Excellent half-year results
Analyst and media presentation, 3 September 2019
HY 2019: strong growth on all levels

- Operating revenue increased by 7%
- Net profit increased by 59%
- BKW able to overcompensate negative electricity price effects
- Continued profitable growth of services: Revenue +20%, EBIT +29%
BKW strong business model: growth and robustness

Aligning energy to the future

Developing grids further

Growing services business
Financials HY 2019
Operating revenue, EBIT and net profit

Significant growth on all levels

<table>
<thead>
<tr>
<th>CHF m</th>
<th>HY 2018</th>
<th>HY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>1,281</td>
<td>1,370</td>
</tr>
<tr>
<td>EBIT</td>
<td>52</td>
<td>171</td>
</tr>
<tr>
<td>Net profit</td>
<td>41</td>
<td>201</td>
</tr>
</tbody>
</table>

+7% \(+21\%\) \(+135\%\)
Half-year EBIT history / price effect on revenue

Hedged prices

Negative electricity price effect overcompensated

Semi-annual price effect on revenue

2019 HALF-YEAR RESULTS – ANALYST AND MEDIA PRESENTATION | BKW | 03.09.2019
Growth investments in services and renewable energies

Balanced investments in growth and maintenance/replacement; grid investments preserve regulatory asset base

**Investments**

46% in growth
- Services: 45
- Energy: 20

54% in maintenance/replacement
- Grid: 55
- Energy: 6
- Services: 4
- Efficiency, quality, digitalisation: 11

Investments partner plants: 17
Liquidity at CHF 1bn ensures financial flexibility

Liquidity at CHF 1bn; cash flow generation covers acquisition and investment activities
Funds from operations at a record high

Consecutive strong cash inflows: HY19 on record level

**CHF m**

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds from operations</th>
<th>Nuclear provisions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HY 2014</td>
<td>181</td>
<td></td>
<td>181</td>
</tr>
<tr>
<td>HY 2015</td>
<td>229</td>
<td></td>
<td>229</td>
</tr>
<tr>
<td>HY 2016</td>
<td>207</td>
<td></td>
<td>207</td>
</tr>
<tr>
<td>HY 2017</td>
<td>240</td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>HY 2018</td>
<td>219</td>
<td></td>
<td>219</td>
</tr>
<tr>
<td>HY 2019</td>
<td>268</td>
<td>244</td>
<td>244</td>
</tr>
</tbody>
</table>
Sound financial situation

Net debt increase mainly due to application of new leasing standard IFRS 16
Long-term financing framework ensures financial flexibility

0.25%-Green bond of CHF 200m successfully issued in July 2019
Sound balance sheet: equity ratio increased to 39.0%

Higher equity ratio thanks to strong net profit
Operating revenue and EBIT per business area

Profitable EBIT growth in Energy and Services, stable Grid contribution
Energy: negative price effects significantly overcompensated

Increased revenue in spite of negative price effect of CHF 60m due to:
- Trading activities
- Higher sales with business clients
- Higher wind production

Significantly overcompensated on EBIT-level by
- Very successful management of energy position
- Efficiency gains

Excellent trading activities and higher wind volumes lead to EBIT increase of +59%
Grid: solid EBIT-contribution

Stable reported EBIT, impacted by weather conditions

Key points

Lower revenue due to
- Lower volumes due to weather conditions
- Pass-through of lower tariffs for the distribution grid (Swissgrid)
Services: consistent profitable growth

**Key points**
- Sales at CHF 0.5bn in HY19, up by 20%
- All areas contributed to increase
- 7 acquisitions (Engineering and Building Solutions)
- Continued EBIT-margin increase

**Revenue breakdown**
- Engineering
- Building Solutions
- Infra Services
- Energy Services

Expansion on track with margin increase
Outlook and strategy update
Outlook FY 2019 increased

Based on the very good half-year results, we increase the outlook for FY19 comparable operating profit and expect it to be in the range of CHF 350m – 370m (previously CHF 320m – 340m)

– continued profitable growth of services and wind business
– successful management of energy position
– consistent cost management

Excellent results confirm strategy: BKW thrives on changing market conditions
BKW growth strategy contributes to society needs and sustainability

Megatrends lead to growing needs for BKW expertise in attractive and expanding markets

- Climate change
- Urbanisation
- Digitalisation

- Renewables and infrastructures for an energy hungry world
- Flexibility for decentralised energy systems
- Resource efficiency for urban living and infrastructure
BKW's commitment to sustainability is in line with UN global compact

75% of the production capacity will be renewable by 2023

The 17 SDGs are the core element of the United Nations “2030 Agenda for Sustainable Development"
BKW is the first listed corporation to launch green bond in CHF

Strong demand in the financial market: BKW green bond was 4.5 times oversubscribed

- Wind parks in Norway
- Wind parks in France
- Small hydro power plants in Switzerland
Successful development of the Energy business

New renewables connected to grid in Norway and Switzerland

Excellent result of trading business

Decommissioning KKM on track
Grid enables decentralised energy systems – for today and tomorrow

Largest distribution grid in Switzerland – 22,000 km

Pioneering new technologies

Growing number of decentralised production plants

- >420%

2011 today future
Network of service businesses continues success story

Competencies for complex projects

Innovative technology for buildings

New infrastructure needs
BKW strong business model: growth and robustness

**Aligning energy to changing markets**
- Significant upside potential

**Grid – robust anchor for the group**
- Regulated, stable income

**Attractive growth in services business**
- Growing markets and good margins

**Strength**

**Revenue / EBIT trend**

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We create infrastructure for urban and rural living. Today and tomorrow.