



Viridian Group

Results presentation

Third Quarter 2015

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VIRIDIAN

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- Encouraging set of results for the Third Quarter 2015 which were in line with expectations
- Pro-forma EBITDA* for the Third Quarter 2015 was £24.0m (2014 - £25.7m) and for the First Nine Months 2015 was £72.5m (2014 - £72.7m)
- Pro-forma cash flow before interest and tax** for the Third Quarter 2015 was £19.8m (2014 - £17.1m) and for the First Nine Months 2015 was £77.0m (2014 - £58.9m)
- Senior net debt was £526.6m at 31 December 2014 (30 September 2014 – £526.9m)
- Redemption of 10% of Senior Secured Notes due 2017 at 103% effective 28 October 2014
- Refinancing of Senior Secured Notes due 2017 through the successful issuance of €600m Senior Secured Notes due 2020 in February 2015

* EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and Arcapita advisory fees and excluding earnings from renewable wind farm assets

** 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 renewable wind farm assets) and exceptional items and including the effects of FX

High availability of Huntstown plants with reduction in utilisations

- Availability of 99.5% for Huntstown 1 and 100% for Huntstown 2 for Third Quarter 2015
- Unconstrained utilisations of Huntstown 1 at 0.0% and Huntstown 2 at 9.9% for Third Quarter 2015
- Incremental impact of constrained utilisation was an increase of 8.5% for Huntstown 1 and an increase of 17.8% for Huntstown 2 for Third Quarter 2015

Electricity sales volumes

- Business electricity sales volumes for the Third Quarter 2015 were 1.2TWh (Third Quarter 2014 – 1.3TWh)
- Business customer sites supplied at 31 December 2014 were 56,900 (30 September 2014 – 61,500) reflecting competition in the market
- RoI residential customers supplied at 31 December 2014 increased to 48,700 (30 September 2014 – 38,800) reflecting continued growth in customer base following entry into this market in January 2014

I- SEM

- Formal approval from EU member states for extension to 31 December 2017 for the full implementation of EU target model in NI and the RoI
- The detailed market design phase is ongoing and the latest Project Plan Quarterly Update published on 30 January 2015 reconfirmed anticipated delivery date for Go-Live of I-SEM in Q4 2017

Energy Efficiency Obligation

- Energy Efficiency Notice received on 18 November 2014. Sets out annual energy saving targets for first three years (2014 – 2016) of the Energy Efficiency Obligation in the RoI
- Energia will seek to recover all or a portion of the cost of compliance with the obligation from retail customers

Energia Group business developments (cont'd)

Renewable portfolio

PPAs

- Average contracted renewable generation capacity for Third Quarter 2015 was 752MW (Third Quarter 2014 - 609MW) with 752MW operational capacity at 31 December 2014 (30 September 2014 – 692MW)
- 31MW of contracted capacity currently in construction at 31 December 2014 (30 September 2014 – 88MW)
- 150MW in various stages of development (30 September 2014 – 144MW)

Assets

- Direct investment in operational and in-development windfarm capacity 164MW^(a) at 31 December 2014
 - 29MW operational at 31 December 2014 (30 September 2014 – 9MW) following the successful commissioning of a 20MW windfarm in Northern Ireland during December 2014
 - One windfarm with a total capacity of 5MW in construction as at 31 December 2014
 - 130MW^(a) of fully-consented capacity in development expected to become operational in the next three years
- Further pipeline of projects (43MW) in various stages of obtaining planning permission and grid connections

(a) Includes 31MW for which the acquisition of the minority partner's share will become effective on financial close

Power NI business developments

Electricity sales

- Residential customer numbers at 31 December 2014 was 552,000 (30 September 2014 – 556,000)
- Total electricity sales for Third Quarter 2015 was 0.8TWh (Third Quarter 2014 – 0.8TWh)

