



ABENGOA

Abengoa 3.0, Completing the Transformation Process



Completing
Transformation →

9th Annual Analyst and Investor Day

Manuel Sanchez

Vice Chairman & CEO

New York City & London, April 7 & 9, 2015

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- The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to verification, completion and change without notice.

Manuel Sanchez, Vice Chairman & CEO



- Industrial engineer from ICAI School of Engineering in Madrid
- Executive Officers Management Program at IPADE Business School in Mexico.
- Advisory Board of the McDonough Business School of the Georgetown University
- CEO of Telvent (2001-2010)
- Years at Abengoa: 26

Ignacio Garcia-Alvear, Co-CFO for IR & CM



- Degree in Economics and Business Studies
- Executive Management Program from IPADE Business School in Mexico.
- CFO of Abengoa Bioenergy, CFO of Abengoa Mexico and CFO of Telvent
- Years at Abengoa: 20

Jose Dominguez Abascal, CTO



- Professor of Structural Mechanics at the Engineering School of the University of Seville
- Postdoctoral Fulbright Scholar at the MIT 1977 and 1978
- Vice-chancellor University of Seville & Director of its Engineering School
- Years at Abengoa: 7

Gonzalo Gomez, EVP E&C Infrast. Management



- Industrial Engineer from the University of Seville
- MBA from the EOI Business School (Spain)
- Infrastructure Business Development & Management EVP since 2012
- Areas of activity include North America, Europe, North Africa, Middle East, India and China
- Years at Abengoa: 19

Marcos Ramirez, Chairman Abengoa Mexico



- Chemical engineer from the National Polytechnic Institute (IPN) in Mexico City
- Master's degree in Economics from IPN
- Counselor of Abengoa Bioenergy (2011-2014)
- He has been COO of PEMEX (2005-2006) and CEO of PEMEX (1996-2005).
- Years at Abengoa: 9

Ivan Araneda, General Manager Abengoa Chile



- Engineering and Finance degree from Universidad de Chile
- MBA in Corporate Finance and Investments from Brigham Young University, Utah
- Formerly CFO of Abengoa Chile
- He has been General Manager at Electrica Guacolda SA (2002-2009)
- Years at Abengoa: 6

Carlos Cosin, Abengoa Water CEO



- Degree in agricultural engineering from the Universidad Politécnica de Madrid
- Member of the Steering Group of the European Innovation Partnership on Water & the board of the International Desalination Association
- General Manager of Befesa Water
- Years at Abengoa: 10

Michael Geyer, Intn'l Solar Bus. Dev. Director



- Degree as Physicist and a Ph.D. in Power Plant Engineering
- Professor for Energy-, Power Plant Technology and Process Technology at the Polytechnic University of Regensburg
- Executive Secretary of the IEA SolarPACES
- Years at Abengoa: 8

Santiago Seage, Abengoa Yield CEO



- Business administration and management degree from ICADE University in Madrid
- Abengoa Solar's CEO and Head of Strategy and Corporate Development
- Partner with McKinsey & Company where he served clients in strategy, growth and corporate finance
- Years at Abengoa: 10

Javier Garoz, CEO Abengoa Bioenergy



- Bachelor's degree in Marketing and Business Administration from ESIC
- MBA from the IESE Business School in Spain.
- Strategy and Corporate Development Director of Abengoa and Chief Operating & Corporate Development Officer of Telvent
- Years at Abengoa: 14

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Completing a 4 Years Transformation Plan 

