

Half-Year Results 2020

ALPIQ

24 August 2020



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1. Robust business model, even during a pandemic
 2. 2020 Interim Key Financial Figures
 3. Positive results of operations expected for the 2020 financial year
 4. Strategy focuses on strengthening climate protection and security of supply
 5. Questions and answers

Robust business model, even during a pandemic



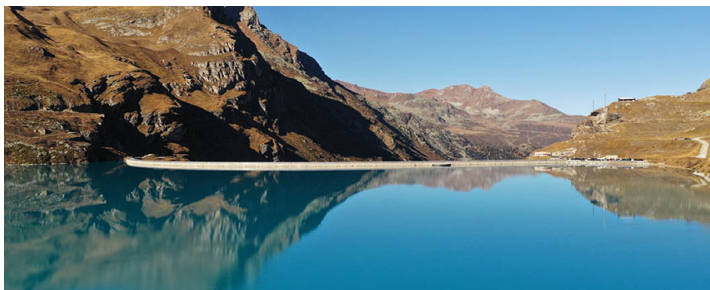
Alpiq business model has proved to be robust

- EBITDA before exceptional items up on previous year as expected: CHF 116 million
- All three business divisions operated successfully
- Power plants and energy trading have been working with no disruptions during the COVID-19 crisis



Solid balance sheet thanks to a systematic financial strategy

- Net cash flows from operating activities of continuing operations increased: CHF 180 million
- Liquidity increased: CHF 1.16 billion
- Equity ratio stable: 50.3 %

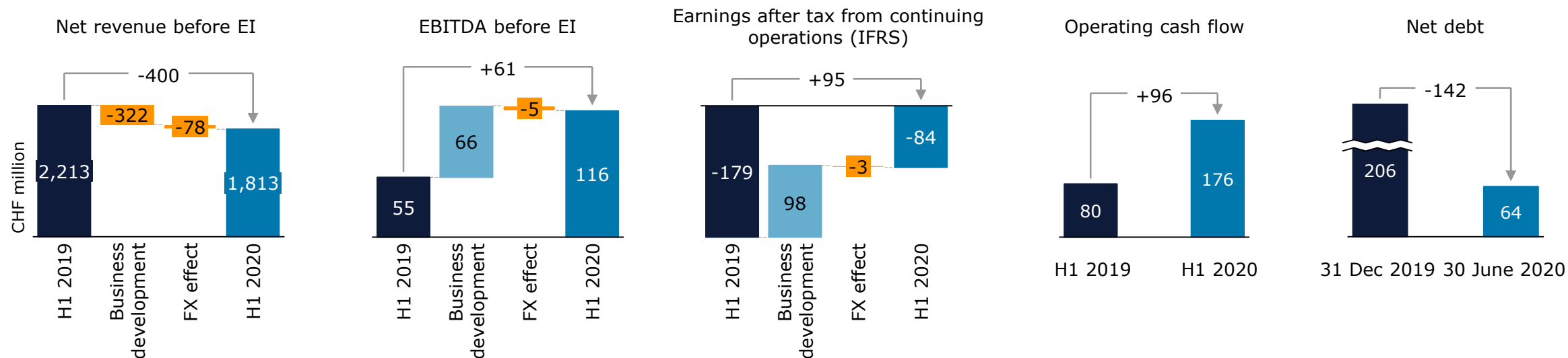


Alpiq is ready for the future

- Stable shareholder structure
- Targeted strategy
- Focus on climate protection and security of supply

