

# ENCAVIS

## Earnings Call 6M 2018

Encavis - well on track after the first half of the year 2018

Hamburg, 31 August 2018

## 6M 2018 – ENCAVIS WELL ON TRACK

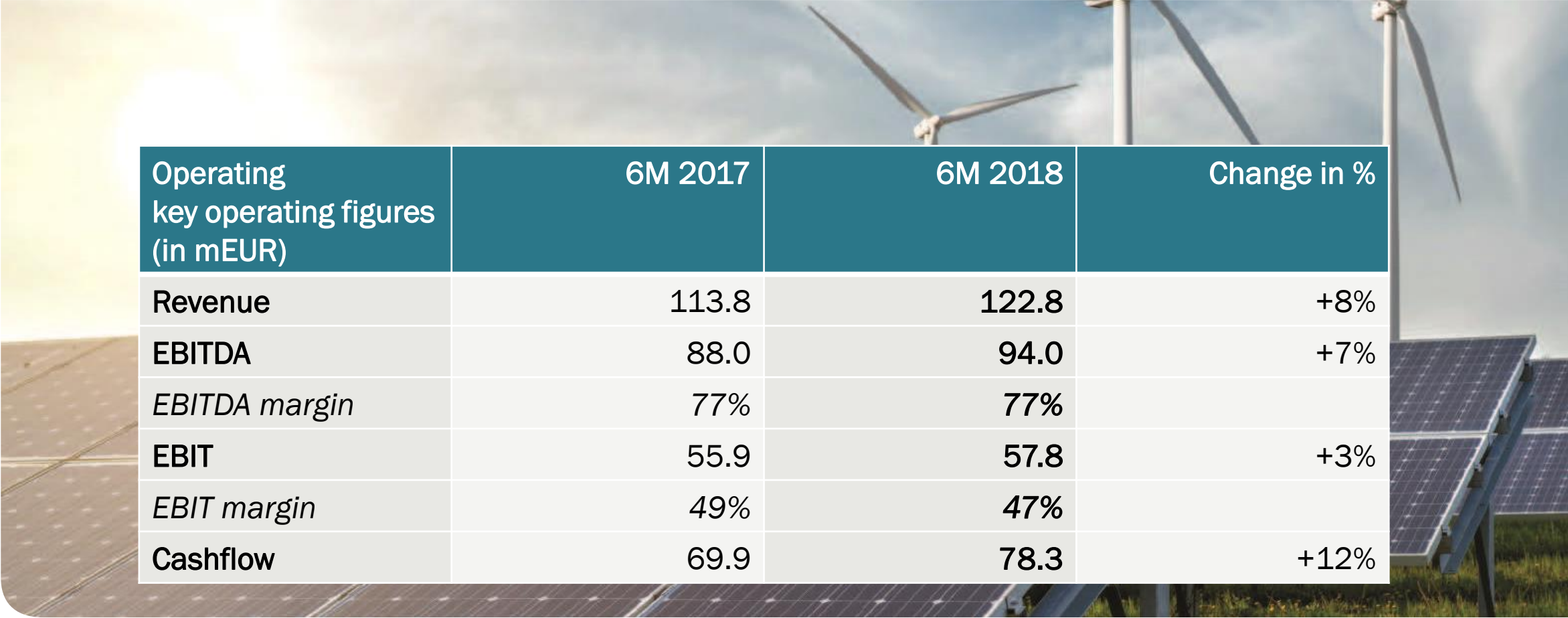


### 6M FY2018 Key Highlights

- > Favourable meteorological conditions especially in Germany in the 2<sup>nd</sup> quarter offset the meteorological weaker 1<sup>st</sup> quarter of 2018
- > First PV park in the Netherlands (43.9 MW; construction plan on schedule) successfully taken over from Solarcentury as part of the partnership of a total pipeline of 1.1 GW
- > Strong pipeline: further projects with feed-in-tariffs of some >20 MW closed/in closing, additional parks with PPAs in final negotiation, PV pipeline of some 1.2 GW as part of our strategic partnerships including the Irish PV market where a public support framework for PV solar energy is in final discussion
- > Issuance of first “green bond” with a volume of EUR 50m with an ‘ISS-oekom Prime-Label’-rating, in Aug 2018; closing expected in Sep. 2018
- > Successful financial restructuring (reserve accounts/project refinancing) will free further equity for investment of some EUR 21.5m
- > Guidance 2018 fully confirmed; dividend policy on track (2021: 30 Euro-Cent per share)

