

# ESB

## Invested in a Sustainable Future

HY 2024 Presentation to Investors

30 September 2024



Energy for generations



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# Strategy & Sustainability



Energy for generations

**DRIVEN TO MAKE  
A DIFFERENCE**

**NET ZERO BY 2040**

# 2024 H1 Highlights

	H1 2024 €m	H1 2023 €m
EBITDA	883	1,093
Operating Profit	446	676
Capex	751	779
Shareholder Loans	88	39
Exceptional Item: Provision related to NNG	135	-
Net Debt	6,749	6,447 (Dec 2023)
Gearing*	53%	49% (Dec 2023)
Liquidity	2,218	3,691 (Dec 2023)

\*Net Debt/(Net Assets + Gross Debt)



# H1 2024 Strategic Updates

## PROGRESS

### OUR PURPOSE

OUR PURPOSE IS TO CREATE A BRIGHTER FUTURE, FOR THE CUSTOMERS AND COMMUNITIES WE SERVE



### OUR STRATEGY

WE'RE DRIVEN TO MAKE A DIFFERENCE: ACHIEVING NET ZERO BY 2040

DECARBONISED ELECTRICITY

RESILIENT INFRASTRUCTURE

EMPOWERED CUSTOMERS

EMPOWERED PEOPLE · DIGITAL & DATA DRIVEN · FINANCIALLY STRONG · SUSTAINABLE

### OUR CULTURE

OUR VALUES

WE'RE COURAGEOUS

WE'RE CARING

WE'RE DRIVEN

WE'RE TRUSTED

6 GW grid scale renewables to Ireland's electricity network

Growth in ESB's renewable footprint with successes in AR6 & RESS 4

Deployment of ESB HPU's to energise broadcast of Irish Open

€0.6bn investment in networks infrastructure

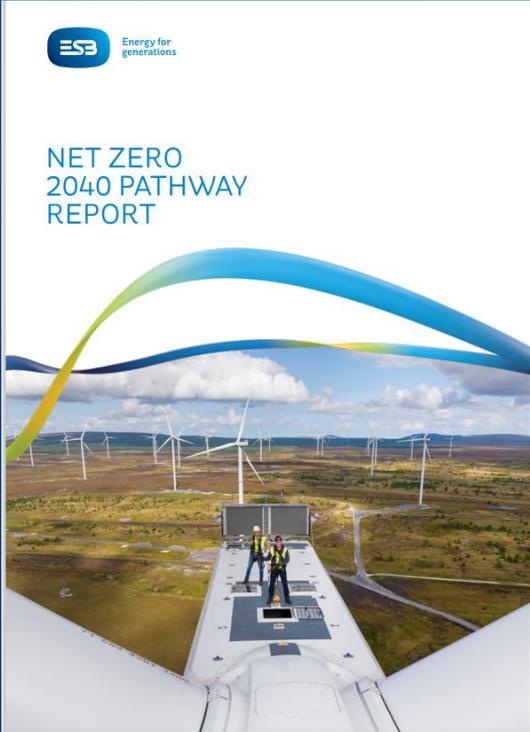
First grid-scale solar project reaches energisation

