



## Drax Group PLC (DRX LN)

### COMPANY DESCRIPTION

Founded in 2005, Drax Group PLC is a renewable energy company headquartered in Selby, North Yorkshire, UK. Drax owns and operates a portfolio of sustainable biomass, hydro-electric and pumped hydro storage assets, renewable electricity generation assets, bioenergy supply businesses and wood pellets manufacturing facilities. //

### BUSINESS MODEL

Drax Group generates revenue primarily through power and biomass sale. The Group also generates revenue from energy services such as ancillary services and system supports. //

### M&A HISTORY

On 02/08/2021, Drax Group announced to acquire Pinnacle Renewable Energy (TSX: PL) for **C\$11.30** per share in cash, a premium of **12.55%** to

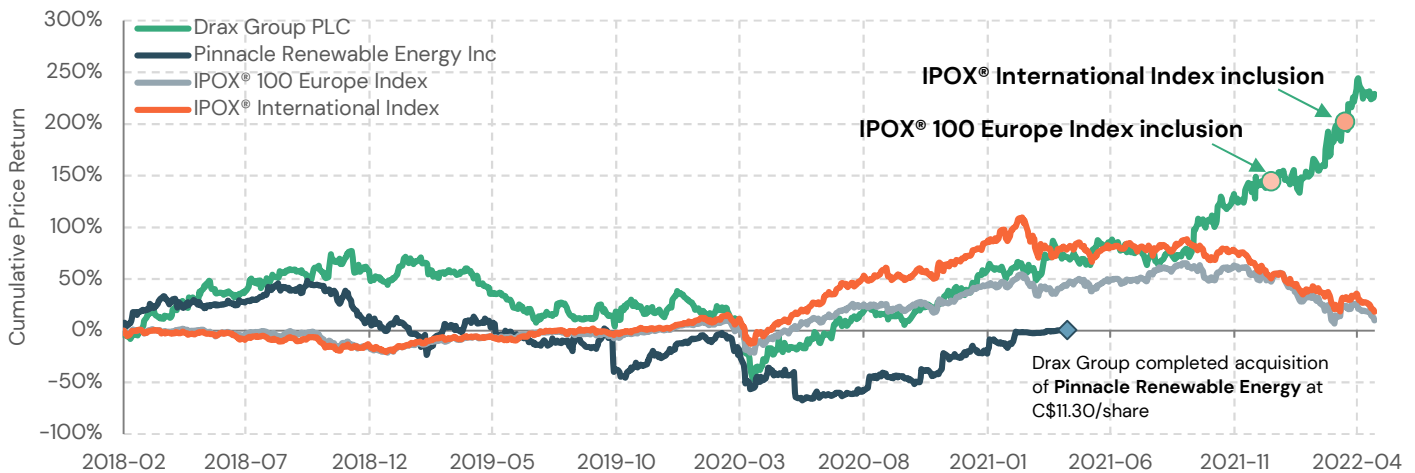
its previous close. The acquisition was completed on **04/15/2021** with an implied enterprise value of ca. C\$796 million. //

### TARGET IPO HISTORY

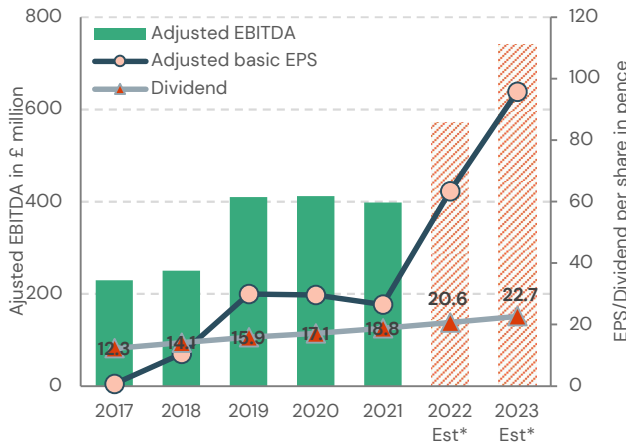
On **02/06/2018**, Pinnacle Renewable Energy began trading on the Toronto Stock Exchange led by CIBC World Markets. The wood pellet manufacturer offered 133,350,000 shares (included 7,111,111 shares from selling shareholders) at C\$11.25 per share. Pinnacle Renewable Energy was valued at ca. C\$370.16 million at offer. The shares opened down at C\$10.72 but closed the first day higher at C\$12.11 (▲7.64%).

Drax Group PLC was included in the **IPOX® 100 Europe Index (ETF: FPXE US, FPXE LN, EFPX IM)** on **12/20/2021** and **IPOX® International Index (ETF: FPXI US)** on **03/21/2022**, and currently weighs ca. **0.44%** and **0.28%** of the portfolio, respectively. //

### HISTORICAL PERFORMANCE



### GROWTH OUTLOOK



UN Sustainable Development Goals

- Two new North America based Non-Executive Directors
- Compliant with Hampton Alexander and Parker recommendations
- Schools programmes and community outreach – UK/North America
- Talent pipeline – four year technical apprenticeships
- Science-based sustainability policy compliant with UK and EU law on sustainable sourcing
- 100% of woody biomass produced by Drax verified against SBP, SFI, FSC® (C119787) or PEFC Chain of Custody certification
- >95% reduction in CO<sub>2</sub> from generation since 2012
- >90% of generation from renewable and low-carbon sources
- >80% of Group EBITDA from renewable and low-carbon activities

### INDUSTRY COMPARISON

COMPANY	STOCK SYMBOL	IPO/SPIN-OFF DATE	INITIAL RETURN	OFFER TO DATE (TR)	2022 YTD (PR)	BETA TO BENCHMARK	REVENUE (MILLIONS)	DILUTED EARNINGS (LOSSES)/SHARE	P/E RATIO
<b>drax</b>	DRX LN	Drax Group listed on LSE in 2005			<b>31.32%</b>	0.70	£5,088.00	£0.193	56.88x
Scottish & Southern Electricity Networks	SSE LN	SSEN listed on LSE in 1991			11.22%	0.79	£6,826.40	£2.183	7.29x
United Utilities	UU/ LN	United Utilities Group listed on LSE in 1995			5.83%	0.40	£1,808.00	£0.663	104.45x
Centrica	CNA LN	Centrica listed on LSE in 1997			10.35%	0.87	£14,774.00	£0.205	7.8x