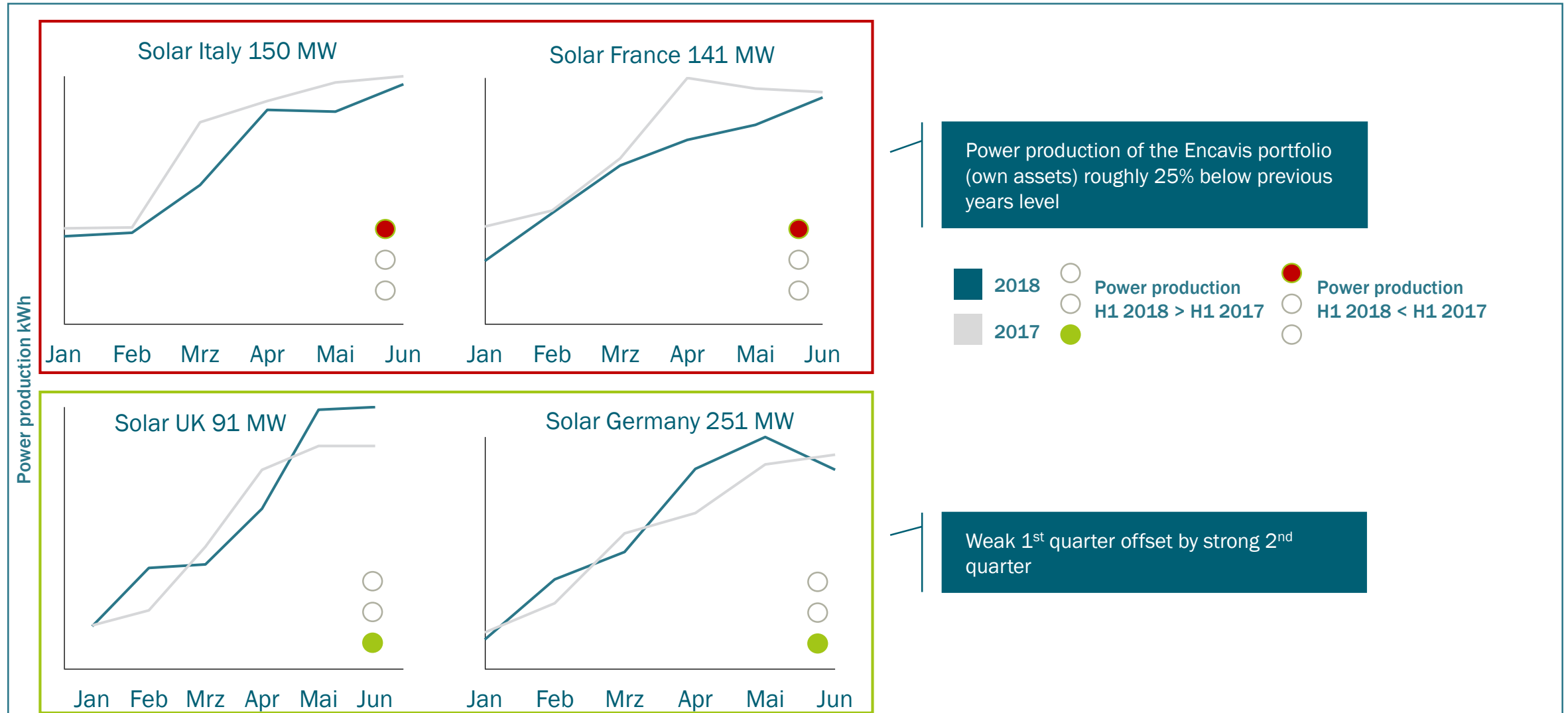
## 6M 2018 - ENCAVIS WELL ON TRACK

Growth in all key operating KPIs; HY 2018 fully in line with expectations



Operating key operating figures (in mEUR)	6M 2017	6M 2018	Change in %
Revenue	113.8	122.8	+8%
EBITDA	88.0	94.0	+7%
<i>EBITDA margin</i>	77%	77%	
EBIT	55.9	57.8	+3%
<i>EBIT margin</i>	49%	47%	
Cashflow	69.9	78.3	+12%

