

VIRIDIAN

Results Presentation Third Quarter 2019

12 March 2019



Forward looking statements

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Financial highlights

Strong performance for the Third Quarter 2019 post new I-SEM market go-live

- Pro-forma EBITDA* for the Third Quarter 2019 was £31.2m (2018 - £25.3m**)
- Pro-forma cash flow before interest and tax*** for the Third Quarter 2019 was £29.4m (2018 - £34.4m)
- Senior net debt was £392.2m at 31 December 2018 (30 September 2018 - £402.4m)

** EBITDA based on regulated entitlement, before exceptional items and certain remeasurements and excluding earnings from renewable assets, but includes distributions from renewable assets of £1.7m from wholly owned assets in Third Quarter 2019 (Third Quarter 2018 - £nil) and £0.7m from minority owned assets (Third Quarter 2018 - £nil);*

*** Prior year comparatives have been restated where applicable for new accounting standards as referred to in the Third Quarter 2019 accounts*

**** 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*

Energia Group business developments

Huntstown plant availability and utilisation

- Availability was 99.9% for both Huntstown 1 and 2 for Third Quarter 2019
- Huntstown 1 unconstrained utilisation for Third Quarter 2019 was 89.9% and reflects significant outages of other plant in the market
- From the commencement of ISEM (1 October 2018), as Huntstown 2 was not successful in achieving a Reliability Option for the first capacity year (October 2018 – September 2019), it does not partake in the Day Ahead or Intraday Energy markets and thus Huntstown 2 unconstrained utilisation for Third Quarter 2019 was nil
- Incremental impact of constrained utilisation was a decrease of 32.7% for Huntstown 1. Huntstown 2 continues to partake in the Balancing market and the incremental impact of constrained utilisation for Huntstown 2 was 23.6%
- Huntstown 2 will commence a planned maintenance outage of c.42 days in mid-March 2019

Retail sales

- RoI residential customer sites supplied at 31 December 2018 were 206,300 (30 September 2018 – 201,300)
- Non-residential electricity customer sites supplied at 31 December 2018 were 52,600 (30 September 2018 – 54,100)
- Non-residential gas customer sites supplied at 31 December 2018 were 4,000 (30 September 2018 – 4,000)
- Total electricity sales volumes for Third Quarter 2019 were 1.5TWh (2018 – 1.5TWh)
- Total gas sales volumes for Third Quarter 2019 were 22.6m therms (2018 – 22.3m therms)

Energia Group business developments (cont'd)

I-SEM market capacity auction update

- On 21 December 2018 SEMO published provisional results which confirmed that both Huntstown plants had been awarded reliability options in the T-1 capacity auction for the 2019/20 capacity year.
- The auction clearing price was €40,646/MW and the final results were confirmed on 1 February 2019.
- The final auction information pack for the first T-4 capacity auction covering the 2022/23 capacity year was issued on 8 March 2019.
- The T-4 capacity auction for the 2022/23 capacity year is scheduled to take place on 28 March 2019 and results are expected to be confirmed by the end of April 2019
- The Group is appraising opportunities for new generation to meet the increased capacity requirement for Dublin

Renewable PPAs

- Average contracted renewable generation capacity in operation during the Third Quarter 2019 was 998MW (2018 – 986MW) with 998MW operational capacity at 31 December 2018 (30 September 2018 – 998MW)

Energia Group business developments (cont'd)

Renewable Assets – Wind Farms

- 277MW operational at 31 December 2018 (30 September 2018 – 223MW)
- The remaining 3 wind farm projects (54MW), previously under construction, were all commissioned in October 2018 and ROC accreditation has now been achieved
- Renewable assets availability for Third Quarter 2019 was 96.9% (2018 – 96.0%) with a wind factor of 34.4% (2018 – 29.5%)
- Distributions of £4.7m were made in the Nine Months 2019 (2018 - £0.1m) from the wholly owned renewable assets to the Restricted Group together with £1.3m (2018 - £0.2m) from the minority assets
- In February 2019 the Group completed the acquisition of a 21MW wind farm development project at Coolberrin in County Cavan, ROI

Sale of minority share wind farms

- In December 2018, the Group disposed of its 20% share in a portfolio of Northern Ireland wind farm projects (previously owned by IIF) and recognised a gain on disposal of £4.6m and cash proceeds of £8.8m

Renewable Assets - Bioenergy

- Construction continues at the Group's 4.9MW anaerobic digestion facility at Huntstown in Dublin
- It is intended to put project finance facilities in place and commercial operation is expected by December 2019
- The project is expected to benefit from REFIT support

