

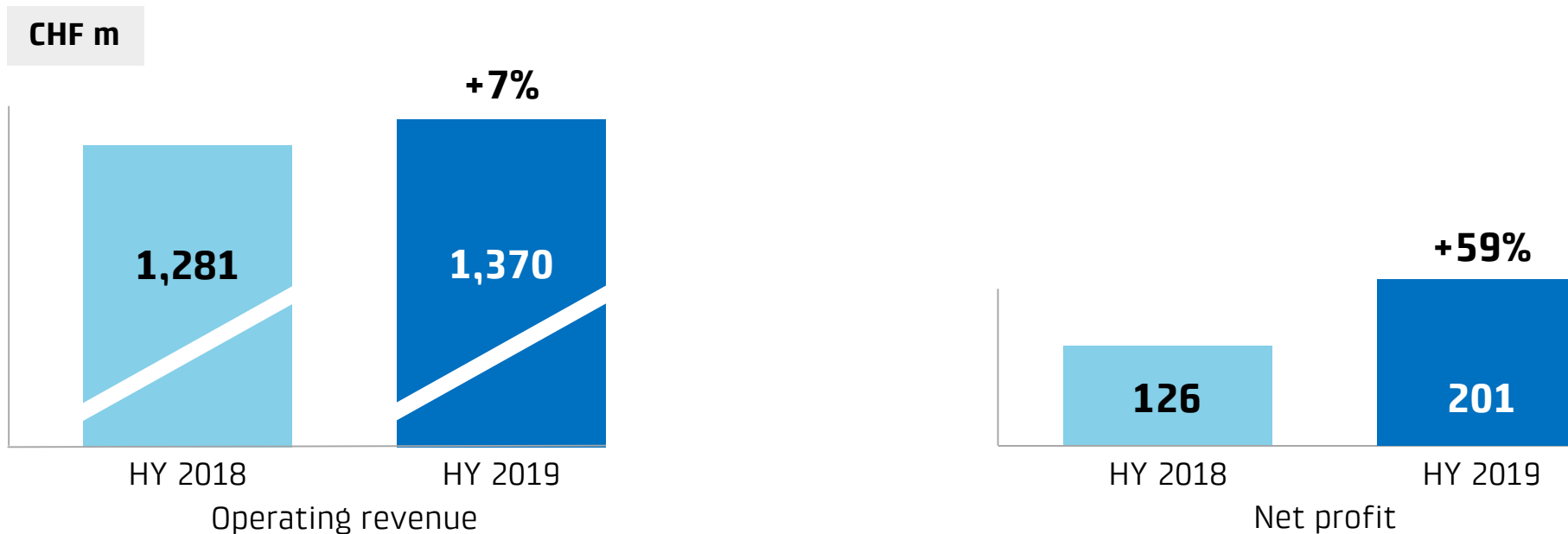


# Excellent half-year results

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

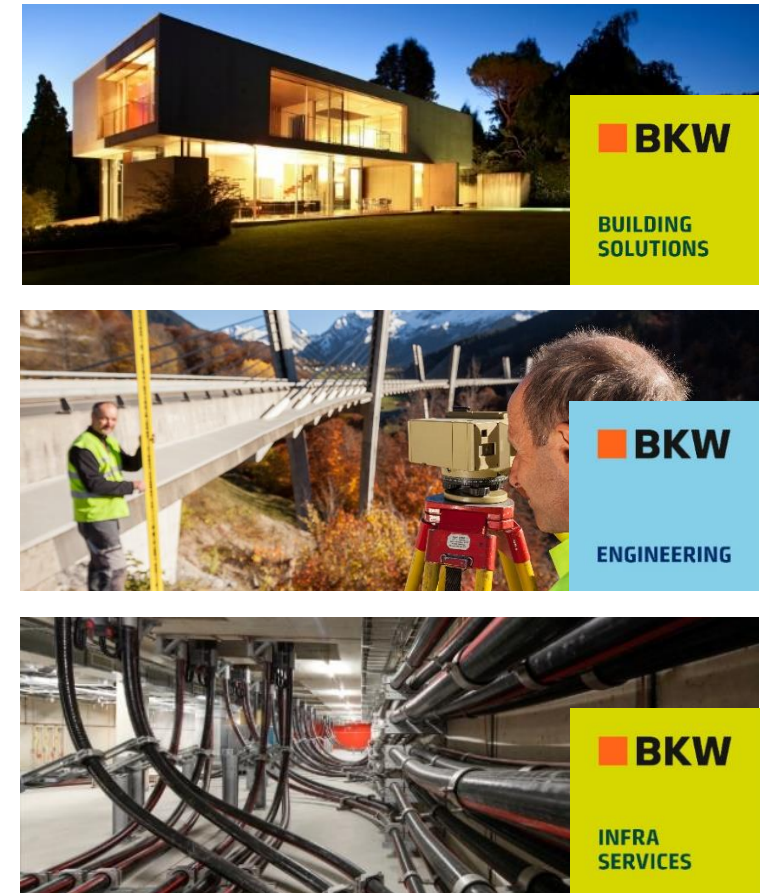
Aligning energy to the future



Developing grids further

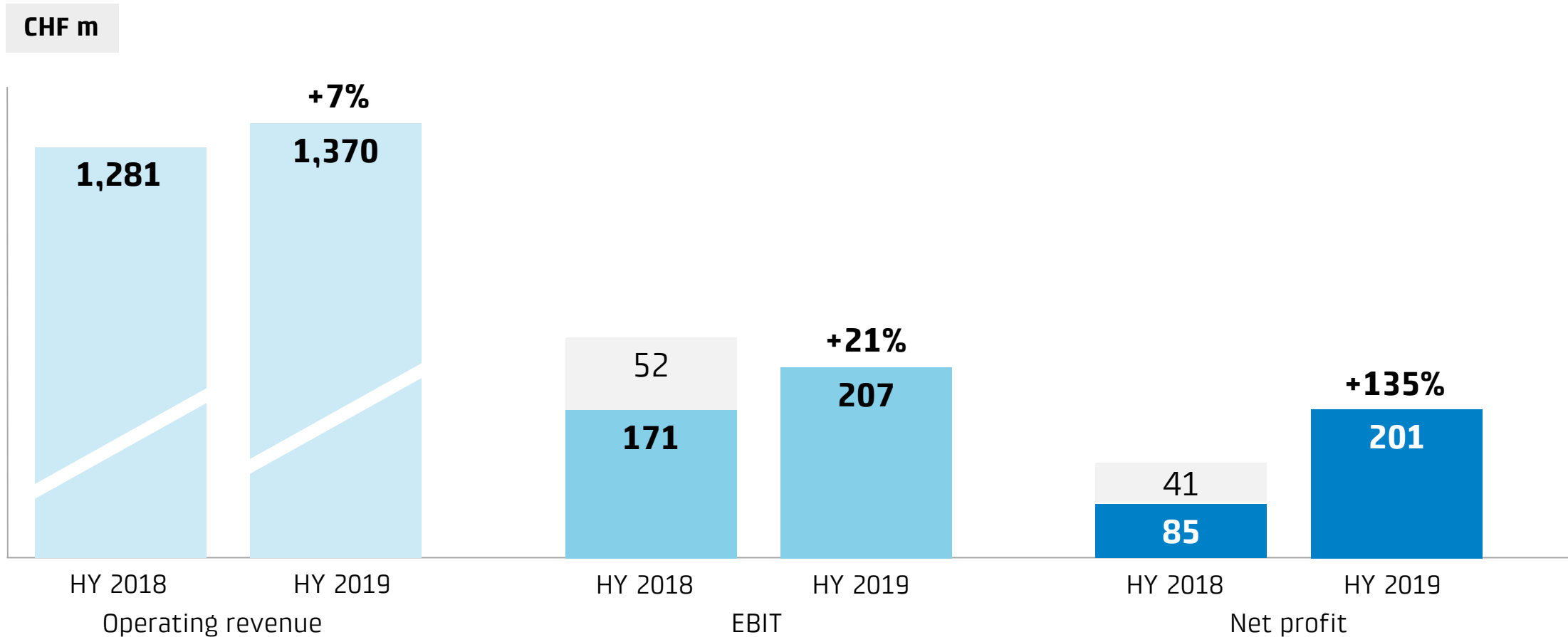