## WEAK Q1/2018 OFFSET BY STRONG Q2/2018 – A STRONG H1/2017 SET HIGH GROWTH HURDLES



## GROWTH UNDERSTATED DUE TO METEOROLOGICAL EFFECTS

### H1 2018 vs. strong meteorological H1 2017

- > Weather effects in H1 2017 amounted to EUR 3 million
- > Weather effects in H1 2018 amounted to EUR 0,7 million

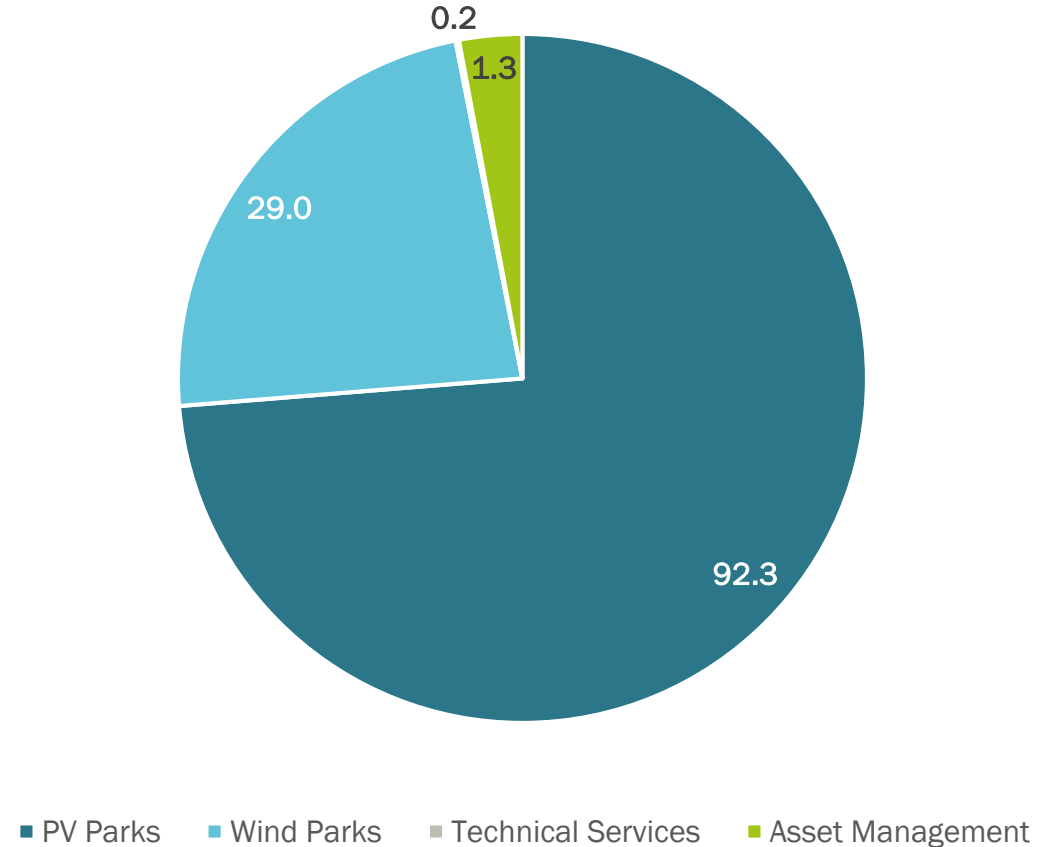


## 6M 2018 REVENUE BY SEGMENT IN MILLION EUR

>70% of the total generating capacity is attributable to the PV segment which accounts for some 75% of the revenue

	Solar	Wind
MW	72%	28%
MWh	56%	44%
Revenue	75%	25%

### TOTAL 122.8 MILLION EUR



**!** Regional changes in wind performance have a smaller impact on total revenue








## 6M 2018 ADJUSTED FOR METEOROLOGICAL EFFECTS: STRONG (ORGANIC) GROWTH IN ALL KPIS (YOY)

Operating P&L (in mEUR)	6M 2017	Weather adjusted H1 2017	6M 2018	Weather adjusted H1 2018	Change 6M 2017/2018 in %
Revenues	113.8	110.8	122.8	122.1	+10%
EBITDA	88.0	85.0	94.0	93.3	+10%
EBIT	55.9	52.9	57.8	57.1	+8%



