

The background of the slide is a composite image. On the left, a globe of the Earth is shown, with the African continent and parts of Europe and Asia visible. On the right, a white, 3D-printed model of a house with a chimney and several windows is shown. The house is positioned in the foreground, partially overlapping the globe.

CENTROTEC Sustainable AG Annual Results 2015

March 22, 2016

CENTROTEC –

The European Energy-Saving Company

-
- **Market Overview**
 - Key Financial Results 2015
 - Major Events and Operational Achievements
 - Outlook
-

German heating market growing since beginning of 2015

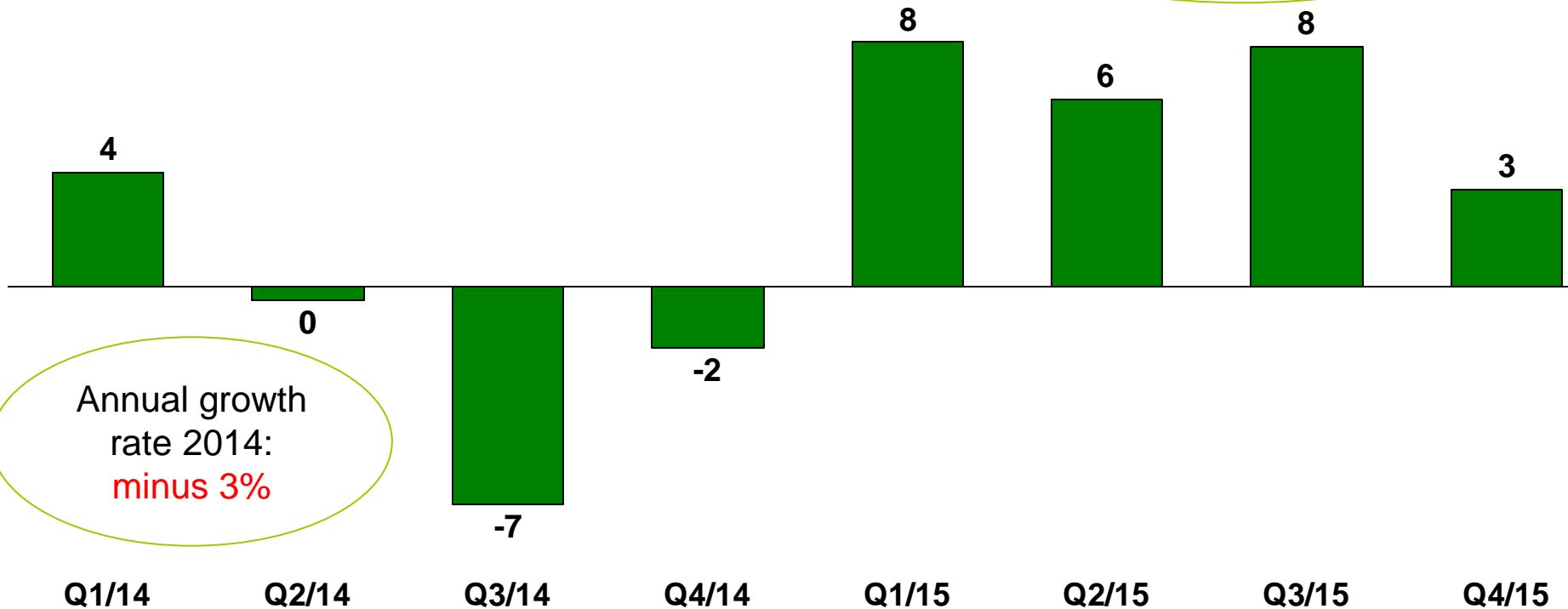


MARKET DEVELOPMENT

Quarterly market growth rate of oil and gas heat generating units in Germany
[in percent compared to same quarter of previous year]



Annual growth rate
2015:
plus 6%



Annual growth rate 2014:
minus 3%

Approx. 1/3rd of Centrotec's revenues are linked to the German heating market

MARKET DEVELOPMENT

Yearly market growth rate of oil and gas heat generating units in Europe*
[in percent compared to previous year]



Positive trend in heating is countered by poor development in solar, CHP and ventilation



MARKET DEVELOPMENT – OTHER

Ventilation

- German market for residential ventilation in the 2015 with a minus of 4%

Combined Heat and Power

- German market for biogas CHP dropped heavily in the second half of 2015
- H2 2014 with temporary boom triggered by regulations
- + Relatively stable development with natural and sewer gas systems

