



**ASX Announcement/Press Release | 26 November 2021
TPC Consolidated Limited (ASX:TPC)**

Investor Presentation Cover Note

TPC Consolidated Limited (ASX:TPC) ('TPC' or 'the Company'), the owner and operator of leading electricity and gas retailer CovaU (pronounced "cover you"), is pleased to release its latest investor presentation. It details:

- How TPC's CovaU has evolved into a leading Australian-based electricity and gas retailer
- CovaU's competitive advantages and how they have recently been further enhanced
- The success CovaU has had expanding its scale and geographic footprint
- The role TPC's CovaU is playing in Australia's move to 'Net Zero'

The presentation explains how TPC's growth strategy has both organic and potential M&A components. It outlines the Company's intention to strengthen sales verticals, further expand its geographic footprint, execute more power purchase agreements, invest further in business efficiency technologies and explore value add M&A opportunities.

It additionally highlights why TPC is today an attractive investment proposition, given:

- The steady growth in CovaU's share of Australia's retail energy market (electricity, gas and renewables)
- The competitive edge provided by business efficiency initiatives delivered in key areas like back-office functionality
- The company's reputation for successfully managing cost volatility risk metrics
- Its ability to leverage off the decarbonisation of household and SME energy consumption
- TPC's track record of delivering on its stated multi-strand growth strategy

Ends.

Authorised for release by the Board of TPC.

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About TPC Consolidated

TPC Consolidated Limited (ASX:TPC) owns and operates leading Australian-based electricity and gas retailer CovaU (pronounced “cover you”), which offers competitively priced products to household as well as business (Small Medium enterprises and Commercial and Industrial) customers.

The client base of TPC’s CovaU business, spread across most Australian states and territories, can choose from a wide range of products, from conventional gas and electricity through to solar, wind and ‘greenpower’ plans.

TPC is focussed on further expanding CovaU’s market presence in the energy segment of the Australian utilities sector. The Company’s expansion plans include additions to its current suite of renewables segment-related energy products, as consumers preference energy sources that accelerate the decarbonisation process.

To learn more, please visit:

www.tpc.com.au

www.covau.com.au



INVESTOR UPDATE

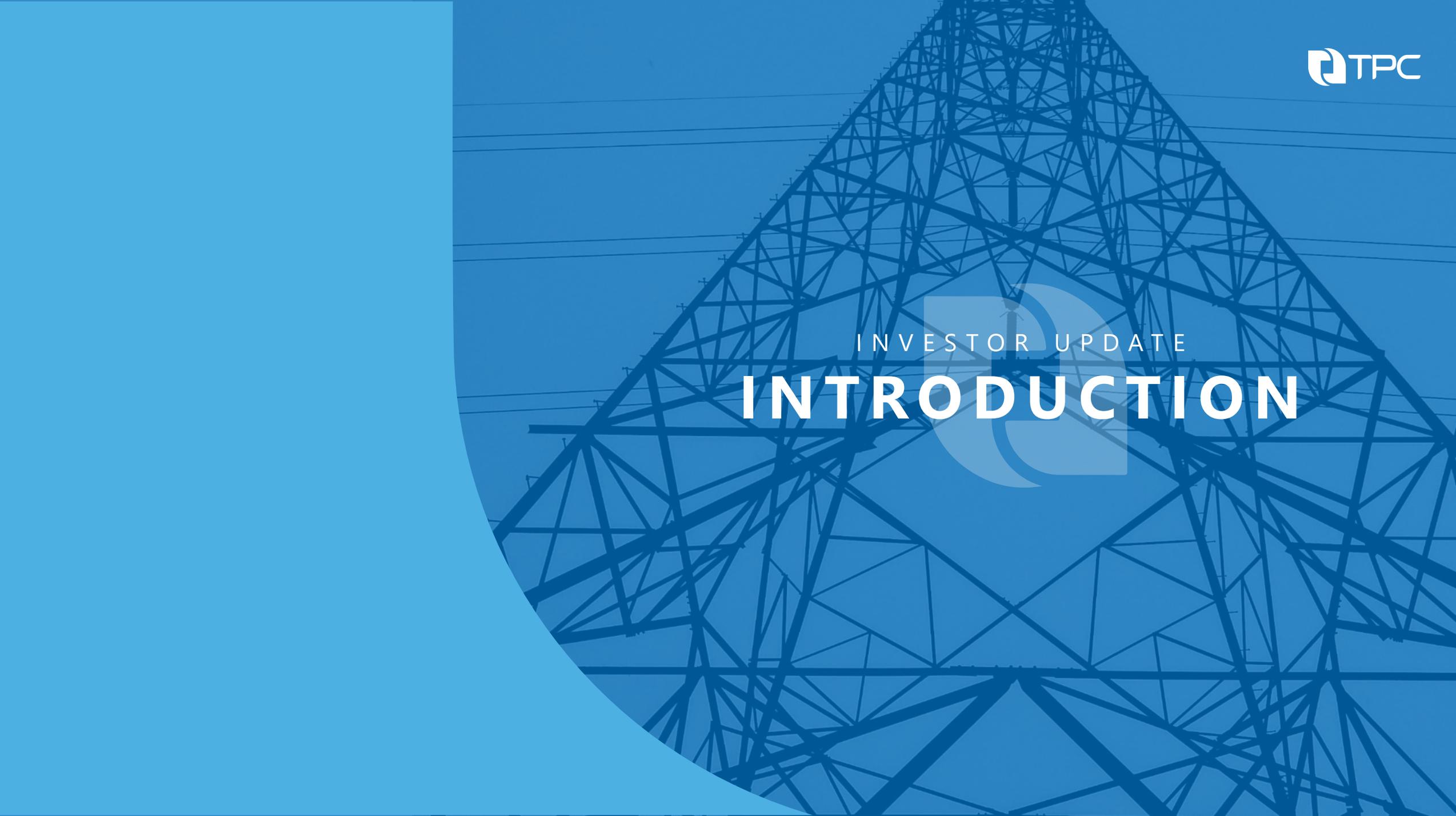
TPC CONSOLIDATED LIMITED

NOVEMBER 2021

TPC CONSOLIDATED LIMITED

Helping consumers get value for money



The background features a blue-tinted image of a power line tower's lattice structure. A large, semi-transparent white 'E' is overlaid on the tower. The left side of the image is a solid blue gradient.

INVESTOR UPDATE
INTRODUCTION

Our product offering

Value for money, flexibility and environmentally friendly



**Low cost,
competitive operator**



**Integrated In-house
business model**



**Customer service
excellence**



**High renewables
generation**

A high growth retail energy utility

A sustained growth trajectory



\$1m revenue

2014

Acquired NSW electricity and gas licences.

Secured first customer

Offshore operations centres in Philippines and China

First to offer 24/7/365` customer service

TPC dividend: 3 cents per share declared
(10,721,241 shares)

2015

Acquired Victorian electricity and gas licences

5,000
customers

\$50m annualized revenue exceeded

2016

Launched business insurance offering

10,000
customers

\$65m
Profitable revenue

2017

iGENO

Embedded Network business launched

TPC dividend: 3 cents per share declared
(11,235,613 shares)

A high growth retail energy utility

A sustained growth trajectory



\$77m

Annual revenue

\$81m

Annual revenue

\$85m

Annual revenue

\$93m

Annual revenue

2018

2019

2020

2021

Corporate sales
team established

Expanded into
Queensland

Expanded into
South Australia

12,555

Billable meters

14,345

Billable meters

16,972

Billable meters

23,894

Billable meters

Our Australian footprint is getting larger

Expanding into new geographies and market segments



Operating in NSW, VIC, QLD, SA, ACT & TAS in 2021

23,000+

SME focus customer base
24/7 availability



Wholly owned and operated



Electricity \$68.0m
Gas \$24.7m



Dual fuel retailer



In-house direct-sales teams

We're getting industry recognition

Building reputation as a fast growth business



4.4 star rating on
Product Review¹



1. <https://www.productreview.com.au/listings/covau>

Gas Plan: QLD
Solar-Friendly
Electricity: QLD



2020 MOZO EXPERTS
CHOICE AWARDS²

2, <https://mozo.com.au/energy/articles/the-winners-in-the-mozo-experts-choice-awards-for-energy-2020-announced>

TOP GOOGLE RATING



Our Google average is one of the highest Google ratings of any energy retailer in Australia.
Over 300 reviewers think we're awesome and rate us for taking care of them.

Corporate overview

Key market statistics/Key metrics



	FY 2021	FY 2020
Share price (\$)¹	3.50	0.95
Market capitalisation (\$m)¹	39.8	10.7
EPS (\$)	0.41	0.30
P/E Ratio	8.45	3.18
Dividend Yield (%)	5.1	8.4
Payout Ratio (%)	43.4	26.7

1. As at end of financial year

5-year share price chart



As at November 2021

Top 20 shareholders



Shareholder ¹	Shareholding (M)	Stake In Company (%)
Mr Chiao Heng Huang ²	4.46	39.2
Barry Christopher Chan	0.70	6.2
Focus Capital Finance Limited	0.54	4.8
Megaway Group Limited	0.54	4.8
Mr Guonan Guan	0.44	3.9
Fortune Giant International Limited	0.42	3.7
Mr Jeffrey Wu Kin Ma ²	0.42	3.7
Mr Bob Cheng	0.38	3.3
Ms Wei-Chun Wu	0.35	3.1
Mr Maobin Guan	0.23	2.0
Mrs Xiaohong Xue	0.23	2.0
CX & J Pty Ltd <CXJ Superannuation Fund A/C>	0.22	2.0
Mr Steven Goodarzi ²	0.21	1.9
Mr Bing Zhou ²	0.20	1.8
Global Property Services Pty Limited <Global Property S PI SF A/C>	0.14	1.2
Mr Chiao Ting Huang	0.11	1.0
Mr Gregory Ronald McCann ²	0.09	0.7
Mr Gang Gu ²	0.08	0.7
Mr Junwu Lian	0.07	0.6
Snowtop Wealth Management Pty Ltd	0.07	0.6

- Majority held by Directors and employees and related parties.

Notes:

1. Top-20 shareholders as at 18 November 2021
2. Total shareholdings include shares held by key management personnel and their related entities

Senior leadership roles:

Managing Director
Deloitte Consulting for Australia
and New Zealand. 1999 to 2004

Managing Partner
New South Wales
1995 to 1997

Managing Partner
Queensland
1990 to 1995

Managing Partner
Papua New Guinea
1987 to 1990



Greg McCann

Non-Executive Chairman

Appointed 2 April 2007

Greg has 24 years of financial and technology consulting experience with Deloitte and extensive experience with boards and senior executives at CEO level.

