Stock Data

Share Price	13.75p
Market Capitalisation	£33.6m
Shares in issue:	244.0m

Company Profile

Sector:	Support Services
Ticker:	EAAS
Exchange:	AIM

Activities

eEnergy Group ('eEnergy', 'the Group', 'EAAS') is a UK and Irish leader in the fast growing 'Energy-Efficiency-as-a-Service' sector. Its wholly owned division, eLight, operates in the 'Lighting-as-a-Service' segment and aims to lead a revolution in how light is provided to Irish and UK commercial and educational buildings.

Company website: www.eenergyplc.com

1-year share price performance

Source: LSE

Risk warning: Past performance and forecasts are not a reliable indicator of future results.

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Attention is drawn to the disclaimers and risk warnings at the end of this document.

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eEnergy Group plc

eEnergy has released a Pre-Close Trading Update for the six-month period to 31 December 2020. During an exceptional second half of the calendar year, revenues for eLight increased by 235%, underpinned by organic growth of 125%, having completed 111 projects (up 95% on the comparable period). Significantly also, the average contract value of each project was 50% higher year-on-year. In particular, the Group enjoyed strong growth within the UK academy and state schools sector as well as entry into new markets, including Northern Ireland. The successful integration of Renewable Solutions Lighting Ltd ('RSL') reduced the division's unit costs and improved pricing to its clients. Taking advantage of its exclusive OEM partnership with Venture Lighting Europe Limited ('Venture Lighting'), more competitive overall technology pricing resulted in eLight's gross margin lifting by more than 400 bps on the same time last year. Having also seen activity levels somewhat flattered by a carry-over of business that had otherwise become temporarily stalled by the COVID-19 related Q2 2020 lockdown into the new financial year, eEnergy passed an important milestone by generating its first half-year net profit (before exceptional items[1]) of approximately £0.1 million. This figure is in-line with previously announced guidance, as is the Board's expectation that it will be able to deliver breakeven net income for its full year to end-June 2021. Having reiterated its belief that the recently completed Beond acquisition will be materially earnings-enhancing in the first full year of ownership, while it also continues to evaluate a number of other strategic opportunities, eEnergy continues to deliver beyond both TPI's best expectations and its clearly stated business plan.

eEnergy's Group's first half trading performance

For the six-month period, the Group generated revenue (excluding two weeks contribution from Beond) of approximately £6.6 million, a 235% increase on the six-month period to December 2019. Of this amount, the eLight business generated strong organic growth, with standalone revenue of approximately £4.5 million, a 125% increase on the six months to December 2019. All Group entities reported positive operating EBITDA. The Group generated net income (before exceptional items[1]) of approximately £0.1 million, marginally above its previously announced break-even guidance.

Beond Acquisition

In December 2020, eEnergy completed the acquisition of Beond Group Limited, a top 20 UK-based renewable energy consulting and smart procurement business, through a mix of consideration shares and cash. The integration of the Beond business into the Group is progressing well, and its operations have performed as expected to date.

TPI expects activity levels to continue to build strongly

Looking into the coming quarters of the new calendar year, TPI expects the enlarged Group to start throwing off free cash as the lockdown is gradually relaxed and customers, now increasingly focussed on the benefits of cost reduction, energy efficiency and carbon elimination, move to contract. The building of such momentum in turn, might be expected to further support its Board's wider ambitions to facilitate its ambitious 'buy-and-build' consolidation strategy with a view to capturing opportunity in the broader, but still relatively nascent, Energy Efficiency-as-a-Service ('EEaaS') sector. Having delivered on the market's best expectation since last year's IPO, successfully integrated RSL and broadened its offering through the acquisition of Beyond, TPI is now reassessing its valuation for eEnergy with a view to resetting expectations based on recent successful initiatives, positive news flow and its ability to efficiently capture an enlarged its market opportunity through strategic acquisition.

<u>Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone.</u>

[1]*Net income before exceptional items (defined as transaction-related costs and share based payment expenses)*

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