

GREENCOAT  
UK WIND



# Half-year Results

July 2015



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## Introduction



# Simple, Transparent and Low Risk



## High Quality Assets with Low Risk

- Wind is the most mature renewable technology and the UK has an established, stable regulatory framework and high wind resource
- UKW requires an operational track record to mitigate wind-to-energy conversion risk
- UKW has low leverage for cashflow stability and higher tolerance to downside sensitivities
- No currency risk – sterling assets for sterling investors

## Best Value Buyer

- The UK wind market provides significantly the largest pool of renewable assets
- UKW is structured to be “utility friendly”, the owners of the majority of UK wind farms
- UKW is independent of all sellers and can be selective, buying “off market”

## Attractive Investment Product

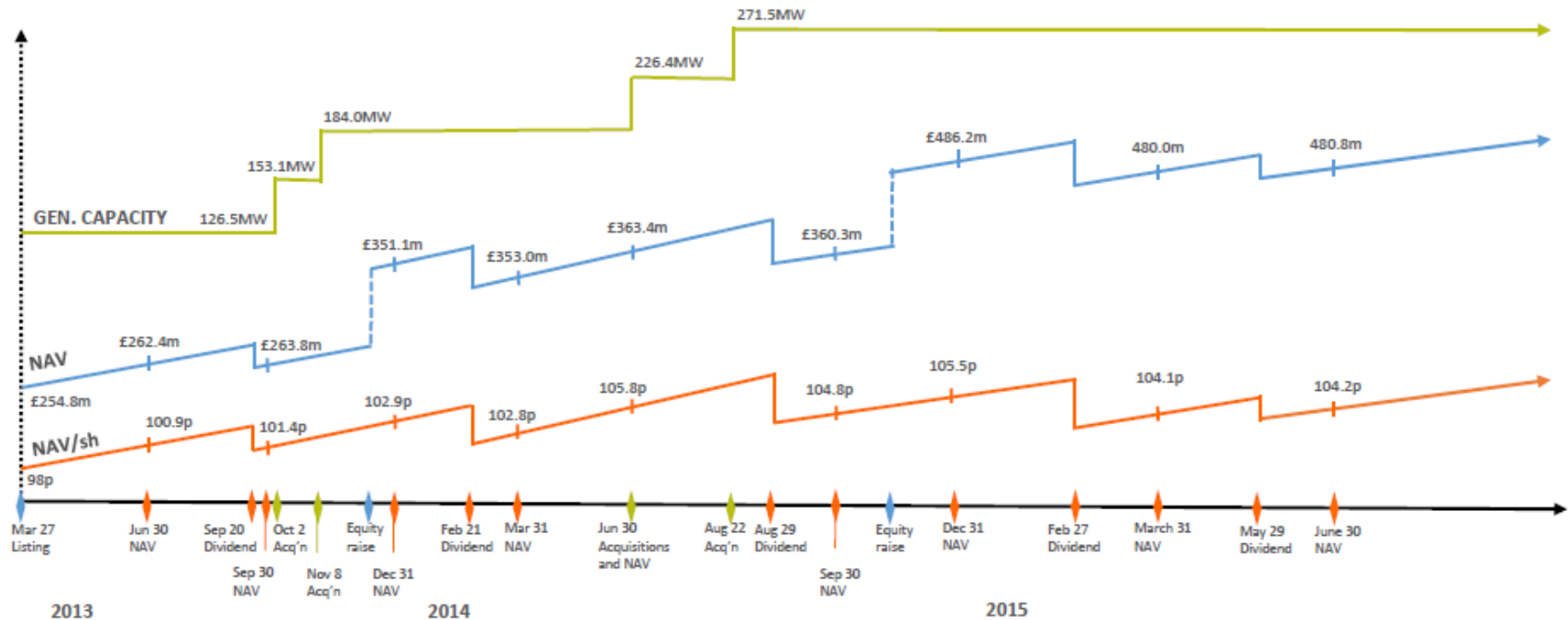
- 6p dividend increasing with RPI inflation; 6.26p target for 2015
- Real NAV protection (2.5% growth for 2013 and 2014 – above RPI inflation)
- 8-9% IRR (assuming no repowering, life extension, scale efficiencies, power price forecast recovery or lowering of discount rate)

