

Mr Murray Bleach
Chairman



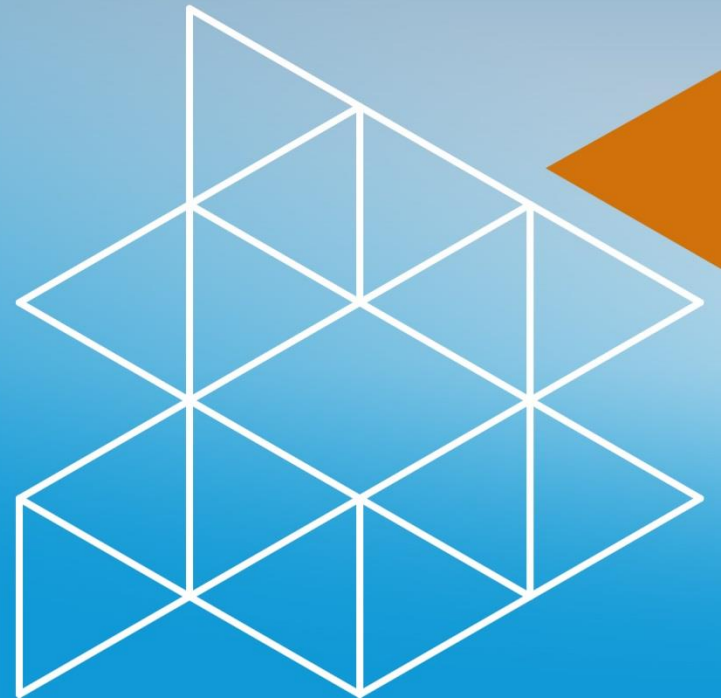
Agenda

1. Introduction of Board Members & Welcome
2. Chairman's Address
3. CEO's Address
 - Business Overview
 - FY17 Operational Performance and Financial Results
 - FY18 Operational Priorities and Outlook
4. Formal Business