Regulated electricity tariffs

- Power NI undertook an early review of its regulated electricity tariffs in light of recent reductions in wholesale gas prices
 - On 12 February 2015, Power NI announced a 9.2% reduction in regulated electricity tariffs effective from 1 April 2015
 - The tariff reduction was agreed with the Utility Regulator

PPB business developments

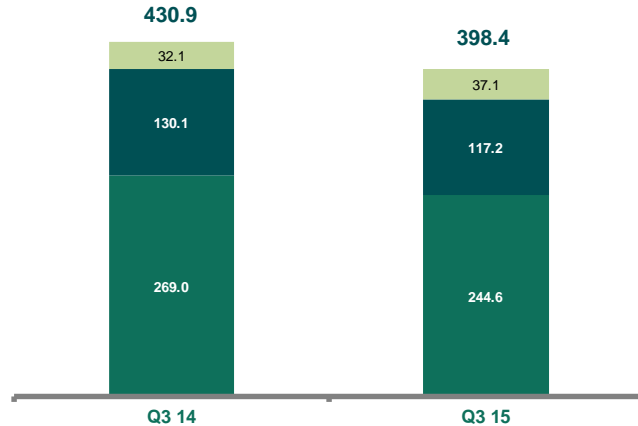
Price control

- Work commenced on price control expected to apply from 1 April 2015 until commencement of the I-SEM

Financial summary – Third Quarter 2015

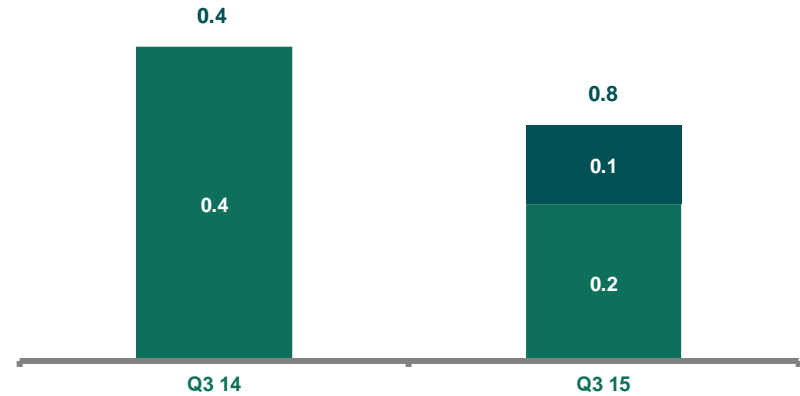
Encouraging performance across all businesses

Turnover (£m)^(a)



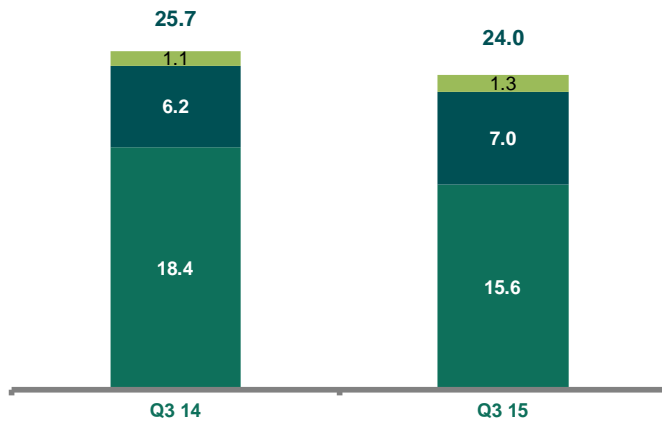
■ Energia Group ■ Power NI ■ PPB

Gross Capital Expenditure for continuing operations (£m)^(c)



