



Outstanding annual results 2020

ANALYST AND MEDIA CONFERENCE FY 2020, 16 MARCH 2021



FY 2020: key figures on record level

Revenue

+9%

EBIT

+10%

**Operating
net profit**

+22%

**Operating
cash flow**

+24%

FY 2020: outstanding results, main drivers



Transformation of the energy business continues

Building on strong market positions: growth and resilience of the Services business

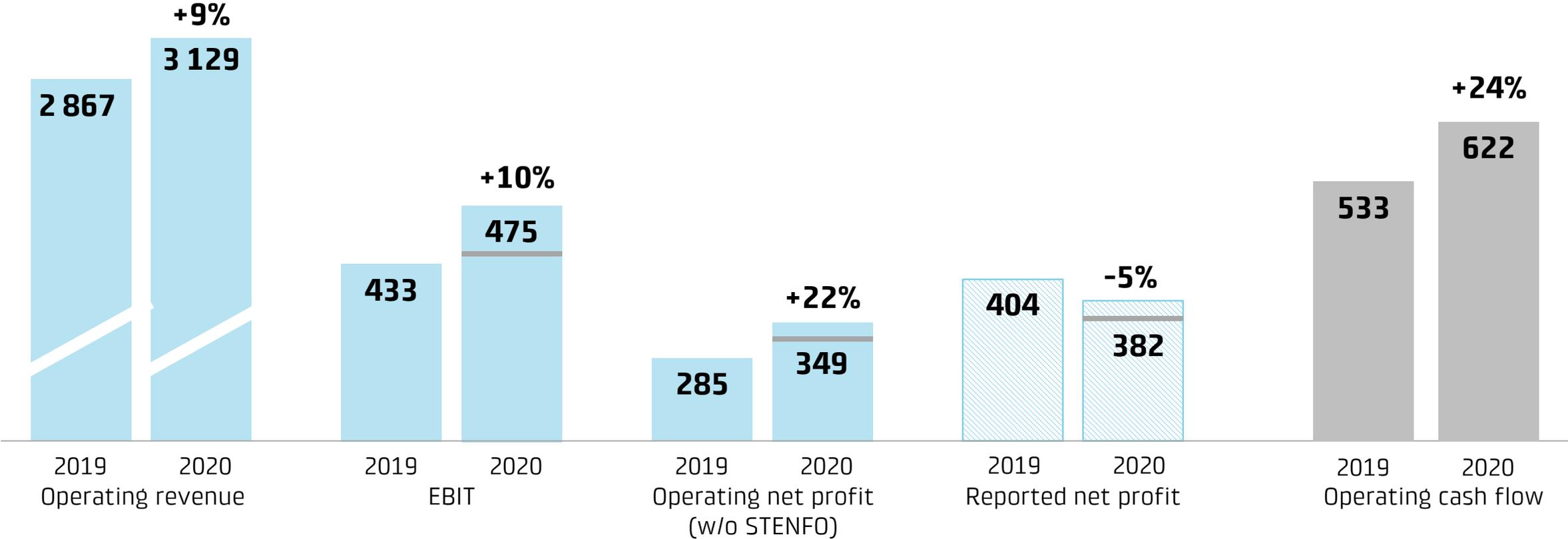


BKW organisation: efficient, high performing, interconnected for value creation

Financials FY 2020

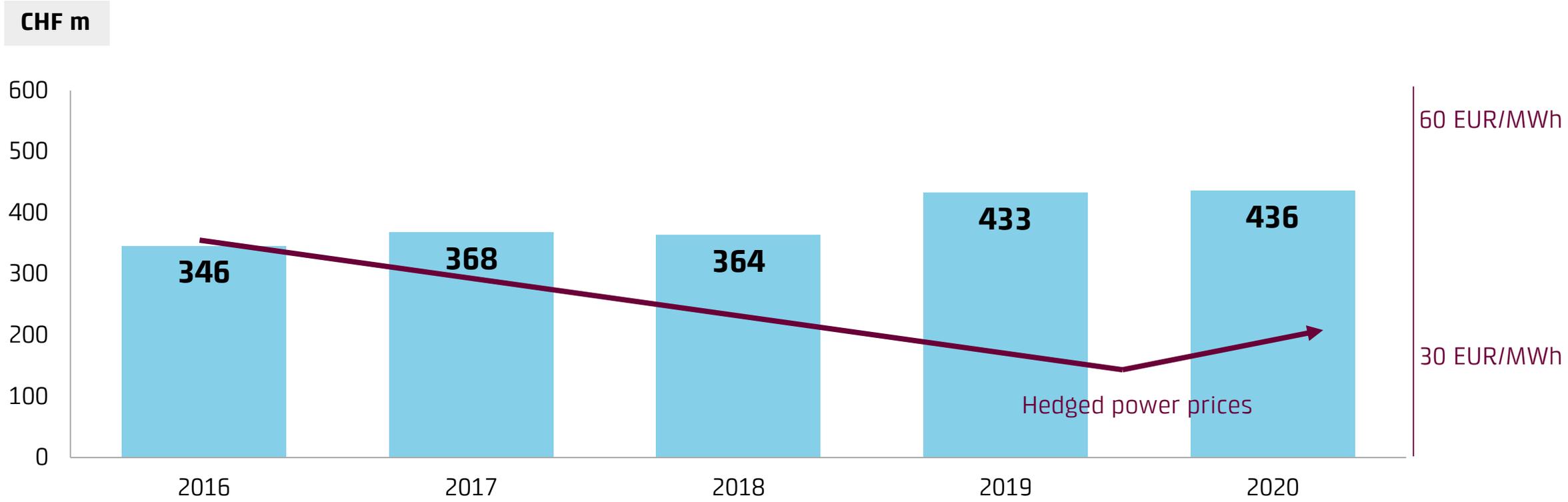
Operating revenue, EBIT, net profit and operating cash flow

CHF m



Growth on all relevant levels despite challenging COVID-19 situation

EBIT history (comparable)



Operating EBIT at a record high since listing of BKW

Key performance indicator «operating net profit»

CHF m

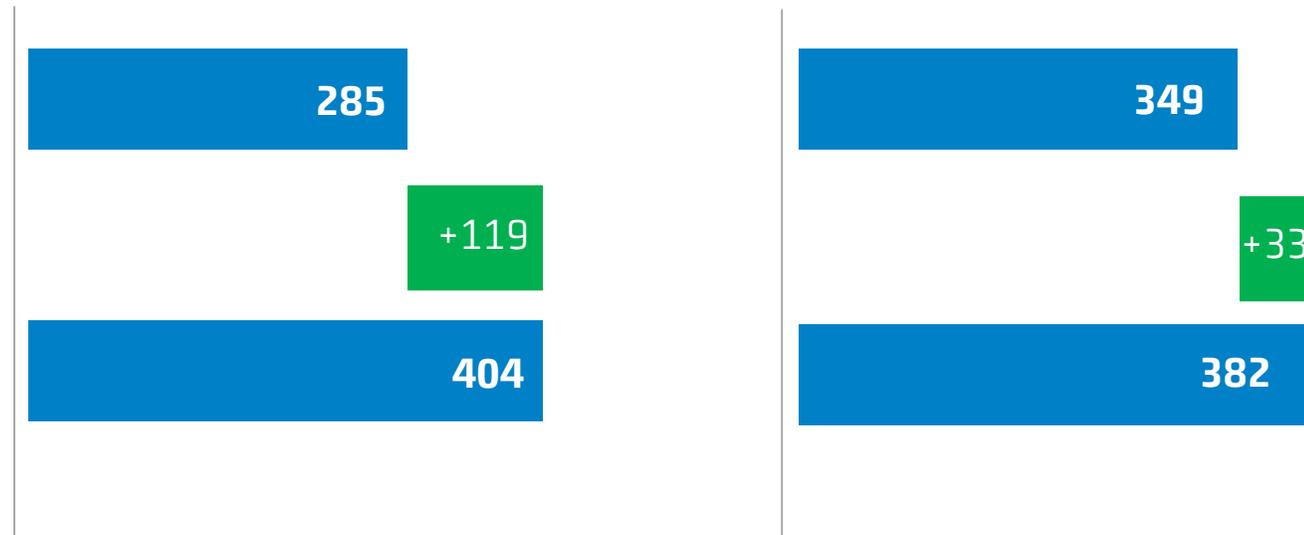
Operating net profit

Performance state funds (net of tax)

