

**uni
per**

H1 2018

Interim Results

Christopher Delbrück – CFO

07 August 2018

18

Agenda

1. H1 2018 – Highlights
2. H1 2018 – Financial results
3. Appendix

18

Essentials of H1 2018

Shareholder

Fortum new major shareholder
Markus Rauramo to join the Supervisory Board

Market & Strategy

Robust tailwind from commodity markets
Uniper actively accompanying coal exit plans in Europe
Strategy implementation taking form

Earnings

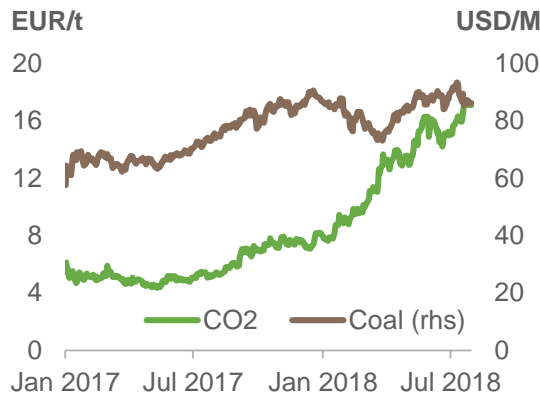
Solid H1 Adjusted EBIT at €601m – expected decrease due to lapse of one-off effects
Adjusted FFO down 13% to €589m – on track for full year target

Outlook & Dividend

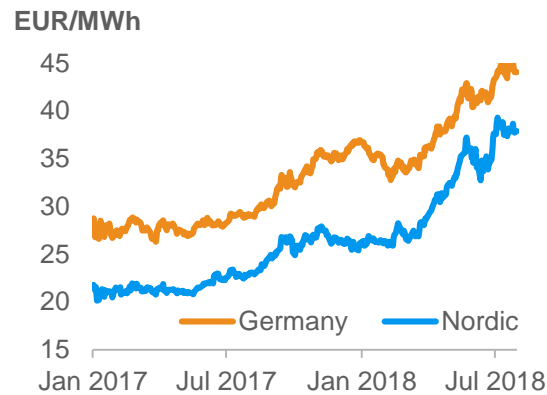
Outlook for FY 2018 confirmed with Adjusted EBIT of €0.8bn to €1.1bn
Dividend proposal for fiscal year 2018 of €310m and ambition of CAGR 25% p.a. until 2020 confirmed

Commodity markets – Manifestation of positive trend

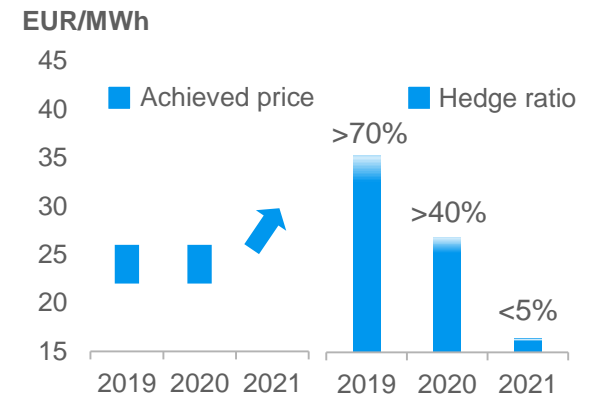
CO₂ prices and coal forwards



Baseload forwards



Uniper Nordic outright hedges



Strong commodity prices

- Signal of growing demand and geopolitical uncertainties
- Carbon prices anticipate the significant reduction in auctioned allowances
- Coals prices trading up on Asian demand

Electricity prices massively up

- Electricity prices in Central and Northern Europe commodity price driven
- Carbon price should remain a major price-influencing factor
- Market prices still not reflecting looming structural market changes

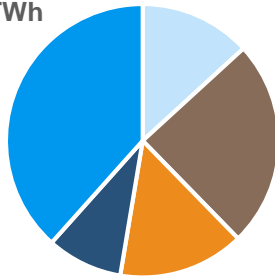
Upside in the outer year

- Outright hedging with slightly rising average realized prices
- Hedging slowed down with strong market view
- Limited sensitivity on upside for 2018 and 2019
- Largely unhedged outright portfolio giving upside especially for 2021

Uniper actively accompanying coal exit plans in Europe

Germany

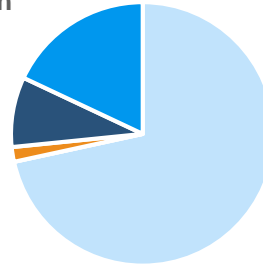
578 TWh



Uniper
21 TWh

France

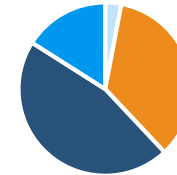
527 TWh



Uniper
8 TWh

Netherlands

112 TWh



Uniper
10 TWh

Generation mix: ■ Nuclear ■ Lignite ■ Hard coal ■ Gas ■ Renewables

Commission just established

- One target is to reduce emissions in socially acceptable way
- Comprehensive view needed to reconcile all topics
- Uniper favors concepts with a holistic approach – e.g. reissue of a safety reserve

Coal exit immediately ahead

- French plans to close all coal-fired power station by the end of 2021 still not confirmed
- Uncertainties for coal generators and their employees
- Coal exit plans biting into Uniper's business case for the French market

Coal exit by end of 2029

- New draft of energy law sets legal framework for closure of all coal-fired power stations
- Maasvlakte 3 power plant would operate until the end of 2029
- Consensual exit expected, otherwise Uniper needs to defend its position legally

