Press release
Financial information for the first half of 2017
25 September 2017

2017 interim results
Confirmed revenue growth
Investments in the relaunch of services
Confirmation of 2019 ambitions

- Strong revenue growth (+74.6%) thanks to energy sales (+36.5% -organic growth) and services (x5.2 -external growth)
- Slight growth in EBITDA (+5.4%) and decline in net profit with a still negative contribution of the services activity acquired in August 2016, in commercial relaunch phase
- Acceleration in energy sales expected in the second half of 2017
- Confirmed ambitions for 2019

Voltalia (Euronext Paris, ISIN code: FR0011995588), international player in renewable energies, today announces its 2017 interim results.

"The first half year results reflect the recent developments at Voltalia: on the one hand continued organic growth in energy sales, and on the other hand, the services activity which is being relaunched and not yet profitable overall. However, with this new activity and new countries, Voltalia is in a position to seize opportunities in a changing market with the rapid emergence of competitive renewable energies. In the short term, we anticipate an acceleration in energy sales in the second half year, driven by the excellent performance of the power plants in July and August", declared Sébastien Clerc, Chief Executive Officer of Voltalia.

Key figures for the first half of 2017

In € million	Energy sales	Development, construction and procurement	Operation-maintenance	Eliminations* and corporate	30/06/2017	30/06/2016[1]
Revenues	60.4	13.3	10.5	(6.1)	78.1[2]	44.7
EBITDA	35.4	(2.7)	1.0	(8.3)	25.3	24.0
EBITDA margin	*58.6%*	*-20.1%*	*9.1%*	*n/a*	*32.4%*	*53.7%*
Net profit (loss) (Group share)					(6.8)	3.0

*Eliminations: services provided by the services business lines for owned power plants and projects are eliminated on financial consolidation.

[1] Voltalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

[2] Revenues at 30/06/2017 revised slightly upwards compared to the communication dated 19 July 2017.

Revenues and EBITDA

Energy sales

In € million	30/06/2017	30/06/2016[3]	*Change*
Revenues	60.4	44.3	+36.5%
EBITDA	35.4	27.6	+28.4%
EBITDA margin	*58.6%*	*62.2%*	

The increase in energy sales (+36.5% compared to the first half of 2016) is mainly due to revenues from the new power plants commissioned in Brazil since 30 June 2016: the wind farms of Vila Para (99 MW) and Vila Acre (27 MW). The activity recorded a profitable growth with an increase of 28.4% in EBITDA, with the slight decline in margins in the first half attributable to non-recurring events, notably operating incidents at the Mana hydropower plant in French Guiana.

Services

The contribution of the services activity grew 5.2 times compared to the first half of 2016 to reach revenues of €23.8 million. EBITDA stood at €(1.7) million during the period, with contrasting performances between development, construction and equipment procurement on the one hand and operation-maintenance activities on the other hand.

Development, construction and procurement

In € million Revenues before inter-activity eliminations	30/06/2017	30/06/2016[3]	*Change*
Revenues	13.3	2.8	x4.8
EBITDA	(2.7)	(0.6)	n/a
EBITDA margin	*-20.1%*	*-22.3%*	

The development, construction and procurement activity benefited from the construction contract signed in Tanzania and equipment procurement contracts in Italy. Furthermore, the first synergies were realised with the mobilisation of the Martifer Solar teams for designing and constructing Voltalia's first solar power plant in Brazil, at the isolated site of Oiapoque (4 MW). However, business volume is insufficient at this stage to cover fixed costs, within the context of the commercial relaunch. The negative EBITDA therefore reflects the time lag between the team strengthening programme, initiated at the end of 2016 and which is still underway, and the revenues that will be generated by these additional resources.

[3] Voltalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

The activity-wise data for 2016 is unaudited.

Operation-maintenance

In € million Revenues before inter-activity eliminations	30/06/2017	30/06/2016[3]	*Change*
Revenues	10.5	1.8	x5.9
EBITDA	1.0	0.4	x2.2
EBITDA margin	*9.1%*	*24.6%*	

Apart from the continuation of historical operation and maintenance contracts in Europe, Voltalia recorded the first revenues from the new contracts signed in Japan (50.7 MW) and in Jordan (57 MW). The business recorded a decline in the EBITDA margin during the period, since the first half of 2016 did not offer a relevant basis of comparison due to the change in scope.

