

FINANCIAL RESULTS

Q3 2019

CEO Christian Rynning-Tønnesen

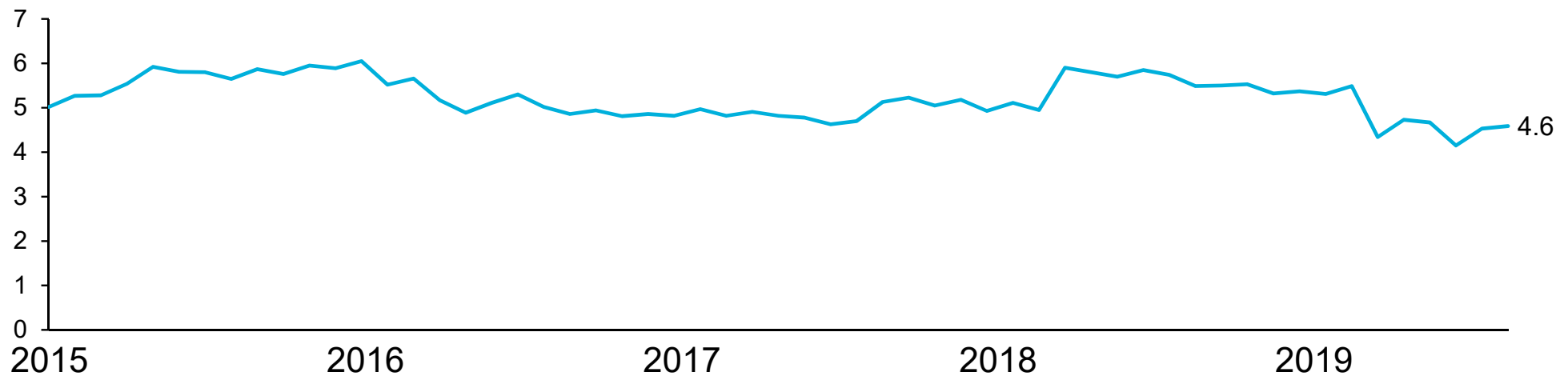
CFO Anne Harris

24 October 2019



Health, safety and environment

TRI-rate¹



- ▶ Health and safety
 - No serious injuries reported in the quarter
- ▶ Environment
 - No serious environmental incidents in the quarter

