



**Capital Markets Story**  
Including H1 2019 Highlights and Outlook

August – October 2019

# Agenda

**Intro Uniper Story in a Nutshell**

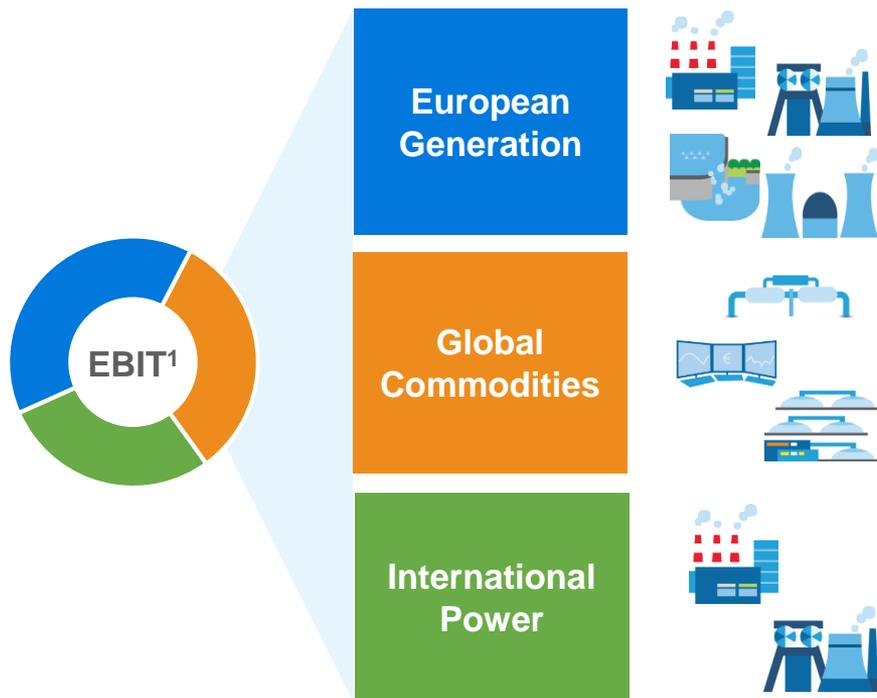
**H1 2019 Essentials**

**Financial Results H1 2019 and  
Outlook FY 2019**

**Appendix**



# Uniper – at a glance



- One of the largest European generators with ~24 GW of own, mostly dispatchable generation capacity
- Diversified base across technologies and markets
- Strong capabilities in construction, operations and maintenance

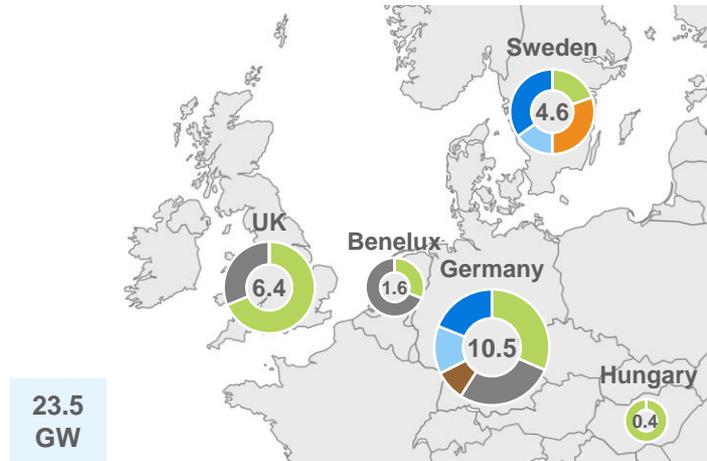
- Leading physical energy trader, global footprint
- Large gas midstream business in Europe with 400 TWh gas LTC portfolio, own storage capacity of ~8 bcm and pipeline shareholdings
- Optimization of European generation portfolio

- Primarily power business in Russia
- Unipro as number 3 privately-owned Russian generation company
- ~11 GW of generation assets

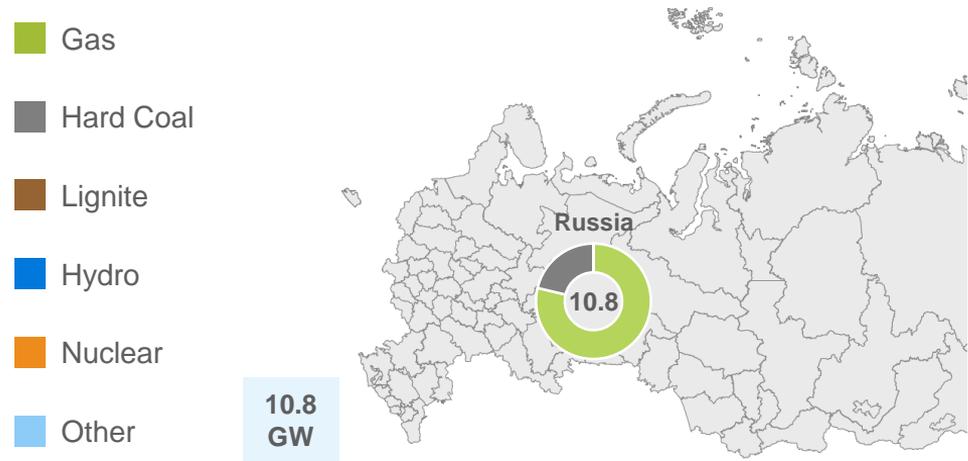
# European Generation and International Power

