

# Press release

## BKW posts record results

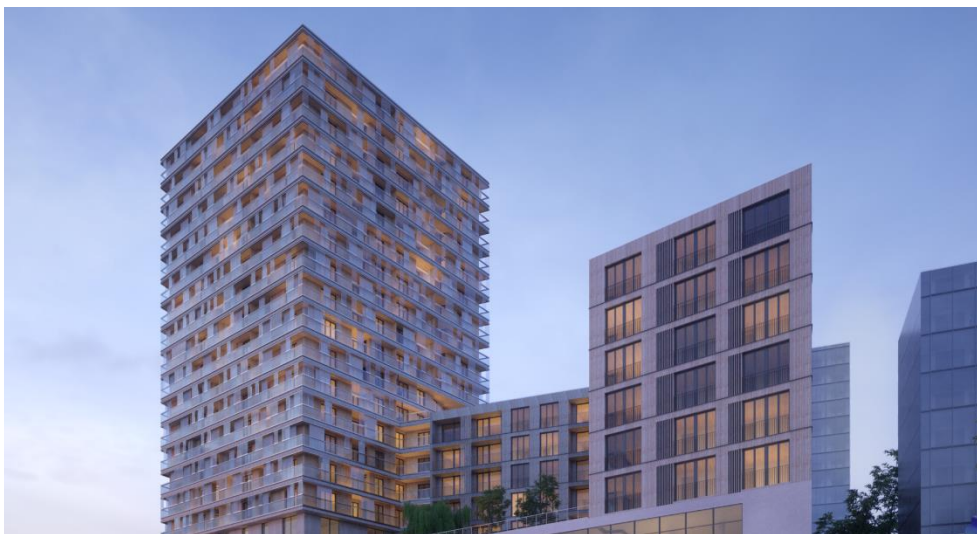
BKW AG business figures 2019

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**In 2019, BKW recorded the best results in its history: at CHF 433 million, EBIT was 19 percent above the adjusted figure for the previous year. Besides generally positive business developments, this result was mainly due to BKW's extremely successful trading business. BKW again increased its revenue, this time by 7 percent to CHF 2,867 million. Net profit was up 149 percent to CHF 404 million as a result of the excellent financial year and the stronger performance of the decommissioning and waste disposal funds. BKW proposes to the Annual General Meeting that the dividend should be increased from CHF 1.80 to CHF 2.20 per share.**



	in CHF millions	2018*	2019	
Revenue		2,675	2,867	<b>+7%</b>
Operating profit (EBIT)		364	433	<b>+19%</b>
Net profit		162	404	<b>+149%</b>

\* EBIT and net profit for 2018 without the one-off effect from the benefit plan change in the BKW pension fund

BKW is successfully transforming into an international energy and infrastructure service provider. Its strategy is paying off: in the 2019 financial year, the company achieved record results, posting increases in revenue (+7 percent), EBIT (+19 percent) and net profit (+149 percent). Despite the continuing negative effects of electricity prices (CHF -120 million), the operating result is significantly higher than the figure for the previous year. This is due to successful management of the energy business, profitable growth of the service business and reductions in costs. The excellent performance of the decommissioning and waste disposal funds also contributed to the record net profit. At CHF 584 million (+52 percent), funds from operations (FFO) also reached a record high. Consequently, BKW was able to finance all investments with the cash flow from operations.

2019 was another year of transformation and growth for BKW. At the end of 2019, BKW had more than 10,000 employees (including about 800 trainees), the number trebling since 2014. BKW invested a total of CHF 575 million, with more than 70 percent going to growth areas and almost 30 percent to plant maintenance, primarily the grid.

Due to the excellent results for 2019 and the ongoing positive outlook, BKW proposes to the Annual General Meeting that the dividend should be increased by 22 percent to CHF 2.20 per share.

### **Service business exceeds billion threshold**

BKW's service business experienced continued growth, with revenue and EBIT up substantially. Revenue increased by 26 percent to CHF 1,107 million. This means that services crossed the billion threshold for the first time ever and made up almost 40 percent of the BKW Group's total revenue. With its international network of over 100 companies, BKW is able to participate increasingly in technology-oriented growth markets. This growth is driven by the need to tackle climate change, and by urbanisation, digitalisation and infrastructure expansion. The BKW Group has established itself as a market leader in the areas of Building Solutions, Engineering and Infra Services.

