



Living the energy turnaround

Analysts' Conference 2019 Financial Year

Frankfurt, 10 December 2019

We inspire
with energy.

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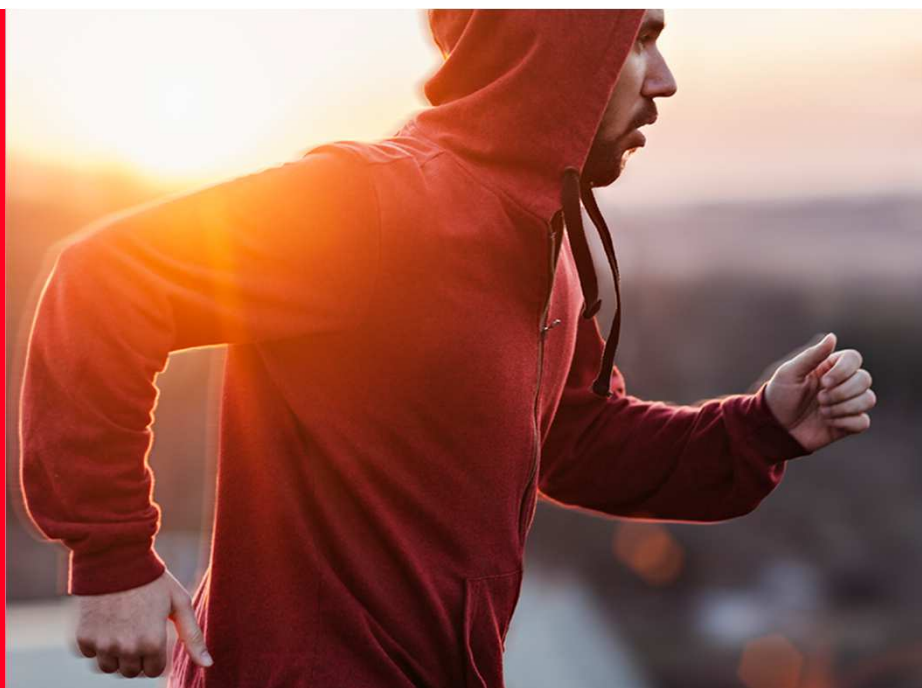
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Agenda

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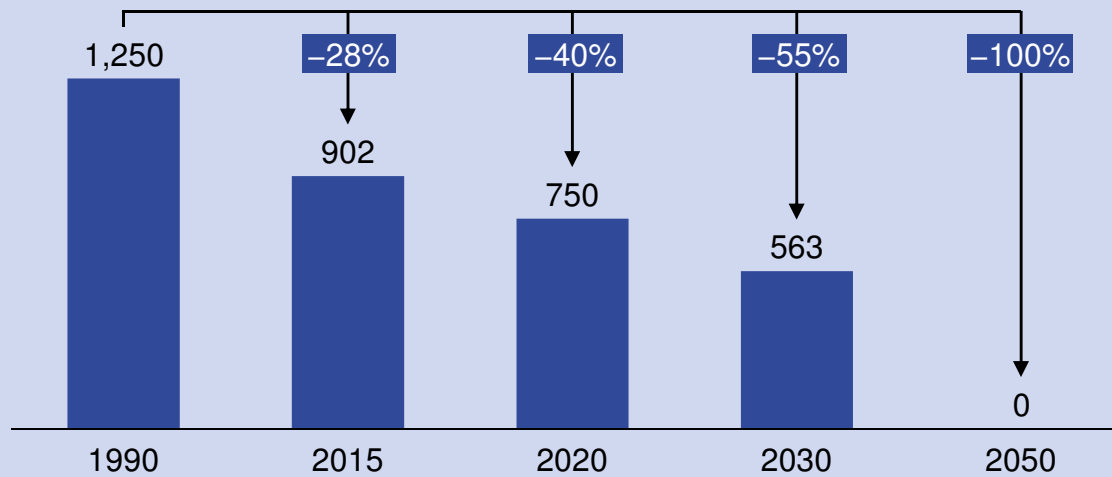
Strategy



Climate protection debate as key factor determining MVV's energy industry framework

