



**ENERGY
PARTNERS**

POWERED BY RESULTS

57%

- Energy Partners is a fully integrated private utility business that sells **solar energy, cooling and heating** to commercial and industrial clients
- Energy Partners also provides **Energy Intelligence Solutions** whereby they track utility asset performance as well as do the billing. Numerous large clients have outsourced a large part of their utility monitoring to Energy Partners
- Energy Partners' business essentially comprises two components:
 - **Operations Business:** constructs and sells energy installations to external customers or to its own Investment Business. The Operations Business also includes ongoing O&M and the Energy Intelligence Solutions services
 - **Investment Business:** owns energy-related assets with long-term off-take agreements with private sector clients
- **Growing the Investment Business is Energy Partners' core focus**

- **The following EBITDA multiples are used to value the respective components of the business:**
 - Operations Business - 6x
 - Investment Business - 10x (worth more given the recurring long-term nature of contracts)
- **The following adjustments are made in the interest of accuracy:**
 - The EBITDA from assets commissioned in the last 12 months is annualised (otherwise the debt would be overstated)
 - Available cash and the cost of work-in-progress assets are added to the valuation
 - All debt is deducted from the valuation
 - Inter-company transactions on an arm's length basis are not eliminated for valuation purposes (the two businesses are valued independently)
 - Loss-making operating divisions are valued at zero (these are expected to become profitable or will otherwise be closed down)

Basis of valuation: EV/EBITDA multiple (continued)

Rm							4.5 year
Y/E Jan	2017	2018	2019	2020	2021	H1 2022	CAGR
Energy Assets (owned by Energy Partners)							
Commissioned assets	52.3	99.7	158.9	252.6	344.8	437.4	
Work-in-progress	-	6.9	15.0	47.9	85.7	134.9	
Total capital value	52.3	106.6	173.9	300.5	430.5	572.3	70%
Growth		104%	63%	73%	43%	33%	
EBITDA							
Investments (asset <12m annualised)	7.2	16.6	28.5	35.3	49.8	62.8	62%
Operations (continued)	5.2	33.8	7.5	16.4	14.7	17.8	
Enterprise value					586.5	734.8	
Net debt					(138.5)	(265.7)	
Work-in-progress					85.7	134.9	
Equity value*					533.7	604.0	
No of shares in issue ('000)					2,239	2,258	
R/share valuation					238	267	→ 12% growth
Average yield on assets	13.8%	16.7%	17.9%	14.0%	14.4%	14.4%	

* Energy Partners adopted this valuation methodology in the 2021 financial year