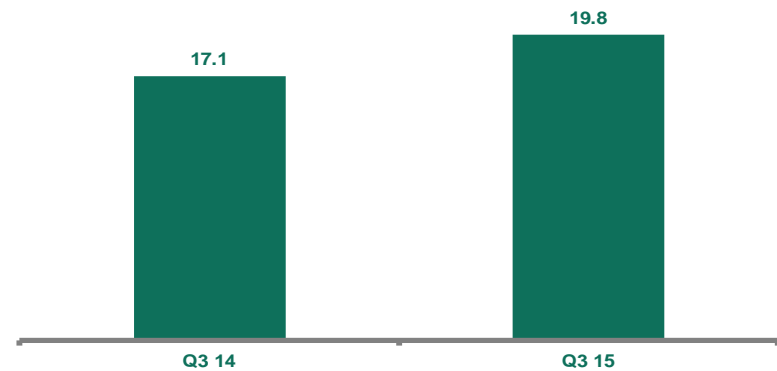
■ Energia Group ■ Power NI

Pro-forma EBITDA (£m)^(b)



■ Energia Group ■ Power NI ■ PPB

Pro-forma cash flow before interest & tax (£m)^(d)



- (a) Turnover is based on regulated entitlement
- (b) Pro-forma EBITDA is EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and Arcapita advisory fees and excluding earnings from renewable wind farm assets £0.7m Third Quarter 2015 and £0.1m loss in Third Quarter 2014.
- (c) Excludes capital expenditure on renewable wind farm assets of £9.0m in Third Quarter 2015 and £8.2m in Third Quarter 2014. Total includes other group capex of £0.5m in Third Quarter 2015 and £nil in Third Quarter 2014
- (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 renewable wind farm assets) and exceptional items and including the effects of FX

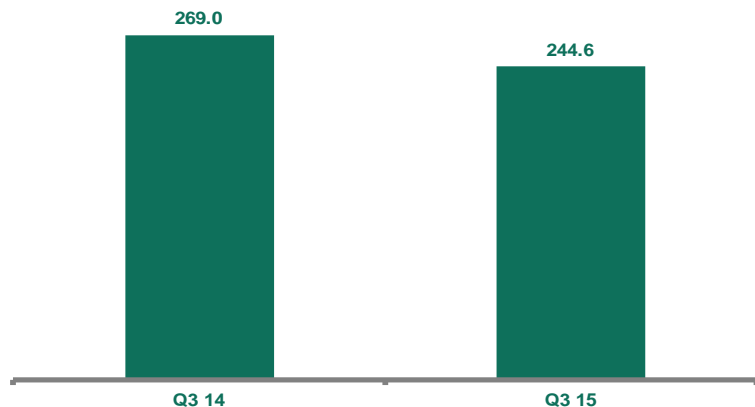
Energia Group KPIs

	Q3 14	Q3 15
Energia Group		
Availability (%)		
Huntstown 1	99.9	99.5
Huntstown 2	100.0	100.0
Unconstrained utilisation (%)		
Huntstown 1	0.0	0.0
Huntstown 2	17.3	9.9
Energia business electricity sales (TWh)	1.3	1.2
Energia business gas sales (therms million)	17	16
Wind farm operational PPA contracts (MW)		
Average capacity during the period	609	752
Period end capacity – at 31 December	609	752

Energia Group financial highlights – Third Quarter 2015



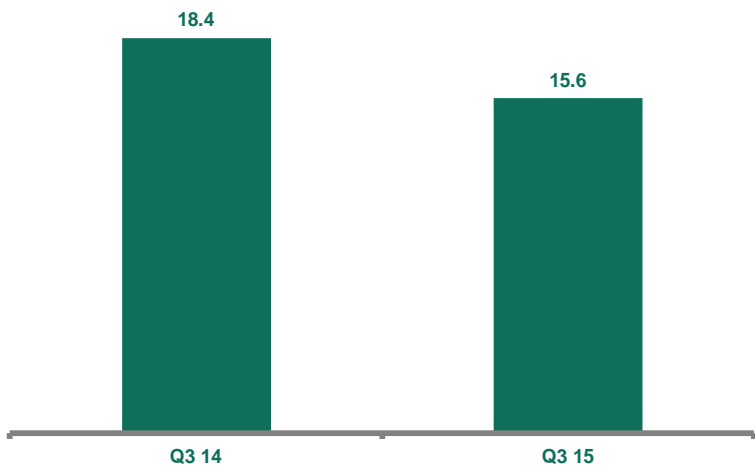
Turnover (£m)



