



20  
21

# Successful BKW Continues its Growth Trajectory

HALF-YEAR ANALYST AND MEDIA PRESENTATION 2021. SEPTEMBER 8, 2021



# HY 2021: BKW Grows Successfully

**Revenue**

**+8%**



**Services: Profitable growth**

**Energy: Rising energy prices**



**EBIT**

**+3%**



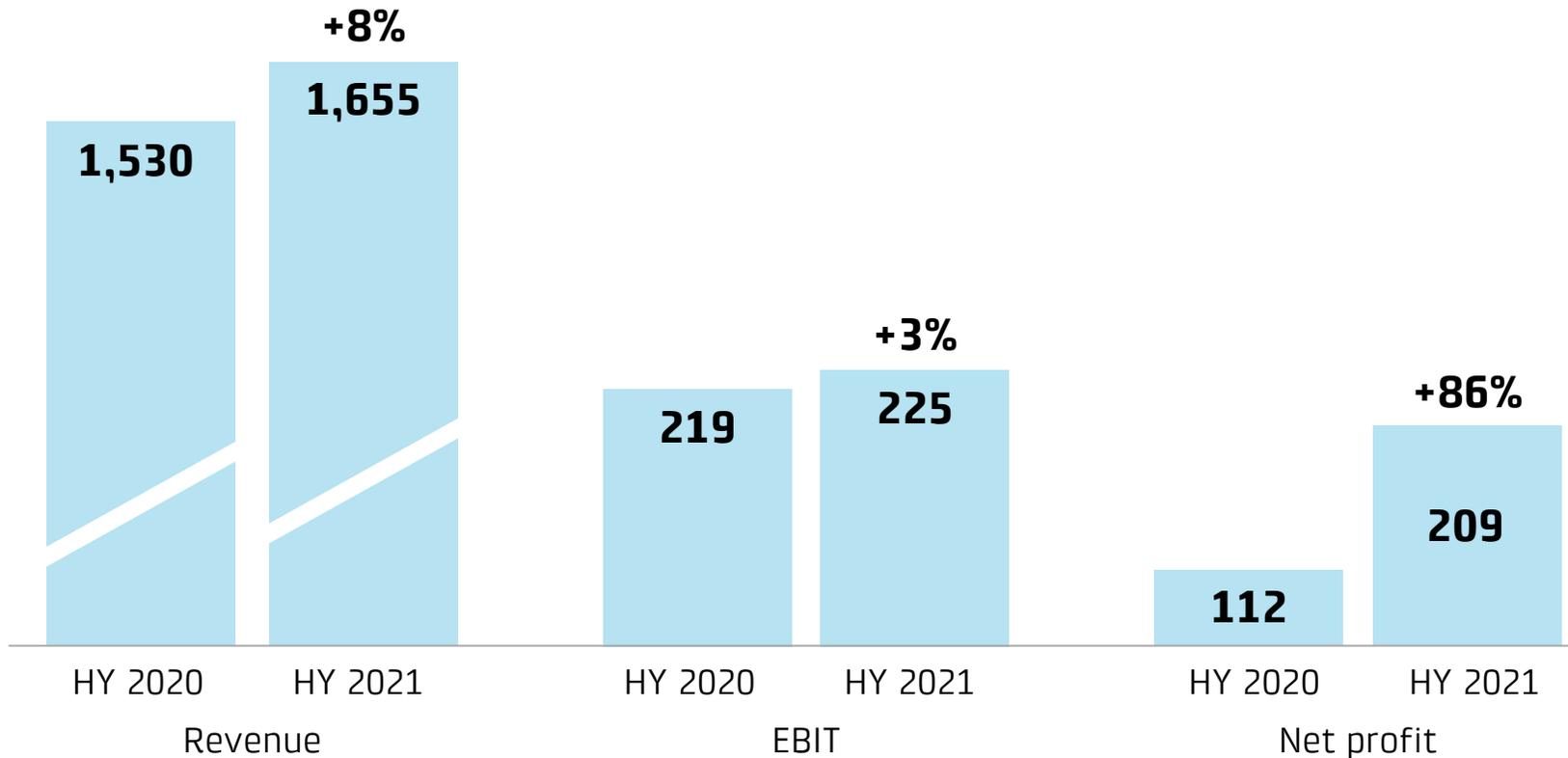
