

GREENCOAT  
UK WIND



# Annual Results

February 2017



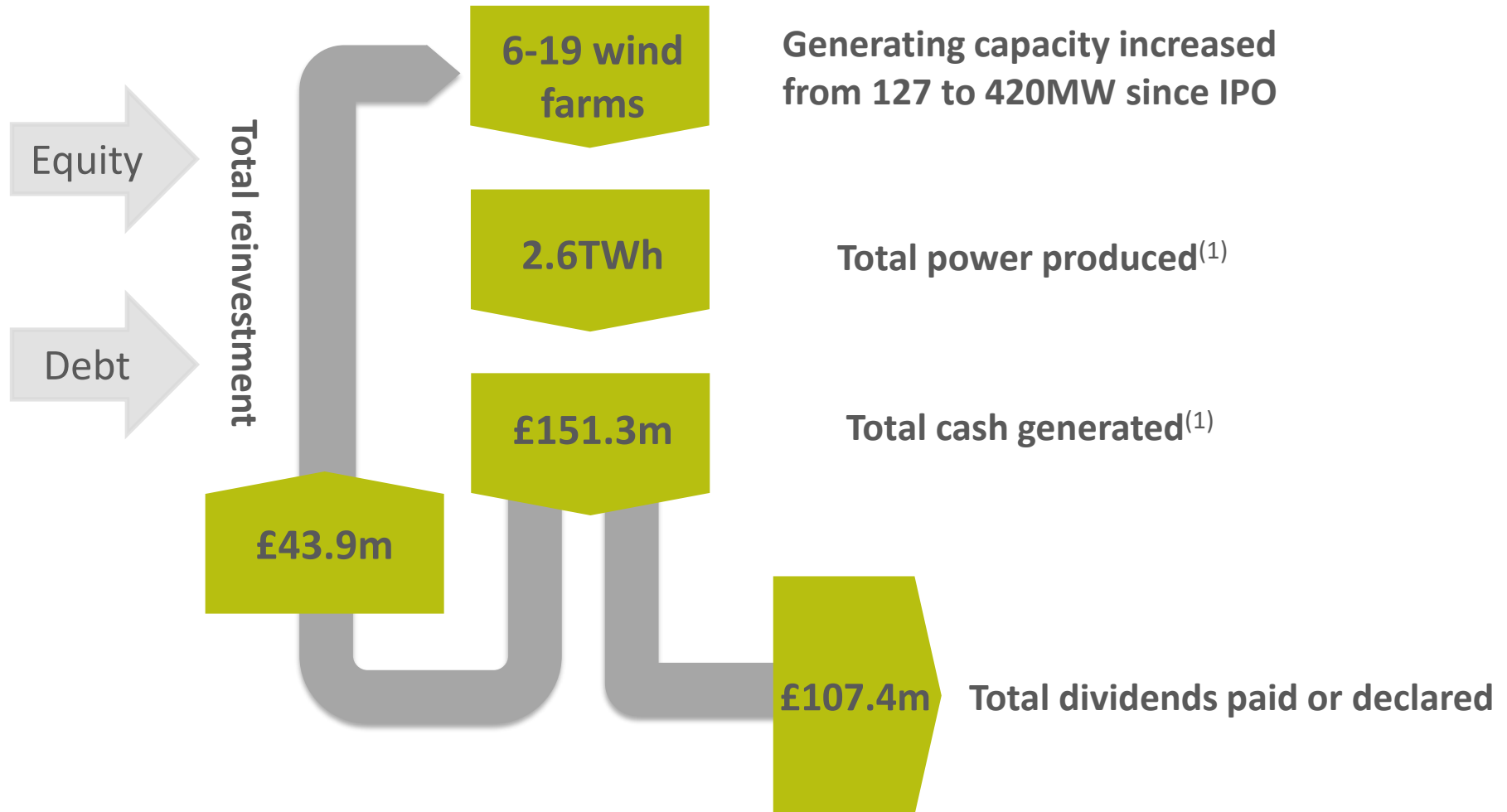
# 2016 Highlights Strength of Business Model



