

TILT RENEWABLES INTERIM RESULTS

6 MONTHS TO 30 SEPTEMBER 2019



HALF YEAR RESULTS – 1H FY20 BALANCED SCORECARD

A STRONG YEAR FOR THE COMPANY



Half year FY20 result	Units	1H FY20	1H FY19		Δ
Safety – 12-month TRIFR	per 1M hrs	11.7	8.2	●	+43%
Production (energy sent out)	GWh	1,062	1,070	●	-1%
Revenue	A\$M	103.4	96.6	●	+7%
Generation costs	A\$M	(19.8)	(19.6)	●	+1%
Corporate / development costs	A\$M	(12.2)	(10.1)	●	-21%
EBITDAF	A\$M	71.4	66.9	●	+7%
Net profit after tax	A\$M	11.9	8.5	●	+40%
Basic Earnings per share	A\$ cps	2.5	2.7	●	-7%
Underlying Earnings after tax*	A\$M	18.8	3.8	●	+399%
Underlying Earnings per share*	A\$ cps	4.0	1.2	●	+232%
Dividends per share declared - Interim	A\$ cps	0.00	1.60		n/a

* Underlying Earnings exclude net fair value gains/losses on financial instruments

Operating results reflect growing portfolio

- Rolling safety statistics are still recovering from disappointing 2H FY19, encouraging 1H FY20 with zero lost time injuries
- Asset availability 96.2%
- Generation slightly below the strong 1H FY19
- Salt Creek contribution for full 6 months
- Revenue \$103.4M, up 7% on 1H FY19
- EBITDAF \$71.4M up 7%, NPAT up 40% on prior year
- Team size up to 43

