Quarterly Statement January to March 2024

Q1 Q2 Q3

Performance indicators of the EnBW Group

Financial and strategic performance indicators

in € million	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
External revenue	**10,230.8**	15,971.2	-35.9	44,430.7
Adjusted EBITDA	**1,344.9**	1,755.8	-23.4	6,365.2
Share of adjusted EBITDA accounted for by Smart Infrastructure for Customers in € million/in %	**77.8/5.8**	-0.3/0.0	–/–	239.5/3.8
Share of adjusted EBITDA accounted for by System Critical Infrastructure in € million/in % [1]	**574.1/42.7**	584.6/33.3	-1.8/–	1,772.0/27.8
Share of adjusted EBITDA accounted for by Sustainable Generation Infrastructure in € million/in % [1]	**798.0/59.3**	1,267.0/72.1	-37.0/–	4,647.6/73.0
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in % [1]	**-105.0/-7.8**	-95.5/-5.4	-9.9/–	-293.9/-4.6
EBITDA	**1,827.9**	3,954.2	-53.8	5,738.3
Adjusted EBIT [1]	**947.0**	1,331.7	-28.9	4,678.9
EBIT	**1,430.0**	3,530.0	-59.5	3,341.3
Adjusted Group net profit [1, 2]	**516.9**	712.6	-27.5	2,779.5
Group net profit [2]	**802.6**	2,288.6	-64.9	1,537.6
Earnings per share from Group net profit (€) [2]	**2.96**	8.45	-64.9	5.68
Retained cash flow [1]	**1,094.6**	1,757.8	-37.7	4,831.5
Net cash investment	**1,054.4**	710.9	48.3	2,739.8

in € million	31/03/2024	31/12/2023	Change in %	
Net debt	**11,483.6**	11,703.1	-1.9	

Employees [3, 4]

	31/03/2024	31/03/2023	Change in %	31/12/2023
Employees	**29,087**	27,326	6.4	28,630
Employee equivalents [5]	**27,366**	25,669	6.6	26,943

1 The figures for the previous year have been restated.
2 In relation to the profit/loss attributable to the shareholders of EnBW AG.
3 Number of employees excluding apprentices/trainees and inactive employees.
4 The number of employees for the ITOs (ONTRAS Gastransport GmbH, terranets bw GmbH and TransnetBW GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2023 is carried forward.
5 Converted into full-time equivalents.

Q1 2024 at a glance

- Adjusted EBITDA for the EnBW Group of €1.3 billion lower than level in previous year as expected
- Earnings forecast at a Group and segment level for the whole of 2024 confirmed
- Ongoing high level of gross investment of €1.3 billion, mainly in growth projects for implementation of the energy transition

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Material developments in the income statement

The decrease in revenue by €5,740.4 million in comparison to the same period of the previous year to €10,230.8 million was primarily attributable to lower trading prices in the electricity and gas sectors. Against this background, the cost of materials fell significantly in comparison to the figure in the previous year by €5,097.2 million. Other operating income decreased by €2,011.9 million in comparison to the same period of the previous year to €1,329.2 million. This was mainly attributable to lower income from derivatives. Other operating expenses decreased by €541.3 million to €-1,361.8 million which was also a result of the valuation of derivatives in comparison to the previous year. The net result from derivatives fell by €1,470.6 million.

Overall, earnings before tax (EBT) were less impacted by extraordinary effects in the first three months of the 2024 financial year and stood at €1,373.2 million, compared to €3,464.0 million in the same period of the previous year.

Earnings

The Group net profit/loss attributable to the shareholders of EnBW AG fell substantially from €2,288.6 million in the same period of the previous year by €1,486.0 million to €802.6 million in the reporting period. Earnings per share decreased accordingly to €2.96, compared to €8.45 in the same period of the previous year.

Adjusted earnings and non-operating result

The sum of the adjusted earnings figures and non-operating figures results in the figures on the income statement. The non-operating result includes effects that either cannot be predicted or cannot be directly influenced by EnBW and as such are not relevant to the ongoing management of the company. The effects are presented in the section "Non-operating EBITDA." The business activities relevant to the ongoing management of the company are of particular importance for internal management and for the external communication of the current and future earnings potential of EnBW. We use the adjusted EBITDA – earnings before the investment and financial results, income taxes and amortization, adjusted for non-operating effects – as the key reporting indicator for disclosing this information.

Adjusted EBITDA by segment

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
Smart Infrastructure for Customers	77.8	-0.3	–	239.5
System Critical Infrastructure	574.1	584.6	-1.8	1,772.0
Sustainable Generation Infrastructure	798.0	1,267.0	-37.0	4,647.6
Other/Consolidation	-105.0	-95.5	-9.9	-293.9
Total	**1,344.9**	**1,755.8**	**-23.4**	**6,365.2**

1 The figures for the previous year have been restated.

Share of adjusted EBITDA accounted for by the segments

in %[1]	01/01–31/03/2024	01/01–31/03/2023	01/01–31/12/2023
Smart Infrastructure for Customers	5.8	0.0	3.8
System Critical Infrastructure	42.7	33.3	27.8
Sustainable Generation Infrastructure	59.3	72.1	73.0
Other/Consolidation	-7.8	-5.4	-4.6
Total	**100.0**	**100.0**	**100.0**

1 The figures for the previous year have been restated.

In the first quarter of 2024, the adjusted EBITDA for the EnBW Group stood at €1,344.9 million, which represented a decrease of 23.4% in comparison to the adjusted EBITDA for the same quarter of the previous year of €1,755.8 million.

