



Press Release

No. 07, 21 July 2016

Stable growth with energy efficiency

- **Domestic and foreign sales rise by a total of around three percent in 2015/2016**
- **Energy efficiency due to Big Data, digitisation and consulting**

Eschborn, Germany. The internationally active energy service provider Techem achieved sales of EUR 744.5 million from continuing operations in financial year 2015/2016 that ended on March 31, 2016. Techem grew moderately by around three percent compared to the previous year's sales (EUR 721.7 million). Adjusted EBITDA from continuing operations rose by approximately EUR 15 million to EUR 273.5 million. Capital expenditure for the Techem Group during the year amounted to EUR 125.2 million, an increase of around 15 percent over the previous year (EUR 109.1 million). Sales growth was driven mainly by the strong core business of heating and water metering and billing both in Germany and internationally, and continued high demand for radio-controlled smoke detectors that allow for remote inspection in Germany. Techem intends to continue to develop its core business in Germany in the future as well in order to increase energy efficiency in real estate. The radio-controlled technology for metering which Techem is heavily promoting represents an important foundation for growth. Techem now has more than 32 million metering devices in service, which can be read digitally on a remote basis and therefore are the basis for energy analysis, transparency of energy consumption for the tenants and Smart Building and Smart Home solutions.

Growth in the core business and in contracting

Total sales of the Energy Services segment amounted to EUR 642.8 million, around 3.2 percent higher than in the previous year (EUR 622.6 million). The current financial year is also offering opportunities for growth, not least due to the expected demand for smoke detectors in North Rhine-Westphalia and Saarland. In addition, Legionella testing of the drinking water systems of larger apartment buildings throughout Germany that is scheduled again for 2016 and 2017 will support Techem's business. The Energy Contracting segment (professional heat supply) achieved sales growth from continuing operations of 2.7 percent to EUR 101.8 million (previous year: EUR 99.1 million). Techem sees demand particularly for generating electricity and heat via cogeneration units in residential areas. The number of combined heat and power stations that Techem services rose by 30 percent last year to nearly 100. Another 40 such stations are either currently under construction or planned.

International business continues to be successful

Besides Germany, Techem is represented in more than 20 countries, mainly in Europe. The company posted overall sales growth of 3.9 percent with its international business in 2015/2016. Markets of growth included France and Slovakia, each with more than 5 percent



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growth, Bulgaria with more than 10 percent and Romania with over 25 percent. Techem even managed to significantly increase its sales growth in Spain, a market the company entered at the end of 2014, and has strong conditions for further growth there. In the future, Techem expects additional positive effects to come from the European Energy Efficiency Directive (EED) in Spain, France and Italy, among other countries. The EED will increase the energy requirements for multi-dwelling buildings and Techem solutions will be able to make a significant contribution. The deeper development of international markets is therefore one of several approaches through which Techem plans to expand its customer base and service in the coming years.

Realignment: energy efficiency through digitisation and modern technology

In addition, the company is also looking into service opportunities in four areas with respect to its business in Germany in the years to come: process optimisation for the housing industry, water technology, customised solutions for additional customer groups and energy efficiency in apartment buildings.

All of these approaches are already taking advantage of the opportunities that digitisation offers – except for water technology, an area in which Techem would like to offer its portfolio of solutions for drinking water system maintenance and water treatment that is already very successful in the Austrian market in Germany as well. Under the slogan “Energy efficiency,” energy analysis of real estate on the basis of the buildings’ multiannual consumption data and the use of relatively low-cost digital and technical solutions are to become a greater focus. Here, Techem also relies on an open technology approach to not only reduce CO2 emissions from buildings effectively, but also for the economic benefit of landlords and tenants.

“We will take a closer look at whether these approaches make sense for our customers and thus for ourselves in the months to come,” says Techem CEO Frank Hyldmar. “We are convinced we can only succeed with the energy transition in residential real estate if we use the possibilities that data analysis, digitisation and the latest technology offer,” he concludes.

About Techem

Techem is a leading global provider of energy billing and energy management services for real estate. The company with headquarters in Eschborn in Germany was established in 1952. Today, Techem operates in more than 20 countries with over 3,500 employees and has 10.7 million units in service. Worldwide, Techem has a presence of 170 different branch offices, 80 of them at sites throughout Germany. Techem provides enhanced efficiency throughout the entire value chain of heating and water supply in buildings. The services offered by Techem range from energy procurement and heat and water metering and billing for landlords and tenants as well as low-investment measures such as the adapterm energy saving system. In addition, innovative energy contracting solutions for residential properties and industrial estates are also part of our portfolio. Thanks to the use of efficient technology and the cost-effective supply of heating attractive heating prices and savings in



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consumption are achieved for owners and tenants. Techem is the market leader for radio-controlled heat and water metering systems and on that basis promotes networking and digital processing in buildings. Modern smoke detectors with remote inspection and Legionella testing conducted with an accredited partner firm round out its product range for residential living management. Techem is one of a few service providers in Germany that offers a complete package, including prevention and renovation consulting, with sample taking and analysis done by the partner company. Techem has been awarded the "2016 Innovator of the Year" title by the business magazine *Brand one*. Please find further information at www.techem.de

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Annex: overview of facts, figures and data

Key figures	2014/2015 (1 April 2014 - 31 March 2015)	2015/2016 (1 April 2015 - 31 March 2016)
Sales (in million EUR)*	721.7	744.5
Sales by Techem business areas:		
Energy Services	622.6	642.8
Energy Contracting*	99.1	101.8
Adjusted EBITDA*	258.7	273.5
Capital expenditure (in million EUR)	109.1	125.2
Employees (as of 31 March 2015)	3.543	3.532
Apartments serviced (in millions)	10.3	10.7
Number of installed devices in sub-metering billing volume (in millions)	49.4	50.0
of which for heat	36.6	36.8
of which for water	12.8	13.2
of which radio-controlled devices	30.7	32.6
Smoke detectors (in millions)**	2.3	3.8
of which radio-controlled devices	1.5	2.9
Apartments supplied with heat	121,900	112,300
Block-type thermal power stations serviced	74	98

* Sales from continuing operations

** only in Germany