

Axpo Analyst Conference First half of 2022/23

Baden, 12 June 2023



Key messages



Extraordinary half-year results



Positive contributions to earnings from all areas of the business



Trading & Sales once again with exceptional result



Significant contribution made to Switzerland's security of supply



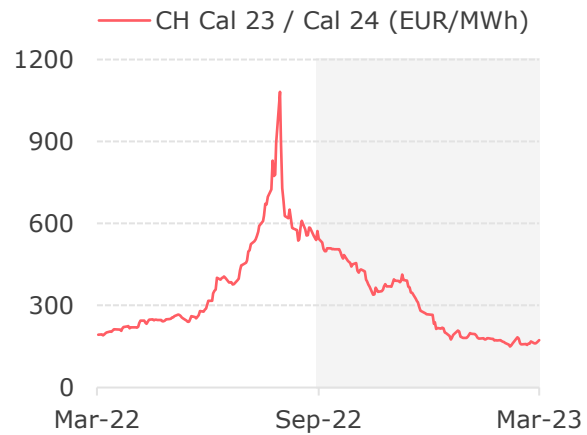
Successful implementation of strategy in a challenging environment



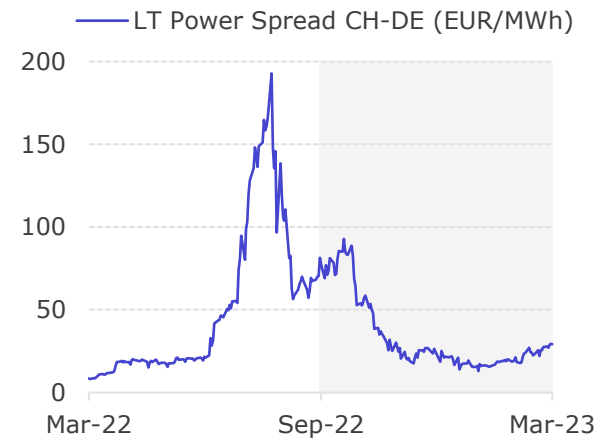
Business model proving itself

Receding volatility on markets

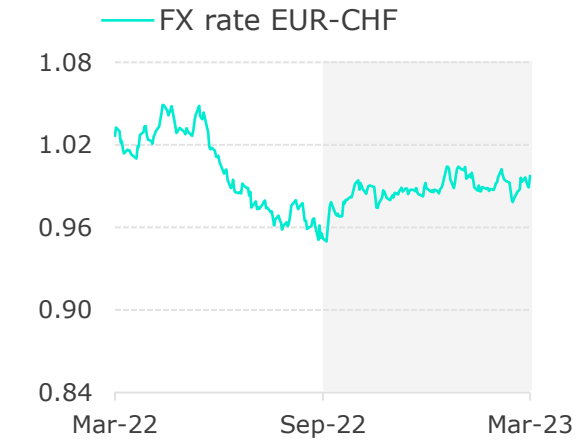
Power price



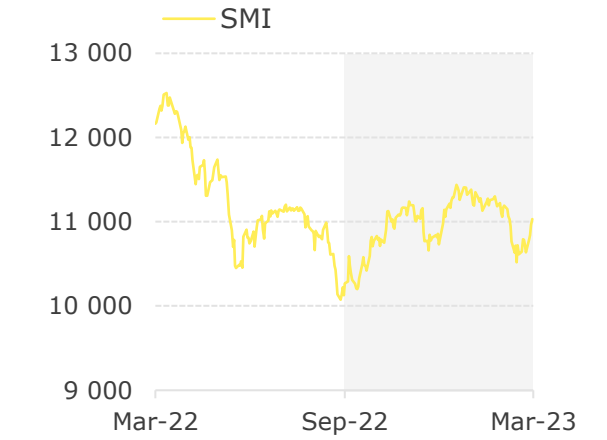
Country spread



FX rate



Stock market



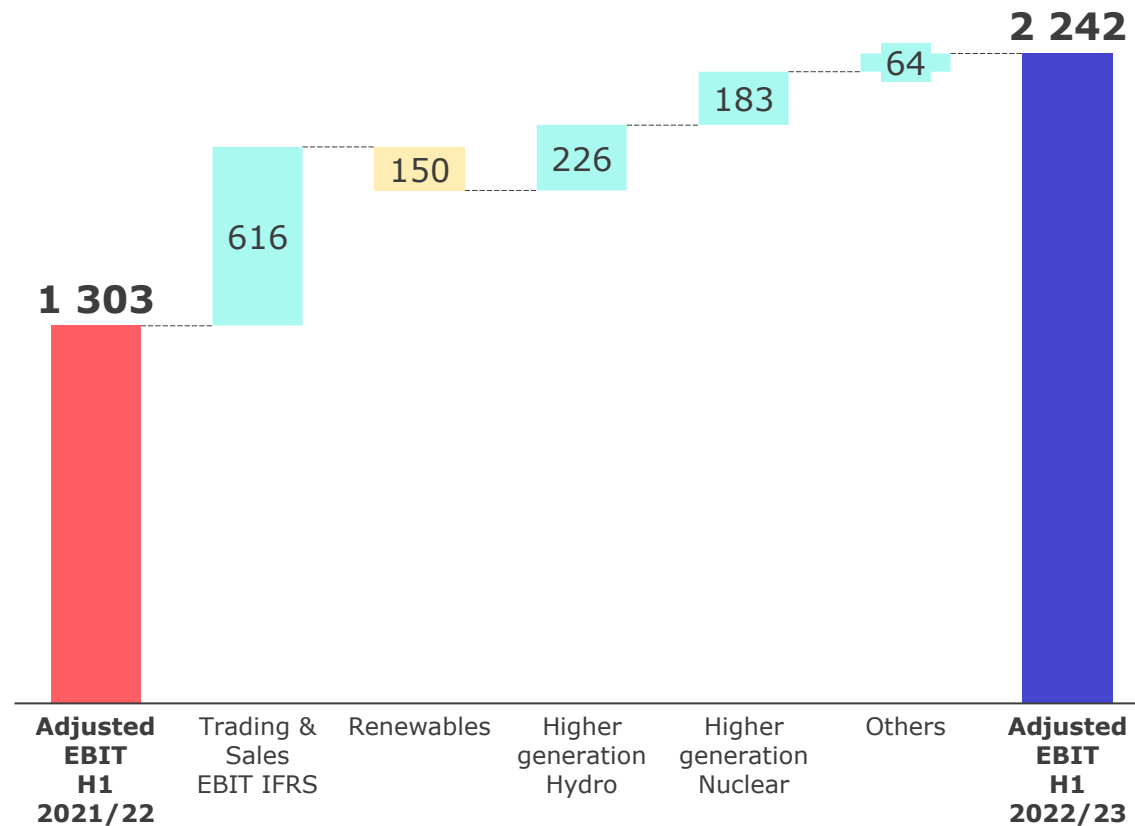
Extraordinary results in terms of profitability

in CHF million

	H1 2022/23	vs. previous year	
Adjusted EBIT	2 242	+939	<ul style="list-style-type: none"> • Exceptional results in Trading & Sales • Higher generation from nuclear and hydro power plants
EBIT	3 854	+2 832	<ul style="list-style-type: none"> • Positive impact from hedging of Swiss generation (accounting mismatch) • Positive performance STENFO +3.9%
Result for the period	3 214	+2 701	<ul style="list-style-type: none"> • Extraordinary result supported by profit shifts and capital market development
Free cash flow	1 322	+3 218	<ul style="list-style-type: none"> • Positive cash flows as expected
Equity	11 044	+3 612	<ul style="list-style-type: none"> • Significant increase in equity compared to 30.9.2022
Net debt	- 2 608	+1 036	<ul style="list-style-type: none"> • Improvement compared to 30.9.2022 driven by free cash flow

