

# ABENGOA

Innovative Solutions for Sustainability



# ABENGOA

## Ready for the Next Phase

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CEO

**Analyst and Investor Day**

April 2011

- This presentation contains forward-looking statements and information relating to Abengoa that are based on the beliefs of its management as well as assumptions made and information currently available to Abengoa.
- Such statements reflect the current views of Abengoa with respect to future events and are subject to risks, uncertainties and assumptions.
- Many factors could cause the actual results: decreases in government expenditure budgets and reductions in government subsidies; changes to national and international laws and policies that support renewable energy sources; inability to improve competitiveness of our renewable energy services and products; decline in public acceptance of renewable energy sources; legal challenges to regulations, subsidies and incentives that support renewable energy sources and industrial waste recycling; extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation; our substantial capital expenditure and research and development requirements; management of exposure to credit, interest rate, exchange rate and commodity price risks; the termination or revocation of our operations conducted pursuant to concessions; reliance on third-party contractors and suppliers; acquisitions or investments in joint ventures with third parties; unexpected adjustments and cancellations of our backlog of unfilled orders; inability to obtain new sites and expand existing ones; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorized use of our intellectual property and claims of infringement by us of others intellectual property; our substantial indebtedness; our ability to generate cash to service our indebtedness;
- performance or achievements of Abengoa to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental and business conditions globally and in the countries in which Abengoa does business, changes in interest rates, changes in inflation rates, changes in prices, changes in business strategy and various other factors.
- Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.
- Abengoa does not intend, and does not assume any obligations, to update these forward-looking statements.

1

**The challenge of sustainability**

2

Our business today

3

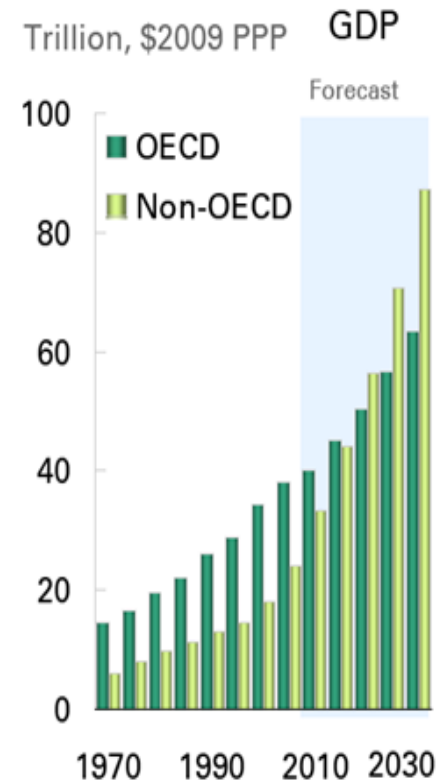
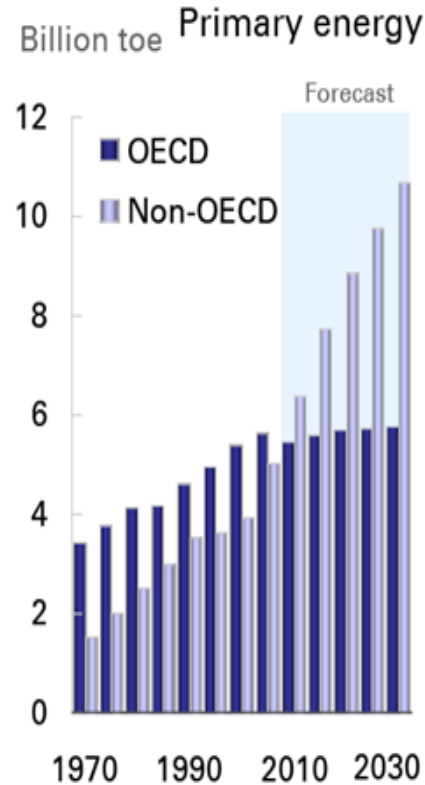
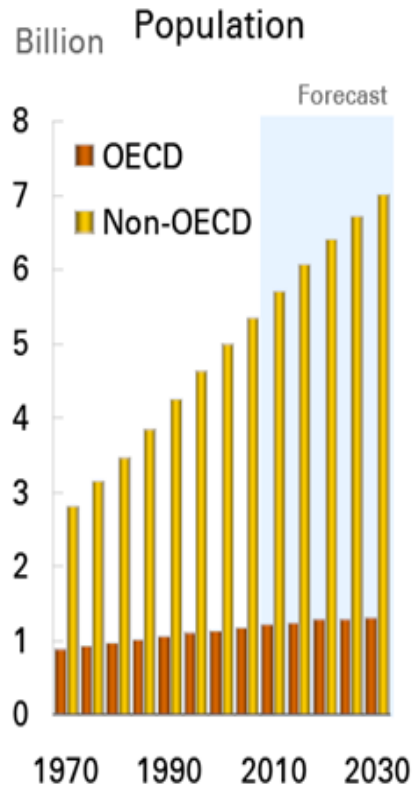
The next phase

