



# 1H 2023 Results

 **TERNA ENERGY**  
G E K T E R N A G R O U P

September 2023

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# 1H 2023 Highlights

Capacity in September reaches 1.2GW following the successful completion of the Kafireas project – 1H 2023 performance affected by low wind conditions

## Key Highlights

- **100% of wind turbines of Kafireas erected before end-3Q 2023 adding 327MW to operating portfolio – Milestone project completed on-time and on-budget (€550MM) to support growth of the Group**
- **Amfilochia (680MW), a landmark project in the Greek energy sector, is under construction and >550MW of new capacity in Greece and SE Europe to start construction within the next few months**
- **Strong demand for corporate PPA's by third parties**
- **~2.5GW of projects operating, under construction or ready to build phase**

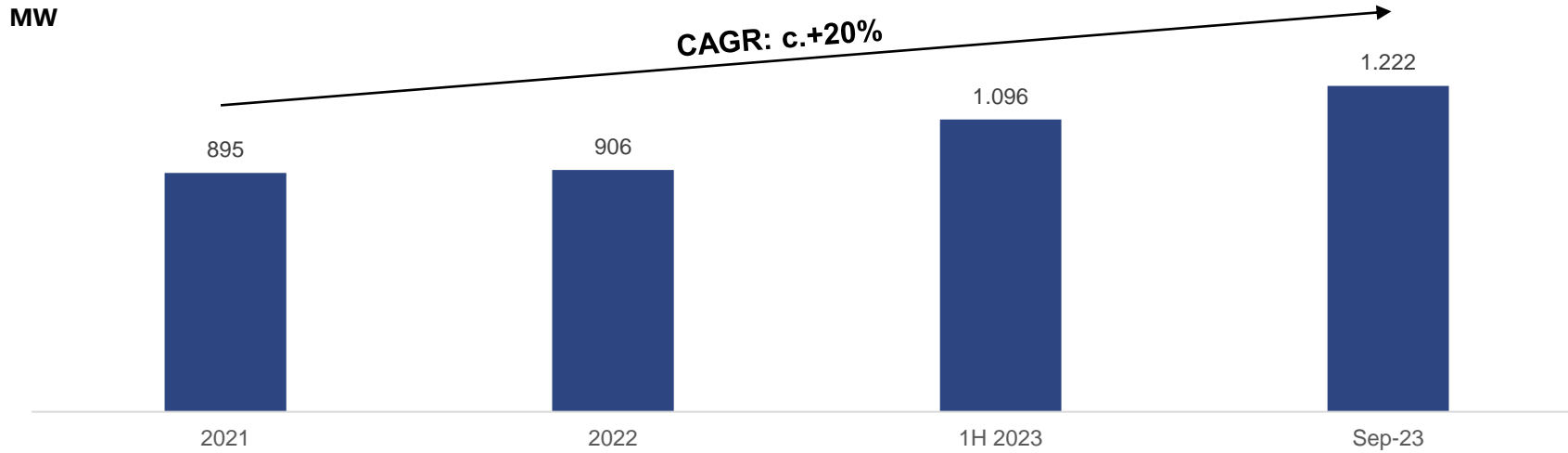
## Key Financials

- **Group revenues decline to € 145.7m, -6.5% y-o-y mainly due to lower than long-term average wind during the period**
  - Group Load Factor at 27.6% (vs. 32.0% in 1H 2022) – Power generation down by 9.7% y-o-y
- **Group adj. EBITDA at 74.7m, -20.1% y-o-y**
  - RES adj.EBITDA at € 70.9m (-19.7% y-o-y) with margin at 67.3% vs. 72.2% last year, due to lower revenues
- **Group adj. Net Profit at € 23.8m, vs. 43.6m last year following reduced power generation**
- **Capex at € 133m during the semester for Kafireas and Amfilochia**
- **Net debt at € 771m (vs. € 669.3m in Dec'22) with leverage (Net Debt/adj.EBITDA) at 5.3x**

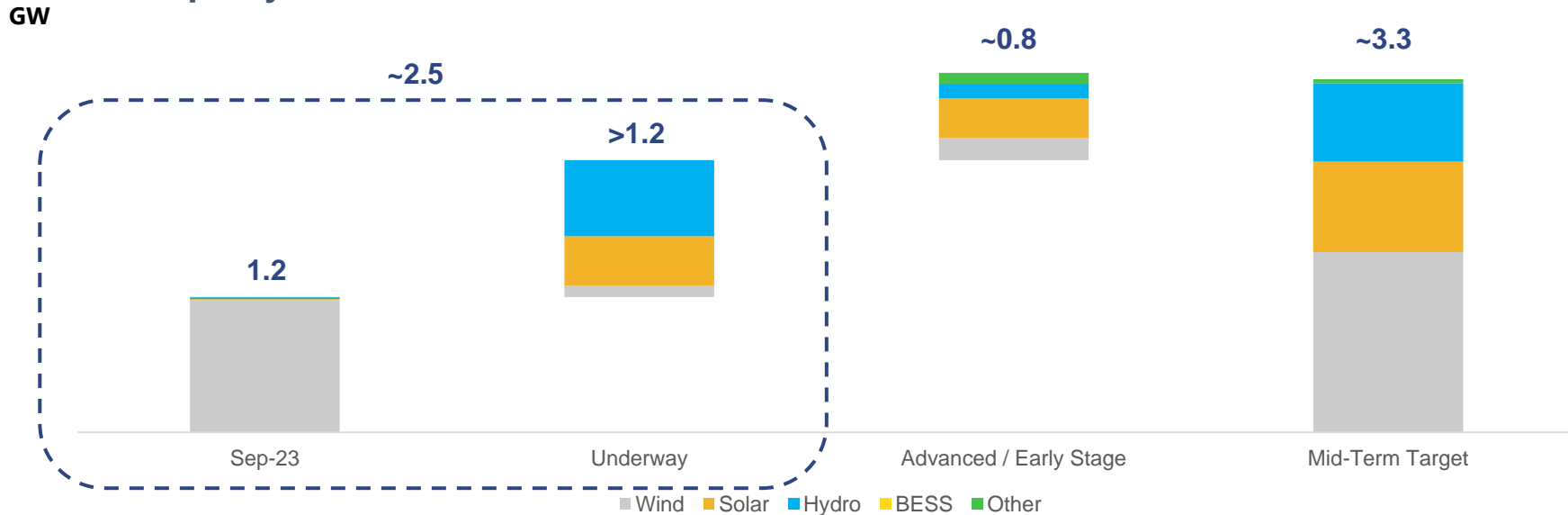
# Growing Asset Base (I)

