



2018 annual results

08 March 2019



ALBIOMA

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1



Highlights



Highlights

Operations

- ▶ Strong growth vs 2017 : EBITDA +18 % & Net Income (Groupe Share) +18 %
- ▶ **Major industrial commissioning of two plants:**
 - Galion 2, a **100% bagasse/biomass plant**, in Martinique - *26 Sept. 2018*
 - The first peak-load combustion turbine fuelled by sugarcane-based **bioethanol** in Saint-Pierre, Réunion Island – *25 Feb. 2019*
- ▶ Signature of the rider to the EDF contract for the **100% biomass conversion** of Albioma Caraïbes power plant (34 MW) - *20 Dec. 2018*

Development/M&A

- ▶ Strengthening of Albioma's presence in metropolitan France with the **acquisition of Eneco France** (17 MWp) - *12 Dec. 2018*
- ▶ Closing of the **acquisition of 60% of the second cogeneration unit of Jalles Machado in Brazil** - *21 Dec. 2018*
- ▶ **Sale of the anaerobic digestion business** in France (Methaneo) to Evergaz - *10 Dec. 2018*

Capital & shareholder structure

- ▶ Success of the transaction **for the issue of BSAAR warrants** reserved for 42 employees of the Group & the CEO - *4 Dec. 2018*
- ▶ **Acquisition by Impala of Altair's share** in Albioma's capital (around 5,5% of the capital) bringing its share to around 6% - *12 Dec. 2018*

2 |

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

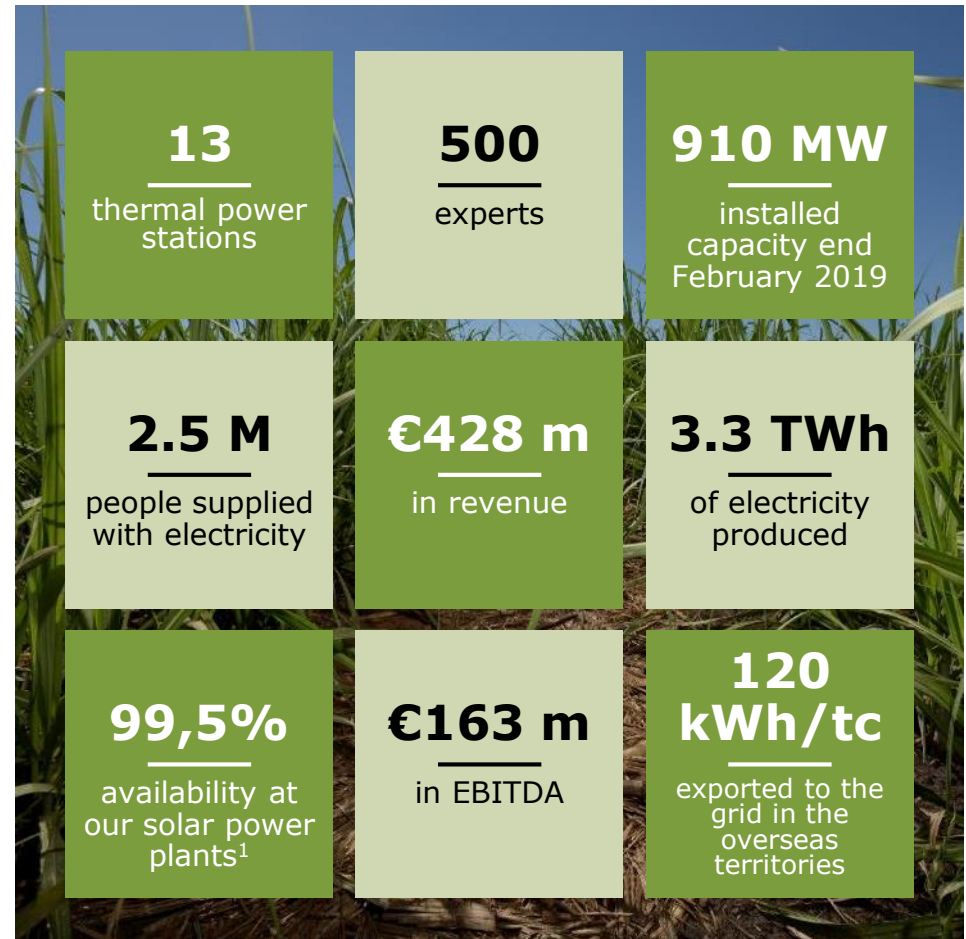


The leading producer of photovoltaic energy in the French overseas territories & a reinforced position in continental France



In mainland France, French overseas territories, Mauritius and Brazil

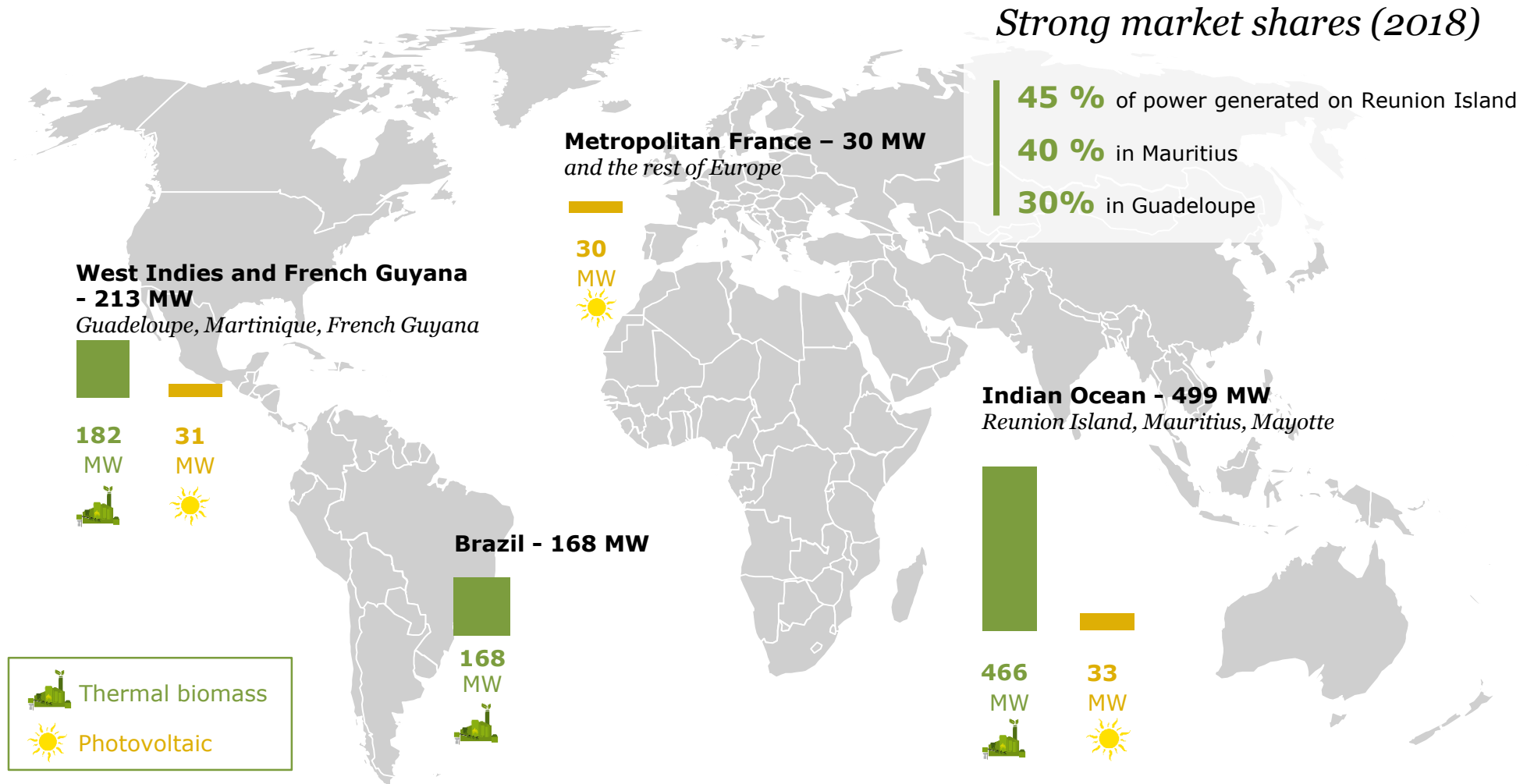
Key figures for 2018



¹ Excl. Albioma Solaire France (Ex Eneco France)

Diversified geographical footprint

Total installed capacity 910 MW (Feb. 2019)



Three-pronged strategy



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

- ▶ **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.).
 - Using 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