Growing services business



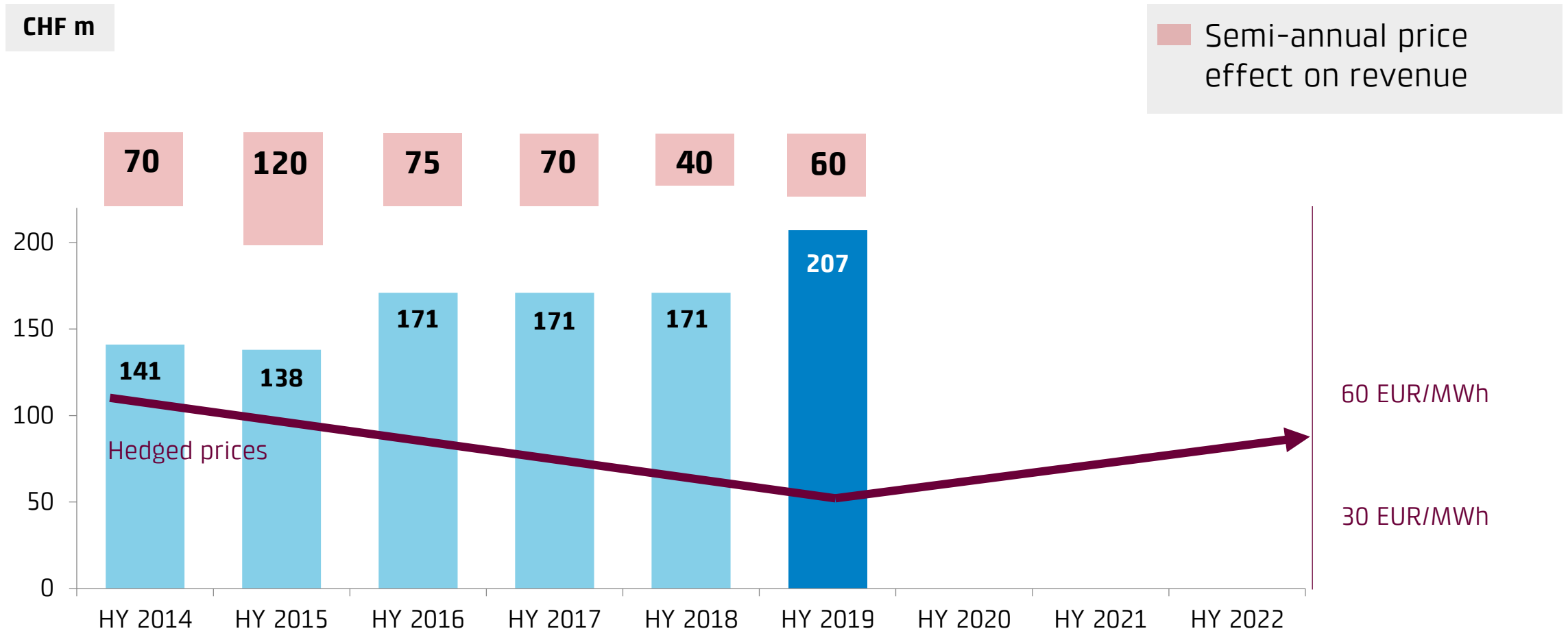
# Financials HY 2019

# Operating revenue, EBIT and net profit



Significant growth on all levels

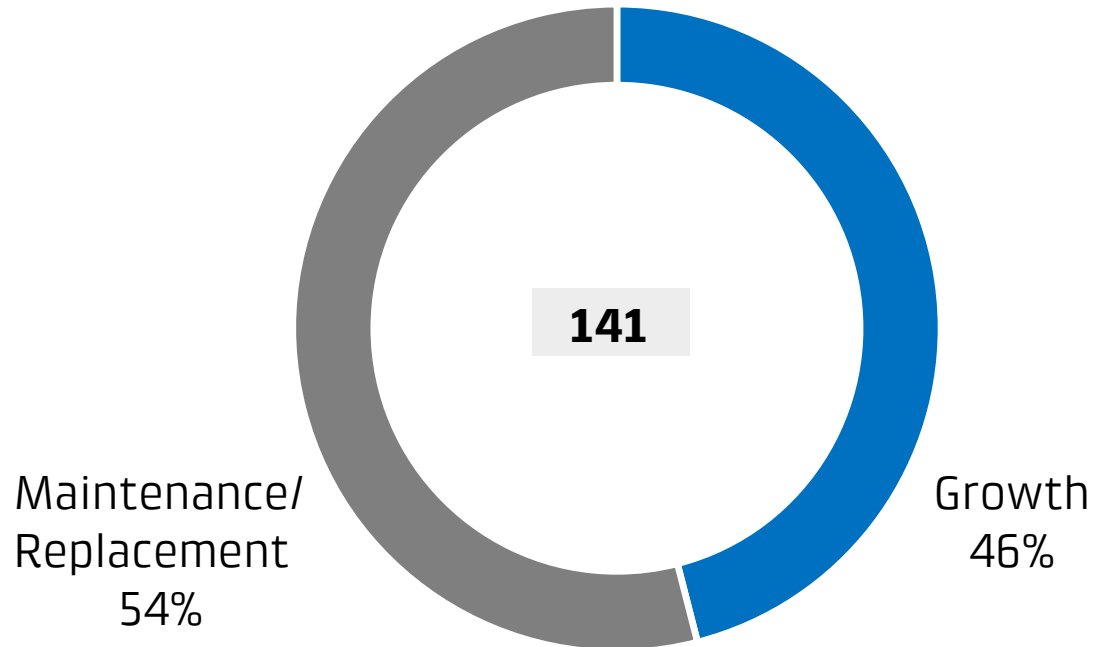
# Half-year EBIT history / price effect on revenue



