Agenda

- Key points in brief
- Finance
- Areas of focus in 2018
- Operating environment and outlook
- Questions
- Closing remarks and drinks
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Key points in brief

2018: good operating results, business continuing to develop well

Core business in Switzerland
- Opportunities seized
- Market position extended (balance group +20%, sales volumes +23%)

Italian market
- Sales volumes increased (+5%)
- Generation puts in good performance

Investments
- Expanded portfolio of renewables (+100 MW)
- Investments in modernisation

New business areas
- New orders exceed expectations
- E-mobility expanded substantially
- New services ready for market
Operating income above expectations

EARNINGS
- Tot. operating revenue CHF 2.1 bn
- EBIT CHF 35 m
- Group earnings CHF 16 m
- Cash flow CHF 55 m
- Electricity sales 4.47 TWh (excluding trading)
- Gas sales 3.42 TWh (excluding trading)

POSITIVE EFFECTS
- Recovery in market prices
- Market opportunities successfully seized
- Substantial contribution from Italian market
- Growing earnings from contracts for third parties
- Costs developing in line with strategic developments

STRATEGY
- Core business strengthened
- Preserving value of hydro assets
- Italian sales portfolio expanded
- Positioning as full service provider further consolidated
- Increasing renewable generation

Key points in brief
Electricity prices recovering slowly
Electricity prices highly volatile
The only constant is change: highly dynamic energy market

- **Politics**: Electricity supply and water rights legislation, 2022 roadmap, etc.

- **Industry**: Alpiq concentrating on electricity business, BKW regrouping, ABB selling grid division, etc.

- **Developments abroad**: Germany preparing to abandon coal, Italian electricity market fully liberalised, etc.

- **Exchanges**: Electricity prices volatile, carbon certificates getting more expensive, etc.
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We have successfully harnessed improved conditions on the market
Operating income above expectations

- Operating income above expectations at CHF 35 m
- Swiss market slightly improved on prior-year levels; we were able to capitalise on increasing prices relatively early on and profitably exploit volatility
- Substantial earnings contribution from Italy market, thanks especially to Teverola plant and newly-formed Repower Renewable unit
- Support with building new fields of business has increased personnel and other operating expense at Corporate Centre
### Operating income at prior-year level, gross margin up 7%

<table>
<thead>
<tr>
<th>CHF m</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenue</td>
<td>2,090</td>
<td>1,847</td>
</tr>
<tr>
<td>Gross margin (energy)</td>
<td>223</td>
<td>208</td>
</tr>
<tr>
<td>EBITDA</td>
<td>82</td>
<td>79</td>
</tr>
<tr>
<td>EBIT</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>Group earnings</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>FFO (funds from operations)*</td>
<td>60</td>
<td>72</td>
</tr>
<tr>
<td>CFO (cash flow from operating activities)</td>
<td>55</td>
<td>43</td>
</tr>
<tr>
<td>Investments**</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>FFO/net debt***</td>
<td>134%</td>
<td>&lt;0%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>No. of employees on December 31 (FTEs)</td>
<td>591</td>
<td>578</td>
</tr>
</tbody>
</table>

- Positive development in cash flow from operations, significantly better effect from change in net current assets
- Debt up slightly in the wake of acquisition of Electron companies

*FFO = cash from operating activities before change in net current assets and taxes paid
**Includes investment in tangible assets, intangible assets and associates, and investment-type loans
***Net debt came in at CHF -2 million in 2017, hence negative figures for debt ratios
Higher energy margin offsets increase in expenses

- Gross margin in Switzerland and Italy improved significantly by exploiting increasing prices and volatile markets
- Other income includes insurance payments for downtime at Teverola plant
- Expenses higher year on year because of implementation of strategy and lack of extraordinary items
Positive developments are bound up with manpower

Main cost items

- **EXCHANGE RATES**
- **DIGITALISATION**
- **NO DIVESTMENTS**
- **MARKETING IN ITALY**
Higher gross margin thanks to better market conditions

Gross margin better than prior year

- Positive contribution thanks to increasing prices and volatility
- Positive price developments mean less pressure on margins from long positions
- Narrower margin on basic supply (CHF -1.8 m)

Improvement in gross margin offsets increase in personnel expense

- Internally produced and capitalised assets higher than prior year (CHF +0.9 million)
- Personnel expense higher than prior year (CHF +2.1 m)
- Lower concession charges (CHF -0.9 million)
- Operating expense higher than prior year (CHF +1.0 m)
Good result thanks to Teverola plant and gratifying sales figures

Further increase in gross energy margin

- Revenue contribution from Teverola combined cycle gas turbine plant well above expectations, especially in Q4
- Sales: margin on electricity lower than expected, better overall on gas
- Trading result significantly better than expected thanks to Teverola