## A well-diversified generation portfolio

European Generation: Net capacity (GW)<sup>1,2</sup>



International Power: Net capacity (GW)<sup>1</sup>



### Key message

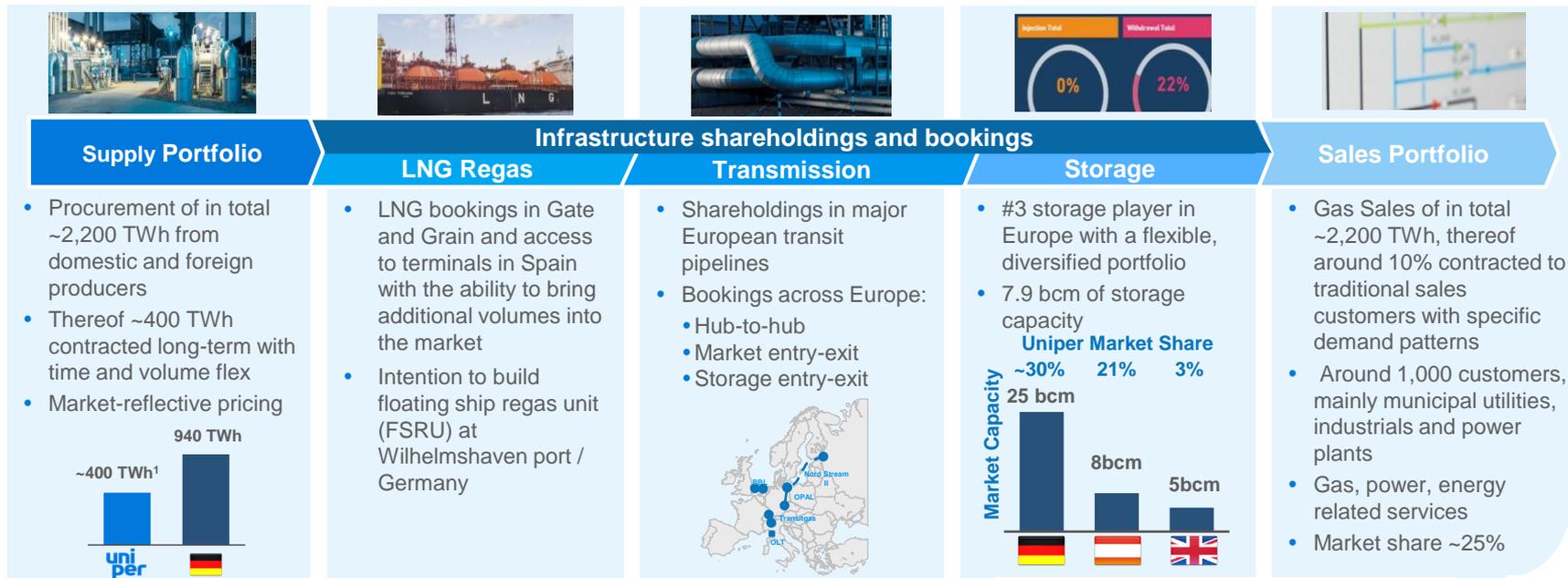
- Central-western Europe is our home turf
- Represent the markets with clearest upside price lever in Europe

### Key message

- Market with favourable regulatory framework
- Well-positioned and optimised portfolio

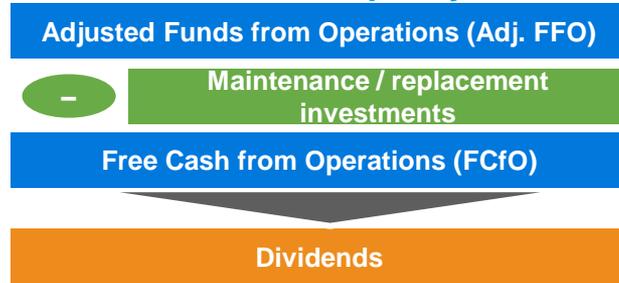
# Global Commodities – Strong asset base along the entire gas value chain

## Global Commodities: Gas value chain

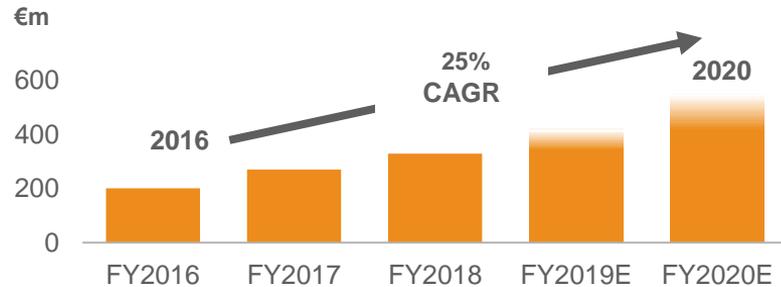


# Dividend – Unique policy and attractive growth

## Unique cash based dividend policy



## Strong expected dividend growth...



## Main message

- Cash flow based dividend policy
- At least 75% of FCfO to be cashed out
- CAGR of 25% between financial year 2016 and 2020
- 2020 target based on September 2017 commodity market prices

## ...underpinned by improving earnings mix



# Setting the sails – Phase 2 of Uniper's strategy

2016 – 2017/18

## Phase 1: In delivery mode

- ✓ Transparency increased
- ✓ Performance improved
- ✓ Portfolio optimized
- ✓ Cash optimized, Rating improved

## Delivery mode: Dividend payout above plan



2018 and beyond

## Phase 2: New cash flow streams

- Benefit from security-of-supply
- Exploit linking energy markets
- Seek partnerships to profit from global power growth