Installed and operating capacity increases to 1.2GW while under construction/RTB exceed 1.2GW

## Operating capacity



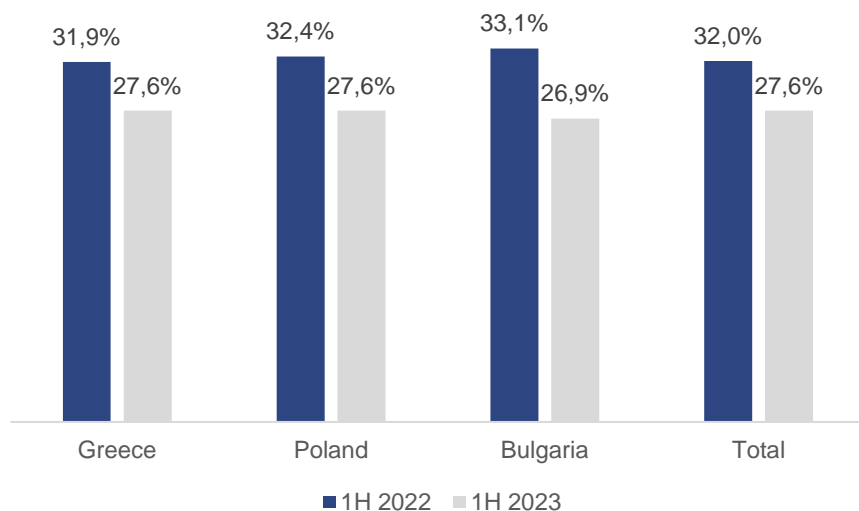
## Installed capacity outlook



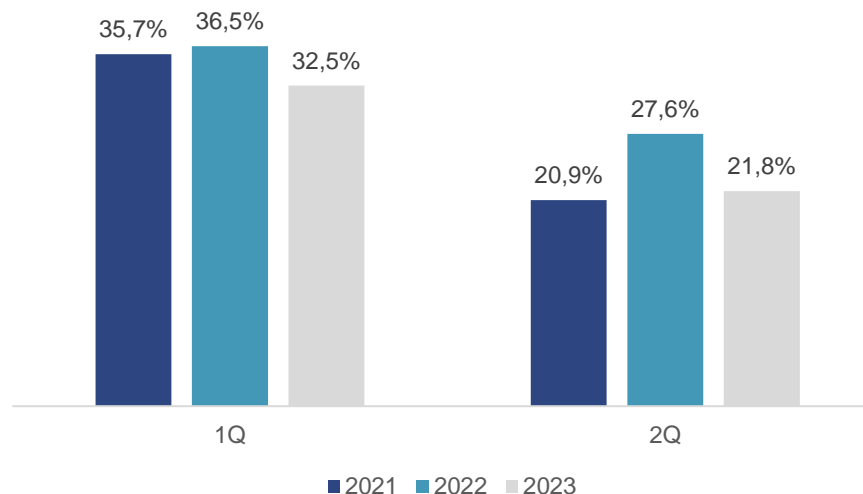
# Operating Performance Overview (II)

Wind conditions in 1H 2023 ~8.0% below long-term mean <sup>(1)</sup>, but still well above historic lows – Improved conditions in August and September

