



Press Release

Number 12, 25 July 2014

Techem Grows Across the Board

- Modern wireless technology continues to assert itself
- Ongoing positive development of the company's international business
- Decentralised energy supply in real estate is on the rise

Eschborn/Germany. The energy management company Techem further pursues a policy of continuity, having generated group sales revenue of EUR 719 million in the business year 2013/14 (ending 31 March). This represents an increase by 2.2 percent in comparison to the previous year (EUR 703.6 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by EUR 2.7 million to EUR 235.2 million. Techem has an overall staff number of 3,420 employees (after 3,185 in the previous year) in more than 20 countries and 9.9 million flats in service (after 9.5 million the year before). With an increase in sales revenue by 7.6 percent to EUR 591.1 million (after 549.6 million in the previous year), the Energy Services division was the major growth driver. The investment volume, especially for the exchange of metering devices, but also for the procurement of new heating systems, approximately equals the level of the year before at about EUR 90 million. The number of devices operated in the Techem Service around the world rose to a total of 49.7 million (after 48.3 million the year before), in particular due to an increase in the number of wireless devices. In the Energy Contracting division, sales revenue decreased to EUR 127.9 million (after 154 million in the previous year). For the current business year 2014/15, Techem again expects one-digit growth of its sales revenue across all business divisions.

“Our strategic decisions prove to be successful across our entire range of services offered”, said Techem chief executive officer Lothar Schaefer, who is highly satisfied with the company's business development. “In the classic metering services, we have generated significant growth, including at international level. In particular, we are very pleased with the development in the new legionella examination segment. Across Germany, we took and analysed 257,500 samples in collaboration with *SGS Institut Fresenius*. Moreover, decentralised energy supply by means of combined heat and power generation gradually establishes itself in the real estate sector. Admittedly, the warm weather and reduced energy prices along with the company's deliberate withdrawal from heat generation for industrial customers caused a decrease in sales revenue compared to the previous year in the Energy Contracting segment. However, we have generated about 80 new projects, which we consider an explicit signal for more growth with contracting services in the residential property sector”, said Mr Schaefer in a concluding assessment of the company's business development in the Energy Contracting sector.



Press Release

Number 12, 25 July 2014

International growth

Alongside the expansion of the German business, the development on international markets has had a particularly positive impact on group sales revenue: in Poland (+14.5 percent), Techem generated strong double-digit growth of its sales revenue, while the strong growth of the previous years also continued in Italy (+10.4 percent) and France (+9.5 percent). Thanks to its takeover of the Scandinavian company Inergi in January 2014, Techem was also able to firmly position itself in the growth region of Scandinavia.

Outlook

“Looking towards the future, we consider ourselves to be in an excellent position. Especially in the other European countries other than Germany, we expect impulses for growth from the metering services business, as the consumption-based billing of heat becomes increasingly established in these countries. As a result, we are able to make a significant contribution to achieving the European Union’s climate protection objectives”, Mr Schaefer points out. “In addition, we also use strategic co-operations to extend our comprehensive range of services offered for residential properties in Germany. Among other things, an important approach in this context is the all-round supply of urban quarters with heat and power”, Mr Schaefer explains the projected further development of the company. “Thanks to progressive and efficient solutions such as combined heat and power generation, we are able to positively and actively bolster the transition to renewable energies. In this context, we also make a contribution to support affordable housing by enabling home owners and tenants to benefit directly from electricity from combined heat and power stations. This represents an advantage for us, the residential property sector and tenants alike.” In addition, Mr Schaefer expects further positive effects in the future from the obligation to exchange around one million old heat boilers by the end of 2015.

Developments in the business year 2013/14

- **Positioning in Scandinavia: Takeover of the Inergi measuring service**
On the basis of already established customer relationships and the good reputation of Inergi, Techem is able to expand its business activities as well in the Scandinavian region. Inergi with offices in Oslo, Stockholm, Gothenburg und Malmoe is a leading billing services provider, which makes use of modern wireless technology for the residential property sector in Norway and Sweden.
- **More convenience and efficiency: Increased use of wireless metering devices**



Press Release

Number 12, 25 July 2014

In the year under review, Techem managed to increase its inventory of devices for the measuring of energy and water (sub-metering) by 1 million to 48.2 million (after 47.2 million in the previous year). The number of installed wireless metering devices in service rose by slightly less than 3 million to 28.3 million (after 25.5 million the year before). This shows that the trend towards radio-based metering does not only comprise the equipment of new real properties, but also the exchange of old devices on the premises of existing customers. In Germany alone, 60.5 percent of all devices work on the basis of wireless technology in the meantime, while the global share of such devices stands at 58.7 percent. On an ever increasing scale, Techem customers recognise the benefit of state-of-the-art wireless metering devices for residential properties: They raise the level of convenience for home owners and tenants and serve as a basis of enhanced energy efficiency.

- **Protection of life and health: Wireless smoke detectors and legionella examination services**

In the period under review, Techem raised the number of installed smoke detectors to 1.5 million compared to 1.1 million the year before. This growth is based on Techem's technological leadership. The functional inspection of the latest generation of these devices does not require a visual examination and, thus, renders possible a more regular and reliable testing of the detectors. Regarding the legionella examination services, which were introduced in the summer of 2012, Techem took and analysed a total number of 257,500 samples across Germany by the end of the business year on 31 March 2014 in collaboration with *SGS Institut Fresenius*.

- **Benefit for climate and tenants: decentralised combined heat and power generation is on the rise**

Techem is applying new methods in collaboration with the municipal utility company of Aalen. The cooperation facilitates the environment-friendly generation and supply of power and heat to private households for both existing buildings and complete newly erected quarters. In the Candis Quarter in the city of Regensburg, Techem is implementing heat supply on the basis of a block heat and power plant operating on bio-methane and of natural gas-based peak load boilers. The plant supplies a new residential quarter and industrial estate with approximately 1,000 flats and a total useful area of 65,000 square metres.

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



Press Release

Number 12, 25 July 2014

operates in more than 20 countries with over 3,400 employees and 9.9 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 adapterm 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. The legionella examination service in collaboration with *SGS Institut Fresenius* completes the comprehensive range of solutions offered for the residential property sector. For this purpose, Techem is one of the few service providers in Germany to offer an all-round package including prevention and refurbishment advice, with the samples being taken and analysed by the officially certified *SGS Institut Fresenius*.

Please find further information at www.techem.de

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Press Release

Number 12, 25 July 2014

Appendix

Overview of management ratios, data and facts

Management ratios	2012/2013 12 months (2012-04-01 - 2013-03-31)	2013/2014 12 months (2013-04-01 - 2014-03-31)
Sales revenue (in million €)*	703.6	719.0
Sales revenue broken down by business divisions:		
Techem Energy Services	549.6	591.1
Techem Energy Contracting	154.0	127.9
EBITDA	232.5	235.2
Flats in service (in million)	9.5	9.9
Number of devices installed in the sub-metering billing inventory (in million)	47.2	48.2
thereof for heat	35.5	36.0
thereof for water	11.7	12.2
thereof wireless devices	25.5	28.3
Smoke detectors (in million)	1.1	1.5
thereof wireless devices (approx.)	0.5	0.8
Flats supplied with heat by Techem		over 108,000
Electrical connection power		** 10 MW
Investments (in million EUR)	90.3	90.4
Employees* (as of 31 March)	3,185	3,420

*without domestic sales agencies

** 10 Megawatt supply approx. 20,000 flats