Climate protection plan

Total emissions (million tonnes of CO₂)



2030 Climate Protection Programme: key points

Implement resolutions from “Growth, Structural Change and Employment” Commission

- End use of coal for electricity generation by end of 2038 at the latest
- Monitor supply reliability (electricity and heating energy) and electricity prices

Further develop and modernise combined heat and power (CHP) generation

- Extend CHP subsidies to 2030
- Partially replace coal-based CHP with gas-based CHP or Green heating energy

CO₂ pricing in heating energy and transport sectors

- Introduce national emission trading system from 2021
(Start: fixed price of Euro 10 per tonne of CO₂; rising to Euro 35 in 2025)

Expand renewable energies to 65% by 2030

- Raise existing expansion targets for PV and offshore wind power
- Dismantle barriers to planning and approval of onshore wind power

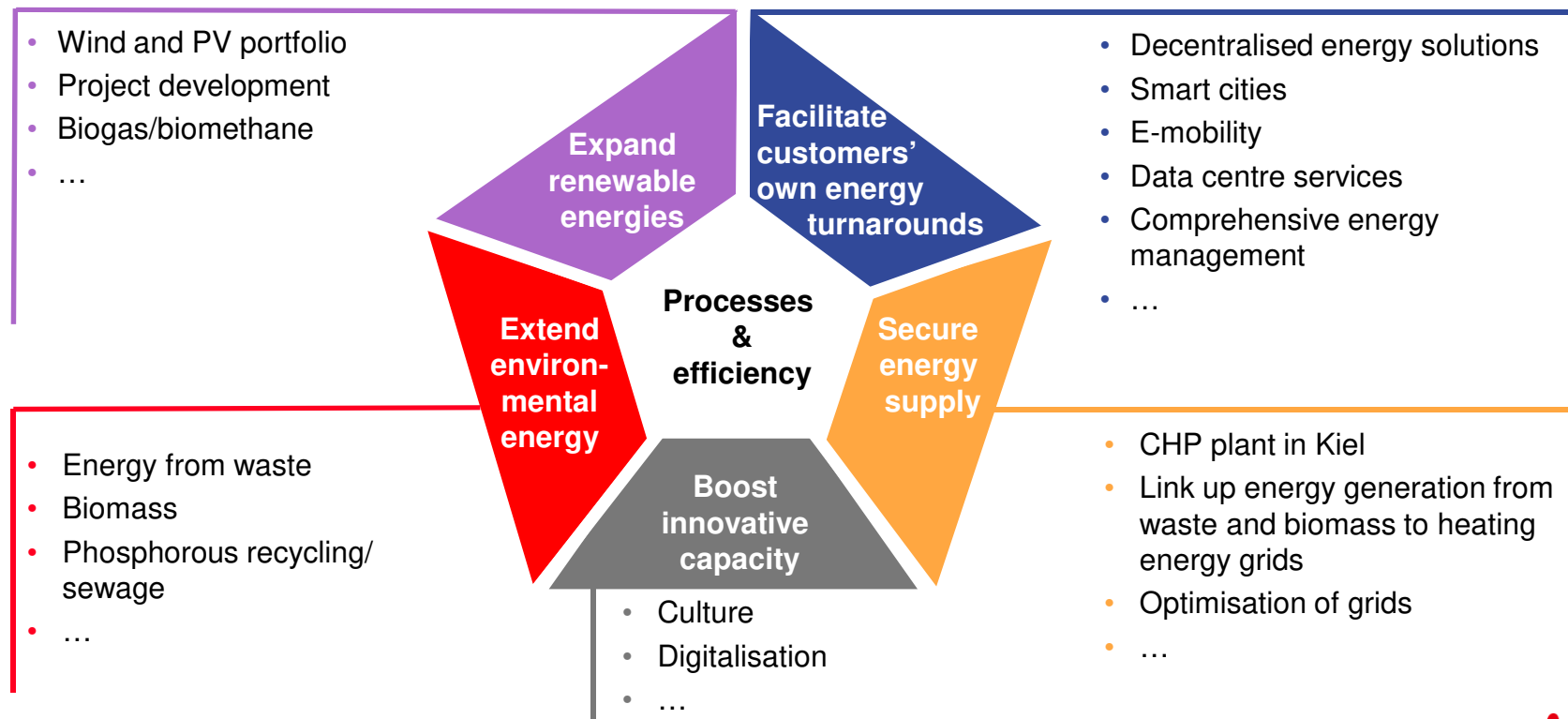
Sector-based target achievement to be reviewed with annual monitoring and expert board



