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FY 2018 Results

Christopher Delbrück – CFO

12 March 2019

18

Agenda

- 1. Essentials**
2. Financial Results 2018 and Outlook 2019
3. Appendix

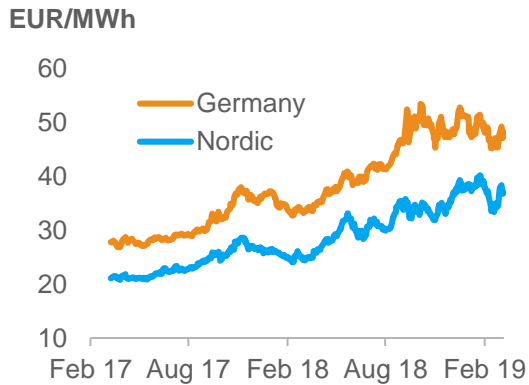
18

Essentials – Goals for FY2018 reached, dividend above outlook

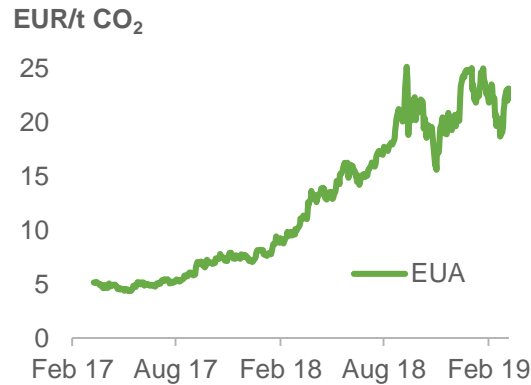
FY2018	Operations pushed ahead	>	<ul style="list-style-type: none">• Executing strategy in still challenging environment• Continuing efforts to finalize our large asset projects• First projects initiated in strategic growth areas
	Financial goals achieved	>	<ul style="list-style-type: none">• Adj. EBIT 2018: €865m – within Q3 specified range• Adj. FFO 2018: €756m – at higher end of outlook range• Dividend proposal FY2018: €329m – above original guidance
FY2019	Managing the transition	>	<ul style="list-style-type: none">• Fresh start with Fortum• Executing strategic growth projects and driving ESG¹ initiatives ahead• Managing European coal phase-out
	Outlook 2019	>	<ul style="list-style-type: none">• Adj. EBIT outlook: €550m - €850m• Dividend: Aspiration to propose payout of €390m for FY2019• Dividend policy²: On track of growth path towards 2020

Commodity markets – Strong uptrend is flattening

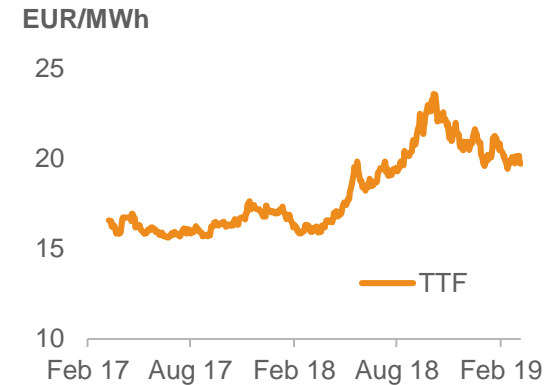
Electricity baseload forwards¹



Carbon trading prices²



Gas forwards¹



Electricity prices – flattening

- Price recovery with the tailwind of higher fuel and CO₂ prices
- Weakening macroeconomic outlook putting a damper on surging prices
- Rising volatility with news from the political arena and weather related impacts

Towards coal-to-gas switching

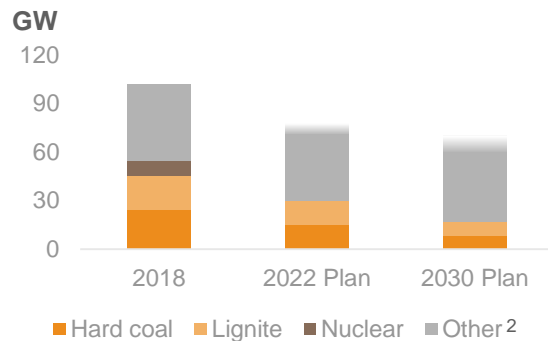
- CO₂ prices (EUA - EU Allowances) tripled in 2018
- CO₂ prices reflect the elimination of the surplus in allowances within the revised EU ETS regime
- Logic of coal-to-gas switching seems to prevail

Volatile gas prices

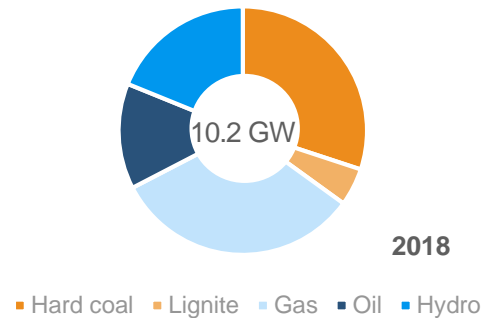
- Asian demand with rising impact on European gas prices
- Revival of oil-to-gas price link with more globalized gas markets
- Europe in bullish mood by expecting that coal-to-gas switching works
- Year ended with mild weather and ample gas supplies

Energy policy – Germany’s coal consensus awaits implementation

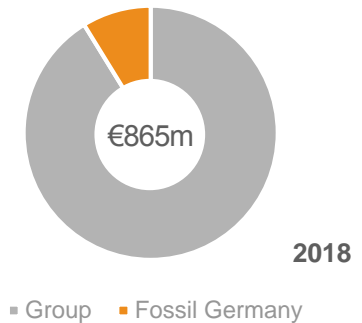
Germany: Coal phase-out plan¹



Uniper: Solid German mix³



Uniper: EBIT contribution



Phase-out with compensation

- Germany with challenging roadmap for coal to be phased-out until 2038
- Roadmap for lignite and hard coal²:
 - 13 GW out until 2022
 - 13 GW out between 2023 and 2030
- Plan to operate with 17 GW of coal-fired power stations by 2030
- Uniper awaits negotiations with governmental officials

