

Uniper SE

Federal Republic of Germany, Utilities

Rating composition

Business risk profile		
Industry risk profile	BB+	BB
Competitive position	BB	
Financial risk profile		
Credit metrics	A+	A-
Cash flow generation	Moderate	
Liquidity	+/-0 notches	
Standalone credit assessment		BBB-
Supplementary rating drivers		
Financial policy	+/-0 notches	+1 notch
Governance & structure	+/-0 notches	
Parent/government support	+1 notch	
Peer context	+/-0 notches	
Issuer rating		BBB

Key metrics

Scope credit ratios*			Scope estimates	
	2023	2024	2025E	2026E
Scope-adjusted EBITDA interest cover	>20x	Net interest received	15x-20x	15x-20x
Scope-adjusted debt/EBITDA	0.2x	Net cash	Net cash	Net cash
Scope-adjusted free operating cash flow/debt	481%	Net cash	Net cash	Net cash
Liquidity	>200%	>200%	>200%	>200%

Rating sensitivities

The upside scenarios for the ratings and Outlook are (collectively):

- Neutral or positive free operating cash flow and debt/EBITDA remaining below 1.0x on a sustained basis
- Stronger business risk profile, e.g. through higher and more stable profitability
- Continued government support

The downside scenarios for the ratings and Outlook are (individually):

- Debt/EBITDA above 2.0x and EBITDA interest cover below 7x on a sustained basis
- The German government giving up control of the company

*All credit metrics refer to Scope-adjusted figures.

Issuer

BBB

Outlook

Stable

Short-term debt

S-2

Senior unsecured debt

BBB

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Related methodologies

[General Corporate Rating](#)

[Methodology](#), February 2025

[European Utilities Rating](#)

[Methodology](#), June 2024

[Government Related Entities Rating](#)

[Methodology](#), December 2024

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1. Key rating drivers

Positive rating drivers	Negative rating drivers
<ul style="list-style-type: none">• Important European player in power and gas supply• Good diversification regarding markets, technologies, and some integration across the utility’s value chain, thereby limiting the incremental effect of underperformance in particular business segments• Accelerated decarbonisation of the power generation fleet (ESG factor)• Largely hedged generation exposure, which supports visibility on cash generation• Strong financial risk profile despite growing capex needs and potential dividend payments• Potential support from the German government	<ul style="list-style-type: none">• Industry-inherent merchant risks in non-regulated power generation and commodity trading• Large parts of the power generation fleet with a weak position in the merit order and above-average carbon intensity (ESG factor)• Regulatory, environmental and political risks mainly related to fossil fuel, but also to nuclear power plants to some extent (ESG factor)• Vulnerability of group profitability to external and non-controllable effects, and overall margin dilution due to high share of trading business

2. Rating Outlook

The **Stable Outlook** reflects our expectation of solid operating performance coupled with low leverage (debt/EBITDA below 2.0x) and very strong EBITDA interest cover of above 10x despite negative free operating cash flow burdened by the growing investment spending of EUR 1.0bn-1.5bn per year. We also expect the German government to keep its controlling stake in the utility in the next couple of years.

3. Corporate profile

Uniper SE is an important European player in power and gas supply with a wide reach across the different segments of its industry. Uniper operates a diversified generation portfolio of around 19 GW in major European markets (Germany, Sweden, the UK and the Netherlands). The company is also an important player in commodity supply, i.e. natural gas including LNG, electricity and coal, serving a wide range of industrial and municipal customers.

Important player in European power and gas markets








4. Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
17 Jun 2025	Upgrade	BBB/Stable
26 Jun 2024	Affirmation	BBB-/Stable
25 Sep 2023	Affirmation	BBB-/Stable

