



# First-half 2019 results

24 July 2019



**ALBIOMA**

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# Highlights



# Recent highlights

## Operations



**Continued strong rise in revenues** (+19 % yoy) & **EBITDA** (+17 % yoy) during H1 2019



**Growth in all our activities** – Thermal biomass France (EBITDA +15 %), Solar (+31 %) & Brazil (+90 %)



**Very good performances** of the three new plants: Galion 2 (Martinique), Saint-Pierre (Reunion Island) & Esplanada (Brazil)

## Construction & Developpement



### IED

Two sections of work carried out in Reunion Island and Guadeloupe



### Solar

- ▶ Commissioning of photovoltaic plants with storage : Port Ouest (1,3 MWc) in Reunion Island & Sainte-Rose (3,3 MWc) in Guadeloupe
- ▶ Four projects (5,2 MWc) awarded during the "CRE 4" tender process of March 2019



### Significant new financing lines

- ▶ €68 m for the conversion to biomass of Albioma Caraïbes
- ▶ €61 m for Albioma Solaire France
- ▶ €60 m for the refinancing of corporate lines

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## Strategic positioning



# Albioma

## Independent producer of renewable energy



Committed to the energy transition through **biomass** and **photovoltaic**



Unique partnership for 25 years with the sugar industry to **produce renewable energy from bagasse**, the fibrous residue from sugar cane

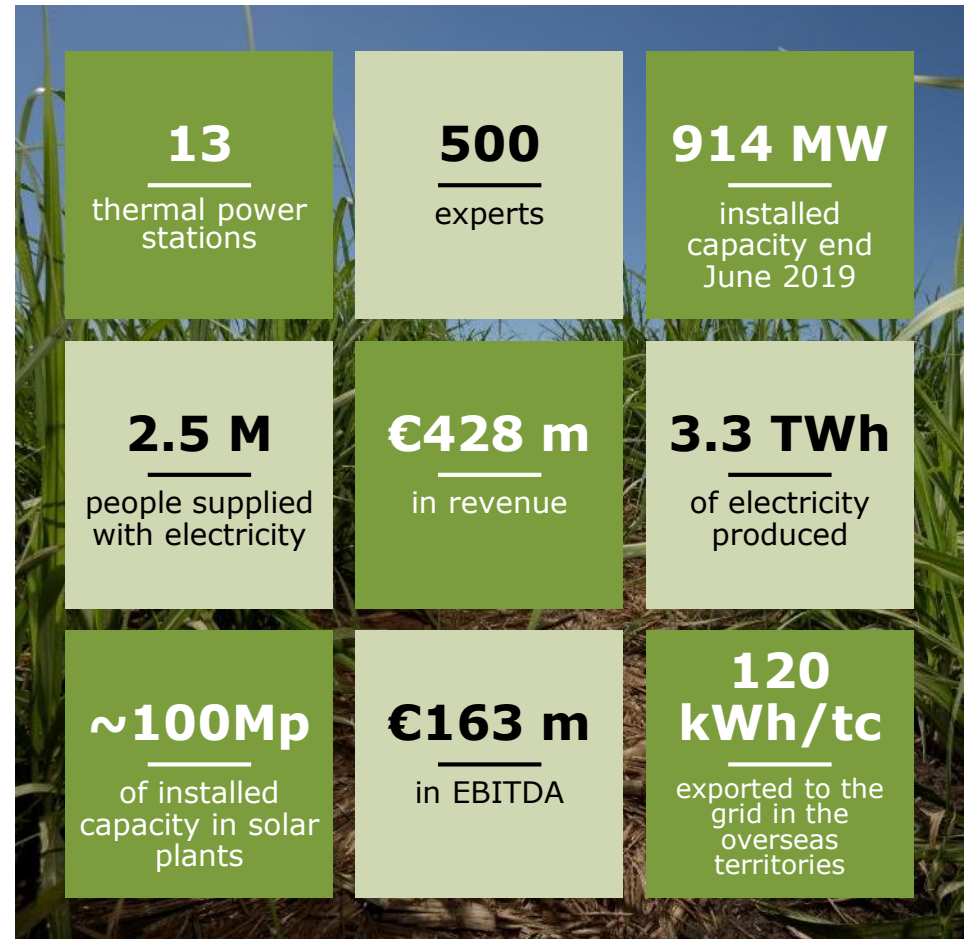


**The leading producer of photovoltaic energy** in the French overseas territories & a reinforced position in continental France



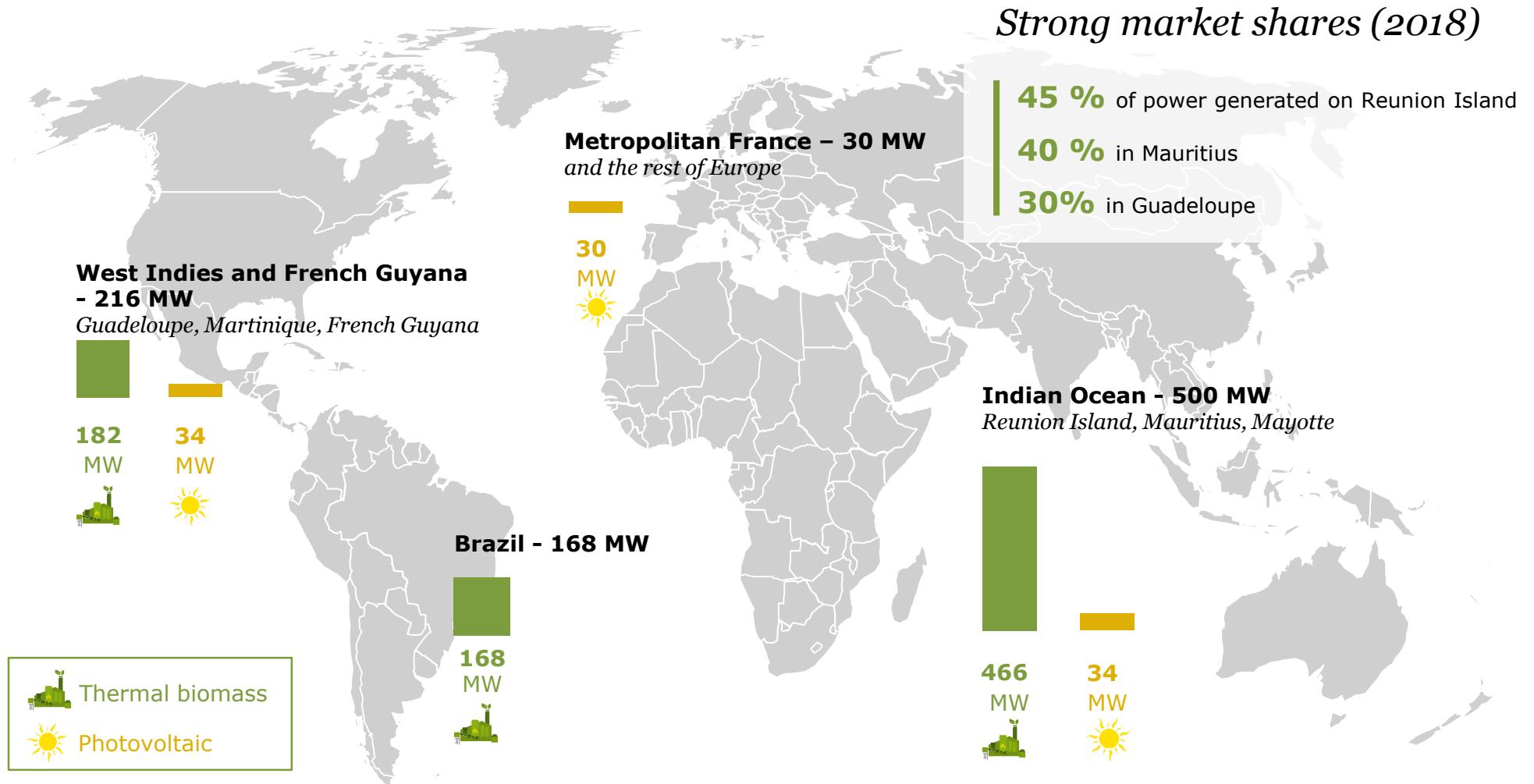
In mainland France, French overseas territories, Mauritius and Brazil

