

# Investor and analyst conference call Q3 2021 >



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

12 November 2021



# Key messages



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Adjusted EBITDA: Slight reduction by 4% – outlook 2021 unchanged

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Significant net debt reduction to €10.9 bn

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## On our way to climate neutrality

Sustainable transition of generation portfolio

- Decommissioning of coal-fired power plants: RDK 7 by mid 2022
- Fuel switch<sup>1</sup>: CCGT Altbach/Deizisau - 750 MW electricity/170 MW heat

Sustainable finance

- €500 m green subordinated bond in August
  - ISS ESG rating improved to “B”: EnBW ranks in TOP 5% multi utilities
- 

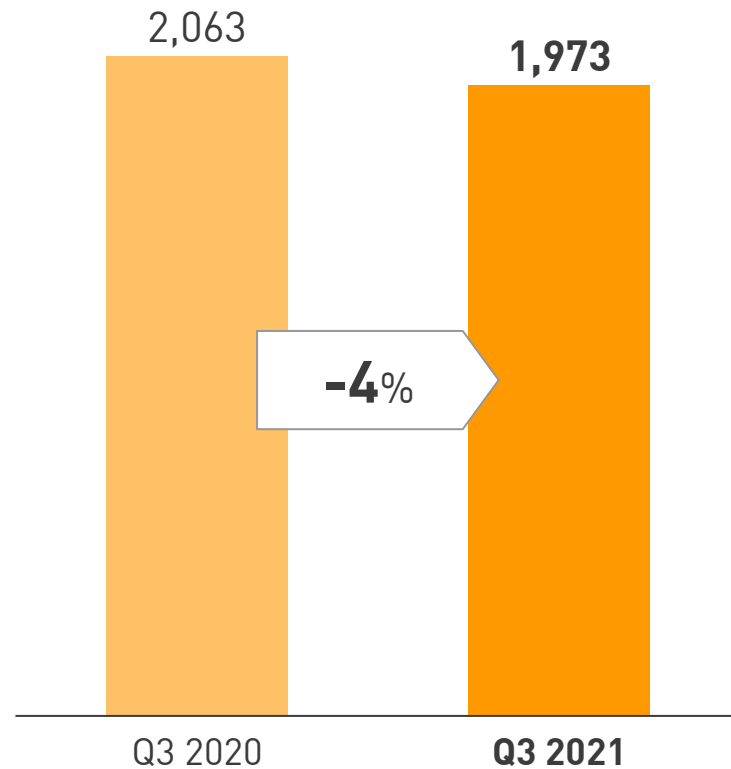
<sup>1</sup> The final investment decision will be taken at a later date

# Temporary effects slightly reduced adjusted EBITDA

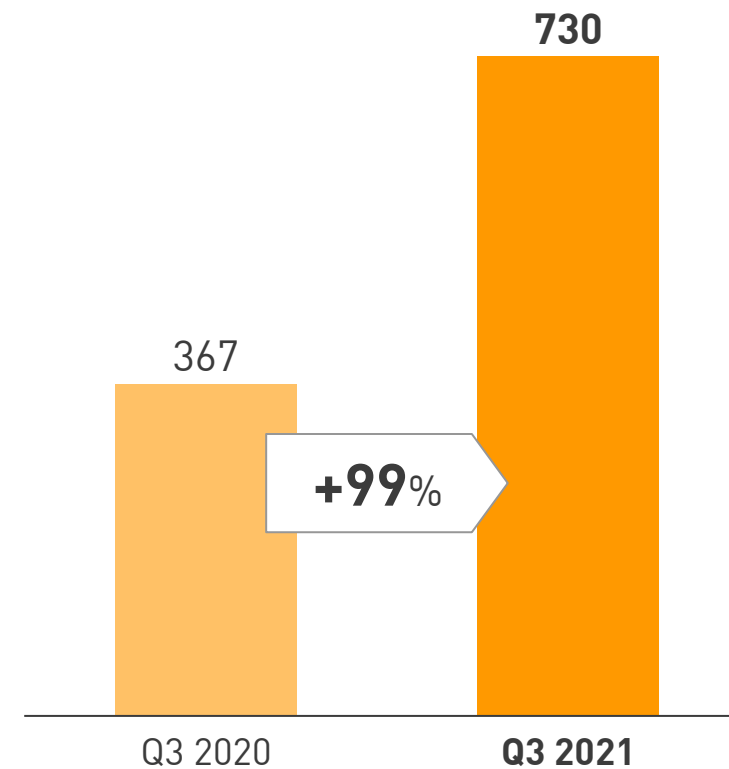
## Financial result improvement increases adjusted Group net profit