- ▶ **Complete exit from coal by 2023** with the conversion of our plants to biomass
- ▶ Recovering **traceable and sustainable biomass**
 - Traceability procedure in accordance with the EU Timber Regulation (EUTR)
 - Sustainability of the resource (FSC, PEFC type certifications)
 - Local biomass supply target of 30%-40% in the long term

Focus on Albioma Caraïbes (Guadeloupe)

- ▶ **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
- ▶ **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 CO₂ emissions



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

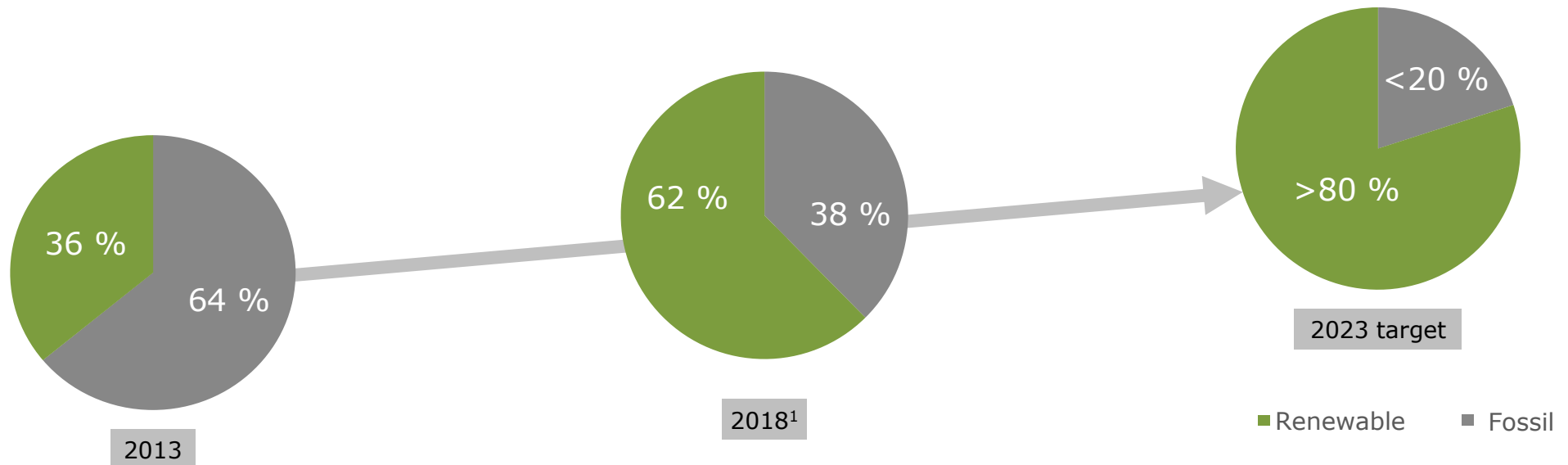
Develop solar projects on our territories

- ▶ **Leader in photovoltaics overseas**
 - Pioneer since 2006
 - 17% market share (2017) in French overseas territories
- ▶ **Innovative technologies and strategic partnerships**
 - 10 MWp won via calls for tender in 2016 and 2017 of photovoltaic installations twinned with energy storage systems
 - 5 MWp to equip rooftops of social housing on Reunion Island, in partnership with the SHLMR
- ▶ **Acquisition of Eneco France** in December 2018 (17 MWp mainly on rooftops and agricultural buildings)
- ▶ **QSE triple certification**



At least 80% renewable energy between now and 2023

2018 : substantial progress in the share of renewables



¹ 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

3

Operational performance &
project update



3.1

France



France - Thermal Biomass: major works

"IED" compliance investments

approx. €275 million in investments between 2016 and 2019 (excluding Albioma Caraïbes)

- ▶ IED work progressed in 2018 on the Reunion Island tranches
- ▶ End of IED work (three out of eight tranches) planned for 2019 with the Albioma Le Moule (Guadeloupe) project and the final tranche of Albioma Bois-Rouge (Reunion Island)

Albioma Caraïbes biomass conversion

approx. €70 million in net investments

- ▶ EDF rider signed on 20 December 2018
- ▶ Start of work in H1 2019 - biomass handling and storage system and adaptation of existing equipment to the new fuel

Albioma Galion 2 (Martinique)

40 MW – 100% biomass – approx. €215 million in investment

- ▶ Industrial commissioning on 26 September 2018
- ▶ A first month of technical adjustments followed by a very good end of the year in terms of availability

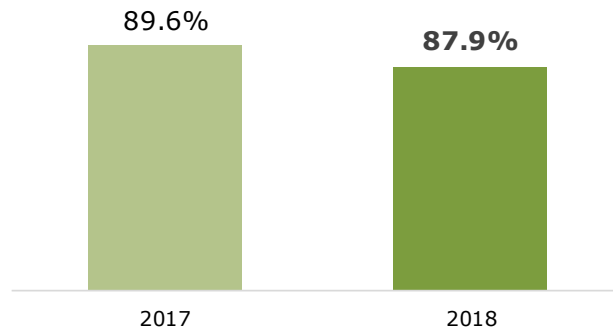
Combustion turbine in Saint-Pierre (Reunion Island)

41 MW – 80% bioethanol – approx. €60 million in investment

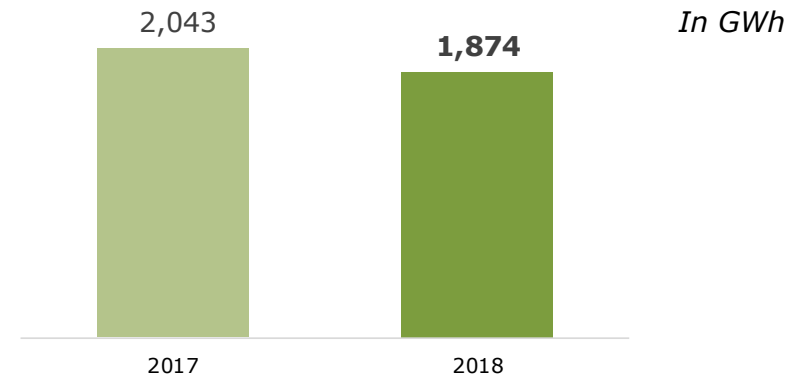
- ▶ Peak or backup production
- ▶ Industrial commissioning on 25 February 2019
- ▶ Helps to stabilise the Reunion Island grid

France – Thermal Biomass

Plant availability



Power generation



► Solid plant availability:

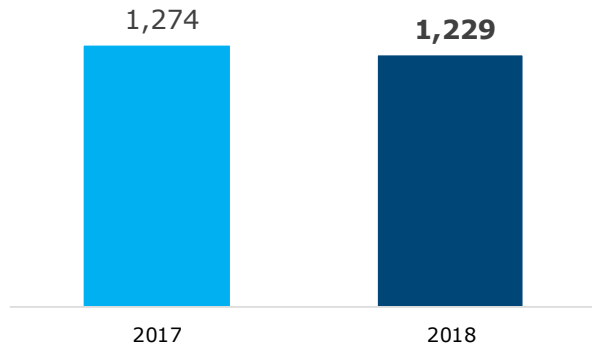
- Scheduled shutdowns related to IED work on Reunion Island, contractually offset by EDF
- Technical incidents affecting the Bois-Rouge power plant during the summer
- Excellent performance by power plants in the French West Indies, including record 100% availability in December (all base-load plants including Galion 2)

► Production:

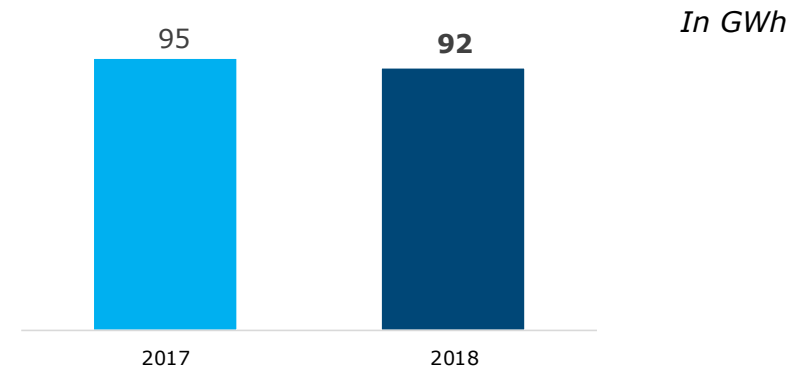
- Slight erosion in call rates at base-load plants in 2018
- Reduction in the call rate at the Galion peaking plant to 22% in 2018 vs. 30% in 2017 related in particular to the commissioning of Galion 2

