

# Media Release

5 December 2024

## Axpo reports another successful financial year as strategy pays off

- **All divisions make good progress, with largest contribution to earnings once again from international customer and trading business.**
- **Adjusted EBIT of CHF 1,848 million, cash flow from operating activities CHF 1,466 million, net financial position increases to CHF 1,791 million while equity strengthens to CHF 13,151 million.**
- **Reliable supply of more than 40 per cent of electricity consumed in Switzerland; rapid expansion of renewable energies; status as international energy leader in customer and trading business further consolidated.**
- **Investments in long-term preservation of company value mitigate impact of expected ownership reversions and upcoming decommissioning of nuclear power plants.**
- **Board of Directors proposes CHF 241 million ordinary dividend plus additional special dividend of CHF 429 million.**

Axpo can once again look back on a successful financial year (1 October 2023 to 30 September 2024). During the reporting period, the company achieved good results and continued to make progress in the implementation of its strategy. With the reliable delivery of more than 40 per cent of all electricity consumed in Switzerland, Axpo also made a significant contribution to a secure energy supply on the domestic market. Axpo further expanded production from renewable energy sources and reinforced its position as an international energy company that helps its customers achieve their CO<sub>2</sub> targets.

**Axpo CEO Christoph Brand said:** "With our strategy, skills and market position, Axpo is in a stronger position today than ever before. Our deep roots in Switzerland bring with them a long-standing duty of responsibility to the domestic market which we will continue to fulfil into the future. Axpo currently supplies around 40 per cent of the electricity consumed in Switzerland and is the country's largest producer of renewable energies. Our portfolio for electricity generation and transmission over the coming years includes projects totalling around CHF 2 billion. At the same time, Axpo is also a globally successful energy company and we will continue to expand our international market presence. We're proud of our combination of strong Swiss roots and international growth, and remain convinced that this provides Axpo with the best possible chance of remaining successful over the long term."

## **Good results thanks to strong operating performance**

Energy prices returned to normal during the reporting year, approaching pre-crisis levels. Volatility also decreased, although it remained above the long-term average. In what continued to be a dynamic environment, Axpo achieved good results. During the reporting year, electricity generated by Axpo power plants in Switzerland was delivered at prices that were agreed three years previously at a far lower level than today. Adjusted earnings before interest and tax (EBIT) of CHF 1,848 million were due to a strong operating performance across all business areas. However, these earnings were below the previous year's extraordinary result of CHF 2,689 million.

## **All business areas making good progress**

The **Generation & Distribution** division improved adjusted earnings compared to the prior year by CHF 50 million to CHF 402 million. This is primarily due to the high availability of Swiss nuclear power plants and the 20 per cent increase in production from hydropower as a result of the weather. As expected, the **Trading & Sales** international customer and trading business was unable to repeat the exceptional results seen last year. However, the division once again made the largest contribution to corporate earnings, posting results of CHF 1,112 million (prior year: CHF 1,688 million). Above all, this was achieved thanks to the delivery of tailor-made energy services to business customers (origination) and the division's almost 1.7 million points of delivery in Italy, Spain, Portugal and Poland. At CHF 116 million, adjusted earnings at Axpo's Swiss subsidiary **CKW** were below the previous year (CHF 160 million) due to lower electricity prices. The overall result for the period was CHF 1,509 million (prior year: CHF 3,389 million).

## **Net financial position, equity strengthened**

Gross investments – primarily in the construction of solar and wind power plants and grid expansion – amounted to CHF 509 million (of which CHF 279 million was in Switzerland). This was slightly above the prior year (CHF 475 million). As a result of lower operating cash inflow and increased net investments, free cash inflow fell to CHF 1,099 million (prior year: CHF 3,766 million). The continued fall in energy prices also led to a further reduction in the balance sheet during the reporting year. Total assets amounted to CHF 34,025 million as at 30 September 2024. Equity increased by CHF 1,586 million to CHF 13,151 million. With the slight drop in liquidity to CHF 7,355 million and reduction in financial liabilities of CHF 7,152 million to CHF 5,564 million, the net financial position improved to CHF 1,791 million. While no dividend payments were made in the past two reporting years, this year the Board of Directors proposes the payment to shareholders of an ordinary dividend of CHF 241 million and an additional special dividend of CHF 429 million in view of these good results and the company's solid capital situation.

