Analyst and investor conference

Repower’s market environment and positioning

Zurich, 30 October 2018
Agenda

• Implementation of strategic positioning  Kurt Bobst
• Financial developments  Brigitte Krapf
• Outlook  Kurt Bobst
Agenda

- Implementation of strategic positioning
  - Kurt Bobst
- Financial developments
  - Brigitte Krapf
- Outlook
  - Kurt Bobst
The future of energy: where’s the journey headed?

The world of energy is digital, connected and customer-centred

- Centralised generation
- Distributed generation
- Growing competition
- Monopoly
- Electricity distribution
- Digital transformation & system convergence
- Flexibility & energy efficiency
- Plannable loads & physical grid connection
Since 2017 development of commodity prices has been volatile
Positive development in energy prices
Drivers of realignment

Electricity and share prices with relevant correlation

- Growth in core business investments
- Internationalisation
- Repositioning
- Convergence Energy - Technology - Industries

Electricity prices /Share prices

- REPI-Shares
- REPN-Shares

Baseload: Spot-Swissix and futures market EUR/MWh
Bearer shares until 20.05.16, registered shares as of 24.05.16
Ways to reduce exposure on electricity prices

**Switzerland:** expand energy business and enter gas business

**Switzerland:** digitize processes and develop new products

**Switzerland:** expand supply services as full-service provider

**Italy:** pursue try and buy strategy to grow SME segment

**Italy:** enter market for small retail consumers and build digital distribution channel

**Switzerland:** actively market contract work for third parties
Market Switzerland

- We make our wealth of know-how available to other energy providers under the banner “made by the pros for the pros”
- We know the needs of customers and take them seriously
- We show flexibility to satisfy the needs of customers promptly and as well as possible
- Our energy and service offerings stand out in terms of high quality and customer utility

### Strategic objectives, Market Switzerland

1. Grow share of CH electricity market and enter gas market
2. Double supply through full outsourcing
3. Growth (5% CAGR) in technical services
4. Digital solutions: “made by the pros for the pros”
“Made by the pros for the pros”: Repower is a service provider

Customer portfolio

- Energy utilities
- Commercial and industrial customers
- Public sector
- Local authorities
- Infrastructure operators
“Made by the pros for the pros”: Repower is a service provider

Strategic positioning

Offering

▪ Core business
  - Structured energy supply
  - Guarantees of origin
  - Electricity and gas products
  - Trading services

▪ Technical services

▪ Services
  PLUG’N ROLL
  SMARTPOWER
  EASY ASSET
  ENERGYSPACE
“Made by the pros for the pros”: Repower is a service provider

Facts and figures

- Energy sales in Switzerland: around 2.4 TWh
- Energy sales in Germany: around 2 TWh
- 80 business partners in Switzerland
- 100 business partners in Germany
## Applications and systems for the digital age

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMARTPOWER</td>
<td>Overall smart metering and energy management package</td>
</tr>
<tr>
<td>EASYASSET</td>
<td>Modern, optimised asset management</td>
</tr>
<tr>
<td>ENERGYSPACE</td>
<td>Solution for managing energy portfolios and market access</td>
</tr>
<tr>
<td>PLUGNROLL</td>
<td>Full service provider for electric mobility</td>
</tr>
</tbody>
</table>
The intelligent solution for utilities and end consumers

- Technical solution addresses future challenges for grid operators
- Software and hardware developed and implemented in cooperation with strong partners
- Total package for utilities meets all requirements of “Energy Strategy 2050”
- Repower as service provider benefits from long-term customer loyalty in basic supply and with utilities
- Generating recurring income
- Run on a pilot basis in Landquart
- Market launch 2019
Basis for professional asset management

- Digital asset management solution in asset-intensive industries
- Easy-to-implement, cloud-based professional asset management solution
- Cross- and upselling potential for Repower - Technical services - New industries (e.g. railways)
- Using EASYASSET leads to break-even after 4 to 5 years
The portfolio management tool for utilities

- Easy-to-use tool for managing and optimising own energy portfolio
- Basic information for procurement and hedging transactions
- Repower can increase customer loyalty and creates potential in own core business
- Process optimisation brings additional positive effect on the cost side
CUSTOMERS, PARTNERS & RESELLERS

