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Press Release >

EnBW continues positive earnings performance

Almost 39% growth in renewables in first nine months / full-year 2019 earnings expected to be in €2.35–€2.5 billion range / CFO Kusterer: “We are confident of already attaining our earnings target for 2020 this year”

Karlsruhe. EnBW continued its successful performance with an operating result (adjusted EBITDA) of €1.69 billion in the first nine months of 2019. Adjusted EBITDA was thus 7.4% up on the previous year (€1.57 billion). Revenue came to €14.37 billion (down 3.2%). The number of employees rose to 22,934, an increase of 6.7 percent on the previous year.

Adjusted EBITDA for the 2019 financial year is expected to be in a range between €2.35 billion and €2.5 billion.

“We are confirming our full-year earnings guidance unaltered,” CFO Thomas Kusterer emphasised. “This is most of all with a view to the new earnings contributions from our Hohe See and Albatros offshore wind farms beginning in the fourth quarter together with the stable earnings contributions from the grids business. Against this backdrop, we are confident that we will already attain our strategic target of €2.4 billion for 2020 this year, while remaining clear that we must not let up in improving efficiency”, Kusterer added.

Adjusted net profit attributable to the shareholders of EnBW AG went up from €397 million in the same period of the previous year to some €507 million in the first nine months of 2019.

Performance by segment

Adjusted EBITDA in the Sales segment was €187.4 million in the first nine months of 2019, 7.5% below the same period of the previous year. The difference is mainly due to higher procurement costs for electricity and gas. Plusnet, the Cologne-based telecommunications company acquired in June 2019, has contributed to earnings from the beginning of the third quarter.

The Grids segment sustained its positive performance. Adjusted EBITDA came to €1,024.6 million, an increase of 4.6% in the first nine months of 2019 relative to the same period a year earlier. A major factor in the positive earnings performance comprised higher grid revenue, notably due to necessary increased investment in grid security and reliability.

Adjusted EBITDA in the Renewable Energies segment rose substantially to €298.6 million in the first nine months of 2019. This corresponds to 38.5% earnings growth compared with a year earlier. The improvement is due to earnings contributions from the onshore wind farms acquired in Sweden at the end of last year and to the overall improvement in wind conditions at onshore and offshore wind farms in Germany. French-based Valeco has contributed to earnings from the beginning of the third quarter. The Hohe See and Albatros offshore wind farms will contribute to earnings from the fourth quarter of 2019.

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At €192.6 million and with an increase of 0.6 percent in the first nine months of 2019, adjusted EBITDA in the Generation and Trading segment is on a similar level to the previous year. Forward prices for electricity on the wholesale markets are higher than a year ago. This has been offset by the absence of the previous year's positive one-off effects on earnings and the unscheduled prolongation of the inspections at the Neckarwestheim (GKN2) and Philippsburg (KKP2) nuclear power stations.

At some €2.13 billion, capital expenditure in the EnBW Group doubled relative to the previous year (€1.02 billion). This mainly relates to the acquisition of wind and solar company Valeco and of Plusnet GmbH. Both companies are in line with EnBW's strategic direction. Further investment went into completion of the EnBW Hohe See and EnBW Albatros offshore wind farms. These are about to go into operation. All 87 turbines are complete. The two wind farms, with a total capacity of 609 megawatts, are to be connected to the grid before the end of the year.

CFO Thomas Kusterer: "We are of course aware that the growth investment brought forward for Valeco and Plusnet adds to our financial constraints. The low interest rate environment also has a negative impact on our pension and nuclear power provisions. We will plan and manage our further investment activities with corresponding care."

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Performance indicators of the EnBW Group

Financial and strategic performance indicators

in € million	01/01– 30/09/2019	01/01– 30/09/2018	Change in %	01/01– 31/12/2018
External revenue ¹	14,374.5	14,845.8	-3.2	20,617.5
Adjusted EBITDA	1,688.2	1,571.9	7.4	2,157.5
Share of adjusted EBITDA accounted for by Sales in € million/in % ¹	187.4/11.1	202.6/12.9	-7.5/-	268.4/12.4
Share of adjusted EBITDA accounted for by Grids in € million/in %	1,024.6/60.7	979.1/62.3	4.6/-	1,176.9/54.5
Share of adjusted EBITDA accounted for by Renewable Energies in € million/in %	298.6/17.7	215.6/13.7	38.5/-	297.7/13.8
Share of adjusted EBITDA accounted for by Generation and Trading in € million/in % ¹	192.6/11.4	191.4/12.2	0.6/-	430.8/20.0
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-15.0/-0.9	-16.8/-1.1	-10.7/-	-16.3/-0.7
EBITDA	1,491.3	1,675.2	-11.0	2,089.6
Adjusted EBIT	606.5	680.4	-10.9	957.5
EBIT	407.9	777.4	-47.5	875.8
Adjusted Group net profit ²	506.9	397.0	27.7	438.3
Group net profit ²	288.3	468.7	-38.5	334.2
Earnings per share from Group net profit in € ²	1.06	1.73	-38.5	1.23
Retained cash flow	631.4	464.0	36.1	999.1
Total investments	2,133.2	1,018.1	109.5	1,769.9

Employees^{3,4}

	30/09/2019	30/09/2018	Change in %	31/12/2018
Employees	22,934	21,502	6.7	21,775
Full-time equivalents	21,467	20,091	6.9	20,379

¹ The figures for the previous year have been restated.

² In relation to the profit/loss attributable to the shareholders of EnBW AG.

³ Number of employees excluding apprentices/trainees and inactive employees.

⁴ The number of employees for the ITOs (ONTRAS Gastransport GmbH, terranets bw GmbH und TransnetBW GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2018 is carried forward.

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