

Investor and analyst conference call FY 2021 >



Thomas Kusterer
Marcel Münch

Chief Financial Officer
Head of Finance, M&A and Investor Relations

23 March 2022



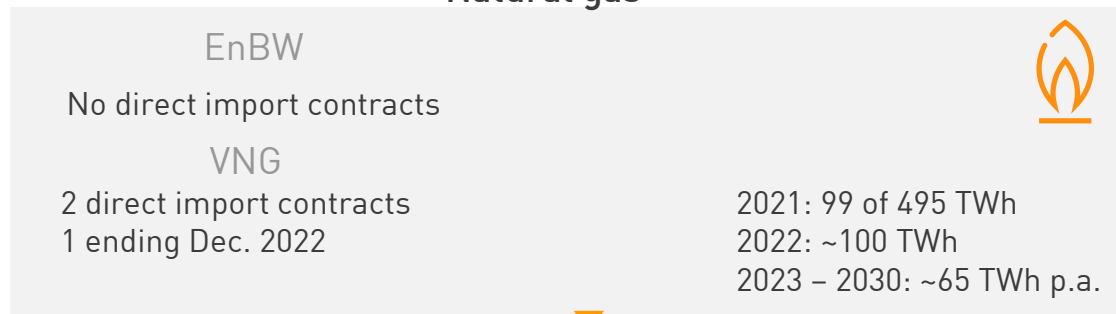
Resilient business model in times of market volatility and geopolitical change

Strategy EnBW 2025 – shaping the infrastructure world of tomorrow



Our exposure to Russia

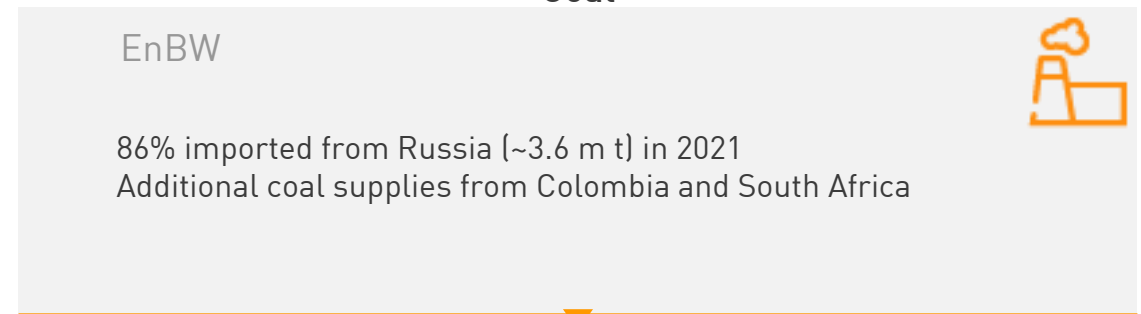
Natural gas



Diversification

Option to use LNG, VNG's extensive gas storage inventory, source internationally

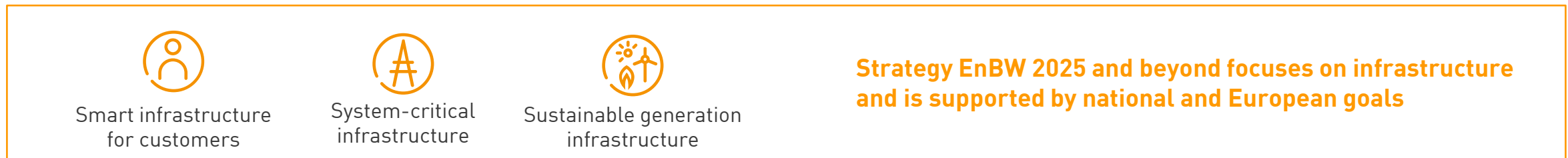
Coal



Diversification

Screening of potential new coal suppliers already started at year-end 2021 e.g. the US, Australia and Indonesia

Integrated set up along entire value chain - resilient business model



EnBW manages risk proactively and successfully



Planning cash flow and hedging generation margins forward

Generation hedge (Own generation 2021: 42 TWh)

- > Margins locked in by selling generation forward into the market
- > Significant margin calls comfortably served at all times
- > 2022 entirely hedged: No material impact on earnings expected

Hedge levels¹

2022: 100%
2023: 60 – 90%
2024: 30 – 50%

Diversified debt instruments

Bilateral bank lines,
syndicated credit facility,
commercial papers programme,
bonds, bank loans,
promissory notes, etc.

Forward-looking liquidity management

- > Liquidity risk covered in advance with operational liquidity sources
- > Limitation of counterparty risks
- > Careful evaluation of different scenarios including stress tests
- > Forecast of potential short- and long-term margin movements

Proactive further strengthening of the liquidity position

Active management
of hedging position

Adding bilateral
bank lines

Drawing EnBW's
syndicated loan

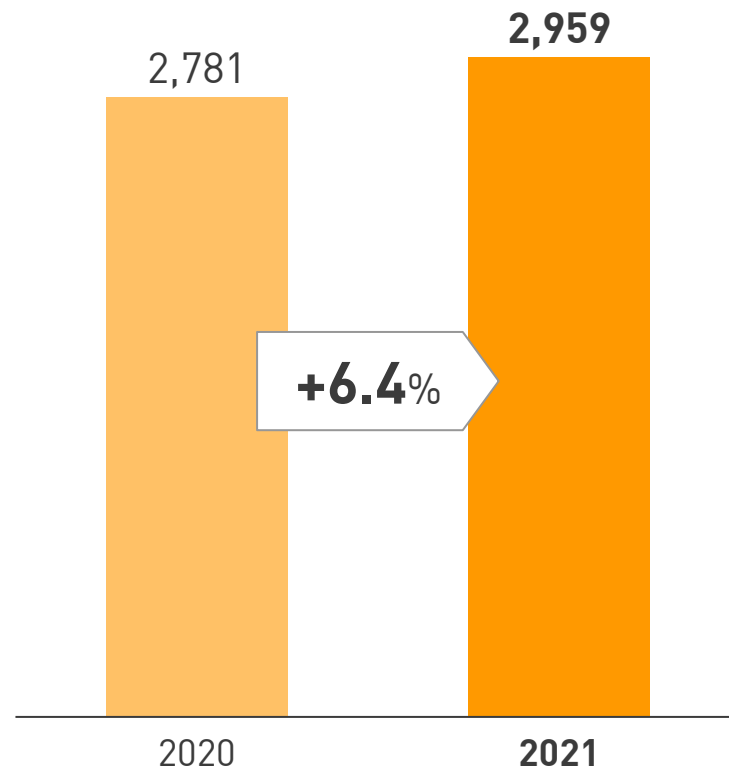
Use of commercial
paper

¹ As of 31 December 2021

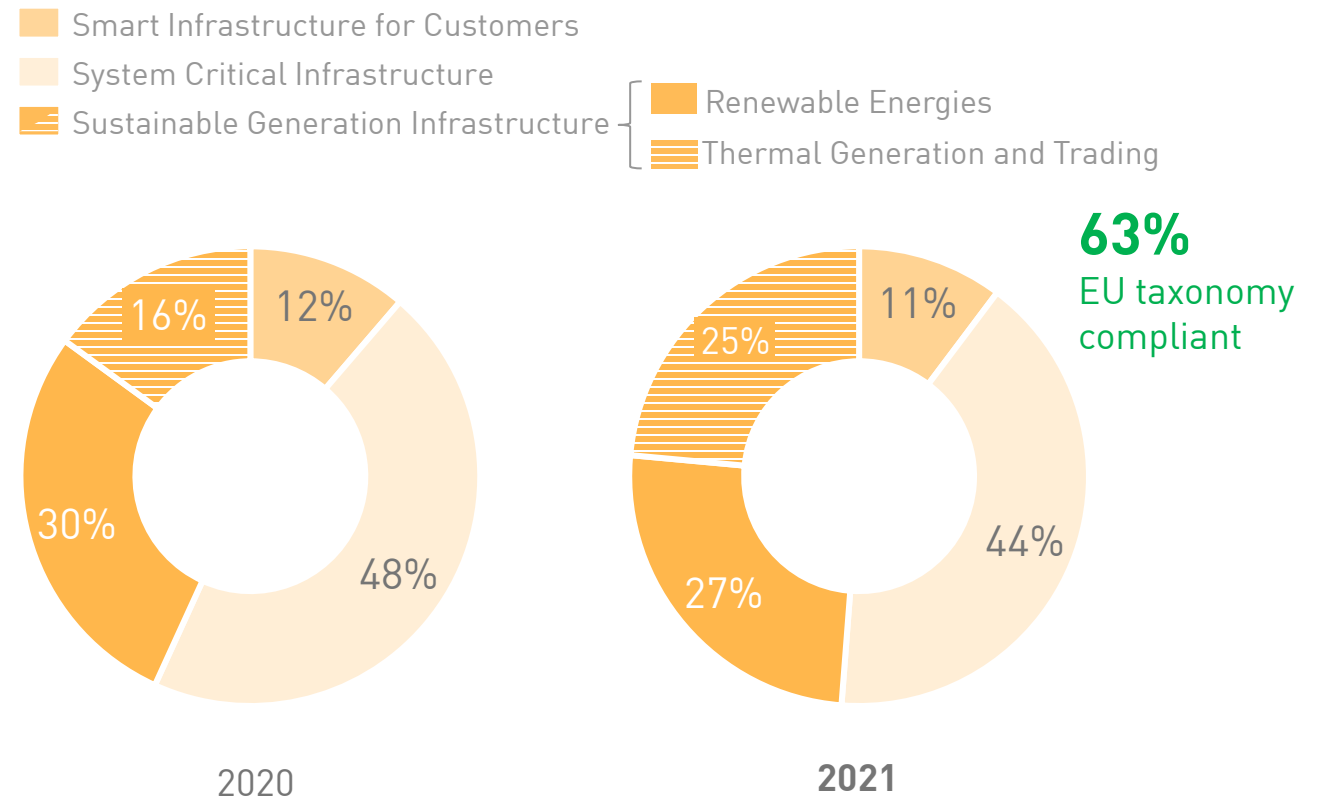
Positive earnings development at upper end of forecast range