Power NI business developments

Electricity sales

- Residential customer numbers at 31 December 2018 were 458,000 (30 September 2018 – 460,000)
- Non-residential customer numbers at 31 December 2018 were 35,000 (30 September 2018 – 35,000)
- Total electricity sales for Third Quarter 2019 were 0.7TWh (2018 – 0.7TWh)

Deregulated renewable PPA portfolio

- Average contracted generation capacity in operation during the Third Quarter was 317MW (2018 – 232MW) with operational capacity of 316MW at 31 December 2018 (30 September 2018 - 318MW)

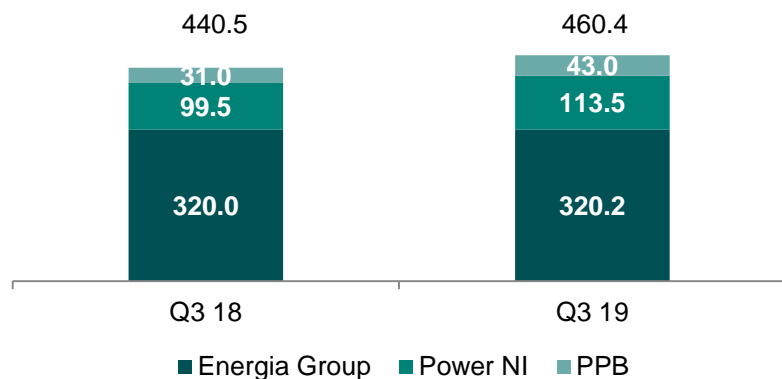
PPB business developments

Price control

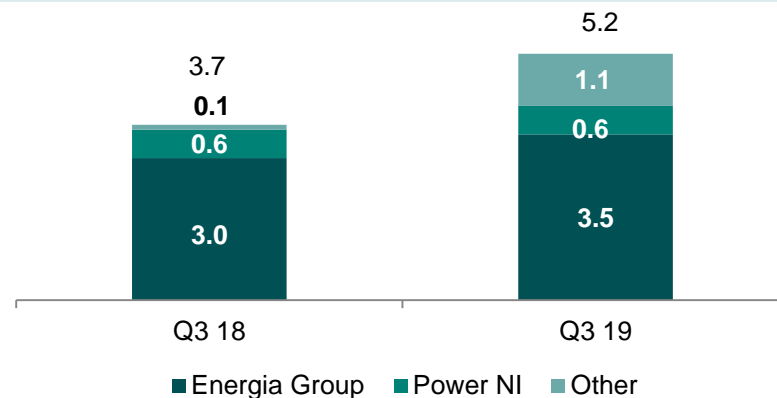
- On 14 January 2019 the Utility Regulator published its decision paper and proposed licence modifications to implement a revised price control for PPB
- The revised price control is scheduled to be effective from May 2019 and run to September 2023 to coincide with the expiry of the Ballylumford Generating Unit Agreements

Financial summary – Third Quarter 2019

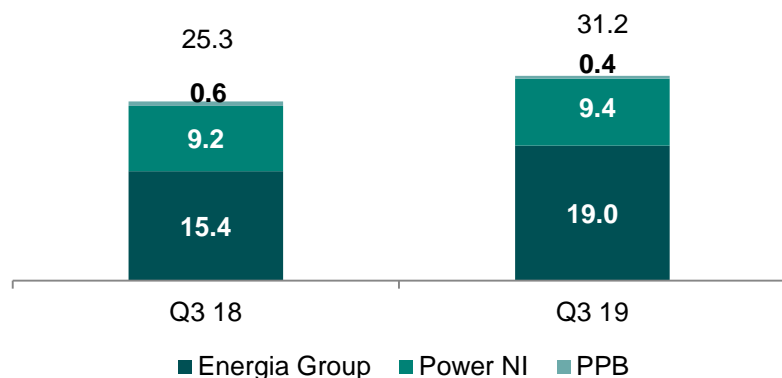
Revenue (£m)^(a)



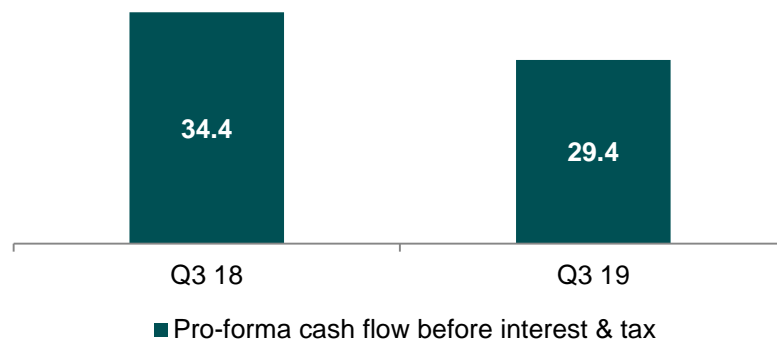
Capital expenditure for continuing operations (£m)^(c)



