



NZ Windfarms Ltd
POWERED BY NATURE

Full Year Results Presentation

For the period ending 30 June 2020

Information in this document is provided for general information purposes only.

It is not an offer or an invitation for subscription, purchase or recommendation of securities in NZ Windfarms Limited (the Company, or NWF).

Neither NZ Windfarms Limited, nor the directors, executives or advisors of NZ Windfarms Limited make any representation or warranty, expressed or implied, as to the accuracy or completeness of any of the information contained herein, including any opinion, or of any other written or oral communication transmitted or made available.

Each recipient of this information waives any and all claims or actions against the directors, officers of, or any advisors to, NZ Windfarms Limited relating to or resulting from the use of this information and any communications received by a recipient, or any of its affiliates, advisors or representatives.

No representation or warranty is given as to the achievement or reasonableness of any future projections, estimates or statements about the future prospects of NZ Windfarms Limited that may be comprised within this information.

This document may contain information from third parties believed to be reliable. However, no representations or warranties are made as to the accuracy or completeness of such information.

This document does not propose to be all inclusive or to contain all of the information the recipient may require.

The Company is under no obligations to update this presentation or the information contained in it after it has been released.

Nothing in this presentation constitutes financial, legal, tax or other advice.

All dollar amounts are in New Zealand dollars and all figures are subject to rounding and in some cases may not appear to add up.

Some non-GAAP financial measures could be used in this document and these are usually defined as footnotes. Financial information should be read in conjunction with the latest audited financial statements for the Company available at www.nzwindfarms.co.nz

Snapshot

- Independent merchant wind generator
- **92 x 500kW** turbines, **46 MW** nameplate capacity
- **30m** hub height, **33m** rotor diameter
- Wind resource - **IEC Class 1A** Certification
- All maintenance carried out in house
- Grid connected via Tilt's T3 substation
- **~30 km** of underground reticulation network
- The project received resource consent in 2005 with turbines installed in four stages with the final stage being completed in 2011

Asset base

- **92** wind turbines (**50%** of fixed asset base)
- **56** consented but undeveloped turbine sites
- **500** acre freehold farm
- Land access agreements for **32** turbines (Eastern extension)
- Workshop and office buildings
- Extensive spares, tools and inventory
- Underground connection system
 - Connects each turbine to the Te Rere Hau substation
 - **2 x 33kV transmission lines** that connect Te Rere Hau substation to Tilt's grid injection point
 - Permits injection up to **48.5MW** into the national grid

Full Year Ended 30 June 2020 Key Metrics

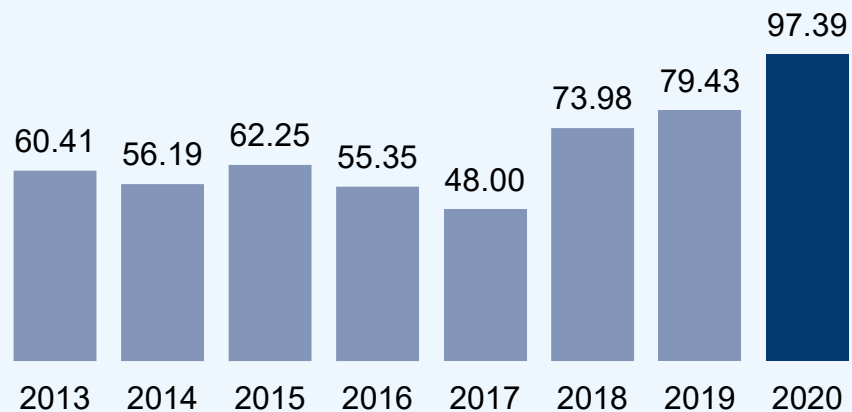
- **Record Revenue (incl realised hedges*): \$11.5m** (2019: \$8.4)
- **Record Electricity Price (incl realised hedges) Net GWP**: \$97.39 per MWh** (2019: 79.43 per MWh)
- **Record EBITDAF***: \$8.0m** (2019: \$4.5m)
- **Record Operating Cashflow: \$7.6m** (2019: \$3.4m)
- **Record Total Dividend - 30 Jun 2020: 1.80 cps (unimputed)** (2019: 1.05 cps)
- **NPAT: \$1.7m** (2019: \$0.6m)
- **Generation: 118.4 GWh** (2019: 105.5 GWh)
- **Average Mean Wind Speed: 9.7 m/s** (2019: 9.0 m/s)
- **Debt repayment: \$0.95m** (2019: \$0.95m)
- **Interim Dividend - 30 Sep 2019: 0.40 cps (unimputed)** (pcp: none)
- **Interim Dividend - 31 Dec 2019: 0.70 cps (unimputed)** (pcp: none)
- **Final Dividend - 30 Jun 2020: 0.70 cps (unimputed)** (pcp: 0.55 cps)
- **Continuation of excellent health and safety record**

* Hedging operations are referred to as energy futures or derivatives in the financial statements.

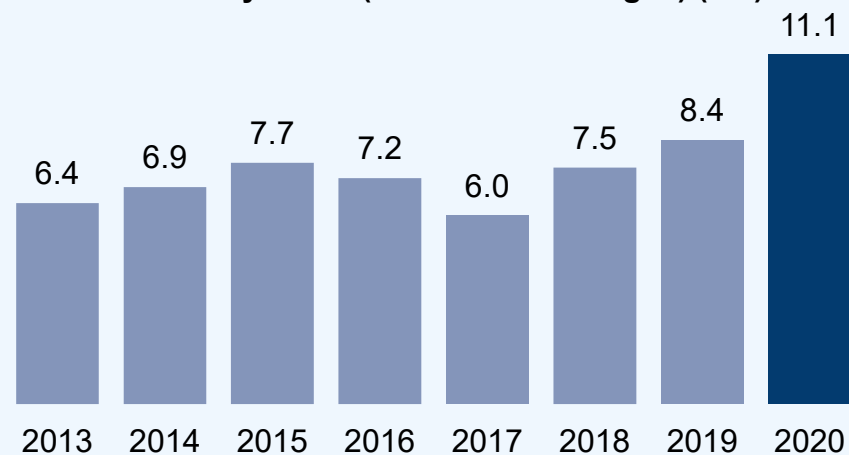
** Net GWP = Net generation weighted price = (electricity sales + gain on realised derivatives – loss on realised derivatives) / generation

*** EBITDAF - Earnings before interest, tax, depreciation, amortisation and fair value adjustments. EBITDAF is a non-GAAP financial measure. Any hedges that have been transacted or closed within the period that replicate future hedging positions are excluded. In NWF's case, EBITDAF excludes electricity hedges that relate to transactions that fall outside of the reporting period. The Company utilises EBITDAF internally to evaluate profit and loss that relates to the financial period.

