

GREENCOAT  
UK WIND



# Half Year Results

July 2018





### Simple

- Greencoat UK Wind acquires and operates UK wind farms. The cash generated by these assets is used primarily to pay a robust, premium dividend to shareholders. The remainder is reinvested to ensure capital is preserved in real terms.
- Simple structure, UK domiciled with a strong board, wind only (the most mature renewable technology), sterling only.

### Low Risk

- UKW was designed to be structurally low risk: operating assets with a track record and low gearing for cash flow stability and tolerance to sensitivities including power price.
- Wind variability is low, and within one standard deviation in each year since listing, and production has been on budget.

### Proven

- Greencoat UK Wind is 5 years old, and over this period has delivered on its investment proposition: **6p dividend increasing with RPI inflation (6.76p target for 2018) and real NAV preservation.**
- Ability to acquire assets at value accretive prices, and then to operate with the knowledge and expertise of the most experienced team in the sector.

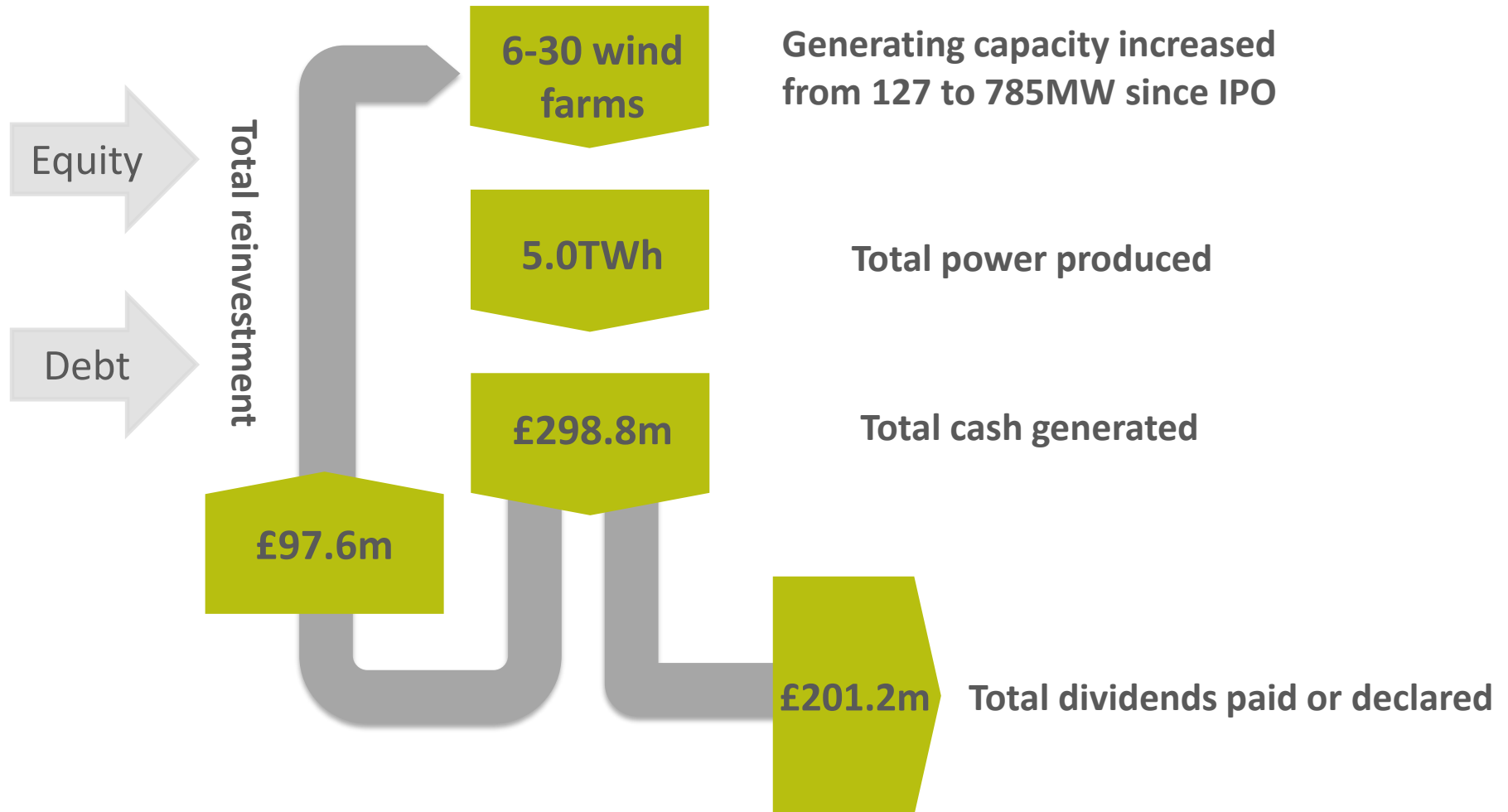
# H1 2018 Highlights



- Power generation of 951GWh; 6% below budget (low wind resource in Q2)
- Power prices above budget
- Net cash generation on budget at £67.4m (2017: £39.2m)
- Dividends of £36.5m (3.38p per share) declared with respect of the period
- Two investments made taking generating capacity to 785MW
- GAV increased from £1,409.0m to £1,684.9m
- £119m equity raised
- NAV increased from £1,144.0m to £1,289.9m (114.1p per share) – 2.8p increase ex-dividend
- Market capitalisation of £1,416m
- Total gearing of £395m (23% of GAV) of which £150m is longer term fixed rate debt

**The leading UK listed renewable infrastructure fund, invested in UK wind farms**

# Simple Model



“6p dividend, increasing with RPI inflation and real NAV preservation”

