



Analyst and Media
Conference HY 2023

Zurich, 05.09.2023

Half-year result 2023

BKW with successful HY 2023

Revenue

CHF 2,397 m

+6%

EBIT

CHF 425 m

+29%

Operating Net Profit

CHF 304 m

+60%

Continuously strong performance in first six months 2023, after exceptional result in 2022

Energy BKW substantially boosts renewables expansion



- Acquisition of **wind farms** with 125 MW in Sweden
- Launch of project **BelpmoosSolar** with 35 MWp
- **Round tables** in the Canton of Bern about alpine PV plants
- Positive decision for **Trift** concession
- Start commercial operation of small-scale hydroelectric power plant **Arvigo**
- Over 500 MW new **PPAs** closed in Europe

Grid BKW invests in distribution grid for energy future



- Over **3,000 new PV systems** successfully connected to grid, 20-25 connection requests per day
- Grid availability of **99.996 percent**
- Selection of partner companies for new **smart meters** and meter system (rollout > 2024)

Services BKW leverages rising demand for infrastructure



- Large orders of over € 250 m for the **expansion of electrical infrastructure** in Germany
- Several major projects in the areas of **heat planning** and **school infrastructure**
- Consolidation of **HVAC** activities in Zurich

ESG BKW takes important steps in terms of sustainability



Climate Neutrality

- BKW committed to Net Zero in energy business by 2040

Employees

- Safety in the workplace: signing SUVA Security Charta
- Commitment to equal opportunities and inclusion

Corporate Governance

- Launch of whistleblower system Integrity Line

Martin Zwysig new CFO of BKW



- Our new CFO started on 1 July 2023
- Before joining BKW: Group CFO of REHAU, Autoneum, Ascom and Schaffner
- Completed studies at the University of St. Gallen as Dr. oec. HSG



Financials HY 2023



BKW's performance in a nutshell

<i>CHF m</i>	HY 2022	HY 2023	Delta	Delta %
Revenue	2,263	2,397	+134	+6%
EBITDA	438	538	+100	+23%
<i>EBITDA in % of revenue</i>	19%	22%		
EBIT	330	425	+95	+29%
<i>EBIT in % of revenue</i>	15%	18%		
Operating net profit	191	304	+114	+60%
<i>Operating net profit in % of revenue</i>	8%	13%		
Net profit	71	340	+269	+376%
<i>Net profit in % of revenue</i>	3%	14%		
Operating Cash Flow	150	491	+341	+227%
Return on Capital Employed (ROCE)	7.3%	15.4%		
Equity ratio	28.0%	44.1%		

Revenue

Growth from key business areas energy and services

EBIT

Strong result from energy management and trading

Net profit

Positive performance of STENFO (loss in previous year)

Operating Cash Flow

High cash conversion; PY result impacted by valuations effects of energy derivatives

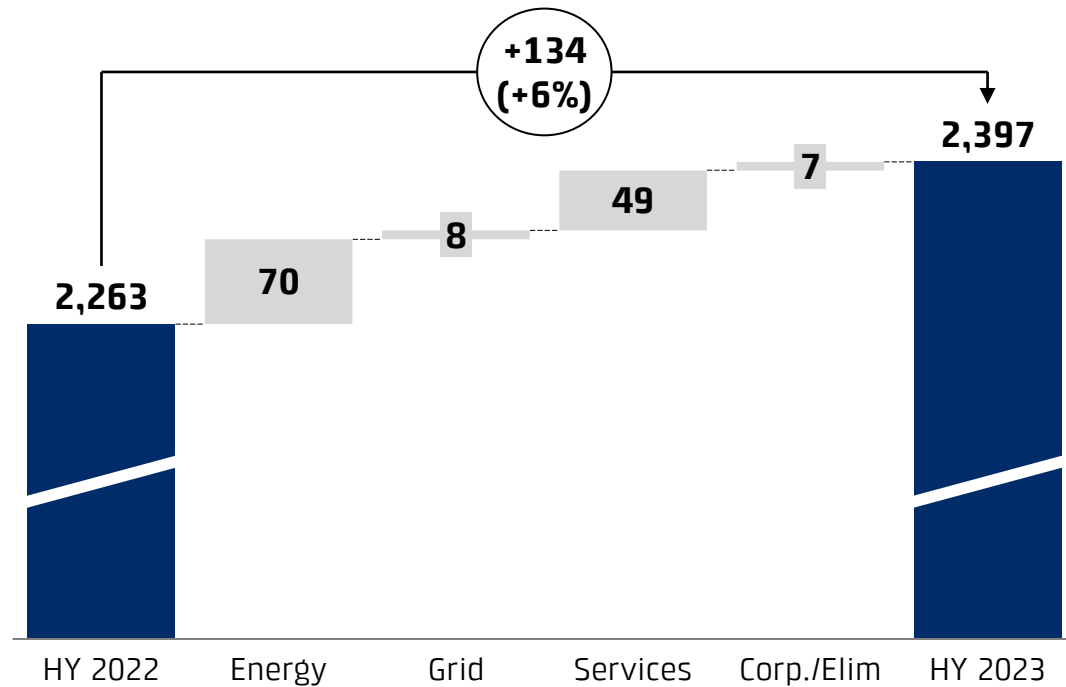
Equity ratio

Strong increase in equity and lower balance sheet total, both strengthen equity ratio

