

TerniEnergia

Plug in the smart energy company



Star Conference 2016 Presentation

Plug in the smart energy company: TerniEnergia path of evolution

London, October 7th 2016

ternienergia.com

TerniEnergia at a glance

BUSINESS OVERVIEW

- ✓ A LEADING ITALIAN FULLY INTEGRATED PV ENERGY COMPANY OPERATING IN THE **PHOTOVOLTAIC SEGMENT** AS A **SUPPLIER OF PV PLANTS AND "GIANT" PHOTOVOLTAIC PLANTS** ("SYSTEM INTEGRATOR") AND **ENERGY PRODUCER** ("POWER GENERATION")
- ✓ A CLEANTECH PLAYER FOCUSED ON THE CIRCULAR ECONOMY INDUSTRY OPERATING IN THE **TECHNOLOGICAL ENVIRONMENTAL SECTOR**, WASTE TO ENERGY, WASTE MANAGEMENT AND WATER REMEDIATION
- ✓ AN ULTIMATE HUB FOR THE INDUSTRIAL ENERGY EFFICIENCY AIMS TO **SOLVE THE GAP BETWEEN ESCO AND CAPITAL MARKETS** THROUGH A PLATFORM OF CONVERGENCE FOR THE ENERGY SAVING CHAIN OPERATORS
- ✓ AN INTEGRATED GAS&POWER MANAGEMENT COMPANY **LEVERAGING RENEWABLES POWER GENERATION** FOR INDUSTRIAL HEAVY CONSUMERS AND SUPPORTING CUSTOMERS **THROUGH ADVANCED SERVICES**

