



**Press conference for media representatives**

**Uniper's business performance for 6M 2023**

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**Statement by:**

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**Please check against delivery.**



A warm welcome to our press conference from me as well, ladies and gentlemen. Last week we published our main financial results in advance in an hoc release. They should therefore be real news for very few of you. Nevertheless, I'd like to explain the main effects behind our very good results.

Our earnings are exceptional in terms of both the amount and the underlying earnings drivers. They're the best half-year earnings Uniper has posted since its founding.

Adjusted EBIT in the first half of 2023 of €3.7 billion is almost €4.5 billion above the prior-year period, which our adjusted EBIT was - €757 million.

It's important for me to point out that these earnings largely reflect extraordinary effects and are unlikely to be repeated to this degree in the years ahead.

These very good number are the result of a strong operating performance in a favorable market environment.

In recent months Uniper benefited to a great extent from hedging transactions for fossil-fueled power generation and the midstream gas business.

in addition, we'd already announced in an hoc release issued in May on the day before our Annual General Meeting that we expect significant profits on gas replacement purchases. Part of this positive nonrecurring effect is reflected for the first time in our earnings for the first six months of the 2023 financial year.



But not just our earnings are outstanding. We've already made good progress in implementing the EU's remedies, which require us to divest certain nonstrategic shareholdings by the end of 2026. In late May we closed the sale of our ship-fuel trading business in the United Arab Emirates. Shortly before that we'd concluded the sale of our 20% indirect stake in the BBL pipeline.

Let's take a look at our two segments, European Generation and Global Commodities.

In the segment **European Generation's** the adjusted EBIT of roughly €1.5 billion was significantly above prior-year earnings of -€217 million.

This very substantial improvement is especially attributable to earnings on successful hedging and optimization transactions for fossil-fueled generation.

Our outright portfolio—that is, hydro and nuclear power plants that primarily provide baseload power—delivered higher earnings despite lower output by achieving higher prices. In addition, our hydro plants in Sweden benefited from a year-on-year reduction in price discrepancies between the system price and Sweden's price zones.

Uniper's power plants generated roughly 18% less electricity than in the prior-year period. As a result, our Scope 1 carbon emissions were about 22% lower.



Adjusted EBIT at the **Global Commodities** segment of just under €2.4 billion was considerably above the prior-year figure of -€174 million.

No more cumulative additional costs were incurred in the first half of 2023 for the replacement procurement of Russian gas. The decline in gas prices at the start of 2023 enabled Uniper to record a total of roughly €1.2 billion of cumulative lower costs—in other words, profits—before taxes on gas replacement procurement. In the prior-year period, the additional costs amounted to roughly €0.5 billion. For 2023 and 2024 we expect to record a total profit of more than €2 billion before taxes from hedging by means of futures transactions.

Uniper has received no further capital injections from the Federal Republic of Germany since year-end 2022 and can also no longer avail itself of any because it will not incur any more additional costs for replacement procurement for undelivered Russian gas. The Federal Republic of Germany support of Uniper with regard to capital injections has thus ended earlier than anticipated.

As a reminder, the stabilization package approved by the European Commission and made available by the German federal government had a maximum scope of €33 billion. Uniper drew on a total of €13.5 in equity in 2022. Taxpayers' contribution is thus significantly lower than initially thought. Uniper is now reviewing its obligation to repay excess amounts under the European Commission's state-aid approval and is engaging with the German federal government on this matter.

The fact that we won't incur any more losses in connection with Russian gas supply cuts was viewed positively by rating agency S&P as well. In mid-June S&P reaffirmed Uniper's long-term credit rating of



BBB-, but changed the outlook from negative to stable. An investment-grade rating is an essential element for Uniper's business operations and access to capital markets.

But after my short digression, I'll return to the earnings effects.

The operating business, which continues to be influenced by the extraordinary price developments of prior years and their consequences, also posted higher earnings. Portfolio optimization was another reason for higher earnings at our gas business.

The international portfolio also benefited in particular from the LNG business's good performance.

In addition, power trading activities generated particularly positive contributions in a volatile market environment.

Our positive first-quarter performance continued. In view of the recent price declines on commodity markets, Uniper's earnings situation will normalize going forward.

I'd therefore again like to make it clear that the numbers presented here are exceptional results that benefited from an advantageous market environment. They therefore shouldn't be extrapolated into the future.

I'll turn now to adjusted net income, which largely tracks adjusted EBIT. Adjusted net income after the first six months of 2023 was roughly €2.5 billion, which was substantially above the prior-year figure of -€490 million.



IFRS net income of €9.4 billion was considerably above the prior-year net loss of €12.4 billion. Net income was strongly influenced by the significant drop in commodity prices and the associated valuation of our derivatives along with the complete release of provisions for additional anticipated future losses in our gas portfolio due to missing Russian volumes.

Economic net debt developed very positively. High operating cash flow of just over €4.3 billion resulted in our overall debt going from minus to plus: we posted a positive net cash position of roughly €1.5 billion at the half-year mark. Our economic net debt at year-end 2022 was just above €3 billion.

I'll conclude my presentation by taking a look at our anticipated earnings performance for the 2023 financial year.

There will no longer be any additional replacement costs for undelivered Russian gas. Consequently, the biggest unknown for our earnings performance has been resolved. This gives us a little more certainty on our precise outlook for the 2023 financial year, taking into account that we continue to operate in a volatile market environment.

We expect full-year adjusted EBIT and adjusted net income in a middle single-digit billion range. We anticipate that in the second half of 2023 both of our segments—European Generation and Global Commodities—will continue their positive performance.

Our good numbers give us momentum for implementing our strategy, which will significantly increase the pace of Uniper's transformation into a greener company.



The main task now is to utilize our increasing scope for growth investments and underpin it up with additional specific projects.

Our strategy and its implementation are our contribution to again making Uniper a company that creates lasting value for its shareholders and will thus enable the German federal government to dispose of its investment in Uniper in the next few years in accordance with the European Commission's remedies.

Thanks for listening.

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