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**Press release**

2023: General calm after the crisis - uncertainties remain

## **Sustainable growth thanks to solid foundations**

*2023 was a pivotal year for the Encevo Group. Significant progress has been made in the transition towards a sustainable energy world. This applies first and foremost to the development of renewable energies. The progress made in recent years has been particularly impressive in the field of photovoltaics. Major investments have also been made in energy networks, technical services and energy-saving measures.*

The group thus consolidated the foundations that had enabled it to successfully overcome the energy crisis the previous year. In this respect, the year 2023 was less tense, even if the after-effects of the crisis were still very present and the geopolitical context remains uncertain.

A net profit of 171 million was achieved in 2023 (2022: 107 million). A major part of this profit comes from the markets and grid sectors - in which particularly significant investments have been made in recent years. Operating profit (EBITDA) will rise by proportionately less than net profit, to €316 million (2022: €268 million). The biggest fluctuation is again in sales, which are up by €1.6 billion (from around €3.4 billion to over €5 billion). Capital expenditure rose substantially. The total of 336 million euros (272 million euros in 2022) invested by the Group represents a new peak.

### **A broad base to meet the challenges of the energy world**

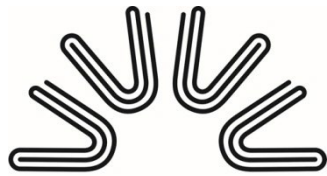
In 2023, the group partially reorganised its Executive Committee. Jean-Luc Santinelli, CEO of Teseos, joined the Encevo Executive Committee in April 2023. This decision reflects the growing importance of the technical services sector. In July 2023, Laurence Zenner, the new CEO of network operator Creos, also joined the Executive Committee.

The group's main challenge remains to refocus on forward-looking themes, against a backdrop of high market price volatility and geopolitical uncertainty, without losing sight of current risks. End customers were shielded from market volatility and protected from extreme price fluctuations through the far-sighted procurement strategy of energy supplier Enovos. Government measures such as the cap on energy prices and the assumption of gas network costs have played an important role in providing financial relief for end customers.

Overall, the Group has made further progress in all areas towards a sustainable energy landscape in Luxembourg and the Greater Region. An important element is energy savings, where an increase has again been achieved with a total of 170 GWh (2022: 160 GWh).

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## **Significant increase in renewable energies**

It is in the development of renewable energies that growth has been most pronounced. Across the group's entities, installed renewable energy capacity jumped to 516 MW (388 MW in 2022), an increase of around 33%. Energy production from renewable sources rose by 25% year-on-year to 849 GWh (2022: 680 GWh). The main drivers of this growth are the major wind farm projects in Luxembourg (via the joint venture Soler between Enovos and SEO). The flagship "Südeifel" project has also made significant progress: in recent months, Enovos has been able to connect a series of photovoltaic parks at 11 sites in Rhineland-Palatinate to the grid, with an installed capacity of more than 200 MW. In April 2024, the park was officially inaugurated as the largest ground-mounted photovoltaic project in the Greater Region. Growth in the photovoltaic sector in the Netherlands and the planned launch of projects in France underline the group's foothold in the Greater Region and the Benelux countries.

Renewable energies will continue to grow in the coming years. Innovative projects are being developed, particularly in the field of photovoltaics, and more specifically in that of agri-PV, where farming and energy production can be combined on dedicated surfaces, while promoting biodiversity.

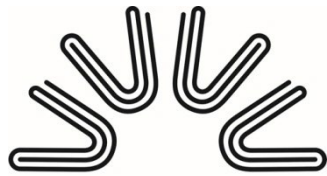
## **The energy networks of tomorrow**

Efficient energy networks are the key to making progress in the energy transition. They are essential not only for the integration of renewable energies, but also for the new consumption patterns that are emerging as a result of the electrification of the economy. Of the €336 million invested last year, €231 million was devoted to energy networks. Creos Luxembourg alone invested 190 million, including 148 million in electricity networks. Although the main focus over the past year has been on medium-voltage networks, studies in connection with project 380, aimed at strengthening the electricity transmission network, have continued. The digitalisation of electricity networks also plays a key role in the challenges posed by the energy transition. Creos has developed - in collaboration with DataThings - an artificial intelligence solution to simulate load scenarios in order to predict, for example, where bottlenecks may appear in low-voltage networks, so that the planning of their development can be optimised.

With regard to the energy networks of the future, the work focuses mainly on hydrogen networks. Creos Luxembourg is working with partners in Belgium and France on interconnections and links with hydrogen transport networks at European level. In Germany, Creos Deutschland is continuing to work on the mosaHYc project, which aims to transform parts of the natural gas networks into a hydrogen infrastructure in the Saar-Lor-Lux region, with a connection to the future Luxembourg network. This project has been included by the European Commission on the so-called "PCI" list of "Projects of Common Interest", which are key projects for setting up cross-border energy infrastructures.

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## **Technical services continue to grow**

The technical services sector, under the leadership of Teseos, has developed and become a fully-fledged pillar of the group, essential for bringing the energy transition to the widest possible audience. The range of products and services has been extended, for example in the field of heat pumps or PV systems for self-consumption. The acquisition of Nexxtmove's platform for managing recharging infrastructures was a major step forward in the field of electromobility.

Overall, the Technical Services business units have continued to expand their activities in the directions needed to make the sustainable energy transition a success - from photovoltaic installations and heat pumps to electrical switchboards and charging points for electric cars. The range of services will be further expanded in the coming years, with the aim of advancing the energy transition at every level.

## **The challenges remain**

The coming months are likely to continue to be marked by a degree of uncertainty, particularly given the geopolitical context, in terms of both energy prices and security of supply. The climate crisis also calls for additional efforts in the areas of energy efficiency and the development of renewable energies.

To achieve this, the Encevo Group will continue to consolidate and consistently develop the pillars on which its strategy is based, namely renewable energies and energy supply, energy networks and technical services. This is why investment will remain at a high level in the years ahead, so that the transition to a sustainable energy world can continue.

To achieve this objective, the Encevo Group is committed to the entire energy value chain and can count on the commitment of its 2,841 employees (as at 31 December 2023; 2,521 in 2022).

The full annual report is available at [www.encevo.eu](http://www.encevo.eu).

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