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***Operator:** Good afternoon, ladies and gentlemen. Welcome to the Just Energy Group, Inc., Conference Call to discuss the second quarter 2015 results for the period ended September 30, 2014. At the end of today's presentation, there will be a formal Q&A session at which time if you have a question, you simply press star then one on your touchtone keypad.*

I would now like to turn the meeting over to Ms. Rebecca MacDonald. Go ahead, Ms. MacDonald.

Rebecca MacDonald: Good afternoon, everyone. As she said, my name is Rebecca MacDonald, and I'm Executive Chair of Just Energy. I'd like to welcome you all to our Fiscal 2015 Second Quarter Conference Call. With me this afternoon are our co-CEO's, Deb Merrill and James Lewis, as well as our CFO Pat McCullough.

I want to welcome Pat to his first Just Energy conference call. He has an extensive resume of senior financial experience and has mostly recently worked in the solar industry. He brings exceptional vision and focus to our finance team, and we are very excited to have him onboard.

Deb and Pat will discuss the results of the quarter and our expectations for the future. We will then open the call to questions.

Before we get going, let me preface the call by telling you that our earnings release and potentially our answers to your questions will contain forward-looking financial information. This information may

eventually prove to be inaccurate, so please read the disclaimer regarding such information at the bottom of our press releases.

Let me turn things over to Deb Merrill.

Deborah Merrill: Thank you, Rebecca. Our second quarter built on the strong performance seen in the first quarter and really demonstrates the health of our core energy retail business and the value proposition we bring to our growing customer base. Our management team is focused on our vision of building Just Energy as a market leader in providing targeted energy solutions to our customers. We want to utilize technology and innovation in the energy space to bring value to those customers. We are uniquely positioned to bring these opportunities to the customer on a cost effective basis as a result of our core competencies - sales, service and risk management. These core capabilities will drive our future growth and profitability.

We have a geographic footprint and product suite that can support our long-term growth, and we are already seeing that core growth in our quarterly results. The quarter continued our very strong customer aggregation with 354,000 additions, 9 percent more than fiscal 2014 and the most we've ever signed in the second fiscal quarter. Even more importantly, net customer additions for the quarter were 67,000, up 235 percent from last year. Year-to-date additions are 194,000, up 94 percent from a year earlier and more than the total added for all of fiscal 2014.

Over the past 12 months, our total customer base increased 7 percent to 4.6 million. New additions were generated from all sales channels, in particular our online sales. We continue to be successful in our sales channel diversification efforts. Where we were once entirely dependent on the door-to-door channel, this quarter saw only 22 percent of our new additions from that source, down from 31 percent a year earlier. The remaining 78 percent came through commercial brokers and new channels such as online sales. This positive trend will continue going forward. As a new management team, one of our key

tasks has been to profitably manage a transition to diversify our sales channels, and we are proud of our success reflected in the results this quarter.

The combined attrition rate for Just Energy was 15 percent for the trailing 12 months ended September 30th, 2014, down 1 percent from attrition reported in the first quarter. Consumer attrition at 27 percent decreased by 1 percent from the first quarter while commercial attrition at 6 percent remained unchanged. Attrition is and will remain a key driver of the Company's financial success. Consumer attrition rates remain high. This has been highly correlated to bill shock as consumers on fixed prices saw consumption rise sharply during the cold last winter, resulting in much higher than expected bills. Current gas price volatility and expectations for higher electricity prices should both contribute to a possible reduction in attrition in future periods.

Renewal rates improved slightly versus that reported in the first quarter with consumer renewals unchanged at 75 percent and commercial renewals up 1 percent to 64 percent on a trailing 12-month basis. This indicates continued satisfaction with the Company's products and services. Commercial renewals are often subject to competitive bid and will inevitably be more volatile than consumer renewals. Overall, management sees stability in renewals at around current levels.

Our Green business continued to show strong growth and profitability. Thirty-one percent of our new Consumer customers took JustGreen for some or all of their energy needs. On average, these customers elected to purchase 87 percent of their consumption as Green supply. Green energy remains a core product for Just Energy. One of our strategic growth levers aimed to utilize our 1.5 million residential customer base and our industry-leading origination channels to very strategically participate in the robust U.S. solar opportunity. We believe we are ideally suited to pursue the right opportunity, and we continue to advance our residential solar plan to leverage our core competencies for profitable entry into this exciting space. We have completed extensive due diligence, and we would expect to complete a deal

with a fulfillment partner or network in the near-term that will focus our capital and efforts on origination, owning the customer experience from cradle to grave, and participating in project equity returns.

