



HSBC initiated research coverage of Encavis AG with a "BUY" recommendation as of March 14th, 2023

Encavis AG (ECVG.DE) has been added to the STOXX Europe 600 Index as of September 19th, 2022

ENCAVIS

Stable revenue and stable EPS in H1 2023 show the resilience of ENCAVIS' business model despite negative meteorological effects in Q2/2023

12th German Corporate Conference 2023 – Berenberg/Goldman Sachs Fireside Chat, 19th September 2023

Improving efficiency and cost reduction through Economies of Scale and Scope

ENCAVIS

ENERGY

Energy forms the basis of our collective activity and work

CAPITAL

We invest capital to acquire wind farms and solar parks to generate attractive returns

VISION

We are working towards a future with decentralised power generation from wind power and solar energy

Encavis Asset Management

Encavis PV Services / Stern Energy

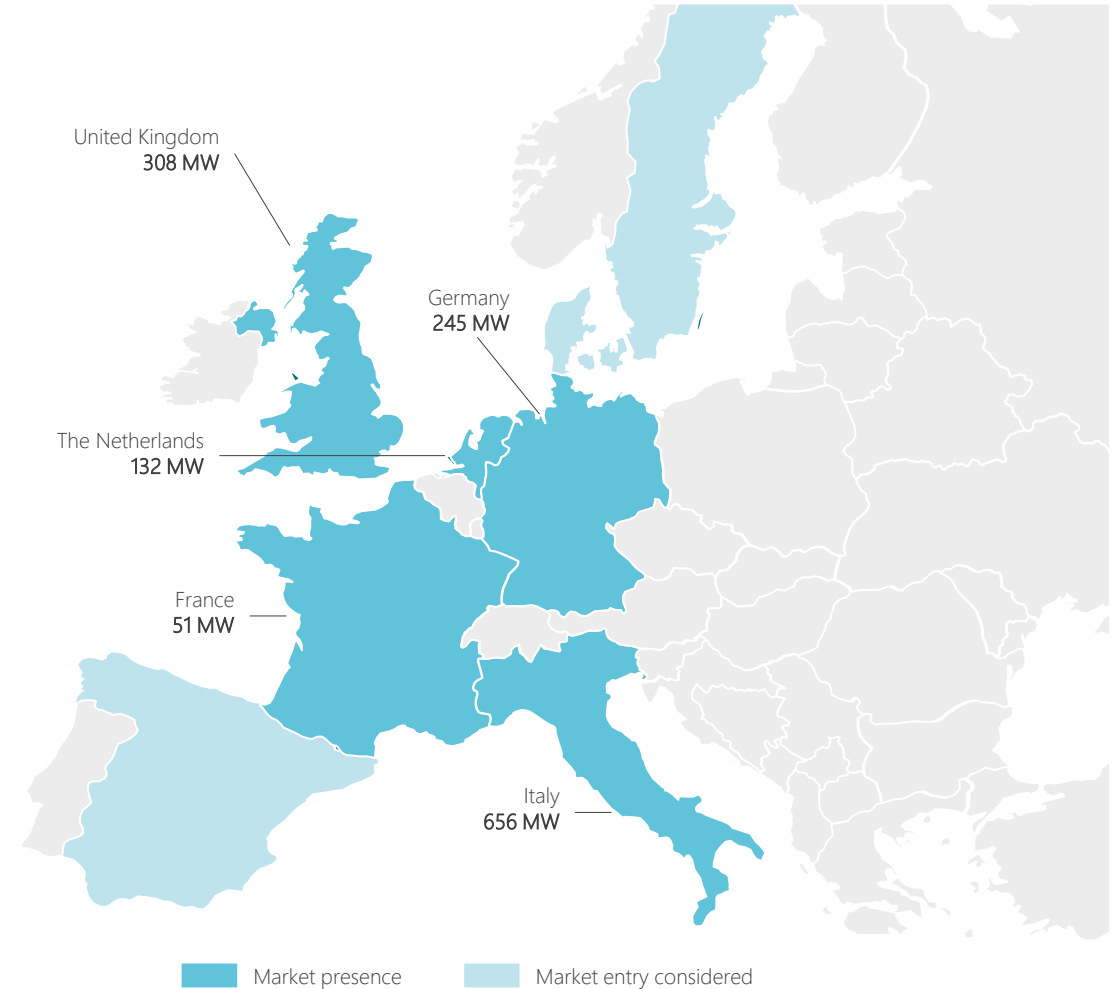
Encavis AG



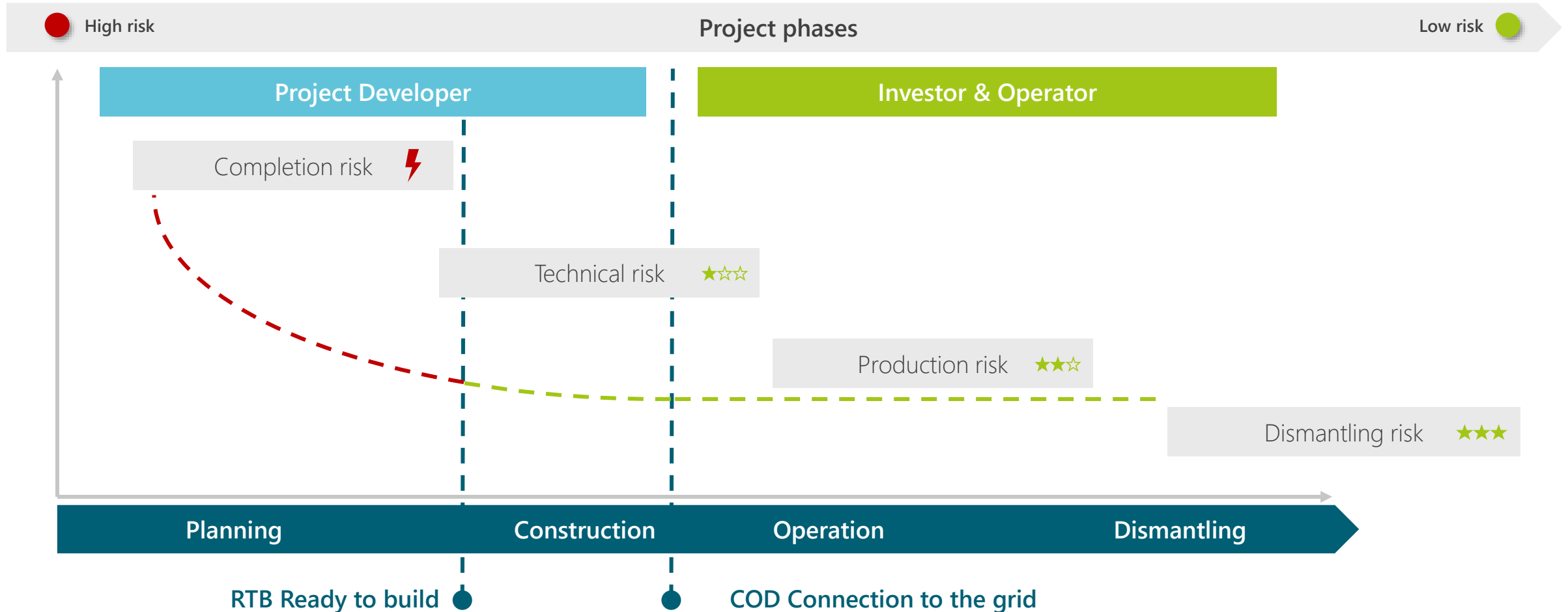
Stern Energy serves currently 520 renewable energy plants with an installed capacity of around 1.4 GW

Revenue composition (in EUR million)	FY 2020	FY 2021	FY 2022	FY 2023e
Revenue (excl. PV parks)	18.9	22.3	29.8	45.0
Operation & Maintenance (O&M)	9.4	11.2	14.1	16.9
Revamping and Repowering	8.8	10.1	13.4	21.9
Rooftop (C&I)	-	-	1.6	5.3
Services (AM, Development, etc.)	0.7	0.9	0.7	0.9

