Agenda

› Welcome
  Michaela Leuenberger
› Overview of 1H16
  Kurt Bobst
› Financial results
  Stefan Kessler
› Outlook
  Kurt Bobst
› Questions
  All
Agenda

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Michaela Leuenberger
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Kurt Bobst
All
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

EUR/CHF exchange rate

* Prices in Germany
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

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elektrizitätswerke des Kantons Zürich (EKZ)</td>
<td>28.32%</td>
</tr>
<tr>
<td>Canton of Graubünden</td>
<td>21.96%</td>
</tr>
<tr>
<td>UBS Clean Energy Infrastructure KGK (UBS-CEIS)</td>
<td>18.88%</td>
</tr>
<tr>
<td>Axpo Holding</td>
<td>12.69%</td>
</tr>
<tr>
<td>Free float</td>
<td>18.15%</td>
</tr>
</tbody>
</table>
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* 

* 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**

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

Exceptional items impact operating results

CHF million (impact on EBIT)

- Release of provisions for long-term agreements: 5
- Impairment gains on generation assets in Switzerland: 5
- Impairment gain on Teverola plant: 13
- Impairment on receivables in Italy: -3
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*

**Gross margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross margin (CHF million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H15</td>
<td>59</td>
<td>-17%</td>
</tr>
<tr>
<td>1H16</td>
<td>49</td>
<td></td>
</tr>
</tbody>
</table>

**EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (CHF million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H15</td>
<td>14</td>
<td>-76%</td>
</tr>
<tr>
<td>1H16</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>CHF million</th>
<th>Gross margin</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H15</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>1H16</td>
<td>58 (49%)</td>
<td>19</td>
</tr>
</tbody>
</table>

- **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

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

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

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