

The background of the slide is a photograph of a large concrete dam with solar panels mounted on its spillways. In the background, there are rugged, rocky mountains under a clear blue sky. A red semi-transparent gradient is applied to the bottom left portion of the image, where the text is located.

Analyst Conference 2018/19 Financial Year

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11 December 2019

Key points for the 2018/19 financial year

Strong operating result with EBIT before one-off effects up 56% to CHF 542 million

Urbasolar as a platform to develop photovoltaics for large-scale plants

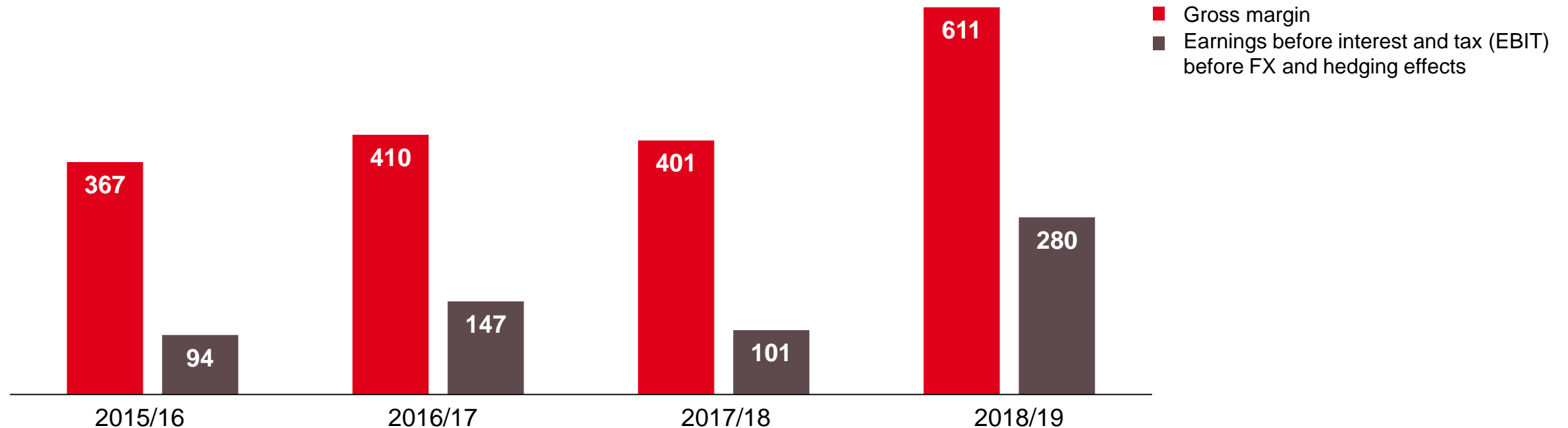
Opportunities seized, record result in **Trading & Sales**

Stability increased, **growth** sought

Record result in energy trading and customer business

Gross margin and EBIT before FX and hedging effects

in CHF million (performance view)



Akquisition von Urbasolar

Perfekter strategischer Match



Ground-mounted plants



Car park canopies



Rooftop systems



Growth



Business model



Geographical footprint



Track record



Project pipeline



Artificial intelligence supports wind power marketing



- Big data project: Application for optimised distribution of wind power launched on the Spanish market
- Innovative application provides continuously updated wind forecasts and trading recommendations
- Initial successes seen shortly after launch
- Now: launch in other markets

Recipe for success – networking and cooperation



The background image shows a large concrete dam with solar panels mounted on its face. The dam is situated in a mountainous region with a rocky, reddish-brown landscape. The sky is a clear, vibrant blue. A semi-transparent red rectangular overlay covers the bottom left portion of the image, serving as a background for the title text.

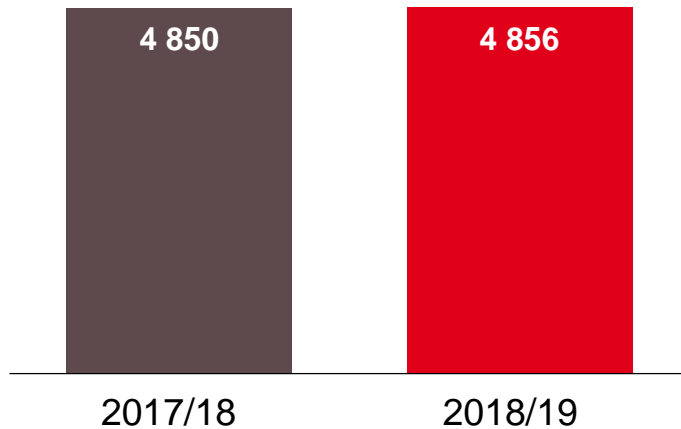
Finance developments

Operating profit up at Axpo – extraordinary year for Trading & Sales

in Mio. CHF	2018/19	vs. previous year	
Total income	4 856	+6	<ul style="list-style-type: none"> Effect of first-time application of IFRS 15 offset by growing retail business
EBIT before one-off effects	542	+56%	<ul style="list-style-type: none"> Extraordinary results for Trading and Sales Assets up significantly on previous year
Result for the period	865	+733	<ul style="list-style-type: none"> One-off effects of CHF 308 million due to reversals of impairment losses Positive tax result thanks to one-off effects
Free cash flow	-273	-549	<ul style="list-style-type: none"> Lower cash flow from operating activities Higher capital expenditure due to acquisitions
Equity ratio	28,4%	+600 Basis points	<ul style="list-style-type: none"> Improvement on 30.9.2018 (22.4%)
Outlook			<ul style="list-style-type: none"> Substantial improvement in revenues from electricity sales starting from 2019/20 Exceptionally good results in 2018/19

