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POWER DIVIDEND

# 2014 Results

2nd of March, 2015

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# Agenda

1. **Brief overview of Saeta Yield**
2. **Highlights of the 2014 results**
3. **Outlook of Saeta Yield after the restructuring process concurrent with the IPO**

# Robust initial portfolio providing c. €57m dividend per year

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## Robust Initial Portfolio (689 MW)

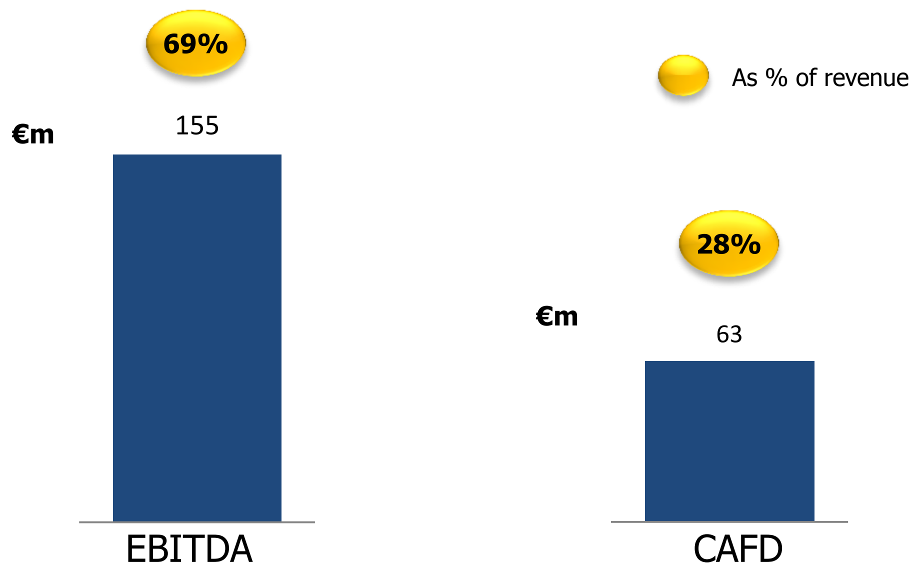
| Wind | Solar Thermal |
|---|---|
| 539 MW[1] | 150 MW[1] |
| 16 wind farms | 3 CSP plants |

- ✓ Long-life assets: 21 years remaining life
- ✓ Fully operational with good performance
- ✓ Regulated remuneration
- ✓ Euro denominated

**Stable cash flows**

## Stable & predictable EBITDA and recurrent CAFD[2]

- Regulated revenues
- LT O&M contracts in place
- No CAPEX needs[3]
- No taxes from 2016 to 2021




**€57m dividend in 2015 and 2016 [2] and 90% pay-out ratio onwards**

Note: Capacity refers to Gross Capacity

(1) Wind: Installed capacity of 538.5MW. Maximum administrative authorization of 533.2MW; Solar Thermal: Installed capacity and maximum administrative authorization of 149.8MW

(2) Estimated cash available for distribution after investing and funding activities excluding net release of cash retained. Forecasts of financial information are based on current assumptions, are inherently uncertain and are subject to significant business and economic risks and uncertainties. The forecasts shown here are forward-looking statements and actual results may differ materially. Forecast assumes a pool price for 2016 of €49.8MWh, in line with the regulation case

(3) There is a €1m of capex is pending in 2015. No more CAPEX is expected in the future as full service O&M contracts are in place.

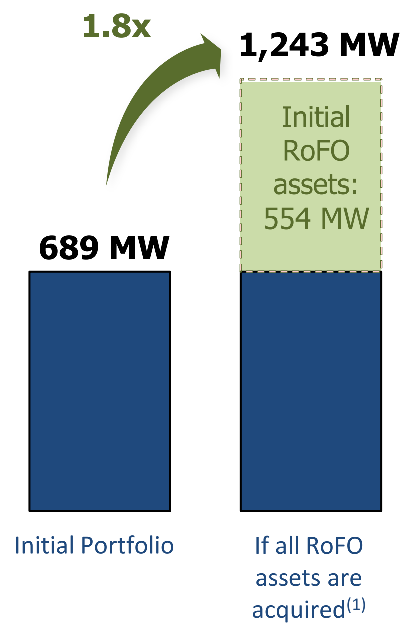
# Platform to benefit from accretive growth opportunities. The RoFO Agreement provides a floor in the growth profile

