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# Press Release >

## EnBW continues positive earnings performance in first quarter

**Earnings up year-on-year in all business segments / full-year earnings guidance confirmed**

Karlsruhe. EnBW has made a good start to the new year: In the first quarter of 2018, EnBW Energie Baden-Württemberg AG, with 21,425 employees, generated revenue of some 6.3 billion euros and an operating result (adjusted EBITDA) of some 687 million euros. This marks a rise of 33.7% for the first quarter compared with the same period of the previous year (EUR 513 million).

The substantial increase in the operating result in the first three months of 2018 compared with the previous year largely relates to the effect of the unscheduled shutdown of Unit 2 at the Philippsburg power plant in 2017. In addition, VNG is fully consolidated on a full-year basis for the first time, whereas in 2017 it was only included from the second quarter. Both of these effects will even out over the course of the year, however. Adjusted for temporary effects, the operating result would be around 2% higher than in the previous year.

CFO Thomas Kusterer: "After the financial turnaround that we targeted and then delivered in 2017, we now aim to sustain the positive trend. All business segments have already increased their earnings in the first quarter of 2018 relative to the previous year. This gives us confidence, and we will therefore carry on exactly as we are and work with strict financial discipline at attaining our targets. Accordingly, we confirm our guidance for the current financial year, which is for a slight increase in the operating result by between 0% and 5% compared with the previous year.

Adjusted EBITDA in the Sales segment, at approximately 88 million euros, is 12.0% higher than in the first three months of the previous year (78 million euros). The main reason for this is the first-time consolidation of VNG in the seasonally strong first quarter.

Adjusted EBITDA in the Grids segment is approximately 360 million euros. This is a 16.5% increase over the same period of the previous year. Here, too, the most recent earnings performance is largely shaped by the full consolidation of VNG: Adjusted for consolidation effects, the segment is at the previous year's level with growth of 1.1%. Higher electricity grid revenue was almost cancelled out by a temporary decrease in gas grid revenue.

In the Renewable Energies segment, the adjusted EBITDA of 95 million euros in the first three months of 2018 exceeded the previous year's figure (79 million euros) by a substantial 20.3%. This is mainly due to the earnings contributions from the large number of onshore wind farms

that came on stream last year. At the same time, earnings performance from run-of-river power plants was positively influenced by better water levels and hence higher electricity generation output compared with the previous year.

In the Generation and Trading segment, adjusted EBITDA went up by 246.1% year-on-year to 147 million euros in the first three months of 2018. This very marked increase in earnings compared with the previous year (43 million euros) is mainly attributable to the impact in 2017 of the unscheduled shutdown of Unit 2 at the Philippsburg nuclear power plant (KKP 2). In addition, electricity continued to be sold on the forward market at lower wholesale market prices than in the previous year. This effect will also persist over the further course of the year.

Net profit attributable to the shareholders of EnBW AG decreased sharply from approximately 380 million euros in the same period of the previous year to 138 million euros in the first quarter of 2018. This is largely due to the sale of the Hohe See offshore wind farm in the previous year, as well as to larger net proceeds from disposals of securities made in the previous year in readiness for the payment to the KFK (nuclear phase-out commission) fund. Earnings per share thus came to 0.51 euros, compared with 1.41 euros in the same period of the previous year.

Capital expenditure by the EnBW group decreased in the first quarter of 2018 compared with the previous year's figure as expenditure for construction of the Hohe See offshore wind farm has been postponed to subsequent quarters. Construction of EnBW's first North Sea wind farm commenced on 12 April with installation of the foundations. Work on construction of the neighbouring Albatros wind farm is to begin in September. Together, these will then comprise the largest offshore wind farm project currently under construction in Germany.

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## Performance indicators of the EnBW Group

### Financial and strategic performance indicators

in € million	01/01 – 31/03/2018	01/01 – 31/03/2017	Change in %	01/01 – 31/12/2017
External revenue	6,347.4	5,171.8	22.7	21,974.0
Adjusted EBITDA	686.6	513.4	33.7	2,113.0
Share of adjusted EBITDA accounted for by Sales in € million/in %	87.7/12.8	78.3/15.3	12.0/-	330.0/15.6
Share of adjusted EBITDA accounted for by Grids in € million/in %	359.5/52.4	308.6/60.1	16.5/-	1,045.9/49.5
Share of adjusted EBITDA accounted for by Renewable Energies in € million/in %	95.4/13.9	79.3/15.4	20.3/-	331.7/15.7
Share of adjusted EBITDA accounted for by Generation and Trading in € million/in %	147.1/21.4	42.5/8.3	-/-	377.1/17.8
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-3.1/-0.5	4.7/0.9	-/-	28.3/1.4
EBITDA	687.8	773.1	-11.0	3,752.4
Adjusted EBIT	392.1	273.0	43.6	998.8
EBIT	393.3	532.7	-26.2	2,504.0
Group net profit <sup>1</sup>	137.5	380.6	-63.9	2,054.1
Earnings per share from Group net profit <sup>1</sup> in €	0.51	1.41	-63.9	7.58
Retained cash flow	511.9	386.2	32.5	3,050.3
Retained cash flow II	561.9	386.2	45.5	1,529.5
Net (cash) investment	193.8	-3.5	-	1,367.1

### Employees<sup>2,3</sup>

	31/03/2018	31/03/2017	Change in %	31/12/2017
Number	21,425	20,337	5.3	21,352
Number of full-time equivalents <sup>4</sup>	20,025	18,900	6.0	19,939

1 In relation to the profit/loss attributable to the shareholders of EnBW AG.

2 Number of employees excluding apprentices/trainees and inactive employees.

3 The number of employees for the ITOs (ONTRAS Gastransport GmbH, terranets bw GmbH and TransnetBW GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2017 is carried forward.

4 Converted into full-time equivalents.