



Analyst and Media
Conference FY 2023

Zurich, 12.03.2024

BKW continues its growth
trajectory with strong result

Agenda

- 1 Review FY 2023
CEO Robert Itschner

- 2 Financials FY 2023
CFO Martin Zwyssig

- 3 Strategy and outlook
CEO Robert Itschner

- 4 Q&A



BKW posts strong FY 2023 result

Revenue

CHF 4,598 m

EBIT

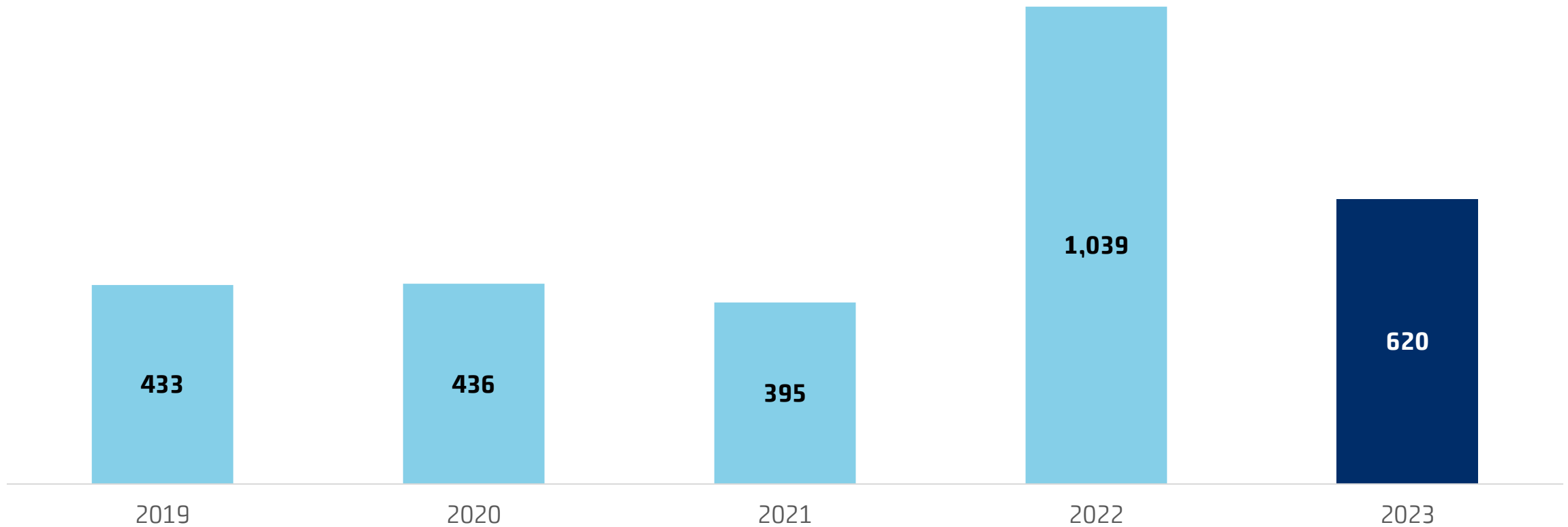
CHF 620 m

Operating net profit

CHF 432 m

BKW on long-term growth trajectory

EBIT in CHF m



Focus on proven three-pillar strategy allows growth along the entire energy value chain

Energy



Grid

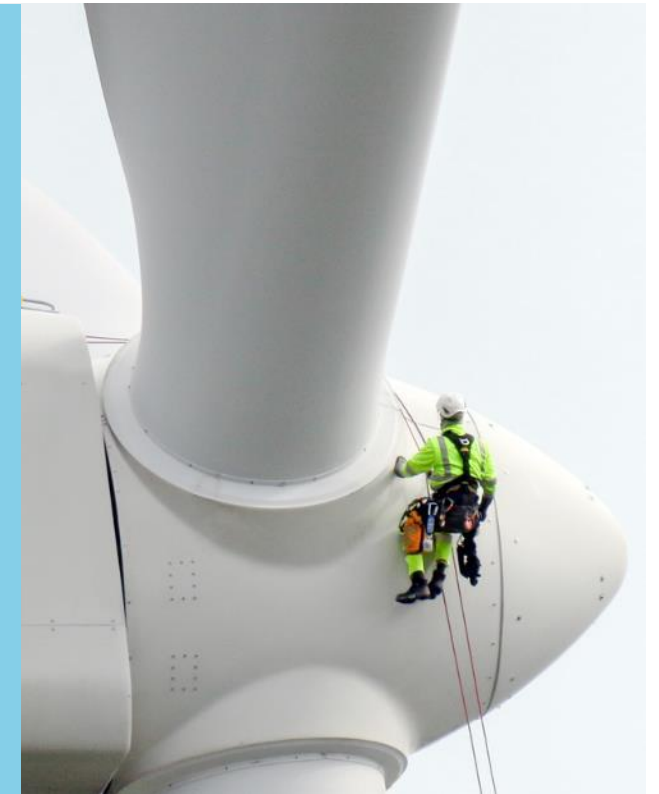


Services



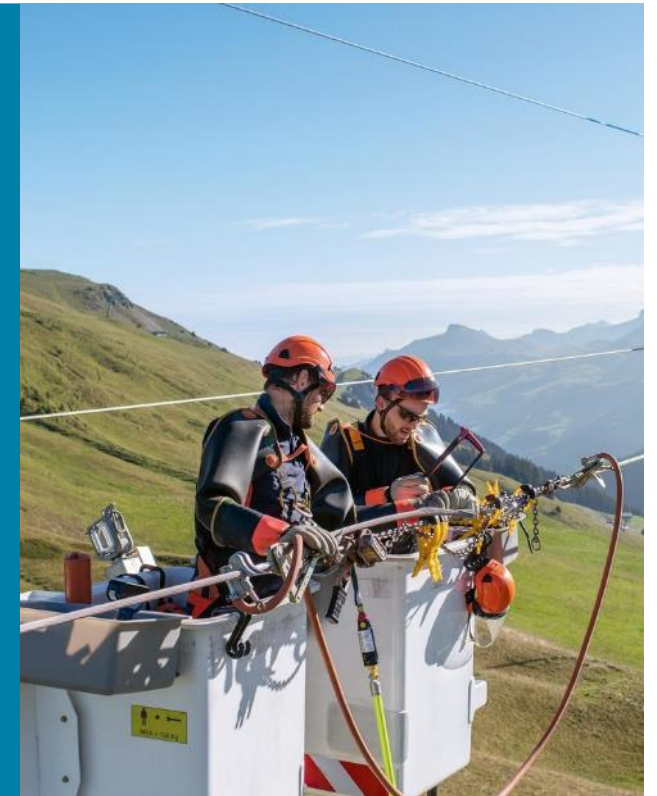
Energy: Continuous growth in energy production and trading

- **Strong momentum for the expansion of renewables in Switzerland**
Positive decision on the Trift concession, building permit received for Tramelan, strong pipeline for ground-mounted solar installations
- **Exceeding the target of 1 GW of new renewables by 2026**
New wind farms with 255 MW acquired in Sweden and Italy
- **Expansion of customer-specific energy solutions**
More than 1 GW in new PPAs concluded in Europe, growth in decentralized flexibility
- **De-risking the production portfolio**
KKM free of nuclear fuels ahead of schedule



