

Premier Miton Global Renewables Trust plc
James Smith

FOR INVESTMENT PROFESSIONALS ONLY. CAPITAL AT RISK.

Thinking ahead of the curve

An introduction to Investment Trusts at Premier Miton



Claire Long
Head of Investment Trusts



The Diverse Income Trust plc



Miton UK MicroCap Trust plc



Premier Miton Global Renewables Trust plc

Premier Miton Global Renewables Trust



James Smith
Fund manager



Differentiated global renewables exposure

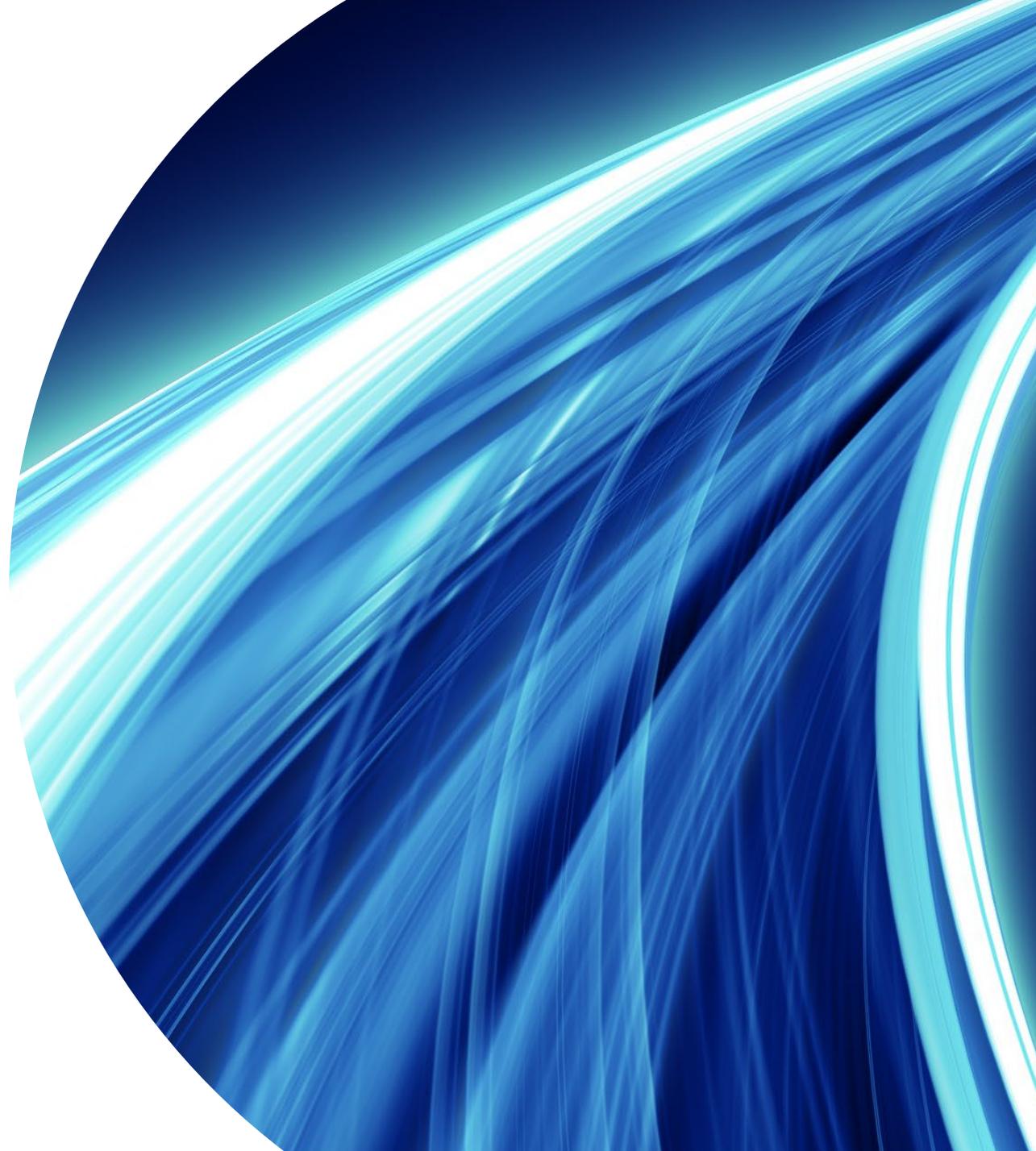


Aims for a high income and long-term capital growth



