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Press Release >

EnBW further increases earnings in first half of 2019

Substantial growth in renewables / full-year guidance of 9% to 16% earnings growth confirmed / CFO Thomas Kusterer: “Valeco and Plusnet acquisitions contribute to strategic development”

Karlsruhe. EnBW continued its positive earnings performance in the first half of 2019. With a workforce of 22,488, the company generated revenue of some 11.53 billion euros and an operating result (adjusted EBITDA) of some 1.28 billion euros in the first six months of the year. This marks a rise of 11.8% year-on-year (H1 2018: approximately 1.14 billion euros).

The increase in earnings is due to good performance mainly in the Renewable Energies and the Grids segments but also in Generation and Trading. Adjusted EBITDA for the 2019 financial year is expected to be in a range between 2.35 and 2.5 billion euros, which is 9% to 16% above the figure for the previous year. This earnings guidance is confirmed without change.

CFO Thomas Kusterer: “We have once again been able to increase our earnings and we see a good probability of already attaining our 2020 target of 2.4 billion euros this year. Most of all in Renewable Energies, we expect substantially higher earnings in 2019 than in the previous year, among other things due to our Hohe See and Albatros offshore wind farms coming into operation this autumn.”

EnBW intends to invest a total of over 12 billion euros in the years ahead. Most of this investment will be in what are exclusively growth areas. In the first half of 2019, EnBW was able to take advantage at an early stage of two attractive acquisition opportunities with the purchase of French wind and solar company Valeco and German telecommunications provider Plusnet. “Both companies contribute to EnBW’s strategic development,” said Kusterer.

EnBW generated a Group net profit attributable to the shareholders of EnBW AG of 510 million euros in the first half of 2019, compared with 328.3 million euros in the same period of the previous year.

Performance by segment

Adjusted EBITDA in the Sales segment was 108.8 million euros in the first six months of 2019, 31.5% below the same period of the previous year. The main reason for the lower earnings consisted of higher procurement costs for electricity and gas. June 2019 brought the acquisition of Plusnet GmbH, which will contribute to earnings in the second half of 2019.

The Grids segment sustained its positive performance. Adjusted EBITDA came to 719.8 million euros, an increase of 5.1% in the first six months of 2019 relative to the same period a year earlier. A major factor in the positive earnings performance comprised higher grid revenue.

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Adjusted EBITDA in the Renewable Energies segment rose substantially to 204.9 million euros in the first six months of 2019. This represents 24.3% growth on the previous year. The improvement is due to earnings contributions from the onshore wind farms acquired in Sweden at the end of 2018 and to the overall improvement in wind conditions at wind farms in Germany, both onshore and offshore. A further increase in earnings will follow as the Hohe See and Albatros North Sea wind farms gradually go into operation in the second half of the year and with the earnings contribution from the Valeco Group.

Adjusted EBITDA in the Generation and Trading segment was 261.2 million euros. This represents 87.4% earnings growth compared with the same period a year earlier. The main cause of the substantial increase is the year-on-year rise in forward prices for electricity on the wholesale markets. Additionally, Unit 2 of the Philippsburg nuclear power plant (KKP2) has not yet undergone its annual inspection this year, whereas the 2018 inspection already took place in the second quarter. This resulted in larger generation output at lower cost in the first half of 2019 – something that will even out over the remaining course of the year.

The EnBW Group's investment, at 1.53 billion euros, was significantly higher than in the first six months of the previous year (approximately 574 million euros). This mainly relates to the acquisition of wind and solar company Valeco and the acquisition of Plusnet GmbH. Both companies are in line with EnBW's strategic direction.

Further investment went into the EnBW Hohe See and EnBW Albatros construction projects. Completion of these first two North Sea wind farms is progressing well, and the first turbines are already feeding electricity into the grid. The two wind farms together 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– 30/06/2019	01/01– 30/06/2018	Change in %	01/01– 31/12/2018
External revenue ¹	11,529.0	10,073.0	14.5	20,617.5
Adjusted EBITDA	1,276.0	1,141.0	11.8	2,157.5
Share of adjusted EBITDA accounted for by Sales in € million/in % ¹	108.8 / 8.5	158.9 / 14.0	-31.5/-	268.4 / 12.4
Share of adjusted EBITDA accounted for by Grids in € million/in %	719.8 / 56.4	684.9 / 60.0	5.1/-	1,176.9 / 54.5
Share of adjusted EBITDA accounted for by Renewable Energies in € million/in %	204.9 / 16.1	164.8 / 14.4	24.3/-	297.7 / 13.8
Share of adjusted EBITDA accounted for by Generation and Trading in € million/in % ¹	261.2 / 20.5	139.4 / 12.2	87.4/-	430.8 / 20.0
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-18.7 / -1.5	-7.0 / -0.6	-/-	-16.3 / -0.7
EBITDA	1,071.1	1,184.7	-9.6	2,089.6
Adjusted EBIT	572.3	549.4	4.2	957.5
EBIT	365.7	586.8	-37.7	875.8
Adjusted Group net profit ²	510.0	328.3	55.3	438.3
Group net profit ²	286.2	346.2	-17.3	334.2
Earnings per share from Group net profit ² in €	1.06	1.28	-17.3	1.23
Retained cash flow	514.0	333.5	54.1	999.1
Total investments	1,528.6	574.3	-	1,769.9

Non-financial performance indicators³

	01/01– 30/06/2019	01/01– 30/06/2018	Change in %	01/01– 31/12/2018
Customers goal dimension				
Customer Satisfaction Index for EnBW/Yello	116 / 161	130 / 150	-10.8 / 7.3	120 / 152
SAIDI (electricity) in min./year	8	8	-	17
Employees goal dimension				
LTIF ⁴	2.1	2.5	-16.0	2.3

Employees^{5,6}

	30/06/2019	30/06/2018	Change in %	31/12/2018
Employees	22,488	21,397	5.1	21,775
Full-time equivalents	21,086	19,999	5.4	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 The values for the key performance indicators Reputation Index, Employee Commitment Index (ECI), "Installed output of renewable energies (RE) in GW and the share of the generation capacity accounted for by RE in %" and CO₂ intensity will be exclusively collected at the end of the year.

4 Variations in the group of consolidated companies (consideration of all employees at those companies controlled by the Group, except external agency workers and contractors).

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

6 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 31/12/2018 is carried forward.

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Contact

Energie Baden-Württemberg AG
Corporate Communications
Durlacher Allee 93
76131 Karlsruhe

Phone: 0049 721 63-255550

E-Mail: presse@enbw.com

Website: www.enbw.com

