

ENCAVIS

„Profitable growth path continues“

Encavis – Earnings call FY 2018

Hamburg, March 22, 2019

SUCCESSFULL #1 YEAR OF „ENCAVIS“ – KEY HIGHLIGHTS FY2018



FY2018

- All KPIs above own expectations
- Positive weather effects of EUR 6.7m

Investments

- Successful market entry into the Spanish solar market with a 300 MW PV park (Talayueta)
- Successful completion of 1/3 of the exclusive three-year 1.1 GW pipeline with our strategic partner Solarcentury within one year
- Strong exclusive pipeline of some 1 GW ahead with strategic partners Solarcentury and Power Capital/ISIF

Financing

- 1st “Green bond” with a volume of EUR 50m with an ‘ISS-oekom Prime-Label’-rating
- Investment grade issuer rating from Scope Ratings (March 2019)



PRELIMINARY OPERATING RESULTS FY2018






Strong growth y-o-y / Guidance outperformed

Operating key figures (in EURm)	FY 2017	Guidance 2018	FY 2018	Change y-o-y (in %)	FY 2018 vs. Guidance (in %)
Revenue	222.4	>240	248.8	+12%	+4%
EBITDA	166.8	>175	186.9	+12%	+7%
EBIT	100.4	>105	113.7	+13%	+8%
Cashflow	153.0	>163	174.3	+14%	+7%
EPS (in EUR)	0.29	>0.3	0.31	+8%	+5%



Positive income effects by new acquisitions/grid connections and positive weather effects (PV)


OPERATING RESULTS FY2018 VS. FY2017 BY SEGMENT (IN EURO MILLION)

Oper. P&L	Solarparks 		Windparks 		Technical Services 		Asset Management 		HQ 	
	Guidance 2018	2018	Guidance 2018	2018	Guidance 2018	2018	Guidance 2018	2018	Guidance 2018	2018
Revenue	>175	186.5	>58	57.8	-	4.5	>7	4.1	-	-
EBITDA	>140	152.2	>40	41.5	>1	1.6	>1	-1.0	<-7.0	-7.2
EBIT	>86	97.5	>24	23.8	>1	1.6	>1	-1.7	<-7.0	-7.4



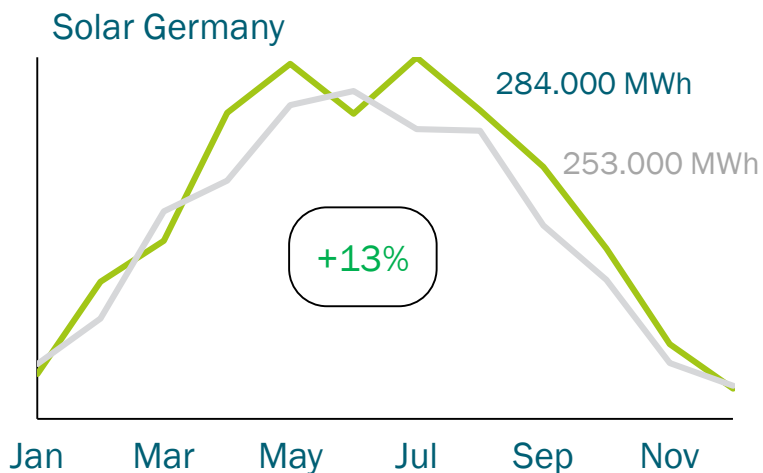
All costs associated with operating activities (personnel and other costs) are attributed to the corresponding segment

STRONG PV SEGMENT DRIVEN BY NEW ACQUISITIONS AND FAVOURABLE WEATHER EFFECTS

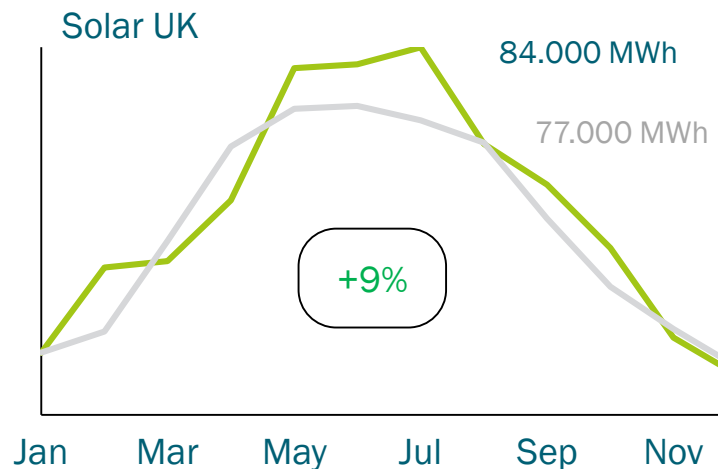
Oper. P&L	Solarparks 		
	2017	Guidance 2018	2018
Revenue	168.9	>175	186.5
EBITDA	134.2	>140	152.2
EBITDA margin	79%		82%
EBIT	83.3	>86	97.5
EBIT margin	49%		52%