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## **Operational and Financial Performance**



# Financial Performance



	For the six months ended 30 June 2018 £'000
<b>Group and wind farm SPV cash flows</b>	
Net cash generation	67,411
Dividends paid	(34,088)
Acquisitions <sup>(1)</sup>	(276,115)
Acquisition costs	(1,201)
Equity issuance	118,845
Equity issuance costs	(1,898)
Net drawdown under debt facilities	130,000
Upfront finance costs	(575)
<b>Movement in cash (Group and wind farm SPVs)</b>	<b>2,379</b>
Opening cash balance (Group and wind farm SPVs)	41,696
<b>Closing cash balance (Group and wind farm SPVs)</b>	<b>44,075</b>
Net cash generation	67,411
Dividends	34,088
Dividend cover	2.0x

<sup>(1)</sup> Excludes acquired cash, includes £0.4 million EDF working capital adjustment.

# Financial Performance



For the six months ended 30 June 2018 £'000	
<b>Net Cash Generation – Breakdown</b>	
Revenue	109,736
Operating expenses	(26,635)
Tax	(1,890)
Other	(3,934)
<b>Wind farm cashflow</b>	<b>77,277</b>
Management fee	(5,947)
Operating expenses	(799)
Ongoing finance costs	(5,441)
Other	1,029
<b>Group cashflow</b>	<b>(11,158)</b>
VAT (Group and wind farm SPVs)	1,292
<b>Net cash generation</b>	<b>67,411</b>

For the six months ended 30 June 2018 £'000	
<b>Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities</b>	
Net cash flows from operating activities <sup>(1)</sup>	60,743
Movement in cash balances of wind farm SPVs <sup>(2)</sup>	3,700
Repayment of shareholder loan investment <sup>(1)</sup>	8,409
Finance costs <sup>(1)</sup>	(6,016)
Upfront finance costs <sup>(3)</sup>	575
<b>Net cash generation</b>	<b>67,411</b>

<sup>(1)</sup> Consolidated Statement of Cash Flows

<sup>(2)</sup> Note 8 to the Financial Statements (excludes acquired cash)

