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Drax Group PLC
17 September 2026

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Drax Group plc
(“Drax”, “the Group”, “Drax Group”, “the Company”; Symbol: DRX)

Trading Update – upgraded outlook for 2026 EBITDA

Highlights

- Continued strong operational performance across the Group since H1 results
- Successful completion of Bluefield Solar Income Fund (BSIF) acquisition
  - Completed 31 July 2026
  - 0.9GW of operational solar and wind, with a pipeline of 2.9GW of solar and BESS[1]
  - Targeting returns significantly in excess of WACC
  - Integration plan progressing
- Full year 2026 expectations for Adj. EBITDA[2] around top of range of consensus estimates[3]

Drax Group CEO, Will Gardiner, said: “Our strong operational performance has continued into the second half of 2026, as our generation assets have helped meet power demand through the summer heatwave, turning up and turning down as required to help balance the system.

“At the same time we are investing for the future in UK energy security, growing our megawatts under management and transitioning Drax into a broader business at the heart of the UK energy system, whilst keeping the lights on for millions of households across the country.

“The addition of BSIF brings significant benefits to the Group and the integration is going well. Alongside the rest of our portfolio, BSIF gives us a fantastic opportunity to grow our asset base and system services further.

“This is an exciting time for Drax and through our plans for solar, batteries, OCGTs, hydro and 4GW of grid access at our Selby site, we are helping to drive economic growth across the country and support jobs, aligned to the priorities of the UK Government.”

Successful completion of BSIF acquisition

On 31 July 2026 the Group completed the acquisition of BSIF for £561 million, with an enterprise value of £1,082 million.

Drax believes that the acquisition of BSIF supports the Group’s strategy to broaden its range of generation technologies, providing an attractive opportunity to grow its UK renewable generation business while being highly complementary to its Flexible Generation (Flexgen) and Biomass businesses, bringing total capacity under management for the Group to c.6.1GW.

BSIF’s operational portfolio consists of c.0.8GW of solar and c.0.1GW of onshore wind across over 250[4] assets in England, Scotland, Wales and Northern Ireland. The portfolio benefits from strong earnings visibility with revenues comprised of long-term index-linked renewable schemes, with the balance from contracted power purchase agreements.

Operationally, the Group expects to deliver additional benefits from the BSIF portfolio by operating it alongside the Group’s existing Flexgen portfolio, to deliver greater value from the Group’s asset optimisation, trading and marketing capabilities, including route to market services and wholesale and origination in renewables.

BSIF has a gross development pipeline of 2.9GW comprised of c.2.0GW of BESS and c.0.9GW of solar, which Drax will assess alongside its existing pipeline of development opportunities, in line with its capital allocation policy.

Of these options, c.0.5GW[5] of solar has long-term (15-20 year) CfD agreements in place, with strike prices of c.£69/MWh - £74/MWh (2026 real, linked to CPI). If developed, these investments can support growth in the Group’s megawatts under management and provide further long-term revenue visibility and incremental Adjusted EBITDA, once fully operational. Around 0.2GW of the 0.5GW is in near-term development but remains subject to a final investment decision. These projects, if developed, could enter service in 2028.

Integration plan for BSIF

Drax expects to operate BSIF as a dedicated Solar & Wind segment within the Group, alongside its Flexgen and Biomass businesses. The Group plans to adjust its reporting segmentation from 2027 to reflect this.

Drax expects to integrate the operation of the BSIF portfolio and its development pipeline into its own commercial and governance processes.

The Group is continuing to assess the potential acquisition of all or part of the business of Bluefield Partners LLP and Bluefield Services Limited and its subsidiaries, which currently provide asset management, operations and maintenance, and pipeline development services to BSIF.

Synergy benefits from acquisition of BSIF

The Group expects to deliver significant synergy benefits from the acquisition, including improved pricing associated with the management of contracted power positions, as well as improved route to market access. For example, the Group already provides route to market services for c.2,000 small renewable assets with c.0.8GW of capacity, as part of its Energy Solutions business, which generate Adjusted EBITDA of c.£5-10 million per year. The BSIF portfolio of 0.9GW is comparable in size.

