



**Greencoat Renewables PLC**  
**2019 Interim Results**

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# Investment Manager – Key Personnel

**Bertrand  
Gautier**



- 26+ years operational, investment and finance experience, of which 9 exclusively renewables
- Member of Greencoat Capital Investment Committee for Greencoat UK Wind PLC
- Joined Greencoat Capital in 2010

**Paul  
O'Donnell**



- 16+ years investment experience, of which 12+ in renewables
- 11 years in the Irish energy sector
- Joined Greencoat Capital in 2009



## INVESTMENT SUMMARY

**6.03c**

Euro denominated,  
progressive dividend  
policy, uncorrelated  
returns

**411 MW<sup>(1)</sup>**

High-quality Irish  
portfolio. Potential  
for further  
diversification  
in Europe

**PIPELINE**

Strong Irish pipeline,  
underlined by  
REFIT2 build out  
and RESS.  
Opportunistic  
growth potential  
in Europe

**REGULATION**

Strong Irish  
regulatory regime  
guaranteeing index  
linked power price  
floor for REFIT  
period

**TRACK  
RECORD**

Greencoat Capital  
is a leading  
investment  
manager with  
strong track record  
across multiple  
funds



(1) As at June 2019

# Results Summary for Six Months to June 30<sup>th</sup> 2019



Power generation 5% below budget, due primarily to higher than budgeted curtailment	<b>555.9GWh</b> Power generation
Strong cash generation	<b>€27.1m<sup>1</sup></b> Net cash generation
Net Asset Value at 30 June 2019 103.5 cent per share	<b>€538.2m</b> Net asset value
Further 25% investment in Cloosh Valley wind farm	<b>€954.6m</b> Gross asset value
Acquisition of Gortahile windfarm in September 2019	<b>431MW</b> Total portfolio
€416.5m outstanding borrowings as at 30 June 2019, including €165.5m of long-term project level debt	<b>44% of GAV</b> Total borrowings equivalent
Successful issuance of 140m shares in March 2019	<b>250m</b> Share issuance programme closed
Significant carbon free electricity generated	Equivalent to powering <b>240,000 homes</b>

<sup>1</sup> Net cash generation has been adjusted to remove €3.2m of REFIT revenue accrued in November 2018 that was received later than contracted in January 2019. €27.1m is pre the SPV level debt repayment of €3.7m

<sup>2</sup> Dividend cover of 1.7x net of SPV level debt repayment



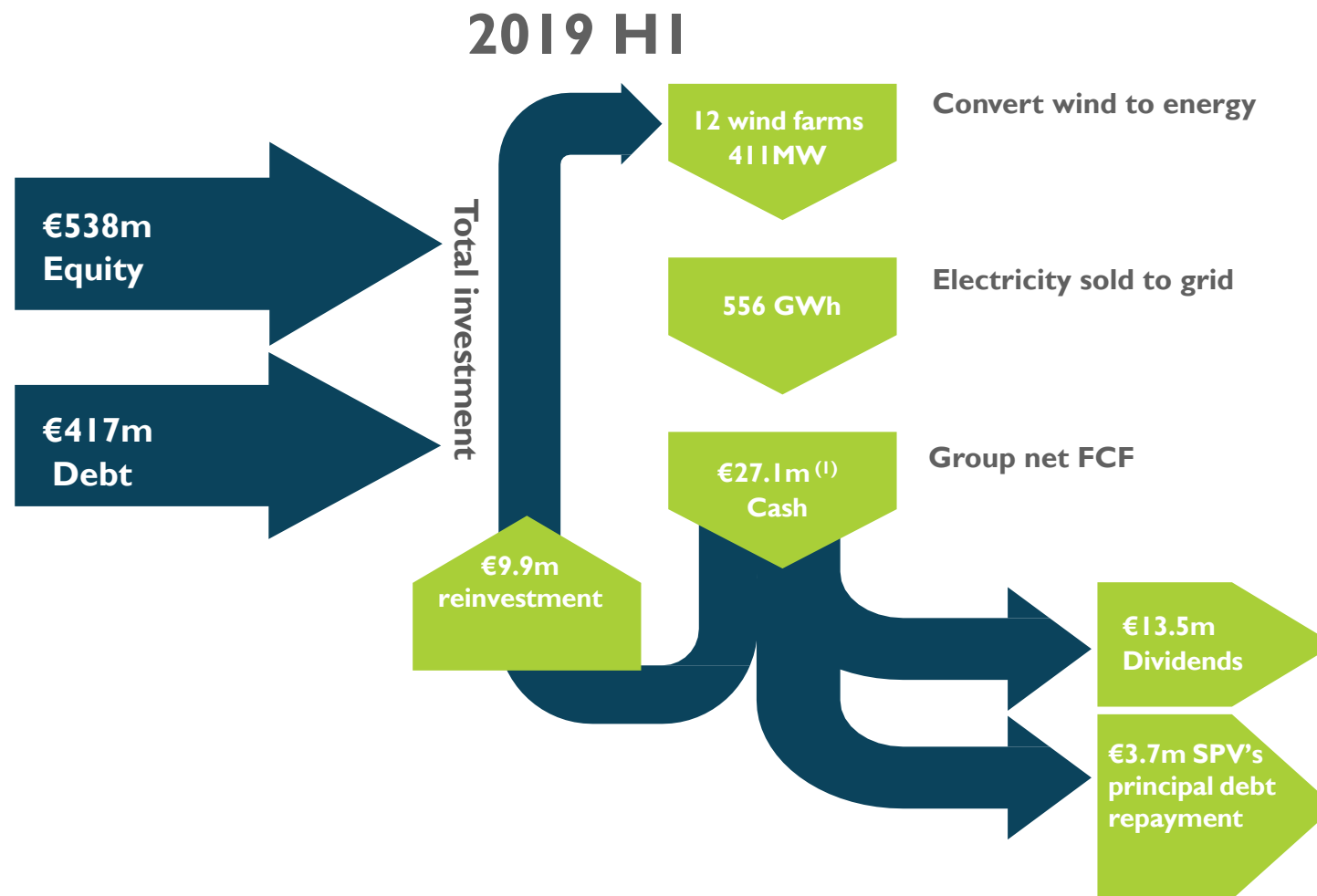
**SECTION I**

# Operational Performance



# Greencoat Renewables – Simple and Robust Business Model

## Greencoat Renewables Model



(1) Net cash generation and dividend cover excludes €3.2m of REFIT revenue that was received post Dec 31 2018.

