

Energy One Limited (ASX:EOL)

Investor Presentation for 1H18



energyone

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A strong first half

Another profitable result for the six months to 31 December 2017, our 8th consecutive half of profitability.

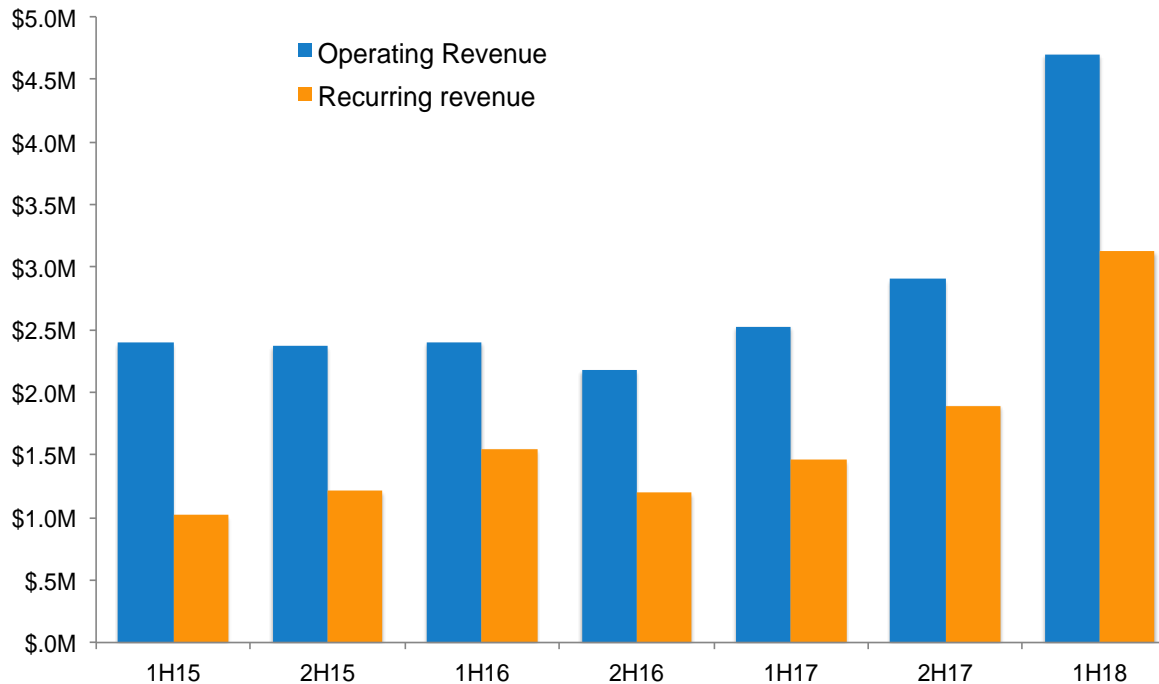
Key financial metrics vs. previous corresponding period include:

- ↑ \$5.02M Revenue up 75%
- ↑ \$1.34M EBITDA up 105%
- ↑ \$0.95M NPBT up 191%

These increases were due to continued domestic performance and two acquisitions in FY17.



Strong recurring revenue was maintained despite revenues almost doubling



Recurring revenues account for 66% of our operational revenues.

Target for recurring revenue in FY18 is ~70%

Recurring revenues arise from licence, support, hosting and services income on renewing contracts.

Income statement

\$'000	FY14	FY15	FY16	FY17	FH 18	Commentary
Operating Revenue	2,848	4,768	4,583	5,429	4,699	1H revenue almost equal to full year 17 revenue
Other revenue	606	782	584	688	319	
Direct project related costs	(56)	(33)	(43)	(59)	(90)	
Employee benefits expense	(1,713)	(2,934)	(2,634)	(3,065)	(2,448)	Increase is in line with growth
Rental expense	(160)	(169)	(193)	(215)	(121)	
Consulting expense	(367)	(547)	(351)	(402)	(348)	
Insurance expense	(44)	(58)	(60)	(71)	(50)	
Accounting fees	(62)	(78)	(88)	(78)	(51)	
Other expenses	(172)	(309)	(514)	(611)	(466)	
Depreciation & amortisation	(542)	(585)	(361)	(513)	(369)	
Acquisition & related expenses	-	-	-	(217)	-	One-off expenses relating to acquisition(s)
Overseas marketing & research	-	-	-	(136)	(84)	Overseas marketing & development
NPBT	338	837	924	750	951	
Tax	-	(149)	(459)	(443)	(360)	R&D expenditure treated as non-deductible for tax
NPAT	338	687	464	307	591	
EBITDA	825	1,362	1,177	1,198	1,336	
<i>EPS (cps)</i>	<i>1.90</i>	<i>3.86</i>	<i>2.51</i>	<i>1.63</i>	<i>2.91</i>	