France – Solar Power

Number of equivalent full power hours



Power generation



- ▶ Stable production, less favourable sunshine conditions, particularly on Reunion Island
- ▶ Signing of a €110 million loan to finance new projects in the Indian Ocean and refinance the debt of the existing power stations in the region
- ▶ Signing of a strategic partnership with *Société des HLM de La Réunion* (4.8 MWp) for the installation of rooftop power plants
- ▶ Construction of projects with storage underway following awarding of CRE ZNI invitations to tender (10 MWp)
 - Notably GPMDLR (1.4 MWp), Sainte Rose (3.3 MWp) and Stade de l'Est (1.2 MWp)

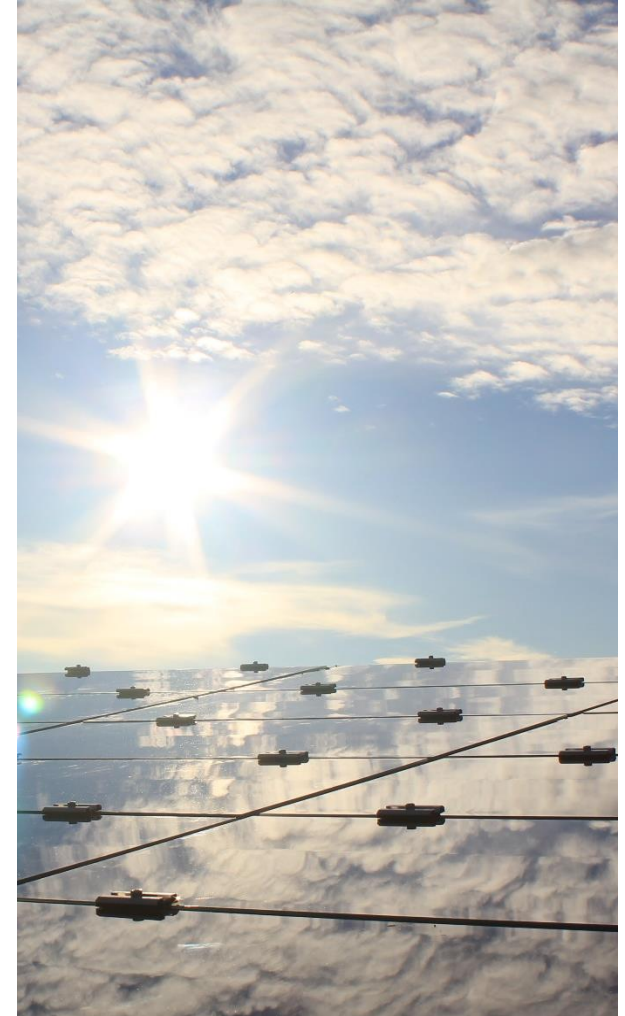
France – Solar Power – Development

Acquisition of Eneco France (renamed Albioma Solaire France)

- ▶ **17 MWp** installed, mainly photovoltaic plants on rooftops and agricultural facilities and a 0.5 MW hydroelectric unit
- ▶ Bolstering of solar power activity in mainland France: installed capacity increased from 8 MWp to 25 MWp & integration of a team of 12 people based in Avignon

Outlook

- ▶ **Strong acceleration of our investments in solar thanks to this new platform**

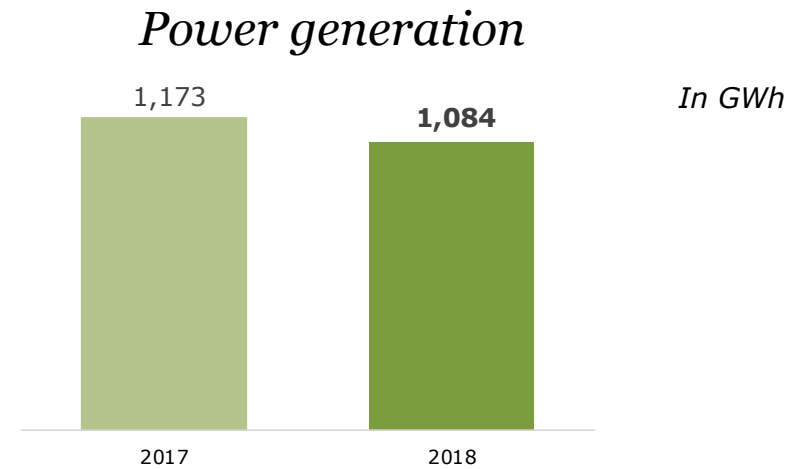
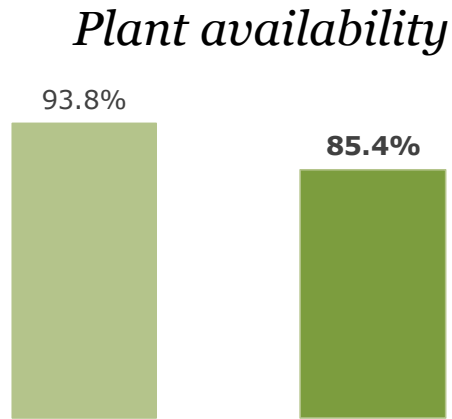