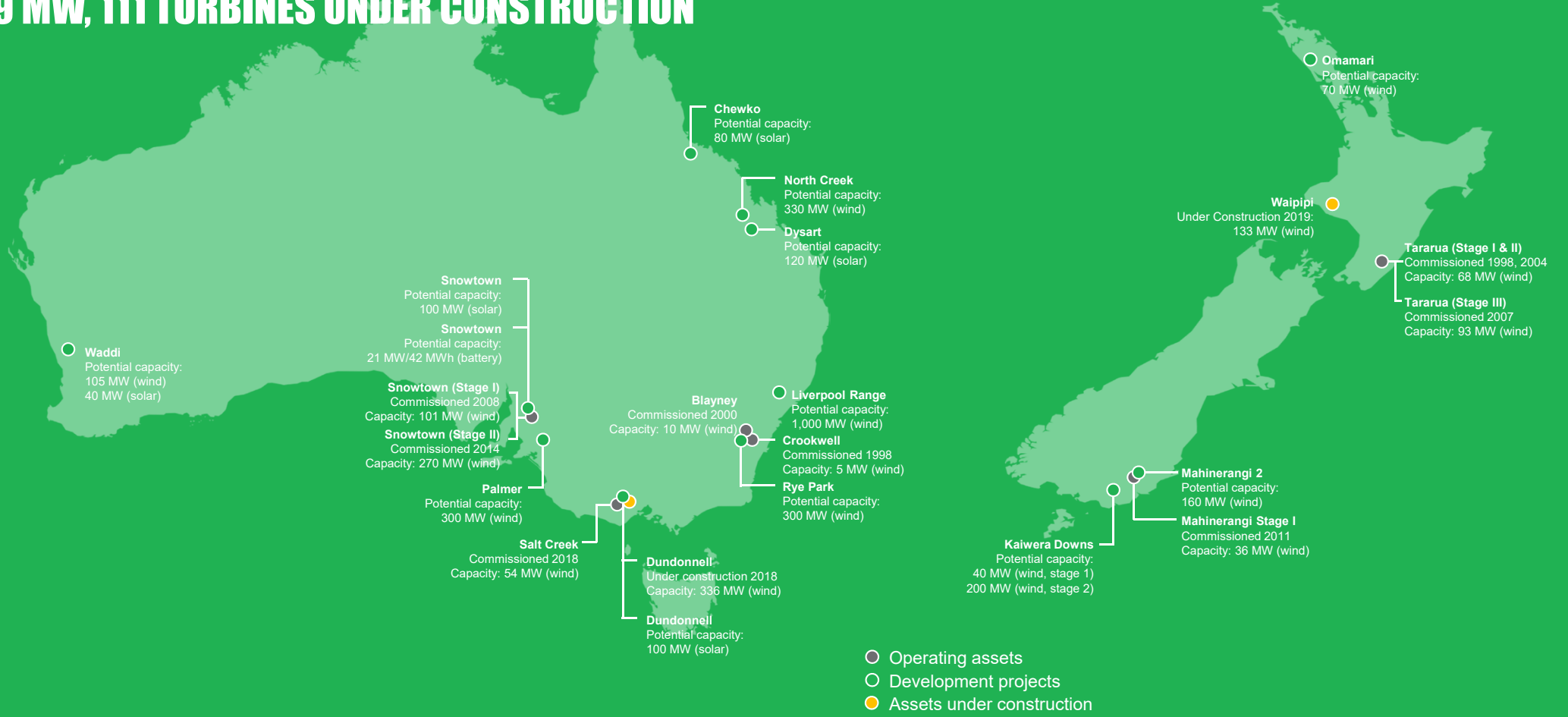
Focus on delivering value

- Dundonnell 336MW tracking to planned Q3 CY20 delivery
- Waipipi 133MW investment decision made
 - First NZ wind farm to be project financed
 - Largest ever PPA signed in NZ
 - Pre-construction enabling work completed
- Total pipeline over 3.4GW, including over 1GW of late stage
 - Projects in 5 AU states and both islands in NZ
 - Battery storage and firming options available

