



Analyst presentation Q1 2015

13 May 2015

AEG
POWER SOLUTIONS

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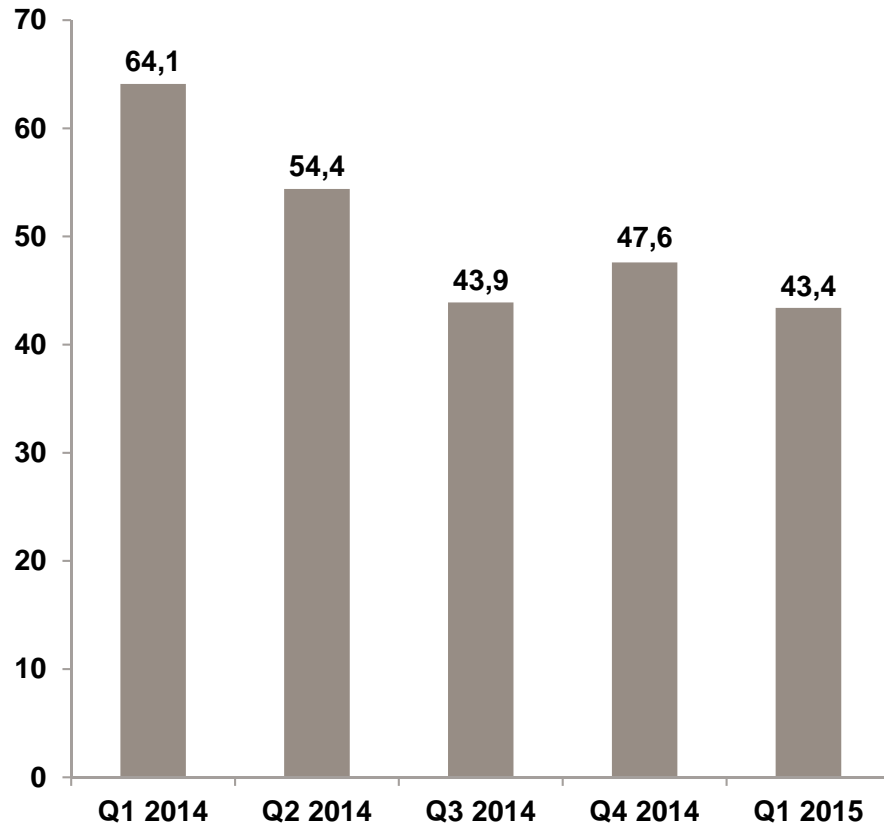
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Financials
Analyst presentation Q1 2015

CHANGE IN REPORTABLE SEGMENTS & ORGANIZATIONAL STRUCTURE

- The Group will no longer distinguish its operating results between product clusters divided into the previous segments “Renewable Energy Solutions” (RES) and “Energy Efficiency Solutions” (EES).
- In accordance with IFRS 8, the Group will have just one reportable business segment – “Industrial Products and Services” (IPS) – going forward, in combination with a reportable unallocated segment (“Unallocated”) that represents non business related expenses.
- In addition the Group reviews its business activities through analyzing the key vertical markets and develops product and service offerings to address these needs.
- In order to reflect its vertical market end-customer structure, the Group has made a change to its reportable segment structure starting with the Q1 2015 publication.
- For the IPS segment, Q1 2015 orders and revenue numbers correspond to those of the Group. Historical numbers of Q1 2014 and Q4 2014 have been adjusted by adding the previous reportable RES and EES segments, adjusted for the operating results of discontinued operations (sale of skytron and India), thereby enabling a like-for-like comparison of the Company’s operating activities.