Chairman's Address

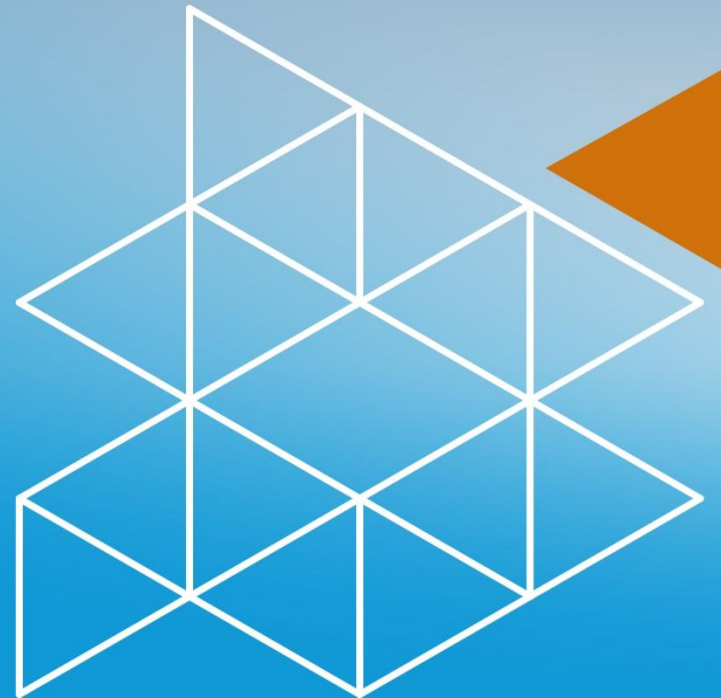
Mr Murry Bleach
Chairman





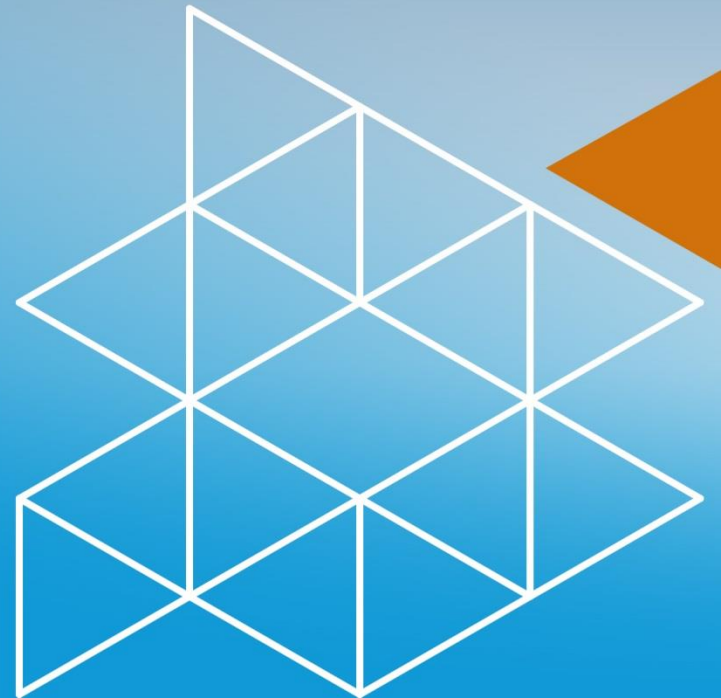
CEO's Address

Mr Ivan Slavich
Chief Executive Officer





Business Overview



Our client value proposition

“We help clients understand and take control of their energy needs”

- Procure the best energy deal for clients, in the current marketplace;
- Manage client energy contracts, including account management, liaison with their retailer, validating their bill, ensuring the right tariff and helping them understand how they are using energy;
- Reduce the energy consumption for clients, which is good for their bottom line and good for the environment; and
- We help clients become self-sufficient with their energy needs by installing solar.

ENERGY ACTION AT A GLANCE



150+ EMPLOYEES



LEADING 


electricity, natural gas, LPG, fuel
and environmental certificate
services provider

DEDICATED TEAMS:



Procurement
Contract Management
Account Management
Energy Efficiency Projects
Regulatory Experts
Energy Consultants