Market conditions and deployment of Teverola influence EBIT

- Improvement in gross margin offsets increase in personnel expense
- Contribution to earnings from new Repower Renewable unit (CHF +2.9 m), including existing plants such as Lucera and newly acquired Electron group
- Another reduction in expenditure in connection with overdue receivables thanks to optimised accounts receivable management
Higher costs at the Corporate Centre

Corporate Centre EBIT

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF m</td>
<td>-6</td>
<td>-11</td>
</tr>
<tr>
<td>EBIT down</td>
<td>-90%</td>
<td>-90%</td>
</tr>
</tbody>
</table>

EBIT down because of higher costs

- Associates hit earnings more heavily than prior year (CHF -0.5 m)
- Setting up new business activities also leads to greater operating expense than the prior year at the Corporate Centre (personnel CHF +1.6 m, IT CHF +2.1 m)
- Higher capital taxes because of offsetting of impairment on Lagobianco loan (CHF +0.8 m)
- Significant decline in contribution to earnings from sale of real estate (CHF -1.4 m)
Equity ratio stable

Equity ratio at constantly high level

- Equity ratio of 43% within target range of 35% to 45%
- Acquisition of Electron increases balance sheet total
Slight increase in net debt to EBITDA

Net debt back above zero

- Slight declines in net debt and net debt to EBITDA owing to acquisition of Electron in Italy
Stability helped by earnings from regulated business

- Decline in EBIT contribution from regulated business in Switzerland, owing in part to one-time earnings in 2017 and lower energy prices in basic supply
- Gratifying volumes of energy generated in Switzerland and Italy also have positive impact on EBIT from regulated business
- Acquisition of Electron boosts share of renewables in Italy
Growing importance of revenues from non-energy business

- Earnings from services for third parties were maintained. 2017 includes one-time earnings from sale of assets.
- In 2018 Repower won a major contract worth almost CHF 20 m.
- Earnings on electric mobility business still modest, but sustained growth in Switzerland and Italy.
- Slight increase in sales at Swibi.
Slight decline in funds from operations (FFO)

CHF m

- Decline in FFO due to slightly lower earnings and increase in non-cash items versus 2017 (release of provisions of CHF 6 m for long-term agreements)
- 2016 FFO contains effect of clean-up of overdue receivables (CHF -22 m, corrected via change in net working capital)
- While disposals had a positive effect on operating income in 2016 (CHF 11 m), the effect on cash (CHF 16 m) is contained in cash flow from investing activities rather than in FFO
- 2017 saw an increase in other financial cash outflow for currency hedging (CHF -6 m)
Year-on-year increase in cash flow from operating activities

- As expected, positive effect from change in net current assets, especially in Italy; overall net current asset effect CHF -5 m vs CHF -30 m in 2017
- Reduced by non-cash earnings components such as release of provisions for long-term agreements and valuation effects for energy derivatives
- Significant reduction in other financial cash outflow versus prior year (CHF -6 m)
Credit check process in Italy bearing sustained fruit

- Sharp reduction in DSO in Italian sales business
- The main reason for the improvement is a newly introduced billing system
- At the same time processes have been further optimised, standardised and automated
- Ultimately, careful credit checks on customers also enable successful collection
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Improving the status quo, creating something new
CH: Repower exploiting changes to the benefit of customers

- Smart metering
- Renewable energy
- Guarantees of origin
- Sustainability
- Decentralising generation
- Optimising self-consumption
- Smartgrid
- Liberalisation
- Solar power
- Regulation
- Climate
- Load management
- Convergence
- Digitalisation
- Smart home
- EV
- Carbon

Energy (power/gas) GoOs
Technical services
Trading services
New services

Products/services with customer utility
Stay-in-business capex keeps assets in good condition

Maintaining and extending grid infrastructure

- Distribution grid investment and maintenance CHF 28 m
- Enhancing grid in Landquart area: 13 power pylons dismantled and lines run underground

Maintaining and extending energy generation

- Generation asset investment and maintenance CHF 14 m
- New subsidiary Repower Renewable
- Planning to modernise hydro assets in Valposchiavo for around CHF 150 million
Our services for third parties

New strategy, new fields of business
Repower working for utilities, municipalities and industrial customers

- Newly constructed Avegno substation
- Newly constructed Mendrisio substation
- Retrofit of Martina power plant
- Renewal of plant connection at Pradella control room
- Optimisation system service for SBB renewed for a further year
- Various assembly contracts for Siemens and ABB
- Services provided to 44 municipalities
Trading is the central component for asset optimisation and services