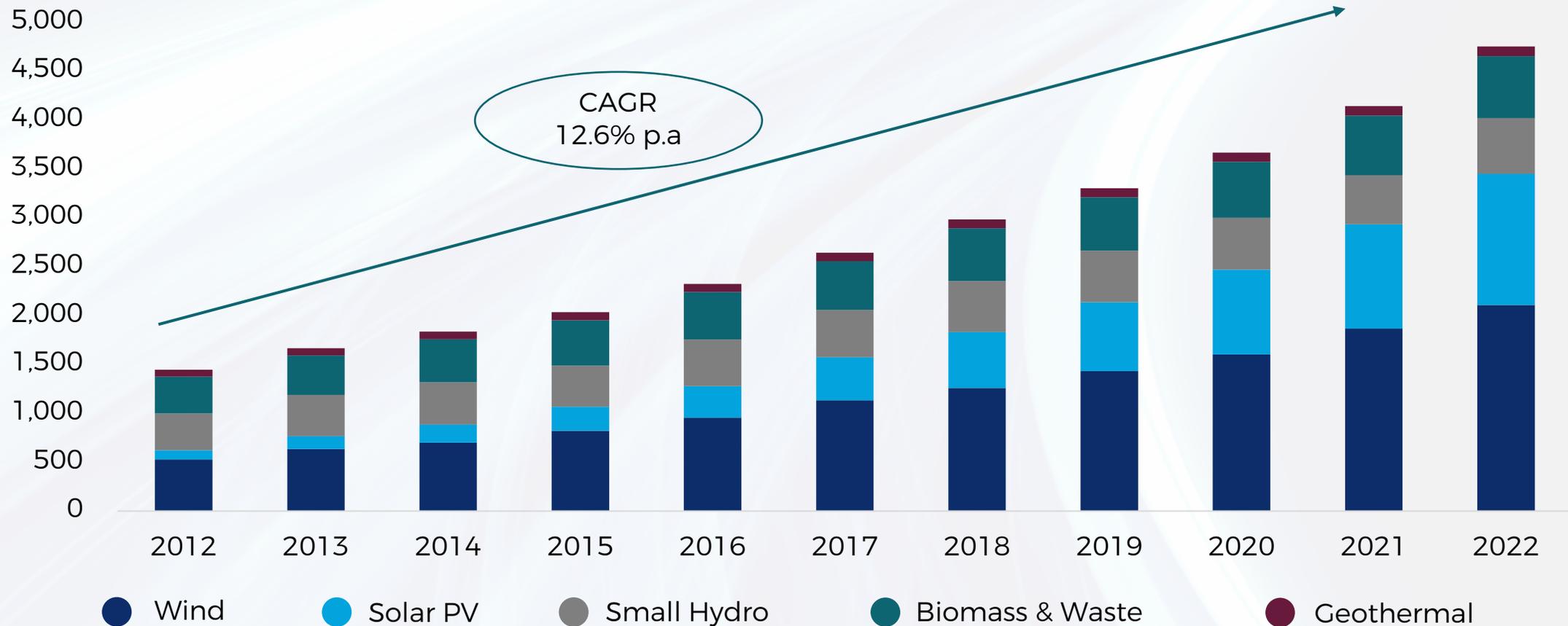
Currently trading at a discount

Renewables – The global overview



Renewable energy is a fast-growing sector

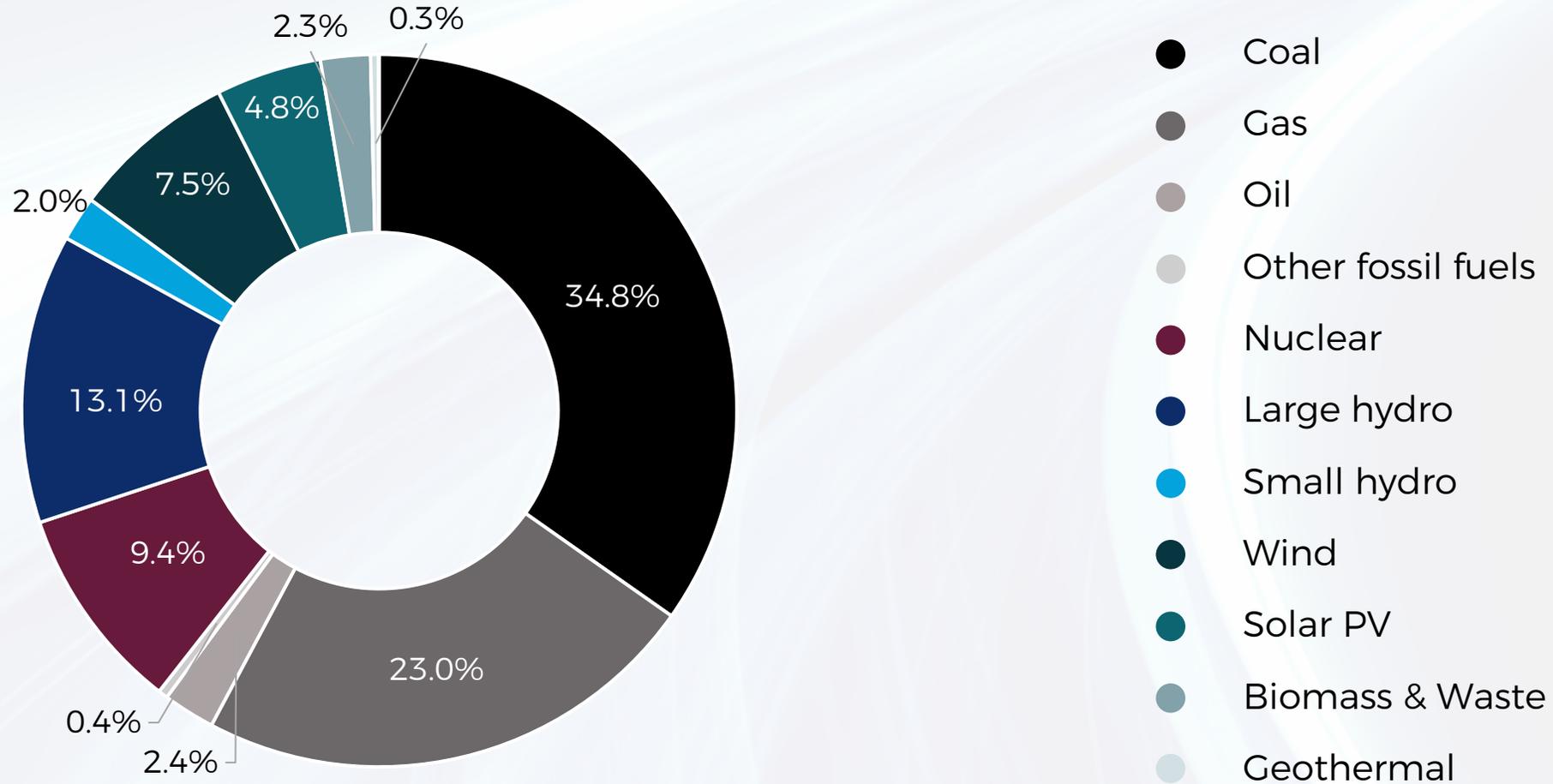
Global Renewable Energy Production (TWh) over the past 10 years



Source: BloombergNEF, as at 31.12.2022.

Global electricity generation 2022

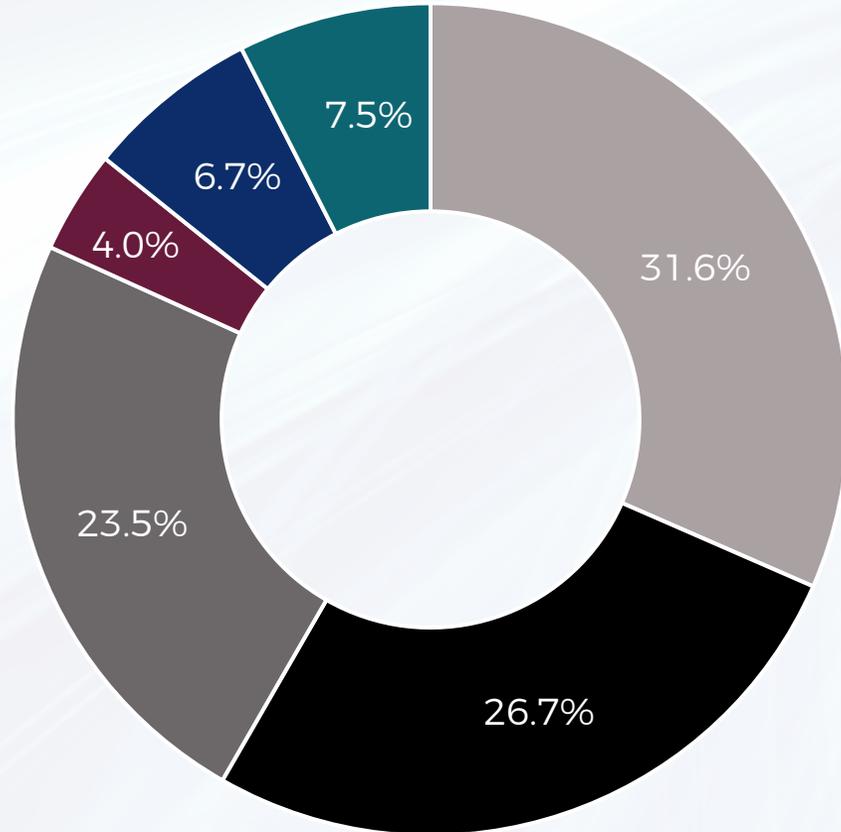
Still dominated by fossil fuels (c. 60%)



Source: BloombergNEF, as at 31.12.2022. Solar thermal excluded as figure below 0.1%. Allocation may be above or below 100% due to rounding.