**Grid: Reliable contribution**

**BKW tops record result of 1<sup>st</sup> HY 2020**

# Financials HY 2021

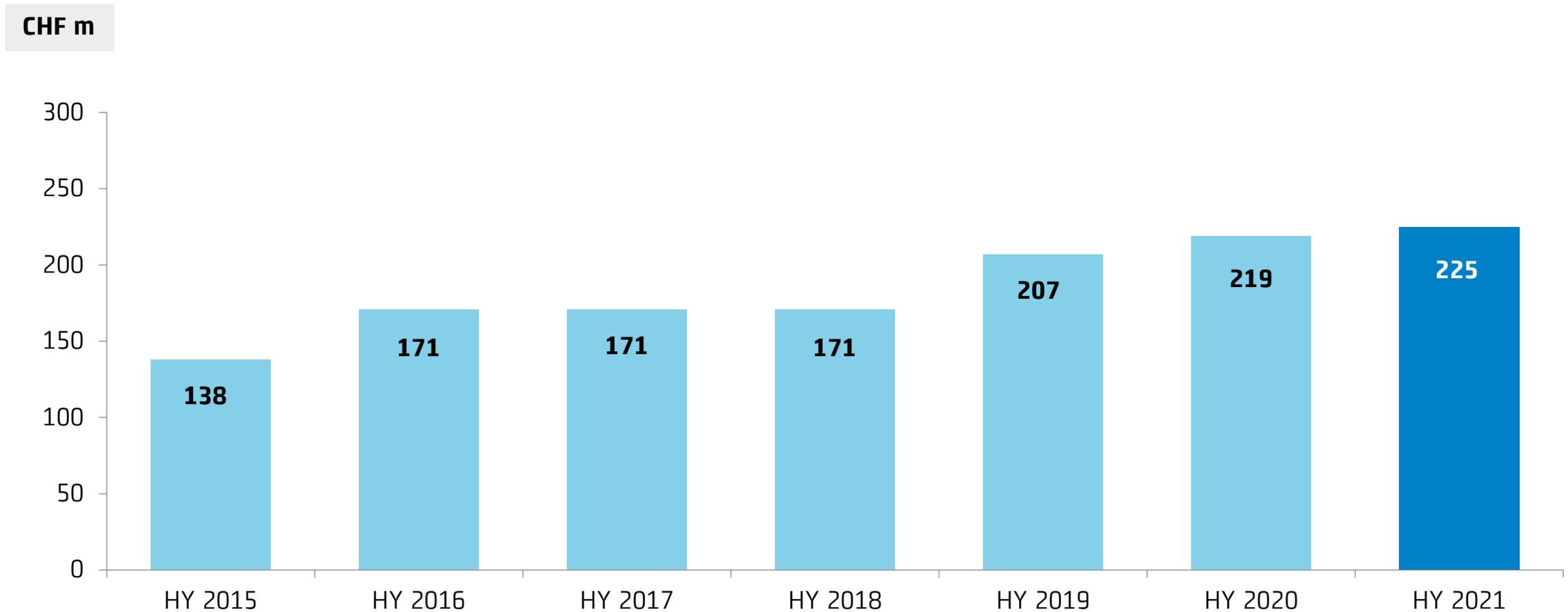
# Revenue, EBIT and Net Profit

CHF m



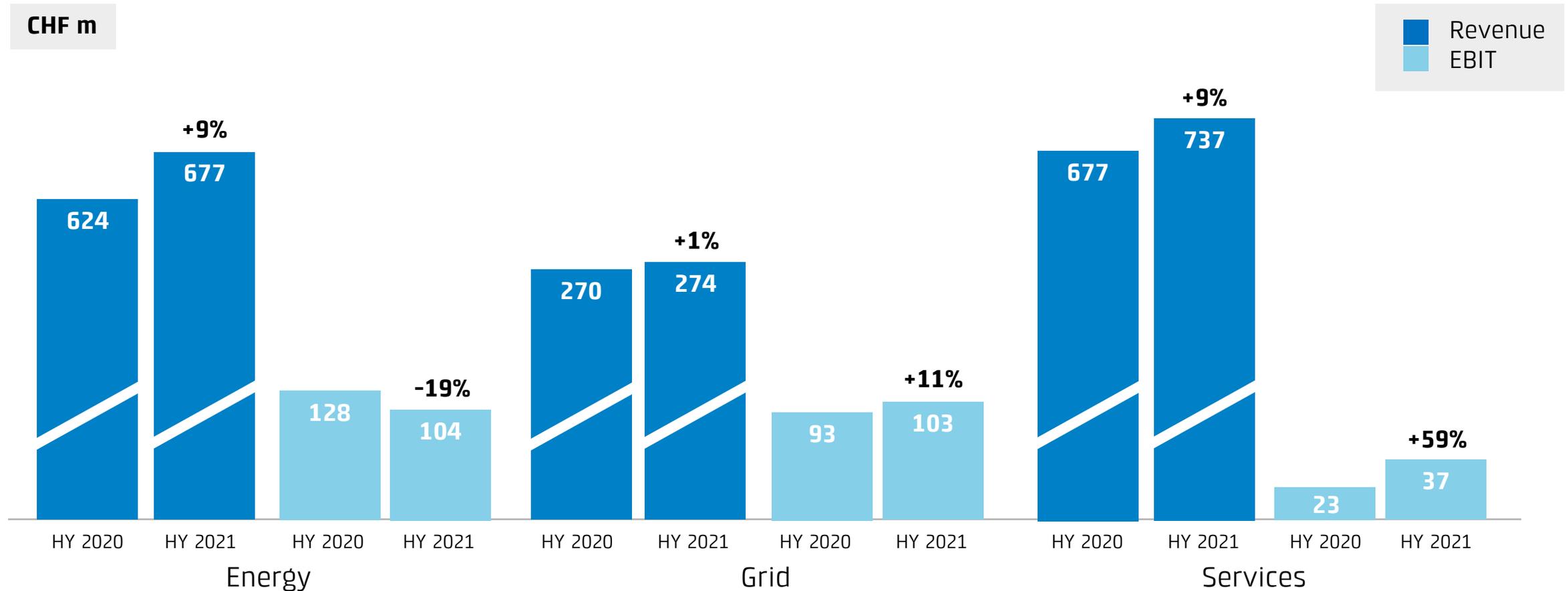
**Strong growth of revenue, EBIT above previous year's record, net profit up 86%**

