



ALBIOMA

Press release

Paris La Défense, 8 March 2019

2018 annual results

EBITDA up sharply compared with 2017 (+18%)

Net income, Group share, exceeds targets, up from 2017 (+18%)

Significant increase in the share of renewables in the energy mix, at 62%

Albioma's Board of Directors, chaired by Jacques Pétry, met on 07 March 2019 and approved the Group's consolidated financial statements for the 2018 financial year.

"2018 was a rich year for Albioma. Highlights were the commissioning in Martinique of Galion 2, the first 100% bagasse/biomass power plant in Overseas France, and the strong operational performances of our thermal and solar facilities; Albioma recorded robust EBITDA growth compared with 2017 (+18%) while net income, Group share rose by 18%. With a particularly high level of activity in the second half year, the Group continued to grow by strengthening its position in the solar power sector, with the acquisition of Eneco France. Internationally, Brazil remains a priority, notably with the signing of the final contract for the acquisition of a fourth plant. In addition, the launch of the 100% biomass conversion programme for our power plants, starting with the Albioma Caraïbes plant in Guadeloupe, and the recent commissioning of the world's first bioethanol-fuelled peaking combustion turbine plant on Reunion Island, confirm our status as a major player in the energy transition. Our trajectory to achieve a renewable portion of at least 80% in our energy mix by 2023 is confirmed: at the end of 2018 the share of renewables in our energy mix totalled 62%¹. The major investments committed since 2013 should generate an EBITDA of around €200 million by 2020," said Frederic Moyne, Chief Executive Officer of Albioma.

Consolidated key figures for 2018

€ millions (audited data)	2018	2017 (reported)	Change %
Revenue	428.3	403.2	+6%
EBITDA	162.6	138.3	+18%
Net income	53.6	44.3	+21%
Net income, Group share	44.2	37.4	+18%

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



Revenue rose by 6% to €428.3 million (4% excluding the impact of changes in fuel prices) thanks to the increase in fixed premiums linked to contractual indexation and recent riders to contracts signed with EDF, and with the commissioning of Galion 2. Under the same effects, EBITDA for the year increased by 18% to €162.6 million and net income, Group share grew strongly by 18% to €44.2 million.

Highlights

- The major industrial commissioning of two plants: the 100% bagasse/biomass Galion 2 in Martinique and the bioethanol combustion turbine on Reunion Island
- Signing of the rider to the EDF contract for the 100% biomass conversion of the Albioma Caraïbes power plant in Guadeloupe
- Strengthening of the solar power business in mainland France with the acquisition of Eneco France
- Lifting of conditions precedent for the finalisation of the acquisition of a new plant from Jalles Machado in Brazil
- Sale of the anaerobic digestion business in France
- Changes in the shareholder structure, with Impala taking a 6% stake

France

Thermal Biomass

Sound performance of thermal power plants overseas

The availability of thermal power plants in France stood at 87.9% in 2018 (compared with 89.6% in 2017), impacted by the scheduled shutdowns – offset contractually by EDF - related to the completion of IED work on Reunion Island (Le Gol and Bois-Rouge plants) in the first half of 2018. All the thermal power plants ran smoothly, with the exception of the Bois-Rouge plant, whose activity was affected by technical incidents during the summer of 2018.

The total electricity production of the French overseas thermal plants was down (1,874 GWh compared with 2,043 GWh in 2017), mainly due to the long-term shutdowns carried out as part of the upgrading of facilities and an erosion of the call rate across all the Group's plants. Following the commissioning of the Galion 2 plant in the last quarter of 2018, Galion's peaking combustion turbine duly experienced a decrease in its call rate.

EBITDA for the business, integrating the contribution from riders signed with EDF and the industrial commissioning of Galion 2, amounted to €123.6 million for 2018, up by 21% compared with 2017 (€102.1 million).