Global primary energy market share

Still dominated by fossil fuels c. 80%



Change in global primary energy consumption 2018 – 2022*

Oil	-0.4%
Coal	1.7%
Natural Gas	2.3%
Nuclear	-0.1%
Hydro	8.9%
Renewables	74.9%
Total global energy market	4.8%

Renewable energy perception vs. reality



High interest rates are bad for renewable energy companies

Debt is mainly fixed term, fixed rate, amortising non-recourse project debt
UK / European companies have high inflation linkage
Higher finance costs for new projects pushes up power prices

Governments are cooling on renewable energy build out

US Inflation reduction Act - \$369bn of tax and other incentives
UK relaxation on-shore renewable planning laws
New EU renewable law - 2x increase in renewable energy to 2030



Power price falling

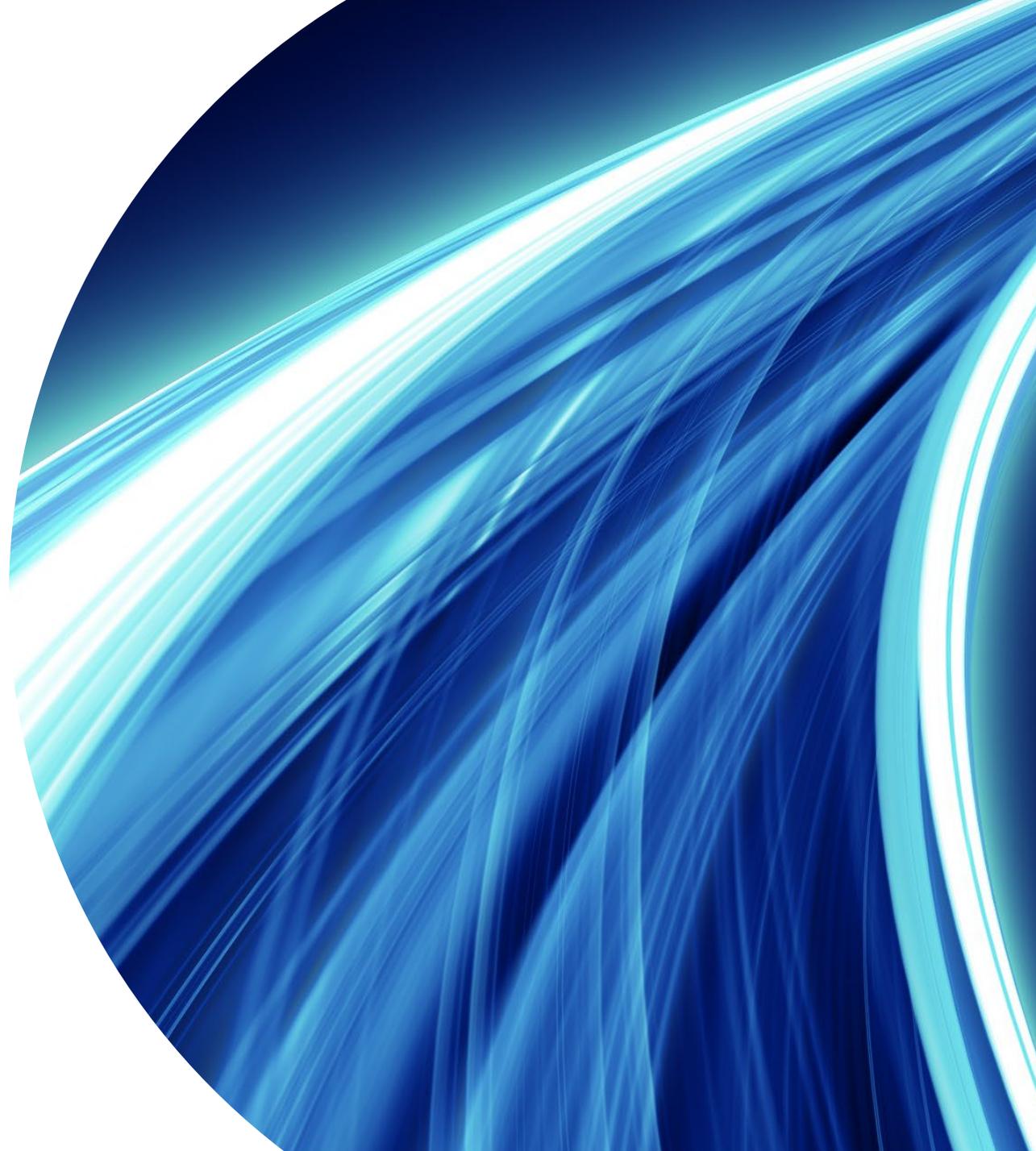
Power prices materially above pre-Ukraine level
Permanent structural increase in European prices
Very strong market for Power Purchase Agreements in Europe & US

Capital costs of new renewables increasing

Wind increasing, solar falling
Higher prices for turbines necessary for manufacturer health
Renewables cost competitive against gas / cheaper than nuclear

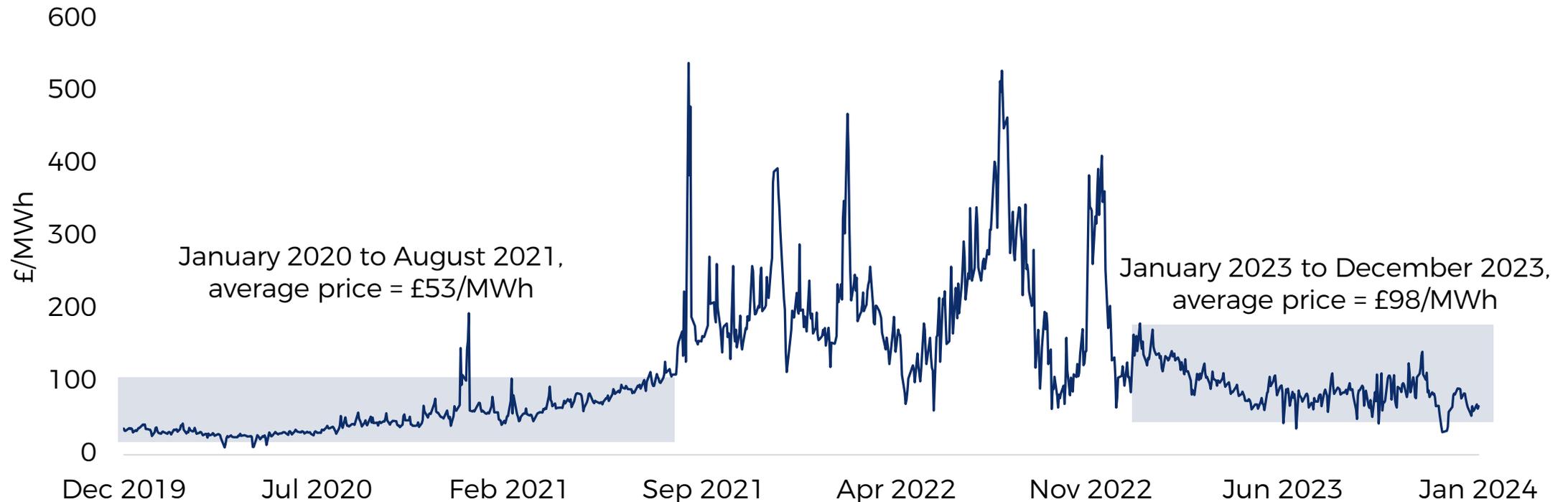


A closer look at the UK Renewable Energy Sector



A new normal for UK electricity pricing?

UK Day Ahead baseload wholesale electricity price



Wholesale power prices in 2023 almost double from "pre - Ukraine" levels, with substantial increase in volatility

Source: Bloomberg, data from 31.12.2019 to 31.01.2023.

Past performance is not a guide to future returns.