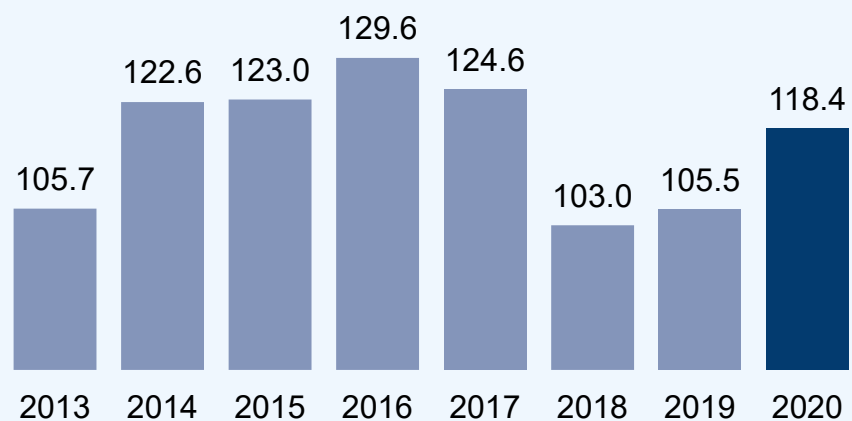
Electricity Price (GWP \$MWh)



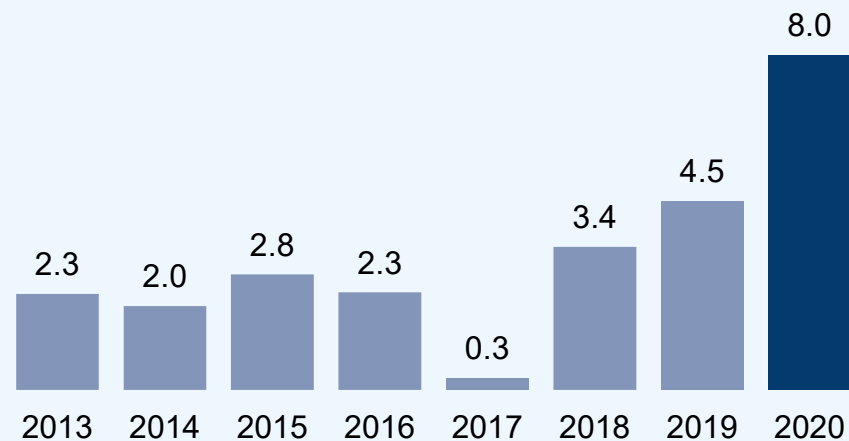
Electricity Sales (Incl realised hedges) (\$m)



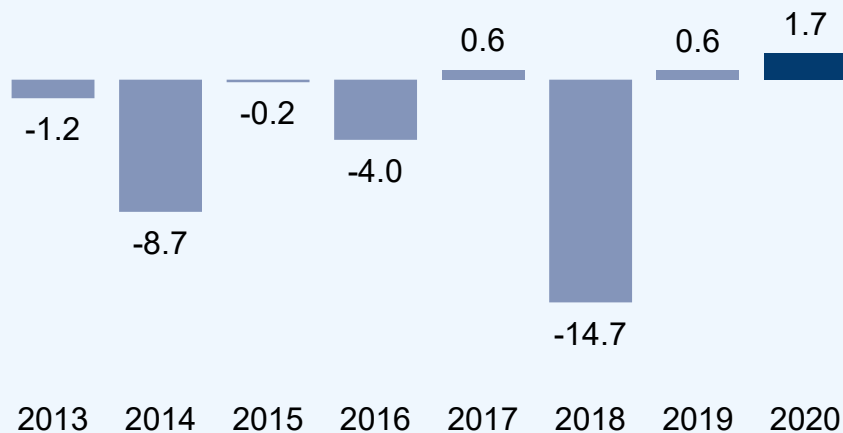
Generation (GWh)



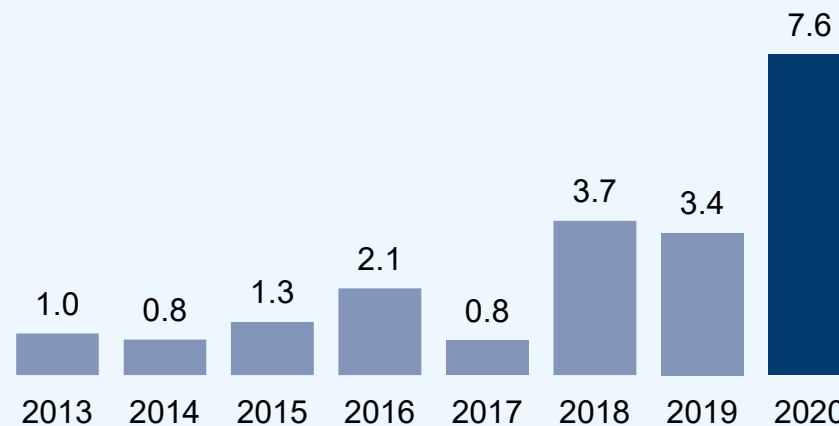
EBITDAF (\$m)



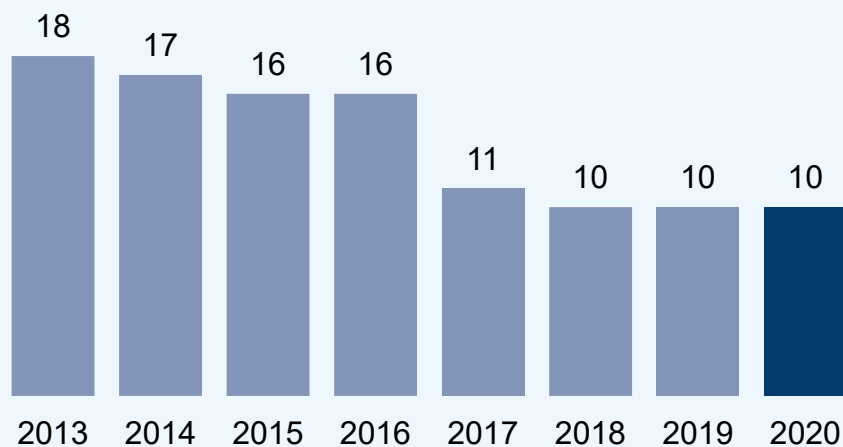
NPAT (\$m)