OPERATIONAL AND DEVELOPMENT PROJECT UPDATE

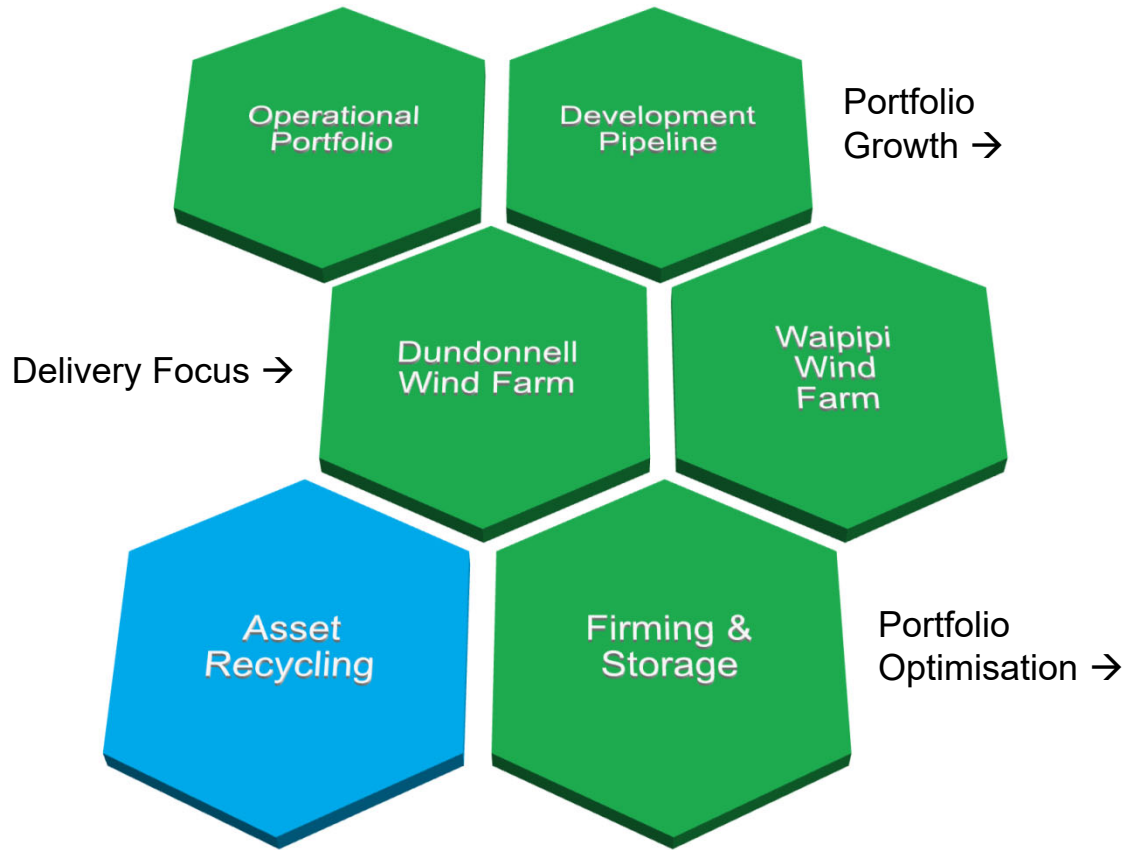
636 MW, 322 TURBINES OPERATIONAL

469 MW, 111 TURBINES UNDER CONSTRUCTION

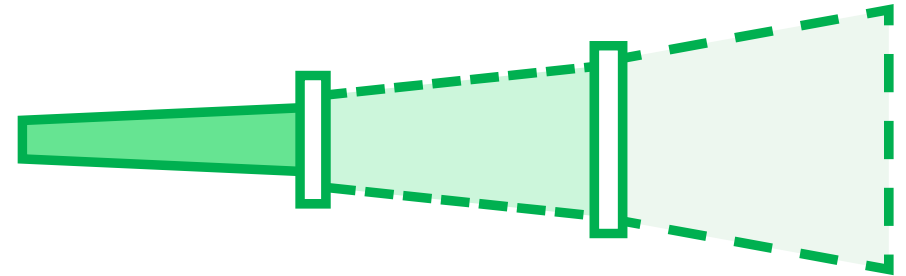


STRATEGY

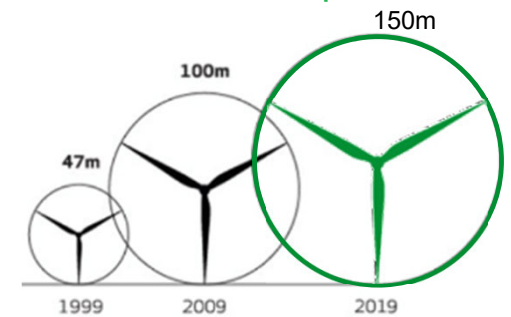
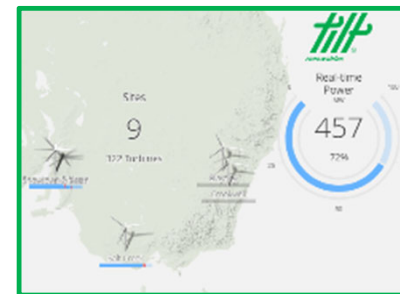
BALANCED FOCUS ON DELIVERY AND OPTIMISATION OF THE EXISTING PORTFOLIO



Delivery 469MW | Late Stage 1GW+ | Early to Mid Stage 2.4GW+



“Our strategy is to have a range of late-stage, shovel ready projects in both Australia and New Zealand and be ready to respond flexibly to market opportunities to create value from those options”



Asset Management | Revenue Contracting | Repowering

PROJECT DELIVERY UPDATE



THE DUNDONNELL WIND FARM REPRESENTS A FURTHER A\$260 MILLION OF SHAREHOLDER EQUITY AT WORK

THE WAIPIPI WIND FARM REPRESENTS A NZ\$277M PROJECT WITHOUT THE NEED FOR FURTHER SHAREHOLDER EQUITY

DUNDONNELL WIND FARM PROJECT UPDATE



Wind Farm Works

- No recordable injuries in 265,000 hours work
- 32 foundations poured, further 7 excavated
- 27km of internal roads completed, 9km of underground cable installed
- Tower, hub deliveries started 28 October 2019

Connection / Transmission Works

- 74 of 124 transmission poles completed
- All substation primary structures erected
- Line stringing under way
- Two 220kV transformers installed on-site

Community Benefits

- Some tower components (Portland VIC)
- Local hub assembly / drive train (Geelong VIC)
- Women's safe housing (Bayswater VIC)
- Wind farm technician course (Ballarat VIC)



Wind turbine foundation being poured



Installed wind farm transformers

“this is a large scale, complex infrastructure construction project”

WAIPIPI WIND FARM PROJECT UPDATE



Wind Farm Works

- Financial Close achieved and Notice To Proceed issued on 6 September 2019
- No lost time injuries in 5,000 hours work
- Health and safety systems established
- Civil construction enabling works completed
- Council permission to start construction now obtained

Connection / Transmission Works

- Design and procurement activity
- Long lead-time orders placed
- Tendering for connection works

Community Engagement

- Sod turning ceremony on 1 November 2019
- Community Consultation Group established



