

Ceres Power Holdings PLC

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Fuel cells may be the future, but Ceres Power is quietly developing them in the UK now

Since joining Proactive Investors a few months ago it seems that I have become the go-to-guy to cover any alternative energy stories.

Wind power, turbine power, waste-to-energy projects ... I've written about them all, despite having previously had no idea what 'green energy' really meant.

These actually now all look like real, viable alternatives to me to fossil-fuel power generation. However, had you mentioned fuel cells that would still sound like something out of Star Trek!

From what I had read about them, fuel cells meant converting hydrogen into power and they seemed to be proving pretty hard to develop commercially.

WATCH: Ceres Power boss on excellent six months ...

However, I am prepared to be converted myself now after talking to the boss of Ceres Power Holdings PLC (LON:CWR), which already has its SteelCell product - using readily-available natural gas - being developed by four big manufacturers.

Phil Caldwell, the company's chief executive, pointed out Ceres' unique SteelCell - initially developed by researchers at Imperial College - are the most cost effective, robust and energy-efficient fuel cells being developed.

Moreover, they are manufactured, at Horsham, here in the UK, using conventional materials such as steel and standard processes developed for the solar industry, which means they can be mass produced at an affordable price.

Ceres's SteelCell technology features a perforated sheet of steel with a special ceramic layer that converts fuel directly into electricity.

It uses mains gas, which means it can be mass produced at an affordable price for domestic and business use.

Big market ...

Although not well understood in the UK yet, Caldwell said analysts estimate that the market for fuel cells will be worth in excess of US\$21bn by 2024.

The technology is already a core component in the energy strategies of leading engineering nations such as Japan, Korea, China, Germany and the US and of major energy-users such as Apple, Google and Microsoft.

Under the radar in the UK, Ceres Power has been busy developing world-leading technology.

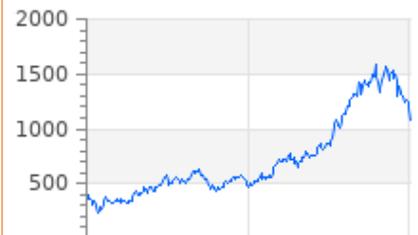
In the last twelve months alone, Ceres' technology has been endorsed through partnerships with global giants, including Japanese groups Honda, Nissan and Fortune 500 engineer Cummins Inc.

It also inked its first 'go-to market' agreement with an unnamed global manufacturer, marking acceleration towards full-

Price: 1092.8

Market Cap: £1.89 billion

1 Year Share Price Graph



March 2020 September 2020 March 2021

Share Information

Code: CWR

Listing: LSE

52 week	High	Low
	1626	231

Sector: Renewables & cleantech

Website: www.cerespower.com

Company Synopsis:

Ceres Power Holdings Plc is a world-leading developer of next-generation solid oxide fuel cell (SOFC) and electrochemical technology.

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scale product launch, which Caldwell said is "bringing the prospect of product launches, ever closer".

All of them are interested in embedding the unique SteelCell in their products for worldwide export.

These deals saw Ceres' first-half revenues more than triple, and it is aiming for them to at least double for its full-year as it looks to sign up more partners.

For the six months ended 31 December 2016, the group saw its revenue and other operating income jump to £1.551m, up from £0.453m a year earlier, with its operating loss remaining steady at £6.242m, against £6.235m a year earlier.

READ: Ceres' first-half revenues triple ...

In the results statement, Ceres' boss said: "We said we would sign five partners by the end of 2017 and with four to date we are on track to do just that, plus we have three new evaluation agreements and a strong pipeline with a series of international prospective partners.

"With a forward order book of £4.8m and a successful fundraising secured, we are in a strong position to capitalise on significant market opportunities."

In a recent interview with Proactive, Caldwell said the group's next focus should be a partnership in Europe, which could be very beneficial for the business.

The group believes the successful commercialisation of the breakthrough combined heat and power units has the potential to drive significant revenue growth through both royalty payments and fuel cell supply.

Ceres' business model is similar to one which made ARM and Wolfson the masters of the smart-phone chip market. Very simply, it intends to licence out its designs.

As at December 31, Ceres order book was £4.8m, while revenues for the first-half were up three-fold at £1.5m.

Caldwell said: "With 90% contracted revenues now generated in Japan, the US and Korea, Ceres is establishing itself as a truly international technology business."

Residential important too ...

Aside from this focus on commercial, electric vehicles, and data centres, Caldwell said the residential market is still an important focus for the group.

Back in September 2016, Ceres announced the launch of trials of its prototype home power systems in the UK.

It is testing a unit designed to generate around 80% of a typical UK home's power needs and all its hot water more efficiently than the existing UK grid.

The firm is conducting trials with partner British Gas, owned by Centrica PLC (LON:CNA), as part of the EU-backed demonstration of fuel cells in homes, the largest of its kind in Europe.

Ceres said the trials will give it and its development partners valuable insight into product requirements for the European market.

Caldwell said he has the prototype residential system trialling in his home, and as a former 'green power' agnostic I think maybe I should be prepared to do the same.

Fuel cells are the future, but they are also very here and now.

-- Updates for first-half results in March --

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