

Abengoa announces Q1 2014 results

- Pro-Forma Net income increased by 94 % y-o-y to €42 million.
- EBITDA increased by 24 % y-o-y to €302 million.
- Revenues reached €1,584 million a decrease of 4% y-o-y.
- Corporate leverage stood at 2.5x.

May 14, 2014.- Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB), the international company that applies innovative technology solutions for sustainability in the energy and environment sectors, recorded revenues of €1,584 million in the first quarter of 2014 a 4 % decrease y-o-y and an operating result (EBITDA) of €302 million, 24 % higher than the EBITDA of the same period of 2013. Pro-Forma Net income amounted to €42 million at the end of the first quarter of 2014. Pro-forma net income excludes the mark-to-market of derivatives.

Abengoa's geographic diversification continues to be one of the key factors behind its growth and strategy. 45 % of the Q1 revenues come from North America (USA and Mexico), which is now the leading region, 20 % from South America, 10 % from Spain, 13 % from the rest of Europe and 12 % from Asia and Africa.

Manuel Sánchez Ortega, CEO of Abengoa, said: "The first quarter sets the path to deliver on the targets we have set for 2014. The good momentum of our E&C business demonstrated by our backlog and pipeline, together with the improvement seen in Biofuels and the contribution expected from new concessions that will come into operation during 2014, make us confident to confirm our business and financial targets for the year".

Corporate transactions

During the first quarter of 2014, Abengoa has announced a number of relevant transactions for the company. All of which reinforce the targets and commitments of the company for the year.

On March 21, 2014, Abengoa issued notes in the capital markets for a total amount of €500m due in 2021 in order to refinance corporate debt, thereby extending its

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corporate debt maturity profile and lowering financial cost by accessing the markets 3.625 % lower than the refinanced debt.

On March 3, 2014, Abengoa submitted a draft registration statement on Form F-1 to the United States Securities and Exchange Commission (SEC) relating to the proposed initial public offering of the common stock of a YieldCo vehicle (as amended on April 28, 2014 and May 13, 2014). The initial public offering is expected to commence after the SEC completes its review process, subject to market and other conditions. This transaction, once completed, will create a sustainable platform for equity recycling going forward.

On February 26, 2014, the company reached a preliminary agreement to sell its desalination project Qingdao BCTA Desalination Co to one of the partners in the venture, Qingdao Water Group, a state-owned company engaging in water business in Qingdao.

These three transactions will reinforce the financial profile and strengthen the balance sheet of the company.

Results by segment

Revenues in the engineering and construction segment, including the result from technology activities, decreased by 10 % to €1,052 million, while EBITDA decreased by 12 % to €182 million with a margin of 17 %, in line with the previous year. The engineering and construction division had a very positive quarter in terms of bookings obtaining new contracts worth €1,500 million, an increase of 78 % compared to the same quarter in 2013, bringing the order book to €7,244 million as of March 31st, 2014, with identified commercial opportunities worth around €159 billion. The decrease in revenues, as expected, was due to the termination of the execution of some large projects such as Solana and Solaben 1&6 and also a lower level of execution in projects that will be completed this year, such as Mojave. However, based on the level of bookings and backlog, the company expects growth to be achieved at year-end.

Revenues in the concession-type infrastructures segment rose by 85 % to €126 million, while EBITDA increased by 187 % to €82 million. The increase is mainly driven by the new assets that came into operation during the last 9 months of 2013. EBITDA margin increased from 42 % to 65 % due to higher contribution of Solana CSP, Pemex cogeneration and Manaus transmission line plants.

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Revenues in the industrial production segment, which includes the bioenergy business, were flat compared to the same quarter of 2013 at €406 million, while EBITDA rose 360 % reaching €39 million thanks to significantly higher Crush Spread in the US, compensating a still challenging environment in Europe. Brazil does not contribute in Q1 due to the plantation season. The second generation plant that the company is building in Hugoton, Kansas (USA) is going through commissioning and is expected to be in full operation by the end of the second quarter of 2014.

Financial targets

Based on the positive performance of the main business KPI's, with a very strong quarter in terms of new bookings and the confirmation of the improvement in Biofuels, the company confirms its 2014E financial targets for the year.

Abengoa targets revenues in the range of €7,900 and €8,000 million and EBITDA between €1,350 and €1,400 million for the fiscal year 2014. The midpoints of which represent an 8% and 12% increase, respectively, over 2013. Corporate EBITDA is expected to be between €860 and €885 million. The Company expects to achieve a corporate net debt to EBITDA ratio of 2.0x in 2014 onwards, to reduce corporate capital expenditures to €450 million from 2014 onwards and to generate positive free cash flow at the corporate level from 2014 onwards.

Details of the results presentation conference

Manuel Sánchez Ortega, CEO of Abengoa, and Bárbara Zubiría Furest, EVP of capital markets and investor relations, will host a conference call to present the results, which will be simultaneously broadcast over the internet, at 2.00 pm (Madrid time) and 8.00 am (New York time) today.

In order to access the conference please dial +34 91 789 51 19. A live webcast of the conference call will be available on Abengoa's corporate website. Please visit the website at least 15 minutes earlier in order to register for the live webcast and download any necessary audio software.

A replay of the call will be available at the Investor Relations page of Abengoa's corporate website approximately two hours after the conference call is completed.

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About Abengoa

Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB) applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels and producing drinking water from sea water. (www.abengoa.com)

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