Smart Infrastructure for Customers: In the Smart Infrastructure for Customers segment, the adjusted EBITDA stood at €77.8 million, which was a considerable improvement in comparison to the first quarter of the previous year when an almost break-even result of €–0.3 million was recorded. This positive development was primarily due to lower seasonal effects on procurement prices in comparison to the same period of the previous year.

System Critical Infrastructure: In the System Critical Infrastructure segment, the adjusted EBITDA stood at €574.1 million and was thus 1.8% below the result in the first quarter of 2023 of €584.6 million. Positive effects in the operating margin were not able to fully compensate for higher personnel expenses, which resulted in a slight fall in earnings.

Sustainable Generation Infrastructure: The adjusted EBITDA in the Sustainable Generation Infrastructure segment stood at €798.0 million and in line with our expectations was 37.0% lower than the result in the first quarter of the previous year of €1,267.0 million.

Adjusted EBITDA Sustainable Generation Infrastructure

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %
Renewable Energies	331.3	437.0	-24.2
Thermal Generation and Trading	466.7	830.0	-43.8
Sustainable Generation Infrastructure	**798.0**	**1,267.0**	**-37.0**

1 The figures for the previous year have been restated.

In the Renewable Energies area, the adjusted EBITDA fell by 24.2% to €331.3 million, which was due to lower earnings from pumped storage as a result of the fall in market prices. The pumped storage power plants are now allocated to the Renewable Energies area from 2024 onwards after they were classified as environmentally sustainable in accordance with the EU Taxonomy Regulation; the figures for the previous year have been adjusted accordingly. In the Thermal Generation and Trading area, there was a decrease of 43.8% to €466.7 million, which was mainly attributable to lower spreads for the sale of electricity volumes.

Non-operating EBITDA

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %
Expenses/income relating to nuclear power	-9.6	-95.9	-90.0
Result from disposals	0.9	4.0	-77.5
Restructuring	-5.6	-6.8	-17.6
Valuation effects	463.5	1,977.8	-76.6
Other non-operating result	33.8	319.3	-89.4
Non-operating EBITDA	**483.0**	**2,198.4**	**-78.0**

1 The figures for the previous year have been restated.

The decrease in non-operating EBITDA was primarily due to valuation effects from derivatives. This fall was also due to the subsidies for network user charges reported in the other non-operating result in the previous year. As forecast, they reduced significantly during the course of the year as a result of corresponding expenses.

Group net profit

in € million[1]	01/01–31/03/2024 Total	Non-operating	Adjusted	01/01–31/03/2023 Total	Non-operating	Adjusted
EBITDA	1,827.9	483.0	1,344.9	3,954.2	2,198.4	1,755.8
Amortization and depreciation	-397.9	0.0	-397.9	-424.2	-0.1	-424.1
EBIT	1,430.0	483.0	947.0	3,530.0	2,198.3	1,331.7
Investment result	1.6	-34.3	35.9	46.3	1.4	44.9
Financial result	-58.4	-64.6	6.2	-112.3	60.6	-172.9
EBT	1,373.2	384.1	989.1	3,464.0	2,260.3	1,203.7
Income tax	-365.1	-114.6	-250.5	-930.1	-671.0	-259.1
Group net profit	1,008.1	269.5	738.6	2,533.9	1,589.3	944.6
of which profit/loss shares attributable to non-controlling interests	(205.5)	(-16.2)	(221.7)	(245.3)	(13.3)	(232.0)
of which profit/loss shares attributable to the shareholders of EnBW AG	(802.6)	(285.7)	(516.9)	(2,288.6)	(1,576.0)	(712.6)

1 The figures for the previous year have been restated.

The clear fall in Group net profit in the reporting period in comparison to the same period of the previous year is mainly due to the decrease in EBITDA. Please refer to the explanations in the section “Adjusted earnings and non-operating result” for more information on the reasons for these developments.

Please refer to the section “Material developments in the income statement” for further information on this subject.

Income taxes change according to the development of EBT.

Financial position

Financing strategy

We manage the financing needs of our operating activities separately from the Group’s pension and nuclear obligations. As part of our financing strategy, we constantly assess capital market trends with regard to the current interest rate environment and to any potentially favorable refinancing opportunities. On this basis, we decide on further financing steps.

Alongside the internal financing capability and our own funds, we have the following financing instruments at our disposal to cover the financing needs of the operating business (as of 31 March 2024):

- Debt Issuance Program (DIP), via which bonds are issued: €~8.8 billion of €10.0 billion drawn. This includes: CHF 410 million
- US private placement: equivalent value of US$~850 million (translation on the pricing day)
- Promissory notes: €0.5 billion
- Subordinated bonds: €~3.0 billion
- Commercial paper (CP) program: €~2.0 billion undrawn
- Sustainability-linked syndicated credit facility: €1.5 billion undrawn, with a term until the end of June 2027 after utilizing the second extension option for an additional year
- Committed credit lines: €~0.2 billion of €~3.9 billion drawn
- Uncommitted credit lines, which can be utilized in agreement with our banks: €~0.2 billion of €~1.9 billion drawn
- Bank loans: For the financing of the EnBW He Dreiht offshore wind farm, a bank loan of €500 million was signed with a consortium of banks in May 2023 and a partial amount of €250 million was drawn. The loan is being guaranteed by the Danish export credit agency EIFO.
- In addition, subsidiaries have other financing activities in the form of bank loans and promissory notes.

