

# Press Release >

## EnBW continues positive earnings performance in 2018

Consistent strategy implementation continues to deliver results / first half year with growth in revenue and earnings / full-year guidance of 0 to +5% confirmed

Karlsruhe. EnBW continues to deliver positive earnings performance. In the first half of 2018, EnBW Energie Baden-Württemberg AG, with 21,397 employees (+0.3%), generated revenue of some 11.56 billion euros (+10.4%) and an operating result (adjusted EBITDA) of some 1.14 million euros. This marks earnings growth of 6.4% in the first half year compared with the same period of the previous year (EUR 1.07 million). The first-half results are thus slightly ahead of the guidance for the full year, which is for an 0 to 5% increase in the operating result compared with the previous year; this guidance is nonetheless once again confirmed.

CFO Thomas Kusterer: "We attained financial turnaround in 2017 and with it a key milestone in our transformation. This is largely due to successful implementation of our growth initiatives and efficiency measures. As the sustained positive earnings performance in the first half of 2018 clearly shows, our strategy is consistently successful and fit for the future. We are thus confident of attaining our full-year earnings target for 2018. Beyond that, with ongoing rigorous implementation of our transformation measures, we will at least attain – and in all probability exceed – our earnings target of 2.4 billion euros in 2020.

Adjusted EBITDA in the Sales segment was 159.5 million euros in the first six months of 2018, 11.8% below the same period of the previous year. This is mainly due to the absence of positive past-period effects such as settlements with third-party grid operators relating to previous years. Such effects significantly raised the previous year's result. The expectation for the current financial year remains unaltered at -5% to -15%.

The Grids segment sustained its positive performance. Adjusted EBITDA came to 684.9 million euros, an increase of 12.2% in the first six months of 2018 relative to the same period a year earlier. The full consolidation of VNG contributed significantly to this outcome. The guidance for the operating result in the current financial year remains unaltered at between 5% and 15% compared with the previous year.

Adjusted EBITDA in the Renewable Energies segment rose to 164.8 million euros in the first six months of 2018. This represents 8.1% growth on the previous year. The improvement is partly attributable to the earnings contributions from onshore wind farms that came on stream last year. A further positive impact on earnings came from higher electricity generation output from run-of-river power plants due to better water levels. The wind yield from offshore wind farms

was down on the previous year's period. The earnings forecast for the full year remains stable at +10% to +20% compared with the previous year.

The Generation and Trading segment completed the first half of 2018 with adjusted EBITDA of 138.8 million euros, up 35.7% on the previous year. The strong increase is mainly due to the absence this year of the costs incurred in the previous year for the shutdown of Unit 2 at the Philippsburg nuclear power plant. This effect will taper off over the remainder of the year, however. Electricity sales on the forward market were made at lower wholesale market prices than in the previous year. This negative effect on earnings will increase over the remaining course of the year. The expectation for full-year segmental earnings therefore remains unchanged at between 0 and -10%.

Net profit attributable to the shareholders of EnBW AG decreased from 1.68 billion euros in the previous year to 346.2 million euros in the period under review. This is mostly due to the effects of the nuclear fuel tax refund, which had a strong positive impact on earnings in the previous year that is not repeated this year. Earnings per share consequently came to 1.28 euros in the first half of 2018, compared with 6.20 euros in the same period of the previous year.

Total capital expenditure by the EnBW group, at 574.3 million in the first half of 2018, was about 12% down on the previous year's figure (654.8 million euros) as expenditure for construction of the Hohe See and Albatros offshore wind farms will not be incurred until subsequent quarters. Construction of Hohe See, which is EnBW's first North Sea wind farm, commenced on 12 April with installation of the foundations. Work on construction of the neighbouring Albatros wind farm is to begin in September. Together, these will then comprise the largest offshore wind farm project currently under construction in Germany. Some 76% of total gross capital expenditure in the first half of 2018 was accounted for by growth projects, while replacement expenditure accounted for approximately 24%.

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## Performance indicators of the EnBW Group

### Financial and strategic performance indicators

in € million	01/01 – 30/06/2018	01/01 – 30/06/2017	Change in %	01/01 – 31/12/2017
External revenue	11,561.8	10,475.8	10.4	21,974.0
Adjusted EBITDA	1,141.0	1,072.6	6.4	2,113.0
<b>TOP</b> Share of adjusted EBITDA accounted for by Sales in € million/in %	159.5 / 14.0	180.8 / 16.9	-11.8 / -	330.0 / 15.6
<b>TOP</b> Share of adjusted EBITDA accounted for by Grids in € million/in %	684.9 / 60.0	610.6 / 56.9	12.2 / -	1,045.9 / 49.5
<b>TOP</b> Share of adjusted EBITDA accounted for by Renewable Energies in € million/in %	164.8 / 14.4	152.4 / 14.2	8.1 / -	331.7 / 15.7
<b>TOP</b> Share of adjusted EBITDA accounted for by Generation and Trading in € million/in %	138.8 / 12.2	102.3 / 9.5	35.7 / -	377.1 / 17.8
Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in %	-7.0 / -0.6	26.5 / 2.5	-126.4 / -	28.3 / 1.4
EBITDA	1,184.7	2,639.6	-55.1	3,752.4
Adjusted EBIT	549.4	543.0	1.2	998.8
EBIT	586.8	2,082.6	-71.8	2,504.0
Group net profit <sup>1</sup>	346.2	1,679.3	-79.4	2,054.1
Earnings per share from Group net profit in € <sup>1</sup>	1.28	6.20	-79.4	7.58
Retained cash flow	333.5	1,884.6	-82.3	3,050.3
Retained cash flow II	433.5	881.8	-50.8	1,529.5
Net (cash) investments <sup>2</sup>	556.1	449.5	23.7	1,367.1

### Non-financial performance indicators<sup>3</sup>

	01/01 – 30/06/2018	01/01 – 30/06/2017	Change in %	01/01 – 31/12/2017
<b>Customers goal dimension</b>				
<b>TOP</b> EnBW/Yello Customer Satisfaction Index	130 / 150	139 / 164	-6.5 / -8.5	143 / 161
<b>TOP</b> SAIDI (electricity) in min/year <sup>2</sup>	8	9	-11.1	19
<b>Employees goal dimension</b>				
<b>TOP</b> LTIF <sup>4</sup>	2.5	3.1	-19.4	3.0

### Employees<sup>5, 6</sup>

	30/06/2018	30/06/2017	Change in %	31/12/2017
Number	21,397	21,324	0.3	21,352
Number of full-time equivalents <sup>7</sup>	19,999	19,862	0.7	19,939

1 In relation to the profit/loss attributable to the shareholders of EnBW AG.

2 The figures for the previous year have been restated.

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" and CO<sub>2</sub> intensity will be exclusively collected at the end of the year.

4 Variations in the group of consolidated companies; only those companies controlled by the Group are included.

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 31/12/2017 is carried forward.

7. Converted into full-time equivalents.