



# Third quarter 2019

18 October 2019



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# Agenda

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- **Highlights and project update**

Raymond Carlsen, CEO

- **Financial review**

Mikkel Tørud, CFO

- **Summary and outlook**

Raymond Carlsen, CEO

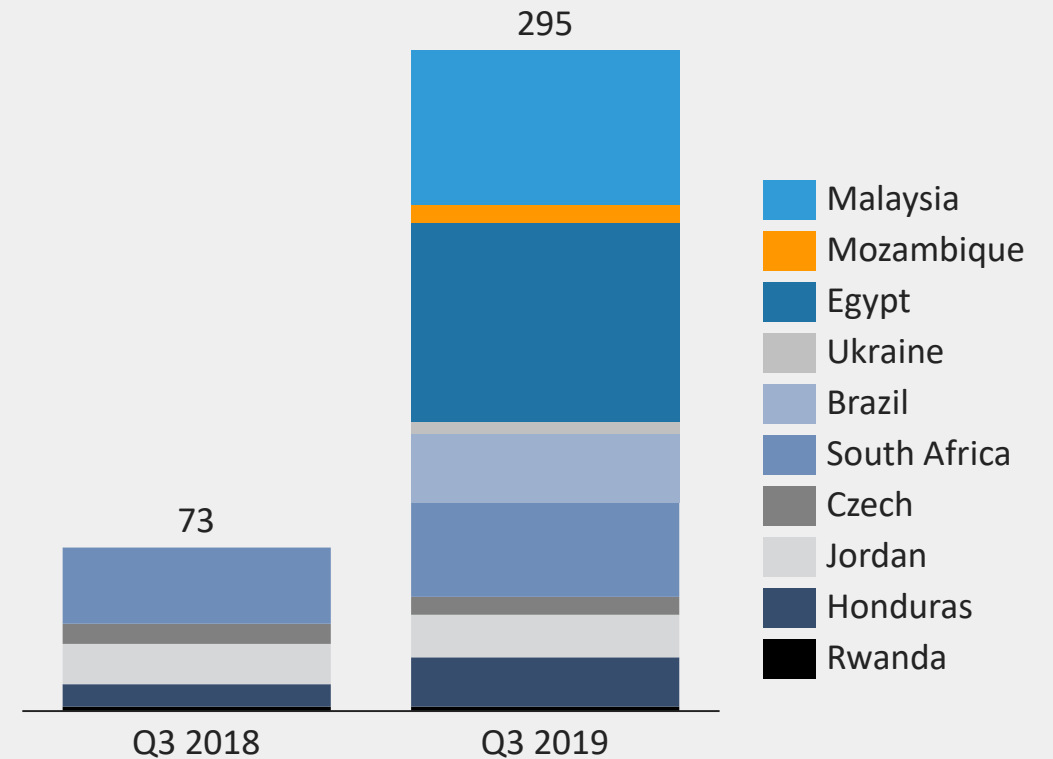


Q3'19:

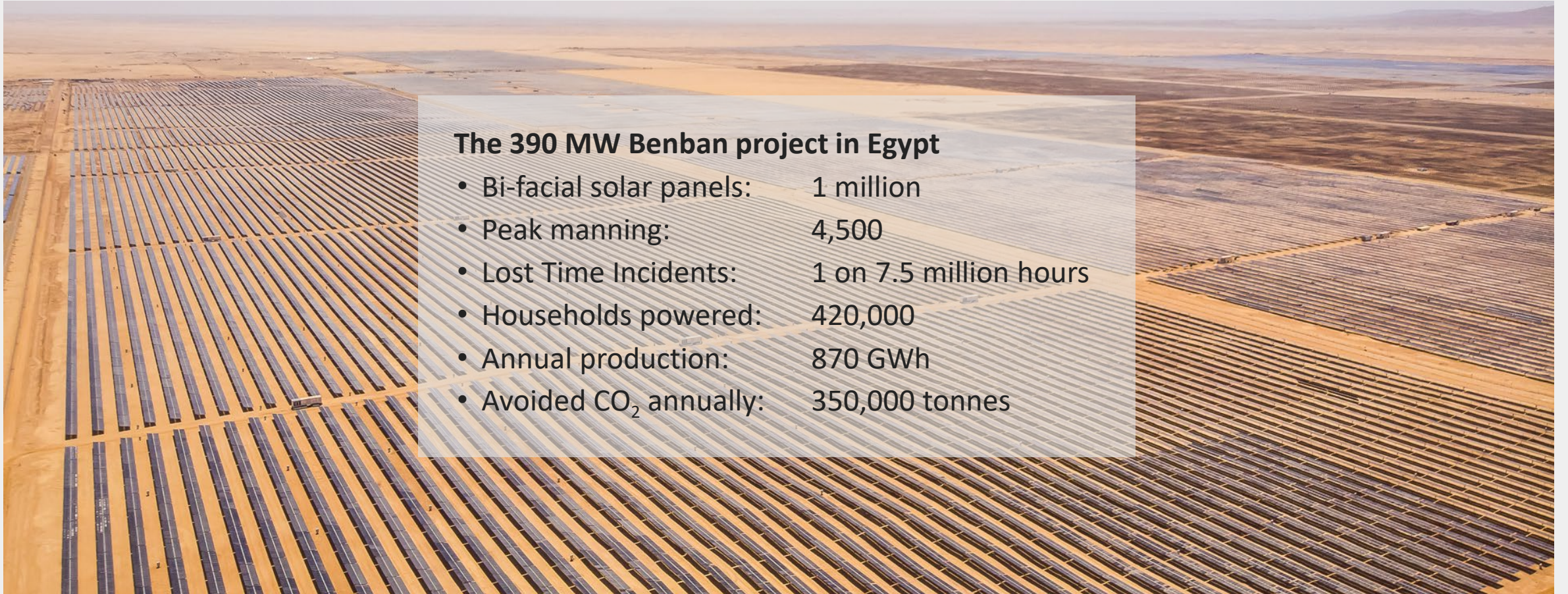
## Solid financial results and increased growth target to 4.5 GW

