FY 2018: strong results – the successful transformation continues

- Revenue increased by 7% despite negative energy price effects
- Reported operating profit +10%
- Profitable growth of Services: revenue +20%, EBIT +26%
- Successful repositioning of the Energy business
- Continued consistent reduction of operating cost

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>Operating profit</td>
</tr>
<tr>
<td>2,503</td>
<td>2,675</td>
</tr>
<tr>
<td>379</td>
<td>417</td>
</tr>
</tbody>
</table>
BKW strong business model: growth and robustness

Aligning energy to the future

Developing grids further

Growing services business
Financials FY 2018
## Comparable income statement

<table>
<thead>
<tr>
<th></th>
<th>2017 reported</th>
<th>adjustments</th>
<th>2017 comparable</th>
<th>2018 comparable</th>
<th>adjustments</th>
<th>2018 reported</th>
<th>change comparable in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>2,503</td>
<td>-11</td>
<td>2,492</td>
<td>2,675</td>
<td></td>
<td>2,675</td>
<td>+7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>529</td>
<td>-11</td>
<td>518</td>
<td>544</td>
<td>52</td>
<td>596</td>
<td>+5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>379</td>
<td>-11</td>
<td>368</td>
<td>364</td>
<td>52</td>
<td>417</td>
<td>-1%</td>
</tr>
<tr>
<td>Net profit</td>
<td>271</td>
<td>-56</td>
<td>215</td>
<td>239</td>
<td>36</td>
<td>203</td>
<td>+11%</td>
</tr>
</tbody>
</table>

EBIT on PY-level, net profit increased – despite lower electricity prices
Comparable operating revenue, EBIT and net profit

Growing operating revenue, EBIT on PY-level, net profit increased
EBIT development / price effect on revenue

Hedged prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedged Price</th>
<th>Price Effect on Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>239</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>324</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>317</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>309</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>346</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>368</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>364</td>
<td>-CHF 750m</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Price effect on revenue:
- Negative price effect 2018 of CHF 80m on revenue largely compensated on EBIT-level
Operating cost: consistent efficiency gains achieved

Significant efficiency gains in established business areas: More than CHF 160m in last five years
2/3 of Investments in growth: services and renewable energies

<table>
<thead>
<tr>
<th>Investments</th>
<th>CHF m</th>
</tr>
</thead>
<tbody>
<tr>
<td>64% in growth</td>
<td>311</td>
</tr>
<tr>
<td>- Services</td>
<td>176</td>
</tr>
<tr>
<td>- Energy</td>
<td>132</td>
</tr>
<tr>
<td>- Other</td>
<td>3</td>
</tr>
<tr>
<td>36% in maintenance/replacement</td>
<td>174</td>
</tr>
<tr>
<td>- Grid</td>
<td>127</td>
</tr>
<tr>
<td>- Energy</td>
<td>21</td>
</tr>
<tr>
<td>- Efficiency, quality, digitalisation</td>
<td>26</td>
</tr>
</tbody>
</table>

Investments partner plants 36

3/4 of maintenance/replacement investments in grid, securing regulatory asset base
Strong liquidity at CHF 1.1bn

Liquidity above CHF 1bn despite substantial investments
Sound financial situation

Net debt remains on low level – despite significant investments
Long-term financing framework ensures financial flexibility

0.75% bond of CHF 200m successfully issued in 2018
Sound balance sheet: equity ratio at 38.4%

Increased equity ratio thanks to net profit
### Operating revenue and EBIT per business area

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>1,262</td>
<td>1,326</td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-off effects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Grid**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>158</td>
<td>142</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>580</td>
<td>555</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11</td>
<td>200</td>
</tr>
<tr>
<td>One-off effects</td>
<td>190</td>
<td>190</td>
</tr>
</tbody>
</table>

