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Press Release >

EnBW Annual General Meeting 2018 Mastiaux: “We have achieved the planned financial turnaround and set the course for new growth beyond 2020”

Karlsruhe. “Promised and delivered” was the basis on which EnBW CEO Frank Mastiaux – speaking today at the company’s Annual General Meeting – set out the main developments and milestones during the 2017 financial year. Addressing some 1,000 shareholders at the Schwarzwaldhalle in Karlsruhe, Mastiaux said: “We planned to achieve the financial turnaround in 2017, and the EnBW team delivered.” EnBW Energie Baden-Württemberg AG has increased its operating result again for the first time since 2010. Adjusted EBITDA went up by 9% to 2.1 billion euros. After no dividend was paid last year, the Board of Management proposed to the Annual General Meeting the distribution of a dividend for 2017 of 50 cents per share.

“The financial turnaround is a key milestone in our company’s transformation. It shows that our EnBW 2020 Strategy, which has remained unchanged since 2013, is delivering results. Our radical portfolio restructuring, efficiency measures and growth initiatives are taking effect and returning us to successful business performance. We are equally confident of attaining the targets we set in 2013 for 2020. And at the same time, we are laying a solid platform for new growth in existing and new markets.”

Successful Group transformation towards renewable energies and customer solutions

EnBW’s transformation was especially noticeable during 2017 in the Renewable Energies segment. Group-wide, the onshore wind farm portfolio was expanded by a total of 204 megawatts. This is a new annual record and marks a tripling in the size of the installed onshore wind capacity since 2012. Offshore, the two EnBW Baltic 1 and 2 wind farms in the Baltic Sea are being followed by two projects in the North Sea – Hohe See and Albatros – which will be able to power 710,000 households with some 610 megawatts of installed capacity by 2019. By way of comparison, the two cities of Stuttgart and Karlsruhe together have 487,000 households.

And there is more to come: EnBW was already awarded the contract for the 900 megawatt He Dreiht project in the North Sea in 2017. This will be the first wind farm to be built without state funding and is the first pillar for long-term growth beyond 2020. A further milestone in the expansion of EnBW’s offshore activities takes the form of selective internationalisation: At the beginning of 2018, EnBW took stakes in the development of

three projects in Taiwan, alongside investor Macquarie and Swancor Renewable as a local partner.

Focus on electric mobility

EnBW is already the market leader in fast charging and further extended this position in 2017: At 128, the number of charging stations in Baden-Württemberg was almost doubled relative to the previous year. One in every three service areas in the German autobahn network now uses EnBW fast charging solutions. In addition, with the EnBW mobility+ app, the company already offers the widest network coverage and the most convenient digital access to charging points in Germany, Austria and Switzerland. "Our EnBW mobility+ app is Germany's most successful e-mobility app with some 100,000 downloads. And with the new version, electric car users can start charging with the tap of a finger and pay using their customer account at 16,000 charging points across German-speaking Europe."

High-capacity power grids

Power grids remain a key focus area as the indispensable energy backbone of today's industrialized society: Distribution grids alone were modernized and expanded with investment spending of some 415 million euros in 2017. Besides adding new substations and power lines, this most notably included expansion of the grid for the growing numbers of electric cars. EnBW's CEO: "Today's power grid is not designed for charging a large number of electric vehicles at the same time and place. We will solve this problem." An EnBW pilot project is already underway in Ostfildern, near Stuttgart. Equipped with electric cars and charging boxes, residents there are testing the effect of such a concentration of charging operations on the power grid under everyday conditions.

Further improvement in earnings planned for 2018

"The progress of our transformation can also be seen from our earnings structure. Renewable Energies, Grids and Sales now deliver over 80% of total earnings. That shows how radically EnBW has changed its portfolio and systematically aligned it to the opportunities of the Energiewende since commencing this transformation in 2013. In the 2017 financial year, the company generated a Group net profit attributable to the shareholders of EnBW AG of 2.1 billion euros. A dividend of 0.50 euros per share was proposed at the EnBW Annual General Meeting this year.

For the financial year now underway, EnBW has targeted a continuation of the positive earnings trend. After achieving financial turnaround, the operating result is to be increased by up to 5% in 2018. Mastiaux: "Our EnBW 2020 Strategy is having an increasingly visible impact on the earnings side. In 2013, achieving our 2020 targets was a very ambitious goal. Today, their attainment is highly likely." Mastiaux added, "We are making use of the current phase of the Energiewende through to 2020 in order to adapt to the structural changes in the energy market. In this we are now on the home straight. For 2020 and beyond, we are taking a far more shaping role."

Strategic horizon 2025: From integrated energy group to sustainable infrastructure partner

The next phase of the Energiewende will be driven by competition and technological development. Mastiaux: "We will see far greater integration of infrastructure and energy. And infrastructure lies at the heart of EnBW's DNA and expertise: Planning, building and operating large, complex technical systems such as power stations, offshore wind farms and power grids. There is huge demand for these capabilities in Germany. The Federal Republic of Germany is currently investing about 100 billion euros in infrastructure projects. According to recent studies, this figure is set to rise to 150 billion euros by 2025. With a view to this, we will align our strategy in the future even more closely than ever around infrastructure aspects – both within our existing energy business and beyond.

In the years ahead, EnBW will progressively evolve from an integrated energy company to an innovative and sustainable infrastructure partner serving a range of customer groups and markets – both in the established energy business and beyond. Mastiaux: "Electromobility is just one example of a cross-cutting infrastructure field. We are also working equally intensively on others such as broadband rollout and urban precinct development." And, Frank Mastiaux continues: "Today, our company is significantly more competitive and efficient, we have a far more balanced business portfolio and we have developed specific options for new, absolute growth." The company's future direction is based around three strategic focuses: sustainable generation infrastructure, system-critical infrastructure and smart infrastructure for customers. For each of these, looking ahead to 2025, specific income figures have been defined on the basis of the financial targets for 2020. EnBW CEO Mastiaux: "By 2025, we want to attain Group earnings of at least three billion euros. That means growth of around 30% on our target earnings for 2020 and an increase of nearly 50% on today's operating result."

Today's Annual General Meeting also brought a continuation of the Group's "We're making it happen" campaign first launched in 2016. Plans include print motifs, radio spots, social media campaigns and a video that will be shown for the first time at the Annual General Meeting and then be available for viewing online. The fresh and upbeat campaign motifs are also accompanied by another major change: "In past years, the ambassador role has been filled by EnBW employees. Now it is the turn of our customers to take more centre stage as key players in the Energiewende."

Contact

Corporate Communications
Durlacher Allee 93
76131 Karlsruhe
Telefon: +49 721 63-14320
Telefax: +49 721 63-12672
presse@enbw.com
www.enbw.com

