

Repower Group



REPOWER

Telephone conference
2016 half-year results

24 August 2016

Agenda

> Welcome

Michaela Leuenberger

> Overview of 1H16

Kurt Bobst

> Financial results

Stefan Kessler

> Outlook

Kurt Bobst

> Questions

All

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Overview of the first half of 2016

Main focuses

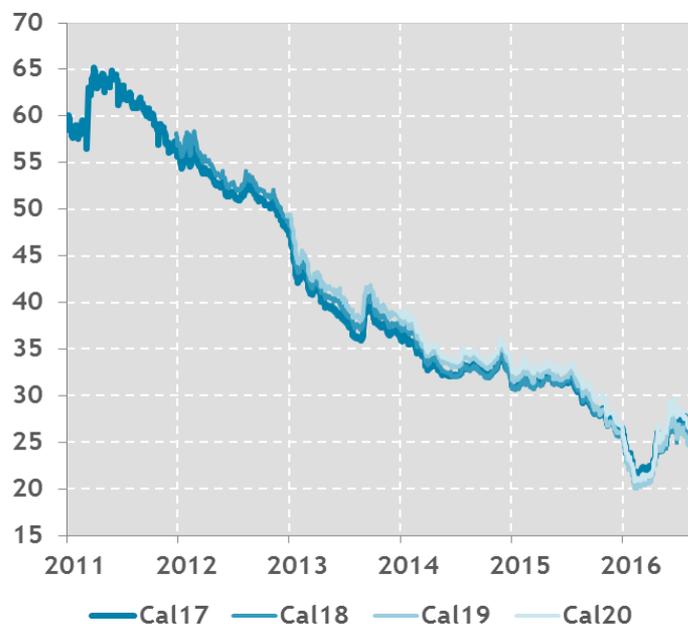
- › Total operating revenues CHF 881 million
- › EBIT CHF 45 million; net profit CHF 18 million
- › Delisting from SIX and new registered shares
- › Increase in capital and new strategic shareholders
- › Divestments initiated/
Romanian operations go to MET Group
- › Plug'n Roll emblematic of service initiatives

Overview of the first half of 2016

Market environment

- Market prices recover slightly but still low
- CHF/EUR rate somewhat better, but great uncertainty
- Political risks remain (Brexit, Ukraine, terrorism)

Market prices in EUR/MWh*



* Prices in Germany

EUR/CHF exchange rate



Overview of the first half of 2016

Capital increase and two new anchor shareholders

- › Increase in capital completed successfully
- › Cash proceeds of CHF 171.3 million
- › New investors with a long-term horizon:
EKZ and UBS-CEIS

Shareholder	Interest
Elektrizitätswerke des Kantons Zürich (EKZ)	28.32%
Canton of Graubünden	21.96%
UBS Clean Energy Infrastructure KGK (UBS-CEIS)	18.88%
Axpo Holding	12.69%
Free float	18.15%

Overview of the first half of 2016

Market Switzerland

- Plug'n Roll: innovative electric vehicle (EV) offering
- Following refurbishment Cavaglia plant now in feed-in scheme
- Rebuilding of Morteratsch power plant on course/partnership with investor
- Almost CHF 10 million invested in expanding, refurbishing, maintaining and operating the grid
- Mixed performance from Trading in Poschiavo in first six months
- EBIT contribution CHF 13 million*



Construction at Morteratsch plant: pressure line (back) and underwater canal/powerhouse (front)

* including exceptional items

Overview of the first half of 2016

Market Italy

- “BIG” project to add large customers (electricity and gas) to portfolio
- Still great interest in innovative products
- Team of sales consultants expanded: around 580 agents in all regions of Italy
- Positioning consultants as “personal trainers” in matters of energy efficiency
- Greater demand for Teverola power plant in volatile market
- EBIT contribution: CHF 28 million*

* including exceptional items

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Financial results

Consistently positive developments in 1st half year; increase in capital in 2nd half year