## First growth projects initiated



Gas CHP plant Scholven

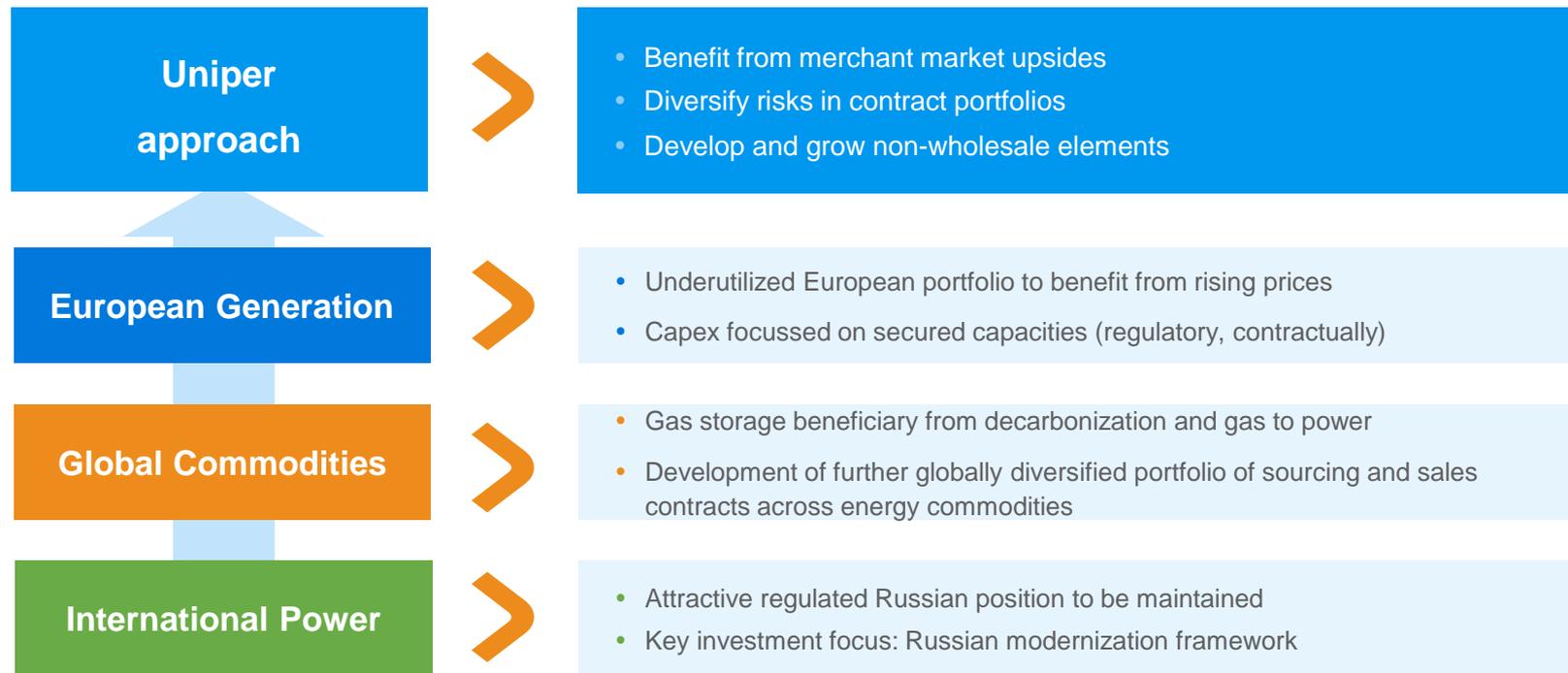


Liqvis LNG filling stations for trucks

Gas OCGT plant Irsching



# Strategy – Focus on strengthening portfolio



# Optionality – Attractive future upsides

Security of supply

- Upsides in existing capacity markets; Germany still without capacity market scheme
- Commissioning of Datteln IV and Berezovskaya III to increase stable earnings

Commodity

- Power prices – multiple drivers for Central Europe and Nordic
  - CO2-price expected to move to higher levels in 2020s
  - Tightening in Central European markets early 2020s
  - Increasing interconnection of Nordic market
- Gas storage – summer/winter spreads very low
  - Decarbonisation leads to higher gas share in power mix
  - Reducing western European gas supply

€10 higher Nordic power price  
= ~0.2bn

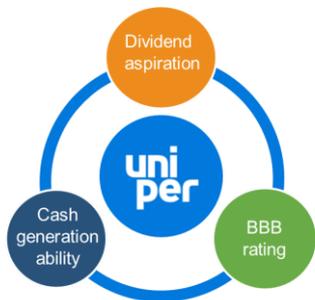
€1 higher summer/winter-spread price  
= ~0.1bn

Organic growth

- Unipro well placed to benefit from Russian modernisation initiative
- Industrial solutions identified as key growth opportunity in core markets

# Capital allocation – Disciplined and focused

## Financial framework: Clear boundaries



- Target rating: BBB (flat)
- Dividend: min. 75% to 100% FCfO
- Investing with discipline

## Hurdle rates for new growth: conservative



## Capex plan: ~€2.4bn<sup>1</sup> between 2018 and 2020



## Capex: ~€2.4bn between 2018 and 2020

### Maintenance capex

- Staying at low levels below €0.4bn p.a.

### New growth capex

- Total of €0.5bn earmarked for projects in 2018 to 2020

### Non-wholesale projects

- Secured by longterm contracts or capacity mechanism

### Commodity exposed projects

- Risk diversing character, limited cash effective exposure

# Highlights summarized

## Performance



- Management focused on delivery and shareholder value ...
- ...with an incentivisation aligned to shareholder interest

## Portfolio



- Diversified portfolio of assets and markets ...
- ... with improving risk return profile in group cash flows

## Potential



- 25% dividend growth CAGR between FY 2016 and FY 2020 based on unique policy
- Attractive longer-term upsides in gas and power markets

# Agenda

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**H1 2019 Essentials**

Financial Results H1 2019 and  
Outlook FY 2019

Appendix



# New Uniper Management – Our Agenda

## Team



> Complete and perform

## Shareholder



> Clarify

## Performance



> Deliver

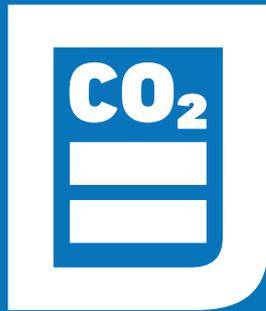
## Portfolio and strategy



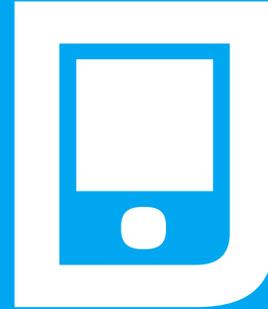
> Focus and expand

# New Uniper Management – First Observations

## Decarbonisation



## Digitalisation



# Operations and Performance – Essentials H1 2019

H1 2019

Financial results –  
uncommon seasonality



- Earnings: 2<sup>nd</sup> quarter in line with Q1 trend and expectations; results impacted by one-offs and intra-year phasing
- Adj. EBIT: 49% decrease to €308m
- Portfolio optimisation: sale of OLT and Eneva closed in Q2; successful sale of activities in France<sup>1</sup>

FY2019

Outlook 2019 –  
targets confirmed



- Earnings outlook: improved business development and positive catch-up effects expected for the 2<sup>nd</sup> half
- Adj. EBIT: outlook unchanged at €550m - €850m
- Dividend: unchanged aspiration to propose a payout of €390m

# Project Update – Past, Present & Future

## Sale of activities in France



### Sale closed in July 2019

- Coal exit threat over majority of French generation portfolio
- 2.6 GW of generation assets sold to EPH
- No material gain or loss from disposal
- No impact on Uniper's earnings outlook

## Berezovskaya III lignite plant



### Re-commissioning shifts into 2020

- Final phase of assembly works until year-end
- Component and system testing started in June
- COD now planned for Q1 2020

## Datteln IV hard coal plant



### COD in summer 2020

- Boiler assembly well advanced
- On track for commercial operation date in summer 2020
- Remaining investments of c. €0.15bn to complete the project

## Green hydrogen projects



### Uniper a well-rewarded project partner

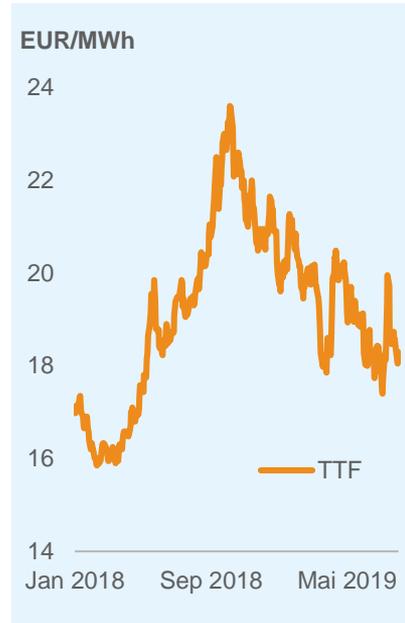
- Germany and EU boost development of converting renewable energy into 'green' gas
- 35 MW electrolysis facility project in Saxony-Anhalt launched
- Ambition to store wind power as hydrogen

