

# GROUP PROJECT

ENGIE, E.ON, XCEL, RWE



# ENGIE & XCEL ENERGY



2007

Isabelle KOCHER

TURNOVER : 60.2

billion euros

CAC 40

1909

Ben FOWKE

TURNOVER : 11.6

billion dollars

NASDAQ 100



# E.ON & RWE

**e-on**

**2000**

**Johannes TEYSSEN**

**TURNOVER : 29.5**

**billion euros**

**DAX 30**

**RWE**

**1898**

**Rolf M. SCHMITZ**

**TURNOVER : 13.4**

**billion euros**

**DAX 30**



# MARKET CAPITALIZATION



For the 3 European companies, Market Caps increase every year, except for 2016.

For XCEL ENERGY (USA), Market Cap is only increasing.

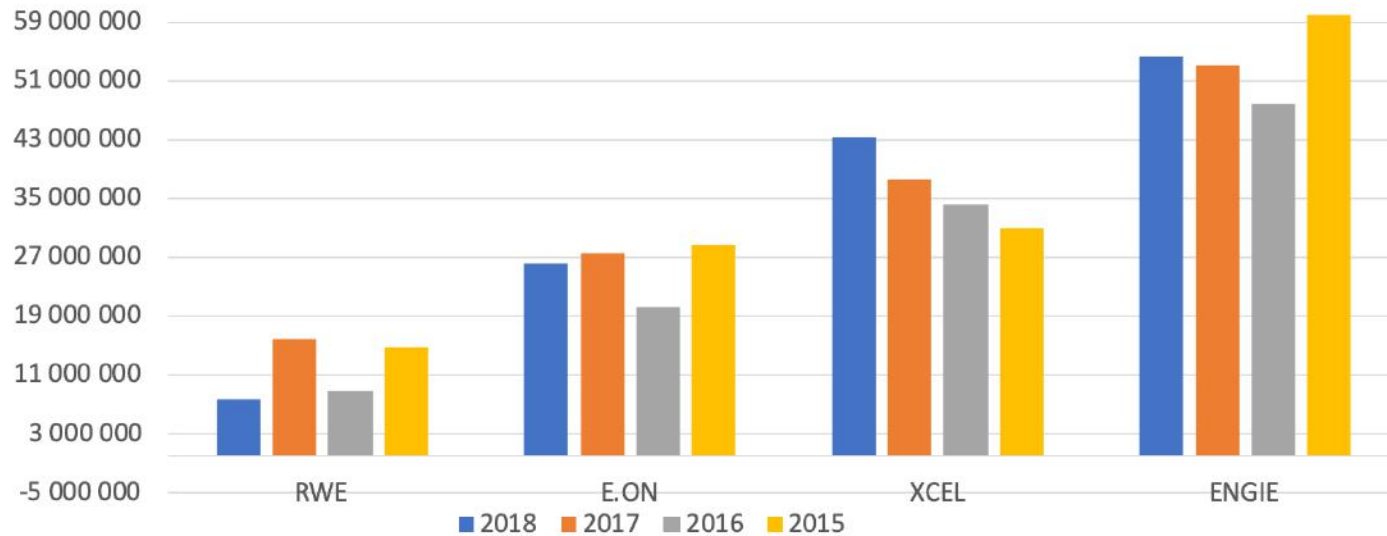
We can also see that Engie has the largest capitalization followed by XCEL, E.ON and RWE.

Market Cap				
	2018	2017	2016	2015
RWE	12 891 203	9 374 861	7 131 042	7 407 677
E.ON	20 976 560	18 009 211	13 865 056	18 322 200
XCEL	26 214 300	22 014 250	19 344 386	17 267 549
ENGIE	32 711 130	30 976 400	23 063 950	31 527 360



# ENTERPRISE VALUE

Enterprise Value



Little difference compared to their Market Caps.

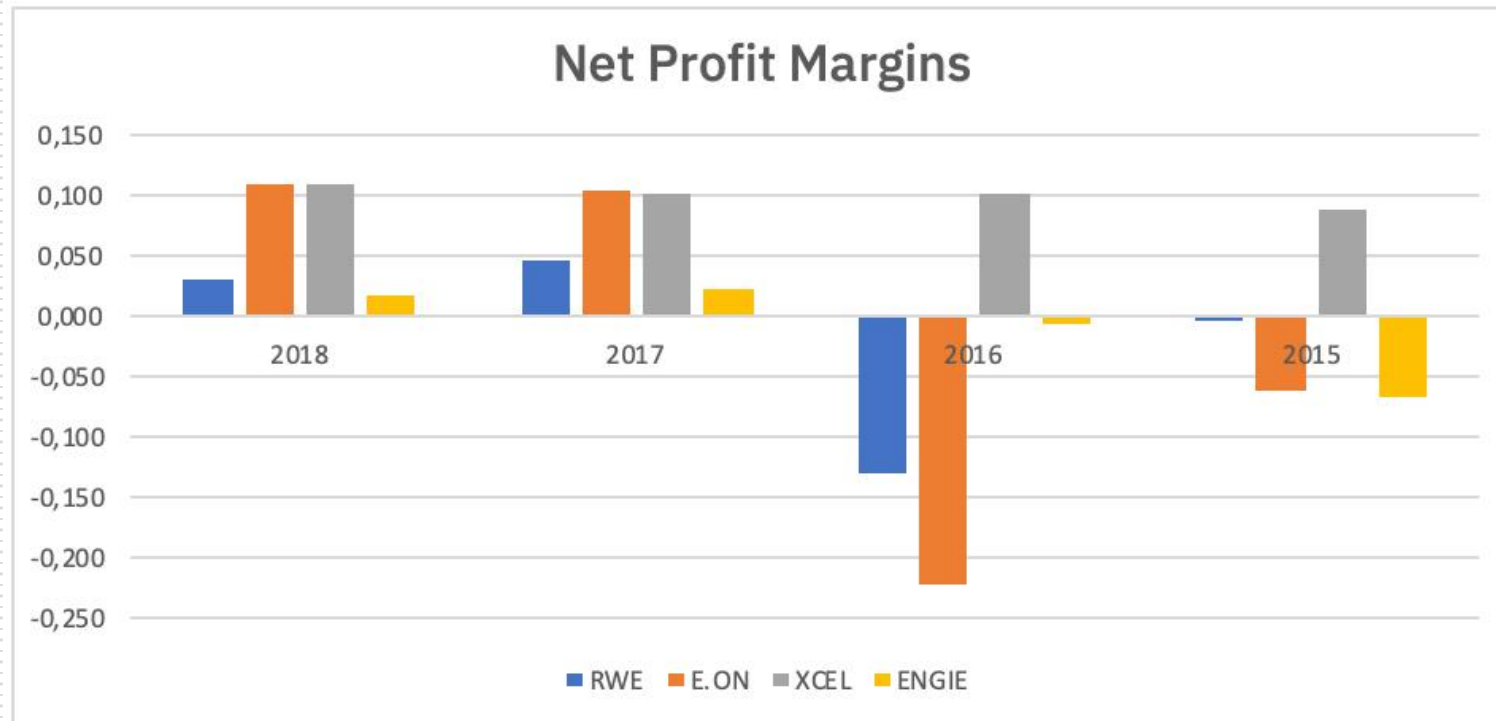
In 2018, RWE has a lower EV than their Market Cap. So this means that the amount of cash is higher than their debt.