Rating and rating trends

We aim to hold solid investment-grade ratings. EnBW currently has the following issuer ratings:

- Moody's: Baa1/stable
- Standard & Poor's (S&P): A–/stable

As of 31 March 2024, the creditworthiness of EnBW was rated by the rating agencies Moody's and Standard & Poor's with "Baa1" and "A–," respectively. The rating outlook is stable in both cases.

In general, both rating agencies have praised the company's solid financial basis and its balanced, integrated portfolio with a high proportion of regulated income. EnBW continues to have one of the strongest credit ratings among energy supply companies in Europe.

Capital market activities

We have sufficient and flexible access to the capital market at all times. The EnBW bonds continue to have a well-balanced maturity profile. As part of our financing strategy, we constantly assess capital market trends with regard to the current interest rate environment and to any potentially favorable refinancing opportunities.

On 23 January 2024, EnBW issued a green subordinate bond with a total volume of €500 million. In accordance with the criteria in EnBW's Green Financing Framework, the funds will be exclusively used to finance climate-friendly projects. The green subordinated bond has a term of 60 years. EnBW has the right to redeem the bond with a starting coupon of 5.250% at the first call date on 23 October 2029. The bond is subordinate to all other financial liabilities but has an equal ranking to the existing subordinated bonds from EnBW.

After issuing this bond, EnBW has now issued green bonds with a total volume of €5.5 billion since 2018.

Net debt

in € million[1]	31/03/2024	31/12/2023	Change in %
Cash and cash equivalents available to the operating business	-4,756.3	-5,632.4	-15.6
Current financial assets available to the operating business	-3,749.3	-2,941.7	27.5
Long-term securities available to the operating business	-4.8	-4.8	0.0
Bonds	12,513.4	12,035.3	4.0
Liabilities to banks	2,831.0	3,157.4	-10.3
Other financial liabilities	1,279.2	1,275.1	0.3
Lease liabilities	975.6	986.4	-1.1
Valuation effects from interest-induced hedging transactions	-22.7	-25.0	-9.2
Restatement of 50% of the nominal amount of the subordinated bonds[2]	-1,500.0	-1,250.0	20.0
Other	-73.9	-42.1	75.5
Net financial debt	**7,492.2**	**7,558.2**	**-0.9**
Provisions for pensions and similar obligations[3]	5,915.4	6,030.6	-1.9
Provisions relating to nuclear power	4,749.2	4,768.4	-0.4
Receivables relating to nuclear obligations	-407.9	-414.4	-1.6
Net pension and nuclear obligations	**10,256.7**	**10,384.6**	**-1.2**
Long-term securities and loans to cover the pension and nuclear obligations[4]	-5,838.3	-5,829.5	0.2
Cash and cash equivalents to cover the pension and nuclear obligations	-168.8	-171.7	-1.7
Current financial assets to cover the pension and nuclear obligations	-99.2	-90.2	10.0
Surplus cover from benefit entitlements	-128.5	-113.9	12.8
Other	-30.5	-34.4	-11.3
Dedicated financial assets	**-6,265.3**	**-6,239.7**	**0.4**
Net debt relating to pension and nuclear obligations	**3,991.4**	**4,144.9**	**-3.7**
Net debt	**11,483.6**	**11,703.1**	**-1.9**

1 The restricted liquid assets in the EEG account and Heat and Power Co-Generation Act (KWKG) account, which are only held in custody by the transmission grid operator, cannot be used for the operating business and are thus not allocated to net debt but rather to capital employed.
2 The structural characteristics of our subordinated bonds meet the criteria for half of each bond to be classified as equity, and half as debt, by the rating agencies Moody's and Standard & Poor's.
3 Less the market value of the plan assets (excluding the surplus cover from benefit entitlements) of €672.5 million (31/12/2023: €700.3 million).
4 Includes equity investments held as financial assets.

As of 31 March 2024, net debt had fallen by €219.5 million compared to the figure posted at the end of 2023. The decrease in net financial debt in comparison to that reporting date was mainly the result of issuing a subordinate bond, half of which was classified as equity. This was offset to some extent by the increase in collateral. The decrease in net debt relating to pension and nuclear obligations resulted primarily from the increase in the interest rate for the pension provisions.