Negative electricity price effect overcompensated

# Growth investments in services and renewable energies

CHF m



## Investments

**46% in growth** **65**

- Services 45
- Energy 20

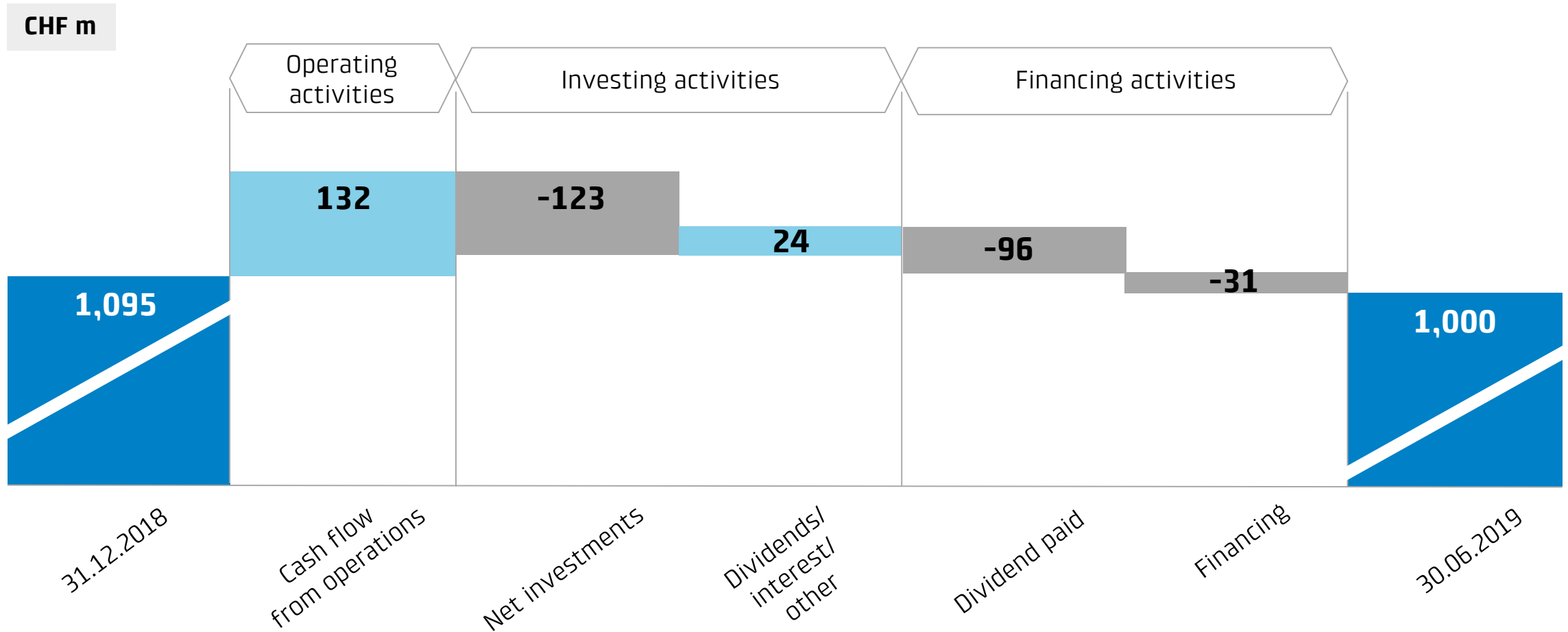
**54% in maintenance/replacement** **76**

- Grid 55
- Energy 6
- Services 4
- Efficiency, quality, digitalisation 11

**Investments partner plants** **17**

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

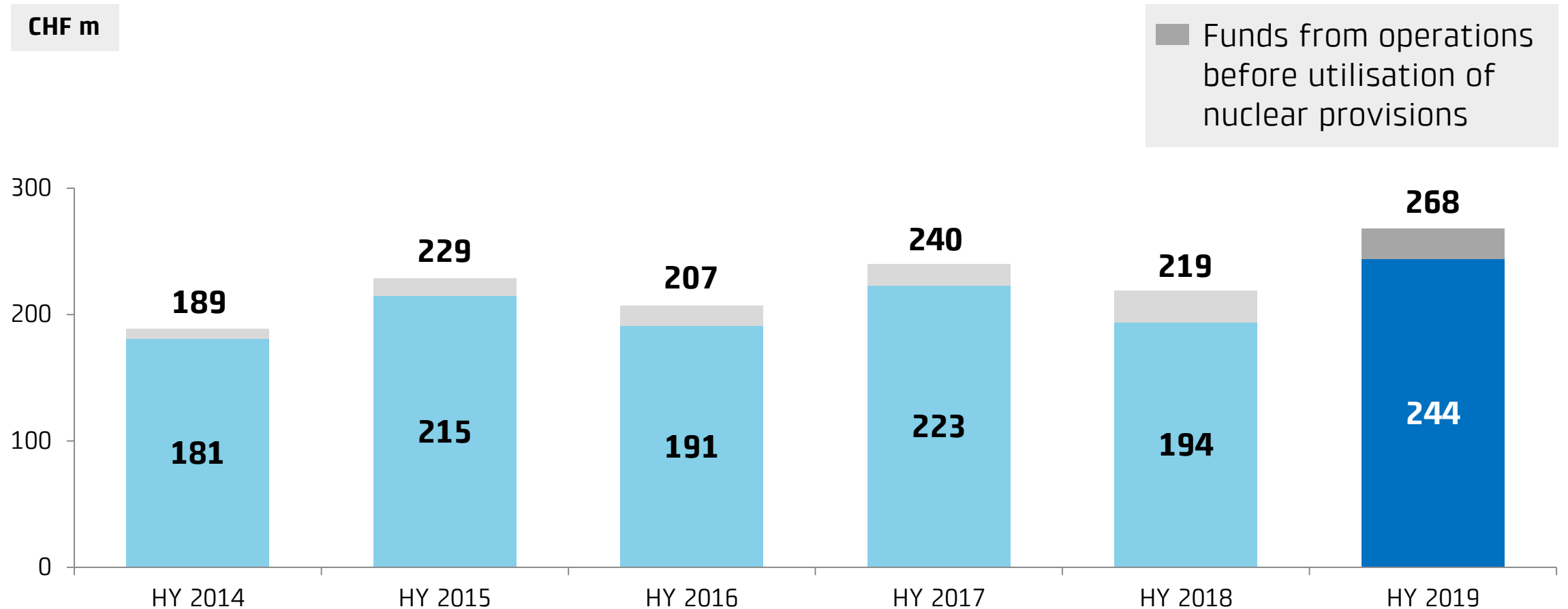
## Liquidity at CHF 1bn ensures financial flexibility



Liquidity at CHF 1bn; cash flow generation covers acquisition and investment activities

