

FY 2018 Results

8 MARCH 2019

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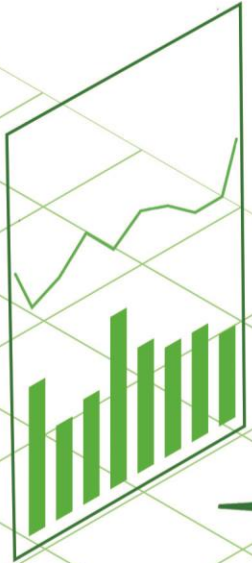
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FY 2018 Highlights



2018 Highlights – A Year of Results without Equal



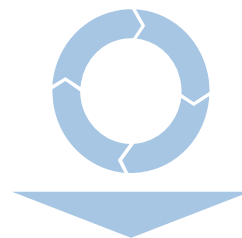
Operating Assets:

- **Better production** compared to 2017 (+7.0%) mainly thanks to increase of **perimeter** (+112.5MW) and **wind in Italy** (+25 GWh)
- **Better comprehensive captured prices** in the UK (+15%), and **worse** in Italy (-5%) vs 2017
- Reduced **price volatility** in Italy through risk management and hedging policy
- **Completed disposal** of non core assets (Esposito)

Under Construction (% of completion in value)

- **Aliden 46.8 MW** (Sweden): **24%**
- **Brattmyrliden 74.1 MW** (Sweden): **9%**
- **Hennoy 50 MW** (Norway): **36%**
- **Okla 21 MW** (Norway): **6%**
- **Carrecastro 10 MW** (Spain): **20%**

Business Development: Net Pipeline of **180 MW** end of 2018 vs. **50MW** in 2017 to **cover** 2021 target of projects to be secured (202 MW)



Energy Management & Energy Efficiency

- **Energy Management** through Falck Renewables Energy (“FRE”): **360 GWh** dispatched in-house in Italy (~ 44% of energy produced)
- **Consolidation** of Energy Team financial results **in Q4**
- Fine tuned **international strategy** and active scouting of **potential opportunities**

Asset Management & Technical Advisory

- **Revenues:** €15.1M
- **Reorganization** complete with potential effects in 2019
- **2019** started with **encouraging prospects:** revenues backlog at €6.8M (+ intercompany)
- **NUO** digital asset management on track (April 2019)



- **Ebitda** at **€191.5M** vs. 2017 above expectations
- **Group Net Earnings** more than **double** vs **2017** at €44.2M
- **NFP** at €547M **significantly better** than €585M end of 2017.
- **Negligible** impact from **GBP exchange ratio** (-0,9% vs average 2017)
- Proposed **dividend per share** 6.3 €c vs. 5.3 €c in 2017 **(+19%)**

NFP/EBITDA at 2.9x reinforcing confidence in achieving business plan targets

2018 Key Performance Indicators

	FY 2017	FY 2018 FY2018 Adjusted		Δ	Trend vs 2019	Target 2019	Target 2021
O&M ^o / MW ^{oo} (€/000)	32	29	29	- 9%	↓	30	25
G&A ^s / MW ^{oo} (€/000)	28	26	26	-7%	↘	24	18
Net Earnings / EBITDA	21%	32%	29%	+11%	↑	26%	30%
FFO / EBITDA	60%	74%	78%	+14%	↑	56%	64%
FFO / NFP	15%	26%	26%	+11%	↑	14%	17%
NFP / EBITDA	3.9x	2.9x	3.0x	-1.0x	↓	4.0x	3.8x
D / E ^x	1.17x	0.98x	0.99x	-0.19x	↓	1.30x	1.30x
R.O.I.	7.1%	10.6%	10.0%	+3.5%	↑	9%	10%
R.O.E.	6.6%	11.5%	10.2%	+4.9%	↑	9%	8%

