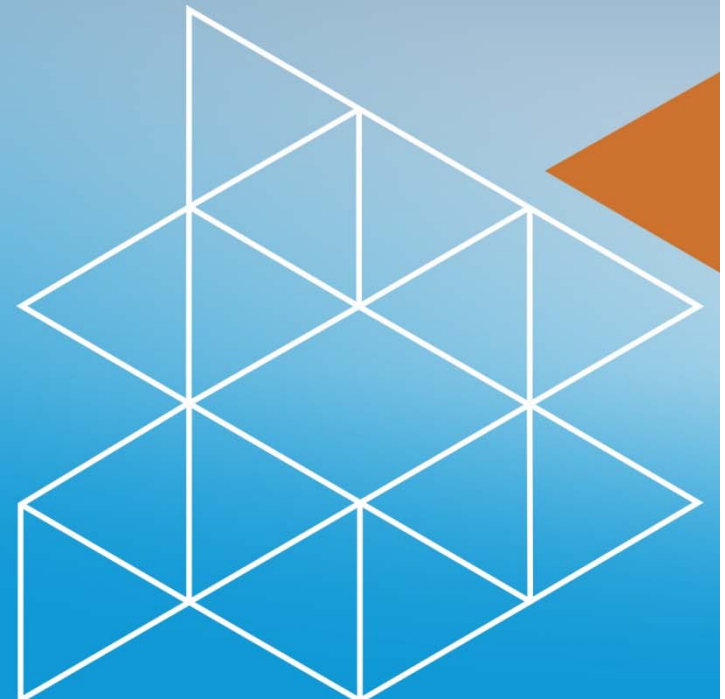




Financial Results Presentation for the half year ended 31 December 2015

Presented by
Mr Scott Wooldridge
Chief Executive Officer
Energy Action Limited

Mr Michael Fahey
Chief Financial Officer
Energy Action Limited



FY16 Interim Results Agenda

1. Results Highlights

- Scott Wooldridge

2. Group Financials

- Michael Fahey

3. Operational Performance

- Scott Wooldridge

4. Outlook and FY16 Priorities

- Scott Wooldridge





Results Highlights



FY16 Interim Results Highlights

- Revenue up 11% vs pcp
 - Growth driven by PAS +49%
- Operating NPAT down 4.3% vs pcp
 - Impact of lower margin products, higher financing costs
- Improved operational performance
 - PAS utilisation improved
 - Brand migration completed
 - Single CRM system implemented
 - Common finance system on track for early Q4 implementation
- Costs being tightly managed
 - Increase of 1% on a like for like basis
- Operating Cash Flow up 15%
 - Continued focus on cash and working capital
- Strategic partnership with Sun Edison on commercial solar, storage and product financing solutions





Group Financial Results



Financial Highlights

- Revenue of \$17.4 million up 11% driven by PAS (+49%) and CMER
- CMER revenue up 4% as more customers commencing service delivery
- Procurement revenue down 2% with good growth in Structured Products offsetting strong market competition in Electricity Tenders
- Gross margin growth of 4% reflecting lower margins of the PAS business
- PAS stabilized with improved utilization
- Cost tightly managed - operating costs up only 1% after normalizing for a full period of Energy Advice costs
- Operating Cash Flow before interest, tax and significant items of \$2.924 million (+15% vs pcp) driven by continued focus on working capital management
- Decline in forward revenue although tenure shortened and quality improved
- Dividend increase of 8% to 2.80cps
- Increased headroom under debt facilities to \$4.2 million, up \$1 million since June 30

Statutory to Operating Profit reconciliation

\$000's	31 Dec 2015	31 Dec 2014	% var	31 Dec 2015	31 Dec 2014	% var
	Operating profit after tax			EBITDA		
Statutory results after tax	(614)	(420)	(46.2%)	891	1,025	(13.1%)
Employee share based payments	199	89	123.6%	199	89	123.6%
Deferred consideration on acquisitions ¹	2,071	1,678	23.4%	2,071	1,678	23.4%
Restructuring and M&A costs	-	383	n/m	-	383	n/m
Total Significant Items	2,270	2,150	5.6%	2,270	2,150	5.6%
Operating profit after tax	1,656	1,729	(4.3%)	3,161	3,175	(0.4%)

Statutory Profit / (Loss) is prepared in accordance with Australian Accounting Standards and the Corporations Act. Statutory Profit / (Loss) after tax of (\$0.614 million) included a loss after tax of \$2.27 million treated as a Significant Items (FY14 \$2.15 million). Excluding these items, Operating Profit was \$1.656 million down 4.3% from the previous year.