## Diversified portfolio underpinned by 11+ years' REFIT and strong operating performance



Key	Wind Farm	Turbines	REFIT end	% Interest	GRP Net MW
1	Knockacummer	Nordex	Dec 2027	100%	100.0
2	Killhills	Enercon	Mar 2030	100%	36.8
3	Glanaruddery	Vestas	Dec 2032	100%	36.3
4	Lisdowney	Enercon	Nov 2031	100%	9.2
5	Tullynamoyle II	Enercon	Dec 2032	100%	11.5
6	Knocknalour	Enercon	Aug 2028	100%	9.2
7	Ballybane	Enercon	2023 - 2032	100%	48.3
8	Raheenleagh	Siemens	Jul 2031	50%	17.6
9	Cloosh Valley	Siemens	Jul 2032	75%	81.0
10	Sliabh Bawn	Siemens	Dec 2031	25%	16.0
11	Monaincha	Nordex	Sept 2029	100%	36.0
12	Garranereagh	Enercon	Dec 2027	100%	9.2
Total					411 MW

- Wind speed broadly on budget
- Grid constraint / curtailment c4% higher than budget
- Turbine availability above budget





## Active Management

- Portfolio scale continues to open commercially viable opportunities for enhancing performance.
- Combination of economies of scale, Greencoat methodology, and innovation.

Generation

Availability

Community

Off-taker  
Agreements

Dispatch Down

Business Rates

Turbine  
O&M

i-SEM  
Balancing  
fee

DS3  
revenue

Other  
revenue  
services

CLAF

Grid O&M

MOMA

Land  
leases

Imported  
electricity

BOP  
Maintenance

## HI Milestones

- **Generation**
  - Pro-active engagement project with all OEMs to identify potential technology upgrades
  - Turbine performance improvement programme underway at 5 sites to investigate and implement efficiencies
- **Business Rates**
  - Active management of rates revaluation process
- **Commercial Management**
  - Portfolio scale efficiencies in O&M contracts
  - Portfolio scale efficiencies in insurance costs
- **i-SEM Balancing Fee**
  - Renegotiation of 3<sup>rd</sup> party balancing contracts
- **DS3 Revenue**
  - DS3 (System services) contracts renewed and upgrade for 6 sites, with plan to roll out to further 3 sites in 2019

## Environmental

- CO2 offset equivalent to over 240,000 homes
- Evaluate and mitigate all risks to biodiversity, air quality, noise, and waste management
- Ensure that contractors and operators adhere to good industry standards

## Social

- ESG policy in place covering employment, occupational health and safety, human rights, public safety and security, community matters and planning permissions
- Include social risks in evaluations of our site management plans
- Budget of over €600k in 2019 for local community projects

## Corporate Governance

- Experienced, independent and diverse Board



**Our ESG approach begins at the pre-investment stage, building ESG risk into our valuation modelling. Once owned, we aim at operating the assets to the benefit of all stakeholders.**



**SECTION 2**

# Financial Performance





# Financial Performance (1/2)

Group and wind farm SPV cash flows	For the six months ended 30 June 2019	
	Net <sup>(1)</sup> €'000	Gross <sup>(1)</sup> €'000
Net cash generation <sup>(2)</sup>	23,417	27,134
Dividends paid	(13,539)	(13,539)
Project Capex & PSO Cashflow <sup>(3)</sup>	(3,625)	(3,625)
Project level debt repayment	–	(3,717)
Acquisitions <sup>(4)</sup>	(30,726)	(30,726)
Acquisition costs	(4,457)	(4,457)
Equity issuance	147,700	147,700
Equity issuance costs	(2,443)	(2,443)
Net repayment under debt facilities	(111,031)	(111,031)
Upfront finance costs	(196)	(196)
<b>Movement in cash (Group and wind farm SPVs)</b>	<b>5,100</b>	<b>5,100</b>
Opening cash balance (Group and wind farm SPVs)	41,275	41,275
<b>Ending cash balance (Group and wind farm SPVs)</b>	<b>46,375</b>	<b>46,375</b>
Net cash generation	23,417	27,134
Dividends	13,539	13,539
Dividend cover	1.7x	2.0x

(1) The dividend cover tables above are shown as two scenarios: the first reflects cash generation net of the Group's share of project level debt repayment at Cloosh Valley, Raheenleagh and Sliabh Bawn, and the second shows the gross cash generation.

(2) Net cash generation has been adjusted to remove €3.2m of REFIT revenue accrued in November 2018 that was received later than contracted in January 2019.

(3) Cashflows reflect residual capital expenditure from acquired SPVs (covered by the vendor of the SPVs) plus REFIT working capital movements with the PSO relating to wind farm SPVs less €3.2m of REFIT revenue outstanding at year end.

(4) Acquisition consideration is net of the acquired SPV cash.

# Financial Performance (2/2)

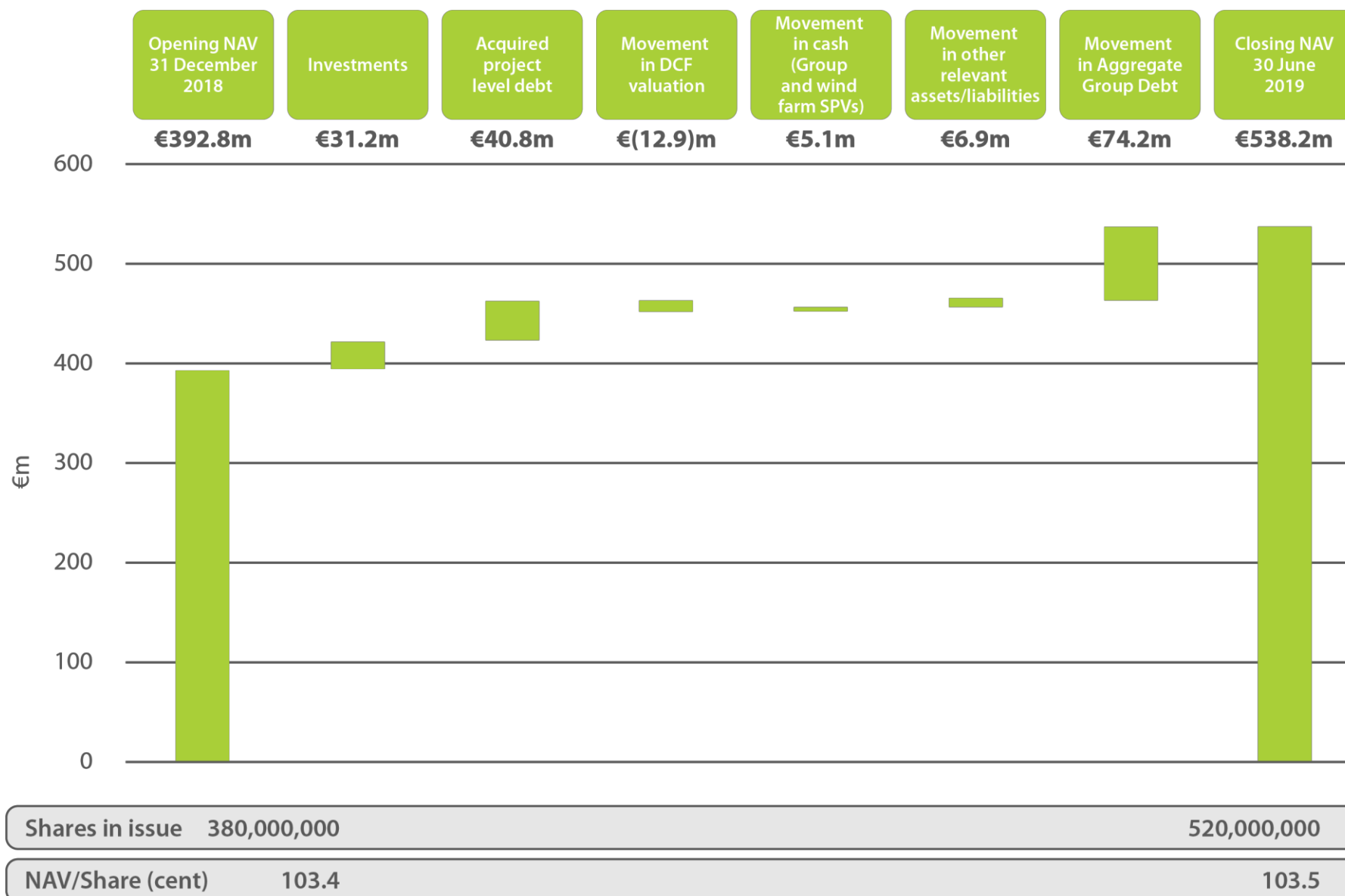
Net Cash Generation – Breakdown	For the six months ended 30 June 2019	
	Net €'000	Gross €'000
Revenue <sup>(1)</sup>	47,622	47,622
Operating expenses	(12,770)	(12,770)
Tax / VAT	168	168
<b>Wind farm operating cashflow</b>	<b>35,020</b>	<b>35,020</b>
Project level debt interest	(2,015)	(2,015)
Project level debt repayment	(3,717)	–
<b>Wind farm cashflow</b>	<b>29,288</b>	<b>33,005</b>
Management fee	(1,999)	(1,999)
Operating expenses	(929)	(929)
Ongoing finance costs	(2,751)	(2,751)
VAT	(265)	(265)
Other	73	73
<b>Group cashflow</b>	<b>(5,871)</b>	<b>(5,871)</b>
<b>Net cash generation</b>	<b>23,417</b>	<b>27,134</b>