Excludes non recurring

^x Net Financial Position on Shareholders Equity

^o It includes wind and solar plants

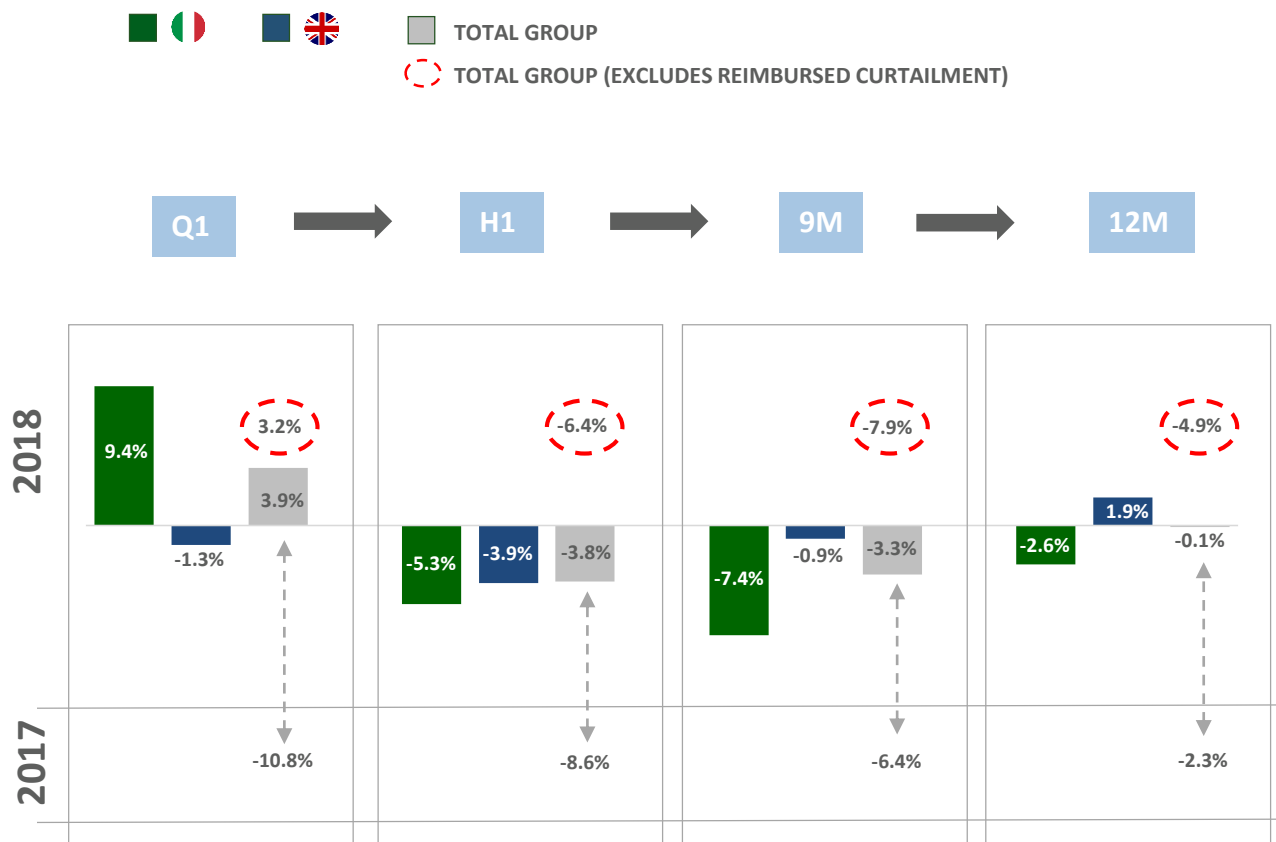
^{oo} MW weighted on COD

^s It excludes Devex

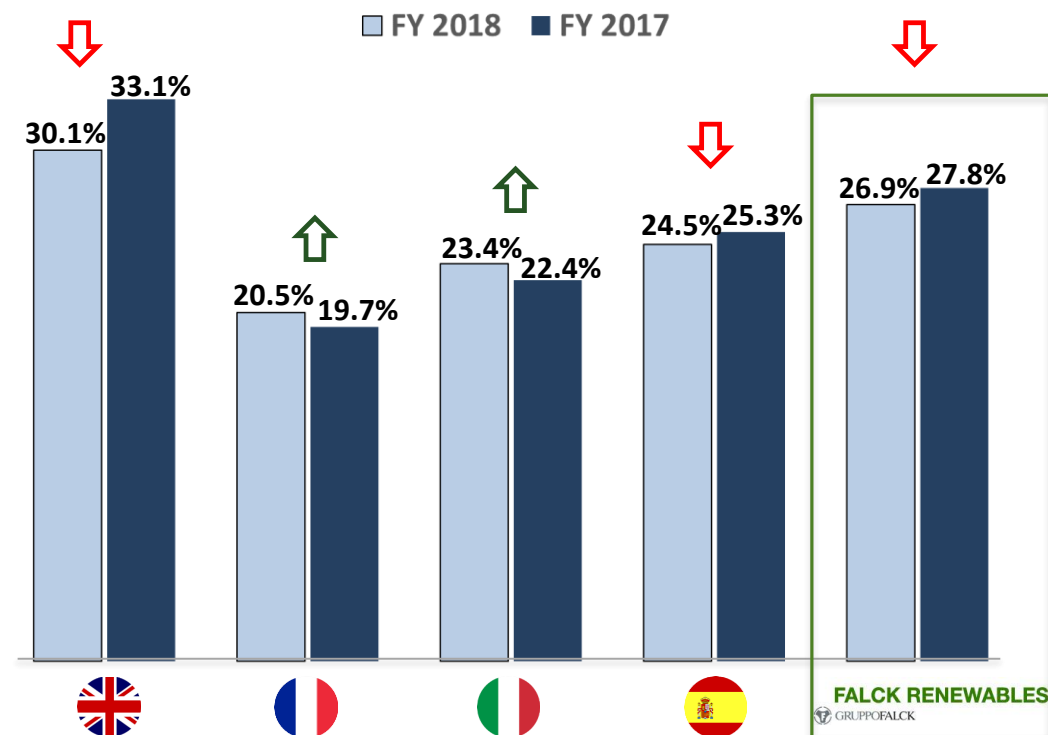
Assets: 2018 Wind Portfolio Performance



UK & Italy: Evolution of Production**



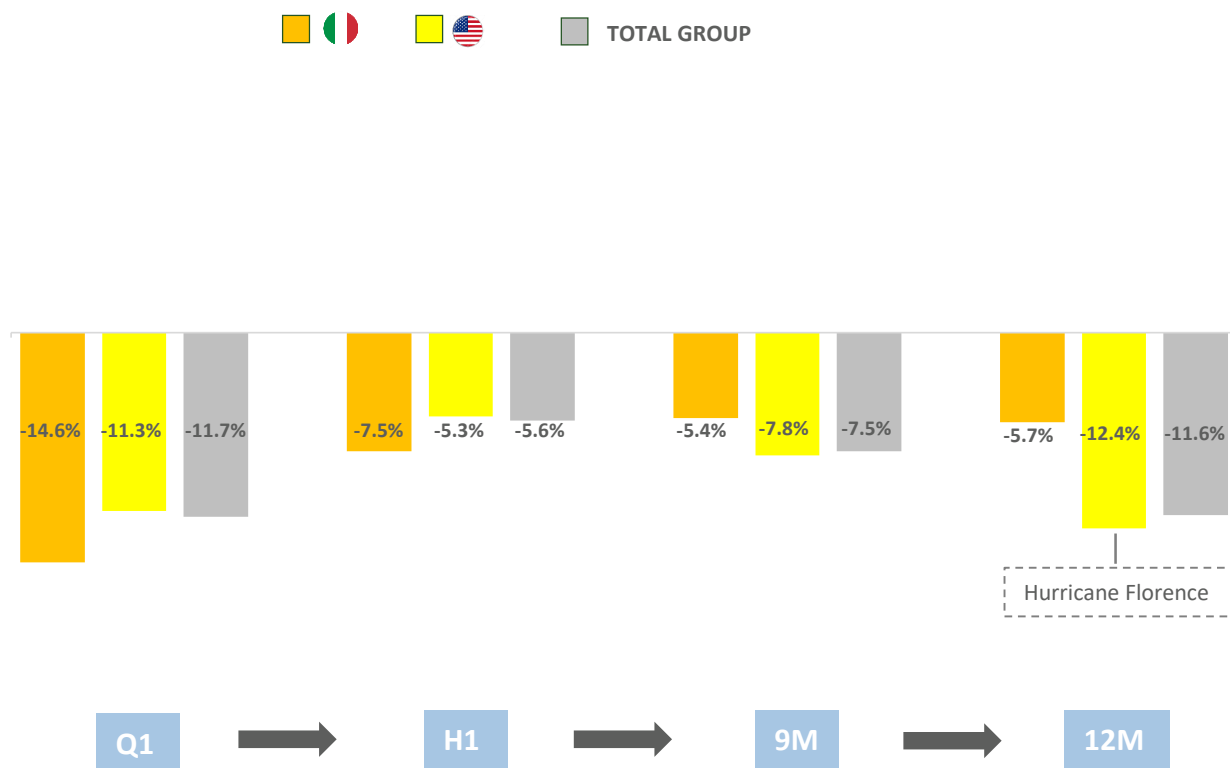
FY2018 vs. FY2017: Load Factor* by Country



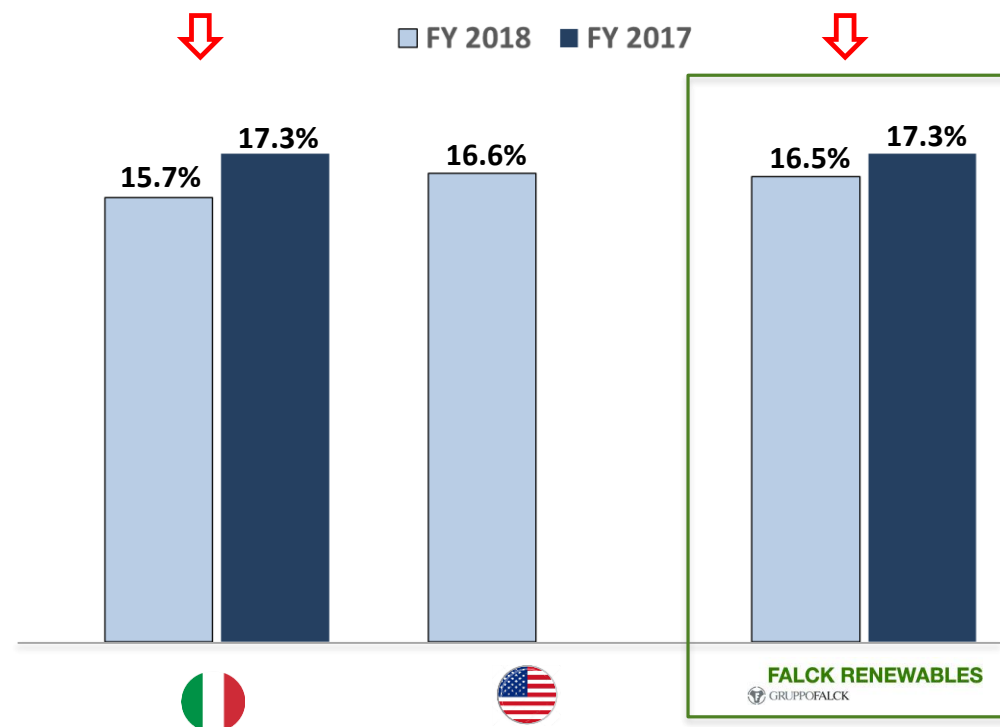
Assets: 2018 Solar Portfolio Performance



US & Italy: Evolution of Production**



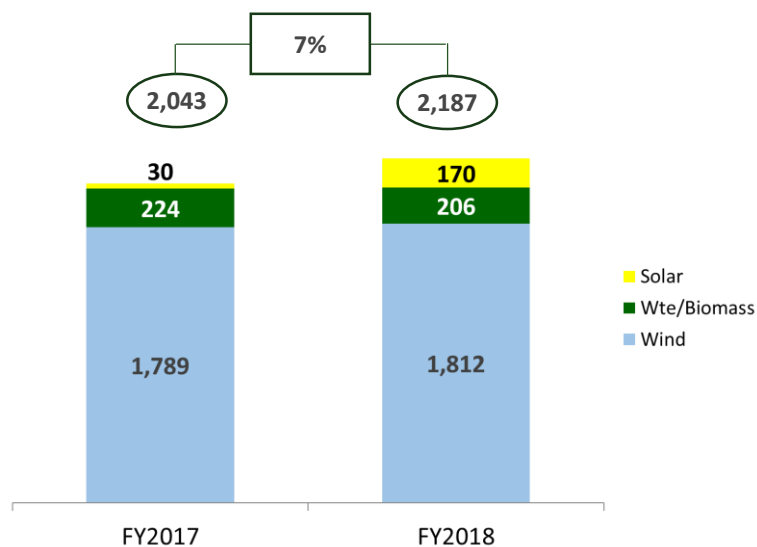
FY2018 vs. FY2017: Load Factor* by Country



Assets: Electricity Production in 2018 (GWh)



By Technology

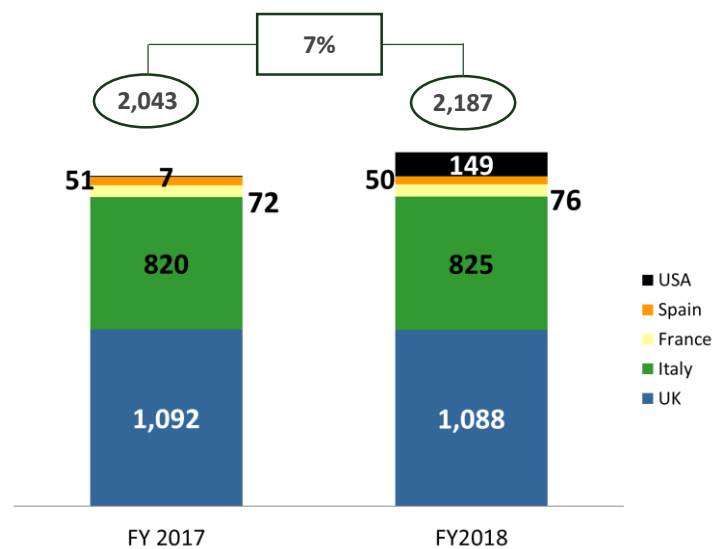


Production aligned vs. 2017: poor wind conditions end of Spring, recovered by better conditions during late Summer time. Q4 production in line with previous year



- Higher wind production vs. 2017 (+4%) mainly due to better conditions in H1 partially lowered by weak production in H2. Lower volume for solar (-10%).
- Energy from waste/biomass lower than year ago primarily due to Biomass maintenance works and unplanned outage at Trezzo WtE plant.

By Country

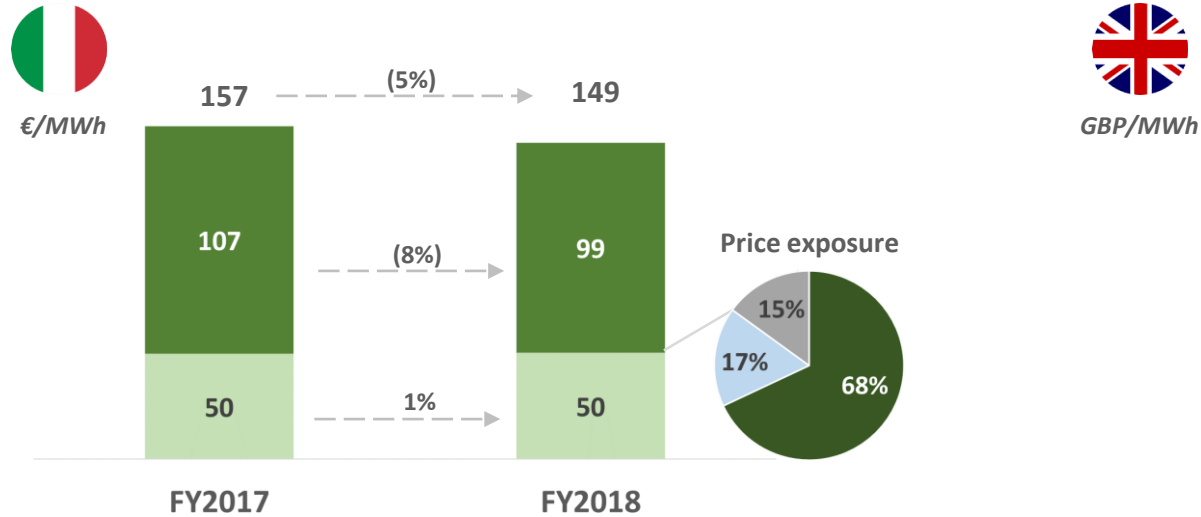


Higher productions vs 2017 due to new capacity additions in North Carolina (92MW - with irradiation below expectations) and Massachusetts (20.5MW - Syncarpha and Middleton).

