



**Q1 2019**  
**Interim Results**

**Christopher Delbrück - CFO**

May 7, 2019



# Agenda

## Q1 2019 Essentials

Financial Results Q1 2019

Outlook FY2019 and beyond

Appendix



# Q1 2019 Essentials

Q1 2019

Asset rotation  
progressing



- Divestments – sales of stakes in OLT<sup>1</sup> and Eneva<sup>2</sup>
- Growth projects – successful participation in first Russian modernization round

Financial results –  
a slow start



- Q1-results affected by mild weather and carbon phasing
- Q1 Adj. EBIT at €185m, Adj. FFO at €243m

FY2019

Managing the  
transition



- Developing cooperation options with Fortum
- New CEO & CFO appointed

Outlook 2019 –  
targets confirmed



- Improvements in earnings during the year already visible
- Adj. EBIT outlook: €550m - €850m
- Dividend: Unchanged aspiration to propose payout of €390m

# Asset rotation into new earnings streams

## Divestments



## New growth projects



## Sale of stakes in OLT and Eneva

- Divestments at attractive multiples
- OLT Offshore LNG Toscana: 48% stake sale in Italian LNG regas terminal for c.€0.4bn<sup>1</sup>
- Eneva: 6% share sale in Brazil-based energy company in secondary placement for c.€76m<sup>2</sup>
- Uniper's EBIT not significantly affected

Proceeds



~€0.5bn

## Project pipeline filling up

- In implementation mode: Scholven CHP plant and Irsching OCGT plant
- Recently secured: Successful participation in first Russian modernization round (for modernization phase 2022 to 2024) in April<sup>3</sup>

Investments



~€0.5bn

# Large asset projects – project update

## Datteln IV hard coal plant



### Boiler repair on track

- Pre-assembly of new parts at site
- About half of boiler already re-established
- Repair of boiler walls on track for commercial operation date in summer 2020
- New court ruling confirms that long-term contracts are valid
- Total investment: above €1.5bn

## Nord Stream 2 gas pipeline



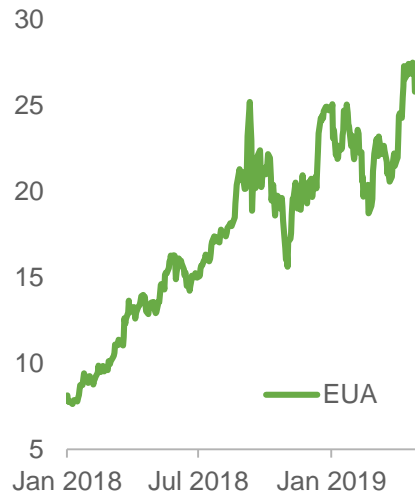
### Pipe laying progressing well

- About 1,000 km of gas pipeline laid (twin pipe 2x1,230km)
- Construction work on plan
- New EU Gas Directive clarifies regulation of offshore pipelines
- Denmark still needs to decide on route
- Danish authorities have requested application for additional southern routing
- Uniper's commitment of up to €0.95bn untouched

# Commodity markets – volatile prices

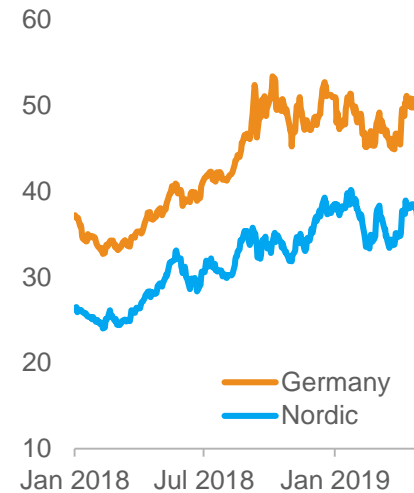
## Carbon trading prices<sup>1</sup>

EUR/t CO<sub>2</sub>



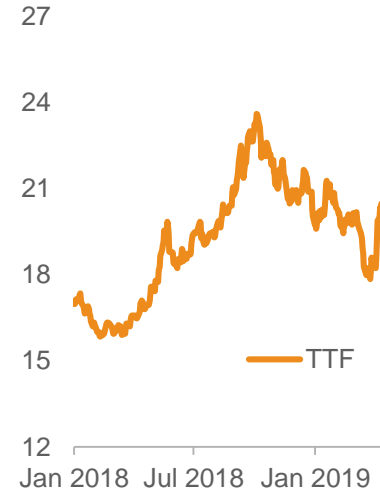
## Electricity prices<sup>2</sup>

EUR/MWh



## Gas prices<sup>3</sup>

EUR/MWh



## Key messages

### Carbon prices bullish

- EU with materially reduced auction volumes
- Fuel switch partially working

### Robust electricity prices

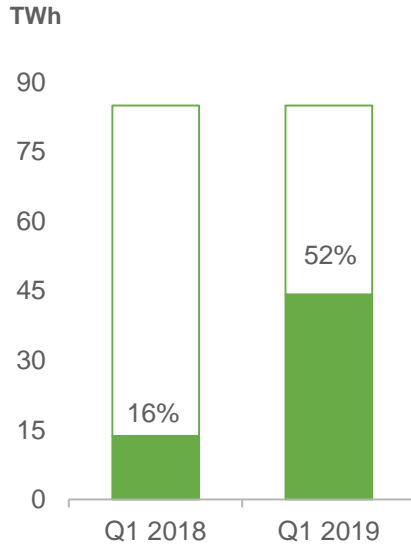
- Prices trending upwards
- Strong support from carbon prices