Major commissioning of two plants

Industrial commissioning of the Galion 2 plant in Martinique, the first 100% bagasse/biomass plant in Overseas France

The 100% bagasse/biomass Galion 2 plant in Martinique has been in operation since 26 September 2018, under the 30-year contract signed with EDF. With an installed capacity of 40 MW, this plant, which is dedicated to the production of renewable energy, will provide electricity all year round for the Martinique grid from the combustion of bagasse, a fibrous residue of sugar cane, other local forms of biomass of plant origin and timber residues from sustainably managed forests. The Galion 2 power plant will triple renewable electricity production on the island (from 7% to 22%).



Industrial commissioning of the combustion turbine on Reunion Island, the first bioethanol-fuelled combustion turbine

Albioma has announced the industrial commissioning, on 25 February 2019, of the first peaking combustion turbine operating mainly using bioethanol, located in Saint-Pierre, Reunion Island. Dedicated to the production of renewable energy, the combustion turbine is a global innovation that operates predominantly with bioethanol, derived from the distillation of sugar cane molasses, produced locally at the Rivière du Mât distillery. With a capacity of 41 MW, it is a flexible and highly reactive means of production. Designed to start up in less than seven minutes, it supports consumption peaks, especially at the end of the day, and helps secure the Reunion Island grid. It facilitates the network integration and management of other renewable energy sources, such as solar power.

Development

Continuation of the IED programme

Annual maintenance outages, during which the Bois-Rouge and Le Gol plants continued the programme of works to make their fume treatment systems compliant with the European Industrial Emissions Directive (IED), took place under good conditions. In 2019, work began on the Albioma Le Moule power station in Guadeloupe.

Launch of the biomass conversion programme with the signing of the rider to the EDF contract for the 100% biomass conversion of the Albioma Caraïbes plant

Following the deliberation of the French energy regulator (*Commission de Régulation de l'Énergie* - CRE) of 15 November 2018, on 18 December the Albioma Caraïbes power plant in Guadeloupe, now called ALM-3, signed a rider to its electricity sales agreement with EDF, allowing the conversion of this 100% coal plant to biomass. Conversion work began in 2019 so that the plant can operate exclusively on biomass before the end of 2020. This work will reduce emissions by more than 265,000 tonnes of CO₂ equivalent (a net reduction of around 87% compared with current coal operation), and will thereby increase the renewable portion of Guadeloupe's energy mix from 20% to 35%.

Solar Power

Stable performance from the plants

The electricity production of the solar power business rose to 92 GWh, compared with 95 GWh in 2017, despite less favourable sunshine conditions, particularly on Reunion Island during the first months of the year.

EBITDA for the business amounted to €30.1 million in 2018, down 6% compared with 2017 (€32.0 million).

Development

Strengthening of the Group's presence in mainland France, with the acquisition of Eneco France

Albioma has strengthened its presence in mainland France with the acquisition of Eneco France. Created in 2008 and with an innovative positioning in power generation for onsite consumption, Eneco France develops, builds and operates photovoltaic plants on rooftops and agricultural facilities at private or industrial sites in the South of France. The Group owns photovoltaic plants with an installed capacity of 17 MWp in mainland France and has an extensive portfolio of projects under development. In addition, Eneco France operates a 0.5 MW hydroelectric plant. This acquisition offers Albioma the opportunity to intensify its positioning and expansion in the solar power sector in mainland France, to round out



the 8 MWp already installed in the country, and demonstrates the importance given to solar power in its energy mix.

Other photovoltaic projects

The Group continued the construction of photovoltaic power plants with energy storage, and was awarded the latest invitations to tender initiated by the French Energy Regulatory Commission in 2015 and 2016, consolidating its position as the leader in solar power overseas. Albioma is planning to soon commission the Grand Port Maritime power plant on Reunion Island (1.3 MWp, rooftop) and the Sainte-Rose plant in Guadeloupe (3.3 MWp on the ground at a non-hazardous waste storage facility).

On 26 April 2018, Albioma entered into a strategic partnership with the SHLMR (low-income housing rental company on Reunion Island) to build 51 photovoltaic power plants on the roofs of residences across all municipalities of Reunion Island. The construction works will begin in the second half of 2019, with full commissioning at the end of 2019, for a capacity of 4.8 MWp.