Grid: Stable contribution to EBIT

- **Security of supply**
99.996% availability of BKW grid
- **Integration of renewable production into grid**
Over 23,500 PV systems with 500 MW connected to BKW grid
(+50% from 2022 to 2023)
- **Substantial investments, generating stable cash flows**
CAPEX of more than CHF 120 m per year



Services: Strong order backlog, launch of two-year program to improve profitability

- **Strong order backlog**
Project volume of EUR 330 m to upgrade electrical infrastructure in Germany and of CHF 218 m in the public sector
- **Ongoing portfolio optimization**
Introduction of consolidation measures, launch of the largest engineering network in the DACH region
- **Result impacted in 2023 by non-recurring items**
Value adjustments on projects and impairment losses
- **Improvement in profitability**
Two-year program launched to increase profitability



ESG: Important progress in sustainability

- **Environment**

Targets set: Net Zero 2040 for energy business; 100% electrification of vehicle fleet by 2030

- **Social**

Signing of the SUVA Charter for occupational safety, launch of diversity and inclusion communities, signing of Advance Diversity Charter

- **Governance**

Further development of the BKW Integrity Line whistleblower system





Financials FY 2023

Successful FY 2023 after extraordinary FY 2022

CHF m	2022	2023	Delta	Delta %
Revenue	5,199	4,598	-601	-12%
EBITDA	1,247	953	-294	-24%
<i>EBITDA in % of revenue</i>	<i>24.0%</i>	<i>20.7%</i>		
EBIT	1,039	620	-418	-40%
<i>EBIT in % of revenue</i>	<i>20.0%</i>	<i>13.5%</i>		
Operating net profit	713	432	-281	-40%
<i>Operating net profit in % of revenue</i>	<i>13.7%</i>	<i>9.4%</i>		
Net profit	574	488	-86	-15%
<i>Net profit in % of revenue</i>	<i>11.0%</i>	<i>10.6%</i>		
Operating Cash Flow	730	704	-27	-4%
Return on Capital Employed (ROCE)	15.1%	8.1%		
Equity ratio	36.9%	45.8%		

Revenue

Lower energy prices

EBIT

Extraordinary portfolio management and trading result in previous year;
Impairment losses (non-cash)

Net profit

Positive performance STENFO

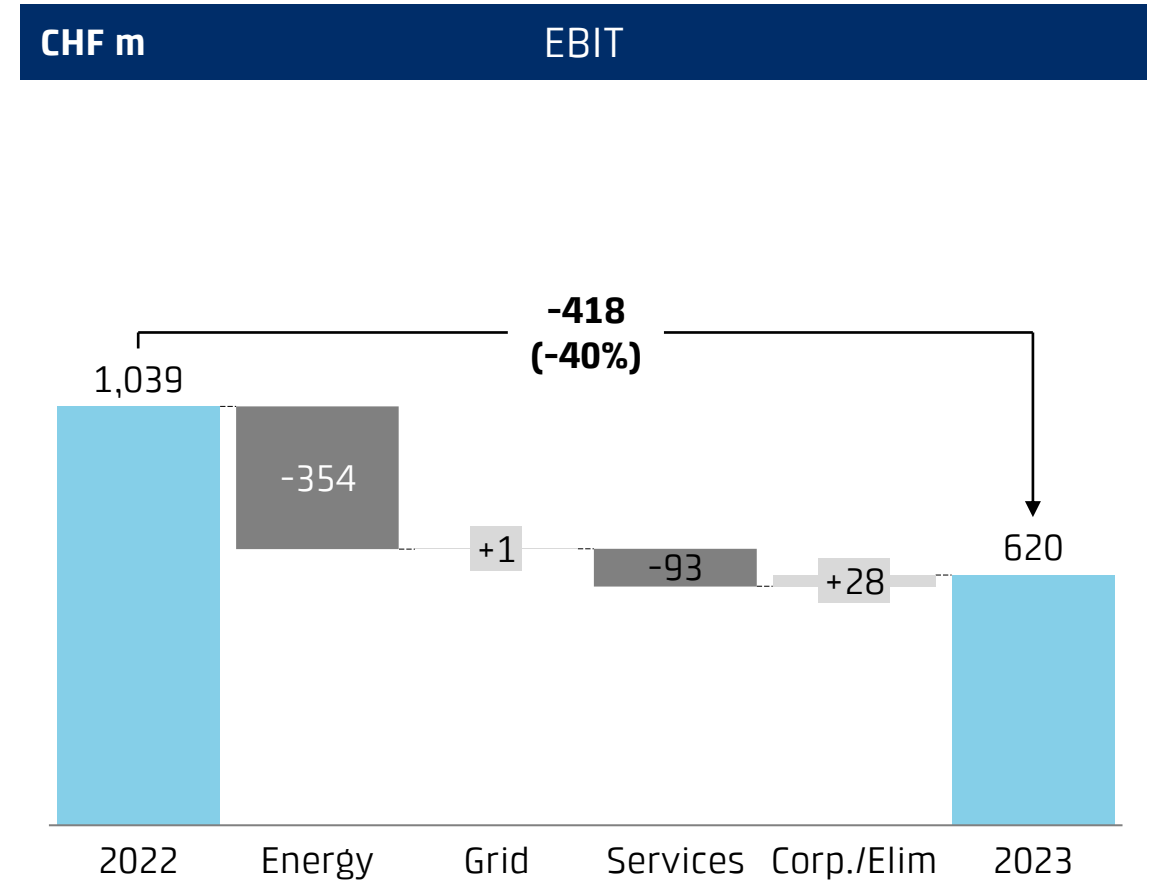
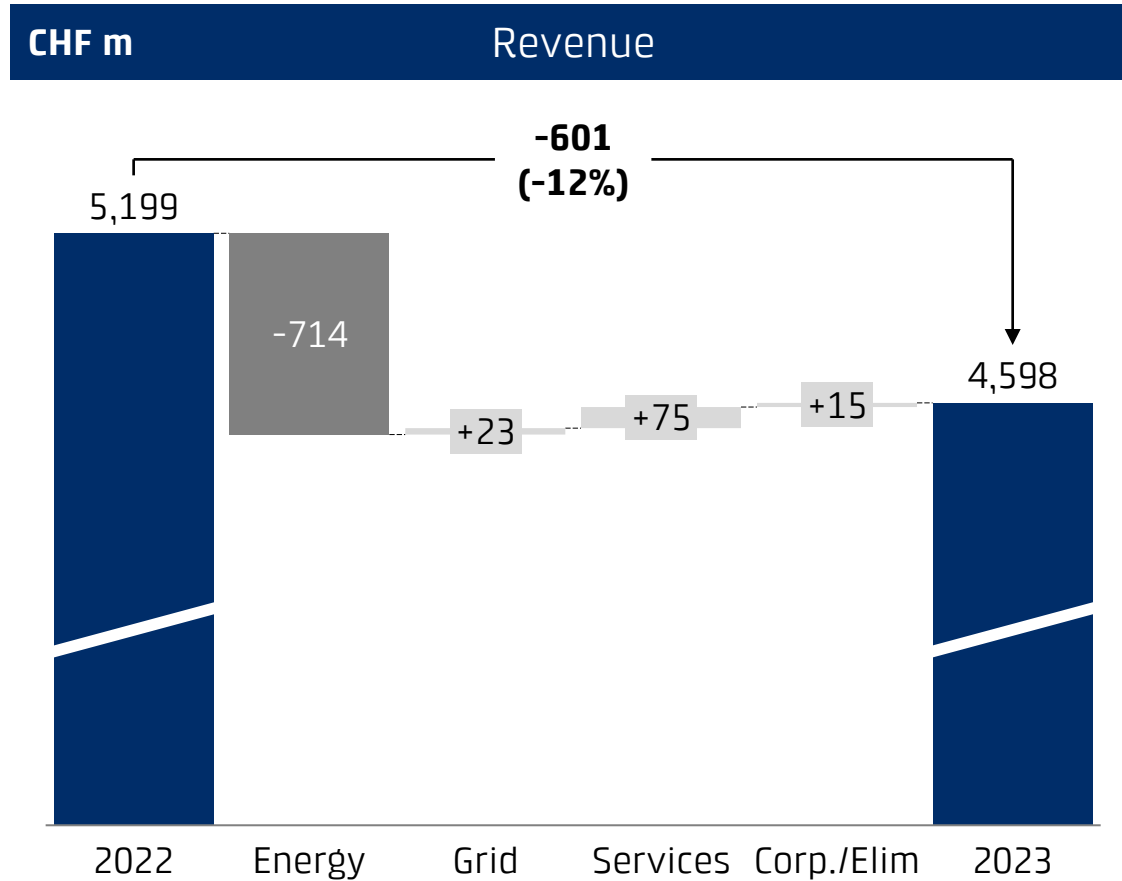
Operating Cash Flow

