



Press release

Number 8, June 16, 2011

Energy manager Techem on course for growth

Energy efficiency lies at the heart of the business model

- Group turnover increased by 6.5 percent in 2010/2011 business year
- Techem Smart System and savings guarantee successfully launched
- In 2020, Techem aspires to be the first choice in real-estate energy management

Eschborn. In the 2010/2011 business year (ended 31 March) Techem achieved solid growth once again. Group turnover climbed 6.5 percent to 732 million euros (previous year: 687.5 million euros). “We’re delighted with the past business year and growth in all divisions”, says Hans-Lothar Schäfer, chairman of the management board at Techem. “Due to the successful launch of innovative solutions, like Techem Smart System and the Techem savings guarantee, we are in a very good position and still expect huge potential”.

Techem Energy Services

Over the past business year, the Techem Energy Services (TES) division generated a turnover of 517 million euros. This figure equals growth of 5.8 percent. On the German market, growth was at the lower end of the single-digit spectrum, internationally the division enjoyed clear double-digit growth.

Techem Smart System had a very successful launch in mid 2010. The new product includes a range of premium value services that are based on the latest generation of Techem radio technology for remote metering. The radio infrastructure that is often already available is used for additional applications, such as energy monitoring at intervals during the year, customised energy procurement or the intelligent, energy-saving system adapter. As a result, a building's energy requirements can be analysed and therefore controlled better via online portal or smart phone app at any time.

Less than a year after market launch, Techem Smart is already installed in 130,000 apartments, 80,000 of which are also fitted with adapter. This radio-controlled solution constantly adjusts the temperature of the heating system to the heating requirements in the building established by the heating cost allocators. Techem guarantees six percent savings in energy – and in practice the actual savings are around ten percent on average.

“Techem Smart System allows Techem to tap into huge potential, even in a saturated market. It also underpins the company’s own objective of being the first choice for energy management in buildings”, comments Hans-Lothar Schäfer.



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In addition to the expansion of the German business, the strong international growth in particular has contributed to the good results. "We have seen considerable growth in all countries – in saturated markets and in markets where energy service providers are virtually non-existent, or few and far between", said Schäfer when presenting the company's results. In saturated markets like Austria (turnover increase of 8.6 percent) and Switzerland (turnover increase of 26.3 percent) higher value products and services were the growth drivers. Techem also has a strong presence in markets that are less well developed or virtually undeveloped. In Poland for example (turnover up by 24 percent) the company is the market leader in radio heating costs allocators and has already installed the first 150 adapterm systems. Major projects such as those in Turkey (turnover increase of 13.8 percent) also boosted international growth.

Techem Energy Contracting

The Techem Energy Contracting division also contributed to the excellent result with a turnover rising by 8.3 percent to 215 million euros. The portfolio ranges from energy procurement to the analysis of savings potentials, to planning, installing, financing and operating energy systems. The company is fully independent of energy and technology suppliers.

"In the year reviewed, changes in legislation, such as the discontinuation of rebates on eco tax and the planned switch in energy sources, have led to significant changes and a feeling of unease on the market. We have responded and made use of the resulting opportunities", explains Hans-Lothar Schäfer. Techem Energy Contracting was one of the first companies in the energy sector to receive DIN EN 16001 certification for energy management systems. The benchmark DIN certification confirms that the contracting solutions offered by Techem lead to permanent increases in energy efficiency.

Techem Savings Guarantee

Since January 2011, the company has offered its industrial customers the Techem savings guarantee. For customers in the residential property industry, an extensive savings guarantee is also to follow this year. "Energy efficiency lies at the heart of our business model. By intelligently combining radio-based measurement technology, systematic enhancement of systems and innovative services, we can guarantee energy savings to our customers", explains Hans-Lothar Schäfer. "The customers reap the advantages of energy efficiency measures without having to make any investments themselves, because savings in energy costs are guaranteed. Techem has said that in 2020 it wants to be first choice for energy management in buildings – the savings guarantee is an important milestone."



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In order to continue growth in the Energy Contracting division, at the end of March 2011 Techem took over GWE (Gesellschaft für wirtschaftliche Energieversorgung) Holding GmbH, in Freiburg, Germany. The infrastructure fund "Macquarie European Infrastructure Fund 2" (MEIF 2), as the owner of Techem and GWE, is consolidating its energy management activities under the roof of Techem.

Prospects

Techem is expecting a stable consolidated turnover for the 2011/12 business year. For the Energy Services division above all, solid growth to a magnitude of five to six percent is planned. For the domestic market, Techem is expecting continued strong demand for the technology platform Techem Smart System and the energy saving system adapter. Internationally the company wants to continue to expand and push the installation of radio-based solutions. Techem cannot issue any actual projections for the Energy Contracting division. The reason is that as part of the Budget Act on 1 January 2011 the German parliament has withdrawn the tax allowance for contracting in the Energy and Electricity Act (eco-tax rebate) and the future development of a legal framework is still open. "However, it is clear that contracting will still play a key role in achieving the climate goals. But the actual framework from the legislator is lacking and consequently the confidence as regards planning on the part of our customers too", comments Schäfer.

Further facts & figures

Outstripping any company worldwide, Techem manages more than 45 million measurement devices, based on which consumption-driven billing is created via so called sub-metering. Around 19 million devices have already been fitted with radio technology.

Techem manages 8.9 million properties worldwide. This figure is 4.7 percent up on the previous year's. In the 2010/11 business year Techem invested 84.4 million euros in research, development and infrastructure. In the year under review, the number of permanently employed staff rose by 1.4 percent to 3,059.

Due to the services provided by Techem, around four million tonnes of CO₂ emissions are prevented each year worldwide. This figure corresponds to the emissions of a large coal-fired power station.



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Key figures EUR millions	2009/2010	2010/2011
	12 months (1.04.09 - 31.03.10)	12 months (1.04.10 - 31.03.11)
Turnover	687.5	732.0
Turnover by business field:		
Energy services	488.6	517.0
Energy contracting	198.9	215.0
Properties managed (in millions)	8.5	8.9
Number of installed devices for sub-metering billing (in millions)	44.3	45.0
Investments (in millions of euros)	72.0	84.4
Employees* (as of 31 March)	3,016	3,059

* Excluding any German sales agencies

About Techem

Techem is a leading global supplier of energy billing and energy management for real estate. With its headquarters in Eschborn, Techem is active in more than 20 countries worldwide with a workforce of over 3,000 employees. In Germany, Techem is present nation-wide with a network of almost 100 branches. The company's service portfolio includes measuring and billing of heat and water as well as detailed energy monitoring and innovative energy contracting solutions. Techem also provides cost-efficient delivery of heat, cooling, flow energy and lighting as well as optimization, operation and financing of energy systems. Further information available from www.techem.com

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