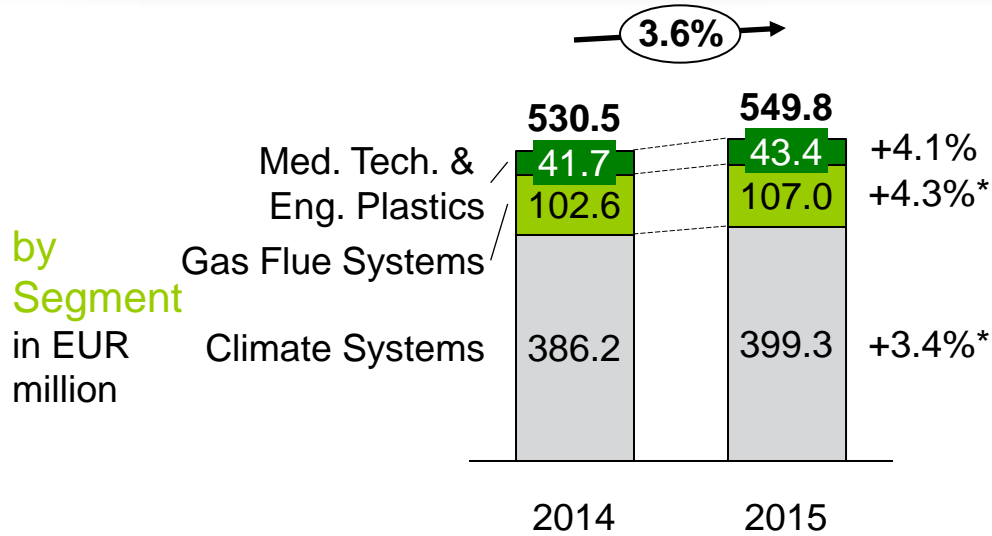
Solar thermal

- Negative trend in Europe since 2012
- Market volume halved since 2008
- All big European markets decreased in the first half of 2015
- German market with minus 9% in 2015

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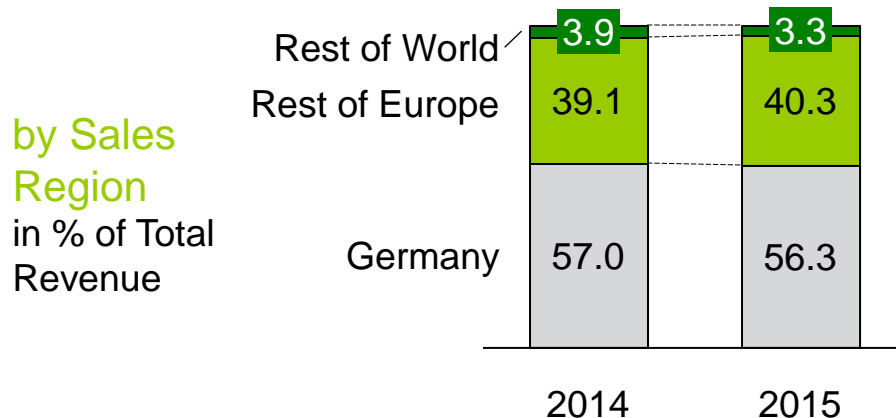
Increase of total sales / significant growth in many European countries, but Germany is still dominating

REVENUE DEVELOPMENT



Drivers of Revenue Development

- + Growing German heating market since beginning of this year
- + Promising sales development of new products
- + Acquisition of PRO-KLIMA
- Poor development in commercial ventilation market
- Biogas heat and power market plummeted
- Deconsolidation of Ubbink East Africa



Drivers of Regional Sales

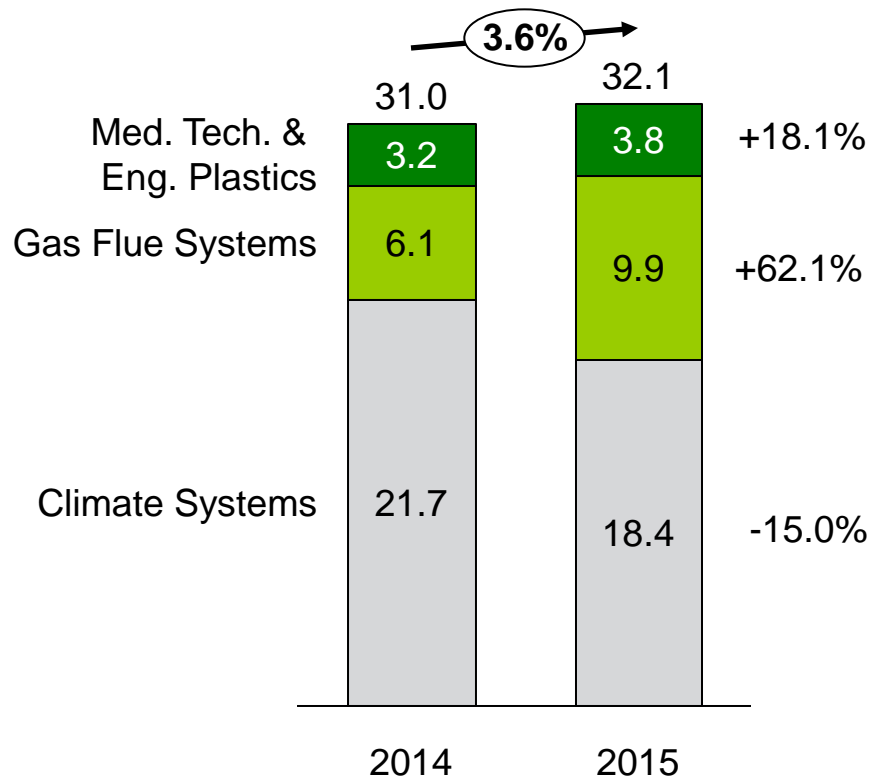
- + Stabilization of many European markets
- + Additional European sales from PRO-KLIMA acquisition
- Poor development in Russia
- Loss in out of Europe sales due to deconsolidation of Ubbink East Africa

