

**Energia Group**

**Results Presentation  
First Quarter 2024**

7 September 2023

**energía group**

# Financial highlights

## Solid results for First Quarter 2024 which continue to prove the benefits of integration

- Total Group EBITDA\* for the First Quarter 2024 was €61.0m (2023 - €69.2m)
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group\*\* for the First Quarter 2024 was €78.5m (2023 - €77.6m)
- Pro-forma cash flow before interest and tax\*\*\* for the First Quarter 2024 was €140.9m inflow (2023 - €70.8m)
- Senior net cash was €37.3m at 30 June 2023 (31 March 2023 - €107.5m net debt)

*Unaudited reconciliations for pro-forma EBITDA and net debt of the Senior Secured Notes Restricted Group are provided in the Appendix to the Group's consolidated financial statements*

*\* EBITDA based on regulated entitlement, before exceptional items and certain remeasurements;*

*\*\* EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and excluding earnings from unrestricted investments but includes distributions from unrestricted investments of €27.0m in the First Quarter 2024 (2023 - €28.8m);*

*\*\*\* Pro-forma EBITDA for the Senior Secured Notes Restricted Group, less pension charges, plus movements in provisions and working capital (inc purchase of and proceeds from sale of other intangibles), less gross capex (excluding capex of unrestricted investments) and exceptional items and including the effects of FX*

# Energy Markets

## First Quarter 2024 and outlook

- Commodity and wholesale electricity prices have somewhat stabilised during the First Quarter 2024, with average I-SEM prices of €116/MWh (2023 - €181/MWh). However, uncertainty remains over the future impact of volatile commodity prices, higher interest rates and higher inflation on the Group's businesses and customers.
- Delivery of support payments to customers in both the RoI and NI is now largely complete and while such support measures are not expected to be extended, they have been positive for the Group's residential and business customers.
- The UK Government's Finance (No. 2) Act 2023, which contains provisions to implement the Electricity Generator Levy, was enacted in July 2023. While legislation to enact the Inframarginal Revenue Cap in the RoI is awaited, management continues to monitor and assess the implementation of these market interventions and other developments in the wider energy markets, and the potential impact on the Group's businesses and financial performance.
- The Group has strong liquidity at 30 June 2023 (with €640.9m of cash and cash equivalents\*) and has undrawn committed revolving credit facilities of €109.6m. This combined with the refinancing of the Group undertaken in July 2023 enables the Group to be well positioned to manage the current trading environment.

*\*excluding project finance cash and restricted cash of €4.5m received from the UK Government in relation to administration of the Energy Bills Support Scheme which is not freely available to the Group*

# Renewables business developments

---

## The Renewables business:

- Owns and operates 309MW of wind assets at 30 June 2023;
- Purchases electricity from 1,238MW of renewable generation capacity throughout Ireland; and
- Is developing a further pipeline of wind and solar projects across Ireland.

### Onshore wind generation assets

- 309MW of onshore wind generation assets operational at 30 June 2023 (31 March 2023 – 309MW).
- Renewable assets availability for the First Quarter 2024 was 98.1% (2023 – 97.3%) with a wind factor of 17.8% (2023 – 24.4%)
- Distributions of €27.0m were made in the First Quarter 2024 (2023 - €28.8m) from the wholly owned renewable assets to the Senior Secured Notes Restricted Group.

### Renewable PPA portfolio

- Average contracted renewable generation capacity for the First Quarter 2024 was 1,246MW (2023 – 1,272MW) with 1,238MW operational capacity at 30 June 2023 (31 March 2023 – 1,247MW).

# Renewables business developments

## Solar

- The Group is developing four large scale solar projects in the ROI and continues to make good progress in the development of this portfolio.
- At 30 June 2023 the Group had 313MW of capacity which is fully consented and a further 120MW, which despite receiving local council planning permission, has been appealed and a decision is awaited from An Bord Pleanála.
- In July 2023, a further 110MW of capacity received local council planning permission.
- The Group plans to further increase the scale of its projects and currently has 60MW of capacity for which planning applications have been submitted and a decision is awaited and a further 25MW of capacity in the planning preparation stage.