Balance sheet

\$'000	FY15	FY16	FY17	FH 18	
Cash and cash equivalents	1,983	2,228	468	1,020	The dip in FY17 due to acquisition
Trade and other receivables	2,319	2,056	2,867	2,534	
Total Current Assets	4,344	4,387	3,562	3,716	
Plant and equipment	64	502	429	419	
Intangible assets	629	641	3,454	3,467	Comprised mainly of goodwill from acquisitions
Software development	1,698	2,373	4,662	4,806	
Other assets	104	331	221	221	
Total Non-Current Assets	2,765	4,244	9,614	9,626	
Total Assets	7,109	8,631	13,175	13,341	
Trade and other payables	554	820	1,290	1,164	
Borrowings (current)	-	-	505	324	Loan facility
Deferred revenue	882	619	2,027	1,705	
Total Current Liabilities	1,944	2,059	4,658	4,275	
Borrowings (non-current)	-	-	1,350	1,243	Loan facility
Total Non-Current Liabilities	493	1,257	2,703	2,580	
Total Liabilities	2,437	3,316	7,361	6,856	
Net Assets	4,672	5,315	5,815	6,485	
Net assets per share (cps)	26.2	28.7	28.6	31.9	

Business update: it's been a busy half

- ✓ Integration of acquisitions now completed
- ✓ Successfully merged two trading systems for a large customer
- ✓ Upgraded EnergyOffer for a generator
- ✓ Acquired >10 new customers/upgrades for NemSight and SimEnergy
- ✓ Released solar-PV analytics module
- ✓ Released NemSight phone app
- ✓ Projects underway with large customer for EnergyFlow (in gas settlements)
- ✓ Won a multi-national energy client in the UK



It will be more of the same for the second half

- ✓ **Focus on continuing to grow domestic sales**

We enter the second half with 1-2 large project in procurement, 1-2 medium sized projects in development and several smaller opportunities in the pipeline.

- ✓ **Explore other geographies and markets**

Our European marketing and development will continue, to leverage early successes. We will look at expanding this incrementally into new countries (including the USA).

- ✓ **Growth by acquisition**

We continue to actively pursue acquisition opportunities that offer strategic and profitable expansion and growth. The opportunities being investigated are both domestic and abroad.



Strong organic growth opportunities supported by regulatory changes

- 1) Regulatory change to facilitate gas trading
- 2) Regulatory change to move to a 5 minute settlement market
- 3) Off-shore sales of EnergyFlow

Regulator changing the way Australian gas markets operate

- The Australian Energy Regulator is implementing a capacity trading market in 2019
- Gas pipelines will need to publish data related to their spare pipeline capacity
- AEMO will arrange an auction of this spare capacity
- This is a major change in way gas transmission operates in Australia



Gas capacity trading will require enhancements and new software

- EOL's pypIT software serves 40% of the gas transmission market and will play an important role in facilitating the data transfer for capacity trading and (consequent) scheduling of the traded capacity.
- These regulatory changes will provide additional opportunities for pypIT as existing customers seek software enhancements and some customers will require new software altogether to enable them to trade capacity effectively.

