Agenda

- Welcome Thomas Grond
- Overview of 1H19 Kurt Bobst
- Financial results Brigitte Krapf
- Outlook Kurt Bobst
- Questions All
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First half at a glance

Gratifying results, but challenges remain

OPERATING ENVIRONMENT AND MARKET
- Energy prices continue to develop positively
- Unfavourable development in EUR/CHF rate
- Better-than-expected performance, particularly from Trading and Teverola
- Market environment volatile

STRATEGY
- Strategy paying off
- Positive development in generation of new renewable energy products
- New customer portal takes digitalisation for end customers even further
- Changes to concessions in Valposchiavo enable project work to renovate assets in the area

RESULTS
- Gratifying operating income
- Capital base very stable
- Margins still under major pressure
- Operating income expected to be higher than prior year
First half at a glance

Market environment: constant volatility

- Market environment remains challenging
- Slightly positive development in prices possible medium term
- EUR/CHF rate highly volatile
- Environment shaped by political decisions

Market prices in EUR/MWh*

EUR/CHF exchange rate

*Prices in Germany
Swiss market still on the up (1/4)

Technical solutions & contract for third parties

- Cooperation with Swiss Railways extended (software)
- Gratifying orders for third-party contracts (Swissgrid, SBB, UW Mendrisio, multiple-year contract for EKW grid services, extending Usserpradella grid and conversion of Pradella, secondary systems, construction of ARO S-chanf PV installation)
- Enhancing St. Antönien grid and connecting Schanielbach power plant
- Planning for the project to renovate the Valposchiavo assets can now be driven forward following approval from Poschiavo and Brusio voters
Swiss market still on the up (2/4)

Energy supply and energy products

- Energy supplied to utilities and large consumers for 2019 gives grounds for optimism
  - Around 3.6 TWh in Market Switzerland
- Balance group management still positive
  - Volume around 4 TWh
- Very solid basis in basic supply
- New products for market customers
  - 100% Valposchiavo hydropower
Swiss market still on the up (3/4)

Services

- SMARTPOWER
  - Roll-out successfully launched in Repower’s own area
  - Also great interest in other supply areas (several contracts already concluded)
- Electrically powered vehicles
  - PLUG’N ROLL with new app and load management solution
  - Collaboration with PostBus Switzerland in preparation
Swiss market still on the up (4/4)

Trading

- Successful asset optimisation thanks to far-sightedness
- Market access makes positive contribution to earnings
- Tailormade offerings for customers still in great demand
- Pleasing result from guarantee of origin business in very volatile market
Highlights

Italian market exceeds expectations (1/2)

Sales business
- Digital distribution channel for SME customers up and running successfully
- Market conditions in H1 good, especially in gas business
- Closer focus on cooperation (e.g. tourism and electric vehicles)

Teverola plant
- Development in clean spark spread optimally exploited
- Ancillary services at a high level
Italian market exceeds expectations (2/2)

Repower Renewable
- Performance of Repower Renewable exceeds expectations

Electrically powered vehicles
- Positive response to Repower’s third White Paper
- Repower “electrified” Milan Design Week with E-LOUNGES and the first Repower cargo bikes
- Repower® (electric boat developed by Repower) shown at various events in Italy
- Charging station network being steadily extended
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Highlights of 1H19

Operating results boosted by Teverola

- Operating income significantly above expectations
- Market CH: slightly below expectations
  - Positive earnings contributions from GoO and electricity business
  - Modest revenues from services, contracts for third parties on track
  - Good positioning in speculative trading business and hedging business have positive impact
- Market Italy: boosted by successful performance of Teverola in ancillary services
  - Gratifying margins in electricity/gas business
  - Repower Renewable better than expected
- Corporate Centre meets expectations
## Highlights of 1H19

Operating income substantially higher than prior year

<table>
<thead>
<tr>
<th>CHF m</th>
<th>1H19</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenue</td>
<td>1,018</td>
<td>1,053</td>
</tr>
<tr>
<td>Gross margin (energy)</td>
<td>157</td>
<td>104</td>
</tr>
<tr>
<td>EBITDA</td>
<td>81</td>
<td>32</td>
</tr>
<tr>
<td>EBIT</td>
<td>56</td>
<td>9</td>
</tr>
<tr>
<td>Group earnings</td>
<td>49</td>
<td>0</td>
</tr>
<tr>
<td>FFO (funds from operations)</td>
<td>75</td>
<td>23</td>
</tr>
<tr>
<td>CFO (cash flow from operating activities)</td>
<td>108</td>
<td>15</td>
</tr>
</tbody>
</table>