- Power generation of 978.1GWh (2015: 799.3GWh); 6% below budget
- Net cash generation of £49.0m (2015: £48.3m)
- Dividends of £38.8m (6.34p per share) declared with respect to the year and 6.49p target for 2017
- Two investments made taking generating capacity to 420MW
- GAV increased from £664.8m to £900.1m
- £247m equity raised
- NAV increased from £529.8m to £800.1m (increase of 4.1p per share ex-dividend)
- Market capitalisation of £880.4m
- Total shareholder return of 17.4%

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

# Simple, Transparent and Low Risk



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

# Track Record of Consistent Delivery



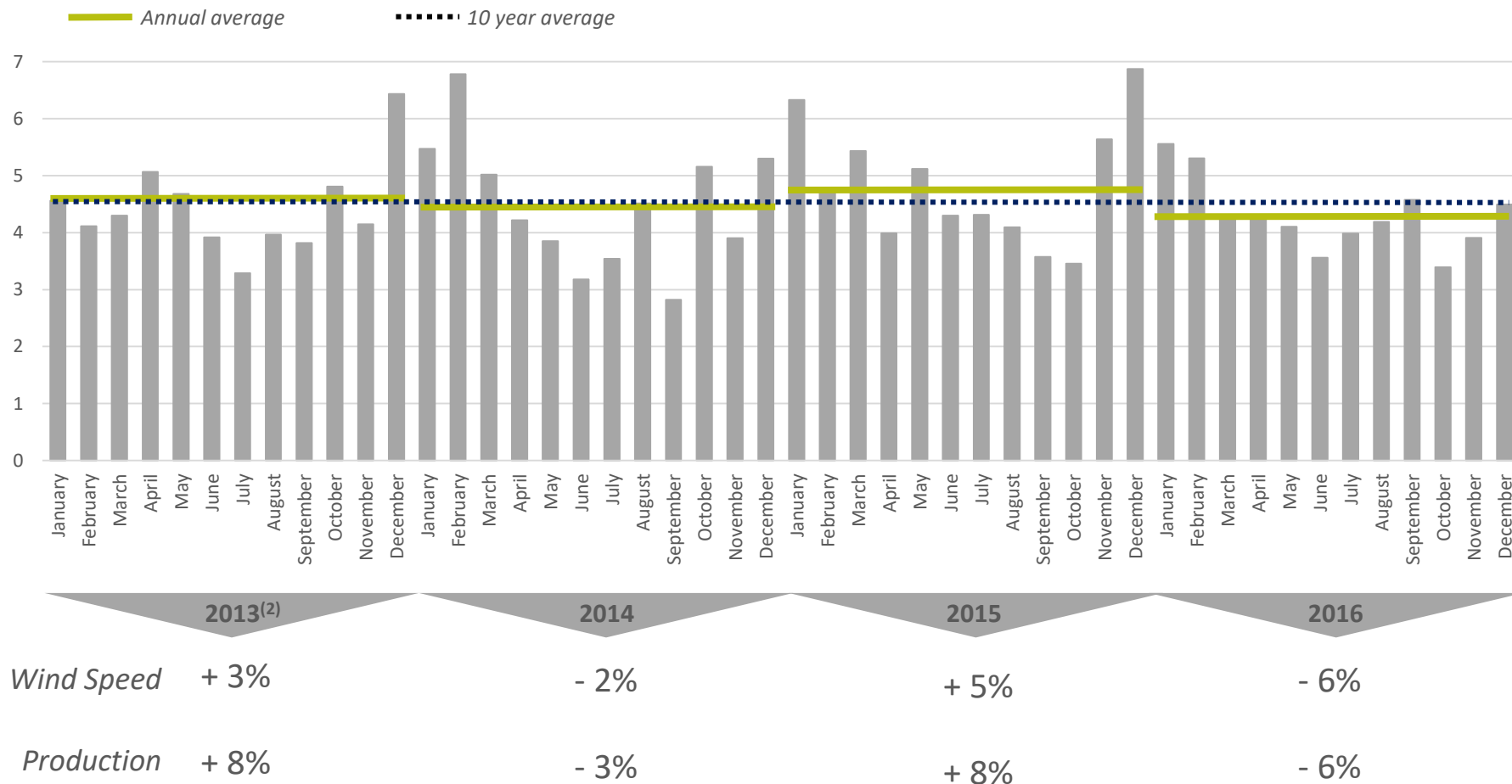
Period	Production	Cash Generation	Dividend <sup>(1)</sup>	Dividend Cover <sup>(2)</sup>	RPI	NAV Growth
2013 <sup>(3)</sup>	291.5GWh	£21.6m	£14.2m (4.50p)	1.8x	1.9%	2.5%
2014	564.6GWh	£32.4m	£24.8m (6.16p)	1.6x	1.6%	2.5%
2015	799.3GWh	£48.3m	£29.6m (6.26p)	1.7x	1.2%	0.5%
2016	978.1GWh	£49.0m	£38.8m (6.34p)	1.4x	2.5%	4.0%

