

MVV ENERGIE
ENERGISING ▾ MY FUTURE



ENERGY NEEDS RESPONSIBILITY

ANALYSTS' CONFERENCE
2016 FINANCIAL YEAR

FRANKFURT, 13 DECEMBER 2016



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Agenda

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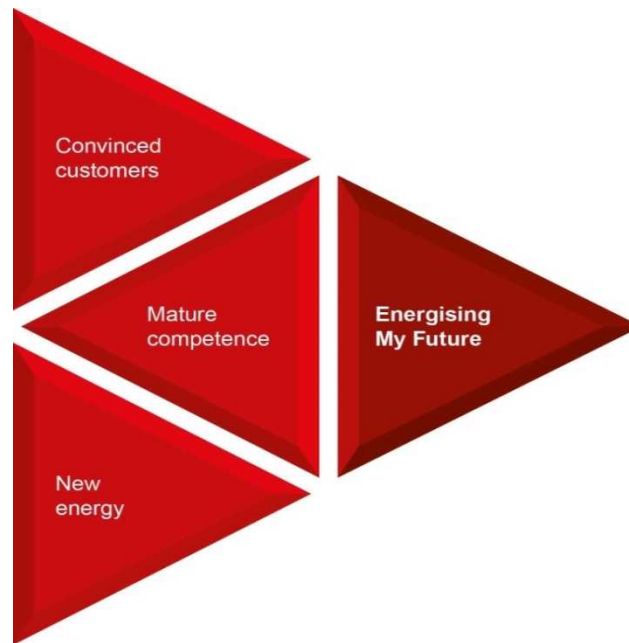
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1. STRATEGY

We are implementing the energy turnaround

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In line with this motto, we are focusing on our customers and are

- ▶ Generating profitable growth with renewable energies
- ▶ Connecting highly efficient conventional and renewable energies
- ▶ Boosting energy efficiency and environmentally-friendly combined heat and power (CHP) generation
- ▶ Guaranteeing energy supply reliability with smart, high-performance grids
- ▶ Offering innovative business models and professional services
- ▶ Ensuring high-performance shared services

Major developments in 2016 financial year

- ▶ Nov 2015 Fourth biomethane plant Barby
- ▶ Dec 2015 Full consolidation of Juwi
- ▶ Apr 2016 Launch of “Lived Energy” corporate culture programme
- ▶ Jun 2016 Strategic partnership with the energy franchise system Enerix
- ▶ Sep 2016 Windfarms in Freudenberg and Hain-Ost

UK investments

- ▶ Both plants make first full-year contribution to group earnings
- ▶ Investments
 - Plymouth (energy from waste plant): Euro 250 million
 - Ridham Dock (biomass power plant): Euro 140 million
- ▶ Operations at plants
 - Plymouth: on schedule and without interruption
 - Ridham Dock: stable after technical optimisation
- ▶ Around 70 employees in UK
- ▶ Brexit decision only expected to have minor impact



Juwi investment

- ▶ Successful 2016 financial year
 - Consistent implementation of restructuring
 - Positive developments in US business and operations management
- ▶ Operations launched at several major projects
 - PV Park in South Africa (86 MW)
 - World's largest solar hybrid power plant (10.8 MW) with battery storage (6 MW) in Australia
 - Solar park in Japan (25 MW)
- ▶ Volatility in project development business
 - Wind project auctions in Germany
 - Political market developments in the USA
 - Energy policy discussions in South Africa



Küstenkraftwerk K.I.E.L. investment

- ▶ Investment volume: around Euro 290 million
- ▶ Electricity and heating energy generation capacity: approx. 190 MW each
- ▶ Use of 20 state-of-the-art, individually controllable gas motors
- ▶ Heating energy storage: usable heat contents 1.5m kWh
- ▶ Electrode boiler: surplus electricity used to generate district heating (capacity: 35 MW)
- ▶ 70% reduction in CO₂ emissions compared with coal-fired predecessor plant in operation since 1970



Continuous efficiency enhancements

Generation



- ▶ Pooling competencies and management

Grids



- ▶ Pooling grid operations and technical services in two grid companies at the Mannheim and Offenbach locations

Sales



- ▶ Strategic and organisational realignment of sales units at MVV Energie, MVV Enamic and MVV Trading

