

MVV ENERGIE
ENERGISING ▶ MY FUTURE

▼
**MAKING
IT HAPPEN!**

**ANALYSTS' CONFERENCE
2014/15 FINANCIAL YEAR
FRANKFURT, 10 DECEMBER 2015**

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Agenda

1. Updating and implementation of our strategy

2. 2014/15 financial year in figures

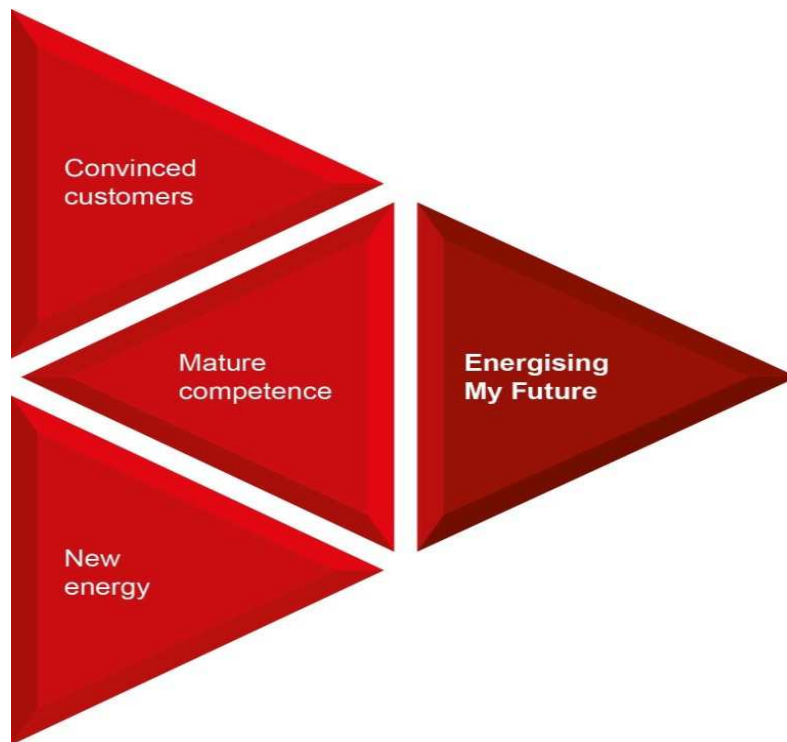
3. Outlook



UPDATING AND IMPLEMENTATION OF OUR STRATEGY

“Others talk about the energy turnaround.
We make it happen.”

ENERGISING MY FUTURE



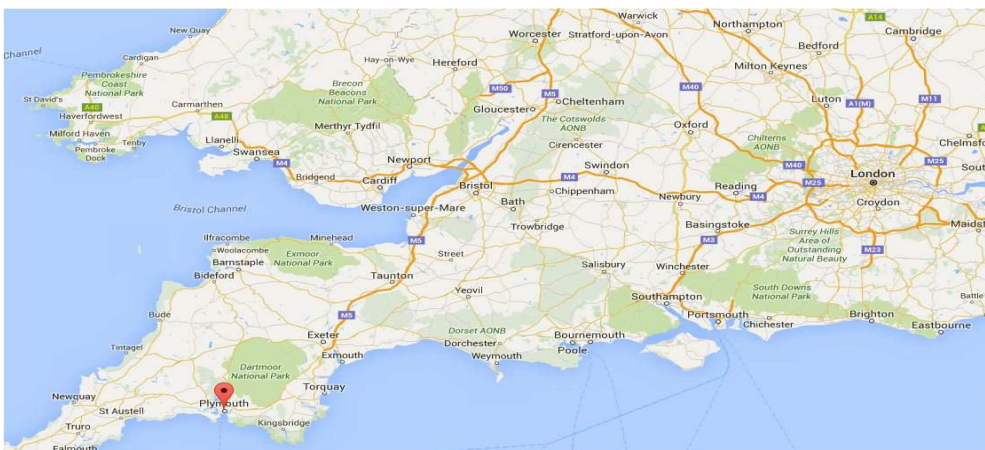
- ▶ In line with this motto we will be focusing on our customers even more closely in future than in the past. Here, we will be:
 - Generating profitable growth in our renewable energies business
 - Connecting high-efficiency conventional and renewable energies
 - Strengthening energy efficiency and environmentally-friendly combined heat and power generation
 - Guaranteeing energy supply reliability with smart, high-performance grids
 - Offering innovative sales business models and professional services in our trading business
 - Ensuring competent cross-divisional units and high-performance shared services at our Soluvia companies