## A challenging future



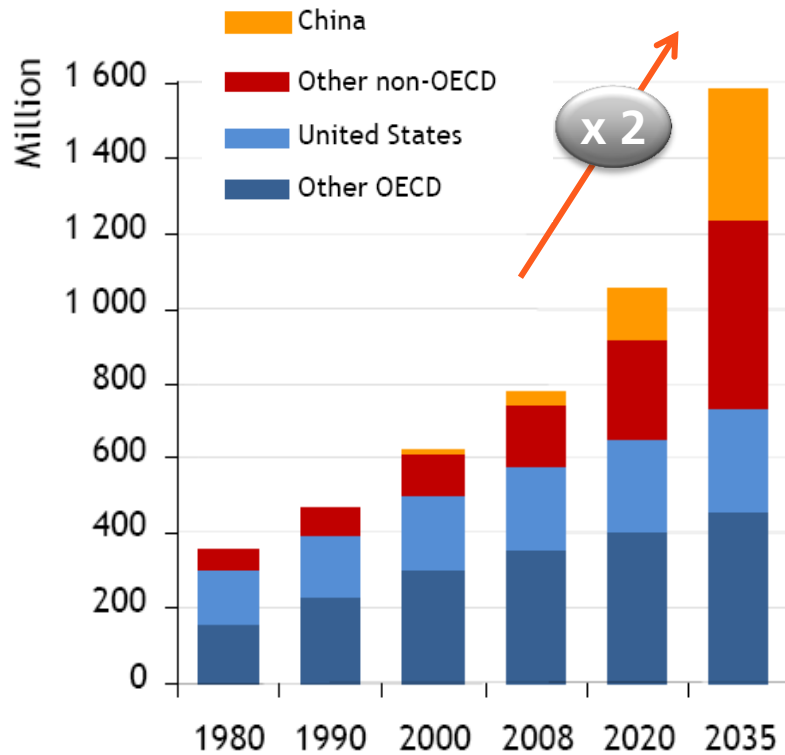
Not a single contradictory forecast

### From global trends... (I)

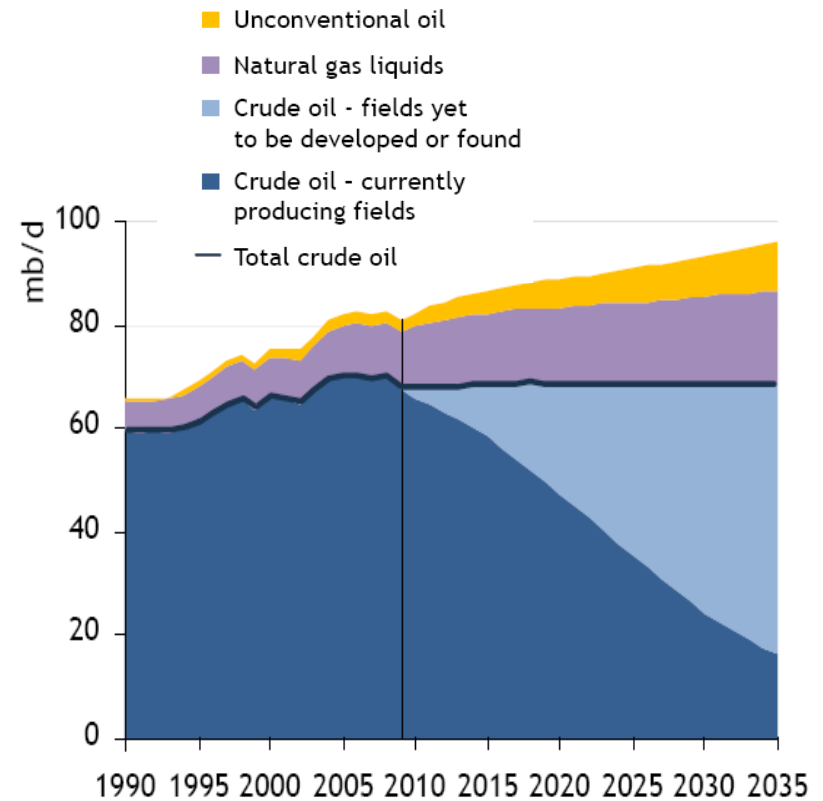


### From global trends... (II)

#### Passenger vehicles

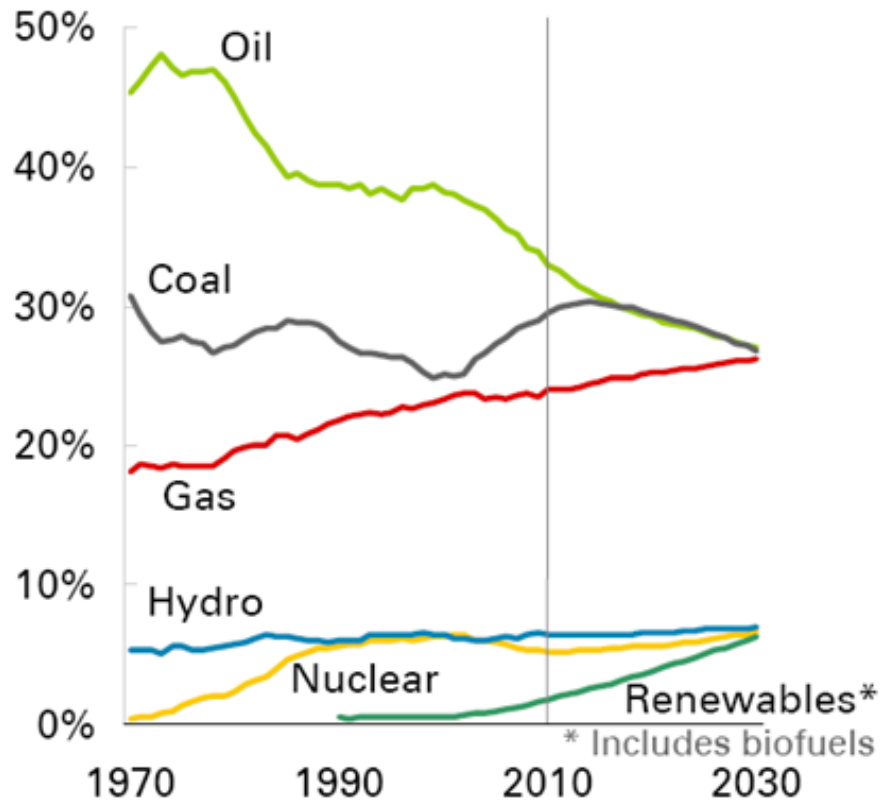


#### World oil production



## ... to great business opportunities

Shares of world primary energy



Share ratio  
2030 / 2010

Oil 0.8

Coal 0.9

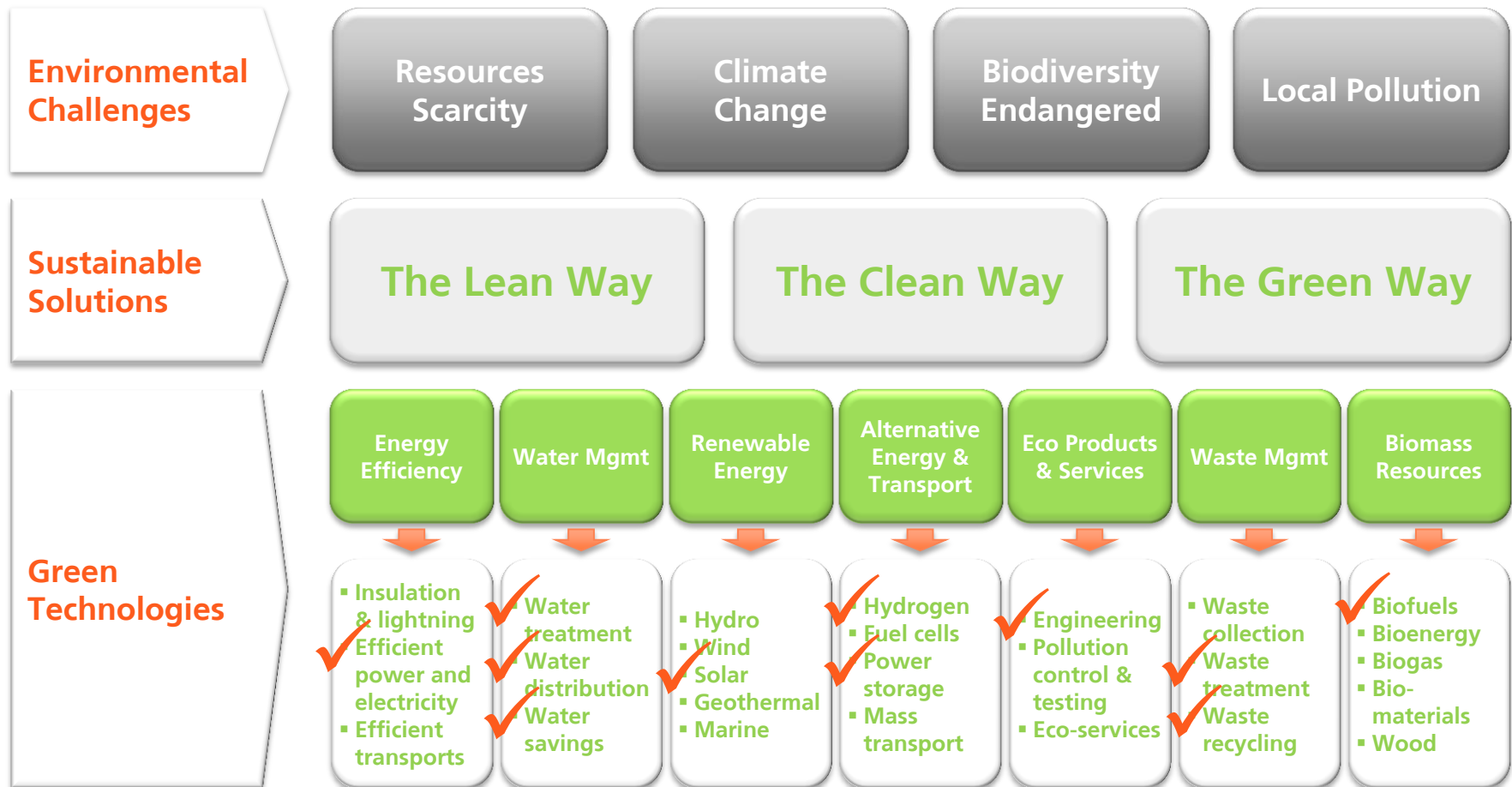
Gas 1.1

Hydro 1.0

Nuclear 1.2

Renewables 3.3

We are present in all "green-tech" related areas





### Which ones are closer?

Low ← Potential to disrupt the status quo by 2020 → High



Wind off-shore



Solar PV



Advanced Biofuels



Carbon capture and sequestration



Electric Vehicles



Wind on-shore



Solar CSP

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The next phase

### Innovative solutions for sustainability

#### Energy

76%



20 MW CSP Tower (Spain)



**Solar CSP**



**Biofuels**



**Cogeneration**



**Power Transmission**

#### Environment

24%



100,000 m<sup>3</sup>/day desalination plant (India)



**Industrial waste recycling**



**Desalination**

### A global company



2010 Revenue Breakdown



56% from developed countries; 44% from emerging markets

### 1 Engineering & Construction

- 70 years of experience
- Proprietary know-how
- High international reputation

44 %

### 2 Concession-type Infrastructure

- Solar, Transmission, Desalination
- Limited market risk
- +25 years off-take contracts ahead

22%

### 3 Industrial Production

- Biofuels, Industrial waste recycling
- High growth markets
- Market leading position

