



TRADING UPDATE

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ContourGlobal plc

Trading Update and

Update on Recommended Acquisition by Cretaceous Bidco Limited

ContourGlobal plc (the "**Company**"), an international owner and operator of contracted wholesale power generation businesses, today issues a trading update for the period from 1 January 2022 to 30 September 2022. The Company also provides an update with respect to its recommended cash acquisition by Cretaceous Bidco Limited (a newly formed company indirectly owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates) announced on May 17, 2022 (the "**Transaction**").

Joseph Brandt, Chief Executive Officer, said, "Our business has performed very well through the first nine months of the year with better than anticipated operational and financial performance across the fleet. I am pleased to confirm the third quarter dividend payment of 4.9115 cents per share, in line with our 10% year-on-year growth dividend policy. This is underpinned by strong cash flows with our cash conversion ratio at 58% and 12% year-on-year growth in 9M 2022 Adjusted EBITDA to \$697 million. In regards to the Transaction, good progress has been made towards receiving the required regulatory approvals and we expect the Transaction to complete during December 2022."

Strong operating and financial performance

- Strong health and safety performance with a zero Lost Time Incident Rate ("LTIR") for the 9M 2022.
- Continued strong operational performance with an average availability factor of 93.4% in the first 9 months of 2022 combined across the thermal and renewable fleets (9M 2021: 93.9%).
- Adjusted EBITDA¹ for the period was up 12% from \$621.8m to \$696.5m, mainly reflecting the strong performance at our Arrubal natural gas fired powerplant (+\$30.9m), good performance of our US and Trinidad & Tobago assets acquired in February 2021 (+\$23.7m), good commercial performance and

connection of new customers at Mexico CHP (+\$15.4m) and continued strong operational and financial performance at Austria Wind (+\$16.5m) as well as Peru Wind (+\$9.6m). This was partially offset by a negative FX variance of -\$36.2m.

- Strong cash flow generation with Funds from Operations² ("FFO") reaching \$407.1 million in 9M 2022, a 17% increase from 9M 2021 which represents a strong cash conversion ratio³ of 58% (9M 2021: 56%). The increase in FFO is primarily due to growth in Adjusted EBITDA.
- Net consolidated leverage ratio of 3.5x⁴ at 30 September 2022 versus 4.6x reported at 31 December 2021, mainly driven by a lower net debt of \$3.1bn as of September 30, 2022 compared to \$3.8bn as of 31 December 2021.
- Net parent company leverage ratio of 2.1x⁵ at 30 September 2022 versus 3.4x at 31 December 2021, with the decrease driven primarily by an increase in CFADS (\$445.3m as of 30 September 2022 LTM, \$78.3m higher than per 31 December 2021) and a reduction in the corporate net debt from \$1.3bn to \$0.9bn due to a higher cash position and FX impact (Euro depreciation against USD).
- The Company will pay a dividend for Q3 2022 of 4.9115 cents per share / 4.2234 pence per share⁶, equivalent to \$32.3 million⁷, to be paid on 25 November 2022. This is in line with the Company's commitment to an annual 10% increase in dividend per share.
- The process to sell the Wind business in Brazil is progressing in line with expectations.

Update on Transaction

- The Transaction, which is being effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the "Scheme"), was approved by the required majority of Company shareholders at the Court and General meeting of shareholders held on July 6, 2022. The completion of the Transaction remains conditional on (among other things) three of the antitrust and regulatory approvals which were set out in Part III of the Scheme circular published on June 13, 2022 (the "Scheme Document"). The outstanding antitrust and regulatory approvals are in France, Spain and Austria (being, respectively, conditions 3(i), 3(j) and 3(k) in the Scheme Document).
- Subject to receipt of those outstanding regulatory approvals and the satisfaction (or, where applicable, waiver) of the remaining conditions set out in Part III of the Scheme Document (which include the sanction of the Scheme by the High Court of England and Wales), the Transaction is expected to complete during December 2022, in accordance with the expected timetable of principal events contained in the Scheme Document.
- A further announcement regarding the expected timetable of principal events for the implementation of the Scheme and completion of the Transaction will be issued in due course.