=> RWE could be undervalued.

Enterprise Value

	2018	2017	2016	2015
RWE	7 657 203	15 895 861	8 903 042	14 714 677
E.ON	26 164 560	27 652 211	20 371 056	28 797 200
XCEL	43 314 300	37 722 250	34 101 910	31 083 609
ENGIE	54 374 130	53 127 400	47 797 950	59 950 360

# NET PROFIT MARGINS

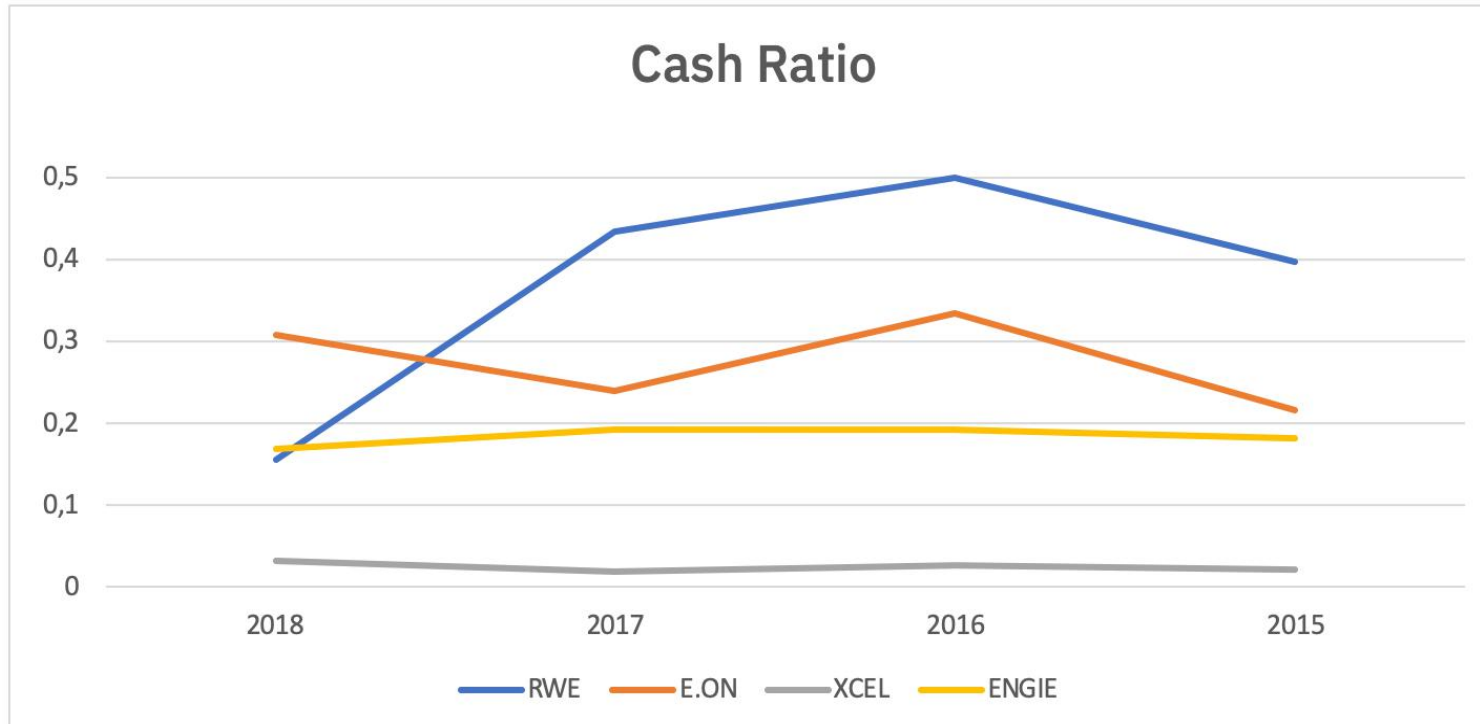


2015 and 2016 : the net profit margin was negative or close to 0, except for XCEL.