Adjusted EBITDA
in € m



Share of adjusted EBITDA by segments¹



¹ Divergence from 100% due to others/consolidation

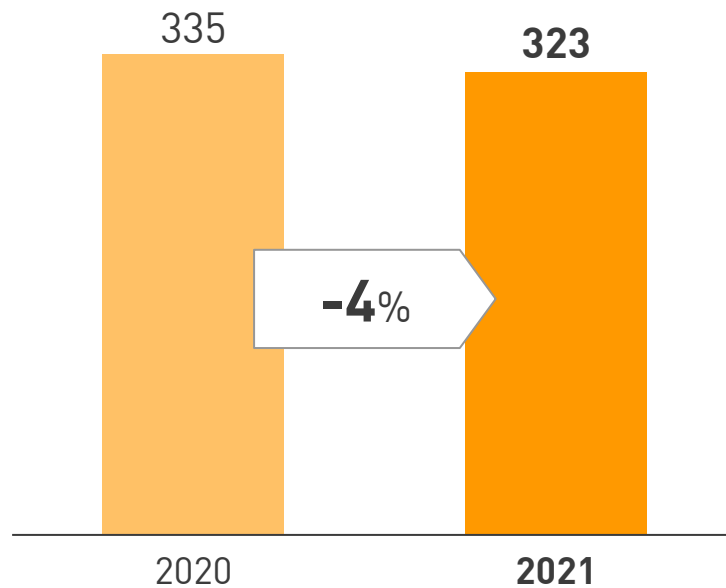


Smart Infrastructure for Customers

Positive development in underlying business overcompensated by rising procurement costs for basic service



Adjusted EBITDA
in € m



Electricity and gas sales

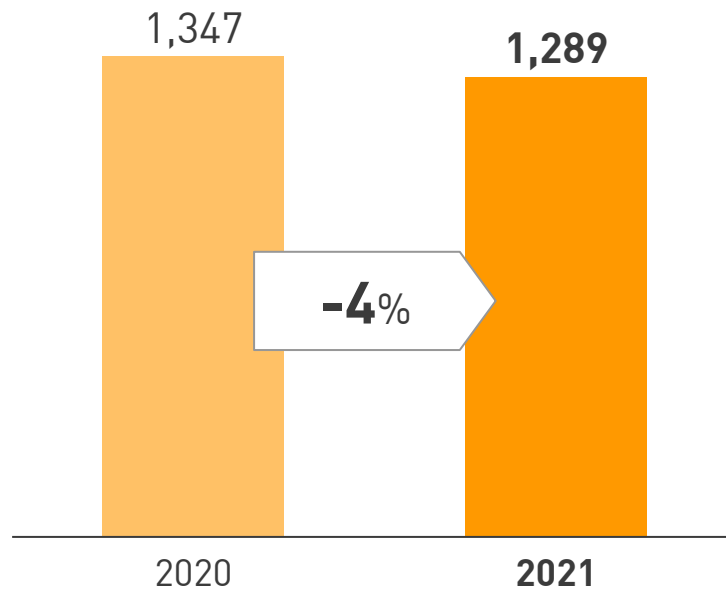
- ▲ Improved earnings in commodity business
- ▼ Unpredictable increase in number of customers in basic service led to substantial additional procurement cost
- ▼ Bad debt allowances



System Critical Infrastructure Higher expenses to maintain security of supply



Adjusted EBITDA
in € m



Transmission and distribution grids

- ▲ Higher grid revenues
- ▼ Higher expenses for plants in grid reserve and procurement of balancing energy to maintain security of supply
- ▼ Higher personnel expenses due to necessary grid expansion

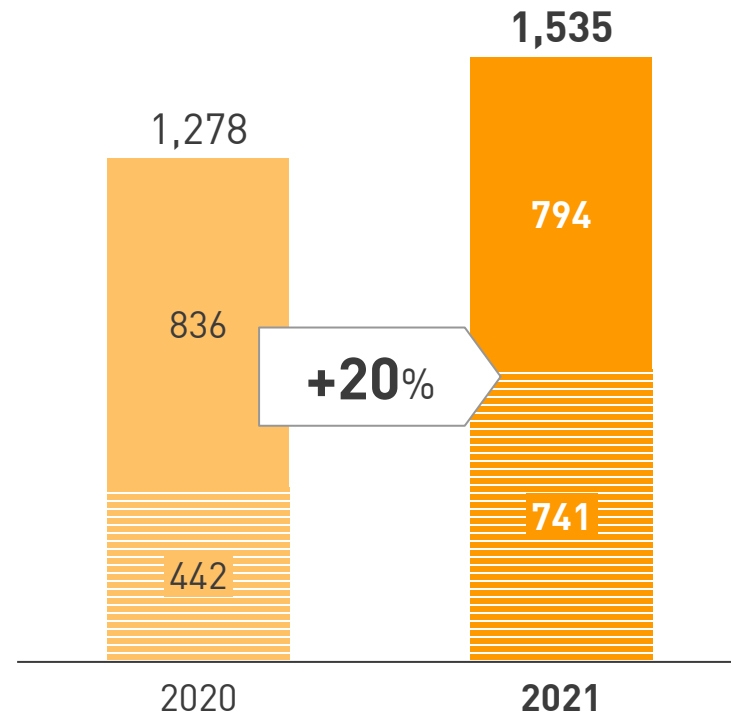


Sustainable Generation Infrastructure

Forecast range exceeded due to high market volatility



Adjusted EBITDA
in € m



Renewable Energies

- ▼ Lower wind yields compared to previous year and long-term average

Thermal Generation and Trading

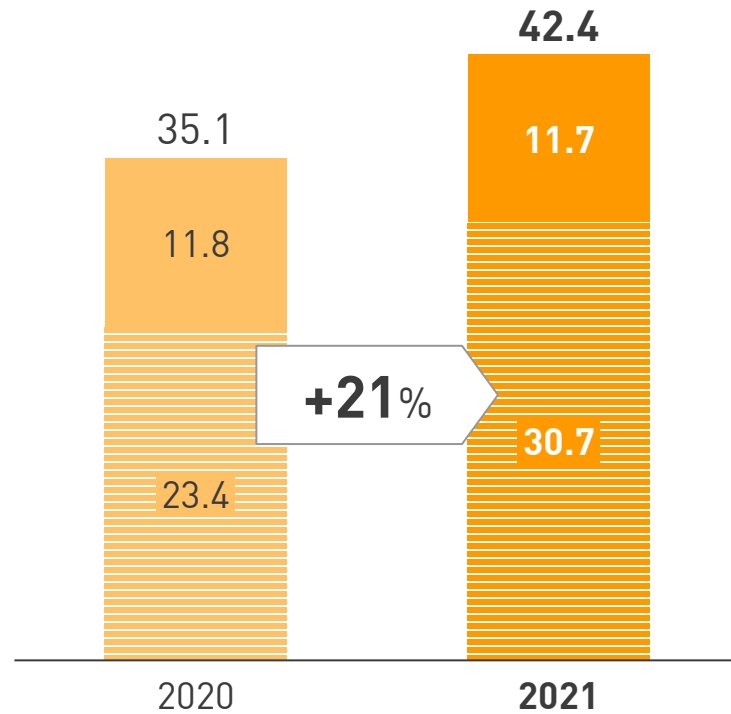
- ▲ Increased volatility on wholesale markets led to significant contribution from trading activities in electricity and gas