Operating results adjusted for weather effects – strong growth in all KPIs

## OPERATING RESULTS 6M 2017 VS. 2018 BY SEGMENT (IN MILLION EURO)

Op. P&L	Solarparks 		Windparks 		Technical Services 		Asset Management 		HQ 	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Revenue	89.6	92.3	22.5	29.0	0.1	0.2	1.6	1.3	-	-
EBITDA	73.7	76.4	16.1	21.8	0.7	0.7	0.6	-1.1	-4.5	-3.8
EBITDA margin	82%	83%	72%	75%	41%	35%	38%	-	-	-
EBIT	48.6	49.3	9.3	13.1	0.7	0.7	0.3	-1.4	-4.5	-3.9
EBIT margin	54%	49%	41%	44%	41%	38%	19%	-	-	-



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



TOP EUROPEAN PARTNER: EXCLUSIVE PROJECT PIPELINE OF SOME 1,2 GW (3YRS)

## Strong position as investor and partner for project developers

- > **Solarcentury (UK)**
  - > 1.1 GW over the next three years
  - > Successful take over of first project in the Netherlands as scheduled with 43,9 MW; construction plan on schedule
- > **ISIF/PowerCapital (Ireland)**
  - > Strong Co-Investor ISIF, Irish sovereign fund
  - > Exclusive Irish PV pipeline >120 MW
  - > PV public support system in final consultation



## STRONG & EXCLUSIVE PROJECT PIPELINE FOR THE NEXT THREE YEARS

### Solarcentury

- > Exclusive PV pipeline in Europe and overseas of some 1.1 GW

### PV park in the Netherlands with Solarcentury

- > 43.9 biggest acquired PV park
- > Attractive FIT for 15 years
- > First project out of pipeline with Solarcentury

### PV park in Spain

- > Highly attractive IRR
- > Pipeline with Solarcentury
- > In Due Dilligence

December 2017

March 2018

Approx. Oct/Nov 2018

January 2018

September 2018

2021

### ISIF/Power Capital

- > Exclusive PV pipeline in Ireland of >120 MW

### PV park in Germany/ Windpark in Denmark

- > Some 20 MW guaranteed FIT for 20 yrs, (NL)
- > Closed/in closing

### Exclusive Pipeline

- > Total exclusive pipeline of some 1.2 GW

ENCAVIS FOR THE FIRST TIME ISSUES A „GREEN SCHULDSCHEIN“ (BOND) WITH A VOLUME OF EUR 50M

- > First “green Schuldschein” (bond) with volume of EUR 50m to be issued to institutional investors
- > Tranches:
  - > 5yrs: 150 – 170 bps
  - > 7yrs: 175 – 200 bps
  - > 10 yrs: 200 – 220 bps
  - > Steps up 50 bps if equity ratio is <22%
- > Arranger DZ Bank
- > Certified as “Green Schuldschein” by the **Climate Bond Standard Executive Board**
- > Encavis received a **Prime-Label** by ISS-oekom, one of the world’s leading ESG research and rating agencies