¹ Deferred consideration on the Exergy & Energy Advice acquisitions is required to be accrued and expensed for accounting purposes.

Operating Profit is reported to give information to shareholders that provides a greater understanding of operating performance by removing Significant Items and therefore facilitating a more representative comparison of performance between financial periods.

Operating NPAT at \$1.656 million down 4.3%

Gross margin impacted by product mix

	HY16	HY15	vs HY15 %
Revenue	17,364,243	15,655,738	11%
COGS	-3,406,640	-2,240,253	-52%
Gross Margin	13,957,603	13,415,485	4%
Opex - excluding D&A	-10,796,807	-10,240,206	-5%
EBITDA	3,160,796	3,175,279	0%
Depreciation and Amortisation	-668,682	-575,975	-16%
EBIT	2,492,114	2,599,304	-4%
Financing Costs	-240,790	-93,698	-157%
Profit before tax	2,251,324	2,505,606	-10%
Tax expense	-595,748	-776,500	23%
Underlying NPAT	1,655,576	1,729,106	-4%
Significant items			
Employee share based payments	-198,811	-88,822	-124%
Deferred consideration	-2,070,996	-1,678,249	-23%
M&A and restructure costs	0	-382,214	100%
Total significant items	-2,269,807	-2,149,285	-6%
Statutory profit after tax	-614,231	-420,179	-46%
Operating EBITDA margin	18%	20%	
Operating EBIT margin	14%	17%	



COGS increase due to product mix



Excluding Energy Advice - like for like increase is 1%



Higher financing costs following deferred settlement



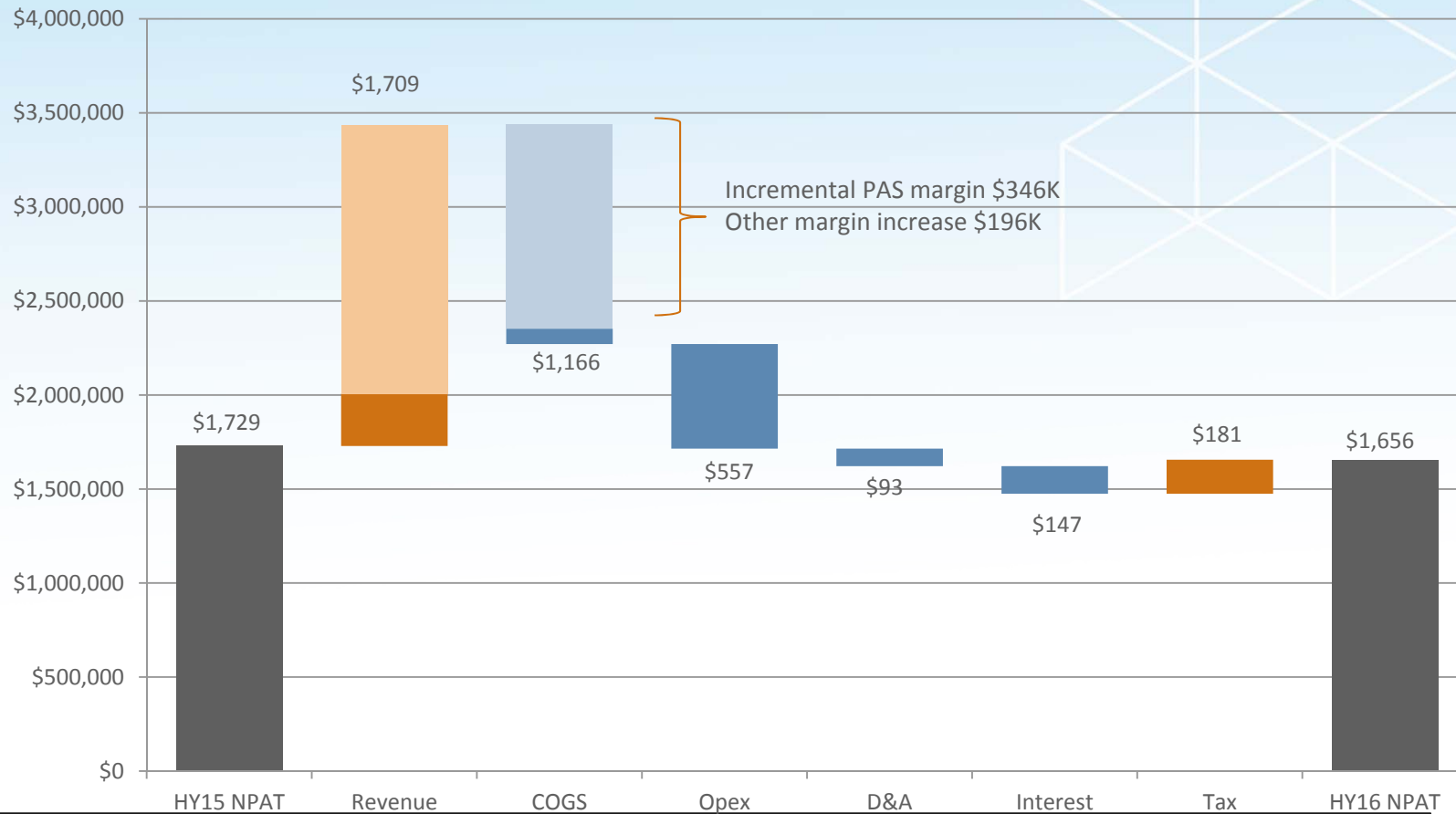
Non operational items excluded from Operating Profit