**Saeta will benefit from ACS/GIP partnership and the RoFO Agreement**

**Right of First Offer Agreement:**

- Initial portfolio to be offered before Dec17
- RoFO for all future energy infrastructure assets developed by ACS SI or DevCo with no geographic limitation

**Initial RoFO Assets (554 MW)[1]**


**3rd Party Acquisitions**

- Additional lever of growth
- Focused on our main markets: Europe & LatAm
- Significant and highly visible market potential
- Sellers already approaching Saeta. Specific opportunities under analysis

| **Clear Investment Criteria** | ✓ **Value Accretive acquisitions:** positive DPS<br>✓ **Assets providing safe and secure cash flows:** in operation, long term revenue schemes, Investment grade off-takers or regulation in safe jurisdictions and strong currencies |
|---|---|

(1) ACS currently owns a 51% stake in the two wind farms in Peru totalling 129MW, a 75% in the Portuguese wind farm totalling 124MW and a 100% stake in the solar thermal plants in Spain, in the wind farm in Mexico, in the wind farm in Uruguay and in the transmission lines asset in Peru

(2) Lestenergia is in the process of carrying out a repowering to increase its capacity by 20MW

# Saeta Yield business model: Total return company distributing a growing dividend

**Operating SPVs**

**Initial Portfolio Recurrent CAFD level**

**63**

**Dividend on the back of initial portfolio**
(90% payout ratio of recurrent CAFD)

**57**

**Share-holders**

**Non-distributed CAFD**

**Liquidity for New Acquisitions**

**Accretive acquisitions of new operating assets**

**Cash @ Saeta**

**Revolving Credit Facility**

*Cash at Plants[(1)] (€84m) + Cash at Holdco (€50m) + RCF (€80m)[(2)] + Non Distributed CF*

**Access to Credit and Equity Markets**

## Dividend policy overview

- Regular quarterly dividend. First payment in 1Q15 [(3)]
- Payout of 90% of recurrent CAFD
- Dividend payments as share premium reserve for tax efficiency (€732m[(4)])

(1) Cash as of October 2014, adjusted by pre IPO restructuring and excluding debt service reserve account (€53m)
(2) RCF is targeted to meet the company's liquidity needs due to seasonality impact. It could potentially be used as a bridge financing for acquisitions
(3) First dividend will include the pro-rata for the days in Q1 2015 since transaction
(4) Share premium once adjusted to reflect to the Equity Contribution concurrent with the Initial Offering

# Significant improvement of our business environment

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**Spanish economy bouncing back**

- **GDP growth of 1.4%**[1] in 2014 (vs. -1.2% in 2013)
- Country **risk perception improving**: spread vs. German Bund halved in the last 12 months to +95 bps

**Sustainability of the regulation in Spain**

- **New regulation is working**: tariff surplus expected in 2014[2]
- **Recovery of demand:** after 3 years decreasing, 2014 power demand ended flat[3]. 2015 YTD demand growth is +2.5%

**Wholesale electricity market price**

- Avg. **mkt. price was 42.1 €/MWh** in 2014 (vs. €44.2 in 2013). **Regulatory price bands bring protection**
- **First 2 months of 2015 @ 47.5 €/MWh** (vs. €26.0 last year)

**Financing conditions improving**

- **Euribor at minimum levels**: 0.11% for the 6 months contract
- ECB liquidity injection **increasing lending volumes**

(1) Source Bank of Spain. Average growth considering the 4Q2104 is an advanced figure.
(2) Source CNMC report to determine the 2015 electricity tariff. This report contemplates that both, the CNMC and the Ministry of Industry forecast a small surplus for the economic balance of the 2014 tariff
(3) Source REE. The adjusted demand for 2014 was -0.2%.

