

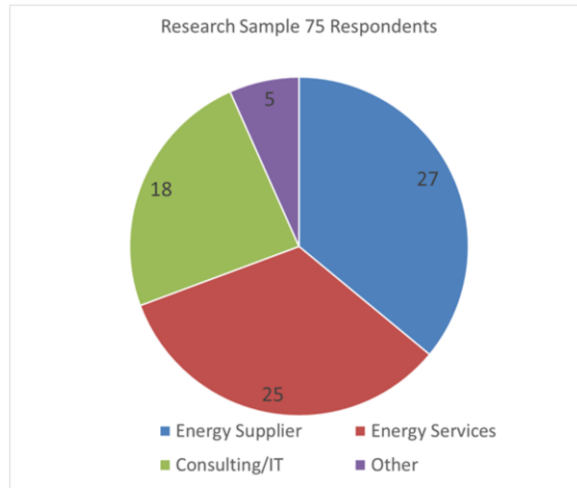


The Future of Energy Retail Survey

Peter Franklin
Oct/Nov 2021

www.enstra.com

Breakdown of Respondents

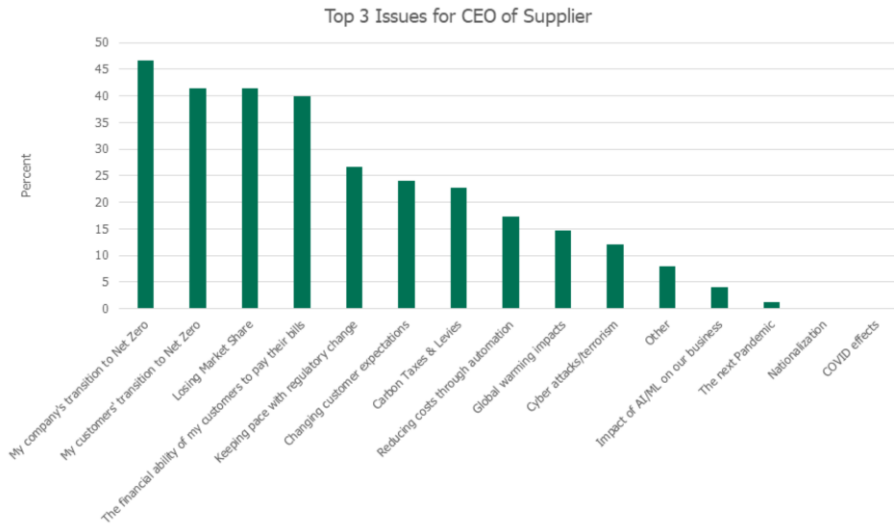


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Research conducted via e-survey in Sept/Oct 2021. 75 respondents in energy related organisations spanning energy supply, energy services (e.g. building heating controls and equipment), and Consulting/IT providers.

What keeps the CEO of a UK Energy Retailer awake at night?



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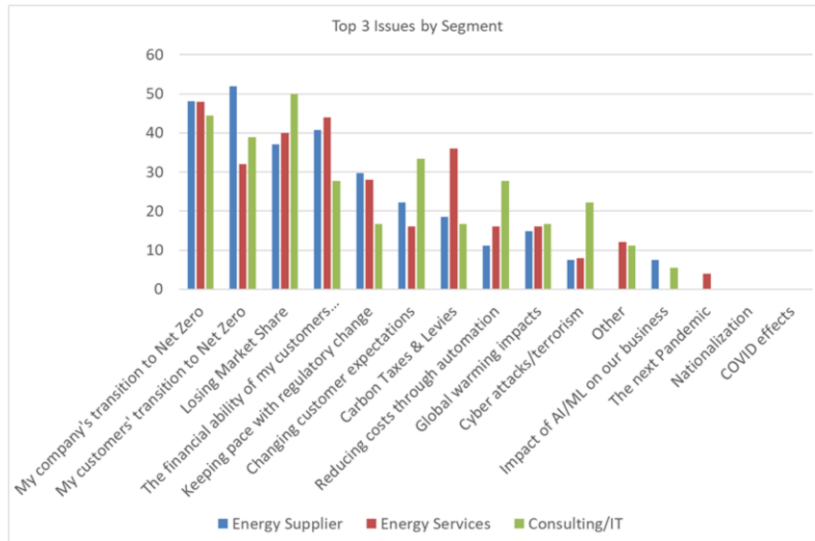
Four first division issues.

Future focus – My own and my customer's transition to Net Zero

Present focus – Market Share, and my customers ability to pay

COVID, Future Pandemics, and Nationalisation not on the issue horizon

What keeps the CEO of a UK Energy Retailer awake at night?



