Press Release
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Despite a challenging first half from an operating perspective, Uniper on course to reach 2019 targets

- **Adjusted EBIT of €308 million in H1 2019; year-on-year decline largely anticipated**
- **Net income of €968 million significantly above prior-year figure**
- **Economic net debt higher, in particular due to high gas inventory levels and an increase in provisions for pensions**
- **Earnings forecast and planned dividend proposal for 2019 financial year reaffirmed**

Uniper posted adjusted EBIT of €308 million in the first half of the 2019 financial year (H1 2018: €601 million). The year-on-year decline of €293 million was largely anticipated. Operating earnings in the first half of 2019 were adversely affected primarily by the non-recurrence of positive effects recorded in the prior year and by a temporary price-driven increase in costs for carbon allowances. By contrast, adjusted EBIT benefited from higher output and power prices in Russia.

Uniper anticipates a number of factors in the second half of the year that will have a significant positive impact on its operating earnings. The company stands by its previously issued earnings and dividend forecast: it expects its adjusted EBIT to be between €550 and €850 million. Its planned dividend proposal for the 2019 financial year is roughly €390 million. Uniper's CEO Andreas Schierenbeck and CFO Sascha Bibert, who assumed their positions on June 1, 2019, presented the company's numbers today for the first time.

Uniper CEO Andreas Schierenbeck said: "In view of the enormous structural upheavals that energy markets have experienced, a reliable energy supply and innovative customer solutions are increasingly in demand. That's exactly what Uniper delivers. Our company is well positioned to play a key role in the energy world of the future. Our primary objective now is to seamlessly continue Uniper's success story. At the same time, we'll put in place a reliable strategic and financial framework that will enable us to seize future growth potential. The rising prices that we saw on Europe's power markets in the first half of 2019 are giving us increasing momentum."

Uniper CFO Sascha Bibert said: "We're confident that our second-half performance will be better and that we'll reach our targets for 2019. The first half of the year reflected the anticipated non-recurrence of positive one-off items recorded last year. But principally our business in Russia and our gas business are already showing significant year-on-year improvements. The positive earnings factors that we expect in the second half include price and volume effects at our hydro and nuclear power stations as well as additional optimization earnings at our gas business."

Adjusted EBIT at the **European Generation** segment declined to €173 million (H1 2018: €372 million). Rising carbon prices had an adverse impact on earnings. The company also makes corresponding carbon hedging transactions on which it will realize mark-to-market valuation gains at the end of 2019, which will have a positive effect on its full-year 2019 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 non-recurrence of the release of provisions, the absence of earnings streams from the U.K. capacity market due to its suspension, lower output from Maasvlakte 3 in the Netherlands and 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 to €91 million (H1 2018: €186 million). The decline is mainly attributable to the non-recurrence of earnings recorded in 2018 on the hedging of future contractually stipulated physical LNG deliveries and additional adverse effects from these hedging transactions in the first half of the current year. Successful optimization activities at gas-trading venues could not fully offset the adverse factors.

Operating earnings at Uniper's **power business in Russia** were significantly higher than in the prior-year period. Higher power prices and increased output at Surgutskaya power station and at units 1 and 2 of Beryozovskaya power station were the principal positive factors. Uniper adjusted the schedule for the repair of Beryozovskaya unit 3's boiler and now expects the unit to reenter service in the first quarter of 2020.

Uniper recorded **net income** of €968 million in the first half of 2019 (H1 2018: -€522 million). Net income attributable to Uniper shareholders totaled €925 million (H1 2018: -€546 million). The year-on-year increase is principally 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-half adjusted **funds from operations (adjusted FFO),** which Uniper uses to assess the potential dividend payout to its shareholders, amounted to €124 million (H1 2018: €589 million). The decline largely reflects the company's first-half operating cash flow, which amounted to -€322 million (H1 2018: €465 million) and was significantly adversely affected by a temporary increase in gas inventory. The changes in working capital do not affect adjusted FFO, however, which is why the decline was significantly smaller.

Uniper's **economic net debt**[1] at June 30 of €3,183 million was €674 million above its year-end 2018 debt of €2,509 million. The main factors were the company's negative cash flow, its dividend payout to shareholders, and an increase in pension obligations due to the further decline in interest-rate levels. These factors were not offset by disposal proceeds.

Cash-effective investments of €240 million were at the prior-year level (H1 2018: €244 million). Uniper invested €145 million in existing growth projects, €94 million in maintenance.

[1]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.

Uniper's sales and earnings performance in the first half of 2019

€ in millions	H1 2019	H1 2018	+/- %
Uniper sales	36,720	35,968	2%
Uniper adjusted EBIT[1]	308	601	-49%
European Generation[1]	173	372	-53%
Global Commodities[1]	91	186	-51%
International Power[1]	174	142	22%
Administration/Consolidation[1]	-130	-99	-32%
Net income/loss	968	-522	>100%
Attributable to Uniper SE shareholders	925	-546	>100%
Attributable to non-controlling interests	43	24	79%
Operating cash flow	-322	465	>-100%
Adjusted funds from operations (adjusted FFO)[2]	124	589	>-100%
Investments	240	244	-2%
Growth	145	154	-6%
Maintenance	94	90	4%
Economic net debt[4]	3,183	2,509[3]	27%

[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 since March 31, 2019, includes, for the first time, receivables from margining; the figure at December 31, 2018, was adjusted accordingly.

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.