Conference call Fiscal year 2015 ›

EnBW Energie Baden-Württemberg AG

Karlsruhe, 21 March 2016

Dr. Frank Mastiaux, Chief Executive Officer
Thomas Kusterer, Chief Financial Officer
Ingo Peter Voigt, Head of Finance, M&A and Investor Relations

EnBW

Global and national energy markets in continued change mode

International topics

- World climate summit Paris
- Investments in renewables at record level
- Withdrawal from investments in coal

Energie wende

National topics

- Amendment of EEG and market design
- Nuclear energy/ Nuclear Commission
- Further decline of electricity wholesale market price

Strategy EnBW 2020 unchanged – focus remains on consistent implementation

Segments	2012	Adj. EBITDA	2020	Earnings contribution
Generation and Trading	1.2 € bn	-80%	0.3 € bn	13%
Renewable Energies	0.2 € bn	+250%	0.7 € bn	29%
Grids	0.8 € bn	+25%	1.0 € bn	42%
Sales	0.2 € bn	+100%	0.4 € bn	17%
	€2.4 bn		**€2.4 bn**	

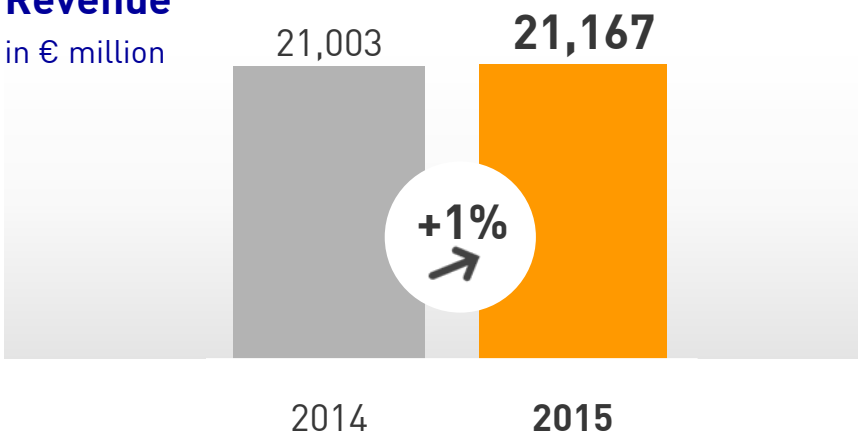
Divergence from 100 percent possible due to rounding effects

Three clear priorities for 2016

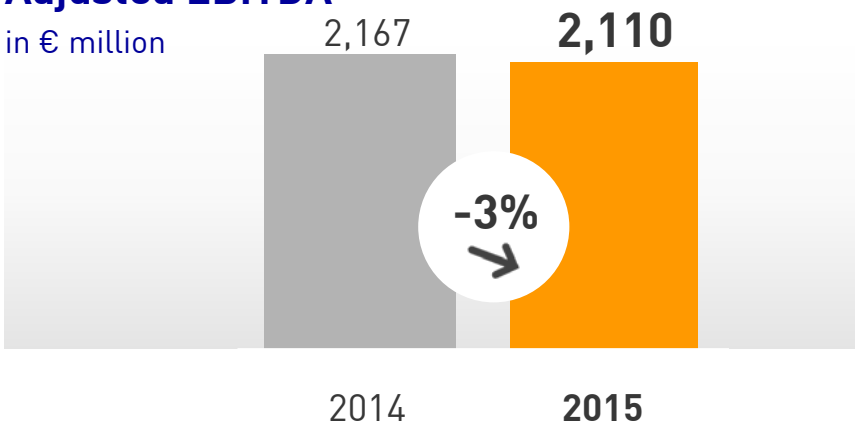
- Continued consistent implementation of EnBW 2020 Strategy
- Considering additional measures due to the difficult economic environment
- Strategic horizon „beyond 2020“