* Organic growth: Gas Flue Systems 7,3%; Climate Systems 1,2%

EBIT slightly above guidance

EBIT DEVELOPMENT

by Segment
[in EUR million]



Drivers of EBIT Development

Climate Systems

- + Improved performance of re-organized Brink group
- Negative product mix effect (CHP down, ventilation up)
- One-off expenses linked to PRO-KLIMA integration and new product introductions
- Higher level of depreciations due to last year's investments

Gas Flue Systems

- + Successful development in core products and key markets (NL, US, OEM)
- + Last year's result burdened by costs of changes in management
- Higher depreciation

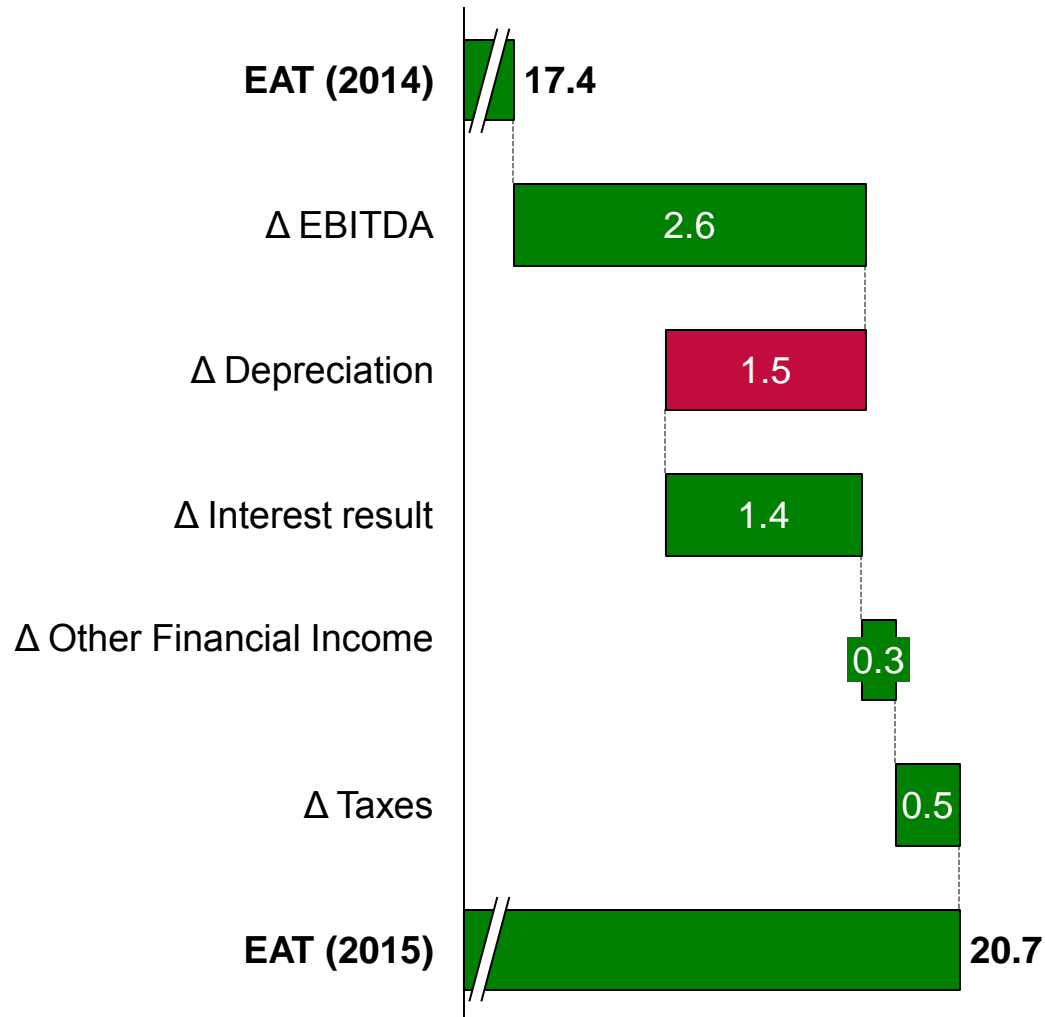
Med. Tech. & Eng. Plastics

- + Sales growth in both business areas

EAT driven by operating result and lower interest burden

EAT TRANSITION 2014 VS. 2015

[in EUR million]