1. Cash revenue has been adjusted to exclude €3.2m of REFIT revenue that was received in January 2019 that related to November 2018

Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities	For the six months ended 30 June 2019	
	Net €'000	Gross €'000
Net cash flows from operating activities <sup>(1)</sup>	4,459	4,459
Movement in cash balances of wind farm SPVs	6,977 <sup>(2)</sup>	10,694 <sup>(3)</sup>
Repayment of shareholder loan investment <sup>(1)</sup>	14,733	14,733
Finance costs <sup>(1)</sup>	(2,948)	(2,948)
Upfront finance costs (cash) <sup>(4)</sup>	196	196
<b>Net cash generation</b>	<b>23,417</b>	<b>27,134</b>

1. Condensed Consolidated Statement of Cash Flows.
2. €7,077k movement in cash balances of SPVs (note 8 to the Financial Statements – excludes acquired cash) less €100k other working capital at wind farm SPV level.
3. €7,077k movement in cash balances of SPVs (note 8 to the Financial Statements - excludes acquired cash) less €100k other working capital at wind farm SPV level plus €3,717k repayment of project level debt.
4. €44k other facility fees (note 12 to the Financial Statements) plus the €152k decrease in other finance costs payable (note 11 to the Financial Statements)

# Movement in Net Asset Value





**SECTION 3**

# Acquisitions and Growth Opportunity





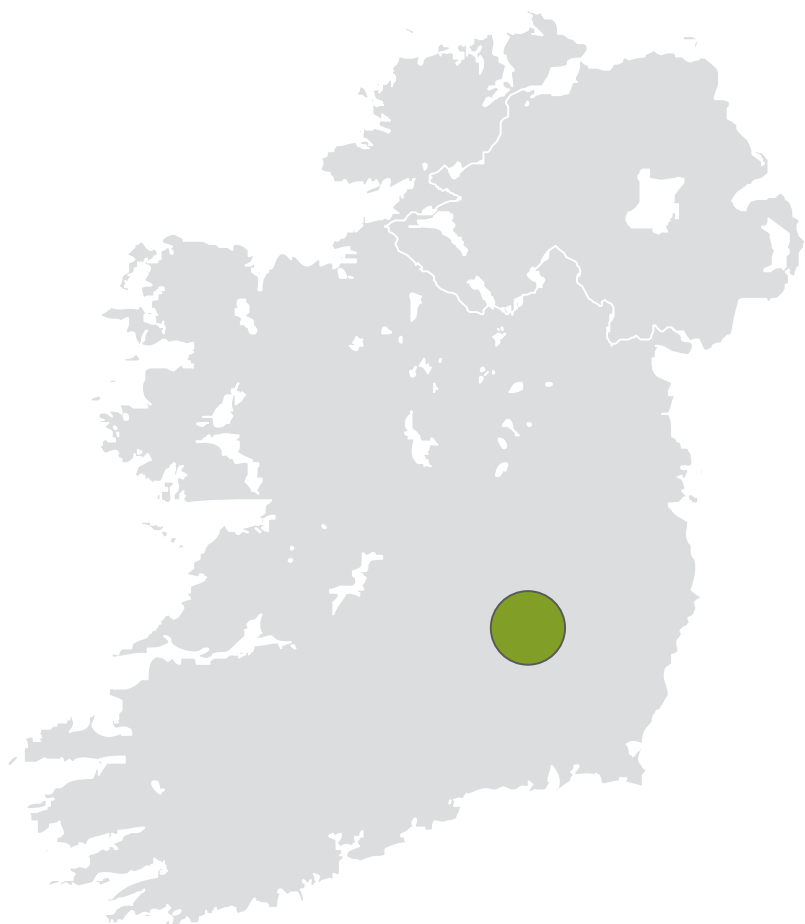
## Cloosh Valley wind farm – 108MW (75%)



Seller	SSE
Size	27MW
Turbines	36 Siemens 3.0MW turbines
COD	September 2017
PPA	SSE (2032)
Turbine O&M	Siemens
O&M Management	SSE

- Additional 25% stake in Cloosh Valley wind farm acquired from SSE for a total consideration of €31.2m (net of acquired cash), taking Greencoat Renewables' ownership of the wind farm to 75%
- Deal also includes €40.8m of project finance debt attributable to the shareholding acquired
- SSE continue to own the remaining 25% of Cloosh Valley and will continue to manage the operations and trading of the wind farm