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

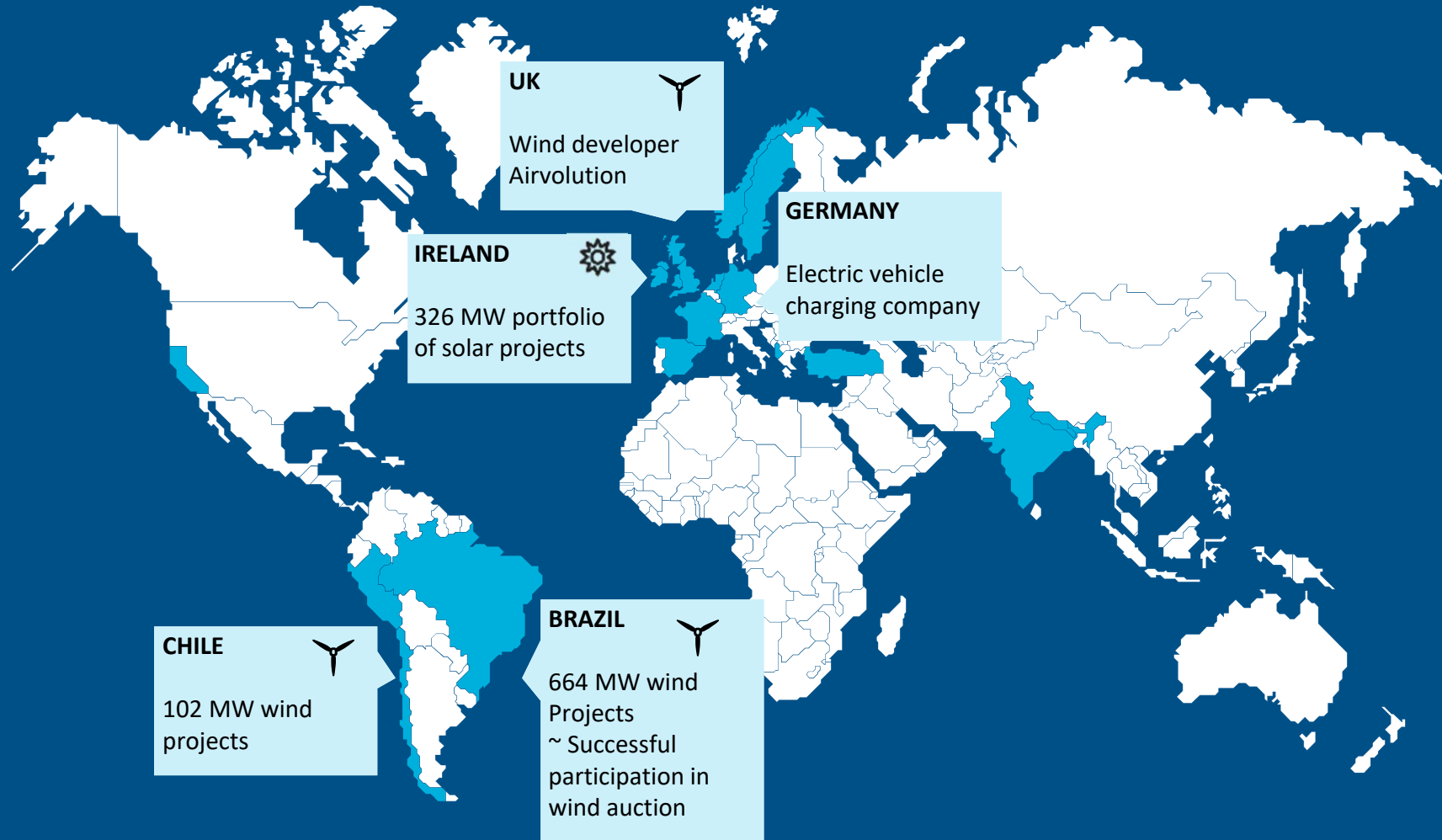
Highlights in Q3



Førevassdammen, Norway

- ▶ Underlying EBIT: NOK 2899 million, up NOK 219 million
 - ▶ Nordic system price down 31%
 - ▶ Increased contribution from market operations and gas assets
 - ▶ Negative unrealised currency effects
- ▶ Net profit amounting to NOK 656 million
- ▶ New long term power contract with a total volume of 0.6 TWh
- ▶ Acquisitions in Germany, Ireland, Brazil and Chile strengthens Statkraft's position as a leading developer of renewable energy

New acquisitions strengthens the position as a leading developer of renewable energy

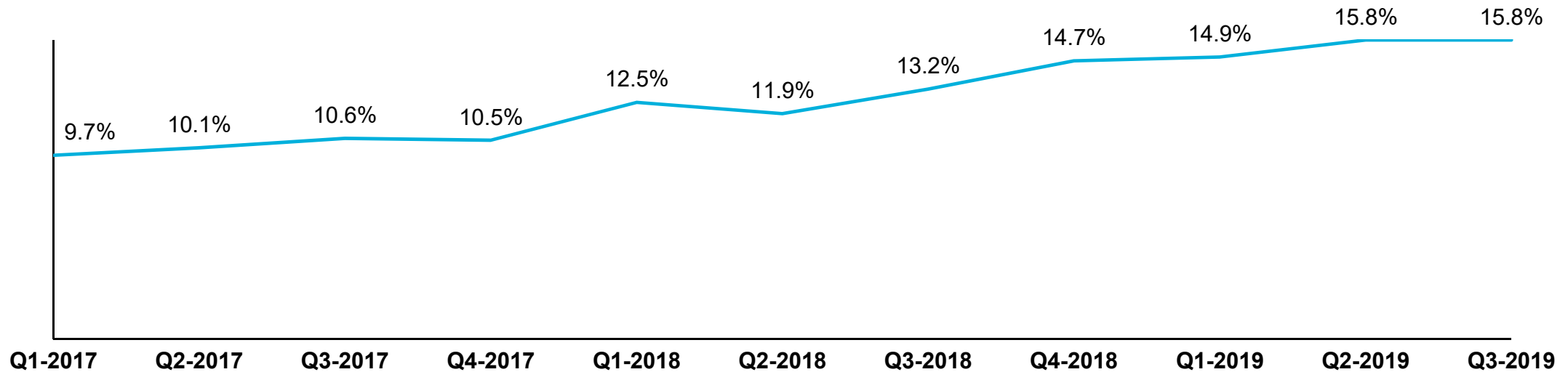


Year to date performance

NOK million	YTD 2019	YTD 2018	The year 2018
Operating profit/loss (EBIT) underlying	11 948	10 069	14 953
Profit before tax	12 418	16 752	20 649
Net profit	7 531	11 818	13 390

- ▶ Underlying EBIT improvement mainly driven by significantly higher contribution from the segment Market operations
- ▶ 2018 included substantial gains from transactions and positive currency effects

Financial performance



- ▶ 12 months rolling ROACE of 15.8%
- Average capital employed up 5% compared with year-end 2018.

