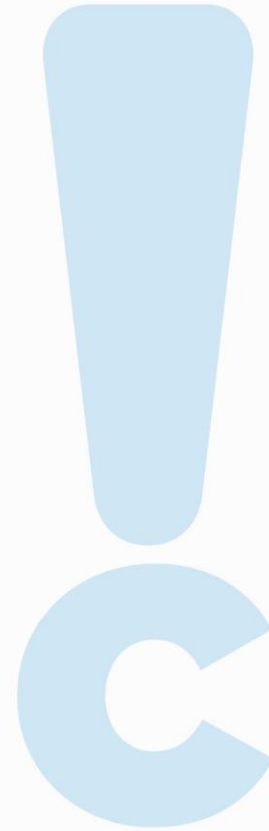




TPC Consolidated Ltd
ASX:TPC

Investor Presentation

November 2016



Investor Presentation

SECTION 1 Introduction

SECTION 2 FY16 Financial Results

SECTION 3 Growth and Outlook

Appendix Overview of the Australian Energy Market



Section 1

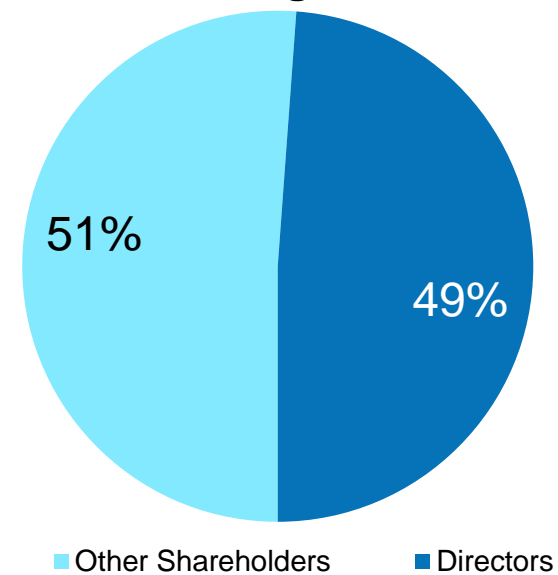
INTRODUCTION

Section 1: Introduction

Corporate Snapshot

Details	Values
Ordinary Shares on Issue	10.59m
Share Price ¹	\$0.90
Market Cap	\$9.5m
Total Borrowings	-
Cash and Cash Equivalents (net of debt) ²	\$2.0m
Enterprise Value	\$7.5m

Shareholding Structure



- ✓ First to offer 24/7/365 customer service centre
- ✓ Differentiate by strong customer relation service, easy-to-do business attitude
- ✓ Employ direct-sales channels, rather than outsourced sale channels, yields higher quality customers, improved margins and deters churn
- ✓ Strong capability to support non-English speaking customers from Asia
- ✓ Monthly billing model improves company cash flow
- ✓ Cost advantage by taking benefit of lower expense offshore resources in Philippines and China for back office operations
- ✓ Strong alignment between Directors and shareholders with Directors having a material investment in the business

Notes: 1. Share price as at 18 November 2016

2. Includes cash and cash equivalents, and bank deposits securing bank guarantee, less invoice finance facility as at 30 June 2016

Section 1: Introduction

Investment Highlights

Large & attractive target market

Addressable market size for SME is >\$9bn
Consisting of **around** 1m SME customers
Higher usage per customer

Low cost business model

Industry leading energy specific CRM
Long established cost effective Philippines and China operation centres
Lean senior executive management team

Proven team with track record

Senior management team proven history of performance
Supported by strong technical expertise
Experience in competitive business environment

Strong results

Energy revenue increased by 174% in the last financial year
Customer base exceeds 12,000
Growing at a double digit rate

Growth opportunities

Embedded networks
Mobiles and Insurance for existing customers
M&A to expand
New markets (Australia and overseas)

Significantly undervalued when compared to peers

TPC is undervalued on all metrics when compared to Australian peer comparable companies
One of only 6 retailers providing both electricity *and* gas in NSW *and* Victoria

Section 1: Introduction

The CovaU Business

The CovaU business is rapidly expanding in customer number and top-line performance, driven by a clear strategy for growth and effective pricing



A wholly-owned subsidiary of TPC Consolidated Ltd with a market cap of \$6.4m



Headquartered in Sydney, Australia



Licences held for both electricity and gas.

Can operate in NSW, VIC, QLD and SA



The business is an energy retailer with a focus on the SME and residential markets



Initially launched in NSW in April 2014, and expanded into Victoria in March 2015

12,000  24

Grown the customer numbers to 12,000 in 24 months, reinforced by a strong customer service ethos and 24/7 support



CovaU business generated FY16 revenue of \$41.7m (increased from \$15.2m in FY15)



Direct sales channels facilitates acquisition of high quality customers, healthy margins and low levels of churn

