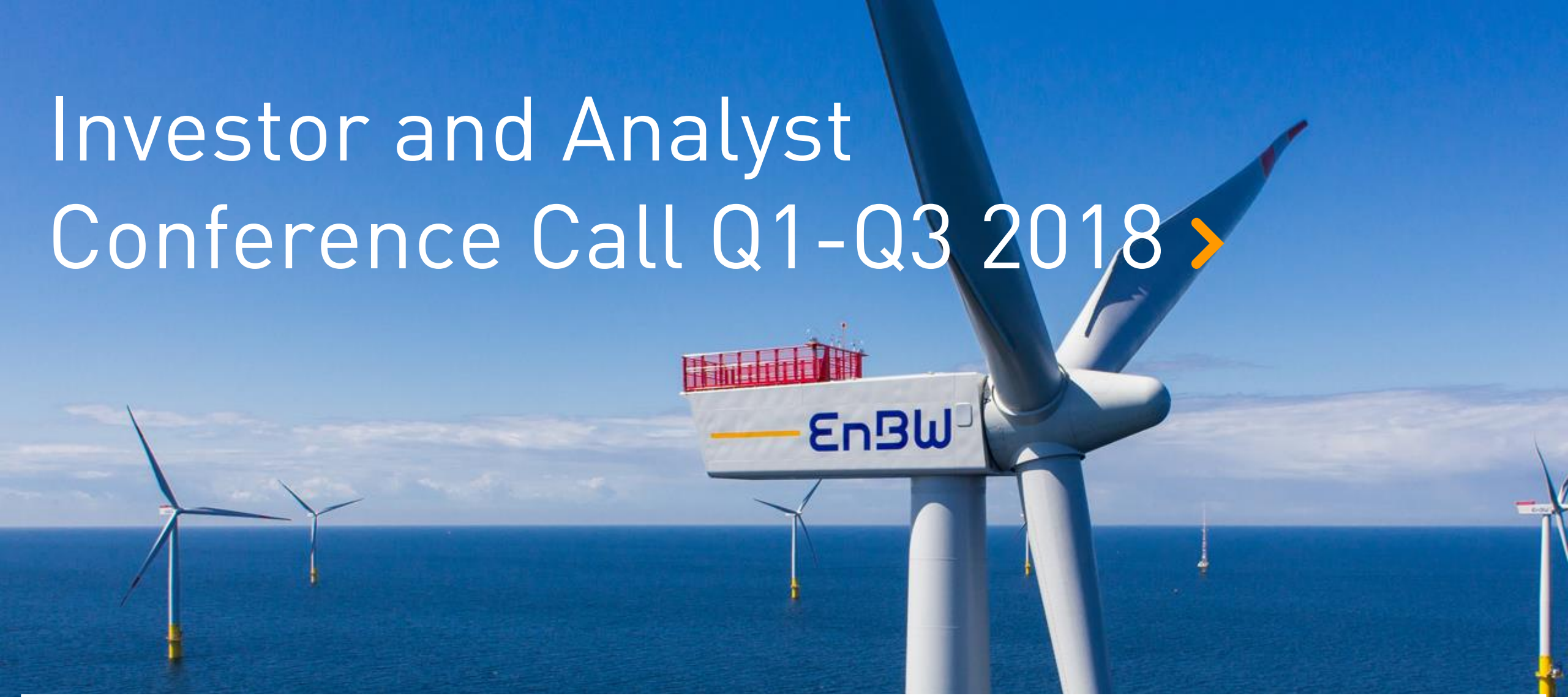
Investor and Analyst Conference Call Q1-Q3 2018



Thomas Kusterer, Chief Financial Officer
Ingo Peter Voigt, Head of Finance, M&A and Investor Relations

12 November 2018

EnBW goes green – Funding follows strategy

- **Issuance of green bond**
  - Settlement date: **31 October** 2018
  - Issue size: **€500** million
  - Term to maturity: **15** years
  - Coupon: **1.875%**

- **Green bond underpins strategy**
  - Portfolio transformation towards share of low-risk earnings of at least 70% in 2020
  - Renewable energies and smart infrastructure solutions as core element of strategy
  - Sustainability is an integral part of EnBW's business model

- **Use of proceeds[1]: Asset Category**

Renewable energy: 98% Portfolio share

Wind: 93% Portfolio share

Solar: 5% Portfolio share

Clean transportation: 2% Portfolio share

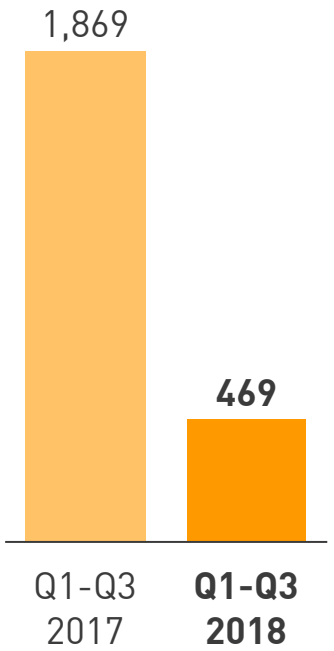
[1] SPO ISS-oekom, 10 October 2018: Verification of the Sustainability Quality of the Fist Green Bond by EnBW