34%



Innovation

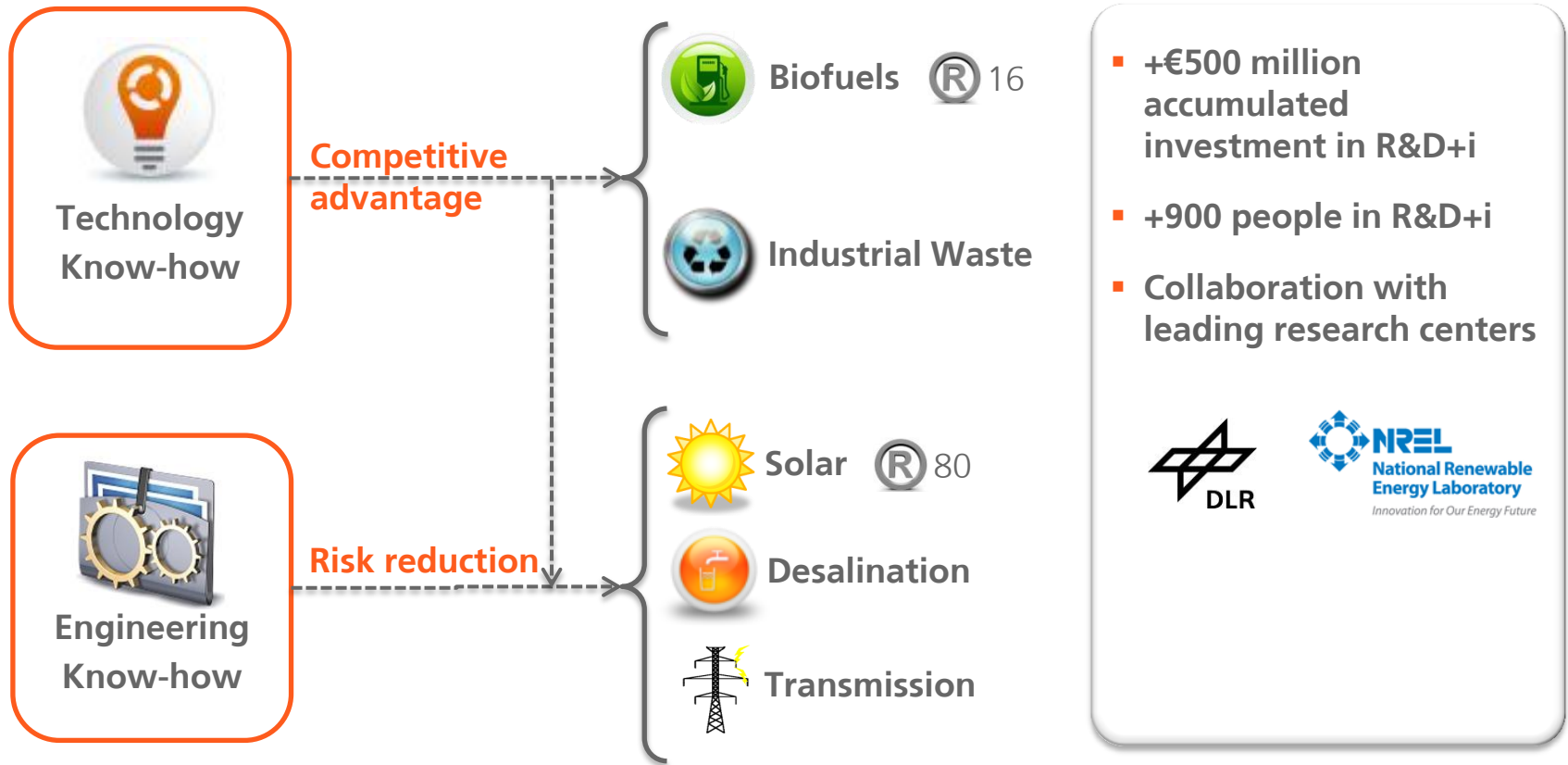


Technology

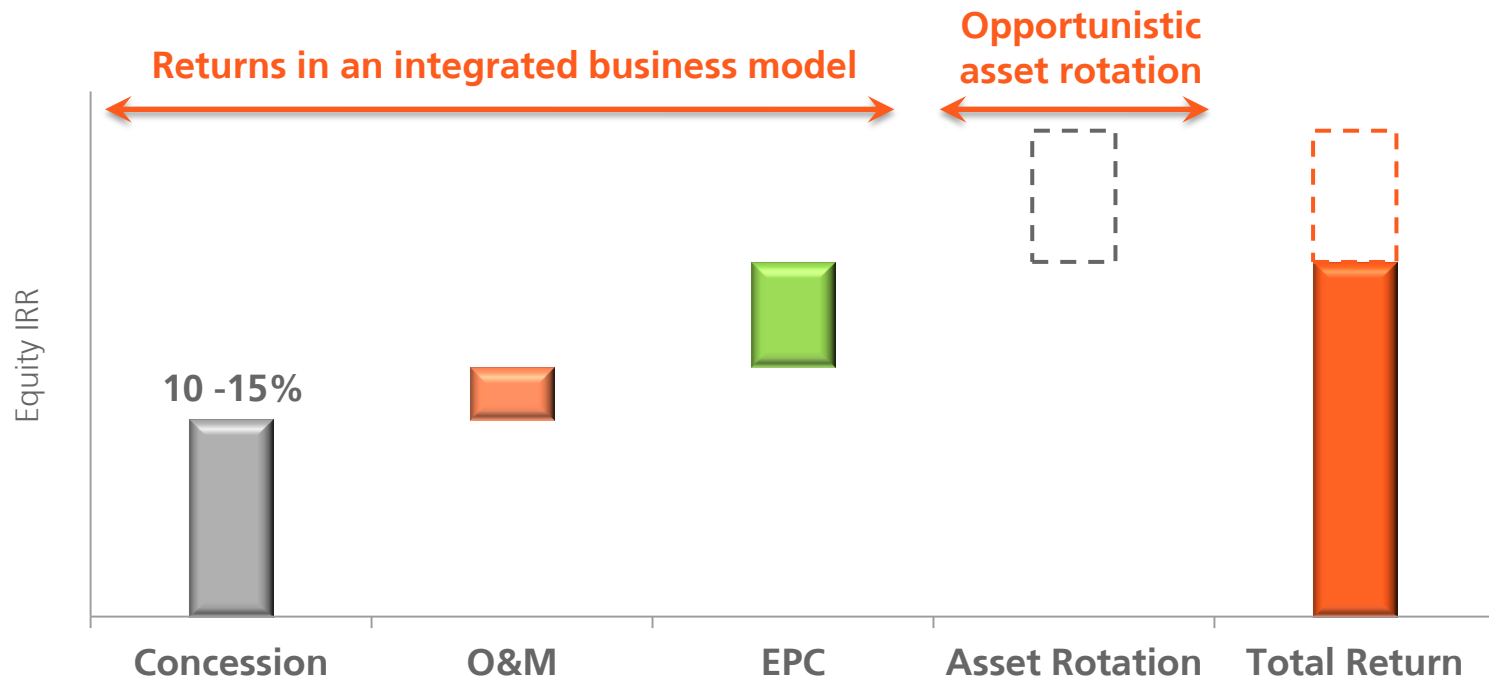
XX %

2010 EBITDA contribution

### Our technology lies at the core of our strength

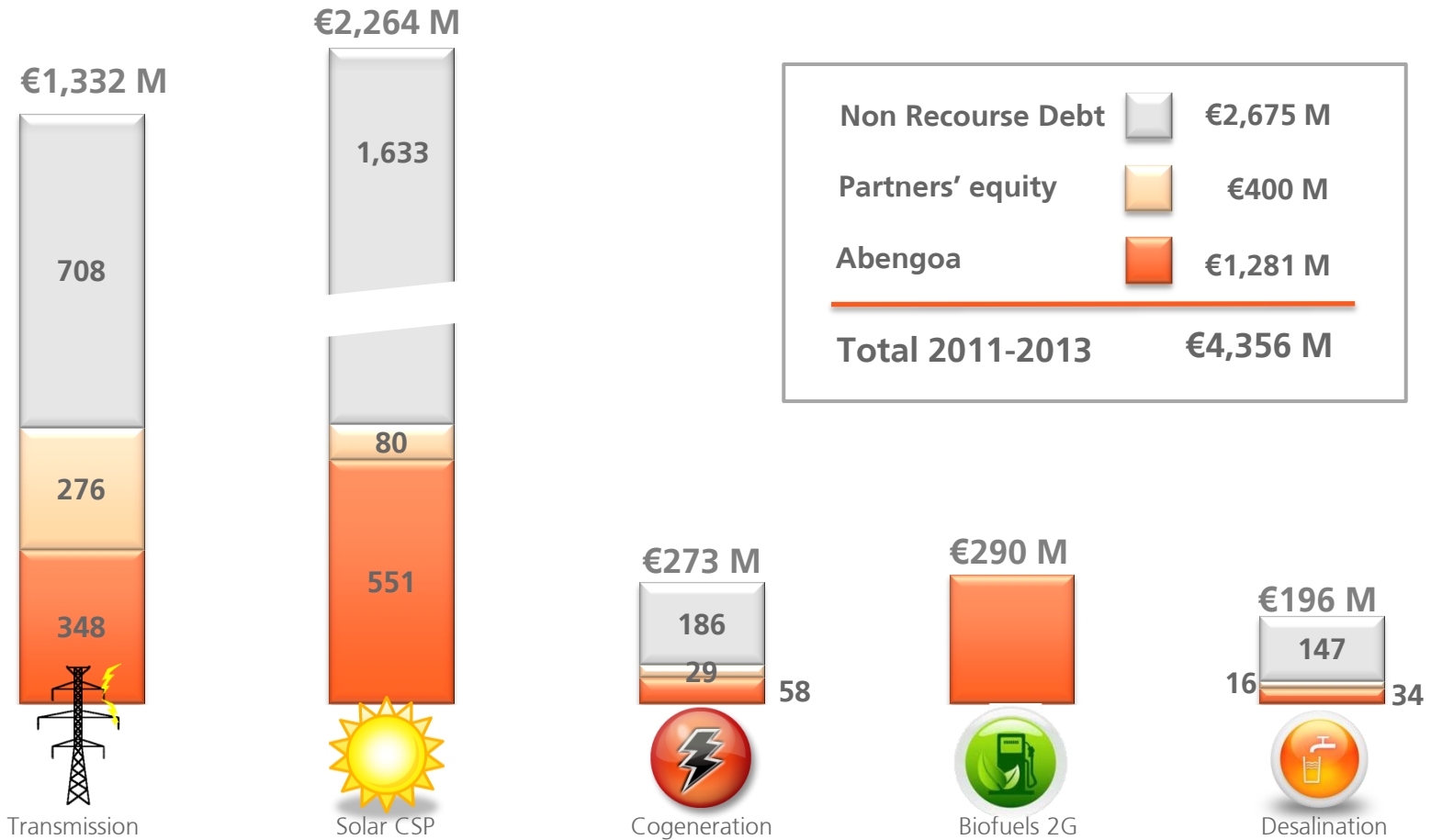


### Integrated business model allows for superior returns



- Any decision to invest in a concession must be justified by expected **standalone concession returns**
