



**Telephone conference for Media Representatives**

**Uniper's Business Performance in Q1 2020**

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**Statement by:**

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**Please check against delivery.**



**[Speaker: Sascha Bibert]**

Thanks, Andreas. Good morning, everyone. A warm welcome from me as well to our presentation of our first-quarter numbers.

As anticipated and as we communicated several days ago, we've gotten off to a strong start this year. **Adjusted EBIT** of €651°million is significantly above the prior-year figure of €185°million.

The main reason is the positive performance of our gas business. In a highly volatile market, our team did an outstanding job of matching customer demand to our procurement portfolio. However, this optimization included bringing some income forward to the first quarter that we generally earn in the second half of the year.

Our hydro and nuclear power stations also delivered increased earnings thanks to higher power prices and output. We also benefited from income from the U.K. capacity market.

The Global Commodities and European Generation segments recorded higher earnings, whereas earnings at our business in Russia, which is part of the International Power segment, were below the strong prior-year figure. Earnings in Russia were adversely affected by lower electricity prices on the day-ahead market due to a weather-driven increase in the electricity supply and by lower demand from neighboring countries.

**Adjusted net income**, a new key performance indicator (KPI) we introduced at the start of this financial year, stood at €499°million and thus surpassed the prior-year figure of €117°million by a wide margin. Adjusted net income is broadly similar to adjusted EBIT but includes the interest expense on things like provisions as well as



operating interest income that isn't part of EBIT. Our expectation of more interest income in the future was one reason for introducing adjusted net income as a new additional KPI. Uniper's **tax rate** of 22°percent was inside the anticipated range of 20 to 25°percent.

First-quarter **operating cash flow** rose by €14°million, from €105°million last year to €119°million this year. This mainly reflects Uniper's positive earnings performance. Operating cash flow was adversely affected by an increase in working capital, primarily because our gas storage facilities added more inventory than in the prior year.

**Economic net debt** at the end of the first quarter totaled €2.7°billion and was thus almost exactly the same as the figure at year-end 2019.

We recorded **cash-effective investments** of €141 million in the first quarter of 2020, significantly above the prior-year level of €108 million. Growth investments went principally toward our power-plant projects: Datteln 4 and Scholven 3 in Germany and Beryozovskaya 3 in Russia.

I'll gladly reiterate that on March 20 of this year, S&P rating agency reaffirmed Uniper's BBB **credit rating**, albeit with a negative outlook. Last October 8, S&P put Uniper's rating on credit watch after Fortum announced the transaction between it and Elliott and Knight Vinke hedge funds. Uniper's consolidation in the Fortum Group means that Fortum's rating places an upper limit to Uniper's rating. In other words, Uniper's rating can't be better than Fortum's rating. On the positive side, I'd like to emphasize that it's a testimony to our continued solid work and balance sheet that S&P didn't downgrade Uniper's independent creditworthiness. At BBB, Uniper's rating continues to be solidly investment-grade.



In conclusion, I'll turn to our **forecast**. We're optimistic that our earnings for the current financial year will be within the target range we communicated when we presented our results for the 2019 financial year. We anticipate adjusted EBIT of between €750°million and €1°billion and adjusted net income of between €550 to €800°million. We're aiming for a dividend payout of €500°million for the 2020 financial year.

Corona's economic repercussions give us cause for concern. It's not yet foreseeable, however, that they will significantly influence Uniper's performance.

We market essential products and services primarily to large, solid, and financially robust commercial customers.

Furthermore, in recent weeks we've taken risk mitigation measures that once again significantly reduce our exposure to changes in wholesale prices.

At the present time, I therefore also can't foresee that we'd have to make use of our large liquidity buffer.

But the Corona pandemic will affect our Annual General Meeting (AGM). We decided to hold a virtual AGM this year. We're making use of the recent amendments to the German Stock Corporation Act, which allow AGMs to be held virtually without the physical presence of shareholders. Uniper welcomes this change in the law, which will enable us to make timely and complete payment of the proposed dividend for the 2019 financial year of €1.15 per share. This gives planning security to our shareholders, which is particularly important during a crisis. It's equally important to us that the virtual format ensures the best possible protection of shareholders' rights.



As you can see, the Uniper Management Board has good reasons to be cautiously optimistic. That's all from me and Andreas Schierenbeck. We'd now be happy to take your questions.

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