



# Empower Energy Evolution

## **H1 2020 Interim Results**

Andreas Schierenbeck – CEO

Sascha Bibert – CFO

11 August 2020



## Highlights

Financial results H1 2020 and outlook

Appendix

# Highlights

## Performance

- Adj. EBIT in H1 2020 €691m (vs. €308m in H1 2019)
- Adj. Net Income in H1 2020 €527m (vs. €189m in H1 2019)
- Apart from generally lower prices, Covid-19 business impact mainly limited to project development
- Full-year 2020 outlook range narrowed, resulting in a slightly higher mid-point



## Portfolio & Strategy

- Uniper intensifies hydrogen activities by expanding the team and collaborating with GE and Siemens to decarbonize portfolio
- Preparation to participate in Germany's upcoming coal exit tenders
- German CCGT power plants Irsching 4+5 back in merchant market
- Datteln 4 in operations since end of May, Berezovskaya 3 CoD shifted into H1 2021



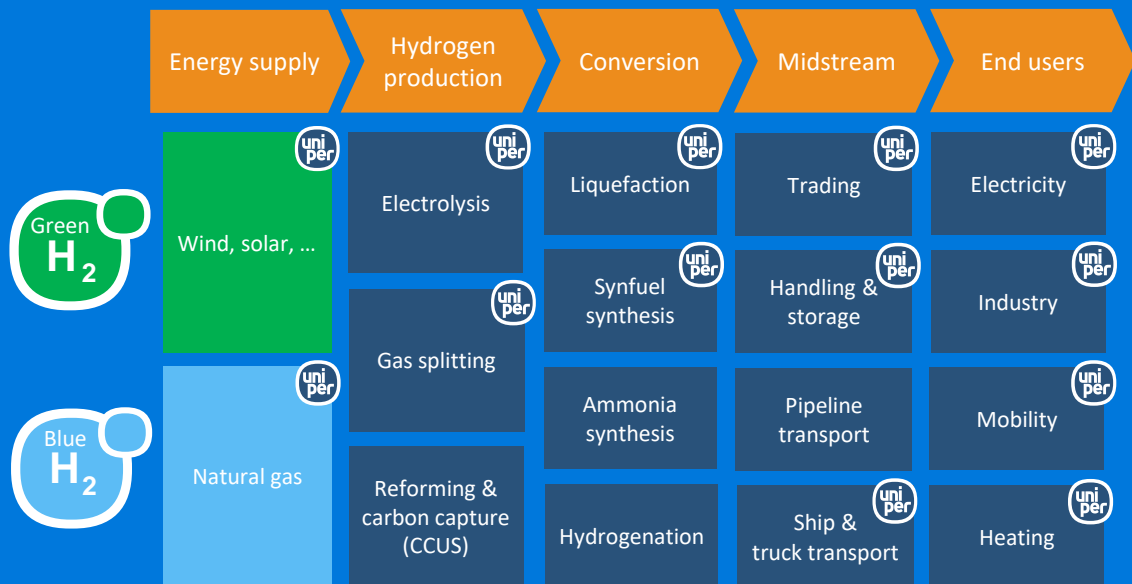
## Shareholders

- Five new shareholder representatives elected to the Supervisory Board at Uniper's 1st virtual AGM in May
- We welcome the appointment of the new CEO at Fortum
- Plan to develop more joint strategic options between Uniper and Fortum for the benefit of all stakeholders



# The development of our hydrogen strategy is a key priority

## Uniper's focus areas on the hydrogen value

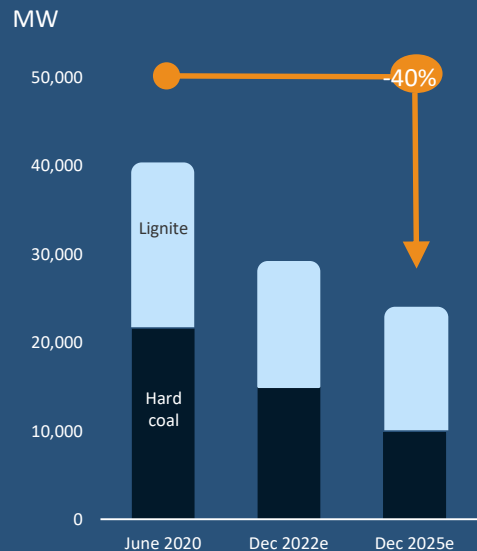


## Key developments

- EU and Germany with ambitious new hydrogen plans
- EU's roadmap heading for 40 GW of electrolyser capacity by 2030 with Germany contributing 5 GW
- Green and blue hydrogen needed to decarbonize Europe
- Uniper with multi-approach strategy:
  - Supporting policy makers in creating a functioning regulatory framework
  - JVs to be part of flagship projects
  - JV with technology leader to enable the power sector to be hydrogen-ready

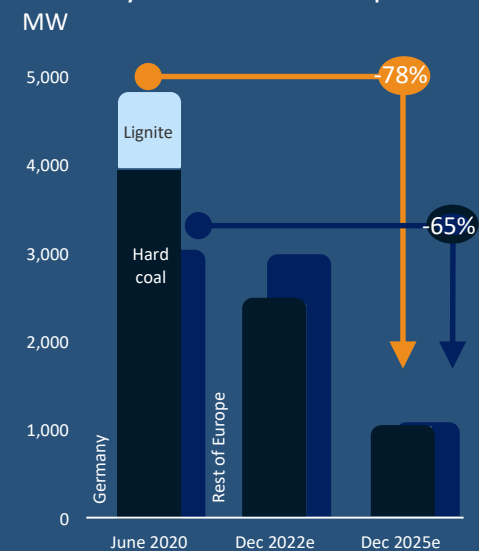
# Execution of our European coal phase-out plan is progressing