- However, Abengoa's integrated model allows for **additional returns from the EPC and O&M activities**
- In addition, Abengoa contemplates **rotation of assets after 3 – 5 years of operation** once operational risk is mitigated

## Committed capex plan, fully financed...

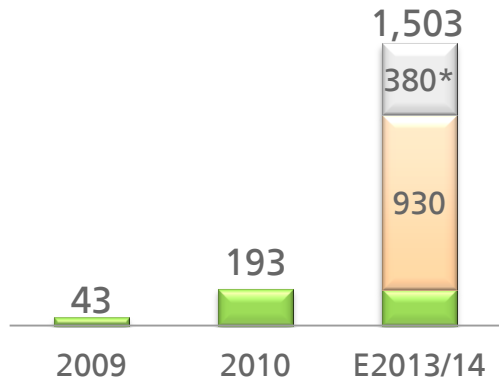




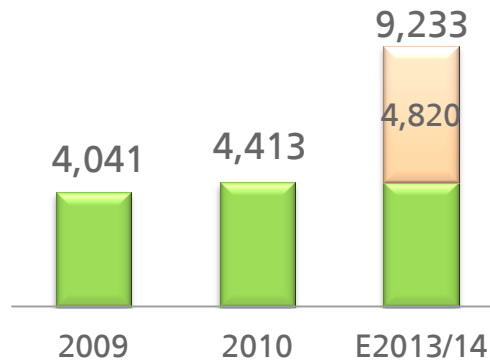
### ... sets the ground for the next phase

