

2024

Full Year Results

27 February 2025

drax



Will Gardiner
Chief Executive Officer



Andy Skelton
Chief Financial Officer



Our Purpose

To enable a zero carbon, lower cost energy future

Our People

Valued members on a winning team with a worthwhile mission

Strong operational and financial performance in 2024, with growing returns to shareholders

- >35% improvement in Total Recordable Injury Rate (2024: 0.24, 2023: 0.38)
- >25% increase in generation
- 5% growth in Adj. EBITDA driven by renewable generation and Pellet Production
- £0.7bn of new debt with maturities 2027-2029, £0.9bn of shorter dated maturities repaid, 0.9x Net debt/Adj. EBITDA
- 12.6% increase in dividend per share
- £300m share buyback programme commenced, c.£150m complete, third £75m tranche expected to commence shortly

Low-carbon dispatchable CfD Heads of Terms for Drax Power Station – supporting UK energy security post 2027

Targeting £600-700m of recurring Adj. EBITDA from FlexGen, Pellet Production and Biomass Generation post 2027⁽¹⁾

- FlexGen & Energy Solutions – targeting >£250m pa
- Pellet Production – targeting >£250m pa
- Biomass Generation – targeting average £100-£200m pa (Apr-27 to Mar-31)







Long-term opportunities for growth aligned with energy security and transition to net zero

- 2030 onwards – FlexGen, data centres and carbon removals

Remain committed to capital allocation policy

1) Excludes Investment Opportunities (including development expenditure in Elimini, Innovation and Capital Projects). 4

Asset portfolio and developments aligned to energy security and transition to net zero

1 FlexGen & Energy Solutions 	2 Pellet Production 	3 BioGen  	4 Investment Opportunities  
<p>UK portfolio</p> <ul style="list-style-type: none"> c.0.5GW Pumped Storage c.0.1GW Hydro c.0.9GW OCGTs I&C sales and energy solutions <p><u>Targeting post 2027 recurring Adj. EBITDA >£250m pa</u></p>	<p>North American portfolio</p> <ul style="list-style-type: none"> 18 operational plants and developments c.5Mt of capacity Access to 4 deepwater ports Own-use and third-party supply <p><u>Targeting post 2027 recurring Adj. EBITDA >£250m pa</u></p>	<p>Drax Power Station</p> <ul style="list-style-type: none"> c.2.6GW of flexible generation 4GW export capacity Largest power station in UK <p><u>2025 to 2027</u></p> <ul style="list-style-type: none"> >£1bn of est. post-tax operating cash flows and renewable assets <p><u>Targeting av. Adj. EBITDA of £100-200m pa Apr-27 to Mar-31</u></p>	<p>FlexGen</p> <p>Data centres</p> <p>Carbon removals</p> <ul style="list-style-type: none"> UK BECCS Elimini (Global BECCS)
<p>Targeting post 2027 recurring Adj. EBITDA £600-700m pa⁽¹⁾</p>			

1) Excludes Investment Opportunities (including development expenditure in Elimini, Innovation and Capital Projects). 5

A CfD scheme that supports energy security, value for money and sustainability

Low-carbon dispatchable CfD heads of terms

- 6TWh pa of CfD-backed generation (eq. of c.0.8GW)
- 4-year term (Apr-27 to Mar-31)
- Strike price of c.£170/MWh (2027/28)⁽¹⁾

Operations during agreement

- 4 biomass units available (2.6GW)
- Flexible generation around 6TWh agreement
 - Higher demand = higher generation, lower demand = lower generation

Targeting average Adj. EBITDA of £100-200 million pa

- Combination of CfD, flexible generation and ancillary services

Further opportunity from additional merchant generation

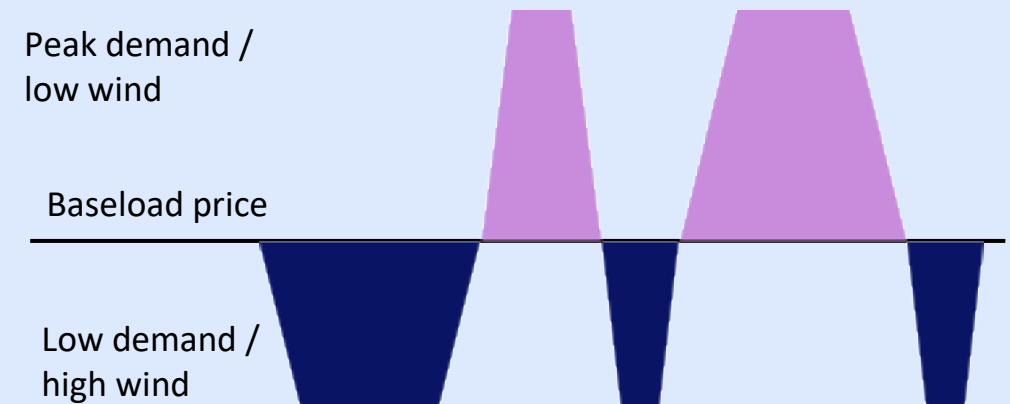
Benefits to wider stakeholders and consumers

- Energy security
- Gainshare mechanism in event of out performance
- Expected to deliver net savings to billpayers over 4-year term
- Development of sustainability requirements

Illustration of low-carbon dispatchable CfD

Step 1: Forward sell 6TWh of baseload (weighted to winter)
Step 2: Generate flexibly to produce more or less as system requires, creating value vs. baseload

When power prices are **high and the system needs more power, generate** using all 2.6GW – increasing captured power price above the forward baseload price



When power prices are **low and the system has too much power, buy back** the forward sold volume

1) Estimated inflation, £113/MWh 2012, real.

New Sustainability Framework sets out actions Drax is taking to help decarbonise society, protect and enhance nature, and support the people who work with and alongside us

**POSITI>E
ACTION**

Actions across three pillars

- Climate positive
- Nature positive
- People positive

Financial & Operational Review

Strong financial and operational performance, supporting increased returns to shareholders

Strengthened balance sheet, >£0.7bn of new debt with extended maturities



Strong financial and operational performance

<p>Adj. EBITDA^(1/2) £1,064m (2023: £1,009m)</p>	<p>Total Cash and Committed Facilities £806m (2023: £639m)</p>	<p>Cash Generated from Operations £1,135m (2023: £1,111m)</p>	<p>Net Debt⁽³⁾ £992m / 0.9x (2023: £1,220m / 1.2x)</p>
	<p>Adj. Basic Earnings Per Share 128.4 pence (2023: 119.6 pence)</p>	<p>Expected Full Year Dividend⁽⁴⁾ 26.0p/share (c.£98m) (2023: 23.1p/share, c.£89m)</p>	<p>Share buyback programme £300m total (c.£150m complete to date)</p>

- 1) Earnings before interest, tax, depreciation, amortisation, other gains and losses and impairment of non-current assets, excluding the impact of exceptional items and certain remeasurements, earnings from associates and earnings attributable to non-controlling interests.
- 2) In January 2023 the UK Government introduced the Electricity Generator Levy (EGL) which runs to 31 March 2028. The EGL applies to the three biomass units operating under the RO scheme and run-of-river hydro operations. It does not apply to the Contract for Difference (CfD) biomass or pumped storage hydro units. EGL is included in Adj. EBITDA and amounted to £161m in 2024 (2023: £205m).
- 3) Net debt comprised of cash and short-term investments of £356m less borrowings of £1,177m (less impact of hedging instruments within borrowings and NCI of £54m and lease liabilities of £117m).
- 4) Final dividend conditional on shareholder approval at the AGM in 2025.

5% growth in Adj. EBITDA driven by increased levels of renewable generation and Pellet Production

2024 Adj. EBITDA £m	1 FlexGen & Energy Solutions	2 Pellet Production	3 Biomass Generation	4 Investment Opportunities	Total
Pumped Storage & Hydro	138	-	-	-	138
Energy Solutions – I&C	81	-	-	-	81
Energy Solutions – SME	(30)	-	-	-	(30)
Pellet Production	-	143	-	-	143
Biomass Generation	-	-	814	-	814
Elimini (Global BECCS)	-	-	-	(47)	(47)
Innovation and Cap. Proj.	-	-	-	(34)	(34)
2024 total	188	143	814	(81)	1,064
2023 total	302	89	703	(85)	1,009

**Targeting post 2027 recurring
Adj. EBITDA £600-700m pa⁽¹⁾**

1) Excludes Investment Opportunities (including development expenditure in Elimini, Innovation and Capital Projects).