## Germany's coal exit path<sup>1</sup>



## Uniper's coal exit path

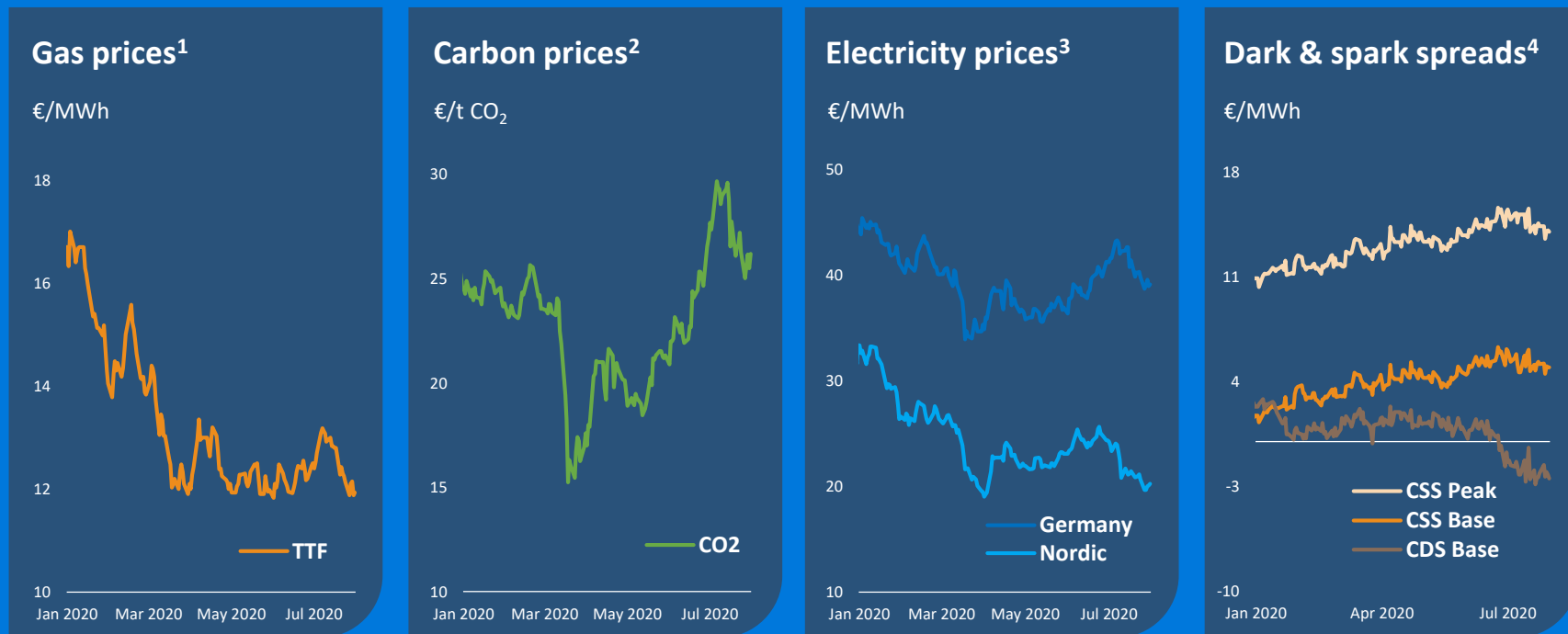
Germany and rest of Europe



## Key developments

- Uniper committed to significant reduction in its European coal power capacity by 2025 (of which Germany alone c.-78%)
- Adoption of German Coal Phase-out Act on 3 July creates more clarity
- 1st German hard coal tender scheduled for 1 September
- Uniper goes ahead with site conversion plans