- 360° full service from consulting and project delivery to operation
- Tailormade, pioneering charging solutions for all industries and user cases
- Switzerland-wide white labelling and reselling partner model
- Collaboration with RhB, EKZ Eltop, Swiss Prime Site, Thurau Raststätten, Swisspass and Jaguar Range Rover

ELECTRIC VEHICLE DRIVERS

- Charging in nationwide Plug’n Roll network and partner networks all over Europe
- Modern charging solutions and installation at home
- Green power
- EV driver community
Good performance from the PLUG’N ROLL EV solution

Registrations
- Around 400 app downloads in September 2018
- More than 4,000 registered EV drivers

Charges
- Ø 330 charges per month
- Ø 1,200 hours of charging per month

Charging points
- A total of 169 public and semipublic charging points
- Offering constantly being expanded, also through partners such as EKZ Eltop, RhB, Swiss Prime Site, Thurau Raststätten and Swisspass

Energy consumption
- 3.0 MWh of Swiss green power per month
Revenues from new services gain in importance

Development in non-energy business revenues

- Revenue potential already there in areas related to core business
- Organic growth sets the pace of growth
- Technical services in a very competitive market: potential lies in complex solutions
- New services as future drivers of growth
Revenues from KEV/EVS assets are stable

- Since April 2018 direct marketing system: if proceeds earned on market too low, difference covered by EVS feed-in remuneration system.
- Lower revenues in 2018 because of decline in production due to dry weather.
Repower…

- integrates along the entire value chain
- is known for very good quality of service
- leads the way in terms of customer care
- treads new paths in communication

Repower Italy is positioned as a reliable energy partner
Strong position in SME segment ...

- Offering innovation
- Professional network
- Very good market reputation
- Good margins in a competitive market

- Constant, slight growth in volumes
- Constant network performance
- Low brand awareness vs high reputation
- High level of customer care

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**SUPPLIED VOLUMES IN THE LAST 3 YEARS (TWH)**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>2.5</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>GAS</td>
<td>3.9</td>
<td>3.6</td>
<td>3.9</td>
</tr>
</tbody>
</table>

**TARGET**

- 600 consultants
- 50 managers
- 7 BU managers

**CHANNELS**

- 50<=2000 MWh power
- 20k<=1000k m3 gas
“Repower experience” appealing to customers in terms of professionalism, reputation, services, innovation and partnership through multichannel contacts

- Investment in brand awareness
- Widen customer communication channels
- Consolidate extra business (EVS, VAS, etc.)
- Consolidate strategic partnerships
- Integrate a new digital channel
Agenda

- Implementation of strategic positioning  
  Kurt Bobst
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  Brigitte Krapf
- Outlook  
  Kurt Bobst
Swiss franc stronger, long-term interest rates tending to increase

10-year swap, CHF (source: Bloomberg)

