



## ABENGOA

### 2014: Financial Review



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**EVP, Capital Markets & IR**

8th Annual **Analyst and Investor Day**

**April 3 & 4, 2014**

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Positive Trends in Main KPI's

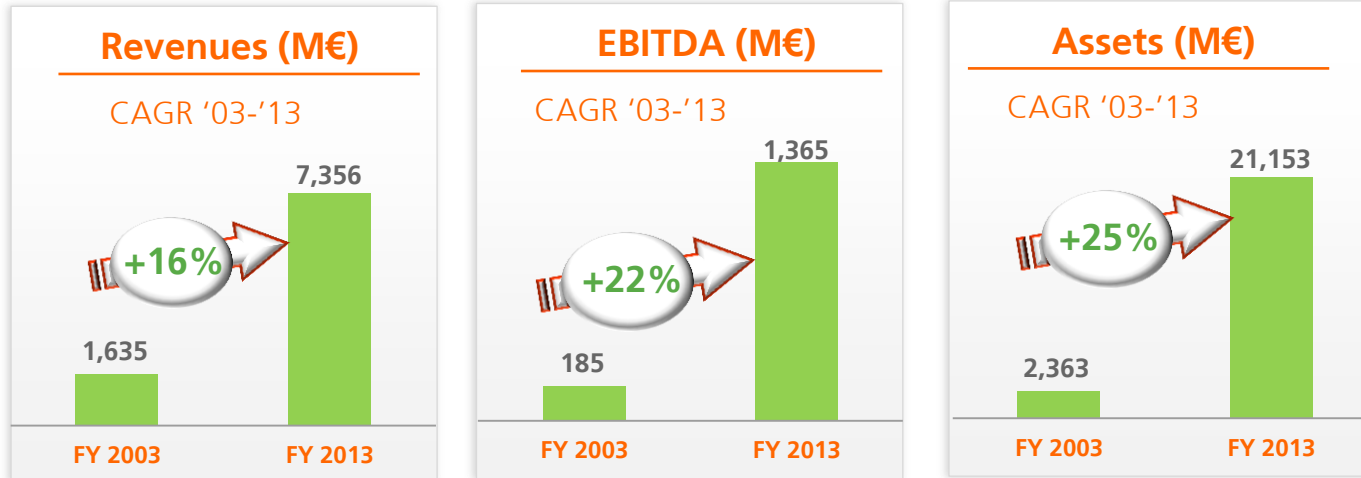


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Main Takeaways



### Growth, differentiation and value creation driven by timely execution of complex projects and technology leadership



Figures as of December 31, 2013

### Strong Asset Portfolio, Technology Development & High Quality Execution

Concession Assets

**+8.9 B€**

of which **6.8 B€** in operation and **2.1 B€** under construction

Technology Develop.