Targeting post 2027 recurring Adj. EBITDA of >£250m pa

1.5GW portfolio of pumped storage, hydro and OCGTs

Pumped storage and hydro

- System support, ancillary services, renewables and Capacity Market agreements

40MW expansion of pumped storage

- Expected to commission in 2027
- >£15m pa from Capacity Market agreements
- Additional generation and improved operability

OCGTs

- Peak power, system support, ancillary services and Capacity Market agreements
- Expected to commission in 2025
- Targeting c.£50m pa Adj. EBITDA
- Backcast Adj. EBITDA (2021-2024) – average £70m pa

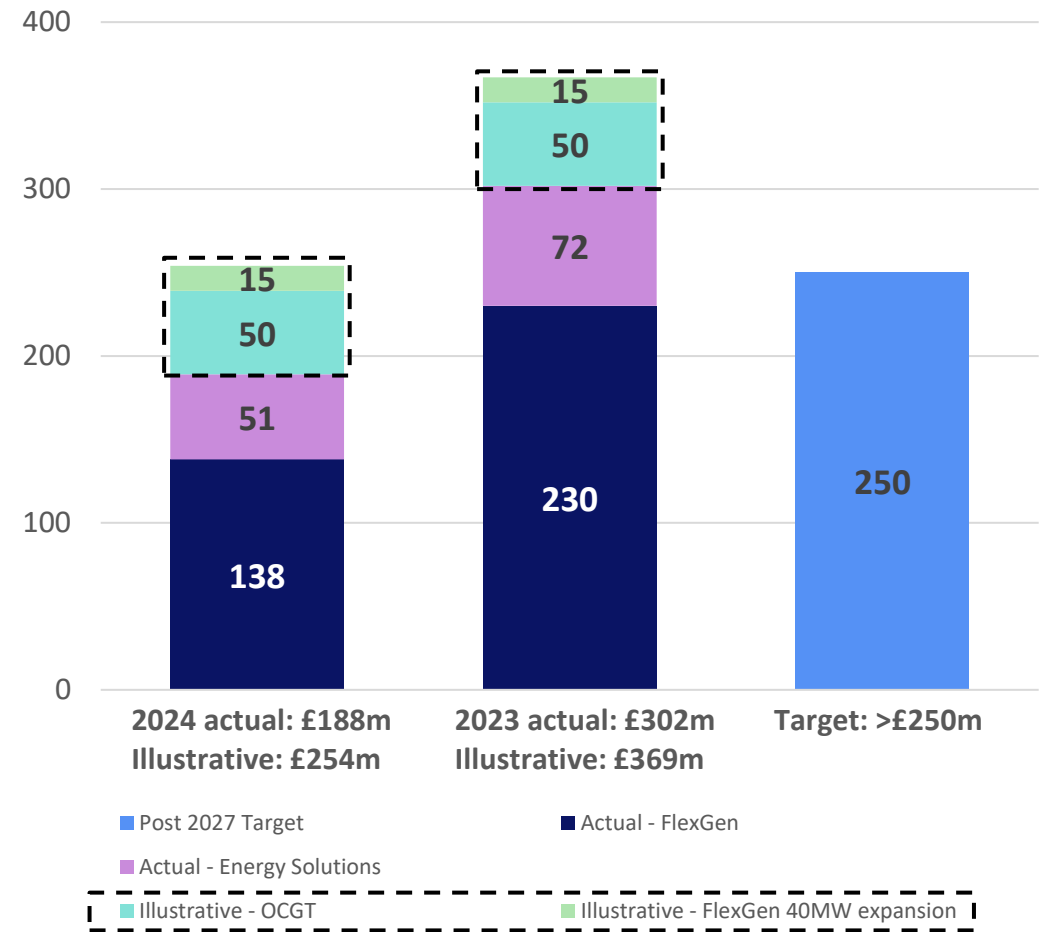
Energy Solutions

- I&C, renewables and EV services
- Sale of SME meters

Positioned to capture value from changing generation dynamic

- Greater volatility due to increased renewable generation on system

Illustrative Adj. EBITDA aligned with post 2027 target (£m)



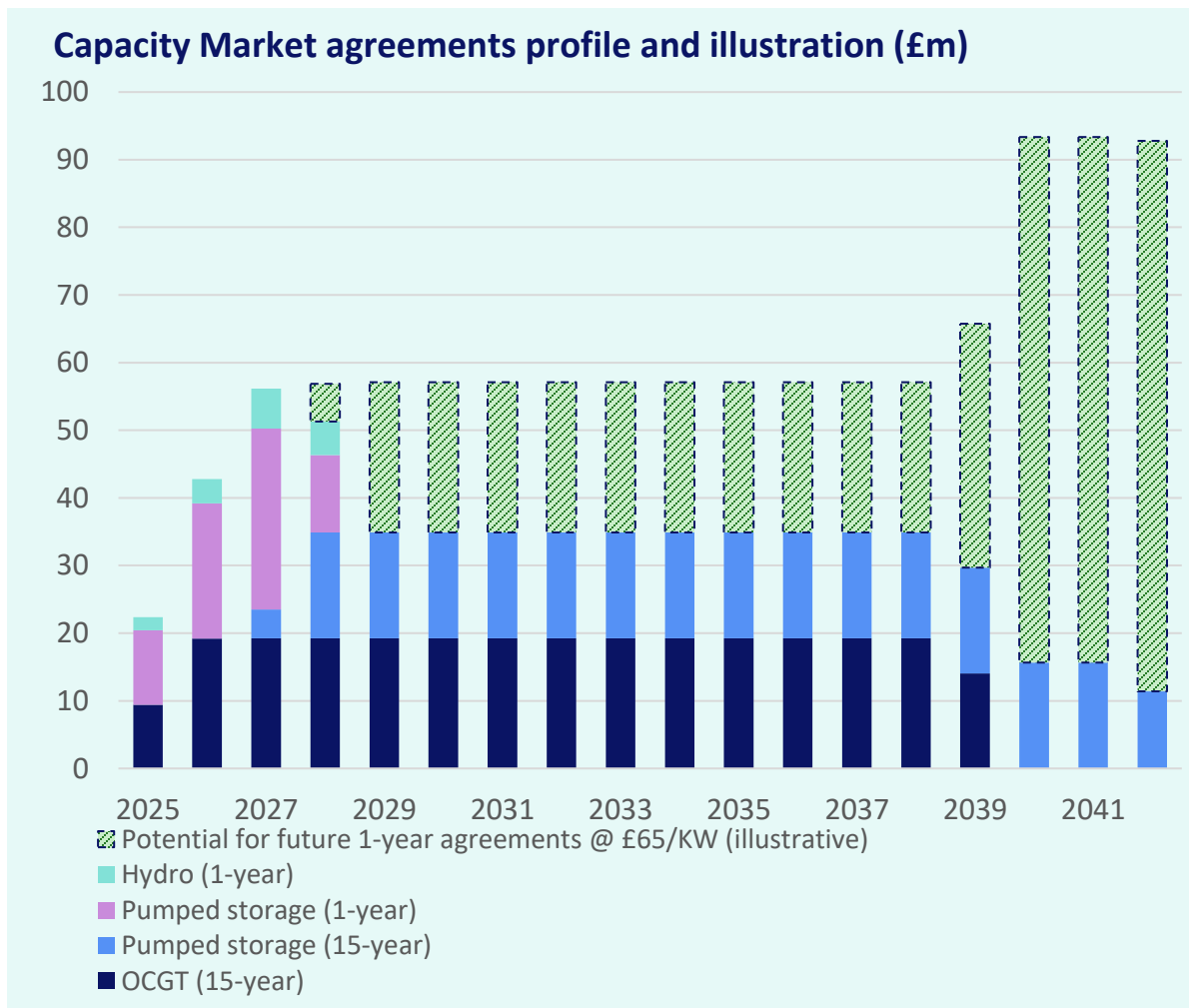
Capacity Market agreements provide strong underpin for FlexGen earnings

c.£595m⁽¹⁾ of agreements in place

Asset	Payment period	Value £m
Pumped storage	1-year agreements (2025-2028)	69
Pumped storage	15-year agreements (2027-2042)	235
Hydro	1-year agreements (2025-2028)	17
OCGTs	15-year agreements (2025-2039)	274
Total existing capacity agreements		595
Potential future agreements at c.£65/KW ⁽²⁾		c.500
Illustrative Capacity Market Income 2025-2042		c.1,095

Opportunities from future auctions

- Next T-4 auction March 2025
- Existing assets remain eligible for one-year contracts in future auctions
- Illustrative only – c.£65/KW⁽²⁾ – clearing price in last auction



1) Real values, 2024/25, no additional inflation assumed.
 2) Clearing price in 2024 T-4 auction.