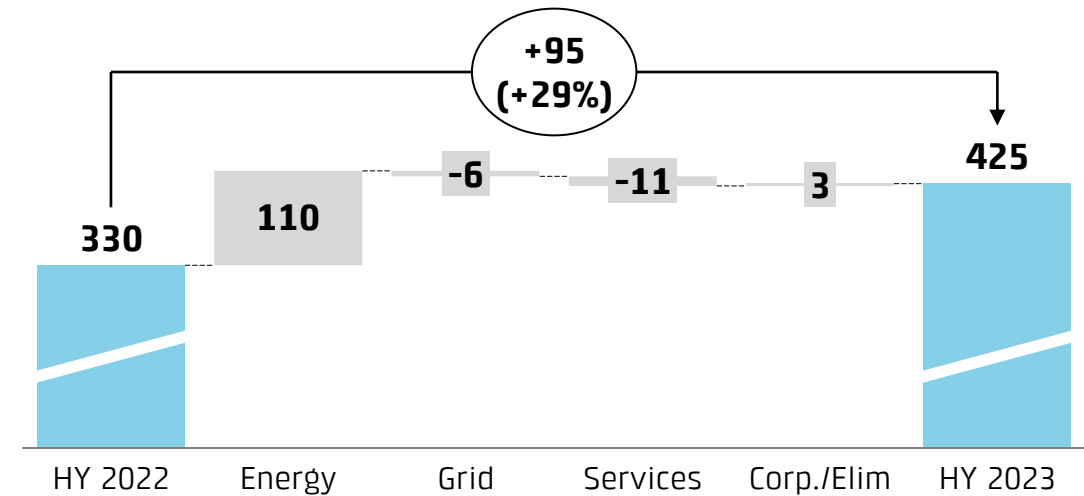
Strong set of key figures; continuous success thanks to diversified strategy

Revenue and EBIT change by business area

CHF m Revenue



CHF m EBIT

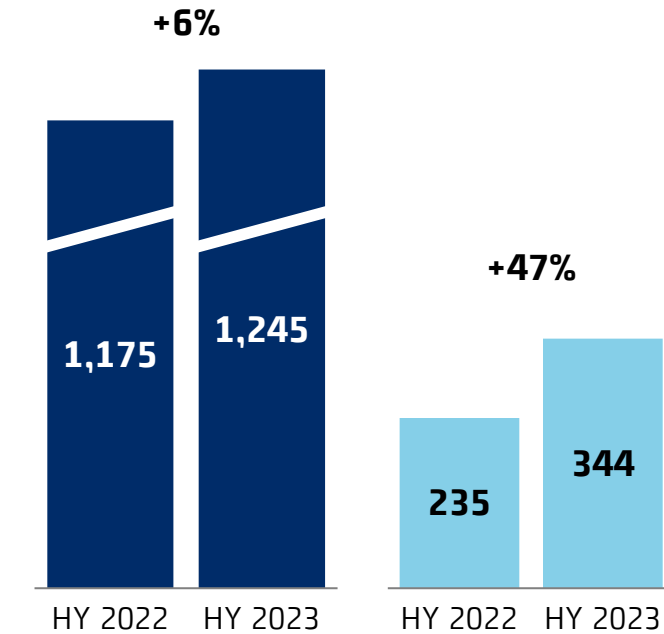


Successful growth in both key areas Energy and Services; EBIT driven by exceptional result in energy business

Energy

Revenue / EBIT

CHF m



Key points

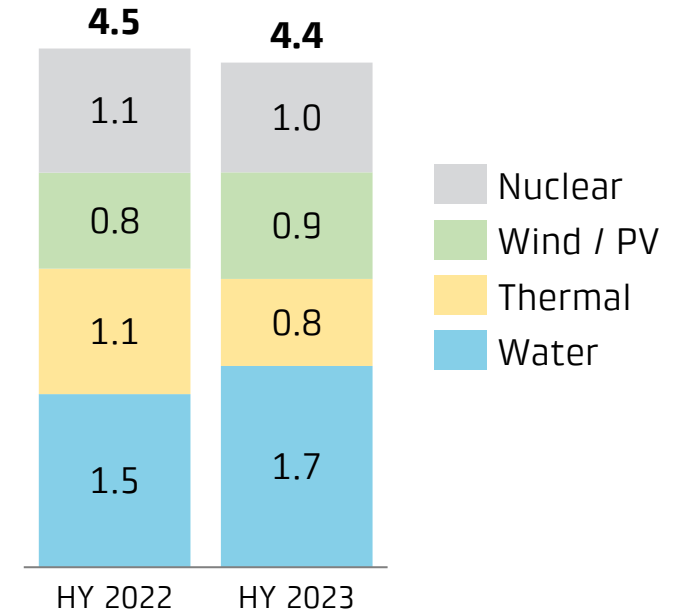
Revenue

- Higher energy prices in sales
- Lower production thermal plants

EBIT

- Successful portfolio management and strong trading result
- Higher prices ancillary services