Power price drivers

Gas price

Average UK wholesale gas price 2020¹

25.09p / therm

Average UK wholesale gas price 2023¹

100.22p / therm

CO² prices

Average EUA CO2 price 2020²

Euro 25.87 / tonne

Average UK ETS price 2023³

GBP 55.32 / tonne

Interest rates

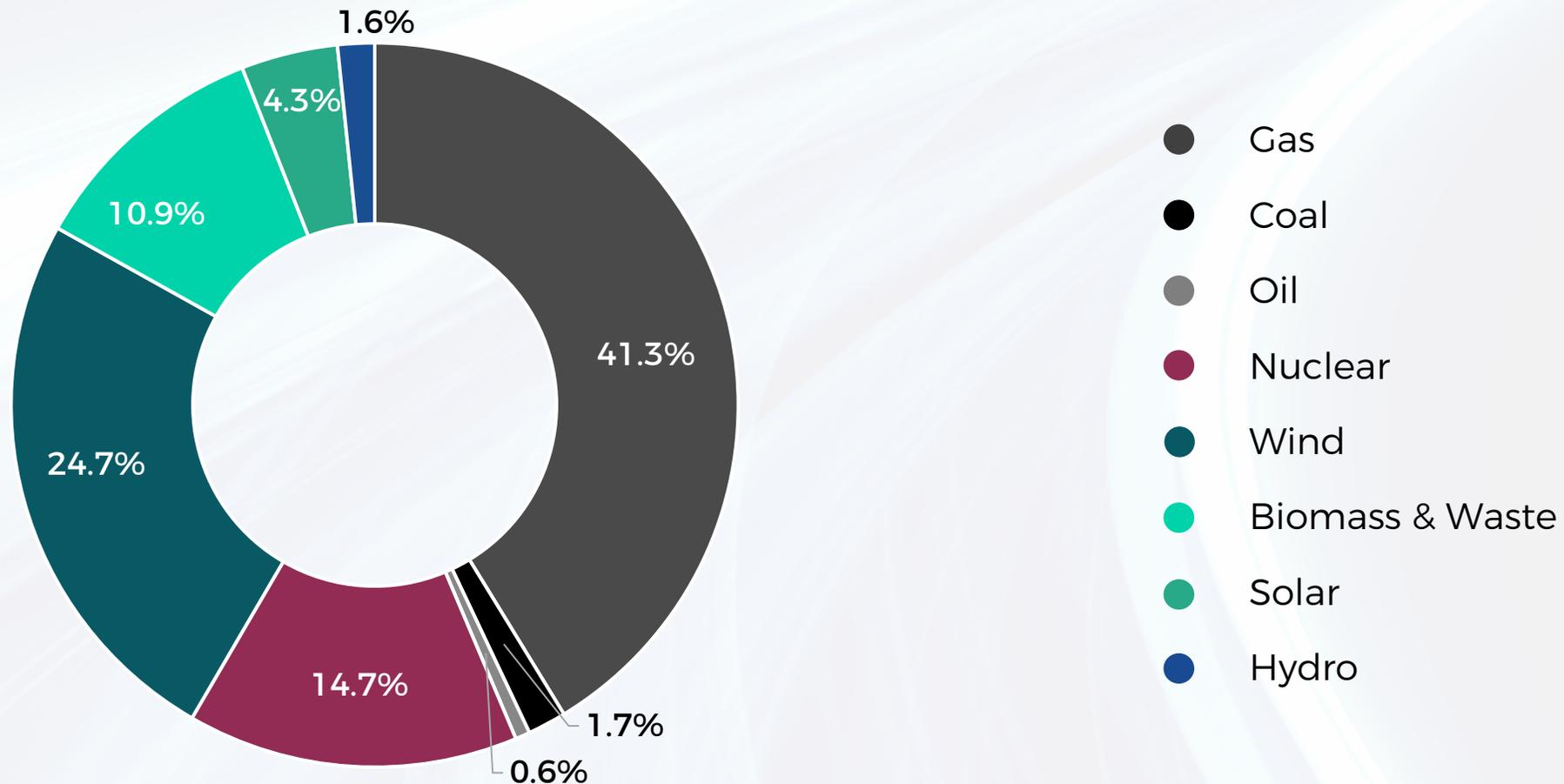
UK 5-year generic GILT yield 2020 average

