

Investor presentation

UniCredit European Energy & Utilities Credit Conference >

Peter Berlin
Julia von Wietersheim

Director Capital Markets
Senior Manager Investor Relations

17 November 2021



EnBW at a glance¹



€19,694 m

Total revenue

€2,781.2 m

Adjusted EBITDA

€682.8 m

Adjusted Group net profit

€1,638.5 m

Retained cash flow

24,655 employees

~5.5 m customers

12,486 MW generation portfolio
of which

4,865 MW or **39%** Renewable
Energies

144,000 km electricity grid

26,000 km gas grid

Balanced risk-return profile

- > **78%** EBITDA contribution from regulated grid business and renewable energies
- > Active in selected foreign markets
- > Solid investment-grade ratings

Fully integrated utility with 3 business segments

- > Smart infrastructure for customers
- > System-critical infrastructure
- > Sustainable generation infrastructure



Stable shareholder structure²

- > NECKARPRI-Beteiligungsgesellschaft mbH³: **46.75%**
- > OEW Energie-Beteiligungs GmbH (OEW)⁴: **46.75%**
- > Badische Energieaktionärs-Vereinigung (BEV): **2.45 %**
- > EnBW Energie Baden-Württemberg AG: **2.08%**
- > Gemeindeelektrizitätsverband Schwarzwald-Donau (G.S.D.): **0.97%**
- > Neckar-Elektrizitätsverband (NEV): **0.63%**
- > Other shareholders: **0.39%**

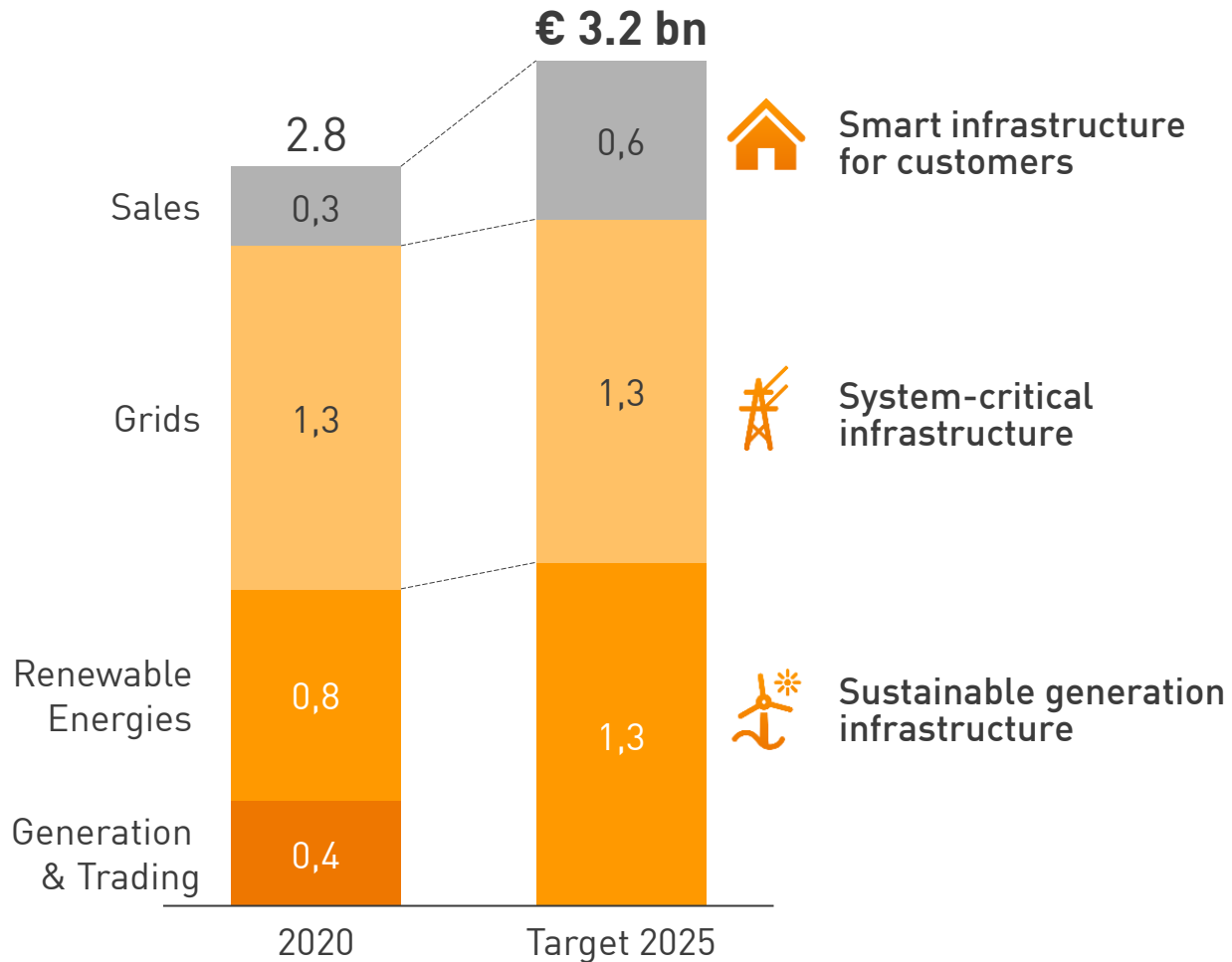
¹ As of 31 December 2020; ² as of 30 September 2021; ³ 100% subsidiary of NECKARPRI GmbH which is a 100% subsidiary of the federal state of Baden-Württemberg; ⁴ 100% subsidiary of Zweckverband Oberschwäbische Elektrizitätswerke which is an association of 9 districts with headquarters in Ravensburg