# Commodity Markets – Carbon & Gas setting the Scene

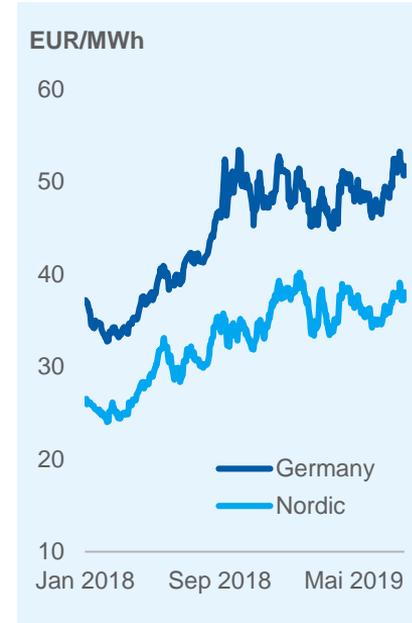
## Carbon trading prices<sup>1</sup>



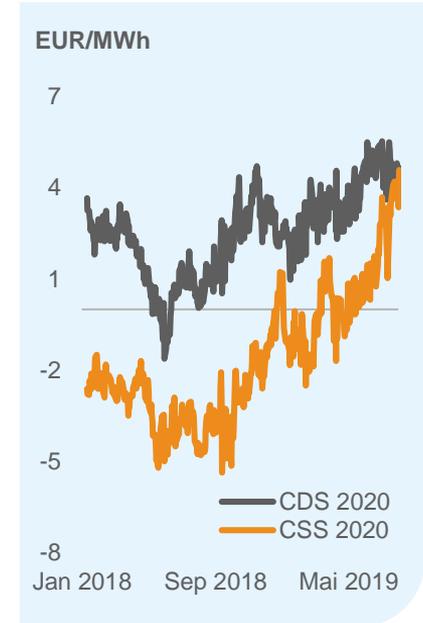
## Gas prices<sup>2</sup>



## Electricity prices<sup>3</sup>

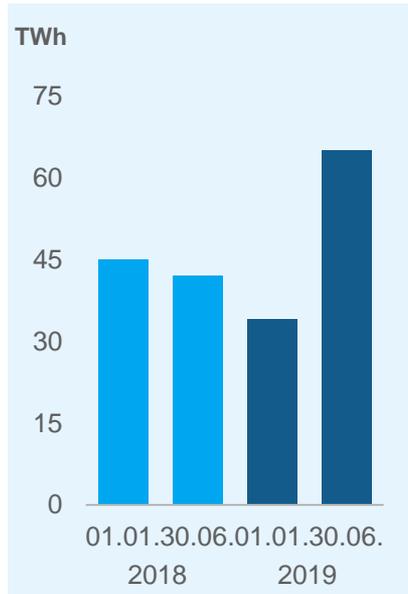


## Dark & spark spreads<sup>4</sup>

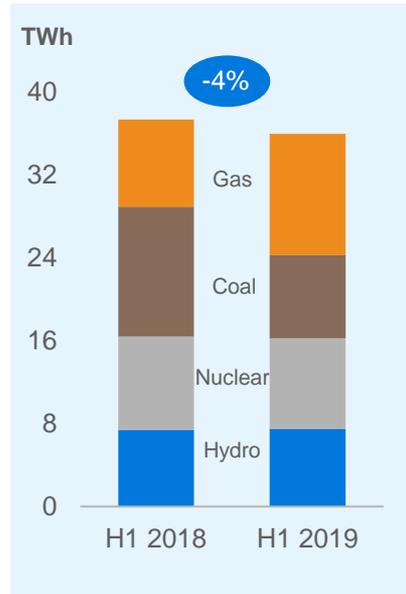


# Uniper – Operating Indicators

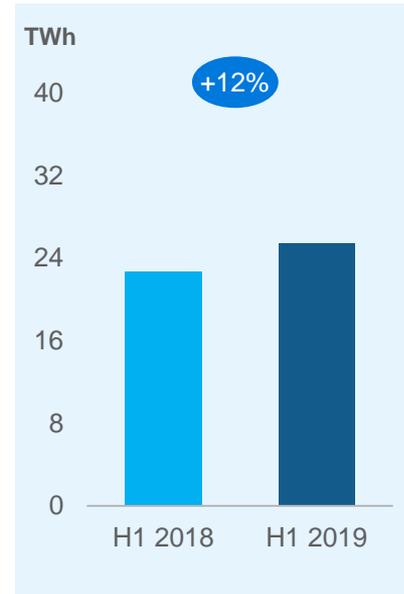
## Global Commodities – Gas storage filling



## European Generation – Production volume<sup>1</sup>



## International Power – Production volume



## Key messages

### Global Commodities

- Gas storage filling levels clearly higher than prior year

### European Generation

- Fuel switch coal to gas accelerated in Q2
- Affected by coal plant outages in NL and France

### International Power

- Accelerating output in Q2
- Output up due to favorable export/import balance

# Agenda

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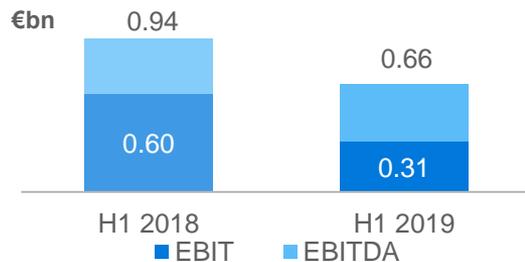
H1 2019 Essentials

**Financial Results H1 2019 and  
Outlook FY 2019**

Appendix

# Key Financials H1 2019 – A slow Start

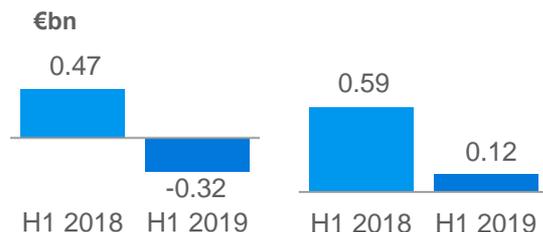
## Adj. EBIT(DA)



### Adj. EBIT(DA) as expected

- Negative effects mostly in line with guidance: lapse of one-offs, Freeport hedge, plant availability (F, NL, SWE)
- Provisioning for higher carbon prices continues to phase adj. EBIT into Q4
- Operational upsides from Russia and gas swing-back

## Operating cash flow, Adj. FFO



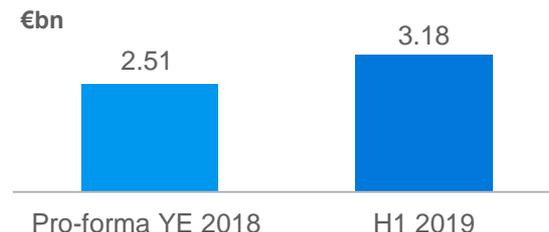
### Operating cash flow negative

- Operating cash flow (OCF) follows earnings trend and additionally impacted by working capital increase