0.09%

UK 5-year generic GILT yield 2023 average

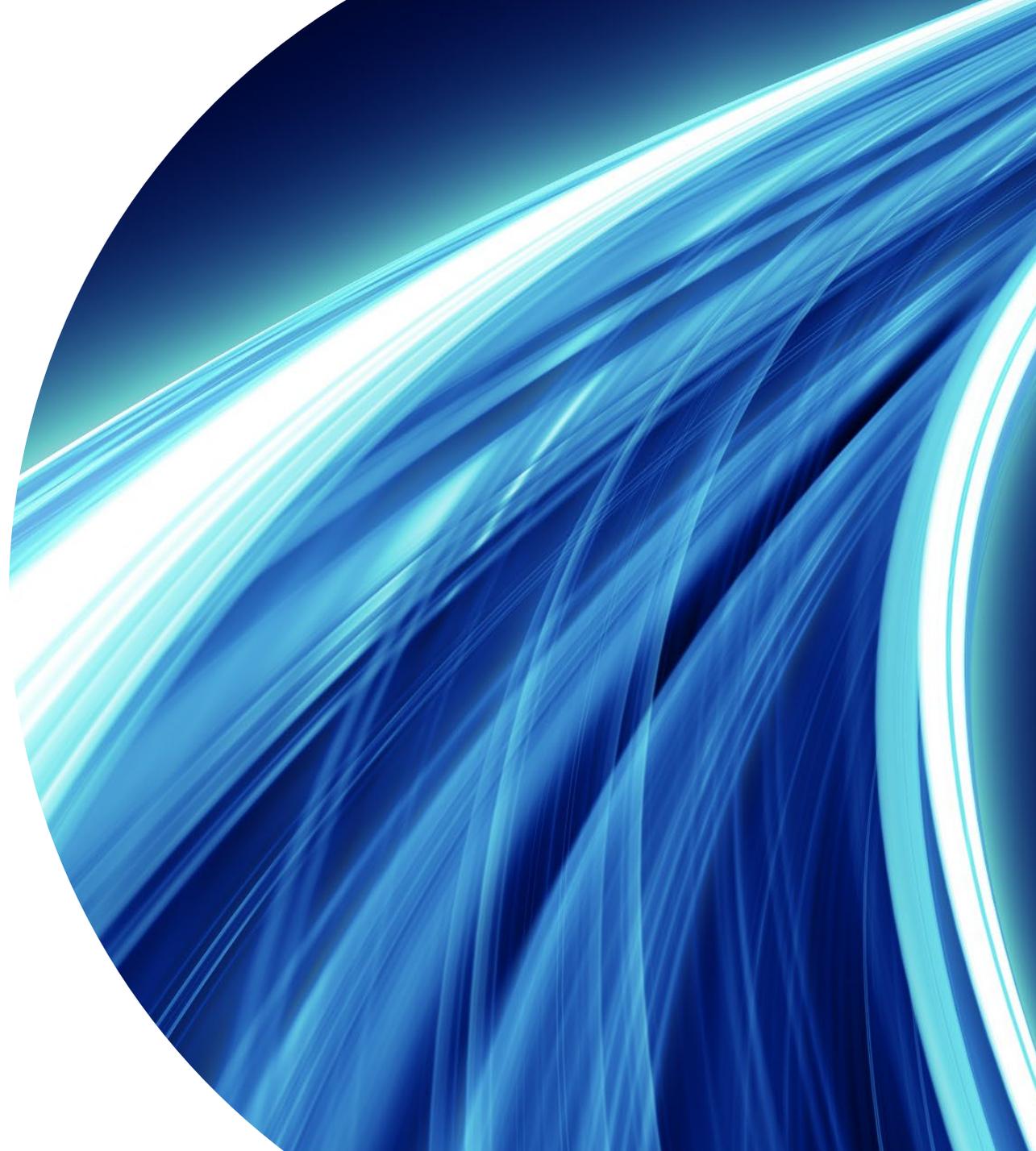
4.04%

UK power generation 2022

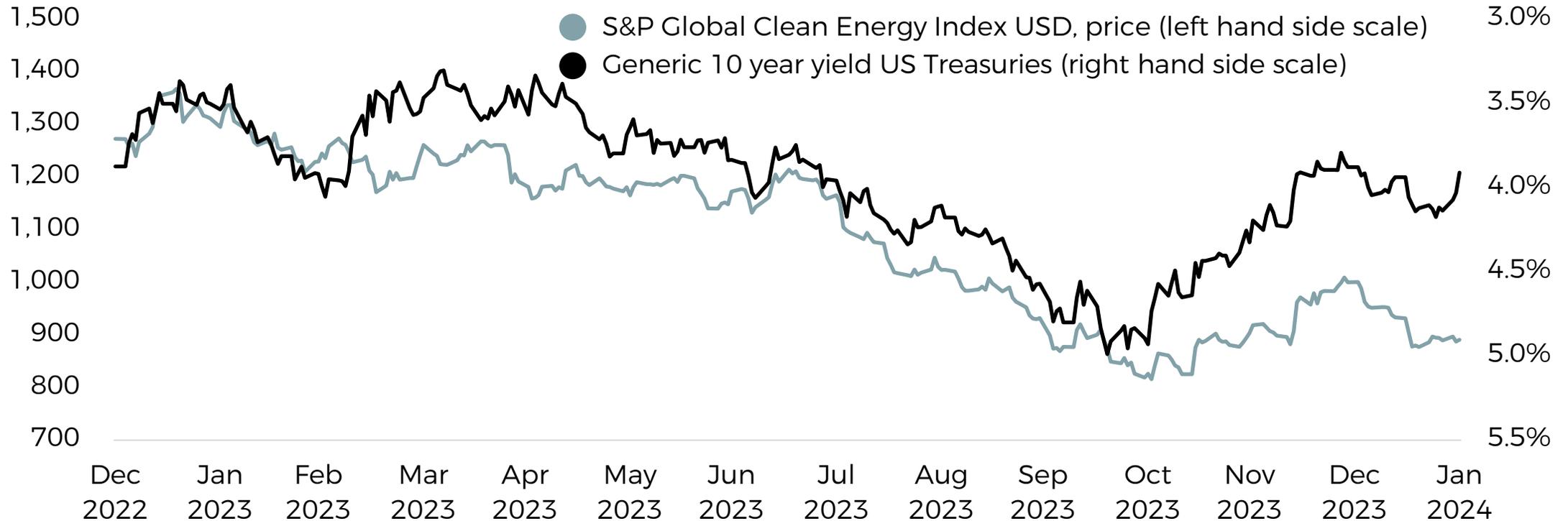


Source: BloombergNEF, as at 31.12.2022. Allocation may be above or below 100% due to rounding.