### Key figures



# 914 MW installed across the world

Of which 816 MW in thermal biomass and 98 MW in solar





# Three-pronged strategy

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1

Work on the energy transition in French overseas territories

2

Global roll-out of the bagasse/biomass model

3

Development of innovative solar projects



# Work on the energy transition

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- ▶ **Substituting biomass for coal in plants which recover bagasse**
  - Giving priority to **local biomass**, while avoiding conflicting uses (cane straw, forest residues, etc.) and contributing to a circular economy (green waste, etc.), with a supply target of 30% to 40%
  - Using **traceable and sustainable imported biomass** to top up
- ▶ **Continuing the rise in renewable energy production**
  - Production of reliable energy, guaranteeing security and stability of the grid through 100% renewable resources.
  - Solar projects with energy storage to counter the intermittent nature of production.
- ▶ **Under study:** Make use of solid recovered fuel (SRF).



# Conversion to biomass of our plants in the French overseas

- ▶ **Substitution of 100% of the coal** used by the Albioma Caraïbes plant by 2020
  - Terms of conversion approved by the CRE (French energy regulator) and rider to the EDF contract signed in December 2018 for an investment of ~ €70 m
- ▶ Major contribution to the energy transition of Guadeloupe (Guadeloupe's renewables mix to increase from 20% to 35%)
  - Reduction of over **85%** in the plant's CO<sub>2</sub> emissions

*Port of Jarry*



*Landscape integration of the new installations to be built*

*Le Moule plant site*



# Global roll-out of the biomass model

## Exporting the partnership model with agro-industry players

### From 2000 up until today

#### *Mauritius*

- ▶ 40% of the electricity produced on the island today
- ▶ 3 plants currently in operation
- ▶ 1 project under development

#### *Brazil, international priority since 2013*

- ▶ The world's leading sugar cane producer (700 Mtp)
- ▶ Bagasse recovery: Sector average yield of 40-50 kWh/tc (compared with 120 kWh/tc at Albioma plants)
- ▶ 3 plants currently in operation

### In the medium term

#### *Brazil, reaching critical size*

- ▶ Capitalise on our experiences
- ▶ Objective to sign a project every 12 to 18 months
- ▶ 1 project currently under construction: Vale do Paraná

#### *Continued expansion*

- ▶ Geographical approach: Latin America, Africa...
- ▶ Project approach: supporting existing sugar-refining partners or exploiting other sources of biomass



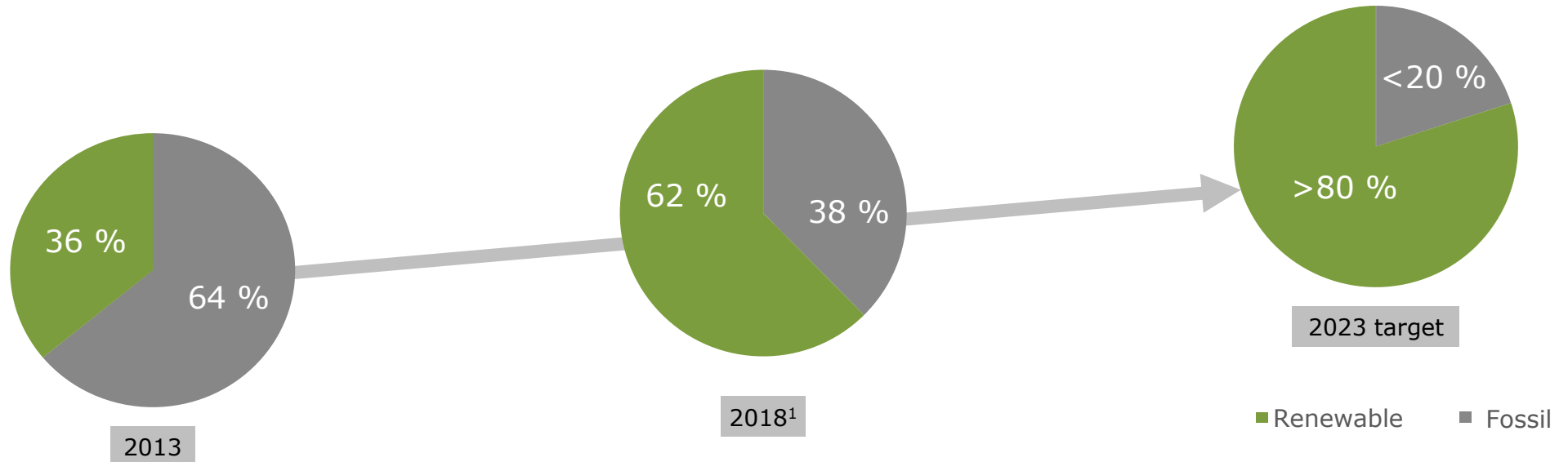
# Develop solar projects on our territories

- ▶ **Leader in photovoltaics overseas**
- ▶ **Innovative technologies and strategic partnerships**
  - Construction and commissioning of 4,6MWp of photovoltaic plants with storage (winners of CRE tender process in 2016) during H1 2019
- ▶ **Confirmation of the relevance of the acquisition of Eneco France** (December 2018) as four projects amounting to 5,2 MWp were awarded in the “CRE 4” tender process from March 2019
- ▶ **QSE triple certification**



# At least 80% renewable energy between now and 2023

2018 : substantial progress in the share of renewables



<sup>1</sup> Pro forma full year Albioma Solaire France (previously Eneco) and Albioma Esplanada (Jalles Machado) and excluding Methaneo, sold in 2018

*Rapid change in the energy mix thanks to:*

- ▶ the conversion to biomass of existing bagasse-coal power plants
- ▶ the construction of 100% biomass power of photovoltaic installations in France
- ▶ the acquisition and development of 100% bagasse plants in Brazil

Notes: Aggregate of fully consolidated companies

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Operational performance &  
project update