### Gas prices flattish

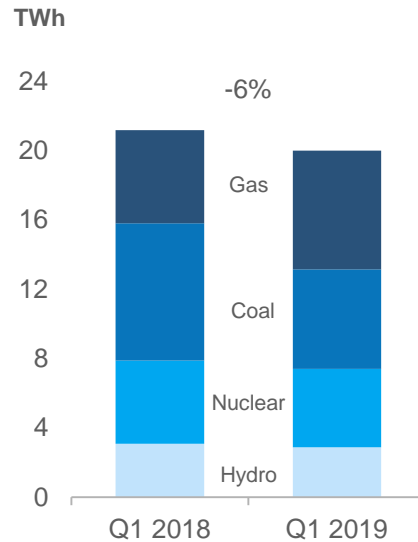
- European market in winter over-supply mode
- Prices bouncing back with renewed expectations of growth in demand from Asia

# Uniper – operating indicators impacted by weather

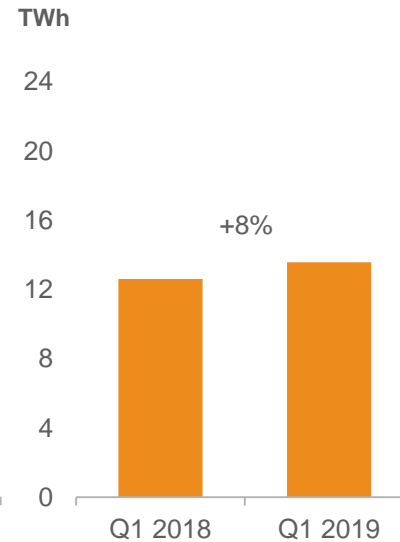
## Global Commodities – Gas storage filling<sup>1</sup>



## European Generation – Production volume<sup>2</sup>



## International Power – Production volume



## Key messages

### Global Commodities

- Winter in North Western Europe +2°C above long-term average

### European Generation

- Hydro output slightly down
- Nuclear with lower availability
- More gas, less coal power

### International Power

- Output up due to favorable export/import balance
- Higher demand from oil industry

# Agenda

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**Financial Results Q1 2019**

Outlook FY2019 and beyond

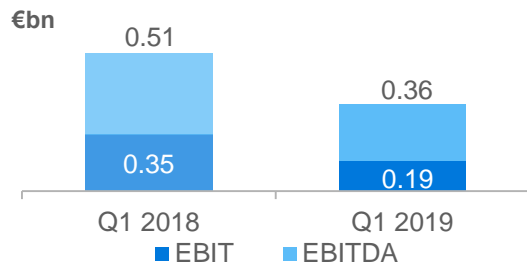
Appendix





# Key financials Q1 2019

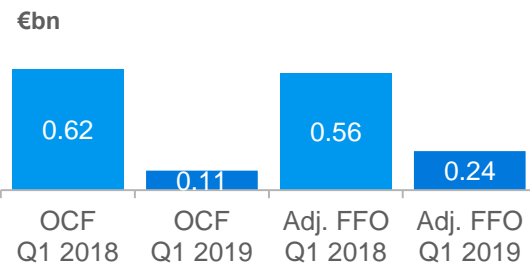
## Adj. EBIT(DA)



### Adj. EBIT(DA) down

- Provisioning for higher carbon prices phases earnings into later quarters (effect to revert in Q4)
- Weaker gas and LNG business with temperatures above average and extraordinary high gas storage filling levels

## Operating cash flow, adj. FFO



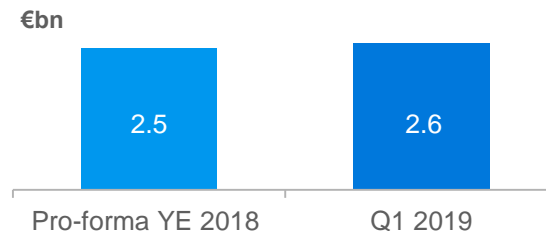
### Cash conversion down

- OCF follows earnings trend and suffers from negative working capital impact

### Adjusted FFO down

- In line with OCF development but not impacted by the delta working capital

## Economic net debt



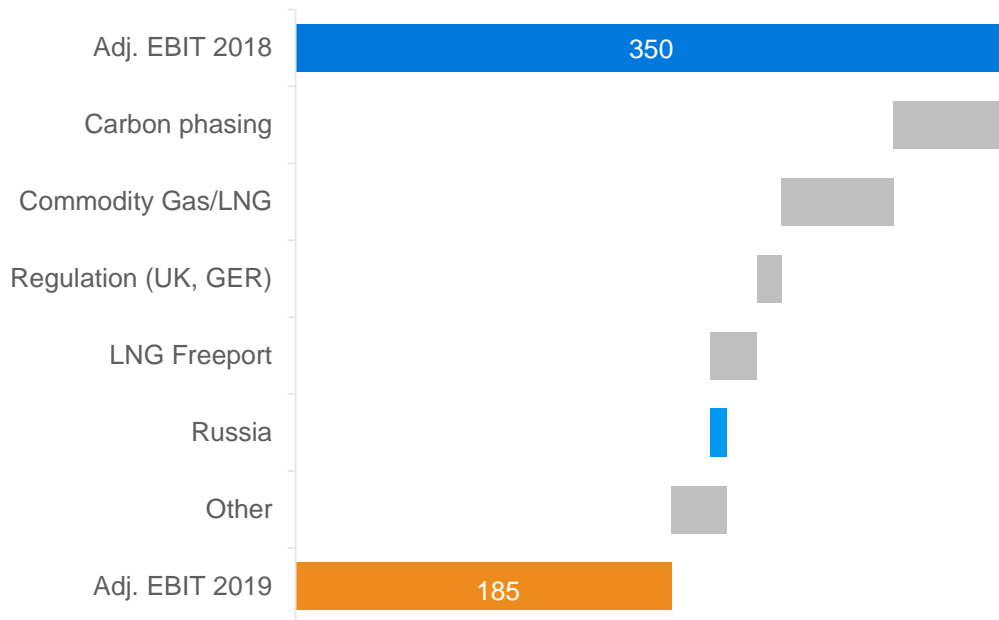
### Net debt unchanged

- Economic net debt broadly stable as operating cash flow covers for investments
- Note: Pro-forma YE 2018 figure includes margining receivables (€0.7bn) based on new definition