Q1-Q3 2018 – in line with forecast, but affected by unfavourable weather conditions

Key Financials

Adjusted EBITDA
in € million

Group net profit[1]
in € million



Financial highlights

- ✓ Adjusted EBITDA increased by 3% YOY
- ✓ Group net profit decreased by 75% YOY
- ✓ FY 2018 adjusted EBITDA guidance on group level confirmed

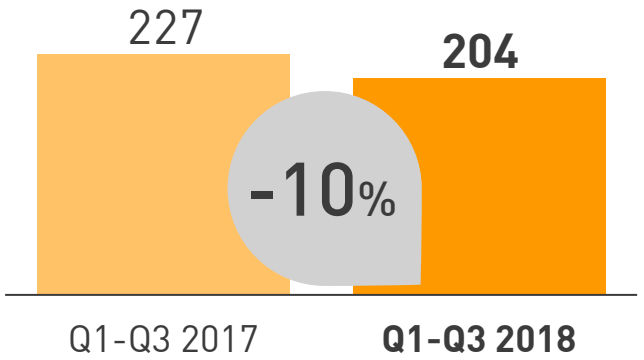
[1] Profit/loss attributable to shareholders of EnBW AG

Sales and Grids: In line with forecast

Adjusted EBITDA

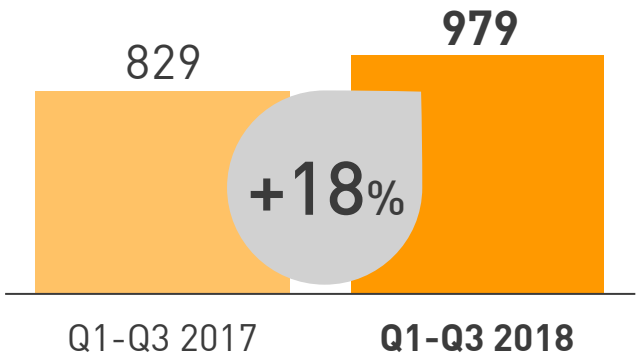
in € million

Sales



- Elimination of positive one-off effects in prior year period

Grids



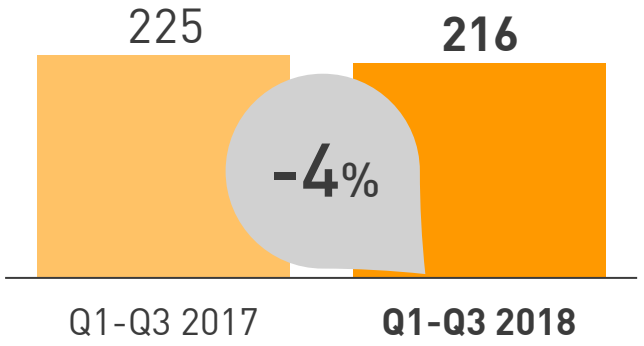
- Full consolidation of VNG
- Higher revenues from the electricity grid user charges

Renewable Energies: Low wind conditions
Generation & Trading: Slight negative effects

Adjusted EBITDA

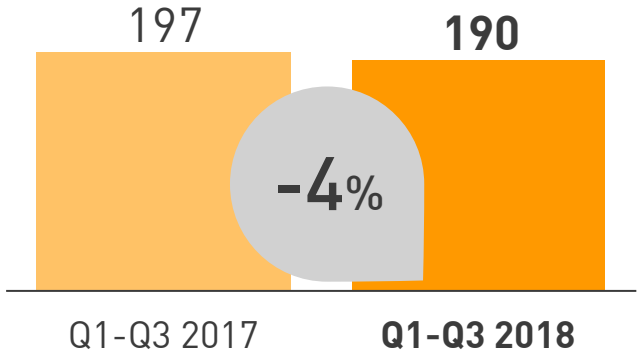
in € million

Renewable Energies



- Lower wind yields compared to previous year, notably at offshore wind farms
- Improved onshore wind generation output, substantially due to new installed capacities of the last twelve month
- Slightly higher volume of electricity generation from our run-of-river plants in spring

