

Investor update: financial results 2025 and outlook

Corporate, Investor Relations

27 March 2026

Fluvius Economic Group: key figures 2025

(in million EUR, unless otherwise stated)	Financial year 2025	Financial year 2024
Result		
Operating revenue	4,597	3,797
Operating expenses	-4,114	-3,484
Result from operations	482	313
Net finance costs	-207	-156
Other (mainly income tax expenses)	-94	-45
Result for the period	182	113
Balance sheet		
Non-current assets (Fixed assets)	18,055	16,633
Current assets	1,744	1,694
Equity	7,270	6,690
Interest bearing loans and borrowings (long and short-term)	10,361	9,530
Other liabilities	2,168	2,107
Balance sheet total	19,799	18,327
Cash flow		
Net cash flow from operating activities	1,019	746
Other key figures		
EBITDA ¹	1,107	900
CAPEX	1,780	1,557
EQ/RAB ² ELED & GASD (in %)	33%	35%
Number of employees ³ (in headcount)	5,997	5,863

Key message

Fluvius has a public service mandate to enable the energy transition in Flanders. To this end, Fluvius is making substantial additional investments to reinforce and digitalise the distribution networks. This is reflected in a significant increase in fixed assets.

Financial year 2025 is the first year in which the new tariff methodology for the 2025–2028 period for electricity distribution (ELED) and natural gas distribution (GASD) is applied. This tariff methodology is, among other things, characterised by a higher average allowed cost of capital, or WACC⁴, of 5.2% (compared to 3.5% in 2024), new trend evolutions for the allowed income⁵ (slightly positive for ELED and negative for GASD), and a ‘frontier shift’ (additional efficiency requirement) of a cumulative 1.1% per year for ELED. In 2024, Fluvius System Operator and the individual distribution system operators (DSOs) decided to legally challenge this decision of the Flemish Utility Regulator (VNR). Based on the current status, Fluvius does not expect a ruling before early 2027.

¹ EBITDA: [Result from operations] + [depreciation, amortisation, impairments and changes in provisions]

² EQ/RAB represents the ratio of equity to the regulated asset base for electricity distribution and natural gas distribution (ELED and GASD)

³ Total number of employees of Fluvius System Operator and Fluvius OV on 31 December 2025

⁴ WACC: Weighted Average Cost of Capital

⁵ The allowed income represents the maximum amount the distribution system operators of the Fluvius-group are permitted to receive through the periodic network tariffs for ELED and GASD. The allowed income consists of exogenous and endogenous costs. Exogenous costs are costs on which Fluvius has no control, such as transmission charges from Elia. Endogenous costs are costs that Fluvius is expected to be able to influence itself, including operating expenses, depreciation and capital costs.

Strengthening equity for the ELED and GASD activities is essential to enable the execution of the exceptional investment programme while maintaining a stable credit profile. A ratio of equity (EQ) to regulated asset base (RAB) of 40% is a guiding benchmark in this respect and is in line with one of the principles of the 2025–2028 tariff methodology. At present, almost no DSO meets this ratio. The Flemish Government has therefore committed to providing the necessary resources to strengthen the equity of the affected DSOs.

In addition, Fluvius took action in 2025 to adjust its dividend policy. Specifically, for the current tariff period 2025–2028, the guiding principle is that 60% of the expected profit for ELED and GASD will be distributed as dividend to the DSO-shareholders. An exception applies to those DSOs that, as at 31 December 2024, recorded an equity-to-RAB ratio of at least 40% for certain activities (ELED, GASD, or both): for the relevant activity or activities, they may distribute up to 100% of the expected profit to their shareholders. As a result, the average payout ratio for the 2025–2028 period is estimated at 66%. This ratio is in line with that of other European network operators.

The VNR has recently published a study⁶ on the future of the natural gas networks (addressing their phase-out, continued use and repurposing). In the short term, the VNR sees no need to make drastic changes to the regulatory framework, but it is examining measures to mitigate the risk of stranded assets. Over the coming years, clear choices and a consistent policy framework will therefore be decisive in ensuring that the transition from the natural gas network to sustainable heat solutions is financially and socially feasible.

