Investor and analyst conference call Q1 2021 ›

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

10 May 2021

Key messages

Temporary reduction in adjusted EBITDA – outlook 2021 unchanged

Issuance of two corporate bonds for €500 m each in February – liquidity increase for repayment of subordinated bond in April

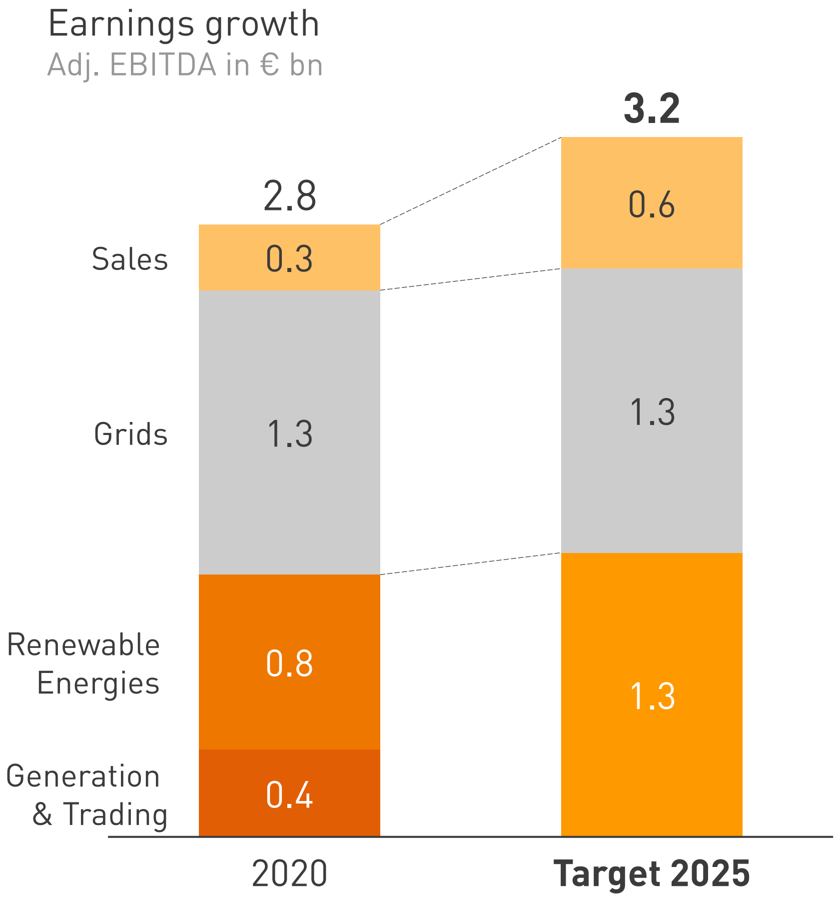
Divestments increased to €198 m – sale of 50% of onshore wind farms portfolio to Commerz Real

Project news:

Offshore wind UK: EnBW and bp jointly develop two wind farms (2 x 1.5 GW)

Solar Germany: Weesow-Wilmersdorf in operation (187 MW) and further 300 MW (2*150 MW) under construction

EnBW 2025 Strategy: Growth with focus on infrastructure



Smart Infrastructure for Customers
Sales

- Electricity and gas sales
- E-mobility, telecommunications & broadband, PV and energy storage systems

System Critical Infrastructure
Grids

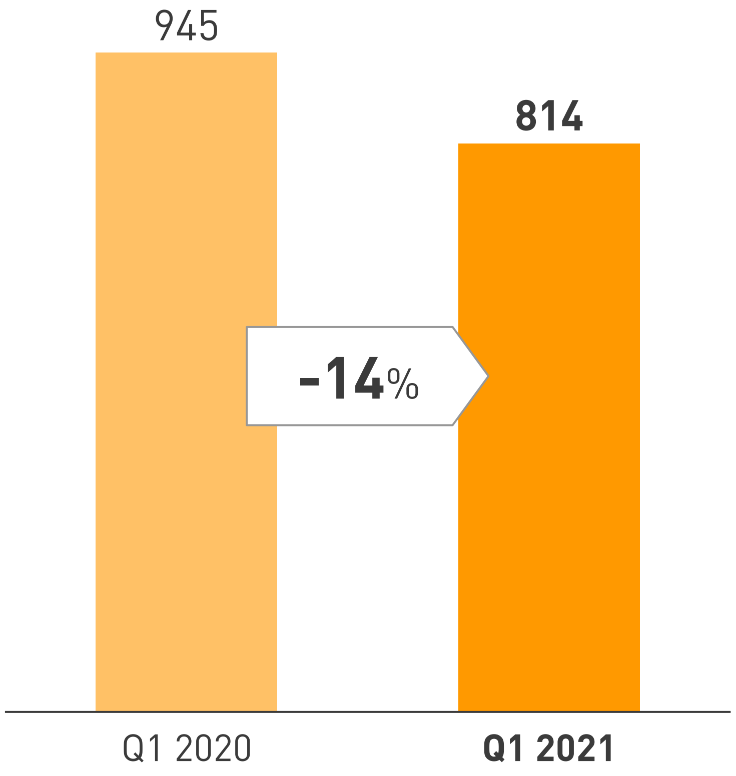
- Electricity distribution grids: Integrating renewables and e-mobility
- Electricity transmission grids: Suedlink & Ultranet
- Gas grids: H2-readiness expected by 2040

