

Conference call on the first three months 2016 >

EnBW Energie
Baden-Württemberg AG



Karlsruhe, 13 May 2016

Thomas Kusterer, Chief Financial Officer

Ingo Peter Voigt, Head of Finance, M&A and Investor Relations



External factors lead to a continued challenging environment



Economic & regulatory environment

- › Ongoing pressure on electricity wholesale **market prices**
- › Proposal of **nuclear commission** (KFK)
 - › Clear responsibility for carrying out tasks and ensuring financial security
 - › Risk premium would be a considerable additional burden on the utilities' economic capabilities

EnBW current topics

Company highlights

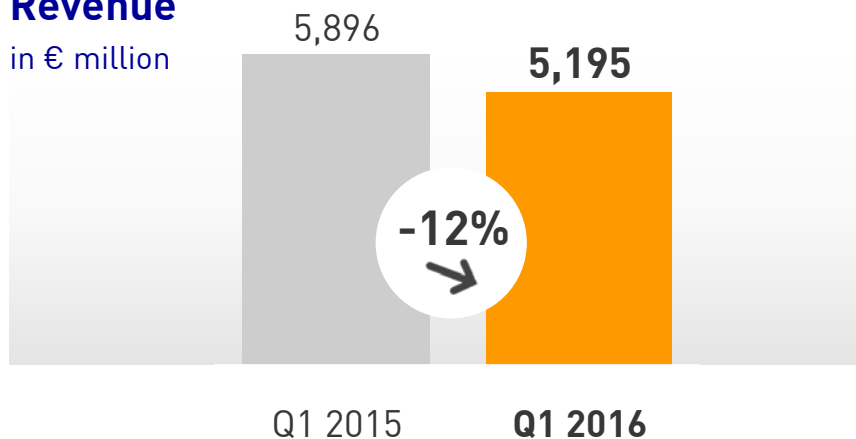
- › With 74.2 % EnBW now major shareholder of **VNG**
- › Cooperation with Siemens and DEME in the auction process for the Danish offshore wind farm **Kriegers Flak**
- › Commissioning of the new long-distance North Black Forest **Pipeline for gas** in Baden-Württemberg