Update from the business

Large asset project – Nord Stream 2



Project progressing

- Official permissions received from Germany, Russia, Finland and Sweden
- Permits from Denmark still pending
- Mix of political headwinds and tailwinds continue
- Works for pipelaying in the Baltic Sea started in July

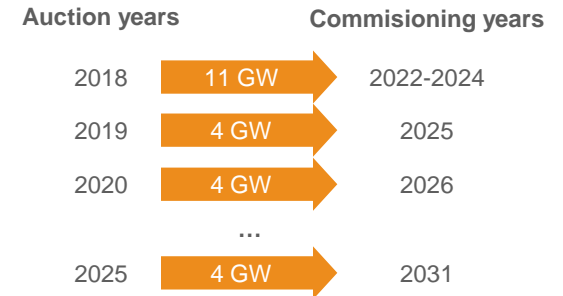
Growth opportunity – Industrial Solutions



New flagship project signed

- Existing site Scholven being developed to serve industrial cluster in the Ruhr Area
- Industrial Solutions entity setup to market projects supplying process steam and heat
- New long-term contract signed with basic chemicals company
- Further growth potential onsite

Growth opportunity – Russia modernization



Unipro considers to participate

- Draft legislation for modernization of aging thermal power plants published
- 39 GW to be tendered via auctions between 2018 and 2025
- Unipro with pipeline of units eligible for auctions

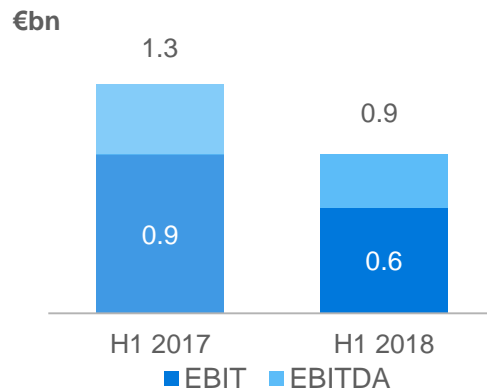
Agenda

1. H1 2018 – Highlights
- 2. H1 2018 – Financial results**
3. Appendix

18

Key financials H1 2018

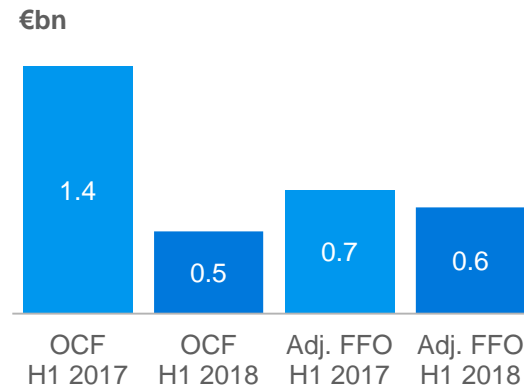
Adj. EBIT(DA)



Adj. EBIT(DA) down

- Driven by structural effects
- Partly compensated by regulatory effects, cost cutting and LNG proxy hedging result

Operating cash flow, adj. FFO



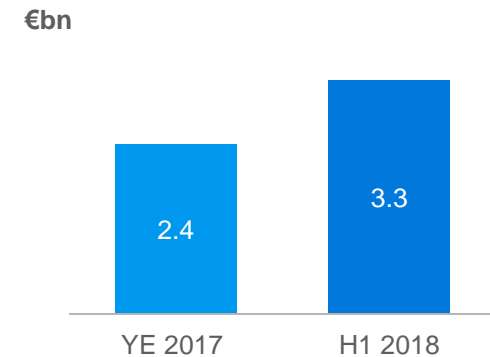
Op. cash flow significantly down

- Down because of lack of support from the working capital side compared to H1 2017 level