**Structured for investors**

- Power generation of 408.0 GWh; 10% above budget
- Net cash generation of £29.2m
- Dividends of £14.4m (3.13p per share) declared for the period
- GAV of £585.8m<sup>1</sup> and NAV of £480.8m<sup>1</sup>; NAV growth of 0.2p per share (ex-dividend)
- Market capitalisation of £512.1m<sup>1</sup>
- Leverage of £105m (18%)<sup>1</sup>
- £75m 7-year fixed rate 3.59% term loan in place
- £200m undrawn revolving credit facility for future acquisitions

**Continues to deliver on IPO promises and strong pipeline of future opportunities**

# Proven Investment Proposition



£53.4m of dividends paid or declared since listing

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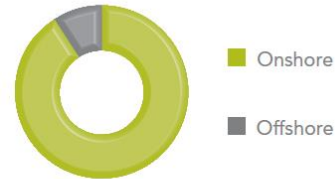
## Operational and Financial Performance



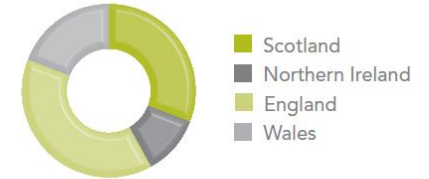
# Portfolio Overview



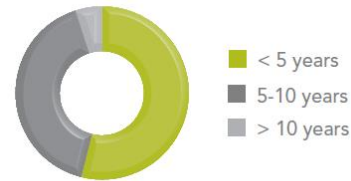
Onshore/Offshore



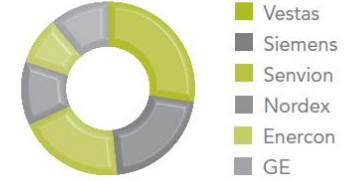
Geography



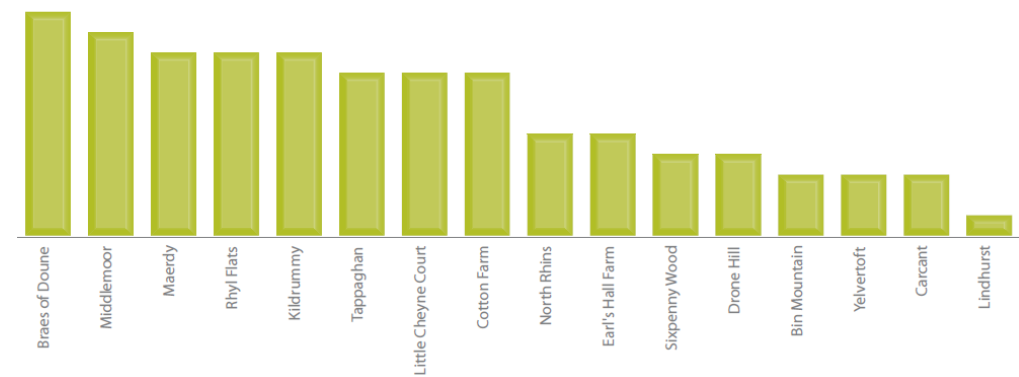
Asset Age



Turbine Manufacturer



Assets



Portfolio generation of 408.0GWh (10% above budget)



# Financial Performance



Group and wind farm SPV cash flows	For the six months ended 30 June 2015 £m
<b>Net cash generation</b>	<b>29.2</b>
<b>Dividends paid (February and May 2015)</b>	<b>(21.4)</b>
<b>Acquisitions</b>	<b>—</b>
<b>Acquisition costs</b>	<b>—</b>
<b>Equity issuance</b>	<b>—</b>
<b>Equity issuance costs<sup>(1)</sup></b>	<b>(0.3)</b>
<b>Debt repayment/drawdown</b>	<b>—</b>
<b>Upfront finance costs</b>	<b>(0.8)</b>
<b>Movement in cash (Group and wind farm SPVs)</b>	<b>6.7</b>
<b>Opening cash balance (Group and wind farm SPVs)</b>	<b>19.0</b>
<b>Ending cash balance (Group and wind farm SPVs)</b>	<b>25.7</b>
Net cash generation	29.2
Dividends <sup>(2)</sup>	14.3
<b>Dividend cover</b>	<b>2.0x</b>

<sup>(1)</sup> Carried over issuance costs in relation to October 2014 capital raise.