Production mix (volume in TWh)

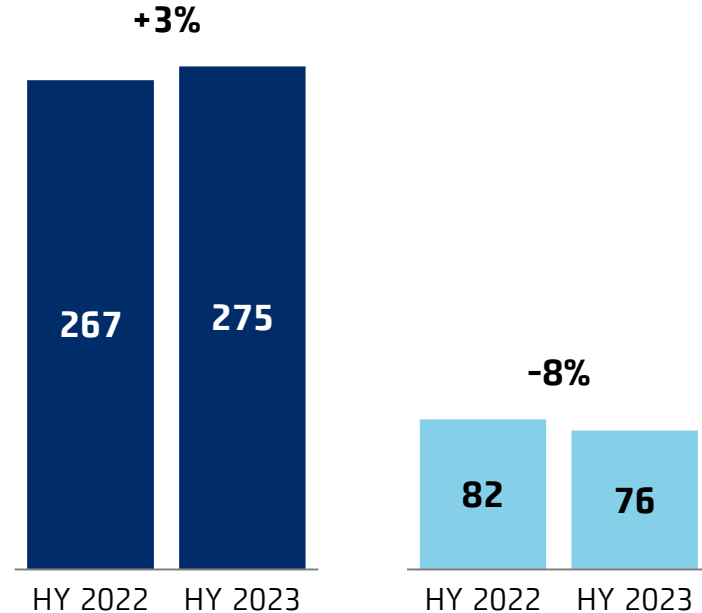


Revenue driven by higher energy prices; strong result from energy management and trading

Grid

Revenue / EBIT

CHF m



Key points

Revenue

- Lower transmission volumes due to higher temperatures and energy savings
- Pass through of higher transmission grid tariffs

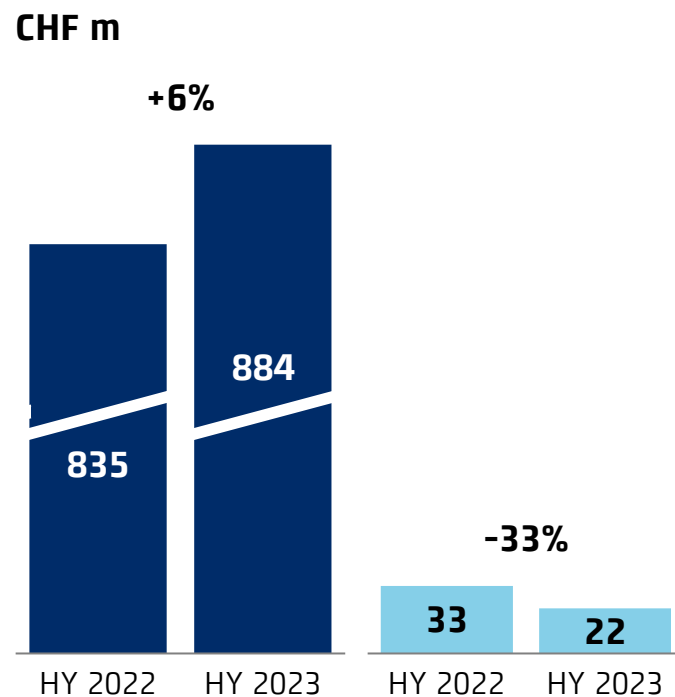
EBIT

- Lower transmission volumes due to higher temperatures and energy savings
- Higher transmission grid costs
- Lower income from associates (Swissgrid)

Stable contribution with temporarily negative impact on EBIT

Services

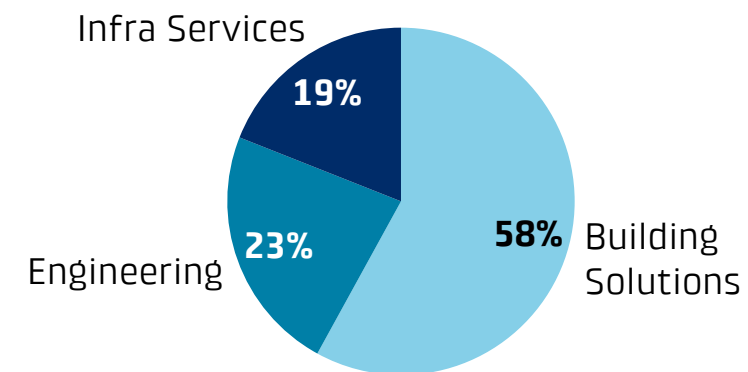
Revenue / EBIT



Key points

- Revenue**
- Growth from prior year acquisitions
 - Delayed project awards
- EBIT**
- High material costs and third-party services
 - Delayed pass through of price increases
 - Investments in structure and processes

