

Press release

(Ad hoc announcement pursuant to Art. 53 LR)

BKW continues its growth trajectory with strong result

BKW AG Annual Results 2023

Bern, March 12, 2024

BKW remained on a continuous growth trajectory in 2023 and generated a strong operating profit (EBIT) of CHF 620 million in the 2023 fiscal year – the second best in its history after the extraordinary previous year. The Energy business in particular contributed to this result. The performance of the Grid business was solid as expected usual, while the Services business remained well below expectations. BKW has initiated appropriate measures to improve performance of the Services segment. BKW is consistently pursuing its existing business model: The three-pillar strategy consisting of Energy, Grid and Services, gives BKW the stability necessary to grow sustainably and profitably in attractive markets. The Board of Directors proposes to the General Meeting an increase in the ordinary dividend to CHF 3.40 (previous year CHF 2.80).



	CHF million	2021	2022	2023
Revenue		3,554	5,199	4,598
Operating profit (EBIT)		395	1,039	620
Operating net profit*		245	713	432
Reported net profit		327	574	488

*Net profit before decommissioning and waste disposal funds

BKW closed the 2023 fiscal year with revenue of CHF 4,598 million. Compared to the extraordinary previous year with the extreme upheavals on the energy

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markets, this corresponds to an expected decline of 12% – but an increase of 29% compared to the 2021 fiscal year. The operating profit (EBIT) in 2023 was CHF 620 million (down 40% year-on-year; up 57% compared to fiscal year 2021). BKW generated an operating net profit of CHF 432 million (down 40% year-on-year; up 76% compared to fiscal year 2021). Due to the positive performance of the decommissioning and waste disposal funds, the reported net profit was even higher than the operating net profit and amounted to CHF 488 million. Operating cash flow was CHF 704 million, which not only covers BKW's capital expenditures of CHF 502 million, but also further strengthens its financial position. BKW's 2023 result is the second best in its history and shows that the company remains on a sustainably profitable growth trajectory.



In the video, BKW CEO Robert Itchner comments on the 2023 annual results.

Energy business exceeds expectations

The Energy business once again made a significant contribution to BKW's positive comprehensive income with EBIT of CHF 535 million. As in the previous year, the successful management of our own power plants and the optimal utilization of opportunities on the wholesale markets were decisive factors. BKW was also able to expand its activities in the area of structured solutions for key accounts in 2023. Among other things, BKW concluded new power purchase agreements (PPAs) for renewable electricity for a total capacity of over 1,000 megawatts and expanded its portfolio for marketing decentralized flexible customer capacities by over 50 megawatts. In the current fiscal year, BKW will continue driving forward the expansion of renewable energy production in Switzerland and Europe as well as the PPA business.

Grid business makes a stable earnings contribution

Meanwhile, the Grid business once again made a solid contribution to earnings in the 2023 fiscal year with EBIT of CHF 147 million (up 0.6% on the previous year). Stable grids are becoming increasingly important as the energy transition progresses. In the past year, BKW connected around 5,500 new photovoltaic systems to the electricity grid, which corresponds to an increase of 50 percent and an additional capacity of 129 megawatts. To enable the energy transition on the grid, BKW invests over CHF 120 million annually in a secure and modern grid infrastructure. In 2024, BKW will also launch the roll out of smart meters to all customers.

Two-year program for profitable growth in the Services business

BKW was able to increase its revenue in the Services business to CHF 1,838 million in 2023 (up four percent year-on-year). Order intake remained high in all businesses – from building technology and infrastructure projects to engineering consulting and planning services. This development shows that BKW is well-positioned in the market with its Services business. The result in the Services business in 2023 was negatively impacted by one-off items, and with a reported EBIT of minus CHF 40 million, remains well below expectations. As announced a year ago, BKW has been implementing a two-year program since 2023 to strengthen the financial performance in the Services business. As part of this program, an in-depth review of the Service companies was conducted in the fourth quarter of 2023 which resulted in value adjustments on projects and impairment losses totaling CHF 90 million. At the same time, BKW has established structures and processes to increase profitability in the Services business. BKW will continue the integration of the subsidiaries in the Services segment as well as the necessary strengthening of structures in the current fiscal year and complete the performance improvement program by the end of 2024. In addition, BKW is continuously reviewing further acquisitions and divestments as part of its portfolio management.

Important steps forward in sustainability

BKW expanded its sustainability management system in the 2023 fiscal year and made important strategic decisions. For example, BKW has set itself the ambitious goal of reducing greenhouse gas emissions in the energy business to net zero by 2040 and electrifying its entire vehicle fleet by 2030. BKW has also developed its BKW Integrity Line whistleblower system and signed the SUVA Charter and the Advance Charter. This strengthens BKW's commitment to healthy workplaces and to promoting an equal opportunity working environment. You can find more information in [BKW's Sustainability report 2023](#).

Increase in EBIT guidance and the ordinary dividend

With its strong overall result for 2023, BKW is continuing its sustainable growth. The company will continue to focus on its business model using the three pillars, Energy, Grid and Services, and to align its activities along the entire energy value chain – from renewable power production and secure power distribution to the efficient utilization of energy in buildings, mobility and industry. BKW expects another very good result in the Energy business in 2024 – also thanks to the electricity prices already having been hedged for the coming years and the further expansion of the customer solutions business. Despite further integration and development costs in the current year, BKW expects an improved earnings situation of the Services business comparable to year 2022. Expectations are complemented by the continued stable earnings in the Grid business. For the current fiscal year, BKW expects EBIT in the range of CHF 650 to 750 million. BKW will also continue its previous dividend policy but increases the dividend to a greater extent than in previous years. The Board of Directors is proposing to the General Meeting that the ordinary dividend be increased by 60 centimes to CHF 3.40 per share.

You can find detailed information on BKW's 2023 Annual Report at www.bkw.ch/ar23.

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 has over 11,500 employees. Its company network and innovative technologies enable it to offer 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 includes everything from engineering consultancy and planning for energy, infrastructure and environmental projects to integrated services in the field of building technology, as well as the construction, servicing and maintenance of energy, telecommunications, transport and water utility networks. With trailblazing solutions, companies under the BKW Group umbrella create spaces for life.

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