



Consolidated H1 2020 results

September 23, 2020

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1. H1 2020 highlights

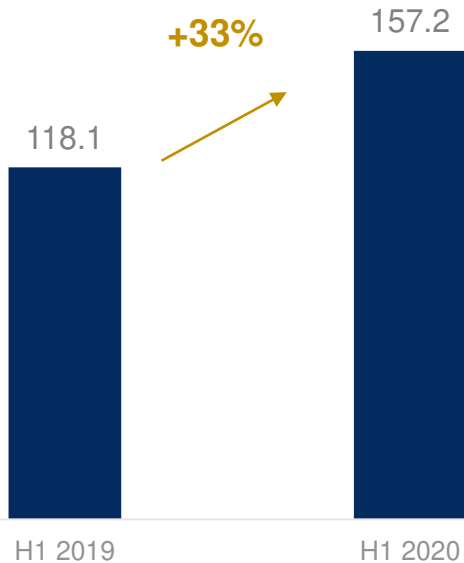
2. H1 2020 results

3. Outlook

4. Appendices

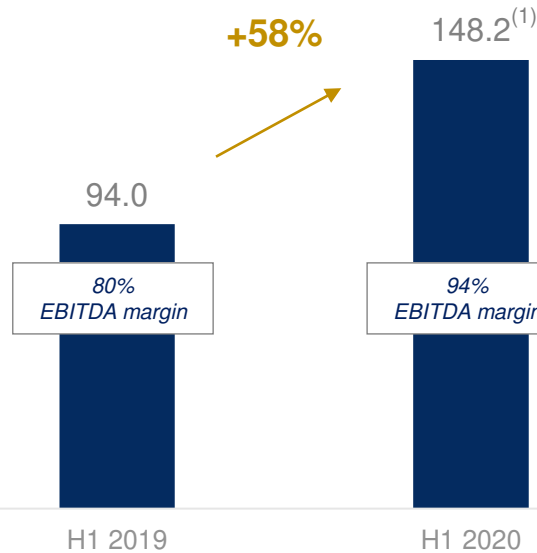
Strong increase in H1 2020 results

Revenue (M€)



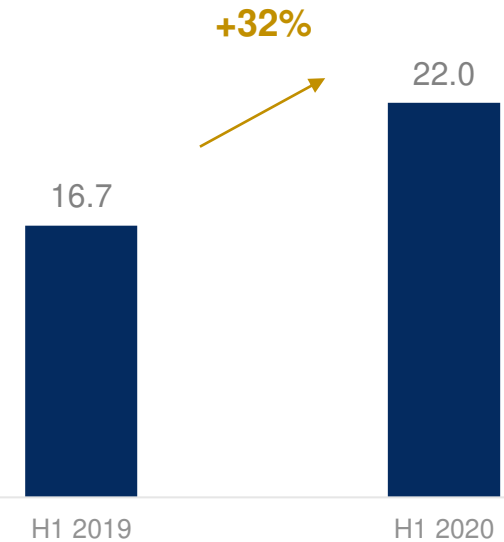
- Growth driven by all Neoen's business segments and regions

EBITDA (M€)



- H1 2020 EBITDA margin of 94%, up 14 bp y-o-y
 - Liquidated damages⁽²⁾ partly covering the revenue losses related to the delayed commissioning of certain projects
 - One-off positive impact in storage in Q1 2020

Net income Group share (M€)



(1) 150 M€ at constant exchange rates

(2) Indemnities recognized in other current operating income, partly offsetting losses of revenue, thereby automatically improving the EBITDA margin

Steady growth in the secured portfolio in H1 2020

- **Commissioning of 239 MW in capacity**

- Capella (143 MWp¹), the largest solar farm in El Salvador
- The Hedet wind farm (81 MW) in Finland supplying Google’s data center in Hamina
- Three solar farms in France with total capacity of 15 MWp

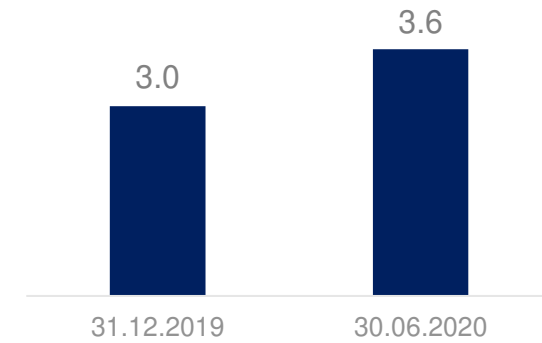
- **Launch of construction of 544 MW**

- Western Downs (460 MWp), the largest solar farm in Australia
- Yllikkälä Power Reserve (30 MW / 30 MWh) in Finland, the Nordics’ largest battery storage unit
- The Mont de Malan wind farm (29 MW) and two solar power plants (25 MWp in total) in France

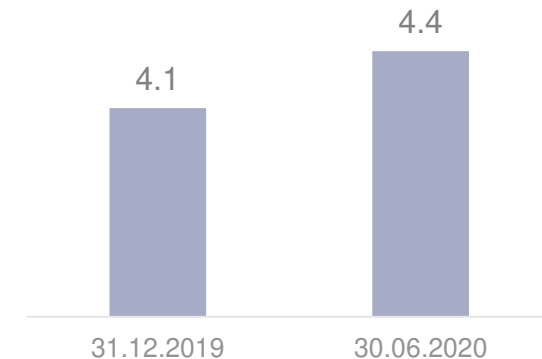
- **216 MW of newly awarded projects**

- In Australia: 108 MWp of additional capacity relating to the Western Downs project⁽²⁾
- in France: 66 MWp won in the CRE 4.7 government tender and 12 MW related to the La Verte Epine wind farm
- In Finland: 30 MW / 30 MWh from the Yllikkälä Power Reserve battery storage unit already under construction