2020 Interim Key Financial Figures

Alpiq reports solid half-year operating result despite COVID-19 pandemic



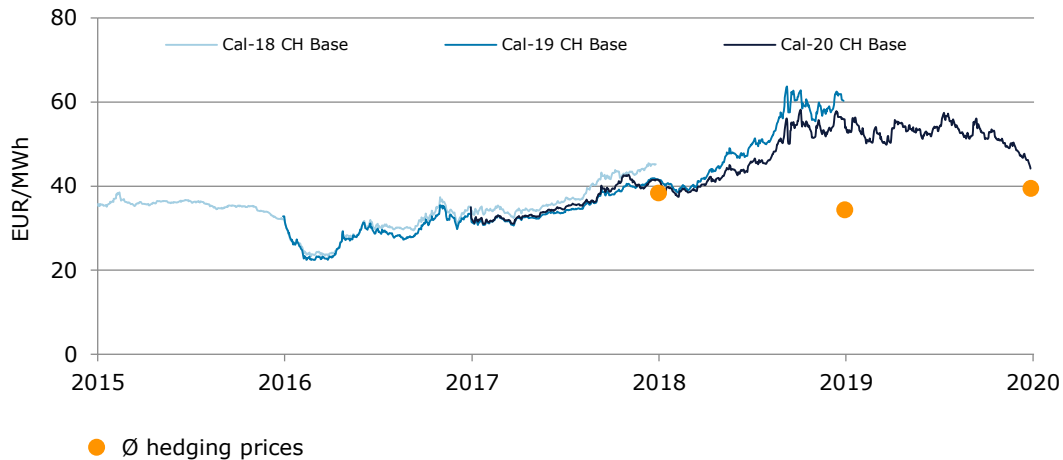
Results of operations

- As expected, EBITDA before exceptional items of CHF 116 million is up on the previous year. Higher contribution from Generation Switzerland as well as higher trading results, partly counterbalanced by lower contribution from Generation International (mainly divestment of Kladno/Zlín)
- Operating cash flow increased as a result of lower gas storage levels and realised gains in gas trading
- Reduction of net debt compared to the end of 2019, in particular due to the higher operating cash flow

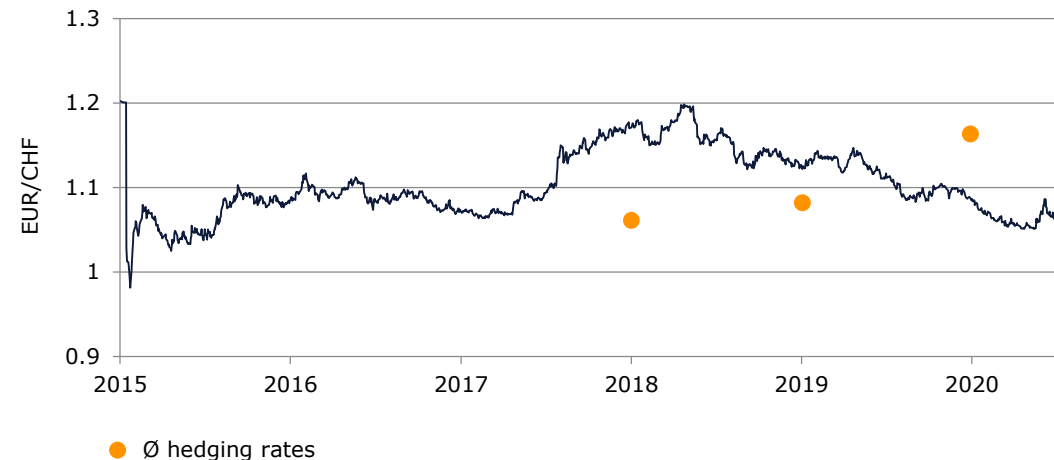
Hedging transactions for Swiss power production have delayed effect

Alpiq hedges energy and currency in advance on a rolling two- to three-year basis on average

Ø forward prices with hedge level – CH



Ø FX spot prices



Delayed wholesale price effect leads to higher earnings in H1 2020

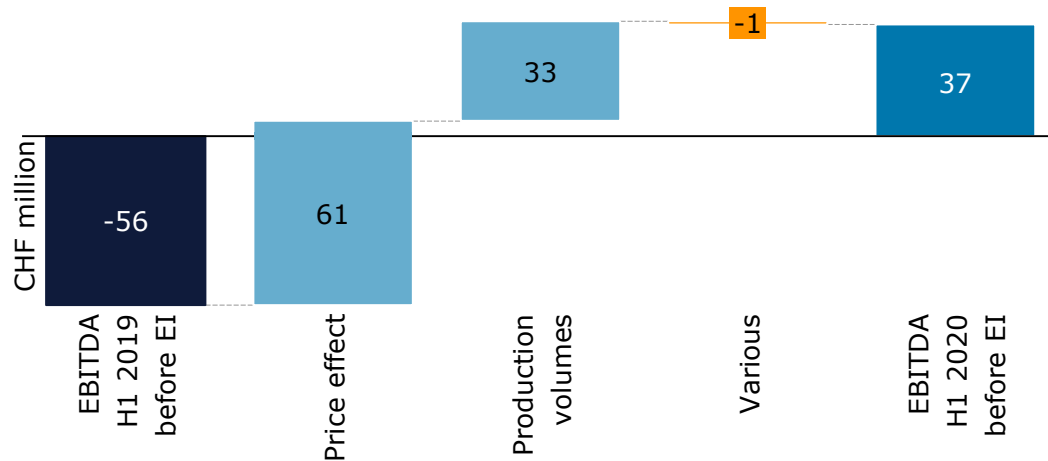
Ø hedging prices	2018:	38 EUR/MWh
	2019:	34 EUR/MWh
	2020:	39 EUR/MWh