EnBW 2025 Strategy - Growth with focus on infrastructure



Adj. EBITDA growth

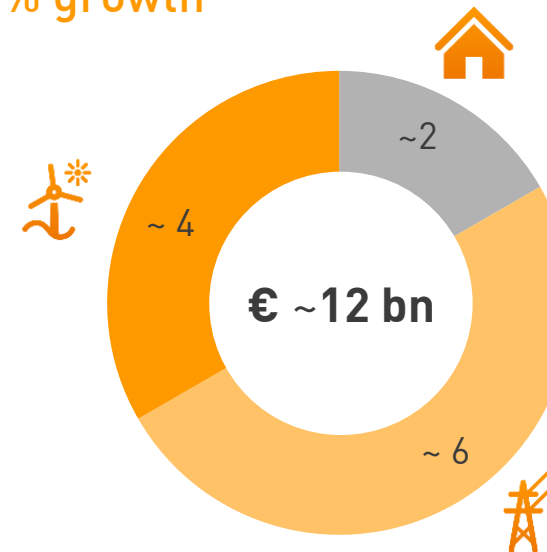
in € bn



Investment volume 2021-2025

in € bn

80% growth



KPI to manage financial profile

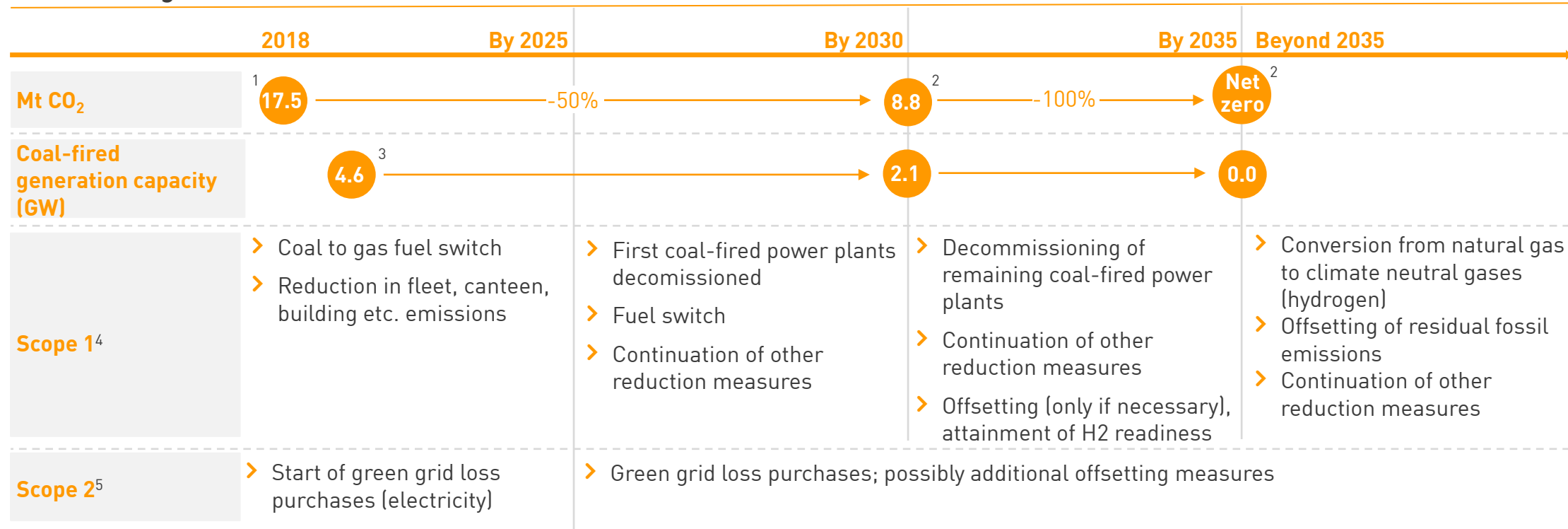
Debt repayment potential¹ >12%

¹ RCF / net debt; regularly reviewed in line with the requirements of the rating agencies to maintain a solid investment-grade rating

Climate neutrality by 2035 is key principle behind our strategic business activities



Emission targets and measures



¹ Starting figure for Scope 1 and 2 (mainly power generation and grid losses) ² Target for Scope 1 and 2 ³ As of October 2020

⁴ All direct emissions from the activities of an organisation or under their control.

⁵ Indirect emissions from electricity purchased and used by the organisation.



Sustainable generation infrastructure

Expansion of renewable energies is major driver



2020
39%
of generation
capacity

Renewables

Targets 2025

- > Share of generation capacity > 50%
- > Wind onshore and offshore 4 GW
- > Solar 1.2 GW



2020
61%
of generation
capacity

Conventionals

Coal exit 2035

- > Coal 35% of generation capacity and 23% of generation volume (2020)
- > RDK 7 registered for decommissioning by mid 2022

Nuclear exit 2022

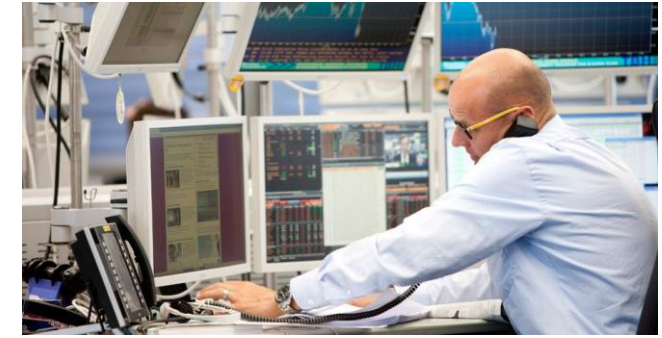
- > 10% of generation capacity (2020)

Reserve power plants

- > 1.7 GW¹ until 2023

Fuel switch planned for 3 sites²

- > e.g. CCGT Altbach/Deizisau: 750 MW electricity/170 MW heat



Trading

- > 2021 generation position fully hedged one year in advance

Strategic dimensions

- > Regional expansion into CWE and Nordics
- > Extension of product range e.g. LNG³
- > Two PPA⁴ over 15 years with Energiekontor in 2019 and 2021
- > 150 MW PPA for three solar parks signed with Blue Elephant Energy
- > Smart & digital trading strategies



Sustainable generation infrastructure

Renewable Energies are core of our energy transition strategy



Offshore wind

- › 1 GW in operation
- › 2.4 GW secured pipeline (He Dreiht & UK)
- › Project development in UK, US & Taiwan



Onshore wind

- › 1 GW in operation
- › 2.2 GW secured pipeline and under construction
- › Project development in Germany, France & Sweden



Solar

- › 0.3 GW in operation
- › 0.8 GW secured pipeline and under construction
- › Project development in Germany & France

Latest project news

Offshore wind UK

- › EnBW and bp awarded 3 GW in 2021
- › Most attractive areas in the auction
- › Expected FID 2026 / start COD 2028/29

Offshore wind farm HeDreih

- › 900 MW subsidy-free offshore wind farm
- › Most advanced and cost-efficient 15 MW turbines from Vestas
- › Expected FID 2023 / start COD 2025

Solar Germany

- › 187 MW Weesow-Wilmersdorf connected to grid
- › 300 MW (2*150 MW) under construction in north-east Germany





System-critical infrastructure

Focus on grids is crucial for a successful energy transition



144,000
km

Electricity distribution grids

Integration of renewables and e-mobility

Partnership approach of Netze BW

- > Second investment phase ended 30/06/2021
- > 214 municipalities
- > Shareholding in Netze BW of around 14%



3,000
km

Electricity transmission grids

Expansion of networks to transmit electricity generated in the windy north to southern Germany

- > SuedLink 2 x 2 GW, > 600 km (TransnetBW, TenneT)
- > ULTRANET 2 GW, 340 km, 40 km under TransnetBW (TransnetBW, Amprion)



26,000
km

Gas grids

H₂- readiness expected by 2040

Transmission grids (10,000 km)

- > Acquisition of Gas-Union Transport - extension of gas grid (~550 km)²
- > Planning of natural gas pipeline in South-Germany (~250 km) to meet rising demand²
- > EUGAL¹ - completion in Q2 2021 (~480 km)³

Distribution grid (16,000 km, Netze BW)

- > Project "H₂ island" already delivers climate-friendly supply

¹ European Gas Pipeline Link; 480 km from the Baltic Sea to the German-Czech border, 16% participation of Ontras; ² terranets bw; ³ Ontras