He is currently the principal and Executive Chairman of the Excentor Group of Companies, an independent software and consulting services supplier to the Asia Pacific region, employing over 2,500 professionals.

Greg has also chaired other ASX and NASDAQ listed companies and was on the board of the law firm, Lander & Rogers for over ten years. He was also Chairman of NBN Tasmania.

Greg holds a Bachelor of Business (Accounting) degree and is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.



Chiao-Heng (Charles) Huang

**Managing Director and
Chief Executive Officer**

Appointed 28 February 1996

Charles founded the Company in 1996 as an ISP whilst in his third year of studying towards a Bachelor of Mechanical Engineering degree at Sydney University.

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 player in the prepaid calling card sector.

He has successfully steered TPC Consolidated Limited (formerly Tel.Pacific Limited) from a start-up company to a public company which was listed on the Australian Securities Exchange in 2007.

Charles holds a Bachelor of Mechanical Engineering degree



Jeffrey Ma

Executive Director, Chief Financial Officer and Company Secretary

Appointed 22 November 2004

Jeffrey joined the Company in 2000 with more than 15 years financial services experience. He has over 11 years of financial services experience gained with Credit Lyonnais Australia Limited, a merchant bank, where he held the position of Company Secretary and Head of Finance and Administration in his last 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 (now PricewaterhouseCoopers) in Hong Kong and with a chartered accounting firm in London.

He holds a Bachelor of Arts (Accounting and Financial Management) degree from the University of Sheffield, England 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.



Steven Goodarzi

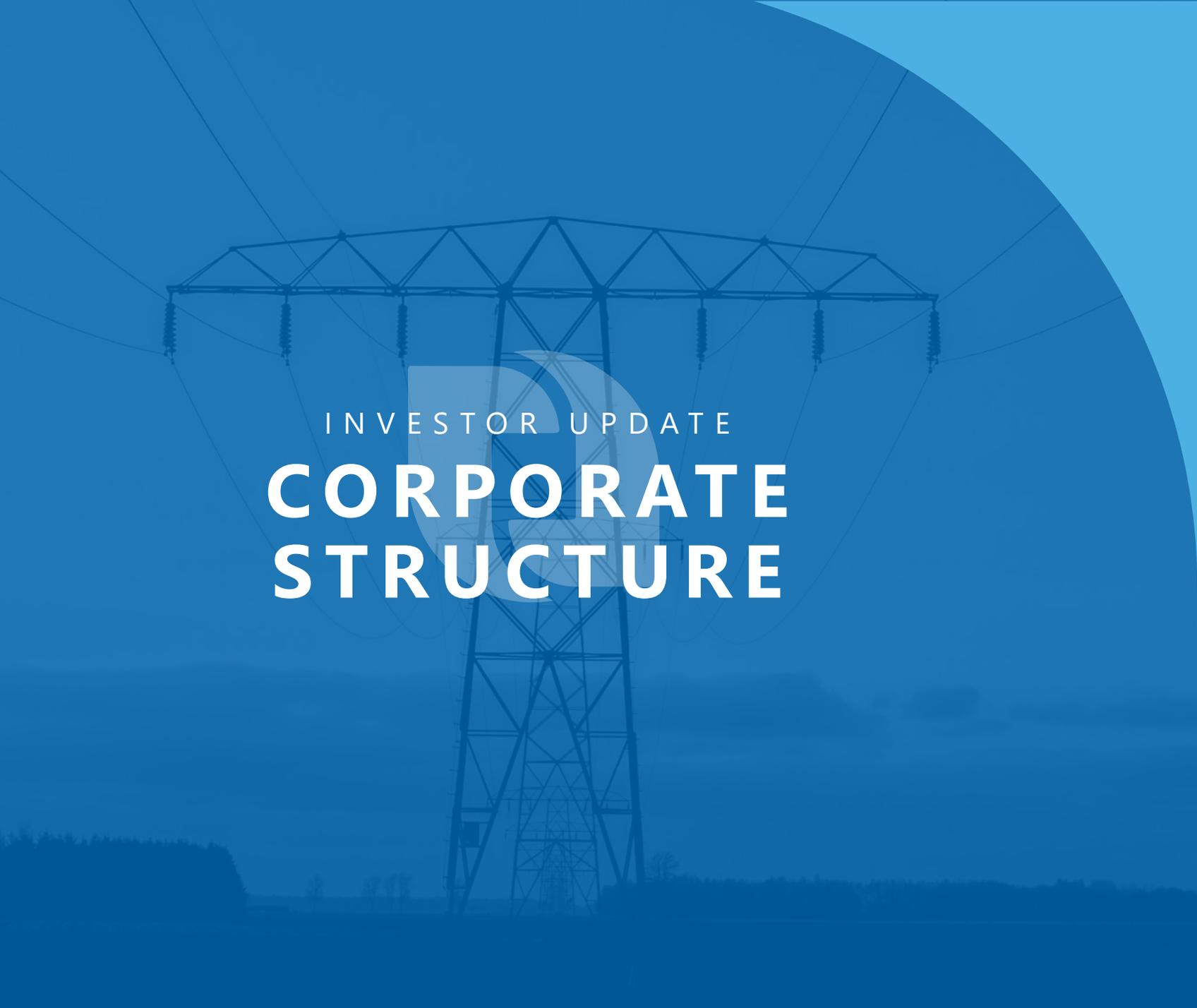
Executive Director and Chief Strategy Officer

Appointed 30 November 2015

Steven joined TPC Consolidated Ltd as its Chief Strategy Officer in 2013 and founded the Company's CovaU energy business in 2014. He has extensive management and operational experience in strategy, business development, sales and marketing across many parts of the telecommunications and IT industrial sectors, both in Australia and overseas.