RealValue research project

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 646116



- ▶ Virtual large consumer by pooling state-of-the-art storage heating facilities
- ▶ Electricity generated from renewable energies stored as heating energy on a supply-driven basis
- ▶ Linking electricity generated from renewable energies with decentralised heat sinks



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2. BUSINESS PERFORMANCE

2016 financial year at a glance

- ▶ Sales of Euro 4.07 billion
- ▶ Adjusted EBIT rises to Euro 213 million
- ▶ Adjusted annual net income after minority interests of Euro 95 million and adjusted earnings per share of Euro 1.45
- ▶ Proposed dividend of Euro 0.90 per share
- ▶ Euro 236 million invested, of which Euro 121 million in growth projects
- ▶ Around 6,200 employees

Key figures – adjusted

Euro million	FY 2016	FY 2015	% change
Sales excluding energy taxes	4,066	3,422	+19
Adjusted EBIT ¹	213	175	+22
Adjusted EBT ¹	139	132	+5
Adjusted annual net income ¹	98	92	+7
Adjusted annual net income after minority interest ¹	95	75	+27
Adjusted earnings per share ¹ (Euro)	1.45	1.14	+27
Cash flow from operating activities ²	274	255	+7

¹ Excluding non-operating financial derivative measurement items, excluding structural adjustment for part-time early retirement, excluding restructuring expenses and including interest income from finance leases