Smart infrastructure for customers

Sustainable engagement for our customers



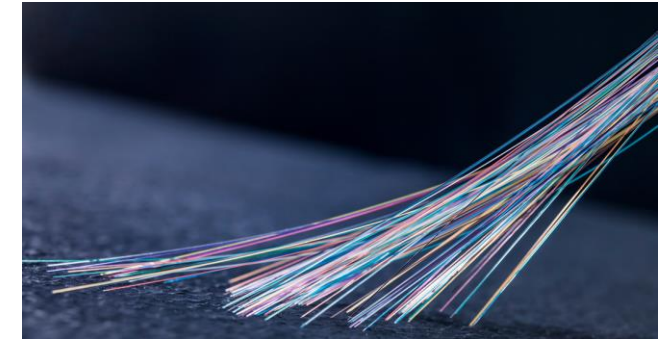
Electricity and gas

- Yello brand: Switch to sustainable product portfolio
- EnBW brand: Conclusion of green electricity contracts only for new B2C customers on enbw.com
- Among top 3 home electricity storage suppliers in Germany¹
- Acquisition of Gas-Union
- Digital business models and improvements in cost efficiency



E-mobility

- Market leader in quick-charging in Germany
 - Currently more than 700 locations
 - Target 2021: >1,000 locations
 - Construction of further HyperHubs throughout Germany
- EnBW mobility+
 - No.1 e-mobility app in Germany
 - Over 200,000 charging points in 9 countries



Broadband/Telecommunication

Fibre infrastructure combined with product and service portfolio

Plusnet (telecommunications provider)

- >25,000 business customers
- Network with 100 Gbit/s bandwidth
- PMI process completed

NetCom BW

- ~65,600 customers (9,250 B2B)
- ~16,600 km of fibre optic cable

¹ SENE

Decisions and business activities driven by ESG responsibilities


E


Environmental



Reduction of CO₂ footprint

Responsible use of resources

Preservation of biodiversity



Water and soil protection

Energy efficiency

Emission control

S


Social



Responsibility for employees

Coal phase out: No job losses

Fuel switch: Secure locations & jobs



Transparent coal procurement aligned with ESG standards

UN Guiding Principles on Business and Human Rights

G


Governance



ESG criteria integrated in investment approval process



Decisions guided by climate neutrality target 2035



Management Board remuneration including clawback

Sustainable finance approach underpins EnBW's corporate strategy



Sustainable financing

€ 2.5bn Green bonds¹

Financed projects contribute to achieving environmental KPIs

€1.5 bn sustainable syndicated credit line

Borrowing costs depend on target attainment on selected sustainability KPIs:

- > CO₂ intensity
- > Share of renewables capacity
- > Grid supply reliability (SAIDI)



Environmental KPIs Targets 2025

Expand renewable energies

(2020: 4.9 GW / 39%)

- > Installed capacity 6.5 to 7.5 GW
- > Share of generation capacity > 50%

Climate protection

(2018: 553 g/kWh)

- > Reduce CO₂ intensity by 15% to 30%²

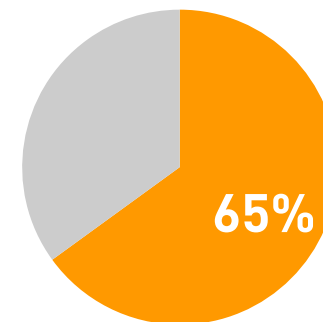
EU Taxonomy

First mover in disclosing taxonomy data

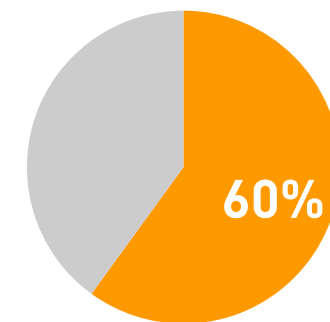
- > Renewable energies³ and grids⁴ in first step

Environmentally sustainable business activities of EnBW Group

Share in 2020



Adjusted EBITDA



Capex

More information on our website: [EU taxonomy | EnBW](#)

¹ Already 31% of EnBW's total outstanding corporate bonds as of 31 August 2021; ² Reference year 2018;

³ Renewable Energies: including onshore wind, offshore wind, solar/PV, hydropower plants; ⁴ Grids: Including electricity grids (distribution and transmission grids)

⁵ Share of environmentally sustainable Renewable Energies and Grids business activities (included in the analysis) in relation to all Group activities

Financing strategy follows credit investors' needs



- ✓ Solid investment-grade ratings
- ✓ Financial profile managed by debt repayment potential
- ✓ Focus on sustainable financial instruments
- ✓ Successful management of longterm obligations with CF-based Asset Liability Management Model
- ✓ Stable government-related shareholder structure and dividend policy¹



¹ Payout ratio of 40% to 60% of adj. Group net profit.

Questions & Answers



Appendix



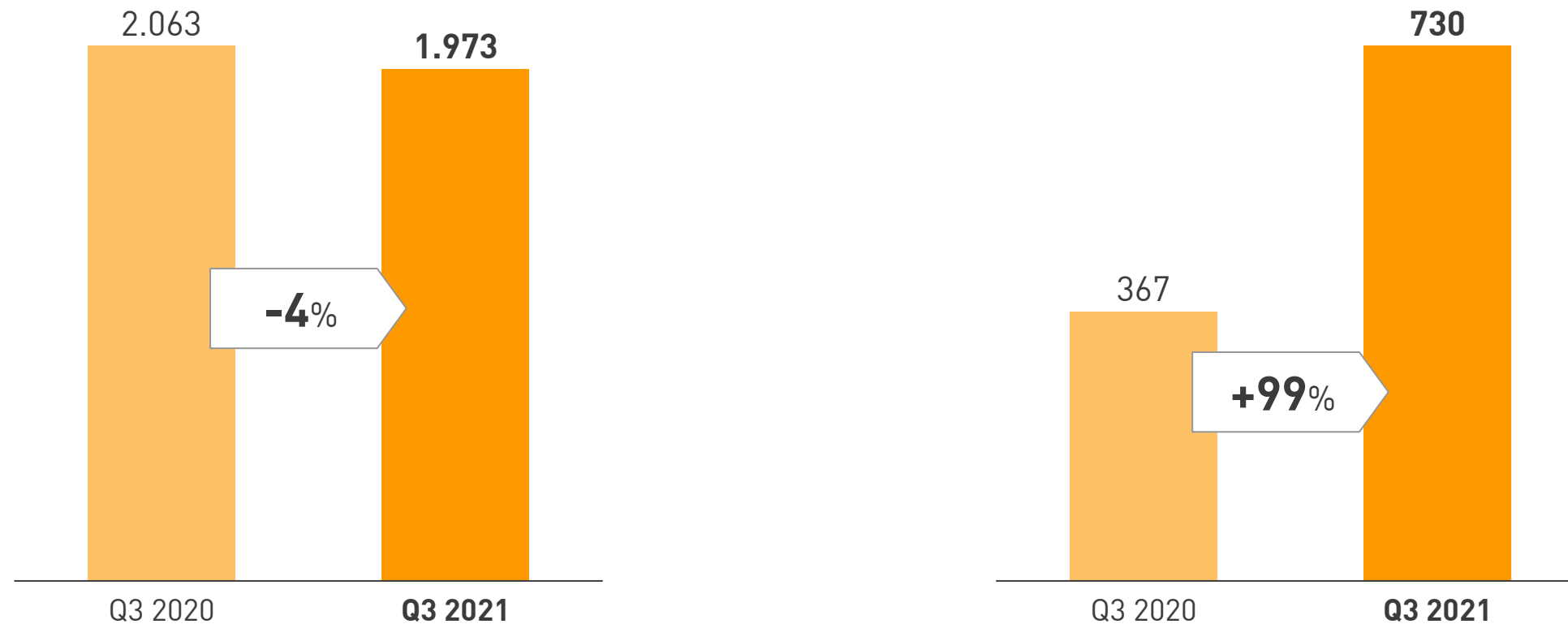
- > Additional information [Page 14](#)
- > Service information [Page 30](#)

