CREDIT OPINION
4 August 2026

Update

Send Your Feedback

RATINGS

EnBW Energie Baden-Wuerttemberg AG

Domicile	Karlsruhe, Germany
Long Term Rating	Baa1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Mark Remshardt +49.69.70730.808
VP-Ratings
mark.remshardt@moodys.com

Sebastian Lopez Pineda +34.91.768.8215
Sr Ratings Associate
sebastian.lopezpineda@moodys.com

Neil Griffiths-Lambeth +44.20.7772.5543
Exec Dir-Ratings
neil.griffiths-lambeth@moodys.com

EnBW Energie Baden-Wuerttemberg AG

Update following affirmation of Baa1 rating

Summary

The credit quality of EnBW Energie Baden-Wuerttemberg AG (EnBW, Baa1 stable), Germany's (Aaa stable) only fully vertically integrated utility, is supported by its scale and its leading position in its home state Land of Baden-Wuerttemberg (Aaa stable); the solid share of regulated and predictable earnings from its distribution and transmission grid operations; the increasing profit contribution from its largely contracted renewables (RES) generation, underpinned by capacity growth; and its balanced financial policy and demonstrated commitment to maintaining a robust credit quality.

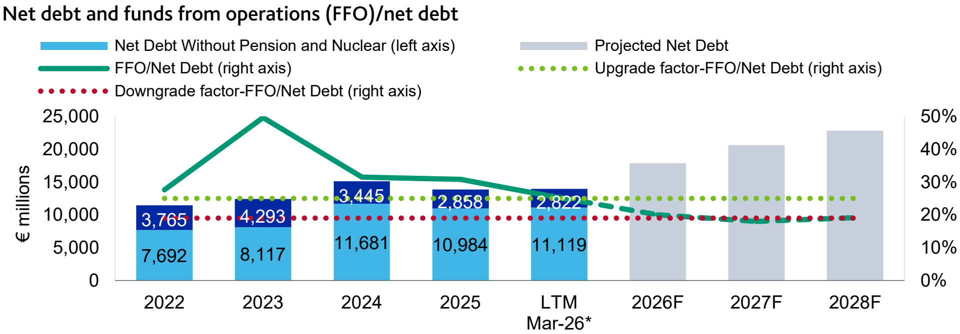
EnBW's credit quality is constrained by its sizeable (gross) investment programme of up to €50 billion over 2024-30, with around €15 billion spent between 2024 and Q1 2026, because the associated debt funding will pressure credit metrics. Capital spending is focused on grid infrastructure, renewable installations and H2-ready gas plants. Although the company's strategy to selectively and partially divest shares in projects, mainly in the grid and RES segments, will help mitigate net cash outflow, this approach entails increased cash leakage to minority shareholders and will likely weigh on the business risk profile over time. In addition, the company remains exposed to volatile energy prices and faces intense competition in the retail markets for energy and related services.

Because of the 47% ownership by Baden-Wuerttemberg, we consider EnBW a government-related issuer (GRI). Based on our expectation of a moderate probability of support from the state government in case of financial distress, the Baa1 rating factors in a one-notch uplift from EnBW's standalone credit quality, or Baseline Credit Assessment (BCA), of baa2.

Exhibit 1

Notwithstanding significant planned investments, we expect EnBW to stay within the guidance for its current rating

Net debt and funds from operations (FFO)/net debt



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
* Moody's-adjusted net debt as of 31 March 2026 incorporates (i) time and fixed deposits and (ii) short-term securities, both based on 31 December 2025 balances reported by EnBW, as these items are not disclosed in interim reports.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

» High share of earnings from regulated transmission and distribution grids under an established regulatory framework

» Growing share of RES assets, mostly backed by feed-in tariffs or power purchase agreements (PPAs)

» Track record of measures to defend credit quality and commitment to maintaining a solid investment-grade rating

» Supportive shareholders, evidenced by moderate dividend extractions and the substantial €3.1 billion equity increase in July 2025

Credit challenges

» Large capex programme, which will constrain credit metrics, mitigated by the recent equity increase and disposal proceeds

» Expected increase in the share of minorities in the capital structure, which increases risk of cash leakage and could alter the business risk profile

» Earnings exposed to wholesale price volatility, mitigated through hedging, and resource risk from the growing share of RES assets

Rating outlook

The stable outlook reflects our expectation that EnBW will record solid cash earnings over 2026-28, which will allow the company to continue to fund a substantial share of capital spending from generated cash flow. The stable outlook further anticipates that the company will continue to pursue a prudent financial policy and act as necessary to maintain credit metrics consistent with the rating category, including FFO/net debt above 19%.

Factors that could lead to an upgrade

We currently do not expect upward pressure on the rating because of EnBW's planned sizeable capex. However, such upward pressure could develop over time if EnBW's FFO/net debt increases above the mid-20s in percentage terms on a sustained basis.

Factors that could lead to a downgrade

We could downgrade EnBW's rating if credit metrics weakened such that FFO/net debt was likely to remain persistently below 19%. There could also be downward rating pressure if retained cash flow (RCF)/net debt fell below 13%. A reduction in the government support assumption incorporated into EnBW's rating is also likely to lead to a downward rating adjustment.

The guidance for EnBW's rating may be tightened if minority interests increased beyond what is currently expected or the business risk profile deteriorates.

Key indicators

Exhibit 2
EnBW Energie Baden-Wuerttemberg AG

	2022	2023	2024	2025	LTM Mar-26	2026F	2027F
Total Assets ($ billions)	74.2	71.5	66.6	78.8	83.2	80 - 82	84 - 87
(FFO + Interest) / Interest Expense	4.8x	7.3x	5.8x	4.7x	4.1x	3.9x - 4.2x	4.2x - 4.5x
FFO / Net Debt*	27.7%	49.6%	31.5%	30.8%	25.3%	19% - 21%	17% - 19%
RCF / Net Debt*	21.0%	44.1%	24.5%	24.0%	18.2%	12% - 14%	11% - 13%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
* Moody's-adjusted net debt as of 31 March 2026 incorporates (i) time and fixed deposits and (ii) short-term securities, both based on 31 December 2025 balances reported by EnBW, as these items are not disclosed in interim reports.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

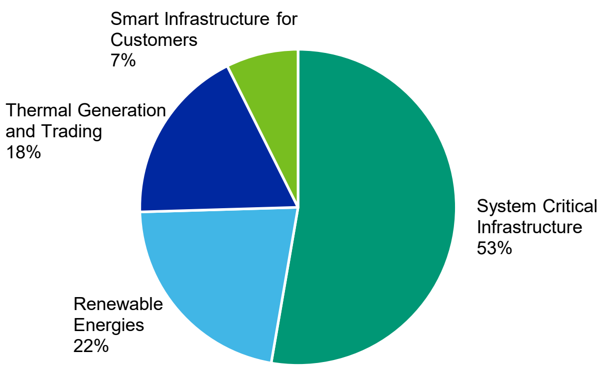
Profile

EnBW Energie Baden-Wuerttemberg AG (EnBW) is one of Germany's leading utilities, with a dominant position in the south-western state of Baden-Wuerttemberg, one of Europe's wealthiest regions. Its vertically integrated energy activities serve around 5.5 million customers, and comprise electricity generation and trading; transmission and distribution networks; RES; and the supply of electricity and gas, and related services.