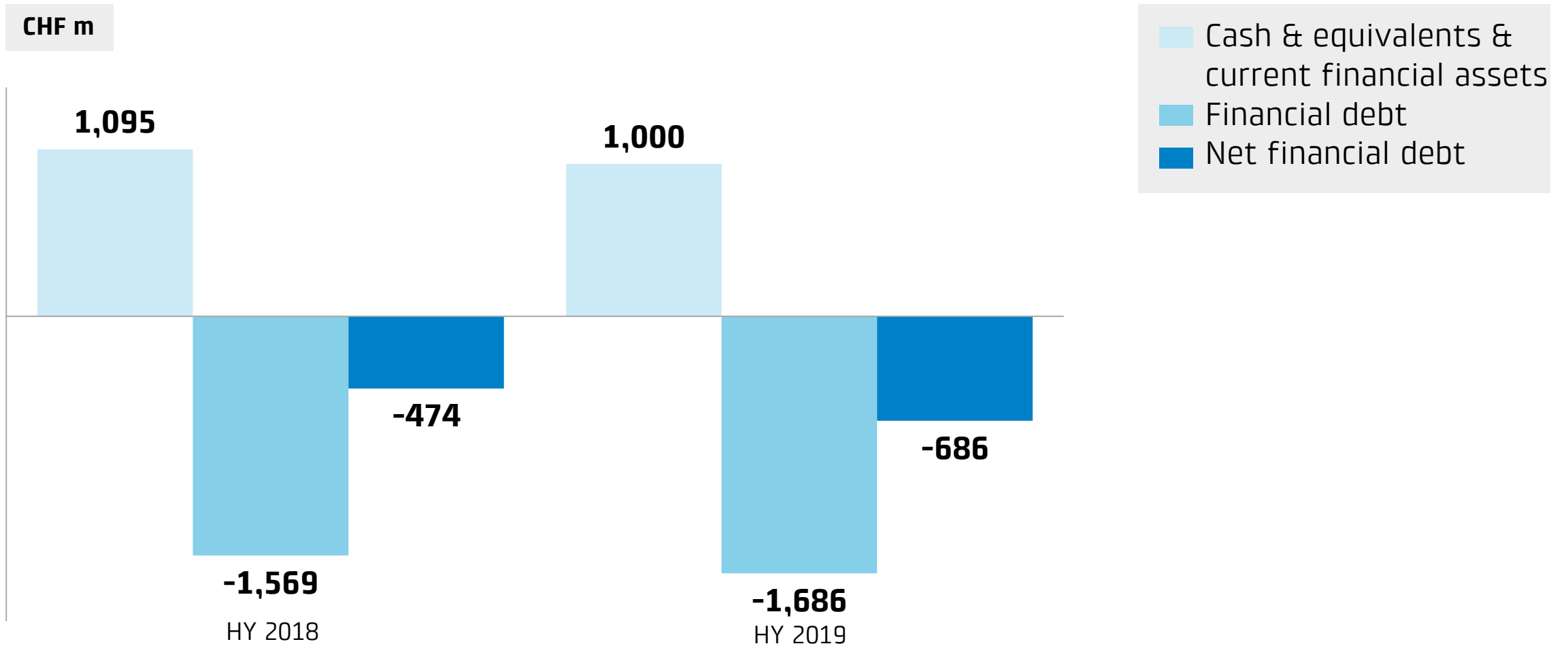


## Funds from operations at a record high



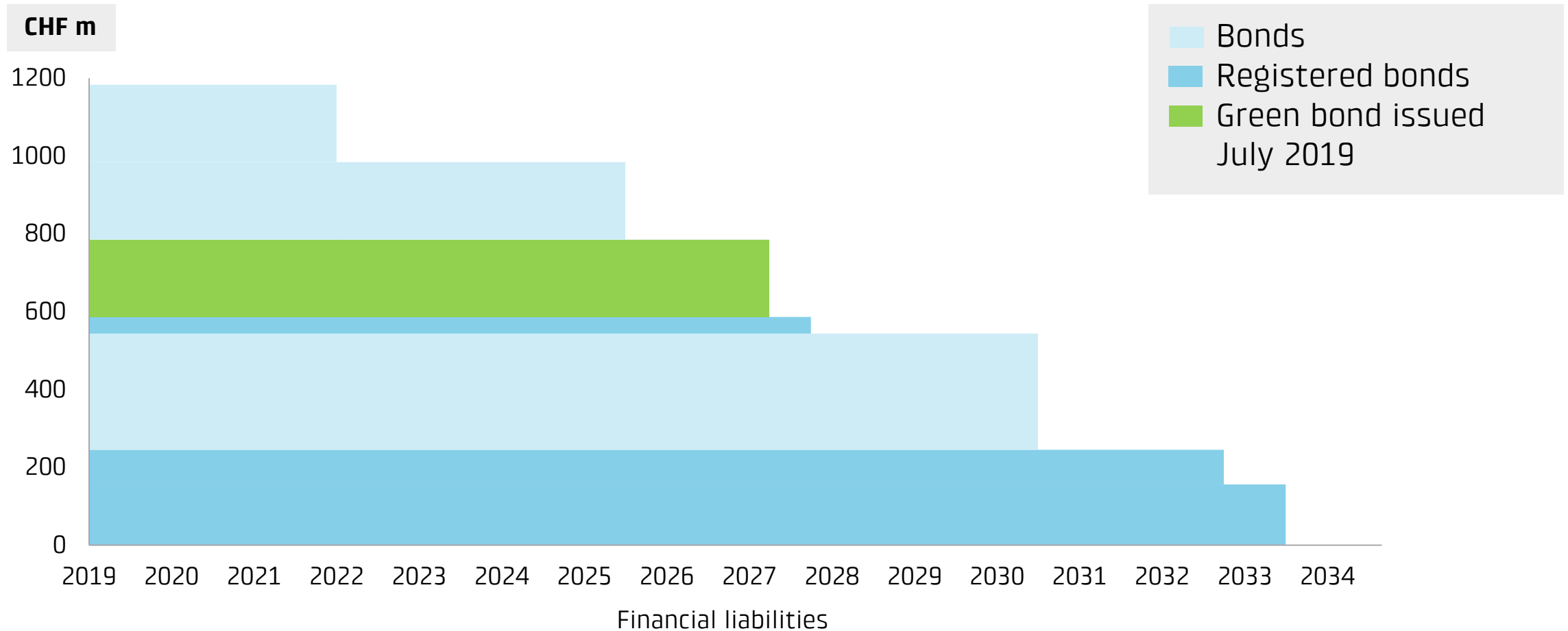
Consecutive strong cash inflows: HY19 on record level

## Sound financial situation



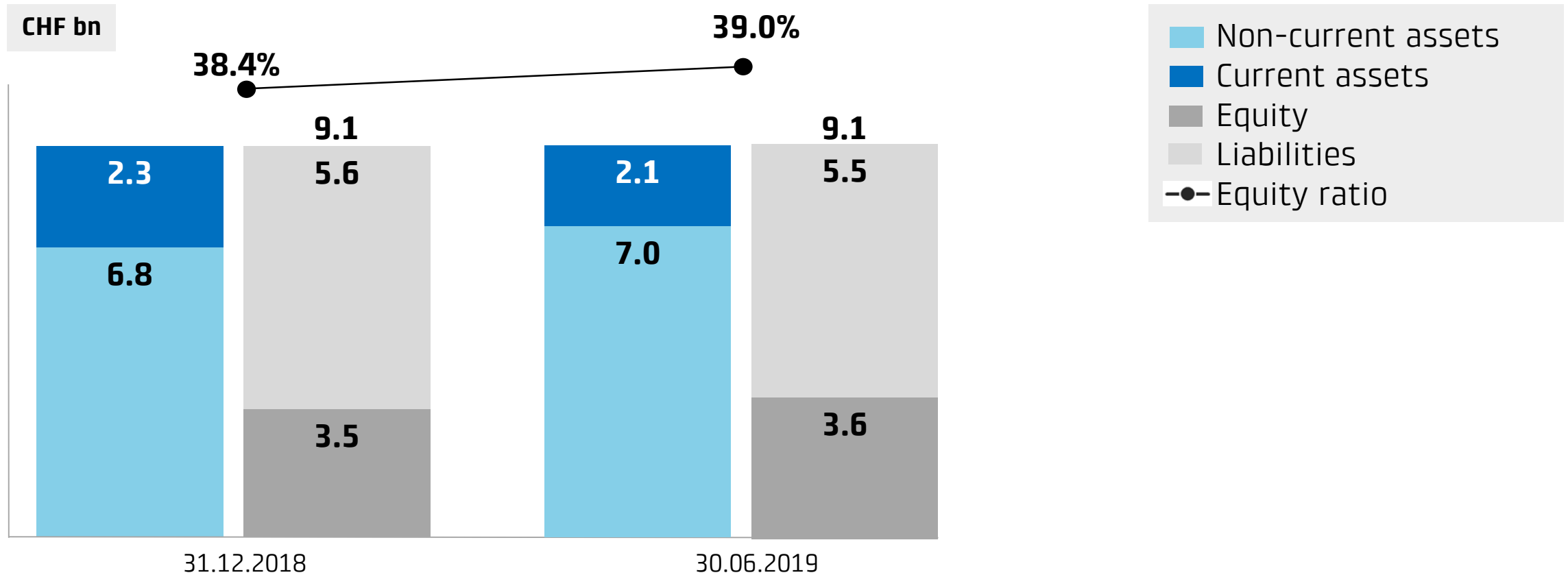
Net debt increase mainly due to application of new leasing standard IFRS 16

