Analyst and investor conference

Repower’s market environment & positioning

Zurich, 29 October 2019
Agenda

- Strategic considerations  Roland Leuenberger
- Financial developments  Brigitte Krapf
- Outlook  Roland Leuenberger
General Conditions
Repower is well prepared in Switzerland and Italy 1/2

- **Hydro power**
  - 15 own hydropower plants in Canton of Graubünden (143 MW)
  - Additional participations and drawing rights (262 MW)

- **Wind power**
  - Wind farms in Italy integrated into Repower Renewable
  - Participation in 2 wind farms in Germany (13 MW)

- **Solar power**
  - 9 photovoltaic plants in Canton of Graubünden
Repower is well prepared in Switzerland and Italy 2/2

- **Repower Renewable**
  - Joint venture of Repower Italy (65%) and Omnes (35%)
  - Portfolio of hydro, solar and wind power plants (90 MW) in Italy

- **Nuclear**
  - Long-term contracts with nuclear holding companies for 48 MW
  - Repower is looking into selling these contracts

- **Gas**
  - 1 majority share (61%) in a combined-cycle gas turbine plant in Italy (244 MW)
  - Repower is looking into selling this plant
Timeline & strategic Goals

- 2016: Strategic Repositioning
- 2017: Strategic Repositioning
- 2018: Strategic Repositioning
- 2019: Strategic Repositioning & Finetuning

Strategic Goals:
- Grow share of electricity market
- Expand technical services for third parties
- Expand digital services for third parties
- Increase own generation of renewable electricity
- Energy sales in SME segment
- Energy sales in SOHO segment
# Strategy for the Swiss market

## Three objectives for expansion in Switzerland

<table>
<thead>
<tr>
<th>Grow share of electricity market</th>
<th>Expand technical services (generation and grid) for third parties (B2B)</th>
<th>Expand digital services “made by the pros for the pros” (B2B)</th>
</tr>
</thead>
</table>
| • Maintain and increase own domestic hydropower generation  
• Streamline interests and long-term contracts  
• Extend partner strategy | • Extend partner strategy  
• Cultural change (B2B customer focus) and training/retaining own experts | • Extend partner strategy |

- Renovation of Robbia  
- Chlus projects/Lago Bianco  
- LTCs on basis of hydropower  
- Repartner AG  

- Swiss Federal Railways (SBB)  
- Swissgrid  

- esolva ag  
- ...
Strategy for the Italian market

Three-pillar strategy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve agent system, IT support and handling of counterparty risk</td>
<td>• Enter SOHO market</td>
<td>• Further expansion following takeover of Elettrostudio Energia</td>
</tr>
</tbody>
</table>

• To enable the generation of renewable electricity in Italy to be expanded in the first place, we are also helping maintain grid stability as a prerequisite for stepping up production of renewables (SET S.p.A./Teverola)

• Terna and capacity market grid stability requirements
Agenda

- Strategic considerations  Roland Leuenberger
- Financial developments  Brigitte Krapf
- Outlook  Roland Leuenberger
Swiss franc and long-term interest rates firming again, but volatile

10-year swap, CHF (source: Bloomberg)

EUR/CHF exchange rate (source Bloomberg)
## Figures for 2014 to 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss GAAP FER</td>
<td>1'018</td>
<td>2'090</td>
<td>1'847</td>
<td>1'724</td>
<td>1'890</td>
<td>2'273</td>
</tr>
<tr>
<td>Swiss GAAP FER</td>
<td>81</td>
<td>82</td>
<td>79</td>
<td>52</td>
<td>41</td>
<td>77</td>
</tr>
<tr>
<td>EBITDA</td>
<td>56</td>
<td>35</td>
<td>34</td>
<td>22</td>
<td>-69</td>
<td>26</td>
</tr>
<tr>
<td>EBIT</td>
<td>49</td>
<td>16</td>
<td>20</td>
<td>-1</td>
<td>-136</td>
<td>-33</td>
</tr>
<tr>
<td>Gruppenergebnis</td>
<td>1797</td>
<td>1'873</td>
<td>1'822</td>
<td>1'701</td>
<td>1'828</td>
<td>2'126</td>
</tr>
<tr>
<td>Bilanzsumme</td>
<td>47%</td>
<td>43%</td>
<td>42%</td>
<td>43%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Eigenkapitalquote</td>
<td>157</td>
<td>223</td>
<td>208</td>
<td>194</td>
<td>178</td>
<td>240</td>
</tr>
<tr>
<td>Energiebruttomarge</td>
<td>17</td>
<td>-20</td>
<td>-18</td>
<td>-29</td>
<td>-112</td>
<td>-57</td>
</tr>
<tr>
<td>Economic Value Added</td>
<td>108</td>
<td>55</td>
<td>43</td>
<td>78</td>
<td>17</td>
<td>98</td>
</tr>
<tr>
<td>Cash Flow aus Geschäftstätigkeit</td>
<td>-35</td>
<td>45</td>
<td>-2</td>
<td>-9</td>
<td>270</td>
<td>234</td>
</tr>
<tr>
<td>Nettoverschuldung</td>
<td>-0.2</td>
<td>0.5</td>
<td>0.0</td>
<td>-0.1</td>
<td>4.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Verschuldungsfaktor</td>
<td>&lt; 0%</td>
<td>134%</td>
<td>&lt; 0%</td>
<td>&lt; 0%</td>
<td>4.1%</td>
<td>26.8%</td>
</tr>
<tr>
<td>FFO / Nettoverschuldung</td>
<td>21</td>
<td>35</td>
<td>26</td>
<td>24</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Mitarbeiterinnen und Mitarbeiter (FTE)</td>
<td>578</td>
<td>591</td>
<td>578</td>
<td>563</td>
<td>632</td>
<td>666</td>
</tr>
</tbody>
</table>