Statutory NPAT

HY16 Operating Profit drivers

Revenue and COGS increases driven predominantly by PAS margins



- Revenue & COGS driven by PAS growth
- Opex reflects a full period of Energy Advice costs
- Higher interest due to higher funding following deferred settlement payments



Revenue growth driven by PAS and CMER

Revenue up 11% versus prior period

	HY16	HY15	vs HY15\$	vs HY15 %
Total Procurement	4,152,726	4,255,081	-102,355	-2%
Total Contract Mgmt & Energy Reporting	8,571,478	8,220,779	350,699	4%
Projects & Advisory Services	4,376,587	2,945,901	1,430,686	49%
Other revenue	263,452	233,977	29,475	13%
Total Revenue	17,364,243	15,655,738	1,708,505	11%

- Procurement revenues down 2% with good growth in Structured Products offset by a decline in the very competitive Electricity Tenders segment.
- CMER up 4% as additional customers commencing service delivery.
- Strong growth in PAS (+49%) driven by Engineering Projects including a major building services upgrade and 500KW of commercial solar projects.

EBITDA to Operating cash¹ conversion rate of 92%

Focus on receivables management delivered strong cash result

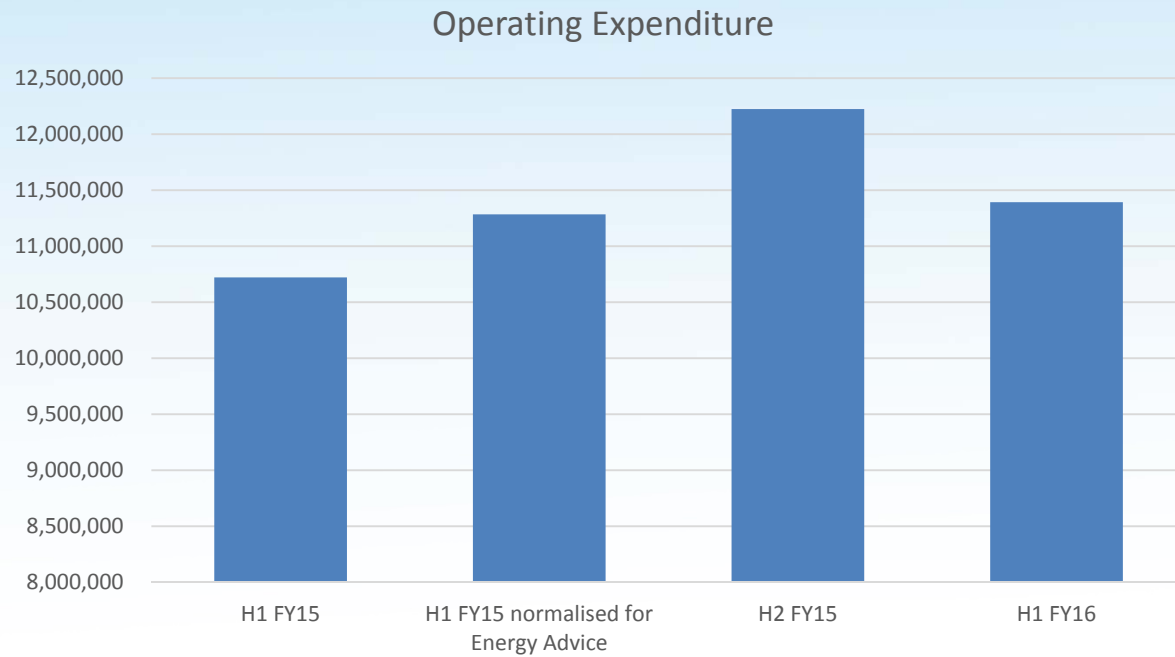


1. Operating Cash Flow before Interest, Tax and Significant Items



Operating cost growth less than CPI

Normalised Opex growth of 1%



- H1 FY15 included four months of Energy Advice costs
- Normalised cost growth of 1%
- H1 FY16 costs approx. 6% below H2 FY15.