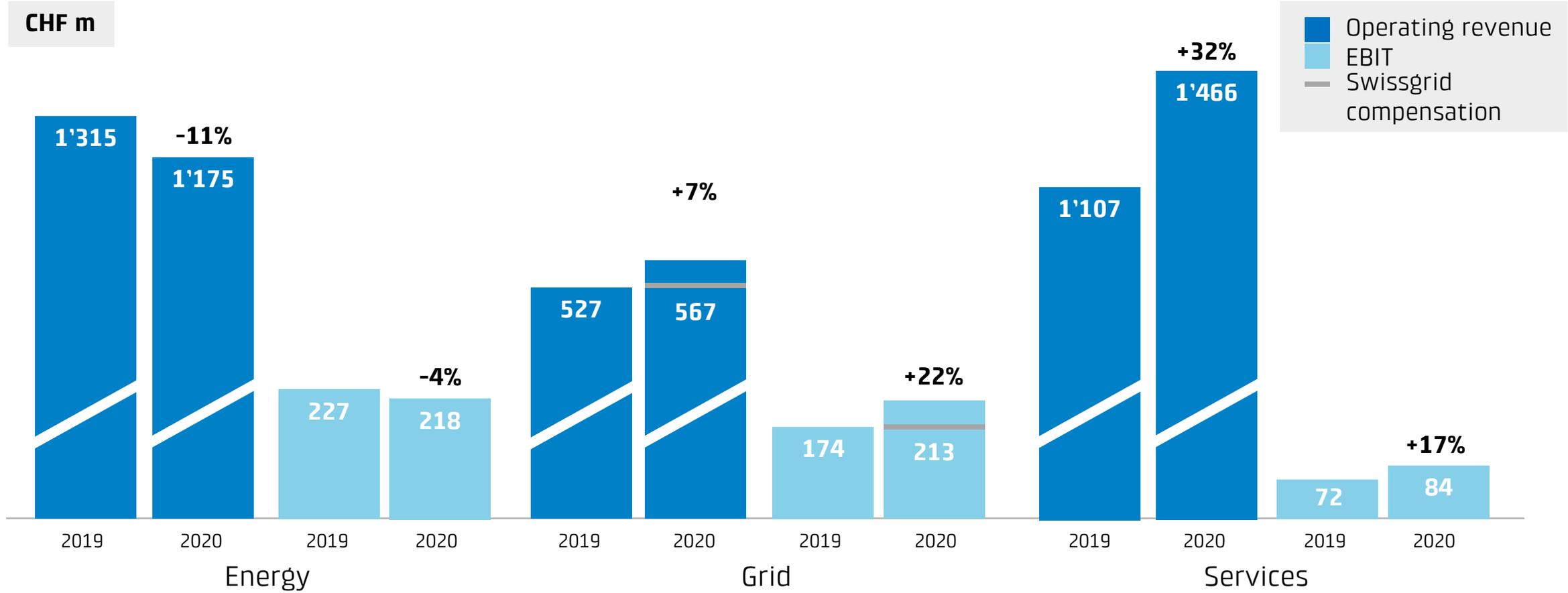
Reported net profit

2019

2020

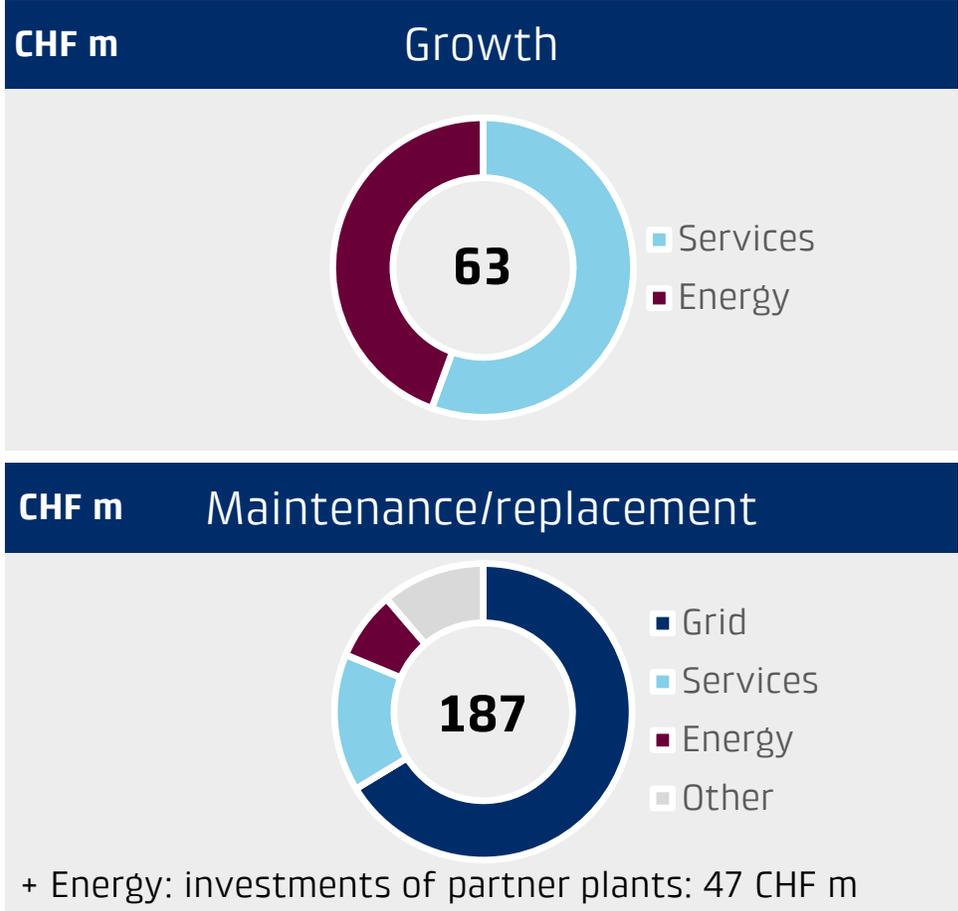
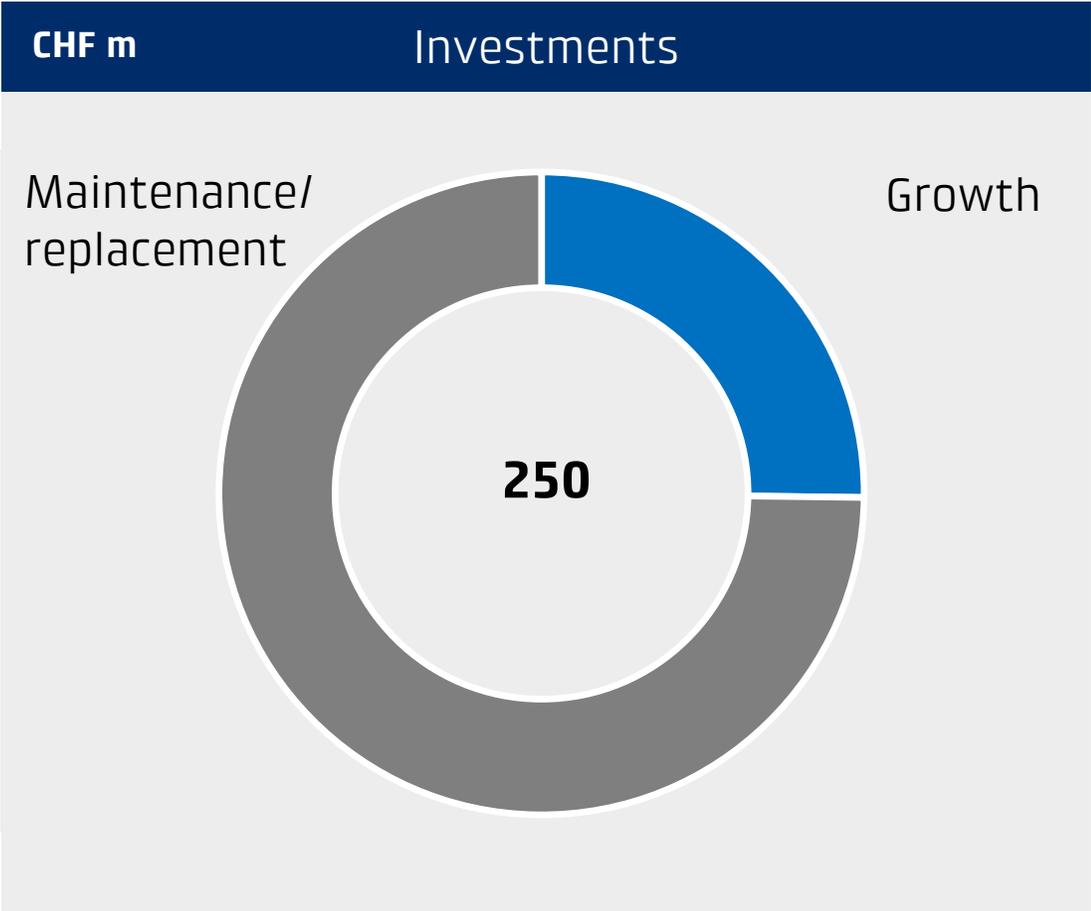