## Gortahile wind farm – 20MW (100%)



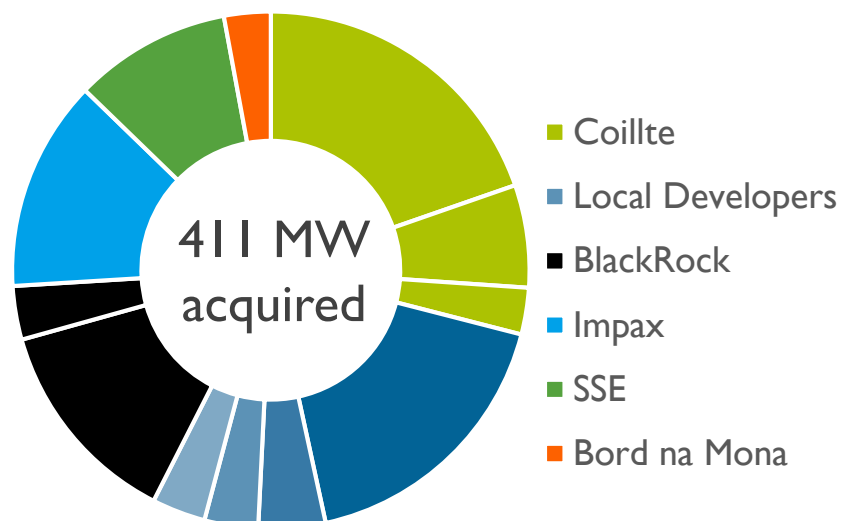
Seller	Glennmont Partners
Size	20MW
Turbines	8 Nordex N90 2.5MW turbines
COD	August 2010
PPA	Energia
Turbine O&M	Nordex
O&M Management	ABO Wind

- Opportunity to add further scale to Irish portfolio in September 2019
- High load factor site (35%+)
- Located in Co Laois



## Secondary Market since listing

1.1 GW priced

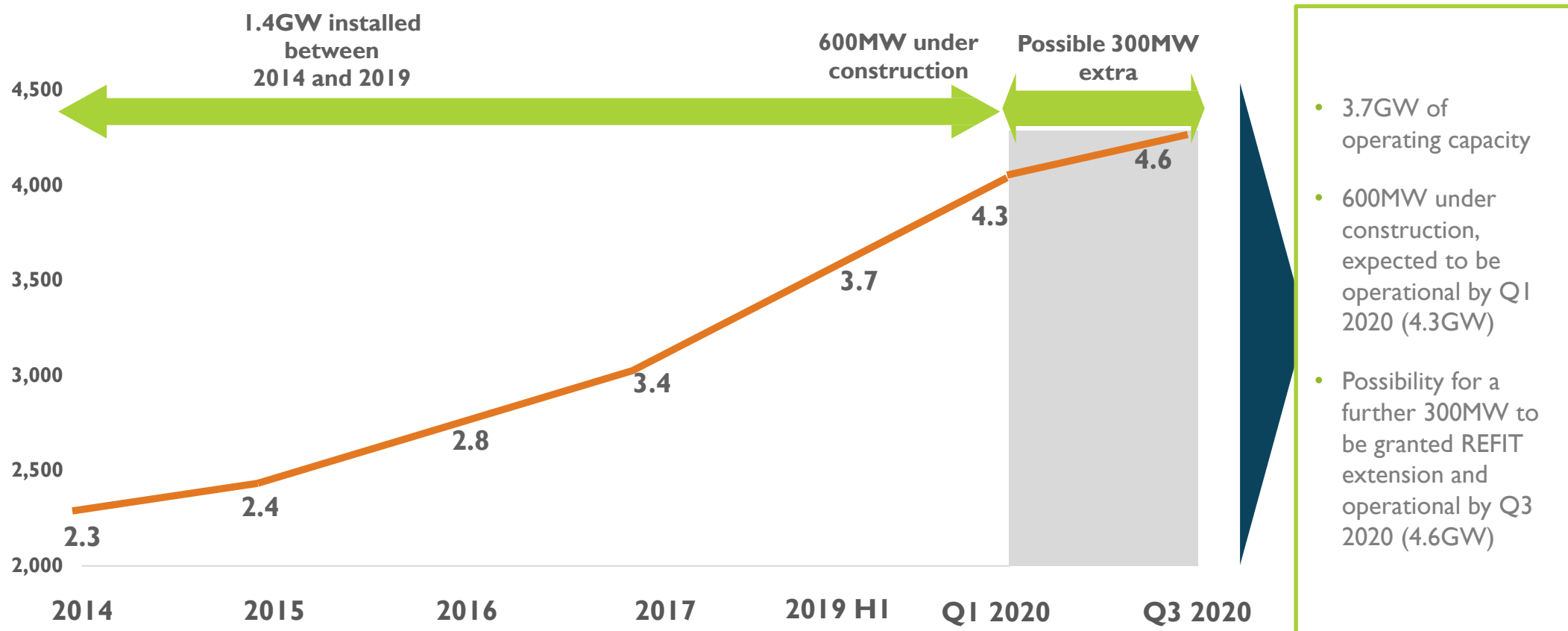


- Secondary wind market remains active and growing
- Incidence of off-market and bilateral transactions increasing
- A lot of developers focused on getting projects through construction

**Greencoat reputation as attractive counterparty following 10 transactions in 2 years**

**Irish wind assets remains a large market and continues to see strong growth**

## Republic of Ireland Cumulative Installed Wind Power 2014-2019 (GW)



**c.€8-9bn<sup>1</sup> operational assets by 2020**

(1) Republic of Ireland estimated asset base

Source: Eirgrid all Ireland generation capacity statement 2017-2026 and Greencoat Capital research

## Renewables/ RESS Auction

- Increase reliance on renewables from 30% to 70%
- Peat and coal plants closing
- Regular RESS auctions to provide route to market

## Corporate PPA / Data Centres

- Intention to meet 15% of electricity demand contracted by way of Corporate PPAs

## Heat and Transport

- Target to have 1 million electric vehicles by 2030
- Target to have 400k heat pumps by 2030