Adjusted EBIT increased by CHF 939 million

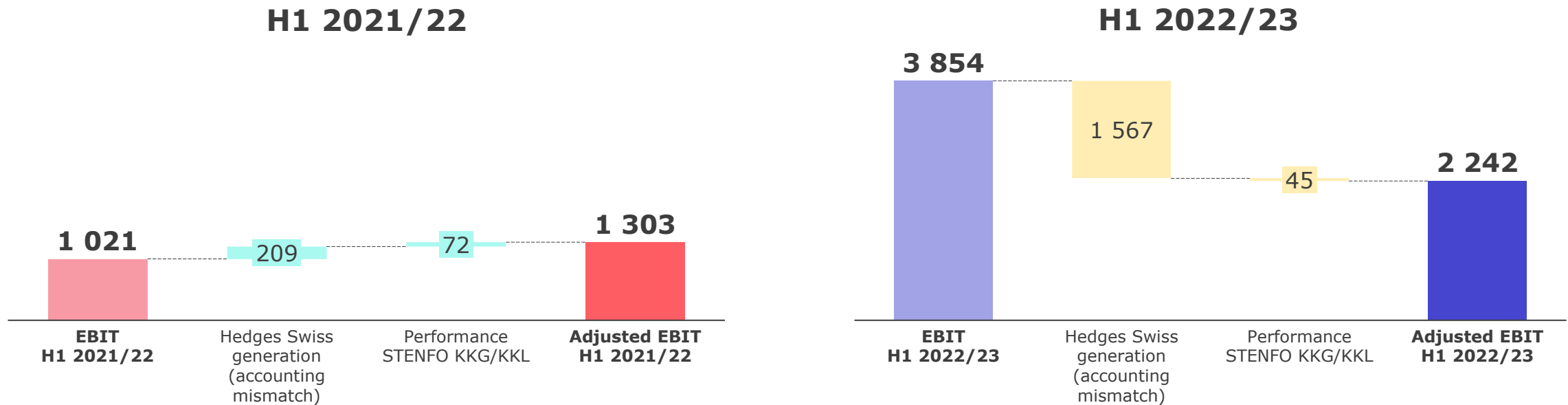
in CHF million



- Extraordinary results in Trading & Sales
- Higher generation from nuclear and hydro power plants
- No sale of wind/solar plants as expected

Expected financial effects materialised

in CHF million



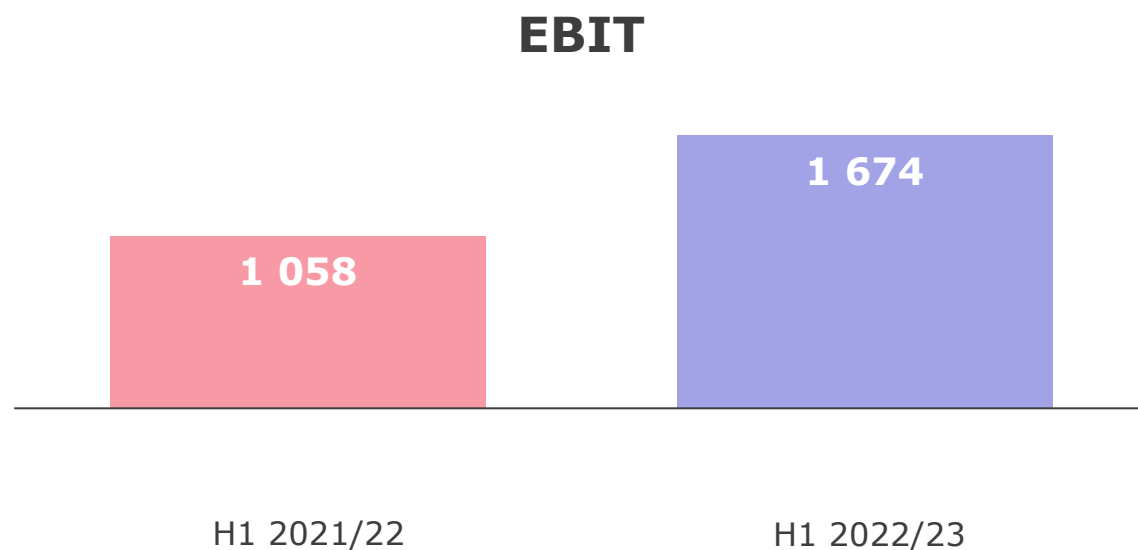
- Negative impact from hedging Swiss generation (accounting mismatch - unrealized)
- Negative performance STENFO -2.3%

- Positive impact from hedging Swiss generation (accounting mismatch - unrealized)
- Positive performance STENFO +3.9%