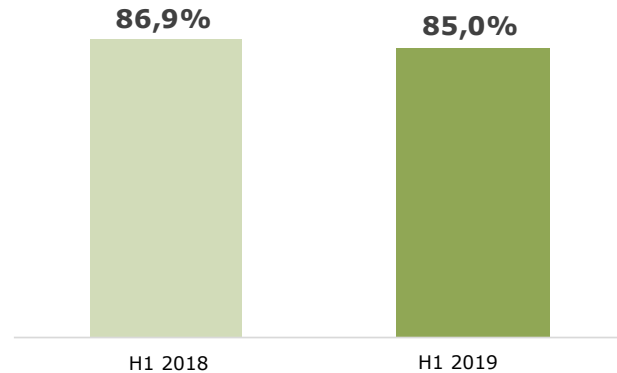
# 3.1

France

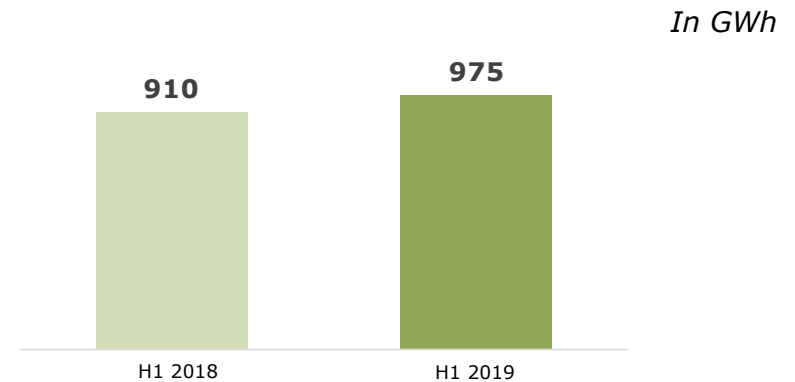


# France – Thermal Biomass

*Plant availability*



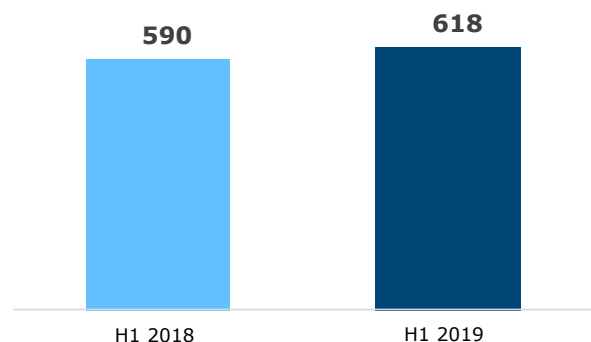
*Power generation*



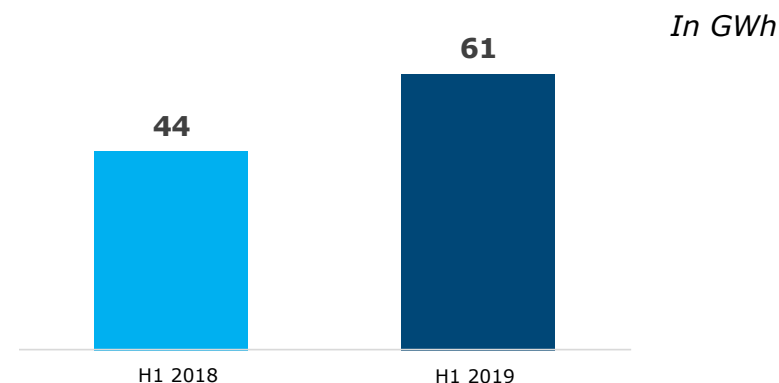
- ▶ **Satisfactory availability of the facilities** which integrates the long scheduled shutdowns related to the IED work in Reunion Island and Guadeloupe and some unscheduled shutdowns in Reunion Island
- ▶ **Production up significantly thanks to the new plants** (Galion 2 and Saint-Pierre combustion turbine: +114 GWh)
  - Excluding new installations, production is down due to a logical decrease in the Galion 1 call rate (11.4% in the first half of 2019) and the unavailability due to scheduled plant shutdowns.

# France – Solar Power

*Number of equivalent full power hours*



*Power generation*



\* Including production from SECL hydroelectric plant of 1,6 GWh

## ► Significant rise in production

- Integration of the French subsidiary of Eneco since December 2018
- Favourable sunshine conditions in the Indian Ocean, mainland France and Spain
- Commissioning of new plants in Reunion Island (port Ouest - 1.3 MWp with storage) and Mayotte

► Electricity production excluding the "Eneco" scope stood at 47 GWh, up 7% compared to the first half of 2018.

► **Refinancing in March 2019 of the portfolio of photovoltaic projects in mainland France** acquired at the end of 2018 (€61 million, part of which to finance the construction of new power plants)

# Other ongoing projects in France



**Modernisation investments** in existing installations (fume treatment)

Last plant shutdown to set up the IED facilities scheduled in the 2nd half 2019 in Guadeloupe

**Biomass conversion investments** in Guadeloupe (Albioma Caraïbes)



**Development in solar power**

- ▶ Construction of PV plants with storage
- ▶ 5.2 MWp won in mainland France in construction projects
- ▶ Continuation of <100 kWp roof-top projects construction in Reunion, Mayotte and mainland France

# 3.2

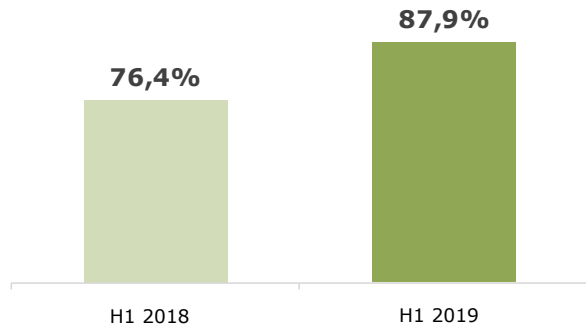
## Mauritius



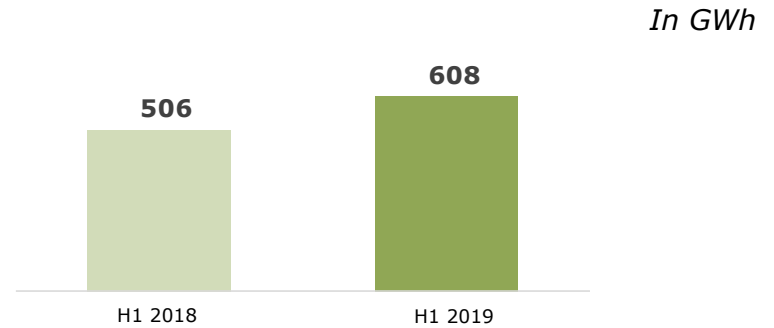


# Mauritius

## *Plant availability*



## *Power generation*

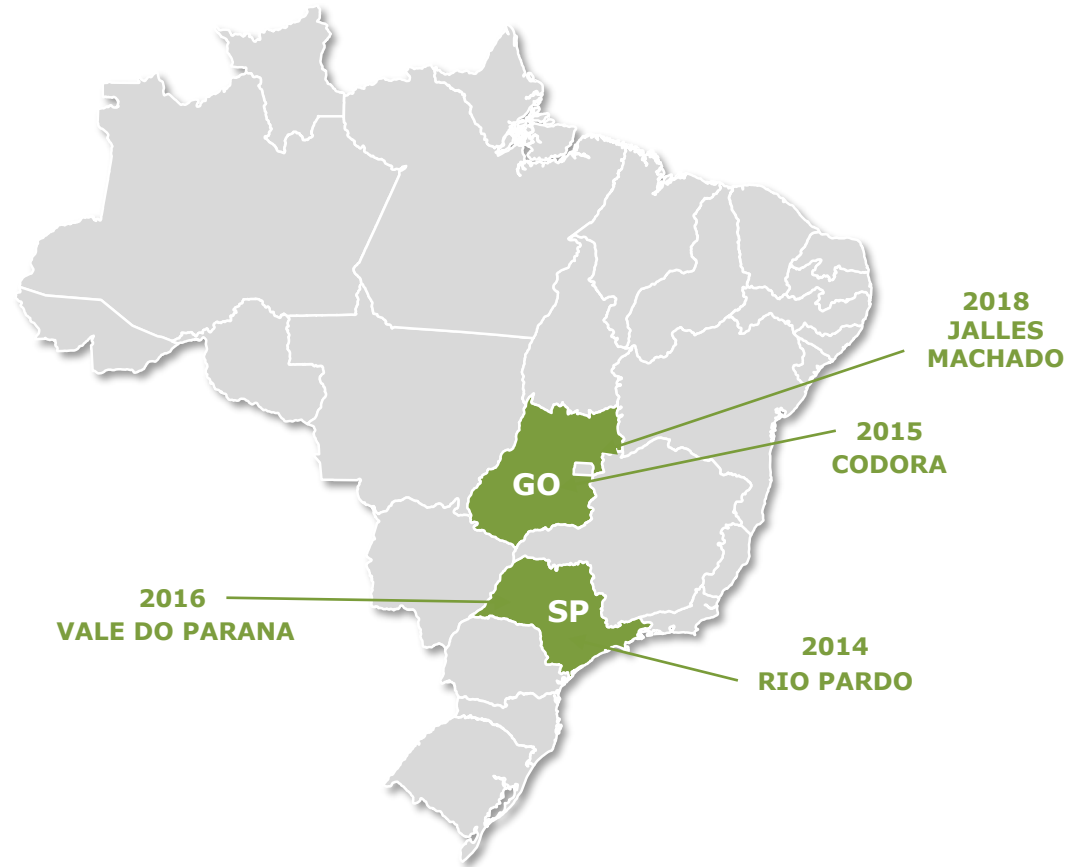


- ▶ Excellent operation of all facilities during the first half of 2019. In the first half of 2018, the OTEO LB plant suffered a failure affecting one of the alternator rotors following the annual maintenance shutdown
- ▶ Share of net income of these consolidated entities accounted for using the equity method, integrated since 2014 into Group operating income (EBITDA and EBIT)