Turnover for Third Quarter 2015 decreased from £269.0m to £244.6m reflecting:

- Lower electricity sales volumes and prices;
- Impact of foreign exchange translation;
- Lower interconnector trading; and
- Lower gas sales volumes; partly offset by
- Higher RoI residential sales revenues

Pro-forma EBITDA (£m)^(a)



Pro-forma EBITDA for Third Quarter 2015 decreased from £18.4m to £15.6m reflecting:

- Lower contribution from renewable PPAs
- Impact of foreign exchange translation; and
- Costs associated with entering the RoI residential market

(a) Pro-forma EBITDA excludes EBITDA from renewable wind farm assets of £0.7m in Third Quarter 2015 and £0.1m loss in Third Quarter 2014

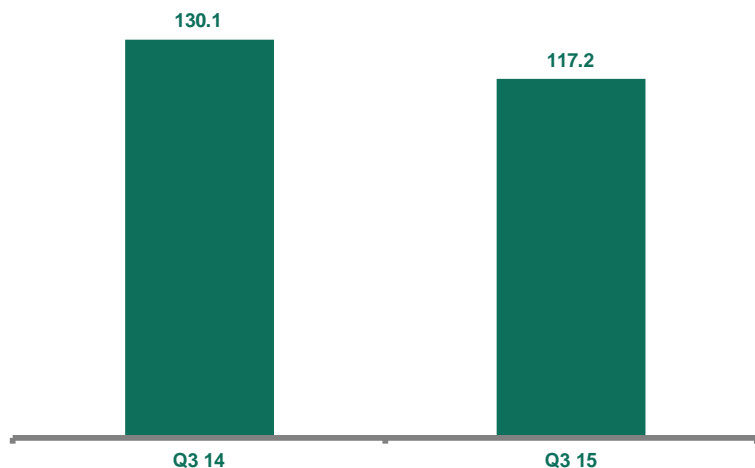
Power NI KPIs



	Q3 14	Q3 15
Power NI		
Power NI electricity sales (TWh)	0.8	0.8
Power NI customer sites (No.)		
Residential	565,000	552,000
Non-residential	37,000	37,000

Power NI financial highlights – Third Quarter 2015

Turnover (£m)^(a)



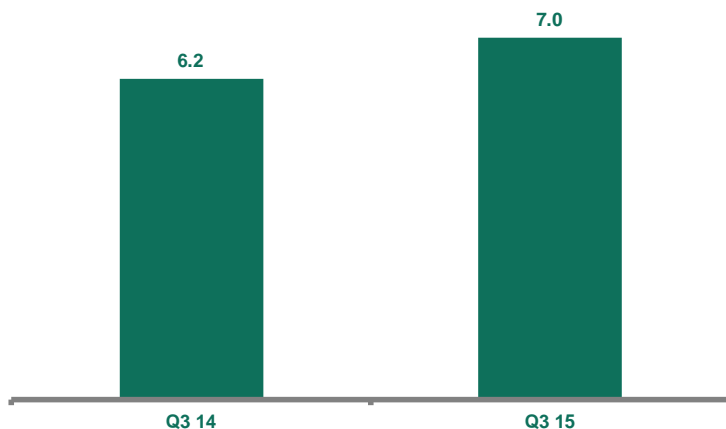
Turnover for Third Quarter 2015 decreased from £130.1m to £117.2m reflecting:

- Reduction in residential customer numbers;
- Lower consumption; and
- Lower market prices

Pro-forma EBITDA for Third Quarter 2015 increased from £6.2m to £7.0m reflecting:

- Higher contribution from small scale renewable PPAs; and
- Lower operating costs

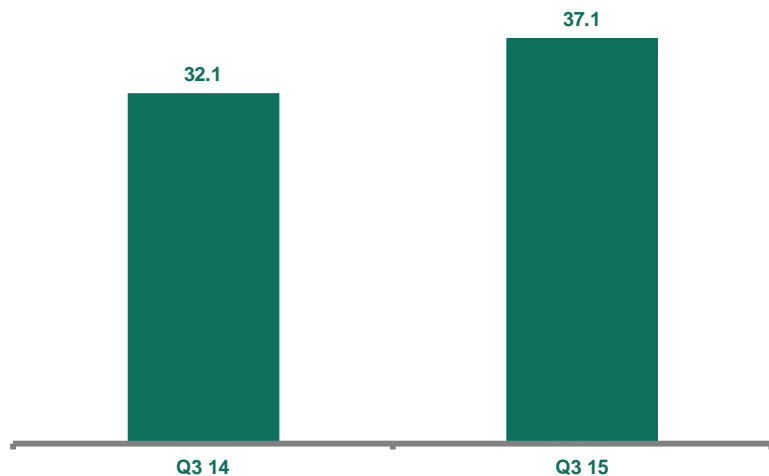
Pro-forma EBITDA (£m)^(a)



(a) Based on regulated entitlement

PPB financial highlights – Third Quarter 2015

Turnover (£m)^(a)

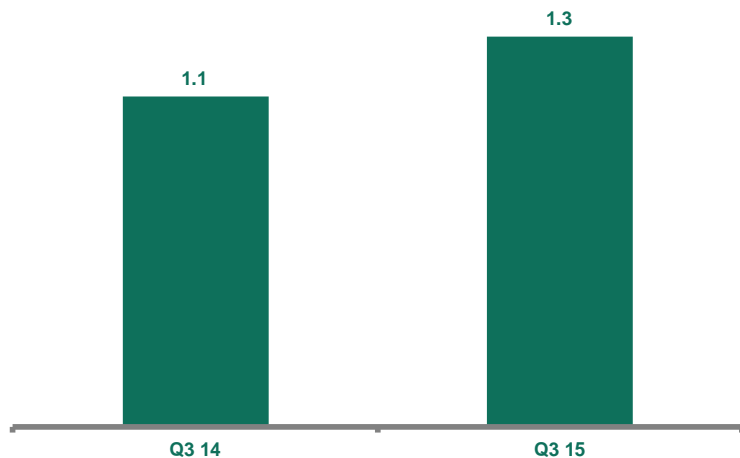


Turnover for Third Quarter 2015 increased from £32.1m to £37.1m reflecting:

- Higher availability and utilisation of the Ballylumford plant; partly offset by
- Lower market prices

Pro-forma EBITDA for Third Quarter 2015 was £1.3m (Third Quarter 2014 - £1.1m)

Pro-forma EBITDA (£m)^(a)



(a) Based on regulated entitlement

Group cash flow summary

(£m)	Q3 14	Q3 15	9M 14	9M 15
Pro-forma EBITDA^(a)	25.7	24.0	72.7	72.5
Defined benefit pension charge less contributions paid	-	-	(0.1)	(0.1)
Changes in working capital ^(b)	(6.2)	(3.0)	(8.3)	7.8
Effects of FX	(0.1)	(0.4)	-	(1.1)
Exceptional items	(1.9)	-	(1.9)	-
Pro-forma cash flow from operating activities	17.5	20.6	62.4	79.1
Net capital expenditure ^(c)	(0.4)	(0.8)	(3.5)	(2.1)
Pro-forma cash flow before interest and tax	17.1	19.8	58.9	77.0
Net movement in security deposits	0.2	-	0.8	(0.3)
(Under)/over-recovery of regulated entitlement	(0.9)	11.0	2.2	31.3
Equity investment in in-development windfarm assets	(7.9)	(3.7)	(13.5)	(5.6)
Pro-forma cash flow before interest, tax and acquisitions and disposals	8.5	27.1	48.4	102.4

