

## EGL Factsheet | Origination

<b>Classification</b>	EGL's core business is international energy trading. Activities include the following three areas: Asset-backed trading to optimise electricity production in proprietary power plants, as well as long-term electricity and gas procurement contracts, proprietary trading, and origination. EGL is focusing on expanding the European origination business with its division Energy Trading & Origination.
<b>Definition</b>	Origination focuses on the customer business with structured products and services. That is, EGL develops structured energy products and services that are individually tailored to the needs of customers all over Europe. Among other things, EGL procures energy volumes for bulk customers (city utilities, etc.), markets those of electricity producers (wind farm operators, etc.), and manages their energy portfolios. In turn, EGL divides these complex power solutions into numerous individual products and mainly hedges these on the energy market. The origination business requires high expertise and excellent knowledge of the market.
<b>Clients</b>	<p><b>Industry</b> (paper manufacturers, steel/aluminium works, etc.)</p> <p><b>Power plant investors and operators</b> (wind farms, solar/biogas plants, hydropower/gas power plants, etc.)</p> <p><b>Electricity supply companies/utilities</b></p> <p><b>Retailers</b> (retail business, companies with numerous branches, etc.)</p>
<b>Market position</b>	EGL is a leader among independent providers of origination services. Its business model differs from the competition: In most European markets, EGL operates locally. As a result, EGL possesses very good knowledge of the local market mechanisms, as well as cross-border electricity trading. In trading with numerous interlinked commodities (electricity, gas, coal, oil, certificates, etc.), EGL understands their interdependencies and impacts on the electricity and gas price. In addition, EGL's own market analysis department provides reliable data and professional assessments. These qualities make EGL agile and fast in the origination business. Clients with complex requirements, looking for innovative, tailored energy solutions benefit from this.
<b>Pan-European Portfolio Management</b>	Thanks to its international strategy and network, EGL can integrally manage energy portfolios for international, energy-intensive companies (= pan-European portfolio management). On one side, the client profits from favourable, calculable energy prices. On the other side, clients receive energy solutions from one source in all countries, including overall risk assessment and consulting on energy procurement issues.
<b>Origination offices</b>	<p><b>Budapest</b> (Hungary), <b>Bucharest</b> (Romania), <b>Brussels</b> (Benelux &amp; France), <b>Dietikon</b> (Switzerland, Slovak Republic, Czech Republic), <b>Düsseldorf and Leipzig</b> (Germany), <b>Genoa</b> (Italy), <b>Helsinki</b> (Finland &amp; Baltic), <b>Istanbul</b> (Turkey/joint venture with Demirören), <b>London</b> (Great Britain), <b>Madrid</b> (Spain &amp; Portugal), <b>Malmö</b> (Sweden), <b>Oslo</b> (Norway &amp; Denmark), <b>Sofia</b> (Bulgaria), <b>Warsaw</b> (Poland), <b>Vienna</b> (Austria)</p>

## Examples

### Renewable Energies

An investor wants to build a wind farm in Germany. The bank consortium will only finance the project if calculable, regular wind power sales are guaranteed. EGL offers the investor and the bank consortium a guarantee of sale that goes beyond classic feed-in compensation, and takes over sales of the wind power for the first years at a defined price.

### Electricity procurement

A Swedish steel producer has long-term sales contracts for its own steel production. These are only profitable when the power price for steel smelting does not go above a certain price. However, the steel company wants to take advantage of decreasing electricity prices. EGL supplies the steel producer with a basic quantity of electricity at fixed prices (or indexed prices) and hedges the remaining volume with options.

### Pan-European Portfolio Management

A company with headquarters in Spain and numerous branches in Germany, Italy, France and England has high electricity expenses. The company wants to purchase and manage its electricity requirements centrally. EGL offers the company pan-European portfolio management: EGL buys the electricity for the client in an overall portfolio and distributes these quantities to the specific individual branches.

### Contact

#### Corporate Communications

Lerzenstrasse 10  
CH-8953 Dietikon  
Telefon: +41 44 749 40 10  
media.ch@egl.eu