manage **13%** 
of the national
commercial and
industrial electricity spend

8 OFFICES
= nationwide capability



EnergyAction

20,000+

Tariff Sites



4.2TWh

ELECTRICITY
procured/year



11PJ

GAS VOLUME
procured/year

1500+

Procurement Events
managed/year



\$1.2B

in annual electricity
contracts closed



\$2.3M

Bill Validation
Savings

350+

ENERGY EFFICIENCY
engagements/year

150+

NABERS
ratings/year

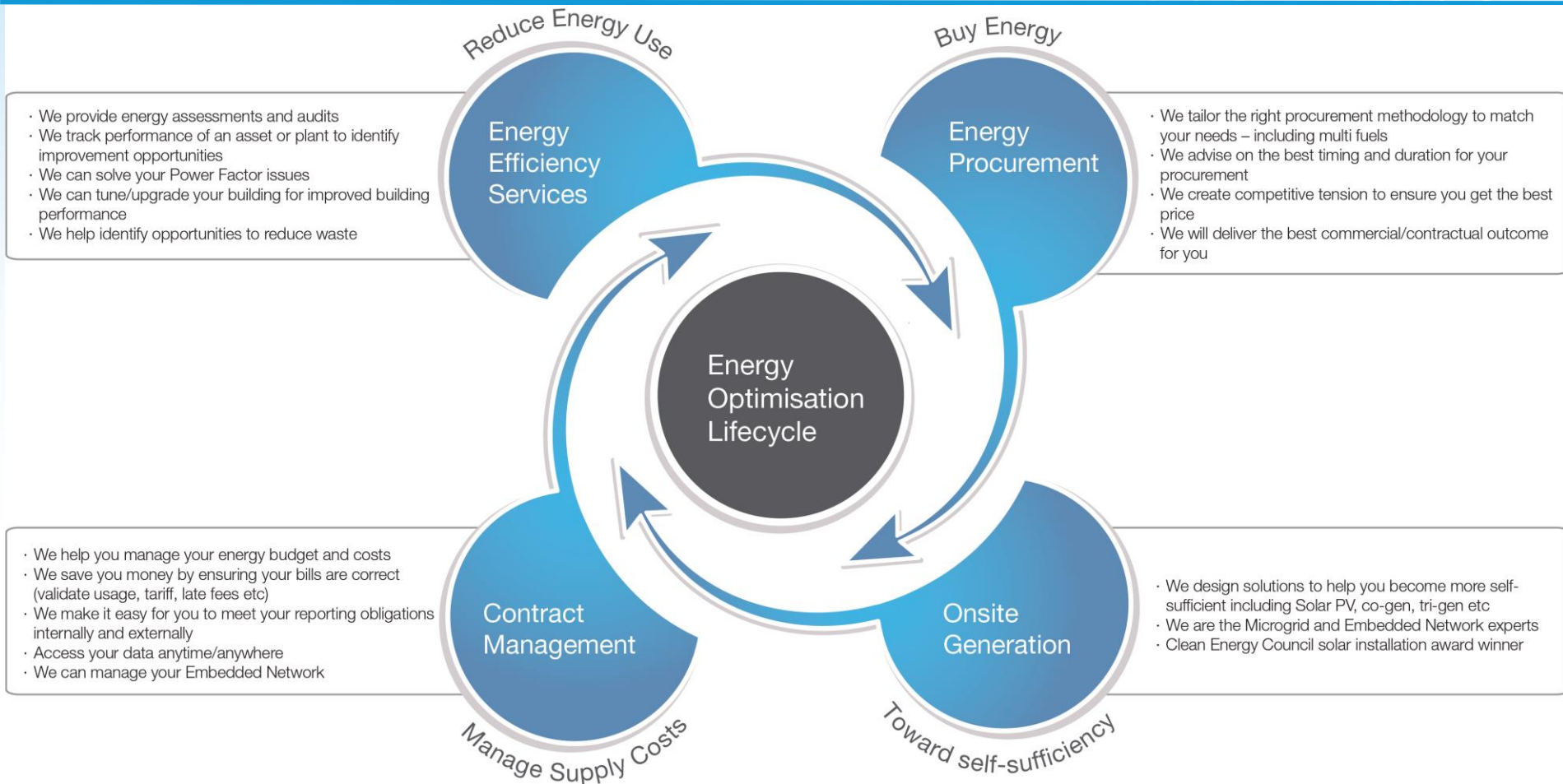


TARIFF REVIEW
SAVINGS

LARGE SITES UNDER
MANAGEMENT

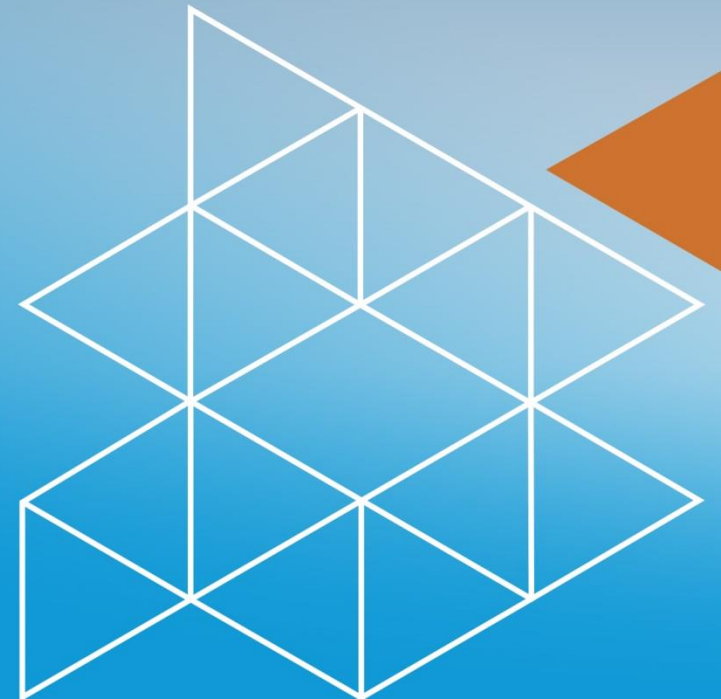
Unrivalled depth of services across both demand and supply sides