<sup>(3)</sup> Note 12 to the Financial Statements

# Net Asset Value



## Investment Performance



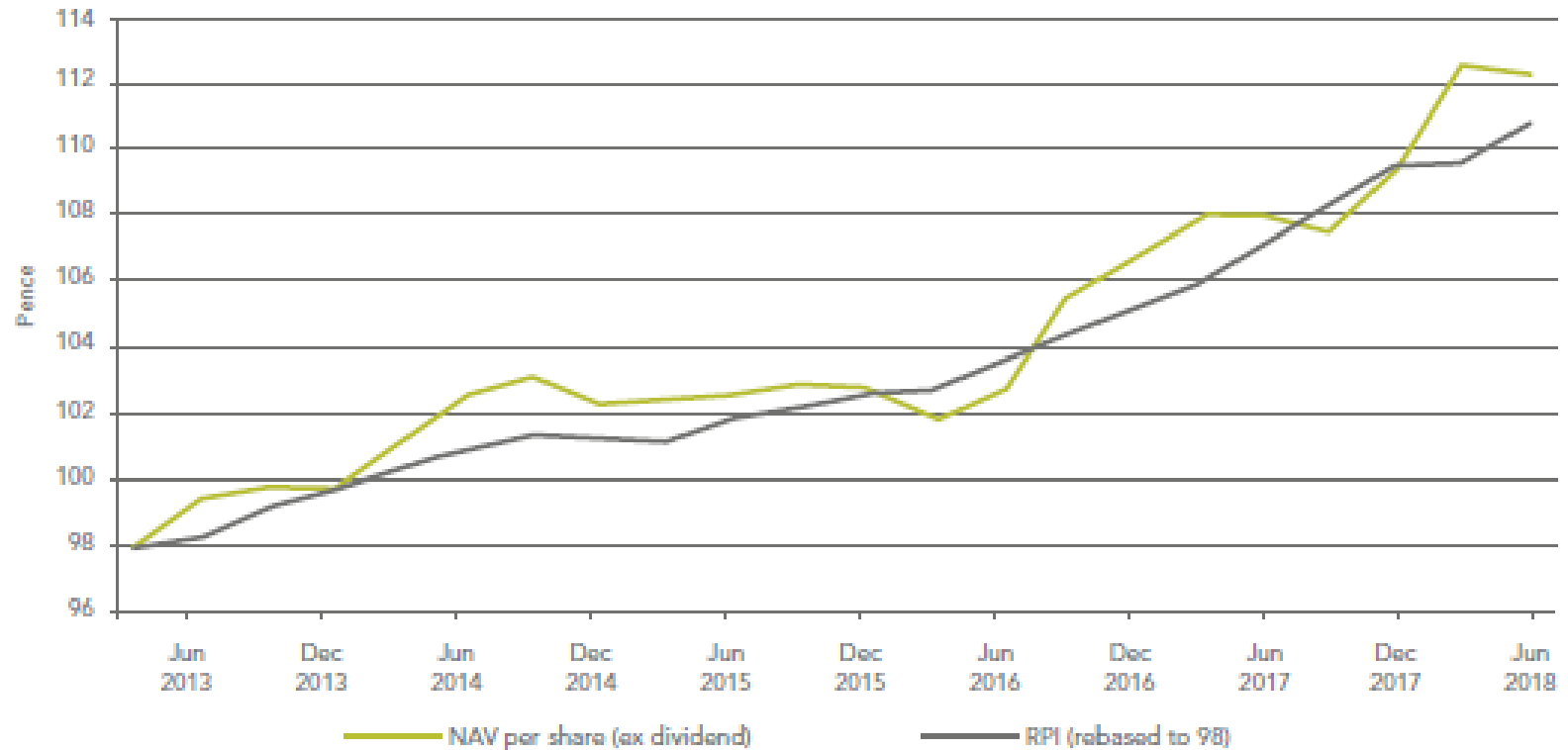
Shares in issue	1,028,514,652	1,130,794,986
NAV/share (pence)	111.2	114.1

<sup>(1)</sup> Numbers do not cast owing to a rounding of £0.1 million.