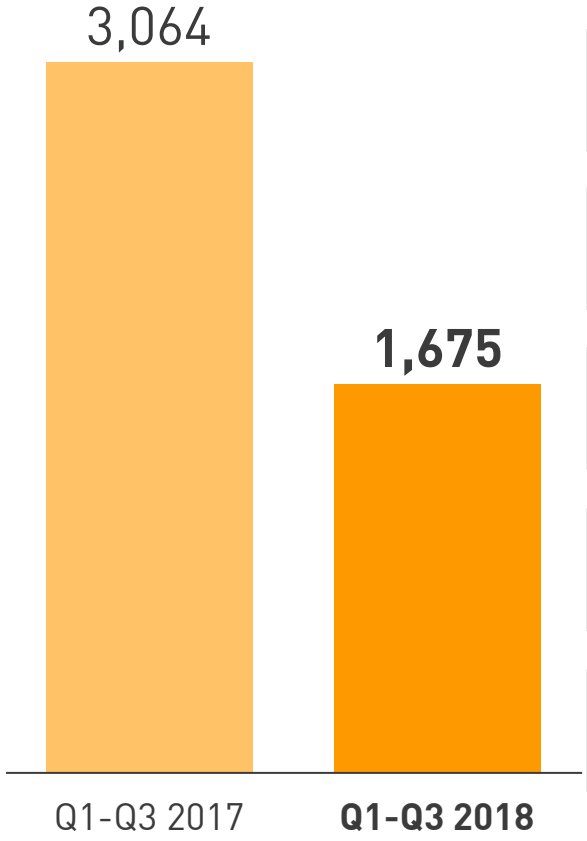
Generation and Trading



- Most of the electricity deliveries for 2018 placed on the forward market at lower margins than in 2017
- Lower income related to other accounting periods
- Downtime of KKP 2 nuclear power plant in 2017

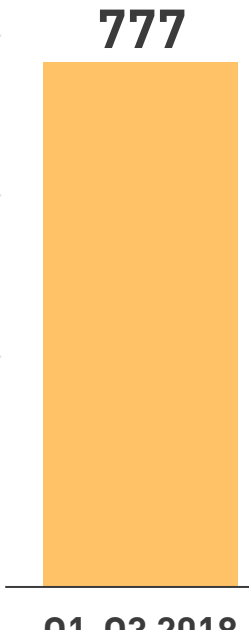
EBITDA: Significant decrease mainly driven by nuclear fuel tax refund in 2017

EBITDA
in € million

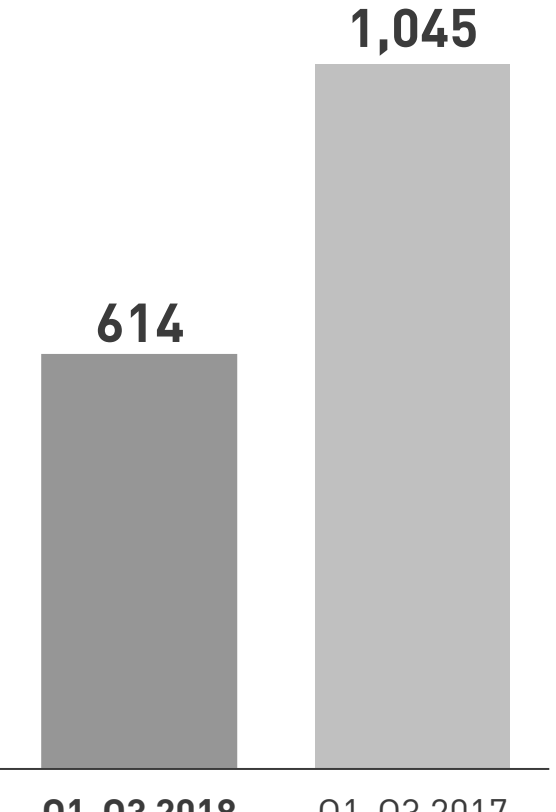


Provisions	-541
Taxes	-269
Non-cash items	-195
Net interest/ dividends	+46
Contribution to dedicated financial assets	+60

