

ENCAVIS

Earnings Call FY2017

Hamburg, 23 March 2018

HIGHLIGHTS



Financial Year 2017

- > Operating results outperform Guidance 2017
- > Favourable meteorological conditions added to key figures
- > Successful completion of squeeze-out of CHORUS (now Encavis Asset Management)
- > Successful implementation of measures to increase organizational efficiency
- > Successful placement of EUR 97m hybrid convertible accountable as equity according to IFRS
- > Dividend increase to 22 Eurocent (2016: 20 Eurocent) according to dividend policy 2017-2021

Business update

- > Acquisition of solar and wind parks with a total power generation of >150 MW
- > Successful entry into the Danish and Dutch renewables market
- > Strategic alliances with project developers to secure early access to an attractive acquisition pipeline with Solarcentury (UK) and ISIF/Power Capital (Ireland) ~1.2 GW over three years
- > Additionally, attractive pipeline of assets on hand & currently under review (~300MW)



EARNINGS GUIDANCE 2017 (ADJUSTED GUIDANCE PUBLISHED ON 24 AUGUST 2017)

Outperformance on all KPIs

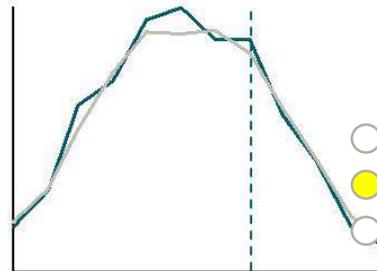
Operating key figures (in mEUR)	2016	Guidance 2017	Result 2017	Outperformance in %
Revenue	141.8	>215	222.4	+3%
EBITDA	106.1	>160	166.8	+4%
<i>EBITDA margin</i>	74.8%	74%	75.0%	-
EBIT	61.6	>97	100.4	+4%
<i>EBIT margin</i>	43.4%	45%	45.1%	-
Cashflow	103.8	>150	153.0	+2%

POWER PRODUCTION 2017 BY SEGMENTS – POSITIVE WEATHER EFFECTS AUG – DEC 2017

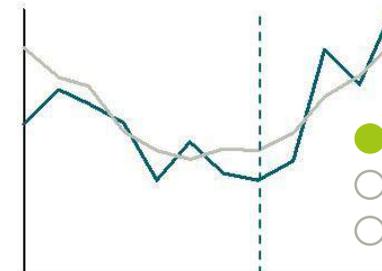


Above Plan	
Portfolio	MW
Wind Germany	195
PV France	140
PV Italy	154
Wind Austria	36
Wind Denmark	10
TOTAL	535

