

**Energia Group**

**Results Presentation  
Year Ended 31 March 2024**

7 June 2024

**enÉrgia group**

# Financial highlights

## Strong financial performance for Year Ended 31 March 2024 reflecting the strength of the Group's integrated business model

- Total Group EBITDA\* for Financial Year 2024 was €374.9m (2023 - €267.1m)
- Pro-forma EBITDA for the Senior Secured Notes Restricted Group\*\* for Financial Year 2024 was €355.5m (2023 - €239.4m)
- Pro-forma cash flow before interest and tax\*\*\* for Financial Year 2024 was €287.4 inflow (2023 - €166.7m)
- Senior net debt at 31 March 2024 was €219.5m (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 €36.0m for Financial Year 2024 (2023 - €61.8m);

\*\*\* 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.

# Strategy

## Energia Group is a modern, integrated energy utility

- We are playing a pivotal role in the transformation of the economy and the energy transition and our strategy builds on the leading positions of the Group's businesses to satisfy the growing needs of our customers and facilitate the achievement of ambitious governmental decarbonisation policy goals.
- There are four objectives underpinning our strategy:
  - **Significantly increase our generation from renewables:** to build on and diversify the Group's renewable asset platform to meet the rapidly growing demand for renewable energy;
  - **Supporting our customers to decarbonise:** utilising technological advances to offer differentiated and enhanced product offerings to our customers, while looking for opportunities to increase, diversify and broaden the quality of our customer relationships, in particular through assisting customers to decarbonise;
  - **Support the rapid transformation of the energy system:** to develop, operate and grow the Group's portfolio of system critical flexible generation and storage assets in a manner that supports the Group's increasing renewable asset portfolio; enables the development of new product offerings to customers; and provides the security of supply and grid services needed as the island of Ireland transitions to a carbon neutral economy; and
  - **Power a new model for growth:** from the crossover of the energy and digital sectors, to utilise and grow our asset portfolio to innovatively support new opportunities for economic growth, including the development of new, highly efficient data centres powered by renewable electricity.
- These objectives will continue to create opportunities to extract value across the Group's complementary business activities supporting the predictability of the Group's financial performance; producing strong cash conversion; and enabling further investments with attractive returns. Delivery against these objectives will also position the Group to further evolve and grow our contracted and regulated earnings alongside our sustainable integrated energy earnings.
- Energia Group is also committed to making a positive impact in the communities in which we operate and to building an inclusive and successful workplace

# Renewables business developments

---

## The Renewables business:

- Owns and operates 309MW of wind assets;
- Purchases electricity from 1,224MW 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 March 2024 (31 March 2023 – 309MW).
- Renewable assets availability for Financial Year 2024 was 97.8% (2023 – 97.6%) with a wind factor of 23.8% (2023 – 25.7%).

### Renewable PPA portfolio

- Average contracted renewable generation capacity for Financial Year 2024 was 1,233MW (2023 – 1,266MW) with 1,224MW operational capacity at 31 March 2024 (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 (99MW under construction and 258MW in development).
  - Construction of the Drumlin wind farm (49MW) continued during the year. All eight turbines are now fully installed and energised. Commissioning is progressing and expected to complete by the end of First Quarter 2025. The project will be underpinned by a Corporate PPA with Microsoft.
  - Construction of the Crossmore wind farm (25MW) commenced during the year with progress being made on the civil infrastructure and initial grid works. Commissioning of the Crossmore windfarm is expected by the end of First Quarter 2026 and it is intended that the wind farm will be underpinned by a Corporate PPA with Microsoft.
  - In March 2024, the Group entered into a turbine supply agreement for the Ballylongford wind farm (25MW) in County Kerry in the RoI and issued a final notice to proceed in May 2024. Preliminary construction works have commenced and commissioning of the wind farm is expected by the end of FY26. It is intended that the project 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 March 2024 the Group had 523MW of capacity which is fully consented (31 March 2023 – 313MW) 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.

# Renewables business developments

## Hydrogen

- The Group is installing an electrolyser to produce hydrogen from renewable electricity at its Long Mountain wind farm in NI.
- First hydrogen production was achieved during the year and commissioning is expected to complete by the end of First Half 2025.
- The Group is also developing its next hydrogen generation project and has planning permission for an up to 5MW electrolyser to be co-located with its Rathsherry wind farm in Northern Ireland.

