



# Investor presentation

H1 2017 results

September 26, 2017



# Speakers of the day



Sébastien CLERC  
*Chief Executive Officer*

Joined Voltalia **in 2011**

- **28 years** of experience in the infrastructures and renewable sector and former founder and head of *Natixis Environnement Infrastructures*



Marie de LAUZON  
*Chief Administrative Officer*

Joined Voltalia **in 2014**

- **15 years** of experience in investment banking, consulting and asset management and 3 years of experience in the renewable sector





# H1 2017 highlights





# Agenda

A growing independent renewable energy player

Update on the integration of services activities

H1 2017 highlights

Financials

Roadmap



A growing independent  
renewable energy player



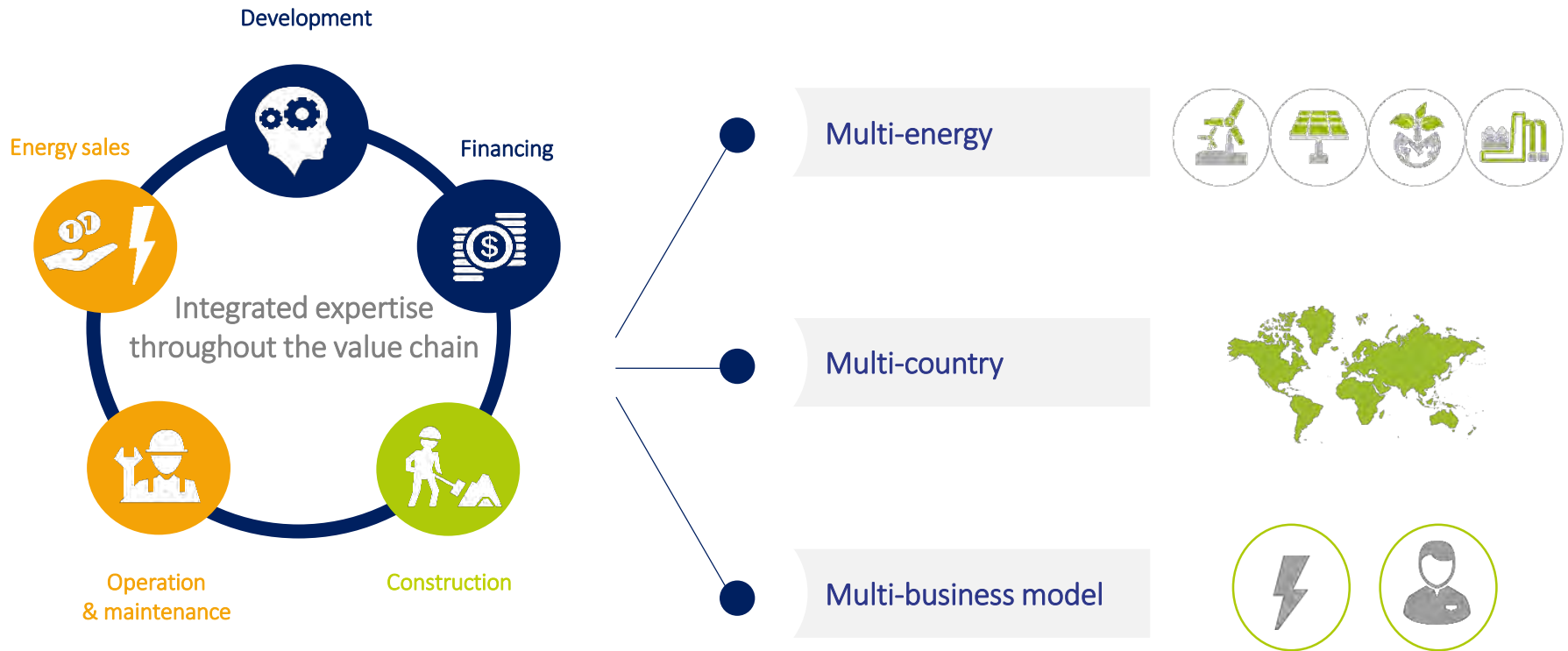


Improve global environment  
Foster local development





# Our M<sup>3</sup> positioning

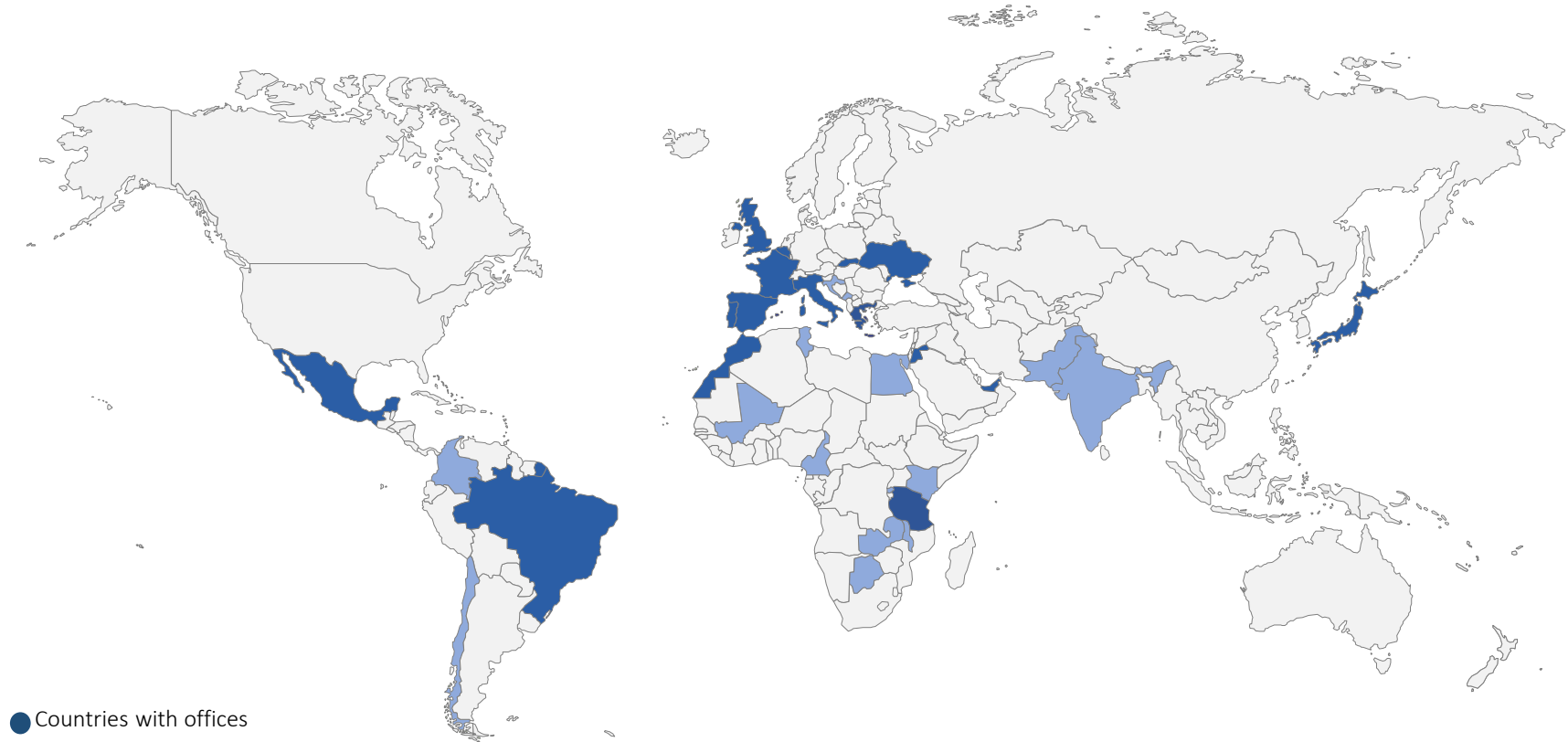


A WIDE RANGE OF EXPERTISE TO SELECT THE BEST OPPORTUNITIES





# Diversified footprint combined with a global reach



● Countries with offices

● Coverage

**BELGIUM-BRAZIL-METROPOLITAN FRANCE-FRENCH GUIANA-GREECE-ITALY-JAPAN-JORDAN-MEXICO-  
MOROCCO-NORTHERN IRELAND-PORTUGAL-SLOVAKIA-SPAIN-TANZANIA-UK-UAE-UKRAINE**  
BOTSWANA-CHILE-CROATIA-COLOMBIA-CAMEROON-EGYPT-INDIA-KENYA-MALAWI-  
MALI-MONTENEGRO-PAKISTAN-RWANDA-TUNISIA- ZAMBIA



