

**Energia Group**

**Results Presentation  
Second Quarter 2024**

7 December 2023

**enÉrgia group**

# Financial highlights

## Strong results for Second Quarter 2024, continuing to prove the benefits of our integrated business model

- Total Group EBITDA\* for the Second Quarter 2024 was €84.8m (2023 - €65.6m) and for First Half 2024 was €145.8m (2023 - €134.8m).
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group\*\* for the Second Quarter 2024 was €76.4m (2023 - €49.0m)
- Pro-forma cash flow before interest and tax\*\*\* for the Second Quarter 2024 was €109.8m (2023 - €153.2m)
- Senior net debt at 30 September 2023 was €99.6m (31 March 2023 - €107.5m)

*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;

\*\*\* 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

# Renewables business developments

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## The Renewables business:

- Owns and operates 309MW of wind assets;
- Purchases electricity from 1,229MW 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 were operational at 30 September 2023 (31 March 2023 – 309MW).
- Renewable assets availability for the Second Quarter 2024 was 96.0% (2023 – 95.8%) with a wind factor of 19.4% (2023 – 15.6%).

### Renewable PPA portfolio

- Average contracted renewable generation capacity for the Second Quarter 2024 was 1,230MW (2023 – 1,271MW) with 1,229MW operational capacity at 30 September 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 September 2023 the Group had 373MW of capacity which is fully consented and a further 230MW of capacity, which whilst receiving local council planning permission, the decisions have been appealed and final decisions are now awaited from An Bord Pleanála.
- The Group plans to further increase the scale of its projects and currently has 30MW of capacity for which a planning application has been submitted and a decision is awaited and a further 30MW of capacity in the planning preparation stage.
- Overall, the Group's current solar pipeline is 663MW. In addition, the Group is progressing a number of further greenfield solar development opportunities in the RoI.

## Onshore wind development assets

- The Group continues to progress the development of its onshore wind pipeline projects (74MW under construction and 258MW in development) and expects to enter into Corporate PPAs for such development projects.
- Construction of the Drumlin wind farm (49MW) continued during Second Quarter 2024. Delivery of turbine components to the site is largely complete. Erection of turbines is underway and commissioning is expected by the end of FY24. The project will be underpinned by a Corporate PPA with Microsoft.
- On 18 August 2023, the Group completed the acquisition of Bracklyn Wind Farm Limited (Bracklyn), a 65MW onshore wind farm development project in County Westmeath. The project also includes a 25MW battery storage development project. It is intended that the wind farm development project will be underpinned by a Corporate PPA with Microsoft.
- In September 2023, the Group commenced preliminary construction works for the Crossmore wind farm (25MW) and commissioning is expected by the end of FY25. It is intended that the wind farm development project will be underpinned by a Corporate PPA with Microsoft.

# Renewables business developments

## Hydrogen

- Commissioning of the electrolyser continued during the First Half 2024 and first hydrogen production was achieved. Commissioning is expected to complete in Second Half 2024.

## Offshore wind

- During Second Quarter 2024, the Group continued to develop its North Celtic Sea and South Irish Sea offshore wind projects.
- On 7 September 2023, the Group entered into a partnership with Vårgrønn AS to co-develop offshore wind projects that can contribute to the Irish Government's target of at least 5GW of new offshore wind by 2030. The partnership will initially focus on Ireland's south and east coasts, where the Group has already completed extensive development work over the last 4 years at its North Celtic Sea and its South Irish Sea sites.

## Outlook

- The Group continues to develop its pipeline of wind and solar projects across Ireland.

# 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 and is progressing the development of an emergency generation site and a proposed data centre at its Huntstown campus in Dublin; and
- PPB procured power under contract with Ballylumford power station in Northern Ireland for the output from 600MW of conventional generation assets. This legacy contract expired in September 2023.

### Huntstown plant availability and utilisation

- Availability for Second Quarter 2024 for Huntstown 1 was 97.7% (2023 – 99.5%) and for Huntstown 2 was 99.7% (2023 – 98.1%).
- Unconstrained utilisation for Huntstown 1 for Second Quarter 2024 was 53.2% (2023 – 79.9%) and 56.1% for Huntstown 2 (2023 – 89.7 %).
- The incremental impact of constrained utilisation was 1.0% constrained on for Huntstown 1 (2023 – 3.9% constrained off) and 5.9% constrained off for Huntstown 2 (2023 – 16.0%).