## Offshore wind

- During the year the Group continued to develop its North Celtic Sea (“NCS”) and South Irish Sea (“SIS”) offshore wind projects and the reports and analysis from the geotechnical and geophysical surveys were completed for both sites.
  - The Group entered into a partnership with Vargronn AS in September 2023 to co-develop offshore wind projects
- A contract to install Floating Lidar on the NCS site was executed in March 2024, and the Floating Lidar was installed in April 2024.
- In May 2024, the Government published its draft South Coast Designated Maritime Area Plan (“DMAP”) which identifies four maritime areas off the south coast in which development of fixed bottom offshore wind is proposed to take place over the next decade. The DMAP largely overlaps with the Group’s NCS site.
  - Consultation on this draft DMAP closes on 14 June 2024. Furthermore, the Government is developing terms and conditions for its second offshore wind auction (ORESS 2.1) for a single 900MW fixed bottom project which is expected to commence in Third Quarter 2025. This consultation closes on 7 June 2024 and final terms and conditions are expected to be published in July 2024.

# Renewables business developments

---

## Outlook

- Development is ongoing for the Group's pipeline of wind and solar projects across Ireland and 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 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 Full Year 2024 for Huntstown 1 was 96.2% (2023 – 94.8%) and for Huntstown 2 was 93.7% (2023 – 99.4%).
- Unconstrained utilisation for Huntstown 1 for Full Year 2024 was 52.4% (2023 – 63.9%) and 54.7% for Huntstown 2 (2023 – 73.0%).
- The incremental impact of constrained utilisation was 3.7% constrained on for Huntstown 1 (2023 – 4.1%) and 7.9% constrained off for Huntstown 2 (2023 – 11.4%).

### 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

- During the year, the Group completed the construction of the 50MW emergency gas generation plant at the Huntstown site and commissioning was completed in February 2024.
- The plant is now available to the system operator to provide emergency services as required.

## Battery storage

- During the year, the Group's 50MW battery storage facility in Belfast continued to provide grid-balancing services, operating reserve and steady state reactive power to the system operator in Northern Ireland.
  - High levels of performance achieved in the year reflect high levels of System Non-Synchronous Penetration
- The Group has a further pipeline of battery storage projects for up to 300MWh and has secured planning permission for 84 battery containers over seven sites across the island of Ireland.

## 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 2024 were 247,700 (31 March 2023 – 261,400) and Northern Ireland residential customer sites were 511,700 (31 March 2023 – 477,900).
- RoI non-residential customer sites for electricity were 46,800 (31 March 2023 – 47,400) and gas were 2,600 (31 March 2023 – 2,900).
- Northern Ireland non-residential customer sites were 39,400 (31 March 2023 – 38,700).
- Total electricity sales volumes in the RoI for Financial Year 2024 were 4.5TWh (2023 – 5.0TWh) and in Northern Ireland were 2.8TWh (2023 – 2.7TWh). RoI gas sales volumes were 65.2m therms (2023 – 80.6m therms)

# Customer Solutions business developments

## Tariffs

- In response to falling wholesale costs Energia and Power NI reduced their tariffs on a number of occasions during the year. Most recently 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.

## Price control

- Power NI's current price control runs until 31 March 2025. In line with the UR's approach to its review and setting of a new price control, for a four year period to commence on 1 April 2025 and run to 31 March 2029, Power NI has submitted its response to the Business Plan Questionnaire.
- The UR is expected to publish its draft determination by the end of First Half 2025 for a period of public consultation, and a final determination is expected by the end of Third Quarter 2025.

## Government support to residential customers

- While the UK Government did not make support payments to residential electricity customers in Winter 2023/24, the Rof Government did announce as part of its Budget on 10 October 2023 that all residential electricity customers would get €450 off their electricity bills. This energy credit was paid in 3 instalments of €150 (December 2023, January 2024 and March 2024) and the scheme has now ceased.