2017-2018 : increase of the net profit margin for all the firm and particularly E.ON

Net Profit Margins				
	2018	2017	2016	2015
RWE	0,029	0,046	-0,130	-0,002
E.ON	0,109	0,103	-0,221	-0,060
XCEL	0,109	0,101	0,101	0,089
ENGIE	0,017	0,022	-0,006	-0,066

# CASH RATIO

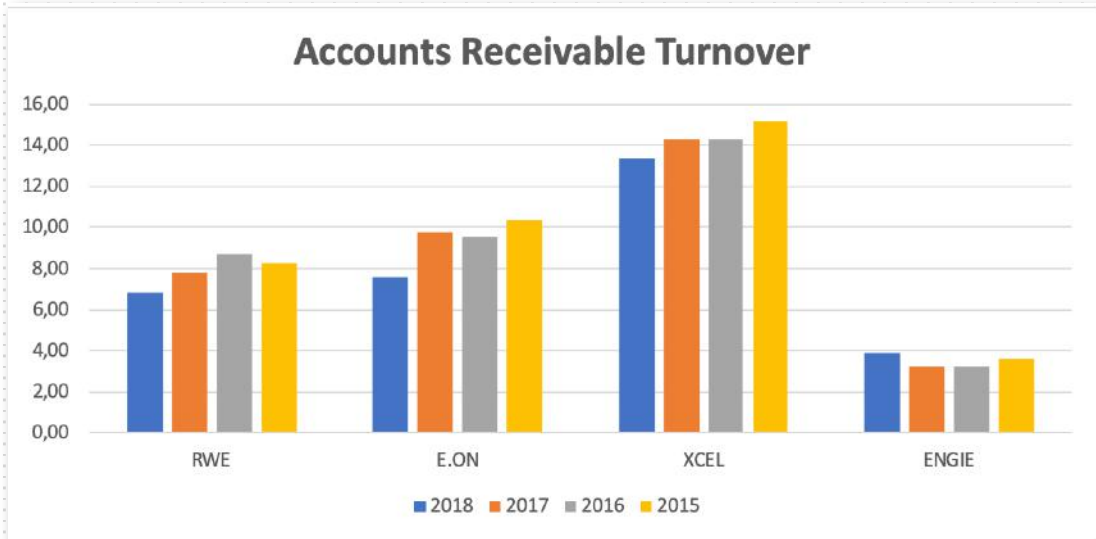


All the ratios are under 1. It could mean that the companies are risky or that they have a specific strategy to maintain low cash reserves.

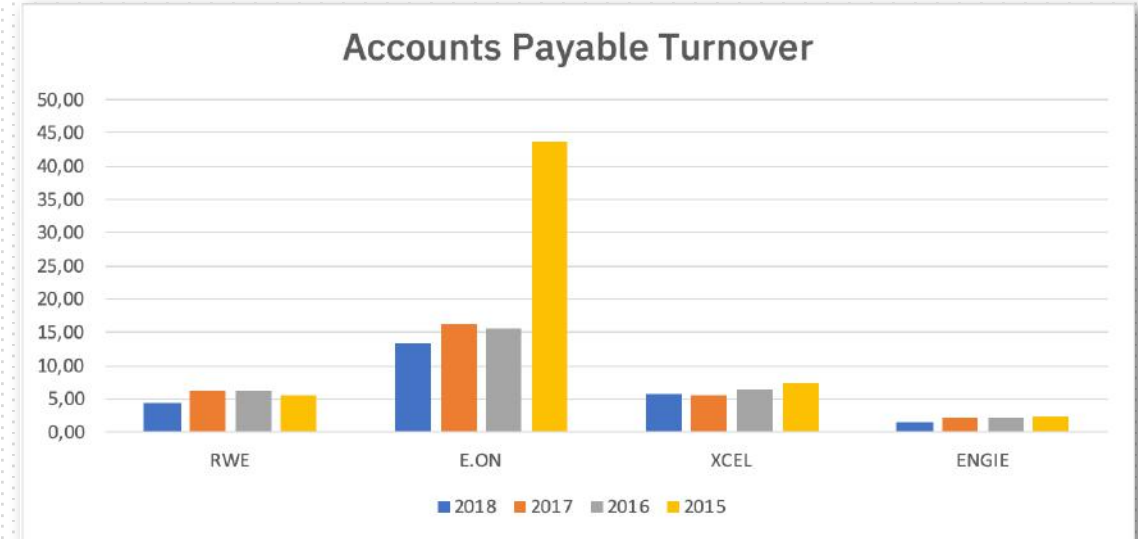
In this case, all the ratios are low because of the sector of the firm which require a lot of investment.

Cash Ratio				
	2018	2017	2016	2015
RWE	0,16	0,43	0,50	0,40
E.ON	0,31	0,24	0,33	0,22
XCEL	0,03	0,02	0,03	0,02
ENGIE	0,17	0,19	0,19	0,18