## 2020

### Estimated renewable capacity

- 4.5GW onshore
- No offshore
- No solar

## 2030

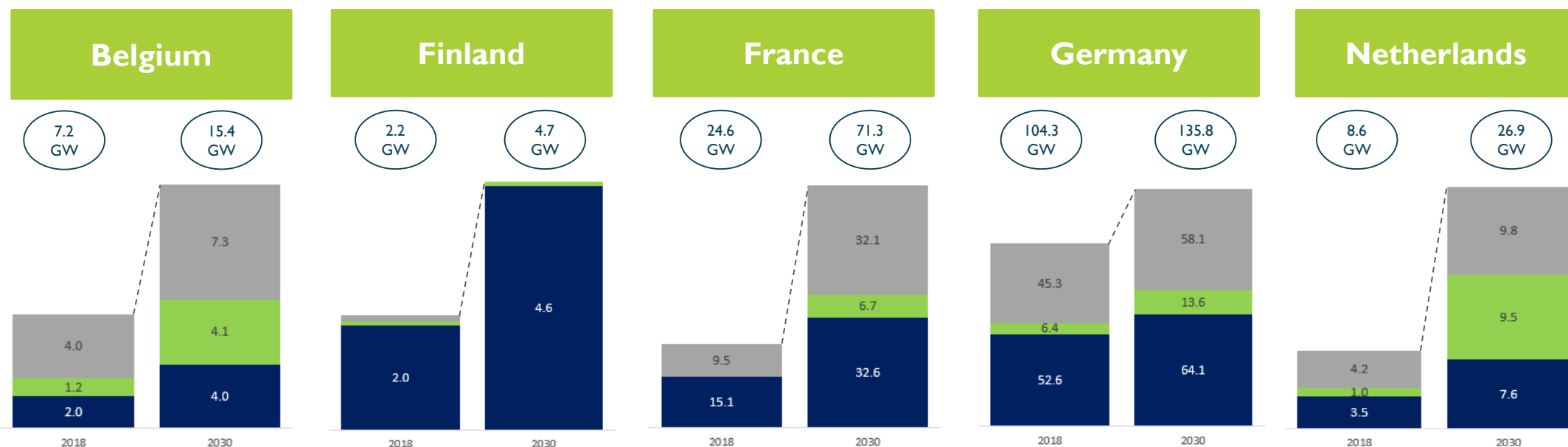
### Estimated renewable capacity

- 8.2GW onshore
- 3.5GW offshore
- 1.5GW Solar

- Greencoat Renewables now positioned to access very large pool of assets to seek best value
  - c145GW expected to grow by additional c100GW by 2030 in GRP's 5 nominated countries
- Focus on markets and assets with strong regulatory support
- Diversification without currency risk unique to Greencoat Renewables
  - Weather systems
  - Power markets
  - Regulatory / Tariff regime
- Leveraging existing Greencoat Capital relationships with significant inbound origination already occurring
- Range of opportunities of high level of contracted FIT as well as PPA / merchant assets



# Targeted Approach to European Markets



■ Onshore wind ■ Offshore wind ■ Solar photovoltaic

**Overview:** Primarily mix of onshore and solar. Growing offshore market opportunity

**Correlation to Irish wind speeds:** 81%

**Tariff regime:** Varied across country

**Overview:** Primarily onshore wind market. Substantial corporate PPA market emerging

**Correlation to Irish wind speeds:** 16%

**Tariff regime:** Mix of FIT, Corporate PPA and merchant

**Overview:** Mix of onshore and solar. Substantial growth emerging in solar and onshore and offshore wind

**Correlation to Irish wind speeds:** 72%

**Tariff regime:** Mostly 15/20-year FIT, CFD

**Overview:** Mix of onshore, offshore and solar. Growing offshore market opportunity

**Correlation to Irish wind speeds:** 56%

**Tariff regime:** Mostly 12/15 year FIT, CFD

**Overview:** Mix of onshore, offshore and solar. Growing offshore market opportunity

**Correlation to Irish wind speeds:** 67%

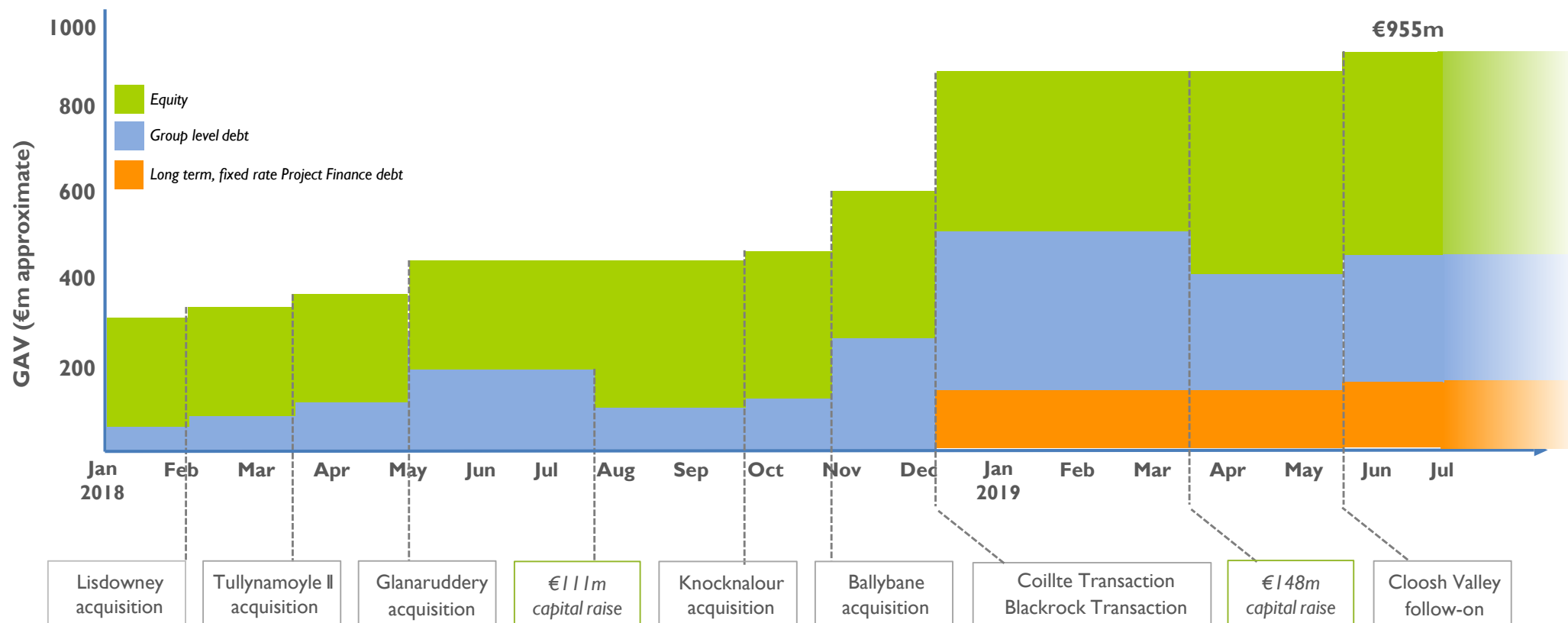
**Tariff regime:** Mostly 15 year FIT (ie SDE+)

**SECTION 5**

# Capital Structure



# Capital Structure June 2019



**€251m RCF with syndicate of 5 banks (AIB/ RBC/ Santander/ BNP/ Commerzbank)**

**€166m long-term, fixed rate Project Finance debt**

**Total Gearing 44%**  
**RCF – 26%**  
**Project Finance – 17%**

**Possibility of further long-term debt to be added in 2020**



**SECTION 6**

**Conclusion**





# Delivering on Strategy



## ATTRACTIVE DIVIDEND:

- Total annual dividend of €3.015c paid for H1 2019
- Robust H1 2019 dividend cover of 2.0x demonstrating resilient business model