Outlook



Bitdalsdammen, Norway

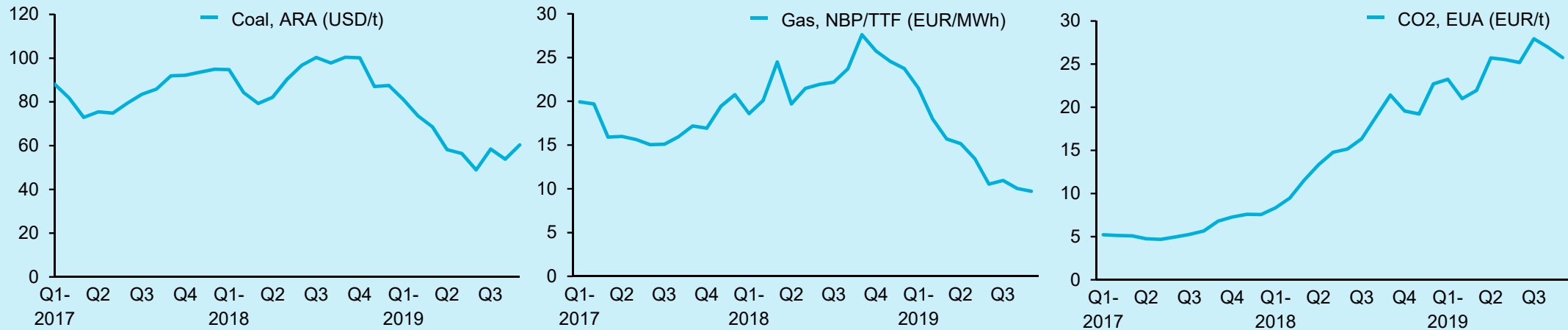
- ▶ Good underlying performance has led to robust earnings over time
 - Europe's largest reservoir capacity and flexible power plants
 - Long term revenue optimisation and replacing long-term bilateral contracts
- ▶ Well positioned for growth in renewable energy
 - Solid financial position
 - Building scale in core markets with new acquisitions and development projects
- ▶ Strong organisational culture
 - Strong competence base and highly motivated employees
 - Commitment to act in an ethical and socially responsible manner a foundation for all activities

Key figures

NOK million	Q3 2019	Q3 2018	YTD 2019	YTD 2018	The year 2018
Net operating income underlying	5 942	5 656	20 677	18 817	26 925
Operating profit/loss (EBIT) underlying	2 899	2 679	11 948	10 069	14 953
Net profit	656	1 265	7 531	11 818	13 390

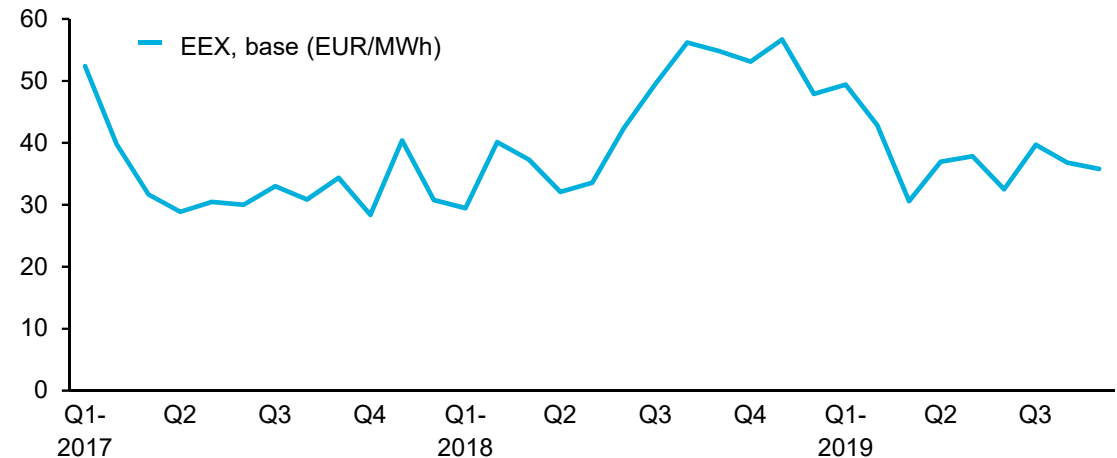
- ▶ Nordic prices measured in EUR down 31% Q-on-Q
- ▶ Overall generation up 14% Q-on-Q
- ▶ Underlying EBIT in Q3 2019 increased to NOK 2899 million