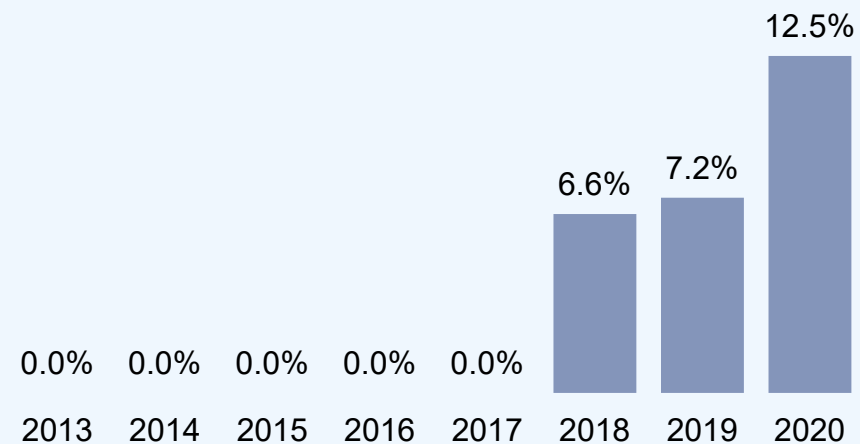
Operating Cash Flow (\$m)



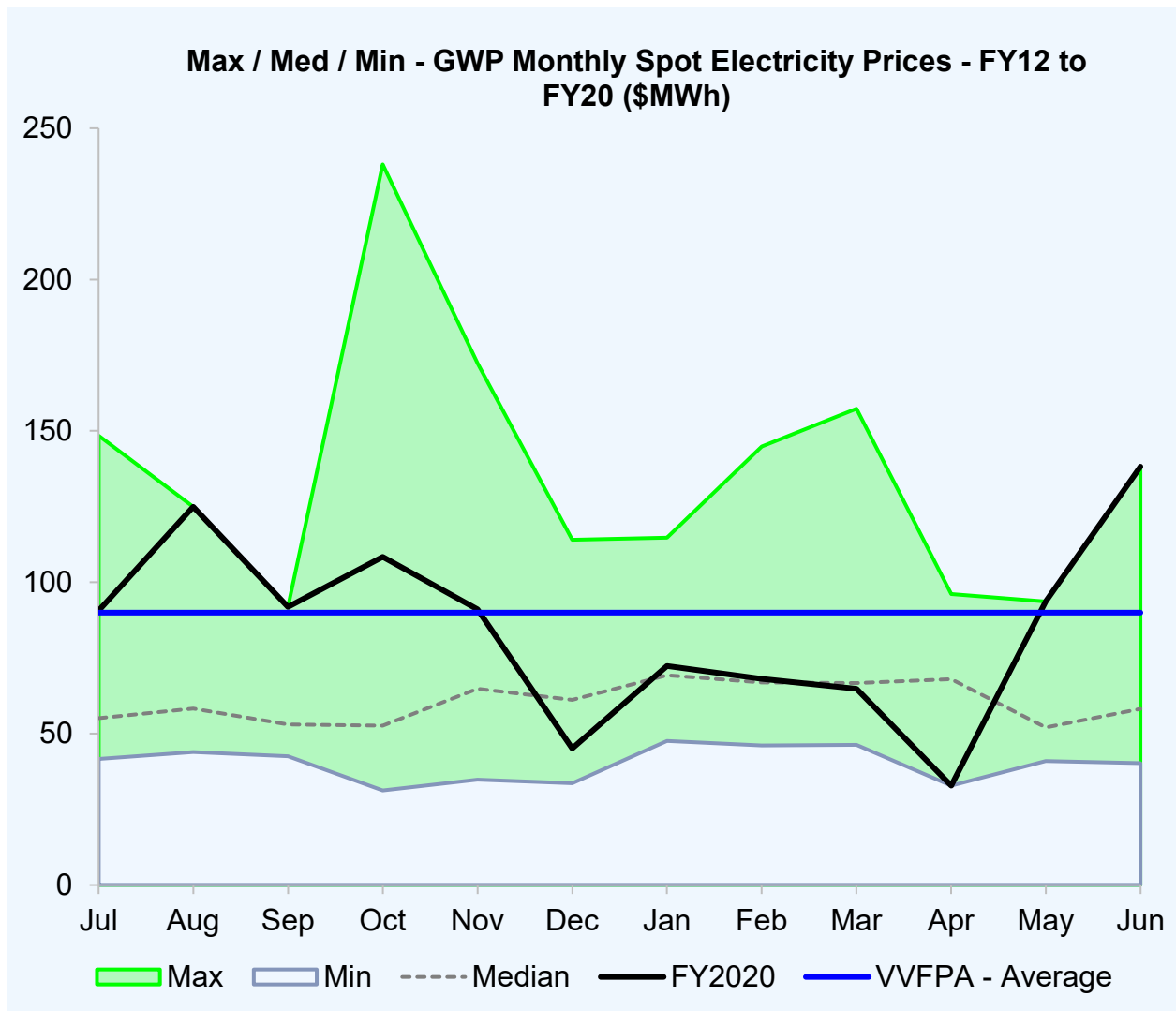
Staff Number's



Dividend Yield (Gross)

