



# The future has already begun. With us.

Analysts' Conference 2018 Financial Year

Frankfurt, 11 December 2018

We inspire  
with energy.

# Disclaimer

## **No offer, invitation or recommendation to purchase or sell securities of MVV Energie AG**

This presentation has been prepared by MVV Energie AG for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities of MVV Energie AG. This presentation must not be relied upon in connection with any investment decision. The securities of MVV Energie AG have not been registered under the United States of America's securities laws and may not be offered or sold in the United States of America or to U. S. persons without registration or exemption from registration in accordance with the applicable United States' securities laws.

## **Disclaimer**

All information contained in this presentation has been established with care. However the information in this presentation has not been independently verified. We cannot guarantee its reliability or completeness. The information herein shall not be deemed as a guarantee or any such instrument in any respect. MVV Energie AG reserves the right to amend, supplement or delete any information in this presentation at any time.

In addition to the figures prepared in our Annual Reports this presentation may contain further financial performance measures. These financial performance measures should be considered in addition to, but not as a substitute for, the information prepared in our Annual Reports. Other companies may define such financial performance measures in different ways.

## **Future-oriented statements**

This presentation may contain statements on future developments ("future-oriented statements") that are based on currently available information and the plans, estimates and forecasts of the management of MVV Energie AG. Future-oriented statements include, but are not limited to projections of revenues, income, earnings per share, dividends, statements of plans or objectives for future operations. Such future-oriented statements are also indicated by words such as "anticipate", "may", "will", "should", "intend", "expect", "estimate" and similar expressions. These future-oriented statements are subject to risks and uncertainty and cannot be controlled or accurately predicted by MVV Energie AG. A multitude of factors such as changing business or market conditions, political and legal conditions, fluctuating currency exchange rates and interest rates, prices, stronger competition and sale risks, changes in the price and availability of raw materials, risks associated with energy trading (e.g. risks of loss in the case of unexpected, extreme market price fluctuations and credit risks) can cause actual events to differ significantly from any anticipated development.

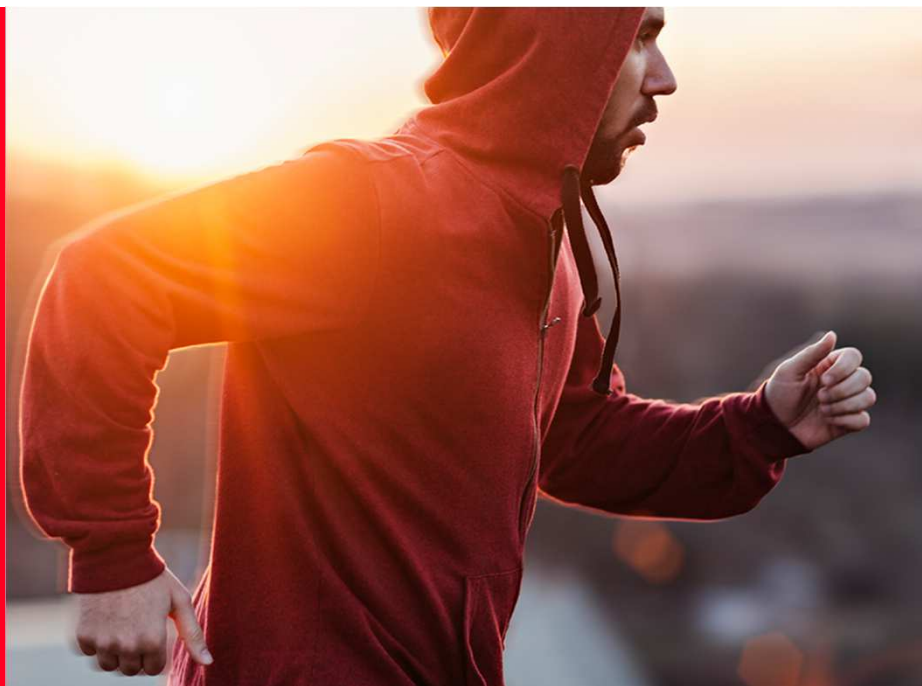
Therefore it cannot be guaranteed nor can any liability be assumed otherwise that these future-oriented statements will prove complete, correct or precise or that expected and forecast results will actually occur in the future.