Adj. FFO slightly down

- Following EBIT(DA) trend but mitigated by positive tax effects

Economic net debt

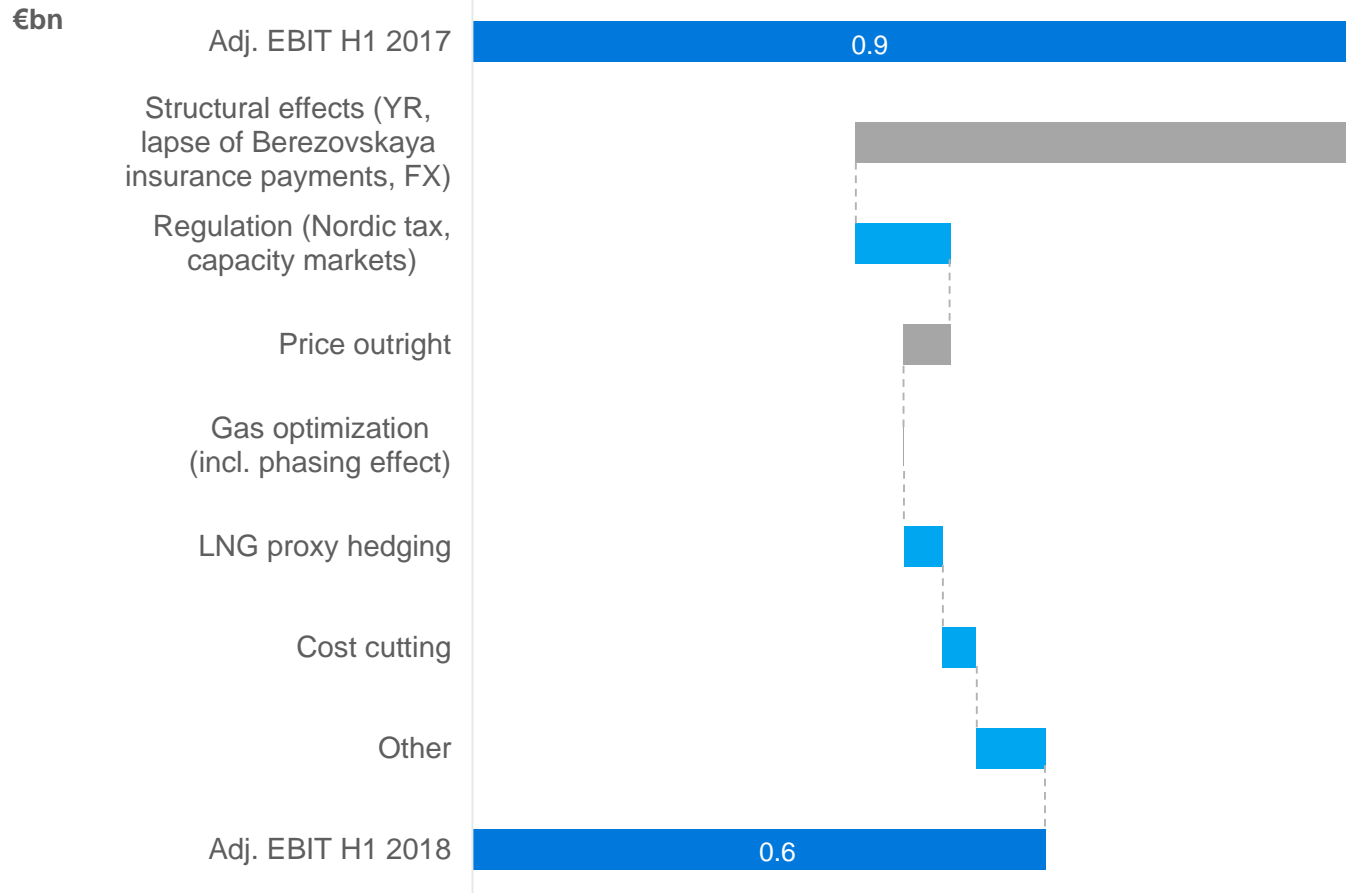


Net debt significantly up

- Due to low operating cash flow, margining requirements and IFRS 16 effect

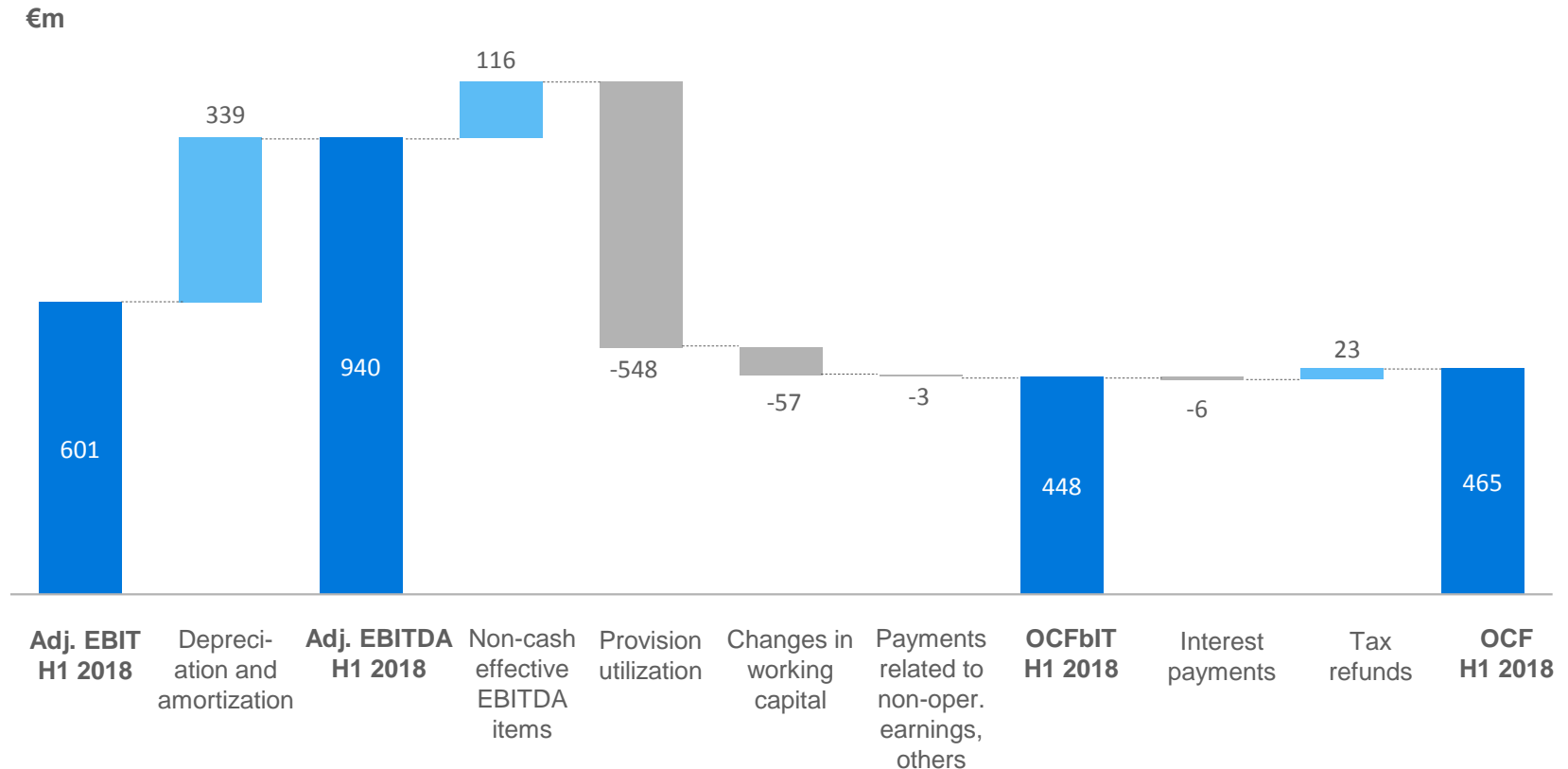
Adjusted EBIT – H1 2018 earnings reduction largely due to structural effects