**Secure and stable dividend cover as a result of low leverage, cash generative nature of operational wind farms and predictable production**

# Wind Resource and Production



## UK average wind speed (m/s)<sup>(1)</sup>



Notes: (1) source: [www.gov.uk/government/statistics](http://www.gov.uk/government/statistics); (2) 27 March to 31 December 2013;

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## **Operational and Financial Performance**



# Operational Performance

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**Bin Mountain (100%)**



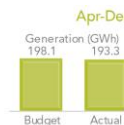
**Braes of Doune (50%)**



**Carcant (100%)**



**Clyde (28.2%)**



**Cotton Farm (100%)**



**Drone Hill (51.6%)**



**Earl's Hall Farm (100%)**



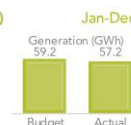
**Kildrummy (100%)**



**Lindhurst (49%)**



**Little Cheyne Court (41%)**



**Maerdy (100%)**



**Middlemoor (49%)**



**North Rhins (51.6%)**



**Rhyl Flats (24.95%)**



**Scraggagh (100%)**



**Sixpenny Wood (51.6%)**



**Stroupster (100%)**



**Tappaghan (100%)**

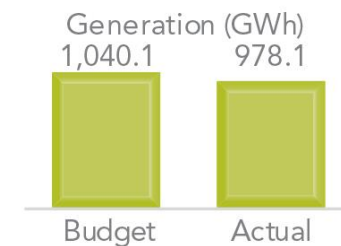


**Yelvertoft (51.6%)**



## Portfolio (net)

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**Portfolio generation of 978.1GWh (6% below budget)**

# Financial Performance



	For the year ended 31 December 2016 £m
<b>Group and wind farm SPV cash flows</b>	
Net cash generation	49.0
Dividends paid	(35.1)
Acquisitions <sup>(1)</sup>	(220.0)
Acquisition costs <sup>(2)</sup>	(2.7)
Equity issuance	247.0
Equity issuance costs	(3.9)
Debt repayment	(35.0)
Upfront finance costs	(0.6)
Movement in cash (Group and wind farm SPVs)	(1.3)
Opening cash balance (Group and wind farm SPVs)	22.0
Ending cash balance (Group and wind farm SPVs)	20.7
Net cash generation	49.0
Dividends	35.1
Dividend cover	1.4x

<sup>(1)</sup> Excludes acquired cash, includes wind energy true-up payments and receipts.

<sup>(2)</sup> Includes costs relating to the 2015 acquisition of Stroupster, paid in 2016.