FFO
in € million

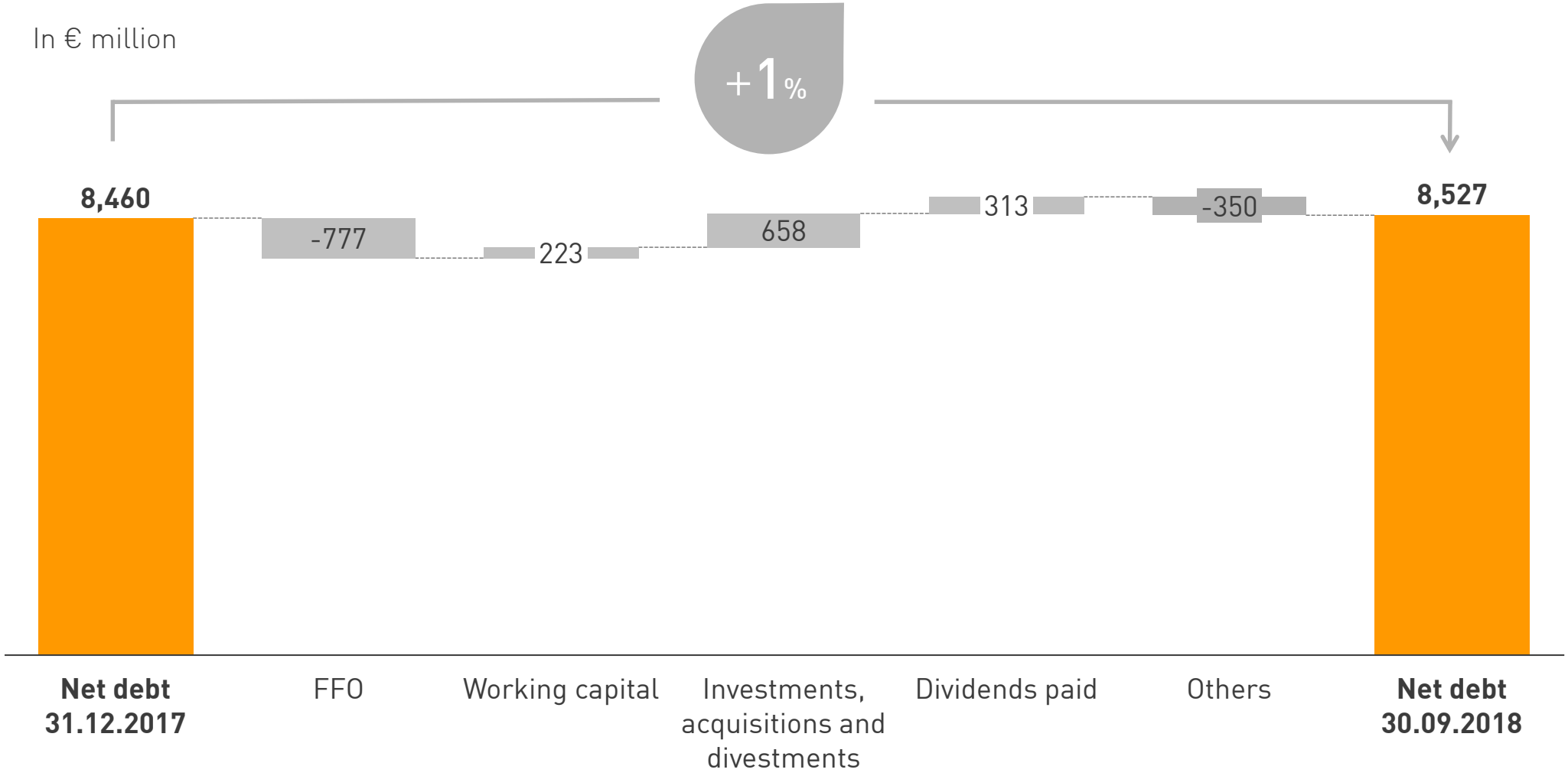


RCF II[1]
in € million



[1] RCF corrected for effects of the nuclear fuel tax refund

Slight increase in net debt



Outlook 2018 on group level confirmed; Outlook renewable energies adjusted

	Group	Sales	Grids	Renewable Energies	Generation and Trading
Adj. EBITDA 2017 in € million	2,113	330	1,046	332	377
Forecast 2018 in %	0 to +5	-5 to -15	+5 to +15	+10 to +20 NEW -10 to +5	0 to -10

