

Axpo Analyst Conference Financial Year 2022/23

Baden, 4 December 2023



Key messages



Extraordinary good results in terms of profitability and cash flows



Positive contributions to earnings from all areas of the business



Trading & Sales once again with exceptional result



High availability of power plants



Significant increase in equity –Net positive financial position- Credit line from federal government revoked

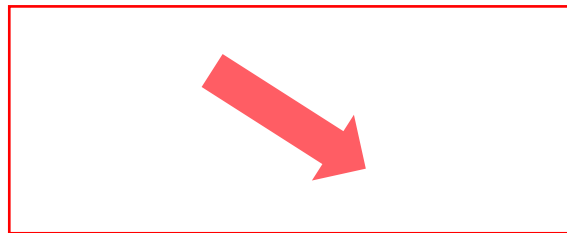
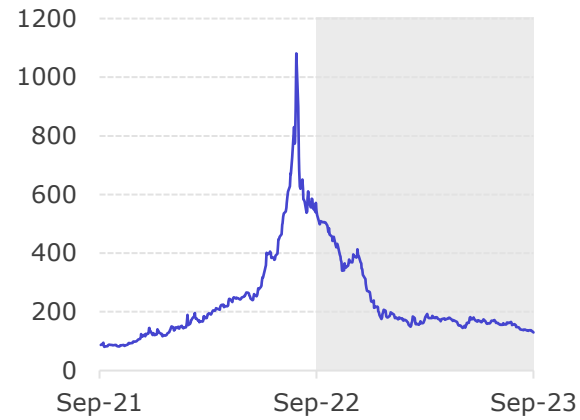


Diversified business model proving itself

Decreasing energy prices in volatile markets

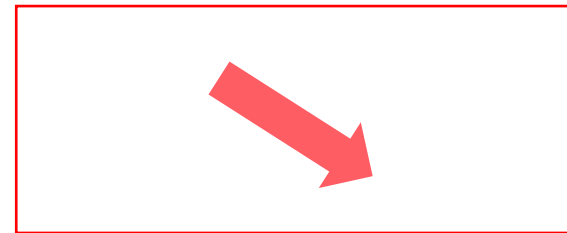
Power price

Cal 23 /24 (EUR/MWh)



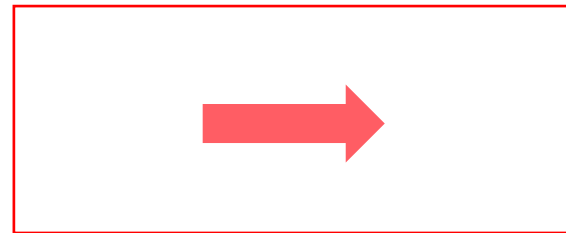
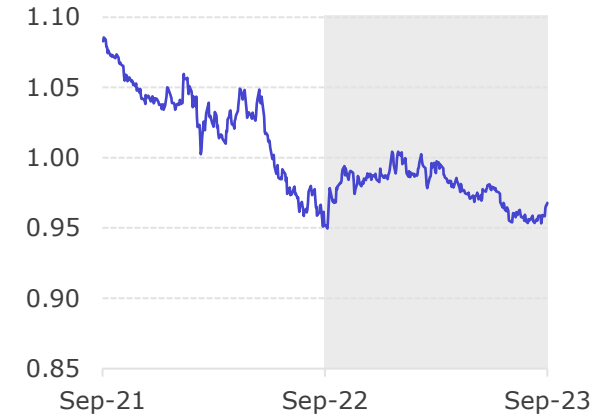
Country spread

LT Power Spread CH-DE (EUR/MWh)