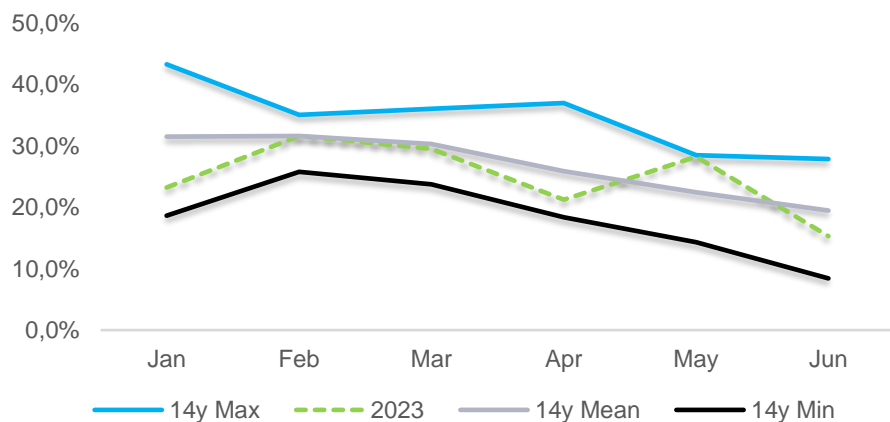
## Portfolio load factor per country



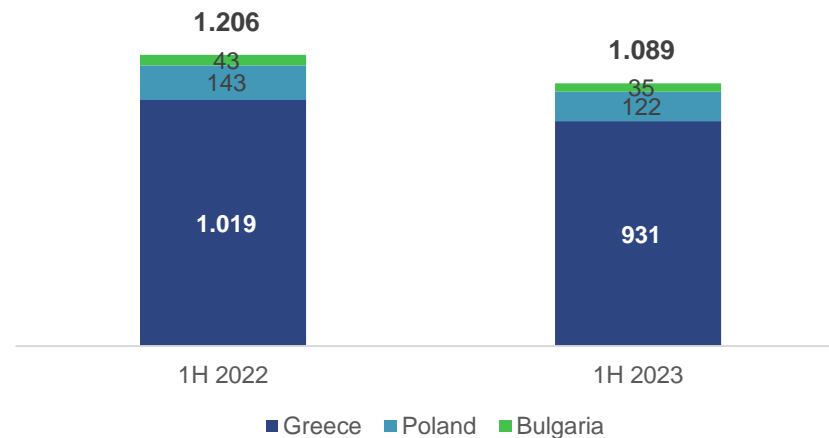
## Portfolio load factor per quarter



## 1H 2023 Load factors vs. 14-year historical data<sup>(1)</sup>



## Group production volumes GWh



Notes: 1. Using a representative sample of the wind assets portfolio of TERN Energy

# Financial Performance by Business Segment

Lower RES production affects revenues and profitability – Increased contribution from Waste Management

€ m	1H 2022	1H 2023	y-o-y
<b>Group revenues</b>	<b>155.9</b>	<b>145.7</b>	<b>-6.5%</b>
RES	122.4	105.4	-13.9%
Waste Management	3.1	6.6	114.3%
E-Ticket	6.1	6.9	12.0%
Construction	24.3	26.8	10.4%
<b>Group adj. EBITDA</b>	<b>93.5</b>	<b>74.7</b>	<b>-20.1%</b>
RES	88.3	70.9	-19.7%
Waste Management	0.1	3.0	<i>n.m.</i>
E-Ticket	0.7	0.9	<i>n.m.</i>
Construction	4.4	(0.1)	<i>n.m.</i>
<i>Group adj. EBITDA margin</i>	<i>60.0%</i>	<i>51.3%</i>	
<i>RES segment adj. EBITDA margin</i>	<i>72.2%</i>	<i>67.3%</i>	
RES OPEX	(34.0)	(34.5)	1.4%

## Key Takeaways:

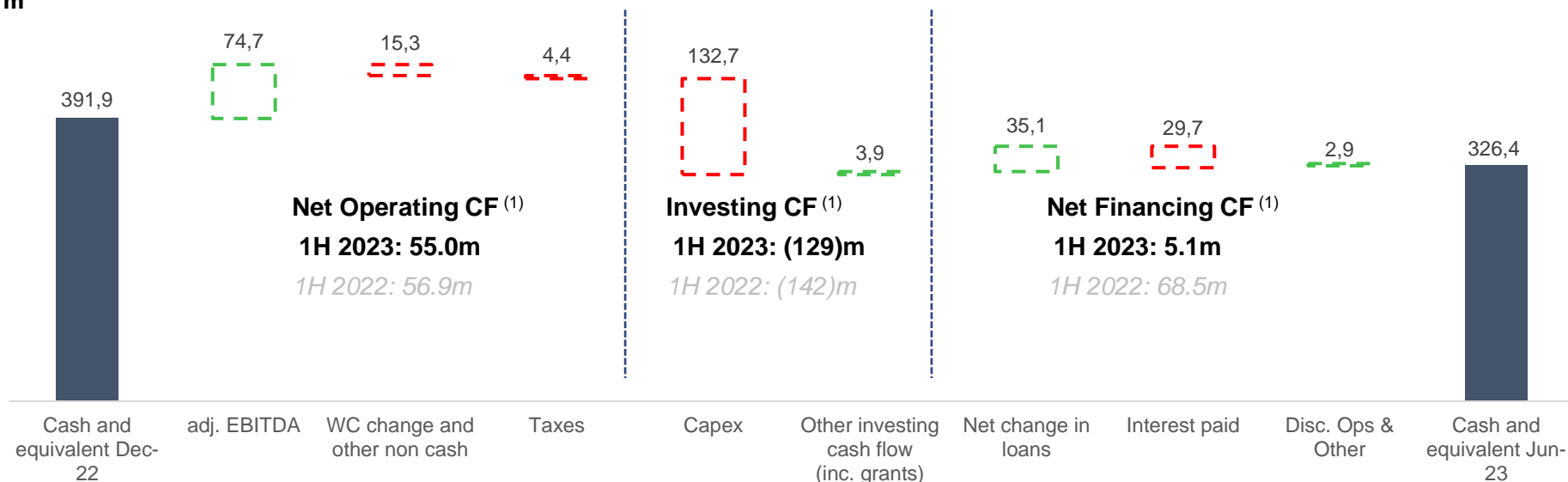
- RES revenues declined on the back of lower volumes
- Increased Waste Management turnover due to the gradual commissioning of Peloponnese unit
- RES OPEX remained stable, despite increased capacity and cost inflation