**425 M€**

R&D investment in last 5 years with **261 patents**<sup>(1)</sup>

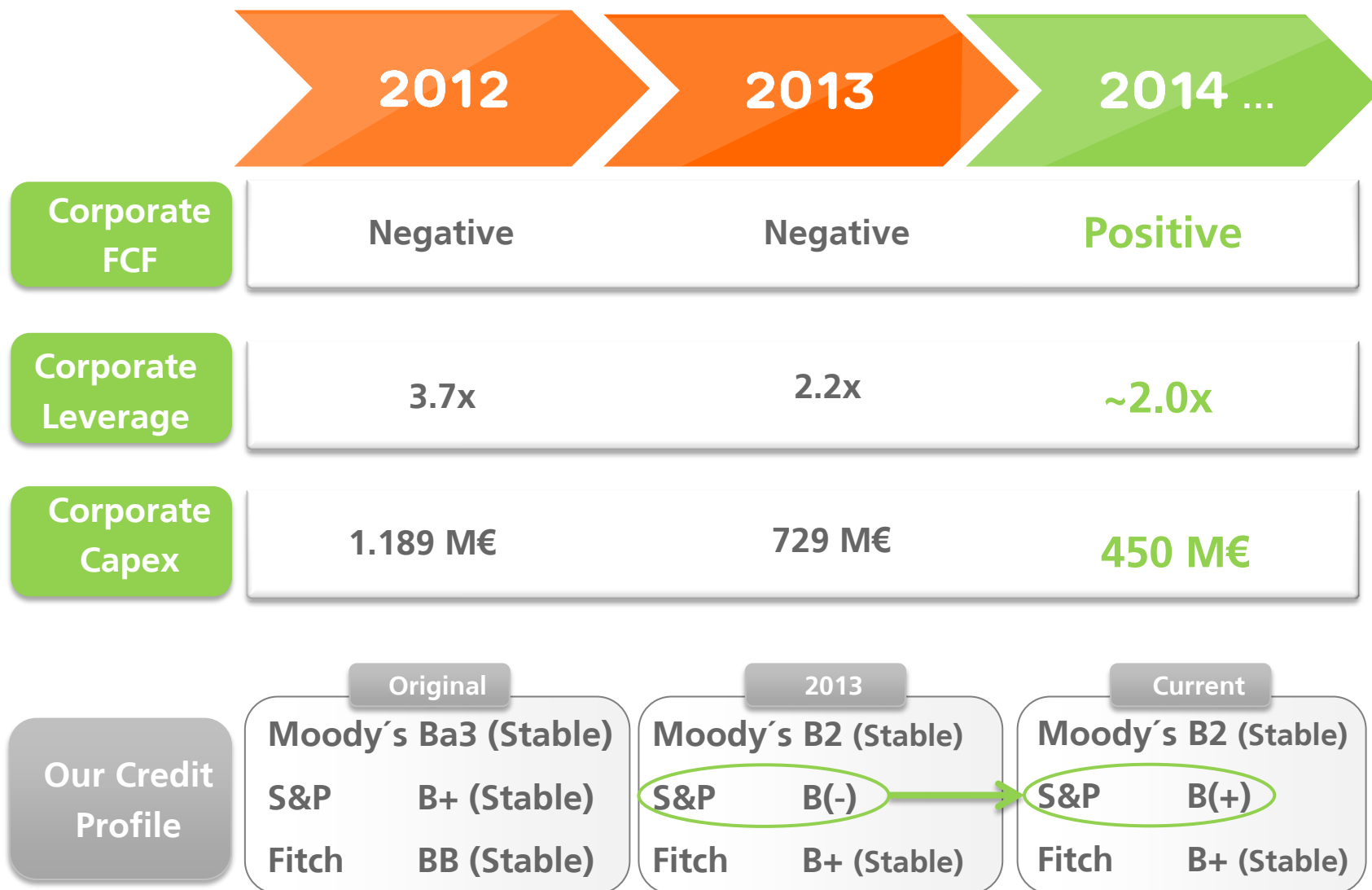
Pipeline

**139 Bn€**

**Growing** pipeline in all regions and sectors

<sup>(1)</sup> Currently we have applied for 261 patents, of which 106 have been awarded

## 2014 An Inflection Point...



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### On the Path to Corporate Free Cash Flow Positive

	FY 2012	FY 2013
•Corporate EBITDA	663	978
•Net Interest Paid	(314)	(334)
•Taxes & Other Financial Cost	(151)	(146)
•Non-monetary Adjust.	(65)	(157)
•Others (NWC, FX, Consolidation and others)	81	59
<b>Corporate Cash Flow From Operations</b>	<b>214</b>	<b>401</b>
•Capex Expenditures	(1,189)	(729)
•Other investments	(331)	(74)
<b>Corporate Free Cash Flow</b>	<b>(1,306)</b>	<b>(402)</b>
<b>Upside from asset rotation</b>	<b>+354</b>	<b>+390</b>



