

Press release >

EnBW upholds its earnings forecast for 2016

Further progress in the restructuring of the portfolio: Grids and RE account for more than 75 percent of the Group operating result for the first time / Result for the 3rd quarter impacted by temporary negative effects / Risk premium stipulated by the KfK compromise will substantially effect EnBW

Karlsruhe. In the first nine months of 2016, EnBW Energie Baden-Württemberg AG and its 20,217 employees achieved revenue of around 14.3 billion euro and an operating result (adjusted EBITDA) of 1.37 billion euro. This represents a fall of around 16 percent compared to the previous year, which was primarily due to temporary effects in the area of power generation. These effects will be balanced out by the end of the year. Therefore, EnBW has confirmed its forecast for the whole of the 2016 financial year and continues to expect an adjusted Group EBITDA of between 5 and 10 percent below the level in the previous year.

The adjusted Group net profit attributable to the shareholders of EnBW AG of 50.6 million euro in the reporting period was significantly below the figure in the previous year of around 998.1 million euro. Alongside the fall in adjusted EBITDA, the main cause was the fall in the adjusted financial result. This was strongly influenced in 2015 by one-off capital gains on disposals of securities. Before adjustments, these effects resulted in a Group net loss of -192.5 million euro (previous year: 710.8 million euro).

Thomas Kusterer, CFO, said: "We have made very good progress with the restructuring of our portfolio. The Grids, Renewable Energies and Sales segments now account for more than 80 percent of the Group operating result. In view of the low price of electricity, the extremely difficult interest rate environment and above all the effects of the financing of the phase-out of nuclear power, the improvement in our efficiency and the resolute reorientation of the company as part of the 2020 strategy will continue to have the highest priority."

At the end of April, a commission (KfK) appointed by the German government issued recommendations for financing the phasing out of nuclear power. A corresponding draft bill was approved by the German Federal Cabinet on 19 October 2016. According to the draft bill, the operators will pay 17.4 billion euro plus a risk premium of 35.5 percent (6.2 billion euro) into a fund. The contribution to be paid by EnBW including the risk premium is estimated to be around 4.7 billion euro.

On this subject, Kusterer continues: “We anticipate that the legal and contractual implementation of the KfK compromise will still be completed this year. It would be a decisive step towards the planned phasing out of nuclear power that will provide all those involved with more certainty when it comes to planning and taking action. This is very welcome. However, the looming KfK solution will push the company to the absolute limits of its capacity. Due to the high risk premium and the additional – within the context of the transaction – negative interest rate effects, the conclusion of the process in 2016 will lead to a very negative Group operating result and a significant increase in our net debt. We would then, however, be in a position to concentrate all our strength on the achievement of our strategic goals for 2020.”

In the Sales segment, the adjusted EBITDA for the first nine months of this year was 214.9 million euro. This represents a fall of 9.9 percent in comparison to the same period of the previous year. In particular, the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant as of 31 December 2015 had a negative impact on the result in this segment. However, this effect was alleviated to a noticeable extent by higher out-of-period earnings in comparison to the previous year, such as settlements from the previous year, and the first positive effects of the withdrawal from the loss-making B2B business with large customers under the brands EnBW and Watt. As a result of these positive effects, the earnings forecast for the Sales segment has now been adjusted to 0 to 10 percent below the previous year, after the previous forecast of more than 20 percent below the previous year.

The Grids segment developed positively. The adjusted EBITDA for this segment in the reporting period was 754.6 million euro, which was 42.3 percent higher than the previous year. Accordingly, the share of the adjusted EBITDA for the Group accounted for by this segment increased substantially from 32.4 percent in 2015 to 55 percent in 2016. Higher revenues from the use of the electricity and gas grids and the elimination of negative extraordinary items in 2015 were the reason for this development. This was offset by higher expenses incurred for the grid reserve and the planned increases in the number of employees for the expansion of the grids. For the whole financial year, EnBW expects an operating result of more than 20 percent above the level in the previous year.