Improved output and Adj. EBITDA in 2024

	2022	2023	2024
Production (Mt)	3.9	3.8	4.0
Production – own-use (Mt)	2.0	1.7	2.4
EBITDA (£/t) production	34	23	36
EBITDA (£m)	134	89	143

Strong operational and financial performance

- Record production – 4Mt, incl. 130kt Aliceville expansion
- Increased balance of own-use volumes vs lower margin legacy sales to third-parties
- Continued focus on operational efficiency through the supply chain

Activities to support delivery of long-term target

Low-carbon dispatchable CfD for Drax Power Station underpins demand post 2027

- 2Mt pa of US volume (Apr-27 to Mar-31)
- Margin on own-use contracts consistent with post 2027 target

Targeting 5Mt of production post 2027

- >4.5Mt from existing plants

Sales into existing and new markets

- Heads of terms signed with Pathway Energy for c.1Mt pa for US SAF project from 2029
- Potential for >3Mt pa in 2030s

Improved margins on legacy sales contracts

- c.1Mt subject to renewal in next 5 years

Opportunities for innovation and cost reduction

>£1bn of estimated post-tax operating cash flows 2025 to 2027

**2025 to 2027:
Strong forward power hedges
and renewables assets
underpin >£1bn of estimated
post-tax operating cash flows⁽¹⁾**

Contracted power sales (24 Feb 2025)	2025	2026	2027
Net RO, hydro and gas (TWh) ⁽²⁾	10.6	8.2	1.4
Average achieved £ per MWh ⁽³⁾	108.8	76.8	78.4
CfD (TWh) ⁽⁴⁾	3.1	-	-

Forward power sales underpin earnings through Q1-27

- £1.9 billion of forward power sales
- 20.2TWh at an average price of £93.7/MWh
- RO generation – fully hedged in 2025, c.80% in 2026

Other sources of value

- Market prices on unhedged 2026 and 2027 position and renewables
- System support services

Working capital inflow in 2027

- c.£0.5bn benefit from end of ROC scheme at Drax Power Station

Targeting additional value from low-carbon dispatchable CfD – av. Adj. EBITDA £100-£200m pa (Apr-27 to Mar-31)

1) Includes contracted and an estimate of uncontracted power sales Jan-25 to Mar-27, associated renewables, system support services, less operating costs, maintenance capex, taxes and EGL, and unwind of ROCs.
 2) Includes 1.8TWh of structured power sales in 2025, 2026 and 2027 (forward gas sales as a proxy for forward power), transacted for the purpose of accessing additional liquidity for forward sales from ROC units and highly correlated to forward power prices.
 3) Presented net of cost of closing out gas positions at maturity and replacing with forward power sales.
 4) CfD strike price, c.£138/MWh (Apr-24 to Mar-25).

Strong balance sheet and liquidity

0.9x Net debt to EBITDA

Refinancing activities in 2024

- £0.7bn of new debt with maturities 2027-2029
- £0.9bn of shorter dated maturities repaid

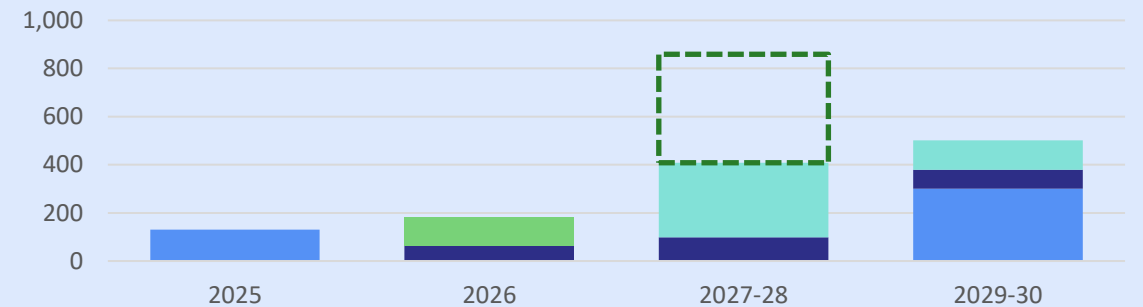
Liquidity and working capital

- £0.8bn of cash and committed facilities
- £0.5bn RCF maturing in 2027 (option to extend to 2029)

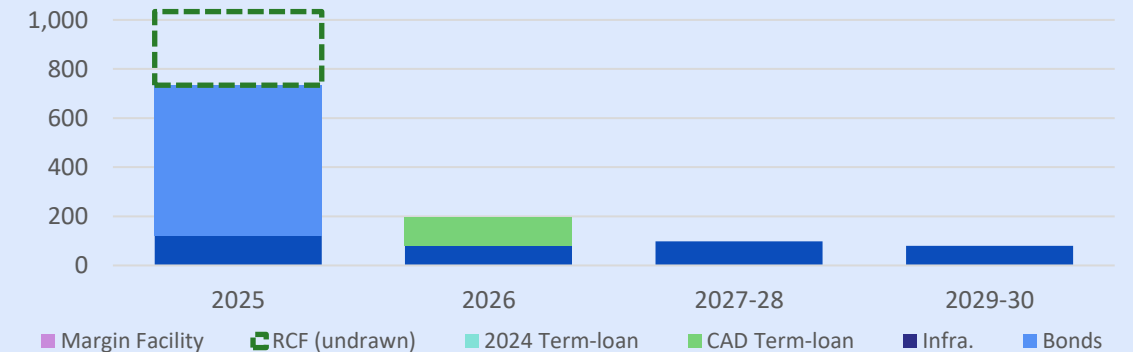
Instrument	Maturity	Description
Euro bond	2025	€144m
ESG CAD term-loan	2026	C\$200m
Revolving credit facility (RCF)	2027	£450m (undrawn)
Term-loan facilities ⁽¹⁾	2027-2029	£442m
Euro bond	2029	€350m
Infrastructure facilities ⁽²⁾	2026-2030	£243m

Balance of maturities weighted to 2029-2030

As at December 2024 (£m)



As at December 2023 (£m)



1) Term-loan maturities – €135m and £145m in 2027, £50m in 2028 and €50m and £80m in 2029.

2) Infrastructure maturities – €70m in 2026, £45m in 2027, £53m in 2028, £50m in 2029 and €32m in 2030.

Investment in core assets and strategy

	Key areas	2024 Actual £m	2025 Estimate £m
Growth	OCGTs, pellet plants and enhancement projects	212	~90
Maintenance	Includes major planned outages	83	~70
Other	Health, safety, environment and IT	37	~40
Total		332	180-220

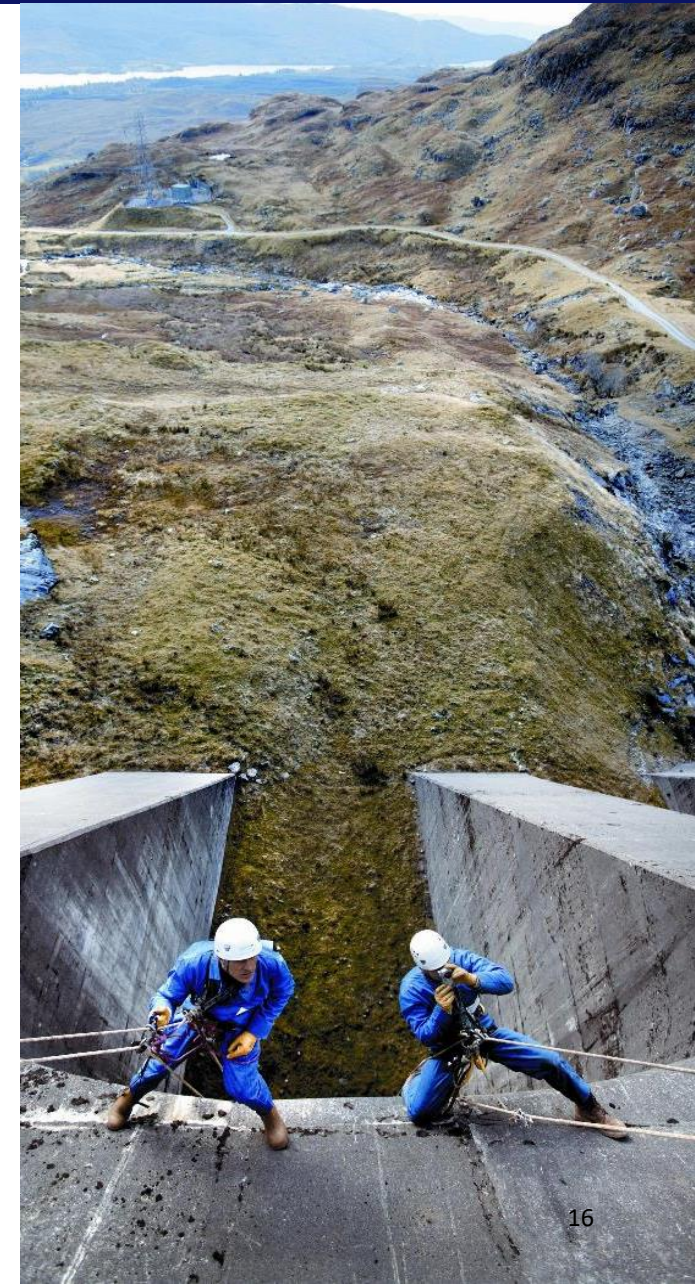
2024

- Growth – OCGTs, Longview and 40MW Cruachan turbine upgrade
- Maintenance and other – one major planned biomass unit outage

2025 outlook

- Growth
 - OCGTs – investment aligned with commissioning
 - 40MW Cruachan turbine upgrade
- Maintenance and other – Cruachan transformer upgrade

Lower development expenditure required in 2025 to progress long-term options for growth



Disciplined approach to capital allocation to support opportunities for growth and value creation

Maintain strong balance sheet and credit rating

- 0.9x Net debt to Adj. EBITDA (Dec-24)