Multiple options to deliver value to clients





FY17 Operational Performance and Financial Results



FY17 Financial Performance

Key Financial Metrics	FY2017	FY2016
Revenue	\$32.96m	\$33.98m
Statutory NPAT	\$1.77m	(\$0.45m)
Operating NPAT	\$2.52m	\$3.52m
Operating Cash Flow before interest, tax and significant items	\$3.6m	\$6.64m
Earnings per share (Statutory)	6.83c	(1.73)c
Earnings per share (Operating)	9.71c	13.56c
Dividend per share	1.40c	6.32c

Financial Highlights

Improving performance in second half

Positives

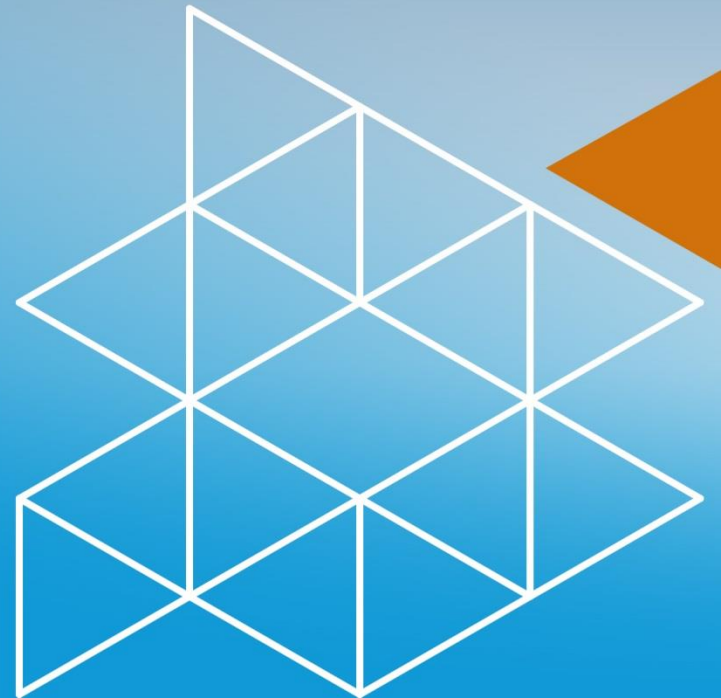
- Much improved second half performance in revenue, profits and cash flow
- Double digit growth in Procurement and PAS revenues in second half
- Simplified client value proposition and clear key messaging
- Increased media and external profile generating new leads
- Cost tightly managed – largely flat with FY16

Challenges

- Decline in CMER revenues and sites under management
 - Loss of a large retail client as a result of a decision to in-source
 - Sales and marketing focus to arrest the decline
- Weaker EBITDA to cash conversion
 - Continued focus on working capital and debtor management



FY18 Operational Priorities and Outlook



Our top priorities for FY18

Focus on improving customer service and sales & marketing effectiveness

EAX Strengths

- Procurement market expertise covering all market segments from SME's to the largest energy users
- Supply & Demand side expertise
- Expert capability & knowledge
- National reach
- Market leading products & services
- Positive external environment

Key Priorities

- Gain market penetration via improved sales & marketing execution
- Digitalisation of routine processes to streamline the client journey
- Develop & exploit regional opportunities
- Create a winning culture
- Optimise pricing

Energy Market Conditions

- Energy costs increases currently seen as the No1 issue confronting businesses;
- The recently announced National Energy Guarantee (NEG) should assist clients to better manage reliability and process over the longer term, but lack of detail has actually increased costs for now;
- Abnormally high amount of renewals taking place for Q4 2017, resulting in record auctions for AEX;
- Larger clients moving to our strategic purchasing option under our AFSL; and
- Energy markets are expected to remain volatile for some time.