Price drivers and the German power market

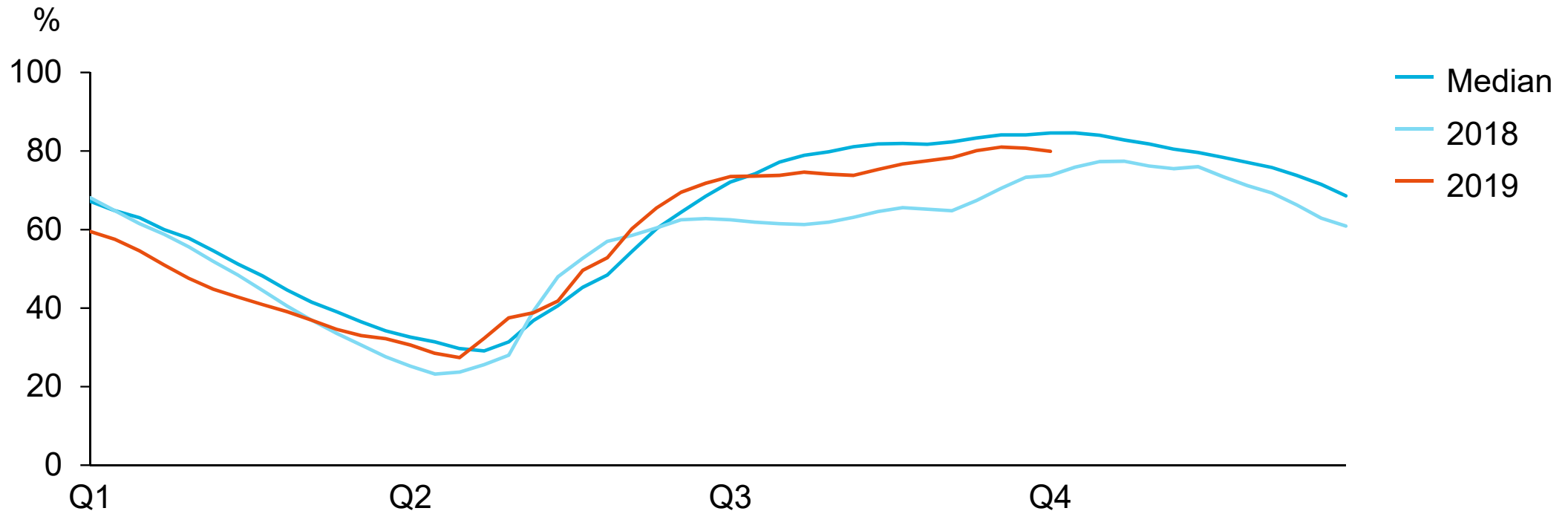


Q3 2019 vs. Q3 2018

- ▶ Coal price significantly down
- ▶ Gas price significantly down
- ▶ CO₂ price significantly up
- ▶ German power price (base) down 30% to 37.4 EUR/MWh



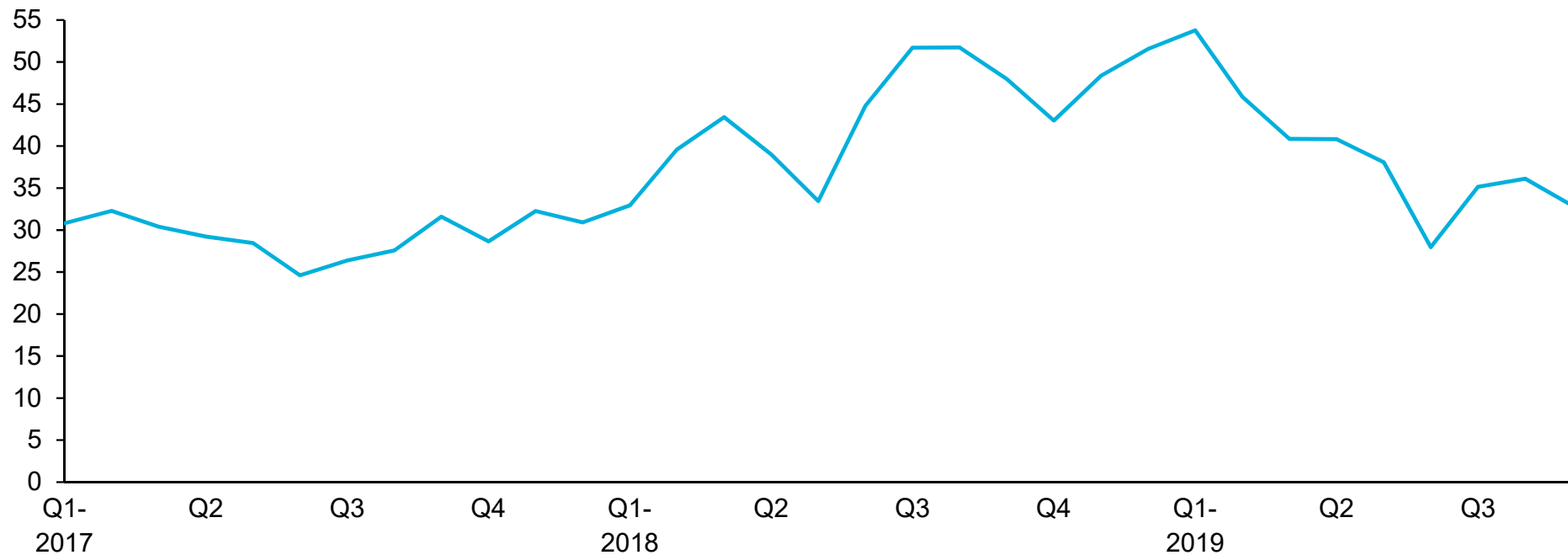
Nordic reservoir level



- ▶ Reservoir levels below normal throughout Q3
- ▶ Nordic reservoir level (total market) at 94% of median at the end of Q3