<sup>(2)</sup> February 2015 dividend has been halved for dividend cover calculation purposes as it relates to six months as opposed to three months.

# Net Asset Value



## DCF valuation

- Reduced by 2.4p per share
- Incorporates
  - Lower power price forecasts (Q1)
  - Loss of CCL exemption and reduced Corporation Tax rate (Q2)

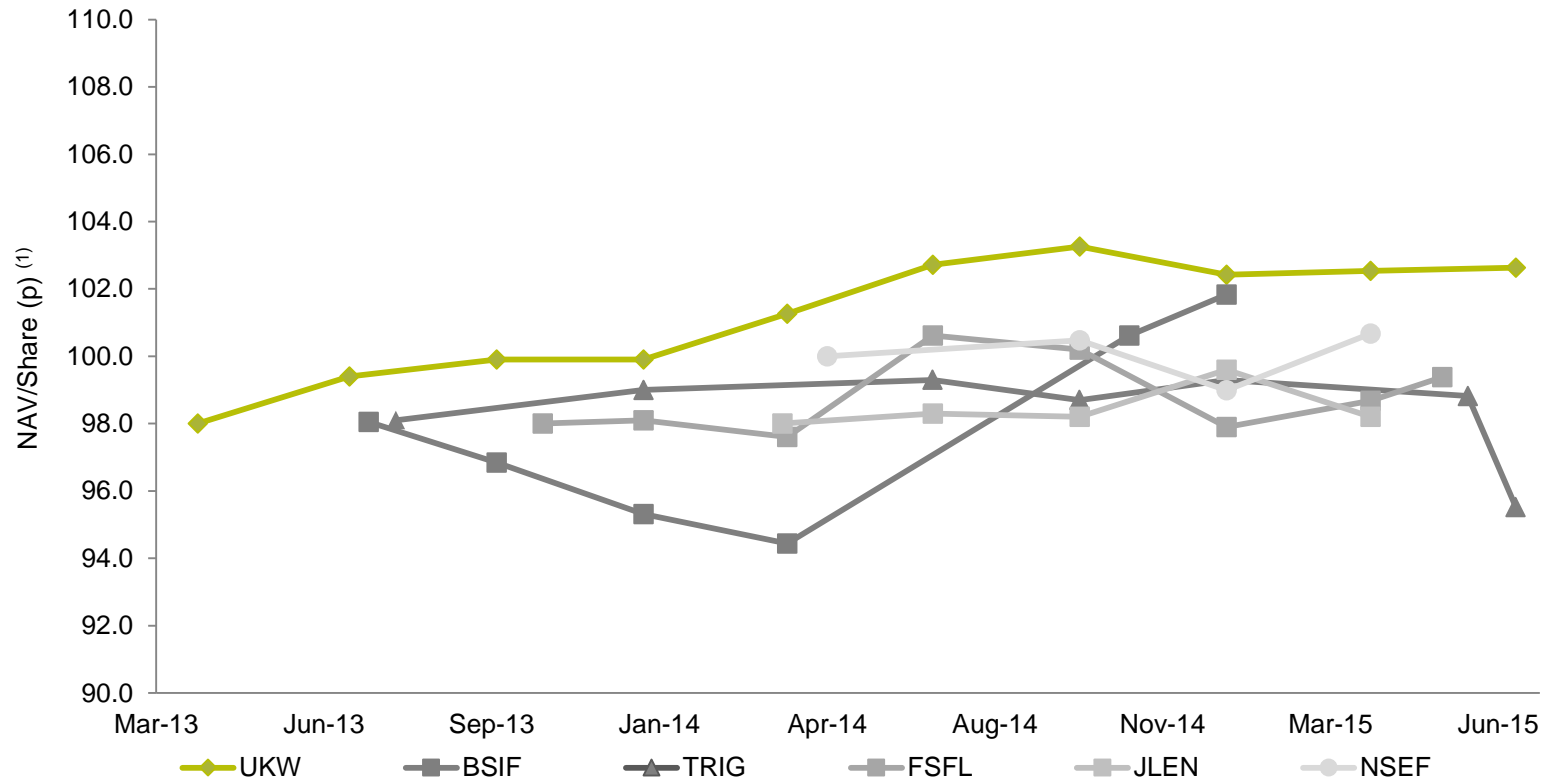
## Total return (NAV)