EBIT by segment

Trading & Sales

in CHF million



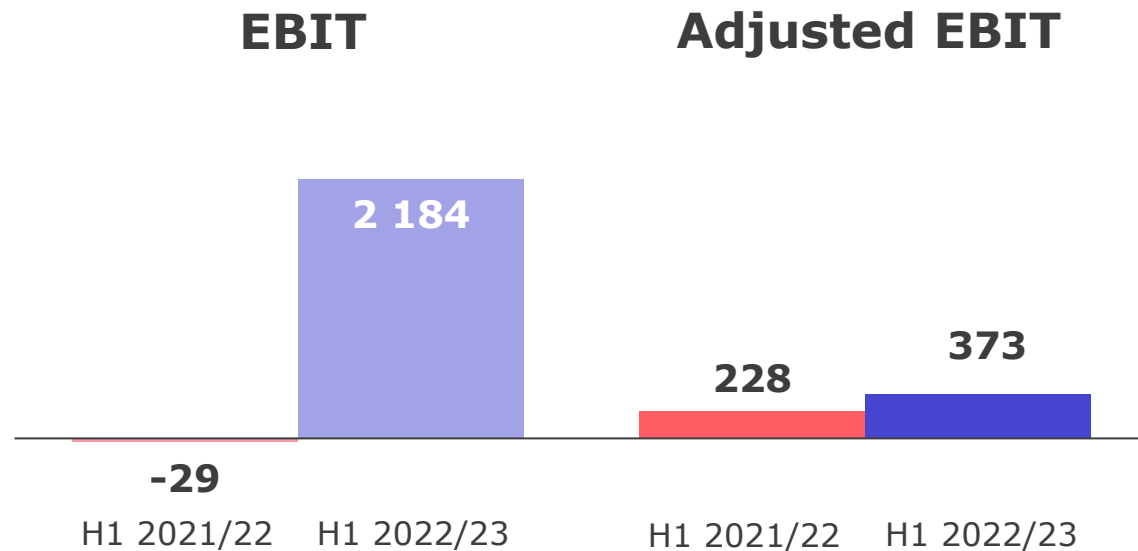
- Asset-backed trading still benefiting from high volatility in the markets
- High demand for tailor made energy solutions supports strong growth in Origination
- Significant reduction of risk metrics

in CHF million

	H1 2021/22	H1 2022/23
Gross margin asset-backed trading	459	667
Gross margin origination	531	1 247
Gross margin proprietary trading	281	304
Gross margin	1 271	2 218
Operating expenses	- 322	- 351
EBIT in Performance View	949	1 867
Hedging effects / other reconciliation items	+ 109	- 193
EBIT IFRS	1 058	1 674

EBIT by segment Generation & Distribution

in CHF million

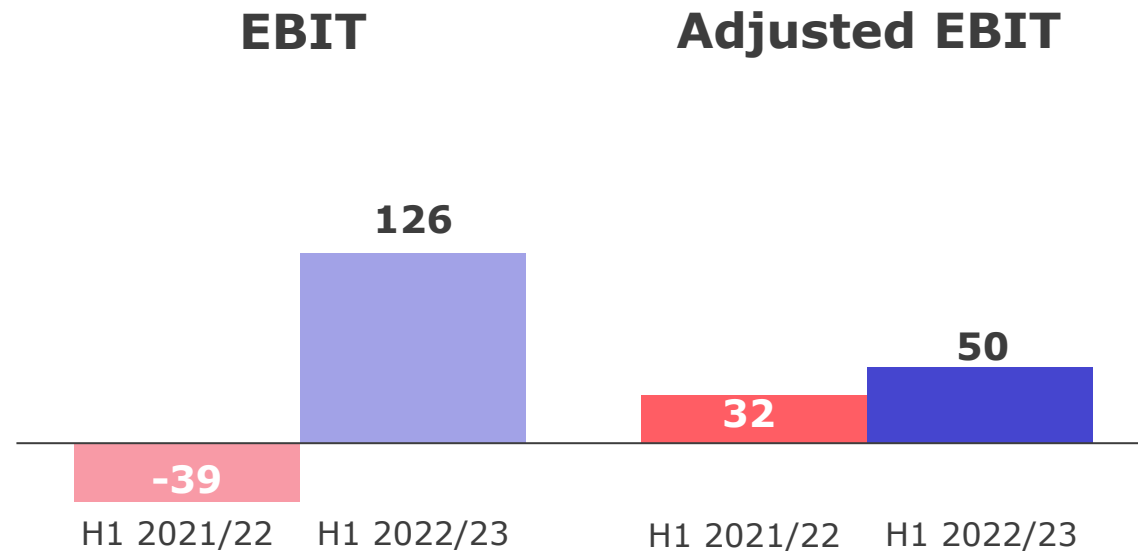


- Higher generation from nuclear power plants (previous year negatively impacted by extended maintenance of Leibstadt nuclear power plant)
- Higher generation from hydro power plants
- No sale of wind/solar plants as expected
- Positive impact from hedging of Swiss generation (accounting mismatch - unrealized) and STENFO