Exhibit 3

Regulated grids that make up the large majority of earnings in the System-Critical Infrastructure segment account for a substantial share of EnBW's earnings

Adjusted EBITDA breakdown as reported by EnBW (for the 12 months that ended March 2026)

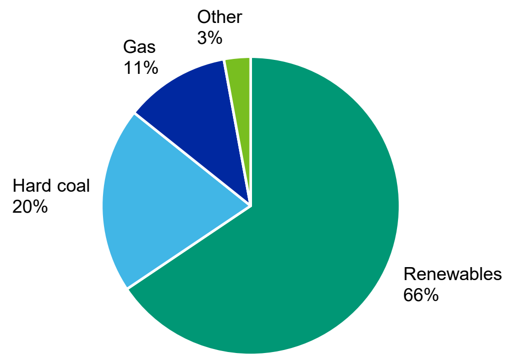


Total adjusted EBITDA for the 12 months that ended March 2026 was €4.8 billion. Renewable Energies, Thermal Generation and Trading together constitute the "Sustainable Generation Infrastructure" segment.
Source: Company

Exhibit 4

EnBW's generation capacity is dominated by renewables

Installed capacity (2025)



Total capacity: 11.2 gigawatts (GW).
Source: Company

EnBW's majority shareholders are the Land of Baden-Wuerttemberg and Zweckverband Oberschwaebische Elektrizitaetswerke, an association of nine administrative districts. Each entity holds a stake of 47% via subsidiaries. A further 3.92% is owned by several municipal associations in Baden-Wuerttemberg, while the remainder is held by EnBW as own shares (1.74%) or is in free float (0.34%) on the Frankfurt and Stuttgart stock exchanges. The market capitalisation of EnBW on 03 August 2026 was around €22.8 billion.

Detailed credit considerations

System-Critical Infrastructure (SCI): Expansion of regulated electricity and gas networks will require large capex, accompanied by a gradual increase in cash earnings

The economics of EnBW's SCI segment are mainly determined by its earnings and capex associated with its power and gas distribution grids, operated primarily by its subsidiary Netze BW GmbH (100%); gas transport (ONTRAS Gastransport GmbH and terranets bw GmbH, each 100%); and electricity transmission (TransnetBW GmbH, 50.1%[1]). These grids operate under the German regulatory framework, which we regard as well defined, with key aspects of the revenue building blocks enshrined in law, and designed to provide adequate and fair remuneration for operating expenses and capex.

From the next, fifth regulatory period (RP), which will start in 2029 and 2028 for electricity and gas grid operators, respectively, German regulator Bundesnetzagentur (BNetzA) has published framework and methodology determinations applicable to operators of gas and electricity distribution grids and gas transport grids, which signal some evolutionary changes but do not alter our credit view of the German regulation (for details on the reforms, refer to our sector report).

RPs comprise five calendar years, with the current, fourth one spanning 2024-28 for electricity grid operators and 2023-27 for gas grid operators.

Significant features of the regulatory framework in the current RP include:

- A regulatory account mechanism under which certain volume and cost deviations in year t are offset over three years (t+3 through t+5);
- Cost inflation adjustments, offset against company-specific (X-Ind) and sectorwide general productivity factors (X-gen, separate for electricity and gas, set at 0.86% and 0.87%, respectively) to provide incentives to increase cost efficiencies;
- Cost of debt essentially treated as a pass-through item, notwithstanding some efficiency evaluation by BNetzA;
- Capital returns through depreciation and a return on equity (RoE) based on the regulated asset base (RAB), capped at 40% of the RAB;
- The full depreciation of existing and new RAB assets in gas grid operations by 2045,[2] the current target year for Germany's carbon neutrality, to reduce the risk of stranded assets.

Adjusted RoE calculation provides higher returns for new investments from 2024
Depreciation and RoE constitute the main sources of grid operators' cash earnings and are a function of the RAB evolution. The RAB is calculated under the capital cost adjustment (CCA) model,[3] which aims to include new investments in the RAB without delay during the year of investment, thus ensuring faster cash remuneration for all capex.

The RoE for the current RP is applied as follows:

- Assets included in the RAB as of 31 December 2023 are remunerated at 5.07% (nominal, pretax and post-trade tax) over the entire RP.[4]
- The RoE applicable to assets accruing to the RAB from 2024 is updated annually through the annual adjustment of the risk-free rate (RfR) to reflect market conditions in any given year through 2028 (gas: 2027).

For investments over 2026-27, a preliminary return rate of 7.26% is applied, based on the average RfR of 2.93% for Q1 2026 (see Exhibit 5).

Exhibit 5
Evolution of allowed equity returns in Germany for electricity and gas grids

	1st Period (2009-2013)	2nd Period (2014-2018)	3rd Period (2019-2023)	4th Period (2024-2028)	Applicable RoE for 2026/2027
Risk-free rate	**4.23%**	**3.80%**	**2.49%**	**0.74%**	**2.93%**
Market risk premium	4.55%	5.44%	3.80%	3.70%	3.70%
Equity beta	0.79	0.66	0.83	0.81	0.81
Equity risk premium	3.59%	3.59%	3.15%	3.00%	3.00%
Cost of equity (post tax) - new assets	7.82%	7.39%	5.64%	4.13%	5.92%
Cost of equity (pre-tax) - new assets	**9.29%**	**9.05%**	**6.91%**	**5.07%**	**7.26%**
Inflation factor	1.45%	1.56%	1.46%	1.27%	
Cost of equity (pre-tax) - old assets	**7.56%**	**7.14%**	**5.12%**	**3.51%**	

RPs shown in the table relate to electricity networks; gas grids' periods start and finish one year earlier. Under the German regime, the cost of equity allowance differs for assets acquired or built before 2006 (old assets) and after 2006 (new assets). Old assets receive a real equity return adjusted for inflation; new assets receive a nominal return.
Source: Bundesnetzagentur and Moody's Ratings

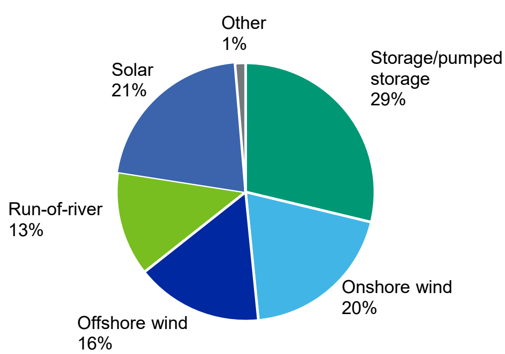
The relatively stable and predictable cash flow from regulated network activities underpins EnBW's plans for around €30 billion in gross capex in the SCI segment over 2024-30; between 2024 and Q1 2026, around €8.5 billion was spent. This includes spending on electricity grids to connect RES, digitise the grids and build regional sections of large north-south and cross-country direct-current (DC) connections: SuedLink and NordwestLink (both between TransnetBW and TenneT GmbH & Co. KG [Baa1 stable]), ULTRANET (TransnetBW partnering with Amprion GmbH [Baa2 stable]) and SuedwestLink (TransnetBW together with 50 Hertz GmbH, the 100% subsidiary of Eurogrid GmbH [Baa2 stable]).