# Long-term financing framework ensures financial flexibility



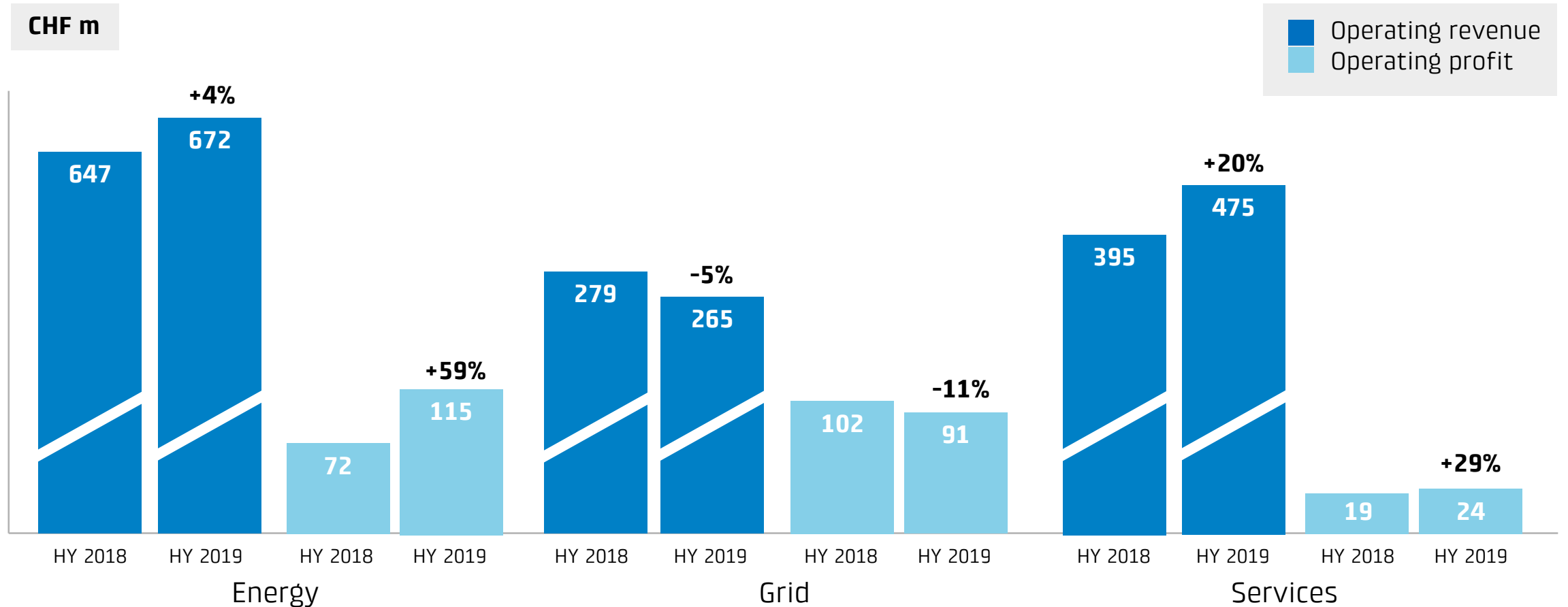
0.25%-Green bond of CHF 200m successfully issued in July 2019

## Sound balance sheet: equity ratio increased to 39.0%



Higher equity ratio thanks to strong net profit

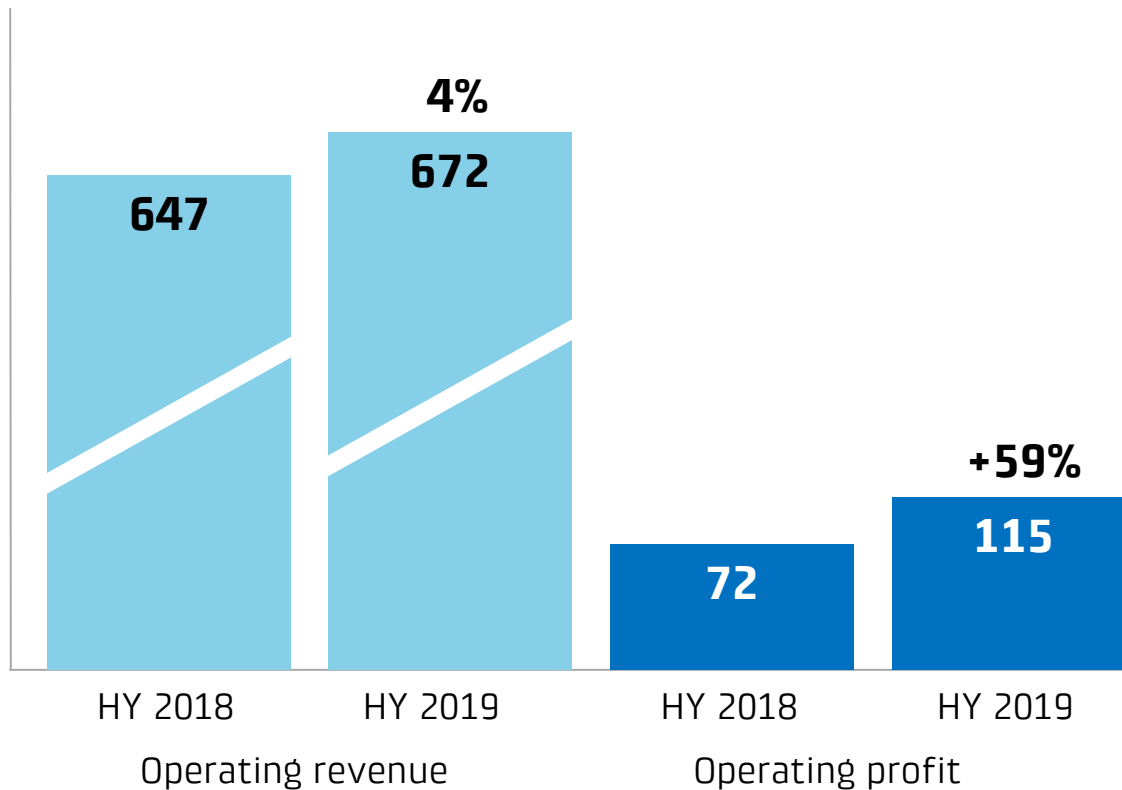
# Operating revenue and EBIT per business area



