

Media Release
25 February 2021

Alpiq reports strong results of operations

- **EBITDA before exceptional items: CHF 262 million**
- **Solid and strengthened balance sheet thanks to systematic financial strategy**
- **Business model proves itself in COVID-19 pandemic**
- **Board of Directors proposes dividend distribution**
- **Positive earnings expected for 2021, below the previous year**
- **CFO Thomas Bucher to leave Alpiq**
- **Antje Kanngiesser is new CEO from 1 March**

Lausanne – The Alpiq Group (Alpiq) generated EBITDA before exceptional items of CHF 262 million in the 2020 financial year (2019: CHF 110 million). All three business divisions made positive contributions to earnings. Alpiq benefited in particular from the hedged electricity prices for Swiss production, higher demand for flexible power production and higher market volatility on the energy markets.

Solid and strengthened balance sheet thanks to systematic financial strategy

The company systematically continued its financial strategy. Alpiq increased its net cash flows from operating activities of continuing operations to CHF 117 million (2019: CHF -17 million). Net debt rose to CHF 249 million (31 December 2019: CHF 206 million). Thanks to higher results of operations, the gearing ratio (net debt/EBITDA before exceptional items) of 1.9 at 31 December 2019 was reduced to 1.0 at 31 December 2020. Alpiq has sound liquidity of CHF 1.0 billion at 31 December 2020 (31 December 2019: CHF 1.1 billion), the equity ratio improved in quality thanks to the conversion of the shareholder hybrid loan and increased quantitatively to 51.2 % (31 December 2019: 49.9 %).

New investments in Swiss large-scale hydropower currently not economical

The Generation Switzerland business division closed the year with EBITDA before exceptional items of CHF 135 million. The main drivers were hedged electricity prices, strict cost management and high availability of the plants. The price recovery on the forward markets cannot distract from the fact that new investments in large-scale hydropower currently only make economic sense with government support.

In French-speaking Switzerland, at the Nant de Drance pumped storage power plant, in which Alpiq holds a stake of 39 %, the test phase of technical commissioning was successfully continued in 2020. The 900 MW power plant will be commissioned for commercial use from the end of 2021. In addition, Alpiq concluded an agreement to renew the concessions for the Salanfe hydropower plant with seven Valais municipalities from 2033. In German-speaking Switzerland, Alpiq extended the concession for the Gösgen hydropower plant for another 70 years until 2089.

Alpiq recorded higher production in the area of nuclear power, as some of the planned overhauls were postponed in consultation with the Swiss Federal Nuclear Safety Inspectorate (ENSI) to 2021 because of the COVID-19 pandemic. The safety of the plants was guaranteed at all times.

International power production positive

The Generation International business division again closed the year with positive EBITDA before exceptional items of CHF 59 million. As expected, earnings were down on the previous year because there were no contributions to earnings from the Czech brown coal-fired power plants Kladno and Zlín after their divestment for strategic reasons in 2019.

In Sweden, Alpiq signed a co-ownership agreement for the Tormoseröd wind farm developed by Alpiq, which will generate climate-friendly electricity with an installed capacity of up to 72.6 MW from the end of 2022. In Switzerland, the Bel Coster, Tous-Vents and EolJorat Nord wind power projects were driven forward, so as to supply the regions with environmentally-friendly electricity in future.

Energy trading successful thanks to market volatilities

The Digital & Commerce business division closed the year with EBITDA before exceptional items of CHF 99 million. Energy trading in particular generated stronger income and achieved very good earnings on the back of higher demand for flexible power production and higher market volatility on the energy markets.

Alpiq is active in the customer business in 30 European markets. As part of its corporate strategy with a greater focus on business customers, Alpiq expanded its market position in the Nordic countries.

Tried-and-tested business continuity management

From day one of the COVID-19 pandemic, Alpiq systematically aligned its measures to two overarching objectives: to protect the health of its employees and their families and to limit the risk of infection among employees, in order to secure business operations at all times. The business continuity management demonstrated throughout the year that it is crisis-proof. Even under these circumstances, Alpiq continued its business activities without any major restrictions at all times and on all markets, to the benefit of its customers.

Litigation comes to an end

Alpiq and Bouygues Construction have drawn a line under the litigation from the sale of the Engineering Services business that has been ongoing since 2018 and reached a settlement for CHF 54.5 million in 2020.

Board of Directors proposes dividend distribution

The Board of Directors of Alpiq Holding Ltd. will submit a proposal to the Annual General Meeting to distribute a dividend of CHF 46 million for the 2020 financial year on account of the positive earnings situation.

CFO Thomas Bucher to leave Alpiq

Thomas Bucher, member of the Executive Board and CFO of the Alpiq Group, has decided to leave the company after six years. Thomas Bucher played a decisive role in the successful restructuring and focusing of Alpiq. The company now has a stable financial basis. The Board of Directors and Executive Board thank Thomas Bucher for his excellent work and teamwork. Alpiq will communicate the exit date at a later point in time. The search for his successor has been initiated.

Antje Kanngiesser is Alpiq's new CEO from 1 March 2021

With Antje Kanngiesser as the new CEO of the Alpiq Group, Alpiq is tackling a new growth chapter on the European markets. Antje Kanngiesser has an outstanding and deep understanding of the energy industry and is the ideal person to lead Alpiq into the future. From 1 March onwards, Jens Alder will be concentrating on the strategic management of Alpiq Holding Ltd. as Chairman of the Board of Directors.

Positive earnings expected for 2021, below the previous year

In 2021, Alpiq will also invest in its tried-and-tested, sustainable business model. For the 2021 financial year, Alpiq expects positive results of operations that are down on the previous year. While the electricity and CO2 prices on the wholesale markets hedged in Swiss francs will also have a positive effect on Alpiq's earnings in 2021, the annual results for 2020 contain one-off effects that had an above-average positive influence on earnings. In 2021, an extended overhaul of the Leibstadt nuclear power plant will have a major impact on earnings. Furthermore, the effects of the COVID-19 pandemic cannot yet be fully assessed at present.

Key financial figures of the Alpiq Group for the 2020 financial year

[Key financial figures of the Alpiq Group – PDF](#)

You can find the current Annual Report as well as past reports at: www.alpiq.com/reports

Message for the media: The online media conference on the Annual Results 2020 is taking place today, 25 February 2021, from 9.15 a.m. to 10.30 a.m.

You can find the dossier for the Annual Results and the online Annual Report 2020 here:

<https://www.alpiq.com/alpiq-group/about-alpiq/publications/>

For more information about Alpiq, please visit www.alpiq.com

Media Relations: Sabine Labonte
T +41 62 286 71 10
media@alpiq.com

Investor Relations: Lukas Oetiker
T +41 62 286 75 37
investors@alpiq.com