



EnergyAction

# 2020 Annual General Meeting



**Murray  
Bleach**

Chairman  
Energy Action Limited



**John  
Huggart**

Chief Executive Officer  
Energy Action Limited



**Tracy  
Bucciarelli**

Chief Financial Officer  
Energy Action Limited



**Clint  
Irving**

Chief Technology Officer  
Energy Action Limited

18 November 2020





# AGM Agenda

- ▶ Chair Welcome
- ▶ CEO's Address
- ▶ Formal Business
- ▶ Resolutions

# Chair Welcome

Murray Bleach, Chairman

“Accor recognises the ability Energy Action has demonstrated to provide an efficient solution and recommend Energy Action to any large corporate seeking support with energy procurement and data-led solutions that will reduce overheads and increase the value of their assets.”

Sebastien Brunel

Accor





# CEO's Address

## John Huggart, Chief Executive Officer

“Due to the significant cost savings achieved and expertise of the team, we have continued to expand Energy Action’s mandate, now including electricity and gas procurement and metrics service across New South Wales and Victoria...”

...We value Energy Action’s procurement solutions, particularly the support we receive from the team during the RFP process. The team are proactive in their approach to optimising our procurement process, and that has delivered extremely positive outcomes to our business...”

**Chris White**

*Walker Corporation*



## Financial highlights FY20

▶ Operating cash flow of  
**\$2m**  
EBITDA to cash conversion of 112%

▶ Operating profit of  
**\$0.02m**  
\$1m FY19

▶ Costs down by  
**\$4.2m**  
Reduced 19% during the period

▶ Operating EBITDA of  
**\$1.8m**  
EBITDA margin at 8.9%

## Operational highlights

▶ Auctions and metrics net sales order growth of  
**80%**

▶ Increase in avg auction load of  
**7.7%**  
2% increase in overall auction numbers

▶ Tender revenue growth  
**34%**

▶ Completion of core technology platform  
Now live and operational

▶ **Higher retention rates**  
Best NPS score in 5+ years

▶ **Embedded network growth**  
Securing Sydney Trains Embedded Network business for three years for 303 sites

▶ **Strong employee engagement**  
Maintained at near-record levels

▶ **Demonstrated market leadership**  
Innovation in marketing and customer engagement

# Income statement FY20.

## Operating profit \$0.02m

\$0.98m decline on PCP

## Statutory NPAT loss of \$2.49m

Decrease compared to FY19

## Revenue down 11% from FY19

20% decline including discontinued products

## OPEX and COGS down \$4.25m

Down 19% vs FY19

## Lower financing costs

With net debt reduction and lower interest rates compared to FY19

	FY20	FY19	% Variance
Revenue	19,781,729	24,801,100	-20%
COGS	1,573,074	3,410,880	54%
Gross margin	18,208,656	21,390,220	-15%
Opex - excl D&A	16,442,099	18,851,587	13%
EBITDA	1,766,557	2,538,634	-30%
Depreciation and amortisation	1,369,955	914,641	-50%
EBIT	396,601	1,623,993	-76%
Financing costs	339,773	474,553	28%
Profit before tax	56,828	1,149,441	-95%
Tax expense	32,876	144,107	77%
Underlying net profit (loss) after tax	23,953	1,005,334	-98%
Significant items:			
Strategic review	-	265,086	100%
Restructuring Costs	328,265	657,229	50%
Accelerated Depreciation	148,423	1,252,357	88%
Impairment of Goodwill	-	9,944,796	100%
Impairment of Software*	2,618,365	906,250	-189%
Significant Item Other	23,393	72,500	68%
Government Grants **	(607,738)	-	100%
Total significant items	2,510,708	13,098,217	81%
Statutory profit (loss) after tax	(2,486,756)	(12,092,883)	-79%

\* Impairment of customer and contract management platform in CRM

\*\*JobKeeper and payroll tax refund and waiver



# FY21 Priorities and Operational Update

John Huggart, Chief Executive Officer

“We have now used Energy Action a number of times to renew our supplier contract. Energy Action have always been very efficient and make the process very easy for the client, while keeping the operation at arms length. I recommend Energy Action's services to all prospective clients.”

