

Results Presentation Year Ended 31 March 2022

8 June 2022

enÉrgia group

Financial highlights

Solid set of results for the year underpinned by the integrated nature of the Group

- Total Group EBITDA* for the Year Ended 31 March 2022 was €200.1m (2021 - €194.1m).
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group** for the Year Ended 31 March 2022 was €139.1m (2021 - €158.3m).
- Pro-forma cash flow before interest and tax*** for the Year Ended 31 March 2022 was €249.7m (2021 - €19.7m).
- Senior net debt was €303.6m at 31 March 2022 (2021 - €429.3m).

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 €18.1m from wholly owned assets in the Year Ended 31 March 2022 (2021 - €8.1m);*

**** Pro-forma EBITDA for the Senior Secured Notes Restricted Group, less pension charges, plus movements in provisions and working capital (incl. 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

Impact on financial performance for Financial Year 2022

- The Group's financial performance remained robust throughout the year, notwithstanding the volatility in commodity prices, reflecting the integrated benefit and complementary nature of the Group's operating segments.
- The higher I-SEM market prices throughout 2022 have notably impacted the EBITDA of the Group's Customer Solutions business however, as there is no explicit Contract for Difference (CfD) between the Huntstown plants and the Customer Solutions entities and due to the segmental presentation of the Renewable PPAs (which are specifically attributable to the Customer Solutions entities), this was offset by higher EBITDA for the Group's Renewables and Flexible Generation businesses which have benefitted from the higher I-SEM market prices.
- Notwithstanding the financial performance for the past year, uncertainty remains over the future impact of high commodity prices and increasing inflation on the Group's businesses and customers. Management continues to monitor and assess developments in the wider energy market, influenced by geopolitical circumstances, and the potential impact on the Group's businesses.
- The Group has strong liquidity at 31 March 2022 (with €367.9m cash and cash equivalents excluding project finance cash) and has undrawn committed revolving credit facilities of €109.0m.
 - The Group also successfully increased its Revolving Credit Facilities (RCF) during the year by £80m which provides further headroom to help manage the potential future impact of higher commodity prices.

Renewables business developments

The Renewables business:

- Owns and operates 309MW of wind assets;
- Purchases electricity from 1,282MW of renewable generation capacity throughout Ireland under PPA contracts; and
- Is developing a further pipeline of wind and solar projects across Ireland.

Onshore operational wind generation assets

- 309MW of onshore wind generation assets operational at 31 March 2022 (31 March 2021 – 309MW).
- Renewable assets availability for the Year Ended 31 March 2022 was 97.1% (2021 – 97.8%) with a wind factor of 23.8% (2021 – 26.3%).
- Distributions of €18.1m were paid to the Senior Secured Group in the year ended 31 March 2022 (2021 - €8.1m) from the wholly owned onshore wind generation assets.

Renewable PPA portfolio

- Average contracted renewable generation capacity for the Year Ended 31 March 2022 was 1,282MW (2021 – 1,286MW) with 1,282MW operational capacity at 31 March 2022 (2021 – 1,284MW).

Renewables business developments

Solar

- The Group has a number of consented solar projects in the RoI and has submitted planning applications to increase the scale of these projects.
- In addition, the Group is progressing a number of further greenfield solar development opportunities in the RoI.
- The current pipeline of in-development solar projects is 313MW.

Offshore wind

- The Group has obtained foreshore licences to carry out preliminary surveys for offshore wind generation at sites in the North Celtic Sea and the South Irish Sea.
 - Public consultation processes are ongoing for both projects.
- During the year the Group completed the procurement process for geophysical and geotechnical surveys for both projects and survey works commenced in April 2022.

Renewables business developments

Onshore wind development assets

- The Group continues to progress the development of its onshore wind pipeline
- In March 2022 the Group completed the acquisition of Ballylongford, a 25MW wind farm development project in County Kerry.
- In May 2022 the Group entered into a turbine supply agreement for the Drumlin wind farm development project. Construction of the project has commenced and commissioning is expected in 2024. The project will be underpinned by a Corporate PPA with a blue-chip counterparty.