Currency effects have positive impact compared to the previous year

Ø hedging rates	2018:	1.06 EUR/CHF
	2019:	1.08 EUR/CHF
	2020:	1.16 EUR/CHF

Development of EBITDA by business division (I)

Swiss power production benefits from increased wholesale prices



Generation Switzerland

- Higher hedging prices compared to the previous year have a positive influence on earnings
- Higher inflows in the area of hydropower

Average hedging prices

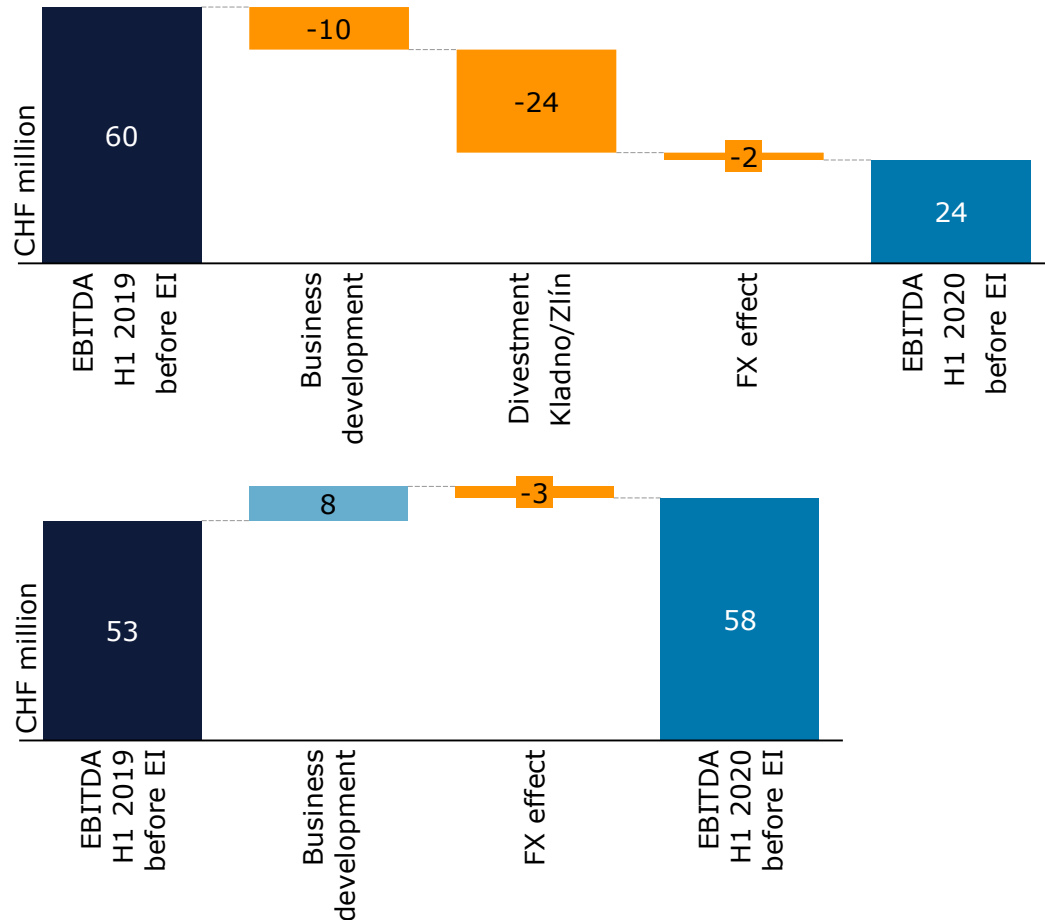
- 2019: 34 EUR/MWh
- 2020: 39 EUR/MWh

Average hedging rates

- 2019: 1.08 EUR/CHF
- 2020: 1.16 EUR/CHF

Development of EBITDA by business division (II)