Cost synergies also include savings associated with delisting BSIF from the London Stock Exchange, lower management costs associated with utilising the Group's existing platform to manage the enlarged portfolio, and lower costs associated with market access and balancing costs.

Funding and balance sheet

The Group drew £0.8 billion under a committed bridge facility to fund the BSIF acquisition and repay £0.3 billion of existing BSIF facilities. The Group has retained £0.2 billion of BSIF facilities in addition to facilities held by Lyceum Solar (a joint venture in which BSIF holds a 25% stake, with the remaining 75% held by GLIL Infrastructure, a partnership of UK pension funds, investing into core UK infrastructure).

Drax expects to refinance the bridge facility in due course.

2026 full year expectations

Adjusted EBITDA

Inclusive of BSIF from 1 August 2026, and a strong performance across the Group in July and August, including system support activities, Drax now expects 2026 full year Adjusted EBITDA to be around the top of the range of consensus estimates[3]. Full year expectations remain subject to continued good operational performance.

Capital expenditure

The Group's total capital expenditure expectation for 2026 remains £210-250 million, inclusive of the BSIF portfolio.

The decision to develop new BSIF solar capacity as outlined above could result in incremental investment in 2026.

Net debt

The Group targets a long-term Net debt to Adjusted EBITDA ratio of around 2 times. In 2026 the Group expects to be above this level, inclusive of the acquisition of BSIF, before de-levering to around its long-term target level by the end of 2027.

Generation contracted power sales

As at 15 September 2026, Drax had over £1 billion of contracted forward power sales between 2026 and 2028 on its Renewables Obligation (RO) biomass, pumped storage and hydro generation assets, with over £800 million of associated ROCs. Since its last update on 30 July 2026, the Group has continued to support the UK energy system through the summer heatwave, optimising output to meet demand, adding 0.3TWh (net) to this position at an average price of £175.9/MWh.

Contracted power sales as at 15 September 2026	**2026**	**2027**	**2028**	**Total**
Net RO, hydro and gas (TWh)[6]	*11.6*	*2.3*	*0.2*	***14.2***
Average achieved £ per MWh[7]	*85.2*	*85.0*	*70.5*	***84.9***
Contract for Difference (CfD) (TWh)[8]	*3.6*	*1.1*	*-*	***4.7***

Data centre

The Group is continuing to develop options for Drax Power Station including, in the long-term, a large-scale data centre, with a first phase involving a c.100MW front-of-the-meter data centre. The Group is continuing to develop a planning application for the first phase which it aims to submit to the planning authorities in the coming months.

Biomass operations

The Group has now substantively contracted all external volumes required for Drax Power Station during the period of the new low carbon CfD agreement (April 2027 to March 2031).

Other matters

On 23 November 2026, the Group expects to host a Capital Markets Day, which will provide more detail on its plans for growth through the decade.

Notes:

(1) 2.9GW gross pipeline comprised of c.2GW BESS and 0.9GW solar. BSIF's share of this pipeline is 1.8GW comprised of 1.2GW BESS and 0.6GW solar.
(2) Earnings before interest, tax, depreciation, amortisation, excluding the impact of exceptional items and certain remeasurements.
(3) As of 4 September 2026, analyst consensus for 2026 Adj. EBITDA was £698 million, with a range of £680 – £711 million. The details of this consensus are displayed on the Group's website.

Consensus - Drax Global

(4) Total of 268 assets comprised of 153 solar sites, 6 wind farms and 109 single wind turbines.
(5) 0.5GW gross, BSIF share is 0.4GW.
(6) Presented net of closing out gas positions at maturity and replacing with forward power sales.
(7) Includes de minimis structured power sales in 2026, 2027 and 2028 (forward gas sales as a proxy for forward power), transacted for the purpose of accessing additional liquidity for forward sales and highly correlated to forward power prices.
(8) CfD strike price, c.£142/MWh (Apr-25 to Mar-26) and c.£147/MWh (Apr-26 to Mar-27).

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