

Aggreko invests in smart energy

Aggreko is excited to announce its £40m¹ agreement to acquire Younicos, a global market leader in the development and deployment of integrated energy systems, based on battery storage. This acquisition strengthens our position as global energy markets continue to evolve and is in line with our strategy to invest in technology in order to reduce the cost of energy for our customers.

Younicos delivers smart energy solutions integrating battery storage, which are modular and scalable. Its knowledge of batteries combined with proprietary control systems, enables the seamless integration and management of all forms of power, including thermal, renewable and battery energy resources; this is becoming critical in an increasingly distributed energy market.

Global energy markets are changing: decarbonising and becoming more decentralised and digital. As renewables penetration increases, intermittency becomes a more difficult issue to manage across grid systems. Integration and control of thermal, renewable and battery systems will be increasingly required to ensure power stability and reliability are maintained. Off grid and microgrid energy solutions are ever more integrating renewable generation, whilst industrial and commercial customers are also taking advantage of opportunities for renewable integration and demand-side management.

The capabilities brought by Younicos, leveraged through our global footprint and experience in distributed power generation, are compelling. The Younicos integration and control systems, combined with batteries, can be deployed across our existing business to lower the cost of energy, ensure reliability and reduce carbon emissions for our customers around the world.

Younicos has invested heavily in R&D since it was founded in 2005. It is based in Germany and the USA and has over 200 MW of installed storage systems, with a strong pipeline across both developed and emerging markets. The CEO, Stephen Prince, will report directly to Chris Weston, Aggreko Chief Executive. For the calendar year 2016, Younicos had revenues² of £7m and made an operating loss² of £15m; gross assets² at 31 December 2016 were £20m. We expect it to be loss making in the short term and therefore earnings dilutive. The investment will be made in cash.

Chris Weston, Aggreko Chief Executive, said: "As energy markets continue to decarbonise, decentralise and become more digital, the integration and control of multiple energy sources, including thermal and renewable, will be essential to ensure the provision of reliable power.

"As a pioneer of smart energy solutions based on battery storage, Younicos is at the forefront of this trend. Together we are a powerful combination; our scale, fleet and global presence, coupled with a smart energy capability, will allow us to open up new markets and provide our customers around the world with a reliable, cheaper and cleaner source of energy."

Stephen Prince, Younicos Chief Executive, said: "We are delighted to be joining with a market leading power provider in Aggreko. Batteries are an economically attractive and reliable asset which will play an increasing role as we transition from today's energy market to the energy market of the future. Integration and management of multiple distributed energy sources will be necessary to optimise energy systems and deliver customers with greater stability at a lower economic and environmental cost."

¹ In addition, on completion there will be a net debt/cash adjustment of circa £7m payable

² Unaudited accounts consolidated under IFRS

CONFERENCE CALL

There will be a conference call for investors and analysts hosted by Chris Weston, Chief Executive, at 9am (BST) today. Dial in details are as follows:

Dial in: +44 20 3059 8125

Conference call name: Aggreko

A recording of the call will be available on demand for 7 days.

Audio playback: + 44 121 260 4861

Reference: 6536959#

EDITOR'S NOTES

Around the world, people, businesses and countries are striving for a better future - a future that needs power and the right conditions to succeed.

Aggreko works round the clock, making sure everyone gets the electricity, heating and cooling they need, whenever they need it – all powered by our class-leading equipment, trademark passion, unrivalled international experience and local knowledge. From urban development to unique commercial projects and even humanitarian emergencies, we bring our expertise and equipment to any location, from the world's busiest cities to some of the most remote places on earth.

That's what has made us the world's leading provider of modular, mobile power and heating and cooling. We've been in business since 1962. We have more than 7,300 employees, operating from more than 200 locations in 100 countries. With revenues of approximately GBP 1.6bn (USD 2.6bn or Euros 2bn) in 2016, we are listed on the London Stock Exchange (AGK.L) and have our headquarters in Scotland.

Our business helps transform the lives and livelihoods of individuals, organisations and communities across the globe, in both developed and developing countries and markets.

We operate across all sectors, including oil and gas, petrochemical and refining, utilities, manufacturing, construction, mining and events.

We design and manufacture equipment specifically for these requirements in our factory in Dumbarton, Scotland and work with leading innovators to ensure our equipment offers maximum fuel flexibility, by using gas, diesel (including HFO) and renewable fuel sources.

For more information, please visit our website at: aggreko.com

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This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of Aggreko plc is Peter Kennerley, Group Legal Director & Company Secretary. Prior to the acquisition, Younicos was backed by shareholders including family offices Calibrium AG (formerly Aeris Capital), Mithril GmbH, and Groupo ECOS, plus selected corporate investors. Younicos was advised by Alexa Capital on the transaction.