5. Financial overview (financial data in EUR bn)

Scope credit ratios	Scope estimates					
	2022	2023	2024	2025E	2026E	2027E
EBITDA interest cover	<0x	>20x	Net interest received	15x-20x	15x-20x	10x-15x
Debt/EBITDA	<0x	0.2x	Net cash	Net cash	Net cash	0.0x-0.5x
Free operating cash flow/debt	<(50)%	481%	Net cash	Net cash	Net cash	<(50)%
Liquidity	22%	>200%	>200%	>200%	>200%	>200%
EBITDA						
Reported EBITDA	(10.2)	7.2	2.6	0.9-1.3	0.8-1.2	0.8-1.2
add: recurring dividends from associates	0.1	0.1	0.0	0.0	0.0	0.0
EBITDA	(10.1)	7.2	2.7	0.9-1.3	0.8-1.2	0.8-1.2
Funds from operations (FFO)						
EBITDA	(10.1)	7.2	2.7	0.9-1.3	0.8-1.2	0.8-1.2
less: interest	(0.3)	(0.2)	0.1	(0.1)-(0.0)	(0.1)-(0.0)	(0.1)-(0.0)
less: cash tax paid	(0.3)	(0.4)	(0.7)	(0.2)-(0.1)	(0.2)-(0.1)	(0.2)-(0.1)
Funds from operations	(10.8)	6.6	2.0	0.7-1.0	0.7-1.0	0.7-1.0
Free operating cash flow (FOCF)						
Funds from operations	(10.8)	6.6	2.0	0.7-1.0	0.7-1.0	0.7-1.0
Change in working capital	(4.9)	(0.2)	(0.4)	0.5-1.0	(0.5)-(0.0)	(0.5)-(0.0)
Non-operating cash flow	0.5	-	-	-	-	-
less: capital expenditures (net)	(0.4)	(0.6)	(0.7)	(1.5)-(1.0)	(1.5)-(1.0)	(1.5)-(1.0)
less: lease amortisation	(0.1)	(0.2)	(0.1)	(0.2)-(0.1)	(0.2)-(0.1)	(0.2)-(0.1)
Free operating cash flow	(15.7)	5.8	0.8	0.0-0.5	(1.3)-(0.8)	(1.3)-(0.8)
Interest						
Net cash interest per cash flow statement	0.3	0.2	(0.1)	(0.1)-0.1	(0.1)-0.1	(0.1)-0.1
add: accrued interest on pension provisions and asset retirement obligations	(0.0)	0.1	0.1	0.0-0.1	0.0-0.1	0.0-0.1
Interest	0.3	0.2	(0.1)	0.0-0.1	0.0-0.1	0.0-0.1
Debt						
Reported financial debt	11.6	1.8	1.9	1.5-2.0	1.5-2.0	1.5-2.0
less: cash and cash equivalents	(4.6)	(4.3)	(6.7)	(5.5)-(4.5)	(4.5)-(3.5)	(3.5)-(2.5)
add: pension adjustment	0.3	0.3	0.1	0.1-0.2	0.1-0.2	0.1-0.2
add: asset retirement obligations	1.1	1.1	1.5	1.5-2.0	1.5-2.0	1.5-2.0
add: other (claims arising from the expected overcompensation received via the stabilisation measures)	-	2.2	2.5	-	-	-
Debt	8.3	1.2	(0.6)	(2.0)-(1.0)	(1.0)-(0.0)	0.0-1.0

6. Environmental, social and governance (ESG) profile¹

Environment	Social	Governance
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency) 	Labour management	Management and supervision (supervisory boards and key person risk) 
Efficiencies (e.g. in production)	Health and safety (e.g. staff and customers)	Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate) 
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables) 	Clients and supply chain (geographical/product diversification)	Corporate structure (complexity) 
Physical risks (e.g. business/asset vulnerability, diversification)	Regulatory and reputational risks 	Stakeholder management (shareholder payouts and respect for creditor interests) 

ESG factors:  credit-positive  credit-negative  credit-neutral

In August 2023, Uniper presented its new, ambitious strategy to accelerate its transformation into a greener company with a low-risk business model. A successful execution of the strategy will likely support the utility's business risk profile in the medium to long term. Targets include an exit from coal by 2029; zero-carbon for at least 80% of installed generating capacity and for 5%-10% of the gas portfolio by 2030; and carbon-neutrality for Scope 1 to 3 emissions by 2040, 10 years earlier than previously planned. The strategy assumes around EUR 8bn of transformation and growth investments up to the early 2030s.

Strategy 2030; accelerated decarbonisation

Nevertheless, large parts of the power generation fleet still have a weak position in the merit order and an above-average carbon intensity in a European context. This is particularly the case for the highly CO₂-intensive coal-fired power plants.