Temporary effects slightly reduced adjusted EBITDA

Financial result improvement increases adjusted Group net profit



Adjusted EBITDA
in € m



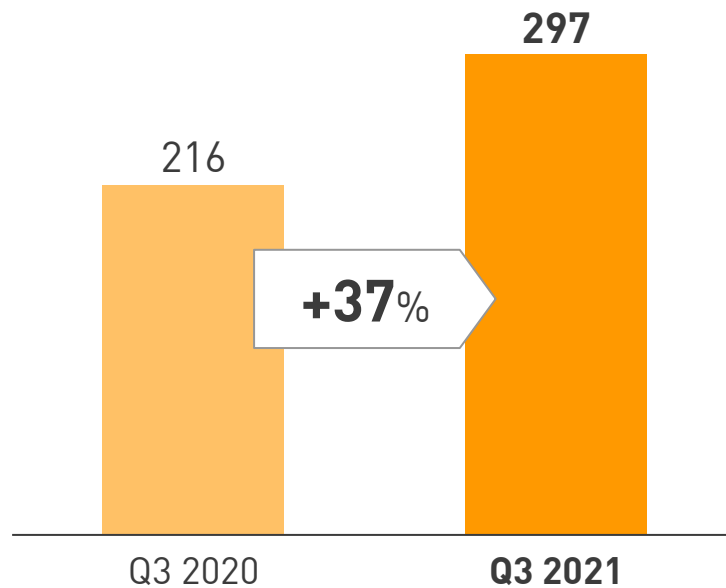
¹ Attributable to the shareholders of EnBW AG



Smart Infrastructure for Customers Improved earnings in the commodity business



Adjusted EBITDA
in € m



Electricity and gas sales

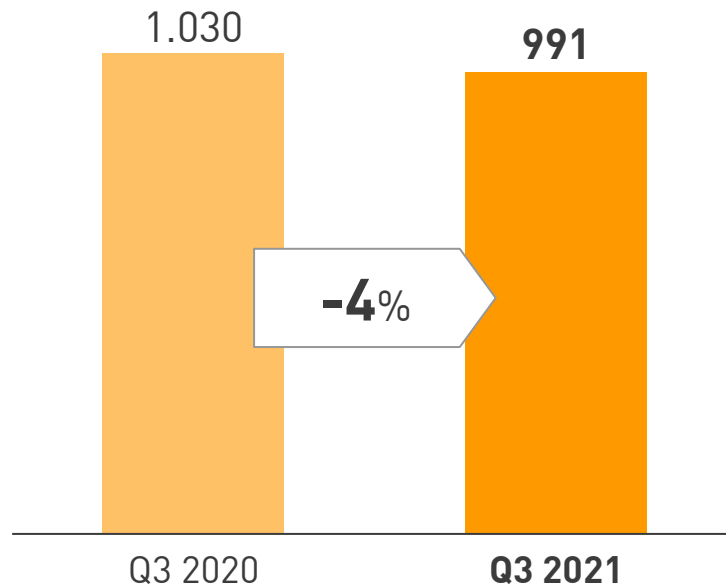
- Improved earnings in the commodity business at all our sales companies
- Positive earnings performance at our subsidiary SENEK

System Critical Infrastructure

As expected, higher expenses due to necessary grid expansion



Adjusted EBITDA
in € m



Transmission and distribution grids

- ▲ Higher grid revenues
- ▼ Higher personnel expenses due to the necessary grid expansion