The adjusted EBITDA of 223.2 million euro in the Renewable Energies segment was 42.8 percent higher than the value in the same period of the previous year. Accordingly, the share of the EBITDA for the Group accounted for by Renewable Energies increased from 9.6 percent in the previous year to the current figure of 16.3 percent. This increase was mainly attributable to the full commissioning of the offshore wind farm EnBW Baltic 2 in the September 2015. In the first nine months of this year, the wind strength at sea was, however, below the long-term average on which our plans are based. This reduced the contribution to earnings made by EnBW Baltic 2 so that the previous earnings forecast for Renewable Energies of 10 to 20 percent above the previous year has now been adjusted to between 0 and 10 percent above the previous year.

The adjusted EBITDA in the Generation and Trading segment fell in comparison to the same period of the previous year by around 77.7 percent to 149.7 million euro. Alongside low wholesale prices for electricity that have fallen even further in comparison to the previous year, this sharp fall was also due to temporary effects: For example, the inspection of the Neckarwestheim II nuclear power plant was already completed in the third quarter of 2016; the inspection was only carried out in the fourth quarter of the previous year. This effect will balance out during the course of the fourth quarter. For the whole financial year, EnBW continues to expect an operating result in this segment of more than 20 percent below the level in the previous year.

The investment volume increased significantly in the first nine months of 2016 compared to the same period of the previous year to 1.93 billion euro due to the completion of the acquisition of 74.2 percent of VNG in April of this year. In terms of the overall investment around 86 percent was accounted for by growth projects. In accordance with the corporate strategy, the main areas of focus were the expansion of Renewable Energies, the transmission and distribution grids for electricity and gas and the strengthening of the gas business.

Finanzielle und strategische Kennzahlen

in Mio. €	1.1.– 30.9.2016	1.1.– 30.9.2015	Veränderung in %	1.1.– 31.12.2015
Außenumsatz	14.273,0	15.314,8	-6,8	21.166,5
Adjusted EBITDA	1.372,9	1.635,9	-16,1	2.109,6
Anteil Vertriebe am Adjusted EBITDA in Mio. €/in %	214,9/15,7	238,4/14,6	-9,9/-	255,3/12,1
Anteil Netze am Adjusted EBITDA in Mio. €/in %	754,6/55,0	530,4/32,4	42,3/-	747,4/35,4
Anteil Erneuerbare Energien am Adjusted EBITDA in Mio. €/in %	223,2/16,3	156,3/9,6	42,8/-	287,4/13,6
Anteil Erzeugung und Handel am Adjusted EBITDA in Mio. €/in %	149,7/10,9	671,1/41,0	-77,7/-	777,3/36,8
Anteil Sonstiges/Konsolidierung am Adjusted EBITDA in Mio. €/in %	30,5/2,1	39,7/2,4	-23,2/-	42,2/2,1
EBITDA	1.308,7	1.403,8	-6,8	1.918,2
Adjusted EBIT	677,1	945,7	-28,4	1.181,9
EBIT	590,4	702,5	-16,0	277,0
Adjusted Konzernüberschuss ¹	50,6	998,1	-94,9	951,7
Konzernfehlbetrag/-überschuss ¹	-192,5	710,8	-	124,9
Ergebnis je Aktie aus Adjusted Konzernüberschuss ¹ in €	0,19	3,68	-94,9	3,51
Ergebnis je Aktie aus Konzernfehlbetrag/-überschuss ¹ in €	-0,71	2,62	-	0,46
Operating Cashflow	-41,1	1.174,4	-	1.918,3
Free Cashflow	-456,2	484,3	-	725,8
Investitionen	1.925,7	865,7	122,4	1.461,6

Mitarbeiter^{2,3}

	30.9.2016	30.9.2015	Veränderung in %	31.12.2015
Anzahl	20.217	20.094	0,6	20.288

¹ Bezogen auf das auf die Aktionäre der EnBW AG entfallende Ergebnis.

² Anzahl der Mitarbeiter ohne geringfügig Beschäftigte, ohne Auszubildende und ohne ruhende Arbeitsverhältnisse. Der Begriff Mitarbeiter bezeichnet weibliche und männliche Beschäftigte.

³ Die Personalstände für die ITOs (TransnetBW GmbH und terranets bw GmbH) werden nur zum Jahresende aktualisiert; unterjährig wird der Personalstand vom 31.12.2015 fortgeschrieben.

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