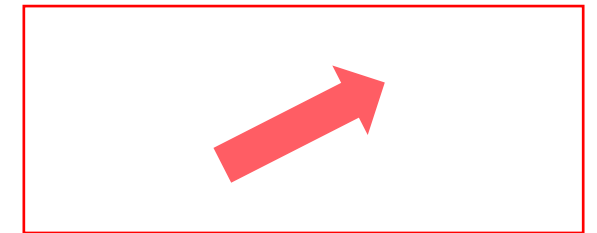
FX rate

FX rate EUR / CHF



Stock market

SMI



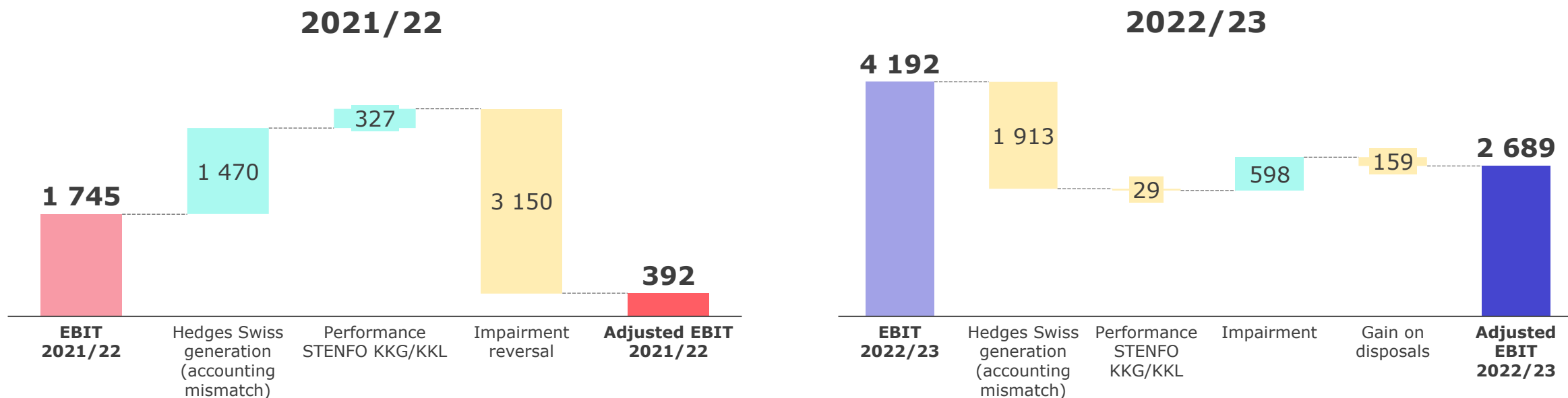
Extraordinary results in terms of profitability and cash flows

in CHF million

	2022/23	vs. previous year	
Adjusted EBIT	2 689	+2 297	<ul style="list-style-type: none"> • Exceptional results in Trading & Sales • Higher generation from nuclear and hydro power plants
EBIT	4 192	+2 447	<ul style="list-style-type: none"> • Positive impact from hedging of Swiss generation (accounting mismatch) • Positive performance STENFO +4.4%
Result for the period	3 389	+2 794	<ul style="list-style-type: none"> • Extraordinary result supported by profit shifts and capital market development
Free cash flow	3 766	+7 025	<ul style="list-style-type: none"> • Strong cash flows as expected supported by decreasing prices
Equity	11 565	+4 133	<ul style="list-style-type: none"> • Substantial increase in equity
Net debt	390	+4 034	<ul style="list-style-type: none"> • Net financial position improved by CHF 4 billion within one year

Expected financial effects materialised

in CHF million



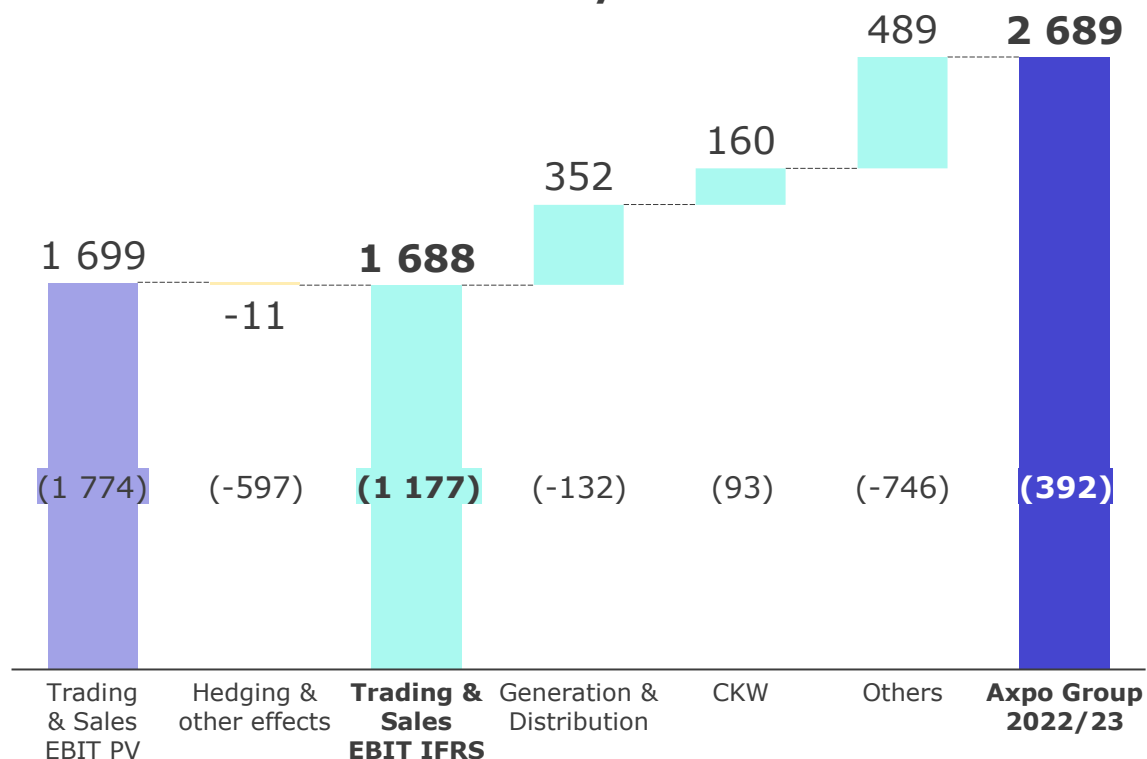
- Negative impact from hedging Swiss generation (accounting mismatch - unrealized)
- Negative performance STENFO -13.6%