# Net Asset Value



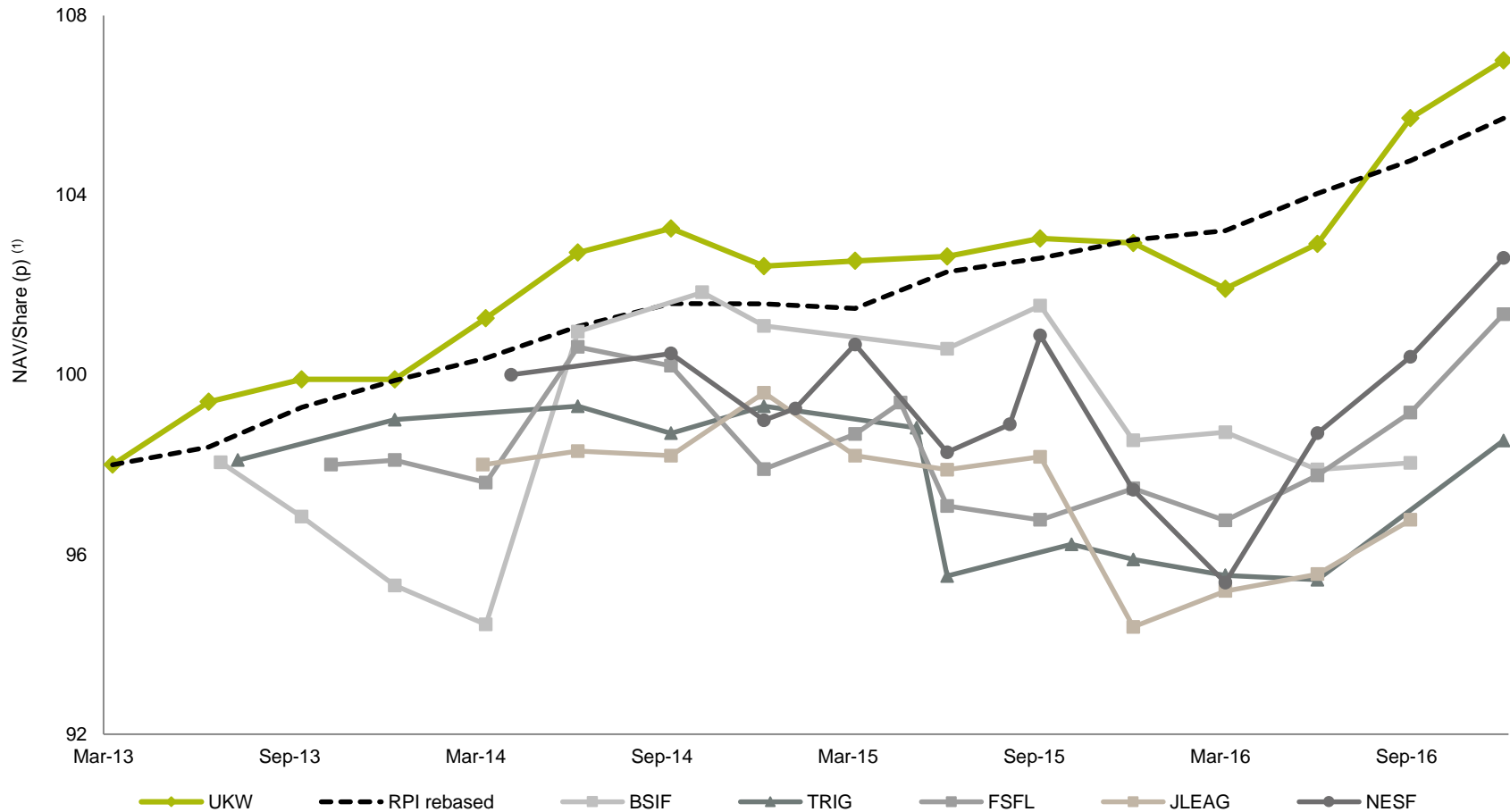
## DCF Valuation

- £14.6m decrease in H1
- £28.2m increase in H2 (3.8p/share)
- Increase in H2 primarily reflects higher forecast power prices

Shares in issue	506,787,431	736,700,850
NAV/share (pence)	104.5	108.6

<sup>(1)</sup> Includes acquisition costs, excludes acquired cash.