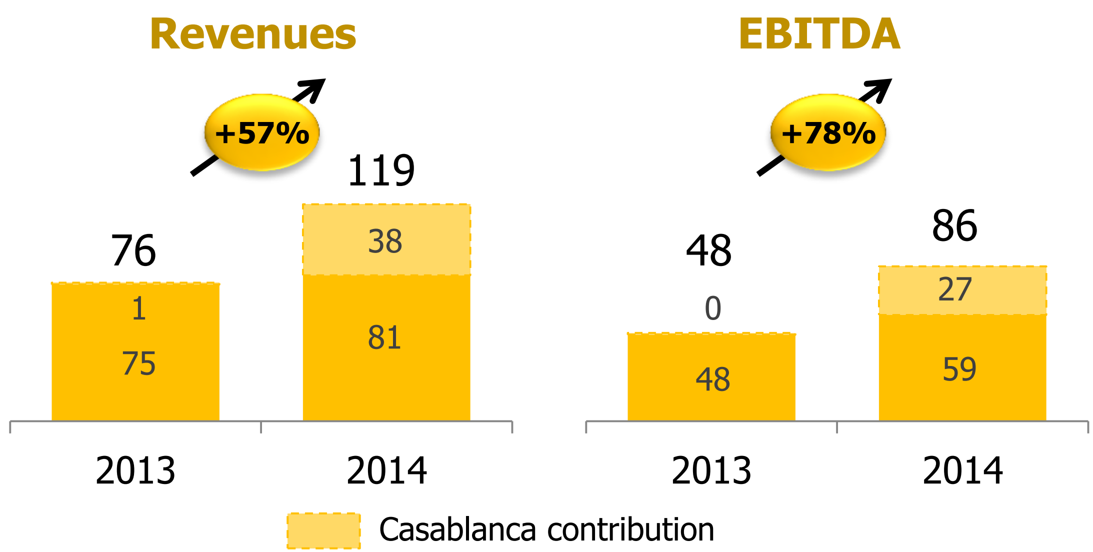
# Increasing results based on the commissioning of Casablanca and the good performance of the generation fleet