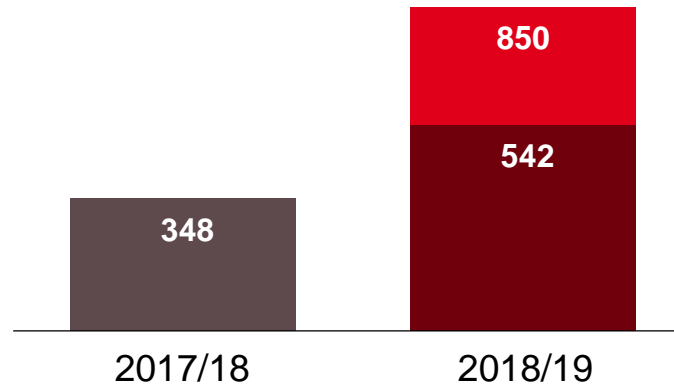
Strong profitability with stable total income

Total income
in CHF million



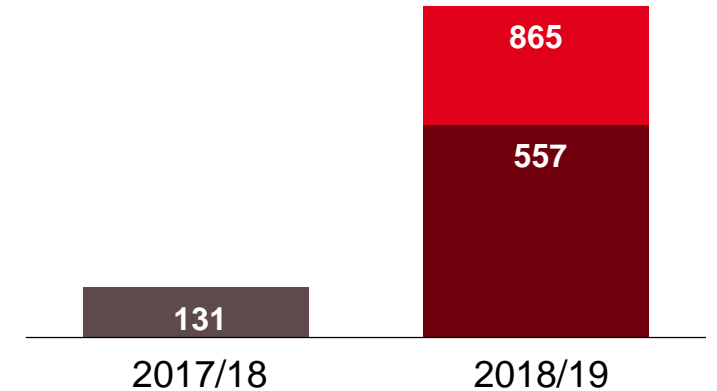
- Lower electricity prices
- Higher income from retail business in Italy and Portugal

EBIT
in CHF million



- Improved operating performance
- Record trading result

Result for the period
in CHF million



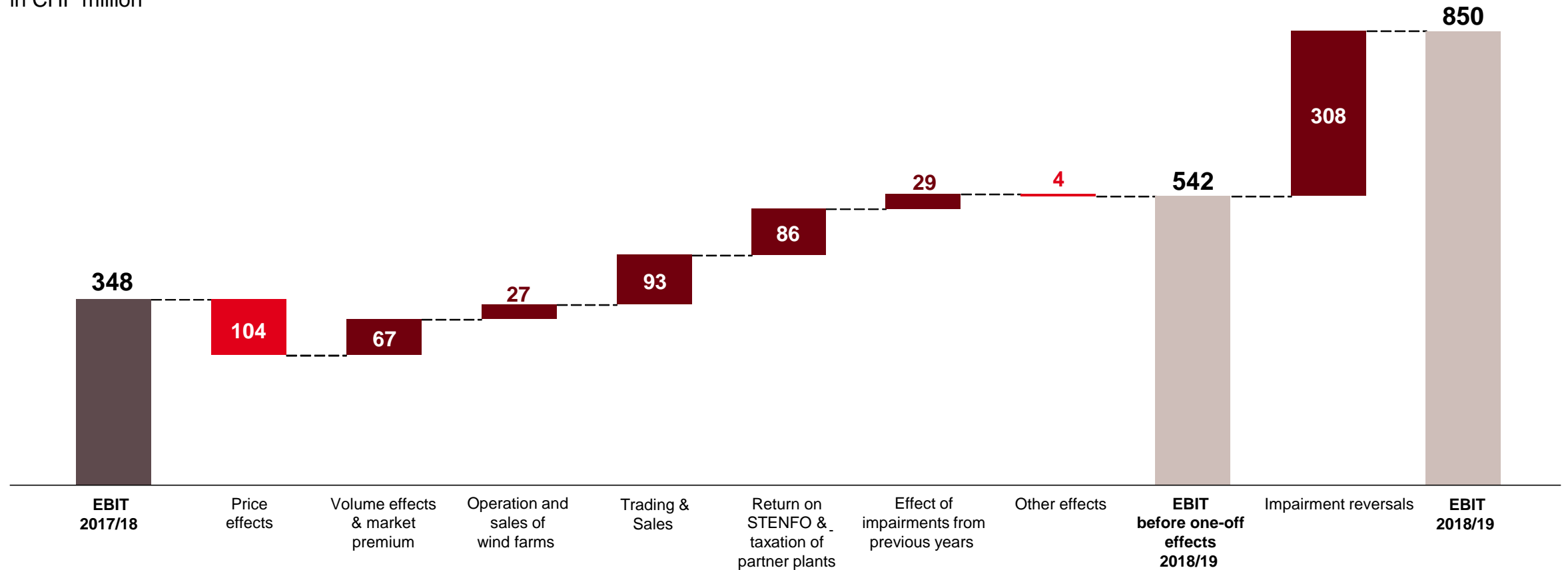
- Significant one-off effects of CHF 308 million
- Improved financial result

Reported result includes one-off effects of CHF 308 million

in CHF million	2017/18	Special effects 2018/19			2018/19
		Reported	Impairment reversals	Nuclear provisions	Excluding one-off effects
Total income	4 850	4 856			4 856
Energy procurement, grid usage and goods purchased	–3 014	–2 511	–346		–2 858
Materials and third-party supplies	–213	–197			–197
Personnel expenses	–643	–681			–681
Other operating expenses	–399	–352			–352
Share of profit of associates	29	42	22		65
Depreciation, amortisation and impairments	–261	–307	–74	90	–291
Earnings before interest and tax (EBIT)	348	850	– 398	90	542
Result for the period	131	865	– 398	90	557

