

Results Presentation Year Ended 31 March 2020

12 June 2020

enÉrgia group

Financial highlights

Solid performance for the year notwithstanding impact of COVID-19

- Total Group EBITDA* for the Year Ended 31 March 2020 was €164.1m (2019 - €167.1m)
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group** for the Year Ended 31 March 2020 was €134.3m (2019 - €133.8m)
- Pro-forma cash flow before interest and tax*** for the Year Ended 31 March 2020 was €126.9m (2019 - €155.0m)
- Senior net debt was €406.1m at 31 March 2020 (2019 - €437.1m)
- The Group has strong liquidity and at 31 March 2020 had €190.8m cash and cash equivalents (excluding project finance cash) and undrawn committed revolving credit facilities of €91.0m therefore is well positioned to manage the potential impact of COVID-19

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 renewable assets, but includes distributions from renewable assets of €11.0m from wholly owned assets in the Year Ended 31 March 2020 (2019 - €5.3m) and €0.3m from minority owned assets (2019 - €1.5m);*

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

COVID-19

Potential impact of COVID-19 on Energia Group

- Our priority during the COVID-19 outbreak has been to look after the health & safety of our staff. We have taken appropriate steps to ensure that disruption to the business is minimised whilst implementing robust business continuity and social distancing procedures at all operational sites.
- Our dedicated teams across the Group are fully committed to the generation of electricity from the Group's renewable and flexible generation sources, the continued supply of electricity and gas to the many homes and businesses we serve and providing additional support where needed for vulnerable customers.
- We have been able to achieve this while over 600 staff work remotely.
- The reduction in the demand for electricity in Ireland has been less than that experienced in other European countries, however the full financial impact on the Group from COVID-19 and the related general economic downturn is difficult to quantify at this stage.
- It is unclear how long the current situation will last, how customer behaviour may change, the extent to which Irish and UK government financial support for households and businesses may help mitigate some of the potential effects and what impact COVID-19 related delays may have on the delivery of the Group's development projects.
- The Group has strong liquidity. Cash flow projections have been adjusted for the potential impact of COVID-19 and subjected to further downside scenarios and we believe the Group has sufficient liquidity and financial headroom to operate within.
- We will remain vigilant and continue to take appropriate steps to protect our staff, our customers and the Group's businesses.

Renewables business developments

The Renewables business:

- owns and operates 277MW of wind assets;
- purchases electricity from 1,268MW of renewable generation capacity throughout Ireland;
- is currently commissioning a 32MW wind farm in County Sligo and a 4MW bioenergy plant in Dublin and is developing a further pipeline of wind, bioenergy and solar projects across Ireland.

Wind generation assets

- 277MW of onshore wind generation assets operational at 31 March 2020 (31 March 2019 – 277MW).
- Renewable assets availability for the Year Ended 31 March 2020 was 98.0% (2019 – 97.2%) with a wind factor of 31.8% (2019 – 27.5%).
- Acquisitions completed during the year included:
 - Derrysallagh - a 32MW wind farm project in County Sligo, RoI. All turbines have been erected and the commissioning phase is almost complete. The wind farm benefits from REFIT support and commercial operation is expected by First Quarter 2021;
 - Three onshore wind development projects: Pigeon Top 38MW (NI); Clunahill 14MW (NI); and Seven Hills 95MW (RoI)
- Post year end the Group acquired a further onshore wind development project: Crossmore 15MW (RoI)
- Distributions of €11.0m were paid to the Senior Secured Group in the year ended 31 March 2020 (2019 - €5.3m) from the wholly owned wind generation assets together with €0.3m (2019 - €1.5m) from the minority owned wind generation assets.

Renewables business developments

Renewable PPA portfolio

- Average contracted renewable generation capacity for the Year Ended 31 March 2020 was 1,272MW (2019 – 1,294MW) with 1,268MW operational capacity at 31 March 2020 (2019 – 1,281MW).

