LETTER TO SHAREHOLDERS

BKW is successfully driving its new strategy forward

The BKW Group[1] began implementing its new “Solutions 2030” strategy in the first half of 2025 and has already seen positive results. In financial terms, BKW closed the first six months of the year with strong EBIT, to which all three business segments – Energy Solutions, Power Grid and Infrastructure & Buildings – contributed. BKW expects higher earnings for the second half of the year due to seasonal effects and confirms its guidance for the full year 2025 with an EBIT of CHF 650 to 750 million.

Dear Shareholders,
Ladies and Gentlemen,

We are pleased to present a positive half-year result for 2025. Compared to the strong prior-year period, EBIT declined by 29.1 percent to CHF 310.7 million, in line with expectations. Operating net profit amounted to CHF 210.4 million in the first half of 2025. This development is attributable to the normalized market environment. In addition, weather conditions led to lower production of the hydro and wind power plants.

Energy Solutions well underway
As in previous years, the Energy Solutions business segment made a significant contribution to BKW’s result. However, total operating income declined slightly due to the lower market price level as well as lower volumes. EBIT fell due to the trading result, which continued to normalize following the upheavals during the energy crisis.

1 The BKW Group comprises BKW AG and its Group companies. For better readability, the Group will be referred to below as BKW. Where the text relates to BKW AG or BKW Energie AG, this is expressly mentioned.

Power Grid remains stable
The Power Grid business segment saw stable development in the first half of 2025. BKW invested heavily in the renewal and expansion of the distribution grid. The roll-out of smart meters is developing positively. By the middle of the year, BKW had already installed over 70,000 smart electricity meters, and another 500 are being added every day. Thanks to its consistent customer focus, BKW has greatly reduced the processing time for grid connection applications. In April, we also introduced the minimum remuneration for electricity fed into the grid by private solar systems ahead of schedule.

Infrastructure & Buildings better again
The upward trend in the Infrastructure & Buildings business segment continued in the first half of 2025. Revenue and EBIT increased. BKW is thus well on track with its strategy of continuously increasing profitability. All areas in Infrastructure & Buildings contributed to this positive result.

Implementation of the “Solutions 2030” strategy
In the first half of 2025, BKW began implementing the “Solutions 2030” strategy, which it presented at the Capital Markets Day on November 8, 2024. The first major successes in the Energy Solutions business segment include project planning for a large-scale battery storage facility with a capacity of 300 MW in Waltrop, Germany, the building permit for the MontSol solar project in the Bernese Jura region, and the successful marketing of flexible photovoltaic systems on the control energy market. In the Infrastructure & Buildings business segment, BKW achieved strong organic growth in the planning and construction of high-voltage lines in Germany. At the same time, it strategically expanded its expertise in building construction in Germany in the areas of project management and architecture.

Outlook
Overall, BKW expects a higher result for the second half of the year due to seasonal effects in the Energy Solutions and Infrastructure & Buildings business segments. For the Power Grid business segment, BKW expects a normal stable result in the second half of the year. BKW therefore confirms its guidance and expects EBIT of CHF 650 to 750 million for the 2025 fiscal year.

BKW can only be this successful thanks to our customers, suppliers and shareholders. Above all, we want to thank our employees for all their hard work and dedication. We look forward to continuing our successful journey together with all of you.

Kind regards,

Roger Baillod
Chairman of the Board of Directors

Robert Itschner
CEO