Sustainable Generation Infrastructure
Renewable Energies, Generation & Trading

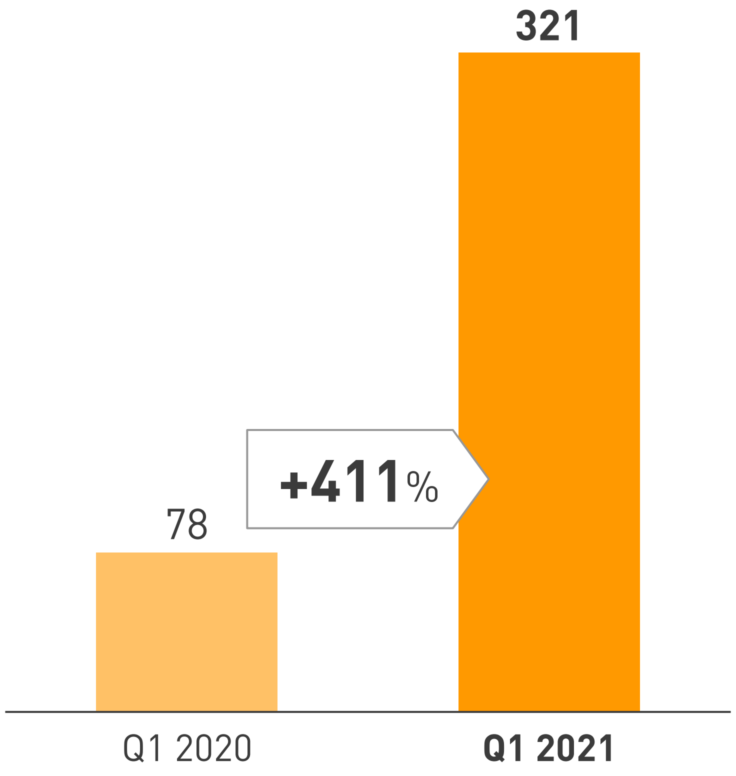
- Renewable Energies: Expansion of wind onshore, offshore, PV
- Thermal generation: Nuclear exit 2022, coal exit 2035, fuel switch (expansion of climate-neutral gases)
- Trading

Temporary valuation effects reduce adjusted EBITDA
Improvement in the financial result increases adjusted Group net profit

Adjusted EBITDA
in € m



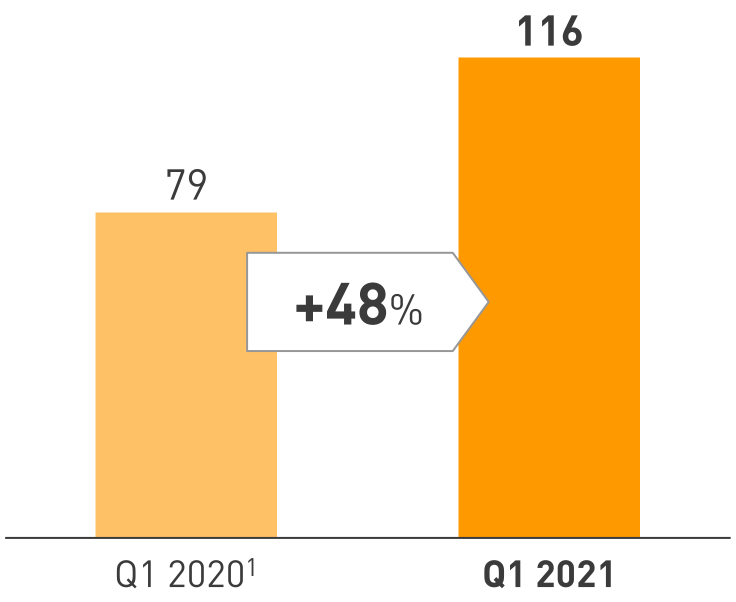
Adjusted Group net profit[1]
in € m



[1] Attributable to the shareholders of EnBW AG

Smart Infrastructure for Customers
Earnings increase driven by temporary effects

Adjusted EBITDA
in € m



Electricity and gas sales

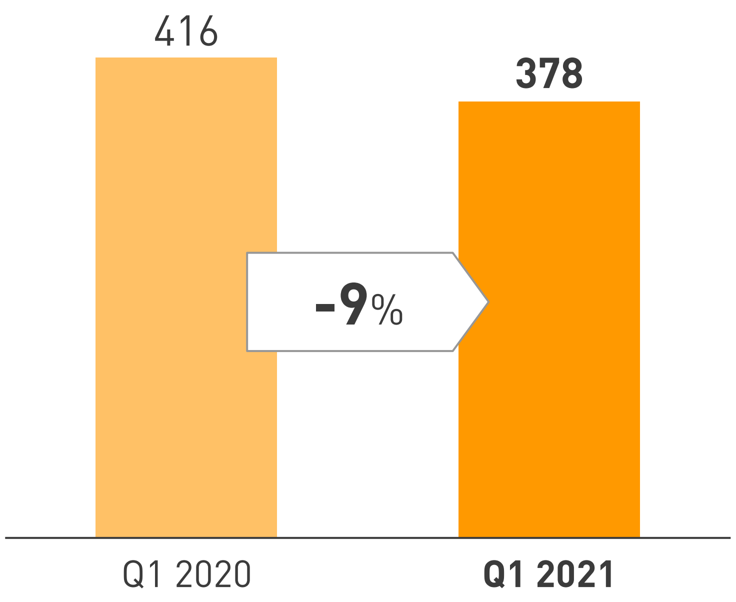
- Temporary effect due to energy-related costs