Revenue split

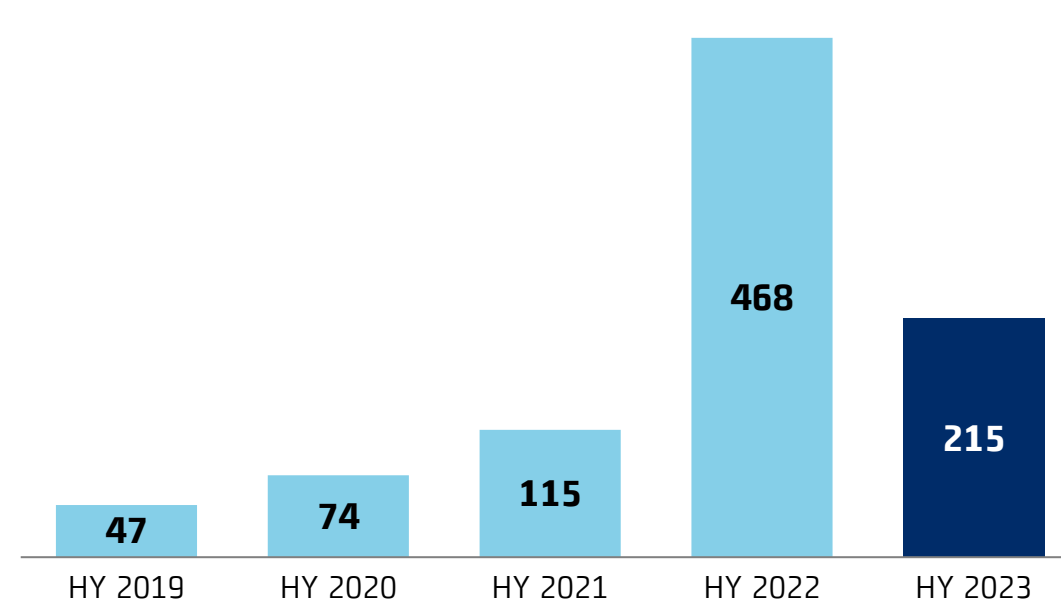
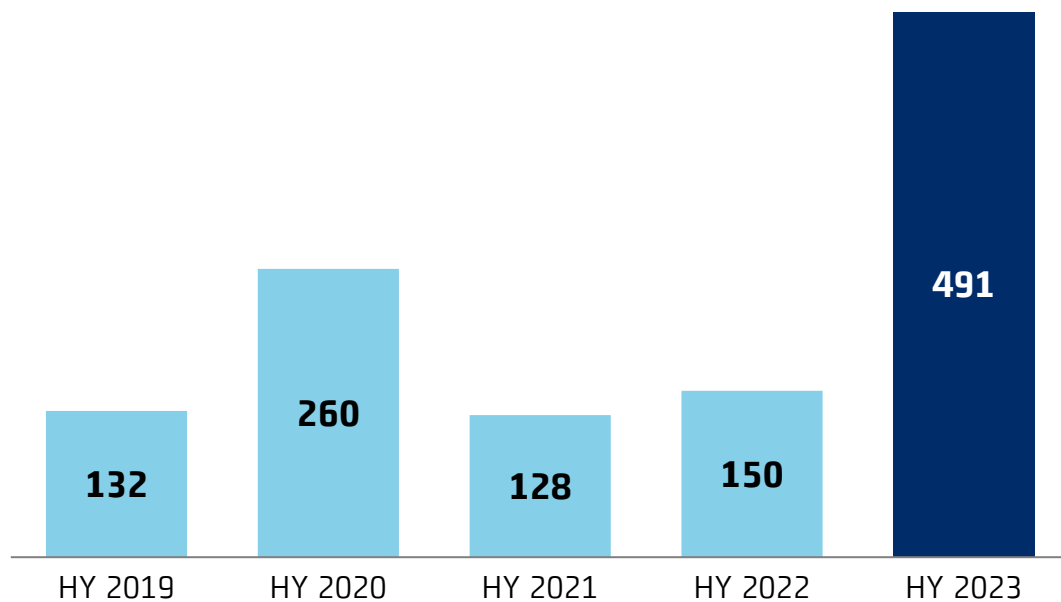