Key milestones in 2014/15 financial year

- ▶ Oct. 2014 Takeover of assets in Windwärts Energie GmbH
- ▶ Nov. 2014 Foundation of Beegy GmbH
- ▶ Dec. 2014 Acquisition of 50.1% stake in Juwi AG; capital increase to 63.1% in August 2015
- ▶ Dec. 2014 Extension of concession agreements with City of Mannheim for a further 20 years
- ▶ May 2015 Block 9 at GKM plant launches scheduled operations; the older Blocks 3 and 4 are withdrawn from the grid
- ▶ June 2015 Launch of operations at third biomethane plant in Stassfurt
- ▶ Aug./Sep. 2015 Plymouth and Ridham Dock – our two largest investment projects in recent years – launch commercial operations

Plymouth energy from waste plant

South West Devon Waste Partnership



► Investment and financing

- Investment: approx. Euro 250 million
- Financing by international banking consortium
- Launch of operations: September 2015

► Technical data

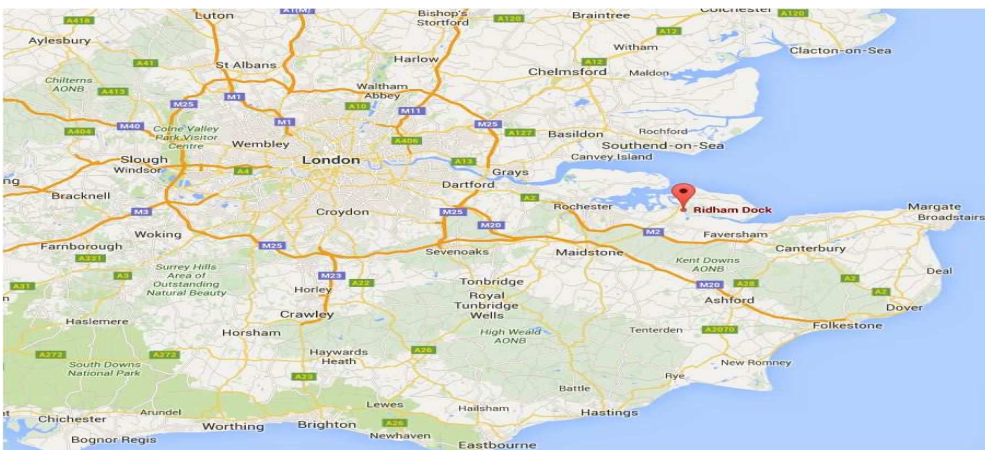
- Thermal use of waste volume: 245 000 tonnes p.a.
- Net electricity output: 22.5 MW_e
- Max. thermal energy output: 23.3 MW_t

► Broad and secure revenue base

- Municipal waste contract: 25-year term, 75% bring-or-pay
- Energy supply contract with a 25-year term to supply electricity and steam to navy base

Biomass power plant in Ridham Dock

Biomass power plant Ridham Dock



► Investment and financing

- Investment: approx. Euro 140 million
- Financing: corporate funding
- Launch of operations: August 2015

► Technical data

- Thermal use of waste wood volume: 172 000 tonnes p.a.
- Net electricity output: 23.2 MW_e
- Electricity generation: approx. 188 million kWh p.a.
- Optional combined heat and power generation (CHP)

