



More than electricity

Analysts' Conference 2017 Financial Year

Frankfurt, 12 December 2017

We inspire
with energy.

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Agenda

- **Strategy** 4-13
- **2017 Financial year** 14-27
- **Outlook** 28-29



Strategy



Our strategy

Strategy focused on energy system of the future

- We will invest a further Euro 3 billion in renew-ables, energy efficiency and supply reliability in the years ahead
- Optimising plants and grids as the basis for the future energy system

Expanding renewable energies

- Covering the entire renewable energies value chain
- Using biomass and biogas
- Linking highly efficient conventional generation and renewable energies

Growing with combined heat and power (CHP)

- Boosting energy efficiency by working with CHP and environmentally-friendly district heating
- Waste incineration as a key pillar of a modern, resource-efficient closed-cycle economy

Smart products and services

- For intelligent, decentralised energy management
- Digitising products and processes
- High-performing shared services



Implementation of our strategy

Highlights in 2017 financial year

Sustainability targets set

We have published sustainability targets for the first time and are enabling our contribution to be measured.



Focus on customers

We offer innovative products and services and help customers implement their own energy turnarounds.



Küstenkraftwerk K.I.E.L. takes shape

Key contribution to energy turnaround. We are investing around Euro 290 million in this gas-powered CHP plant



Long-term sustainability targets



1. Within ten years, we will triple our annual CO₂ savings to 1 million tonnes.



2. Over the same period, we will connect 10,000 MW of renewable energies to the grid.



3. We will double our proprietary electricity generation volumes from renewable energies, also within ten years.



4. The energy system of the future will remain our key investment focus. We will invest a further total of Euro 3 billion in the energy turnaround.



5. As a competent partner, we will offer all customers – from private households to industrial players – the products and services they need to implement their own energy turnarounds.



Focus on customers

Long-term efficiency partnerships

- All-round efficiency solutions for customers' individual energy turnarounds
- Range of digitally based solutions extended by acquiring new shareholdings
 - DC-Datacenter-Group
 - Econ Solutions
 - Qivalo
 - Recognizer
- Beegy, Luminatis and Enerix also contribute to this attractive portfolio of smart energy-related services.



Küstenkraftwerk K.I.E.L.

The perfect power plant for the energy turnaround

- Investment volume: around Euro 290 million
- Electricity and heating generation capacity: each around 190 MW
- 20 state-of-the-art, individually controllable gas motors
- Heat storage: usable heat content of 1.5 million kWh
- Electrode boiler: Uses surplus electricity from district heating generation (capacity: 35 MW)
- CO₂ emissions 70% lower than at coal-powered predecessor plant



Implementation of our strategy

Future projects

Friesenheimer Insel

We are turning our Mannheim location into one component of the energy turnaround and part of a sustainable closed-cycle economy for the city and the Rhine-Neckar metropolitan region.



Franklin

The future is being built at Franklin. This development of a new district will sustainably shape Mannheim's future profile.



Dundee

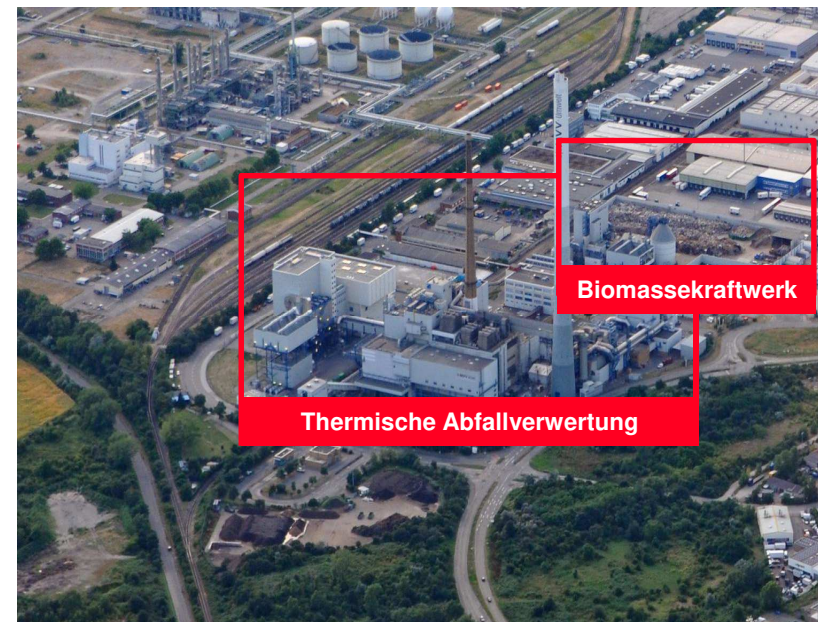
We are expanding our position in the British waste market with what is now our third generation plant in the UK.