NAV at 31 Dec 2014	105.5p
Less Feb 2015 dividend	(3.1)p
NAV at 31 Dec 2014 (ex div)	102.4p
NAV at 30 June 2015	104.2p
Less Aug 2015 dividend	(1.6)p
NAV at 30 Jun 2015 (ex div)	102.6p
Movement in NAV (ex div)	0.2p

## Total Shareholder Return vs market peers



# UK Renewable Funds NAV Analysis



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

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Regulation



## New Government – changes to expected timings, but not to outcomes

- **Change to deadline for ROC regime**

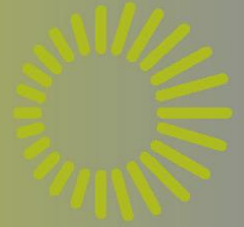
- An issue for developers, not for owners or acquirers of operational assets
- Changes were well trailed prior to announcement, and largely expected
- Primacy of grandfathering remains clear

- **Removal of CCL exemption**

- “Surprise” to some, but modelled by Greencoat, albeit earlier than expected
- Reduction in revenue largely offset by corporation tax changes thanks to low leverage
- As with Carbon Floor Price, changes anticipated prior to announcement

**UKW position largely unmoved due to prudent assumptions and conservative debt position**

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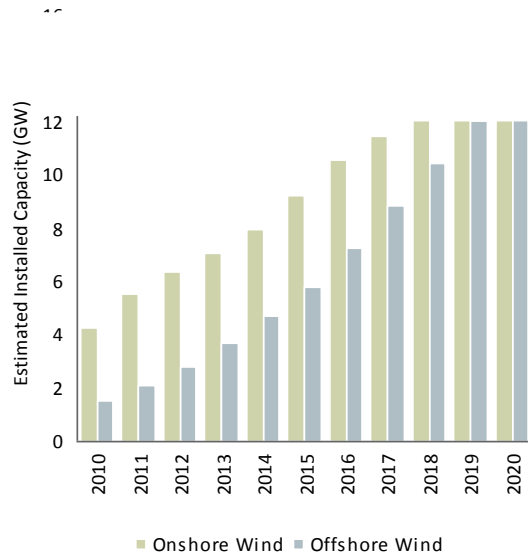
Growth



# Continued Opportunities to Grow



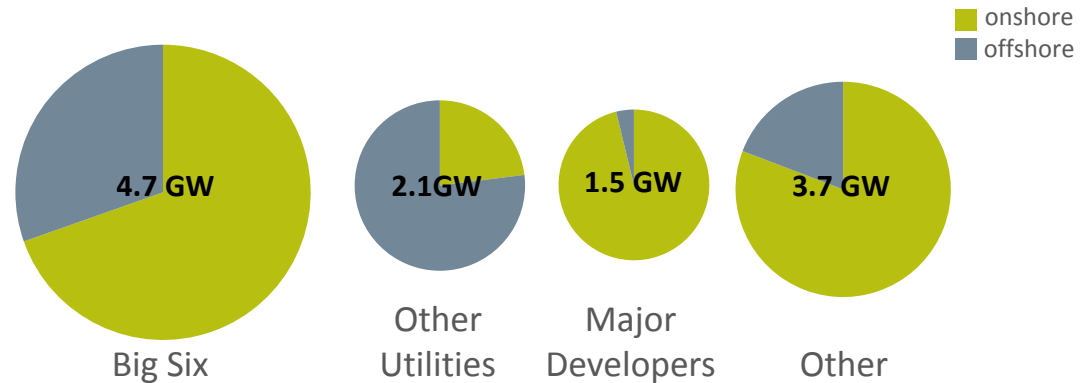
## Wind - a huge secondary market



More than 12GW online  
(£30bn<sup>(1)</sup>)