Profitable EBIT growth in Energy and Services, stable Grid contribution

# Energy: negative price effects significantly overcompensated

CHF m



## Key points

Increased revenue in spite of negative price effect of CHF 60m due to:

- Trading activities
- Higher sales with business clients
- Higher wind production

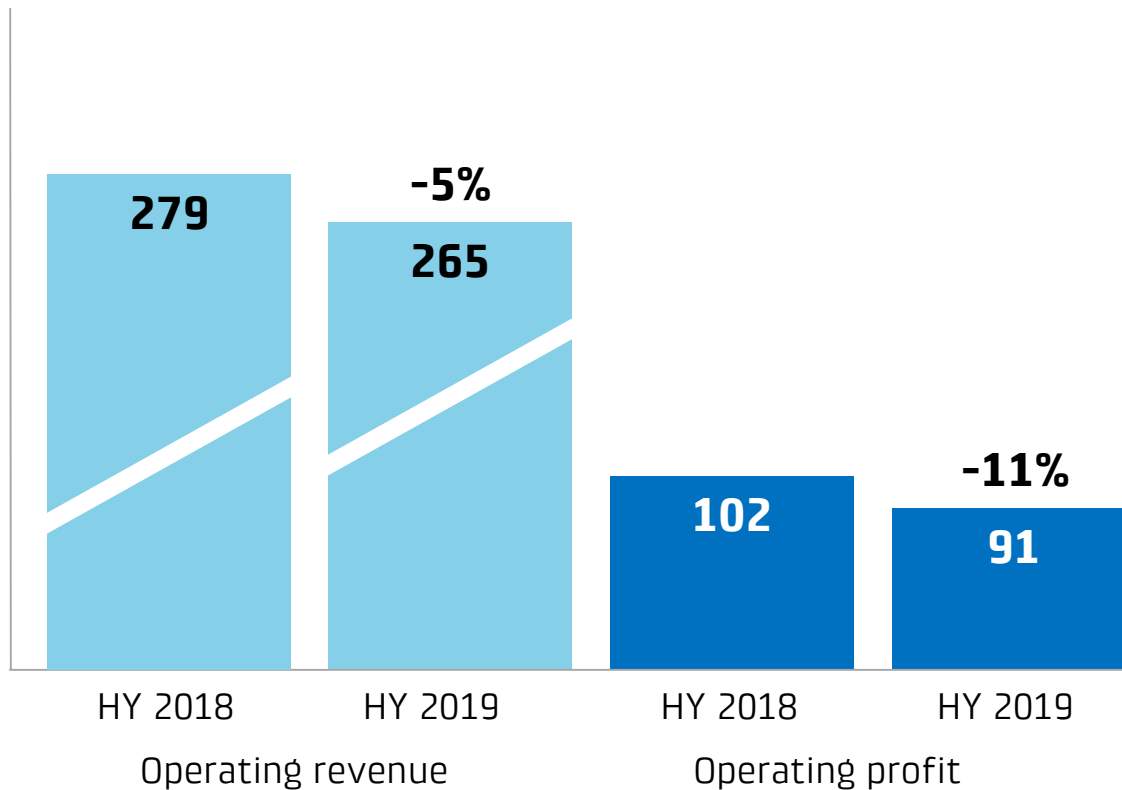
Significantly overcompensated on EBIT-level by

- 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

CHF m



### Key points

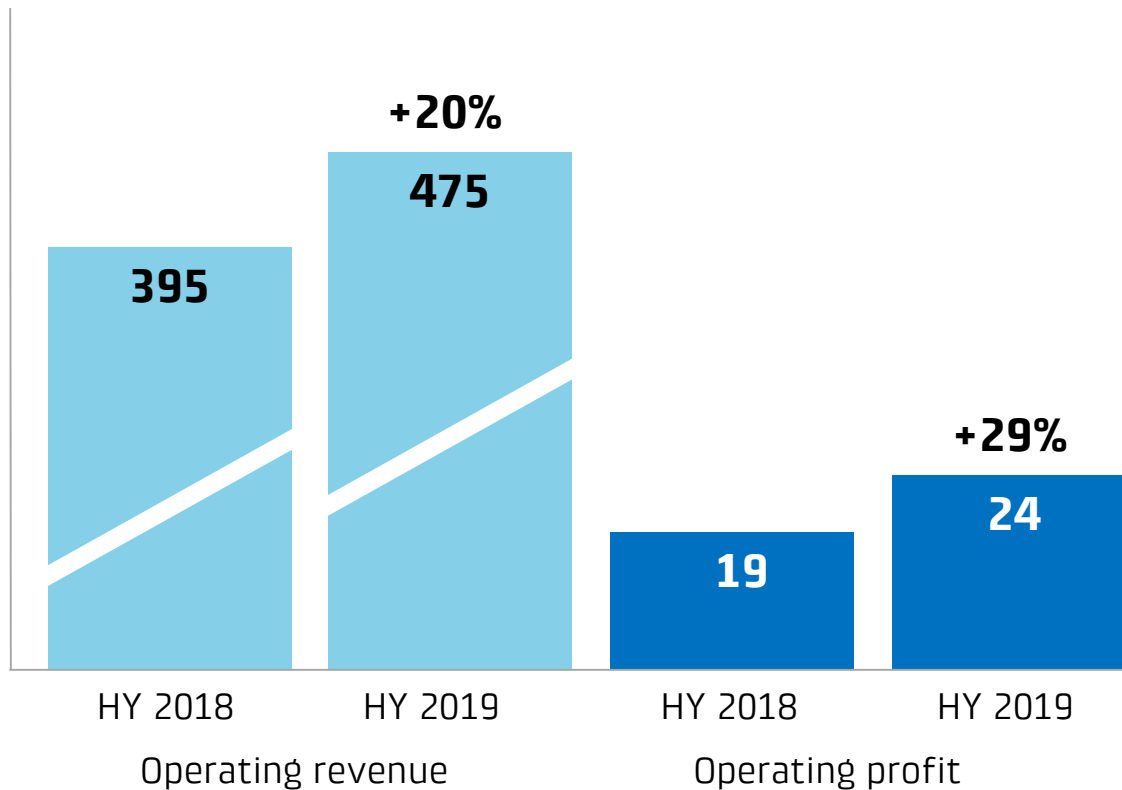
Lower revenue due to

- Lower volumes due to weather conditions
- Pass-through of lower tariffs for the distribution grid (Swissgrid)

Stable reported EBIT, impacted by weather conditions

## Services: consistent profitable growth

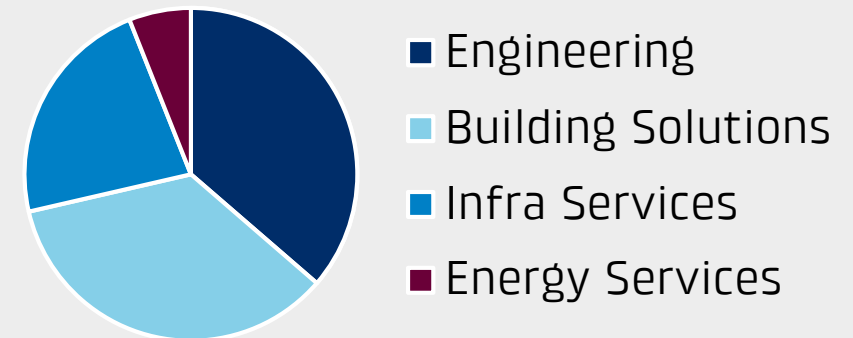
CHF m



### 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



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

A photograph showing a close-up of parched, cracked earth with small green plants growing in the crevices, symbolizing the effects of climate change.