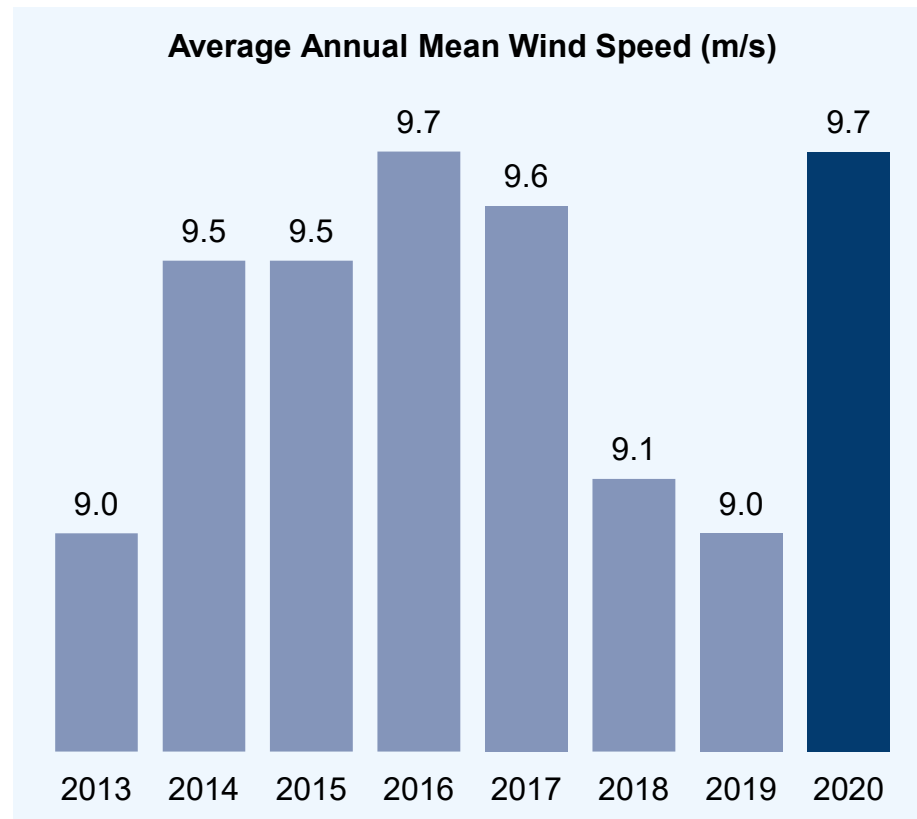
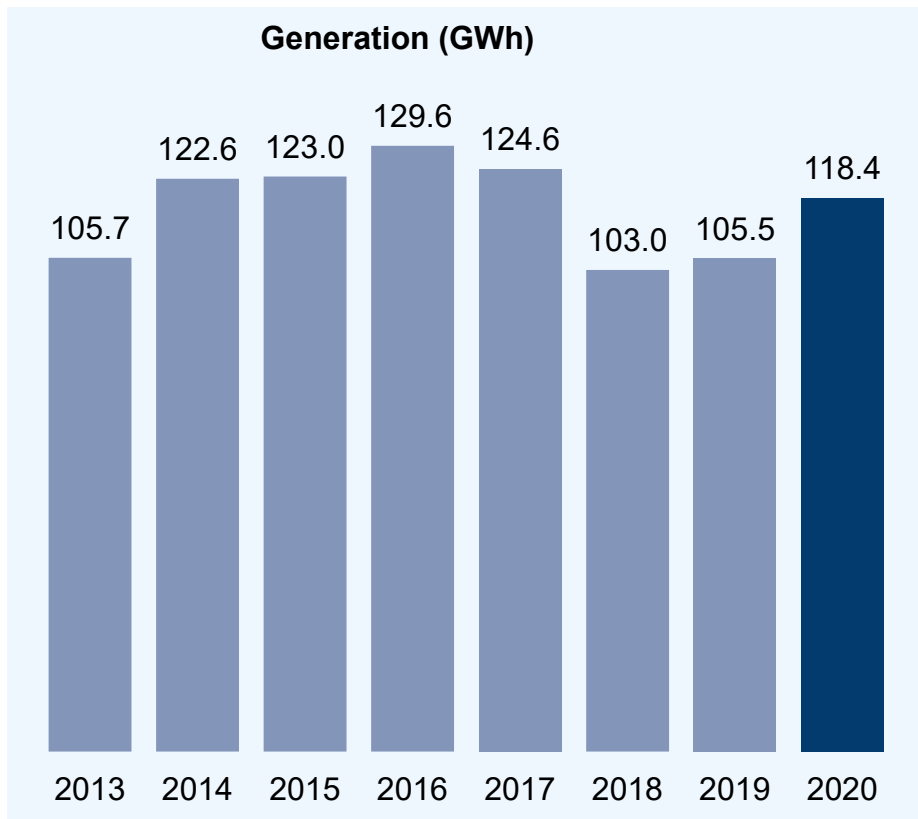


Average monthly spot electricity price (\$MWh)



- Average GWP monthly spot wholesale electricity prices have been volatile over the year.
- The average GWP wholesale electricity prices received, reached company record highs over the months of August and September 2019 and again in May and June 2020, but dipped to company lows in April 2020 (Covid L4 lockdown).
- Note this analysis excludes hedging. When hedging is included the average price for the 12 month period received by the Company was \$97.39 MWh (2019: \$79.43 MWh)
- The variable volume fixed price agreement (VVFPA) price level (blue line) is indicative of forward prices at the time of contract entry.