» Revenue growth driven by the three main business segments

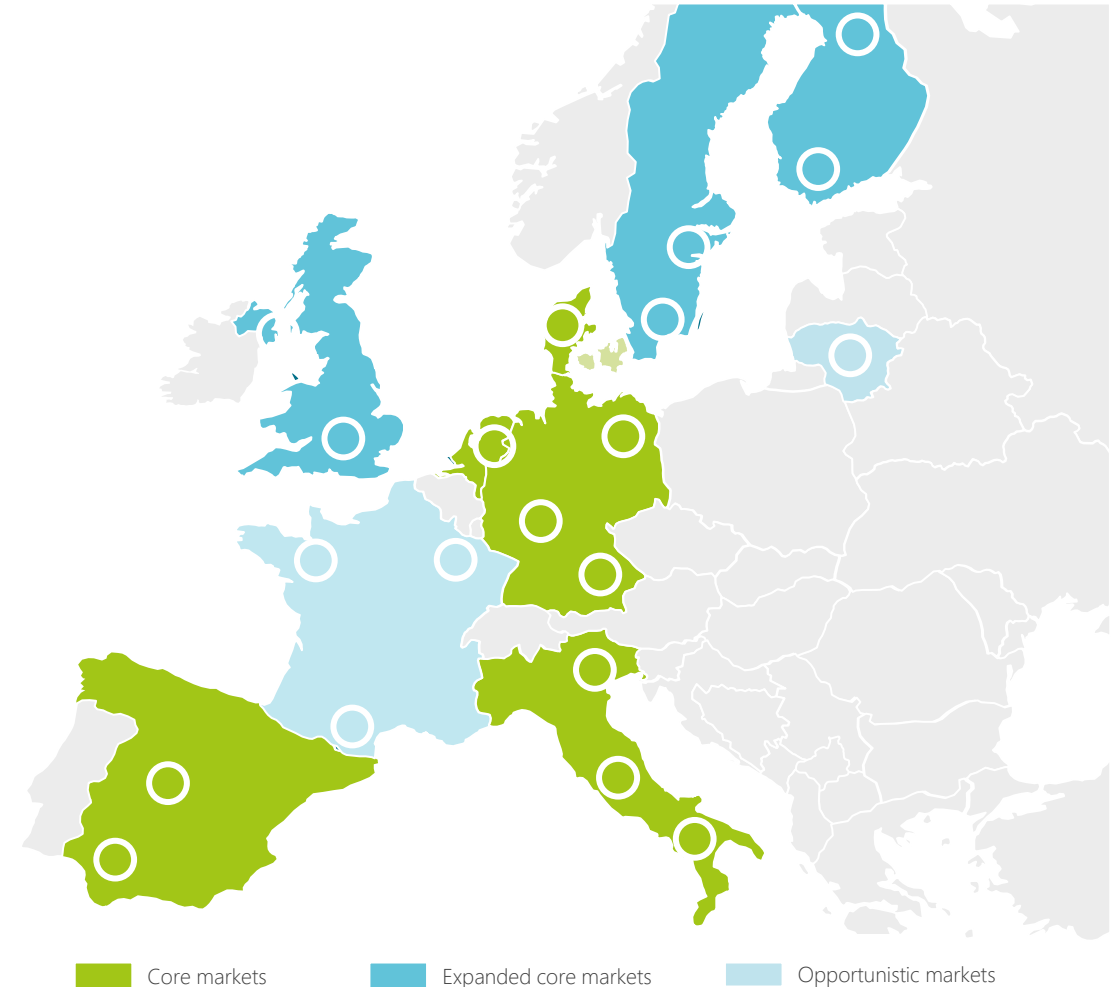


Business model: risk structure of an investment over time (wind & solar)

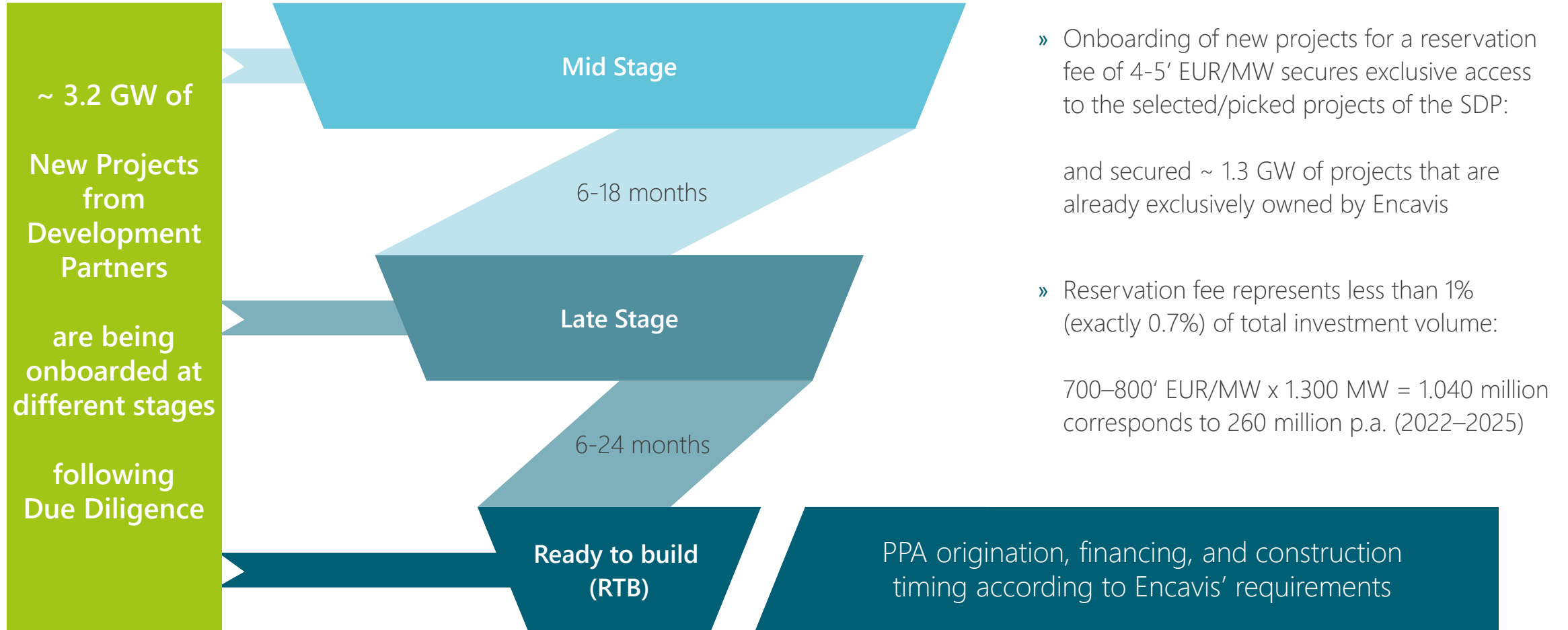


USP of Strategic Development Partnerships (SDP) finally results in: "Cherry picking from the cake of exclusivity" of a pipeline volume of ~ 3.2 GW