High cash conversion

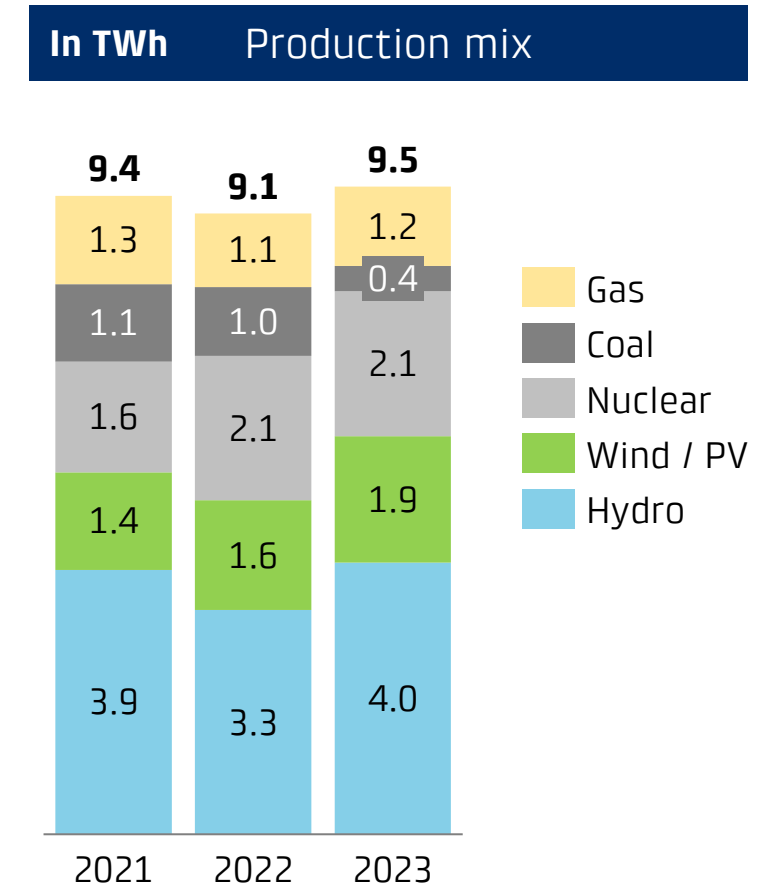
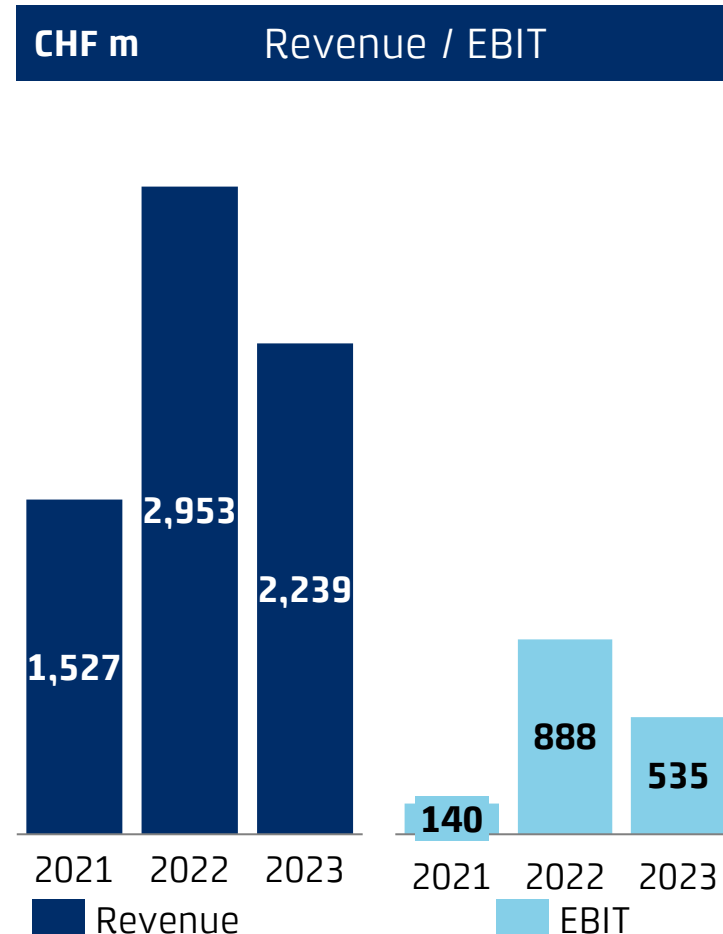
Equity ratio

Strong increase in equity and normalization of balance sheet total, both strengthen equity ratio

Calming down of the energy markets crucial for the development of overall performance and EBIT