[1] Previous year's figures restated

System Critical Infrastructure
As expected higher expenses due to necessary grid expansion

EnBW

Adjusted EBITDA
in € m

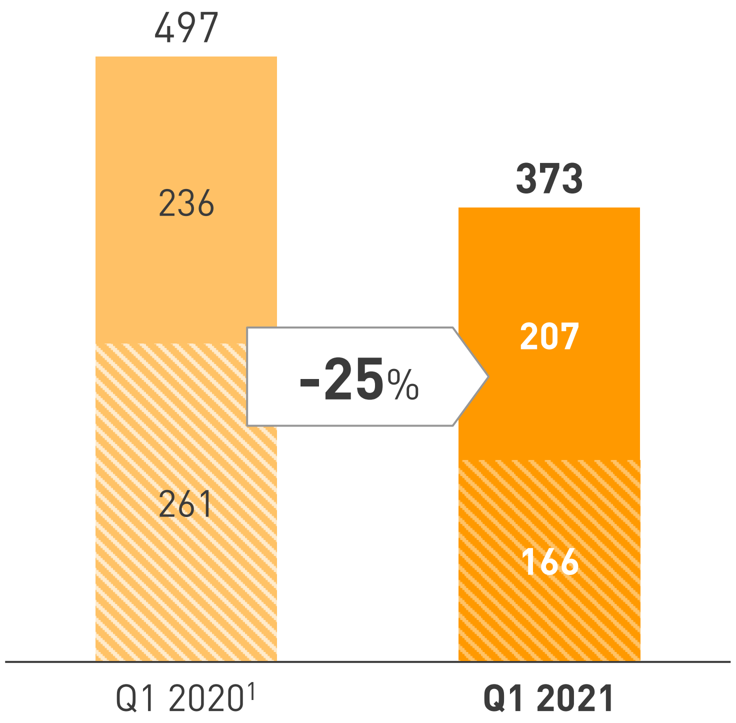


Transmission and distribution grids

- ▲ Higher revenue from use of gas and electricity
- ▼ Higher personnel expense 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