Corporate  
Responsibility

Prime

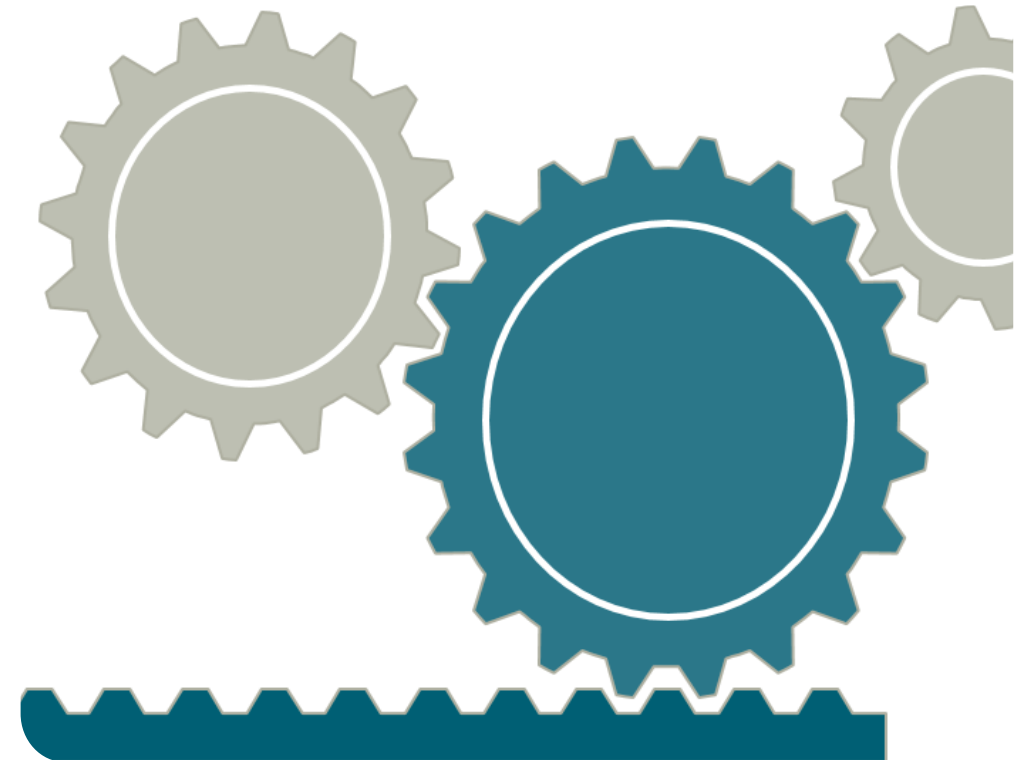
rated by

ISS-oekom

## ENCAVIS INDUSTRIALISING THE INDUSTRY

### Optimisation & Synergies: Free funds for investment of EUR 21.5m

- > Successful negotiation with the banks to reduce the deposits of the park companies in so-called reserve accounts, freeing equity that is available for investments of some **EUR 18m** in 2018
- > Successful agreement with banks to refinance and group project debts; freeing equity that is available for investments of some **EUR 3.5m** in 2018

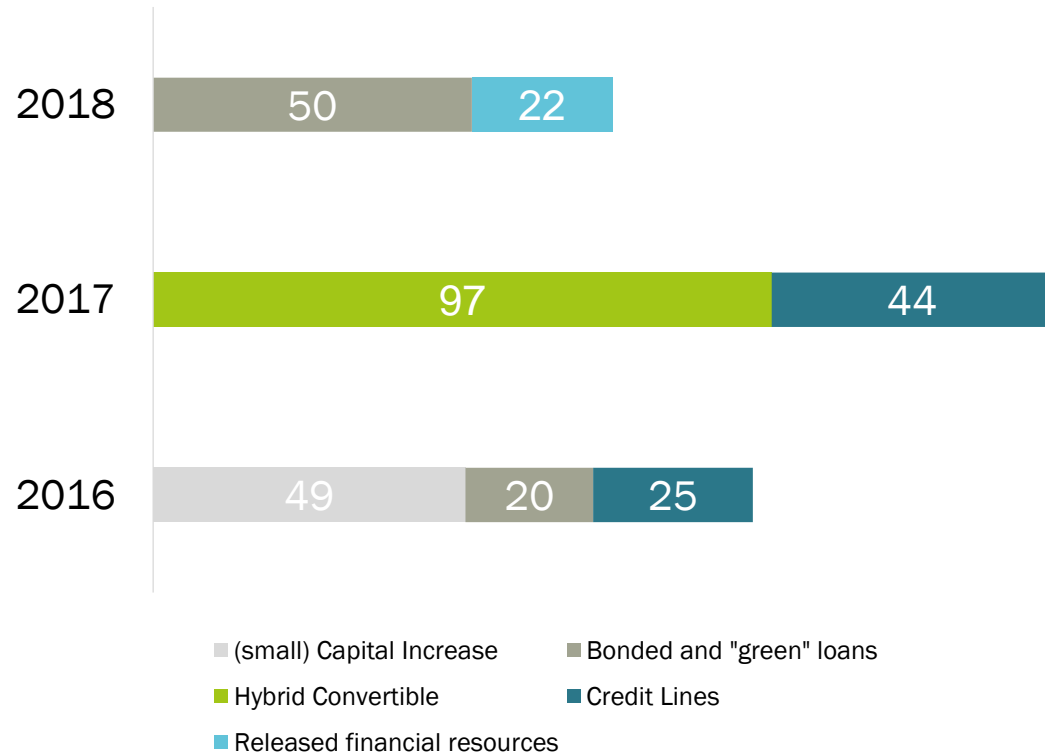


New funds potentially can be used to finance parks with a total investment volume of >EUR 80m

