



Press Release

Number 9, 23 July 2015

Techem: Energy efficiency in more than 10 million homes

- **2014/2015 financial results: Group revenues rise by around 4% in Germany and abroad**
- **Radio meter reading and digitalisation offer even more ways to increase energy efficiency**
- **Number of devices in service rises to more than 50 million worldwide**

Eschborn, Germany – The energy management company Techem remains on course for growth. The company achieved revenues of EUR 721.7 million from continuing operations* in the financial year 2014/2015 that ended on March 31, 2015. This equates to an increase of about 4% over last year's revenues of EUR 695.3 million. Adjusted EBITDA from continuing operations rose by EUR 12.8 million to EUR 258.7 million. Capital expenditure for the Techem Group was EUR 109.1 million compared to last year's figure of EUR 90.4 million. The overall growth of the business in terms of revenue and profit is driven by Techem serving an increased number of flats and devices in service, both abroad and in Germany. In strategic terms, Techem continues to position itself as a comprehensive energy service provider with a broad product portfolio and a focus on energy and cost savings for real estate owners and residents. The company also sees great potential in meter reading devices that use radio technology. The consumption information that is made available promptly in digital form helps to lower energy consumption and costs even further and therefore also reduces CO₂ emissions.

The Energy Services division that posted 5.3% higher total revenues of EUR 622.6 million (EUR 591.1 million last year) was the main growth driver. This growth was driven by strong domestic and foreign customer demand for rental equipment for metering of energy and water consumption, in particular. In Germany, it was also fueled by demand for radio-controlled smoke detectors. As a result, the number of devices in Techem service already increased to more than 50 million last year. At the end of the financial year, there were 51.7 million devices in 10.3 million homes worldwide. Over 60% of these devices are equipped for radio readout. This makes the company the world's market leader when it comes to radio-controlled solutions for taking measurement readings for heat, water and cooling.

In the Energy Contracting division that focuses on professional heat supply, revenues from continuing operations fell by 5% to EUR 99.1 million compared to the previous year (EUR

* For further explanations of figures, see the annex on page 4.



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104.2 million). The reasons were the relatively mild winter in 2014/2015, correspondingly lower heating demand as well as the general decline in energy prices. At the project level, the trend in the heat supply business was, by contrast, encouraging, especially for residential buildings. Here the number of homes in service rose by 12.6% to 121,900.

Sharp international growth

Techem is currently represented in more than 20 countries, mainly in Europe. At the international level, Techem recorded strong growth in revenues of 8.6% in its last financial year. This again underscores the increasing importance of its international business. Revenues rose in the Netherlands by 36.9%, in the Czech Republic by 33.4%, in Italy by 15.3% and in France by 9.7%. The energy management company has also been active in Spain since January 2015 and thus continues to expand its business operations in Europe, where conserving energy in buildings is gaining ground in connection with the European Energy Efficiency Directive (EED).

The housing sector is increasingly relying on heat supply

“We are very satisfied with our results for the past financial year which underscore the benefits of using our services”, says Hans-Lothar Schäfer, CEO of Techem. Schäfer also assesses the interest that the housing sector has been showing in the professional heat supply very positively. “Last year we were able to increase the number of systems in service and significantly increased the number of homes we supply. In addition, we have over 100 additional projects in the pipeline, including the replacement of approximately 600 heating systems for 10,000 homes in Baden-Württemberg. In this respect, not only supplying heat, but also supplying electricity to tenants is becoming ever more important”, he adds. For this, Techem relies on cogeneration plants that combine heat and electricity generation. The company now has more than 70 of these plants in operation. The power gained in this manner can be used to supply more than 20,000 homes. Together with a partner, Techem offers this electricity directly to residents in the neighbourhood.

More safety for rental apartments

Besides energy services, safety and health in real estate properties also play a role in Techem’s business. The company also relies on digital solutions with respect to smoke detectors. As this indicates, Techem orients itself toward the housing sector’s demand for more far-reaching automation and, at the same time, the safety of residents. “We installed approximately 800,000 radio-controlled smoke detectors last year,” says Schäfer. Triggered by the deadline for retrofitting existing buildings, demand was particular high in Hessen and Baden-Württemberg. In the current financial year, Techem expects to see strong demand in Lower Saxony, Bremen and Saxony-Anhalt. The second wave of legionella tests, which the housing sector must perform on its drinking water systems every three years, since 2013 will also begin in 2016.



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About Techem

Techem is a globally leading provider of energy billing and energy management services for real estate. The company with headquarters in Eschborn/Germany was established in 1952. Today, Techem operates in more than 20 countries with over 3,500 employees and 10.3 million flats in service. In Germany, Techem has a nationwide presence at around 100 locations.

The services offered by Techem range from energy procurement and heat and water metering / billing to detailed energy monitoring. In addition, Techem also provides innovative energy contracting solutions for residential properties and industrial estates alongside low-investment measures such as the adaptterm energy-saving system. Thanks to the use of efficient technology and the cost-effective supply of heat, attractive heat prices and consumption savings are achieved for the benefit of both home owners and tenants.

The wireless smoke detector complements the market leader's portfolio of radio-controlled systems for the metering of thermal heat and water. Legionella testing, carried out in cooperation with an accredited partner company, rounds out the extensive offering of solutions for the housing industry. Techem, as one of the few service providers for this in Germany, offers a complete package, including prevention and renovation consulting, with sample taking and analysis done by the partner company. For further information, see

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Annex

Key figures, data and facts at a glance

Key figures	2013/2014	2014/2015
	12 months (1/4/13 - 31/3/14)	12 months (1/4/14 - 31/3/15)
Sales revenue (in million €)*	695.3	721.7
Sales revenue broken down by business divisions:		
Energy Services	591.1	622.6
Energy Contracting*	104.2	99.1
Adjusted EBITDA*	245.9	258.7
Investments (in million EUR)	90.4	109.1
Employees (as of 31 March 2015)	3,420	3,543
Flats in service (in millions)	9.9	10.3
Number of installed devices in the submetering billing portfolio (in millions)	48.2	49.4
of which for heat		
of which for water	36.0	36.6
of which for radio-controlled devices	12.2	12.8
	28.3	30.7
Smoke detectors (in millions)	1.5	2.3
Of which radio-controlled (approximately)	0.8	1.5
Flats with heat supply by Techem	over 108,000	121,900
Electric connection service**	10 MW	10.1 MW

* Modified presentation compared to last year, for explanation see below

** 10 Megawatt supplying about 20,000 homes

Explanation on modified presentation of key business figures by “continuing operations.”

With the disposal of IHKW Industrieheizkraftwerk Andernach GmbH on 1 July 2014, this business division, in conformity with International Financial Reporting Standards, was classified as “discontinued operations.” Consequently, and in order to ensure comparability between years, in the current consolidated annual accounts of the Techem Group, sales figures and adjusted EBITDA of the Group and the Energy Contracting division for the 2014/2015 and 2013/2014 financial years have only been posted on the basis of continuing operations.