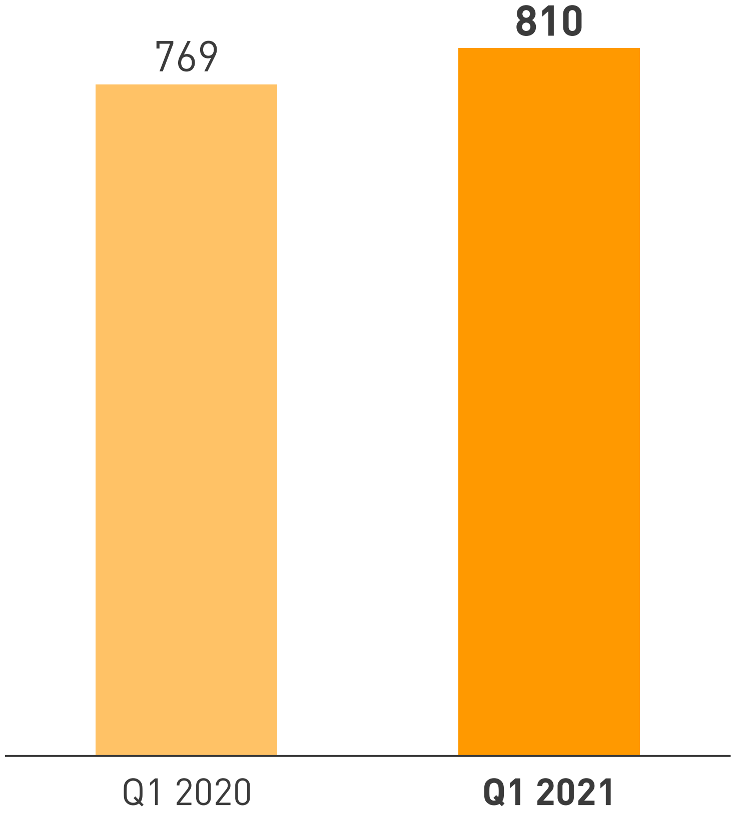
Thermal Generation and Trading

- Absence of positive gas valuation effects from previous year

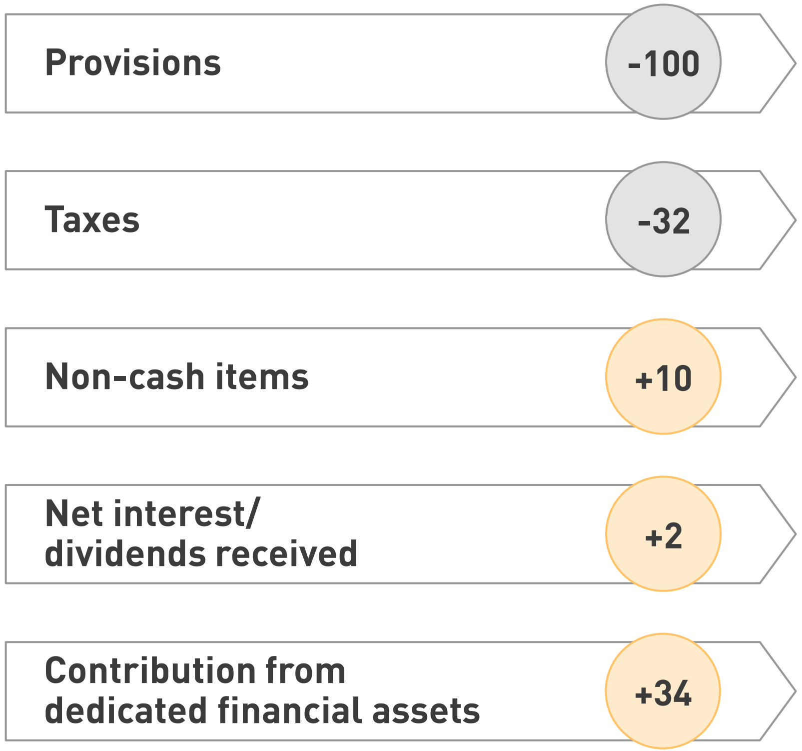
[1] Previous year's figures restated

Slight decrease in retained cash flow mainly driven by lower non-cash expenses and higher interest paid