Large parts of the power generation fleet have a weak position in the merit order

Uniper is also exposed to regulatory, environmental and political risks, mainly related to fossil fuel, but also to some extent to nuclear power plants. While the security of energy supply amid the European energy crisis has put these risks into perspective, we expect them to play a greater role in the future.

Regulatory, environmental and political risks related to fossil fuel and nuclear power plants

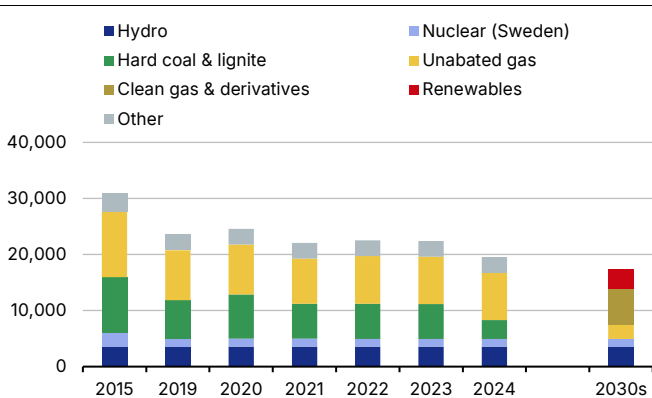
¹ These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

7. Business risk profile: BB

Uniper’s business risk profile benefits from its position as an important European player in power and gas supply. With an installed capacity of around 19 GW and generation volumes of around 50 TWh in 2024, the company is among the large European power generators. Uniper supplies around 200 TWh per year, mainly to municipal utilities and industrial customers. Uniper is also the largest gas storage operator in Germany and one of the largest in Europe.

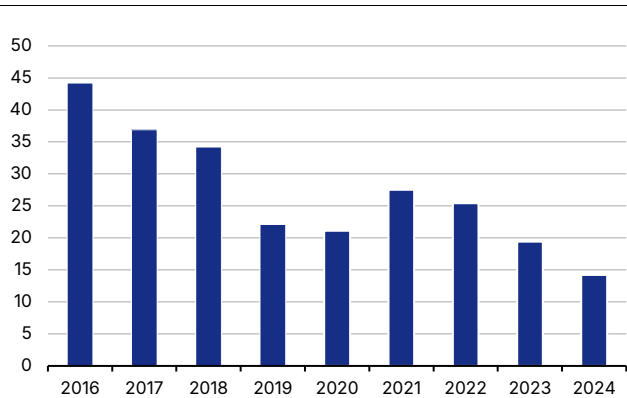
Important European player in power and gas supply

Figure 1: Generation portfolio measured by installed capacity (MW)



Source: Uniper, Scope

Figure 2: Direct (Scope 1) CO2 emissions in European generation (million metric tons)

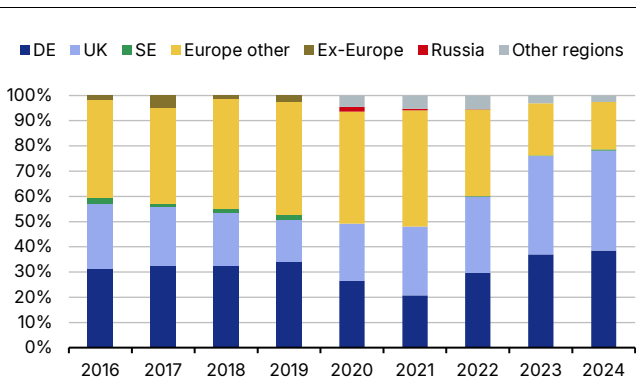


Source: Uniper, Scope

Geographical diversification is good, with a focus on Germany, Sweden, the UK and the Netherlands. Uniper is active across different utilities segments. In its dominant generation segment, the company operates a range of technologies, including gas, coal, hydro and nuclear. Some integration across the utility’s value chain helps to limit the incremental effect of any underperformance in particular business segments.