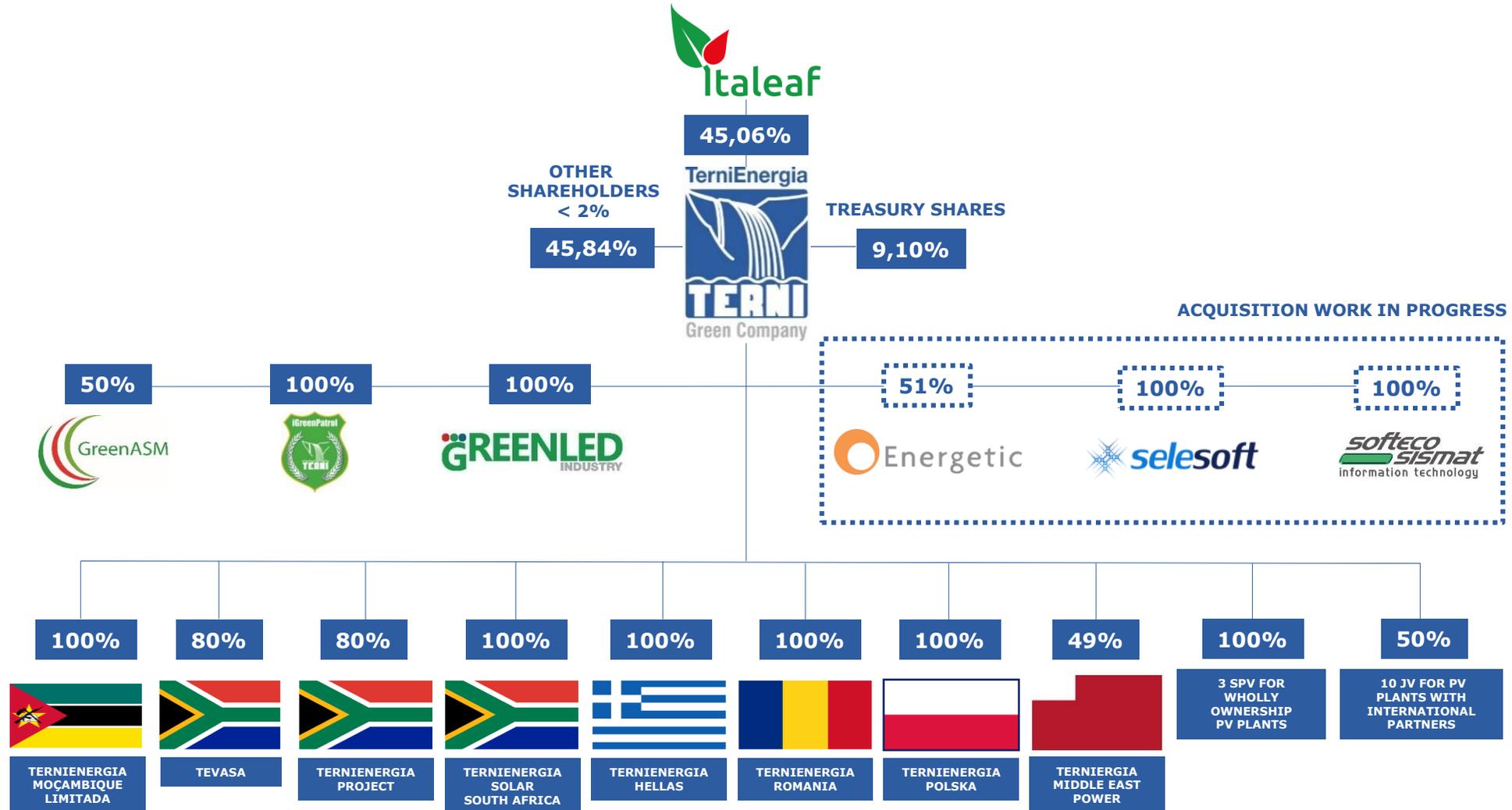
KEY INVESTMENT HIGHLIGHTS

- ✓ SUCCESSFUL HISTORICAL GROWTH AND BALANCED DIVERSIFICATION OF THE BUSINESS
- ✓ RELIABLE AND EFFICIENT BUSINESS MODEL
- ✓ RAPIDLY GROWING INTERNATIONALIZATION PROCESS

ASSET OVERVIEW

- ✓ 2 "GIANT" WORKSITES IN SOUTH AFRICA GRID CONNECTED (148.5 MWP PV PLANTS)
- ✓ THE TOTAL NUMBER OF PHOTOVOLTAIC PLANTS BUILT BY TERNIENERGIA FROM THE BEGINNING OF ITS ACTIVITY IS EQUAL TO 274, WITH AN AGGREGATE CAPACITY OF APPROXIMATELY 350.1 MWP (13.2 MWP IN FULL OWNERSHIP AND 30 MWP IN JOINT VENTURE FOR THE POWER GENERATION ACTIVITY)
- ✓ 2 BIOMASS PLANTS CONNECTED TO THE GRID FOR A TOTAL OF 1.5 MWE AND 2 MWT.
- ✓ TOTAL ANNUAL RENEWABLE ENERGY PRODUCTION AROUND 60 MILLION KWH.
- ✓ IN THE ENVIRONMENTAL SECTOR ARE OPERATING TWO TREATMENT AND RECYCLE PLANTS OF END OF LIFE TIRES (ELTS), THE GREENASM BIODIGESTION AND COMPOSTING PLANT AND FINALLY THE GROUNDWATER REMEDIATION PLANT IN NERA MONTORO (TR).
- ✓ TOTAL ANNUAL ENERGY SAVED AROUND 5 GWh TROUGH THIRD PARTY FINANCING ESCo ACTIVITY