# ACCOUNTS PAYABLES & RECEIVABLES TURNOVER



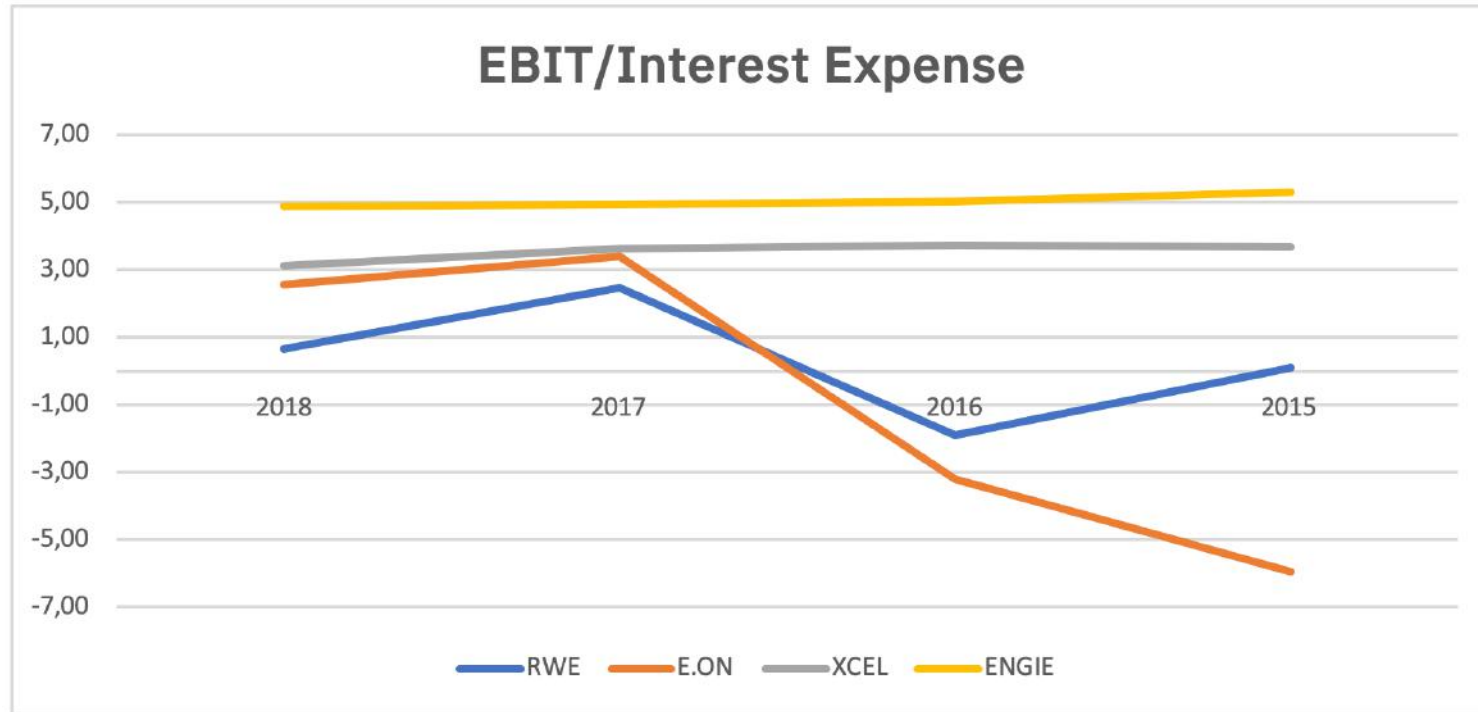
Engie has low ratios compared to other companies, on average 3.5 that means it might be due to a company having a poor collection process, bad credit policies, or customers that are not financially viable or creditworthy. It's also the case for XCEL in 2018.



E.ON has very high ratios compared to other firms, on average 22,25. It means E.ON is able to reimburse all the suppliers and creditors debts. The three other firms have low ratios and take more time to pay back their debts, thus this is less favorable.



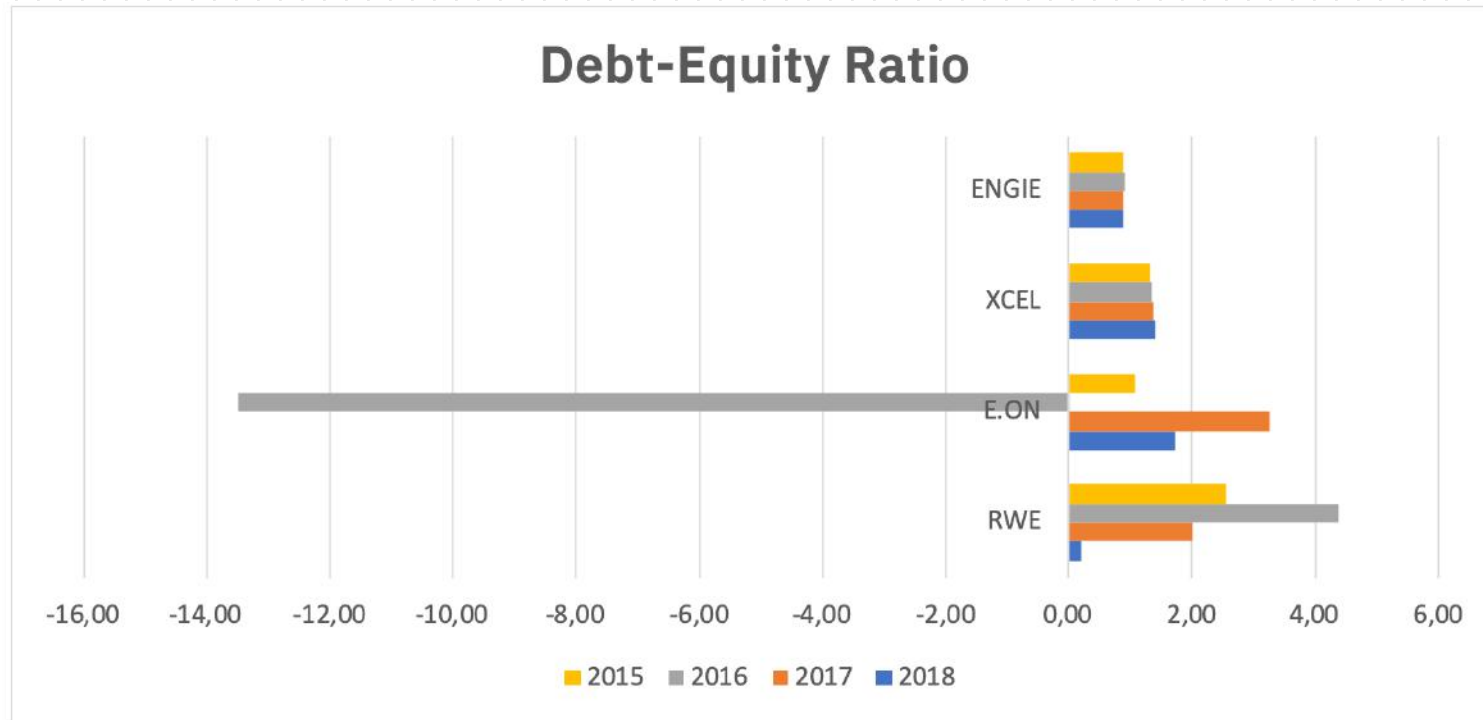
# EBIT/INTEREST EXPENSE



RWE and E.ON are not stable but improve over time. In 2015 and 2016, they both had negative ratios, which means that less earnings are available to meet interest payments and that the business is more vulnerable to increases in interest rates.