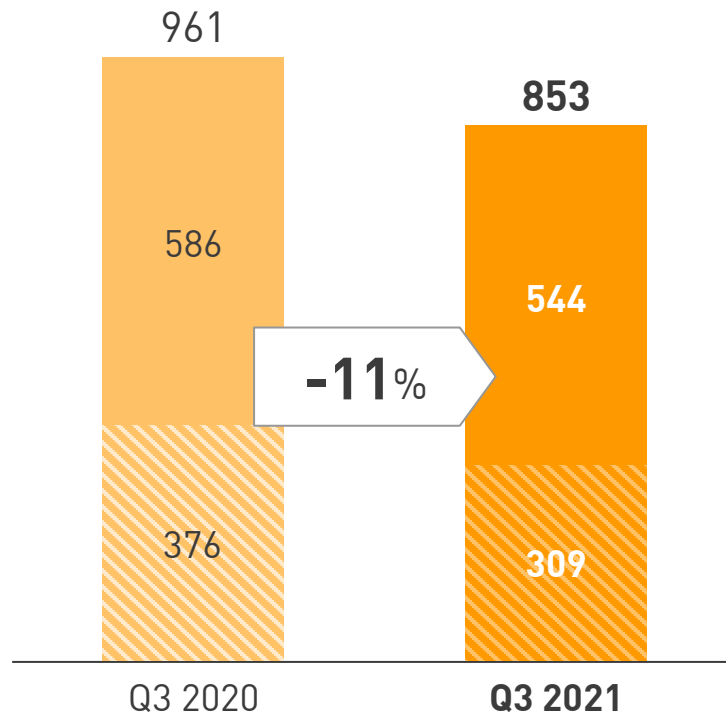


Sustainable Generation Infrastructure

Lower wind yields and temporary valuation effects



Adjusted EBITDA
in € m



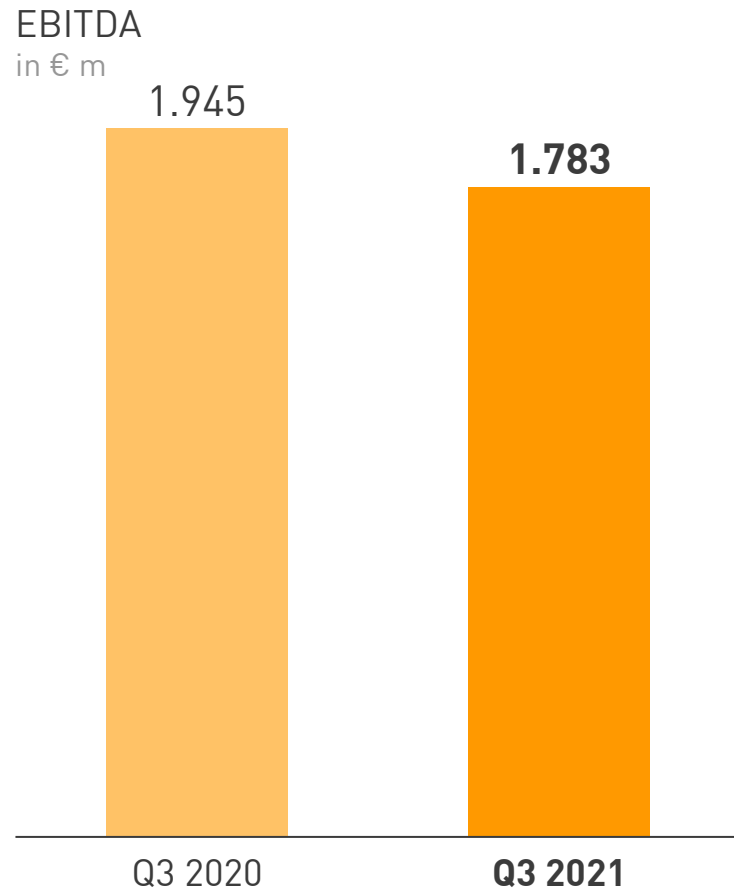
Renewable Energies

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

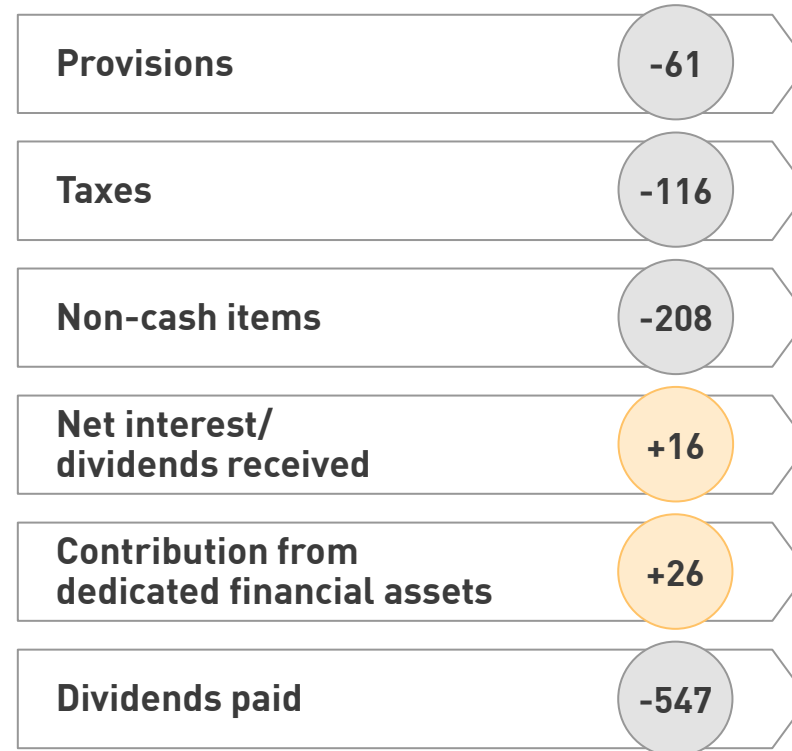
Thermal Generation and Trading

- Temporary negative valuation effects

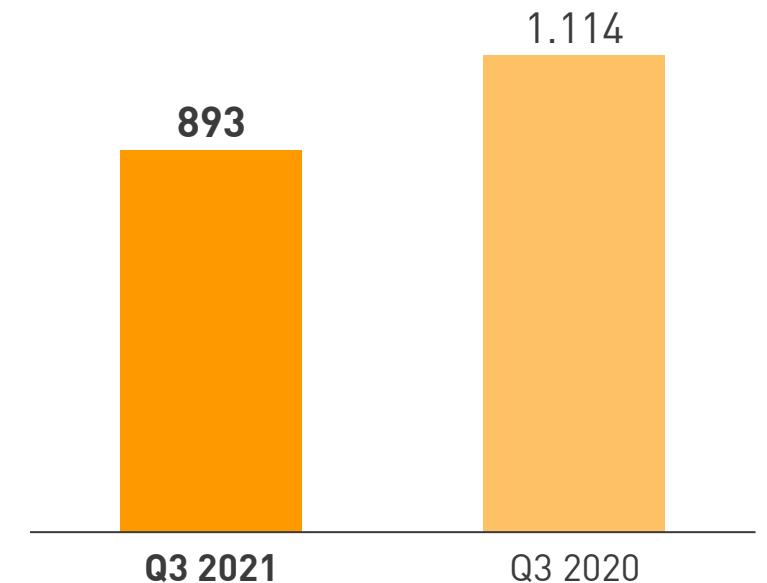
Decrease in RCF mainly due to higher dividend payout and interest paid



in € m



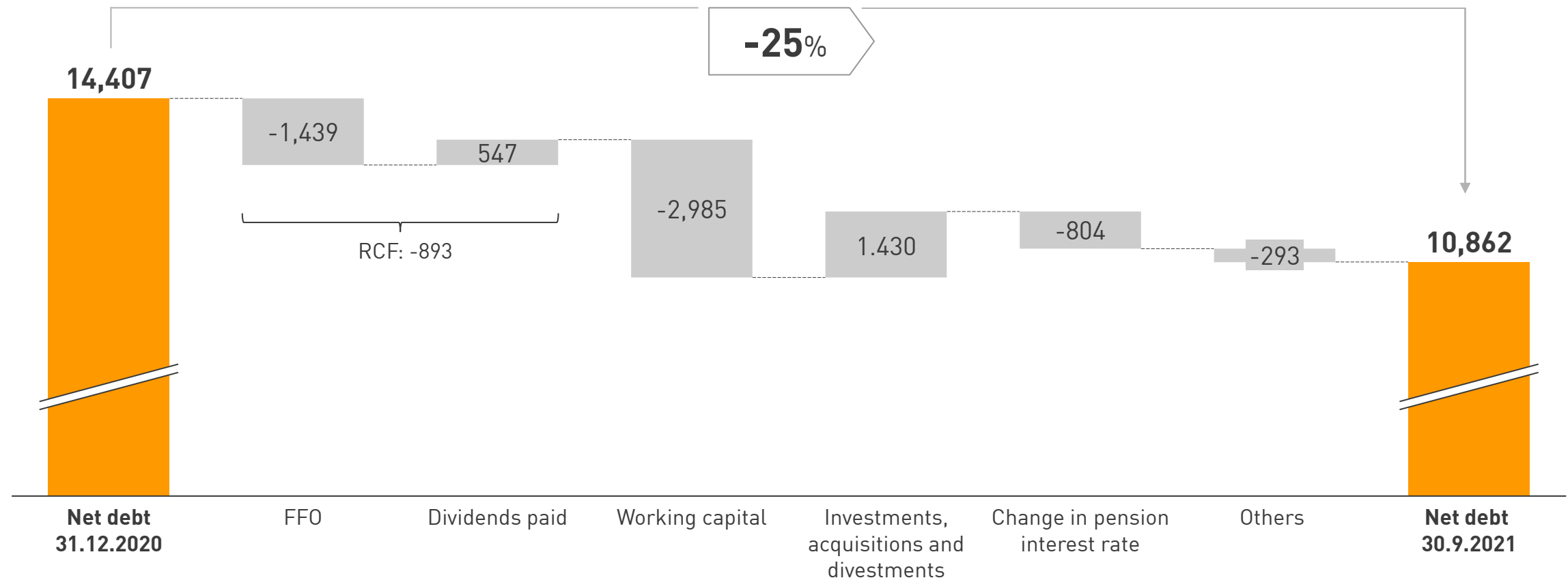
Retained cash flow
in € m



Significant reduction of net debt mainly driven by RCF, a significant reduction in WC as well as EEG payments received and increased pension discount rate