3.2

Mauritius



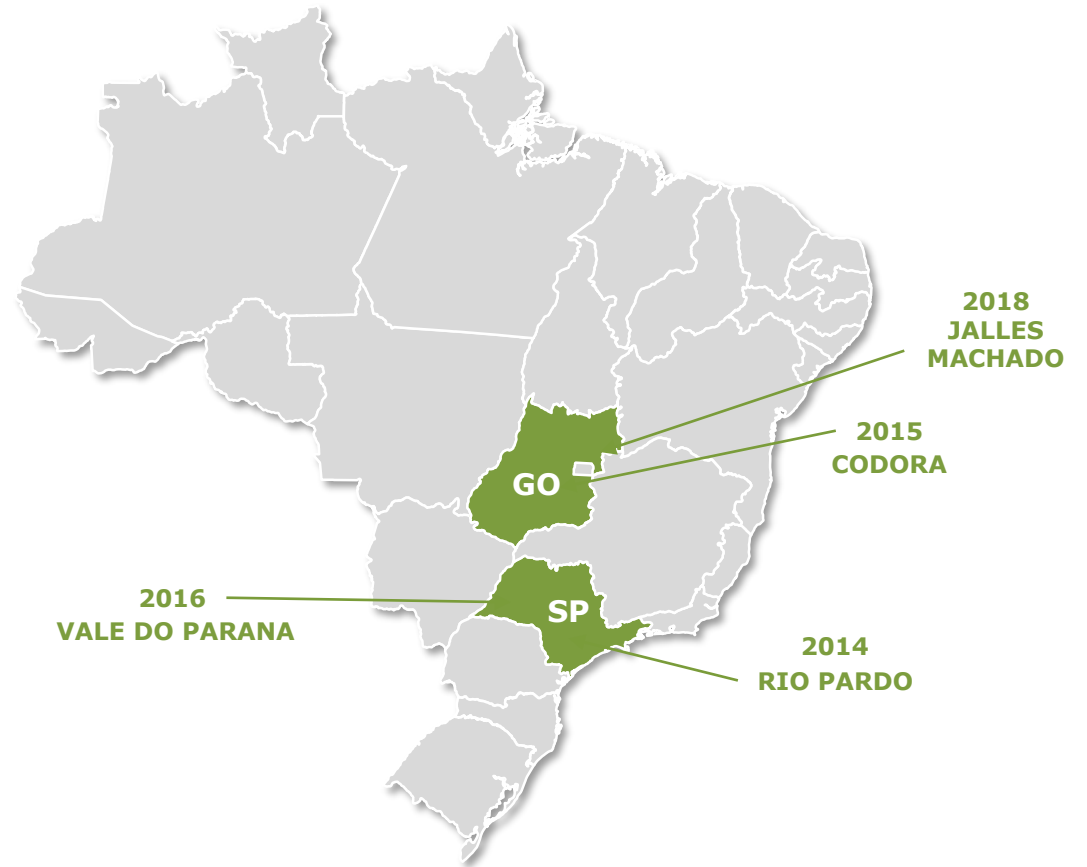
Mauritius



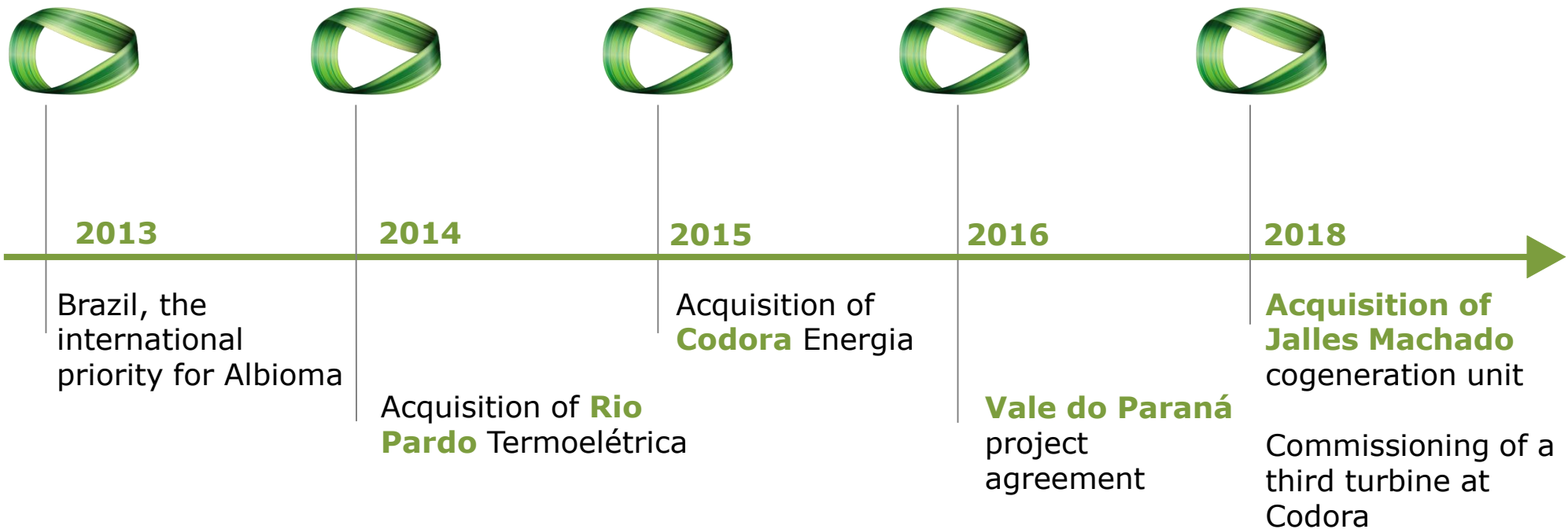
- ▶ After a first half marked by the accidental outage of OTEO La Baraque, the Mauritian power plants performed well during the second half of the year
- ▶ The share of net income from these consolidated entities has been included in the Group's operating income (EBITDA and EBIT) using the equity method since 2014

3.3

Brazil



Growth of Albioma in Brazil



Brazil – Macroeconomic indicators

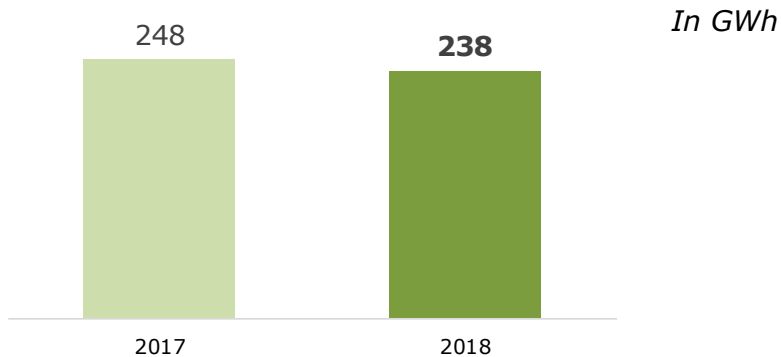
Relative stability of macroeconomic indicators in 2018

- ▶ The real continued to weaken in 2018, with the exchange rate rising from R\$/€ 3.97 at end-2017 to R\$/€ 4.44 at end-2018. The average exchange rate was R\$/€ 4.31 in 2018 vs. R\$/€ 3.60 in 2017
- ▶ Inflation in Brazil rose from 2.9% at end-2017 to 3.8% at end-2018
- ▶ The CDI rate fell from 6.9% at end-2017 to 6.4% at end-2018
- ▶ The average MWh spot price fell from R\$325/MWh in 2017 to R\$290/MWh in 2018

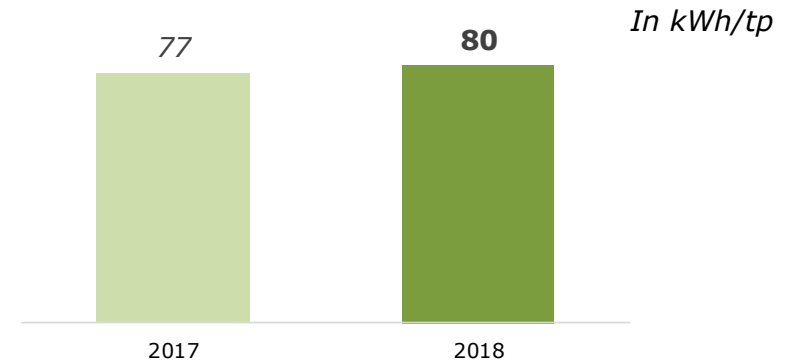


Brazil

Power generation



Energy efficiency



- ▶ Strong performances by the two power plants despite a lower volume of crushed cane compared with 2017 (2.7 Mtp vs. 3.1 Mtp in 2017)
- ▶ Production down slightly in 2018, driven by the excellent performance of the Albioma Codora Energia facility. Satisfactory performance by the Albioma Rio Pardo Termoelétrica power plant 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
- ▶ Average sale price of R\$321/MWh (vs. R\$303/MWh in 2017), mainly due to high spot prices from May to October and the indexation of medium- and long-term contracts
- ▶ Completion of installation work for a third turbine at Codora on 15 December 2018

Brazil – acquisition of Jalles Machado cogeneration unit



60% of capital held by Albioma

Fuel: 100% bagasse

20-year contract

Renovation of existing boilers and installation of a new 25 MW turbine to bring the total capacity up to **65 MW**

Second partnership with the Jalles Machado group



Production target : 145 GWh / year, from the 2019 campaign on

80% of energy sales already secured on the regulated market



Project under construction in Brazil



Vale do Paraná

40% of capital held by Albioma

48 MW installed eventually

R\$ 100m of investment

25-year contract - **commissioning: 2021**



4

Long term historical
financials



Income statement by region/business

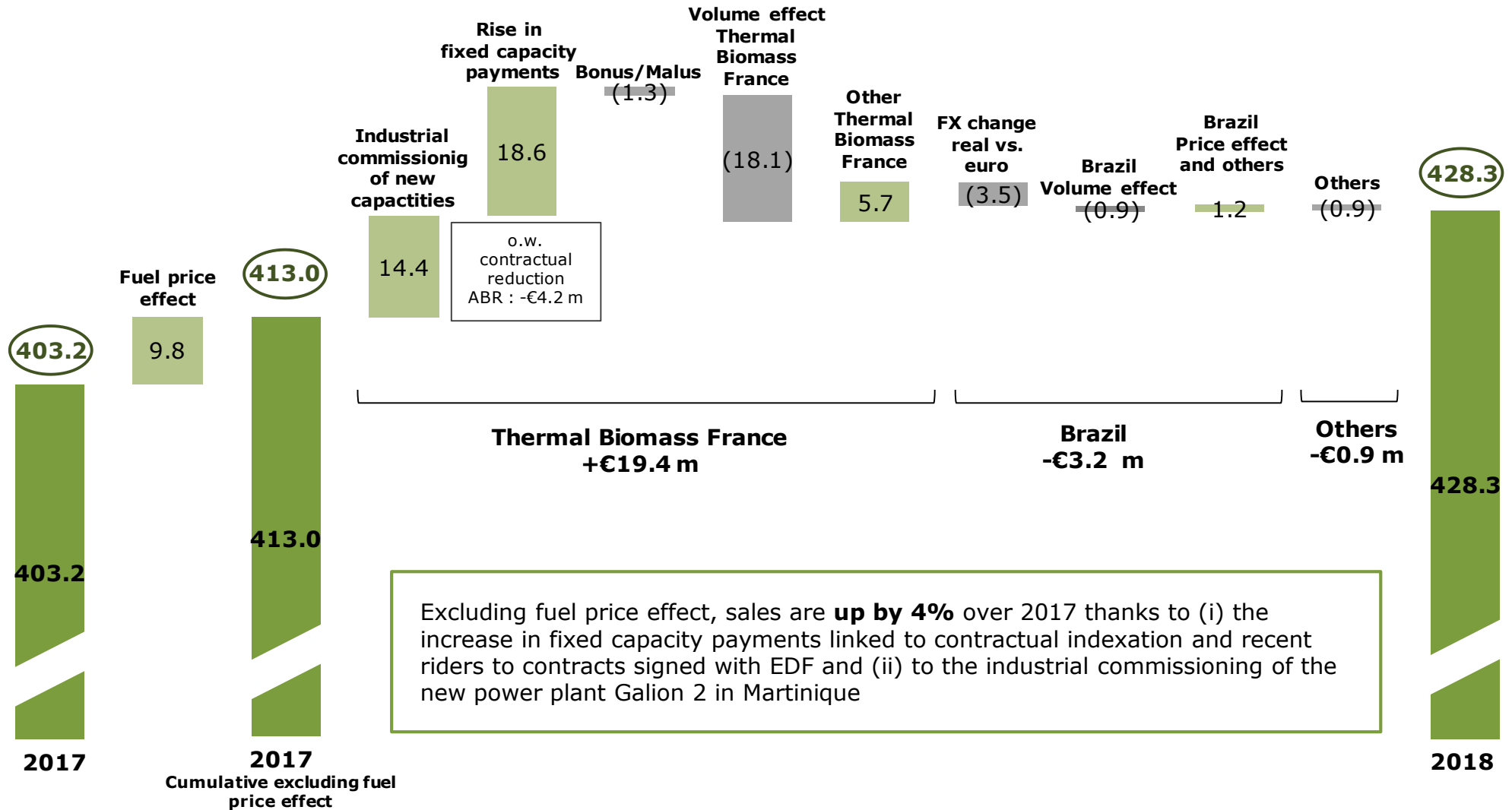
(€ million)	2018	2017 Publié	Var 18/17
France - Thermal Biomass	363,4	334,2	+9%
France - Solar Power ⁽²⁾	41,5	42,4	-2%
Brazil	17,6	20,8	-15%
Holding & Other	5,8	5,8	-0%
Revenues	428,3	403,2	+6%
France - Thermal Biomass ⁽¹⁾	123,6	102,1	+21%
France - Solar Power ⁽²⁾	30,1	32,0	-6%
Mauritius (Equity accounted)	3,1	3,5	-10%
Brazil	6,5	7,7	-15%
Holding & Other	(0,7)	(6,9)	+89%
EBITDA	162,6	138,3	+18%
RNPG	44,2	37,4	+18%