Investment analysis

Net cash investment

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
Investments in growth projects[2]	1,196.2	560.2	113.5	3,917.2
Investments in existing projects	140.3	188.7	-25.6	985.4
Total gross investment	**1,336.5**	**748.9**	**78.5**	**4,902.6**
Divestitures	0.0	-0.7	-100.0	-13.3
Participation models[3]	-261.3	-0.6	–	-1,976.3
Disposals of long-term loans	-0.3	-11.5	-97.4	-18.0
Other disposals and subsidies	-20.5	-25.2	-18.7	-155.2
Total divestitures	**-282.1**	**-38.0**	**–**	**-2,162.8**
Net (cash) investment	**1,054.4**	**710.9**	**48.3**	**2,739.8**

1 Excluding investments held as financial assets.
2 Does not include cash and cash equivalents acquired with the acquisition of fully consolidated companies. These amounted to €138.6 million in the reporting period (01/01–31/03/2023: €0.0 million, 01/01–31/12/2023: €28.5 million).
3 This includes the offsetting of capital reductions in non-controlling interests with receivables from external shareholders. The latter was due to advance payments made in the previous year as a result of contractual regulations.

Gross investment by the EnBW Group increased substantially in the first quarter of 2024 to €1,336.5 million (previous year: €748.9 million). The majority of overall gross investment was attributable to growth projects (89.5%), while the proportion of investment in existing facilities stood at 10.5%.

Gross investment in the **Smart Infrastructure for Customers** segment stood at €101.8 million and exceeded the level in the same period of the previous year (previous year: €75.6 million). As in the same period of the previous year, the investment in this segment was primarily in the area of electromobility.

In the **System Critical Infrastructure** segment, gross investment increased to €413.9 million (previous year: €365.3 million). This increase was mainly the result of higher investments made by our subsidiary TransnetBW as part of the Network Development Plan Electricity.

There was gross investment of €807.2 million in the **Sustainable Generation Infrastructure** segment, which was significantly higher than in the same period of the previous year (€274.9 million). A total of €506.0 million of this investment was made in the area of Renewable Energies, compared to €212.2 million in the same period of the previous year. This significant increase was mostly attributable to the offshore wind sector for investment in our planned wind farms in Great Britain and for the EnBW He Dreiht wind farm that is already under construction in the German North Sea. Investment in the Thermal Generation and Trading area stood at €301.2 million and was thus considerably higher than the level in the same period of the previous year of €62.7 million. This was largely due to the investment in our fuel switch projects for converting three of our thermal power plants in Baden-Württemberg from coal to gas (also making them hydrogen-ready in the process). All three of the projects are currently under construction.

Other gross investment decreased from €33.1 million in the same period of the previous year to €13.6 million in the first quarter of 2024. This mainly comprised capital contributions at other investments.

Total **divestitures** were higher overall than the level in the same period of the previous year. This was mainly due the inflow of capital from third parties as part of our participation models at our Group subsidiary TransnetBW and our He Dreiht offshore wind farm that were implemented in the previous year.

Liquidity analysis

Condensed cash flow statement

in € million	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
Cash flow from operating activities	841.8	-655.0	–	899.7
Cash flow from investing activities	-1,939.9	-866.6	123.9	-5,797.0
Cash flow from financing activities	106.7	1,166.9	-90.9	4,419.3
Net change in cash and cash equivalents	**-991.4**	**-354.7**	**–**	**-478.0**
Change in cash and cash equivalents due to changes in the consolidated companies	0.0	25.8	-100.0	6.4
Net foreign exchange difference and other changes in cash and cash equivalents	10.3	-11.8	–	-8.9
Change in cash and cash equivalents	**-981.1**	**-340.7**	**–**	**-480.5**

Cash flow from operating activities increased in the reporting period, despite the fall in cash-relevant EBITDA, in comparison to the same period of the previous year. This development was mainly due to a lower outflow of cash in the net current assets for reasons related to the reporting date. This in turn was mainly influenced by a decrease in the net balance of trade receivables and payables, where in contrast there was a net increase in receivables in the same period of the previous year, and the reduction in inventories, where in contrast there was a rise in the same period of the previous year. In addition, there were lower cash outflows for collateral in comparison to the same period of the previous year, which mainly resulted from price fluctuations on the market.

Cash flow from investing activities returned a higher outflow of cash in the reporting period compared to the same period of the previous year. This was mainly attributable to higher net investment as part of the portfolio management of securities and financial investments, as well as higher capital expenditure on intangible assets and property, plant and equipment.

Cash flow from financing activities returned a lower cash inflow than in the previous year. This was primarily due to smaller net increases in financial liabilities as part of liquidity management in comparison to the same period of the previous year. This was offset to some extent by an increase in cash inflow for alterations of capital in non-controlling interests.

The solvency of the EnBW Group was ensured as of the reporting date thanks to the company's internal financing capability and the external sources available for financing. The company's future solvency is secured by its solid financial position and results of operations.

Retained cash flow

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
EBITDA	**1,827.9**	**3,954.2**	**-53.8**	**5,738.3**
Change in provisions excluding obligations from emission allowances	-81.3	-51.9	56.6	203.9
Non-operating valuation effects from derivatives[2]	-463.5	-1,977.8	-76.6	-481.5
Other non-cash-relevant expenses/income[2]	80.5	-68.4	–	735.2
Income tax paid	-190.5	-123.3	54.5	-906.7
Interest and dividends received	94.0	82.9	13.4	529.8
Interest paid for financing activities	-101.8	-60.3	68.8	-421.2
Dedicated financial assets contribution	39.0	2.4	–	104.9
Funds from operations (FFO)	**1,204.4**	**1,757.8**	**-31.5**	**5,502.7**
Declared dividends	-109.8	0.0	–	-671.3
Retained cash flow	**1,094.6**	**1,757.8**	**-37.7**	**4,831.5**

1 The figures for the previous year have been restated.
2 The non-operating valuation effects from derivatives contain effects on the cash flow statement of €213.2 million (01/01–31/03/2023: €-652.5 million, 01/01–31/12/2023: €-108.2 million) in the item "Other non-cash-relevant expenses/income". Other non-cash-relevant expenses/income included in the calculation of the retained cash flow were adjusted by the corresponding amount.