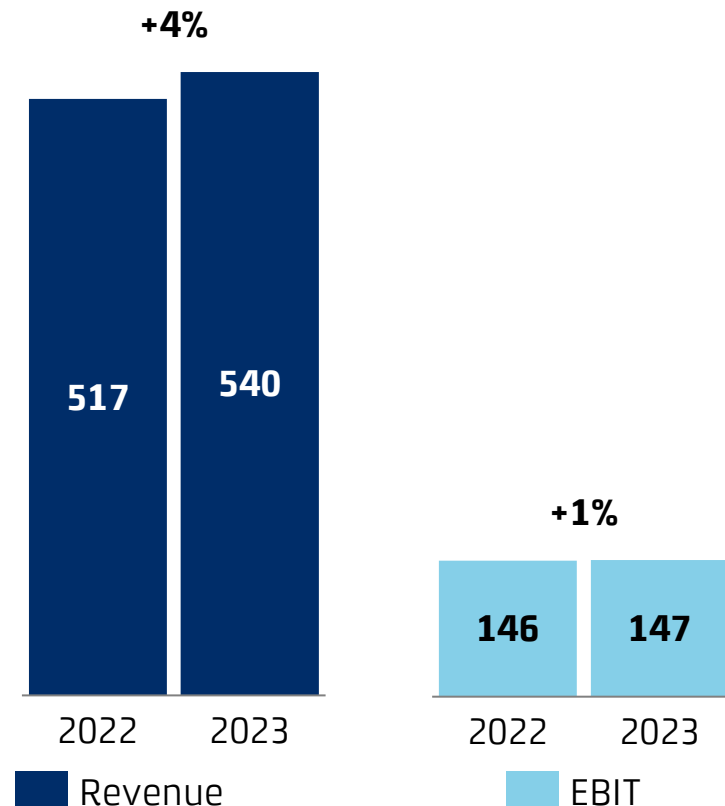


Energy: Once again successful portfolio management and trading results



Grid: Stable earnings contributions and higher investments in renewal and expansion

CHF m Revenue / EBIT



Key points

Revenue

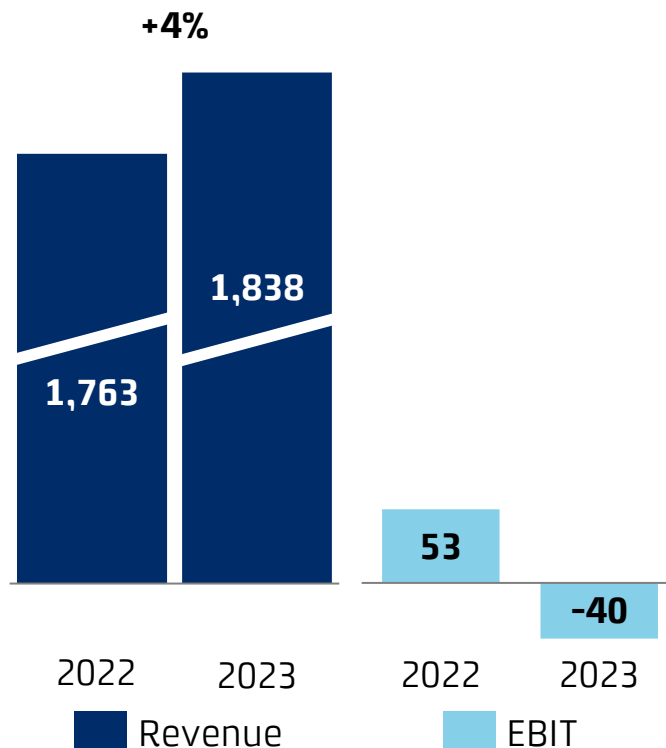
- Pass through of higher transmission grid tariffs from Swissgrid
- Lower transmission volumes

EBIT

- Lower transmission volumes
- Reduced intake from the high-voltage grid

Services: Two-year program to strengthen profitability and efficiency for future growth

CHF m Revenue / EBIT



Key points

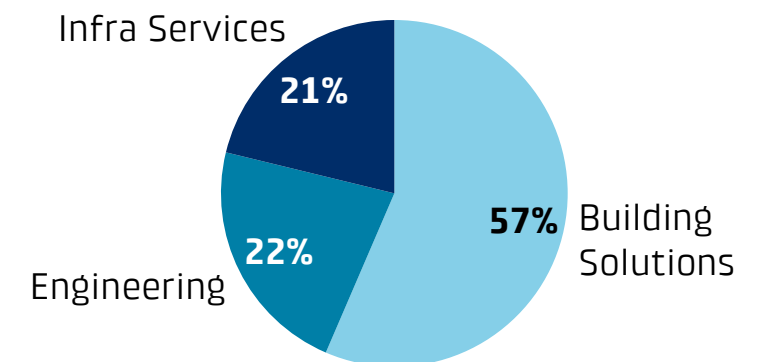
Revenue

- Growth in electro installation and IT
- Small inorganic growth
- Delayed project awards

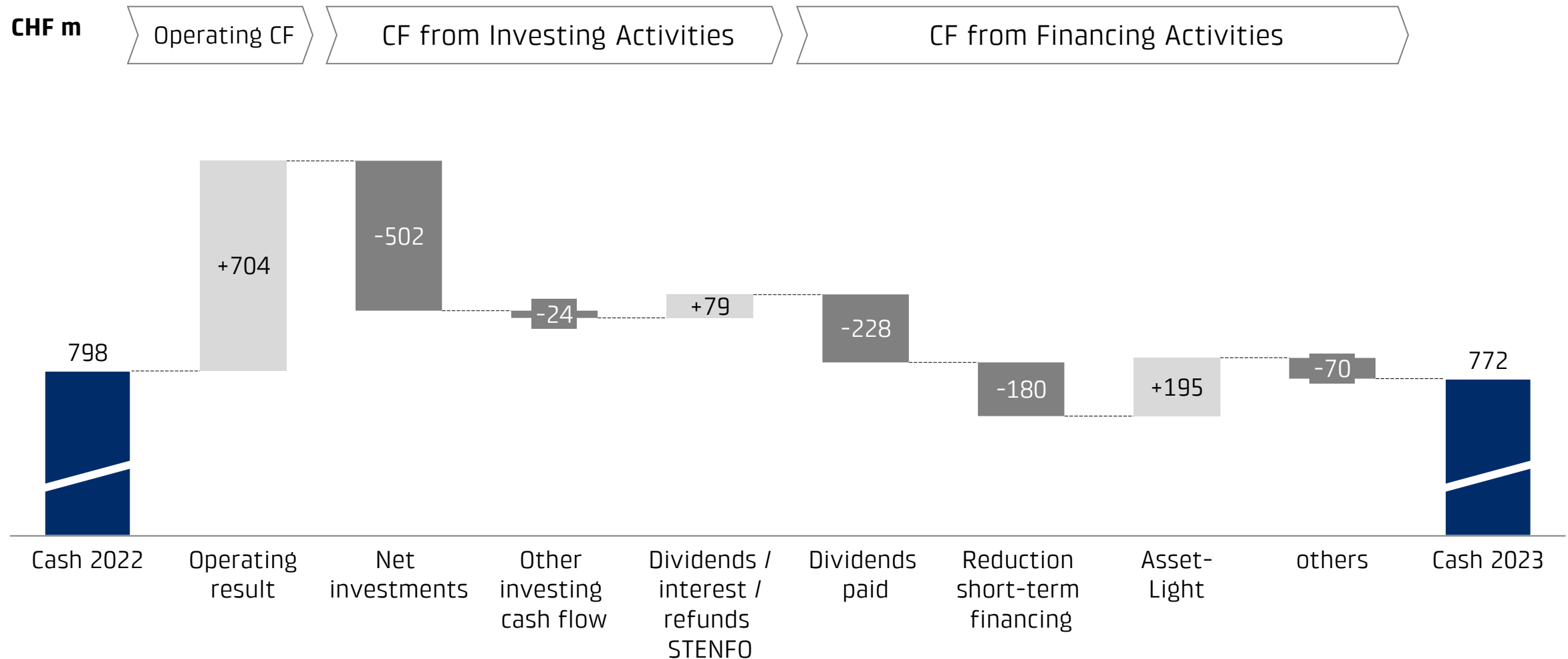
EBIT

- Operating performance below expectation
- Investments in the development of efficient structures
- Value adjustments on projects and impairment losses on customer lists and trademark rights