# Net Asset Value Since IPO

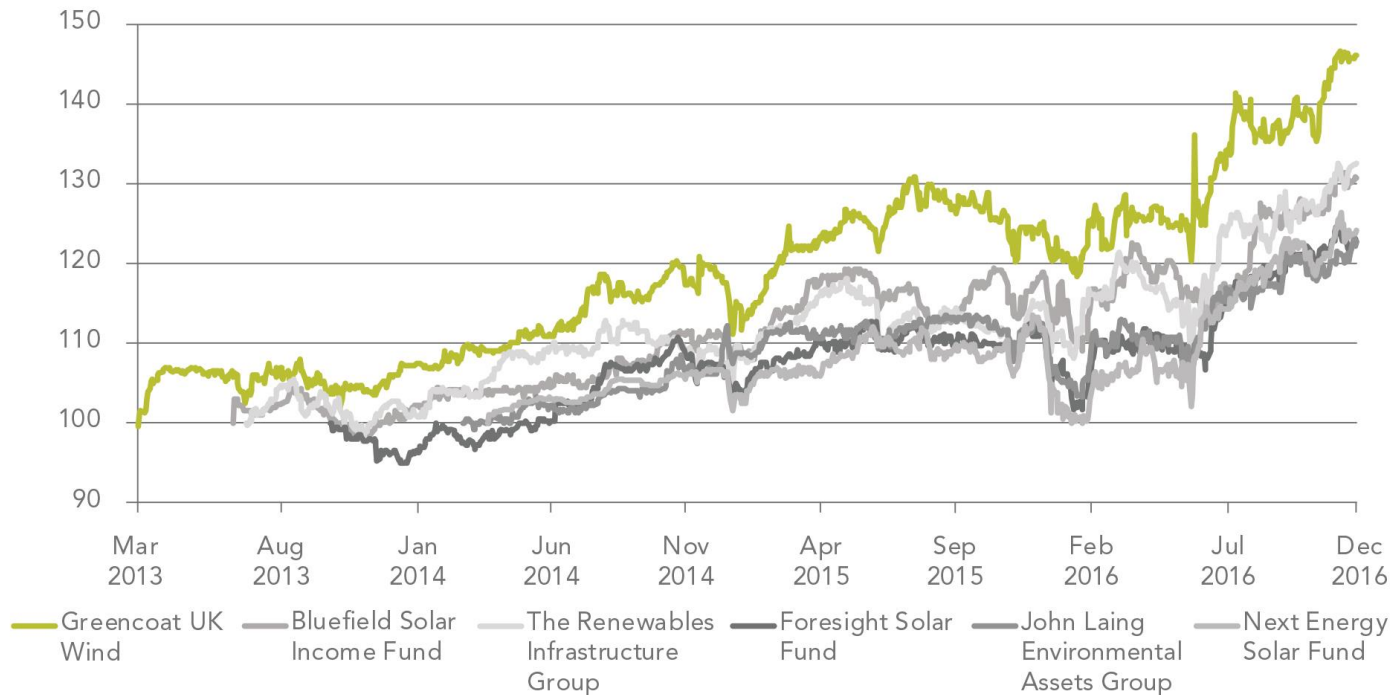


**UKW NAV growth of 9.2% v RPI growth of 7.4% since IPO**

# Investment Performance



Total Shareholder Return vs Market Peers (*Bloomberg*)