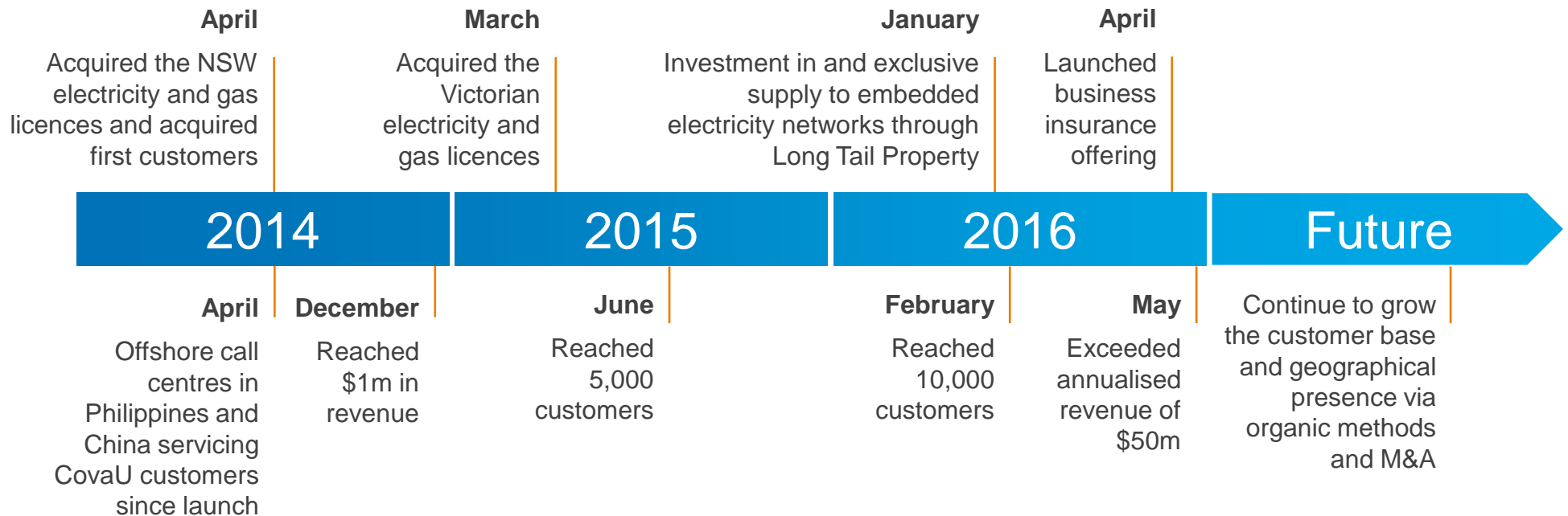


Growing cash flows and strong financial management

Section 1: Introduction

CovaU History

The CovaU business has experienced significant levels of growth since inception, expanding on the back of a growing customer base and wider geographical presence



IT Systems

CovaU implements a variety of leading IT systems and solutions to:

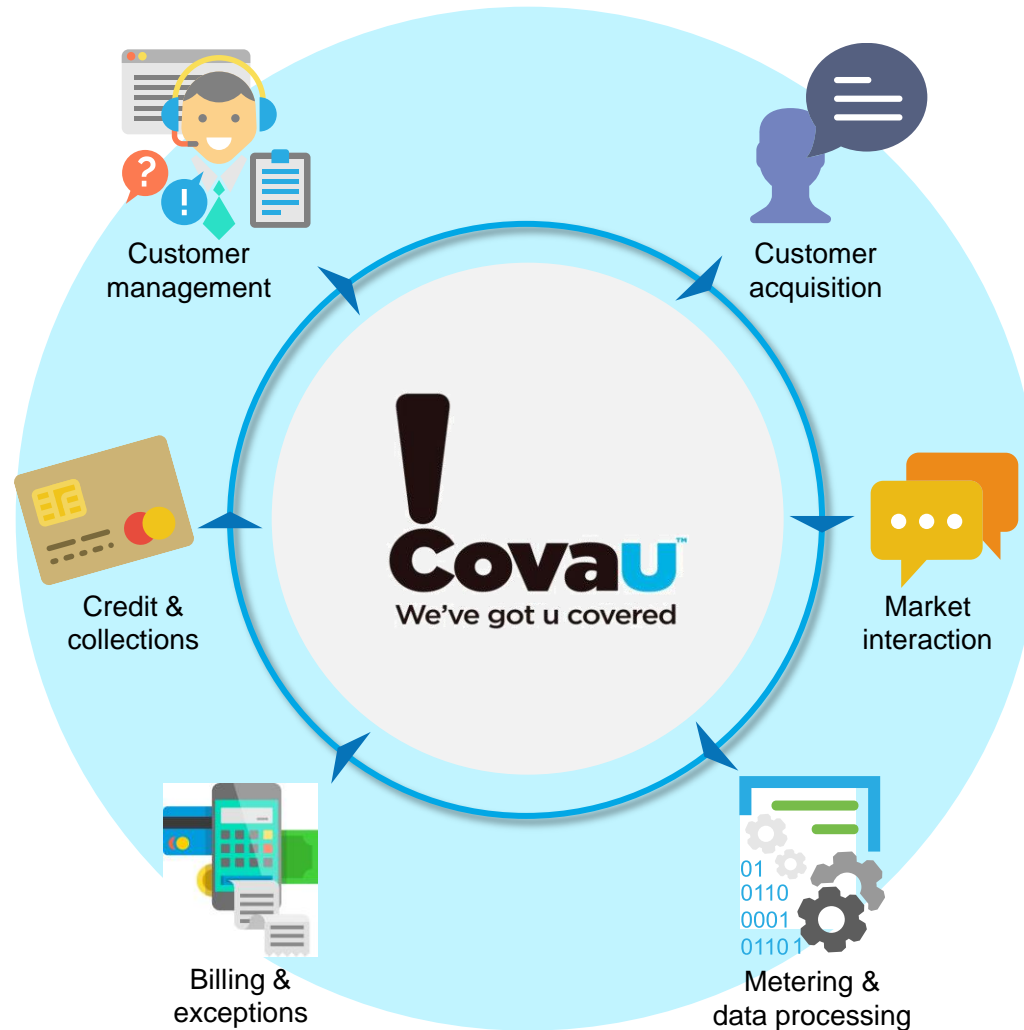
- **streamline operations,**
- **facilitate the interaction of teams and databases, and**
- **deliver efficient and comprehensive customer service**

CRM and billing system (Orion) is a proven energy specific platform 	Risk management system is also a proven energy specific platform 	Sales have remote on-the-road sign-up capability 	Leading customer call queue management 
Online sales signup system integrated into Orion 	Web-based customer sign-up capabilities 	Proprietary tools available online 	100% customers calls recorded 

Section 1: Introduction

Customer Lifecycle

CovaU has a well defined process to onboard customers and work with them closely through their lifecycle, ensuring their energy needs and service expectations are fully met



Senior Management Team

TPC has assembled a team of highly-skilled and experienced personnel, supported by contracted energy service providers and consultants, with support from operational and management personnel with relevant industry expertise



Charles Huang
Chief Executive Officer

Charles founded TPC Consolidated Ltd [ASX: TPC] ("TPC") in 1996 as an ISP whilst in the third year of his Bachelor of Mechanical Engineering degree at the University of Sydney. Following the deregulation of the telecommunications industry, Charles sought the opportunity to resell voice products in Australia and in 1999, he decided to transform the company from a technology-oriented ISP to a marketing and innovation-oriented business in the IDD and prepaid calling card sector.