Thermal Generation high due to market-driven developments



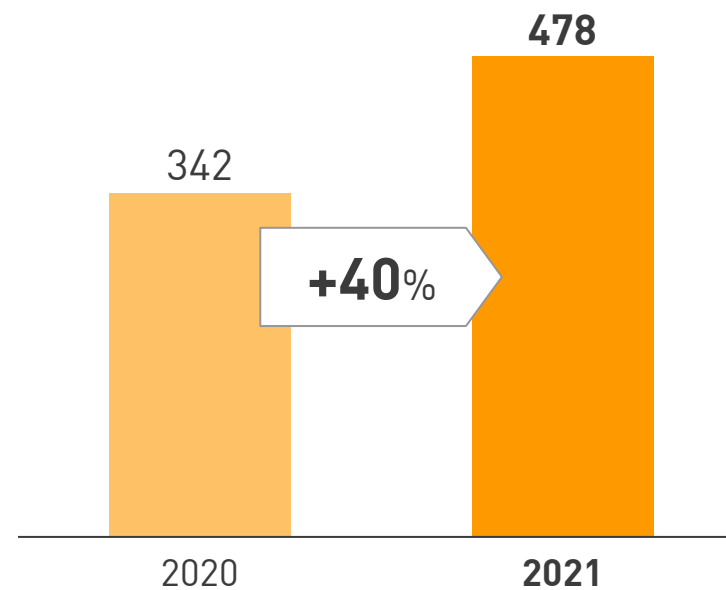
Electricity generation volume
in TWh

Renewable Energies Thermal Generation

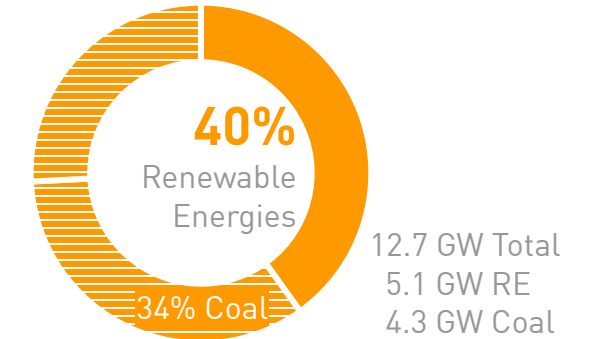


CO₂ intensity
in g/kWh

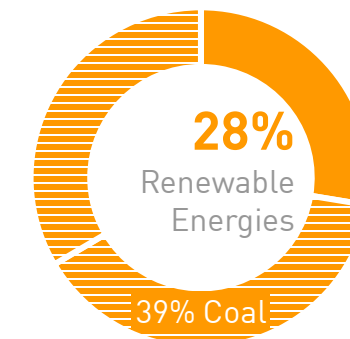
Target range 2025: 387 - 470g/kWh



Electricity generation capacity¹
in %



Electricity generation volume²
in %



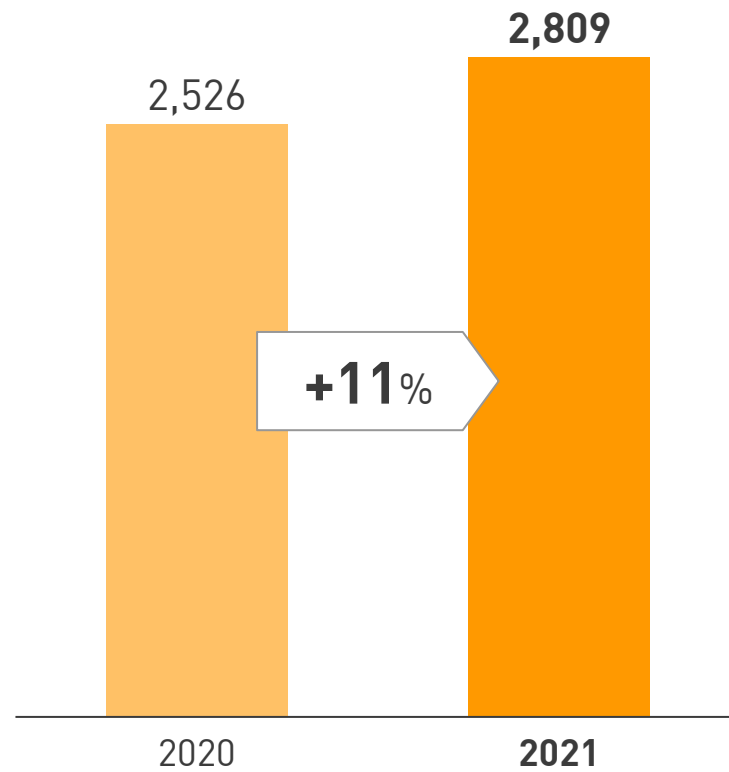
Gradual coal phase-out and climate neutrality by 2035

¹ As of 31. December 2021
² 2021

Investments focused on energy transition



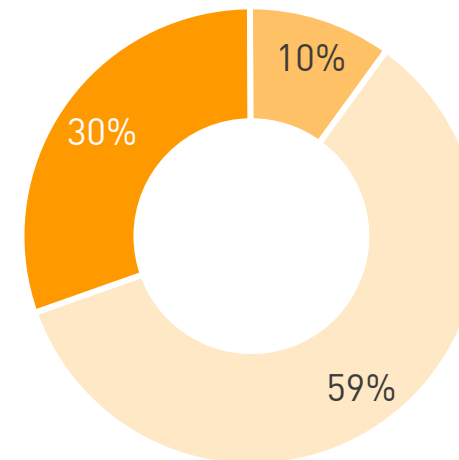
Total investments
in € m



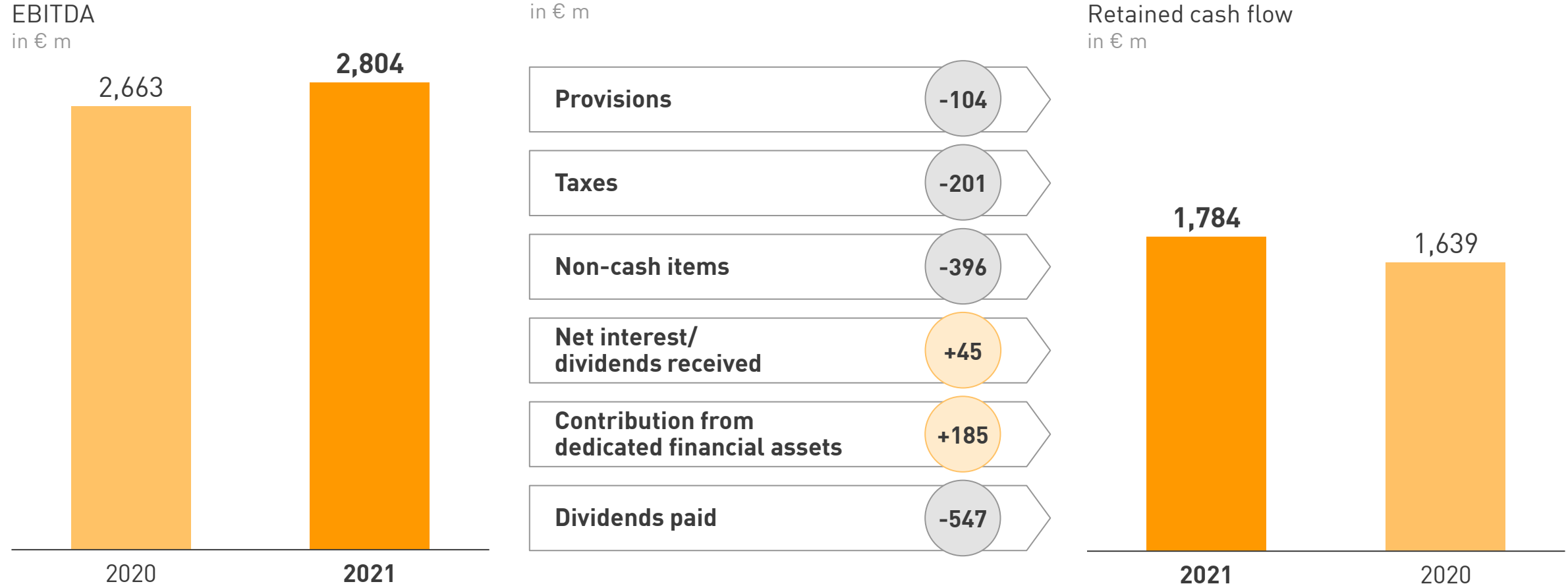
Net cash investment by segments

72% growth

- Smart Infrastructure for Customers
- System Critical Infrastructure
- Sustainable Generation Infrastructure