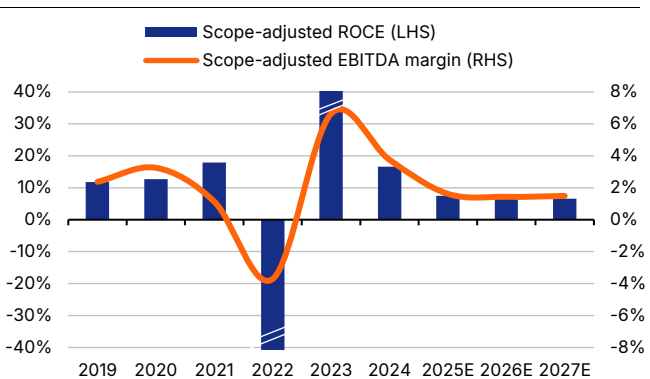
Good diversification

Figure 3: Geographical outreach (sales split)



Source: Uniper, Scope

Figure 4: Profitability ratios



Source: Uniper, Scope estimates

Uniper largely hedges its generation exposure up to two years in advance, which supports visibility on cash generation. However, hedging activities do not protect the company from extended periods of low power prices and margins. We also note that at the peak of the European energy crisis, Uniper reduced forward sales and thus its hedging ratio to limit the potential cash outflows from margin requirements. Moderating energy prices and volatility allowed the company to return towards its original pace of forward sales.

Largely hedged generation exposure

Nevertheless, Uniper’s business risk profile is hampered by industry-inherent merchant risks in non-regulated power generation and commodity trading, including natural gas, power and coal. The prices for these commodities are highly volatile, which can lead to fluctuating cash flows.

Industry-inherent merchant risks

Due to its business model, group profitability can be heavily impacted by external and non-controllable effects, e.g. achievable power prices or prices for carbon emission allowances. It can also be affected by operational issues and contract renegotiations or litigations initiated by Uniper's counterparts. In addition, the overall margin is strongly diluted due the high share of trading business.

Vulnerability of group profitability to external and non-controllable effects

Uniper is continuing to transform its business model and implement the asset divestment plan as part of remedies under EU state aid approval. September 2024 marked a significant step in the utility's planned coal exit with the decommissioning of the coal-fired power plants Ratcliffe in the UK and Heyden 4 in Germany. Uniper also initiated the process of selling the Datteln 4 coal-fired power plant in Germany. The decommissioning of the aforementioned plants and the discontinuation of commercial operations at the German coal-fired power plants Staudinger 5 and Scholven B in 2024, coupled with higher generation volumes from hydro and nuclear power plants, have significantly decreased Uniper's carbon intensity to 272g CO₂e/kWh in 2024 from 356g CO₂e/kWh in 2023. We expect this metric to fall further, supported by the disposal of the Gönyü gas-fired power plant in Hungary and the planned disposal of Datteln 4. This will positively impact the position of the power generation fleet in the merit order system.

Recent developments

Uniper's business risk profile also benefits from the ongoing strengthening of risk management. This includes reduced margining risk, a more diversified and flexible gas and LNG portfolio, and the reduction of price risk in the outright generation portfolio through the signing of long-term PPAs and participation in regulatory schemes. At the same time, we see a somewhat negative impact from the asset disposals and power plant closures in terms of Uniper's market dominance, recurring electricity generation volumes, geographical diversification, and asset and fuel concentration.

We also note that Uniper had to adjust its timeline for implementing investment projects, focusing on those that will contribute most to growth and transformation. In this context, the utility has postponed the target date for achieving carbon neutrality for Scope 1 and 2 emissions from 2035 to 2040, bringing it into line with the target for Scope 3 emissions. This was primarily due to the regulatory framework developing more slowly than expected, including the power plant strategy in Germany and the ramp-up of the hydrogen economy.

8. Financial risk profile: A-

Our financial projections for 2025-2027 are mainly based on the following assumptions:

Key planning assumptions

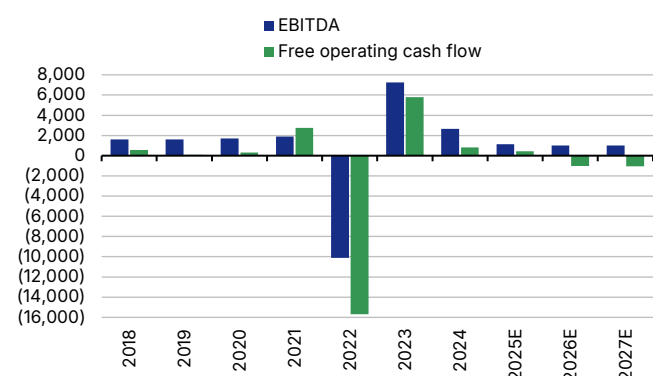
- Further moderation in market fundamentals with Scope-adjusted EBITDA of around EUR 0.9bn-1.3bn in 2025 and EUR 0.8bn-1.2bn in 2026-27
- Significant increase in investment spending to EUR 1.0bn-1.5bn per year
- Recurring issuance of short-term debt to maintain market presence and a solid level of liquidity.