- » Encavis has currently 13 Strategic Development Partners across Europe, further ones are being onboarded
- » Regional diversity and local connectivity throughout Europe especially in rural areas is a prerequisite of successful development processes
- » Standardisation of processes reduces transaction costs
- » The Development Partners develop the projects for Encavis at a pre-agreed return (IRR)
- » Projects failing to reach RTB within a defined time frame are replaced by the SDPs



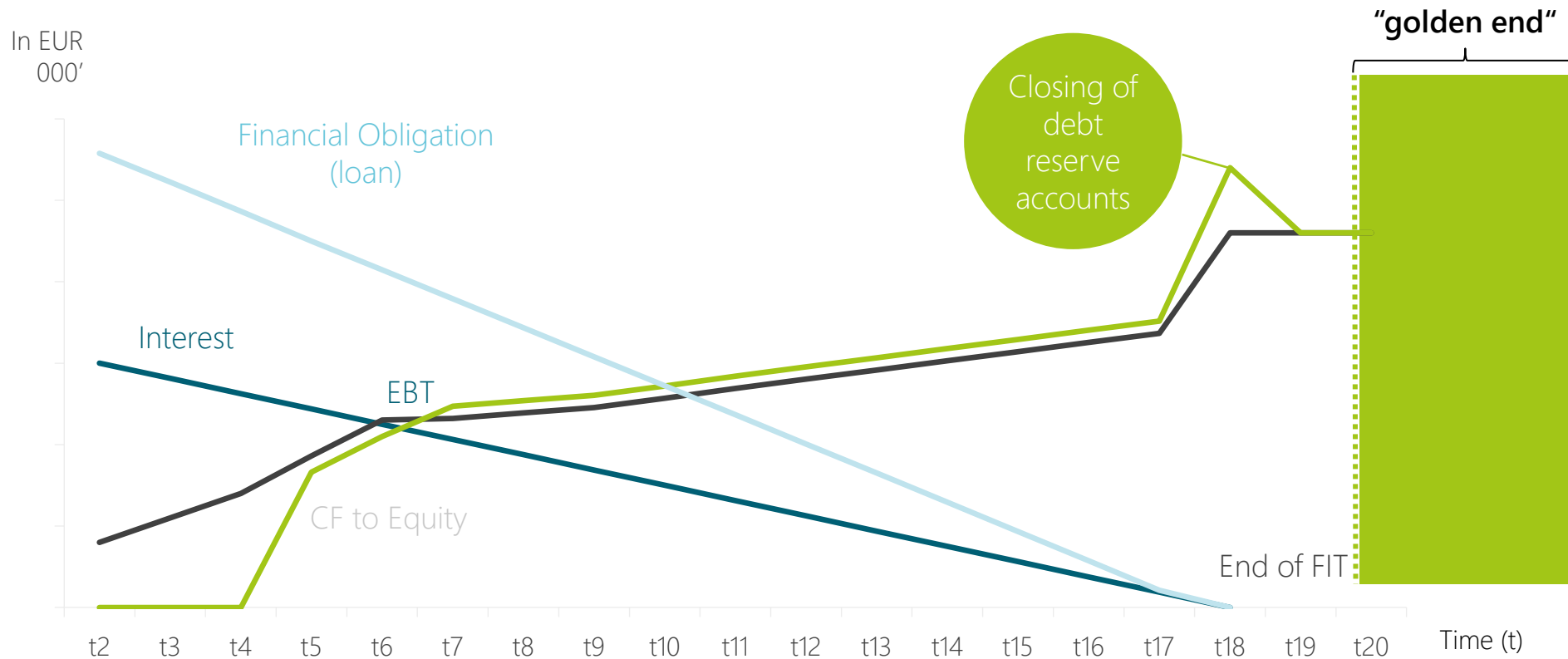
Financing Structure of Encavis' Strategic Development Partnerships



The „golden end“ of Encavis' power plants

Illustration of the different cash flows of a solar park (PV)

As the loan is paid-off during the price-fixing-period, parks are very profitable in the "golden end"



Assumptions

Solar-park connected to the grid in 2010 with FIT for 20 years (t20)

Park was bought in Q2 2011, 2012 first full-year of operation (t2)

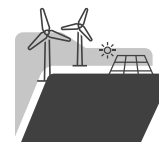
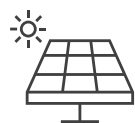
Non-recourse project financing will be serviced and paid-off by the park

Guidance dominated by significantly lower power prices and full-year effect of Stern Energy at PV Services with lower margin