- Positive impact from hedging Swiss generation (accounting mismatch - unrealized)
- Positive performance STENFO +4.4%
- Impairment mainly relates to Linth-Limmern

Positive contribution from all business areas – Trading & Sales exceptionally strong

in CHF million

Adjusted EBIT 2022/23

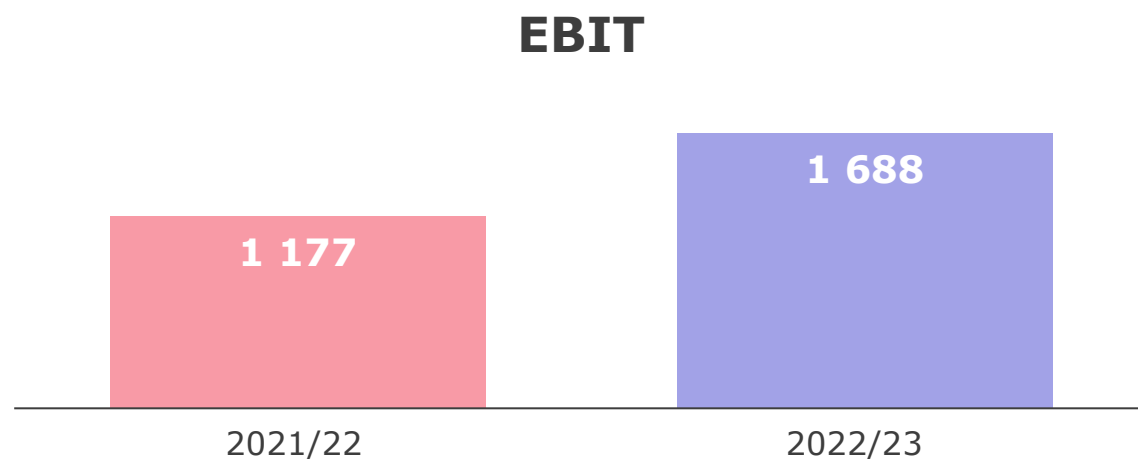


- Again extraordinary results in Trading & Sales
- Higher generation from nuclear and hydro power plants as main driver for Generation & Distribution
- CKW benefited from higher availability of power plants and higher prices
- Others mainly include the impact of hedging Swiss generation (accounting mismatch) not offsetting on segment level (reverse impact from prior year)

Prior year figures in brackets

EBIT by segment Trading & Sales

in CHF million



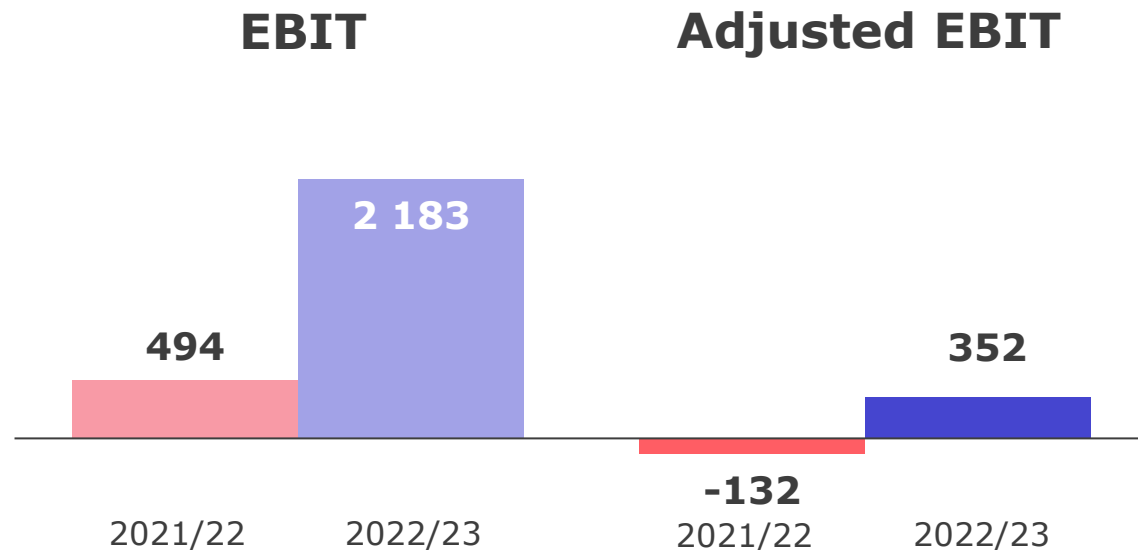
- High demand for tailor made energy solutions supports strong growth in Origination
- Proprietary trading benefiting from market volatility
- Asset-backed trading below exceptional prior year but still way above average historical results
- Significant reduction of risk metrics

in CHF million

	2021/22	2022/23
Gross margin asset-backed trading	1 313	648
Gross margin origination	885	1 168
Gross margin proprietary trading	89	504
Gross margin	2 287	2 320
Operating expenses	- 513	- 620
EBIT in Performance View	1 774	1 699
Hedging effects / other reconciliation items	- 597	- 11
EBIT IFRS	1 177	1 688