FY18 Outlook

- Australian energy markets remain volatile and are likely to remain so for some time, for the reasons outlined in the previous slide.
- I was appointed as the Company's new CEO in April 2017. A key priority since my appointment has been on raising the profile of the Organisation, improving the sales and marketing capability and client service delivery. Results to date have been pleasing, with solid increases in sales orders, particularly in Procurement and PAS.
- Due to the combination of the volatile energy markets and the early stages of implementing the new sales and marketing initiatives, the Company is not providing formal FY18 earnings guidance.

Further information

Ivan Slavich

Chief Executive Officer

02 9633 6476

ivan.slavich@energyaction.com.au

Michael Fahey

Chief Operating Officer

02 9633 6405

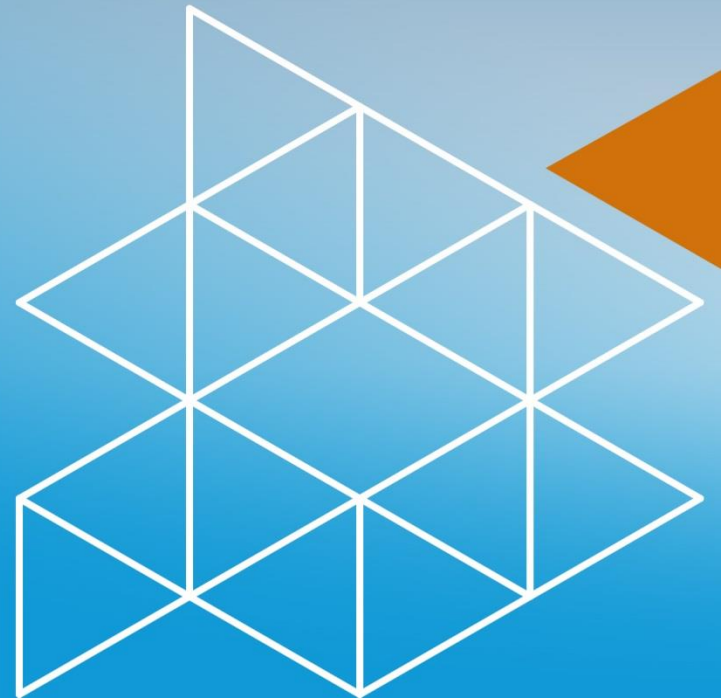
michael.fahey@energyaction.com.au





Formal Business

Mr Murray Bleach
Chairman



Procedural Matters

- If there are any Shareholders who are eligible to vote who have not received their yellow voting card, please see a representative from Link Market Services at the registration desk.
- Shareholders holding a red card are not eligible to vote but can speak at the meeting.
- Visitors holding a blue card are not eligible to vote or speak at the meeting.
- Copies of the Notice of Meeting and Annual Report are available from the front desk.

General Business

- First Item of business: Consideration of the annual report, financial report, Directors report and Auditors report for the financial year ended 30 June 2017.
- No questions for Ernst & Young were received prior to the meeting.
- Representatives from our audit review partner, Ernst & Young are in attendance and will answer any questions relating to the conduct of the 30 June 2017 audit, the preparation of the financial statements, and the independence of the auditor.