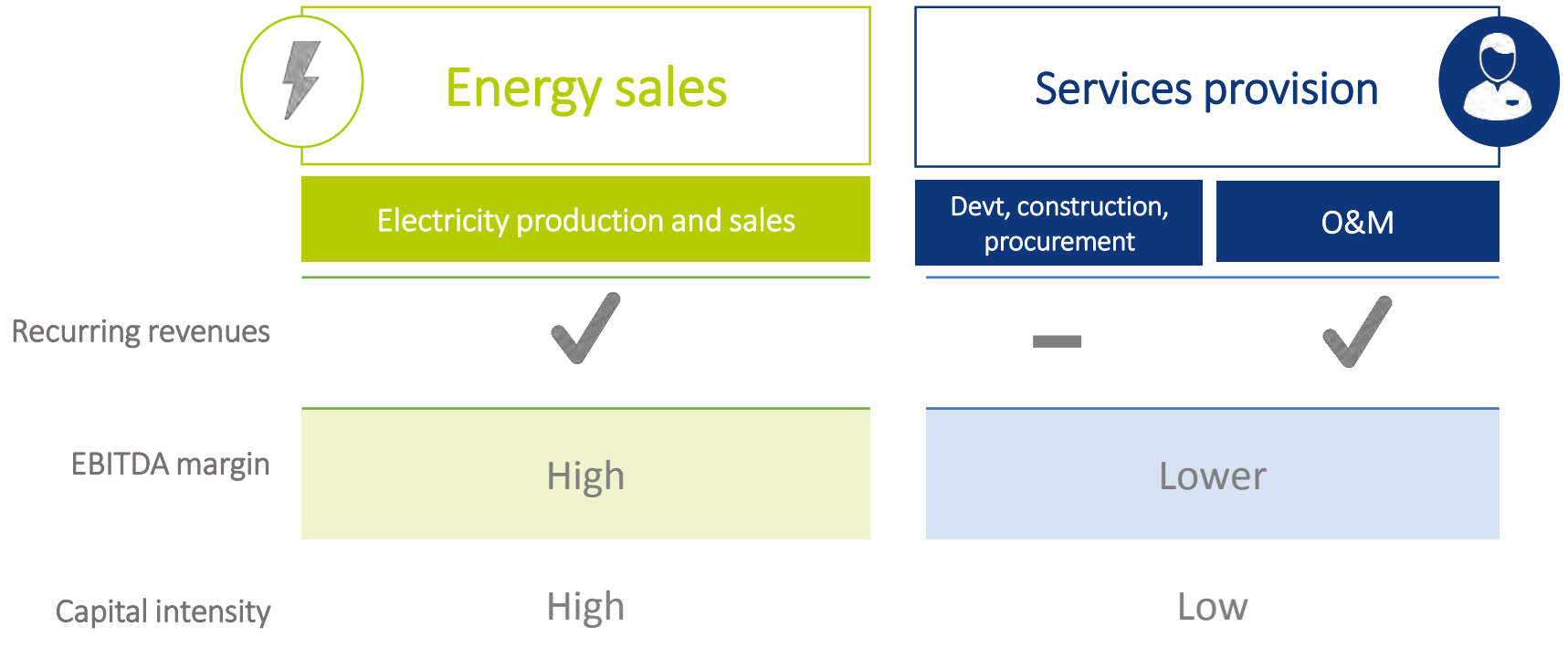


Update on the integration  
of services activities



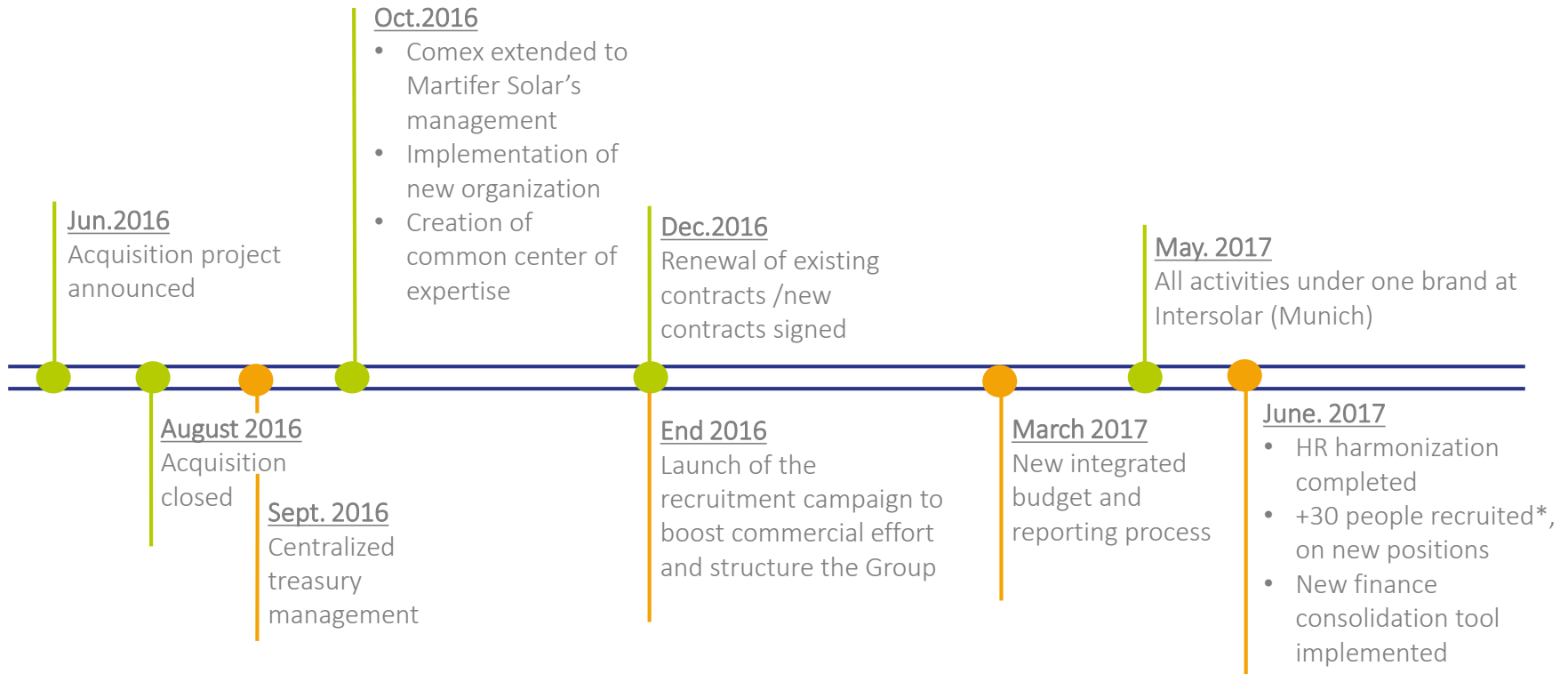


# The two pillars of our model





# Update on Martifer Solar integration



A seamless integration process

Scaling-up services and structuring the Group to support future growth

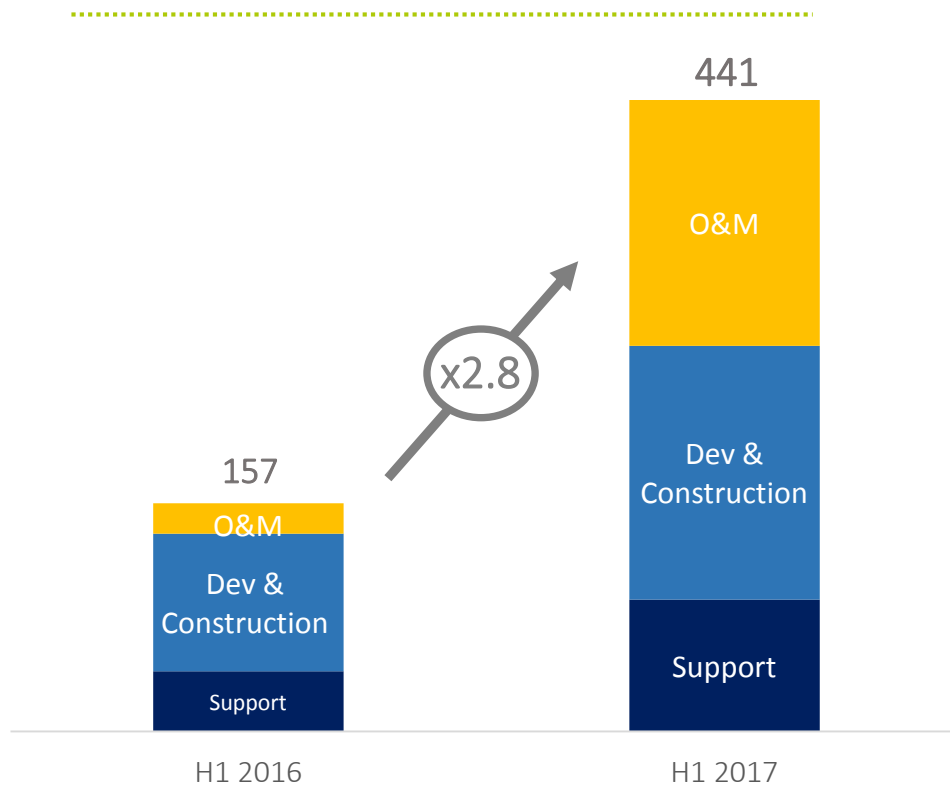
\* Net new hires from June 30, 2016 to June 30, 2017