Revenue split

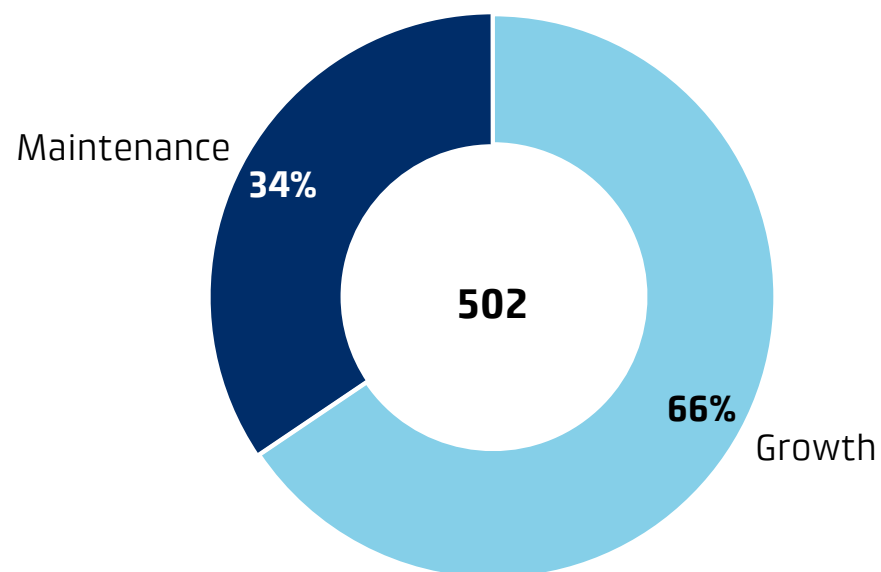


Investments covered by strong operating cash flow

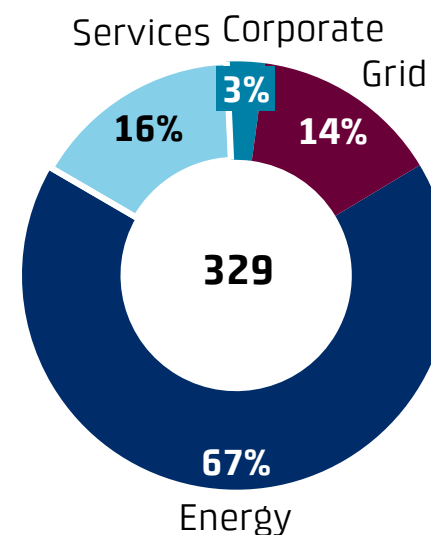


Major investments in growth and energy transition