Michael Derrig

*St George Leagues Club*



# Accelerate – delivering growth in FY21



## Sales growth

- ▶ Sales have increased 32% October YTD compared to prior corresponding period (PCP)
- ▶ Future revenues grow over past 6 months May-October 2020
- ▶ Auction volumes up 23% October YTD compared to PCP



## Stronger business

- ▶ Facility renewal in progress with Term Sheet agreed
- ▶ Record employee engagement
- ▶ Significant IT related operational savings already being realised
- ▶ Demonstrated operational resilience through COVID-19

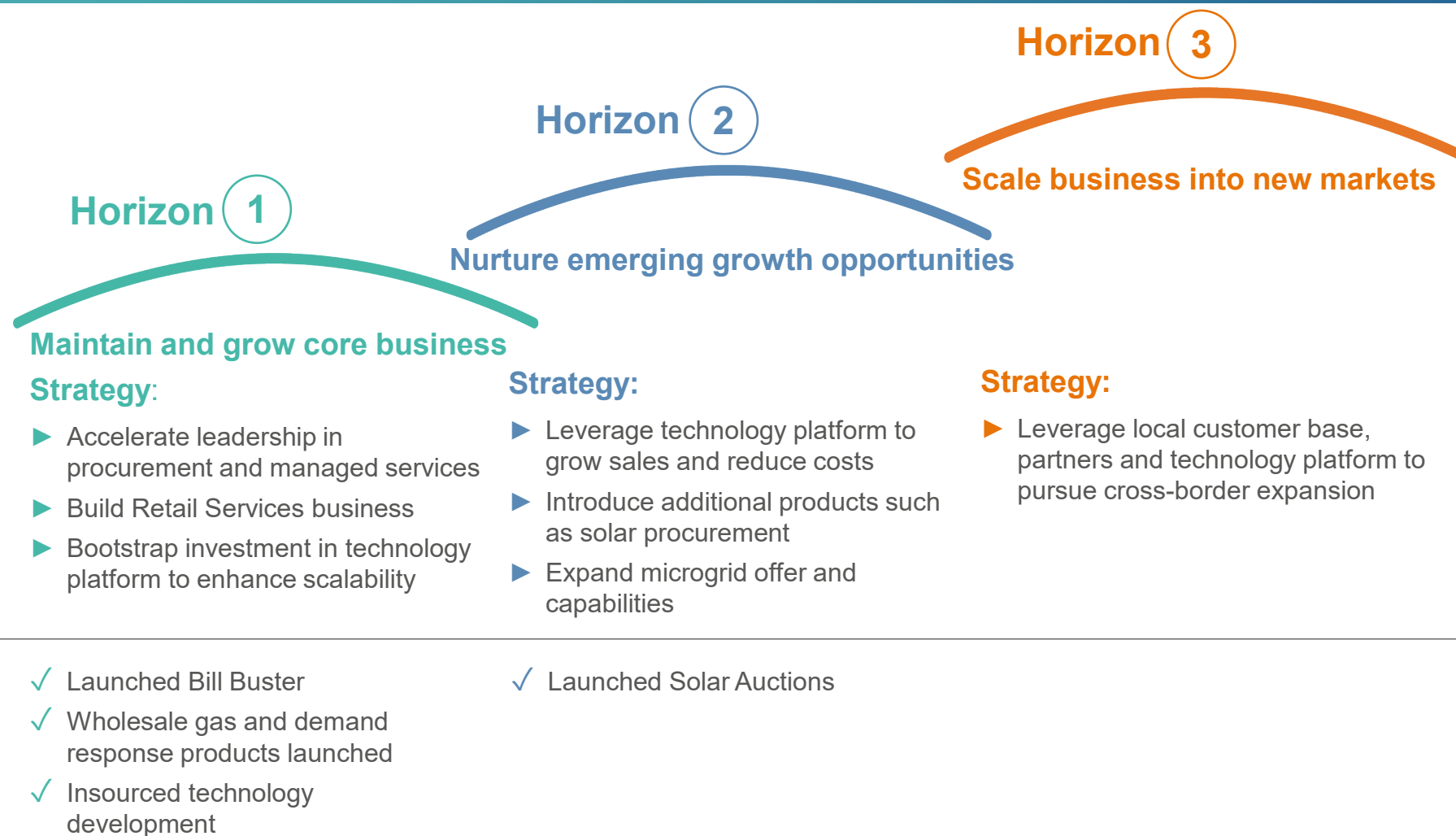


## Technology-led future

- ▶ Appointed an experienced CTO to drive the digital strategy
- ▶ Recruitment of in-house development team now complete
- ▶ Scalable platform-based technology solutions underway