# Commercial effort and structuring of the Group

Headcount evolution



\* Mostly center of expertise

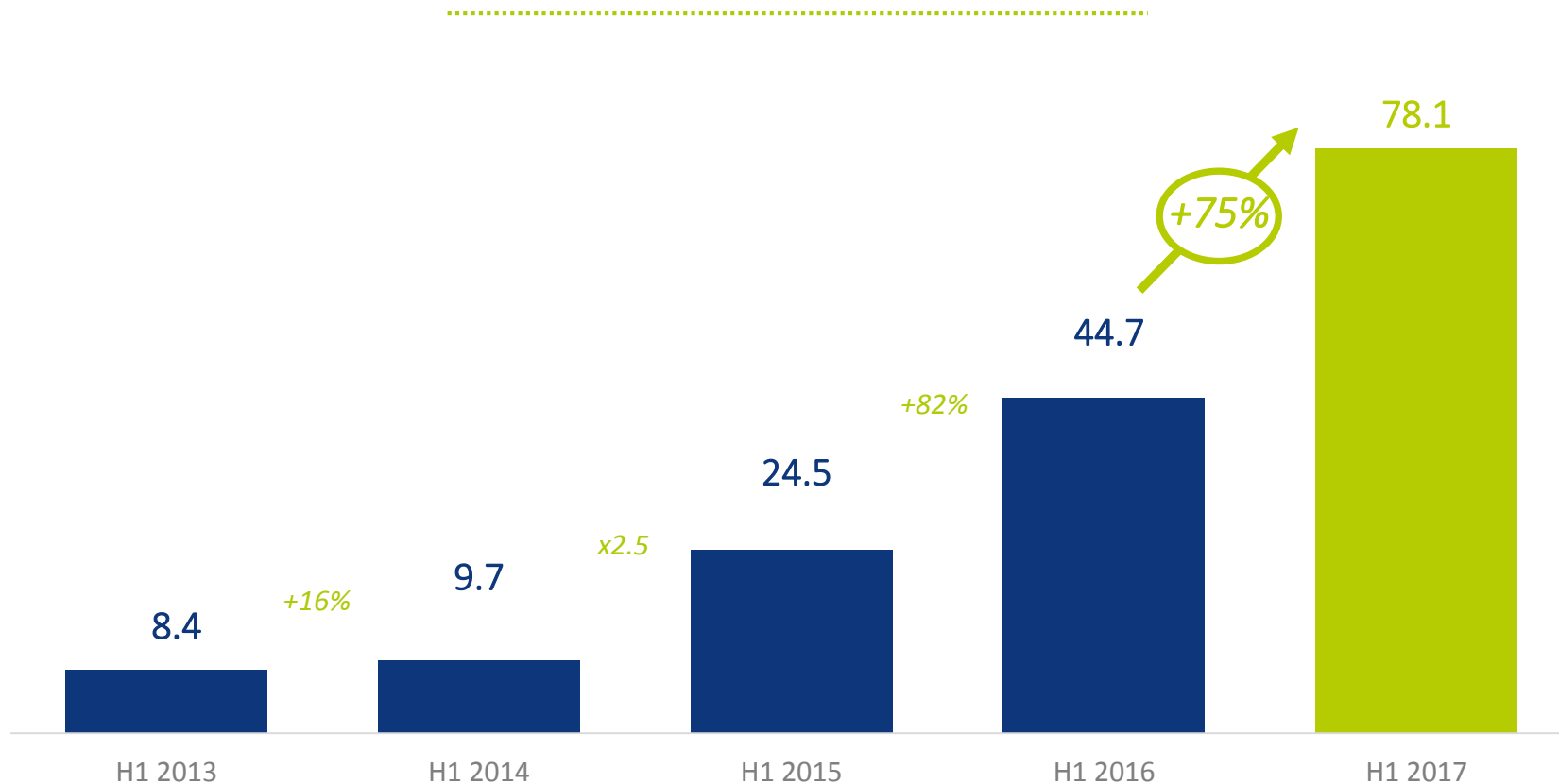
- **Tripling of teams** between H1 2016 and H1 2017 including:
  - **250+ people** from the addition of Martifer Solar
- Recruitment campaign to sustain **commercial effort in services** and structure the Group
  - **30 net new hires** since January, mostly in Q2