- 12.52 TWh of electricity sold in trading
- 14.36 TWh of electricity procured in trading
- 10.75 TWh of gas sold in trading
- 3.6 TWh of electricity sold to market customers and utilities in Switzerland
- Energy supplied to around 65 utilities in Switzerland
- Pan-European collaboration with around 250 trading partners
- Repower balance groups expanded to 4 TWh
New services: applications and systems for efficient energy management

- **SMART POWER**: Smart metering and energy management package
- **EASY ASSET**: Digital asset management solution
- **ENERGY SPACE**: Digital energy portfolio management solution
- **PLUG N’ ROLL**: Provider of full electric-vehicle-related services
- **SUN@HOME**: Complete solution for using and storing solar energy
The intelligent solution for utilities and end-consumers

- Round-the-clock real-time data and visualisation of energy consumption
- Manage and influence consumption on an individual basis
- Optimise self-consumption
- Smart metering
- Replacing ripple control system
- Extended with new functions
Asset management made easy

- Eniwa: EASYASSET applied to multi-utility (electricity, water, gas, heat/cold)
  Grid with 400 transformer stations

- Energie Belp: Repower know-how enables quick, easy integration of EASYASSET
  Grid with 75 transformer stations

- RhB: EASYASSET applied to public transport
  Grid with 1,400 signals
Welcome to the future of portfolio management

- Bundles market and customer information
- Models and evaluates energy portfolio
- Derives risk strategy
- Manages energy portfolio
- White label product: tailored to specific technical needs

25 customers are already using ENERGYSPACE to manage their energy portfolio.
SUN@HOME
GET IN THE SUN NOW!
ONE-STOP SOLAR INSTALLATION
Investment in a renewable future

Solar installation
We plan and install the entire PV installation

Intelligent control system
Self-consumption is visualised and optimised. The customer saves energy and money

Administration
We take care of authorisations, subsidies and certifications

App/SUN@HOME portal
Key real-time information on the installation, any time and any place

Great customer response: all six information events in Canton Graubünden fully booked and orders and commitments worth CHF 410,000 have already been received.
We’re driving electromobility

- More than 200 public and semipublic PLUG’N ROLL charging points in Switzerland
- More than 40,000 charging points in the PLUG’N ROLL network all over Europe
- Eleven RhB railway stations equipped with PLUG’N ROLL charging points
- Jaguar Land Rover Schweiz AG recommends the PLUG’N ROLL Copper charging station to its customers
- PLUG’N ROLL in partnership with SwissPass
- 25 public charging points in Zurich in collaboration with EKZ
- Repower becomes Minergie leading partner
- Signatory of the federal government’s 2022 electromobility roadmap
- Repower fleet increasingly electric
IT: Repower is THE full-service provider for its customers

- Liberalisation
- Decentralising generation
- Photovoltaic
- Design
- SOHO
- Wind energy
- Regulation
- Optimising consumption
- Convergence
- Innovation
- Renewables
- Energy trading
- EV
- Convergence
- Digitalisation

**New business models**

- Electricity
- Gas
- VAS

- 50<>2000 MWh electricity
- 20k<>1000k mc gas
- 10<>50 MWh electricity
- 10k<>20k mc gas
Growth continues in the liberalised Italian market

**GENERATION**
- New subsidiary Repower Renewable
- Teverola delivers good results despite downtime
- Wind farm generation above expectations

**INNOVATION & DESIGN**
- Repower®: electromobility on water
- Premio Speciale Repower innovation award
- HOMO MOBILIS by Repower
- New app for EV drivers

**PORTFOLIO**
- Electricity sales portfolio: 4.5 TWh
- Gas sales portfolio: 3.0 TWh
- 656 contracts for VAMPA, DIODA, eFFetiva and FOCUS
- 372 contracts for electromobility
The latest solutions for electromobility
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Into the future of energy with vision
Challenges remain, but looking forward with confidence

**OPERATING ENVIRONMENT/MARKET**
- Increasing market prices
- Market conditions remain challenging
- Agreement with the EU on electricity hanging in the balance
- Electricity Supply Act the subject of controversial debate

**STRATEGY**
- Systematic gearing to sales and services
- Developing and refining innovative products
- Preserving hydro assets
- Expanding SME market in Italy

**RESULTS**
- Operating earnings expected to be higher than 2018
- Stable capital base
- EUR/CHF rate and market prices remain key driver of earnings
- Earnings underpinned by contributions from regulated business and new products
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Upcoming events

- 2019 annual general meeting: 15 May 2019
- 2019 half-year results: 21 August 2019
- 2019 analysts’ meeting: 29 October 2019
- 2020 annual press conference: 7 April 2020
- 2020 annual general meeting: 19 May 2020

NEW: 20 May 2020
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Many thanks for your interest!