Adjusted EBIT excluding the higher/lower STENFO return and temporary shifts in income from hedging power generation

EBIT by segment CKW

in CHF million



- Higher power prices and higher results from asset optimization
- Higher generation from nuclear power plants (previous year negatively impacted by extended maintenance of Leibstadt nuclear power plant)
- Positive impact from hedging of Swiss generation (accounting mismatch - unrealized) and STENFO

Adjusted EBIT excluding the higher/lower STENFO return and temporary shifts in income from hedging power generation

Result for the period positively impacted by STENFO and FX result

in CHF million

	H1 2021/22	H1 2022/23
EBIT	1 021	3 854
Net interest expense	-96	-76
Performance STENFO	-66	+102
Net FX-result	-206	+114
Other financial result	-15	-44
Income tax expense	-125	-736
Result for the period	513	3 214

- Positive performance on financial markets drives STENFO impact (additional EBIT-impact of CHF +45 million)
- Exchange rate gains (strengthening of EUR vs. CHF)
- Income tax rate of 19%

Converse effects between the years

in CHF million

		H1 2021/22	H2 2021/22	H1 2022/23
Realised result from energy trading (mainly futures trading books)		2 611	3 252	-5 568
Unrealised result from energy trading (forwards trading books)	2	-1 308	-4 691	7 761
Other		-282	2 162	1 660
EBIT		1 021	724	3 854
Depreciation, amortisation and impairments		186	-2 510	241
Change in provisions		183	-266	-878
Margining futures hedges Swiss generation (own use books)	1	-2 221	-3 021	4 879
Unrealised result from energy trading (forwards trading books)	2	1 308	4 691	-7 761
Income taxes paid		-36	-216	-165
Other		-2 189	-770	1 345
Cash flow from operating activities		-1 748	- 1 369	1 515