# Adjusted EBIT – Q1 2019 down largely due to carbon phasing effect and week gas/LNG business

## Reconciliation Adj. EBIT Q1 2018 to Q1 2019

€m



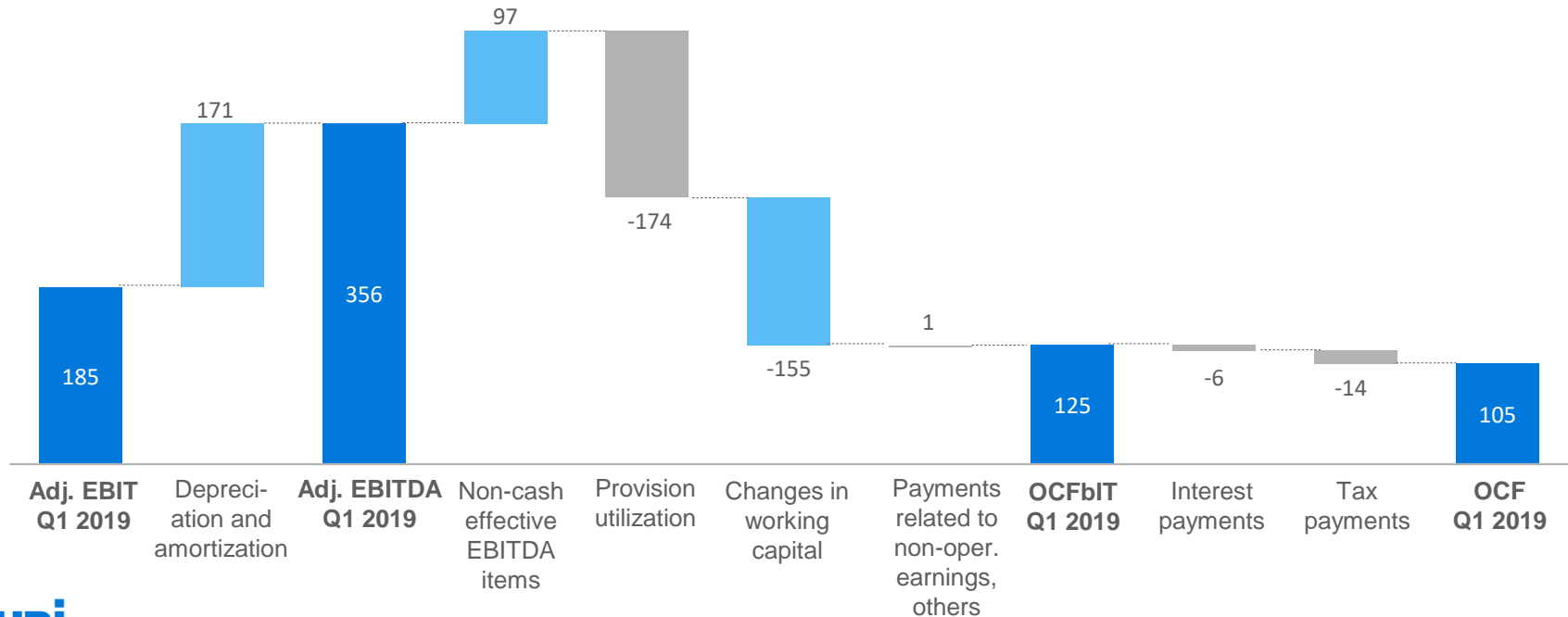
### Key developments

- Q1 earnings suffer significantly from two effects which will essentially revert until year-end:
  - Provisioning for higher carbon prices burdens Q1 with hedges realizing compensating in Q4
  - Weak commodity contribution mainly from gas business and LNG optimization
- Expected negative impact from US LNG Freeport proxy hedge & lapse of UK capacity market
- Other: Mainly lower generation availability (e.g. outage at Ringhals 2, strikes in France)