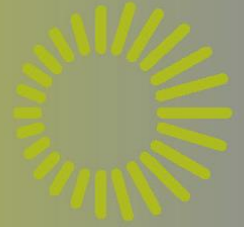


TSR in 2016  
of 17.4%

TSR since IPO  
of 46.1%

Correlation to inflation attractive to investors

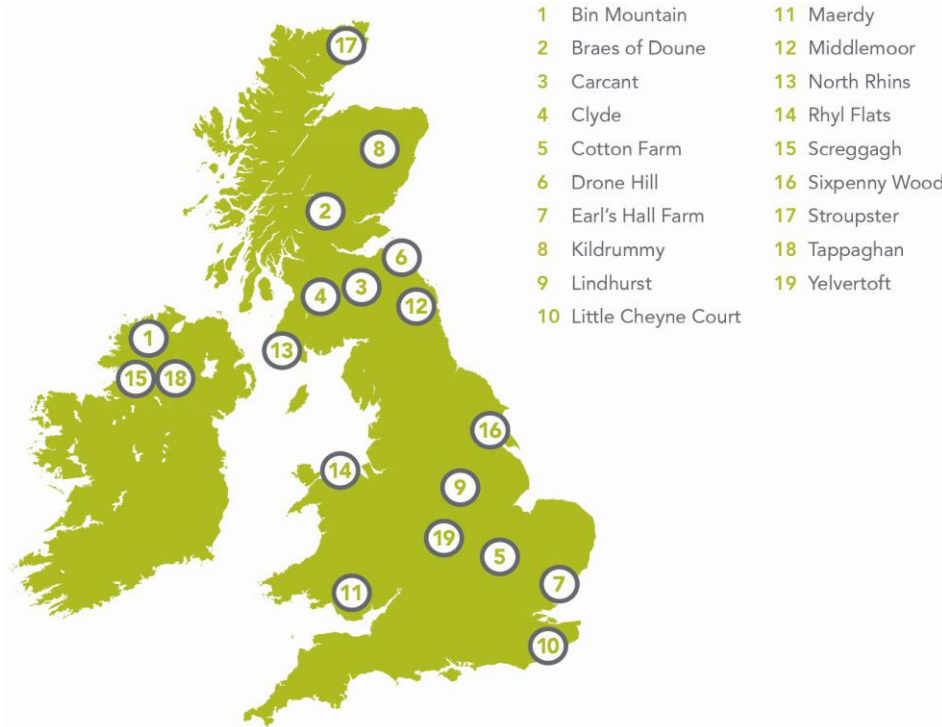
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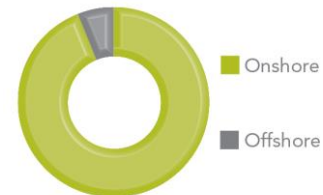
**Portfolio Growth**