- EBIT of CHF 45 million thanks to better operating performance, impairment gains and release of provisions
- Better operating performance and sustained, effective working capital management lead to a good operating cash flow of CHF 44 million (prior year CHF 11 million)
- Debt measures significantly better, even without effects of increase in capital, thanks to improved operating income and successful divestment
- Successful increase in capital completed 7 July 2016 raising proceeds of CHF 171.3 million

Financial results

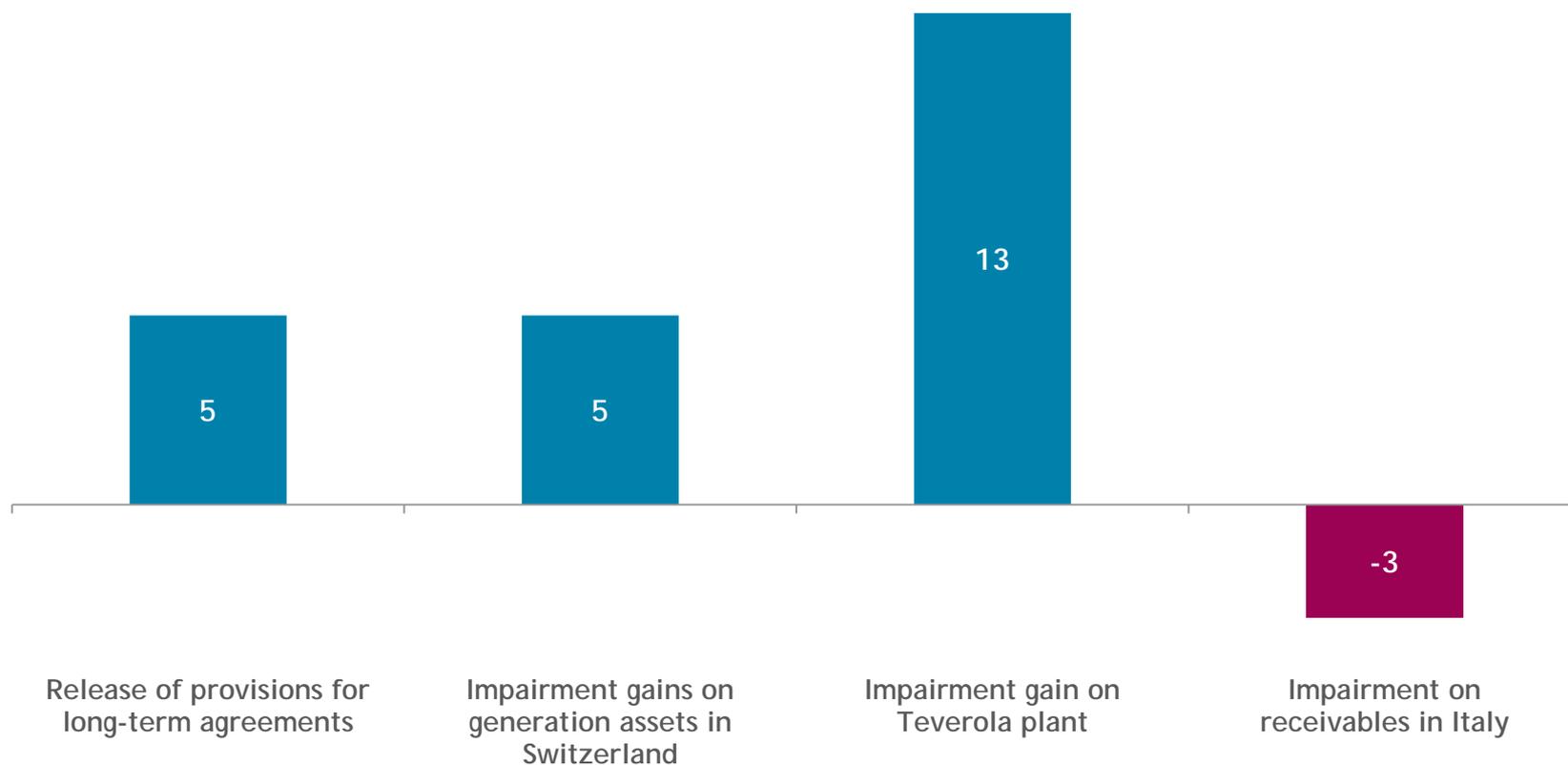
Efforts to improve gross margin succeed

CHF million	1H16 before exceptional items	1H16	1H15 before exceptional items	1H15
Total operating revenue	881	881	922	922