# Customer Solutions business developments

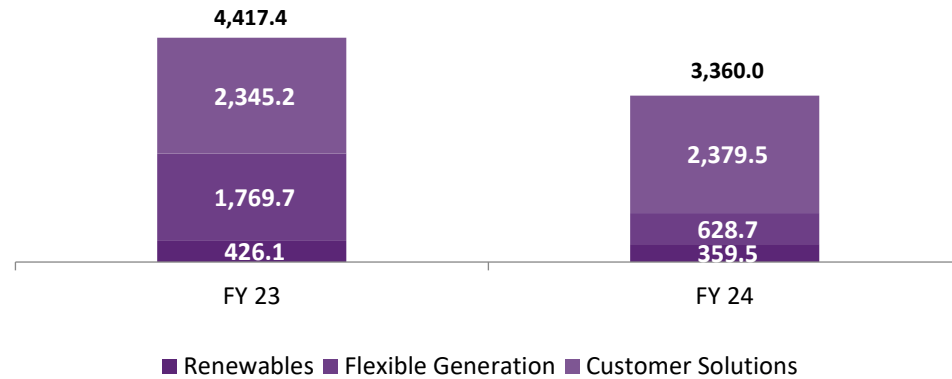
---

## Outlook

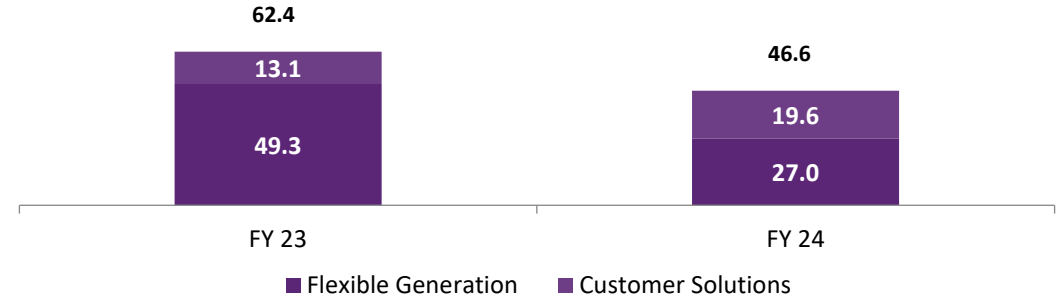
- The Group continues to progress its development of innovative, enhanced and differentiated product offerings to customers in line with its strategy. Digitalisation will remain a strong focus, and work continues with the development of the Energia Digital IQ platform. This near real-time cloud platform is on track to enhance Energia's Customer Solutions business by increasing customer self-serve, boosting customer engagement and enabling decarbonisation through smart, low carbon energy technologies.

# Senior Secured Notes Restricted Group financial summary – Full Year 2024

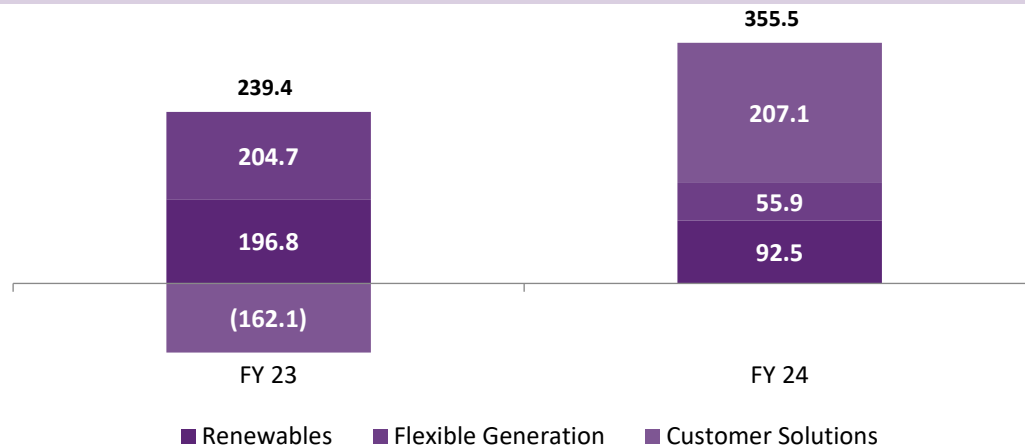
Revenue (€m)<sup>(a)</sup>



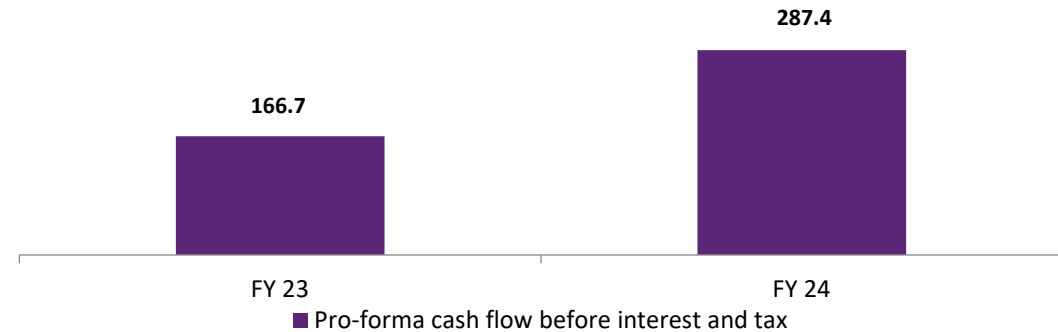
Capital expenditure for continuing operations (€m)<sup>(c)</sup>



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, but including distributions from renewable assets of €36.0m for Financial Year 2024 (2023 - €61.8m).

(c) Excludes capital expenditure on unrestricted investments of €58.4m in Full Year 2024 (2023 - €40.6m).