- Power production of 295 GWh and EBITDA of NOK 296 million, up 133% year on year
- D&C revenues of NOK 1,121 million and EBITDA of NOK 133 million
- 217 MW reached commercial operation in Egypt, Ukraine and Mozambique
- Growth target raised from 3.5 GW to 4.5 GW by end 2021
- Successfully raised equity of gross NOK 1,320 million to fund further growth

Power production by country (GWh)



# Scatec Solar's largest project completed in 16 months



## The 390 MW Benban project in Egypt

- Bi-facial solar panels: 1 million
- Peak manning: 4,500
- Lost Time Incidents: 1 on 7.5 million hours
- Households powered: 420,000
- Annual production: 870 GWh
- Avoided CO<sub>2</sub> annually: 350,000 tonnes

# A robust asset portfolio of 1.2 GW in operation

**Egypt, 390 MW**



**Malaysia, 197 MW**



**South Africa, 190 MW**



**Brazil, 162 MW**



**Honduras, 95 MW**



**Ukraine, 47 MW**



**Jordan, 43 MW**



**Mozambique, 40 MW**



**Czech, 20 MW**



**Rwanda, 9 MW**



# 711 MW under construction on four continents

**Ukraine,  
289 MW**



**South Africa,  
258 MW**



**Argentina,  
117 MW**



**Malaysia,  
47 MW**



# Financial review

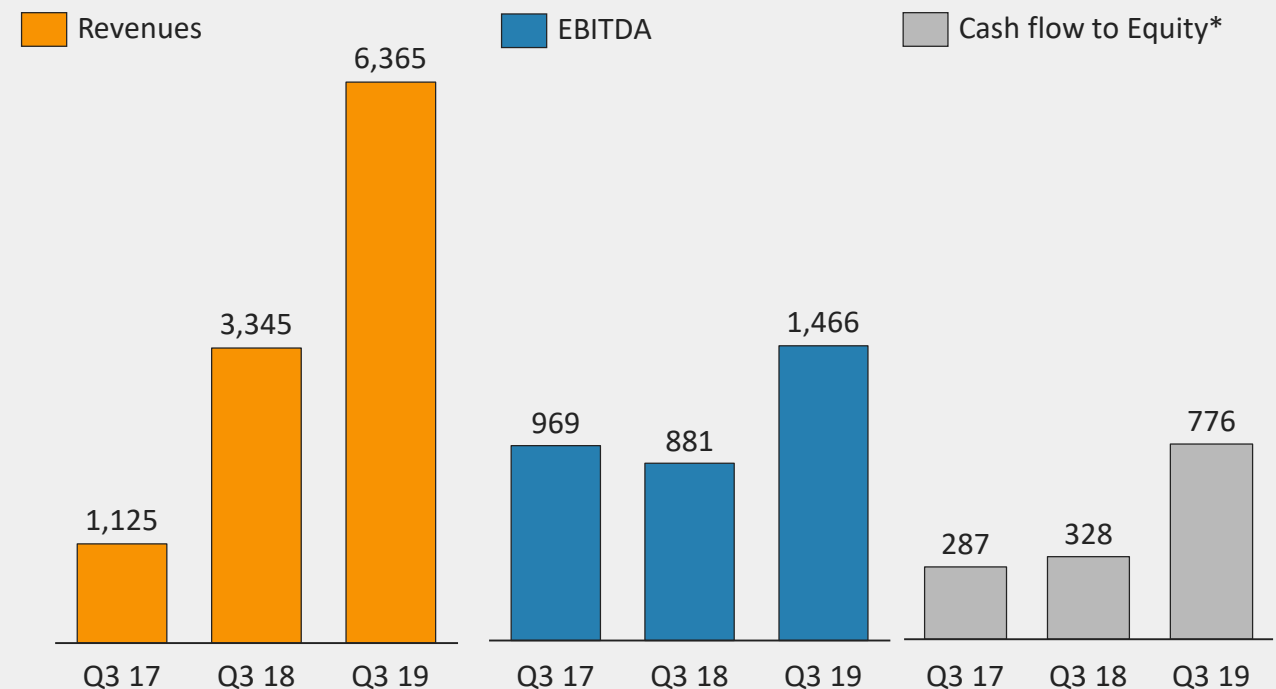
Mikkel Tørud, CFO



# Solid financial results – growth and predictable long term cash flows

- Continued EBITDA growth with increased power production and stable D&C business
- Power production set to increase further with grid connection of new plants
- Current asset base of 1.9 GW with a contract value of NOK 60 billion
- 20 year stable cash flows from a diversified asset portfolio