Operating revenue and EBIT per business area



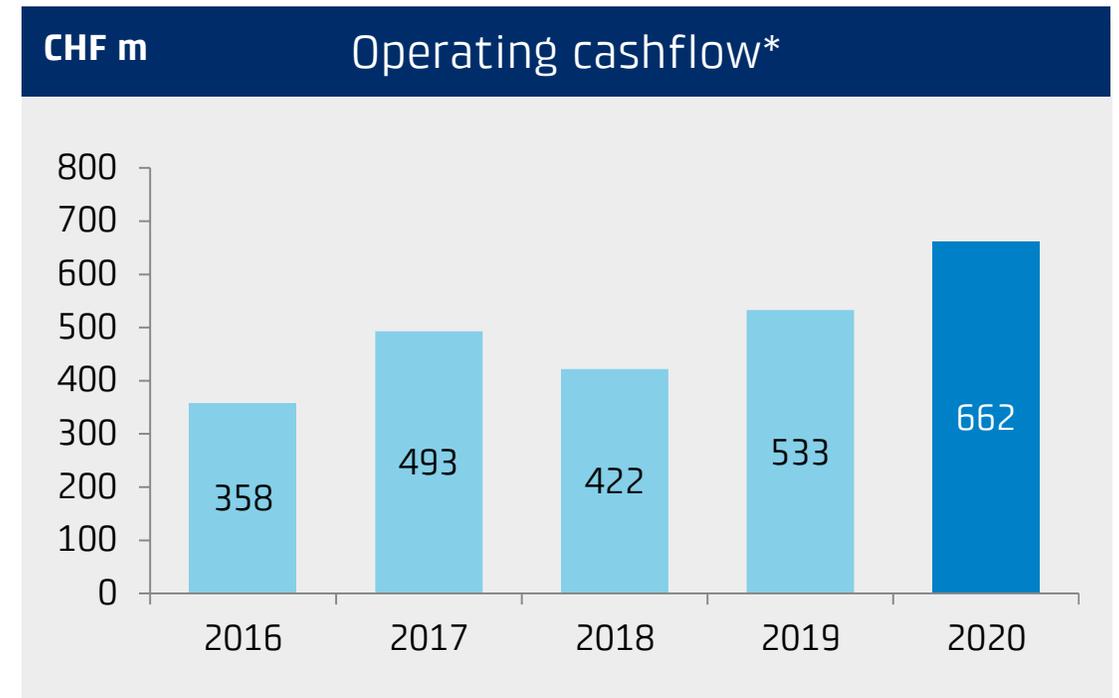
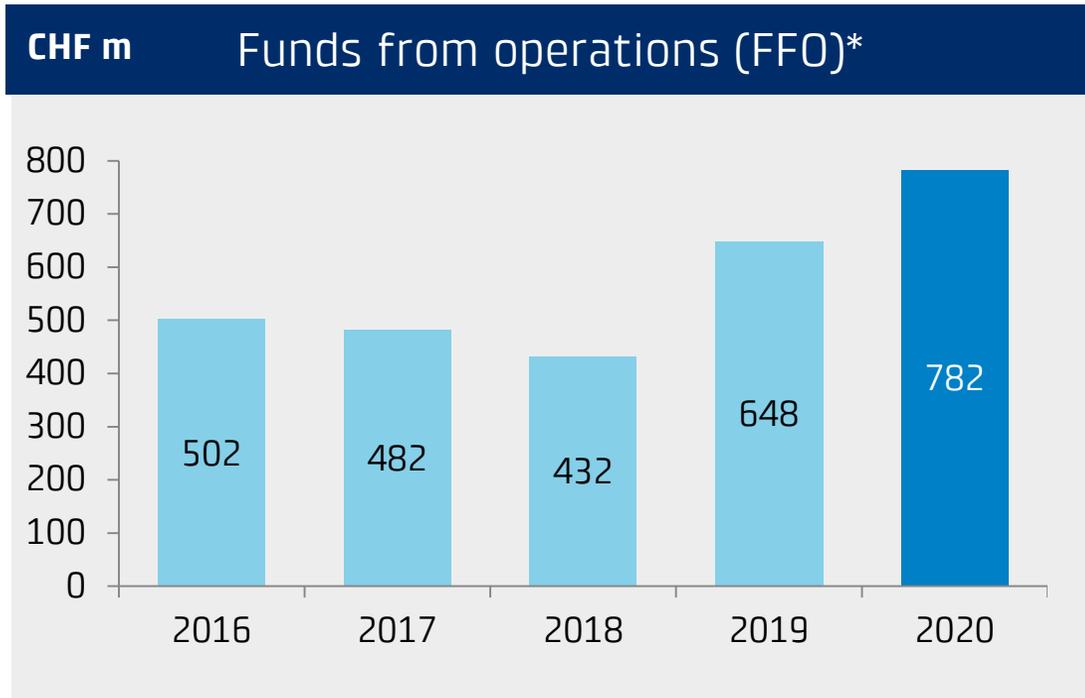
Energy EBIT resilient despite revenue drop, stable Grid contribution, significant growth in Services

Investments



Less growth investments due to COVID-19

Record high cash generation



* before payments for decommissioning/disposal KKM

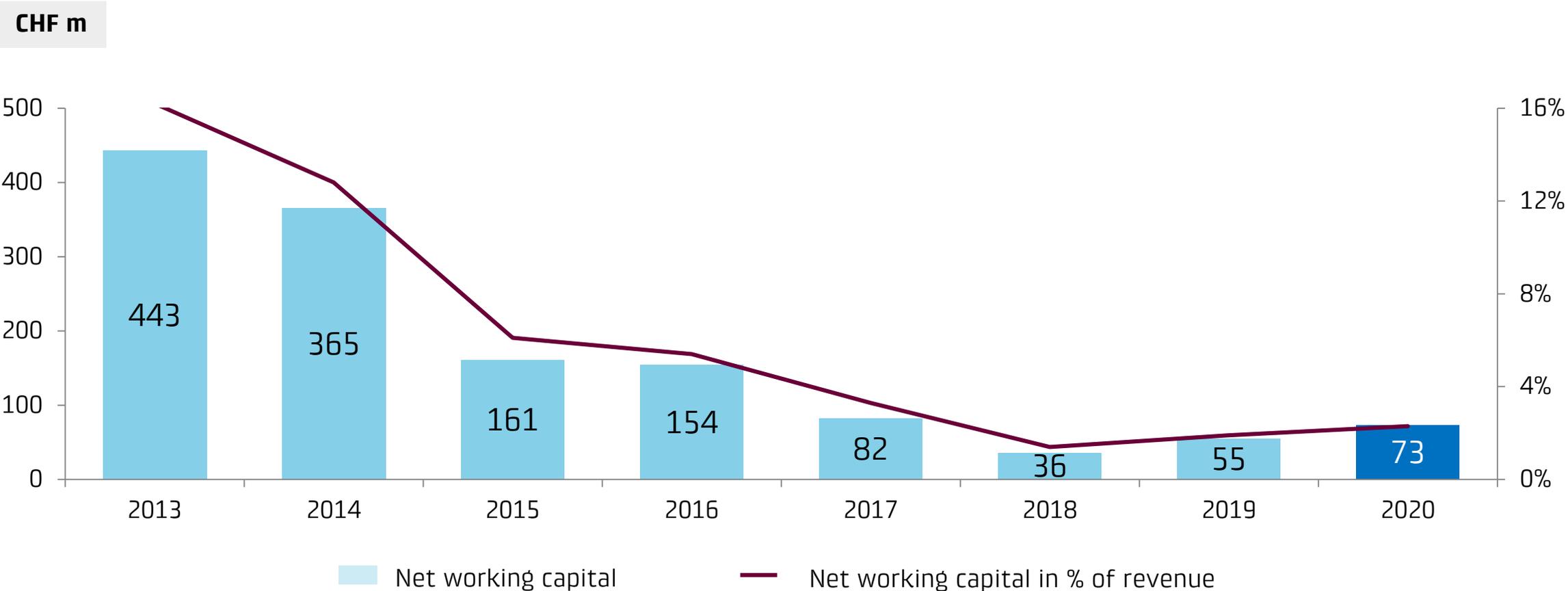
FFO and operating cashflow at record level

KKM decommissioning impact on cash flow statement

| CHF m | 2019 | 2020 |
|---|-------------|-------------|
| Operating cash flow | 533 | 663 |
| ./. Payments decommissioning/disposal KKM | -64 | -133 |
| Operating cash flow after payments for decommissioning/disposal KKM | 469 | 530 |
| Investment cash flow | -303 | -275 |
| + Refunds from state funds | 47 | 87 |
| Investment cash flow inclusive refunds from state funds | -256 | -188 |