(1) Including non-recurring income

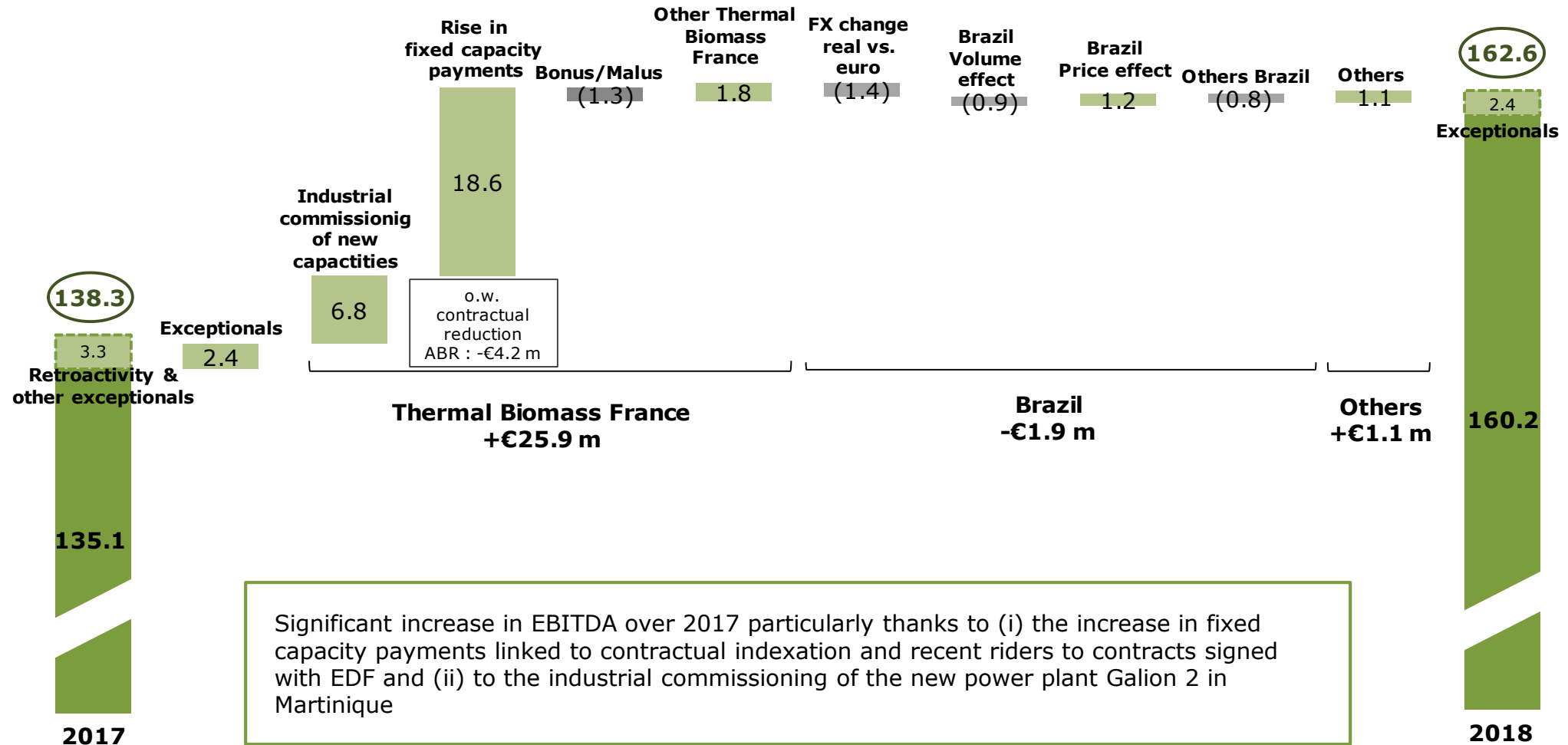
(2) Including Spain and Italy

- ▶ Industrial commissioning of Galion 2 on 26 Sept. 2018
- ▶ Increase in fixed capacity payments linked to recent riders to contracts signed with EDF that partly offset the contractual reduction in ABR revenues
- ▶ Less favourable sun conditions, particularly on Reunion Island
- ▶ Brazil : performance in line with 2017 excluding exchange rate effect
- ▶ Sale of the anaerobic digestion business in Dec. 2018

