



Live in the Comfort You Deserve



## Habitat X

# A Bullish Approach to Home Performance Finance

Andy Frank, Sealed  
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# Who is Sealed?

A new kind of energy financing partner.

Sealed is leading a home retrofit revolution with financial innovation.

We use the money homeowners waste on energy to upgrade their home's comfort and value.



**NY Green Bank**  
A Division of NYSERDA



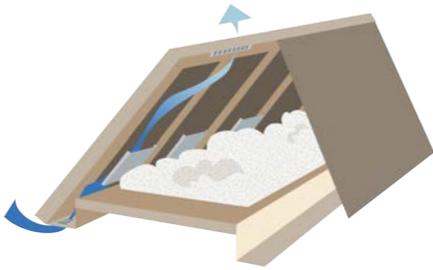
“

*I am usually skeptical of such things as a win-win but this is clearly one of them! ...Your home increases in value... you are just more comfortable ...and it helps the utility company by reducing the demand of outdated homes.*

”

Rick C.  
Pelham, NY.

Homeowners have a long wish list of home improvements, but a limited budget



Insulation



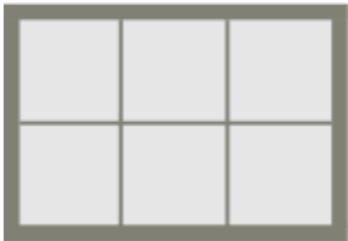
HVAC



Smart Home



Health & Safety



Other

# Upfront cost is top barrier to adoption

Homeowners want to improve their home, but don't have the money and existing financing options are undesirable.



