



Press Release  
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## Uniper achieves financial targets for 2018 financial year; dividend proposal again higher

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- **Adjusted EBIT of €0.87 billion in line with forecast; decline mainly due to known portfolio changes and absence of non-recurring effects**
- **Adjusted funds from operations (adjusted FFO)<sup>1</sup> of €0.76 billion nevertheless at prior-year level**
- **Dividend proposal for 2018 of €329 million (€0.90 per share) once again above target**
- **Outlook for 2019: adjusted EBIT expected to be between €0.55 and €0.85 billion, adjusted FFO between €0.65 and €0.95 billion; dividend of €390 million to be proposed**
- **Implementation of strategy moves forward with key projects**

Uniper achieved its financial targets for the 2018 financial year: Adjusted EBIT of €865 million was inside the target range of €0.8 to €1.1 billion. Adjusted funds from operations (adjusted FFO) of €756 million were at the prior-year level. In line with the company's already communicated dividend policy, this resulted in proposed dividend payout of €329 million. This is again more than the original target for 2018 of €310 million and corresponds to €0.90 per share (2017 financial year: €0.74 per share).

**Uniper's Chief Financial Officer Christopher Delbrück says:** "Despite all the challenges, in 2018 Uniper again kept its word and delivered on its financial targets. Although our operating performance was somewhat weaker, we kept the company on course in an extremely difficult market environment. The stable performance of our adjusted funds from operations again enables us to make our shareholders an attractive dividend proposal. Our balance sheet is on schedule as well: achieving a comfortable investment-grade rating and concluding our refinancing early enabled us to notch up two important successes in 2018."

Uniper recorded a **net loss** of €492 million for full-year 2018 (2017: net loss of €538 million). This was mainly attributable to impairment charges totaling €681 million on Datteln 4 and Provence 4 power plants and the gas-storage portfolio in Germany. In addition, the marking to market of commodity derivatives at the balance-sheet date resulted in a negative effect of roughly €300 million.

By contrast, **adjusted funds from operations** (adjusted FFO), which Uniper uses to assess the potential dividend payout to its shareholders, amounted to €756 million, which was at the prior-year level (2017: €753 million). This stable performance mainly reflects a reduction in the utilization of provisions, which partially offset the lower operating earnings.

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<sup>1</sup> "Adjusted funds from operations" (adjusted FFO) is a key figure used by Uniper since 2017 in part to assess the potential dividend payout to its shareholders and to calculate the Management Board's variable compensation. For a detailed definition see Uniper Annual Report 2018 page 22.



### **Outlook for financial year 2019**

Uniper expects its 2019 **adjusted EBIT** to be between €550 and €850 million. The decline in the forecast adjusted EBIT compared to 2018 is driven by the absence of positive one-off effects and earnings from LNG hedging transactions. However, these effects will be partially offset by higher prices in all European electricity markets and increased output from the company's hydroelectric power plants in Germany and Sweden. The forecast for 2019 also does not include the contractually agreed payments from the suspended British capacity market. If the system were to come into force again during the year, the earnings forecast for 2019 would increase by up to €120 million.

Uniper anticipates 2019 **adjusted funds from operations** of between €650 and €950 million. Adjusted FFO will mainly reflect the performance of adjusted EBIT, although the absence of positive prior-year effects is largely not cash-effective or not relevant for adjusted FFO. The proposed dividend for the 2019 financial year is €390 million.

### **Implementation of strategy moves forward with key projects**

To successfully position itself for the future, in 2018 Uniper worked systematically on its strategic development and moved forward with key projects. For example, the company will build a new 300 megawatts gas-fired power plant at its Irsching facility. The plant, is expected to enter service in 2022, in particular to provide emergency backup for the power supply at times of system stress. Uniper also made progress in the transformation of Scholven. To ensure the facility's viability for the long term, Uniper will build a combined-heat-and-power plant consisting of two gas turbines and a steam boiler at the existing hard-coal-fired plant. More detailed planning took place in 2018 so that start of construction works is expected to begin this year.

In Russia, Uniper will also participate in the modernization program for conventional power generation capacities in the current financial year. The Russian government has decided to modernize some 40 gigawatts of generation capacity over the next decade. The first auction for the supply of capacity for the years 2022 to 2024 will take place in April 2019. Uniper will participate in this auction in order to generate stable earnings from capacity payments here as well.

**Uniper's Chief Operating Officer Eckhardt Rümmler says:** "Our strategy aims to continually increase the proportion of earnings not exposed to market prices. These two investment projects demonstrate that we're making substantial progress in implementing our strategy. For the Scholven projects, the Russian modernization program and the new gas-fired power plant in Irsching alone, which have now been initiated, we will be investing around 500 million euros over the next few years, thus making our company fit for the future".

### **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.



## Uniper's sales and earnings performance in 2018

€ in millions	2018	2017	+/- %
<b>Uniper sales</b>	78,176	72,238	8.2%
<b>Uniper adjusted EBIT<sup>1</sup></b>	865	1,114	-22.4%
European Generation <sup>1</sup>	386	337	14.5%
Global Commodities <sup>1</sup>	318	341	-6.7%
International Power <sup>1</sup>	278	616	-54.9%
Administration/Consolidation <sup>1</sup>	-117	-180	35.0%
<b>Net income/loss</b>	-492	-538	8.5%
Attributable to Uniper SE shareholders	-452	-656	31.1%
Attributable to non-controlling interests	-40	118	>-100%
<b>Operating cash flow</b>	1,241	1,385	-10.4%
<b>Adjusted funds from operations (adjusted FFO)<sup>2</sup></b>	756	753	0.4%
<b>Investments</b>	642	843	-23.8%
<i>Growth</i>	325	451	-27.9%
<i>Maintenance</i>	317	392	-19.1%
<b>Economic net debt</b>	-3,208	-2,445	-31.2%

<sup>1</sup> Adjusted to exclude non-operating effects

<sup>2</sup> Adjusted to exclude mainly items that do not reflect underlying cash flow available for distribution

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