## ACQUISITION OF VALUE-ACCRETIVE ASSETS:

- Invested in 10 additional wind farms, diversifying the portfolio, increasing capacity to 411MW from 137MW since IPO
- Demonstrated ability to transact across the market



## DELIVER OPERATIONAL EXCELLENCE:

- Asset availability on budget
- Reorganisation and retendering of operational partners and accelerated maintenance schedule



## STRUCTURED FOR GROWTH AND RETURNS:

- Revolving Credit Facility with substantial capacity to grow
- Gearing increased to target levels to maximise returns
- Average gearing of 49% for H1 2019



## IPO

Assets:  
**2 wind farms**

Capacity:  
**137MW**

NAV per share:  
**€98c**

Dividends paid:  
**€0.0c**

## 30 June 2019

Assets:  
**12 wind farms**

Capacity:  
**411MW**

NAV per share:  
**€103.5c**

Dividends paid:  
**€11.6c**

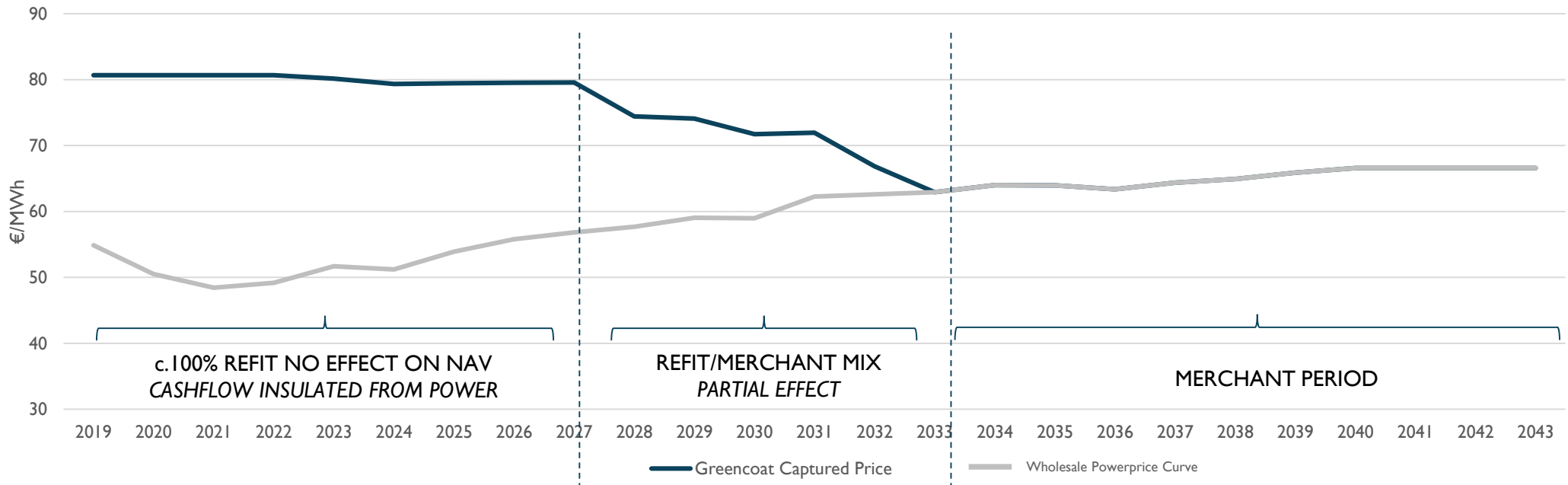


# Appendix





## REFIT protects Greencoat Renewables from wholesale power price volatility

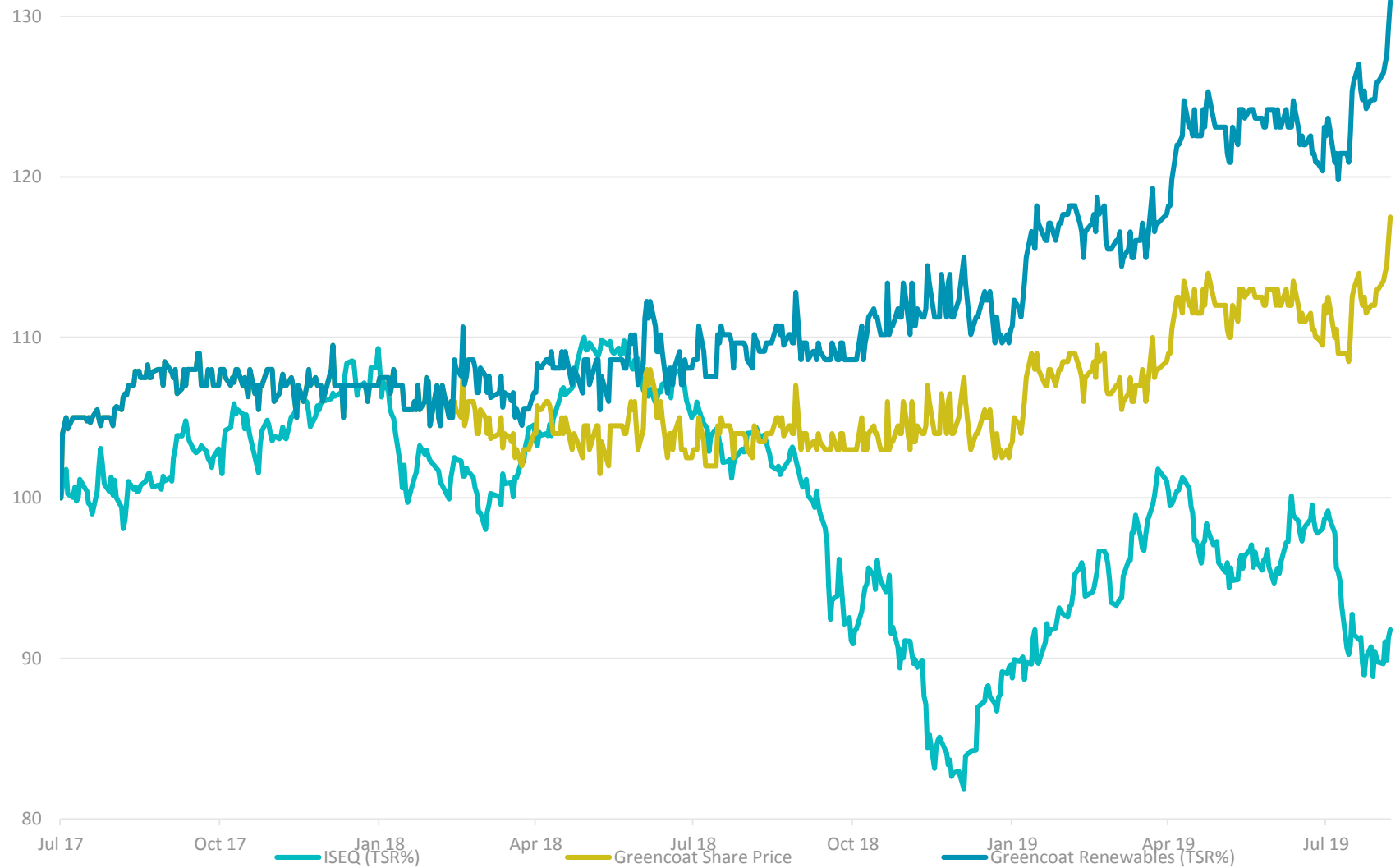