There is a demand for energy-efficient, fossil-free and intelligent solutions in buildings, and this can be met by BKW Building Solutions thanks to its building technology network throughout Switzerland. In the 2019 financial year, special focus was placed on expanding the technology-driven areas of building automation

and ICT. Mainly due to the takeover of the swisspro Group (see [press release](#)), BKW is positioning itself as a Swiss alternative to international companies operating in these growth areas.

In 2019, the prestigious German architectural firm and general contractor ingenhoven architects joined the BKW Engineering network (see [press release](#)), thus considerably strengthening BKW in energy and resource-efficient building planning. ingenhoven architects is a pioneer in sustainable design and building planning for reducing emissions and energy consumption in large construction projects and has patented a comprehensive supergreen® sustainability concept.

Thanks to diverse expertise within the BKW Engineering and BKW Infra Services networks, BKW is able to plan, support and implement large-scale and complex infrastructure projects. This offers enormous opportunities due to the urgent need to modernise and expand road, rail, telecommunication, water and electricity networks. For example, since its acquisition in the 2019 financial year, LTB Leitungsbau GmbH has already secured two major lucrative contracts, worth over CHF 100 million, in Germany's high-voltage grid (see [press release](#) in german).

### **Energy business takes advantage of opportunities in the new energy world**

Despite the negative effects of electricity prices amounting to about CHF 120 million, BKW was able to maintain the operating revenue of its energy business at the previous year's level, mainly due to skilful exploitation of electricity market turbulence in its trading business. It also increased its distribution and production volumes. Optimal coordination between production, trading and sales enabled BKW to substantially increase its earning power in the energy business, with EBIT growing by 60 percent to CHF 227 million. BKW has taken advantage of the opportunities offered by the transition of the production environment from large power plants to more flexible, often smaller and decentralised production units. Furthermore, BKW market analyses in the trading business now incorporates raw materials such as gas, coal and CO<sub>2</sub> in addition to electricity. Thanks to its broader scope and the use of state-of-the-art data analytics, BKW can anticipate market developments more precisely.

In Mühleberg on 20 December 2019, BKW once again assumed its pioneering role by becoming the first Swiss company to take a nuclear power plant off the grid.

The shutdown as carried out according to plan and with much public attention. The early planning of the decommissioning of the Mühleberg Nuclear Power Plant has released forces for the transformation of BKW.

In mid-2019, BKW was the first listed Swiss company to offer a green bond in Swiss francs. This meets the needs of investors, offering them the opportunity to invest in a green bond on the Swiss stock exchange. The launch was highly successful.

### **Significant investment in smart grids**

In the 2019 financial year, the grid business again made a stable contribution to results, even though sales, at CHF 527 million, were slightly down on the previous year (-5 percent). As Switzerland's largest network operator and Swissgrid's biggest shareholder, BKW once again invested more than CHF 100 million in the electricity grid. The complexity arising from the new decentralised energy world poses great challenges for maintaining stability and availability. That is why BKW is making great efforts to manage its investments in a cost-effective manner by continuing to digitise the network infrastructure.

### **Outlook**

For the 2020 financial year, BKW expects a lower year-on-year operating profit in the range of CHF 380 million to CHF 400 million. This outlook is based on a normalisation of trading and returns on the decommissioning and waste disposal funds; it also reflects rising electricity prices and expectations of further profitable growth in the service business. BKW expects stable growth in its grid business, which will continue to make a robust contribution to operating profit. It is difficult to gauge the effects of coronavirus on the economy in general and on BKW in particular at present. However, BKW's strong position in the Energy and Services business will also be advantageous in these circumstances.

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A video interview with BKW CEO Suzanne Thoma on the 2020 financial year can be found [here](#). The image material is free to use.

A short film on BKW's 2019 financial year is available [here](#). It is also available on BKW's social media channels: [Twitter](#), [LinkedIn](#) and [YouTube](#).

You can find further information on the 2019 financial year at [www.bkw.ch/gb19](http://www.bkw.ch/gb19) and in the [download centre](#).

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#### Disclaimer

*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 over 10,000 people. Its company network and extensive expertise allow BKW to offer its customers a full range of integrated solutions. For example, the Group plans, builds and operates infrastructure for producing and supplying energy to businesses, households and the public sector, and offers digital business models for renewable energies. Today, the BKW Group portfolio ranges 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.

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