Debt structure and key financial ratios

EAX entered into a 5 year, \$12 million multi-option facility agreement in October 2014

- Can be utilised for borrowings, bank guarantees or letters of credit
- Current utilisation comprised of \$5.542 million loan and \$3.239 million in bank guarantees related to the Energy Advice acquisition

Financial covenant metrics

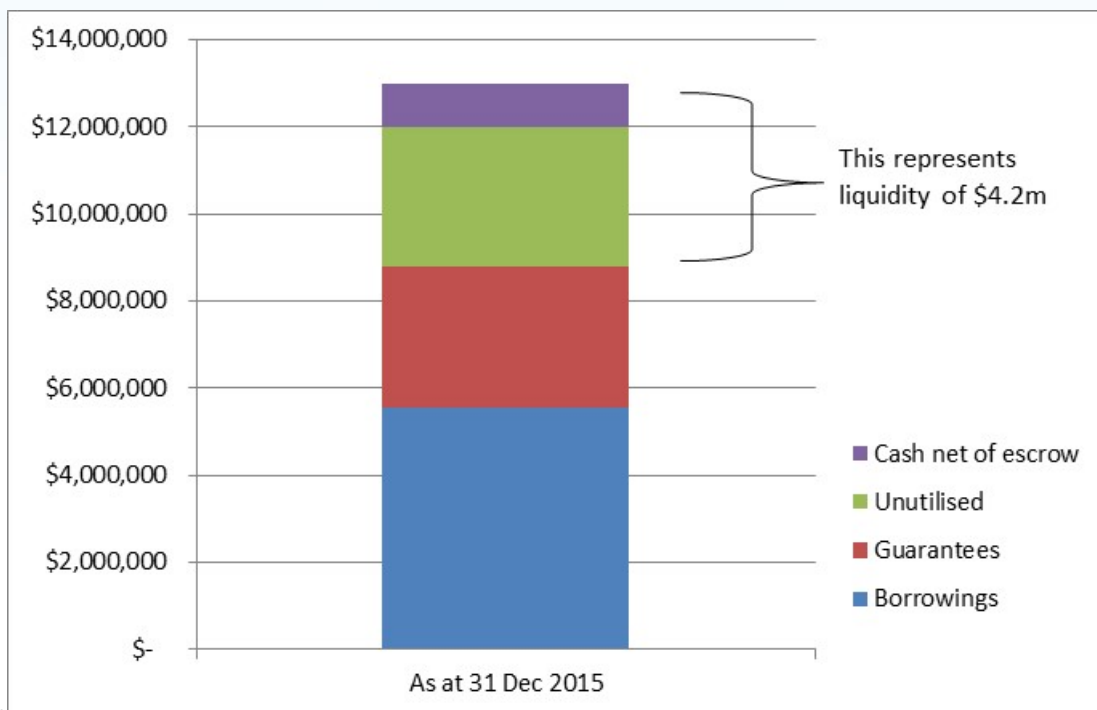
- Interest cover ratio (EBITDA : Interest)
- Gearing ratio (Total Debt : EBITDA)