Performance perspectives

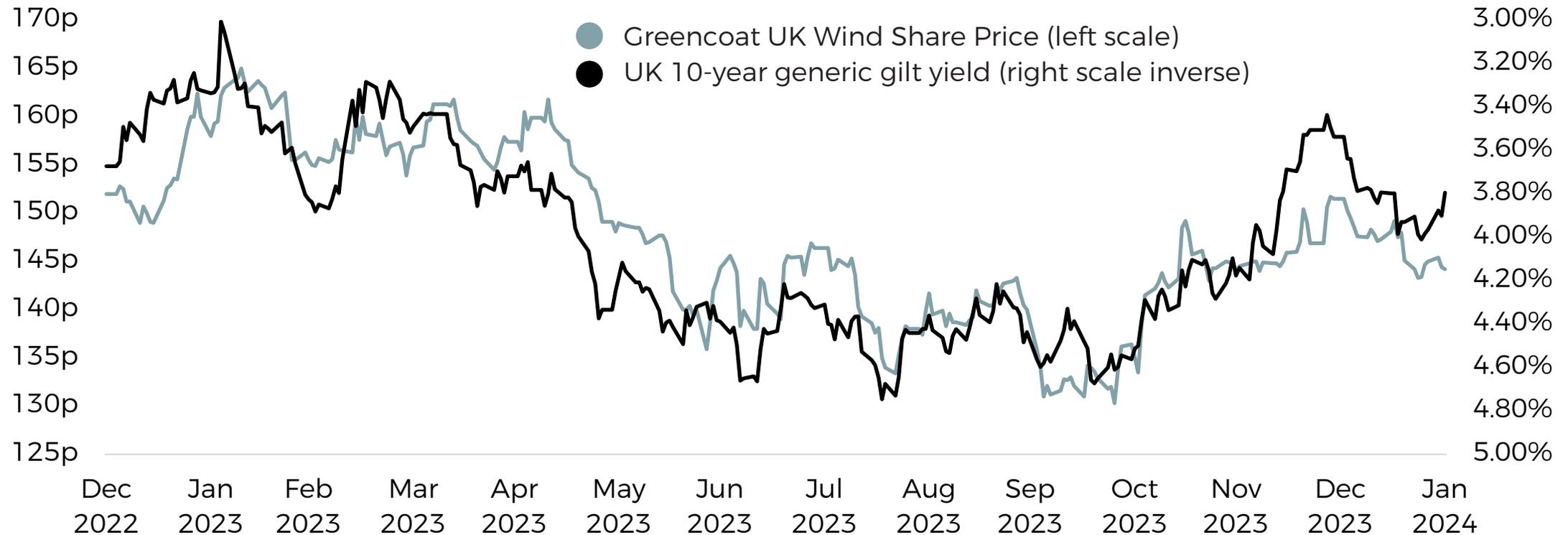


S&P Clean Energy Index vs Bonds 2023



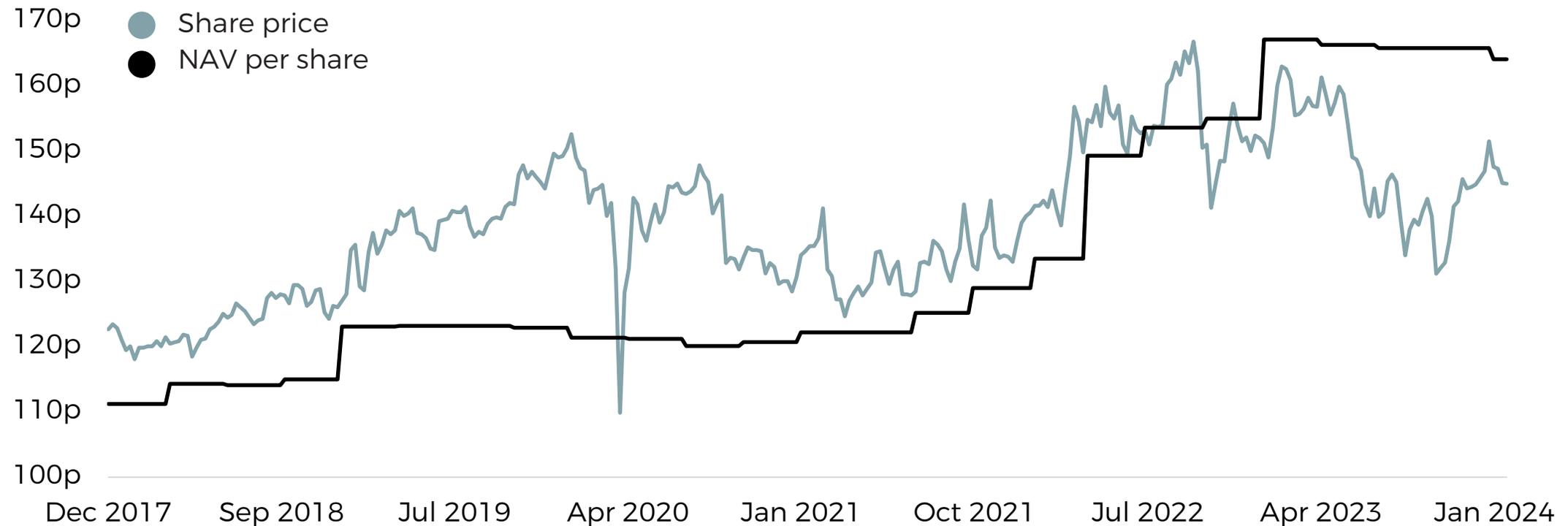
Clean energy sector has shown a high degree of correlation to bond yields in 2023

Greencoat UK Wind 2023 share price vs 10 year Gilt yield



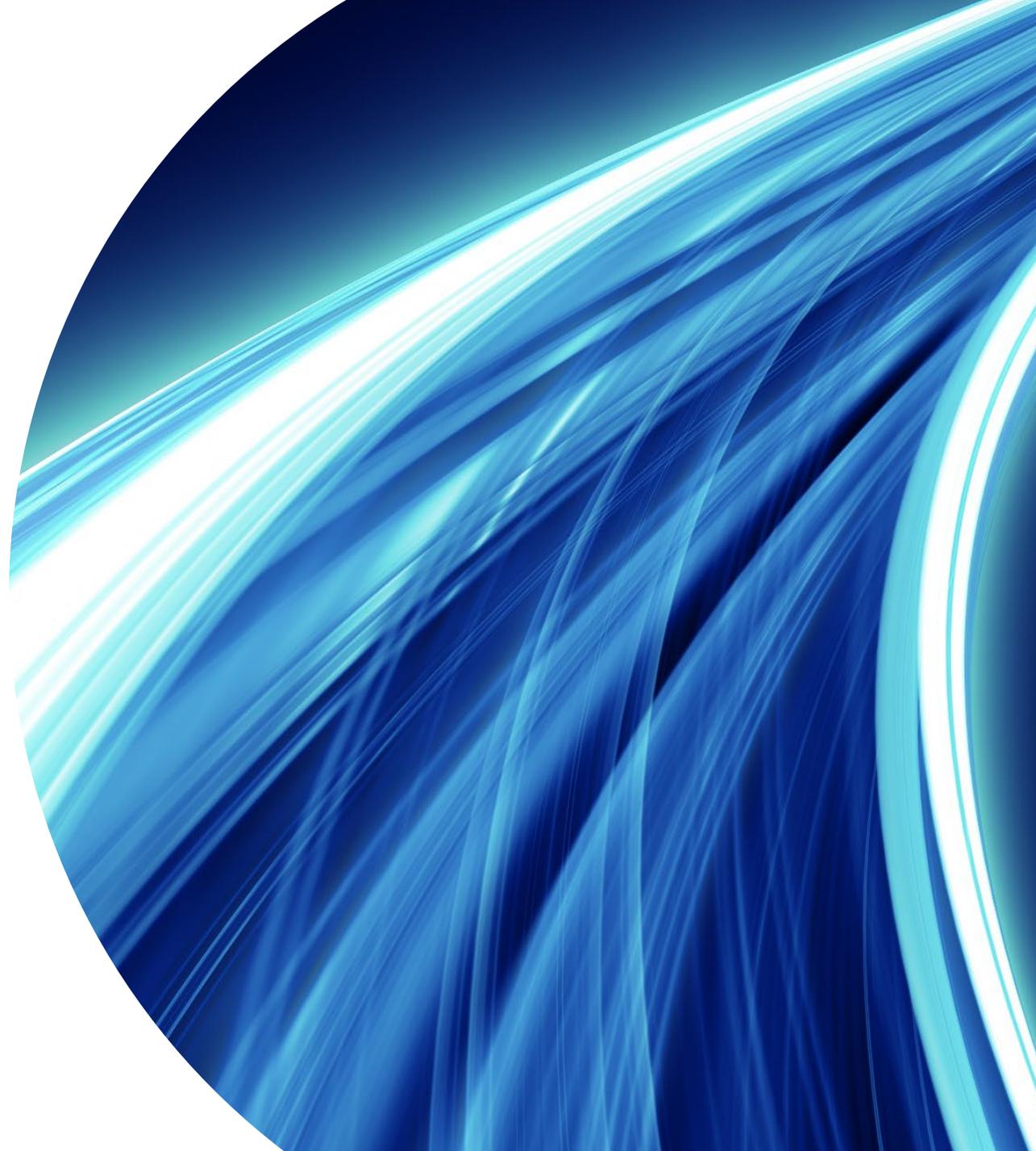
Renewable energy investment companies traded with high correlation to gilt yields in 2023