Adjusted EBITDA  
in € m



Adjusted Group net profit<sup>1</sup>  
in € m



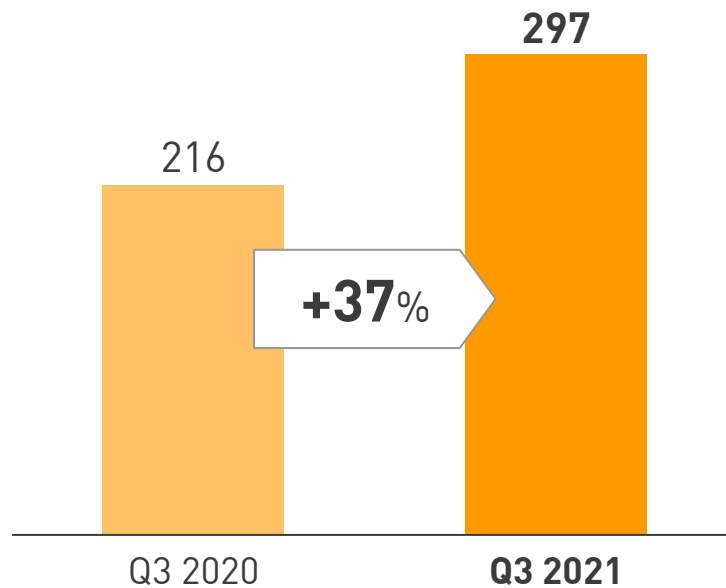
<sup>1</sup> Attributable to the shareholders of EnBW AG



## Smart Infrastructure for Customers Improved earnings in the commodity business



Adjusted EBITDA  
in € m



### Electricity and gas sales

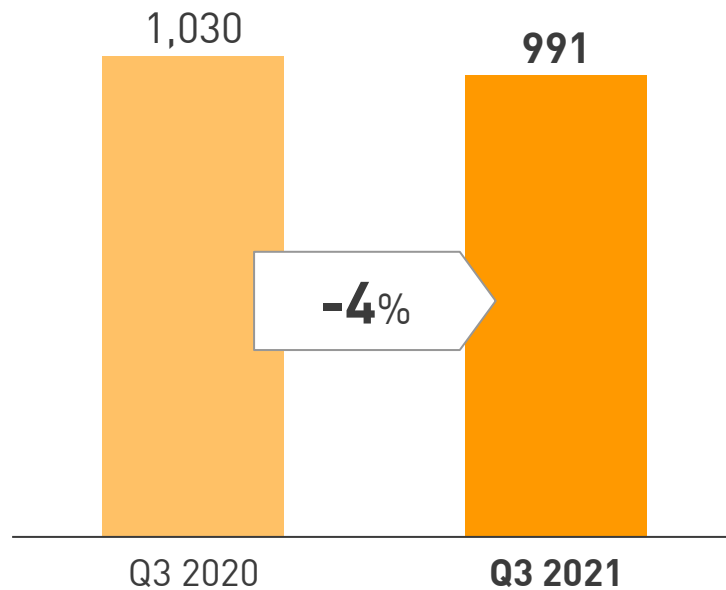
- Improved earnings in the commodity business at all our sales companies
- Positive earnings performance at our subsidiary SENEK

