Press release

Morges, 22 April 2021

Romande Energie Group 2020 results

In 2020, Romande Energie Group made further strides forward in helping to promote clean, efficient energy. Investments in renewable energy assets reached a record level (CHF 210m) – a testament to the unflinching dedication of the Group's employees in the face of the complex pandemic conditions. These investments will further strengthen the Group's financial position in the future.

- **Financial results for 2020 were higher than forecast. Strong increases were seen in consolidated revenues (+9%) and EBIT (+18%), partly thanks to a property sale, despite the financial impact of the pandemic.**
- **Net profit soared 138% to CHF 87m on the back of a strong contribution from EOS Holding and a return to profitability at Alpiq.**
- **These solid figures testify to the effectiveness and resilience of the Group's business model, founded on the principles of corporate social responsibility (CSR).**

Sharp increase in revenues

Consolidated revenues increased by 9%, or CHF 47m, to CHF 569m for the financial year.

Besides the non-recurring impact of the sale of property at the Morges location (+CHF 18m), revenue growth was powered by Energy Solutions (+15%), business expansion in France and development of the district heating business in Western Switzerland.

Higher EBIT following property sale

Romande Energie Group generated full-year EBIT of CHF 77m, which was 18% higher than in 2019. Part of the increase in EBIT resulted from the above-mentioned property sale. Nonetheless, the underlying figure was strong, achieved in business conditions shaped by the pandemic, which cost Romande Energie Services an estimated CHF 3m at EBIT level. In Energy Solutions, the reduced service charge per regulated-market customer lowered EBIT by an estimated CHF 6m.

The Group generated EBIT margin of 13% versus 12% in 2019. Adjusted for the one-off items and the impact of the pandemic, full-year EBIT amounted to CHF 61m, which was 6% lower than in 2019.

Firm grip on operating expenses

Personnel expenses advanced by 3% in 2020. Headcounts increased in Networks and at Romande Energie Services. As at 31 December, the total Group headcount exceeded the one-thousand mark.

Other operating expenses dropped by CHF 6m thanks to prudent management of costs across the Group.

Net profit boosted by profits from EOS Holding and Alpiq, two Swiss mainstays in renewable energy

In 2020, the Group's net profit more than doubled to CHF 87m, reflecting a strong positive contribution from associates, which showed a net profit of CHF 23m in 2020 compared with a loss of CHF 18m in 2019. The solid performance by EOS Holding and Alpiq resulted in an aggregate contribution of CHF 20m to net profit in 2020.

Strong cash buffer and repayment of loans

The Group maintained a strong financial position despite the halving of the net cash position relative to the previous year. This resulted primarily from the repayment of two loans totalling CHF 100m that fell due in July. As at 31 December 2020, the Group reported cash and cash equivalents of CHF 104m and is thus in a strong position to meet both short- and long-term financial commitments. Cash flow from operating activities remained high at CHF 139m.

Sharp increase for business investment in grids and renewable energy assets

Capital expenditure to develop networks and renewable energy assets rose by 10% to a record CHF 124m. In addition, major acquisitions were made in France, primarily a shareholding in a first solar farm in early 2020, a network of small-scale hydropower installations and a portfolio comprising 16 wind-farm projects in the latter part of 2020, representing an installed potential capacity of 646 MW.

Altogether, the Group invested CHF 210m in assets compared with CHF 123m in 2019, marking an increase of 71% relative to 2019.

Covid-19 pandemic

Though material, the pandemic mainly affected, at EBIT level, the Romande Energie Services business unit. The Group has the resources to weather the storm. Its finances are robust, it is financially independent and it offers a vital service to householders and businesses.

No change to dividend

At the upcoming Annual General Meeting on 29 June, the Board of Directors will recommend to shareholders an ordinary dividend of CHF 36 per share, unchanged relative to the 2019 dividend, in recognition of the Group's strong financial position and promising outlook. This dividend corresponds to a payout ratio of 43% in respect of the net profit for 2020 and a dividend yield of 3.2% based on the closing share price in 2020 (3.0% in 2019).

Outlook

The CSR business model, underpinned by the social, environmental and economic pillars, has become the guiding light for the Group's future development. Renewable energies will take pride of place in 2021, building upon upon the significant investments made in 2020. Several projects are due to be finalised, including a wind farm in France bought in 2020 and various distance heating projects on Swiss soil.

Regarding market liberalisation and the Energy Strategy 2050, the consultation exercise announced for June 2021 on the new parliamentary bill consolidating the Energy Act and the Energy Supply Act (under revision) is expected to clarify the statutory framework in a yet-to-be-determined timeframe.

For 2021, Romande Energie Group expects a small dip in EBIT relative to 2020, barring non-recurrent items and further impacts from Covid-19. The Group operates in a highly unstable environment in terms of currency and energy markets or simply the economy in general. The pandemic and its economic repercussions may therefore impact the Group's financial statements to an extent that is difficult to foresee.

Key figures, Romande Energie Group	2020	2019, restated	% change
Power distributed on the Group's network (GWh)	2 762	2 816	
Power sold (GWh)	2 957	2 577	
CHF thousands			
Net revenues	569 292	522 236	9%
Gross profit	322 553	306 943	5%
EBITDA	149 000	131 049	14%
EBIT	76 573	64 979	18%
Share of profit from associates	23 186	-17 686	n/a
Net profit	86 720	36 430	138%

The Annual Report, the financial statements of Romande Energie Holding SA and the consolidated financial statements of Romande Energie Group, together with the reports of the statutory auditors, are available to shareholders from today, 22 April, at the following link:

- In French: Rapport annuel 2020
- In English: 2020 Annual Report

It can also be requested from the Romande Energie head office in Morges by calling +41 (0) 21 802 91 11 or by writing to info@romande-energie.ch.

Note to editorial desks

This press release is being issued outside the trading hours of the SIX Swiss Exchange as required by the SIX Listing Rules on ad hoc publicity.

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Romande Energie at a glance

Romande Energie Group is the leading supplier of electricity in Western Switzerland and a mainstay in the Swiss energy industry. It offers a wealth of sustainable solutions for the distribution and generation of electricity, and in energy services, energy efficiency and electromobility.

All its generation assets are driven by renewable sources of energy. Additionally, it is working hand in hand with customers, investors and employees to provide ever-better standards of living through innovative services and a commitment to corporate social responsibility. Romande Energie is dedicated, day in day out, to offering high-grade services and security of supply, just as customers expect, as well as supporting them in transitioning to more sustainable forms of energy and reducing carbon intensity across Western Switzerland.

For more information on Romande Energie Group, visit

www.romande-energie.ch