Nordic system price, monthly average

EUR/MWh

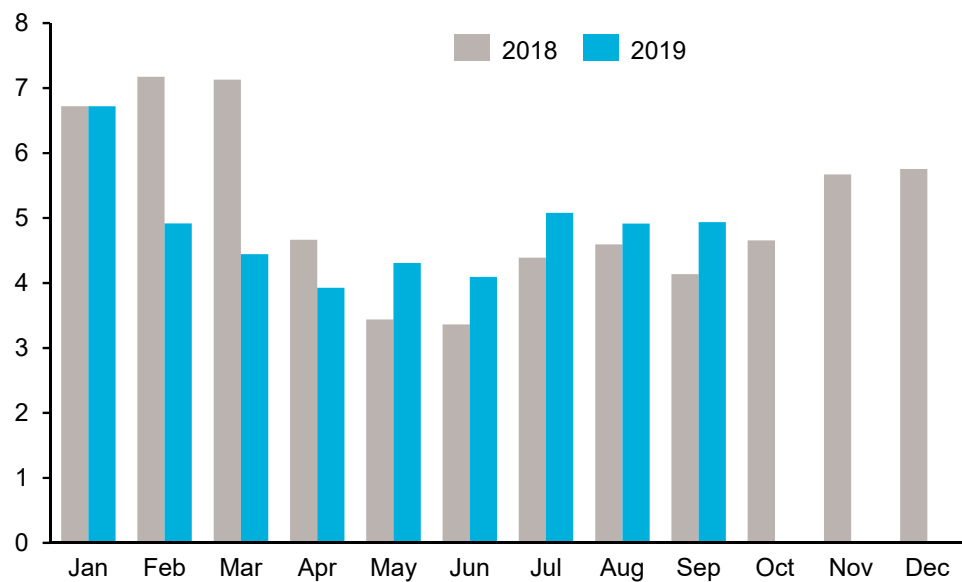


- ▶ Nordic power prices 34.7 EUR/MWh, down 31 Q3 2019 vs. Q3 2018

Energy management



Björkhöjden wind farm, Sweden

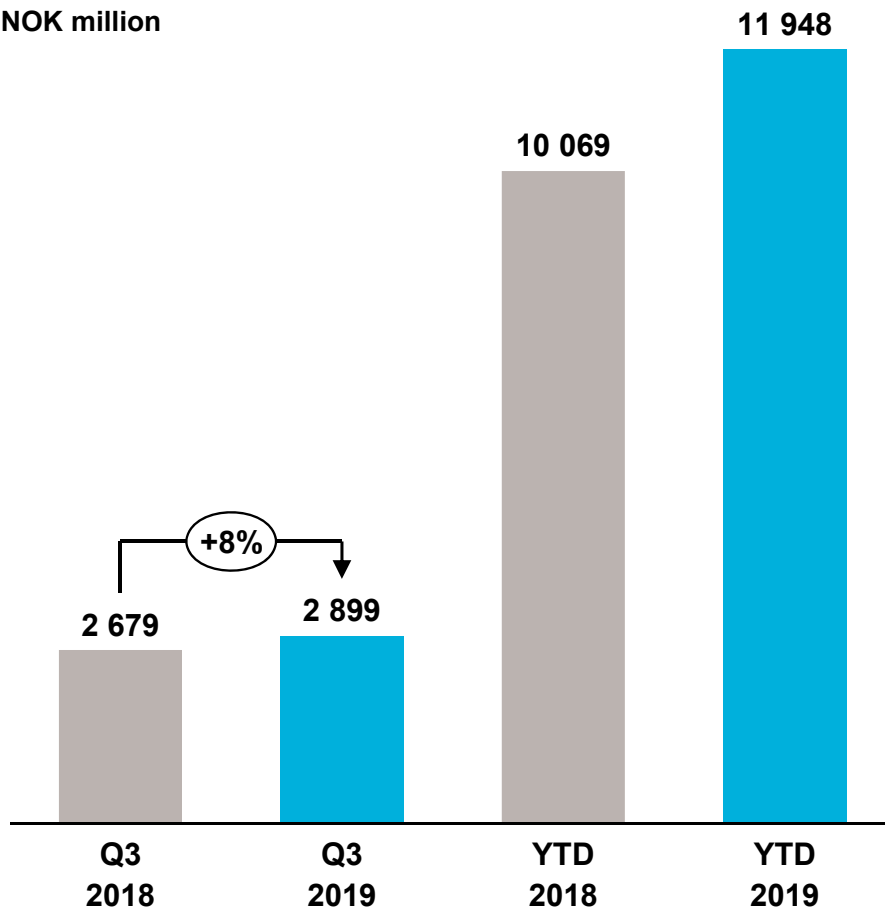


Q3 generation up 14% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	12.3	0.3
Wind power	0.6	0.0
Gas power	2.0	1.5
Bio and solar power	0.1	0.0
Total	14.9	1.8