Lastly, on 15 May 2018, Albioma carried out the refinancing of its portfolio of photovoltaic projects in the Indian Ocean and established a credit facility to finance the Group's new projects in the same area for the next 18 months. The financing, amounting to €110 million, will enable the Group to optimise the funding of its existing projects and extend the maturity of its current debt while securing the future financing of projects won under recent invitations to tender launched by the CRE or under a purchasing obligation.

Anaerobic Digestion

Disposal of the business in France

On 10 December 2018, Albioma sold all of its anaerobic digestion business to Biométhanisation Partenaires. With a capacity of 3.2 MWe, the three agricultural anaerobic digestion units (Tiper, Capter and Sainter) operated by Methaneo are located in the French regions of Nouvelle-Aquitaine and the Loire. These three units represent an annual output of some 20 GWh.

Mauritius

Excellent performance from the plants in the second half year

Facilities in Mauritius reported an availability rate of 85.4%, compared with 93.8% in 2017. Electricity production fell from 1,173 GWh in 2017 to 1,084 GWh in 2018.

After a first half marked by the accidental outage of OTEO La Baraque, the Mauritian power plants performed very well during the second half of the year.

EBITDA for the business was €3.1 million (corresponding to the share of net income of equity-accounted companies) in 2018 (compared with €3.5 million in 2017).

Brazil

Good operational performance by the Rio Pardo and Codora Energia power plants

Brazil's two power plants posted strong performances despite a lower volume of crushed cane compared with 2017 (2.7 Mtc vs. 3.1 Mtc in 2017). Production fell slightly in 2018, to 238 GWh (compared with 248 GWh in 2017), and was driven by the excellent performance of the Albioma Codora Energia facility. The Albioma Rio Pardo Termoelétrica



power plant performed satisfactorily despite the fragile financial situation of its sugar-producing partner Usina Rio Pardo, which has been placed under “recuperação judicial”, the local judicial recovery protective regime.

Excluding the impact of exchange rates, EBITDA was stable at €6.5 million over 2018.

Development

Signing of the final contract for the acquisition of a new power plant from Jalles Machado

On 21 December 2018, Albioma signed the final contract with the Jalles Machado group for the acquisition of 60% of the bagasse cogeneration plant adjacent to the sugar refinery and distillery of the same name in Goianésia (state of Goiás). Its annual crushing capacity totals 2.8 million tonnes of sugar cane. As a reminder, Albioma signed an agreement with Jalles Machado on 18 December 2017 providing for, in particular, the renovation of the existing boilers as well as the installation of a new 25 MW turbine, bringing the site's total capacity to 65 MW. By improving cogeneration yields and reducing the refinery's steam consumption, it should be possible to export 145 GWh of energy to the distribution network annually with effect from the 2019 harvest, almost doubling the current output. More than 80% of energy sales are already secured by a 20-year long-term contract.

Continued development of the Vale do Paraná project

The acquisition of 40% of the shares of the company UTE Vale Do Parana was also finalised following the completion of the financing arrangements. This project, which represents capital expenditure totalling around BRL 100 million, aims to increase the generating capacity of an existing cogeneration plant to 48 MW by 2021. Work is underway.

A strong balance sheet to finance growth

Gross consolidated financial debt increased, notably as a result of the raising of debt to finance projects (Saint-Pierre combustion turbine, IED) and recent acquisitions. It amounted to €846 million at the end of 2018, as against €707 million at the end of 2017. Project debt came to €708 million (compared with €622 million at the end of 2017).

At the end of the 2018 financial year, marked by the commitment of nearly €178 million in development investment, the Group's cash position including security deposits amounted to €95 million, versus €92 million at 31 December 2017. Consolidated net financial debt was €747 million (as against €613 million at the end of 2017).