Greencoat UK Wind, net asset value per share vs share price

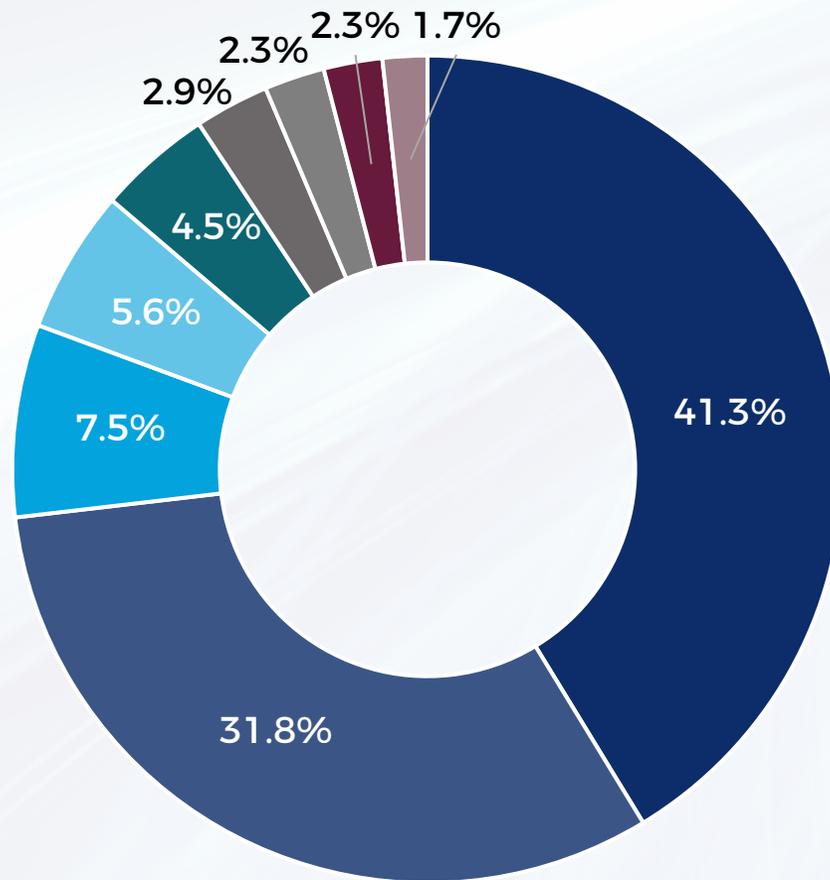


Greencoat's share price has moved to a NAV discount

Investment strategy and portfolio

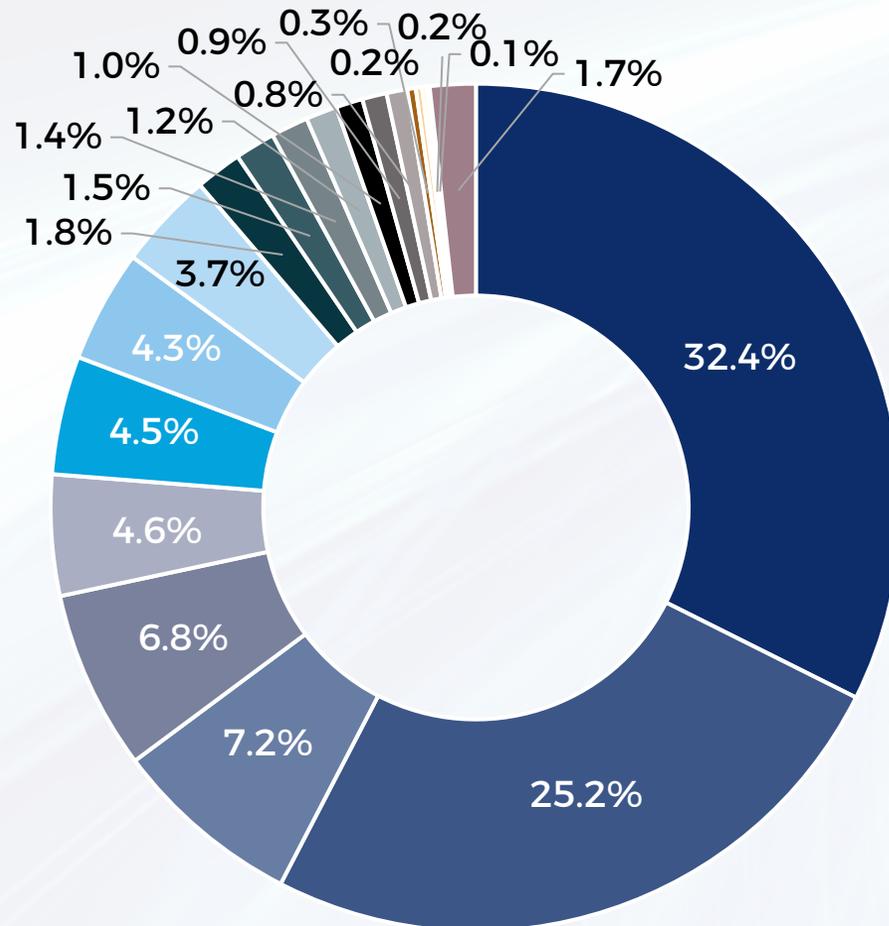


Sector segmental



- Yieldcos & funds
- Renewable energy developers
- Renewable focused utilities
- Biomass generation and production
- Energy storage
- Electricity networks
- Renewable technology and service
- Renewable financing and energy efficiency
- Cash/Net Current Assets

Segmental by technology

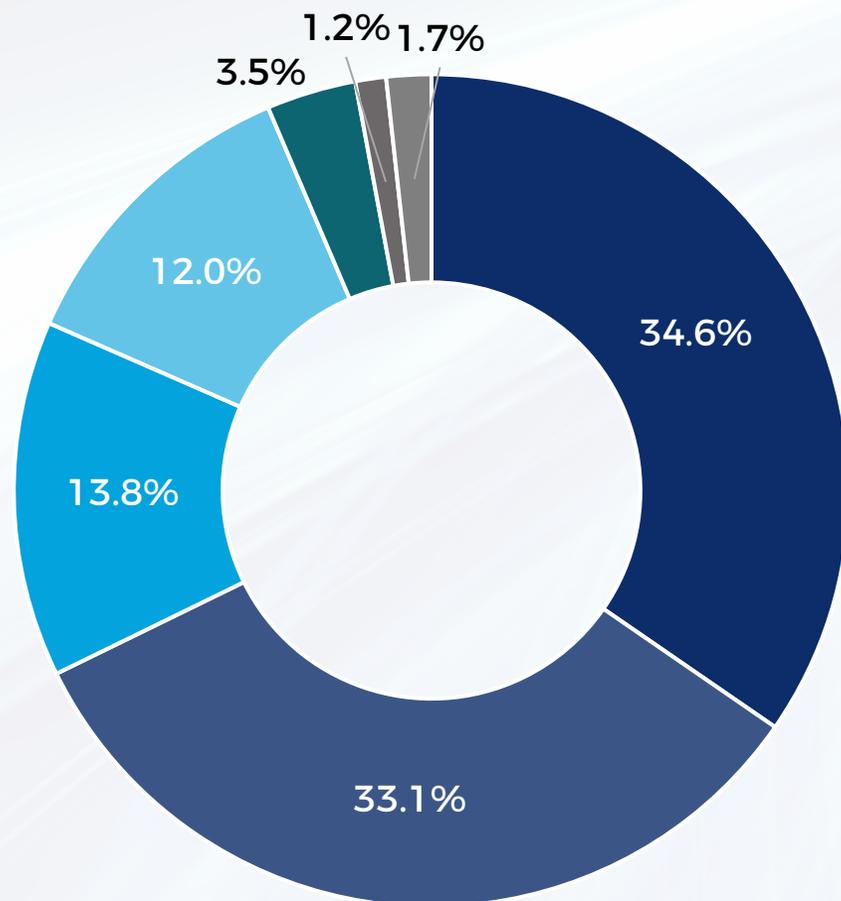


- Solar
- Onshore wind
- Offshore wind
- Flexible & conventional generation / CHP
- Battery storage
- Biomass production & generation
- Electricity networks
- Turbine installation vessels
- Hydro
- Unclassified / non-renewable
- Gas networks
- Hydro storage
- Geothermal
- Waste to Energy / Anaerobic digestion
- Energy retail / trading
- Gas storage
- Energy efficiency
- Hydrogen
- Non specified renewable development
- Cash

Source: Premier Miton, data as at 31.01.2024. Chart shows the estimated "look-through" technology exposures of the aggregated investment portfolio. Individual holdings have been divided into component parts based on relevant profit contributions, share of asset value, generation volume or capacity, based on published corporate data spanning 2022 and 2023 as appropriate. Calculations are made at the discretion of the fund manager based on a subjective analysis of published data. This analysis is intended as a guide only and is not a definitive statement of position.

Asset allocation may be above or below 100% due to rounding.