**\$10k**

Average price of a professional home retrofit<sup>1</sup>



**68%**

Homeowners want home retrofit if cost were no factor<sup>2</sup>



**< \$3k**

Budget for home all home improvements<sup>3</sup>

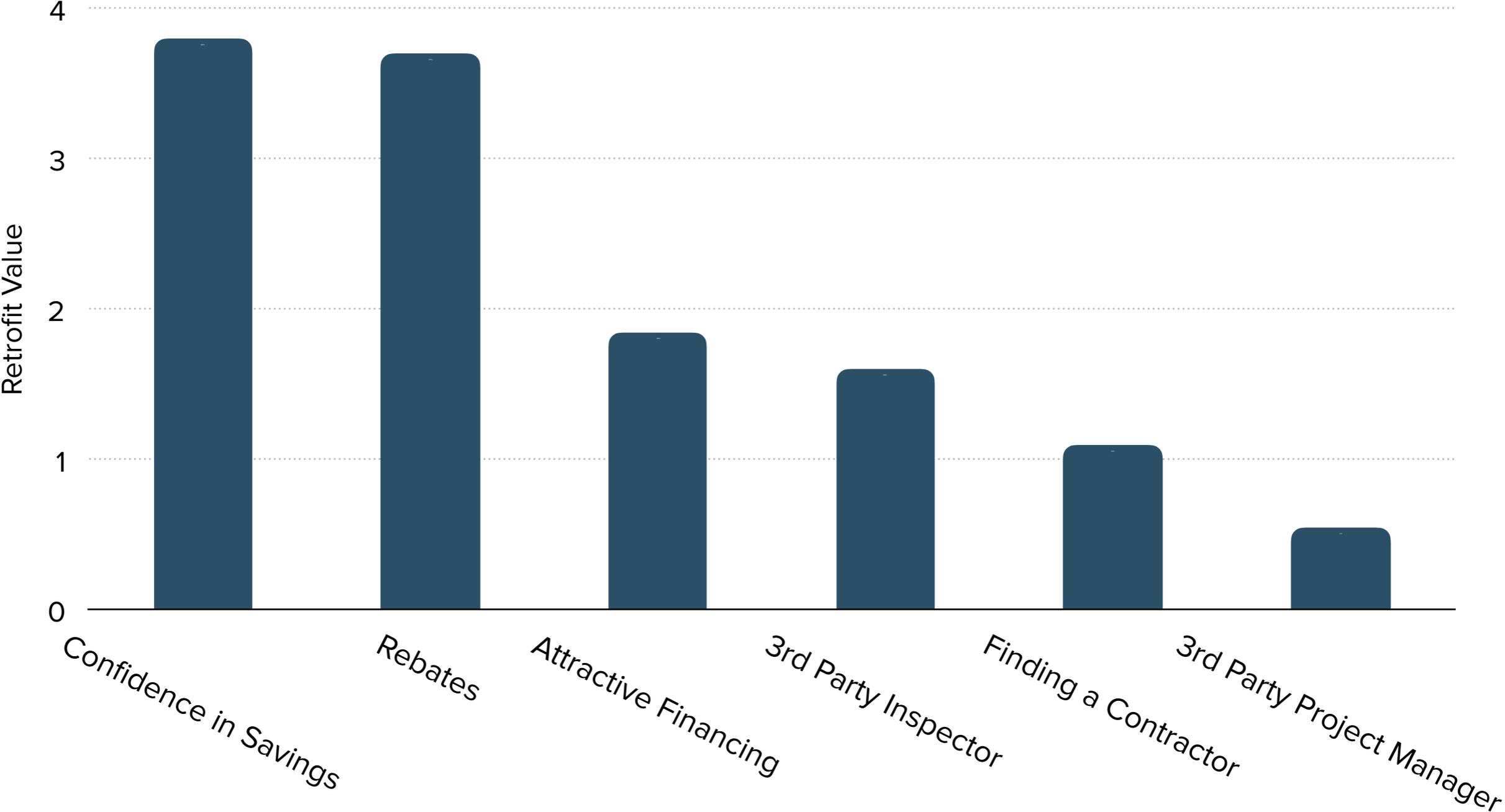


**< 10%**

US homeowners that expect to pay with unsecured loan<sup>3</sup>

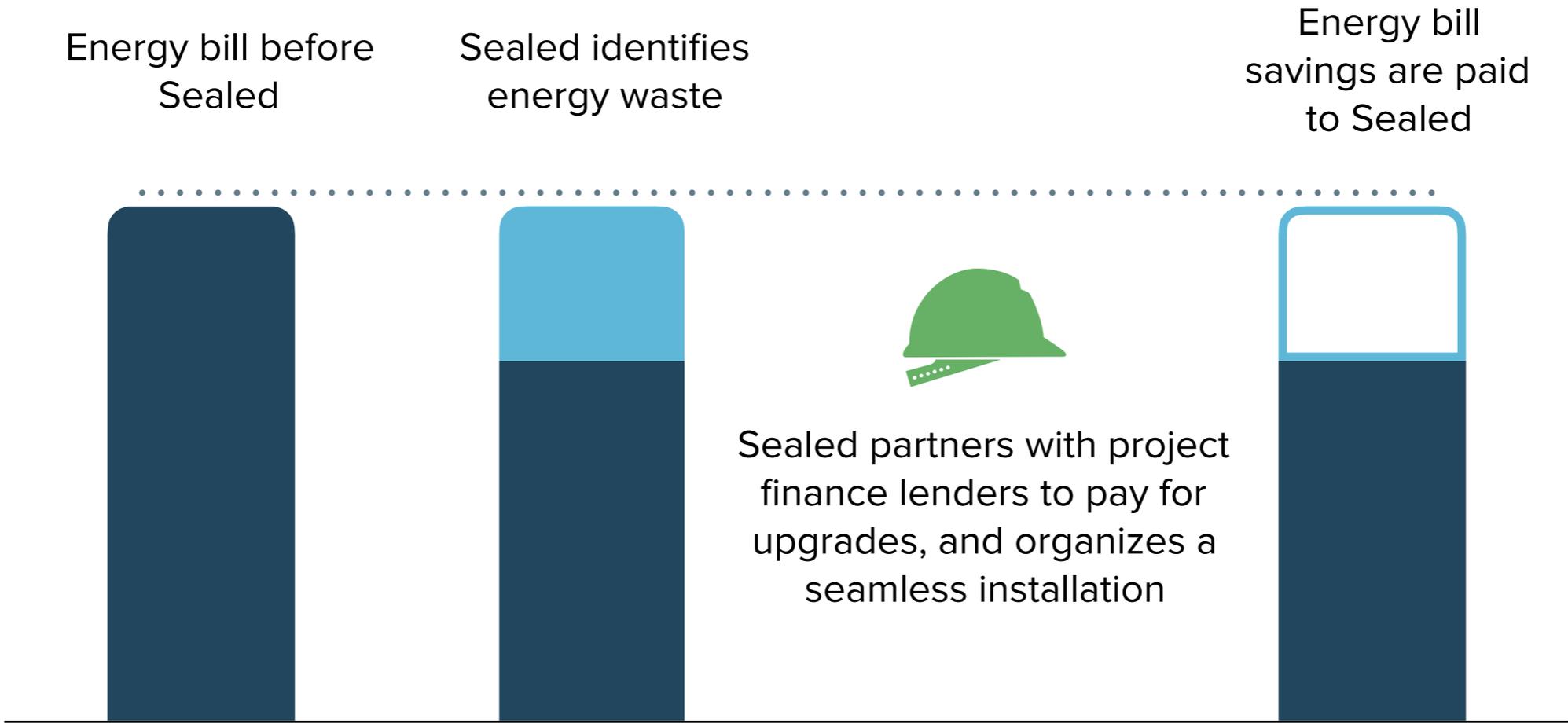
1. Sealed project portfolio analysis
2. Average project price according to Sealed internal data from 7k+ leads
3. Joint Center for Housing Studies, 2017 report (2015 data)
4. Demand Institute 2015 American Communities Survey