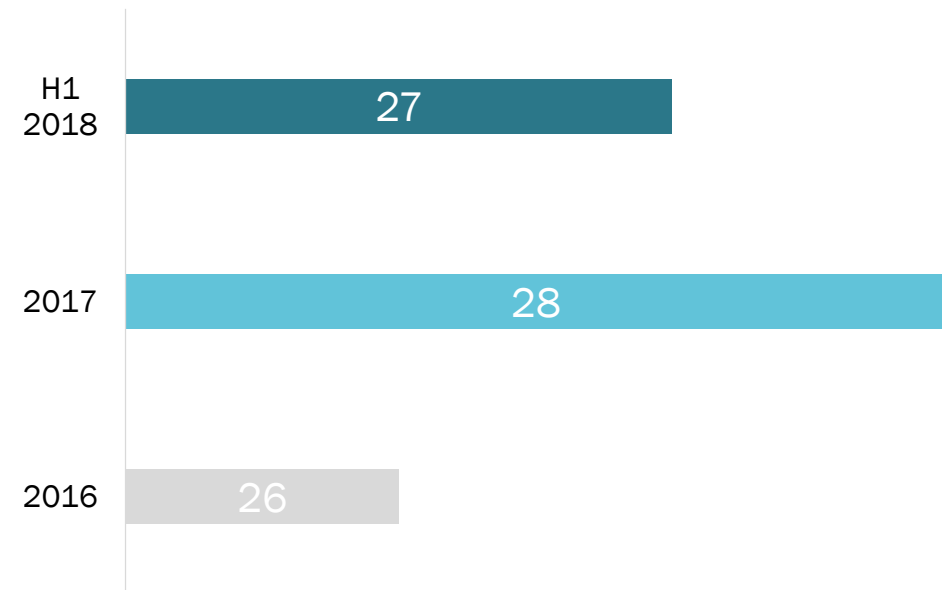


## SECURING GROWTH CAPITAL WHILE KEEPING A STRONG EQUITY RATIO (2016 – 2018\*)

### Financing measures implemented (in mEUR)



### Equity ratio (%)



\*Excluding project finance debt and capital increase in the course of the CHORUS takeover 2016







# Outlook 2018

Growth path continues

## „GUIDANCE 2018“ CONFIRMED

### Guidance based on the existing/secured portfolio as of March 16, 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

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



Does not incorporate further acquisitions or above-average weather effects





# IFRS P&L H1 2018 vs. H1 2017

Valuation, organic growth & integration effects  
(main effects)

## IFRS RESULT 6M 2018

TEUR	6M 2018	6M 2017
<b>Revenue</b>	122.757	113.775
Other income	10.669	17.309
Material costs	-870	-703
Personnel costs	-6.512	-4.609
Other costs	-26.414	-24.011
<b>EBITDA</b>	99.631	101.760
Depreciation	-54.949	-49.776
<b>EBIT</b>	44.681	51.984
Financial costs (net)	-24.161	-23.363
<b>EBT</b>	20.520	28.621
Tax	-2.326	-8.396
<b>EAT</b>	18.194	20.225
<b>EPS (non diluted)</b>	0.12	0.15

## IFRS RESULT 6M 2018

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Revenue	122.757	113.775
Other income	10.669	17.309

> Reflects lower Badwill due to increase of investing in parks ready-to-build

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Other income	10.669	17.309
Material costs	-870	-703
Personnel costs	-6.512	-4.609

- > Increase due to company growth and need for additional employees
- > Management Board consisted of three members until April 2018 whereas out of two members since May 2018
- > One-time expenses with Holger Götze leaving the Board

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<b>EBITDA</b>	<b>99.631</b>	<b>101.760</b>
Depreciation	-54.949	49.776

- > Increase due to organic growth
- > Acquisition of wind parks drives appreciation slightly further

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Tax	-2.326	-8.396
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EPS (non diluted)	0.12	0.15

> Effects from takeover: 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

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TEUR	6M 2018	6M 2017
EBT	20.520	28.621
Tax	-2.326	-8.396
EAT	18.194	20.225
EPS (non diluted)	0.12	0.15

Lower tax expenses due to lower EBT paired with a reduction in deferred taxes that led to a deferred tax income





Q&As