1 Collaterals in connection with the hedging of Swiss generation flow back

2 Reflows from collaterals were compensated by the rest of the portfolio

Continuous investments

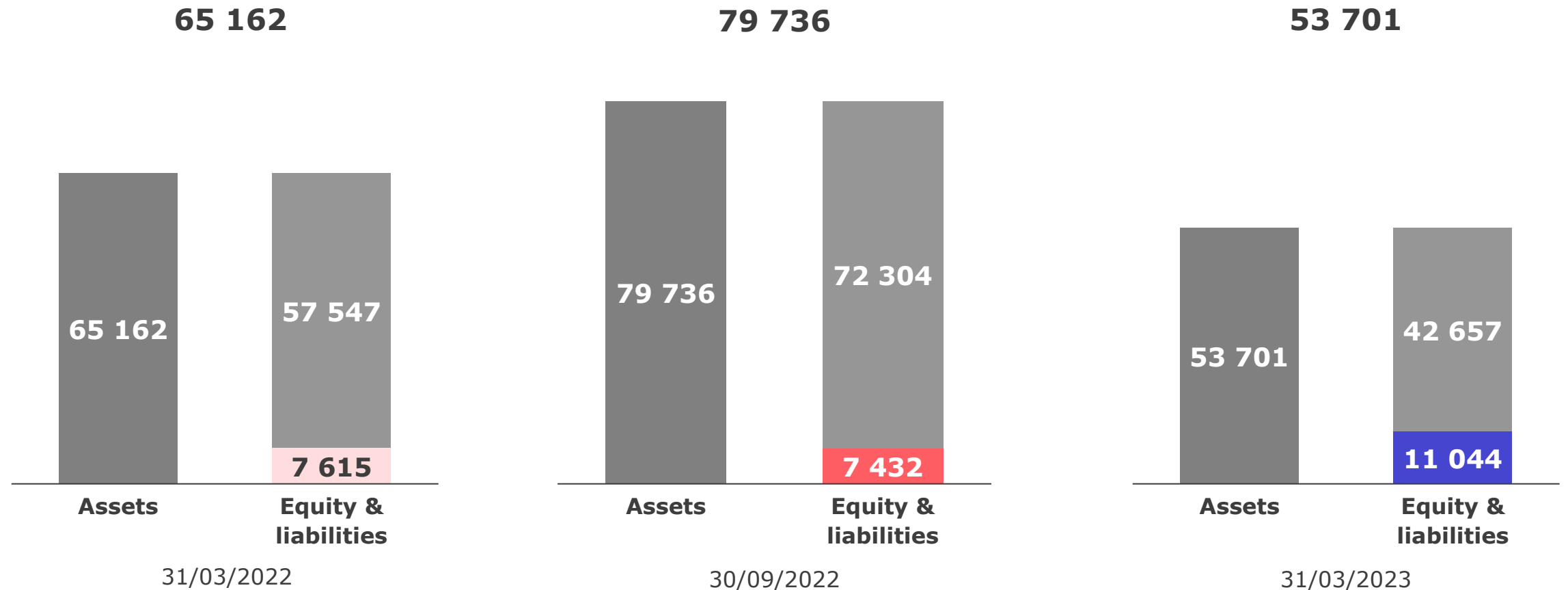
in CHF million

	H1 2021/22	H1 2022/23
Hydro	13	24
Nuclear	20	22
Distribution	41	50
Renewables	94	87
Other effects	28	20
Gross investments	196	203
Divestments other	-49	-11
Net investments	147	192

- Gross investments of CHF 203 million, of which
 - CHF 114 million in Switzerland
 - CHF 88 million international
- Continuous investments and divestments in renewables (asset light model)

Equity increase to CHF 11 billion

in CHF million



Improving net financial position

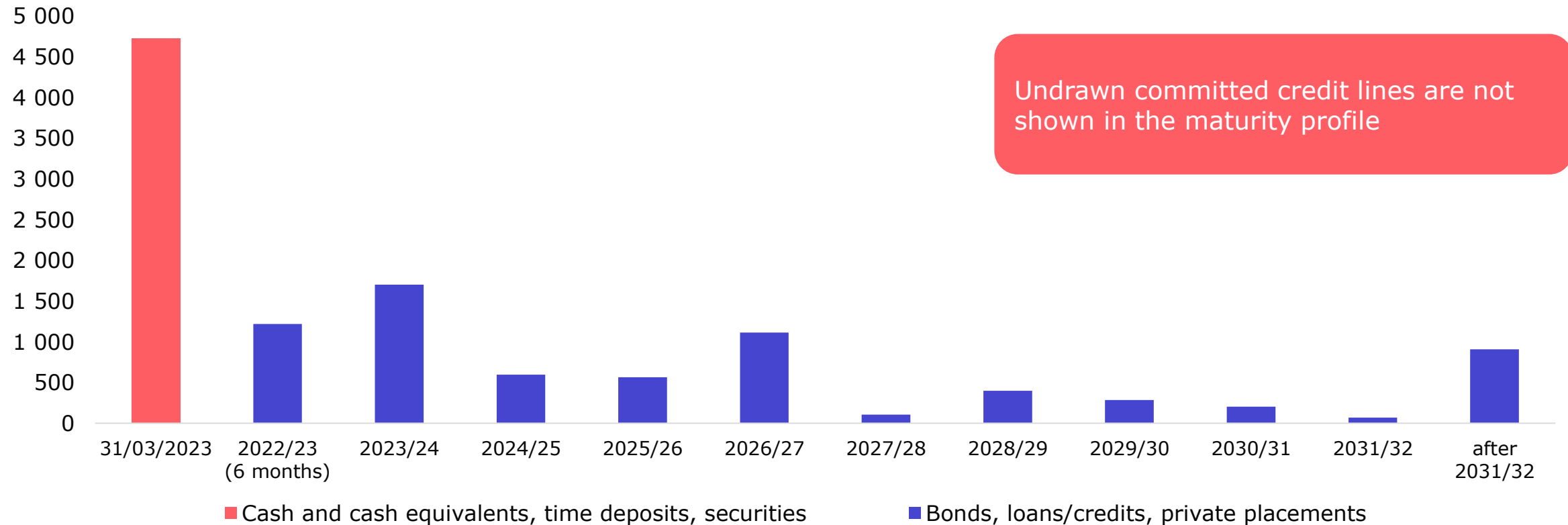
in CHF million

	30/09/2022	31/03/2023
Current financial liabilities	-2 890	-2 250
Non-current financial liabilities	-4 855	-5 082
Total eligible debt	-7 745	-7 332
Cash and cash equivalents	3 907	3 183
Time deposits	10	1 391
Financial assets	185	149
Total liquidity	4 101	4 723
Net financial position	- 3 644	- 2 608