# Markets – Spark spreads increased in forward markets

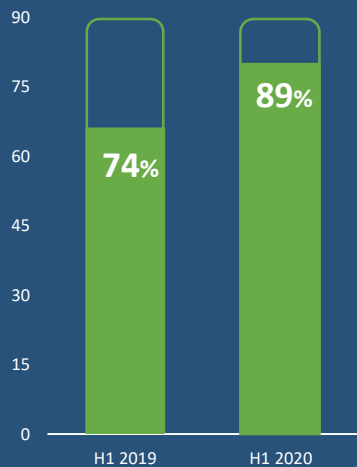


# Operating indicators – Lower demand for fossil generation

## Global Commodities

Gas storage filling<sup>1</sup>

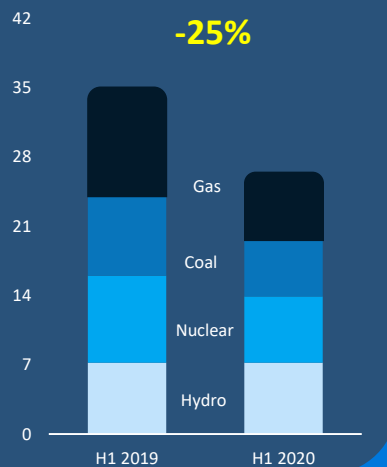
TWh



## European Generation

Production volume<sup>2</sup>

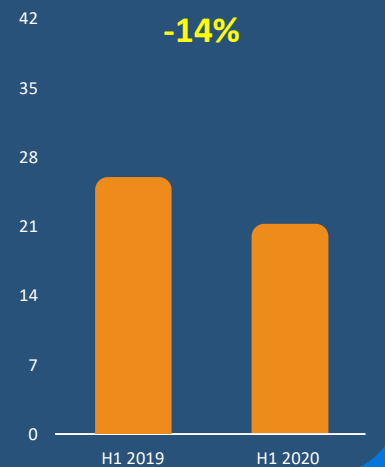
TWh



## Russian Power Gen.

Production volume

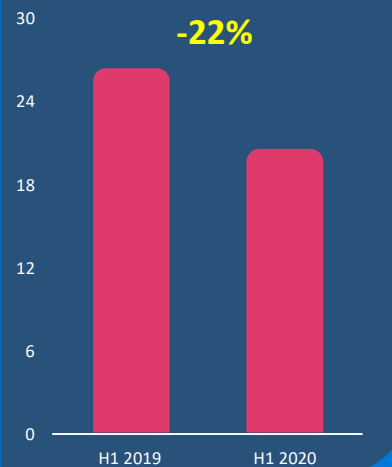
TWh



## Carbon emissions

Scope 1

m tons





Highlights

**Financial results H1 2020 and outlook**

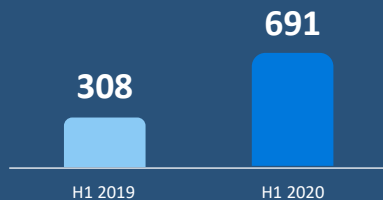
Appendix



# Key financials H1 2020 – Strong performance, higher net debt

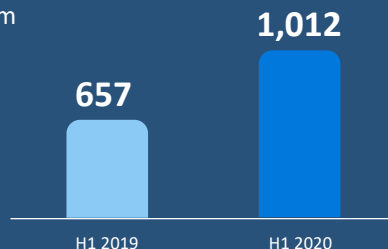
## Adj. EBIT

€m



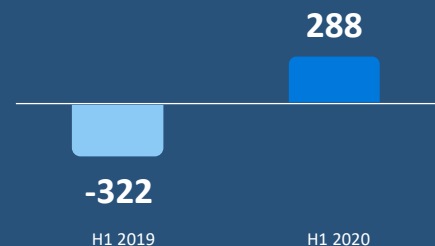