Gross margin	108	113	96	93
EBITDA	49	51	32	29
EBIT	26	45	7	-34
Group profit/loss including minority interests	0	18	-75	-108
FFO (funds from operations)		26		9
CFO (cash flow from operating activities)		44		11
Investments (including own costs)		11		12
FFO/net debt		23%		7%
Net debt/EBITDA		2.4		4.0
Equity ratio		35%		35%
No. of employees on 30 June (FTEs)		604		648

Financial results

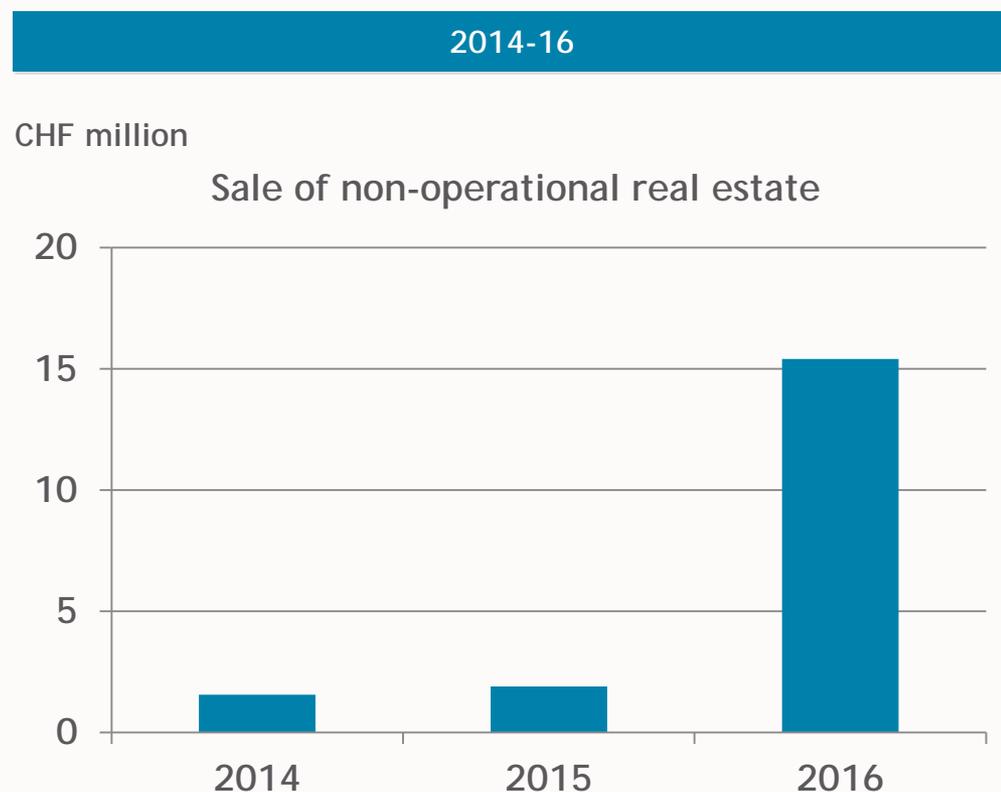
Exceptional items impact operating results

CHF million (impact on EBIT)



Financial results

Revenues from the sale of non-operational real estate



- Repower has had a lot of non-operational real estate
- Properties sold for around CHF 19 million in 2014-16
- Further sales of around CHF 10 million possible