Fiscal year 2015 – Results in line with expectations

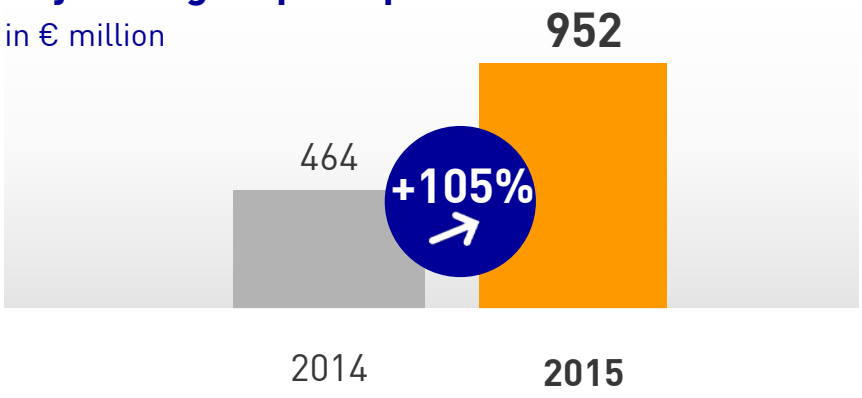
Revenue
in € million



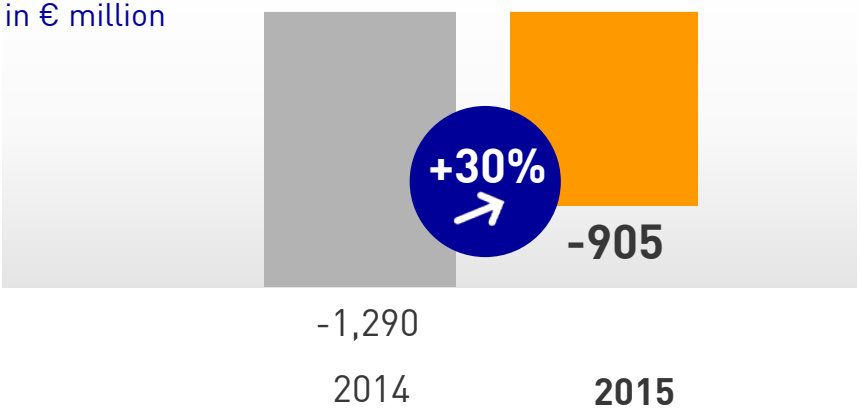
Adjusted EBITDA
in € million



Adjusted group net profit[1]
in € million



Non-operating EBIT
in € million



[1] Of which profit/loss shares attributable to the shareholders of EnBW AG

Electricity prices development with negative impact on non-operating EBIT

Addition to provisions for onerous contracts for electricity procurement agreements	-	€ **-295** m
Net balance profits & expenses	+	€ **+104** m
Extraordinary write-downs Mainly on power plants	-	€ **-714** m

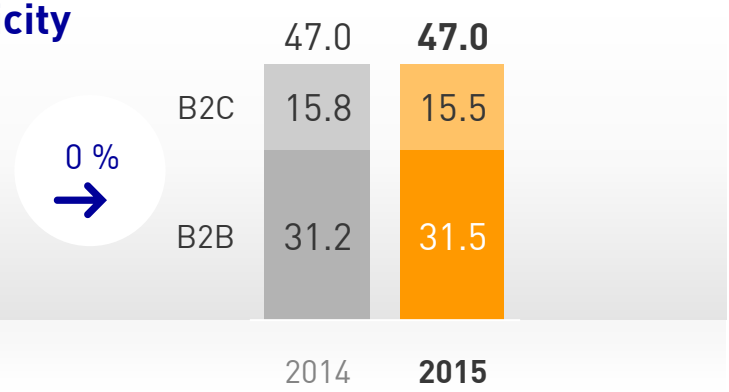
Non-operating EBIT

€ -905 m

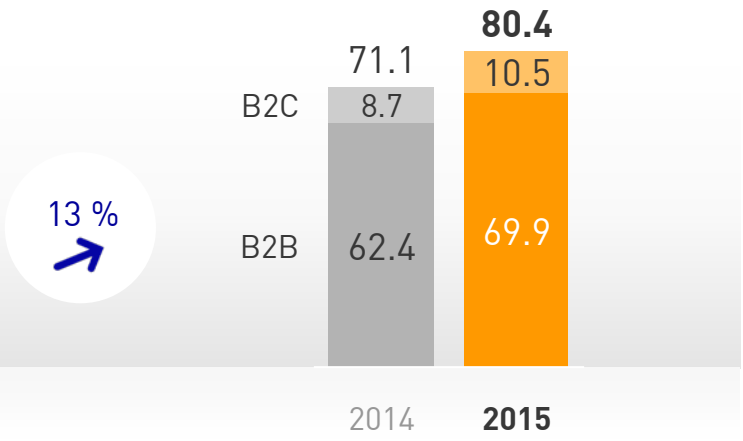
Sales – Profit increase due to higher gas sales

Sales volume in TWh

Electricity

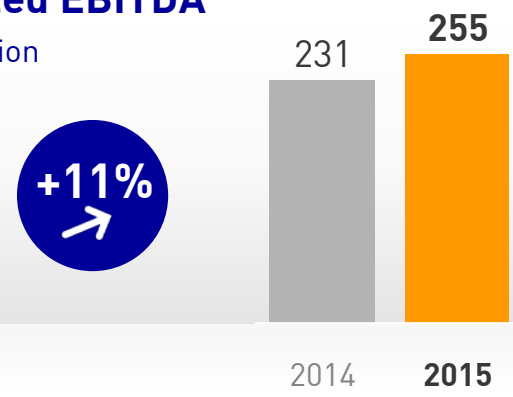


Gas



Adjusted EBITDA

in € million

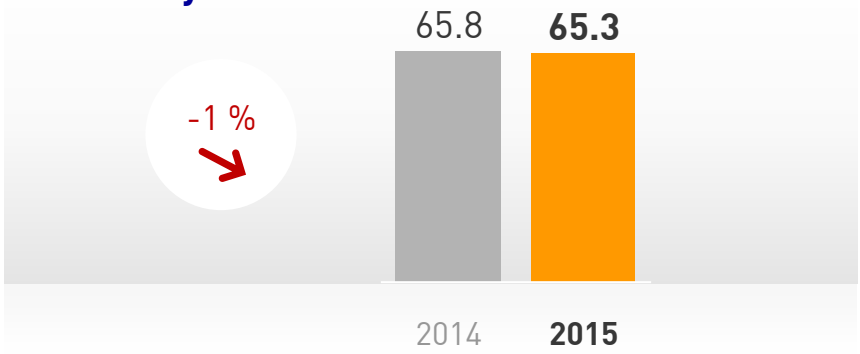


Temperature-related higher earnings in gas business

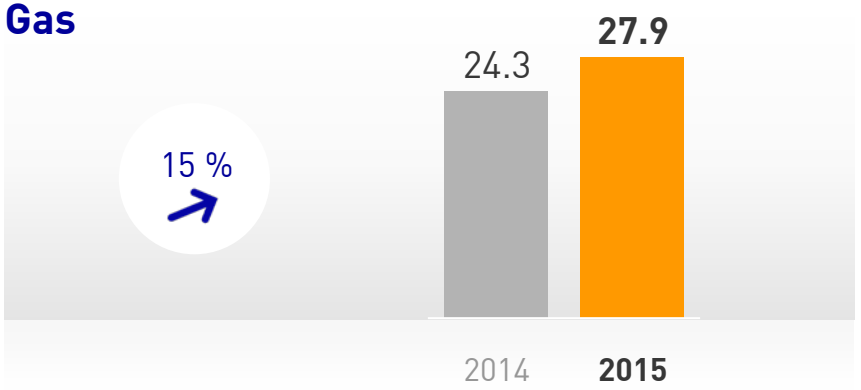
Grids – Planned staff increase and negative one-off effects