# Adj. EBIT(DA) to OCF – in line with earnings trend

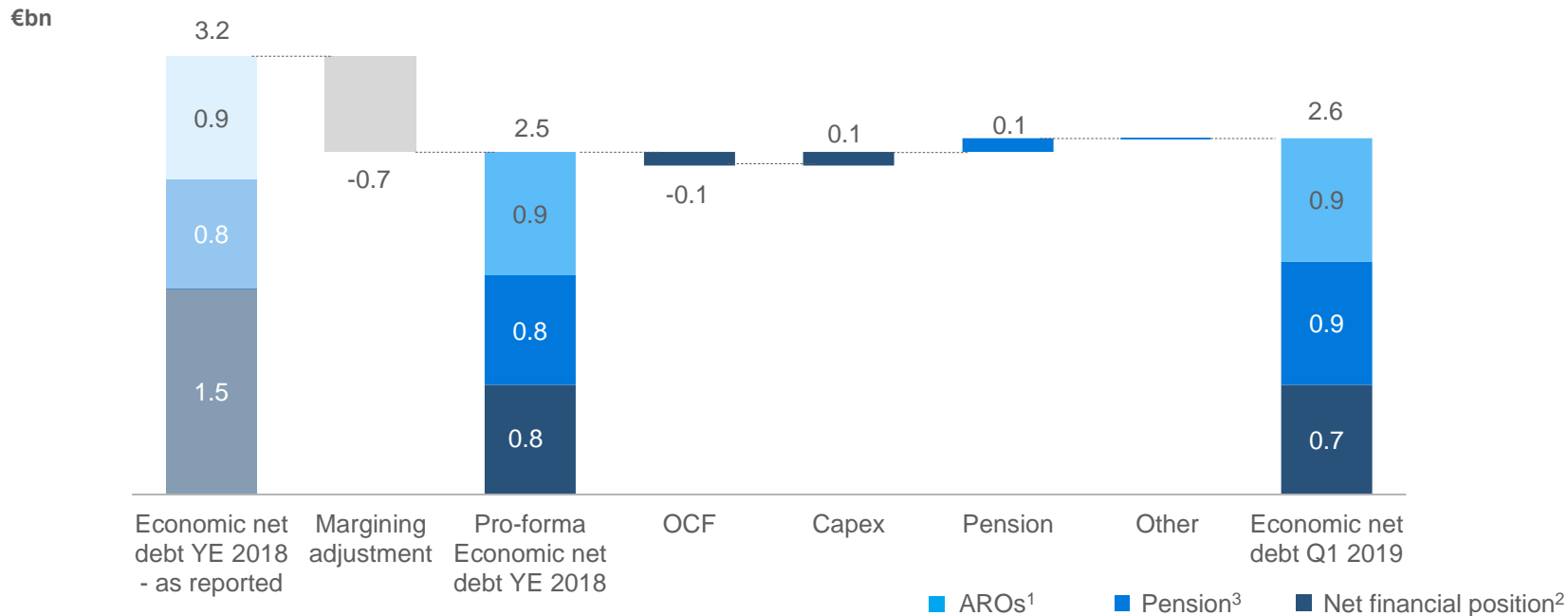
## Reconciliation Adj. EBIT Q1 2019 to Operating Cash Flow Q1 2019

€m



# Economic net debt broadly unchanged

## Reconciliation Economic Net Debt YE 2018 vs. Q1 2019



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Financial Results Q1 2019

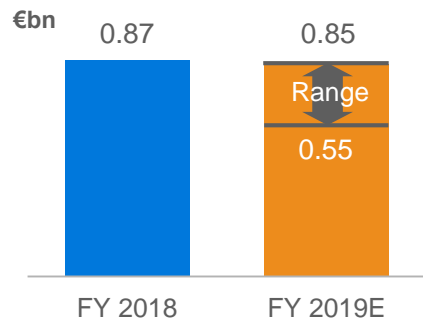
**Outlook FY2019 and beyond**

Appendix

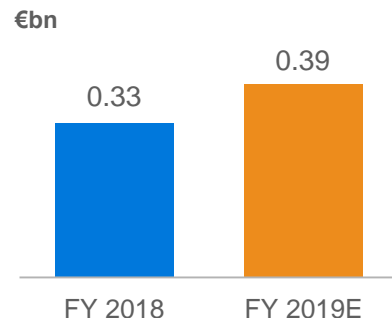


# 2019 Outlook – dividend path reiterated

## Adj. EBIT



## Dividend



## Adjusted EBIT contribution by segment

Segments	EBIT FY 2019E vs FY 2018
European Generation	Significantly below
Global Commodities	Significantly below
International Power	At prior year's level <i>(new)</i>

## Key highlights

### European Generation

- Lapse of 2018 one-offs
- Improving price / volume outright position
- Laps of regulated income as UK capacity market income has not been included in 2019 outlook and normalization in Germany

### Global Commodities

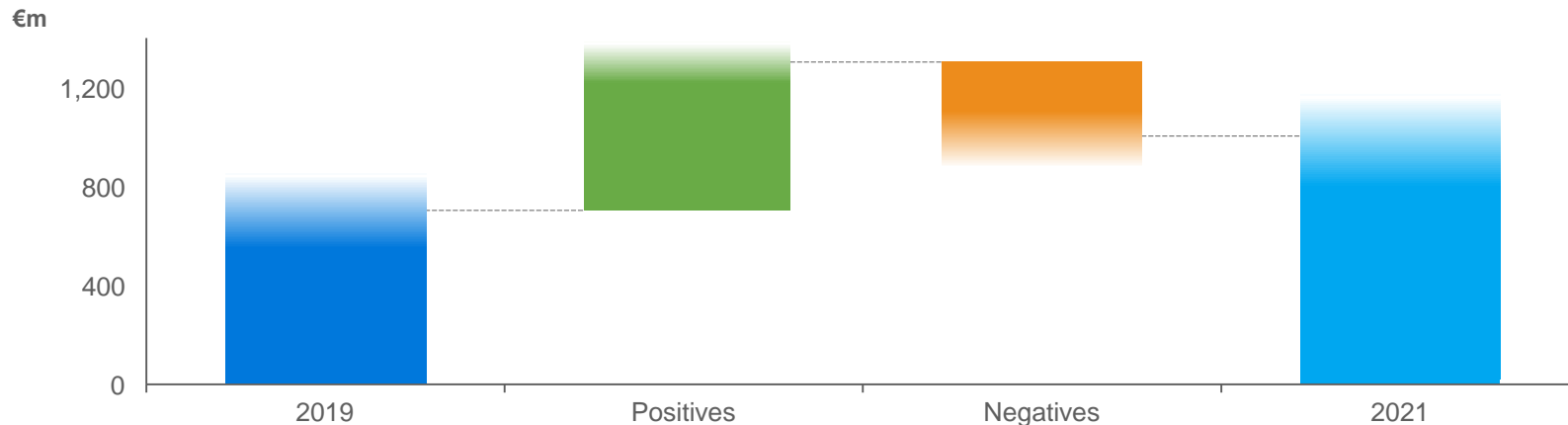
- Lapse of Freeport LNG hedge contribution

### International Power

- Capacity earnings on stable level
- Recovery of day ahead market prices *(new)*
- Improved FX rates *(new)*