Order Intake Development [EURm]

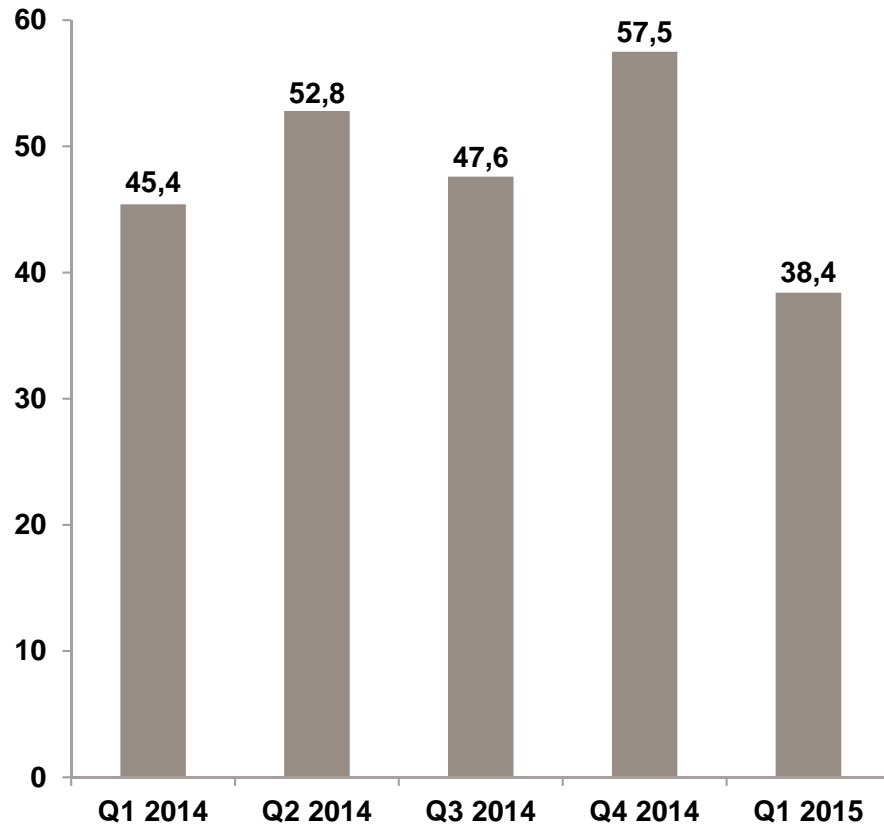


Comments

- Q1 2015 Group orders were €43.4m, down 32.3% y-o-y (Q1 2014: €64.1m) and down 8.8% q-o-q (Q4 2014: €47.6m).
- Adjusted for a change in product mix (POC & SOLAR solutions), Q1 2015 orders were €42.2m, down 20.2% y-o-y (Q1 2014: €52.9m) and down 4.1% q-o-q (Q4 2014: €44.0m).
- The remaining difference of €10.7m between Q1 2015 and Q1 2014 is attributable to large orders received in Q1 2014 in the Oil & Gas as well as the Transportation segment.
- The macroeconomic situation resulting from the military conflicts in Africa/Middle East and the decline in oil prices are affecting order intake as several expected orders are suspended.
- Q4 2014 adjusted order intake also included a one time €3.5m item.



Revenue Development [EURm]