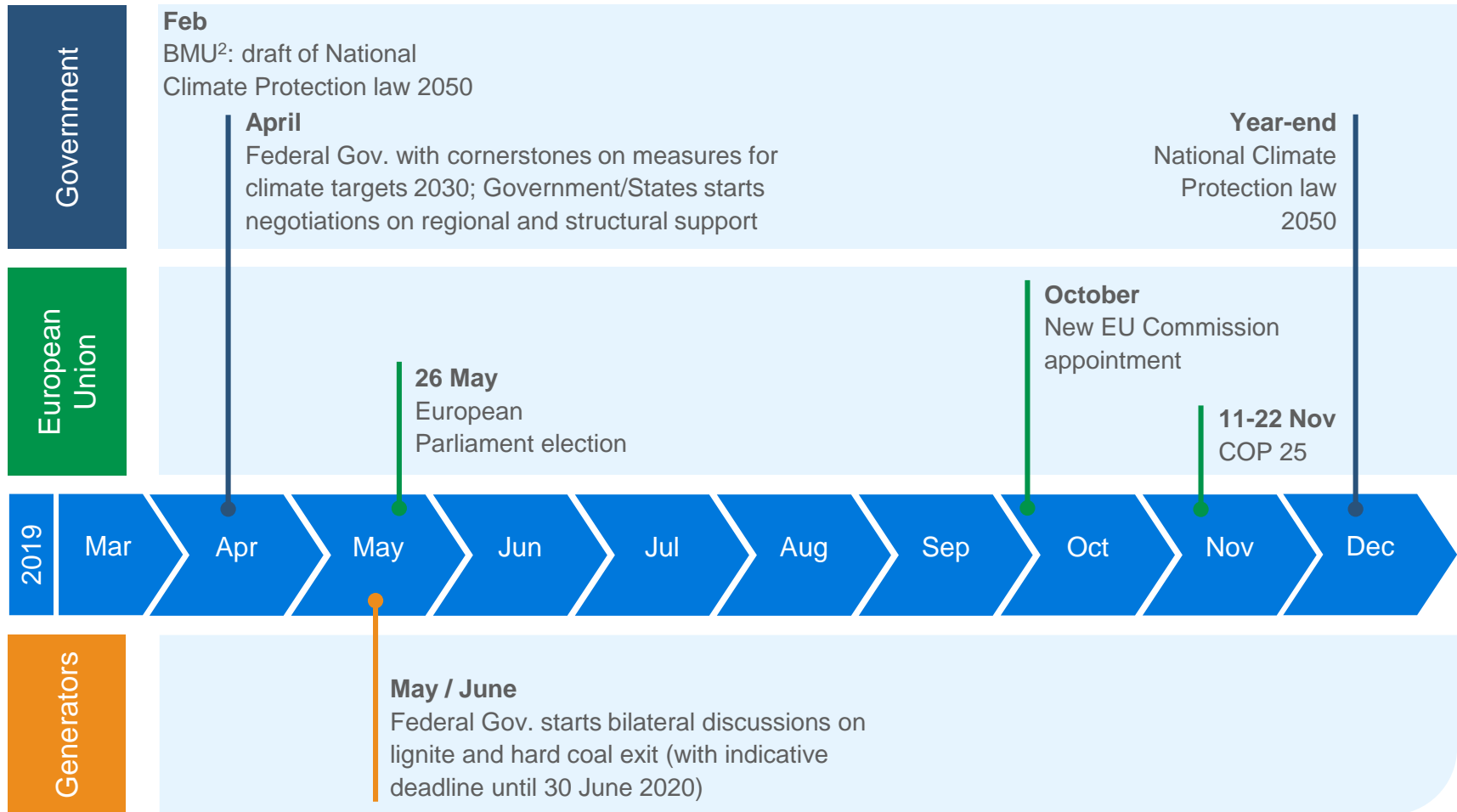
Uniper with robust portfolio

- Uniper owns 4.6 GW of hard coal and lignite power stations
- Downside protection with current portfolio mix
- Chance to increase cash flow from existing gas fired power stations
- Exit path should give generators some optionality – including chance for new investments

Limited contribution from coal

- Fossil power earnings in Germany still dominated by coal
- Datteln IV coal-fired power station as significant earnings contributor once up and running
- Promising outlook for rising gas power earnings

Germany's coal phase-out – What's next¹



Large asset projects – Continuing efforts to finalize projects

Datteln IV hard coal plant



Plant repair on track

- Dismantling of boiler walls executed
- Pre-assembling of new parts at site
- Sticking to our timeline - commercial operation date planned for summer 2020
- Budget of €0.2bn earmarked to finalize the project
- Total investment: above €1.5bn

Berezovskaya III lignite plant



Commissioning date ahead

- Additional regulatory requirements, e.g. extensive fire-coating
- Commercial operation date (COD) expected in Q4 2019
- Repair project: RUB15bn capex to be spent until completion

Nord Stream 2 pipeline project



Pipe laying progressing well

- Germany supports the projects as part of a broad EU gas sourcing
- EU pushed ahead with plan to include offshore pipelines in Gas Directive
- Despite political headwinds, key project parameters still hold
- Project on track with 2x300 km of pipes laid in the Baltic Sea

Growth initiatives – Projects initiated and project pipeline filling up

LNG terminal Wilhelmshaven



Project planning in advanced stage

- Germany supports construction of two LNG regasification terminals
- Uniper's solution as enabler offers favorable conditions
- Provisional agreement with FSRU¹ provider MOL and Exxon Mobil (long-term offtaker) signed
- Project could be executed until H2 2022

Scholven gas CHP plant



Flagship project for Industrial Solutions

- New gas power station to serve industrial cluster in the Ruhr area
- Long-term contract to supply electricity, process steam and heat
- 114 MW electricity & 140 MW heat CHP project
- Planned commercial operation date at the end of 2022
- Investment budget: €0.2bn

Irsching gas CHP plant



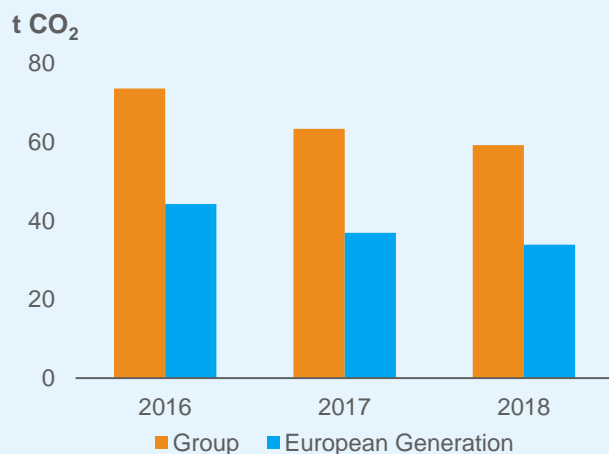
Contributing in new German security mechanism

- Power plant on stand-by to serve as a “safety cushion” by supplying power in special emergency
- Long-term service contract with grid operator TenneT
- 300 MW CHP project with planned commercial operation date in October 2022
- Investment budget: up to €0.2bn

ESG – Our way going forward

Environment

Enabling the energy transition due to excellent position in gas and hydro



- Monitoring and further reducing Uniper's carbon emissions while simultaneously ensuring security of energy supply
- Group-wide carbon intensity target of 500g of CO₂ per kWh (on average) through 2020
- No investments in new coal-fired power plants after the commissioning of Datteln IV

Social

Providing a safe work environment and ensuring equal opportunities

- Committed to maintain a 1.75 combined TRIF¹ threshold at the Group level through 2019
- About 12,000 employees reflecting a variety of nationalities, cultures and generations
- Target to have women account for at least 25% of Uniper's top-level executives by 2022

Governance

State of the art governance structure and compliance principles

- Ensuring diversity and independence in the supervisory board, e.g. 30% female supervisory board members
- Remuneration system aligns management and shareholder interest
- Continuing to strengthen compliance culture and protecting the business from corruption risks

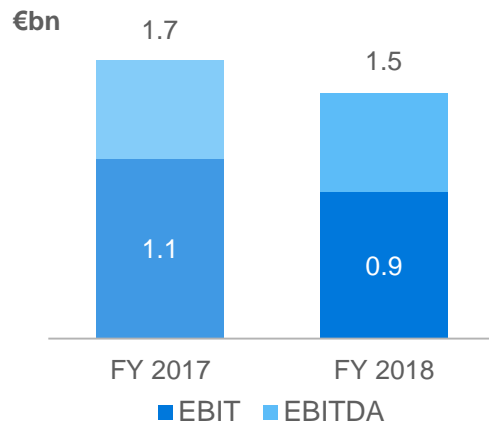
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Key financials – FY 2018 fully in line with latest guidance

