

Consolidated income statement

	01.01.-30.06.2019 unaudited	01.01.-30.06.2018 unaudited
CHF thousand		
Net sales from goods and services	1,003,534	1,047,122
Own costs capitalised	2,533	2,744
Change in inventory of sales orders	4,482	2,002
Other operating income	7,621	1,106
Total operating revenue	1,018,170	1,052,974
Share of earnings from associates and joint ventures	-59	-1,843
Energy procurement	-836,113	-933,024
Concession fees	-9,001	-9,258
Personnel expenses	-37,062	-36,846
Materials and third party services	-22,886	-14,516
Other operating expenses	-31,740	-25,860
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	81,309	31,627
Depreciation and value adjustments of tangible assets	-23,734	-20,899
Amortisation and value adjustments of intangible assets	-1,377	-1,636
Earnings before interest and taxes (EBIT)	56,198	9,092
Financial income	10,989	2,736
Financial expenses	-14,517	-11,519
Earnings before taxes	52,670	309
Income taxes	-3,452	-84
Group earnings	49,218	225
Share of group earnings attributable to Repower shareholders	45,659	-1,028
Share of group earnings attributable to minorities	3,559	1,253
Share of group earnings attributable to Repower shareholders per registered share (in CHF) *	6.18	-0.14
Average number of registered shares in circulation	7,390,489	7,390,747

* The diluted group earnings are calculated on the basis of the weighted average number of shares. There are no factors resulting in a dilution of earnings per share.

Interim consolidated financial statements of the Repower Group

Consolidated balance sheet

CHF thousand	30.06.2019 unaudited	31.12.2018
Assets		
Tangible assets	824,877	836,677
Intangible assets	12,707	12,088
Investments in associates and joint ventures	4,022	3,945
Financial assets	43,164	45,440
Deferred tax assets	35,913	37,810
Non-current assets	920,683	935,960
Inventories	15,224	40,302
Trade accounts receivable	292,371	324,354
Other receivables	39,025	26,150
Prepaid expenses and accrued income	5,997	3,674
Securities	74,900	63,684
Positive replacement values of held for trading positions	62,147	162,117
Cash and cash equivalents	386,618	316,314
Current assets	876,282	936,595
Total assets	1,796,965	1,872,555

CHF thousand	30.06.2019 unaudited	31.12.2018
Liabilities and shareholders' equity		
Share capital	7,391	7,391
Treasury shares	-23	-22
Capital reserves	198,314	202,008
Retained earnings (including group earnings)	560,763	515,174
Accumulated translation differences	-496	1,408
Shareholders' equity excluding minorities	765,949	725,959
Minorities	82,654	80,983
Shareholders' equity	848,603	806,942
Non-current provisions	16,637	16,033
Deferred tax liabilities	26,367	24,243
Non-current financial liabilities	424,148	430,281
Other non-current liabilities	61,312	63,500
Non-current liabilities	528,464	534,057
Current financial liabilities	13,476	11,437
Negative replacement values of held for trading positions	43,088	150,277
Current provisions	291	32
Trade accounts payable	319,266	323,990
Other current liabilities	27,620	29,109
Deferred income and accrued expenses	16,157	16,711
Current liabilities	419,898	531,556
Liabilities	948,362	1,065,613
Total liabilities and shareholders' equity	1,796,965	1,872,555

Interim consolidated financial statements of the Repower Group

Consolidated cash flow statement

	01.01.-30.06.2019 unaudited	01.01.-30.06.2018 unaudited
CHF thousand		
Group earnings	49,218	225
Income taxes	3,452	84
Share of earnings from associates and joint ventures	59	1,843
Dividends from associates and joint ventures	5	1
Net financial income	3,528	8,783
Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets	25,111	22,535
Gain/loss on the disposals of tangible and intangible assets	988	-251
Change in non-current provisions (without interest)	410	578
Change in replacement values of held for trading positions	-7,223	500
Other non-cash income and expenses	-1,159	-1,483
Other financial cash outflow and inflow	314	-9,844
Funds from operations (FFO)	74,703	22,971
Changes		
Inventory	25,130	-12,447
Trade accounts receivable	29,114	55,840
Other receivables (without income taxes)	-12,884	2,143
Prepaid expenses and accrued income	-2,719	-1,575
Current provisions	261	-259
Trade accounts payable	-1,729	-53,444
Other current liabilities (without taxes)	-1,783	2,768
Deferred income and accrued expenses	-1,342	-60
Income taxes	-1,057	-539
Cash flow from operating activities	107,694	15,398

	01.01.-30.06.2019 unaudited	01.01.-30.06.2018 unaudited
CHF thousand		
Additions of tangible assets	-18,503	-8,426
Disposals of tangible assets	47	400
Additions of current and non-current financial assets	-26,464	-91,000
Disposals of current and non-current financial assets	23,915	49,566
Additions of intangible assets	-2,089	-2,660
Dividends received from third parties	3	3
Interest received	256	102
Cash flow from investing activities	-22,835	-52,015
Increase in financial liabilities	8,237	-
Repayment of financial liabilities	-11,607	-46,677
Dividend payments	-4,873	-841
Purchase/sale of treasury shares	-	2
Purchase/sale of minorities	-6	-
Interest paid	-4,158	-4,575
Cash flow from financing activities	-12,407	-52,091
Effect of currency translation	-2,148	-1,850
Change in cash and cash equivalents	70,304	-90,558
Cash and cash equivalents at 1 January	316,314	394,479
Cash and cash equivalents at 30 June	386,618	303,921