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 excluding earnings from renewable wind farm assets, but includes distributions from renewable assets of £1.7m from wholly owned assets in Third Quarter 2019 (Third Quarter 2018 - £nil) and £0.7m from minority owned assets (Third Quarter 2018 - £nil);

(c) Excludes capital expenditure on renewable wind farm assets of £8.0m in Third Quarter 2019 and £7.5m in Third Quarter 2018

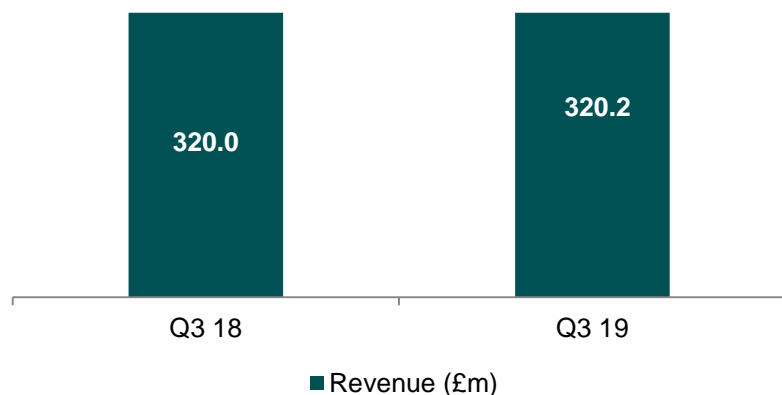
(d) Pro-forma cash flow before interest and tax defined as Pro-forma EBITDA, less pension charges, plus movements in provisions and working capital (inc purchase of and proceeds from sale of other intangibles), less gross capex (excluding capex of renewable wind farm assets) and exceptional items and including the effects of FX

Energia Group KPIs

Energia Group	Q3 18	Q3 19
Availability (%)		
Huntstown 1	100.0	99.9
Huntstown 2	100.0	99.9
Unconstrained utilisation (%)		
Huntstown 1	0.2	89.9
Huntstown 2	4.7	-
Incremental impact of constrained utilisation (%)		
Huntstown 1	46.7	(32.7)
Huntstown 2	28.4	23.6
Sales		
Electricity sales (TWh)	1.5	1.5
Gas sales (million therms)	22.3	22.6
Total customer sites (No.)		
Non-residential	60,900	56,600
Residential	179,000	206,300
Wind farm operational PPAs		
Average capacity during the period	986	998
Period end capacity – at 31 December	998	998

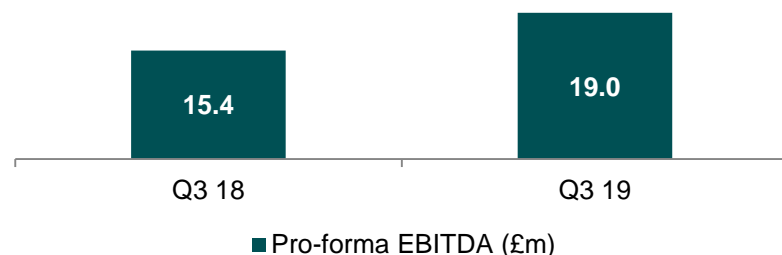
Energia Group financial highlights – Third Quarter 2019

Revenue



- Revenue for Third Quarter 2019 increased slightly from £320.0m to £320.2m primarily reflecting:
 - Higher utilisation of Huntstown 1;
 - Higher non-residential and residential revenue; and
 - Favourable foreign exchange translation; partly offset by
 - Lower interconnector revenue; and
 - Lower renewable PPA revenues

Pro-forma EBITDA^(a)



- Pro-forma EBITDA for Third Quarter 2019 increased from £15.4m to £19.0m primarily reflecting:
 - Higher Huntstown 1 unconstrained utilisation; and
 - Higher non-residential and residential margins; partly offset by
 - Higher operating costs