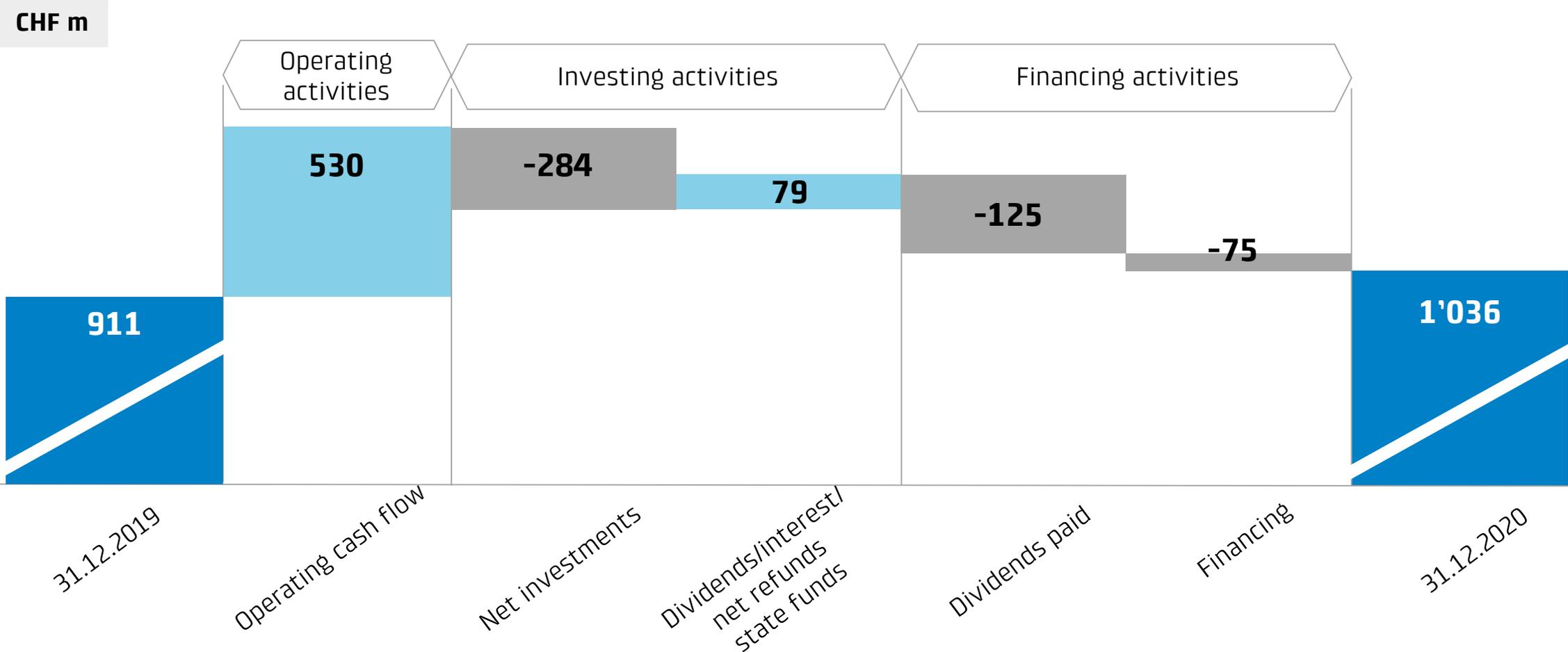
To measure performance, cash flows must be neutralized by decommissioning effects

Successful net working capital management



Net working capital remains at low level

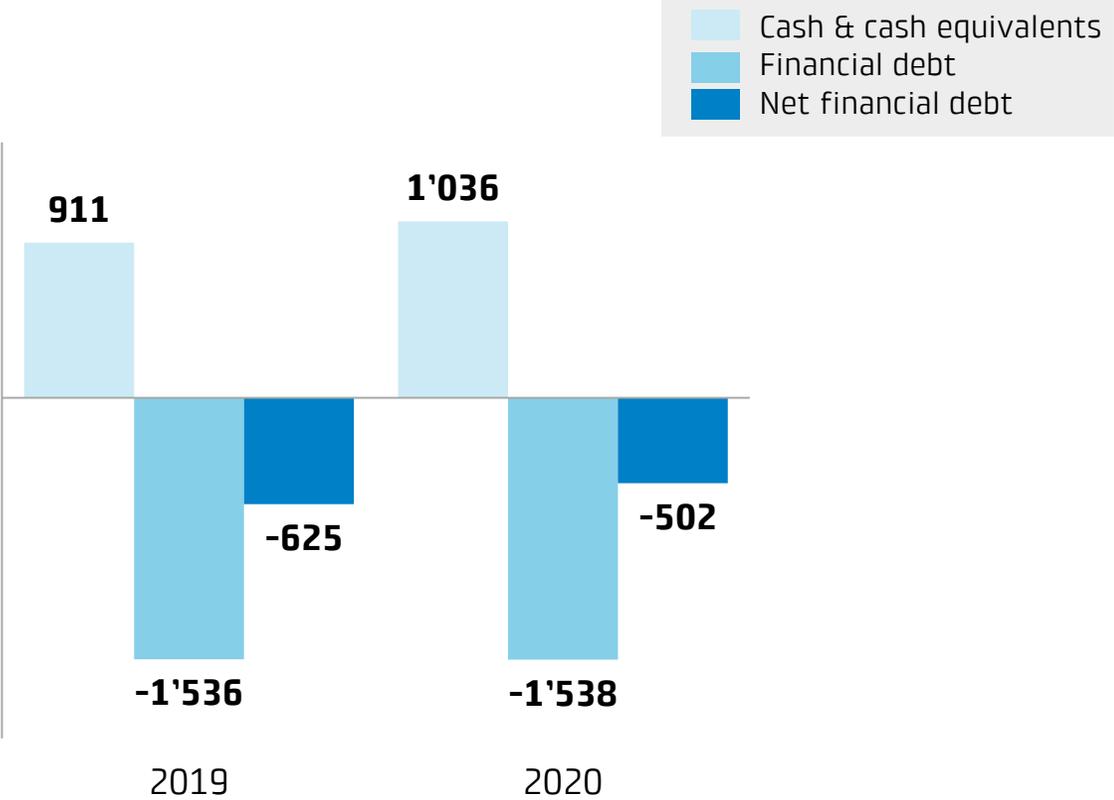
Strong and stable liquidity at CHF 1bn



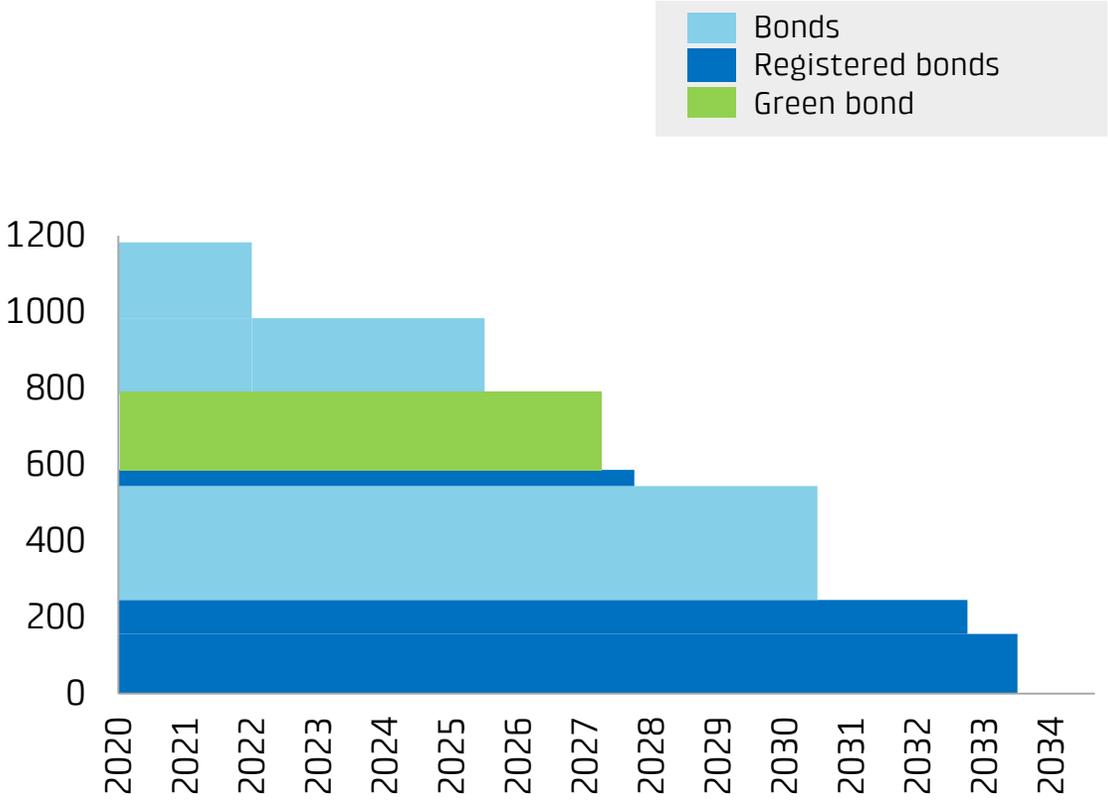
Cash generation exceeds investments and dividend payments