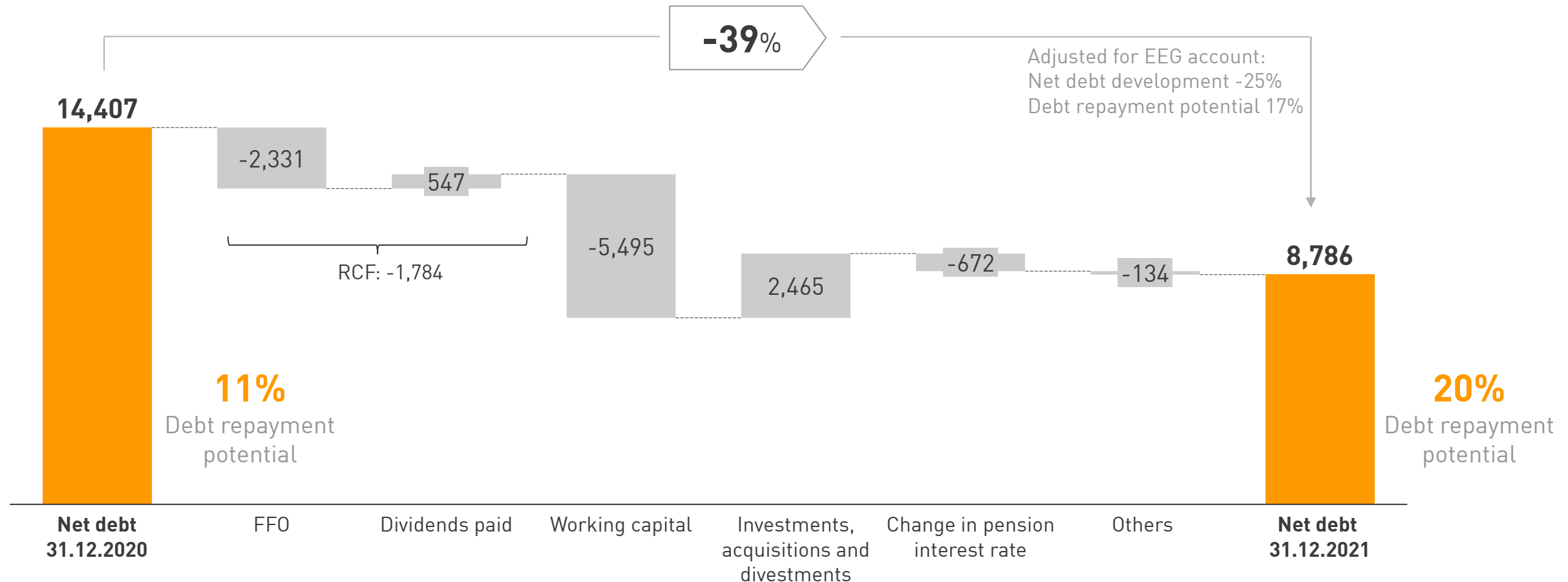


Higher RCF mainly due to increase in EBITDA



Reduction of net debt driven by significantly reduced working capital, higher RCF and increased pension discount rate