Invest in core business

- Invest in asset base to support current and future cash flows

Sustainable and growing dividend

- 12.6% growth in dividend per share

Return surplus capital beyond investment requirements

- £300m share buyback programme commenced, c.£150m complete



Investment Opportunities

Investment in existing asset base and development of options for short, medium and long-term growth and value creation



Development of investment opportunities aligned with energy security and transition to net zero

Short-term	Medium-term	Long-term
<p style="text-align: center;">2025</p> <p>Capital returns</p> <ul style="list-style-type: none"> £300m share buyback, c.£150m complete <p>Investment in existing business to deliver operational and efficiency improvement</p> <p>OCGTs</p>	<p style="text-align: center;">2025-2030</p> <p>FlexGen</p> <ul style="list-style-type: none"> 40MW expansion of Cruachan Opportunities to expand asset base and range of services, incl. short duration storage <p>Pellet Production</p> <ul style="list-style-type: none"> Longview 	<p style="text-align: center;">2030 onwards</p> <p>FlexGen</p> <ul style="list-style-type: none"> Incl. Cruachan <p>Data centres</p> <p>Carbon removals</p> <ul style="list-style-type: none"> UK BECCS Elimini (Global BECCS)

Clear capital allocation policy provides underpin to operational and strategic investment

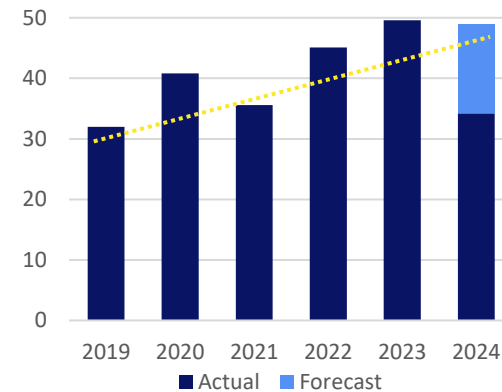
Changing system needs are driving demand for flexible generation and system support services
 Opportunities for Drax to create value by providing services when the system needs

Changing power system:
 Increased levels of intermittent renewables and volatility over last 6 years

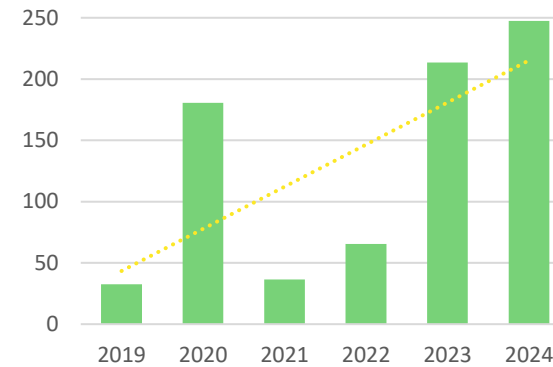
Drax FlexGen and BioGen:
 Portfolio provides a wide range of services and exposure to growing power demand, system needs, intermittency and underlying commodity prices

Strong earnings underpin from forward power sales, Capacity Market agreements and renewables

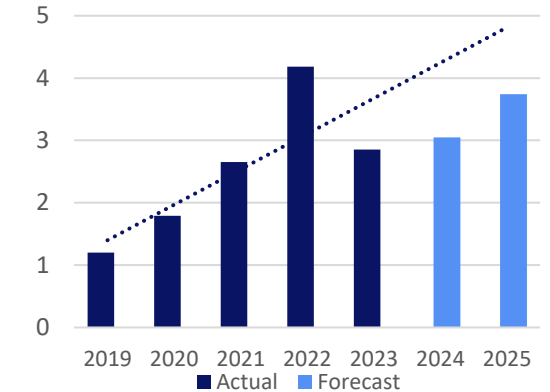
Offshore wind output (TWh)



Hours of negative pricing

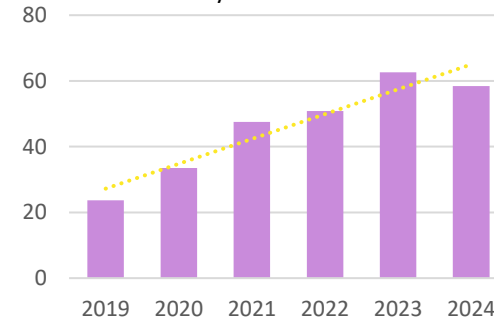


Growing system cost (£bn)



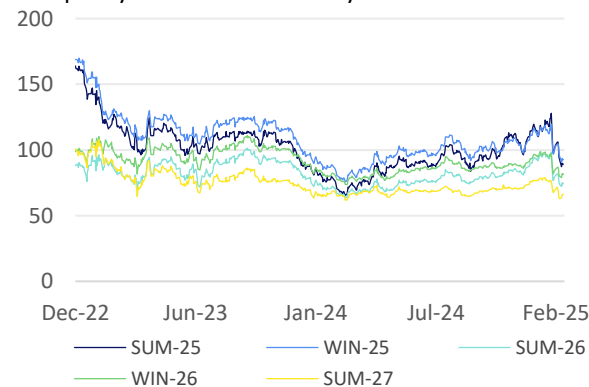
PS hydro – % of time operating

Performance catalysts from system need and wind volatility, with strong underpin from Capacity Market and ancillary services



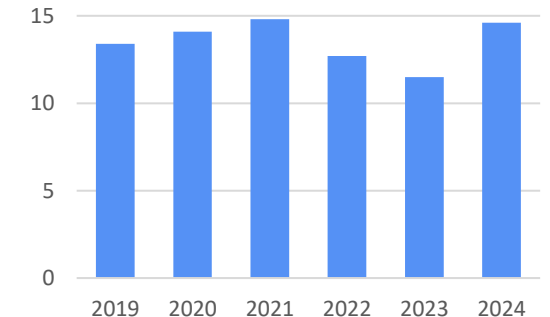
OCGTs – gas price (p/therm)

Performance catalysts from system need and gas price volatility, with strong underpin from Capacity Market and ancillary services



BioGen – TWh

Largest power station in UK, renewables base with opportunity for merchant generation as required by system



Existing and new opportunities to complement portfolio and enhance system support services capabilities

Long duration storage

Refurbishment and upgrade of Cruachan by 2027

- 40MW upgrade
- c.£80m investment
- >£220m of Capacity Market agreements (2027-2042)
 - c.£15m pa of Capacity Market agreements from 2027
- Included in target for post 2027 Adj. EBITDA

Development of long-term options for Cruachan

Short duration storage

Battery storage

- Evaluating opportunities for investment
- Benefits
 - Adds fast response capabilities to portfolio
 - Increased access to wholesale and balancing market
 - Operational synergies
- Subject to appropriate returns on capital

System support capabilities by technology

		Drax portfolio								
		Pumped storage	Hydro	Biomass	OCGTs	Batteries	CCGTs	Nuclear	Wind	Solar
Power generation	Power	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Yes
	Renewable power	Yes	Yes	Yes	No	Partial	No	No	Yes	Yes
	Clean power	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
System Support	Dispatchable	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial	Partial
	Inertia	Yes	Yes	Yes	Yes	Partial	Yes	Yes	No	No
	Reserve	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial	No
	Reactive power	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial	No
	Restoration	Yes	Yes	Yes	Yes	Yes	Yes	Partial	No	No
	Fast response	No	No	No	No	Yes	No	No	No	No
Capacity		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Response time

- Battery – <1 second
- Pumped Storage – <30 seconds
- Thermal – >15 minutes

Duration

- Batteries – 1-4 hours
- Pumped Storage (Cruachan) – c.16 hours
- Thermal – ongoing

Potential long-term development of >1.2GW data centre

Ongoing engagement with developers

- Shortlist of potential data centre developers
- Targeting a signed MoU for commercial discussions and due diligence in 2025

Data centre offering underpinned by 24/7 renewable power

- Behind-the-meter connection for large-scale 24/7 flexible renewable power
- c.250 acres of Drax-owned land for >1.2GW of development⁽¹⁾
- Targeting initial c.100MW pa data centre by 2030
 - Build up to >1.2GW
 - Underpinned by long-term PPA for power and backup

