

# Conference call on the first three months 2015 >

EnBW Energie  
Baden-Württemberg AG



Karlsruhe, 12 May 2015

Thomas Kusterer, Chief Financial Officer

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



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# Q1 2015 in line with EnBW's expectations



## **Economic and regulatory environment**

- › Ongoing pressure on electricity wholesale market prices
- › Network reserve capacity contracts: Final political decisions on reimbursement of capital costs still outstanding
- › Interest rate remain on a historically low level

## **Operating performance**

- › EnBW Baltic 2 construction on track
- › CCGT Lausward in Duesseldorf close to completion

## **Financial performance**

- › More than € 1bn increase of provisions due to further reduction of interest rates
- › Restructuring of our portfolio: adj. financial result of € 401 m mainly due to realisation of capital gains from the sale of securities
- › € 272 m free cash flow positive

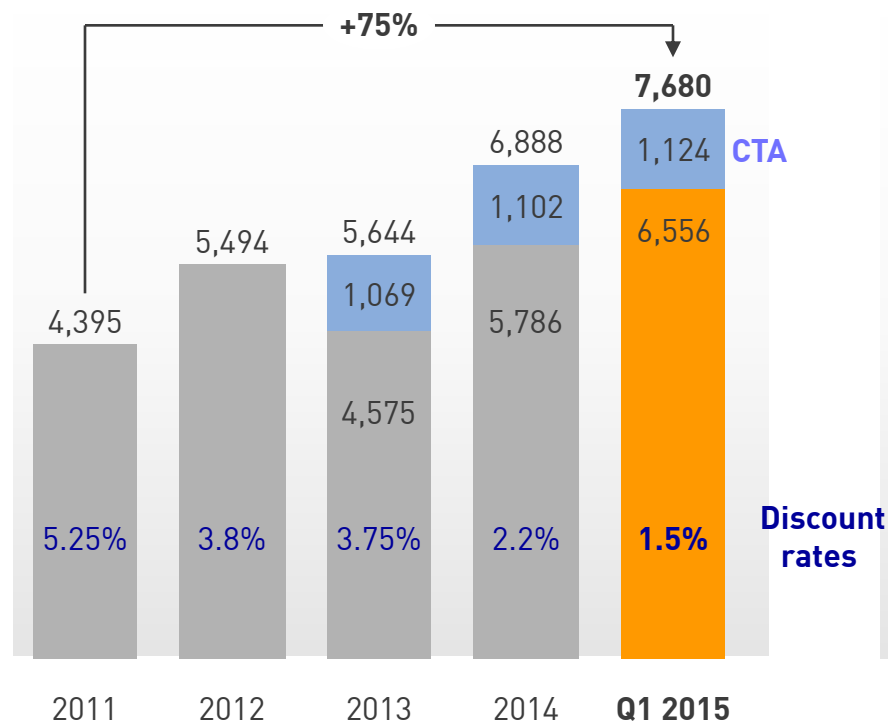
# Further reduction of discount rate with significant impact on net debt level