#### Concession-type infrastructure

##### Solar (MW)

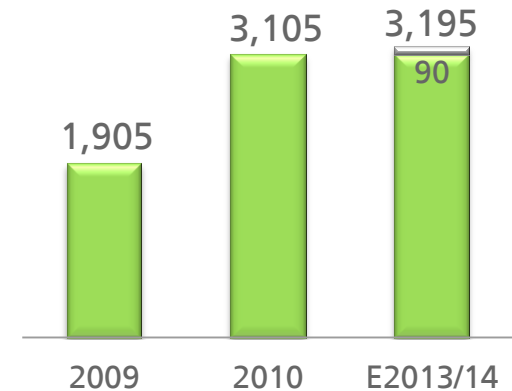


##### Transmission (km)

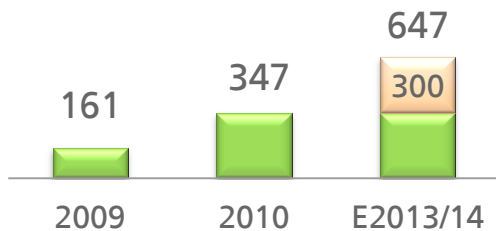


#### Industrial Production

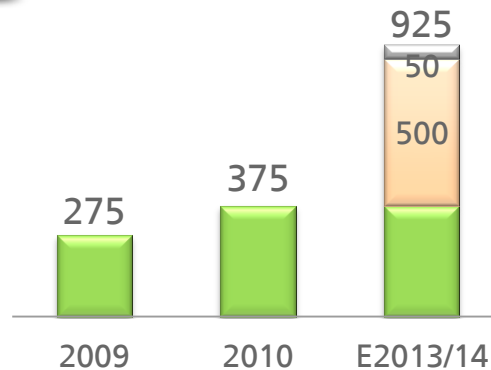
##### Biofuels (ML/year)



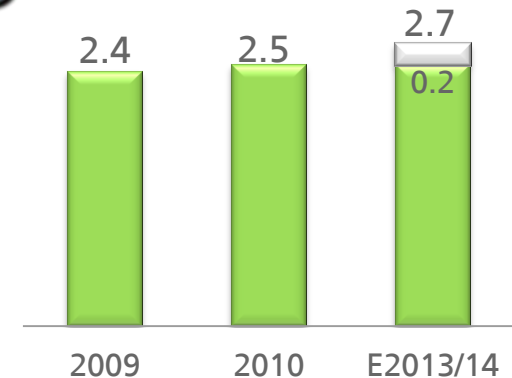
##### Cogeneration (MW)