Let me turn things over to Pat McCullough to talk about the details of the quarter, and then I will finish with a discussion of the trends we see in the market in future periods.

Patrick McCullough: Thank you, Deb. First of all, I'm very excited to join Just Energy. I see a really amazing opportunity here to build a world-class retailer, leveraging our existing customer base, our industry-leading sales channels, and an opportunity to sell new energy management solutions.

Let me detail some of the progress towards our financial goals that we have seen in the quarter. This was a very good quarter for us, the second consecutive quarter in our fiscal year. Our sales were up 10 percent, reflecting our 7 percent increase in customers and greater realized margins. While this sales growth in a low inflation environment is clearly positive, the real story of the quarter was our margins. Both our divisions performed strongly with our gross margin up 13 percent for our customer division and 27 percent for the Commercial division. Overall quarterly gross margin was up 17 percent compared to the prior year. This shows improved profitability as overall customer growth was 7 percent. We benefited from lower balancing charges compared to a year ago, but the results and trend are both positive. The profitability was partly driven by higher new customer margins. We're able to do this because of our better understanding of our customers and their perception of the value that we provide.

New commercial customers were signed at \$80 annual margin, up from 66 last quarter and \$72 a year ago. The higher commercial margin is a conscious decision by management to reduce low margin commercial business and focus on more profitable customer segments. We've also benefited from the market exit of a number of smaller low price competitors who were unable to weather the volatility of last year's Polar Vortex.

New residential customers were at \$188 annually, up from \$168 a year ago. Improved margin per customer has been the focus of management. Higher margin on residential customers is a particularly positive trend as these customers are largely on locked-in 5-year contract terms.

Our growth in base EBITDA was slightly less than the growth of margin at 12 percent year-over-year. This lower growth was due to an unanticipated provision for legal costs and possible settlement in the Hurt, et al lawsuit in Ohio. Without this provision, base EBITDA growth would've been in line with margin growth.

Selling and marketing expense increased by 13 percent year-over-year compared to the 9 percent increase in customer additions. Selling costs included amortization of past advances to commercial agents. This amortization is not associated with the customers added during the period.

Bad debt was within our target range at 2.3 percent of relevant revenue for the quarter. The number of customers largely in Texas for whom we bear credit risk is growing rapidly, but maintaining the expense between 2 percent and 3 percent optimizes our profitability.

Our second quarter funds from operations were up 1 percent from fiscal 2014. The lower growth was due to two reasons: Finance costs were 18.7 million, up from 16.6 million a year earlier, but down slightly from our first quarter. These charges will remain in this range until the closing of the NHS sale and related reduction in continuing debt. The second factor was a nonrecurring 2.7 million increase in income tax provision. This is due largely to the settlement of prior period adjustments paid in the quarter. The Company expects only nominal cash taxes for the remainder of fiscal 2015. Overall, the second quarter showed continued growth and improved profitability.

Let me turn it back to Deb to talk about where we stand after six months and trends for the future.

Deborah Merrill: Thank you, Pat. We are in a very solid financial position after six months of fiscal 2015. Our core business is healthy and growing. We are generating record numbers of new customers. Customer margins continue to improve as reflected in year-to-date EBITDA of 61.9 million, up 26 percent from a year earlier. Our funds from operations are up 16 percent from the first six months of last year.

Our fiscal 2015 plan is to deliver on our growth expectations and significantly delever the balance sheet. The combination of these two actions will put the Company on solid footing to realize profitability going forward. One key to our planned balance sheet improvement is the sale of NHS. While the closing of the Hudson Solar sale allowed us to reduce debt by 47 million, the greater impact on debt will be seen when NHS closes. We do not control the timing of the Competition Bureau approval, but it appears to us that the transaction is progressing toward close. We have provided fiscal 2015 guidance of 163 to 173 million in base EBITDA pro forma the sale of NHS. We've had strong results to date, but, as you are aware, the third and fourth quarters contribute the large majority of our EBITDA. As we continue to make successful progress along our financial guidance, we will provide you updates on any changes to our expectations for the fiscal year.

Our payout ratio is another important target for us. For the quarter, it was 78 percent, down from 131 percent last year. Our trailing 12-month payout ratio based on our current \$0.50 annual dividend is 79 percent, moving toward our long-term target of 60 to 65 percent. Continuing to improve the payout ratio will allow for further debt reduction on our balance sheet. Overall, Just Energy had solid operating performance for two consecutive quarters.