2

Business Outlook 

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Valuation Analysis 

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Main Takeways 

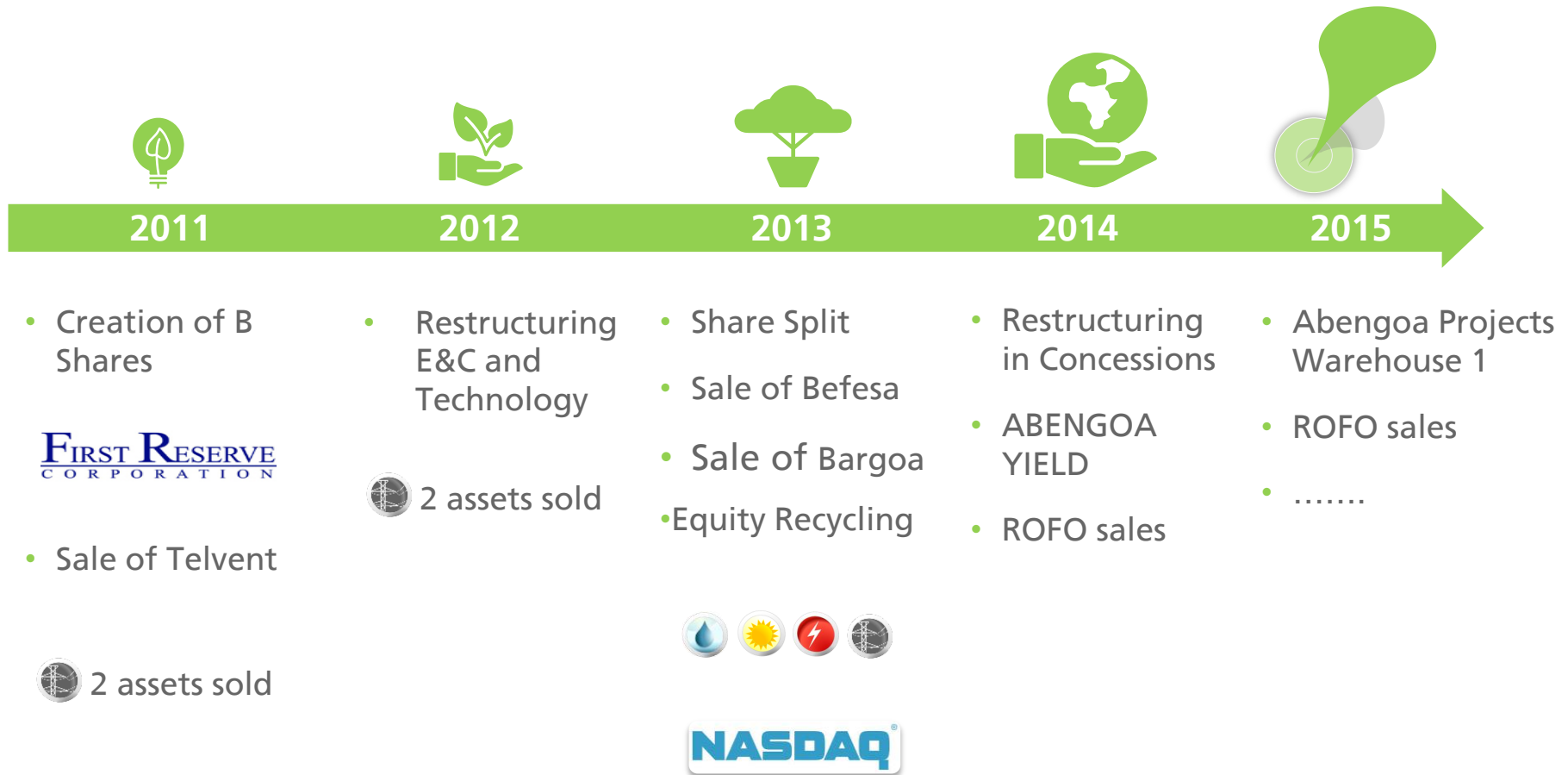
1



Completing the Company Transformation

ABENGOA

A fascinating growth story while executing a transition at full speed



Moving from a holding company to fully integrated company

From Abengoa 1.0...



- 5 different businesses with limited synergies
- No across core competencies between units
- Higher cost of capital
- Financing equity investments with corporate debt
- Asset sales on an individual basis

More than 20 Brands in the market

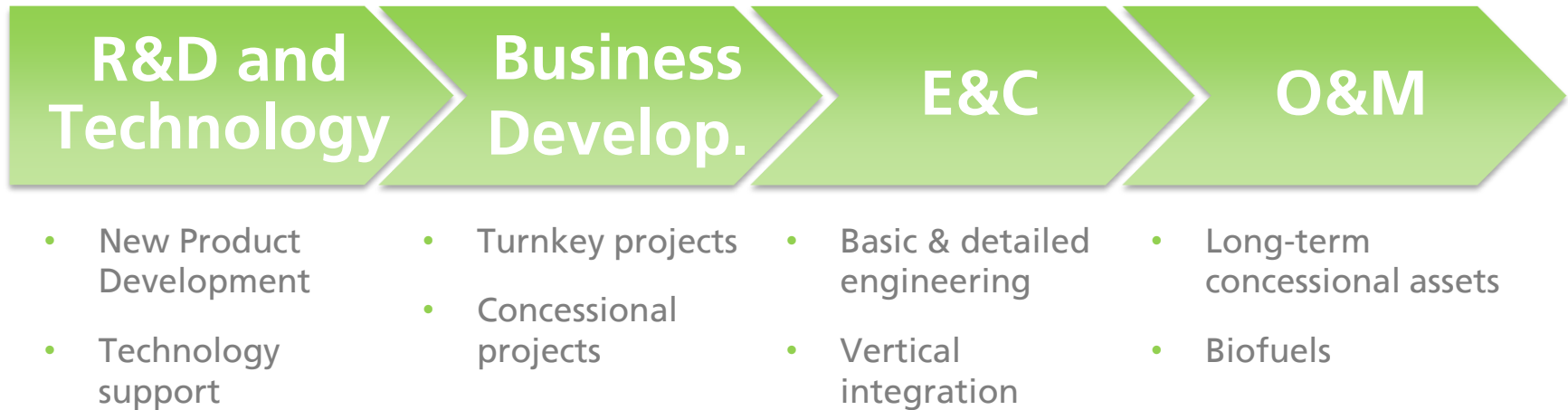
... to Abengoa 3.0



- One fully integrated organization
- Leverage of core competencies
- Increased cash flow generation
- Higher return due to lower risk and clear exit
- Ability to hold equity investments in concessions

One Company, one brand

Integrating technology & business development in our value chain



Fully integrated value chain allowing to develop & maintain significant competitive advantages and premium returns:

- ✓ Best in Class Proprietary Technology
- ✓ Internationally Structured Business Development
- ✓ Flawless, Flexible and Efficient E&C Capabilities
- ✓ O&M Capabilities that Maximize the Cash Flow Generation

Building on unbreakable principles



The Talent

- The talent of our People
- The talent of our Organization
- Common Management Systems