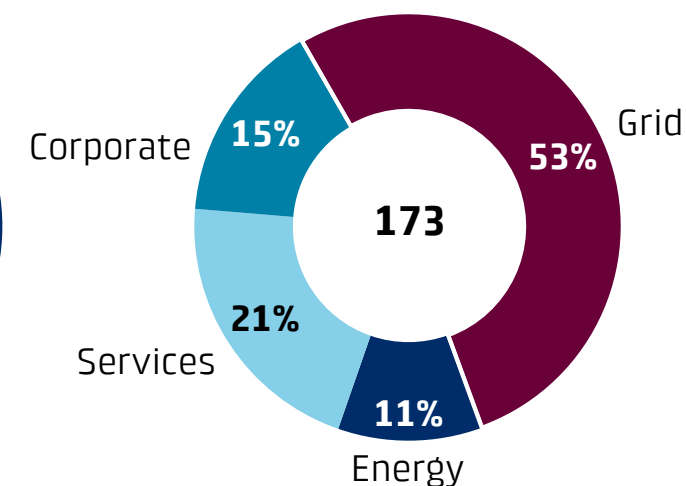
CHF m Investment



CHF m Growth

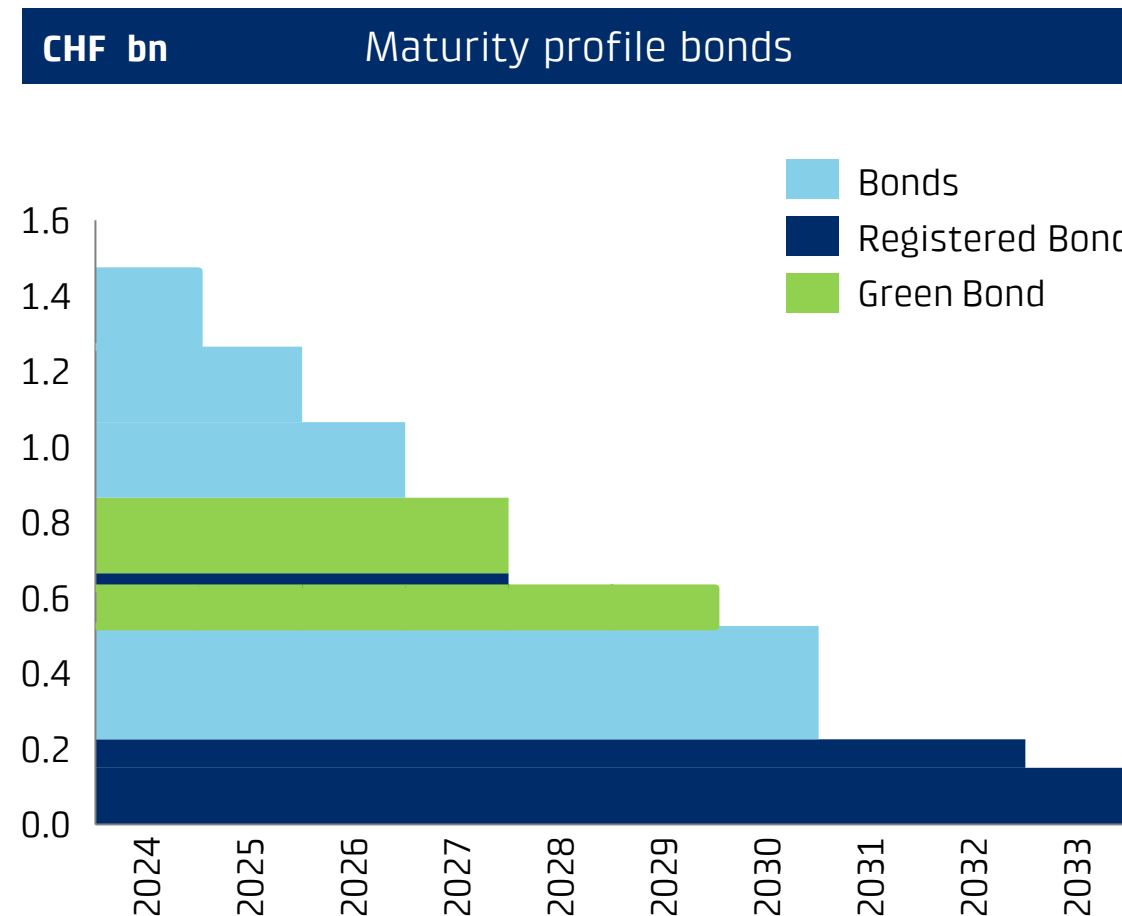
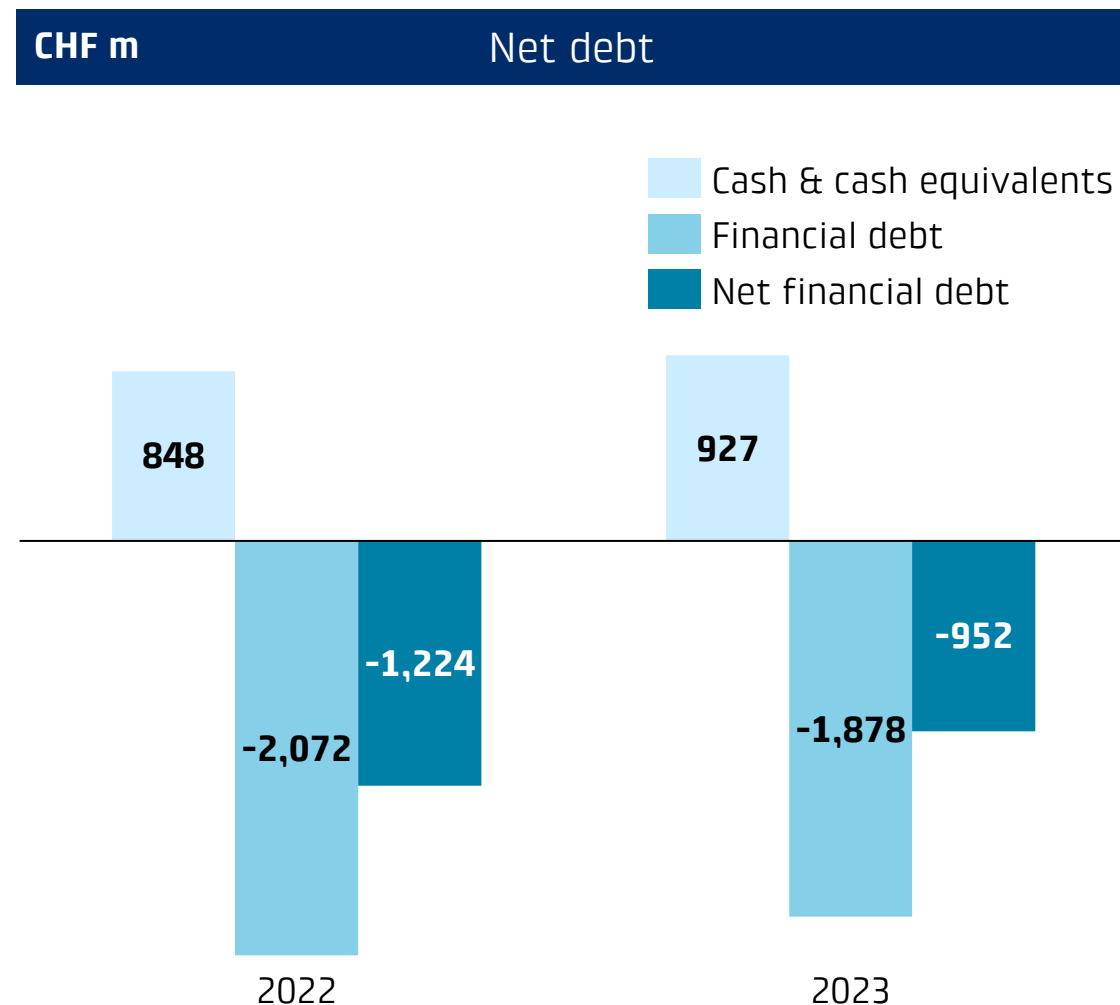