Geographic allocation



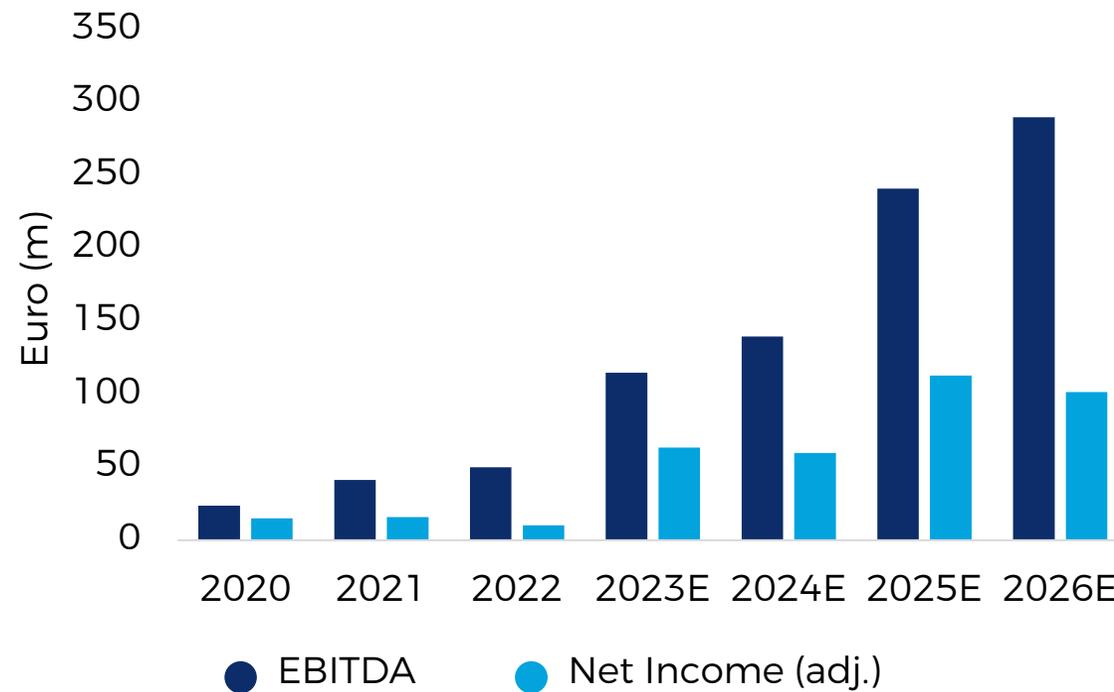
- United Kingdom
- Europe (ex. UK)
- Global
- North America
- Latin America
- China
- Cash/Net Current Assets

Source: Premier Miton, data as at 31.01.2024. Asset allocation may be above or below 100% due to rounding.

Case study:

Greenergy, growing strongly in the global solar market

EBITDA and net income progression



Investment arithmetic (Bloomberg consensus)

	2023	2024e	2025e
P/E	16.3x	16.9x	9.2x
EV/EBITDA	13.2x	10.8x	6.3x
Price/Book	3.2x	2.6x	2.1x
Return on equity	22.5%	16.3%	25.9%

Case study:

Greenergy, growing strongly in the global solar market

Developer model, track record selling projects at 1.5x EV/IC over 2017-2023¹

Retains profits for equity investment in owned assets

Allows development of substantial asset base with low initial equity requirement

1.7 GW solar capacity at Nov 23, target 3.5 GW solar capacity plus 3.0 GWh battery capacity by 2026²

Source: Greenergy reports, Bloomberg consensus forecast, data as at 13.12.2023. Notes: ¹EV/IC = Enterprise Value on sale / invested capital.

²Capacity stated as operational + under construction.

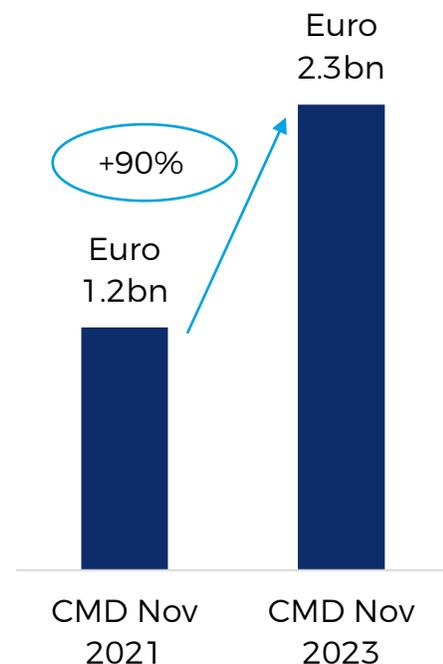
Forecasts are not reliable indicators of future returns.



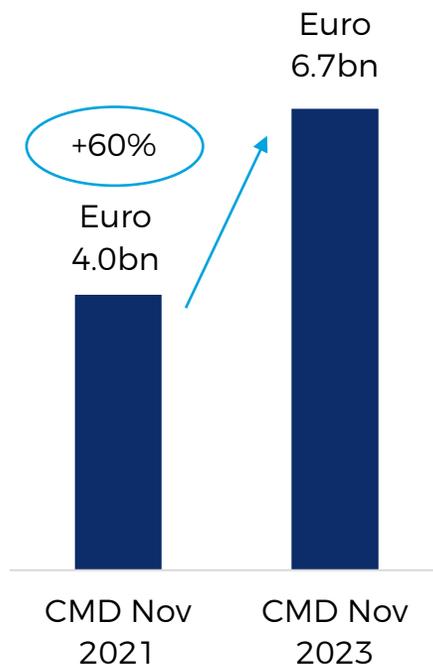
Case study:

RWE has not benefitted from forecasted higher earnings

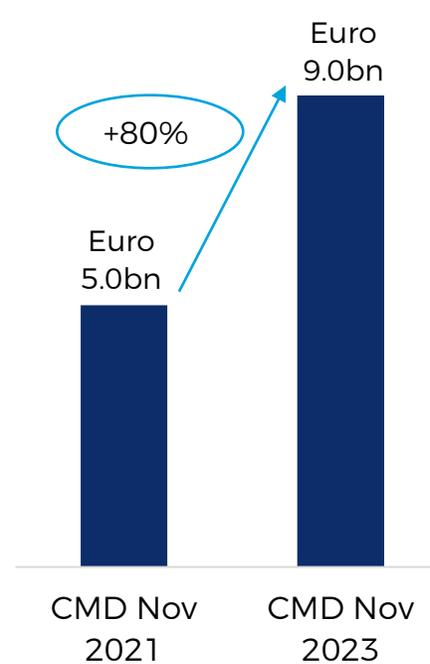
2027 Net income guidance



2027 EBITDA guidance



2030 EBITDA guidance



Market capitalisation



RWE's market cap flat despite substantial increase in future growth and earnings from prior expectations

Source: RWE reports, Capital Markets Day 2023, published 28.11.2023. RWE Annual report 2021. Bloomberg as at 31.01.2024. Forecasts are not reliable indicators of future returns.

Q&A / Thank you

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Watch our videos on **Asset TV**

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The background of the image is a dynamic, abstract composition of glowing blue and cyan light trails. These trails are curved and layered, creating a sense of motion and depth, reminiscent of a high-speed race track or a futuristic data visualization. The colors transition from a bright cyan at the top left to a deep, dark blue at the bottom right.

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