GW in operation or under construction



GW secured⁽³⁾



(1) Including 3 MW / 2 MWh of storage

(2) On top of the 352 MWp of capacity already added in 2019 under a PPA

(3) Assets in operation, under construction and projects awarded



1. H1 2020 highlights

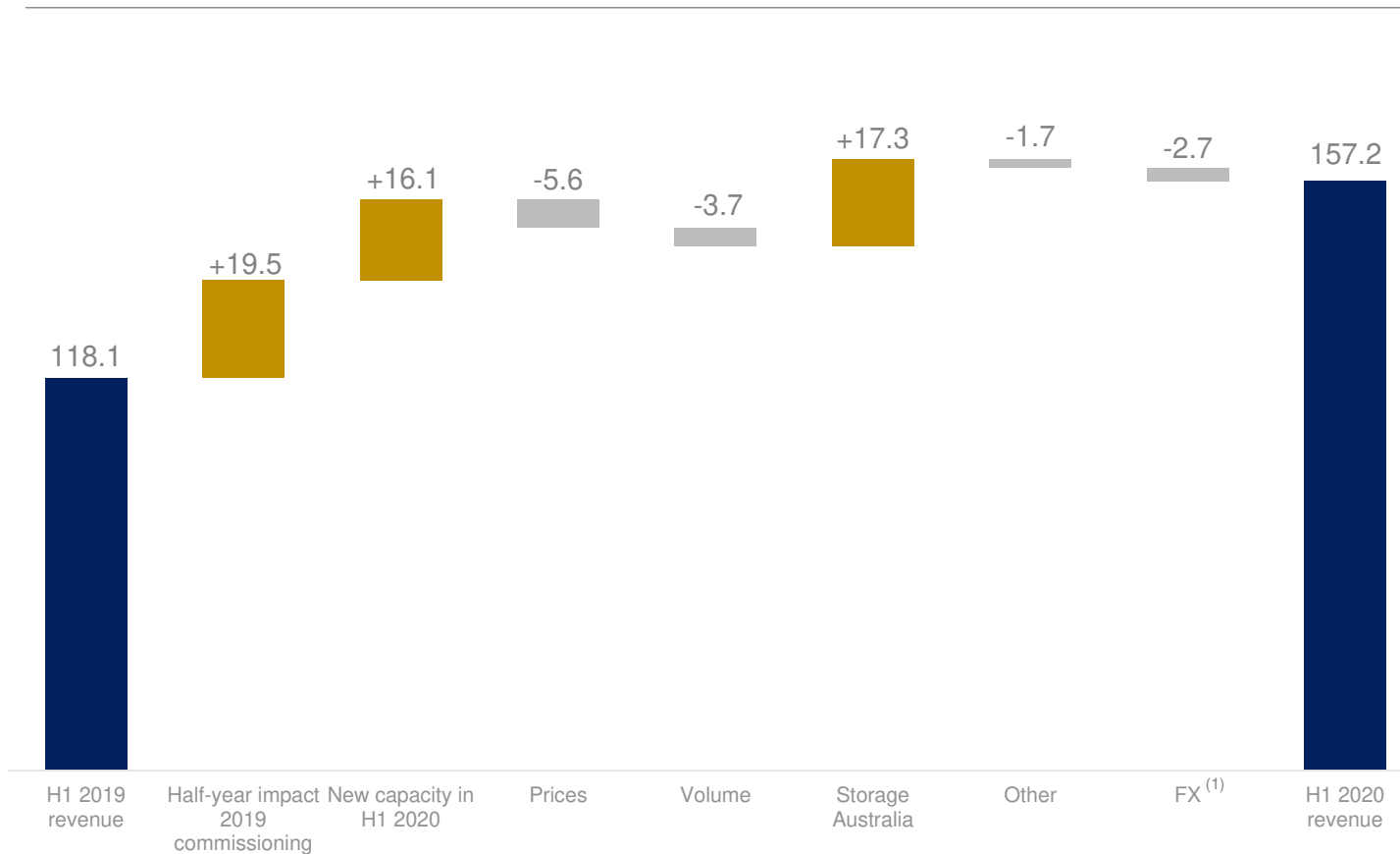
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H1 2020 revenue up 33% year-on-year

In M€



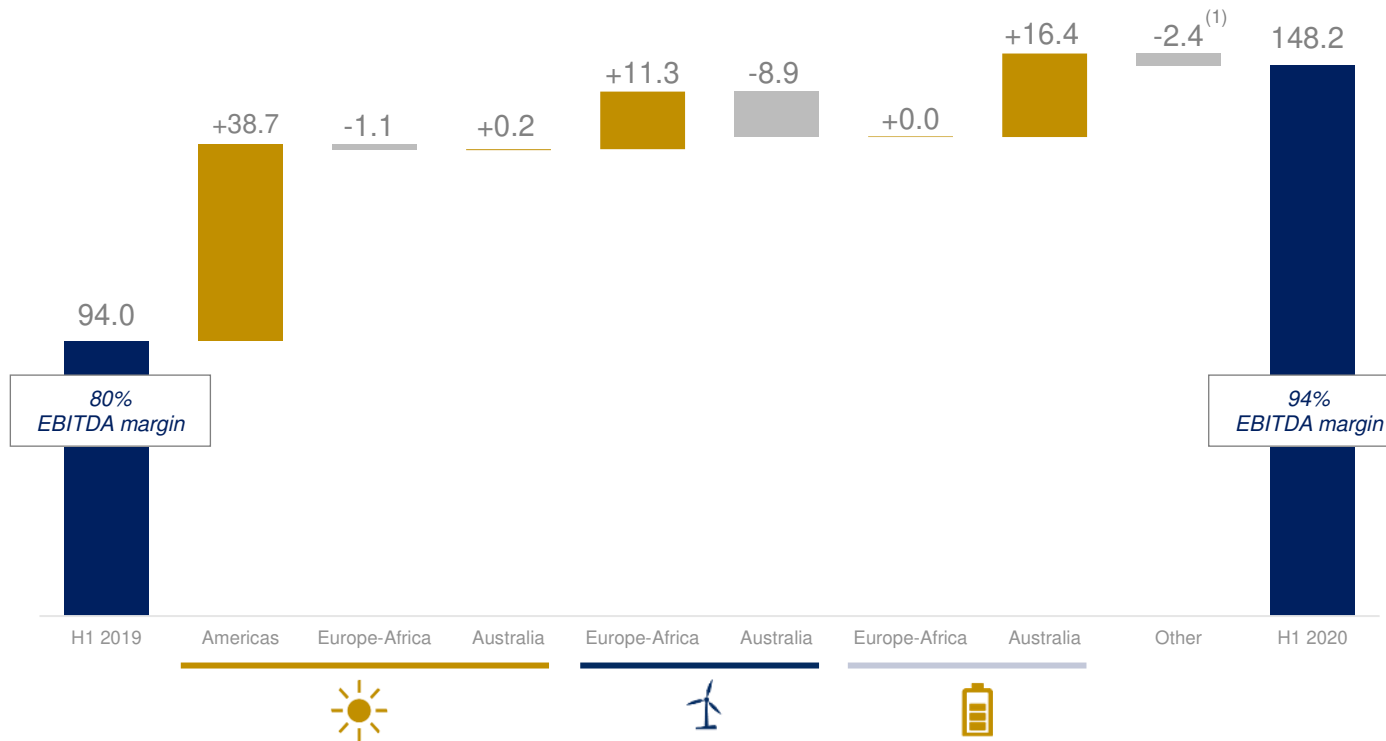
- Significant contribution from assets commissioned in 2019 and H1 2020 as well as early generation revenue recorded in H1 2020
- Lower average price at a wind farm in Australia due to the transition from early generation revenue⁽²⁾ to PPA
- Negative volume effect mainly reflecting less favorable irradiation conditions in Australia and lower availability of certain Australian assets in H1 2020 despite excellent wind conditions in Europe in Q1 2020
- Strong one-off increase in HPR battery revenue in Australia in Q1 2020
- Limited negative FX impact; revenue up 35% at constant FX rates

(1) Based on average FX rate in H1 2019

(2) Short-term energy revenues prior to the implementation of a long-term contract

Dynamic growth in H1 2020 EBITDA

EBITDA (M€)



- **EBITDA up 58%** year-on-year mainly driven by the growth in Solar in Americas, in Wind in Europe-Africa and in storage in Australia
- **EBITDA margin of 94%**, up 14 bp year-on-year due to liquidated damages⁽²⁾ partly covering the revenue losses caused by delayed commissioning of certain projects and a one-off positive impact in storage in Q1 2020

(1) Development - Investment and Eliminations

(2) Indemnities recognized in other current operating income, partly offsetting loss of revenue, thereby automatically improving the EBITDA margin