Target

Min 3.0
Max 2.0

Dec 31 15

11.0
1.6

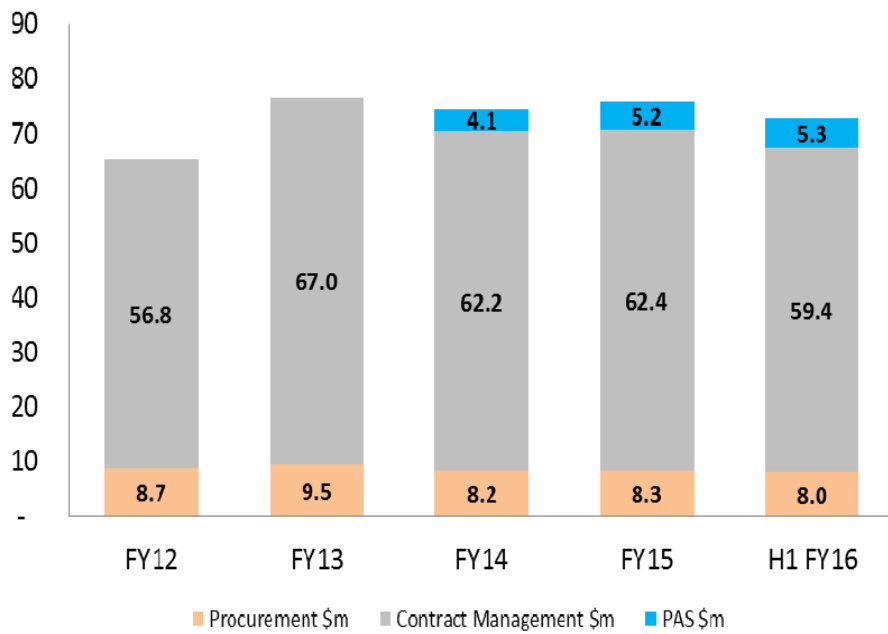


Available facilities and cash on hand of approximately \$4.2 million

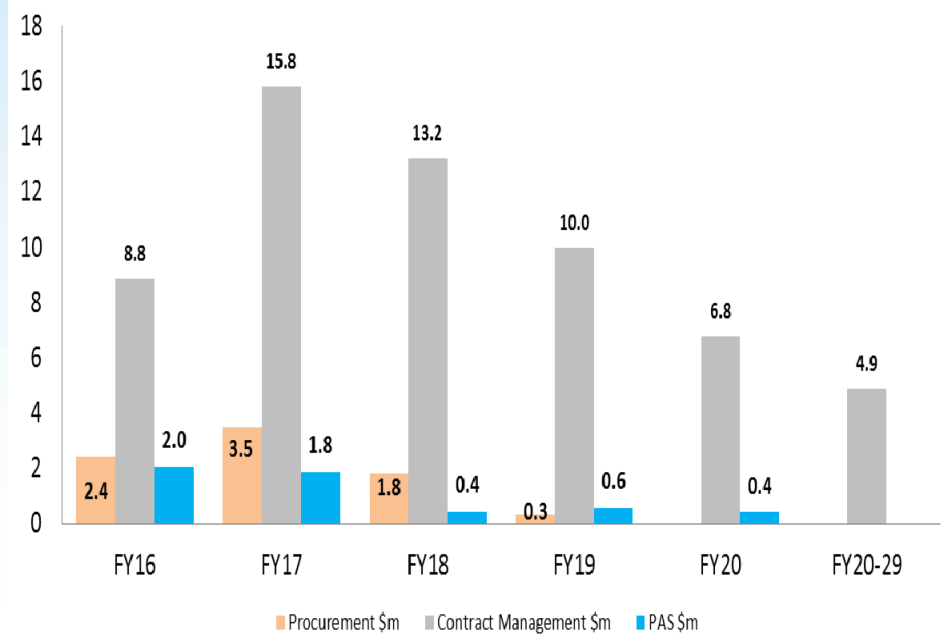
Future Contracted Revenue

\$72.7 million as at December 2015 vs \$75.8 million as at June 2015

Future Contracted Revenue



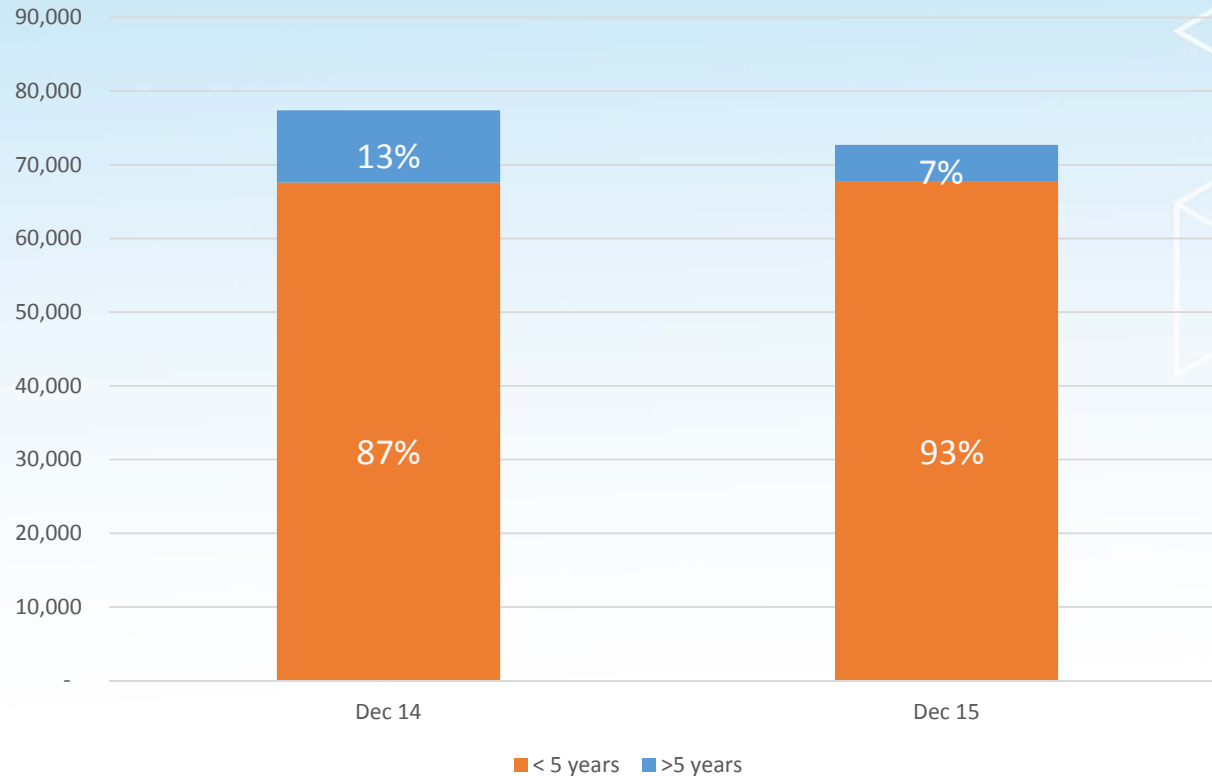
Future Contracted Revenue realisation year



- Quality of forward book improved : 93% of revenue to be realised with 5 years compared to 87% at December 14.
- Future revenue impacted by cancellations on contracts, mainly post 2020

Quality of forward revenue improved

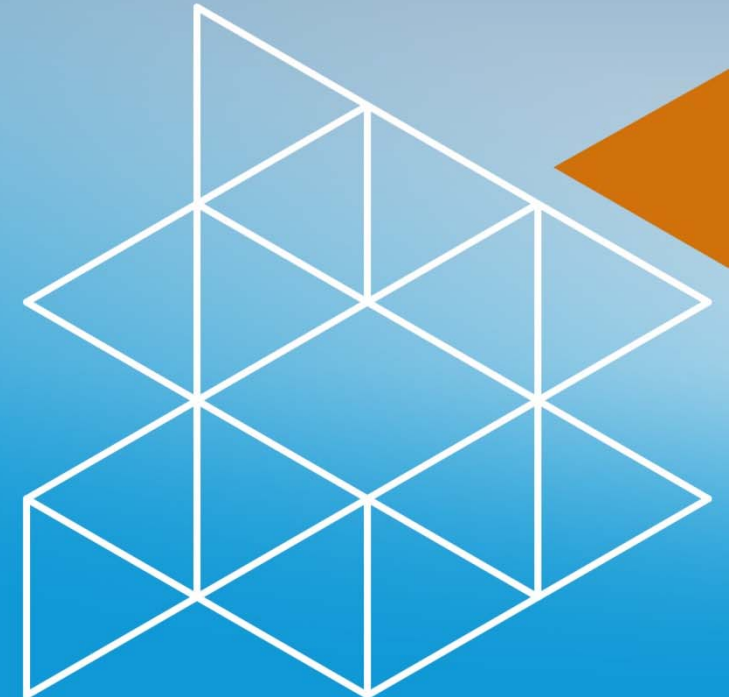
93% of revenue due to be recognized within 5 years, up from 87%



- Quality of forward revenues improved in line with strategy to limit future sales contracts to a maximum of 5 years duration.
- Future revenue impacted by higher than usual level of future contract cancellations, predominantly in Contract Management.



Operational Performance



Operational Highlights

Positives

- Strong revenue growth in PAS (+49%)
- PAS utilization improving delivering improved margins
- Contract Management sites resumes growth – up by 425 this half year
- Growth in Structured Products - both new clients and expansion of services to existing clients
- Growth in number of auctions (+7%) and higher average \$/MWh auctioned, albeit with lower average consumption per customer
- Operating costs being closely managed – like for like cost growth limited to 1% vs pcp
- Brand migration complete with unified branding across the Group
- Good progress on IT streamlining – now operating under a single IT domain and CRM, improving ability to respond to clients

Challenges

- Decline in Electricity & Gas Tenders in a very competitive market segment
- Adverse margin mix due to slower growth in high margin Contract Management and Procurement revenue
- Lower future contracted revenues due to higher than forecast cancellations