Operating figures (in EUR million)	FY 2020	FY 2021	FY 2022	Guidance FY 2023e	Change Guidance / FY 2022	Change Guidance / FY 2022 in %
Revenue	292.3	332.7	487.3 / 462.5	> 460 / > 440	- 27.3 / - 22.5	- 5 %
Operating EBITDA	224.8	256.4	350.0	> 310	- 40.0	- 11 %
Operating EBIT	132.2	149.1	198.3	> 185	- 13.3	- 7 %
Operating Cash Flow	212.9	251.9	327.2	> 280	- 47.2	- 14 %
Operating CFPS in EUR	1.54	1.74	2.04	> 1.70	- 0.34	- 17 %
Operating EPS in EUR	0.43	0.48	0.60	> 0.60	0.01	+ 2 %
Energy production in GWh	2,097	2,754	3,133	> 3,400	267	+ 9 %

- » Guidance based as every year on standard weather assumptions
- » Around 91% of guided revenue are fixed/hedged already

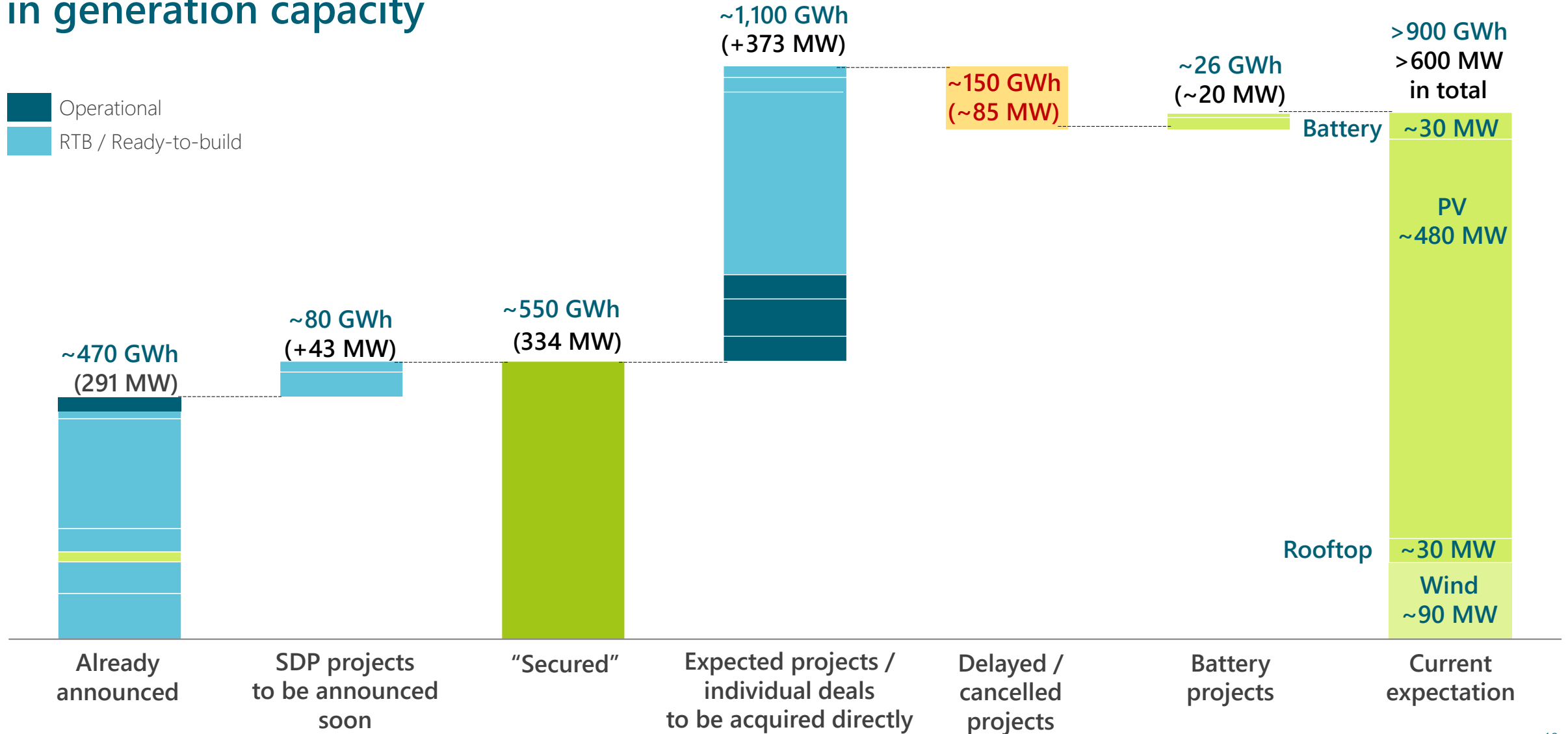
Segment Guidance 2023e – Reduced margins in Wind due to reporting of gross revenue and deduction of price caps in other expenses