Bioenergy assets

- Construction of the 4MW bioenergy plant at Huntstown in Dublin is substantially complete and, although delayed, the commissioning phase is progressing. Commercial operation is expected, subject to COVID-19 related restrictions, during FY2021. The plant will benefit from REFIT support.

Solar

- On 22 October 2019 the Group completed the acquisition of Solar Farmers - 32MW of solar development capacity across 2 projects in the Rol.

Renewables business developments

Offshore wind

- The Group has applied to the Department of Housing, Planning and Local Government (DHPLG) in the RoI for permission to carry out preliminary surveys to investigate the feasibility of offshore wind energy generation in the North Celtic Sea.
- Public consultation closed in August 2019 and a decision on the Investigative Foreshore Licence application has been delayed in part due to COVID-19 and remains awaited.
- In October 2019 the Group applied to DHPLG in the RoI for permission to carry out preliminary surveys to investigate the feasibility of offshore wind energy generation in the South Irish Sea.
- The commencement of the public consultation in respect of this application has been delayed in part due to COVID-19 and remains awaited.

RoI Renewable Electricity Support Scheme (RESS)

- On 17 December 2019, EirGrid published an indicative timetable for the proposed new Renewable Electricity Support Scheme (RESS) which will provide support to renewable electricity projects in the RoI.
- Auction qualification closed on 30 April 2020 and final qualification decisions will be published on 10 July 2020.
- The auction is scheduled to run at the end of July and provisional auction results are due in early August 2020 with final auction results to be confirmed by mid September 2020.

Flexible Generation business developments

The Flexible Generation business:

- owns and operates 747MW of conventional generation assets at the Huntstown site in Dublin; and
- procures power under contract with Ballylumford power station in Northern Ireland for the output from 600MW of conventional generation assets.

Huntstown plant availability and utilisation

- Availability was 84.7% for Huntstown 1 for the year ended 31 March 2020 (2019 – 97.1%) reflecting a 43 day planned outage which commenced in August 2019 and was successfully completed in September 2019.
- Availability was 90.7% for Huntstown 2 for the year ended 31 March 2020 (2019 – 96.5%) reflecting 28 days of a total 42 day planned maintenance outage which commenced in March 2019 and was successfully completed in April 2019
- Unconstrained utilisation for the Year Ended 31 March 2020 for Huntstown 1 was 73.4% (2019 – 56.6%) and Huntstown 2 was 2.2% (2019 – 28.9%).
- Incremental impact of constrained utilisation for Huntstown 1 was 9.9% constrained off (2019 – 5.6%) and for Huntstown 2 36.9% constrained on (2018 – 11.1%).
- In Financial Year 2021 both Huntstown plants are due to undertake major scheduled maintenance outages. These major scheduled outages are expected to be around 68 days in Q3 21 for Huntstown 1 and around 45 days in Q4 21/Q1 22 for Huntstown 2.

Flexible Generation business developments

Capacity auctions

- Both Huntstown plants were awarded reliability options in the following capacity auctions:
 - T-1 capacity auction for the 2020/21 capacity year at the auction clearing price of €46,150/MW;
 - T-2 capacity auction for the 2021/22 capacity year at the auction clearing price of €45,950/MW; and
 - T-4 capacity auction for the 2023/24 capacity year at the auction clearing price of €46,149/MW

Storage

- The Group was awarded reliability options for three new build battery storage projects in the T-4 capacity auction for the 2023/24 capacity year:
 - A 50MW project in Belfast, for which planning has been received, was awarded a 10 year contract at €78,601/MW; and
 - Two projects for Dublin were awarded 10 year contracts at the clearing price of €46,149/MW - a 10MW project for which planning permission has been received and a 50MW project for which a planning application has yet to be made
- The Group also has two further battery storage development projects (totalling 31MW), one of which (19MW) has received planning permission.