**Potential upside of up to ~€120m once UK capacity market is resumed (unchanged)**

# Structural EBIT after 2019 – asset commissioning and power prices

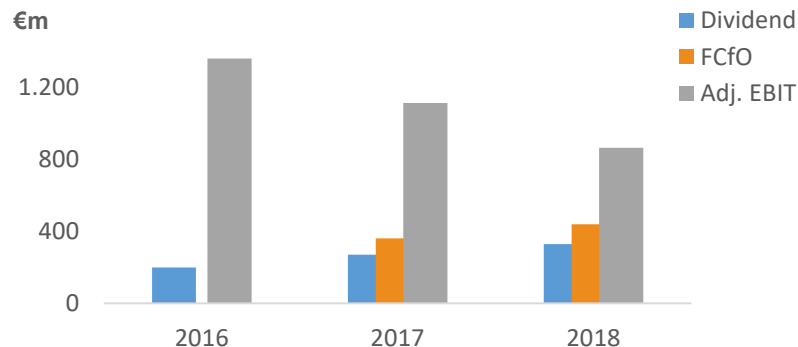


## Drivers

- UK Capacity Market
- Russia FX
- Gas Midstream
- Outright based on current forwards
- UK Capacity Market
- Datteln IV
- Berezovskaya III incl. uplift
- Lapse of other CSA
- Plant closures
- FX and Other

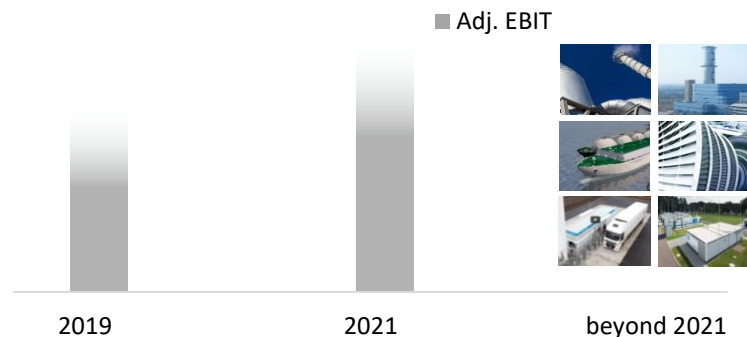
# Trends in earnings and cash now both positive

## Phase 1 – Delivery and tightening the ship



- Dividend above communicated growth path
- Optimized cost, capital and portfolio structure
- Investment focus on legacy growth projects
- Gradual synchronization of earnings and cash flow

## Phase 2 – Setting the sails for organic growth



- Growth in both earnings and Adj. FFO/ FCfO expected
- Dividend aspiration of €490m for FY2020 confirmed
- Asset commissioning and higher achieved prices drive mid-term growth until 2021
- New growth project contribute after 2021; ~€500m capex already allocated to individual projects



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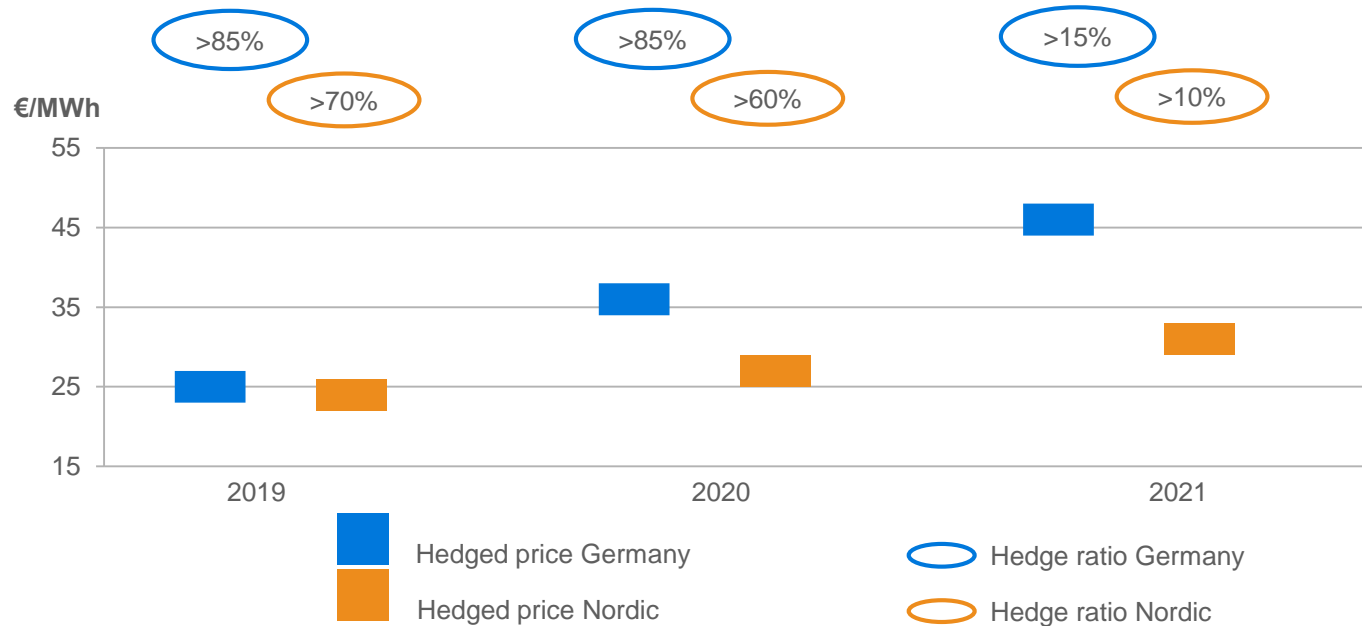
Outlook FY2019 and beyond