EBIT by segment Generation & Distribution

in CHF million

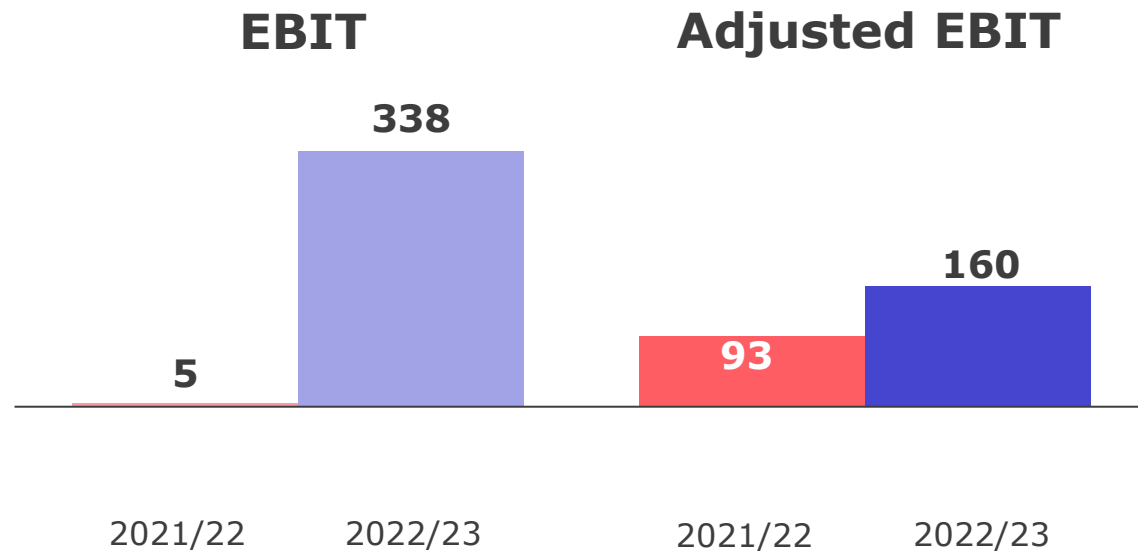


- Higher generation from nuclear power plants and hydro power plants due to higher availability and weather conditions
- No sale of wind/solar plants partially as expected
- Impairment reversal of prior year results in higher ordinary depreciation
- Positive impact from hedging of Swiss generation (accounting mismatch - unrealized), STENFO and gain on disposal of non-strategic investments
- Impairment mainly attributable to pump-storage power plant Linth-Limmern

Adjusted EBIT excluding the higher/lower STENFO return, impairment/impairment reversal on power plants, temporary shifts in income from hedging power generation and gain on disposals

EBIT by segment CKW

in CHF million



- Higher power prices and higher results from asset optimization
- Higher generation from nuclear power plants
- Positive impact from hedging of Swiss generation (accounting mismatch - unrealized), STENFO and gain on disposal from EWA-energieUri-Group

Adjusted EBIT excluding the higher/lower STENFO return, impairment/impairment reversal on power plants, temporary shifts in income from hedging power generation and gain on disposals

Result for the period also benefits from STENFO and FX result

in CHF million

	2021/22	2022/23
EBIT	1 745	4 192
Net interest expense	-208	-119
Performance STENFO	-410	+114
Net FX-result	-447	+57
Other financial result	27	-131
Income tax expense	-113	-724
Result for the period	594	3 389

- Positive performance on financial markets drives STENFO impact (additional EBIT-impact of CHF +29 million)
- Exchange rate gains on monetary items (strengthening of EUR vs. CHF)
- Income tax rate of 18%

Strong result also in terms of cash flow supported by reflows from collaterals

in CHF million

		2021/22	2022/23
Realised result from energy trading (mainly futures trading books)		5 863	-5 459
Unrealised result from energy trading (forwards trading books)	2	-5 998	8 687
Other		1 881	964
EBIT		1 745	4 192
Depreciation, amortisation and impairment		-2 324	1 068
Change in provisions		-83	-916
Margining futures hedges Swiss generation (own use books)	1	-5 243	5 814
Unrealised result from energy trading (forwards trading books)	2	5 998	-8 687
Income taxes paid		-251	-253
Other		-2 960	2 640
Cash flow from operating activities		-3 117	3 859

1 Collaterals in connection with the hedging of Swiss generation flow back due to realization and decreasing power prices

