

FINANCIAL RESULTS

Q1 2018

CEO Christian Rynning-Tønnesen

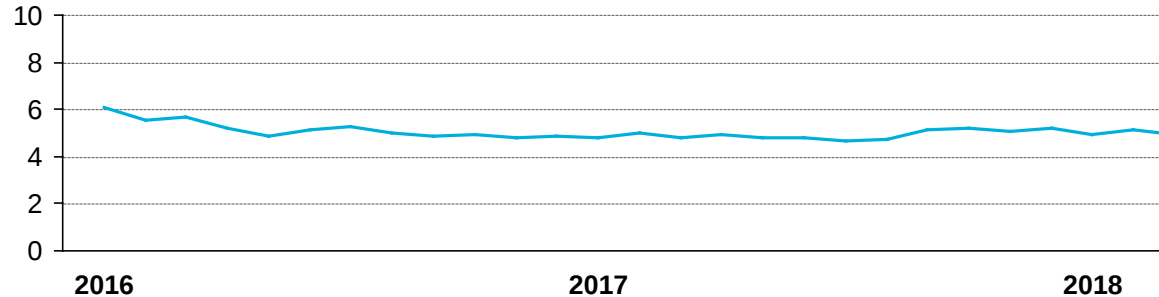
CFO Irene Egset

26 April 2018



Health, safety and environment

TRI-rate¹



- ▶ Health and safety
 - No serious injuries in Q1
 - Top priority to continuously improve safety performance
- ▶ Environment
 - No serious environmental incidents in Q1

¹TRI rate (12 months rolling): Total recordable injuries per million hours worked

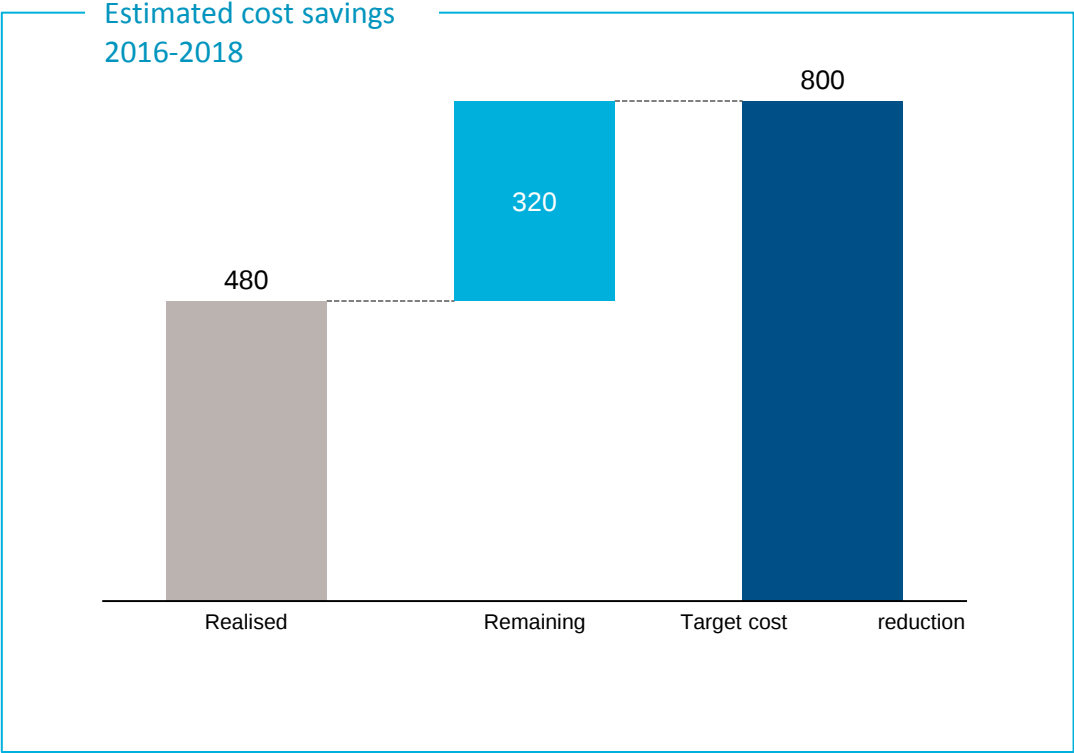
Highlights in Q1



Bordalsvatn

- ▶ Record high hydropower generation
- ▶ Underlying EBIT of NOK 5962 million, up NOK 1972 million
- ▶ Performance improvement programme realised NOK 480 million so far
- ▶ Large gain from divestment of Dudgeon offshore wind farm
- ▶ Successful listing of Fjordkraft
- ▶ Strong result: Net profit amounting to NOK 10282 million, up NOK 7534 million