NOK 2.9 billion in underlying EBIT

NOK million

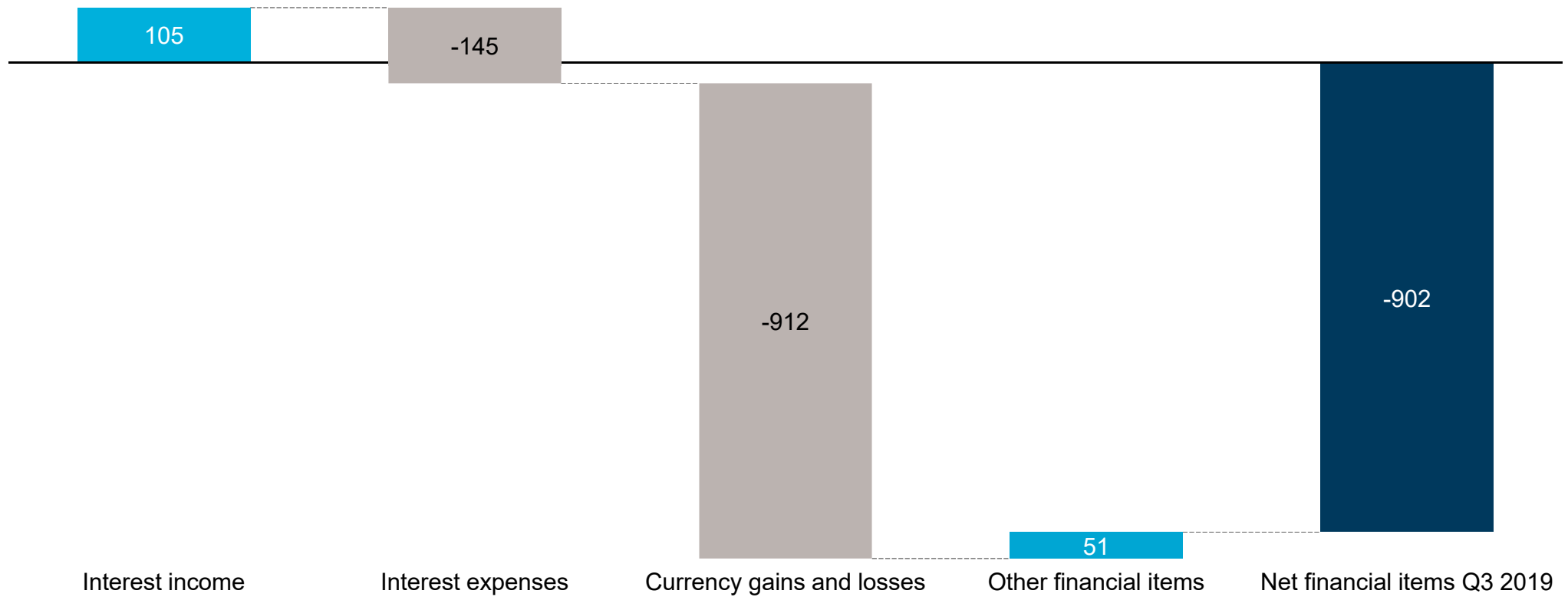


- ▶ Net operating income increased by NOK 286 million, mainly driven by improved contribution from market activities. This was partly offset by lower Nordic power prices.
- ▶ Operating expenses stable at NOK 3.0 billion.
- ▶ Underlying EBIT up NOK 219 million Q-on-Q.