# "Confidence in Savings" number one value to customers



# Sealed pays to install the improvements, and gets paid back with money saved on energy bills

Homeowners maintain their current budget and get all the benefits of an improved home with little to no upfront cost



# HomeAdvance Comfort Package

The screenshot shows the top of a webpage with a blue header containing the Con Edison logo and the word "MARKETPLACE". Below the header is a large image of a family (a man, a woman, and a child) smiling and looking at a smartphone. Overlaid on the left side of the image is the text "\$6,500 in prepaid home upgrades". Below the image is the Sealed + Con Edison logo. The main text of the ad reads: "Keep extreme temperatures outside. If your home is hot and stuffy in the summer, and cold and drafty in the winter, that's a sign you're wasting energy—and money! Con Edison is partnering with Sealed to offer the HomeAdvance program for qualified customers\*. HomeAdvance pre-pays up to \$6,500 for professionally-installed insulation and smart home technology that keeps your home comfortable with balanced temperatures year-round. The money you'll save on energy covers the work! Live in the comfort you deserve. Start with a FREE home profile." At the bottom of the ad is a blue button that says "See If You Qualify".



Focused on shell measures (insulation, air sealing, duct sealing)



Also includes smart thermostat and lighting measures



Customers pay based on the actual energy they save



Work with vetted, certified installer partners

# Why customers choose Sealed

Improve comfort, health, and value, with no change to your budget.



**Keep more cash in your pocket today.**

We'll pay for the essential upgrades, so you can use those funds for other priorities.



**Maintain your monthly budget going forward.**

You pay back money you'd otherwise be wasting, so there's no change to your budget. We're able wait a long time to earn a return on our investment, keeping monthly payments lower than most private loans



**We only invest in high quality work, at a fair price.**

We negotiate the best prices, and only with installers that meet the highest standards. We make money when your project performs well, not because it costs a lot.



**We've got your back.**

HomeAdvance is the only payment option accountable to the quality and performance of your home's upgrades.

## Focus on selling non-energy benefits



It's freezing in the winter, and sweltering in the summer.



It's leaking up to 30% of its heat and conditioned air<sup>1</sup>, wasting energy and money.



It is letting in dust, allergens, moisture and toxins from the attic, garage and outdoors.



The HVAC equipment is degrading from constantly turning on and off.



The roof is prone to ice dams from snow melt, causing roof decay.