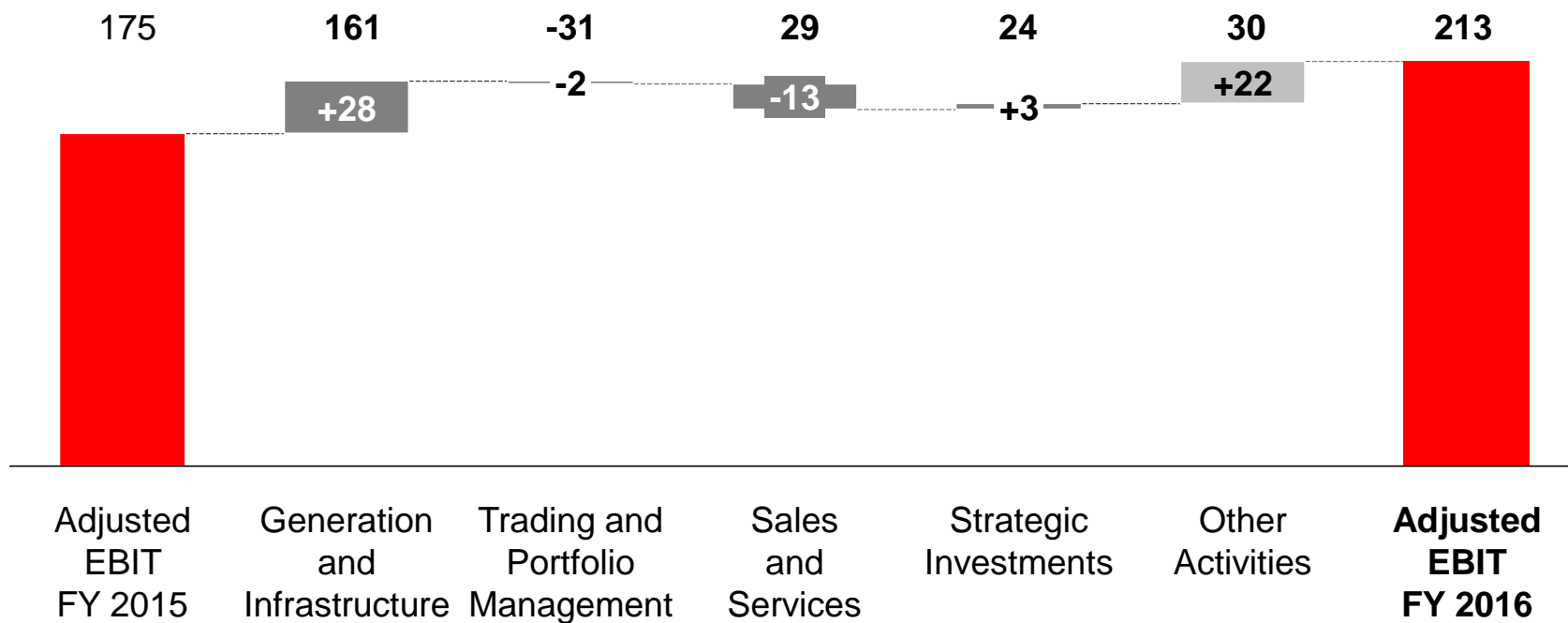
² Previous year's figure adjusted

Reconciliation of EBIT with adjusted EBIT

Euro million	FY 2016	FY 2015	+/- change
EBIT as reported in income statement	225	162	+63
Financial derivatives measurement item	-24	+7	-31
Structural adjustment for part-time early retirement	+2	+3	-1
Restructuring expenses	+7	–	+7
Interest income from finance lease	+3	+3	0
Adjusted EBIT	213	175	+38

Adjusted EBIT performance

Euro million



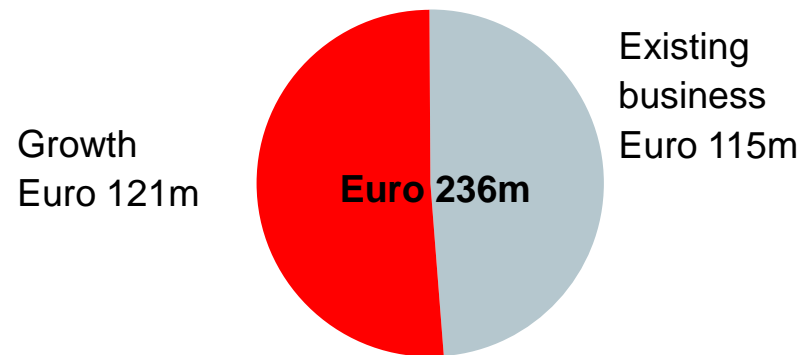
Turnover, waste volumes and RE project development

	FY 2016	FY 2015	% change
Electricity (kWh million)	21,797	20,823	+5
District heating (kWh million)	6,716	6,995	-4
Gas (kWh million) ¹	28,270	27,410	+3
Water (m ³ million)	41.1	46.3	-11
Combustible waste delivered (1,000 tonnes)	2,306	2,041	+13
Newly installed capacity at RE plants (MW)	679	31	>+100
Operations management for RE plants (MW)	3,271	452	>+100

¹ Previous year's figure adjusted

Investments

Investments in 2016 financial year



► Growth

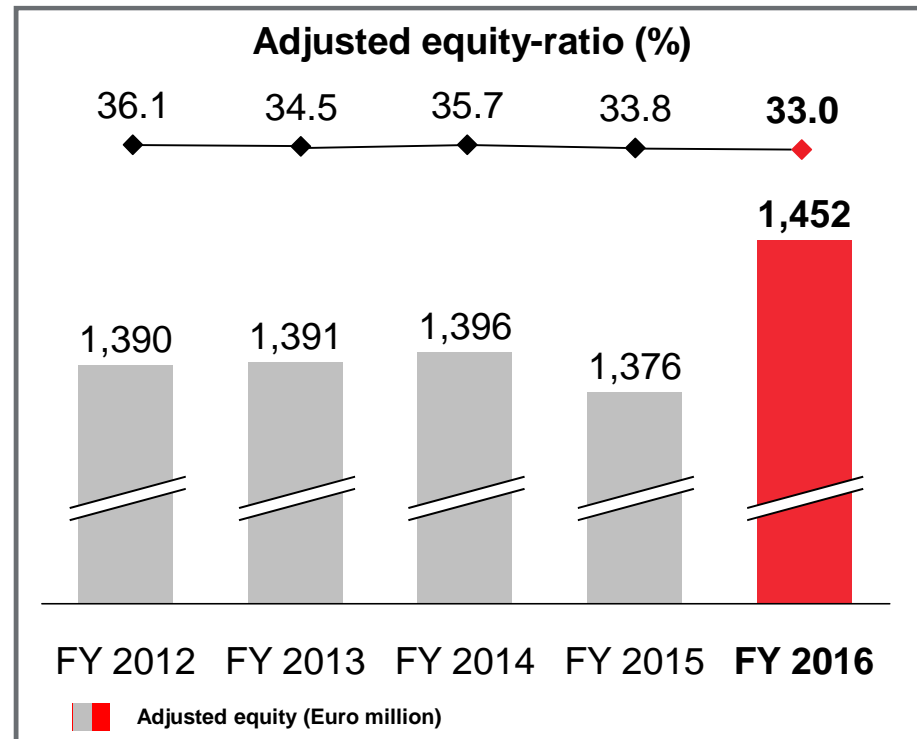
- Windfarm in Freudenberg and additional wind turbine on Hungerberg
- Biomethane plant in Barby
- Flue gas cleaning and turbine at waste-fired CHP plant in Offenbach
- Expansion in district heating supply in Mannheim

