kinexia

# LUGANO SMALL & MID CAP INVESTOR DAY

IR TOP Investor Relations

**IV Edizione**

**Hotel Splendide Royal**

**20 settembre 2013**

## Energy and Environment: the Strength of a Group

**KINEXIA**

**COMPANY PRESENTATION**

**Lugano Small & Mid Cap Investor Day**

**Lugano, 20th September 2013**

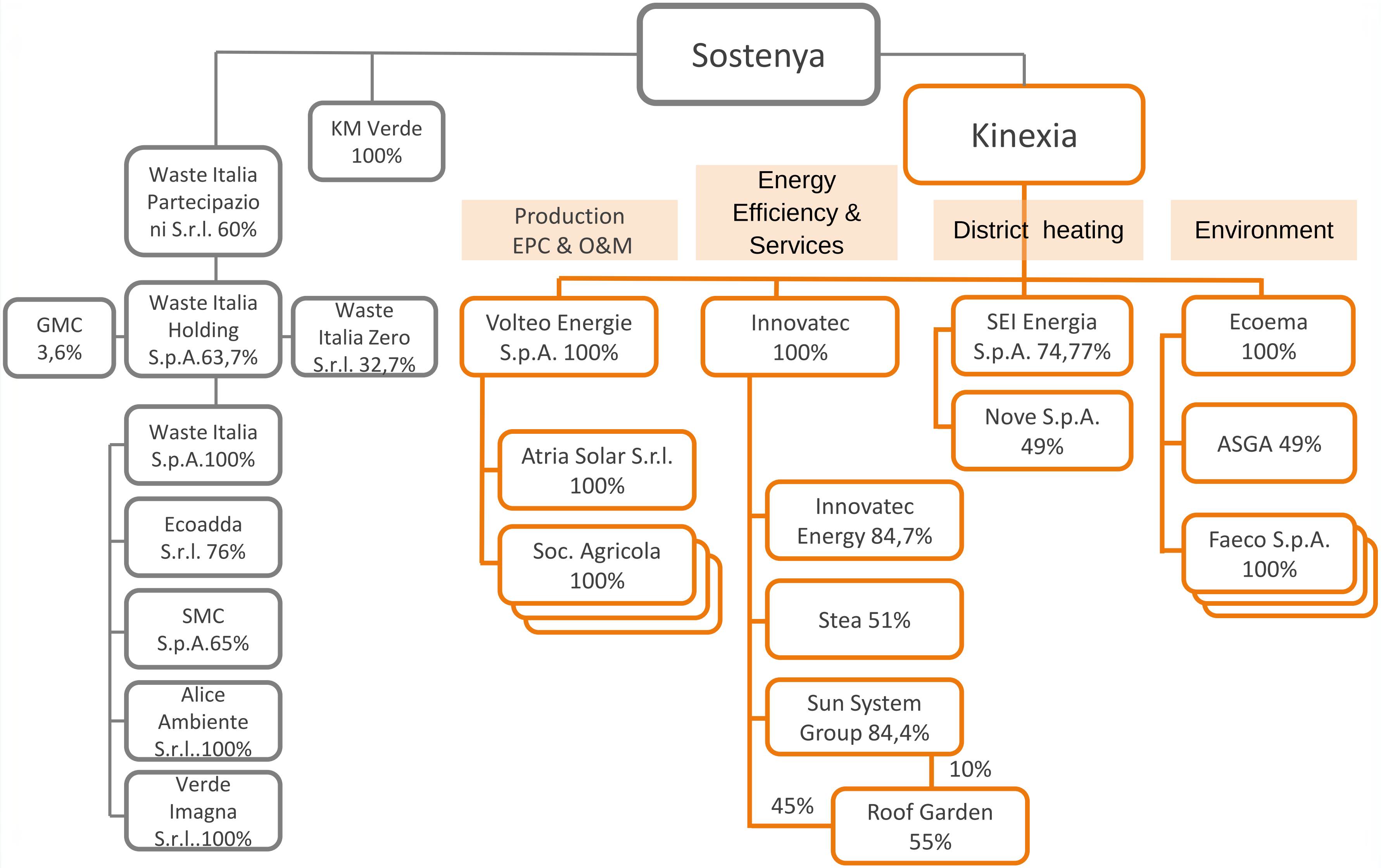
1. Overview

2. Core Business and Financials – Kinexia Group

3. Business Plan 2013-2015 – Kinexia Group

4. SMART Project

# OVERVIEW: COMPANY ORGANISATION



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## CORE BUSINESS: SOSTENYA GROUP
## A diversified Group in the Renewable Energy and Environmental Sectors