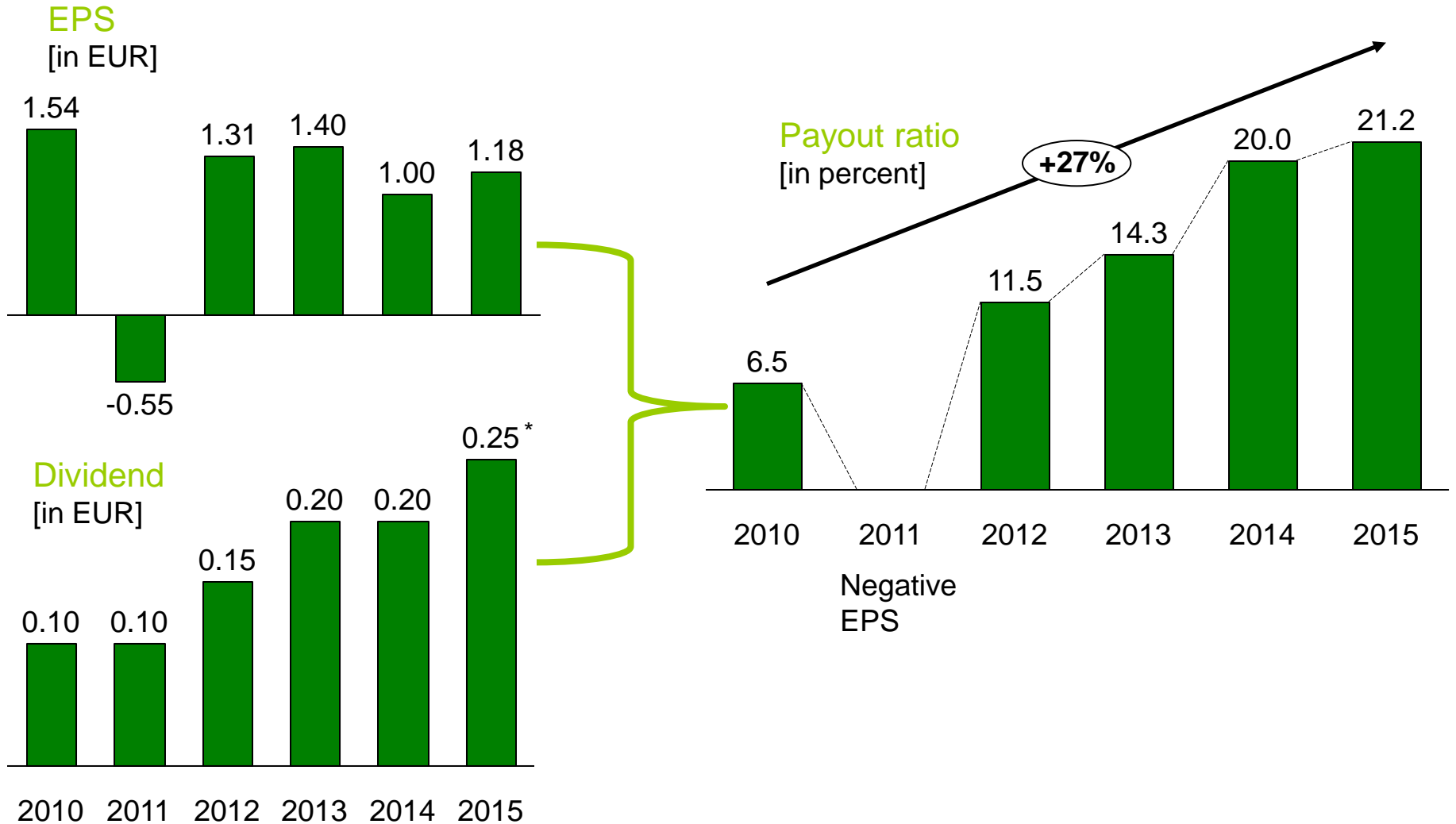


Explanation

- Higher operating result
- Depreciation grown due to high investments of the further years
- Lower interest expenses as a result of decreased debt
- Tax rate reduced with the help of group-wide better distributed earnings