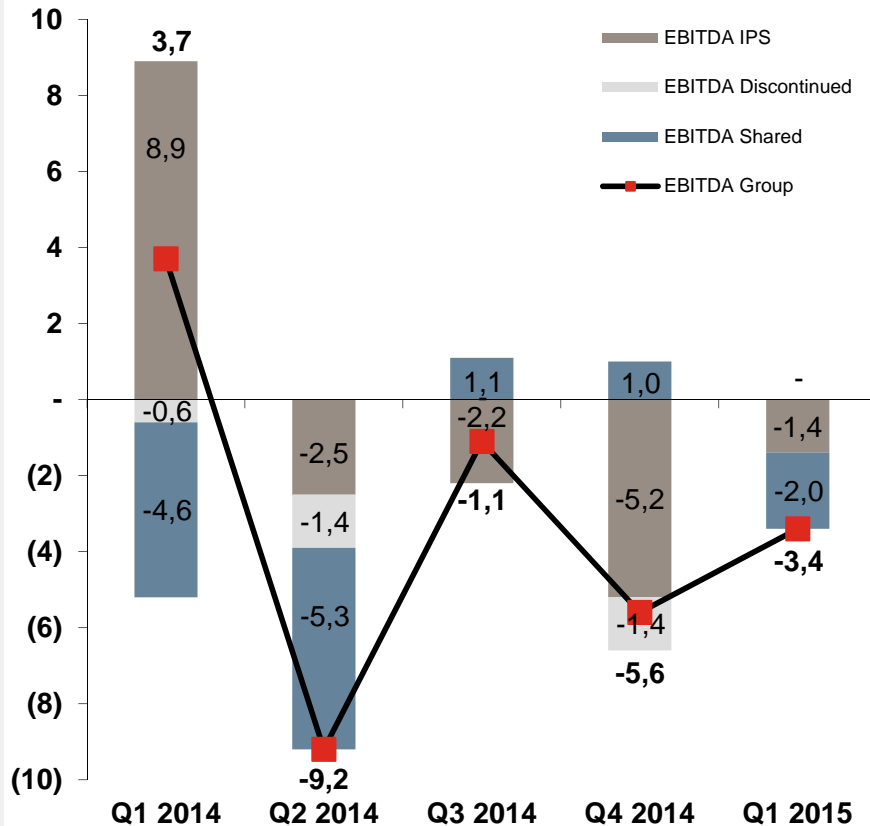
Comments

- Q1 2015 Group revenue was €38.4m, down 15.4% y-o-y (Q1 2014: €45.4m) and down 33.2% q-o-q (Q4 2014: €57.5m).
- Adjusted for the change in product mix (POC & SOLAR solutions), Q1 2015 revenue was €36.0m, up 4.7% y-o-y (Q1 2014: €34.3m) and down 28.0% q-o-q (Q4 2014: €49.9m).
- The Q4 2014 deviation is mainly affected by the seasonal revenue pattern.
- Revenue recognized in the Transportation segment is promising, all other segments are in line or just below expectations.

AEG PS GROUP – EBITDA Development

EBITDA Development [EURm]

In addition to IPS shared costs & discount activities have to be included



Comments

- Q1 2015 EBITDA was - €3.4m, down €7.1m y-o-y (Q1 2014: €3.7m) and up 39.3% q-o-q (Q4 2015: - €5.6m).
- Q1 2014 EBITDA included a €18.2m one-time capital gain resulting from the sale of the POC modules business; Q1 2015 EBITDA included just a €1.0m capital gain.
- Adjusted for the extraordinary effect in Q1 2014, losses have narrowed substantially in the period under review.
- The significant reduction in fixed operating costs deriving from the operational restructuring measures contributed to this development.
- As Q1 is typically the weakest quarter of the year, further improvement is expected.

STATUS QUO Q1 2015



- The restructuring measures taken in 2014 resulted into dedicated focus on the Company's core business activities: Offering Industrial and commercial UPS solutions across key vertical markets in critical infrastructure such as Oil & Gas, Power Generation (including Nuclear), Transportation and Data & IT. In addition, the Company continues to pursue key new technology innovation in Grid & Storage applications including power to gas/heat and battery energy storage (BESS) solutions.
- The Group is in the midst of a difficult business transformation and development path that requires sustained effort to overcome the obstacles and further the structural improvements necessary to create a sustained and profitable business.
- A future challenge will be to develop and implement a customer-facing organization that is proactive, receptive to input and adaptive to changing commercial environments.
- Recent business developments underscore the strength of the Group's competitive position and the reputation that it maintains.
- Additions to the management team of several new leaders in the Middle East, UK and Germany in sales, finance and product management are having a material impact on the improvement of the business.

OUTLOOK AEG POWER SOLUTIONS GROUP



- Revenue for 2015 is expected to be in line with the revenues of 2014 on a like-for-like basis. Reaching this performance level will require a predicted uptake in orders and sales in the second half of the year.
- The medium-term goal remains having top-line growth in the mid-single digits and an EBITDA margin of 5% to 10%.
- By making carefully selected investments, the Company may see opportunities to accelerate its cash-generating capability and to further strengthen its recovery to the benefit of all stakeholders.
- For this reason, 3W Power will be asking shareholders for an increase in authorized share capital of c. €500,000 at the upcoming EGM on 19 May 2015
- The envisaged measure aims mainly to retain flexibility in case opportunities arise that would be beneficial for the Company.