# Sealed reaching customers that are not focused on energy audits or deeper efficiency measures

**60%**

Of customers were never planning on making deep energy efficiency improvements

**80%**

Of customers have never had a home energy audit

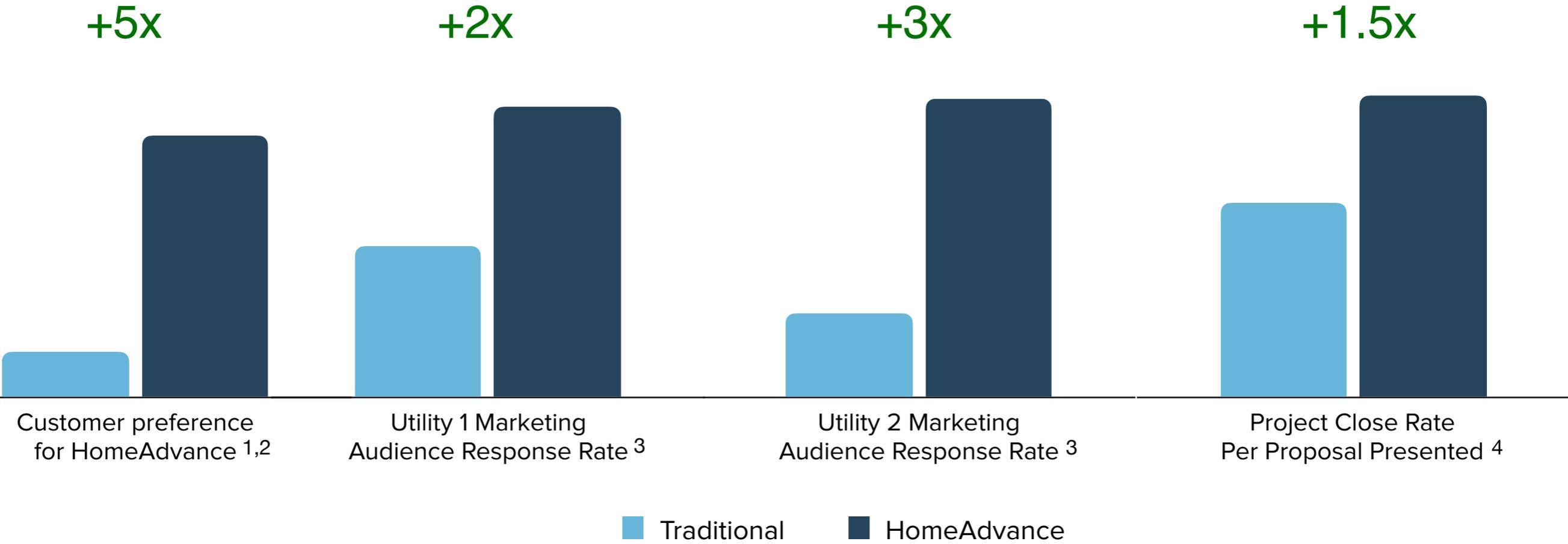
**68%**

Of customers report no budget for deep energy efficiency improvements

**79%**

Of “no budget” customers are willing to spend \$20-\$50 per month to improve home health, comfort, & value

# Research and real life suggests Sealed’s HomeAdvance program has broken through the traditional aversion to financing



1. Demand Institute 2015 American Communities Survey
2. Utility partner survey of single family homeowners, n=209
3. Sealed internal sales and marketing data, including partner energy audit data from Sealed leads. Marketing performance data compares individual campaign response rates to the same audience, with the initial marketing message offering the audience a “free energy audit” and the subsequent marketing offering the HomeAdvance comfort package.
4. Sales data compares the percentage of customers who choose to move forward with a project for 2016 sales data for non HomeAdvance leads, compared to 2018 sales performance on HomeAdvance leads.

# Value proposition compelling enough to remove need for home visit as first step

First in industry to sell \$10k improvements over the phone via virtual sales model

- HomeAdvance turns a \$10k decision into a <\$3k decision
- Kitchen table rapport built over the phone
- Call center productivity and scalability
- Leverage network of vetted installer partners that also confirm project scope

Prospective customers (prospects) fill out a digital questionnaire



Sales Development Representatives (SDRs) further qualify customers



Account Executives (AEs) give a HomeAdvance proposal based on customer information