More than 12GW to be built in the  
medium term (£30bn<sup>(1)</sup>)

## Greencoat - structured to acquire the best assets



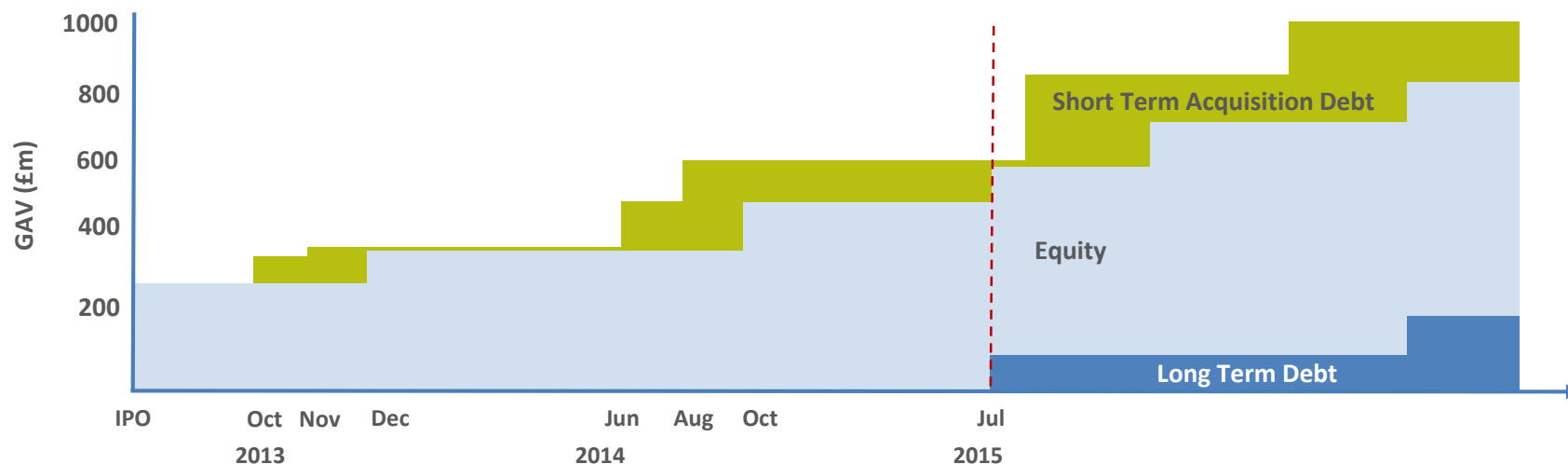
Independence allows Greencoat to pursue the best available assets from across the market – not an exit vehicle

Structured and financed like a utility + “cash buyer” status  
Greencoat is a preferred buyer

**Greencoat UK Wind is well placed for continued value accretive acquisitions**



# Simple Capital Structure



## Asset Level

- No debt at asset level in existing portfolio nor intention to have any asset level debt going forward

## Fund Level Short Term Debt

- Revolving credit facility ("RCF") used to acquire new assets
- Significant value opportunity for the fund: execution advantage without the carry cost of cash
- RCF refinanced via follow-on equity issuance, freeing up debt capacity for further acquisitions

## Fund Level Long Term Debt

- £75m 7-year fixed rate term loan (165bps margin, 3.59% all-in)
- Future acquisition debt could be refinanced in the investment grade capital markets via institutional private placements

## Overall Gearing

- Average gearing 20-30% of GAV in total
- Limited to less than 40% of GAV in total

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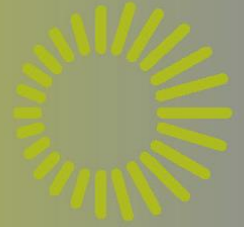
## Summary



