

## LETTER TO SHAREHOLDERS

# BKW consistently drives forward its “Solutions 2030” strategy

In the 2025 fiscal year, BKW Group<sup>1</sup> posted a good operating result of CHF 674.6 million before the valuation adjustment. BKW has thus recorded the third-best fiscal year in the company’s history. Over the past year, BKW has consistently driven forward the implementation of its “Solutions 2030” strategy by investing in the expansion of renewable energy production and in the area of flexibility. With the commissioning of a new grid control center, BKW also demonstrated that security of supply is a high strategic priority for the company.



Roger Baillod and Robert Itchner in BKW’s trading room.

Dear Shareholders,  
Ladies and Gentlemen,

For 2025, we are pleased to be able to present you with a good operating result of CHF 674.6 million before the valuation adjustment. All three of BKW’s business segments contributed to this. As a result of a valuation adjustment of CHF 113.7 million in conjunction with the investment in the Wilhelmshaven coal-fired power plant in Germany, reported operating profit (EBIT) amounts to CHF 561.0 million. Operating cash flow before decommissioning and disposal costs amounted to CHF 788.7 million. It thus covers the investments of CHF 456.6 million and further bolsters BKW’s financial position.

### High demand for flexible energy solutions

In the Energy Solutions Business Segment, spot market price volatility has remained high and demand for flexible and customer-specific energy

solutions has continued to increase. Due to the below-average electricity production volume from hydropower and wind power as a result of the weather and the expected lower trading result, the operating result in this business segment fell by 18.6 percent compared with the previous year. The aforementioned valuation adjustment also had a negative impact on the reported EBIT.

### New grid control center commissioned

The Power Grid Business Segment made a stable contribution to earnings in 2025. BKW has invested CHF 182.8 million in its power grid in order to lay the foundations for the energy transition. With the commissioning of a new grid control center and the installation of around 130,000 smart meters to date, BKW once again demonstrated last year that security of supply is a high strategic priority for the company.

<sup>1</sup> The BKW Group comprises BKW AG and its Group companies. For better readability, the Group will be referred to below as BKW. Where the text relates to BKW AG or BKW Energie AG, this is expressly mentioned.

“BKW significantly expanded its installed capacity for renewable energy production with the commissioning of the Cerignola wind farm (Italy) and the Sousbach hydropower plant in the Bernese Oberland.”

#### **Infrastructure & Buildings further increases profitability**

In the Infrastructure & Buildings Business Segment, BKW further increased profitability as planned and achieved EBIT of CHF 80.0 million, an increase of 40.6 percent compared with the previous year. The business segment also created the basis for further growth with targeted acquisitions. BKW is excellently positioned in the DACH region as the largest provider of architectural and engineering services. It was able to win further major projects in this area, such as the stadium concept for the German Olympic bid. In addition, demand for the expansion of energy and grid infrastructures remains high in all markets.

#### **Implementation of the “Solutions 2030” strategy**

Over the past year, BKW has worked consistently on the implementation of its “Solutions 2030” strategy. BKW significantly expanded its installed capacity for renewable energy production with the commissioning of the Cerignola North wind farm (Italy) and the Sousbach hydropower plant in the Bernese Oberland. In addition, BKW decided to build a large-scale battery storage facility with an output of 300 megawatts and a storage capacity of 600 megawatt-hours in Waltrop, Germany. Its construction will start this year.

BKW has expanded its flexibility activities in 2025 – another strategic focus of “Solutions 2030.” These include a cooperation in the management of a planned large-scale battery in Italy and entry into the German control energy market with the takeover of flexibility provider Südvolt GmbH. This means that BKW is now one of the ten largest direct marketers in Germany.

#### **BKW expects a good result in 2026**

BKW expects another good result for the 2026 fiscal year. In the Energy Solutions Business Segment, higher hedged electricity prices have a positive impact on earnings. BKW expects stable earnings in the Power Grid Business Segment. BKW anticipates further improvement in profitability in the Infrastructure & Buildings Business Segment. The demand for expertise in the planning, implementation, and maintenance of complex infrastructure and building construction projects remains high, as does the need for building solutions that are energy efficient and save resources. Both offer interesting growth opportunities as part of BKW’s “Solutions 2030” strategy.

Overall, BKW expects EBIT in the range of CHF 650 to 750 million for the 2026 fiscal year.

#### **BKW proposes dividend of CHF 3.80 per share**

The outlook for the current year shows that BKW is on the right track and is consistently implementing its “Solutions 2030” strategy. The board of directors will therefore propose to the Annual General Meeting the distribution of an ordinary dividend of CHF 3.80 per share (previous year: CHF 3.70). We would like to take this opportunity to thank our customers, our suppliers and partners, our shareholders and our employees, who work hard for BKW every day. We look forward to continuing on this successful trajectory with all of them.

Kind regards,



Roger Baillod  
Chairman of the Board  
of Directors



Robert Itschner  
CEO

#### **BKW makes progress on sustainability-related goals**

BKW made significant progress in implementing its sustainability-related goals in 2025 and laid important foundations. For example, greenhouse gas intensity fell by 24 percent compared with the 2022 base year. BKW also continued to drive forward the electrification of its vehicle fleet. With a new HR strategy and the development of Group-wide guidelines for occupational health and safety, BKW further developed its organization in key areas. It also revised the Supplier Code of Conduct in order to meet regulatory and internal requirements.