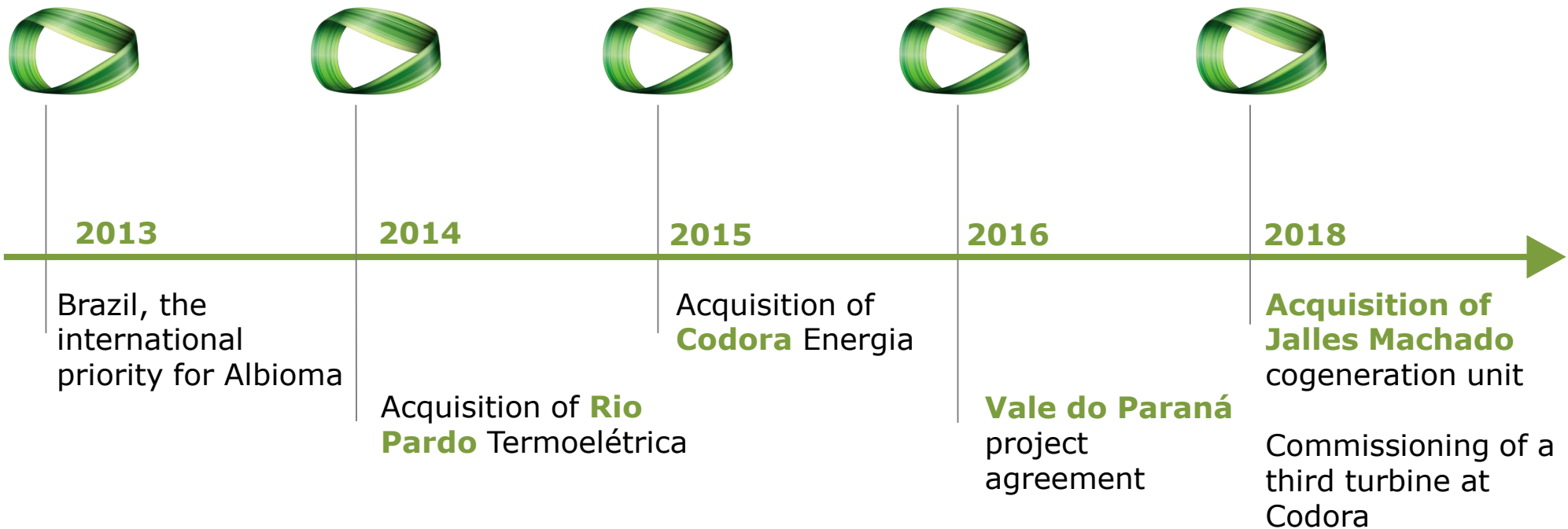


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## Brazil

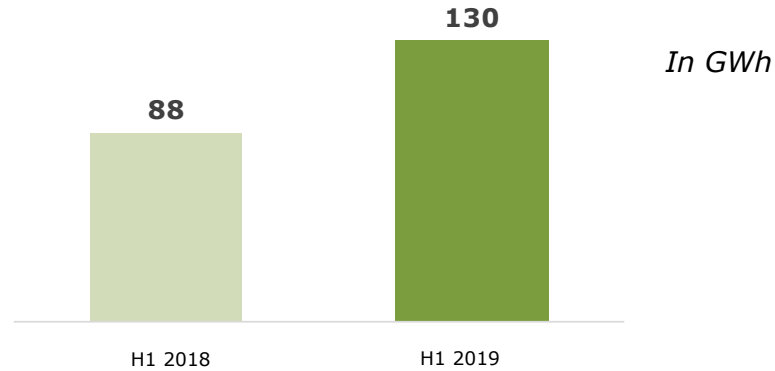


# Growth of Albioma in Brazil

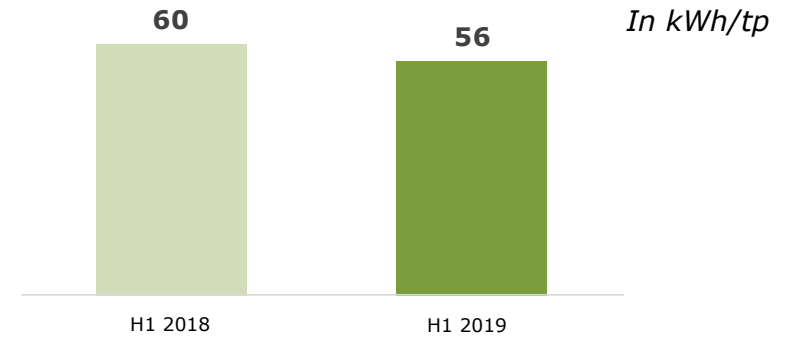


# Brazil

## *Power generation*



## *Energy efficiency*



- ▶ Significant increase in production thanks to the consolidation of the Esplanada plant, acquired end-December 2018
- ▶ Good operational performances of the plants: excluding the scope effect, production was stable compared with the 1st half 2018, at 85 GWh (vs 88 GWh)
- ▶ High average sales price of BRL 259/MWh (compared with BRL 272/MWh in the 1st half of 2018)
  - More than 75% of sales contractually secured in the long term

# Ongoing projects in Brazil



## **Project under construction**

Vale do Paraná

40% of capital held by Albioma

**48 MW** installed eventually

**25-year** contract - **commissioning:** 2021  
First phase of work completed on the boiler



A new thermal project every 12 to 18 months

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## Financial results



# Income statement by region/business

<i>(In € million)</i>	<b>H1 2019</b>	<b>H1 2018</b>	<b>Var 19/18</b>
France - Thermal Biomass	204.7	170.5	+20%
France - Solar Power <sup>(1)</sup>	24.8	19.5	+27%
Brazil	8.9	7.1	+27%
Holding & Other	2.6	5.2	-50%
<b>Revenues</b>	<b>241.0</b>	<b>202.3</b>	<b>+19%</b>
France - Thermal Biomass	64.5	56.2	+15%
France - Solar Power <sup>(1)</sup>	18.0	13.8	+31%
Mauritius (Equity accounted)	0.8	1.1	-32%
Brazil	3.0	1.6	+90%
Holding & Other	(1.7)	(0.7)	-134%
<b>EBITDA <sup>(2)</sup></b>	<b>84.5</b>	<b>72.0</b>	<b>+17%</b>
<b>Net income (Groupe share)</b>	<b>18.2</b>	<b>20.6</b>	<b>-12%</b>
<b>Net income (Groupe share) excluding non recurring items</b>	<b>18.2</b>	<b>17.2 <sup>(3)</sup></b>	<b>+6%</b>