Positive European and trading business



Generation International

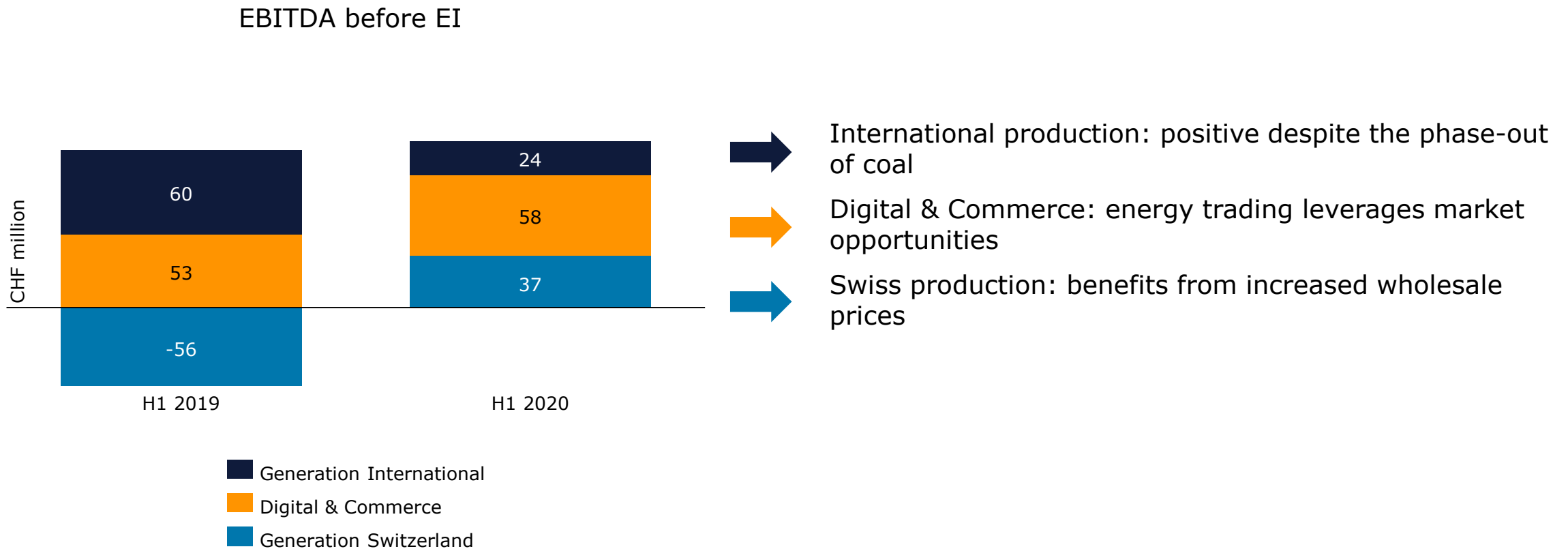
- Thermal power production: Decrease in earnings following strategic divestment of the Czech coal-fired power plants Kladno and Zlín
- New renewable energies: less wind potential and lower prices in Italy

Digital & Commerce

- Lower demand in international customer business caused by the COVID-19 pandemic
- Higher trading results by successfully leveraging market opportunities

