



## ABENGOA

### The Value Within Abengoa

Manuel Sánchez

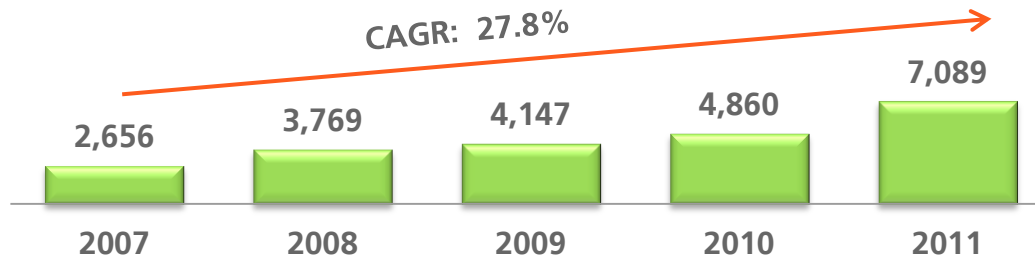
**Analyst & Investor Day**

**May 2012**

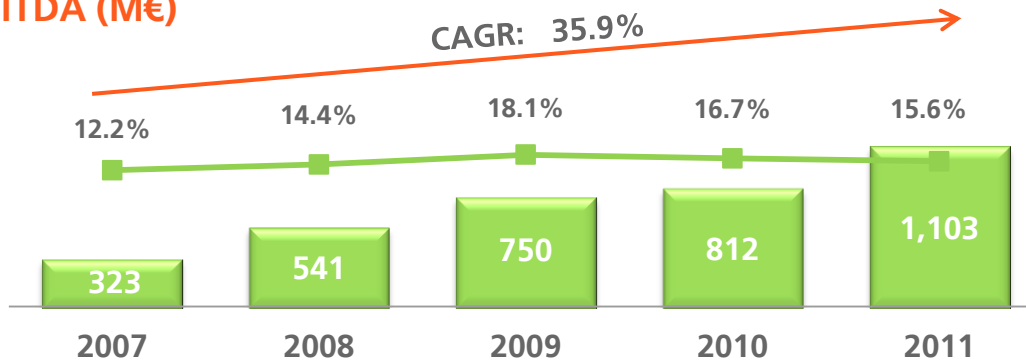
- This presentation contains forward-looking statements and information relating to Abengoa that are based on the beliefs of its management as well as assumptions made and information currently available to Abengoa.
- Such statements reflect the current views of Abengoa with respect to future events and are subject to risks, uncertainties and assumptions.
- Many factors could cause the actual results, 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 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; inability to obtain new sites and expand existing ones; 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.

Abengoa has a proven track record in delivering its targets with enhanced margins...

### Revenue (M€)



### EBITDA (M€)



### Macro Events

2007

Subprime mortgage crisis

Lehman Brothers bankruptcy

US TARP bailout

EU recession

EU Sovereign crisis

2011

### Highlights

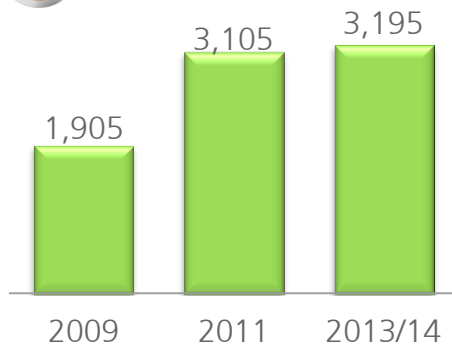
- Successful delivery of financial targets despite high capex and rapid growth in assets
- Abengoa has become a truly global Group, with the Americas now representing over 50% of sales
- Solid E&C company as the backbone of the group with increasing presence of recurring activities in EBITDA contribution
- High revenue visibility into 2012 and beyond given record backlog

...while successfully delivering on its capex plan and transforming itself

### Industrial Production Assets



#### Biofuels Assets (MI)



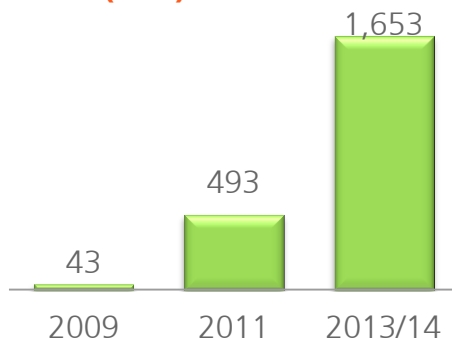
#### Recycling Assets (Mt)