> New acquisitions/grid connection (e.g. in France, in The Netherlands) as well as positive meteorological conditions contributed to growth of the PV segment

WEATHER EFFECTS 2018: STRONG SUMMER (“JAHRHUNDERTSOMMER”) IN NORTH-WESTERN EUROPE*

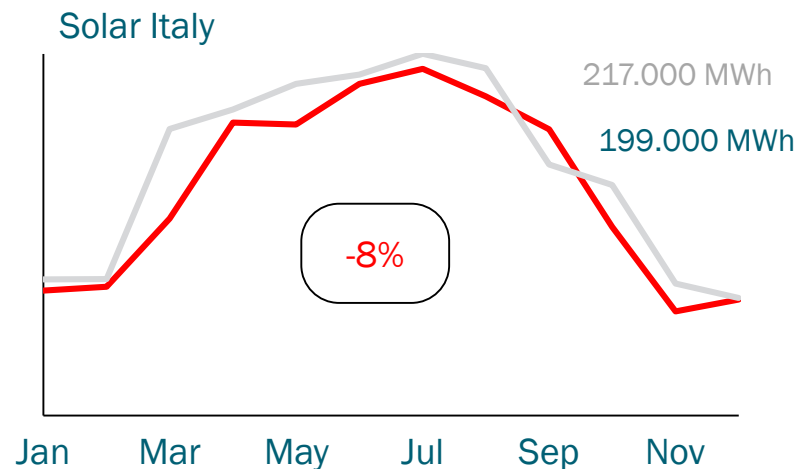



251 MW

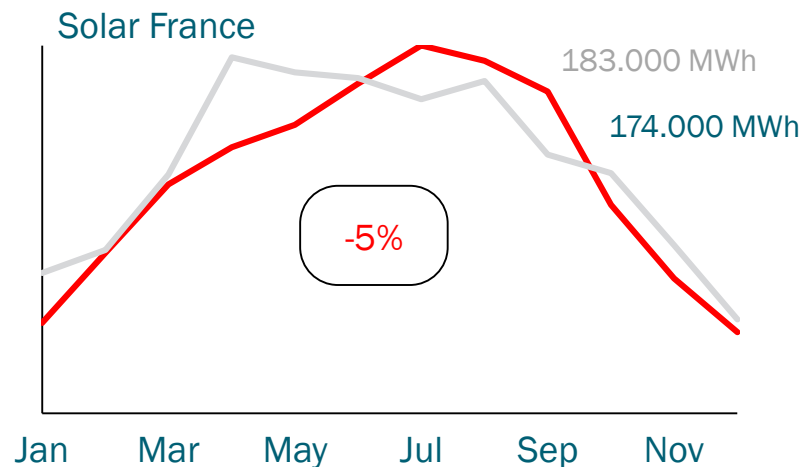



88 MW

Power production
2018 > 2017




149 MW





141 MW

Power production
2018 < 2017



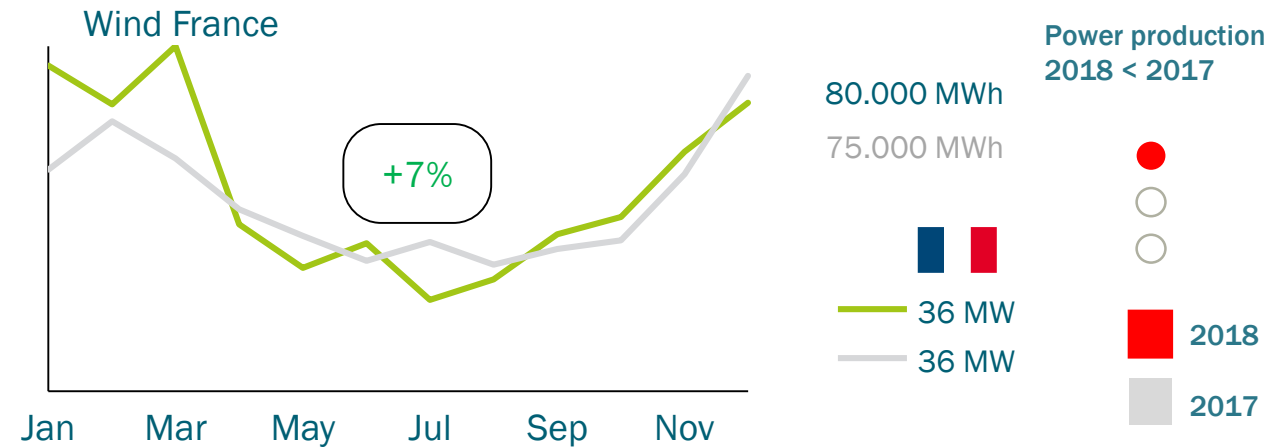
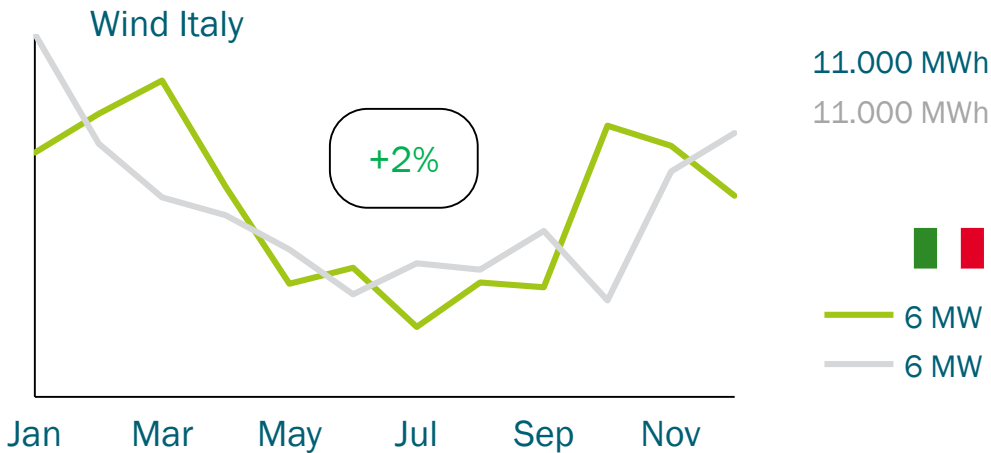
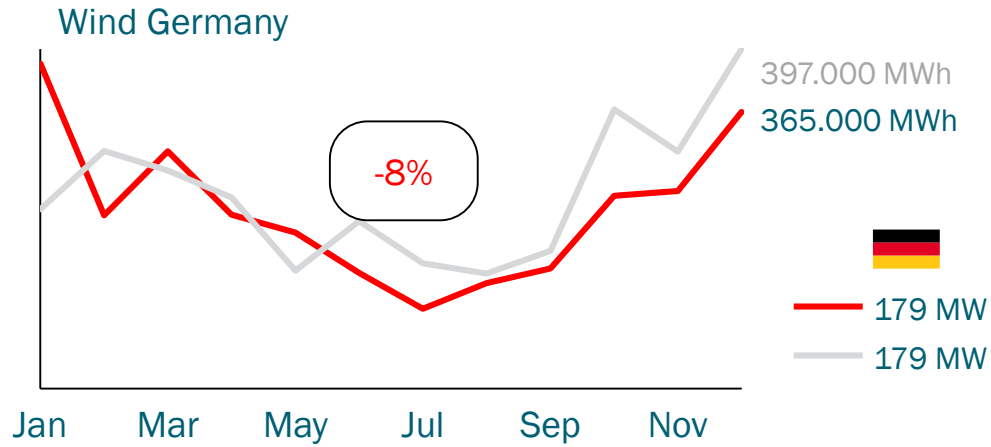
* Energy output in MWh based on the same portfolio as of Dec 31, 2017, to ensure comparability

WIND IN LINE WITH EXPECTATIONS

Oper. P&L	Windparks 		
	2017	Guidance 2018	2018
Revenue	49.5	>58	57.8
EBITDA	36.4	>40	41.5
EBITDA margin	74%		72%
EBIT	21.7	>24	23.8
EBIT margin	44%		41%

> New acquisitions (e.g. in Germany, Denmark) offset low wind performance in the reporting period

WEATHER EFFECTS: WIND PERFORMANCE IN MAIN PORTFOLIO (GERMANY) BELOW PREVIOUS YEAR



Power production
2018 > 2017




Power production
2018 < 2017



* Energy output in MWh based on the same portfolio as of Dec 31, 2017, to ensure comparability