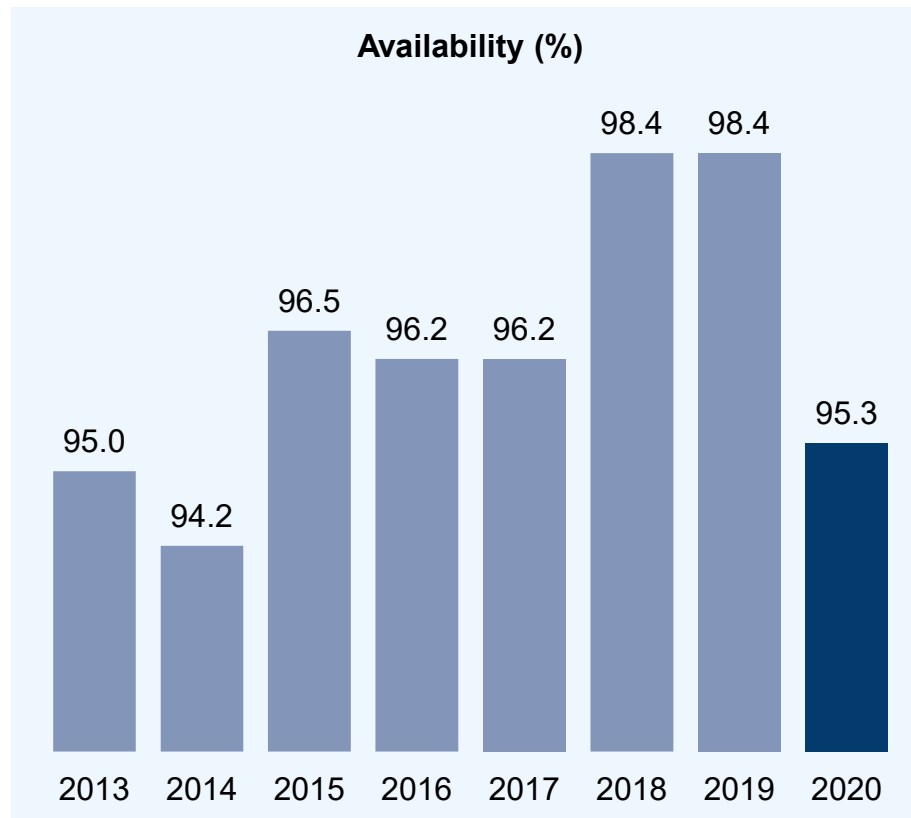
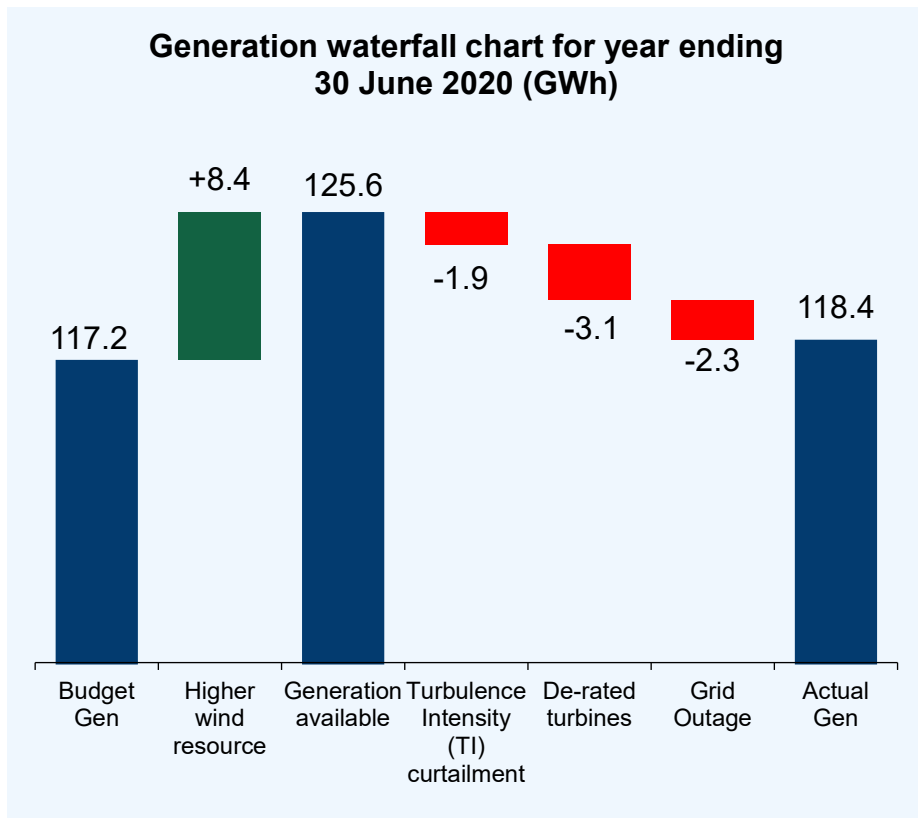
Generation (GWh) and Average Mean Wind Speed (m/s)



- Year end generation was **118.4GWh** (2019: 105.5GWh).
- The Company's budgeted annual generation is **117.2GWh** (2019: 120.0GWh)

- Average mean wind speeds are correlated to generation.
- See the following waterfall chart for a breakdown of factors impacting annual generation. These factors differed from prior years.

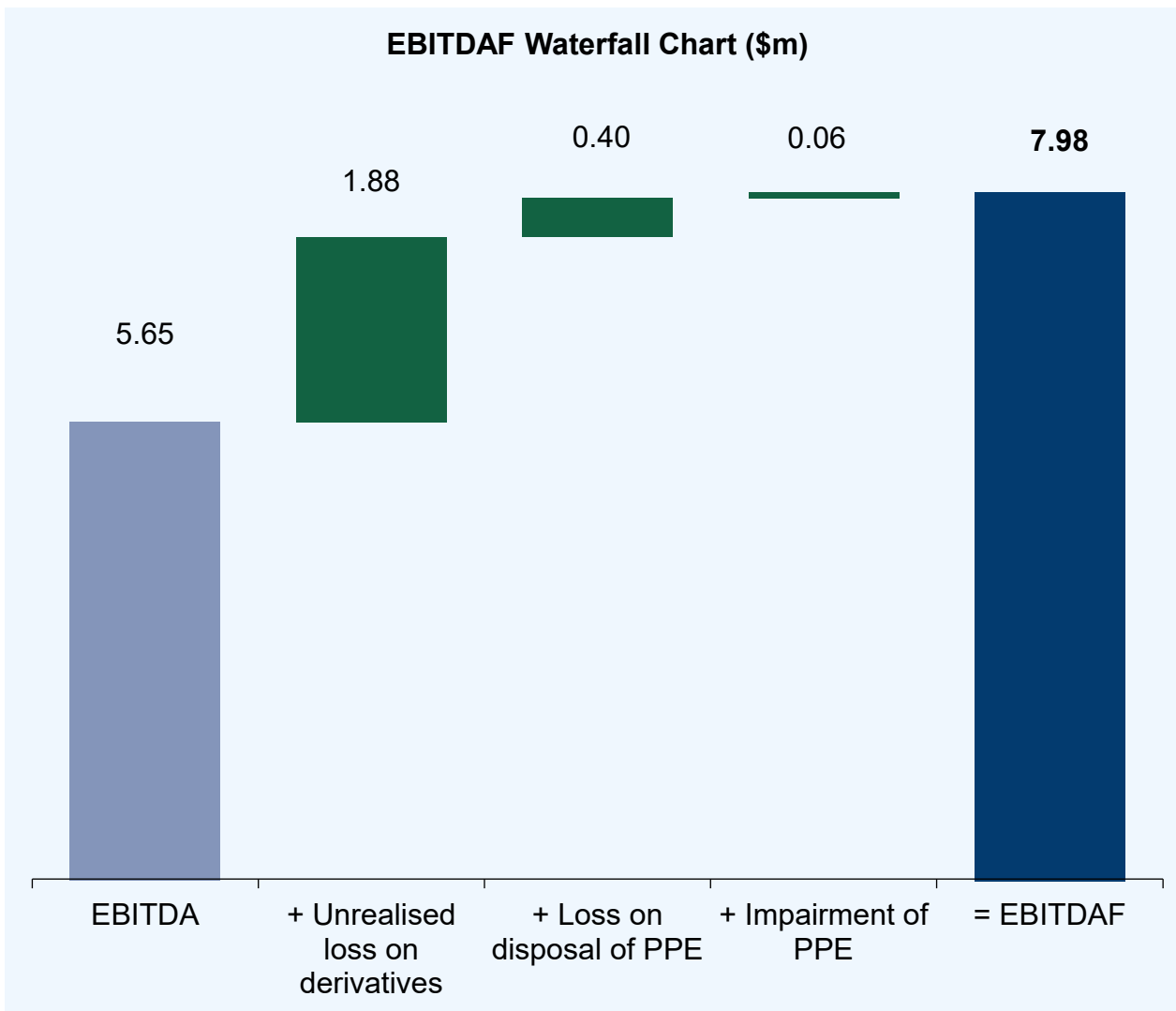
Generation Waterfall Chart (GWh) and Availability (%)



- The **+1.2GWh** difference between budgeted and actual generation is explained in the waterfall chart above.