**Expect to be FCF positive at corporate level in 2014**

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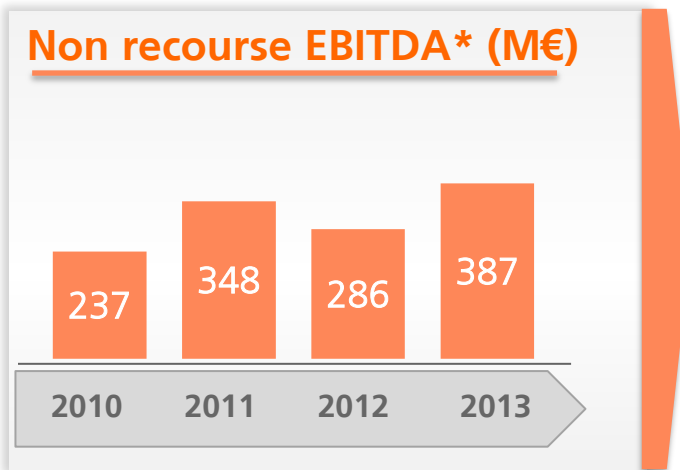
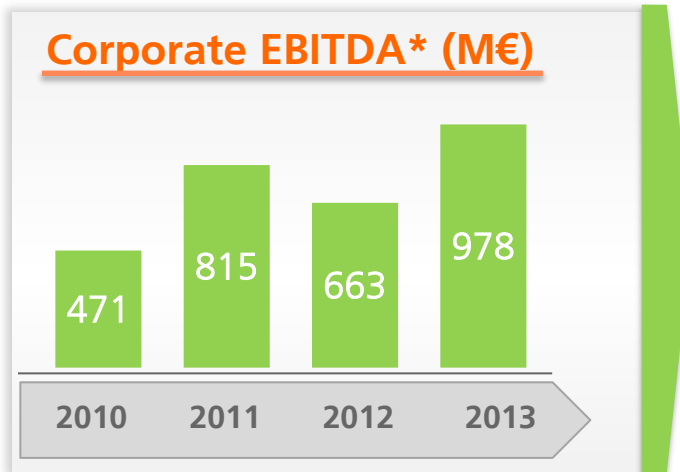
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Main Takeaways

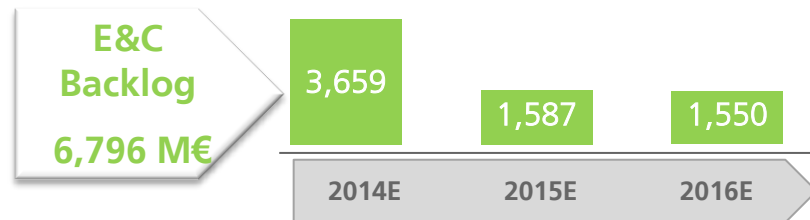




### EBITDA Growth potential ...



**1** High visibility in E&C business through the backlog



**2** Higher Contribution of Biofuels business

- ★ Improvement in **markets conditions**
- ★ Proven **2G** → Hugoton plant starts up
- ★ **More options** in this business: Corn Oil and Butanol

**3** Ebitda contribution from new concessional assets

★ **Additional Ebitda** by FY 2015 → **+500 M€**

... will be one of the drivers for improved Free Cash Flow

Improvement in our credit metrics helping to reduce our financial cost...

**B / B+**

Today

**B+/BB**

### Current Rating

- Strong liquidity required to face commitments: **CAPEX, interests, debt,...**
- **Cost of financing** impacted by credit rating downgrades
- Strong cash balance needed to **maintain competitive position**