The Risk Management

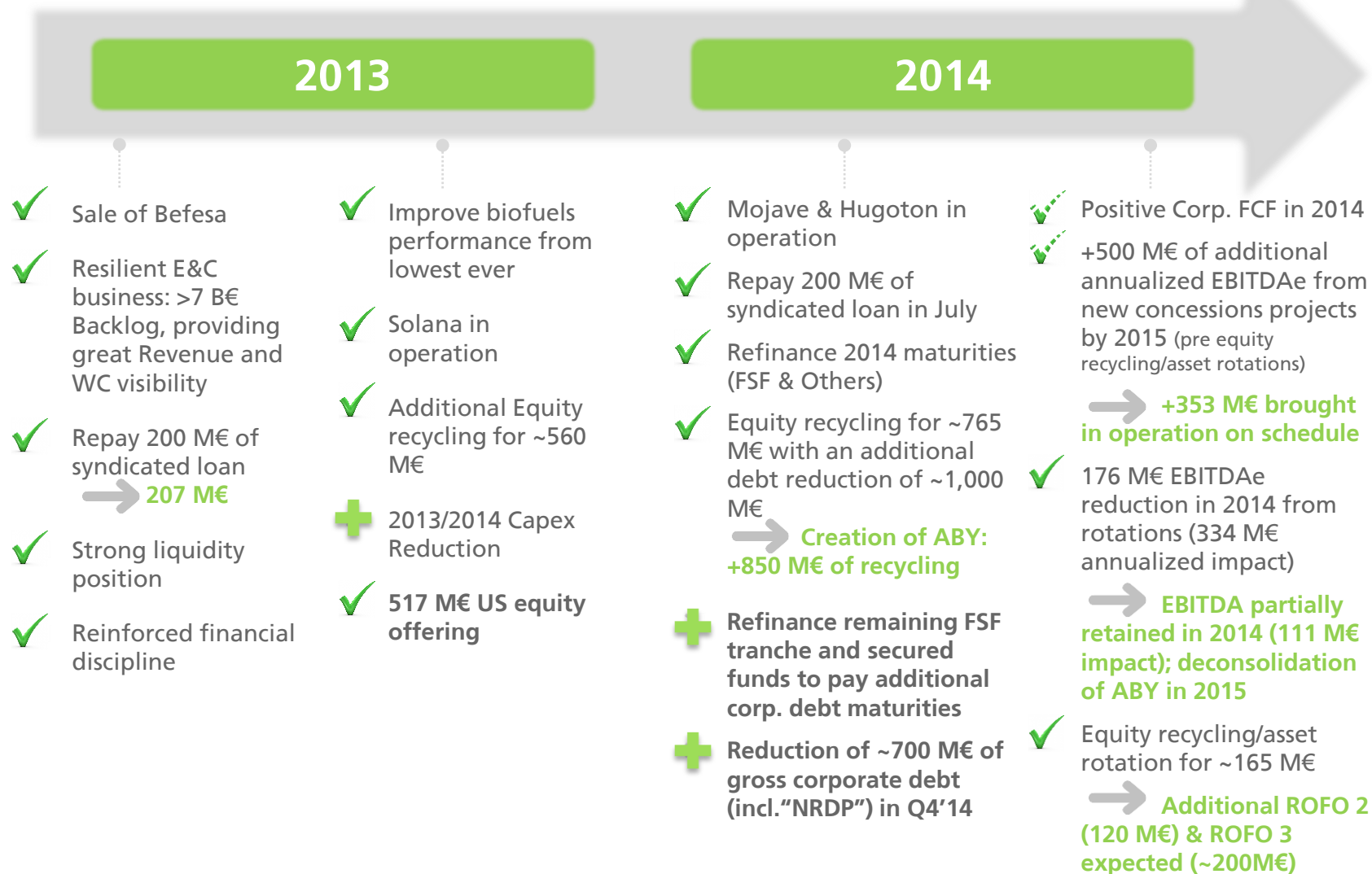
- Not taking risks is the threshold of failure;
- But not managing them accordingly is too
- That is only possible with a Risk Management System robust and reliable
- And with the strong discipline in the company to follow it



The Credibility

- Excellent track record of our E&C execution
- Know-how in E&C, Water, Solar & Bioenergy
- New technological businesses, innovation & patents
- Project finance, Abengoa Yield & APW-1
- Financing management
- Corporate Social Responsibility
- A strong brand

Over delivering on the commitments announced in 2013



Clear objectives for 2015 will benefit Abengoa in all fronts

Status	Transaction	Value
✓	Sale of 13% stake in ABY	270 M€
✓	ROFO 2 agreement	120 M€
✓	Exch. bond for 9% of ABY	250 M€
✓	APW-1 EIG Agreement	460 M€ ⁽¹⁾
H1'15	Sale of 2% of ABY	~50 M€
H1'15	ROFO 3 agreement	200 M€
H2'15	Sale Concessions in operation	510 M€

Significant Benefits

Alignment of financial structure of Abengoa to its business model

Strengthen balance sheet: corp. debt reduction and enhanced liquidity

Further deleverage

Sustainable business growth with strong FCF generation

Improved credit profile

(1) Funds will be released upon meeting certain short-term conditions

Agreement with EIG for investment in APW-1

APW-1 Initial Highlights



Atacama I (PV & STE)
Atacama II (PV & STE)