- The turbine manufacturers benchmark for availability is 95% and the industry benchmark is 97%.
- See the annual report for commentary on the availability statistic.

EBITDAF Waterfall Chart (\$m)

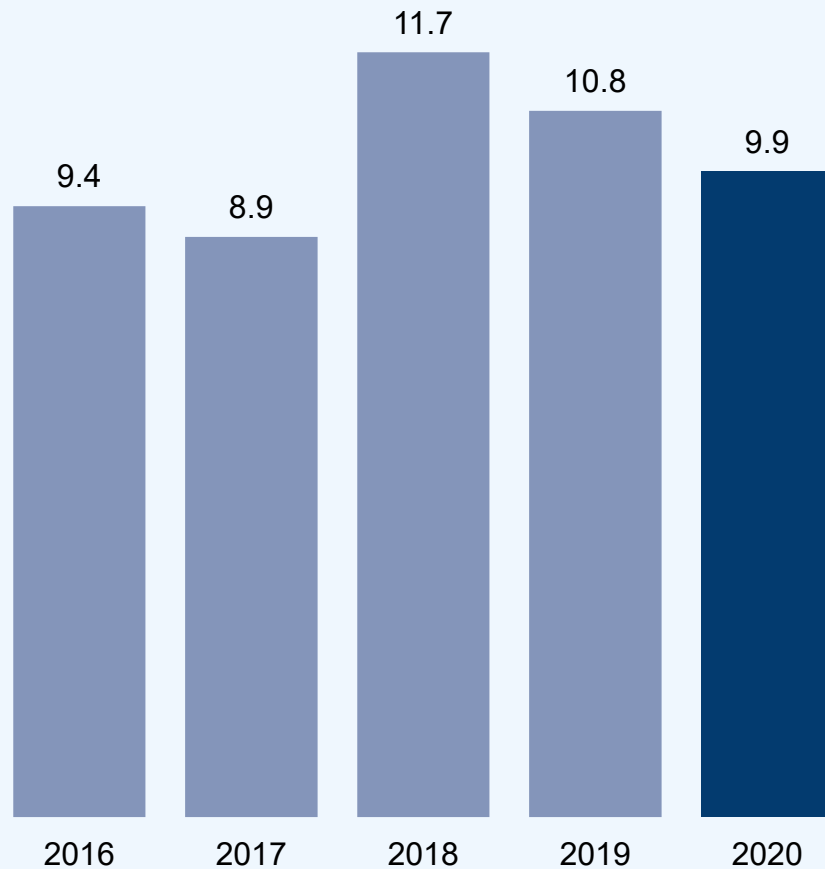


EBITDAF FY20 was **\$8.0m** (2019: \$4.5m).

The Company utilises EBITDAF internally to evaluate profit and loss that relates to the financial period and is consistent with other listed companies.

EBITDAF was inline with our upgraded FY20 EBITDAF guidance range of \$7.75m to \$8.25m

Debt (\$m)



The Board recently refinanced the Company's lending for three years on improved terms with BNZ.

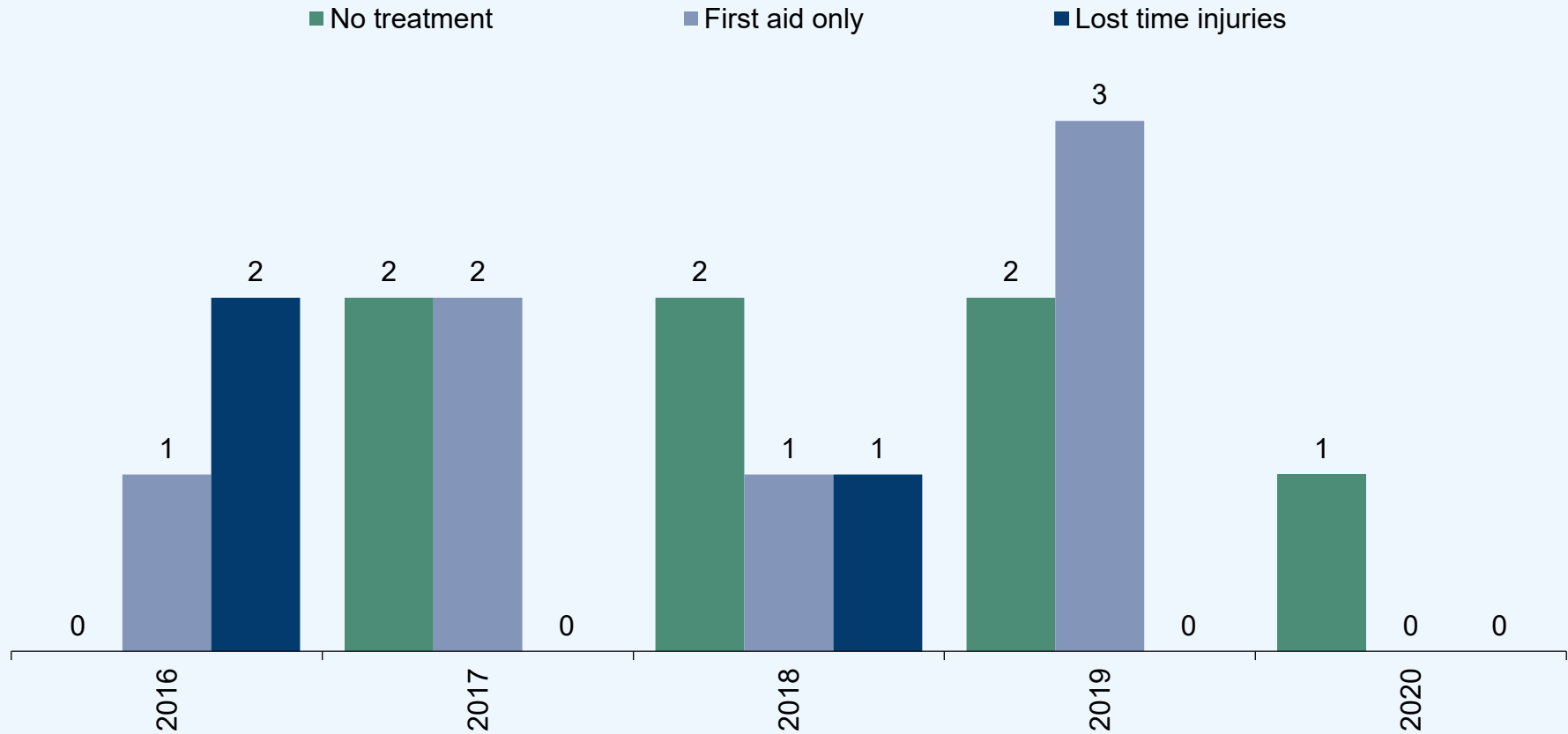
This will lower the Company's cost of debt, improve its WACC, and continue to optimise its capital structure.

