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## Press Release >

# EnBW reports good earnings in first quarter of the financial year 2023

- Adjusted EBITDA at around €2.8 billion
- Earnings secure investments in accelerated energy transition
- Full-year guidance for 2023 confirmed
- Accelerated coal phase-out ensures 1.5-degree conformity in own emissions

Karlsruhe. EnBW Energie Baden-Württemberg AG generated revenue of approximately €16 billion and an adjusted EBITDA of some €2.8 billion in the first three months of the 2023 financial year. The operating result was thus significantly higher than the adjusted EBITDA of €1.2 billion recorded in the first quarter of the previous year, which was affected by the outbreak of the war in Ukraine.

The main driver of the year-on-year increase was the Sustainable Generation Infrastructure segment. The Thermal Generation and Trading business recorded a significant increase in earnings to approximately €2.1 billion (up €1.4 billion). This was mainly due to large valuation effects on trading transactions and the sale of generated electricity at higher wholesale prices.

However, these effects in the first quarter of the current financial year are not expected to continue unchanged. One reason for this is that the valuation effects are heavily dependent on market prices and can also reverse, at least in part. In addition, there is the cessation of earnings from the Neckarwestheim II nuclear power plant as a result of the final shutdown on 15 April 2023. On the current basis, the previous adjusted EBITDA guidance for the full year 2023 is therefore confirmed as it stands.

Adjusted Group net profit attributable to the shareholders of EnBW AG increased to €1.4 billion in the first quarter (previous year: €464 million). A significant part of the earnings will be invested in the accelerated implementation of the energy transition.

EnBW CFO Thomas Kusterer: "In late March, we made the final investment decision for the construction of our 960-megawatt He Dreiht offshore wind farm with a total investment volume of around 2.4 billion euros. In addition, we plan to invest 1.6 billion euros in fuel-switch projects to convert three coal-fired power plants to gas-fired power plants in Baden-Württemberg. By doing this, we plan to completely phase out coal-fired power generation in the central Neckar region by 2026. Ultimately, by the mid-2030s, all three sites will run on green hydrogen."

Performance by segment

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Adjusted EBITDA in the **Smart Infrastructure for Customers** segment (Sales) amounted to €0 million, up from a negative €60 million in the previous year's period. The improvement was due to lower seasonal fluctuation in procurement costs than in the previous year.

In the **System Critical Infrastructure** segment (Grids), the adjusted EBITDA of approximately €585 million is around 62% higher than in the previous year. This is mainly due to higher grid revenue than last year as a result of increased investment in grid expansion, particularly at the transmission system operator TransnetBW. In addition, this year's grid revenue already includes the expected grid reserve expense and redispatch expense.

Adjusted EBITDA in the **Sustainable Generation Infrastructure** segment (Renewable Energies and Thermal Generation and Trading) increased significantly year on year to €2.35 billion. The increase was driven by the **Thermal Generation and Trading** business, where adjusted EBITDA rose to approximately €2.1 billion. This was partly due to higher wholesale prices for forward sales of electricity than in the previous year. There were also large positive valuation effects on trading transactions. In addition, commodity market volatility was very favorable for trading activities in the first quarter. Adjusted EBITDA in Renewable Energies was €282 million, slightly below the prior-year figure (€292 million) due to lower prices for directly marketed renewable generation.

The EnBW Group's **gross investments**, at €749 million in the first three months of 2023, were significantly higher than in the same period of the previous year (€500 million). Most of this total investment (75%) was for growth projects in connection with the energy transition. These included the expansion of the transport and distribution grids, the development of the He Dreiht offshore wind farm in the German North Sea, the fuel-switch projects to convert three power plants in Baden-Württemberg from coal to gas-fired generation, and the ongoing expansion of charging infrastructure for electric vehicles.

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## Performance indicators of the EnBW Group

### Financial and strategic performance indicators

in € million	01/01– 31/03/2023	01/01– 31/03/2022	Change in %	01/01– 31/12/2022
External revenue	15,971.2	13,724.5	16.4	56,002.6
Adjusted EBITDA	2,839.8	1,185.0	139.6	3,285.7
Share of adjusted EBITDA accounted for by Smart Infrastructure for Customers in € million/in % <sup>1</sup>	-0.3/0.0	-60.3/-5.1	99.5/-	498.4/15.1
Share of adjusted EBITDA accounted for by System Critical Infrastructure in € million/in % <sup>1</sup>	584.6/20.6	360.8/30.5	62.0/-	1,057.9/32.2
Share of adjusted EBITDA accounted for by Sustainable Generation Infrastructure in € million/in % <sup>1</sup>	2,351.0/82.8	976.6/82.4	140.7/-	1,934.9/58.9
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-95.5/-3.4	-92.1/-7.8	-3.7/-	-205.3/-6.2
EBITDA	3,954.2	1,351.2	-	4,473.2
Adjusted EBIT	2,415.7	801.4	-	1,670.5
EBIT	3,530.0	967.3	-	2,141.2
Adjusted Group net profit <sup>2</sup>	1,449.8	464.2	-	972.6
Group net profit <sup>2</sup>	2,288.6	606.3	-	1,738.0
Earnings per share from Group net profit (€) <sup>2</sup>	8.45	2.24	-	6.42
Retained cash flow	3,083.1	883.3	-	2,534.9
Net cash investment	710.9	401.8	76.9	2,767.7
in € million	31/03/2023	31/12/2022	Change in %	
Net debt	11,535.5	10,847.0	6.3	

### Employees<sup>3,4</sup>

	31/03/2023	31/03/2022	Change in %	31/12/2022
Employees	27,326	26,268	4.0	26,980
Employee equivalents <sup>5</sup>	25,669	24,663	4.1	25,339

<sup>1</sup> The figures for the previous year have been restated.

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

<sup>3</sup> Number of employees excluding apprentices/trainees and inactive employees.

<sup>4</sup> 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.

<sup>5</sup> Converted into full-time equivalents.

### Contact

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