Energy Procurement

- Energy Action provides a complete range of procurement options including auctions, tenders and structured products. Solutions are tailored to the client's requirements.
- The Australian Energy Exchange (AEX) is Energy Action's online reverse auction platform.
- Energy suppliers competitively bid for large site electricity contracts

	H1 FY16	H1 FY15	Variance
No of Auctions ¹	969	906	7%
Average contract duration	23.2mth	25.8mth	-2.6mths
TWhs procured via Auction ²	2.27	3.0	-24%
Average \$/MWh	\$53.46	\$43.66	22%
Total Auction bid value	\$121 m	\$131 m	-8%
No. of electricity tender events ³	156	223	-30%
No. of gas tender events ³	108	135	-20%

1. Contracted auctions.
 2. Annualised figure based on energy only component of bill, excludes network and other charges
 3. Includes C&I and tariff tenders.

Contract Management & Energy Reporting

- Energy Action offers two contract management platforms, Activ8 and Energy Metrics, which provide contract management services via automated monitoring and reporting
- Key Customer deliverables are:
 - Monthly Bill Verification
 - Annual Tariff Reviews
 - Daily, Weekly, Monthly and Annual comprehensive energy and carbon usage, reporting
 - Monthly and Annual Cost, forecasting, budgeting analytics and reporting
 - Front line management of cases and escalations with Energy Retailers
 - Portal access
- Over 10,000 smart metered sites are under management across Australia
- A multi-utility Bureau service is available providing sustainability, NABERS and NGER reporting

Delivering value to customers in H1 FY16

Tariff reviews and bill validation identified approximately \$4.0m in potential savings for our customers