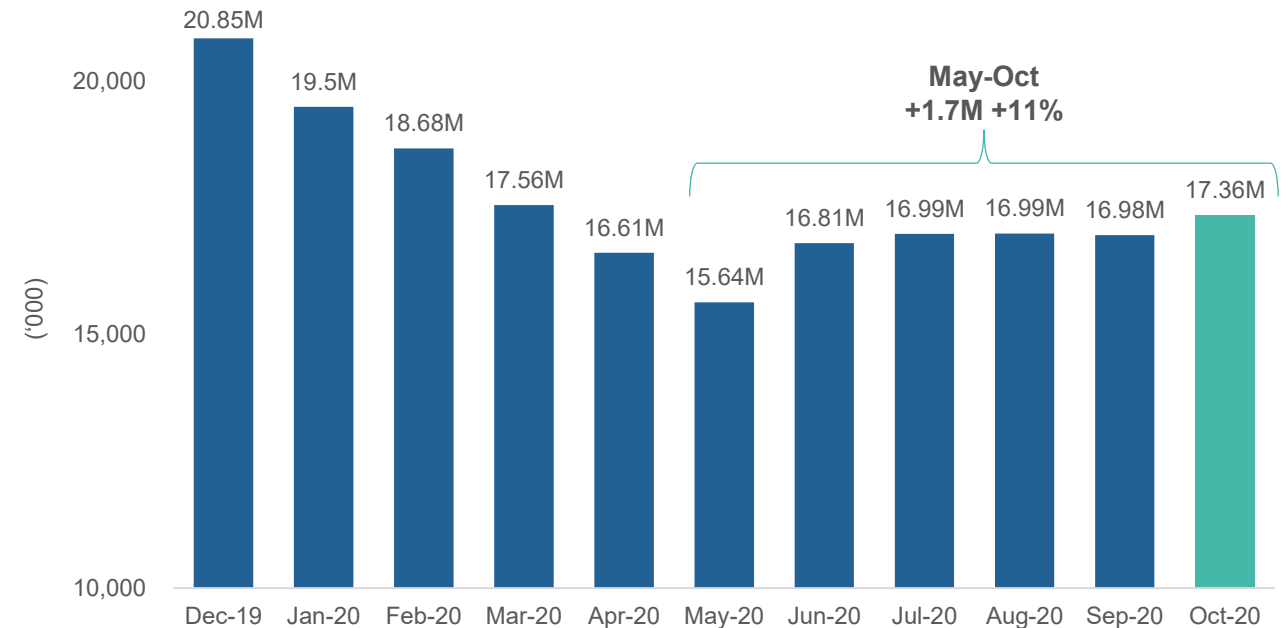
# Our long-term growth plan



# Accelerate – growth performance

- ▶ Auctions up 23% – moving towards target of 1,000 auctions
- ▶ Sales for auction and metrics are up 49% gross and 57% net October YTD
- ▶ Retention rates improving
- ▶ Increase cross-sell of Managed Services
- ▶ 5-year record Net Promoter Scores (NPS) for Auction and Procurement solutions
- ▶ Expected annualised savings in technology development spend of approximately \$1.2M (Capex and Opex)
- ▶ Annualised savings in IT infrastructure and support of ~\$0.5M from Q2

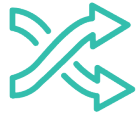
## Turnaround for future contracted revenue – first time in 5 years



- ▶ While revenues continue to decline, future contracted revenue and revenue not invoiced have been trending upwards over the past 6 months
- ▶ This demonstrates the success over the past year of lifting sales acquisitions and improving retentions



# Managing headwinds



- ▶ Managed services revenue continues to fall due to:
  - ▶ Low prior period retention leading to decline in sites under management
  - ▶ Lower Average Price with the end of long dated contracts offset by retained and new customers at reduced & competitive pricing
  - ▶ Price reset in 2017 has been maintained



- ▶ Lower energy prices impacting auction contract revenues



- ▶ Continuing stabilisation of CRM platform post launch
  - ▶ Operational cost savings through CRM automation and efficiency yet to be fully realised
  - ▶ Impact on service delivery and client lifecycle experience



- ▶ COVID-19 continues to create some uncertainty among clients and across the energy market

# Technology update



## Technology Management

- ▶ Established onshore and offshore in-house development team
- ▶ Cost savings achieved
- ▶ Improved environment



## CRM Stabilisation

- ▶ Streamline for operations/finance productivity
- ▶ Empower the EAX team to manage data and customer analytics
- ▶ Enable extensibility for new product
- ▶ Enable greater agility in sales funnel management