Urbanisation

An aerial view of a densely packed urban area with colorful buildings and a mix of architectural styles, representing the trend of urbanisation.


Digitalisation

A hand holding a smartphone with a futuristic digital interface overlaid, featuring glowing lines and icons, representing digitalisation.


Renewables and infrastructures for an energy hungry world

A photograph of two wind turbines in a vast, golden field under a cloudy sky, representing renewable energy infrastructure.

Flexibility for decentralised energy systems

A digital graphic featuring binary code (0s and 1s) and glowing blue lines, representing flexibility and decentralised energy systems.

Resource efficiency for urban living and infrastructure

An aerial night view of a city with lights reflecting on a body of water, representing resource efficiency in urban living and infrastructure.

# BKW's commitment to sustainability is in line with UN global compact

Sustainable supply chain



Sustainable products and services

Sustainable business operations

75% of the production capacity will be renewable by 2023

# BKW is the first listed corporation to launch green bond in CHF

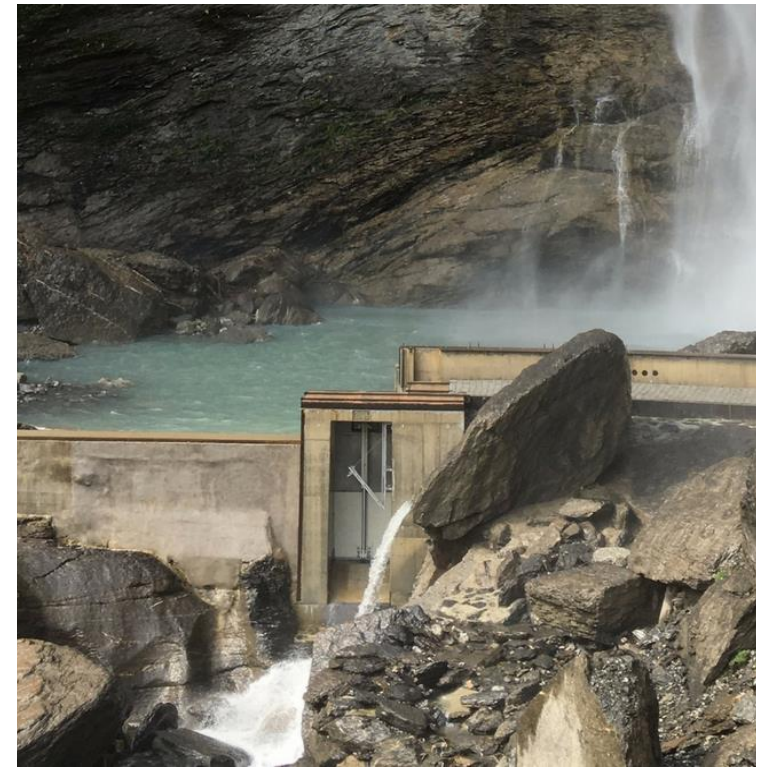
Wind parks in Norway



Wind parks in France



Small hydro power plants in Switzerland



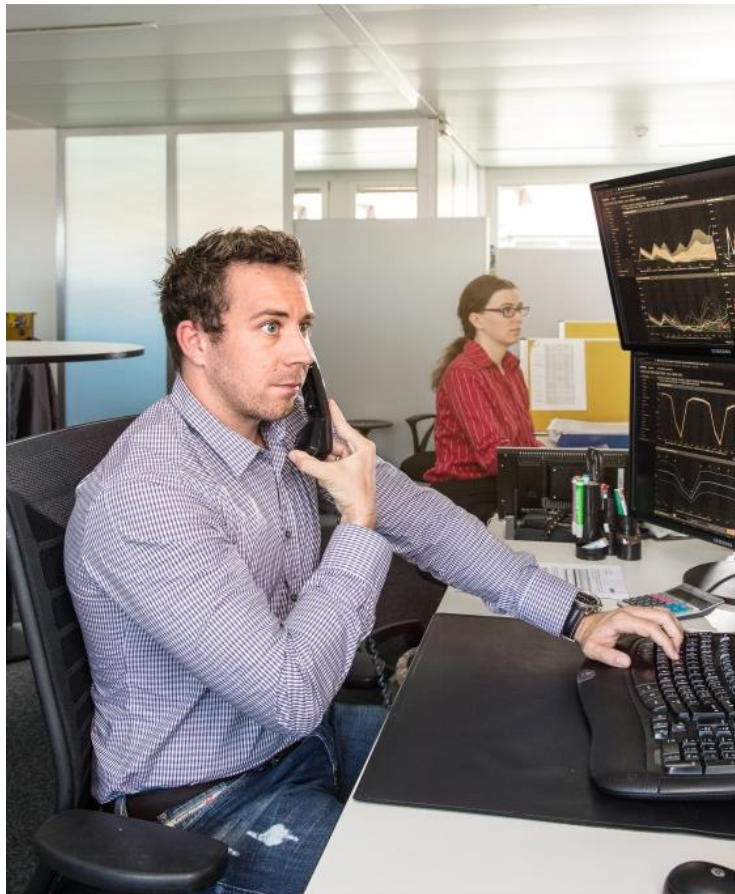
Strong demand in the financial market: BKW green bond was 4.5 times oversubscribed