Constant growth in absolute and relative figures

DIVIDENDS PROPOSAL



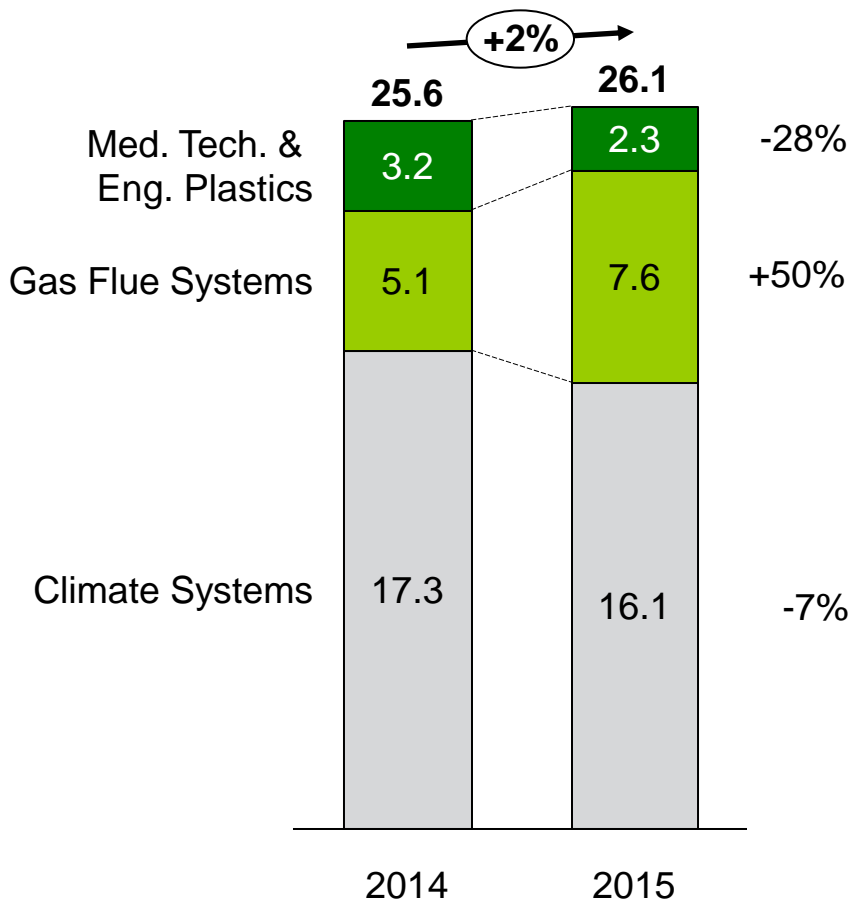
* 2015 value suggested for approval by AGM

Investments in organic growth maintained on previous year's level

INVESTMENTS BY SEGMENT

Investments (excl. M&A)

[in EUR]



Key Investments

Climate Systems:

- Product development with focus on internationalization
- Upgrade and renewal of production facilities in Germany and Croatia
- Purchase of real estate at Wolf headquarter in Mainburg

Gas Flue Systems:

- Invest in production infrastructure
- Purchase of real estate in Fulda by Centrotec Holding

