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Press release >

First quarter of 2017: EnBW upholds its earnings forecast for 2017

Generation and Renewables still below forecast / Sales and Grids show clear improvement / Investment in Renewable Energies significantly increased

Karlsruhe. In the first quarter of 2017, EnBW Energie Baden-Württemberg AG achieved revenue of around 5.2 billion euro and an operating result (adjusted EBITDA) of 513.4 million euro with 20,337 employees. This represents a fall of 17.3 percent compared to the same quarter of the previous year. Thomas Kusterer, CFO: "The fall in earnings is due above all to the unscheduled temporary shutdown of our nuclear power plant Philippsburg 2 (KKP 2). As we expect compensatory effects during the remainder of the year including from the full consolidation of VNG and the commissioning of new onshore wind farms, we have reaffirmed our forecast for the year. We expect an operating result of 0 to 5 percent above the previous year."

The Sales segment performed very positively. Adjusted EBITDA rose by 16 percent to 78.3 million euro in the first three months of 2017 (previous year: 67.5 million euro). The improved earnings are due to, amongst other things, the withdrawal from the B2B commodity business under the Watt and EnBW brands. EnBW expects an increase in earnings of 15 to 25 percent for the whole financial year.

The adjusted EBITDA for the Grids segment of 308.6 million euro was 7.8 percent above the figure in the previous year (286.4 million euro) and was primarily attributable to higher earnings from the use of the gas distribution grids due to the temperature. The forecast for the operating result in the current financial year is between minus 5 and plus 5 percent compared to the previous year.

The operating result in the Renewable Energies segment was negatively impacted in the first quarter by a poor wind yield in the area of wind energy and low water levels at our run-of-river power plants. As a result, the adjusted EBITDA fell by 13.9 percent to 79.3 million euro (previous year: 92.1 million euro). However, the expansion of onshore wind farms in the second half of the year is expected to compensate for these effects. The earnings forecast for the Renewable Energies segment is thus 5 to 15 percent above the previous year.

In the Generation and Trading segment, the adjusted EBITDA fell by 75.1 percent in the first three reporting months in comparison to the previous year and stands at 42.5 million euro compared to 170.8 million euro in the same period of the previous year. Alongside the temporary shutdown of KKP 2, lower wholesale market prices also had a negative effect. Due

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to optimisation measures in operation and maintenance, EnBW continues to expect a result for the whole year in this segment of between 10 and 20 percent below the previous year.

The Group net profit attributable to the shareholders of EnBW AG increased – mainly due to the sale of 49.89 percent of the shares in the offshore wind farm “EnBW Hohe See” – from 51 million euro in the same period of the previous year to the current level of 380.6 million euro for the first quarter of 2017. Earnings per share thus stands at 1.41 euro compared to 0.19 euro in the same period of the previous year.

Investment by the EnBW Group increased significantly in the first quarter of 2017 in comparison to the previous year due to the offshore project EnBW Hohe See: In terms of the overall gross investment, 75.5 percent was accounted for by growth projects. In particular, investment in the Renewable Energies segment of 149.7 million euro was substantially higher than the figure in the previous year (20.4 million euro) because the offshore wind farm EnBW Hohe See is now in the realisation phase and the onshore wind farm portfolio is being expanded to a much greater extent than in the previous year.

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Performance indicators of the EnBW Group

Financial and strategic performance indicators

in € million	01/01– 31/03/2017	01/01– 31/03/2016	Change in %	01/01– 31/12/2016
External revenue	5,171.8	5,195.1	-0.4	19,368.4
Adjusted EBITDA	513.4	621.0	-17.3	1,938.9
Share of adjusted EBITDA accounted for by Sales in € million/in %	78.3/15.3	67.5/10.9	16.0/-	249.7/12.9
Share of adjusted EBITDA accounted for by Grids in € million/in %	308.6/60.1	286.4/46.1	7.8/-	1,004.1/51.8
Share of adjusted EBITDA accounted for by Renewable Energies in € million/in %	79.3/15.4	92.1/14.8	-13.9/-	295.3/15.2
Share of adjusted EBITDA accounted for by Generation and Trading in € million/in %	42.5/8.3	170.8/27.5	-75.1/-	337.2/17.4
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	4.7/0.9	4.2/0.7	11.9/-	52.6/2.7
EBITDA	773.1	618.0	25.1	730.7
Adjusted EBIT	273.0	398.8	-31.5	1,024.5
EBIT	532.7	395.8	34.6	-1,662.9
Group net profit/loss ¹	380.6	51.0	-	-1,797.2
Earnings per share from Group net profit/loss ¹ in €	1.41	0.19	-	-6.64
Retained cash flow	386.2	349.6	10.5	949.5
Net (cash) investment	-3.5	-59.9	-94.2	1,316.9

Employees^{2,3}

	31/03/2017	31/03/2016	Change in %	31/12/2016
Number	20,337	20,332	0.0	20,409

¹ In relation to the profit/loss attributable to the shareholders of EnBW AG.

² Number of employees excluding marginally employed persons, apprentices/trainees and inactive employees.

³ The number of employees for the ITOs (TransnetBW GmbH and terranets bw GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2016 is carried forward.