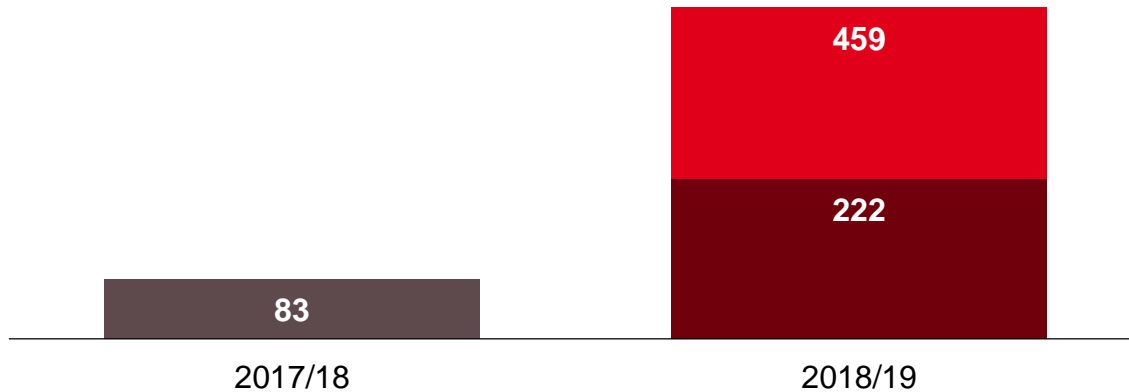
EBIT up 56% before one-off effects

in CHF million



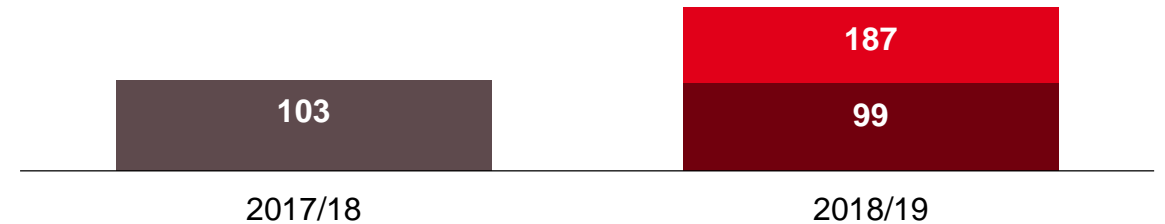
EBIT by segment

Assets in CHF million



- Lower electricity prices partially offset by higher availability of power plants
- STENFO return at 6.5%
- Market premium for large-scale hydroelectric power plants and Swiss Federal Supreme Court decision on the taxation of partner plants
- As in previous year, significant earnings contributions from gas-fired combined-cycle power plants in Italy
- Impairment reversals of CHF 237 million

CKW in CHF million



- EBIT before one-off effects at previous year's level
- Previous year included positive one-off effects
- Impairment reversals of CHF 88 million