Alpiq reports solid half-year operating result

All three business divisions have made positive contributions to earnings



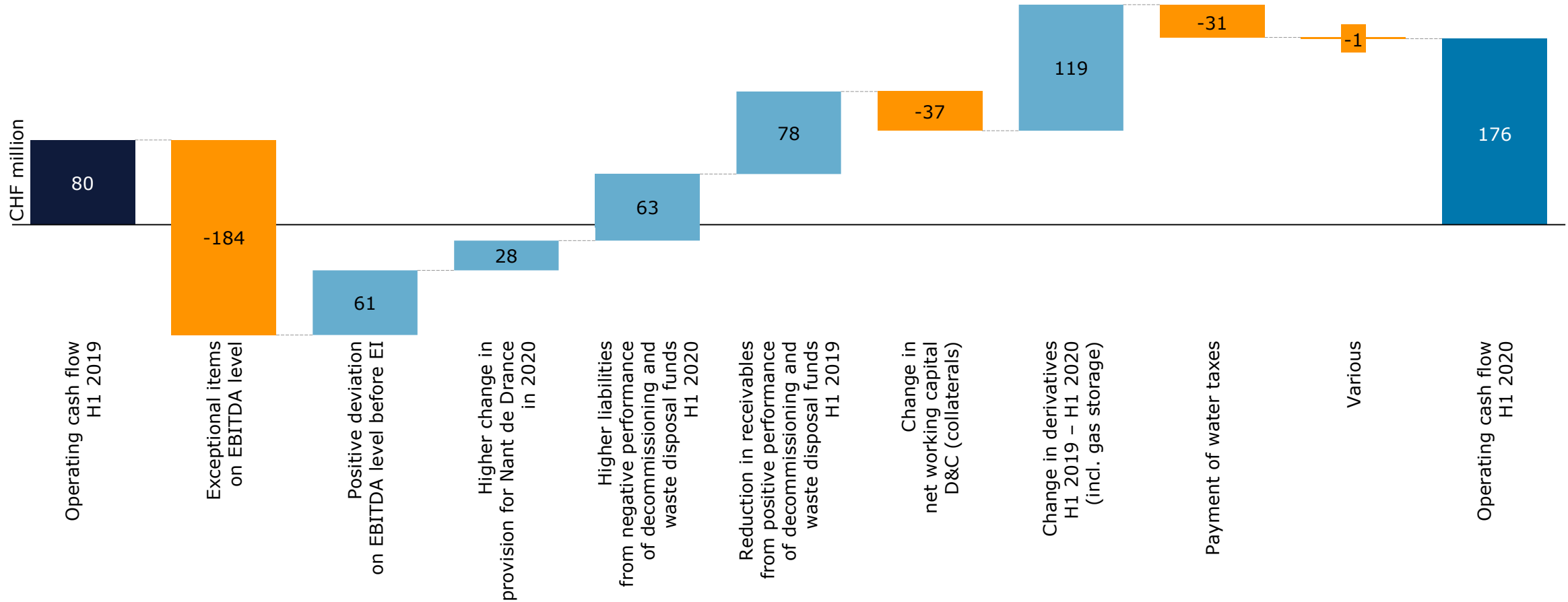
Exceptional items on EBITDA level

Alpiq uses alternative performance measures to measure and present its operating performance, making adjustments to the IFRS results for exceptional items (EI).

CHF million	H1 2020	H1 2019
Development of decommissioning and waste disposal funds	-63	78
Effects from business disposals	0	2
Impairment losses and onerous contracts	-77	-39
Restructuring costs and litigation	11	-3
Fair value changes (accounting mismatch)	8	25
Total exceptional items on EBITDA level	-121	63