MVV Energie AG neither intends to nor assumes any obligation to update these future-oriented statements.



# Agenda

- **Strategy** 4-10
- **2018 Financial year** 11-24
- **Outlook** 25-26



# Strategy



# Our strategic targets provide MVV with stable prospects, also in the context of the energy turnaround

- MVV is growing with key growth fields relating to the energy turnaround
- We are linking existing expertise with new skills and using this as a competitive advantage
- Energy turnaround and digitalisation create need for change at MVV, and we are consistently tackling this



# We are making good progress in implementing our strategy

## Strategic milestones

---



### The future is being built at **FRANKLIN**

Connecting the electricity, heating and mobility turnarounds



### Growth in UK environmental energy business

Efficient waste incineration in Dundee



### Construction of **Küstenkraftwerk K.I.E.L.**

Securing the district heating supply, contributing to the energy turnaround and environmental protection



### Friesenheimer Insel

MVV is making district heating more renewable



### Expanding Enamic's range of solutions

Econ solutions, Luminatis, DCG, Recogizer, Qivalo



# By expanding our green generation capacity, we are playing an active role in the new energy world



**Expanding our wind portfolio**



**Further developing our biomethane activities**



**Boosting our biomass activities**



**Building a PV portfolio**



# We are exploiting the strengths in our environmental energy business field to generate further growth and diversify our portfolio

- Established market position
- Profitable growth in past years
- Market climate expected to remain positive
- Integration of waste and energy market

## Boost market position in Germany



- Draw on competencies and resources
- Connection of CHP plant to existing district heating grid
- Construction of sewage treatment plants
- Review opportunities for existing plants

## Extend portfolio abroad



- Seize market opportunities





# With our solutions, we competently accompany our customers in implementing their own energy turnarounds



# Efficient and innovative processes are a key foundation for the transition to the new energy world

## Processes/cost efficiency

---

Continuous process and cost optimisation supplemented by targeted projects

## IT strategy

---

- Focusing and automation
- Stabilisation and optimisation

## Digitalisation

---

Enhance networking of technology, places and people





# 2018 Financial year



# MVV at a glance

## 2018 Financial year

Sales **3.9** Euro billion

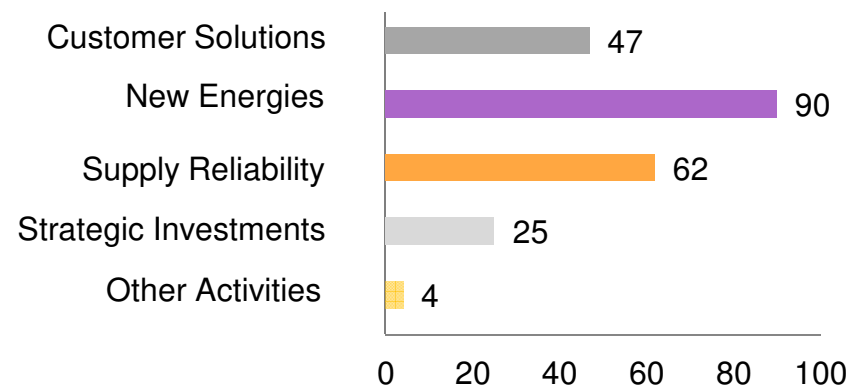
Investments

**290** Euro million

About **6,000**  
employees

Adjusted EBIT **228** Euro million  
by reporting segments

Euro million



# Key figures

## 2018 Financial year

### Key figures – adjusted

Euro million

	<b>FY 2018</b>	FY 2017	<b>% change</b>
Sales excluding energy taxes	<b>3,903</b>	4,010	-3
Adjusted EBITDA <sup>1</sup>	<b>443</b>	407	+9
Adjusted EBIT <sup>1</sup>	<b>228</b>	224	+2
Adjusted annual net income <sup>1</sup>	<b>111</b>	107	+4
Adjusted annual net income after minority interest <sup>1</sup>	<b>94</b>	93	+1
Adjusted earnings per share <sup>1</sup> (Euro)	<b>1.43</b>	1.41	+1
Cash flow from operating activities	<b>331</b>	474	-30