sostenya GROUP

**KINEXIA S.p.A.**

- RENEWABLE ENERGY
- ENVIRONMENT
- DISTRICT HEATING

**WASTE ITALIA S.p.A.**

- NON HAZARDOUS WASTE
- ENVIRONMENTAL SERVICES

**Strong expertise in the renewables and 30 years in waste and environmental businesses**

| 2012 KEY FIGURES (mn€) | 2012 |
|---|---|
| VALUE OF PRODUCTION | 145 |
| EBITDA | 41 |
| PRE - TAX RESULTS | 4* |

** Before goodwill amortisations and depreciations*

# KINEXIA GROUP: CORE BUSINESS

**KINEXIA S.p.A.**

| RENEWABLES | | | | ENVIRONMENT | DISTRICT HEATING |
|---|---|---|---|---|---|
| PRODUCTION | EPC and O&M | PV RETAIL | DEVELOPMENT – PV, WIND, BIOMASS, BIOENERGY | ECOEMA S.r.l.. | SEI ENERGIA S.p.A. |

**Achievements**

Kinexia is a holding company operating in the renewable energy and environmental sector.

Kinexia fosters the development of technological solutions integrating the production of energy from renewable sources and environmental services.

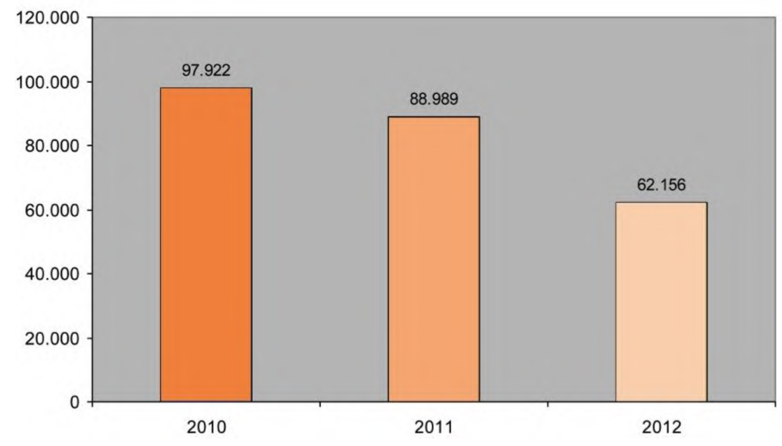
- 46Mw PV Plants Built and activated
- 6MW Operating BIOGAS Plants Energy production
- 19,4MWe and 100MWth Electrical and heat power installed capacity
- 7MW BIO-Energy Plants built and activated producing energy in 2013
- 2mn tons capacity “Fluff” landfill plant *(December 2012)*
- Acquisition of FAECO S.p.A. *(end 2012)* owner of a landfill with a capacity of 3,1mn tons
- *Smart Project* Innovatec Sunsystem Exalto Stea Group of Companies

# KINEXIA GROUP: 2012 FINANCIALS

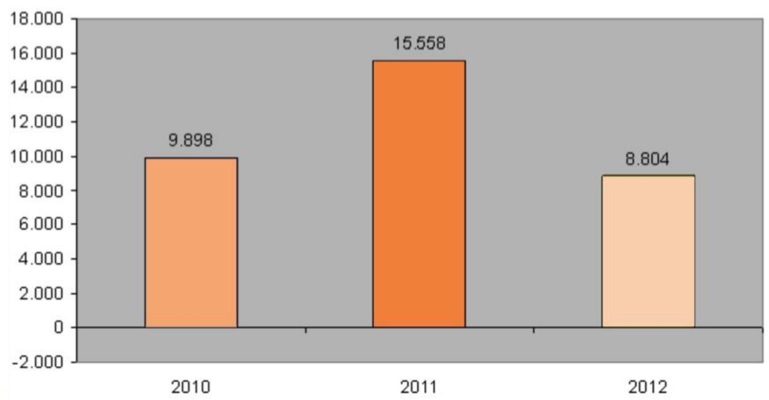
| | 2012 | 2011 | Change |
|---|---|---|---|
| Value of Production | 62.2 | 89.0 | *-30%* |
| EBITDA | 8.8 | 15.6 | *-43%* |
| **Net Profit** | 0.7 | (2.8) | *>100%.* |
| Net Financial Debt | (65.6) | (56.1) | *-17%* |
| Net Invested Capital | 120.6 | 112.7 | *7%* |

Decrease of renewable construction sector due to Italian regulation uncertainties in the period as well as the worsening of the general macroeconomic and credit conditions, partially offset by a continuous improvement of district heating business.
Net profit at €0.7mn benefits the sale of 15MWp PV plants to Antin.
Focus in the environmental sector as stated in the new BP 2013-2015: Kinexia acquired in December 2012 Faeco S.p.A. for €26.2mn (Car fluff and special waste landfill) of which €10.8mn payables in 2013-2017.
Debt increase mainly due to new built *in-house* 7MW biogas plants *project financing* and Faeco acquisition partially offset by the 'Antin deal' benefits.