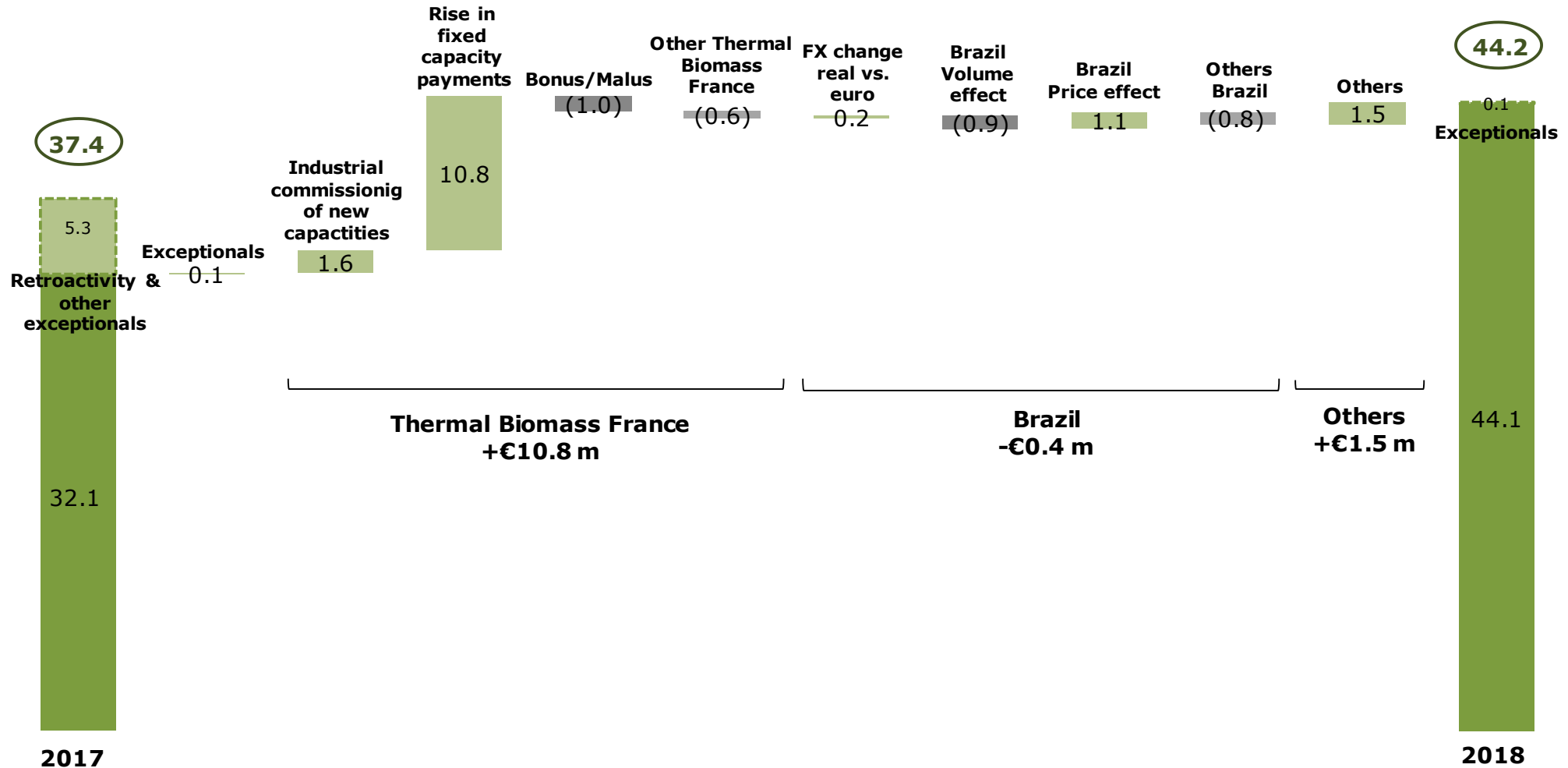
Revenues up 6%



EBITDA €162.6 million up 18 % over 2017

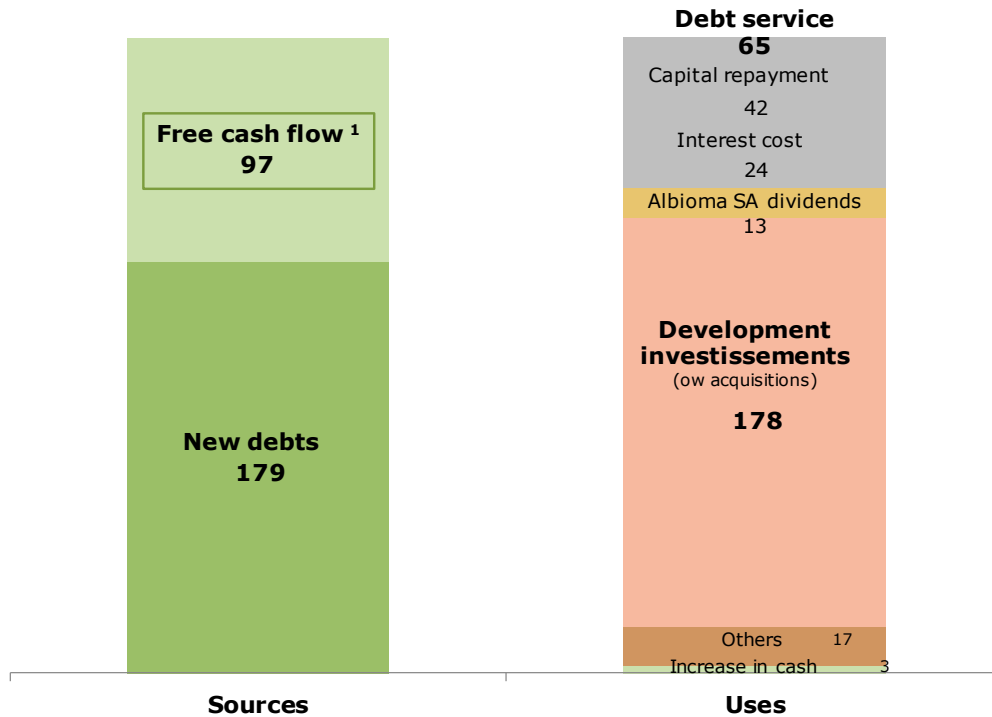


Net result, Group share up 18% over 2017

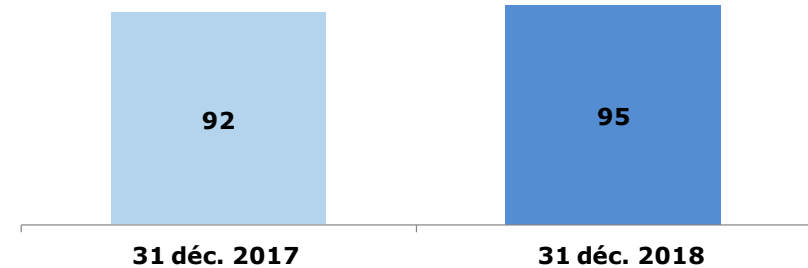


€95 million in cash at 31 December 2018

2018 cash flow



Group cash position



¹ Free cash flow = Operational cash flow - Investments related to operations.
 Variation in NWC, mainly due to the lag to January of payments of receivables, has a negative impact on Free cash flow of -€25,8 million in 2018.

A strong balance sheet to finance growth

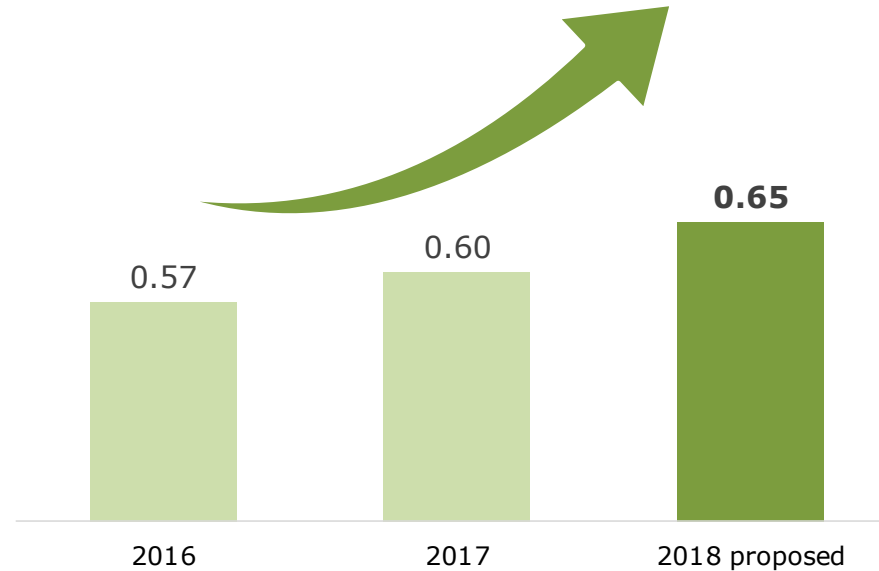
- ▶ Gross debt increased following debt raisings to finance projects currently under construction (Galion 2, TAC Saint-Pierre, IED)
 - Residual life of 11 years
 - Group average interest rate of 3.6% (of which France 3.4% and Brazil 9.2%)
 - **87% of debt covered or at fixed rates**
 - **Non-recourse project debts** other than Brazil debt (€28 m) and projects under construction

<i>(In € million)</i>	31 Dec. 2018	31 Dec. 2017	<i>Change</i>
Project debt	708	622	14%
Corporate debt	138	85	62%
Total gross debt	846	707	20%
Cash	(95)	(92)	4%
Guarantee deposits and equivalents	(3)	(3)	23%
Total net debt	747	613	22%
Net debt / EBITDA 12 moving months	4.6x	4.4x	
Gearing ¹	152%	131%	

Notes

1. Net debt/Equity

Dividend per share climbing since 2016



Proposed dividend distribution for the 2018 financial year: €0.65 per share, up by 8%