<sup>1</sup> 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

## 2018 Financial year

### Sales -5%

Euro million

2,965

2,819

FY 2017<sup>1</sup>

FY 2018

<sup>1</sup> pro forma statement; unaudited

### Adjusted EBIT +9%

Euro million

43

47

FY 2017<sup>1</sup>

FY 2018

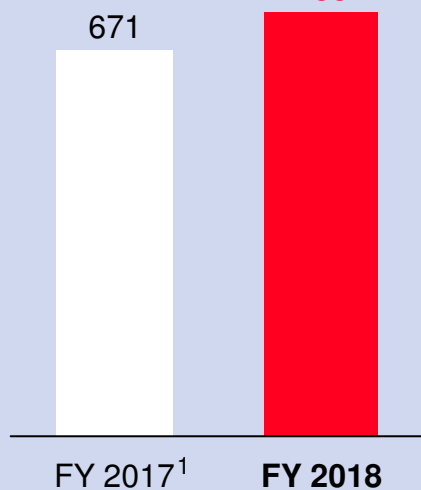


# New Energies reporting segment

## 2018 Financial year

### Sales +10%

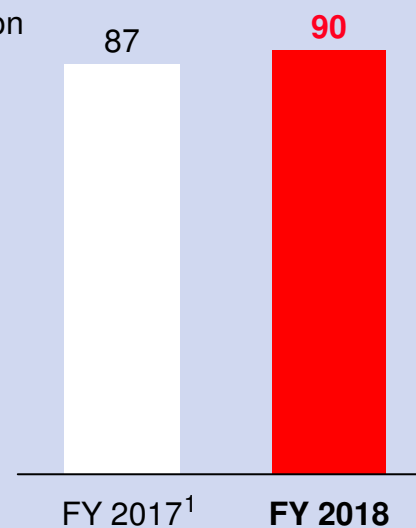
Euro million



<sup>1</sup> pro forma statement; unaudited

### Adjusted EBIT +3%

Euro million



# Supply Reliability reporting segment

## 2018 Financial year

### Sales -4%

Euro million

267

256

FY 2017<sup>1</sup>

FY 2018

<sup>1</sup> pro forma statement; unaudited

### Adjusted EBIT -9%

Euro million

68

62

FY 2017<sup>1</sup>

FY 2018



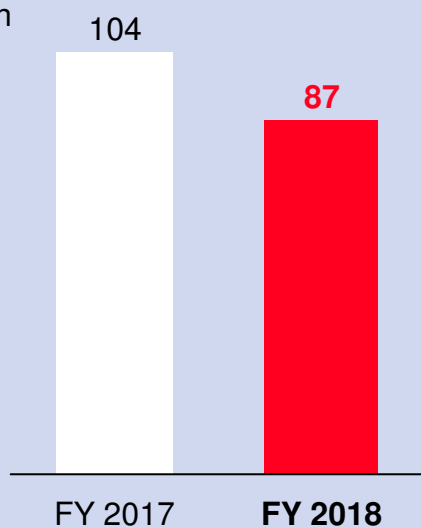


# Strategic Investments reporting segment

## 2018 Financial year

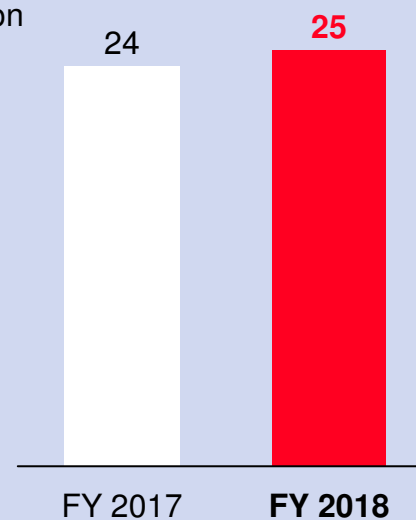
### Sales -16%

Euro million



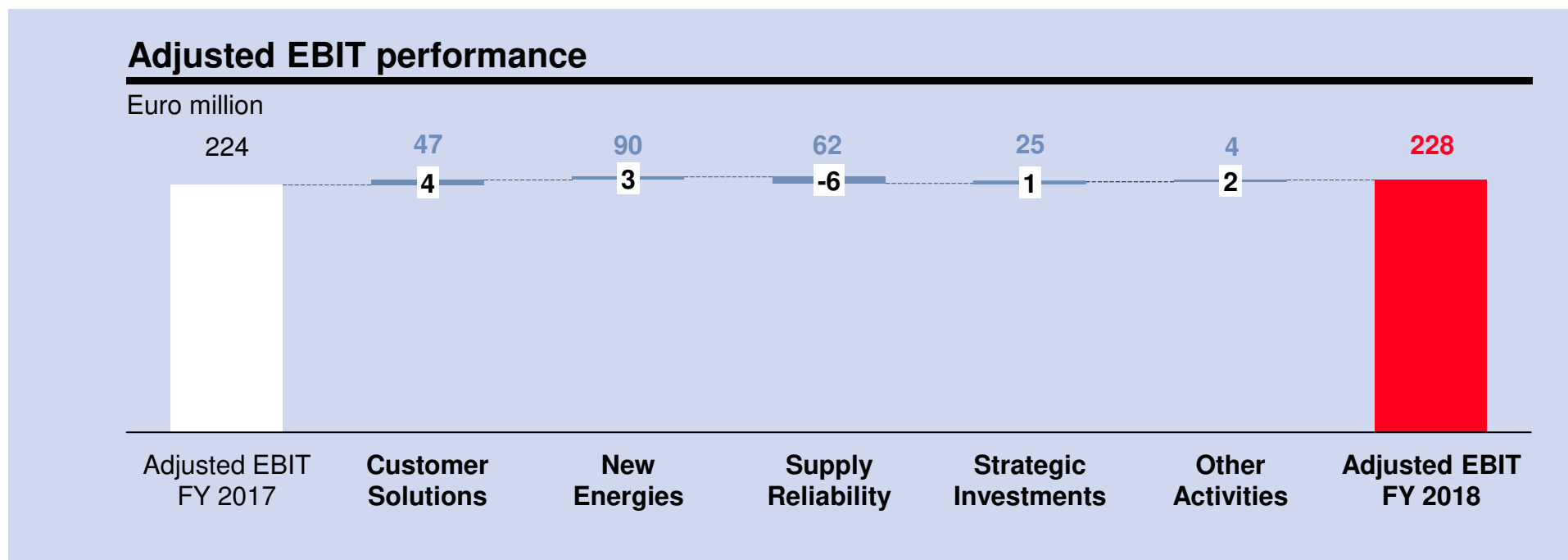
### Adjusted EBIT +4%

Euro million