# Confirmed growth dynamic

Half-year revenues (in €m)



# H1 2017 highlights






# Energy sales: continued profitable growth


In million euros (before eliminations)	06/30/2017	06/30/2016	Variation
Revenues	60.4	44.3	+36.5%
EBITDA	35.4	27.6	+28.4%
% EBITDA margin	58.6%	62.2%	

## Highlights


- Contribution of Vila Para and Vila Acre (126 MW) in the **Serra Branca cluster**
- **Good profitability maintained**, slight decline due to one-offs, notably in French Guiana

## New developments since January 2017

 Start of the construction of three new solar plants in France (22.4 MW)

 Start of the construction of first solar PV plant in Oiapoque, Brazil (4 MW)

 Biomass project (5.1 MW) secured in French Guiana

 Two winning solar projects in France within the “CRE IV” national public tender (8 MW)





# High visibility maintained in energy sales

89%

A MINOR SENSITIVITY TO SUPPORT POLICIES

*Share of Voltalia's installed capacity generating electricity at a competitive price\**

LONG-TERM SECURED REVENUES

*Average residual maturity of long-term electricity sales contracts\**

18  
years

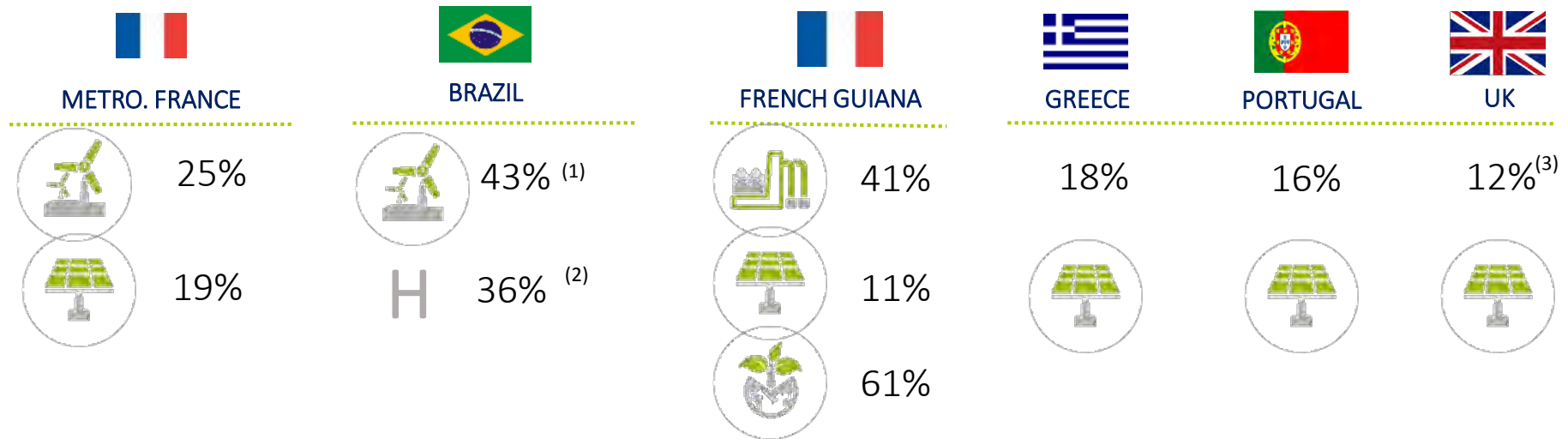
\*As of June 30,2017







# Best-in-class load factors



## Better operational performance expected in H2 2017:

- Seasonality effect
- Already +28% average production in July and August

Note: 2017 actual load factors

(1) Excluding SMG (connected end of June) and Vila Acre (fully commissioned in Q3 2017)

(2) Hybrid power plant (diesel + hydro)

(3) Solar power plant to be sold





# Scaling-up services activities

In million euros (before eliminations)	06/30/2017	06/30/2016	Variation
Revenues	23.8	4.5	x5.2
EBITDA	(1.7)	(0.2)	
% EBITDA margin	(7.2)%	(4.0)%	

## Highlights

- **Services revenue fivefold increase:** revenues from third-party plus internal revenues
- Profitability mixed performances:
  - Positive margin in O&M: recurring business
  - Devt/ Construction negative margin: delay between commercial efforts and revenue increase

## New developments since January 2017



**Development:** sale of a solar project in Japan (2.2 MW)



**Construction contract:** Tanzania (5 MW)

### O&M contracts



- Renewals in Europe (Portugal, Spain, Italy)
- New contracts in Jordan (57 MW), Japan (51 MW), Greece (32 MW)