Assuming annual average capex of €4.3 billion, based on EnBW's plans, and equity returns of around 7% on 40% of this amount (BNetzA notional equity share), average annual incremental cash earnings from new investments will be around €120 million over the next few years. We expect the annual EBITDA contribution from the SCI segment, on average, to be €2.6 billion-€2.9 billion, taking into account the volatility in energy prices and the regulatory account movements. The segment's operating cash flow will likely not cover its capex through the end of the decade.

Sustainable Generation Infrastructure (SGI) - Renewable energies: Capacity expansion will boost revenue and earnings

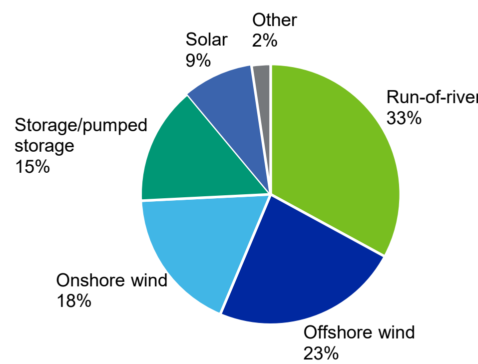
EnBW has a large and well-diversified portfolio of RES, with an installed capacity of around 7.4 gigawatts (GW) as of 31 December 2025, including 3.1 GW of hydro generation assets (run-of-river and pumped storage including thermal capacity); 1.2 GW of offshore wind; 3.0 GW of onshore wind and solar in almost equal parts; and 0.1 GW of other RES. Through 2030, the company aims to have 10-11.5 GW in RES installed, accounting for 75%-80% of its total generation capacity, up from 66% as of 31 December 2025. More than 70% of the total installed capacity for RES is located in Germany, with the remainder in Austria, France, Switzerland, Sweden[5] and the Czech Republic.[6]

Exhibit 6
EnBW has a diversified portfolio of renewables
Installed capacity (2025)



Total capacity: 7.4 GW.
Source: Company

Exhibit 7
Hydro accounts for the bulk of renewables generation
Output (2025)



Total generation: 13.6 terawatt hours (TWh).
Source: Company

Offshore wind capacity will be the largest driver of RES growth through 2030

Offshore wind, with EnBW's 3.9 GW[7] pipeline, is key to achieving the company's 2030 RES capacity target:

» He Dreiht (German North Sea): Installed capacity of 960 MW, full commissioning in Q3 2026. In line with its four existing operational offshore farms, EnBW retains a 50.1% majority ownership,[8] with the remainder held by various infrastructure investors; no subsidies. Around 70% of the capacity has been sold through PPAs to large German corporates, mostly through 15-year PPAs.

» Dreekant (German North Sea): Potential capacity of 1 GW; EnBW won the rights to develop the wind park in a 2024 offshore auction at a price of €1,065 million. Of this amount, 90% is to be paid over the operational life of the wind farm, which could commence around 2032-33; no subsidies.

» Morven (UK - Scotland): Capacity of 2.9 GW, which could become operational by 2035 if a final investment decision (FID) is taken; earnings based on contrcats-for-difference (CfDs) or PPAs, or both.

In January 2026, following the unsuccessful bid in the AR7 auction, EnBW announced the discontinuation of the UK offshore projects Mona and Morgan (3 GW in total) and an associated impairment of €1.2 billion. All UK projects were allocated to EnBW and its partner Jera Nex bp, a joint venture between BP p.l.c. (A1 stable) and Japanese utility Jera Co., Inc., through successful bids at seabed lease auctions. We expect EnBW and Jera Nex bp to consider an FID for Morven over the next 12-18 months.

Offshore wind and other RES projects with earnings based on PPAs reduce merchant exposure but introduce counterparty risk and do not offer the same predictability as a fixed-tariff subsidy regime. While EnBW will aim to secure a high degree of coverage from PPAs, for example for He Dreiht, all projects are likely to maintain some merchant exposure, with associated risk from output and power price volatility, mitigated by feed-in priority.

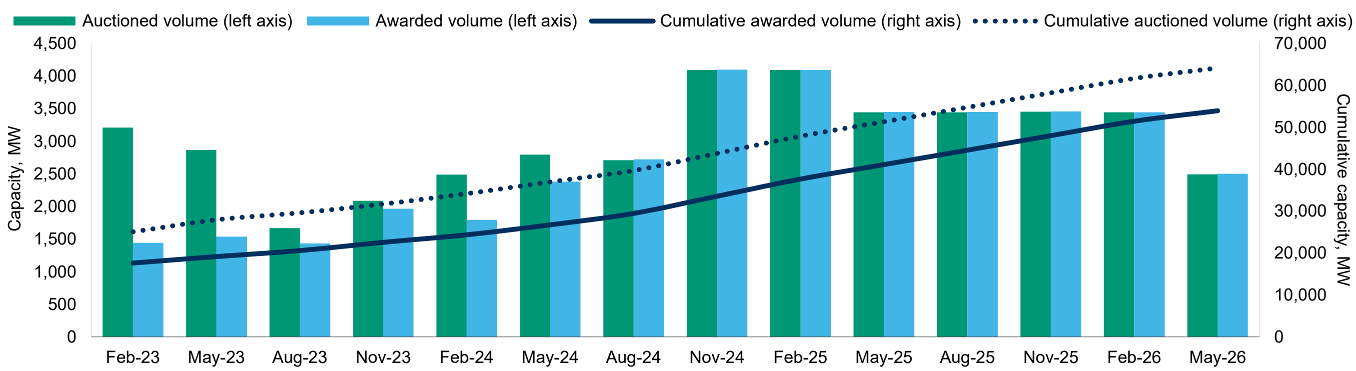
Large-scale solar and onshore wind could add around 1-2 GW capacity by 2030

EnBW has 1.45 GW of installed onshore wind capacity, with 270 MW under construction. Future growth is focused on Germany but is predicated on support payments to ensure profitability. After a long period of undersubscribed German auctions, the most recent May auction volume was fully allocated at a volume-weighted average price of €50.60/MWh, significantly below the cap of €72.50/MWh. Accelerated permitting procedures, adequate reference prices and the lack of clarity around future amendments to the RES law (EEG 2027) have encouraged an increase in investment in this technology, driving down bid prices. EnBW's wind onshore capacity could grow by around 500 MW by 2030.