## 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

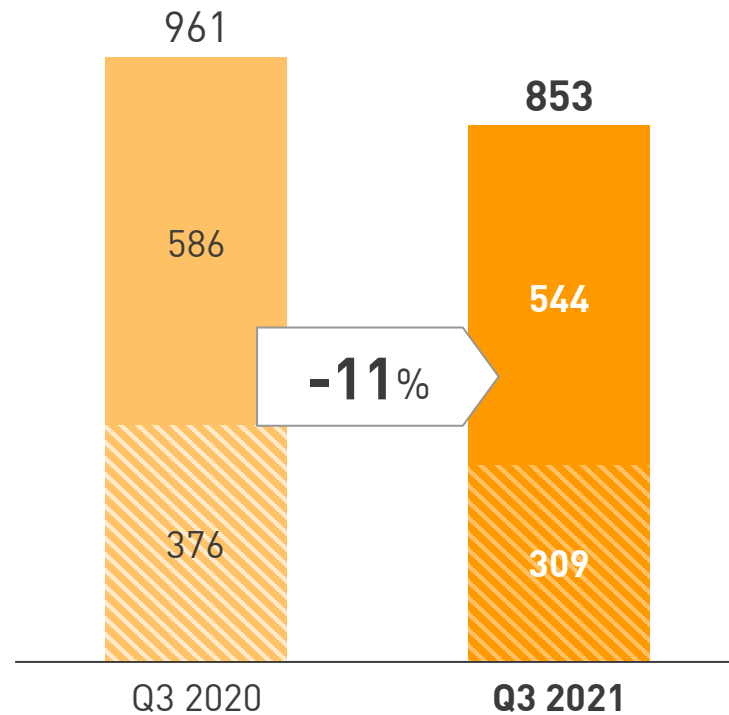


## Sustainable Generation Infrastructure

### Lower wind yields and temporary valuation effects



Adjusted EBITDA  
in € m



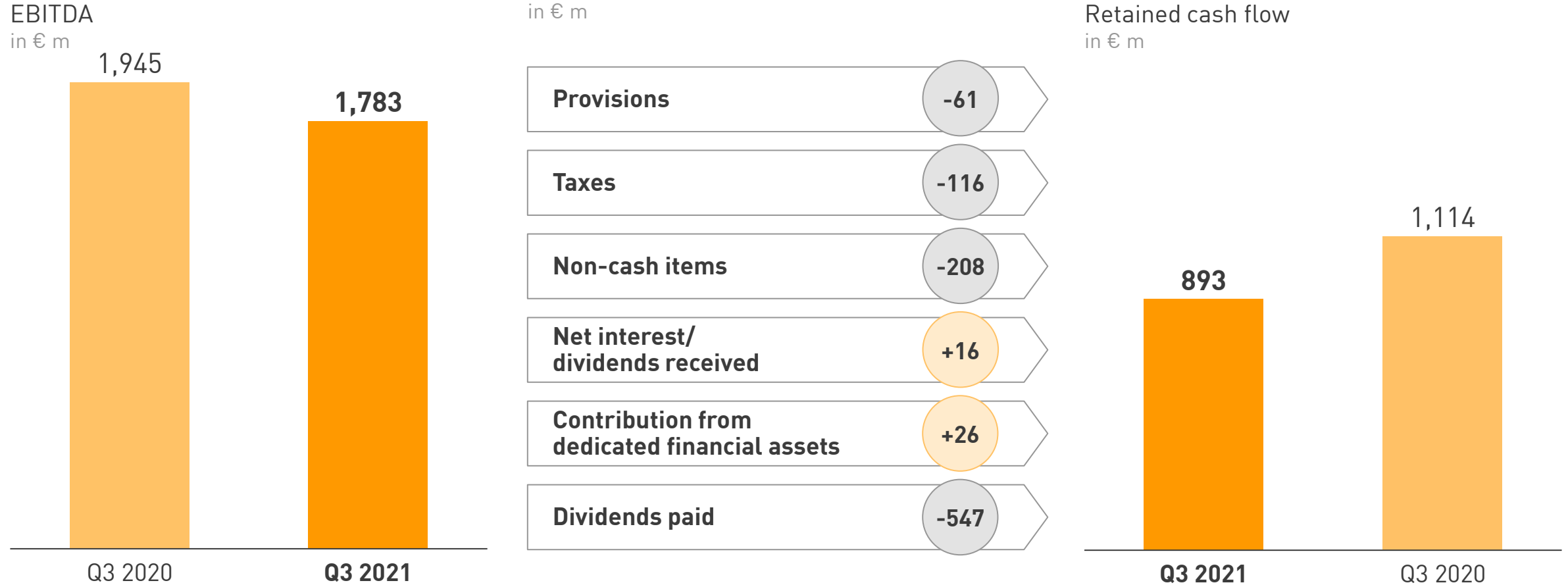
#### Renewable Energies

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

#### Thermal Generation and Trading

- Temporary negative valuation effects

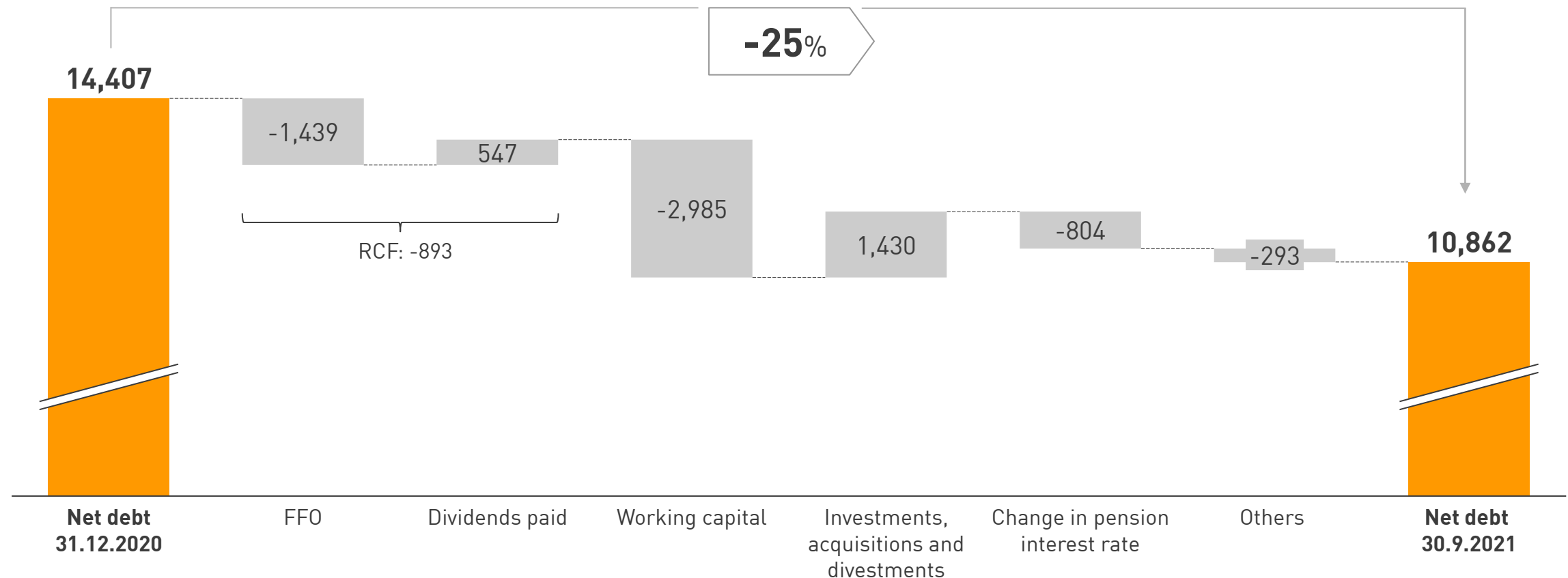
## Decrease in RCF mainly due to higher dividend payout and interest paid