► Existing business

- Optimising and maintaining substance of supply plants and distribution grids
- District heating storage facility and electrode boiler in Kiel

Financing

- ▶ Increase in equity (+5.5%)
- ▶ Slight decrease in equity ratio after full consolidation of Juwi; target >30%
- ▶ Non-current investment financing thus congruent with respective terms
- ▶ High share of fixed interest rate agreements secure favourable interest rates in long term
- ▶ Well-balanced repayment profile
- ▶ Stable investment grade rating based on assessment by our core banks



Sustainability

Renewable energies

	FY 2016	FY 2015
Capacity (MW)	418 ↑	395
Elec. gen. (kWh m)	1,035 ↑	822
Biometh. gen. (kWh m)	259 ↑	144
Project develop. (MW)	679 ↑	31
Direct marketing (MW)	4,600 ↑	3,400
Renewables share (%)	58 ↑	55

Heat/steam/CHP

Capacity (MW)	816 →	816
Heat gen. (kWh m)	2,103 →	2,149
Elec. gen. (CHP) (kWh m)	470 ↑	445

Climate protection

CO ₂ Scope 1 (t 000s)	1,056 →	1,045
CO ₂ avoidance (t 000s)	719 ↑	568



- ▶ Annual Report compiled for first time in accordance with Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI)



- ▶ Externally audited data quality within ISAE 3000 audit



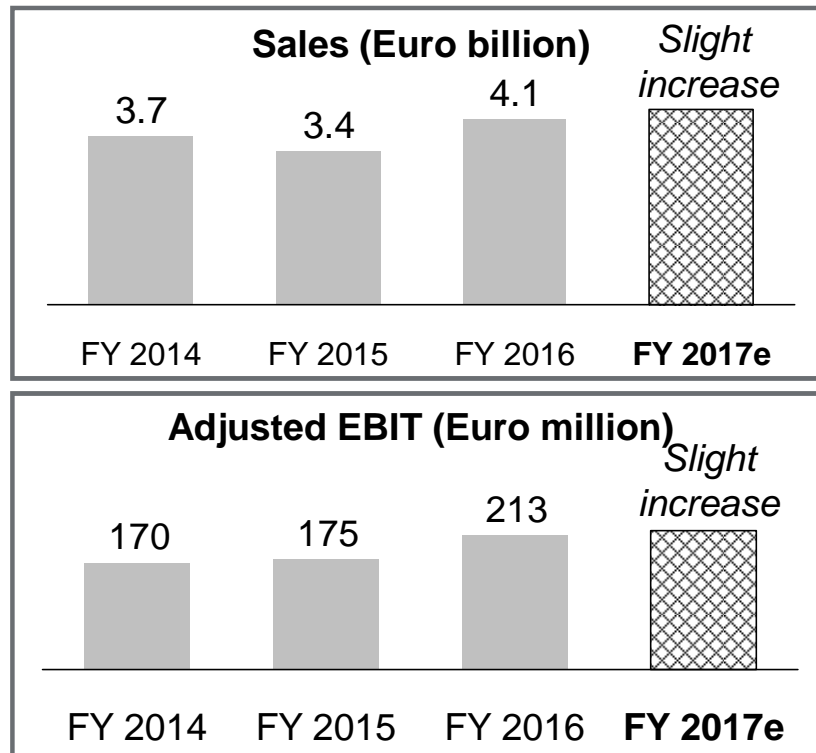
- ▶ Score B / “Management” awarded for our 2016 climate protection reporting

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3. OUTLOOK

Forecast for 2017 financial year



- ▶ Forecast dependent on
 - Developments in wholesale electricity prices and generation margin (clean dark spread)
 - Weather conditions and wind volumes
 - Developments in waste and biomass prices
- ▶ Also increased volatility in adjusted EBIT due to expansion in renewable energies project development business
- ▶ MVV Energie to convert to quarterly statements from FY 2017

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THANK YOU FOR YOUR ATTENTION!

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