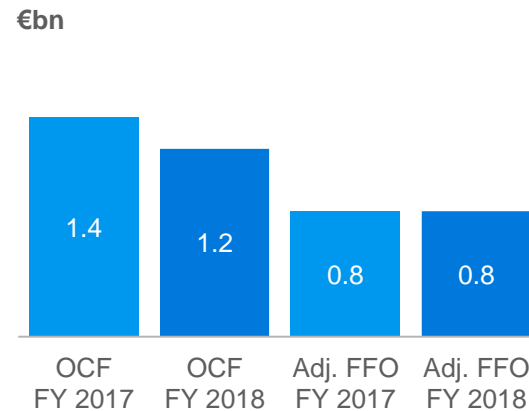
Adj. EBIT(DA)



Adjusted EBIT(DA) down

- Driven by structural effects partly compensated by regulatory effects, cost cutting and LNG proxy hedging result

Operating Cash Flow, Adj. FFO



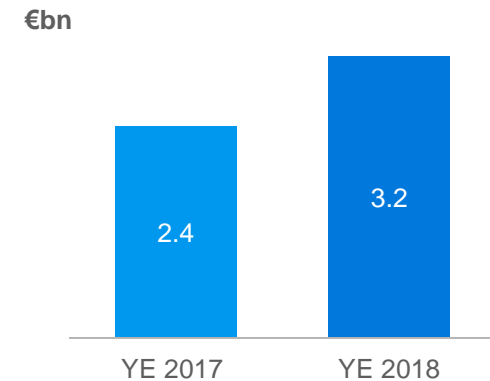
Operating Cash Flow down

- Operating cash flow in line with earnings development

Adjusted FFO in line

- Adj. FFO is independent from working capital effects and mainly profits from lower provision utilization

Economic Net Debt



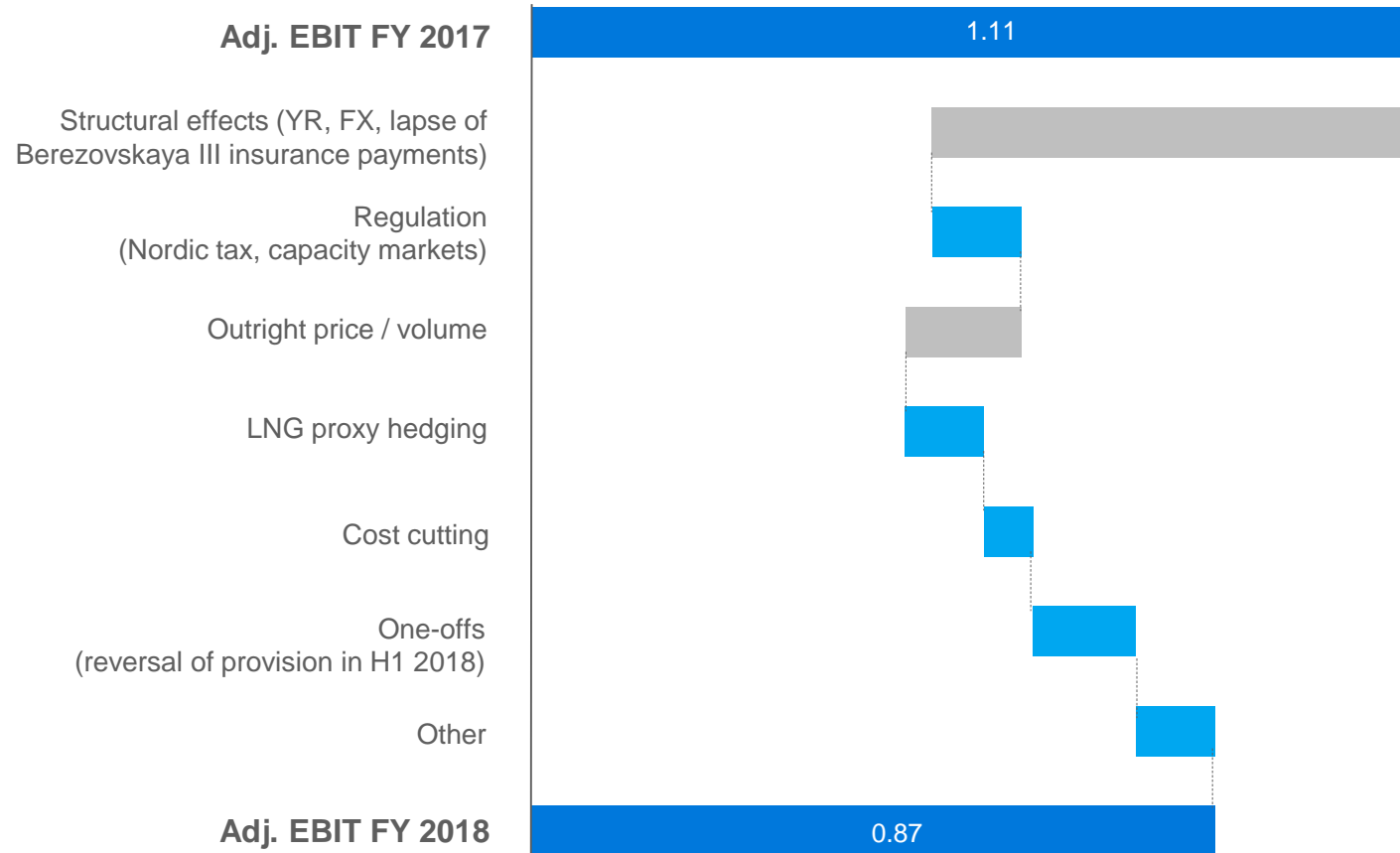
Net Debt significantly up

- Due to margining requirements, IFRS 16 effect and Nord Stream 2 funding
- Economic Net Debt (END) fundamentally in line with targeted debt factor - END does currently not reflect all cash-effective positions

