



Press release

Morges, 11 April 2022

Romande Energie Group 2021 results

The Romande Energie Group delivered solid results despite an unstable global environment and record surges in energy prices, thanks to business diversification and strong growth specifically at Romande Energie Services. A further increase in cash flow from operations, arising from the robust financial results, has paved the way for the Group to continue pursuing its ambitious investment policy. The 2021-2026 strategy contains plans to invest CHF 1.4bn in the business to support the clean-energy transition.

- Revenues rising sharply by 12%, breaking above CHF 600m, and EBIT down 9% at CHF 53m; figures adjusted for one-off gain in 2020
- Excellent operating performance at the Forces Motrices Hongrin-Léman hydropower installation, which offset deterioration in the energy margin caused largely by soaring energy prices
- Sharp rise in headcount last year, equating to a 15% increase or 153 extra employees
- CHF 35m net profit, hit by loss at Alpiq
- Further increase in cash flow from operations to CHF 145m Romande Energie reiterates its aim to continue investing in grid development and renewable generation assets through capital raising.

Strong increase in revenues, driven by energy services

For the second consecutive year, consolidated revenues rose by more than 12%, totalling CHF 614m in 2021. This represents an increase of CHF 63m relative to 2020 adjusted for the one-off property sale (unadjusted +8%, or CHF 45m).

The three business units contributed positively to revenue growth, especially Romande Energie Services, with revenues of CHF 142m – above the CHF 100m mark for the first time. This 50% increase was fuelled by acquisitions in 2021 combined with brisk organic growth.

Decrease in EBIT in line with forecasts and EBIT margin of 9%

Romande Energie achieved EBITDA of CHF 133m and EBIT of CHF 53m in 2021. This represented increases of 1% and 9%, respectively, relative to the prior year, adjusted for the above one-off item. Unadjusted, EBITDA and EBIT decreased by 11% and 30%, respectively. Group EBIT margin edged down to 9% of revenues compared with 11% in 2020, restated for one-off items (13% before restatement).

Business in 2021 was marked by the record rise in power prices, which negatively impacted the Group's energy margin at a time when its own hydropower assets suffered sharp shortfalls in output (specifically in October and November). The CHF 11m decrease in energy margin was offset by the strong contribution from Romande Energie's interest in Forces Motrices Hongrin-Léman, plus operations in France. Romande Energie Services for the first time contributed positively to EBIT despite the impact from the pandemic.

Operating expenses kept in check – 153 new hires

Personnel expenses were up 18% in 2021, in tandem with rising revenues, supporting implementation of the business strategy. The headcount increased at the Energy Solutions and Romande Energie Services business units, lifting the total by 15% to over 1,175 employees as at 31 December 2021. Other operating expenses advanced by 9% to CHF 62m.

Major impact from Alpiq on net profit

Net profit totalled CHF 35m, down 60% relative to CHF 87m in 2021 (-50% restated), mainly reflecting the loss at Alpiq in 2021. Alpiq reported a full-year loss of CHF 271m versus a profit of CHF 99m in 2020. Romande Energie's share of this loss amounted to CHF 13m compared with a gain of CHF 11m in 2020. Romande Energie holds a 29.71% interest in EOS Holding SA, which in turns owns 33.33% of Alpiq.

The contribution of EOS – which reported a stable operating profit – to the Group's results was CHF 3m (versus CHF 8m in 2020) while other associates added CHF 6m in 2021 (versus CHF 3m in 2020).

Higher cash flow from operations and cash exceeding CHF 90m at year-end

The Romande Energie Group remains in a strong financial position. As at 31 December 2021, the Group had cash and cash equivalents of CHF 92m, so it can comfortably meet both short- and long-term financial liabilities. Cash flow from operations was CHF 145m, up from CHF 139m in the previous year. Debt totalled CHF 100m as at 31 December 2021 versus CHF 86m 12 months earlier. Part of this increase was due to the development of wind power projects in France.

Continued investments in the energy transition

Further investments in grid development and renewable generation assets amounted to CHF 126m in 2021.

In September 2021, Romande Energie announced its intention to be a driving force in decarbonising Western Switzerland, adopting a multi-tiered clean-energy strategy with investments totalling CHF 1.4bn between 2021 and 2026.

The strategy also contains a blueprint for sizeable investments in power and heat generation facilities, in Switzerland as well as in France. The initial effects on the capital expenditure front will be seen this year, with several investments locked in for 2022. This is expected to drive Group EBIT forward in the coming years.

To achieve these targets, capital market financing will be required. Transactions are scheduled for the coming months.

No change to dividend

Equity attributable to owners of Romande Energie Holding SA was stable at CHF 1.9bn as at 31 December 2021. The financial independence ratio was 82% at that date. Given the strong balance sheet and promising outlook, the Board of Directors will seek approval from shareholders at the Annual General Meeting to pay a dividend of CHF 36 per share, unchanged from the previous year. Romande Energie's share price appreciated by 21% in 2021, which pushed down the yield indicated by the proposed dividend (2.6% versus 3.2% for 2020).

Outlook

This year Romande Energie expects a slightly higher EBIT figure than in 2021, in the absence of exceptional items, unfavourable trends in electricity markets and the hard-to-predict consequences of the war in Ukraine.

The Group has set up a task force monitoring the conflict and how it could affect its business. Business conditions are extremely unstable, absent the institutional treaty with the EU, in particular.

The new strategy announced in September 2021 aims to establish the Romande Energie Group as a mainstay driving Western Switzerland towards net zero.

Renewable energies will have pride of place in 2022, following on from the significant investments made in 2021. Several projects are set to go ahead, including various district heating installations in Switzerland. The Group will also continue developing its own green energy assets, marketing turnkey offers and providing advice and services to help its various customers – households, businesses, municipalities and property market firms – decarbonise their activities.

Key figures, Romande Energie Group, 31 December 2021	2021	2020, comparable basis restated	% change
Net revenues (CHF 000)	614 481	551 054	12%
Gross profit (CHF 000)	332 299	304 315	9%
EBITDA (CHF 000)	132 639	130 762	1%
EBIT (CHF 000)	53 317	58 335	-9%
Share of net profit/(loss) from associates (CHF 000)	(3 696)	22 117	
Group net profit (CHF 000)	34 792	69 126	-50%

The Annual Report, the financial statements of Romande Energie Holding SA and the consolidated financial statements of Romande Energie Group, together with the statutory auditors' reports, are available to shareholders from today, 11 April, via the following link:

- In French: [Rapport annuel 2021](#)
- In English: [2021 Annual Report](#)

Copies may 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 Group 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 several sustainable solutions for the distribution and generation of electricity in addition to energy services, which include 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 sustainability. In addition to security of supply, the Group is dedicated to offering high-grade services that meet customers' expectations as it supports them in switching to more sustainable sources of energy in pursuit of a net-zero goal in Western Switzerland.

For more information on Romande Energie Group, visit

www.romande-energie.ch