EBITDA by segment

	H1 2020	H1 2019	% chg.
<i>in M€</i>			
Solar	88.0	50.2	+75%
<i>% margin</i>	<i>119%</i>	<i>92%</i>	<i>+27bp</i>
Wind	45.9	43.5	+6%
<i>% margin</i>	<i>78%</i>	<i>83%</i>	<i>-5bp</i>
Storage	23.2	6.7	x3.5
<i>% margin</i>	<i>94%</i>	<i>80%</i>	<i>+14 bp</i>
Other ⁽¹⁾	(8.9)	(6.5)	+37%
Group EBITDA	148.2	94.0	+58%
<i>Group EBITDA margin</i>	<i>94%</i>	<i>80%</i>	<i>+14bp</i>

- **Solar EBITDA up 75% year-on-year**

- Strong increase reflecting significant capacity commissioned in 2019 and H1 2020, as well as early generation revenue from El Llano in H1 2020
- Lower irradiation conditions in Australia and reduced availability of an Australian asset due to upgrade works on the grid (now completed)
- Slight decrease in Europe-Africa due to less favorable resources
- EBITDA margin positively impacted by liquidated damages recognized in H1 2020 in Americas
 - Excluding the impact of compensations for revenue losses, EBITDA margin stood at 86% (unchanged vs. H1 2019)

- **Wind EBITDA up 6% year-on-year**

- Growth in Europe-Africa driven by assets added in Ireland and France in 2019 and in Finland in H1 2020 as well as excellent wind conditions in Europe in Q1 2020, despite low market prices
- Lower average price earned by the Hornsdale 3 wind farm in Australia following the entry into force of its long term PPA in October 2019 and reduced availability of Australian assets in Q2 2020, both impacting the EBITDA margin
- Higher network service costs at certain wind farms in South Australia in Q1 2020 due to specific market conditions (power interconnection line down for 18 days)

- **Storage EBITDA more than tripled year-on-year**

- Strong one-off positive impact in Q1 2020 in Australia

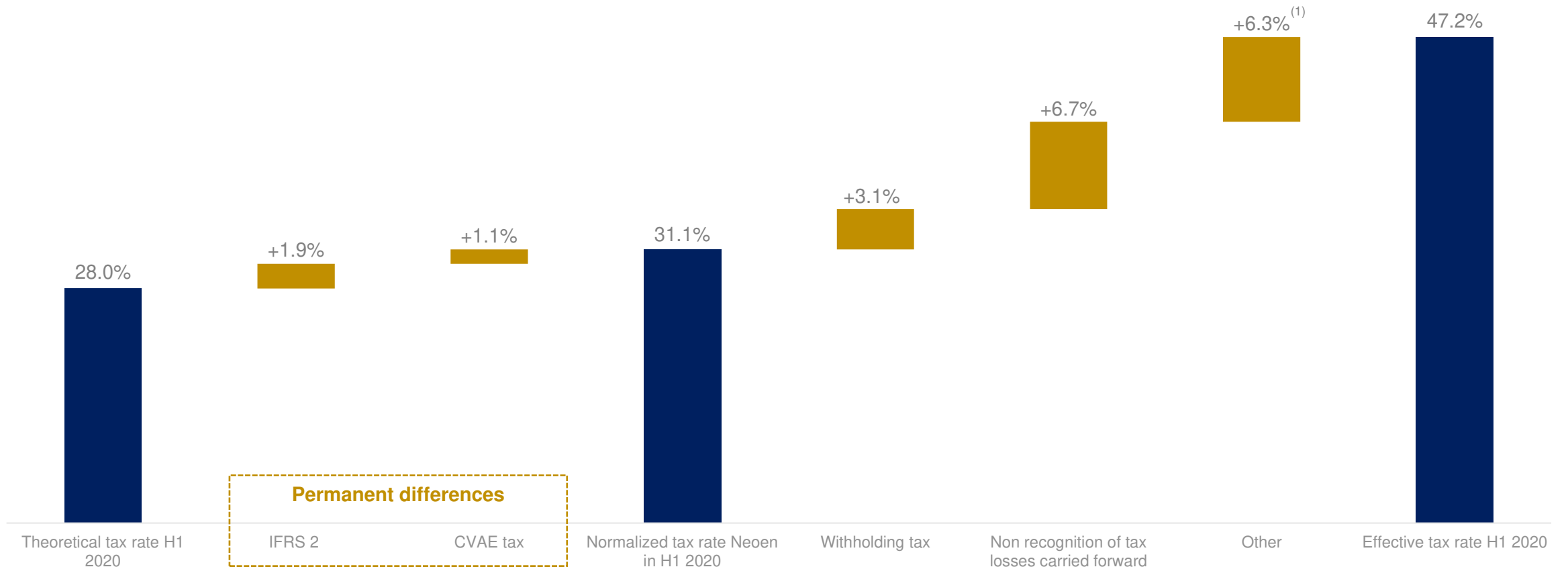
(1) Services to third parties

Profit & Loss – solid increase in results

	H1 2020	H1 2019	Change	
EBITDA	148.2	94.0	+58%	
Current operating income	95.9	58.1	+65%	
Operating income	95.0	57.0	+67%	
Cost of debt	(48.2)	(35.6)	-35%	Cost of debt increased as a result of the commissioning of new assets and interest expense (3.8 M€) linked to the issue of a convertible bond in October 2019 ⁽¹⁾
Other financial income and expenses	(7.4)	6.4	n/s	Costs associated with the early repayment of the historical debt related to the refinancing of the Hornsdale wind farms in H1 2020 (-4.9 M€) compared to a gain on the refinancing of a portfolio of Australian solar projects in H1 2019 (+5.9 M€)
Net financial result	(55.5)	(29.2)	-90%	
Income tax	(18.7)	(9.1)	x1,1	Foreign exchange losses in H1 2020 (-1.5 M€) mainly reflecting the decreasing value of current assets in Mexico and Argentina vs. a foreign exchange gain recorded in H1 2019 (+2.8 M€)
Net income from continuing operations	20.9	18.7	+12%	
Net income from discontinued operations	-	(0.3)	n/a	Effective tax rate of 47.2% vs 32.7% in H1 2019 and 52.8% in FY 2019
Net income of the consolidated group	20.9	18.4	+14%	
Net income Group share	22.0	16.7	+32%	Net income Group share up 32% as strong increase in operating income largely offset higher net financial result and income tax
<i>o/w net income attributable to non-controlling interests</i>	(1.2)	1.6	n/a	

(1) The effective interest rate of the debt component of this convertible bond stands at 4,27%