## **Major contribution to secure energy supply in Switzerland**

Axpo once again made a significant contribution to a secure and reliable electricity supply in Switzerland during the past financial year. With more than 100 power plants operated with partners plus its long-term energy procurement contracts, Axpo covered around 40 per cent of Swiss electricity demand. Of the electricity supplied by Axpo, 53 per cent came from reliably producing Swiss nuclear power plants and long-term contracts with Electricité de France (EDF) and 30 per cent from Swiss hydropower plants. Towards the end of the reporting period, Axpo also concluded a supply contract with a Swiss gas provider, enabling the latter to purchase gas flexibly from various European hubs. This and other

contracts with Swiss gas providers contribute to the reliable supply of gas to Switzerland, which is an important intermediate source of energy on the path to climate neutrality.

### **Rapid expansion of solar and wind power plants**

During the reporting year, Axpo further expanded its generation of electricity from wind and solar power plants. A total of 214 megawatts (MW) of solar power and 89 MW of wind power were added to the company's portfolio. In Switzerland, Axpo's subsidiary CKW installed around 1,000 roof-mounted PV plants during the reporting year. However, the potential of Alpine PV plants has proven to be lower than originally expected. Current framework conditions and challenging economic viability mean that development activities have unfortunately stagnated industry-wide. But there is still significant untapped potential in Switzerland for the clean and cost-efficient production of electricity from wind energy, particularly for plants that produce urgently needed power during the cold winter months. In the Axpo Model 2050, Axpo calculates that production from wind power in Switzerland could reach as much as 10 terawatt hours (TWh); the potential could be significantly higher from a technical point of view. The company has strengthened its wind power team in Switzerland and is currently evaluating various wind farm locations.

### **Pioneering role in hydrogen, biogas and energy storage systems**

With the commissioning of Switzerland's largest green hydrogen production plant to date, Axpo achieved another renewable energy milestone during the year. Operated with local partner Rhienergie, the facility in Domat/Ems is directly connected to the Reichenau hydropower plant and can produce around 350 tonnes of climate-neutral green hydrogen a year. This could lead to annual savings of up to 1.5 million litres of diesel. Further hydrogen projects both in Switzerland and internationally are currently being evaluated and implemented by Axpo. However, it should be noted that the hydrogen market is currently developing more slowly than expected as economic viability remains a challenge.

Axpo is also a pioneer in the development of biomass and biogas plants. With 15 biogas facilities across Switzerland producing renewable energy and nutrient-rich natural fertilisers, Axpo is the country's leading company in the dry fermentation of organic waste, while it also operates a number of biogas plants at various international locations.

As the share of solar and wind energy in the electricity mix continues to rise, storage options are becoming increasingly important. For several years, Axpo has been a leader in the development, construction and marketing of large-scale battery solutions. The company already operates several battery storage plants in Switzerland and provides marketing services for third parties. During the reporting year, Axpo put one of Sweden's biggest large-battery storage systems into operation. This facility provides balancing energy for the maintenance of local electricity grid equilibrium. Further projects in Switzerland and internationally are currently in development.

### **Success of international customer and trading business continues**

Axpo continued to strengthen the leading position of its international customer and trading business, which once again made the largest contribution to earnings during the reporting year. Indeed, over the last ten years the international business has contributed more than half of Axpo's total earnings. While decreased energy price volatility compared to the previous year had a significant impact on earnings potential, the further normalisation of prices led to increased interest from industrial companies in long-term corporate power purchase agreements (PPAs). In general, the reliable availability of energy at economic and predictable prices is becoming increasingly decisive in ensuring that companies can

remain competitive. Challenges associated with the energy transition further complicate the situation for businesses. Axpo offers its clients in-depth advice and tailor-made solutions to manage their specific energy needs. In addition to PPAs, this includes products and services from across the energy spectrum that enable companies to procure the right source of energy at the right time and in the right quantities.