GROWTH DRIVEN BY INTERNALISATION OF TECHNICAL SERVICES

Oper. P&L	Technical Services 		
	2017	Guidance 2018	2018
Revenue	3.4	-	4.5
EBITDA	1.3	>1	1.6
EBITDA margin	38%		37%
EBIT	1.3	>1	1.6
EBIT margin	38%		36%


> Growth mainly via termination of third party technical services on former CHORUS PV parks and integrating them into the technical service unit Encavis Technical Services

ASSET MANAGEMENT CAPITAL COMMITMENTS EXCEEDED EXPECTATIONS

Oper. P&L	Asset Management		
	2017	Guidance 2018	2018
Revenue	3.7	>7	4.1
EBITDA	0.9		-1.0
EBITDA margin	24%	>1	-25%
EBIT	0.3	>1	-1.7
EBIT margin	8%		-41%

- > Guidance 2018 was based on capital contributions by institutional investors of EUR 100m by July 2018
- > Full accountability of associated staff cost as of 1 Jan 2018
- > Capital commitments shifted from July to December but came in at >EUR 180m
- > Revenue effects from investing new commitments to come in FY2019

PERSONNEL COSTS MAINLY AFFECTED BY ONE TIME EFFECTS

Oper. P&L	HQ 		
	2017	Guidance 2018	2018
Revenue	-		-
EBITDA	-6.0	<-7.0	-7.2
EBITDA margin	-		-
EBIT	-6.2	<-7.0	-7.4
EBIT margin	-		-

- > One-time expenses related to Holger Götze (Executive Board Member) and Helmut Horst (former CFO of CHORUS) leaving the Board of ~EUR 1m
- > Underproportionate increase in staff alongside company growth

FY2018 – ADJUSTED FOR WEATHER EFFECTS



Positive weather effects FY2018: EUR +6.7m (2017: EUR +4.3m)

Operating figures (in EURm)	FY 2017	Weather adjusted FY 2017 (wa)	FY 2018	Weather adjusted FY 2018 (wa)	Change FY 2017/2018 (wa) in %
Revenue	222.4	218.1	248.8	242.1	+11%
EBITDA	166.8	162.5	186.9	180.2	+11%
EBIT	100.4	96.1	113.7	107.0	+11%



Strong growth y-o-y (weather adjusted) is based on new acquisitions (e.g. Denmark) and parks connected to the grid (e.g. The Netherlands)

WEATHER ADJUSTED OPERATING RESULTS FY2018/FY2017 WIND AND SOLAR (IN EURO MILLION)

Oper. P&L (weather adjusted)	Solarparks 			Windparks 		
	2017 (wa)	2018 (wa)	Change 2018 (wa) vs. 2017 (wa) (in %)	2017 (wa)	2018 (wa)	Change 2018 (wa) vs. 2017 (wa) (in %)
Revenue	163.7	175.1	7%	50.3	62.5	24%
EBITDA	129.0	140.8	9%	37.2	46.2	24%
EBIT	78.1	86.1	10%	22.5	28.5	27%