Sound financial situation

CHF m Net debt improving

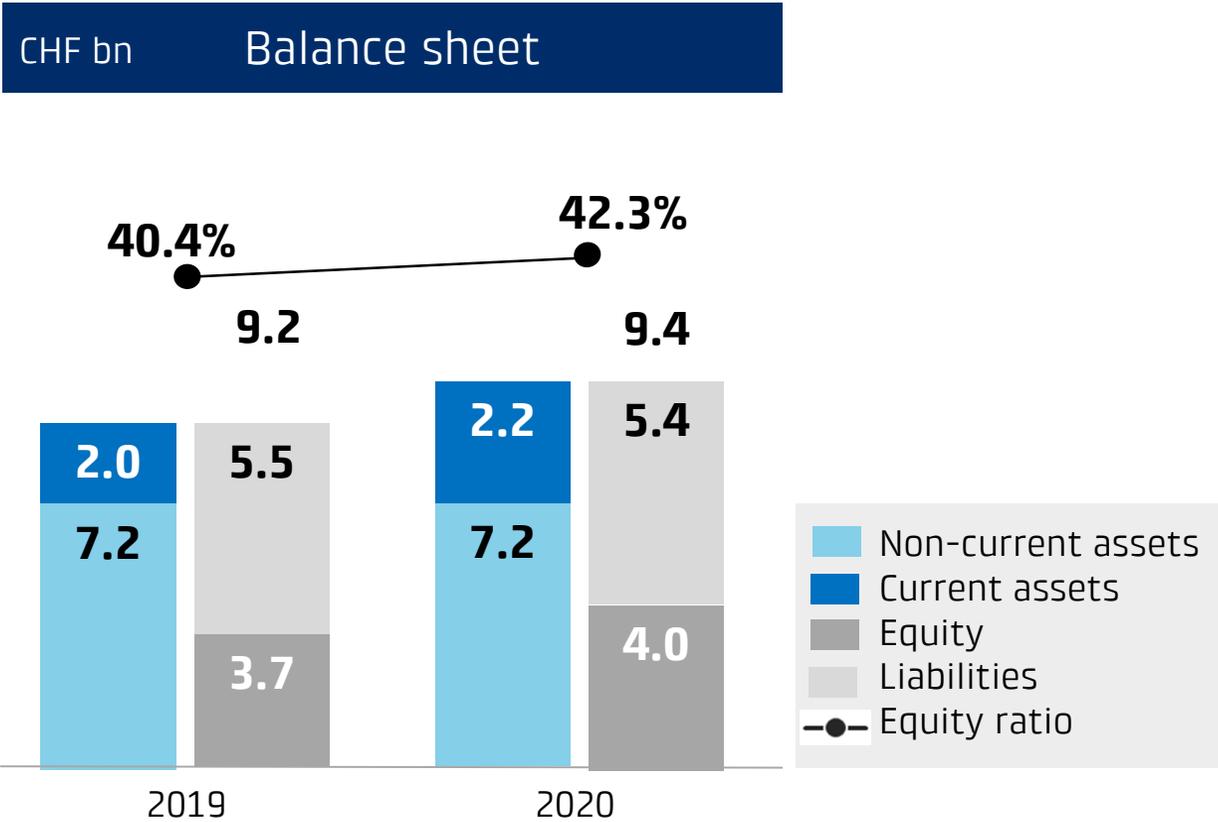


CHF m Balanced maturity profile



Financial situation ensures strategic flexibility

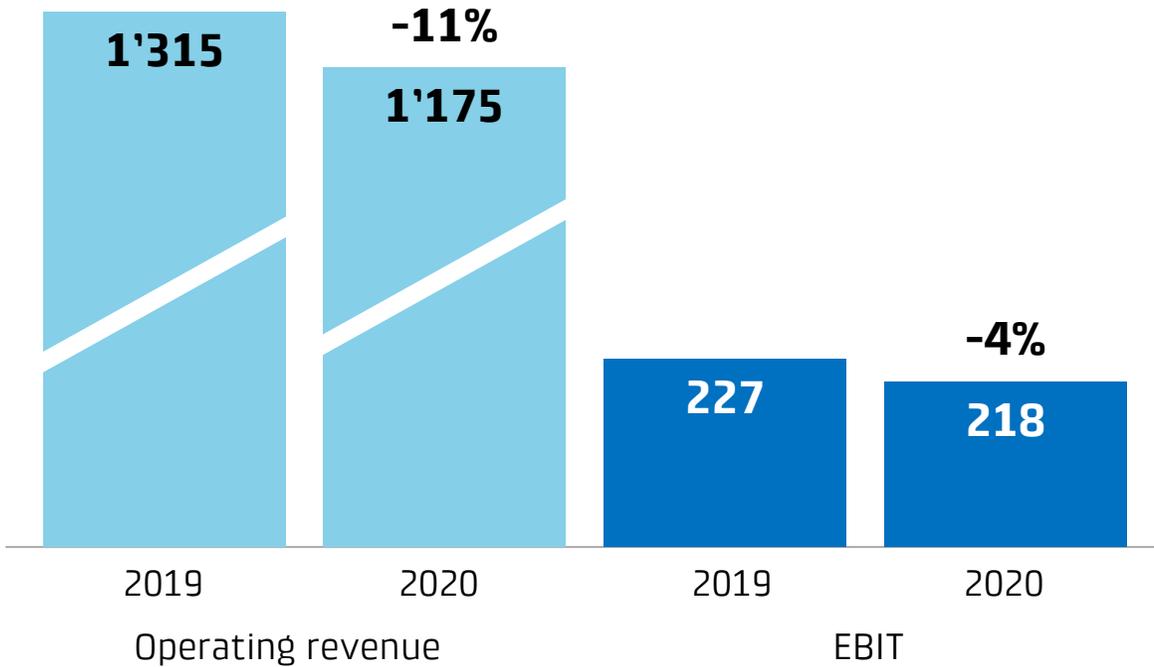
Sound balance sheet: equity ratio at 42.3%



Equity ratio driven by high net profit; market capitalization above CHF 5bn

Energy: lower revenue – resilient EBIT

CHF m

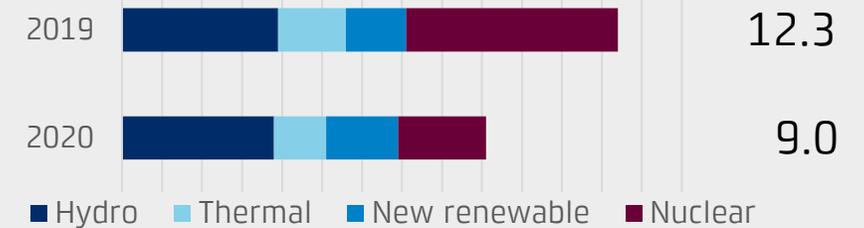


Key points

Decreasing revenue

- Discontinuation KKM
- Lower consumption (COVID-19)
- Higher electricity prices can not absorb negative effects

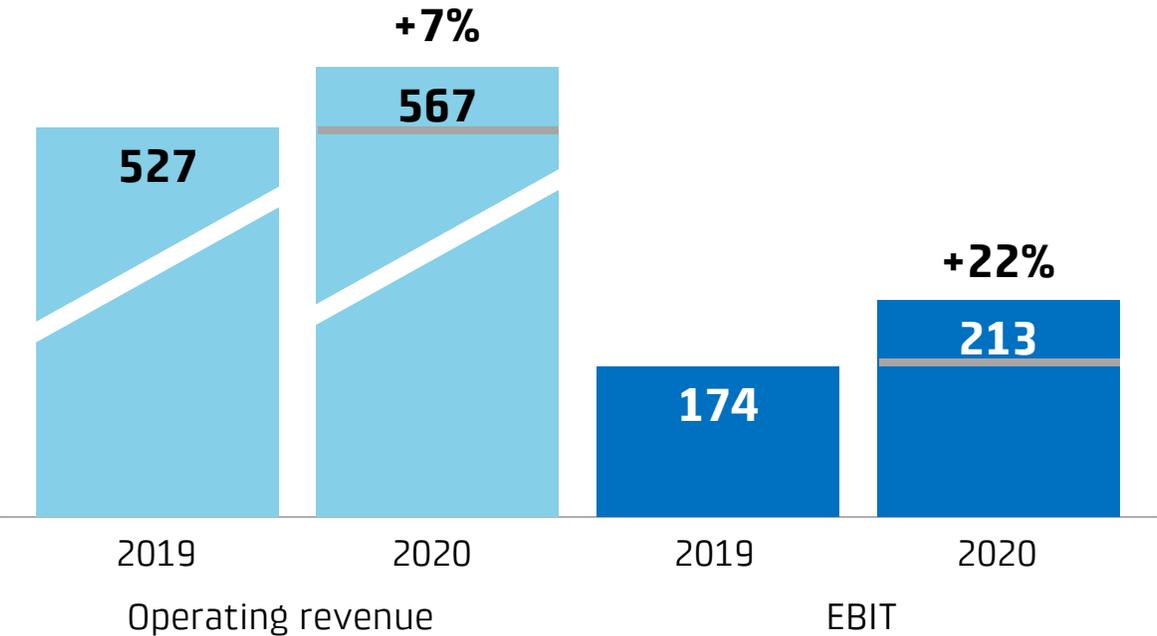
Production mix (volumes in TWh)