in € m

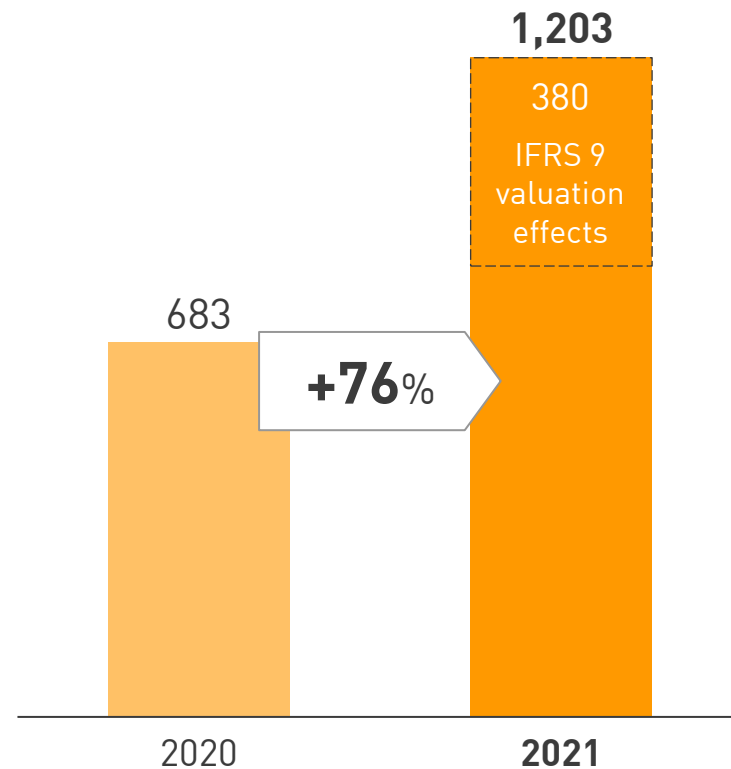


Adjusted Group net profit driven by improvement in financial result

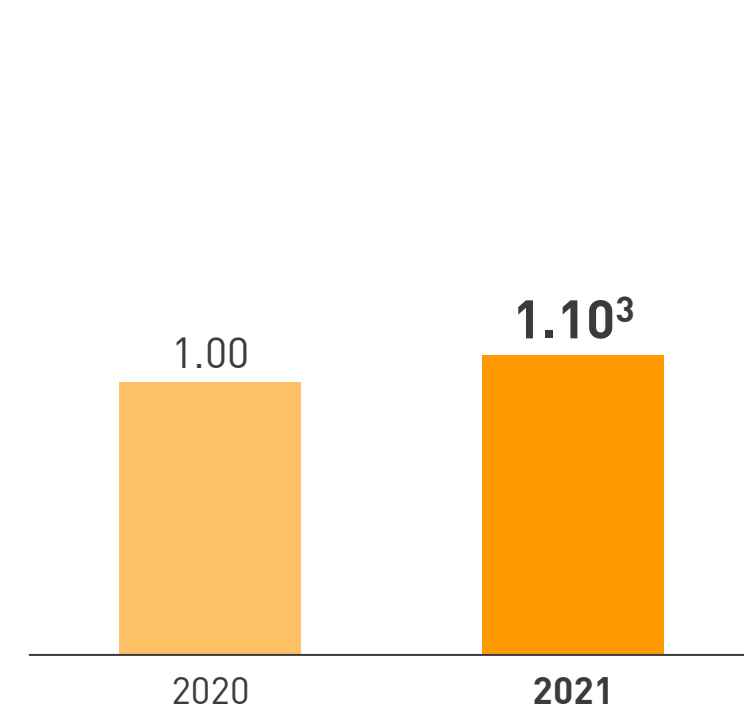
Dividend proposal of € 1.10



Adjusted Group net profit¹
in € m



Dividend per share
in €



€298 m
Distribution

36%
Payout ratio 2021²

Dividend policy:
Payout ratio of 40%-60%

¹ Adjusted Group net profit attributable to the shareholders of EnBW AG

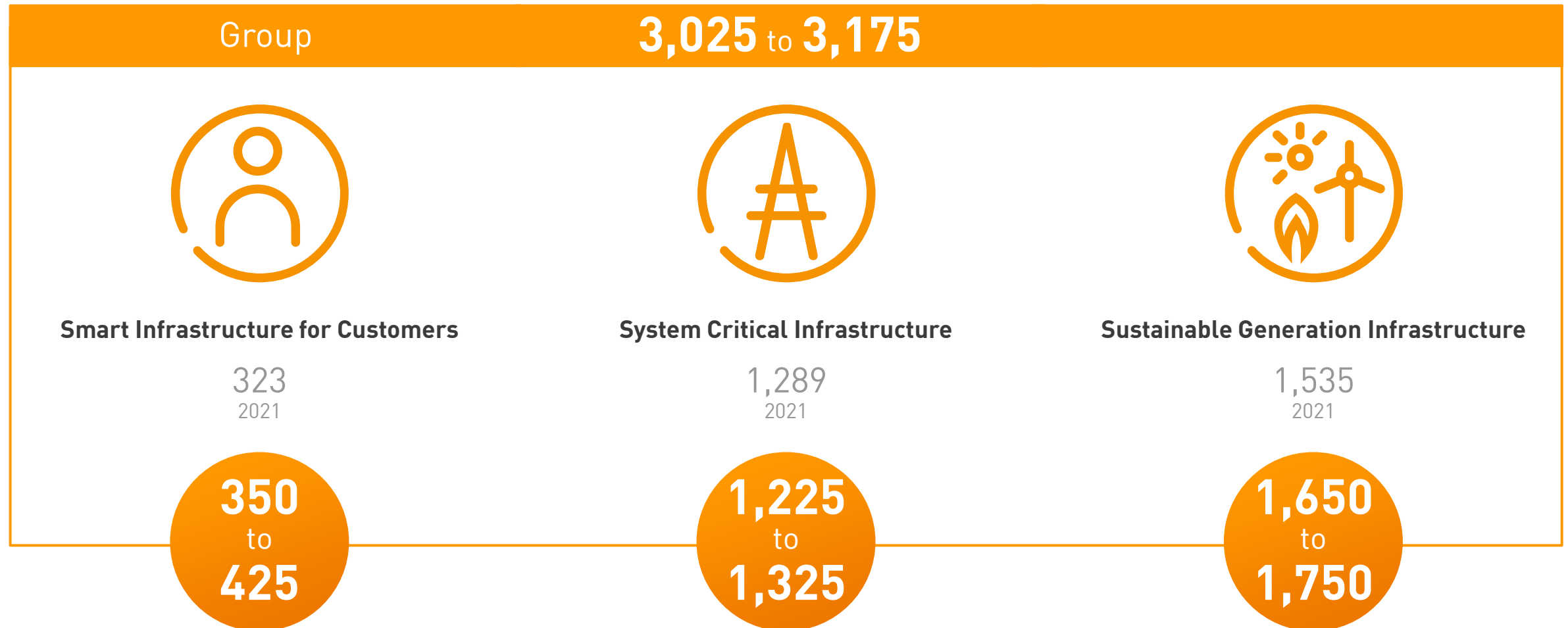
² Payout ratio related to adjusted group net profit additionally adjusted for IFRS 9 effects in financial result

³ Dividend proposal per share subject to the approval of the AGM 5.5.2022

Outlook 2022 – adjusted EBITDA



in € m



Questions & Answers

— EnBW



Appendix



- Additional information [Page 16](#)
- Service information [Page 29](#)

EU taxonomy



EU taxonomy compliant activities



Smart Infrastructure for Customers



System Critical Infrastructure



Sustainable Generation Infrastructure

- > Electricity distribution networks
- > Electricity transmission networks

- > Wind onshore
- > Wind offshore
- > Solar
- > Running water

- > Water networks
- > Water supply

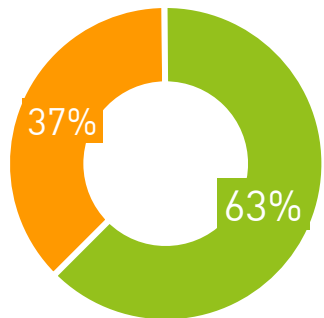
- > Biomass
- > Pumped storage

2020

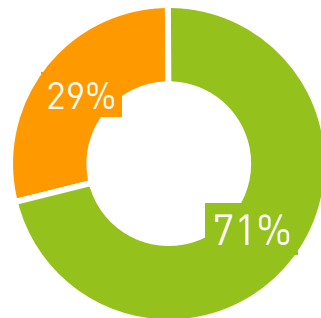
2021

- E-mobility

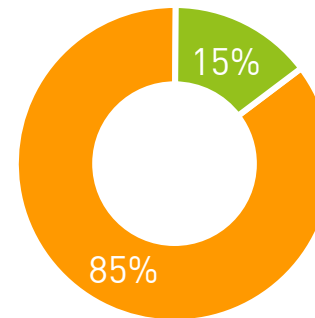
Adjusted EBITDA



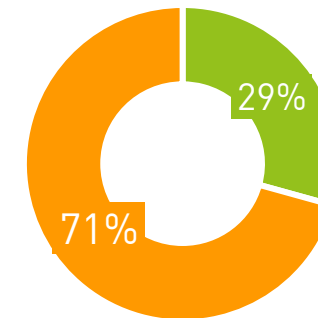
Expanded Capex¹ incl. IFRS 11 | IAS 28



Revenue



Opex



■ EU taxonomy compliant

¹ In accordance with the Taxonomy Regulation, expanded by acquisitions and capital increases from companies accounted for using the equity method