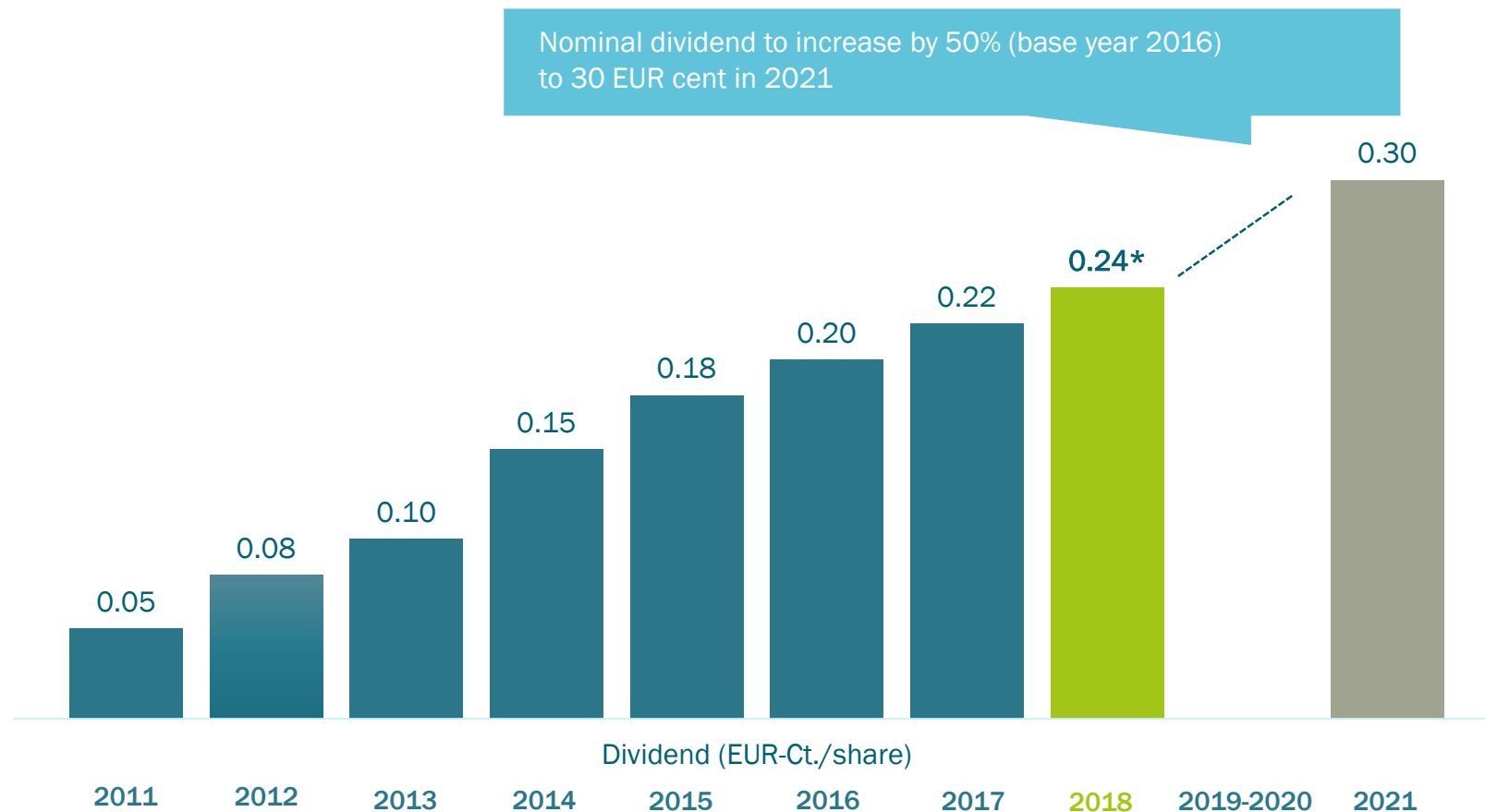


Strong growth y-o-y (weather adjusted) is based on grid connection of PV (e.g. The Netherlands) and new wind acquisitions (e.g. Denmark)

DIVIDEND OF 0.24 EURO* FOR FY2018 FULLY IN LINE WITH DIVIDEND TARGET 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



* Subject to approval by the AGM of Encavis AG on May 15, 2019

REGIONAL DIVERSIFICATION OF PORTFOLIO FURTHER INCREASED IN 2018

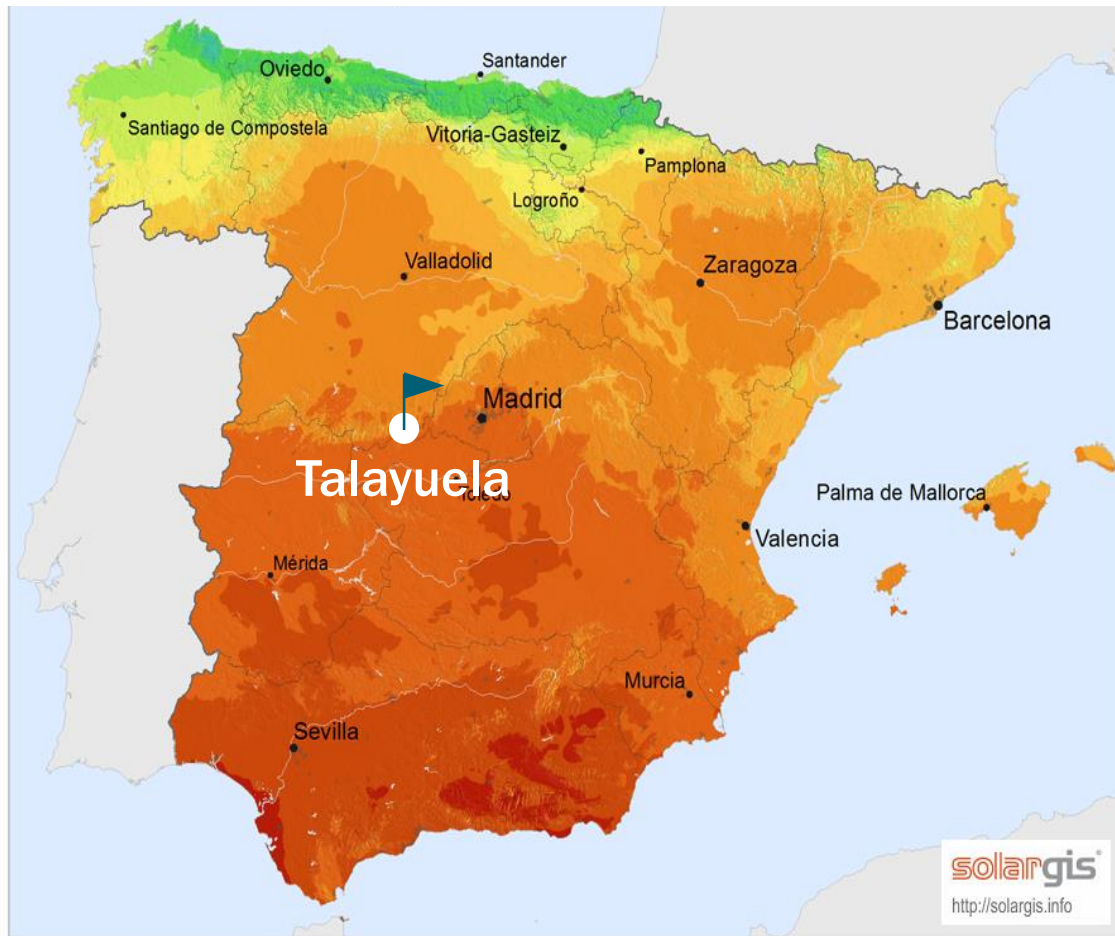
175 solar PV parks and 69 wind parks in 10 European countries; total capacity >1.9 GW