Valuation effects due to temporary fluctuations in the value of certain derivatives are recognized in non-operating EBITDA and are included in the item EBITDA in the cash flow statement. These effects cannot be taken into account when calculating the operational earnings power of EnBW. Funds from operations (FFO) and retained cash flow have thus been adjusted for the described effects since the reporting for the first half of 2023. These effects totaled €–676.7 million in the reporting period. The comparative figures for the same period of the previous year were adjusted by €–1,325.3 million (1 January to 31 March 2023).

FFO was lower than in the previous year, which was mainly the result of the significantly lower EBITDA. This was offset primarily by the smaller non-operating valuation effects from derivatives in comparison to the same period of the previous year.

Higher declared dividends in comparison to the same period of the previous year reduced the retained cash flow. Due to the decrease in FFO, the retained cash flow was lower than in the previous year. It is an expression of the internal financing capability of EnBW and reflects the funds that are available to the company for investment – after all stakeholder claims have been settled – without the need to raise additional debt.

Adjusted working capital

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %	01/01–31/12/2023
Change in assets and liabilities from operating activities	**-1,008.0**	**-3,713.1**	**-72.9**	**-4,762.8**
Change in liquid assets in the EEG and KWKG account	159.0	591.8	-73.1	2,098.5
Non-operating valuation effects from derivatives	676.7	1,325.3	-48.9	373.3
Adjusted change in operating assets and liabilities	**-172.3**	**-1,796.0**	**-90.4**	**-2,291.0**
Net balance of inventories and obligations from emission allowances	(755.5)	(-153.3)	–	(-398.9)
Net balance of trade receivables and payables, services not yet invoiced and payments on account that have been made and received	(-986.6)	(-1,714.0)	(-42.4)	(-1,053.7)
Net balance of other assets and liabilities	(58.8)	(71.3)	(-17.6)	(-838.4)

1 The table shows the reconciliation of the cash-relevant change in adjusted working capital.

Alongside the retained cash flow and net investment, the change in working capital has a major influence on net debt.

As the liquid assets in the EEG account and Heat and Power Co-Generation Act (KWKG) account are only held in custody by the transmission system operators, they are not included in the calculation of net debt. Therefore, the adjusted working capital is corrected for any changes in the liquid assets in the EEG account and KWKG account.

The change in liquid assets for received and deposited collateral relating to non-operating valuation effects which arise due to temporary fluctuations in the value of derivatives is not a component of the retained cash flow, but nevertheless has an influence on net debt. The adjusted working capital is corrected to properly take the change in liquid assets into account.

Net assets

Condensed balance sheet

in € million	31/03/2024	31/12/2023	Change in %
Non-current assets	40,406.2	39,512.0	2.3
Current assets	25,851.0	25,206.9	2.6
Assets	**66,257.2**	**64,718.9**	**2.4**
Equity	16,499.7	15,853.0	4.1
Non-current liabilities	30,604.0	30,712.7	-0.4
Current liabilities	19,153.5	18,153.2	5.5
Equity and liabilities	**66,257.2**	**64,718.9**	**2.4**

As of 31 March 2024, total assets were slightly higher than at the end of the previous year. Non-current assets increased by €894.2 million to €40,406.2 million between the two reporting dates, which was mainly due to payments on account. The increase in current assets by €644.1 million to €25,851.0 million was mainly attributable to an increase in trade receivables for reasons related to the reporting date and the increase in securities. This was offset to some extent by the fall in cash and cash equivalents and the decrease in inventories as a result of the withdrawal of gas from the gas storage facilities.

Equity increased by €646.7 million to €16,499.7 million as of 31 March 2024. The primary reason for this development was the Group net profit achieved in the reporting period. This was reflected in the increase in the equity ratio from 24.5% at the end of 2023 to 24.9% on the reporting date.

Non-current liabilities decreased slightly by €108.7 million. Current liabilities increased by €1,000.3 million in comparison to the end of the previous year, which affected all balance sheet items in this area. This was mainly attributable to the increase in short-term derivatives and the increase in trade receivables for reasons related to the reporting date.

Forecast

In the following forecast we take a look at the expected development of EnBW in the current financial year.

Adjusted EBITDA and the share of adjusted EBITDA accounted for by the segments

Development in 2024 (adjusted EBITDA and the share of adjusted EBITDA accounted for by the segments) compared to the previous year

	Earnings performance (adjusted EBITDA) compared to the previous year		Development of the share of adjusted EBITDA for the EnBW Group accounted for by the segments	
	2024	2023	2024	2023
Smart Infrastructure for Customers	€0.25 to €0.35 billion	€239.5 million	5% to 10%	3.8%
System Critical Infrastructure	€1.9 to €2.2 billion	€1,772.0 million	35% to 50%	27.8%
Sustainable Generation Infrastructure	€2.6 to €3.1 billion	€4,647.6 million	50% to 65%	73.0%
Other/Consolidation		€-293.9 million		-4.6%
Total	**€4.6 to €5.2 billion**	**€6,365.2 million**		**100.0%**

The earnings forecast from the 2023 combined management report for the whole of 2024 for the Group and the individual segments remains unchanged.