A3T
A4T



Brazilian T&D lines

- **Total equity** committed initially of **2.0 B\$ (1.1 B\$ from EIG)**
- **55%⁽¹⁾** will be held by **EIG** and **45%** by **Abengoa**
- Abengoa will **deconsolidate APW-1 projects**
- **Initial payment of ~500 M\$⁽²⁾** expected on **April 7, 2015**
- **APW1** signed existing **ROFO agreement** with **ABY** and a **new ROFO** agreement with **Abengoa**
- APW-1 expected to **start investment in Q2 2015**

Further Investment Expected

- Further discussions to jointly invest an additional **0.5 B\$ in Norte III, Ashalim, SAWS, Nicefield and ATN3**
- **Discussions to reinvest 100% of the initial equity** in a second set of projects in the future; securing equity partners for projects over the **next 7-8 years**
- Total investment could **translate into** up to **~17 B\$ of E&C works** for Abengoa

(1) Preferential return

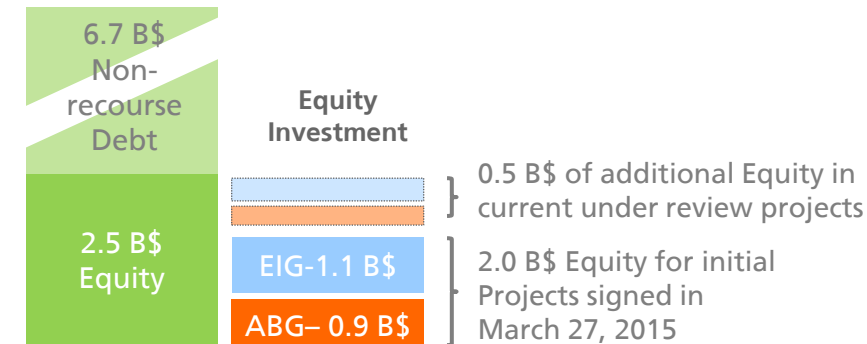
(2) Funds will be released upon meeting certain short-term conditions

To bring into operation ~18 B\$ assets; representing ~17 B\$ of E&C works



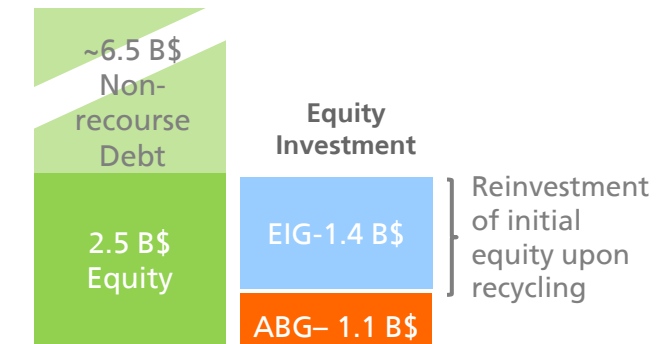
EV at COD of Initial
+ Other assets

9.2 B\$



EV of future
assets at COD

~9 B\$(1)




- Total investment will translate into ~17 B\$ of E&C works for Abengoa
- 7-8 years estimated investment period, including the investment post equity recycling

(1) Estimated EV of future assets considering 55% stake of EIG in APW-1 and 70-75% non-recourse leverage at the project level

APW-1 changes Abengoa credit profile completely

- 1 Reduce Abengoa's operating risk and equity contributions to projects
- 2 Successful long-term partnership to secure equity for projects
- 3 Total investment may translate into ~17 B\$ of E&C works for Abengoa
- 4 Foundation for Sustainable Growth for Abengoa & Abengoa Yield
- 5 External investor validating the quality & valuation of APW-1 projects
- 6 Strengthening FCF generation from the E&C of concessional assets

~900 M\$⁽¹⁾ of asset sales in 2015 through strategic equity recycling

	Assets	Status	Comments
Significant Equity Recycling from Assets in Operation in 2015E	ROFO 2 142 M\$ <ul style="list-style-type: none"> Shams (20%) Helioenergy 1&2 (30%) Honaine (26%) Skikda (37%) ATN2 		Most of which collected in Q1
	ROFO 3 225 M\$	Under negotiations	Expected to happen at the end of H1 2015E Advanced Negotiations
	Other Concessions ~900 M\$ EBV <ul style="list-style-type: none"> Solaben 1 & 6 Solnova 1, 3&4 Helios 1 & 2 11 MW of PV assets Other non-energy related concessions 	Started the process to sale equity stakes in these assets	Sales expected in two transactions throughout H2 2015 Interest from ABY and other parties

