

Press Release

(Ad hoc announcement pursuant to Art. 53 LR)

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Successful BKW holistically implementing the energy transition

BKW AG half-year figures 2023

Bern, September 5, 2023

BKW generated a very good overall result in the first half of 2023. It increased revenue by six percent year-on-year to CHF 2.4 billion and operating profit (EBIT) by 29 percent to CHF 425 million. Operating net profit increased by 60 percent to CHF 304 million. The Energy business was the main driver of the strong half-year results, with an above-average trading and energy management result. BKW will also benefit from this in 2023 as a whole. BKW expects a significantly lower energy management and trading result for the second half of 2023. Overall, BKW is increasing its guidance and now expects EBIT in the range of CHF 600 to 650 million for the 2023 fiscal year.



CHF million	HJ 2022	HJ 2023	
Revenue	2,263	2,397	+6%
Operating profit (EBIT)	330	425	+29%
Operating net profit*	191	304	+60%
Reported net profit	71	340	+376%

*Net profit before the decommissioning and disposal funds

In the first half of 2023, BKW increased its revenue by 6 percent year-on-year to CHF 2.4 billion. EBIT increased by 29 percent to CHF 425 million. BKW increased operating net profit by 60 percent to CHF 304 million. Due to the positive performance of the decommissioning and disposal funds, the reported net profit was even higher than the operating net profit, increasing by over 300 percent to CHF 340 million. Operating cash flow increased by over 200 percent year-on-year to CHF 491 million. This covers BKW's investments and further strengthens its financial position.



A video interview with BKW CEO, Robert Itschner, on the half-year results 2023 can be found [here](#).

Strong Energy business, stable earnings contribution by the Grid segment and increase in Services revenue

In the first half of 2023, BKW increased revenue in all three of the Energy, Grid and Services businesses compared to the same period of the previous year. As in the 2022 fiscal year, the Energy business was the key factor behind the very good overall result in the first half of 2023. Thanks to its solid liquidity and risk management, BKW was able to make optimum use of opportunities, particularly on the wholesale markets. In the Energy business, the strong energy management and trading result contributed significantly to the 47 percent increase in EBIT to CHF 344 million. As usual, the Grid business delivered a stable contribution of

CHF 76 million. The slight year-on-year decline in EBIT resulted primarily from lower distribution volumes due to higher temperatures and energy conservation measures. EBIT at Services decreased by 33 percent to CHF 22 million. As in the previous fiscal year, the Services segment is exposed to strong cyclical fluctuations, increased material prices and difficult supply chain conditions. BKW has already initiated comprehensive measures to increase the profitability of the Services business in the long term. BKW Building Solutions is laying an important corner stone for this development as of January 1, 2024, with the bundling of its competencies in the areas of heating, ventilation and air conditioning (HVAC) for large-scale plant construction in the Zurich economic area. BKW Building Solutions is thus expanding its range of environmentally-friendly customer solutions and strengthening efficiency in project execution. The positive revenue development in the Services business shows that BKW is operating in attractive markets. Demand for climate-friendly energy solutions and efficiency measures for buildings and infrastructure for the energy transition remains high. In addition, BKW won major orders worth more than EUR 250 million to expand power grids in Germany.

BKW invests in holistic energy transition – primarily in Switzerland

With its diversified business model consisting of the three pillars of Energy, Grid and Services, BKW is robustly positioned and ready to shape the energy transition holistically. BKW is investing heavily in the future of energy along the value-added chain – renewable power production, intelligent distribution networks and efficient utilization of energy in buildings, industry and mobility. In the past five years, BKW has invested around CHF 850 million in energy infrastructure – of which 80 percent was in Switzerland. A considerable portion of this investment goes into the maintenance and expansion of the power grid, the backbone of the energy transition. BKW is also examining the realization of alpine solar plants by the end of 2023. Together with the major Trift and Lake Grimsel hydroelectric projects, various small-scale hydroelectric plants, and the Jeanbrenin and Tramelan wind farms, BKW thus has a project pipeline in excess of CHF 1 billion for the expansion of renewables in Switzerland. At the same time, BKW intends to drive forward the expansion of photovoltaics quickly and efficiently in its Services business.

BKW's ambitious net zero target

At its anniversary event last July, BKW also [presented its ambitious decarbonization strategy](#): BKW will reduce its greenhouse gas emissions from the Energy business to net zero by 2040 at the latest. This demonstrates that even 125 years after the founding of the hydroelectric plant in Hagneck – its birthplace – BKW is moving forward with a pioneering spirit to actively and holistically shape the energy future.

Outlook

Due to the current easing on the European energy markets, BKW expects a significantly lower energy management and trading result for the second half of the year. However, due to its strong half-year result, BKW is increasing its EBIT forecast for the full year by CHF 50 million. BKW now expects EBIT of CHF 600 to 650 million for the fiscal year 2023.

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, employing over 11,500 people. 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.