## Adj. EBITDA

€m



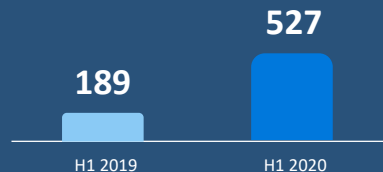
## OCF

€m



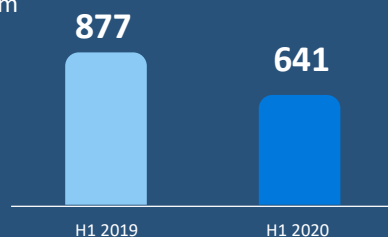
## Adj. Net Income

€m



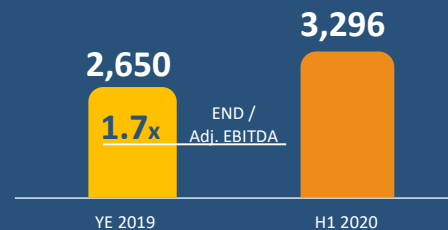
## Net Income<sup>1</sup>

€m



## Economic Net Debt

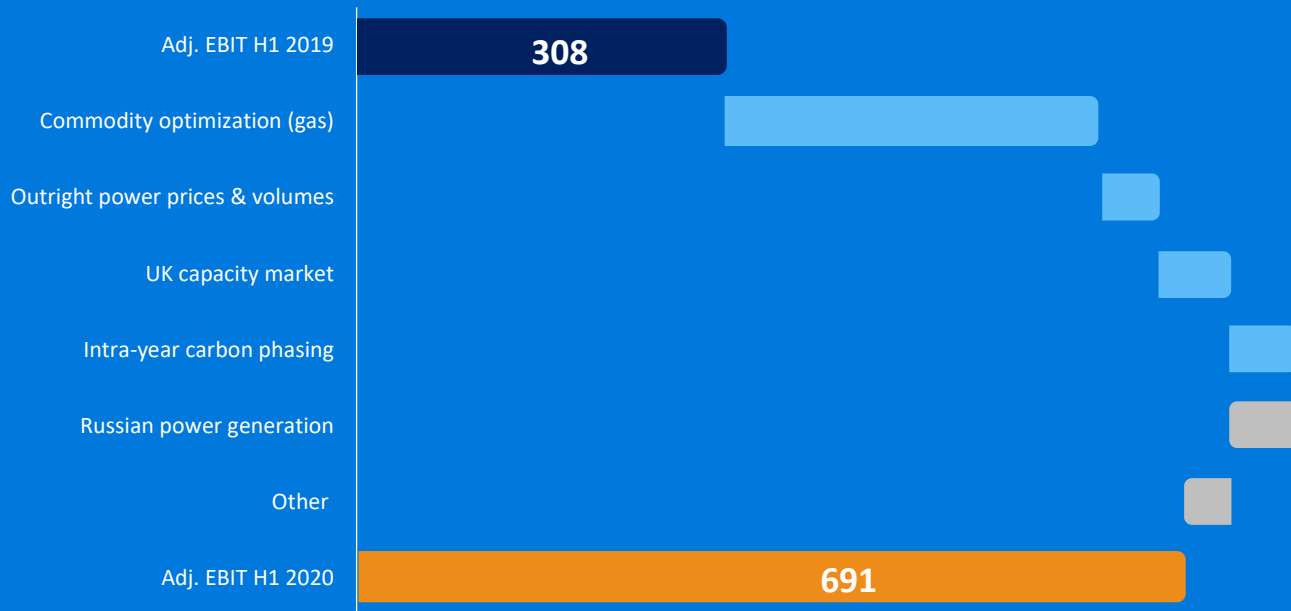
€m



# Adjusted EBIT – Increase due to high gas result and resilient power generation

## Reconciliation Adj. EBIT H1 2019 to H1 2020

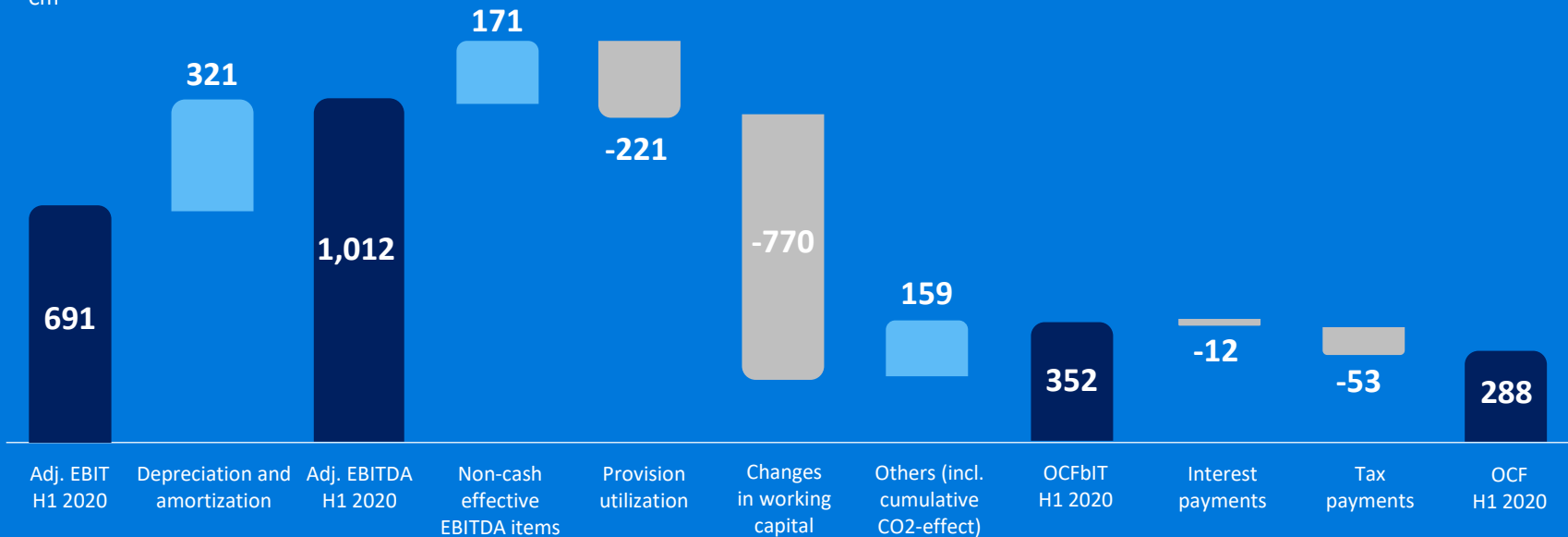
€m



# Adj. EBIT(DA) to OCF – Already close to seasonal peak in working capital after H1

## Reconciliation Adj. EBIT H1 2020 to Operating Cash Flow H1 2020

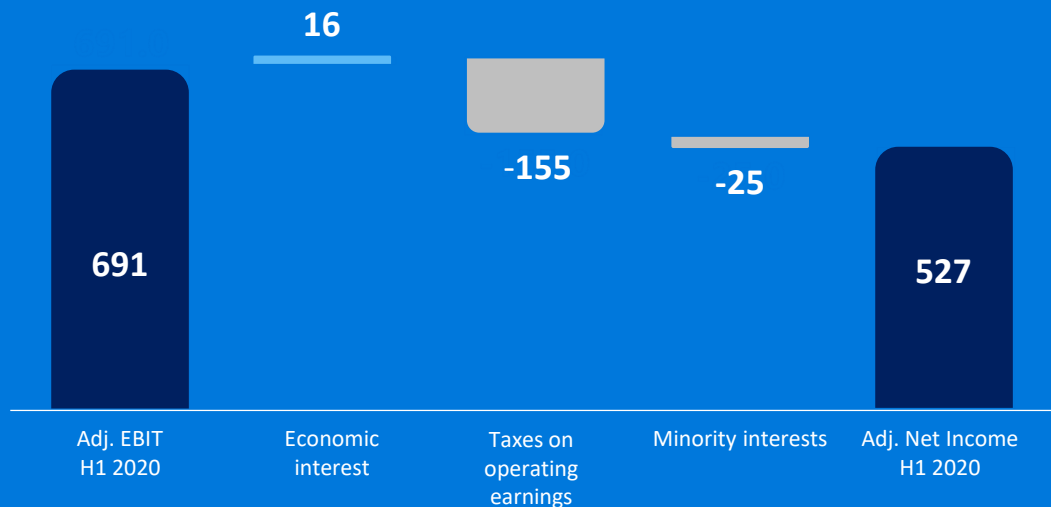
€m



# Adjusted Net Income – Economic interest & taxes as expected

## Reconciliation of Adj. EBIT H1 2020 to Adj. Net Income H1 2020

€m