The adjusted EBITDA of the **Smart Infrastructure for Customers** segment is expected to increase in 2024. We anticipate that the negative earnings effects seen in 2023 will largely cease to exist. Following the removal of the price brake on electricity and gas, we anticipate a strong recovery on the market for the B2B and B2C commodity business. The share of adjusted EBITDA for the Group accounted for by this segment should be slightly higher than the level in the previous year.

The expected adjusted EBITDA for the **System Critical Infrastructure** segment will be significantly higher in 2024 than in the previous year. The main reasons for this development are higher income from the use of the grids as a result of returns on increased investment activity in projects that are included in the Network Development Plan Electricity and Network Development Plan Gas, as well as a higher return on capital employed. We expect an increase in the share of adjusted EBITDA for the Group accounted for by this segment in comparison to the previous year.

The adjusted EBITDA of the **Sustainable Generation Infrastructure** segment is expected to fall in 2024. This fall in earnings will be attributable to decreasing volatility and lower earnings from power plant distribution due to falling prices. This will result in a fall in the trading result in comparison to 2023, with an impact on the Thermal Generation and Trading area. Renewable energies are expected to contribute between €1.2 and €1.4 billion to earnings. The pumped storage power plants are now allocated to the Renewable Energies area from 2024 onward after they were classified as environmentally sustainable in accordance with the EU Taxonomy Regulation. The adjusted EBITDA for the Renewable Energies area including earnings from pumped storage power plants of €0.7 billion would have totaled €1.7 billion in 2023. Furthermore, the moderate expansion in power plants for the uptake of renewable energies will make a positive contribution to earnings performance. The forecasts for wind and water yields, and thus for the volume of electricity generated, are based on the long-term average. As the volumes of electricity generated in 2023 were below this level, we anticipate higher volumes in 2024 in comparison to the previous year. This will be offset to some extent by falling prices in comparison to 2023. We expect the share of adjusted EBITDA for the Group accounted for by this segment to be below the level in the previous year.

The **adjusted EBITDA** for the EnBW Group is expected to fall in 2024 and be between €4.6 billion and €5.2 billion.

Opportunities and risks

In the first quarter of 2024, the total risk position broadly remained stable in comparison to the 2023 financial statements. Using the report on risks in the 2023 Group management report as a basis, only the material opportunities or risks in the respective segments which have significantly changed, arisen or ceased to exist in the reporting period are described in this Quarterly Statement January to March 2024. No risks currently exist that might jeopardize the EnBW Group as a going concern. A detailed presentation of the opportunity and risk position can be found in the Integrated Annual Report 2023 from p. 130 onwards.

The ranges used for classifying the level of opportunity/risk are as follows:

Classification of the level of opportunity/risk

	Adjusted EBITDA	Net debt
Low	< €200 million	< €600 million
Moderate	≥ €200 million to < €550 million	≥ €600 million to < €2,000 million
Significant	≥ €550 million to < €1,000 million	≥ €2,000 million to < €3,500 million
Material	≥ €1,000 million	≥ €3,500 million

Cross-segment opportunities and risks

Discount rate applied to pension provisions: There is generally opportunity and risk associated with any change in the discount rate applied to the pension provisions because the present value of the pension provisions falls when the discount rate increases and increases when the discount rate falls. As of the reporting date of 31 March 2024, the discount rate was 3.3%, which was up 0.15 percentage points on the rate at the end of 2023 (3.15%). Against the background of the expected development of interest rates, we identify a significant level of risk and opportunity in 2024. This will have an impact on net debt and thus on the key performance indicator debt repayment potential.

Margin/liquidity requirements: The Group's liquidity planning is subject to an inherent degree of uncertainty, especially with respect to margin payments. Sharp increases in prices and high volatility in energy trading on the commodity markets (EEX/ICE) have led to high liquidity inflows and outflows as part of margining processes which are beyond the normal margin requirements. The financial impact has been declining recently as market prices have fallen. There are increasing credit risks in relation to liquidity management at affiliated companies. There is a moderate level of opportunity and risk for 2024 with an impact on net debt and thus on the key performance indicator debt repayment potential.

Sustainable Generation Infrastructure segment

Availability of power plants: There is a general opportunity and risk that endogenous and exogenous factors will have an influence on the planned availability of our power plants and could thus increase or decrease earnings. Falling commodity prices have narrowed the range for the level of opportunity/risk in conventional generation. There is a low level of risk in this area for 2024. This will have an impact on the key performance indicator adjusted EBITDA and thus an indirect impact on the key performance indicator debt repayment potential via the retained cash flow.