### Adjusted FFO lower

- In line with OCF development but not reflecting higher working capital

## Economic net debt

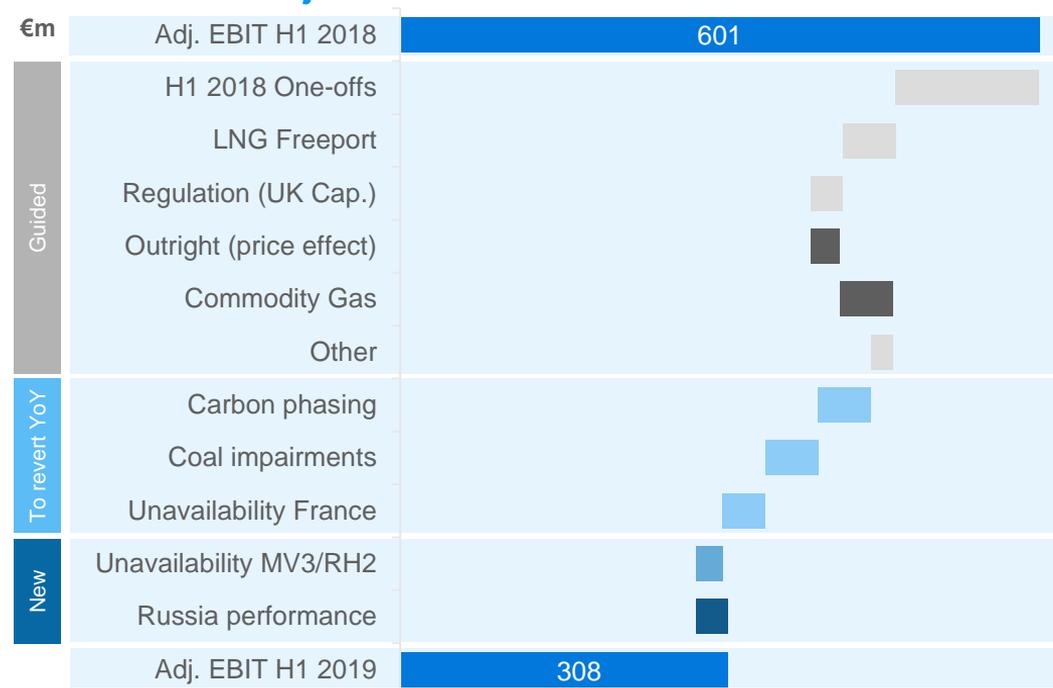


### Debt reflects high working capital

- Economic net debt also significantly driven by higher working capital as well as higher provisioning for pensions
- Note: Pro-forma year-end 2018 figure includes margining receivables (€0.7bn) based on new definition

# Adj. EBIT H1 2019 – Down largely due to structural Effects

## Reconciliation Adj. EBIT H1 2018 to H1 2019



### Key developments

Most negative effects are either:

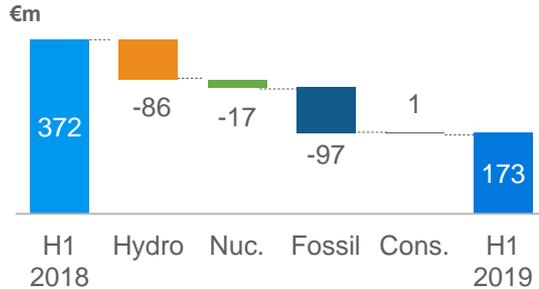
- 'Guided', i.e. they are anticipated within full-year guidance, or
- 'to revert', i.e. won't be impacting the year-on-year development on full-year basis

New drivers with relevance for full year are:

- Outages in Maasvlakte 3 & Ringhals 2,
- overcompensated by strong performance in Russia

# Adj. EBIT H1 2019 – Development by Sub-segment

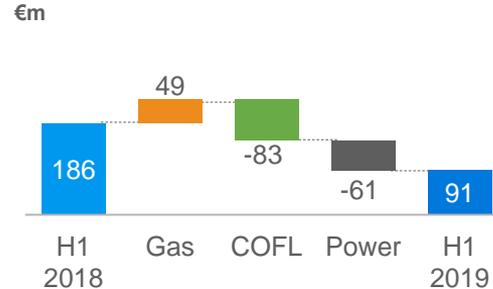
## European Generation



### Operating trend overlaid by one-offs

- Hydro impacted by lapse of Q2 2018 provision release
- Nuclear affected by Ringhals 2 outage
- Fossil lower due to carbon phasing effect, lower availability in F & NL and absence of UK capacity payments; partly offset by positive carbon management effects with Global Commodities

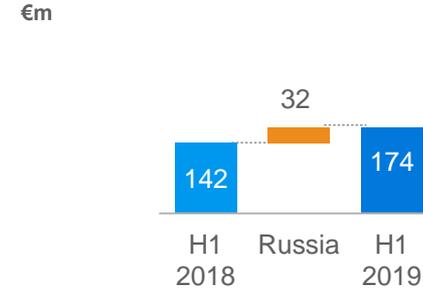
## Global Commodities



### Positive gas optimization results

- Gas midstream benefitted from portfolio optionality as hub prices significantly corrected at the front end
- COFL negative due to LNG Freeport hedges and impairments on coal stocks
- Power affected by negative carbon management effects with European Generation