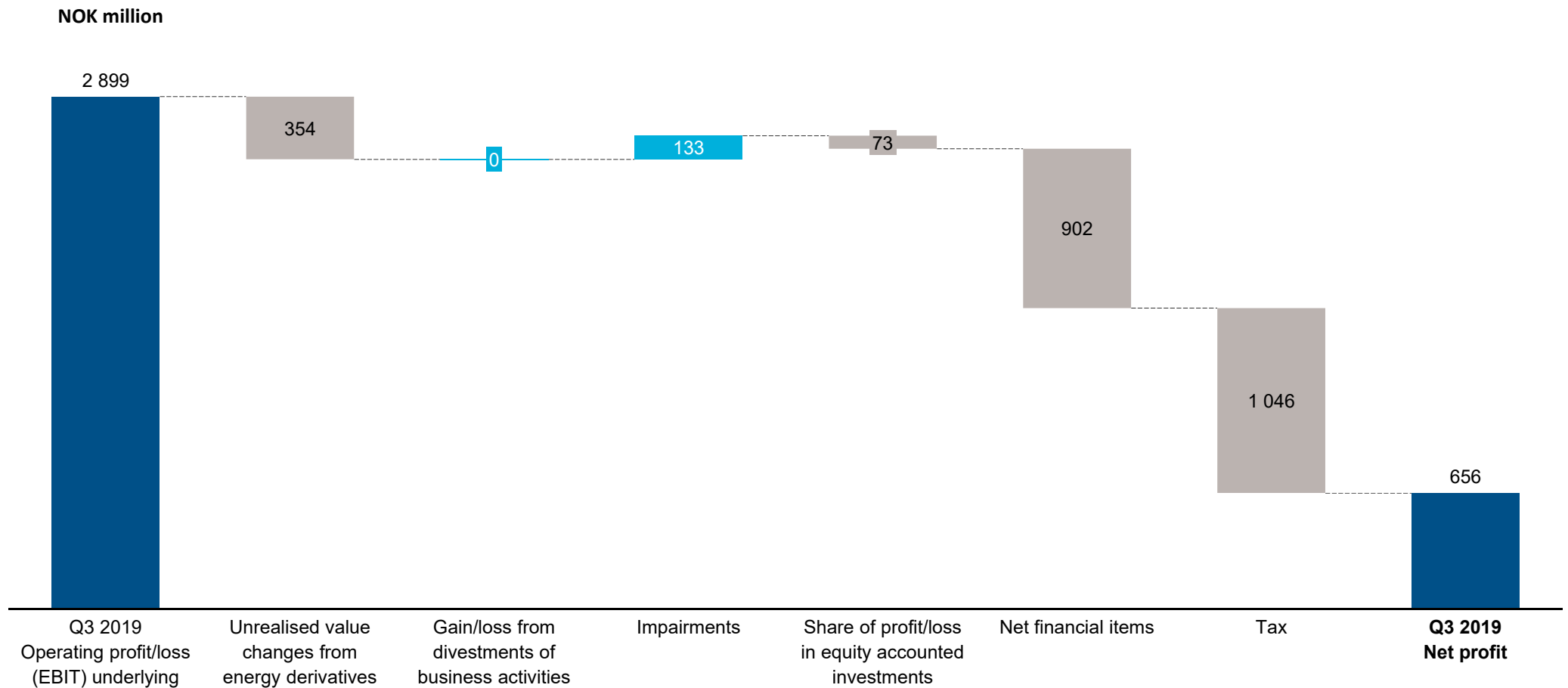
Financial items

Breakdown Net financial items Q3 2019

NOK million



Q3 net profit breakdown



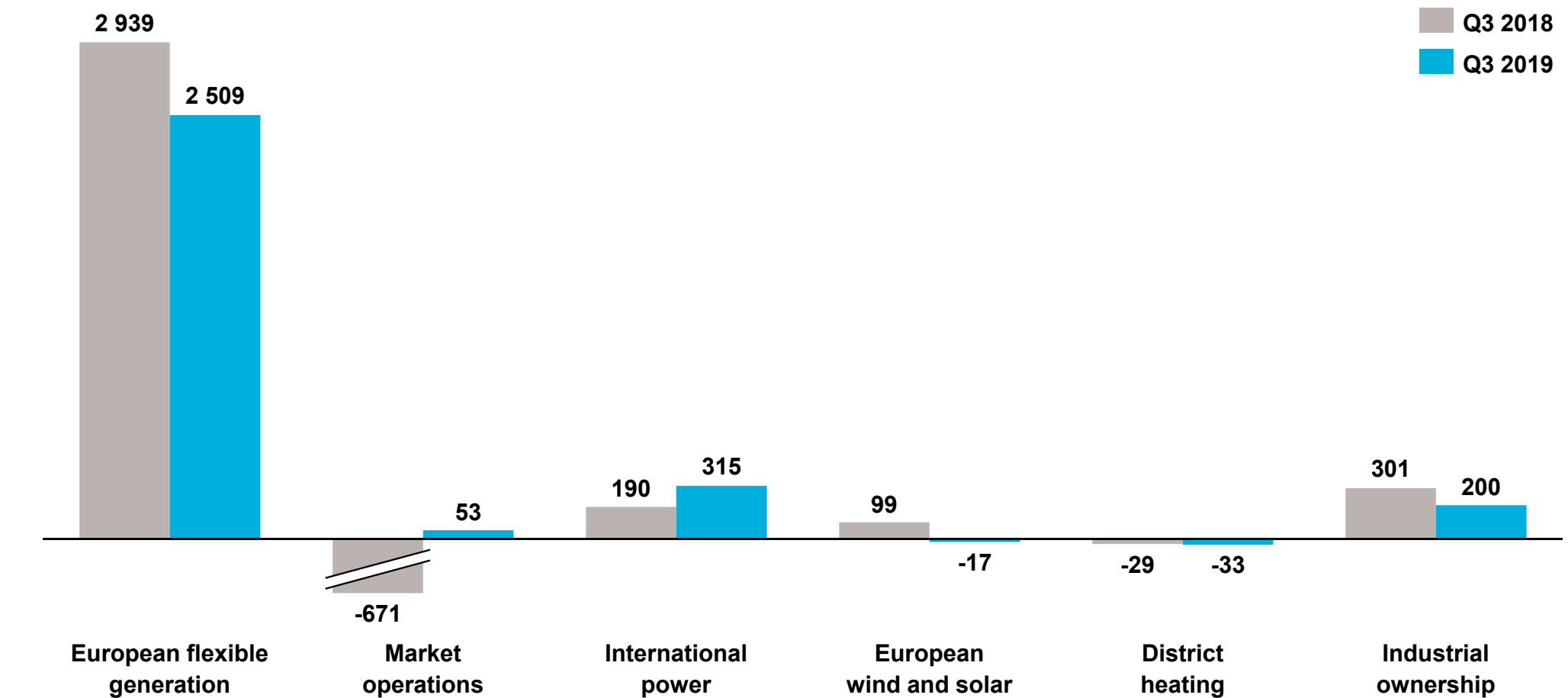
Reversal and impairments

Consolidated operations	Amount
European Flexible Generation: Gas assets in Germany	1035 million (reversal of previous impairment)