He has successfully steered TPC from a start-up company to a public company which was listed on the Australian Securities Exchange in 2007.



Steven Goodarzi
Chief Strategy Officer

Steven has extensive management and operational experience internationally in strategy, business development, sales and marketing across the telecommunications and IT industries. He has been instrumental in leading the successful strategy and development of low-latency trading in the major financial markets across Asia, North America and Europe.

Most recently, Steven was based in Tokyo with KVH, a Fidelity Investment company, as Director of Strategy and Business Development. As Chief Strategy Officer, Steven's vision and leadership is the driver behind the forming of CovaU.



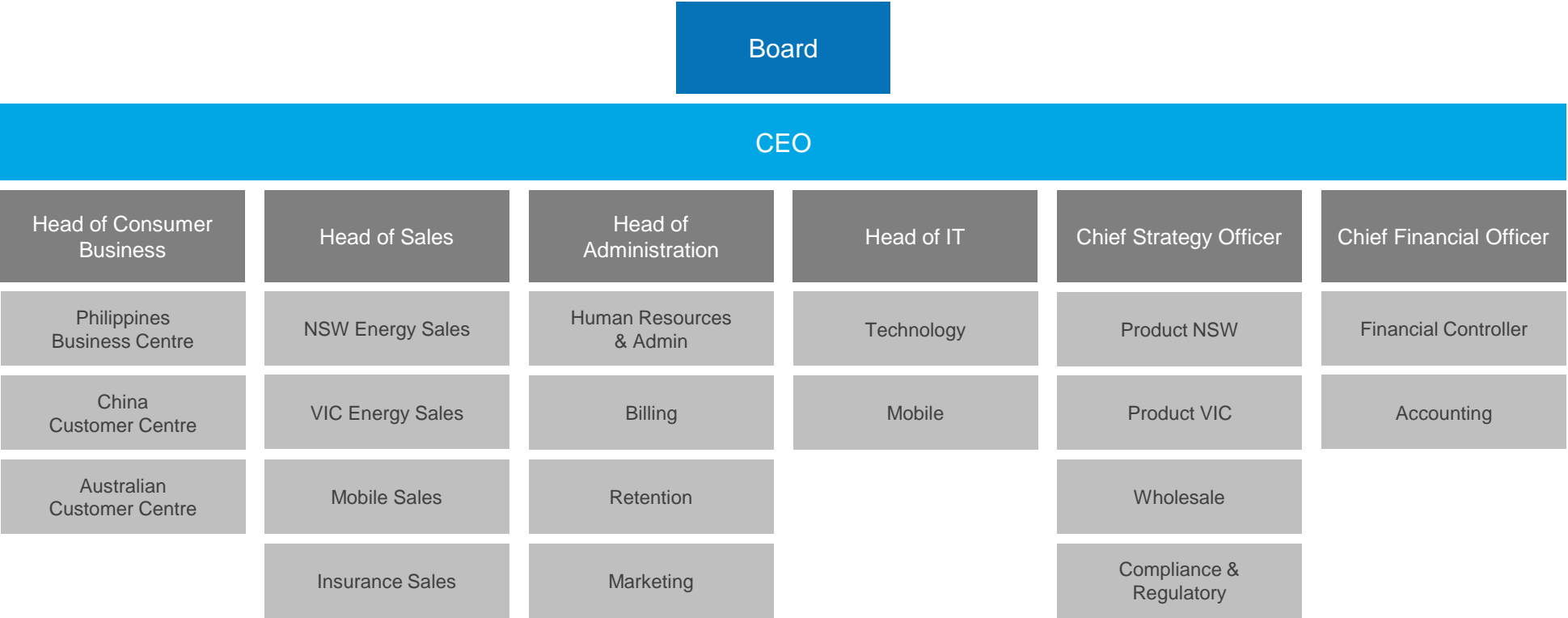
Jeffrey Ma
Chief Financial Officer

Jeffrey has more than 15 years of financial services experience and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Financial Services Institute of Australia. He has over 11 years of financial services experience gained with Credit Lyonnais Australia Limited, where he held the position of Company Secretary and Head of Finance and Administration for five years and was a member of the management committee. Jeffrey also worked for two years in Westfield Holdings Limited, a listed property management and development company. He has an extensive professional background, having also worked for Coopers and Lybrand in Hong Kong and with a chartered accounting firm in London.