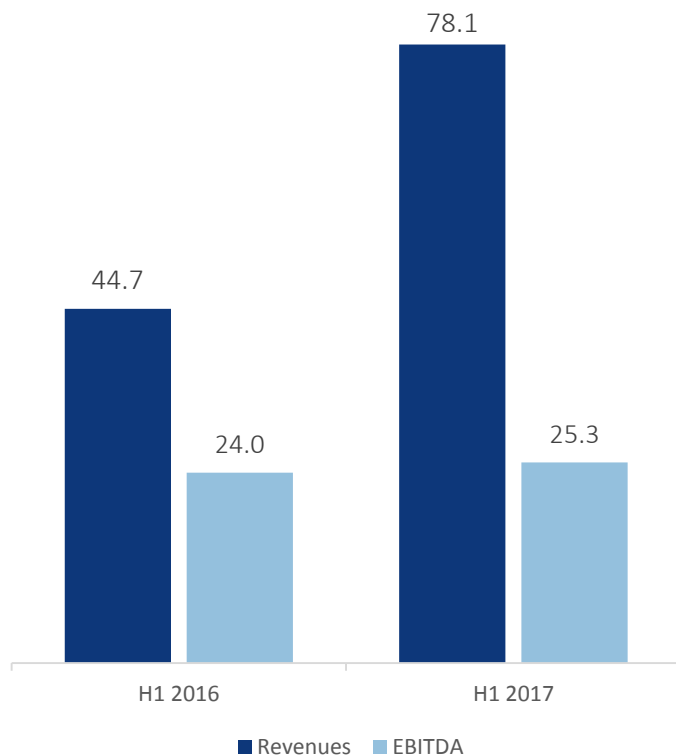
# Financials



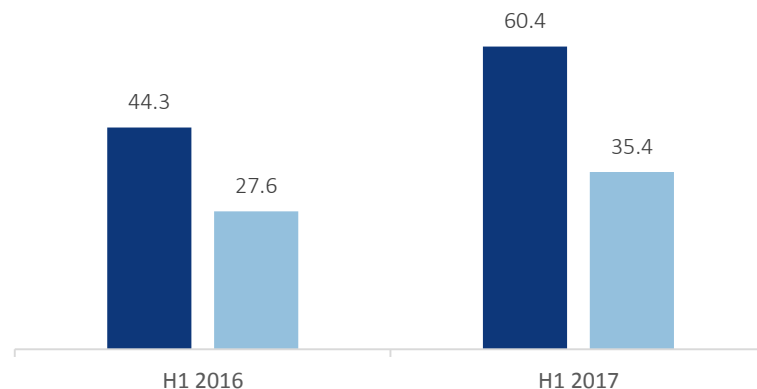


# Energy sales profitable growth, strong investments in services

Group revenues and EBITDA (in €m)



Energy sales revenues and EBITDA (in €m)



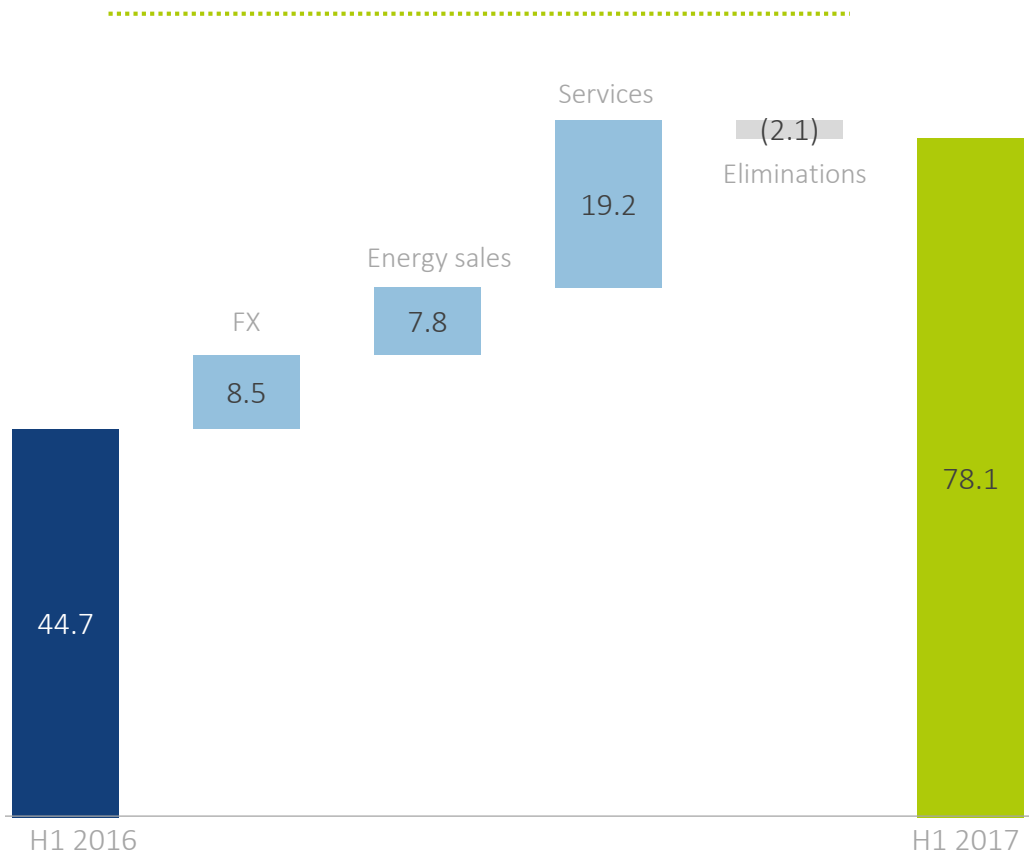
Services revenues and EBITDA (in €m)





# Energy sales organic growth and new contribution of Services

Half-year revenues (in €m)



H1 2016

H1 2017

NB: Martifer Solar consolidated in Voltalia's consolidated accounts from Aug. 1, 2016

- Energy sales growth driven by launch of **Brazilian plants** Vila Para and Vila Acre
- Delivering on **existing O&M contracts**
- Slow start to the year of **EPC & Development services**
- FX growth driven by **favorable EUR / BRL (+19%)**





# EBITDA + 5.4%, investment in future growth

Half-year EBITDA (in €m)



- Energy profitable growth
- Services: profitable O&M offset by EPC & Development investment
- Group structuring in progress



\* Other includes change in accounting method, eliminations and R&D

NB: Martifer Solar consolidated in Voltalia's consolidated accounts from Aug. 1, 2016



# Consolidated P&L

<i>(in million euros IFRS – audited data)</i>	<b>06/30/2017</b> 6 months	<b>06/30/2016<sup>1</sup></b> 6 months	<i>Variation</i>
<b>Revenues</b>	<b>78.1</b>	<b>44.7</b>	<b>+74.6%</b>
Operating expenses <sup>2</sup>	(52.8)	(20.7)	
<b>EBITDA</b>	<b>25.3</b>	<b>24.0</b>	<b>+5.4%</b>
<i>EBITDA margin (%)</i>	<i>32.4%</i>	<i>53.7%</i>	
Depreciation, amortizations and provisions	(11.1)	(6.9)	
Exceptional expenditures and expenses	(0.6)	-	
<b>Operating result</b>	<b>13.6</b>	<b>17.1</b>	<b>-20.5%</b>
Financial result	(19.2)	(11.4)	
Taxes and other minority interests	(1.6)	(2.0)	
Net income	(7.2)	3.7	
<b>Net income (Group share)</b>	<b>(6.8)</b>	<b>3.0</b>	<b>n/a</b>

- More than proportional increase in operating expenses, related to commercial effort and structuring of the Group

- D&A increase driven by new plants commissioning
- Lower D&A as a % of revenue vs. H1 2016 (14.2% vs. 15.4%)

- Cost of debt increase driven by Vila Para
- Financial result in 2016 included a non-recurring profit from investments

- Negative contribution from services, commercial relaunch

(1) Prior to Martifer Solar acquisition, consolidated as of August 1, 2016

(2) Excluding depreciations, amortizations and provisions





# Simplified balance sheet

<i>(in million euros IFRS – audited data)</i>	06/30/2017	12/31/2016
<b>Assets</b>	<b>902.4</b>	<b>966.9</b>
Fixed assets	771.4	797.7
Cash balance	56.1	101.4
Other current assets	74.9	67.8
<b>Liabilities</b>	<b>902.4</b>	<b>966.9</b>
Equity – Group share	324.8	349.8
Minority interests	65.2	74.9
Financial debt	407.4	432.1
Current and non-current liabilities (excl. financial debt)	105.0	110.1