We are committed to the targets of the Paris Climate Accord and will be climate neutral by 2050 at the latest



Our strategy and well-balanced portfolio make us well prepared for the challenges ahead



Our solutions enable MVV's customers to implement their own energy turnarounds



PV, storage, heat pumps
Individual solutions



E-mobility
Modular solution for at home, on the road and at work



Smart cities
Holistic modular offering of mobility, energy and infrastructure



Data centres
Planning, construction and operation of data centres



Energy efficiency & efficiency controlling



Smart light efficiency
LED contracting



Smart sub-metering
Digitalised heating and operating cost billing



Commodity solutions
Portfolio management, power purchase and supply agreements (PPA, PSA)



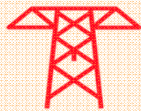
Our grids secure the energy supply

Integrated planning and operation of electricity, gas, water and district heating grids

Existing business



Active regulatory management for electricity and gas grids



Needs-based expansion in our electricity grids to secure supply given expected rise in loads

New opportunities



Expand the service business



Additional capacity needed for new applications: e-mobility, data centres, shore power for ships



Efficient and green district heating is the heating energy supply of the future



Conversion from coal to gas at our Kiel location

- Modular engine power plant is highly compatible with the energy turnaround
- ... and will significantly cut CO₂ emissions



Green district heating

- Coupling out heating energy generated at energy from waste and biomass plants, e.g. by connecting Friesenheimer Insel location to the heating energy grid
- Reducing emissions by making increasing use of alternative energy sources



We are further expanding renewable energies



Generation from renewable energies in Germany

- Focus on onshore wind power, including repowering
- Development of PV portfolio



Project development and operations management for renewable energies

- Germany: onshore wind power and PV
- International: PV and wind power; focus on markets with growth potential



Biomethane

- Growth
- Further development of existing plants as a stable basis



MVV is using its strong market position to diversify and for further growth in Germany and Europe



Our strong market position:

- Ongoing positive market climate
- Diversification of revenue streams
- Energy-efficient, secure provision of heating energy and electricity



We are further expanding this in Germany...

- Linking up power plants to heating energy grids
- Extending the value chain by recycling phosphorous from sewage



...and using this as a basis for growth in Europe



We are using digitalisation to optimise our business activities



Process automation



Customer interaction



New business models





2019 Financial year



MVV at a glance

2019 Financial year

Sales **3.7** Euro billion

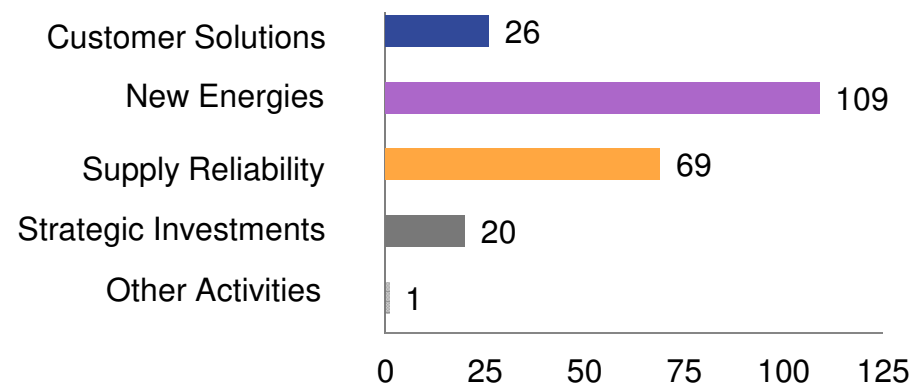
Investments

310 Euro million

About **6,100**
employees

Adjusted EBIT **225** Euro million
by reporting segments

Euro million



Key figures

2019 Financial year

Key figures – adjusted

Euro million

	FY 2019	FY 2018	% change
Adjusted sales excluding energy taxes	3,683	3,903	-6
Adjusted EBITDA ¹	409	443	-8
Adjusted EBIT ¹	225	228	-1
Adjusted annual net income ¹	115	111	+4
Adjusted annual net income after minority interest ¹	98	94	+4
Adjusted earnings per share ¹ (Euro)	1.49	1.43	+4
Cash flow from operating activities	238	331	-28