Transmission volume in TWh[1]

Electricity

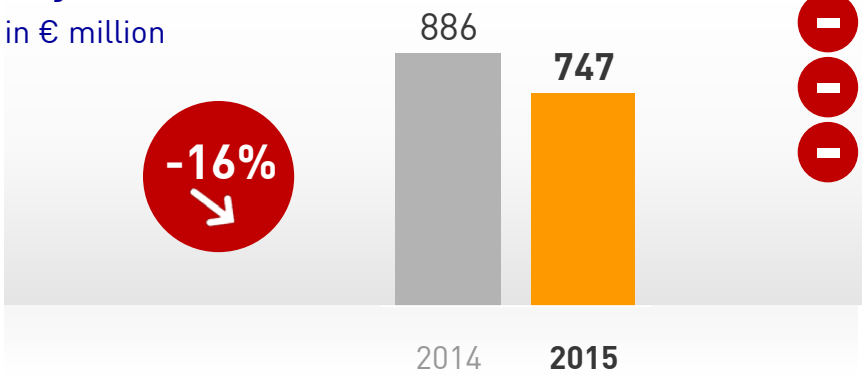


Gas



Adjusted EBITDA

in € million



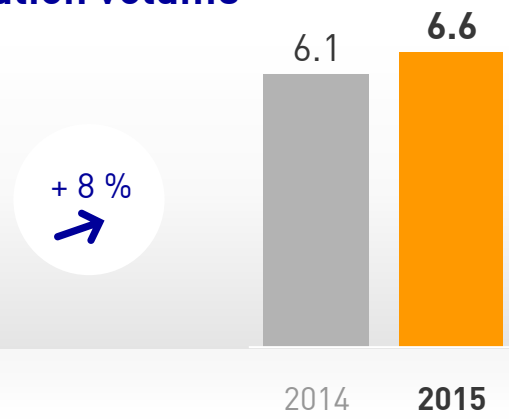
- \+ Temperature-related increased gas transmission volumes
- \- Reduced earnings relating to the new contract arrangement with the City of Stuttgart
- \- Planned staff increase in the light of grid expansion
- \- One-off effects
  - Expenses for compensation payments as part of the management of transmission losses
  - Higher expenses for the decentralised feed-ins
  - Price adjustment for water price in Stuttgart

[1] Distribution only

Renewable energies – Increase in profits mainly due to Baltic 2

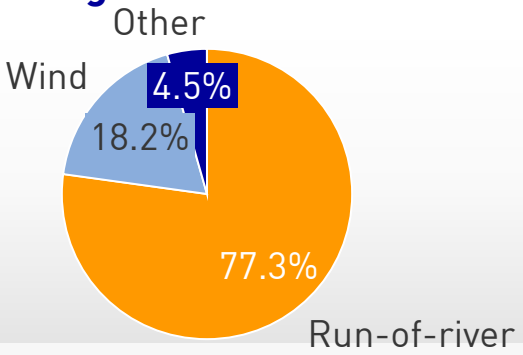
Generation volume

in TWh[1]



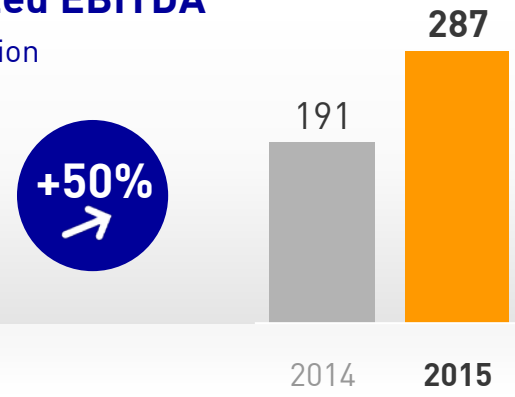
Renewables generation mix

in TWh[1]



Adjusted EBITDA

in € million



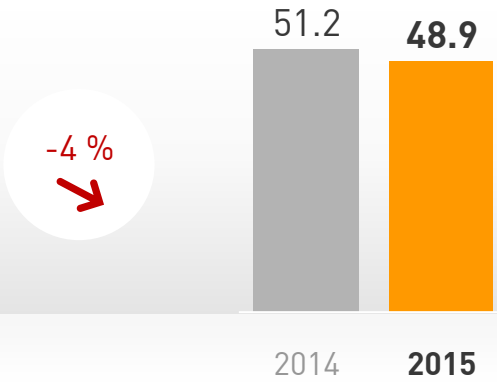
- Full commissioning of Baltic 2 end of September 2015
- Moderate commissioning of onshore wind farms
- Decreased margins for run-of-river power plants

[1] Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments; segment excludes generation from pump storage plants that is associated in the generation and trading segment

Generation & Trading – Decreasing profitability

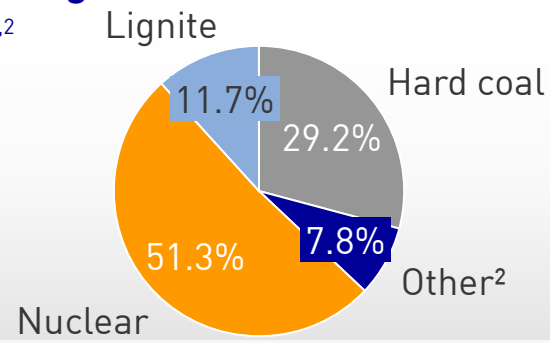
Thermal generation volume

in TWh[1,2]