## Onshore wind development assets

- The Group continues to progress the development of its onshore wind pipeline projects (49MW under construction and 283MW in development) and expects to enter into Corporate PPAs for such development projects.
- Construction of the Drumlin wind farm (49MW) continued during First Quarter 2024 with turbine foundations, site roads and hardstands largely complete. Commissioning is expected by the end of FY24 and the project will be underpinned by a Corporate PPA with Microsoft.
- On 18 August 2023, the Group completed the acquisition of Bracklyn, a 65MW onshore wind farm development project in County Wex. The project also includes a 25MW battery storage development project. It is intended that the project will be underpinned by a Corporate PPA with Microsoft.

# Renewables business developments

## Hydrogen

- Commissioning of the electrolyser continued during First Quarter 2024.
- First hydrogen production has been achieved and commissioning is expected to complete in Second Half 2024

## Offshore wind

- The Group has entered into a partnership with Vårgrønn AS to co-develop its North Celtic Sea and South Irish Sea sites where the Group has completed extensive development work over the last 4 years.
- The partnership could also in future co-develop other offshore wind projects in order to contribute to the Irish Government's target of at least 5 GW of new offshore wind by 2030.
- Vårgrønn AS is a Norway-based offshore wind company powering the energy transition through development, construction, operation, and ownership of offshore wind assets.

## Outlook

- The Group continues to develop its pipeline of wind and solar projects across Ireland and assess a number of other opportunities to acquire and develop further renewable development projects.

# Flexible Generation business developments

---

## The Flexible Generation business:

- Owns and operates 747MW of conventional generation assets at the Huntstown site in Dublin in the RoI;
- The Group also owns and operates a 50MW battery storage facility in Belfast which was commissioned in October 2022 and is progressing the development of an emergency generation site and a proposed data centre at its Huntstown campus in Dublin; and
- Procures power under contract with Ballylumford power station in Northern Ireland for the output from 600MW of conventional generation assets. The legacy contract expires in September 2023.

### Huntstown plant availability and utilisation

- Availability for First Quarter 2024 was 91.8% for Huntstown 1 (2023 – 99.8%) and 78.3% for Huntstown 2 (2023 – 99.4%) reflecting both plants having been on planned outage during First Quarter 2024.
- Unconstrained utilisation for First Quarter 2024 was 79.6% for Huntstown 1 (2023 – 64.3%) and 71.6% for Huntstown 2 (2023 – 79.4%).
- Incremental impact of constrained utilisation was 12.2% constrained off for Huntstown 1 (2023 – 1.8% constrained on) and 18.2% constrained off for Huntstown 2 (2023 – 11.4%).

# Flexible Generation business developments

## Emergency generation capacity

- In December 2022 the Group was awarded a contract with EirGrid to provide 50MW of emergency gas generation capacity to be located at the Huntstown site.
- The three-year contract includes an option for EirGrid to extend the contract for an additional two years.
- Construction works continued during First Quarter 2024 and the new gas generation capacity is targeted to be commissioned in Second Half 2024.

## Outlook

- The Group continues to assess a number of flexible generation, energy storage and behind the meter projects in line with its strategy to grow the business in a manner which supports its renewable asset portfolio and product offerings to customers.



# Customer Solutions business developments

## The Customer Solutions business:

- The Group's Customer Solutions business operates under the Energia and Power NI brands:
  - Energia supplies electricity and natural gas to business and residential customers in the RoI; and
  - Power NI is the regulated electricity supplier in Northern Ireland and supplies electricity to business and residential customers.

### Energy sales

- RoI residential customer sites supplied at 30 June 2023 were 251,600 (31 March 2023 – 261,400) and Northern Ireland residential customer sites were 485,600 (31 March 2023 – 477,900).
- RoI non-residential customer sites for electricity were 47,200 (31 March 2023 – 47,400) and for gas were 2,800 (31 March 2023 – 2,900).
- Northern Ireland non-residential customer sites were 38,900 (31 March 2023 – 38,700).
- Total electricity sales volumes in the RoI for the First Quarter 2024 were 1.1TWh (2023 – 1.2TWh) and in Northern Ireland were 0.6TWh (2023 – 0.6TWh). RoI gas sales volumes were 14.5m therms (2023 – 19.0m therms).