(1) Including Spain and Italy

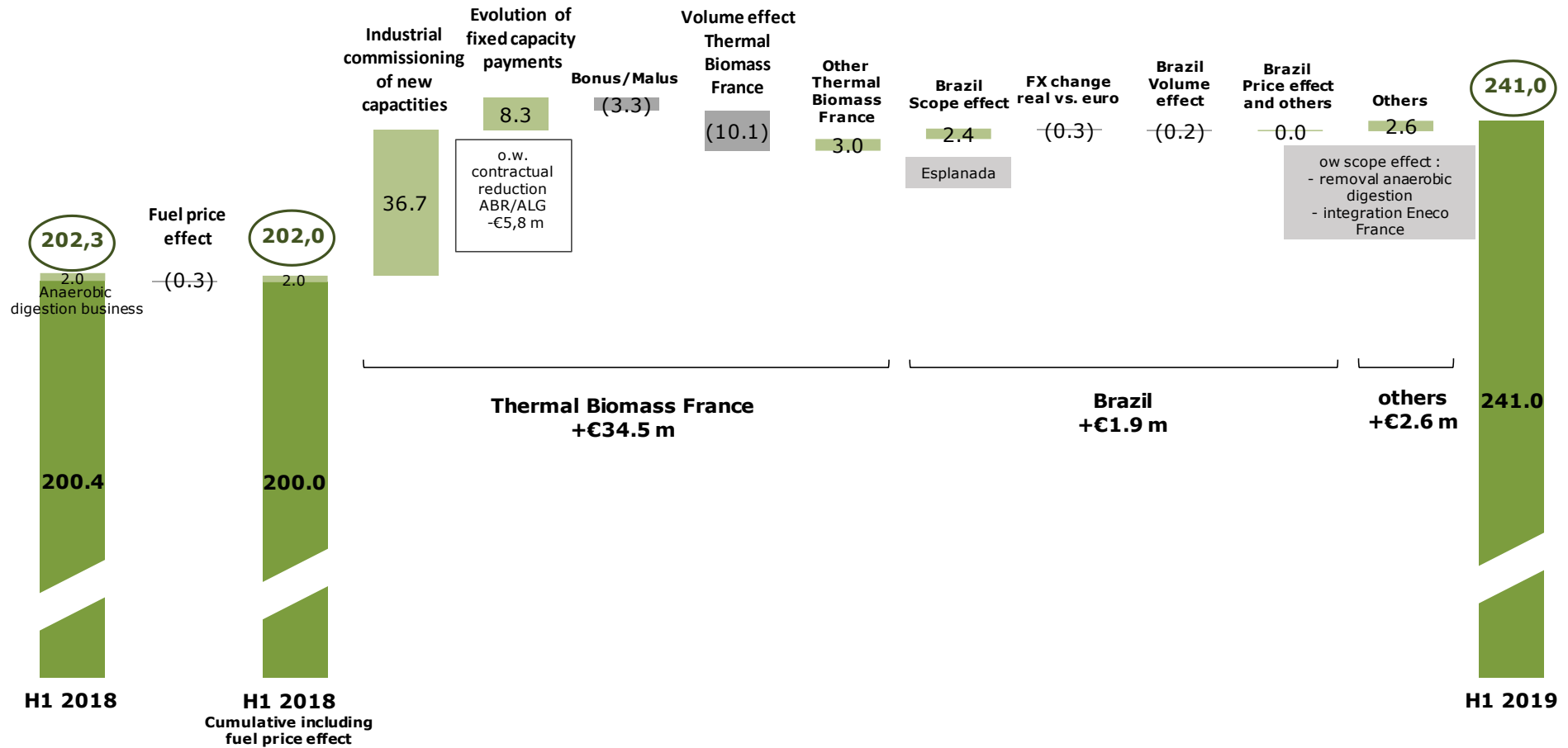
(2) Including the effect of the IFRS 16 restatement fo €1.5 m

(3) €3.5 m of non recurring items recorded in H1 2018 (of which financial results related to the refinancing of the Indian Ocean solar assets)

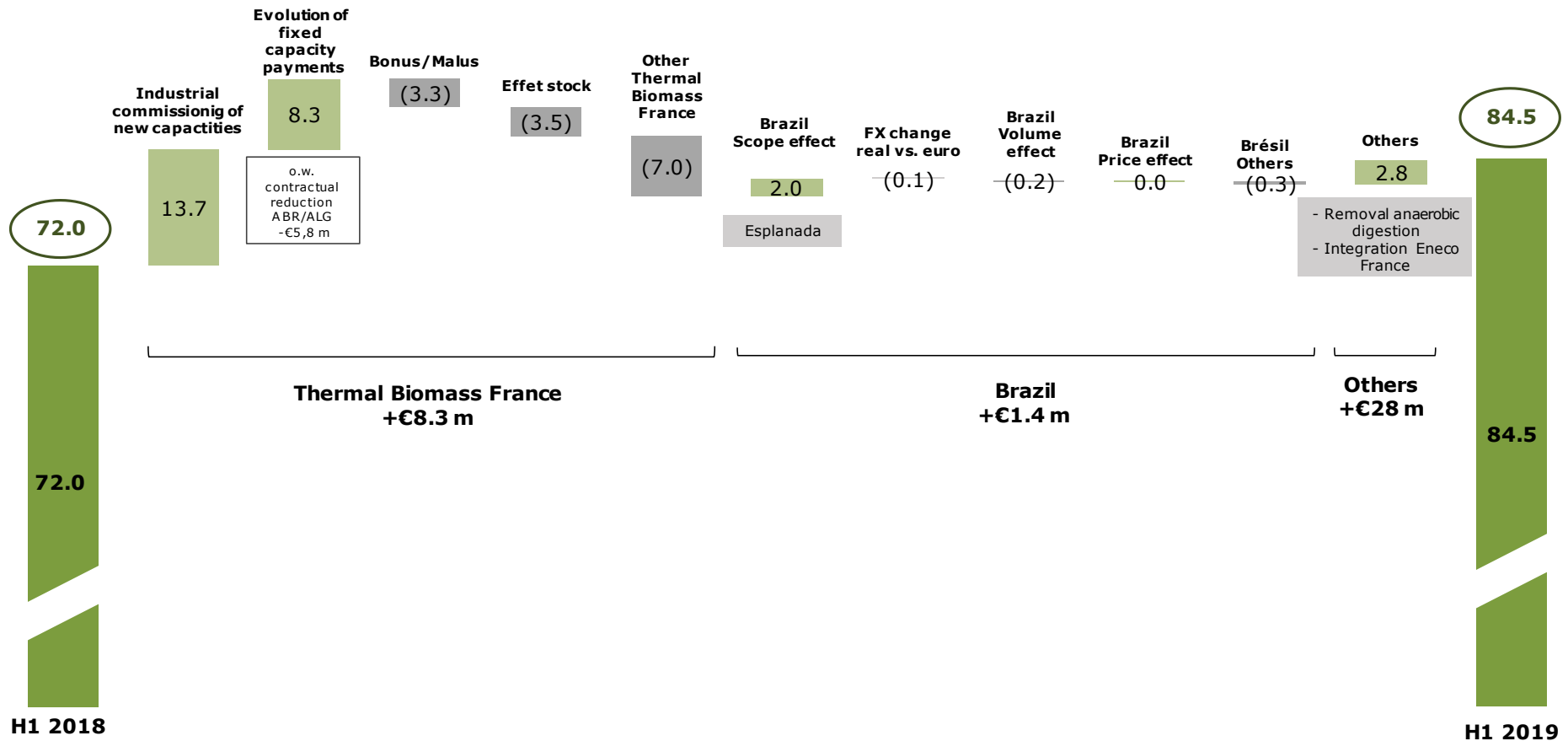
- ▶ Commissioning of the Saint Pierre combustion turbine on 25 February 2019 and full year effect of the Galion 2 power station commissioned in September 2018
- ▶ Additional contributions related to IED compliance riders that offset the reductions in historical fixed premiums on ABR and ALG
- ▶ Good sunshine conditions in Reunion Island, mainland France and Southern Europe, commissioning of new projects in Reunion Island and Mayotte and consolidation of Eneco France acquired in December 2018
- ▶ Brazil: late start of campaign and consolidation of Esplanada acquired in December 2018