Notes on key figures

Result for the period

The result for the financial year 2025 increased to 182 million euros, representing an increase of 69 million euros compared to 2024.

The increase in profit is partly attributable to a higher allowed cost of capital, with the WACC rising to 5.2% (from 3.5% in 2024), the recognition of advance payments in the allowed income for ELED, and income from the reconciliation of network losses (a cost item in 2024).

This increase in profit was achieved despite the absence of the one-off positive effect recognised in 2024 from the realised capital gain on the sale of Publi-T shares to the Flemish Energy Holding (VEH), amounting to 51 million euros.

Operating revenue

The increase in operating revenue (+799 million euros on a year-on-year basis) is mainly driven by higher distribution and transmission network tariffs; operating revenue amounted to 2,931 million euros in 2025, compared to 2,222 million euros in 2024 (+709 million euros year-on-year).

This increase results from higher electricity and natural gas tariffs compared to 2024. The sharp increase in electricity tariffs is mainly attributable to the significant rise in transmission network tariffs in 2025 (exogenous), higher interest rates on the financial markets leading to a higher WACC (endogenous), and an increase in historical reference costs following the necessary investments in the electricity distribution network (endogenous).

Despite a slight decrease in allowed income for natural gas, distribution network tariffs for natural gas increased. This is due to a further decline in natural gas consumption, with calculation volumes 10.71% lower than in 2024. This is because the 2024 tariffs, in accordance with the provisions of the 2021–2024 tariff methodology, were still based on 2019 volumes. However, the 2025 tariffs are based on the average of the 2022–2023 calculation volumes.

Operating expenses

The higher operating expenses (+630 million euros year-on-year) are attributable to the evolution of transmission network tariffs as described above (exogenous) and an increase in material purchases resulting from the intensified investment and operational activities in the context of the energy transition (endogenous).

In addition, the costs related to the purchase of green electricity certificates (GEC) and cogeneration certificates (CHP) increased (exogenous; +149 million euros year-on-year). On the one hand, the number of GECs purchased increased compared to 2024, driven by a temporary trading database “freeze” implemented by the VNR in 2024. On the other hand, the Flemish Government decided to discontinue its contribution to the cost of GECs in the electricity bill. Furthermore, a loss was recorded on CHP certificates, reflecting the difference between the average

⁶ [Report](#) on the future of the natural gas distribution network in Flanders, published by the VNR on 18 December 2025

auction sale price and the valuation set by the Flemish Government. For GECs, a revenue was realised – albeit limited - as the valuation is lower than the average sale price. For the certificates held in inventory, reference is made to the discussion of the balance sheet positions.

In 2025, staff costs also increased (endogenous; +23 million euros year-on-year) as a result of a higher number of employees and the indexation of wages. In addition, other operating expenses rose due to the decommissioning of fixed assets (endogenous; +55 million euros year-on-year), mainly driven by the replacement of analogue meters with digital meters and investments related to the energy transition and climate adaptation.

Net finance costs

Financial income decreased by 39 million euros compared to 2024, mainly due to the absence of the one-off income of 51 million euros recognised in 2024 from the sale of Publi-T shares to the Flemish Energy Holding (VEH).

Financial expenses increased by 12 million euros in 2025, reflecting higher interest expenses on long-term financing compared to 2024 as a result of increased borrowings and higher interest rates.

Non-current assets (fixed assets)

Non-current assets increased year-on-year by 1.4 billion euros to 18 billion euros in 2025. This increase is mainly attributable to the growth in property, plant and equipment (+988 million euros in 2025), driven by the investment programme, as well as to the higher valuation of other investments (+521 million euros in 2025). The latter primarily reflects the increased valuations of the strategic participations in Publi-T (33.95%) and Publigas (30.36%), as well as the directly held Elia shares.

Current assets

The value of the GEC and CHP certificates held in inventory amounts to 602 million euros at the end of 2025 (of which 521 million euros relates to CHP). The high CHP inventory on the balance sheet results from the statutory purchase obligation at minimum support levels, combined with an oversupply and limited market demand. For the impact on the results, we refer to the section discussing the evolution of operating expenses.