Questions & Answers

EnBW

Appendix

- Additional information Page 11
- Service information Page 19

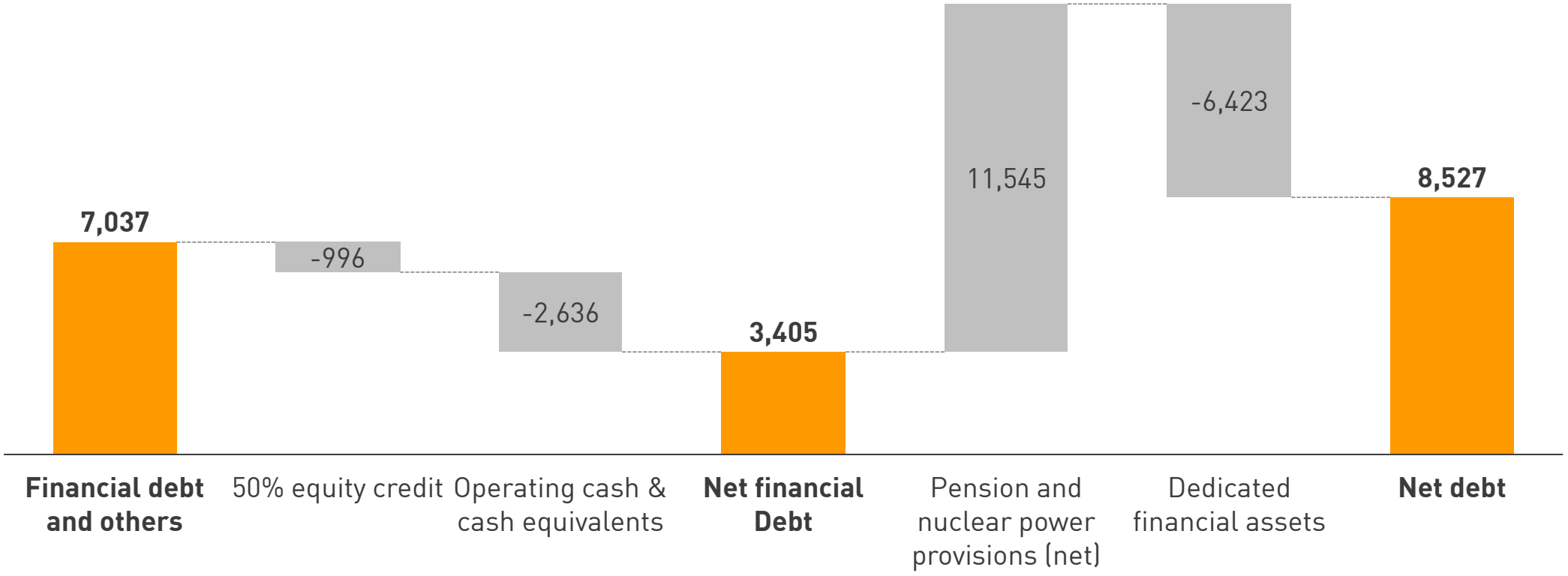
Non-operating result

In € million

	Q1-Q3 2018	Q1-Q3 2017	Variance
Income/expenses relating to nuclear power	**12.2**	**1.279.9**	-1,267.7
Result from disposals	**93.1**	**273.1**	-180.0
Reversals of/additions to the provisions for onerous contracts relating to electricity procurement agreements	**31.0**	**20.3**	10.7
Restructuring	**-26.0**	**-37.1**	11.1
Other non-operating result	**-7.0**	**6.1**	-13.1
Non-operating EBITDA	**103.3**	**1,542.3**	-1,439.0
Impairment losses	**-6.3**	**-27.6**	21.3
Non-operating EBIT	**97.0**	**1,514.7**	-1,417.7