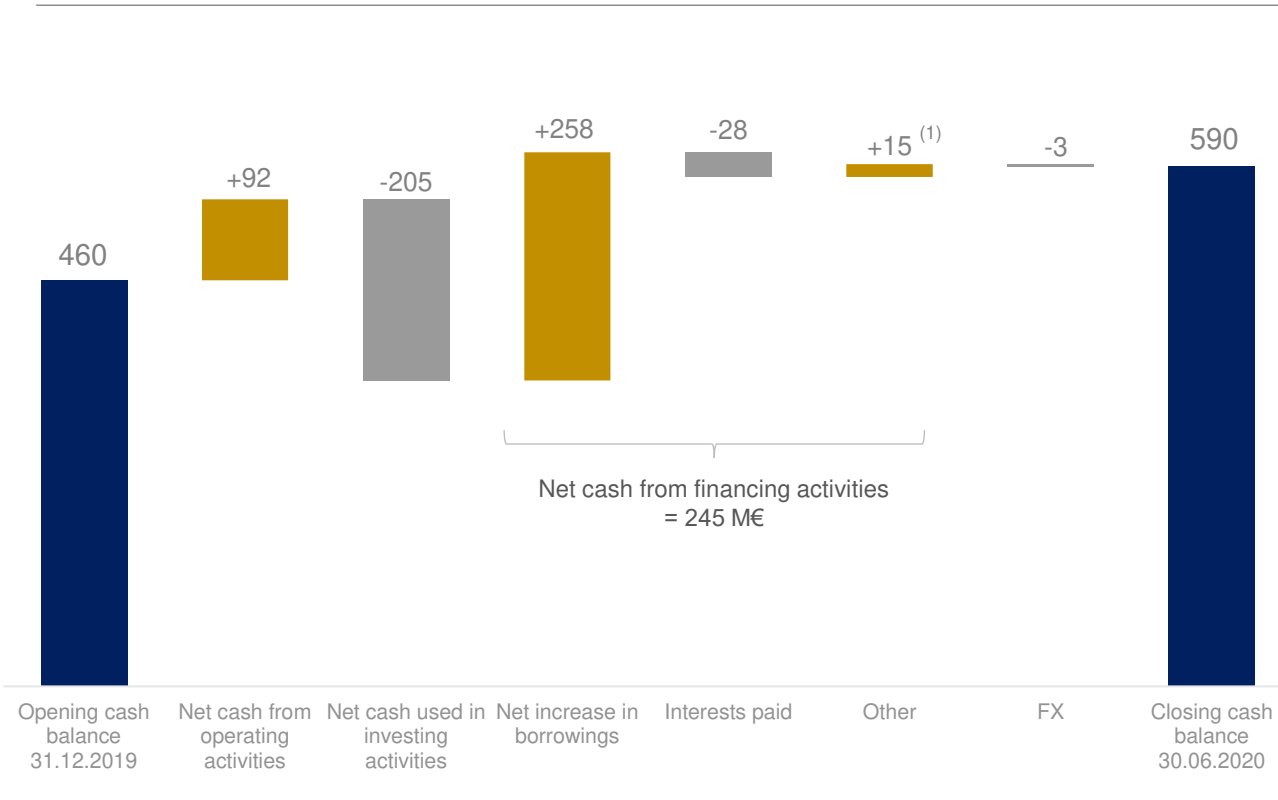
From theoretical tax rate to effective tax rate in H1 2020



(1) The other item includes the recognition of deferred tax liabilities on the difference between the tax values and the book values of certain assets

Strong cash position at end-June 2020

Change in total cash balance (M€)



- **Net cash flows from operating activities** amounted to 92 M€ up 10M€ y-o-y reflecting notably
 - Increase in EBITDA (+54 M€ y-o-y)
 - Negative change in WCR (-19 M€ y-o-y) mainly due to receivable pending payments, notably VAT receivables on assets under construction
 - Increase in tax paid (+11 M€ y-o-y)
- **Net cash flows from investing activities** reached -205 M€, driven by investments in new projects mainly
 - In Australia: HPRX (24 M€)
 - In Americas: Altiplano (53 M€), El Llano (26 M€) and Capella (24 M€)
 - In Europe: Hedet (11 M€), wind farms (26 M€) & solar projects (17 M€) in France
- **Net cash flows from financing activities** reached 245 M€ mainly reflecting
 - Net Increase in borrowings excluding refinancing transactions: +248 M€ including the Green convertible bond (170 M€ o/w 143 M€ recognized as debt component)
 - Net impact of the refinancing of a portfolio of wind assets in Australia: +10 M€

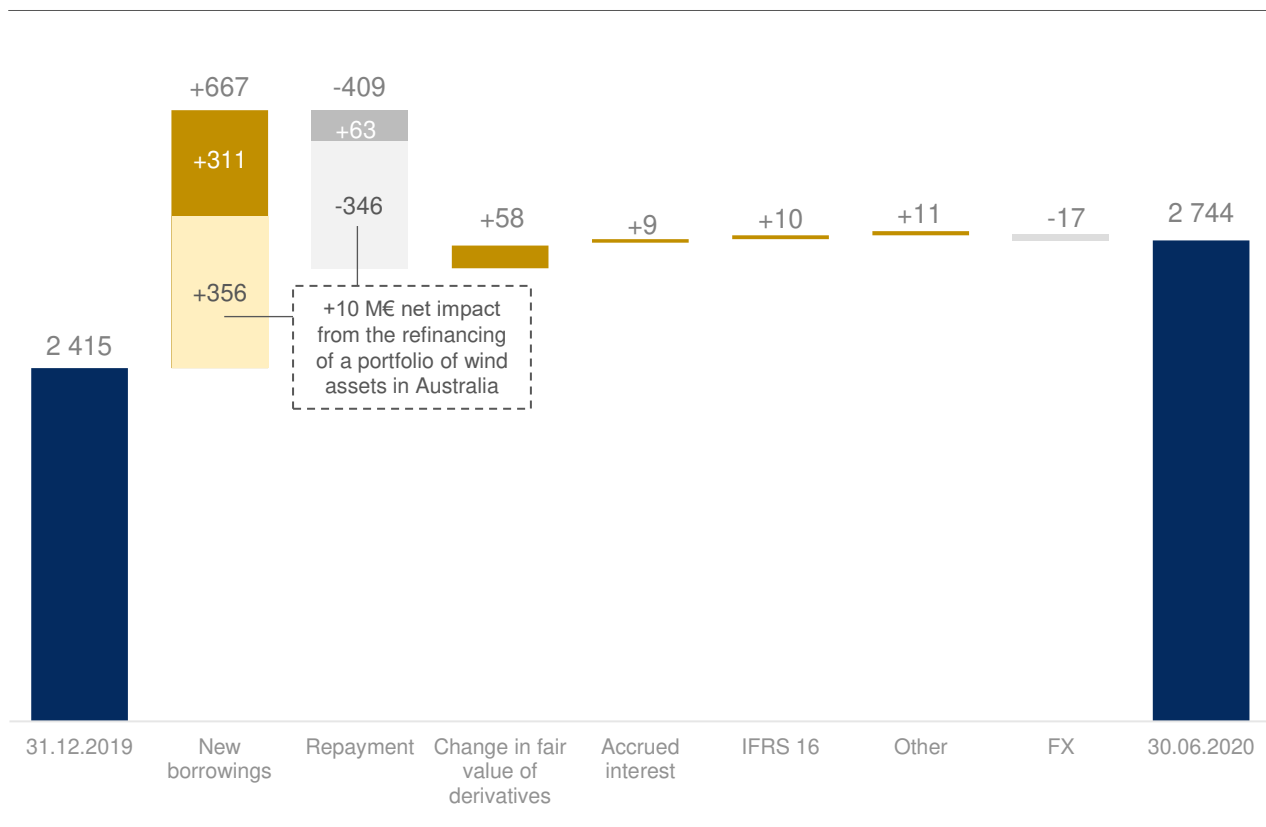
590 M€ of cash available at 30 June 2020

plus a **200 M€** undrawn syndicated loan

(1) The other items mainly include equity portion of the green convertible bond, net acquisition of treasury shares and dividends paid to minority shareholders

Gross debt increasing with the construction of new assets

Change in gross debt (M€)