Cost reductions from the Performance Improvement Programme



Exit from offshore wind completed: Large gains



Sheringham Shoal

- ▶ 30% share in Dudgeon divested with a gain of NOK 5.1 billion
- ▶ Statkraft's strategy to exit from offshore wind resulted in total recognised gains amounting to NOK 8.7 billion in addition to contributions from holding period

Successful listing of Fjordkraft



- ▶ Statkraft divested its shares through the Initial Public Offering (IPO)
- ▶ Statkraft's subsidiary Skagerak Energi and associated company BKK continue as investors in Fjordkraft after the listing
- ▶ Gain amounting to NOK 1.7 billion

Outlook



Visualisation of a wind park at Fosen

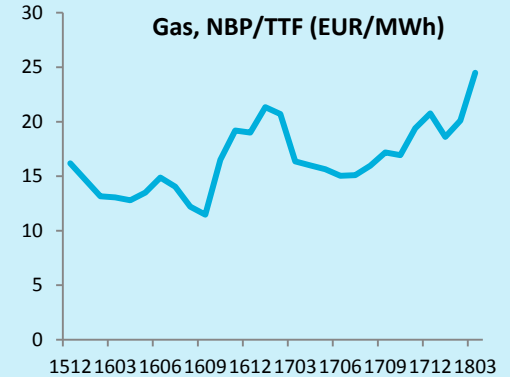
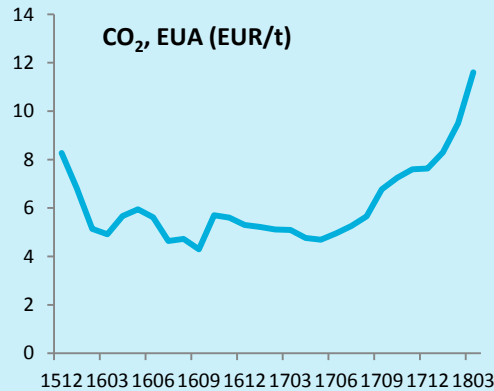
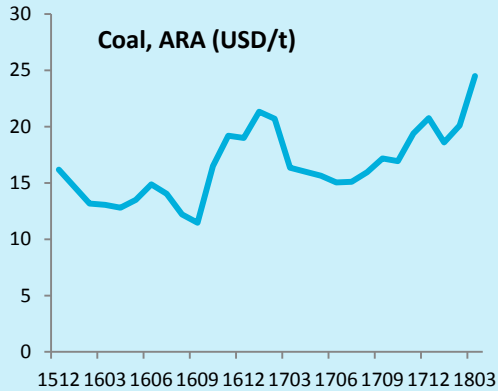
- ▶ Robust earnings and strengthened financial position:
 - Europe's largest reservoir capacity and flexible power plants
 - Long-term contracts contribute to stabilising revenues and net profit
 - Ongoing performance improvement programme strengthens competitiveness
 - Divestments strengthen financial solidity
- ▶ New renewable investments in hydro-, wind- and solar power

Key figures

NOK million	Q1 2018	Q1 2017	The year 2017
Net operating revenues and other income	8 884	6 972	23 350
Operating profit/loss (EBIT) underlying	5 962	3 990	10 824
Net profit	10 282	2 748	11 707

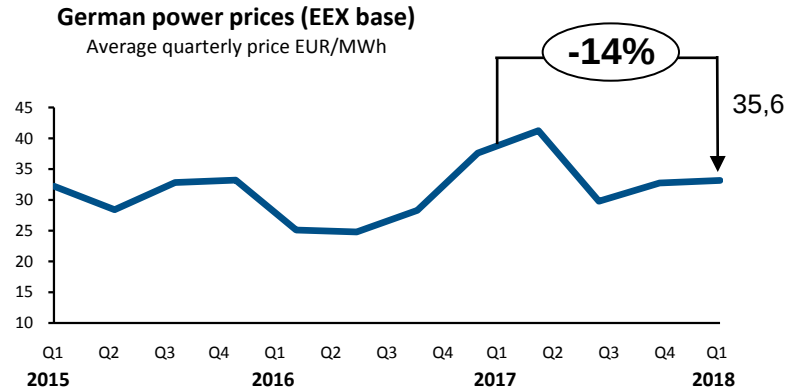
- ▶ First quarter 2018:
 - Nordic prices measured in EUR up 24% Q-on-Q
 - Overall generation up 23% Q-on-Q
- ▶ Net profit impacted by gains from divestments of offshore wind asset and listing of Fjordkraft