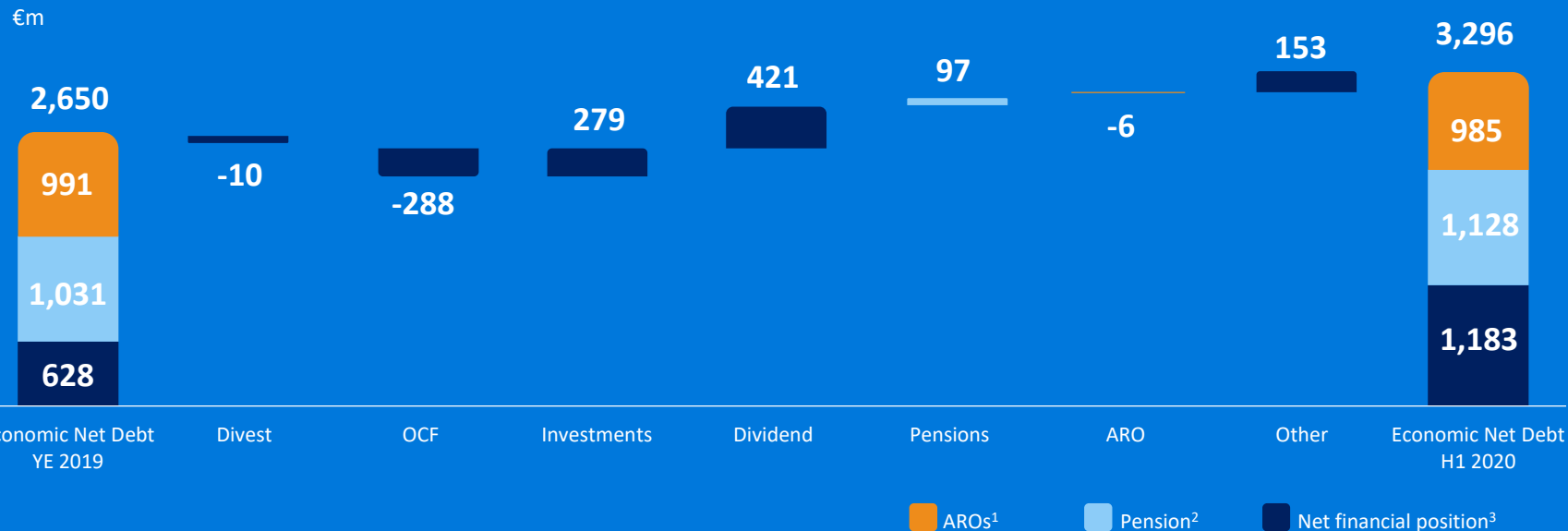


## Key developments

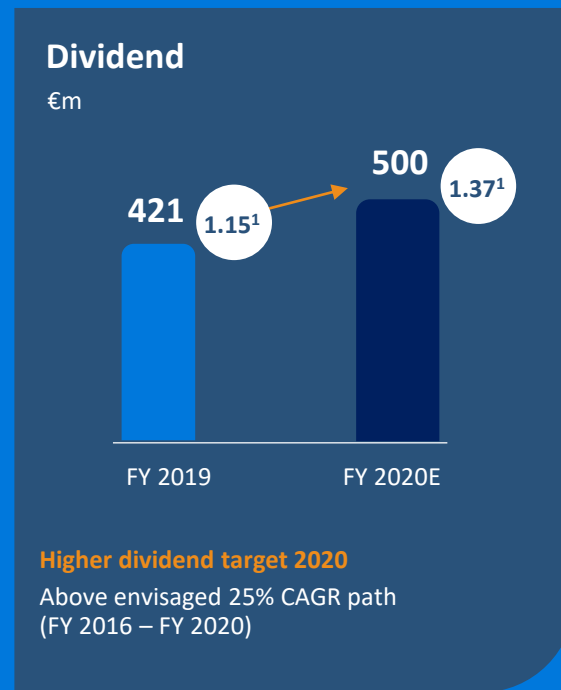
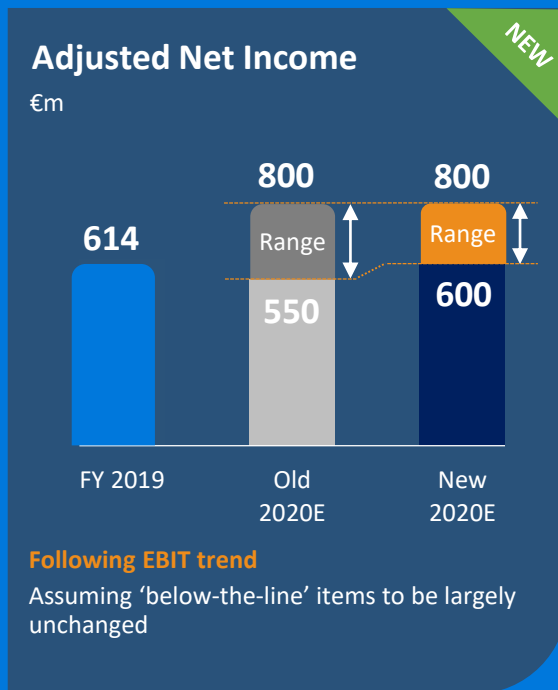
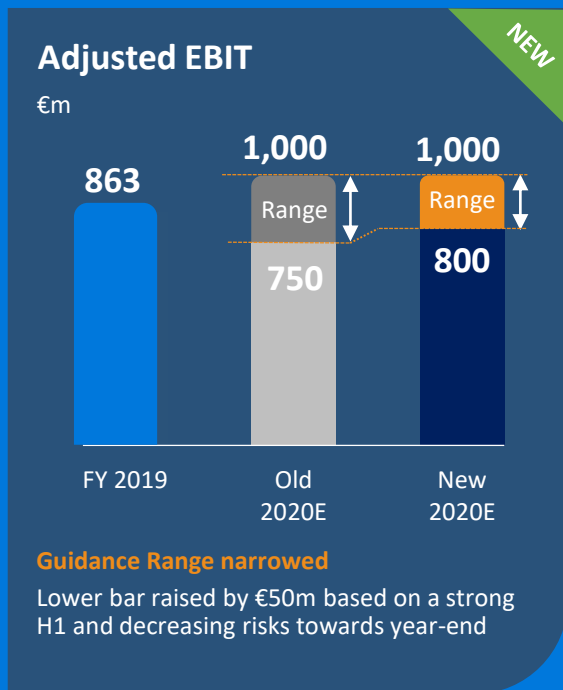
- Economic interest result with positive trend
- Structurally, interest result is supported by:
  - Sizeable interest income from assets
  - Low financial debt level
  - Lower expenses from the accretion of interest on long-term provisions (pension and asset retirement obligations) going forward
- Tax rate on operating earnings of 22% in H1 within the guided range of 20% to 25%
- Minority interests driven by Uniper

# Economic Net Debt – As usual H1 up due to dividend payments

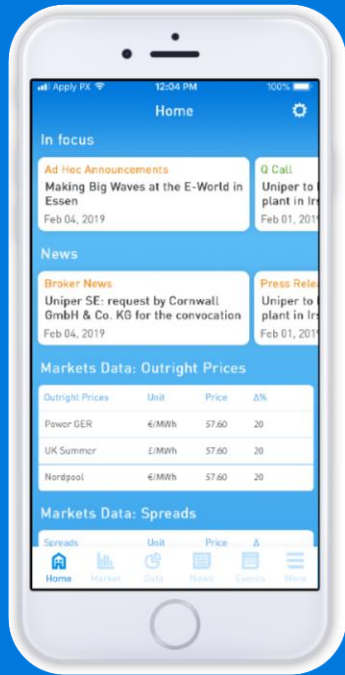
## Reconciliation of Economic Net Debt YE 2019 to H1 2020