Civil works equipment onsite, establishing access



Indicative location of 31 wind turbines

“leveraging our delivery experience through active multi-contractor engagement”

SNOWTOWN 2 WIND FARM STRATEGIC REVIEW AND REFINANCING



Snowtown 2 Wind Farm Strategic Review

- Strategic review announced June 2019, process is ongoing
- Operationally Snowtown 2 is a high performing asset supported by long term PPA and OMA
- Portfolio debt structure has been optimised to allow potential divestment of Snowtown 2 Wind Farm with minimal impact to the remainder of the Group
- Market interest in the asset is high, however review includes options other than sale
- Management expect to be able to update the market by the end of CY19

Snowtown 2 Refinancing

- A\$616 million term debt provided by 8 banks in competitive and detailed diligence process
- New interest rate swaps at current low rates, locks in rate risk for ~10 years
- Proceeds from refinancing used to retire debt at the Group level, releasing unrestricted cash of A\$86 million, after costs





1H FY20 FINANCIAL RESULTS



HEALTH & SAFETY

SIX MONTHS TO 30 SEPTEMBER 2019



Applying learnings to improved health & safety performance

- 1H FY20 HSE lagging indicators improving vs TRIFR of 24.6 at 31 March 2019, but still more work to do
- Increased reporting of leading indicators (more observations across more areas)
- Civil construction activity at Dundonnell peaked during 1H FY20 with intensive contractor focus on health and safety
- Management plans and safety culture expectations established at Waipipi Wind Farm
- Improving HSE performance at operational sites, with zero LTI in last 6 months (1 LTI in last 12 months)

Measure	Units	L12M to 30-Sep-19
TRIFR ¹	per million work hours	11.7
LTIFR ²	per million work hours	2.3
Lost time injuries	#	1



Notes:

Safety incident frequency rates are measured over the last 12-months ("L12M") including contractor statistics.

1) Total recordable injury frequency rate (TRIFR) is calculated as the number of lost time injuries and applicable medical treatment incidents multiplied by 1 million divided by total hours worked

2) Lost time injury frequency rate (LTIFR) is calculated as the number of LTIs multiplied by 1 million divided by total hours worked

COMMUNITY ENGAGEMENT SIX MONTHS TO 30 SEPTEMBER 2019



Significant increase in our community engagement footprint

- Benefit sharing programs for Dundonnell being implemented, including:
 - Installation of domestic solar and battery solutions as part of the Dundonnell Mini-Grid;
 - Celebration of Safe Housing Program partnership with Women's Housing and Emma House; and
 - Appointment of a new project officer for Lifelines Suicide Prevention Services for the Great South Coast
- Continued implementation of the Snowtown and Salt Creek 'Lend-a-Hand' grant programs
- Vestas Renewable Energy Hub, Geelong Ford plant, assembling wind turbine components for Dundonnell
- Federation University Global Wind Organisation Standard - Basic Technical Training course scholarships to be announced in November
- Intensive stakeholder engagement regarding the development of Rye Park underway, including community information sessions in November.
- Community Consultative Group established for Waipipi, including community, government and Iwi representatives



OPERATIONAL PERFORMANCE OVERVIEW

SIX MONTHS TO 30 SEPTEMBER 2019



Operating performance

- Half-year production from the Australian assets was up 22GWh (or 3%) on the prior corresponding period. Salt Creek Wind Farm was the major contributor to this increase, having only operated for part of the prior period.
- Wind conditions were on average slightly down (3%) compared to the prior corresponding period. South Australian production was impacted to a less extent by the AEMO System Strength constraint in 1H FY20, with ~20GWh curtailed from Snowtown 1 and 2 assets, compared with ~41GWh of curtailment in 1H FY19
- New Zealand production was 30GWh lower (or 8%) due to wind conditions reverting towards P50 (in line with expectation) and below target availabilities
- 7% higher average unit price achieved across the portfolio due to Snowtown 1 energy and LGC production and Salt Creek/Crookwell LGC production exposed to higher wholesale (spot) prices
- PPA contract changes – Crookwell recontracted (energy only PPA) from 19/7/2018; Snowtown 1 PPA expired 1/1/2019; Salt Creek (energy-only) PPA coverage increased from 50% to 100% from 1/1/2019
- Short term contracts – LGCs generated by Salt Creek, Snowtown and Crookwell aggregated and sold via calendar year contracts. Part of Snowtown 1 energy hedged in financial contract market

