

Good Energy Strategy – 2018 and Beyond

The old energy model of production is evolving to a new generation of energy services, with customers and technology driving this change. We believe this is an opportunity to invest further in our proven capability and skill sets, to lead into this new energy world

Energy Awakening - An Evolving Good Energy Customer

Our target market is broadening, based on our market research. Caring about ethics and the environment is not just for “Eco Warriors”.

A growing number of “Eco Worriers” want to be part of a movement to “do the right thing”, but in a way that is straightforward and efficient; the customer experience is therefore crucial. A broader proposition using digital technology to deliver simple, straightforward service is the answer.

Beyond ethics and the environment, energy is becoming tangible in the home and in the boardroom too.

Costs are rising; there are myriad suppliers to choose from, and while it is easier than ever to switch, it’s more confusing too.

Based on our research, households and businesses want guidance and clarity, as they seek to monitor and manage their energy consumption, and any energy they may have surplus. Good Energy is well-positioned to respond to this changing market. Through investing in a personalised energy planning services approach, we are able to optimise energy usage, with the view to a low-waste power environment.

With this attitude in mind and the opportunity that digital services and SMART technologies are creating, Good Energy believes that its potential addressable market could grow further to be one in five business and retail customers. There will still be a heavy focus on price with some customers in these markets, but an increasing number of customers look beyond prioritise environmental, efficiency and service considerations before price when choosing an energy supplier. This is a market we can grow and compete in profitably.

We currently supply over 70,000 homes and less than 1% of the business market. We believe that the potential market is one in five, who may be interested in Good Energy. Instead of fighting for a big share of a small market, we will engage a small share of a bigger market, with technology, service and the fundamental ethics of the company - powering a cleaner, greener world. We are now investing in both technology and people to deliver this vision.

Technology

Whilst SMART meters are the foundation of this new energy market, it is the data they produce, distilled at the right time, securely, with the required permissions, that provides real customer value.

Data will empower consumers of all types to understand the potential value of investment in new technologies like energy usage control, storage, electric vehicles and renewable energy.

Our clarity of purpose, and the trust customers already place in us to do the right thing mean Good Energy is perfectly placed to help customers navigate, manage and benefit from this new world of connected energy, which we will achieve by investing in three core areas:

- Strategic partnerships – high-profile strategic partnerships, with leading lights in industry, technology and research, to deliver new customer propositions. We are already collaborating with Honda, the Eden Project, Salford University and the London School of Economics.

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- Innovation and invention – in-house intellectual property generation to create and build new systems and methodologies, which influences change whilst ensuring that our customers benefit from the derived value.
- New revenue models – evolving to a subscription service model as we facilitate the technology for our customers, shifting reliance away from energy margins in the longer term.

People

People are key to delivering this change for Good Energy. Reshaping our senior team to provide the right leadership and expertise to help Good Energy to match the change and the challenges in the energy market, to drive both our technology capability and customer experience.

David Ivell joins Good Energy as Chief Technology Officer, effective June 2018.

David was Chief Information Officer at The Prince's Trust, where he was responsible for technology transformation. David also held similar posts at Kew Royal Botanical Gardens, the British Film Institute and Credit Suisse. David's expertise will help to deliver Good Energy's new digital strategy, driving the investment into new technologies and systems to improve our digital products and services, operating systems and the customer experience.

Sarah Morgan joins as Customer Services Director, effective June 2018. Sarah comes to Good Energy from Ovo, where she was Customer Services Director. Before that, Sarah was part of the team that transformed the digital customer experience at ASOS.

Sarah brings her digital and customer expertise to support Good Energy and will focus on delivering a consistently high level of customer service and experience, building long-term engagement and trust.

Paul Tavener joins as Interim Marketing Director, effective May 2018. Paul brings proven experience from the retail sector, most recently in his role as Group Brand Director at WHSmith. Paul led Funky Pigeon's UK launch and was previously Head of Marketing at Sainsbury's, where he delivered the 'Try Something New Today' campaign. Paul brings his extensive customer marketing experience to develop the Good Energy brand and to develop customer-focused campaigns.

The appointment of these three roles completes the senior leadership appointments and new strategic structure for the executive team at Good Energy.

The Board is also shifting, following the appointment of Tim Jones, Chief Information Officer of moneysupermarket.com to the board as NED in December 2017. We are well progressed in our search for an additional NED with technology and disruptor brand experience and we will provide further updates on this appointment over the summer.

As previously announced, Rick Squires steps down from the Board today. Good Energy thanks Rick for his expertise, insight and support; we wish him the best in his future endeavours

Summary

Following a solid 2017 performance and a strong start to 2018, we continue to reshape Good Energy, reflecting our view of the changing market, the challenges and the opportunities for Good Energy's future. Technology, changing customer behaviours and attitudes, and the people making up the Good Energy team mean we can continue to lead the shift from old energy to new generation.

In closing, I would like to thank all of our people, customers and shareholders for their continuing support of Good Energy through this exciting period of transition. Our next update to the market will be for our interim results in September 2018, for the 6-month period ended 30 June 2018.