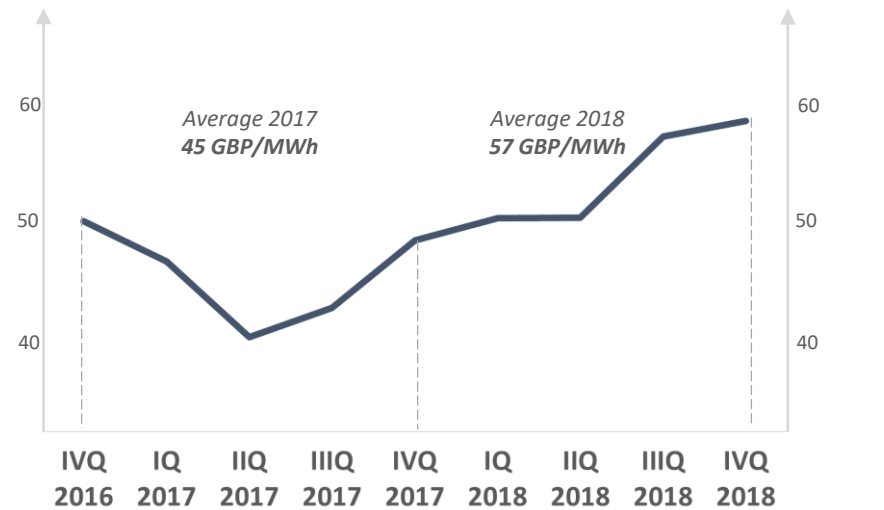
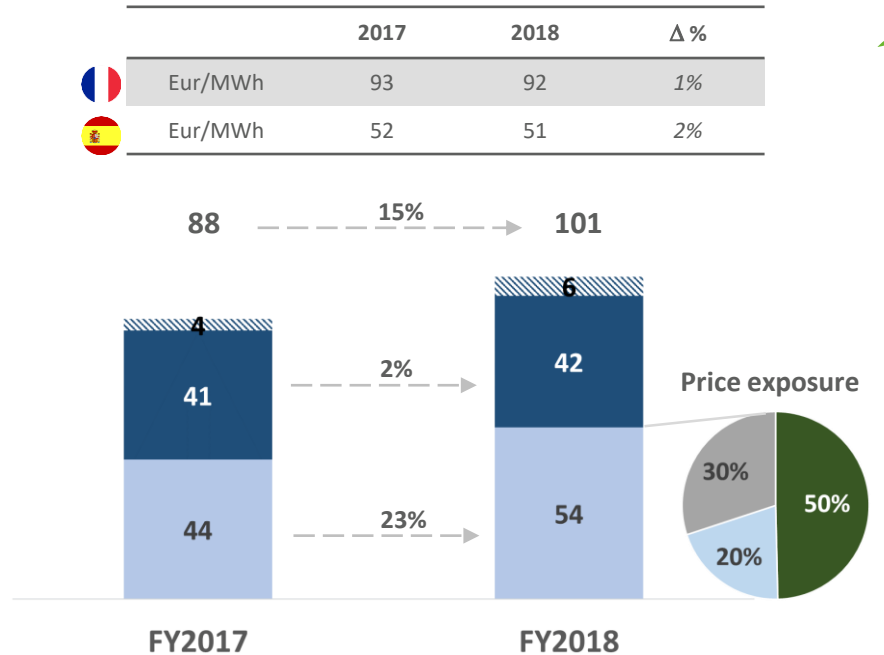
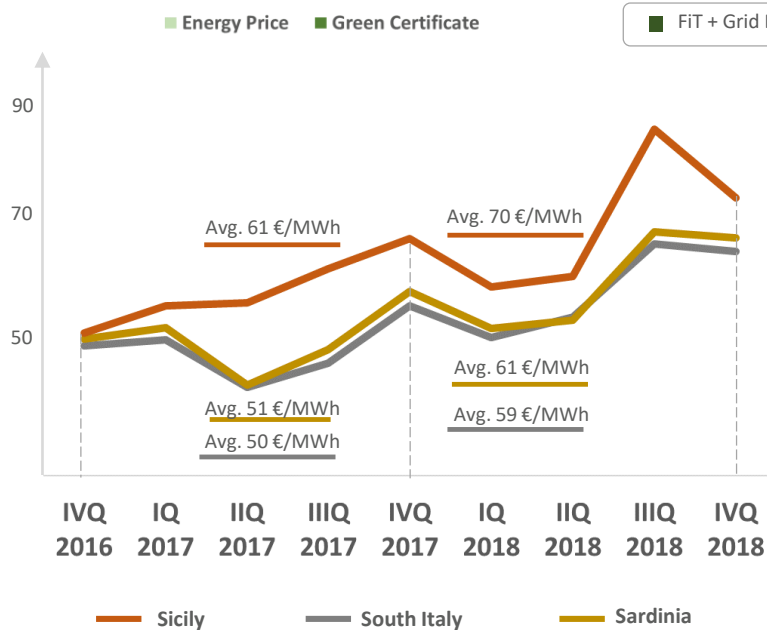
Assets: Captured Price Overview



CAPTURED ENERGY + INCENTIVE PRICE








WHOLESALE PRICE*



Assets: Construction

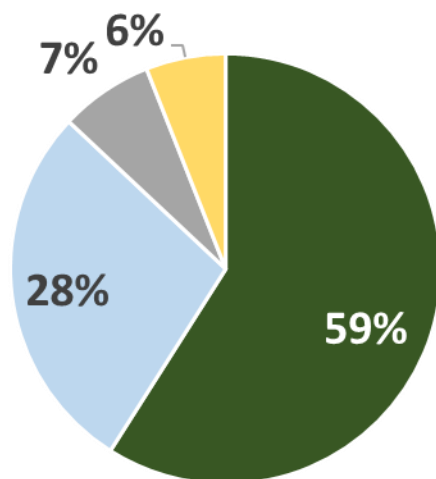


	Project	MW	Turbines	% of Completion (in value)	Contracts Signed	Expected COD
	Aliden	46.8	Nordex N131/3900 12 turbines of 3.9MW	24%	TSA, BOP, E-BOP and Grid	Q4 2019
	Brattmyrliden	74.1	Nordex N131/3900 19 turbines of 3.9MW	9%	TSA, BOP, E-BOP and Grid	Q4 2020
	Hennoy	50.0	Vestas V136 12 turbines of 4.2MW	36%	TSA, BOP, E-BOP and Grid	Q4 2019
	Okla	21.0	T.b.d.	6%	Grid	Q4 2020
	Carreastro	10.0	Siemens Gamesa SG 2.6-114 4 turbines 2.6MW	20%	TSA, BOP, E-BOP and Grid	Q4 2019

Services: Focus on Energy Management



CONTRIBUTION TO REVENUES



■ METERING SERVICES
 ■ DEMAND/RESPONSE
 ■ ENERGY EFFICIENCY
 ■ OTHER SERVICES

ENERGY TEAM – FY 2018 (pro-forma)

Revenues	€14.1M
EBITDA	€4.4M

FRE

(Falck Renewables Energy)

PORTFOLIO MANAGEMENT
(HEDGING AND FIXING)

500 GWh*

DISPATCHING

360 GWh

DEMAND/RESPONSE

3.3MW (UVAM)

* Direct + indirect

Services: Summary

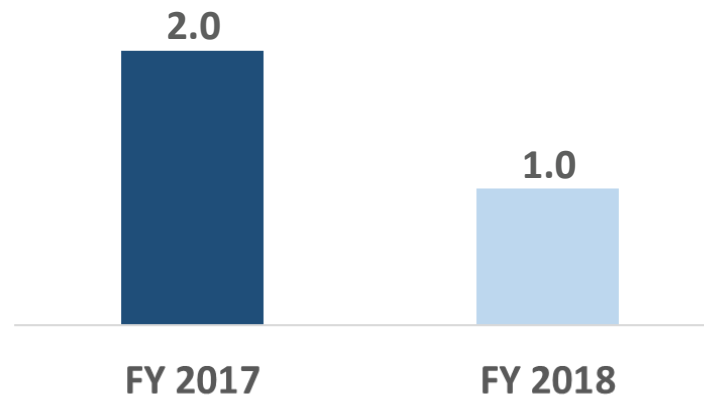
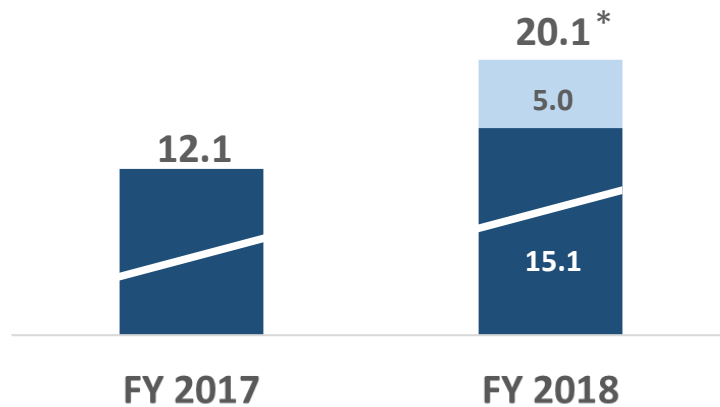


REVENUES

(€M)

EBITDA

MAIN DRIVERS

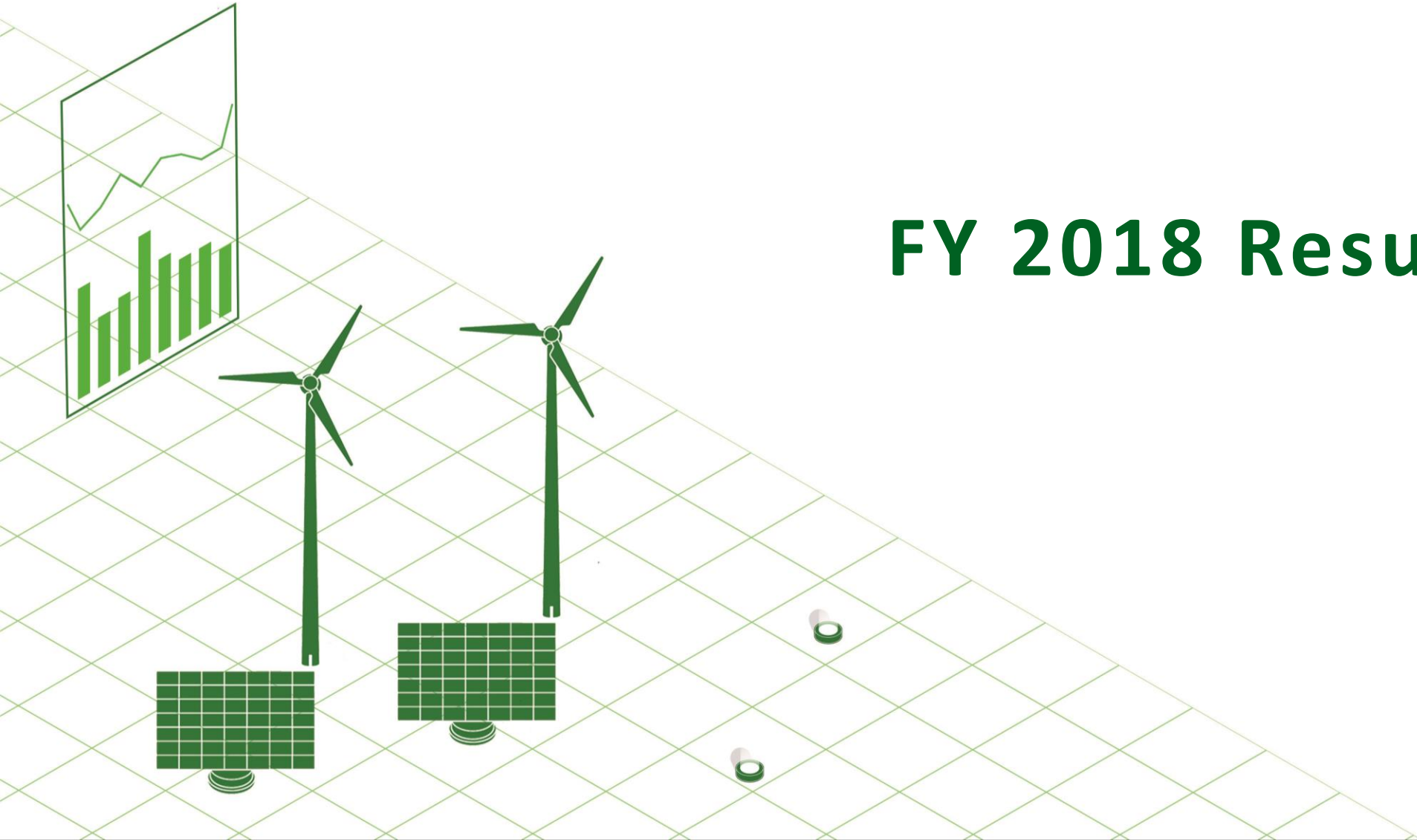


- ↑ Increase of AM in Italy and in the UK (due to reorganization)
- ↑ Consolidation of Energy Team results in Q4
- ↓ Lower AM in Spain partially mitigated by higher revenues in Mexico and Japan
- ↓ Lower fees from Transaction activities
- ↓ Higher restructuring costs