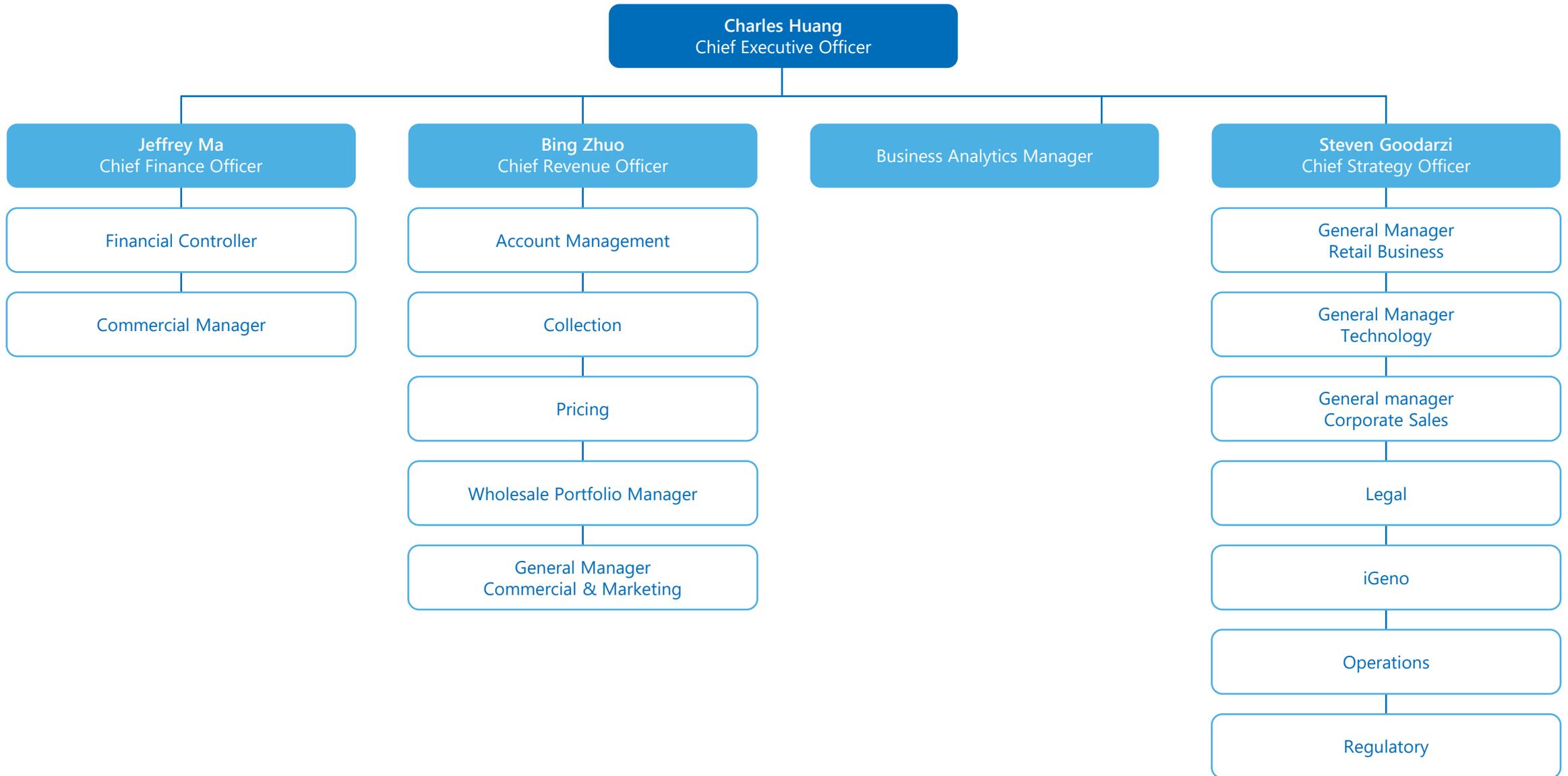
He has also over time developed a deep understanding of what drives financial markets, having held strategy roles specific to the Financials sector. These positions were located in a number of major money centres across Asia, North America and Europe.

Immediately prior to his move to TPC Consolidated Ltd, Steven was based in Tokyo, as the Director of Strategy and Business with KVH, a Fidelity investment company. Steven is now using his experience, vision and leadership to help lead the continued evolution of TPC's competitive energy retailer CovaU.