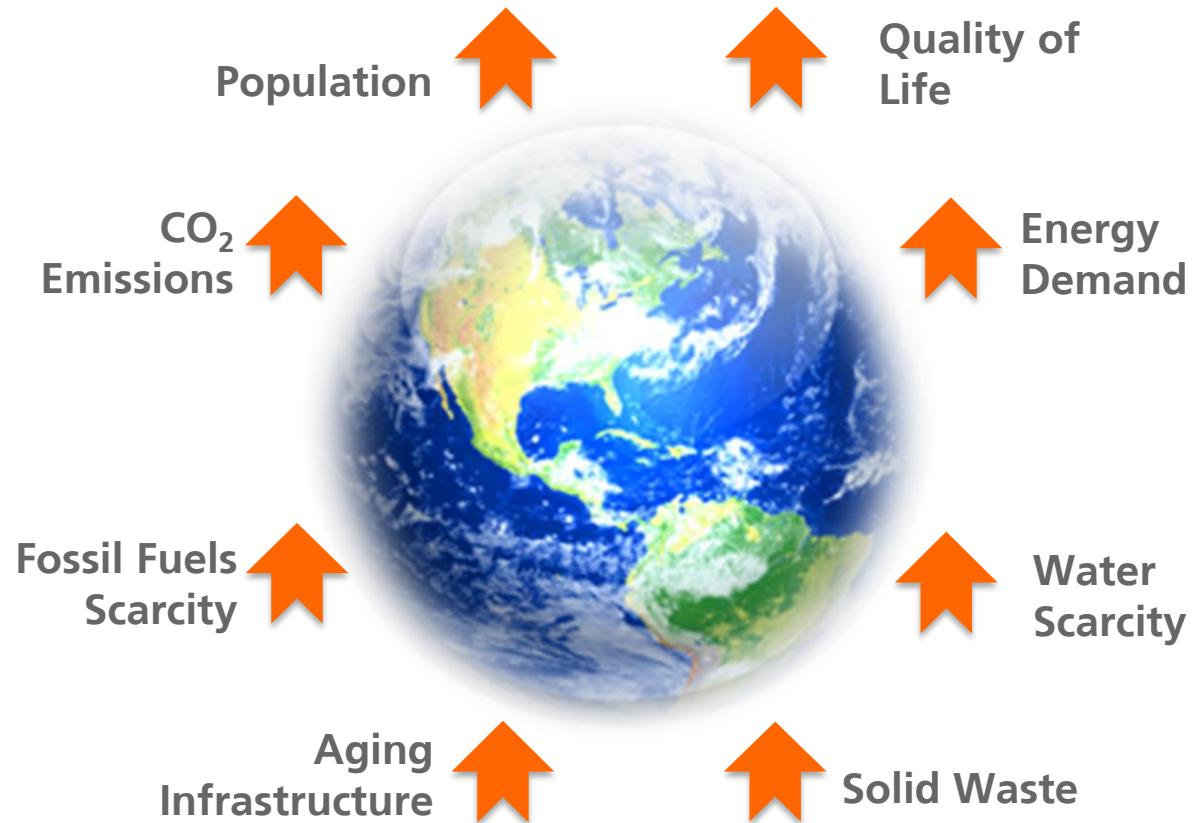
(1) Includes ROFO 2 and 3 and 60% of equity sold at 1.0x BV of other concessions.

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Business Outlook

Our world is facing very important challenges

**World is
facing major
challenges
that impact on
People,
Businesses &
Governments**



Representing attractive opportunities for growth

**A world full of
growth
opportunities
that we will
benefit from
by applying
our innovative
solutions**

New Energy Sources
(H₂ y Energy Crops)

**Need for
Renewables**

**Needs for
Biofuels**

**Needs for
T&D lines**

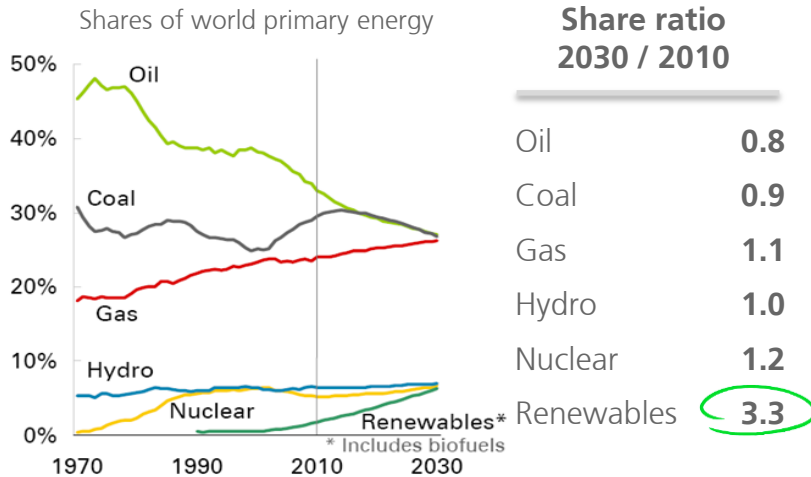
**Need for
Recycling of
MSW**

**Water
desalination &
reuse**



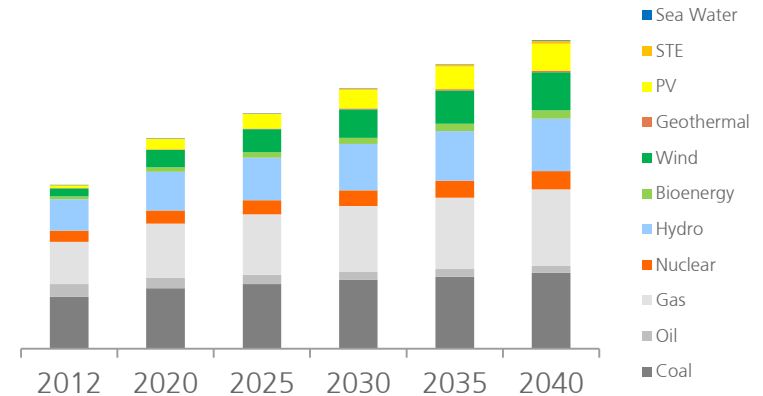
Benefits from Macro Trends to Address Energy & Water Constraints