Changes in consolidated shareholders' equity

	Share capital	Treasury shares	Capital reserves	Retained earnings	Accumulated translation differences	Shareholders' equity excluding minorities	Minorities	Total shareholders' equity
CHF thousand								
Equity at 1 January 2018	7,391	-15	202,004	511,625	5,498	726,503	42,953	769,456
Group earnings				-1,028		-1,028	1,253	225
Effect of currency translation					-780	-780	-278	-1,058
Dividends						-	-841	-841
Purchase/sale of treasury shares		-1	3			2		2
Equity at 30 June 2018 unaudited	7,391	-16	202,007	510,597	4,718	724,697	43,087	767,784
Equity at 1 January 2019	7,391	-22	202,008	515,174	1,408	725,959	80,983	806,942
Group earnings				45,659		45,659	3,559	49,218
Effect of currency translation					-1,905	-1,905	-773	-2,678
Dividends (without treasury shares)			-3,695			-3,695	-1,178	-4,873
Purchase/sale of treasury shares		-1	1			-		-
Purchase/sale of minorities				-70	1	-69	63	-6
Equity at 30 June 2019 unaudited	7,391	-23	198,314	560,763	-496	765,949	82,654	848,603

Notes to the interim consolidated financial statements

1 ACCOUNTING AND VALUATION PRINCIPLES

General information

The consolidated semi-annual financial statements presented here comprise the unaudited semi-annual financial statements for the six months to 30 June 2019. This interim report has been prepared in accordance with Swiss GAAP FER 31 Complementary Recommendation for Listed Companies in abridged form, and should therefore be read in conjunction with the consolidated financial statements for the year to 31 December 2018.

In individual cases roundings can mean that figures in this report do not add up to the exact total specified, and that the specified percentages do not exactly result from the stated figures.

Dividends paid

The dividend payment for the 2018 financial year was approved by the annual general meeting on 15 May 2019.

	01.01.-30.06.2019	01.01.-30.06.2018
CHF		
Approved and paid dividends per registered share	0.50	-
Approved dividends	3,695,484	-
Paid dividends (without dividends on treasury shares)	3,695,334	-

Currencies

The following exchange rates were used as a basis for converting the figures in the income statement and balance sheet into CHF:

Currency	Unit	Closing exchange rate		Average exchange rate	
		30.06.2019	31.12.2018	01.01.-30.06.2019	01.01.-30.06.2018
EUR	1	1.11050	1.12690	1.12958	1.16975

2 SEGMENT REPORTING

	Market Switzerland	Market Italy	Other segments and activities	Group
CHF thousand				
30.06.2019 unaudited				
Net sales from goods and services	323,916	683,915	-4,297	1,003,534
Net sales from goods and services	329,875	673,633	26	1,003,534
Net sales from goods and services between segments	-5,959	10,282	-4,323	-
Earnings before interest and taxes (EBIT)	19,967	40,131	-3,900	56,198
	Market Switzerland	Market Italy	Other segments and activities	Group
CHF thousand				
30.06.2018 unaudited				
Net sales from goods and services	328,976	741,423	-23,277	1,047,122
Net sales from goods and services	318,715	728,353	54	1,047,122
Net sales from goods and services between segments	10,261	13,070	-23,331	-
Earnings before interest and taxes (EBIT)	5,463	6,839	-3,210	9,092

Net sales from goods and services also include gains and losses (realised and unrealised) on trading transactions. Depending on the party and the business in question, revenues are stated under other items. This overarching representation by segment does not constitute a full picture of trading activities.

3 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in consolidations

In March 2019 Engie New Business acquired an interest in tiko Energy Solutions AG by way of a unilateral capital increase. Repower's interest in tiko Energy Solutions AG declined from 35.0 to 19.8 per cent. The entity is no longer recognised using the equity method under investments in associated organisations and joint ventures; instead it is now recognised as financial assets at cost.

In 2019 Repower acquired another 5 per cent of the shares in the existing group company ESE Salento S.r.l. The cash outflow of CHF 6 thousand is offset against negative minority interests in the equity of CHF 63 thousand. The difference of CHF –69 thousand was allocated to the majority shareholder's capital.

Material events and business transactions

The overhaul of the Teverola power plant scheduled for the first quarter of 2018 took considerably longer than expected owing to technical problems. The planned downtime coupled with the unscheduled delay in getting the plant up and running again had a substantial negative impact on results for the first half year of 2018. In the first half of 2019 Repower received reimbursement of CHF 6,425 thousand from its business interruption insurance for downtime at the Teverola plant during 2018; this figure is disclosed under other operating income.

The share of results of associates and joint ventures is better than the prior-year period. The negative result for the period to 30 June 2018 essentially contained losses from tiko Energy Solutions AG, which the prior year was still recognised as an associated organisation.

An increase in materials and outside services versus the first half of 2018 relates to work for third parties and product development at Repower, and to the companies of Repower Renewable S.p.A., which have been consolidated since 5 December 2018.

In connection with the new investor joining tiko, losses netted with investments and loan receivables to the company to the amount of CHF 6,481 thousand were released. The early repayment of a loan liability continued to result in income of CHF 1,211 thousand, which is likewise stated under financial income for the first half of 2019.

The decline in inventories is essentially due to a reduction in the gas inventory. The main reasons for the increase in other receivables are higher security deposits and advance payments paid and VAT receivables.

As announced in the media release of 24 June 2019, Repower intends to merge its group company SWiBi AG with EcoWatt AG and Sacin AG, which likewise operate in energy services, with effect 30 November 2019. The company created by this merger, esolva ag, is to be held as follows: around 40 per cent by Repower AG, and 30 per cent each by St.Gallisch-Appenzellische Kraftwerke AG and EKT Holding AG, plus small shareholders.

4 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The consolidated interim financial statements were approved by the board of directors on 14 August 2019.

Since 30 June 2019 there have been no other events which require disclosure.