

Energia Group

**Results Presentation
Third Quarter 2024**

7 March 2024

enÉrgia group

Financial highlights

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

- Total Group EBITDA* for the Third Quarter 2024 was €100.9m (2023 - €59.7m) and for Nine Months 2024 was €246.7m (2023 - €194.5m)
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group** for the Third Quarter 2024 was €91.0m (2023 - €64.1m) and for Nine Months 2024 was €245.9m (2023 - €190.7m)
- Pro-forma cash flow before interest and tax*** for the Third Quarter 2024 was €26.1m outflow (2023 - €171.8m outflow)
- Senior net debt at 31 December 2023 was €248.1m (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, but including distributions from renewable assets of €9.0m for the Third Quarter 2024 (2023 - €33.0m);

*** 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

The Renewables business:

- Owns and operates 309MW of wind assets;
- Purchases electricity from 1,230MW of renewable generation capacity throughout Ireland; and
- Is developing a further pipeline of onshore and offshore wind and solar projects across Ireland.

Onshore wind generation assets

- 309MW of onshore wind generation assets were operational at 31 December 2023 (31 March 2023 – 309MW).
- Renewable assets availability for the Third Quarter 2024 was 98.6% (2023 – 98.9%) with a wind factor of 27.4% (2023 – 31.8%).

Renewable PPA portfolio

- Average contracted renewable generation capacity for the Third Quarter 2024 was 1,230MW (2023 – 1,266MW) with 1,230MW operational capacity at 31 December 2023 (31 March 2023 – 1,247MW)

Renewables business developments

Onshore wind development assets

- The Group continues to progress the development of its onshore wind pipeline projects (74MW under construction and 283MW in development).
 - In November 2023, the Group's proposed Sevenhills wind farm development project (122MW) in County Roscommon was granted planning permission by An Bord Pleanála. However, a judicial review of An Bord Pleanála's decision was subsequently lodged and the Group awaits the outcome of this process.
 - Construction of the Drumlin wind farm (49MW) continued during Third Quarter 2024. The first six turbines have been fully installed and commissioning is underway. Installation works on all turbines is expected to be complete by the end of March 2024. The project will be underpinned by a Corporate PPA with Microsoft.
 - Construction of the civil infrastructure for the Crossmore wind farm (25MW) also continued during Third Quarter 2024 with further progress being made on site roads, hard standings and the turbine and substation foundations. Commissioning of the Crossmore windfarm is expected by the end of FY25 and it is intended that the wind farm will be underpinned by a Corporate PPA with Microsoft.

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 31 December 2023 the Group had 523MW of capacity which is fully consented (30 September 2023 – 373MW) and a further 110MW 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 also has a further 24MW of capacity in the planning preparation stage.
- Overall, the Group's current solar pipeline is 657MW.

Outlook

- Development is ongoing for the Group's 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; and
- Owns and operates a 50MW battery storage facility in Belfast and a 50MW emergency gas generation plant at the Huntstown site.
- The Group is also progressing the development of a proposed data centre at its Huntstown campus in Dublin.

Huntstown plant availability and utilisation

- Availability for Third Quarter 2024 for Huntstown 1 was 95.2% (2023 – 87.6%) and for Huntstown 2 was 96.6% (2023 – 100.0%).
- Unconstrained utilisation for Huntstown 1 for Third Quarter 2024 was 34.4% (2023 – 54.6%) and 45.0% for Huntstown 2 (2023 – 63.1%).
- The incremental impact of constrained utilisation was 14.8% constrained on for Huntstown 1 (2023 – 9.0%) and 7.4% constrained off for Huntstown 2 (2023 – 6.2%).

Capacity auctions

- Final auction results for the T-4 auction for the 2027/28 capacity year were published on 5 December 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

Emergency generation capacity

- Construction works were completed in Third Quarter 2024. Commissioning was completed in February 2024 and the plant is available to EirGrid, the system operator, to provide emergency generation services as required.