Q1 2016 – Results in line with expectations



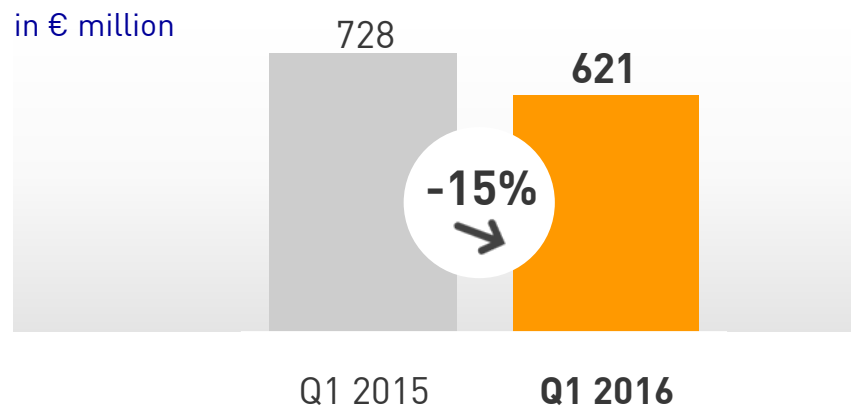
Revenue

in € million



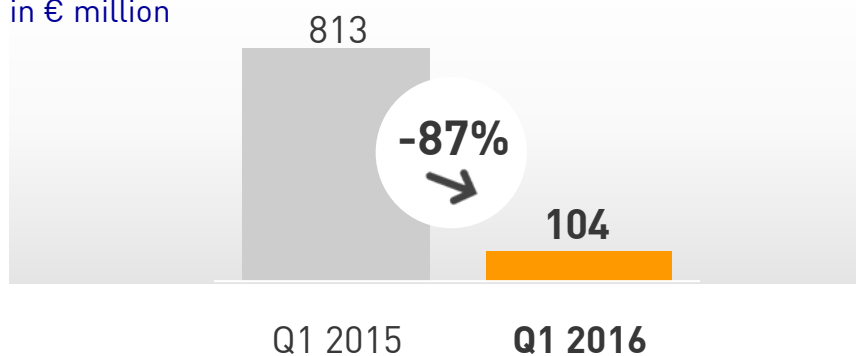
Adjusted EBITDA

in € million



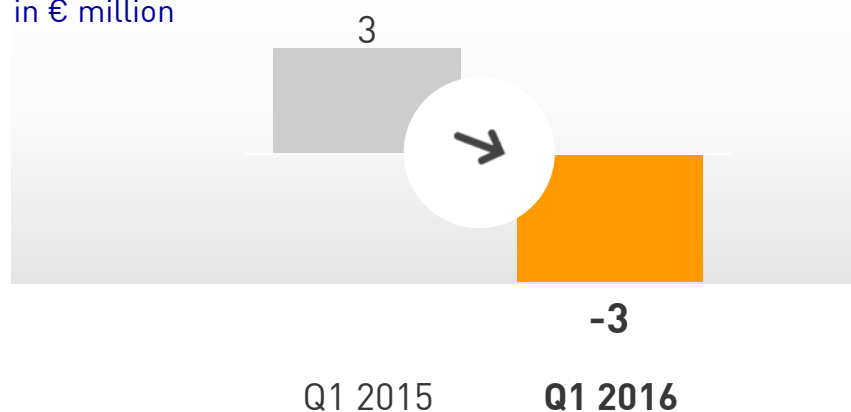
Adjusted group net profit¹

in € million



Non-operating EBIT

in € million



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

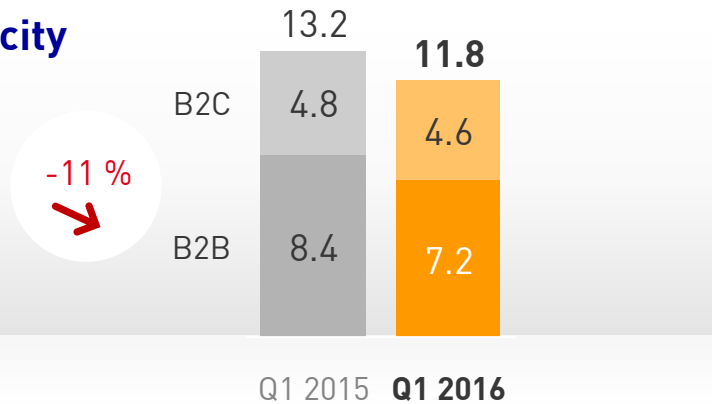


Sales – Slight decrease in profitability

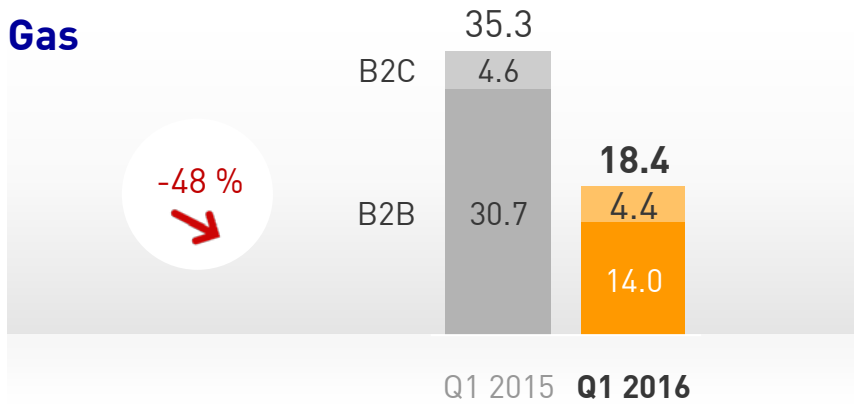


Sales volume in TWh

Electricity

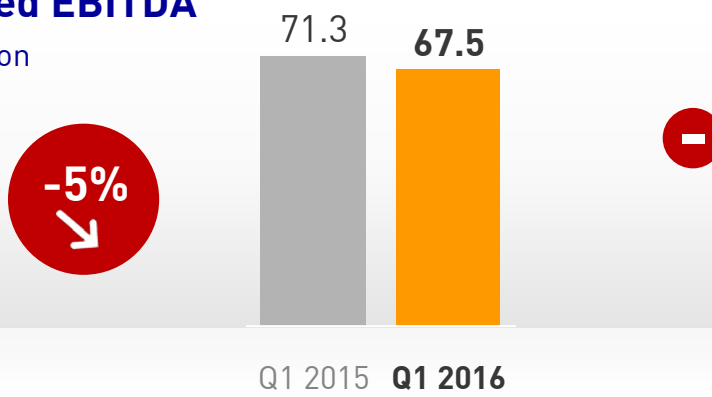


Gas



Adjusted EBITDA

in € million



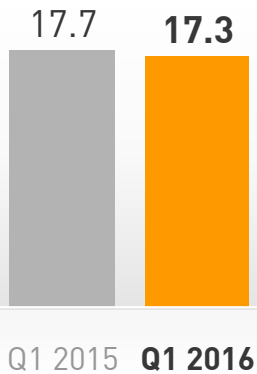
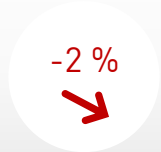
➖ Sale of EnBW Propower GmbH with the Eisenhüttenstadt CHP plant as of 31 December 2015



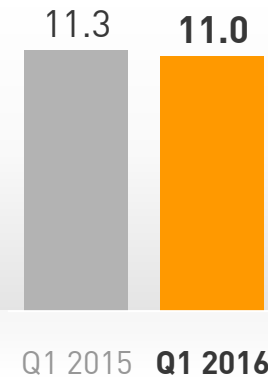
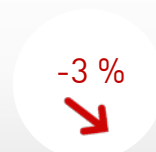
Grids – Increased earnings and higher segment's share of adjusted EBITDA