Over 1.75 smart meters installed



# Aiming for Leading Sustainability Performance

## Net Zero Strategy



## ESB Net Zero Pathway Report

## ESB Sustainability Leadership Plan



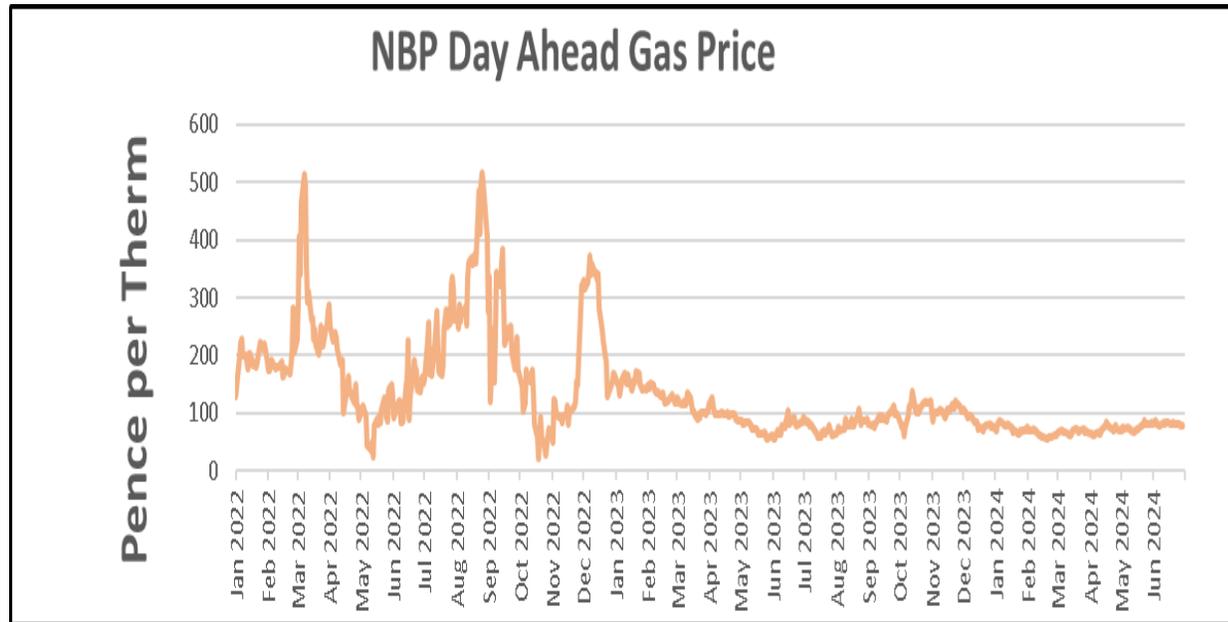
**STEP** Sustainability Transformation Enablement Programme

# Financial Update

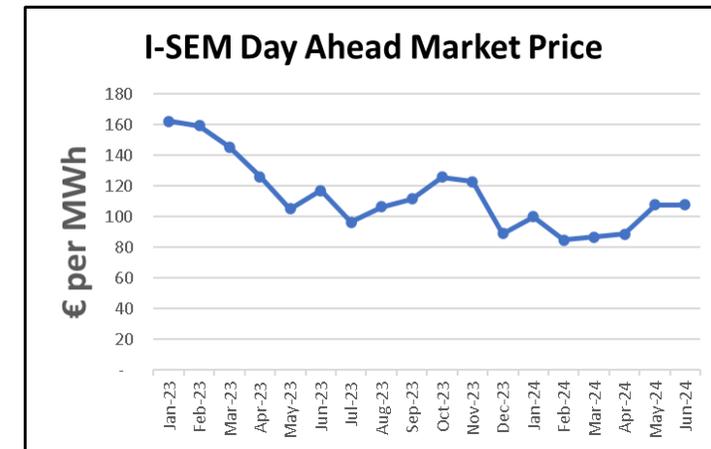


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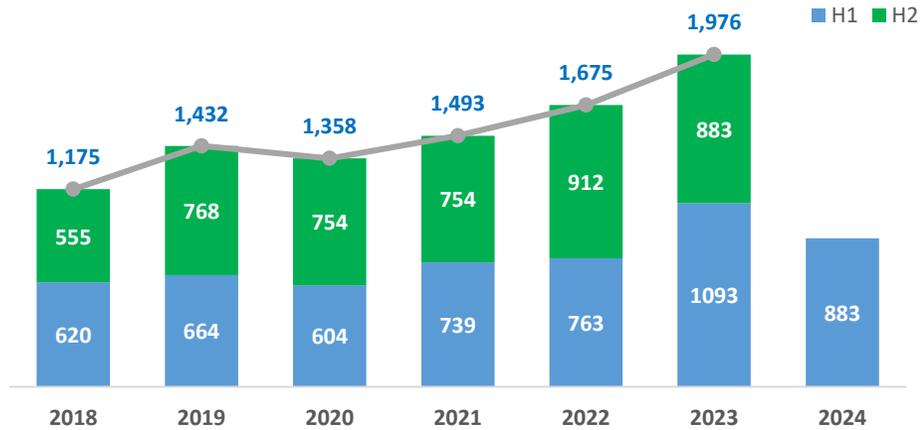
## Wholesale prices reduced and more stable



