



ASX Announcement/Press Release | 28 November 2024
TPC Consolidated Limited (ASX:TPC)

Address by Chairman Greg McCann

TPC Consolidated Limited 2024 Annual General Meeting – 28 November 2024

Please see attached the address to be delivered by the Chairman to shareholders at this morning's Annual General Meeting.

Ends.

Authorised for release by the Board of TPC.

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About TPC Consolidated

TPC Consolidated Limited (ASX:TPC) owns and operates leading Australian-based electricity and gas retailer CovaU (pronounced "cover you"), which offers competitively priced products to household as well as business (Small Medium enterprises and Commercial and Industrial) customers.

The client base of TPC's CovaU business, spread across most Australian states and territories, can choose from a wide range of products, from conventional gas and electricity through to solar, wind and 'greenpower' plans.

TPC is focussed on further expanding CovaU's market presence in the energy segment of the Australian utilities sector. The Company's expansion plans include additions to its current suite of renewables segment-related energy products, as consumers preference energy sources that accelerate the decarbonisation process.

To learn more, please visit:
www.tpc.com.au
www.covau.com.au

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TPC Consolidated Limited (ASX:TPC)

Chairman's Address for AGM I 28 November 2024

Dear Shareholders,

On behalf of the Board of TPC Consolidated Limited, it is my pleasure to highlight your Company's achievements over the course of its financial year ended 30 June 2024.

The past year has seen TPC Consolidated successfully execute a growth strategy that has materially increased its customer base, which has, in turn, delivered a robust uplift in the Company's revenue base.

This achievement was in large part due to the dedicated work ethic displayed by our staff. Their diligence helped your Company remain resilient in the face of an ever-changing mix of macroeconomic and geopolitical events, plus an all-too-often testing wholesale electricity pricing environment.

On a positive note, some of the geopolitical and macro drags impacting TPC Consolidated's performance over the past few years did lessen in intensity over the 2024 financial year. The drag on our financial performance caused by the COVID-19 pandemic over the prior financial year was not repeated. In another unambiguous positive, the Federal government's commitment to help insulate retail electricity users from the rapid rise in inflation levels and wholesale power price rises in Australia was another welcome initiative.

Unfortunately, while some geopolitical- and macro-related issues waned in importance, others intensified. A major current-day geopolitical concern is the renewed turbulence now playing out in the Middle East. This could potentially evolve into a 'black swan' event that significantly impacts oil and gas prices and, with it, energy market prices.

Turning to TPC Consolidated's financial performance over its 2024 financial year, revenue and earnings metrics reported over this period were commendable in the light of the macro, geopolitical and electricity pricing challenges confronting us over the past 12 months. Thanks to the successful execution of our business strategy, we achieved robust revenue growth over the year. Powered by continued expansion in our core energy business, revenue of the consolidated entity totalled \$159.8 million in financial year 2024, up 16.3% on the previous year. TPC Consolidated's FY24 Underlying EBITDA was \$10.0 million, down 59.3% on last year's level. At the bottom line, the Company's FY24 NPAT of \$5.4 million was down by 68.0% on its year-earlier figure, as the significant gains realised on the sale of future derivative instruments included in our FY23 financials were not repeated.

I now want to provide you with an update on Wollar Solar Holding Pty Ltd's plans to acquire TPC Consolidated via a scheme of arrangement, which was announced to investors in March 2024.

Your Board of Directors continues to be of the view that the sale of TPC Consolidated to Wollar Solar Holdings, a subsidiary of Beijing Energy International (Australia) Holding Pty Ltd, is in the best interests of you, our shareholders. The transaction continues to await consideration by the Foreign Investment Review Board. While this process is playing out, both your Company and Wollar Solar Holding remain committed to the transaction taking place. We remain of the firm view that our sale to Wollar Solar Holding will position CovaU well for its next stage of growth – this thanks to the acquirer having large renewable energy generation assets that can be deployed into the Australian retail energy market-place.

After much consideration, your Board of Directors decided to not declare a final dividend for

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the Company's FY24. This decision was premised on the view that existing cash balances should be conserved ahead of the Foreign Investment Review Board's consideration of the proposed sale of TPC Consolidated to Wollar Solar Holding, and while macro and geopolitical challenges remained in place.

This said, I want to remind our shareholders that they will be entitled to the receipt of a material dividend benefit should the sale of TPC Consolidated to Wollar Solar Holding eventually proceed. This prospective payment is part of the Shareholder Scheme Implementation Agreement accompanying this proposed transaction.

In a move previously announced to the market, TPC Consolidated followed through on its intention to exit the Company's sub-scale Mobile Telecommunication business. This process was completed during our 2024 financial year, with all final agreements executed and associated infrastructure now in the process of being decommissioned.

Looking ahead to the expected outlook for our 2025 financial year, we anticipate that multiple macro and geopolitical uncertainties will continue to adversely impact trading conditions and keep energy prices volatile over the coming 12 months or so. While we genuinely hope that energy price markets experience fewer bouts of price volatility over our 2025 financial year, this optimism could disappear with the proverbial blink of the eye should macro and/or geopolitical concerns intensify. As we meet today, conflicts continue to rage in the Russia/Ukraine and Middle East regions, both of which are significant to the global energy supply chain. Were these conflicts to worsen, they will present challenges for all players in retail energy markets both in Australia and overseas, CovaU included.

Adding to these uncertainties, the coming 12 months will also see the Australian economy continue to wean itself off fossil fuel-generated energy, replacing them with renewable power sources. This journey to 'Net Zero' will undoubtedly have further disruption along the way.

Should there be no further major deterioration in overall energy market conditions, your Board of Directors expects TPC Consolidated to maintain its profitability and cash flow in FY25. We anticipate that the performance of our CovaU business will be underpinned by diligent management and stringent cost control alongside the implementation of initiatives targeting further growth in this core energy retailer business. This is the best way to have your Company primed for future growth.

Before we move on to other business, I want to take this opportunity to sincerely thank all our major stakeholders for their continued support over the past 12 months. To our loyal customer base, we thank you for using CovaU as your retail energy provider. We will continue to seek out ways of offering you value for money in these times when consumers are being squeezed by ongoing cost of living pressures. To my fellow Directors, as well as our management and staff, I thank you for the commitment you have shown to growing TPC Consolidated's business over the past year. And last but not least, I want to thank our shareholders for their patience and continued support..