Transmission volume in TWh¹

Electricity

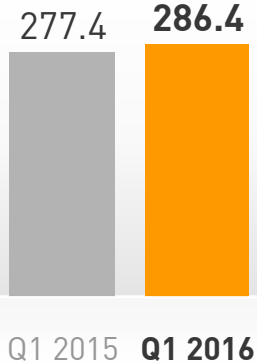


Gas



Adjusted EBITDA

in € million



- Increased revenue cap for electricity and gas distribution grids primarily due to higher pension provisions in accordance with the German Commercial Code (HGB) as a result of the low-interest phase
- Higher costs for network reserve
- Planned staff increase in the light of grid expansion

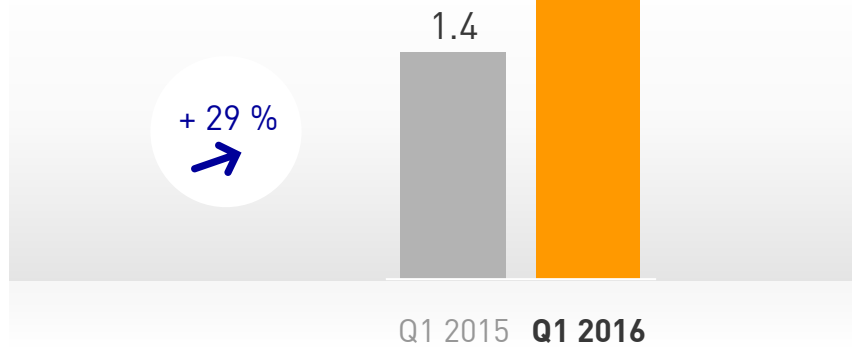
¹ Distribution only



Renewable Energies – Baltic 2 as the profit driver

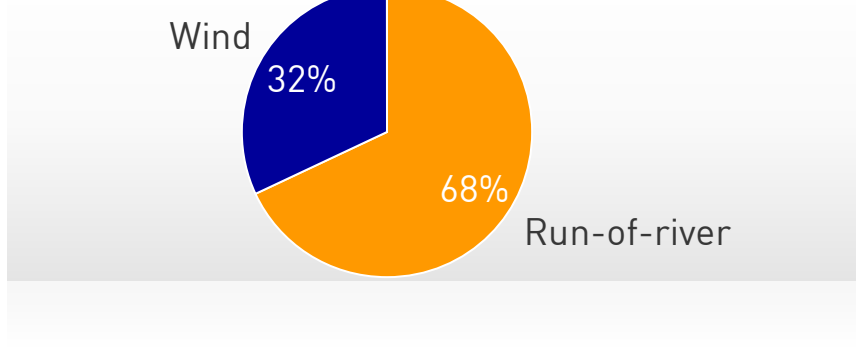
Generation volume

in TWh¹



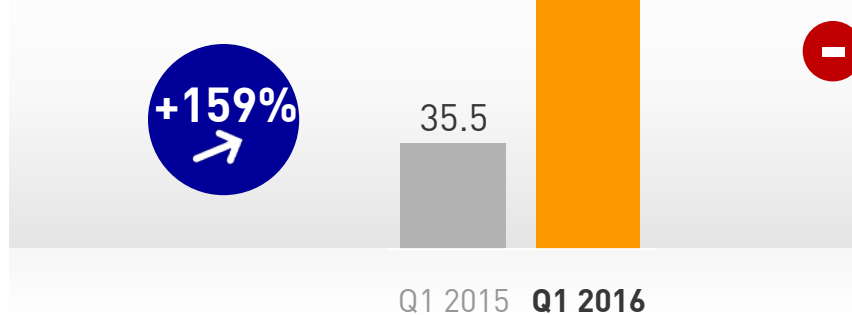
Renewables generation mix

in TWh¹



Adjusted EBITDA

in € million



Full commissioning of Baltic 2



Decreased margins for run-of-river power plants due to the declined electricity prices

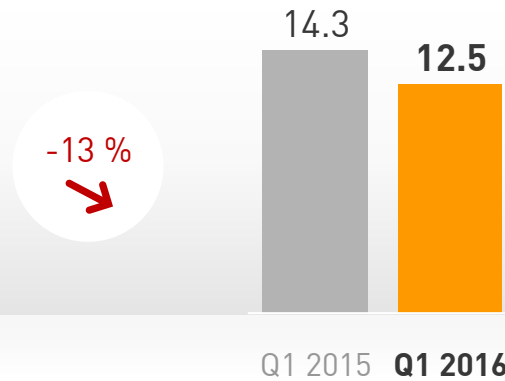
¹ Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments; segment excludes generation from pump storage plants that is associated in the generation and trading segment