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 March 2020 were 215,500 (2019 – 210,500)
- Non-residential electricity customer sites in the RoI were 45,300 (2019 – 42,000)
- Non-residential gas customer sites in the RoI were 4,100 (2019 – 3,800)
- Residential customer numbers in Northern Ireland at 31 March 2020 were 453,500 (2019 – 457,300)
- Non-residential customer numbers in Northern Ireland at 31 March 2020 were 44,400 (2019 – 42,500)
- Total electricity sales volumes in the RoI for the Year Ended 31 March 2020 were 4.3TWh (2019 – 4.6TWh) and in Northern Ireland were 3.4TWh (2019 - 3.5TWh)
- RoI gas sales volumes for the Year Ended 31 March 2020 were 95.7m therms (2019 – 78.2m therms)

Power NI price control

- On 16 April 2020 the Utility Regulator (UR) confirmed its intention to extend Power NI's current price control by a further two years from 1 April 2021 to 31 March 2023. Work is underway to update the licence to give effect to the extension.

Customer Solutions business developments

Innovation

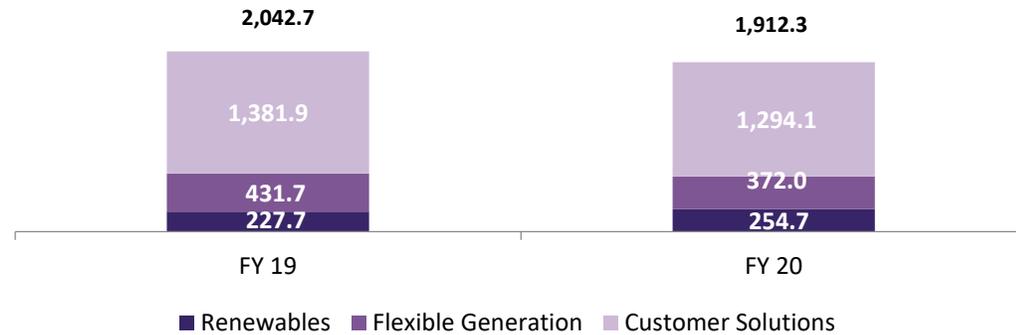
- During the year the Group developed its digital platform based on Microsoft Azure and continued to progress a range of innovations both to enhance customer experience and improve business effectiveness. Further details on initiatives covering digitalisation, customer insights, prosumers, renewable transport and energy efficiency are disclosed in the Annual Report

Outlook

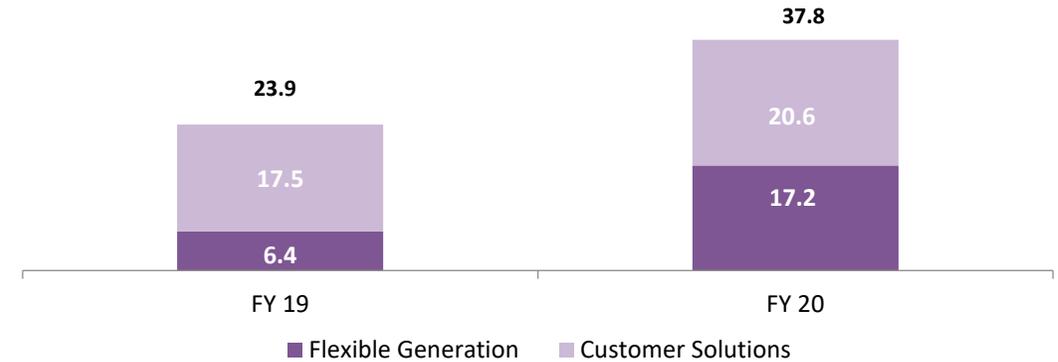
- The Group continues to invest in its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy. Digitalisation will remain a strong focus, and work will continue on a range of initiatives in the 'new energy' space.