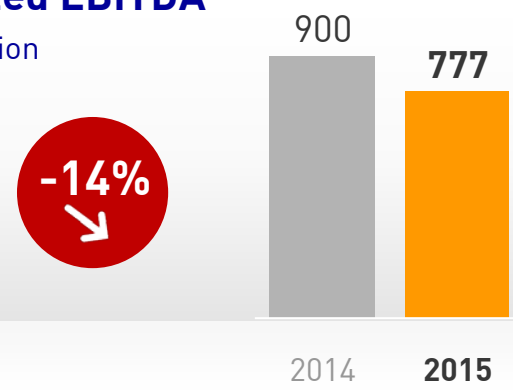
Thermal generation mix

in TWh[1,2]



Adjusted EBITDA

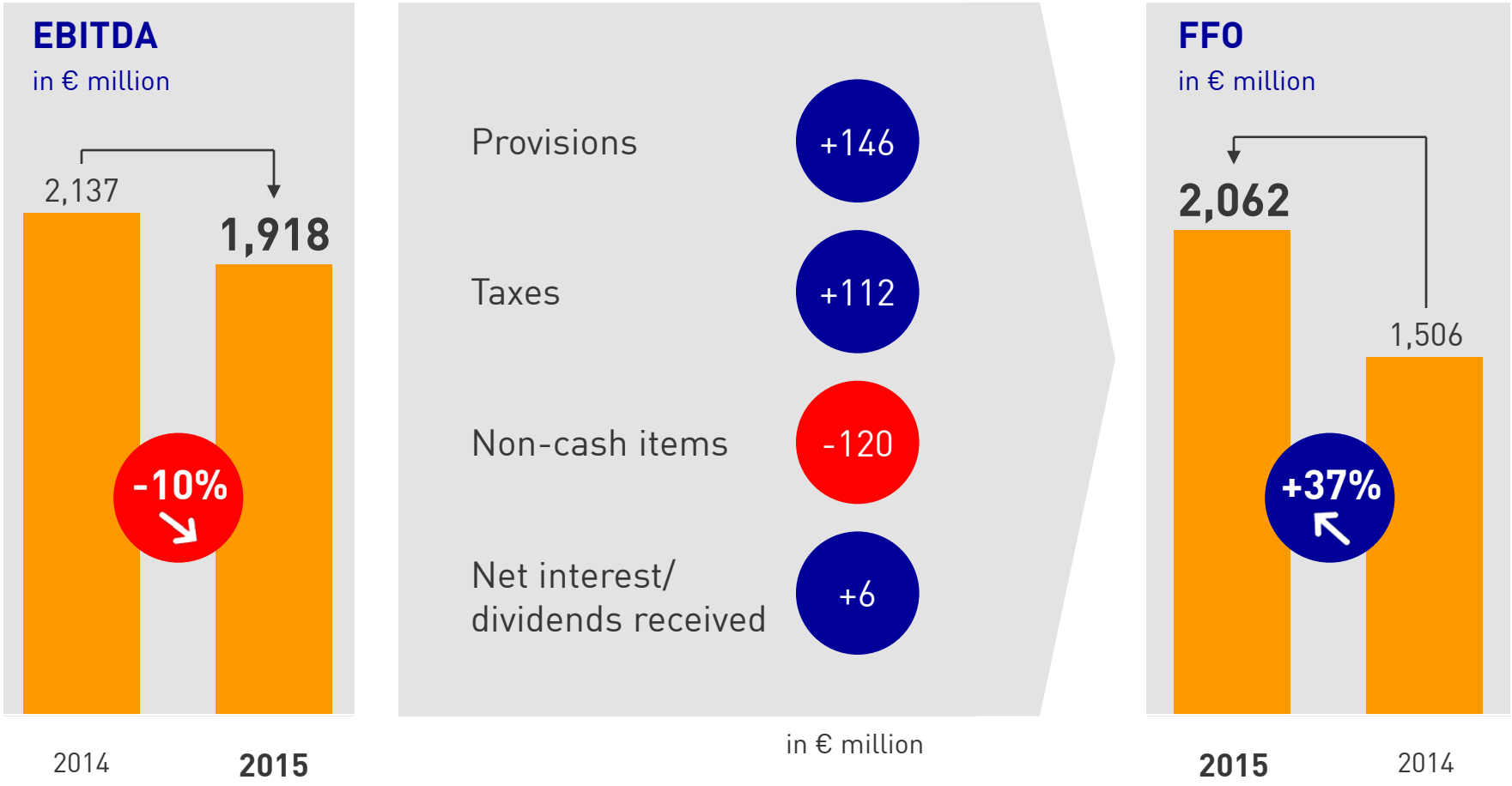
in € million



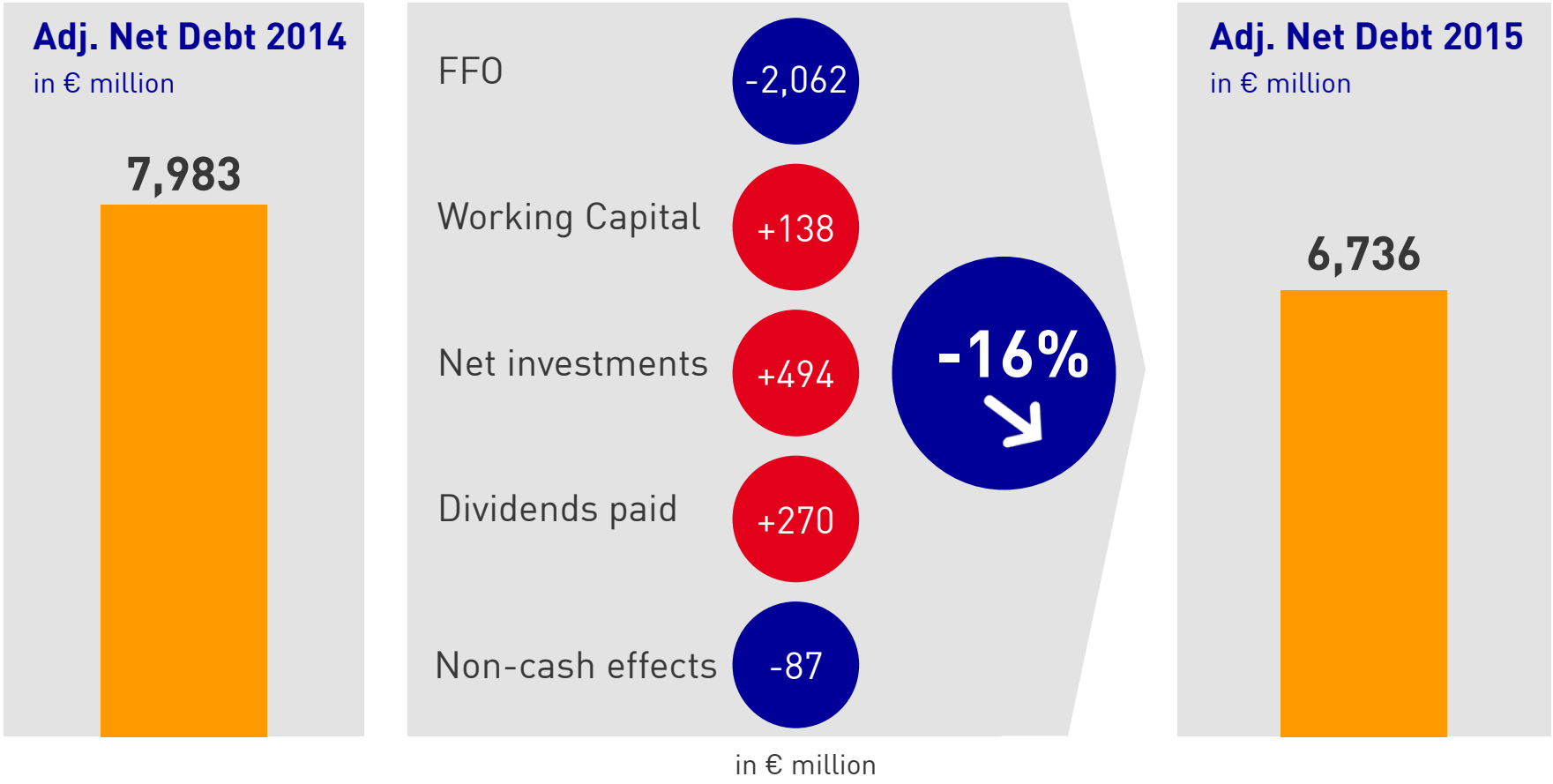
- \+ Increased efficiency and expenditure discipline
- \+ Reimbursement of cost due to Ordinance on Reserve Power Plants
- – Decreased prices and spreads for electricity on the wholesale market
- – Expired contract for electricity procurement in the area of nuclear

[1] Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments
[2] Segment includes pump storage plants

Increase in FFO mainly attributable to tax refunds as well as lower tax payments



Adjusted net debt reduction mainly driven by partial sale of EnBW Baltic 2 and positive RCF



In 2016 increasing adj. EBITDA in Grids and Renewable Energies

	Group	Sales	Grids	Renewable Energies	Generation & Trading	Dynamic leverage ratio
Adj. EBITDA 2015	€2.1 bn	€255 m	€747 m	€287 m	€777 m	3.19
Outlook 2016	**-5** to **-10**%	**< -20**%	**> +20**%	**+10** to **+20**%	**< -20**%	**3.2** to **3.6**