- Decrease mostly attributable to BRL depreciation at closing rates:

BRL/EUR : 0.265 vs 0.292

- €45.3m Variation explained by:

- Cash flow from operations +22.7
- Cash flow from investment (43.2)
- Cash flow from financing (20.0)
- Currency translation impact (4.8)



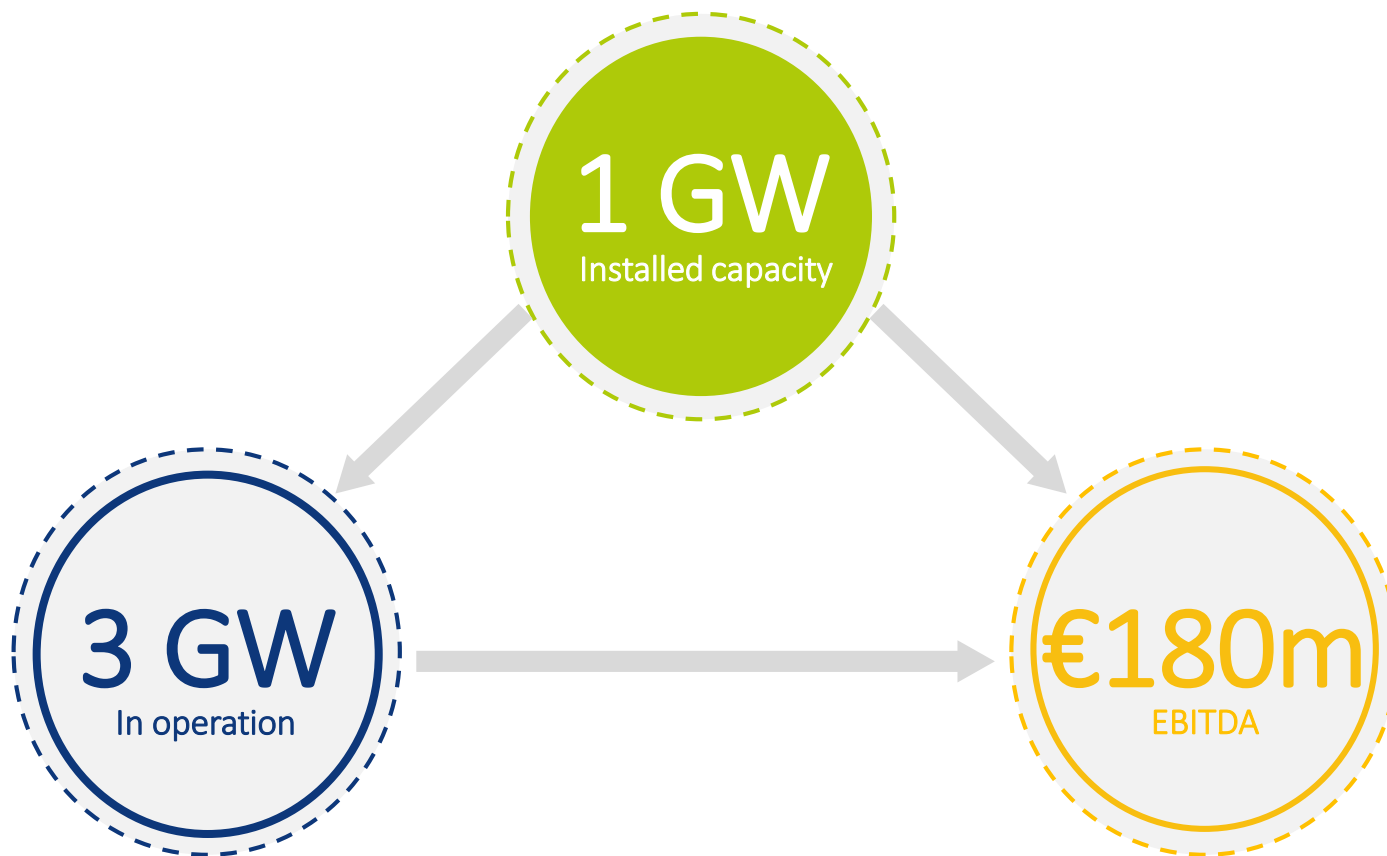


# Roadmap



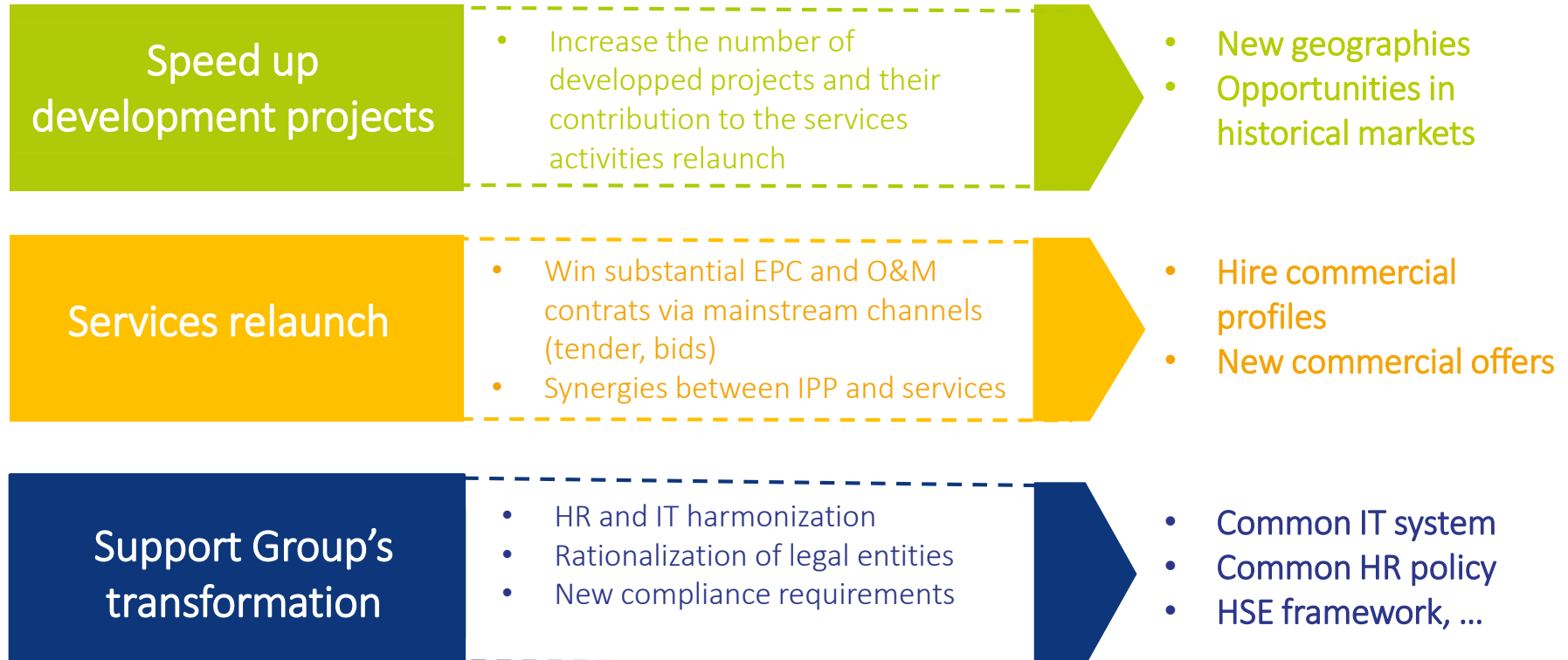


# Our 2019 ambitious targets





# Short term focus





# Short term focus

Participation to tenders, call for projects and auctions in  
multiple geographies