Friesenheimer Insel

We are making district heating more renewable

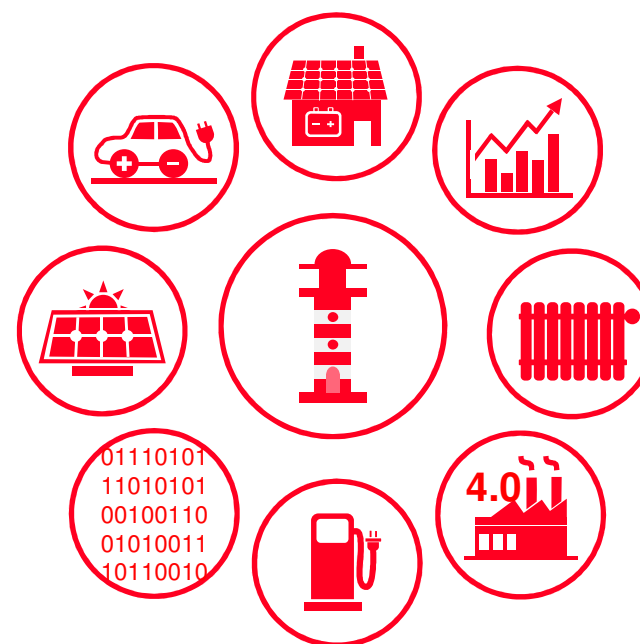
- Investment volume: around Euro 100 million
- Linking Mannheim's CHP plant to the district heating grid
- Recycling phosphorous from sludge: extension to existing energy from waste (in planning)
- Digitising the location's control room
- Further energy optimisation measures
- Successful expansion in energy partnership with Roche (from September 2018)



Franklin

Beacon project – a district sets course for the future

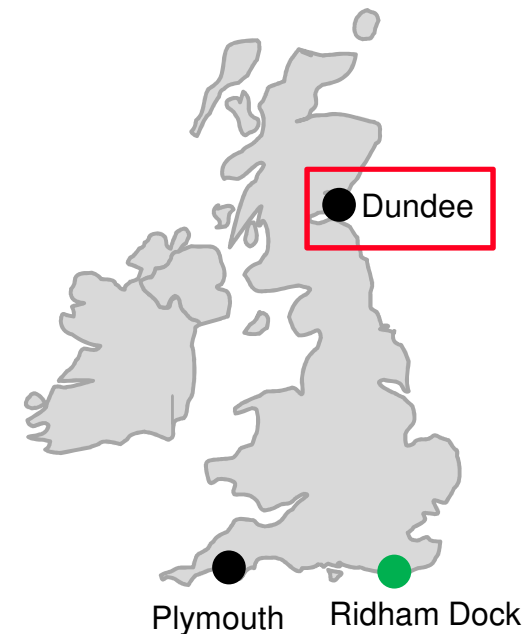
- FRANKLIN as part of the C/sells research project
- Modern heating supply by way of a low-temperature heating grid in conjunction with a lower primary energy factor
- Photovoltaics + power-to-heat
- Grid laboratory: development of a low-voltage smart grid
- High-resolution metering in real time for electricity, water and heating energy
- IoT platform for digital energy management
- Development of private and public e-mobility charging infrastructure
- E-mobility solutions with Blue Village FRANKLIN GmbH
- SmartCity FRANKLIN
- FRANKLIN community services