# Outlook FY 2020 – Guidance narrowed; mid-point slightly up



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Highlights

Financial results H1 2020 and outlook

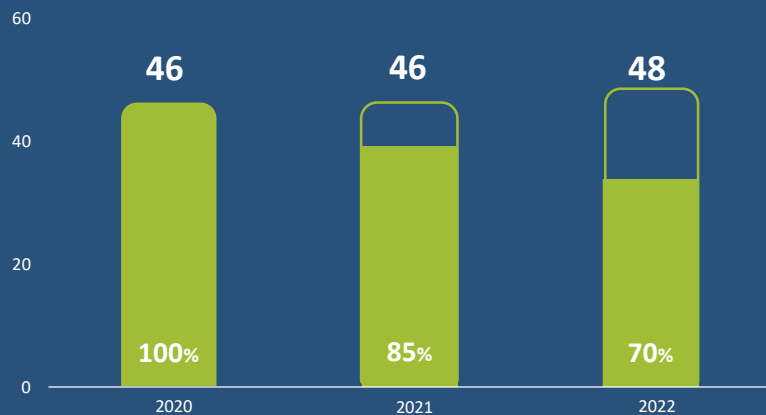
**Appendix**



# Outright power hedging in Germany and Nordic

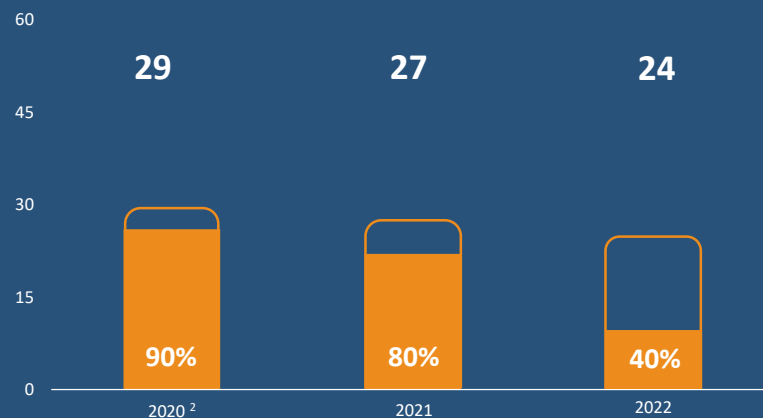
## Hedged prices and hedge ratios Germany<sup>1</sup>

€/MWh



## Hedged prices and hedge ratios Nordic<sup>1</sup>

€/MWh



# Uniper Group – Generation capacity in Europe and Russia

## Generation capacity

In MW <sup>1</sup>		30 Jun 2020	31 Dec 2019
<b>Gas</b>	Russia <sup>2</sup>	7,131	7,131
	UK	4,188	4,188
	Germany	2,912	2,912
	Netherlands	525	526
	Sweden	447	447
	Hungary	428	428
	<b>Hard coal</b>	Germany	3,954
	UK	2,000	2,000
	Netherlands	1,070	1,070
<b>Lignite</b>	Russia <sup>2</sup>	1,895	1,906
	Germany	500	500
<b>Hydro</b>	Germany	1,927	1,927
	Sweden	1,771	1,771
<b>Nuclear</b>	Sweden	1,996	1,988
<b>Other</b>	Germany	1,418	1,418
	Sweden	1,162	1,162
	UK	221	221
<b>Total</b>		<b>33,546</b>	<b>32,497</b>

# Uniper Group – Net electricity generation volumes in Europe and Russia

## Electricity generation volumes

In TWh <sup>1</sup>		H1 2020	Q2 2020	H1 2019
<b>Gas</b>	Russia	18.1	8.2	21.3
	UK	4.6	2.1	6.7
	Germany	0.3	0.1	0.5
	Netherlands	0.7	0.2	0.9
	France <sup>3</sup>	0.0	0.0	2.0
	Hungary	1.1	0.5	1.2
	Sweden	0.0	0.0	0.0
	<b>Hard coal</b>	Germany	2.6	1.2
UK		0.0	0.0	0.6
Netherlands		1.7	0.8	1.6
France <sup>3</sup>		0.0	0.0	0.3
<b>Lignite</b>	Russia	2.8	1.2	3.8
	Germany	1.3	0.4	2.2
<b>Hydro</b>	Germany <sup>2</sup>	2.2	1.1	2.8
	Sweden	5.0	2.4	4.4
<b>Nuclear</b>	Sweden	6.7	2.7	8.8
<b>Total</b>		<b>47.1</b>	<b>20.9</b>	<b>60.4</b>

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

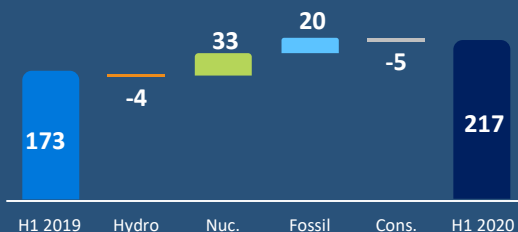
## Adjusted EBITDA and EBIT

€m		H1 2020 Adj. EBITDA	H1 2019 Adj. EBITDA	H1 2020 Adj. EBIT	H1 2019 Adj. EBIT
European Generation	<b>Subtotal</b>	<b>397</b>	<b>390</b>	<b>217</b>	<b>173</b>
	Hydro	168	171	138	142
	Nuclear	112	83	85	52
	Fossil	140	153	19	-1
	Other/ Consol.	-23	-18	-25	-20
Global Commodities	<b>Subtotal</b>	<b>656</b>	<b>170</b>	<b>571</b>	<b>91</b>
	Gas	564	226	525	191
	COFL	35	5	5	-33
	Power	57	-61	41	-67
Russian Power Generation		<b>172</b>	<b>220</b>	<b>123</b>	<b>174</b>
Administration / Consolidation		<b>-212</b>	<b>-124</b>	<b>-220</b>	<b>-130</b>
<b>Total</b>		<b>1,012</b>	<b>657</b>	<b>691</b>	<b>308</b>

# Adjusted EBIT – Development by sub-segment

## European Generation

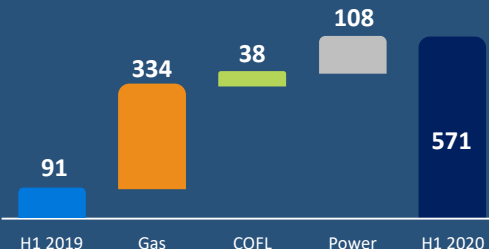
€m



- **Hydro:** Higher volume effect offset by higher one-off costs
- **Nuclear:** Positive price effect partly offset by lower volumes due to outages & phase-out of Ringhals 2
- **Fossil:** UK capacity market income, positive carbon phasing effect partly offset by lapse of positive carbon management effects (intra-group phasing with GloCo)