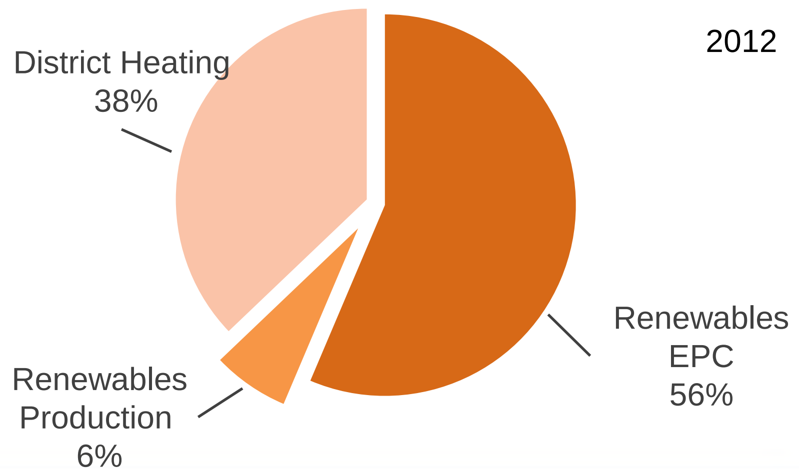
## VALUE OF PRODUCTION €




## EBITDA €




## VALUE OF PRODUCTION BREAKDOWN %



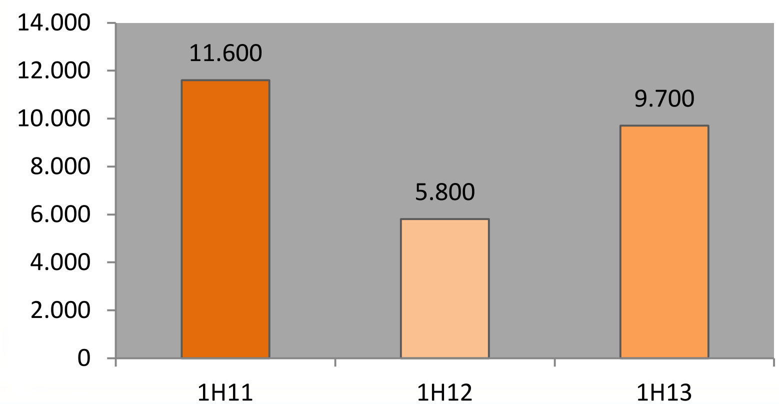
# KINEXIA GOURP: 1 HALF 2013 FINANCIALS

| | 1H13 | 1H12 | Change |
|---|---|---|---|
| Value of Production | 37.3 | 24.9 | *50%* |
| EBITDA | 9.7 | 5.8 | *67%* |
| **EBIT** | 4.8 | 3.4 | *39%.* |
| | **1H13** | **2012** | **Change** |
| Net Financial Debt | (95.4) | (65.6) | *46%* |
| Net Invested Capital | 152.7 | 120.6 | *27%* |

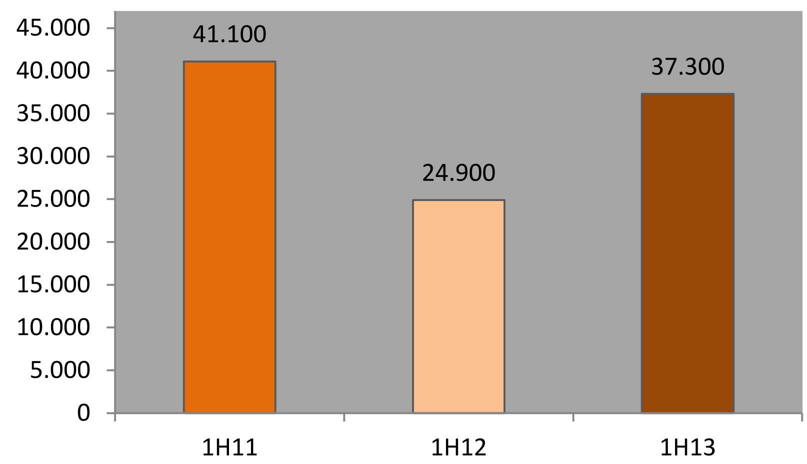
50% increase of Value of Production, 67% increase in EBITDA and EBIT up to 37% due to the benefit from new Environment business in conjunction with the strategic repositioning operated by Kinexia to other renewable sources, compared to photovoltaics, such as agriculture and biogas from landfills, as well as the ongoing consolidation of the positive results generated by the district heating sector. Even the EBITDA margin is increasing and stands at 26% compared to 23% in the same period of last year.