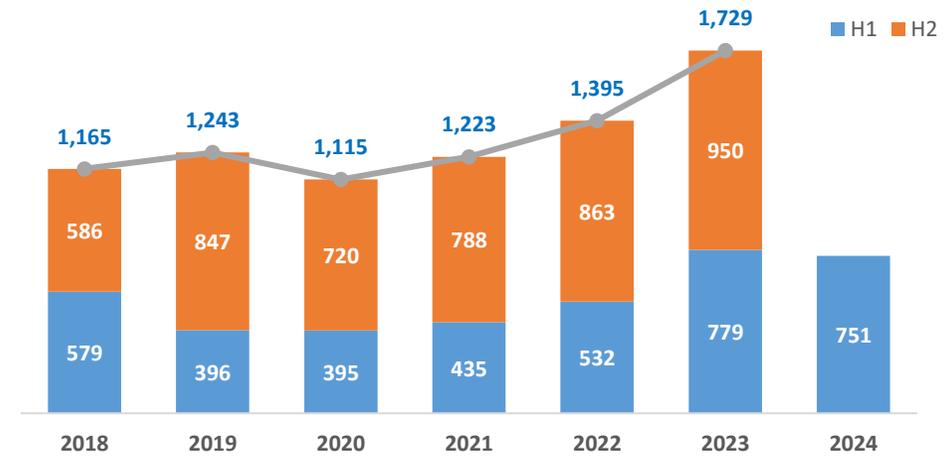
2024 DAM: €96 / MWh (average YTD)  
2023 DAM: €136 / MWh (average YTD)  
All Island Demand +2.1%

# Consistent Financial Performance

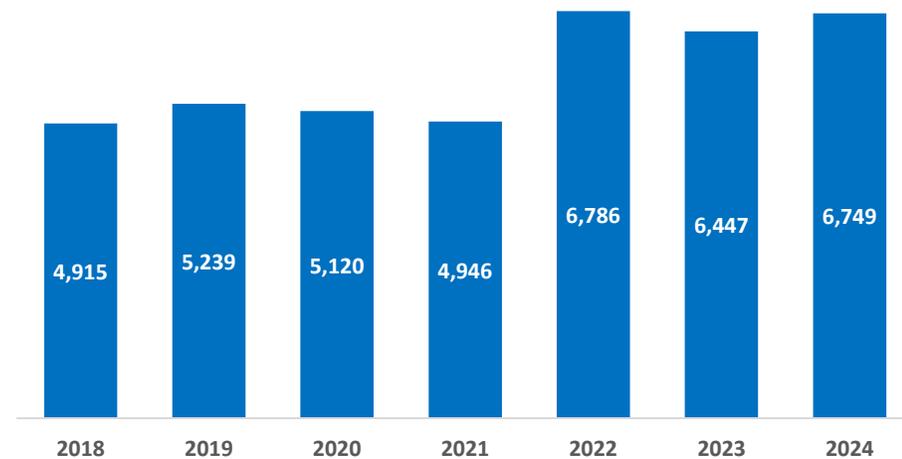
## EBITDA (before exceptional items) (€m)