Shareholders structure – Group chart



The organization in a snapshot

FOUR BUSINESS LINES TO COMPLETE THE VALUE CHAIN OF ENERGY

A SYNERGISTIC, OPERATIVE AND FINANCIAL APPROACH



TECHNICAL SERVICES

**PHOTOVOLTAIC EPC –
POWER GENERATION**



CLEANTECH

**RECOVERY OF ENERGY AND
MATERIAL FROM MARGINAL
RESOURCES**



ENERGY SAVING

**SOLUTIONS, EPC AND
TECHNOLOGIES FOR
ENERGY EFFICIENCY**



ENERGY MANAGEMENT

**ENERGY TRADING AND
MANAGEMENT –
AFTER-SALES SERVICES**

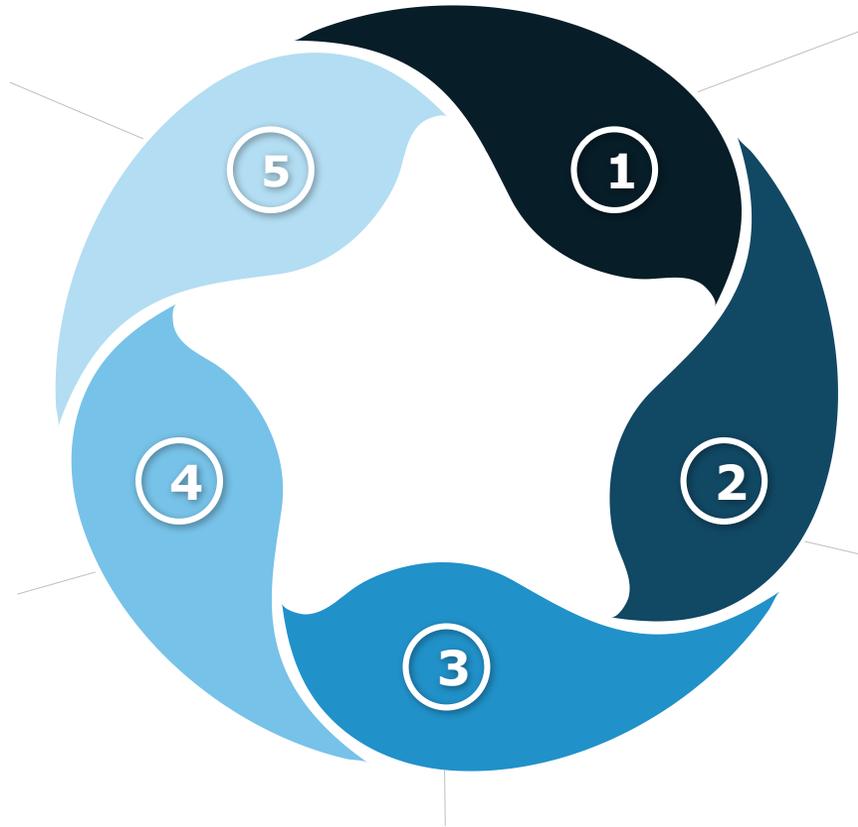
Five main challenges for the future

- **UNLOCK VALUE AND ENHANCE FINANCIAL SOLIDITY WITH AN ACQUISITION IN THE ENERGY MANAGEMENT SECTOR**

- Significant value creation thanks to the acquisition of a company active in a highly complementary business, enabling the competitiveness of the Group to offer comprehensive energy management solutions, promoting a new season of growth

- **ATTRACT INVESTORS AND SUPPORTIVE SHAREHOLDERS, AND NEW MANAGEMENT**

- Creating the conditions which encourage large institutional investors that invest substantially in growth companies to become "partners" in the best interests of the Company and their investment



- **BOOST THE TRANSFORMATION INTO AN INTERNATIONAL FULLY INTEGRATED SMART ENERGY COMPANY**

- A new positioning along the global energy value chain. Extending TerniEnergia know-how from renewable power generation to EPC, power transmission, power distribution, energy efficiency, energy management and smart grid

- **EMBEDDING A LEADING DIGITAL DEVELOPER OF ICT SOLUTIONS AND SYSTEMS**

- Targeting a company to be acquired to enhance the outstanding strengths of TerniEnergia towards the energy digitalization, combining the virtual and physical world across the power value chain, also abroad

- **SPIN-OFF THE ENVIRONMENTAL ASSETS TO ENHANCE THE VALUE OF CLEANTECH LOB**

- Separating the Cleantech LOB through a spin-off to enhance the value of the environmental assets. The cleantech business includes recovery of materials and energy from marginal resources and pollution control.