**Solar thermal**

**Output: 417 GWh**
(vs. 281 GWh in 2013)

**PRC[(1)]: 112.3%**
(vs. 109.0% in 2013)

**Load factor: 2,780 h**
(vs. 2,662h in 2013)

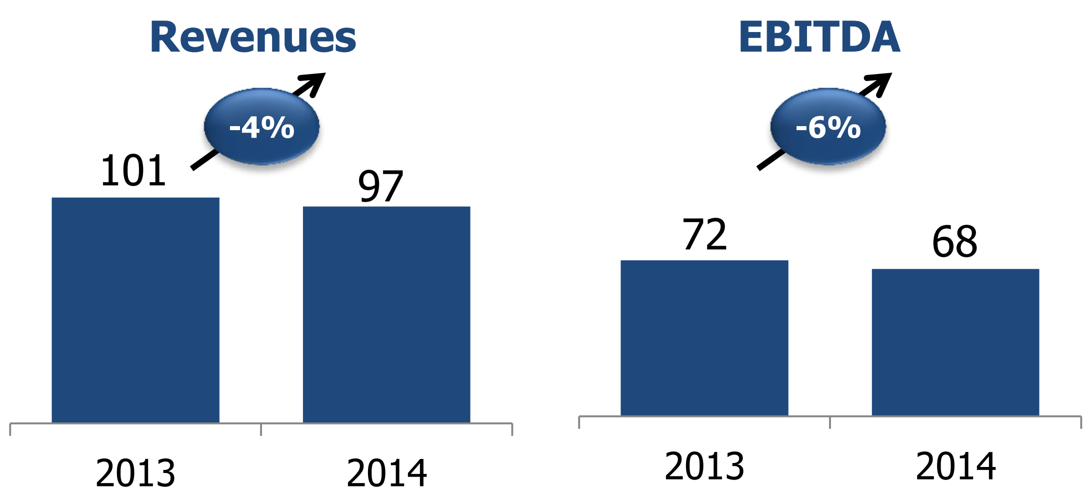



**Wind**

**Output: 1,099 GWh**
(vs. 1,129 GWh in 2013)

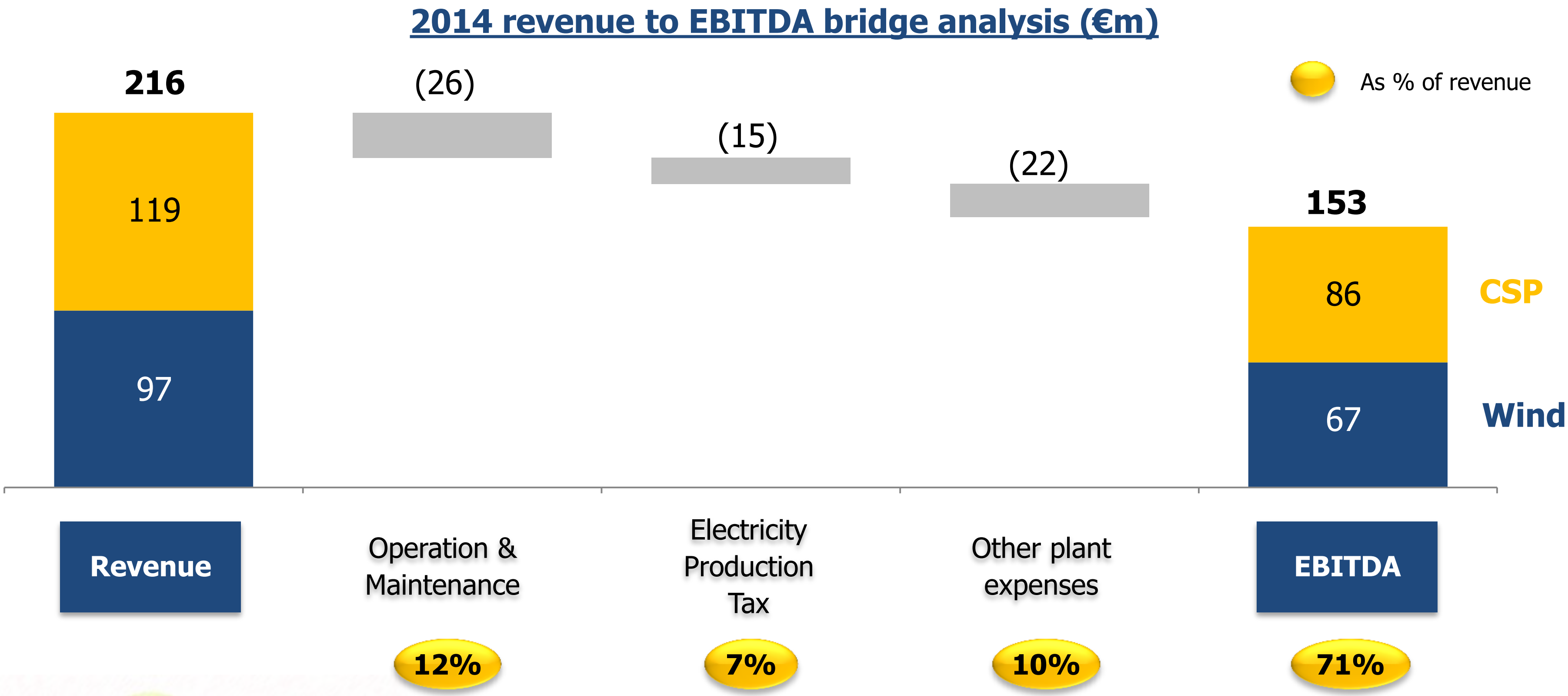
**Availability: 98.9%**
(vs. 98.6% in 2013)

**Load factor: 2,039 h**
(vs. 2,096h in 2013)




(1) PRC: The performance ratio measures the real production of the plants vs. the theoretical production based on existing weather conditions.