##### Desalination (ML/year)



##### Recycling (Mt/year)



\* Pre-construction

 In operation

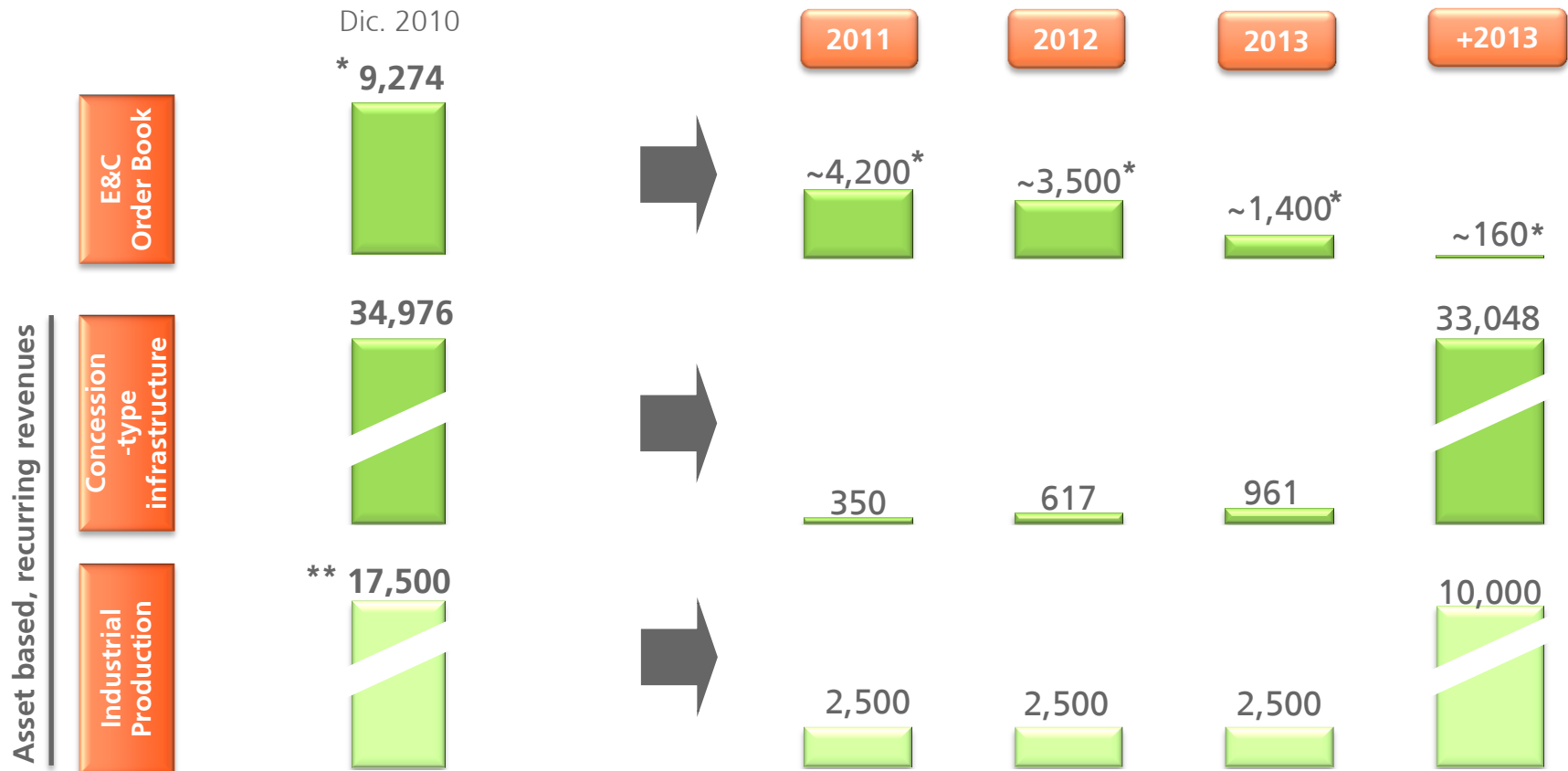
 Under construction

 Under development

### High revenue visibility

#### Backlog, future concession-type and other revenues (€M)

#### Conversion (€M)



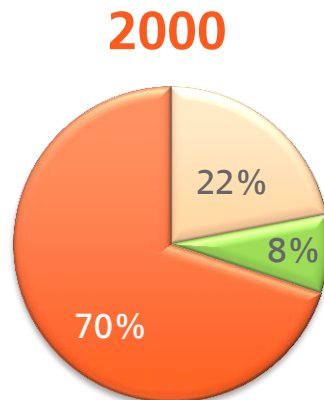
\*Note: Engineering backlog includes some internal works eliminated in the consolidation process. For the year ended December 31 2011 backlog conversion includes approx. 850 €M in internal works.

\*\*Note: Illustrative calculation according to LTM revenues. +2013 is calculated as 5 years of sales.

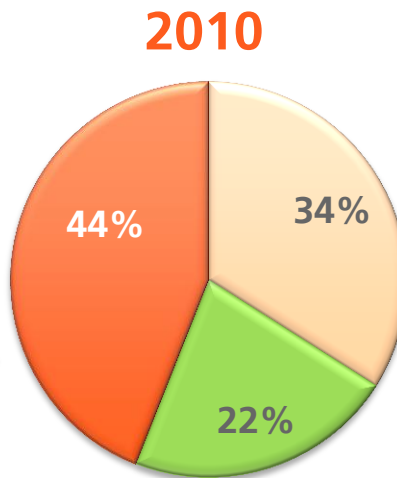
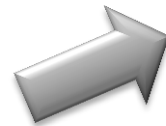
### Solid foundation to generate future growth

- Engineering and Construction
- Concession-type Infrastructure
- Industrial Production

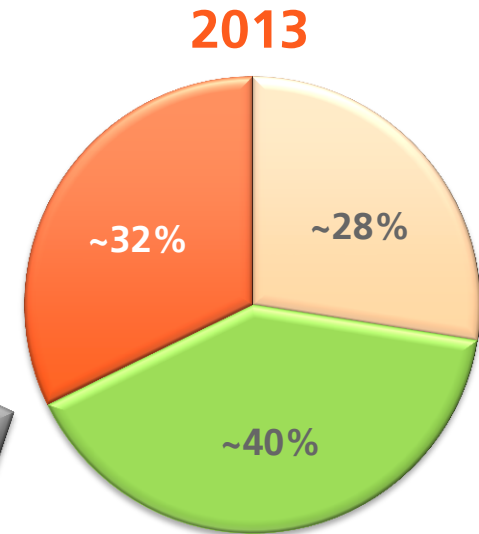
EBITDA (M€)



126 M€



942 M€



E 1,500 M€

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The challenge of sustainability

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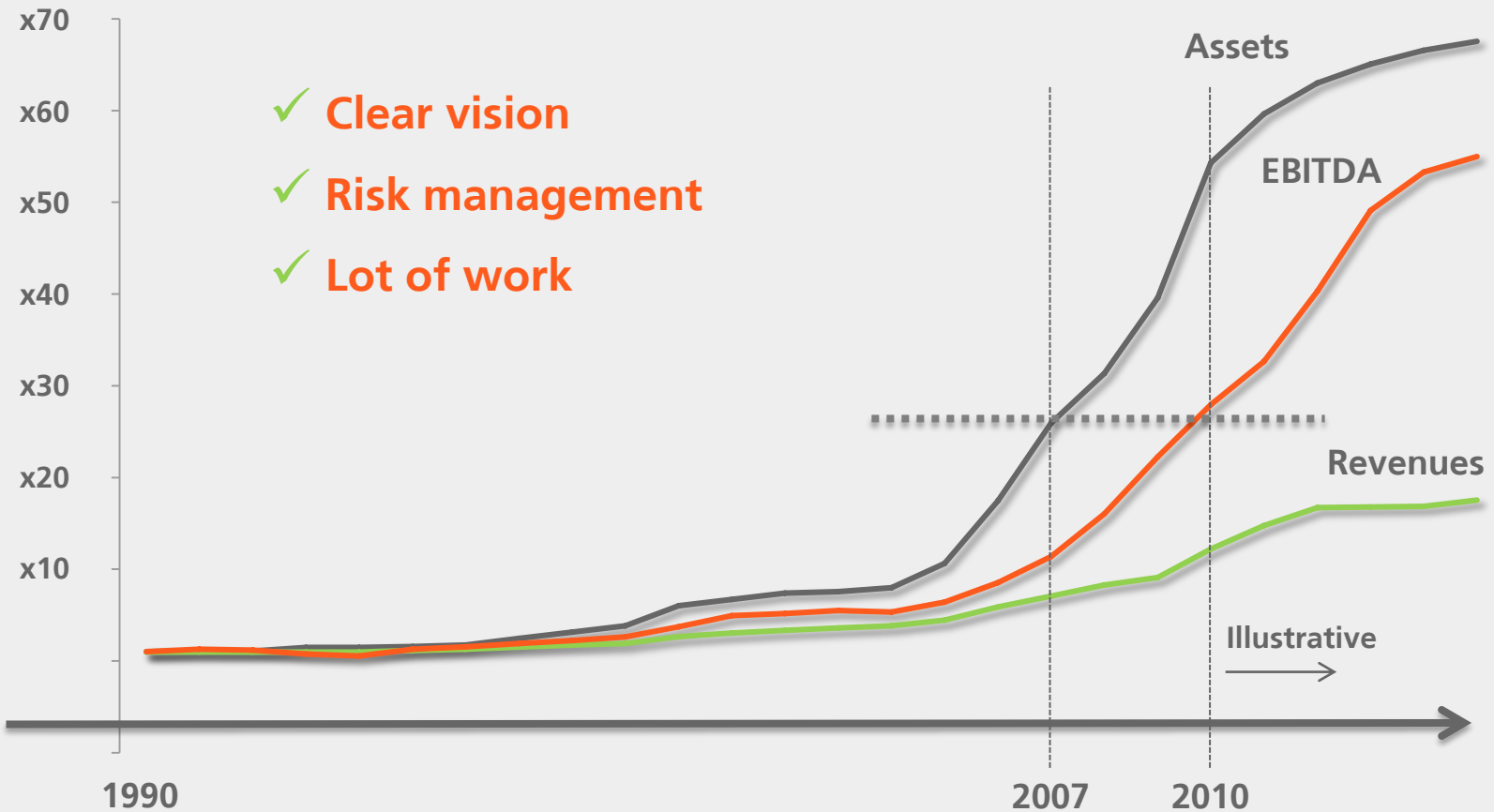
Our business today

