

Tear Sheet:

Eneco N.V.

October 2, 2026

This report does not constitute a rating action.

S&P Global Ratings expects Eneco's credit metrics to maintain comfortable headroom through 2028. We forecast adjusted EBITDA to grow from €816 million in FY2025 (ended March 31, 2026) to €820 million-€840 million in FY2026, €860 million-€880 million in FY2027, and €940 million-€960 million in FY2028. This growth is primarily driven by accelerating expansion in the Customers segment, supported by brand investment and value-added initiatives, while investment in the Assets segment will provide modest but stable EBITDA growth. This will likely offset an expected rise in capital expenditure (capex) from €443 million in FY2025 to more than €600 million in FY2026-FY2028. Investment remains strategically focused on renewables and flexible assets, such as battery energy storage systems. Consequently, we expect adjusted funds from operations (FFO) to debt as of Dec. 31 to improve to 65%-75% in 2026-2028 from 60% in 2025, comfortably exceeding our expectation of 50% or higher for the rating.

The rating is supported by relatively stable earnings from resilient, low-risk businesses through 2028. Key contributors include renewable power generation with about 90% covered by subsidies and fixed-price long-term PPAs. Eneco's vertical integration, with about 74% of electricity supplied from owned or long-term contracted renewable assets, allows for optimized synergies between generation, procurement, trading, and customer demand. Prudent portfolio management and long-term hedging provide robust protection against adverse price movements through year-end 2029. Higher energy prices led to large inflows from margining, with about €650 million positive impact on net working capital in March 2026, though this will reverse during 2026. Structurally, Eneco's net debt is typically higher in March than in December, when net working capital is higher. Given heightened energy price volatility, we expect this to affect FFO to debt by 15%-20% in 2026-2028. However, we do not expect this gap to widen further, due to Eneco's initiatives to reinforce working capital efficiency; as of March 31, 2026, net working capital had reduced by about €150 million versus that in March 2025.

We expect continued supportive financial policy to underpin the rating. We understand the company is committed to maintaining an investment-grade rating, supported by its financial target of above 50% FFO/ Net Debt per December (as adjusted by Eneco). Its dividend policy of 50% of the previous year's net profit appears in line with its business plans, growth strategy, and the rating commitment. Moreover, Eneco's capex plan remains highly flexible, with only 15%-20% of projects committed beyond 2027, although postponed or reduced capex would lead to slower EBITDA growth. In addition, selective divestments and the use of strategic partnerships offer additional financial flexibility if required.

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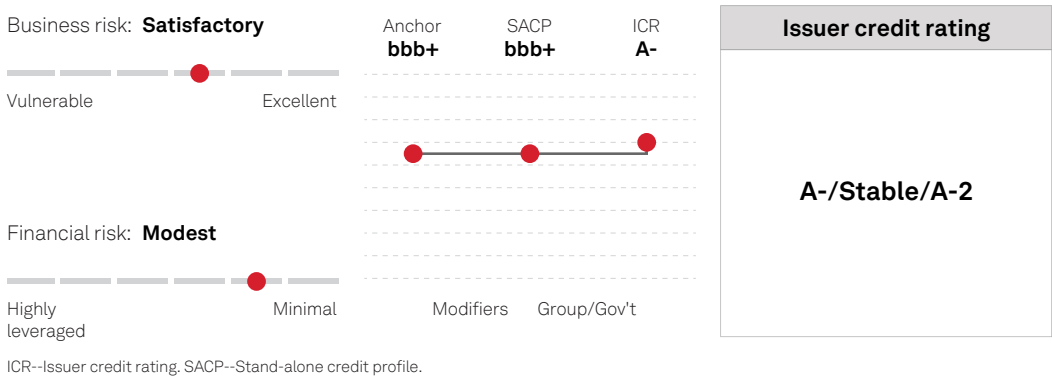
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Ratings Score Snapshot



Recent Research

- [Industry Credit Outlook Update Europe: Utilities](#), July 16, 2026
- [Industry Credit Outlook 2026: EMEA Utilities](#), Jan. 14, 2026
- [Research Update: Eneco N.V. 'A-/A-2' Ratings Affirmed; Outlook Stable](#), Sept. 26, 2025

Company Description

Headquartered in Rotterdam, Eneco N.V. is third largest energy supplier in the Netherlands. It generates electricity from onshore and offshore wind and solar parks in the Netherlands, Belgium, and the U.K. Since 2017, it has also been a niche participant in Germany's renewable energy supply market through its acquisition of Lichtblick SE and E.ON Heizstrom.