■ Before one-off effects

EBIT by segment

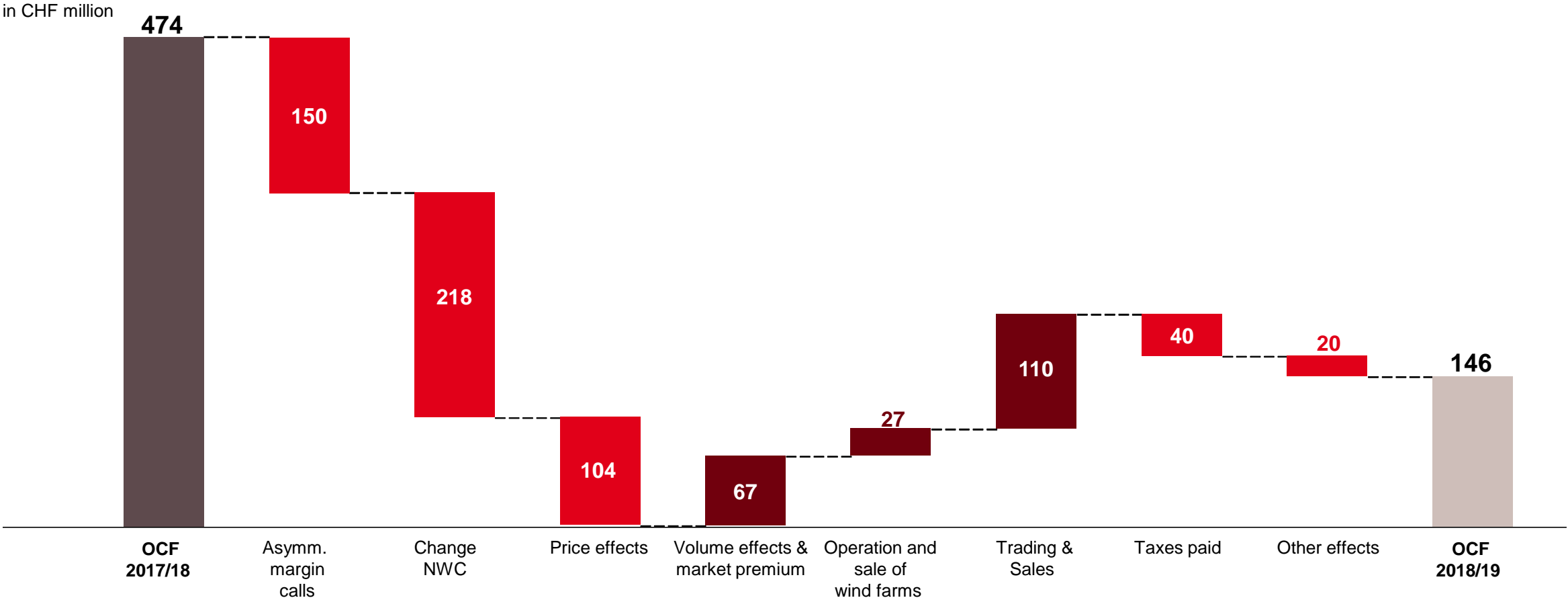
Trading & Sales in CHF million



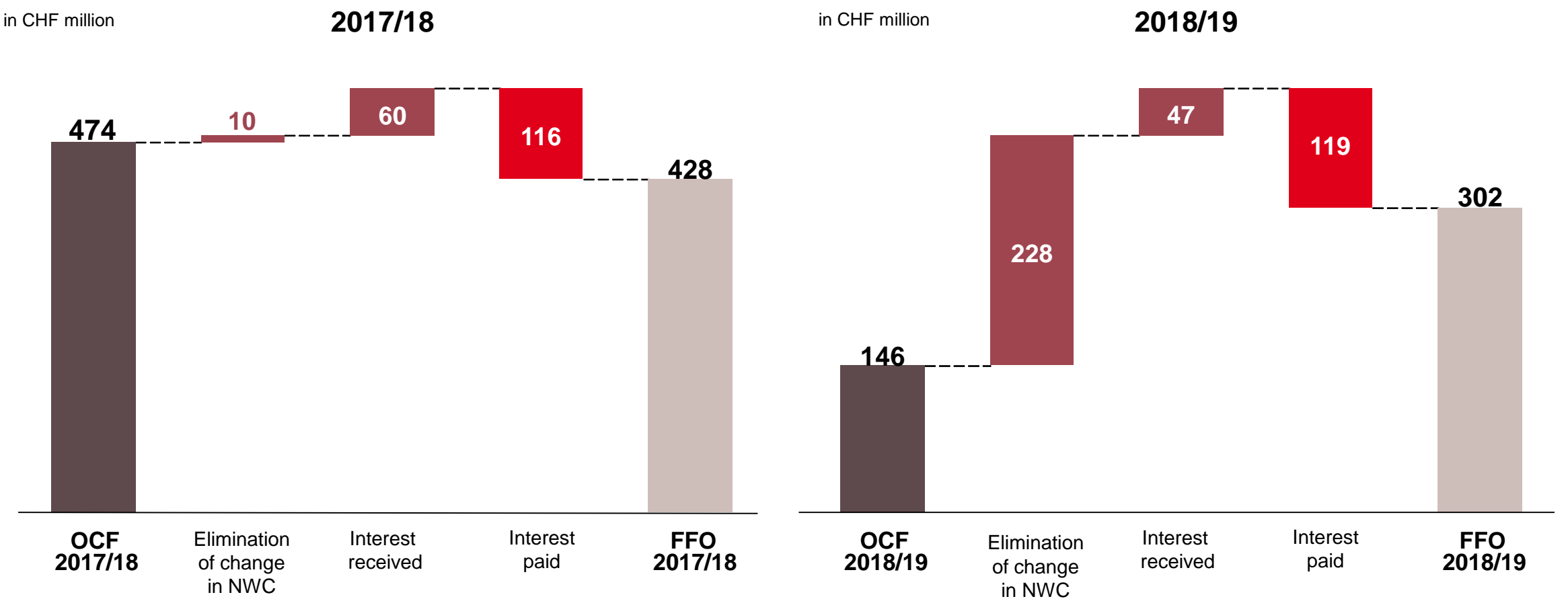
- All regions and businesses contributed to the extraordinary 2018/19 results
- Effect of intragroup foreign currency hedging up on previous year
- Hedging effects significantly lower than in the previous year due to sideways movement of electricity prices
- Other reconciliation items mainly driven by different valuation of gas inventories

	2017/18	2018/19
in CHF million		
Gross margin asset-backed trading	139	135
Gross margin origination and proprietary trading	263	476
Gross margin	401	611
Operating expenses	-300	-331
EBIT before FX and hedging effects	101	280
Foreign exchange effects	72	122
Hedging effects	91	-29
Other reconciliation items	-34	-50
IFRS EBIT	230	323

Cash flow impacted by higher net working capital commitment and lower electricity prices