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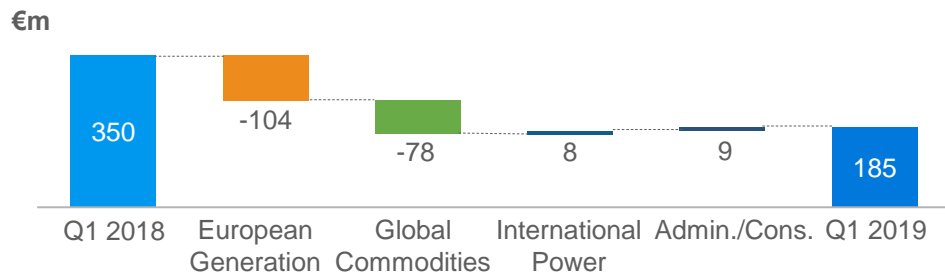
# Outright power hedging in Germany and Nordic

## Outright position – Baseload power price



# Group EBIT(DA) – modest earnings development in Q1 2019

## Adj. EBIT development by segment in Q1 2019



## Adj. EBIT(DA) in Q1 2019

€m	EBITDA Q1 2019	EBIT Q1 2019
European Generation	189	82
Global Commodities	93	56
International Power	121	97
Administration/Consolidation	-47	-50
<b>Total</b>	<b>356</b>	<b>185</b>

### Highlights

#### European Generation

- (-) Intra-year carbon phasing effect
- (-) Lower availability Ringhals & France
- (-) UK capacity payments

#### Global Commodities

- (-) Lower gas margin from storage withdrawals
- (-) Lower contribution from LNG

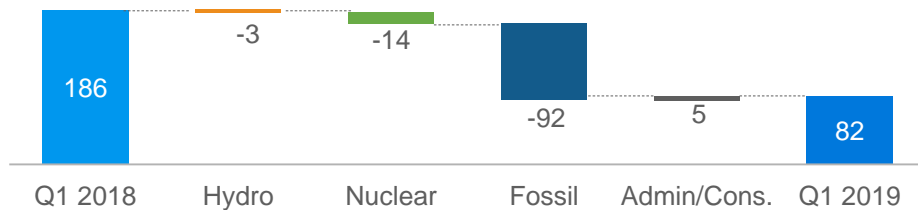
#### International Power

- (+) Higher day-ahead market prices
- (+) Increased generation volumes
- (-) Negative FX effects

# European Generation – negative intra-year carbon phasing effects

## Adj. EBIT development by sub-segment in Q1 2019

€m



## Adj. EBIT(DA) in Q1 2019

€m	EBITDA Q1 2019	EBIT Q1 2019
Hydro	86	72
Nuclear	59	43
Fossil	55	-21
Other/Consolidation	-11	-12
<b>Total</b>	<b>189</b>	<b>82</b>

### Highlights

#### Nuclear

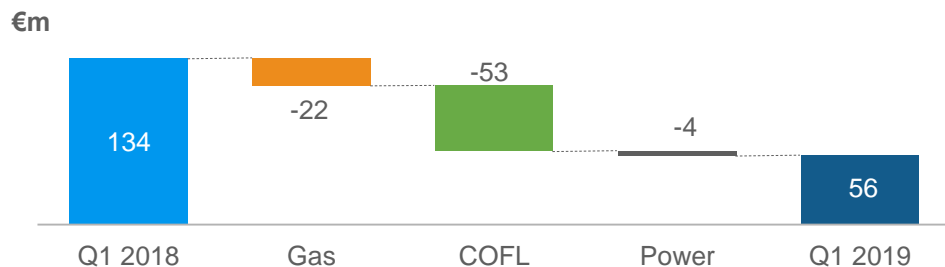
- (-) Unplanned unavailability Ringhals

#### Fossil

- (-) Intra-year carbon phasing effect
- (-) Lower availability in France
- (-) UK capacity payments

# Global Commodities – lapse of positive Freeport hedge effects and lower gas and LNG margins

## Adj. EBIT development by sub-segment in Q1 2019



## Adj. EBIT(DA) in Q1 2019

€m	EBITDA Q1 2019	EBIT Q1 2019
Gas	162	145
COFL	-35	-52
Power	-34	-37
<b>Total</b>	<b>93</b>	<b>56</b>

### Highlights

#### Gas

- (-) Lower gas margin from storage withdrawals

#### COFL

- (-) Lapse of positive effects from Freeport Hedge
- (-) Lower margin contribution from LNG

# International Power – positive price, spread and generation volumes effects

Adj. EBIT development by sub-segment in Q1 2019

€m



Adj. EBIT(DA) in Q1 2019

€m	EBITDA Q1 2019	EBIT Q1 2019
Russia	121	97
<b>Total</b>	<b>121</b>	<b>97</b>

## Highlights

### Russia

- (+) Higher day-ahead market prices
- (+) Increased generation volumes
- (-) Negative FX effects

# Uniper Group – Adjusted EBIT(DA) by segment

## Adj. EBITDA

€m	Q1 2019	Q1 2018	%
European Generation	189	294	-35.7
Global Commodities	93	160	-42.1
International Power	121	112	7.8
Administration / Consolidation	-47	-55	14.6
<b>Total</b>	<b>356</b>	<b>511</b>	<b>-30.4</b>

## Adj. EBIT

€m	Q1 2019	Q1 2018	%
European Generation	82	186	-56.0
Global Commodities	56	134	-58.4
International Power	97	89	9.6
Administration / Consolidation	-50	-59	15.9
<b>Total</b>	<b>185</b>	<b>350</b>	<b>-47.3</b>