CHF m Maintenance



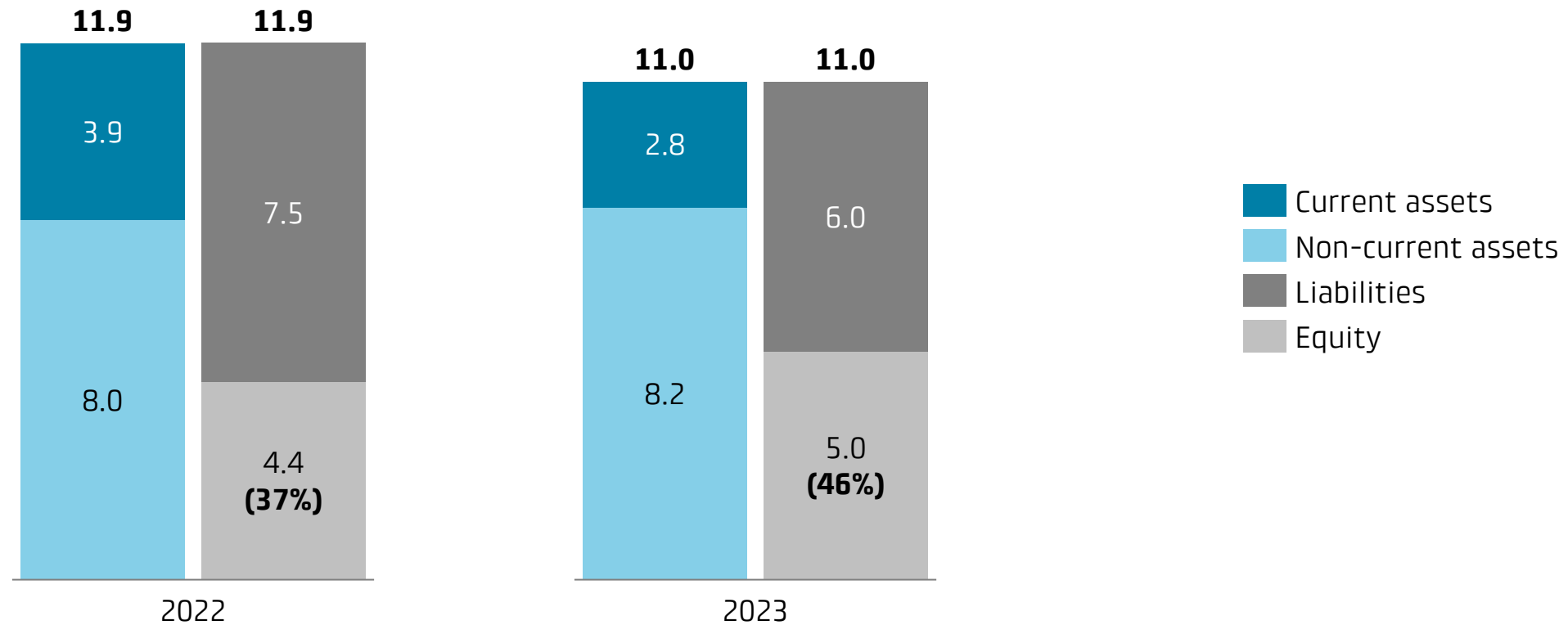
Net debt again below CHF 1 bn

Well-balanced maturity profile ensures financial flexibility



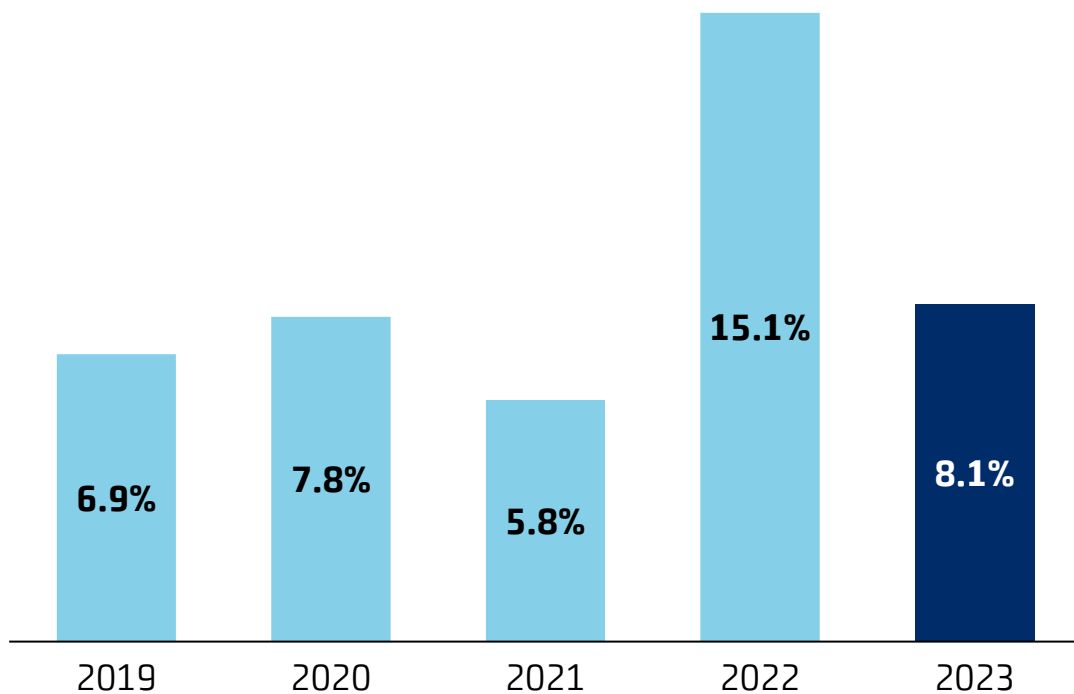
Increase in equity ratio and normalization of balance sheet total

CHF bn



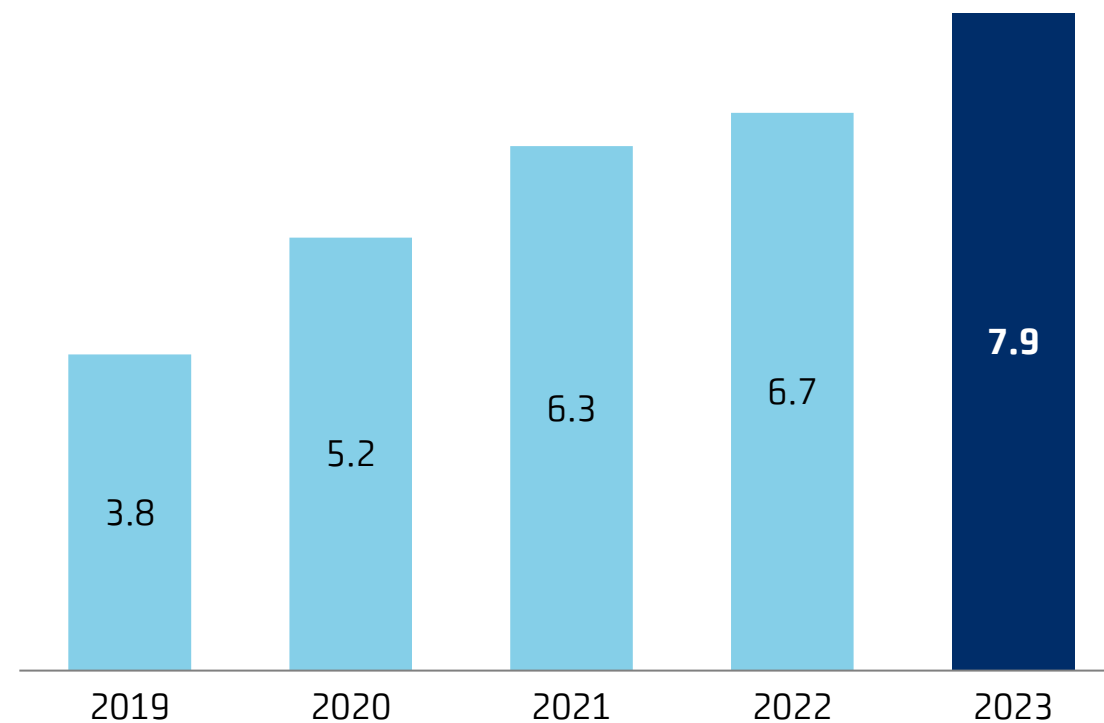
Return on capital employed exceeds the capital costs

Return on capital employed (ROCE)