- Reduction of net debt by CHF 1 bn within 6 months
- Increase of unsecured committed syndicated credit lines with banks to EUR 6.0 billion
- Unsecured, subordinated credit facility from Swiss government of CHF 4 billion not used as of today

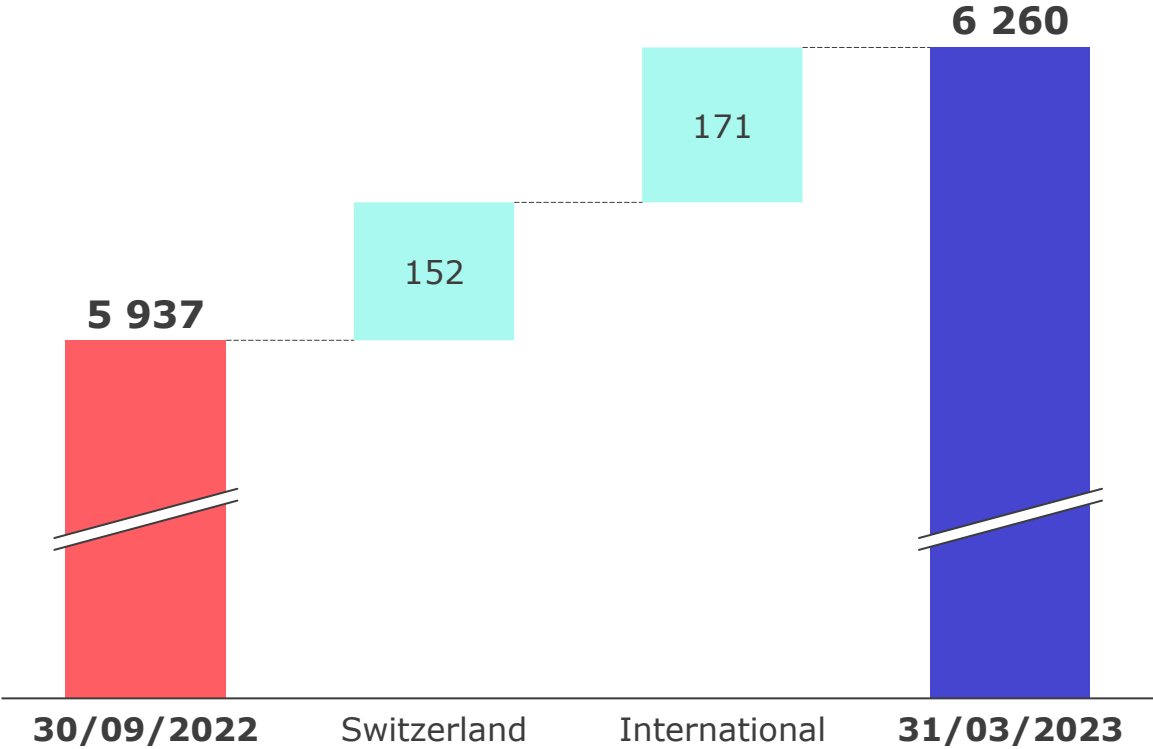
Maturity profile of bonds and loans

in CHF million



Growth in strategic areas

in full-time equivalents (FTE)



- Growth in Switzerland driven by building technologies and digitalisation
- Growth in wind and solar international
- Trading & Sales with growth in international origination

Strategic focus on three main pillars

Proven success even in harsh environments



Swiss business

Focus on stable supply and ongoing regeneration, aiming to take a leading role in the energy transition



