



Telephone conference for Media Representatives

Uniper's Business Performance in H1 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 the presentation of our first-half numbers.

Adjusted EBIT of €691 million was significantly above the prior-year figure of €308 million.

Our positive performance from the first quarter continued, albeit, as anticipated, not at the previous pace. As you know, the first half benefited substantially from optimization in our gas business. In a highly volatile market, we successfully adjusted the supply mix to our customers' demand.

At the European Generation segment, Uniper's hydro and nuclear power stations delivered increased earnings. Because their output was hedged at lower prices, they benefited from higher power prices. Higher output at our hydropower stations in Sweden was largely offset by lower output at our hydropower stations in Germany. Output at nuclear power stations in Sweden was lower year-on-year due to the closure of Ringhals 2 at the end of 2019 and production interruptions at Oskarshamn 3 and Ringhals 1 and 3. Earnings also benefited from the fact that, unlike in the first half of 2019, we again recorded income from the U.K. capacity market.

Another positive effect was a price- and volume-driven reduction in provisions for carbon allowances relative to the prior-year period. The reason for this is that the expenditures for each metric ton of carbon emissions are factored into our adjusted EBIT through provisions we create based on the spot-market price at the quarterly balance-sheet date. By contrast, the corresponding carbon hedging transactions and the resulting mark-to-market valuation gains won't show up in our adjusted EBIT until year-end 2020.

The Global Commodities and European Generation segments recorded higher earnings, whereas earnings at our Russian Power segment were below the strong prior-year figure. The earnings decline in Russia is principally attributable to lower electricity prices on the day-ahead market due to a weather-driven increase in the supply of hydropower in Siberia,



lower demand from oil and gas companies due to COVID-19, and lower demand from neighboring countries.

Adjusted net income stood at €527 million and thus surpassed the prior-year figure of €189 million by a wide margin. Adjusted net income is broadly similar to adjusted EBIT but is after taxes and also includes operating interest expenses and operating interest income, which aren't part of adjusted EBIT.

Uniper recorded first-half **operating cash flow** of €288 million. The €610 million increase relative to the first six months of 2019 resulted mainly from the increase in cash-effective earnings, which are essentially operating earnings before depreciation and amortization, excluding changes in provisions.

Economic net debt rose by €646 million from the figure at year-end 2019 to just under €3.3 billion. The increase is principally attributable to the dividend payout of €421 million in May and slightly higher provisions for pensions due to the decline in interest-rate levels.

Cash-effective investments of €279 million in the first half of 2020 were significantly above the prior-year level of €240 million. Growth investments went principally toward our power-plant projects: Datteln 4, Scholven 3, and Irsching 6 in Germany, and Beryozovskaya 3 in Russia.

In conclusion, I'll turn to our **forecast**. The positive developments enable us to make our earnings forecast more precise and even to raise slightly the midpoint of our forecast range. We now anticipate adjusted EBIT of €800 million to €1 billion and adjusted net income of €600 million to €800 million. We continue to aim for a dividend payout of €500 million for the 2020 financial year.

We're monitoring COVID-19's economic repercussions carefully. 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. At present, we hardly see any payment delays or defaults.



Although COVID-19 is currently not having a significant impact on Uniper, it has affected our project business, such as the return to service of Beryozovskaya 3. In addition, the decline in industrial production has been accompanied by lower demand for electricity and gas, which in turn adversely affects prices. As you know, however, we've already forward-sold a significant portion of this year's output from our zero-carbon hydropower stations in Germany and Sweden and nuclear power stations Sweden. Our hedge rate is high in 2021 and 2022 as well. It's roughly 85% for 2021 and 70% for 2022 in Germany. The corresponding figures for the Nordic market are somewhat lower at 80% for 2021 and 40% for 2022.

And now Andreas and I would be happy to take your questions.

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