# Customer Solutions business developments

## Tariffs

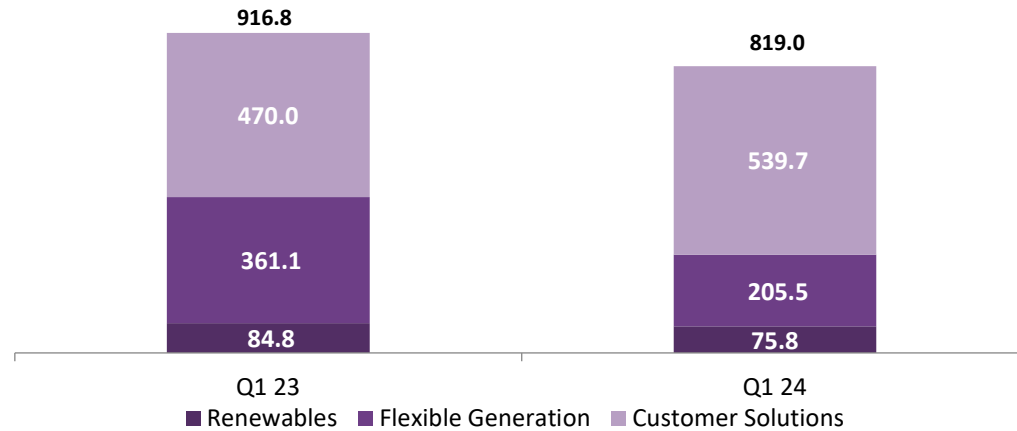
- On 2 June 2023, Power NI announced that whilst its underlying regulated tariff would decrease by 7.1%, the actual change to customer bills (net of the UK Government's EPG), would increase by 5.1% for the period 1 July 2023 to 30 September 2023. The increase to customers is due to the end of EPG financial support from the UK Government to customers with effect from 1 July 2023.
- On 1 September 2023, Energia announced an up to 20% reduction in unit rates for electricity customers and gas customers with effect from 3 October 2023.
- Both Energia and Power NI continue to monitor wholesale prices and their implications for tariffs going forward.

## Outlook

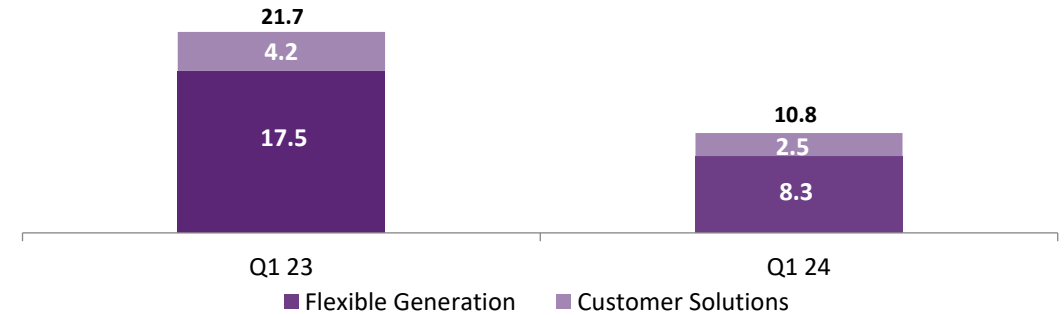
- The Group continues to invest in its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy.
- Digitalisation will remain a strong focus and work will continue on a range of initiatives in the 'new energy' space.