*Investment in tangible assets, intangible assets and associates, and investment-type loans*
Another reduction in net debt to EBITDA

<table>
<thead>
<tr>
<th>CHF m</th>
<th>2017</th>
<th>2018</th>
<th>HY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>79</td>
<td>45</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>0.5</td>
<td>-0.2</td>
</tr>
<tr>
<td></td>
<td>-2</td>
<td>-35</td>
<td></td>
</tr>
</tbody>
</table>

**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
Financial profile in CHFm at 30 Jun 2019

<table>
<thead>
<tr>
<th>Bank</th>
<th>MCHF</th>
<th>Fälligkeit</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>
Digitalisation in finance

- New state-of-the-art consolidation tools successfully implemented at end of 2018
- Ongoing process automation boosting efficiency
- Data warehouse being expanded and pursued further as a “single point of truth”
- Digital, web-based solution for credit card process implemented successfully
- Further efforts to optimise systems under way, particularly in accounts payable and billing
- 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 rating**

<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>Deteriorating</td>
<td>12.04.2019</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>Positive</td>
<td>23.08.2019</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>10.04.2019</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>22.08.2019</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>
Focus on Switzerland & Italy

Payment times optimised

<table>
<thead>
<tr>
<th>DSO Switzerland (no. of days)</th>
<th>DSO Italy (no. of days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 46.9</td>
<td>2017 44.3</td>
</tr>
<tr>
<td>2018 36.0</td>
<td>2018 39.4</td>
</tr>
<tr>
<td>HJ 2019 26.6</td>
<td>HJ 2019 36.6</td>
</tr>
</tbody>
</table>

- For Switzerland, the trend in 2017 is recognizable, among other things, due to the dates selected during the year for invoicing. This “artificial” increase has normalised in the meantime.
- In Italy, further efforts in accounts receivable have led to a further reduction in DSO.
Overdue receivables in Italy under control

Sales with VAT

- 2012: 886 EUR m
- 2013: 983 EUR m
- 2014: 925 EUR m
- 2015: 876 EUR m
- 2016: 891 EUR m
- 2017: 854 EUR m
- 2018: 953 EUR m
- 2019 FC Q3: 995 EUR m

- New terms of payment and credit processes
- Effect Accounting/financial reporting, increased sales
EUR/CHF hedging strategy adjusted to market and needs

- 80-100% hedge in first month
- Risk position calculated on a monthly basis
- Counterparty risk
- Increased flexibility in terms of amounts and time

Hedging policy
After phase of consolidation from 2014 to 2016, slight increase in personnel to implement strategic realignment.

Increasing operating costs because of efforts to build new services and products, higher commissions for agency network in Italy, and additional costs from expansion of Repower Renewable by way of acquisition.
Valuation effects

- Repower’s portfolio is valued once a year
- Major changes in value are disclosed
- Impairments must be justifiable on a sustainable basis
- Changes, positive or negative, tend to be large

“...the impairment gains are a purely technical accounting effect where we subject all our assets to an analysis... But all this is merely hot air. No cash flows, so nothing can be bought.”

Axpo chairman Thomas Sieber
Source: NZZ, 17 Oct 2019
Agenda

- Strategic considerations
  Roland Leuenberger
- Financial developments
  Brigitte Krapf
- Outlook
  Roland Leuenberger
Major challenges remain

**Prices**
- Constant, high level of volatility

**Market design**
- Hopes of more market from 202x

**Politics**
- Climate debate influencing political decisions

**Strategy**
- Strategy review has led to fine-tuning of Repower’s strategy

**Results**
- 2019 better than 2018 at operating level
Dates for your diary

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual media conference</td>
<td>07 April 2020</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>20 May 2020</td>
</tr>
</tbody>
</table>
Many thanks for your interest!