► Broad and secure revenue base

- More than 1 million tonnes of waste wood in the catchment area

Biomethane cluster in Saxony-Anhalt

Locations in Klein Wanzleben, Kroppenstedt, Stassfurt and Barby

- ▶ Operations launched between 2012 and 2015
- ▶ Investment of between Euro 13 million and Euro 15 million per plant
- ▶ Biogas production of approx. 63 million kWh/a each
- ▶ Regenerative commodity requirements of between 61 500 t/a and 68 500 t/a per plant
- ▶ CO₂ reduction of 20 000 t/a per plant
- ▶ 74.9% shareholding in each case
- ▶ Biogas generated in fermentation plants is refined on location into biomethane in natural gas quality and fed into the grid
- ▶ Investment in four plants enables synergies to be exploited in terms of substrate procurement and operations




Expansion in renewable energies project development



- ▶ Acquisition in two stages of 63.1% stake in Juwi AG
- ▶ Germany's leading project developer for wind power and PV systems
- ▶ Around 1 000 employees worldwide



- ▶ Takeover of assets in Windwärts Energie GmbH
- ▶ Regional project developer with key focus on Lower Saxony
- ▶ Around 90 employees

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- ▶ Project development significantly expanded and operations management skills strengthened
 - ▶ Access to project pipeline at Juwi and Windwärts can be used as basis for further expansion in proprietary asset portfolio
 - ▶ Increase in international share at Juwi (worldwide) and Windwärts (France) reduces dependency on national subsidy systems
 - ▶ Complete value chain as USP in German energy market: project development – plant operation – electricity marketing

Electricity Bank research project

Concept

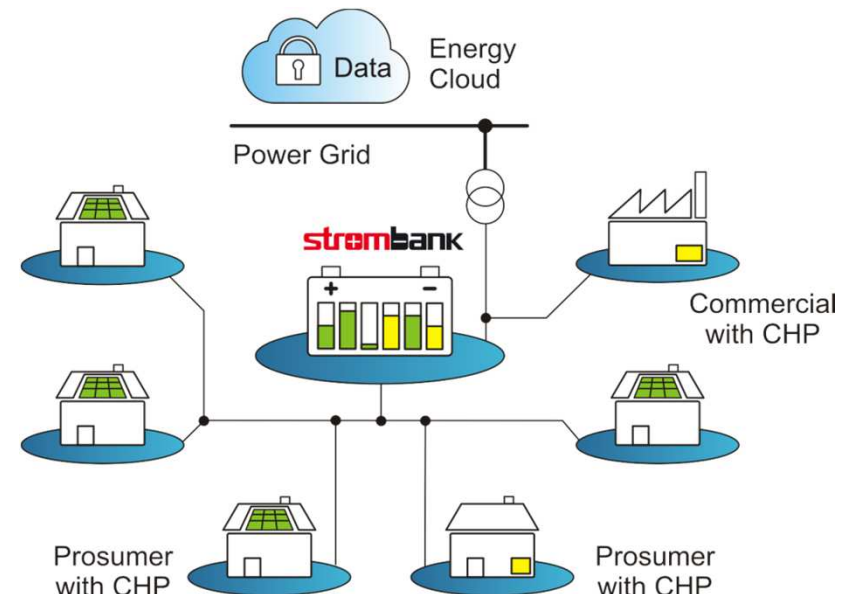
- ▶ Operator model for electricity storage: customers deposit excess electricity from PV and CHP plants on an account at the Electricity Bank and withdraw it when needed
- ▶ The storage facility is a shared resource (sharing) offered as a service in the grid (cloud)

Development fields

- ▶ Customer: Develop value proposition with customer
- ▶ Function: Optimise own use, market within district, provision of balancing power
- ▶ Viability still needs to be assessed against backdrop of current regulatory framework

Key data

- ▶ Partners: MVV Energie, Netrion, ads-tec, Uni Stuttgart
- ▶ Project start: January 2014 (term: 2.25 years)
- ▶ Promoted by State of Baden-Württemberg





2014/15 FINANCIAL YEAR IN FIGURES

2014/15 financial year at a glance

- ▶ Sales of Euro 3,42 billion
- ▶ Adjusted EBIT risen to Euro 175 million
- ▶ Euro 470 million invested, of which Euro 336 million in growth
- ▶ Approx. 50% of electricity generation of the MVV Energie Group in Germany attributable to renewable energies and combined heat and power (CHP) generation
- ▶ Adjusted annual net income after minority interests of Euro 75 million (adjusted earnings per share of Euro 1.14)
- ▶ Proposed dividend of Euro 0.90 per share