## Half-Year EBIT History (Comparable)



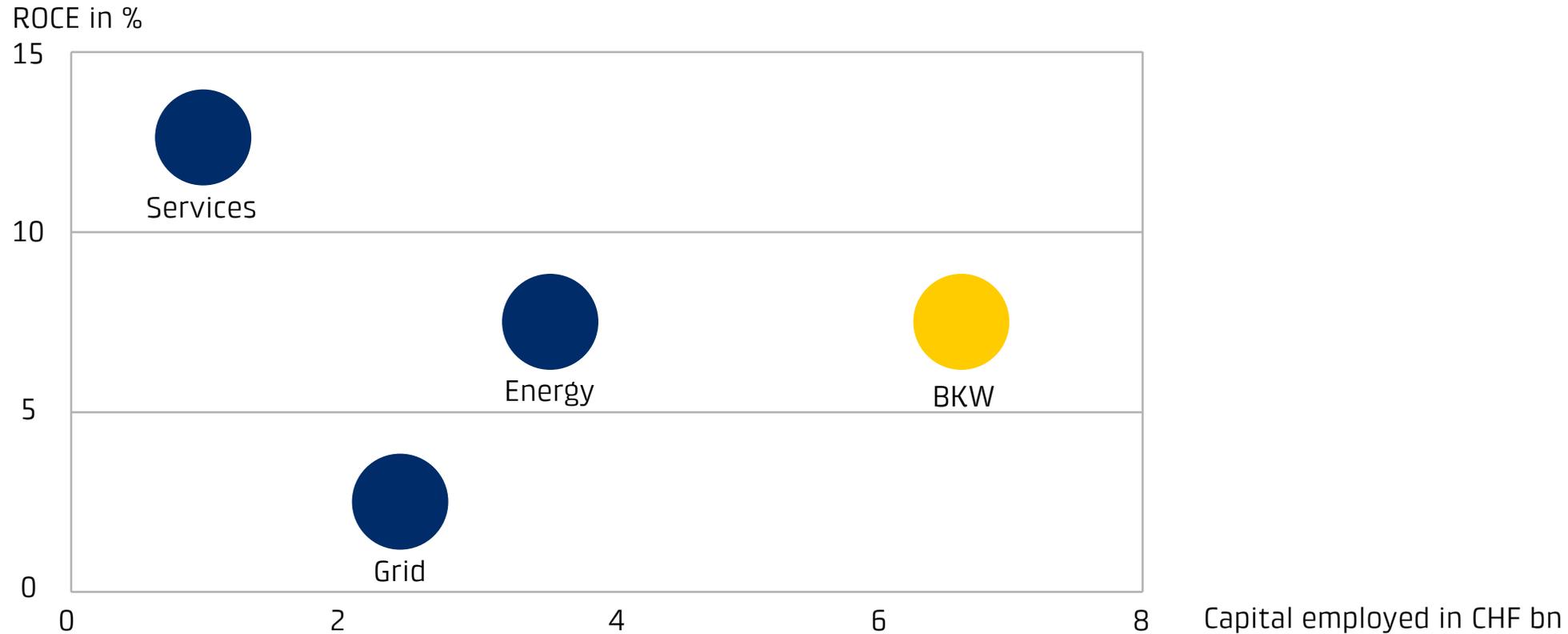
**Continuous EBIT increase since 2015 despite negative energy price effects until 2020**

# Revenue and EBIT by Business Area



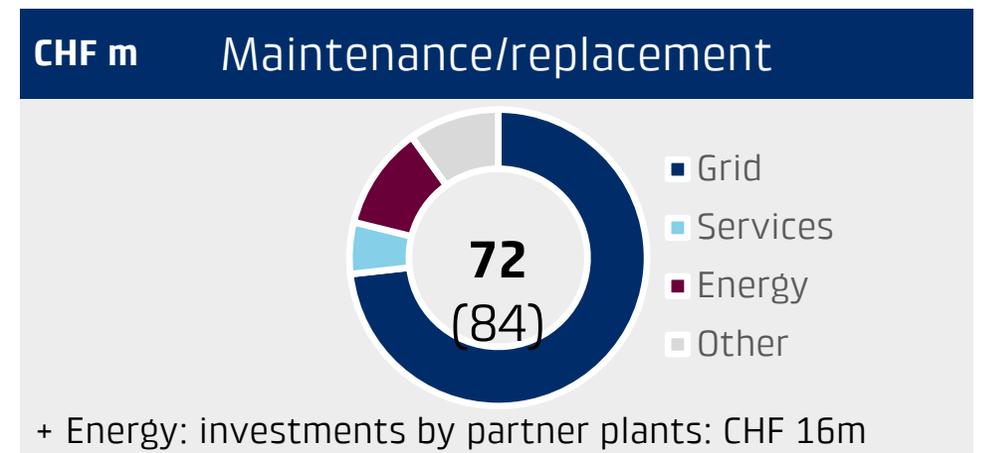
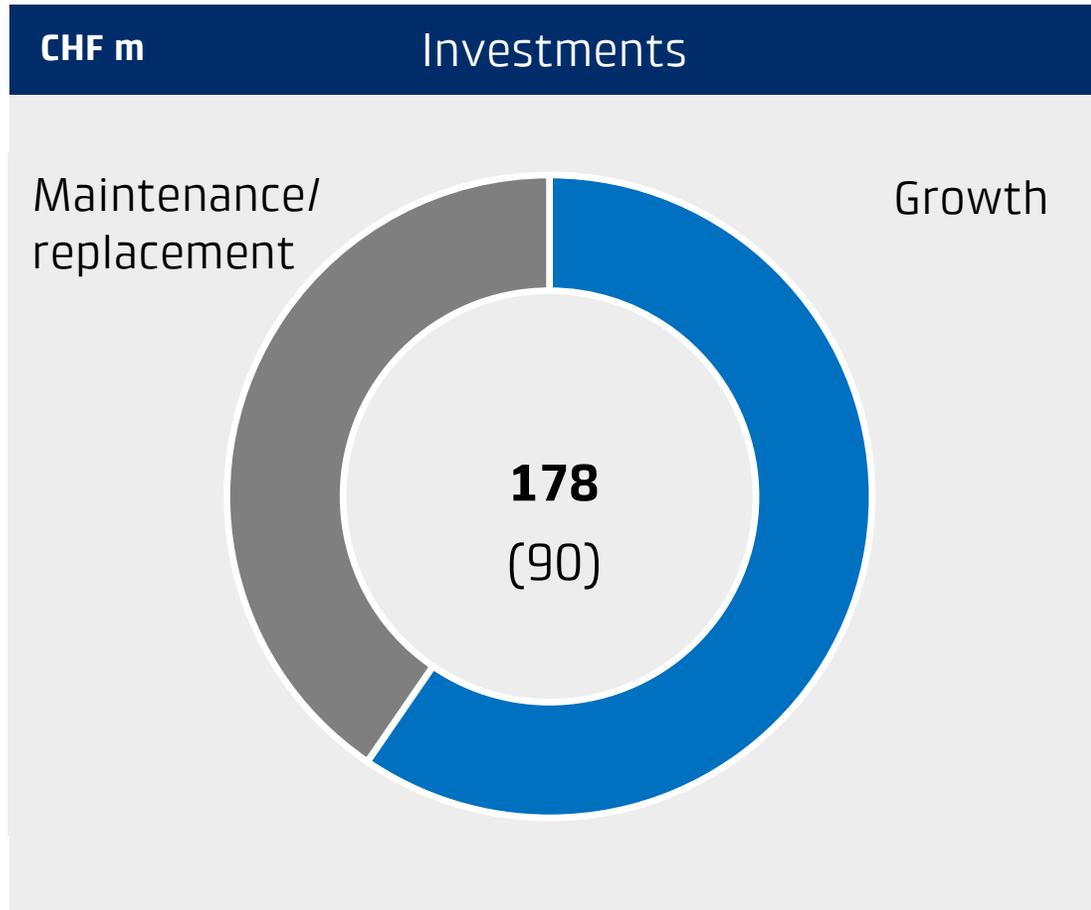
**Significant revenue growth in Energy and Services; reliable Grid contribution; strong improvement of EBIT-margin in Services**