Reconciliation Adj. EBIT H1 2017 to Adj. EBIT H1 2018



Adj. EBIT(DA) to OCF – lower cash conversion due to working capital smoothing

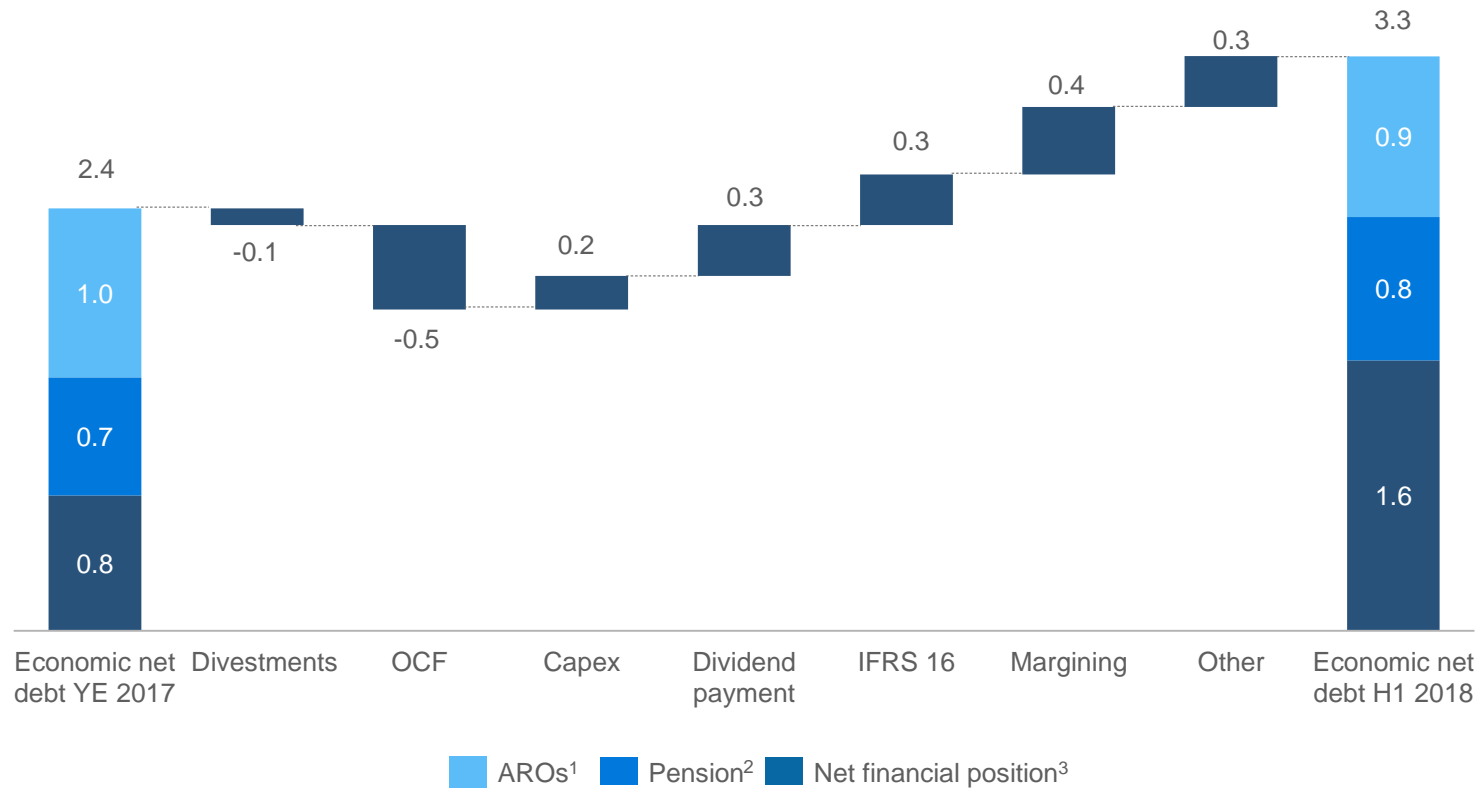
Reconciliation Adj. EBIT H1 2018 to operating cash flow H1 2018



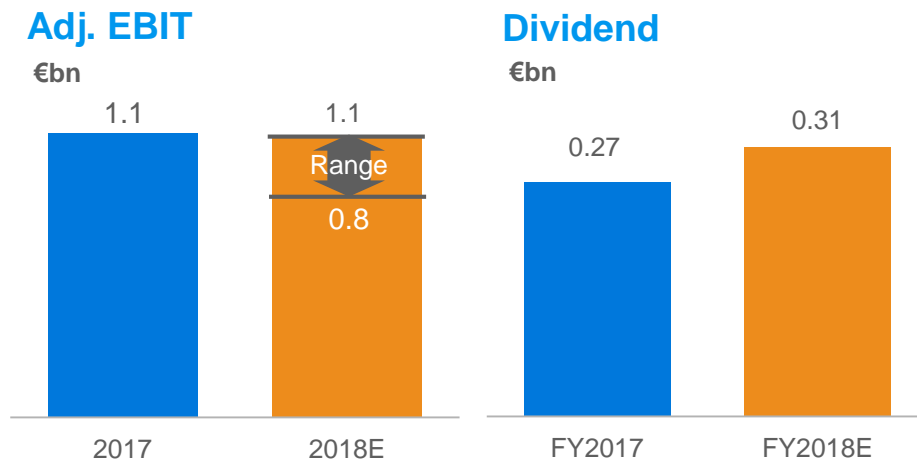
Economic net debt increased due to IFRS 16 and margining requirements