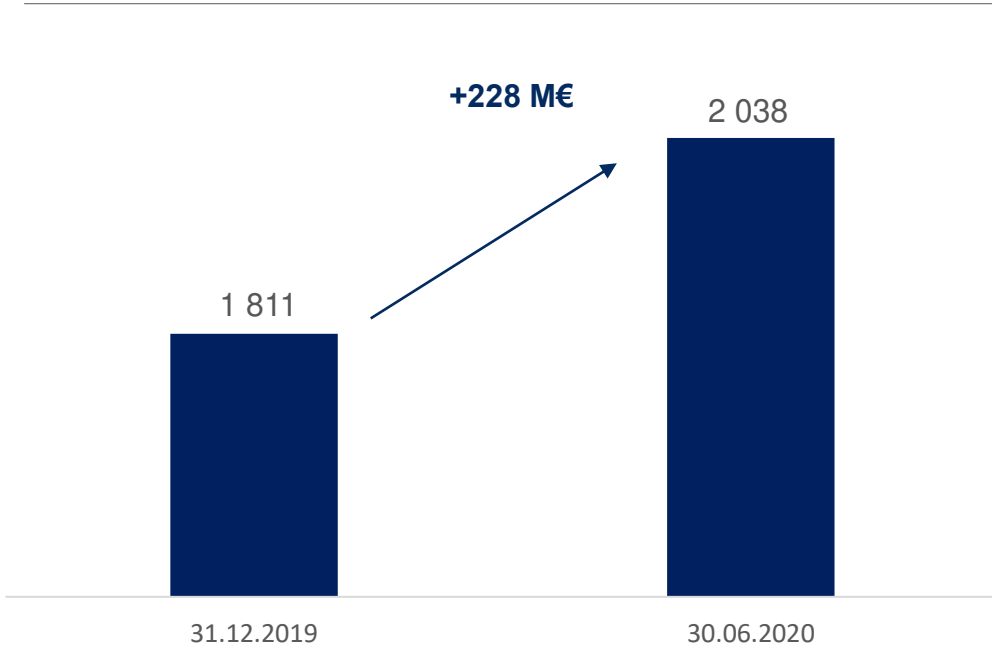
- **Net Increase in borrowings of 258 M€**
 - Additional project financing raised with the construction of new assets
 - Issuance of a 170 M€ green convertible bond in June 2020 (143 M€ recognized as debt component)
 - 10 M€ net impact of the refinancing of Hornsdale wind assets in Australia
- **Change in fair value of derivatives** derived from decrease in market interest rates in H1 2020
- **Average cost of project finance debt: 3.5%** (vs 3.7% at end-2019) due to low interest-rates environment and one refinancing transaction
- **Average Group cost of debt: 3.7%** (vs 4.2% at-end 2019) due to lower cost of project finance debt and the issue of a green convertible bond in June 2020 at a nominal rate of 2.0%⁽¹⁾

>85% non-recourse debt, with long tenor

(1) The effective interest rate of the debt component of this convertible bond stands at 5,80%

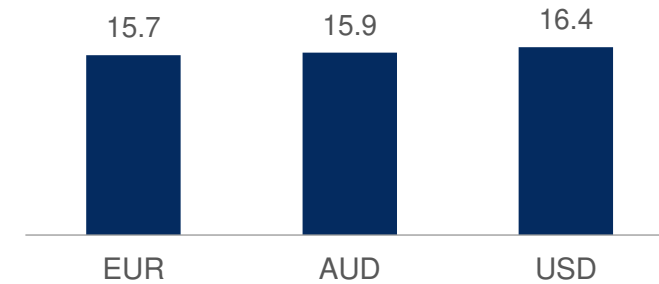
Financial discipline

Net debt (in M€)



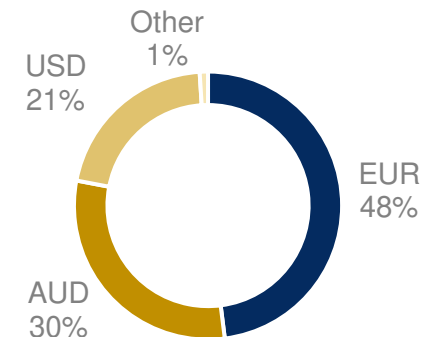
8.0x net debt / EBITDA at 30.06.2020
(vs **8.4x** at 31.12.2019)

Average residual tenor of project finance debt⁽¹⁾ (in years)



15.9 years
Weighted average residual tenor⁽²⁾

Gross debt by currency⁽³⁾



(1) Senior debt (excluding junior debt)