Note:

- (a) Pro-forma EBITDA is defined as EBITDA before exceptional items and Arcapita advisory fees and adjusted for over/under-recovery of Viridian's regulated business against their regulated entitlement and excludes EBITDA from Viridian's wind farm assets of £0.7m in Third Quarter 2015 (Third Quarter 2014 - £0.1m loss), and £1.1m in First Nine Months 2015 (First Nine Months 2014 - £0.1m loss)
- (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 Viridian's wind farm assets of £2.0m increase in Third Quarter 2015 (Third Quarter 2014 - £0.8m increase); and £2.1m increase in First Nine Months 2015 (First Nine Months 2014 - £0.8m increase)
- (c) Net capex excludes capex on renewable windfarm assets of £9.0m in Third Quarter 2015 (Third Quarter 2014 - £8.2m); and £21.9m in First Nine Months 2015 (First Nine Months 2014 - £14.4m)

Net debt

Net debt (£m) As at	31 Mar 14	30 Sept 14	31 Dec 14
Cash and investments	(24.9)	(68.0)	(52.0)
Senior secured notes due 2017	346.5	341.5	307.7
Senior RCF	-	-	7.8
Subordinated shareholder loan ^{1,2}	382.9	402.4	408.8
Junior bank facility asset ¹	(144.8)	(149.7)	(155.9)
Amount due from fellow subsidiary	-	(0.2)	(0.3)
Interest accruals	1.2	0.9	10.5
Senior net debt	560.9	526.9	526.6
Project finance cash	(2.8)	(5.4)	(3.6)
Project finance bank facilities	16.6	30.2	35.1
Interest accruals	-	-	0.2
Total net debt	574.7	551.7	558.3

¹ Subordinated shareholder loan and junior bank facility asset at 31 December 2014 net to £252.9m (30 September 2014 net to £252.7m; 31 March 2014 net to £238.1m). Junior facility A held on balance sheet of the Company's parent VGHL at 31 December 2014 was £204.4m (30 September 2014 - £204.8m; 31 March 2014 - £203.6m)

² Subordinated shareholder loan at 31 December 2014 split between non-interest bearing £177.2m (30 September 2014 - £171.6m; 31 March 2014 - £160.3m) and interest bearing £231.6m (30 September 2014 - £230.8m; 31 March 2014 - £222.6m) which accrues interest on a payment in kind basis

- Senior net debt was £526.6m at 31 December 2014 (30 September 2014 - £526.9m; 31 March 2014 - £560.9m)
 - Cash and investments decreased to £52.0m (30 September 2014 - £68.0m; 31 March 2014 - £24.9m) reflecting positive cash generation and over-recovery of regulated entitlement in the period offset by the redemption of 10% of senior secured notes on 28 October 2014;
 - Senior secured notes decrease since September 2014 reflects the redemption of 10% of outstanding senior secured notes partly offset by the amortisation of transaction expenses and OID;
 - Senior RCF £7.8m at 31 December 2014 (30 September 2014 - £nil; 31 March 2014 - £nil);
 - Increase in subordinated shareholder loan since September 2014 reflects the unwinding of the discounted fair value – interest cash paid in December 2014; and
 - Increase in junior bank facility asset reflects the unwinding of the discounted fair value

Conclusion

- Encouraging set of results for the Third Quarter 2015 which were in line with expectations
- Outlook:
 - Renewable PPA pipeline continues to be delivered
 - I-SEM detailed design phase continues – go-live expected Q4 2017
 - Challenging competitive environment in the business electricity supply market
 - Continued managed growth in the residential supply market in the Rol
 - Work on PPB's next price control commenced
 - Current phase of renewable asset investment proceeding according to plan

Investor relations

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