Export worldwide the italian excellence in the industrial smart technologies



**POWER GENERATION,
EPC, ESCo, ENERGY
EFFICIENCY AND
ENERGY MANAGEMENT**



**POWER TRANSMISSION,
DISTRIBUTION, SMART
GRIDS, MINIGRIDS, TLC,
IOT, APPLICATIONS**



**A FULLY INTEGRATED SETUP
TO LEVERAGE
OPPORTUNITIES
IN A CHANGING WORLD**

**AN UNMATCHED MIX OF KNOW-HOW TO BOOST THE INTERNATIONAL GROWTH
RIDING THE WAVE OF THE ENERGY [R] EVOLUTION**

TerniEnergia



Compelling rationale for the business transformation

STRATEGIC TARGETS

Ride the digitalization
introducing the OT/IT
convergence in energy business

Re-balance business mix
focusing on the energy value
chain and improving efficiency

Go innovative & global
exporting worldwide the italian's
smart technology excellence

DELIVERING THE VALUE CREATION

**Softeco-Selesoft
Acquisition**

Transform TerniEnergia from a renewable energy company and EPC player, into a supplier of smart turn-key solutions with the integration of digital technologies, enabling the modernization of the electricity grid through digitalization

**51% Energetic
Acquisition**

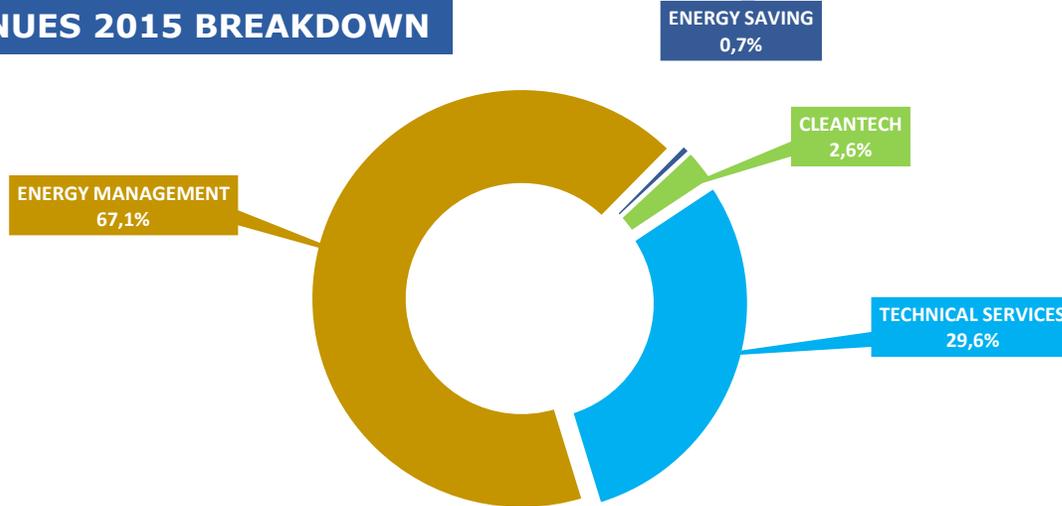
The transaction will enable TerniEnergia to expand its presence in the dual fuel marketing and trading as well as provide a strong platform for further development thanks to existing expertise and client portfolio focused on gas and power

**Cleantech assets
appreciation**

The turnaround project will significantly strengthen TerniEnergia's core business and focus, making this the optimal time for separation. Great opportunities are guaranteed by the investment programs of utilities and green companies