# Uniper Group – Adjusted EBIT(DA) by sub-segment

## Adj. EBITDA and EBIT

€m		Q1 2019 Adj. EBITDA	Q1 2018 Adj. EBITDA	Q1 2019 Adj. EBIT	Q1 2018 Adj. EBIT
European Generation	Hydro	86	90	72	75
	Nuclear	59	73	43	57
	Fossil	55	148	-21	71
	Other/ Consol.	-11	-15	-12	-17
	<b>Subtotal</b>	<b>189</b>	<b>294</b>	<b>82</b>	<b>186</b>
Global Commodities	Gas	162	187	145	167
	COFL	-35	5	-52	1
	Power	-34	-30	-37	-33
	<b>Subtotal</b>	<b>93</b>	<b>160</b>	<b>56</b>	<b>134</b>
International Power	Russia	121	112	97	89
	<b>Subtotal</b>	<b>121</b>	<b>112</b>	<b>97</b>	<b>89</b>
Administration / Consolidation		-47	-55	-50	-59
<b>Total</b>		<b>356</b>	<b>511</b>	<b>185</b>	<b>350</b>



# Uniper Group – Key P&L items at a glance

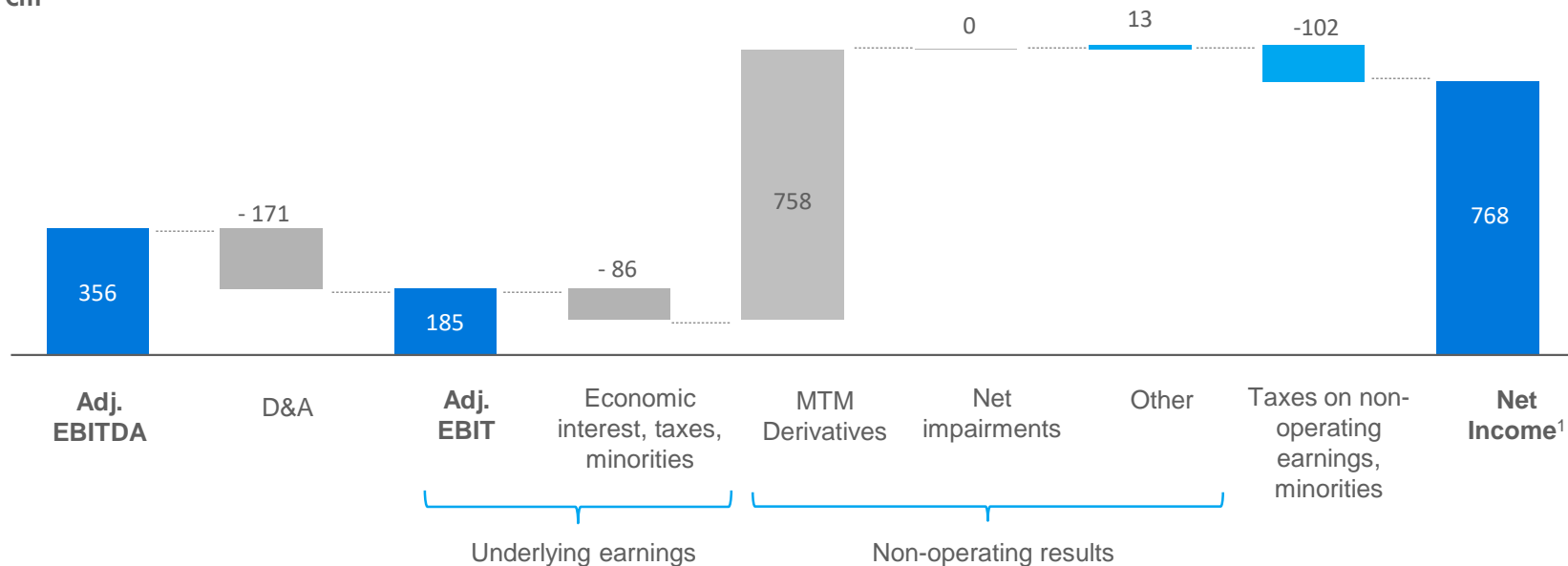
## Key P&L items

€m	Q1 2019	Q1 2018
<b>Sales</b>	<b>21,830</b>	<b>21,025</b>
<b>Adjusted EBITDA</b>	<b>356</b>	<b>511</b>
Economic depreciation and amortization / reversals	-171	-161
<b>Adjusted EBIT</b>	<b>185</b>	<b>350</b>
Non-operating adjustments	780	-225
<b>EBIT</b>	<b>964</b>	<b>125</b>
Net interest income / expense	-34	12
Other financial result	51	3
Income taxes	-191	-10
<b>Net income / loss after income taxes</b>	<b>791</b>	<b>130</b>
Attributable to the shareholders of Uniper SE	768	114
Attributable to non-controlling interests	24	16

# Uniper Group – Adjusted EBITDA to net income

## Reconciliation Adj. EBITDA Q1 2019 to net income Q1 2019

€m



# Uniper Group – Economic interest expense (net)

## Economic interest expense of the Uniper Group

€m	Q1 2019	Q1 2018
Interest from financial assets / liabilities	5	1
Interest cost from provisions for pensions and similar provisions	-5	-4
Accretion of provisions for retirement and obligation and other provisions	-26	-20
Construction period interests <sup>1</sup>	14	18
Other <sup>2,3</sup>	-12	17
<b>Economic interest expense (net)</b>	<b>-24</b>	<b>12</b>

1. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset; borrowing cost are interest costs incurred by an entity in connection with the borrowing of funds.

2. Includes e.g. interest due to tax provisions/ receivables and adjustments due to changes in interest rates on provisions.

3. Result from Swedish Nuclear Waste Fund (KAF) in the amount is moved from Economic interest expenses to 'Other financial result'.

This also is applied retrospectively for Q1 2018 (Q1 2018: €-10m).