- ▶ Payable 100% in cash or 50% in cash and 50% in Albioma shares

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

- ▶ Premium of 10% of the dividend

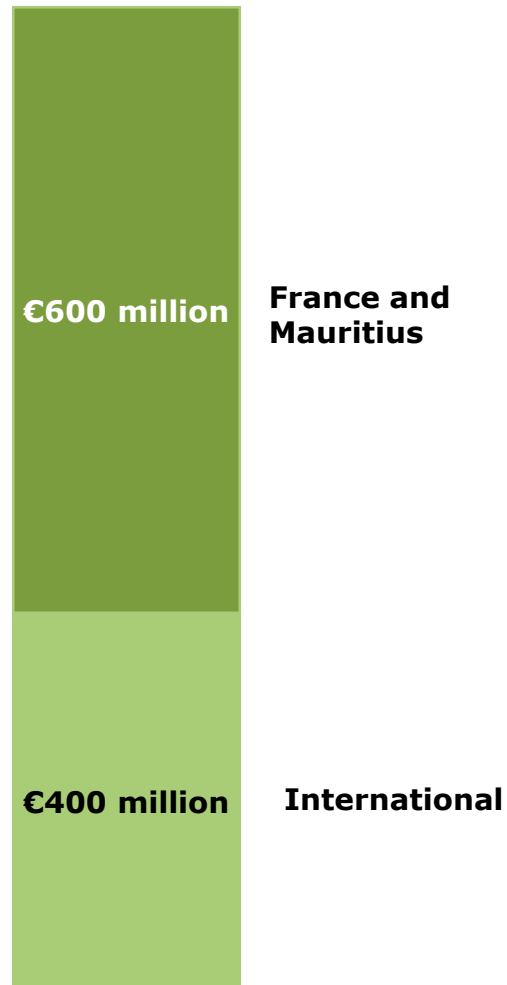
2019 objectives

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

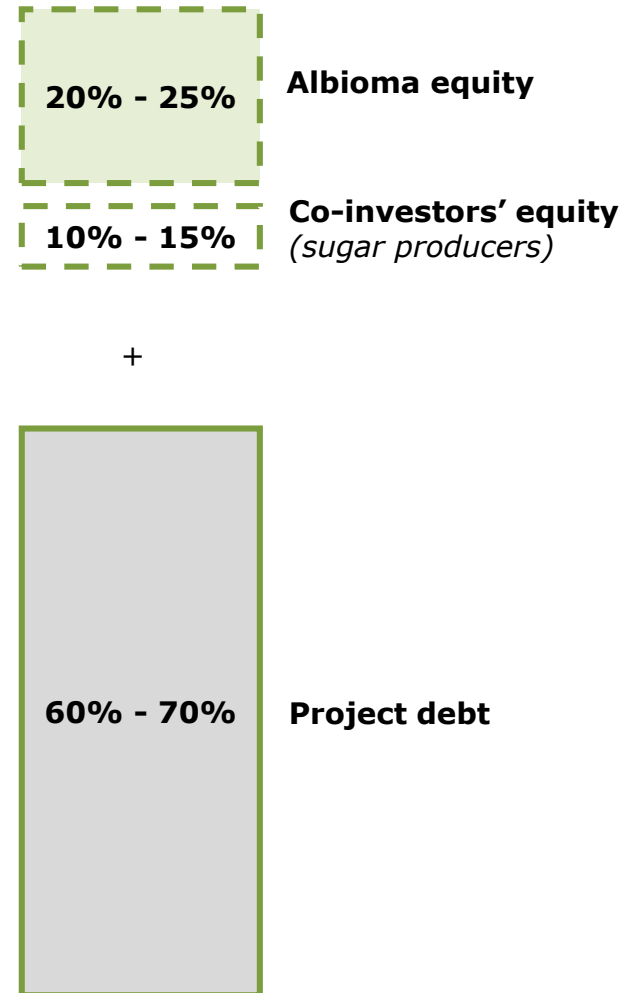
- ▶ Full-year contribution of Galion 2 and the latest IED facilities. Commissioning of the Saint-Pierre combustion turbine on 25 February 2019
- ▶ Two further reductions in fixed premiums planned for 2019 for Bois-Rouge and Le Gol (approx. €12 million; see Appendices)
- ▶ Full-year effect of amortisation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

Illustration of the financial model

► Cumulated capex 2013-2023



► Debt and shareholders' equity

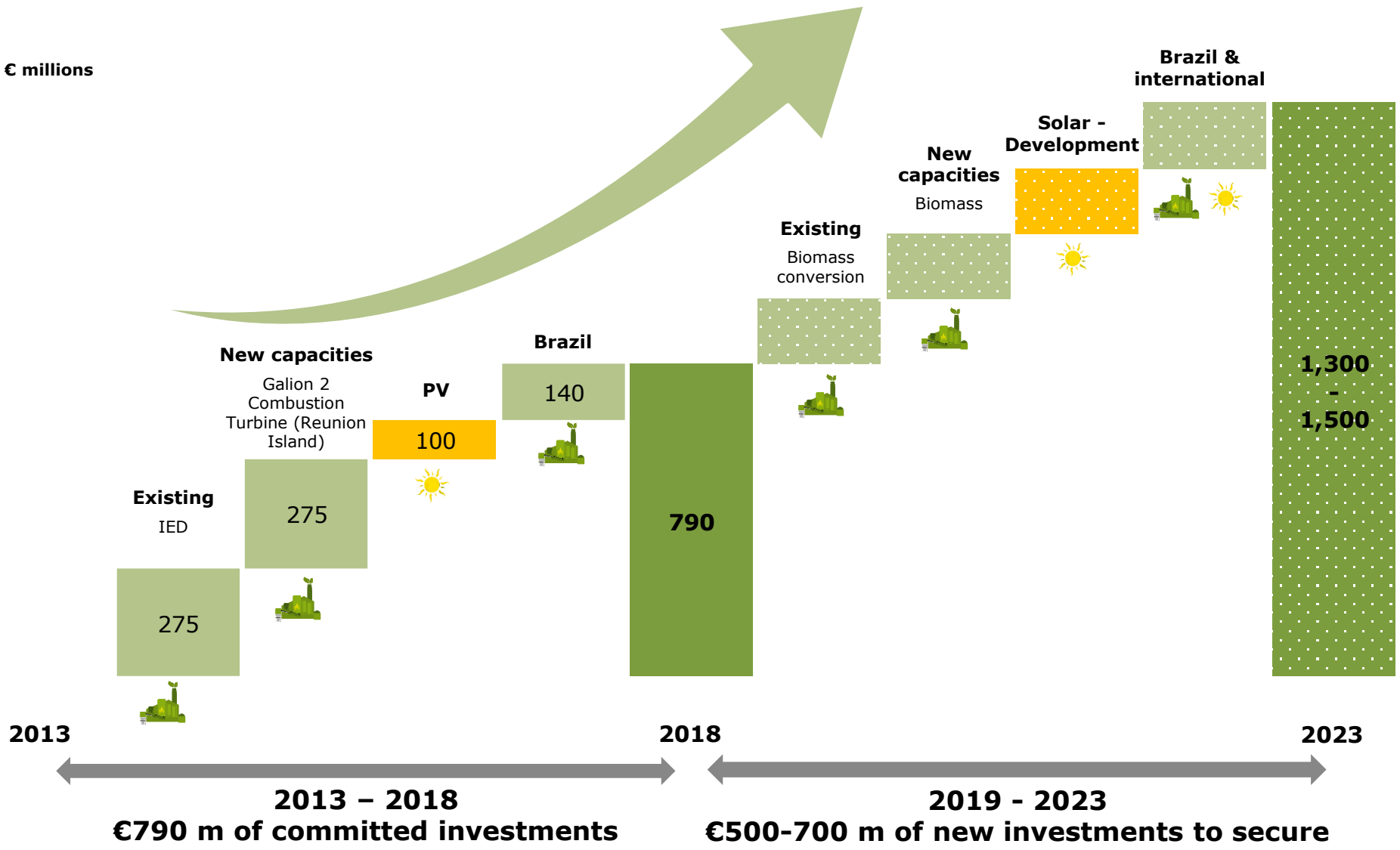


5 | Outlook



Investments since 2013 et development outlook

In € millions



Why invest in Albioma?

A major player at the heart of the energy transition

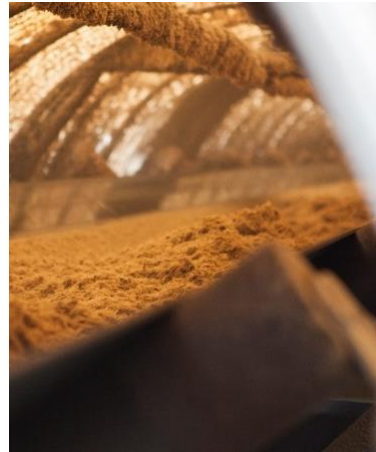
A future renewables pure player through its two businesses: biomass and solar power