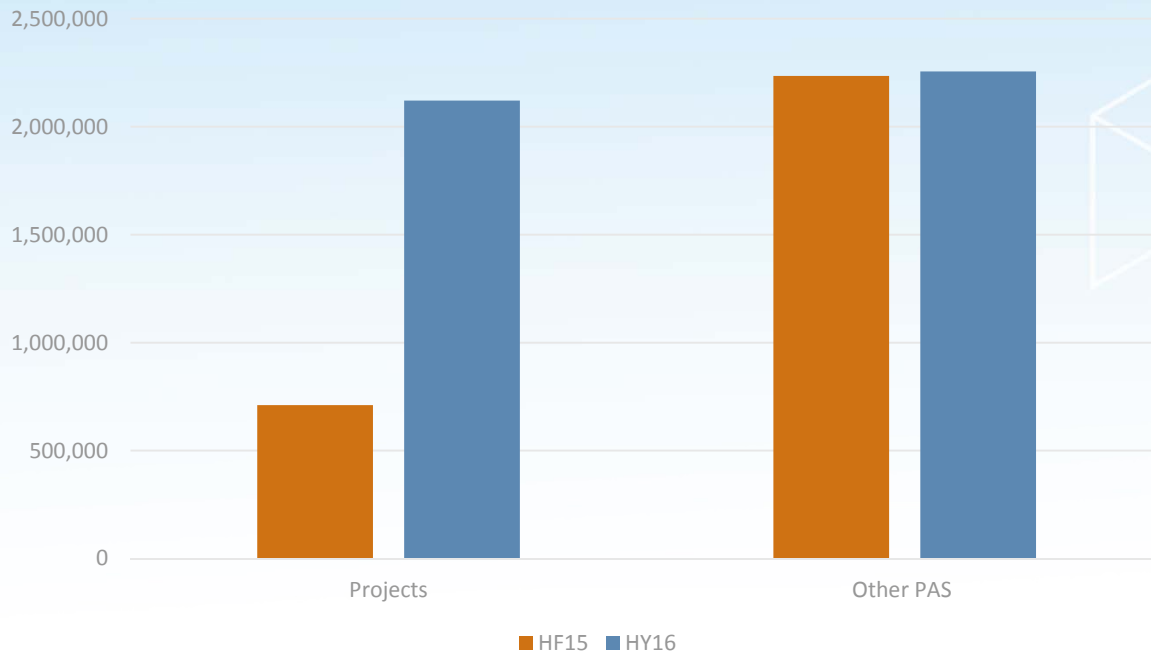
Contract Management & Energy Reporting

Growth in sites under contract – up 425 sites since June



Projects & Advisory Services

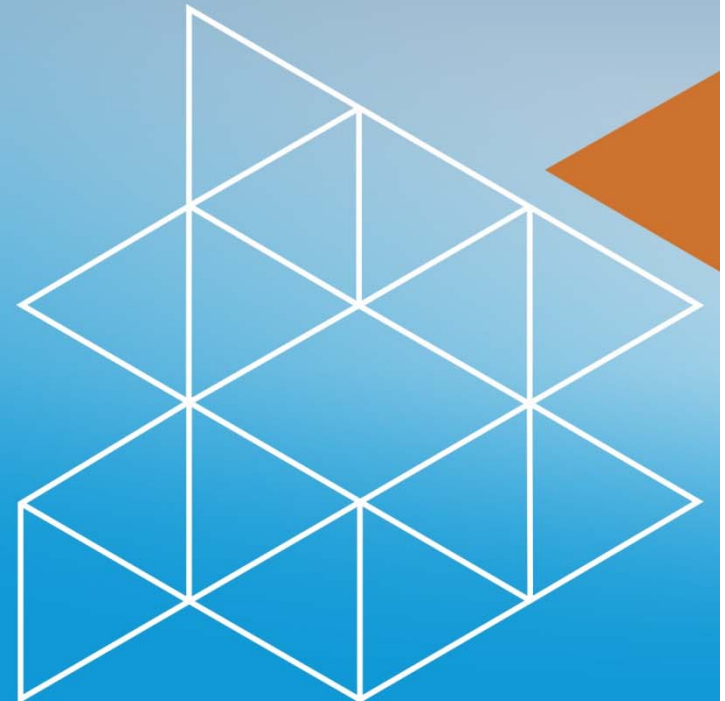
Revenue growth driven by Projects – up 198%



- Projects include a major building services upgrade, commercial solar and power factor correction projects



Outlook



Outlook – balance of FY16

- Launch of Activ8 Platinum near real time data service (mid 2016)
- Launch of building efficiency benchmarking service (mid 2016)
- Continued to drive PAS pipeline and further improvements in utilization
- Implement strategic partnership with Sun Edison on commercial solar, storage and product financing solutions
- Maintain tight expense management and focus on cash conversion
- Complete finance systems upgrade (Q3 / Q4)
- Finalise product and service pilots, for offers targeted at generating additional growth opportunities ahead of potential launches in FY17
- Earnings guidance provided on 12th November 2015 for FY16 full year Operating NPAT to be between \$3.4 - \$3.9 million is maintained, compared to FY15 Operating NPAT of \$2.7 million

Further information

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Disclaimer

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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.

We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

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All information contained herein is current as at 31 December 2015 unless otherwise stated.

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Appendix



Balance Sheet

BALANCE SHEET AS AT - December 2015

	31/12/2015	30/06/2015	Variance	% Variance
Current Assets				
Cash and cash equivalents	1,220,145	1,740,288	(520,143)	
Restricted Cash	1,000,000	1,000,000	-	
Trade and Other Receivables	4,704,437	5,868,825	(1,164,388)	
Other Assets	1,918,527	1,168,986	749,541	
Total Current Assets	8,843,109	9,778,099	(934,990)	-10%
Non Current Assets				
Trade and Other Receivables	88,726	93,098	(4,372)	
Property, Plant & Equipment	794,691	896,782	(102,091)	
Other Assets	882,182	898,941	(16,759)	
Other Intangible Assets	2,436,803	2,175,485	261,318	
Goodwill	9,942,429	9,942,429	-	
Customer Relationships	1,764,799	1,884,351	(119,552)	
Total Non-Current Assets	15,909,630	15,891,086	18,544	0%
Total Assets	24,752,739	25,669,186	(916,447)	-4%
Current Liabilities				
Trade and Other Payables	4,364,915	6,202,922	(1,838,007)	
Provisions	1,259,621	1,277,524	(17,903)	
Total Current Liabilities	5,624,536	7,480,446	(1,855,910)	25%
Non Current Liability				
Other Long Term Provisions	380,133	372,667	7,466	
Loans and Borrowings	5,227,391	3,759,538	1,467,853	
Deferred tax liability	717,312	557,981	159,331	
Total Non Current Liabilities	6,324,836	4,690,186	1,634,650	-35%
Total Liabilities	11,949,372	12,170,632	(221,260)	2%
Net Assets	12,803,367	13,498,553	(695,186)	-5%
Equity				
Issued Capital	6,537,906	6,537,906	-	
Share Based Payment Reserve	751,965	553,154	198,811	
Retained Earnings	5,533,389	6,422,733	(889,344)	
Foreign currency translation reserve	(19,893)	(15,241)	(4,652)	
Total Equity	12,803,367	13,498,553	(695,186)	-5%