Full Year 2015 snapshot

REVENUES 2015 BREAKDOWN



INDUSTRIAL RESULTS –KEY FACTS

POWER GENERATION / EPC

- **13.2 MW** (fully owned)
- **30 MW** in JV (50%)
- **1.5 MW** biomass
- **53 mln KWh** generated
- **273 PV Plants** installed with a combined power capacity of **284.1 MW**
 - EPC/BOT (84.74%)
 - FO (5.72%)
 - JV (9.01%)
 - Biomass (0.54%)

ENERGY MANAGEMENT /ESCO

- **1.3 TWh** cumulated energy and **13,2 mln Scm** cumulated gas managed
- **10,200** area lights managed and **2,500** Led lamps produced
- **21 GWh** saved

CLEANTECH

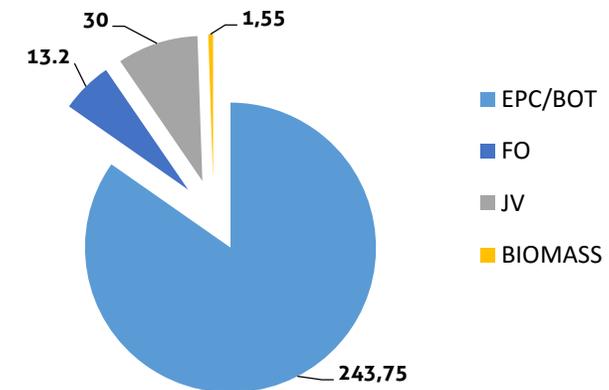
- **2** Biomass plants
- **2** End of Life Tyres plants
- **2** Water remediation plants

FINANCIAL HIGHLIGHTS *

REVENUES	368.7 M/€ (+287% - FY2014)
EBITDA	25.2 M/€ (+40% - FY2014)
EBT	6.1 M/€ (-739K - FY2014)
NET PROFIT	2.6 M/€ (-59% - FY2014)
NFP	87.3 M/€ (108.1 M/€; -19.4% - FY 2014)
NET EQUITY	55.8 M/€ (-21.8% - FY 2014)