The leading role of Axpo as an international provider of energy products and services continues to be recognised by its customers. Axpo was named 'Renewables Firm of the Year' at the prestigious Energy Risk Awards, and took first place in a number of key categories and markets in the Energy Risk Commodity Rankings. Axpo's comprehensive knowledge of the market, reliability, flexibility and ability to implement projects swiftly were all decisive factors cited by the company's customers.

### **Employees key to success**

Axpo's success is due above all to its more than 7,000 employees, of whom around 5,000 work in Switzerland. To attract and retain the best talent, Axpo attaches great importance to encouraging a positive and enabling corporate culture. To that end, the company has introduced specific training and development programmes and opportunities for employees to broaden their experience by working in other countries and areas of the business. During the reporting year Axpo initiated a training campaign in Switzerland. By 2030, the company intends to implement targeted measures, aiming to become the leading provider of training opportunities in the Swiss energy sector, with apprentices making up around 15 per cent of its total workforce. This would see the number of apprentices increasing from the current 426 to 600. During the year, Axpo subsidiary CKW also began offering apprenticeships for the new professions of solar engineer and solar installer.

### **Proven strategy secures future viability**

Axpo's stated ambition is to enable a sustainable future through innovative energy solutions. The corporate strategy is based on three pillars: contributing significantly to a secure energy supply system; advancing the energy transition and building renewables; and growing the customer business with energy trading solutions. Sustainability is a central part of this. With innovative energy solutions and the consistent expansion of renewable energies, Axpo is contributing to the long-term security of energy supply, while at the same time aiming to fully decarbonise its own value chain by 2050. Continued growth in renewable energies and its international customer and trading business are crucially important for Axpo. Major risks are still associated with Swiss electricity production, while earnings lost by the expected ownership reversion of hydropower plants through expiring concessions and the upcoming decommissioning of nuclear power plants need to be replaced. In short, to maintain its earning power, continue to invest in Switzerland's energy supply, and pay its shareholders an appropriate dividend, Axpo must generate additional income.

### **Outlook**

Due to the global political situation, markets remain unstable and future developments uncertain. Axpo is making good progress despite these challenges and is successfully implementing its strategy. As for the financial outlook, it must be taken into account that Axpo no longer hedges its entire electricity production for three years. From the coming financial year, the increased electricity prices will have a positive effect on Axpo's results. Fluctuations in the value of funds for the decommissioning and disposal of nuclear power plants (STENFO) in Switzerland will also impact future financial results.

## Key figures for the Axpo Group

(1 October 2023 – 30 September 2024)

	<b>2023/24</b> <b>(in CHF</b> <b>million)</b>	<b>2022/23</b> <b>(in CHF</b> <b>million)</b>
Total income	7,635	10,451
EBIT (earnings before interest and tax)	1,754	4,192
in % of total income	23.0%	40.1%
Adjusted EBIT	1,848	2,689
in % of total income	24.2%	25.7%
Result for the period (profit)	1,509	3,389
in % of total income	19.8%	32.4%
Cash flow from operating activities	1,466	3,859
Net investments in non-current assets (excluding loan receivables)	-367	-93
Total assets	34,025	41,344
Net financial position	1,791	390
Equity including non-controlling interests	13,151	11,565
Employees (full-time equivalents)	7,023	6,420

**More information at <https://www.axpo.com/group/en/investor-relations/annual-results-2024.html>**

### About Axpo

Axpo's ambition is to enable a sustainable future through innovative energy solutions. Axpo is Switzerland's largest producer of electricity and an international leader in energy trading and the marketing of solar and wind power. Axpo combines the experience and expertise of more than 7,000 employees who are driven by a passion for innovation, collaboration and impactful change. Using cutting-edge technologies, Axpo innovates to meet the evolving needs of its customers in over 30 countries across Europe, North America and Asia.

### Additional information

Axpo Holding AG, Corporate Communications  
T 0800 44 11 00 (Switzerland), T +41 56 200 41 10 (international)  
(can be reached from 08.00 to 17.30)  
medien@axpo.com