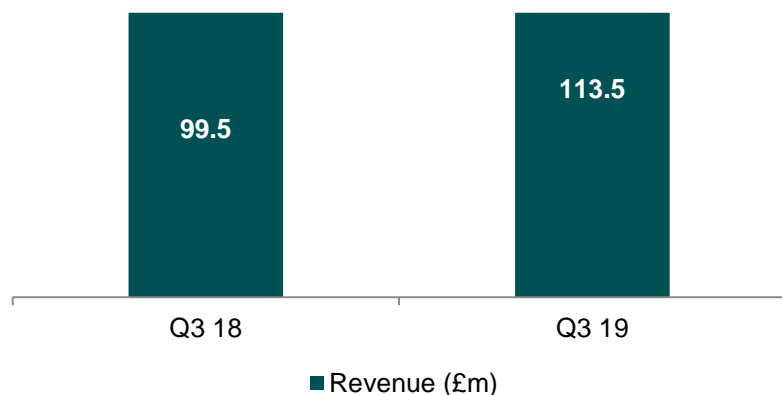
(a) Pro-forma EBITDA excludes EBITDA from renewable assets of £13.1m in Third Quarter 2019 and £7.6m in Third Quarter 2018

Power NI KPIs

Power NI	Q3 18	Q3 19
Sales		
Electricity sales (TWh)	0.7	0.7
Total customer sites (No.)		
Residential	470,000	458,000
Non-residential	34,000	35,000
Contracted operational renewable PPA capacity (deregulated) (MW)		
Average capacity during the period	232	317
Period end capacity – 31 December	247	316

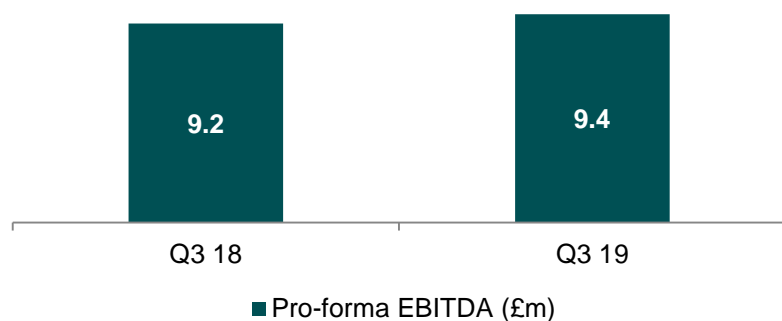
Power NI financial highlights – Third Quarter 2019

Revenue



- Revenue for Third Quarter increased from £99.5m to £113.5m reflecting:
 - Higher deregulated revenue;
 - Higher regulated revenue (reflecting the tariff increase in October 2018); partly offset by
 - A reduction in residential customer numbers.

Pro-forma EBITDA^(a)

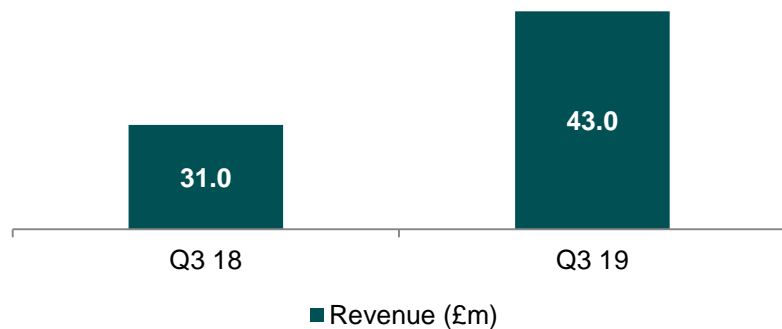


- Pro-forma EBITDA for Third Quarter 2019 increased from £9.2m to £9.4m reflecting:
 - Higher contributions from small scale renewable PPAs; partly offset by
 - Lower unregulated margins; and
 - Higher operating costs

(a) Based on regulated entitlement

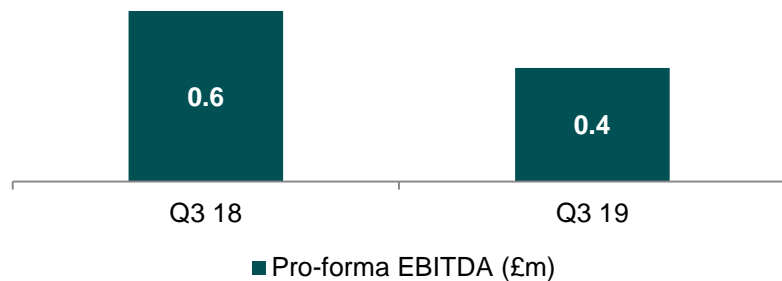
PPB financial highlights – Third Quarter 2019

Revenue



- Revenue for Third Quarter 2019 increased from £31.0m to £43.0m primarily reflecting higher utilisation of the Ballylumford plant.