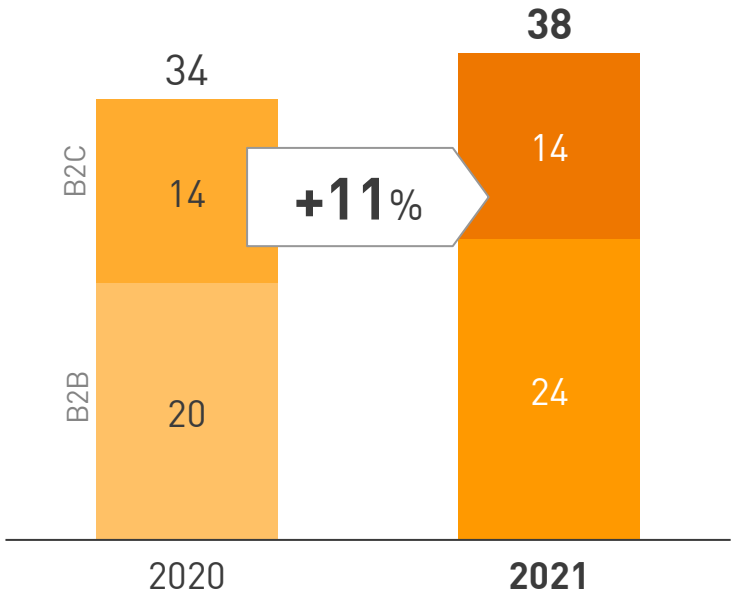


Smart Infrastructure for Customers

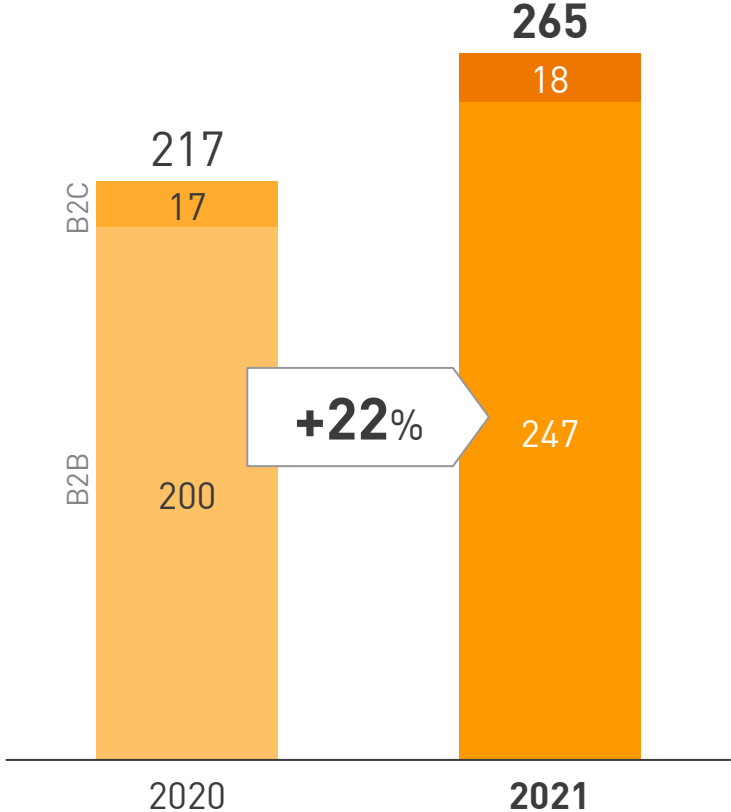
Sales volume



Sales volume electricity
in TWh



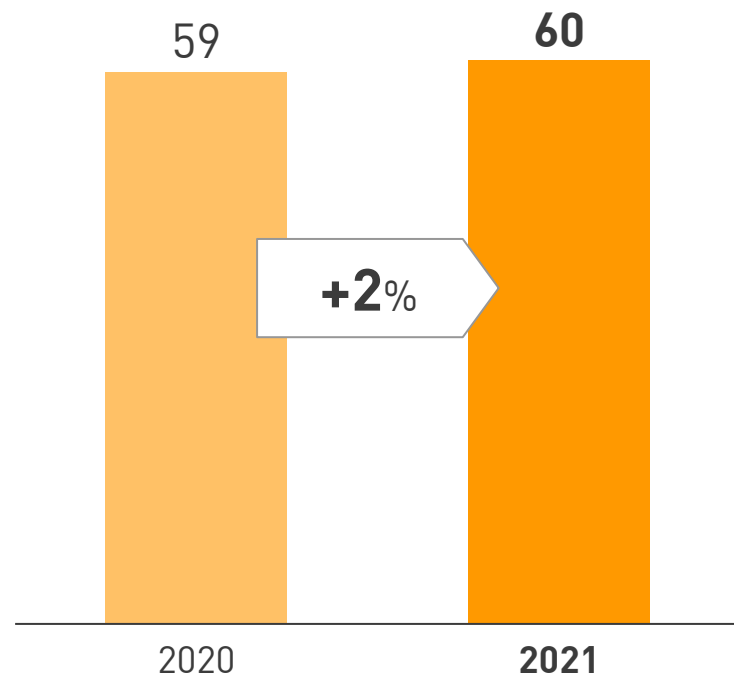
Sales volume gas
in TWh



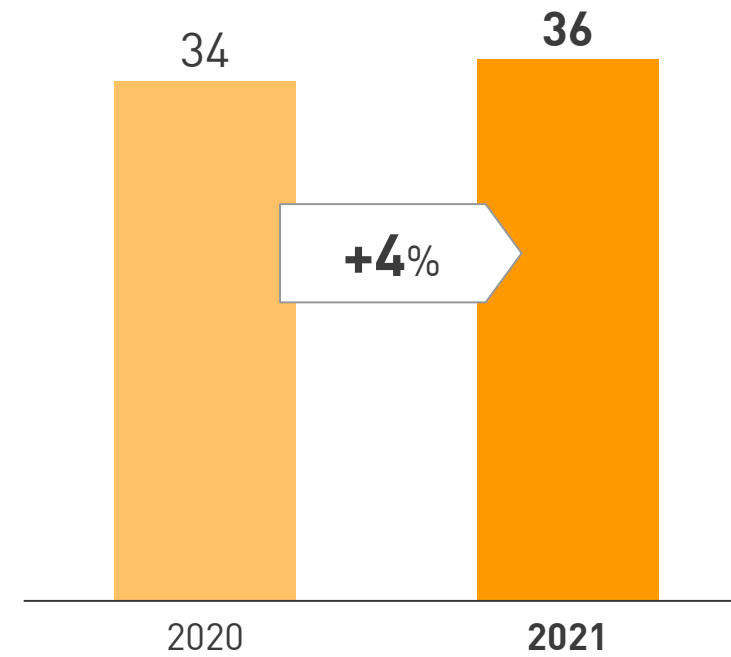
System Critical Infrastructure Transmission volume



Transmission volume electricity
in TWh



Transmission volume gas
in TWh



Non-operating result



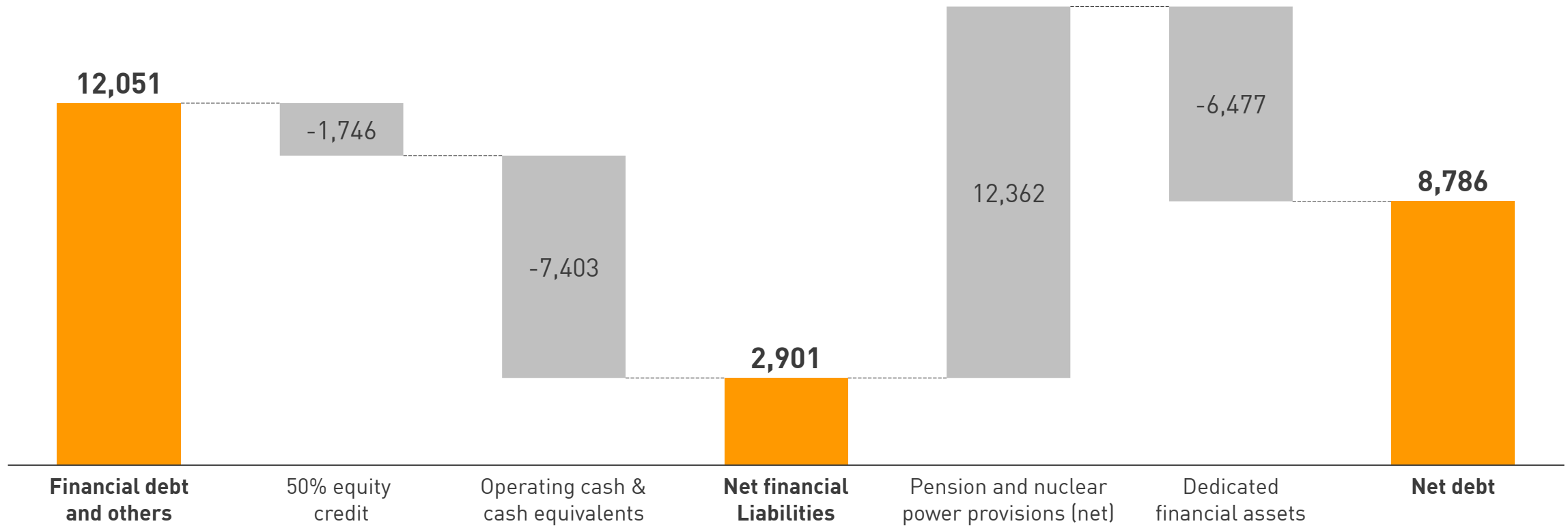
in € m

	2021	2020	Change in %
Income/expenses relating to nuclear power	70.5	43.7	61.3
Income from the reversal of other provisions	8.6	38.3	-77.5
Result from disposals	-6.6	2.4	-
Reversals of/additions to the provisions for onerous contracts relating to electricity procurement agreements	-343.1	-56.8	-
Income from reversals of impairment losses	69.5	16.9	-
Restructuring	-42.3	-53.9	-21.5
Other non-operating result	87.6	-108.5	-
Non-operating EBITDA	-155.8	-117.9	32.1
Impairment losses	-1,088.3	-1709	-
Non-operating EBIT	-1,244.1	-288.8	-

Calculation of net debt¹



in € m

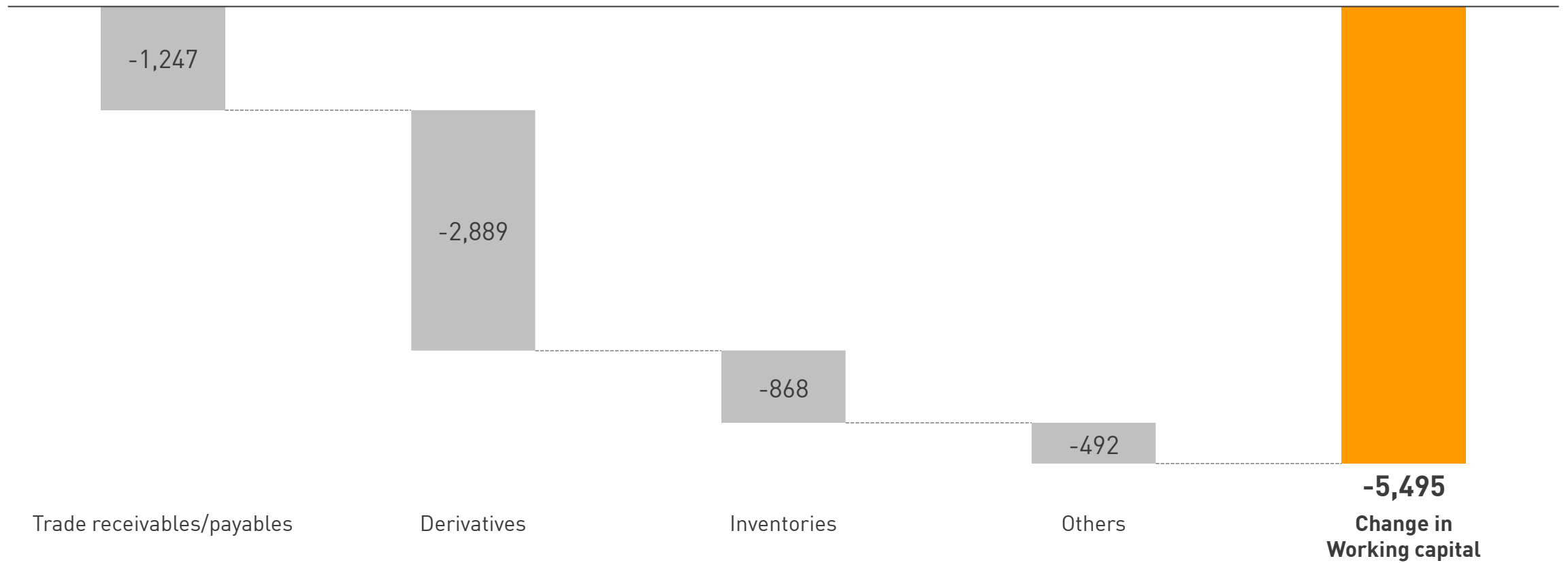


¹ As of 31 December 2021

Working capital effects¹



in € m

¹ 1.1. – 31.12.2021

Income statement



in € m

	2021	2020	Change in %
Revenue	32,147.9	19,694.3	63.2
Changes in inventories/other own work capitalized	276.9	245.1	13.0
Cost of materials	-25,951.0	-14,280.9	81.7
Personnel expenses	-2,457.5	-2,178.7	12.8
Other operating income/expenses	-1,212.8	-816.5	48.5
EBITDA	2,803.5	2,663.3	5.3
Amortization and depreciation	-2,644.7	-1,560.6	69.5
EBIT	158.8	1,102.7	-85.6
Investment and financial result	-354.5	100.1	-
EBT	513.3	1,002.6	-48.8
Income tax	-72.1	-195.0	-63.0
Group net profit	441.2	807.6	-45.4
of which profit shares attributable to non-controlling interests	(78.0)	(211.5)	(-63.1)
of which profit shares attributable to the shareholders of EnBW AG	(363.2)	(596.1)	(-39.1)