in € m



Outlook 2021



in € m

Group **2,825 to 2,975**



Smart Infrastructure for Customers

335
Adj. EBITDA 2020

300
to
375



System Critical Infrastructure

1,347
Adj. EBITDA 2020

1,300
to
1,400



Sustainable Generation Infrastructure

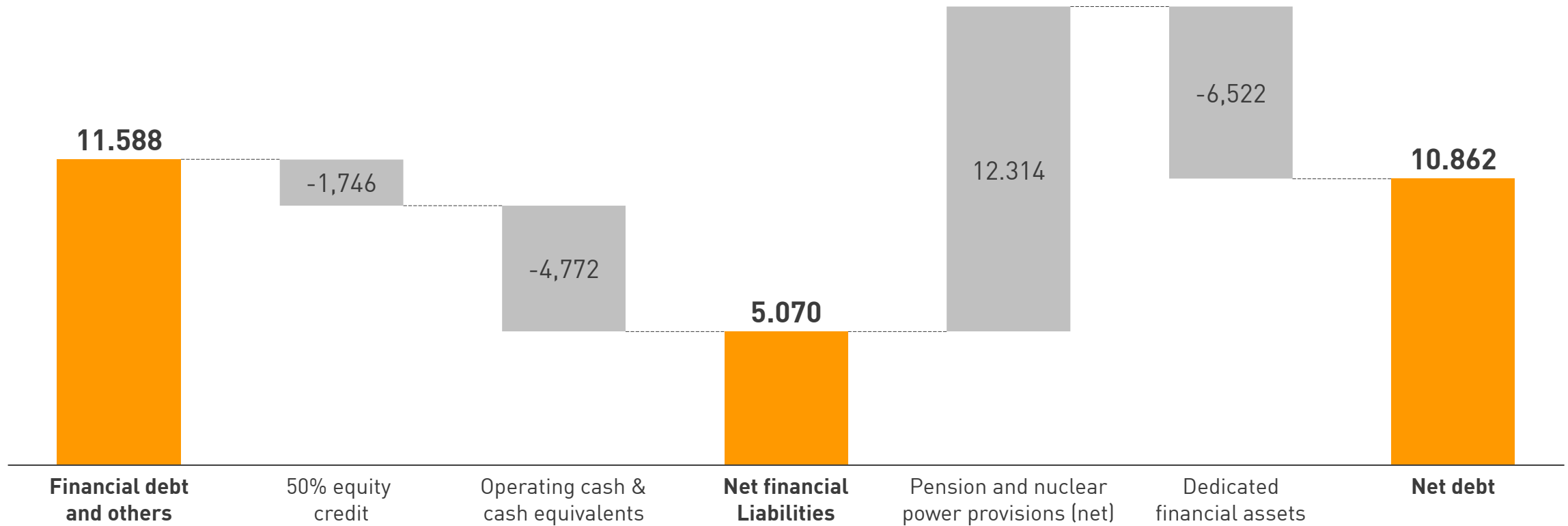
1,278
Adj. EBITDA 2020

1,375
to
1,475

Calculation of net debt¹



in € m

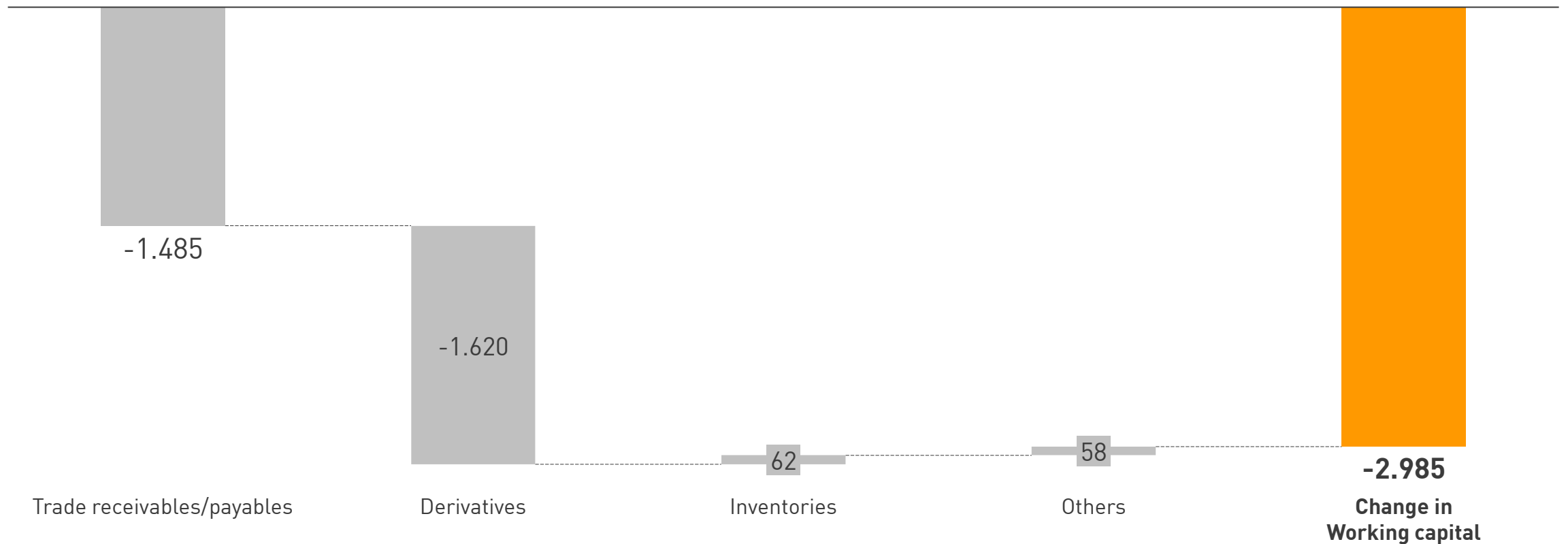


¹ As of 30 September 2021

Working capital effects¹



in € m

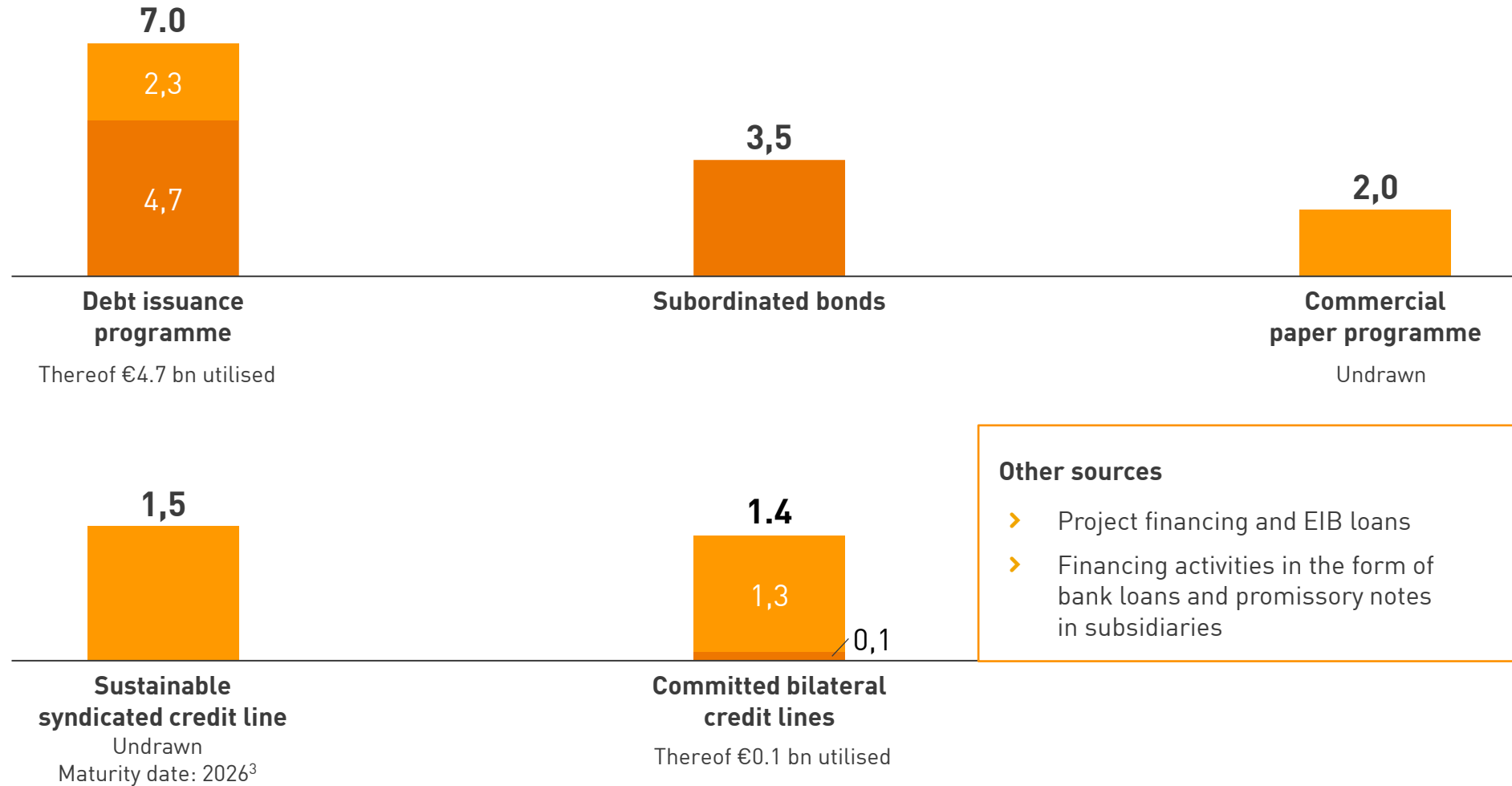


¹ 1.1. – 30.9.2021

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



in € bn



¹ As of 30 September 2021

² Rounded figures

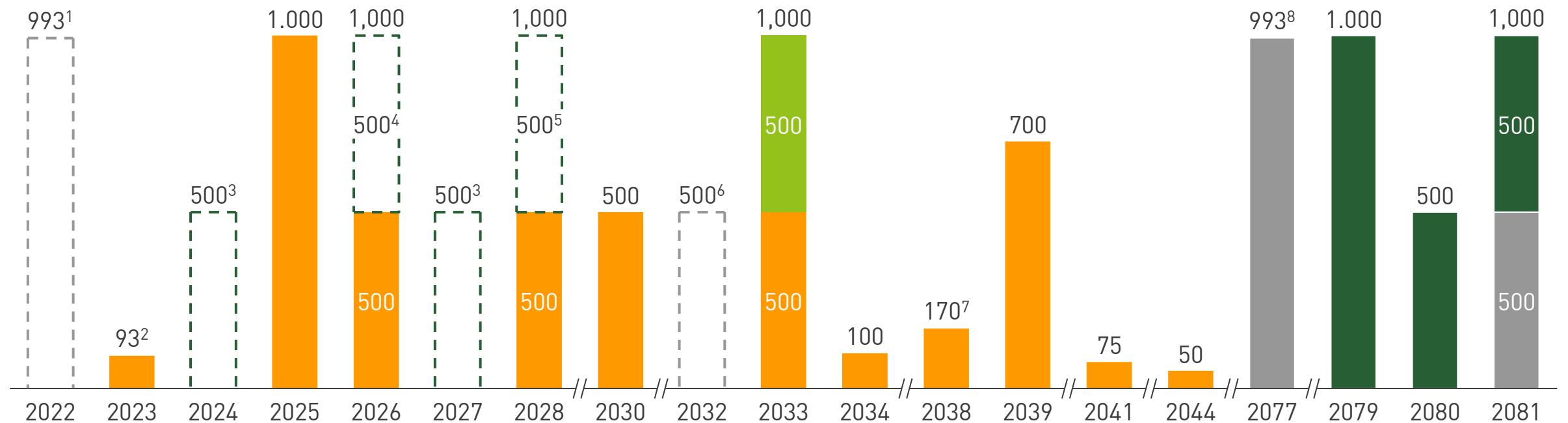