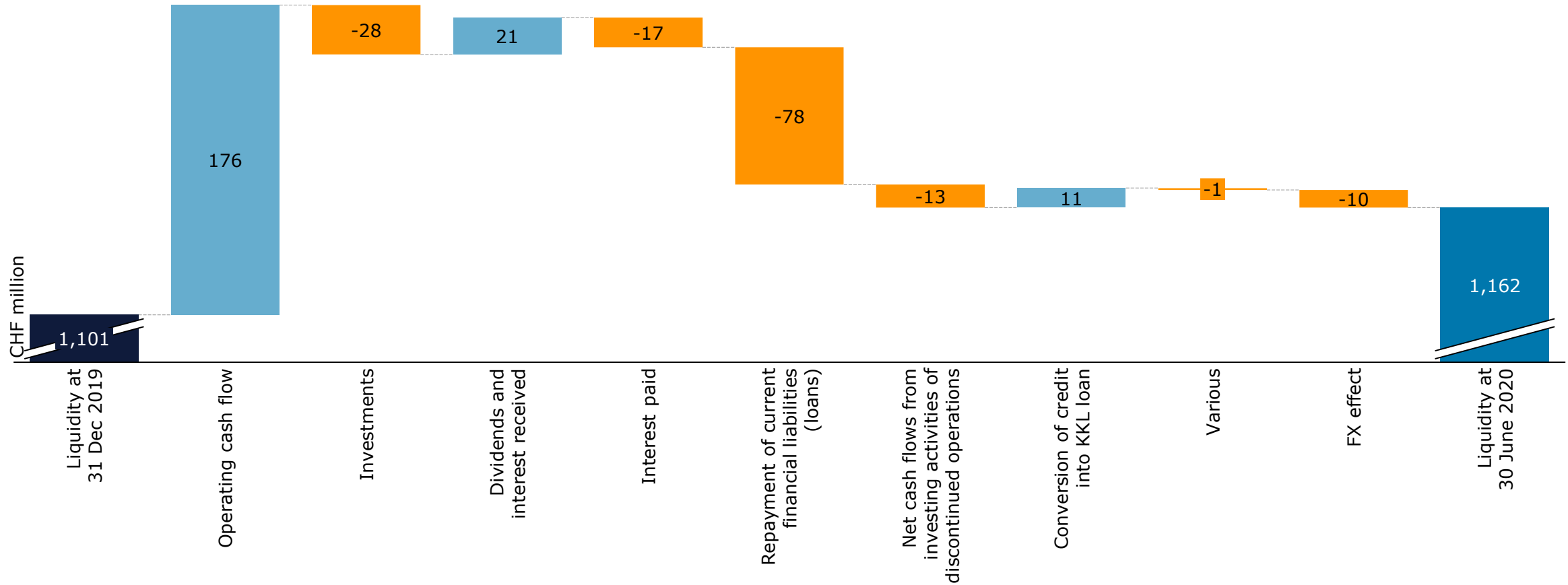
Development of operating cash flow

Alpiq has increased net cash flows from operating activities



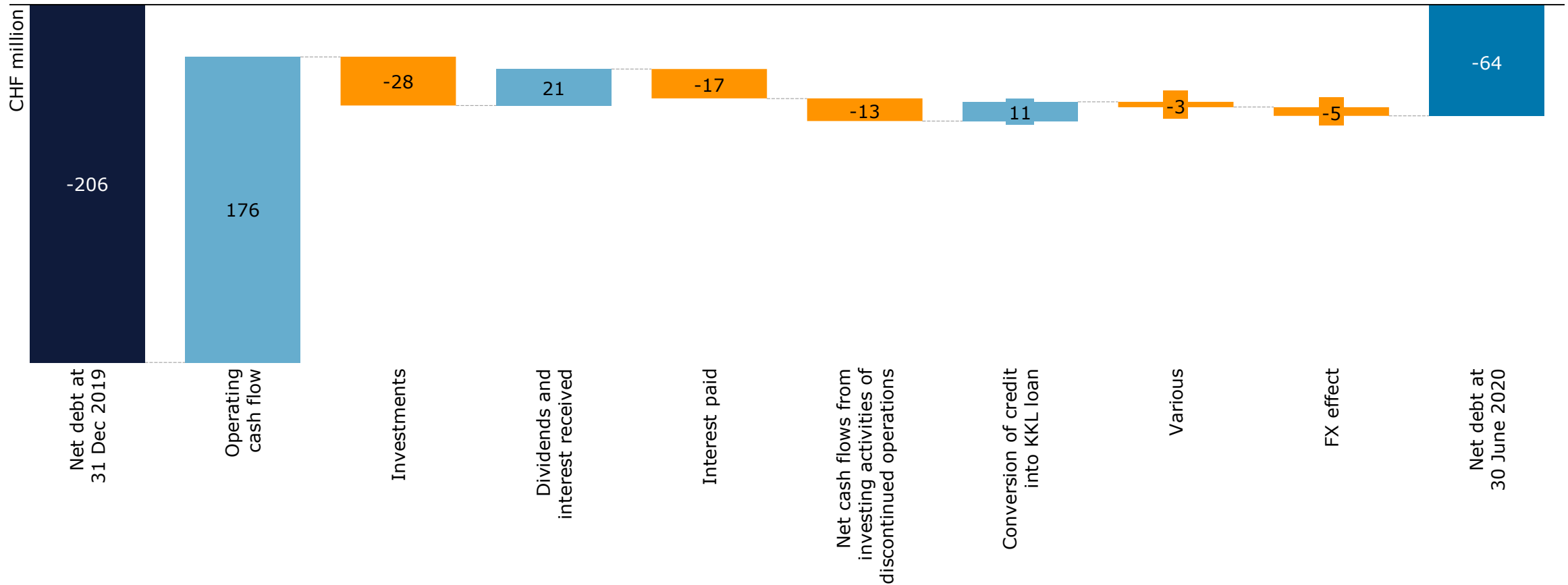
Development of liquidity

Liquidity strengthened thanks to higher operating cash flow



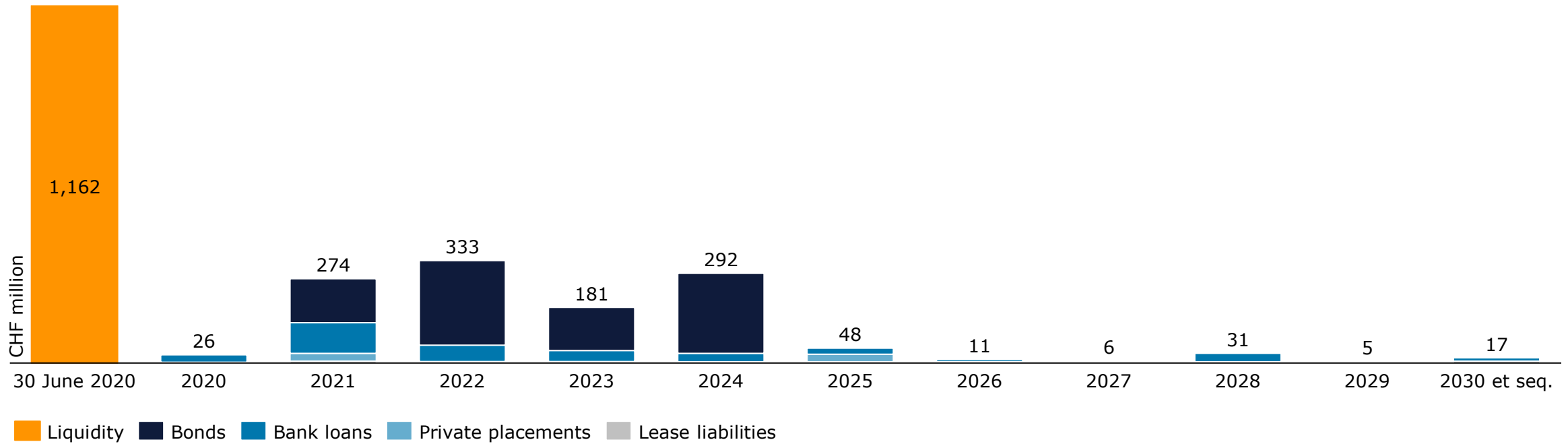
Development of net debt

Further reduction in net debt thanks to higher operating cash flow