We have included associate dividends received in Scope-adjusted EBITDA, since these subsidiaries are integral to Uniper's business model. We have also included asset retirement obligations net of the related deferred tax position in our Scope-adjusted debt calculation. Scope-adjusted debt was further adjusted for half of the company's unfunded pension provisions, given the high coverage of annual pension payments through dedicated pension assets. Interest is adjusted for the (estimated) interest component of pension provisions and asset retirement obligations.

Our adjustments

We exclude margining receivables from our adjusted debt calculation, because they cannot be freely used to cover operating expenses or maturing unrelated debt positions. We also treat the repayment of the overcompensation received via the stabilisation measures as a debt-like item.

Figure 5: Cash flow development (EUR m)



Source: Uniper, Scope estimates

Uniper's financials deteriorated sharply in 2022 due to heavy losses amid curtailments of gas deliveries from Russia and elevated energy prices. The situation improved significantly in 2023 supported by a EUR 13.5bn equity injection from the German state in December 2022, some normalisation in the energy markets and the hedging of the risk from gas supply curtailments. The utility delivered strong financial performance in 2024 supported by declining tailwinds from strong hedging in previous years. In March 2025, Uniper repaid around EUR 2.6bn to the German government in accordance with the EU state-aid decision and the framework agreement concluded between the German government and Uniper from December 2022. Despite this significant payment, the utility maintained a robust liquidity buffer of around EUR 5.9bn as of 31 March 2025.

We expect Uniper to maintain a very low leverage – as measured by debt/EBITDA – at around 0x in the next couple of years. This is despite the stabilisation of earnings and cash flows below recent levels, growing capex spending and likely dividend payments.

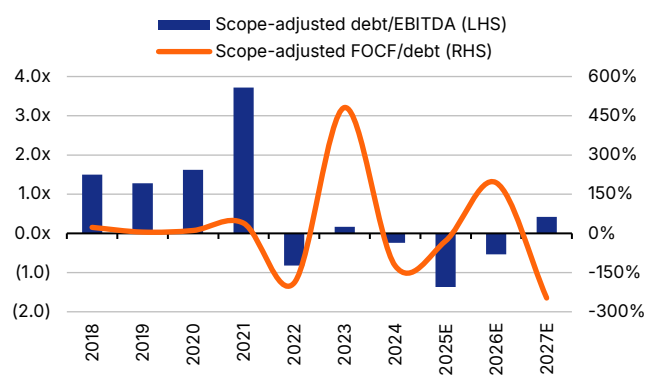
We believe EBITDA is likely to decline to around EUR 0.9bn-1.3bn in 2025 and around EUR 0.8bn-1.2bn thereafter from a still strong level of EUR 2.7bn in 2024, mainly driven by a further moderation in market fundamentals. We expect a significant increase in investment spending to EUR 1.0bn-1.5bn per year in the next couple of years, compared with EUR 0.7bn in 2024, as Uniper progresses with its transformation and growth focused strategy, pushing free operating cash flow into negative territory.

While the large investment programme is likely to put pressure on leverage beyond our forecast horizon, we expect Uniper to keep it under control. This view is supported by Uniper's target debt factor (defined by the utility as economic net debt/adjusted EBITDA) of less than or equal to 2.5x.

Uniper generated a net interest surplus in 2024, supported by a strong liquidity buffer. While the liquidity buffer and EBITDA are expected to decrease, we believe that EBITDA interest cover is likely to remain above 10x in the next couple of years.

Uniper's financial liabilities mainly include lease liabilities, commercial paper and liabilities from shareholder loans. The moderate amount of short-term debt is largely balanced by available cash and committed credit lines.