In 2025, the Assets segment, which encompasses Eneco's energy production and infrastructure operations, contributed 50% of total EBITDA. The Customers segment, representing Eneco's consumer and business energy activities, accounted for 28% of EBITDA. The remaining EBITDA was generated by the Integration segment, which includes energy trading activities. Low-risk EBITDA accounted for about 45% of overall EBITDA in 2025, and we expect this to remain largely stable throughout our forecast period.

Since March 25, 2020, the group has been fully owned by a consortium in which Mitsubishi owns 80% and Chubu Electric holds 20%.

Outlook

The stable outlook on Eneco reflects that on its largest shareholder Mitsubishi. We expect Eneco's subsidized or long-term contracted renewable capacity and district heating operations will continue to deliver stable cash flow, underpinning the group's credit quality.

We project Eneco can sustain FFO to debt well above 50% as of Dec. 31, in both 2026 and 2027, while also expanding its renewables and flexible assets and maintaining a supportive financial policy. We will monitor FFO to debt between March and December each year and we expect this ratio will not deviate substantially beyond 15%-20% due to working capital seasonality. As such, we expect the company's FFO to debt to remain comfortably higher than our minimum threshold of 50% as of Dec. 31 for the 'bbb+' stand-alone credit profile (SACP).

Downside scenario

We could downgrade Eneco if the credit quality of its main shareholder deteriorates. A downgrade would also result from a deterioration of Eneco's SACP, which could stem from a more aggressive capex program or unexpected mergers or acquisitions that translate into FFO to debt deteriorating toward 50% on Dec. 31, without the prospect of a swift recovery. This could also occur, for example, if wind output was much lower than currently anticipated; the company lost significant retail market share; or the group experienced significant negative margin call requirements on its trading portfolio. We could also see pressure on Eneco's metrics if FFO to debt on March 31 is significantly lower than on Dec. 31, the previous year, due to continuously higher intrayear working capital swings.

Upside scenario

We view an upgrade as unlikely. An improvement of the SACP to 'a-' would not result in an upgrade, since we cap group support at one notch below the long-term rating on Mitsubishi, given Eneco's moderately strategic relevance to its new majority shareholder. We think there is remote possibility of the SACP improving over the next 12-24 months as Eneco invests in renewable growth.

Key Metrics

Eneco N.V.--Forecast summary

Period ending	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029
(Mil. EUR)	2024a	2025a	2026e	2027f	2028f
EBITDA	769	816	820-840	860-880	940-960
Funds from operations (FFO)	607	693	720-740	750-770	820-840
Capital expenditure (capex)	437	443	700-720	630-650	520-540
Dividends	185	123	120-140	120-140	120-140
Debt	1,590	699	1,400-1,500	1,350-1,450	1,550-1,650
Adjusted ratios					
FFO/debt (%) per March	38.2	99.1	48-52	51-55	50-54
FFO/debt (%) per December		60.1	71-75	69-73	65-69
Debt/EBITDA (x)	2.1	0.9	1.6-1.8	1.5-1.7	1.6-1.8
FOCF/debt (%)	15.5	151.1	(37)-(41)	12-16	18-22

Financial Summary

Eneco N.V.--Financial Summary

Period ending	Dec-31-2020	Dec-31-2021	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	4,145	5,208	13,215	8,359	7,262	6,651
EBITDA	502	588	989	737	769	816
Funds from operations (FFO)	443	513	884	525	607	693
Interest expense	23	22	38	39	56	38