EUR/CHF exchange rate (source Bloomberg)
## Figures for 2013 to 2018

### Total operating revenue

<table>
<thead>
<tr>
<th>in CHF m</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>HJ 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gesamtleistung</td>
<td><code>1'053</code></td>
<td><code>1'847</code></td>
<td><code>1'724</code></td>
<td><code>1'890</code></td>
<td><code>2'273</code></td>
<td><code>2'365</code></td>
</tr>
<tr>
<td>EBITDA</td>
<td>32</td>
<td>79</td>
<td>52</td>
<td>41</td>
<td>77</td>
<td>74</td>
</tr>
<tr>
<td>EBIT</td>
<td>9</td>
<td>34</td>
<td>22</td>
<td>-69</td>
<td>26</td>
<td>-150</td>
</tr>
<tr>
<td>Gruppenergebnis</td>
<td>0</td>
<td>20</td>
<td>-1</td>
<td>-136</td>
<td>-33</td>
<td>-152</td>
</tr>
<tr>
<td>Bilanzsumme</td>
<td><code>1'771</code></td>
<td><code>1'822</code></td>
<td><code>1'701</code></td>
<td><code>1'828</code></td>
<td><code>2'126</code></td>
<td><code>2'043</code></td>
</tr>
<tr>
<td>Eigenkapitalquote</td>
<td>43%</td>
<td>42%</td>
<td>43%</td>
<td>33%</td>
<td>36%</td>
<td>39%</td>
</tr>
<tr>
<td>Energiebruttomarge</td>
<td>104</td>
<td>208</td>
<td>194</td>
<td>178</td>
<td>240</td>
<td>255</td>
</tr>
<tr>
<td>Economic Value Added</td>
<td>-15</td>
<td>-18</td>
<td>-29</td>
<td>-112</td>
<td>-57</td>
<td>-188</td>
</tr>
<tr>
<td>Cash Flow aus Geschäftstätigkeit</td>
<td>15</td>
<td>43</td>
<td>78</td>
<td>17</td>
<td>98</td>
<td>69</td>
</tr>
<tr>
<td>Nettoverschuldung</td>
<td>-38</td>
<td>-2</td>
<td>-9</td>
<td>270</td>
<td>234</td>
<td>328</td>
</tr>
<tr>
<td>Verschuldungsfaktor</td>
<td>-0.6</td>
<td>0.0</td>
<td>-0.1</td>
<td>4.5</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>FFO / Nettoverschuldung</td>
<td>&lt; 0%</td>
<td>&lt; 0%</td>
<td>&lt; 0%</td>
<td>4.1%</td>
<td>26.8%</td>
<td>25.4%</td>
</tr>
<tr>
<td>CAPEX*</td>
<td>12</td>
<td>26</td>
<td>24</td>
<td>24</td>
<td>28</td>
<td>53</td>
</tr>
<tr>
<td>Mitarbeiterinnen und Mitarbeiter (FTE)</td>
<td>575</td>
<td>578</td>
<td>563</td>
<td>632</td>
<td>666</td>
<td>707</td>
</tr>
</tbody>
</table>

*Includes investment in tangible assets, intangible assets and associates, and investment-type loans.
The result is positive net liquidity for Repower.

All interest-bearing financial liabilities can be covered by assets.

Net debt to EBITDA is running at close to zero.
Financial profile in CHF m at 30 June 2018

<table>
<thead>
<tr>
<th>Bank</th>
<th>CHF M</th>
<th>Falligkeit</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBS</td>
<td>96.4</td>
<td>20.07.2022</td>
</tr>
<tr>
<td>ZKB</td>
<td>10.0</td>
<td>20.03.2023</td>
</tr>
<tr>
<td>ING</td>
<td>23.5</td>
<td>23.01.2024</td>
</tr>
<tr>
<td>ING</td>
<td>23.5</td>
<td>23.04.2025</td>
</tr>
<tr>
<td>GKB</td>
<td>50.0</td>
<td>04.07.2026</td>
</tr>
<tr>
<td>SET</td>
<td>38.0</td>
<td>30.06.2027</td>
</tr>
<tr>
<td>PAX</td>
<td>20.0</td>
<td>28.06.2030</td>
</tr>
<tr>
<td>DB</td>
<td>2.8</td>
<td>08.08.2034</td>
</tr>
</tbody>
</table>
Some of the financial highlights 2018

- Early partial repurchase of a bond for CHF 18.555 million
- Received the "Green Bond Pioneer Award" in London for the first two "green EUR borrower's note loans" in Switzerland
- Finalist at the cfi.co Green Bond Awards 2018 in the category "Best Energy Green Bond Issuer - Europe 2018"
- Finalist at the S&P Global Platts Global Energy Awards in the category "Corporate Deal of the Year"
Digitisation in finance

- Introduction of state-of-the art consolidation tool at end-year
- Ongoing process automation boosting efficiency
- Data warehousing questions are addressed and initiated in house
- Further optimisation efforts (credit card process, reminders and billing) are under way
- Permanent expansion of web-based BI reports
Three central pillars

Healthy balance sheet structure
- Net debt to EBITDA not greater than 3 over several years
- Operating cash flow covers investment and dividends over a period of several years

Good supply of liquidity
- Dynamic approach to minimum liquidity
- Adequate cover with unused lines of credit at various banks
- Forward-looking management of liquidity and maturities of financing