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.

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 31 December 2023 were 250,200 (31 March 2023 – 261,400) and Northern Ireland residential customer sites were 507,500 (31 March 2023 – 477,900).
- RoI non-residential customer sites for electricity were 47,900 (31 March 2023 – 47,400) and gas were 2,600 (31 March 2023 – 2,900).
- Northern Ireland non-residential customer sites were 39,300 (31 March 2023 – 38,700).
- Total electricity sales volumes in the RoI for the Third Quarter 2024 were 1.2TWh (2023 – 1.3TWh) and in Northern Ireland were 0.8TWh (2023 – 0.7TWh). RoI gas sales volumes for the Third Quarter 2024 were 19.3m therms (2023 – 22.6m therms)

Customer Solutions business developments

Tariffs

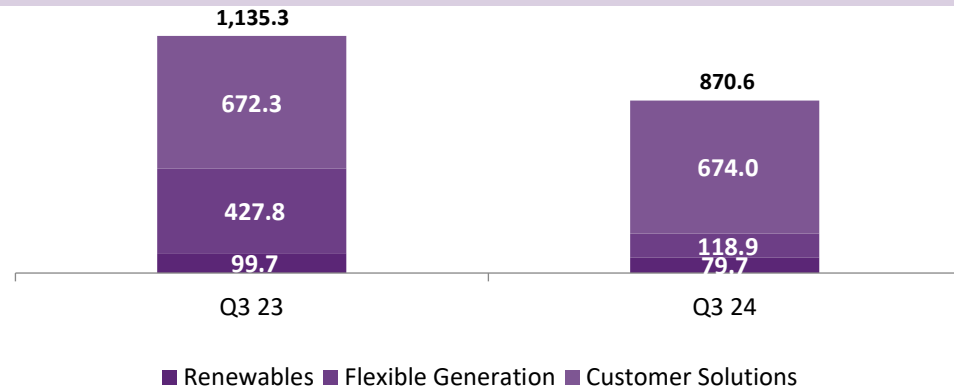
- On 26 January 2024, Energia announced a 7.5% reduction in unit rates for electricity and a 5.0% reduction in unit rates for gas with effect from 1 March 2024. On 1 March 2024, Power NI announced a 6.3% reduction in its tariff for residential customers with effect from 1 April 2024.
- Both Energia and Power NI continue to monitor wholesale prices and their implications for tariffs going forward.

Outlook

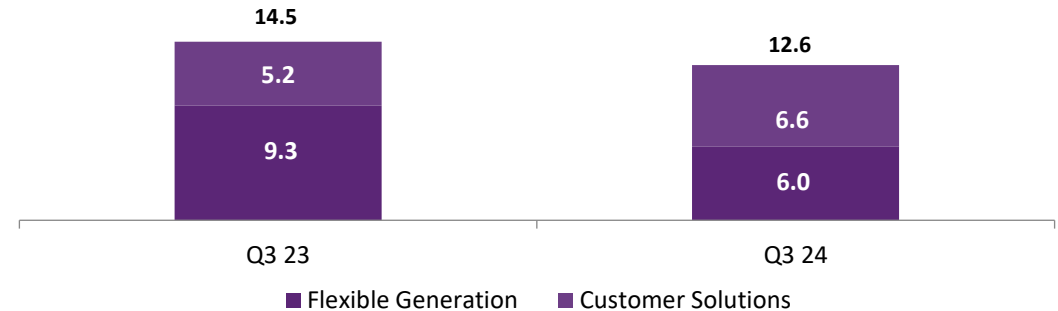
- The Group continues to progress its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy. Digitalisation will remain a strong focus, and work will continue on a range of initiatives in the 'new energy' space.