# Adjusted EBIT performance

## 2018 Financial year



# Reconciliation with adjusted EBIT

## 2018 Financial year

### Reconciliation of EBIT to adjusted EBIT

Euro million

	<b>FY 2018</b>	FY 2017	<b>+/- change</b>
EBIT as reported in income statement	<b>257</b>	259	-2
Financial derivatives measurement item	<b>-31</b>	-39	+8
Structural adjustment for part-time early retirement	<b>0</b>	+1	-1
Restructuring result	<b>-1</b>	0	-1
Interest income from finance leases	<b>+3</b>	+3	0
<b>Adjusted EBIT</b>	<b>228</b>	224	+4



# Volumes and concluded development of new renewable energies plants

## 2018 Financial year

### Turnover, waste volumes and concluded development of new renewables plants

	<b>FY 2018</b>	FY 2017	% change
Electricity (kWh million)	<b>23,556</b>	26.293	-10
District heating (kWh million)	<b>6,598</b>	6.917	-5
Gas (kWh million)	<b>21,209</b>	25,190	-16
Water (m <sup>3</sup> million)	<b>41.3</b>	40.2	-3
Combustible waste delivered (1,000 tonnes)	<b>2,328</b>	2.291	+2
Concluded development of new renewables energies plants (MW)	<b>1,011</b>	411	>+100
Operations management for renewable energies plants (MW) <sup>1</sup>	<b>3,063</b>	3,009	+2