Outlook

- Development is ongoing for the Group's pipeline of wind and solar projects across Ireland.
- The Group continues to 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; 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 for the year ended 31 March 2022 for Huntstown 1 was 97.0% (2021 – 81.9%) and Huntstown 2 was 44.3% (2021 – 83.9%). Huntstown 2's availability reflects the transformer outage from 29 January to 23 October 2021.
- Unconstrained utilisation for the year ended 31 March 2022 for Huntstown 1 was 65.5% (2021 – 68.4%) and Huntstown 2 was 44.0% (2021 – 54.7%).
- The incremental impact of constrained utilisation for Huntstown 1 was 0.9% constrained on (2021 – 2.6% constrained off) and for Huntstown 2 was 0.4% constrained off (2021 – 6.2%).
- In March 2022 the amount payable under the Group's property damage and business interruption insurance policy, in respect of the claim for the Huntstown 2 transformer fault, was agreed with the insurer and resulted in €49.5m of claim proceeds being recognised in the year (€29.6m recognised in the Flexible Generation business and €19.9m recognised in the Customer Solutions business).
 - At 31 March 2022, interim payments totalling €17.5m of the claim had been received with remaining proceeds of €32.0m expected in the First Half 2023.

Flexible Generation business developments

Capacity auctions

- Final auction results for the T-4 auction for the 2025/26 capacity year were confirmed on 6 May 2022.
- The final results confirmed that both Huntstown plants and the Group's 50MW battery storage project in Belfast had been awarded reliability options for the 2025/26 capacity year.
- The auction clearing price was €46,000/MW.

Data centre

- The Group is progressing the development of a proposed data centre at its Huntstown campus in Dublin adjacent to the CCGT plants.
- The proposed data centre has a grid connection offer and the Group has completed the acquisition of the lands necessary for the site.
- In April 2022 planning consent for the proposed data centre was received from Fingal County Council however, in May 2022, the decision was appealed and the planning application will now be considered by An Bord Pleanala.
- The existing Huntstown CCGTs will continue to supply electricity to the national grid while the proposed data centre will be sustainably managed and net zero carbon operation of the facility is intended to be achieved through the Group's investment in new renewable electricity generation projects.

Flexible Generation business developments

Storage

- Construction of the Group's 50MW battery storage project in Belfast progressed well during the year and in April 2022 the grid connection was energised and the batteries arrived on site.
- It is targeted to complete construction and commissioning of the project by the Third Quarter 2023.

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 2022 were 265,100 (2021 – 276,800).
- Non-residential electricity customer sites in the RoI were 48,000 (2021 – 49,400).
- Non-residential gas customer sites in the RoI were 3,500 (2021 – 3,800).
- Residential customer numbers in Northern Ireland at 31 March 2022 were 465,700 (2021 – 452,700).
- Non-residential customer numbers in Northern Ireland at 31 March 2022 were 38,700 (2021 – 41,200).
- Total electricity sales volumes in the RoI for the Year Ended 31 March 2022 were 5.0TWh (2021 – 4.3TWh) and in Northern Ireland were 2.8TWh (2021 - 3.0TWh).
- RoI gas sales volumes for the Year Ended 31 March 2022 were 91.2m therms (2021 – 93.4m therms).

Customer Solutions business developments

Tariffs

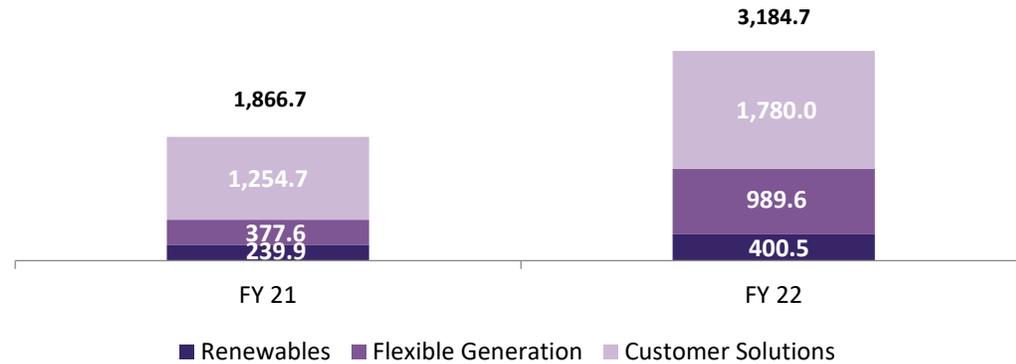
- Despite taking into consideration the benefits of higher wholesale prices to the Group's Renewables business, it was nonetheless necessary for both Energia and Power NI to increase tariffs during the year.
- In March 2022 Energia announced electricity and gas increases of 15% effective from 25 April 2022 and in May 2022 Power announced an increase of 27.5% in its electricity tariff to be effective from 1 July 2022.
- Both Energia and Power NI continue to monitor wholesale prices and their implications for tariffs going forward.