Funds from Operations (FFO) of CHF 302 million



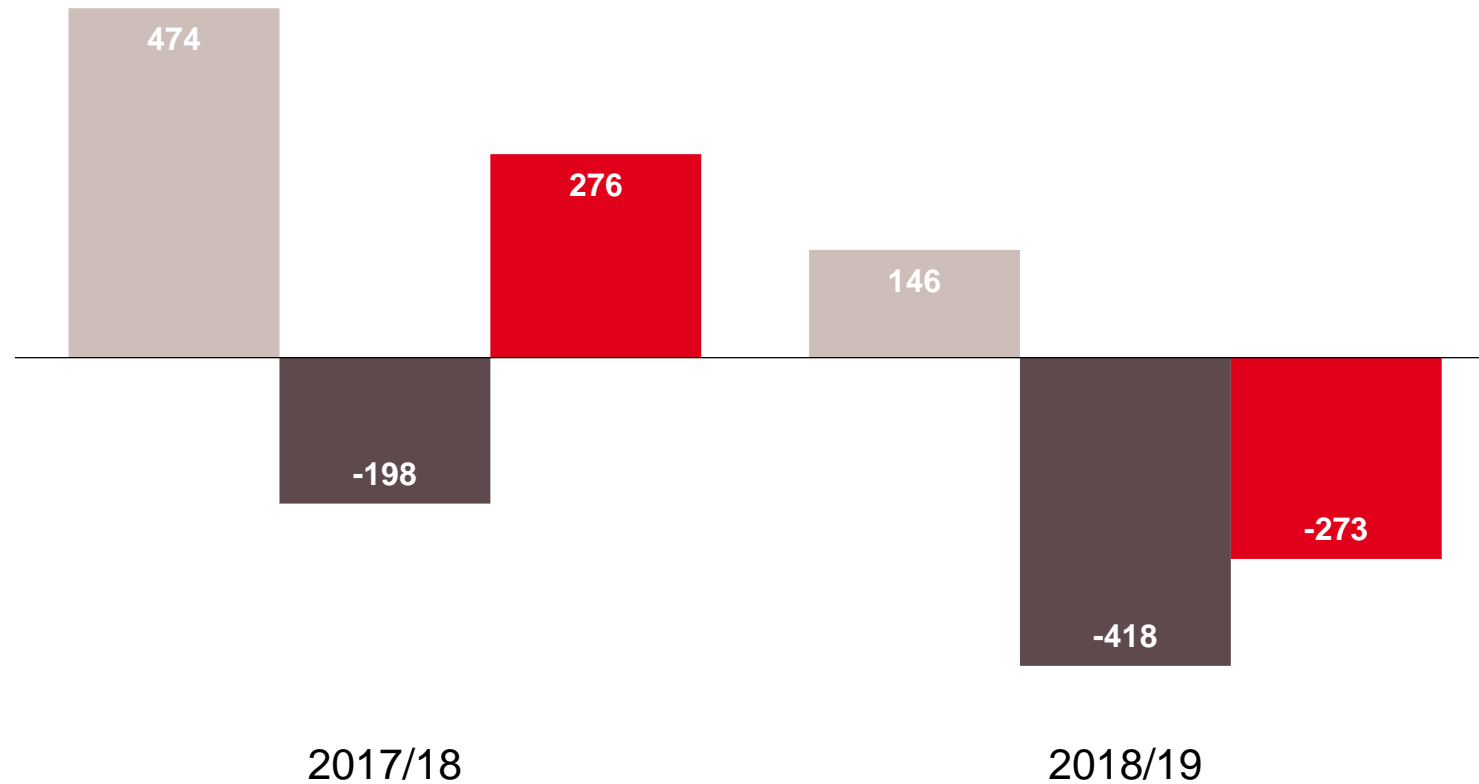
Significant investment in Photovoltaics and Wind energy

in CHF million	2017/18	2018/19	Change
Hydro energy	105	36	-69
Nuclear energy	31	15	-16
Grids	90	86	-4
New energies	37	270	+233
Other effects	-65	11	+76
Net investments	198	418	+220

- Lower investment in hydro energy due to termination of PSW Limmern project
- Acquisition of Urbasolar
- Previous year's figures positively influenced by the sale of the investments in GeoEnergie Taufkirchen and Elektrizitätswerk des Kantons Schaffhausen

Free cash flow

in CHF million



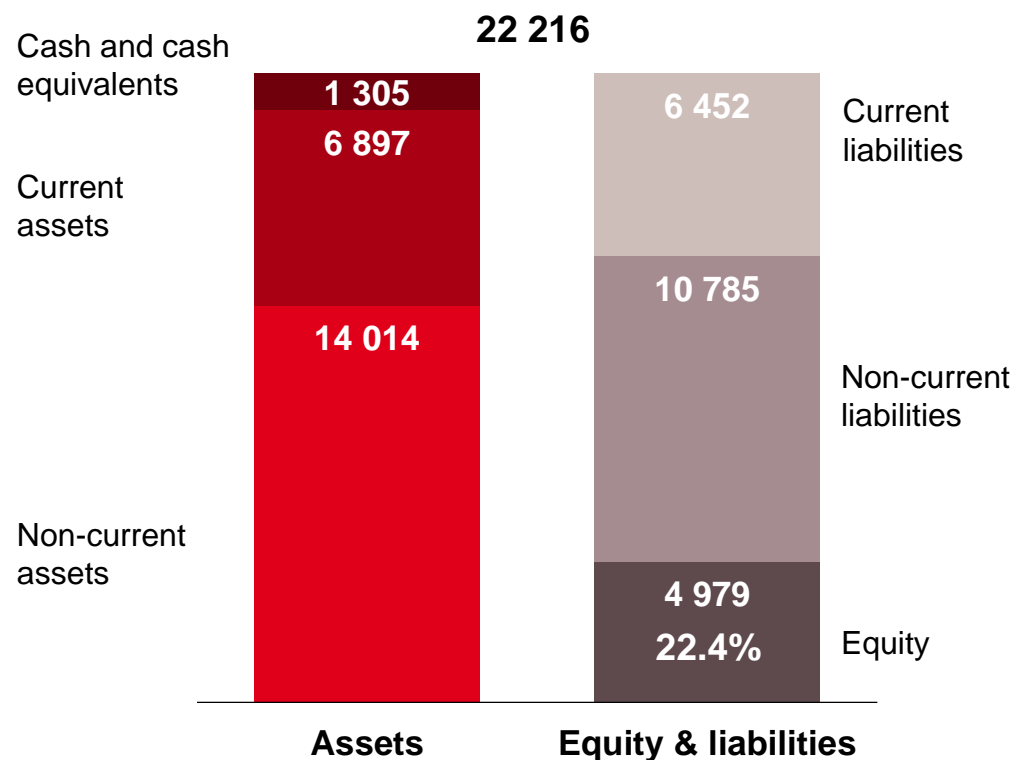
- Lower cash flow from operating activities
- High net investments