Graph omits “Other “ segment due to low number of respondents (5)

Suppliers see Energy Retailer CEOs as more focused on their customers transition to Net Zero than do Energy Service company executives or IT/Consulting executives

Consulting/IT executives are more market share focused than the other two sectors

IT/Consulting execs have lower perceptions of the importance of customer payment difficulties

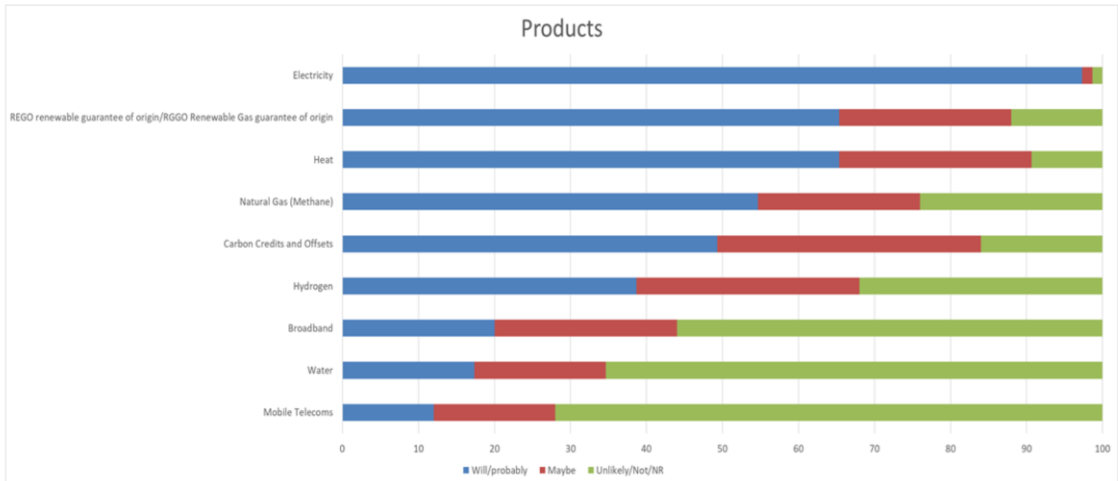
IT/Consulting professionals have a lower awareness of the pressures of keeping up with regulatory change

IT/Consulting professionals more focused on changing customer expectations

Energy Services professionals particularly focused on carbon taxes and levies

IT/Consulting professionals more exercised by Reducing costs through automation and cybersecurity

Range of Products and Services offered in 5 years time



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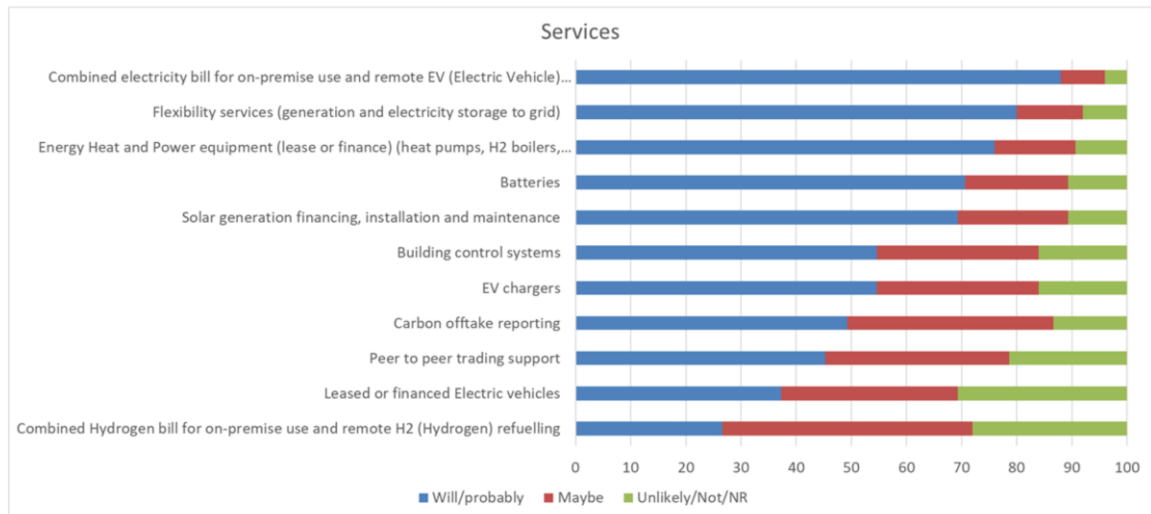
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Universal Electricity

Interestingly Heat seen as higher probability than Natural Gas in 5 years time. Clear worries about the longer term viability of Natural Gas markets.

Relatively low appetite for Mobile telecoms, Water and Broadband.