■ Asset Management & Technical Advisory ■ Energy management & Energy Efficiency

* Gross of intercompany vs FKR Group and Consortium «pass through» revenues

FY 2018 Results



FY 2018 Financial Highlights



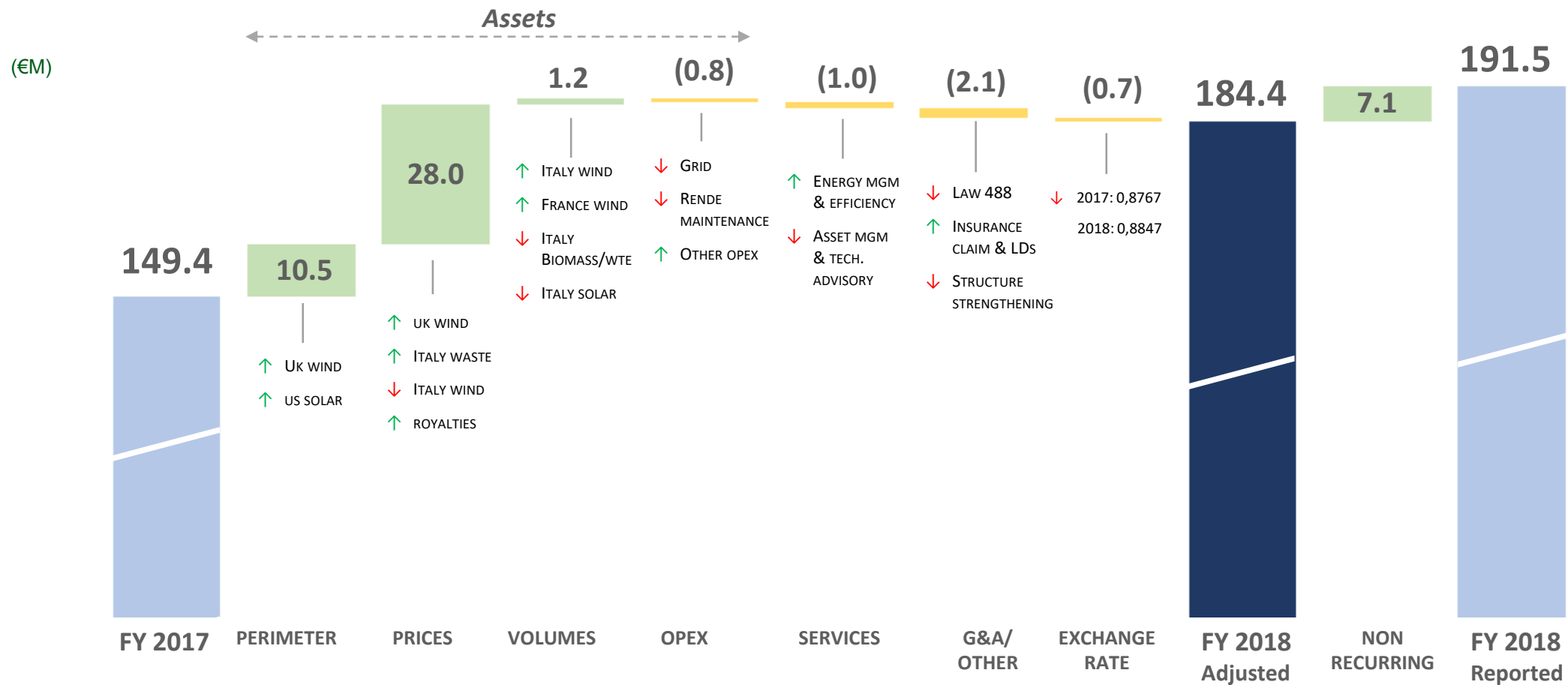
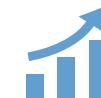
(€M)	FY 2018*	FY 2017	
Revenues and Other Income	349.1	293.1	19.1%
Ebitda	191.5	149.4	28.2%
<i>% on Revenues and Other Income</i>	<i>54.8%</i>	<i>51.0%</i>	
Depreciation - Amortization - Write Off	(76.0)	(74.0)	
Operating result	115.5	75.4	53.2%
<i>% on Revenues and Other Income</i>	<i>33.1%</i>	<i>25.7%</i>	
Financial income and charges	(40.9)	(35.3)	
Equity investments	2.7	2.3	
Earnings Before Taxes	77.3	42.4	82.2%
Taxes	(16.9)	(11.0)	
Net Earnings	60.4	31.5	92.0%
Minorities	16.3	11.7	
Group Net Earnings	44.2	19.8	123.0%
millions of euro			
Net Invested Capital	1.103	1.082	
Equity	556	498	
Net Financial Position	(547)	(585)	
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(700)</i>	<i>(793)</i>	
NFP excluding Derivatives Instruments	(509)	(537)	

Breakdown (€M)	FY2018	FY2017
Depreciation	(64.8)	(59.4)
Provision	(8.8)	(14.2)
Write – off / Revaluation	(2.4)	(0.5)

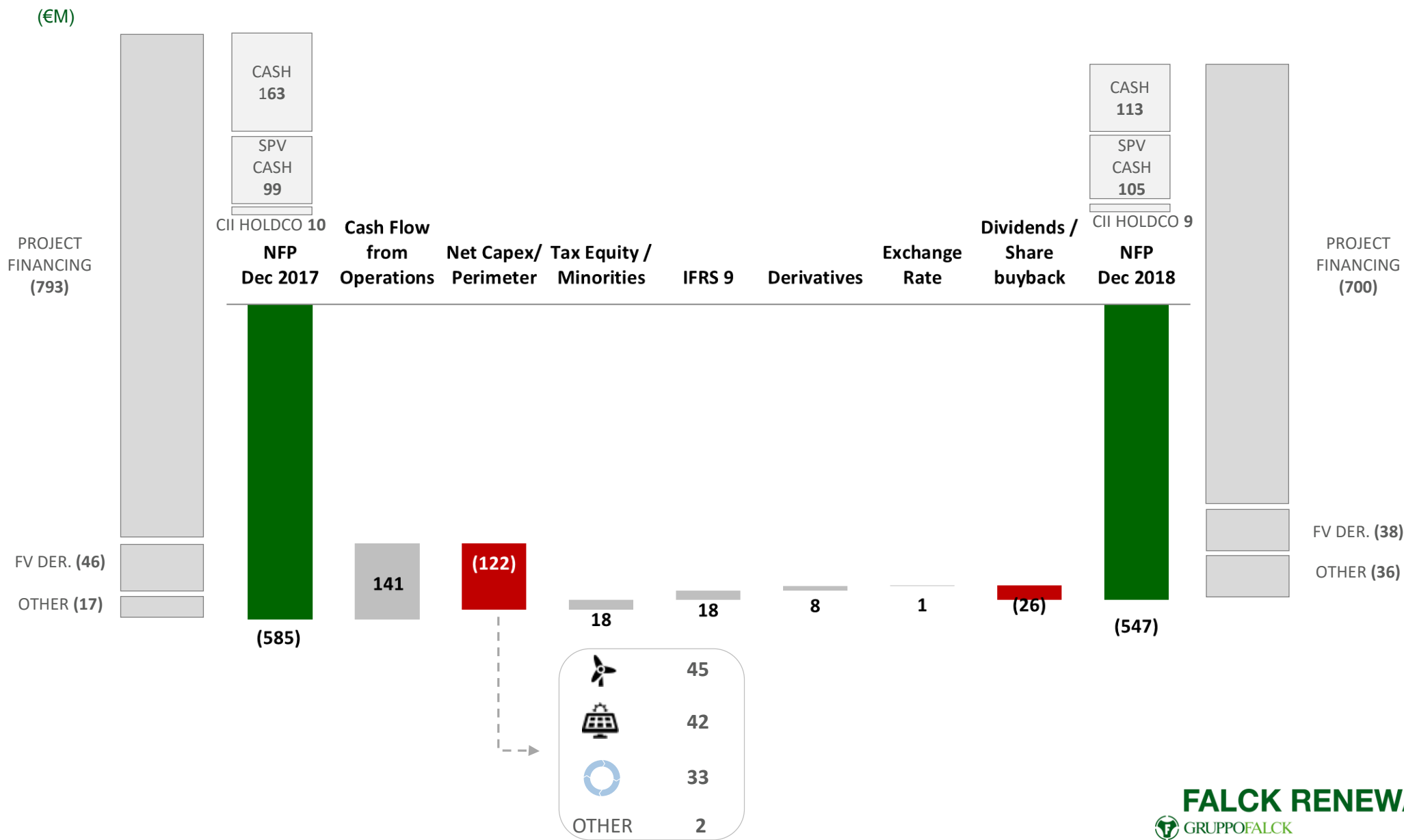
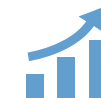
Breakdown (€M)	FY2018	FY2017
Financial charges	(35.9)	(35.3)
IFRS 9 adoption	(5.0)	

* It includes the impact of non-recurring transactions of €7.1M

FY 2018 EBITDA Bridge



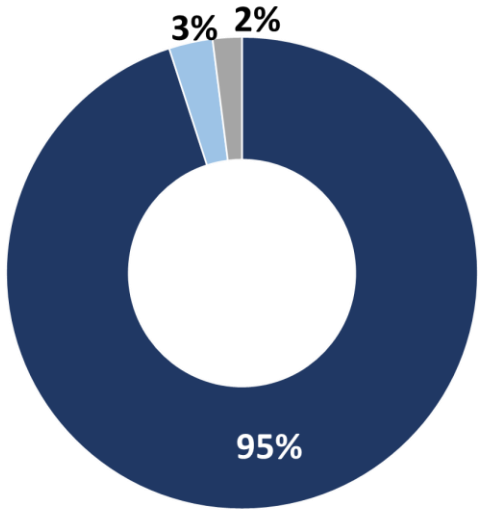
FY 2018 Cash Flow



FY 2018 Debt Breakdown



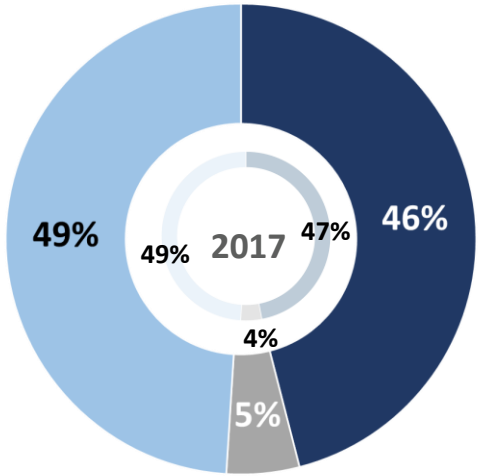
Gross Debt Nature Without Derivatives



€739M

- Financing with recourse
- Project financing without recourse
- Other financings without recourse