Adjusted EBIT – FY 2018 earnings reduction largely due to structural effects

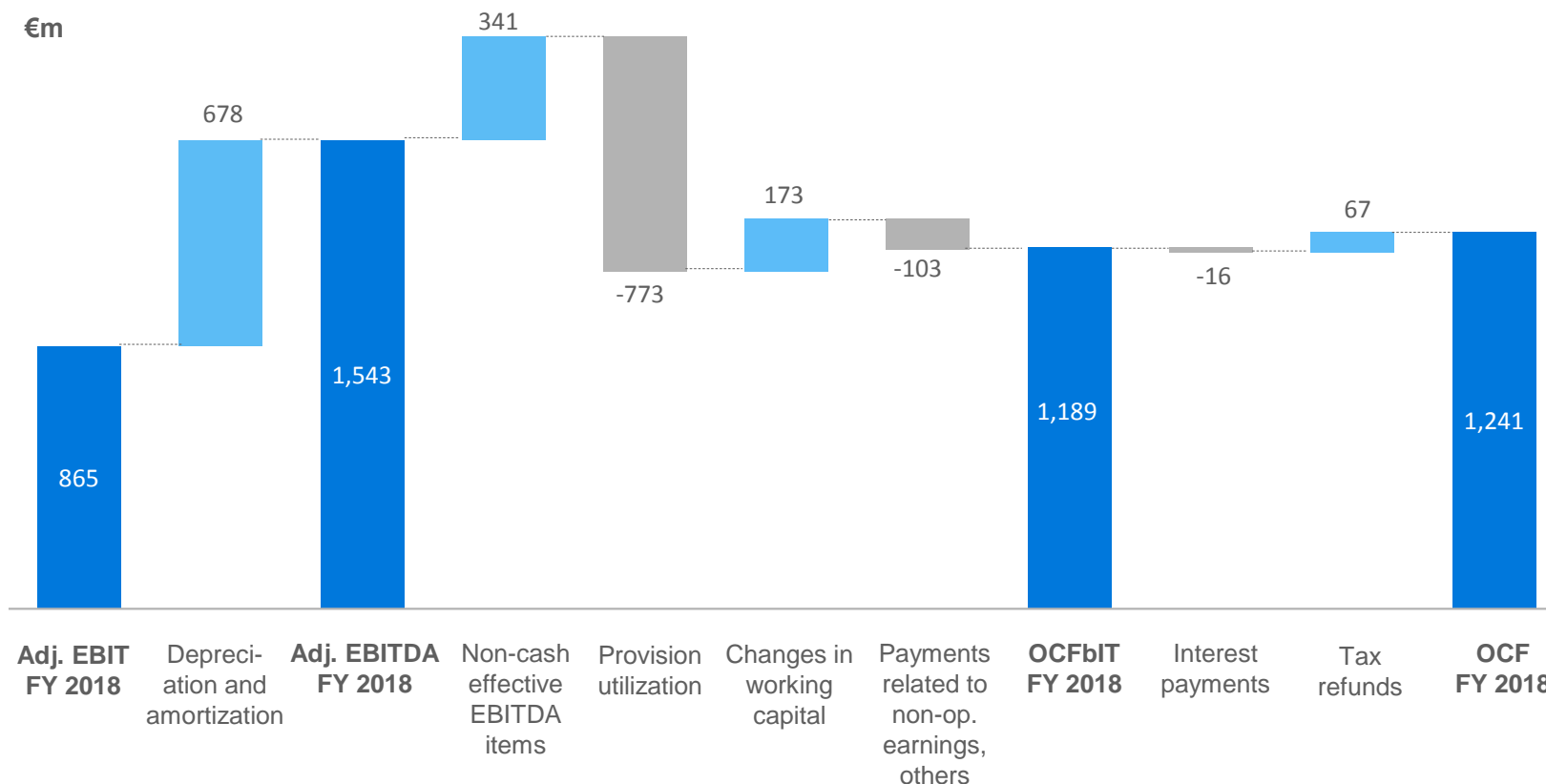
Reconciliation Adjusted EBIT FY 2018 vs. FY 2017

€bn



Adj. EBIT to OCF – Healthy cash conversion due to lower provision utilization

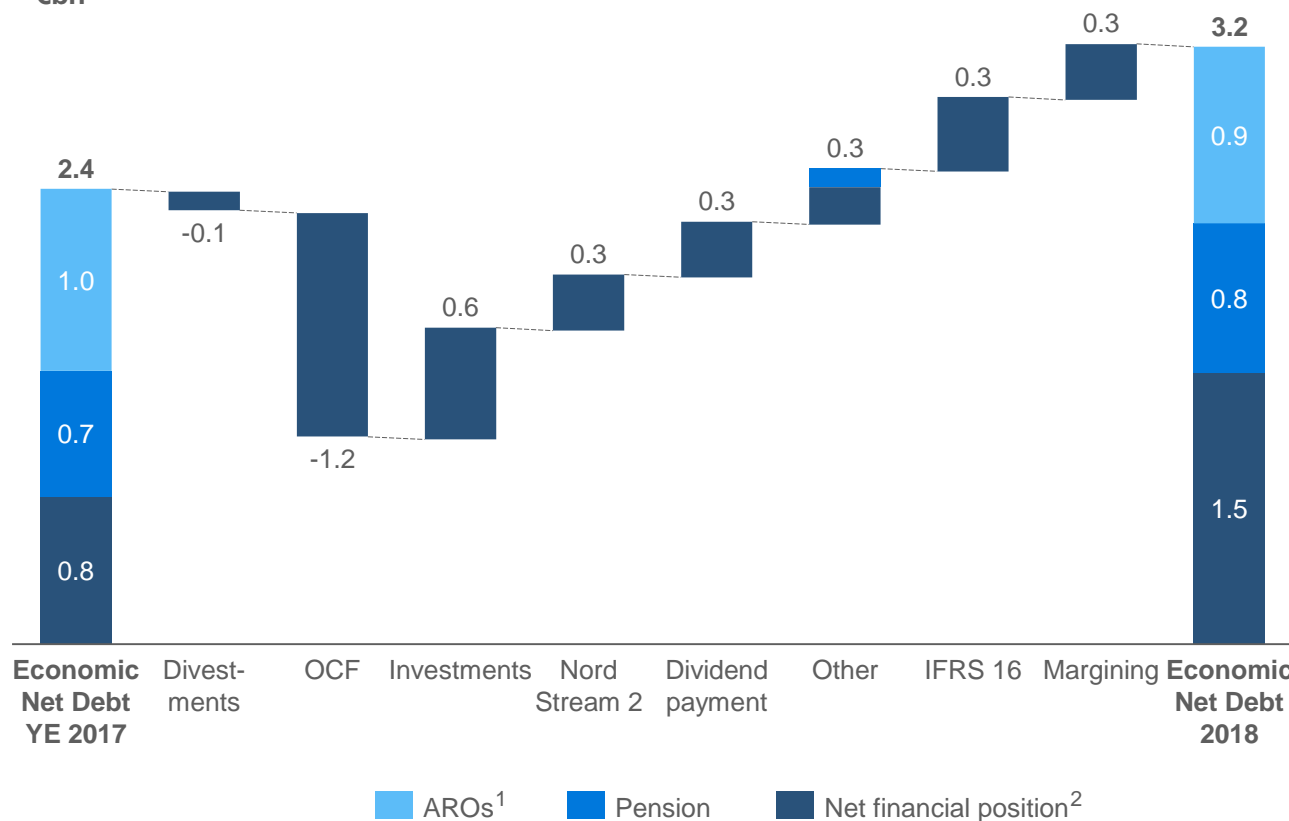
Reconciliation Adjusted EBIT to Operating Cash Flow (OCF)



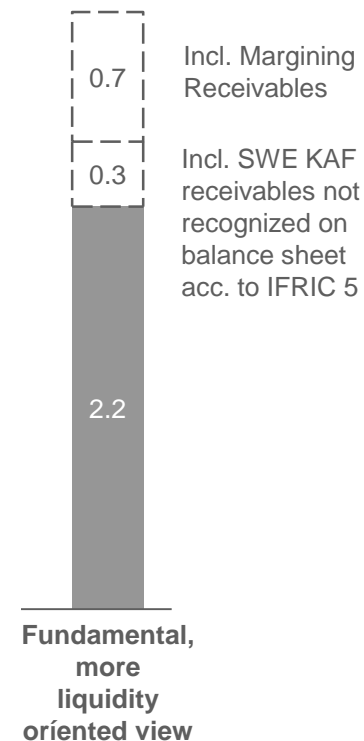
Economic Net Debt (END) up due to increased margining, IFRS 16 impact and NS 2 financing