Business overview
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OUR COMPETITIVE STRENGTHS



AEG PS Group provides high quality electrical power supply for mission critical applications

- Best in class customer specific systems and solutions
- High quality assembly, installation, commissioning, and field service
- R&D excellence and proven ability to bring new technologies and applications to market
- Large installed base and potential for growing services
- Strong brand recognition
- Certified supplier by major customers
- Know-how of energy storage technology

KEY PRODUCT OFFERING



Industrial & Commercial Power Supplies

Systems & Solutions

UPS



Battery charger/
DC Systems



Applications

Oil &
Gas



Power
Generation



Data & IT



Electrolysis
(H2)



Polysilicon



Power Plants



General
Industry



Transportation



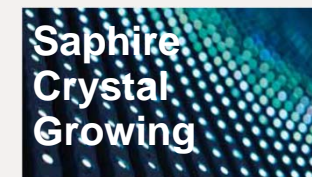
Telecom



Grid stabi-
lization



Sapphire
Crystal
Growing



Commercial



Advanced Power Systems

Power to
Gas rectifier
system



Voltage
controller



BESS

Solar
Inverter



SELECTED CUSTOMERS



MAJOR PROJECTS – Selected New & Ongoing Industrial Projects Q1 2015

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

Italy

- Owner: Total E&P Italia
- AEG PS Contract Value: c. €1.8m
- EPC: Tecnimont spa
- Products: 15 AC UPS, 4 DC UPS systems, 6 combined A.C. and D.C. systems, NiCd batteries and services
- Application: Central control room, substation
- Project: Tempa Rossa



Middle East

- Owner: Emirates Nuclear Energy Corporation/TRANSCO Abu Dhabi Transmission and Dispatching Company
- AEG Contract Value: c. €0.8m via our partner MDS
- Products: Protect RSC
- Application: Control system and the monitoring station of the power distribution center
- Project: Nuclear Power Plant



Germany

- Owner: Ministry of Energy Kurdistan
- AEG PS Contract Value: c. €2.2m
- EPC: Siemens Turkiye
- Products: More than 220 MIP DC systems, NiCd batteries and services
- Application: Substation communication systems



Middle East

- Owner: Utility company in Qatar
- AEG PS Contract Value: c. €1.7m
- EPC: Siemens
- Product: Several AC (P8 inv) & DC systems, batteries and services
- Application: Substation switchgear protection
- Project: Phase 11



MAJOR PROJECTS – Selected New Industrial Projects Q4 2014 & Q1 2015

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

China / Germany

- Owner: Chinese Nuclear Power Engineering Company (CNPEC)
- AEG PS Contract Value: c. €0.7m
- Products: 8 + 9 Seismic proof inverters and services
- Application: E qualified power supplies
- Project: Daya Bay/Ling Ao



Middle East

- Owner: BP
- AEG PS Contract Value: c. €2.7m
- EPC: Petrofac
- Products: Dual Protect 8 AC & DC UPS systems with VRLA AGM battery content. 7 AC units and 7 DC units
- Application: Critical operations
- Project: BP Khazzan project (Oman)



Germany

- Owner: Bombardier
- AEG Contract Value: Undisclosed-frame contract possibly until 2023
- First phase: 130 locomotives to be equipped
- Products: On-board battery chargers, inverters and DC/DC converters
- Application: Locomotives on board power supply



Middle East

- Owner: Saudi Arabian Major Oil player
- AEG PS Contract value: c. €1.4m
- Products: AC UPS and VRLA batteries
- Application: Hospital
- Project: Social corporate initiative



MAJOR PROJECTS – Ongoing & New Industrial Projects Q1-Q2 2015

AEG PS continues to build its strong position in Oil & Gas, Transportation and Power Generation

UK

- Owner: Crossrail
- AEG PS Contract Value: €2.6m (part of frame contract)
- Products : AC & DC UPS systems (Total frame contract 67 systems for 19 locations)
- Application: Upgrading of London metro stations



Italy

- Owner: Major Ship Builder
- AEG Contract Value Undisclosed
- Products: Protect 8 UPSs , DC systems, distribution panels and batteries
- Application: Cruise vessel power supply



Singapore

- Owner: Oil Company in Angola
- EPC: Major Power & automation player
- AEG PS Contract Value: €0.9m
- Products: 4 pcs. Protect 8.33 High Power UPS and 2 Chargers Protect RCS TPre Battery Chargers, all complete with distribution boards and lead acid batteries
- Application: Oil & Gas