# Return on Capital Employed (ROCE) by Business Area



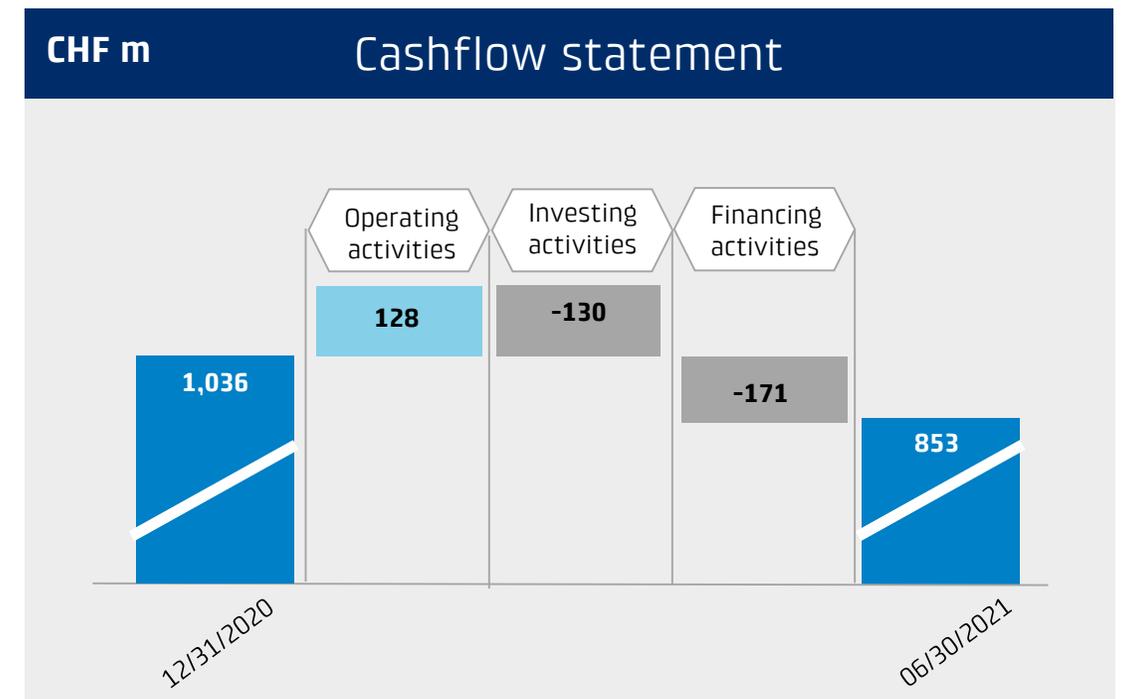
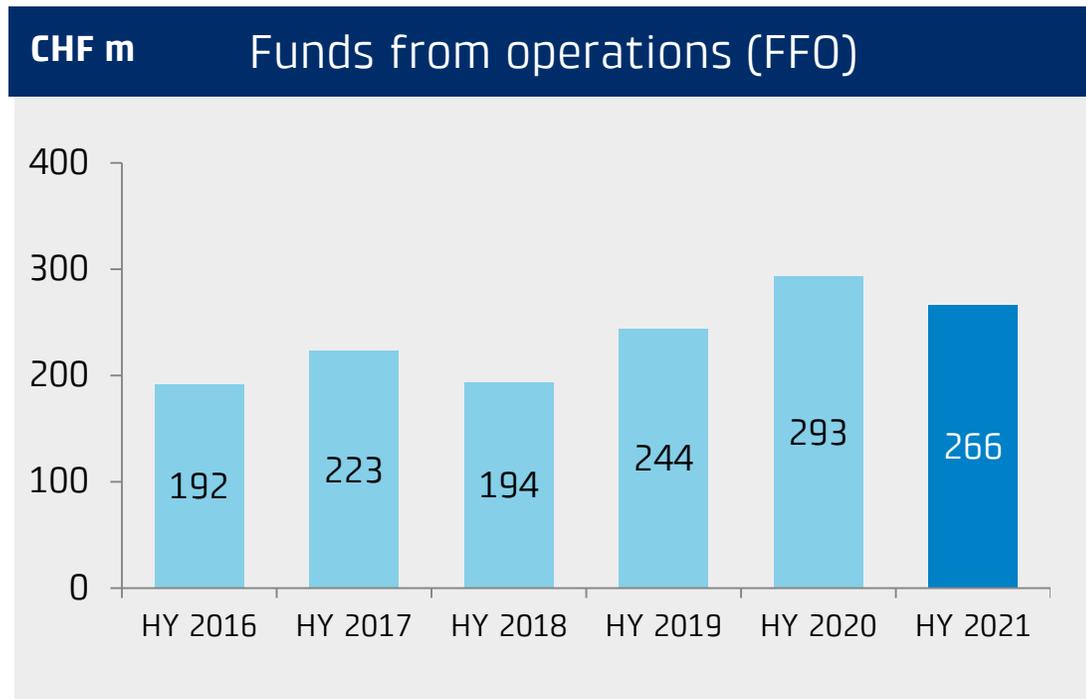
**Services with highest ROCE**