Key figures of the MVV Energie Group for the 2014/15 financial year – Adjusted

in Euro million

	2014/15	2013/14	% change
Sales excluding energy taxes ¹	3 422	3 717	-8
Adjusted EBITDA ^{1, 2}	336	330	+2
Adjusted EBIT ^{1, 2}	175	170	+3
Adjusted EBT ^{1, 2}	132	127	+4
Adjusted annual net income ^{1, 2}	92	93	-1
Adjusted annual net income after minority interest ^{1, 2}	75	86	-13
Adjusted earnings per share ^{1, 2} in Euro	1.14	1.30	-12
Cash flow from operating activities ¹	254	407	-38

¹ previous year`s figures adjusted

² excluding non-operating financial derivative measurement items, excluding structural adjustment for part-time early retirement and including interest income from finance leases

Reconciliation of EBIT with adjusted EBIT in the 2014/15 financial year

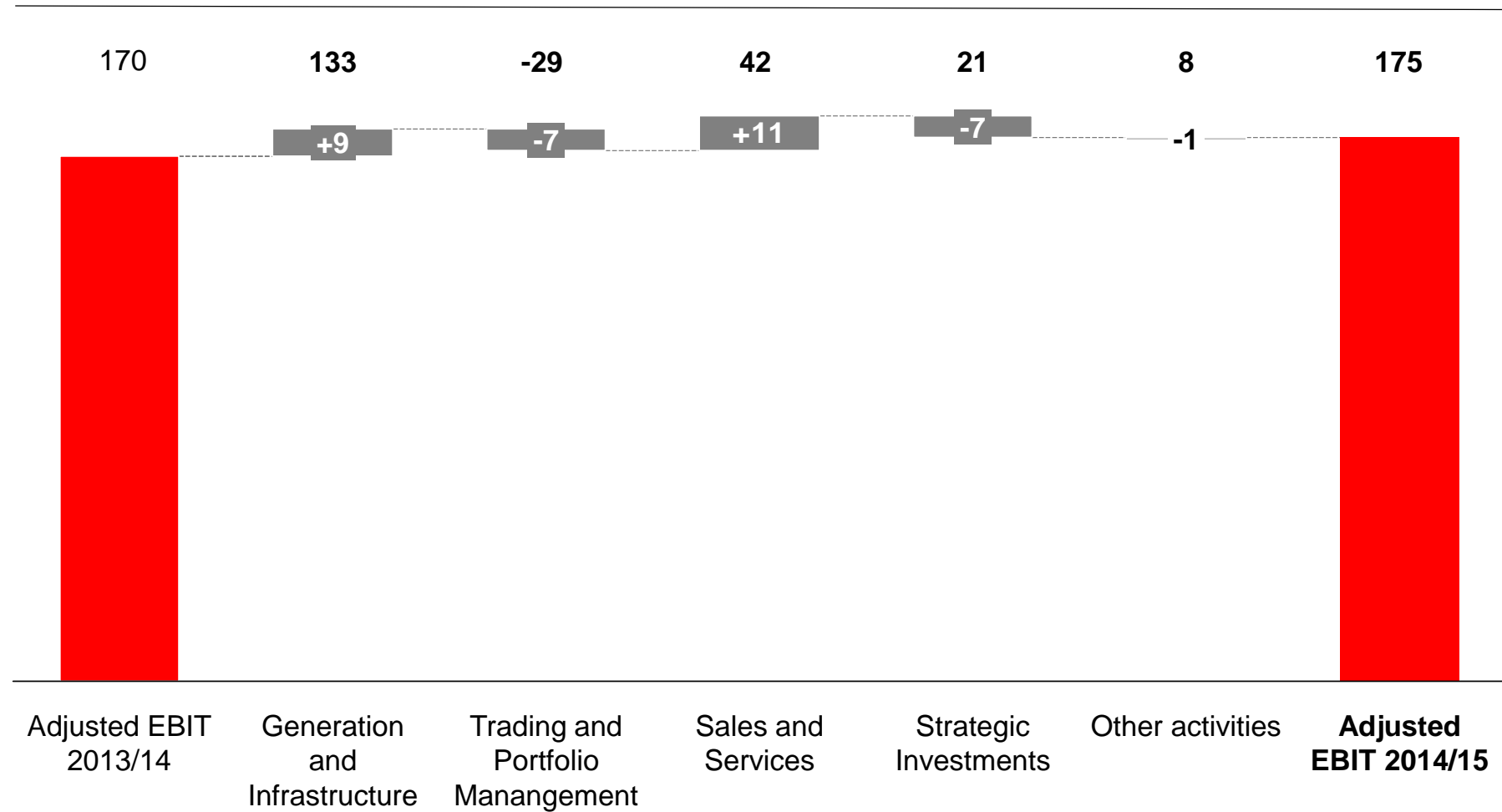
in Euro million

	2014/15	2013/14	+/- change
EBIT as reported in income statement ¹	162	187	-25
Financial derivative measurement items ¹	+7	-23	+30
Structural adjustment for part-time early retirement	+3	+2	+1
Interest income from finance leases ¹	+3	+4	-1
Adjusted EBIT	<u>175</u>	<u>170</u>	<u>+5</u>

¹ previous year's figures adjusted

Adjusted EBIT performance in 2014/15 financial year

in Euro million



Turnover and waste volumes in 2014/15 financial year

	2014/15	2013/14	% change
Electricity in kWh million ¹	20 823	23 207	-11
District heating in kWh million ¹	6 995	6 292	+11
Gas in kWh million ¹	21 491	22 517	-5
Water in m ³ million ²	46.3	47.2	-2
Combustible waste delivered in tonnes 000s ²	2 041	1 940	+5