Margin still under pressure; two-year program to improve performance initiated in Q1/2023

Operating Cash Flow and Cash Flow from Net Investments

CHF m Operating Cash Flow

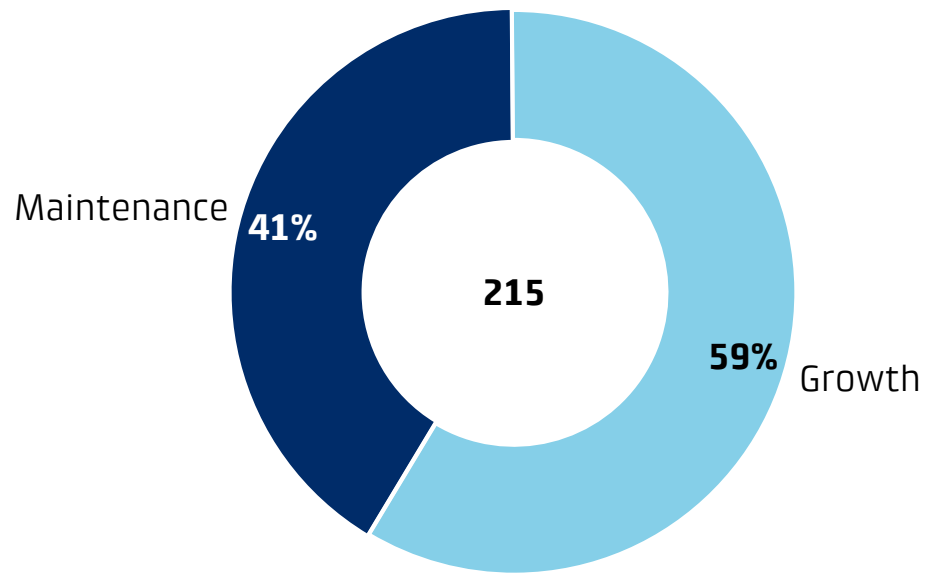
CHF m Cash Flow from Net Investments



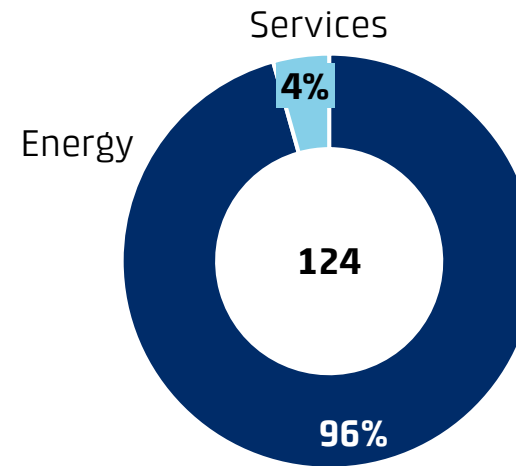
Operating Cash Flow covers investments and strengthens financial position of BKW