# Senior Secured Notes Restricted Group financial summary – First Quarter 2024

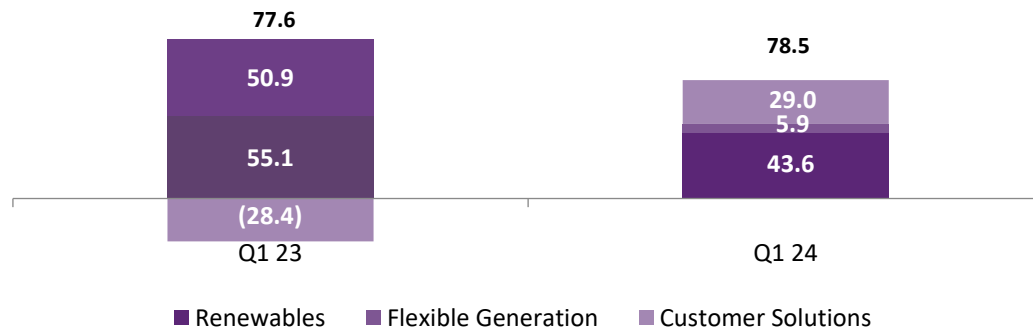
Revenue (€m)<sup>(a)</sup>



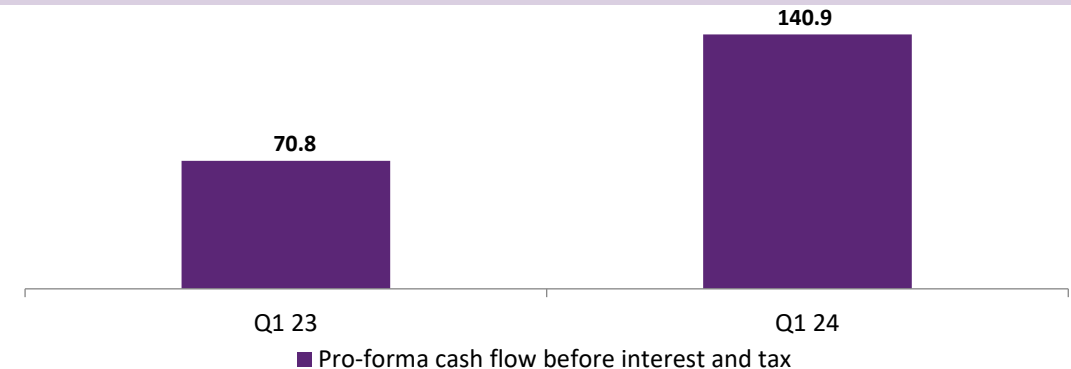
Capital expenditure for continuing operations (€m)<sup>(c)</sup>



Pro-forma EBITDA (€m)<sup>(b)</sup>



Pro-forma cash flow before interest & tax (€m)<sup>(d)</sup>



(a) Revenue is based on regulated entitlement and excludes revenue of unrestricted investments.

(b) Pro-forma EBITDA is EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and excluding earnings from unrestricted investments but includes distributions from unrestricted investments of €27.0m in the First Quarter 2024 (2023 - €28.8m).

(c) Excludes capital expenditure on unrestricted investments of €6.4m in First Quarter 2024 (2023 - €11.5m).

(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (inc purchase of and proceeds from sale of other intangibles), less gross capex (excluding capex of unrestricted investments) and exceptional items and including the effects of FX.

# Senior Secured Notes Restricted Group pro-forma EBITDA

## Renewables

- **Pro-forma EBITDA decreased from €55.1m to €43.6m primarily reflecting:**
  - Lower contributions from renewable PPAs (primarily due to lower prices and lower wind volumes); and
  - Lower distributions from renewable assets.

## Flexible Generation

- **Pro-forma EBITDA decreased from €50.9m to €5.9m reflecting:**
  - Lower availability for both Huntstown plants (due to planned outages for both plants in First Quarter 2024);
  - Lower margins for both plants (associated with lower commodity prices);
  - Higher operating costs (due to the planned outages for both plants); partly offset by
  - EBITDA contribution from the 50MW battery storage facility in NI; and
  - Development fees received for the emergency generation project under development.

## Customer Solutions

- **Pro-forma EBITDA increased from €28.4m loss to €29.0m profit reflecting:**
  - Higher Energia residential and non-residential margins;
  - Favourable Power NI residential regulated margins and Power NI non-residential electricity margins; and
  - Lower Customer Solutions operating costs.

Pro-forma EBITDA (€m) <sup>(a)</sup>	Q1 23	Q1 24
Renewables	55.1	43.6
Flexible Generation	50.9	5.9
Customer Solutions	(28.4)	29.0
	<b>77.6</b>	<b>78.5</b>

Note:

(a) Pro-forma EBITDA is defined as EBITDA before exceptional items and certain remeasurements and adjusted for (under)/over-recovery of Energia Group's regulated business against their regulated entitlement and excludes earnings from unrestricted investments but includes distributions from unrestricted investments of €27.0m in the First Quarter 2024 (2023 - €28.8m)