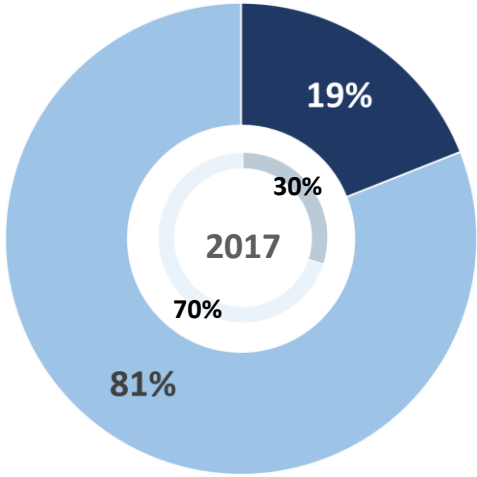
Gross Debt by Currency Without Derivatives



€739M

- GBP
- EUR
- USD

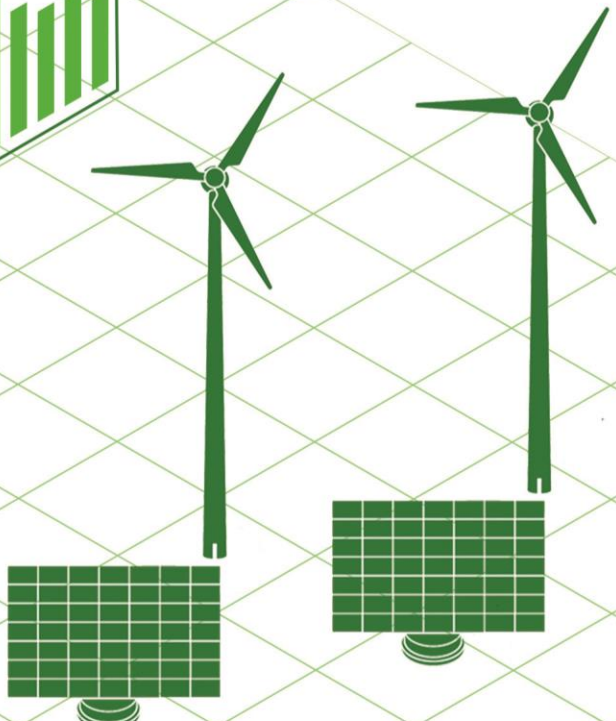
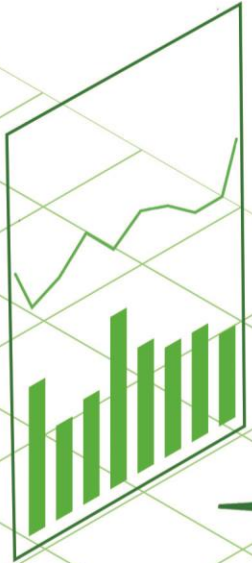
Gross Debt Without Derivatives Hedged



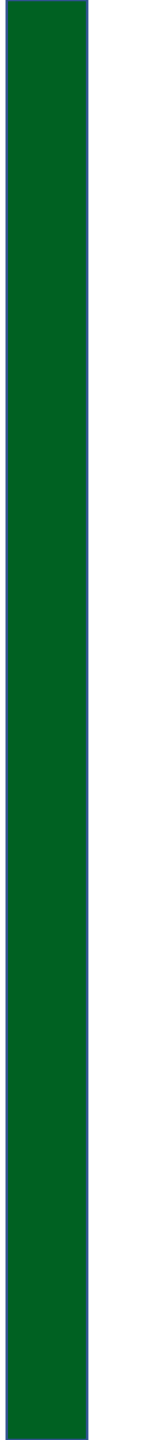
€739M

- Hedged
- Un-hedged

Average interest rate (including interest rate swap) of **3.73%***



Outlook & Conclusions



2019 Guidance (€M)

EBITDA reported 2018 **191.5**

Non recurring transactions (7.1)

EBITDA adjusted 2018 (estimate) **184.4**

- Perimeter 9
- Green Certificates -6
- Prices 6
- Opex -2
- Services 2-3
- Devex -4
- Exchange rate -3
- Others (Insurance claims, Lds) -3

EBITDA 2019E **184.0**

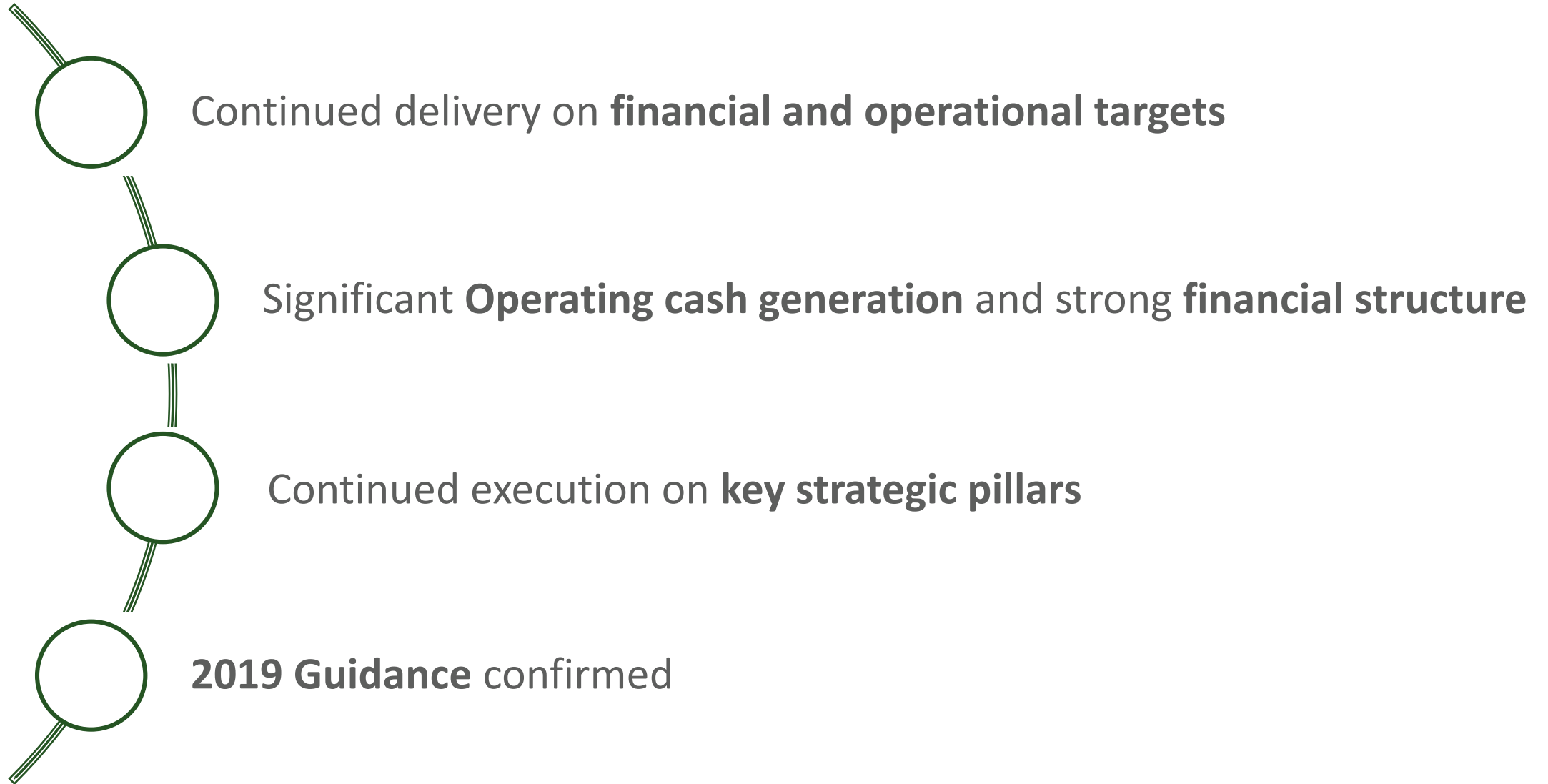
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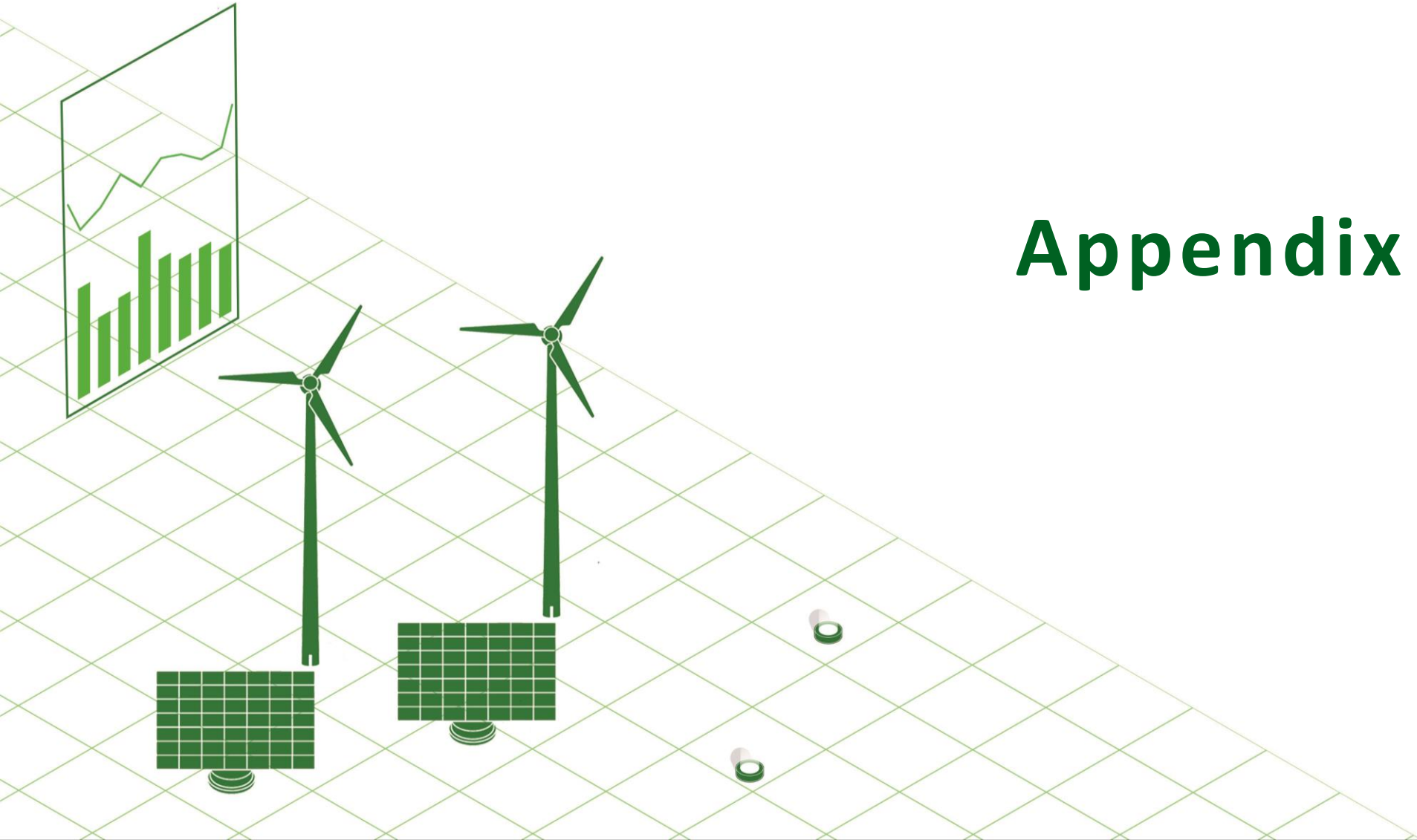
Group Net Earnings