Maturity profile at 30 June 2020

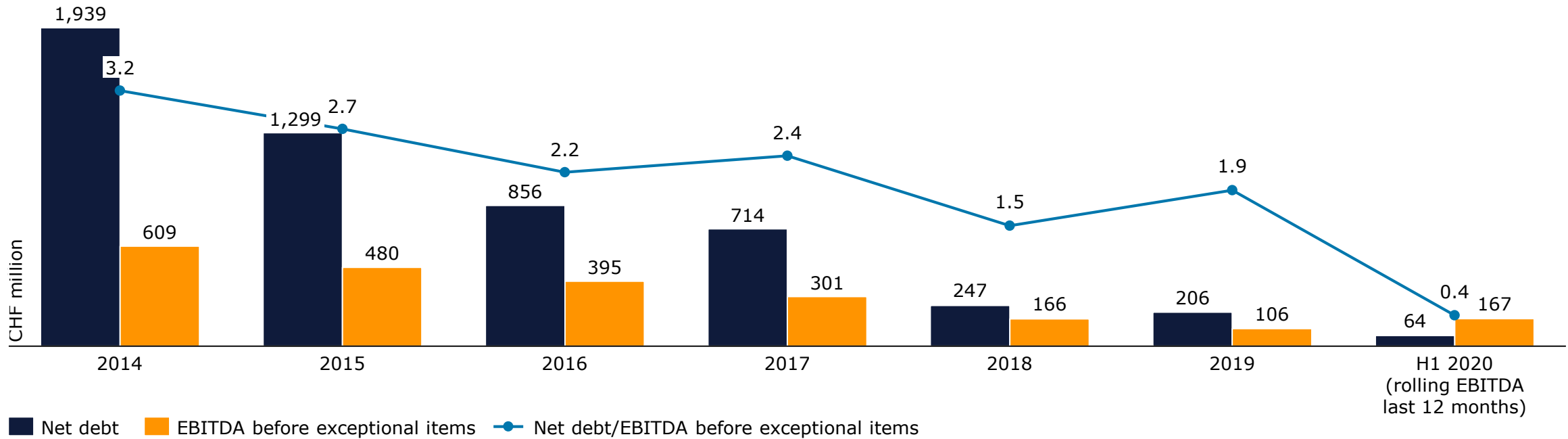
Financial liabilities staggered over long term



- Sound liquidity of CHF 1,162 million
- Financial liabilities of CHF 1,226 million

Net debt

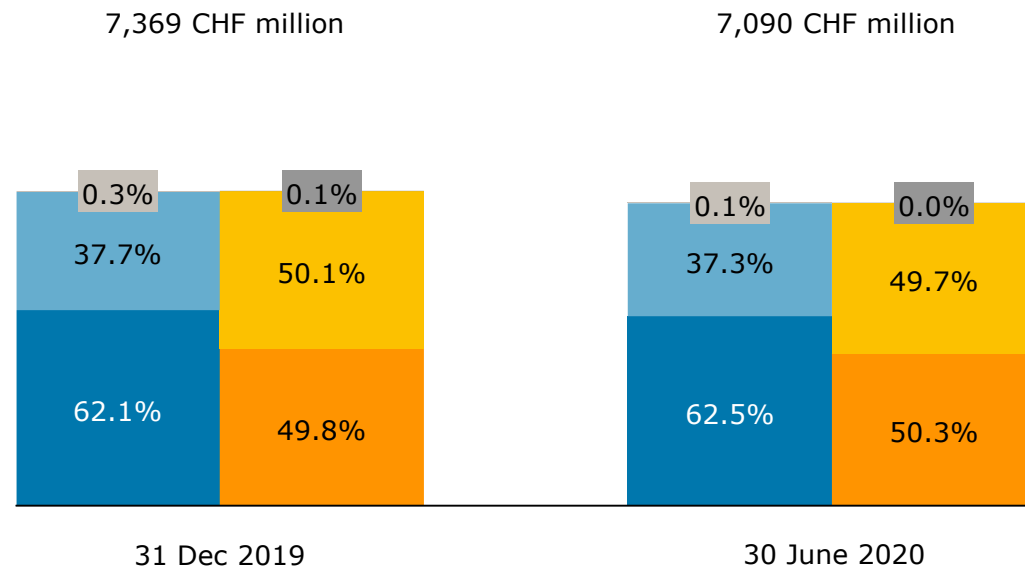
Further reduction in net debt thanks to systematic implementation of financial strategy