Net investments

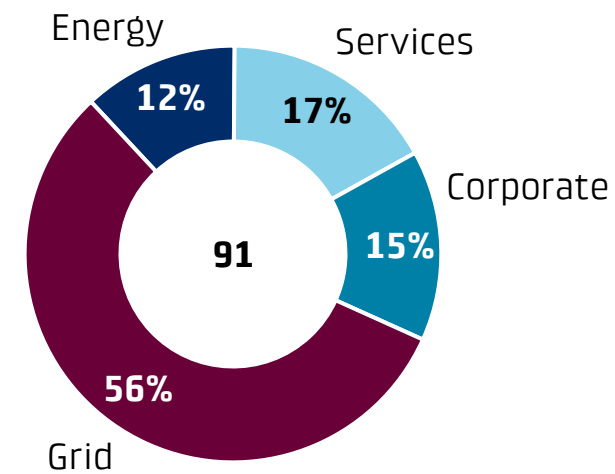
CHF m Net investments



CHF m Growth

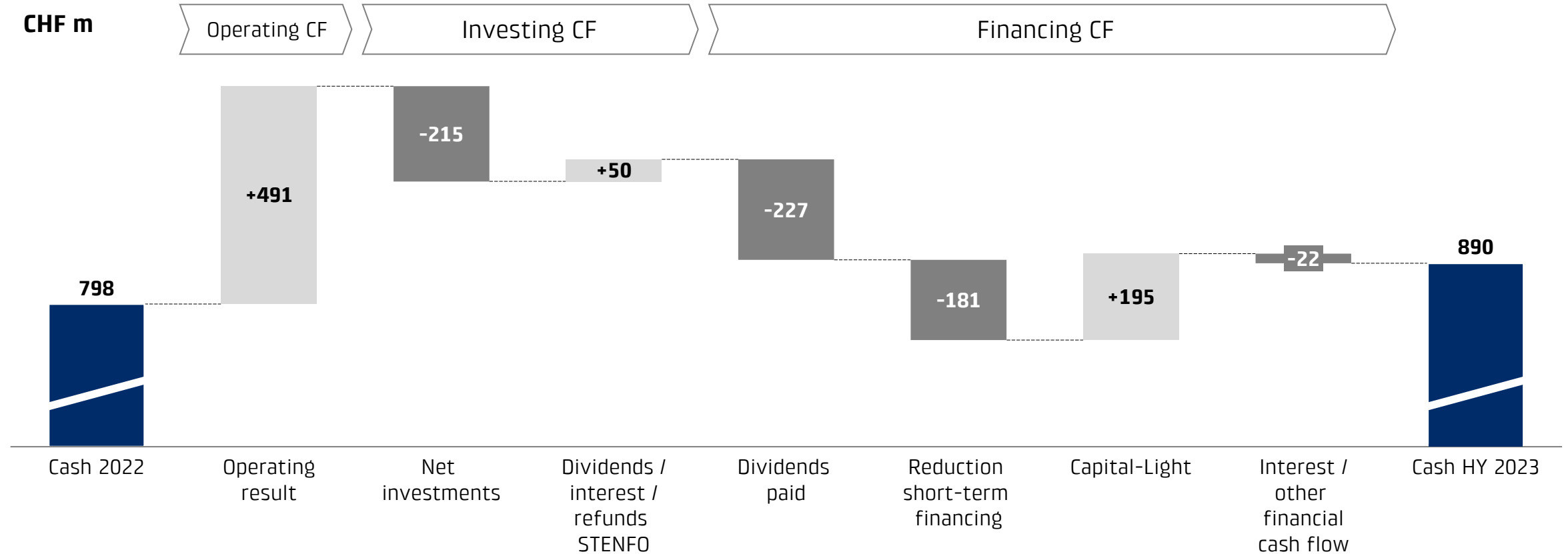


CHF m Maintenance



