Press Release >

Nine-month earnings above expectations: EnBW revises full-year guidance

- **Adjusted EBITDA at around €4.9 billion**
- **Previous guidance for full year 2023 revised upwards**
- **Increased investment in accelerated energy transition**

Karlsruhe. EnBW Energie Baden-Württemberg AG generated revenue of approximately €34.7 billion and Group operating earnings (adjusted EBITDA) of €4.9 billion in the first nine months of the 2023 financial year. The operating result was thus better than expected, and significantly higher than in the prior-year period (up 64.6%), which was severely impacted by the war in Ukraine. This shows that the positive earnings trend through the first half-year continued in the third quarter. The previous guidance for the full year 2023 (€4.7 billion to €5.2 billion) has therefore been revised at both Group and segment level. For the Group, based on the Group earnings in the first nine months, EnBW now expects adjusted EBITDA of €5.9 billion to €6.5 billion for the full year.

The main driver of the year-on-year increase was the segment Sustainable Generation Infrastructure. There, continued positive earnings performance through the third quarter in thermal power generation and in energy trading as a result of high market volatility resulted in significant earnings growth to €3.5 billion in the first nine months of 2023 (up 82.4%). Positive factors included continued higher wholesale prices for generated electricity and the absence of negative effects related to the cessation of gas supplies from Russia and gas procurement to replace the shortfall as a result of the Russia-Ukraine war.

The trend in gross investments during the first six months continued in the third quarter. At €2.8 billion, gross investments were higher in the first nine months of the 2023 financial year than in the first nine months of the previous year (up 52%). Almost 80% of investments targeted growth projects.

"Our good earnings in the first nine months secures our growth investments in the accelerated implementation of the energy transition. Ultimately, we plan to invest an average of €4.5 billion per year over the next few years. Most of this will go into the expansion of renewables, the grid infrastructure and charging infrastructure for electric vehicles and climate-friendly, low-carbon dispatchable generation. Around 80% of our investments will be made in Baden-Württemberg and Germany", said EnBW CFO Thomas Kusterer.

Adjusted Group net profit attributable to the shareholders of EnBW AG increased to €2.36 billion in the third quarter (previous year: €1.1 billion).

Performance by segment

Adjusted EBITDA in the segment **Smart Infrastructure for Customers** (Sales) amounted to around €225 million, a decrease of around 26% from the previous year's period. The fall in earnings is due to a negative impact in the amount of €276.9 million from the deconsolidation of bmp Greengas GmbH – an indirect shareholding of EnBW – and related writedowns on receivables. This negative earnings performance is partly offset by lower seasonal variation in procurement prices in Sales compared to the previous year. The full-year guidance for adjusted EBITDA has been lowered to between €350 million and €450 million (previously between €400 million and €500 million).

In the segment **System Critical Infrastructure** (Grids), the adjusted EBITDA of approximately €1.43 billion is almost 50% higher than in the previous year. The background to this is a significant increase in grid revenues as a result of increased investment in grid expansion and of adjusting prices to reflect higher expenses for the grid reserve and redispatch in order to safeguard security of supply. The previous full-year guidance of adjusted EBITDA between €1.6 billion and €1.9 billion remains unchanged.

Adjusted EBITDA in the segment **Sustainable Generation Infrastructure** (Renewable Energies and Thermal Generation and Trading) increased significantly year on year to €3.46 billion. The guidance for adjusted EBITDA in the full year has been raised to between €4.3 billion and €4.6 billion (previously between €2.9 billion and €3.2 billion).

In **Renewable Energies**, adjusted EBITDA fell slightly by 6.4% to approximately €785.8 million. The positive earnings performance in run-of-river hydropower and from the expansion of wind and solar farms in Germany and France was more than offset by falling prices in the direct marketing of generated wind and solar power.

In **Thermal Generation and Trading**, adjusted EBITDA grew strongly in the first nine months, increasing by 18% year on year to €2.68 billion. This was partly due to higher wholesale prices for forward sales of electricity than in the previous year. In addition, the prior-year period included negative effects due to the curtailment and cessation of gas supplies as a result of the Russia-Ukraine war; those effects now no longer apply.

The increase in **non-operating EBITDA** was mainly due to remeasurement effects on hedging transactions* for better presentation of the actual financial outcome. Also included are subsidies for network charges, although these will be reduced by corresponding expenses over the course of the year. Negative effects relating to a subsidiary's battery storage systems also partially offset the increase.

Performance indicators of the EnBW Group

Financial and strategic performance indicators

in € million	01/01–30/09/2023	01/01–30/09/2022	Change in %	01/01–31/12/2022
External revenue	34,654.9	39,453.8	-12.2	56,002.6
Adjusted EBITDA [1]	4,921.1	2,989.5	64.6	3,967.1
Share of adjusted EBITDA accounted for by Smart Infrastructure for Customers in € million/in % [1]	224.6/4.6	304.7/10.2	-26.3/–	498.4/12.6
Share of adjusted EBITDA accounted for by System Critical Infrastructure in € million/in % [1]	1,428.2/29.0	959.9/32.1	48.8/–	1,057.8/26.7
Share of adjusted EBITDA accounted for by Sustainable Generation Infrastructure in € million/in % [1]	3,464.7/70.4	1,899.7/63.5	82.4/–	2,616.2/65.9
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-196.4/-4.0	-174.8/-5.8	-12.4/–	-205.3/-5.2
EBITDA	5,664.6	1,612.0	–	4,473.2
Adjusted EBIT [1]	3,685.0	1,806.8	104.0	2,351.9
EBIT	4,039.5	333.5	–	2,141.2
Adjusted Group net profit [1,2]	2,360.3	1,104.8	113.6	1,413.1
Group net profit [2]	2,516.9	163.2	–	1,738.0
Earnings per share from Group net profit (€) [2]	9.29	0.60	–	6.42
Retained cash flow [1]	3,174.3	2,527.7	25.6	3,216.5
Net cash investment	2,327.5	1,540.1	51.1	2,767.7

in € million	30/09/2023	31/12/2022	Change in %
Net debt	11,238.0	10,847.0	3.6

Employees [3,4]

	30/09/2023	30/09/2022	Change in %	31/12/2022
Employees	28,064	26,427	6.2	26,980
Employee equivalents [5]	26,415	24,820	6.4	25,339

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 and TransnetBW GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2022 is carried forward.
5 Converted into full-time equivalents.

** The remeasurement effects arise because trading transactions, once entered into, are recognized at fair value as of the reporting date (IFRS 9), whereas the hedged item is not recognized in profit or loss until realized (in this case the generation/supply of electricity). In electricity trading, several years can elapse between sale and supply. To record the earnings contribution from the operating business even more accurately in the periods in which electricity sold forward is also produced and supplied, the remeasurement effects concerned have been reclassified to the non-operating result from the first half of 2023.*

Contact

EnBW Energie Baden-Württemberg AG
Corporate Communications
Martina Evers, Johanna Kick

Durlacher Allee 93
76131 Karlsruhe, Germany
Phone: +49 721 63-255550
E-mail: presse@enbw.com
Website: www.enbw.com