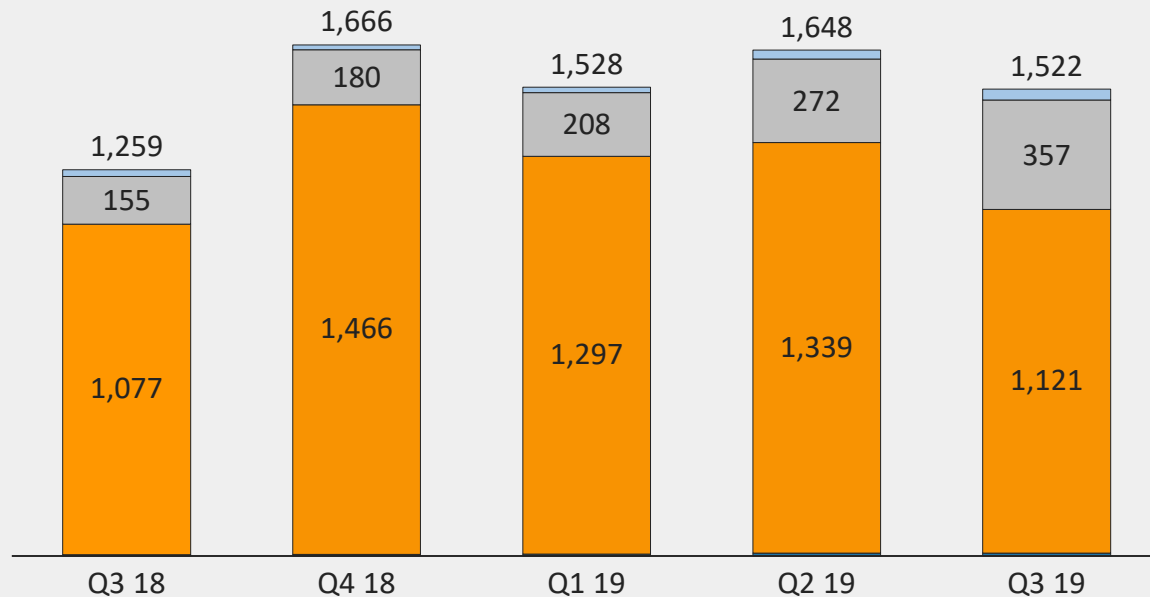
Proportionate financials - last 12 months (NOK million)



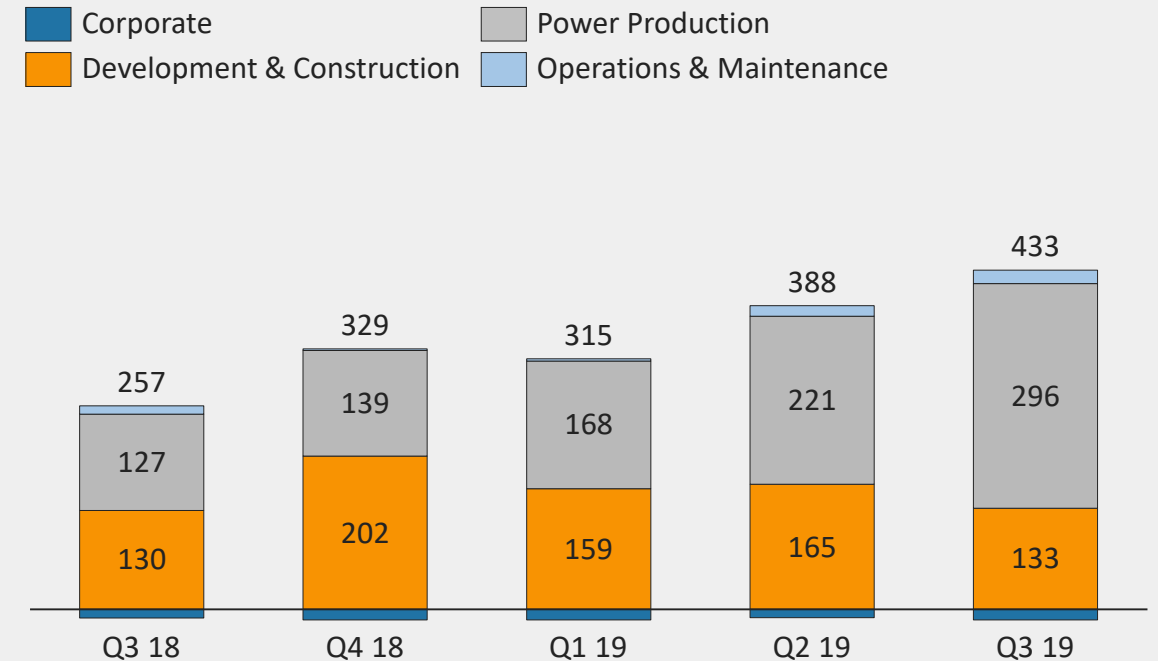
Q3'19:

# Record results – EBITDA up 68% year on year

### Proportionate revenues by segment (NOK million)

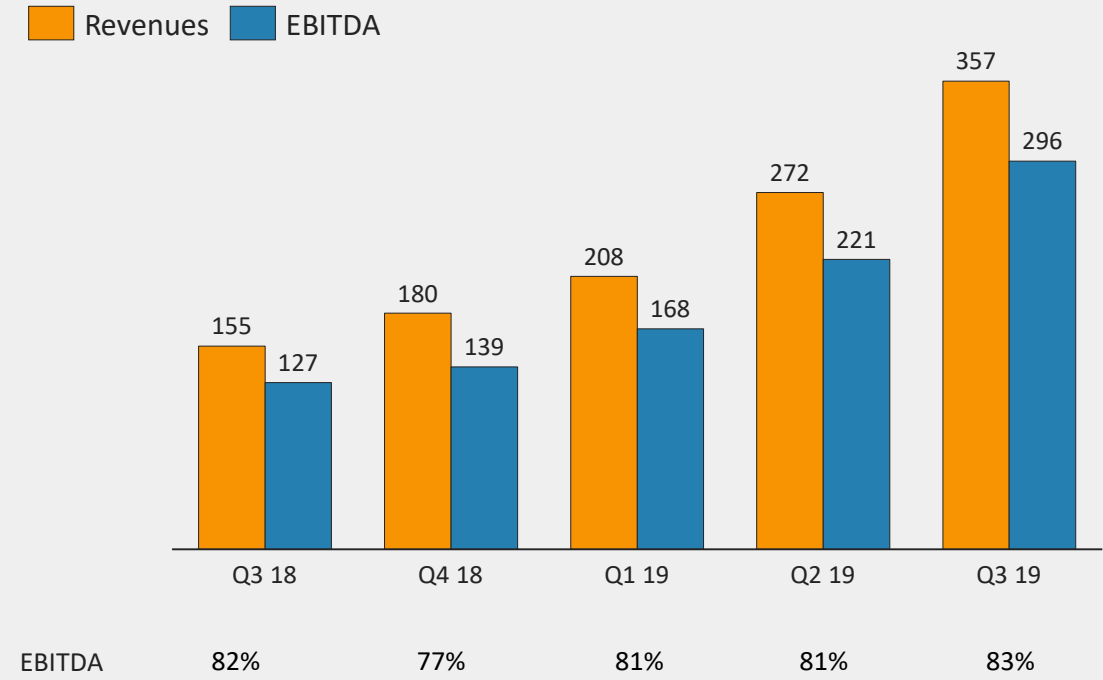


### Proportionate EBITDA by segment (NOK million)

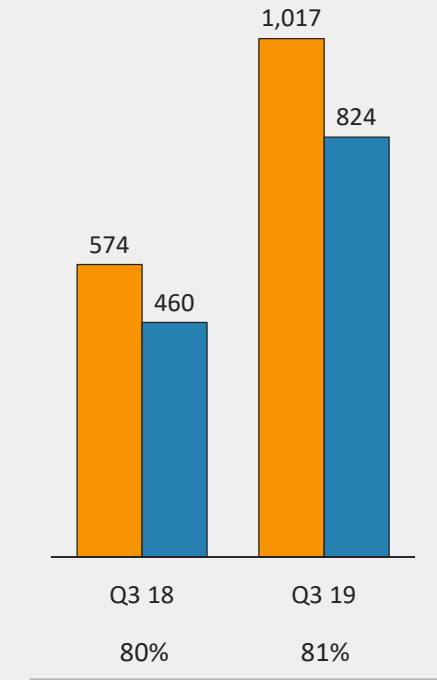


# Significant growth in power production over the last few quarters

Quarterly (NOK million)



Last 12 months (NOK million)



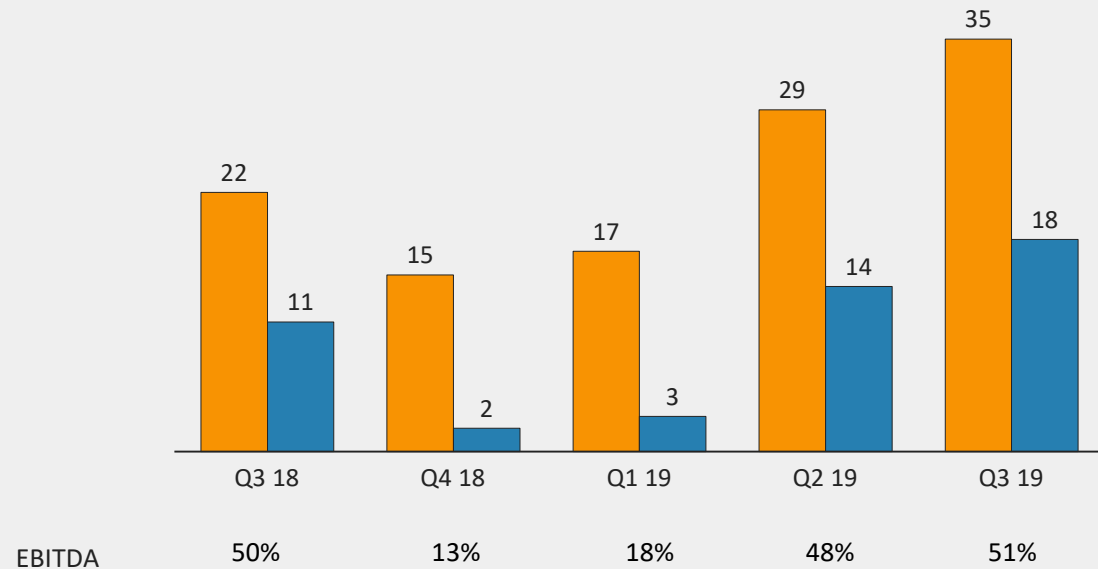
- 217 MW in Mozambique, Ukraine and Egypt in commercial operation in Q3'19

# Operation & Maintenance

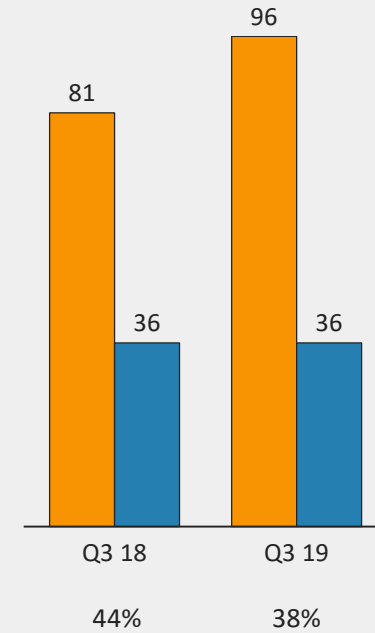
## Improved results as O&M portfolio grows