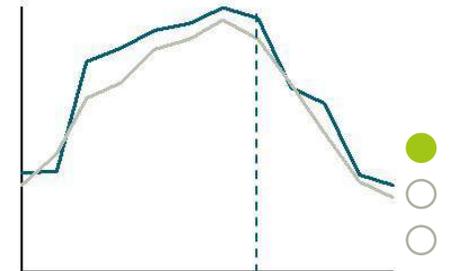
Solar Germany 251 MW



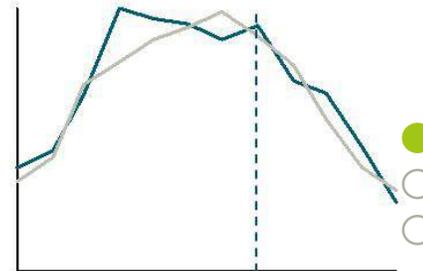
Wind Germany 195 MW



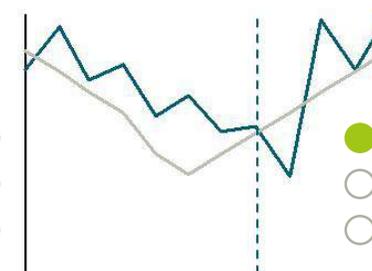
Solar Italy 154 MW



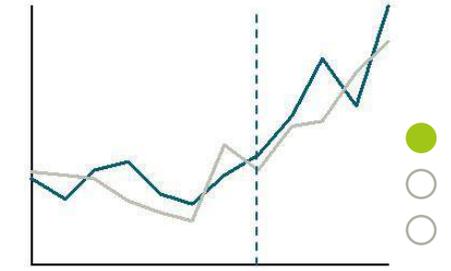
Solar France 140 MW



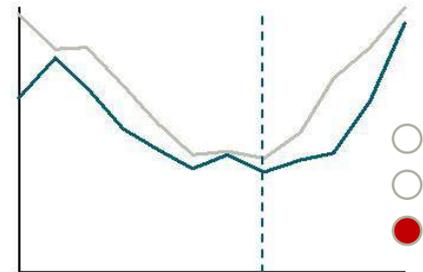
Wind Denmark 10 MW



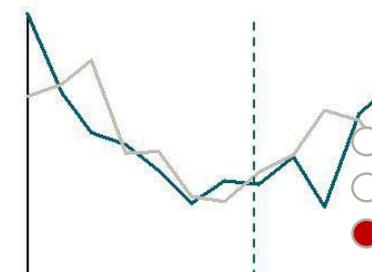
Wind Austria 36 MW



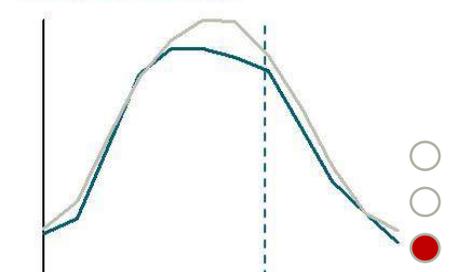
Wind France 36 MW



Wind Italy 6 MW



Solar UK 93 MW



-- Time of issuing adjusted guidance (24 Aug 2017)
 — Actual
 — Plan

WEATHER EFFECTS SUPPORTED TO THE OUTPERFORMANCE OF THE GUIDANCE 2017

Operating P&L (in mEUR)	Guidance 2017	Result 2017	Weather related effects	Results 2017 adjusted for weather effects
Revenues	>215	222.4	4.3	218.1
EBITDA	>160	166.8	4.3	162.5
EBIT	>97	100.4	4.3	96.1

! Operating results adjusted for weather effects – results still in line with expectations

2017: FULL YEAR EFFECT OF TAKEOVER OF CHORUS CLEAN ENERGY AG



Core Business

- > Acquisition of PV/Wind parks
- > Project Financing
- > Legal
- > Technical & commercial operations

Headquarter functions

- > Corporate Finance
- > Controlling
- > Communications/IR
- > HR
- > Group Accounting (IFRS)

Asset Management

(institutional clients)

- > Sales/Marketing Activities
- > Fund structuring
- > Project financing
- > Asset Sourcing
- > Administration

Encavis Technical Services GmbH

Technical Services

- > Technical Management and operation
- > maintenance,
- > Monitoring
- > fault management
- > performance analysis



CHORUS TAKEOVER: “PROMISED AND DELIVERED”



1 Strong economics for the take-over

CHORUS take-over was accretive: EPS development



2 Platform for growth, increased scale and geographical footprint

Greater pipeline reach: Invest in larger projects in and outside of Germany (> 40 MW)
Stronger visibility: Increased appearance as an acquirer for new projects, driving growth of the owned portfolio and the asset management business
Internationalisation: Joint strategy to dedicate resources for entry into new markets



3 Optimization and best practice

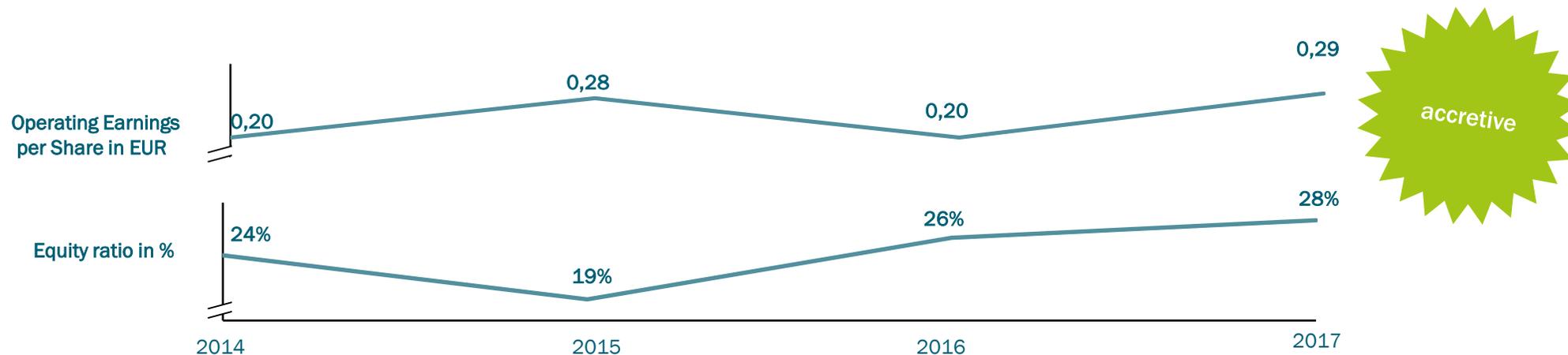
Operational synergies: Benefit from internal technical management capabilities and better market access to third-party technical and commercial service providers
Lean organisation: Streamlining of commercial functions and termination of CHORUS-listing



4 Improved capital markets profile and awareness

Higher visibility: Market capitalization of 860m, representing one of the largest independent listed renewable energy producers in Europe
Higher flexibility: Access to new investors and alternative growth financing e.g. mezzanine capital