Installer partners perform Verification Visits (VVs) to confirm scope and price

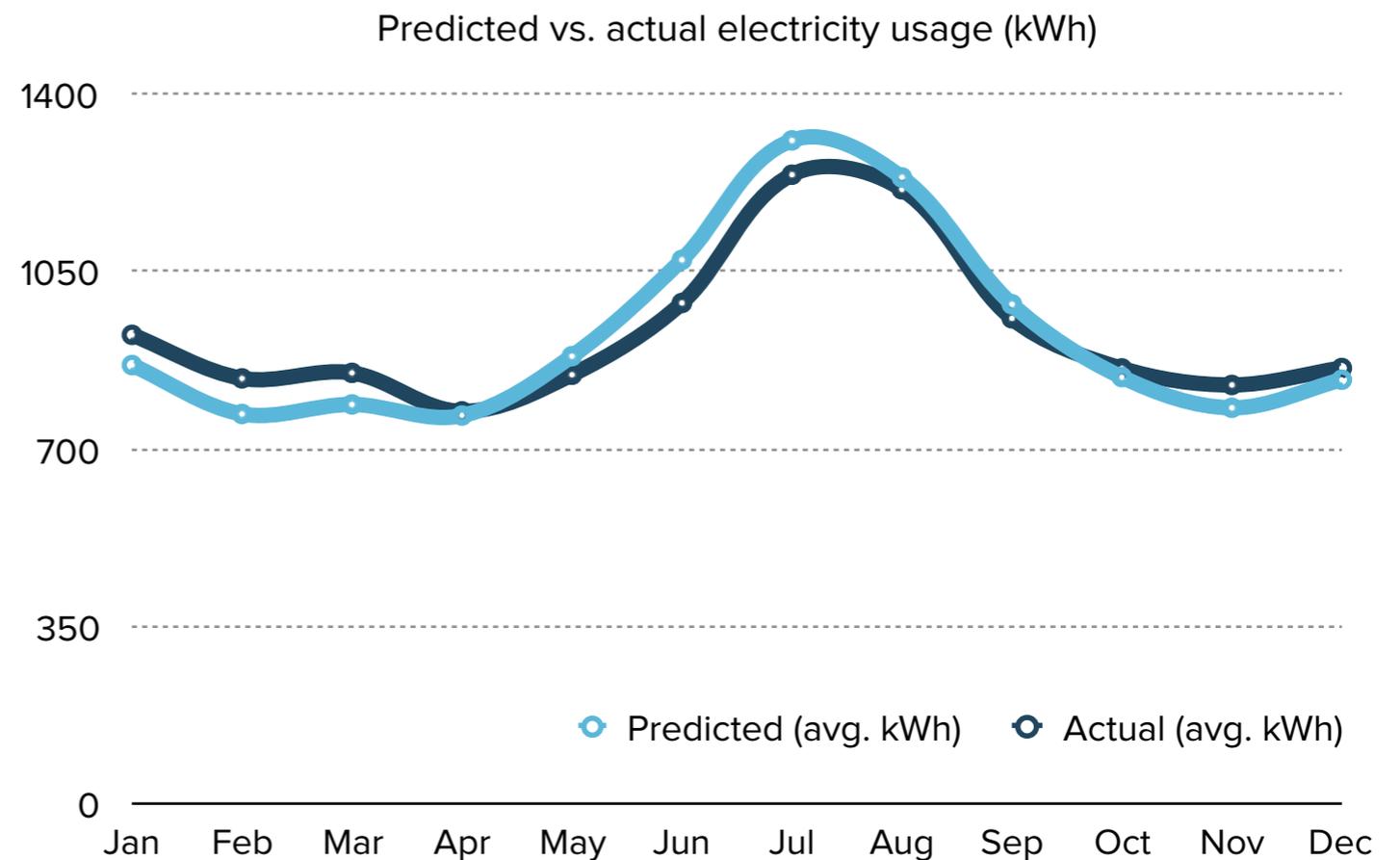


Customers digitally sign a final agreement and schedule their installation

# Portfolio accuracy enables our unique approach

Predictive analytics paired to high quality data sets ensure insurance and investment-grade energy savings predictions

**99%+**  
Accuracy of energy usage predictions across a portfolio of homes<sup>1</sup>



1. Percentage of annual predicted electricity usage compared to actual annual electricity usage in a population of homes in New York; n=338

# Banking and insurance partners invested in our success

Sealed IP has enabled the first ever performance-based residential energy efficiency financing facility and insurance policy

## Banks



In 2016, received \$5M credit facility from the New York State Green Bank. Term sheets secured from additional private investors for \$15+ million.

## Insurers



In January 2017, announced first ever residential energy efficiency savings insurance policy in partnership with Hartford Steam Boiler, a division of Munich RE.

# Utilities strategically partner with Sealed to achieve residential efficiency goals

Promoting our complementary financing offer is a low-risk, no-cost pathway to significantly increase adoption of deep home retrofits



Sealed funds co-branded marketing, expanding program budgets



Sealed reports all energy savings in deemed savings and/or meter-based savings format



(optional)  
Sealed integrates mid-stream incentives with fixed cost-effectiveness (\$/kWh saved, etc.)

# Homeowners HomeAdvance

Sealed has helped hundreds of homeowners improve their homes and lives



*The reason we went with the HomeAdvance program was because it was backed up, guaranteed...And I said, 'well, okay, if they're doing this, everybody's gonna win.'*

Charles C.  
Rifton, NY



*Sealed exceeded our expectations in every way... The price was reasonable... with their HomeAdvance program, you can pay for the work through the savings you have each month.*

Annaliesa P.  
Piermont, NY



*This company is organized and professional... the house feels like its retaining the AC temperature longer. I highly recommend this company for this type of service.*

Victor D.  
Flushing, NY



# Thank You

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