Exhibit 8

Auctioned capacity in recent onshore wind auctions in Germany have been fully awarded, which bodes well for the next auction in August, with 2.5 GW capacity to be awarded

Auctioned and awarded capacity in German onshore wind auctions (February 2023 - May 2026)



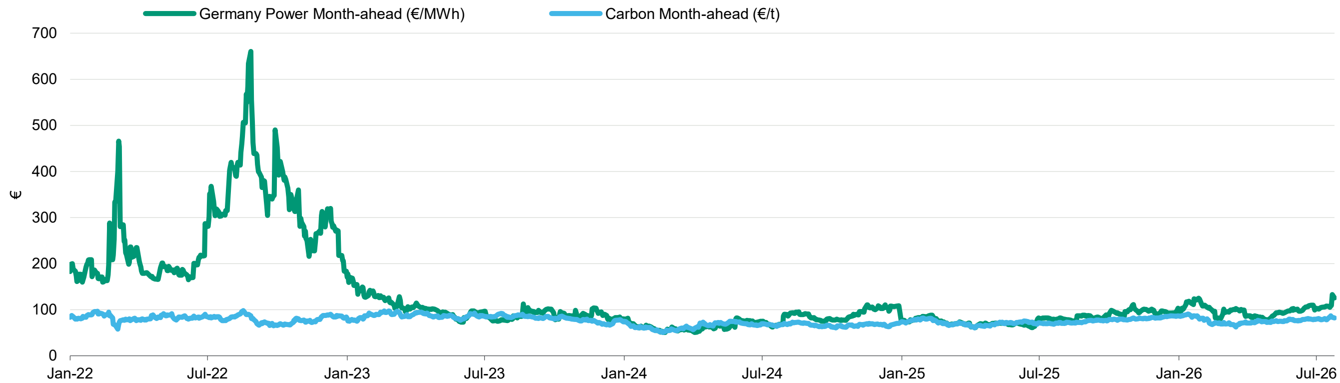
The auctioned volume generally follows values laid out in the Renewables Act (§28 EEG 2023) but can be adjusted, for example, if an auction is likely to be undersubscribed.
Sources: Bundesnetzagentur and Moody's Ratings

EnBW currently has around 1.56 GW of large solar installations in operation and 290 MW under construction, mainly in Germany and France. At scale, this technology has reached profitability on merchant terms because of less cumbersome permitting procedures and a decline in equipment costs. Unless supply chain bottlenecks arise from geopolitical and trade tensions with China (A1 stable), the world's largest producer of solar panels, we expect further growth in capacity in Germany and Europe, and EnBW could add another 1 GW of capacity by 2030.

For 2026, EnBW provided EBITDA guidance of €1.1 billion-€1.3 billion for RES, driven by reduced prices that are offset by higher output from new capacity, in particular He Dreiht. We expect EBITDA to be at the lower end of the guidance, at around €1.1 billion, similar to the level achieved in 2025, subject to resource risk. Higher output from He Dreiht and new onshore wind and solar capacity coming online are positives. However, we expect achieved prices to remain comparable with 2025 levels because of hedging, limiting the upside from merchant exposure to higher power prices (EEX CAL-26 for Q4 futures currently are at €140-€145/MWh).

Exhibit 9

In 2026, German electricity prices have slightly increased on the back of higher reduced gas prices triggered by the Iran conflict



Source: FactSet

SGI - Thermal Generation and Energy Trading: Decrease in coal capacity and lower achieved prices will weigh on 2026 EBITDA

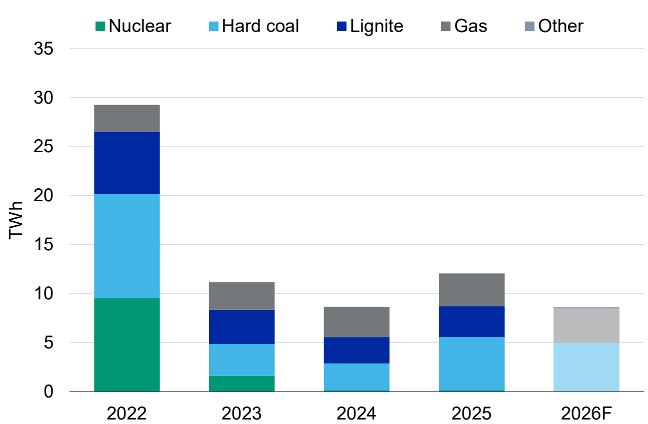
As of 31 December 2025, EnBW (co-)owned and operated a diversified conventional generation fleet with an installed capacity of around 3.9 GW, including around 2.3 GW of hard coal plants, and 1.3 GW of gas-fired capacity.

We estimate that conventional generation output in 2026 will decline further from the 12.0 terawatt-hours (TWh) produced in 2025 because of a high share of RES output in Germany, underpinned by rapidly growing solar and some additional wind onshore capacity. Given the lower output, the roll-off of prior years' hedges that locked in high prices, and the base effect of the Lippendorf lignite plant sale, partly offset by earnings from grid stabilisation plants and slightly higher power prices in 2026, the EBITDA contribution from Thermal Generation and Energy Trading in 2026 is likely to be markedly below last year's level of €1.15 billion.

Exhibit 10

Conventional generation output in 2026 is likely to decline as lignite capacities were sold in 2025 and coal capacity will decline further this year

Output in TWh

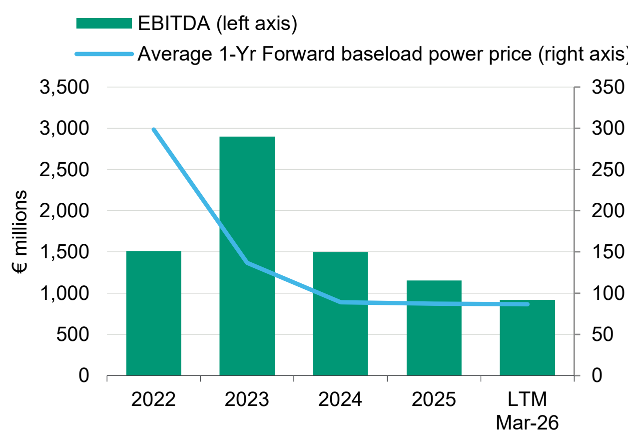


Source: Company

Exhibit 11

Because of EnBW's hedging of generation, EBITDA development follows electricity prices with a time lag

EBITDA in € millions, average one-year forward price in €/MWh



Adjusted EBITDA of Thermal Generation and Trading.

LTM = Last 12 months.

Sources: Company and FactSet

Following EnBW's decision to phase out coal by 2028, in support of its 2035 climate-neutrality target, we expect earnings from conventional capacity to increasingly be based on flexibility offerings rather than wholesale market sales. These products, including capacity from gas-fired plants and batteries, as well as demand-side response, are becoming increasingly important for ensuring system stability as intermittent RES generation grows.

EnBW operates several grid-reserve power plants in Germany, with a total capacity of 1.8 GW, which are called upon by the responsible TSO as needed and remunerated to recover the mostly fixed costs associated with availability and maintenance, as well as output-related expenses. Most of the remaining coal fleet is likely to be converted to grid-reserve plants, whereas three plants[9] will be replaced by newly built low-carbon, gas-fired plants that will participate in the wholesale market and also generate income from district heating.