## Legacy Management

- ▶ Maintain current customer value delivery
- ▶ Achieve operational efficiencies within current product



# Technology update



Building the future  
– MARS

- ▶ Unification of EAX products into a single Platform
- ▶ EAX's development spend focused on value for all customers not just some
- ▶ Building for extensibility, not just what we know today



# Our mission is to help customers understand and take control of their energy needs

## Why is this important?

Energy is a minefield of rising financial and environmental costs and risks and data confusion

## How does this benefit customers?

We help businesses reduce their costs, reduce the effort to manage the energy category and navigate their journey to Net Zero

## What sets Energy Action apart?

We help businesses make a good decision based on:



Our **expertise**  
a national team with the capability to identify better ways of buying, using and generating energy



Our **leadership**  
the buying power to fight for a better deal from retailers with independent comparison



Our **technology**  
ensures automated and reliable delivery of valuable data rich information and insights



# Our vision

We are striving to be a category killer



## Our goal

A category killer for business energy procurement, contract and spend management services



## What we do

We help businesses reduce costs, the effort to manage energy, and navigate their journey to Net Zero



## Our advantages

EAX leads in procurement, with deep expertise supported by the latest in IT infrastructure



## How will we get there

Invest in technology to drive efficiencies and commercial scale. Target high growth segments – procurement, managed services, retail services

## Performance targets (1-2 years)



**1,000**  
Auctions



**10%**  
EBITDA



**10,000**  
Sites under management

# Accelerate

Outlook with strong foundations for growth in place



## Operational

► **Sales:** Accelerate leadership in procurement and managed services and build retail services

► **Service:** Improve Net Promoter Score, client retention rates and quality of long term relationships

► **Technology:** Build team capability and invest in platform to enhance scalability

► **People:** Continued focus on building employee engagement scores and driving high performance culture



Target:

Return to 1,000 auctions and 10,000 sites under management



## Financial

► **Profit:** Disciplined revenue, cost and cash management



Target:

Return to 10% EBITDA



# Bill Buster

“The Tool Chrome Company recently participated in the Energy Bill-Buster process conducted by Energy Action. We were surprised that there were more savings to be made from a process that was so simple! We are expecting a projected saving of roughly \$1000 per year compared to our previous offer. I would have no hesitation recommending any business sign up to the process.”

David Fleer

*The Tool Chrome Company*

The **TOOL CHROME** Company Pty Ltd

What is it? Who Do We Work With? Benefits To Your Business Register Your Business

CALL : 1300 964 589

## Energy Bill-Buster

Register To Unlock Energy Discounts For Your Small Business!

- Leverage group buying power
- Experienced & knowledgeable team
- It's easy - we do the hard work for you
- Australia's leading energy broker for 20 years

**Sign Up To Save!**  
Fee Free • Risk Free • Nothing To Lose.

No Obligation To Accept The Offer!

#SupportSmallBusiness

**Register Now!**

6 : 0 2 : 1 8 : 2 3  
Days Hours Minutes Seconds

EXPERIENCE AN UNFAIR ADVANTAGE

### The Energy Bill-Buster

Rather than provide standard competitive offers for business customers on small market tariffs, Energy Action leverages its market leading negotiation capability to secure you a unique deal on a group basis to unlock discounts not always available to the public. As a small business owner or decision maker, you can register your interest to participate in the process before the cut off period and we will facilitate the negotiation on your behalf via a group tender. Once your offer has been finalised, you will be notified of the offer and if you're happy with the discount we secure, you can sign the agreement.

