



ASXCEO CONNECT

CONTINUED

GROWTH

JON STRETCH, MD & CEO



ermpower.com.au

ASX 300

Multi-National Company

ASX: EPW

Total FY2017 Revenue

\$3.1 billion

CORE BUSINESS ACTIVITIES

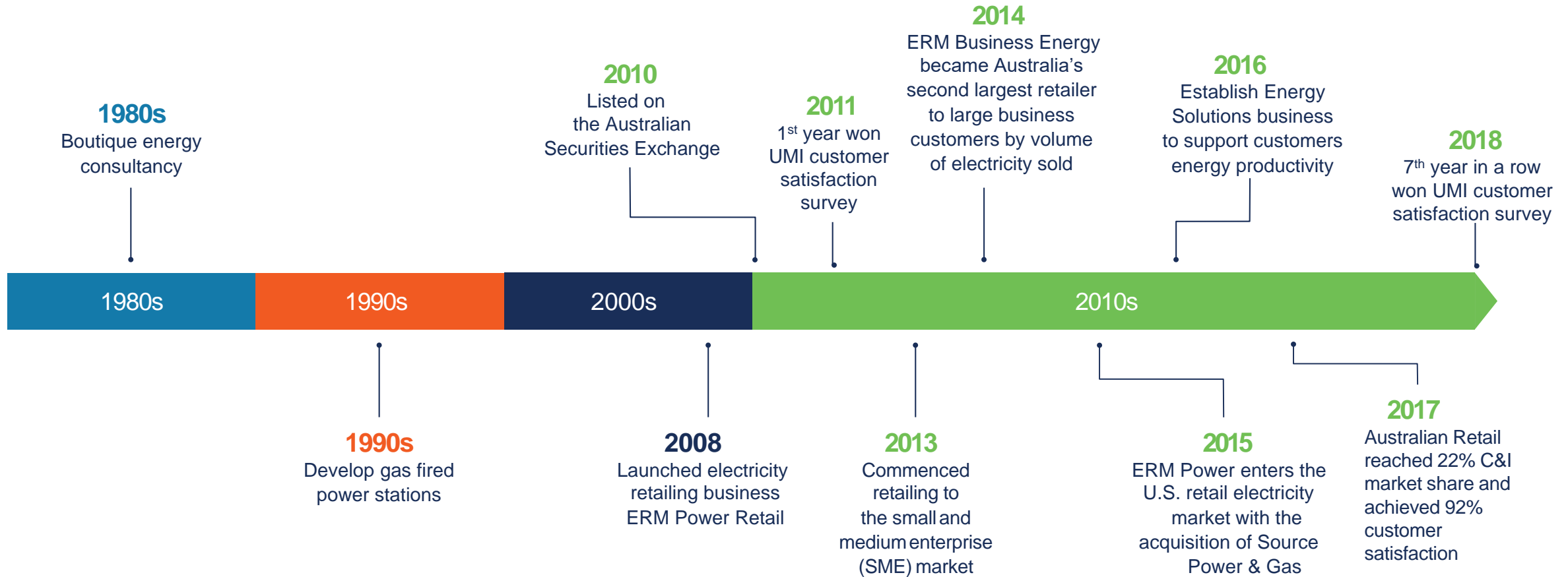
Energy Retailing to Australian & US businesses

Peak Electricity Generation

Energy Solutions

OUR HISTORY OF

GROWTH



IT'S ALL ABOUT THE

CUSTOMER EXPERIENCE



SUPPLY SIDE CHALLENGES

ERM Power is...

Mitigating the long-term risk of price volatility for our business customers

Providing visibility of long-term wholesale electricity market

Aligning to customer objectives

BUSINESS CUSTOMER

The customer experience is...

Rising energy prices

Security of supply issues

Growing need for support on energy consumption and cost efficiency

An increasing need for transparency in their energy use and costs

DEMAND SIDE OPPORTUNITIES

ERM Power is...

Improving the efficiency and productivity of business customers' energy consumption