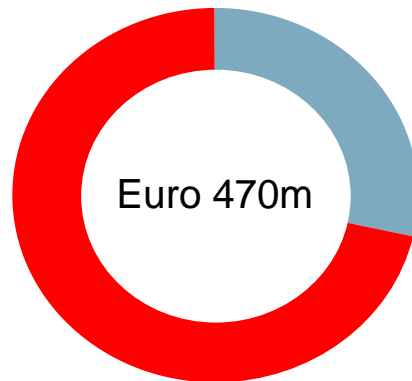
1 previous year's figures adjusted

2 correction in previous year

Investment and growth

Investments in 2014/15 financial year

Growth
investments
Euro 336m



Investments in
existing
business
Euro 134m

► Growth

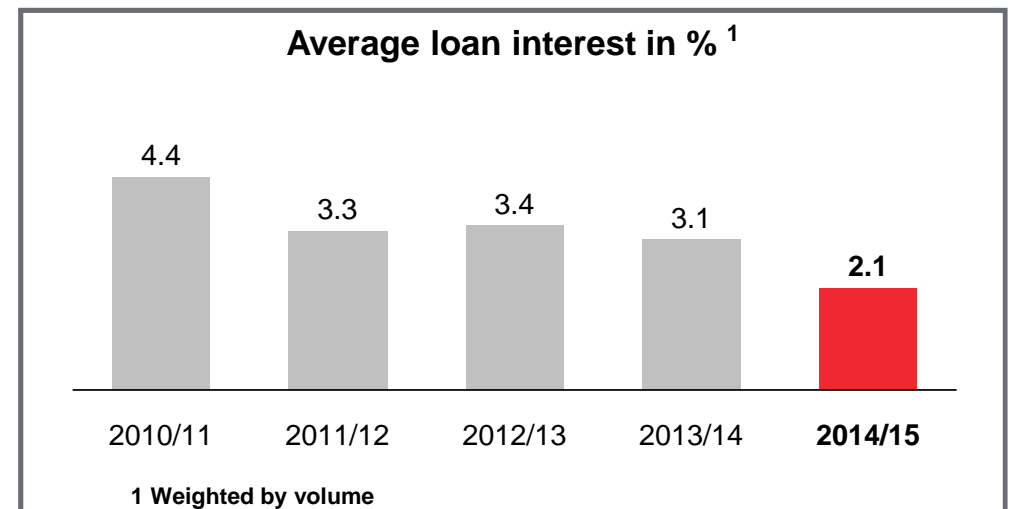
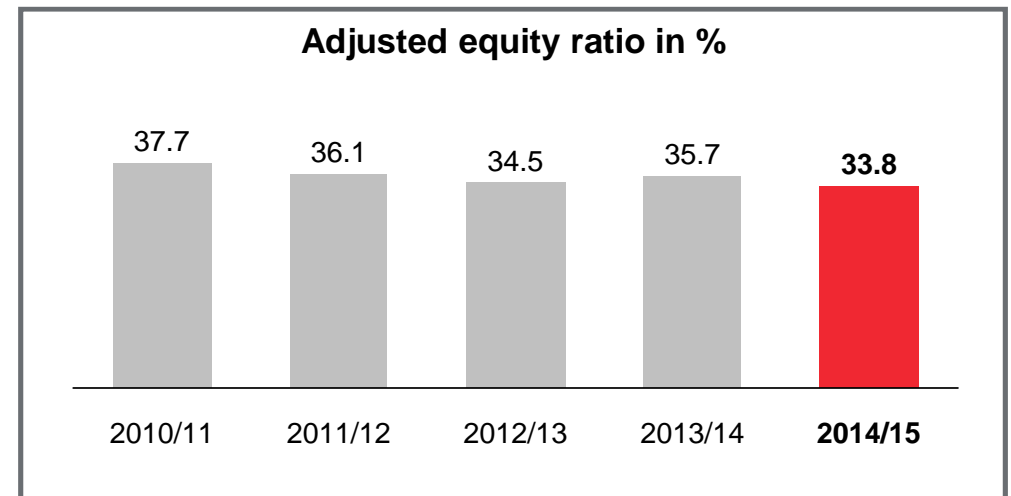
- Acquisition of Juwi and takeover of Windwärts assets
- Construction of Plymouth energy from waste plant
- Construction of Ridham Dock biomass power plant
- Construction of Stassfurt biomethane plant
- Construction of flue gas cleaning facility and turbine at Offenbach energy from waste plant
- Extending the supply of district heating in Mannheim

► Existing business

- Optimising and preserving substance of supply facilities and distribution grids

Financing