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*

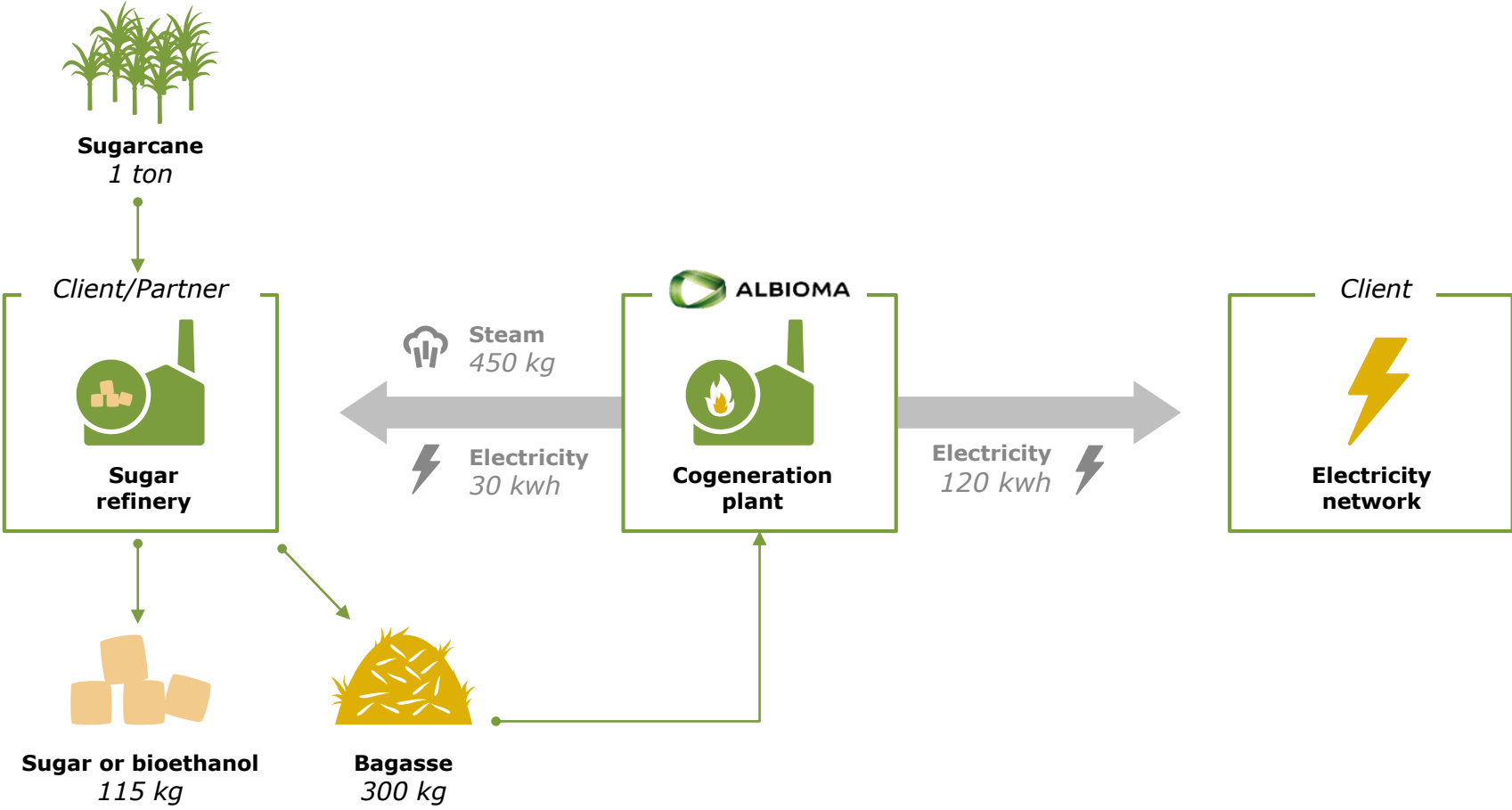


Appendix



Albioma's historical business model

Leading player in the bagasse cogeneration industry



Income statement for the year ended 31 December 2018

<i>(In € millions)</i>	2018	2017	Var 18/17
Sales	428.3	403.2	+6%
EBITDA	162.6	138.3	+18%
Depreciation, amortisation, provisions & 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 rate ¹</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%
<i>Net income per share (consolidation scope)</i>	<i>1.46</i>	<i>1.24</i>	

¹ The normative tax rate is 33,7% (effective tax rate less the effects of non-deductible depreciation, excluding Brazil and the effect of the change in the tax rate from 2019). For the year ended 31 December 2018, the normative tax rate does not include the cancellation of the 3% tax on distributed dividends.

Cash flow statement for the year ended 31 December 2018

<i>(In € millions)</i>	2018	2017
Cash flow from operations	164.1	139.4
Change in working capital requirements 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 operations	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 SA shareholders	(12.8)	(10.6)
Borrowings (increases)	178.8	105.6
Borrowings (repayments)	(41.5)	(41.4)
Cost of financial debt	(23.6)	(24.3)
Other	(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 -€25,8 m variation in NWC mainly due to the lag to january of payments of receivables.

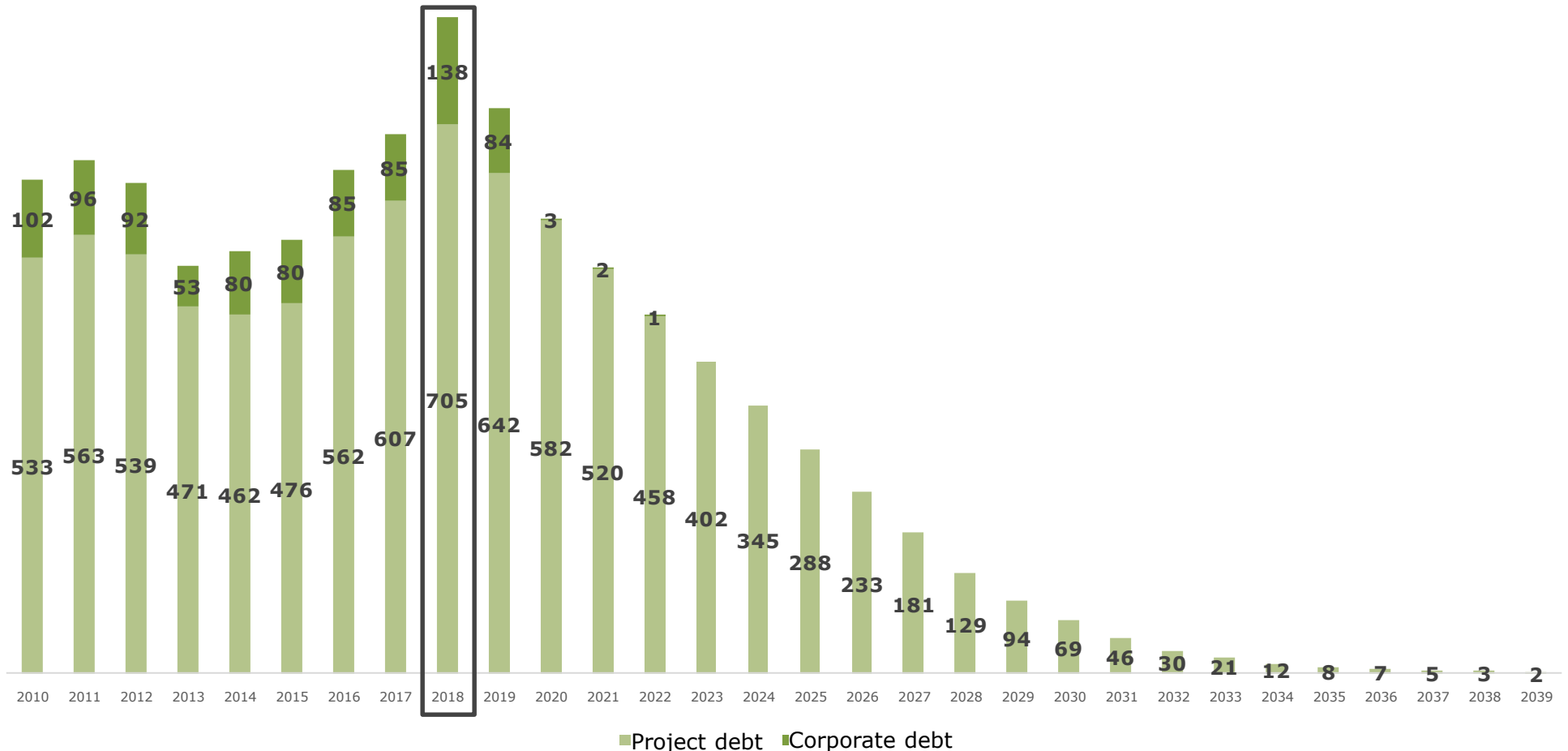
Balance sheet at 31 December 2018

ASSETS <i>(In € millions)</i>	31-Dec-18	31-Dec-17
Goodwill	24	12
Intangible assets & 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 & LIABILITIES <i>(In € millions)</i>	31-Dec-18	31-Dec-17
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 LIABILITIES	1,601	1,419

Long-term debt matched to business profile

Existing debt repayment profile¹

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>	2018	2019	2020	2021	2022	2023	2024
Bois Rouge	(4.2)	(4.8)					
Le Gol		(6.8)				(4.5)	
Le Moule							(5.8)
Total	(4.2)	(11.7)				(4.5)	(5.8)

Shareholder structure at 31 January 2018