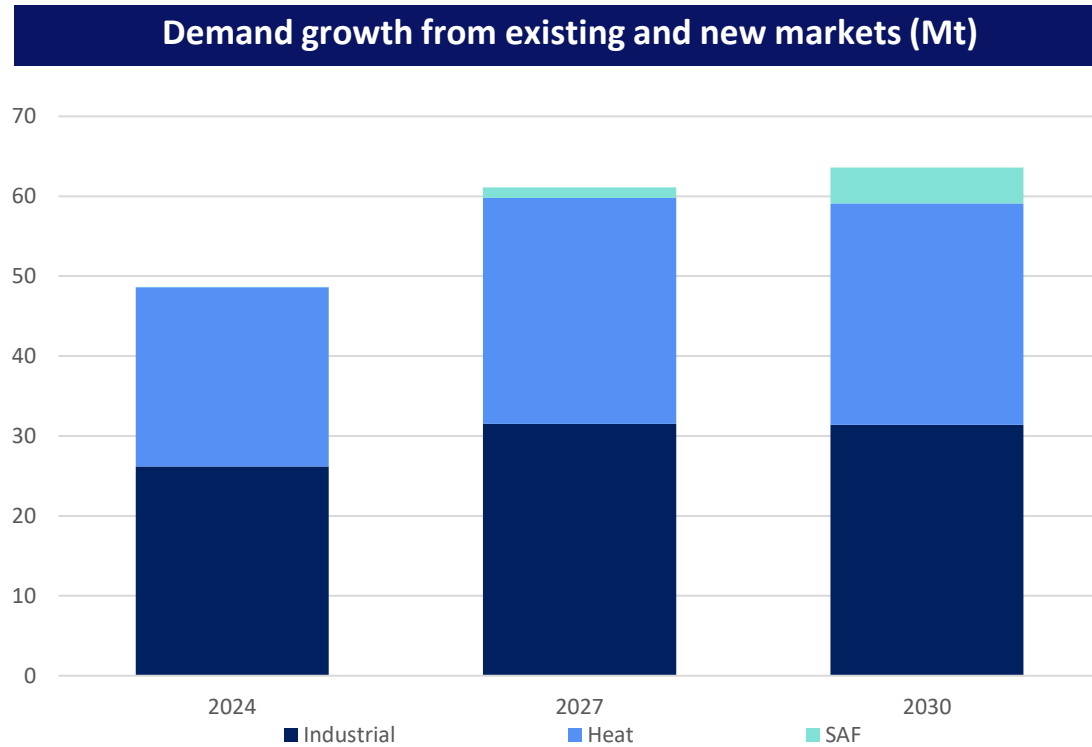
Supportive regulatory and wider market factors for a data centre

Compatible with other uses of Drax Power Station, including BECCS



1) Subject to planning approvals.
2) Department for Science, Innovation and Technology.
3) Harworth Group's land sale at Skelton Grange.

Market development and Drax initiatives support long-term growth and value from biomass sales



Source: Hawkins Wright and Drax

Activities to support delivery of long-term target

Targeting 5Mt of production and sales with improved margins

Low-carbon dispatchable CfD underpins demand post 2027

- c.2Mt pa post 2027

Sales into existing and new markets

- Sustainable Aviation Fuel (SAF)
- Other industrial processes
- BECCS

Improved margins on renewal of legacy sales contracts

Opportunities for innovation and cost reduction

- Improvements in existing processes to drive efficiency and output
- Use of technology to deliver further improvements
- Development of byproducts from biomass

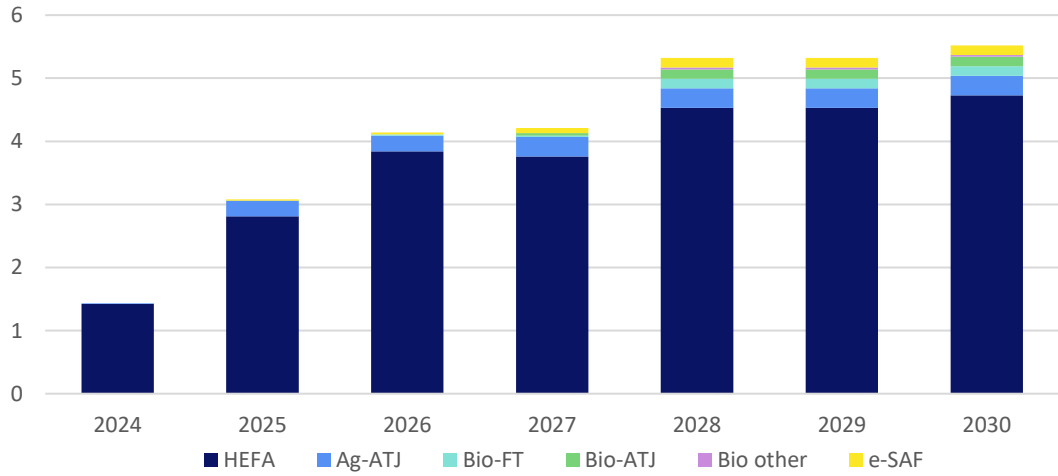
Drax positioned to capture value in supply chain as a producer, user and seller of biomass in the global market

- Short/medium-term fluctuations in market demand provide opportunities for value creation through contracting and asset management

2 Pellet Production – New Markets

Sustainable Aviation Fuels

Global growth estimates for SAF (bn gallons pa)



Source: Sustainable Aviation Market Outlook, June 2024, SkyNRG

Potential for >300% increase in SAF volume globally by 2030

- UK and EU mandates
- US, Canada and Japan targets

Total SAF production in 2030 eq. to >100Mt of pellets

- Predominantly from waste fats and cooking oils
- <5% from pellets – c.4-5Mt

Heads of terms with Pathway Energy

- >1Mt of biomass to US SAF project (Texas)
- Close proximity to Drax production in US South
- Multi-year contract from 2029
- Additional opportunities for BECCS within SAF process

Potential offtake for >60% of Drax current pellet production capacity

- Drax could supply two additional projects – 2Mt pa



Elimini’s ambition is to become the world’s leading carbon removals company

Development programme aligned with purpose

- Evaluating carbon credit product desk
 - Access wider CDR market and pre-2030 revenues
- Evaluating multiple carbon removal technologies synergistic to BECCS
- Progressing option for greenfield site and/or CCS retrofit globally

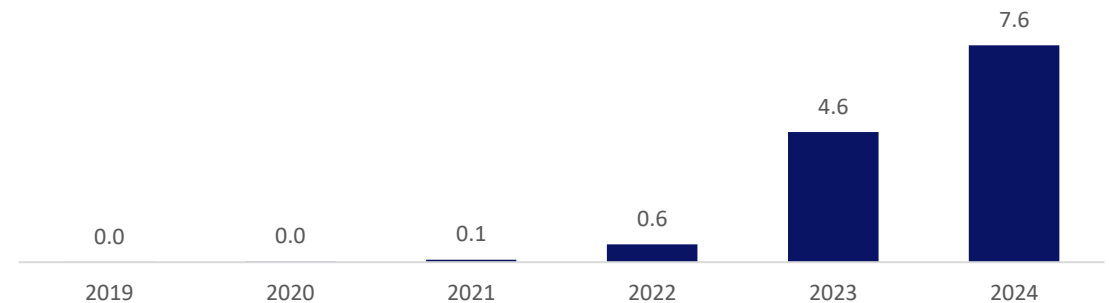
Drax Power Station

- Targeting 8Mt of carbon removals from BECCS
- Compatible with development of data centre

Market insight

- 12.9Mt of engineered CDRs contracted between 2019 and 2024
 - c.60% of CDRs were via BECCS
- Demand for engineered removals growing, current narrow pool of buyers
- Transaction volume and tenor growing, fewer transactions than 2023

Engineered CDR contracted sales 2019-2024 (Mt)



Delivering for shareholders

- Strong operational performance, substantial and growing dividend, disciplined capital allocation and a significant share buyback

Delivering for all stakeholders

- Opportunities aligned to energy security, affordability and decarbonisation

Strong business model with growing earnings from FlexGen and Drax Power Station supporting UK system

Drax Power Station – increased earnings visibility through 2031

- With significant cash flows 2025-2027 and long-term growth opportunities

Post 2027 Adj. EBITDA target £600-700m from FlexGen, Pellet Production and Biomass Generation⁽¹⁾

2024

Full Year Results

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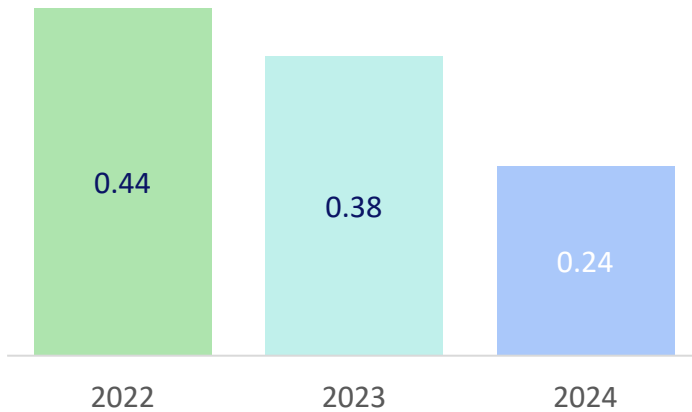
Appendices

27 February 2025

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Enhanced reporting and disclosure, opportunities to deliver further improvements

Total Recordable Injury Rate (TRIR)



Improving safety performance

- Wider scope of reporting
- Multi-year investment in training
- Strengthened HSE reporting culture

Opportunity for continuous improvement



Continuing development of sustainability

Developments in 2024

- Full alignment to TCFD
- TNFD voluntary reporting
- SBTi – 2030 targets validated, validating 2040 targets
- EU taxonomy report (voluntary basis) >70% of revenues eligible and aligned (2023)

Sustainability accreditations

Accreditation	Rating
MSCI	A
CDP – Climate	A-
CDP – Forest	A-
ISS	B- Prime
Sustainalytics	22/100 (lower score is positive)