(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>	FY 23	FY 24
Renewables	196.8	92.5
Flexible Generation	204.7	55.9
Customer Solutions	(162.1)	207.1
	239.4	355.5

## Renewables

- Pro-forma EBITDA decreased from €196.8m to €92.5m 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 €204.7m to €55.9m primarily reflecting:
  - Lower margins for both Huntstown plants (associated with lower utilisations for both plants (including lower availability for Huntstown 2), lower commodity prices during the year and higher operating costs);
  - Lower EBITDA for PPB business (with the cessation of the business in September 2023); and
  - Lower emergency generation revenue which benefitted from milestone payments in 2023; partly offset by
  - Higher EBITDA contribution from the 50MW battery storage facility (commissioned in October 2022).

## Customer Solutions

- Pro-forma EBITDA increased from €162.1m loss to €207.1m profit primarily reflecting:
  - Higher Energia residential and non-residential margins;
  - Higher Power NI residential regulated and non-residential margins; and
  - Benefit of reassessment of expected credit loss provisions for both businesses; 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 €36.0m in Full Year 2024 (2023 - €61.8m)

# Senior Secured Notes Restricted group cash flow summary

(€m)	FY 23	FY 24
Pro-forma EBITDA <sup>(a)</sup>	239.4	355.5
Defined benefit charge less contributions paid	(1.4)	(1.5)
Changes in working capital <sup>(b)</sup>	(18.2)	(40.2)
Effects of FX	2.0	(0.7)
<b>Pro-forma cash flow from operating activities</b>	<b>221.8</b>	<b>313.1</b>
Capital expenditure <sup>(c)</sup>	(62.4)	(46.6)
Net receipt of Government Grant / deferred income	7.3	20.9
<b>Pro-forma cash flow before interest and tax</b>	<b>166.7</b>	<b>287.4</b>
Net movement in security deposits	(15.0)	37.1
Over / (under) - recovery of regulated entitlement	149.8	(107.9)
Exceptional items <sup>(d)</sup>	(1.1)	(2.7)
Equity investment in in-development renewable assets	(39.3)	(61.3)
<b>Pro-forma cash flow before interest, tax and acquisitions and disposals</b>	<b>261.1</b>	<b>152.6</b>

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 €36.0m in Full Year 2024 (Full Year 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 €3.3m increase in Financial Year 2024 (2023 - €10.6m decrease).

(c) Net capex excludes capex on unrestricted investments of €58.4m in Financial Year 2024 (2023 - €40.6m).

(d) Includes exceptional costs associated with acquisitions whether successful or unsuccessful.

# Net debt

Net debt (€m) As at	31 Mar 23	31 Mar 24
Cash and investments*	(577.3)	(373.8)
Senior secured notes due 2028	-	590.0
Senior secured notes due 2025	347.7	-
Senior secured notes due 2024	254.4	-
Senior revolving credit facility	80.7	-
Interest accruals	2.0	3.3
<b>Senior net debt</b>	<b>107.5</b>	<b>219.5</b>
Project finance cash	(42.6)	(30.4)
Project finance bank facilities	277.2	260.4
Interest accruals	-	0.1
<b>Total net debt</b>	<b>342.1</b>	<b>449.6</b>

- FX rate at 31 March 2024: €/£1.1697 (31 March 2023: €/£1.1363).
- Senior net leverage at 31 March 2024 was 0.6x (31 March 2023 – 0.4x).
- Dividends paid to the parent undertaking were €150m in August 2023 and €50m in December 2023 (Financial Year 2023 - €nil)

\*Cash at 31 March 2023 excludes €5.7m of restricted cash received from the UK government in relation to administration of the EBSS. The scheme ceased in June 2023 and remaining cash was repaid in October 2023 upon completion of the government audit.



# Conclusion

## Strong financial performance for Year Ended 31 March 2024 reflecting the strength of the Group's integrated business model

### Outlook

- During the year commodity and wholesale electricity prices, interest rates and inflation all stabilised somewhat from the high and volatile levels experienced in recent years and the Group has been able to deliver robust financial performance through its regulated and contracted revenues supported by its integrated business model.
- While the Group's businesses remain resilient, the exceptional price environment and resulting EBITDA performance in FY24 is expected to normalise in FY25.
- Further buildout of the Group's onshore wind farm portfolio is underway:
  - Drumlins wind farm will commission and become operational by the end of First Quarter 2025
  - Construction is progressing on the Crossmore and Ballylongford wind farms which are expected to commission by the end of First Quarter 2026 and the end of Financial Year 2026 respectively.
- We remain focused on the delivery of the Group's strategic objectives, delivery against which will position the Group to further evolve and grow our contracted and regulated earnings alongside our sustainable integrated energy earnings.
- We will continue to play a leading role in the energy transition across the island of Ireland and remain committed to making a positive impact in the communities in which we operate and to building an inclusive and successful workplace.

# 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.