Let me provide a bit more color on trends for the immediate future. We would expect EBITDA growth in the third quarter to be more in line with our annual guidance and less than the 26 percent improvement seen year-to-date. We have a leading market position in all our geographic territories. Our experience and marketing expertise allows us to stay in step with the evolving needs of our target customers. As customer awareness and demands change, we are uniquely positioned to rapidly meet the growing need

for energy solutions through our leading market position in retail energy and access to the best technologies and innovative products in the marketplace today. We have strong growth additions driven by low-cost sales channels and strong net additions based on improving attrition and renewals. Margin and EBITDA growth should continue for the foreseeable future.

Achieving our expected results will require tremendous effort from the entire Just Energy team. Management is committed to delivering our strategy of both building our core business and bringing new exciting products to our customers. This will ensure the continued success of Just Energy. And on behalf of Rebecca, James, Pat, and myself, I want to thank our shareholders for their continued support.

We will now open up for questions.

***Operator:** Thank you. We will now begin the question-and-answer session. If you have a question, please press star then one on your touchtone phone. If you wish to be removed from the queue, please press the pound sign or the hash key. There will be a delay before the first question is announced. If you're using a speakerphone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star then one on your touchtone phone.*

Our first question comes from Nelson of RBC Capital Markets. Please go ahead.

Nelson Ng: Great. Thanks. **Just a quick question on the NHS sale. I believe your view is that it'll close within the coming months. How quickly can you close the transaction after you receive regulatory approval?**

Deborah Merril: Yeah, Nelson, we're - - we would target one to two weeks to close it after the approval gets made public.

Nelson Ng: Okay. And then I guess the other question is: In terms of the agreement reached between Reliance and the Competition Bureau, in your view, does that pave the way to receiving approval?

Deborah Merril: Yeah, Nelson, I think I can't necessarily comment on what that might do for that. I know that we're - - continue to progress and look toward our part of things, so really can't comment on what that might mean for the approval.

Nelson Ng: Okay. And then just kind of switching over to that - - the Hurt litigation. So the 4 million of cost that you've provisioned for, is that amount - - like should that cover all of the costs going forward or do you expect some cost to be incurred in future quarters?

Patrick McCullough: Nelson, this is Pat. Thanks for the question. What we've done is follow the IFRS standards and accounting for the possible settlement amount and the future legal costs.

Nelson Ng: Okay. Thanks, Pat. And then one - - I guess one related question probably for Deb is: **If the ruling was upheld for that case, does it have any other kind of potential implications on how you run the business, whether you have to start paying minimum wage to a larger number of employees or independent reps?**

James Lewis: Hi, Nelson. It's James here. I think when we look at it, we think we'll win an appeal here across the board. And as we look to go forward, we're always looking to improve here on our sales process, but we feel good on appeal.

Nelson Ng: Okay. **But if it was upheld, would you have to change the way you do business?**

James Lewis: We don't see a material change in our cost structure from if we had to change anything.

Nelson Ng: Okay, all right. Thanks, James, and then I guess just one last question. **In terms of the cold winter we experienced last year, and the last few days has been cold in Vancouver, but have customers changed their behaviors in terms of: Have they started locking in rates in advance of the winter or like how are you - - like how have they chosen their product? Is there a much larger proportion on the fixed contracts?**

James Lewis: Yeah, Nelson, we've seen that the fixed price contract pickup, which is our bread-and-butter.

Nelson Ng: Okay, thanks. Those are my questions.

***Operator:** Once again, if you would like to ask a question, please press star then one on your touchtone phone.*

And our next question comes from Damir of TD Securities. Please go ahead.

Damir Gunja: Thanks. Good afternoon. **You saw a nice pick up on the commercial margins. Just wondering if you could comment on the sustainability of that in coming quarters.**

James Lewis: Damir, I think we feel good about that. We are annualizing our customer base. Basically we're looking at the data here and making sure we're going after the customers that we think are most profitable for us in that profile, so we feel really good about that.

Damir Gunja: Okay, thanks. Maybe a second one for me. **Just to make sure I understood correctly, the potential entry into the solar business, is there going to be any capital requirements in how you're considering structuring that business?**

Patrick McCullough: Thanks for the question, Damir. This is Pat. One of the things we have been talking about as a board and a management team is finding those low to no CapEx-type of opportunities to leverage our channels. And in the case, what we're trying to put together here is something that would have no CapEx upfront, would have some modest operating expense to build out our ability to support it.