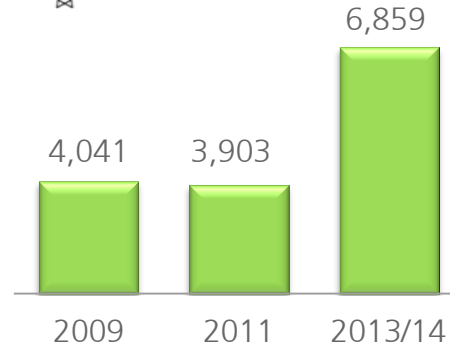
### Concession-type Infrastructures



#### Solar Power Assets (MW)



#### Transmission Assets (km)



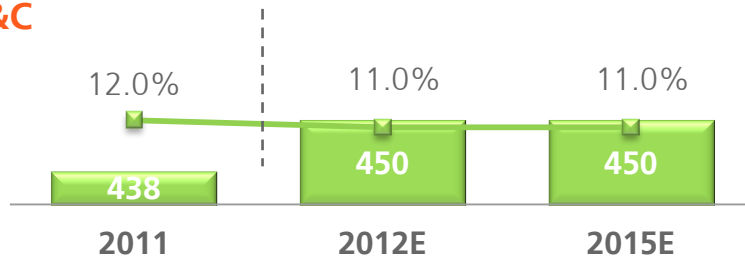
### Highlights

- Substantial increase in capacity across business lines resulting in a balanced asset portfolio
- Concessions in operation already constitute a significant asset-base
- Substantial proportion of income generated through long-term power purchase agreements
- Combined with Abengoa's strong E&C expertise, the Concession activities enable to maximize returns for shareholders

### Abengoa plans to continue its successful path over coming years

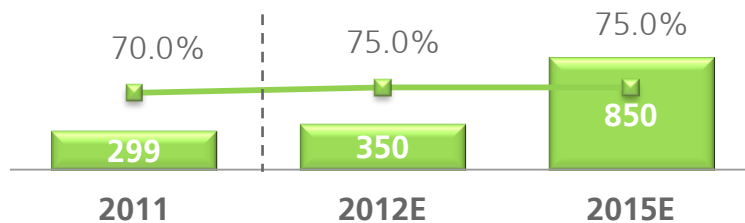
#### 2011E – 2015E EBITDA (M€)

##### E&C



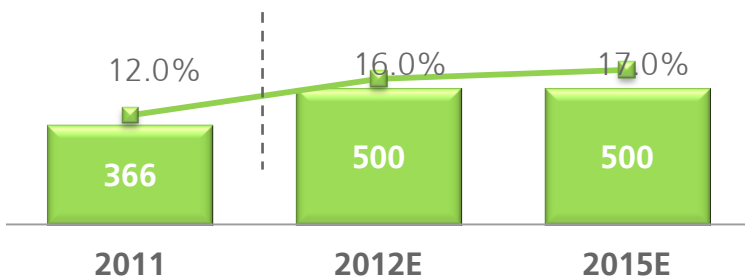
- Strong fundamentals driving demand growth for energy and energy transmission products
- Significant amount of revenues coming from external activities, and from external with equity activities
- Record backlog and pipeline

#### Concession-type Infrastructure



- Strong increase in revenues driven by new assets in operation
- Overall margins of c.75%
- 3.6 B€ of project finance facilities fully secured to back up capex plan
- Return on equity threshold: 10-15%