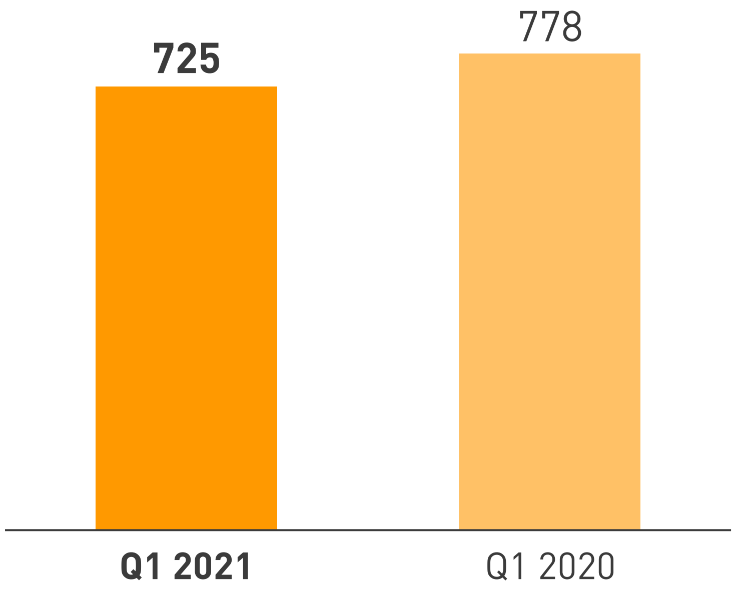
EBITDA
in € m



in € m

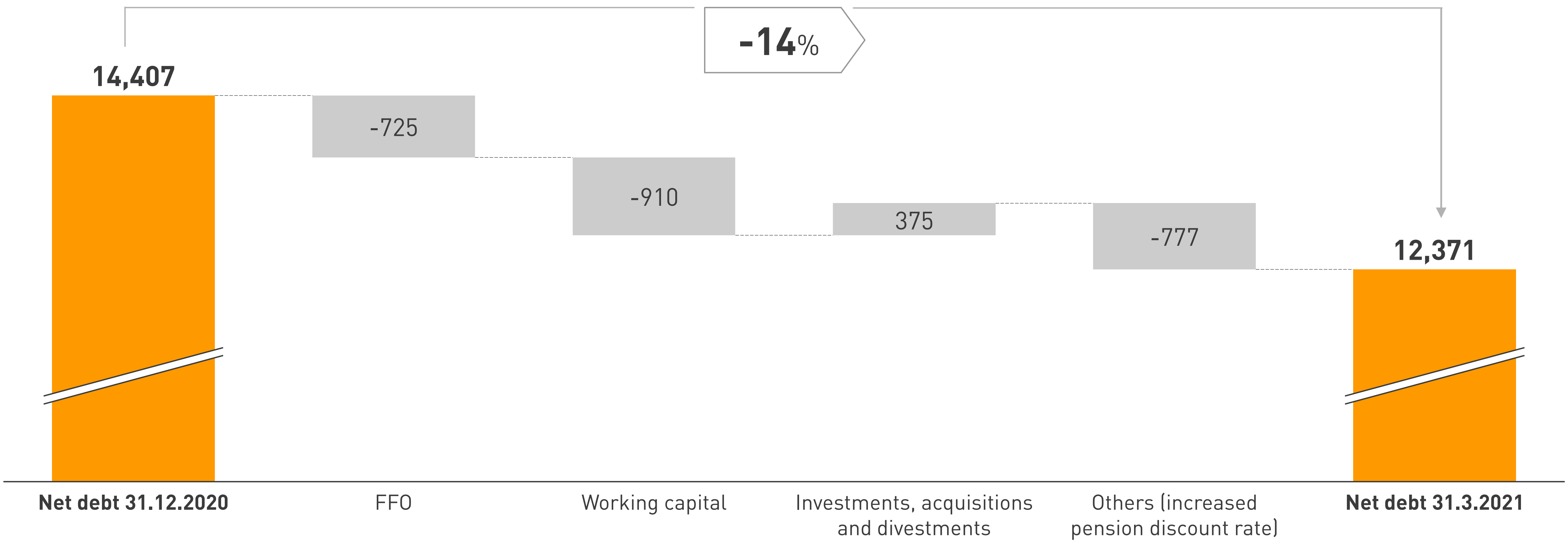


Retained cash flow
in € m



Decrease in net debt mainly driven by returned EEG payments and increase in discount rate for pension provisions

in € m



EEG: Erneuerbare Energien-Gesetz (Renewable Energy Act)