Energy Mix is Changing

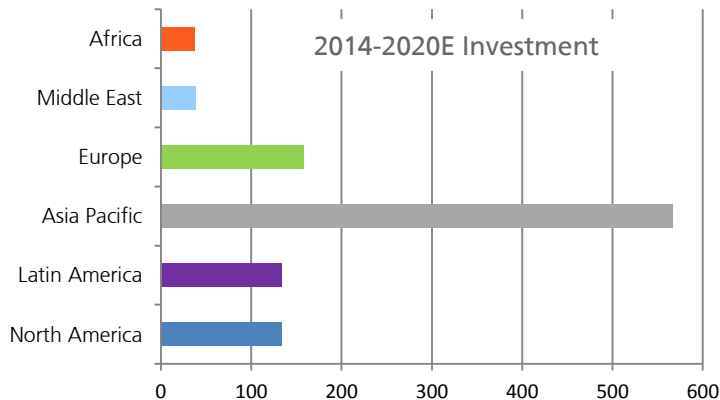


Electric Power by 2x in 25 years

Electric Power (GW) – 2.3% CAGR 2012-2040

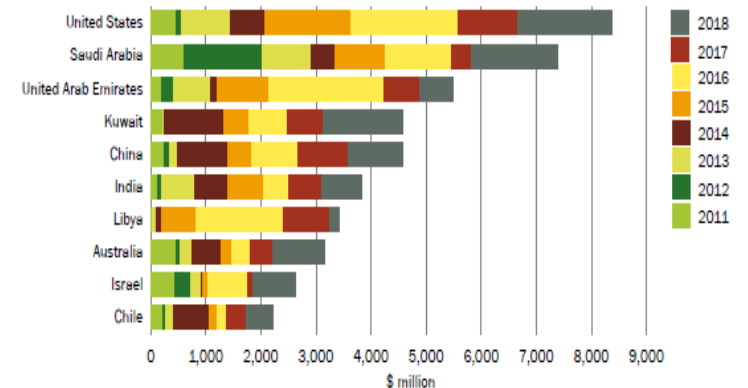


1,000 B\$ of Investment in T&D lines



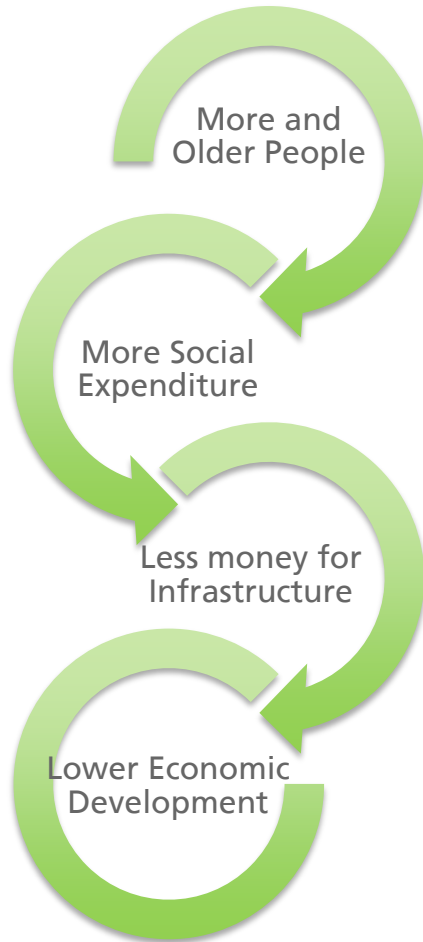
Investments in Water Infrast.