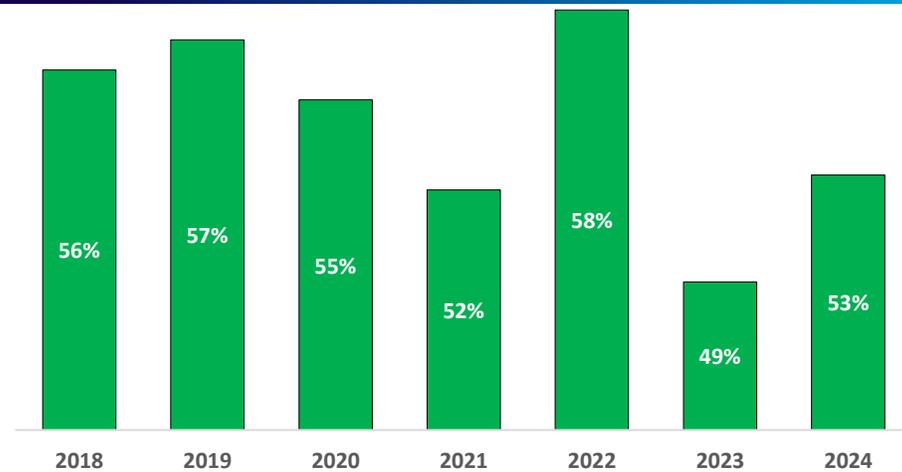
## Capital Expenditure (€m)\*



## Net Debt (€m)



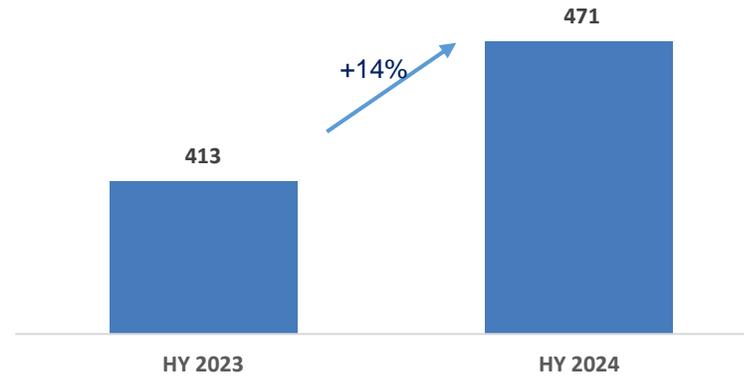
## Gearing\*\* (%)



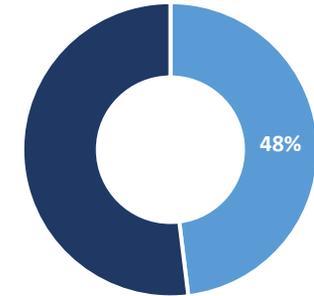
- \*2018 - 2023 capex is gross of capital contributions
- \*\* Net Debt/(Net Assets + Gross Debt)

**Business Strategy** - Provide resilient infrastructure for a reliable low carbon electricity system.

## Capital Expenditure (€m)



2024 HI ESB Group EBITDA\* - €883m / ESB Networks EBITDA - €425m



## Business Highlights

- Launch of Networks for Net Zero Strategy
- 48% of Group EBITDA and 51% of Group Assets
- Increased profit due primarily to an increase in revenue from regulated tariffs.
- Regulated Asset Base (RAB) at 30 Jun - €10.9bn
- PR5 Revenue Determination (2021-2025)
  - €4.4 billion capex programme
  - WACC 3.8% pre-tax real<sup>1</sup>
- **Focus:**
  - PR5 delivery and preparation for PR6

## PR6 Timeline



\* excluding exceptional items

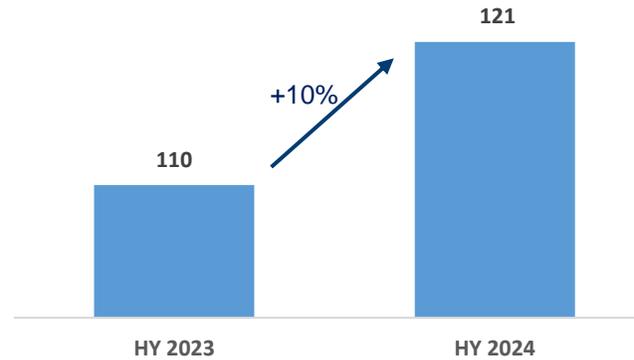
<sup>1</sup> WACC pre-tax real calculated real pre-tax cost of debt and real pre-tax cost of equity