# Investments HY 2021: Growth Path Continued



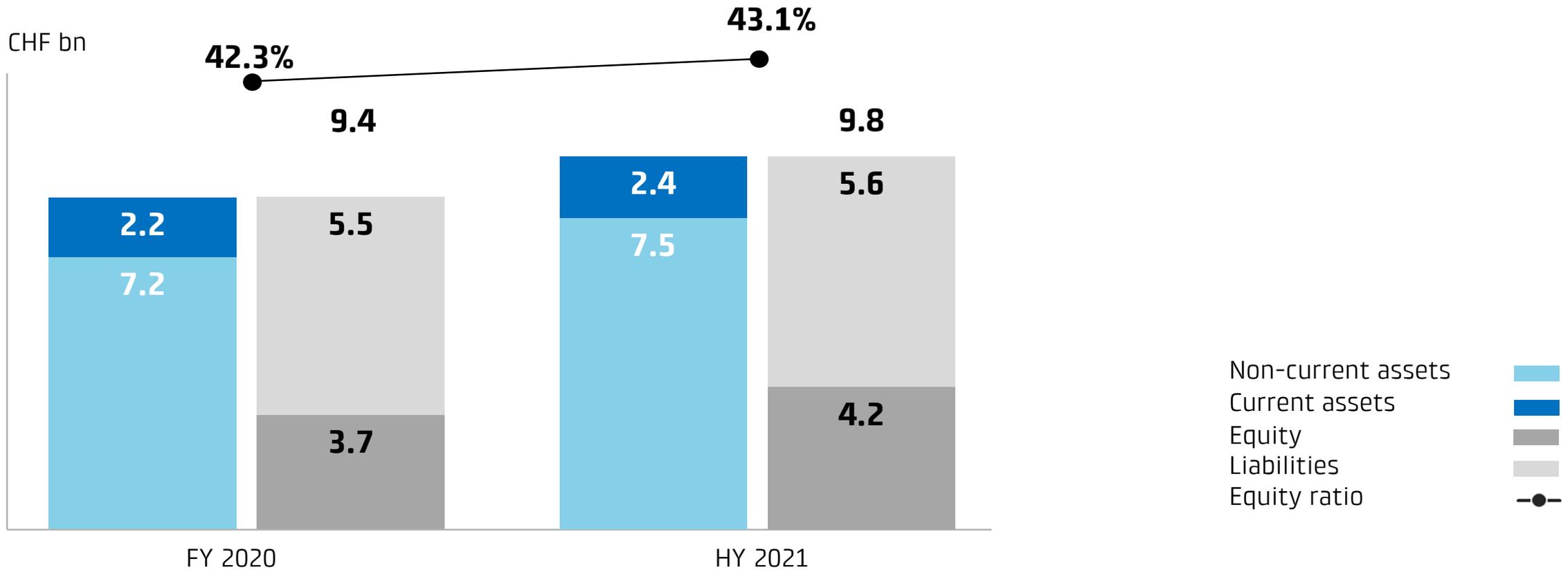
**60% of investments into growth**

# Strong Cash Generation and Liquidity at CHF 0.9bn



**Strong cash generation confirmed**

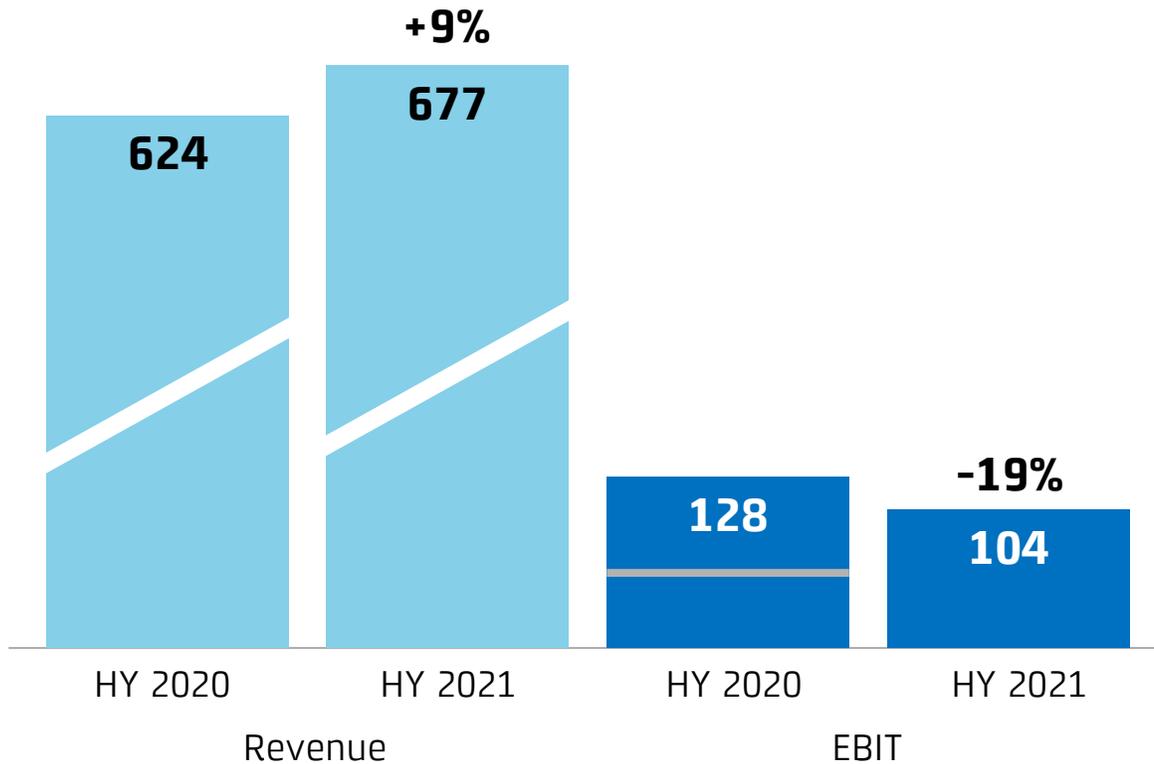
# Sound Balance Sheet: Equity Ratio at 43.1%



**Strong net profit drives equity ratio**

# Energy: Up 9%

CHF m



## Key Points

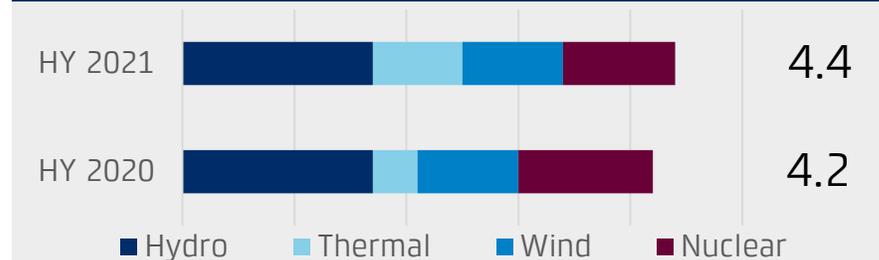
### Revenue:

- Positive year-on-year price effects
- Higher sales volumes
- Higher production volumes

### EBIT:

- Trading result below PY record

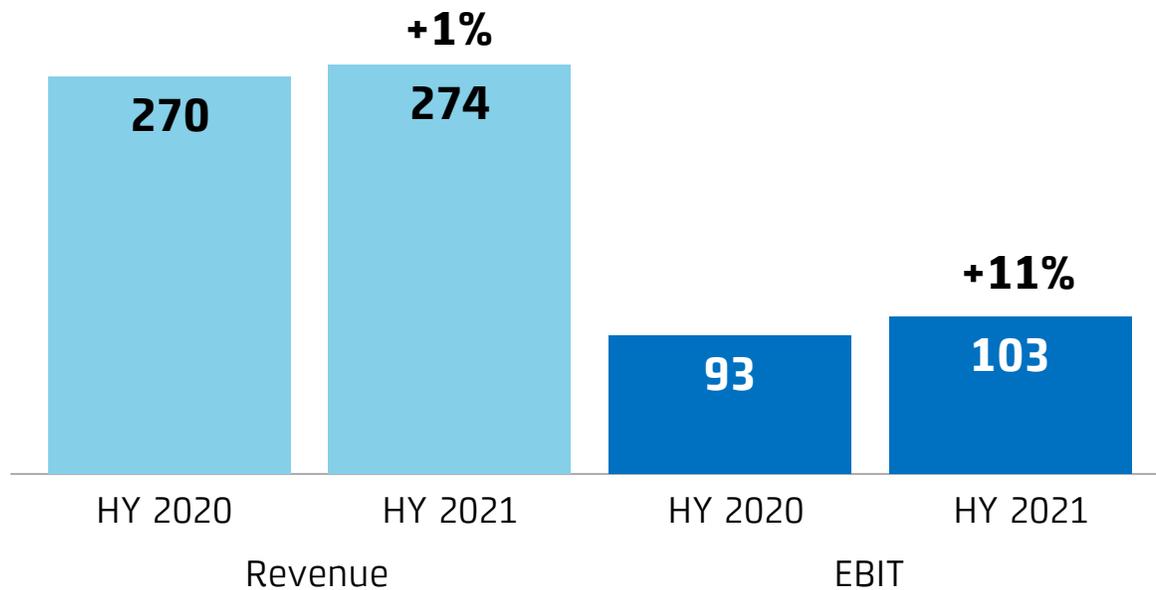
## Production Mix (Volumes in TWh)



**Strong topline growth, trading result impacts EBIT comparison to PY**

# Grid: Solid Results

CHF m



## Key Points

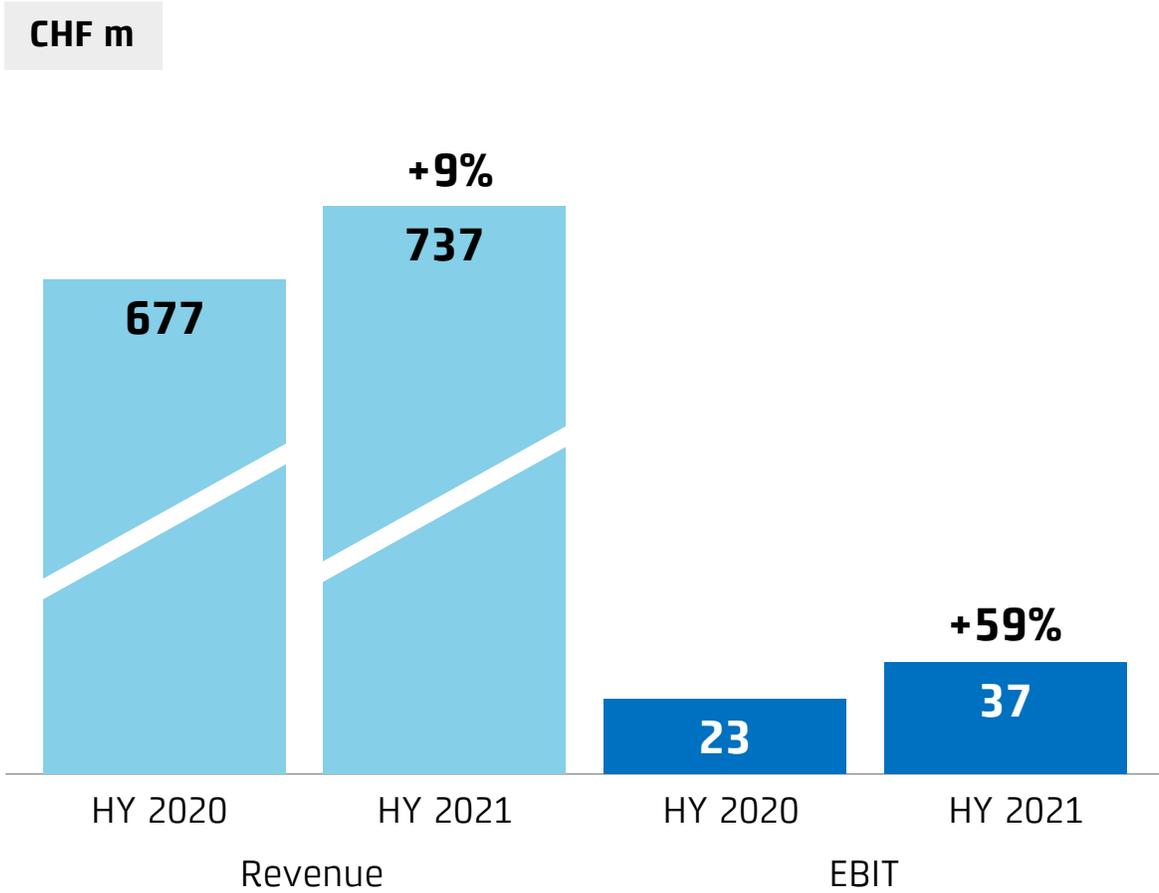
Higher feed-through:

- Weather conditions (colder temperatures)
- Consumption back on pre-COVID-19 levels

One-off effects (Swissgrid related)