### Capacity auctions

- Provisional auction results for the T-4 auction for the 2027/28 capacity year were published on 8 November 2023.
- Both Huntstown plants were awarded reliability options for the 2027/28 capacity year at the auction clearing price of €106,666/MW (2026/27 capacity year - €83,050/MW).

# Flexible Generation business developments

## Cessation of the PPB business

- PPB's contract to administer 600MW of contracted generation capacity with Ballylumford power station in NI expired on 23 September 2023 and the business will now run-off its licence obligations in agreement with the Utility Regulator.

## Emergency generation capacity

- Construction works continued during Second Quarter 2024 and the new 50MW 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 September 2023 were 250,000 (31 March 2023 – 261,400) and Northern Ireland residential customer sites were 495,400 (31 March 2023 – 477,900).
- RoI non-residential customer sites for electricity were 47,000 (31 March 2023 – 47,400) and gas were 2,600 (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 Second Quarter 2024 were 1.1TWh (2023 – 1.2TWh) and in Northern Ireland were 0.6TWh (2023 – 0.6TWh). RoI gas sales volumes for the Second Quarter 2024 were 11.7m therms (2023 – 14.6m therms)

# Customer Solutions business developments

## Tariffs

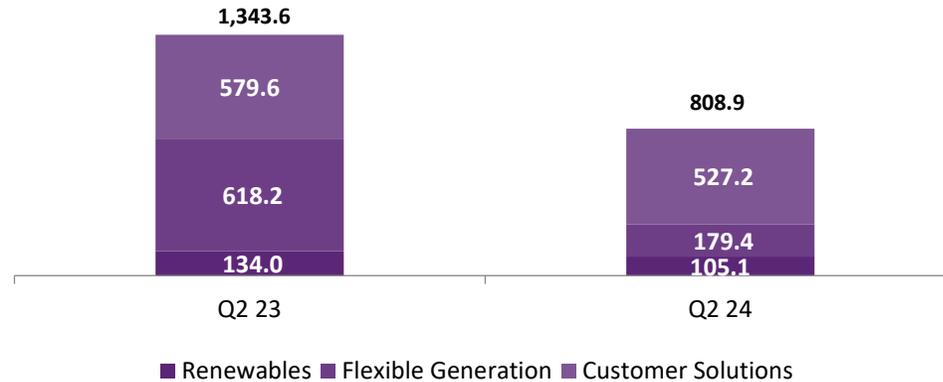
- On 1 September 2023, Energia announced an up to 20% reduction in unit rates for electricity customers and gas customers with effect from 3 October 2023.
- The Irish Government has announced that all residential electricity customers will get €450 off their electricity bills. The energy credit will be paid in 3 instalments of €150 (December 2023, January 2024 and March 2024).
- Both Energia and Power NI continue to monitor wholesale prices and their implications for tariffs going forward.

## Outlook

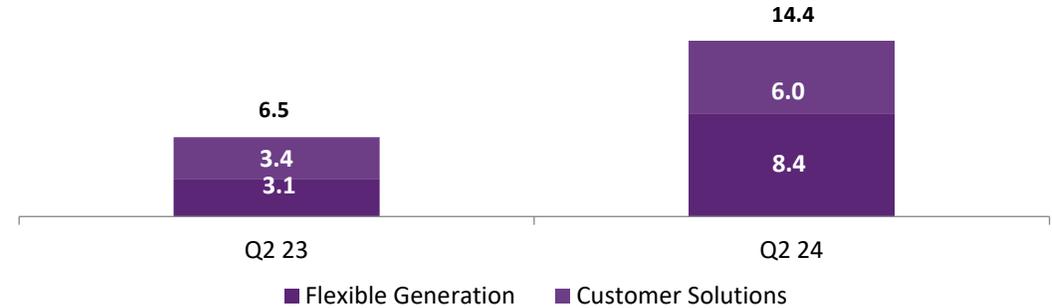
- The Customer Solutions business continues to transform from an energy supplier to an energy manager, helping customers navigate their energy transition journey. As customers change from consumers to prosumers, the business aids this transformation through its Engage, Empower and Collaborate strategy.
  - The Group will continue 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 – Second Quarter 2024