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INVESTOR UPDATE

CORPORATE STRUCTURE



Our corporate structure



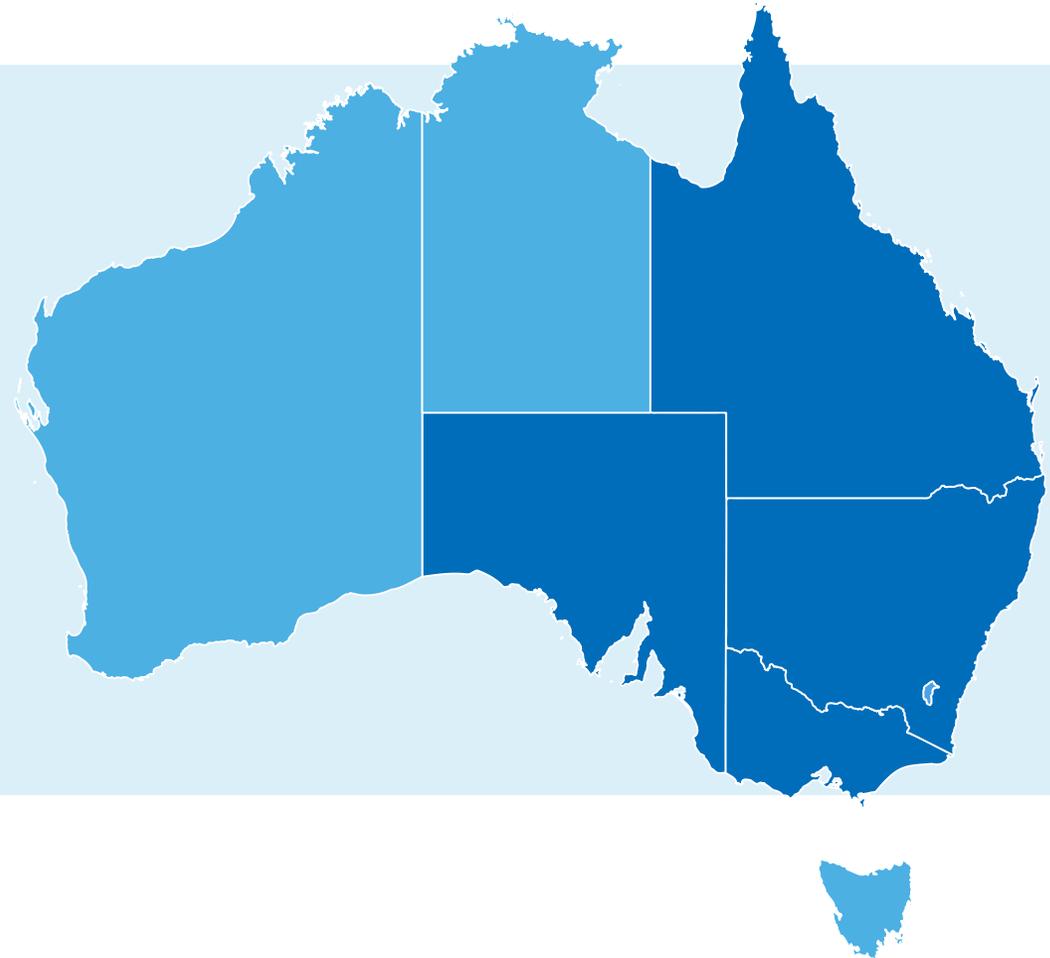
A growing force in Australia's retail electricity market

CovaU is operating in these key markets:

- New South Wales
- Victoria
- Queensland
- South Australia.

Expanding into Tasmania and ACT in 2021.

Our teams are present in each region to serve the customers.



Our competitive advantages



**A dual
fuel retailer**

**Green power
options**

**People in region
to help customers**

**24/7
contact centre**

**Multilingual
support**

**Flexible
attitude**

Our superior back office

Customer support a key TPC strength



**Team of 100+
employees to help**

**Experienced
team at hand**

**End-to-end in-house
teams to manage
business processes**

**Quality
Assurance teams**

**24/7 capability
to help resolve
customer issues**

**Multilingual
capabilities**

Our superior back office

Customer support a key TPC strength



**Implemented
in 2006**



**Supporting CovaU
since 2014**

Operations | Switching |
Billing | Collections | Quality
Assurance | Network NOC |
In/Our bound



**100+ Members
strong**



**Competitive
cost per agent**

TPC playing a role in Australia's move to 'Net Zero'



Strategic Partnerships with major wind farm and solar farm developers



Up to 100% Green power



Bespoke contract term



Traceable carbon offset

A large, dark blue silhouette of a transmission tower structure, viewed from a low angle looking up, set against a blue background with a large white semi-circle on the left and horizontal lines representing power lines.

INVESTOR UPDATE

INVESTMENT CASE

A large, semi-circular blue overlay on the left side of the slide. Inside this overlay is a faint, blue-tinted image of a high-voltage power line tower. The tower is a lattice structure with multiple cross-arms and insulators. The background of the entire slide is a solid blue color.