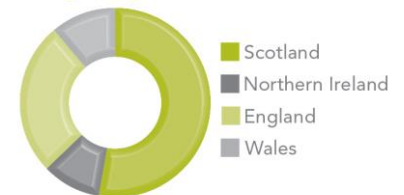
# Portfolio Overview



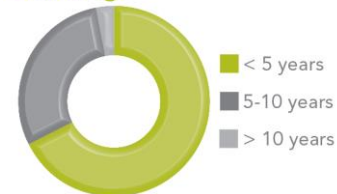
## Onshore/Offshore



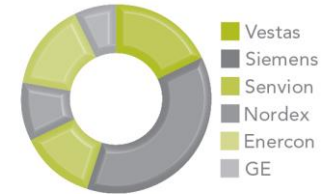
## Geography



## Asset Age



## Turbine Manufacturer

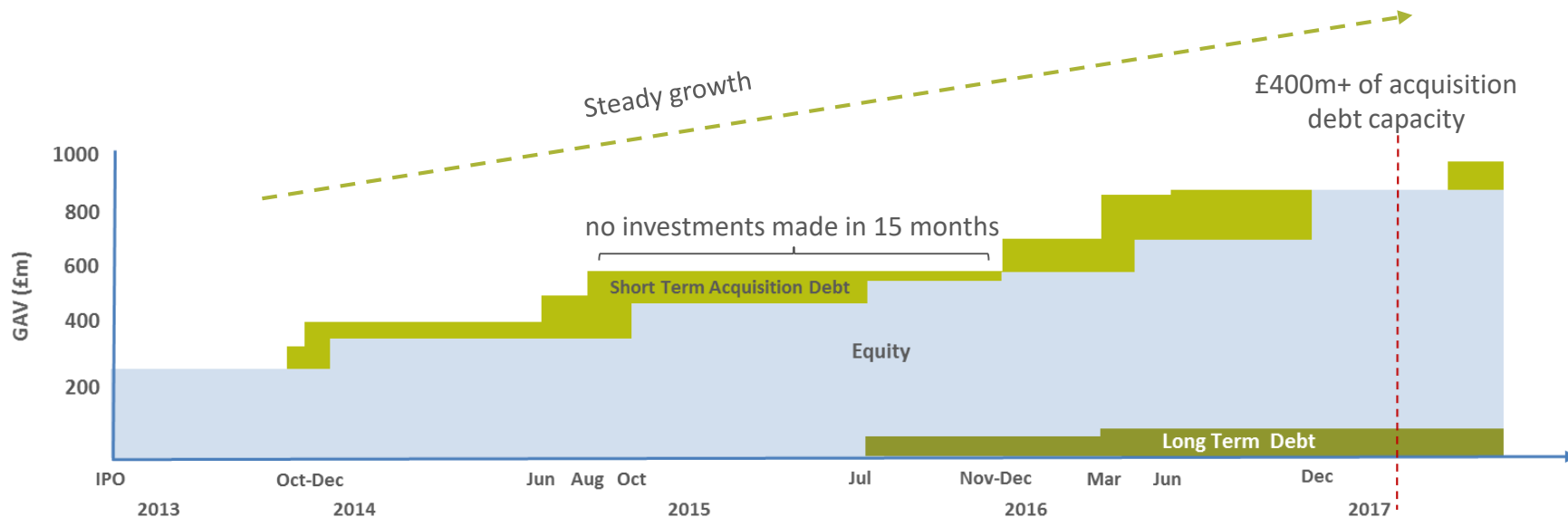


## Assets



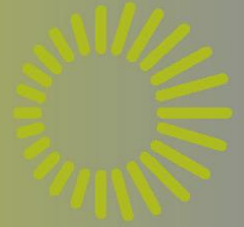
**Well-diversified portfolio generating sufficient electricity to power 375,000 homes**

# Disciplined Approach to Acquisitions and Growth



£20bn market	2013	2014	2015	2016	No. of assets (Post IPO)	£35bn market
	20	37	48	40	Priced	
	4	6	1	2	Acquired	

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## Summary



# 2016 Highlights Strength of Business Model

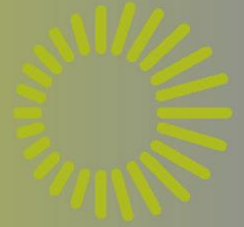


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## Appendix



# 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>
Bin Mountain	N Ireland	GE	SSE	9.0	100%	9.0	Jul-07	Mar-13	1.0	31.7%
Braes of Doune	Scotland	Vestas	Centrica	72.0	50%	36.0	Jun-07	Mar-13	1.0	26.0%
Carcant	Scotland	Siemens	SSE	6.0	100%	6.0	Jun-07	Mar-13	1.0	33.0%
Clyde	Scotland	Siemens	SSE	349.6	28.2%	98.6	Oct-12	Mar-16	1.0	33.0%
Cotton Farm	England	Senvion	Sainsbury's	16.4	100%	16.4	Mar-13	Oct-13	1.0	35.7%
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%
Kildrummy	Scotland	Enercon	Sainsbury's	18.4	100%	18.4	May-13	Jun-14	1.0	35.2%
Lindhurst	England	Vestas	Innogy	9.0	49%	4.4	Oct-10	Nov-13	1.0	30.1%
Little Cheyne Court	England	Nordex	Innogy	59.8	41%	24.5	Mar-09	Mar-13	1.0	27.5%

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)