✓ Reduce financing cost

HY Jan 13 **8,875%** ↓ HY Mar 14 **6,00%**

✓ S&P changes the outlook from **negative** to **positive (+)**

✓ On target to reduce leverage

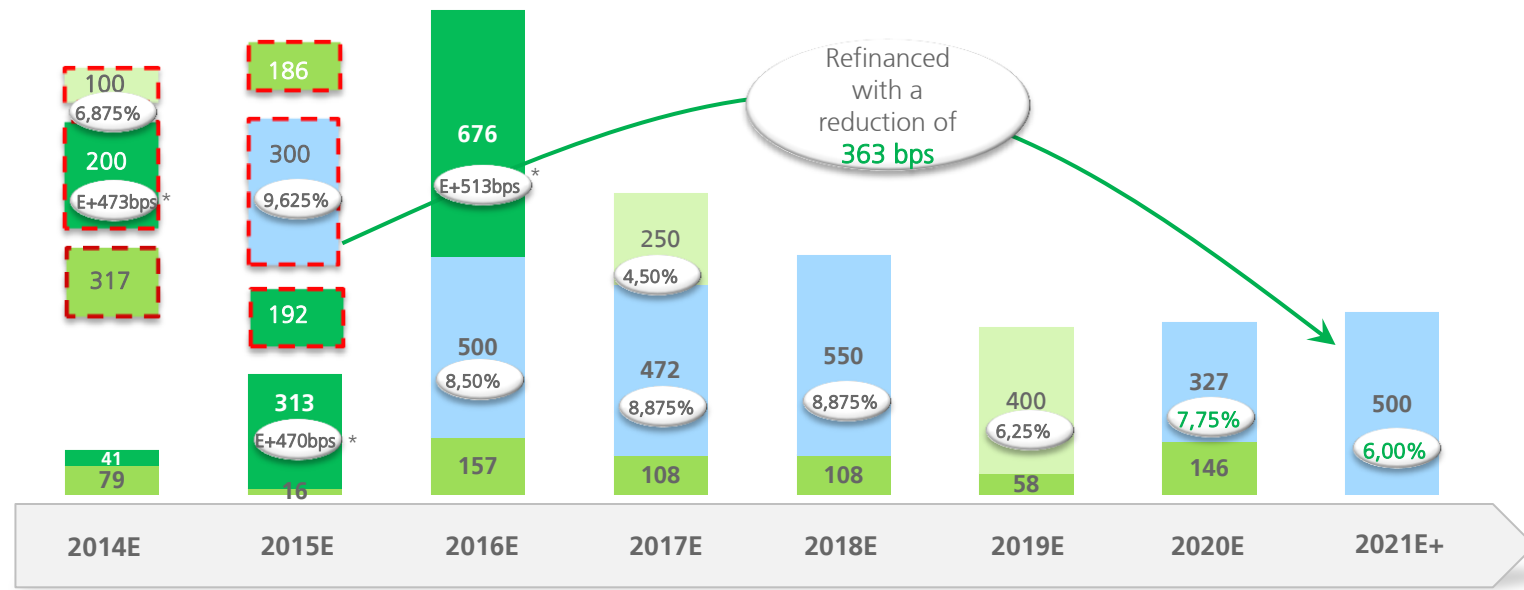
### Target Rating

- **Reduce** financing cost
- **Lower cash balance** will be needed to maintain competitive position and commercial requirements
- **Improvement in working capital** financing

...will also contribute to higher FCF generation

With significant cost reduction potential still ahead...

### Corporate Debt Maturity



■ Syndicated Loans  
 ■ Other corp. debt  
 ■ Convertible Bonds  
 ■ Bonds  
   Expected UoP from Capital Increase and HY Notes

