

25 July 2023

Yü Group PLC
(the "Group" or "Company")

Trading Update

CONTINUED STRONG FINANCIAL PERFORMANCE

Yü Group PLC (AIM: YU), the independent supplier of gas, electricity, meter asset owner and installer of smart meters to the UK corporate sector, is pleased to provide an update on trading for the six months ended 30 June 2023.

Bobby Kalar, Chief Executive Officer, said:

"We are delighted to have accelerated our strong trading momentum and our growth continues to surpass expectations. We continue to deliver strong financial performance as more customers lock in the benefit of a softening commodity market. Alongside this growth and underpinned by our "Digital by Default" platform and Smart Meter installation business we see revenue and profitability growth in FY 23 and beyond. We are as excited as ever about the future of Yü Group and remain focussed on exceeding our previously stated £500m revenue target and increased 5% EBITDA margin."

Financial and Operational highlights

- Accelerating revenue growth in H1 23 with the Group expecting to outperform revenue expectations for FY 23. The number of supplied meter points grew 56% in the period to 39,700 (FY 22: 25,500, H1 22: 26,100).
- Record average monthly bookings of £51.3m achieved for H1 23, up 109% on FY 22 (FY 22: £24.5m, H1 22: £14.3m) providing clear revenue visibility for FY 23 and underpinning future growth.
- Expansion in EBITDA margin expected in H1 23 as the Group has benefited from operational leverage brought about by the "Digital by Default" strategy. This has been supplemented by selective new business, good hedging, customer lifecycle performance and improving bad debt metrics.
- Exceptional cash generation, with 98% cash conversion from billings. Closing H1 23 net cash (excluding leases) of £36.6m, up £17.6m in the first six months and £20.9m year-on-year (FY 22: £19.0m and H1 22: £15.7m).
- Growing rollout of Yü Smart, with a current monthly smart meter installation run rate of 700 and expected to scale significantly. The Group is pleased to announce it is transitioning from the use of third-party meters and has now commenced its own Kensington Meter Asset Limited (KMAL) installation and funding rollout creating a future recurring revenue annuity.

Outlook

- Record monthly bookings secures future revenue and provides management with confidence in the Group's prospects for FY 23 and beyond.
- Margin expansion achieved through "Digital by Default" strategy coupled with smart meter roll out. As a result, the Group has exceeded its stated mid-term EBITDA margin goal of 4%.
- Medium to long term margin benefit expected from a modest yet growing number of smart meter assets.
- Management now target £500m revenue with 5%+ sustainable EBITDA margin in the short to medium term.
- Group net cash (excluding leases) expected to increase in H2 23 despite the annual ROC payment falling due in Q3 23.
- As a result of the accelerating revenue profile of the Group and significantly increased EBITDA margin expected to be achieved in FY 23, the Group expects to report results substantially ahead of current market expectations.

Notice of results

- The Group will issue interim results on Tuesday 26 September 2023.

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Notes to Editors

Information on the Group

Yü Group PLC is a leading supplier of gas and electricity focused on servicing the corporate sector throughout the UK. We drive innovation through a combination of user-friendly digital solutions and personalised, high quality customer service. The Group plays a key role supporting businesses in their transition to lower carbon technologies with a commitment to providing sustainable energy solutions.

Yü Group has a clear strategy to deliver sustainable profitable growth and value for all of our stakeholders, built on strong foundations and with a robust hedging policy. In 2022 the Group launched Yü Smart to support growth through new opportunities in smart metering installation. With a significant opportunity in a £50bn+ addressable market, Yü Group continues to deliver on the medium-term goal of £500m of revenues with an adjusted EBITDA margin in excess of 5%.

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