WIND PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		215 MW	286 MW
France		36 MW	85 MW
Austria		36 MW	-
Finland		-	13 MW
United Kingdom		-	18 MW
Sweden		-	10 MW
Italy		6 MW	-
Denmark		41 MW	-
Total		334 MW	412 MW
SOLAR PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		262 MW	22 MW
Italy		154 MW	7 MW
France		202 MW	12 MW
United Kingdom		127 MW	-
The Netherlands		106 MW	-
Spain		300 MW	-
Total		1,150 MW	41 MW
GROUP TOTAL		1,937 MW	





SUCCESSFUL MARKET ENTRY IN SPANISH PPA MARKET WITH 300 MW PV PARK “TALAYUELA”



Highlights:

- Generation capacity: 300 MW
- Total investment volume: EUR ~225 Mio.
 - > Equity/project debt finance level: 50:50
 - > Full loan repayment within PPA runtime
- Co-investor: Solarcentury with ~20%
- PPA (Power Purchase Agreement):
 - > Long-term contract of 10 yrs
 - > Fixed price
- Revenues 1st year of full operation: ~EUR 25 Mio.
- Post-tax IRR >8%

Update:

- Expected grid connection postponed from Q1/2020 to Q3/2020 due to delays in regulatory approvals
- Therefore, PPA signing postponed accordingly
- No effect on post-tax IRR for Encavis expected due to contractual settings with partner Solarcentury

ENCAVIS PAVING THE WAY FOR ATTRACTIVE GROWTH FINANCING IN THE FUTURE

New ESG investors

- > First „Green Schuldscheindarlehen“ of EUR 50m successfully placed
- > Bond certified by **Climate Bond Standard Executive Board**
- > Encavis got a **Prime-Label** by ISS-oekom