# Saeta Yield generated €153m of EBITDA in 2014



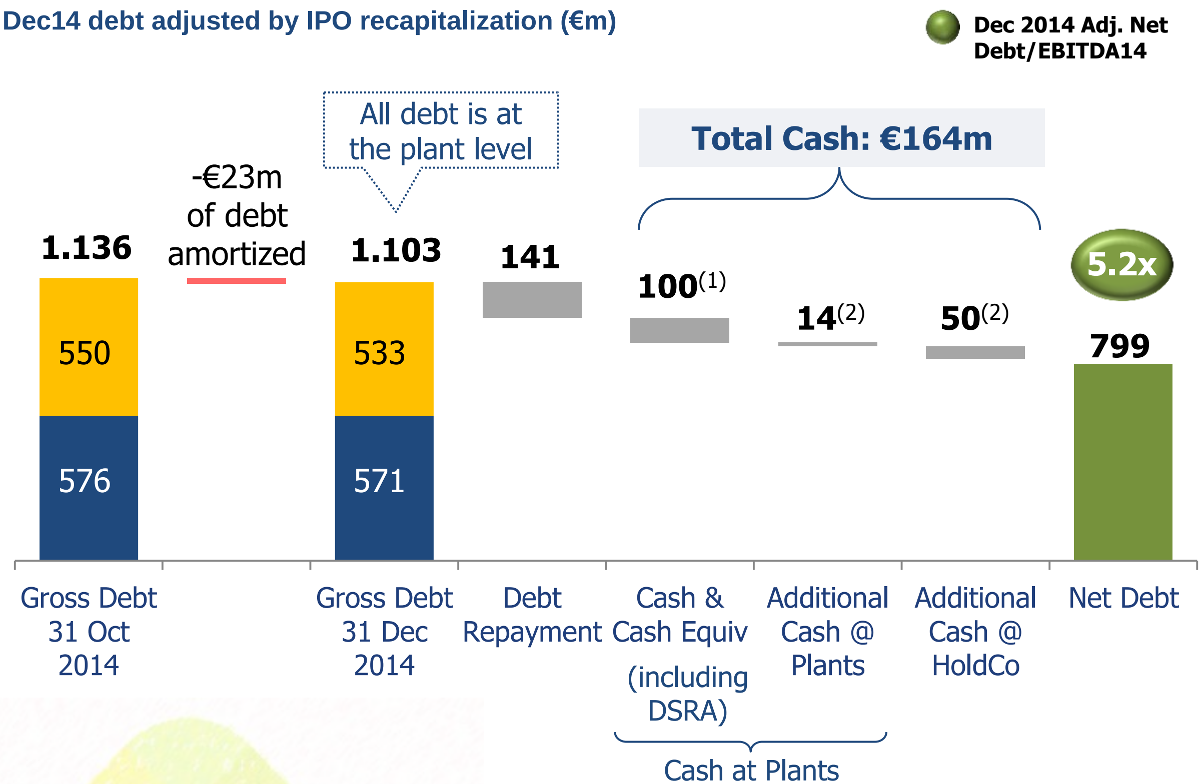

**Diversified revenue & EBITDA by technology**

**2014 EBITDA is in line with our forecasts for 2015 & 2016**

# Strong financial position and confortable leverage

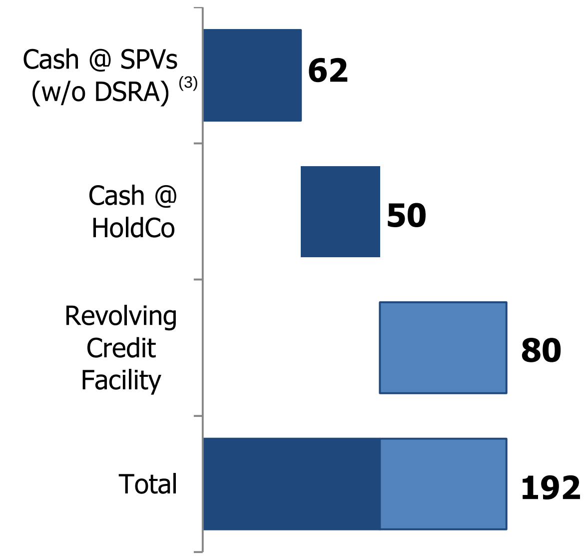
## Comfortable leverage below peers: 5.2x ND/EBITDA

**Dec14 debt adjusted by IPO recapitalization (€m)**




## Strong starting liquidity

**Dec14 Adjusted Liquidity (€m)**




**After the IPO, Saeta has significant liquidity and leverage potential to fund accretive acquisitions**

(1) Cash and cash equivalents and Other non-current financial assets add €100m as of Dec14 (of which €52m are under the DSRA).
(2) The recapitalization process concurrent with the IPO increased the cash in €64m: €50m at the HoldCo level and €14m at the plant level.
(3) Adjusted cash at plants for liquidity purposes excluding cash related to DSRA (€52m) and including intragroup settlement.