Price drivers and the German power market

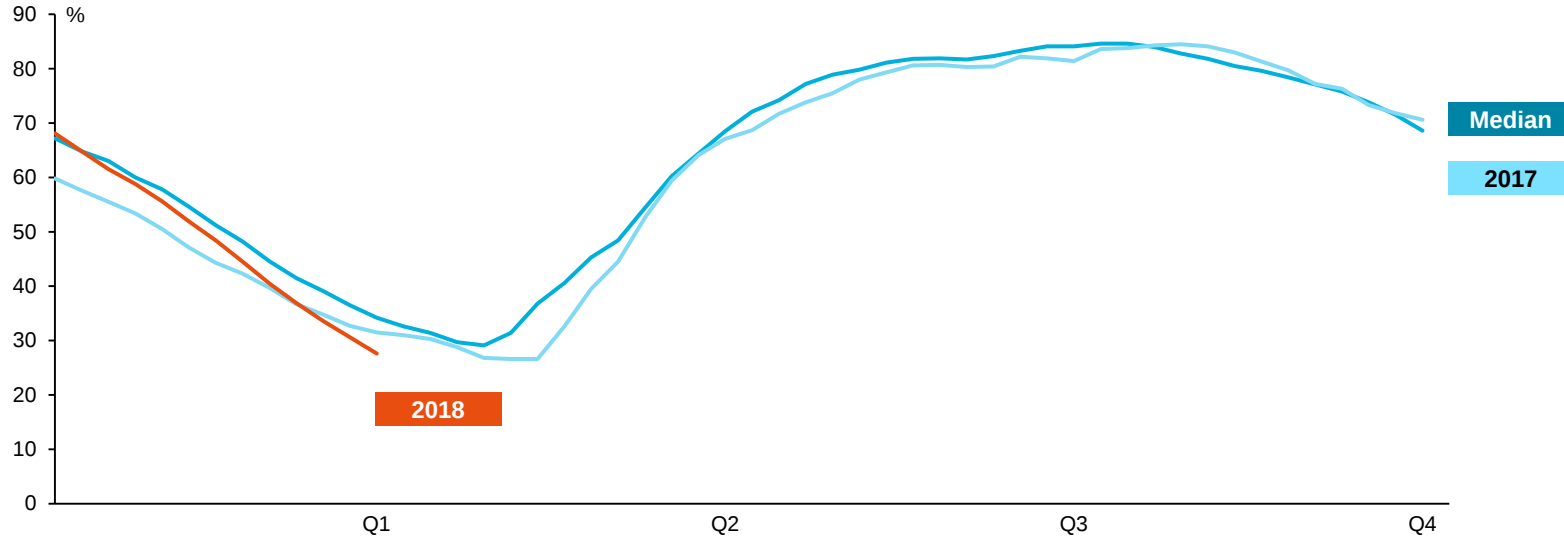


Q1 2018 vs. Q1 2017

- ▶ Coal, CO₂ and gas prices increased
- ▶ German power prices down by 14%
 - Mainly related to higher nuclear and wind power generation



Nordic reservoir level



- ▶ Nordic reservoir level (total market) was below median at 81% end of March due to cold and dry weather.