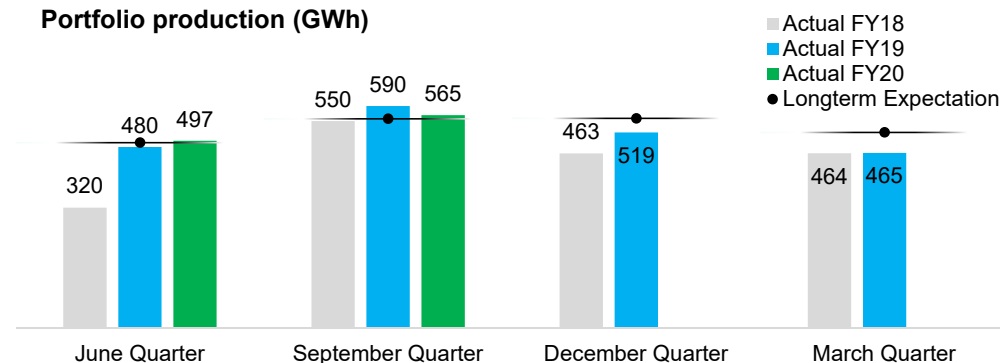
Spot market snapshot

- South Australia spot price volatility (market price cap hit on 24/25 Jan 2019)
- South Australia CY20 futures price in continued volatility >\$90/MWh baseload
- LGC prices have moderated as the scheme is fully met, but project delays or certificate surrender strategies may drive price volatility

Production (GWh)	1H FY20	1H FY19	Δ% vs prior period	Δ% vs long-term expectation
Australia	734	712	3%	1.7%
New Zealand	328	358	(8%)	0.8%
Total	1,062	1,070	(1%)	1.4%

Operating Revenue (A\$M)	1H FY20	1H FY19	Δ% vs prior period
Australia	81.5	72.5	12.4%
New Zealand	21.6	23.9	(9.6%)
Total	103.1	96.4	6.9%

Portfolio production (GWh)



FINANCIAL PERFORMANCE

EBITDA BRIDGE



Earnings Before Interest, Tax, Depreciation, Amortisation,
Fair Value Movements of Financial Instruments (A\$M)



- 1 Australian revenue uplift driven by full 6 month contribution from Salt Creek Wind Farm and higher spot electricity and LGC pricing for uncontracted Snowtown 1 production (previously 90% under PPA)
- 2 Generation cost increase reflects full year of Salt Creek and production-linked variable O&M for Snowtown 2, offset by higher O&M capitalisation in 1H FY20
- 3 Unfavourable movement on development expenditure reflects additional activity on Waipipi Wind Farm and Snowtown 2 refinancing / strategic review. Partially offset by capitalisation of labour for Waipipi

FINANCIAL PERFORMANCE

BALANCE SHEET



Summary of balance sheet (A\$M)	30-Sep-19	31-Mar-19	Δ equity
Cash	26.1	94.9	(68.8)
Financial assets	259.3	225.5	33.8
Receivables & prepayments	47.0	31.5	15.5
Property, Plant & Equipment	1,195.6	1,066.7	128.9
Financial Instruments	74.6	113.6	(39.0)
Intangible assets	0.5	0.5	0.0
Total assets	1,603.2	1,532.8	70.4
Bank loans	641.4	666.8	25.4
Payable and accruals	70.1	19.2	(50.9)
Finance lease	44.8	22.9	(21.9)
Financial Instruments	110.1	62.6	(47.5)
Deferred tax liability	94.6	105.3	10.6
Total liabilities	961.0	876.8	84.2
Net assets / total equity	642.2	656.0	(13.8)

Cash and financial assets movement \$(34.9M)

- Net cashflow movement, largely driven by the construction milestone payments for the Dundonnell and Waipipi projects during 1H FY20
- Financial assets relate to term deposits and restricted construction cash accounts

PPE movement \$128.9M

- Additions: \$3.5M relating primarily to the assets replaced per the terms of the operating and maintenance agreements (OMA)
- Revaluation: \$58M offsetting PPE adjustment linked to the periodic carrying value adjustment of the PPA derivative
- Right of use assets: \$22M due to impact of NZ IFRS 16 as landowner leases and easements are now presented as part of fixed assets
- Work in progress \$91M, relating primarily to Dundonnell \$70M and Waipipi \$21M Capex
- Other movements: \$(45M) from depreciation, FX and asset disposals