INVESTOR UPDATE
**INDUSTRY
DYNAMICS**

Profitability variability



- Hedging cost
- Sustained wholesale price spikes
- Seasonal cost variation (First half of each year experiences higher margins)

Wholesale cost volatility



- Payment timeliness
- Debt management

Cash management



- Hedging cost
- Sustained wholesale price spikes
- Seasonal cost variation (First half of each year experiences higher margins)

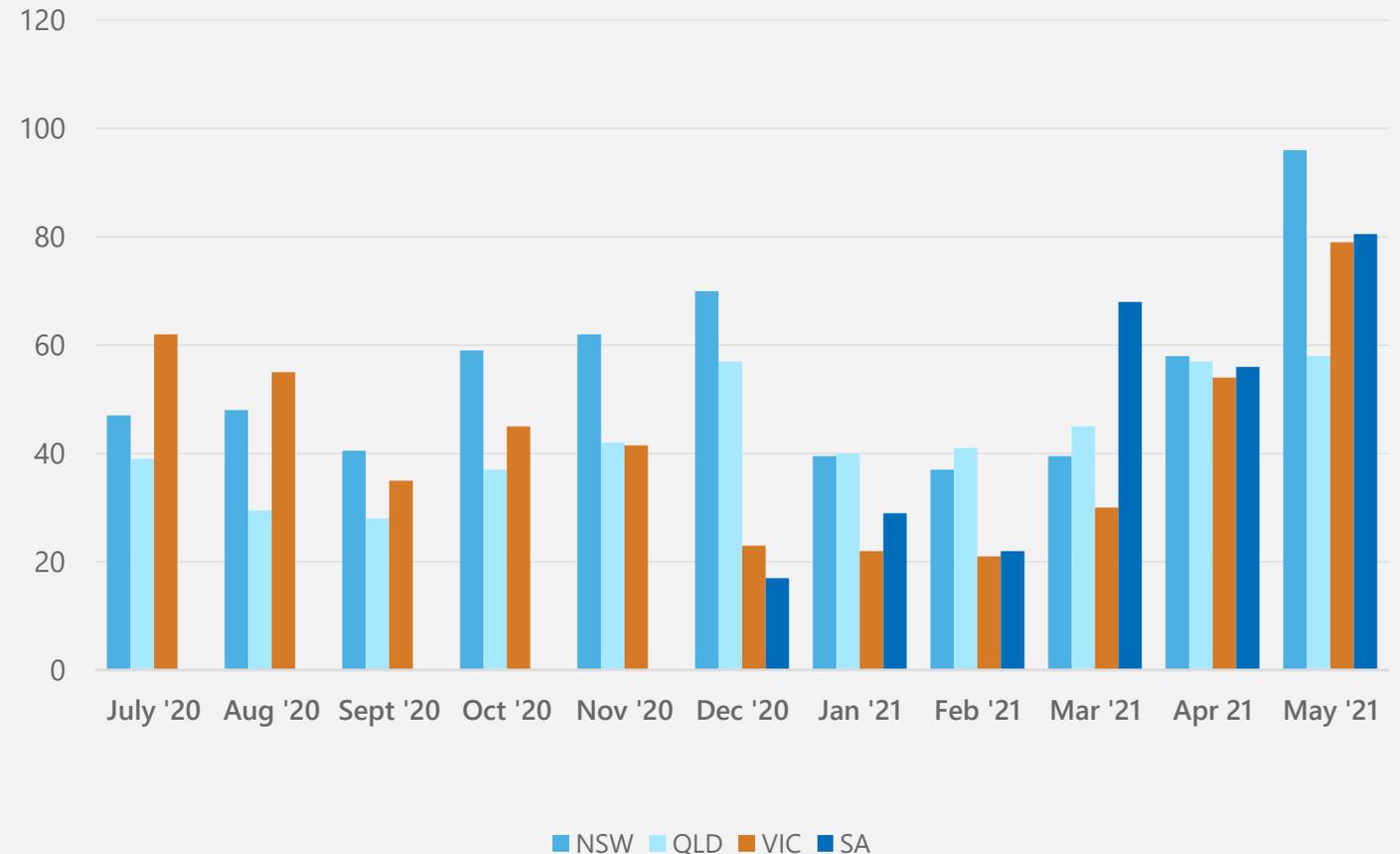
Renewable certificate cost volatility

Wholesale electricity pricing dynamics

Spot prices are marching higher

Wholesale cost volatility

- QLD Callide coal fire generator blow up
- Higher gas demand closer to winter period, coincides with Callide incident which requires additional gas-fired generator to fill the supply gap
- The prior hedge and reallocation amount has reduced the financial impact substantially.
- We have also set aside reserve funding for the prudential requirement from the Australian Energy Market Operator (AEMO).



Cash management

- Net cash used in Investing activities mainly included a \$2m increase in bank deposit, representing credit support provided to AEMO.
- Net cash used in Financing activities mainly included dividend payment \$1.8m and repayment of borrowing \$0.8m.
- TPC used own operating cashflow to meet this challenge

	FY 2021 (\$'000)	FY 2020 (\$'000)
Receipts from customers	105,037	93,982
Net cash provided by operating activities	9,890	2,545
Net cash (used in) / provided by investing activities	(2,166)	869
Net cash used in financing activities	(2,553)	(2,604)
Net increase in cash held	5,171	810