# Net Asset Value Since IPO

## NAV vs RPI

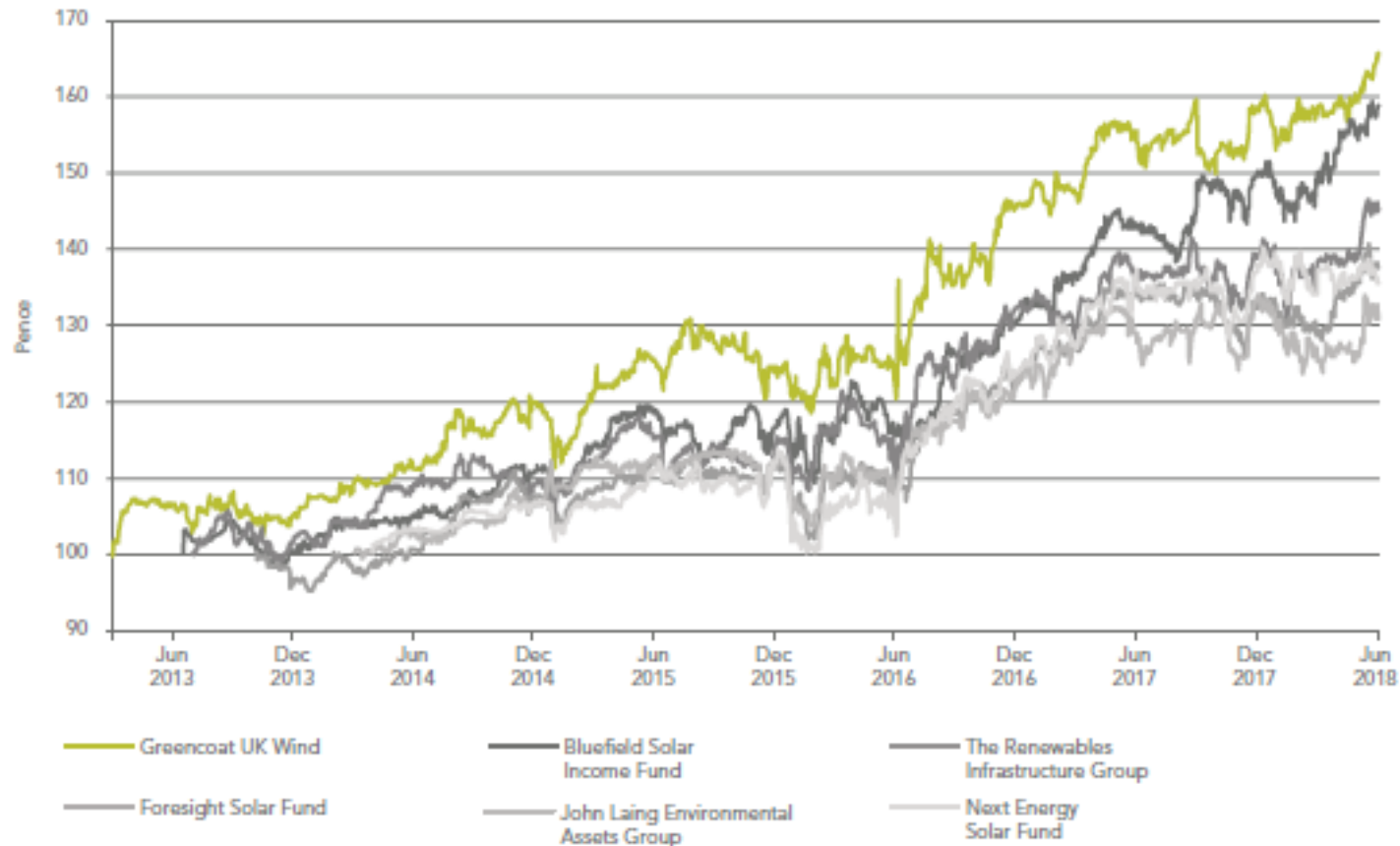


“6p dividend, increasing with RPI inflation and real NAV preservation”

# Investment Performance



Total Shareholder Return vs Market Peers (Bloomberg)



Strong, consistent return with correlation to inflation

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## **Portfolio and Acquisitions**



# Portfolio Overview

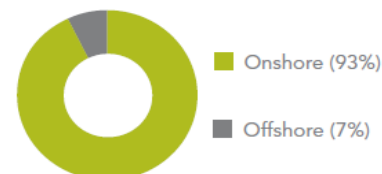
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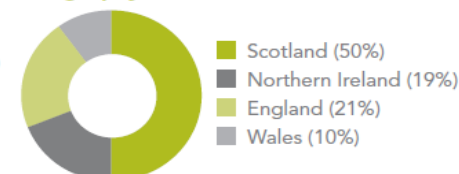
- 1 Bicker Fen
- 2 Bin Mountain
- 3 Bishopthorpe
- 4 Braes of Doune
- 5 Brockaghboy
- 6 Carcant
- 7 Clyde
- 8 Corriegarth
- 9 Cotton Farm
- 10 Deeping St. Nicholas
- 11 Drone Hill
- 12 Earl's Hall Farm
- 13 Glass Moor
- 14 Kildrummy
- 15 Langhope Rig
- 16 Lindhurst
- 17 Little Cheyne Court
- 18 Maerdy
- 19 Middlemoor
- 20 North Hoyle
- 21 North Rhins
- 22 Red House
- 23 Red Tile
- 24 Rhyl Flats
- 25 Screggagh
- 26 Sixpenny Wood
- 27 Slieve Divena
- 28 Stroupster
- 29 Tappaghan
- 30 Yelvertoft