Adequate financing policy
- Access to capital markets assured at all times
- Financing instruments with fairly long maturities and fixed interest rates matching business profile
- Forward-looking financial planning taking account of interest and exchange rate developments
# Overview of current ratings

<table>
<thead>
<tr>
<th>RATINGAGENTUR</th>
<th>LANG-/KURZFRISTIGES RATING</th>
<th>AUSBLICK</th>
<th>DATUM</th>
<th>ANALYST</th>
<th>TELEFON / E-MAIL-ADRESSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBS</td>
<td>BBB-</td>
<td>Negative</td>
<td>23.08.2018</td>
<td>Alexandra Bossert</td>
<td>+41 44 239 14 76 <a href="mailto:alexandra.bossert@ubs.com">alexandra.bossert@ubs.com</a></td>
</tr>
<tr>
<td>Bank Vontobel</td>
<td>BBB-</td>
<td>Stable</td>
<td>22.08.2018</td>
<td>Dominik Meyer</td>
<td>+41 58 283 63 41 <a href="mailto:dominik.meyer@vontobel.ch">dominik.meyer@vontobel.ch</a></td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>Low BBB</td>
<td>Stable</td>
<td>11.04.2018</td>
<td>Daniel Rupli</td>
<td>+41 44 333 13 79 <a href="mailto:daniel.rupli@credit-suisse.com">daniel.rupli@credit-suisse.com</a></td>
</tr>
<tr>
<td>ZKB</td>
<td>BBB-</td>
<td>Stable</td>
<td>22.08.2018</td>
<td>Luca Corletto</td>
<td>+41 44 292 33 94 <a href="mailto:luca.corletto@zkb.ch">luca.corletto@zkb.ch</a></td>
</tr>
</tbody>
</table>
Development funds from operations

in CHF m

Funds from Operations (Y/HY)

- Lower operating income vs prior year (EBT CHF -9.8 m) weakens FFO result
- Losses on forward currency transactions CHF -6.5 m greater than prior year
- CHF 1 m improvement in change in replacement values of held-for-trading positions
Cash flow from operating activities

in CHF m

Cash flow from operation activities (Y/HY)

- Comparative decline in operating income and lower FFO result in corresponding decline in cash flow
- Smaller change in net current assets on group level versus prior year
- Substantial reduction in receivables and liabilities
DSO Switzerland with a decisive impact in 2017, due in part to the dates chosen during the year for invoicing. Reduction of DSO in 2018 to 2016 level

DSO Italy substantially reduced, thanks among other things to optimised payment terms and prompt accounts receivable management
Overdue receivables in Italy under control

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover with VAT</th>
<th>Overdue Receivables in EUR m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>886</td>
<td>82.3</td>
</tr>
<tr>
<td>2013</td>
<td>983</td>
<td>75.2</td>
</tr>
<tr>
<td>2014</td>
<td>925</td>
<td>65.6</td>
</tr>
<tr>
<td>2015</td>
<td>876</td>
<td>57.1</td>
</tr>
<tr>
<td>2016</td>
<td>891</td>
<td>49.9</td>
</tr>
<tr>
<td>2017</td>
<td>854</td>
<td>11.6</td>
</tr>
<tr>
<td>2018 FC Q3</td>
<td>953</td>
<td>15.0</td>
</tr>
</tbody>
</table>

New terms of payment and credit processes.
Current EUR/CHF hedging strategy: rolling hedge

- 80-100% hedge in first quarter
- Risk position calculated on a monthly basis
- Counterparty risk
After phase of consolidation from 2013 to 2016, slight increase in personnel to implement strategic realignment. From 2017 declining operating expenses have stabilised at a much lower level than in previous years.
Agenda

• Implementation of strategic positioning
  Kurt Bobst
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Major challenges remain

**Prices**
Great volatility

**Market design**
More market expected gradually from 2023

**Politics**
Justifiable concerns have a hard time - but things are moving

**Strategy**
Development and marketing of new continues

**Results**
2018 on course in operating terms
Half-year results
Dates for your diary

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Termin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual media conference</td>
<td>9 April 2019</td>
</tr>
<tr>
<td>Annual general meeting in Pontresina</td>
<td>15 May 2019</td>
</tr>
</tbody>
</table>
Many thanks for your interest!