



Press Release
November 12, 2019

Uniper increases earnings forecast for the 2019 financial year

- **Adjusted EBIT of €203 million in 9M 2019; year-on-year decline anticipated**
- **Net income of €1,056 million significantly above prior-year figure**
- **Higher economic net debt as a result of strong build-up of working capital and higher pension provisions**
- **Earnings forecast for 2019 financial year raised due to reinstatement of U.K. capacity market; planned dividend proposal reaffirmed**

Uniper posted adjusted EBIT of €203 million in the first nine months of the 2019 financial year (9M 2018: €386 million). The year-on-year decline of €183 million was anticipated. Uniper's operating earnings in the first nine months of 2019 were adversely affected primarily by the non-recurrence of positive effects recorded in the prior year, lower output at a small number of power plants, and the absence of income from the U.K. capacity market. By contrast, adjusted EBIT benefited from the fact that higher power prices and output enabled the company's hydro and nuclear power stations to earn more. The improvement at the gas business and the business in Russia was another positive factor.

Uniper anticipates a strong fourth quarter operationally. It has therefore raised its earnings forecast for the 2019 financial year, in particular because of the reinstatement of the U.K. capacity market. The company now expects its adjusted EBIT to be between €750 and €950 million. Uniper originally planned for its adjusted EBIT to be between €550 and €850 million. Uniper reaffirmed its planned dividend proposal for the 2019 financial year of roughly €390 million. In addition, based on the assumptions for the remainder of the year, Uniper sees a possibility for an increased dividend proposal for 2019.

Uniper CFO Sascha Bibert said: "In our business, the third quarter is usually the weakest. In view of the non-recurrence of positive effects recorded in the prior year, our nine-month earnings don't surprise and are line with our expectations. But a strong fourth quarter lies ahead, one that will have a number of positive developments for our business. These include price and volume effects at our hydro and nuclear power stations and additional optimization earnings at our gas business. In addition, the reinstatement of the U.K. capacity market enables us to make claims for back payments, which will have a positive impact on our 2019 earnings. We also expect our cash flow to be significantly positive and therefore our debt to be lower."

Adjusted EBIT at the **European Generation** segment declined to €137 million (9M 2018: €260 million). This adverse development resulted mainly from the non-recurrence of positive one-off items recorded in the prior year and the absence of income from the U.K. capacity market. Operating earnings were also adversely affected by lower output from Maasvlakte 3 coal-fired power plant in the Netherlands and unit 2 at Ringhals nuclear power station in Sweden.

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The **Global Commodities** segment's operating earnings decreased to €1 million (9M 2018: €126 million). The decline is mainly attributable to the absence of positive one-off items recorded in 2018 on LNG hedging transactions and additional adverse effects from these hedging transactions in the first nine months of the current year. Successful optimization activities at gas-trading venues could not fully offset the adverse factors.

Operating earnings at Uniper's **power business in Russia** were higher than in the prior-year period, rising to €220 million (9M 2018: €204 million). Higher power prices and increased output were the principal positive factors.

Uniper recorded **net income** of €1,056 million in the first nine months of 2019 (9M 2018: -€521 million). The year-on-year increase is principally attributable to positive effects resulting from the marking to market of commodity derivatives at the balance-sheet date. Uniper uses derivatives to shield its power and gas business from price fluctuations.

Uniper's **operating cash flow** of -€277 million was significantly below the prior-year figure of €89 million. This weak performance relative to the prior-year period was mainly attributable to an increase in working capital due to the low level of gas prices and to the decline in earnings.

Uniper's **economic net debt**¹ at September 30 of €3,600 million was €1,091 million above its year-end 2018 debt of €2,509 million. The main factors were the company's negative cash flow, its dividend payout to shareholders, and an increase in pension obligations due to the further decline in interest-rate levels. These factors were only partially offset by disposal proceeds.

Cash-effective investments of €401 million were at the prior-year level (9M 2018: €387 million). Uniper invested €223 million in existing growth projects, €178 million in maintenance.

¹Uniper adjusted its definition of economic net debt: economic net debt since March 31, 2019, includes, for the first time, receivables from futures transactions; the figure at December 31, 2018, was adjusted accordingly. Further commentary can be found in the Financial Situation chapter of Uniper's 2019 Half-Year Report.



Uniper's key financial performance indicators in the first nine months of 2019

(€ in millions)	9M 2019	9M 2018	+/-
Uniper sales	52,778	53,059	-1%
Uniper adjusted EBIT¹	203	386	-47%
European Generation ¹	137	260	-47%
Global Commodities ¹	1	126	-99%
International Power ¹	220	204	8%
Administration/Consolidation ¹	-155	-204	-24%
Net income/loss	1,056	-521	>100%
Attributable to Uniper SE shareholders	1,009	-550	>100%
Attributable to non-controlling interests	47	29	62%
Operating cash flow	-277	89	>-100%
Adjusted funds from operations (adjusted FFO)²	134	722	-81%
Investments	401	387	4%
<i>Growth</i>	223	230	-3%
<i>Maintenance</i>	178	157	13%
Economic net debt⁴	3,600	2,509 ³	27%

¹Adjusted to exclude non-operating effects.

²Adjusted to exclude mainly items that do not reflect underlying cash flow available for distribution.

³Figure at December 31, 2018.

⁴Figure since March 31, 2019, includes, for the first time, receivables futures transactions; the figure at December 31, 2018, was adjusted accordingly.

About Uniper

Uniper is a leading international energy company with activities in more than 40 countries and around 11,000 employees globally. Its business is the secure provision of energy and related services. Its main activities include power generation in Europe and Russia as well as global energy trading. The company is headquartered in Düsseldorf, Germany.

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