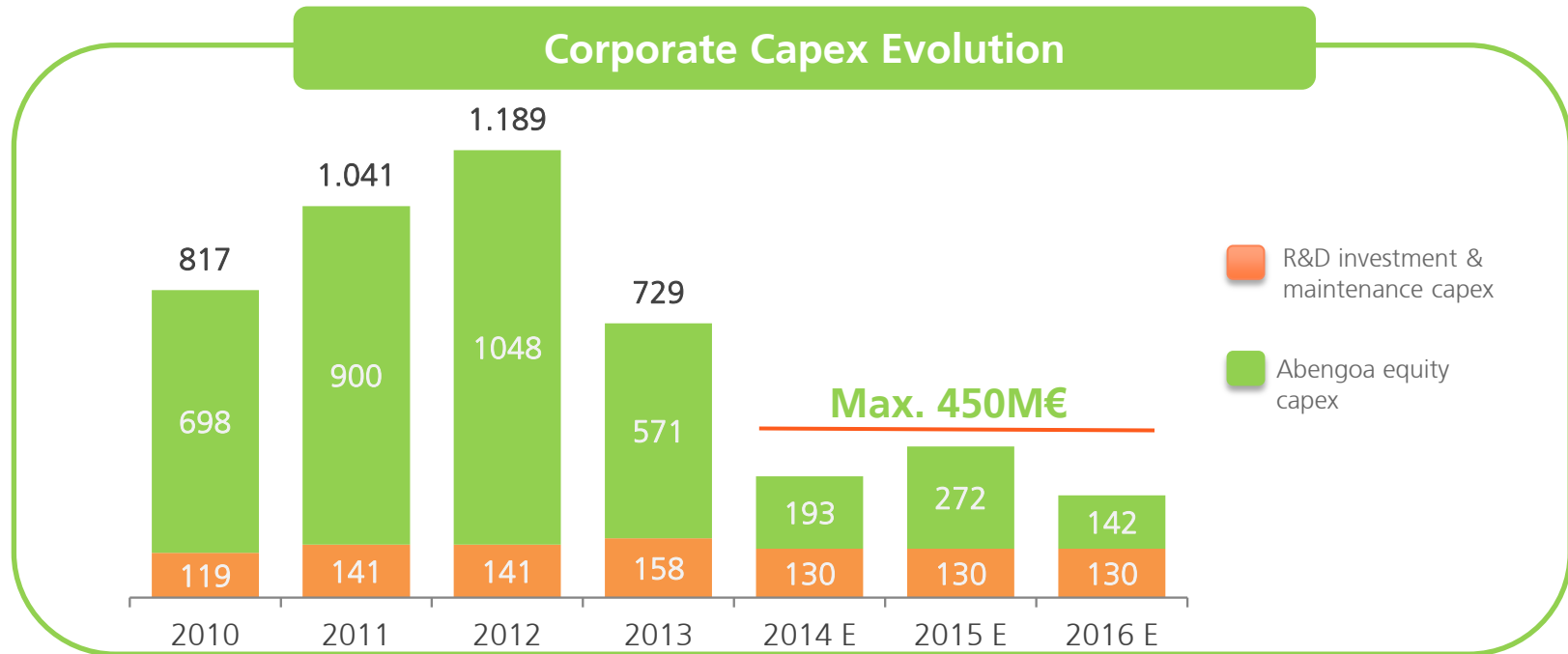
★ Healthy balance between Debt Capital Markets (64%) and Bank Debt (36%)

★ Outstanding **syndicated loan** reduced from 1,8 Bn€ to 1 Bn€

...and a continued proactive approach to maturity management

\* Includes cost of hedging

### Committment to Futher Reduction of Corporate Capex...



★ Limit Capex to **EPC Margin**  $\geq$  **Equity Contribution** to concessions

★ ~300M€ of equity capex per year in concessions = + 3 Bn€\* of **E&C work** (in addition to traditional turn key projects)