# Northern Ireland Electricity (NIE) Networks

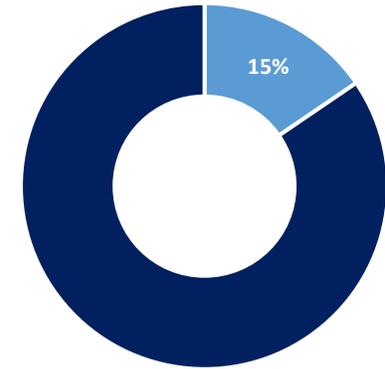


**Business Strategy** - Provide resilient infrastructure for a reliable low carbon electricity system.

## Capital Expenditure (€m)



2024 HI ESB Group EBITDA\* - €883m / NIE EBITDA - €137m



## Business Highlights

- 15% of Group EBITDA and 16% of Group Assets
- Increased profit due primarily to an increase in revenue from regulated tariffs.
- Capex is up 10% compared to same period in 2023
- Regulated Asset Base - £2.3bn
- RP6 revenue determination (Oct '17 – Mar '24)
  - RP6 WACC 3.14% vanilla real<sup>1</sup> (3.8% pre-tax real)
- **Focus:**
  - RP6 Implementation and preparation for RP7

## RP7 Timeline



\* excluding exceptional items

<sup>1</sup> WACC pre-tax real calculated real pre-tax cost of debt and real pre-tax cost of equity

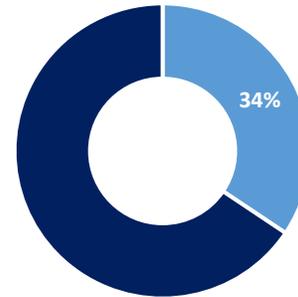
# Generation & Trading

**Business Strategy** - Develop and connect renewables to decarbonise the electricity system by 2040

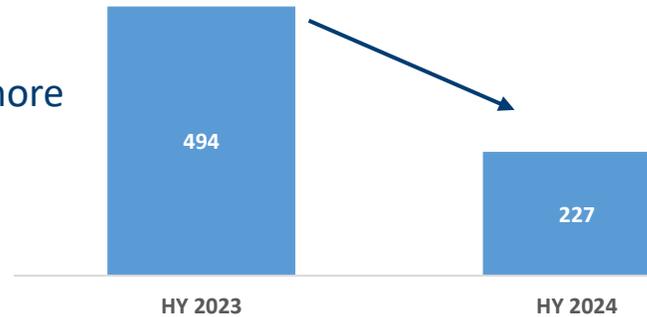
## Business Highlights

- 34% of Group EBITDA and 22% of Group Assets
- Operating profit of €227 million is down €267 million mainly due to lower energy margins as a result of wholesale market price reductions. These movements have impacted the margins earned across ESB's thermal and renewable generation portfolio in both Ireland and the UK.
- Capex continues to be invested in energy infrastructure for low carbon system
- All-Island SEM market share 25% by volume
- Exceptional provision of €135m relating to NNG offshore windfarm
- **Focus:**
  - Build pipeline of renewable projects
  - Continue to prepare for future RESS auctions

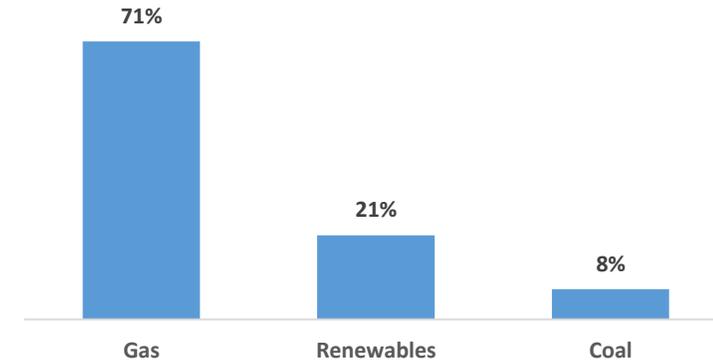
**2024 H1 ESB EBITDA\* - €883m / GT EBITDA - €304m**



