

# CUI Global Inc

08:43 06 Aug 2018

## CUI Global expects UK plan on renewable heat technologies to be a catalyst for its products in 3Q

CUI Global Inc (NASDAQ:CUI) said Monday that it expects the recent passage of a UK government plan designed to encourage uptake of renewable heat technologies to incentivize biomethane generation in the UK and fuel demand for the company's products and "integration capabilities."

On May 22, the UK introduced its program to encourage the uptake of renewable heat called the Domestic and Non-Domestic Renewable Heat Incentive (RHI) scheme. This government scheme makes biomethane generation a more attractive proposition as it encourages energy efficiency to meet the UK's 2020 renewable energy target.

"The recent passage of the Domestic Renewable Heat Incentive that incents biomethane generation in the UK is catalyzing demand for our integration capabilities and products in-country," said CUI Global CEO William Clough in a statement.

**BIG PICTURE:** CUI Global on path to realising growth potential - chief executive

"Subsequent to the quarter we entered into a MoU with Samson AG to establish our first global energy products sales and distribution partnership and access to previously untapped large gas markets. We also secured key industry validation from one of Europe's leading manufacturers of biomethane-to-grid solutions for our GasPT technology as a direct replacement to its legacy gas analyzers," he added.

CUI Global's wholly owned energy subsidiary, Orbital Gas Systems Ltd, has cut a deal with Germany's Samson Aktiengesellschaft for sales and distribution of its flagship GasPTi analyzers and VE technologies.

A huge amount of industry interest in biomethane has also been sparked by Orbital GasPT technology receiving regulatory board approval from the UK's energy regulator, the Office of Gas and Electricity Markets (Ofgem), in May.

The GasPT platform has a revolutionary method of almost instantly and accurately determining the quality of natural gas.

**READ:** CUI Global's energy subsidiary signs pact with Germany's Samson to boost global distribution channel  
The company's second flagship product is its VE technology, which employs specialized sampling probes to take smaller, more consistent and cleaner gas samples.

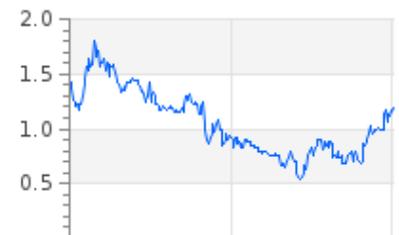
CUI Global said Monday that "uptake" in the company's advanced gas measurement systems, would pick up once the company had seeded "the market with customers that can scale their orders."

"The UK and other avenues for energy segment revenue we have developed over the past two years, together with continued strong performance from our P&EM segment, keep us on a path to long-term growth," said Clough.

**Price:** 1.19

**Market Cap:** \$34.2 m

### 1 Year Share Price Graph



December 2018 June 2019 December 20

### Share Information

**Code:** CUI

**Listing:** NASDAQ

**52 week High Low**  
1.8 0.503

**Sector:** Hardware & electrical equipment

**Website:** www.cuiglobal.com

### Company Synopsis:

*CUI Global is a publicly traded company dedicated to maximizing shareholder value through the acquisition and development of innovative companies, products, and technologies.*

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## 2Q earnings released

CUI Global posted revenue of US\$23.1m in the second quarter compared with US\$22.5m for the prior year. It registered a loss of US\$4.8m, or US\$0.17 per basic share.

It had cash and equivalents of US\$7.3m and restricted cash of US\$0.5m as of June 30.

CUI Global's power and electromechanical (P&EM) segment has an unaudited backlog of US\$26.5m, while the energy segment has an unaudited backlog of US\$16.9m.

If you look at the company's financial performance in the first half of the year it logged revenue of US\$45.1m compared with US\$40.3m a year ago.

"Our second quarter performance illustrates continued strength in our P&EM segment that provides us with a stable and profitable foundation for our consolidated business as we pursue growth prospects in our energy segment," said Clough. "During the quarter we saw signs of traction with a series of orders for biomethane applications in the U.K. following the recent broader certification of our GasPT analyzer by the U.K. energy regulator, Ofgem."

Biomethane is a renewable gas produced from biodegradable matter such as food waste, sewage or energy crops. Through the RHI scheme, the UK government has helped to create a new renewable market driving down costs through competition and the establishment of UK supply chains.

"As the energy industry moves to meet future lower-carbon energy requirements, we are uniquely positioned to offer technologies and solutions that allow for the analysis of biogas across a greater variety of caloric values and at reduced costs than legacy solutions," said Clough.

CUI global shares were flat at US\$2.65 in premarket trade Monday.

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