Section 1: Introduction

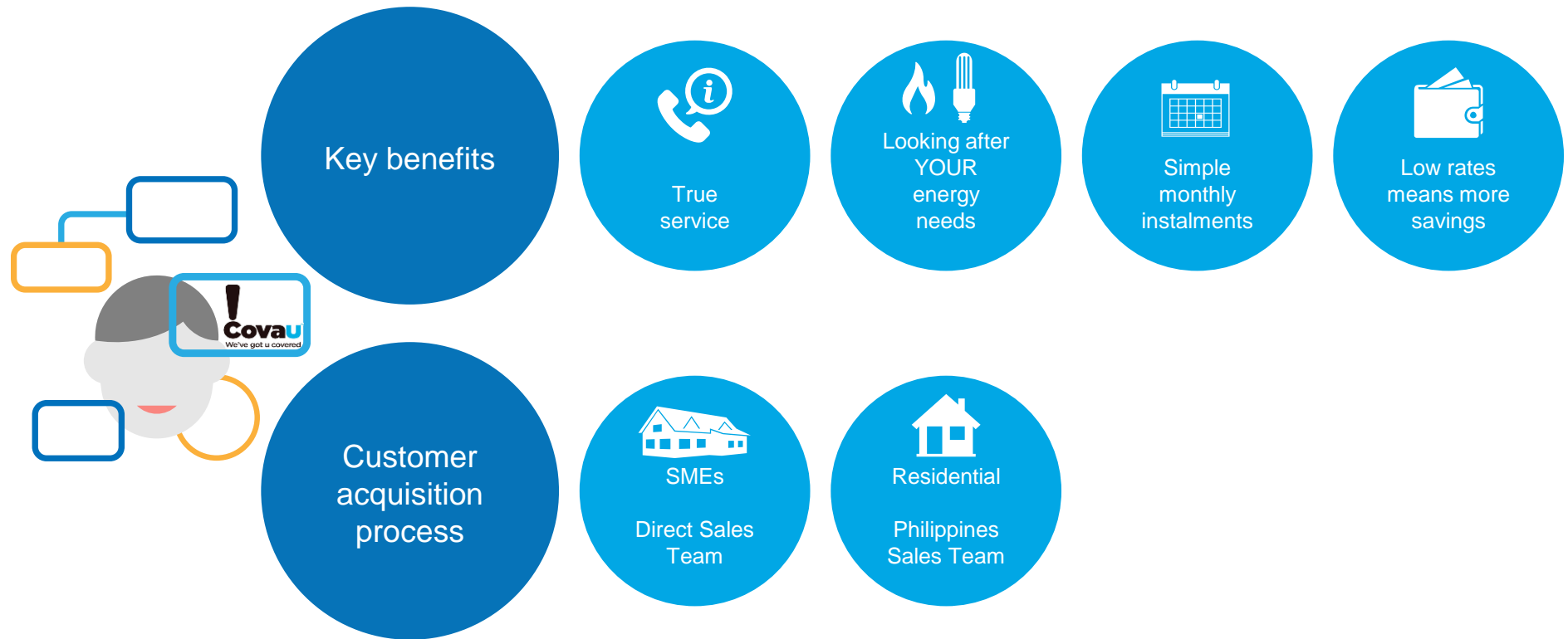
Organisational Structure

TPC has a clearly defined organisational structure with an experienced Board and management team, supported by a driven and experienced team



Customer Strategy

CovaU offers competitive rates for the delivery of electricity and gas to households and businesses in Australia

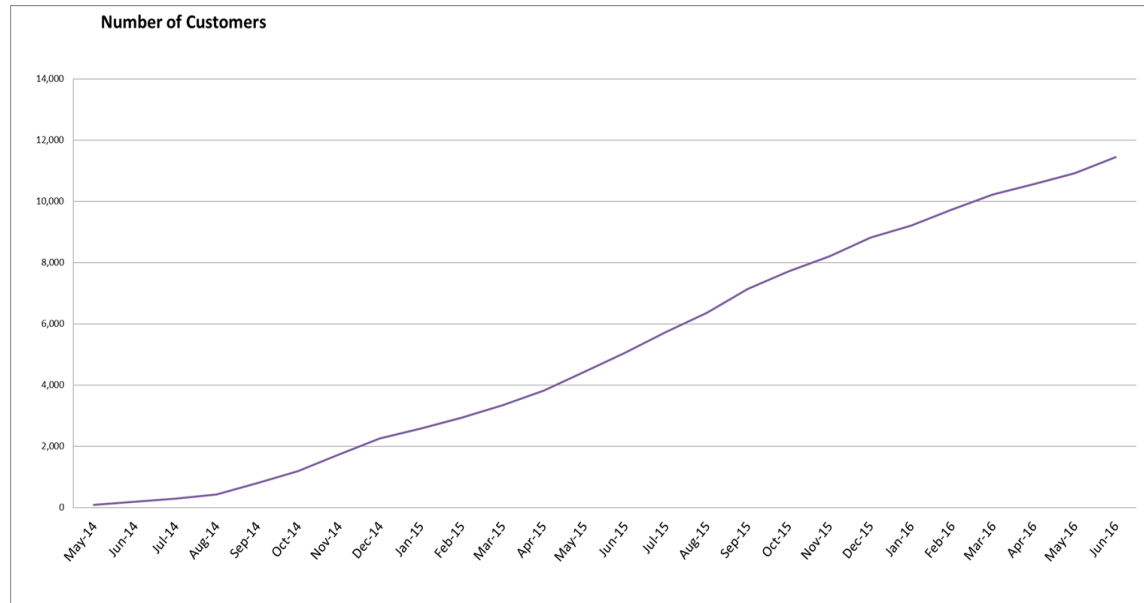


Section 1: Introduction

CovaU Highlights

CovaU has seen strong acquisition of customers growing to over 12,000 customers in 24 months and is expected to be generating revenue of at least \$60m in FY17

- All about growth in deregulated market
- Grown customer numbers 0 ➡ >12,000 in ~24 months
- Strong revenue engine (\$60 million annual run-rate)
- FY17 target EBITDA: \$2 – 3 million
- Opportunity for inorganic growth
 - M&A
 - Strategic investments
 - Long Tail Property (Whole of building energy supplier)
 - New technology (Renewables)