* FREENERGIA CONSOLIDATED UNTIL NOVEMBER,30 2015

TOTAL INSTALLED MW

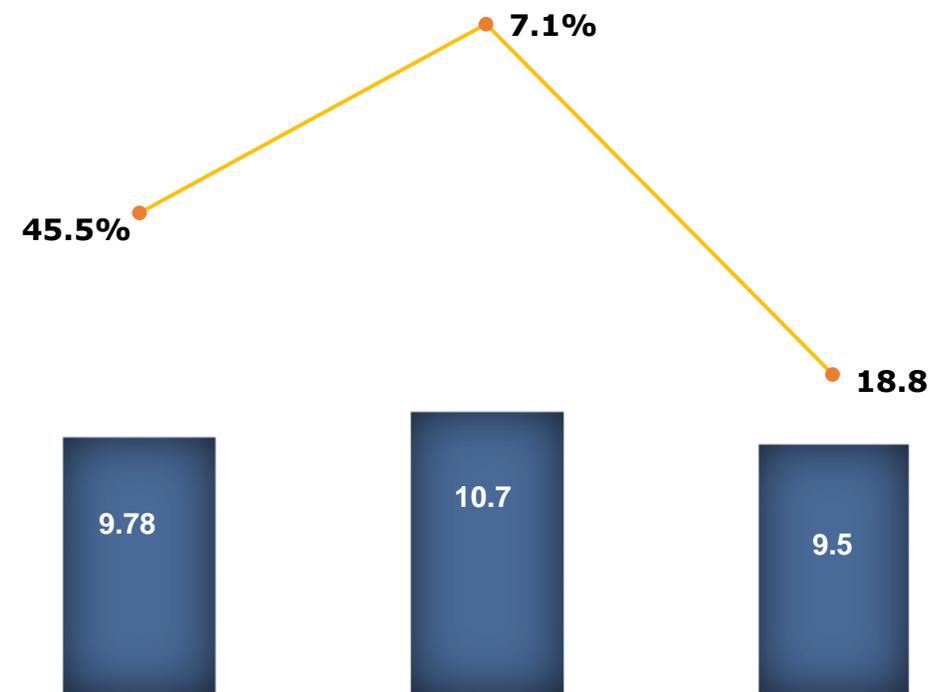
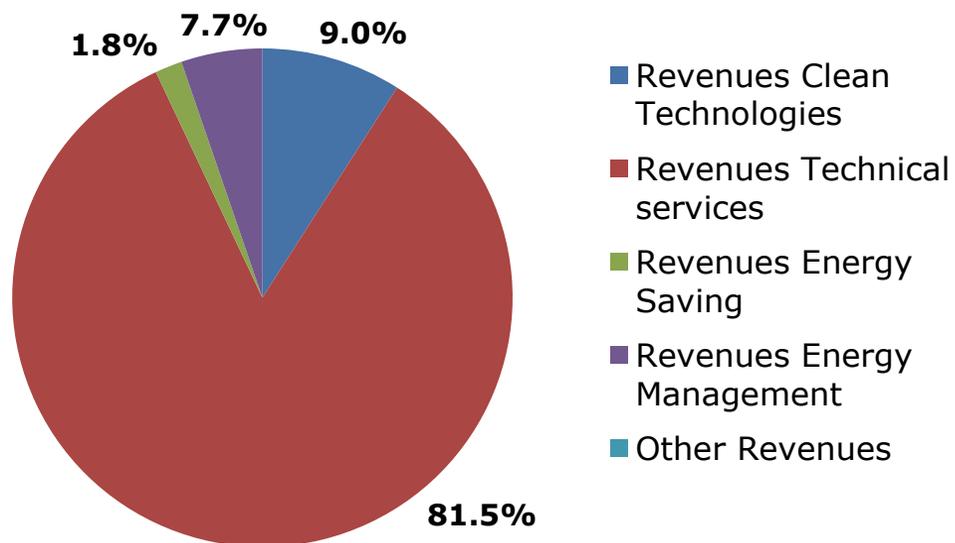


First half 2016 Financial results

(in Euro)	Six months closed as at June 30, 2016	Six months closed as at June 30, 2015	Changes	Changes %
Revenues Clean Technologies	4.572.924	4.967.532	(394.608)	(7,9%)
Revenues Technical services	41.178.787	19.350.758	23.073.201	119,2%
Revenues Energy Saving	884.954	1.255.757	(370.803)	(29,5%)
Revenues Energy Management	3.899.049	125.696.609	(123.042.733)	(97,9%)
Total	50.535.713	151.270.656	-100.734.942	(66,6%)

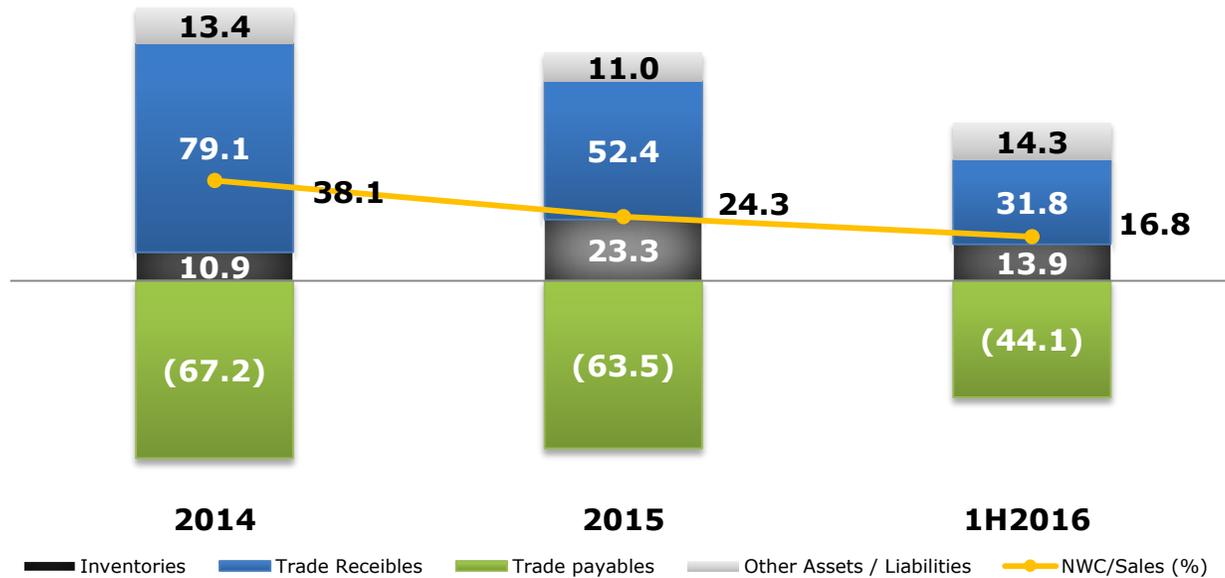
	1Half		
	2014	2015	2016
EBITDA	9.78	10.7	9.5
Ebitda Margin	45.5	7.1	18,8