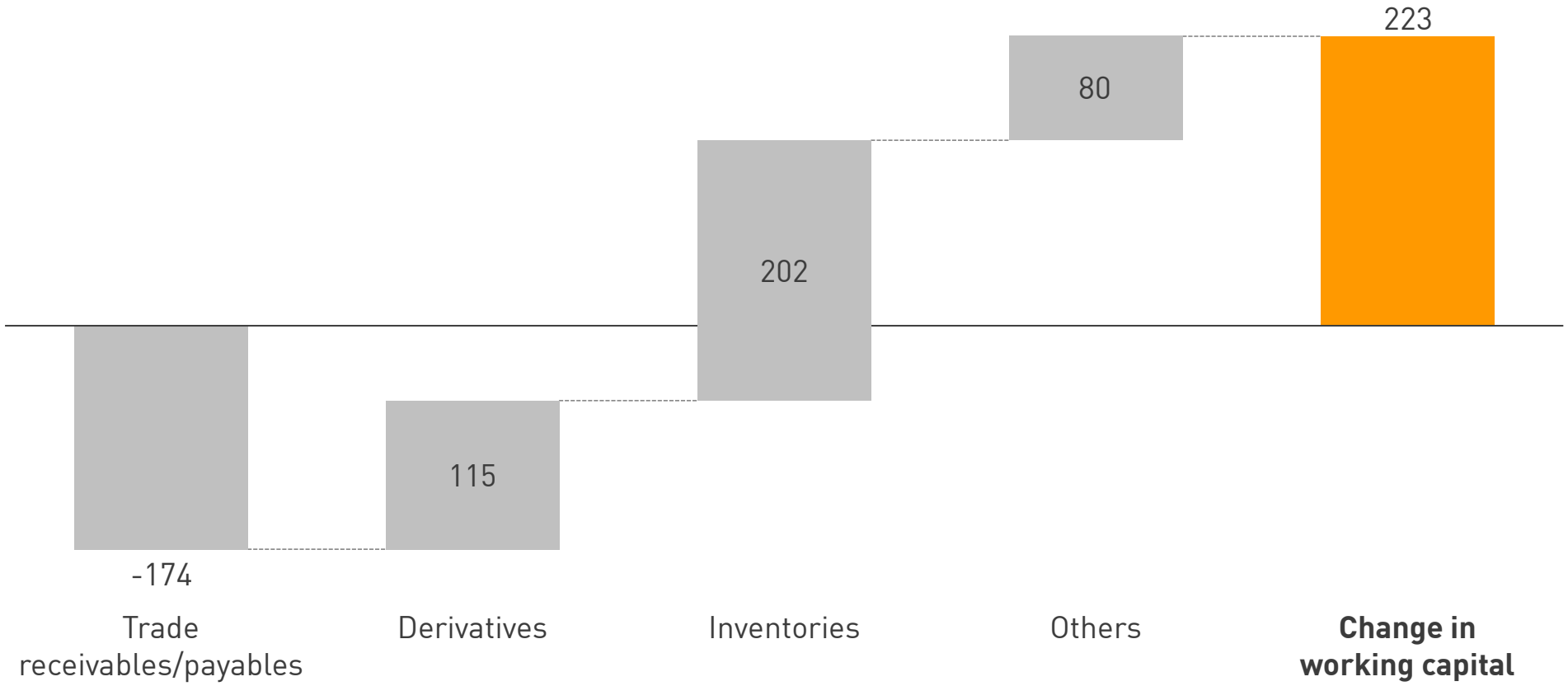
Calculation of net debt

In € million



Working capital effects

In € million



Income statement

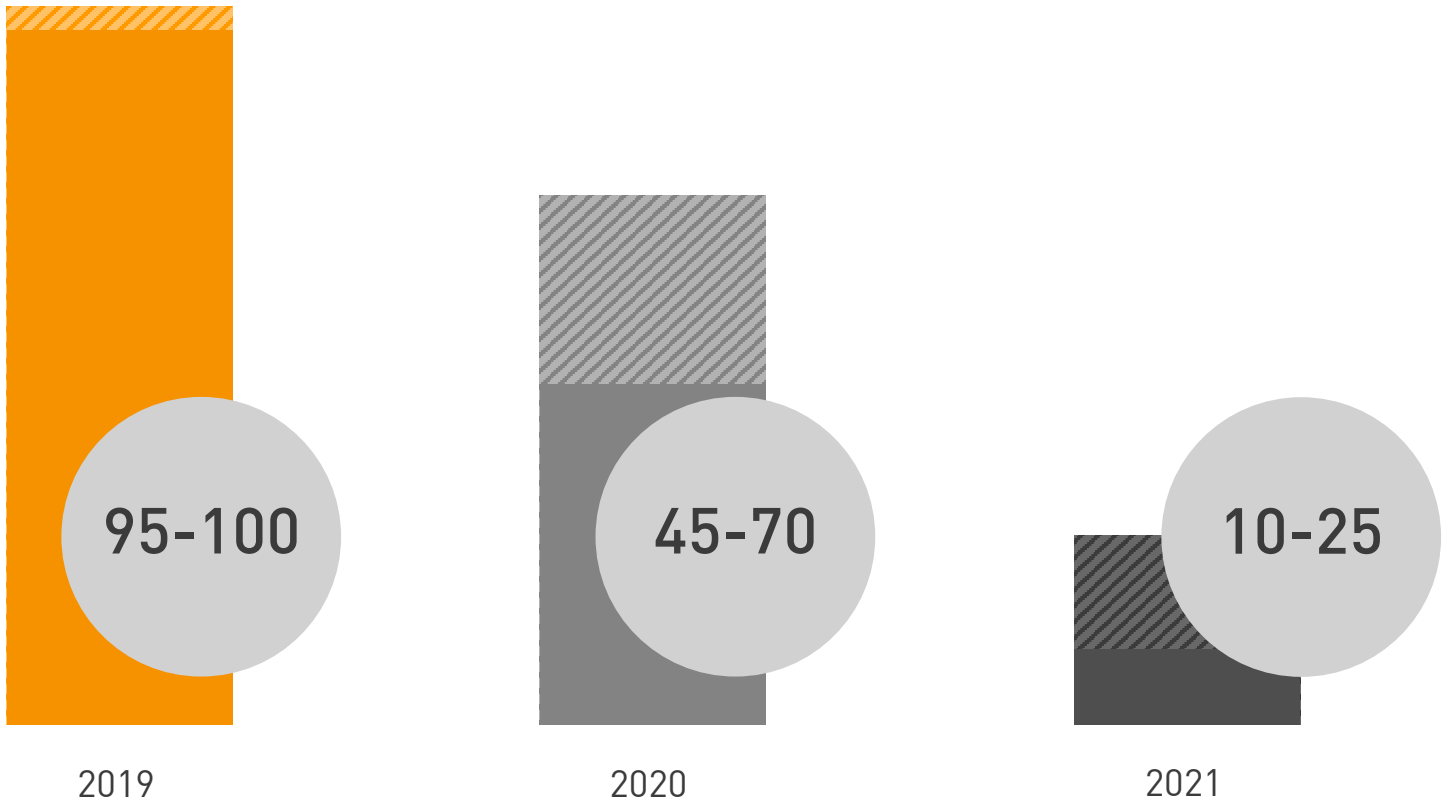
In € million	Q1-Q3 2018	Q1-Q3 2017	Variance in %
Revenue	**17,397.4**	**15,337.4**	13.4
Changes in inventories/other own work capitalised	132.7	126.5	4.9
Cost of materials	-14,284.5	-12,570.5	13.6
Personnel expenses	-1,309.6	-1,249.9	-4.8
Other operating income/expenses	-260.8	1,420.6	-
EBITDA	**1,675.2**	**3,064.1**	-45.3
Amortisation and depreciation	-897.8	-840.9	-6.8
EBIT	**777.4**	**2,223.2**	-65.0
Investment and financial result	-40.9	375.1	-
EBT	**736.5**	**2,598.3**	-71.7
Income tax	-170.3	-644.5	73.6
Group net profit/loss	**566.2**	**1,953.8**	-71.0
of which profit/loss shares attributable to non-controlling interests	97.5	85.1	14.6
of which profit/loss shares attributable to the shareholders of EnBW AG	468.7	1,868.7	-74.9