Financial instruments (assets & liabilities) net movement \$(86.5M)

- Represents fair value of interest rate swap, foreign exchange forward contracts, Australian derivative Power Purchase Agreements and short-term electricity hedges
- Negative movement driven largely by lower interest rate expectations (higher interest rate swap liability) and increase in expectations of long-term wholesale electricity prices (higher PPA derivative liabilities)

FINANCIAL PERFORMANCE

BALANCE SHEET



Bank loans movement \$25.4M

- Net decrease in borrowing reflect scheduled principal repayments during the period. The outstanding bank debt as at 30 September 2019 was A\$654M
- Dundonnell construction debt of \$228M remains undrawn as at 30 September 2019 and will be used over the coming 12 months. In addition, a new Waipipi debt facility of NZ\$241M has been entered into September 2019 and currently remains fully undrawn
- On 24 October 2019, the Tilt Renewables Group reached financial close on a standalone \$616M Project Financing Facility for the Snowtown 2 Wind Farm. The proceeds of these funds were used to repay \$483M of Tilt Renewables corporate debt facilities, close out \$27M of interest rate swap position and release \$86M into unrestricted cash balances

Financial lease movement \$(21.9M)

- As a result of the adoption of NZ IFRS 16 in 1H FY20, a lease liability disclosure note is now presented within the notes to the financial statements. It includes the new NZ IFRS16 lease liabilities, predominantly comprising of landowner leases and easements, as well as the existing Salt Creek transmission lease which was previously presented in FY19 within the borrowings section

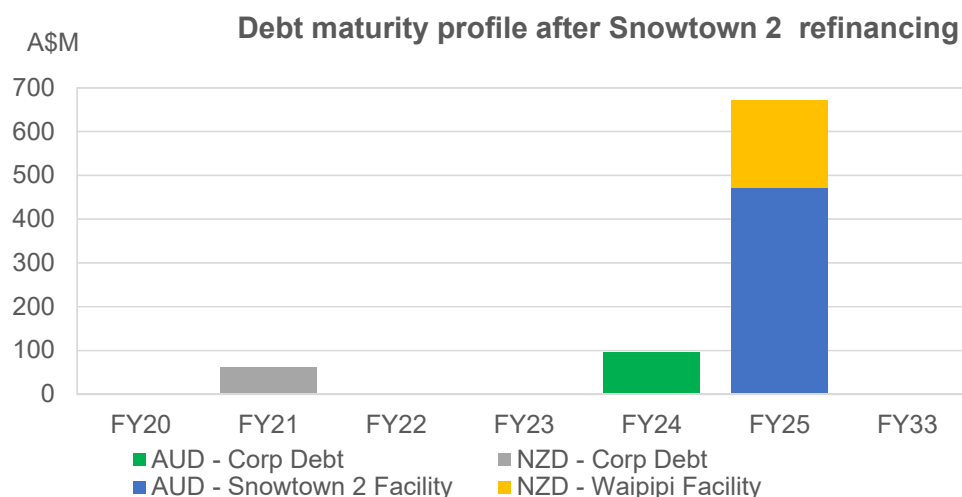
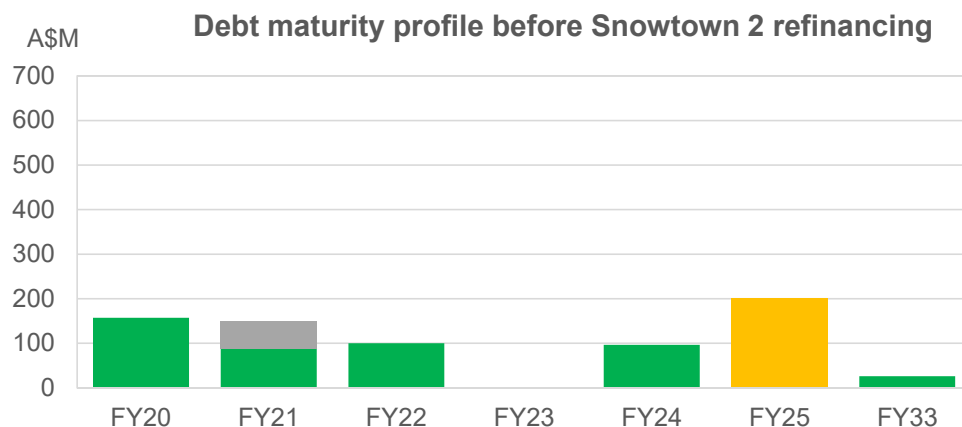
FINANCIAL PERFORMANCE