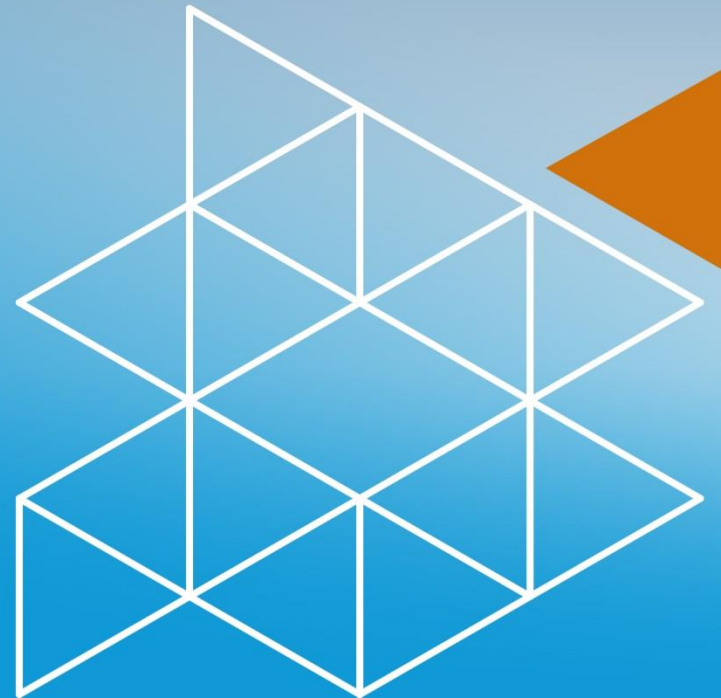
General Business

Formal Resolutions:

- Resolutions 1, 2 and 3 are proposed as **ordinary resolutions** and will be approved if passed by more than 50% of votes cast by members entitled to vote on the resolution.
- Voting on resolutions 2 and 3 will take place on a show of hands, with resolution 1 to be decided on a poll, which I now declare open.
- Your Directors support the resolutions being put to Shareholders, except for situations where they have an interest in that resolution, in which case, they individually make no recommendation. Where permitted to do so, the Chairman of the Meeting will vote all open proxies 'for' each item of business.



Resolutions



Resolution 1

"That the Company's Remuneration Report for the financial year ended 30 June 2017, as set out in the Directors' Report, is adopted."

Resolution 1 is an ordinary resolution, and will be approved if passed by more than 50% of the votes cast by members entitled to vote on the resolution. This resolution is advisory only and does not bind the Directors.

Resolution 1 - Proxies

	For	Against	Open	Abstain
No. of Shares	8,512,092	28,379	8,000	665,961
% of Total Directed Proxies	99.57%	0.33%	0.09%	

Resolution 2

“That Mr John Mackay, a Director of Energy Action Limited who retires in accordance with clause 45.2 of the Constitution, and being eligible for election, is elected as a Director of Energy Action Limited.”

Resolution 2 is an ordinary resolution, and will be approved if passed by more than 50% of the votes cast by members entitled to vote on the resolution.

Resolution 2 - Proxies

	For	Against	Open	Abstain
No. of Shares	15,779,266	26,277	8,000	1,000
% of Total Directed Proxies	99.78%	0.17%	0.05%	

Resolution 3

"That Mr Paul Meehan, a Director of Energy Action Limited who retires in accordance with clause 46.2 of the Constitution, and being eligible for re-election, is re-elected as a Director of Energy Action Limited."

Resolution 3 is an ordinary resolution, and will be approved if passed by more than 50% of the votes cast by members entitled to vote on the resolution.

Resolution 3 - Proxies

	For	Against	Open	Abstain
No. of Shares	15,492,202	313,341	8,000	1,000
% of Total Directed Proxies	97.97%	1.98%	0.05%	

Disclaimer

This presentation has been prepared by Energy Action Limited ABN: 90 137 363 636.

This presentation is not intended as an offer or solicitation with respect to the purchase or sale of any security nor does it constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised or to whom it is unlawful to make such solicitation or offer.

Any investment decision with respect to any transaction involving Energy Action Limited should be made based solely upon any offering documents, if applicable, and appropriate due diligence by the prospective investor.

We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

Past performance is not a reliable indicator of future performance. This presentation may include forward-looking statements that represent opinions, estimates and projections, which may not be realised. Forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of Energy Action Limited. Actual results may vary from any forecasts and any variation may be materially positive or negative. This presentation includes forward-looking statements that represent opinions, estimates and projections, which may not be realised. We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

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All information contained herein is current as at 10th November 2016 unless otherwise stated.

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