Dundee

Long-term disposal of municipal waste

- Long-term disposal contract for municipal waste signed with Dundee on 28 November 2017
- Term 3 + 25 years
- Construction of a new plant with waste throughput of around 110,000 tonnes a year
- Investment volume: around Euro 135 million
- Electrical capacity: 10 MW_e
- CHP steam supply to neighbouring Michelin tyre factory: around 70 million kWh/a
- Operations scheduled to begin in 2020
- Through to operations launch at new plant, municipal waste will be disposed of at the existing plant taken over by MVV





2017 Financial year



MVV at a glance

2017 Financial year

Sales **4.0** Euro billion

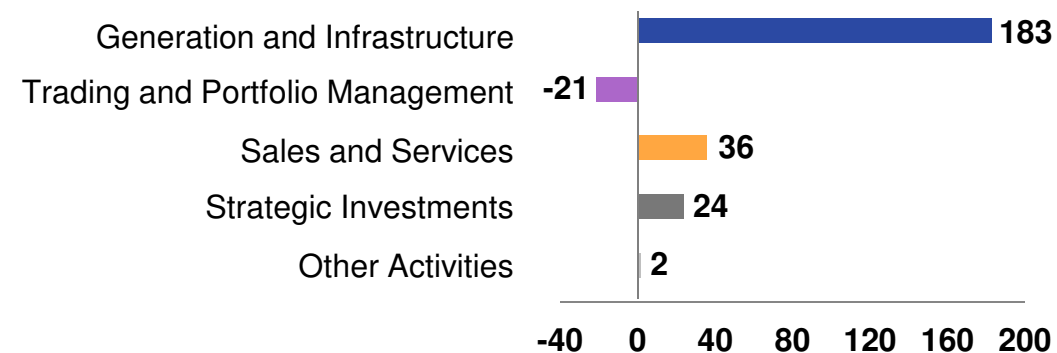
Investments

194 Euro million

About **6,100**
employees

Adjusted EBIT **224** Euro million
by reporting segments

Euro million



Key figures

2017 Financial year

Key figures – adjusted

Euro million

	FY 2017	FY 2016	% change
Sales excluding energy taxes	4,010	4,066	-1
Adjusted EBITDA ¹	407	425	-4
Adjusted EBIT ¹	224	213	+5
Adjusted annual net income ¹	107	98	+9
Adjusted annual net income after minority interest ¹	93	95	-2
Adjusted earnings per share ¹ (Euro)	1.41	1.45	-3
Cash flow from operating activities	474	274	+73