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Group Income Statement

In £m	2024			2023 ⁽²⁾		
	Adj. Results	Adjustments ⁽¹⁾	Total Results	Adj. Results	Adjustments ⁽¹⁾	Total Results
Revenue	6,081	81	6,163	7,450	283	7,733
Cost of sales	(4,130)	5	(4,125)	(5,492)	(83)	(5,575)
Electricity Generator Levy	(161)	-	(161)	(205)	-	(205)
Gross profit	1,790	86	1,877	1,753	200	1,954
Operating and administrative expenses	(699)	(22)	(721)	(712)	-	(712)
Impairment losses on financial assets	(27)	(13)	(40)	(33)	-	(33)
Adj. EBITDA	1,064	n/a	n/a	1,009	n/a	n/a
Depreciation	(225)	-	(225)	(196)	-	(196)
Amortisation	(17)	-	(17)	(29)	-	(29)
Other	(23)	(1)	(24)	(3)	(74)	(77)
Operating profit	800	50	850	782	127	908
Foreign exchange (losses)/gains	(9)	-	(9)	(14)	5	(9)
Net interest charge	(87)	(1)	(88)	(102)	-	(102)
Profit before tax	704	49	753	665	131	796
Tax charge	(213)	(15)	(228)	(196)	(40)	(236)
Profit after tax	491	35	526	469	92	561

1) Exceptional items and certain remeasurements. 31
2) Restated.

In £m	2024	2023 ⁽¹⁾
Revenue		
Power sales	3,869	4,960
System support and optimisation	197	343
Renewable certificate sales	747	1,286
CfD income/(payment)	144	(63)
Capacity Market income	12	6
Gas sales to Energy Solutions business	63	116
Fuel sales and other income	112	135
	5,144	6,784
Cost of sales		
Generation fuel costs	(1,706)	(1,347)
System support and optimisation	(55)	(98)
ROC value from generation	612	565
REGO value from generation	47	9
Carbon certificates	(5)	(6)
Renewable certificates sold or utilised	(762)	(1,310)
Cost of power purchases	(1,767)	(3,012)
Fuel sold	(73)	(73)
Grid charges	(23)	(46)
EGL	(161)	(205)
	(3,892)	(5,522)
Gross profit	1,251	1,262
Operating costs	(300)	(328)
Adj. EBITDA	951	933

	2024	2023 ⁽¹⁾
Generation Adj. EBITDA (£m)	951	933
Biomass	814	703
Pumped storage and hydro	138	230
Generation (TWh)	15.4	12.2
Biomass	14.6	11.5
Pumped storage and hydro ⁽²⁾	0.8	0.7
System support and optimisation⁽³⁾ (£m)		
Revenue	197	343
Cost of sales	(55)	(98)
Margin from system support and optimisation	142	245
Average achieved power price		
Gross power sales (£m)	3,869	4,960
Cost of power purchases (£m)	(1,767)	(3,012)
Net power sales (£m)	2,102	1,948
Net power sales (TWh)	15.4	12.2
Average achieved price (£/MWh)	136.5	159.7

1) Restated.
 2) Gross output from pumped storage and hydro schemes.
 3) Balancing mechanism, ancillary services and portfolio optimisation.

Renewable power and energy solutions

I&C

- Maintaining margin in line with 2023, some reduction in volume
- Development of Energy Solutions business including system support services via demand response, and electric vehicle services following acquisition of BMM (August 2023)

SME

- Sale of majority of Opus Energy's meter points completed September 2024, with remaining meter points sale agreed February 2025 – reflects focus on core I&C business and exit from SME market

In £m	2024	2023
Revenue	3,786	4,958
Cost of sales		
Cost of power and gas purchases	(2,084)	(3,193)
Grid charges	(760)	(759)
Other costs	(781)	(810)
	(3,625)	(4,763)
Gross profit	161	196
Operating costs	(86)	(91)
Bad debt charge	(24)	(33)
Adj. EBITDA	51	72
<i>-I&C</i>	<i>81</i>	<i>102</i>
<i>-SME</i>	<i>(30)</i>	<i>(30)</i>
I&C sales (TWh)	14.8	15.8

Improved production and margin

Good progress in 2024

- Higher production output (2024: 4.0Mt, 2023: 3.8Mt)
- Increased EBITDA per tonne produced

In £m	2024	2023
Revenue	942	822
Cost of sales	(562)	(512)
Gross profit	380	311
Operating costs	(237)	(222)
Adj. EBITDA	143	89
Production (Mt)	4.0	3.8
EBITDA per tonne produced (£/t)	36	23

In £m	2024	2023
Adj. EBITDA	1,064	1,009
Working capital (excluding collateral)	38	(47)
Collateral	84	155
Other	(51)	(6)
Cash generated from operations	1,135	1,111
Debt service and other interest	(82)	(95)
Corporation tax	(194)	(180)
Net cash from operating activities	860	836
Capital investment	(388)	(441)
Acquisitions and contributions to associates	(3)	(11)
Net financing	(249)	15
Equity dividends paid	(94)	(86)
Repurchase of own shares	(115)	(149)
Other	(33)	(17)
Net (decrease)/increase in cash and cash equivalents	(22)	146
Cash and cash equivalents at the beginning of the period	380	238
Net cash flow	(22)	146
Effect of changes in foreign exchange rates	(2)	(4)
Cash and cash equivalents at the end of the period	356	380

c.£0.5bn benefit from end of Renewable Obligation scheme at Drax Power Station in 2027

Renewable Obligation

- Renewable Obligation (RO) – requirement for energy suppliers to source a proportion of their energy from a renewable source
- Renewable Obligation Certificates (ROCs) issued to generators
- ROCs bought by suppliers to show they have fulfilled the RO
- ROC compliance period April-March
- 1 ROC is c.£65 (plus RPI) (2024/25)

ROCs at Drax

- Drax generates c.10m ROCs per compliance period
- ROCs held on balance sheet until a sale is agreed
 - Typically at the end of the ROC compliance period in the following calendar year
- ROC scheme ends for Drax Power Station in March 2027
- ROCs generated between Apr-26 and Mar-27 will be sold and cash received in 2027
- Working capital inflow of c.£0.5bn

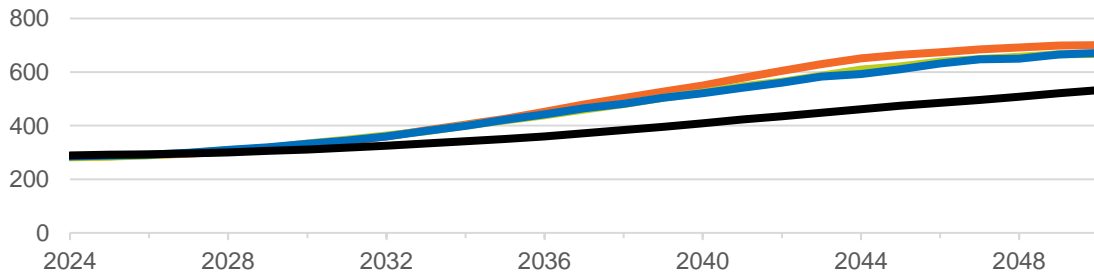
Illustrative Generation cash flow from ROCs

	2025	2026	2027
<u>ROCs (m)</u>			
Opening	7	7	7
Earned	10	10	3
Sold	(10)	(10)	(10)
Closing	7	7	-
<u>Balance sheet (£bn)</u>			
Opening	0.5	0.5	0.5
Earned	0.7	0.7	0.2
Sold	(0.7)	(0.7)	(0.7)
Closing	0.5	0.5	-
Cash inflow (£bn)	0.7	0.7	0.7
Decrease in w/cap (£bn)	-	-	0.5

UK Gov. net zero targets will require major increase in renewables, system support and carbon removals Increase in renewables drives long-term value from FlexGen and Biomass Generation

c.2x increase in demand for power (TWh)

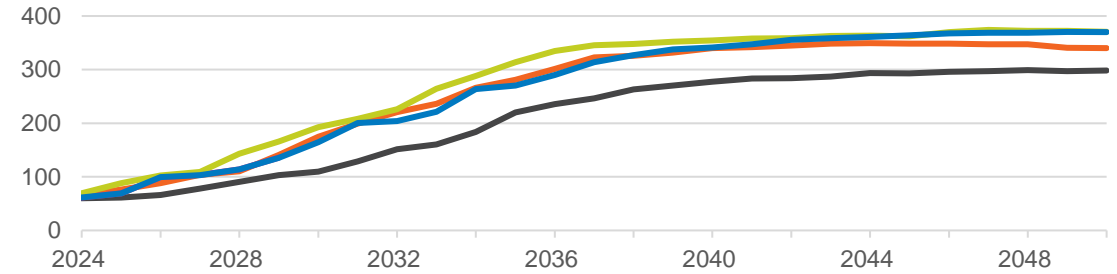
-Targets to decarbonise heating and transportation, new demand from data centres



Significant increase in offshore wind renewables (TWh)