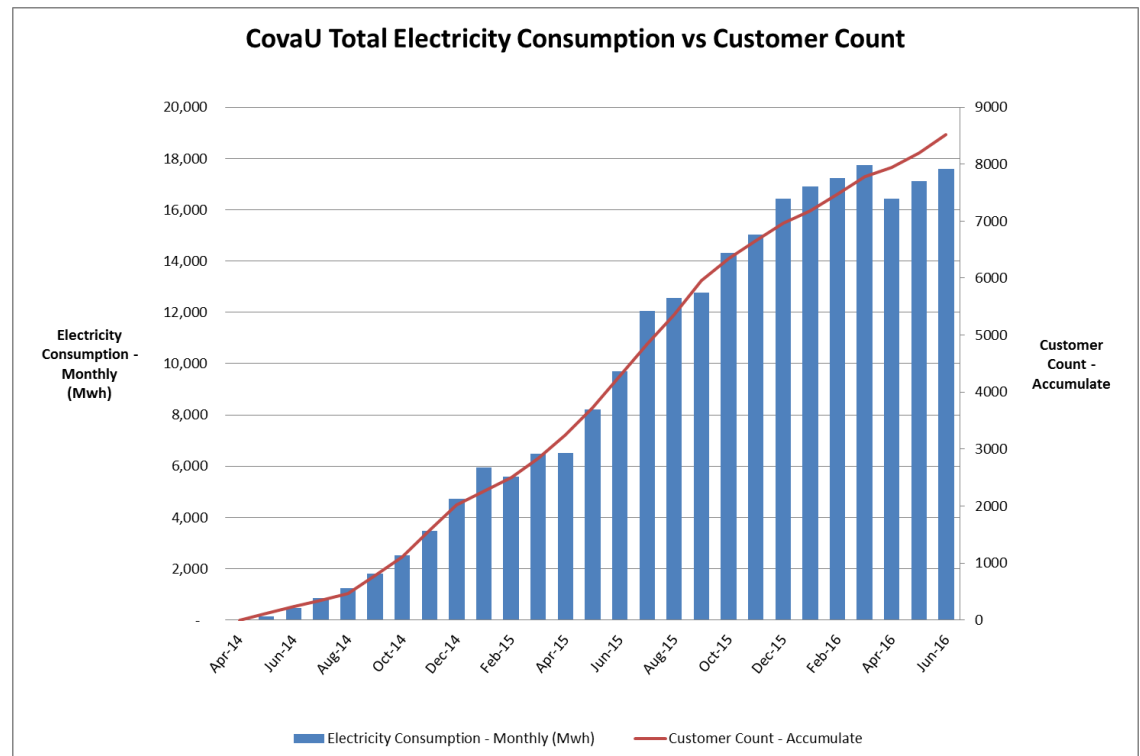


Section 1: Introduction

CovaU Highlights

CovaU is seeing strong growth in customers and consumption in its key markets of NSW and VIC

- The only Tier 2 retailer with dual licences to sell electricity and gas
- In key markets of NSW & VIC
- NSW is one of the highest electricity consuming markets
- Electricity growth gaining momentum

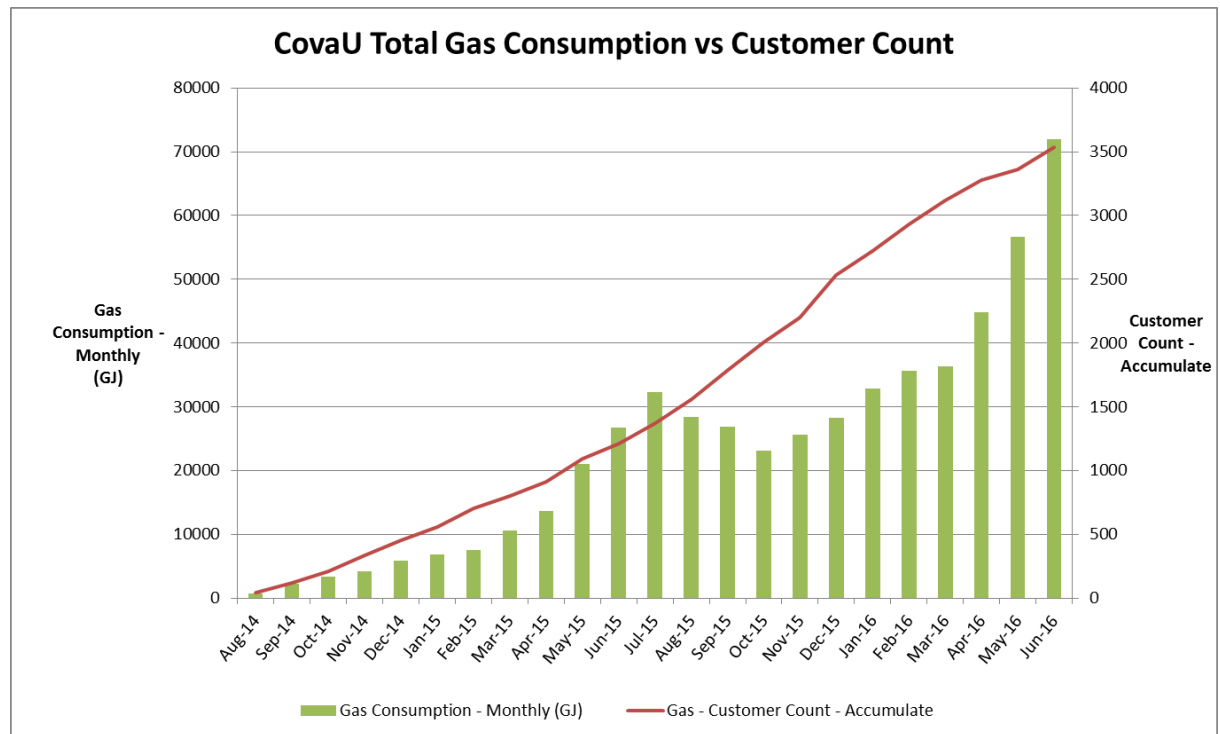


Section 1: Introduction

CovaU Highlights

CovaU is seeing strong cross-sell of its gas products and is one of only six retailers licensed to sell both electricity and gas in NSW and VIC

- The only Tier 2 retailer licensed to sell electricity and gas
- In key markets of NSW & VIC
- VIC is one of the highest gas consuming markets
- Gas growth gaining momentum
- Gas margins are attractive





Section 2

FY16 FINANCIAL RESULTS

Section 2: FY16 Financial Results

Financial Highlights

TPC's core energy retailing business has experienced strong growth throughout FY16, driven by a larger customer base and streamlined operations

A\$'000	Year end June 2016	Year end June 2015	Increase (%)
Sales of Energy	41,704	15,228	173.9%
Telecommunication Services	5,939	9,340	(36.4%)
Revenue	47,643	24,568	93.9%
Gross Profit	7,650	5,056	51.3%
EBITDA	(2,986)	(4,558)	34.5%
NPAT	(2,540)	(4,731)	46.3%

Key highlights

- Drivers of top-line performance include increase in energy revenue as the provision of electricity and gas services further expanded into Victoria in March 2015
- Customer growth comes from a clearer and more targeted marketing strategy, coupled with lower levels of churn on the back of improved customer service
- Gross margins declined which reflected the notable increase in renewable energy certificate costs and the surge in gas cost in the 4Q16 that was not hedged due to the small load and relatively high hedge cost