Generation & Trading – Continuing decrease of adjusted EBITDA

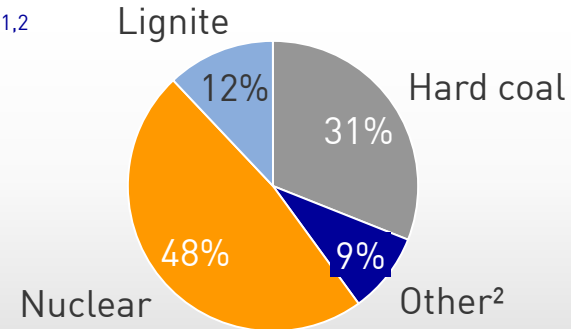
Thermal generation volume

in TWh^{1,2}



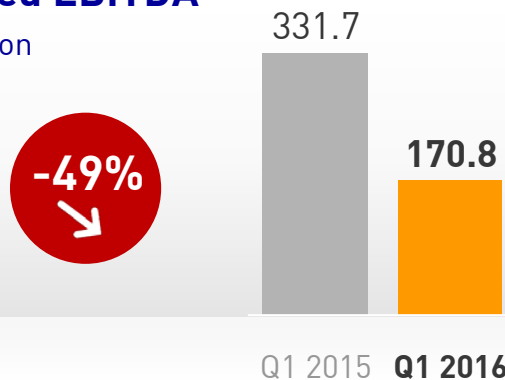
Thermal generation mix

in TWh^{1,2}



Adjusted EBITDA

in € million

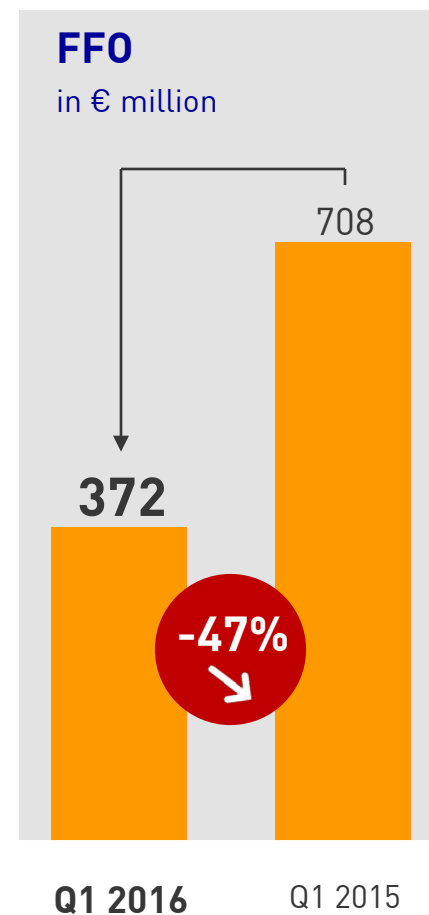
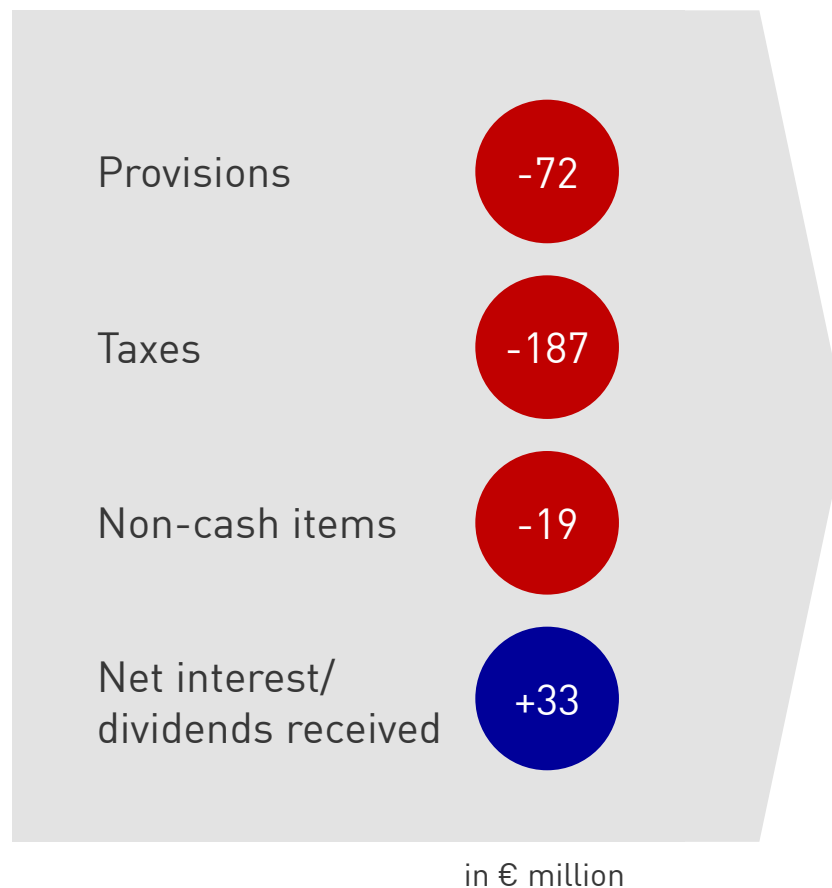
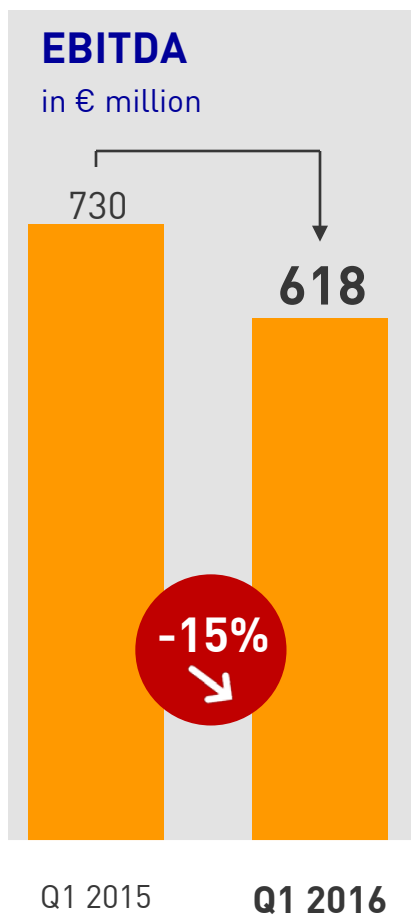