Equity

The increase in equity in 2025 (+580 million euros year-on-year) is primarily driven by higher unrealised gains on strategic participations (as discussed in the section on non-current assets). In view of the lower payout ratio following the revision of the dividend policy, the equity of ELED and GASD is also strengthened.

Interest bearing loans and borrowings

In 2025, a total nominal amount of 1.3 billion euros in long-term financing was raised. An institutional green bond of 700 million euros was issued with a 10-year maturity and a fixed coupon rate of 3.5% under the existing EMTN programme. In the autumn, this green bond was increased by an additional 100 million-euro tap.

In addition, 500 million euros in bank loans with various maturities were contracted.

These new financings are used to fund investments and to repay long-term borrowings.

Other key figures

For the 2025 financial year, **EBITDA** increased by 206 million euros to 1,107 million euros, mainly driven by a higher operating result.

The **EQ/RAB** ratio for ELED and GASD declined further in 2025, due to the growth of the RAB.

Our outlook for the 2026 financial year

Equity strengthening

On 19 July 2025, the Flemish Government acknowledged the need to strengthen the equity position of Fluvius. It committed to providing additional equity of up to 1.56 billion euros for the Flemish DSOs. This measure is intended to ensure that these DSOs can maintain an equity-to-RAB ratio of 40%.

On 19 December 2025, the Flemish Government defined the modalities:

- As existing shareholders, cities and municipalities will have the first opportunity to strengthen the equity of their respective DSO.
- For any remaining amount required, the Flemish Government, through its investment company PMV, will take a direct equity stake in the DSO, capped at 20% of the DSO's equity.
- For any amount needed above this 20% threshold, it is proposed that the equity strengthening be achieved through the acquisition by PMV of Publi-T shares held by the municipalities via their DSOs, with the proceeds to be used for strengthening the DSO's equity.

Discussions between PMV and Fluvius regarding the envisaged transaction and its modalities are currently ongoing.

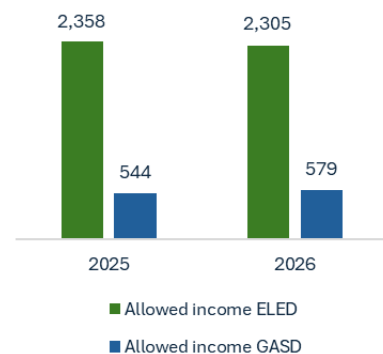
In addition, the Flemish Government has expressed its intention to reform the landscape of the DSOs no earlier than 2031 and no later than 2037, with the aim of evolving towards a single DSO for the whole of Flanders.

Allowed income ELED and GASD in 2026

On 4 November 2025, the VNR established the **allowed income** for the 2026 calendar year. For ELED, the allowed income decreased slightly to 2,305 million euros, representing a reduction of 53 million euros compared to the previous year. For GASD, by contrast, an increase was recorded, with the allowed income amounting to 579 million euros, a year-on-year rise of 35 million euros.

The evolution of the allowed income for both ELED and GASD is primarily driven by exogenous costs, i.e. costs over which Fluvius has no direct influence. For ELED, a lower volume of GEC purchases is expected in 2026 due to a new measure introduced by the Flemish Government, stipulating that large installations will no longer receive GECs when electricity prices are negative. In addition, the support period for a significant number of installations will expire in 2026. For gas, the increase in allowed income is partly attributable to the processing of historical volume differences.

Evolution allowed income
(2025-2026 in EURm):