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

Continuous investments – divestment efforts concluded

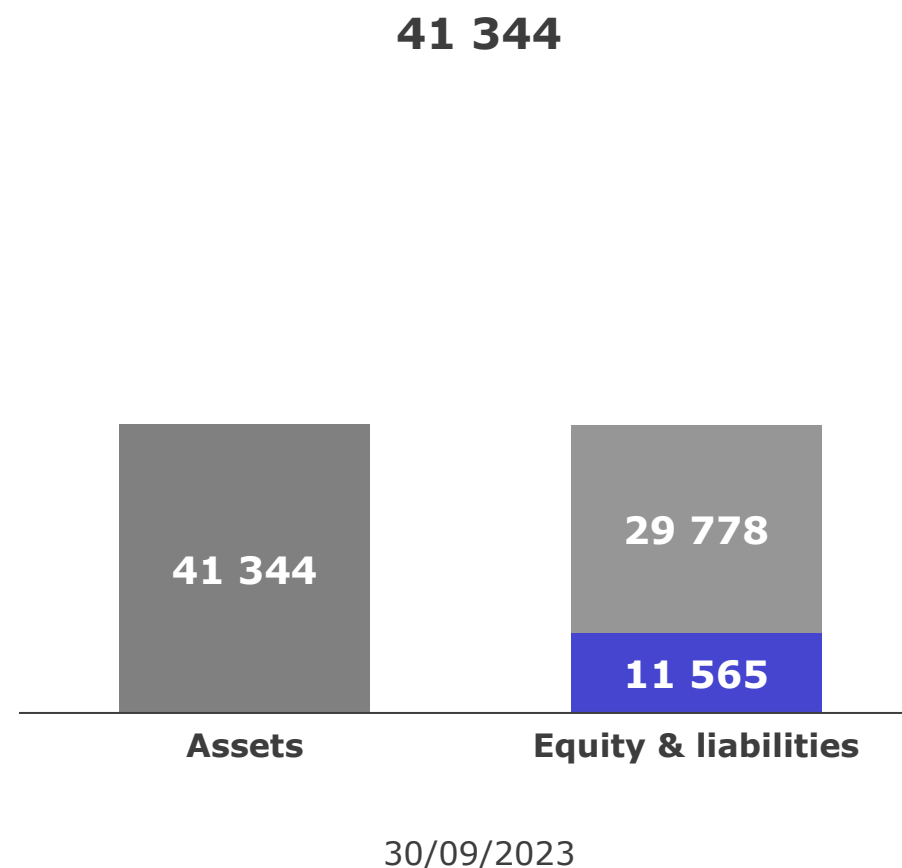
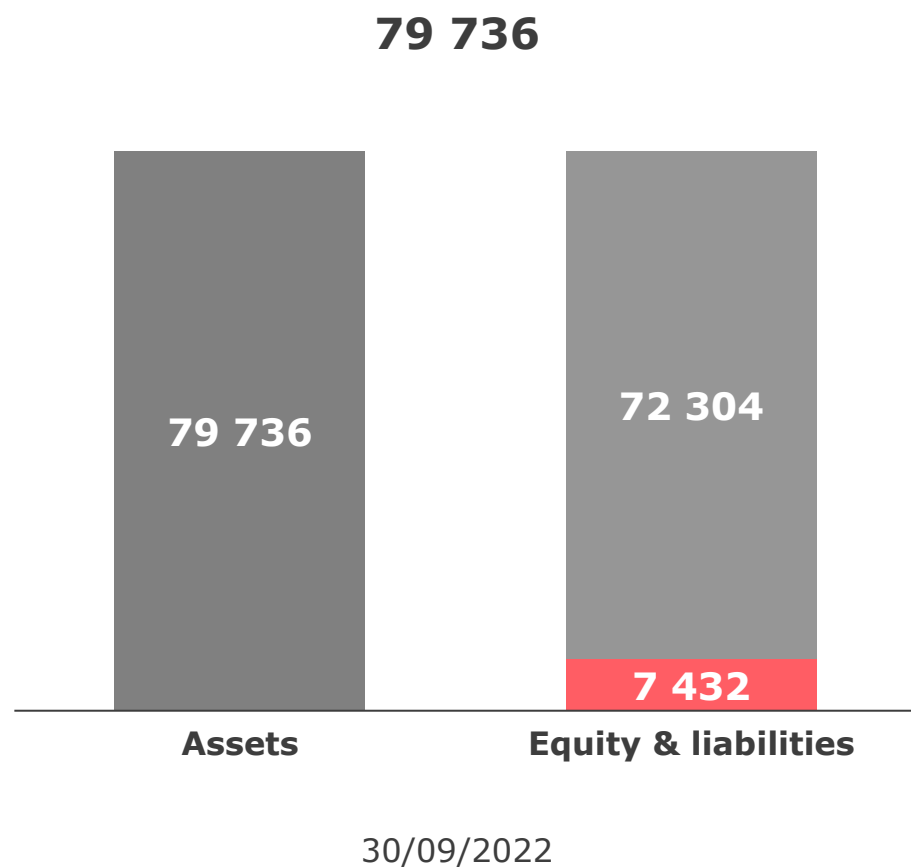
in CHF million

	2021/22	2022/23
Hydro	34	46
Nuclear	47	30
Distribution	104	122
Renewables	261	232
Other effects	42	45
Gross investments	488	475
Divestments, other	-346	-382
Net investments	142	93

- Gross investments of CHF 475 million mainly in renewables and distribution, of which
 - CHF 230 million in Switzerland
 - CHF 245 million international
- Disposal of non-strategic investments
 - Sale of 5% interest in Trans Adriatic Pipeline
 - Sale of 52.3% interest in EWA-energieUri-Group