Economic net debt

€bn



2018 Outlook reiterated – Further dividend growth ahead



Adjusted EBIT contribution by segment

Segments	EBIT 2018E vs 2017
European Generation	Significantly above (new)
Global Commodities	Significantly above
International Power	Significantly below

Key highlights

European Generation

- Increasing contribution from UK and French capacity payments
- Final reduction of Swedish nuclear capacity tax and further reduction of hydro property tax
- Lower achieved outright prices
- One-off net provision release (new)

Global Commodities

- Improved earnings in power, coal and LNG
- Lapse of Yuzhno-Russkoye gas upstream earnings
- Cost savings

International Power

- Lapse of insurance payments for Berezovskaya 3 power plant

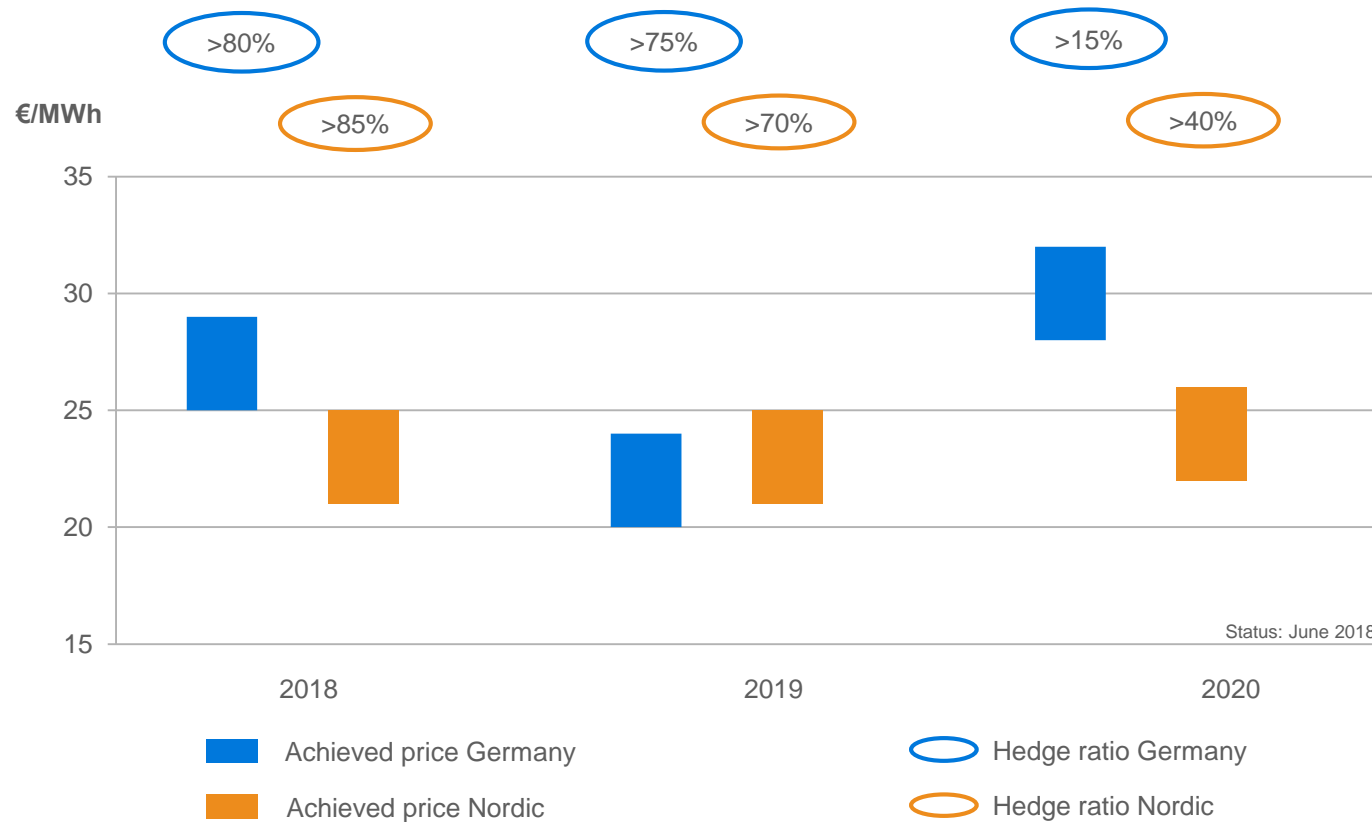
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18

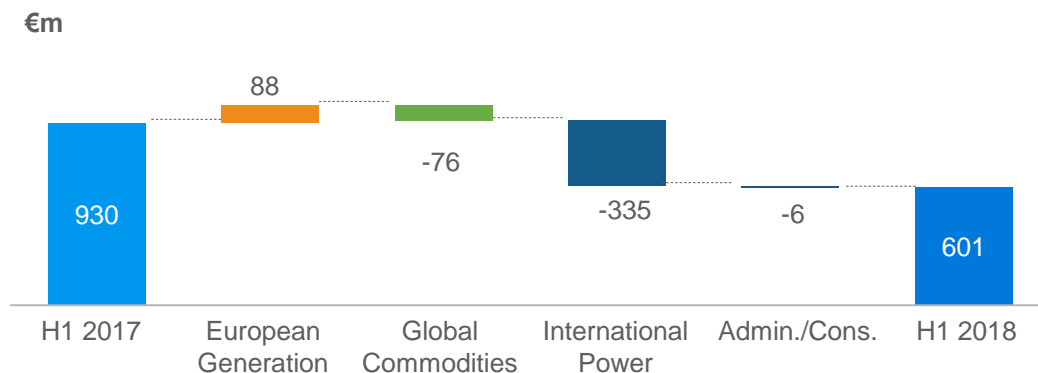
Outright power hedging in Germany and Nordic