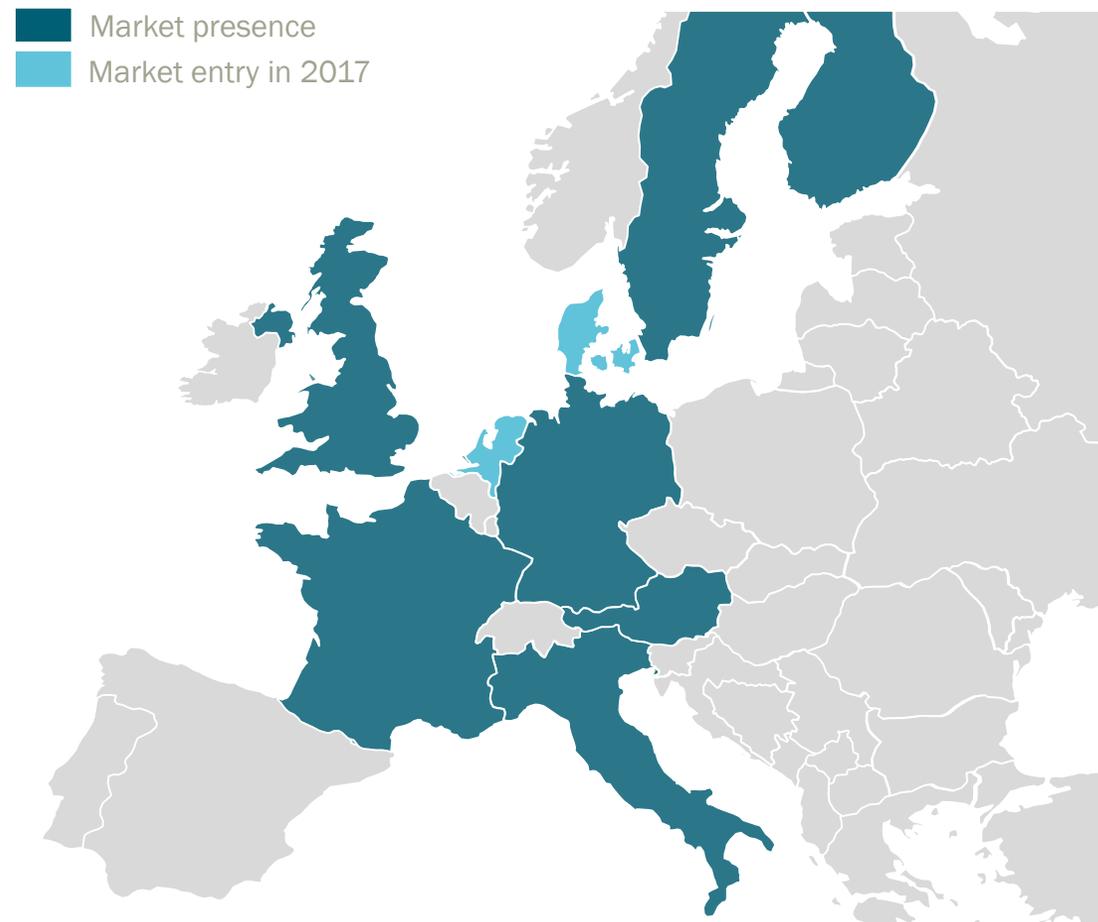
1) OPERATING EPS IN 2017 IN COMBINATION WITH STRONG EQUITY RATIO > HIGHLY LEVERED EPS FROM 2015



- 2015** Acquisition of parks with high leverage due to the participation rights capital from Gothaer insurance as well as positive meteorological conditions lead to high EPS and reduction in equity ratio
- 2016** Takeover of CHORUS (first consolidation Q4 2016) with limited income contribution and substantial increase in shares due to share swap financing of the transaction leads to a fall in EPS
- 2017** In the first year of full consolidation of CHORUS the EPS surpass all previous years (accretive deal) and in addition profits from positive weather conditions

2) ONE OF THE LEADING EUROPEAN IPPS IN THE RENEWABLES SECTOR WITH INSTALLED CAPACITY OF >1.5 GW

WIND PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		215 MW	273 MW
France		36 MW	85 MW
Austria		36 MW	-
Finland		-	13 MW
United Kingdom		-	18 MW
Sweden		-	10 MW
Italy		6 MW	-
Denmark		25 MW	-
Total		318 MW	399 MW
SOLAR PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		255 MW	12 MW
Italy		147 MW	7 MW
France		202 MW	12 MW
United Kingdom		127 MW	-
Netherlands		92 MW	-
Total		824 MW	31 MW
GROUP TOTAL		1.571 MW	



! In 2017 + 2018 additional solar and wind parks with a capacity of ~200 MW have been acquired