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



Generation and Infrastructure reporting segment

2017 Financial year

Sales -16%

Euro million

1,110

937

FY 2016

FY 2017

Adjusted EBIT +14%

Euro million

161

183

FY 2016

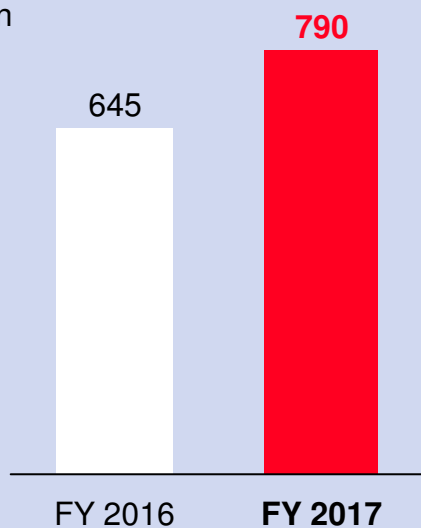
FY 2017



Trading and Portfolio Management reporting segment 2017 Financial year

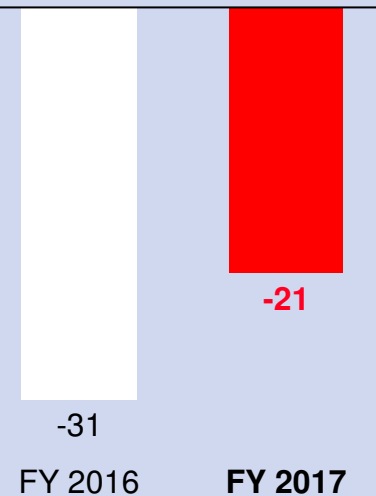
Sales +22%

Euro million



Adjusted EBIT +32%

Euro million



Sales and Services reporting segment

2017 Financial year

Sales -2%

Euro million

2.210

2.176

FY 2016

FY 2017

Adjusted EBIT +24%

Euro million

29

36

FY 2016

FY 2017

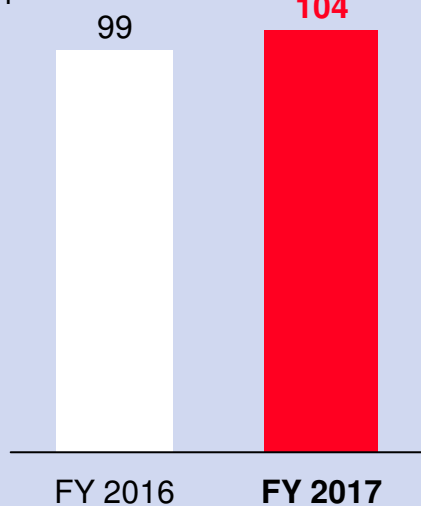


Strategic Investments reporting segment

2017 Financial year

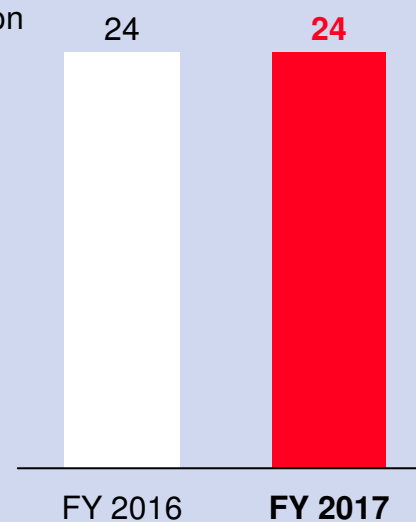
Sales +5%

Euro million



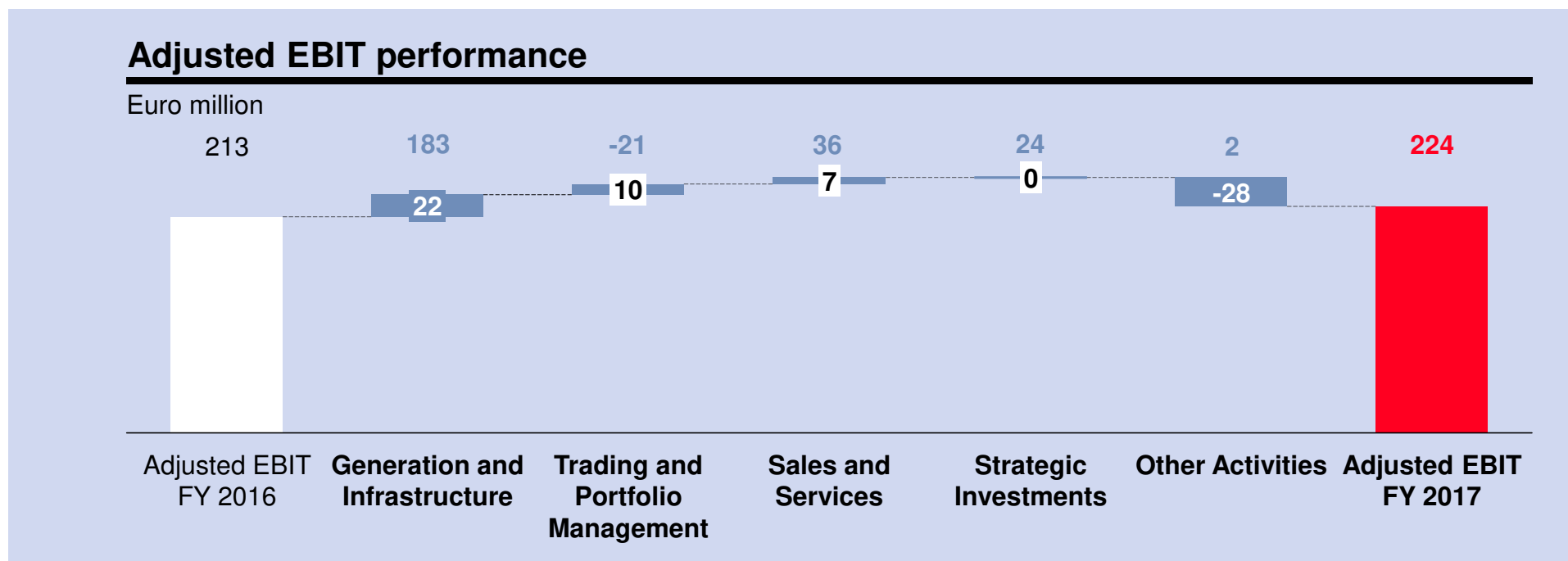
Adjusted EBIT 0%

Euro million



Adjusted EBIT performance

2017 Financial year



Reconciliation with adjusted EBIT

2017 Financial year

Reconciliation of EBIT to adjusted EBIT

Euro million

	FY 2017	FY 2016	+/- change
EBIT as reported in income statement	259	225	+34
Financial derivatives measurement item	-39	-24	-15
Structural adjustment for part-time early retirement	+1	+2	-1
Restructuring expenses	0	+7	-7
Interest income from finance leases	+3	+3	0
Adjusted EBIT	224	213	+11



Volumes and renewable energies project development

2017 Financial year