¹ Excluding non-operating measurement item for financial derivatives, excluding structural adjustments for part-time early retirement, excluding restructuring result and including interest income from finance leases



Customer Solutions reporting segment

2019 Financial year

Adjusted Sales -7%

Euro million

2,819

2,632

FY 2018

FY 2019

Adjusted EBIT -45%

Euro million

FY 2018
47

26

FY 2018

FY 2019

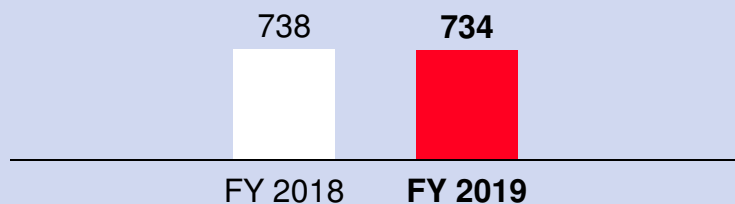


New Energies reporting segment

2019 Financial year

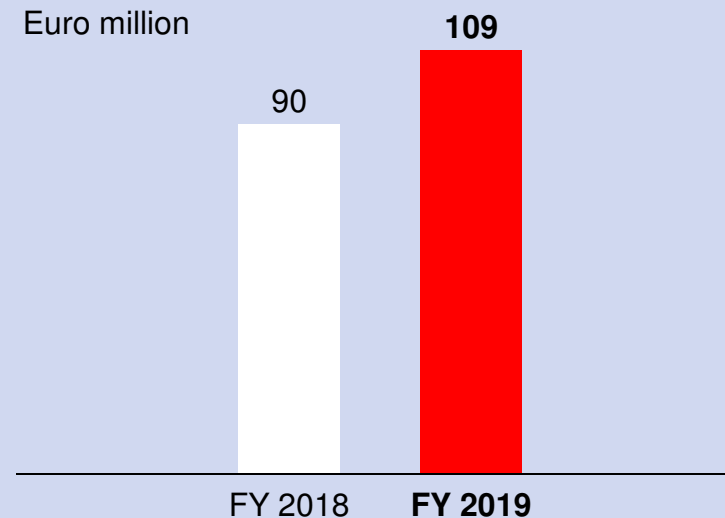
Adjusted sales -1%

Euro million



Adjusted EBIT +21%

Euro million

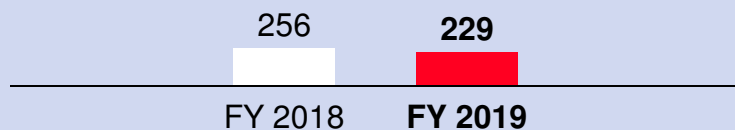


Supply Reliability reporting segment

2019 Financial year

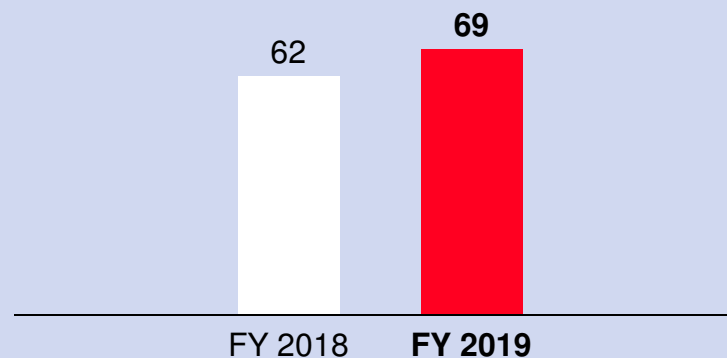