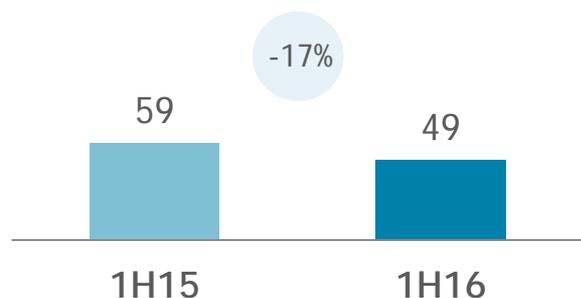
Financial results

Market Switzerland's result lags prior-year period

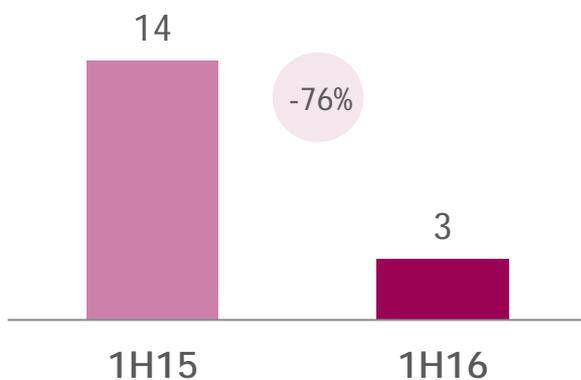
Market Switzerland before exceptional items

CHF million

Gross margin



EBIT



Gross margin below prior-year level

- > Pressure on margins increases again because of structural long position
- > Income from speculative trading business below expectations in 1H16
- > Earnings contributions from Sales and Grid remain stable

Decline in gross margin impacts operating results

- > OPEX still under control

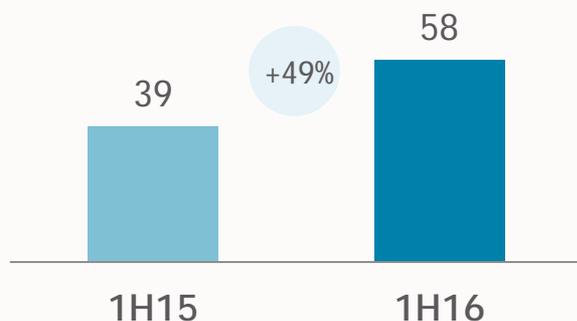
Financial results

Market Italy profits from Teverola power plant

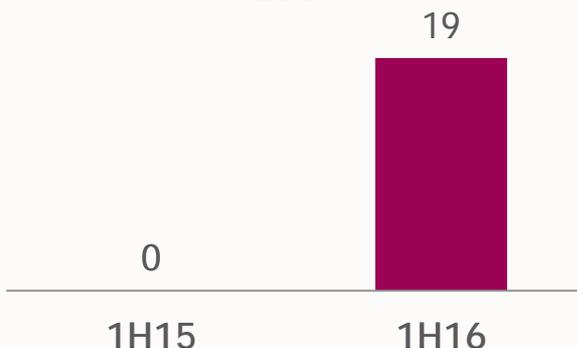
Market Italy before exceptional items

CHF million

Gross margin



EBIT



Gross energy margin develops positively

- > Margins on ancillary services at Teverola plant substantially better than expected
- > Better sales margins thanks to lower procurement prices

Significant improvement in operating results

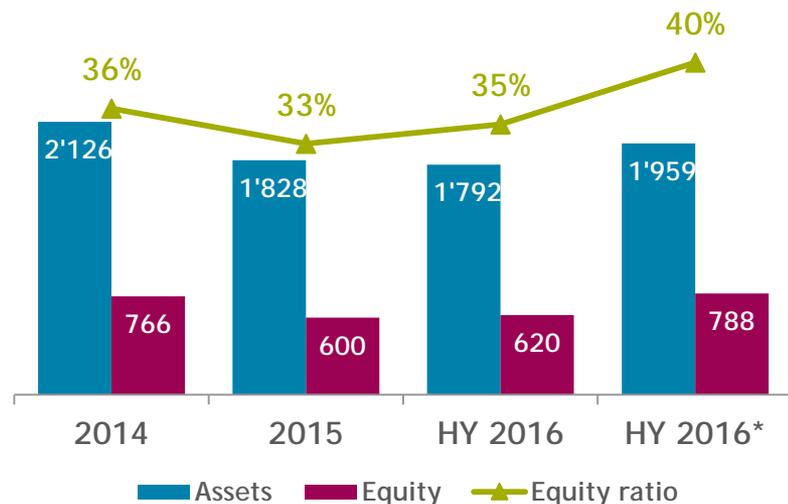
- > Higher margins (primarily ancillary services) reflected directly in operating results
- > OPEX in line with expectations