■ Cash flow from operating activities
■ Net investments
■ Free cash flow

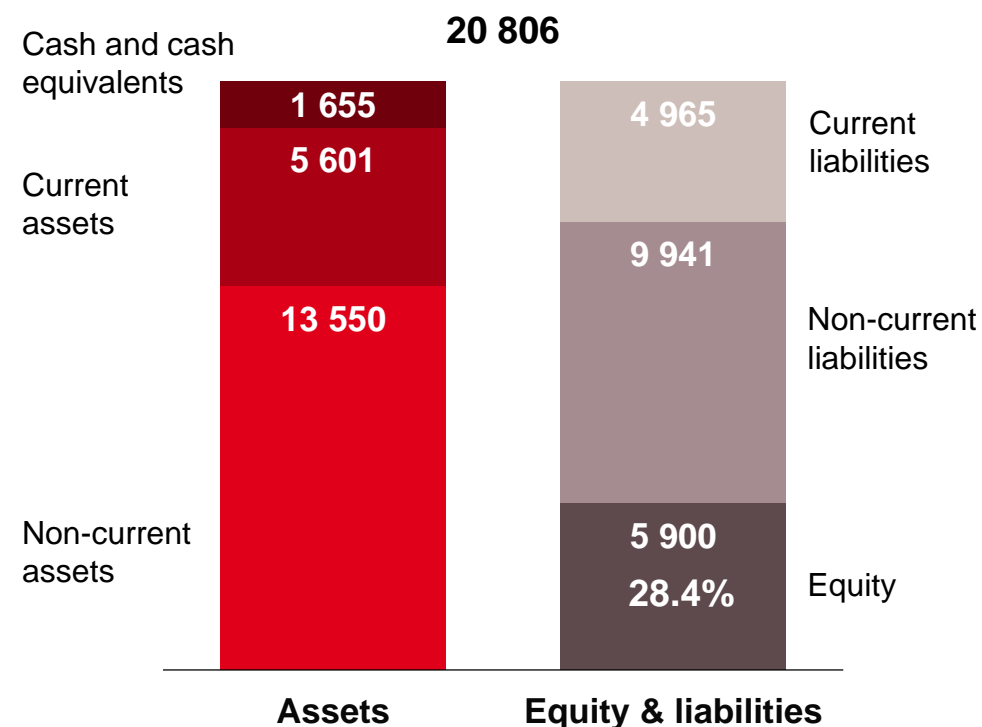
Equity increases to CHF 5.9 billion

in CHF million / equity ratio in %

30 September 2018

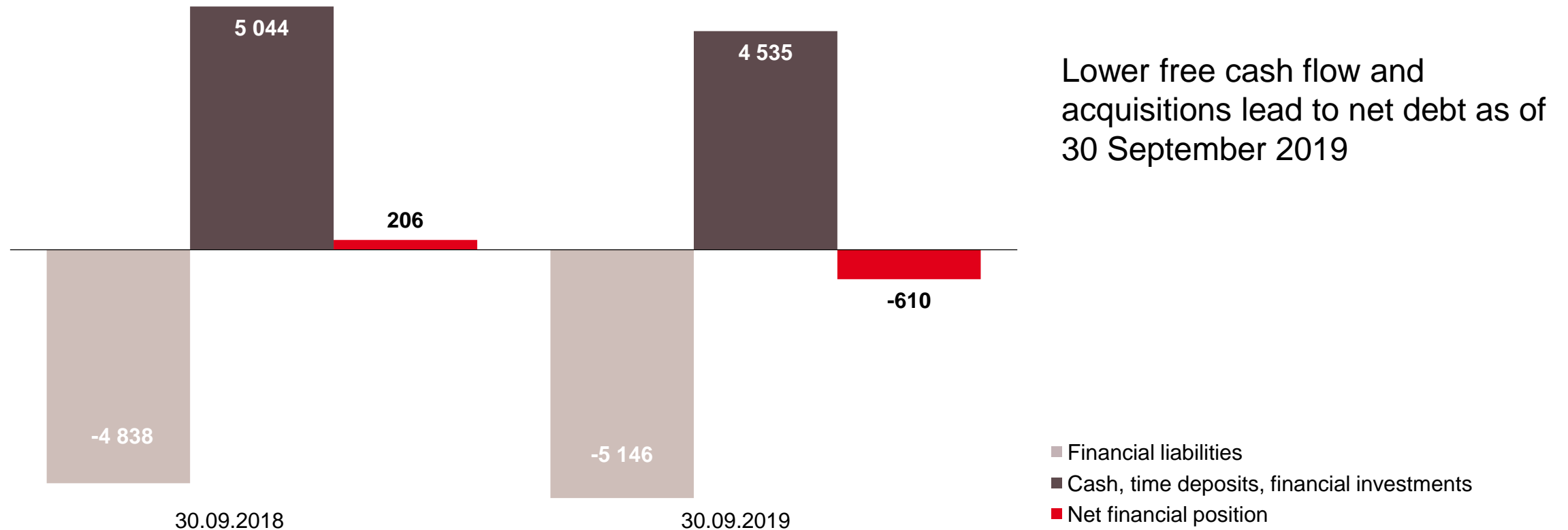


30 September 2019

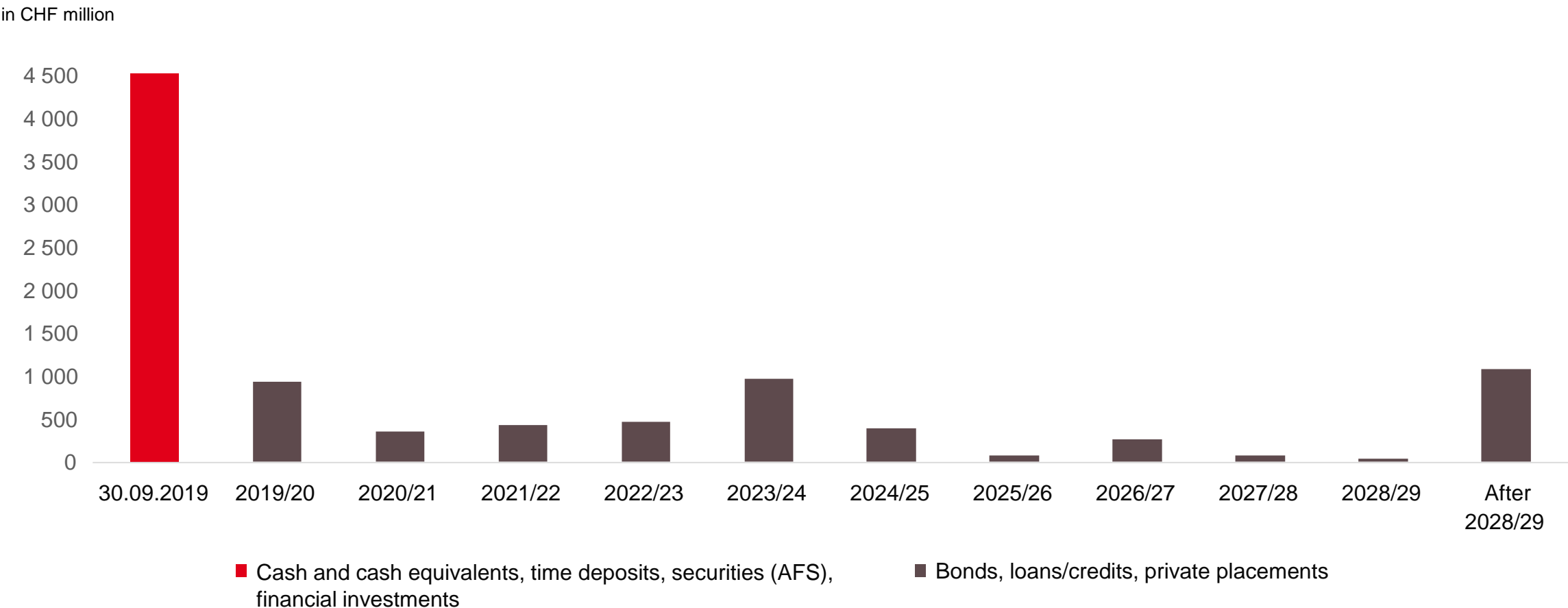


Decline in net financial position with high liquidity

in CHF million

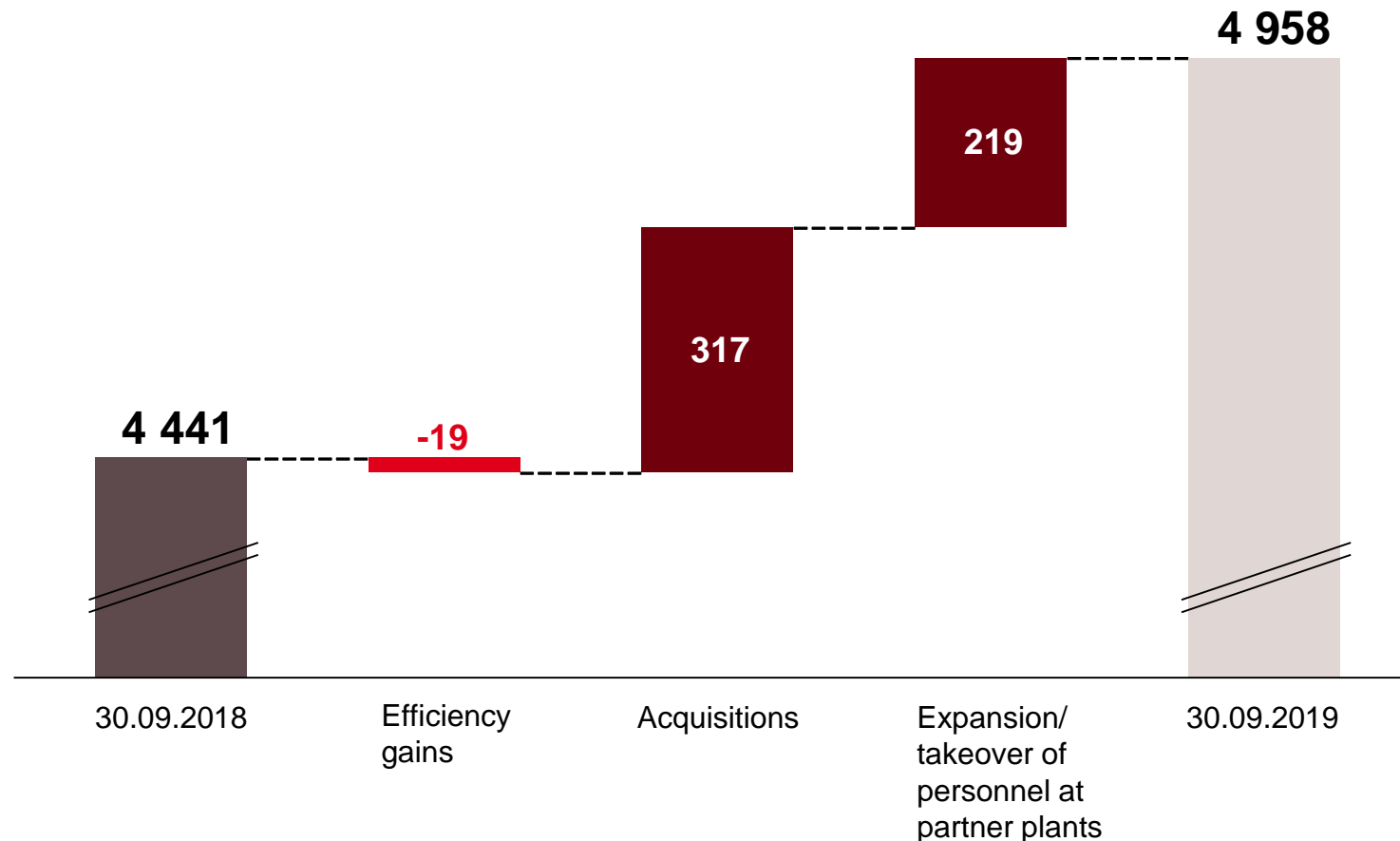


Maturity profile of bonds and loans



Employees

full-time equivalents



- Takeover of photovoltaic company and IT service provider, acquisition to strengthen presence in retail business in Portugal