Outright position – baseload power price



Group EBIT(DA) – Modest earnings development in H1 2018

Adj. EBIT development by segment in H1 2018



Adj. EBIT(DA) in H1 2018

€m	EBITDA H1 2018	EBIT H1 2018
European Generation	604	372
Global Commodities	240	186
International Power	189	142
Administration / Consolidation	-93	-99
Total	940	601

Highlights

European Generation

- (-) Lower outright prices and spreads
- (-) Closure of Maasvlakte 1 + 2 and Oskarshamn 1
- (+) Swedish tax relief on hydro and nuclear
- (+) Capacity market UK and France
- (+) Positive volume effect hydro
- (+) One-off net provision release

Global Commodities

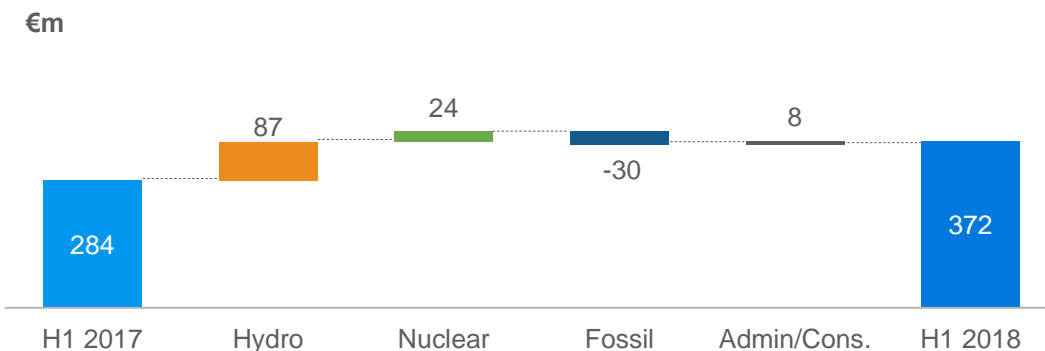
- (-) Deconsolidation Yuzhno-Russkoye
- (-) Yuzhno-Russkoye hedge result
- (+) LNG proxy hedging result

International Power

- (-) Lapse of insurance payment for Berezovskaya 3

European Generation – Positive regulation and volume effects

Adj. EBIT development by sub-segment in H1 2018



Adj. EBIT(DA) in H1 2018

€m	EBITDA H1 2018	EBIT H1 2018
Hydro	273	228
Nuclear	99	69
Fossil	251	96
Other / Consolidation	-19	-21
Total	604	372

Main effects

Hydro

- (+) Positive volume effect
- (+) Reduced hydro property tax
- (+) net provision one-off
- (-) Lower achieved prices

Nuclear

- (+) Nuclear capacity tax abolished
- (-) Lower achieved prices
- (-) Closure of Swedish nuclear power plant Oskarshamn 1 in June 2017

Fossil

- (-) Closure of Dutch coal plants Maasvlakte 1 + 2 in June 2017

Global Commodities – Lower gas optimization result

Adj. EBIT development by sub-segment in H1 2018



Adj. EBIT(DA) in H1 2018

€m	EBITDA H1 2018	EBIT H1 2018
Gas	179	144
YR	-1	-1
COFL	62	49
Power	1	-5
Total	240	186

Main effects

Gas

- (-) Settlement of Yuzhno-Russkoye hedging result in Gas
- (+) Improvement of Gas optimization result in isolated Q2
- (-) Lapse of renegotiation result with Gazprom

Yuzhno-Russkoye (YR)

- (-) Deconsolidation of Yuzhno-Russkoye

COFL

- (+) LNG with positive hedging result of US gas volumes

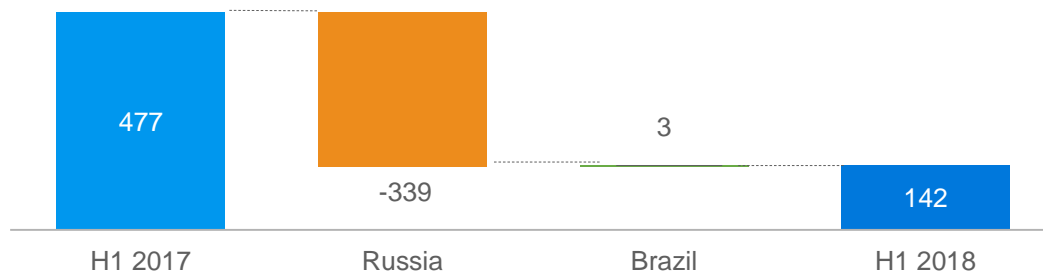
Power

- (+) Stronger power optimization and trading result

International Power – Lapse of insurance payment

Adj. EBIT development by sub-segment in H1 2018

€m



Adj. EBIT(DA) in H1 2018

€m	EBITDA H1 2018	EBIT H1 2018
Russia	190	142
Brazil	0	0
Total	189	142

Main effects

Russia

- (-) Lapse of Berezovskaya insurance payment
- (+) Increase of capacity payments thanks to effects of CSA uplift
- (-) Decreased electricity revenues due to lower generation volumes
- (-) Negative FX effects

