

RTR: building a business for the future

In a little over two years, Terra Firma created Europe's largest generator of PV energy – RTR – by consolidating a number of smaller portfolios of Italian solar PV plants.

Along the way, management, processes and technology have all been transformed to create a business that is equipped to deliver high quality performance and to set an example for the rest of the industry to follow.

This journey provides a good illustration of the way that Terra Firma seeks to create new value whenever it makes an acquisition.

AN OPPORTUNITY FOR GROWTH

In the case of RTR, it all began in March 2011 when Terra Firma identified an opportunity to take advantage of the growth and consolidation in one of Europe's most important renewable energy markets. It acquired a portfolio of solar PV plants from Terna, the Italian high-voltage electricity grid operator, and created RTR – a best-in-class platform – to manage the assets. Since then, the focus has been on growing the business through acquisitions and implementing a strategic plan to add value to every aspect of RTR's activities.

THE RIGHT TEAM FOR THE JOB

In any business having the right people in place at every level is critical. In the case of RTR, the entire team had to be built from scratch – the assets had been purchased without staff and were non-core to the previous owners.

Since the acquisition, Terra Firma has assembled a team of 30 people who are motivated and highly skilled in their fields, from the core engineering disciplines to finance, legal and business development.

In a young and fragmented market, this kind of experience is vital as RTR – although the leading player in the Italian PV market – is competing with large organisations keen to capitalise on the growth opportunities.

It is an ongoing process. The strengthening of the RTR team in every discipline is a constant focus that is helping the business to stand out from the competition and is adding measurable value to the bottom line.



VALUE CREATION

SMARTER SYSTEMS AND WAYS OF WORKING

In a highly technical industry, it takes significant investment to stay ahead of the competition. Terra Firma's support of RTR has enabled the business to make significant upgrades to its systems and processes. Most of the new technology installed since 2011 has been built from scratch, and RTR is consistently setting the benchmark for the industry.

The knock-on effect of these upgrades has been significant both in terms of working practices and business performance.

One example has been RTR's investment in a new system for monitoring the output of all PV fields across the country. The upgraded technology makes it possible for staff to see faults in real time and verify them remotely from RTR's head office in Rome. This allows the team to act more responsively, sending text messages or emails to field-based technicians who can then resolve the problem. The net result of this improved control is a significant reduction in downtime and an increase in productivity.

This more sophisticated monitoring has delivered other benefits too. For example, careful analysis of the resulting data is helping RTR to identify ways of maximising production. In one project, RTR has, through a study of shadows, discovered that changing the inclination of the panels by five degrees



on the company's two largest sites would improve production by more than 3% per year.

Combining this data with reliable weather forecasts allows accurate prediction of energy that can be produced for the next 48 hours – a powerful tool for production planning as well as the fulfilment of government regulations.

Another area where improved processes have had a positive impact is safety and security. To combat the risk of panel and copper theft, particularly at remote sites, RTR has established a multi-level security system. It features a number of safety mechanisms which detect intruders on the site and help distinguish between false alarms and real risks. The overall result has been reduced risk of theft and lower insurance costs.

Through significant investment RTR's operating capacity has doubled since acquisition

NEXT-GENERATION THINKING

As its first two years under Terra Firma's ownership have shown, RTR is committed to doing more than simply keeping pace with developments in this fast-evolving high-tech sector. Every day, the company is testing the latest technologies that set new standards in terms of working practices and plant efficiency and output.

Thanks to its growth since 2011, RTR is now funding some of the industry's most promising innovations with its own capital and is becoming recognised as a European centre of excellence and idea generator.

One of the areas that is being explored to improve efficiency is 'solar power optimiser' technology. Now successfully tested, this is a device which helps reduce the negative impact on production caused by shading on panels. The business is also currently testing new software for inverters that would significantly increase the yield of the plants.

ADDING VALUE OVER THE LONG TERM

RTR's evolution and growth have been dramatic even in an industry as dynamic as renewable energy.

Terra Firma's investment since 2011 has turned a collection of individual assets into a major renewable energy player. The business has doubled in size in that time to become an operator that owns and manages 117 plants across the country with a production capacity of nearly 300 MW. It is now firmly established



as the natural candidate to continue the process of consolidation that has taken place in the fragmented Italian market and across Europe.

In making that transformation possible, Terra Firma has invested to add value in every area of the business, from its structure and processes to the way it works and innovates.

It is a strategy that, underpinned by a sound capital structure and committed acquisition programme, has seen RTR deliver a performance that is unmatched in the Italian and European markets.

With the committed backing of Terra Firma, the business is extremely well placed to maintain that momentum and deliver even more outstanding value in the years ahead.