Nordic power prices

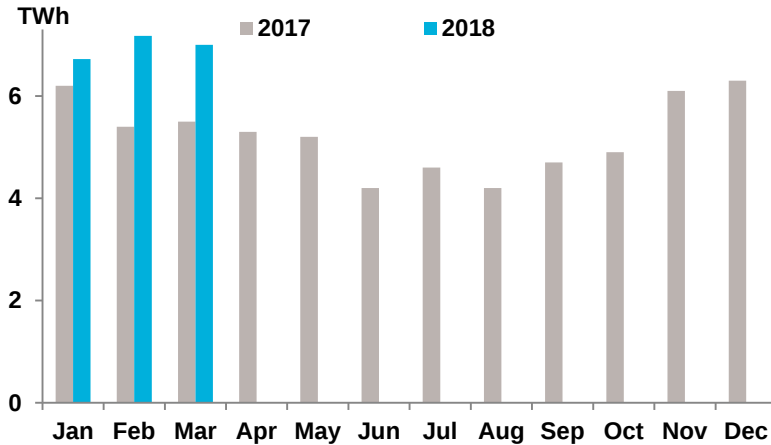


- ▶ Nordic power prices 38.6 EUR/MWh, up 24% Q1 2018 vs. Q1 2017

Energy management



Monthly power generation

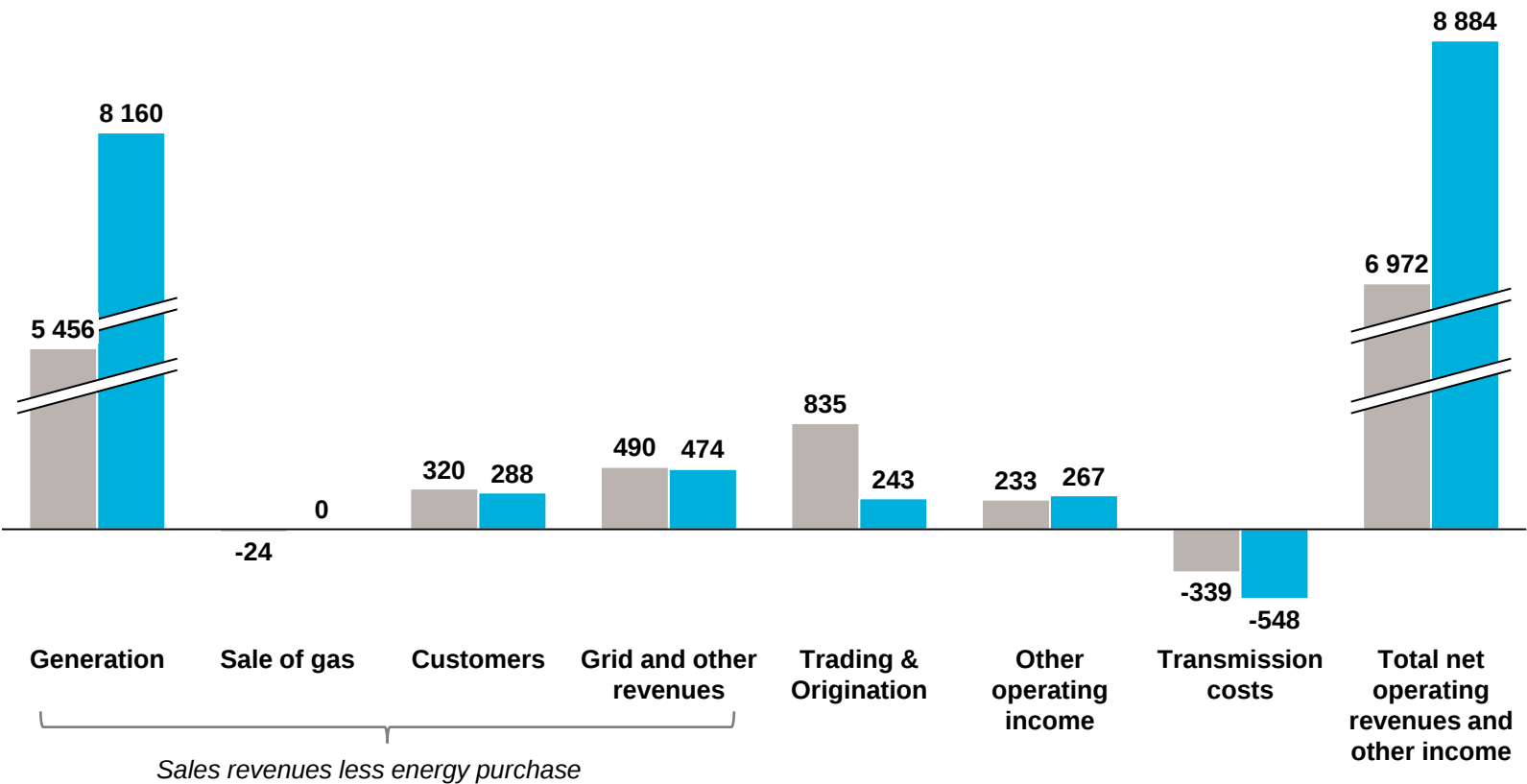


Q1 generation up 23% Q-on-Q

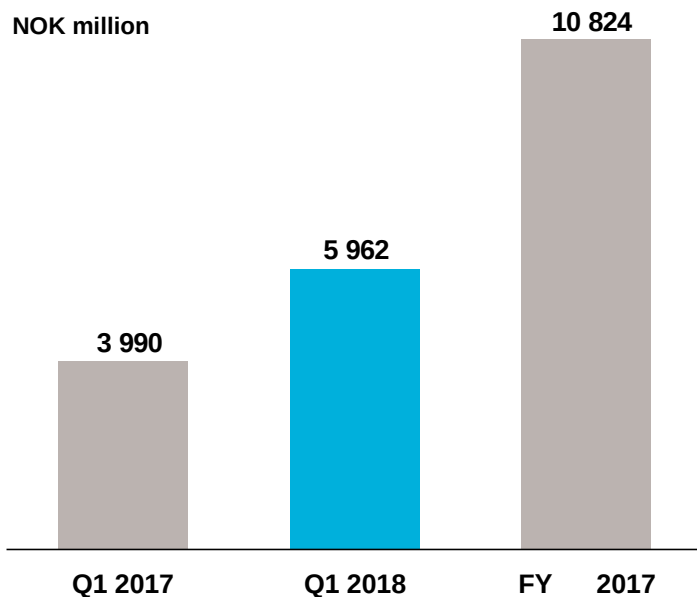
Technology	TWh	Change in TWh
Hydropower	19.9	4.1
Wind power	0.6	-0.2
Gas power	0.4	-0.1
Bio and solar power	0.1	-
Total	21.0	3.9