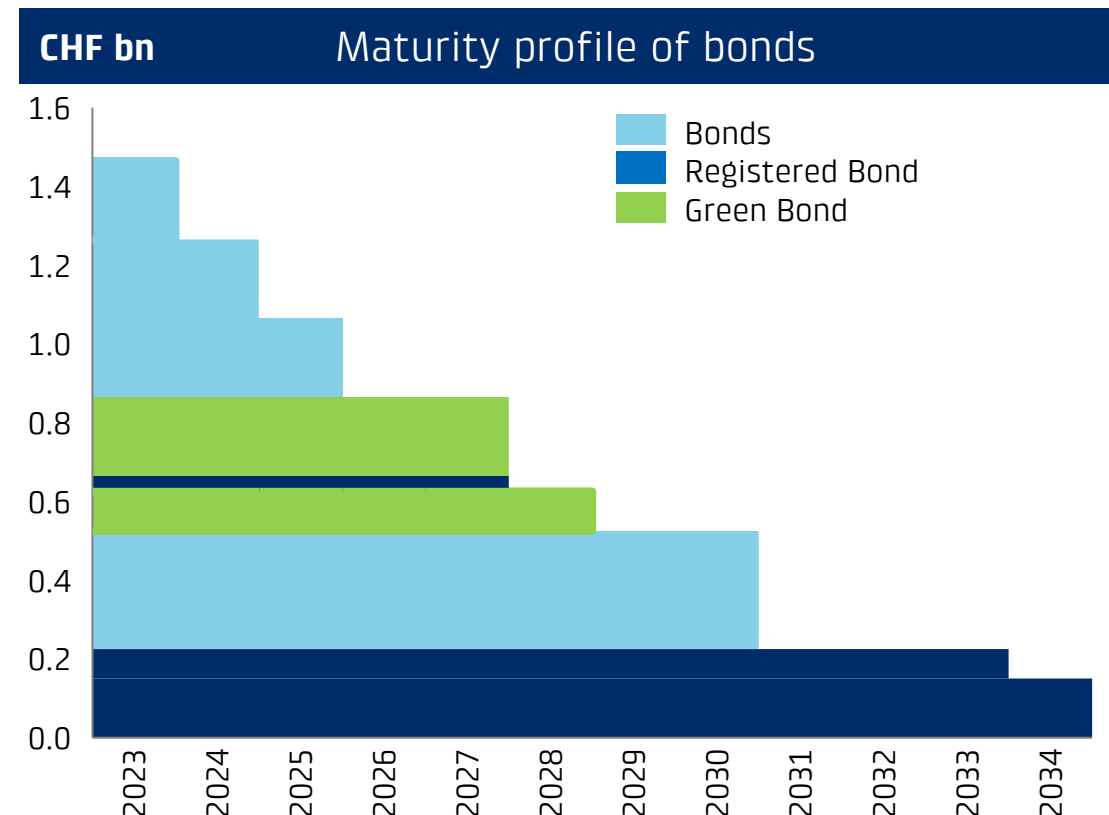
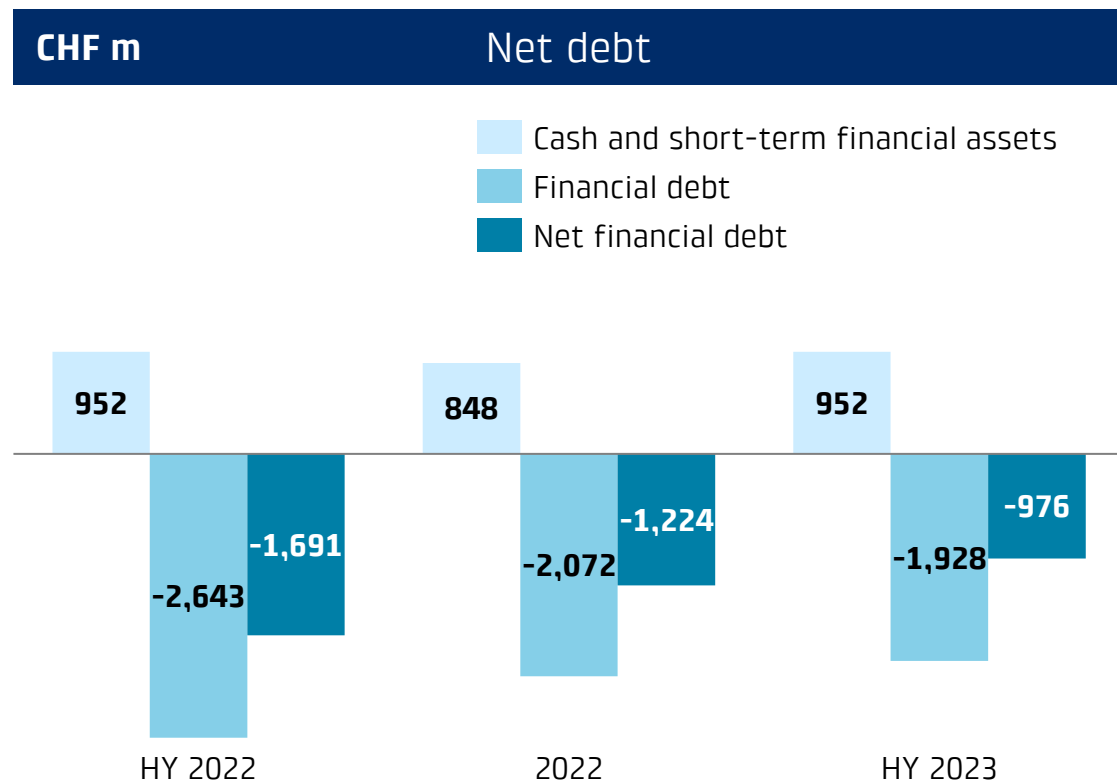
Majority of investments still in growth; maintenance investments in grid on continuous high level