# Successful development of the Energy business

New renewables connected to grid in Norway and Switzerland



Excellent result of trading business

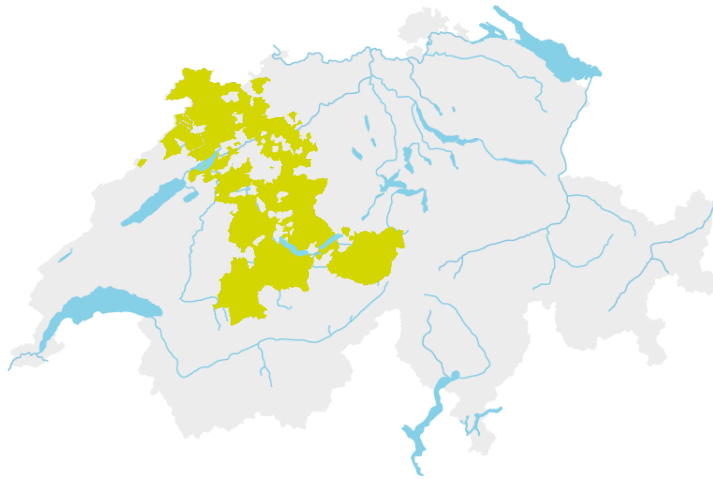


Decommissioning KKM on track



# Grid enables decentralised energy systems – for today and tomorrow

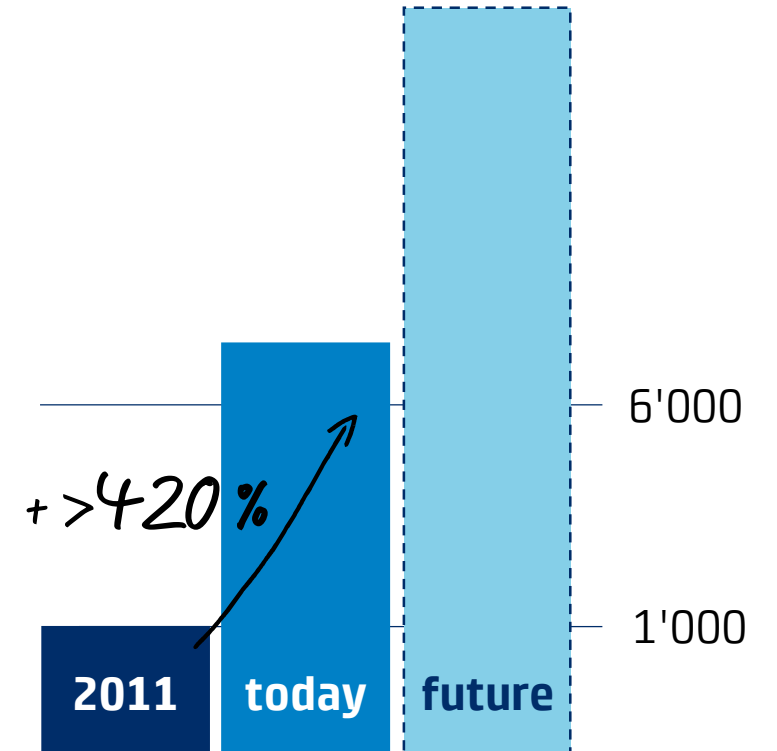
Largest distribution grid in Switzerland – 22,000 km



Pioneering new technologies

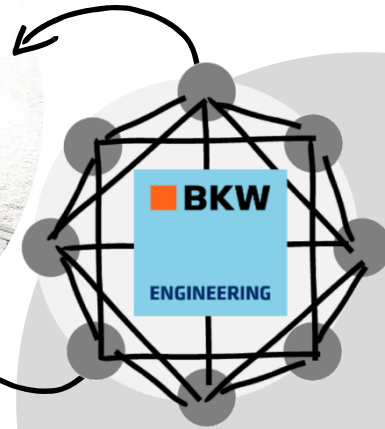
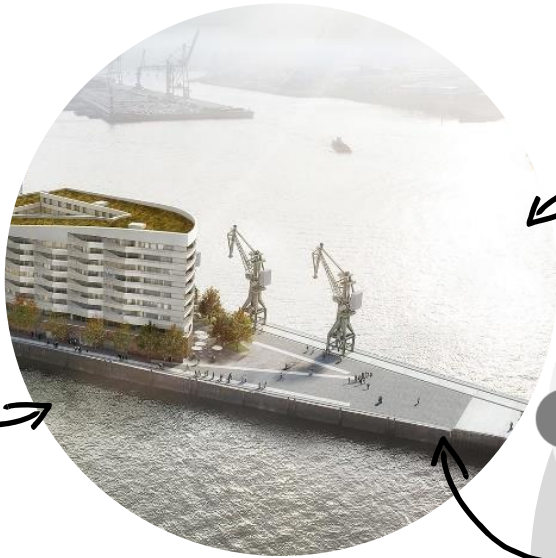


Growing number of decentralised production plants



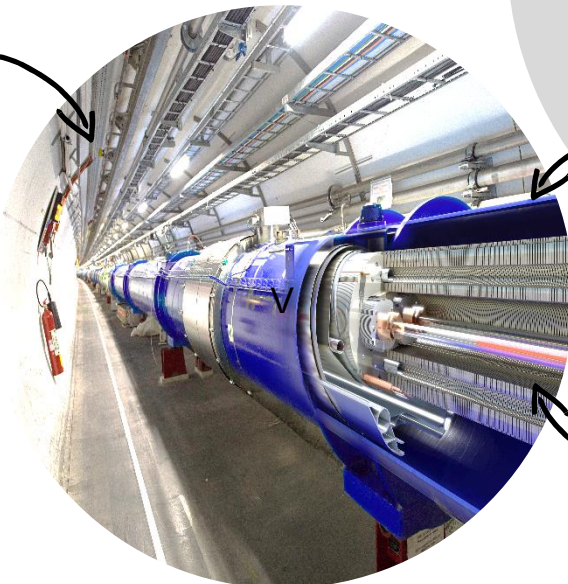
# Network of service businesses continues success story

*Competencies for complex projects*



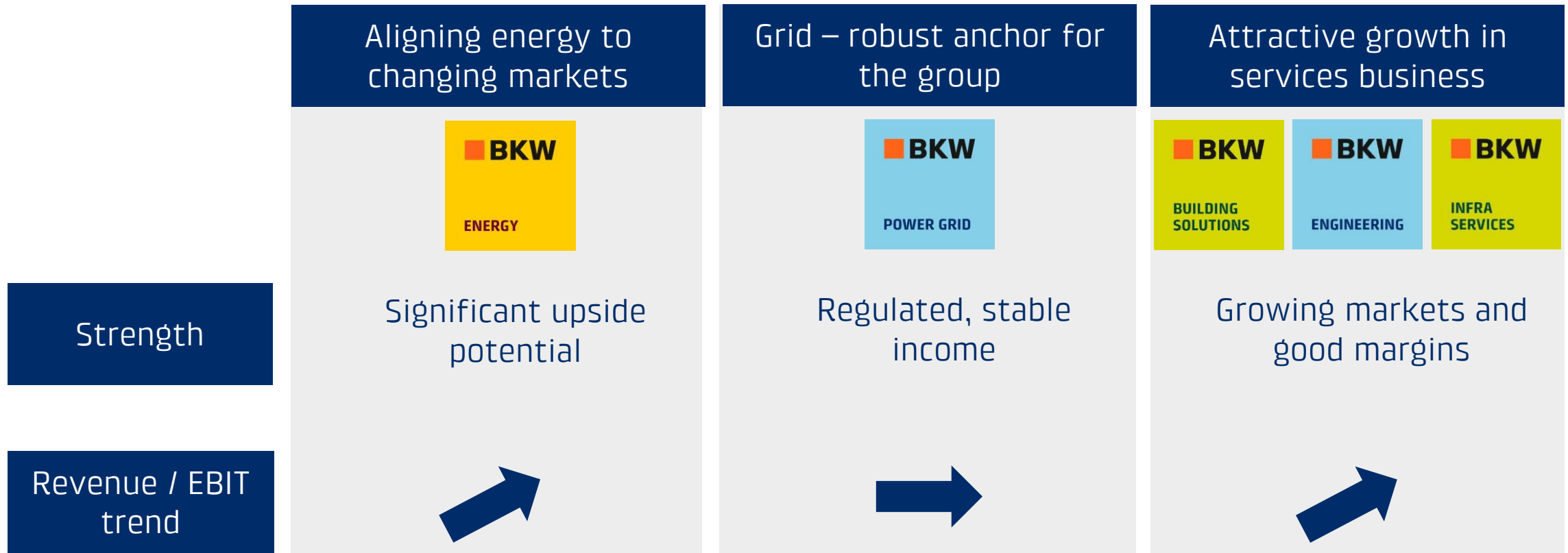
*Innovative technology for buildings*

*New infrastructure needs*





# BKW strong business model: growth and robustness





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