- ▶ Equity ratio solid at 33.8%
- ▶ Interest cover improves from 2.6 to 3.0 (average loan interest cut from 3.1 % to 2.1%)
- ▶ Long-term – and thus congruent – financing of investments
- ▶ At 97%, high share of fixed interest agreements secures favourable interest rates in the long run



Renewable energies (RE) and combined heat and power (CHP) generation in portfolio of MVV Energie

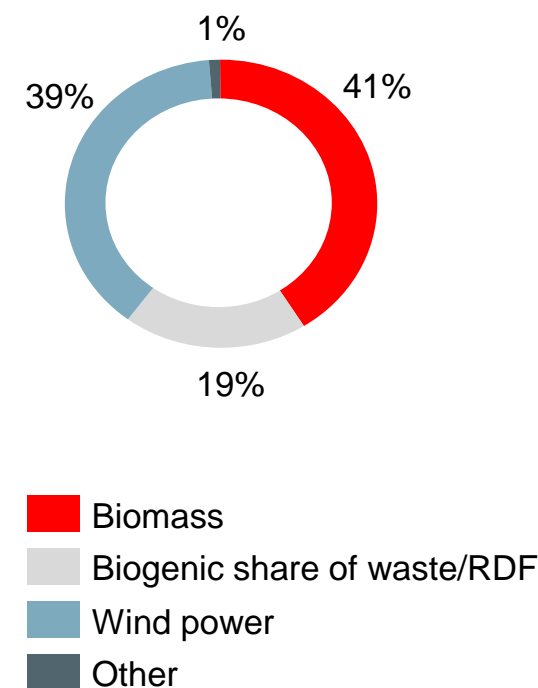
	2014/15	2013/14	
Share of electricity from RE and CHP in Germany in %	48	51	➔
RE electricity capacity in MW _e	345	345	➔
Heating energy and steam generation (CHP) in bn kWh	5.7	5.1	➔
CO ₂ emissions ¹ in million tonnes	3.7	3.6	➔
CO ₂ emissions avoided ² in million tonnes	0.64	0.68	➔
Direct marketing ³ in MW _e	3 400	2 600	➔
Biomethane generation in million kWh	144	103	➔