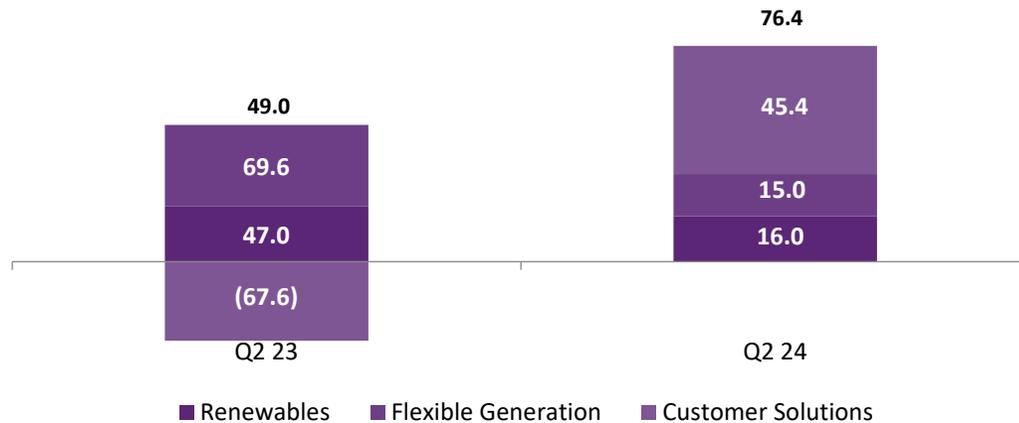
Revenue (€m)<sup>(a)</sup>



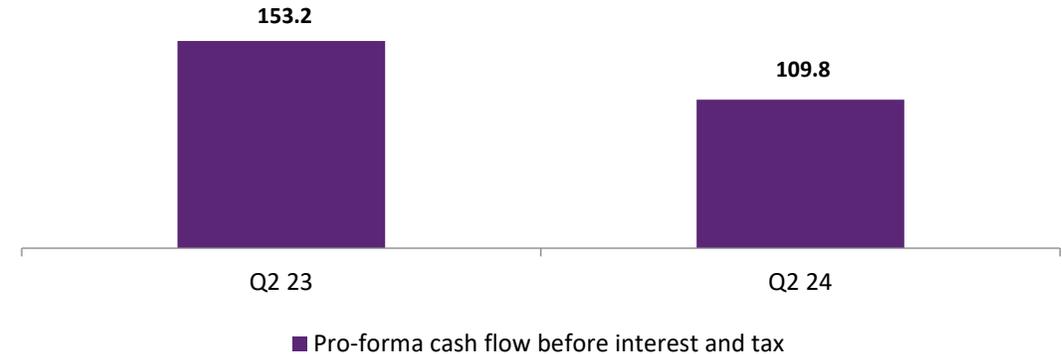
Capital expenditure for continuing operations (€m)<sup>(c)</sup>



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

(c) Excludes capital expenditure on unrestricted investments of €14.5m in Second Quarter 2024 (2023 - €9.7m)

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

# Senior Secured Notes Restricted Group pro-forma EBITDA

Pro-forma EBITDA (€m) <sup>(a)</sup>	Q2 23	Q2 24	H1 23	H1 24
Renewables	47.0	16.0	102.1	59.6
Flexible Generation	69.6	15.0	120.5	20.9
Customer Solutions	(67.6)	45.4	(96.0)	74.4
	49.0	76.4	126.6	154.9

## Renewables

- Pro-forma EBITDA decreased from €47.0m to €16.0m primarily reflecting:
  - Lower contributions from renewable PPAs (primarily due to lower energy prices partly offset by higher wind volumes).

## Flexible Generation

- Pro-forma EBITDA decreased from €69.6m to €15.0m primarily reflecting:
  - Lower margins for both plants (associated with lower utilisations for both plants and lower commodity prices); partly offset by
  - EBITDA contribution from the 50MW battery storage facility; and
  - A gain share recognised for PPB.

## Customer Solutions

- Pro-forma EBITDA increased from €67.6m loss to €45.4m profit primarily reflecting:
  - Higher Energia residential and non-residential margins;
  - Favourable Power NI residential regulated margins; and
  - Lower Customer Solutions operating costs; partly offset by
  - Lower Power NI non-residential electricity margins.