Damir Gunja: Okay, thank you, and maybe just a final one, perhaps for yourself, Pat. **Are you able to give us any initial guidance on the tax line for next year? I know this year you're going to be negligible. Are we going to see a little bit of tax start to creep in?**

Patrick McCullough: Not in the foreseeable future, Damir. We've been talking about five to six quarters out, we'll start to see some modest cash taxes paid at the federal level.

Damir Gunja: Okay, thanks very much.

***Operator:** And our next question comes from Kevin Chang of CIBC. Please go ahead.*

Kevin Chang: Hi. Thanks for taking my question. **I guess first off, I know you highlighted you're seeing a little bit of pressure on your attrition rates and you made some comments on it in your MD&A. I'm just wondering, have your targets for attrition rates changed just given some of the geographic concentration you have in some of the markets that seems to have a high level of attrition or are you still aiming towards some of that historical - - some of the historical targets you used to put up?**

James Lewis: We're aiming for the historical targets there. We think once we get out of this cycle with the Polar Vortex, we'll return.

Kevin Chang: Okay. No, that's helpful. **And then secondly, I know there's been a lot of volatility in natural gas prices I guess over the past year from the past winter and then looks like this winter we're seeing a little bit of pressure on natural gas prices, at least upward pressure on natural gas prices. When I look at your customer aggregation, I guess it's surprising to me that I guess your gas customers are effectively flat. Is there a lag we should be thinking about in terms of that volatility eventually trending into higher net adds or is it maybe that the customer book is so large that maybe we don't see that large year-over-year increase that maybe I'm expecting?**

James Lewis: We'll expect to see as customers get into the winter time and more customers looking to switch away and, as you said, as the price volatility, we like price volatility, customers switch more to our fixed price product.

Kevin Chang: Okay. And then maybe more of a housekeeping question. **The 163 million you've drawn down on your credit facility, is that inclusive of the letter of credit, the 120 letter of credit, or would the 120 be on top of that?**

Patrick McCullough: The 120 is on top of that, Kevin.

Kevin Chang: Okay. **And I just want to look at that, it looks like you're bumping up close to the 290 limit. I guess thoughts on working capital as we get to the back half of the year, especially with the expected closure of NHS, it seems like you'd be presuming a pretty positive working capital through the back half to pay down that credit facility.**

Patrick McCullough: Yes, that's true. Even without the NHS closure, if you take that out of the equation for just a second, we've got tailwinds helping working capital that includes things like natural gas that we built inventories over the last six months. We start to release that as we go forward. We're also getting into our higher profitability months. And then we have closed the solar deal, so we have the net proceeds

supporting us there as well. So we think we're appropriately sized; but obviously when the NHS deal closes, we've got quite a bit of support.

Kevin Chang: And in general, how should I be thinking about working capital for your Company kind of on an annual basis? Are you targeting kind of neutral as you kind of exit four quarters or is it a modest lift or maybe a modest negative? Just trying to get a sense for how things should be shaping up through your continuing operations.

Patrick McCullough: Yeah, the continuing operations will act the way they have in the past. But as we grow top line customers, we'll be growing our working capital needs at roughly the same rate.

Kevin Chang: Okay. And just the fact that you kind of bumped up or close to it this past quarter, thoughts on the limit overall, 290, is there a sense you'd like to lift that when you have a chance to renew it or is 290 a number you're pretty comfortable with?

Patrick McCullough: No, we feel that we're right sized at that level. This is the point where liquidity feels the most pressure in the annual cycle, so we're actually through that pressure cycle and now into the more comfortable period of the winter months.

Kevin Chang: Perfect. That's it for me. Thank you.

Operator: *We have no further questions at this time.*

I will now turn the call back to management for closing remarks.

Deborah Merrill: All right, thank you. I appreciate everybody joining us. Just a couple of closing comments. One is it would - - we would be remiss if we - Jay, myself, Pat, and Rebecca - didn't thank all

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of the Just Energy employees. We have a lot of great people in three different countries that help us achieve these results, and we couldn't be prouder of all the efforts that everybody put in place to make this happen. And also, let you know that as a management team, we are truly excited about the prospects of this business and really enjoy looking forward to everything we're going to be able to achieve in the future. And if anybody has any further questions, feel free to reach out to any of us individually. We'll be happy to talk. Thank you very much.

Operator: *This concludes today's conference. Thank you for participating. You may now disconnect.*

Please Note: * Proper names/organizations spelling not verified.
[sic] Verbatim, might need confirmation.
- - Indicates hesitation, faltering speech, or stammering.