Net debt at 30 June 2013 increased as well as Net Capital Invested mainly following the investments attributable to the seven plants of bioenergy fully funded through project financing by financial institutions

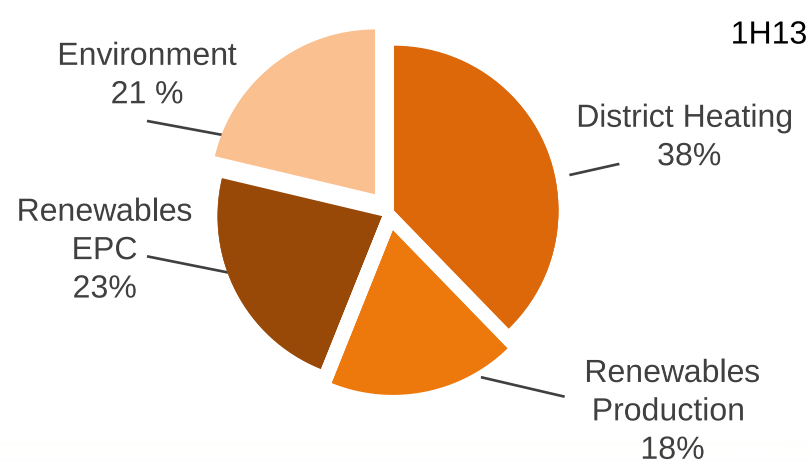
## EBITDA €




## VALUE OF PRODUCTION €




## VALUE OF PRODUCTION BREAKDOWN %



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## Confirmation of current Kinexia businesses

- Agro-energy
- District heating
- Wind / Small wind energy
- Energy efficiency
- Photovoltaic in building integration

## Focus on environment

- Production of energy from anaerobic digestion of waste
- Valorization of energy from non-conventional fuels
- Plants for disposal and treatment of asbestos also deriving form PV installations
- Material recovery

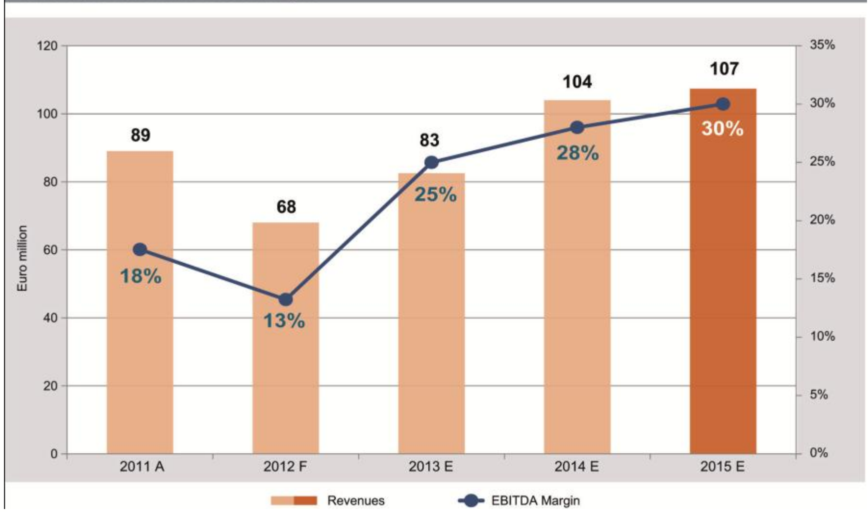
## Internationalization

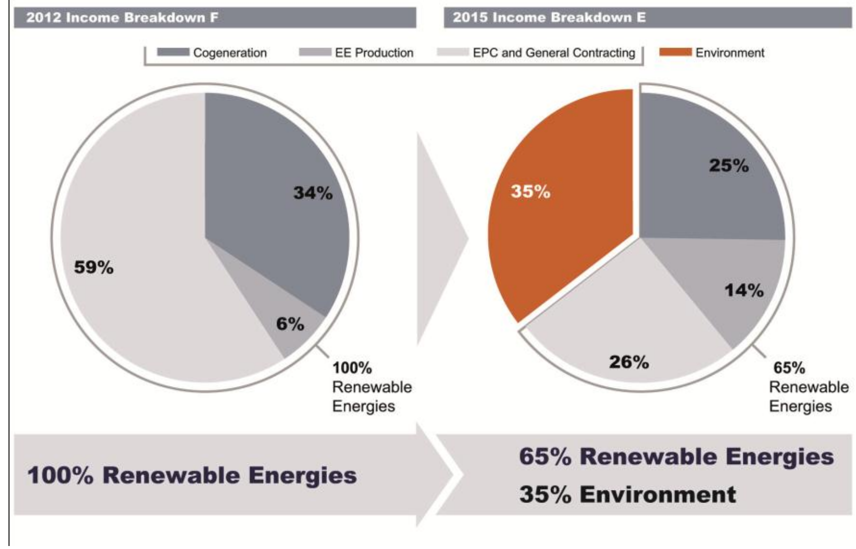
- Development of the business throughout Middle & Far East and EMEA
- Strategic Joint Venture for realizing integrated solutions both in the energy and in the environmental field