# Positive momentum (1/2): ongoing reshaping of the market

## International utilities diverting from conventional energies

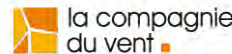
"EREN RE's momentum will allow us to accelerate our growth in solar energy and move us into the wind power market. The agreement with EREN RE is a major step [...]"

*Philippe Sauquet, President Gas, Renewables and Power at Total  
Total press release, September 2017*

"It is more profitable to build renewable power plants than operate conventional ones already depreciated"

*Francesco Starace, CEO of Enel Green power  
Il Sole 24 ore, August 2017*

## Consolidation momentum





# Positive momentum (2/2)

## An industry backed by long-term drivers

Global warming



Electricity consumption



Energy independence

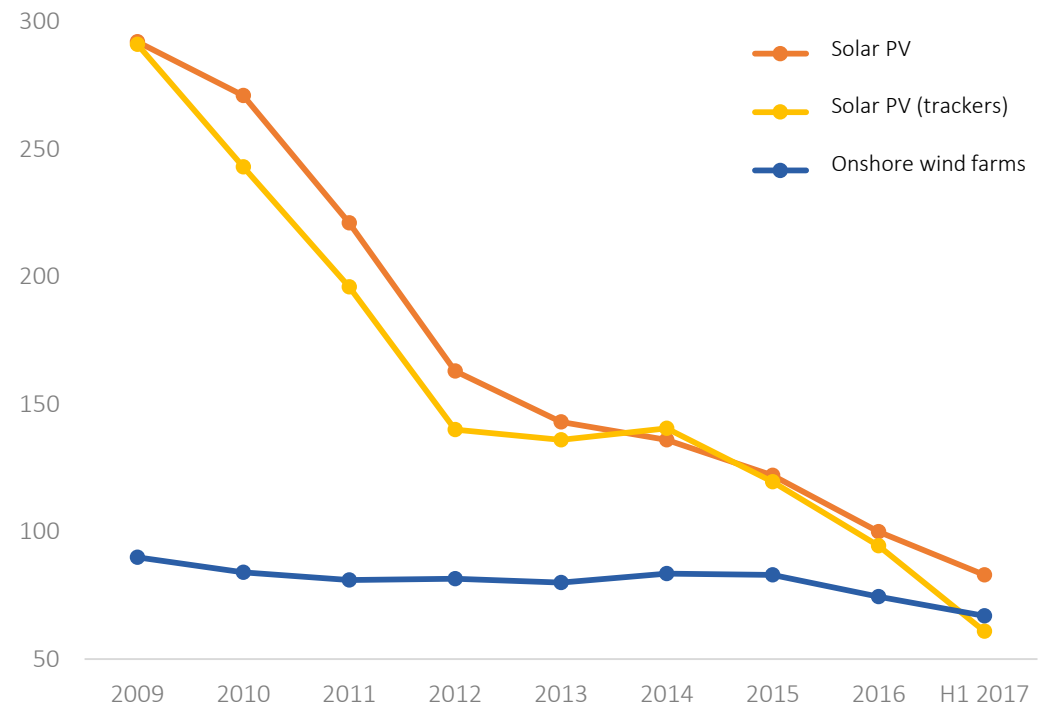