## International Power

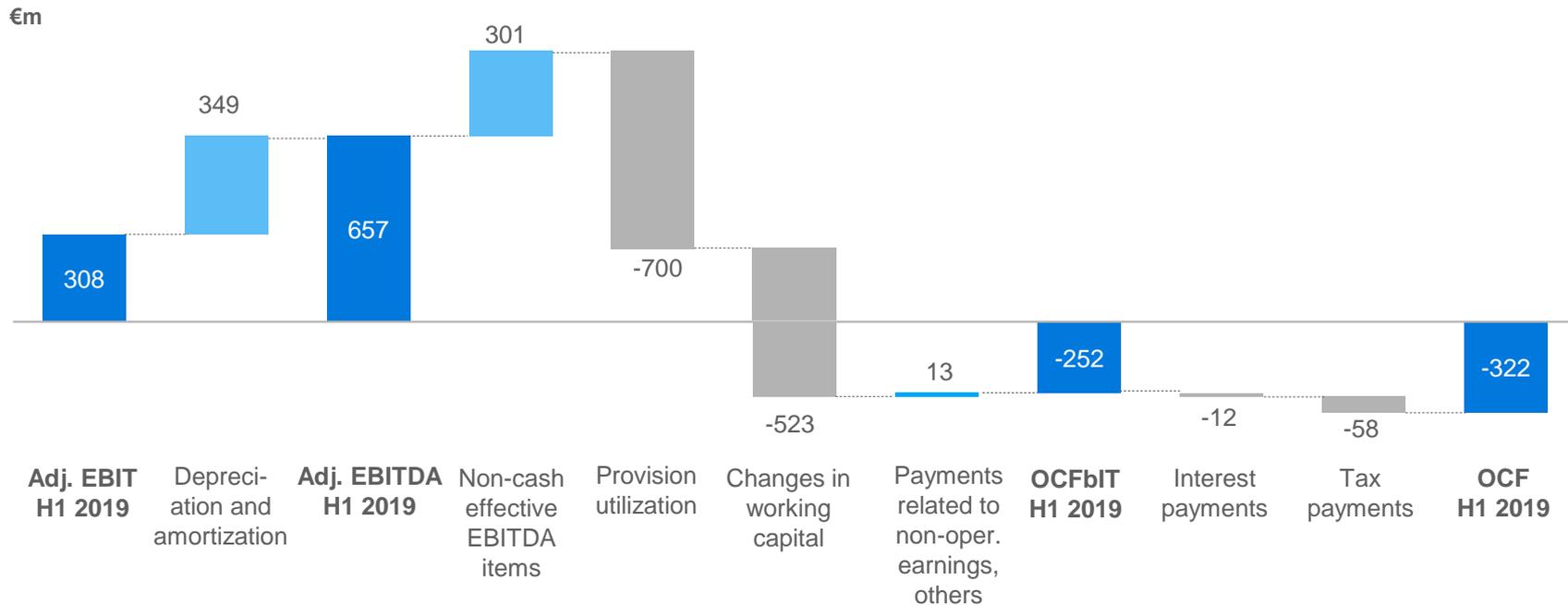


### Strong performance

- Generation business in Russia increased by higher day-ahead prices and increased generation volumes
- Negative FX effects but less pronounced than expected

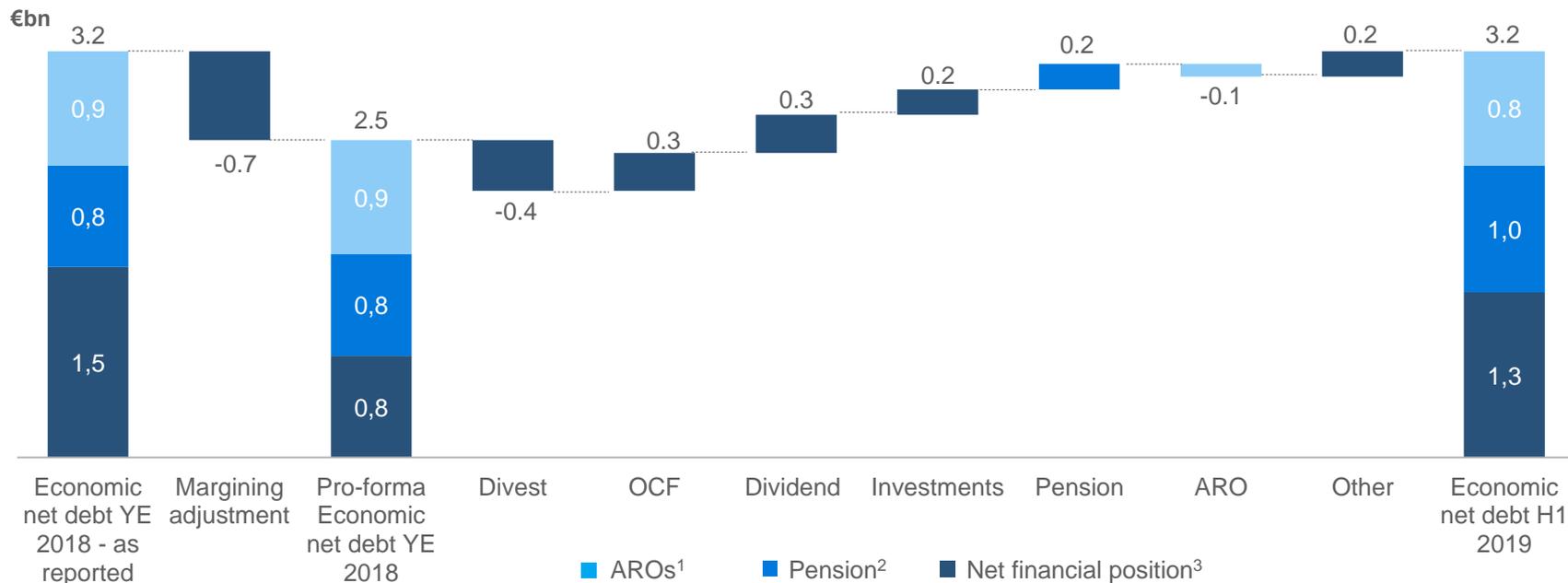
# Adj. EBIT to OCF – Negative Working Capital Impact

## Reconciliation Adj. EBIT H1 2019 to Operating Cash Flow H1 2019



# Economic Net Debt – Up mainly due to WC & Pensions

## Reconciliation Economic Net Debt YE 2018 vs. H1 2019

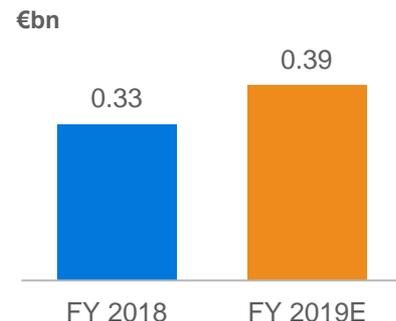


# Outlook 2019 – Dividend Guidance reiterated

## Adj. EBIT



## Dividend



## Adjusted EBIT contribution by segment

Segments	EBIT FY 2019E vs FY 2018
European Generation	Significantly below
Global Commodities	Noticeably above ( <i>new</i> )
International Power	Noticeably above ( <i>new</i> )

## Key highlights

### European Generation

- Lapse of 2018 one-offs
- Improving outright position
- Absence of UK capacity market income
- Lower production due to plant unavailability (*new*)

### Global Commodities

- Lapse of Freeport LNG hedge contribution
- Gas optimization gains (*new*)