Investment grade issuer rating

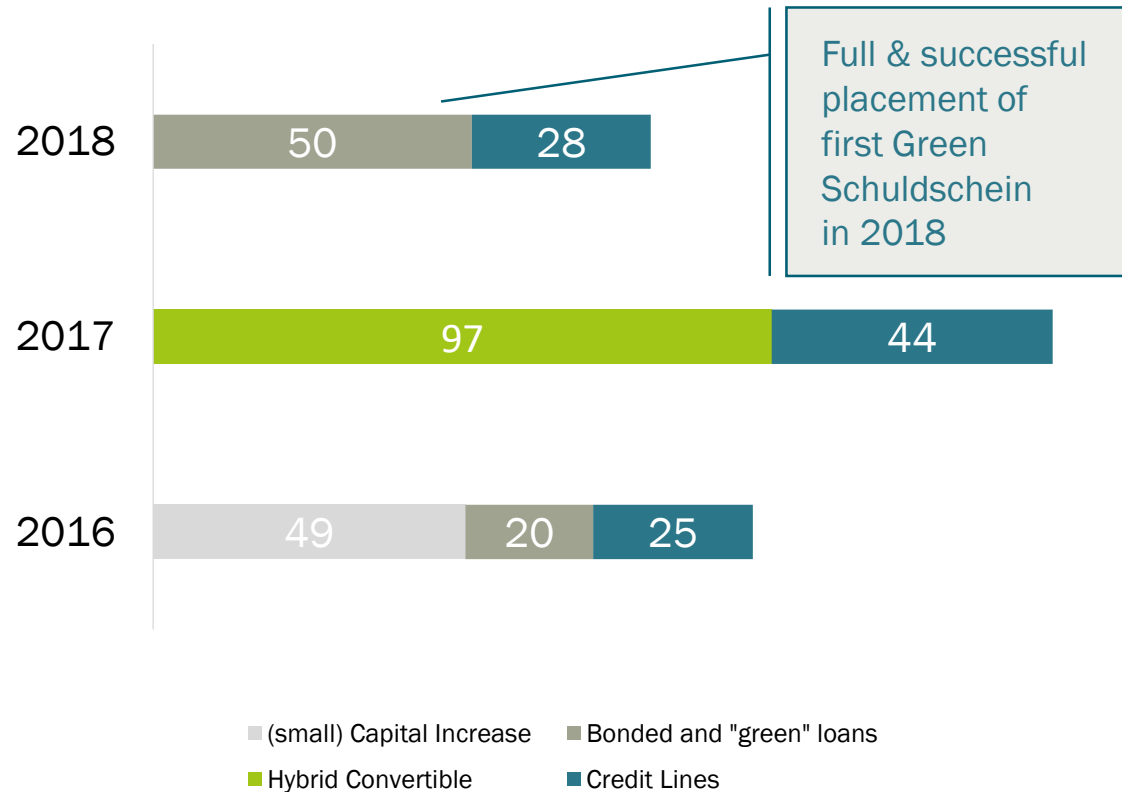
- > Encavis received **Investment Grade** issuer rating by Scope Ratings (BBB-)
- > Rating reflects Encavis' risk-averse business model, regional diversification as well as the high proportion of non-recourse financing
- > **Strong creditworthiness** revealed
- > Positive impact on financing conditions expected



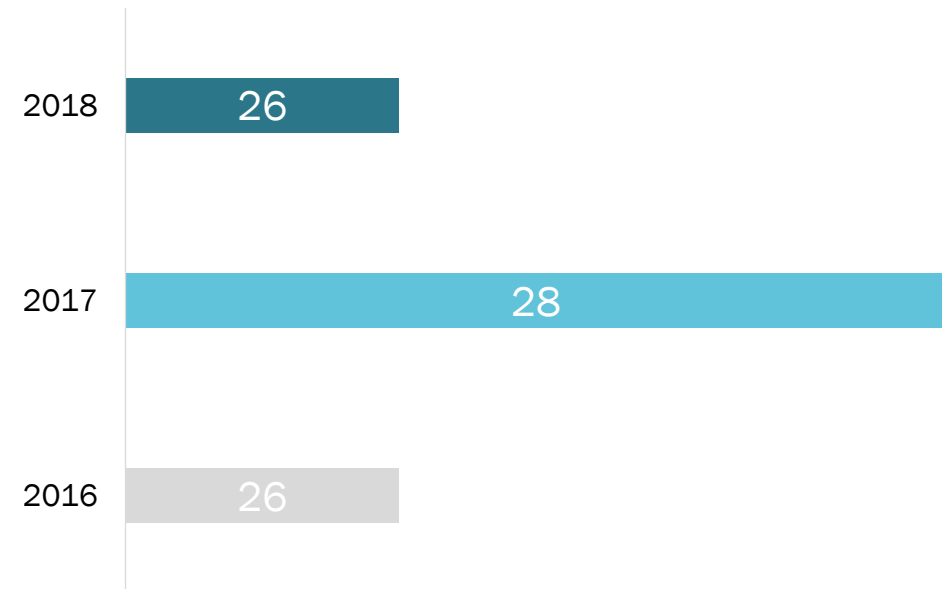


SECURING GROWTH CAPITAL WHILE KEEPING A STRONG EQUITY RATIO (2016 – 2018)

Financing measures implemented (in EURm)



Equity ratio (%)