Outlook 2021 unchanged – Further increase in adjusted EBITDA expected

EnBW

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

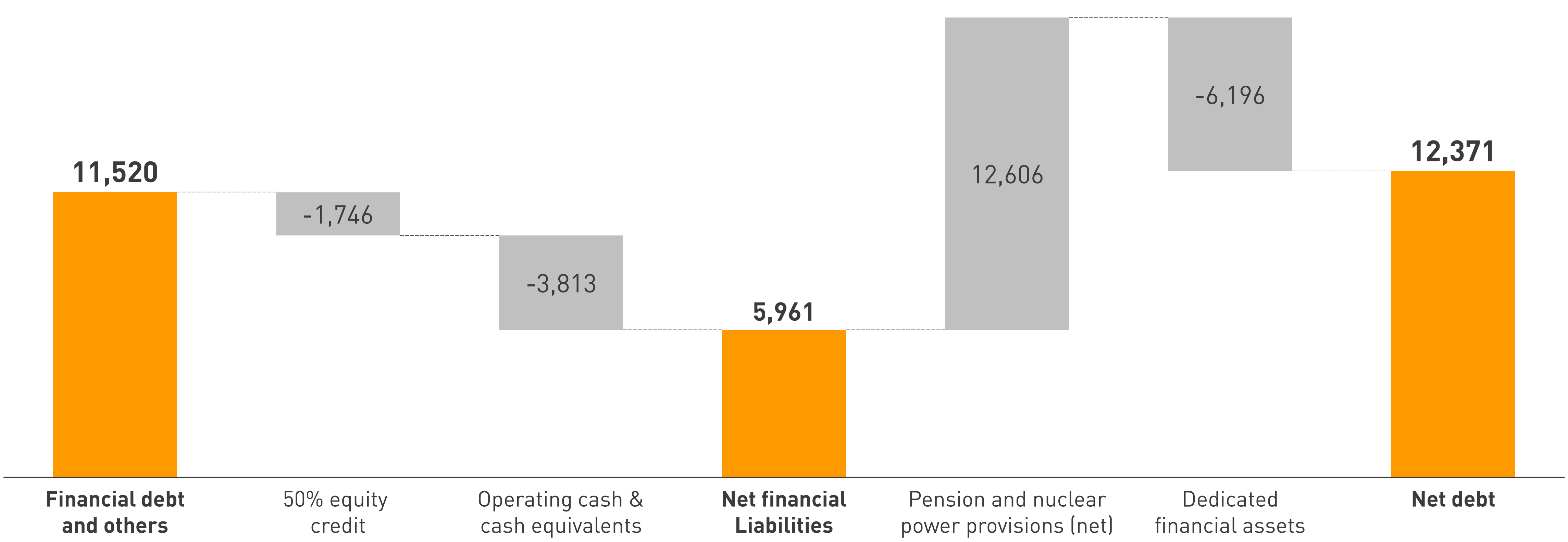
Non-operating result

in € m

	Q1 2021	Q1 2020	Change in %
Income/expenses relating to nuclear power	0.9	14.3	-
Result from disposals	0.5	1.1	-54.5
Reversals of / additions to the provisions for onerous contracts relating to electricity procurement agreements	0.0	-3.0	-
Restructuring	-7.4	-5.9	25,4
Valuation effects	-2.0	-115.6	-98.3
Other non-operating result	4.2	-67.2	-
Non-operating EBITDA	**-3.8**	**-176.3**	**-97,8**
Impairment losses	-0.7	0.0	-
Non-operating EBIT	**-4.5**	**-176.3**	**-**

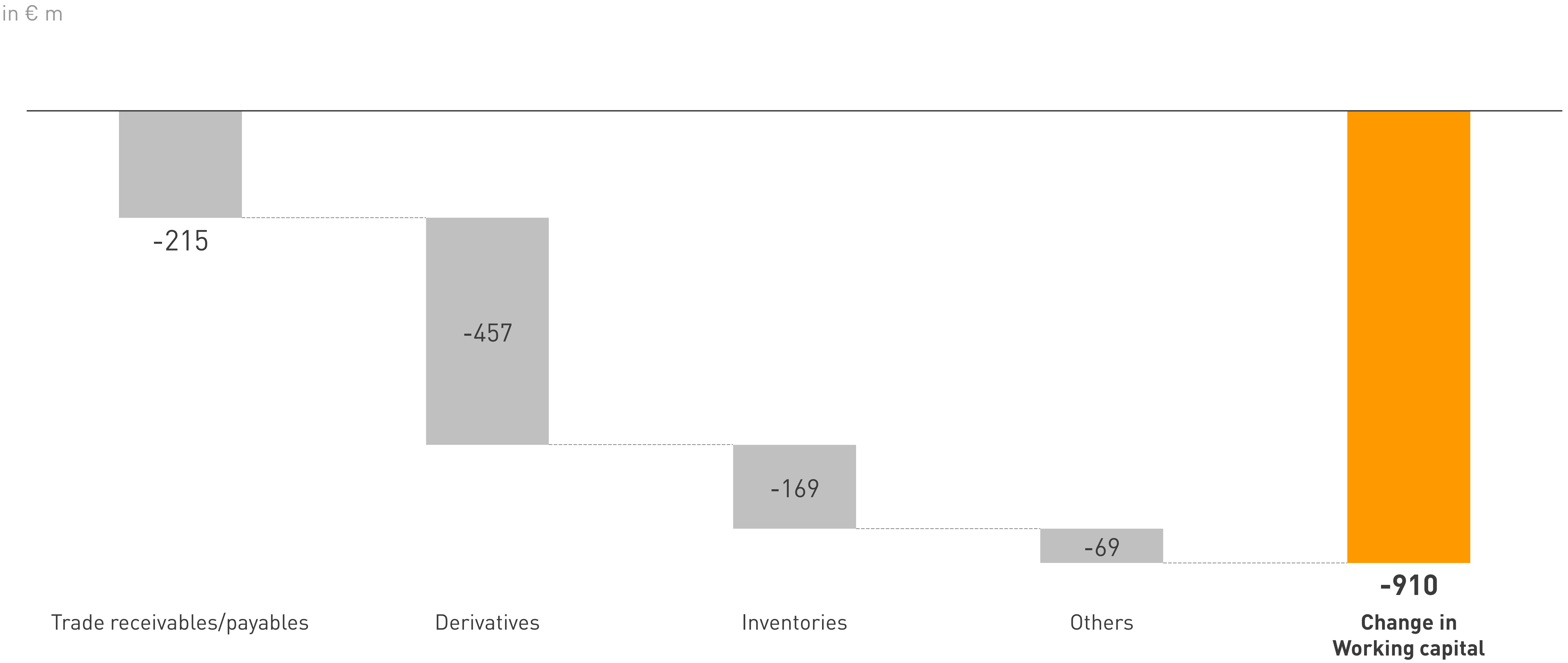
Calculation of net debt[1]