**Services**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>46</td>
<td>58</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>736</td>
<td>881</td>
</tr>
<tr>
<td>Operating profit</td>
<td>881</td>
<td>881</td>
</tr>
<tr>
<td>One-off effects</td>
<td>46</td>
<td>58</td>
</tr>
</tbody>
</table>

**Notes:**
- Low electricity prices with impact on Energy, solid Grid contribution, profitable growth in Services.
Energy: negative price effects largely compensated

Higher revenue in spite of negative price effect on revenue of CHF 80m thanks to:

- Higher wind volumes
- Higher wholesale revenue

Largely compensated on EBIT-level by

- Successful management of energy position (trading)
- Better sales margins
- Efficiency gains

Ongoing successful transformation of the Energy business
Grid: solid EBIT-contribution

Key points

- Lower revenue due to minor tariff reduction
- Further efficiency gains
- PY: one-off reimbursement for transfer of transmission grid to Swissgrid (CHF 11m)

Comparable operating profit on PY-level despite lower revenue
Services: profitable growth with margin increase

Key points

- Sales above CHF 0.8bn, up by 20%
- 18 acquisitions in 2018 (Engineering and Building Solutions)
- Continued improvement of EBIT-margin from 6% to 7%

Revenue breakdown

Expansion on track with margin increase
Share price and dividends

Annual total shareholder return of 23% since implementation of strategy
Outlook and strategy update
BKW expects to successfully continue its transformation

2019 is the last year influenced by negative energy price effects.

BKW intends to compensate these negative effects through:

• further profitable growth of the Services business
• repositioning of the Energy business – aligned to changing market drivers
• efficiency gains

BKW expects FY 2019 operating profit to be in the range of CHF 320 to 340m
BKW competencies for growing markets

Renewables and infrastructures for an energy hungry world

Flexibility for decentralised energy systems

Resource efficiency for urban living and infrastructures

Megatrends drive growing markets
Renewables & infrastructures for an energy hungry world
Strong renewables portfolio

Diversified wind in terms of regulation and weather impact

Growing in wind and small hydro

- Installed capacity in MW
  - Small hydro
  - Wind

- Year 2011 to 2020
BKW's flexible power plants increase value creation

High share of flexible energy production

Capacity installed and under construction: 3.2 GW

60%

Price trend favours flexibility

Electricity price

Jan Dec

Today

2030
Grid infrastructure – BKW's robust anchor

- **22,000 km**
  Largest distribution grid in Switzerland

- **36.4%**
  Largest shareholder of Swissgrid

- **CHF 1,900,000,000**
  Regulatory Asset Base

- **3.8%**
  WACC / ROCE regulated

- **CHF 120,000,000**
  Maintenance/replacement per year
Mühleberg decommissioning: major project risks mitigated

Positive financial effect in 2020

20 June 18
DETEC issues decommissioning order («Stilllegungsverfügung»)

End 18
All long term item contracts closed

Project plan on time

6 September 18
No official complaints, decommissioning request legally binding

20 December 19
Final shutdown of power operation KKM
Flexibility for decentralised energy systems
Grid technology for decentralised energy systems

Optimised communications technology for smart meter deployment

Big data technology for grid and geoinfo systems

Flexibility for BKW's and third party grids
Trading competence generates value from volatile markets

- Increasing focus on short-term trading
- Inflexible assets made flexible
- Trading services increase tradeable portfolio
Resource efficiency for urban living and infrastructures
Services network meets society's needs

- Innovative building solutions
- Intelligent urban planning
- Smart infrastructures
Network approach: driving further margin growth

Locally anchored = trusted client relations

Synergies with shared services

Competencies for complex projects
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

Capital

Revenue / EBIT trend
Thank you for your attention
Questions?
Financial calendar and contact information

Financial calendar

- Annual general meeting: 24 May 2019
- Ex-dividend date: 28 May 2019
- Dividend payment: 31 May 2019
- Publication of 2019 half-year results: 3 September 2019

For further information, please contact:
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Tel (+41) 58 477 53 56
investor.relations@bkw.ch
Disclaimer

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