Renewables' competitiveness



## A continuous decrease in the cost of production

Evolution of LCOE\* in \$/MWh



\*Levelized Cost of Electricity  
Source : Bloomberg New Energy Finance



# voltalia

IMPROVE GLOBAL ENVIRONMENT  
FOSTER LOCAL DEVELOPMENT

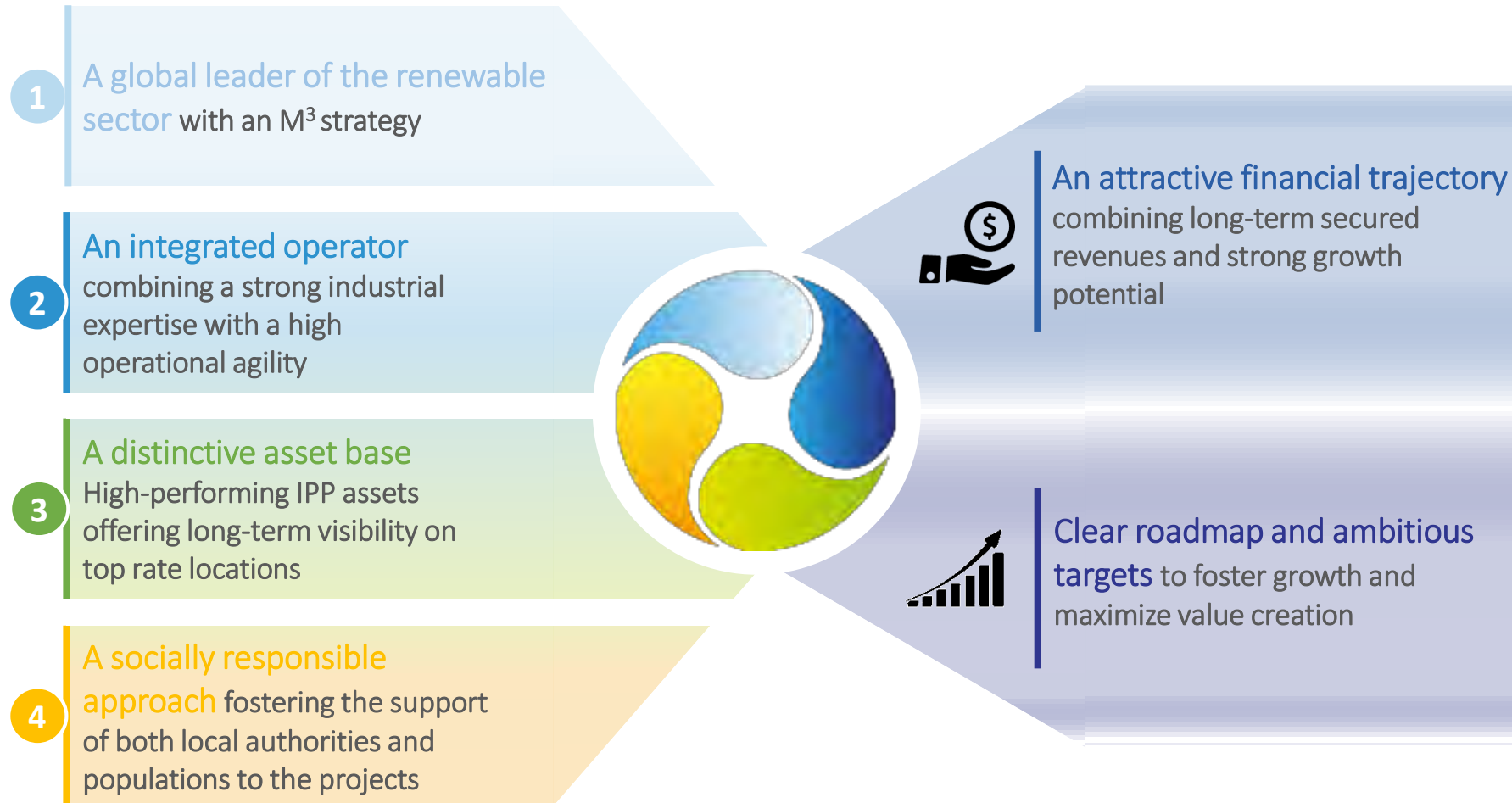
# Appendices





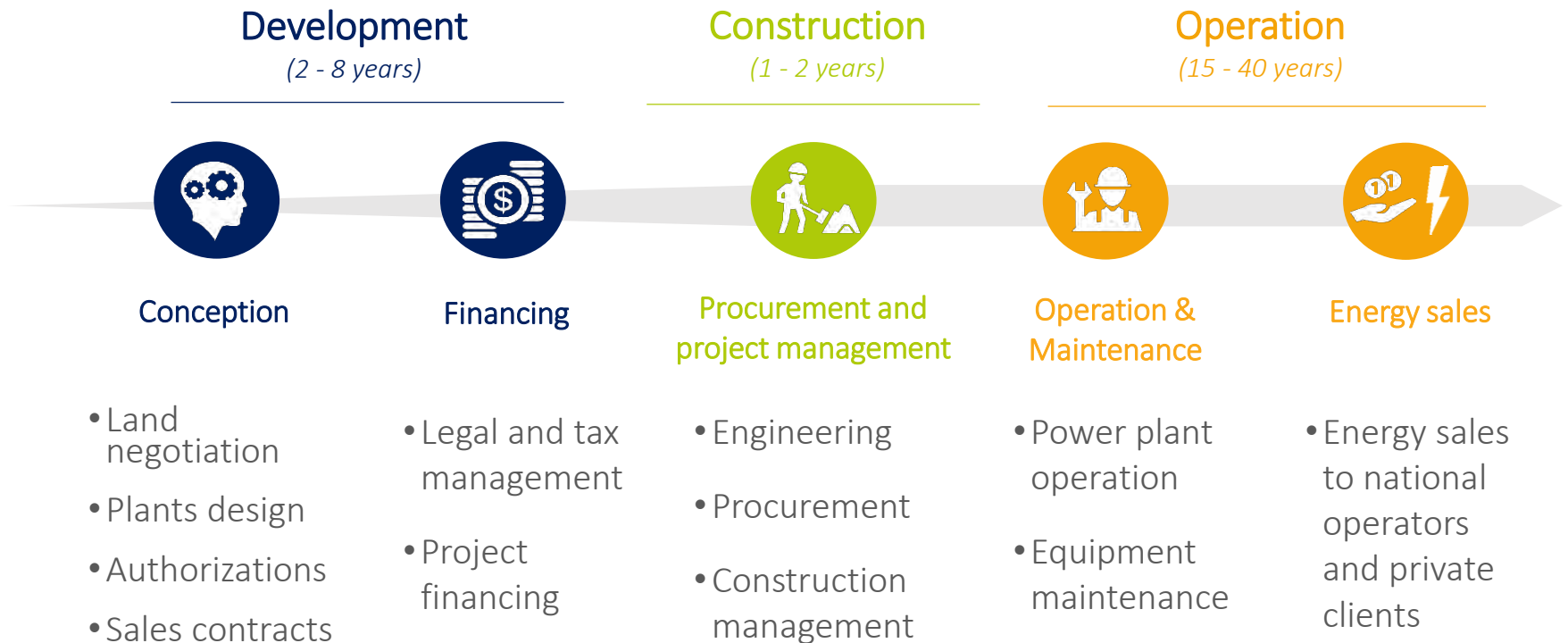


# What makes Voltalia unique?



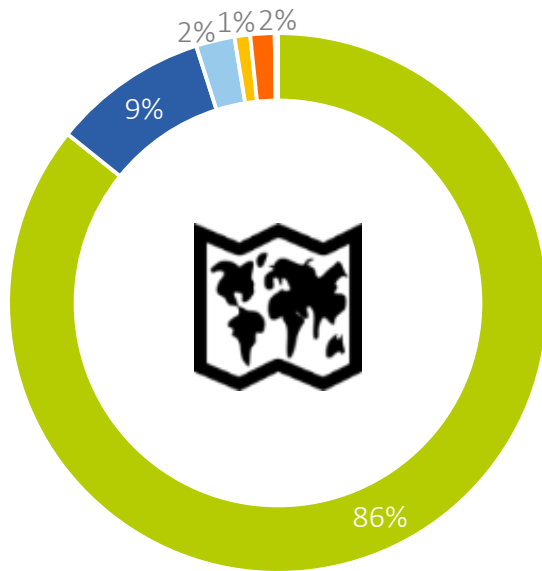


# A business model integrating all key expertise



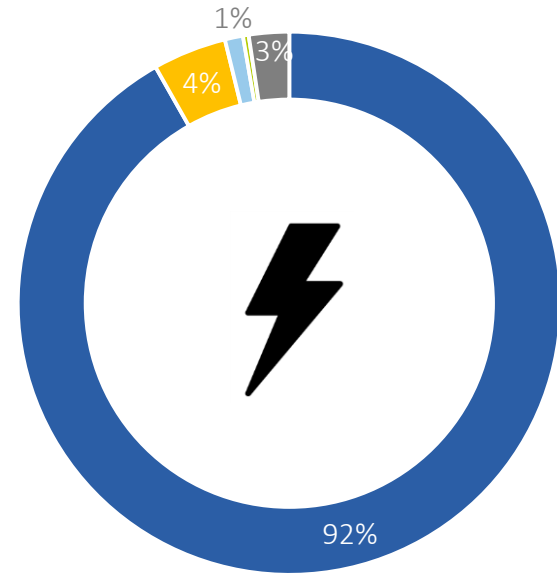


# Owned assets breakdown



■ Brazil  
■ Met.France  
■ French Guiana  
■ Greece  
■ United Kingdom  
■ Portugal

Installed capacity by country  
as of June 30, 2017



■ Wind  
■ Solar  
■ Hydro  
■ Biomass  
■ Hybrid

Installed capacity by energy  
as of June 30, 2017