Operating P&L (in EUR million)	Solar parks		Wind farms		PV Services		Asset Management		HQ/Consolidation	
	FY 2022	Guidance 2023e	FY 2022	Guidance 2023e	FY 2022	Guidance 2023e	FY 2022	Guidance 2023e	FY 2022	Guidance 2023e
Revenue	334.6	290	121.9	110	12.7	45	24.0	25	- 5.9	- 10
Operating EBITDA	250.2	215	99.9	85	2.7	8	10.6	11	- 13.4	- 9
Operating EBITDA margin	75%	74%	82%	77%	21%	18%	44%	44%	-	-
Operating EBIT	125.9	130	74.3	50	2.5	6	9.9	10	- 14.4	- 11
Operating EBIT margin	38%	45%	61%	45%	20%	13%	41%	40%	-	-

(Operating expenses distributed among Business Segments)

Road map of acquisitions in 2023 up to the target of 600 MW / 750 GWh in generation capacity



We supply companies with more than just energy to realise the Energy Transition - that's why we are taking a look at further client groups

Companies with high energy demand



Real estate investors



Institutional Investors



Equity partners



Demand

Individual, holistic energy concepts adapted to local conditions

Participation in the energy transition without losing trade tax privileges

Capital investment in RE plants with optimised design in terms of risk/return ratio and regulation

Realisation of direct investments without building up know-how and employees

Solution

Structuring individual solutions with elements from the entire group and the partner network

Comprehensive installation and operating concept including integration of the respective facility manager

Regulatory optimised product offering including comprehensive reporting solutions

Opening up the balance sheet and access to know-how in return for market-based remuneration

We remain in Europe and manage our investment process according to the needs of our clients

- » In order to be able to act in a client-oriented manner, we will focus on five core markets in the future. These offer the most convincing combination of client potential, asset base and favourable political environment.
- » We concentrate our investments in the core markets in order to be able to address as many clients as possible in these markets with a large asset base.
- » We remain opportunistically active in our other five markets and are not entering any new markets for the time being.
- » Investments in ground-mounted PV and onshore wind energy plants remain our main business, with rooftop systems and storage solutions forming a country-specific complement