Questions & Answers ›

Non-operating result

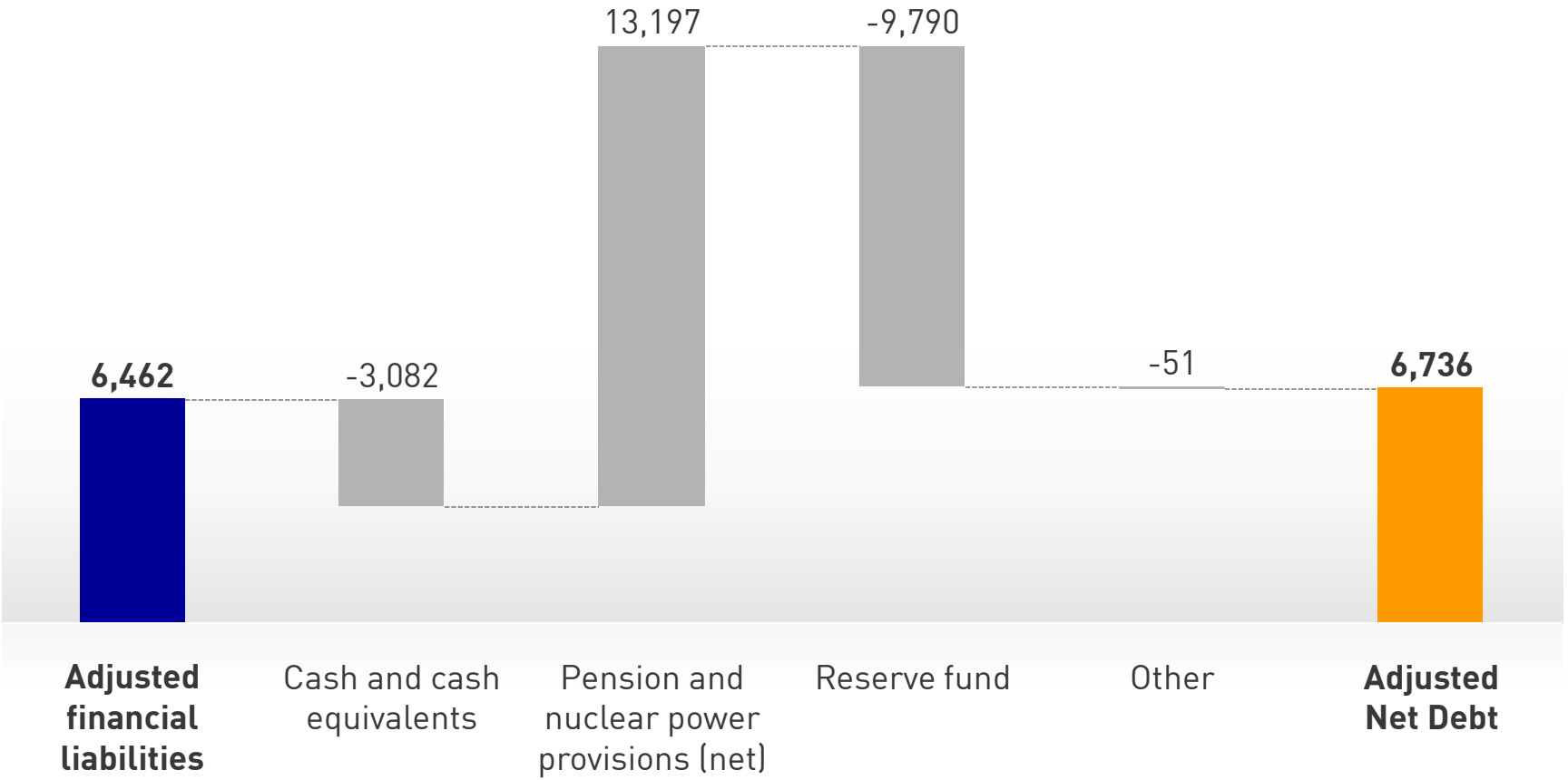
Non-operating result

in € million

	2015	2014	Variance in %
Income/expenses relating to nuclear power	43.8	-30.1	–
Income from the reversal of other provisions	82.7	36.4	127.2
Results from disposals	52.1	96.3	-45.9
Addition to the provision for onerous contracts relating to electricity procurement agreements	-295.0	-433.6	32.0
Earnings from reversals of impairments	59.5	350.3	-83.0
Restructuring	-20.8	-45.0	53.8
Other non-operating result	-113.7	-4.4	–
Non-operating EBITDA	**-191.4**	**-30.1**	**–**
Impairment losses	-713.5	-1,260.3	43.4
Non-operating EBIT	**-904.9**	**-1,290.4**	**29.9**
Non-operating investment result	-114.0	-47.8	-138.5
Non-operating financial result	-99.8	-92.6	-7.8
Non-operating income taxes	284.3	473.8	-40.0
Non-operating Group net loss	**-834.4**	**-957.0**	**12.8**
of which loss shares attributable to non-controlling interests	(-7.6)	(-26.9)	71.7
of which loss shares attributable to the shareholders of EnBW AG	(-826.8)	(-930.1)	11.1