# 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 confirmed



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**

# Questions & Answers



## Appendix



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- Service information ..... [Page 22](#)

## Non-operating result



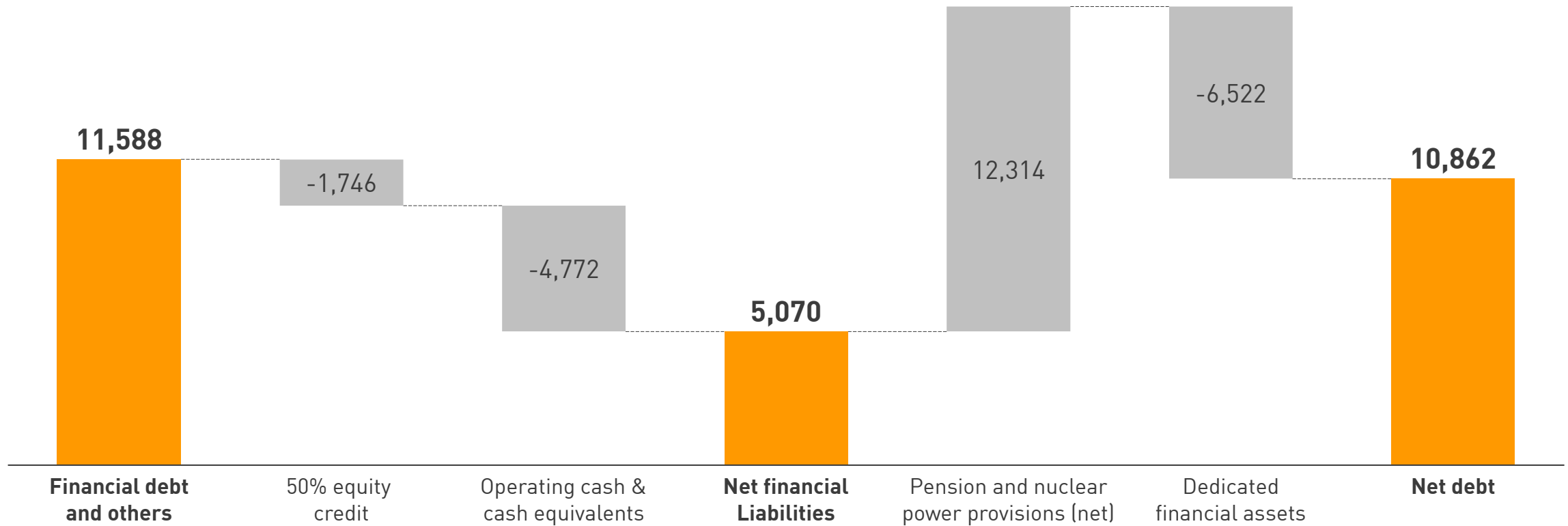
in € m

	Q3 2021	Q3 2020	Change in %
Income/expenses relating to nuclear power	95.8	14.6	-
Result from disposals	-4.5	-3.2	40.6
Reversals of/additions to the provisions for onerous contracts relating to electricity procurement agreements	-303.9	0.0	-
Restructuring	-24.4	-18.1	34.8
Valuation effects	62.3	-40.2	-
Other non-operating result	-15.3	-71.0	-78.5
<b>Non-operating EBITDA</b>	<b>-190.0</b>	<b>-117.9</b>	<b>61.2</b>
Impairment losses	-957.4	-89.2	-
<b>Non-operating EBIT</b>	<b>-1,147.4</b>	<b>-207.1</b>	<b>-</b>