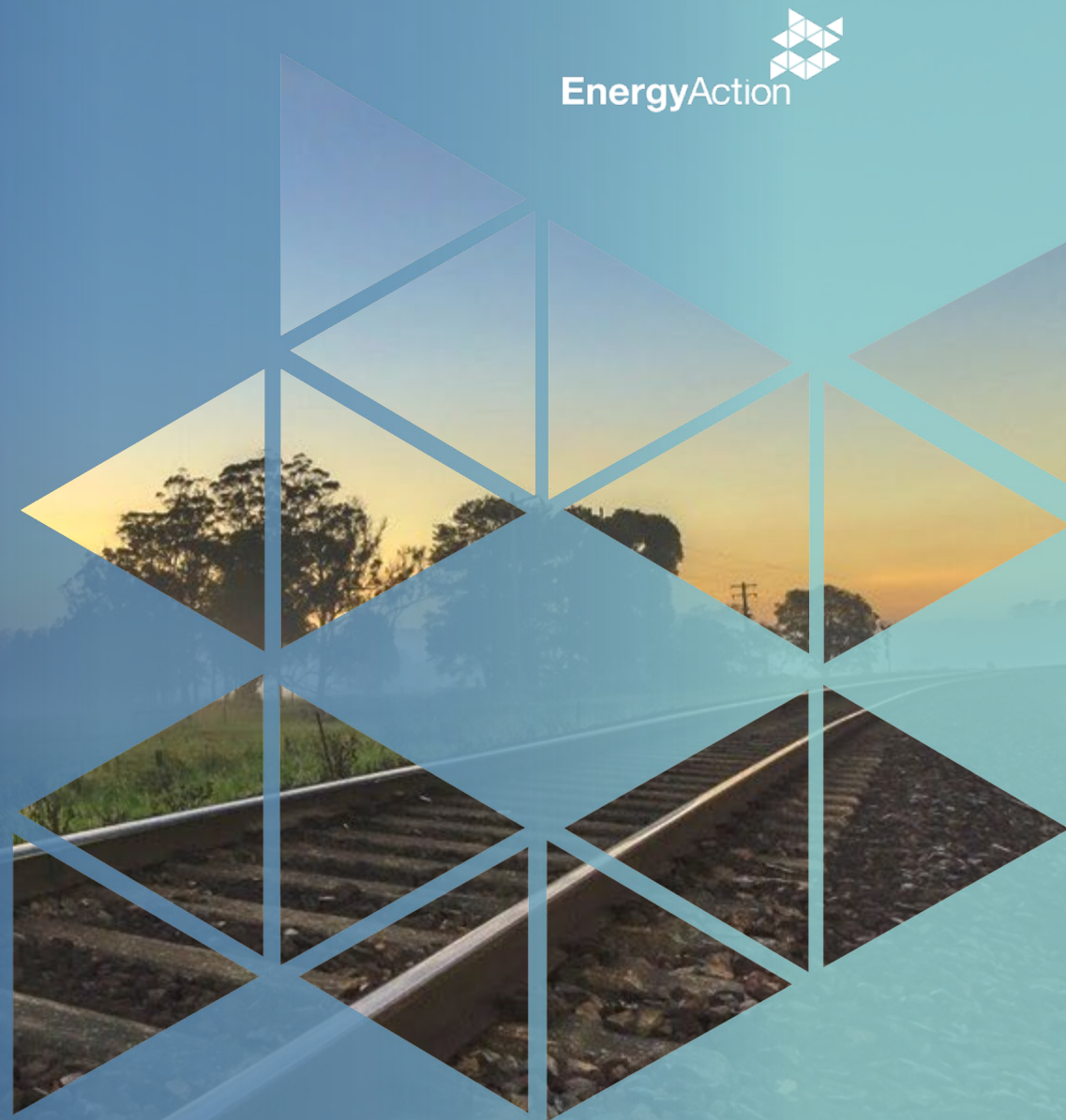
[Read FAQs Here](#)



# Formal Business

Murray Bleach, Chairman

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# General Business

## Formal resolutions

### ► **First item of business:**

Consideration of the annual report, financial report, Directors report and Auditors report for the financial year ended 30 June 2020.

► No questions for RSM were received prior to the meeting.

► Representatives from our audit review partner, RSM are in attendance and will answer any questions relating to the conduct of the 30 June 2020 audit, the preparation of the financial statements, and the independence of the auditor.

# Resolutions

Murray Bleach, Chairman

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# Resolution 1

## Re-election of director Mr Murray Bleach

- ▶ That Murray Bleach, 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 2

## Adoption of remuneration report

- ▶ That the Company's Remuneration Report for the financial year ended 30 June 2020, as set out in the Directors' Report, is adopted.

# Questions



**Murray Bleach**

Chairman  
Energy Action Limited



**Nitin Singhi**

Non-Executive Director  
Energy Action Limited



**Paul Meehan**

Non-Executive Director  
Energy Action Limited



**John Huggart**

Chief Executive Officer  
Energy Action Limited



**Tracy Bucciarelli**

Chief Financial Officer  
Energy Action Limited



**Clint Irving**

Chief Technology Officer  
Energy Action Limited



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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.

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All information contained herein is current as at 18 November 2020 unless otherwise stated.



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