Q1 net operating revenues and other income

NOK million



NOK 6 billion in underlying EBIT



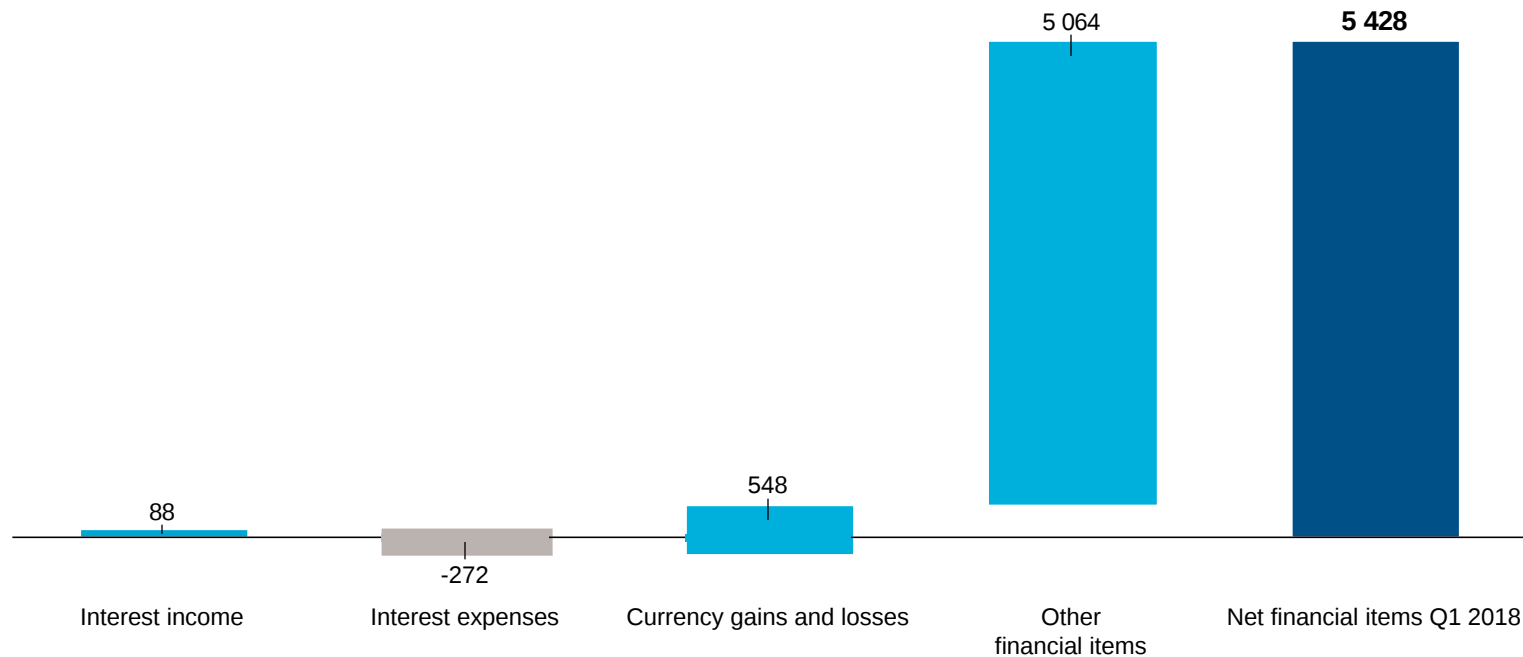
- ▶ Underlying EBIT up NOK 1 972 million Q-on-Q
- ▶ Primarily a result of
 - higher Nordic power prices
 - record high generation