Turnover, waste volumes and renewables energies project development

	FY 2017	FY 2016	% change
Electricity (kWh million)	26,293	21,797	+21
District heating (kWh million)	6,917	6,716	+3
Gas (kWh million)	25,190	28.270	-11
Water (m ³ million)	40.2	41.1	-2
Combustible waste delivered (1,000 tonnes)	2,291	2,306	-1
Newly installed capacity at renewable energies plants (MW) ¹	411	630	-34
Operations management for renewable energies plants (MW) ¹	3,118	3,070	+1

¹ Previous year's figures adjusted



Investments

2017 Financial year

Investments

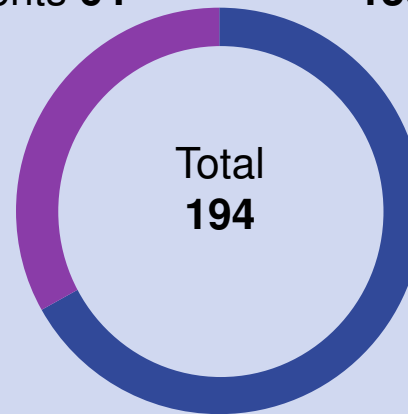
Euro million

Growth investments **64**

130 Investments in existing business

Growth investments

- 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



Sustainability key figures

2017 Financial year

Renewable energy



Capacity (MW)	426	+
Electricity generation (kWh m)	1,070	+
Biomethane generation (kWh m)	261	+
Project development (MW)	411	-
Direct marketing (kWh m)	7,400	+
Renewables share (%)	56	✓

Heat/CHP



Capacity (MW)	2,708	✓
Heat generation (kWh m)	4,104	+
Electricity generation CHP (kWh m)	588	+

Climate protection



CO ₂ Scope 1 (t 000s)	1,646	-
CO ₂ Scope 2 (t 000s)	8	+
CO ₂ Scope 3 (t 000s)	8,429	+
CO ₂ savings (t 000s)	482	+

Sustainability ratings



CDP has praised MVV's engagement: In the results of 2017 CDP Climate Change Reporting, MVV was awarded the **second-highest mark "A-"** and thus attained the highest status of "Leadership".