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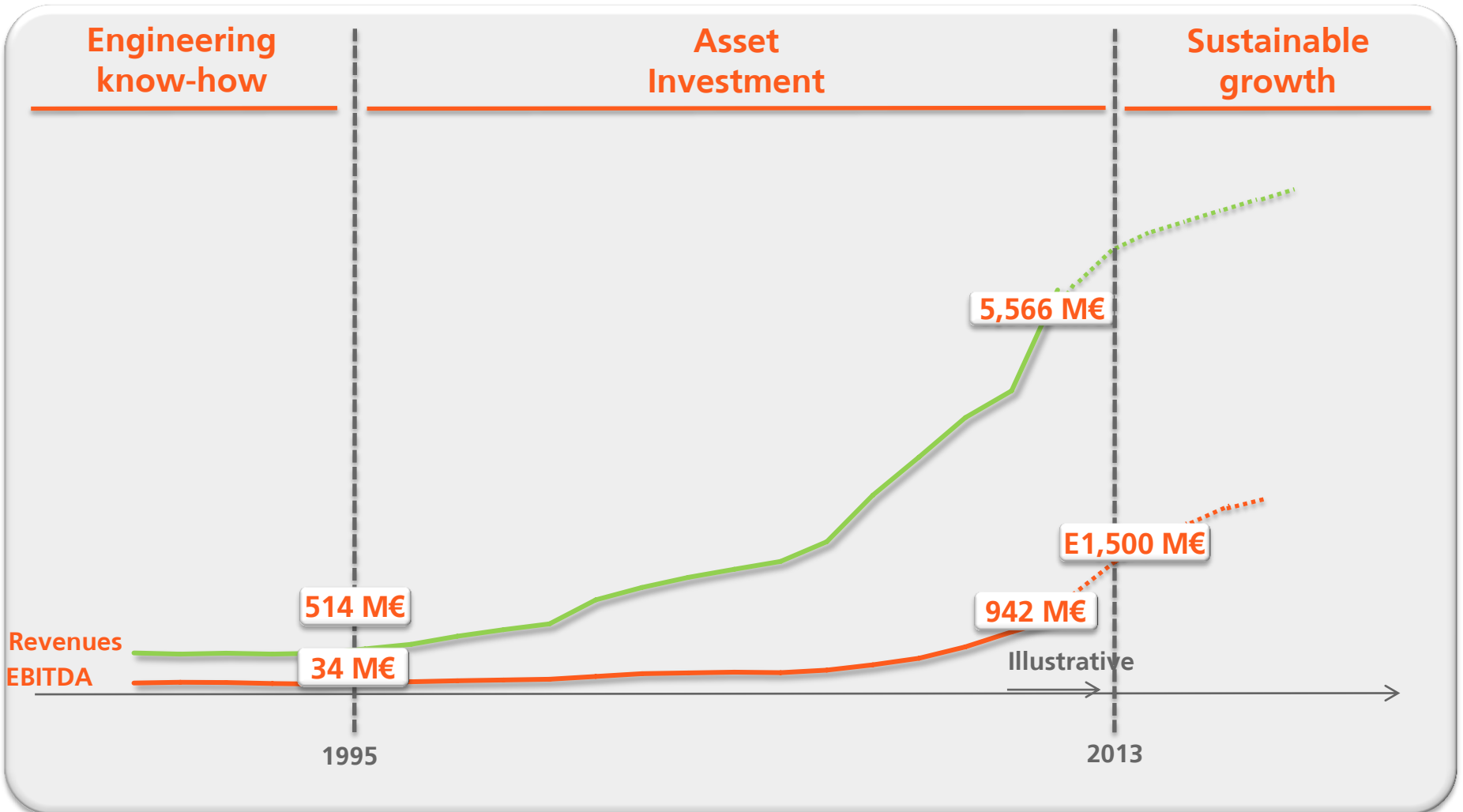
**The next phase**

### How did we do it?

Evolution, base 100



### Three different phases



### Ready for the next phase

#### Sustainable growth

#### Engineering know-how

- Private company
- Solid E&C company
- Limited R&D investment
- No revenues recurrence
- Organic growth

#### Assets investment

- Public company
- Strong R&D commitment
- High Capex >>> EBITDA
- Negative free cash flow
- Rapid growth in debt
- Rapid growth in assets
- Limited dividends
- Solid E&C company
- Organic growth

- Global company
- High EBITDA
- High Capex < EBITDA
- Positive free cash flow
- Flexible asset rotation in concession-type assets
- Natural deleveraging
- Higher dividends

- Public company
- Strong R&D commitment
- Solid E&C company
- Organic growth

## Solid present, promising future

- ✓ Sustainability and Energy independence: two global concerns
- ✓ Lean - Clean - Green solutions, are a "must"
- ✓ Power engineering and technological knowledge, our core strengths
- ✓ Best in class operational assets
- ✓ Great flexibility to take advantage of massive opportunities to come





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# Thank you

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