## Gross pension obligations incl. CTA

in € million

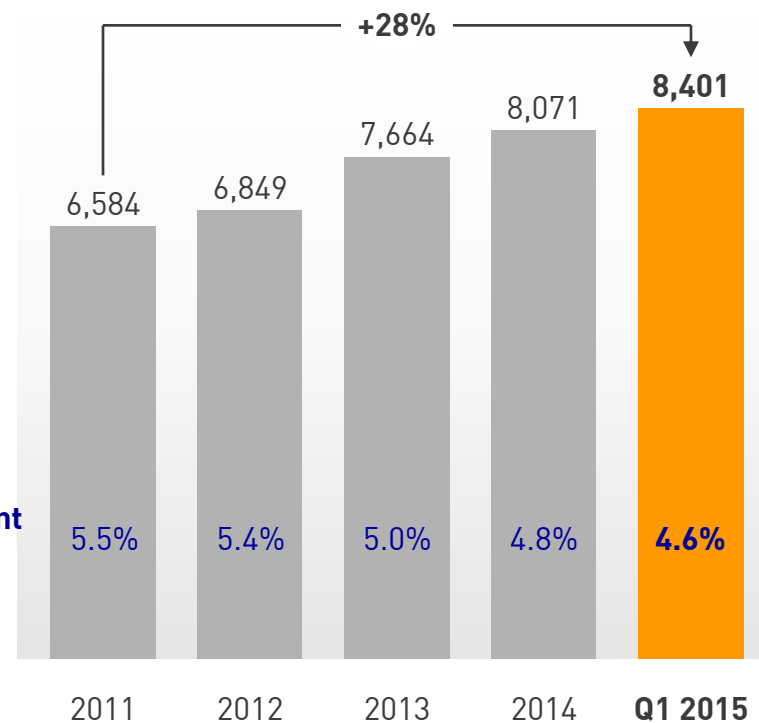
thereof interest effect: 3.214



## Nuclear provisions

in € million

thereof interest effect: 1.087

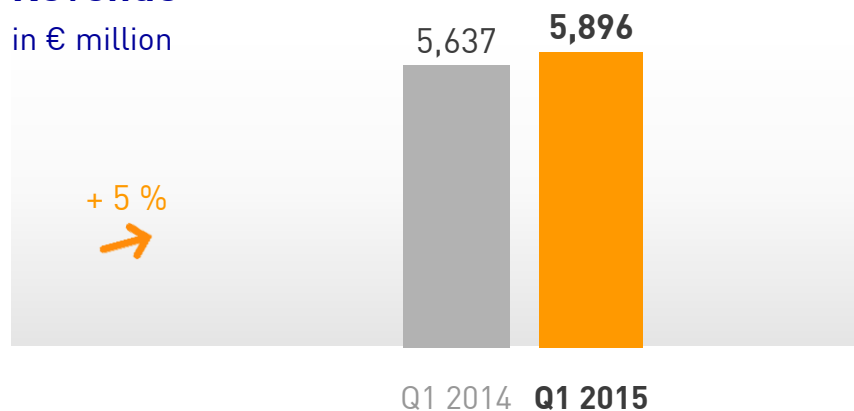


# Q1 2015 – Results in line with expectations



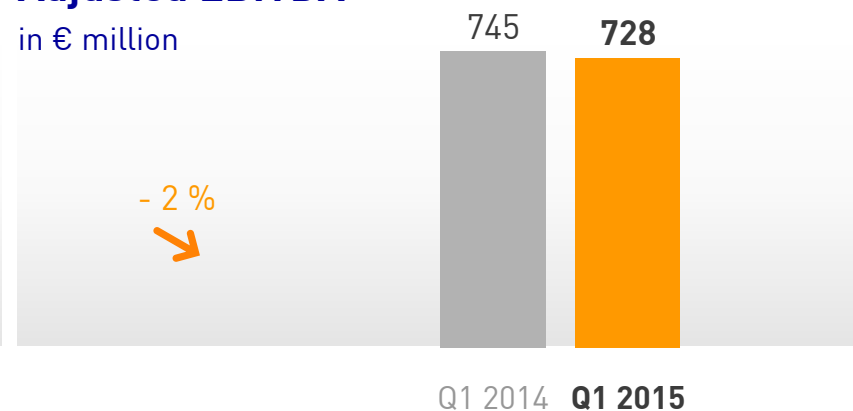
## Revenue

in € million



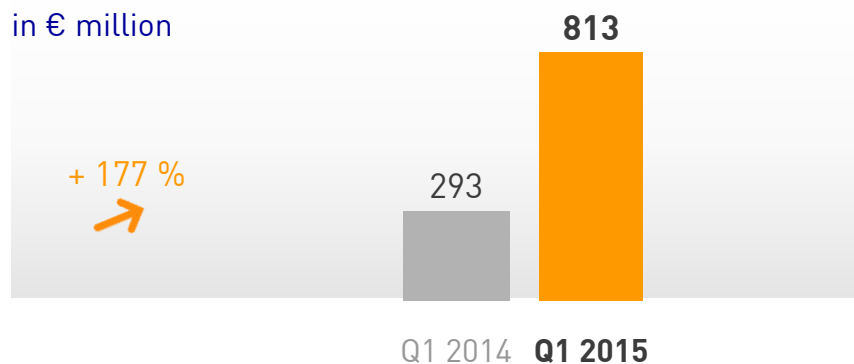
## Adjusted EBITDA

in € million



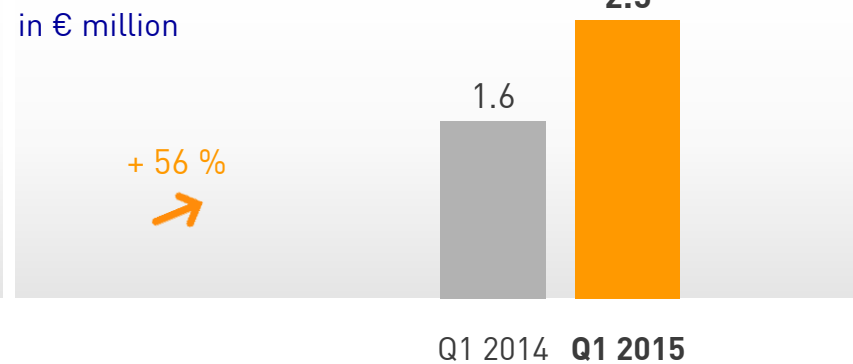
## Adjusted group net profit

in € million



## Non-operating EBIT

in € million



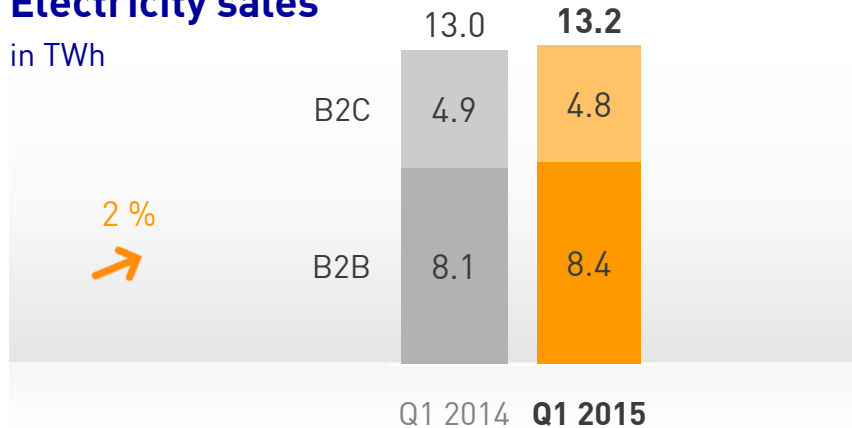
<sup>1</sup> Of which profit/loss shares attributable to the shareholders of EnBW AG



# Sales – Profitability increase mainly due to higher gas sales

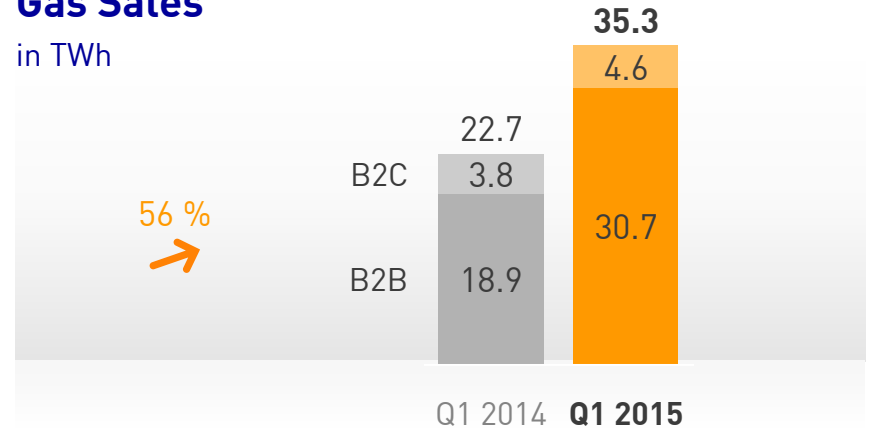
## Electricity sales

in TWh



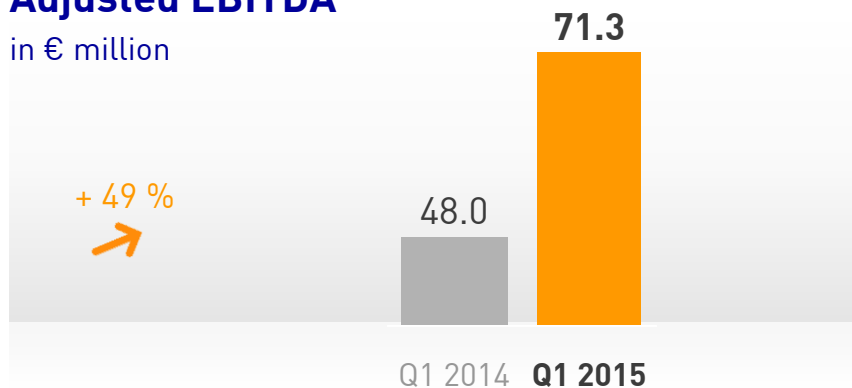
## Gas Sales

in TWh



## Adjusted EBITDA

in € million



## Key messages

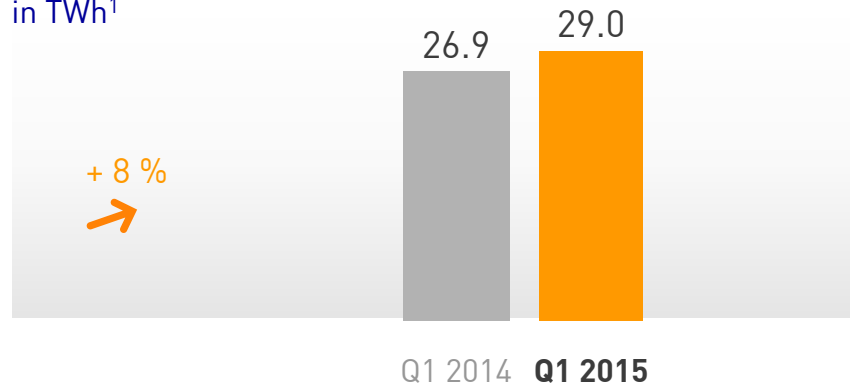
- > Positive earnings development
  - > Electricity: Optimisation measures of customer portfolio
  - > Gas: Temperature-related higher B2B sales
- > Investments: € 4.7 m, below prior-year level (€ 8.0 m)