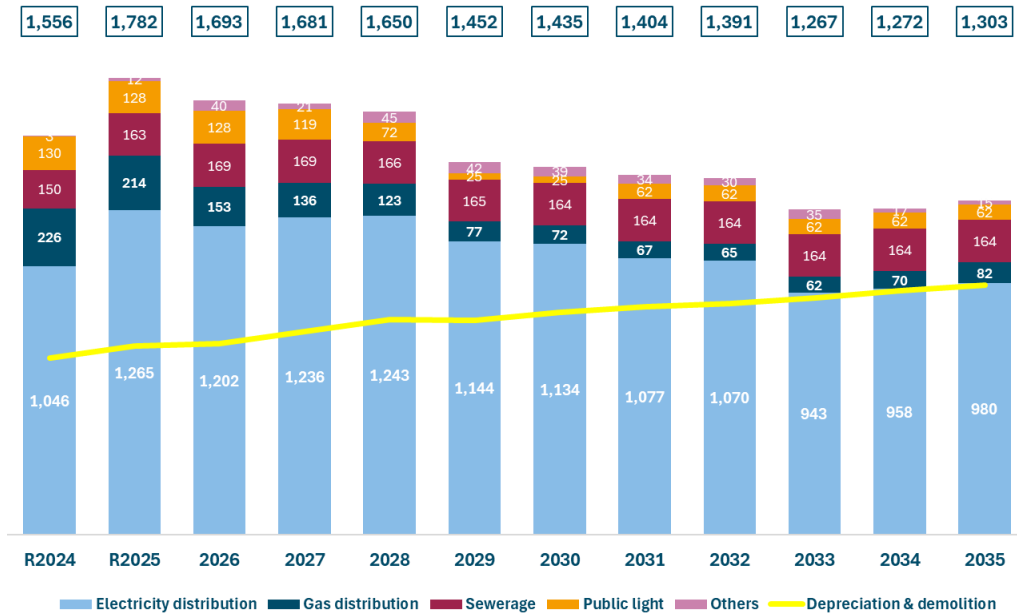
In addition, the VNR has published the **capital cost allowance** for the 2026 calendar year. The weighted average cost of capital (WACC) is revised annually to reflect changing market conditions. The risk-free rate (which determines the cost of equity) decreases from 2.95% to 2.77%, following similar declines in Belgian and German government bond yields. By contrast, the cost of debt increases from 2.17% to 2.22%, reflecting higher bond yields for European utility issuers on older financial debt (due to a shift in the reference period). These revisions result in the same capital cost allowance or WACC of 5.2% (before corporate tax) as in 2025.

Investment plan for electricity and natural gas (2026-2035)

In January 2026, the VNR approved the updated biennial version of the electricity and natural gas investment plan 2026–2035. The plan is grounded in the broader societal context and policy framework, with the Flemish Energy and Climate Plan at its core. The key assumptions underlying our investment decisions include: the full electrification of passenger transport; the increasing electrification of freight transport; the utilisation of residual heat through district heating networks; the electrification of heating in new buildings and major renovations; and an accelerated expansion of solar and wind energy, resulting in higher electricity consumption and rising peak loads in industry.

The previous investment plan (2024–2033) provided for nearly 11 billion euros of investments over a ten-year period, of which approximately 4 billion euros was allocated to the electricity grid in support of the energy transition. In the updated investment plan, the total investment volume remains stable; however, around 200 million euros is reallocated from low-voltage to medium-voltage grid investments. This shift reflects the observation that the energy transition among households—particularly in heat pumps and electric vehicles—is progressing more slowly than initially expected. By contrast, the energy transition among Flemish businesses is accelerating, driven by increasing power demand for the electrification of industrial processes. Applications for battery parks and data centres also contribute to this trend. With these revised investment outlooks, Fluvius aims to prevent congestion issues on the electricity grid.

CAPEX⁷ evolution (2024-2035 in EURm):



Other developments

The accreditation of the electricity and natural gas DSOs is granted for a period of twelve years, each time pursuant to a decision by the VNR. At the end of 2025, the DSOs initiated the renewal process for their electricity licences (expiring on 5 September 2026), and they expect to begin the renewal of their natural gas licences during 2026 (expiring on 14 October 2027). In both cases, the renewal procedure will follow the same process that applied during previous renewals of electricity and natural gas licences, with the procedure expected to take approximately six months.

On 16 February 2026, Fluvius System Operator successfully issued a 650-million-euro green bond. This debt instrument has a 10-year maturity and carries a fixed annual coupon of 3.750%. This green issuance marks another important step in financing the energy transition and climate adaptation in Flanders.

References:

Further information on the 2025 financial year:

- Annual report Fluvius Economic Group [Financial info | Fluvius](#)
- Questions? Investors@fluvius.be

⁷ This graph is based on BE GAAP figures. As of 2025 the CAPEX figures include the Wyre leasehold.