## Global Commodities

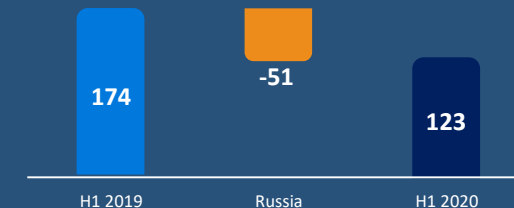
€m



- **Gas midstream:** Extraordinary gas optimization
- **COFL:** Higher sales volumes
- **Power:** Lapse of negative carbon management effects (intra-group phasing with European Generation)

## Russian Power Generation

€m



- **Russia:** Negative volume/price effect mainly driven by lower demand due to Covid-19, lower exports and higher hydro generation

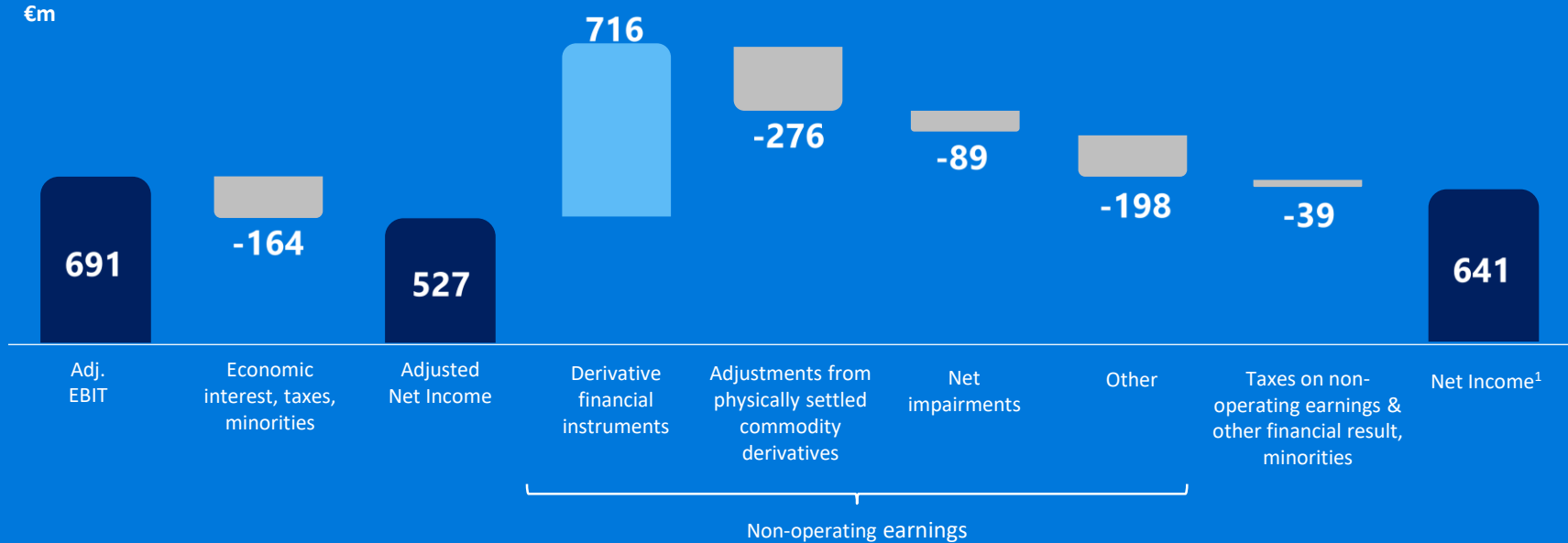
# Uniper Group – Key financial performance items

## Reconciliation of Adjusted EBITDA to Adjusted Net Income and Net income

€m	H1 2020	H1 2019
<b>Adjusted EBITDA</b>	<b>1,012</b>	<b>657</b>
Economic depreciation and amortization / reversals	-321	-349
<b>Adjusted EBIT</b>	<b>691</b>	<b>308</b>
Economic interest result	16	-36
Minority participations on operating result	-25	-29
Taxes on operating result	-155	-54
<b>Adjusted net income</b>	<b>527</b>	<b>189</b>
Non-operating result (before taxes and minorities)	153	754
Minority participations on non-operating earnings and on other financial result	-11	-14
Taxes on non-operating result	-16	-120
Other financial result	-15	87
Taxes on the other financial result	2	-18
<b>Net income/ loss attributable to shareholder of the Uniper SE</b>	<b>641</b>	<b>877</b>
<b>Sales</b>	<b>19,977</b>	<b>33,736</b>

# Uniper Group – Adjusted EBIT to Net Income

## Reconciliation of Adjusted EBIT H1 2020 to Net Income H1 2020



# Uniper Group – Economic interest result (net)

## Economic interest result

€m	H1 2020	H1 2019
Interest rate effects for leasing	-12	-12
Interest from financial assets / liabilities	36	33
Interest cost from provisions for pensions and similar provisions	-8	-11
Accretion of provisions for asset retirement obligation and other provisions	-8	-9
Capitalized interest <sup>1</sup>	41	32
Other <sup>2</sup>	-34	-69
<b>Economic interest result (net)</b>	<b>16</b>	<b>-36</b>



# Uniper Group – Non-operating adjustments

## Non-operating adjustments w/o interest<sup>1</sup>

€m	H1 2020	H1 2019
Impact of derivative financial instruments	-716	-473
Adjustments of revenue and cost of materials from physically settled commodity derivatives to the contract price	276	-231
Restructuring / cost management expenses / income	60	4
Non-operating impairment charges / reversals	89	2
Miscellaneous other non-operating earnings	111	-112
Net book gains / losses	-1	-
<b>Non-operating adjustments w/o interest</b>	<b>-182</b>	<b>-810</b>