Med. Tech. & Eng. Plastics

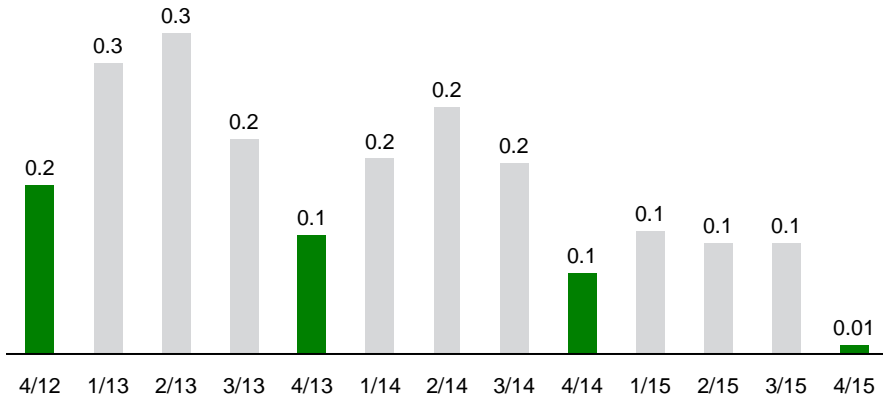
- Optimization of product portfolio

All key financial ratios improved compared to Q4/2014

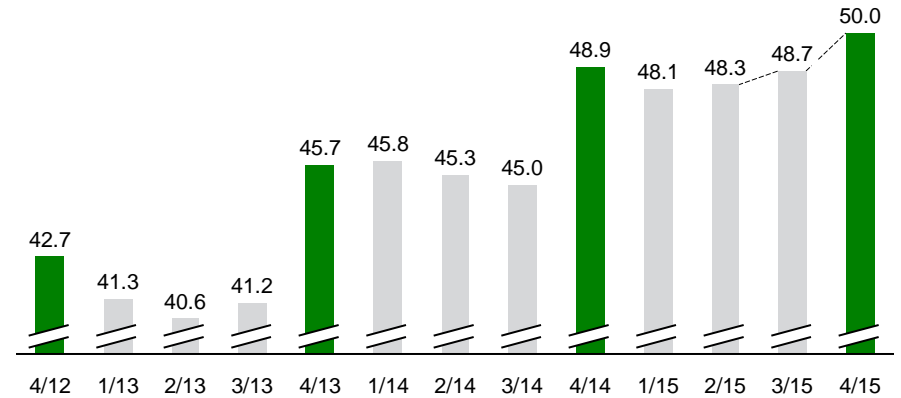


KEY BALANCE SHEET AND CASH FLOW RATIOS

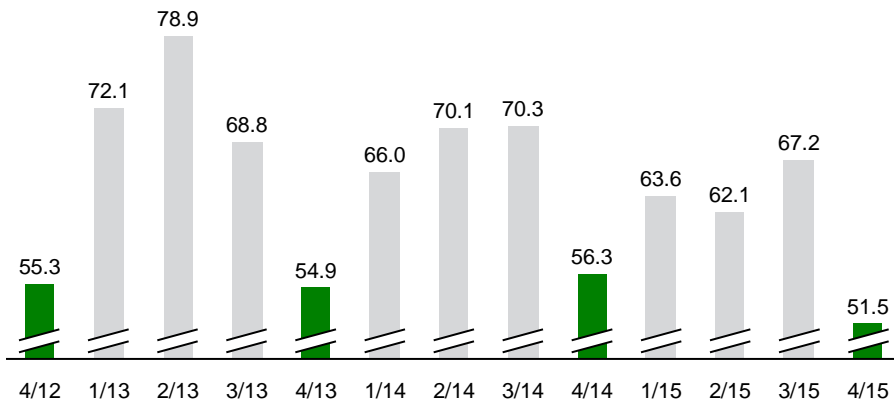
Net Debt / Equity Ratio



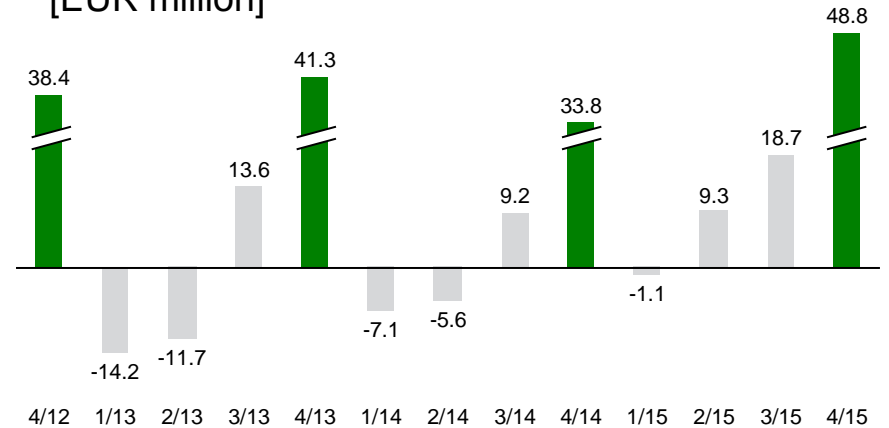
Equity / Total Assets Ratio



Net Working Capital [EUR million]



Operating Cash Flow (YTD) [EUR million]



Share price

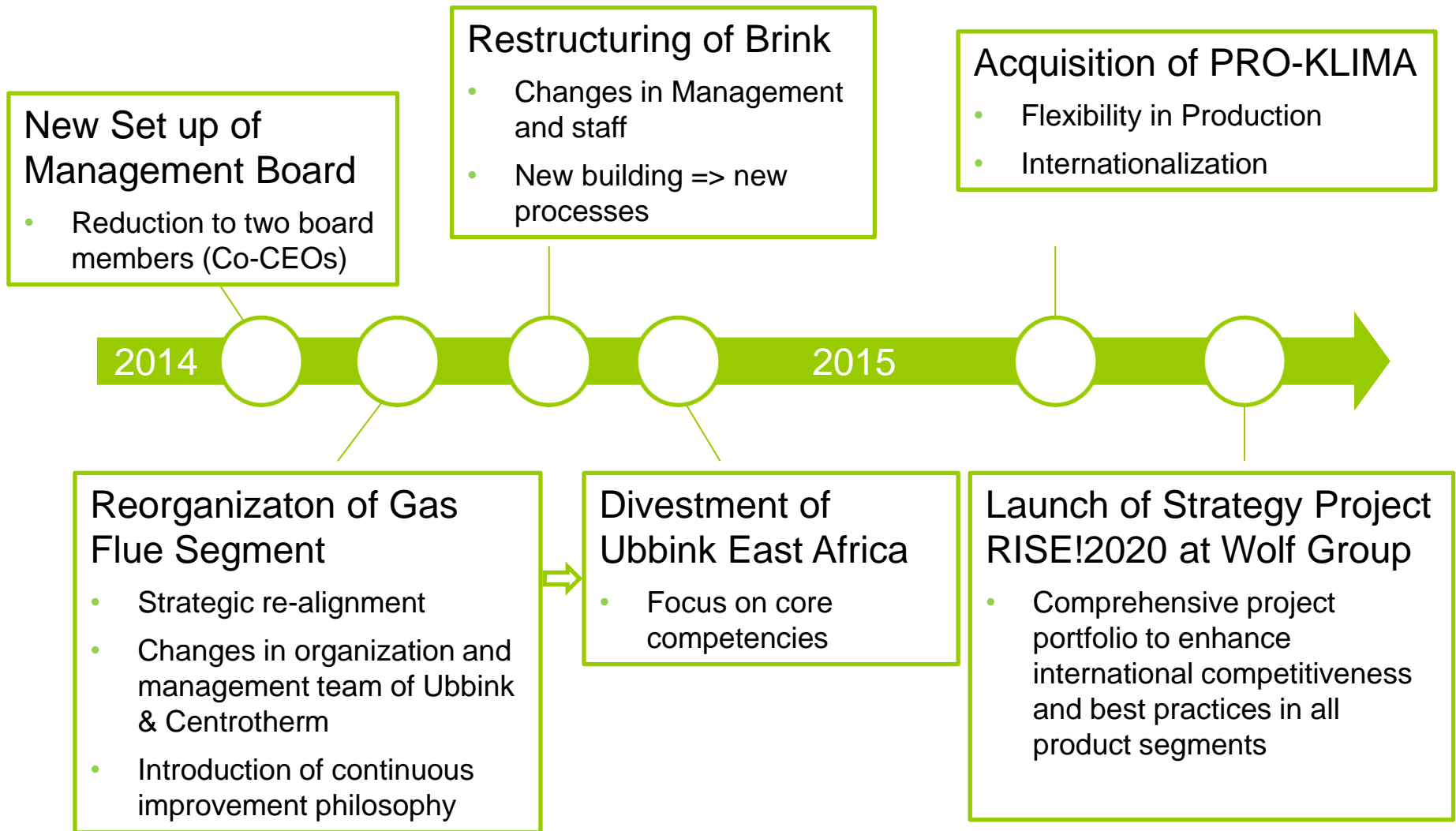
SHARE PRICE VS SDAX SINCE THE BEGINNING OF 2014