## Long history of supportive regulatory regime, with RESS to follow REFIT



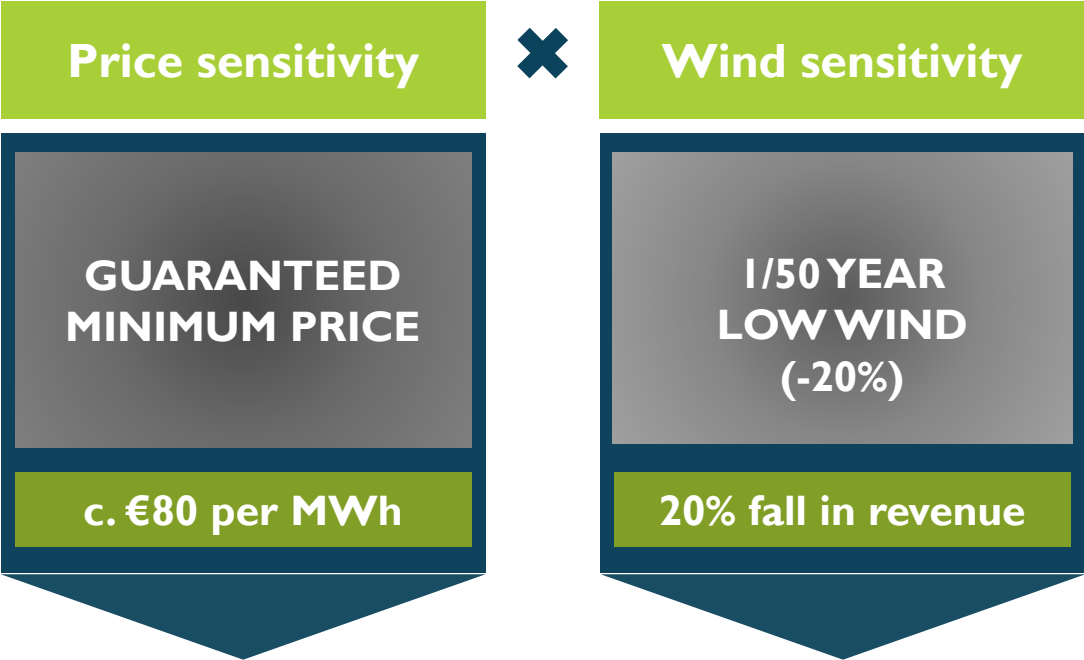
# Greencoat Renewables – Uncorrelated Returns

- **TSR of 28%**  
(€117.5c share price) since IPO
- **Dividends Paid of 11.6c**  
since IPO





# Robust Dividend Cover (illustrative)



No impact on revenue for REFIT period

Revenue	64
Operating Expenditure	(20)
Free Cashflow	44

1/50 year low wind event still provides positive dividend cover



Dividend is protected, even in very low wind conditions – excess cashflow reinvested to grow NAV

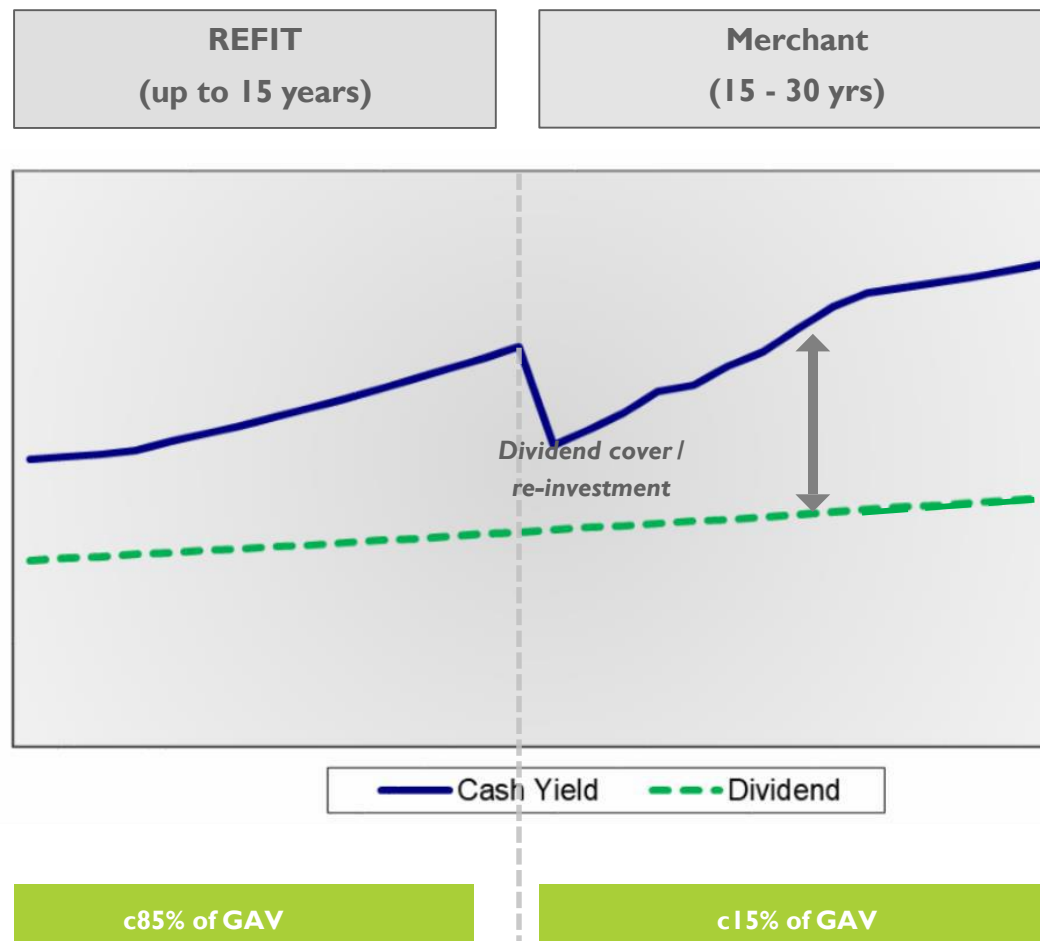
# NAV Underpinned by REFIT FCFs

## Windfarm valuation approach

- NAV calculated by discounting projected cashflows to establish a present value
- Post REFIT methodology
  - Post REFIT power price is determined using input from independent economic consultant