- Increased personnel in the international trading business at CKW Gebäudetechnik and Avectris

Outlook 2020

2020: Christoph Brand new CEO



- Extensive management experience – both with infrastructures and digital applications
- His mission in the new cycle
 - Exploit the new stability
 - Generate growth
 - Drive forward cultural change

2020: Build on strengths



Grow

- Renewable energy
- Customer business abroad
- Individual energy solutions



Optimisation

- Cost base
- Synergies
- Value chain



Diversification

- New business areas
- Innovative solutions

Digitalisation

2020: Development of wholesale prices

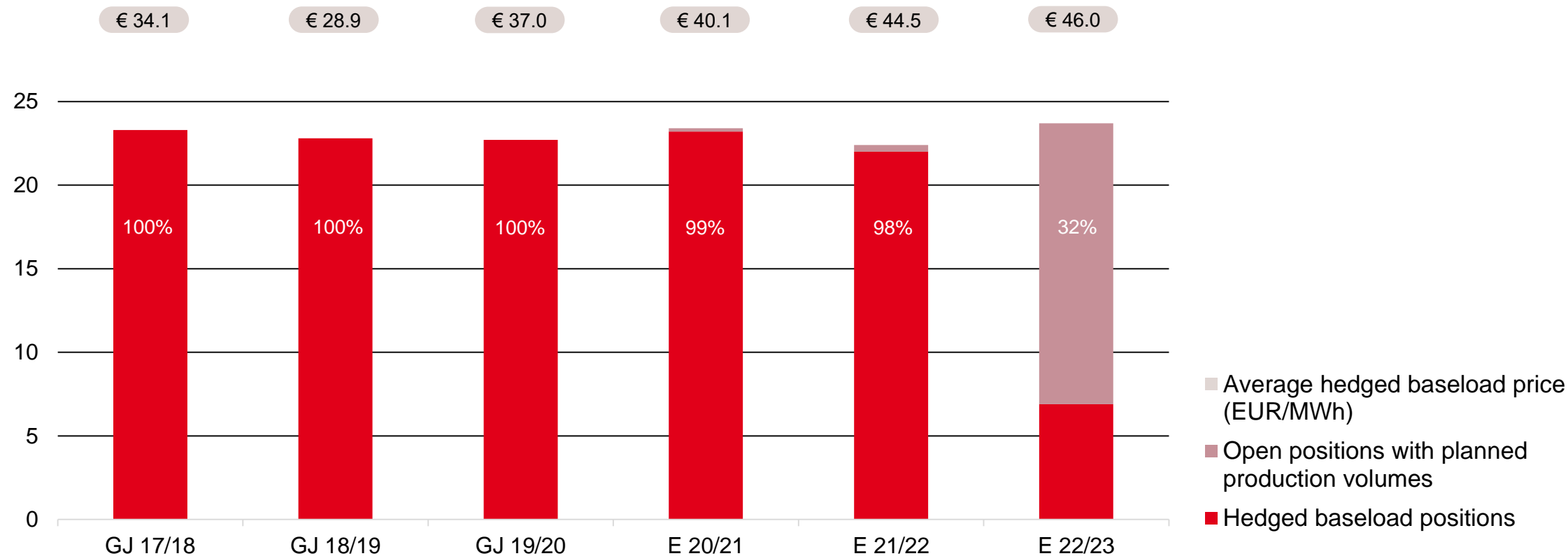
Baseload in Germany for 2022 calendar year in EUR, nominal

Cal-22 in EUR/MWh

01.12.2019



Currently hedged baseload positions



(as of 01.12.2019)

Outlook for the 2019/20 financial year




- Electricity revenues on the up
- Trading & Sales
- Political and regulatory environment
- Economic environment



Questions and answers

Voller Energie

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