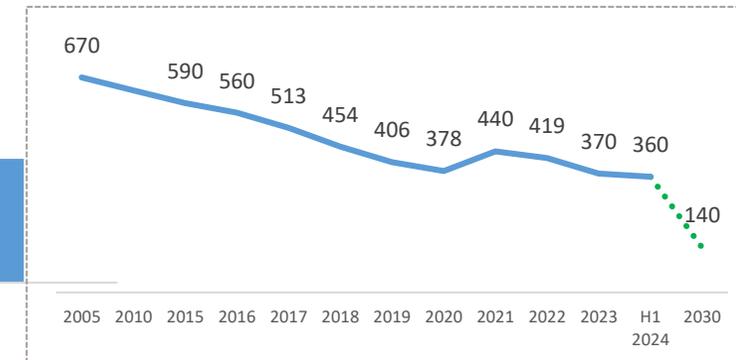
## Operating Profit (€m)\*



## Fuel Mix 2024 YTD: SEM & GB Metered Generation



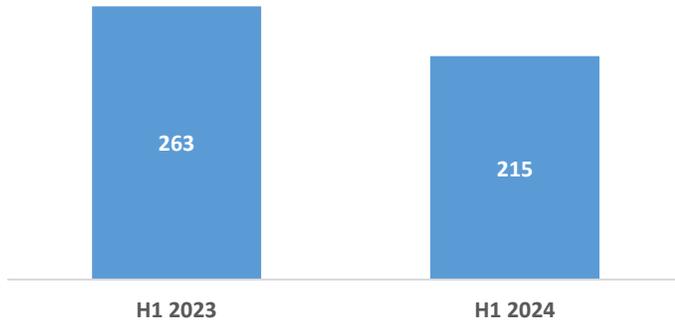
## Carbon Intensity of ESB Generation g/kWh



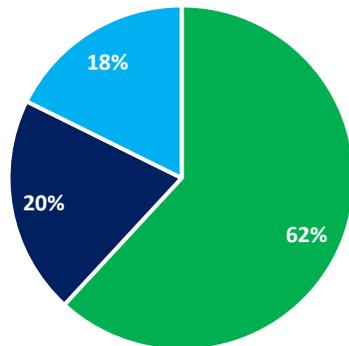
\* excluding exceptional items

# Generation & Trading (GT)

## Generation Total Investment (incl shareholder loans to JVs) (€m)

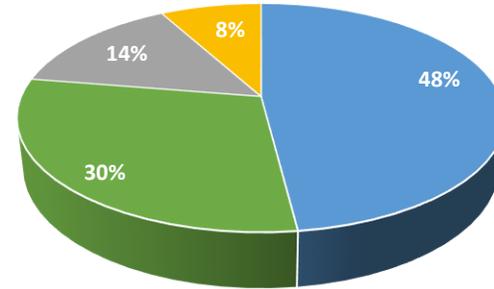


## Generation Total Investment (incl shareholder loans to JV projects)



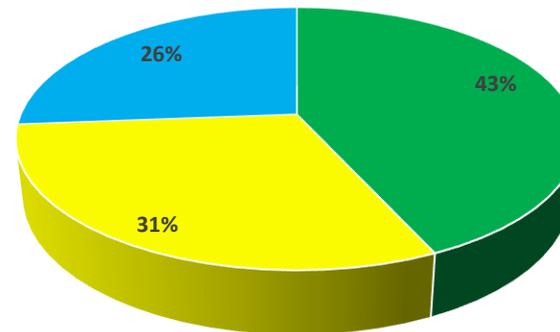
■ Renewable & Renewable Enabling ■ Flexible Generation ■ Other

