

Press release

Stedin Group investments remain on track despite coronavirus outbreak

Rotterdam, 6 August 2020 – Despite the crisis induced by the coronavirus, Stedin Group invested € 268 million in the energy transition during the first six months of the year. This figure is slightly less than in the same period last year (€ 306 million). The outbreak of the COVID-19 virus caused the grid operator to suspend certain work temporarily. Thanks to innovative work practices and new working protocols, all activities have now resumed.

Overnight, many staff switched to working from home, the roll-out of smart energy meters came to a standstill and the number of orders from customers declined. As a company in a critically important sector, Stedin Group has an important responsibility: maintaining the energy supply to its 2.2 million customers. Fault repair and maintenance work therefore continued unchanged. The developing coronavirus crisis imposed high demands on the organisation's adaptability. Good cooperation with partners in the sector meant that a quick resumption of work was possible, with care being taken at all times to safeguard the health of employees and customers. The financial impact was limited. Currently, the grid operator is working hard to catch up with the backlog of work.

Operating result

In the first half of 2020, Stedin Group recorded an operating result of € 62 million (2019: € 88 million). Increased investment in the energy transition is having a growing impact on the organisation's results, as are Tennet's higher transmission costs. Reduced revenue growth is affecting profit. Finally, the number of orders and the energy consumption of business customers both decreased as a result of the coronavirus outbreak. Further implementation of efficiency measures and lower energy costs for network losses helped to shore up the underlying profit.

Key driver of the local economy

Despite the limited effect on Stedin Group, the impact of COVID-19 on the Dutch economy is enormous. Nonetheless, Stedin Group expects the energy transition to continue unabated. CFO Danny Benima: 'The need to meet the climate targets means that our investments will only increase. In this light, we see the energy transition as an opportunity to drive the economy in our service area. Our work creates many additional jobs in the infrastructure and engineering sector, for instance.'

Need for capital

Faced with all the investments in the energy grid and the energy transition, Stedin Group expects that it will need an additional € 750 million to € 1 billion in equity over the coming years. Stedin Group is therefore in talks with its shareholders, with the aim of jointly developing a plan to identify which combination of directions for solutions will enable the grid operator to strengthen its balance sheet. Further announcements will be made later in the year.

About Stedin Group

Working together to create an environment filled with new energy: Stedin Group's 4,500 employees work towards this goal every day. We believe it is our responsibility to ensure that all our customers can have sustainable energy where they live, work and do business. As Stedin Group, we are making the energy system more sustainable while keeping it robust and affordable. Stedin Group is comprised of the grid managers Stedin (South Holland and Utrecht), Enduris (Zeeland) and the experts of infrastructure company DNWG Infra, who all work together to reach this goal.

Note for the editors, not for publication:

For more information, please contact:

Koen de Lange (spokesman for Stedin Group)

+31 88 895 65 00

pers@stedin.net