**Kinexia fosters the development of technological solutions integrating the production of energy from renewable sources and the environmental services.**

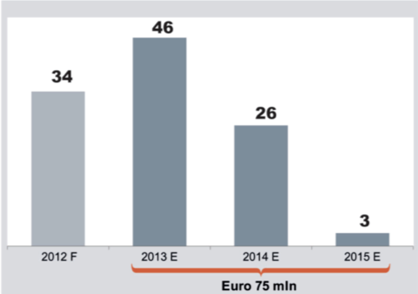
# KINEXIA GROUP: BUSINESS PLAN 2013-2015 - NUMBERS

**Value of production and income margins**



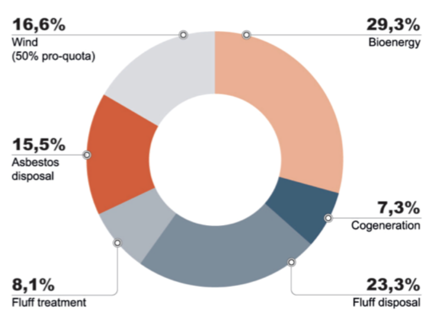




**2012-2015 Capital expenditure (apx €109 mln*)**

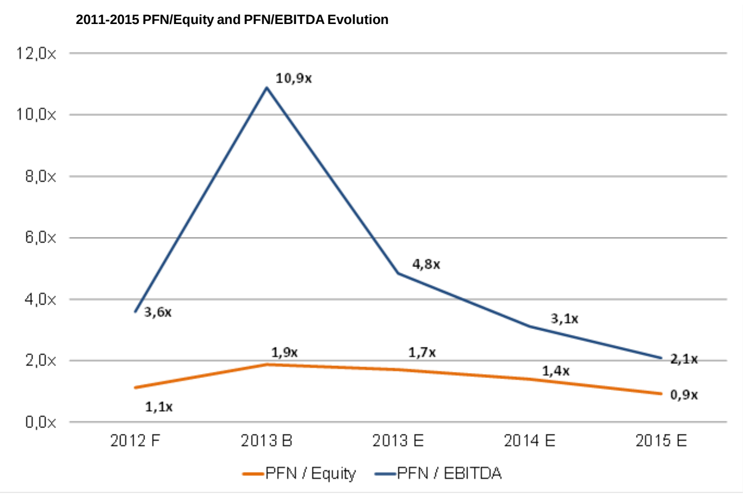



*Included Cirò wind plant capex (pro-quota 50%)

**Capex breakdown (apx 109 mln*)**




- € 75 million of investments planned during the business plan period (about € 109 million including 2012)
- Investments planned: apx 60% in 2013
- Investments in the renewable energies sector equal to apx 53% of the total investements during the period 2012-2015 (vs apx 47% of investements in the enviromental sector)
- Target 2015: PFN/EBTDA~ 2,2x
- Target 2015: D/E ~ 1,1x



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| sun system – energia fresca | INNOVATEC – Energy Performance Technology | stea – rinnova l'energia | ROOFGARDEN |
|---|---|---|---|
| Efficienza energetica, building automation, renewable systems | Operations & maintenance, asset management | Efficienza Energetica, renewable systems | Efficienza Energetica, renewable systems |
| Soluzioni per l'efficienza energetica, progettazione e istallazione di impianti telecontrollo, manutenzione e altri servizi post-vendita. | Studio, progettazione, esecuzione e manutenzione di soluzioni tecnologiche innovative per la domotica e l' efficienza energetica. | Servizi di ingegneria, di commercializzazione e di installazione di sistemi solari fotovoltaici, solari termici, pompe di calore, pavimenti radianti e domotica. | Fornitore unico di impianti fotovoltaici e servizi per la rete in franchising di Eni (Energy Store Eni) attiva nella commercializzazione di impianti, soluzioni e strumenti anche tramite piattaforme web per la gestione dei processi, monitoraggio e controllo, volti alla produzione di energia da fonti rinnovabili ad uso domestico |
| 84,7% | 71% | 51% | 57%* |

conferimento

# PROGETTO SMART

tecnologia, prodotti e servizi di Smart Grid, Smart City e Smart Home per la clientela corporate e retail, tecnologie e attività di ricerca e sviluppo nell'ambito della generazione distribuita, dell'efficienza energetica e dello storage di energia

* Incl. la partecipazione del 10% di Sun System in Roof Garden S.r.l.