## Renewable Pipeline 12.5GW



■ Offshore Wind ■ Onshore Wind ■ Solar ■ Battery/Storage

## CFD Awarded/Under Construction 1.7GW



■ Offshore ■ onshore ■ Solar

# Customer Solutions (including Electric Ireland)

**Business Strategy** – Empower, enable and support customers and communities to achieve net zero

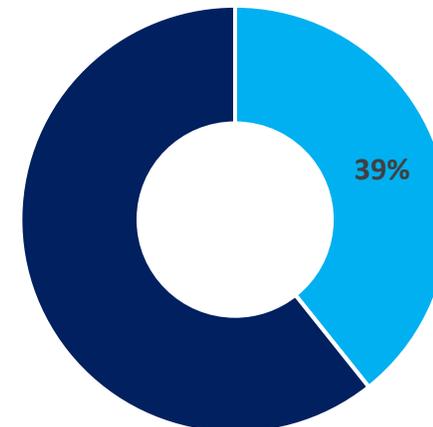
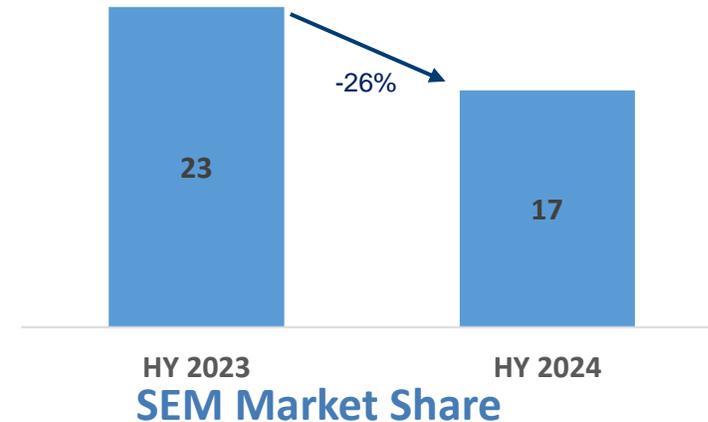
## Business Highlights

- Customer-facing businesses - supply of electricity, gas, energy services, e-transport and wholesale telecoms
- Operating profit of €17 million is €6 million lower than the same period in 2023 due to reduced margins and higher operating expenditure in Electric Ireland. This was somewhat offset by an improved performance in So Energy (Great Britain) for the first six months of this year versus the same period in 2023.
- Irish market share 39% with c. 1.5m customer accounts

### Focus:

- Meet customer energy needs through value driven solutions at appropriate margins

## Operating Profit/(Loss) (€m)



# Funding & Liquidity

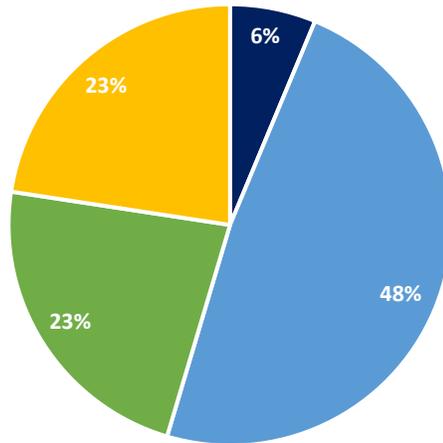


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# ESB Group Debt and Liquidity

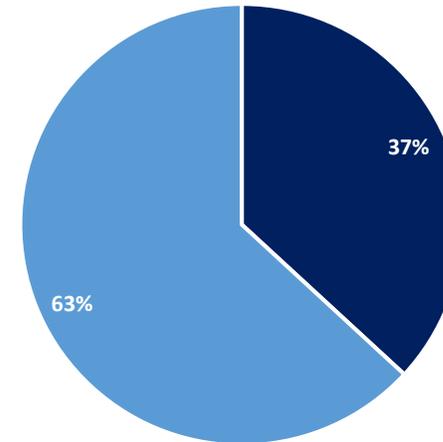
## Group Debt 30 June 2024 - €7.4 billion