~737

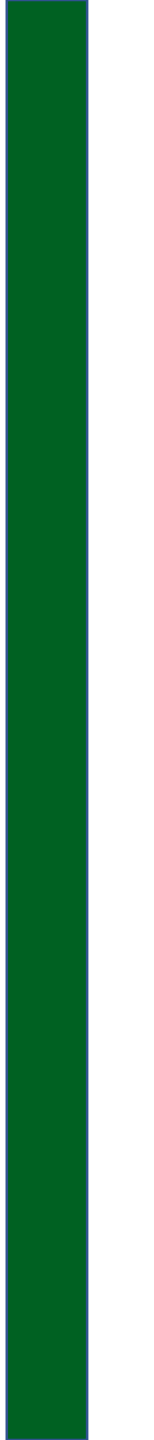
Net Financial Position

Conclusions





Appendix



Installed Capacity and Production by Plants in 2018



WIND



SOLAR



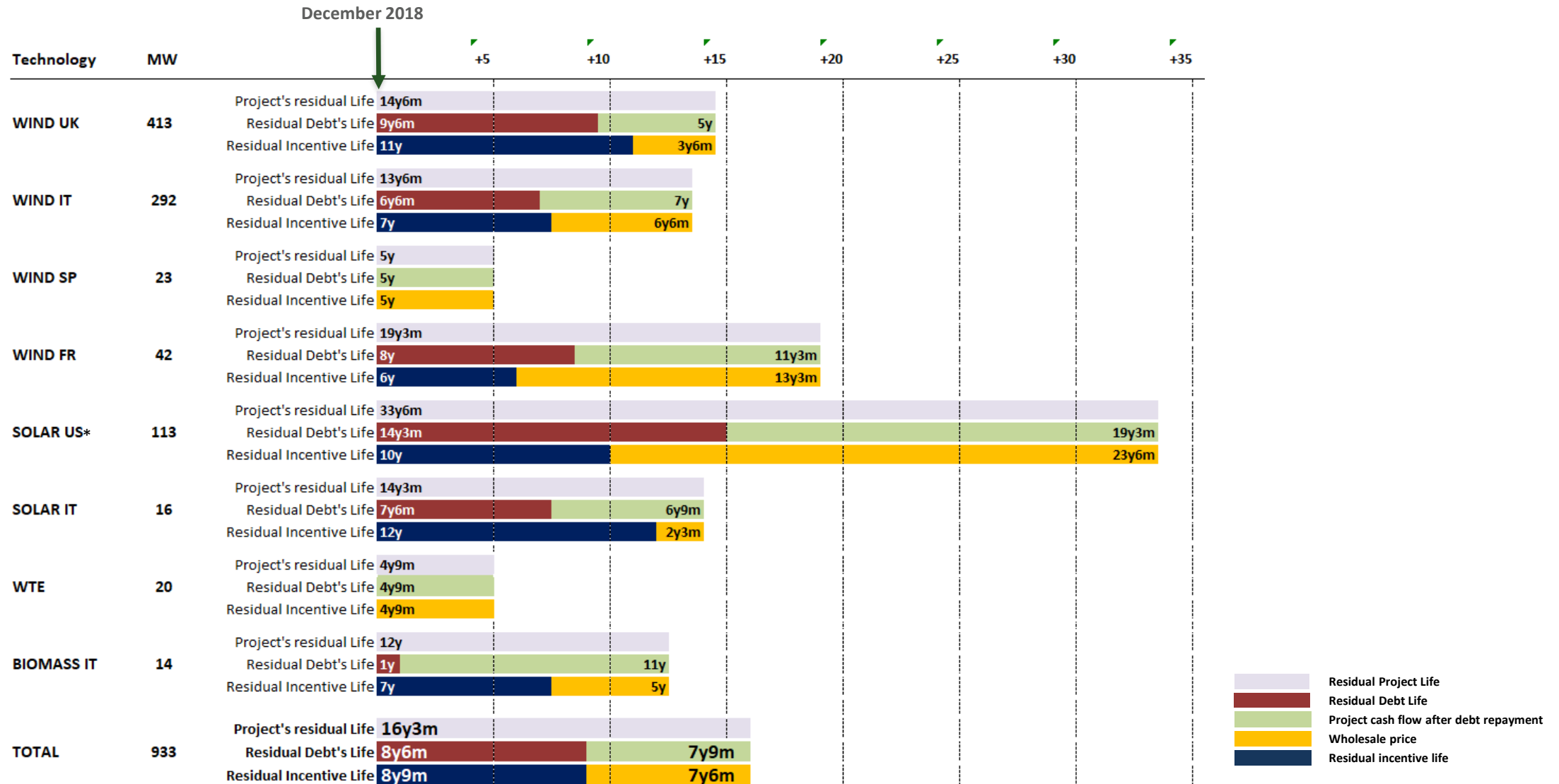
WTE/BIO

MINORITIES

Plants	MW	Energy produced 2018 (GWh)
Cefn Croes (Wales)	58.5	146
Boyndie (Scotland)	16.7	38
Earlsburn (Scotland)	37.5	107
Ben Aketil (Scotland)	27.6	69
Millennium (Scotland)	65.0	167
Kilbraur (Scotland)	67.5	158
Nutberry (Scotland)	15.0	50
West Browncastle (Scotland)	30.0	75
Spaldington (England)	11.8	26
Kingsburn (Scotland)	22.5	79
Assel Valley (Scotland)	25.0	74
Auchrobert (Scotland)	36.0	99
San Sostene (Italy)	79.5	158
Minervino Murge (Italy)	52.0	89
Buddusò – Alà dei Sardi (Italy)*	138.0	309
Petralia Sottana (Italy)	22.1	42
Ty Ru (France)	10.0	20
Fouy (France)	10.0	17
Cretes (France)	10.0	18
Esquennois (France)	12.0	21
Cabezo San Roque (Spain)	23.3	50
Rende (Italy)	1.0	1
Sicily (Italy)	13.1	18
Mesagne (Italy)	2.0	3
North Carolina (USA)	92.0	134
Syncarpha - Massachussets (USA)	14.5	11
Middleton – Massachussets (USA)	6.0	4
WTE Trezzo (Italy)	20.0	101
BIO Rende (Italy)	15.0	103
La Muela (Wind - Spain)	26.0	
Fruzzo Energia Ambiente (WtE - Italy)	11.0	
TOTAL	970.2	2,187

* The installed capacity is 159 MW, production limit at 138 MW

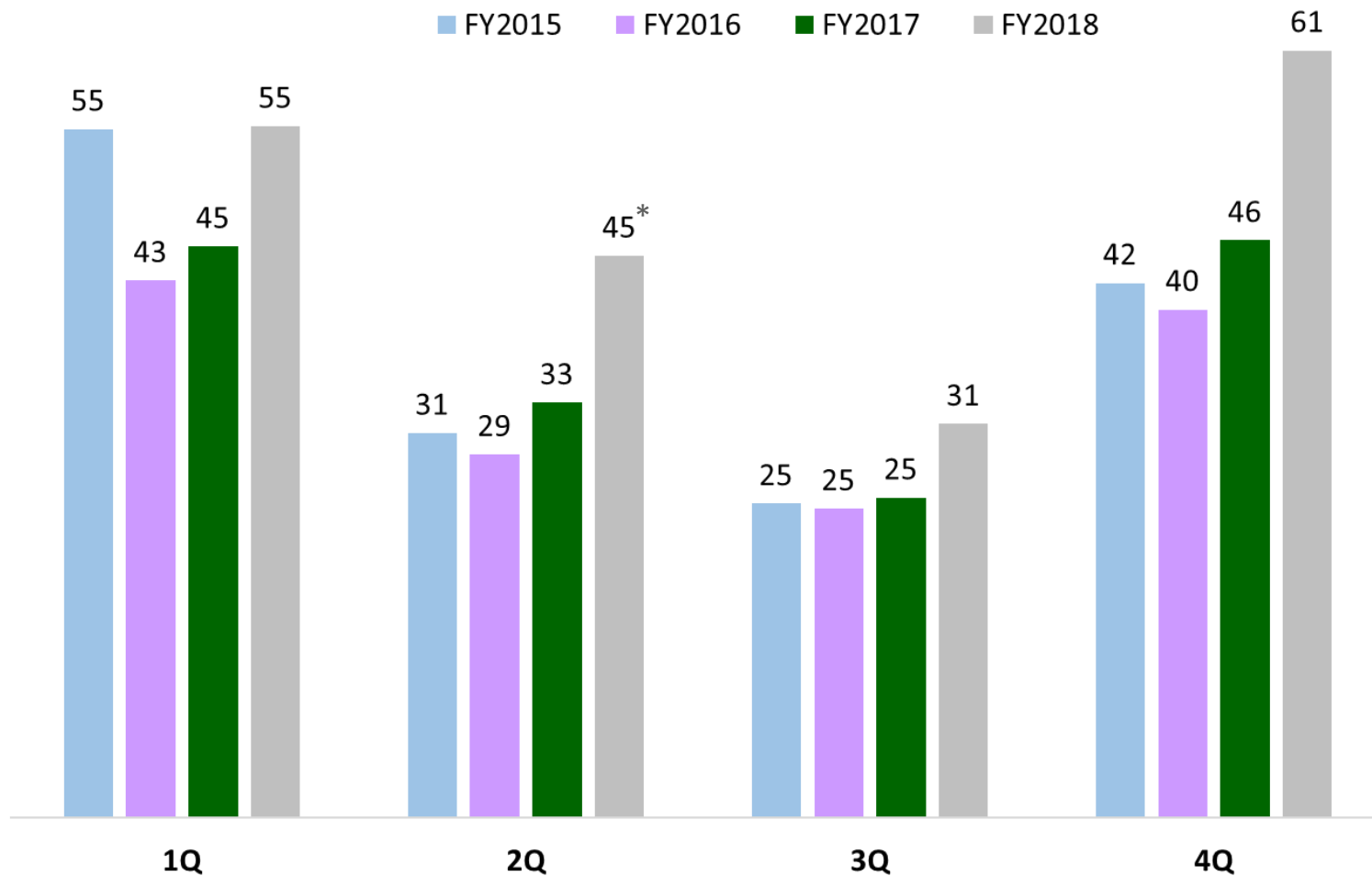
Young Asset Base



FY 2018: Best Results ever

€M	FY 2018	FY 2017	YoY Change
EBITDA	191.5	149.4	28.2%
EBIT	115.5	75.4	53.2%
EARNINGS BEFORE TAXES	77.3	42.4	34.9
NET EARNINGS	60.4	31.5	28.9
GROUP NET EARNINGS	44.2	19.8	24.4
NFP	(547.2)	(584.5)	6.4%
NFP/EBITDA	2.9x	3.9x	27.0%
Proposed DPS	6.3 €c	5.3 €c	8.2%
INSTALLED CAPACITY	970 MW	950 MW	21 MW
ENERGY PRODUCTION	2,187 GWh	2,043 GWh	145 GWh