Eneco N.V.--Financial Summary

Cash interest paid	22	22	36	33	52	35
Operating cash flow (OCF)	559	42	1,094	74	683	1,500
Capital expenditure	393	380	617	642	437	443
Free operating cash flow (FOCF)	166	(338)	477	(568)	246	1,057
Discretionary cash flow (DCF)	98	(396)	373	(760)	61	934
Cash and short-term investments	496	551	269	258	147	713
Gross available cash	496	551	269	258	147	713
Debt	503	1,013	893	1,786	1,590	699
Common equity	2,948	2,921	3,329	3,657	3,626	3,754
Adjusted ratios						
EBITDA margin (%)	12.1	11.3	7.5	8.8	10.6	12.3
Return on capital (%)	5.4	7.7	14.0	8.2	7.0	8.3
EBITDA interest coverage (x)	21.6	26.7	26.0	18.9	13.7	21.5
FFO cash interest coverage (x)	20.9	24.3	25.6	16.9	12.7	20.8
Debt/EBITDA (x)	1.0	1.7	0.9	2.4	2.1	0.9
FFO/debt (%)	88.1	50.7	99.0	29.4	38.2	99.1
OCF/debt (%)	111.1	4.1	122.5	4.1	43.0	214.5
FOCF/debt (%)	33.0	(33.4)	53.4	(31.8)	15.5	151.1
DCF/debt (%)	19.5	(39.1)	41.8	(42.6)	3.8	133.5

Liquidity

Our short-term rating on Eneco is 'A-2', reflecting our 'A-' long-term issuer credit rating and our assessment of liquidity as adequate. We expect Eneco to maintain a sources-over-uses ratio higher than 2.8x over the 12 months started July 1, 2026.

The company's liquidity is enhanced by its access to revolving credit facilities (RCF) of €2.5 billion, of which €1.25 billion expires in September 2027 and €1.25 billion expires in May 2031. Although the RCF tranche due 2031 includes a €400 million syndicated bank facility, the majority of liquidity sources are dependent on the parent company. This, combined with high intrayear working capital swings, driven by margining collateral, limits a stronger liquidity profile for Eneco.

Principal liquidity sources	Principal liquidity uses
- Cash and liquid investments of about €280 million as of June 30, 2026; - Undrawn committed RCFs of €2.5 billion maturing in more than 12 months; and - Projected cash FFO of about €650 million-€700 million over the next 12 months.	- No debt maturities for the next 12 and 24 months; - Working capital outflows of €300 million-€500 million in the next 12 months, mainly driven by the reversal of temporarily high margining liabilities driven by geopolitical volatility; - Total capex of €650 million-€700 million; and - Dividend distributions of €120 million-€140 million.

Climate And Other Evolving Factors

Environmental factors are a positive consideration in our credit rating analysis of Eneco. It was one of the first companies to use renewable energy in the Netherlands, with 2.8 gigawatt of installed owned renewable capacity (as of March 31, 2026) and a large, subsidized portfolio, resulting in stable and predictable cash flows. The company aims to be climate neutral by 2035, covering its own emissions and the broader impact of its energy supplies, including scope 1, 2, and 3 emissions. For the period April 1, 2025, to March 31, 2026, Eneco's total greenhouse gas emissions amounted to about 9.4 million tons of carbon dioxide equivalent (tCO₂e), comprising 1.2 million tCO₂e (scope 1), 0.1 million tCO₂e (scope 2), and 8.1 million tCO₂e (scope 3). Scope 3 emissions represented the largest share, accounting for approximately 86.2% of total emissions.

Rating Component Scores

Foreign currency issuer credit rating	A-/Stable/A-2
Local currency issuer credit rating	A-/Stable/A-2
Business risk	Satisfactory
Country risk	Very Low
Industry risk	Moderately high
Competitive position	Satisfactory
Financial risk	Modest
Cash flow/leverage	Modest
Anchor	bbb+
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb+
Group credit profile	a
Group status	Moderately strategic (+1 notch)

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 6, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014

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- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

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