# Grids – Higher transmission volumes weather-related

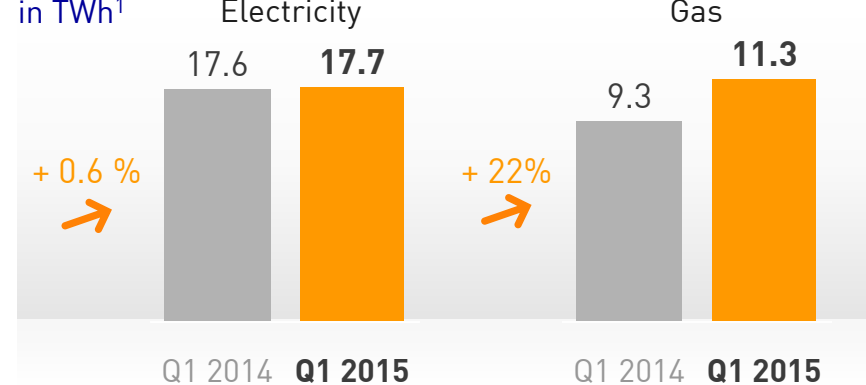
## Transmission volume

in TWh<sup>1</sup>



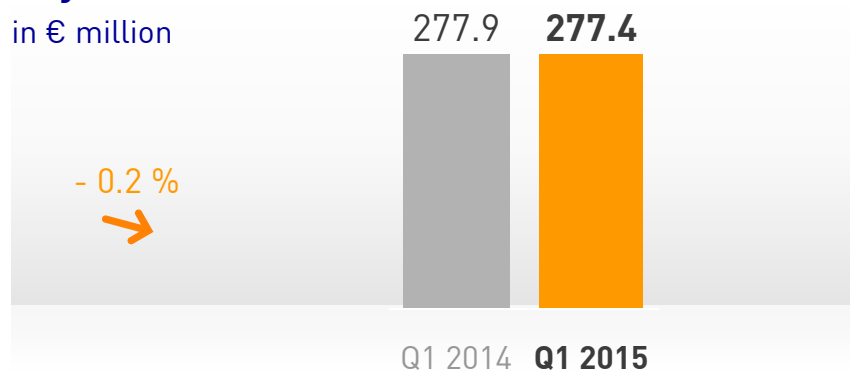
## Development of transmission volumes

in TWh<sup>1</sup>



## Adjusted EBITDA

in € million



## Key messages

- > Temperature-related increased gas transmission volumes with positive earnings impact
- > Negative earnings impact
  - > Staff increase due to grid expansion
  - > New contract arrangement with the City of Stuttgart
- > Investments: With € 95 m 30 % above Q1 2014 (73 m)

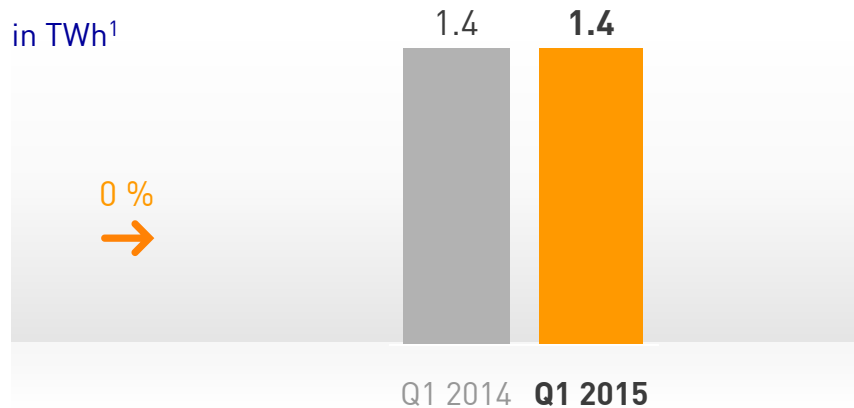
<sup>1</sup> Distribution only



# Renewable energies – Expected margin pressure on run-of-river plants

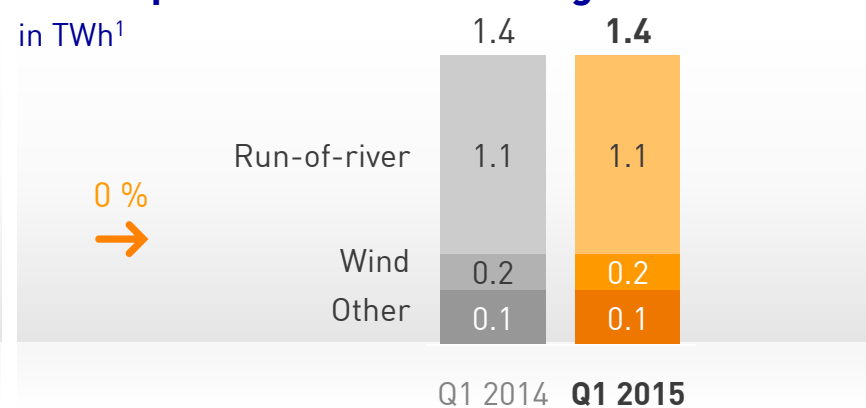
## Generation volume

in TWh<sup>1</sup>



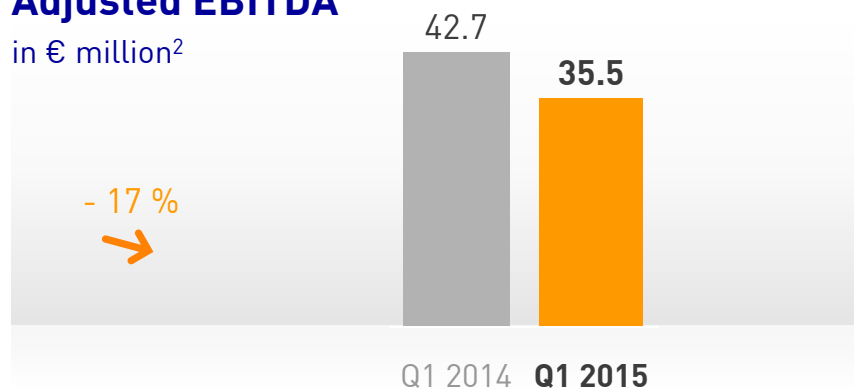
## Development of renewables generation mix

in TWh<sup>1</sup>



## Adjusted EBITDA

in € million<sup>2</sup>



## Key messages

- > Primarily negative margin effects led to a decline in adjusted EBITDA from run-of-river power plants
- > Commissioning of offshore wind farm EnBW Baltic 2 in summer 2015
- > Investments of € 86 m almost on level of Q1 2014 (€ 97 m)

<sup>1</sup> 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; <sup>2</sup> Prior-year figures restated