Energia Rinnovabile

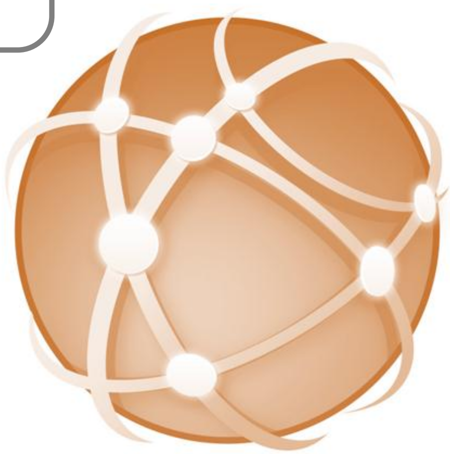
Comunicazione Internet

Internet of things

Rete info energetica

Comunicazione tra i vari player come produttore e consumatore di energia, connessione informatica tra i vari «devices», uso intelligente delle informazioni disponibili in internet come previsioni del tempo o il valore dell'energia dalle Borse energetiche, trading di energia tra produttori classici (centrali) e produttori retail,

"Today, Internet communication technology is converging with renewable energies, giving rise to a Third Industrial Revolution. The creation of a renewable energy regime, loaded by buildings, distributed via an energy internet—a smart intergrid—and connected to plug in zero emission transport, opens the door to a Third Industrial Revolution. The entire system is interactive, integrated and seamless. This interconnectedness is creating whole new opportunities for cross-industry relationships. The Third Industrial Revolution brings with it a new era of "distributed capitalism" in which millions of existing and new businesses and homeowners become energy players. In the process, it will create millions of green jobs, jump start a new technology revolution, and dramatically increase productivity, as well as mitigate climate change" Jeremy Rifkin, **The Third Industrial Revolution**, 2011



# SMART PROJECT: REX

REX

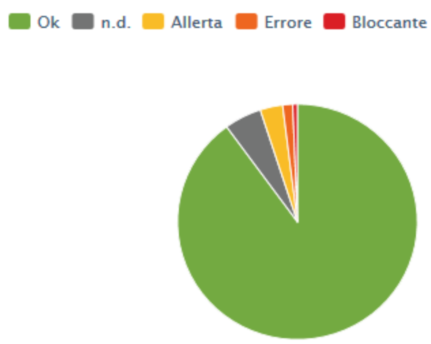
Cerca tra gli impianti

davide.scarantino@sunsystem.it | logout

## 1115 Impianti Potenza Totale 38.89 MWp maggiori dettagli

| Nome | kWp | Stato | Com |
|---|---|---|---|
| Alescio Giovanni 2 | 2.45 | | |
| Morini Elena | 2.45 | | |
| Neagu Florin | 2.45 | | |
| Martis Paolo | 2.45 | | |
| Sangiovanni Carlo | 2.45 | | |
| VGS_063 Palazzolo | 2.45 | | |
| Monaco Consiglia | 2.46 | | |
| Cuccu Lidia | 2.47 | | |
| Guercio Francesca | 2.60 | | |
| Ragni Paola | 2.66 | | |
| Olianas Maria Chiara | 2.70 | | |
| Di Clemente Mirella | 2.70 | | |
| Taufer Ivo | 2.70 | | |