Section 3

GROWTH AND OUTLOOK

Section 3: Growth and Outlook

Growth Opportunities

1

Organic growth and expansion

- Increased marketing initiatives to expand presence and grow in all markets
- Increase in headcount to support the business

2

Increase revenue through cross-sell

- Adopting a dual fuel strategy, the Company's focus on cross-selling electricity, gas, insurance and mobile to the existing customer base is likely to continue to boost revenues

3

Inorganic growth

- TPC is exploring inorganic growth opportunities to accelerate its expansion
- Appointed advisors to assist with possible M&A activity

Section 3: Growth and Outlook

Organic Outlook

In FY17, TPC is expected to generate organic revenues of approximately \$60m and EBITDA of \$2.0m – \$3.0m

TPC Consolidated

	FY 2014	FY 2015	FY 2016	FY 2017
Revenue	\$13.1m	\$24.6m	\$47.6m	~\$60m
Gross Profit	\$3.8m	\$5.1m	\$7.7m	~\$13m
EBITDA	(\$1.6m)	(\$4.6m)	(\$3.0m)	~\$2.0m-\$3.0m
Profit before Tax	(\$8.2m)	(\$4.9m)	(\$3.3m)	~\$1.5m-\$2.5m
<u>Margin</u>				
EBITDA %	(12.0%)	(18.6%)	(6.3%)	3.3% - 5.0%
Profit before Tax %	(63.9%)	(19.8%)	(6.9%)	2.5% - 4.2%

The company intends to re-invest its profits to support the working capital required for the aggressive growth of the business for the short to medium term. Subject to working capital requirements, the company will consider paying dividends when appropriate. The above outlook is based on the latest management estimates and assumes there are no material changes in the operating and regulatory environments.

ASX Listed Comparable Companies

TPC is significantly undervalued when compared to ASX listed peer companies

ASX Listed Energy Company Peers

Company name	ASX Code	Price (\$) ¹	Mkt Cap (\$m) ¹	Enterprise Value ¹	FY16 Revenue (\$m)	FY16 EBITDA (\$m)	FY16 Net income (\$m)	FY17 Revenue (\$m) ²	FY17 EBITDA (\$m) ²	FY17 Net income (\$m) ²	Forward EV / EBITDA ³	Forward P / E ratio ³
ERM Power Ltd	EPW	1.085	273	302	2,763	81	19	3,408	66	11.6	4.6	23.6
AGL Energy Ltd	AGL	20.07	13,506	15,903	11,150	1,689	701	11,301	1,749	767	9.1	17.5
Origin Energy Ltd	ORG	5.68	9,967	18,872	11,923	1,696	365	12,358	2,299	499	8.2	19.1

Source: FactSet as at 18 November 2016

Notes: 1. Price, market cap and enterprise value based on closing share price on ASX on 18 November 2016 and data as reported by FactSet

2. ERM Power Ltd, AGL Energy Ltd and Origin Energy Ltd based on analysts estimates as reported by FactSet on 18 November 2016

3. Ratios based on current price, or current enterprise value and FY17 estimated EBITDA and Net Income (source from FactSet)

Contact

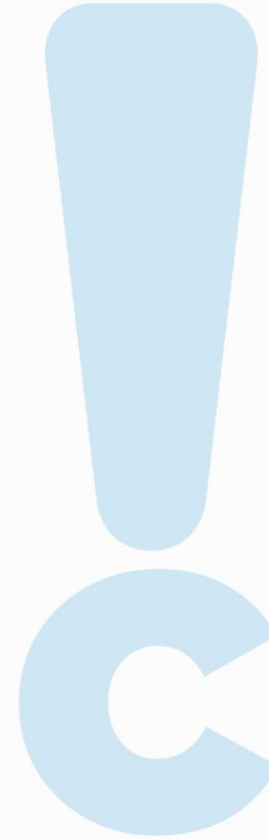
**Please direct
enquiries to:**

Mr Charles Huang
CEO

TPC Consolidated Limited
Suite 802, Level 8
1 York Street
Sydney NSW 2000

Phone: 1300 731 574

Email: info@tpc.com.au




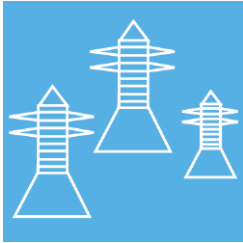
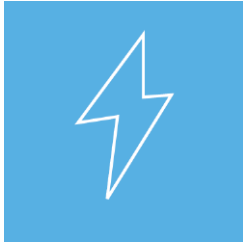








Appendix

OVERVIEW OF THE AUSTRALIAN ENERGY MARKET

Appendix: Overview of the Australian energy market

Supply of electricity

	Generation	Transmission	Distribution	Retailers
				
Description	<ul style="list-style-type: none"> Electricity generation sold through the electricity market 	<ul style="list-style-type: none"> Electricity transported along high voltage transmission lines and underground cables 	<ul style="list-style-type: none"> Distribution lines and substations where transformers reduce the voltage 	<p>Segment currently served by:</p>  <ul style="list-style-type: none"> Sell electricity to end-users and manage customer accounts and billing
Regulatory framework	<ul style="list-style-type: none"> AEMO is the market and system operator 	<ul style="list-style-type: none"> AER – National Electricity Rules 	<ul style="list-style-type: none"> AER – National Electricity Rules 	<ul style="list-style-type: none"> Price deregulation in most major states, including: NSW, VIC and SA
Segment players				

