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Earnings expected to recover in 2020

- **EBITDA before exceptional items: CHF 106 million**
- **Good year for new renewable energies in Europe and international energy trading**
- **Phase-out of coal negatively impacts business figures for 2019**
- **Solid balance sheet thanks to a systematic financial strategy**
- **Earnings expected to recover in 2020**
- **Alpiq is part of a climate-friendly energy future**

Lausanne – In the 2019 financial year, the Alpiq Group (Alpiq) generated EBITDA before exceptional items of CHF 106 million (2018: CHF 166 million). New renewable energies and international energy trading had a good year, whereas earnings were negatively impacted by the strategically important phase-out of coal, among other things. Alpiq is well prepared for a climate-friendly energy future.

Solid balance sheet thanks to a systematic financial strategy

Alpiq systematically continued its financial strategy. Net debt was reduced to CHF 206 million (31 December 2018: CHF 247 million). At 31 December 2019, Alpiq has solid liquidity of CHF 1.10 billion (31 December 2018: CHF 1.25 billion), the equity ratio improved to 49.8 % (at 31 December 2018: 43.5 %).

Climate-friendly Swiss production operating at a loss

The Generation Switzerland business division, which comprises the production of electricity from climate-friendly Swiss hydropower and nuclear power, closed the year at CHF -26 million at EBITDA level despite the market premium for hydropower.

Construction work in the Nant de Drance pumped storage power plant, in which Alpiq holds a stake of 39 %, made great progress. After it is commissioned for commercial operations, the 900 MW power plant is expected to make a major contribution to the stabilisation of the Swiss and above all the European electricity grid from 2021 onwards.

International power production makes biggest contribution

With EBITDA before exceptional items of CHF 88 million, the Generation International business division once again made the biggest contribution to the Alpiq Group’s results of operations in the 2019 financial year. The new renewable energies, comprising onshore wind power plants, photovoltaic plants and small-scale hydropower plants, delivered an excellent result.

Thermal power plants made a smaller contribution to earnings than in the previous year, especially on account of the strategic sale of the two Czech coal-fired power plants Kladno and Zlín. Alpiq has reduced the CO2 emissions of its power plant portfolio by more than 60 % by phasing out coal.

Encouraging year for energy trading

The Digital & Commerce business division closed the financial year with positive results of operations of CHF 48 million. International energy trading enjoyed an encouraging year: In particular, Alpiq successfully used its flexible gas-fired combined-cycle power plants in Italy and made the most of the market dynamics in energy trading.

Alpiq further expanded its origination and sales portfolio within its pan-European energy business. Overall, the company supplied its large customers in Europe with roughly 40 TWh of energy and across Europe manages a portfolio with an installed capacity of 2.5 GW, primarily from new renewable energies such as wind and photovoltaics.

In the large-customer business, Alpiq expanded its position on the French market and was awarded the title of best electricity supplier for industrial customers for the third time in a row. In the business with small companies and private customers, the company continued to invest in expanding the digital retail business in the liberalised European markets.

Partner for zero-emission mobility

Looking towards a climate-friendly energy future, Alpiq developed its digital energy services further. In the area of e-mobility, Alpiq intensified sales activities in the home market of Switzerland as well as in Germany, Austria and Italy in a targeted manner.

Alpiq also plays an active role in shaping low-emission mobility with industrial partnerships and cooperations. In the meantime, Switzerland’s largest hydrogen production plant has been installed at Alpiq’s Gösgen hydropower plant for commercial operations.

Board of Directors proposes zero dividend

The Board of Directors of Alpiq Holding Ltd. will submit a proposal to the Annual General Meeting that no dividend be distributed for the 2019 financial year on account of the earnings situation. Moreover, Alpiq will pay no interest to the Swiss consortium shareholders on their hybrid loan. However, it is planned to continue to service the hybrid bond that was placed publicly. The next interest payment on this bond is planned for 16 November 2020.

Recovery expected in 2020

The electricity and CO_2 prices on the wholesale markets hedged in Swiss francs are having a positive effect on Alpiq's earnings in 2020.

Alpiq is part of a climate-friendly energy future and aims to play an active role in shaping it, in Switzerland and Europe.

Key financial figures of the Alpiq Group for the 2019 financial year

CHF million	2019	2018	Results of operations before exceptional items % change	2019	2018	Results under IFRS % change
Net revenue [1]	4,080	5,240	-22.1	4,099	5,186	-21.0
Earnings before interest, tax, depreciation and amortisation (EBITDA) [1]	106	166	-36.1	168	9	>100.0
Depreciation, amortisation and impairment [1]	-127	-155	-18.1	-401	-169	>100.0
Earnings before interest and tax (EBIT) [1]	-21	11	>-100.0	-233	-160	-45.6
as % of net revenue	-0.5	0.2		-5.7	-3.1	
Earnings after tax from continuing operations				-226	-261	13.4
as % of net revenue				-5.5	-5.0	
Earnings after tax from discontinued operations				-42	198	>-100.0
Net income				-268	-63	>-100.0
as % of net revenue				-6.5	-1.2	

[1] Only continuing operations

CHF million	31 Dec 2019	31 Dec 2018	% change
Total assets	7,369	9,074	-18.8
Total equity	3,671	3,944	-6.9
as % of net revenue	49.8	43.5	

	2019	2018	% change
Own production (GWh) [1]	15,407	14,538	6.0
Number of employees at the reporting date [2]	1,226	1,548	-20.8
of which in Switzerland	676	655	3.2
of which in surrounding European countries	550	893	-38.4

[1] Net share attributable to Alpiq from total power plant production (after deducting pumped energy), excluding long-term purchase contracts
[2] Full-time equivalents

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