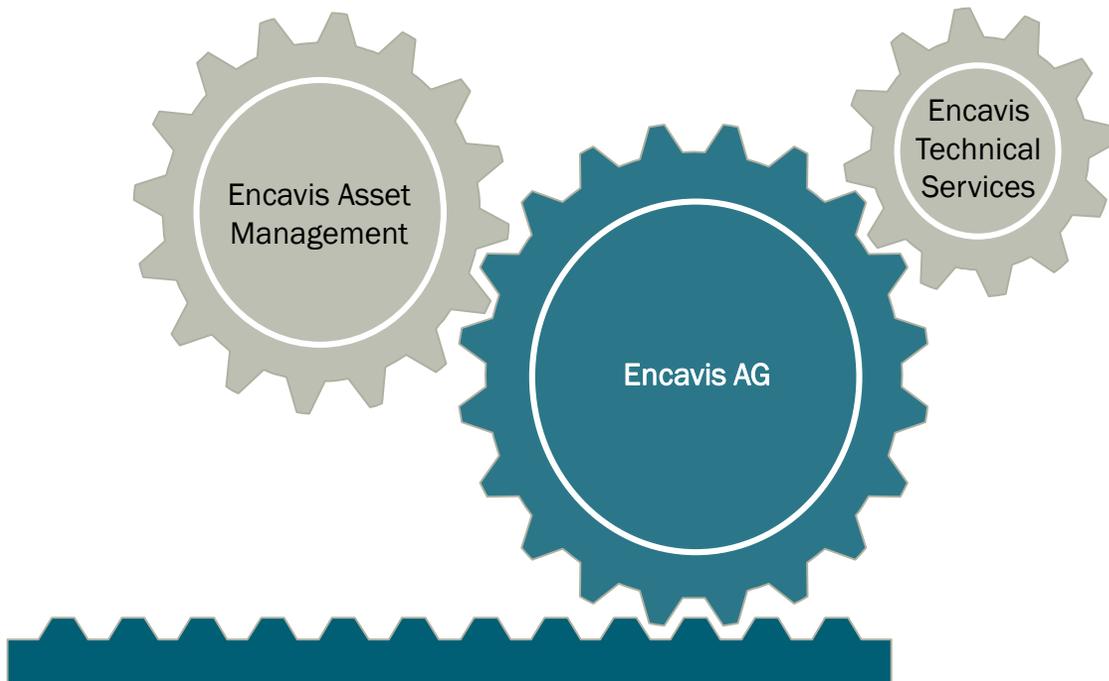
2) TOP PARTNER FOR EUROPEAN INSTITUTIONALS AND PROJECT DEVELOPERS

Strong position as investor and partner for project developers

- > **Strategic Partnerships**
 - > Solarcentury 1.1 GW over the next three years
 - > Partnership with Ireland Strategic Investment Fund (ISIF) and Power Capital co-investing in 120 MW
- > **Successful new market entries**
 - > Denmark, Netherlands
- > **Managing larger projects**
 - > e.g. PV park in NL >40 MW



3) OPTIMIZATION AND BEST PRACTICE – INCREASING GROUP EFFICIENCY



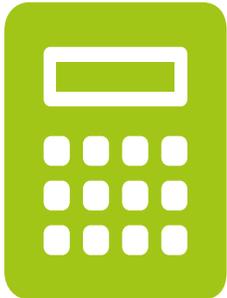
- > Termination of CHORUS-listing leads to cost savings of some 1 mEUR p.a.
- > Termination of third party technical services for CHORUS PV parks and integration into the technical service unit Encavis Technical Services; 12 PV parks with 53 MW already transferred (ahead of schedule, 20 MW planned at this point in time)
- > Re-Structuring and tender of insurance contracts leads to savings of around 600 TEUR p.a. and better insurance coverage for all existing parks to the benefit of shareholders and institutional investors
- > Further measures in discussion

4) ENCAVIS PROFITS FROM IMPROVED CAPITAL MARKETS PROFILE



Higher awareness and strong position

- > Market Cap of ~850 mEUR gives access to new investors and financing instruments
- > Positioned in the SDAX (also after amendments to the indices as announced by Deutsche Börse)
- > Increasing number of roadshow activities and investor meetings/calls



Successful growth financing & outlook

- > Successful placement of hybrid convertible in 2017 worth 97 mEUR as mezzanine financing that can be accounted for as equity according to IFRS
- > Debt financing in 2017 of some 77 mEUR