Dividends

The Board of Directors will submit to the Shareholders' Meeting a proposal to distribute a dividend of €0.65 per share, up 8% compared with 2018, with an option for 50% to be paid in new shares. This proposition is part of a dividend growth policy with a target distribution rate of around 50% of net income, Group share excluding exceptional items.

2019 objectives

For 2019, the Group is targeting EBITDA of €168 million to €178 million and net income, Group share of €38 million to €44 million.



Outlook

Investments committed since 2013 should generate an EBITDA of around €200 million by 2020. In addition, the Group plans to commit between €500 and €700 million of investments over the 2019-2023 period, while maintaining a solid financial structure.

Next on the agenda: revenue for the first quarter of the 2019 financial year, on 24 April 2019 (before trading).

About Albioma

An independent renewable energy producer, Albioma is committed to the energy transition thanks to biomass and photovoltaics.

The Group, which is established in Overseas France, Mauritius and Brazil, has developed a unique partnership for 25 years with the sugar industry, to produce renewable energy from bagasse, a fibrous residue from sugar cane.

Albioma is also the leading generator of photovoltaic power overseas where it constructs and operates innovative projects with integrated storage capabilities.

Albioma shares are listed on NYSE EURONEXT PARIS (sub B) and eligible for the deferred settlement service (SRD) and PEA-PME plans (ISIN FR0000060402 - ticker: ABIO).

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Appendices

Simplified consolidated income statement

<i>€ millions</i>	2018	2017 Reported	Change %
Revenue	428.3	403.2	+6%
EBITDA	162.6	138.3	+18%
Depreciation, amortisation, provisions and other	(59.4)	(58.4)	-2%
Operating income	103.3	79.9	+29%
Net financial income	(19.8)	(23.7)	+17%
Tax	(29.9)	(11.9)	-152%
<i>Effective tax rate¹</i>	<i>37.3%</i>	<i>22.6%</i>	
Consolidated net income	53.6	44.3	+21%
Net income, Group share	44.2	37.4	+18%
Consolidated earnings per share (in euros)	1.46	1.24	

1. The standard tax rate is 33.7% (effective tax rate restated for the impact of non-deductible impairment losses, excluding Brazil and excluding the effect of the change in the tax rate as from 2019). At 31 December 2017, the rate was 34.4%.



Simplified consolidated balance sheet

<i>€ millions</i>	31/12/2018	31/12/2017
Assets		
Goodwill	24	12
Intangible assets and property, plant and equipment	1,263	1,141
Other non-current assets	30	34
Total non-current assets	1,317	1,186
Current assets	188	140
Cash and cash equivalents	95	92
Total assets	1,601	1,419
Equity and liabilities		
Shareholders' equity, Group share	408	389
Non-controlling interests	84	78
Total equity	493	467
Current and non-current financial liabilities	846	707
Other non-current liabilities	111	119
Current liabilities	151	125
Total equity and liabilities	1,601	1,419



Simplified statement of consolidated cash flows

<i>€ millions</i>	2018	2017
Cash flow from operations	164.1	139.4
Change in the working capital requirement ¹	(25.8)	(1.9)
Tax paid	(26.9)	(17.0)
Net cash flow from operating activities	111.4	120.6
Operating capex	(14.2)	(12.4)
Free cash-flow from operating activities	97.2	108.1
Development capex	(128.7)	(146.9)
Other/Acquisitions/Disposals	(49.1)	2.5
Cash flow from investing activities	(177.8)	(144.4)
Dividends paid to Albioma shareholders	(12.8)	(10.6)
Borrowings (increases)	178.8	105.6
Borrowings (repayments)	(41.5)	(41.4)
Cost of debt	(23.6)	(24.3)
Others	(16.0)	4.0
Net cash flow from financing activities	84.8	33.3
Currency effect on cash	(1.0)	(0.9)
Net change in cash and cash equivalents	3.2	(3.9)
Opening cash and cash equivalents	92.1	96.0
Closing cash and cash equivalents	95.3	92.1

1. Deterioration of the WCR by -€25.8 million, mainly due to the delay to January of the payment of trade receivables.