# Cash Flow

Strong cash flow generation continues, supporting the investment program

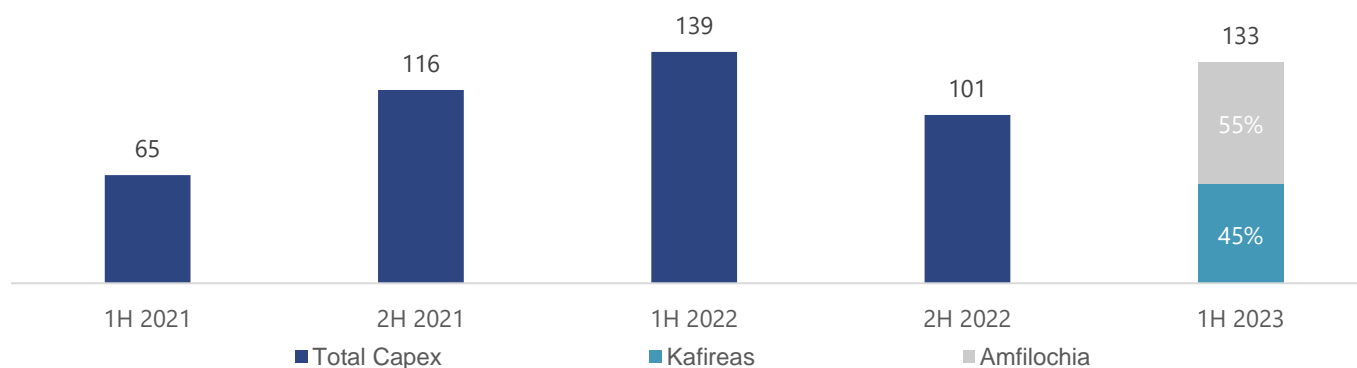
## Cash flow bridge

€ m



## Capex<sup>(1)</sup>

€ m



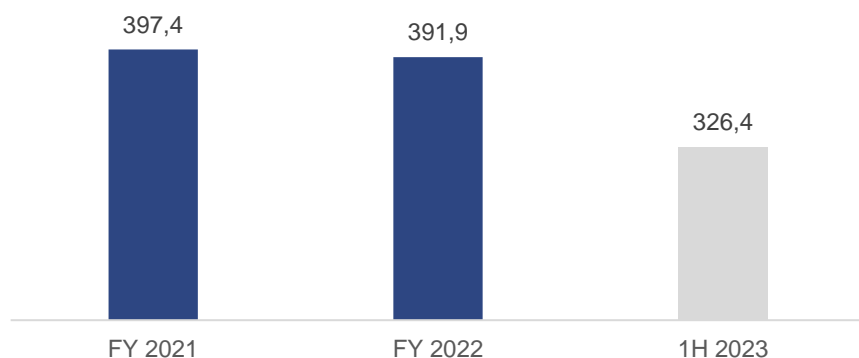
Kafireas Capex allocation is almost complete (~90% of total) as Amfilochia commences (~10% of total)

Notes: 1. From continued operations

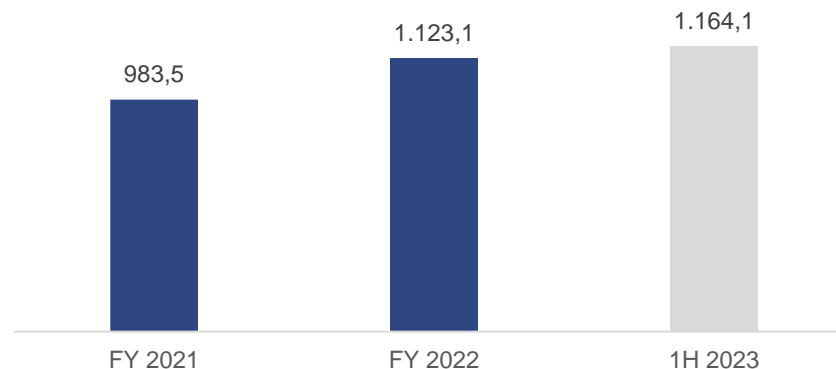
# Balance Sheet Highlights (I)

Healthy leverage and liquidity to sustain investment plans

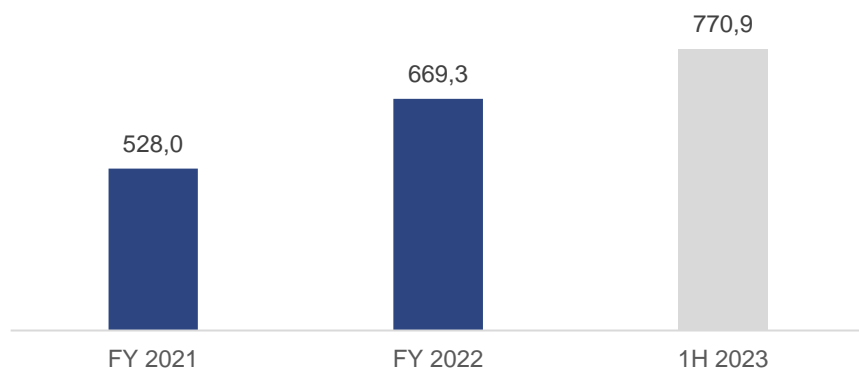
## Cash and Cash Equivalent<sup>(1)</sup> € m