# Saeta will combine a high dividend yield (currently at 7%[(1)]) with an attractive DPS growth

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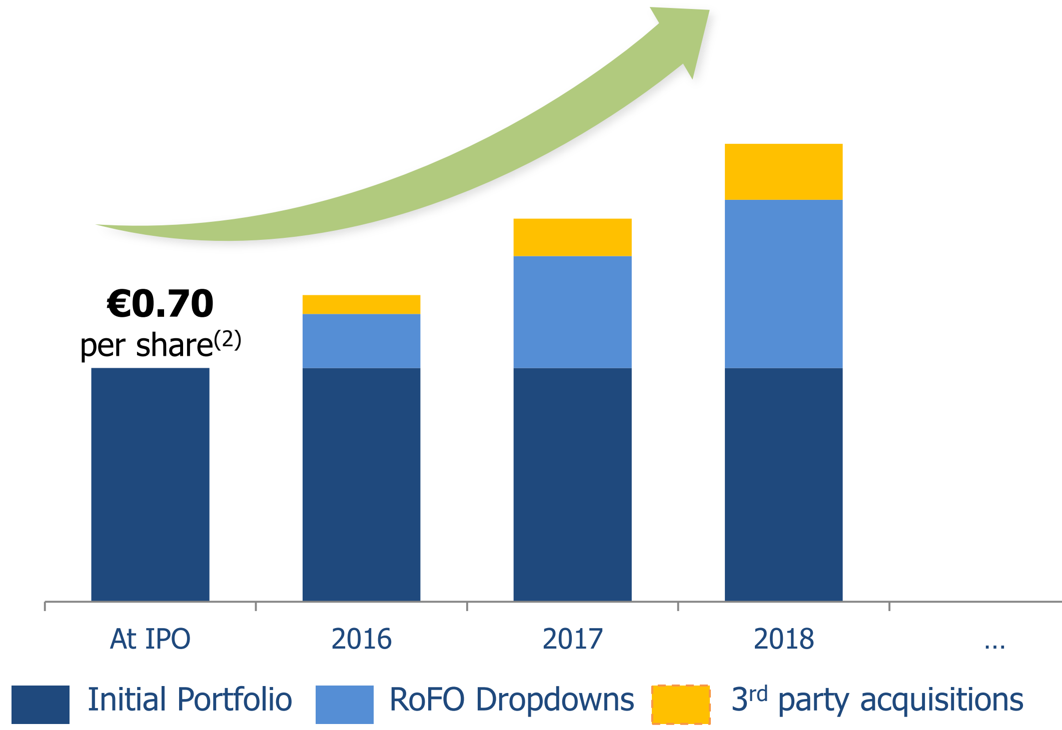
**Multiple funding sources**

1. Liquidity & Non-distributed CAFD
2. Asset refinancing: Casablanca & Valcaire
3. Debt capacity at HoldCo
4. Equity Issuance

**Attractive DPS growth**




**Strong and flexible financial position to make accretive acquisitions of additional operating assets, that will crystalize in an attractive DPS growth**

(1) Considering the closing price of €10.00 per share on Friday February 27.
(2) Equivalent to €57m divided by the number of shares outstanding: 81,576,928. In 2015 the dividend will be paid on a pro-rata basis.