(2) For all the Group's projects in operation as of June 30, 2020

(3) Excluding lease liabilities and minority interests. As of June 30, 2020



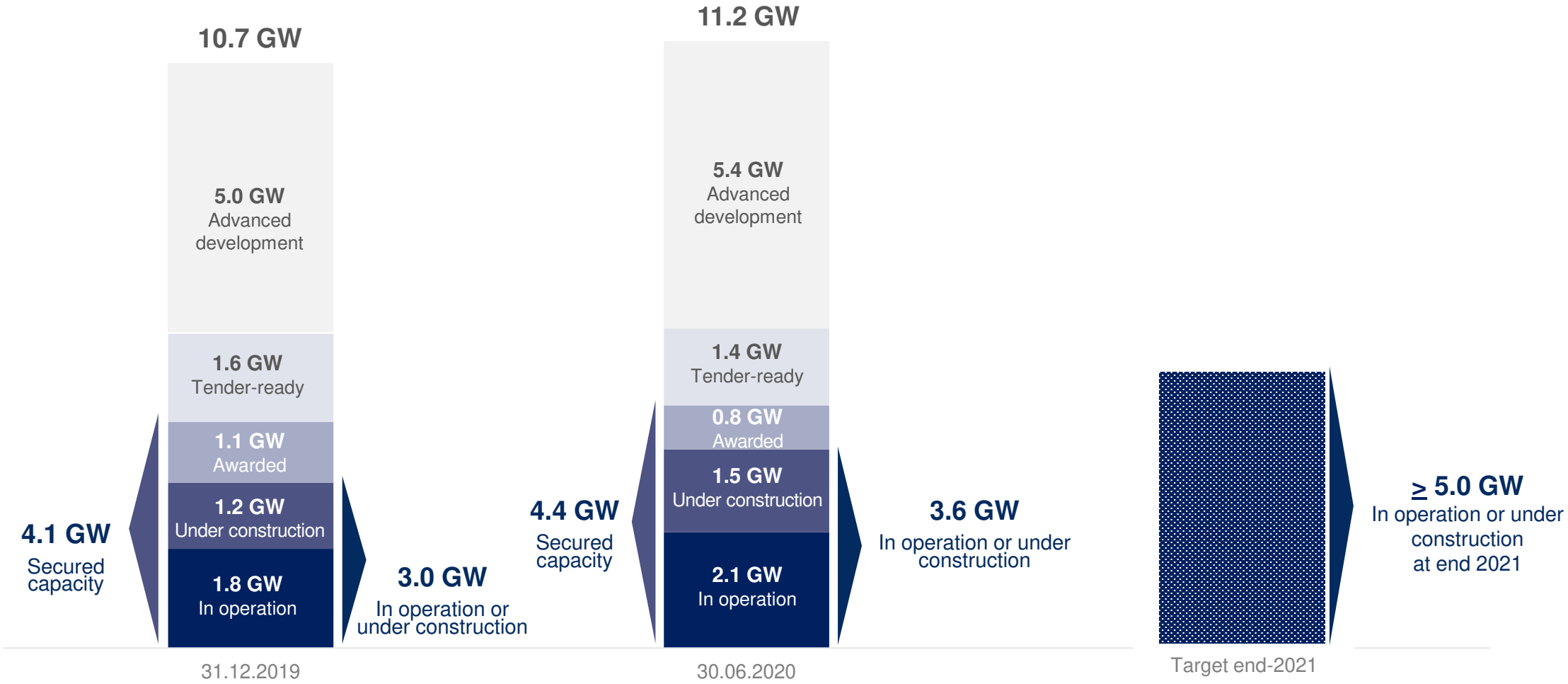
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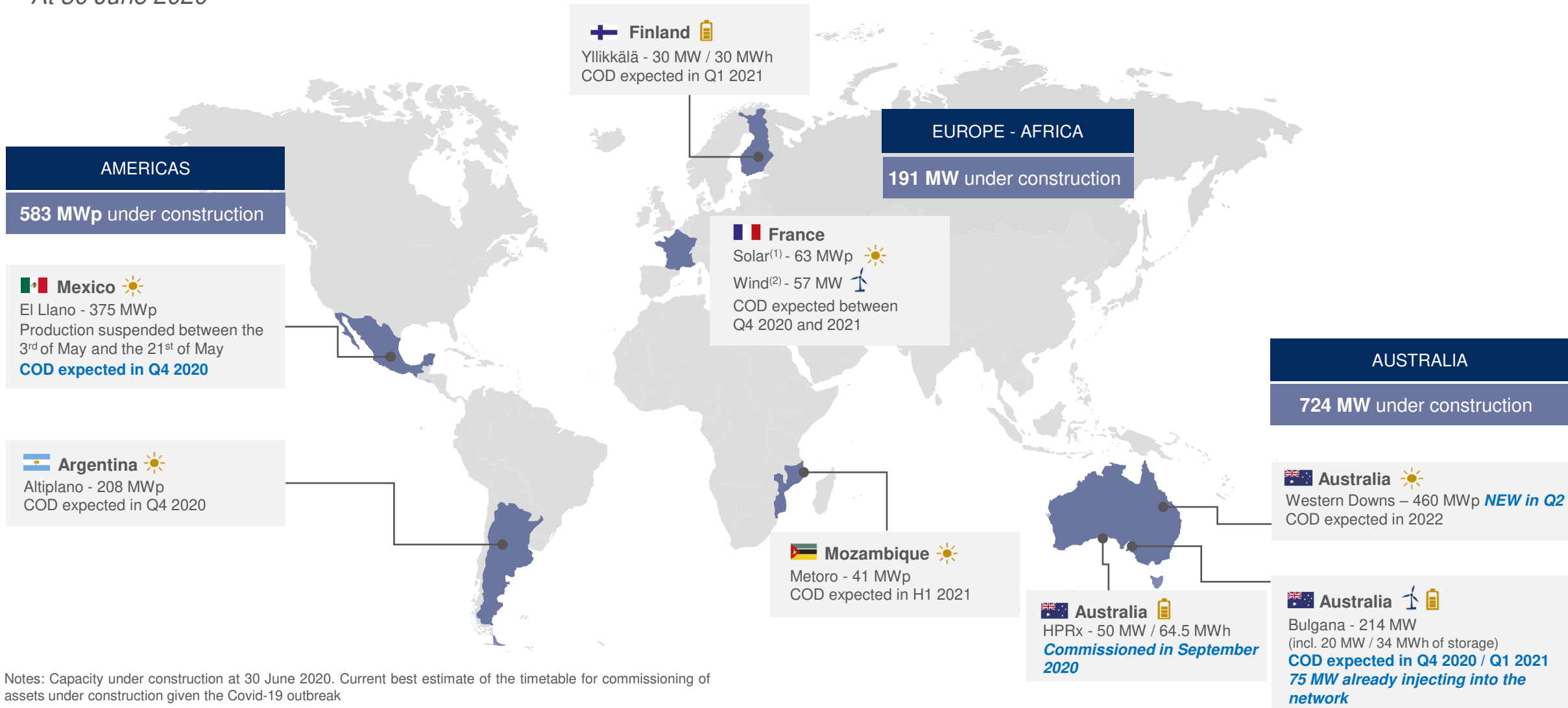
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A constantly fed pipeline, in line with our 2021 target



1.5 GW under construction across our three geographies

At 30 June 2020



(1) Mer (15 MWp), Vermenton (14 MWp), Bregues d'Or (2 MWp), Antugnac (7 MWp), Levroux (10 MWp), Réaup-Lisse (15 MWp)
(2) Viersat (18 MW), La Garenne (10 MW), Le Mont de Malan (29 MW)

55 MWp of solar projects won in the Republic of Ireland

Government tender in Ireland

55 MWp won in the Republic of Ireland's first government tender for solar farms



55 MWp

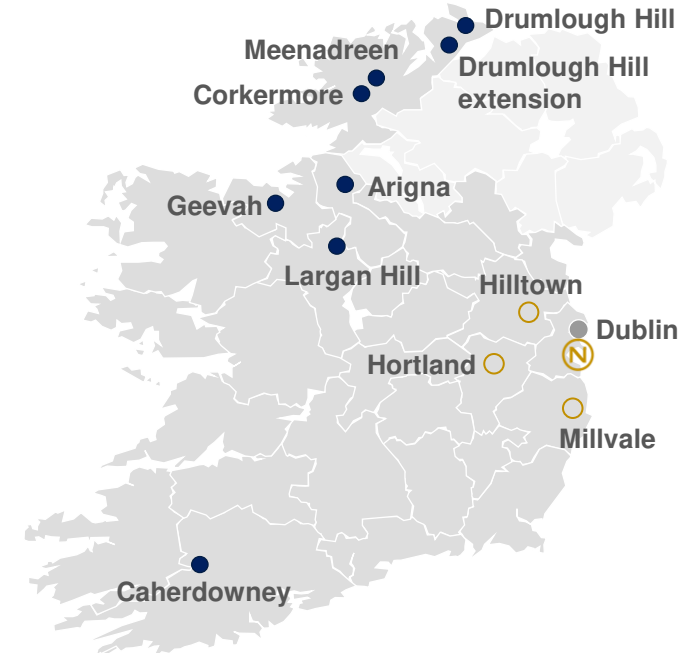
Awarded capacity
(August 2020)



H2 2021

Expected COD

- Total capacity spread across **three projects** in the townlands of **Hilltown, Millvale** and **Hortland**
- **Strengthening Neoen's position in Ireland** a year after the acquisition of 53.4 MW of wind farms
- Confirming **Neoen's ability to combine reliable technology** with **competitive pricing**



- **Wind (in operation)**
- **Solar (awarded)**
- Ⓝ **Neoen's office**

Neoen awarded 14-year contract for 100 MW in Australia

Government tender in Australia

100 MW of wind energy won in an Australian Capital Territory auction



100 MW

PPA capacity
(September 2020)