MAJOR PROJECTS – New Advanced Systems Projects Q4 2014 / Q1 2015

AEG PS innovates and builds pilot and operational projects in off-grid and on-grid energy storage

Spain

- Owner: Iberdrola
- Project value: €0.5m
- R&D Consortium with Tecnalia & Iberdrola
- Products: Full on-grid energy storage solution (BESS) including Batteries, Wireless Battery Management system, Storage Converter (SC AEG PS range) and Local Monitoring Unit
- Application: Grid stabilization and energy storage for renewables and smart grids networks
- Project: SAGER 600 Kwh



Africa

- Owner: Electricité de Mali (EDM)
- AEG PS Contract Value: Ca. €3.2m
- Via our partner ZED SA
- Products: Full Hybrid off-grid power plant
- Application: Power generation and storage
- Project: Cities of Nara, Diema and Ansongo



Appendix
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AEG PS GROUP – Key Performance Indicators



EURm	Q1 2015	Q1 2014	% change	Q1 2015	Q4 2014	% change
Backlog	88.0	101.9	-13.6%	88.0	85.7	2.7%
Orders	43.4	64.1	-32.3%	43.4	47.6	-8.8%
Revenue	38.4	45.4	-15.4%	38.4	57.5	-33.2%
Book to Bill	1.1	1.4	-20.0%	1.1	0.8	36.5%
EBITDA	(3.4)	3.7	<i>na</i>	(3.4)	(5.6)	39.3%
<i>% of revenue</i>	-8.9%	8.1%		-8.9%	-9.7%	
Normalized EBITDA	(3.7)	(12.9)	71.3%	(3.7)	1.8	<i>na</i>
<i>% of revenue</i>	-9.6%	-28.4%		-9.6%	3.1%	

%-changes are not shown if considered not to be helpful in the understanding of the KPIs.
Rounding differences may occur.
Historical numbers have been represented for comparative purposes.

Industrial Products and Services (IPS) – Key Performance Indicators¹

EURm	Q1 2015	Q1 2014	% change	Q1 2015	Q4 2014	% change
Backlog	88.0	94.8	-7.2%	88.0	85.7	2.7%
Orders	43.4	59.8	-27.4%	43.4	47.6	-8.8%
Revenue	38.4	41.6	-7.7%	38.4	57.5	-33.2%
Book to Bill	1.1	1.4	-21.4%	1.1	0.8	36.5%
EBITDA	(1.4)	8.9	<i>na</i>	(1.4)	(5.2)	73.1%
<i>% of revenue</i>	-3.6%	21.4%		-3.6%	-9.0%	
Normalized EBITDA	(2.6)	(8.5)	69.4%	(2.6)	3.2	<i>na</i>
<i>% of revenue</i>	-6.8%	-20.4%		-6.8%	5.6%	

¹ For the IPS segment, Q1 2015 orders and revenue numbers correspond to those of the Group, historical numbers of Q1 2014 and Q4 2014 have been adjusted by adding the previous reportable RES and EES segments, adjusted for the operating results of discontinued operations (sale of Skytron and India), enabling a like-for-like comparison of the Company's operating activities.

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Unallocated – Key Performance Indicators



EURm	Q1 2015	Q1 2014	% change	Q1 2015	Q4 2014	% change
EBITDA	(2.0)	(4.6)	56.4%	(2.0)	1.0	<i>na</i>
Normalized EBITDA	(1.1)	(4.0)	72.5%	(1.1)	0.0	<i>na</i>

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Geographical Allocation – Orders



Orders, EURm	Q1 2015	Q1 2014	% change	Q1 2015	Q4 2014	% change
Europe excl. Germany	24.7	23.4	5.6%	24.7	16.1	53.4%
Germany	9.0	10.4	-13.5%	9.0	15.0	-40.0%
Asia	7.8	11.9	-34.5%	7.8	6.0	30.0%
Africa/Middle East	1.2	12.0	-90.0%	1.2	8.7	-86.2%
Rest of the world	0.7	2.1	-66.7%	0.7	1.8	-61.1%
Total orders	43.4	59.8	-27.4%	43.4	47.6	-8.8%
<i>thereof products</i>	29.7	44.8	-33.7%	29.7	31.9	-6.9%
<i>thereof services</i>	13.7	15.0	-8.7%	13.7	15.7	-12.7%