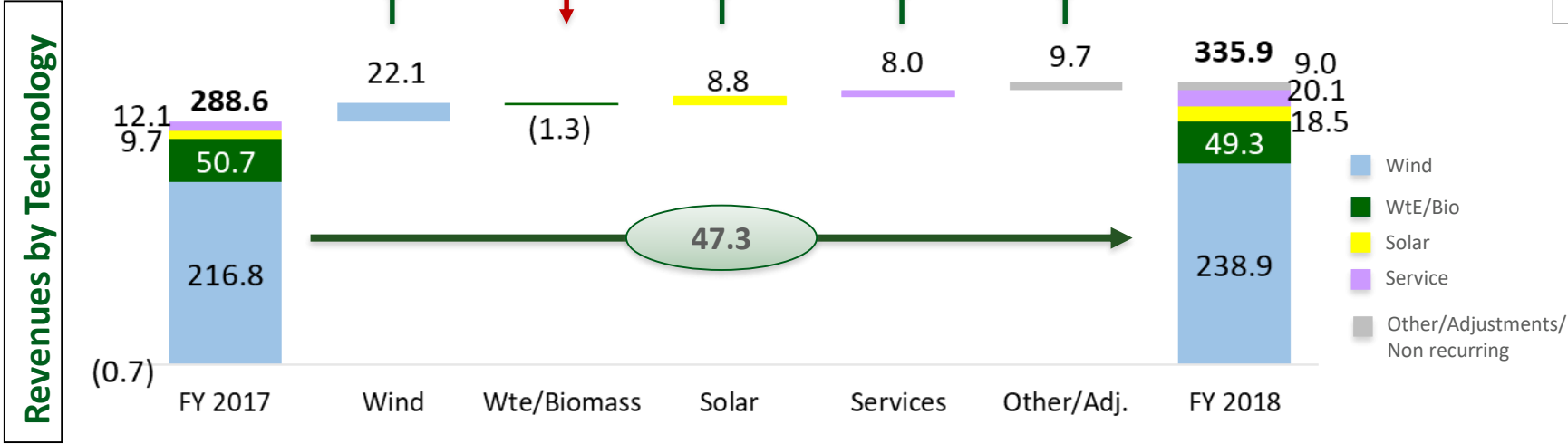
EBITDA Breakdown by Quarter



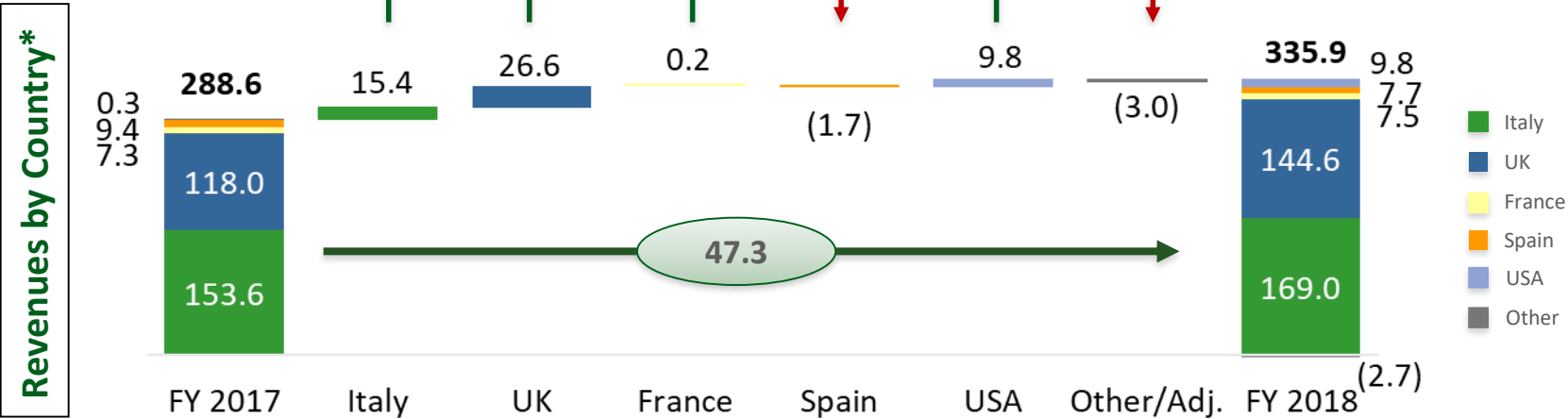
2018 EBITDA impacted by higher prices and positive contribution from US solar productions

FY 2018 Revenues

↑ ↓ Trend vs FY 2017



(€M)

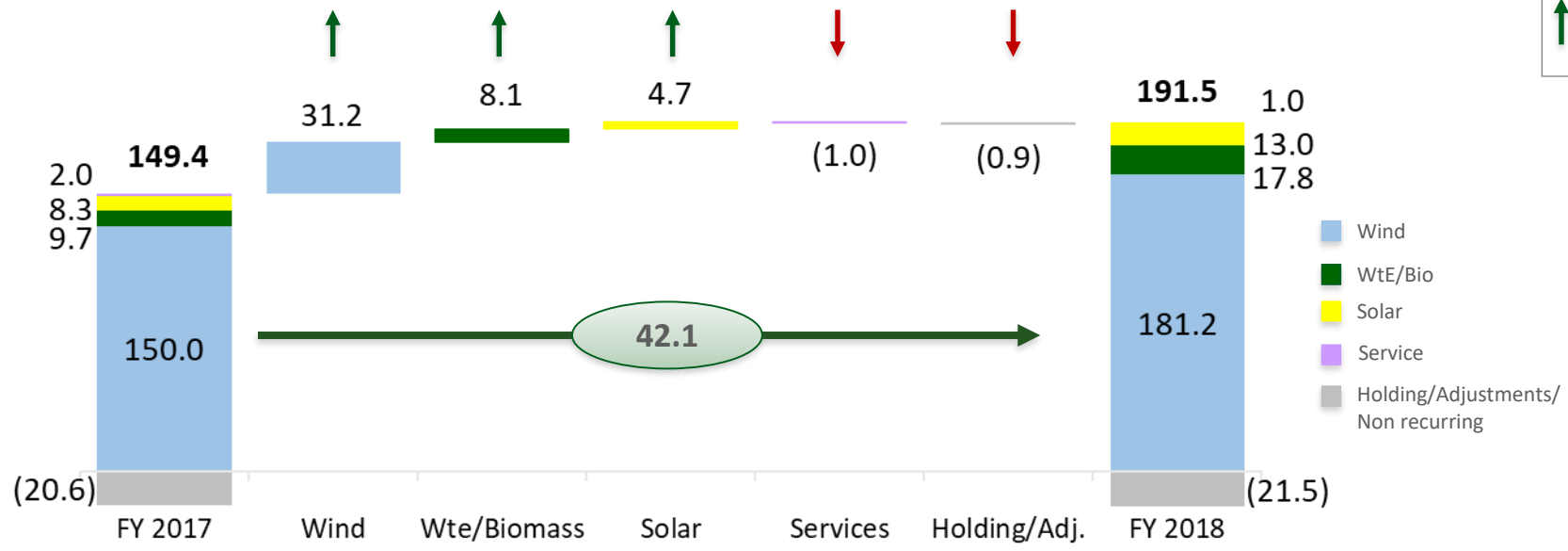


* By origination

FY 2018 EBITDA

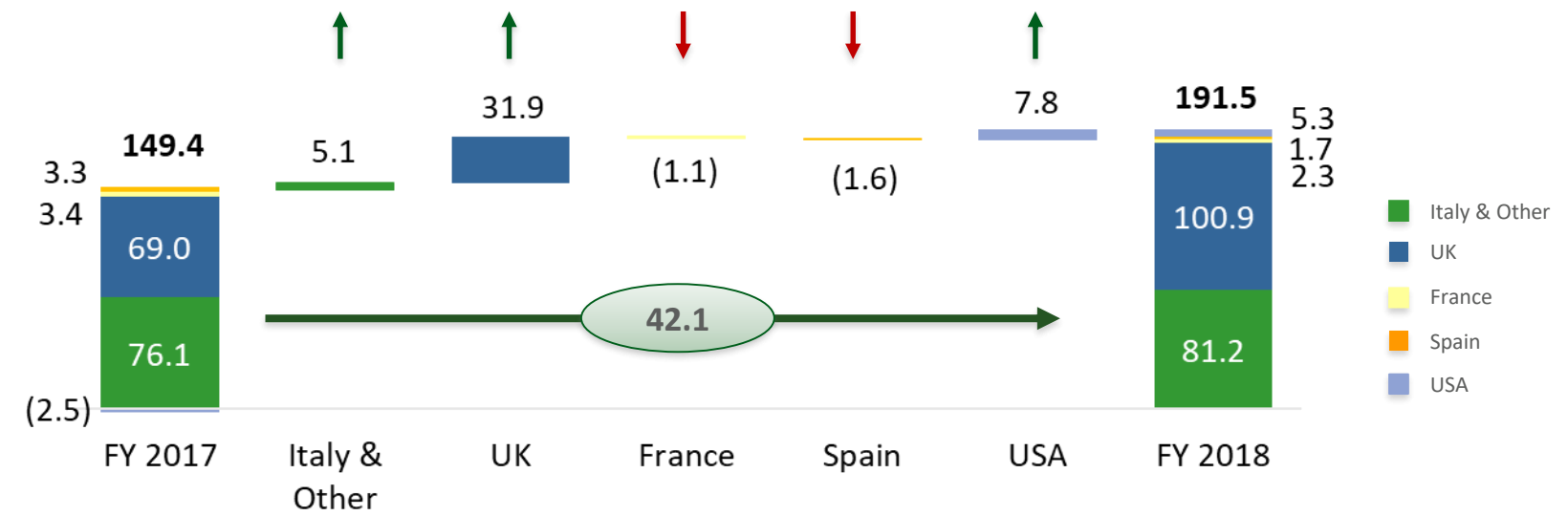
↑ ↓ Trend vs FY 2017

EBITDA by technology



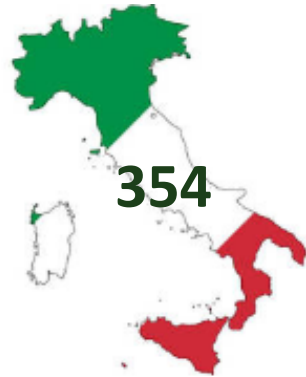
(€M)