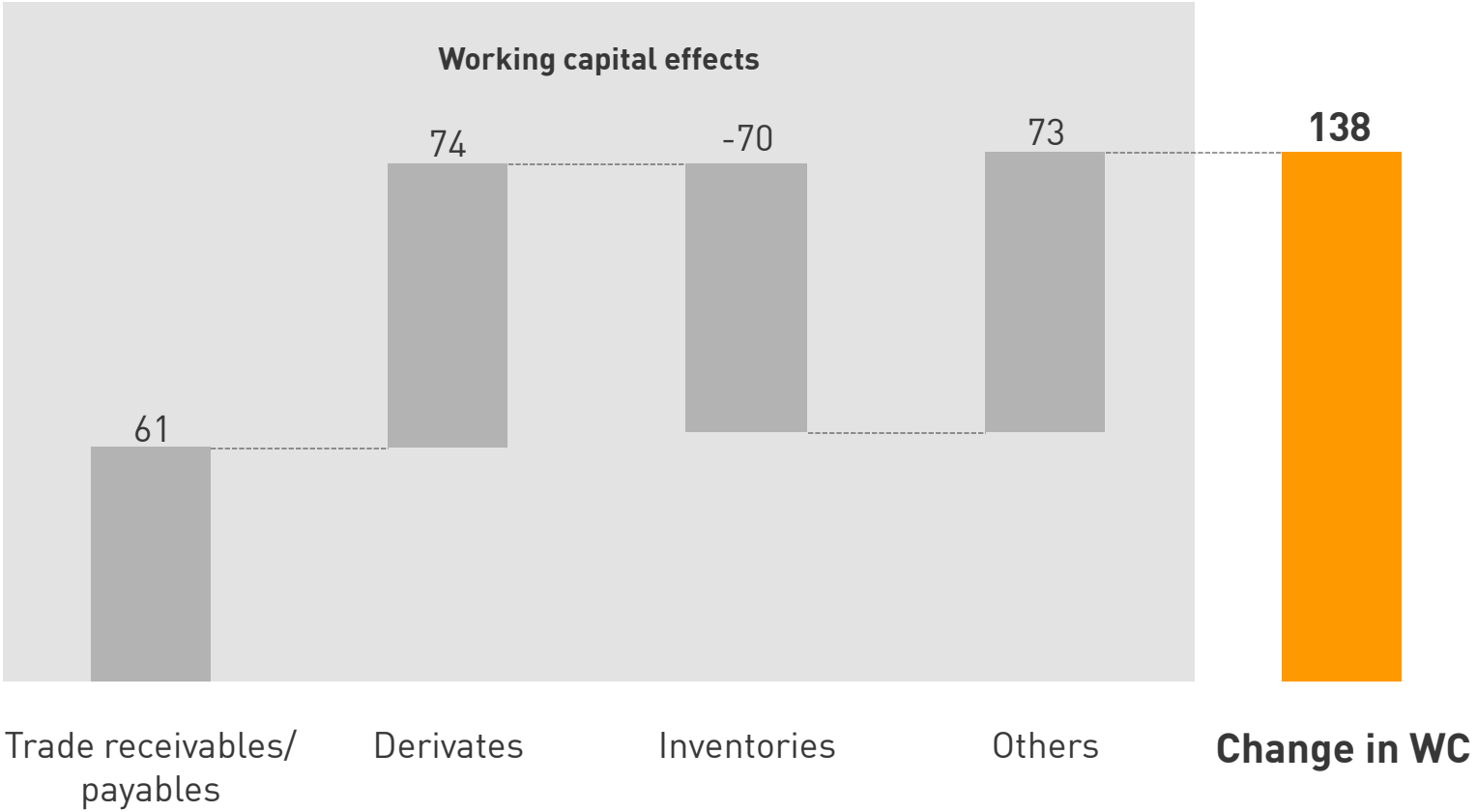
Calculation of Adjusted Net Debt

in € million



Change in Working Capital 2015

in € million



Income statement

Income

in € million

	2015	2014	Variance
Revenue	**21,166.5**	**21,002.5**	**164.0**
Changes in inventories/other own work capitalised	90.4	93.5	-3.1
Cost of materials	-17,364.7	-17,511.7	147.0
Personnel expenses	-1,641.3	-1,620.2	-21.1
Other operating income/expenses	-332.7	173.2	-505.9
EBITDA	**1,918.2**	**2,137.3**	**-219.1**
Amortisation and depreciation	-1,641.2	-2,137.2	496.0
EBIT	**277.0**	**0.1**	**276.9**
Investment and financial result	-2.8	-609.8	607.0
EBT	**274.2**	**-609.7**	**883.9**
Income tax	-73.7	206.9	-280.6
Group net profit/loss	**200.5**	**-402.8**	**603.3**
of which profit shares attributable to non-controlling interests	(75.6)	(63.1)	(12.5)
of which profit/loss shares attributable to the shareholders of EnBW AG	(124.9)	(-465.9)	(590.8)

Cash flow statement

Free cash flow

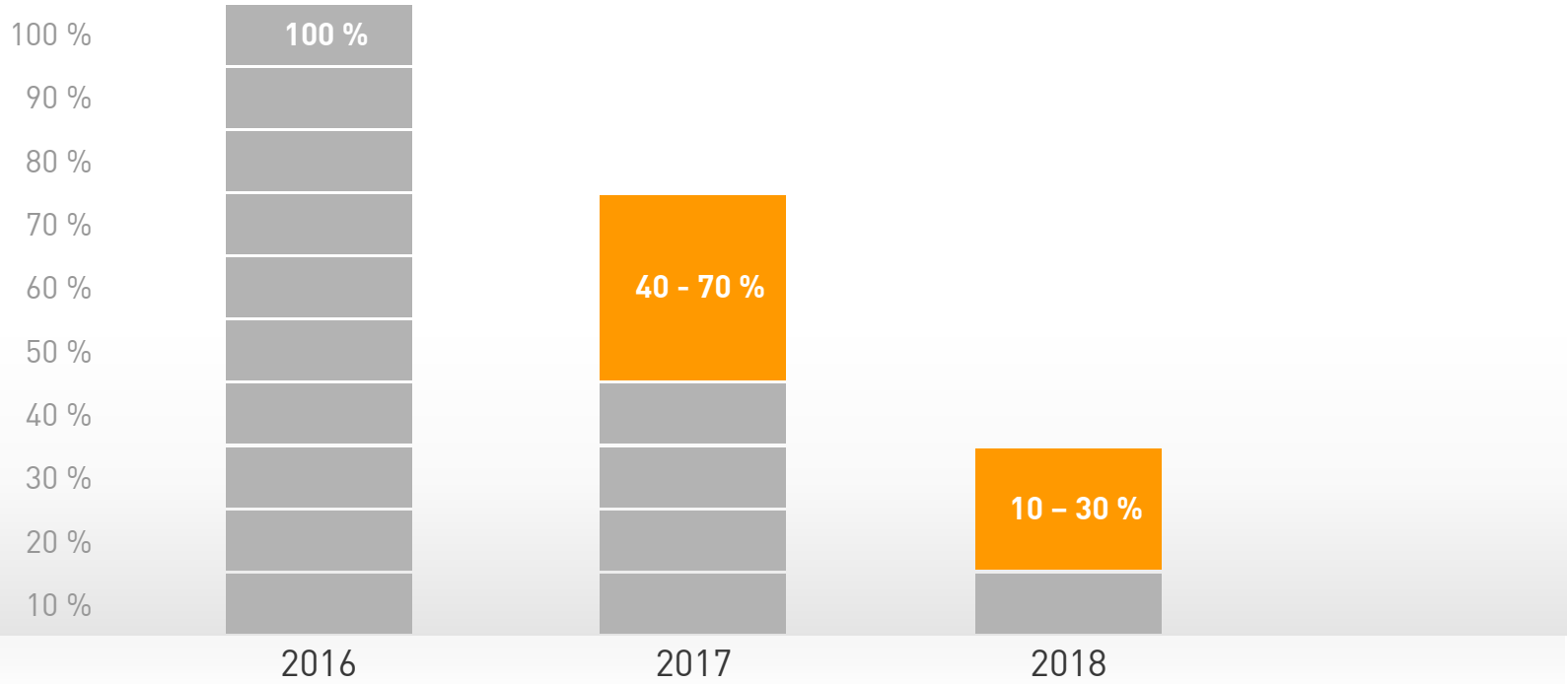
in € million

	2015	2014	Variance in %
Operating cash flow	**1,918.3**	**1,775.7**	**8.0**
Change in assets and liabilities from operating activities	137.7	-254.7	-
Interest and dividends received	380.6	323.5	17.7
Interest paid for financing activities	-375.1	-338.6	10.8
Funds from Operations (FFO)	**2,061.5**	**1,505.9**	**36.9**
Change in assets and liabilities from operating activities	-137.7	254.7	-
Capital expenditures on intangible assets and property, plant and equipment	-1,416.4	-1,704.4	-16.9
Cash received from disposals of intangible assets and property, plant and equipment	140.2	194.1	-27.8
Cash received from construction cost and investment subsidies	78.2	79.9	-2.1
Free cash flow	**725.8**	**330.2**	**119.8**