Reconciliation Economic Net Debt YE 2018 vs. YE 2017

€bn



For information purpose only

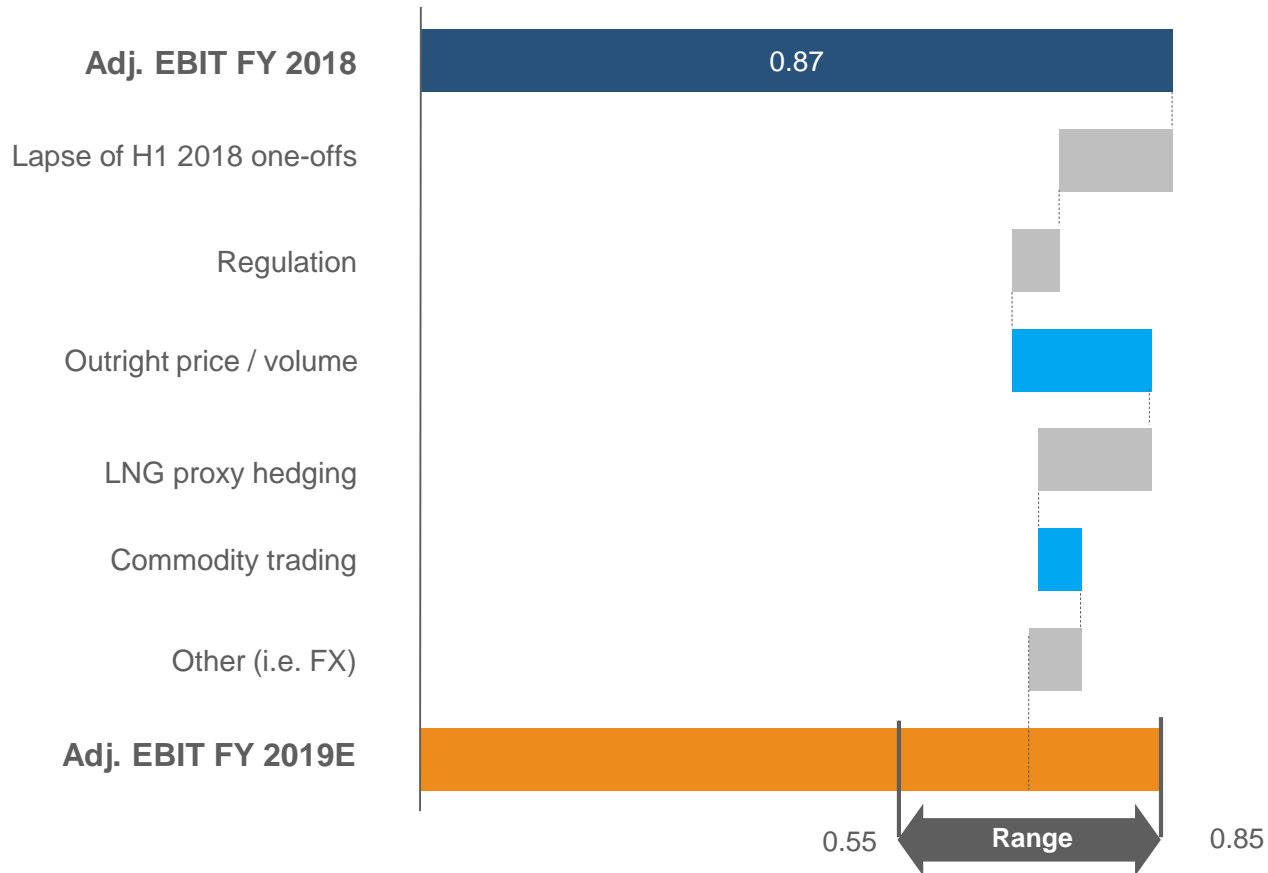


1. Includes nuclear and other asset retirement obligations (AROs) as well as receivables from Swedish nuclear waste fund (KAF).
 2. Includes cash & cash equivalents, non-current securities, financial receivables from consolidated group companies and financial liabilities.

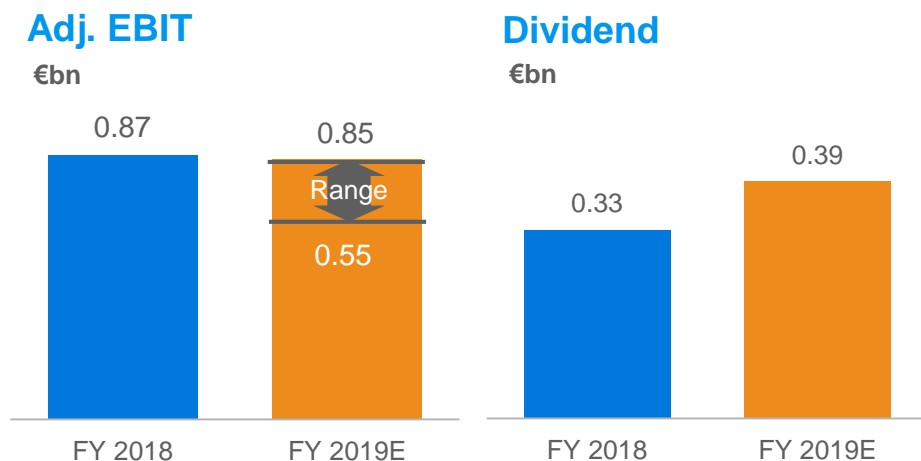
2019 Outlook – Proposed earnings range with upside potential

Reconciliation from Adjusted EBIT FY 2019E vs. FY 2018

€bn



2019 Outlook – Dividend path reiterated



Adjusted EBIT contribution by segment ¹

Segments	EBIT FY 2019E vs FY 2018
European Generation	Significantly below
Global Commodities	Significantly below
International Power	Significantly below

1. Please note: "significantly below" corresponds to an expected decrease in the magnitude of $\geq 10\%$

Key highlights

European Generation

- Lapse of 2018 one-offs
- Improving price / volume outright position
- Laps of regulated income as UK capacity market income has not been included in 2019 outlook and normalization in Germany

Global Commodities

- Lapse of Freeport LNG hedge contribution
- Lower Power and Gas trading margin
- Better result on COFL expected

International Power

- Capacity earnings on stable level
- Continuing volatility on electricity earnings
- Negative FX effects