Revenues breakdown



First half 2016 Financial results

Net Working Capital

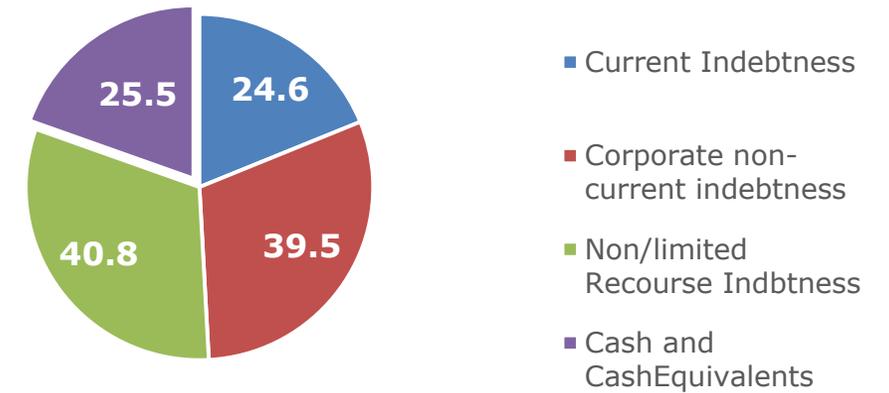


2014 2015 1H2016

	2014	2015	1H2016
Inventories	10.9	23.3	13.9
Trade Receivables	79.1	52.4	32.0
Trade payables	(67.2)	(63.5)	(44.1)
Other Assets / Liabilities	13.4	11.0	14.3
Net Working Capital	36.3	23.1	15.6
NWC/Sales (%)	38.1	6.3	5.4

Net Financial Position

Breakdown Net Financial Position 1H2016



2014 2015 1H2016

	2014	2015	1H2016
Financial Indebtness	131.0	103.5	104.9
Cash and CashEquivalents	(22.9)	(16.1)	(25.5)
Net Financial Position	108.2	87.4	79.4
Current Net Financial Position	18.3	8.1	(0.2)
Non Current Net Financial Position	89.8	79.3	79.6
Short Net Financial Position / Equity	0.3	0.1	(0.02)
Net Financial Position / Equity	1.5	1.6	1.45

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TERNIENERGIA S.p.A.

STRADA DELLO STABILIMENTO, 1
05035 – NERA MONTORO (TR)
TEL. +39 0744 7581
FAX +39 0744 758205

PAOLO ALLEGRETTI
CFO
HEAD OF INVESTOR RELATIONS

ALLEGRETTI@TERNIENERGIA.COM

FEDERICO ZACAGLIONI
HEAD OF CORPORATE COMMUNICATION
PRESS OFFICE

ZACAGLIONI@TERNIENERGIA.COM