EBIT/Interest Expense				
	2018	2017	2016	2015
RWE	0,65	2,47	-1,90	0,12
E.ON	2,57	3,40	-3,18	-5,94
XCEL	3,13	3,62	3,72	3,66
ENGIE	4,91	4,94	5,03	5,29

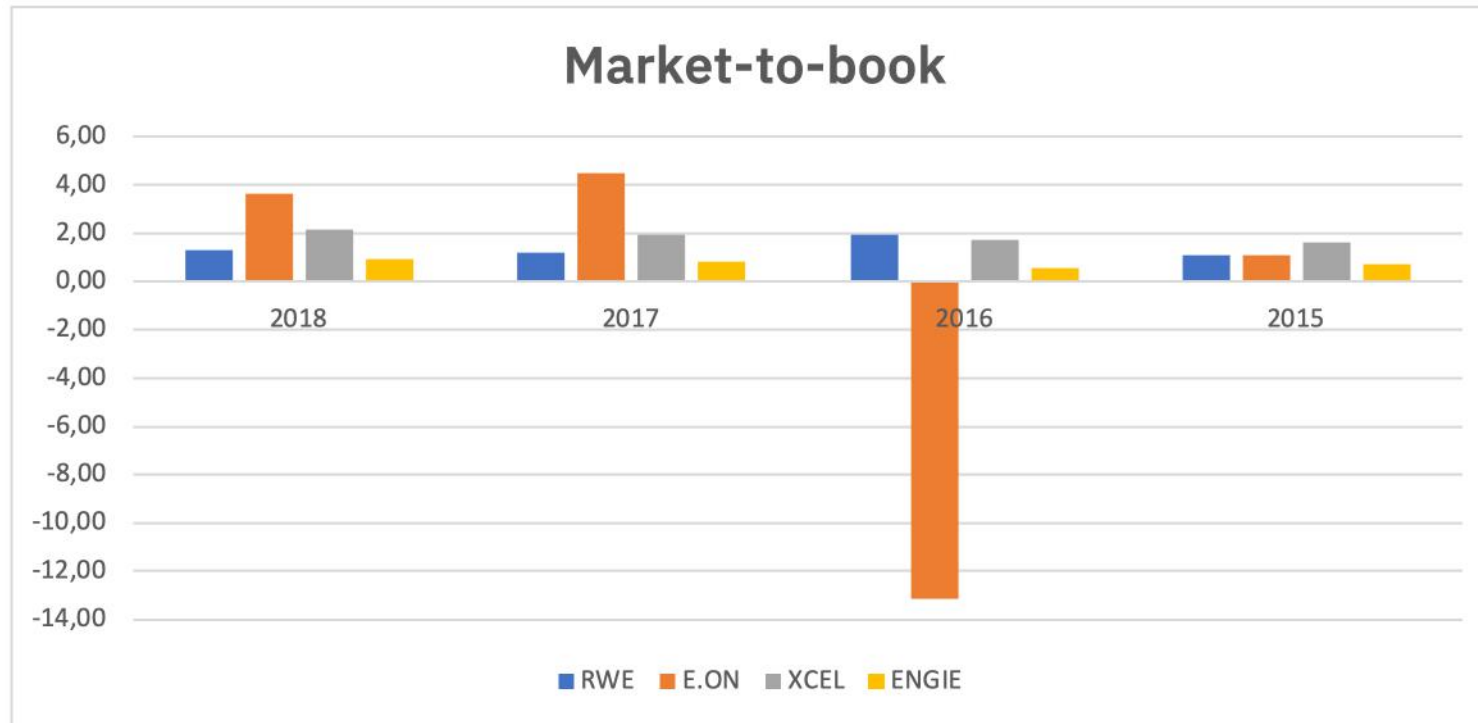
# DEBT-EQUITY RATIO



The 4 companies have, for the most part, a low Debt/Equity ratio, so this means that they are low-risk companies and a better investment. The exception is in 2016 for E.ON which had a negative Debt/Equity ratio due to a stockholder's equity negative.

Debt-Equity Ratio				
	2018	2017	2016	2015
RWE	0,20	1,99	4,38	2,54
E.ON	1,72	3,25	-13,49	1,08
XCEL	1,41	1,38	1,35	1,31
ENGIE	0,88	0,89	0,90	0,89

# MARKET-TO-BOOK RATIO



The Market-to-book ratio for most successful firm substantially exceed 1.