Potential upside of up to ~ €120m once UK capacity market is resumed

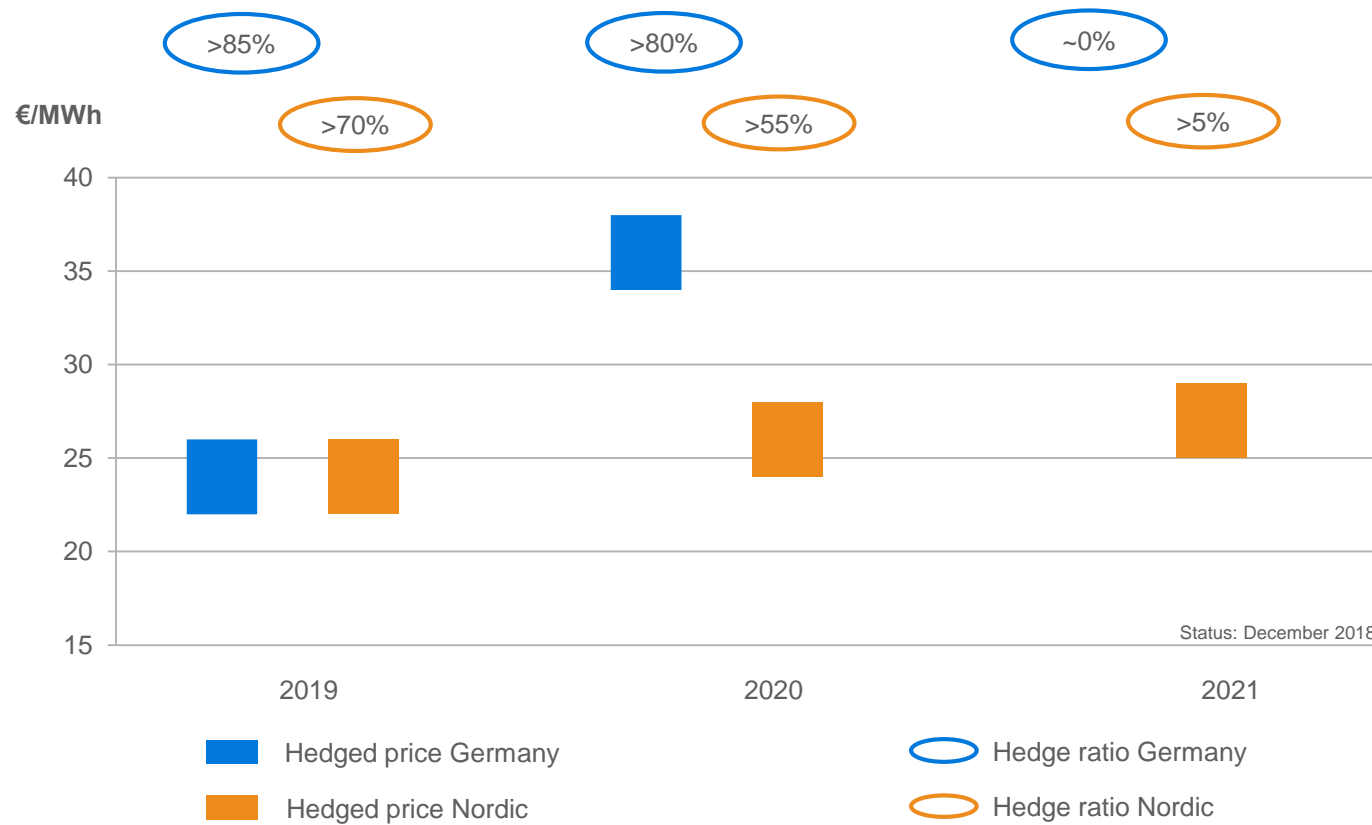
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Outright power hedging in Germany and Nordic

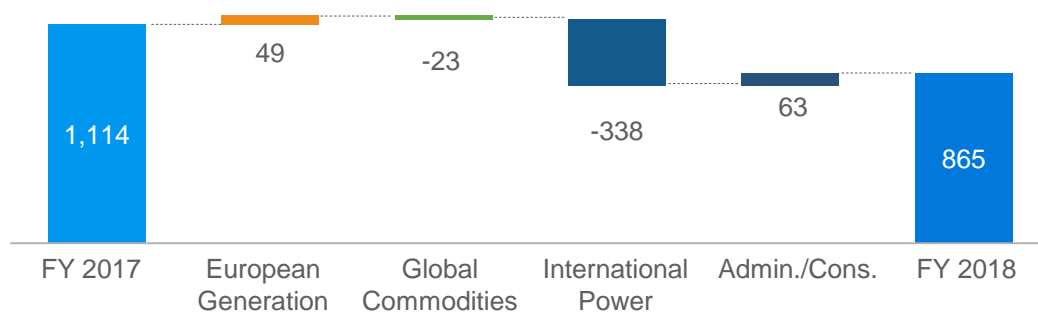
Outright position – Baseload power price



Group EBIT(DA) – Structural effects driving earnings development in FY 2018

Adj. EBIT development by segment in FY 2018

€m



Adj. EBIT(DA) in FY 2018

€m	EBITDA FY 2018	EBIT FY 2018
European Generation	847	386
Global Commodities	430	318
International Power	373	278
Administration / Consolidation	-107	-117
Total	1,543	865

Highlights

European Generation

- (-) Lower outright prices and spreads
- (-) Closure of Maasvlakte 1 + 2 and Oskarshamn 1 in 2017
- (+) Swedish tax relief on hydro and nuclear
- (+) Capacity market UK and France
- (+) One-off net provision release

Global Commodities

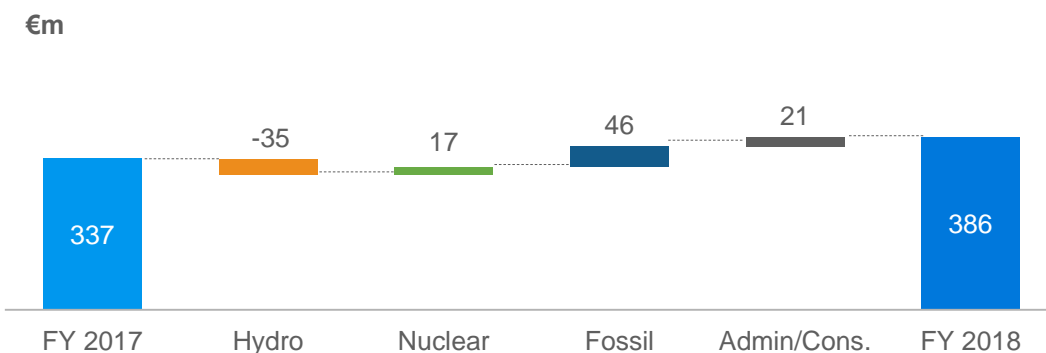
- (-) Deconsolidation Yuzhno-Russkoye
- (-) Gas provisioning for price negotiation
- (+) COFL with LNG proxy hedging result but weak Coal optimization result
- (+) Optimization and premature termination of forward transactions in 2017

International Power

- (-) Lapse of insurance payment for Berezovskaya 3

European Generation – Positive regulation and one-off effects

Adj. EBIT development by sub-segment in FY 2018



Adj. EBIT(DA) in FY 2018

€m	EBITDA FY 2018	EBIT FY 2018
Hydro	363	288
Nuclear	99	39
Fossil	408	86
Other / Consolidation	-23	-27
Total	847	386

Main effects

Hydro

- (+) Net provision one-off
- (+) Reduced hydro property tax
- (-) Lower achieved prices
- (-) Lower volumes

Nuclear

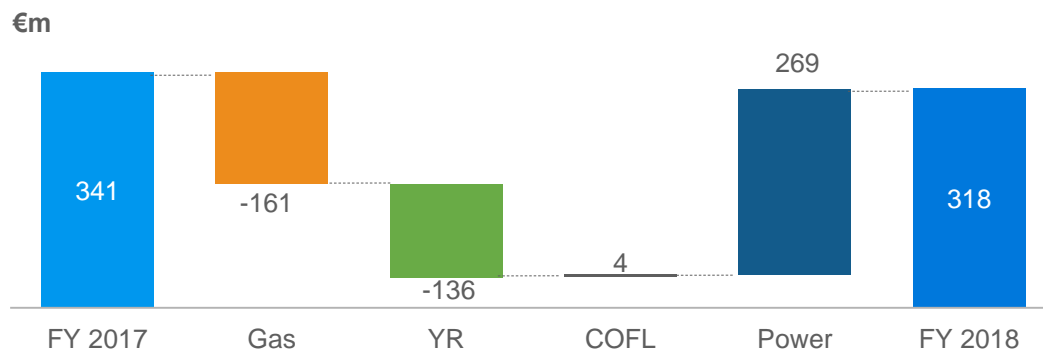
- (+) Nuclear capacity tax abolished
- (-) Lower achieved prices
- (-) Closure of Swedish nuclear power plant Oskarshamn 1 in June 2017

Fossil

- (+) UK capacity payments
- (-) Closure of Dutch coal power plants Maasvlakte 1 + 2 in June 2017

Global Commodities – Yushno-Russkoye deconsolidation and normalization of Power Opt.

