



# ASX RELEASE

## Infigen Energy

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## FY17 INTERIM FINANCIAL RESULTS

Infigen Energy (ASX: IFN) today released its interim financial results for the 2017 financial year (FY17).

Infigen reported a Profit after tax for the six month period ended 31 December 2016 of \$21.4 million, a \$23.6 million increase compared with a Loss after tax of \$2.2 million in the prior corresponding period (pcp).

### SUMMARY OF PERFORMANCE

Key measures of performance compared to the pcp were:

- **Safety:** lost time injury frequency rate remained at zero
- **Production:** increased 18% to 889 GWh
- **EBITDA:** increased 45% to \$84.0 million
- **Net debt:** decreased \$30 million to \$565 million
- **Operating cash flow:** increased 293% to \$42.8 million
- **Revenue:** increased 38% to \$115.4 million
- **Net profit before tax:** increased \$30.9 million to \$31.4 million
- **Net profit after tax:** \$21.4 million, an improvement of \$23.6 million

Infigen's Managing Director, Ross Rolfe AO, said, "The first half result has been pleasing. We will continue to look for ways to increase the profitability of our existing assets. This will support our future business development and our plans for growth."

Revenue of \$115.4 million was up 38% or \$32.0 million reflecting higher production and an improved energy market environment.

Operating earnings before interest, tax, depreciation and amortisation (Operating EBITDA) was \$94.3 million, up 45% or \$29.3 million due to higher revenue partially offset by higher operating costs.

Corporate costs increased by \$2.5 million to \$8.9 million due to a number of one-off personnel expenses, and costs associated with undertaking corporate and strategic projects.

During the period Infigen executed a post-warranty service and maintenance agreement for the Woodlawn wind farm.

### FY17 GUIDANCE

We expect electricity and Large-scale Generation Certificate (LGC) prices to be around the current forward prices for the rest of the year, noting that there is a high degree of uncertainty around the dispatch weighted average price that will apply in South Australia.



Following the closure of the Northern Power Station in South Australia in May 2016, there has been a sustained increase in underlying frequency control ancillary services (FCAS) fees. In addition, when work is being carried out on the Heywood interconnector or network infrastructure surrounding the interconnector, AEMO has been imposing security measures. The FCAS capacity made available in South Australia to provide these services has also reduced. These changes are expected to result in Infigen incurring approximately \$4 million in FCAS charges for FY17 (net of hedging).

Other factors that will contribute to higher operating costs than FY16 include higher costs for post-warranty turbine O&M services at Woodlawn wind farm and higher production-linked turbine O&M expenses and incentives.

As previously announced, following a strong revenue performance in H1 FY17, Infigen now expects full year EBITDA to be approximately \$140 million. This lifts the previous FY17 guidance by \$10 million or 8%. The foreshadowed sale of the Manildra solar development project would result in a \$4 million profit on sale in addition to this. Infigen expects to repay approximately \$85 million of Global Facility borrowings in FY17.

## **OUTLOOK**

Infigen is assessing optimal funding and operating strategies to enable it to support development of new projects and its existing energy markets business.

Infigen has made substantial progress on advancing the Bodangora wind farm project and is targeting financial close in the second half of FY17.

Infigen will continue to prospect for new sites and opportunities to enhance its development capability in different regional markets and by investing in different technologies.

During FY17 Infigen will seek to finalise long-term service and maintenance agreements for operating wind farm assets where maintenance contracts expire in December 2017.

## **ENDS**

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### **About Infigen Energy (Infigen)**

Infigen is an active participant in the Australian energy market. It is a developer, owner and operator of renewable energy generation assets delivering energy solutions to Australian businesses and large retailers.

Infigen owns 557 MW of installed generation capacity operating in New South Wales, South Australia and Western Australia and sells the energy and Large-scale Generation Certificates (LGCs) through a combination of medium and long term contracts and through the spot market.

Infigen is looking to develop further renewable energy projects in response to the strong demand for renewable sourced energy and decreasing cost of development. It has a number of projects that offer near-term development opportunities.

Infigen Energy trades on the Australian Securities Exchange under the code IFN.

For further information please visit our website: [www.infigenenergy.com](http://www.infigenenergy.com).