in € m



[1] As of 31 March 2021

Working capital effects[1]



[1] 1.1. – 31.3.2021

Income statement

EnBW

in € m[1]

	Q1 2021	Q1 2020	Change in %
Revenue	**6,827.2**	**5,579.2**	**22.4**
Changes in inventories/other own work capitalized	66.3	58.0	14.3
Cost of materials	-5,320.9	-4,177.8	27.4
Personnel expenses	-566.9	-500.5	13.3
Other operating income/expenses	-195.4	-190.4	2.6
EBITDA	**810.3**	**768.5**	**5.4**
Amortization and depreciation	-369.0	-319.1	15.6
EBIT	**441.3**	**449.4**	**-1.8**
Investment and financial result	-26.5	-396.2	-93.3
EBT	**524.8**	**53.2**	**-**
Income tax	-130.1	-38.9	-
Group net profit	**394.7**	**14.3**	**-**
of which profit shares attributable to non-controlling interests	(73.6)	(24.7)	-
of which profit shares attributable to the shareholders of EnBW AG	(321.1)	(-10.4)	-

[1] Prior-year figures adjusted

Retained cash flow

EnBW

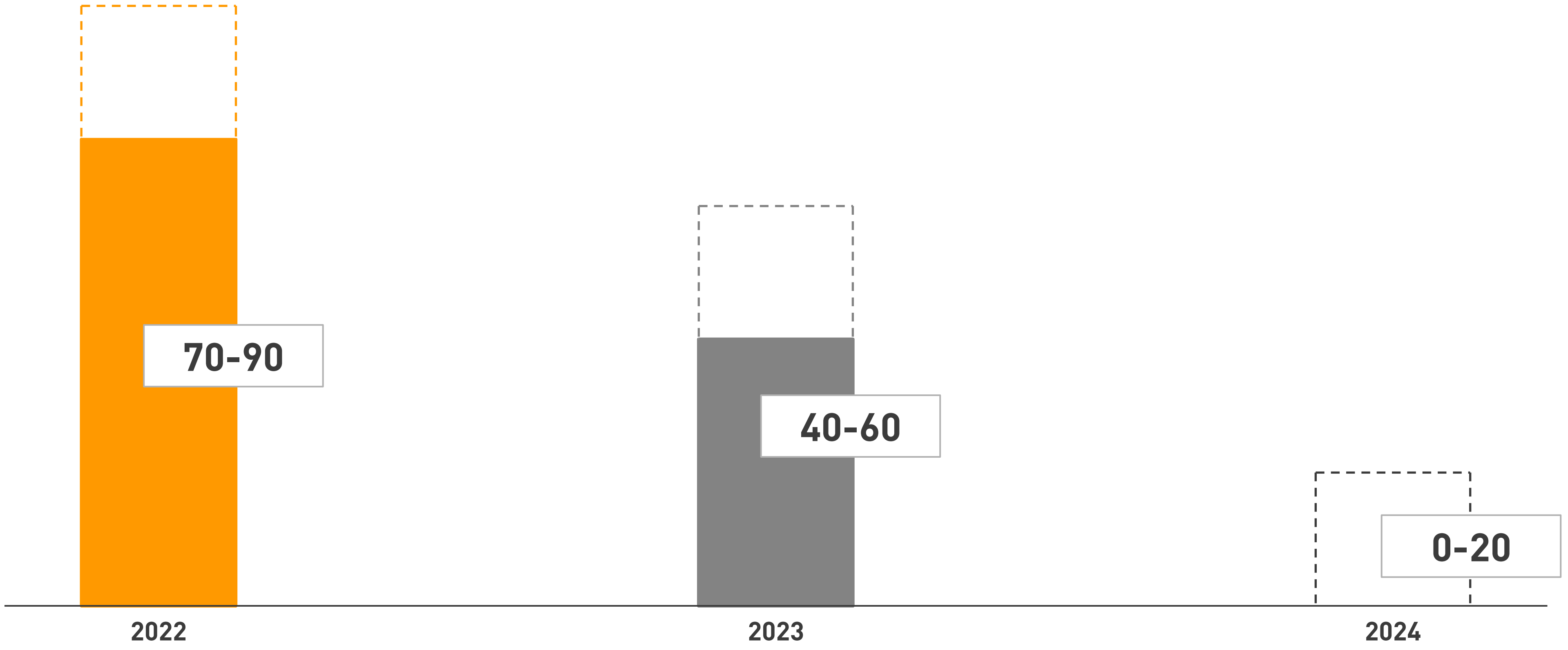
in € m

	Q1 2021	Q1 2020	Change in %
EBITDA	**810.3**	**768.5**	**5.4**
Changes in provisions	-100.3	-112.0	-10.4
Non-cash-relevant income/expenses	10.3	119.5	-91.4
Income tax paid	-31.7	-37.5	-15.5
Interest and dividends received	54.1	60.2	-10.1
Interest paid for financing activities	-51.8	-35.1	47.6
Dedicated financial assets contribution	33.7	14.7	129.3
Funds from Operations (FFO)	**724.6**	**778.3**	**-6.9**
Dividends paid	0.0	0.0	-
Retained Cashflow[1]	**724.6**	**778.3**	**-6.9**

[1] Adjusted for the effects of the nuclear fuel tax refund of €60.0 m, the adjusted retained cash flow in the previous year amounted to €838.3 m (1.1.-31.3.2020). The adjustment does not apply in the reporting year.

Hedge levels[1]

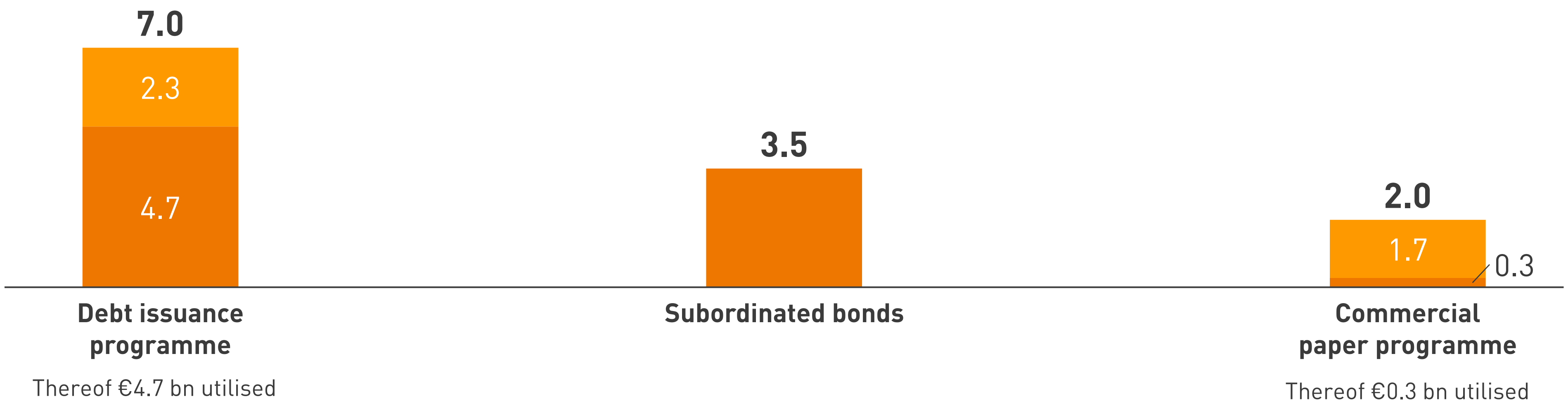
in %



[1] As of 31 March 2021

EnBW has flexible access to various financing sources [1,2]