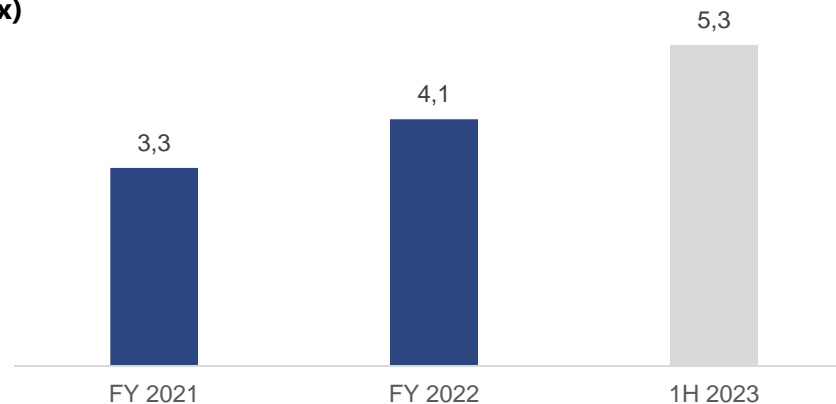
## Gross debt € m



## Net Debt € m



## Net debt / adj. EBITDA (x)



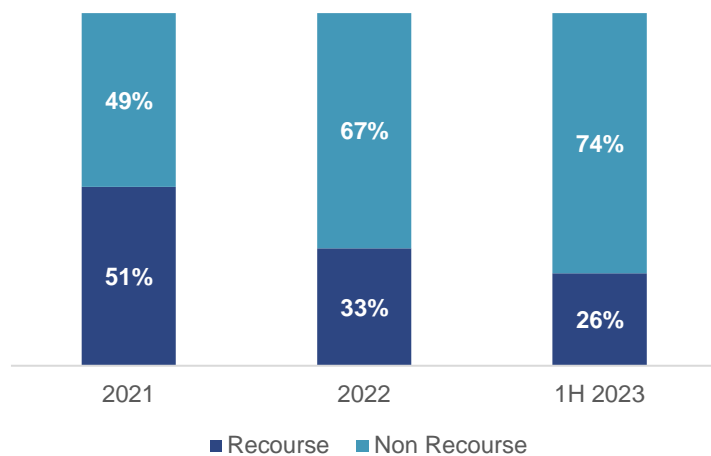
Notes: 1. Does not include restricted cash (€ 69m in 1H 2023)



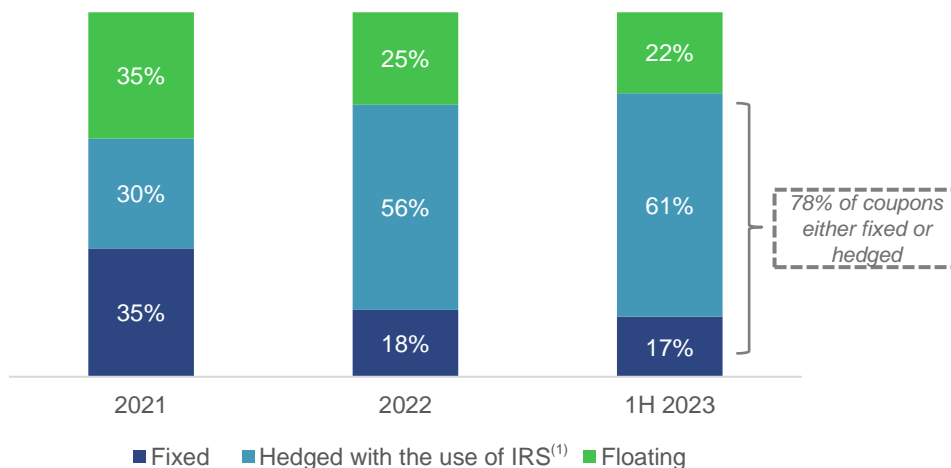
# Balance Sheet Highlights (II)