**Efficiently managed grid operations, adequate and smart investments**

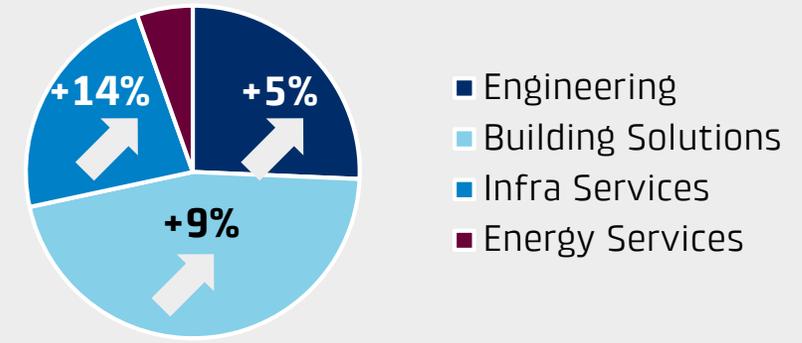
# Services: Successful Growth



## Key Points

- Strong revenue increase
  - organic growth above market
  - acquisition activity back on pre-COVID-19 level
- Strong margin improvement

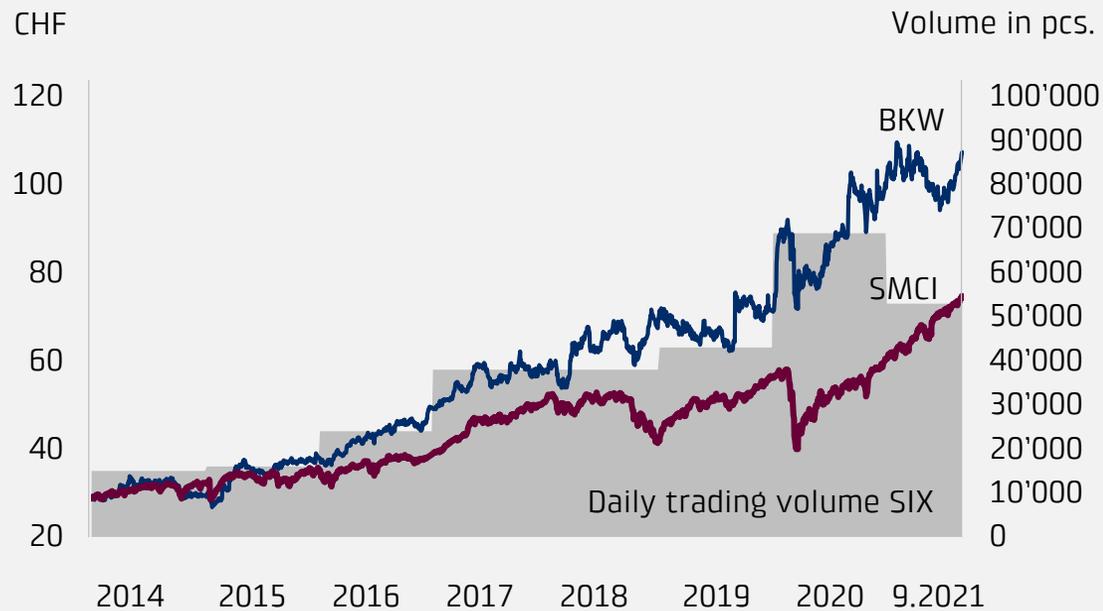
## Revenue Breakdown



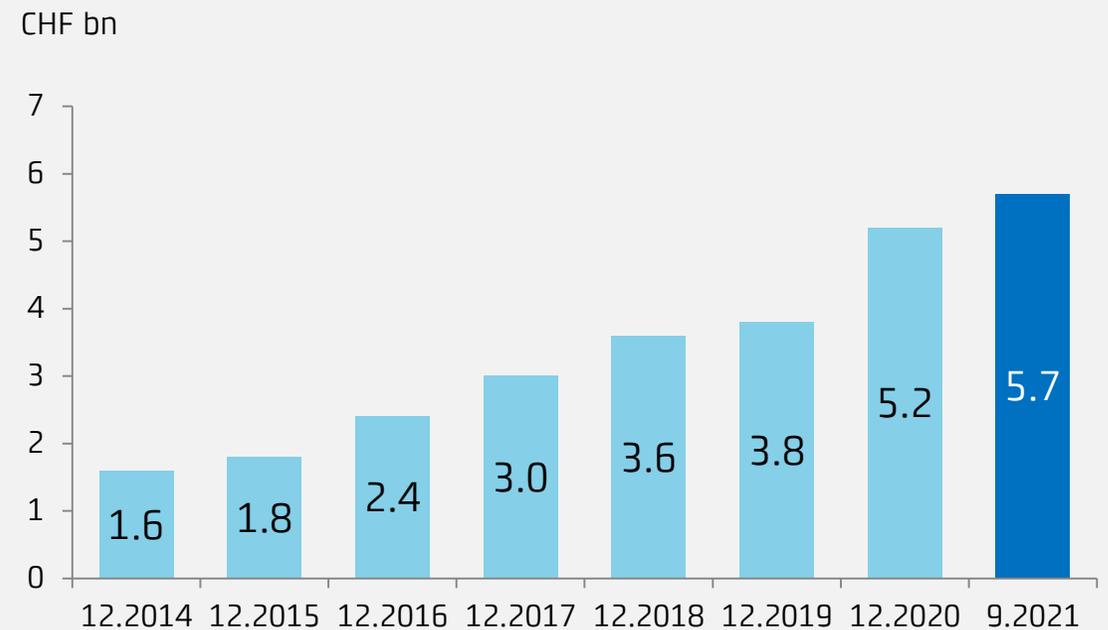
**Services grow strongly; outstanding margin improvement**

# Share Price Increase; Market Cap Above CHF 5.5bn

## Share Price



## Market Capitalization



**Total shareholder return 382% since 2014 (CAGR 23%)**

# Outlook and Strategy Update

# 2021 Outlook Confirmed

BKW expects 2021 operating profit in the range of **CHF 420 to 440m**



Further profitable growth of the Services business



Electricity price development



Average trading result



Large-scale overhaul KKL

**Half-year result confirms guidance**

# Agility and Resilience Create Value

**Organizational structure refined and strengthened**



**More complex, high-margin projects**



**Professionalization of support services**



**BKW's network accelerates top line growth**

# Sustainability is Core to BKW's Strategy



Knorr-Bremse development, Munich, ingenhoven architects

- **BKW signed up to the UN Global Compact**
- **Contribution to 10 SDGs**
- **Initial ESG reporting for 2021**

**Sustainability drives BKW's business**

# BKW is a Growth Company

Strong megatrends...