While this shift in conventional generation towards quasi-regulated earnings from system services and thus reduced exposure to energy wholesale markets is generally credit positive, the resulting absolute and relative increase in the share of RES in the capacity mix leads to greater exposure to resource risk (see our Sector In-Depth report).

Smart infrastructure for customers (SMINC): e-mobility and energy services should boost 2026 EBITDA

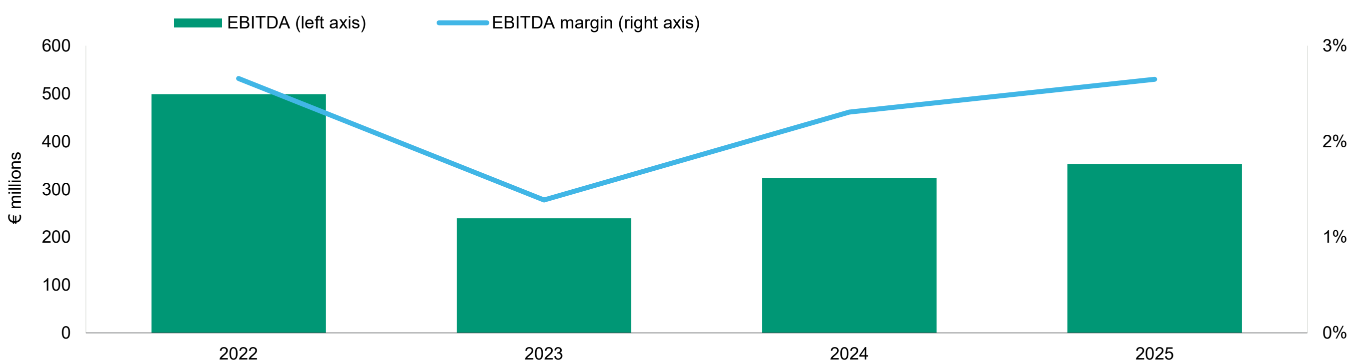
The SMINC segment comprises energy sales to around 5.5 million household and commercial end customers; new energy solutions (e-mobility, residential solar generation and storage, and biomethane); telecommunications (fibre broadband); and energy-related services for smaller utilities.

Although the segment provides some earnings diversification for EnBW, most of SMINC's EBITDA will continue to be generated from gas and electricity sales. Thus, it remains exposed to electricity and gas wholesale prices, and to customer churn on the back of an increase in energy prices, mitigated by the company's regional roots and strong brand recognition.

Exhibit 12

SMINC's cost base is largely commodity price-driven, thus EBITDA growth does not necessarily correlate with increased margins

EBITDA and EBITDA margin in the SMINC segment



Source: Company

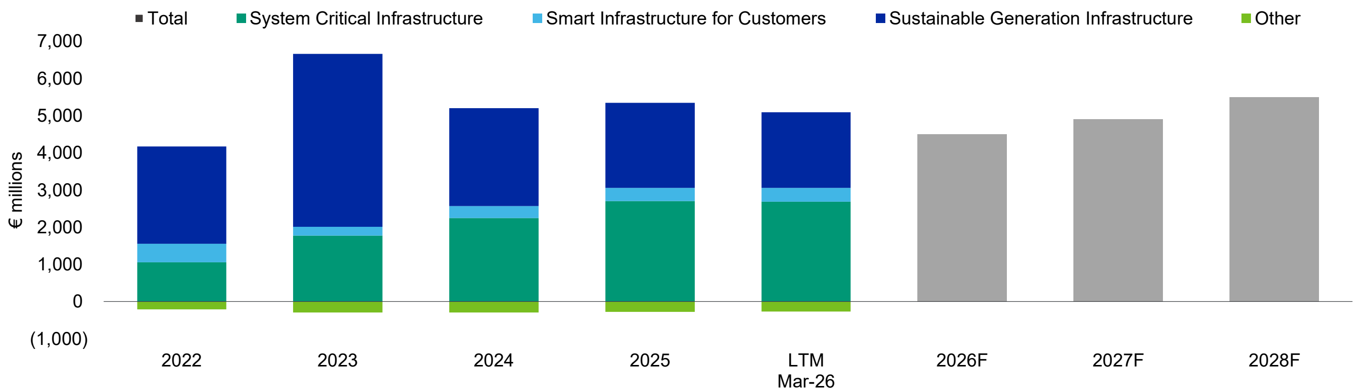
SMINC activities contributed €353 million to EnBW's EBITDA in 2025, up by around 10% because of higher energy sales volumes, including consumption at EnBW's e-mobility charging points.

The SMINC segment is likely to experience volume growth, especially in EV charging and broadband rollouts. However, ramp-up costs, including staff and IT expenses, and the fact that competitors follow similar strategies will limit EBITDA growth potential over the next few years. For 2026, we expect EnBW's EBITDA to fall within its guidance range of €400 million-€500 million, with e-mobility and energy-related services being key drivers.

Weaker credit metrics through 2028 but likely within guidance

In 2025, EnBW achieved adjusted EBITDA (as defined by the company) of €5.1 billion, reflecting primarily incremental earnings from the grid business, partly offset by the expiry of hedges that had locked in the high energy prices from 2022 through early 2023; and weather-related lower output from wind and hydro generation. For 2026, the company has set its guidance between €4.6 billion and €5.1 billion, mainly in view of normalised spot prices; higher grid earnings as a result of RAB growth; and additional RES capacity. Given the prices observed so far in 2026, we expect adjusted EBITDA to be within the 2026 guidance range, somewhat weaker than the 2025 result. Through 2028, we expect EBITDA to grow moderately to around €5.5 billion, driven mainly by incremental output from RES capacity and a higher grid RAB.

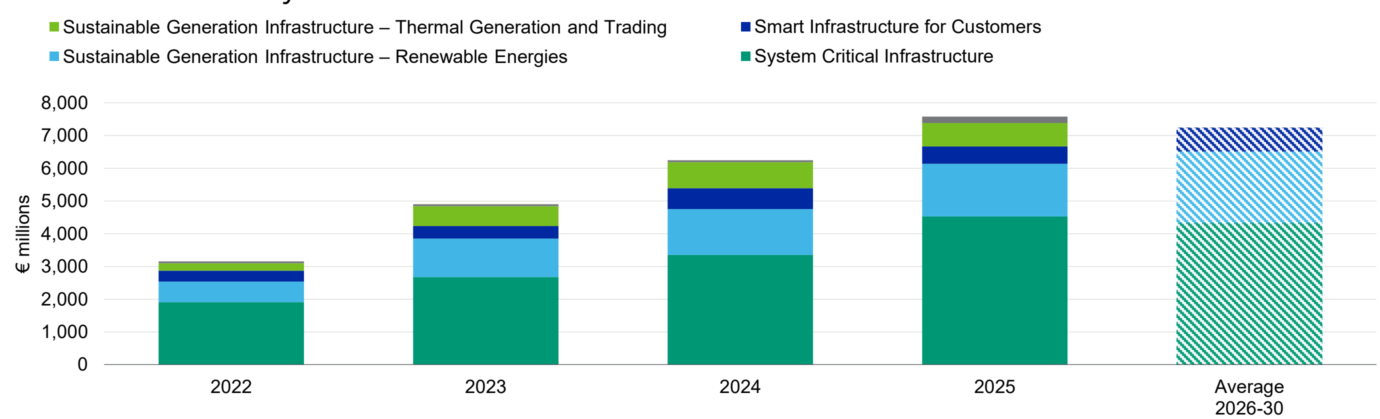
Exhibit 13
EnBW's earnings in 2026 expected to decline, mainly as a result of less capacity and lower achieved prices in the SGI -Thermal generation business
Adjusted EBITDA breakdown, in € millions



LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Company and Moody's Ratings forecasts

Assuming an average annual interest expense of €450 million-€500 million and average dividends including cash paid to minorities of around €1,200 million over 2026-28, we expect annual FFO of €3.6 billion-€4.2 billion and RCF to be around €1,200 million lower than FFO. Because gross investments through 2030 have been somewhat front-loaded on account of Suedlink and Ultranet, we estimate annual outlays of €7.0 billion-€7.5 billion over 2026-28, implying negative free cash flow and a need for additional debt.

Exhibit 14
Gross investments are mainly directed towards networks



Source: Company

The need for additional borrowing will be partly offset by divestments and by the cash proceeds from the capital increase of €3.1 billion in July 2025. Divestments could include new partnerships through the disposal of minority stakes in existing or new operations. Precedents include the four German offshore wind farms operated by EnBW and TransnetBW.

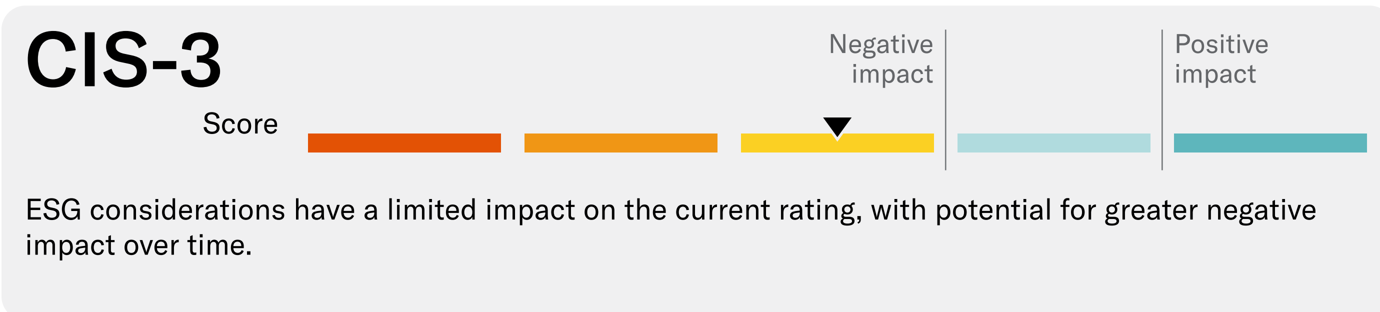
Although such disposals, which are difficult to quantify, would diminish the need for new debt and thus be supportive for the company's credit metrics in the short term, they enhance the degree of cash leakage over the medium term; are likely to weaken the business risk profile because disposals of lower-risk or contracted businesses are more probable; and add a degree of complexity to the corporate structure, all of which are credit negatives.

Through 2028, we expect FFO/net debt to weaken against 2025 (see Exhibit 1) to the high- teens to low 20s in percentage terms, and thus in line with our guidance for the current rating. While the effect from the front-loaded equity raise will level off over time because of increased investments, we expect the company to pursue a financial policy that protects its current credit quality, supported by flexibility embedded in its capex plans, and also expect shareholders to pursue a measured dividend policy aligned with EnBW's investment needs.

ESG considerations

EnBW Energie Baden-Wuerttemberg AG's ESG credit impact score is CIS-3

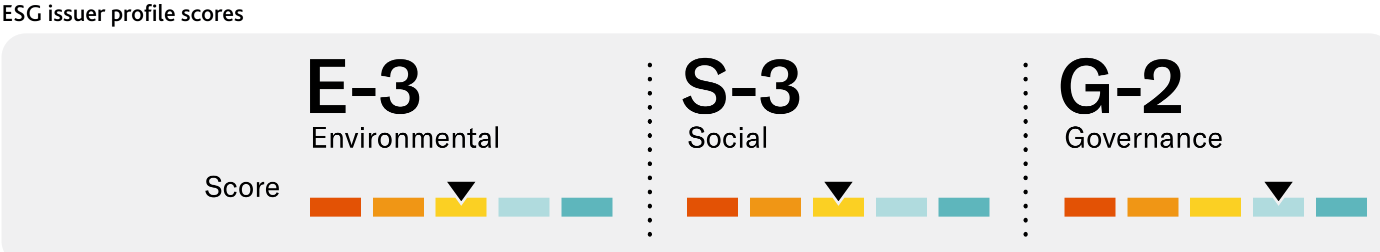
Exhibit 15
ESG credit impact score



Source: Moody's Ratings

EnBW is **CIS-3**, indicating that its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The CIS-scoring reflects moderately negative environmental and social risks, partly offset by low to neutral governance risks.

Exhibit 16
ESG issuer profile scores



Source: Moody's Ratings

Environmental

EnBW is **E-3**, reflecting the company's carbon transition risks associated with its German coal operations, which the company announced to phase out by 2028. It also incorporates a degree of physical climate risks where the company's network operations could get damaged in case of flooding. The score also incorporates the company's liabilities associated with nuclear waste, although this is mitigated by a dedicated assets portfolio, thereby limiting operating cash outflows. Lastly, the score also reflects the sizable investment programme associated with the energy transition.

Social

EnBW is **S-3**, reflecting the risk that demographics and societal trends could lead to public concerns over affordability. These pressures can trigger adverse political intervention as shown in the temporary introduction of an excess revenue tax for utilities in 2022/23.

Similarly, the mandate of the national grid regulator to protect end-users from high fees exposes the company to the risk of adverse decisions.

Governance

EnBW is **G-2**, reflecting the benefit from the ownership by the Land of Baden-Wuerttemberg, which holds 47% of the shares. As a government-owned company, we assess that the independence of EnBW's board is relatively weak and that its management may face competing priorities. In addition, EnBW's organisational structure is marked by a gradual increase of subsidiaries with large minority stakes, notably for larger renewable projects, but also at TransnetBW, a key subsidiary in charge of electricity transmission in southwest Germany. Nonetheless, governance risks are balanced by other considerations associated with government ownership, including transparent reporting and oversight as well as a solid track record of achieving financial budgets.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Government support considerations

EnBW is 47% owned by the Land of Baden-Wuerttemberg, one of the most prosperous states in Germany. Because of the significant ownership stake, we consider EnBW a GRI.

EnBW's focus on its home region, tempered by its operations across Germany and abroad, implies a moderate default dependence on the Land of Baden-Wuerttemberg. Our assumption of a moderate probability of support from Baden-Wuerttemberg in case of financial distress at EnBW is underpinned by the company's strategic importance to the region and the shareholder's endorsement of EnBW's strategy. However, it also acknowledges that Baden-Wuerttemberg does not own a majority stake in EnBW, which may limit a timely intervention.