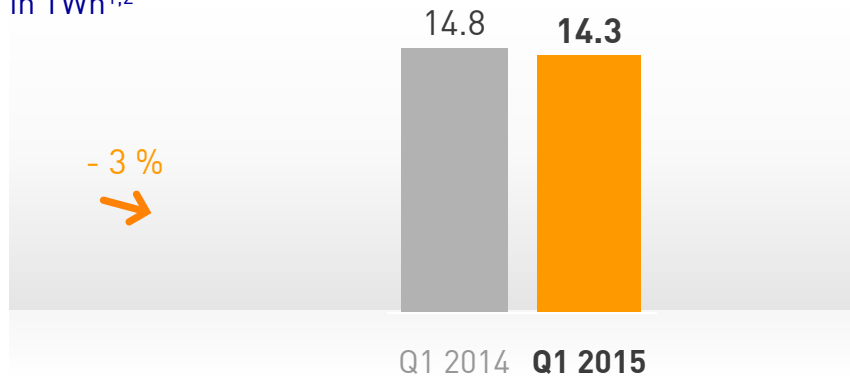




# Generation & Trading – Decreased adjusted EBITDA as expected

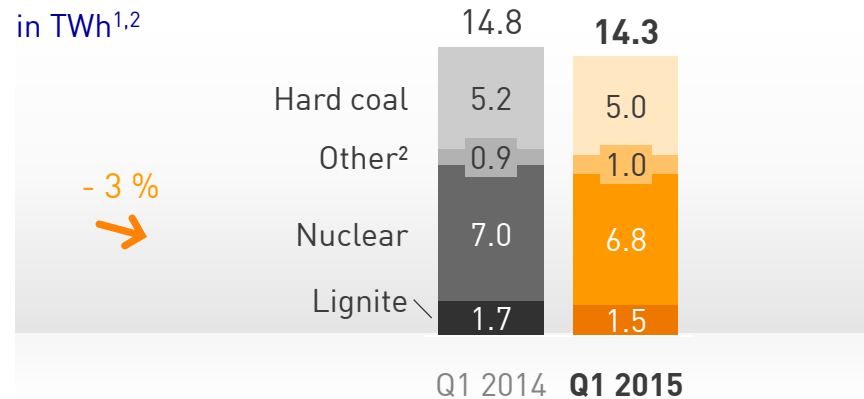
## Conventional & nuclear generation volume

in TWh<sup>1,2</sup>



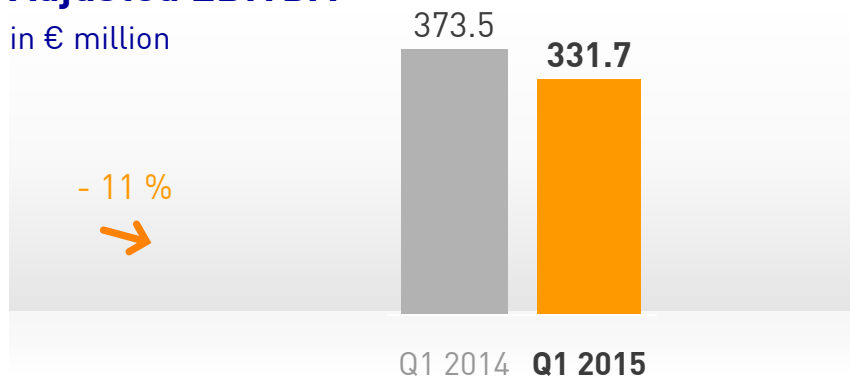
## Development of fossil generation mix

in TWh<sup>1,2</sup>



## Adjusted EBITDA

in € million



## Key messages

- > Decreasing prices and spreads
- > Positive earnings effects from efficiency measures
- > Investments: € 85 m, significantly lower than in Q1 2014 (€ 266 m)