Senior Secured Notes Restricted Group financial summary – Third Quarter 2024

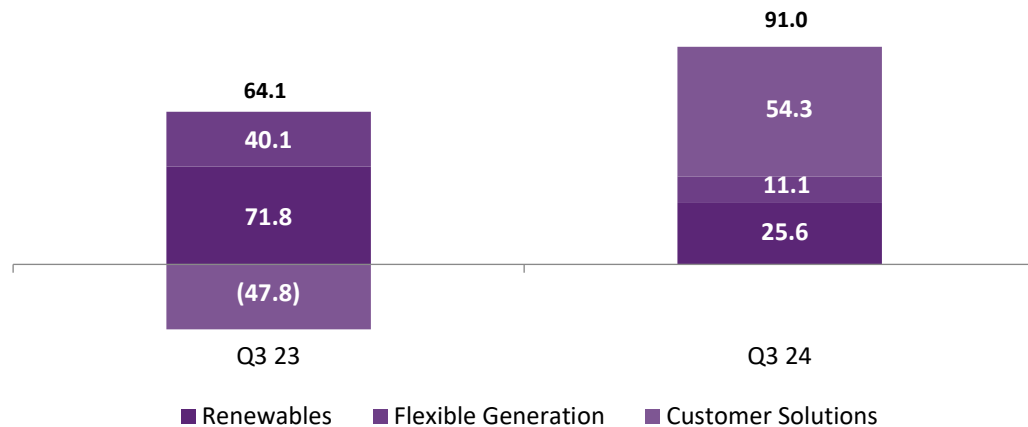
Revenue (€m)^(a)



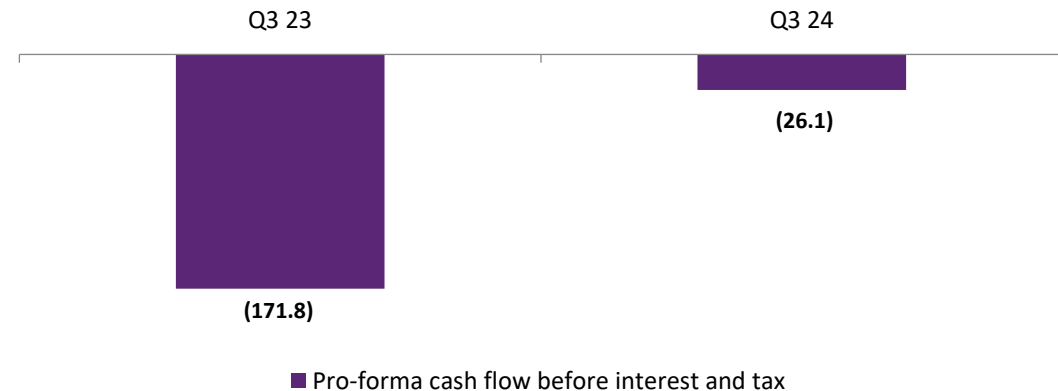
Capital expenditure for continuing operations (€m)^(c)



Pro-forma EBITDA (€m)^(b)



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



(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 including distributions from renewable assets of €9.0m for the Third Quarter 2024 (2023 -€33.0m).

(c) Excludes capital expenditure on unrestricted investments of €27.2m in Third Quarter 2024 (2023 - €13.7m).

(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) ^(a)	Q3 23	Q3 24	9M 23	9M 24
Renewables	71.8	25.6	173.9	85.2
Flexible Generation	40.1	11.1	160.6	32.0
Customer Solutions	(47.8)	54.3	(143.8)	128.7
	64.1	91.0	190.7	245.9

Renewables

- Pro-forma EBITDA decreased from €71.8m to €25.6m primarily reflecting:
 - Lower EBITDA from the renewable PPAs (primarily due to lower energy prices and lower wind volumes); and
 - Lower distributions from unrestricted investments.