Total Debt is **\$9.9m** (2019: 10.8m), Net debt is **\$6.2m** (2019: \$8.0m) and net debt to EBITDAF is **0.77** times (2019: 1.77 times).

During the year the Company amortised **\$0.95m** of principal. (2019: \$0.95m).

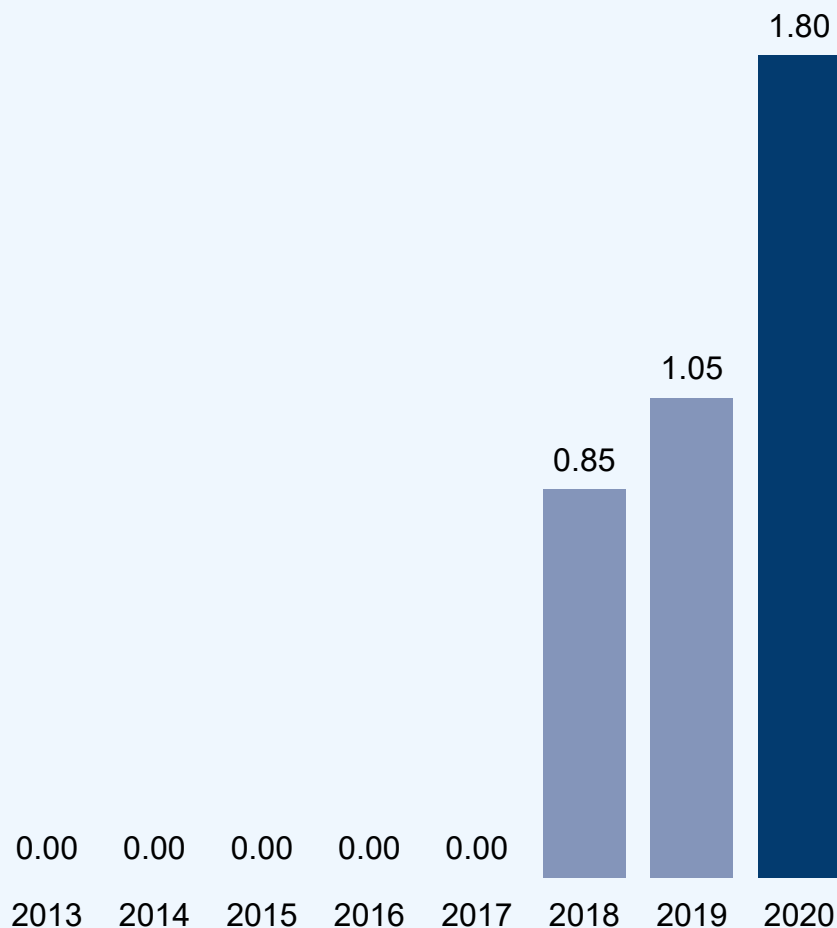
The Company has comfortably met its lending covenants since establishment and is forecast to remain compliant over the next 12 months.

Health and Safety Metrics



- Health and safety was again excellent this year.

Gross Dividends (cps)



Over the past year, the Board has taken steps to transform the Company into a stable income producing asset for its shareholders.

Today the Board is pleased to announce a 0.70 cps unimputed dividend to be paid on 22 September 2020. Details are included in the accompanying distribution notice.

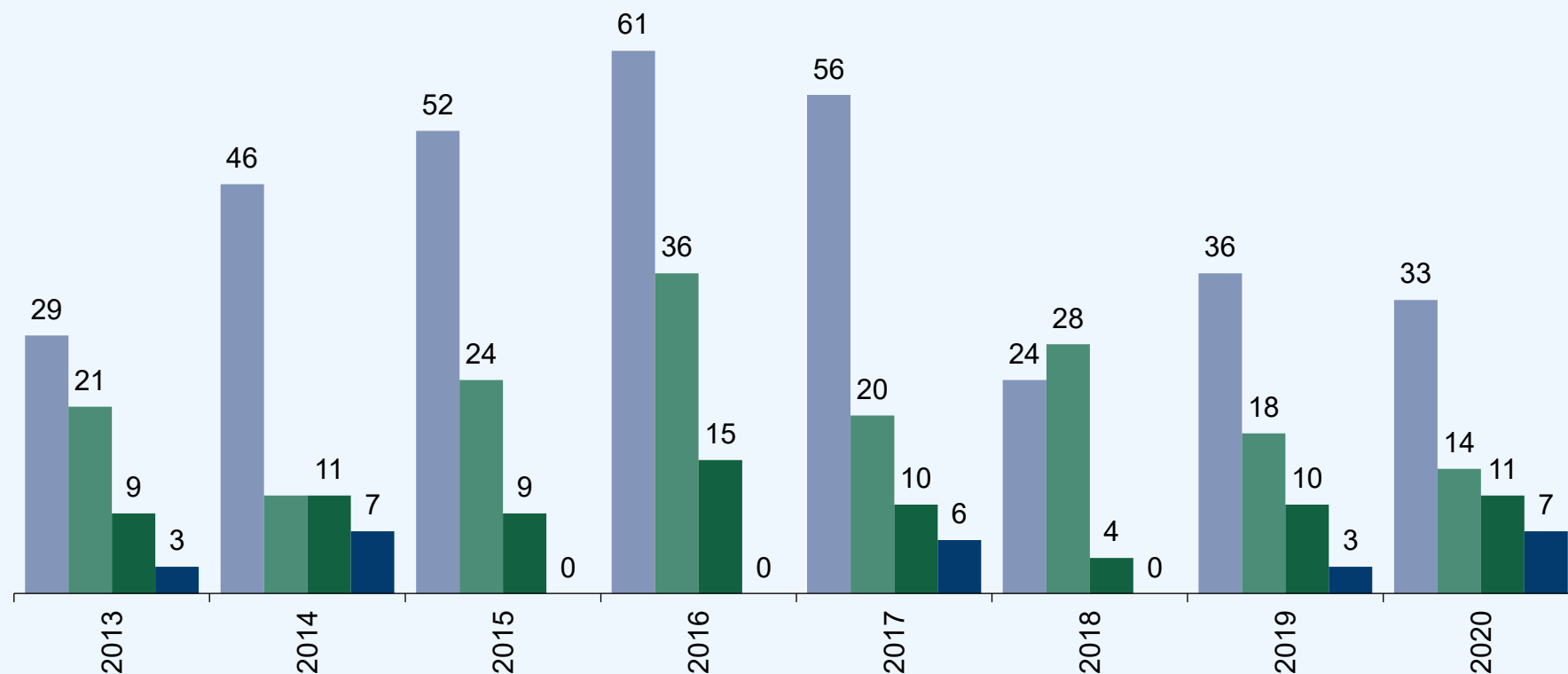
During the year the Board paid a 0.40 cps unimputed dividend on 1 October 2019 (pcp: nil) and 0.70 cps (pcp: nil) unimputed dividend on 19 March 2020.