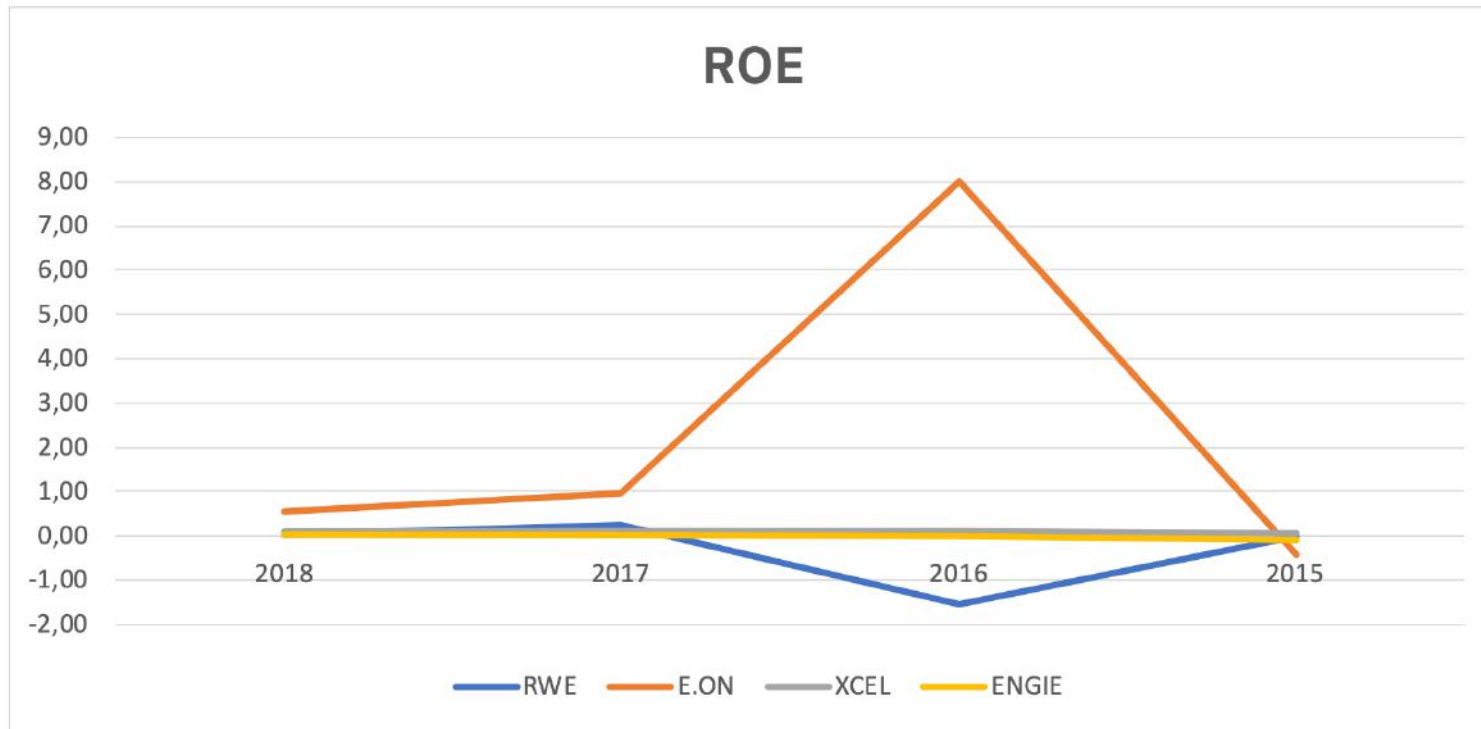
RWE and XCEL are “growth companies” so is E.on with the highest market-to-book ration in 2018 and 2017

On the other hand, ENGIE is a “value company”

Market-to-book Ratio				
	2018	2017	2016	2015
RWE	1,33	1,22	1,93	1,09
E.ON	3,64	4,49	-13,14	1,12
XCEL	2,14	1,92	1,76	1,63
ENGIE	0,92	0,85	0,58	0,73



# RETURN ON EQUITY (ROE)



The ROE provides a measure of the return that the firm has earned on its past investments. A high ROE may indicate that the firm is able to find investment opportunities that are very profitable.

In this case, E.ON has the highest ratio, so we can say that it's the most profitable out of these 4 companies.

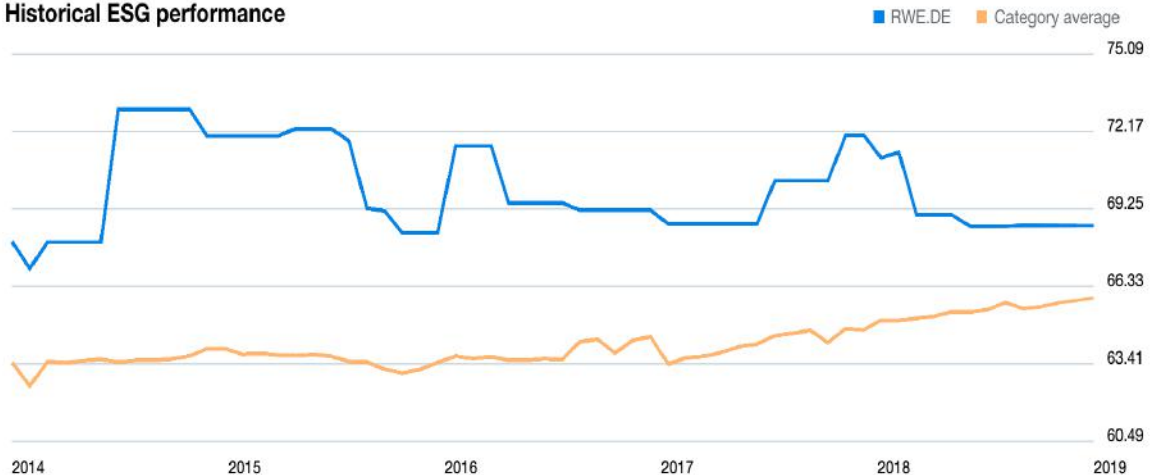
ROE				
	2018	2017	2016	2015
RWE	0,04	0,25	-1,53	-0,01
E.ON	0,56	0,98	8,01	-0,43
XCEL	0,10	0,10	0,10	0,09
ENGIE	0,03	0,04	-0,01	-0,11