Senior Secured Notes Restricted Group financial summary – Year Ended 31 March 2020

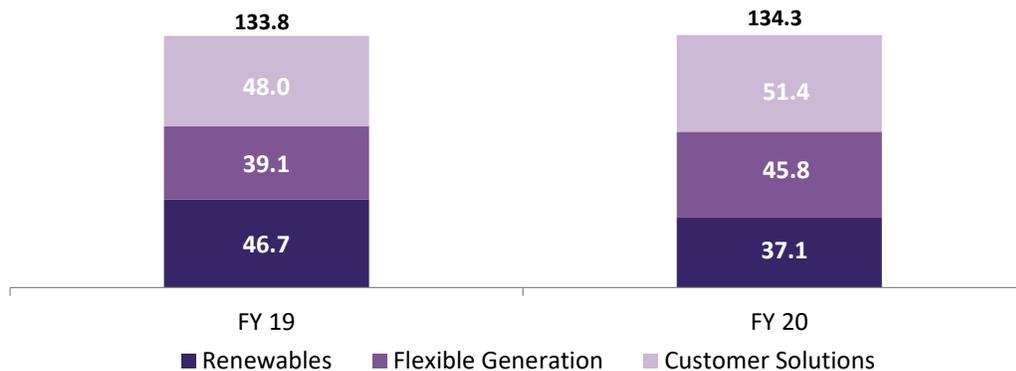
Revenue (€m)^(a)



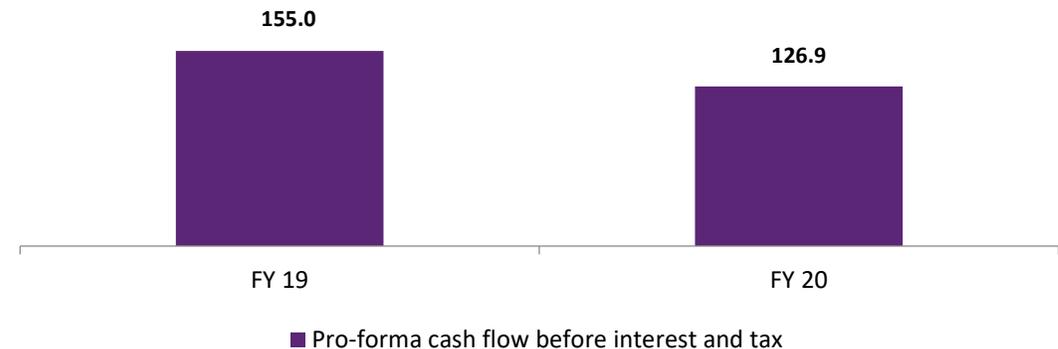
Capital expenditure for continuing operations (€m)^(c)



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 renewable wind farm assets.

(b) Pro-forma EBITDA is EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and excludes earnings from renewable wind farm assets but includes distributions from renewable assets of €11.0m from wholly owned assets in the Year Ended 31 March 2020 (2019 - €5.3m) and €0.3m from minority owned assets (2019 - €1.5m);

(c) Excludes capital expenditure on renewable assets of €28.6m in the Year Ended 31 March 2020 (2019 - €65.7m);

(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (inc 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)	FY19	FY20
Renewables	46.7	37.1
Flexible Generation	39.1	45.8
Customer Solutions	48.0	51.4
	133.8	134.3

Renewables

- **Pro-forma EBITDA decreased from €46.7m to €37.1m primarily reflecting:**
- lower contribution from renewable PPAs (due to lower energy prices and lower average capacity, partly offset higher wind factors and higher ROC sales)

Flexible Generation

- **Pro-forma EBITDA increased from €39.1m to €45.8m reflecting:**
- Higher contribution from the Huntstown plants (with higher utilisations partly offset by lower availability and the adverse revaluation of distillate stock (reflecting the recent reduction in oil prices)); partly offset by
- Lower contribution for PPB (due to lower gain share)