EBIT only slightly below very strong prior year, driven by positive price effects and excellent trading

Grid: reliable EBIT contribution

CHF m



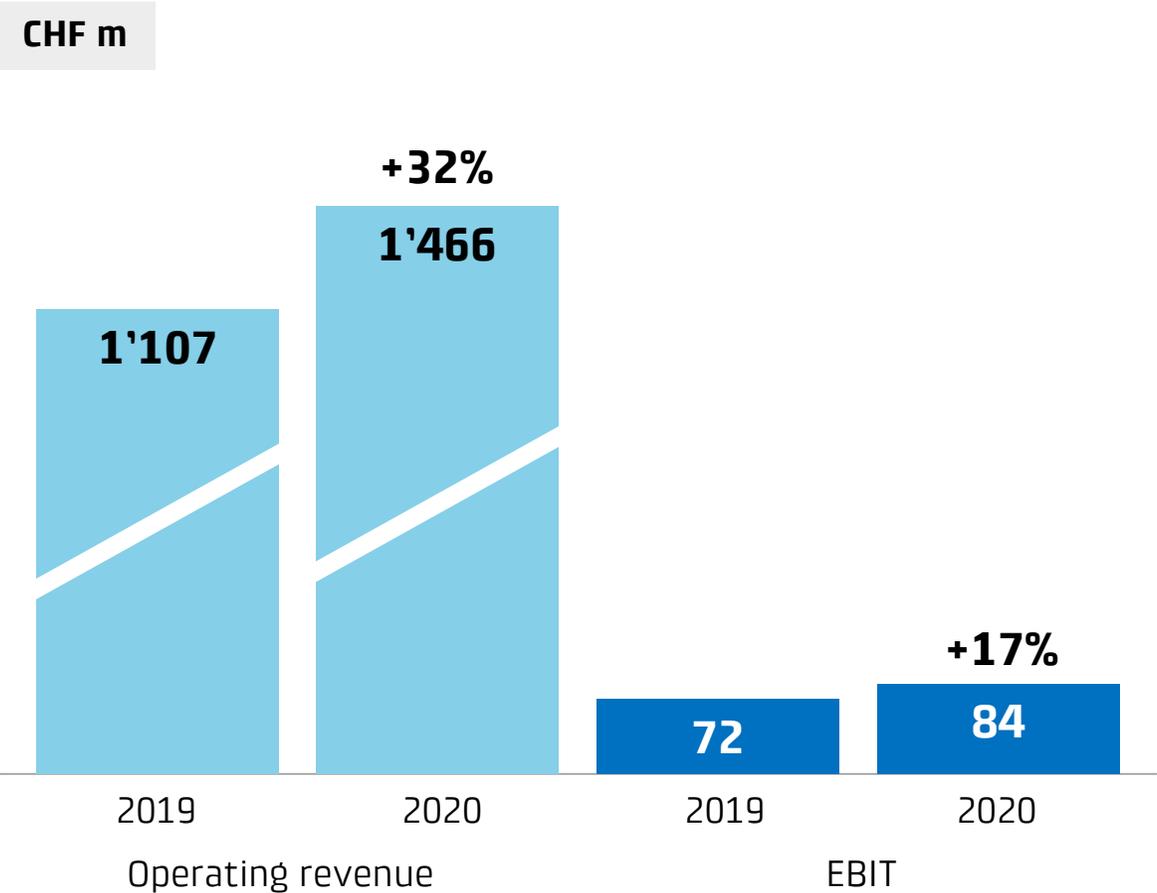
Key points

Positive one-off effect of CHF 39m: final compensation of Swissgrid for transmission grid expropriation

Without one-off, stable development on revenue and EBIT level

Solid and stable operating result

Services: continuous strong growth



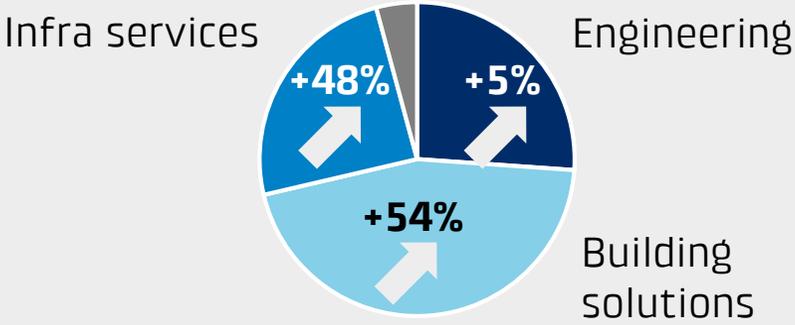
Key points

Increased revenue based on

- Solid organic development
- Acquisitions in FY19

COVID-19 affected operations efficiency and EBIT margins

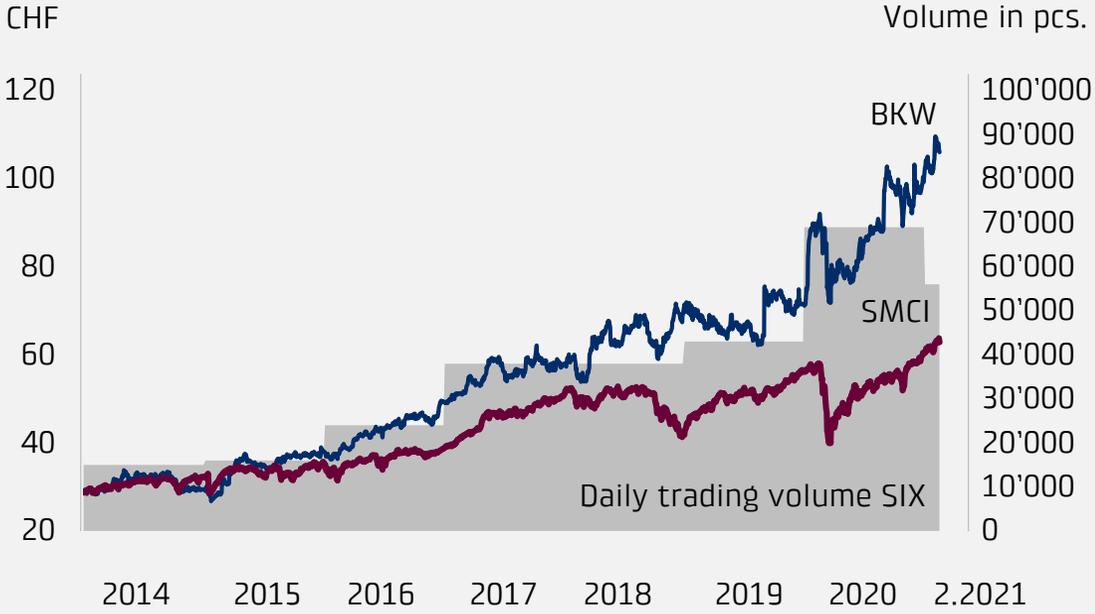
Revenue breakdown



Strong EBIT increase despite profitability impacts of COVID-19 restrictions

Share price increase; market cap above CHF 5bn

Share price



Market capitalisation



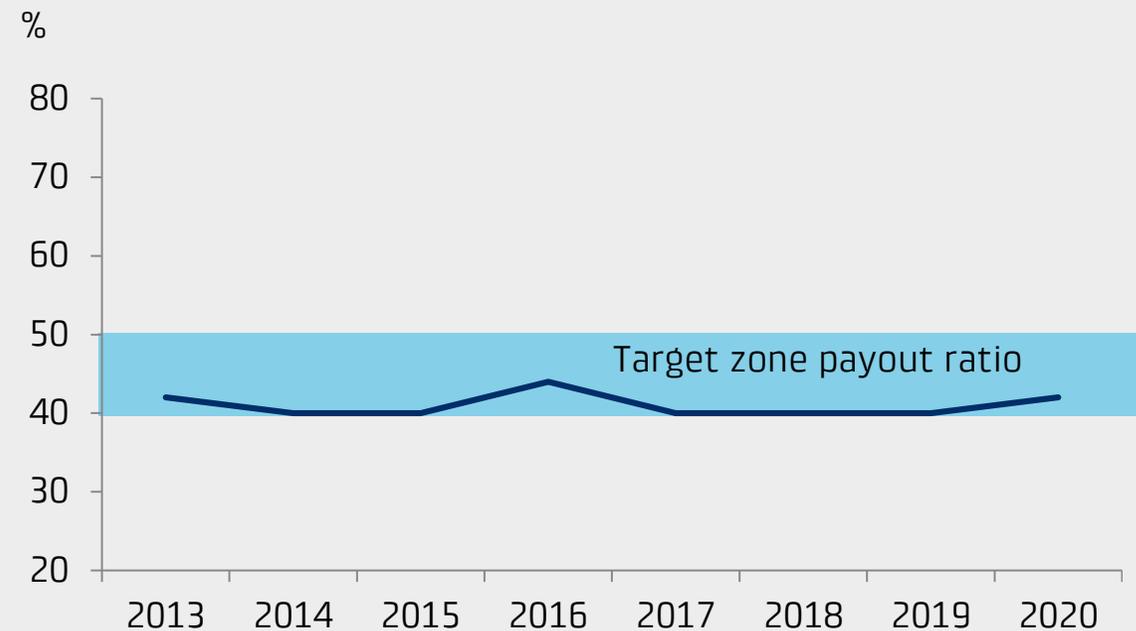
Total shareholder return 335% since 2014 (annualized return above 23%)

Proposed dividend increase: CHF 2.20 → CHF 2.40

Dividend



Payout ratio



Dividend increase reflects reliable dividend policy; within communicated range

Outlook and strategy update

Outlook 2021

BKW expects FY 2021 operating profit to be in the range of **CHF 420 to 440m**

This expectation reflects:



Further profitable growth of the Services business



Power price development



Normalized trading result



Large-scale overhaul KKL

It is difficult to assess the effects of the 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.