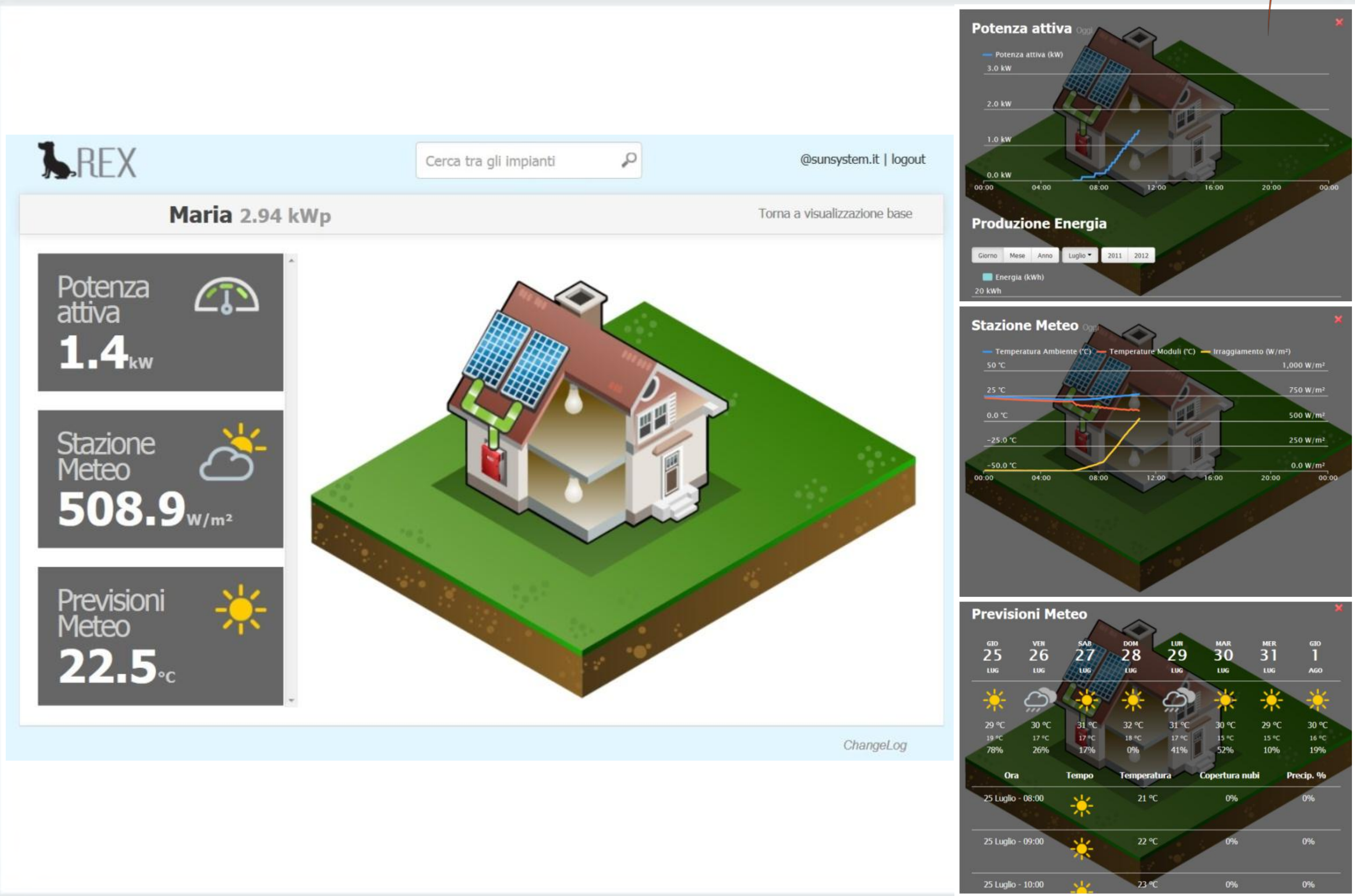

### Stato Impianti




### Statistiche

| | |
|---|---|
| Energia Oggi | 6766.7 GWh |
| Energia dal 01 Gennaio 2013 | 8024370 GWh |
| Energia Totale | 8024390.3 GWh |
| CO2 Risparmiata | 5215853692 tonn |

# SMART PROJECT: REX



# SMART PROJECT: FIRST MOVER - ASSETS IN HOUSE

kinexia

LA BUSINESS COMBINATION CREA UN SOGGETTO NUOVO AL QUALE LE SINGOLE ENTITA' APPORTANO KNOW-HOW E FORZA COMMERCIALE COMPLEMENTARI