Priorities in future growth financing

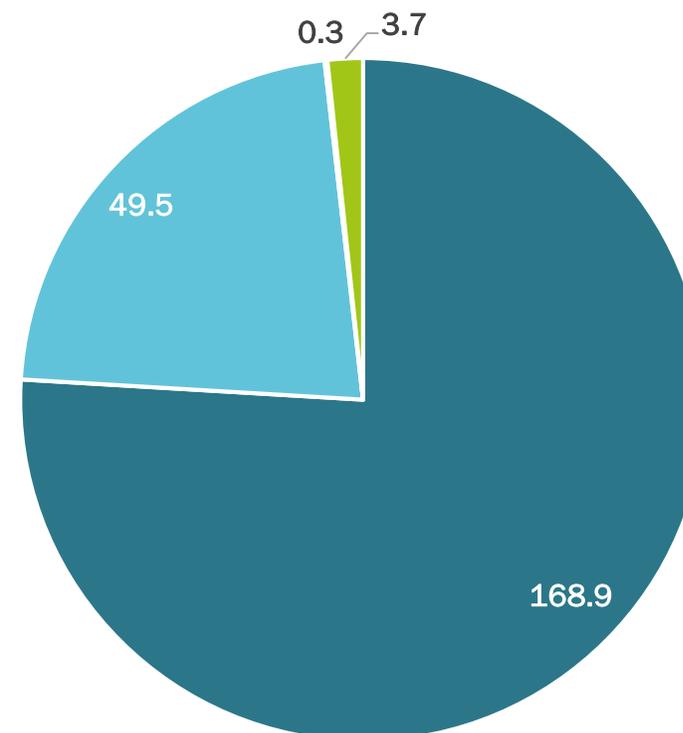
- > Taking advantage of low interest via debt financing and note loans/green bonds
- > Making use of further alternative mezzanine financing instruments

REVENUE BY SEGMENT IN MEUR

70% of the total generating capacity is attributable to the PV segment which accounts for 76% of the revenue

	Solar	Wind
MW	70%	30%
MWh	57%	43%
Revenue	76%	23%

TOTAL 222.4 MEUR



■ PV Parks ■ Wind Parks ■ Technical Services ■ Asset Management

OPERATING RESULTS 2017 BY SEGMENT

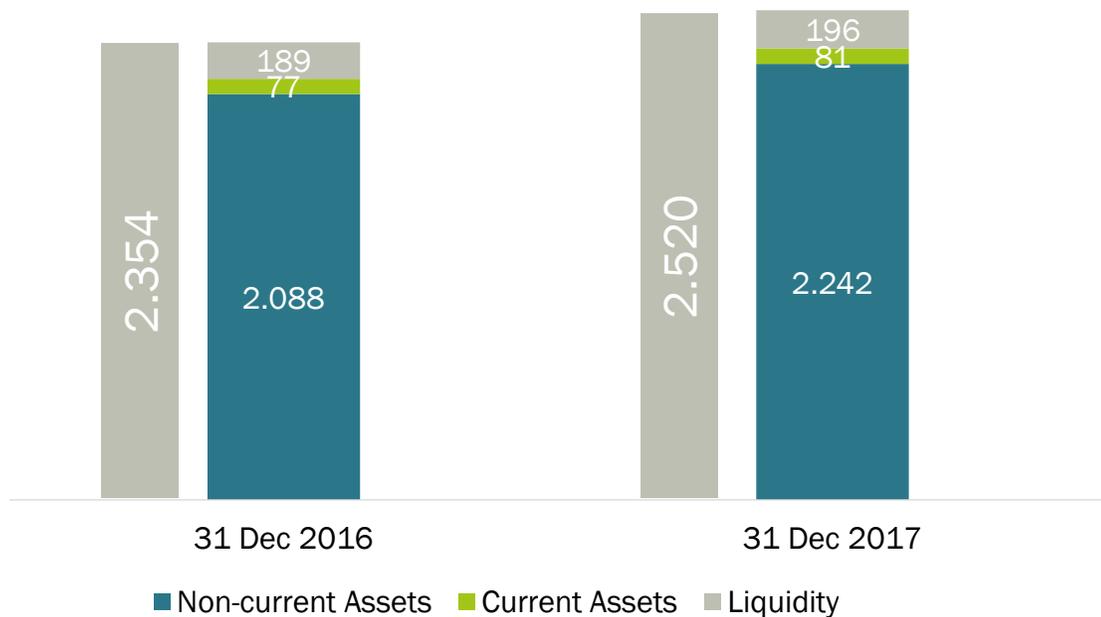
Operating P&L	Solarparks 	Technical Services 	Windparks 	Asset Management 	HQ 
Revenue	168.9	0.3	49.5	3.7	-
EBITDA	134.2	1.3	36.4	0.9	-6.0
EBITDA margin	79%	38%	74%	24%	-
EBIT	83.3	1.3	21.7	0.3	-6.2
EBIT margin	49%	38%	44%	8%	-