Hedge levels

Hedge levels[1]

in %



[1] As of 31 December 2015

EnBW's flexible access to financing sources supports its strong liquidity position

Debt Issuance Programme

€ 7 billion

€ 3.5 bn utilised as of 31 Dec 2015

Hybrid bonds

€ 2 billion

Commercial Paper Programme

€ 2 billion

undrawn as of 31 Dec 2015

Syndicated credit line

€ 1.5 billion

undrawn as of 31 Dec 2015

- Maturity date: 2020
- Prolongation option 2016: one year

Bilateral short-term credit line

€ 472 million

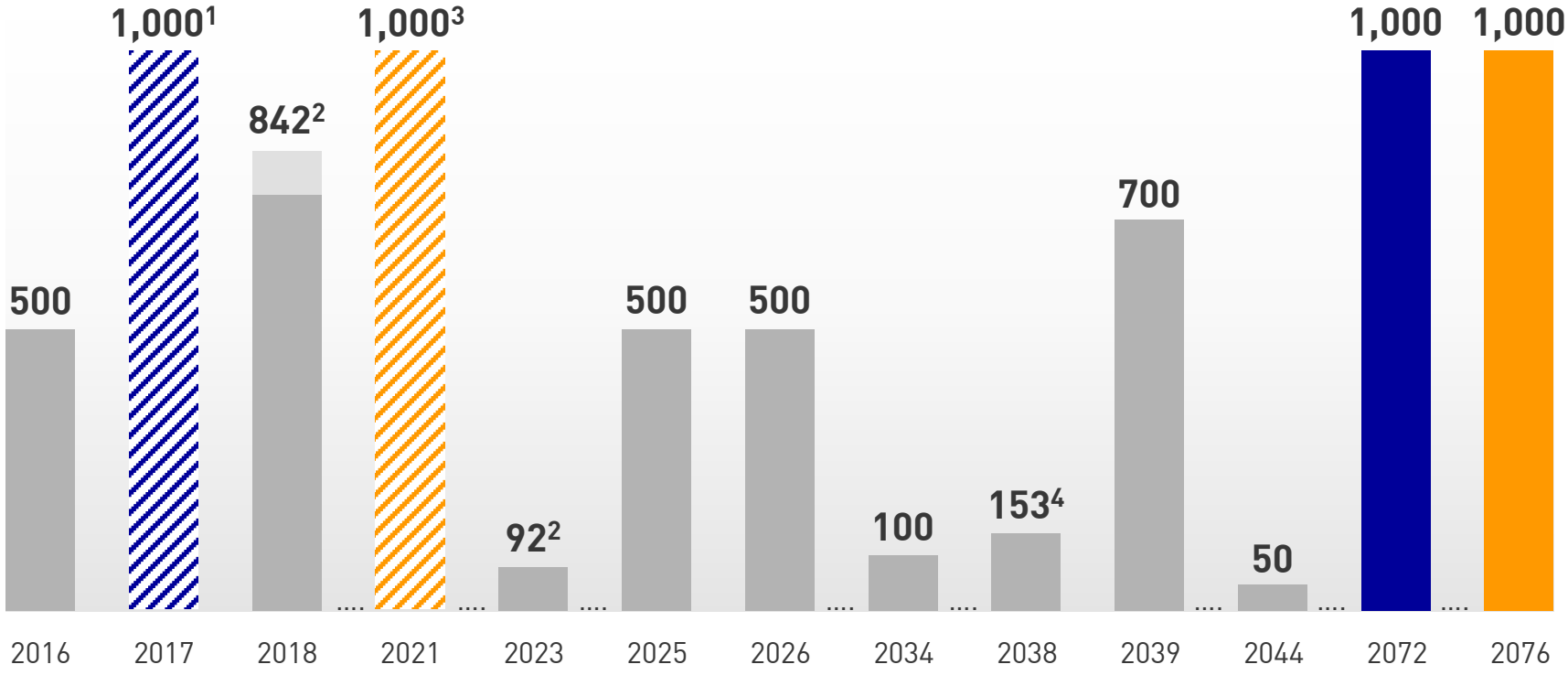
undrawn as of 31 Dec 2015

Project financing & low-interest loans from the EIB

Favourable maturity profile and proactive funding puts EnBW in a comfortable financing situation

Maturities of EnBW's bonds

€ million



[1] First call date of hybrid maturing in 2072
[2] Including CHF 100m converted as of the reporting date 31/12/2015
[3] First call date of hybrid maturing in 2076
[4] Nominal with conversion as of the reporting date 31/12/2015

Financial calendar 2016

21 March	**Annual report: January–December 2015** Conference time: 03:00 pm
10 May	**Annual General Meeting 2016**
13 May	**Interim report: January–March 2016** Conference time: 01:00 pm
28 July	**Interim report: January–June 2016** Conference time: 01:00 pm
10 November	**Interim report: January–September 2016** Conference time: 01:00 pm

Events 2016

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