# Saeta Yield: A total return company

**2014 revenue & EBITDA confirm robustness of the portfolio**

**IPO restructuring provides financial strength**

**RoFO dropdowns and 3rd party acquisitions will provide short and long term growth**

## Dividend

based on stable CAFD

+

## DPS Growth

based on having a unique platform of growth

# Agenda

A **Appendix: 2014 financials**

B **Appendix: 2015 and 2015 forecast**

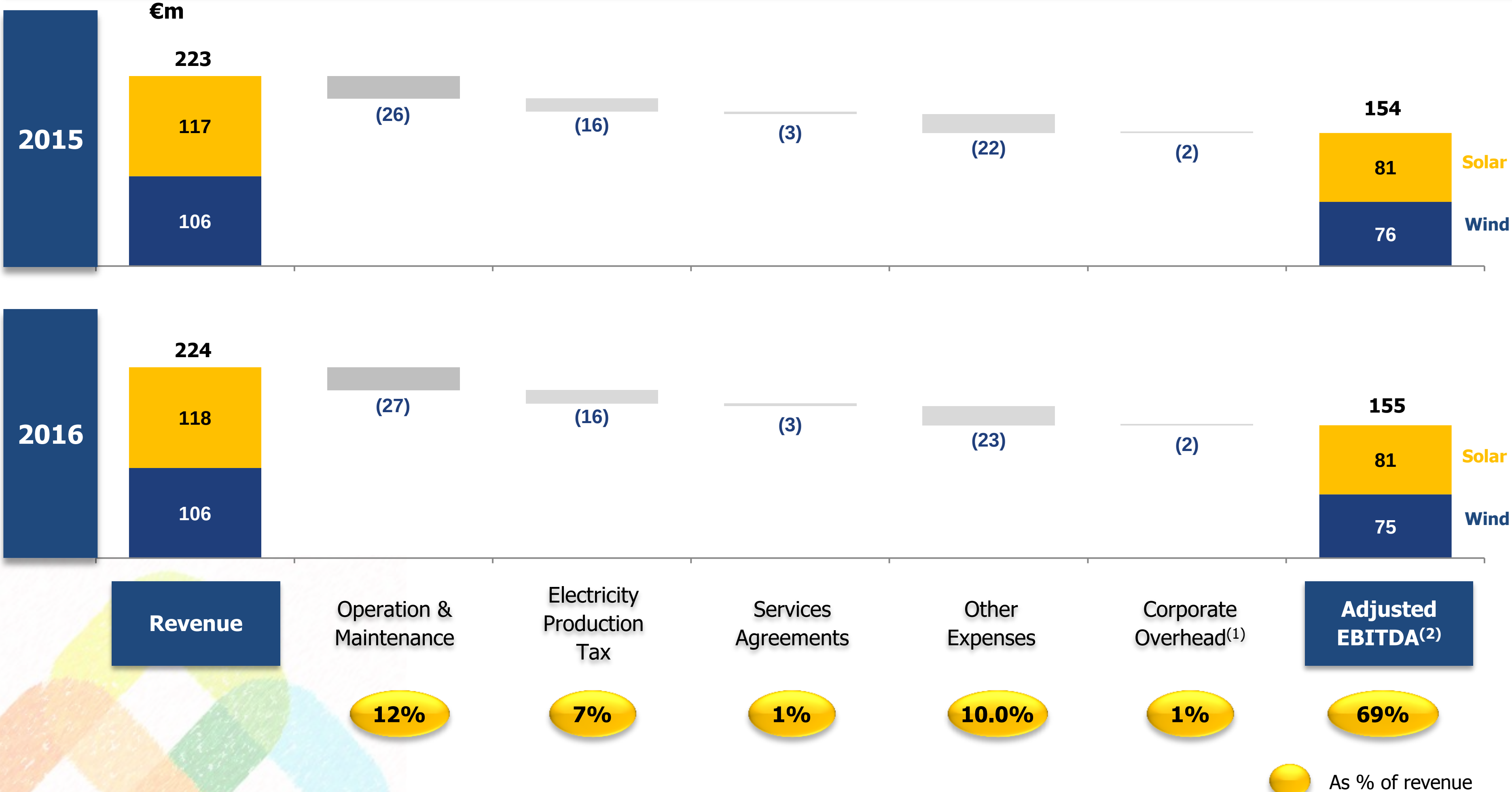
# 2014 financial results

| Consolidated Balance Sheet (€m) | 2014 | % |
|---|---|---|
| **Non-current assets** | **1,494.0** | 86% |
| Intangible assets | 0.2 | 0% |
| Tangible assets | 1,409.6 | 81% |
| Non-current financial assets with Group companies and related parties | 1.5 | 0% |
| Non-current financial assets | 7.1 | 0% |
| Deferred tax assets | 75.7 | 4% |
| **Current assets** | **244.7** | **14%** |
| Inventories | 0.7 | 0% |
| Deudores comerciales y otras cuentas a cobrar | 60.1 | 3% |
| Other current financial assets with Group companies and related parties | 83.6 | 5% |
| Other current financial assets | 54.4 | 3% |
| Cash and cash equivalents | 45.9 | 3% |
| **TOTAL ASSETS** | **1,738.7** | 100% |
| | | |
| **Equity** | **355.7** | **20%** |
| Share capital | 61.6 | 4% |
| Share premium | 551.5 | 32% |
| Reservas | -163.1 | -9% |
| Profit for the period of the Parent | 35.4 | 2% |
| Adjustments for changes in value | -129.5 | -7% |
| **Non-current liabilities** | **1,224.7** | **71%** |
| Long-term Project finance | 1,038.9 | 60% |
| Other financial liabilities in Group companies and related parties | 0.5 | 0% |
| Derivative financial instruments | 144.5 | 8% |
| Deferred tax liabilities | 40.7 | 2% |
| **Current liabilities** | **158.3** | 9% |
| Short-term Project finance | 64.9 | 4% |
| Derivative financial instruments | 28.6 | 2% |
| Other financial liabilities with Group companies and related parties | 13.4 | 1% |
| Trade and other payables | 51.4 | 3% |
| **TOTAL EQUITY AND LIABILITIES** | **1,738.7** | **100%** |

| P&L account (€m) | 2014 |
|---|---|
| **Revenue** | **215.9** |
| Cost of materials used and other external expenses | 1.0 |
| Staff costs | -0.4 |
| Other operating expenses | -63.9 |
| **EBITDA** | **152.6** |
| Depreciation and amortization charge | -76.0 |
| Impairment on the disposal of non-current assets | 23.9 |
| **EBIT** | **100.6** |
| Financial income | 1.5 |
| Financial expense | -57.8 |
| Profit of companies accounted for using the equity method | 0.0 |
| **Profit before tax** | **44.3** |
| Income tax | -8.9 |
| **Profit attributable to the parent** | **35.4** |

# Saeta Yield expects to generate c. €155m adjusted EBITDA

## Stable revenue and high visibility on future costs

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# Saeta Yield expects to generate c.€63m of recurrent CAFD[(1)]