- Noticeably falling prices and spreads on wholesale electricity markets
- Expired contract for electricity procurement in the area of nuclear
- Valuation effects relating to derivatives

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

Decrease in FFO mainly attributable to additional tax payments



Increase of Adjusted Net Debt mainly due to decrease in discount rates for provisions

Adj. Net Debt

31. Dec 2015

in € million

6,736

FFO

-372

Working Capital

+431

Net investments

-58

Dividends paid

+10

Non-cash effects

+736

+11%
→

Adj. Net Debt





31. March 2016

in € million

7,482

in € million

Outlook 2016 reconfirmed; grids & renewables as the dominant drivers

	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 >



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Non-operating result



Non-operating result

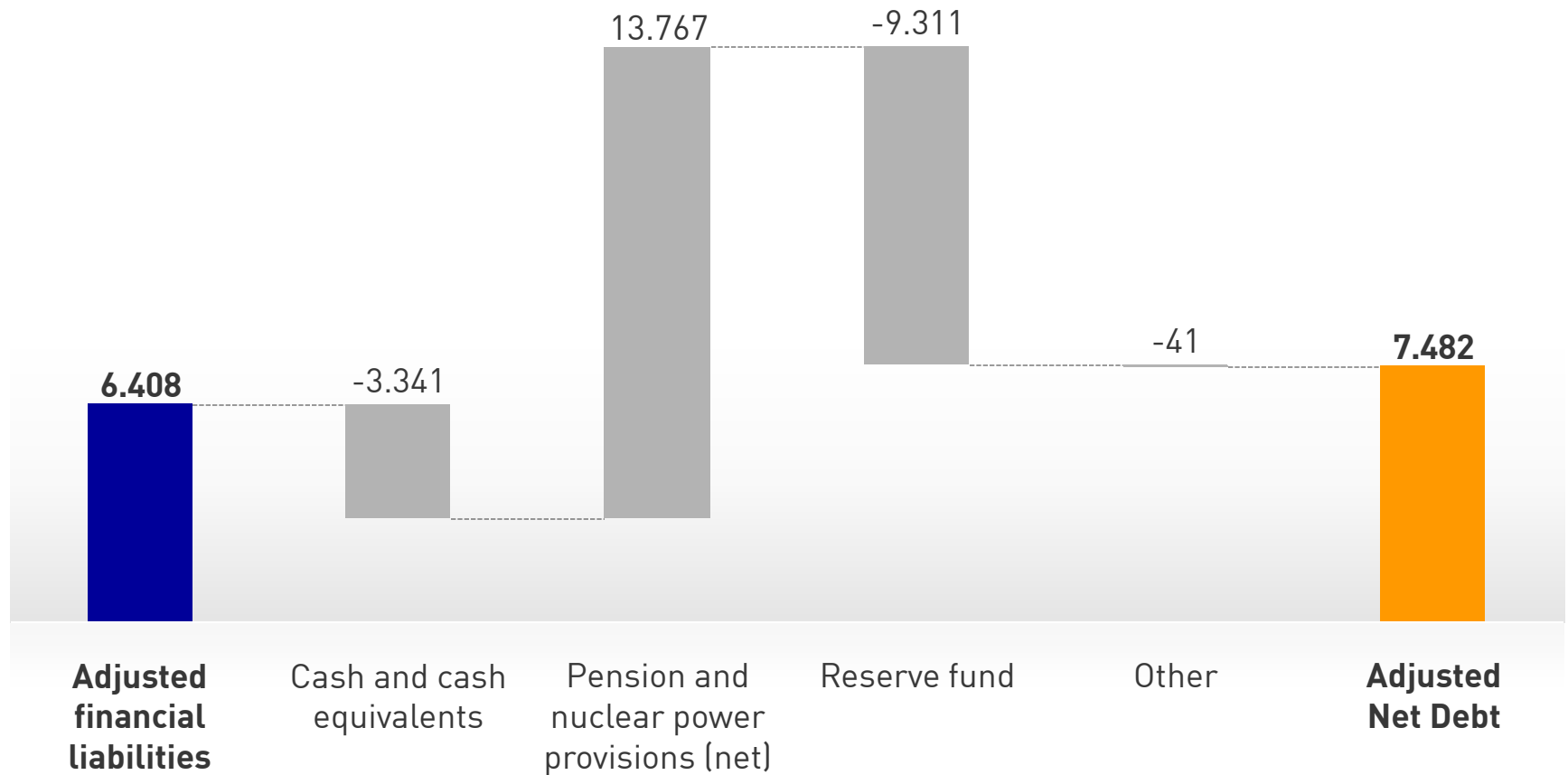
in € million

	Q1 2016	Q1 2015	Variance in %
Income/expenses relating to nuclear power	-7.3	-9.1	19.8
Results from disposals	5.5	18.3	-69.9
Restructuring	-3.8	-3.6	-5.6
Other non-operating result	2.6	-3.1	-
Non-operating EBITDA	-3.0	2.5	-
Impairment losses	0.0	0.0	-
Non-operating EBIT	-3.0	2.5	-
Non-operating financial result	-60.5	-184.0	67.1
Non-operating income taxes	11.8	53.0	-77.7
Non-operating Group net loss	-51.7	-128.5	59.8
of which loss shares attributable to non-controlling interests	(0.9)	(0.7)	28.6
of which loss shares attributable to the shareholders of EnBW AG	(-52.6)	(-129.2)	59.3

