Press Release
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Uniper SE
E.ON-Platz 1
40479 Düsseldorf
www.uniper.energy

For further information please contact:

Christine Bossak
T +49 2 11-45 79-20 32
christine.bossak@
uniper.energy

Uniper reaffirms financial targets for 2019 despite a challenging first quarter from an operating perspective

- **Adjusted EBIT of €185 million in Q1 2019; year-on-year decline largely anticipated; adverse factors included temporary effects in power generation in Europe and a weaker gas and LNG business**
- **Net income of €791 million significantly above prior-year period**
- **Economic net debt virtually at prior-year level**
- **2019 forecast and intended dividend target for fiscal 2019 reaffirmed**

Uniper posted **adjusted EBIT** of €185 million in the first quarter of the 2019 financial year (Q1 2018: €350 million). The year-on-year decline of €166 million was largely anticipated. Operating earnings in the first quarter of 2019 were adversely affected primarily by a price-driven increase in costs for carbon allowances, the absence of earnings streams from the U.K. capacity market due to its suspension, and lower earnings at the gas and LNG business. Mild winter temperatures reduced the demand for natural gas, resulting in higher inventory at storage facilities and lower prices at Europe's trading points. In Russia, by contrast, the company benefited from higher output and power prices.

Uniper CFO Christopher Delbrück says*:* "We've always said that 2019 will be a transitional year for Uniper in terms of our cash and earnings performance. In the first quarter, a mild winter and several temporary items were additional adverse factors for our power and gas business in Europe. All in all, however, our relevant key performance indicators are in line with our expectations. Although there's still quite a ways to go, we remain confident that we'll achieve our targets for full-year 2019. We therefore unequivocally stand by our earnings forecast and the dividend proposal we communicated at our annual-results press conference."

The recent renewed sharp increase in carbon prices in the first quarter reduced the **European Generation** segment's operating earnings by about €60 million. The background to this is that during the year the company has to record provisions for the costs of carbon emissions. These provisions, which are recorded at the current spot market price for carbon, affect quarterly earnings. However, the company also hedges its carbon transactions, for which it will realize mark-to-market valuation gains at the end of 2019 with a positive effect on its full-year operating earnings. This effect, known as carbon phasing, is therefore temporary and not cash-effective. Operating earnings relative to the prior-year period were also adversely affected by the absence of earnings streams from the U.K. capacity market due to its suspension, lower output from unit 2 at Ringhals nuclear power station in Sweden (in which Uniper owns a minority stake), and production interruptions in France caused by strikes.

The **Global Commodities** segment's operating earnings decreased year on year, primarily because of slightly lower earnings from optimization activities in the gas business. Other negative factors included temporarily narrower margins and a lack of earnings on hedging in the LNG business. For the remainder of the year, Uniper expects to benefit more from optimization activities in the gas business. It anticipates positive effects in its LNG business as well, such as when income is recorded under physical supply contracts.

Operating earnings at Uniper's **power business in Russia** were significantly higher than in the prior-year period. Higher power prices on the day-ahead market and increased output at Surgutskaya power station and at units 1 and 2 of Beryozovskaya power station were the principal positive factors. By contrast, operating earnings in the reporting period were adversely affected by negative currency-translation effects.

Uniper recorded **net income** of €791 million in the first quarter of 2019 (Q1 2018: €130 million). Net income attributable Uniper shareholders totaled €768 million (Q1 2018: €114 million). The increase relative to the prior-year quarter is mainly attributable to positive effects resulting from the marking to market of commodity derivatives at the balance-sheet date. Uniper uses derivatives to shield its power and gas business from price fluctuations.

First-quarter **adjusted funds from operations (Adjusted FFO),** which Uniper uses to assess the potential dividend payout to its shareholders, amounted to €243 million (Q1 2018: €562 million). The decline of €319 million is primarily attributable to a reduction in cash-effective and FFO-relevant EBIT.[1]

Uniper's **economic net debt**[2] stood at €2,566 million at March 31, 2019. Its debt situation therefore remained largely stable relative to year-end 2018 (adjusted economic net debt at December 31, 2018: €2,509 million).

Cash-effective investments totaled €108 million, slightly less than in the prior-year period (Q1 2018: €118 million). Uniper invested €76 million in existing growth projects, €32 million in maintenance.

Uniper's **forecast for full-year 2019** is unchanged: it continues expects its adjusted EBIT to be between €550 and €850 million. Its planned dividend proposal is roughly €390 million.

About Uniper
Uniper is a leading international energy company with operations in more than 40 countries and around 12,000 employees. Uniper's business is to provide a reliable supply of energy and related services. Its main operations include power generation in Europe and Russia and global energy trading. Its headquarters are in Düsseldorf, Germany.

[1]The main items that are not relevant for FFO are depreciation and impairment charges, provisions and reversals, and books gains and losses.

[2]Uniper adjusted its definition of economic net debt: economic net debt at March 31, 2019, includes, for the first time, receivables from margining; the figure at December 31, 2018, was adjusted accordingly. Further commentary can be found in the Financial Situation chapter of Uniper's Quarterly Statement for Q1/2019.

Key financial Indicators for the Uniper Group in first quarter 2019

€ in millions	Q1 2019	Q1 2018	+/- %
Uniper sales	21,830	21,025	3.8%
Uniper adjusted EBIT[1]	185	350	-47.3%
European Generation[1]	82	186	-56.0%
Global Commodities[1]	56	134	-58.4%
International Power[1]	97	89	9.6%
Administration/Consolidation[1]	-50	-59	-15.9%
Net income/loss	791	130	>100%
Attributable to Uniper SE shareholders	768	114	>100%
Attributable to non-controlling interests	24	16	50.0%
Operating cash flow	105	620	-83.1%
Adjusted funds from operations (adjusted FFO)[2]	243	562	-56.8%
Investments	108	118	-8.5%
Growth	76	84	-9.5%
Maintenance	32	34	-5.8%
Economic net debt[4]	2,566	2,509[3]	2.3%

[1]Adjusted to exclude non-operating effects.
[2]Adjusted to exclude mainly items that do not reflect underlying cash flow available for distribution.
[3]Figure at December 31, 2018.
[4]Figure at March 31, 2019, includes, for the first time, receivables from margining; the figure at December 31, 2018, was adjusted accordingly.

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