Customer Solutions

- **Pro-forma EBITDA increased from €48.0m to €51.4m reflecting:**
- Higher Energia residential margins (due to lower energy costs and higher customer numbers);
- Higher Energia non-residential margins (due to lower energy costs partly offset by lower volumes); and
- Higher deregulated margins for Power NI; largely offset by
- Higher operating costs (primarily reflecting bad debt costs associated with expected credit losses in respect of COVID-19, higher staff and IT costs with the full year operation of the ISEM market introduced October 2018 and increased marketing 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 renewable wind farm assets but includes distributions from renewable assets of €11.0m from wholly owned assets in the Year Ended 31 March 2020 (2019 - €5.3m) and €0.3m from minority owned assets (2019 - €1.5m).

Senior Secured Notes Restricted group cash flow summary

(€m)	FY 19	FY 20
Pro-forma EBITDA ^(a)	133.8	134.3
Defined benefit charge less contributions paid	(1.1)	(1.4)
Changes in working capital ^(b)	47.8	27.1
Effects of FX	(1.6)	4.7
Pro-forma cash flow from operating activities	178.9	164.7
Net capital expenditure ^(c)	(23.9)	(37.8)
Pro-forma cash flow before interest and tax	155.0	126.9
Net movement in security deposits	(7.0)	0.5
(Under)/over-recovery of regulated entitlement	(11.1)	(6.9)
Exceptional items ^(d)	0.3	(1.2)
Equity investment in in-development renewable assets	(34.9)	(67.2)
Pro-forma cash flow before interest, tax and acquisitions and disposals	102.3	52.1

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 renewable wind farm assets but includes distributions from renewable assets of €11.0m from wholly owned assets in the Year Ended 31 March 2020 (2019 - €5.3m) and €0.3m from minority owned assets (2019 - €1.5m)

(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 renewable assets of €0.4m decrease in the Year Ended 31 March 2020 (2019 - €4.0m increase)

(c) Net capex excludes capex on renewable assets of €28.6m in the Year Ended 31 March 2020 (2018- €65.7m)

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

Net debt

Net debt (€m) As at	31 Mar 19	31 Mar 20
Cash and investments	(166.9)	(192.2)
Senior secured notes due 2025	344.7	345.3
Senior secured notes due 2024	257.3	251.0
Interest accruals	2.0	2.0
Senior net debt	437.1	406.1
Project finance cash	(31.2)	(30.0)
Project finance bank facilities	336.0	338.0
Interest accruals	0.1	0.2
Total net debt	742.0	714.3

- FX rate at 31 March 2020: €/£1.1301 (2019: €/£1.1605)
- Senior net leverage at 31 March 2020 was 3.0x (2019 – 3.3x)
- On 11 March 2020 the Board approved the payment of a €40.0m dividend to the parent undertaking however in light of the evolving situation from the COVID-19 outbreak the decision was taken to defer the payment of this dividend until such time that the impact of the outbreak on the Group's business and liquidity becomes clearer
- The Group has strong liquidity. Cash flow projections have been adjusted for the potential impact of COVID-19 and subjected to further downside scenarios and we believe the Group has sufficient financial headroom to operate within, including operating within the minimum EBITDA covenant contained in the senior revolving credit facility

Conclusion

Solid performance for the year notwithstanding impact of COVID-19

Outlook

- The potential impact of COVID-19 on our business is being actively managed. We will remain vigilant and continue to take appropriate steps to protect our staff, our customers and the Group's businesses
- Commissioning of the 32MW Derrysallagh wind farm in County Sligo is almost complete and commercial operation is expected to be achieved in First Quarter 2021
- Construction of the Huntstown bioenergy plant is substantially complete and, although delayed, the commissioning phase is progressing. Commercial operation is expected, subject to COVID-19 related restrictions, during FY2021
- We continue to develop our 219MW pipeline of onshore wind, bioenergy and solar development projects
- We continue to progress plans for a number of battery storage projects in line with our strategy
- We will continue to monitor potential outcomes which may arise from Brexit

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.