# Senior Secured Notes Restricted group cash flow summary

(€m)	Q1 23	Q1 24
Pro-forma EBITDA <sup>(a)</sup>	77.6	78.5
Changes in working capital <sup>(b)</sup>	15.7	73.2
Effects of FX	(1.0)	(0.7)
<b>Pro-forma cash flow from operating activities</b>	<b>92.3</b>	<b>151.0</b>
Net capital expenditure <sup>(c)</sup>	(21.7)	(10.8)
Net receipt of Government Grant / deferred income	0.2	0.7
<b>Pro-forma cash flow before interest and tax</b>	<b>70.8</b>	<b>140.9</b>
Net movement in security deposits	7.7	23.3
Over / (under)-recovery of regulated entitlement	26.9	(8.7)
Exceptional items <sup>(d)</sup>	-	(0.1)
Equity investment in in-development assets	(10.2)	(7.6)
<b>Pro-forma cash flow before interest, tax and acquisitions and disposals</b>	<b>95.2</b>	<b>147.8</b>

Note:

(a) Pro-forma EBITDA is defined as EBITDA before exceptional items and certain remeasurements and adjusted for (under)/over-recovery of Energia Group's regulated business against their regulated entitlement and excludes earnings from unrestricted investments but includes distributions from unrestricted investments of €27.0m from wholly owned assets in the First Quarter 2024 (2023 - €28.8m).

(b) Includes proceeds from sale and purchase of other intangibles which related to trading activities with respect to emissions allowances and ROCs and excludes changes in working capital from Energia Group's unrestricted investments of €5.3m decrease in the First Quarter 2024 (2023 - €8.9m).

(c) Net capex excludes capex on unrestricted investments of €6.4m in the First Quarter 2024 (2023 - €11.5m).

(d) Includes exceptional costs associated with acquisitions whether successful or unsuccessful and share based payments.

# Net debt

Net debt (€m) As at	31 Mar 23	30 Jun 22
Cash and investments	(577.3)	(640.9)
Senior secured notes due 2025	347.7	345.3
Senior secured notes due 2024	254.4	249.9
Senior revolving credit facility	80.7	-
Interest accruals	2.0	8.4
<b>Senior net debt / (cash)</b>	<b>107.5</b>	<b>(37.3)</b>
Project finance cash	(42.6)	(31.9)
Project finance bank facilities	277.2	281.9
Interest accruals	-	2.6
<b>Total net debt</b>	<b>342.1</b>	<b>215.3</b>

- FX rate at 30 June 2023: €/£1.1647(31 March 2023: €/£1.1363).
- Cash drawings under the RCF of €80.7m at 31 March 23 were repaid in full in June 2023.
- Cash excludes €4.5m of restricted cash received from the UK Government in relation to administration of the Energy Bills Support Scheme (31 March 23 – €5.7m).
- During April and May 2023 the Group purchased Euro denominated senior secured notes with a nominal value of €2.46m and Sterling denominated senior secured notes with a nominal value of £9.512m in a number of open market transactions. The purchased notes were subsequently cancelled.
- On 31 July 2023, the Group successfully completed the full refinancing of its €350m 4.0% Senior Secured Notes due in September 2025 and its £225m 4.75% Senior Secured Notes due in September 2024, replacing them with €600m 6.875% Senior Secured Notes due in July 2028.
- At the same time the Group also put in place a new €450.0m Senior Revolving Credit Facility maturing in April 2028 (previously £305m facility).
- As outlined in the Offering Memorandum for the new Senior Secured Notes, the Group disclosed an intended dividend of €150m to its parent. This dividend was subsequently approved on 1 August and paid on 3 August 2023.

# Conclusion

## Solid results for First Quarter 2024 which continue to prove the benefits of integration

### Outlook

- The Group continues to demonstrate resilient financial performance through its regulated and contracted revenues supported by the integrated business model.
- Significant progress has been made on the Group's onshore wind pipeline with the acquisition of the Bracklyn wind farm development project in August 2023 and Drumlins wind farm on target for energisation and commissioning in Second Half 2024.
- We have entered into a partnership with Vargronn to co-develop offshore wind projects in Ireland and look forward to this next phase of growth for the Group.
- The Group continues to have strong liquidity, with €640.9m of cash and cash equivalents\* and undrawn committed revolving credit facilities of €109.6m at 30 June 2023 and together with the refinancing undertaken in July 2023 is well positioned to manage the current trading environment.
- We continue to progress the development of our proposed data centre alongside our significant pipeline of development projects underlining the Group's key role in and commitment to the energy transition.

*\*excluding project finance cash and restricted cash of €4.5m received from the UK Government in relation to administration of the Energy Bills Support Scheme which is not freely available to the Group*

# Forward looking statements

This presentation may include forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward looking statements contained in this presentation. In addition, even if the Group's results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.