Quarterly (NOK million)

Revenues EBITDA



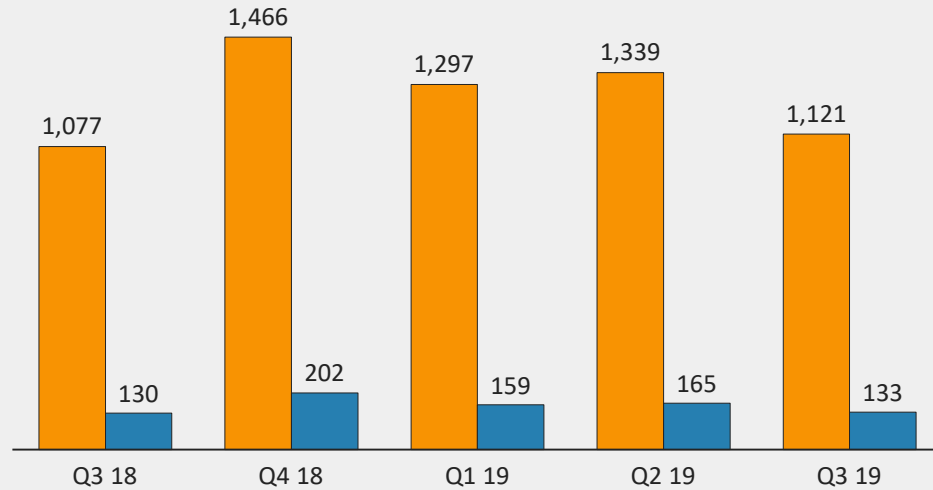
Last 12 months (NOK million)



# Development and construction activities at continued high levels

Quarterly (NOK million)

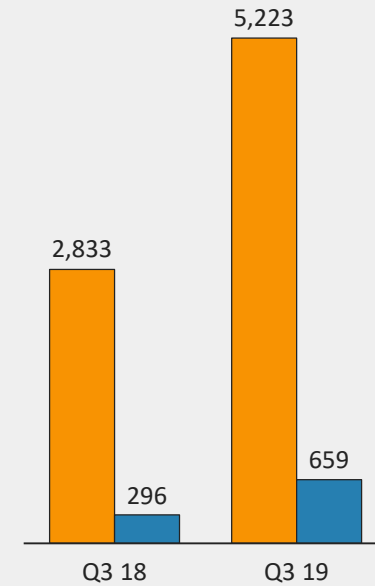
Revenues EBITDA



EBITDA	12%	14%	12%	12%	12%
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Gross margin	15%	16%	14%	14%	15%
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Last 12 months (NOK million)



	10%	13%
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	14%	15%
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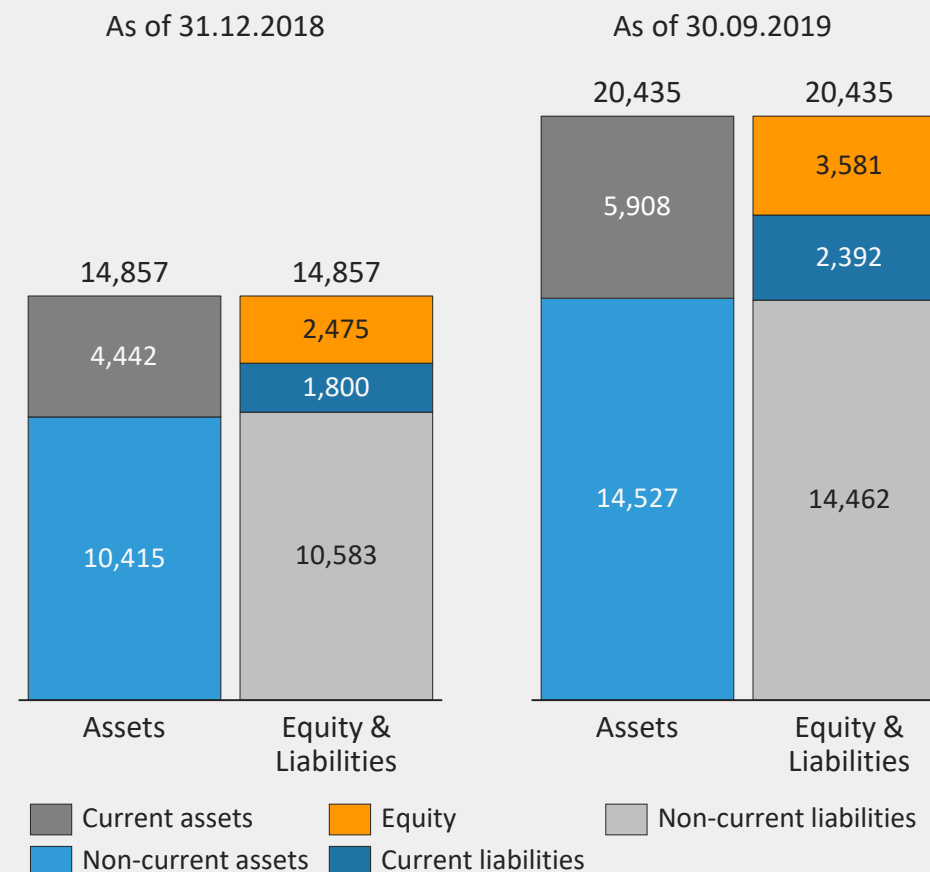
- New projects added to pipeline and transferred to backlog