Adjusted sales -11%

Euro million



Adjusted EBIT +11%

Euro million

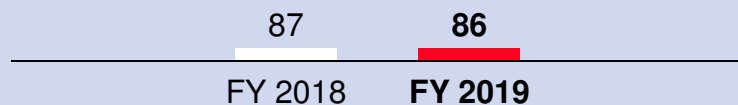


Strategic Investments reporting segment

2019 Financial year

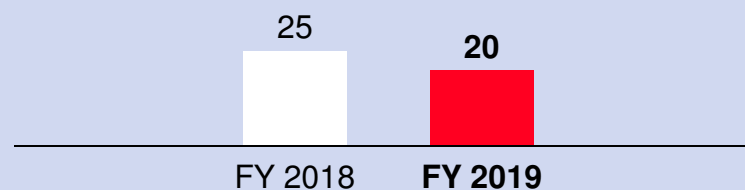
Adjusted sales -1%

Euro million



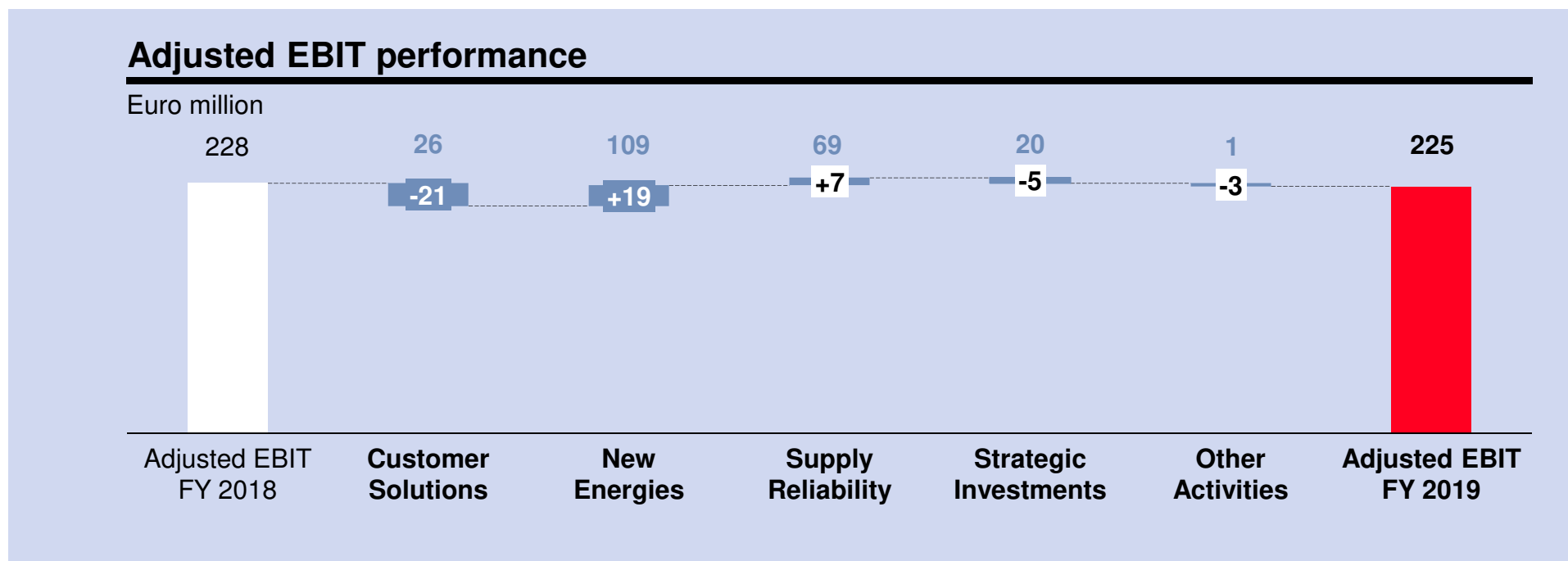
Adjusted EBIT -20%

Euro million



Adjusted EBIT performance

2019 Financial year



Reconciliation with adjusted EBIT

2019 Financial year

Reconciliation of EBIT to adjusted EBIT

Euro million

	FY 2019	FY 2018	+/- change
EBIT as reported in income statement	165	257	-92
Financial derivatives measurement item	+56	-31	+87
Structural adjustment for part-time early retirement	0	0	0
Restructuring result	-	-1	+1
Interest income from finance leases	+4	+3	+1
Adjusted EBIT	225	228	-3



