

Press release

BKW again posts record results

BKW AG business figures 2020

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The BKW Group has again exceeded the record results of the previous year despite the difficult economic conditions: In the 2020 financial year its revenue grew by 9 percent to CHF 3.1 billion. Operating profit (EBIT) grew by 10 percent to CHF 475 million. Operating net profit rose by 22 percent to CHF 349 million. Operating cash flow at BKW also increased by 24 percent. At CHF 662 million it has reached an all-time high. This excellent result confirms BKW's strategy which is based on comprehensive solutions for infrastructure, buildings and energy.



	CHF millions	2019	2020	
Revenue		2867	3129	+9 %
Operating profit (EBIT)		433	475	+10 %
Operating net profit*		285	349	+22 %
Operating cash flow		533	662	+24 %

* Before the state funds for decommissioning and waste disposal

BKW has again delivered an excellent financial year: Revenue, EBIT, operating net profit and cash flow have again all increased in relation to a very successful previous year. Despite the fact that the Mühleberg Nuclear Power Plant ceased production at the end of 2019, BKW delivered a revenue increase to CHF 3.1 billion (+ 9 percent) - in particular due to the growth of the Services

business. The reported EBIT amounted CHF 475 million (+10 percent). Even adjusted by the one-off effect of the compensation entitlement from Swissgrid for the former BKW transmission grid, at CHF 436 million it was still higher than the record level from the previous year. BKW has clearly exceeded the guidance issued in the 2020 half-year report which raised EBIT to be in the range of CHF 400 to 420 million. This is attributable on the one hand to the convincing result achieved by the trading business in the second half and on the other hand to the momentum gain in the Services business.

BKW also exceeded expectations in its other financial figures: At CHF 662 million (+24 percent) operating cash flow has reached an all-time high in the history of BKW AG. Operating net profit has increased to CHF 349 million (+22 percent). The performance of the state funds for decommissioning and waste disposal in 2020 exceeded the legally prescribed return. The reported net profit is CHF 382 million. BKW's market value has more than trebled in recent years and is now significantly higher than CHF 5 billion.

Due to the excellent result and the continued positive outlook, BKW proposes to the General Meeting that the dividend be increased from CHF 2.20 to CHF 2.40 per share.

Services business grows despite the coronavirus

Particularly pleasing is the result in the Services business where revenue increased by a good 30 percent, primarily due to acquisitions made in autumn 2019. Despite the coronavirus pandemic which had an adverse impact on productivity especially in the first half-year, the Services business delivered an EBIT of CHF 84 million, corresponding to an increase of 17 percent.

The Services business is becoming increasingly technology and data-driven. Therefore, BKW wants to establish itself as a leading provider of digital planning, building and operation of buildings and infrastructure. The consistent application of the Building Information Modelling (BIM) methodology makes this networking of planning, execution and management possible and therefore also the digitalisation of the construction sector. It is becoming more and more established in the construction industry value chain. BKW has established a BIM Competence Centre to pool know-how from the entire Group and create added value for its customers. All Group companies and their customers benefit from the systems and services of the Competence Centre.

Due to the shutdown of the Mühleberg Nuclear Power Plant, revenue in the Energy business fell by 11 percent. However, the fact that EBIT only fell by four percent, confirms that decommissioning was the correct economic decision. The decommissioning and dismantling works are progressing on schedule. The Trading business has again achieved an above-average result even if it is slightly below the record 2019 result.

Operating profit in the Grid business is developing steadily. The growth in revenue and EBIT is almost exclusively attributable to the special payment from Swissgrid of over CHF 39 million. This is the last tranche of the legally pursued compensation for BKW's former transmission grid that was passed as expropriation to Swissgrid in 2013. Grids are facing huge challenges, both in Switzerland and throughout Europe. Due to the market opening up and the energy transition with its increasingly distributed feed-ins, BKW is reviewing the position of its distribution grid. It is developing innovative solutions to overcome these challenges and prepare the grids for the new energy world.

BKW is committed to sustainability

Further strengthened by this very good 2020 result, BKW is in an excellent position to meet the challenges ahead. The market and society are demanding new solutions to achieve the climate objectives. In order to make a significant contribution to a sustainable future, BKW views its market segments of infrastructure, buildings and energy as part of the same whole and is constantly expanding them. It achieves this as a high-performance corporate group that collaborates across its network and fulfils a growing customer requirement for innovative products and services. In accordance with its values, it is entrepreneurial, collaborative and trailblazing in creating the basis for the living spaces of the future. It draws on its decades of experience, technological know-how and comprehensive expertise. BKW's ambition is to make a significant contribution to sustainable, social and economic development in order to maintain the balance between prosperity and the environment.

This is why it is committed to the principles of the UN Global Compact and to the Sustainable Development Goals (SDGs) of the [UN 2030 Agenda](#). Having considered its wide-ranging business activities, BKW is focused on ten of these 17 SDGs in which it can achieve the greatest impact.

Outlook

For the 2021 financial year, BKW expects an operating profit (EBIT) in the range of CHF 420 to 440 million, similar to the 2020 level. This outlook is based on rising electricity prices and further profitable growth in the Services business along with a normalisation of the trading result. However, uncertainties regarding further economic growth due to the coronavirus persist and could have a significant impact on future forecasts. As in the 2020 financial year, BKW's robust position will continue to be advantageous in 2021.

Changes to the Board of Directors

BKW proposes Prof. Dr. Petra Denk as a new member of the Board of Directors to the General Meeting on 7 May 2021. She will replace Urs Gasche who from this date will retire from the Board of Directors ([see press release](#)). Since 2009 the PhD physicist has been a lecturer in energy and business management at the University of Applied Sciences Landshut and since 2012 Managing Director of the Institut für Systemische Energieberatung GmbH at the same university. Prior to that she worked for 8 years at the energy group E.ON Energie AG, latterly as head of the merger & acquisition department.

A video interview with BKW CEO Suzanne Thoma on the 2020 financial year can be found [here](#).



You can find further information on the 2020 financial year at www.bkw.ch/ar20.

The expectations and forward-looking statements expressed in this document are based on assumptions and are subject to risks and uncertainties. This means that the actual results may differ materially from those expressed or implied by the expectations and statements. This press release is issued in German, French, English and Italian. The German text is the authoritative version.

BKW

The BKW Group is a Bern-based international energy and infrastructure company. It employs more than 10,000 people. Its company network and its innovative technologies allow it to offer its customers a full range of integrated expertise in the areas of infrastructure, buildings and energy. The Group plans, builds and operates infrastructure to produce and supply energy to businesses, households and the public sector, and offers digital business models for renewable energies. Today, the BKW Group portfolio comprises everything from engineering consultancy and planning for energy, infrastructure and environmental projects to integrated offers in the field of building technology and the construction, servicing and maintenance of energy, telecommunications, transport and water networks.

The registered shares of BKW AG are listed on the SIX Swiss Exchange.