Δ Q1 18/Q1 17 +49%

Financial items

Breakdown Net financial items Q1 2018

NOK million

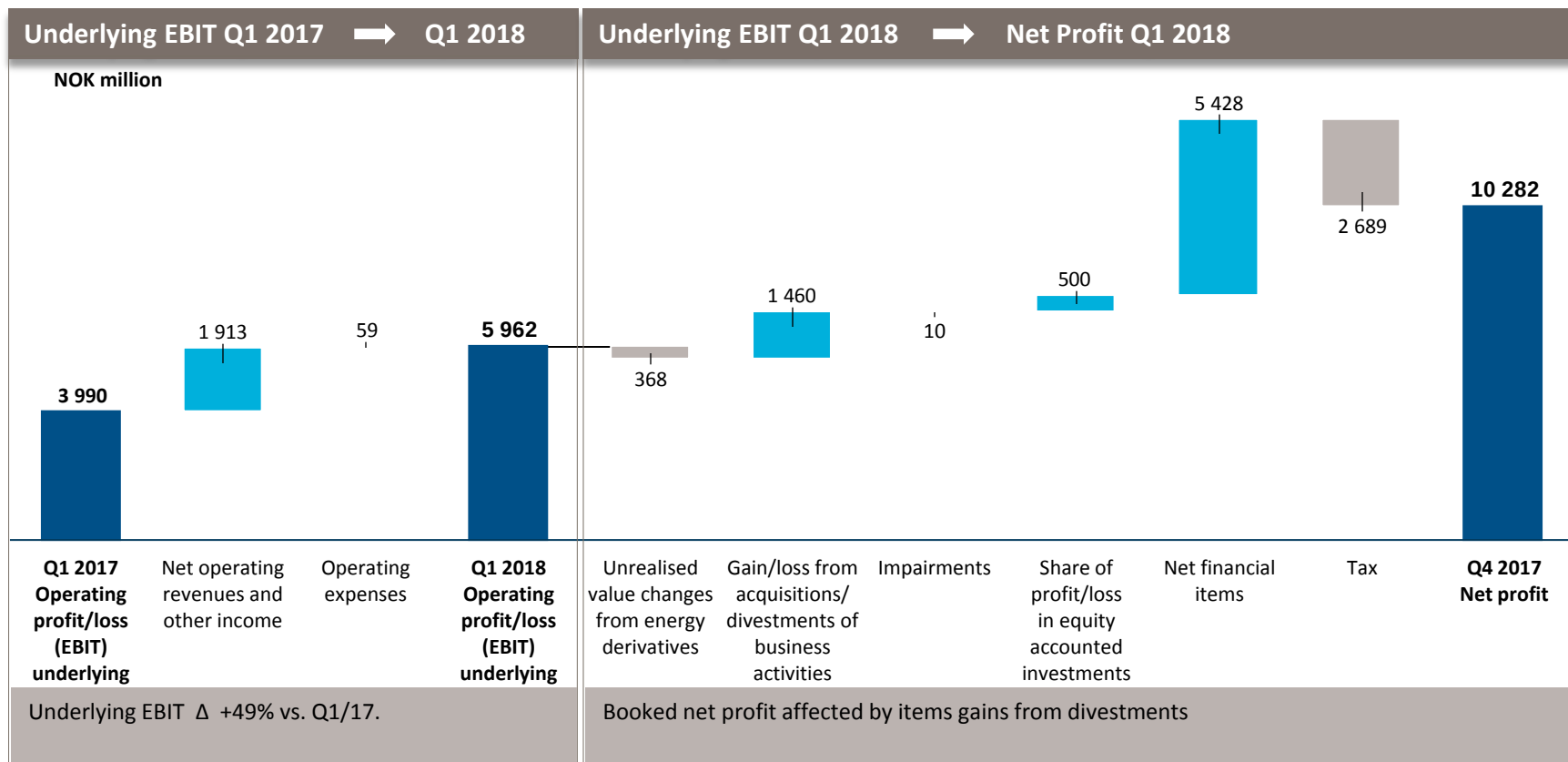


Net profit

NOK million	Q1 2018	Q1 2017	The year 2017