Eliminations[4] and corporate

In € million	30/06/2017	30/06/2016[5]
Revenues	(6.1)	(4.1)
EBITDA	(8.3)	(3.3)

Since the acquisition of Martifer Solar, Voltalia now manages certain services internally that were previously outsourced. The growth in elimination of revenues reflects this new strategy.

EBITDA is affected by the increase in costs, corresponding mainly to the structuring costs incurred to support the Group's continued growth in the short and medium term.

Other items from the profit and loss statement

In € million	30/06/2017	30/06/2016	*Change*
EBITDA	**25.3**	**24.0**	**+5.4%**
EBITDA margin	32.4%	53.7%	-213 bps
Depreciation, amortisation and provisions	(11.1)	(6.9)	n/a
Exceptional income and charges	(0.6)	-	n/a
Operating profit (EBIT)	**13.6**	**17.1**	**-20.5%**
Financial result	(19.2)	(11.4)	n/a
Taxes and net income of equity affiliates	(1.6)	(2.0)	n/a
Minority interests	0.4	(0.7)	n/a
Net profit (Group share)	**(6.8)**	**3.0**	n/a

[4] Eliminations: services provided by the services business lines for owned power plants and projects are eliminated on financial consolidation.

[5] Voltalia recalls that following the acquisition of Martifer Solar in Q3 2016, the latter was consolidated within the consolidated accounts from 1 August 2016.

The activity-wise data for 2016 is unaudited.

Depreciation, amortisation and provisions represent €(11.1) million, up compared to the first half of 2016, in line with the commissioning of the new power plants. Expressed in percentage of revenues, they stood at 14.2%, down compared to 15.5% in the first half of 2016, due to the less capital intensive services activities.

Voltalia recorded a financial result of €(19.2) million, lower compared to the first half of 2016. Borrowing cost was up following the commissioning of the Vila Para power plant in Brazil, prior to the implementation of long-term project financing under more competitive conditions.

The net result (Group share) stood at €(6.8) million for the period under review.

Perspectives

Update on the integration of Martifer Solar

In August 2017, the Group celebrated the first anniversary of its acquisition of Martifer Solar. As part of the integration, a number of projects were successfully completed, like the setting-up of a single organisation since October 2016, harmonisation of human resources policies, implementation of new common management control procedures, creation of a common engineering team and rationalisation of the subsidiaries. Finally, work concerning IT standardisation was undertaken.

At commercial level, all the teams are now combined under the brand Voltalia, officially presented during the international tradeshow *Intersolar* in Munich. In addition, in order to sustain and support the Group's strong growth, Voltalia intensified its recruitments from end 2016, in particular in the marketing area and, to a lesser extent in the support area, with the recruitment to new positions of about thirty employees in total.

The rapid integration of the two teams of Voltalia and Martifer Solar should make it possible to see growth in revenues from services and benefit from the synergies generated with the historic business of electricity production.

Recent successes in development and in operation-maintenance

After having won an electricity sale contract in French Guiana for a new biomass power plant project [6] (5.1 MW), on 30 June 2017, Voltalia announced the launch of the construction of three new solar power plants in Metropolitan France[7] for a total of 22.4 MW as well as the selection of two solar projects as part of the CRE IV[8] (8 MW) call for tender, one of them having been historically developed by Martifer Solar. In Japan, Voltalia sold a "ready-to-build" photovoltaic power plant project with a capacity of 2.2 MW, which was also historically developed by Martifer Solar, to a local client.

In early September, the teams signed contracts for the operation-maintenance of solar power plants for around 32 MW in Greece, thus taking the country's managed capacity to 81 MW (+65%).

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[6] See press release dated 21 April 2017.

[7] Canadel, Castellet II and Carrière des Plaines power plants. See press releases dated 7 July and 30 August 2017.

[8] See press release dated 1 August 2017.

Accelerated growth in revenues from energy sales expected in the second half of 2017

In the second half of 2017, Voltalia anticipates higher revenues from energy sales compared to the first half.

Firstly, revenues benefit from a seasonality effect, with a second half that is statistically[9] 12% higher on average than the first half.

Furthermore, the performance of the power plants in July and August was excellent (+28% of production in July and August compared to the average monthly production of the first half of the year[10]).