³ Following exercise of the first annual renewal option after the first year. There is a second renewal option after the second year with the potential maximum term until end of June 2027.

Maturities of EnBW's bonds



in € m
as of 30 Sep. 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 2077; includes USD 300 m (swap in €), coupon before swap 5.125%

² CHF 100 m, converted as of the reporting date of 30.9.2021

³ First call date: green subordinated maturing in 2079

⁴ First call date: green subordinated maturing in 2080

⁵ First call date: green subordinated maturing in 2081

⁶ First call date: subordinated maturing in 2081

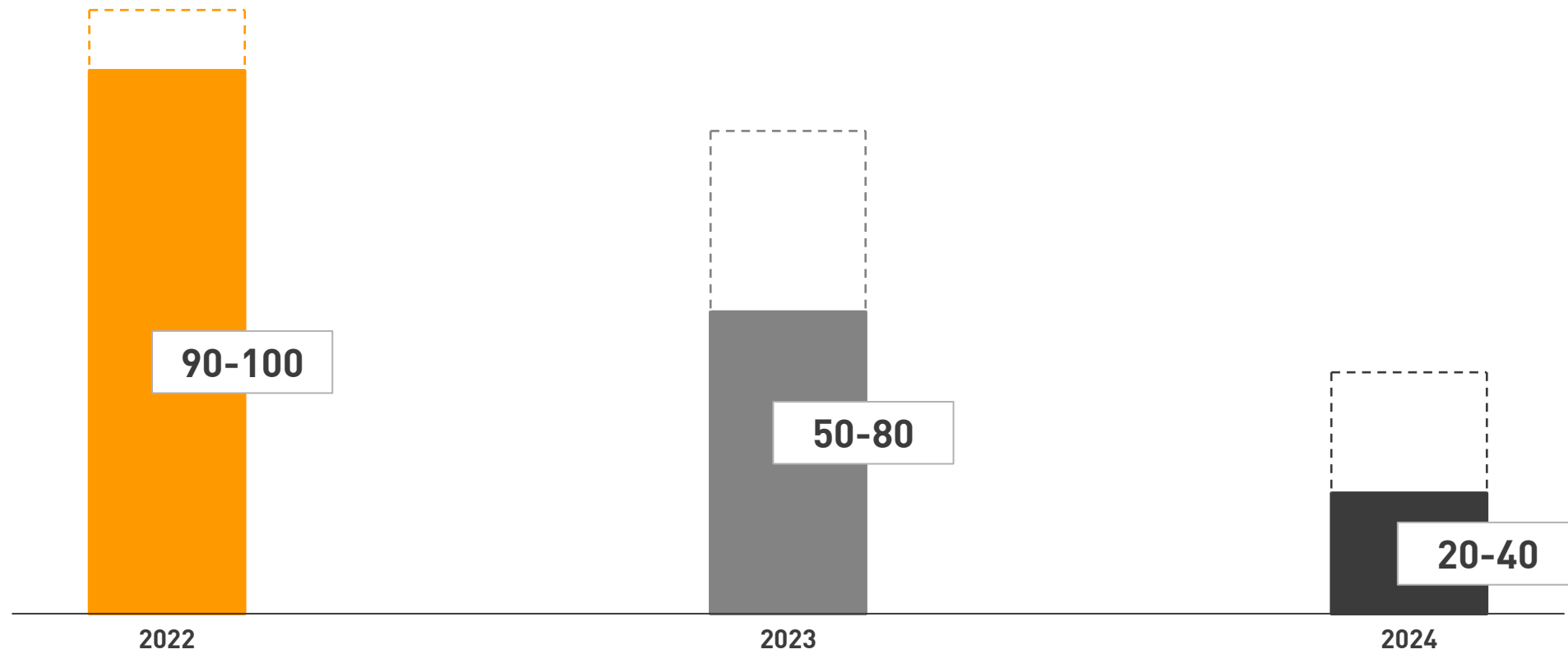
⁷ JPY 20 bn (swap in €), coupon before swap 5.460