<sup>1</sup> Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments

<sup>2</sup> Segment includes pump storage plants

# Increase in FFO mainly attributable to tax refund

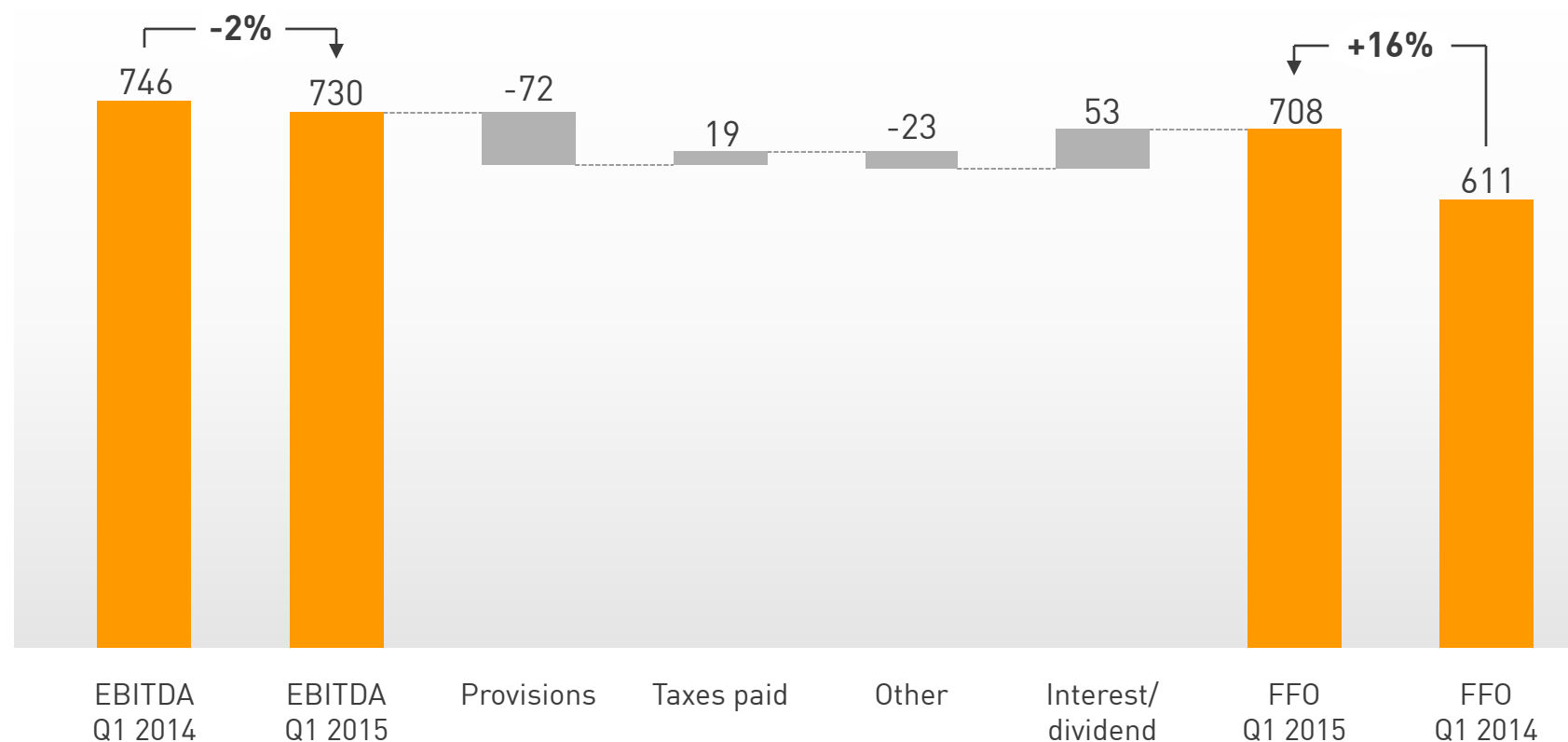


## EBITDA

in € million

## FFO

in € million

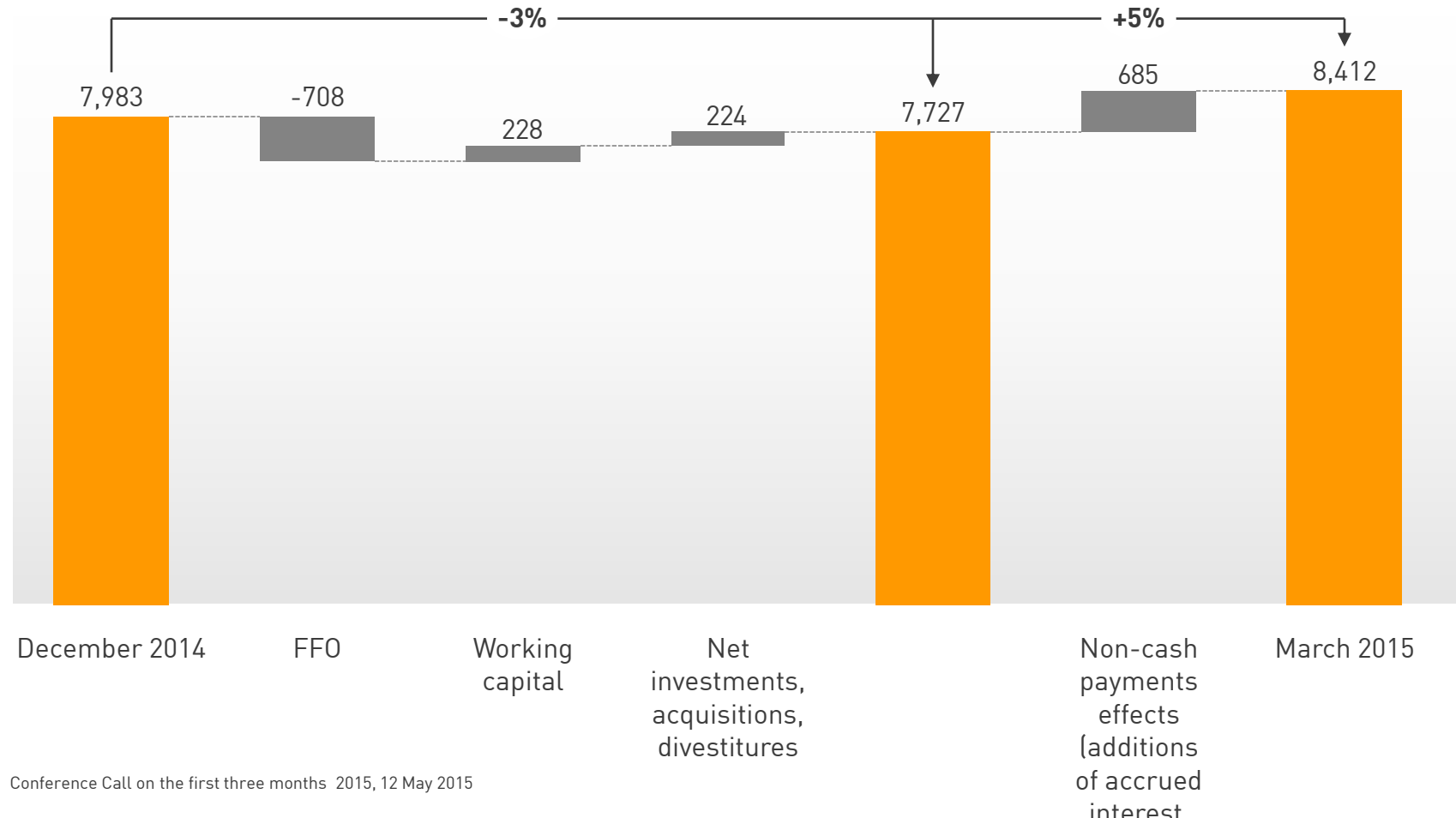


# Again increased NPV of provisions counter-balanced adjusted net debt reduction



## Adjusted Net Debt

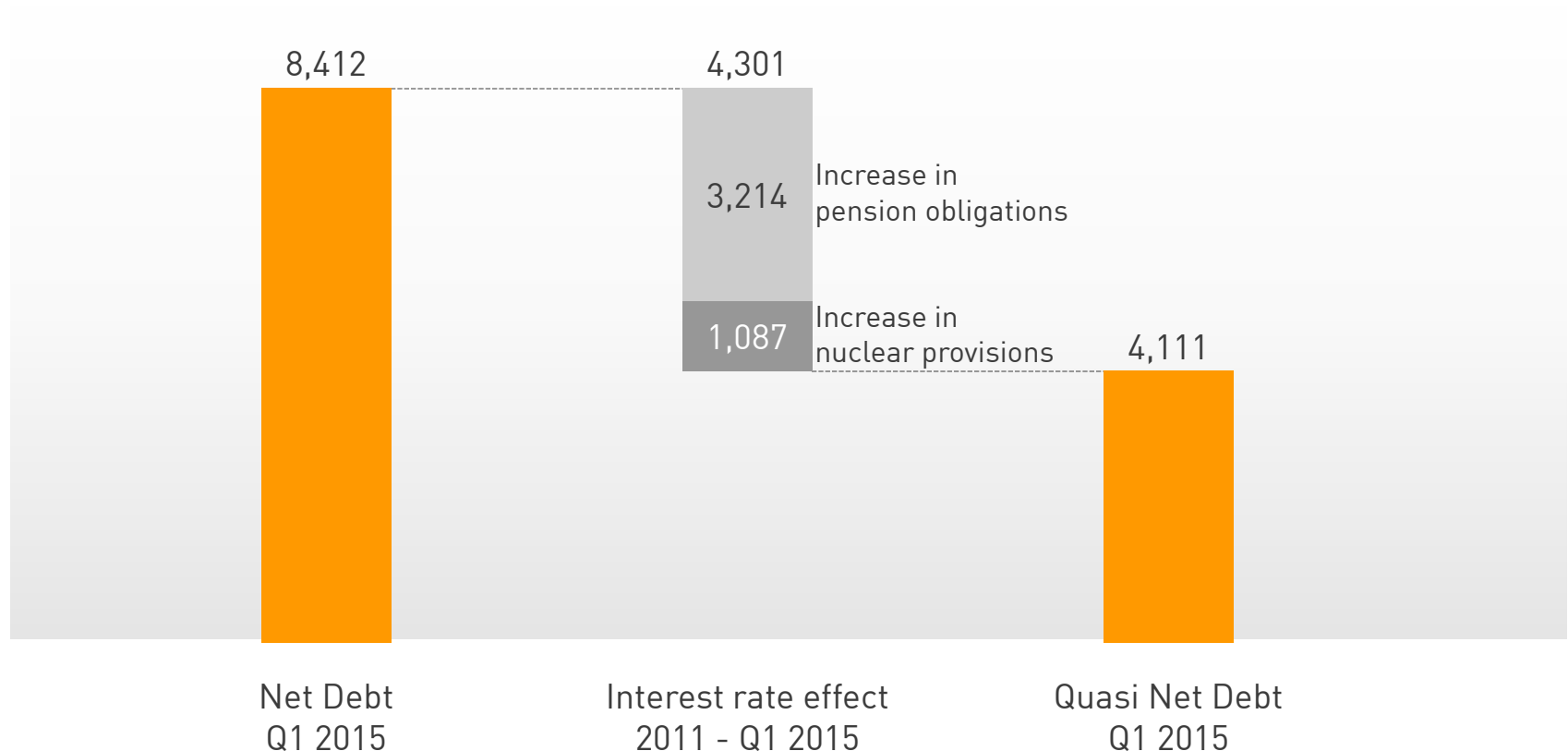
in € million



# Adjusted net debt doubled due to interest rate effects in ~ 4 years

## Adjusted Net Debt

in € million



# Outlook 2015 unchanged



## Adjusted EBITDA

	2014	Outlook 2015 <sup>1</sup>	
<b>Group</b>	<b>€ 2,167 million</b>	<b>0 % to -5 %</b>	<b>↘</b>
Sales	€ 231 million	+10 % to +20 %	↗
Grids	€ 886 million	0 % to -10 %	↘
Renewable Energies	€ 191 million	> 20%	↗
Generation and Trading	€ 900 million	-15 % to -25 %	↘

<sup>1</sup>In comparison with adjusted EBITDA 2014

# Questions & Answers >



- › Additional information..... Page 16
- › Financial calendar..... Page 24
- › IR contacts ..... Page 25

# Non-operating result



## Non-operating result

in € million

	Q1 2015	Q1 2014
Income/expenses relating to nuclear power	-9.1	- 22.3
Income from the reversal of other provisions	0.0	0.3
Disposal gains/losses	18.3	24.6
Restructuring	-3.6	- 1.2
Other non-operating result	-3.1	0.2
<b>Non-operating EBITDA</b>	<b>2.5</b>	<b>1.6</b>
Impairment losses	0.0	0.0
<b>Non-operating EBIT</b>	<b>2.5</b>	<b>1.6</b>
Non-operating investment result	0.0	1.4
Non-operating financial result	-184.0	1.2
Non-operating income taxes	53.0	- 0.8
<b>Non-operating group net loss/profit</b>	<b>-128.5</b>	<b>3.4</b>
of which loss/profit shares attributable to non-controlling interests	(0.7)	(1.2)
of which loss/profit shares attributable to the equity holders of EnBW AG	(-129.2)	(2.2)