Calculation of adjusted net debt

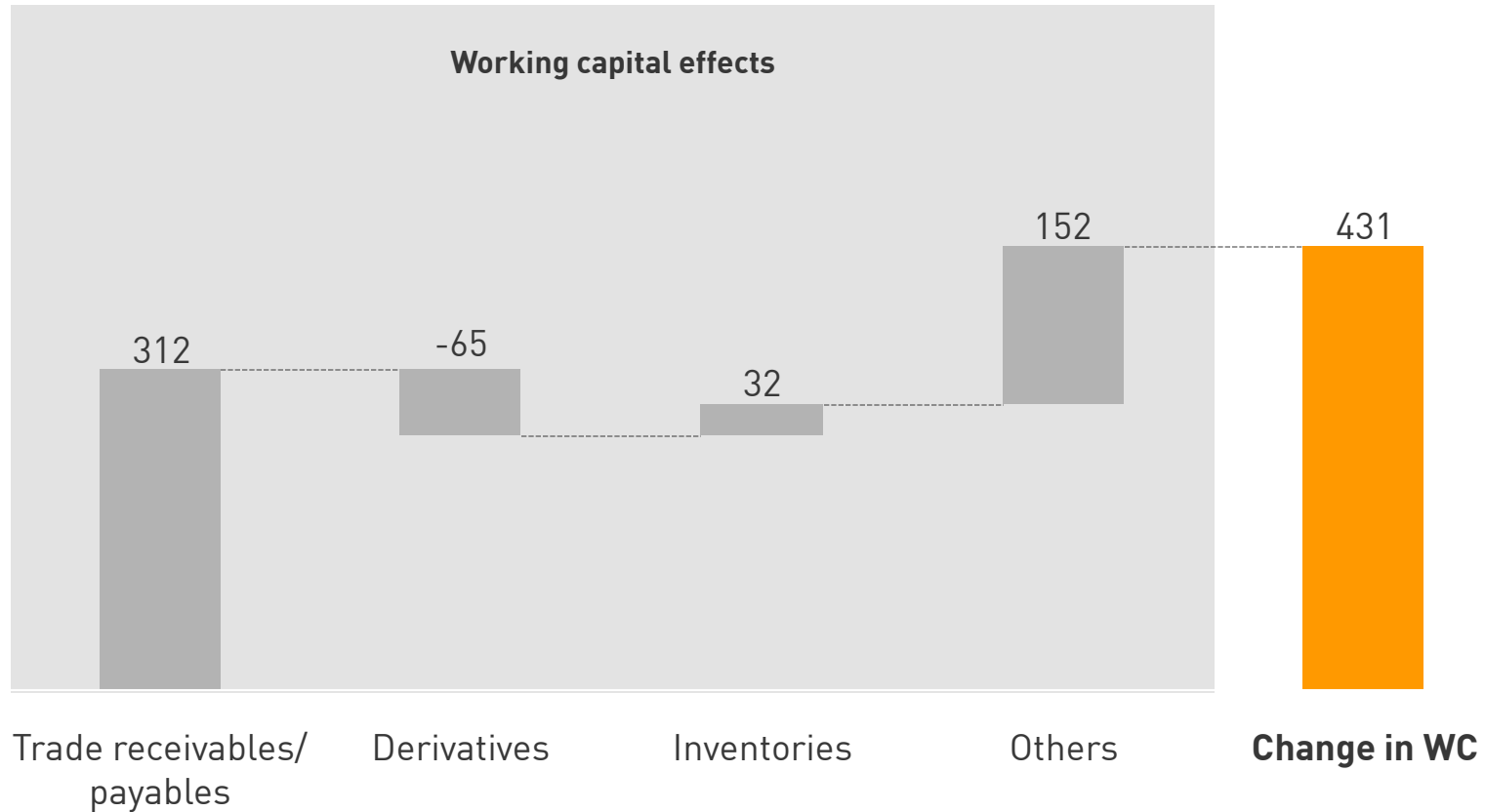


in € million



Change in working capital mainly due to purchase of CO₂ allowances and higher coal consumption

in € million



Income statement



Income statement

in € million

	Q1 2016	Q1 2015	Variance in %
Revenue	5,195.1	5,896.2	-11.9
Changes in inventories/other own work capitalised	48.3	26.2	84.4
Cost of materials	-4,040.3	-4,750.6	15.0
Personnel expenses	-412.3	-404.4	-2.0
Other operating income/expenses	-172.8	-37.0	-367.0
EBITDA	618.0	730.4	-15.4
Amortisation and depreciation	-222.2	-224.7	1.1
EBIT	395.8	505.7	-21.7
Investment and financial result	-252.2	276.1	-
EBT	143.6	781.8	-81.6
Income tax	-53.7	-69.5	22.7
Group net profit	89.9	712.3	-87.4
of which profit shares attributable to non-controlling interests	(38.9)	(28.2)	37.9