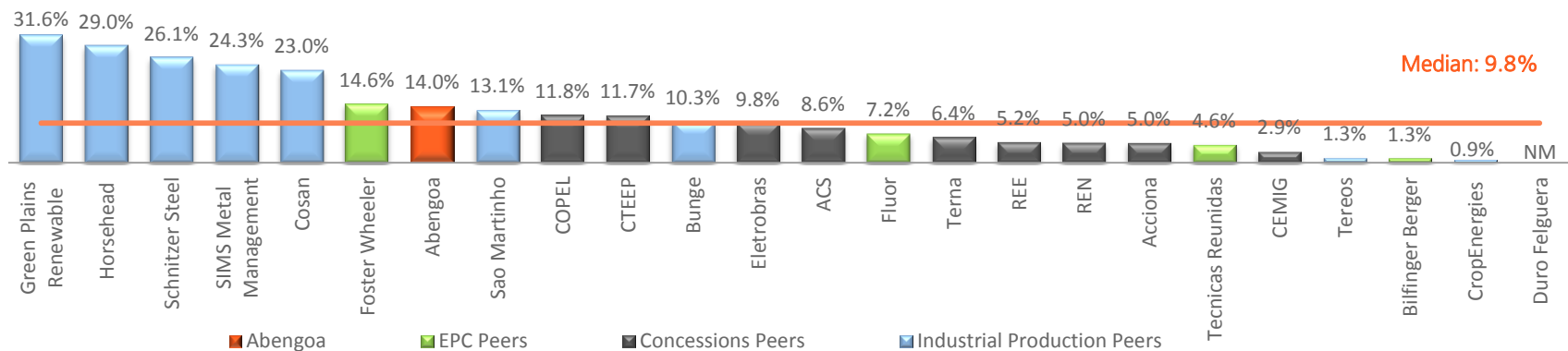
#### Industrial Production



- Focus on transformational 2G technology
- Privileged competitive advantage in the recycling sector ensures market position
- Slight improvement in margin from expected recovery in crush spread
- Average plant utilization at c.90%

### Best-in-class projected EBITDA growth

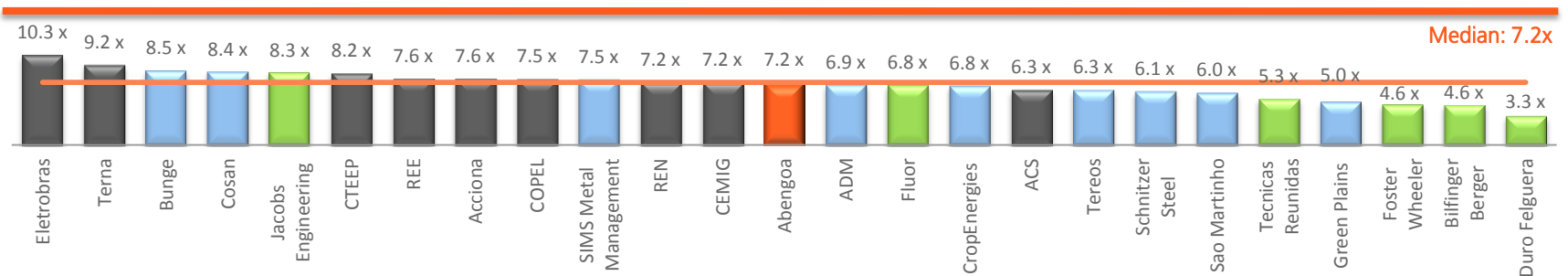
2012E-14E EBITDA CAGR



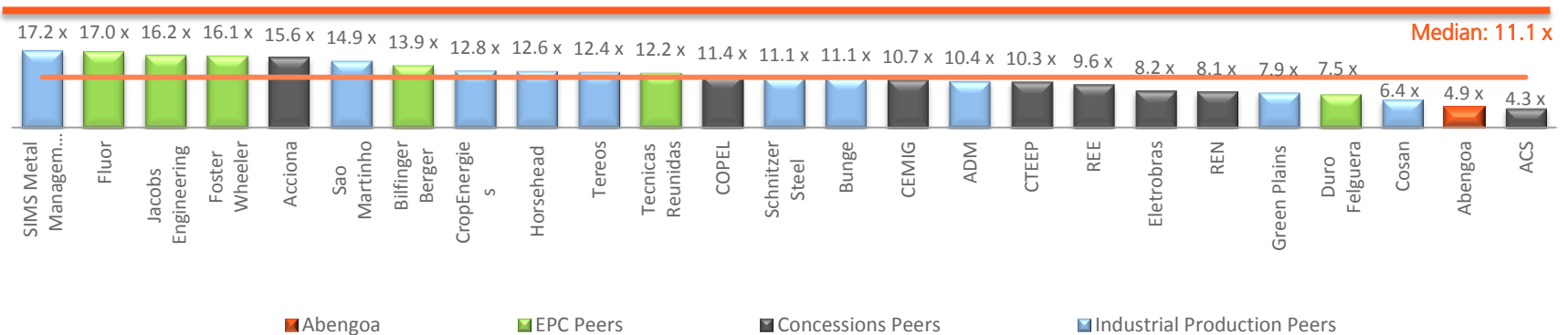
- ✓ Roll out of concession assets will enable significant EBITDA growth
- ✓ Conservative assumptions for E&C and Industrial Production for the period.

However growth prospects not fully reflected in trading multiples...