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 €nil in Second Quarter 2024 (2023 - €nil); First Half 2024 €27.0m (2023 - €28.8m)

# Senior Secured Notes Restricted group cash flow summary

(€m)	Q2 23	Q2 24	H1 23	H1 24
Pro-forma EBITDA <sup>(a)</sup>	49.0	76.4	126.6	154.9
Changes in working capital <sup>(b)</sup>	110.3	37.4	126.0	110.6
Effects of FX	0.4	1.7	(0.6)	1.0
<b>Pro-forma cash flow from operating activities</b>	<b>159.7</b>	<b>115.5</b>	<b>252.0</b>	<b>266.5</b>
Net capital expenditure <sup>(c)</sup>	(6.5)	(14.4)	(28.2)	(25.2)
Net receipt of Government Grant / deferred income	-	8.7	-	9.4
<b>Pro-forma cash flow before interest and tax</b>	<b>153.2</b>	<b>109.8</b>	<b>223.8</b>	<b>250.7</b>
Net movement in security deposits	(4.5)	12.5	3.2	35.8
Over / (under) - recovery of regulated entitlement	(6.1)	(42.6)	20.8	(51.3)
Exceptional items <sup>(d)</sup>	(0.1)	(2.2)	(0.1)	(2.3)
Equity investment in in-development assets	(8.8)	(16.4)	(19.0)	(24.0)
<b>Pro-forma cash flow before interest, tax and acquisitions and disposals</b>	<b>133.7</b>	<b>61.1</b>	<b>228.7</b>	<b>208.9</b>

Working capital expected to reverse in Q3 with the purchase of carbon credits in respect of of the emissions liability (c€108.7m at 30 September) and the payment of PPB's Public Service Obligation (c€33.6m at 30 September)

Note:

- (a) Pro-forma EBITDA is defined as EBITDA before exceptional items and certain remeasurements and adjusted for 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 €nil in Second Quarter 2024 (Second Quarter 2023 - €nil); First Half 2024 €27.0m (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 €2.0m decrease in the Second Quarter 2024 (2023 - €1.7m); First Half 2024 €7.3m decrease (2023 - €10.6m)
- (c) Net capex excludes capex on unrestricted investments of €14.5m in the Second Quarter 2024 (2023 - €9.7m); First Half 2024 €20.9m (2023 - €21.2m)
- (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 Sep 23
Cash and investments*	(577.3)	(491.2)
Senior secured notes due 2028	-	588.2
Senior secured notes due 2025	347.7	-
Senior secured notes due 2024	254.4	-
Senior revolving credit facility	80.7	-
Interest accruals	2.0	2.6
<b>Senior net debt</b>	<b>107.5</b>	<b>99.6</b>
Project finance cash	(42.6)	(35.1)
Project finance bank facilities	277.2	271.3
Interest accruals	-	0.2
<b>Total net debt</b>	<b>342.1</b>	<b>336.0</b>

- FX rate at 30 September 2023: €/£1.1539 (31 March 2023: €/£1.1363).
- Senior net leverage at 30 September 2023 was 0.4x (31 March 2023 – 0.4x).
- 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).

\* Cash at 30 September 2023 excludes €10.0m of restricted cash received from the UK Government in relation to administration of the Energy Bills Support Scheme (31 March 23 – €5.7m). The scheme ceased in June 2023 and cash has been repaid in October 2023 upon completion of the government audit.

# Conclusion

## Strong results for Second Quarter 2024, continuing to prove the benefits of our integrated business model

### Outlook

- The Group continues to deliver robust financial performance through its regulated and contracted revenues supported by its integrated business model despite operating in an environment of higher interest rates and inflation.
- The Group continues to have strong liquidity.
- We continue to progress the development of our proposed data centre alongside a significant pipeline of development projects underlining the Group's key role in, and commitment to, the energy transition.
  - Drumlins wind farm remains on target for energisation and commissioning in Second Half 2024;
  - Preliminary construction is underway on the Crossmore wind farm and commissioning is expected by the end of FY25; and
  - We completed the acquisition of the Bracklyn wind farm development project in August 2023 and in September 2023 entered into a partnership with Vargronn to co-develop offshore wind projects in Ireland.

*\*excluding project finance cash and restricted cash of €10.0m received from the UK Government in relation to administration of the Energy Bills. The scheme ceased in June 2023 and cash has been repaid in October 2023 upon completion of the government audit.*

# 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.