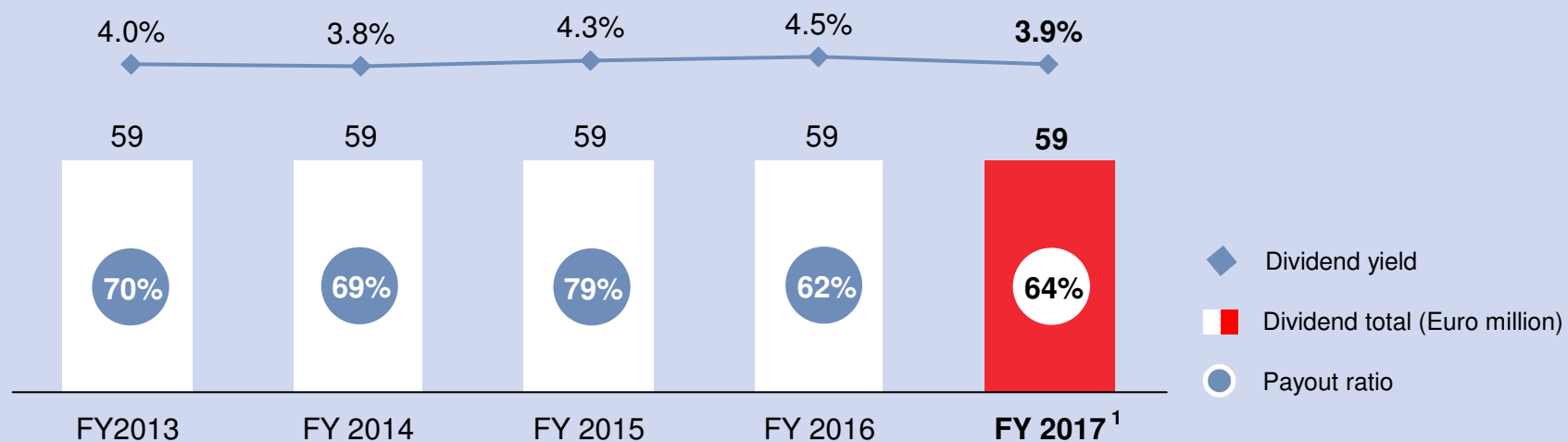
In this evaluation, MVV for the first time achieved **Prime status**. That makes MVV one of the **leading companies** when it comes to accounting for **ecological and social criteria** in its corporate management.



Dividend proposal for 2017 financial year

Continuity and above-average payout ratio

Dividend per share Euro 0.90



¹ Subject to approval by Annual General Meeting on 9 March 2018



Outlook

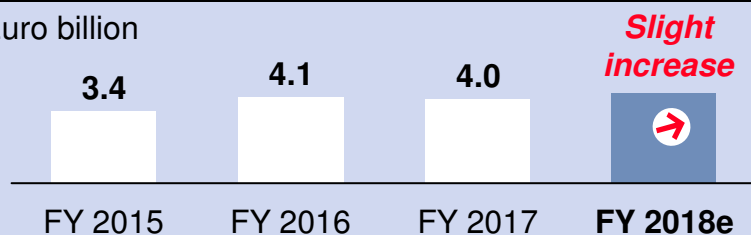


Forecast for 2018 financial year

Slight increase by sales and adjusted EBIT

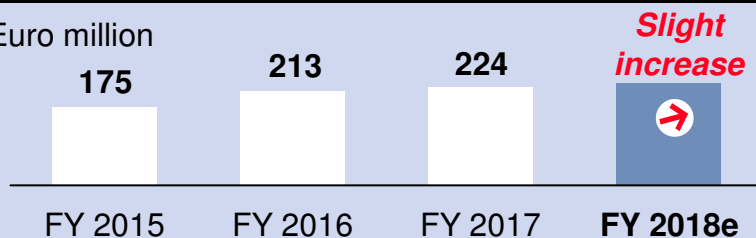
Sales

Euro billion



Adjusted EBIT

Euro million



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



Many thanks!

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**Jointly committed in the
Rhine-Neckar metropolitan region**