Adj. EBIT development by sub-segment in FY 2018



Adj. EBIT(DA) in FY 2018

€m	EBITDA FY 2018	EBIT FY 2018
Gas	331	259
YR	-3	-3
COFL	17	-12
Power	85	74
Total	430	318

Main effects

Gas

- (-) Settlement of Yuzhno-Russkoye hedging result in Gas
- (-) Lapse of renegotiation result with Gazprom
- (-) Provisioning for price negotiation

Yuzhno-Russkoye (YR)

- (-) Deconsolidation of Yuzhno-Russkoye

COFL

- (+) LNG with positive hedging result of US gas volumes
- (-) Weaker coal optimization result

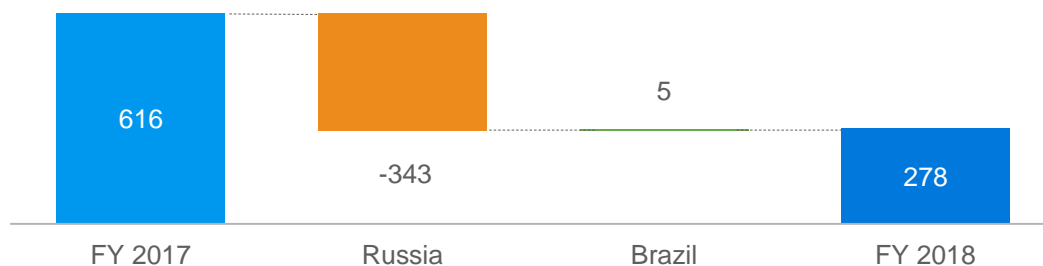
Power

- (+) Optimization effects
- (+) Premature termination of forward transactions in 2017

International Power – Lapse of insurance payment

Adj. EBIT development by sub-segment in FY 2018

€m



Adj. EBIT(DA) in FY 2018

€m	EBITDA FY 2018	EBIT FY 2018
Russia	373	278
Brazil	0	0
Total	373	278

Main effects

Russia

- (-) Lapse of Berezovskaya insurance payment
- (-) Decreased electricity margins due to lower generation volumes and higher fuel costs
- (-) Negative FX effects
- (+) Increase of capacity payments thanks to effects of CSA uplift

Uniper Group – Adjusted EBIT(DA) by segment

Adj. EBITDA

€m	FY 2018	FY 2017	%
European Generation	847	780	9
Global Commodities	430	420	2
International Power	373	714	-48
Administration / Consolidation	-107	-173	38
Total	1,543	1,741	-11

Adj. EBIT

€m	FY 2018	FY 2017	%
European Generation	386	337	15
Global Commodities	318	341	-7
International Power	278	616	-55
Administration / Consolidation	-117	-180	35
Total	865	1,114	-22

Uniper Group – Adjusted EBIT(DA) by sub-segment

Adj. EBITDA and EBIT

€m		FY 2018 Adj. EBITDA	FY 2017 Adj. EBITDA	FY 2018 Adj. EBIT	FY 2017 Adj. EBIT
European Generation	Hydro	363	381	288	323
	Nuclear	99	85	39	22
	Fossil	408	360	86	40
	Other/ Consol.	-23	-46	-27	-48
	Subtotal	847	780	386	337
Global Commodities	Gas	331	465	259	420
	YR	-3	146	-3	133
	COFL	17	-6	-12	-18
	Power	85	-185	74	-195
	Subtotal	430	420	318	341
International Power	Russia	373	719	278	621
	Brazil	0	-5	-	-5
	Subtotal	373	714	278	616
Administration / Consolidation		-107	-173	-117	-180
Total		1,543	1,741	865	1,114

Uniper Group – Key P&L items at a glance

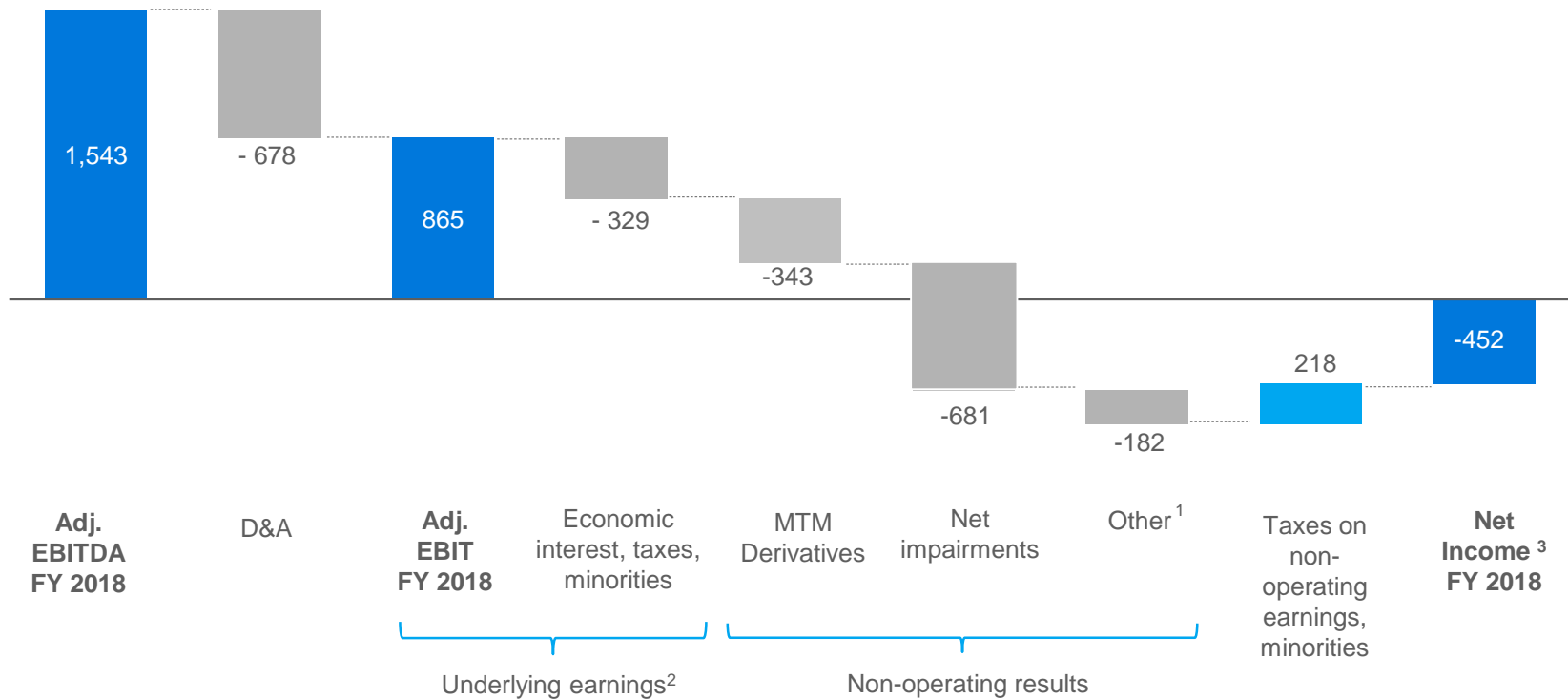
Key P&L items

€m	FY 2018	FY 2017
Sales	78,176	72,238
Adjusted EBITDA	1,543	1,741
Economic depreciation and amortization / reversals	678	627
Adjusted EBIT	865	1,114
Non-operating adjustments	1,017	1,226
EBIT	-152	-112
Net interest income / expense ¹	-254	26
Other financial result ¹	-168	-44
Income taxes	82	-408
Net income / loss after income taxes	-492	-538
Attributable to the shareholders of Uniper SE	-452	-656
Attributable to non-controlling interests	-40	118