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Geographical Allocation – Revenue



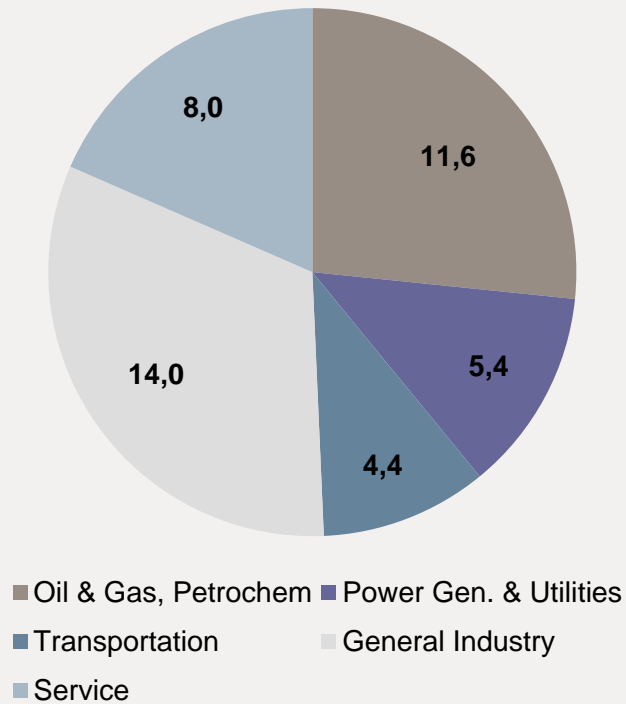
Revenue, EURm	Q1 2015	Q1 2014	% change	Q1 2015	Q4 2014	% change
Europe excl. Germany	14.6	18.6	-21.5%	14.6	20.6	-29.1%
Germany	10.1	11.4	-11.4%	10.1	14.9	-32.2%
Asia	5.9	6.6	-10.6%	5.9	12.2	-51.6%
Africa/Middle East	6.3	3.9	61.5%	6.3	7.7	-18.2%
Rest of the world	1.5	1.1	36.4%	1.5	2.1	-28.6%
Total revenue	38.4	41.6	-7.7%	38.4	57.5	-33.2%
<i>thereof products</i>	26.5	29.2	-9.2%	26.5	41.8	-36.6%
<i>thereof services</i>	11.9	12.4	-4.0%	11.9	15.7	-24.2%

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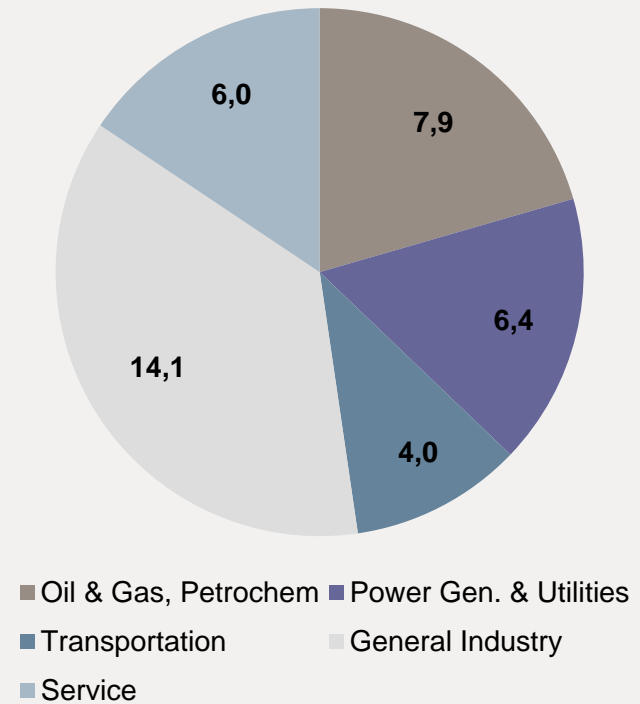
Segment Allocation – Orders & Revenue



Q1 2015 Orders by Segment / Product Group, [EURm]



Q1 2015 Revenue by Segment / Product Group, [EURm]



Rounding differences may occur.

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