# Revenues up 19%

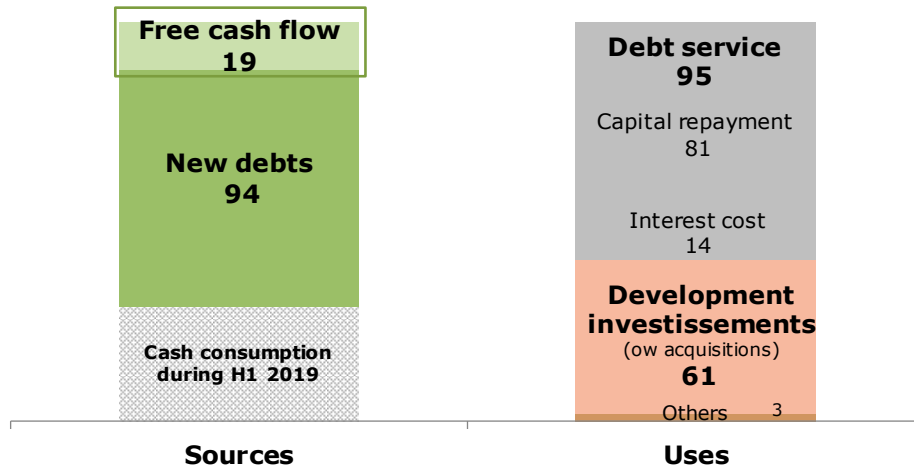


# EBITDA €84.5 million up 17 % over H1 2018

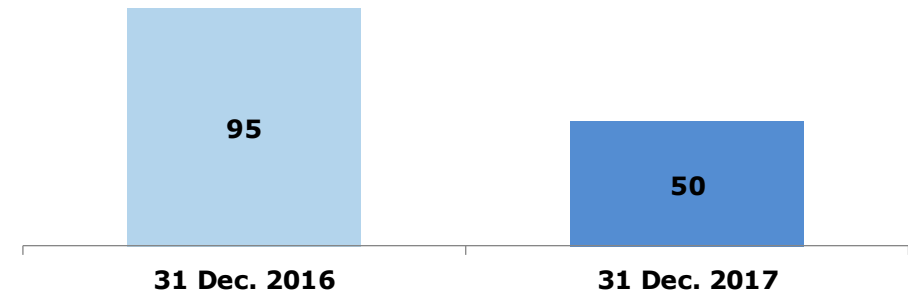


# €50 million in cash at 30 June 2019

*Cash-flow H1 2019*



*Group cash*



- ▶ A relatively low free cash flow over the half-year related to an unfavourable working capital requirement effect at the end of the period (decrease in trade payables and delayed payment of some trade receivables in July)
- ▶ Cash consumption related to the progress of IED projects
- ▶ Project financing (Albioma Caraïbes conversion - €68 million) and corporate financing lines (RCF - €60 million) secured

# A strong balance sheet to finance growth

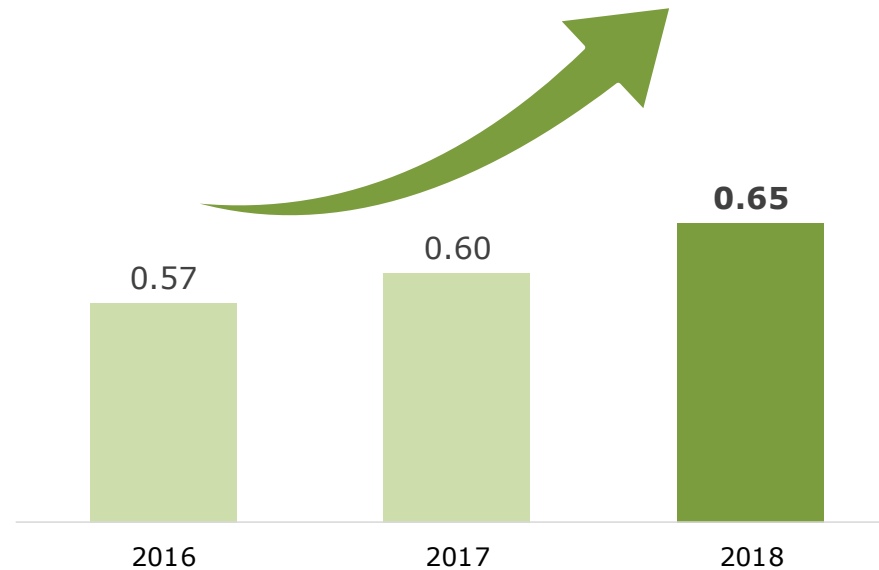
- ▶ Gross debt increased following debt raisings to finance projects currently under construction (IED, conversion to biomass)
  - Residual life of 11 years
  - Group average interest rate of 3.5% (of which France 3.3% and Brazil 9.4%)
  - **85% of debt covered or at fixed rates**
  - **Non-recourse project debts** other than Brazil debt (€34 m)

<i>(In € million)</i>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>	<i>Change</i>
Project debt	764	708	8%
Corporate debt	94	138	-32%
<b>Total gross debt</b>	<b>858</b>	<b>846</b>	<b>1%</b>
Cash	(50)	(95)	-48%
Guarantee deposits and equivalents	(3)	(3)	3%
<b>Total net debt</b>	<b>805</b>	<b>747</b>	<b>8%</b>
Net debt / EBITDA 12 moving months	4.6x	4.6x	
Gearing <sup>(1) (2)</sup>	168%	152%	

<sup>(1)</sup> Excluding IFRS 16 restatement

<sup>(2)</sup> Net debt/Equity

# Dividend per share climbing since 2016



**Strong success of the option for the payment in the form of new shares (~70%)**

**Loyalty bonus** for shareholders who have held registered shares for a continuous period of at least two years

- ▶ Premium of 10% of the dividend



# 2019 objectives

	<b>2018</b> Excluding exceptional items	<b>2019</b>
<b>EBITDA</b> (€ millions)	160	<b>168-178</b>
<b>Net income (Group share)</b> (€ millions)	44	<b>38-44</b>