Global sustainability fuels BKW's business models



UN Global Compact: Global Goals

Successful today and tomorrow in growing markets



Energy

Infrastructure

Buildings

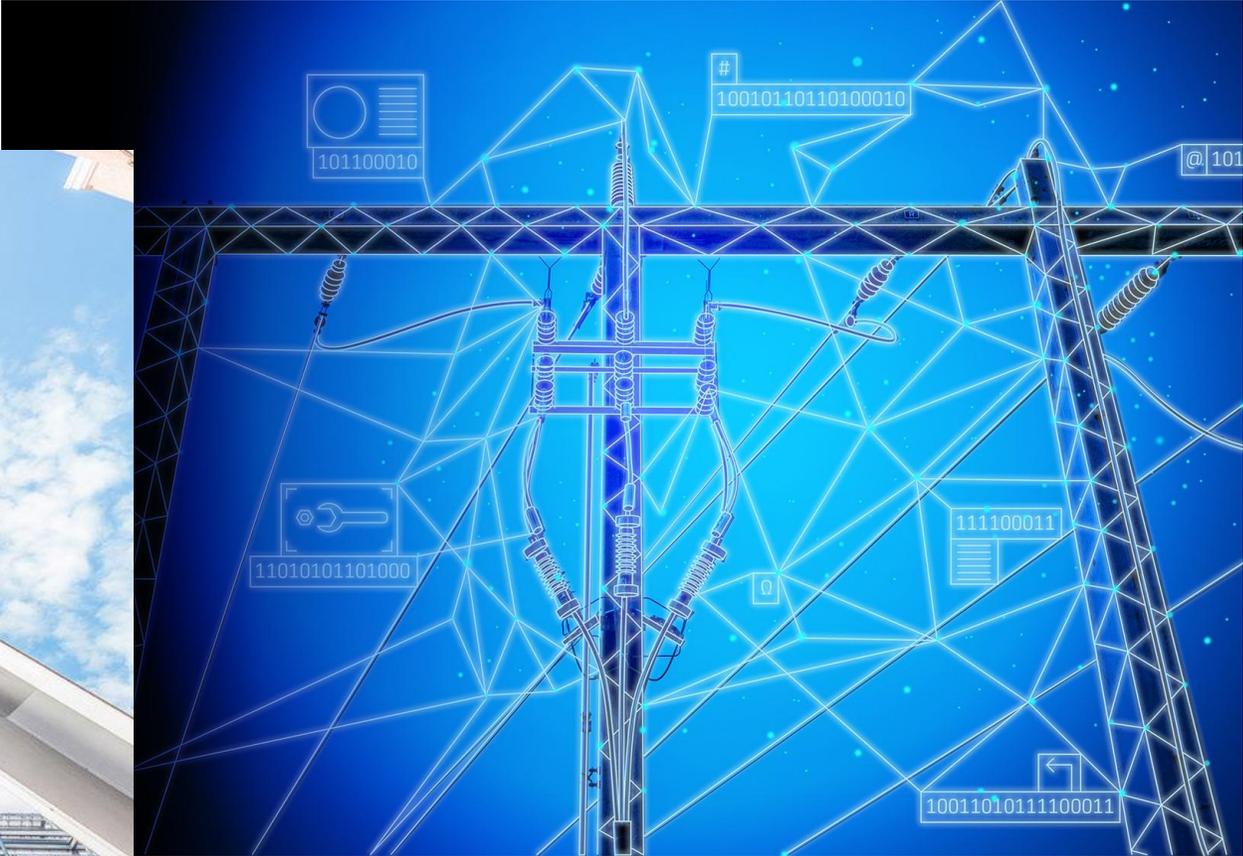
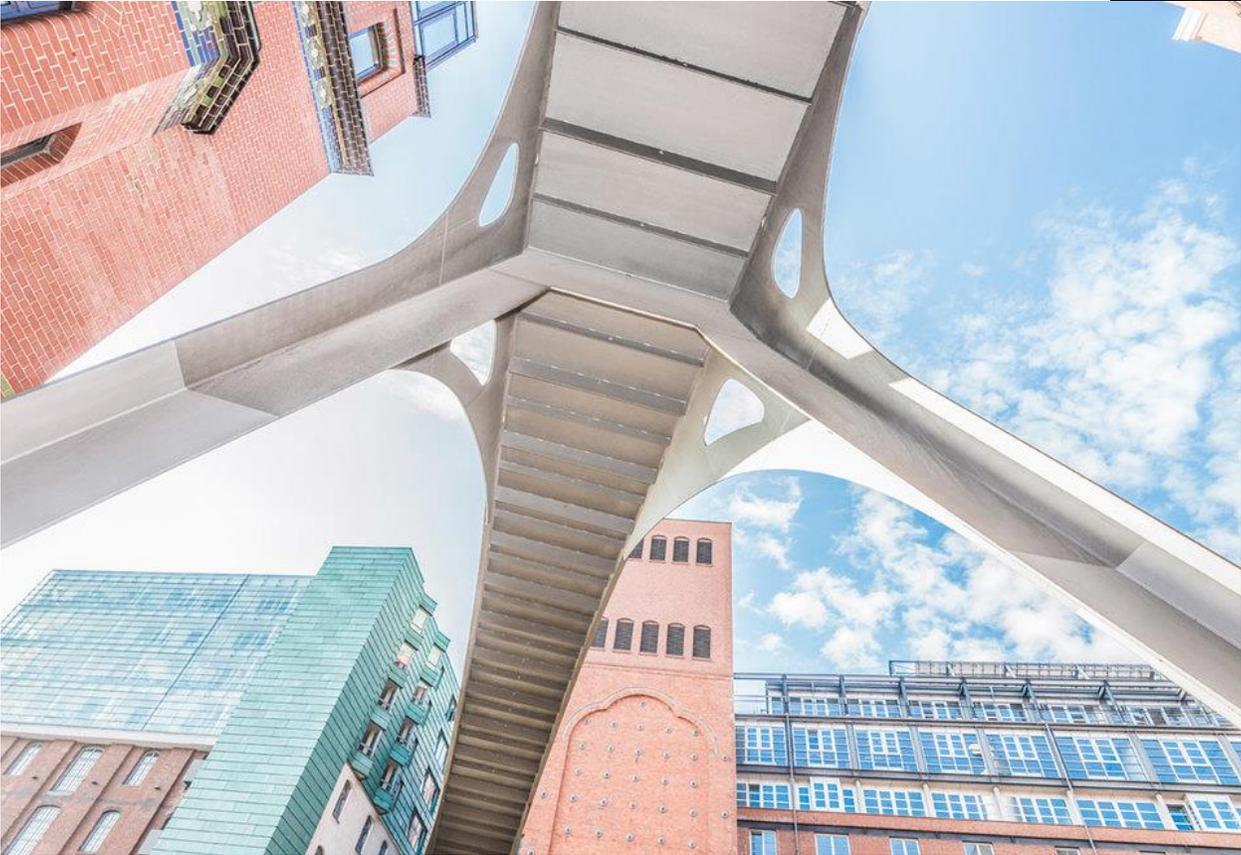
Advanced energy solutions pave the way for sustainability



- Leverage evolving customer needs
- Flexibility for supply security
- Maximise captured value from assets
- Enlarged trading portfolio (all elements of value chain)