# Calculation of net debt<sup>1</sup>



in € m

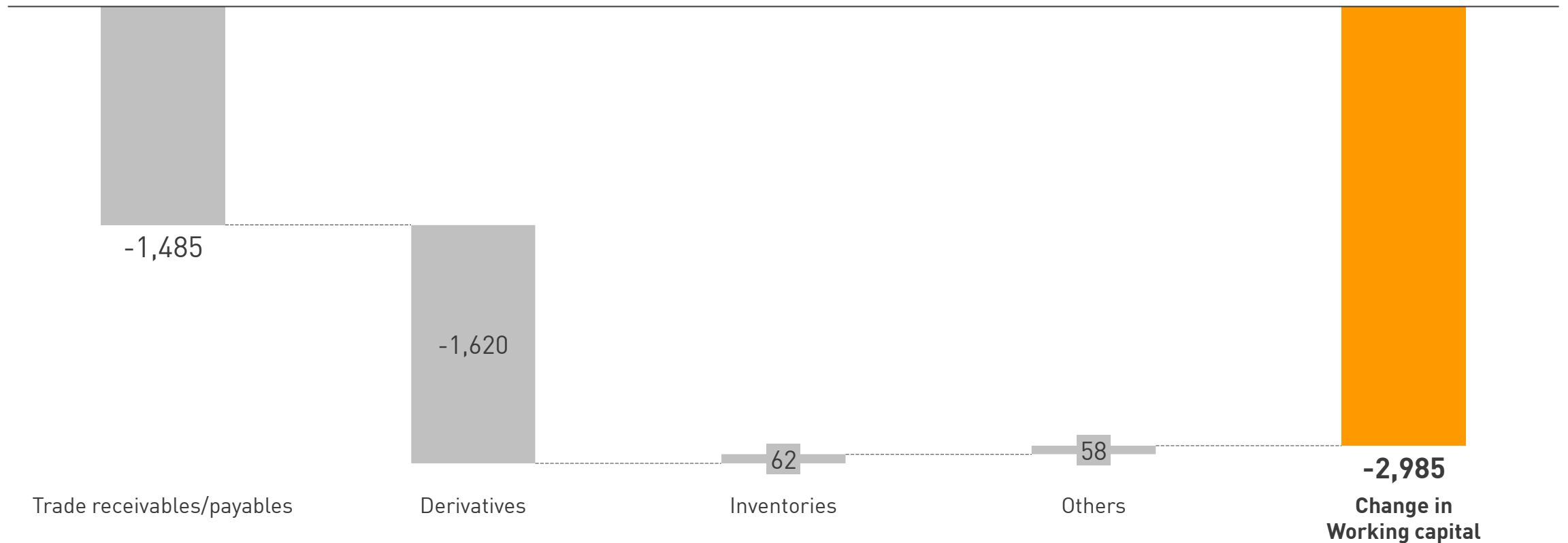


<sup>1</sup> As of 30 September 2021

# Working capital effects<sup>1</sup>



in € m

<sup>1</sup> 1.1. – 30.9.2021

# Income statement



in € m

	Q3 2021	Q3 2020	Change in %
<b>Revenue</b>	<b>18,720.8</b>	<b>13,682.0</b>	<b>36.8</b>
Changes in inventories/other own work capitalized	185.0	204.7	-9.6
Cost of materials	-14,769.7	-9,819.1	50.4
Personnel expenses	-1,741.4	-1,537.8	13.2
Other operating income/expenses	-612.1	-585.2	4.6
<b>EBITDA</b>	<b>1,782.6</b>	<b>1,944.6</b>	<b>-8.3</b>
Amortization and depreciation	-2,069.0	-1,064.3	94.4
<b>EBIT</b>	<b>-286.4</b>	<b>880.3</b>	<b>-</b>
Investment and financial result	236.8	-284.0	-
<b>EBT</b>	<b>-49.6</b>	<b>596.3</b>	<b>-</b>
Income tax	45.3	-217.8	-
<b>Group net profit</b>	<b>-4.3</b>	<b>378.5</b>	<b>-</b>
of which profit shares attributable to non-controlling interests	(22.3)	(128.3)	-
of which profit shares attributable to the shareholders of EnBW AG	(-26.6)	(250.2)	-



# Retained cash flow

in € m

	Q3 2021	Q3 2020	Change in %
<b>EBITDA</b>	<b>1,782.6</b>	<b>1,944.6</b>	<b>-8.3</b>
Changes in provisions	-60.7	-410.0	-85.2
Non-cash-relevant income/expenses	-208.2	56.6	-
Income tax paid	-116.3	-137.3	-15.3
Interest and dividends received	270.4	186.6	44.9
Interest paid for financing activities	-254.0	-192.3	32.1
Dedicated financial assets contribution	25.5	53.6	-52.4
<b>Funds from Operations (FFO)</b>	<b>1,439.3</b>	<b>1,501.8</b>	<b>-4.2</b>
Dividends paid	-546.5	-388.1	40.8
<b>Retained Cashflow<sup>1</sup></b>	<b>892.8</b>	<b>1,113.7</b>	<b>-19.8</b>