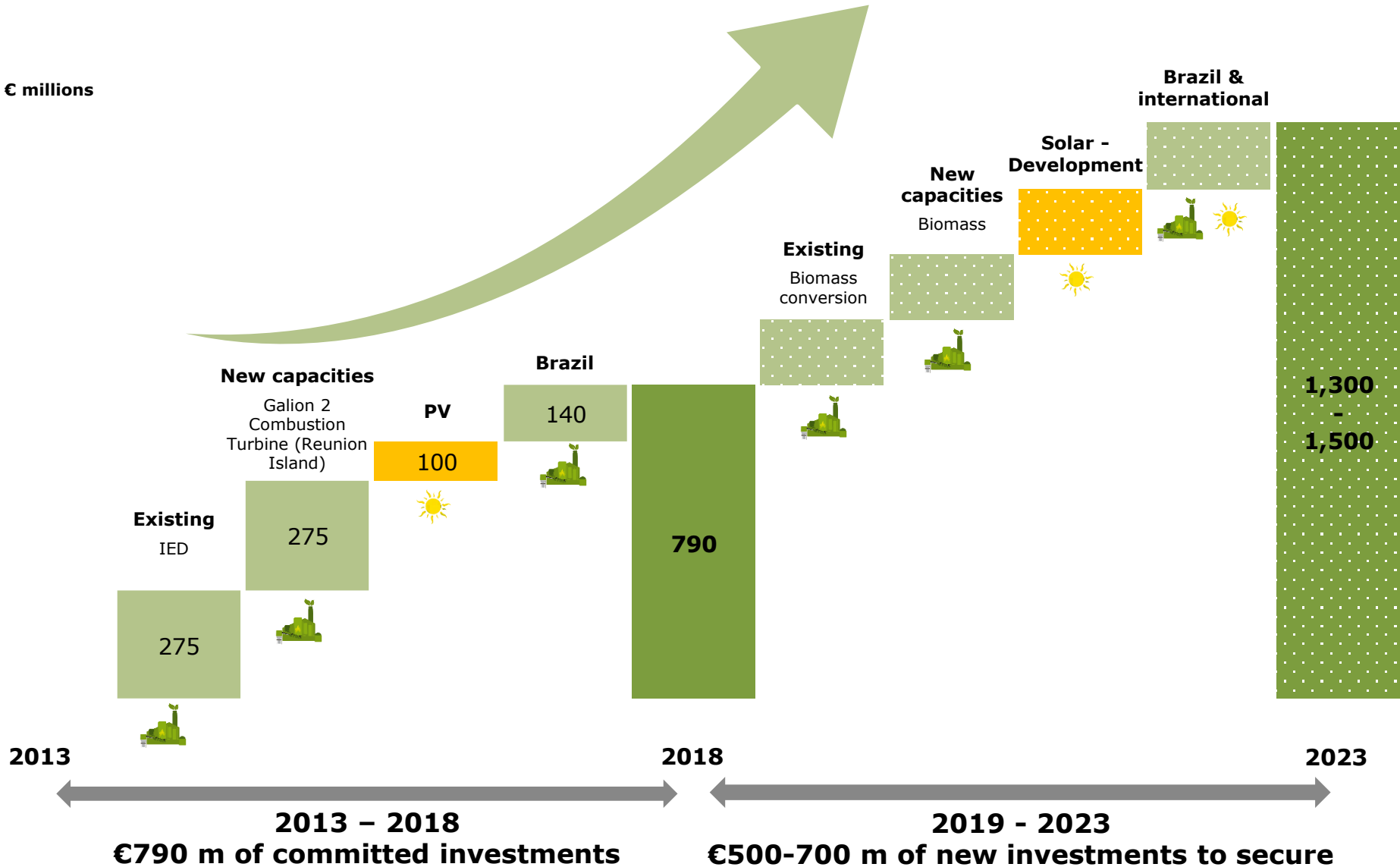
- ▶ Full-year contribution of Galion 2 and the latest IED facilities. Commissioning of the Saint-Pierre combustion turbine on 25 February 2019
- ▶ Two further reductions in fixed premiums planned for 2019 for Bois-Rouge and Le Gol (approx. €12 million; see Appendices)
- ▶ Full-year effect of amortisation and financial charges for facilities commissioned in 2018 (IED, etc.)

# 5 | Outlook



# Investments since 2013 et development outlook

In € millions



# Why invest in Albioma?

A major player at the heart of the energy transition

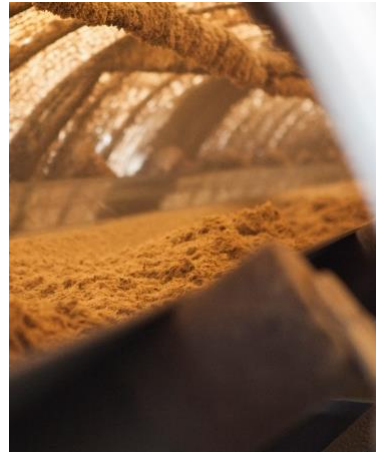
A future renewables pure player through its two businesses: biomass and solar power

A midcap with strong growth prospects: expected 2020 EBITDA of around €200 million

A dividend growth policy with a distribution objective of around 50% of net income (Group share), excluding exceptional items



*Thank you  
for your attention*



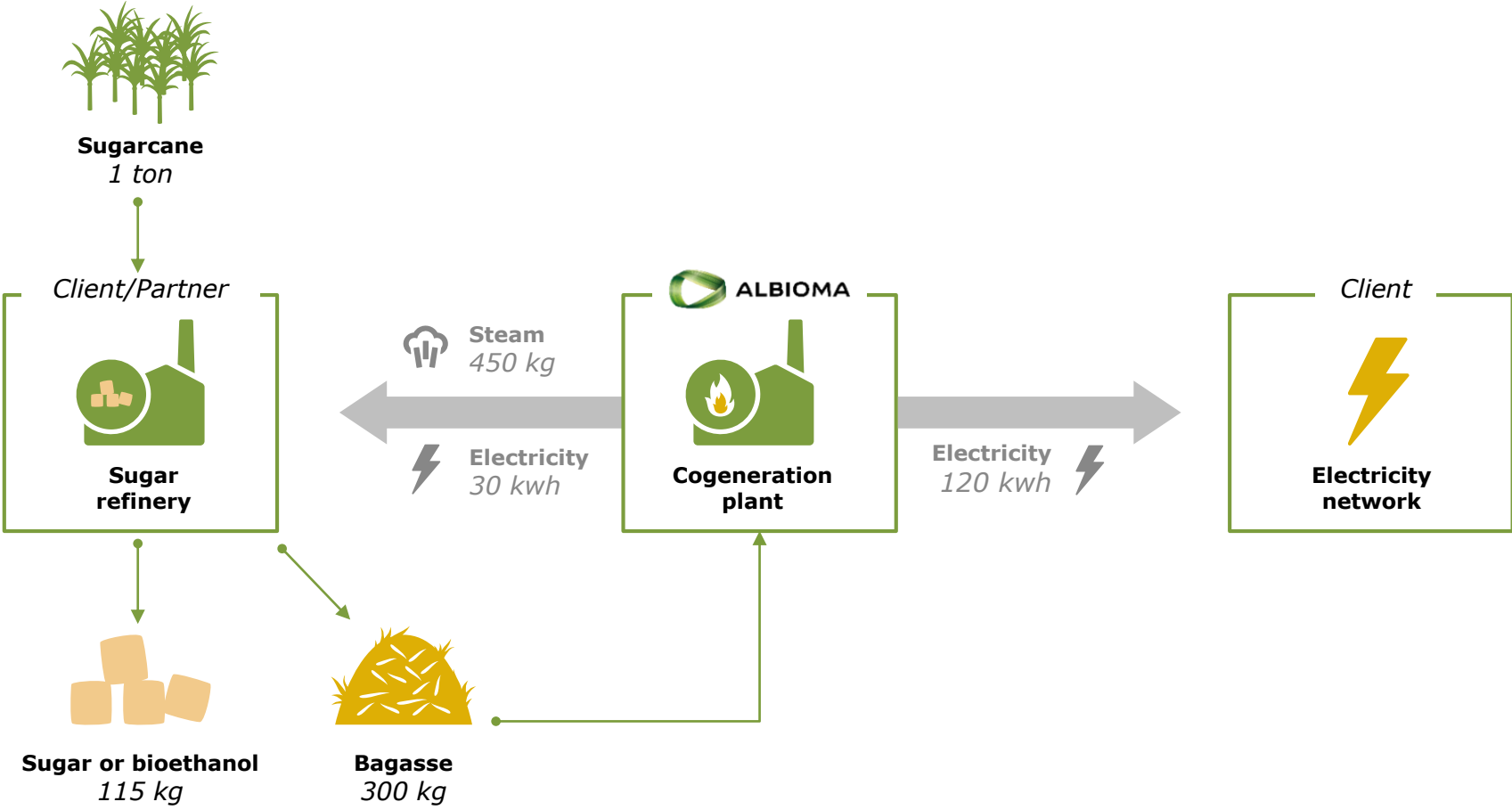


# Appendix



# Albioma's historical business model

Leading player in the bagasse cogeneration industry



# Income statement for the half year ended 30 June 2019

<i>(In € millions)</i>	<b>H1 2019</b>	<b>H1 2018</b>	<b>Var 19/18</b>
Sales	241.0	202.3	+19%
<b>EBITDA<sup>(1)</sup></b>	<b>84.5</b>	<b>72.0</b>	<b>+17%</b>
Depreciation, amortisation, provisions & other	(36.3)	(26.5)	-37%
Operating income	48.2	45.5	+6%
Net financial income	(14.2)	(7.9)	-80%
Tax	(11.3)	(13.5)	+16%
<i>Effective tax rate<sup>(2)</sup></i>	34.0%	37.0%	
Consolidated net income	22.7	24.1 <sup>(3)</sup>	-6%
<b>Net income (Group share)</b>	<b>18.2</b>	<b>20.6<sup>(3)</sup></b>	<b>-12%</b>
Diluted weighted average number of shares	30,303,864	30,250,167	
<i>Net income per share (consolidation scope)</i>	<i>0.60</i>	<i>0.68</i>	

