

14 October 2021

## Investor Update: September 2021 Quarter Trading

### Highlights

- **Robust customer growth continues in August and September**
- **43,500 customers as at 30 Sept 2021, an increase of 30% from the September 2020 quarter**
- **High-value contracted strata community customers continue to drive growth**
- **Significant pipeline of new strata communities, with sales expected to close in FY2022**
- **ESG principles driving LPE's shared solar momentum**

Fast growing electricity provider, Locality Planning Energy Holdings Limited (**ASX: LPE**) (the “**Company**” or “**LPE**”), is pleased to provide shareholders with an update on trading and continued growth to the end of September 2021.

LPE achieved the milestone of 43,500 customers as at 30 September 2021, an increase of 30% from the September 2020 quarter. The Company expects FY22 to be a breakthrough year, with the September quarter delivering strong customer growth from strata communities and a significant sales pipeline laying the foundation for the financial year ahead. During August and September 2021, LPE achieved customer growth by adding an additional 1,600 customers, consisting predominantly of high-value strata community and embedded network customers, representing long-dated durable and recurring revenue streams.

Importantly, many of the new contract wins represented “take-overs” from competing service providers, representing further growth of LPE’s market share in the sector, driven by the Company’s strong and sustainable competitive advantage. LPE’s advantage is built upon a customer-centric corporate culture and dedicated local customer service team, combined with competitive pricing and an established reputation as an experienced and capable partner in a complex sector.

LPE’s on-market retail customers continue to grow in line with expectations. This was supported during the September quarter through the implementation of a revised strategy to incentivise the Company’s sales team for the acquisition of high-value business customers, driving increased gross profit and optimised marketing return on investment.

The Company expects to add an additional 10,000 customers during FY22 surpassing another strategic milestone of 50,000 customers by the end of the financial year. LPE is confident that this can be achieved despite the strategic pivot targeting higher usage business customers, which has a moderate dampening effect on the overall run-rate of new customer additions.

**LPE’s CEO and Managing Director, Damien Glanville, commented:** “A key objective of our medium-term strategic plan is the ongoing dominance in the strata community segment, driven by our unique product offerings and superior service to this consistently overlooked high-value area of the market. With a strong start to the 2022 financial year, we have commenced the implementation of this strategy, laying the groundwork for strong growth in the years ahead.”

The pipeline of potential new strata customers, excluding LPEs shared solar product, remains very strong with these sales leads scheduled to convert to live customers during FY22. The overwhelming majority of this pipeline consists of customers within existing embedded network arrangements, seeking better



service and improved pricing, as well as confidence and peace-of-mind that a critical element of community infrastructure is capably managed by a reliable counterparty. LPE remains one of the largest strata providers throughout southeast Queensland, and with an embedded-network retention rate of 100%, word-of-mouth customer referrals are significantly increasing and proving to be a highly valuable source of new customer leads.

With New South Wales lock-downs restricting the Company's ability to deploy its shared solar product effectively in the region, market appetite for this product from buildings, body corporates, owners' corporations and their managers remains very strong and continues to build. This can be contributed to strata communities (and developers) increasingly seeking to embrace renewable energy and sustainability principles. The highly compelling Environmental, Social and Governance (ESG) tenets of LPE's shared solar product, which generates both electricity and hot water from 100% renewable forms of electricity generated on-site, is increasingly front of mind for residents living in strata communities.

**LPE Chairman, Justin Pettett, commented on the strata embedded network takeovers:** "Driven by our exceptionally high levels of customer satisfaction, we continue to achieve a 100% customer retention rate in our strata communities, with increasing numbers of body corporates, their managers and occupants seeking a superior service from a highly dependable and capable partner. There are clear and compelling economic and peace-of-mind benefits in partnering with LPE to manage embedded network electricity infrastructure, and we are proud to be able to continue to lead the industry and welcome new customers to our business."

Authorised by the Board.

For further information:

Jane Morgan

Investor and Media Relations

[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)

+61 405 555 618

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## **About LPE**

LPE is a fast-growing electricity provider challenging the way customers receive their electricity; going beyond being just a traditional supplier, leaders in innovation, supporting strata communities to think of tomorrow. With first to market technology, LPE has delivered shared solar for apartment living and carbon neutral centralised hot water systems, creating shareholder value through long term supply agreements that provide strong recurring revenue.

LPE service the Queensland and New South Wales energy market, selling electricity, hot water, solar and battery systems to homes, business, and strata communities. Providing strata communities, the solution to reduce their carbon footprint and energy bills with no upfront cost. Empowering people to save money and create sustainable communities of the future.

For more information visit: [localityenergy.com.au/investors](http://localityenergy.com.au/investors)