Equity increase to CHF 11.6 billion

in CHF million



Positive net financial position

in CHF million

	30/09/2022	30/09/2023
Current financial liabilities	-2 890	-2 535
Non-current financial liabilities	-4 855	-4 616
Total eligible debt	-7 745	-7 151
Cash and cash equivalents	3 907	7 394
Time deposits	10	0
Financial assets	185	148
Total liquidity	4 101	7 542
Net financial position	- 3 644	390

- Reduction of net debt by CHF 4 billion within 12 months
- Increase of unsecured credit lines with financial institutions to CHF 11.6 billion, thereof CHF 6.1 billion committed
- Sale of minority share of Volt Beteiligung AG
- Unsecured, subordinated credit facility from Swiss government of CHF 4 billion never used

Credit line from federal government

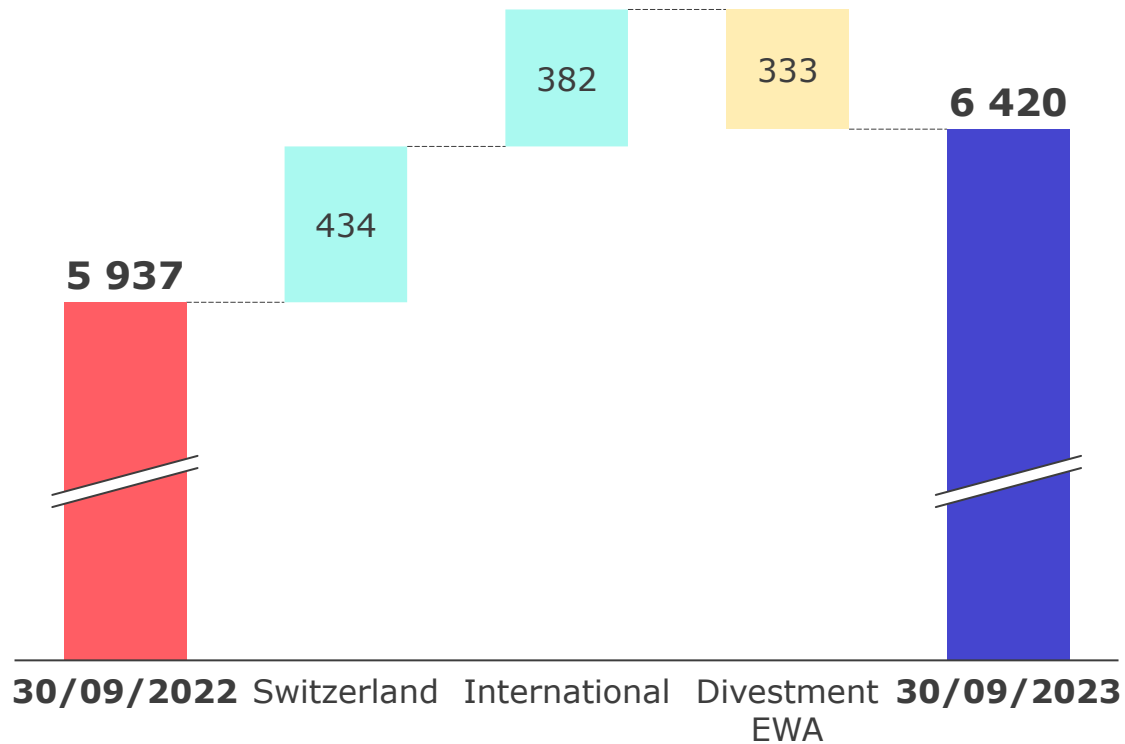
Revoked at Axpo's request

- The decree from the federal government on the CHF 4 billion credit line was revoked at Axpo's request on 1 December 2023
- Axpo did not utilise the credit line at any time
- FiREG still applies for Axpo until the end of 2026
- Audit confirms in March 2023:
 - Axpo has a detailed and well-documented risk management concept and a detailed liquidity management system that is standard in the industry
 - No significant deficiencies or objections identified



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 business

Diversified strategy again pays off

Three pillars



Energy supply

Make an important contribution to ensuring a reliable energy supply system



Renewable energies

Drive the energy transition forward and expand renewable energy sources



Customer and trading business

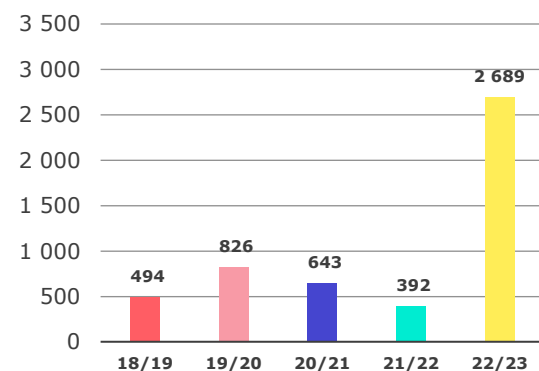
Expand customer business with energy trading solutions



