

Media release

16 April 2024

Swissgrid Media Service
Bleichemattstrasse 31
P.O. Box
5001 Aarau
Switzerland

T +41 58 580 31 00
media@swissgrid.ch
www.swissgrid.ch

Swissgrid in the 2023 financial year: strong basis established for the modernisation of the transmission system

- **Important progress made in implementing the Strategic Grid 2025 and preparing the Strategic Grid 2040.**
- **Solid net income of CHF 100.0 million generated in 2023.**
- **Investment volume increased to CHF 279.5 million.**
- **High availability of the transmission system of over 99.9% guaranteed in 2023.**
- **Strategy 2027 and sustainability reporting launched.**
- **Procurement costs of CHF 899.9 million incurred, slightly higher than in the previous year.**
- **Procurement costs for the power reserve measures introduced by the federal government totalled CHF 403.3 million in 2023.**

Swissgrid can look back on a successful 2023 financial year. In response to the profound transformation of the electricity system, the company launched its Strategy 2027 and achieved early successes in its implementation. To ensure that the grid meets future requirements, Swissgrid continued to invest in the modernisation and maintenance of the infrastructure in the reporting year and made progress on important projects for the Strategic Grid 2025. Swissgrid also prepared the grid of the future, the Strategic Grid 2040, on the basis of the federal scenario framework. The modernisation of the transmission system is a fundamental factor in the successful transformation of the energy system, and therefore in the development of society and the economy. In the reporting period, Swissgrid guaranteed grid availability of over 99.9% with a volume of over 74 TWh of electrical energy transported via the transmission system. Due to the lack of an electricity agreement, Swissgrid faced further challenges in 2023 with regard to cooperation in the European electricity system. For this reason, the company is consistently pursuing greater integration into European processes.

Strategy 2027: focus on security of supply, innovation and sustainability

Swissgrid's Strategy 2027 centres on maintaining long-term grid-related security of supply. The company is therefore seeking to increase the capacity of the grid in line with demand and to implement and operate the grid even more efficiently in the future. Increasing the company's

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innovative strength and digitalisation are key factors for successfully achieving its goals. At the same time, priority is being given to the sustainable development of the company whilst ensuring a high level of resilience and the comprehensive protection of all resources.

Investments in a modern and efficient transmission system

Swissgrid invested CHF 220.6 million in renovating and modernising the Swiss transmission grid in 2023. One of the most important milestones was the voltage increase of the line between Bassecourt and Mühleberg to 380 kilovolts. This strengthens Switzerland's import capability and therefore improves grid-related security of supply. The gradual expansion of the 150-kilovolt line between Samstagern and Obfelden to 220 kilovolts on the section between Thalwil and Kilchberg also progressed according to plan in 2023. The start of construction work at the Bonaduz substation marked the launch of a new project to increase security of supply in the canton of the Grisons and in Switzerland as a whole. Other projects from the Strategic Grid 2025, such as increasing the voltage of the line between Bickigen and Chippis, are still under consideration.

Stable performance in a volatile environment

Net income for the 2023 financial year amounted to CHF 100.0 million (2022: CHF 96.4 million). Total assets increased to CHF 4.2 billion, partly due to Swissgrid's additional tasks in connection with the power reserve (2022: CHF 3.8 billion). As a result, the equity ratio fell to 32.1% (2022: 33.9%).

In order to stabilise the equity ratio in the long term, the Board of Directors will propose the payment of a lower dividend of CHF 30.0 million for the 2023 financial year to the General Assembly to be held on 15 May 2024 (2022: CHF 48.2 million).

Investment volume remains high

Swissgrid increased its total investments in the transmission system and digitalisation to CHF 279.5 million in the reporting year (2022: CHF 257.4 million).

Procurement costs rose by 3.9% to CHF 899.9 million (2022: CHF 866.2 million). The increase was mainly due to reactive energy and higher voltage maintenance costs, as well as higher prices for active power loss procurement.

Operating expenses totalled CHF 293.8 million (2022: CHF 250.6 million). The consistent implementation of Strategy 2027 led to a rise in expenses for materials and third-party supplies and in personnel expenses.

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The 23.5% increase in net turnover to CHF 1,219.2 million (2022: CHF 987.1 million) is mainly attributable to the higher income in general ancillary services and the individual tariff for active power losses.

Management of the power reserve on behalf of the federal government

The federal government assigned additional tasks to Swissgrid in 2022 to counteract a potentially uncertain supply situation in the winter. In accordance with the associated ordinance, Swissgrid made payments of CHF 403.3 million to service providers (providers of the hydropower reserve, Birr, Monthey and Cornaux reserve power plants and the participating emergency power groups) for the provision and preparation of the power reserve. To cover these expenses, Swissgrid has taken out several short-term loans and placed a further bond of CHF 200 million on the capital market. Since 2024, the costs for these federal measures have been charged via the «power reserve» tariff.

Stronger incorporation of sustainability

Following the publication of the company's first Sustainability Report last year, Swissgrid is now integrating this non-financial reporting into its Annual Report. Swissgrid intends to sharpen its objectives in material areas, particularly in relation to climate targets, and to continuously develop its sustainability strategy.

Change on the Executive Board

The Board of Directors appointed Nell Reimann as Head of Business Unit Market and member of the Executive Board with effect from 1 July 2023. She took over from Maurice Dierick, who decided to leave Swissgrid at the end of June 2023. Nell Reimann graduated in Electrical Engineering from EPFL and has held various management roles at Swissgrid since September 2016. She also has an Executive MBA in Management and Corporate Finance from the University of Lausanne.

Outlook for 2024

Swissgrid anticipates a further increase in the investment volume in the 2024 financial year as part of the Strategic Grid 2025. It is therefore factoring grid investments of between CHF 200 million and CHF 290 million per year into its medium-term planning horizon. From January 2024, Swissgrid will start collecting the tariff for the power reserve (1.2 cents/kWh), which will have a positive impact on cash flow. In line with the regulatory business model, EBIT is directly dependent on the level of invested operating assets and WACC, which means that EBIT and net income for 2024 are expected to be on a par with 2023.

[Online annual report 2023](#)

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For more information, visit media@swissgrid.ch or call +41 58 580 31 00.

Powering the future

Swissgrid is the national grid company. As the owner of Switzerland's extra-high-voltage grid, it is responsible for operating the grid safely and without discrimination and for maintaining, modernising and expanding the grid efficiently and with respect for the environment. Swissgrid has more than 800 highly qualified people from 39 countries at its sites in Aarau, Prilly, Castione, Landquart, Laufenburg, Ostermundigen and Uznach. As a member of the European Network of Transmission System Operators for Electricity (ENTSO-E), it is also responsible for grid planning, system management and market design in the European exchange of electricity. The majority of Swissgrid's share capital is jointly held by various Swiss electricity companies.