Uniper Group – Adjusted EBITDA to net income

Reconciliation Adj. EBITDA to Net Income

€m



Uniper Group – Economic interest expense (net)

Economic interest expense Uniper Group

€m	FY 2018	FY 2017
Interest from financial assets / liabilities	14	-3
Interest cost from provisions for pensions and similar provisions	-17	-19
Accretion of provisions for retirement and obligation and other provisions	-86	-88
Construction period interests ¹	50	68
Other ^{2, 3}	-194	52
Economic interest expense (net)	-233	10

1. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset; borrowing cost are interest costs incurred by an entity in connection with the borrowing of funds.

2. Includes e.g. interest due to tax provisions/receivables and adjustments due to changes in interest rates on provisions.

3. Result from Swedish Nuclear Waste Fund (KAF) in the amount of €-89m is moved from Economic interest expenses to "Other financial result". This also is applied retrospectively for 2017 (FY 2017: €-44m).

Uniper Group – Non-operating adjustments

Non-operating adjustments

€m	FY 2018	FY 2017
Net book gains / losses	31	890
Fair value measurement of derivative financial instruments	343	-88
Restructuring / cost management expenses	-73	18
Non-operating impairment charges / reversals	681	400
Miscellaneous other non-operating earnings	35	6
Non-operating adjustments	1,017	1,226

Uniper Group – Cash effective investments

Investments by segment

€m	FY 2018	FY 2017	%
European Generation	397	518	-23
Global Commodities	32	49	-35
International Power	190	222	-14
Administration / Consolidation	23	54	-57
Total	642	843	-24

Investment split – Maintenance and growth

€m	FY 2018	FY 2017	%
Maintenance & replacement	317	392	-19
Growth	325	451	-28
Total	642	843	-24

Uniper Group – Net financial position

Net financial position Uniper Group

€m	31 Dec 2018	31 Dec 2017
Liquid funds	1,400	1,027
Non-current securities	83	104
Financial liabilities	-2,939	-1,923
Net financial position	-1,456	-792
Provisions for pensions and similar obligations	-804	-676
Asset retirement obligations	-948	-977
Economic Net Debt	-3,208	-2,445
Information: Margining assets	698	432
Information: Uniper's assets of Swedish nuclear funds not recognized in balance sheet	348	242
Fundamental Economic Net Debt	-2,162	-1,771

Uniper Group – Consolidated balance sheet (1/2)

Balance sheet Uniper Group – Assets

€m	31 Dec 2018	31 Dec 2017
Goodwill	1,816	1,890
Intangible assets	768	819
Property, plant and equipment	10,612	11,496
Companies accounted for under the equity method	440	448
Other financial assets	866	814
<i>Equity investments</i>	783	710
<i>Non-current securities</i>	83	104
Financial receivables and other financial assets	3,618	3,308
Operating receivables and other operating assets	4,914	3,206
Income tax assets	6	6
Deferred tax assets	1,116	890
Non-current assets	24,156	22,877
Inventories	1,604	1,659
Financial receivables and other financial assets	1,391	1,195
Trade receivables and other operating assets	21,468	16,163
Income tax assets	40	170
Liquid funds	1,400	1,027
Assets held for sale	546	70
Current assets	26,449	20,284
Total assets	50,605	43,161

Uniper Group – Consolidated balance sheet (2/2)

Balance sheet Uniper Group – Equity and liabilities

€m	31 Dec 2018	31 Dec 2017
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,032	3,399
Accumulated other comprehensive income	-3,531	-2,699
Equity attributable to the shareholders of Uniper SE	10,948	12,147
Attributable to non-controlling interest	497	642
Equity (net assets)	11,445	12,789
Financial liabilities	1,187	961
Operating liabilities	4,856	3,618
Provisions for pensions and similar obligations	804	676
Miscellaneous provisions	5,455	6,068
Deferred tax liabilities	355	390
Non-current liabilities	12,657	11,713
Financial liabilities	1,752	962
Trade payables and other operating liabilities	22,469	16,277
Income taxes	47	55
Miscellaneous provisions	1,478	1,362
Liabilities associated with assets held for sale	757	3
Current liabilities	26,503	18,659
Total equity and liabilities	50,605	43,161

Uniper Group – Consolidated statement of cash flows

Statement of cash flows Uniper Group

€m	FY 2018	FY 2017
Net income / loss	-492	-538
Depreciation, amortization and impairment of intangibles / property, plant, equipment	1,532	1,198
Changes in provisions	-267	-608
Changes in deferred taxes	-136	309
Other non-cash income and expenses	161	-96
Gain / loss on disposals	-50	865
Changes in operating assets and liabilities and in income tax	493	255
Cash provided (used for) by operating activities	1,241	1,385
Proceeds from disposals	130	1,796
Payments for investments	-642	-843
Payments in context of divestments	-	-66
Proceeds from disposals of securities (>3M) and of financial receivables	653	951
Purchases of securities (>3M) and of financial receivables	-1,494	-1,215
Changes in restricted cash and cash equivalents	90	-106
Cash provided (used for) by investing activities	-1,263	517
Payments received / made from changes in capital	14	15
Cash dividends paid to the shareholders of Uniper SE	-271	-201
Cash dividends paid to other shareholders	-31	-35
Proceeds from financial liabilities	1,228	23
Repayment of financial liabilities	-621	-931
Cash provided (used for) by financing activities	319	-1,129
Net increase / decrease in cash and cash equivalents	297	773
Effect from foreign exchange rates on cash and cash equivalents	-9	-12
Cash and cash equivalents at the beginning of the year	851	169
Cash and cash equivalents from disposal groups	-1	-
Cash and cash equivalents of deconsolidated companies	-	-79
Cash and cash equivalents at the end of the quarter	1,138	851

Uniper – Contact your Investor Relations team

Contact

Uniper SE Investor Relations

E.ON-Platz 1
40479 Duesseldorf
Germany

+49 211 4579 4400
ir@uniper.energy

Udo Giegerich Executive Vice President Group Finance & Investor Relations

udo.giegerich@uniper.energy



Carlo Beck Manager Investor Relations

+49 211 4579 4402
carlo.beck@uniper.energy



Mikhail Prokhorov Manager Investor Relations

+49 211 4579 4484
mikhail.prokhorov@uniper.energy



Peter Wirtz Manager Investor Relations

+49 211 4579 4414
peter.wirtz@uniper.energy



Financial calendar & further information

Financial calendar

07 May 2019

Quarterly Statement January – March 2019

22 May 2019

Annual General Meeting

08 August 2019

Interim Report January – June 2019

12 November 2019

Quarterly Statement January – September 2019

10 March 2020

Annual Report 2018

07 May 2020

Quarterly Statement January – March 2020

20 May 2020

Annual General Meeting

Further information

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