Range of Products and Services offered in 5 years time



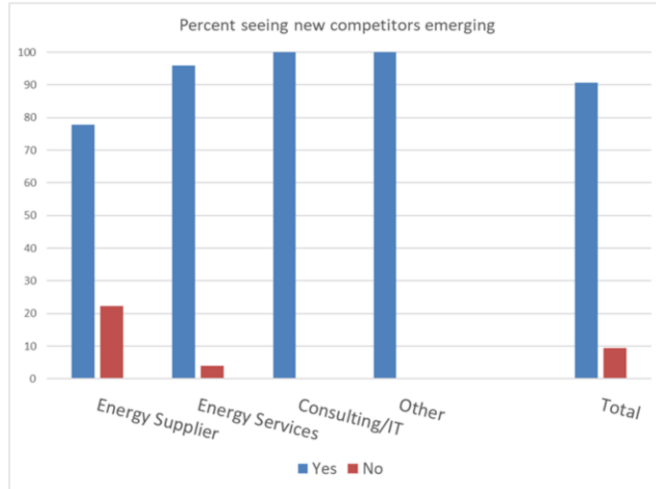
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Very broad range of services anticipated. If you look at the sum of the Will/Probably (blue) and Maybe (red) bars all services are seen as likely by 70%+ of the respondent universe.

The market will move from “Commodity” to “Commodity, infrastructure, and energy management”

New Competitors



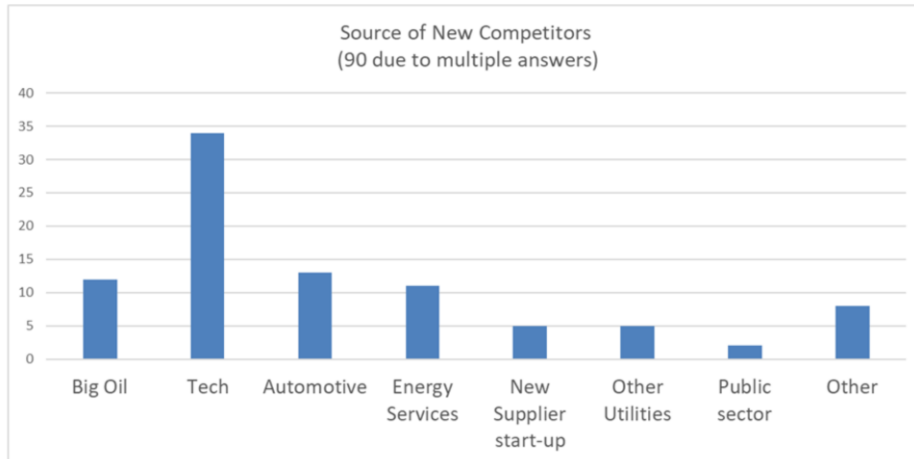
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New competitors are seen as inevitable

However 20% of energy supply professionals do not see new entrants emerging. Is this because they cannot envisage anyone wanting to enter such a tough business?

New Competitors



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The four sectors seen as the sources of new entrants are:

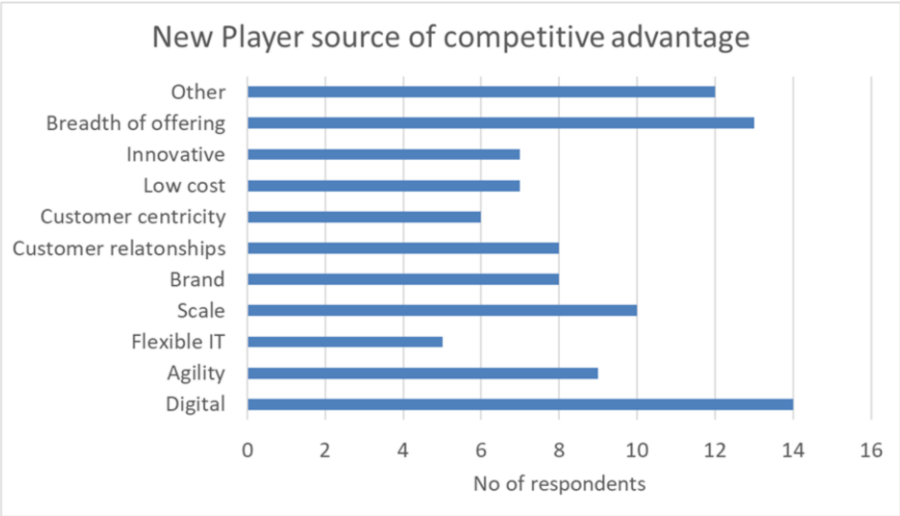
Tech – Amazon, Google, Microsoft etc

Automotive – on the back of EVs

Big Oil

Energy Services – energy infrastructure e.g. heat pumps, and building management providers

New Competitors



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Being digital and having a broad offering are seen as the main characteristics conferring success on new entrants

Summary

- The issues worrying CEO's of Energy Retailers in the UK are seen as:
 - Future – Their own and their customers' pathway to net zero
 - Present – Market Share, Ability of the customer to pay

- The future will be characterised by a very broad offering of products and services
 - Future of Natural Gas?

- New Players are likely to emerge
 - Tech, Automotive, Big Oil
 - Digital, Breadth of Offering



The Future of Energy Survey

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