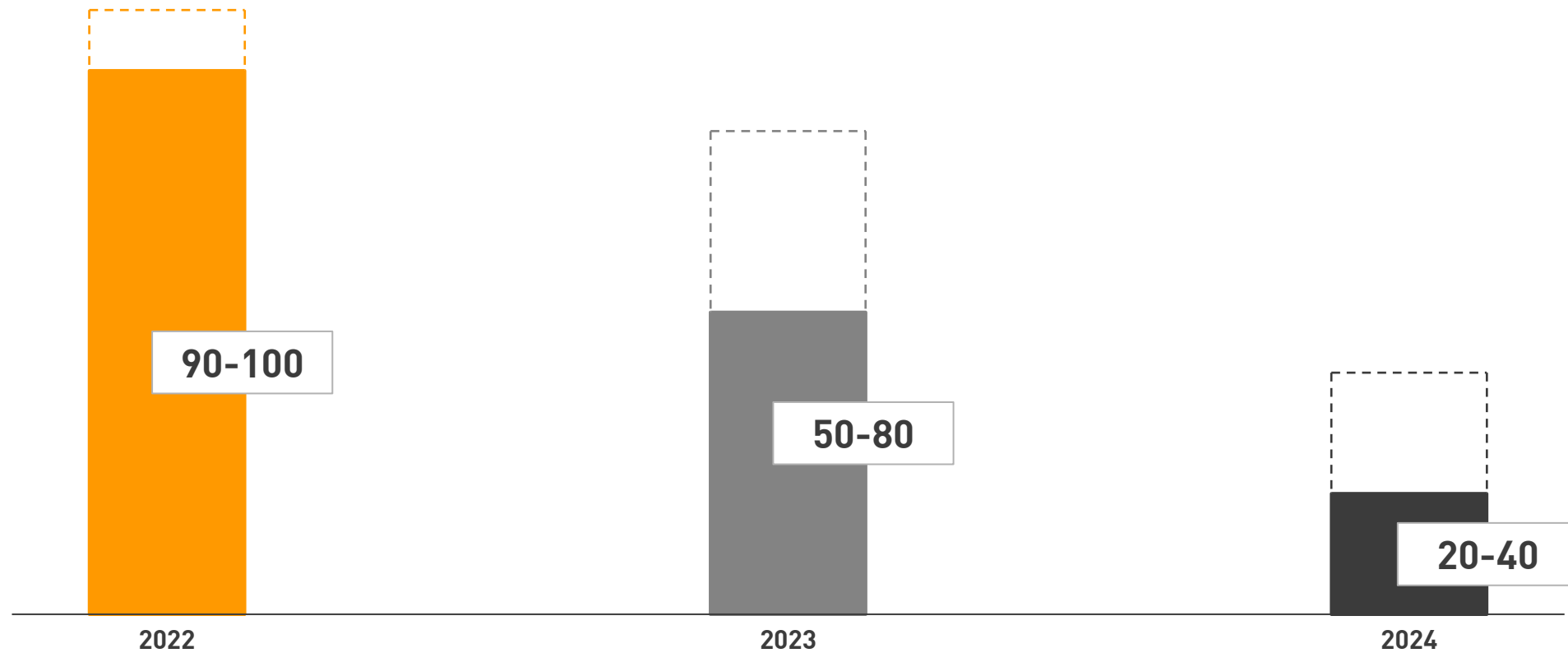
<sup>1</sup> Adjusted for the effects of the nuclear fuel tax refund of €180.0 m, the adjusted retained cash flow in the previous year amounted to €1,293.7 m (1.1.-30.9.2020). The adjustment does not apply in the reporting year.