Debt profile 1H 2023

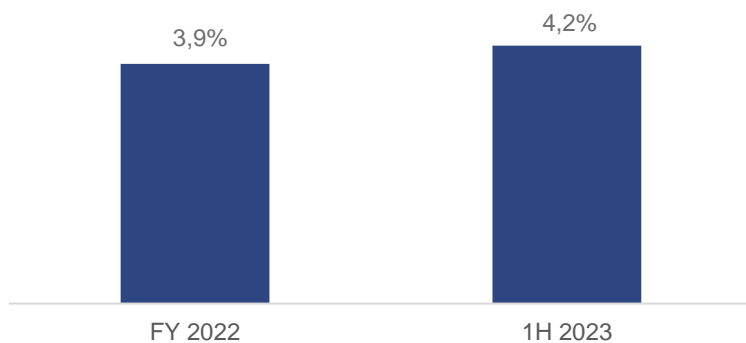
## Gross debt breakdown by type



## Gross debt breakdown by coupon type

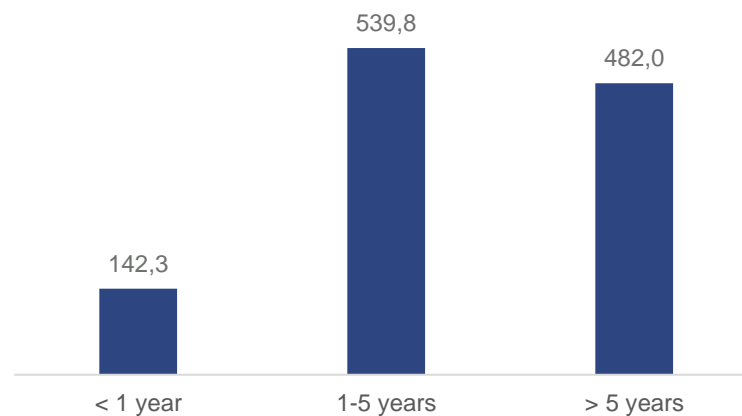


## Group weighted average cost of debt



Notes: 1. Interest Rate Swaps

## Debt maturity profile € m





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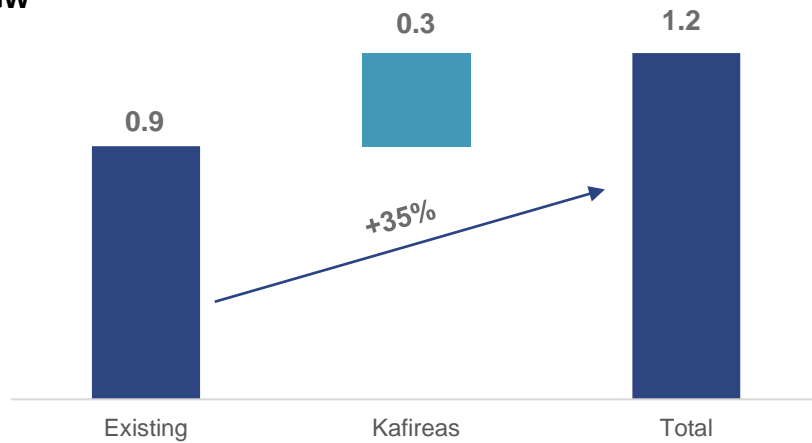
# Terna Energy Unique Investment Proposition

Portfolio Update

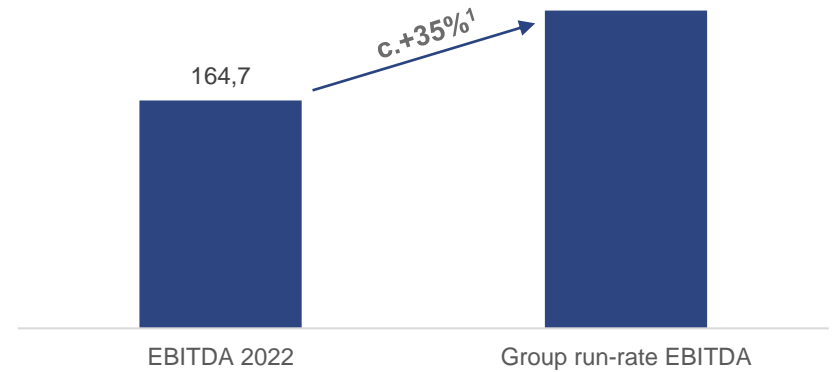
# The "Kafireas" Effect

Commissioning of Kafireas project is an important milestone for the Group's growth