1




Core markets with a comprehensive range of solutions


- » Germany 
- » Italy 
- » Spain 
- » Netherlands 
- » Denmark 



2

Expanded core markets with limited solution offerings

- » Great Britain 
- » Sweden 
- » Finland 



3

Opportunistic growth approach with focus on single assets

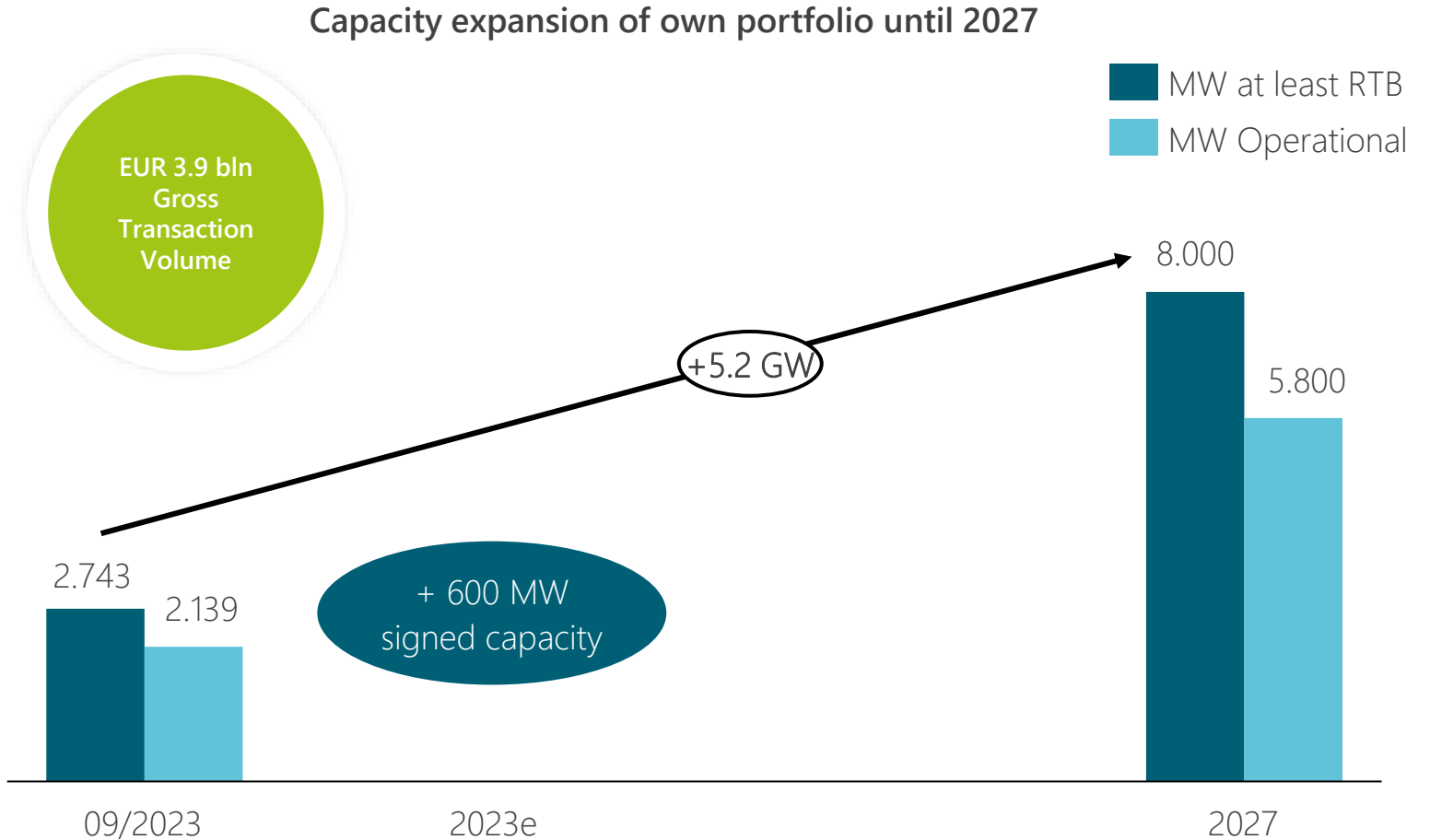
- » France 
- » Lithuania 



Our strategy aims to triple our connected capacity by 2027

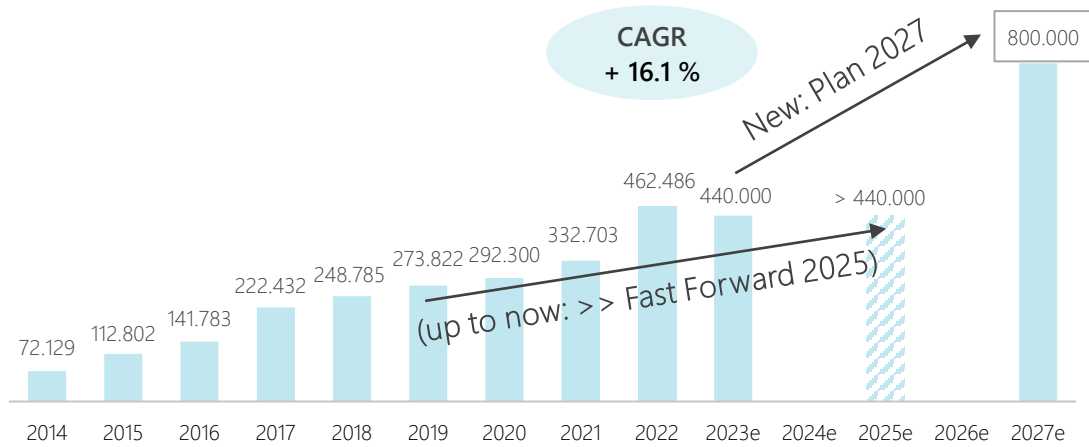
» We finance the gross transaction volume through a combination of different measures:

- 1 Borrowing at holding level
- 2 Re-financing of existing parks
- 3 Minority share sales of up to 49%
- 4 Financing with equity partners on park or sub-holding level

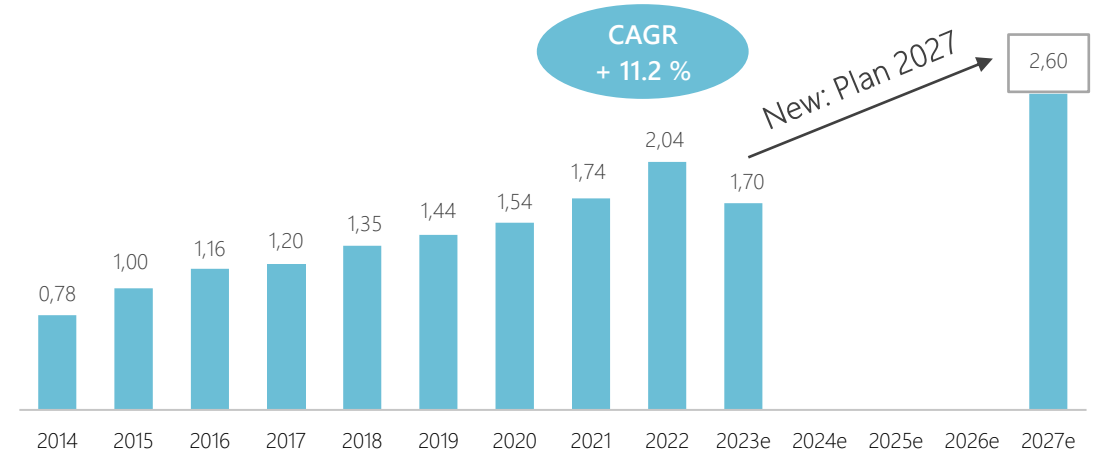


Accelerate growth - Right now!