Finally, electricity production in the second half will be sold at generally higher prices in Brazil:

- excess production is sold at high spot prices; and
- Voltalia won a call for tender allowing to interrupt[11] certain contracts (153 MW) in the second half of the year: the energy produced is then sold within private contracts at fixed prices that are significantly higher than in the long-term contracts, which will resume at the end of the interruption.

Confirmed ambitions for 2019

In order to ensure its future growth, Voltalia has continued to add development projects to its portfolio: as of 30 June 2017, it amounts to 2.8 GW, a slight increase since 31 December 2016.

In addition to these projects, Voltalia anticipates first successes in the development of projects in new geographical areas, particularly on the African continent.

Thus, Voltalia confirmed its 2019 targets presented in September 2016:

- To cross the threshold of 1 GW in owned installed capacity by 2019;
- To triple its operated capacity to reach 3 GW in operation, including 2 GW for third parties, by the end of 2019;
- To reach consolidated 2019 EBITDA of €180 million.

[9] Change calculated on the basis of the assets under production at 1 January 2017 and at the current exchange rate.

[10] Change calculated on the basis of the assets under production at 1 January 2017.

[11] Calls for applications carried out in March and July 2017 for the temporary suspension of long-term electricity sale contracts.

Detailed data

This press release provides information on the consolidated results, produced according to IFRS that were subject to a limited review by the Statutory Auditors, then examined by the Voltalia Audit Committee, and approved by the Board of Directors.

Detailed comprehensive profit and loss statement at 30 June 2017

In € million IFRS – non audited data	30/06/2017	30/06/2016	*Change*
Revenues	**78.1**	**44.7**	***+74.6%***
Operating expenses excluding depreciation, amortisation and provisions	(52.8)	(20.7)	n/a
EBITDA	**25.3**	**24.0**	**+5.4%**
EBITDA margin	32.4%	53.7%	-213 bps
Depreciation, amortisation and provisions	(11.1)	(6.9)	n/a
Exceptional income and charges	(0.6)	-	n/a
Operating profit (EBIT)	**13.6**	**17.1**	**-20.5%**
Financial result	(19.2)	(11.4)	n/a
Taxes and net income of equity affiliates	(1.6)	(2.0)	n/a
Minority interests	0.4	(0.7)	n/a
Net profit (Group share)	**(6.8)**	**3.0**	n/a

Simplified balance sheet as at 30 June 2017

In € million IFRS – non-audited data	30/06/2017	31/12/2016
Equity, group share	324.8	349.8
Minority interests	65.2	74.9
Short-term financial debt	57.5	109.7
Long-term financial debt	349.9	322.4
Other current and non-current liabilities	105.0	110.1
Fixed assets	771.4	797.7
Current assets excluding cash	74.9	67.8
Available cash	56.1	101.4
Total balance sheet	**902.4**	**966.9**

Report on electricity production from 1 January 2017 to 30 June 2017

Total energy production by area and by energy in GWh	Wind power	Solar power	Biomass	Hydro	Hybrid	Total
Brazil	774.2	-	-	-	18.6	792.8
Metro. France	46.4	3.7	-	-	-	50.2
French Guiana	-	2.2	4.5	9.6	-	16.3
Greece	-	3.6	-	-	-	3.6
United Kingdom	-	3.7	-	-	-	3.7
Portugal	-	0.7	-	-	-	0.7
Total	820.6	13.9	4.5	9.6	18.6	867.2

The full interim financial report for the first six months of 2017 will be published and submitted to the French Financial Markets Authority (AMF) in the next few days. It will be available on the company website (www.voltalia.com).

The 2017 interim results will be available on the Company website (www.voltalia.com) on 26 September 2016 at 8.30 a.m.

Next on the agenda: Q3 2016 revenues on 18 October 2017 *(post trading)*.

About Voltalia (www.voltalia.com)

- *Voltalia is an international renewable energies company producing electricity from many sources (wind and solar power, hydropower and biomass, with an installed capacity of 501 MW). It also provides services to independent customers.*
- *Voltalia operates in 17 countries over 4 continents and is able to act worldwide on behalf of its customers.*
- *Voltalia has been listed on the Euronext regulated market in Paris since July 2014 (FR0011995588 – VLTSA) and entered the Enternext Tech 40 index in April 2017 and the CAC Mid&Small in September 2017.*

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