of which profit shares attributable to the shareholders of EnBW AG	(51.0)	(684.1)	-92.5

Cash flow statement



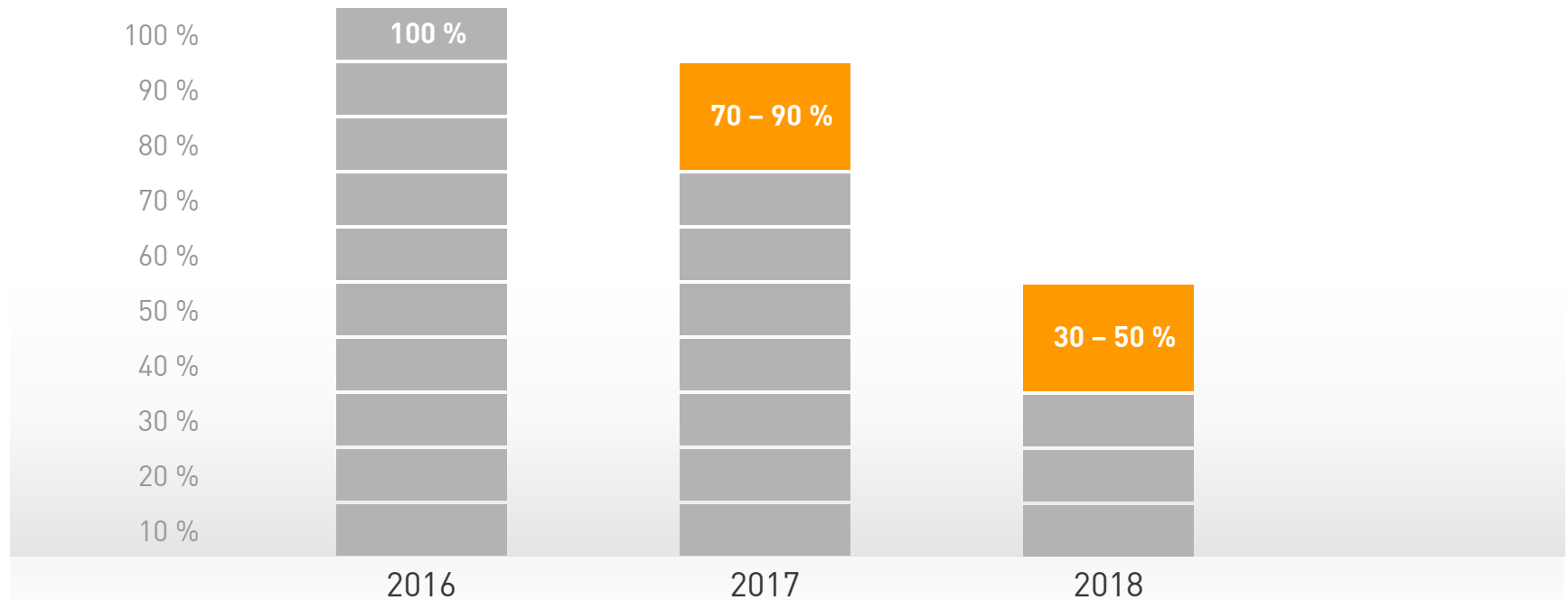
Free cash flow

in € million

	Q1 2016	Q1 2015	Variance in %
Operating cash flow	-91.6	426.5	-
Change in assets and liabilities from operating activities	431.2	228.4	88.8
Interest and dividends received	86.8	70.9	22.4
Interest paid for financing activities	-54.2	-17.8	-
Funds from Operations (FFO)	372.2	708.0	-47.4
Change in assets and liabilities from operating activities	-431.2	-228.4	88.8
Capital expenditures on intangible assets and property, plant and equipment	-156.5	-272.5	-42.6
Cash received from disposals of intangible assets and property, plant and equipment	23.7	39.5	-40.0
Cash received from construction cost and investment subsidies	13.9	24.9	-44.2
Free cash flow	-177.9	271.5	-