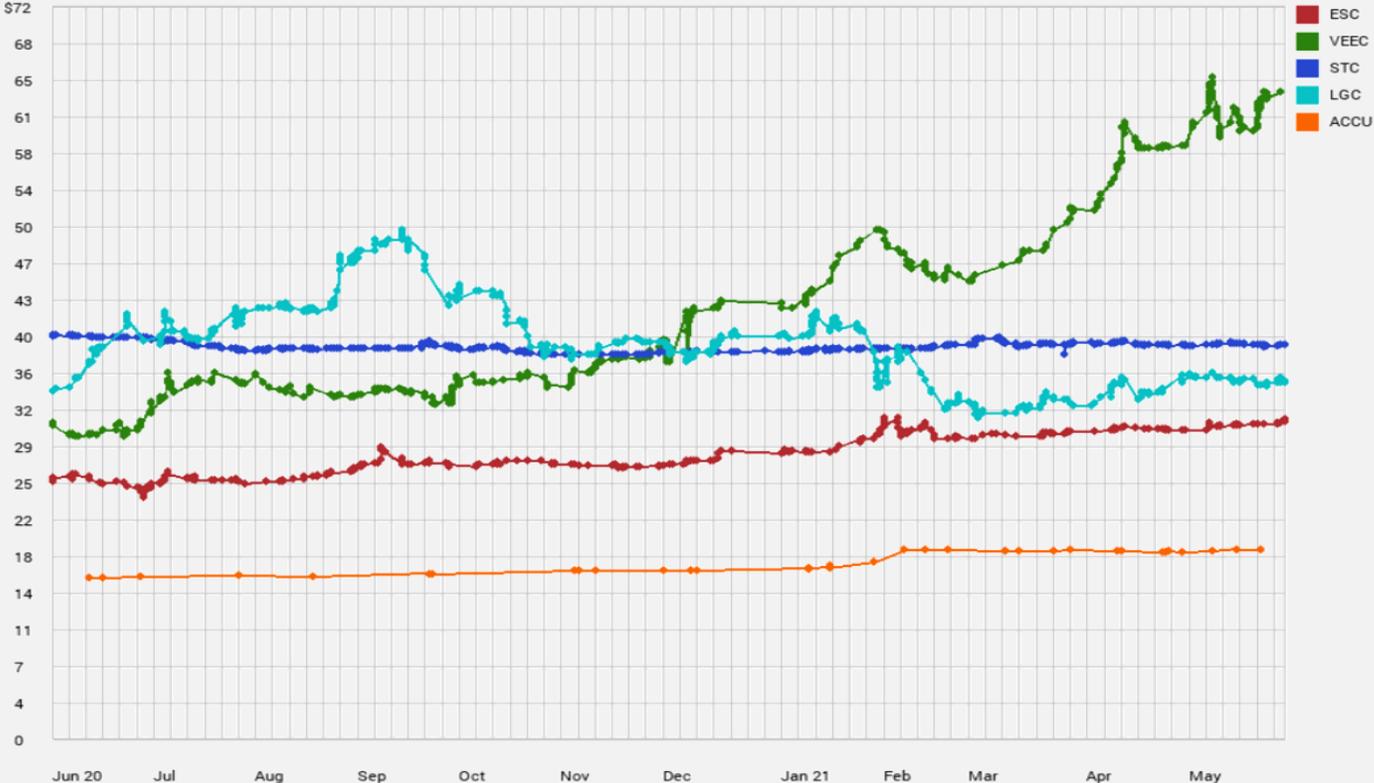
Renewable Certificate Market Prices



TPC is leveraging off higher prices

Renewable certificate cost volatility

- Delay in Renewable projects coming to fruition.
- Certificates are held and not released into the market.



Sensitivity of TPC's earnings

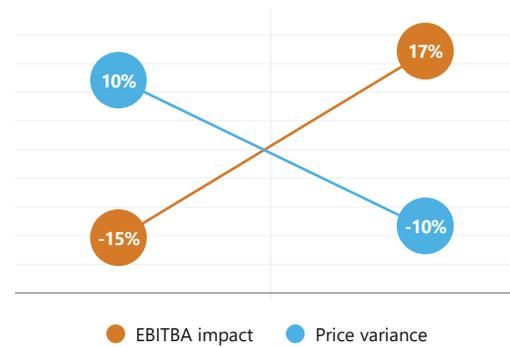


Three key profitability components

Cost EBITBA relationship (Electricity)



Cost EBITBA relationship (Gas)



Cost EBITBA relationship (LGC)



Bad debts trend lower despite COVID-19 pandemic



	FY 2021	FY 2020
Bad Debts Expenses	\$2,686,105	\$3,212,104
Bad Debts Ratio	2.87%	3.72%

Lower bad debts in FY21 reflects:

- Customer credit quality controls
- Higher active collection activity

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INVESTOR UPDATE
FINANCIALS

TPC's Financials

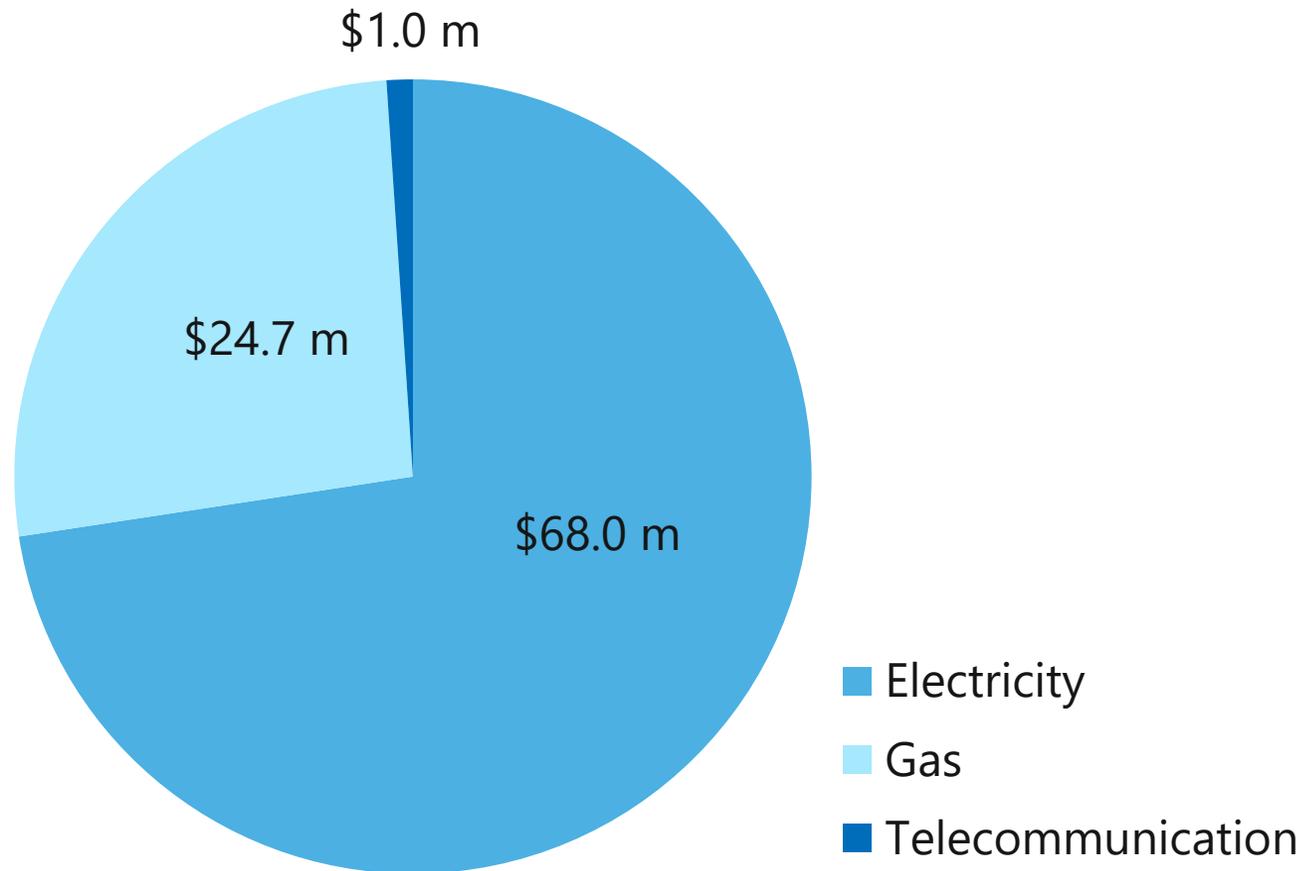


Profit and loss

	FY 2021(\$m)	FY 2020 (\$m)	Change (%)
Revenue	93.6	86.3	8.4
Gross Profit	22.2	18.7	18.6
EBITDA	6.3	5.0	24.9
Profit before tax	5.3	4.0	32.4
Net Profit for the year	4.7	3.4	39.4
Key Ratios			
EBIT Margin (% sales)	5.7%	4.9%	
EPS (cents/share)	41.4	29.9	
DPS (cents/share)	18.0	8.0	

TPC's Financials

FY 2021 Revenue by Segment



- **Total Revenues \$93.7m**
- **Electricity: 72.6% of revenues**
- **Gas: 26.4% of revenues**
- **Telecommunication: 1.0% of revenues**

TPC's Financials



A robust balance sheet, with minimal gearing

	FY 2021 (\$'000)	FY 2020 (\$'000)
Cash and cash equivalents	7,026	1,855
Trade and other receivables	13,393	13,779
Bank deposits	3,197	1,222
Total Current Assets	28,423	18,883
Total Assets	31,790	22,289
Trade and other payables	8,957	7,532
Short term borrowing	-	751
Total Current Liabilities	14,204	12,665
Total Liabilities	14,802	13,430
Debt-to-Equity Ratio	0.87	1.52
Interest Coverage	70.43	14.61

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INVESTOR UPDATE
OUTLOOK

A focus on executing growth strategy

Expansion to have both organic and M&A components

Increase market share

1M SME customers
market size is >\$9bn

Strengthen sales verticals

SME, Online and
Corporate sales

Continue geographic expansion

South Australia,
Tasmania, ACT

Execute more renewable PPAs

Invest in business efficiency technologies

M&A opportunities to accelerate growth

Why invest in TPC



Competitive advantages + decarbonisation process + growth strategy = Increased shareholder returns

TPC has a track record for reporting increased earnings thanks to:

- Steady growth in CovaU's share of Australia's retail energy market (electricity, gas and renewables)
- The competitive edge provided by business efficiency initiatives in key areas like back office functionality
- Successful management of cost volatility risk metrics
- An ability to leverage off the decarbonisation of household and SME energy consumption
- A multi-strand growth strategy (expanded product range, sales verticals and geographic footprint)

TPC's CovaU is a highly efficient retail energy provider well-positioned to grow despite the multiple challenges associated with the Australian economy's march towards 'Net Zero'



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Disclaimer



Company legal disclaimer

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