Pro-forma EBITDA^(a)



- Pro-forma EBITDA for Third Quarter 2019 decreased from £0.6m to £0.4m reflecting higher operating costs.

(a) Based on regulated entitlement

Restricted group cash flow summary

(£m)	Restated Q3 18	Q3 19	Restated 9M 18	9M 19
Pro-forma EBITDA ^(a)	25.3	31.2	76.6	84.1
Defined benefit charge less contributions paid	-	(0.6)	-	(0.6)
Changes in working capital ^(b)	13.1	3.8	22.6	18.7
Effects of FX	(0.3)	0.2	1.0	-
Pro-forma cash flow from operating activities	38.1	34.6	100.2	102.2
Net capital expenditure ^(c)	(3.7)	(5.2)	(10.3)	(16.1)
Pro-forma cash flow before interest and tax	34.4	29.4	89.9	86.1
Net movement in security deposits	(0.6)	(0.9)	0.3	(13.3)
(Under)/over-recovery of regulated entitlement	(3.1)	5.8	11.2	4.2
Exceptional items ^(d)	(0.1)	(0.2)	(0.4)	0.1
Proceeds from sale of minority owned wind farms	-	8.8	-	8.8
Equity investment in in-development renewable assets	(2.1)	(23.5)	(5.6)	(28.0)
Pro-forma cash flow before interest, tax and acquisitions and disposals	28.5	19.4	95.4	57.9

Note:

(a) Pro-forma EBITDA is defined as EBITDA before exceptional items and certain remeasurements and adjusted for (under)/over-recovery of Viridian's regulated business against their regulated entitlement and excludes EBITDA from renewable assets of £13.1m in Third Quarter 2019 (Third Quarter 2018 - £7.6m); Nine Months 2019 £23.6m (Nine Months 2018 - £16.4m) but includes distributions from renewable assets of £1.7m from wholly owned assets in Third Quarter 2019 (Third Quarter 2018 - £nil) and £0.7m from minority owned assets (Third Quarter 2018 - £nil); Nine Months 2019 £4.7m from wholly owned assets (Nine Months 2018 - £0.1m) and £1.3m from minority interest assets (Nine Months 2018 - £0.2m)

(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 renewable assets of £5.7m increase in Third Quarter 2019 (Third Quarter 2018 - £1.5m); Nine Months 2019 £8.8m (Nine Months 2018 £3.5m)

(c) Net capex excludes capex on renewable assets of £8.0m in Third Quarter 2019 (Third Quarter 2018- £7.5m); Nine Months 2019 £47.6m (Nine Months 2018 - £52.0m)

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

Net debt

Net debt (£m) As at	31 Mar 18	30 Sep 18	31 Dec 18
Cash and investments	(102.7)	(127.5)	(146.3)
Senior secured notes due 2025	301.6	306.7	309.2
Senior secured notes due 2024	221.1	221.4	221.5
Interest accruals	1.7	1.8	7.8
Senior net debt	421.7	402.4	392.2
Project finance cash	(24.9)	(21.4)	(28.0)
Project finance bank facilities	258.2	292.8	298.4
Interest accruals	0.4	0.3	2.9
Total net debt	655.4	674.1	665.5

- FX rate at 31 December 2018: €/\$1.1141 (30 September 2018: €/\$1.1227; 31 March 2018: €/\$1.1406)
- Senior net leverage at 31 December 2018 was 3.6x
- Interim dividend of £30m paid in January 2019

Reporting currency

Review of reporting currency

- The Group is considering changing its reporting currency from Sterling to Euro
- In anticipation of such change being effected, the Group has presented provisional Euro financial statements for Nine Months 2019 and Year Ended 31 March 2018
- Provisional Euro financial statements are available on the investor relations page of the Group's website [click here](#)

Conclusion

Strong performance for the Third Quarter 2019 post new I-SEM market go-live

Outlook

- Bedding down of new I-SEM market in the months ahead
- First T-4 capacity market auction to be held on 28 March 2019 with results expected to be confirmed by the end of April 2019
- Wind farm asset portfolio now fully operational and the Group is progressing the development of further projects commencing with the recently acquired Coolberrin wind farm
- Construction of the Huntstown bio-energy project expected to complete by the end of 2019
- Continuing focus on further opportunities for sustainable growth
- Decision on change in presentational currency to Euro to be confirmed with publication of financial results for the year ending 31 March 2019