# SUSTAINABILITY

Historical ESG performance



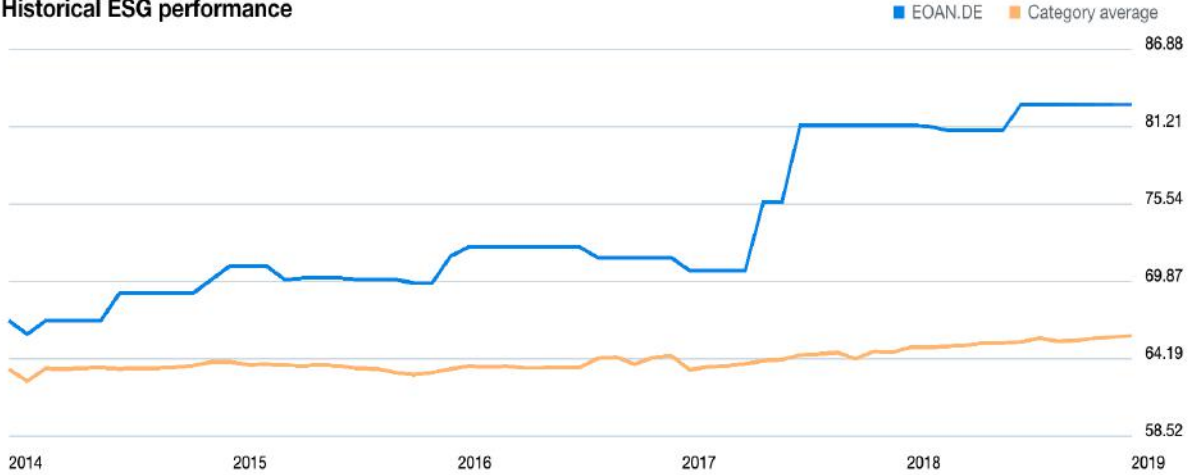
Historical ESG performance



Historical ESG Performance

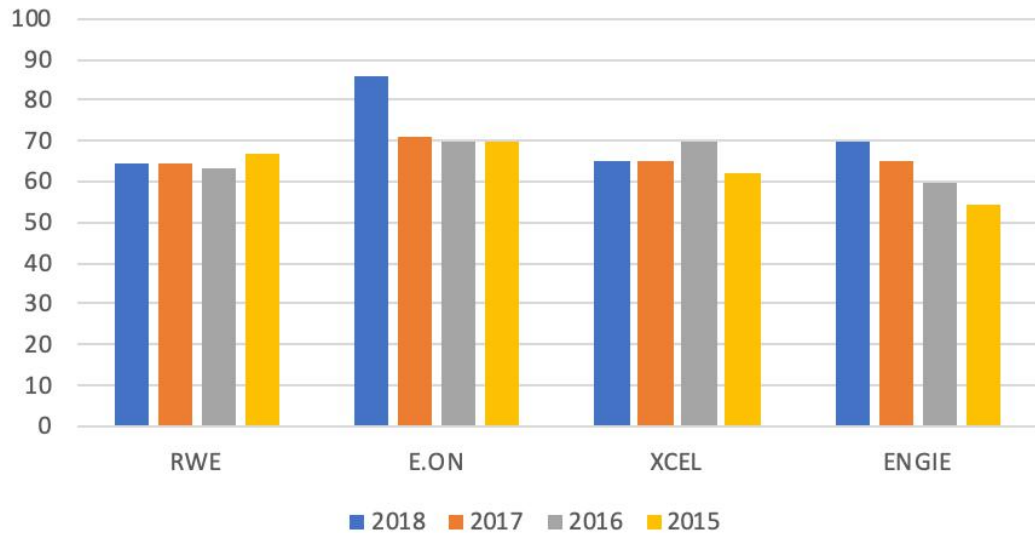


Historical ESG performance



# SUSTAINABILITY

## Environmental index

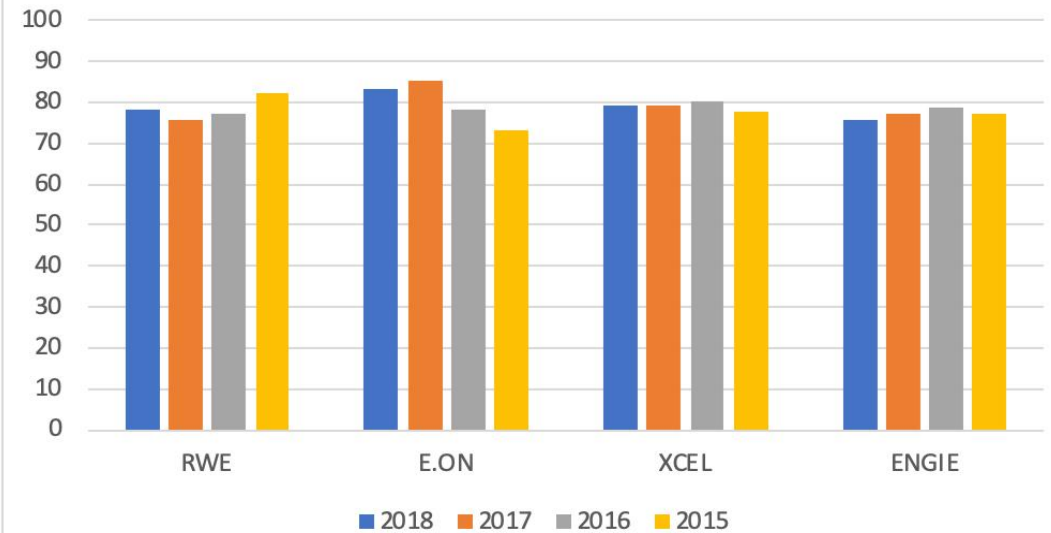


Eon earned more than 10 points between 2017 and 2018 due to 689 Kilotons of CO2 saved thanks to digitalization and greater fuel efficiency.

