

SSE Renewables: Company Overview & Performance

College Assignment Brief & Integrated Financial Data Analysis Report

STUDENT NAME

[Student Name]

COURSE / MODULE

Business & Energy
Economics

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FOCUS BUSINESS

SSE Renewables (SSE
plc)

£1,076.4m

2025/26 ADJ. OPERATING PROFIT
(+3.6%)

5,279 MW

TOTAL CAPACITY INCL. STORAGE
(+6.0%)

£739.0m

CAPITAL EXPENDITURE (-26.2%)

1. INTRODUCTION

The renewable energy sector has become increasingly important as governments, businesses, and communities respond to climate change, energy security concerns, and the need to reduce reliance on fossil fuels. Renewable energy companies are therefore expected to provide reliable electricity while managing investment costs, environmental responsibilities, and changing market conditions.

This assignment focuses on SSE Renewables, a renewable energy business within SSE plc, a British energy group. SSE Renewables develops, constructs, and operates renewable energy projects, including onshore and offshore wind farms, hydroelectric power facilities, and battery energy storage. The purpose of this assignment is to introduce the company, describe its main activities, and consider its business strategy, financial performance, sustainability responsibilities, and future challenges.

2. COMPANY BACKGROUND

SSE Renewables operates mainly in the United Kingdom and Ireland, with activities in selected international markets. Its portfolio includes wind and hydroelectric generation, alongside energy storage projects that can help balance electricity supply and demand. These activities are relevant to the wider transition towards a lower-carbon energy system.

The company forms part of SSE plc, so it is important to distinguish between information about SSE Renewables and the consolidated results of the parent group. SSE plc's annual report provides a useful source for understanding the Renewables business, but figures should be attributed to the correct business segment rather than presented as if they describe the entire group or a separate standalone company.

3. BUSINESS ACTIVITIES AND STRATEGY

SSE Renewables' central business activity is the development and operation of renewable electricity generation assets. Wind farms use wind to generate electricity, while hydroelectric facilities use the movement of water. Battery storage can support the electricity system by storing energy and releasing it when needed. Together, these technologies can contribute to a more flexible and lower-carbon electricity supply.

A major strategic consideration for the business is investment. Renewable energy projects often require substantial capital before they begin generating revenue, and their development can take several years.

4. FINANCIAL PERFORMANCE & ANNUAL REPORT DATA

An annual report is an important source for evaluating a company's financial performance because it provides information about operating results, investment, risks, and strategic priorities. When reviewing SSE Renewables, useful measures include adjusted operating profit, reported operating profit, capital expenditure, renewable generation capacity, and electricity generated.

SSE plc's Annual Report 2026 reports that SSE Renewables' adjusted operating profit increased from £1,038.8 million in 2024/25 to £1,076.4 million in 2025/26 (+3.6%). Reported operating profit rose from £617.6 million to £725.3 million (+17.4%), while capital expenditure decreased from £1,001.8 million to £739.0 million (-26.2%). The primary financial performance metrics from the SSE Annual Report Data file are summarized below:

Table 1: Financial Summary & Segmental Performance (2024/25 vs 2025/26)

Financial Metric	2024/25 (£m)	2025/26 (£m)	YoY Change (%)
Adjusted Operating Profit	£1,038.8	£1,076.4	+3.6%
Reported Operating Profit	£617.6	£725.3	+17.4%
Capital Expenditure (CapEx)	£1,001.8	£739.0	-26.2%
Onshore Wind Operating Contribution	£412.5	£438.1	+6.2%
Offshore Wind Operating Contribution	£385.2	£402.9	+4.6%
Hydro & Battery Storage Contribution	£241.1	£235.4	-2.4%

Table 2: Renewable Generation Capacity & Asset Breakdown

Asset Type / Technology	2024/25 (MW)	2025/26 (MW)	Net Change (MW)
Onshore Wind Capacity	2,014 MW	2,150 MW	+136 MW
Offshore Wind Capacity (Attributable)	1,518 MW	1,629 MW	+111 MW
Conventional Hydroelectric	1,150 MW	1,150 MW	0 MW
Pumped Storage Hydro	300 MW	300 MW	0 MW
Battery Energy Storage (BESS)	0 MW	50 MW	+50 MW
Total Generation Capacity (incl. Storage)	4,982 MW	5,279 MW	+297 MW

These figures suggest that profitability and overall renewable generation capacity increased during the period, while investment spending was lower than in the previous year. However, lower capital expenditure does not automatically indicate weaker performance: spending can change depending on the timing and construction stage of major projects. Adjusted and reported operating profit also use different accounting treatments, so they should not be treated as interchangeable. A balanced analysis should consider these figures alongside project delivery, operating costs, weather conditions, electricity prices, and longer-term investment plans.

Table 3: Renewable Electricity Generation Output Summary

Generation Output Category	2024/25 (GWh)	2025/26 (GWh)	YoY Change (%)
Onshore Wind Output	4,812 GWh	5,045 GWh	+4.8%
Offshore Wind Output	4,210 GWh	4,520 GWh	+7.4%
Hydroelectric Output	3,450 GWh	3,280 GWh	-4.9%
Total Electricity Generated	12,472 GWh	12,845 GWh	+3.0%

5. SUSTAINABILITY & CORPORATE RESPONSIBILITY

Sustainability is central to the purpose of a renewable energy business. By generating electricity from wind and water, SSE Renewables can help reduce dependence on fossil fuels and contribute to lower-carbon electricity generation. Energy storage may also help integrate variable renewable sources into the electricity system.

Nevertheless, renewable energy projects can have environmental and social impacts that need to be managed carefully. Wind and hydroelectric developments may affect landscapes, habitats, wildlife, local communities, and land or water use. Responsible development therefore requires appropriate environmental assessment, engagement with communities, compliance with planning requirements, and monitoring throughout a project's life cycle. Sustainability should be assessed not only by the type of energy generated but also by how projects are planned, built, operated, and eventually decommissioned.

6. CHALLENGES & OPPORTUNITIES

SSE Renewables has opportunities to benefit from continued demand for low-carbon electricity and investment in renewable infrastructure. Offshore and onshore wind, hydroelectric generation, and storage can all contribute to the development of a more diverse electricity system. Technological improvements and effective project management may also improve asset performance over time.

At the same time, the business faces challenges including construction delays, supply-chain pressures, changing financing costs, planning decisions, grid constraints, and shifts in electricity-market conditions. Wind and hydropower output can also vary with weather and water availability. Careful financial planning, risk management, stakeholder engagement, and operational efficiency are therefore essential to long-term success.

7. CONCLUSION & REFERENCES

SSE Renewables is a relevant company for studying the relationship between business strategy, financial performance, and sustainability. The financial and operational indicators for 2025/26 show an increase in operating profit alongside growth in renewable capacity to 5,279 MW and total generation output to 12,845 GWh. Overall, SSE Renewables' future performance will depend on its ability to deliver projects effectively, manage costs, maintain responsible environmental practices, and respond to energy market shifts.

Source References & Academic Note

- **SSE plc (2026)** *Annual Report 2026*. Available at: <https://www.sse.com/investors/annual-report-2026/> (Accessed: 24 October 2026).
- **SSE Renewables (n.d.)** *Our Strategy*. Available at: <https://www.sserenewables.com/who-we-are/our-strategy/> (Accessed: 24 October 2026).
- **Companies House (n.d.)** *SSE Renewables Limited: filing history*. Available at: <https://find-and-update.company-information.service.gov.uk/company/SC435847/filing-history> (Accessed: 24 October 2026).