This brings the total unimputed dividends paid related to the reporting period to 1.80 cps (2019: 1.05 cps).

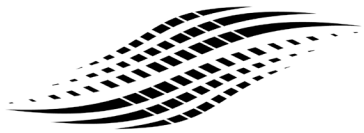
Note a 0.55 cps unimputed dividend was paid on 23 September 2019. That related to the FY2019 reporting period.

Key Components Replaced

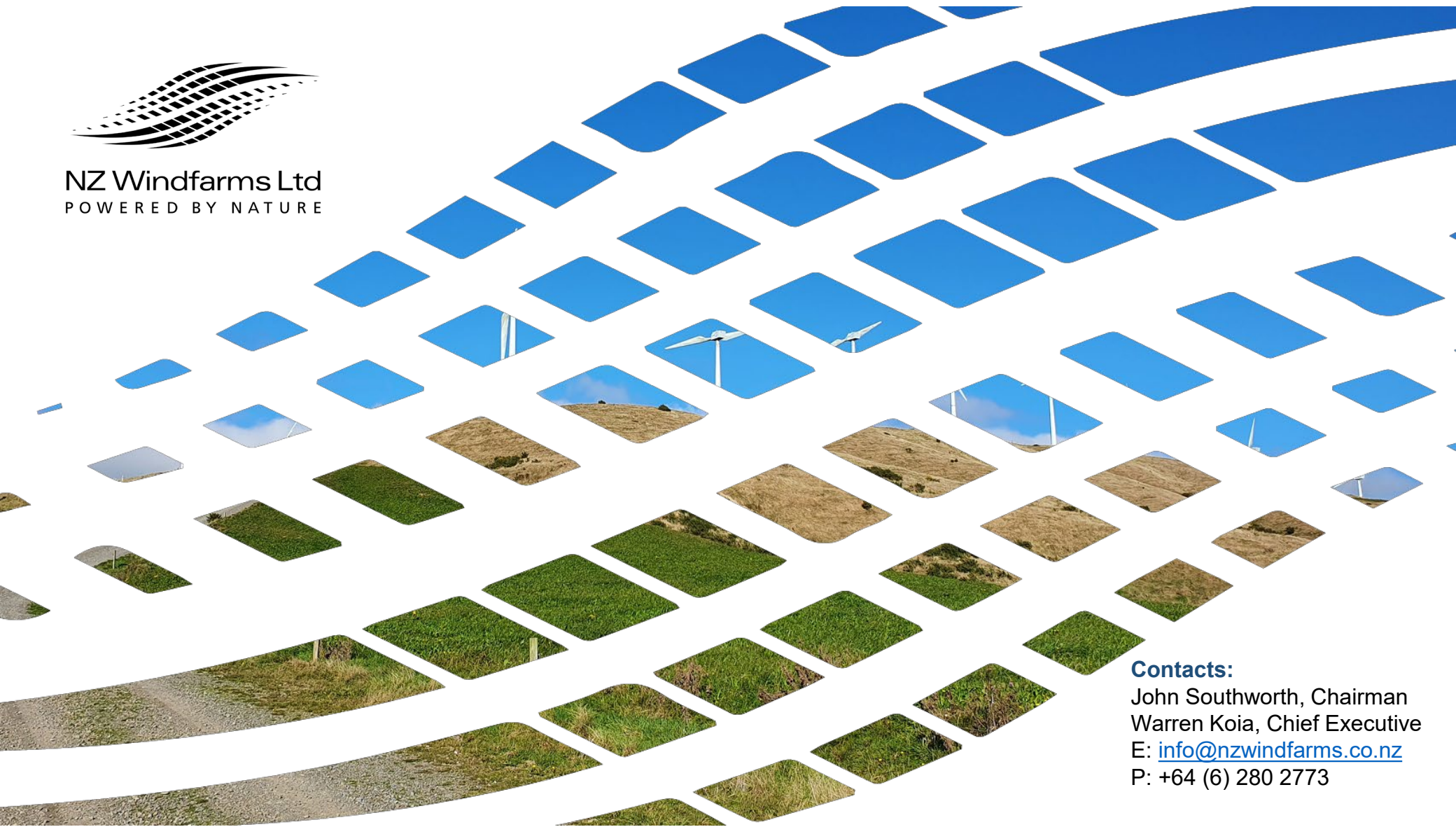
■ Torque limiting pumps ■ Pitch Bearings Replaced ■ Gearboxes Replaced ■ Generators Replaced



- Key component replacement continues to reduce from historic highs.



NZ Windfarms Ltd
POWERED BY NATURE



Contacts:

John Southworth, Chairman
Warren Koia, Chief Executive
E: info@nzwindfarms.co.nz
P: +64 (6) 280 2773