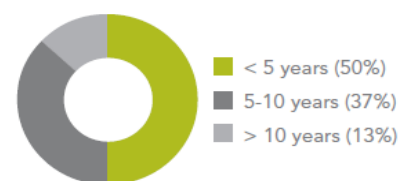
Onshore/Offshore



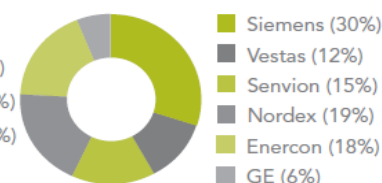
Geography



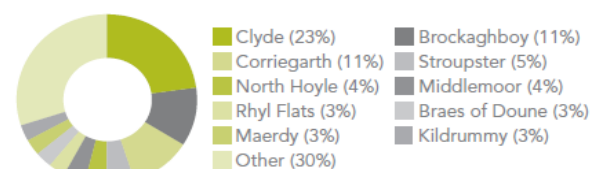
Asset Age



Turbine Manufacturer



Assets



Well-diversified portfolio generating sufficient electricity to power 725,000 homes

# Brockaghboy



Previous Ownership	■ ERG
Capacity	■ 47.5MW
Turbines	■ 19 x Nordex N90 2.5MW
Commercial Operations Date	■ Feb 2018
PPA	■ SSE until 2033
Turbine O&M	■ Nordex
O&M Management	■ Wood Group



- Brockaghboy was developed by TCI and constructed by ERG
- Transmission connected with potential for DS3 revenue
- Third Nordex site in UKW's Northern Irish Nordex cluster
- 4/5 Northern Irish UKW sites have PPAs with SSE
- Acquired 100% stake for £163m in March 2018

**Strategic scale wind farm in Northern Irish market**

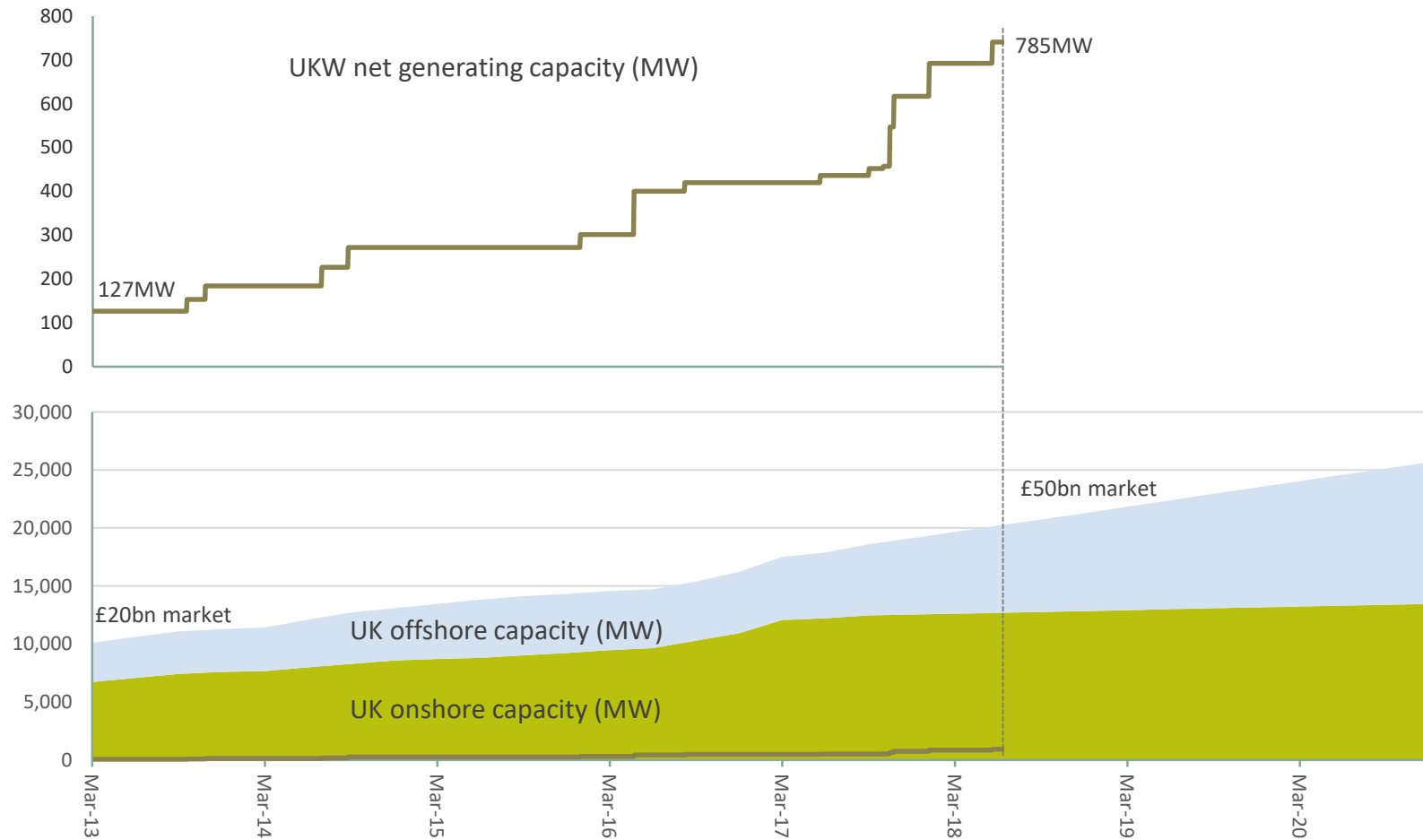
Previous Ownership	<ul style="list-style-type: none"> <li>SSE</li> </ul>
Capacity	<ul style="list-style-type: none"> <li>522MW</li> </ul>
Turbines	<ul style="list-style-type: none"> <li>152 x Siemens 2.3MW + 54 x Siemens 3.2MW</li> </ul>
Commercial Operations Date	<ul style="list-style-type: none"> <li>Oct 2012 &amp; Aug 2017</li> </ul>
PPA	<ul style="list-style-type: none"> <li>SSE until 2032</li> </ul>
Turbine O&M	<ul style="list-style-type: none"> <li>Siemens</li> </ul>
O&M Management	<ul style="list-style-type: none"> <li>SSE</li> </ul>