<sup>1</sup> Previous year's figures adjusted



# Investments

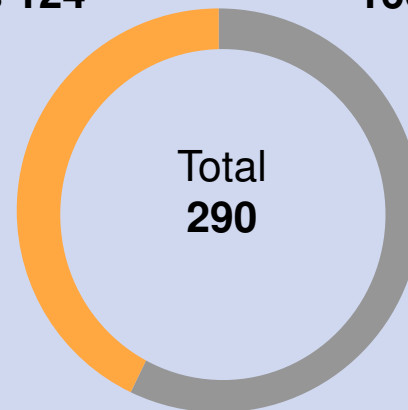
## 2018 Financial year

### Investments

Euro million

Growth investments **124**

**166** Investments in existing business



#### Growth investments

- Construction of CHP plant in Dundee
- Connection of Mannheim CHP plant to district heating grid
- Takeover of organic waste fermentation plant in Dresden
- Measures to expand and increase the density of our district heating grids

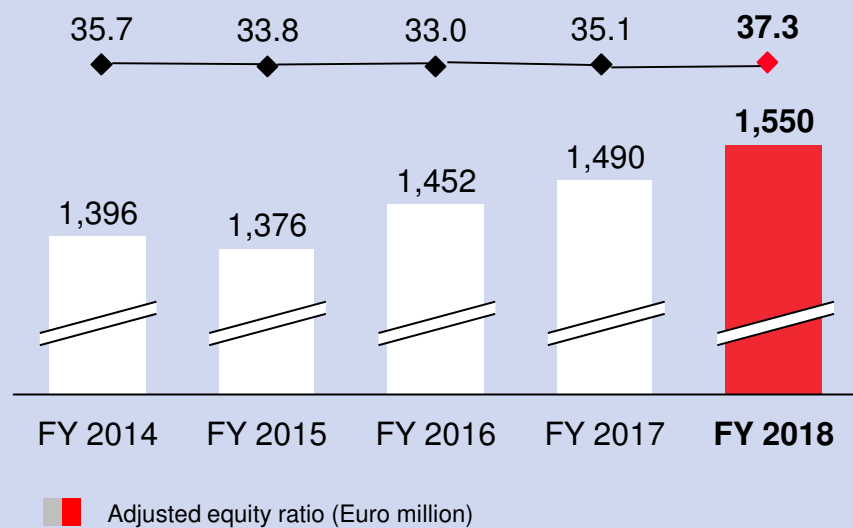
#### Investments in existing business

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



# Financing

## Adjusted equity-ratio (%)



- Increase in equity (+4.0%)
- 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 key figures

## 2018 Financial year

### Renewable energy



Capacity (MW)	467	+
Electricity generation (kWh m)	1,148	+
Biomethane generation (kWh m)	254	✓
Project development (MW)	1,011	+
Renewables share (%)	63	+

### Heat/CHP



Capacity (MW)	2,607	-
Heat generation (kWh m)	3,890	-
Electricity generation CHP (kWh m)	501	-