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Since 2014, significant organizational changes have been successfully implemented

HIGHLIGHTS OF THE LAST 24 MONTHS



A set of new products has been developed and (partly) launched in 2015

NEW PRODUCT DEVELOPMENTS



FGB

Market launch
04/16

European
markets outside
DACH region

Distribution Box

Market launch
01/16

OEM Europe

Wall terminal

Market launch
Q2/16

OEM worldwide

Decentral HRV

Market launch
12/15

Germany and
similar markets

INTERNATIONALIZATION



WOLF



PROKLIMA
Quality first of all

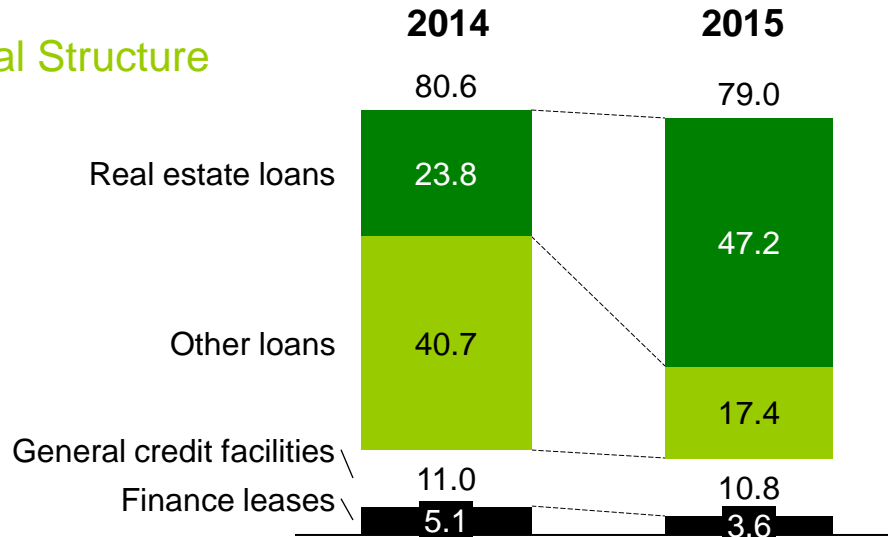
Effect on CENTROTEC Group

- Total assets: EUR 11.0 m
- Net asset value: EUR 2.0 m
- Goodwill: EUR 5.1 m
- Revenue (Q3 and Q4): EUR 8.5 m
- EBIT (Q3 and Q4): EUR 0.2 m
- Employees: 123 FTE (87 direct)
- Purchase Price: EUR 7.1 m

Financial structure has been updated to take advantage of attractive corporate financing conditions