in %



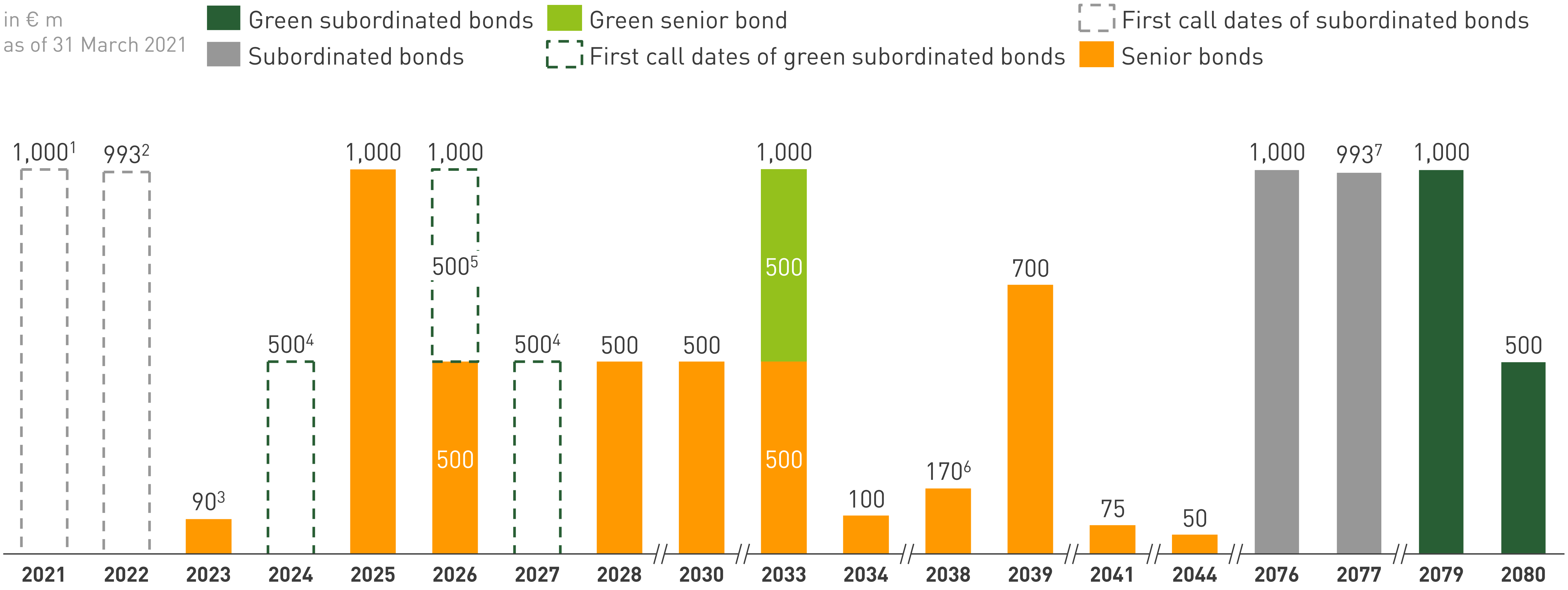
Other sources

- Project financing and EIB loans
- Financing activities in the form of bank loans and promissory notes in subsidiaries

[1] As of 31 March 2021
[2] Rounded figures

Maturities of EnBW's bonds

in € m
as of 31 March 2021



[1] First call date: subordinated maturing in 2076
[2] First call date: subordinated maturing in 2077; includes USD 300 million (swap in €), coupon before swap 5.125%
[3] CHF 100 million, converted as of the reporting date of 31.3.2021
[4] First call date: green subordinated maturing in 2079
[5] First call date: green subordinated maturing in 2080
[6] JPY 20 billion (swap in €), coupon before swap 5.460%
[7] Includes USD 300 million, converted as of 5.10.2016

Fixed income: Credit ratings

Moody's Investors Service

A3 / negative
11 June 2020

- Leadership position as vertically integrated utility within Baden-Württemberg
- Significant proportion of EBITDA, around 50%, from low-risk regulated distribution and transmission activities and growing share of renewables under contracts
- 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
- Somewhat weak credit metrics following VALECO and Plusnet acquisitions, increasing pension and nuclear liabilities because of lower discount rates
- Strong shareholder support

Standard & Poor's Ratings Services
McGraw Hill Financial

A- / stable
21 May 2020

- EnBW is strategically lowering its earnings portfolio risk, with improved cash flow visibility
- Limited exposure to COVID-19 effects
- Headroom reduced significantly due to an increase in nuclear and pension provisions and the acquisitions of VALECO and Plusnet
- New sources of EBITDA (contracted renewables and regulated network business) will compensate for higher financial leverage caused by acquisitions in 2019
- Increased visibility in credit metrics, strengthened by increasing share of sustainable power infrastructure and resilient grid business
- Moderate likelihood of government support

[1] A-: Senior unsecured rating
[2] BBB+: Long-term issuer rating

Major sustainability ratings

Climate Rating	ESG Risk Rating	ESG Rating	ESG Rating
CDP[1]	Sustainalytics[2]	ISS ESG[3]	MSCI[4]
2019: B (Management) → 2020: A (Leadership)	2020: 32.8 (High) → Risk → 2021: 32.3 (High)	2019: B- (Prime Status) → 2020: B- (Prime Status)	2020: AA (Outperformer) → 2021: A (Average)
Top 7% of all Electric Utilities (Electric Utilities Sector)	**Top 24% of all Utilities** (Utilities Sector)	**Top 10% of all Multi Utilities** (Utilities/Multi Utilities Sector)	**Top 47% of all Utilities** (Utilities Sector)

[1] CDP Scale: A to D (Leadership A/A-; Management B/B-; Awareness C/C-; Disclosure D/D-; Failure F)
[2] Sustainalytics Scale: 0-100 (Risk Score: negligible (0-10); low (10-20); medium (20-30); high (30-40); severe (40+))
[3] ISS ESG Scale: A+ to D- (absolute best-in-class basis; Prime Status awarded)
[4] MSCI Scale: AAA to CCC (Leader AAA – AA; Average A – BB, Laggard B – CCC

EnBW IR contacts

Ingo Peter Voigt
Head of Finance, M&A and Investor Relations
+49 721 – 63 14 375

Peter Berlin
Director Capital Markets (Finance, Ratings)
+49 721 – 63 12 844

Julia von Wietersheim
Senior Manager Investor Relations
+49 721 – 63 12 060

investor.relations@enbw.com

Lea Gantz
Manager Investor Relations
+49 721 – 63 13 646

Regina Martin
Manager Investor Relations
+49 721 – 63 13 613

Julia Reinhardt
Manager Investor Relations
+49 721 – 63 12 697

Financial calendar

29 July 2021	Publication figures Q2 2021 Conference time Investor and Analyst Conference Call: 01:00 pm
12 November 2021	Publication figures Q3 2021 Conference time Investor and Analyst Conference Call: 01:00 pm

Upcoming events