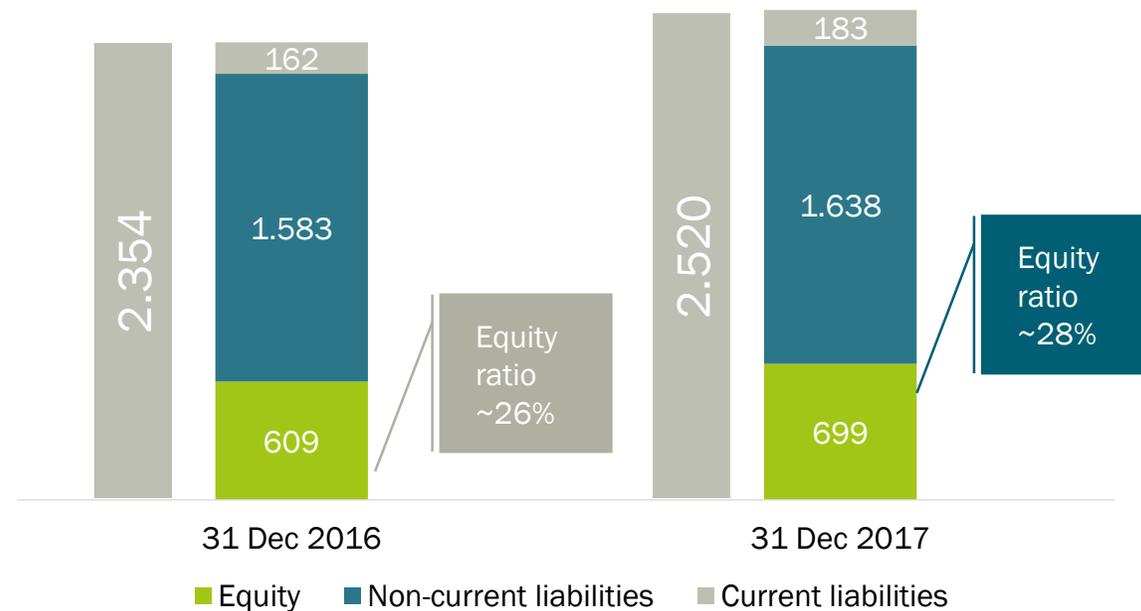
All costs associated with operating activities (personnel and other costs) were distributed to the segments

