



29 January 2016

**Smart Metering Systems plc  
("SMS" or "the Company")**

**Post-Close Trading Update**

Smart Metering Systems plc (AIM: SMS.L), the integrated metering services company that connects, owns, operates and maintains current generation and new advanced metering assets and databases, is pleased to provide the following update on trading in the year ended 31 December 2015.

SMS experienced continued growth in trading performance across all segments of the business in 2015, its 20<sup>th</sup> anniversary year, with double digit growth in all income streams. Significantly, the Company has also announced a number of new contract wins in the domestic smart meter market since the period end.

The Company's continued investment in its gas meter portfolio saw the total number of gas meters under management increase by approximately 21% to 734,000 by 31 December 2015, with notable growth in the second half of the year.

Total annualised recurring income increased to £34.55M as at 31 December 2015. In the Gas division, meter recurring rent grew by 27% to £27.8m, while data recurring income increased 110% to £2.1m. In the Electricity division, meter recurring rent increased 129% to £1.25m and data recurring income grew 25% to £3.4m.

SMS has now deployed over 74,000 ADM™ devices and has been successful in receiving full accreditation for the water market in the UK. From 1 April 2017 non-household water customers will be able to change their water supplier and advanced metering solutions are expected to play a significant role in enabling the development of a competitive market in water supply.

With the opening of the domestic smart meter market, SMS signed five framework agreements with independent energy suppliers including RHE, Green Energy, Flow Energy, Spark Energy and Our Power. Together, they supply 386,000 homes and are part of the fastest-growing segment of the retail energy supply market. The Company is well positioned to continue gaining market share in the roll out of the Government's domestic smart meter programme, which is overseen by the Department of Energy and Climate Change.

Based on unaudited management accounts for the period, SMS expects that its results for the year to 31 December 2015 will be in line with current market expectations and these will be published in mid-to-late March 2016.

**Alan Foy, Chief Executive Officer, commented:**

"2015 has seen continued growth and expansion of our core business. We are delighted with another strong period of trading during our 20<sup>th</sup> anniversary year. The business consistently delivers year-on-year double digit growth and has an established and growing market position. Along with the significant opportunities available to SMS in the domestic smart meter market, we will continue

to focus on building out our order book in the I&C market and we remain confident in our outlook for the business and market development in 2016.”

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## **Notes to Editors**

### ***About Smart Metering Systems***

Established in 1995, Smart Metering Systems plc, based in Glasgow, connects, owns, operates and maintains metering systems and databases on behalf of major energy companies. The Company provides a fully integrated service from beginning to end to cover the installation of a gas/electricity supply/connection to the procurement, installation and management of a gas or electricity meter asset to the collection and management of customer data and ongoing energy management services.

The Company has further applications for gas with its ADM™ device which allows "smart" functions such as remote reading and half-hourly consumption data to be offered to customers in addition to the normal metering services. The Company was admitted to the AIM market in July 2011 and is now part of the FTSE AIM 50 index. For more information on SMS please visit the Company's website: [www.sms-plc.com](http://www.sms-plc.com).

### **About UK Domestic Smart Meter Market**

The domestic smart meters project is overseen by the Department of Energy and Climate Change and aims to install smart meters in homes and small businesses across the UK by 2020.

While DECC are responsible for the overall project management and monitoring, Ofgem are responsible for ensuring customers are protected during the installation phase. Capita has been appointed as the project manager for the data communications standards and Smart Energy GB (a Government funded body) are responsible for the communications campaign.

## **Market size and outlook**

This initiative requires every home and small business in the UK to have smart or advanced meter functionality by 2020. This will require significant investment for rolling out and replacing approximately 22 million domestic gas meters and 27 million electricity meters.

## **Consumer benefits**

Smart meters will help consumers to control their energy costs by seeing how much they are using minute by minute and allow them to identify savings to be made by turning off appliances which are not being used. This also means an end to estimated bills as with smart meters the bill will always be accurate and exactly what customers are expecting. They will also provide more accurate feedback to the energy companies of the level of demand which makes balancing the electricity system easier and cheaper to balance.