# Financial position further strengthened through equity capital raise

- Group free cash of NOK 1,518 million
- Successfully raised equity of gross NOK 1,320 million to fund further growth
- Undrawn Revolving Credit Facility at USD 90 million
- Group\* book equity strengthened to NOK 4,920 million – equity ratio of 87%

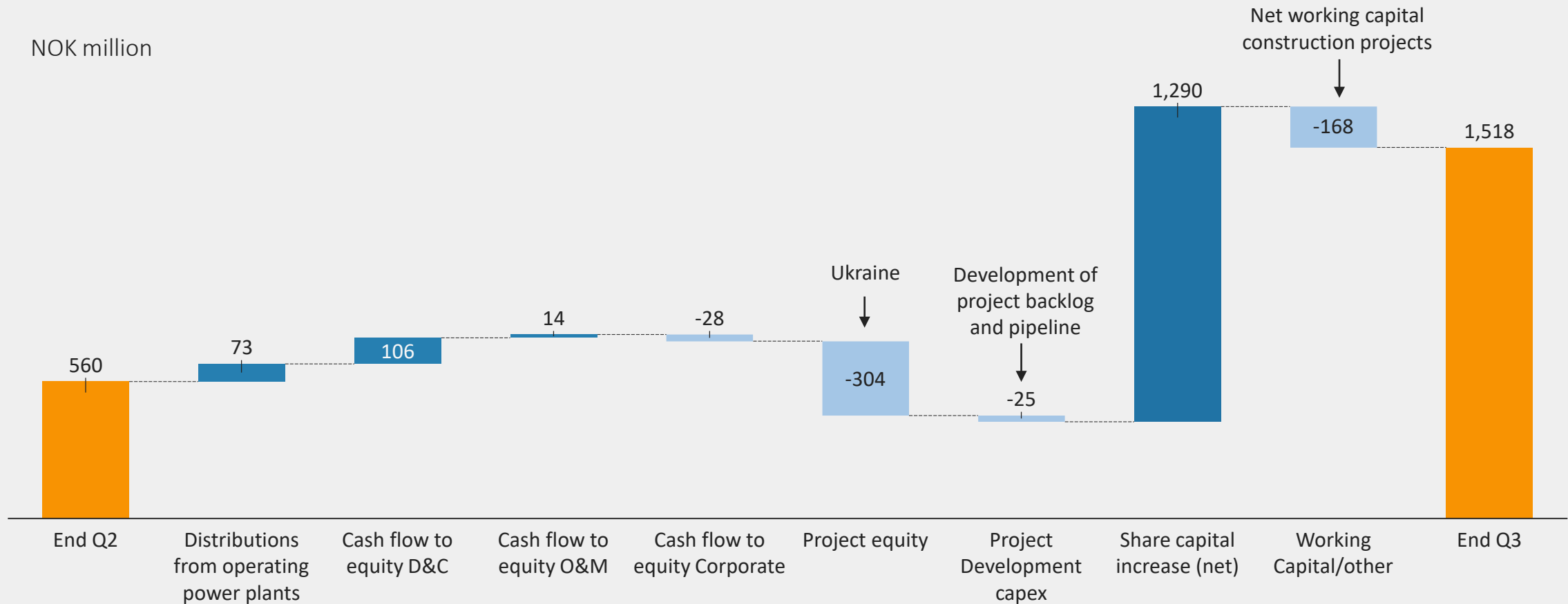
NOK million	Consolidated	SSO prop. Share	Group level*
Cash	3,455	1,867	1,518
Interest bearing liabilities*	-13,133	-7,958	-745
Net debt	-9,678	-6,091	773

## Consolidated financial position (NOK million)



# Q3'19 movement of free cash at group level

NOK million



# Short term guidance

- 2019 O&M revenues of NOK 110-115 million with an EBITDA margin of around 35% (up from 30%)
- D&C value for 776 MW under construction: NOK 3.9 billion
  - Remaining NOK 1.9 billion value to be recognised
- Power production from plants in operation end Q3:

GWh	Q3'19	Q4'19e	2019e
Proportionate	295	295 - 310	920 - 935
100% basis	517	530 - 560	1,650 – 1,680



