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## **Annual General Meeting: EnBW reports further earnings increase in 2020 and sets focus on continued growth**

- Most EnBW 2020 Strategy targets exceeded
- Stable financial performance maintained despite corona
- Focus on new business areas, also beyond energy sector

Stuttgart. EnBW continued its operating earnings growth in the 2020 financial year, despite corona, and increased Group earnings for the fourth year in succession. Last year was also the target year for the company's EnBW 2020 Strategy. "Starting in 2012, we have realigned our company from the ground up around the opportunities of the energy transition. Today, EnBW is a different company," said EnBW Group CEO Frank Mastiaux at today's virtual Annual General Meeting, which was livestreamed from the company's Stuttgart headquarters.

"EnBW is now prepared for what lies ahead with the energy transition and the major transformational changes in our society," Mastiaux added. At the same time, he explained, specific new projects have already laid the foundations for further growth beyond the energy business. "We are making good progress in established growth areas such as the expansion of renewables, as well as in new business areas such as e-mobility and telecommunications," said Mastiaux.

### **Successful business performance reflected in higher proposed dividend**

The 2020 financial year saw EnBW increase Group earnings for the fourth time in a row. Adjusted EBITDA went up by 14.3% to €2.8 billion. The Group has successfully transformed its business portfolio over recent years, most of all towards renewables and grids, which now make up around 80% of earnings. Thanks to today's robust business model, the corona pandemic had only a moderate impact on the operating business.

The successful earnings performance is also reflected in dividend growth. EnBW generated Group net profit attributable to the shareholders of EnBW AG of €682.8 million in the reporting year. The Board of Management consequently proposed a dividend of €1 per share at the Annual General Meeting (previous year: €0.70). This corresponds to a 40% payout ratio.

### **Further earnings growth expected in 2021 financial year**

Despite the ongoing pandemic, EnBW expects a further increase in earnings this year. Adjusted EBITDA is expected to be in a range between €2.825 billion and €2.975 billion, corresponding to an increase of between 2% and 7%. From this year onwards, the business is organised in three segments instead of the previous four. For the Sustainable Generation Infrastructure segment, earnings are expected to be between €1,375 billion and €1,475 billion, representing growth of 8% to 15% on the previous year. The largest share of earnings within this segment, at about €900 million, will be contributed by renewables. The System-critical Infrastructure segment is

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expected to be stable relative to the previous year, contributing around €1.3 billion to €1.4 billion to earnings. In the Smart Infrastructure for Customers segment, against the backdrop of a challenging market environment and the ongoing pandemic, earnings are expected to match their prior-year level at between €300 million and €375 million.

### **2025 Strategy: Growth in new business areas**

With the EnBW 2025 strategy, EnBW is on the growth path and is preparing for the next leap in earnings (adjusted EBITDA) to over €3 billion, Mastiaux said. To this end, some €12 billion is to be invested by 2025, 80% of which will be in growth activities. Specifically, for each of the segments:

- Smart Infrastructure for Customers: Investment here in the years ahead will focus on electric mobility, telecommunications, broadband and stationary solar battery storage.
- System-critical Infrastructure: The onward development of transmission and distribution grids to meet the needs of long-distance transmission from north to south, the further expansion of renewables and the growth of electric mobility.
- Sustainable Generation Infrastructure: This is dominated by activities to expand renewables. By 2025, onshore and offshore wind farm generating capacity is to increase to up to four gigawatts and the portfolio of photovoltaic projects to over one gigawatt. The gas business is to be expanded in parallel with the accelerating phased exit from carbon-intensive generation by 2035.

EnBW also plans to develop new business models beyond the energy sector, for example in telecommunications and urban district development. The basis for its ongoing success is an efficient modern organisation that is constantly evolving. Mastiaux: "The readiness to embrace change that is so fundamental to all of this is something we have developed over our years of transformation. That will benefit us in the future."

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