Retained cash flow



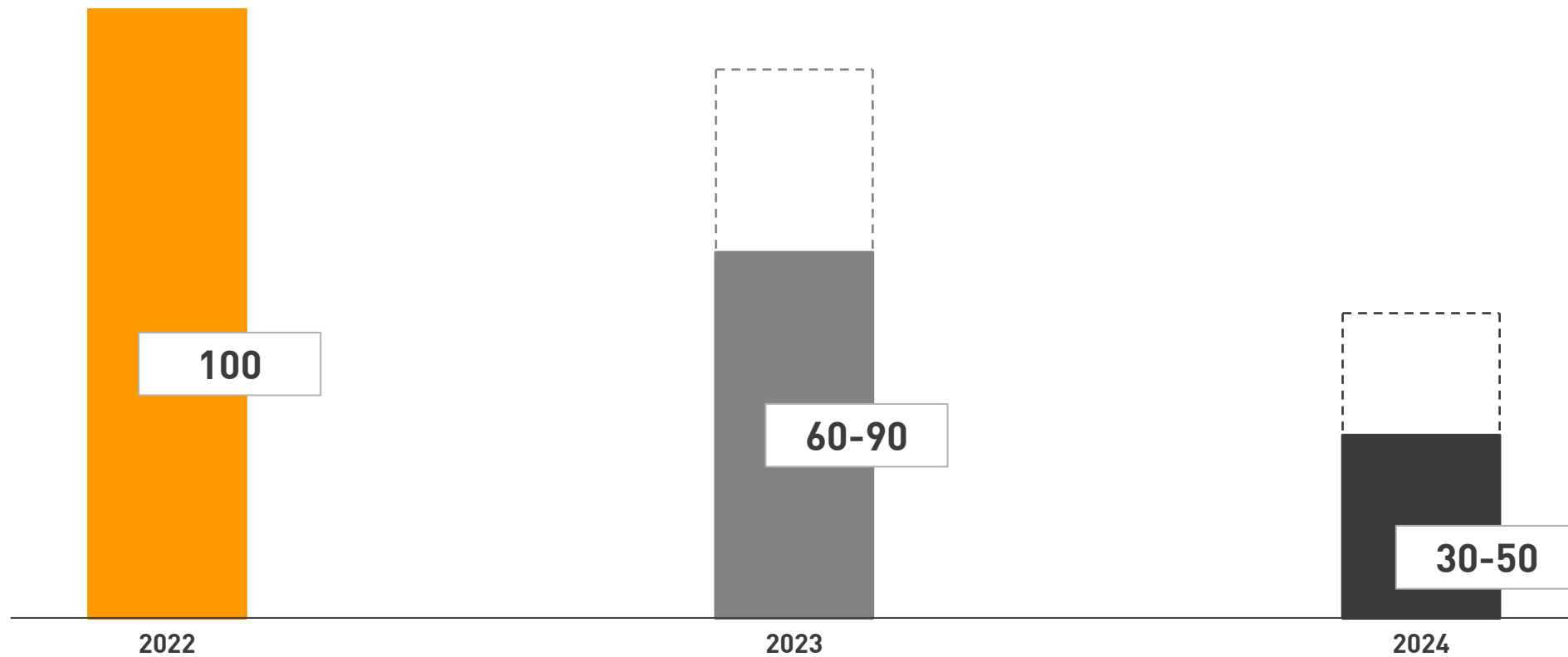
in € m

	2021	2020	Change in %
EBITDA	2,803.5	2,663.3	5.3
Changes in provisions	-103.9	-553.3	-81.2
Non-cash-relevant income/expenses	-396.3	-26.1	-
Income tax paid	-200.6	-207.8	-3.5
Interest and dividends received	358.0	264.5	35.3
Interest paid for financing activities	-314.5	-236.1	33.2
Dedicated financial assets contribution	184.8	123.1	50.1
Funds from Operations (FFO)	2,331.0	2,027.6	15.0
Dividends paid	-547.2	-389.1	40.6
Retained Cashflow	1,783.8	1,638.5	8.9

Electricity generation hedge levels¹

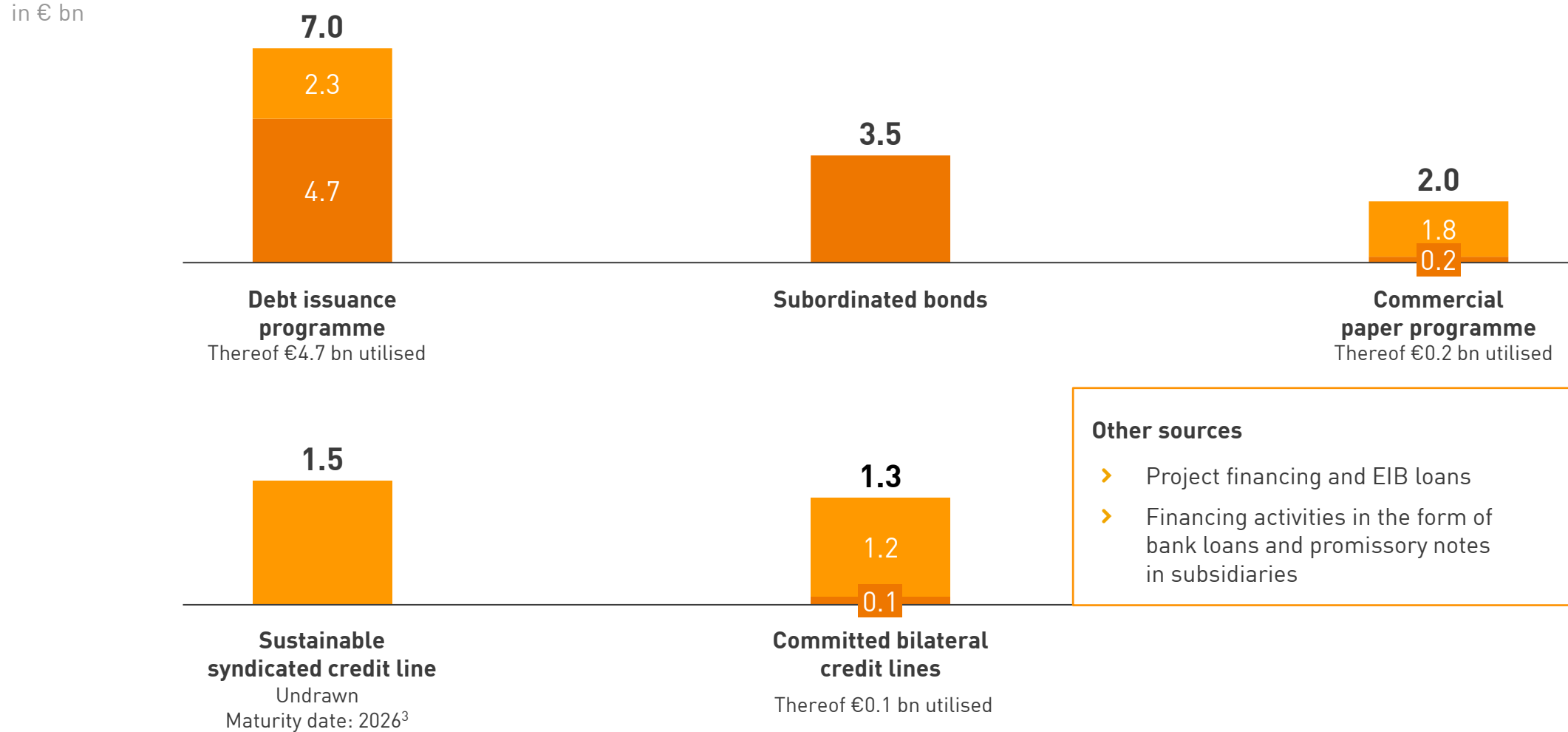


in %



¹ As of 31 December 2021

EnBW has flexible access to various financing sources ^{1,2}



¹ As of 31 December 2021

² Rounded figures

³ Following exercise of the first annual renewal option after the first year. There is a second renewal option after the second year with the potential maximum term until end of June 2027.