# Uniper Group – Non-operating adjustments

## Non-operating adjustments

€m	Q1 2019	Q1 2018
Net book gains / losses	-	-
Fair value measurement of derivative financial instruments	758	-4
Restructuring / cost management expenses	-5	58
Non-operating impairment charges / reversals	-	-270
Miscellaneous other non-operating earnings	26	-9
<b>Non-operating adjustments</b>	<b>780</b>	<b>-225</b>

# Uniper Group – Cash effective investments

## Investments by segment

€m	Q1 2019	Q1 2018	%
European Generation	58	65	-10.8
Global Commodities	6	5	20.0
International Power	42	41	2.4
Administration / Consolidation	3	7	-57.1
<b>Total</b>	<b>108</b>	<b>118</b>	<b>-8.5</b>

## Investment split – maintenance and growth

€m	Q1 2019	Q1 2018	%
Maintenance & replacement	32	34	-5.9
Growth	76	84	-9.5
<b>Total</b>	<b>108</b>	<b>118</b>	<b>-8.5</b>

# Uniper Group – Net financial position

## Net financial position of the Uniper Group<sup>1</sup>

€m	31 Mar 2019	31 Dec 2018
Liquid funds	1,168	1,400
Non-current securities	92	83
Receivables from margining	310	698
Financial liabilities	2,315	2,939
<b>Net financial position</b>	<b>745</b>	<b>757</b>
Provisions for pensions and similar obligations	946	804
Asset retirement obligations	875	948
<b>Economic net debt</b>	<b>2,566</b>	<b>2,509</b>

# Uniper Group – Consolidated balance sheet (1/2)

## Balance sheet of the Uniper Group – Non-current and current assets

€m	31 Mar 2019	31 Dec 2018
Goodwill	1,863	1,816
Intangible assets	759	768
Property, plant and equipment	10,777	10,612
Companies accounted for under the equity method	430	440
Other financial assets	878	866
<i>Equity investments</i>	786	783
<i>Non-current securities</i>	92	83
Financial receivables and other financial assets	3,645	3,618
Operating receivables and other operating assets	3,678	4,914
Income tax assets	6	6
Deferred tax assets	1,085	1,116
<b>Non-current assets</b>	<b>23,121</b>	<b>24,156</b>
Inventories	1,974	1,604
Financial receivables and other financial assets	603	1,391
Trade receivables and other operating assets	18,135	21,468
Income tax assets	42	40
Liquid funds	1,168	1,400
Assets held for sale	987	546
<b>Current assets</b>	<b>22,909</b>	<b>26,449</b>
<b>Total assets</b>	<b>46,030</b>	<b>50,605</b>

# Uniper Group – Consolidated balance sheet (2/2)

## Balance sheet of the Uniper Group – Equity and liabilities

€m	31 Mar 2019	31 Dec 2018
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,703	3,032
Accumulated other comprehensive income	-3,301	-3,531
<b>Equity attributable to the shareholders of Uniper SE</b>	<b>11,848</b>	<b>10,948</b>
Attributable to non-controlling interest	560	497
<b>Equity (net assets)</b>	<b>12,408</b>	<b>11,445</b>
Financial liabilities	1,194	1,187
Operating liabilities	3,706	4,856
Provisions for pensions and similar obligations	946	804
Miscellaneous provisions	5,378	5,455
Deferred tax liabilities	489	355
<b>Non-current liabilities</b>	<b>11,713</b>	<b>12,657</b>
Financial liabilities	1,121	1,752
Trade payables and other operating liabilities	18,651	22,469
Income taxes	43	47
Miscellaneous provisions	1,297	1,478
Liabilities associated with assets held for sale	798	757
<b>Current liabilities</b>	<b>21,909</b>	<b>26,503</b>
<b>Total equity and liabilities</b>	<b>46,030</b>	<b>50,605</b>



# Uniper Group – Consolidated statement of cash flows (1/2)

## Statement of cash flows Uniper Group

€m	Q1 2019	Q1 2018
<b>Net income / loss</b>	<b>791</b>	<b>130</b>
Depreciation, amortization and impairment of intangibles / property, plant, equipment	174	434
Changes in provisions	-167	-65
Changes in deferred taxes	181	30
Other non-cash income and expenses	-92	75
Gain / loss on disposals	-4	-31
Changes in operating assets and liabilities and in income tax	-778	47
<b>Cash provided (used for) by operating activities</b>	<b>105</b>	<b>620</b>
Proceeds from disposals	9	95
Payments for investments	-108	-118
Proceeds from disposals of securities (>3M) and of financial receivables	636	351
Purchases of securities (>3M) and of financial receivables	-205	-970
Changes in restricted cash and cash equivalents	-	-82
<b>Cash provided (used for) by investing activities</b>	<b>332</b>	<b>-724</b>

# Uniper Group – Consolidated statement of cash flows (2/2)

## Statement of cash flows Uniper Group

€m	Q1 2019	Q1 2018
<b>Cash provided (used for) by investing activities</b>	<b>332</b>	<b>-724</b>
Payments received / made from changes in capital	-	5
Proceeds from financial liabilities	8	311
Repayment of financial liabilities	-675	-34
<b>Cash provided (used for) by financing activities</b>	<b>-666</b>	<b>282</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>-230</b>	<b>178</b>
Effect from foreign exchange rates on cash and cash equivalents	10	-4
Cash and cash equivalents at the beginning of the year	1,138	852
Cash and cash equivalents arising from first-time consolidation	8	-
Cash and cash equivalents of deconsolidated companies	-3	-1
<b>Cash and cash equivalents at the end of the quarter</b>	<b>925</b>	<b>1,025</b>

# Financial calendar & further information

## Financial calendar

22 May 2019

AGM (Düsseldorf, Congress Center)

08 August 2019

Interim Report January – June 2019

12 November 2019

Quarterly Statement January – September 2019

10 March 2020

Annual Report 2019

07 May 2020

Quarterly Statement January – March 2020

11 August 2020

Interim Report January – June 2020

10 November 2020

Quarterly Statement January – September 2020



## Further information

<https://ir.uniper.energy>



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