CORPORATE FINANCING

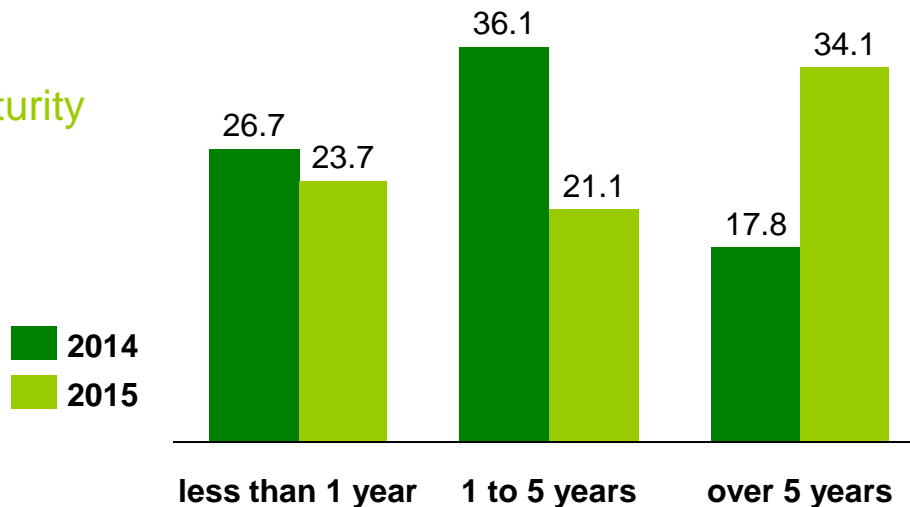
Capital Structure



Adjustment of financial structure

- Low interest rate lock-in for the long term
- Real estate as security, therefore minimal financial covenants
- Additional scope for financing assured by unutilised credit lines
- Ring-fenced structure will be retained

Maturity



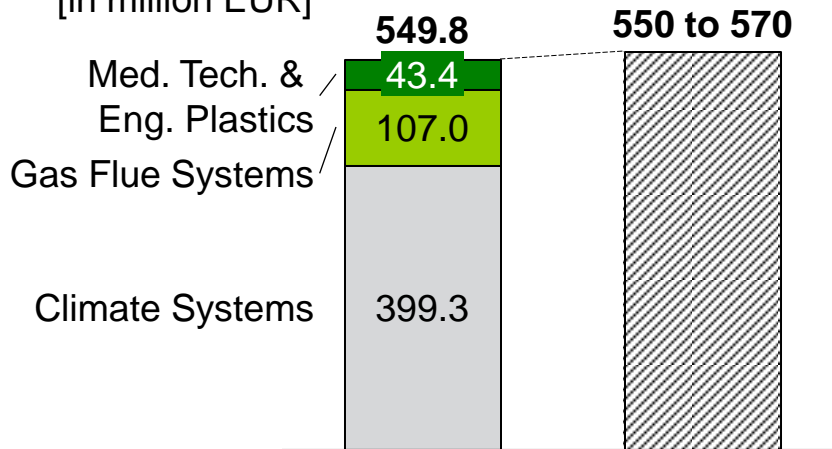
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Stable growth expected

OUTLOOK

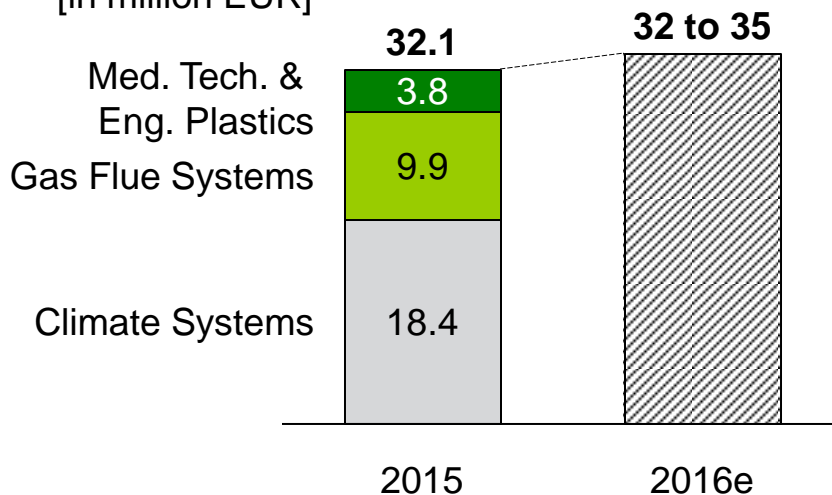
Revenue

[in million EUR]



EBIT

[in million EUR]



Rationale

- + Stabilization of sales markets
- + Recently introduced core products provide positive impulses
- Regulatory changes show no big impact yet, but temporary shift in market
- International position of Climate Systems business still too weak
- Consolidation in the Air Handling Unit industry continues
- Weakness of solar thermal and combined heat and power market
- Investments in international growth

Thank you for your attention!



This presentation contains forward-looking statements based on current expectations, assumptions and forecasts of the executive board and on currently available information. Various known and unknown risks, unpredictable developments, changes in the economic and political environment and other presently not yet identifiable effects could result in the fact that the actual future results, financial situation or the outlook for the company differ from the estimates given here. We are not obligated to update the forward-looking statements made in this presentation unless there is a legal obligation.

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