<sup>(1)</sup> Including the effect of the IFRS 16 restatement in 2019 for €1,5 m

<sup>(2)</sup> *R*estimated tax rate, excluding Brazil and results from companies accounted for using the equity method, amounts to 31,8% vs. 35,4% in H1 2018

<sup>(3)</sup> Including non-recurring items for €3,5 m in H1 2018

# Cash flow statement for the half year ended 30 June 2019

<i>(In € millions)</i>	<b>H1 2019</b>	<b>H1 2018</b>
Cash flow from operations	86.4	73.9
Change in working capital requirements <sup>1</sup>	(32.0)	(30.0)
Tax paid	(25.0)	(13.5)
<b>Net cash flow from operating activities</b>	<b>29.4</b>	<b>30.4</b>
Operating capex	(10.4)	(5.6)
<b>Free cash flow from operations</b>	<b>19.0</b>	<b>24.8</b>
Development capex	(60.8)	(59.1)
Other/Acquisitions/Disposals	(0.4)	(0.2)
<b>Cash flow from investing activities</b>	<b>(61.3)</b>	<b>(59.3)</b>
Dividends paid to Albioma SA shareholders	-	0.0
Borrowings (increases)	94.3	73.5
Borrowings (repayments)	(80.5)	(22.9)
Cost of financial debt	(14.2)	(11.4)
Other	(2.5)	(0.1)
<b>Net cash flow from financing activities</b>	<b>(2.9)</b>	<b>39.1</b>
Currency effect on cash	(0.5)	(1.0)
<b>Net change in cash and cash equivalents</b>	<b>(45.7)</b>	<b>3.6</b>
Opening cash and cash equivalents	95.3	92.1
<b>Closing cash and cash equivalents</b>	<b>49.6</b>	<b>95.7</b>

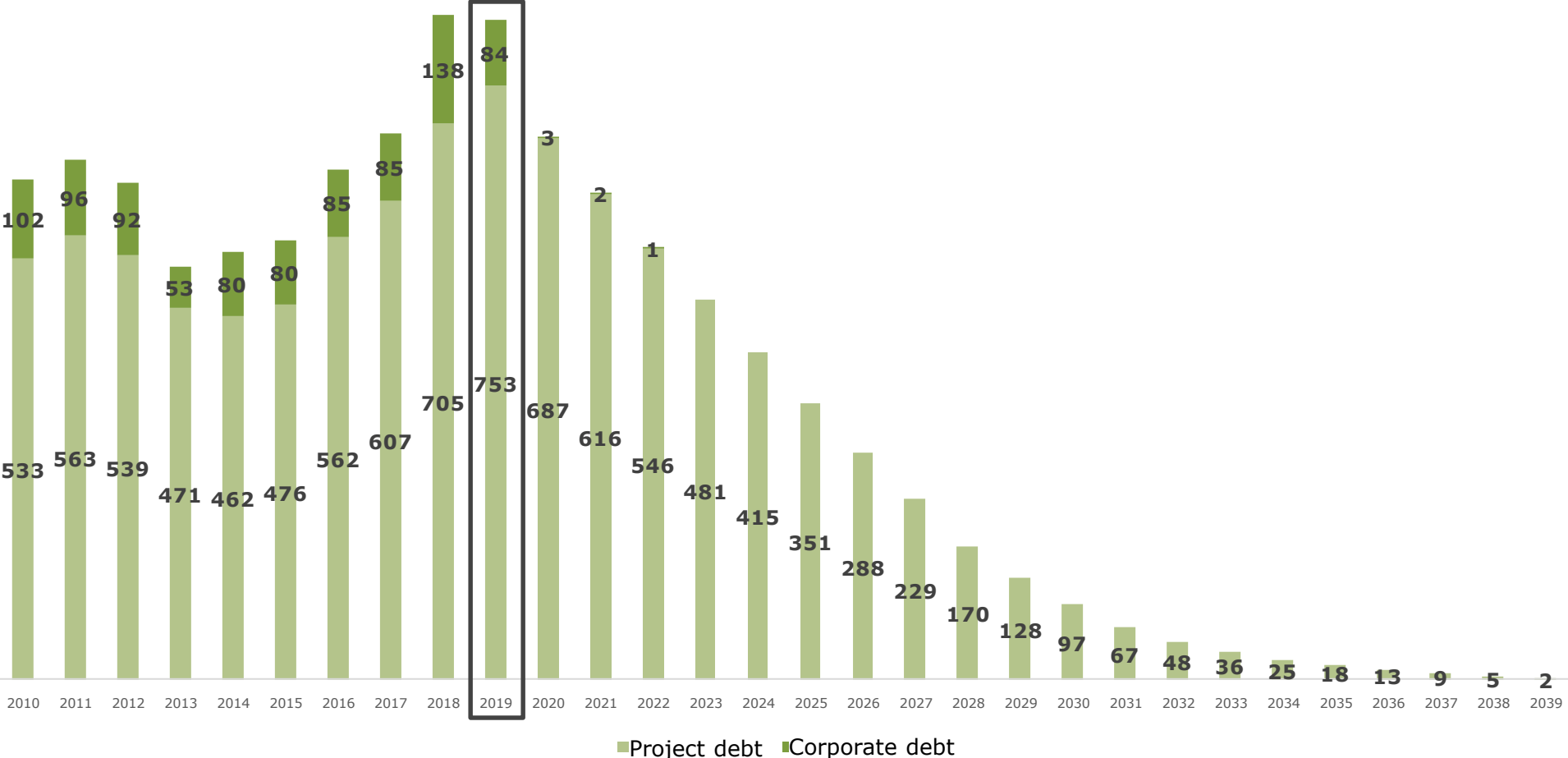
# Balance sheet at 30 June 2019

<b>ASSETS</b> <i>(In € millions)</i>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
Goodwill	17	24
Intangible assets & Property, plant and equipment	1,335	1,263
Other non-current assets	30	30
<b>Total non-current assets</b>	<b>1,382</b>	<b>1,317</b>
Current assets	211	188
Cash and cash equivalents	50	95
<b>Total ASSETS</b>	<b>1,642</b>	<b>1,601</b>
<b>EQUITY &amp; LIABILITIES</b> <i>(In € millions)</i>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
Shareholders' equity, Group share	388	408
Non-controlling interests	91	84
<b>Total equity</b>	<b>479</b>	<b>493</b>
Current and non-current financial liabilities	858	846
Liabilities for leases (IFRS 16)	37	-
Other non-current liabilities	126	111
Current liabilities	143	151
<b>Total LIABILITIES</b>	<b>1,642</b>	<b>1,601</b>

# Long-term debt matched to business profile

## Existing debt repayment profile<sup>1</sup>

*Residual life of 11 years*



*Note*  
 1. Financial liabilities, excluding bank overdrafts, accrued interest and borrowing costs and excluding new projects



# Schedule of contractual reductions in fixed payments

<i>Fixed payments Contractual reductions (In € millions)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Bois Rouge	(4.2)	(4.8)					
Le Gol		(6.8)				(4.5)	
Le Moule							(5.8)
<b>Total</b>	<b>(4.2)</b>	<b>(11.7)</b>				<b>(4.5)</b>	<b>(5.8)</b>

# Shareholder structure at 10 July 2019