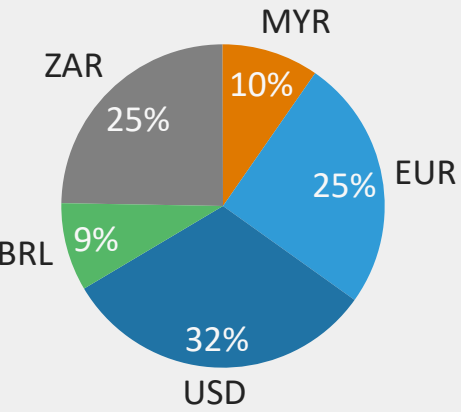


# A well diversified portfolio with a PPA contract value of more than NOK 60 billion

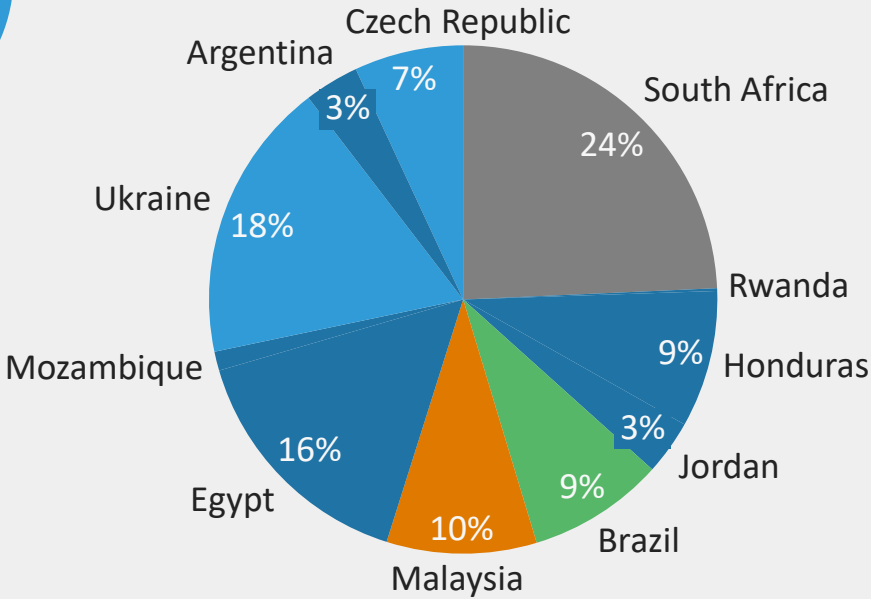
**1.9 GW**

in operation & under construction

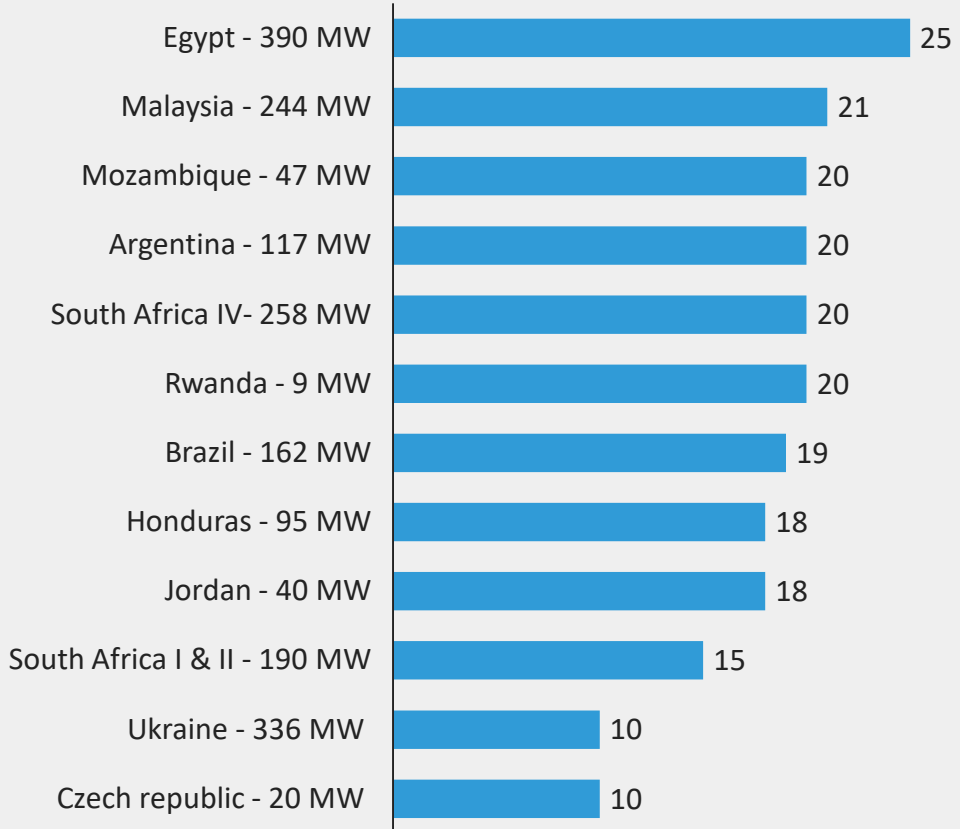
Portfolio currency split\*:



Portfolio country split\*:



20 years average remaining PPA tenor:



\*Based on expected cash flow to equity

# Outlook and summary

Raymond Carlsen, CEO

# Solar & wind expected to provide 50% of all power globally by 2050

## The global power sector towards 2050:

**62%**

Increase in global electricity demand

**12,000 GW**

New power generation capacity



**77%**

Of new demand to be covered by renewables

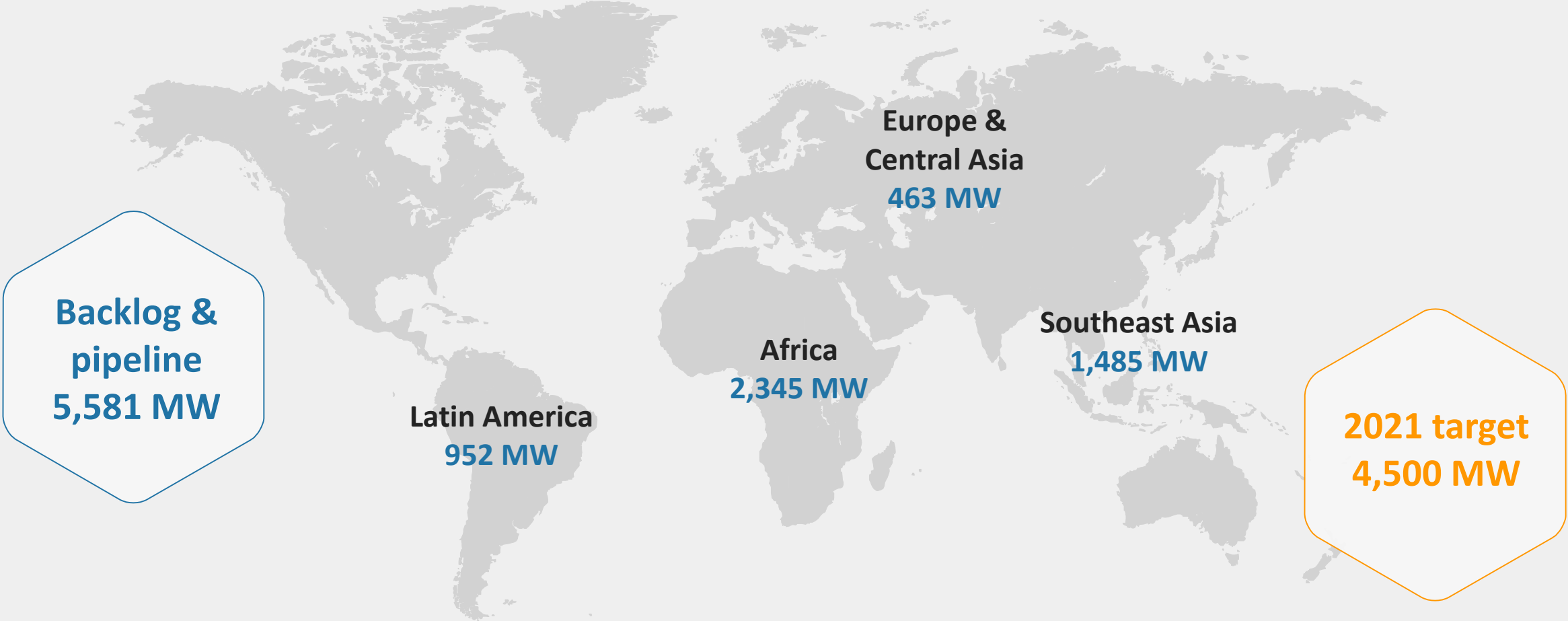
**98%**

Demand growth in non-OECD-countries

Solar from **2%** to **22%**  
market share in power

Fossil from **64%** to **20%**  
market share in power

# A solid backlog & pipeline is supporting our ambition to accelerate growth



# We are further expanding our market segments & product offerings

## Utility scale solar



- PPAs with state owned utilities
- Non-recourse project finance

## Corporate & Industrial



- Large industrial customers
- Long-term PPAs with fixed prices

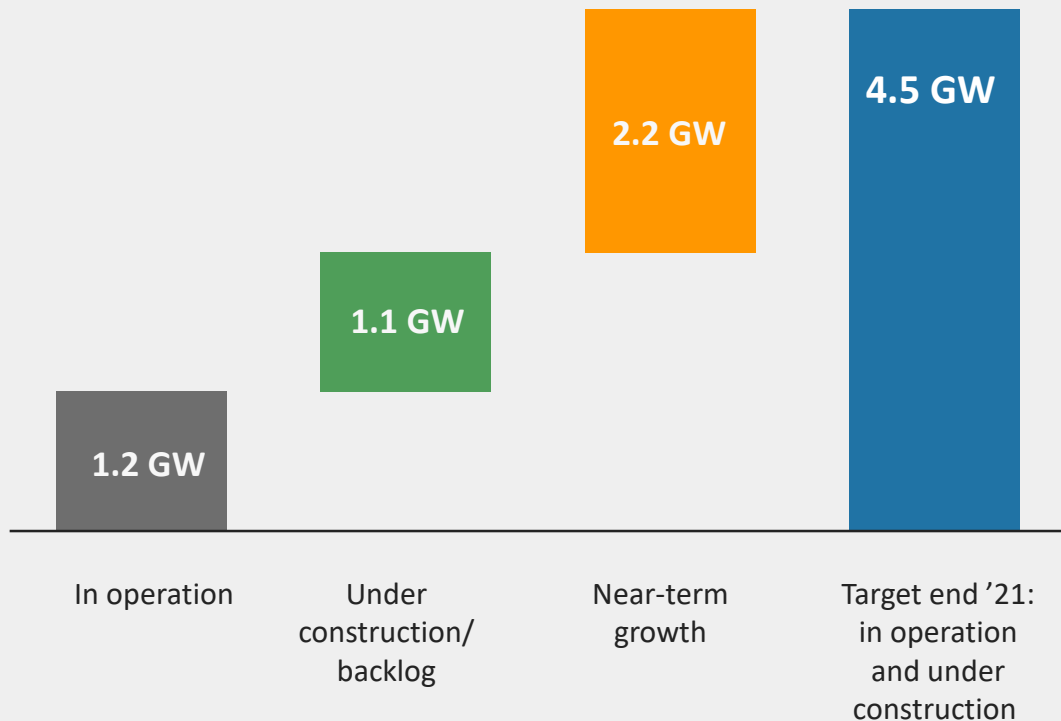
## Release – Redeployable solar



- Hybrids with storage and gensets
- Off-grid or on-grid solutions

# A clear strategic direction: Expanding our platform for increased growth

## Target installed capacity



## Financial and operational targets

Targeting **4.5 GW** by end 2021

Adding **1.5+ GW** per year from 2022



- Development & Construction gross margin; 12-14%
- Avg. Equity IRR on investments; 12-14%
- Grow Release to 300 - 500 MW per year from 2022 and onwards
- Further develop organization to support growth and new market segments
- Continued strong focus on ESG throughout the project life



Thank you!





# Scatec Solar

Improving our future™