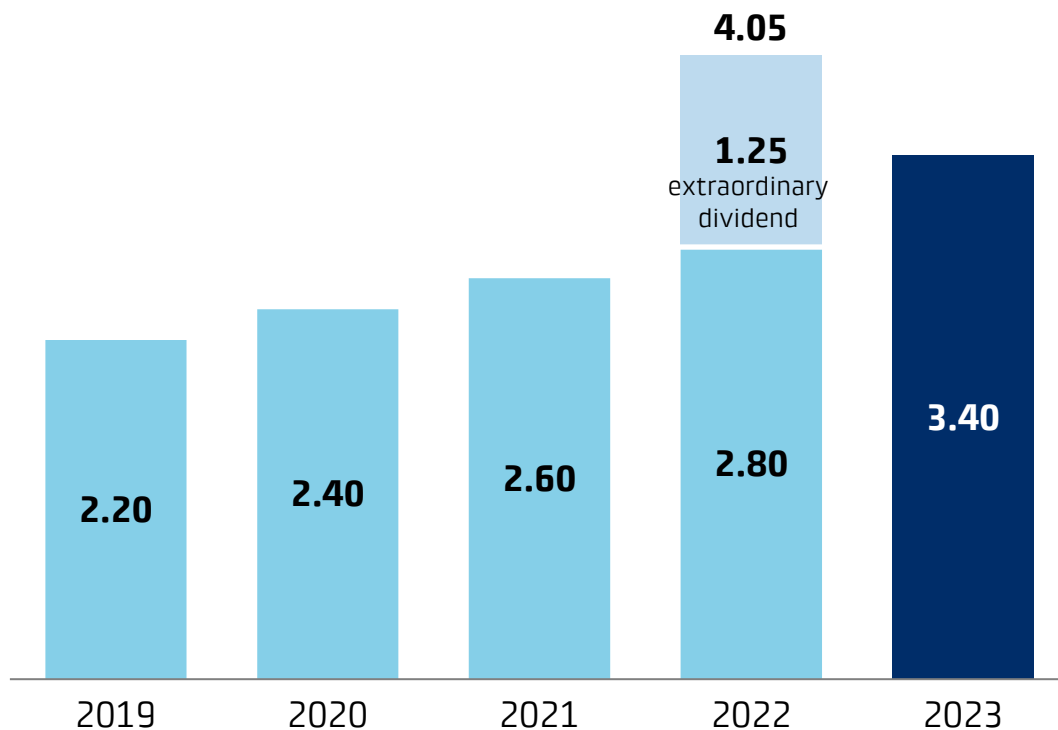
CHF bn

Market capitalization

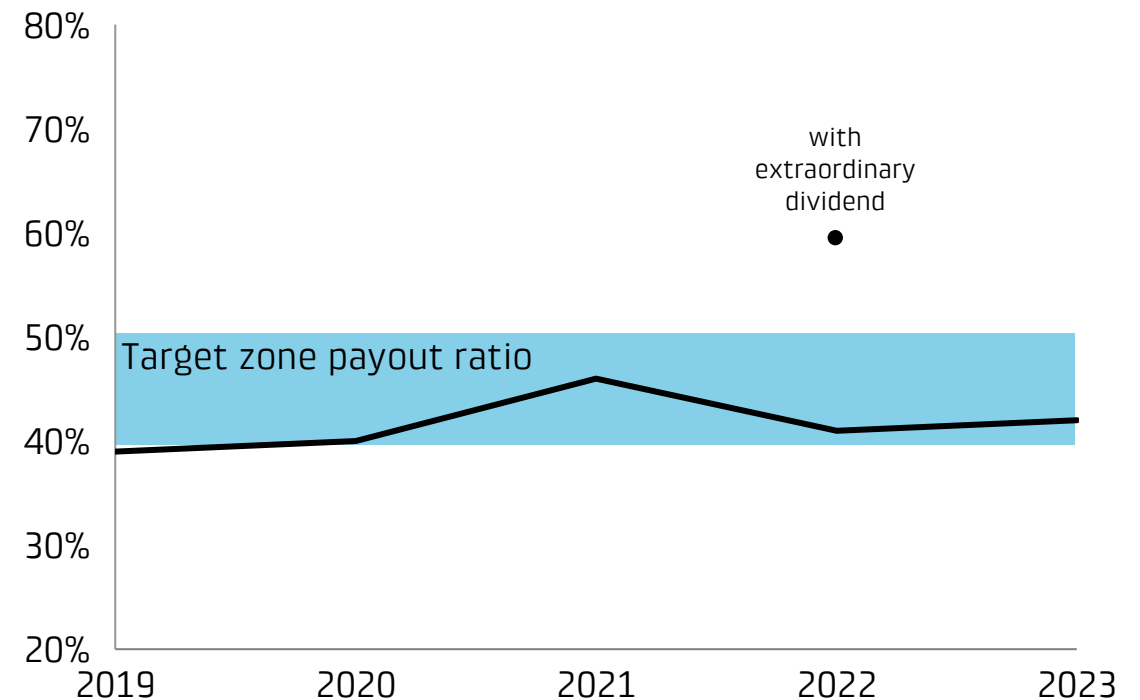


Proposed increase in regular dividend from CHF 2.80 to **CHF 3.40** in line with BKW's dividend policy

CHF Dividend per share



Payout ratio





Strategy and outlook

BKW in attractive markets with high growth potential

Energy



**+3,000 TWh
market volume**

in European energy production
by 2050

Grid



**+CHF 75 bn
investments**

in Swiss distribution grids
by 2050

Services



**+CHF 20 bn
market volume**

in DACH region
by 2030

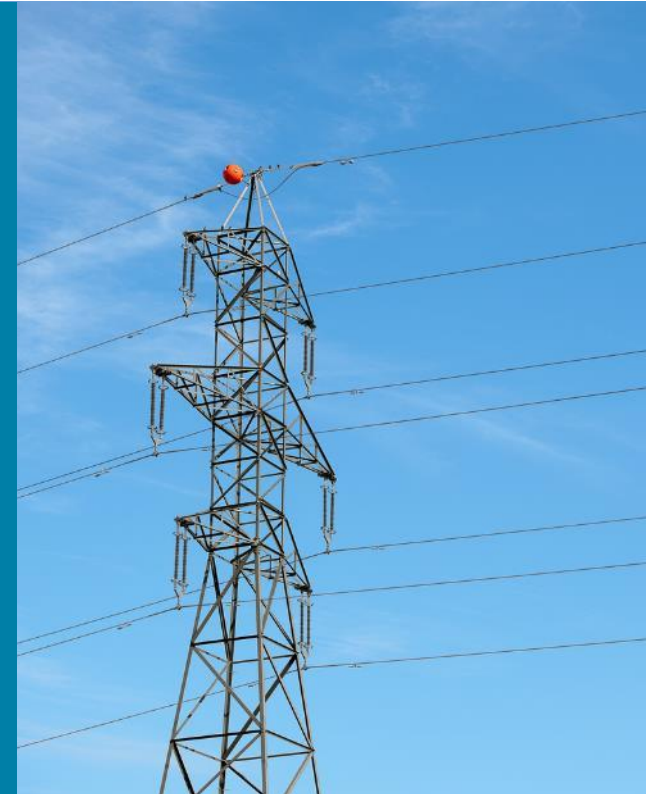
Energy: Expansion of renewables and growth in customers solutions

- **Strengthening security of supply in Switzerland**
Over CHF 1 bn project pipeline in hydro, wind and solar
- **Expansion of renewable electricity production in Europe**
Focused development in BKW's core markets
- **Growth in customer solutions and energy services business**
Growth in PPA business and flexibility services, marketing of decentralized power generation



Grid: Speeding up of grid expansion to implement energy transition

- **Continuous investments in energy transition in the grid**
Smart meter roll-out, grid reinforcements for renewables
- **Mitigating talent shortage**
Program launched to recruit specialists in the grid sector
- **Involvement in political discussion**
Acceleration of approval procedures for grid expansion



Services: Focusing on profitability in attractive growth markets

- **Completion of the two-year program to increase profitability**
Further strengthening of structures and operational excellence
- **Execution of the high order backlog of infrastructure projects**
Electrical infrastructure in Germany, sustainable buildings, planning and implementation of heating networks
- **Strengthening the positioning of BKW Engineering**
Further growth in Network of Excellence®
- **Expansion in the photovoltaic sector**
One Solstis brand for Switzerland-wide PV offering



ESG: Further strengthening of ESG governance in the Group and preparation for new regulatory requirements

- **General**
Setting an ESG target for Group management, introduction of management structures, processes and systems to prepare for ESG regulatory requirements
- **Environment**
Development of a BKW biodiversity register
- **Social**
Strengthening of occupational health and safety prevention processes
- **Governance**
Further strengthening of data management



Positive outlook for FY 2024

BKW strongly positioned
in attractive markets

Focus along the entire energy value chain
Production, distribution and energy efficiency in
buildings, infrastructure and mobility

Capital Markets Day
On November 8, 2024

EBIT outlook for FY 2024
of CHF 650 to 750 m





Q & A

BKW GROUP

Annual Report 2023



We create spaces for life.



Disclaimer

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