### Climate protection

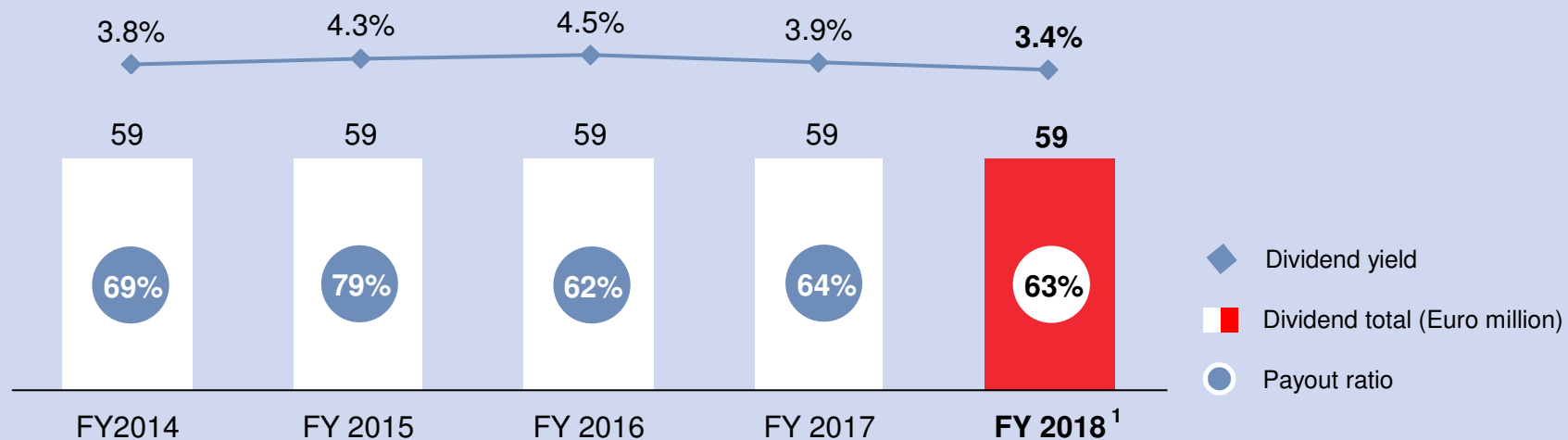


CO <sub>2</sub> Scope 1 (t 000s)	1,547	+
CO <sub>2</sub> Scope 2 (t 000s)	8	✓
CO <sub>2</sub> Scope 3 (t 000s)	8,385	✓
CO <sub>2</sub> savings (t 000s)	485	+

# Dividend proposal for 2018 financial year

## Continuity and above-average payout ratio

### Dividend per share Euro 0.90



<sup>1</sup> Subject to approval by Annual General Meeting on 8 March 2019





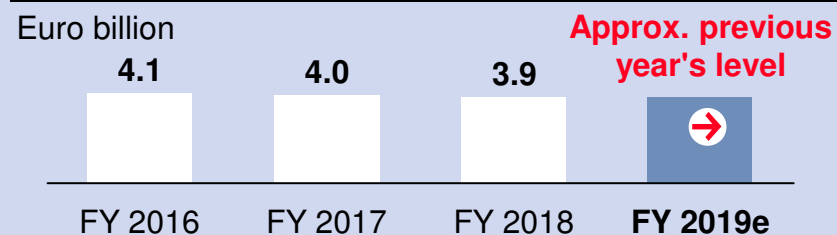
# Outlook



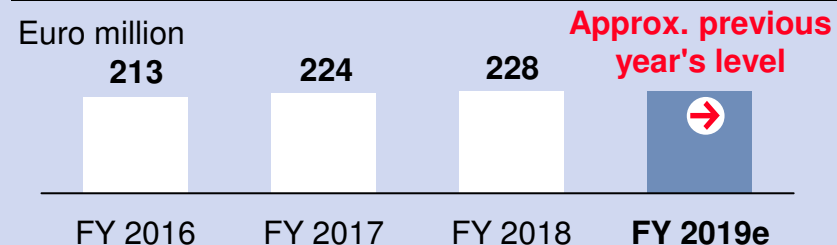
# Forecast for 2019 financial year

Sales and adjusted EBIT at approx. previous year's level

## Sales



## Adjusted EBIT



Forecast dependent on

- Weather conditions and wind volumes
- Developments in electricity and fuel
- Spreads of conventional generation
- Interest rate and currency effects
- Plant availability
- Also increased volatility in earnings
  - due to expansion in renewable energies project development business
  - commissioning of gas-powered CHP plant Küstenkraftwerk K.I.E.L



# Many thanks!

Contact:

Philipp Riemen

Head of Department Finance  
and Investor Relations

T +49 621 290 31 88

[philipp.riemen@mvv.de](mailto:philipp.riemen@mvv.de)

[www.mvv.de/investors](http://www.mvv.de/investors)

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