Top 10 desalination markets 2011-2018



The challenge of infrastructure: the financing equation

Public Sector



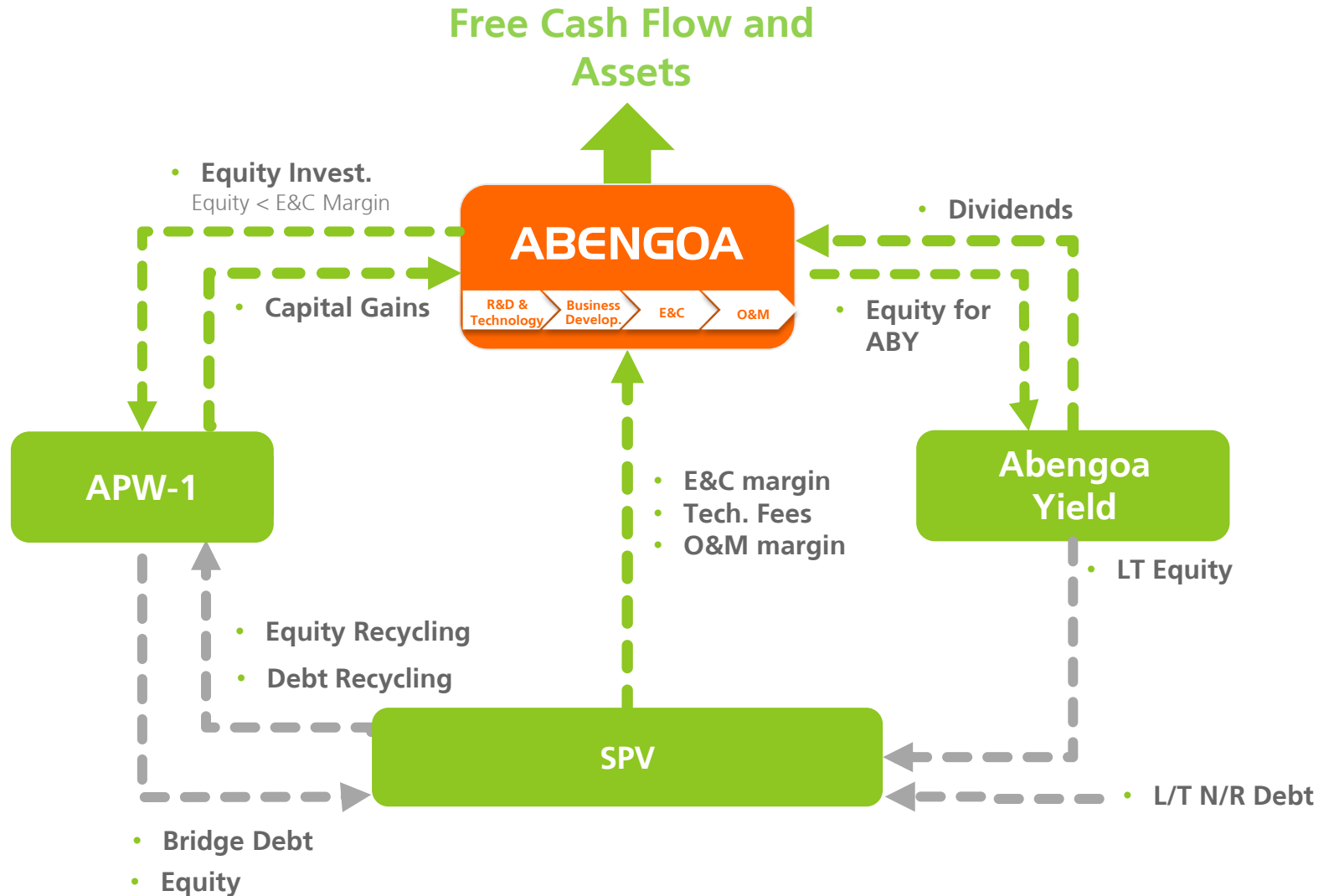
Private Sector



Our response to the opportunity: Abengoa 3.0



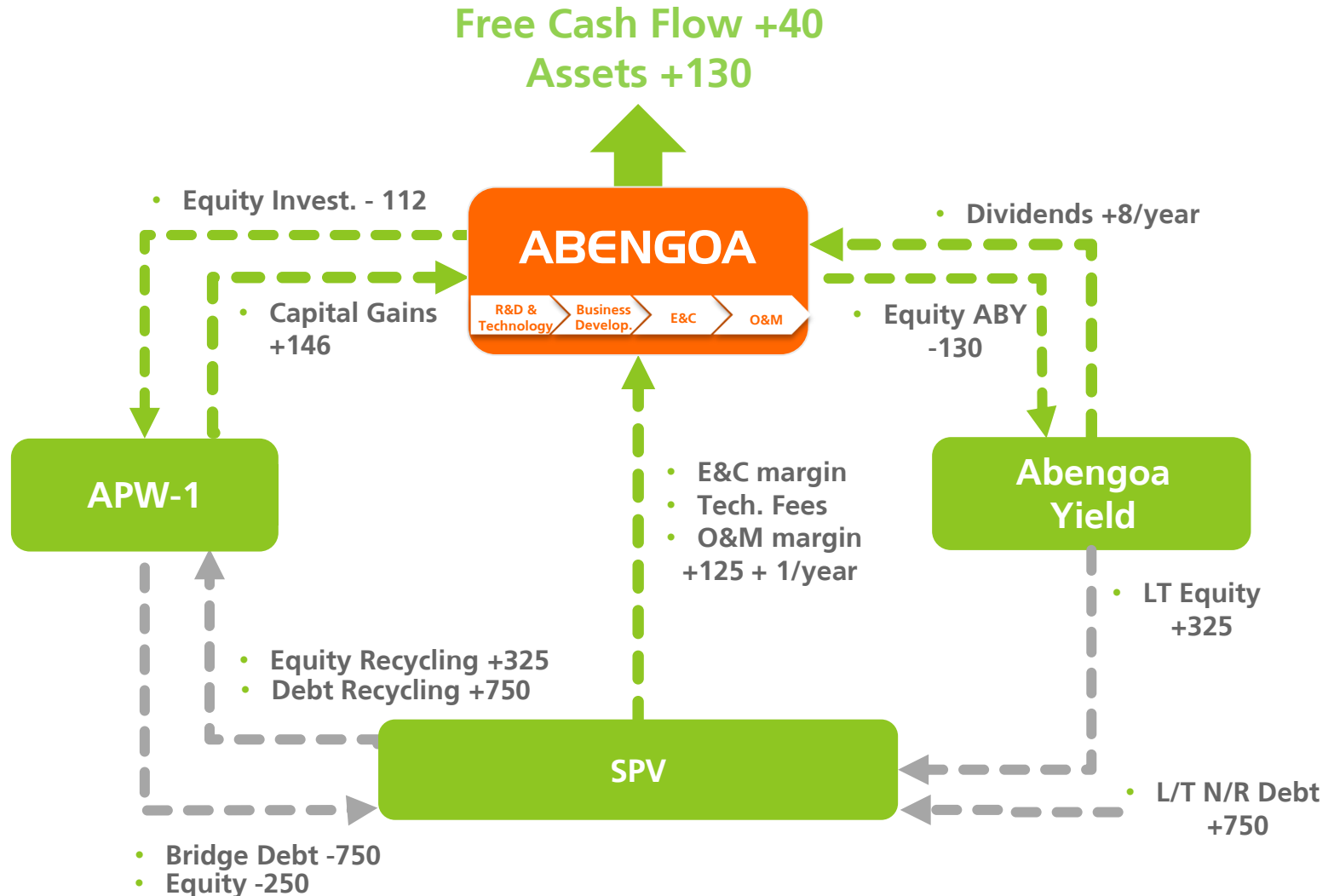
A business model poised to generate positive free-cash-flow