### International Power

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

# Agenda

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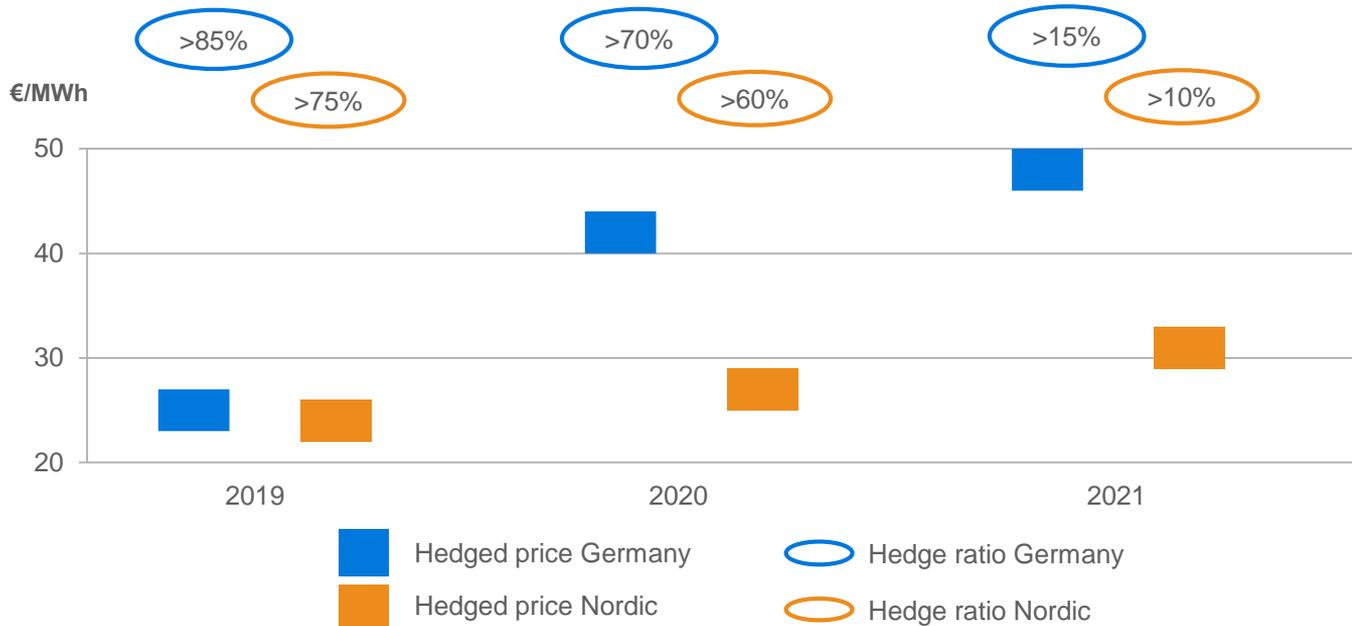
H1 2019 Essentials

Financial Results H1 2019 and  
Outlook FY 2019

Appendix

# Outright Power Hedging in Germany and Nordic

## Outright position – Baseload power price<sup>1</sup>



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

## Adj. EBITDA and EBIT

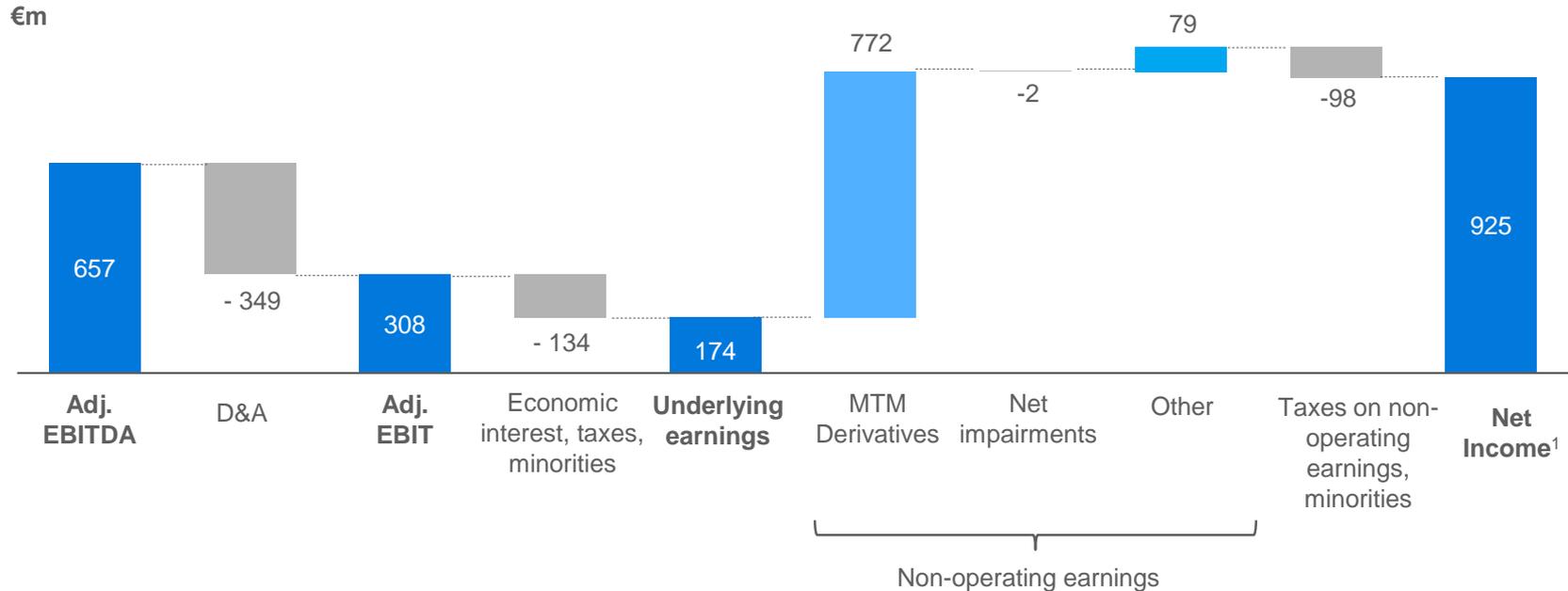
€m		H1 2019 Adj. EBITDA	H1 2018 Adj. EBITDA	H1 2019 Adj. EBIT	H1 2018 Adj. EBIT
European Generation	Hydro	171	273	142	228
	Nuclear	83	99	52	69
	Fossil	153	251	-1	96
	Other/ Consol.	-18	-19	-20	-21
	<b>Subtotal</b>	<b>390</b>	<b>604</b>	<b>173</b>	<b>372</b>
Global Commodities	Gas	226	179	191	144
	COFL	5	62	-33	49
	Power	-61	1	-67	-5
	<b>Subtotal</b>	<b>170</b>	<b>240</b>	<b>91</b>	<b>186</b>
International Power	Russia	220	189	174	142
	<b>Subtotal</b>	<b>220</b>	<b>189</b>	<b>174</b>	<b>142</b>
Administration / Consolidation		-124	-94	-130	-99
<b>Total</b>		<b>657</b>	<b>940</b>	<b>308</b>	<b>601</b>

# Uniper Group – Key Financial Performance items

€m	H1 2019	H1 2018
<b>Net income / loss after income taxes</b>	<b>968</b>	<b>-522</b>
<i>Attributable to the shareholders of Uniper SE</i>	925	-546
<i>Attributable to non-controlling interests</i>	43	24
Net interest income / expense	93	25
Other financial result	-87	-15
Income taxes	213	-231
<b>EBIT</b>	<b>1,186</b>	<b>-743</b>
Non-operating adjustments	-878	1,344
<b>Adjusted EBIT</b>	<b>308</b>	<b>601</b>
Economic depreciation and amortization / reversals	349	339
<b>Adjusted EBITDA</b>	<b>657</b>	<b>940</b>
<b>Sales</b>	<b>36,720</b>	<b>35,968</b>