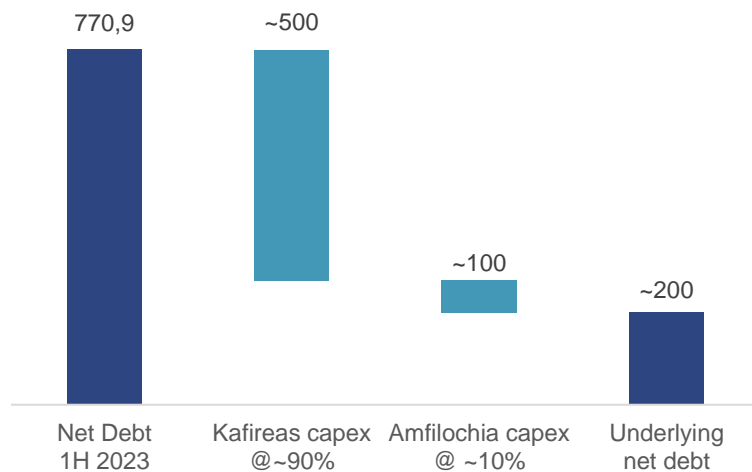
## Installed capacity GW



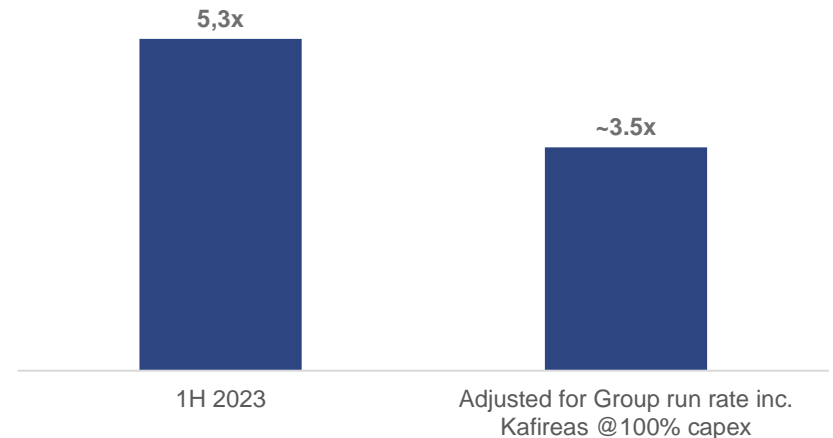
## Group run-rate EBITDA € m



## Net debt breakdown € m



## Net debt / adj. EBITDA (x)



Notes: 1. Expected

# Portfolio Overview (I)

- Leading Renewable Energy Company in Greece, with Established Presence in Poland and Bulgaria
- Large operating asset base located at the most favourable locations in the respective countries
- Young fleet with substantial remaining contracted PPA lifetime

## Key Figures



**3**  
Countries  
with Presence



**1.2 GW**  
Total Installed  
Capacity



**~7 Years**  
Weighted  
Average  
Asset Life



**>15 Years**  
Weighted  
Average  
Remaining PPA  
Lifetime

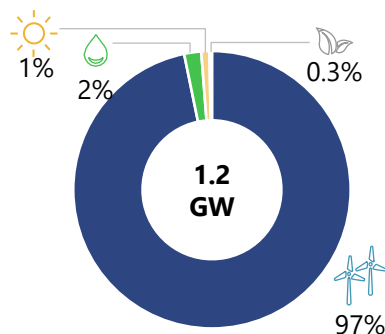


**4.2%**  
Effective Cost  
of Debt

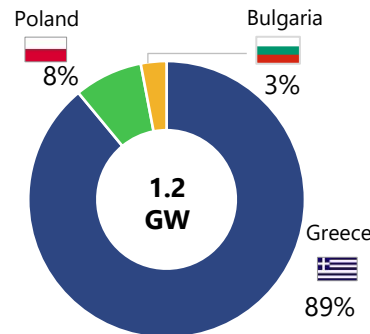


**74%**  
Non-Recourse  
Debt of Total Debt

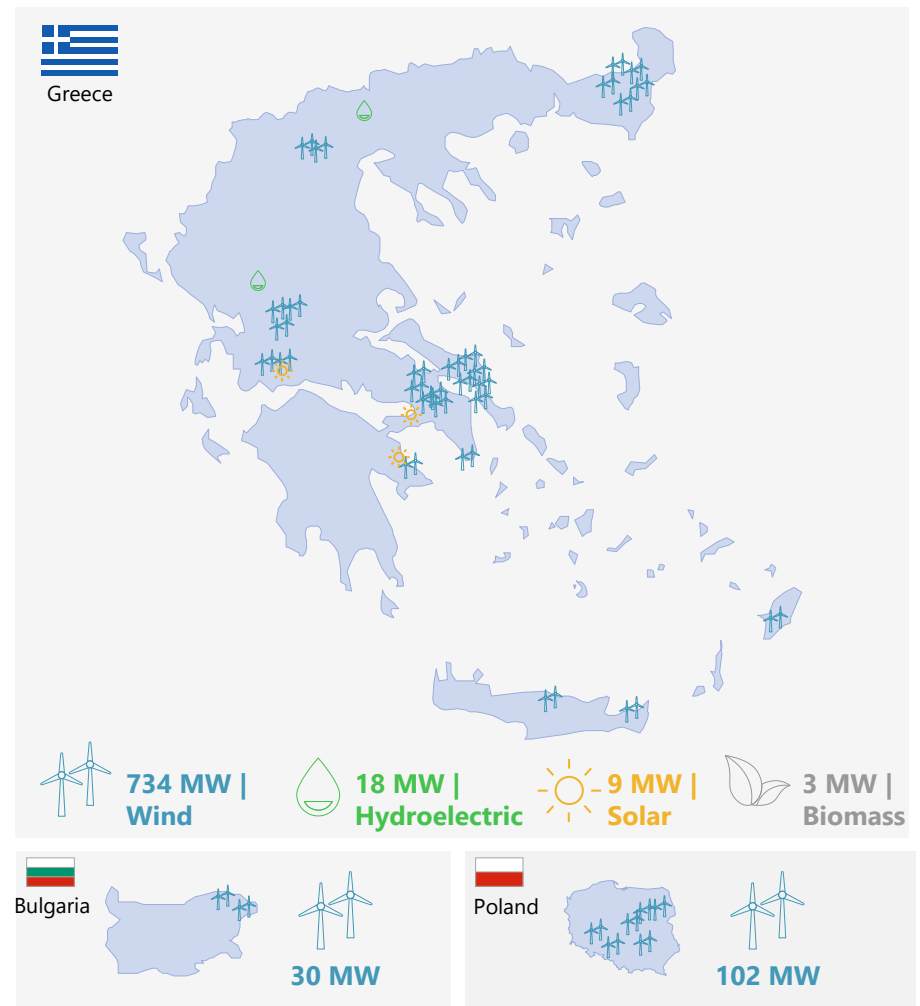
### Capacity Breakdown by Technology



### Capacity Breakdown by Country



## Geographical Footprint



# Portfolio Overview (II)

- High quality, diversified and complementary portfolio
- Substantial long-term, secured and predictable cash-flow