- 1,000 M€ investment project
- 830 M€ EPC contract

- 15% E&C margin
- O&M: 5 M€/yr fee – 20% margin
- Leverage: 25%/75% Equity/Debt

- Asset sale at x1.3 BV
- Incremental dividends generated by ABY
- Assuming ABG maintains 40% stake in ABY
- Assuming a 7% cash yield



Solid free cash flow generation with a multiplying effect

Construction Phase

Free cash flow and asset value generation

- Equity inv. < E&C margin
- Partners to reduce our investment
- Excess cash generation above ABG's equity invested
- Sustainable growth without compromising liquidity and indebtedness

Cash Generation

Operational Phase

Additional cash generation during operation

- O&M Fees
- Recurrent dividend stream
- Strategic stake in ABY

Cash Generation

Equity Recycling

Equity sales at a multiple above BV

- Capital gains from the sale of equity in projects
- Cash multiplying effect from reinvestment of equity principal
- Generation of E&C margins from reinvested equity

Cash Generation

Positive business performance and financial enhancement in 2015E

Strong Business Expectation for 2015...

- > Record backlog providing good visibility into the year
- > Growth expected in bookings and pipeline conversion
- > Attractive EBITDA margins in E&C and Concessions
- > Biofuels is the challenge

Revenues



10-11%

EBITDA



0-4%

Corporate EBITDA



-5/-3%

Net Income



125-155%

...Coupled with Strong Deleverage & FCF

- > Corporate transactions to benefit cash generation and deleverage
- > Asset light business model
- > Preserve liquidity while managing maturities efficiently
- > Financial expense reduction and dividends from ABY

Net Corp. Leverage



1.2x

Net Corp + NRDP Lever.



3.2x

Consol. Net Leverage



3.9x

Corporate FCF





1,400 M€

3

Valuation Analysis

Valuation analysis

Sum of the Parts Method

	Multiple	'15e EBITDA
Corporate Business Metrics	~8.0x	~925 M€
Corporate EV		~7,400 M€
Corp. Net Debt 2015e (1.2x Corp EBITDA)		~(1,150) M€
Corp. Minorities (Dec 2014)		~(50) M€
Corporate Business Equity Value		6,200 M€
Concessions Equity BV ¹		~2,025 M€
40% Market Cap of ABY (excl. exch. bond shares)		~975 M€
Total Equity Value		9,200 M€
Current Market Cap		~3,000 M€
Upside Potential²		~200%

Figures as of Dec. 31, 2015E

¹Concessions EBV as of Dec. 2014 but excluding ROFO 2 & 3, EIG initial payment and including estimated Abengoa equity CAPEX investment in concessions in 2015

²Analysis excludes EBITDA from NR biofuels business for simplification

Valuation analysis

Subtractive Method

	Current Market Cap	~3,000 M€
+	Corporate Net Debt 2015E	~1,150 M€
-	Concessions Equity BV ⁽¹⁾ (excl. ABY, ROFO 2&3)	~2,025 M€
-	40% Market Cap Abengoa Yield	~975 M€
+	J14 Corporate Minorities	~50 M€
=	Implied Corporate EV	~1,200 M€
	'15e EBITDA	~925 M€
	Corporate Business Implied Multiple	1.3x

Figures as of Dec. 31, 2015E

¹Concessions EBV as of Dec. 2014 but excluding ROFO 2 & 3, EIG initial payment and including estimated Abengoa equity CAPEX investment in concessions in 2015

Valuation analysis

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+ Corporate Net Debt 2015E	~1,150 M€
- Concessions Equity BV (excl. ABY, ROFO 2&3)	~2,025 M€
- 40% Market Cap Abengoa Yield	~975 M€
+ J14 Corporate Minorities	~50 M€
Implied Corporate EV	~1,200 M€
'15e EBITDA	~925 M€
Corporate Business Implied Multiple	1.3x

Current market valuation represents an opportunity for investment upside

4



Main Takeaways

Main takeaways



- 1 Successful execution on the Company transformation; better positioned now
- 2 Sustainable free cash flow generation from reinforced business model
- 3 Abengoa 3.0 is a reality, our response to huge market opportunities
- 4 Continued focus on technology to create key differentiation
- 5 Abengoa credit and equity are still mispriced, upside potential



ABENGOA

Thank you

April 7 & 9, 2015