Outlook

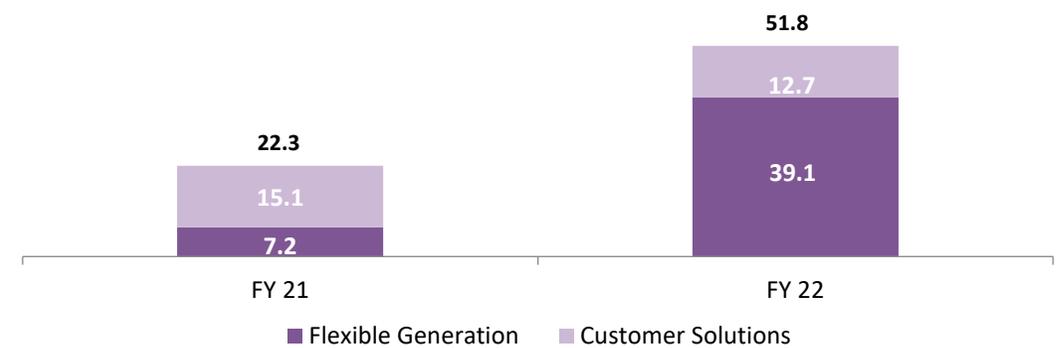
- The Group continues to invest in its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy. Digitalisation will remain a strong focus, and work will continue on a range of initiatives in the 'new energy' space .

Senior Secured Notes Restricted Group financial summary – Year Ended 31 March 2022

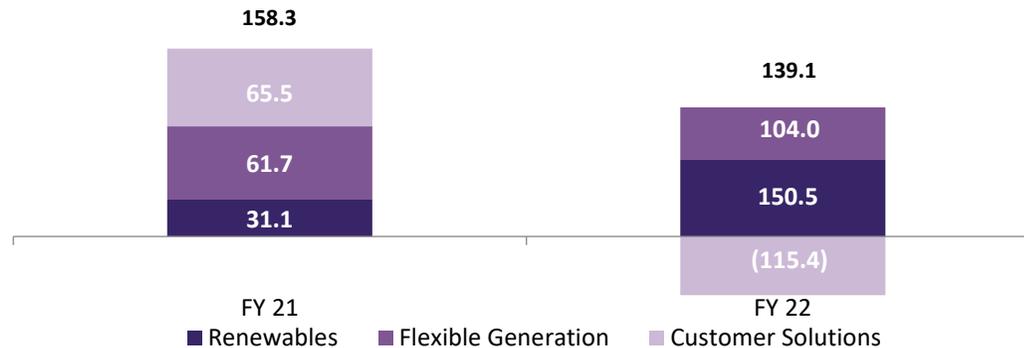
Revenue (€m)^(a)



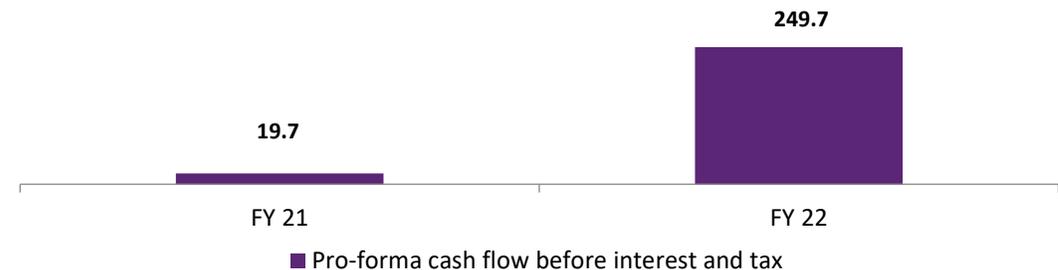
Capital expenditure for continuing operations (€m)^(c)



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 excludes earnings from unrestricted investments but includes distributions from unrestricted investments of €18.1m from wholly owned assets in the Year Ended 31 March 2022 (2021 - €8.1m);

(c) Excludes capital expenditure on unrestricted investments of €14.7m in the Year Ended 31 March 2022 (2021 - €17.2m);

(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (incl. 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 increased from €31.1m to €150.5m primarily reflecting:**
 - Higher contribution from renewable PPAs (due to higher prices partly offset by lower wind volumes); and
 - Higher distributions from the Renewable Assets; partly offset by
 - Increased costs of development projects

Flexible Generation

- **Pro-forma EBITDA increased from €61.7m to €104.0m reflecting:**
 - Higher Huntstown 1 margins due to higher availability (prior year Huntstown 1 had a major outage) and higher prices (reflecting higher commodity prices and lower availability of other thermal plants and lower wind generation);
 - The recognition of the property damage and business interruption insurance claim for Huntstown 2; and
 - Higher Huntstown 2 margins post its return to service on 23 October 2021 partly offset by the zero availability impact of Huntstown 2 up to its return to service on 23 October 2021.