EBITDA by Country*



* By origination

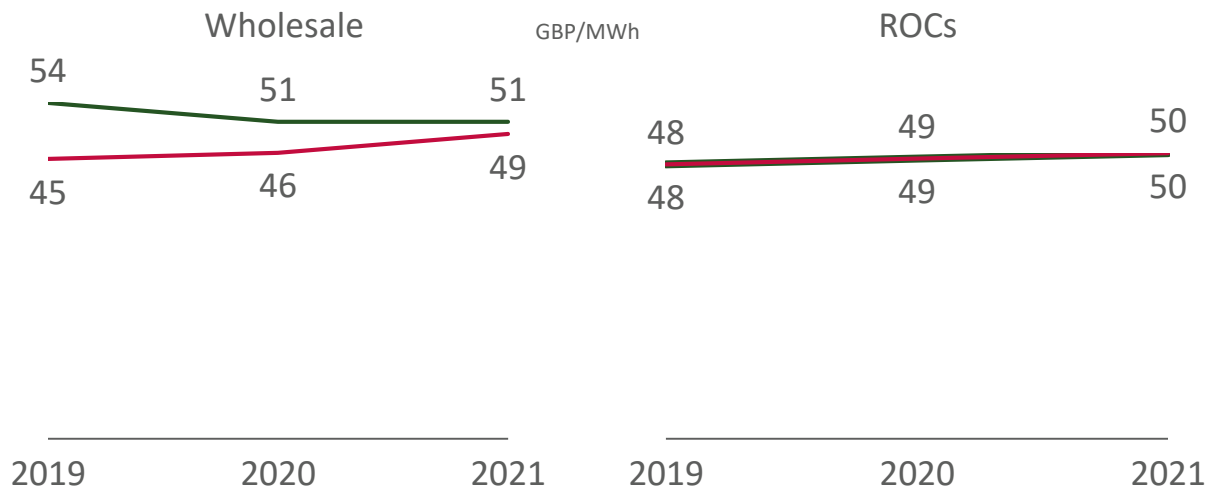
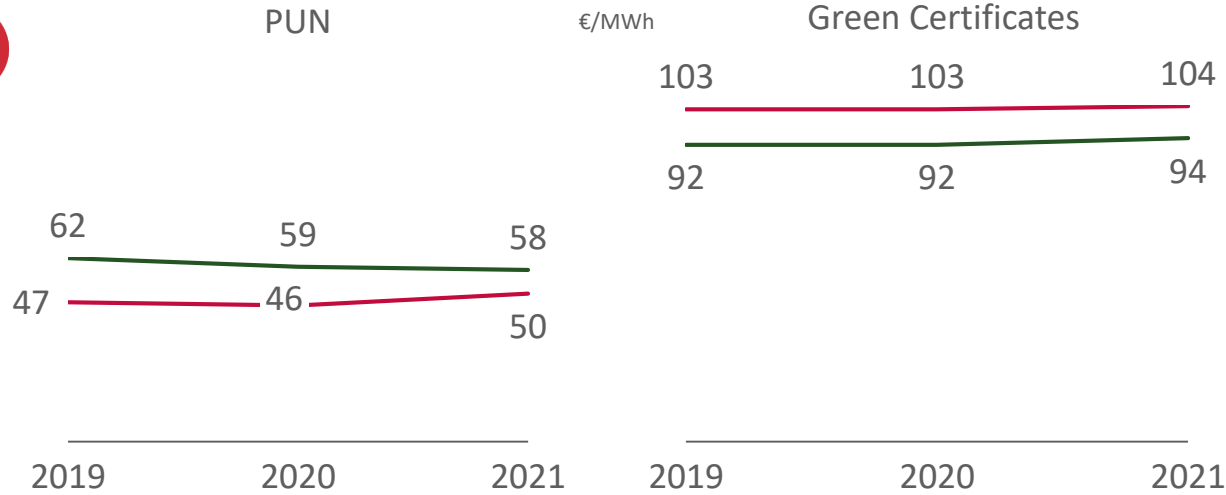
Today's portfolio – 1,026 MW



MW				
	292	16	46	354
	413			413
		113		113
	98			98
	49			49
	852	129	46	1,026*



Scenario Assumptions



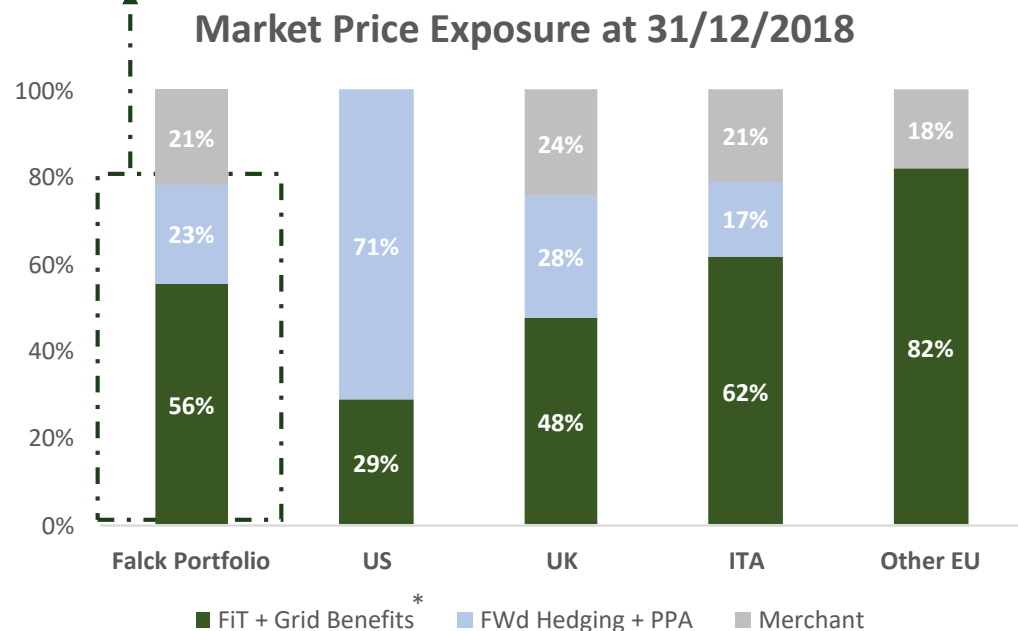
Euribor & Libor	2019	2020	2021
<i>Euribor Old Plan</i>	0.25%	0.50%	1.00%
Euribor New Plan	0.00%	0.25%	0.50%
<i>UK Libor Old Plan</i>	1.20%	1.30%	1.40%
UK Libor New Plan	1.20%	1.30%	1.40%

FX 2019 – 2021

EUR/GBP: 0.91
EUR/USD: 1.18

Price Risk Management Assumptions - Update

No price risk on almost 80% of expected revenues after hedging actions



*

US: SREC + Capacity Payments ; UK: ROCs + % of Grid Benefits;
ITA: Tariffa Grin + Conto Energia; Other EU: French FiT

Power Price Risk

- **Natural hedging** provided by environmental subsidies (ROCS, Tariffs, Certificates) and Grid Benefits (for DC projects) has been complemented by sales on forward market in ITA and UK
- **Only 20%** of 2019 revenues is **exposed** to price risk, **after actions**

2019 Price Risk Sensitivity considering Hedged Positions

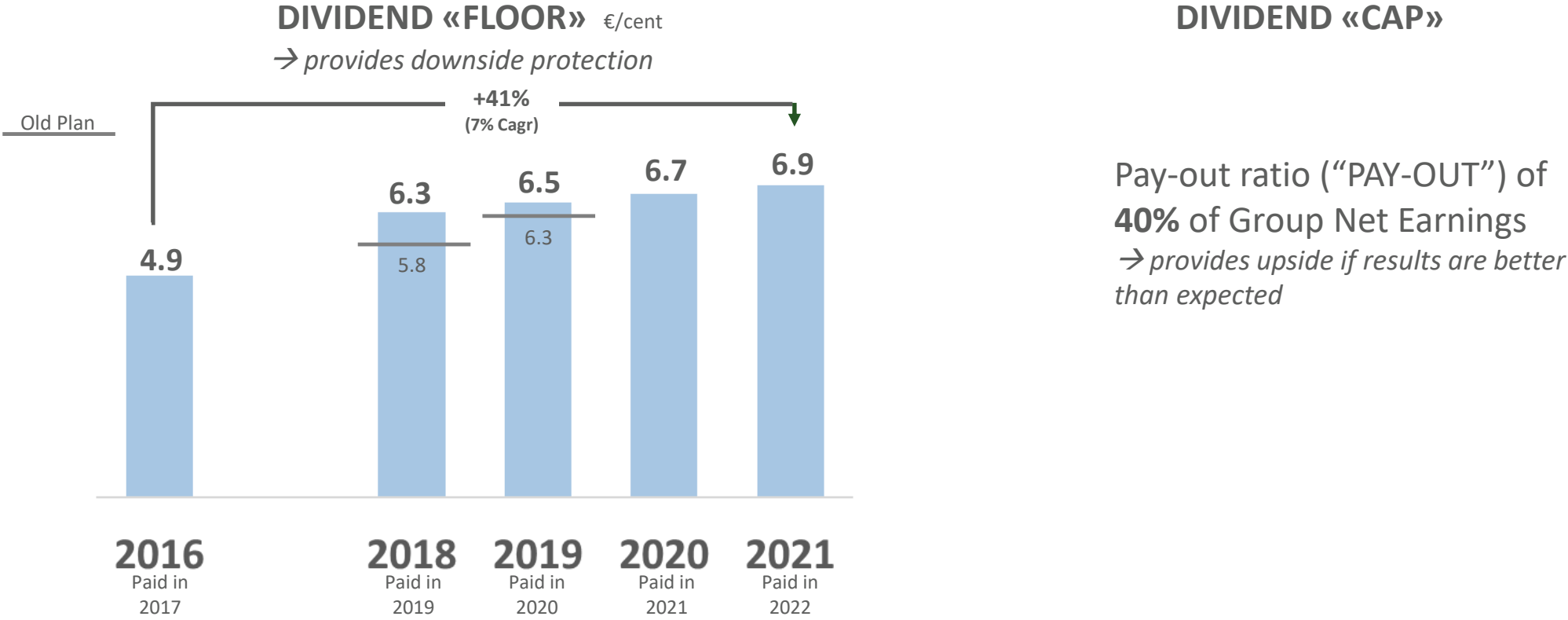
- UK: $\pm 1 \text{ £/MWh} \rightarrow \pm 0,5 \text{ M£}$
- ITA: $\pm 1 \text{ €/MWh} \rightarrow \pm 0,4 \text{ M€}$
- US: $\pm 1 \text{ \$/MWh} \rightarrow \pm 0 \text{ M\$}$
- Other EU: $\pm 1 \text{ €/MWh} \rightarrow \pm 0.1 \text{ M€}$

Wind - Captured Prices

	2019	2020	2021
Italy (Energy Price + Green Certificates) (€/MWh)	149	148	148
UK (Energy Price + ROCs) (GBP/MWh)	99	95	95

Enhanced 2018-2021 Dividend Policy

Dividend distribution: maximum between the CAP and the FLOOR



SUSTAINABLE POLICY WITH CLEAR 2021 VISIBILITY