Outlook 2019

Profitable growth path continues






GUIDANCE 2019 & SHOWCASE 2020

Guidance based on the existing/secured portfolio as of March 2019

Operating P&L (in EURm)	FY 2018	Weather adjusted FY 2018 (wa)	Guidance 2019	Guidance 2019 vs. FY 2018 (wa) (in %)	2020	2020 – FY 2018 (wa) (in %)
Revenue	248.8	242.1	>255	+5%	~280	+16%
EBITDA	186.9	180.2	>190	+5%	2020	2020 – Guidance 2019 in %
EBIT	113.7	107.0	>112	+5%		
Cashflow	174.3	n.a.	>180	+3%		
EPS	0.31	n.a.	>0.35	+13%	~0.38	+9%

! Based on average meteorological conditions and the already secured solar and wind park portfolio in March 2019

GUIDANCE 2019 BY SEGMENTS

Operating P&L (in EURm)	Solarparks 			Technical Services 		Windparks 			Asset Management 		HQ 	
	FY2018	FY2018 (wa)	Guidance 2019	FY2018	Guidance 2019	FY2018	FY2018 (wa)	Guidance 2019	FY2018	Guidance 2019	FY2018	Guidance 2019
Revenue	186.5	175.1	>182	4.5	(internal)	57.8	62.5	>64	4.1	>10	-	-
EBITDA	152.2	140.8	>147	1.6	>1	41.5	46.2	>46	-1.0	>4	-7.2	<-7
EBIT	97.5	86.1	>89	1.6	>1	23.8	28.5	>26,5	-1.7	>3.5	-7.4	<-7



Based on average meteorological conditions and the already secured solar and wind park portfolio in March 2019



IFRS P&L FY2018 vs. FY2017

IFRS RESULT FY2018 IN MILLION EURO

P&L 2018	FY2017	FY2018
Revenue	222.4	248.8
Other income	31.2	17.5
Material costs	-1.8	-1.7
Personnel costs	-11.0	-13.0
Other costs	-50.8	-55.9
EBITDA	190.4	195.3
Depreciation	102.5	123.8
EBIT	87.9	71.6
Financial costs (net)	47.2	51.8
EBT	40.8	19.8
Tax	13.1	9.0
EAT	27.7	10.8

IFRS RESULT FY2018 IN MILLION EUR

P&L 2018	FY2017	FY2018
Revenue	222.4	248.8
Other income	31.2	17.5

> Change in market environment:
 Reflects lower Badwill due to an increase
 of investments in parks ready-to-build (e.g. „Talayueta“)
 following market-standards

IFRS RESULT FY2018 IN MILLION EUR

P&L 2018	FY2017	FY2018
Revenue	222.4	248.8
Other income	31.2	17.5
Material costs	-1.8	-1.7
Personnel costs	-11.0	-13.0

- > One-time expenses related to Holger Götze (Executive Board Member) and Helmut Horst (former CFO of CHORUS) leaving the Board
- > Increase due to company growth

IFRS RESULT FY2018

P&L 2018	FY2017	FY2018
Revenue	222.4	248.8
Other income	31.2	17.5
Material costs	-1.8	-1.7
Personnel costs	-11.0	-13.0
Other costs	-50.8	-55.9
EBITDA	190.4	195.3
Depreciation	102.5	123.8

- > Increase due to organic growth
- > Linear depreciation of assets
- > EUR 12.4m Goodwill impairment in UK in FY2018 due to ongoing uncertainties relating to the Brexit and changes in the underlying planning assumptions, in particular cost of replacement

IFRS RESULT FY2018

P&L 2018	FY2017	FY2018
Financial costs (net)	-47.2	-51.8
EBT	40.8	19.8
Tax	-13.1	-9.0
EAT	27.7	10.8

Additional growth financing (debt)

CHANGE IN THE INVESTOR & PUBLIC RELATIONS DEPARTMENT



- > **Till Gießmann** will leave Encavis at his own request end of March 2019



- > **Jörg Peters** will be the new Head of Investor Relations & Public Relations at Encavis AG as of April 1, 2019



Q&A

FINANCIAL CALENDAR / CONTACT

Date	Event
March 27	Roadshow London, Commerzbank AG
April 4	Crédit Mutuel-CIC Conference, Paris
April 5	Bankhaus Lampe Deutschlandkonferenz 2019, Baden-Baden
May 15	AGM of Encavis AG
May 29	Interim statement Q1/2019
August 30	Interim report Q2/6M 2019
November 29	Interim statement Q3/9M 2019

Contact

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APPENDIX: GUIDANCE INCLUDING EFFECTS FROM IFRS 16

Operating P&L (in EURm)	Guidance 2019	Guidance 2019 (incl. IFRS 16)
Revenue	>255	>255
EBITDA	>190	>199
EBIT	>112	>114
Cashflow	>180	>188
EPS	>0.35	>0.35
Equity ratio	26%	25%