Axpo with improved financial profile

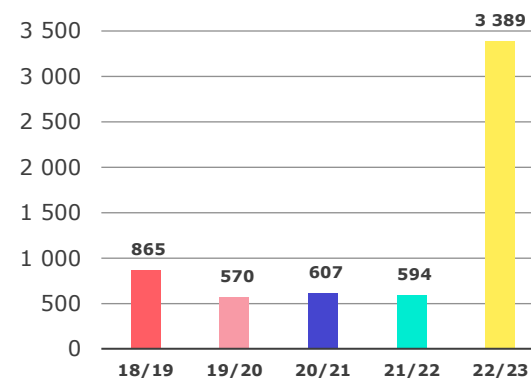
Adjusted EBIT

in CHF million



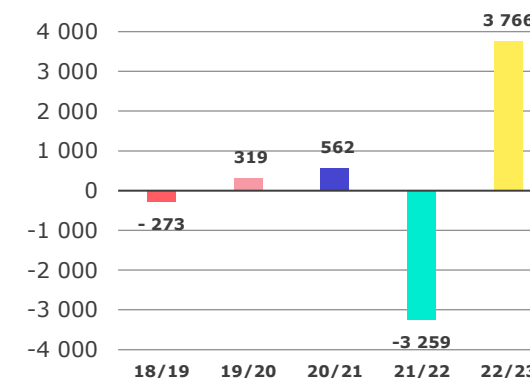
Result for the period

in CHF million



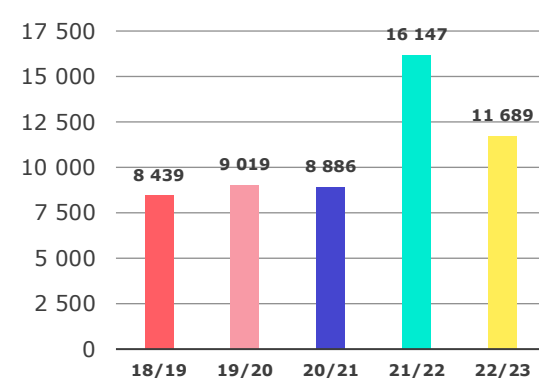
Free cash flow

in CHF million



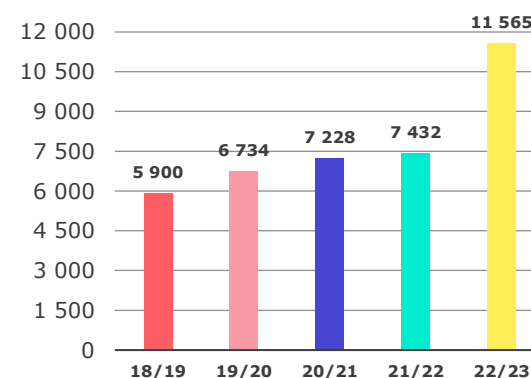
Net operating assets

in CHF million



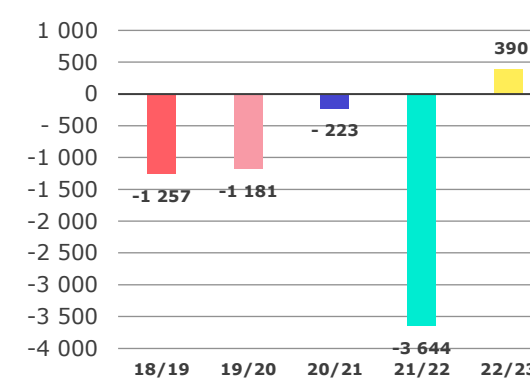
Equity

in CHF million

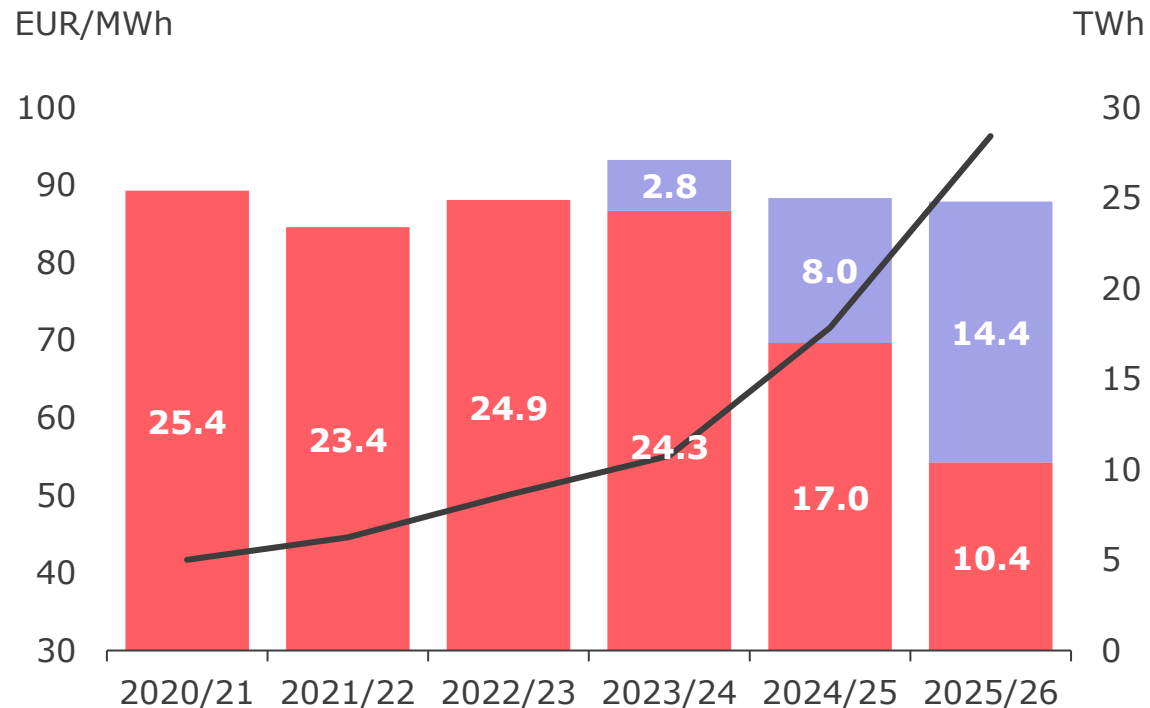


Net financial position

in CHF million



Status hedged position Swiss generation



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

- Hedging policy adjusted
- Total volume of 52 TWh was hedged as of 30 September 2023 (30.9.2022: 64 TWh)
- 2023/24: average hedged price of 55 EUR/MWh (30.9.2022 55 EUR/MWh)
- 2024/25: average hedged price of 72 EUR/MWh (30.9.2022 66 EUR/MWh)
- 2025/26: average hedged price of 96 EUR/MWh
- Axpo will benefit from higher prices from 2024/25 onwards

Outlook