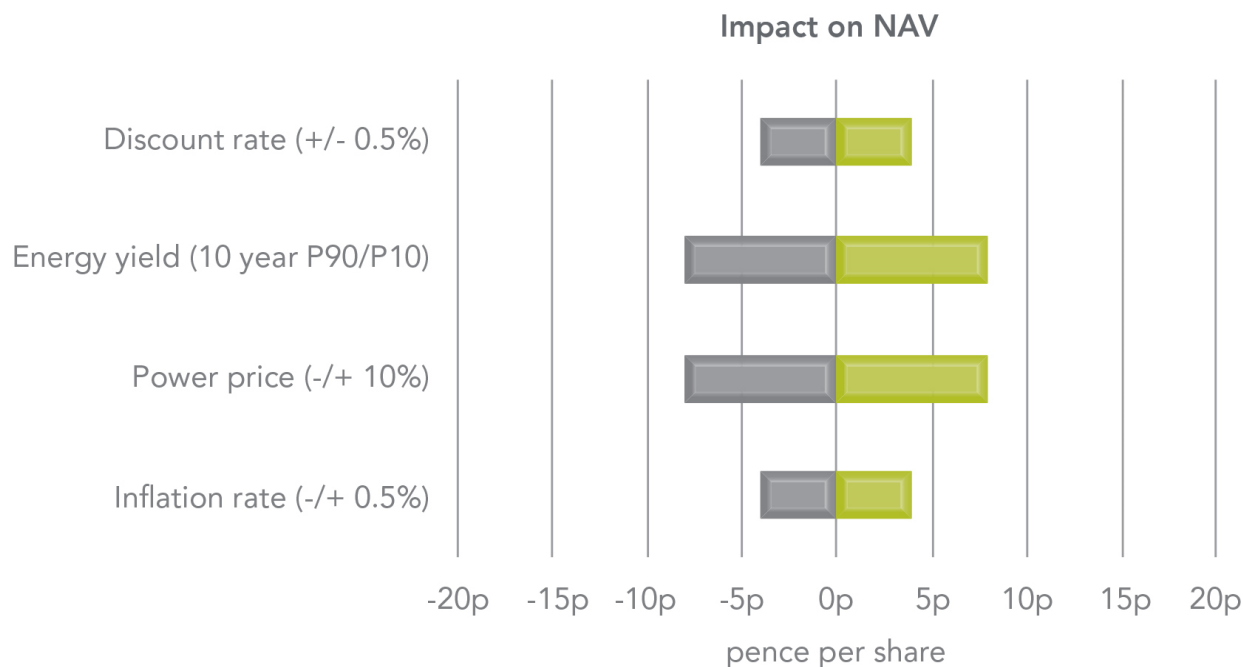
# Diversified Asset Portfolio (2)



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>
Maerdy	Wales	Siemens	Statkraft	24.0	100%	24.0	Aug-13	Jun-14	1.0	30.3%
Middlemoor	England	Vestas	Innogy	54.0	49%	26.5	Sep-13	Nov-13	1.0	30.1%
North Rhins	Scotland	Vestas	E.ON	22.0	51.6%	11.4	Dec-09	Aug-14	1.0	38.0%
Rhyl Flats	Wales	Siemens	Innogy	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	27.2%
Sixpenny Wood	England	Senvion	Statkraft	20.5	51.6%	10.6	Jul-13	Aug-14	1.0	31.1%
Stroupster	Scotland	Enercon	BT	29.9	100.0%	29.9	Oct-15	Nov-15	0.9	38.5%
Tappaghan	N Ireland	GE	SSE	28.5	100%	28.5	Jan-05 <sup>(3)</sup>	Mar-13	1.0	29.0%
Yelvertoft	England	Senvion	Statkraft	16.4	51.6%	8.5	Jul-13	Aug-14	1.0	28.7%
<b>Total</b>						<b>420.0</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

# NAV Sensitivities



The unlevered discount rate used in the DCF valuation is between 8 and 9 per cent.. The market discount rate has remained constant since listing. A variance of +/- 0.5 per cent. is considered to be a reasonable range of alternative assumptions for discount rate.

Base case energy yield assumptions are P50 (50 per cent. probability of exceedance) forecasts produced by expert consultants based on long term wind data and operational history. The P90 (90 per cent. probability of exceedance over a 10 year period) and P10 (10 per cent. probability of exceedance over a 10 year period) sensitivities reflect the future variability of wind and the uncertainty associated with the long term data source being representative of the long term mean. Given their basis on long term operating data, it is not anticipated that base case energy yield assumptions will be adjusted (other than any wind energy true-ups with compensating purchase price adjustments).

Long term power price forecasts are provided by a leading market consultant, updated quarterly and adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Base case real power prices increase from approximately £45/MWh (2017) to approximately £65/MWh (2040). The sensitivity below assumes a 10 per cent. increase or decrease in power prices relative to the base case for every year of the asset life, which is relatively extreme (a 10 per cent. variation in short term power prices, as reflected by the forward curve, would have a much lesser effect).

The base case long term RPI assumption is 2.75 per cent. (0.75 per cent. above the long term 2.0 per cent. CPI target).

# Disclaimer



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