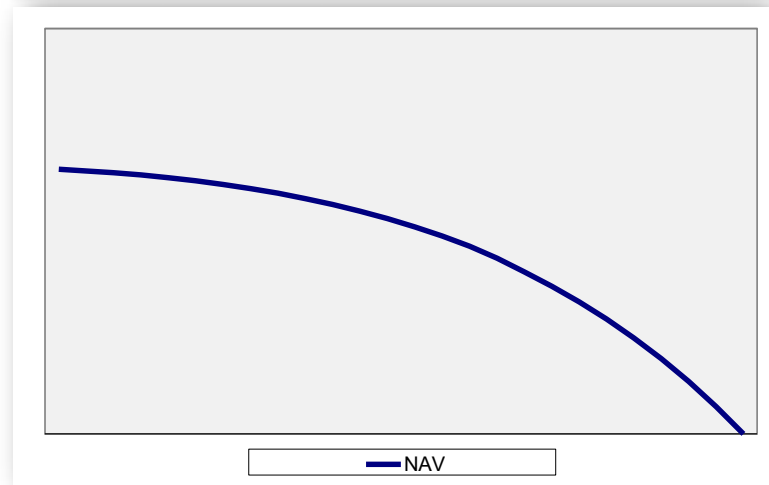
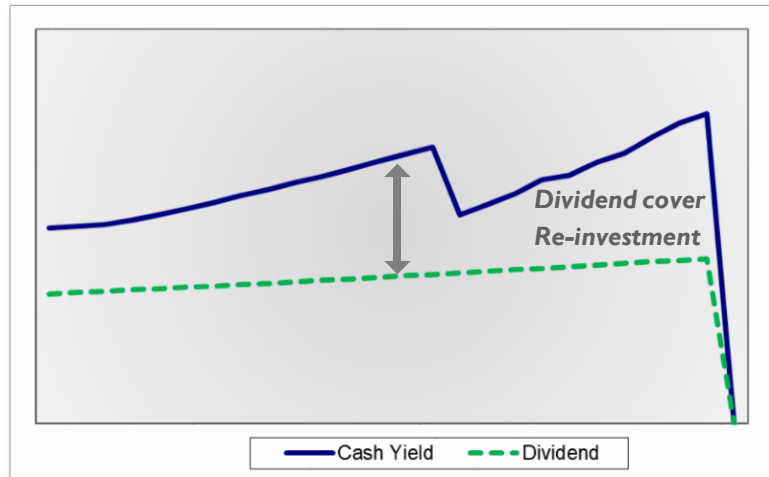
## Limited sensitivity post year 15

- c.85% of GAV is related to REFIT period and c.15% post REFIT
- Limited downside impact on NAV where power prices below central case
- Assets benefit from 30+ year leases (including renewal options)

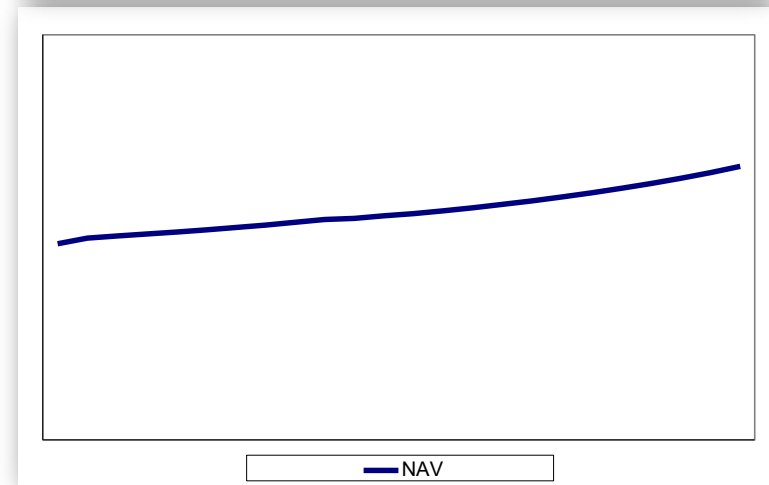
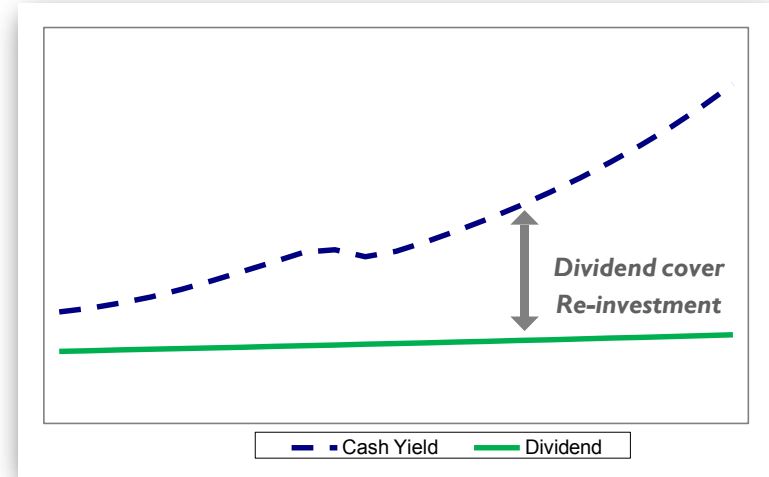


# Ireland Wind Vehicle Economics (illustrative)

## Single Wind farm



## Wind Vehicle



**Dividend cover protects against low-wind. Reinvestment grows NAV**

# RESS – Renewable Energy Support Scheme (REFIT Successor)

RESS provides strong growth opportunity for Irish renewable market for next 7+ years



## Structure

- Two way “CfD” type structure
- Expectation for 15 year contract



## Technology

- Will include a mix of technologies – onshore wind, offshore wind and solar



## Timing

- First auctions now expected in 2020
- 4 follow on auctions out until 2025



## Scale

- 13,500GWh planned under 5 auctions – (representing c.4GW of onshore wind)

	Auction Capacity (GW/hrs)	Auction Year	Delivery Year	Single Technology
RESS 1	1,000	2019	2020	No
RESS 2	3,000	2020	2022	Yes
RESS 3	3,000	2021	2025	Tbc
RESS 4	4,000	2023	2027	Tbc
RESS 5 (possible)	2,500	2025	2030	Tbc

Source: [www.dccae.gov.ie](http://www.dccae.gov.ie)



**With c. €4bn AUM and multiple fund strategies (listed wind, unlisted solar)**

## Acquisition expertise

- **48 wind farms and >1.4GW capacity acquired**
- 75+ solar farms and > 611MW of solar PV



## Operational experience

- **1.4GW capacity and 6 years experience in wind**
- Wide range of OEMs
- Asset Management team of 12



## Irish presence

- Dublin office since 2009
- Managed and operated wind assets in Irish single electricity market since 2013

**Highly experienced investment manager in renewable infrastructure**

**Deep presence in the Irish market**



**GREENCOAT**  
RENEWABLES