Appendix: Overview of the Australian energy market

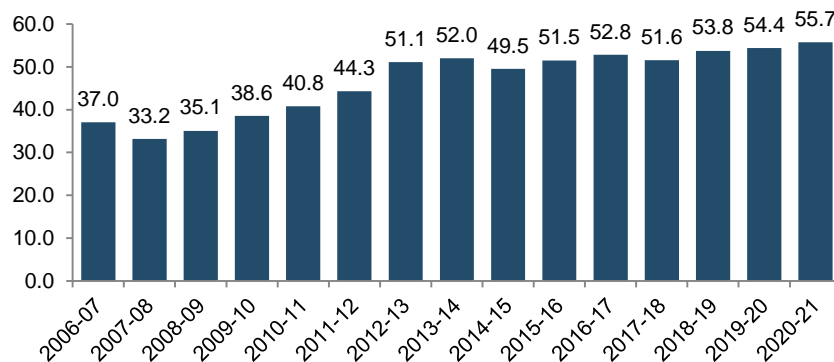
Industry overview

Market overview, SME segment and trends

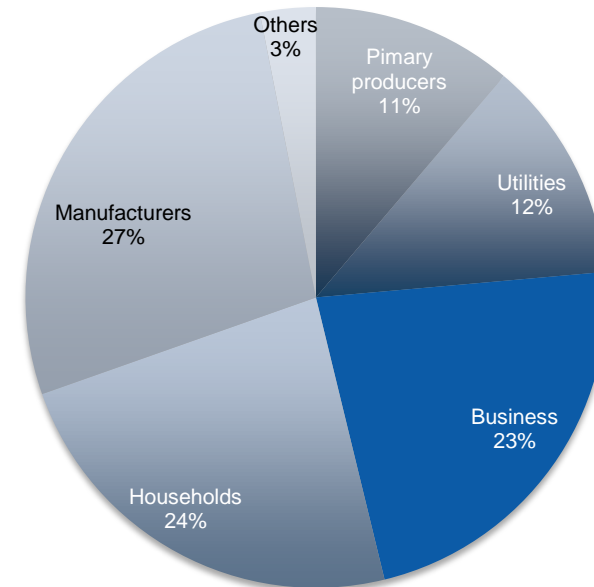
- Estimated overall Electricity Retailing Market in Australia is valued at \$51.5B, which is expected to grow 1.6% annually 2016 to 2021
- In NSW, there are 3.3 million electricity customers and 1.2 million gas customers
- In VIC, there are 2.7 million electricity customers and 1.9 million gas customers
- Competition continues to grow in the NSW & VIC retail electricity market. CovaU entered the market in 2014
- The big three legacy retailers dominate with 94% retail electricity market share
- New and second tier retailers are growing and market concentration has been slowly decreasing, falling to second tier retailers
- State Governments are encouraging competition regularly through initiatives like "The Power's in Your Hands" campaign
- Fewer competitors focus on the SME category, despite SME customers consumption being higher than residential customers
- Competition is less intense in the retail gas market of NSW, with six retail brands competing, including CovaU
- By operating in both gas and electricity markets, players may win market share by being able to become a single supplier for both energy services
- Dual energy services help to reduce churn
- Our view is that the we expect the benefits of deregulation to be realised gradually

Industry growth trends

Industry Revenue

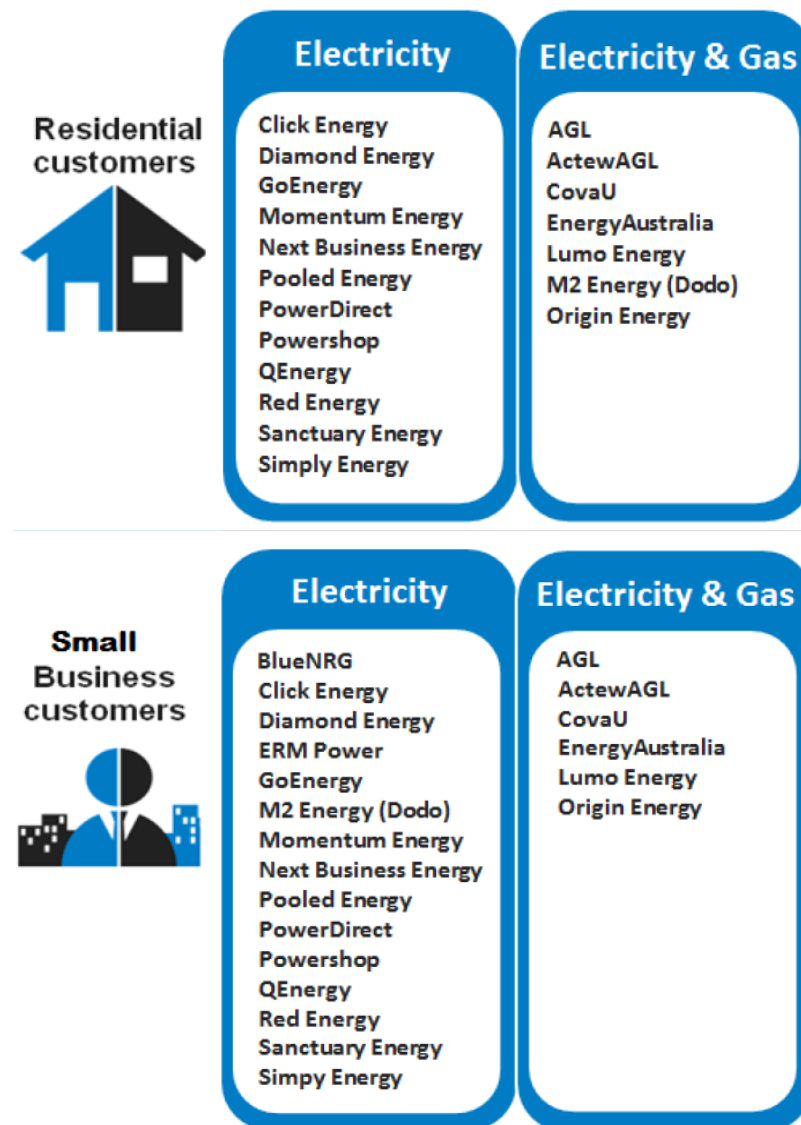


Major Market Segmentation (2015-16)



Contesting the market

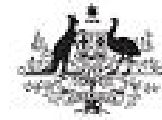
- New electricity retailers that have entered the market include:
 - CovaU
 - BlueNRG
 - Powershop
 - Pooled Energy and
 - Next Business Energy
 - M2 Energy (Commander Power & Gas).
- Not all retailers service both residential and small business customers.
- Not all retailers provide both electricity and gas services.