# Electricity generation hedge levels<sup>1</sup>

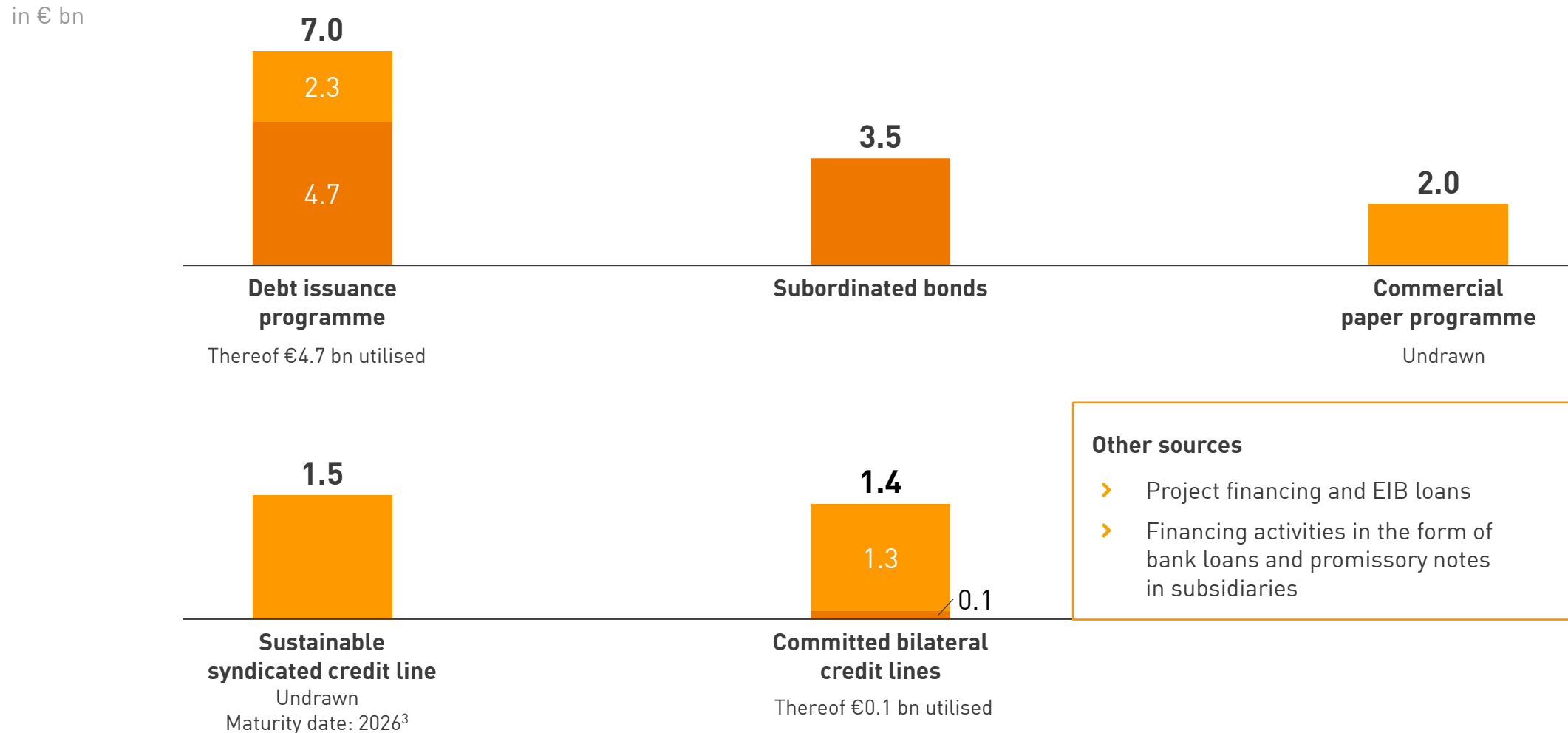


in %



<sup>1</sup> As of 30 September 2021

## EnBW has flexible access to various financing sources <sup>1,2</sup>



<sup>1</sup> As of 30 September 2021

<sup>2</sup> Rounded figures

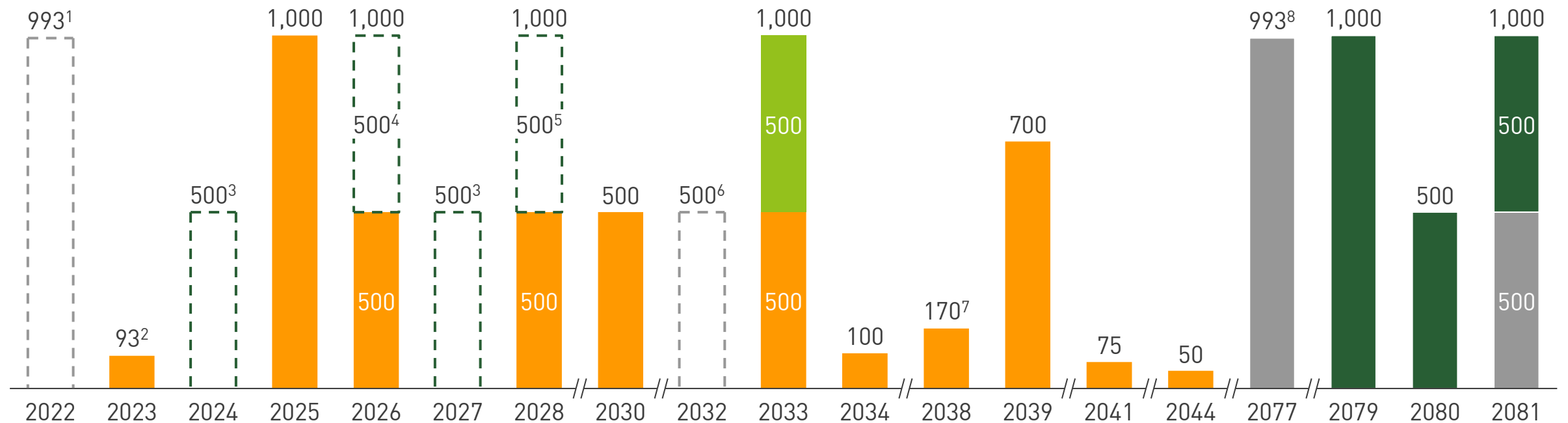
<sup>3</sup> Following exercise of the first annual renewal option after the first year. There is a second renewal option after the second year with the potential maximum term until end of June 2027.