SUCCESSFUL PLACEMENT OF HYBRID CONVERTIBLE INCREASED EQUITY RATIO TO ~28%

Assets in mEUR



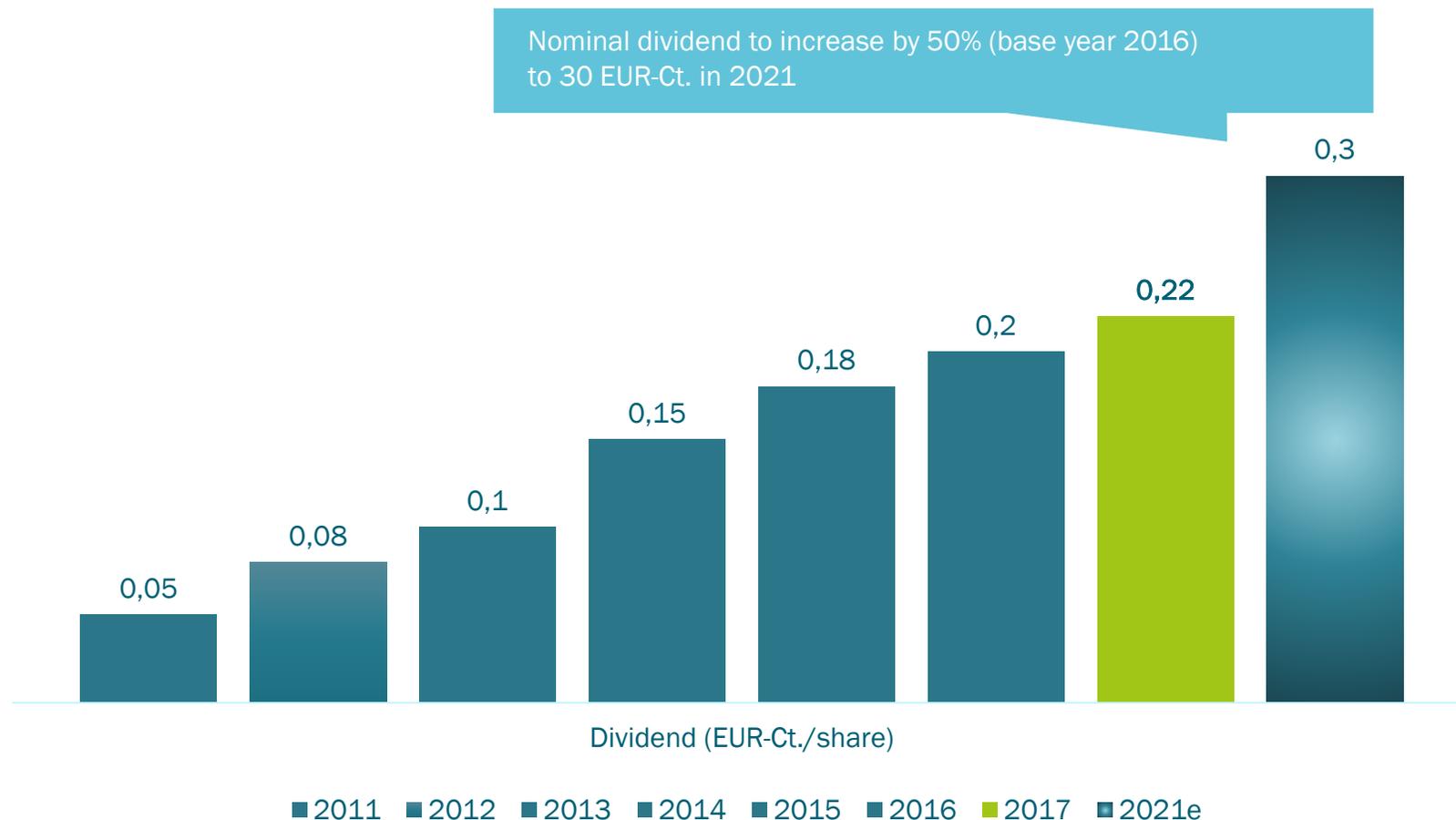
Liabilities in mEUR



DIVIDEND POLICY 2016 - 2021

Dividend policy reflects increasing cashflows from PV/wind parks over time

- > 50% increase of nominal dividend until 2021 (compared to 2016) based on the existing PV/wind park portfolio as of March 31, 2017
- > Further acquisitions of PV/wind parks will positively contribute to the dividend potential





IFRS P&L 2017

Valuation & integration effects

IFRS RESULT FY2017

TEUR	2016	2017
Revenue	141,783	222,432
Other income	29,399	31,245
Material costs	-1,326	-1,514
Personnel costs	-8,541	-10,972
Other costs	-37,562	-50,773
EBITDA	123,752	190,417
Depreciation	-64,028	-102,493
EBIT	59,724	87,924
Financial costs (net)	-48,774	-47,161
EBT	10,950	40,763
Tax	857	-13,059
EAT	11,807	27,704
EPS (non diluted)	0.13	0.20

IFRS RESULT FY2017

TEUR	2016	2017	Change yoy
Revenue	141,78	222,43	+57%
Other income	29,399	31,245	
Material costs	-1,326	-1,514	
Personnel costs	-8,541	-10,972	+28%

Increase due to full CHORUS effect, underproportionate growth in staff with business growth as well as takeover of TREUCON in the Asset Management segment

IFRS RESULT FY2017

TEUR	2016	2017	Change yoy
Revenue	141,78	222,43	+57%
Other income	29,399	31,245	
Material costs	-1,326	-1,514	
Personnel costs	-8,541	-10,972	
Other costs	-37,562	-50,773	+35%

Full year CHORUS effect; base effect from consulting expenses associated with the takeover which were accounted for in 2016; and costs associated with portfolio growth

IFRS RESULT FY2017

TEUR	2016	2017	Change yoy
Revenue	141,78	222,43	+57%
EBITDA	123,752	190,417	+54%
Depreciation	-64,028	-102,493	+60%
EBIT	59,724	87,924	+47%
Financial costs (net)	-48,774	-47,161	-3%

CHORUS portfolio had a lower leverage; IFRS related effect from the valuation of (among else) CHORUS liabilities that have an effect of some 10 mEUR on the financial income in 2017; similar effect will be visible in the years to come



Outlook 2018

Growth path continues

„GUIDANCE 2018“

Growth path continues

Operating key figures (in mEUR)	Result 2017	Weather adjusted (wa) figures 2017	Guidance 2018	Change Guidance 2018 - (wa) figures 2017 in %
Revenue	222.4	218.4	>240	+10%
EBITDA	166.8	162.5	>175	+8%
EBIT	100.4	96.1	>105	+9%
Cashflow	153.0	n.a.	>163	+7%
EPS	0.29	0.26	>0.30	+15%