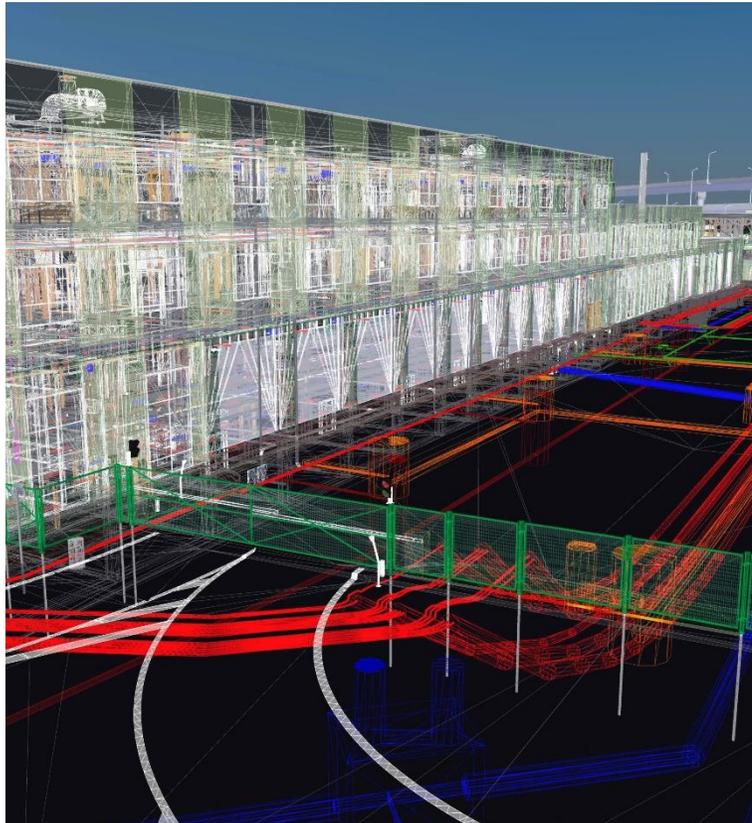
Advanced knowhow for today's infrastructure

Holistic competences for complex infrastructure projects



Artificial intelligence for unified power grid and beyond

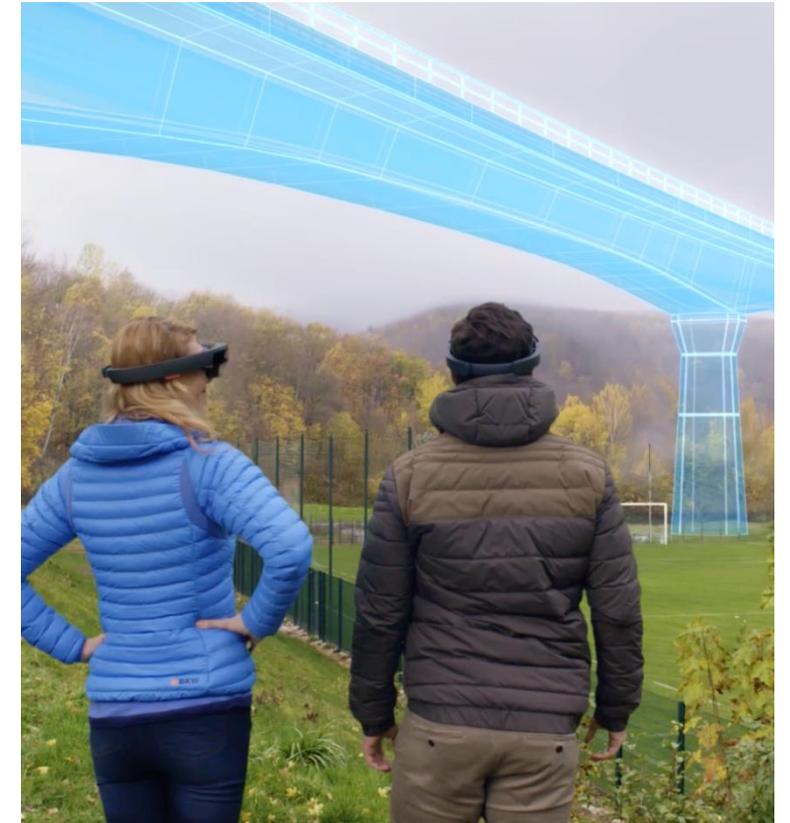
BKW: Leadership in digital planning, construction and operation



BIM services

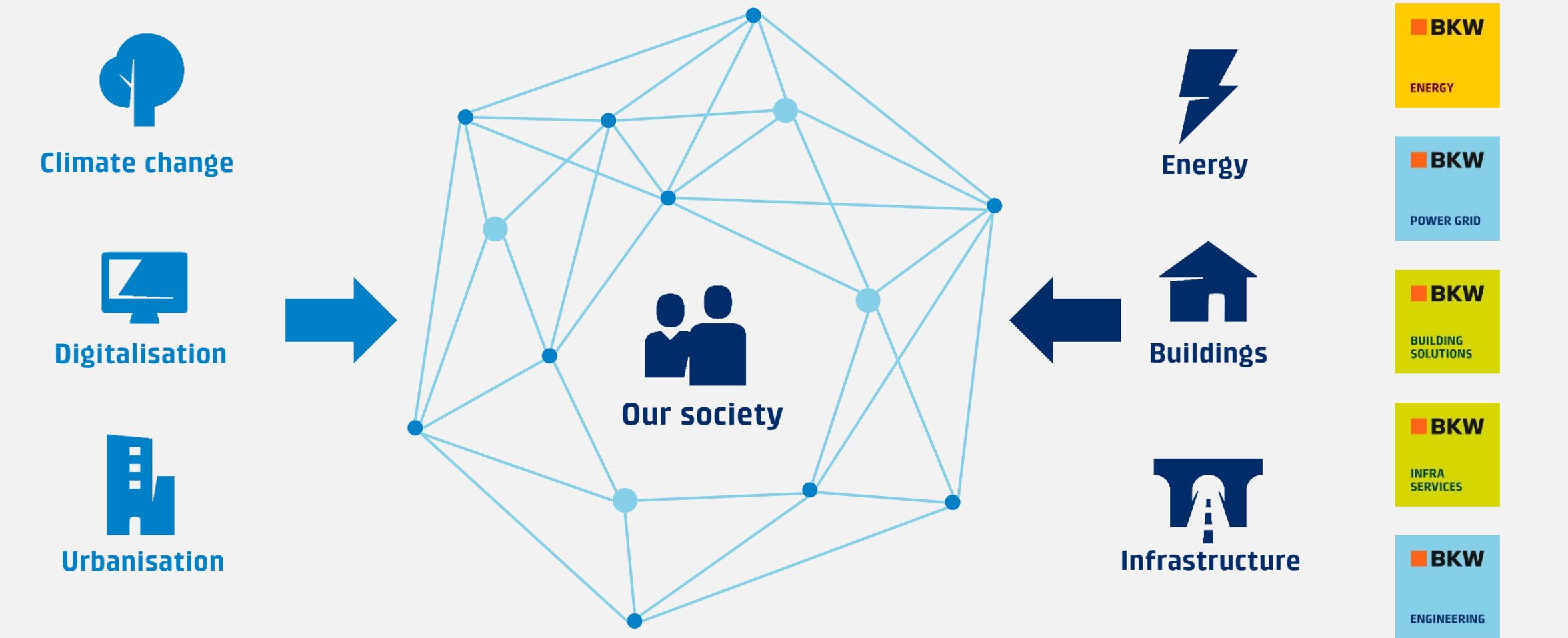


Innovation



Future markets

Sustainability on the global agenda = growing markets





through the recycling of lake water for both heating and cooling. This is the first building on the lake outside of the city to employ such a system.

train or ferry in less than half an hour. There is a bus station providing links to the surrounding area.

Green Roof
A vast 1000 sq m green roof improves thermal performance preventing rapid temperature fluctuations throughout the day.

Sun Shading
The Venetian sunscreen protects against glare and excessive heat gain whilst still permitting the impressive lake views afforded by the building form.

Rain Water Harvesting
Rain water collected from the roof is used for irrigation.

Thermal Mass Activation

400m

natural swimming

Bus Stop

Villa Windegg

outdoor working

public plaza

cafe

flexible open space

electrical heat pump

Zurich

Switzerland

Swarovski Männedorf

Lake Zurich

Rappe

train connection to Zurich

Balancing prosperity and environment in growing markets

ingenhoven swarovski, lake zurich

The Swarovski HQ is the only building on Lake Zurich outside of the city to reach such standard. The

Renewable Energy
83.3% of heating is met through the use of renewable energy sources, whilst 100% of electricity is met with renewable sources. Natural daylight is maximised through a fully glazed façade. The use of light materials inside the building reflects light deep into the floor plan.

Community
An open plan office structure accounts for 70% of the work space; this promotes openness in communication between staff and allows for greater flexibility in office arrangement.

Maximised View
The horse shoe form of the structure exploits the lake view, affording approximately all of the 500 employees a pleasant view. The fully glazed façade truly maximises the potential of the site as do two wooden decks that promote views of the Alps on a fine day.



Thank you for your attention



Questions?



Disclaimer

This presentation contains forward-looking statements which are made on the basis of current expectations and assumptions. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include, among others, such factors as market and economic conditions, governmental regulations, competitive conditions, interest rates and fluctuation in currency exchange rates. Although BKW believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved. BKW undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.