# 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



<sup>1</sup> First call date: subordinated maturing in 2077; includes USD 300 m (swap in €), coupon before swap 5.125%

<sup>2</sup> CHF 100 m, converted as of the reporting date of 30.9.2021

<sup>3</sup> First call date: green subordinated maturing in 2079

<sup>4</sup> First call date: green subordinated maturing in 2080

<sup>5</sup> First call date: green subordinated maturing in 2081

<sup>6</sup> First call date: subordinated maturing in 2081

<sup>7</sup> JPY 20 bn (swap in €), coupon before swap 5.460

<sup>8</sup> Includes USD 300 m, converted as of 5.10.2016

## Fixed income: Credit ratings



### MOODY'S INVESTORS SERVICE

**Baa1 / stable**  
18 May 2021

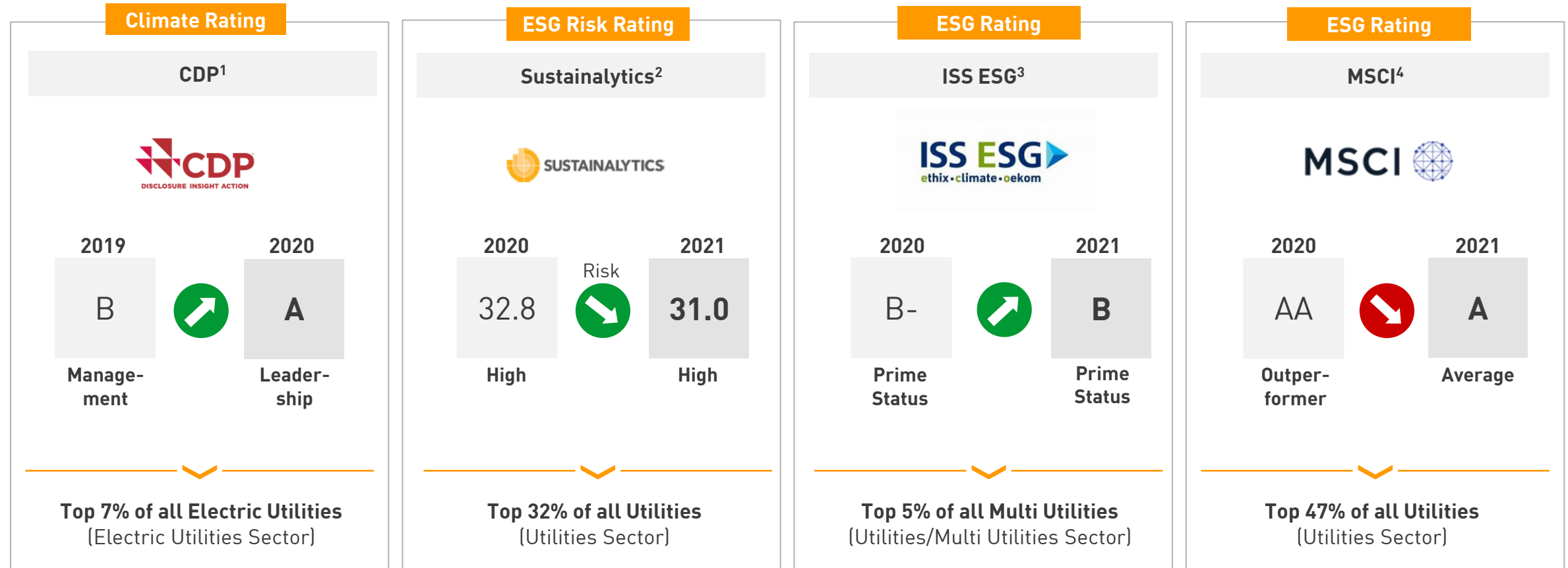
- › Leadership position as vertically integrated utility within Baden-Württemberg
- › Significant proportion of EBITDA, around 50%, from low-risk regulated distribution and transmission activities
- › Growing share of renewables under contracts as EnBW continues to invest in line with its strategy
-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



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

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

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

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

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# Financial calendar



<b>23 March 2022</b>	Publication Integrated Annual Report 2021 Investor and analyst conference call: 03:00 pm
<b>5 May 2022</b>	Annual General Meeting 2022
<b>13 May 2022</b>	Publication figures Q1 2022 Investor and analyst conference call: 01:00 pm
<b>12 August 2022</b>	Publication figures Q2 2022 Investor and analyst conference call: 01:00 pm
<b>11 November 2022</b>	Publication figures Q3 2022 Investor and analyst conference call: 01:00 pm