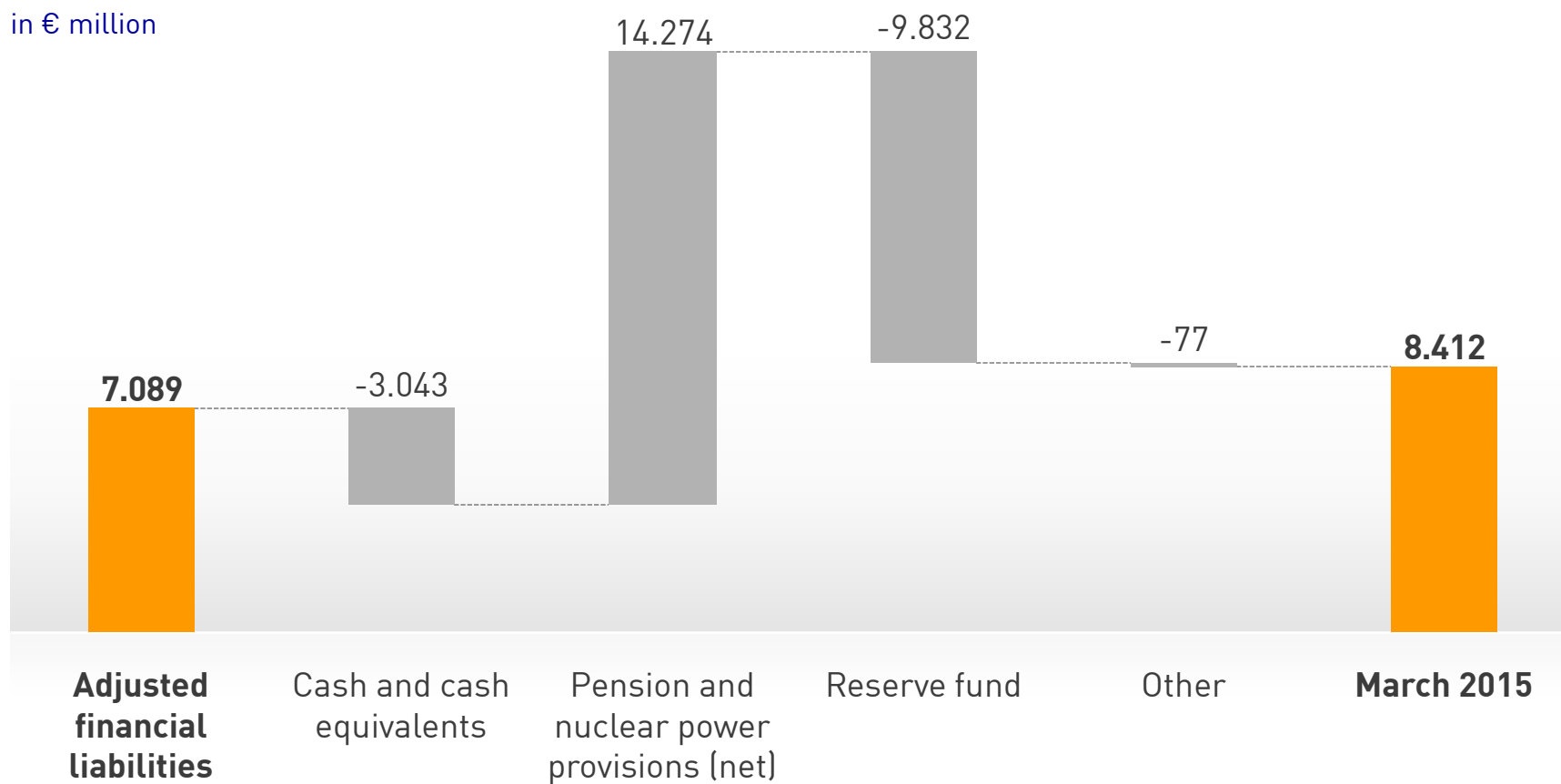


# Calculation of adjusted net debt



## Adjusted Net Debt

in € million

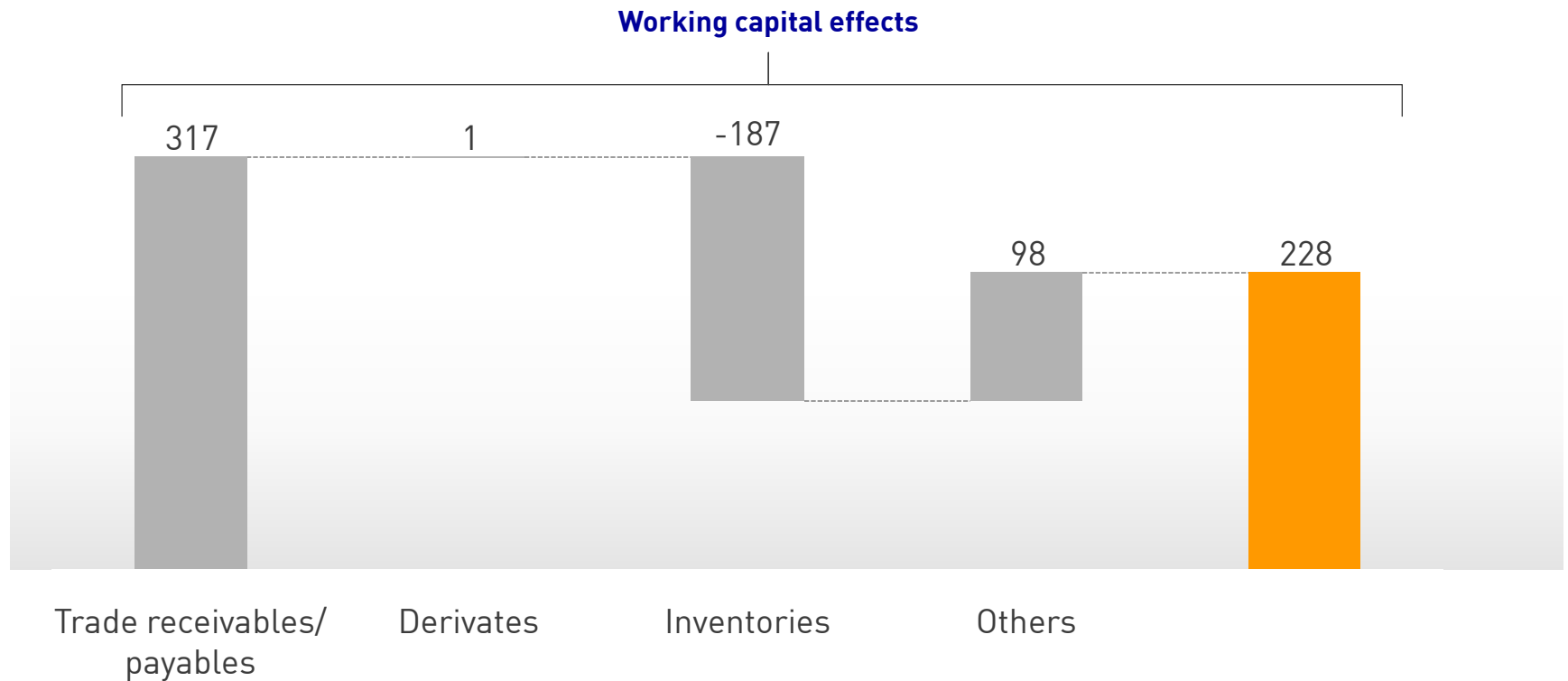


# Change in working capital mainly due to increase in trade receivables/payables



## Change in working capital

in € million



# Income statement



## Income

in € million

	Q1 2015	Q1 2014	Variance
<b>Revenue</b>	<b>5,896.2</b>	<b>5,637.0</b>	<b>259.2</b>
Changes in inventories/own work capitalised	26.2	20.7	5.5
Cost of materials	-4,750.6	-4,463.6	-287.0
Personnel expenses	-404.4	-396.0	-8.4
Other operating income/expenses	-37.0	-51.7	14.7
<b>EBITDA</b>	<b>730.4</b>	<b>746.4</b>	<b>-16.0</b>
Amortisation and depreciation	-224.7	-220.1	-4.6
<b>EBIT</b>	<b>505.7</b>	<b>526.3</b>	<b>-20.6</b>
Investment and financial result	276.1	-72.3	348.4
<b>EBT</b>	<b>781.8</b>	<b>454.0</b>	<b>327.8</b>
Income tax	-69.5	-135.4	65.9
<b>Group net profit</b>	<b>712.3</b>	<b>318.6</b>	<b>393.7</b>
of which profit shares attributable to non-controlling interests	(28.2)	(23.9)	(4.3)
of which profit shares attributable to the equity holders of EnBW AG	(684.1)	(294.7)	(389.4)