Cash flow statement

In € million	Q1-Q3 2018	Q1-Q3 2017	Variance in %
EBITDA	**1,675.2**	**3,064.1**	-45.3
Changes in provisions	-540.9	-401.3	34.8
Non-cash-relevant expenses/income	-194.7	-308.3	-36.8
Income tax paid/received	-269.1	131.8	-
Interest and dividends received	221.7	530.5	-58.2
Interest paid for financing activities	-175.4	-339.0	-48.3
Contribution of dedicated financial assets	60.0	-28.9	-
Funds from Operations (FFO)	**776.8**	**2,648.9**	-70.7
Change in assets and liabilities from operating activities	-222.7	-4,647.8	-95.2
Capital expenditures on intangible assets and property, plant and equipment	-742.3	-761.2	-2.5
Disposals of intangible assets and property, plant and equipment	56.0	44.9	24.7
Cash received from construction cost and investment subsidies and refund of taxes from capitalized exploration expenses	49.9	47.1	5.9
Free cash flow	**-82.3**	**-2,668.1**	-96.9

Hedge levels[1]

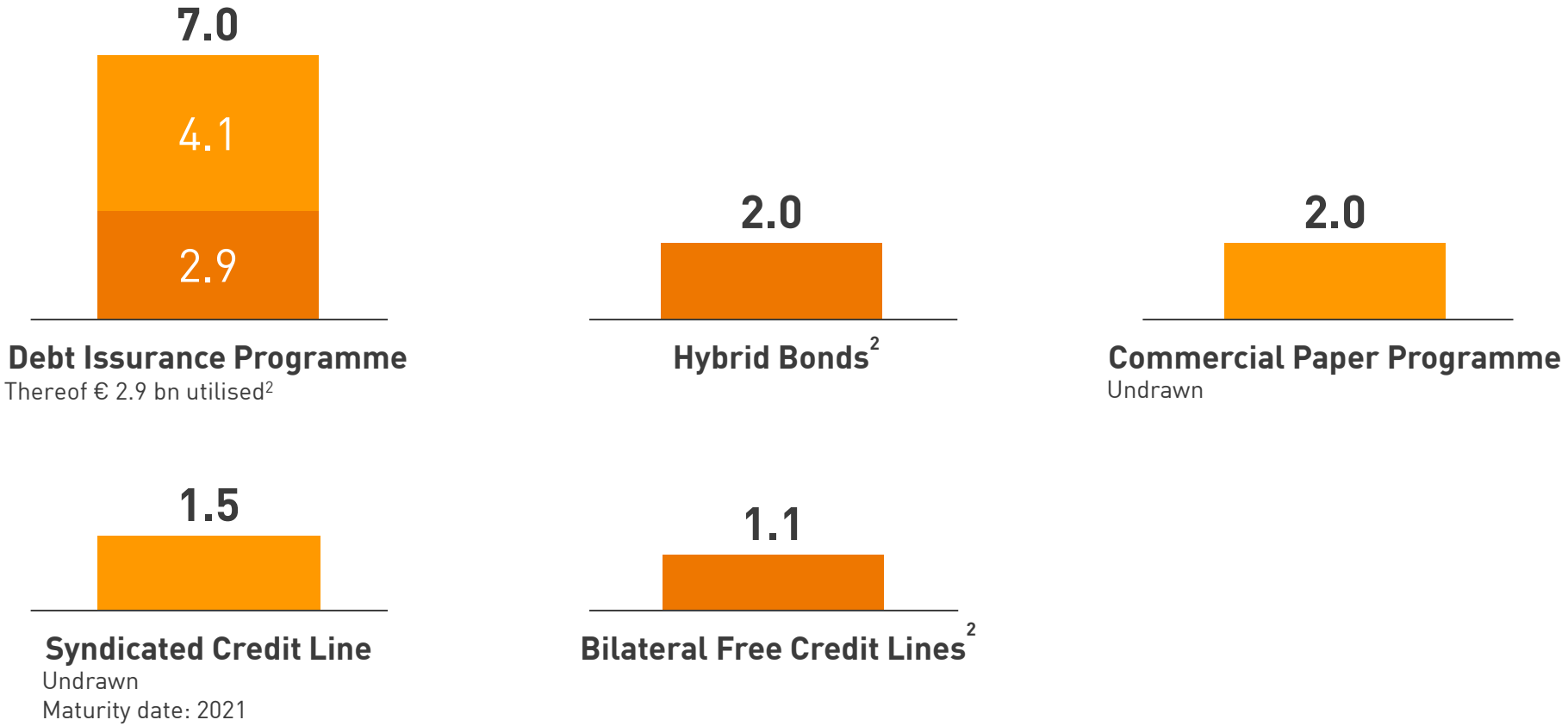
In %



[1] As of 30 September 2018

EnBW has a flexible access to various financing sources[1]

In € billion



Debt Issurance Programme
Thereof € 2.9 bn utilised[2]

Hybrid Bonds[2]

