

# TAQA MOROCCO

## STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

### AS OF DECEMBER 31<sup>ST</sup>, 2019

- Increase by 7% of the consolidated turnover compared to December 31<sup>th</sup>, 2018,
- Significant increase of Units 1 to 6 availability rate, rising to 92.9% compared to 91.2% as of December 31<sup>th</sup>, 2018,
- Improvement of the Net Income Group Share rising to 1,054 MDH
- Adverse trend in the coal price index in the international market compared to the purchase price
- Dividend distribution proposal of MAD 36 per share representing a dividend yield of 4.9%\*.

TAQA Morocco Management Board, meeting on March 16<sup>th</sup>, 2020 under the Chairmanship of Mr Abdelmajid Iraqui Houssaini, approved the Company Statutory and Consolidated financial statements as of December 31<sup>st</sup>, 2019 as follows :

#### CONSOLIDATED ACCOUNTS

In Mdh	2019	2018	Variation 19/18 in %
Turnover	9,118	8,511	7.1%
EBITDA	3,503	3,584	(2.2%)
Operating Profit	2,550	2,641	(3.4%)
Financial Result	(521)	(644)	19.1%
Net Income	1,372	1,362	0.7%
<b>Incl. Net Income Group Share</b>	<b>1,054</b>	<b>1,049</b>	<b>0.5%</b>
Incl. minority interests	318	313	1.4%
<b>Net Debt / EBITDA</b>	<b>2.0x</b>	<b>2.2x</b>	<b>10.7%</b>

(\*) As of December 31<sup>st</sup>, 2019, the JLEC 5&6 results taken into account in the consolidation process are in line with the book closing dated October 1<sup>st</sup>, 2018 to September 30<sup>th</sup>, 2019, in accordance with the consolidation methods of the TAQA Morocco Group.

TAQA Morocco's performance is based on strong operating and financial indicators :

- An **availability rate** of Units 1 to 4 increasing to **96.4%** compared to **88.8%** as of December 31<sup>th</sup>, 2018 due to Unit 2 major overhaul and Unit 4 minor overhaul executed in 2018, as part of the maintenance plan,
- An **availability rate** of Units 5&6 of **85.8 %** compared to **96 %** as of December 31<sup>th</sup>, 2018, due to Unit 5 major overhaul of 68 days in 2019, as part of the maintenance plan.

In this context, the **Consolidated turnover**, increases from MAD 8,511 million to MAD 9,118 million as of December 31<sup>th</sup>, 2019, mainly due to the combined effect of the strong operational performance of Units 1 to 6 and the increase in energy payments further to the coal price trend in the global market.

**Consolidated operating profit** records 2,550 MDH compared to 2,641 MDH as of December 31<sup>st</sup>, 2018, due to adverse trend in the coal international price index compared to the average purchase price.

**Consolidated net margin** reached **28%** as of December 31<sup>th</sup>, 2019 compared to **31%** in 2018

The **Net Income Group Share** improves despite the adverse trend on the international coal price index going from **1,049 MDH** to **1,054 MDH** due to the EBIT variance and financial result improvement thanks to reimbursements loans effort over the period.

Thus, the **operating margin rate** reaches **15%** as of December 31<sup>th</sup> 2019, against **16%** in 2018.

#### STATUTORY ACCOUNTS

In Mdh	2019	2018	Variation 19/18 in %
Turnover	5,124	4,617	11,0%
EBITDA	1,345	1,340	0,3%
Operating Profit	752	770	-2,3%
Financial Result	213	270	-21,1%
<b>Net Income</b>	<b>741</b>	<b>827</b>	<b>-10,4%</b>

Statutory **Net Income records 741 MDH** compared to **827 MDH** in 2018 due to :

- Strong operating performance of Units 1 to 4 ;
- Adverse trend in the coal international market price compared to the average purchase price, leading to an operating net margin of **14.7%** in 2019 against **16.7%** in 2018 ;
- Impact of the financial result further to JLEC 5&6 dividends distribution amounting to 330 MDH compared to 396 MDH in 2018 according to plan.

#### Dividends

The Management Board has decided to submit for approval to the General Assembly a dividend distribution of **MAD 36 per share**. This dividend will be paid on before July 23<sup>rd</sup>, 2020.

\* Based on share price of March 16<sup>th</sup>, 2020

#### Outlooks

In the presence of the Ministry of Economy, Finance and Administration Reform and the Ministry of Energy, Mines and Environment, TAQA Morocco and ONEE have signed on January 24<sup>th</sup>, 2020 the amendments of the Power Purchase Agreement (PPA) and Transfer of Possession Agreement (TPA) in order to extend the operation period of Units 1-4 until April 15<sup>th</sup>, 2044 so that the duration of the Units 1-4 PPA matches the duration of the PPA of JLEC 5&6. The alignment of Units 1-4 and units 5&6 PPA's will comfort the long term stable, reliable and predictable cash flows generation with the ability to operate profitably independently of market conditions.

#### Filiale d'Abu Dhabi National Energy Company «TAQA»

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