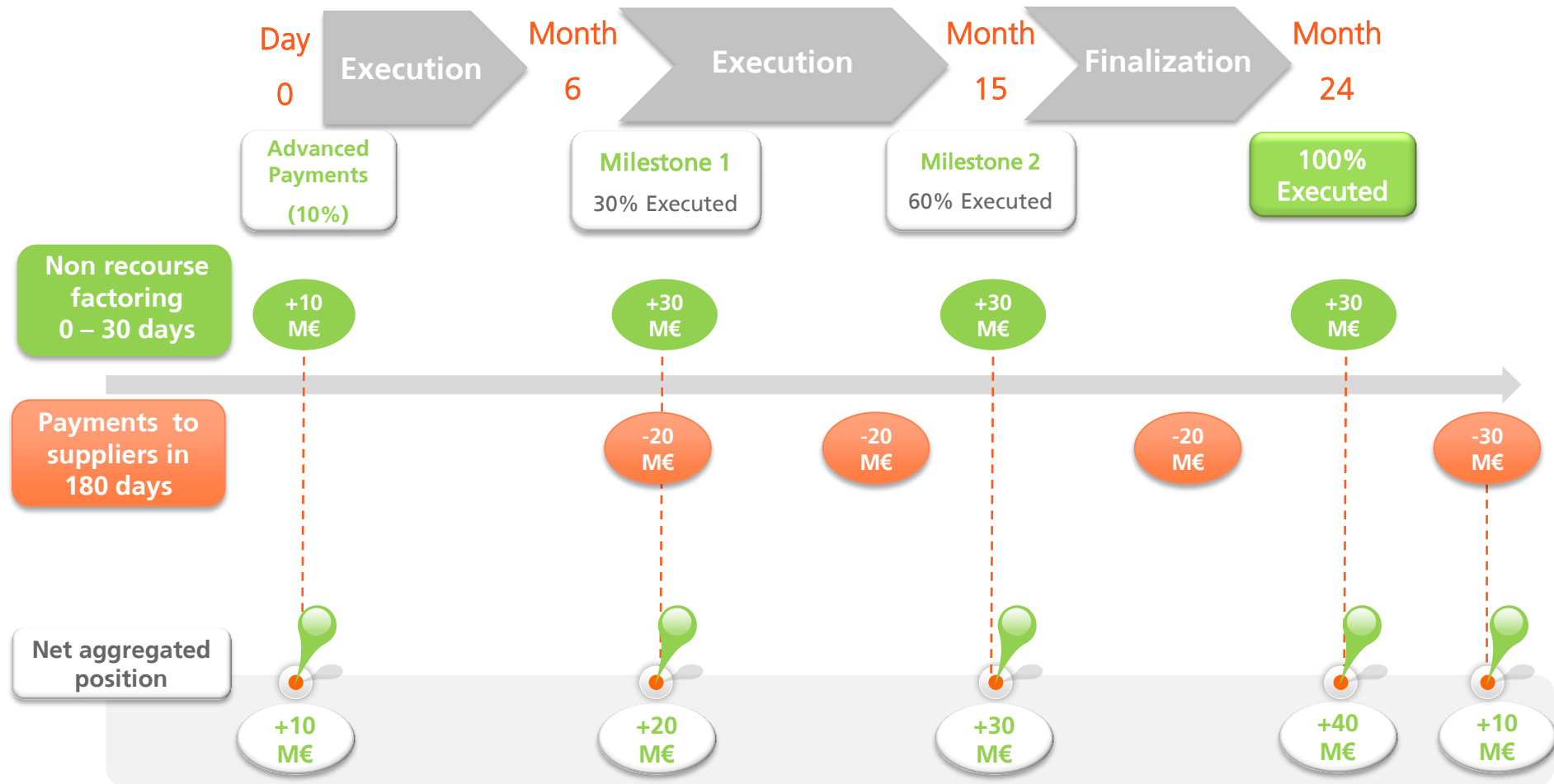
★ Market credibility in E&C allows for partners to co-invest in equity

...an additional driver to Free Cash Flow generation

\* Assumes equity equivalent to ~10% EPC Margin

### Negative Working Capital Balanced is Sustainable ....

Illustrative example: timeline of an EPC contract worth 100 M€ and 10% margin:



...based on current levels of backlog and pipeline visibility

### And a Well Defined Model Allowing for Future Asset Disposals...

Business model enabling recurrent  
**Value Crystallization**

**1** Develop & Build

**2** Operate / Dividend Upstream

**3** Rotate

- > **Unlocking Equity** through refinancing
- > Full or partial **Sale** to a **Partner**
- > **Sale** to **YieldCo**

Excellent Track Record in Rotation:

**1** Business Units

**TELVENT**  
391 M€

**BEFESA**  
620 M€

**BARGOA**  
50 M\$

**2** Assets

Power T&D Lines	
<b>ETIM-ETEE</b>	102 M€
<b>NTE</b>	139 M€
<b>CEMIG I</b>	340 M€
<b>CEMIG II</b>	354 M€
<b>Peru*</b>	20 M\$

Cogeneration	
<b>Mexico*</b>	88 M\$

Solar	
<b>Solana*</b>	300 M\$
<b>Solaben*</b>	200 M€

Water	
<b>Qingdao</b>	53 M€

...to **Crystallize Value and Increase Cash Generation**

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### Transition to an asset-light model to generate shareholder value...

#### Main Takeaways

- 1 Sustainable EBITDA growth at corporate and non recourse levels
- 2 On track to reduce financial cost
- 3 Reduction of corporate capex
- 4 Sustainable negative working capital
- 5 Asset Rotation / Dividend upstream upside



... with ultimate goal to generate Free Cash Flow





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Thank you

April 3 & 4, 2014