## Urbanization



## Increasing use of technology



## Climate change



... drive growth in BKW's target markets:

Energy



Infrastructure



Buildings



# Services: Market Development Drives BKW Growth

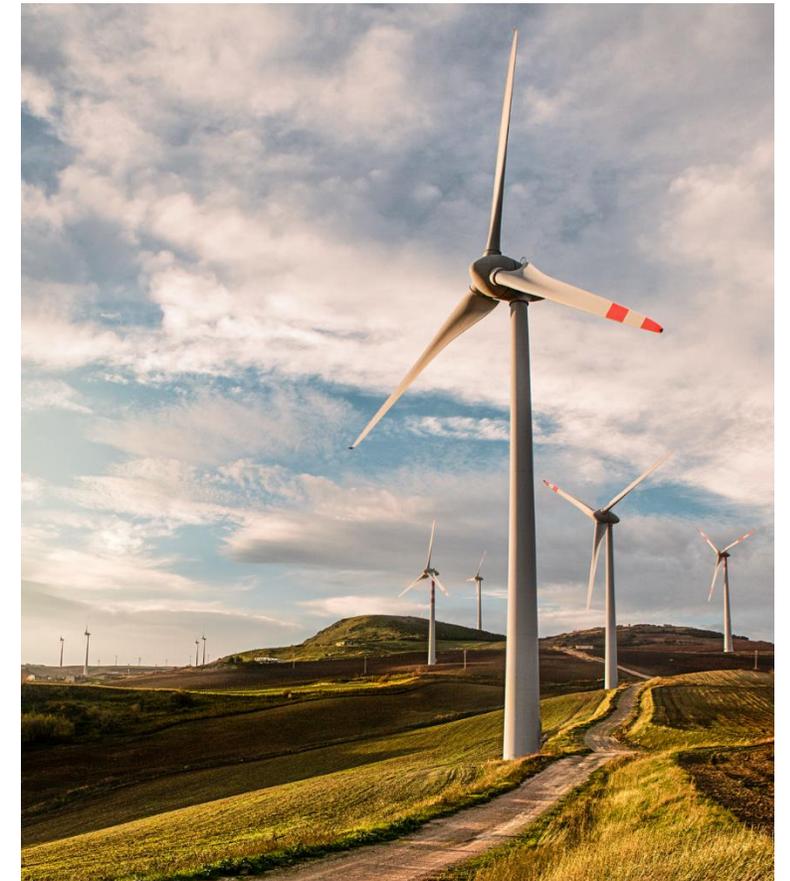


Strandkai, Hamburg, Assmann Beraten + Planen

- Large and growing target markets
- Focus on attractive market segments
- Expansion of market-leading positions in fragmented markets

**BKW: Innovative solutions for complex customer requirements**

# Energy: Electricity is a Growth Business



**Growth drivers: Flexibility, electricity price, renewables**

# Grid: Technologization and Optimized Resource Deployment



- Preservation of asset value
- Ready for the energy system of the future
- Efficient operation and use of resources

**Reliable contributor but with return on capital below BKW requirement**

# Growth with Limited Downside



**Result of 1<sup>st</sup> HY 2021 exceeds last year's record result, despite average trading result**



**Energy benefits from rising electricity prices**



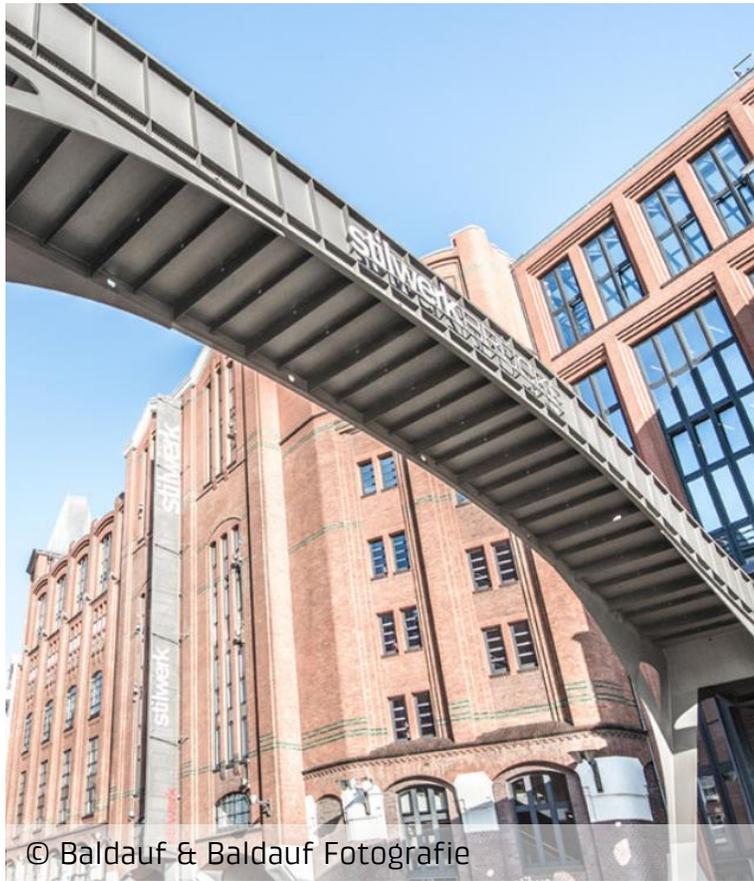
**Profitable growth in services continued**



**Grid contributes reliably to the robustness of BKW**

**BKW continues successful growth strategy**

# BKW is a Growth Company: Infrastructure, Buildings and Energy



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**Capital Markets Day on October 29, 2021**



20  
21

Thank you for your attention

Questions?



# Disclaimer

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