Limited Capex and Change in WK needs expected

2015 WK due to settlements and pending receivables with the regulatory

Comfortable Debt position at Plants Levels

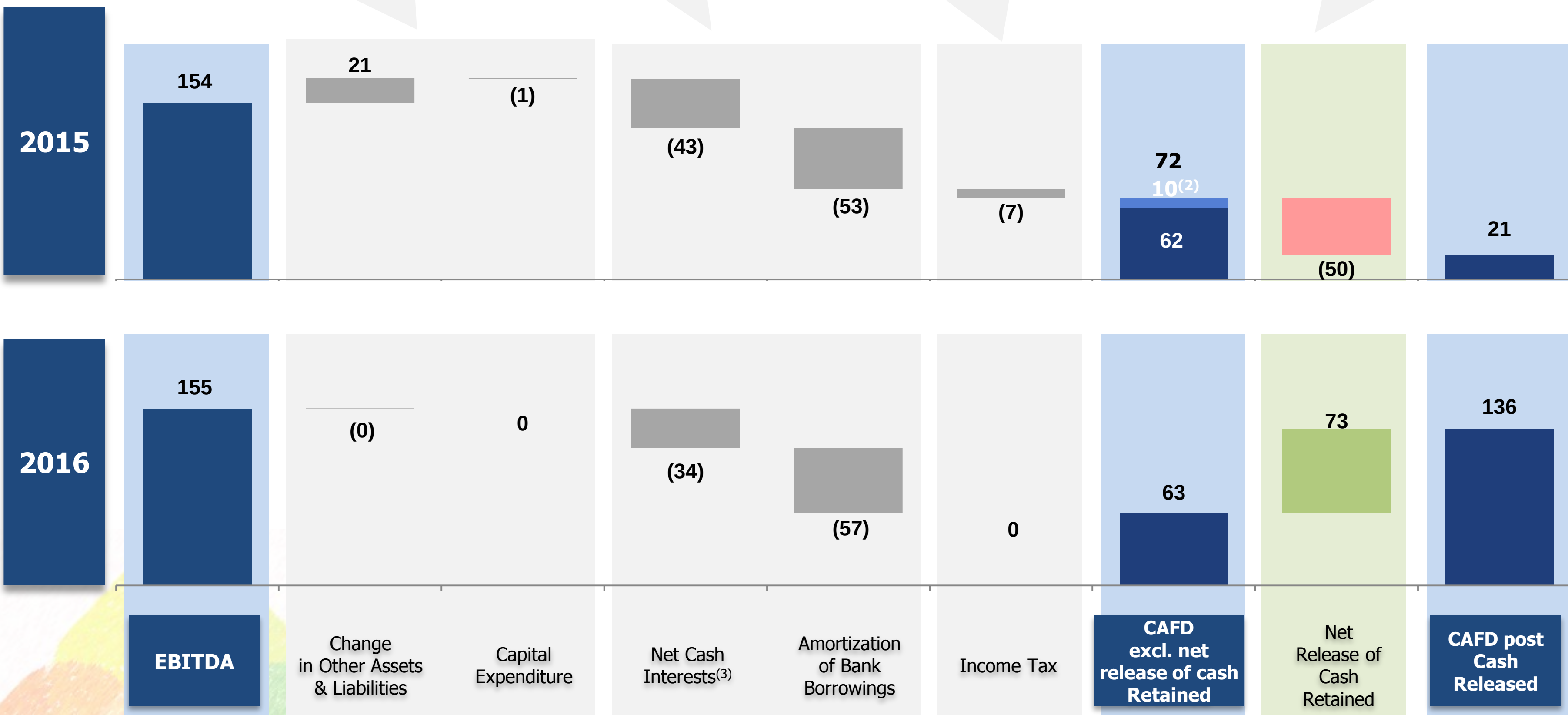
No debt at HoldCo

No tax consolidation in 2015

No tax payment from 2016 to 2021: tax consolidation & free tax depreciation

2014 financing covenants limit the cash distribution in 2015

Total cash expected to be distributed in 2016




Note: Forecasts are based on assumptions described in section 1, including a pool price for 2015 of €49.5/MWh and for 2016 of €49.8MWh, in line with the regulation case

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(2) Includes: €21m related to change in other assets and liabilities; -€1m related to Capex; -€7 related to taxes and -€4m of interests of Al-Andalus pending from 2014

(3) Net cash interests calculated as "Cash interests paid" (€45m and €38m expected in 2015 and 2016, respectively) minus "Interests received" (€2m and €3m expected in 2015 and 2016, respectively)