Net profit	10 282	2 748	11 707

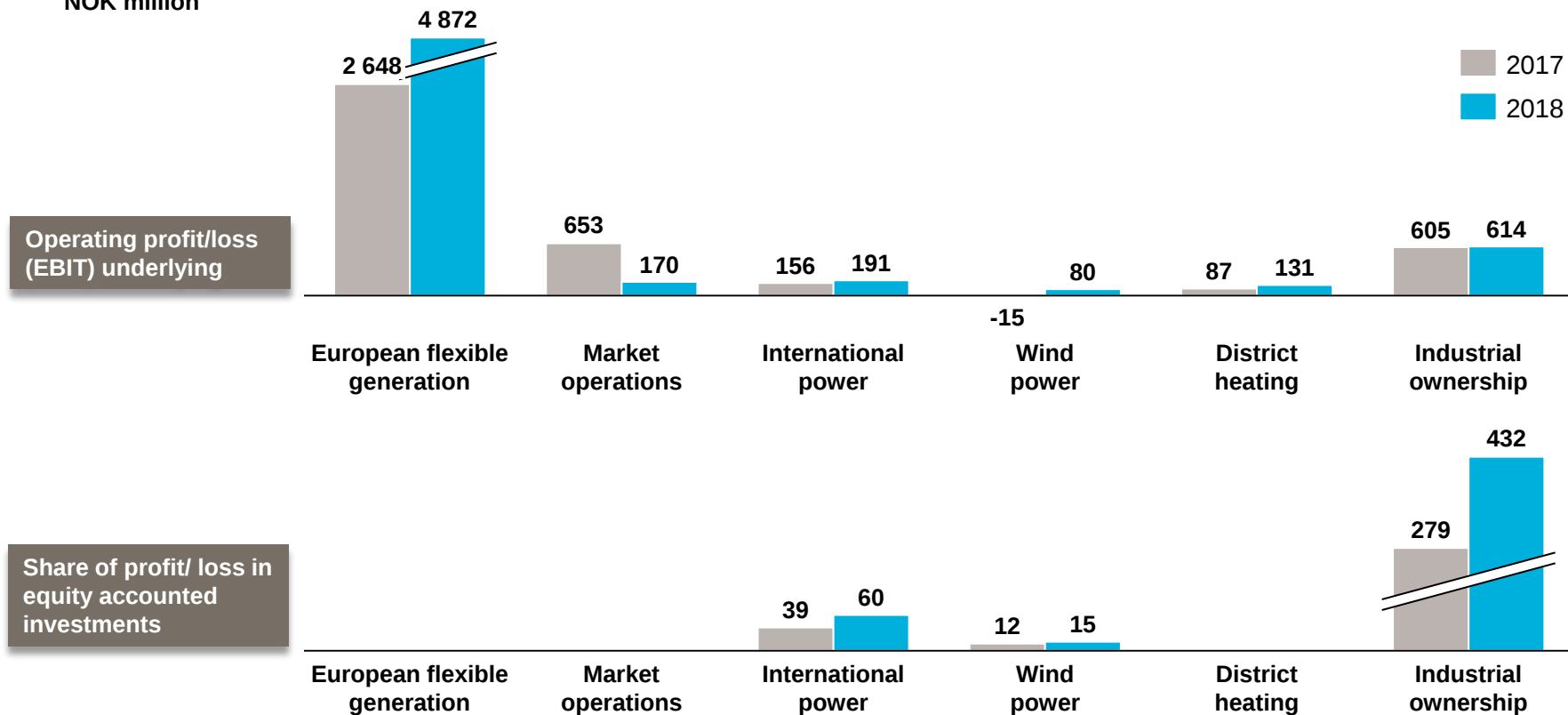
- ▶ Solid contributions from operating activities
- ▶ Gains from divestment of offshore wind assets and listing of Fjordkraft