> 50 MW

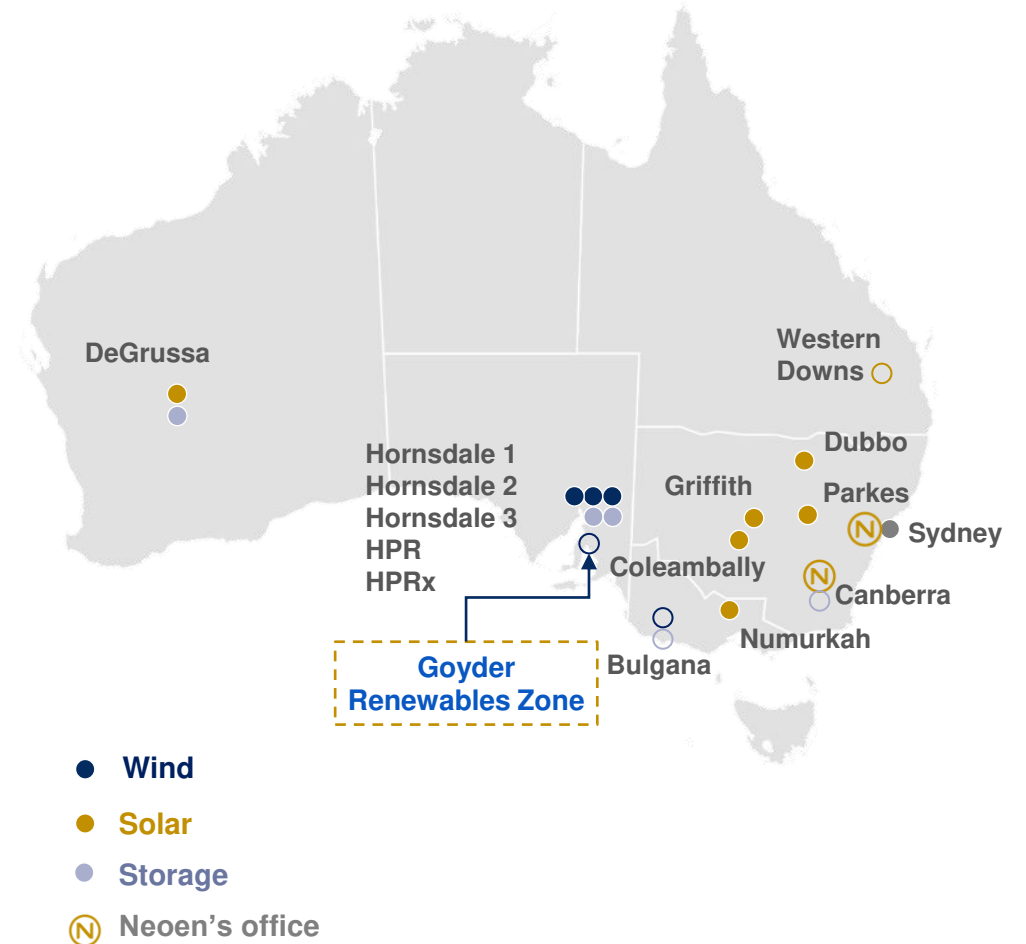
Battery capacity



2022

Start of construction

- Neoen has been awarded a **14-year contract** to supply **100 MW of wind energy from Stage 1 of its Goyder Renewables Zone** in an Australian Capital Territory (ACT) Government renewables auction
- As per the contract, Neoen will also **build and own a battery storage facility** of at least **50 MW** in Canberra
- Both projects will contribute to strengthen **ACT's** global leadership position as a **100% renewable energy jurisdiction** striving for **net zero emissions by 2045**



Narrowed 2020 guidance

2020

€ EBITDA

Between 270 M€ and 285 M€⁽¹⁾
at constant exchange rates⁽²⁾

EBITDA margin above 85%

- FY 2020 guidance narrowed within the previous range reflecting
 - The **delayed commissioning** of certain projects
 - **Unfavorable irradiations** and **wind conditions** observed respectively in **Australia** and **Europe in Q3**
- This target takes into account
 - Current **best estimate of the timetable for commissioning of assets under construction**
 - The **current level of market prices**
 - **Normal production level** at **El Llano** in Mexico

(1) Compared to the previous range of between 270 M€ and 300 M€

(2) At constant exchange rates compared to 2019

Outlook for 2021 and 2022 reiterated

2021 & 2022

 Capacity

More than **5.0 GW** of capacity under construction or in operation by the **end of 2021**, fully operational by the **end of 2022**

 EBITDA

Above **400 M€** at constant exchange rates⁽¹⁾ in **2022**

- These targets take into account
 - Current **best estimate of the timetable for the completion of the Group projects**

(1) At constant exchange rates compared to 2019



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Profit & loss

<i>In millions of euros</i>	H1 2020	H1 2019
Contracted energy revenue	113.7	100.1
Uncontracted energy revenue	41.5	14.3
Other income	2.0	3.8
Revenue	157.2	118.1
Purchase of goods and change in inventories	0.4	(0.2)
External charges and payroll expenses	(36.9)	(26.0)
Duties, taxes and similar payments	(5.8)	(4.2)
Share of net income of associates	0.4	0.5
Other current operating income and expenses	33.0	5.8
EBITDA	148.2	94.0

Balance sheet

<i>In millions of euros</i>	30.06.2020	31.12.2019
Goodwill	0.7	0.7
Intangible assets	197.5	183.3
Tangible assets	2,512.8	2,387.3
Investments in associates and joint ventures	7.0	6.9
Non-current derivative financial instruments	1.3	2.0
Financial assets	99.1	125.2
Deferred tax assets	55.4	55.6
Total non-current assets	2,873.7	2,761.0
Inventories	1.6	0.7
Trade accounts receivables	74.2	52.2
Other current assets	134.2	111.2
Cash and cash equivalents	589.5	460.5
Total current assets	799.5	624.7
Total assets	3,673.2	3,385.7

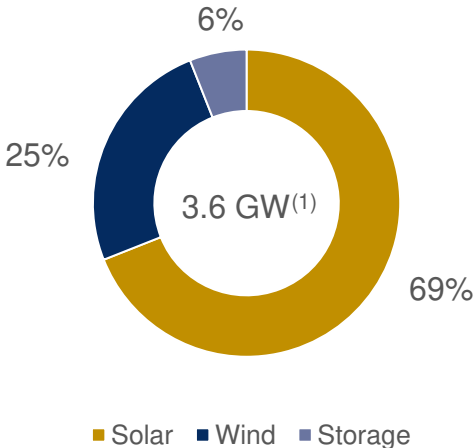
<i>In millions of euros</i>	30.06.2020	31.12.2019
Equity attributable to owners of the Company	666.3	661.0
Non-controlling interests	4.4	19.5
Total equity	670.8	680.5
Non-current provisions	20.7	13.8
Project financing - non-current	1,991.1	1,979.8
Corporate financing - non-current	332.9	190.6
Derivative financial instruments - non-current	106.2	83.8
Other liabilities – non current	34.0	34.1
Deferred tax liabilities	42.3	49.6
Total non-current liabilities	2,527.3	2,351.7
Project financing - current	294.6	144.8
Corporate financing - current	4.8	4.0
Derivative financial instruments - current	14.8	11.6
Trade accounts payables	98.5	126.3
Other current liabilities	62.5	66.8
Total current liabilities	475.2	353.5
Total equity and liabilities	3,673.2	3,385.7