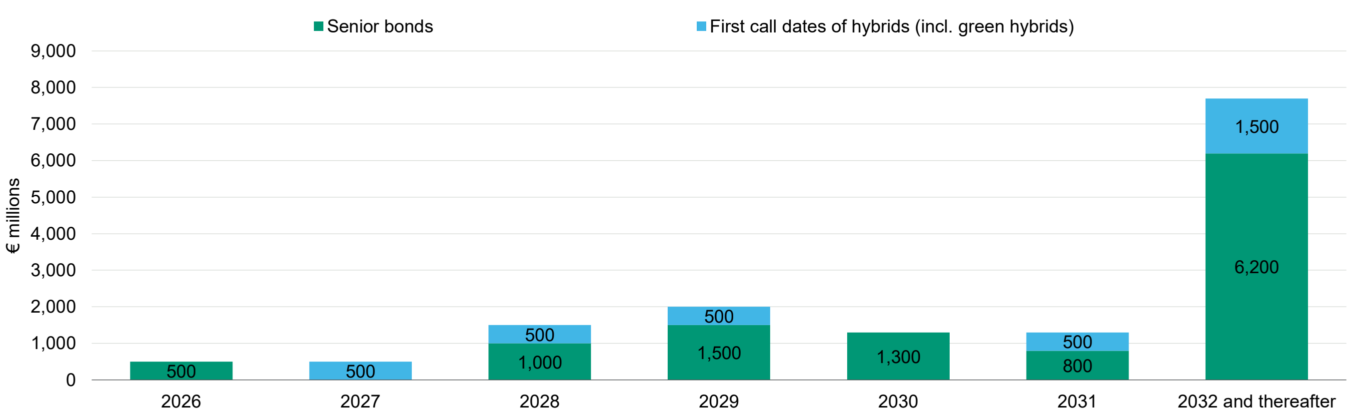
Liquidity analysis

We expect EnBW to maintain good liquidity over the next 12 months, supported by operating cash flow and cash on balance sheet, and undrawn amounts under committed bank facilities.

As of the end of March 2026, EnBW had cash and short-term investments (excluding trapped cash) of around €5.0 billion. In addition, the group currently has around €7.2 billion of committed bank facilities at its disposal, including two undrawn syndicated facilities, one of which amounts to €2.5 billion and is due in 2031, while the other one of €1.75 billion currently matures in 2029.

Assuming net investments of €7.0 billion-€7.5 billion over the next 12 months; senior bond repayments totalling €500 million through year-end 2026; and dividend payments including cash paid to minorities of around €1 billion in 2026, we deem EnBW's available liquidity to be sufficient to cover these outflows.

Exhibit 17
EnBW has a well-spread debt maturity profile
Notes outstanding as of 30 June 2026, in € millions



Source: Company

Methodology and scorecard

EnBW is assessed in accordance with our Unregulated Utilities and Power Companies rating methodology, and our Government-Related Issuers Methodology.

Exhibit 18

EnBW Energie Baden-Wuerttemberg AG

Unregulated Utilities and Power Companies Industry Scorecard *	Current LTM March 31 2026		Moody's 12-18 Month Forward View **	
	Measure	Score	Measure	Score
Factor 1: Scale (10%)				
a) Total Assets (USD Billion)	83.2	Aa	81.0 - 84.0	Aa
Factor 2: Business Profile (35%)				
a) Market Diversification	Ba	Ba	Ba	Ba
b) Cash Flow Stability	A	A	A	A
Factor 3: Leverage And Coverage (40%)				
a) (FFO + Interest Expense) / Interest Expense	4.1x	Ba	3.9x - 4.2x	Ba
b) FFO / Net Debt	25.3%	Baa	19.0% - 21.0%	Ba
c) RCF / Net Debt	18.2%	Baa	12.0% - 14.0%	Ba
Factor 4: Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Ratings				
Preliminary Outcome		Baa2		Baa2
Construction, Development and Capital Program Risk		0		0
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned				
Government Related Issuers				
a) Baseline Credit Assessment		baa2		
b) Government Local Currency Rating		Aaa		
c) Default Dependence		Moderate		
d) Support		Moderate		
e) Actual Rating Assigned		Baa1		

*All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
**Moody's forecasts are Moody's opinion and do not represent the views of the issuer (as applicable).
Source: Moody's Financial Metrics™ and Moody's Projections

Structural considerations

EnBW's capital structure includes a mix of senior unsecured bonds, bank debt and hybrid securities that are largely located at the level of the parent company we rate; or at the dedicated funding subsidiary EnBW International Finance B.V., which is the issuer of senior or hybrid bonds, in each case fully guaranteed by the parent. We estimate that 10%-15% of debt, including leases, sits at the level of subsidiaries over which EnBW has control as the sole or majority shareholder. Therefore, we do not apply notching.

EnBW has six hybrids outstanding, currently amounting to €3.5 billion. Because of the features of the hybrids, we treat them as 50% debt and 50% equity in financial leverage calculations.

Ratings

Exhibit 19

Category	Moody's Rating
ENBW ENERGIE BADEN-WUERTTEMBERG AG	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured MTN	(P)Baa1
Jr Subordinate -Dom Curr	Baa3
Subordinate -Dom Curr	Baa2
Subordinate MTN	(P)Baa2
Other Short Term -Dom Curr	(P)P-2
ENBW INTERNATIONAL FINANCE B.V.	
Outlook	Stable
Bkd Senior Unsecured	Baa1
Bkd Senior Unsecured MTN	(P)Baa1
Bkd Subordinate MTN -Dom Curr	(P)Baa2
Bkd Other Short Term -Dom Curr	(P)P-2

Source: Moody's Ratings

Appendix

Exhibit 20

Peer comparison

EnBW Energie Baden-Wuerttemberg AG

	EnBW Energie Baden-Wuerttemberg AG Baa1 Stable			Vattenfall AB A3 Stable			CEZ, a.s. A3 Stable			Iberdrola S.A. Baa1 Stable		
	FY	FY	LTM	FY	FY	LTM	FY	FY	FY	FY	FY	FY
(in € millions)	Dec-24	Dec-25	Mar-26	Dec-24	Dec-25	Mar-26	Dec-23	Dec-24	Dec-25	Dec-23	Dec-24	Dec-25
Revenue	34,524	34,390	34,182	21,472	21,245	21,143	14,667	13,794	13,474	49,335	42,988	44,076
EBITDA	5,572	3,832	3,176	5,174	4,852	6,220	5,352	5,493	5,466	14,146	14,416	16,178
Total Assets	64,278	67,065	72,185	48,654	47,659	50,990	32,684	34,864	34,806	149,652	157,911	160,520
Total Debt	29,034	28,542	29,059	12,750	11,180	11,082	8,808	12,566	12,945	55,703	62,404	62,062
Net Debt	15,127	13,842	13,941	5,657	6,623	4,322	8,367	10,970	12,234	52,684	58,322	57,252
FFO / Net Debt	31.5%	30.8%	25.3%	57.6%	63.9%	107.8%	37.4%	27.4%	24.7%	20.6%	19.5%	22.4%
RCF / Net Debt	24.5%	24.0%	18.2%	46.7%	50.0%	87.3%	-0.1%	17.1%	15.8%	11.7%	13.1%	14.3%
(FFO + Interest Expense) / Interest Expense	5.8x	4.7x	4.1x	6.1x	8.4x	9.0x	9.4x	8.0x	7.2x	4.8x	4.9x	5.1x
Debt / Book Capitalization	59.1%	54.5%	53.2%	39.2%	35.3%	32.6%	38.3%	47.2%	47.7%	46.9%	49.6%	48.3%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months. Moody's-adjusted net debt as of 31 March 2026 incorporates (i) time and fixed deposits and (ii) short-term securities, both based on 31 December 2025 balances reported by EnBW, as these items are not disclosed in interim reports.
Source: Moody's Financial Metrics™

