



Press Release
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Uniper reaffirms earnings forecast and dividend proposal for 2018 despite moderate winter quarter

- **Adjusted EBIT of €350 million in Q1 2018 (Q1 2017: €514 million)**
- **Adjusted funds from operations (Adjusted FFO) of €562 million above prior year (Q1 2017: €442 million)**
- **Commissioning of Datteln 4 expected presumably in summer 2020**
- **Forecast 2018 and dividend guidance for 2018-20 reaffirmed**
- **Rating target with BBB with stable outlook achieved**

Uniper posted adjusted EBIT of €350 million in the first quarter of the 2018 financial year. The roughly €160 million decline relative to the prior-year quarter had been largely anticipated by the company and is in line with its forecast for full-year 2018. The main factors adversely affecting operating earnings included the absence of earnings streams from the divested stake in Yuzhno-Russkoye gas field and from the decommissioned power plant units Maasvlakte 1 and 2 in the Netherlands and Oskarshamn 1 in Sweden. Uniper also recorded adverse currency-translation effects. The primary adverse factor at the Global Commodities segment was that the earnings in its gas business were weaker relative to a strong prior-year quarter. Alongside the non-recurrence of the remaining positive effects of the Gazprom agreement in 2016, the late arrival of winter temperatures means that some of the positive seasonal factors in Uniper's gas storage and optimization business will not be reflected in its earnings and cash flow performance until later in the year. Net income attributable to Uniper shareholders totaled €114 million in the first quarter of 2018.

CFO Christopher Delbrück says: "Despite the absence of some earnings streams, adverse currency-translation effects, and the late arrival of cold temperatures, after the winter quarter all of our key figures are broadly in line with our expectations. This gives us a good starting position from which to achieve our targets for the 2018 financial year. Our earnings forecast and dividend proposal, which we last communicated on March 8, are unchanged."

The absence of earnings streams from decommissioned power plant units in the Netherlands and Sweden and lower achieved prices per megawatt-hour of hydro and nuclear power adversely affected operating earnings at Uniper's European Generation segment. The reason for the latter is that at an earlier date a portion of this capacity had already been hedged against price fluctuations, but at lower price levels. Earnings were also adversely affected by negative price and volume effects at Uniper's fossil-fueled generation portfolio, which at the beginning of the prior year operated more frequently in response to power-plant outages in France. As anticipated, tax reductions along with higher output at Uniper's hydro and nuclear plants in Sweden as well as income from capacity-market payments in the United Kingdom and France had a positive impact on adjusted EBIT.

Earnings at the Global Commodities segment declined primarily because of lower earnings from optimization activities. Whereas earnings in the prior-year quarter still benefited from the successful negotiations in 2016 to adjust the terms of long-term gas procurement contracts, this effect did not recur in the first quarter of 2018. In addition, the late arrival of winter temperatures prevented Uniper from fully monetizing the

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



options of its gas portfolio. When the cold spell began, the company had already hedged its prices and focused on ensuring a reliable gas supply despite very low inventories in gas storage facilities. Uniper anticipates that it will report some of the earnings from its first-quarter optimization activities in the second quarter.

First-quarter adjusted EBIT at Uniper's power generation business in Russia almost reached the prior-year level despite a significant decline in the value of the ruble relative to the prior year and lower output.

The first reliable findings now available from the analysis of the extent and root causes of the damage to the boiler of Datteln 4, a hard-coal-fired power plant currently under construction, indicate the necessity to replace rather than to repair the boiler walls. This will further delay the plant's planned commissioning, which is now expected to take place presumably in summer 2020. This delay made it necessary for Uniper to record an impairment charge on Datteln 4 power plant of around €270 million.

Uniper recorded net income of €130 million in the first quarter of 2018 (Q1 2017: €751 million). Net income attributable to Uniper shareholders totaled €114 million (Q1 2017: €733 million).

Adjusted **funds from operations (FFO)**, which Uniper uses to assess the potential dividend payout to its shareholders, amounted to €562 million in the first quarter of 2018, an increase of €120 million relative to the prior-year period. The positive factors included a reduction in the utilization of provisions and positive tax effects.

Uniper's **economic net debt** stood at €2.6 billion at March 31, 2018. The slight increase of €0.2 billion relative to year-end 2017 is mainly attributable to an increase in financial liabilities and changes in the accounting treatment of liabilities from leases. Adjusted on a pro forma basis to eliminate the effect of applying IFRS 16 from the beginning of 2018, Uniper's economic net debt declined by about €0.1 billion at March 31, 2018.

In view of the solid financial situation Uniper has achieved and in anticipation of improved earnings stability and profitability, in late April Standard & Poor's (S&P) rating agency raised Uniper's rating from BBB- with a positive outlook to BBB with a stable outlook. S&P believes Uniper's business risk profile has improved as well. After successfully reducing its debt and optimizing its cash and cost situation, Uniper has therefore now achieved its rating target.

Uniper's **cash-effective investments** of €118 million were below the prior-year figure (Q1 2017: €140 million). €84 million went toward growth investments, primarily toward the major projects Datteln 4 and Berezovskaya 3. Maintenance investments totaled €34 million. Here, the focus was on the company's fossil-fueled and hydro power plants.

Uniper's **forecast for full-year 2018** is unchanged. The company continues to expect its adjusted EBIT to be between €0.8 and €1.1 billion. Uniper intends to propose a dividend of about €310 million.

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.



Overview on Uniper's performance in the first quarter of 2018

€ in millions	Q1 2018	Q1 2017	+/-
Uniper sales	21,025	22,253	-5.5%
<i>European Generation</i>	2,901	2,226	30.3%
<i>Global Commodities</i>	21,552	21,996	-2.0%
<i>International Power</i>	295	335	-11.9%
<i>Administration/Consolidation</i>	-3,723	-2,304	-61.6%
Uniper Adjusted EBIT¹⁾	350	514	-31.9%
<i>European Generation¹⁾</i>	186	226	-17.7%
<i>Global Commodities¹⁾</i>	134	230	-41.7%
<i>International Power¹⁾</i>	89	92	-3.3%
<i>Administration/Consolidation¹⁾</i>	-59	-34	-73.5%
Net income/loss	130	751	-82.7%
<i>Attributable to Uniper SE shareholders</i>	114	733	84.4%
<i>Attributable to non-controlling interests</i>	16	18	11.1%
Operating cash flow	620	902	-31.3%
Adjusted funds from operations (adjusted FFO)²⁾	562	442	27.1%
Economic net debt	-2,606	-2,445	-6.6%

1) Adjusted to exclude non-operating effects.

2) Primarily adjusted for operating cash flows not permanently available for distribution.

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