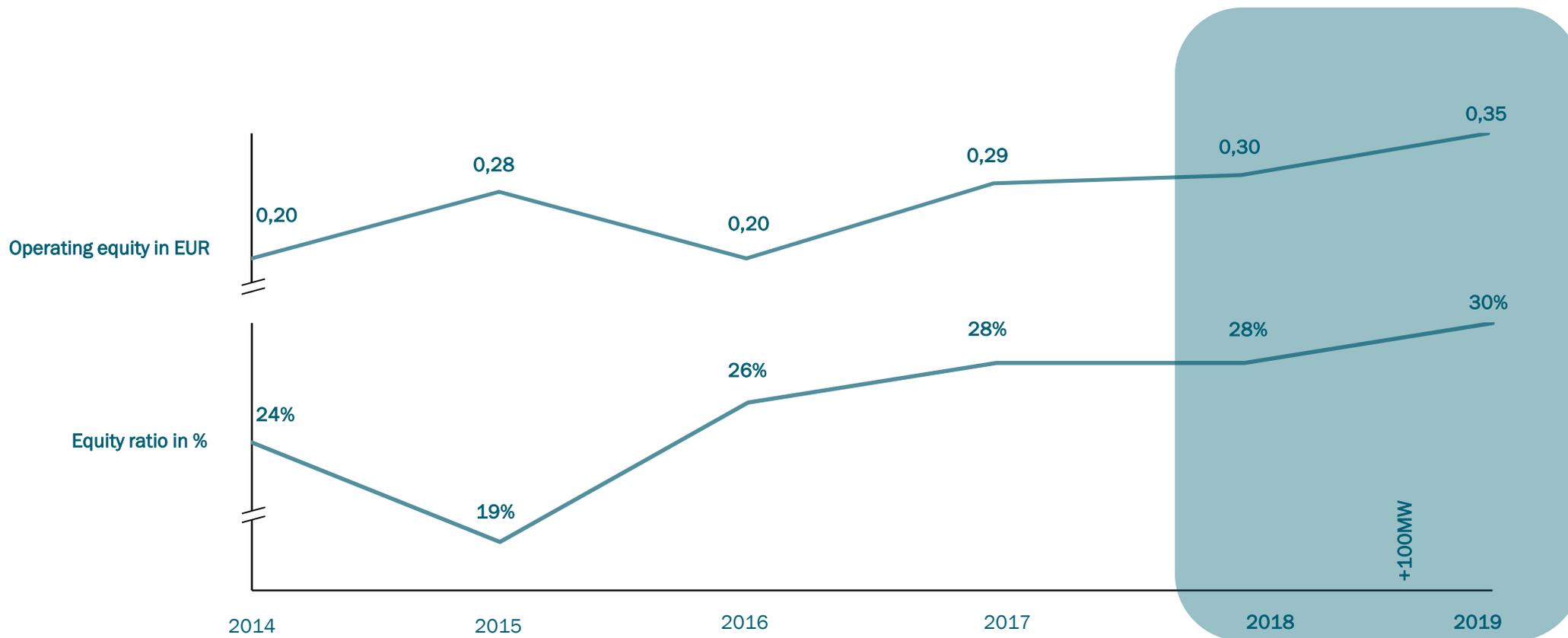
Guidance is based on the existing portfolio as of March 16, 2018, and does not take into account future acquisitions

„GUIDANCE 2018“

Showcase for 2019 including ~100 MW to be connected to the grid end of 2018

Operating P&L (in mEUR)	Result 2017	Weather adjusted (wa) FY2017	Guidance 2018	Change Guidance 2018 - (wa) FY2017 in %		2019	2019 - (wa) FY2017 in %
Revenues	222.4	218.4	>240	+10%	 	~250	+14%
EBITDA	166.8	162.5	>175	+8%			
EBIT	100.4	96.1	>105	+9%			
Cashflow	153.0	n.a.	>163	+7%			
EPS	0.29	0.26	>0.30	+15%			~0.35

OPERATING EPS IN 2017 IN COMBINATION WITH STRONG EQUITY RATIO > HIGHLY LEVERED EPS FROM 2015



**2018 -
2019**

EPS increases slightly in 2018 as 100 MW of newly acquired parks will be connected to the grid in Q4 2018. With the full year effect of these parks kicking in in FY2019 EPS will increase to 35 Eurocent

GUIDANCE 2018 BY SEGMENTS

Operating P&L mEUR	Solarparks 	Technical Services 	Windparks 	Asset Management 	HQ 
Revenue	>175	(internal revenues)	>58	>7	-
EBITDA	>140	>1	>40	>1	<-7
EBITDA margin	80%	32%	69%	14%	-
EBIT	>86	>1	>24	>1	<-7
EBIT margin	49%	30%	41%	14%	-



Guidance is based on the existing portfolio as of March 16, 2018, and does not take into account future acquisitions

UPSIDE POTENTIAL & OUTLOOK

- + Renewables continue to be high growth market
- + Upside potential by favourable meteorological conditions
- + Strong growth pipeline with leading European project developers for some 1.2 GW over the next three years
- + Free funds available for a total investment volume of ~160 mEUR
- + Access to alternative & attractive growth financing e.g. mezzanine capital
- + Market consolidation leaves room for inorganic growth
- + Increasing competitiveness of renewables opens growth market for PPAs and new countries/markets



Q&As