Cash-flow statement

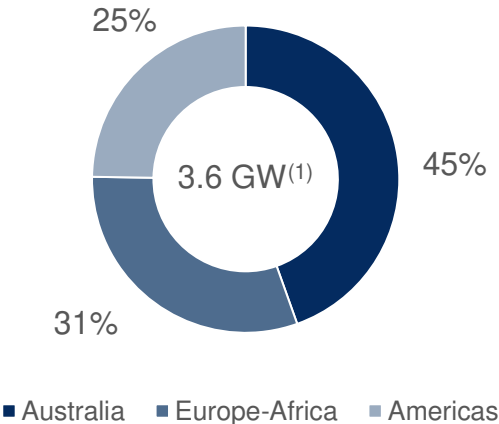
<i>In millions of euros</i>	H1 2020	H1 2019
Net income for the year	20.9	18.4
Eliminations	124.1	86.6
Impact of changes in working capital	(38.6)	(19.8)
Taxes paid (received)	(14.6)	(3.6)
Net cash flow from operating activities	91.7	81.6
Acquisitions / (disposals) of subsidiaries, net of cash acquired / (disposed)	(0.0)	(0.5)
Acquisitions (disposals) of tangible and intangible assets	(233.8)	(377.5)
Change in financial assets	28.4	(27.2)
Dividends and investments grants received	0.1	(0.0)
Net cash flows used in investment activities	(205.2)	(405.1)
Capital increase	26.4	0.4
Proceeds (repayments) from borrowings	258.5	191.7
Interest paid	(27.9)	(29.7)
Dividends paid	(9.8)	(1.5)
Other	(1.9)	(2.4)
Net cash flows from financing activities	245.2	158.5
Impact of foreign exchange rate fluctuation	(2.7)	0.6
Impact of the reclassification of cash associated with operations in process of sale	-	(1.7)
Change in cash	129.0	(166.1)
Opening cash balance	460.5	503.8
Closing cash balance	589.5	337.8
Net cash flow as shown in the balance sheet	129.0	(166.1)

A diverse portfolio of high-quality assets

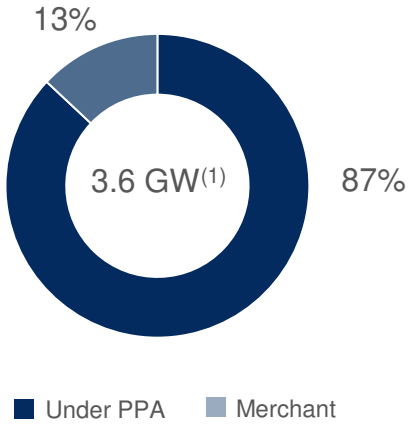
Technology breakdown



Geographic breakdown



Contracted vs merchant breakdown(2)



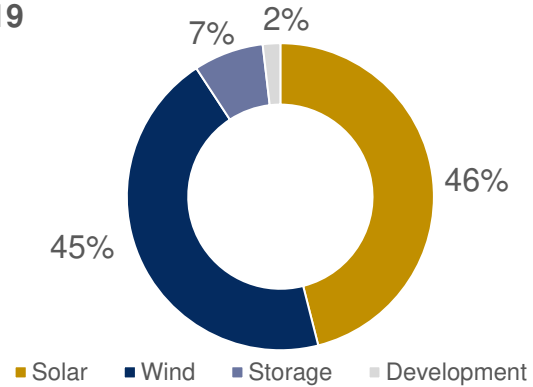
(1) Capacity in operation or under construction as of June 30, 2020

(2) Weighted average by MW for assets in operation or projects under construction as of June 30, 2020

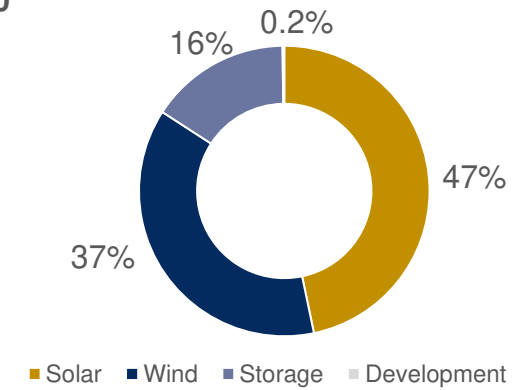
Revenue by technology and geography

Revenue by technology

H1 2019

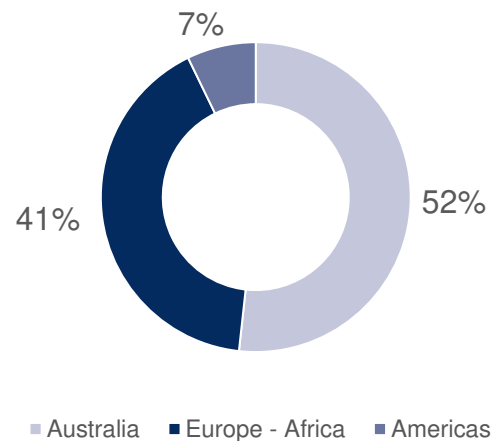


H1 2020

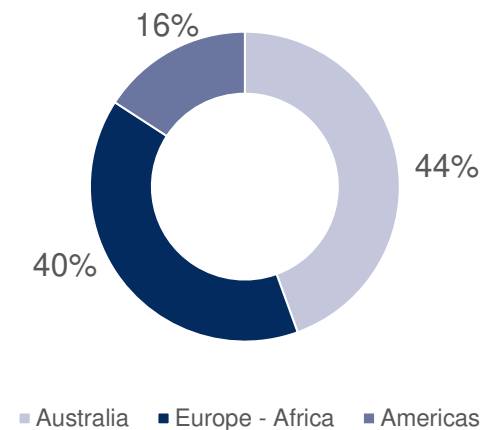


Revenue by geography

H1 2019



H1 2020



Increase in capacity in 2019

Project	Technology	Capacity (MW)	Country	COD Date
Azur Est	Solar	9	France	March 2019
Corbas 3 & 4	Solar	8	France	March 2019
Bangweulu	Solar	54	Zambia	April 2019
Azur Stockage	Storage	6	France	May 2019
Corbas 1 & 2	Solar	8	France	May 2019
Auxois Sud 2	Wind	16	France	June 2019
Numurkah	Solar	128	Australia	August 2019
Irish wind farms ⁽¹⁾	Wind	53	Ireland	August 2019
Les Hauts Chemins	Wind	14	France	August 2019
Miremont	Solar	10	France	October 2019
Saint-Avit	Solar	11	France	October 2019
Paradise Park	Solar	51	Jamaïca	November 2019
		Total capacity: 369 MW		

(1) Acquired in August 2019

Capacity commissioned in H1 2020

Project	Technology	Capacity (MW)	Country	COD Date
Capella	Solar	143 ⁽¹⁾	El Salvador	March 2020
Azur Sud	Solar	5	France	April 2020
Saint-Eloy	Solar	5	France	April 2020
Fossat	Solar	5	France	April 2020
Hedet	Wind	81	Finland	June 2020
		Total capacity: 239 MW		

(1) Including 3 MW / 2 MWh of storage

Total portfolio capacity

<i>In MW</i>	30.06.2020	31.12.2019	Change
Assets in operation	2 085	1 847	+239
Assets under construction	1 498	1 193	+305
<i>Subtotal, assets in operation or under construction</i>	3 584	3 040	+544
Projects awarded	773	1 082	-309
Total Secured capacity	4 357	4 122	+234
Tender ready projects	1 435	1 563	-128
Advanced development projects	5 381	4 966	+415
Total Advanced pipeline capacity	6 817	6 529	+287
Total portfolio capacity	11 174	10 652	+522
Early stage projects	>4 GW	>4 GW	

Financial agenda and contact information

Next events

- 09.11.2020: 9M 2020 revenue and operational data
- 11.03.2021: Capital Markets Day

Investor relations

- communication@neoen.com



Thank you for listening



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