Electricity market reform will also provide additional opportunities

- The Australian Energy Market Commission has announced that, from 2021, electricity market settlement periods will change from 30-minute intervals to 5-minute intervals
- This reform is intended to encourage new-technologies such as battery storage and fast-peakers by facilitating quicker economic price-signaling
- This will necessitate a 6-fold increase in the amount of data being processed in wholesale trading operations.
- Battery technology 'generators' starting to appear in the market place providing near-term opportunity for new customer acquisition



EOL well placed to deliver additional modules and new software to facilitate these changes

- This is a considerable opportunity for Energy One as we possess the local focus
- and knowledge to address the consequent software system renewal/upgrade requirements to enable this change
- Our systems are already highly attuned to local requirements so are well-placed, compared to overseas competition.
- In FY19 EOL will invest in upgrading our systems and building new modules to provide customers with the best available technology allowing them to transition seamlessly to the new market



European sales update

- The response to Energyflow has been encouraging with the software helping customers with very complex trade settlements
- We have secured a modest sale for the UK arm of a multi-national energy company, expected to go-live in H2 FY18, and a paid proof-of-concept for a major utility in the UK.
- In addition, we are exploring other sales and partnering opportunities in Europe and continue to receive encouraging signals

Company summary

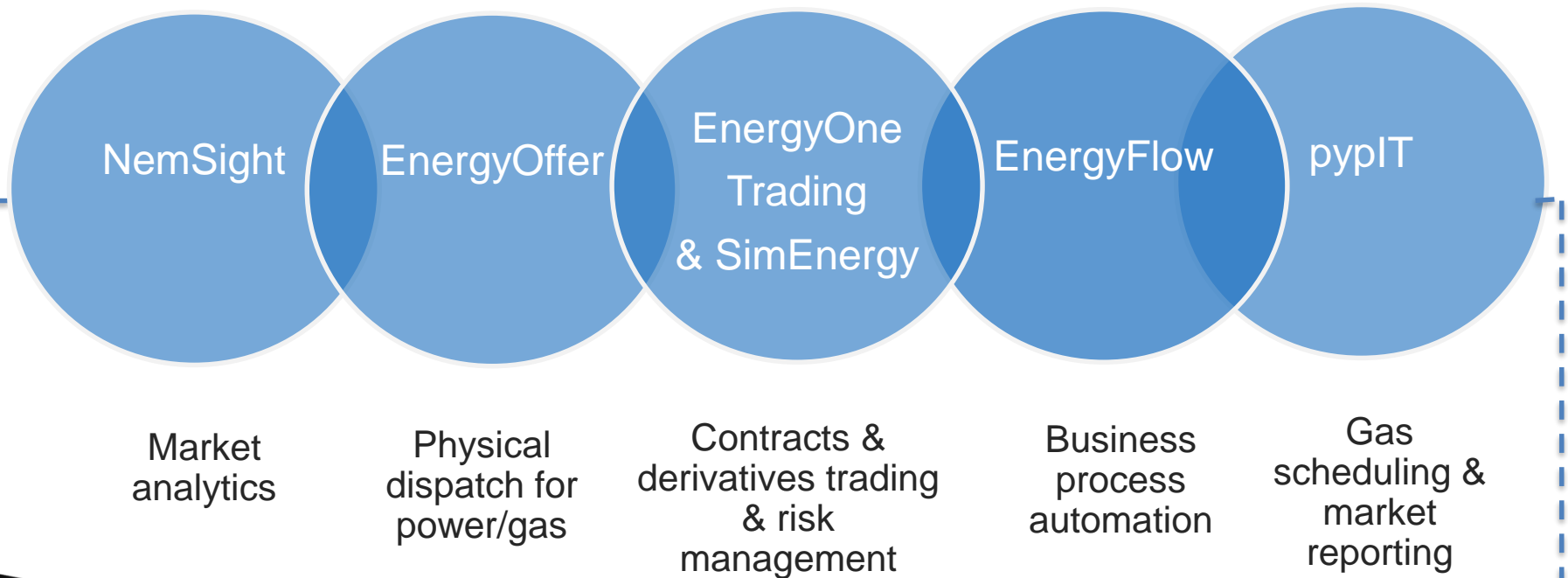
Company metric

Share price (22/2/17)	72 cents
Share price 52 week high	90 cents
Share price 52 week low	36 cents
Shares on Issue	20,340,855
Market cap	\$14.6 million
Debt	\$1.57 million

Substantial shareholders

Mr Ian Ferrier	33.3%
Mr Vaughan Busby	19.0%
Mr Ottmar Weiss	5.8%
Mrs Emma Jane Gracey	4.7%
Top 10 shareholders	70.7%

EOL software provides solutions across the energy trading spectrum



With ancilliary tools, analytics, hosting and application management services overlay

For trading & risk management of physical and contract energy

energyone

EOL software has 80+ customers and 1200+ users, including:





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