Q1 net profit breakdown

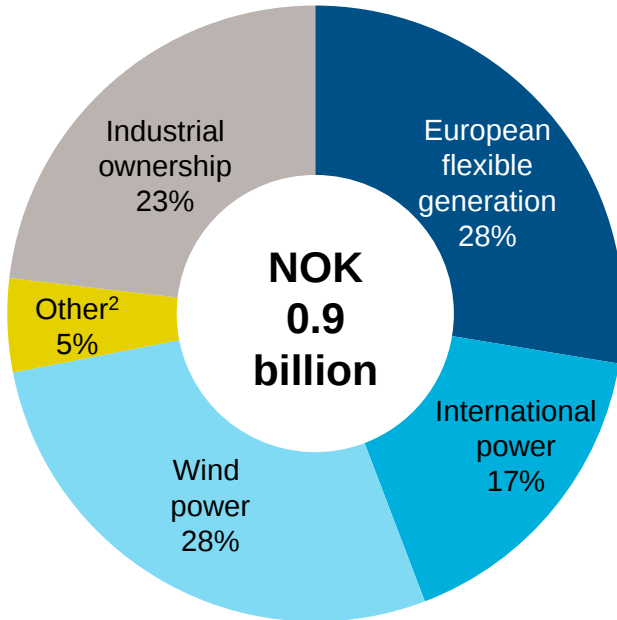


Q1 segment financials

NOK million



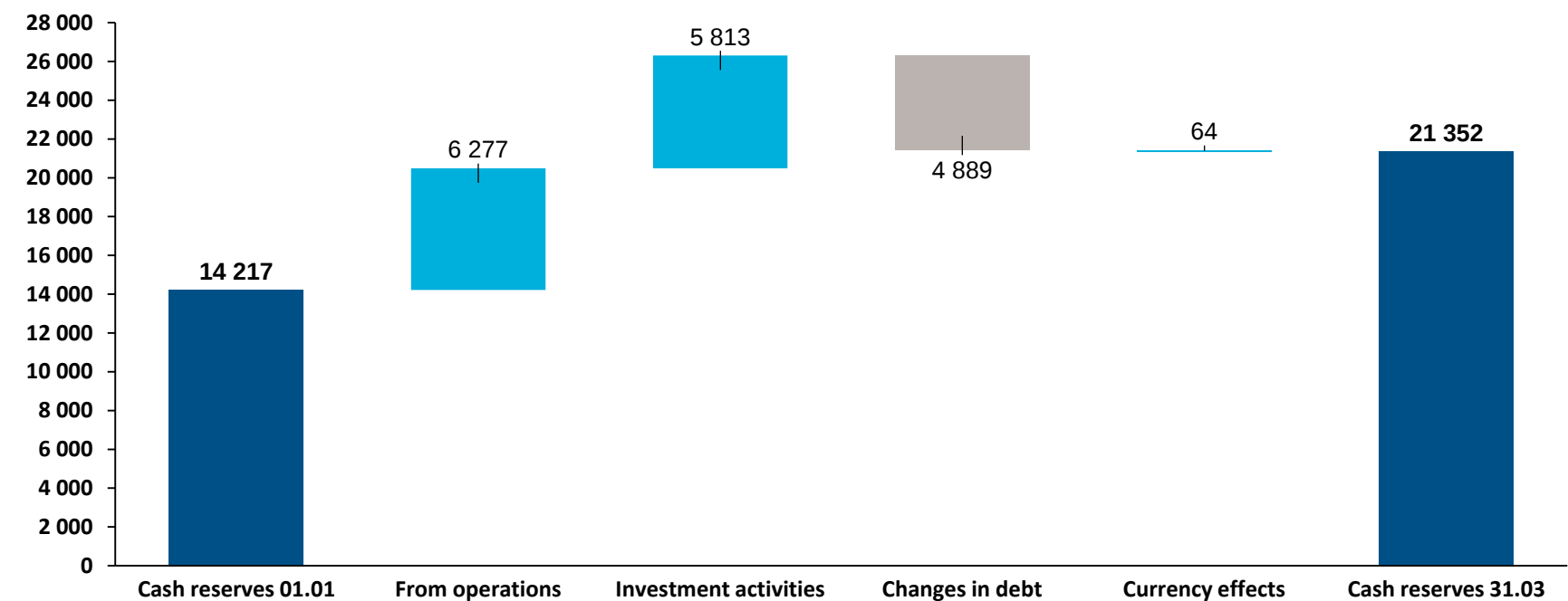
Q1 2018 capital expenditure¹



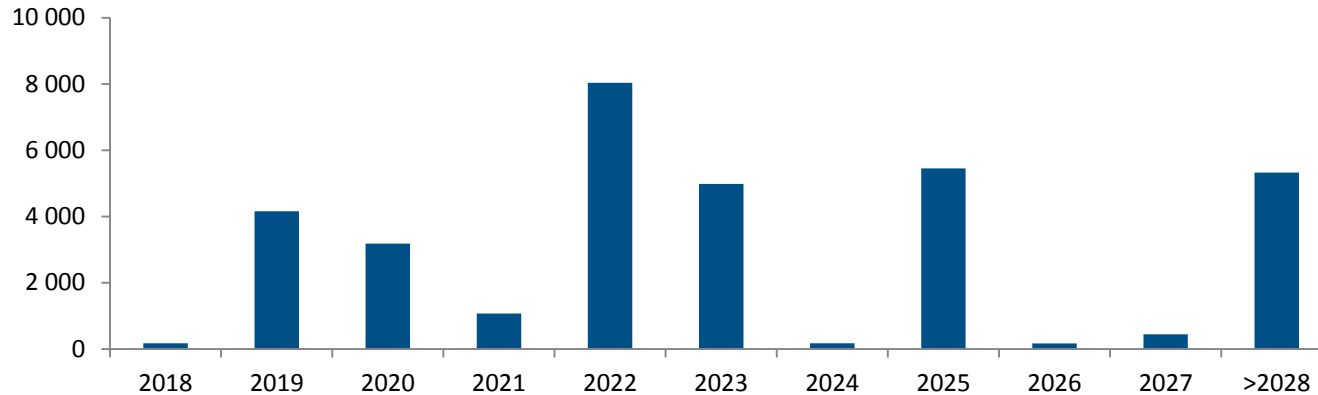
- ▶ Distribution of CAPEX in the quarter:
 - 54% expansion investments
 - 45% maintenance/other investments
 - 1% shareholdings
- ▶ New hydropower capacity under construction in Albania
- ▶ Wind power developments in Norway
- ▶ Maintenance primarily within Nordic hydropower and Norwegian grid

Cash flow in Q1

NOK million



Long-term debt repayment profile



- ▶ NOK 2.2 billion debt repurchased in Q1
- ▶ NOK 13.3 billion in net interest-bearing debt (NOK 32.4 billion in Q1 2017)
 - NOK 35%, EUR 59%, USD 2%, BRL 3%, CLP/CLF 1%
 - Average maturity: 5.6 years
 - Net interest-bearing debt-equity 11.8%

Strong credit ratings



A- / Stable



Baa1 / Stable

- ▶ Maintaining current ratings with S&P and Moody's
- ▶ Strong support from owner
- ▶ CAPEX adapted to financial capacity
- ▶ Rating impact assessment completed prior to new investment decisions

Summary



- ▶ Delivering on strategy
- ▶ Strong underlying operations
- ▶ Robust financial position
- ▶ Solid foundation for further growth in renewable energy



THANK YOU

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