Flexible Generation

- Pro-forma EBITDA decreased from €40.1m to €11.1m primarily reflecting:
 - Lower margins for both plants (associated with lower utilisations for both plants and lower commodity prices); and
 - Timing difference on receipt of milestone payments for Emergency Generation; partly offset by
 - EBITDA contribution from the 50MW battery storage facility.

Customer Solutions

- Pro-forma EBITDA increased from €47.8m loss to €54.3m profit primarily reflecting:
 - Higher Energia residential and non-residential margins; and
 - Favourable Power NI residential regulated and non-residential margins; partly offset by
 - Higher Customer Solutions operating costs.

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 €9.0m in Third Quarter 2024 (2023 - €33.0m); Nine Months 2024 €36.0m (2023 - €61.8m)

Senior Secured Notes Restricted group cash flow summary

(€m)	Q3 23	Q3 24	9M 23	9M 24
Pro-forma EBITDA ^(a)	64.1	91.0	190.7	245.9
Defined benefit charge less contributions paid	(1.4)	(1.4)	(1.4)	(1.4)
Changes in working capital ^(b)	(222.5)	(111.8)	(96.5)	(1.2)
Effects of FX	2.5	0.5	1.9	1.5
Pro-forma cash flow from operating activities	(157.3)	(21.7)	94.7	244.8
Capital expenditure ^(c)	(14.5)	(12.6)	(42.7)	(37.8)
Net receipt of Government Grant / deferred income	-	8.2	-	17.6
	(171.8)	(26.1)	52.0	224.6
Net movement in security deposits	(14.1)	(6.6)	(10.9)	29.2
Over / (under) - recovery of regulated entitlement	66.8	(30.4)	87.6	(81.7)
Exceptional items ^(d)	(0.5)	(0.5)	(0.6)	(2.8)
Equity investment in in-development renewable assets	(14.6)	(26.4)	(33.6)	(50.4)
Pro-forma cash flow before interest, tax and acquisitions and disposals	134.2	(90.0)	94.5	118.9

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 €9.0m in Third Quarter 2024 (Third Quarter 2023 - €33.0m); Nine Months 2024 €36.0m (2023 - €61.8m).
- (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 €12.4m increase in the Third Quarter 2024 (2023 - €6.0m); Nine Months 2024 €5.1m increase (2023 - €4.6m decrease).
- (c) Net capex excludes capex on unrestricted investments of €27.2m in the Third Quarter 2024 (2023 - €13.7m); Nine Months 2024 €48.1m (2023 - €34.9m).
- (d) Includes exceptional costs associated with acquisitions whether successful or unsuccessful.

Net debt

Net debt (€m) As at	31 Mar 23	31 Dec 23
Cash and investments*	(577.3)	(354.0)
Senior secured notes due 2028	-	588.7
Senior secured notes due 2025	347.7	-
Senior secured notes due 2024	254.4	-
Senior revolving credit facility	80.7	-
Interest accruals	2.0	13.4
Senior net debt	107.5	248.1
Project finance cash	(42.6)	(31.0)
Project finance bank facilities	277.2	271.6
Interest accruals	-	2.7
Total net debt	342.1	491.4

- FX rate at 31 December 2023: €/£1.1535 (31 March 2023: €/£1.1363).
- Senior net leverage at 31 December 2023 was 0.8x (31 March 2023 – 0.4x).

*Restricted cash of €5.7m at 31 March 2023 relates to cash received from the UK government in relation to administration of the EBSS. The scheme ceased in June 2023 and remaining cash has been repaid in October 2023 upon completion of the government audit.

Conclusion

Strong results for Third 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 whilst continuing to operate in an environment of higher interest rates and higher 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.
 - The 50MW emergency generation plant was successfully commissioned in February 2024 and the plant is now available to EirGrid to provide emergency generation services as required;
 - Drumlins wind farm remains on target for energisation and commissioning by the end of March 2024; and
 - Construction is progressing on the Crossmore wind farm and commissioning is expected by the end of FY25.

Forward looking statements

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