¹ Direct CO₂ emissions of the MVV Energie Group

² CO₂ emissions avoided due to electricity from RE plants (as per BMU avoidance factors)

³ Capacity under contract

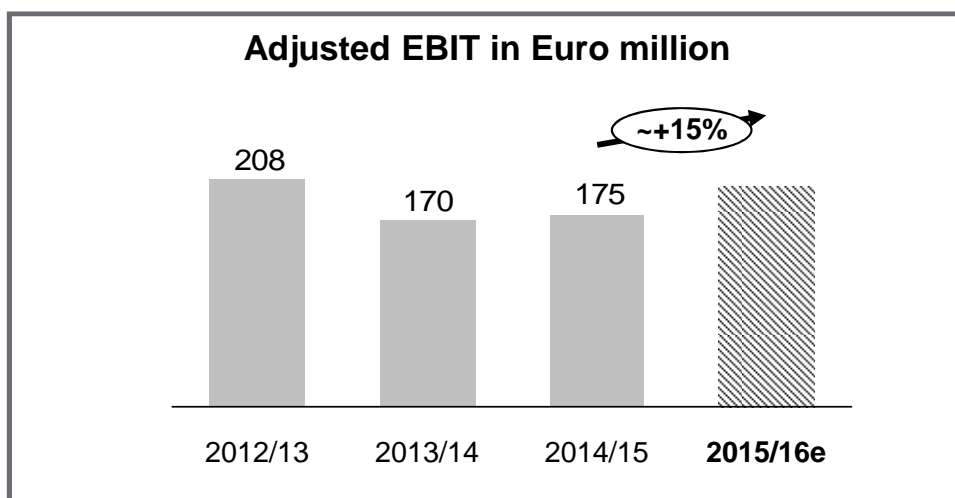
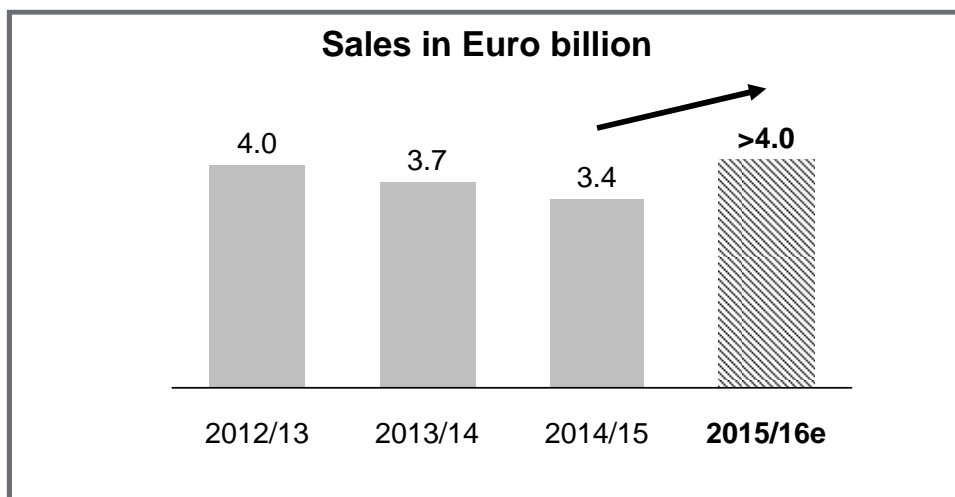
Electricity generation from RE at the MVV Energie Group in Germany in 2014/15: 828 million kWh





OUTLOOK

Forecast of sales and adjusted EBIT for 2015/16 financial year



▶ **Key drivers in forecasting sales and adjusted EBIT**

- Expansion in renewable energies project development
- Launch of operations at new plants

▶ **Forecast also dependent on**

- Wholesale electricity prices and generation margin (clean dark spread)
- Weather conditions and wind volumes
- Development in waste and biomass prices



THANK YOU FOR YOUR ATTENTION!

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