- Power generation of 408.0 GWh; 10% above budget
- Net cash generation of £29.2m
- Dividends of £14.4m (3.13p per share) declared for the period
- Six dividends totalling £53.4m declared since listing
- NAV of £480.8m<sup>1</sup>; NAV growth of 0.2p per share (ex-dividend)
- Leverage of £105m (18%)<sup>1</sup> and £75m 7-year fixed rate 3.59% term loan in place
- £200m undrawn revolving credit facility for future acquisitions

**Continues to deliver on IPO promises and strong pipeline of future opportunities**

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## Appendix



# Diversified Asset Portfolio



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	25.7%
Carcant	Scotland	Siemens	SSE	6.0	100%	6.0	Jun-07	Mar-13	1.0	33.0%
Cotton Farm	England	Senvion	Sainsbury's	16.4	100%	16.4	Mar-13	Oct-13	1.0	35.6%
Drone Hill	Scotland	Nordex	Statkraft	28.6	51.6%	14.8	Aug-12	Aug-14	1.0	23.7%
Earl's Hall Farm	England	Senvion	Sainsbury's	10.3	100%	10.3	Mar-13	Oct-13	1.0	35.4%
Kildrummy	Scotland	Enercon	Sainsbury's	18.4	100%	18.4	May-13	Jun-14	1.0	35.7%
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	32.2%
Middlemoor	England	Vestas	RWE	54.0	49%	26.5	Sep-13	Nov-13	1.0	28.6%
North Rhins	Scotland	Vestas	E.ON	22.0	51.6%	11.4	Dec-09	Aug-14	1.0	37.8%
Rhyl Flats	Wales	Siemens	RWE	90.0	24.95%	22.5	Jul-09	Mar-13	1.5	35.0%
Sixpenny Wood	England	Senvion	Statkraft	20.5	51.6%	10.6	Jul-13	Aug-14	1.0	31.0%
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	28.6%
<b>Total</b>						<b>271.5</b>				

(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 (expressed as a percentage). Forecast net load factors are net of each wind farm's availability assumption (95 to 98 per cent., depending on the wind farm). Forecast net load factors are P50 estimates (the probability of output exceeding the estimate being 50 per cent.) based on operational data (greater than one year of operations) or modelled assumptions (less than one year of operations)

(3) Tappaghan extension (9MW) commissioned in June 2009

# A Highly Experienced Investment Management Team



**Stephen Lilley** – 18 years of investment experience in the infrastructure, utility and renewables sectors in addition to 6 years in industry

**Laurence Fumagalli** – 18 years of investment and financing experience, with a focus on UK wind



**Peter McHale** – 20 years of accounting experience, mainly in the financial sector

**Jimmy Hansson** – 25 years of operational experience with major power utilities, managing turbines, sites and operational teams



**Connie Lee** – 11 years of investment and advisory experience in addition to 5 years in industry

**Jason Porter** – 10 years of experience in the wind industry in operational and technical roles



**Faheem Sheikh** – 6 years of audit and accounting experience

**Victor Monje** - 5 years of experience in the wind industry in operational and technical roles



**Claire Toman** – 5 years of accounting experience

**Kimmy D'Ancona** - 5 years experience in trust administration and financial services



# Independent UK Board



**Tim Ingram** – Chairman

Ex-Caledonia CEO, Ex-Collins Stewart Hawkpoint Chairman, Chairman of Wealth Management Assoc'n



**Shonaid Jemmett-Page** – Director, Chair of Auditco

Ex-KPMG, Unilever and CDC

*Finance and accountancy experience*



**Willy Rickett** – Director

Ex-Director General of DECC

*Policy experience*



**Dan Badger** – Director

Adviser at Hideal Partners

*Power M&A experience*



**Martin McAdam** – Director

Ex-CEO of Aquamarine Power and Airtricity US

*Utility operations and windfarm construction and operations experience*

**Deep expertise and experience in relevant fields adds value and provides superior governance**

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