TREASURY



- Net debt increased by \$43.4M to \$615.3 M during the six months to 30 September 2019 due to:
 - Bank debt decrease of \$25.4M as a result of amortisation (principal repayment) and favourable FX movements offset by capitalised interest on drawn balances of Dundonnell loan facilities
 - Offset by a \$68.8m reduction Cash at Bank reflecting equity investment in the Waverley Wind Farms and reclassification of some deposits to financial assets (Restricted Cash)
- The Group gearing ratio will increase in the next 6 months, reflecting increased debt associated with the refinancing of Snowtown 2 and the remainder of Dundonnell and Waipipi construction debt being drawn through CY20
- Interest expense of \$16.3M (including ~\$1.0M of Finance Lease cost for Salt Creek connection) remains comfortably serviced from operating cashflows
- The refinancing of Snowtown 2 and associated debt restructure has lengthened the maturity profile of the Group's bank debt facilities

Debt ratios	30-Sep-19	30-Sep-18	Change	Indicative 30-Oct-2019
EBITDAF (rolling 12 month)	139.3	121.4	17.9	139.3
Gearing (%)	51%	48%	3%	52%
Net debt / EBITDAF	4.4	4.7	-0.3	4.6
EBITDAF / net interest expense	5.0	4.1	0.9	n/a



FY19 DIVIDENDS AND FY20 EARNINGS GUIDANCE

STRONG CASHFLOW TO SUPPORT GROWTH



1H FY20 cashflow

- Strong cash flow generated from operating asset portfolio driven by growing revenue, but partially offset by timing of LGC receipts (weighted to 2H FY20)

H1-FY2020 Group Cash Flow	A\$M
Net cash flow from operating activities	50.8
less capitalised O&M, Development	(4.4)
less net interest paid	(12.7)
less repayment of loans	(20.8)
Net Operating Cashflow after Debt service	12.9

- Tilt Renewables' Board updated TLTs' Dividend Policy to expand the dividend payout range to 0% to 50% of the Net Operating Cashflow after Debt Service. The previous range was 25% to 50%
- As demonstrated through the internal funding of Waipipi Wind Farm, the Board has determined that deferral of dividends is a value accretive capital management strategy where development opportunities exist. The Board will continually review this cashflow reinvestment strategy
- No Interim Dividend has been declared for 1H FY20

FY20 earnings guidance

Area	1H FY20 actual	2H FY20 guidance
Production	AU ahead of long term expectations	AU and NZ production at long term expectations in 2H FY20
Pricing	Bundled pricing for uncontracted Snowtown 1 in excess of \$100/MWh	1Q CY20 energy prices remain high, CY20 LGC prices softer than CY19
Opex	Snowtown 2 replacement uptick at end of warranty period	Similar level of capitalised OMA (replacements) anticipated
Treasury	Average all-in cost of debt circa 5% for 1H FY20	Snowtown 2 refinancing debt uplift ~\$133M at rates < 3% All in average cost of debt remainder of debt portfolio ~4% Dundonnell and Waipipi debt drawdowns ramping up through to end of FY20
Capex	Dundonnell and Waipipi construction \$70M	Significant uplift in Dundonnell and Waipipi capex (\$300M+), all standalone funded

FY20 EBITDAF expectation guidance has increased:

- from Original **A\$122 to A\$129 million**
- to Revised **A\$127 to A\$132 million**

GOVERNANCE BOARD OF DIRECTORS



“Tilt Renewables has a diverse and experienced Board with 3 independent directors”

Directors	Audit and Risk Committee	Health, Safety, Environment and Community Committee	People, Remuneration and Nominations Committee	New Zealand Business Committee
Bruce Harker			Chair	Chair
Paul Newfield	✓			✓
Vimal Vallabh				✓
Fiona Oliver	Chair		✓	✓
Geoffrey Swier		✓	✓	
Anne Urlwin	✓	✓		✓
Fraser Whineray		Chair		

QUESTIONS