Uniper Group – Adjusted EBIT(DA) by segment

Adj. EBITDA

€m	H1 2018	H1 2017	%
European Generation	604	507	19.1
Global Commodities	240	310	-22.5
International Power	189	526	-64.0
Administration / Consolidation	-93	-90	-3.3
Total	940	1,253	-24.9

Adj. EBIT

€m	H1 2018	H1 2017	%
European Generation	372	284	31.0
Global Commodities	186	262	-29.0
International Power	142	477	-70.2
Administration / Consolidation	-99	-93	-6.5
Total	601	930	-35.4

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

Adj. EBITDA and EBIT

€m		H1 2018 Adj. EBITDA	H1 2017 Adj. EBITDA	H1 2018 Adj. EBIT	H1 2017 Adj. EBIT
European Generation	Hydro	273	169	228	141
	Nuclear	99	77	69	45
	Fossil	251	288	96	125
	Other/ Consol.	-19	-27	-21	-28
	Subtotal	604	507	372	284
Global Commodities	Gas	179	201	144	176
	YR	-1	101	-1	87
	COFL	62	21	49	16
	Power	1	-13	-5	-17
	Subtotal	240	310	186	262
International Power	Russia	190	529	142	481
	Brazil	0	-3	0	-5
	Subtotal	189	526	142	477
Administration / Consolidation		-95	-90	-99	-93
Total		940	1,253	601	930

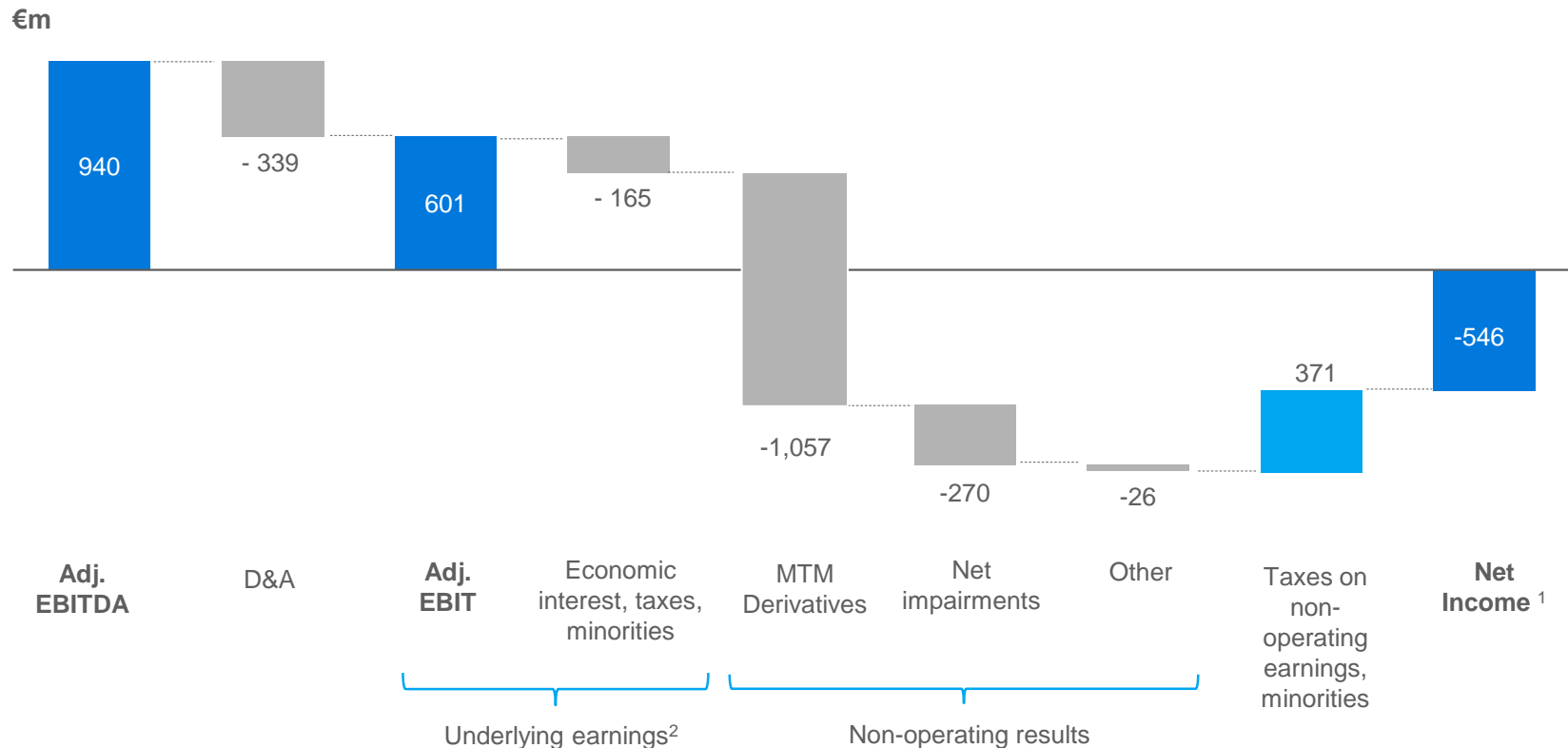
Uniper Group – Key P&L items at a glance

Key P&L items

€m	H1 2018	H1 2017
Sales	35,968	37,305
Adjusted EBITDA	940	1,253
Economic depreciation and amortization / reversals	-339	-323
Adjusted EBIT	601	930
Non-operating adjustments	1.344	-381
EBIT	-743	1.311
Net interest income / expense ¹	-25	-9
Other financial result ¹	15	25
Income taxes	231	-270
Net income / loss after income taxes	-522	1.057
Attributable to the shareholders of Uniper SE	-546	967
Attributable to non-controlling interests	24	90

Uniper Group – Adjusted EBITDA to net income

Reconciliation Adj. EBITDA H1 2018 to net income H1 2018



Uniper Group – Economic interest expense (net)

Economic interest expense of the Uniper Group

€m	H1 2018	H1 2017
Interest from financial assets / liabilities	5	-9
Interest cost from provisions for pensions and similar provisions	-9	-10
Accretion of provisions for retirement and obligation and other provisions	-43	-37
Construction period interests ¹	16	20
Other ^{2, 3}	15	23
Economic interest expense (net)	-16	-13

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 of €+22m is moved from Economic interest expenses to "Other financial result". This also is applied retrospectively for 2017 (H1 2017: €+25m).