Income statement

in € million	01/01–31/03/2024	01/01–31/03/2023	Change in %
Revenue including electricity and energy taxes	10,369.6	16,097.7	-35.6
Electricity and energy taxes	-138.8	-126.5	9.7
Revenue	**10,230.8**	**15,971.2**	**-35.9**
Changes in inventories	43.4	13.1	–
Other own work capitalized	75.4	67.5	11.7
Other operating income	1,329.2	3,341.1	-60.2
Cost of materials	-7,739.5	-12,836.7	-39.7
Personnel expenses	-732.6	-673.5	8.8
Impairment losses [1]	-17.0	-25.4	-33.1
Other operating expenses	-1,361.8	-1,903.1	-28.4
EBITDA	**1,827.9**	**3,954.2**	**-53.8**
Amortization and depreciation	-397.9	-424.2	-6.2
Earnings before interest and taxes (EBIT)	**1,430.0**	**3,530.0**	**-59.5**
Investment result	1.6	46.3	-96.5
of which net profit/loss from entities accounted for using the equity method	(30.3)	(22.9)	(32.3)
of which other profit/loss from investments	(-28.7)	(23.4)	–
Financial result	-58.4	-112.3	48.0
of which finance income	(276.3)	(189.6)	(45.7)
of which finance costs	(-334.7)	(-301.9)	(10.9)
Earnings before tax (EBT)	**1,373.2**	**3,464.0**	**-60.4**
Income tax	-365.1	-930.1	-60.7
Group net profit	**1,008.1**	**2,533.9**	**-60.2**
of which profit/loss shares attributable to non-controlling interests	(205.5)	(245.3)	(-16.2)
of which profit/loss shares attributable to the shareholders of EnBW AG	(802.6)	(2,288.6)	(-64.9)
EnBW AG shares outstanding (million), weighted average	**270.855**	**270.855**	**0.0**
Earnings per share from Group net profit (€) [2]	**2.96**	**8.45**	**-64.9**

1 According to IFRS 9.
2 Diluted and basic; in relation to profit/loss attributable to the shareholders of EnBW AG.

Statement of comprehensive income

in € million[1]	01/01–31/03/2024	01/01–31/03/2023	Change in %
Group net profit	**1,008.1**	**2,533.9**	**-60.2**
Revaluation of pensions and similar obligations	140.7	-30.5	–
Entities accounted for using the equity method	-0.5	0.0	–
Income taxes on other comprehensive income	-38.8	10.9	–
Total of other comprehensive income and expenses without future reclassifications impacting earnings	**101.4**	**-19.6**	**–**
Currency translation differences	-31.3	19.3	–
Cash flow hedge	-551.0	-557.9	-1.2
Financial assets at fair value in equity	-2.9	68.5	–
Entities accounted for using the equity method	2.1	-0.5	–
Income taxes on other comprehensive income	173.0	-107.0	–
Total of other comprehensive income and expenses with future reclassifications impacting earnings	**-410.1**	**-577.6**	**-29.0**
Total other comprehensive income	**-308.7**	**-597.2**	**-48.3**
Total comprehensive income	**699.4**	**1,936.7**	**-63.9**
of which profit/loss shares attributable to non-controlling interests	(195.1)	(221.5)	(-11.9)
of which profit/loss shares attributable to the shareholders of EnBW AG	(504.3)	(1,715.2)	(-70.6)

1 The figures for the previous year have been restated. The basis adjustments in inventories in cash flow hedge are no longer disclosed in total other comprehensive income. The figure for the previous year has been adjusted by the effect of the basis adjustments in the amount of €-19.1 million and income tax in the amount of €5.7 million.

Balance sheet

in € million	31/03/2024	31/12/2023
Assets		
Non-current assets		
Intangible assets	3,116.4	3,166.2
Property, plant and equipment	25,944.4	25,429.8
Entities accounted for using the equity method	1,787.8	1,393.4
Other financial assets	6,656.8	6,628.5
Trade receivables	363.6	370.1
Other non-current assets	2,337.1	2,298.0
Deferred taxes	200.1	226.0
	40,406.2	39,512.0
Current assets		
Inventories	2,327.4	2,804.0
Financial assets	3,896.2	3,078.1
Trade receivables	6,065.5	4,575.6
Other current assets	8,547.9	8,754.1
Cash and cash equivalents	5,014.0	5,995.1
	25,851.0	25,206.9
	66,257.2	64,718.9
Equity and liabilities		
Equity		
Shares of the shareholders of EnBW AG		
Subscribed capital	708.1	708.1
Capital reserve	774.2	774.2
Revenue reserves	9,362.1	8,559.5
Treasury shares	-204.1	-204.1
Other comprehensive income	-817.9	-529.0
	9,822.4	9,308.7
Non-controlling interests	6,677.3	6,544.3
	16,499.7	15,853.0
Non-current liabilities		
Provisions	11,333.3	11,410.9
Deferred taxes	899.0	835.6
Financial liabilities	14,961.8	15,003.5
Other liabilities and subsidies	3,409.9	3,462.7
	30,604.0	30,712.7
Current liabilities		
Provisions	2,699.2	2,528.7
Financial liabilities	1,661.8	1,464.2
Trade payables	5,300.1	5,049.9
Other liabilities and subsidies	9,492.4	9,110.4
	19,153.5	18,153.2
	66,257.2	64,718.9