Exhibit 21

Moody's-adjusted FFO reconciliation

EnBW Energie Baden-Wuerttemberg AG

(in € millions)	2022	2023	2024	2025	LTM Mar-26
As reported funds from operations (FFO)	**3,029.7**	**5,662.5**	**4,177.1**	**4,609.6**	**3,840.8**
Capitalized interest	-	-	-	(267.5)	(267.5)
Hybrid Securities	20.2	20.2	30.5	41.7	44.5
Alignment FFO	(331.1)	(31.3)	375.5	(87.1)	(87.1)
Capital Development Costs	-	-	-	(55.3)	(55.3)
Cash Flow Presentation	108.2	-	179.3	17.4	46.1
Non-Standard Adjustments	340.8	399.5	-	-	-
Moody's-adjusted funds from operations (FFO)	**3,167.8**	**6,050.9**	**4,762.4**	**4,258.8**	**3,521.5**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 22

Moody's-adjusted debt reconciliation

EnBW Energie Baden-Wuerttemberg AG

(in € millions)	2022	2023	2024	2025	LTM Mar-26
As reported debt	**13,803.9**	**17,454.1**	**20,757.8**	**21,227.1**	**22,340.2**
Pensions	5,426.0	6,030.8	5,275.5	4,833.8	4,833.8
Hybrid Securities	(1,244.4)	(1,245.6)	(1,245.5)	(1,495.7)	(2,000.0)
Non-Standard Adjustments	4,241.4	4,353.9	4,246.0	3,976.6	3,885.2
Moody's-adjusted debt	**22,227.0**	**26,593.2**	**29,033.8**	**28,541.8**	**29,059.2**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Nonstandard adjustments reflect nuclear liabilities.
Source: Moody's Financial Metrics™

Exhibit 23

Overview of select historical Moody's-adjusted financial data

EnBW Energie Baden-Wuerttemberg AG

(in € millions)	2022	2023	2024	2025	LTM Mar-26
INCOME STATEMENT					
Revenue	56,003	44,431	34,524	34,390	34,182
EBITDA	3,877	6,058	5,572	3,832	3,176
EBIT	2,257	3,661	3,363	1,498	950
Interest Expense	845	983	987	1,155	1,135
Net income	1,108	1,402	979	(622)	(1,064)
BALANCE SHEET					
Net Property Plant and Equipment	22,705	25,430	29,671	34,663	35,478
Total Assets	69,504	64,719	64,278	67,065	72,185
Total Debt	22,227	26,593	29,034	28,542	29,059
Cash & Cash Equivalents	10,771	14,183	13,907	14,700	15,118
Net Debt	11,456	12,411	15,127	13,842	13,941
Total Liabilities	59,296	54,165	52,799	52,977	57,023
CASH FLOW					
Funds from Operations (FFO)	3,168	6,160	4,762	4,259	3,522
Cash Flow From Operations (CFO)	1,933	1,029	3,358	4,655	3,480
Dividends	764	690	1,051	942	985
Retained Cash Flow (RCF)	2,404	5,470	3,711	3,317	2,537
Capital Expenditures	(2,954)	(4,579)	(5,687)	(6,713)	(6,774)
Free Cash Flow (FCF)	(1,785)	(4,240)	(3,380)	(3,000)	(4,278)
INTEREST COVERAGE					
(FFO + Interest Expense) / Interest Expense	4.8x	7.3x	5.8x	4.7x	4.1x
LEVERAGE					
FFO / Net Debt	27.7%	49.6%	31.5%	30.8%	25.3%
RCF / Net Debt	21.0%	44.1%	24.5%	24.0%	18.2%
Debt / EBITDA	5.7x	4.4x	5.2x	7.4x	9.1x
Net Debt / EBITDA	3.0x	2.0x	2.7x	3.6x	4.4x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months. Moody's-adjusted cash & cash equivalents as of 31 March 2026 include (i) time and fixed deposits and (ii) short-term securities, both based on 31 December 2025 balances reported by EnBW, as these items are not disclosed in interim reports.

Source: Moody's Financial Metrics™

Endnotes

1 In November 2023, 49.9% of the company, valued at €2.05 billion, was sold in equal parts to Suedwest Konsortium Holding GmbH, a group of institutional and corporate investors from Baden-Wuerttemberg, and Expand Netzbetreiber GmbH, a subsidiary of state-owned lender Kreditanstalt fuer Wiederaufbau (Aaa stable).

2 In September 2024, BNetzA released its "KANU 2.0" determination, laying down rules for the depreciation of legacy assets that had accrued to the RAB as of year-end 2023, complementing KANU 1.0, released in November 2022, which addressed assets accruing to the RAB from 2024 onwards. Under certain conditions, KANU 2.0 allows the accelerated full depreciation of assets through 2035.

3 The CCA has been applied since the third RP for distribution grid operators and since the start of the fourth RP for transmission system operators.

4 Under the German regime, there is another distinction between RoE assets acquired or built before 2006 (old assets) and after 2006 (new assets). Old assets receive a real equity return, adjusted for inflation, but their relevance is decreasing because they are largely depreciated. The rate of 5.07% applies to the new assets.

5 On 13 July 2026, EnBW announced the sale of its Swedish RES activities (120 MW installed capacity) and development pipeline to Eurowind Energy A/S, with an expected close in Q3 2026.

6 EnBW is also a 50% partner in the Turkish joint venture (JV) Borusan EnBW Enerji, a large operator of wind farms, and some hydropower and solar installations. As of 30 June 2025, the total installed capacity of the JV, which EnBW consolidates at equity, amounted to 854 megawatts (MW), which is not included in the 6.8 GW.

7 UK offshore projects are counted pro rata for EnBW's 50% stake; project companies are consolidated at equity.

8 EnBW has a 50.3% ownership in Wind Farm Baltic 1.

9 The Altbach/Deizisau and Heilbronn Block 7 coal plants are in the process of being converted into hydrogen-ready gas plants (total capacity of 1.35 GW) and are planned to be commissioned in 2027. The Stuttgart-Muenster plant (124 MW) started operations in August 2025.

REPORT NUMBER 1490873