2012E EV / EBITDA



2012E P/E



**Main issues perceived by investors are largely addressed**

1

**Current debt levels**

2

**Exposure to Spain**

3

**Spanish regulatory risk / Lack of Support to Renewable Energies**

4

**Working capital**



1

### Current debt levels

- ✓ Reduced corporate risk, with leverage at corporate level of <3x EBITDA
- ✓ Bulk of the debt in concession-type assets, with non-recourse ring-fenced structure
- ✓ Result of the asset investment phase, with roll-out of concession assets over the next 18 months generating significant EBITDA
- ✓ High predictability and stability of cash flows allows for an initial highly levered project finance structure
- ✓ Flexibility to unlock cash up to 1,700 M€ from asset rotation in the next 30 months

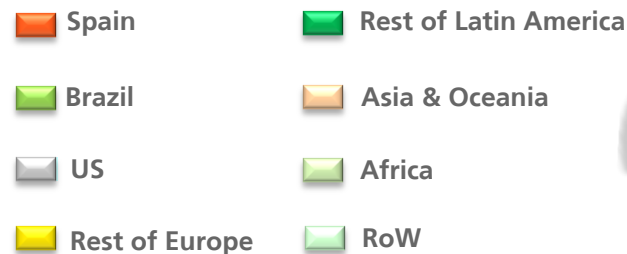
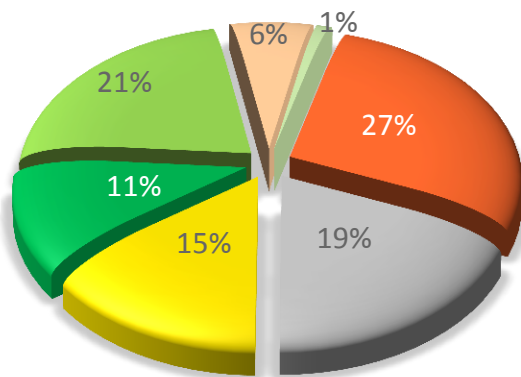
	2008	2011
Corporate	3.9x	2.1x
Non-recourse	8.0x	10.3x
Consolidated	5.2x	5.0x

2

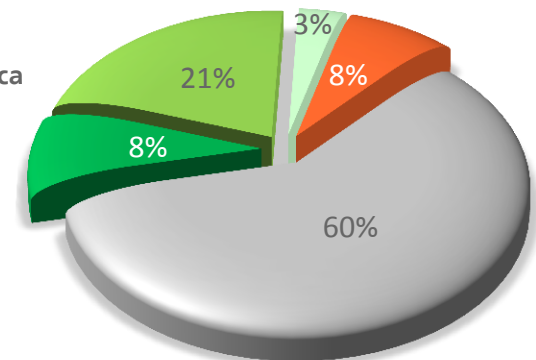
### Exposure to Spain

- ✓ Abengoa has become a truly global business, with a well diversified platform
- ✓ Spain currently represents <30% of revenues, and 6% of pipeline
- ✓ Abengoa's future growth is centered around Latam and the US, as shown by current backlog and pipeline

Revenues FY 2011



Committed Capex Q1 2012



### 3 Spanish Regulatory Risk / Lack of Support to Renewable Energies

#### Spain

- ✓ Royal Decree 1/2012 27<sup>th</sup> of January 2012 confirms feed-in-tariff for all of Abengoa's plants
- ✓ No effects on capacity included in the pre-registry
- ✓ 25% cost reduction in last 5 yr, 50% additional reduction to come
- ✓ No retroactive measures on CSP capacity in operation or under construction

#### Rest of World

- ✓ Worldwide commitment with renewable energy compliance
- ✓ Firm commitment in the EU to the Renewable Energy Directive targets
- ✓ Strong effort in OECD countries for the integration of increasing share of renewable generation capacity
- ✓ Ambitious CSP generation targets from emerging markets countries globally



4

### Working Capital

- ✓ Abengoa's financial policy is focused on achieving maximum flexibility and resilience for the company
- ✓ Abengoa has consistently been able to generate positive cash flows through efficient management of working capital
- ✓ Revenue visibility and current backlog guarantees sustainable cash generation via net working capital
- ✓ Aggressive working capital policy including N/R factoring, confirming and client pre-payments
- ✓ Disciplined and conservative approach to cash management guarantees resilience of company vis-à-vis liquidity requirements

Non-  
Recourse  
Factoring

+

Confirming

+

Advanced  
Payments

Efficient Management of Working Capital

### The value opportunity to invest in Abengoa

#### Integrated Business Model

- Superior returns and self financing
- Improved visibility and growth vs. pure players

#### Diversification

- A truly global business
- Natural hedge to market cycles

#### Technology

- Engine of growth
- Competitive advantage

#### Discipline

- Maximum flexibility
- Global IRR
- Hedged risks

A unique opportunity to invest in a growth story with superior returns from market leadership positions and a well managed business





# ABENGOA

# Thank you!

Analyst & Investor Day

May 2012