- Net debt further reduced by CHF 142 million to CHF 64 million
- Net debt/EBITDA before exceptional items of 0.4

Solid balance sheet

Liquidity increased – equity ratio stable



- **Liquidity** increased: **CHF 1.16 billion**
(31 Dec 2019: CHF 1.10 billion)
- **Equity ratio** stable: **50.3%**
(31 Dec 2019: 49.8%)



Squeeze-out merger

Transitional phase completed

- 24 June 2020: Alpiq Annual General meeting approves squeeze-out merger with Alpha 2020 Ltd.
- Alpiq Holding merged into Alpha 2020 Ltd.
- The absorption has no effect on Alpiq's relationships with customers, suppliers, partners or employees
- Merger: entered into the Swiss commercial register and is complete
- Transitional phase completed: change in the core shareholder structure, delisting of the Alpiq share, squeeze-out merger approved

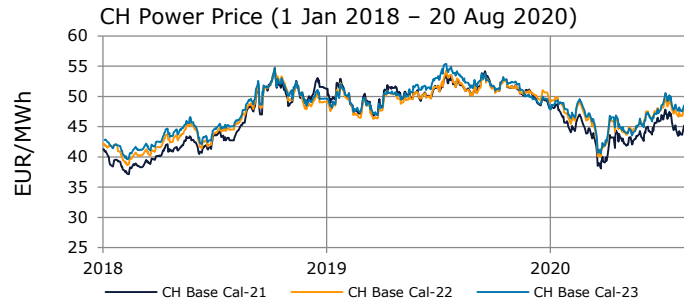
Arbitration proceedings with Bouygues Construction

Diverging views between Alpiq and Bouygues Construction on the definitive sale price

- In the request for arbitration proceedings filed by Bouygues Construction it increased the amount it is demanding from CHF 205.1 million to around CHF 319 million plus interest
- Alpiq filed its response and counterclaim on 14 July 2020
- Alpiq vehemently disputes the claim both in terms of its amount and on its merits
- Ruling by the arbitration court expected at some point in 2022

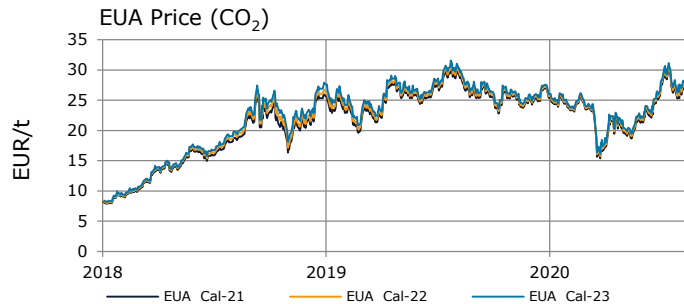
Alpiq has benefited from increased prices since 2020

Higher prices have delayed positive effect on earnings



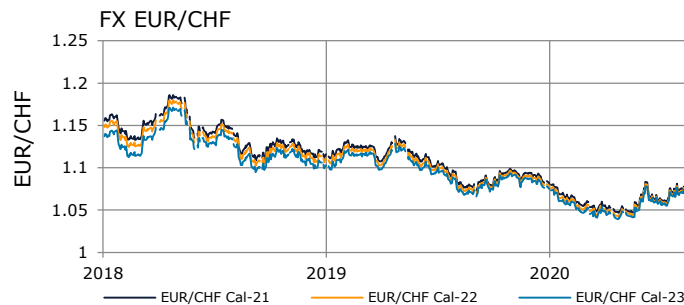
Electricity wholesale prices

- Substantial recovery since the slump in the first half of 2020
- Ø hedging price: 2021: 47 EUR/MWh
2022: 52 EUR/MWh



CO₂ prices

- More than tripled since the start of 2018
- Highly volatile, particularly in 2020



EUR/CHF exchange rate

- Delayed positive currency effect
- Ø hedging rate: 2021: 1.14 EUR/CHF
2022: 1.08 EUR/CHF



Transitional phase completed

- Delisting finalised
- CSA Energy Infrastructure Switzerland as a new shareholder
- Stable shareholder structure



Targeted strategy

- Power production in Switzerland and Europe
- International energy trading and customer business
- Alpiq focused on climate protection and security of supply



25 February 2021

Annual Results 2020
Annual Media and Financial Analyst Conference

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