Financial results

Equity ratio back within target range

Development of balance sheet assets, equity and equity ratio since 2014

CHF million



* following increase in capital on 7 July 2016 (estimated)

Increase in equity in 1H16

- > Exceptional items had major negative impact on equity in FY 2015
- > Slight increase in equity in 1H16 thanks to profits

Equity ratio within target range

- > 35% to 45% target range achieved

Equity and equity ratio after increase in capital

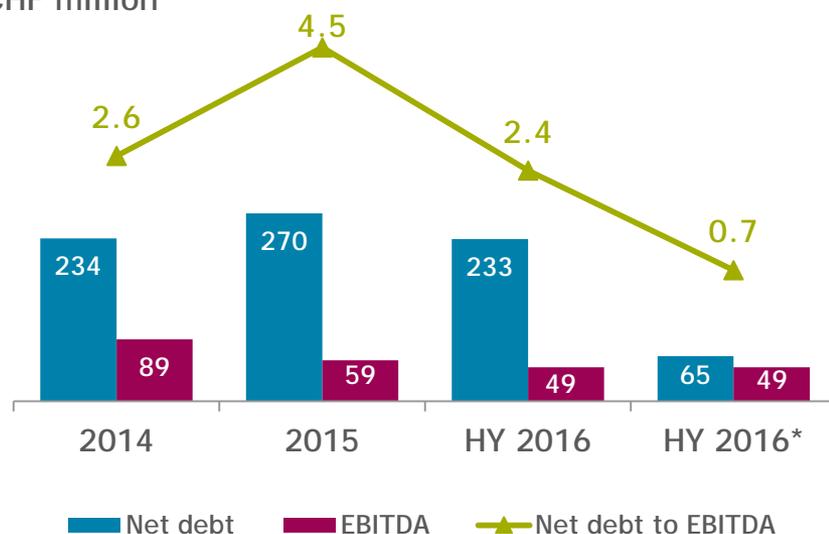
- > Equity: CHF 788 million
- > Equity ratio: 40%

Financial results

Net debt to EBITDA back to well below 3

Development of net debt, EBITDA and net debt to EBITDA since 2014

CHF million



* following increase in capital on 7 July 2016 (estimated)

Decline in net debt to EBITDA vs 2015

- > Sale of non-operational assets (real estate, connecta ag) is proceeding on schedule
- > Further progress in terms of working capital management
- > Net debt to EBITDA down substantially by end of 2Q16 thanks to divestment and more stable EBITDA
- > Increase in capital completed in July 2016 expected to significantly reduce net debt and net debt to EBITDA
- > Additional positive effects can be expected in second half thanks to sale of Romanian business

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Outlook

Areas of focus in 2nd half of 2016

- Continued efforts to step up service offering (CH and IT)
 - Accompanying organisational changes
 - Process optimisation: Repower's core competences in trading, generation and grid work hand in hand to be able to offer services to customers
 - Continued expansion of sales network
 - Driving product development forward (New Tech)
- Driving partner strategy forward
- Working on divestments still pending

Outlook

Repower goes into the future stronger

- Market environment will remain tough and unpredictable
- Uncertainty (political, exchange rates, prices) is no longer the exception, but the rule
- Current recovery in prices does not yet look sustainable
- Pressure remains to reduce dependence on price of electricity
- Provided the operating environment remains the same, results (before exceptional items) look set to be better than in 2015
- New shareholder structure, realigned strategy and increase in capital have created a better foundation for Repower

For your diary

Key dates

- > Information on 2016 results 4 April 2017
- > Annual general meeting 17 May 2017



Many thanks for your interest!