Volumes and non-financial key figures

2019 Financial year

Turnover and waste volumes

	FY 2019	% change
Electricity (kWh million)	20,246	-14
District heating (kWh million)	6,286	-5
Gas (kWh million)	25,719	+21
Water (m3 million)	41.1	0
Combustible waste delivered (tonnes 000s)	2,300	-1

Non-financial key figures

	FY 2019	% change
CO ₂ Scope 1 (tonnes 000s)	1,545	0
Net CO ₂ savings (tonnes 000s)	486	0
Installed renewable energies capacities (MW)	474	+1
Share of renewable energies in proprietary electricity generation (%)	63	0
Project development ¹ (MW)	460	-55

¹ Concluded development of new renewable energies plants



Investments

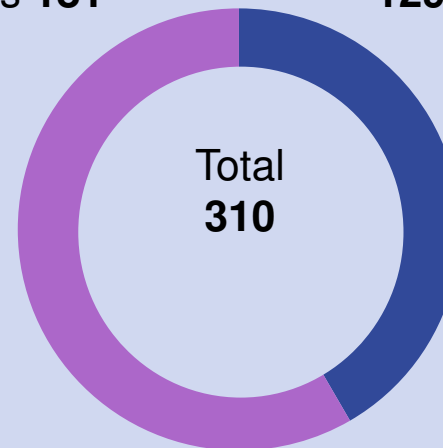
2019 Financial year

Investments

Euro million

Growth investments **181**

129 Investments in existing business



Growth investments

- Construction of CHP plant in Dundee
- Connection of Mannheim CHP plant to district heating grid
- Development of wind farms for our own portfolio
- Measures to expand and increase the density of our district heating grids

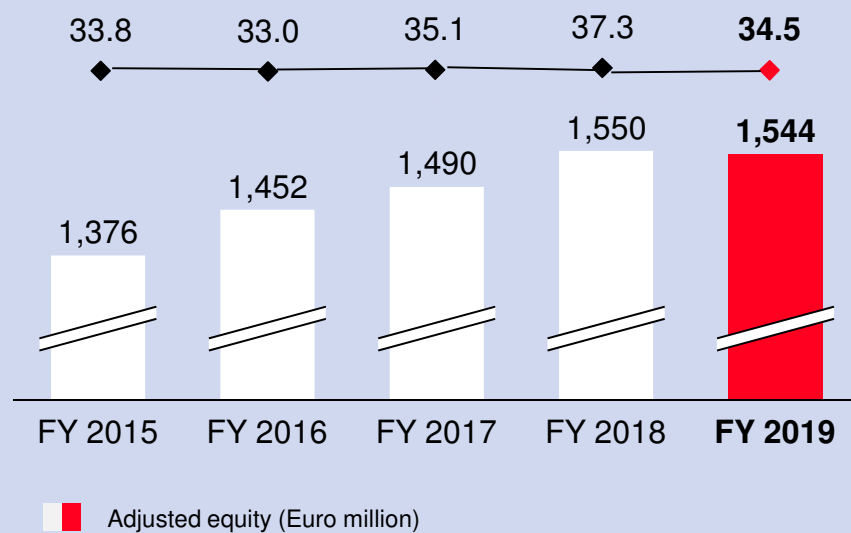
Investments in existing business

- Construction of the gas-powered CHP plant in Kiel
- Maintenance and renewal of our distribution grids



Financing

Adjusted equity-ratio (%)