- UKW acquired a 28.2% stake in the Clyde wind farms (North, South and Central) in March 2016
- Extension commissioned in August 2017 and UKW was diluted to 19.8% in the Clyde wind farms (including the extension)
- UKW shareholding increased back to 28.2% in August 2017 and May 2018

**Since acquisition in 2016, performance has exceeded expectations**

# Secondary Market - Continued Opportunities to Grow



**UKW owns a small portion of the operating UK wind market – set to grow to £75bn**

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## Summary





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## Appendix



# Diversified Asset Portfolio (1)



Wind Farm	Country	Turbines	PPA	Total MW	Group Ownership Stake	Net MW <sup>(1)</sup>	Commercial Operations Date	Acquisition Date	ROCs / MWh	Forecast Net Load Factor <sup>(2)</sup>
Bicker Fen	England	Senvion	EDF	26.7	80%	21.3	Sep-08	Nov-17	1.0	23.6%
Bin Mountain	N Ireland	GE	SSE	9.0	100%	9.0	Jul-07	Mar-13	1.0	33.3%
Bishopthorpe	England	Senvion	Axpo	16.4	100%	16.4	May-17	June-17	0.9	35.5%
Braes of Doune	Scotland	Vestas	Centrica	72.0	50%	36.0	Jun-07	Mar-13	1.0	27.3%
Brockaghboy	N Ireland	Nordex	SSE	47.5	100%	47.5	Feb-18	Mar-18	0.9	42.2%
Carcant	Scotland	Siemens	SSE	6.0	100%	6.0	Jun-07	Mar-13	1.0	33.0%
Clyde	Scotland	Siemens	SSE	522.4	28.2%	147.3	Oct-12 <sup>(3)</sup>	Mar-16 <sup>(3)</sup>	1.0 <sup>(3)</sup>	35.2%
Corriegarth	Scotland	Enercon	Centrica	69.5	100%	69.5	Apr-17	Aug-17	0.9	35.3%
Cotton Farm	England	Senvion	Sainsbury's	16.4	100%	16.4	Mar-13	Oct-13	1.0	36.0%
Deeping St Nicholas	England	Senvion	EDF	16.4	80%	13.1	Jun-06	Nov-17	1.0	25.9%

Notes: (1) Net MW represents the Group ownership stake in the total MW capacity of the underlying wind farm; (2) Forecast net load factor is the expected output of the wind farm divided by the theoretical maximum output over a calendar year (as a %). Forecast net load factors are net of each wind farm's availability assumption. Forecast net load factors are P50 estimates (50% probability of output exceeding estimate) based on operational data (>1 year of operations) or modelled assumptions (<1 year of operations); (3) Clyde Extension (172.8MW) was commissioned in August 2017, acquired in September 2017, and receives 0.9 ROCs/MWh.