■ Parent Bilateral (mainly EIB) ■ EUR Bonds ■ Green Bonds ■ GBP Bonds

- Repayment of €300m Bond in Jan 2024

## Available Liquidity 30 June 2024 - €2.2 billion

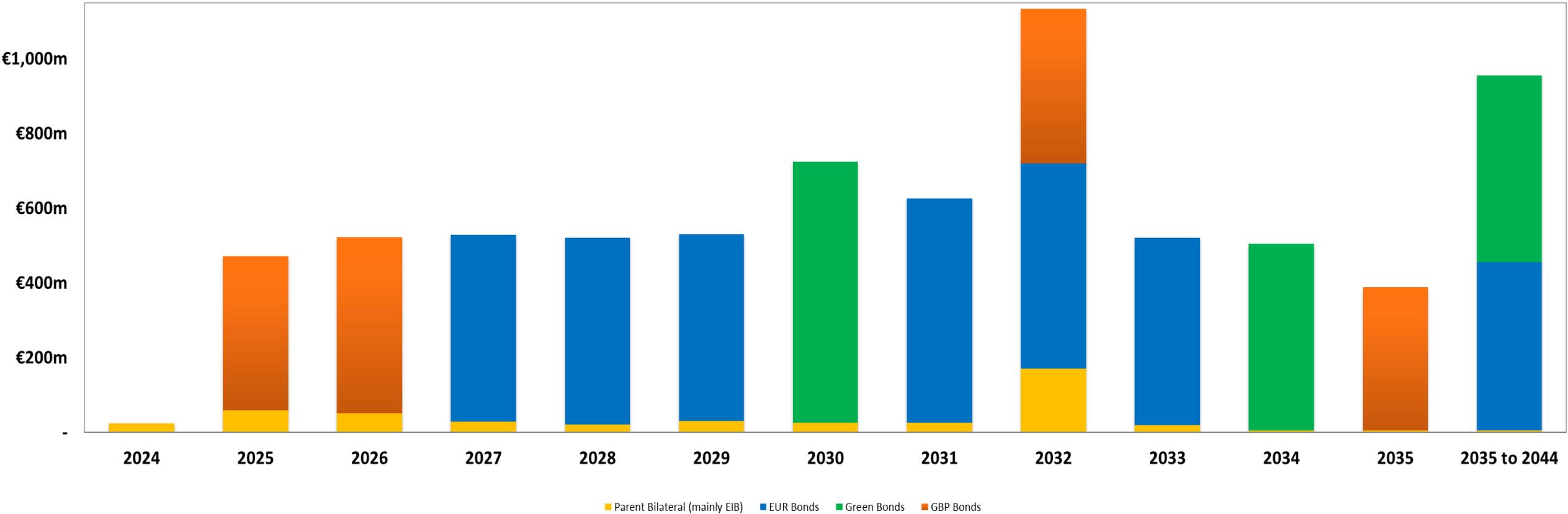


■ Cash and Cash Equivalent ■ RCF

- €1.4 billion SSL RCF with 13 banks (Feb 2027)
- €0.8 billion cash and cash equivalents
- GBP RCF expired June 2024

# Debt Repayment Profile as at 30 June 2024

ESB Group Debt Profile as at 30.06.2024



*Note: Excludes Joint Venture Debt*

## S&P Global Ratings

**A-**

(Stable Outlook)

## MOODY'S INVESTORS SERVICE

**A3**

(Positive Outlook)

### Credit Strengths

*“ Consistently strong financial metrics underpinned by prudent financial policy ” \**

*“ Majority of earnings, derived from monopoly electricity network businesses operating under well-established and transparent regulatory frameworks ” \**

*“ stable and predictable earnings and cash flow from ESB's relatively low risk regulated distribution and transmission business. ” \*\**

It is our intention to maintain a credit rating of BBB+/Baa1 on a stand-alone basis out to 2040

\*Moody's Credit Rating Report September 2024

\*\*S&P Credit Rating Report August 2024

# Summary



# Key Credit Strengths

## Leading Irish Energy Utility

- **97% Irish Government owned**
- **Owns all networks in ROI and NI**
- **Irish electricity market: 25% share of generation and 39% share of supply**
- **Significant progress made on Net Zero Strategy to date**

## Stable Business Profile

- **Regulated electricity networks businesses in Ireland accounted for 67% of Group Assets and c. 64% of Group EBITDA**
- **Supported by established and transparent regulatory frameworks regarded as robust by credit rating agencies**

## Consistent Financial Performance

- **Average EBITDA €1.6bn & Gearing 54% (2019–2023)**
- **Diversified funding and strong liquidity position**
- **Credit ratings of A- (stable) and A3 (positive) from S&P Global Ratings and Moody's respectively**



**Paul Stapleton**

CFO



**Anne Marie Kean**

GROUP TREASURER



**Liz O'Regan**

INVESTOR  
RELATIONS & CREDIT RATING  
MANAGER



**Richelle Manning**

INVESTOR  
RELATIONS & CREDIT RATING  
MANAGER



**Sharon McManus**

GROUP SUSTAINABILITY  
MANAGER