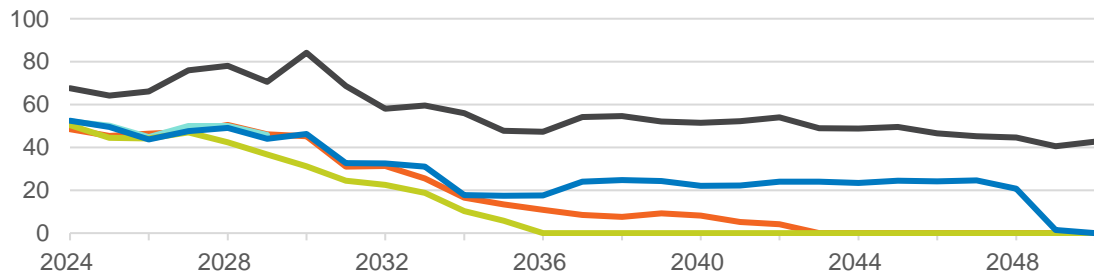
->3x increase in production (TWh)

-Likely to drive increased volatility due to low marginal cost and intermittency



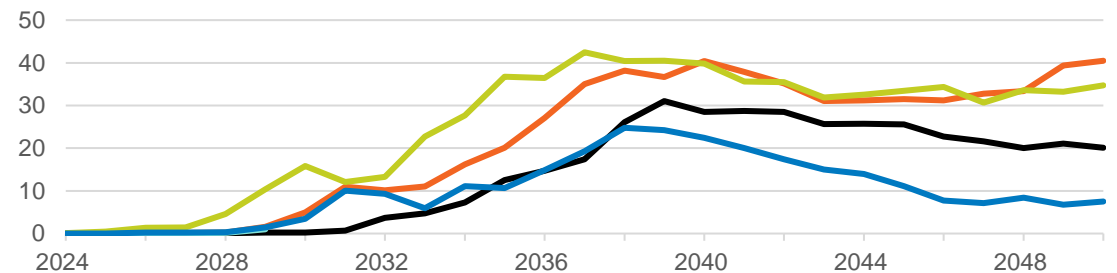
Reduction in flexible CCGT generation (TWh)

-Decarbonisation driving removal of flexible CCGTs and replacement with intermittent renewables



Up to 40TWh of offshore wind curtailment pa (TWh)

-Excess supply in certain periods leading to negative pricing and curtailment of wind to create space for flexible assets which can turn up and down and support the system



Flexible, renewable generation, system support and energy solutions with opportunity for carbon removals

FlexGen and Energy Solutions

- 440MW pumped storage
- 125MW hydro
- 900MW OCGTs
- Large I&C book

Biomass Generation

- 2.6GW

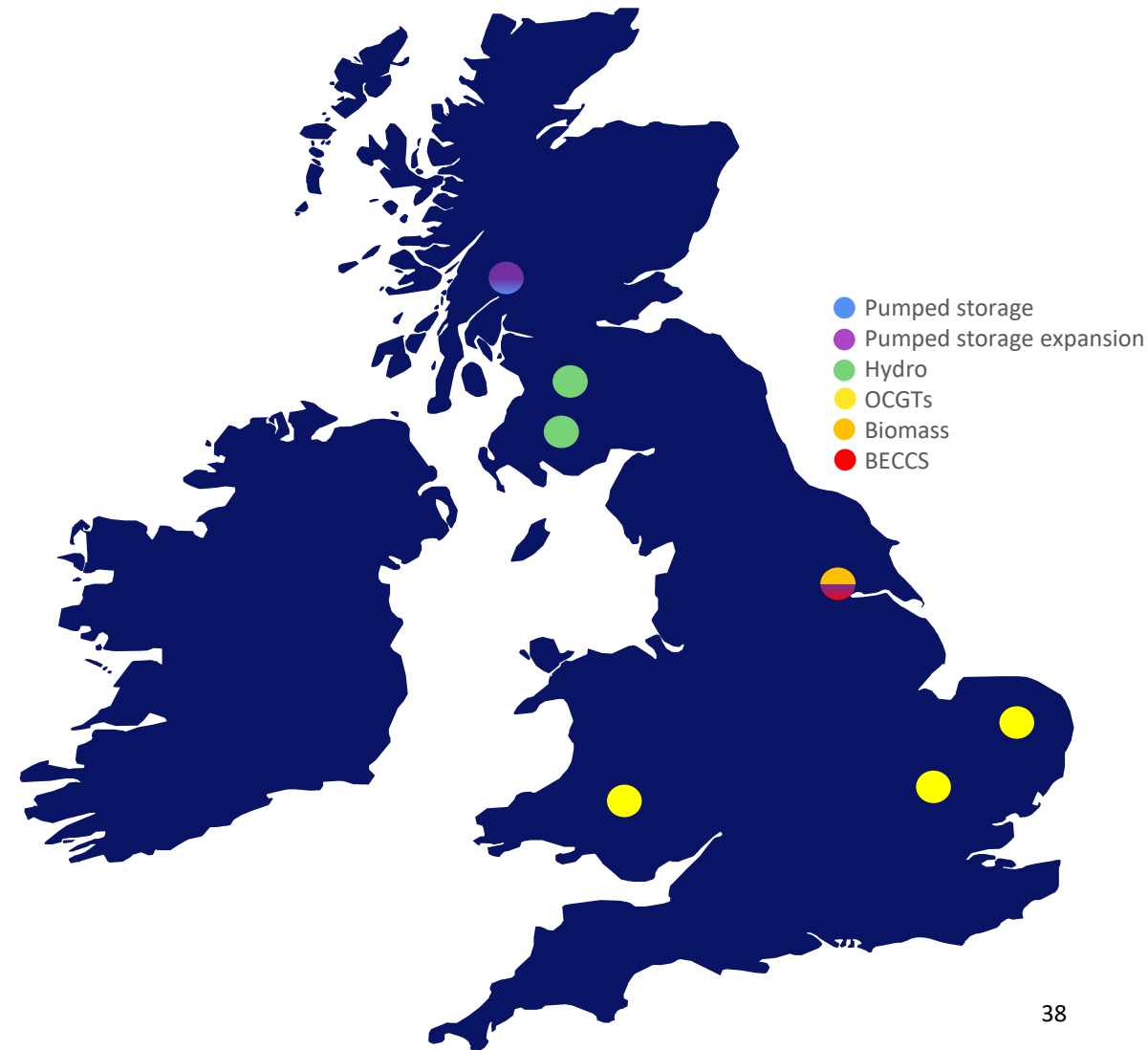
Development opportunities

- 40MW expansion of Cruachan (operational 2027)
- Long-term opportunities from Cruachan
- Carbon removals – BECCS

4GW of operational assets and development projects

- UK's largest portfolio of flexible, dispatchable renewable generation
- 5% of total UK power generation
- 10% of UK renewables⁽¹⁾
- 19% of UK peak renewables and >50% of UK in-day peak renewables

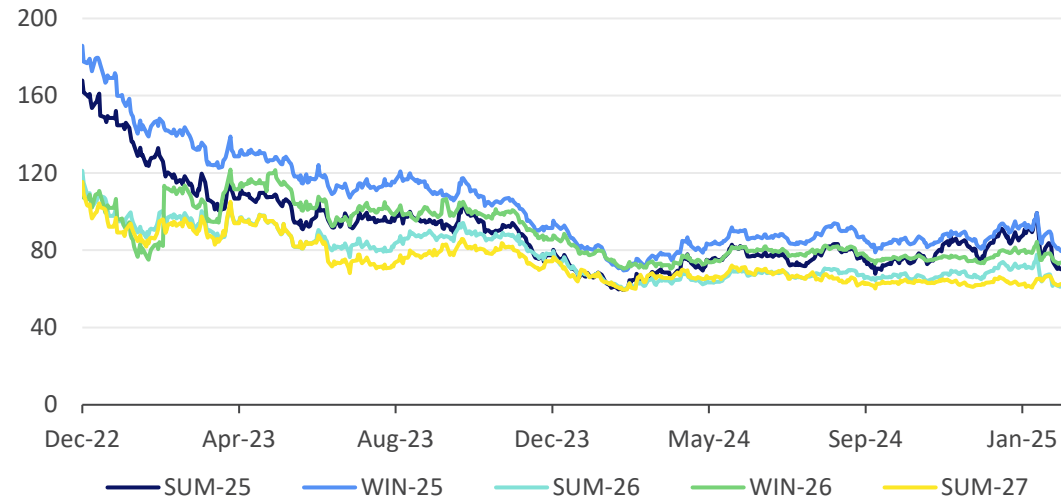
1) Measured by output Q4 2023 to Q3 2024. Source: Drax and Elexon.