Assets in house

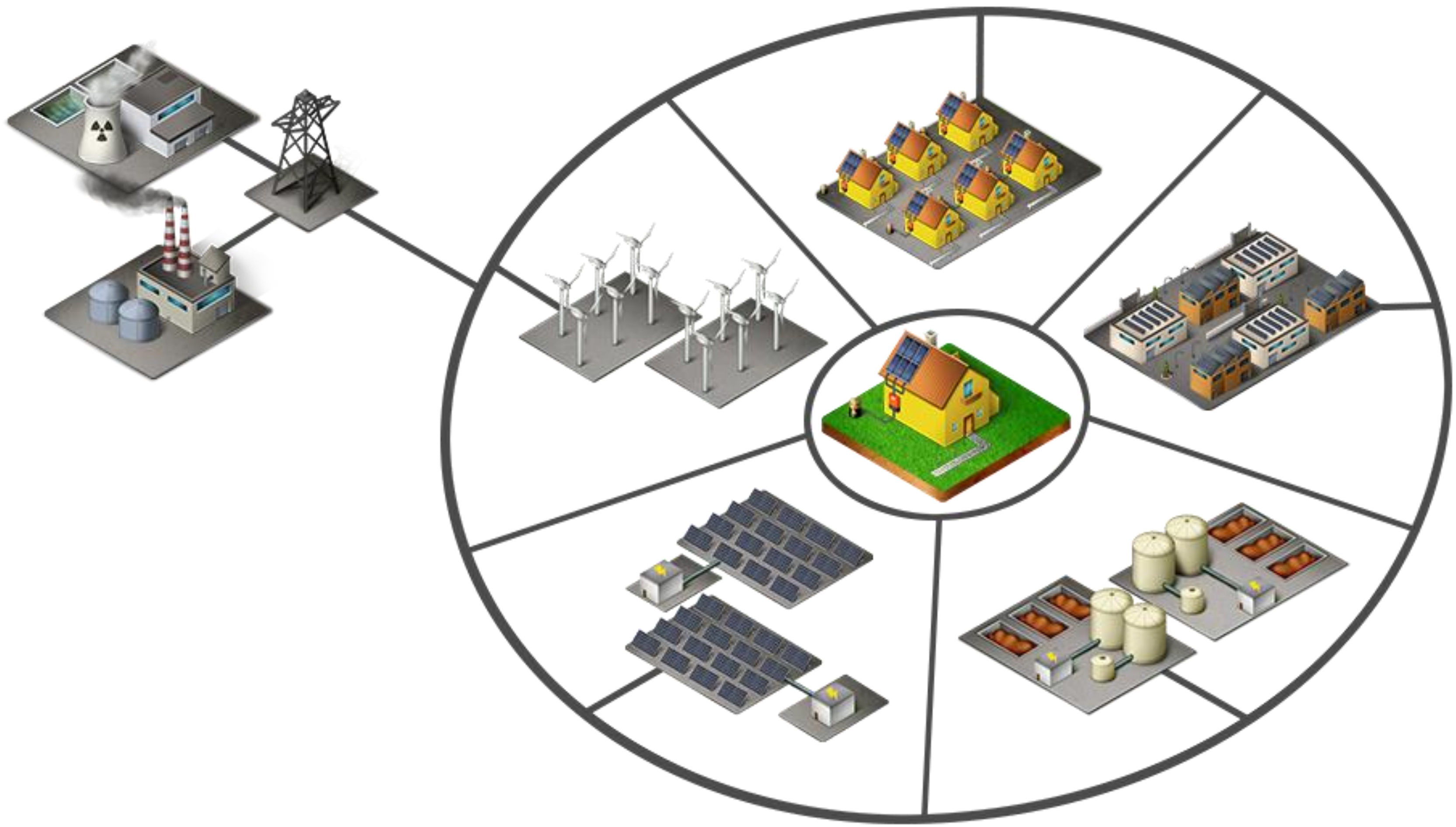
- **Sistema di controllo remoto (REX)** monitoraggio al 100% dell'energia come produzione e consumo della casa o del building. Il sistema trasmette e riceve informazioni grazie alla tecnologia PLC (power line communication)
- **Charge Controller** Storage system per energia rinnovabile connesso al web sviluppato in collaborazione con AROS (Gruppo Riello) e BYD (leader mondiale in storage systems) che integra algoritmi per l'uso delle informazioni che arrivano tramite web (p.e. previsioni del tempo)
- **Know how nella progettazione e installazione di impianti di energia rinnovabile** (più di 4.000 impianti installati tra Sunsystem, Roofgarden e Stea)
- **Know How in Domotica ed efficienza energetica** («vecchia» Innovatec)
- **IT: web based community** contratto in esclusiva con software house, piattaforma su cui vengono condivise varie informazione tra produttori e consumatori di energia (p.e. energy behaviour)
- **Roof Garden (JV con ENI)**, fornitore unico di impianti fotovoltaici e servizi per la rete in franchising di Eni (Energy Store Eni)
- **Agreement commerciale con Officinae Verdi** Officinae Verdi -joint-venture tra UniCredit e WWF – che ha come obiettivo un diverso modello energetico basato sul risparmio, sull'efficienza energetica e sulle rinnovabili
- **Sales Force** 30 agenti con esperienza pluriennale nel mercato italiano

Integrated energy management

## SMART

First mover con un approccio multi-tecnologico per la creazione di una piattaforma interconnessa per la condivisione e il trasferimento di energia e informazione con vantaggi economici per i consumatori e produttori di energia

# SMART PROJECT: SMART GRID



# SMART PROJECT: SMART GRID, SMART HOME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