Renewable energies

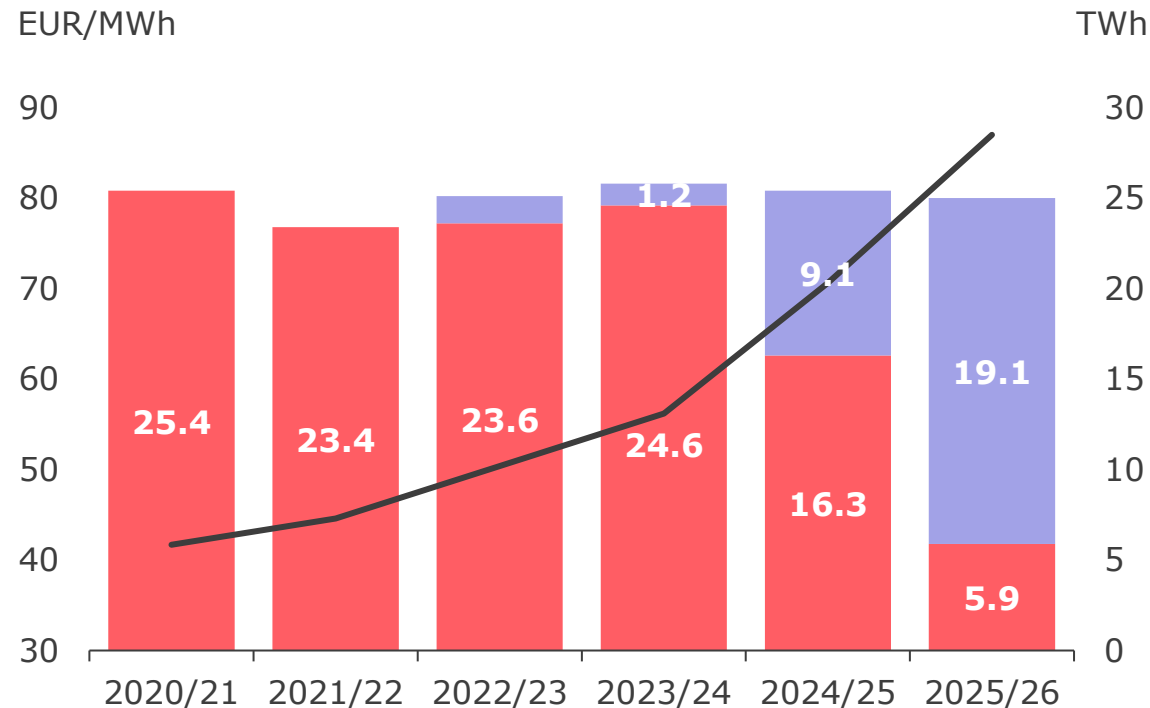
Focus on PV and onshore wind in Europe and Switzerland



Trading & origination

Two priorities:
Sale of Swiss production and long-term customer and partner contracts (PPA)

Status hedged position Swiss generation



- Hedging policy adjusted
- Total volume of 59 TWh was hedged as of 31 March 2023 (30.9.2022: 64 TWh)
- Hedged prices between 51 EUR/MWh in 2022/23 and 87 EUR/MWh in 2025/26
- 2024/25: average hedged price of 71 EUR/MWh (30.9.2022 66 EUR/MWh)
- 2025/26: average hedged price of 87 EUR/MWh
- Axpo will benefit from higher prices from 2024/25 onwards

■ Open position at planned production volume (TWh)
■ Hedged position baseload (TWh)

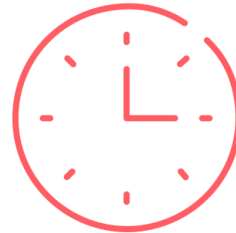
Outlook



Positive mid-term outlook, Business model proven



Forecasts made difficult as the market situation is stabilising but still vulnerable



Weaker second half of the year to be expected due to seasonal trends



Effects of shifts in income to be much smaller in the future



Positive impact on cash flow from return of collateral payments for Swiss production to be expected

axpo



Switzerland's largest energy producer

- More than 6,000 employees, active in over 30 countries in Europe, North America and Asia
- 35 Twh electricity production
- Broad portfolio consisting of nuclear power, hydropower, solar power, wind power, biomass and gas
- Accounts for 30% of electricity generated in Switzerland, more than 100 power stations and 2,200 km of grids
- Axpo has accumulated 80 TWh of PPAs in its portfolio
- Energy Risk Commodity Rankings: “Best Overall Power Dealer 2023”