Driving energy productivity through digital platforms

POWERED BY POSITIVE PEOPLE



FOR POSITIVE PERFORMANCE

AN ENGAGED & EMPOWERED¹ TEAM OF EMPLOYEES

NUMBER ONE IN CUSTOMER SATISFACTION²



of our people feel proud
to work for ERM Power

World class engagement and enablement



Industry leading
customer satisfaction

Accurate billing

Exceptional service

Dedicated account management

LEADS TO MARKET LEADING WIN RATES AND RECONTRACTING RATES WITH GROWTH IN MARKET SHARE TO 22%

FY2018 HALF YEAR SUMMARY



CONTINUED GROWTH

TOTAL ELECTRICITY SALES

▲ **21%** | TO
12.6TWh

AU ▲ 8% to 9.6TWh

US ▲ 100% to 3.0TWh

DECLARED 1H DIVIDEND

3.5cps

Fully franked

UNDERLYING EBITDA_F UP

51.1m

From \$11.1million in HY2017

US BUSINESS ELECTRICITY LOAD

▲ **100%** | TO
3.0TWh

ENERGY SOLUTIONS REVENUE

▲ **143%**

To \$9.7million

CUSTOMER SATISFACTION

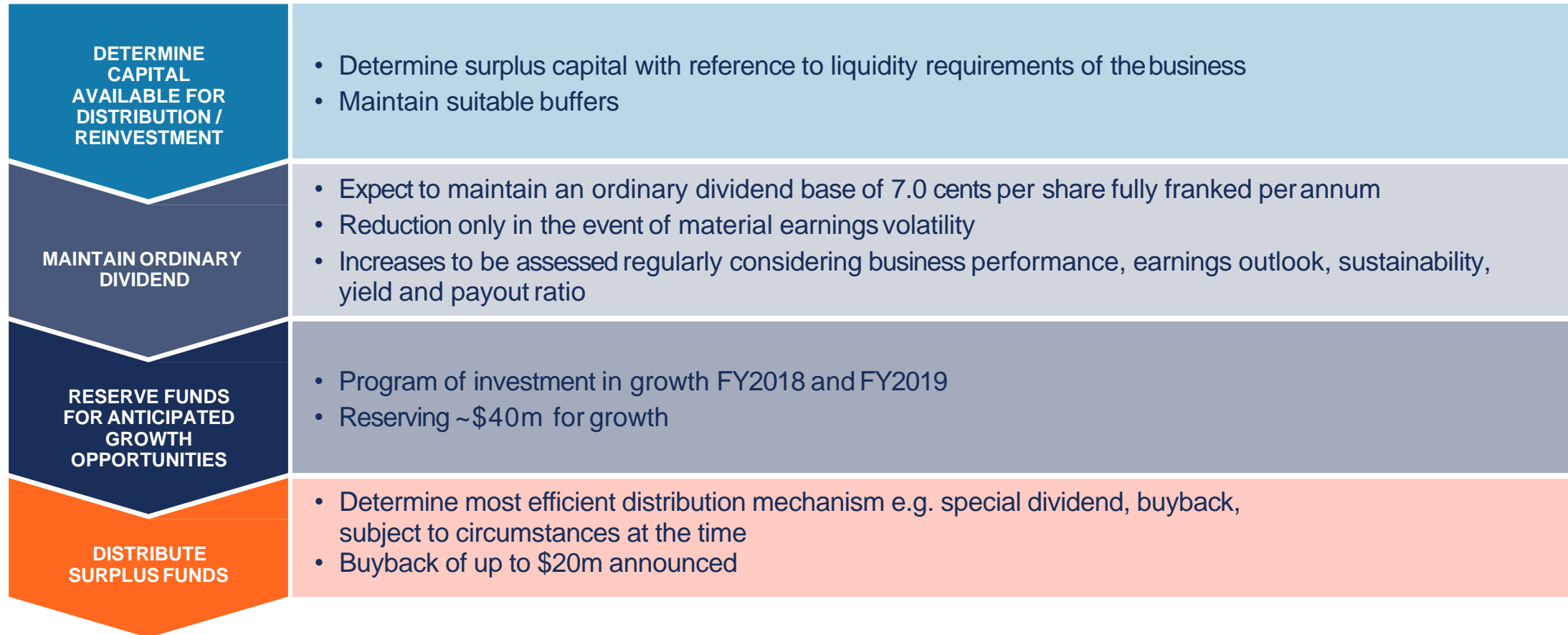
NO. 1

In customer satisfaction
for the 7th year in a row

CAPITAL MANAGEMENT FRAMEWORK



DISCIPLINED APPROACH TO BUILD LONG TERM SHAREHOLDER VALUE



FY2018 OUTLOOK



		FY2018 OUTLOOK 24 AUGUST 2017	FY2018 OUTLOOK 22 FEBRUARY 2018		
AUSTRALIA RETAIL	SALES VOLUME	~19TWh	~19TWh	With upside potential	ON TRACK
	GROSS MARGIN	~\$4.40/MWh	~\$4.70/MWh	With upside potential	ON TRACK
	OPEX	~\$23m	~\$23m		ON TRACK
US RETAIL	SALES VOLUME	~7.5TWh	~6.5TWh		LOWER GROWTH
	GROSS MARGIN	~\$5.00/MWh	~\$4.50/MWh		AT RISK
	OPEX	~\$3.20/MWh	~\$3.50/MWh		ON TRACK FOR \$M
GENERATION EBITDAF	OAKY	\$14–16m	\$14–16m		ON TRACK
	NEERABUP	~\$26m	~\$26m		ON TRACK
ENERGY SOLUTIONS EBITDAF		~(\$4.5)m	~(\$4.0)–(\$4.5)m	Expect NPAT positive in FY2020	ON TRACK
CORPORATE & OTHER COSTS		~(\$15.5)m	~(\$14.5)m		ON TRACK

- Medium-term Australian gross margin \$4.00-\$5.50/MWh
- LGC strategy expected to deliver \$35-\$45 million NPAT FY2019/2020 (weighted to FY2020)

QUESTION & ANSWERS

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The directors believe the presentation of certain non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business.

The non-IFRS financial profit measures are used by the managing director to review operations of the Group and include but are not limited to:

1. EBITDAF – Earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains / losses on financial instruments designated at fair value through profit and loss. EBITDAF excludes any profit or loss from associates.
2. Underlying EBITDAF – EBITDAF excluding significant items.
3. Underlying NPAT – Statutory net profit after tax attributable to equity holders of the Company after excluding the after tax effect of unrealised marked to market changes in the fair value of financial instruments, impairment and gains / losses on onerous contracts and other significant items. Underlying NPAT excludes any profit or loss from associates.

All profit measures refer to continuing operations of the Group unless otherwise noted

A reconciliation of underlying NPAT and underlying EBITDAF is supplied in the Operating and financial review (OFR). The above non-IFRS financial measures have not been subject to review or audit. These non-IFRS financial measures form part of the financial measures disclosed in the books and records of the Consolidated Entity, which have been reviewed by the Group's auditor.

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