Cash flow statement

in € million	01/01–31/03/2024	01/01–31/03/2023
1. Operating activities		
Group net profit	1,008.1	2,533.9
Income tax	365.1	930.0
Investment and financial result	56.8	66.1
Amortization and depreciation	397.9	424.2
Change in provisions excluding obligations from emission allowances	-81.3	-51.9
Result from disposals of assets	-0.9	-4.0
Other non-cash-relevant expenses/income	294.6	-716.9
Change in assets and liabilities from operating activities	-1,008.0	-3,713.1
Net balance of inventories and obligations from emission allowances	(755.5)	(-153.3)
Net balance of trade receivables and payables, services not yet invoiced and payments on account that have been made and received	(-1,145.6)	(-2,305.8)
Net balance of other assets and liabilities	(-617.9)	(-1,254.0)
Income tax paid	-190.5	-123.3
Cash flow from operating activities	**841.8**	**-655.0**
2. Investing activities		
Capital expenditure on intangible assets and property, plant and equipment	-815.9	-615.7
Disposals of intangible assets and property, plant and equipment	4.1	10.9
Cash received from subsidies for construction cost and investments	16.4	14.3
Cash paid for the acquisition of companies and interests in entities accounted for using the equity method as well as in joint operations	-221.4	-64.0
Change in securities, financial investments and other financial assets	-1,017.1	-295.0
Interest received	86.4	58.9
Dividends received	7.6	24.0
Cash flow from investing activities	**-1,939.9**	**-866.6**
3. Financing activities		
Interest paid	-101.8	-60.3
Dividends paid	-109.8	0.0
Increase in financial liabilities	613.4	2,156.8
Repayment of financial liabilities	-406.5	-821.0
Repayment of lease liabilities	-48.5	-40.5
Cash received for capital increases in non-controlling interests	260.6	1.0
Other cash paid at non-controlling interests	-100.7	-69.1
Cash flow from financing activities	**106.7**	**1,166.9**
Net change in cash and cash equivalents	**-991.4**	**-354.7**
Change in cash and cash equivalents due to changes in the consolidated companies	0.0	25.8
Net foreign exchange difference and other changes in cash and cash equivalents	10.3	-11.8
Change in cash and cash equivalents	**-981.1**	**-340.7**
Cash and cash equivalents at the beginning of the period	5,995.1	6,475.6
Cash and cash equivalents at the end of the period	**5,014.0**	**6,134.9**

Statement of changes in equity

in € million[1]				Other comprehensive income							
	Subscribed capital and capital reserve	Revenue reserves	Treasury shares	Revaluation of pensions and similar obligations	Currency translation differences	Cash flow hedge	Financial assets at fair value in equity	Entities accounted for using the equity method	Shares of the shareholders of EnBW AG	Non-controlling interests	Total
As of 01/01/2023	**1,482.3**	**7,272.7**	**-204.1**	**-799.5**	**94.6**	**1,270.8**	**-154.6**	**0.8**	**8,963.0**	**3,806.3**	**12,769.3**
Other comprehensive income				-20.6	12.5	-613.0	48.2	-0.5	-573.4	-23.8	**-597.2**
Group net profit		2,288.6							2,288.6	245.3	**2,533.9**
Total comprehensive income	**0.0**	**2,288.6**	**0.0**	**-20.6**	**12.5**	**-613.0**	**48.2**	**-0.5**	**1,715.2**	**221.5**	**1,936.7**
Derecognition in the cost of hedged items						13.4			13.4	0.0	**13.4**
Other changes[2]		0.0							0.0	1.0	**1.0**
As of 31/03/2023	**1,482.3**	**9,561.3**	**-204.1**	**-820.2**	**107.1**	**671.2**	**-106.4**	**0.3**	**10,691.5**	**4,028.8**	**14,720.3**
As of 01/01/2024	**1,482.3**	**8,559.5**	**-204.1**	**-1,178.8**	**100.2**	**563.9**	**-13.0**	**-1.3**	**9,308.7**	**6,544.3**	**15,853.0**
Other comprehensive income				99.8	-30.6	-367.2	-2.0	1.7	-298.3	-10.4	**-308.7**
Group net profit		802.6							802.6	205.5	**1,008.1**
Total comprehensive income	**0.0**	**802.6**	**0.0**	**99.8**	**-30.6**	**-367.2**	**-2.0**	**1.7**	**504.3**	**195.1**	**699.4**
Derecognition in the cost of hedged items						9.4			9.4	0.0	**9.4**
Dividends									0.0	-106.5	**-106.5**
Acquisition of subsidiaries with non-controlling interests									0.0	8.4	**8.4**
Other changes[2]		0.0							0.0	36.0	**36.0**
As of 31/03/2024	**1,482.3**	**9,362.1**	**-204.1**	**-1,079.0**	**69.6**	**206.1**	**-15.0**	**0.4**	**9,822.4**	**6,677.3**	**16,499.7**

1 The figures for the previous year have been restated. A separate line item has been added to disclose basis adjustments in inventories in the cash flow hedge. This led to an increase in total other comprehensive income for the previous year of €13.4 million.
2 Of which capital increases by minority shareholders of €36.0 million (previous year: €1.0 million).

Financial calendar

Q1

14 May 2024
Publication of the Quarterly Statement
January to March 2024

Q1–Q2

9 August 2024
Publication of the Six-Monthly Financial Report
January to June 2024

Q1–Q3

12 November 2024
Publication of the Quarterly Statement
January to September 2024

Important notes

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