

# Press release

(Ad hoc announcement pursuant to Art. 53 LR)

## BKW enters the next growth phase

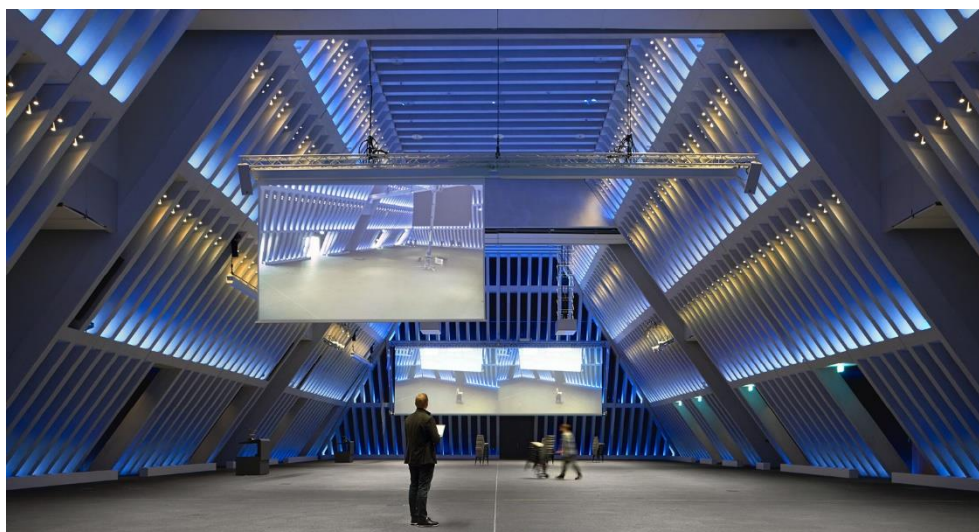
Annual Report 2021 of BKW AG

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**In the challenging 2021 financial year the business model of BKW with its three pillars of Energy, Grid, and Services has shown its value. The profitable growth of the Services business is particularly encouraging. Despite the unplanned extension of the overhaul of Leibstadt Nuclear Power Plant, BKW generated EBIT of CHF 395 million. BKW coped well with the turmoil on the energy markets and presented and initiated a new growth strategy in the 2021 financial year. It is proposing to the General Meeting to increase the dividend to CHF 2.60 per share.**



Million CHF	2020	2021	
Revenue	3,090*	3554	+15 %
Operating profit (EBIT)	436*	395	-9 %
Net profit	345*	327	-5 %
Market value as of Dec. 31	5238	6259	+20 %
Dividend per share	CHF 2.40	CHF 2.60	+8 %

\* Adjusted for the one-off Swissgrid payment

BKW increased its revenue by 15 percent to approximately CHF 3.6 billion in the 2021 financial year. The Energy and Services businesses grew, contributing each an equal amount of around CHF 1.5 billion to Group sales. The Services business also increased operating profit (EBIT), which rose by 14 percent and grew even more significantly than revenue (plus 9 percent). As in previous years, Grid made a solid contribution to revenue and EBIT in the reporting year. To ensure grid integrity and the restructuring of the electricity supply system, BKW has to invest an amount in the triple-digit million range in the distribution grid each year, despite the legally limited return.

The EBIT in Energy was lower than in the previous year. This decline can be attributed primarily to the extended overhaul of the Leibstadt Nuclear Power Plant (KKL). As KKL was shut down for a solid month longer than planned, BKW had to repurchase the missing production at very high prices in a tight energy market. Without this effect, BKW would have exceeded both its outlook for the 2021 financial year and the previous year's result. The turmoil in the energy markets, particularly around the turn of the year, demonstrated that BKW is well-positioned to deal with the high level of risk in the energy business. BKW can cope with such situations due to its well-balanced strategy based on the three pillars of Energy, Grid, and Services as well as its highly professional risk management.

### **Growth ambitions through 2026**

BKW entered a new growth phase in the reporting year. It will achieve growth in both its Energy and Services business segments. Based on the positive outlook in both segments, BKW expects EBIT in a range of CHF 460 to 500 million for the current financial year. However the economic uncertainties caused by the conflict in Ukraine may influence the 2022 result. The risks in the European energy markets have been identified and are being observed closely. Due to its risk framework and strong financial position, BKW is capable to deal with these risks.

BKW intends to increase its revenue to more than CHF 4.5 billion and its EBIT to over CHF 700 million by 2026. In view of the strong annual result for 2021 and the expectation of additional growth, it proposes to the General Meeting that the dividend be increased by 20 centimes to CHF 2.60 per share.

BKW has already taken concrete steps of this growth strategy in the current year: With the [acquisition of UMB](#), it has taken an important step towards bolstering its ICT competencies in this high-margin area. It just substantially expanded its

portfolio of renewable production assets with the [purchase of six wind farms in France](#) with an installed capacity exceeding 100 MW. High electricity prices will also support BKW's growth strategy in the years to come.

### **Sustainability Report as part of the Annual Report**

Sustainability is one of the key elements of BKW's growth strategy. With its solutions in the energy, buildings, and infrastructure markets, it has long been helping its customers to reduce their environmental footprint caused by energy consumption. In a Sustainability Report, BKW describes its comprehensive commitment to sustainable development as part of its 2021 annual reporting. With figures and specific examples, the report provides an overview of BKW's contribution to the Sustainable Development Goals of the UN Agenda 2030 in relation to several key themes. BKW also outlines the measures and projects it will be addressing in the near future. It will report its progress annually.

A video interview with BKW CEO Suzanne Thoma on the 2021 financial year can be found [here](#).

Detailed information on BKW's Annual Report 2021 can be found on our [website](#).

### **Changes to the Board of Directors of BKW AG**

After 13 years on the Board of Directors, the last 8 of which as Deputy Chairman, Hartmut Geldmacher has tendered his resignation as a member of the BKW Board of Directors. In 2009, he was elected to this body as a representative of E.on, which was a major shareholder at the time, and remained on it as an independent member after the German energy group sold its stake in BKW in 2010. BKW would like to extend its thanks to Hartmut Geldmacher for his many years of highly competent commitment to the company. For the attention of the General Meeting on May 16, 2022, the Board of Directors has nominated Martin à Porta to succeed Hartmut Geldmacher. ETH is an engineer and has held various positions as CEO in the energy and infrastructure sectors, most recently at Pöyry Plc. Since 2019, he has been active as Senior Adviser for private equity firms as well as a member of the Board of Directors of Stantec and UPM, among others.

*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 version is authoritative.*

#### BKW

The BKW Group is a Bern-based international energy and infrastructure company. It employs approximately 11,000 people. Its company network and innovative technologies allow it to offer its customers a full range of skills 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.