Hedge levels¹

in %



¹ As of 31 March 2016

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



Debt Issuance Programme

€ **7 billion**

€ 3.5 bn utilised as of 31 March 2016

Hybrid bonds

€ **2 billion**

Commercial Paper Programme

€ **2 billion**

undrawn as of 31 March 2016

Syndicated credit line

€ **1.5 billion**

undrawn as of 31 March 2016

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

Bilateral short-term credit line

€ **0.5 billion**

undrawn as of 31 March 2016

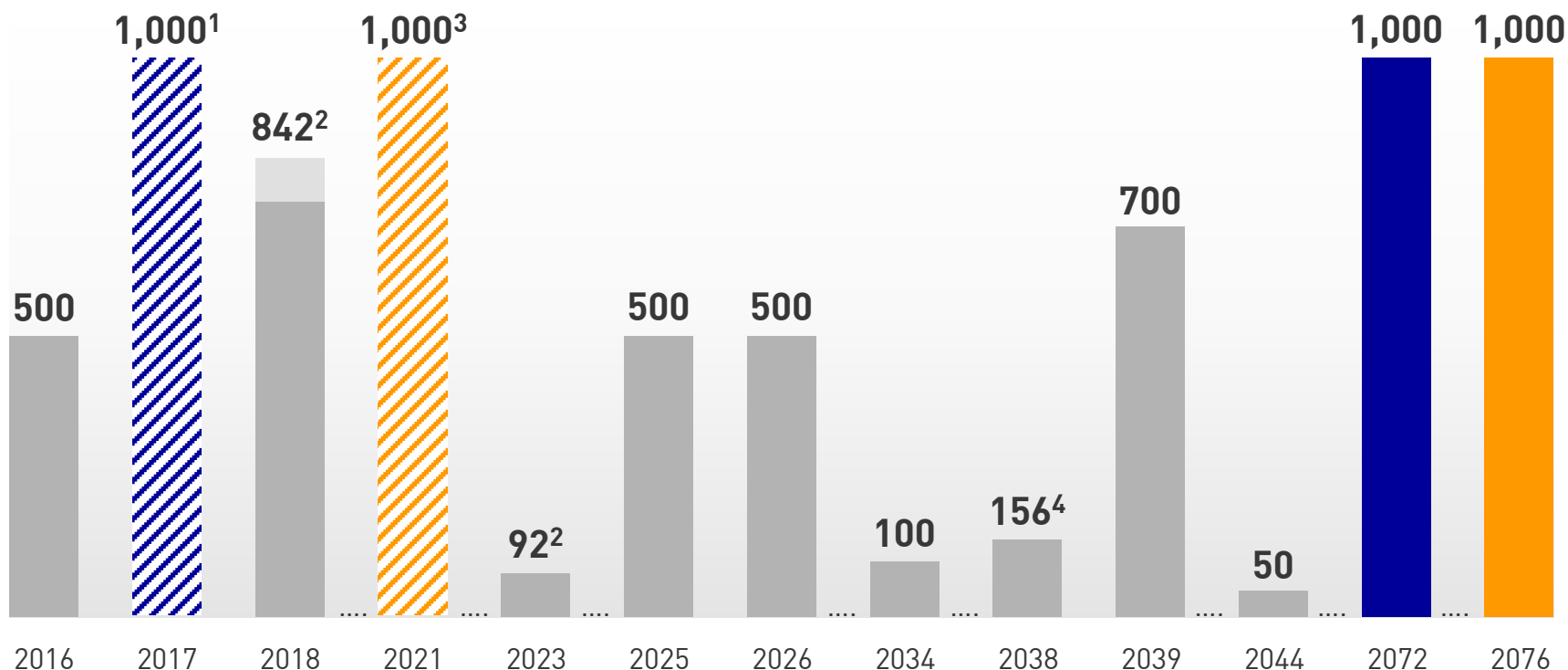
Project financing & low-interest loans from the EIB

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 31/3/2016

³ First call date of hybrid maturing in 2076

⁴ Nominal with conversion as of the reporting date 31/3/2016

13 May

Interim report: January–March 2016

Conference time: 01:00 pm

28 July

Interim report: January–June 2016

Conference time: 01:00 pm

29 September

Capital Market Day

10 November

Interim report: January–September 2016

Conference time: 01:00 pm



**Events
2016**



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