Appendix: Overview of the Australian energy market

Government licences

- In Australia, the energy markets in the most profitable and largest markets have been deregulated and are opened to competition
- To enter into these markets, potential retailers are required to be licence holders in each State
 - Australian Energy Regulator for NSW, QLD, SA, TAS
 - Essential Services Commission for VIC
- Additional certification from State Governments are required for gas market entry
 - For VIC, CovaU had to demonstrate its capability, business experience, financial capacity and ability to operate to Energy Safe Victoria before being able to start retailing



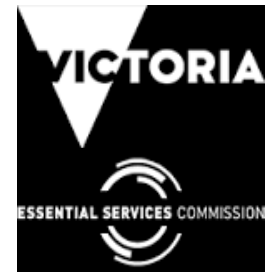
Australian
Competition &
Consumer
Commission



AUSTRALIAN
ENERGY
REGULATOR



Australian Government
Clean Energy Regulator



Appendix: Overview of the Australian energy market

Strong market positioning

- In NSW, 28 retailers are authorised by the Australian Energy Regulator to provide electricity to the residential and small business market
- CovaU is one of only 7 in NSW authorised by the Australian Energy Regulator to provide gas
- In Victoria, 28 retailers are authorised by the Essential Services Commission to provide electricity
- 11 in Victoria are authorised to provide both gas and electricity
- Only 6 retailers, including CovaU, are authorised for dual fuels in both NSW and VIC

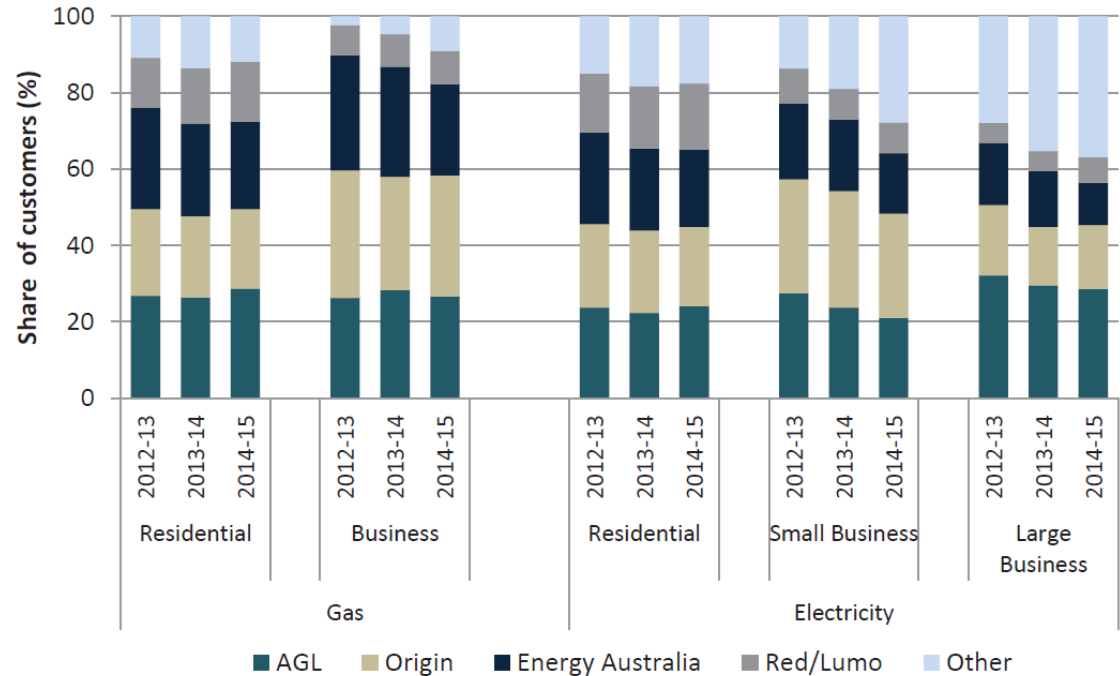
Retailer	New South Wales		Victoria	
	Electricity	Gas	Electricity	Gas
ActewAGL	•	•		
AGL	•	•	•	•
Alinta Energy	•		•	•
Blue NRG	•		•	
Click Energy	•		•	•
CovaU	•	•	•	•
Cozero Energy Retail	•			
Diamond Energy	•		•	
EnergyAustralia	•	•	•	•
EnergyAustralia Yallourn	•		•	
ERM	•		•	•
Infigen Energy Markets	•			
Lumo Energy	•	•	•	•
M2 Energy	•	•	•	•
Macquarie Bank	•		•	
Momentum Energy	•		•	•
Next Business Energy	•		•	
Neighbourhood Energy			•	
Online Power and Gas			•	
Origin Energy	•	•	•	•
Pacific Hydro			•	
People Energy			•	
Pooled Energy	•			
Powerdirect	•		•	
Powershop	•		•	
Progressive Green	•		•	
QEnergy	•		•	
Red Energy	•		•	•
Sanctuary Energy	•			
Simply Energy	•		•	•
Stanwell Corporation	•		•	
Sun Retail			•	
Sumo Power			•	
WINenergy	•			
	28	7	28	11

Source: 1. Australian Energy Regulator - Annual Report On The Performance of The Retail Energy Market 2014-15: Appendix 1: Customer profile of energy retailers.
2. Essential Services Commission - Energy Retailers Comparative Performance Report Customer Service 2014-15, May 2016: Table 2.1 Retailer Participation By Fuel and Customer Segment.

Appendix: Overview of the Australian energy market

Change in retailers' market share VIC

- Victoria was the first market to deregulate
- Expect NSW to follow market trends
- The big four retailers dominate market share
- Second tier retailers have increased market share YoY since 2012



Source: 1. Essential Services Commission - Energy Retailers Comparative Performance Report Customer Service 2014-15, May 2016: Figure 1 Retailer Market Share By Fuel and Customer Type 2012-13 to 2014-15.

Disclaimer

The material in this presentation has been prepared by TPC Consolidated Ltd (“TPC”) ABN 99 073 079 268 and is general background information about TPC’s activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete.

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