# Cash flow statement



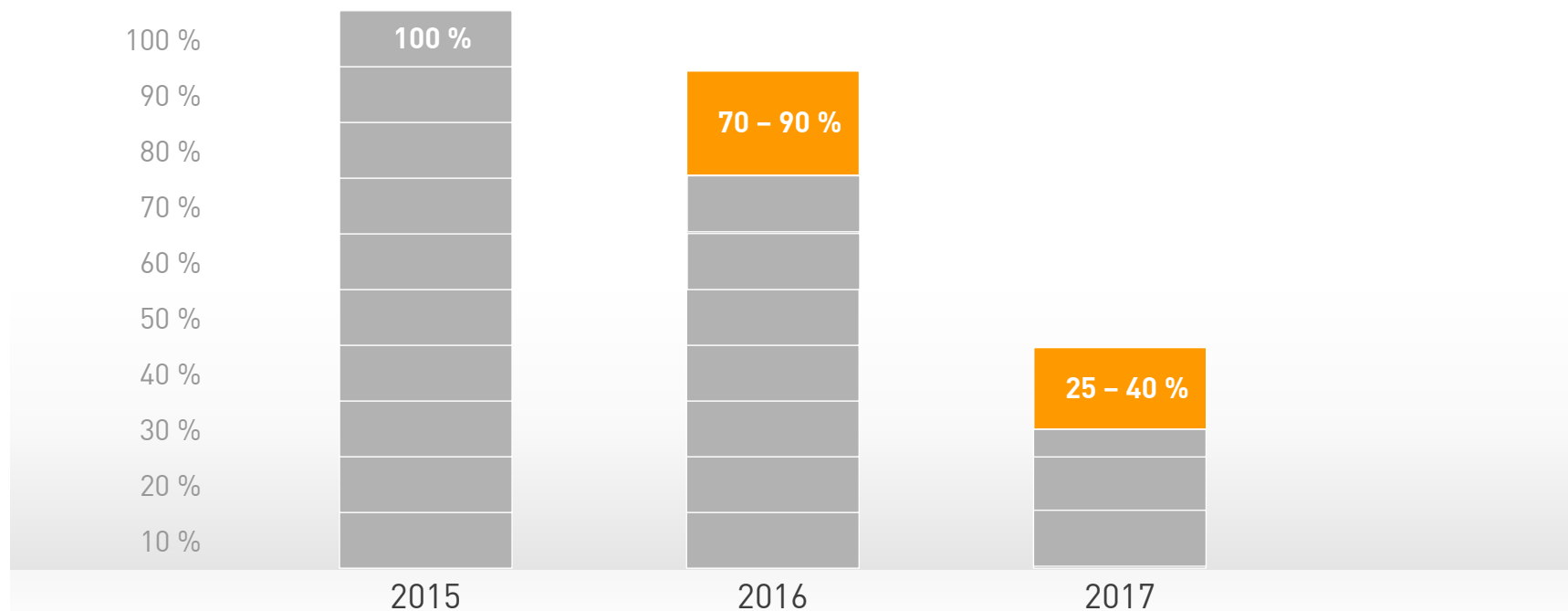
## Free cash flow

in € million

	Q1 2015	Q1 2014	Variance in %
<b>Operating cash flow</b>	<b>426.5</b>	<b>534.2</b>	<b>-20.2</b>
Change in assets and liabilities from operating activities	228.4	73.4	-
Interest and dividends received	70.9	49.4	43.5
Interest paid for financing activities	-17.8	- 46.2	-61.5
<b>Funds from Operations (FFO)</b>	<b>708.0</b>	<b>610.8</b>	<b>15.9</b>
Change in assets and liabilities from operating activities	-228.4	- 73.4	-
Capital expenditures on intangible assets and property, plant and equipment	-272.5	- 446.4	-39.0
Cash received from disposals of intangible assets and property, plant and equipment	39.5	71.8	-45.0
Cash received from construction cost and investment subsidies	24.9	18.8	32.4
<b>Free cash flow</b>	<b>271.5</b>	<b>181.6</b>	<b>49.5</b>

## Hedge levels<sup>1</sup>

in %



<sup>1</sup> As of 31 March 2015

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



## Commercial paper prog.

€ 2.0 billion

undrawn as of 31 March 2015

## Syndicated loan facility

€ 1.5 billion

undrawn as of 31 March 2015

## Bilateral short-term credit lines

€ 490 million

undrawn as of 31 March 2015

## Euro Medium Term Note prog.

€ 7.0 billion

€ 4.2 bn utilised as of 31 March 2015

## Other: Hybrid bonds

€ 2 billion

## Other: Capital increase

€ 822 million

July 2012

## Details of the syndicated loan facility:

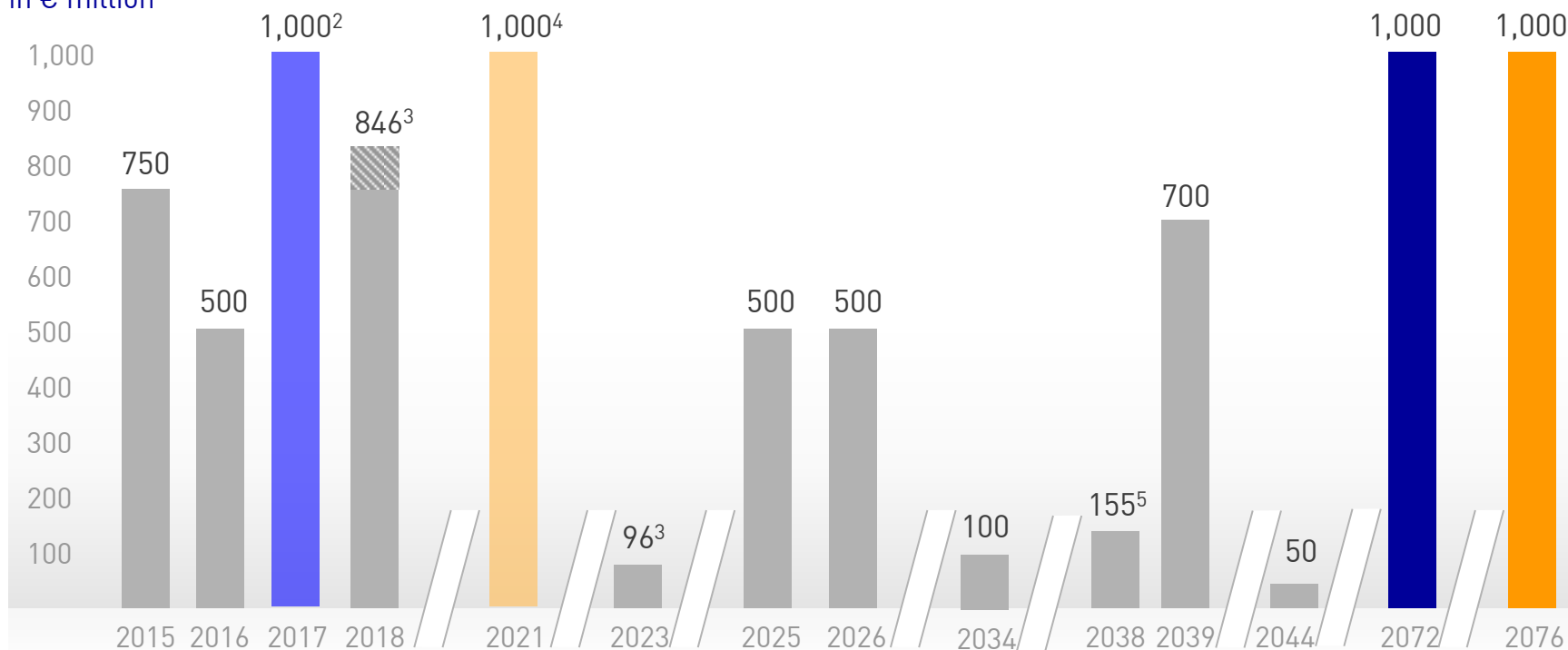
- › As of 21 July 2014 reduced facility amount of € 1.5 billion until July 2019
- › Prolongation option in 2015 respectively 2016 for a further year each until July 2021 at the latest
- › Fixed margin

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



## Maturities of EnBW's bonds

in € million<sup>1</sup>



<sup>1</sup> As of 31 March 2015; <sup>2</sup> First call date of hybrid maturing in 2072; <sup>3</sup> Including CHF 100m converted as of the reporting date 31 March 2015; <sup>4</sup> First call date of hybrid maturing in 2076; <sup>5</sup> Nominal with conversion as of the reporting date 31 March 2015

- > **12 May 2015** ..... Interim report: January–March 2015  
Conference time: 15:00 CET
  
- > **30 July 2015** ..... Interim report: January–June 2015  
Conference time: 15:00 CET
  
- > **13 November 2015** ..... Interim report: January–September 2015  
Conference time: 15:00 CET





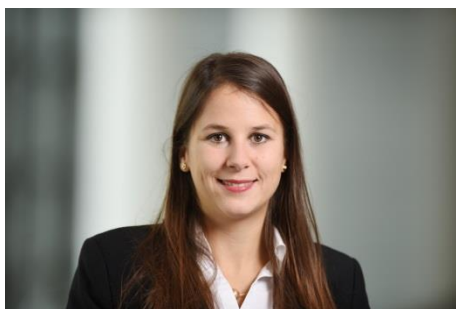
> **Ingo Peter Voigt**  
Senior Vice President  
Head of Finance, M&A and  
Investor Relations

T +49 721-6314375  
[i.voigt@enbw.com](mailto:i.voigt@enbw.com)



> **Julia v. Wietersheim**  
Senior Manager  
Investor Relations

T +49 721-6312060  
[j.vonwietersheim@enbw.com](mailto:j.vonwietersheim@enbw.com)



> **Julia Minges**  
Manager  
Investor Relations

T +49 721 - 6312697  
[j.minges@enbw.com](mailto:j.minges@enbw.com)