# Uniper Group – Adjusted EBITDA to Net Income

## Reconciliation Adj. EBITDA H1 2019 to net income H1 2019



# Uniper Group – Economic Interest Expense (net)

## Economic interest expense of the Uniper Group

€m	H1 2019	H1 2018
Interest from financial assets / liabilities	11	5
Interest cost from provisions for pensions and similar provisions	-11	-9
Accretion of provisions for retirement and obligation and other provisions	-48	-43
Construction period interests <sup>1</sup>	32	16
Other <sup>2</sup>	-47	15
<b>Economic interest expense (net)</b>	<b>-63</b>	<b>-16</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

2. Includes e.g. interest due to tax provisions/ receivables and adjustments due to changes i

# Uniper Group – Non-operating Adjustments

## Non-operating adjustments

€m	H1 2019	H1 2018
Net book gains / losses	-	31
Fair value measurement of derivative financial instruments	-772	1,057
Restructuring / cost management expenses / income	4	-55
Non-operating impairment charges / reversals	2	270
Miscellaneous other non-operating result	-112	41
<b>Non-operating adjustments</b>	<b>-878</b>	<b>1,344</b>

# Uniper Group – Cash-effective Investments

## Investments by segment

€m	H1 2019	H1 2018	%
European Generation	133	136	-2.2
Global Commodities	14	11	29.1
International Power	84	83	0.9
Administration / Consolidation	9	14	-36.5
<b>Total</b>	<b>240</b>	<b>244</b>	<b>-1.8</b>

## Investment split – maintenance and growth

€m	H1 2019	H1 2018	%
Maintenance & replacement	94	90	4.6
Growth	145	154	-5.7
<b>Total</b>	<b>240</b>	<b>244</b>	<b>-1.8</b>

# Uniper Group – Net financial Position

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

€m	30 Jun 2019	31 Dec 2018
Liquid funds	717	1,400
Non-current securities	93	83
Receivables from margining	442	698
Financial liabilities	2,572	2,939
<b>Net financial position</b>	<b>1,319</b>	<b>757</b>
Provisions for pensions and similar obligations	1,022	804
Asset retirement obligations	842	948
<b>Economic net debt</b>	<b>3,183</b>	<b>2,509</b>

# Uniper Group – Consolidated Balance Sheet (1/2)

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

€m	30 Jun 2019	31 Dec 2018
Goodwill	1,873	1,816
Intangible assets	748	768
Property, plant and equipment	10,711	10,612
Companies accounted for under the equity method	426	440
Other financial assets	782	866
<i>Equity investments</i>	689	783
<i>Non-current securities</i>	93	83
Financial receivables and other financial assets	3,725	3,618
Operating receivables and other operating assets	4,585	4,914
Income tax assets	6	6
Deferred tax assets	1,074	1,116
<b>Non-current assets</b>	<b>23,929</b>	<b>24,156</b>
Inventories	2,242	1,604
Financial receivables and other financial assets	722	1,391
Trade receivables and other operating assets	15,671	21,468
Income tax assets	88	40
Liquid funds	717	1,400
Assets held for sale	697	546
<b>Current assets</b>	<b>20,138</b>	<b>26,449</b>
<b>Total assets</b>	<b>44,067</b>	<b>50,605</b>

# Uniper Group – Consolidated Balance Sheet (2/2)

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

€m	30 Jun 2019	31 Dec 2018
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,445	3,032
Accumulated other comprehensive income	-3,315	-3,531
<b>Equity attributable to the shareholders of Uniper SE</b>	<b>11,577</b>	<b>10,948</b>
Attributable to non-controlling interest	571	497
<b>Equity (net assets)</b>	<b>12,148</b>	<b>11,445</b>
Financial liabilities	1,168	1,187
Operating liabilities	4,781	4,856
Provisions for pensions and similar obligations	1,022	804
Miscellaneous provisions	5,245	5,455
Deferred tax liabilities	469	355
<b>Non-current liabilities</b>	<b>12,685</b>	<b>12,657</b>
Financial liabilities	1,404	1,752
Trade payables and other operating liabilities	15,835	22,469
Income taxes	45	47
Miscellaneous provisions	1,186	1,478
Liabilities associated with assets held for sale	765	757
<b>Current liabilities</b>	<b>19,234</b>	<b>26,503</b>
<b>Total equity and liabilities</b>	<b>44,067</b>	<b>50,605</b>

# Uniper Group – Consolidated Statement of Cash Flows (1/2)

## Statement of cash flows Uniper Group

€m	H1 2019	H1 2018
<b>Net income / loss</b>	<b>968</b>	<b>-522</b>
Depreciation, amortization and impairment of intangibles / property, plant, equipment	357	616
Changes in provisions	-374	-433
Changes in deferred taxes	200	-232
Other non-cash income and expenses	-93	63
Gain / loss on disposals	-12	-50
Changes in operating assets and liabilities and in income tax	-1,367	1,023
<b>Cash provided (used for) by operating activities</b>	<b>-322</b>	<b>465</b>
Proceeds from disposals	423	125
Payments for investments	-240	-244
Proceeds from disposals of securities (>3M) and of financial receivables	821	362
Purchases of securities (>3M) and of financial receivables	-424	-1,166
Changes in restricted cash and cash equivalents	18	15
<b>Cash provided (used for) by investing activities</b>	<b>598</b>	<b>-908</b>

# Uniper Group – Consolidated Statement of Cash Flows (2/2)

## Statement of cash flows Uniper Group

€m	H1 2019	H1 2018
<b>Cash provided (used for) by investing activities</b>	<b>598</b>	<b>-908</b>
Payments received / made from changes in capital	3	5
Payed dividend to the shareholder of Uniper SE	-329	-271
Proceeds from financial liabilities	559	375
Repayment of financial liabilities	-986	-84
<b>Cash provided (used for) by financing activities</b>	<b>-753</b>	<b>25</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>-478</b>	<b>-418</b>
Effect from foreign exchange rates on cash and cash equivalents	6	-5
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	-4	0
<b>Cash and cash equivalents at the end of the quarter</b>	<b>670</b>	<b>429</b>

# Financial Calendar & further Information

## Financial calendar

12 November 2019

Quarterly Statement January – September 2019

10 March 2020

Annual Report 2019

07 May 2020

Quarterly Statement January – March 2020

20 May 2020

2020 Annual Shareholders Meeting (Duesseldorf)

11 August 2020

Interim Report January – June 2020

10 November 2020

Quarterly Statement January – September 2020

## Further information

<https://ir.uniper.energy>

# Uniper – Contact your Investor Relations team

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