# Uniper Group – Cash-effective investments

## Investments by segment

€m	H1 2020	H1 2019	%
European Generation	187	133	40.6
Global Commodities	27	14	92.9
Russian Power Generation	57	84	-32.1
Administration / Consolidation	9	9	0.0
<b>Total</b>	<b>279</b>	<b>240</b>	<b>16.6</b>

## Investment split – Maintenance and growth

€m	H1 2020	H1 2019	%
Maintenance & replacement	104	94	10.5
Growth	175	145	20.6
<b>Total</b>	<b>279</b>	<b>240</b>	<b>16.6</b>

# Uniper Group – Net financial position

## Net financial position

€m	30 Jun 2020	31 Dec 2019
Liquid funds	669	871
Non-current securities	87	100
Margining receivables	200	336
Financial liabilities and liabilities from leases	2,140	1,935
<b>Net financial position</b>	<b>1,183</b>	<b>628</b>
Provisions for pensions and similar obligations	1,128	1,031
Asset retirement obligations <sup>1)</sup>	985	991
<b>Economic Net Debt</b>	<b>3,296</b>	<b>2,650</b>

1. Reduced by receivables from the Swedish Nuclear Waste Fund.

Due to IFRS valuation rules (IFRIC 5), €276 million (December 31, 2019: €291 million) of Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund may not be capitalized on the balance sheet. Accordingly, there exists an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet, and the economic net obligation for the decommissioning of the Swedish nuclear power plants is thus reported too high in the table by the amount of this receivable."

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

## Balance sheet – Non-current and current assets<sup>1</sup>

€m	30 Jun 2020	31 Dec 2019
Goodwill	1,816	1,886
Intangible assets	733	742
Property, plant and equipment and right-of-use assets	9,810	10,201
Companies accounted for under the equity method	451	446
Other financial assets	644	710
Financial receivables and other financial assets	3,836	3,813
Receivables from derivative financial instruments	4,259	4,787
Other operating assets and contract assets	163	159
Income tax assets	-	-
Deferred tax assets	894	988
<b>Non-current assets</b>	<b>22,607</b>	<b>23,732</b>
Inventories	1,862	1,508
Financial receivables and other financial assets	518	651
Trade receivables	4,132	7,090
Receivables from derivative financial instruments	10,552	8,601
Other operating assets and contract assets	992	1,287
Income tax assets	47	16
Liquid funds	669	871
<b>Current assets</b>	<b>18,771</b>	<b>20,024</b>
<b>Total assets</b>	<b>41,378</b>	<b>43,756</b>

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

## Balance sheet – Equity and liabilities<sup>1</sup>

€m	30 Jun 2020	31 Dec 2019
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,262	3,145
Accumulated other comprehensive income	-3,564	-3,207
<b>Equity attributable to the shareholders of Uniper SE</b>	<b>11,145</b>	<b>11,386</b>
Attributable to non-controlling interest	516	556
<b>Equity (net assets)</b>	<b>11,660</b>	<b>11,942</b>
Financial liabilities and liabilities from leases	1,116	1,119
Liabilities from derivative financial instruments	4,353	4,277
Other operating liabilities and contract liabilities	267	694
Provisions for pensions and similar obligations	1,128	1,031
Miscellaneous provisions	5,409	5,422
Deferred tax liabilities	379	410
<b>Non-current liabilities</b>	<b>12,653</b>	<b>12,954</b>
Financial liabilities and liabilities from leases	1,023	815
Trade payables	4,439	7,308
Liabilities from derivative financial instruments	9,531	8,238
Other operating liabilities and contract liabilities	1,067	1,322
Income taxes	96	61
Miscellaneous provisions	908	1,115
<b>Current liabilities</b>	<b>17,065</b>	<b>18,860</b>
<b>Total equity and liabilities</b>	<b>41,378</b>	<b>43,756</b>

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

## Statement of cash flows<sup>1</sup>

€m	H1 2020	H1 2019
<b>Net income / loss</b>	<b>677</b>	<b>921</b>
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	562	357
Changes in provisions	-166	-589
Changes in deferred taxes	113	178
Other non-cash income and expenses	-205	-93
Gain/loss on disposal of intangible assets, property, plant and equipment, equity investments and securities (> 3M)	-1	-12
Changes in operating assets and liabilities and in income taxes	-693	-1,084
<b>Cash provided by operating activities (operating cash flow)</b>	<b>288</b>	<b>-322</b>
Proceeds from disposals	10	423
Payments for investments	-279	-240
Proceeds from disposals of securities (>3M) and of financial receivables and fixed-term deposits	223	839
Purchases of securities (>3M) and of financial receivables and fixed-term deposits	-171	-424
Changes in restricted cash and cash equivalents	-	-
<b>Cash provided (used for) by investing activities</b>	<b>-217</b>	<b>598</b>

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

## Statement of cash flows<sup>1</sup>

€m	H1 2020	H1 2019
Cash proceeds/payments arising from changes in capital structure	4	3
Cash dividends paid to shareholders of Uniper SE	-421	-329
Cash dividends paid to other shareholders	-15	-
Proceeds from new financial liabilities	386	559
Repayments of financial liabilities and reduction of outstanding lease liabilities	-270	-986
<b>Cash provided (used for) by financing activities</b>	<b>-315</b>	<b>-753</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>-245</b>	<b>-477</b>
Effect of foreign exchange rates on cash and cash equivalents	-6	6
Cash and cash equivalents at the beginning of the reporting period	825	1.138
Cash and cash equivalents from disposal groups	-	-4
Cash and cash equivalents of first-time consolidated companies	-	8
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>575</b>	<b>670</b>

# Financial calendar & further information

## Financial calendar

10 November 2020

Quarterly Statement January – September 2020

04 March 2021

2020 Annual Report

06 May 2021

Quarterly Statement January – March 2021

19 May 2021

2021 Annual Shareholders Meeting

10 August 2021

Interim Report January – June 2021

## Further information

<https://ir.uniper.energy>





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