Group Operational highlights				
		9M 2022	9M 2021	Change
GWh produced	Thermal	14,106	11,644	+21.1%
	Renewable	3,643	3,913	-6.9%
MW in operation	Thermal	4,494	4,494	-
	Renewable	1,653	1,799	-8.1%
Availability factor	Thermal	93.4%	93.1%	+0.3%
	Renewable	93.1%	95.7%	-2.7%

Financial highlights			
In \$ millions	9M 2022	9M 2021	Change
Revenue	2,143	1,484	+44%
Adjusted Revenue ^{8*}	1,679	1,483	+13%
Income from Operations	473	288	+64%
Adjusted EBITDA*	697	622	+12%
Thermal Adj. EBITDA	448	388	+15%
Renewable Adj. EBITDA	272	258	+5%
Corporate and other costs	(23)	(24)	-4%

Proportionate Adjusted EBITDA ^{9*}	582	502	+16%
Funds from Operations (FFO)*	407	348	+17%
Net Profit	245	75	+227%
Adjusted Net Profit ^{10*}	142	51	+178%

*Non-IFRS metrics

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Footnotes

[1] Adjusted EBITDA is a non-IFRS measure and is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses, gains/losses on disposal of power generating plants, plus, if applicable, net cash gain or loss on sell down transactions (in addition to the entire full period profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non consolidated entities accounted under the equity method, plus the Group's pro rata portion of Adjusted EBITDA for such entities. In determining whether an event or transaction is adjusted, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

[2] Funds from operations is a non-IFRS measure and is defined as the cash flow from operating activities, excluding changes in working capital, less interest paid, maintenance capital expenditure and distribution to non controlling interests.

[3] Cash conversion ratio is a non-IFRS measure and is defined as FFO relative to Adjusted EBITDA

[4] The net consolidated leverage ratio is measured as total net indebtedness (reported as the difference between Borrowings and Cash and Cash Equivalent under the IFRS statement of financial position) to Adjusted EBITDA. The leverage ratio also excludes IFRS16 liabilities.

[5] Net debt at corporate level including the Corporate Bonds less the cash held in the group corporate holdings, divided by CFADS (Cash flows available for debt service) as defined in the Corporate Bond Indenture.

[6] Based on fixed FX rate of GBP:USD of 1.1629303

[7] Based on 657,024,575 shares in issue as at October 27, 2022, excluding shares held in Treasury.

[8] Adjusted revenue is a non-IFRS measure and is defined as Revenue excluding CO2 emission cost recharges

[9] Proportionate Adjusted EBITDA is a non-IFRS measure and is defined as Adjusted EBITDA calculated on a proportionally consolidated basis based on ContourGlobal's ownership percentage of assets. The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions, if applicable, as well as the underlying profit from continuing operations for the business the non controlling interest sale relates to, reflecting applicable ownership percentage going forward from the date of completion of the sale of the non controlling interest.

[10] Adjusted net profit is a non-IFRS measure and is defined as net income excluding specific items which in 2022 included unrealized FX, acquisition and other transaction related expenses, the change in fair value of the Mexico fixed margin swap and the gain on the Brazil Hydro sale net of withholding tax.

About ContourGlobal

ContourGlobal is listed on the premium segment of the London Stock Exchange (TKR: GLO). ContourGlobal is an international owner and operator of contracted wholesale power generation businesses. It owns and operates approximately 6.1 GW in 129 power plants in 20 countries and four continents.

Cautionary note regarding forward-looking statements

These results include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these results and the information incorporated by reference into these results and include statements regarding the intentions, beliefs or current expectations of the directors or the Company concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in these results and/or the information incorporated by reference into these results. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company and the development of the industry in which it operates, are consistent with the forward-looking statements contained in these results and/or the information incorporated by reference into these results, those results or developments may not be indicative of results or developments in subsequent periods.

Other than in accordance with its legal or regulatory obligations, the Company does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

Important Notice

This announcement does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The Transaction is being implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Transaction is to be implemented by means of a takeover offer, the offer document) which, together with the forms of proxy, contain the full terms and conditions of the Transaction. Any decision by ContourGlobal shareholders in respect of, or other response to, the Transaction should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Transaction is to be implemented by means of a takeover offer, the offer document).

This announcement does not constitute a prospectus or prospectus-equivalent document.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom or the United States may be restricted by law. Persons who are not resident in the United Kingdom or the United States or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Publication on Website and Availability of Hard Copies

A copy of this announcement shall be made available subject to certain restrictions relating to persons resident in "Restricted Jurisdictions" (as defined in the Scheme Document) on ContourGlobal's website at www.contourglobal.com by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt, the contents of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.

In accordance with Rule 30.3 of the City Code Takeovers and Mergers (the "Takeover Code"), ContourGlobal shareholders, persons with information rights and participants in the ContourGlobal Share Plan (as defined in the Scheme Document) may request a hard copy of this announcement, the Scheme Document or information incorporated into the Scheme Document by reference to another source by contacting Equiniti during business hours on +44 (0) 371 384 2050 or by submitting a request in writing to Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom. In accordance with Rule 30.3 of the Takeover Code, a person so entitled may also request that all future documents, announcements and information in relation to the Transaction should be sent to them in hard copy form.

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