XCEL has been steady for 2 years now.

ENGIE is in a constant improvement dynamic. It is the first worldwide corporate issuer of green bonds.

## Social index

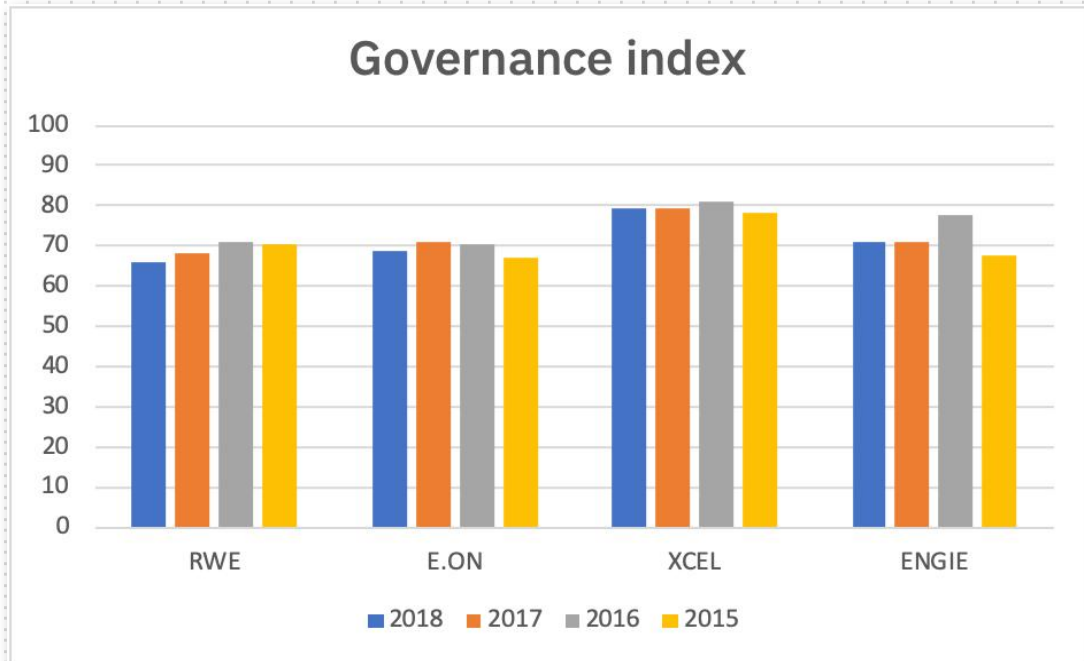


For RWE there has been a drop of 6.5 points from 2015 to 2017. And in 2018 they got almost 3 points partly due to the implementation of quotas for management positions within the company.

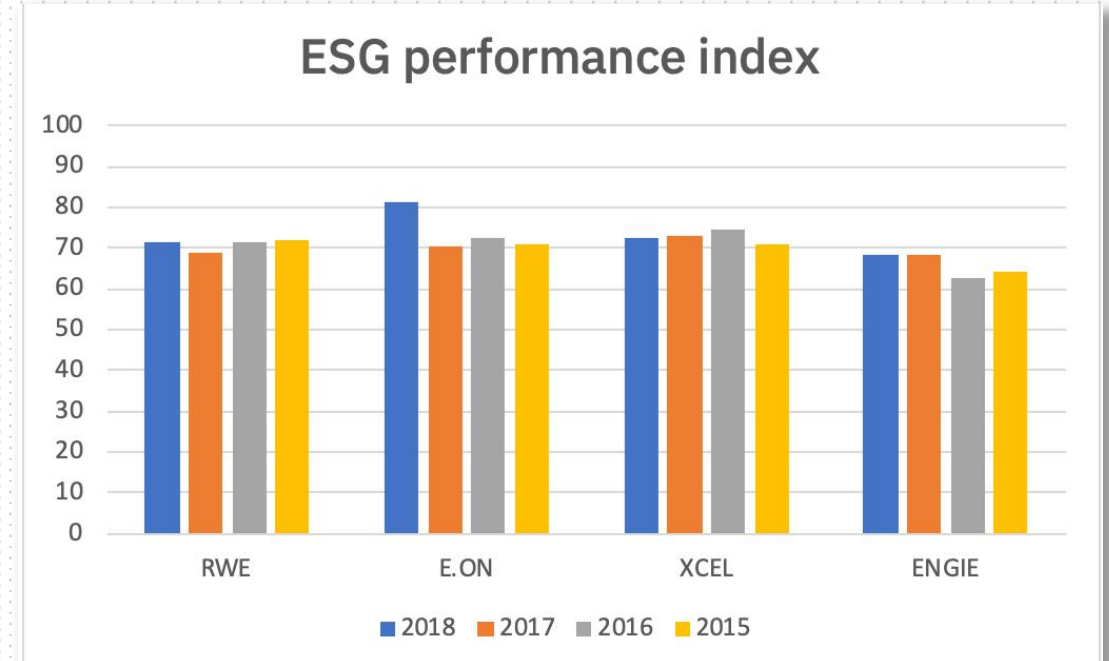
E.ON has improved until 2017. They conducted a second maturity assessment on complaint management for example.




# SUSTAINABILITY



We can see that XCEL has 10 points ahead from our three other companies. This is partly due to their very independent board of directors. 11 out of the 12 directors are classified independent by the listing standards of the New York Stock Exchange.



In 2018 RWE, XCEL and ENGIE had an average of 71 points for their ESG performance index. Huge performance of E.ON in 2018. This is due to their environmental performance where they gained 14 points in single year.

The top of the image features a blurred background of a financial market display. It shows green and red numbers, likely stock prices or indices, and a red line graph trending upwards. The text 'THANK YOU!' is centered on a white background below this header.

THANK YOU!