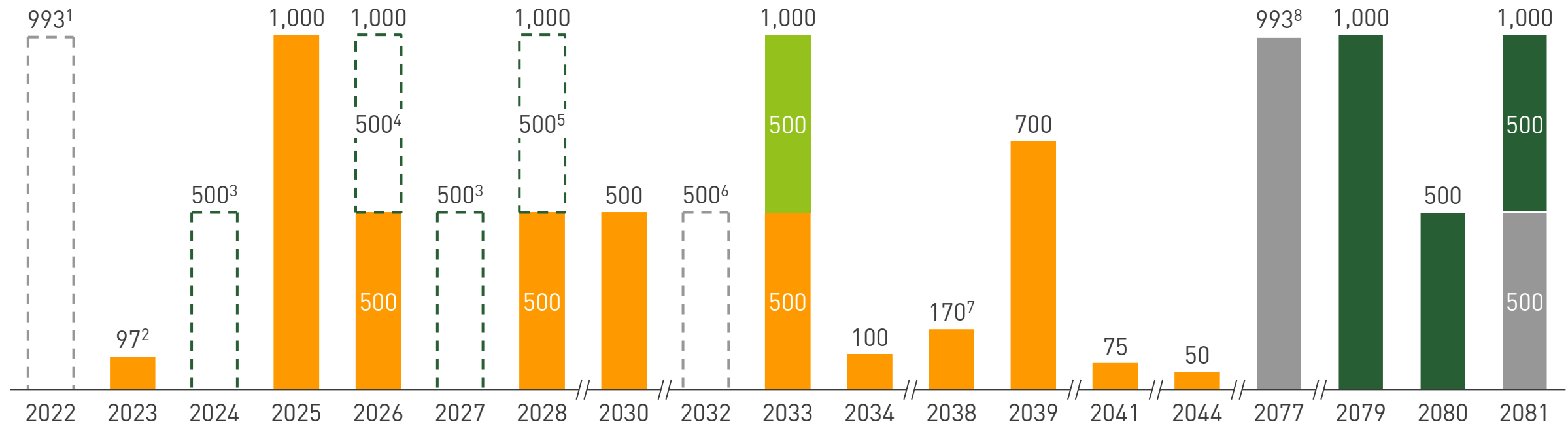
Maturities of EnBW's bonds



in €m

as of 31 December 2021

■ Green subordinated bonds ■ Green senior bond First call dates of subordinated bonds
■ Subordinated bonds First call dates of green subordinated bonds ■ Senior bonds



¹ First call date: subordinated maturing in 2022; includes USD 300 m (swap in €), coupon before swap 5.125%

² CHF 100 m, converted as of the reporting date of 31.12.2021

³ First call date: green subordinated maturing in 2024

⁴ First call date: green subordinated maturing in 2026

⁵ First call date: green subordinated maturing in 2028

⁶ First call date: subordinated maturing in 2032

⁷ JPY 20 bn (swap in €), coupon before swap 5.460%

⁸ Includes USD 300 m, converted as of 5.10.2016

Fixed income: Credit ratings



MOODY'S INVESTORS SERVICE

Baa1 / stable
18 May 2021

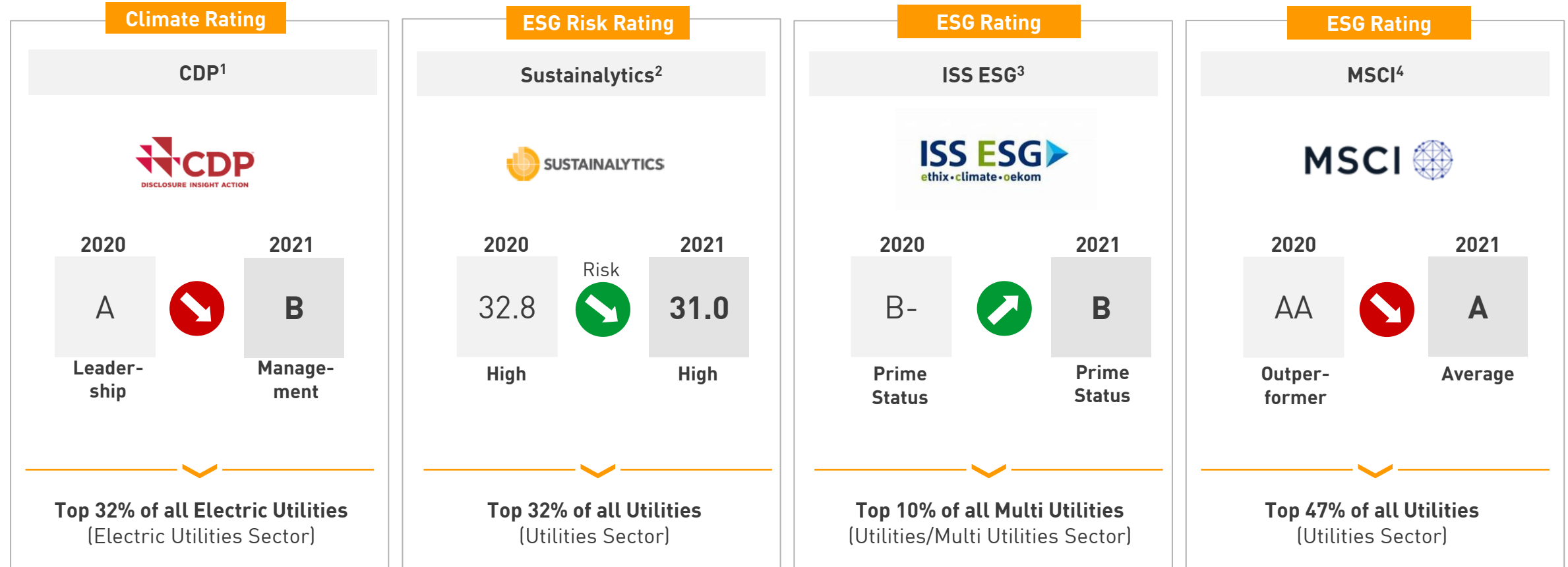
- › Leadership position as vertically integrated utility within Baden-Württemberg
- › Significant proportion of EBITDA, around 50%, from low-risk regulated distribution and transmission activities
- › Growing share of renewables under contracts as EnBW continues to invest in line with its strategy
- › Historically balanced financial policy and demonstrated commitment to robust credit quality
- › Difficult operating environment in Germany for conventional generation and challenging retail markets
- › Execution risks relating to a large investment programme, including offshore wind development
- › Supportive stance of shareholders

S&P Global Ratings

A- / stable
2 June 2021

- › Well positioned amid the European energy transition, with a business mix that is proving resilient to economic downturns
- › EnBW to enter an intensive investment circle focusing mostly on low-risk grid projects and increasing renewable capacity
- › Capex intensification will increase leverage, but consistent with current rating
- › Regulated business and low-risk renewable portfolio will translate into stable and sustainable cash flow streams
- › Prudent risk-sharing strategy; increasing share of minority shareholdings factored in in S&P's rating triggers
- › Moderate likelihood of government support

Major sustainability ratings



¹ CDP Scale: A to D (Leadership A/A-; Management B/B-; Awareness C/C-; Disclosure D/D-; Failure F)

² Sustainalytics Scale: 0-100 (Risk Score: negligible (0-10); low (10-20); medium (20-30); high (30-40); severe (40+))

³ ISS ESG Scale: A+ to D- (absolute best-in-class basis; Prime Status awarded)

⁴ MSCI Scale: AAA to CCC (Leader AAA – AA; Average A – BB, Laggard B – CCC)

EnBW IR contacts



Marcel Münch

Head of Finance, M&A and
Investor Relations

☎ +49 721 – 63 16 102



Peter Berlin

Director Capital Markets

☎ +49 721 – 63 12 844



Julia von Wietersheim

Senior Manager
Investor Relations

☎ +49 721 – 63 12 060

✉ investor.relations@enbw.com



Lea Gantz

Manager
Investor Relations

☎ +49 721 – 63 13 646



Regina Martin

Manager
Investor Relations

☎ +49 721 – 63 13 613



Julia Reinhardt

Manager
Investor Relations

☎ +49 721 – 63 12 697

Financial calendar



5 May 2022	Annual General Meeting 2022
13 May 2022	Publication figures Q1 2022 Investor and analyst conference call: 01:00 pm
12 August 2022	Publication figures Q2 2022 Investor and analyst conference call: 01:00 pm
11 November 2022	Publication figures Q3 2022 Investor and analyst conference call: 01:00 pm