Commercial Paper Programme
Undrawn

Syndicated Credit Line
Undrawn
Maturity date: 2021

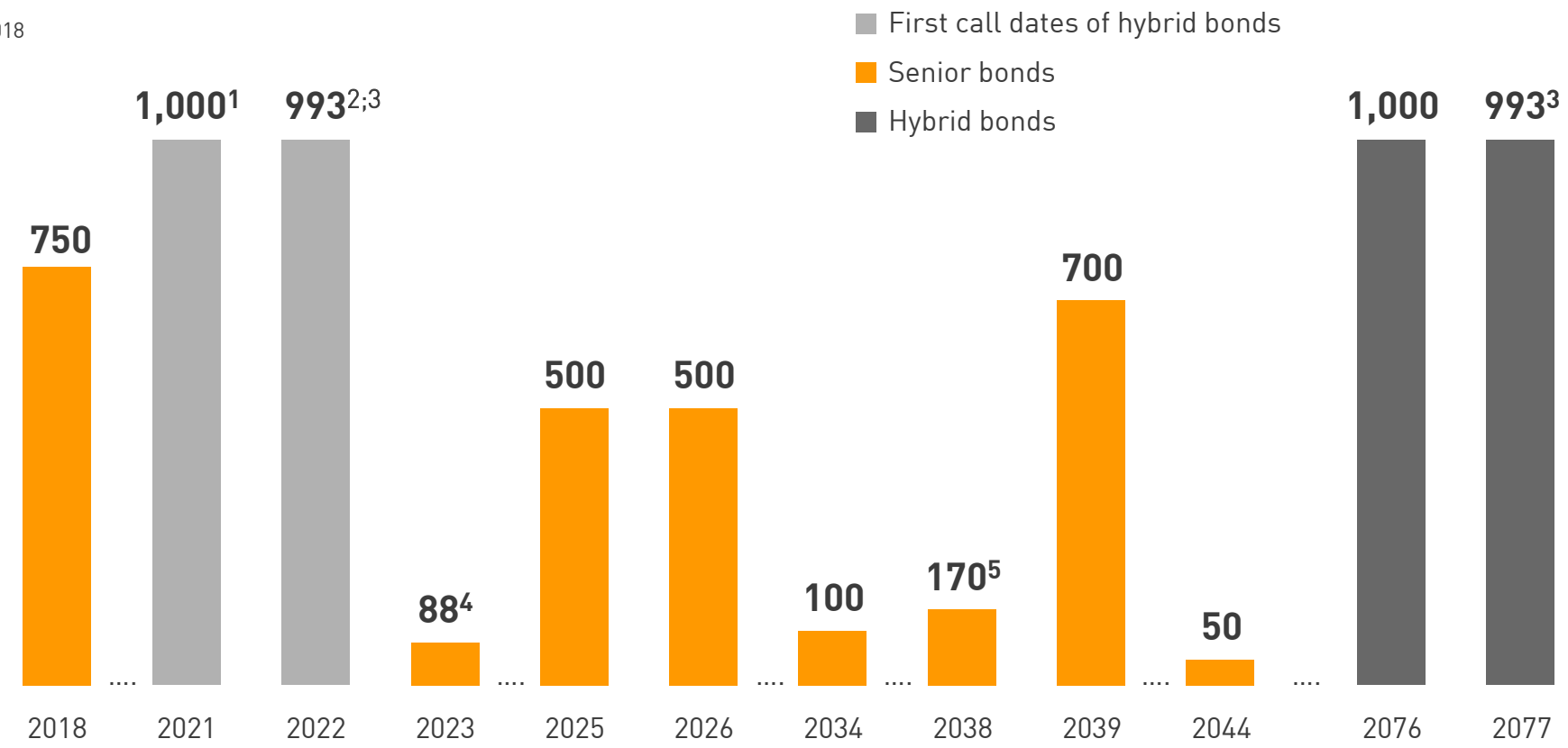
Bilateral Free Credit Lines[2]

Project financing and low-interest loans from the EIB

[1] As of 30 September 2018
[2] Rounded figures

Maturities of EnBW's bonds

In € million
As of 30 September 2018



[1] First call date: hybrid maturing in 2076
[2] First call date: hybrid maturing in 2077
[3] Includes USD 300 million, Coupon for Swap in EUR 5.125% (converted as of 05/10/2016)
[4] CHF 100 million, converted as of the reporting date of 30/09/2018
[5] JPY 20 billion (swap in EUR), Coupon for Swap 3.880%

Financial calendar 2019 & important links

Financial calendar 2018

28 March 2019	Integrated Annual Report January to December 2018
8 May 2019	Annual General Meeting
10 May 2019	Quarterly Statement January to March 2019
25 July 2019	Six-Monthly Financial Report January to June 2019
8 November 2019	Quarterly Statement January to September 2019

Important links

Statement Q1-Q3 2018	https://www.enbw.com/company/investors/events/conference-calls/2018/q2-2018_en.html
Financial Calendar	https://www.enbw.com/company/investors/events/finance-calender/
Financing facilities	https://www.enbw.com/company/investors/strategy/
Maturities of our bonds	https://www.enbw.com/company/investors/bonds-share/bonds/

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