Strategy allows for positive outlook



Lower result expected for 2023/24 as normalisation effects will not be repeated



Higher electricity prices will have a positive impact on results from financial year 2024/25

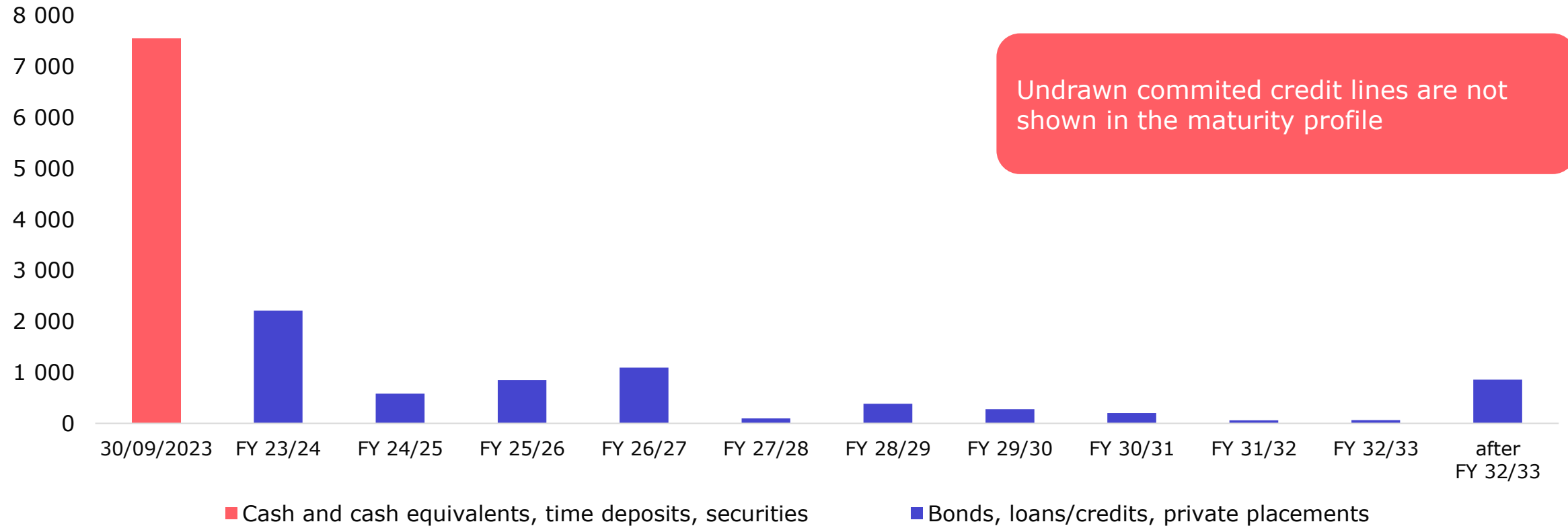


Axpo will further expand its leading position as an international energy company

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Maturity profile of bonds and loans

in CHF million





Switzerland's largest energy producer

- More than 6,700 employees, active in over 30 countries in Europe, North America and Asia
- 33 Twh electricity production
- Broad portfolio consisting of nuclear power, hydropower, solar power, wind power, biomass and gas
- Accounts for 40% of electricity generated in Switzerland, more than 100 power stations and 2,200 km of grids
- Axpo manages a renewable energy portfolio of 99 TWh, mainly through power purchase agreements (PPAs).
- Energy Risk Commodity Rankings: "Best Overall Power Dealer 2023"