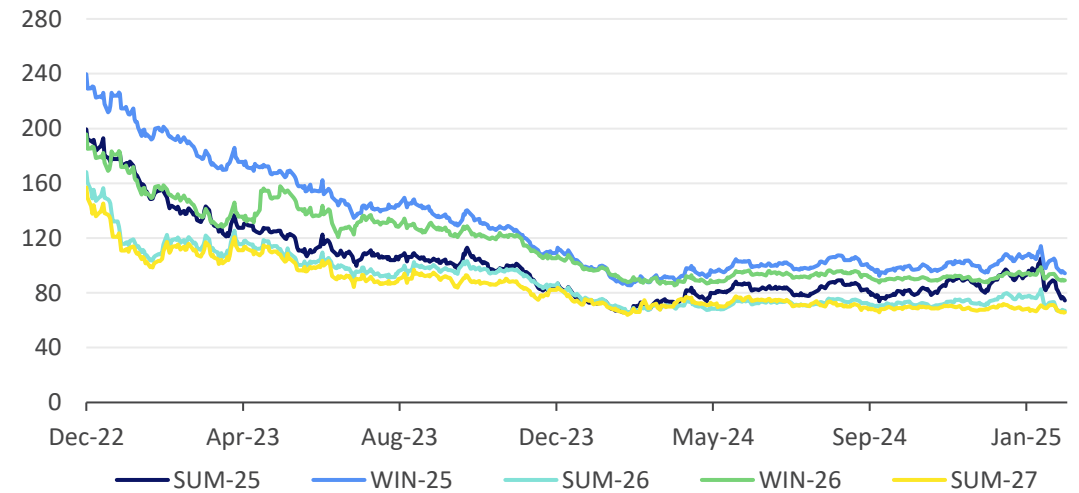
Drax portfolio provides a wide range of system support services

		Drax portfolio								
		Pumped storage	Hydro	Biomass	OCGTs	Batteries	CCGTs	Nuclear	Wind	Solar
Power generation	Power	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Yes
Renewable generation	Renewable power	Yes	Yes	Yes	No	Partial	No	No	Yes	Yes
	Clean power	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
System Support	Dispatchable	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial	Partial
	Inertia	Yes	Yes	Yes	Yes	Partial	Yes	Yes	No	No
	Reserve	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial	No
	Reactive power	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial	No
	Restoration	Yes	Yes	Yes	Yes	Yes	Yes	Partial	No	No
	Fast response	No	No	No	No	Yes	No	No	No	No
Capacity		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

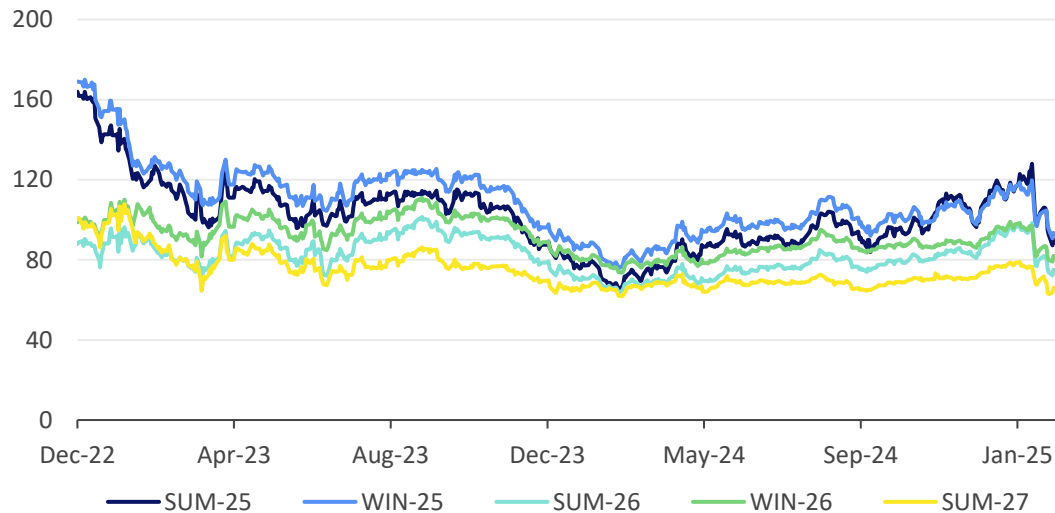
Baseload Power Price (£/MWh)



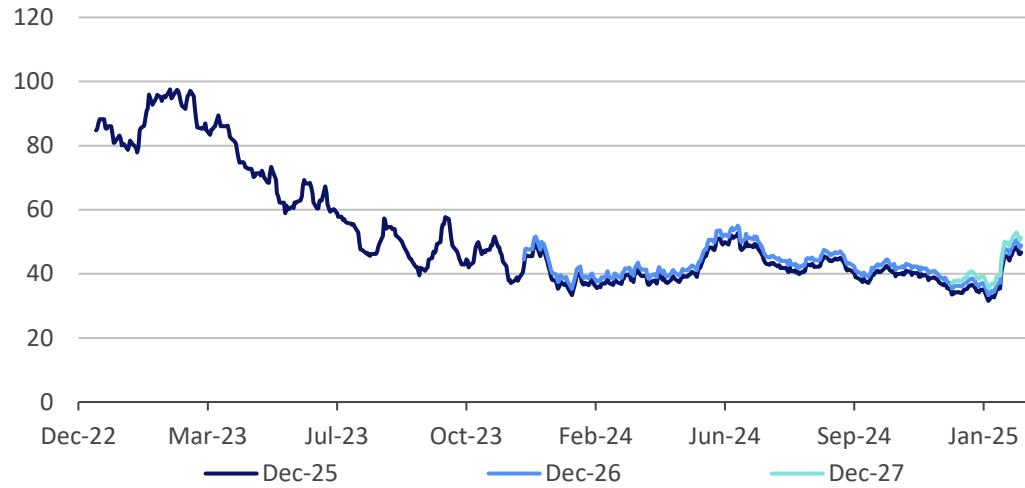
Peak Power Price (£/MWh)



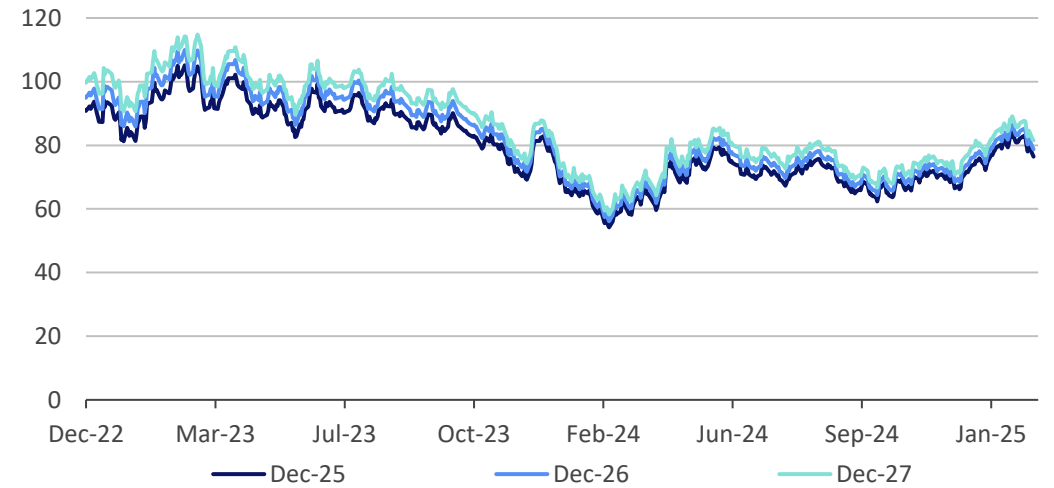
NBP Gas Price (p/therm)



UKA Carbon (£/t)



EU ETS Carbon (€/t)



Source: ICE

This announcement may contain certain statements, expectations, statistics, projections, and other information that are, or may be, forward looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans, beliefs, and objectives for the management of future operations of Drax Group plc ("Drax") and its subsidiaries (the "Group"), are not warranted or guaranteed. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. Although Drax believes that the statements, expectations, statistics and projections and other information reflected in such statements are reasonable, they reflect Drax's current view and no assurance can be given that they will prove to be correct. Such events and statements involve risks and uncertainties. Actual results and outcomes may differ materially from those expressed or implied by those forward-looking statements.

There are a number of factors, many of which are beyond the control of the Group, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These include, but are not limited to, factors such as: delays in the process for finalising the proposed Low-carbon, Dispatchable CfD agreement with the UK Government; future revenues or earnings being lower than expected; increasing competitive pressures in the industry; uncertainty as to future investment and support achieved in enabling the realisation of strategic aims and objectives; and/or general economic conditions or conditions affecting the relevant industry, both domestically and internationally, being less favourable than expected, including the impact of prevailing economic and political uncertainty, the impact of conflict including those in the Middle East and Ukraine, the impact of cyber attacks on IT and systems infrastructure (whether operated directly by Drax or through third parties), the impact of strikes, the impact of adverse weather conditions or events such as wildfires, changes to the regulatory and compliance environment within which the Group operates changes in policy and commitment by governments to addressing the impacts of climate change. We do not intend to publicly update or revise these projections or other forward-looking statements to reflect events or circumstances after the date hereof, and we do not assume any responsibility for doing so.

2024

Full Year Results

27 February 2025

drax