⁸ Includes USD 300 m, converted as of 5.10.2016

Electricity generation hedge levels¹



in %



¹ As of 30 September 2021

Fixed income: Credit ratings



MOODY'S INVESTORS SERVICE

Baa1 / stable
18 May 2021

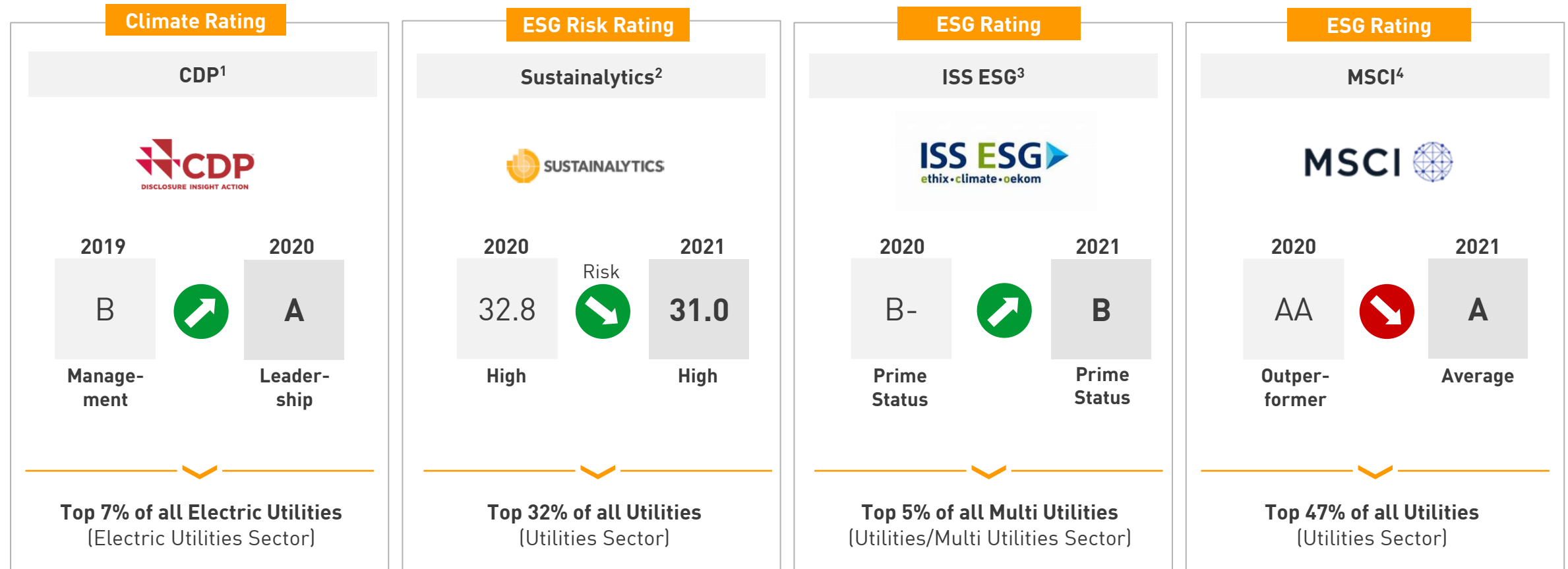
- › Leadership position as vertically integrated utility within Baden-Württemberg
- › Significant proportion of EBITDA, around 50%, from low-risk regulated distribution and transmission activities
- › Growing share of renewables under contracts as EnBW continues to invest in line with its strategy
- › 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)

Financial and non-financial KPIs and targets¹



Key financials

KPI	Goal		2020	Target 2020	Target 2025
Adjusted EBITDA	Secure profitability	€ bn	2.8	2.3 - 2.5	3.2
Internal financing capability	High level of financial discipline	%	102.8	> 100	- ²
Debt repayment potential			-	-	≥ 12 ²
ROCE	Increasing Group value	%	6.3	8.5 - 11.0	6.5 - 8.0

Key non financials

KPI	Goal		2020	Target 2020	Target 2025
Installed output of RE	Expand Renewable Energies (RE)	GW	4.9	5.0	6.5 - 7.5
Share of the generation capacity accounted for by RE		%	39.0	> 40	> 50 ³
CO ₂ intensity ^{4,5}	Climate protection	g /kWh	372	-15 to -20% (reference year 2015: 606 g/kWh)	-15 to -30% ³ (reference year 2018)
EnBW Customer Satisfaction Index	Customer proximity		132	>136	125 - 136
Yello Customer Satisfaction Index			159	>159	148 - 159
People Engagement Index (PEI) ⁶	Engagement of employees		83	-	77 - 83 ⁷

¹ As of 31 December 2020

^{2,3,4,5,6,7} Footnotes on page 38 of the Integrated Annual Report 2020

EnBW Group: Generation portfolio 2020



	Generation portfolio		Own generation	
	2020 in MW	share in %	2020 in GWh	share in %
Renewable energies	4,865	39	11,850	32
Run-of-river	1,007	8	5,137	14
Storage/pumped storage (using natural flow of water)	1,507	12	944	3
Onshore wind	951	8	1,809	5
Offshore wind	976	8	3,441	9
Other	424	3	519	1
Thermal power plants	7,621	61	24,779	68
Lignite	875	7	3,164	9
Hard coal	3,467	28	5,407	15
Gas	1,165	9	4,404	12
Other	346	3	170	0
Pumped storage (not using natural flow of water)	545	4	1,387	4
Nuclear	1,233	10	10,247	28
Total	12,486	100	36,629	100

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

“Active communication and ongoing dialogue with our investors enable us to underscore EnBW’s potential for generating value added. When taking strategic decisions, the interest of our investors is always of relevance.” (Marcel Münch)

Financial calendar



23 March 2022	Publication Integrated Annual Report 2021 Investor and analyst conference call: 03:00 pm
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



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