**Investments***

<table>
<thead>
<tr>
<th>CHF m</th>
<th>1H19</th>
<th>1H18</th>
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</thead>
<tbody>
<tr>
<td>FFO/net debt**</td>
<td>&lt;0%</td>
<td>&lt;0%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>-0.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>47%</td>
<td>43%</td>
</tr>
<tr>
<td>No. of employees on 30 June (FTEs)</td>
<td>578</td>
<td>575</td>
</tr>
</tbody>
</table>

*Includes investment in tangible assets, intangible assets and associates, and investment-type loans
**Net debt running at CHF -34.7 m (prior year CHF -38.5 million); FFO/net debt is therefore less than 0%
### Results boosted by gross margin and (one-time) other income

<table>
<thead>
<tr>
<th>CHF m</th>
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<tbody>
<tr>
<td>9.1</td>
</tr>
<tr>
<td>52.8</td>
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<tr>
<td>9.3</td>
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<tr>
<td>1.8</td>
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<tr>
<td>-0.2</td>
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<tr>
<td>-14.0</td>
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<tr>
<td>-2.6</td>
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<tr>
<td>56.2</td>
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</tbody>
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<td>-2.6</td>
<td>56.2</td>
</tr>
</tbody>
</table>

- Gross margin and other income: price increase and insurance payouts for downtime at Teverola plant the prior year make the difference
- Italy responsible for substantial increase in other expenses in the form of outside services, marketing expenses and IT. Increase in costs of work for third parties account for the lion’s share in Switzerland
- Increase in depreciation/amortisation with acquisition of Repower Renewable
Improvement in gross margin - decline in other income

Gross margin significantly better than prior year

- Increase in margins in speculative trading and good results from asset optimisation
- Margins reflect higher level of prices on the electricity market
- Stable margins on basic supply business
- Generation down on prior year, margin better thanks to price effect

Gross margin has positive impact on operating income, with slightly higher operating expenses

- Trading sees substantial year-on-year increase in EBIT and lower impact from long-term contracts
- Revenues from third-party services in CH still low
- Operating expense higher than prior year owing to cost of outside services for large-scale projects
Deployment of Teverola has positive impact on results

Gross energy margin significantly better than expected

- Operating income significantly better than expected thanks to permanent deployment of Teverola combined cycle gas turbine plant (in prior-year period, 1H18, downtime reduced income considerably)
- Margins on sales of electricity and gas also above expectations
- Trading margin much better than budget, primarily thanks to deployment of Teverola

CHF 36.6 m margin on ancillary services gives great boost to EBIT

- 1H19 performance underpinned by deployment of Teverola and insurance payments for downtime in previous year. Prior year reflected precisely the opposite conditions (downtime)
- Increase in spend on marketing/IT and outside services, including Teverola service
Increase in operating expense, depreciation and amortisation

**Lower EBIT for first six months**

- Lower revenues from internally billed services offset by lower costs at associates
- CHF 1.1 m increase in IT expenses in connection with projects related to implementation of strategy
- Customer Value Centre was not yet running the prior year
- Lower personnel and consulting costs for first six months
Equity ratio underscores healthy balance sheet structure

Equity ratio constant at a high level

- 47% equity ratio above target range of 35% to 45% with slightly lower balance sheet assets
Another reduction in net debt to EBITDA

Net debt reduced
- Moderate investment strategy and business performance positively impact net debt

Net debt to EBITDA below zero again
- Thanks to negative net debt the net debt to EBITDA ratio is running at -0.2
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Market focus in 2H19

- Assure optimum operation and management of core business
- Project to renovate Valposchiavo assets would secure local hydropower for the next 80 years. Planning for this project can now be driven forward following approval from Poschiavo and Brusio voters
- Adapt and optimise structures to better support and manage customers and projects
- Further evolution and market launch of new solutions for smart metering and load management
- Hand over business to interim CEO
Earnings expectations in line with six-month figures

- Pressure on margins will remain a challenge
- EUR/CHF rate the great volatile unknown quantity
- Successful implementation of strategy
- Solid capital base
- We expect operating income (EBIT) for the whole of 2019 to be better than last year
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Next dates in the financial agenda

- Analyst and investor conference: 29 October 2019
- Information on 2019 results: 7 April 2020
- 2020 annual general meeting: 20 May 2020
Many thanks for your interest!