# Diversified Asset Portfolio (2)



Wind Farm	Country	Turbines	PPA	Total MW	Group Ownership Stake	Net MW <sup>(1)</sup>	Commercial Operations Date	Acquisition Date	ROCs / MWh	Forecast Net Load Factor <sup>(2)</sup>
Drone Hill	Scotland	Nordex	Statkraft	28.6	51.6%	14.8	Aug-12	Aug-14	1.0	24.0%
Earl's Hall Farm	England	Senvion	Sainsbury's	10.3	100%	10.3	Mar-13	Oct-13	1.0	36.1%
Glass Moor	England	Senvion	EDF	16.4	80%	13.1	Jun-06	Nov-17	1.0	25.6%
Kildrummy	Scotland	Enercon	Sainsbury's	18.4	100%	18.4	May-13	Jun-14	1.0	35.2%
Langhope Rig	Scotland	GE	Centrica	16.0	100%	16.0	Dec-15	Mar-17	0.9	33.0%
Lindhurst	England	Vestas	RWE	9.0	49%	4.4	Oct-10	Nov-13	1.0	30.1%
Little Cheyne Court	England	Nordex	RWE	59.8	41%	24.5	Mar-09	Mar-13	1.0	27.5%
Maerdy	Wales	Siemens	Statkraft	24.0	100%	24.0	Aug-13	Jun-14	1.0	30.6%
Middlemoor	England	Vestas	RWE	54.0	49%	26.5	Sep-13	Nov-13	1.0	30.1%
North Rhins	Scotland	Vestas	EoN	22.0	51.6%	11.4	Dec-09	Aug-14	1.0	38.0%

Notes: (1) Net MW represents the Group ownership stake in the total MW capacity of the underlying wind farm; (2) Forecast net load factor is the expected output of the wind farm divided by the theoretical maximum output over a calendar year (as a %). Forecast net load factors are net of each wind farm's availability assumption. Forecast net load factors are P50 estimates (50% probability of output exceeding estimate) based on operational data (>1 year of operations) or modelled assumptions (<1 year of operations).

# Diversified Asset Portfolio (3)



Wind Farm	Country	Turbines	PPA	Total MW	Group Ownership Stake	Net MW <sup>(1)</sup>	Commercial Operations Date	Acquisition Date	ROCs / MWh	Forecast Net Load Factor <sup>(2)</sup>
North Hoyle	Wales	Vestas	RWE	60	100%	60	Jun-04	Sep-17	1.0	34.3%
Red House	England	Senvion	EDF	12.3	80%	9.8	Jun-06	Nov-17	1.0	25.8%
Red Tile	England	Senvion	EDF	24.6	80%	19.7	Apr-07	Nov-17	1.0	24.9%
Rhyl Flats	Wales	Siemens	RWE	90.0	24.95%	22.5	Jul-09	Mar-13	1.5	35.7%
Screggagh	N Ireland	Nordex	Energia	20.0	100%	20.0	May-11	Jun-16	1.0	28.7%
Sixpenny Wood	England	Senvion	Statkraft	20.5	51.6%	10.6	Jul-13	Aug-14	1.0	31.1%
Slieve Divena	N Ireland	Nordex	SSE	30	100%	30	Mar-09	Aug-17	1.0	23.5%
Stroupster	Scotland	Enercon	BT	29.9	100.0%	29.9	Oct-15	Nov-15	0.9	37.4%
Tappaghan	N Ireland	GE	SSE	28.5	100%	28.5	Jan-05 <sup>(3)</sup>	Mar-13	1.0	30.9%
Yelvertoft	England	Senvion	Statkraft	16.4	51.6%	8.5	Jul-13	Aug-14	1.0	28.7%
<b>Total</b>						<b>785.2</b>				

Notes: (1) Net MW represents the Group ownership stake in the total MW capacity of the underlying wind farm; (2) Forecast net load factor is the expected output of the wind farm divided by the theoretical maximum output over a calendar year (as a %). Forecast net load factors are net of each wind farm's availability assumption. Forecast net load factors are P50 estimates (50% probability of output exceeding estimate) based on operational data (>1 year of operations) or modeled assumptions (<1 year of operations); (3) Tappaghan extension (9MW) commissioned in June 2009

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