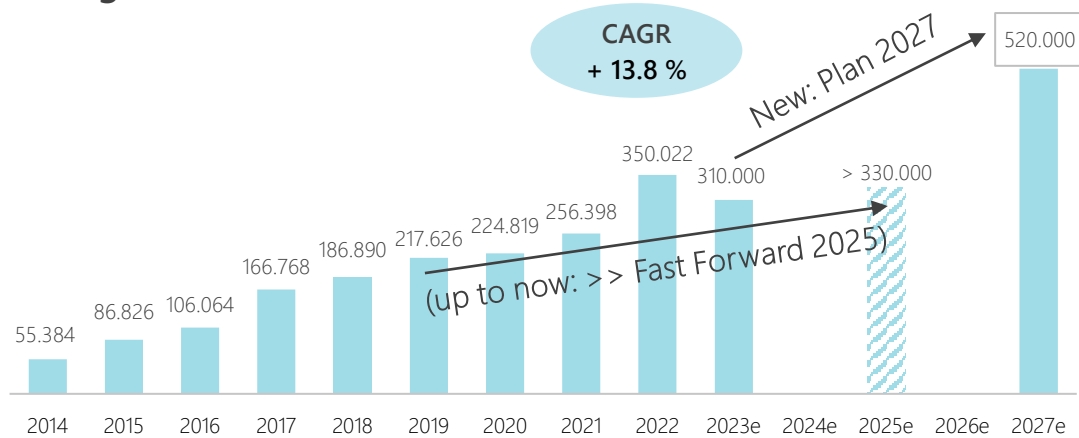
Revenue (in EUR '000)



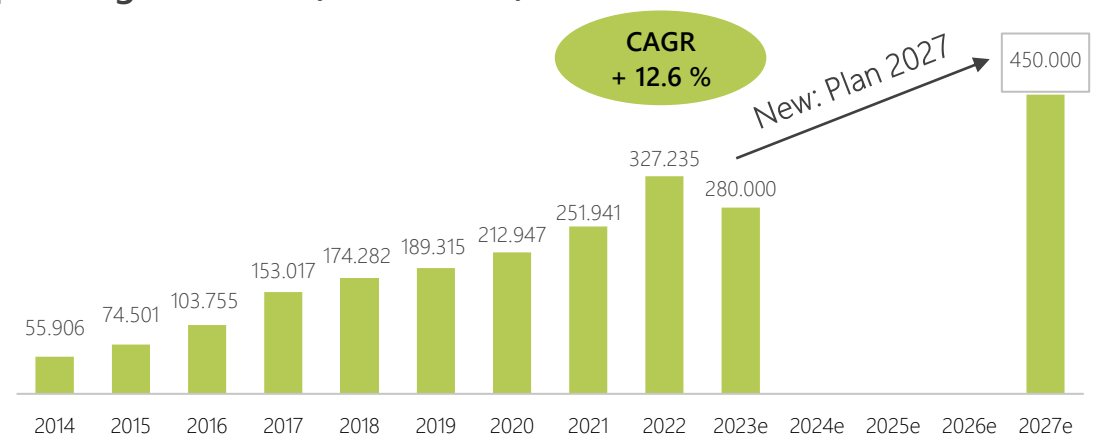
Operating CFPS (in EUR)



Operating EBITDA (in EUR '000)



Operating Cashflow (in EUR '000)



Financing of the new Accelerated Growth Strategy 2027

The planned **investment volume of 3.9 billion euros** covers the purchase of the project rights of the **cumulative 5.2 GW** as well as the **construction of 3.7 GW** of these generation capacities

60% of this volume is to be covered by **non-recourse project financing: 2.4 billion euros**

The **share of own resources** for the financing is thus **1.5 billion euros**

Of this, **0.2 billion euros** will be provided **by minority shareholders at park level**



The remaining **1.3 billion euros** will be financed over the course of the five planning years, i.e., **around 260 million euros per year**

The Group relieves the balance sheet in the planning period through repayments of **150 million euros p.a. at the SPV level**

At the same time, the **Group's equity will be strengthened** by releasing the currently very high hedge reserves

Despite the increased indebtedness the Group maintains the **equity target ratio of >24%**

State-of-the-art infrastructure and technology result in stability, reliability and compelling reasons for investors to invest in Encavis

Investment grade rating BBB-/positive outlook (SCOPE),

Proven resilience to crisis (CoVid-19, Russian war, inflation, interest rate increase, recession)

Revenue and earnings increase (8Y/CAGR ~26%) with constant margins, strong equity ratio

Defensive business model, a strong market position & a conservative risk management

Diversified portfolio (# of parks, technology, countries, compensation system)

Almost NO energy price risk with <9% of revenue guidance for next year

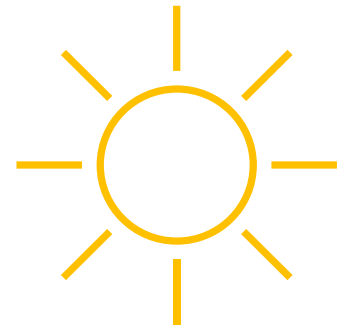
Almost no counterparty risks regarding offtakers

Strictly non-recourse financing of SPVs

Secured revenue based on FiT and PPA

No base load tariffs, only pay-as-produced

No project development risks



*The sun is shining –
The wind is blowing*