Cash development



Strong operating result covers investments and increased dividends

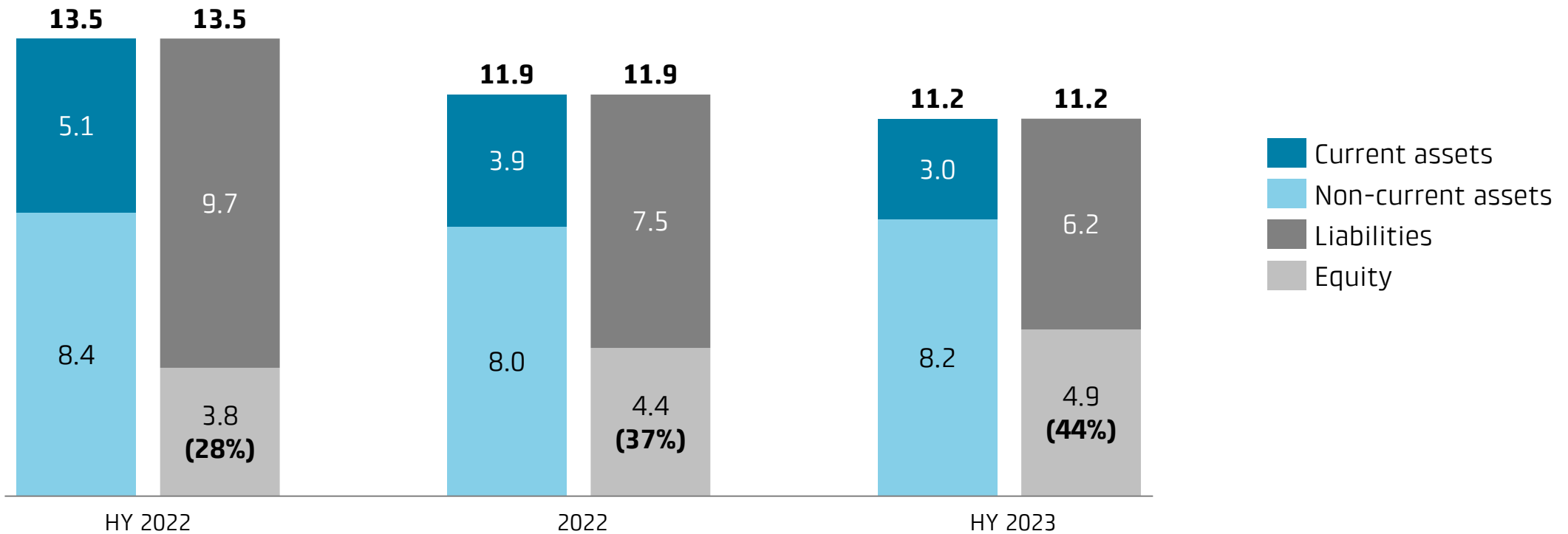
Net debt and Maturity profile of bonds



Net debt further decreased thanks to strong Operating Cash Flow; well-balanced maturity profile ensures financial flexibility

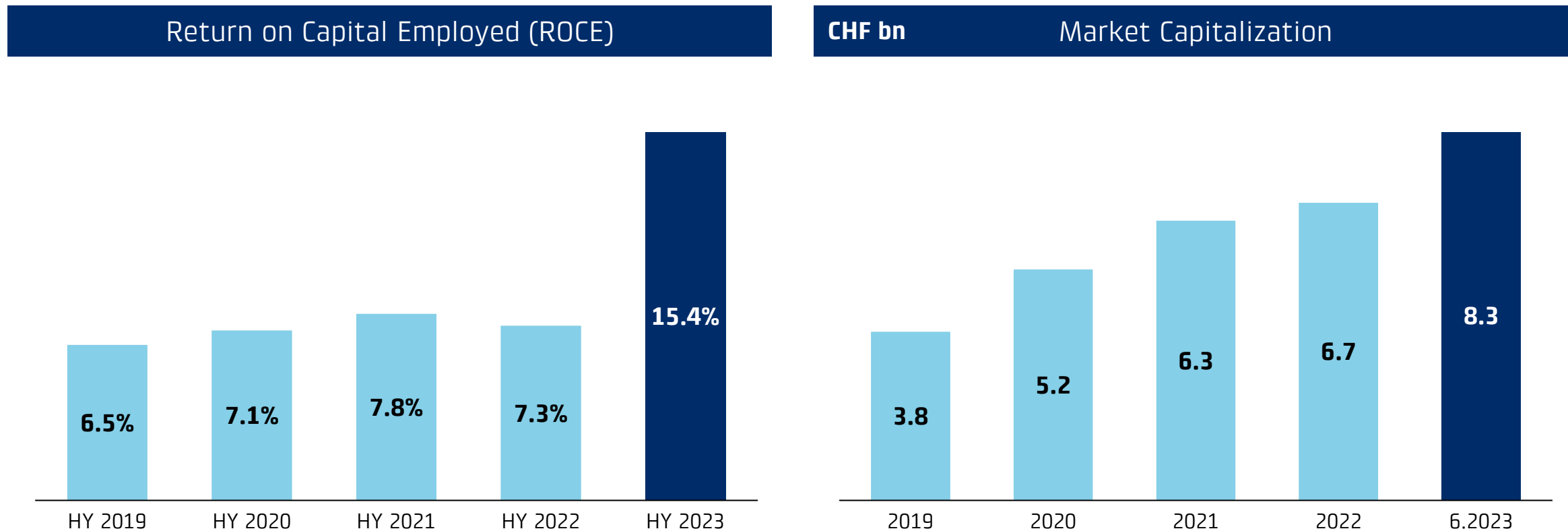
Balance sheet

CHF bn



Increased equity ratio, less expanded balance sheet

Return on Capital Employed and Market Capitalization



Return on Capital Employed exceeds BKW's capital costs; Market Capitalization attracts international investors



Outlook

Strengthening of BKW towards global energy transition

- New organizational structure as of 1 November 2023
- CEOs of the service divisions to be members of the Group Executive Board
- Corinne Montandon succeeds Roland Küpfer as Head of Grids
- Stefan Sewckow takes over as Head of the new “Energy Markets” unit



Outlook

- BKW will benefit in full year 2023 from the first half-year's energy management and trading performance.
- However, BKW expects a considerably lower energy management and trading performance in second half year due to current relaxation on European energy markets.
- **Overall, BKW increases its guidance and now expects for the fiscal year 2023 EBIT in the range of CHF 600 to 650 million.**





Q&A

BKW GROUP

Half-Year Report 2023

We create spaces for life.



Disclaimer

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