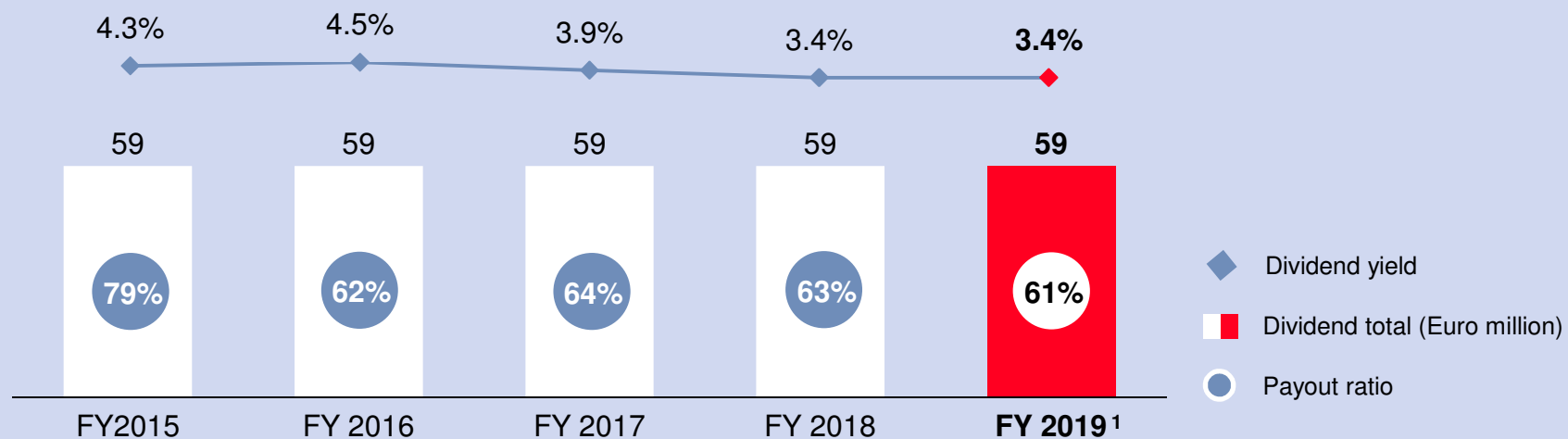
- Equity almost unchanged compared to previous year
- Lower equity ratio due to higher financial debt and IFRS 16-related adjustments
- Non-current investment financing thus congruent with respective terms
- High share of fixed interest rate agreements secure favourable interest rates in long term
- Well-balanced repayment profile
- Stable investment grade rating based on assessment by our core banks



Dividend proposal for 2019 financial year

Continuity and above-average payout ratio

Dividend per share Euro 0.90



¹ Subject to approval by Annual General Meeting on 13 March 2020



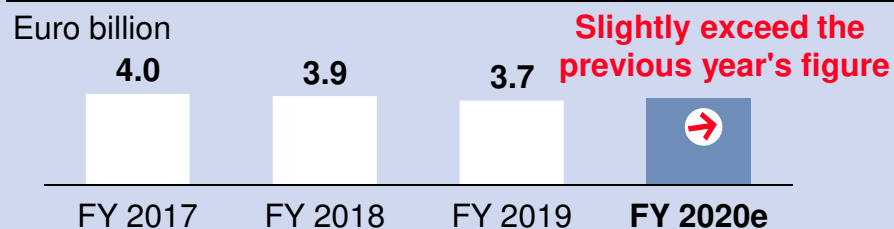
Outlook



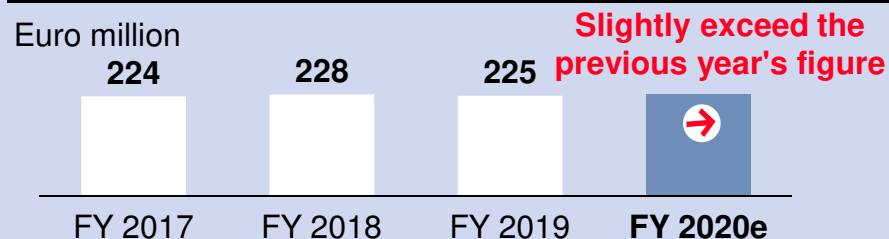
Forecast for 2020 financial year

Adjusted sales and adjusted EBIT slightly exceed the previous year's figures

Adjusted sales



Adjusted EBIT



Forecast dependent on

- Weather conditions and wind volumes
- Developments in electricity and fuel
- Clean dark spread/clean spark spread
- Plant availability
- Volatility in renewable energies project development business



Many thanks!

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Rhine-Neckar metropolitan region**