Uniper Group – Non-operating adjustments

Non-operating adjustments

€m	H1 2018	H1 2017
Net book gains / losses	31	-
Fair value measurement of derivative financial instruments	1.057	-446
Restructuring / cost management expenses	-55	13
Non-operating impairment charges / reversals	270	34
Miscellaneous other non-operating earnings	41	18
Non-operating adjustments	1.344	-381

Uniper Group – Cash effective investments

Investments by segment

€m	H1 2018	H1 2017	%
European Generation	136	188	-27,6
Global Commodities	11	13	-15,3
International Power	83	66	25,7
Administration / Consolidation	14	27	-48,1
Total	244	294	-17,0

Investment split – maintenance and growth

€m	H1 2018	H1 2017	%
Maintenance & replacement	90	102	-11,7
Growth	154	192	-19,7
Total	244	294	-17,0

Uniper Group – Net financial position

Net financial position of the Uniper Group

€m	30 Jun 2018	31 Dec 2017
Liquid funds	862	1,027
Non-current securities	92	104
Financial liabilities	-2,556	-1,923
Net financial position	-1,602	-792
Provisions for pensions and similar obligations	-753	-676
Asset retirement obligations	-939	-977
Economic net debt	-3,294	-2,445

Uniper Group – Consolidated balance sheet (1/2)

Balance sheet of the Uniper Group – assets

€m	30 Jun 2018	31 Dec 2017
Goodwill	1,861	1,890
Intangible assets	803	819
Property, plant and equipment	11,092	11,496
Companies accounted for under the equity method	448	448
Other financial assets	760	814
<i>Equity investments</i>	668	710
<i>Non-current securities</i>	92	104
Financial receivables and other financial assets	3,384	3,308
Operating receivables and other operating assets	6,422	3,206
Income tax assets	6	6
Deferred tax assets	1,184	890
Non-current assets	25,960	22,877
Inventories	1,669	1,659
Financial receivables and other financial assets	1,592	1,195
Trade receivables and other operating assets	18,115	16,163
Income tax assets	107	170
Liquid funds	862	1,027
Assets held for sale	-	70
Current assets	22,345	20,284
Total assets	48,305	43,161

Uniper Group – Consolidated balance sheet (2/2)

Balance sheet of the Uniper Group – equity and liabilities

€m	30 Jun 2018	31 Dec 2017
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	2,925	3,399
Accumulated other comprehensive income	-3,346	-2,699
Equity attributable to the shareholders of Uniper SE	11,026	12,147
Attributable to non-controlling interest	619	642
Equity (net assets)	11,645	12,789
Financial liabilities	1,176	961
Operating liabilities	7,230	3,618
Provisions for pensions and similar obligations	753	676
Miscellaneous provisions	5,615	6,068
Deferred tax liabilities	386	390
Non-current liabilities	15,160	11,713
Financial liabilities	1,380	962
Trade payables and other operating liabilities	18,913	16,277
Income taxes	12	55
Miscellaneous provisions	1,195	1,362
Liabilities associated with assets held for sale	-	3
Current liabilities	21,500	18,659
Total equity and liabilities	48,305	43,161

Uniper Group – Consolidated statement of cash flows

Statement of cash flows of the Uniper Group

€m	H1 2018	H1 2017
Net income / loss	-522	1,057
Depreciation, amortization and impairment of intangibles / property, plant, equipment	616	369
Changes in provisions	-433	-323
Changes in deferred taxes	-232	73
Other non-cash income and expenses	63	-18
Gain / loss on disposals	-50	4
Changes in operating assets and liabilities and in income tax	1,023	245
Cash provided (used for) by operating activities	465	1,407
Proceeds from disposals	125	12
Payments for investments	-244	-294
Payments in context of divestments	-	-66
Proceeds from disposals of securities (>3M) and of financial receivables	362	650
Purchases of securities (>3M) and of financial receivables	-1,166	-524
Changes in restricted cash and cash equivalents	15	-42
Cash provided (used for) by investing activities	-908	-264
Payments received / made from changes in capital	5	11
Payed dividend to the shareholders of Uniper SE	-271	-201
Proceeds from financial liabilities	375	612
Repayment of financial liabilities	-84	-973
Cash provided (used for) by financing activities	25	-551
Net increase / decrease in cash and cash equivalents	-418	592
Effect from foreign exchange rates on cash and cash equivalents	-5	-21
Cash and cash equivalents at the beginning of the year	852	169
Cash and cash equivalents of deconsolidated companies	-	-62
Cash and cash equivalents at the end of the quarter	429	678

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Financial calendar & further information

Financial calendar

13 November 2018

Quarterly Statement January – September 2018

12 March 2019

Annual Report 2018

07 May 2019

Quarterly Statement January – March 2019

08 August 2019

Interim Report January – June 2019

12 November 2019

Quarterly Statement January – September 2019

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