Figure 6: Leverage and cash flow cover



Source: Uniper, Scope estimates

Exceptional losses in 2022 followed by a rapid recovery

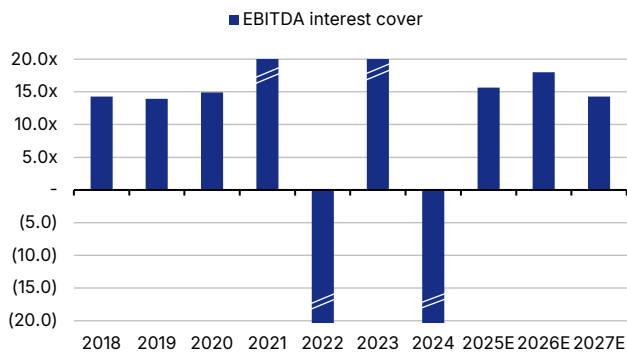
Very low leverage in the next couple of years

Significant increase in investment spending...

...will put pressure on leverage beyond our forecast horizon

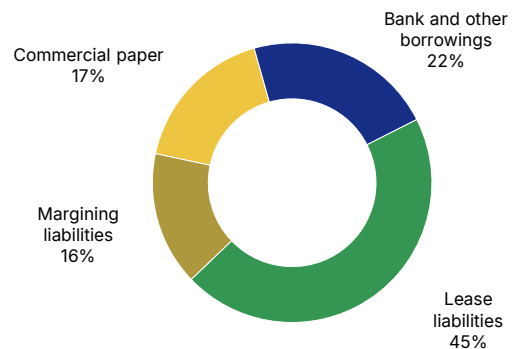
Very strong interest cover

Moderate amount of short-term debt

Figure 7: Interest cover ratio

Source: Uniper, Scope estimates

We continue to see Uniper's liquidity as adequate. This view is primarily based on the availability of cash and cash equivalents of EUR 5.9bn as of 31 March 2025, the EUR 5.0bn KfW facility (unused as of 31 March 2025) and the EUR 3.0bn revolving credit facility (unused as of 31 March 2025). These comfortably cover the moderate amount of maturing financial debt and the expected negative free operating cash flow.

Figure 8: Reported financial liabilities at YE 2024

Source: Uniper, Scope

Key planning assumptions

Table 1: Liquidity sources and uses (in EUR bn)

	2025E	2026E	2027E
Unrestricted cash (t-1)	6.7	4.5-5.5	3.5-4.5
Open committed credit lines (t-1)	8.0	3.0	3.0
FOCF (t)	0.0-0.5	(1.3)-(0.8)	(1.3)-(0.8)
Short-term debt (t-1)	3.2	0.0-1.0	0.0-1.0
Liquidity	>200%	>200%	>200%

Source: Uniper, Scope estimates

9. Supplementary rating drivers: +1 notch

Uniper's financial policy is neutral for our issuer rating assessment. The company targets a solid investment-grade credit rating based on a stable balance sheet and ample financial headroom. This is specified by Uniper's target debt factor (defined by the company as economic net debt/adjusted EBITDA) of less than or equal to 2.5x.

We continue to assess Uniper as a government-related entity and apply a bottom-up approach in accordance with our Government Related Entities Rating Methodology. The capacity of the German government ([rated AAA/Stable by us](#)) to provide support remains 'high' and the government's willingness to provide support is assessed at 'medium'. We note that Uniper's systemic relevance and default implications for the German government are lower than at the peak of the energy crisis. This view is mainly based on the company's declining share of German power generation and gas supply (mainly related to open market/spot sales, while sales to industrial and municipal customers remained broadly stable), coupled with an improved situation in the energy markets. In addition, Uniper's strong financial results in 2023-2024 and improved cash flow visibility lower the likelihood of any financial distress that would require extraordinary state support. We also note that the EU remedies require the German state to reduce its stake in Uniper to a maximum of 25% plus one share by end-2028.

Credit-neutral financial policy

One-notch uplift from shareholder structure

10. Debt ratings

The rated debt is issued by Uniper SE. The senior unsecured debt including the EUR 2.0bn debt issuance programme is rated BBB, the same level as the issuer rating.

Senior unsecured debt rating: BBB

The S-2 short-term debt rating is based on the underlying BBB/Stable issuer rating. This reflects Uniper's better-than-adequate short-term debt coverage, which is supported by the available KfW facility and the revolving credit facility.

Short-term debt rating: S-2

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