Customer Solutions

- **Pro-forma EBITDA decreased from €65.5m to €115.4m loss reflecting:**
 - Lower Energia electricity and gas margins (reflecting higher commodity and energy prices (from which the Renewables and Flexible Generation businesses have benefitted)) partly offset by the recognition of the business interruption insurance claim;
 - Lower Power NI non-residential electricity margins (reflecting higher commodity and energy prices); and
 - Higher operating costs including an increase in ECL provisions as a result of higher commodity prices increasing customer bills.

Pro-forma EBITDA ^(a) (€m)	FY21	FY22
Renewables	31.1	150.5
Flexible Generation	61.7	104.0
Customer Solutions	65.5	(115.4)
	158.3	139.1

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 unrestricted investments but includes distributions from unrestricted investments of €18.1m from wholly owned assets in the Year Ended 31 March 2022 (2021 - €8.1m) .

Senior Secured Notes Restricted group cash flow summary

(€m)	FY 21	FY 22
Pro-forma EBITDA ^(a)	158.3	139.1
Defined benefit charge less contributions paid	(1.6)	(1.6)
Changes in working capital ^(b)	(110.5)	164.2
Effects of FX	(4.2)	(0.2)
Pro-forma cash flow from operating activities	42.0	301.5
Net capital expenditure ^(c)	(22.3)	(51.8)
Pro-forma cash flow before interest and tax	19.7	249.7
Net movement in security deposits	(0.2)	(30.8)
Over-recovery of regulated entitlement	34.4	35.5
Exceptional items ^(d)	(0.2)	(1.0)
Equity (investment in)/refunds from in-development unrestricted investments	7.0	(42.6)
Pro-forma cash flow before interest, tax and acquisitions and disposals	60.7	210.8

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 €18.1m from wholly owned assets in the Year Ended 31 March 2022 (2021 - €8.1m).

(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 €8.7m increase in the Year Ended 31 March 20212 (2021 - €0.6m decrease).

(c) Net capex excludes capex on unrestricted investments of €14.7m in the Year Ended 31 March 2022 (2021- €17.2m).

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

Net debt

Net debt (€m) As at	31 Mar 21	31 Mar 22
Cash and investments	(180.0)	(369.3)
Senior secured notes due 2025	346.0	346.8
Senior secured notes due 2024	261.5	264.7
Senior revolving credit facility	-	59.3
Interest accruals	1.8	2.1
Senior net debt	429.3	303.6
Project finance cash	(37.9)	(53.0)
Project finance bank facilities	353.3	333.6
Interest accruals	0.1	-
Total net debt	744.8	584.2

- FX rate at 31 March 2022: €/£1.1856 (2021: €/£1.1745).
- Senior net leverage at 31 March 2022 was 2.2x (2021 – 2.7x).
- In March 2022, with the consent of its lenders, the Group increased the Senior revolving credit facility to £305m (previously £225m) and extended the maturity to June 2024 (previously September 2023) which provides further headroom to help manage the potential future impact of higher commodity prices.
- Cash drawings under the RCF of €59.3m at 31 March 2022 were repaid in full in April 2022.

Conclusion

Solid set of results for the year underpinned by the integrated nature of the Group

Outlook

- High commodity prices have continued to be experienced since 31 March 2022 and are expected to remain highly volatile in the short to medium term.
- While the Group is vertically integrated, the extreme volatility is expected to continue to impact segmental financial performance.
 - There is no explicit CfD between the Huntstown plants and the Customer Solutions entities and due to the segmental presentation of the Renewable PPAs (which are specifically attributable to the Customer Solutions entities), the impact of higher I-SEM market prices on the Customer Solutions entities should continue to be offset by higher EBITDA for the Group's Renewables and Flexible Generation businesses which benefit from the higher I-SEM market prices.
- The Group continues to make strong progress in building its pipeline of onshore wind, solar, data centre and offshore wind development opportunities
- The Group continues to have strong liquidity at 31 March 2022 (with €367.9m cash and cash equivalents excluding project finance cash (31 March 2021 - €178.6m)) and has undrawn committed revolving credit facilities of €109.0m (31 March 2021 - €109.2m).

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.