## Largest Portfolio In The Greek Market



**1.2 GW**  
Installed Capacity

+



**11 GW**  
Projects  
at various stages

## Technologically Diversified



✓  
**Wind**



✓  
**Solar**



✓  
**Hydroelectric**



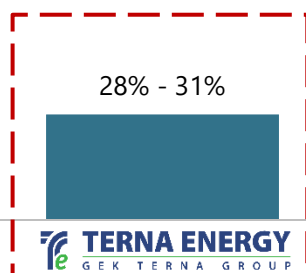
✓  
**Biomass**



✓  
**Waste**

## Exceptionally High Load Factors Vs GR Market

Last 5Y Measurements



## Long Term Contracted Revenue



**96%**  
% of Greek  
Installed Capacity  
Contracted



**1.9<sup>(2)</sup> GW**  
Operating &  
Near-term  
Pipeline under  
Secured PPAs



**€7<sup>(3)</sup> Bn**  
Contracted  
Revenue

**Notes:**

- Load factor (W/F) source: DAPEEP
- 1.9 GW Operating and Near-term Pipeline under Secured PPAs includes Amari, Kafireas, Amfilochia
- €7 bn Contracted Revenue based on expected long-term production

# Market Backdrop - Outlook

## Market backdrop

- **Capex costs**

- PV remain on a downward trend since the beginning of the year
- Wind stabilized

- **Corporate PPAs**

- Strong demand by energy intensive consumers in Greece and abroad
- Prices showing signs of stabilization at current, healthy levels

- **Licensing**

- Early signs of pick-up in pace by authorities
- Support at EU level to accelerate

*Attractive value creation opportunities for good quality projects*

## TERNA Energy Outlook

- Wind conditions remained weak during July. August and September performance has improved and along with increased effective capacity should allow to at least recover the slow 1H 2023 performance
- >550MW of new projects (mostly PV) to start construction in Greece and SE Europe within the next few months - Sizable part of new capacity already under advanced discussion with third parties for corporate PPAs
- Strict commitment to targeted return levels
- Closely monitoring market / regulatory backdrop to optimise and further accelerate the realisation of our large pipeline



# Group Income Statement

€ m	1H 2022	1H 2023
Revenue	155.9	145.6
Cost of sales	(75.3)	(82.5)
<b>Gross profit</b>	<b>80.6</b>	<b>63.2</b>
Administrative & distribution expenses	(26.4)	(16.9)
Research and development	(3.6)	(3.7)
Other income, net	9.4	7.5
<b>Operating profit</b>	<b>59.9</b>	<b>50.1</b>
Financial expenses, net	(16.0)	(20.3)
<b>EBT</b>	<b>44.0</b>	<b>29.8</b>
Income tax expense	(13.3)	(6.7)
<b>Net Profit</b>	<b>30.7</b>	<b>23.1</b>
Discontinued ops	4.7	0.0
<b>Net Profit from continued &amp; discontinued ops</b>	<b>35.4</b>	<b>23.1</b>
<b>EBITDA</b>	<b>80.4</b>	<b>74.3</b>
adj. EBITDA <sup>(1)</sup>	93.5	74.7
adj. Net Profit <sup>(1)</sup> from continued & discontinued ops	48.3	23.8

Notes: 1. 1H 2022 adjusted EBITDA and Net Profit for € 13.1m cost of stock bonus scheme while 1H 2023 cost stood at €0.4m



# Group Balance Sheet and Cash Flow

€ m	FY 2022	1H 2023
Tangible and Intangible fixed assets	1,256.9	1,366.1
Investments	75.0	81.4
Other long-term assets	54.9	53.2
Inventories and Receivables	256.7	250.6
Cash and cash equivalent	391.9	326.4
<b>Total assets</b>	<b>2,035.4</b>	<b>2,077.7</b>
Total loans	1,123.1	1,164.1
Grants	167.1	164.6
Other Long-term liabilities	118.0	111.9
Other Short-term liabilities	136.2	165.8
<b>Total Liabilities</b>	<b>1,544.4</b>	<b>1,606.4</b>
<b>Total Equity</b>	491.0	471.3
Non controlling interest	(10.0)	(9.9)
<b>Shareholders equity</b>	<b>481.0</b>	<b>461.3</b>

€ m	1H 2022	1H 2023
<b>adj. EBITDA</b>	<b>93.5</b>	<b>74.7</b>
WC change and other non-cash	(29.2)	(15.3)
Taxes	(7.4)	(4.4)
<b>Net Operating CF</b>	<b>56.9</b>	<b>55.0</b>
Capex	(138.8)	(132.7)
Other Investing	(3.1)	3.9
<b>Net Investment CF</b>	<b>(141.9)</b>	<b>(128.8)</b>
Interest paid	(18.5)	(29.7)
Net change in loans	89.1	35.1
Dividends and share buy back	(2.1)	(0.3)
<b>Net financing CF</b>	<b>68.5</b>	<b>5.1</b>
Disc. Ops and FX	13.6	3.1

## Sustainability Development Report 2022

Available now [here](#)



## ESG – Key Performance Index 2022

Available now [here](#)



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