European Wind and Solar: Wind assets in Sweden	- 385 million (impairment)
International Power: Hydro assets in Nepal and Chile	- 516 million (impairment)
Sum consolidated operations	133 million

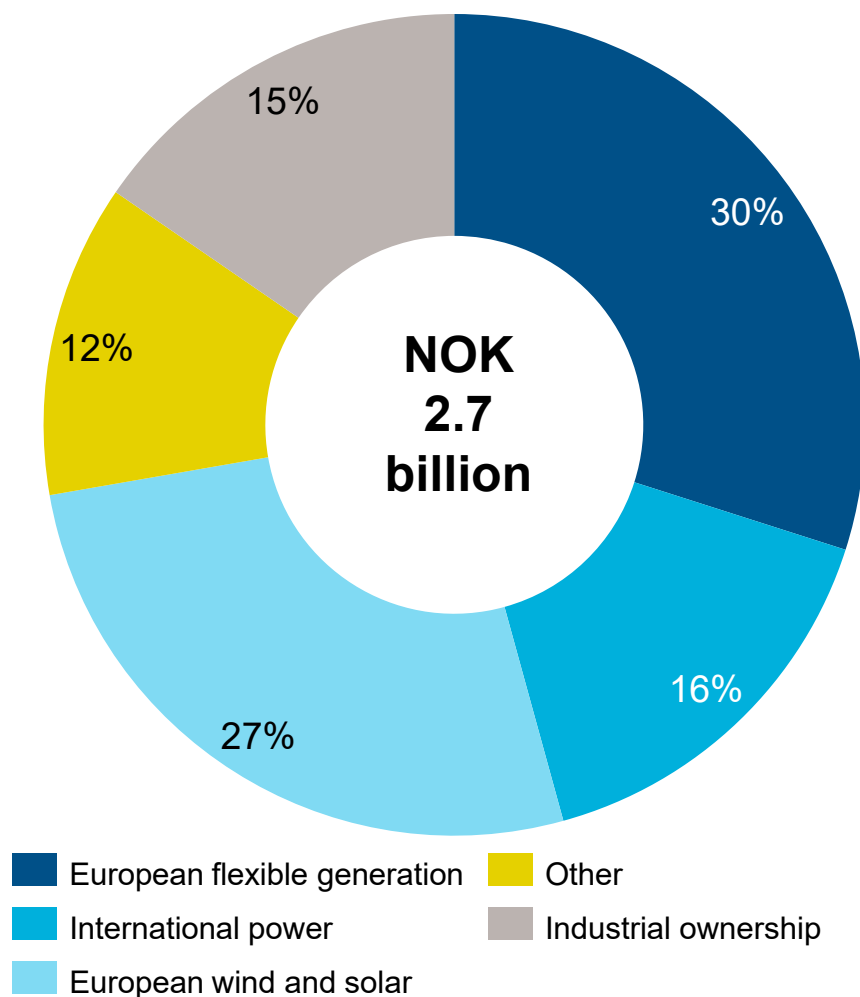
Equity accounted investments	Amount
International Power: Hydro asset in India	- 115 million (impairment)

Q3 segment EBIT underlying

NOK million



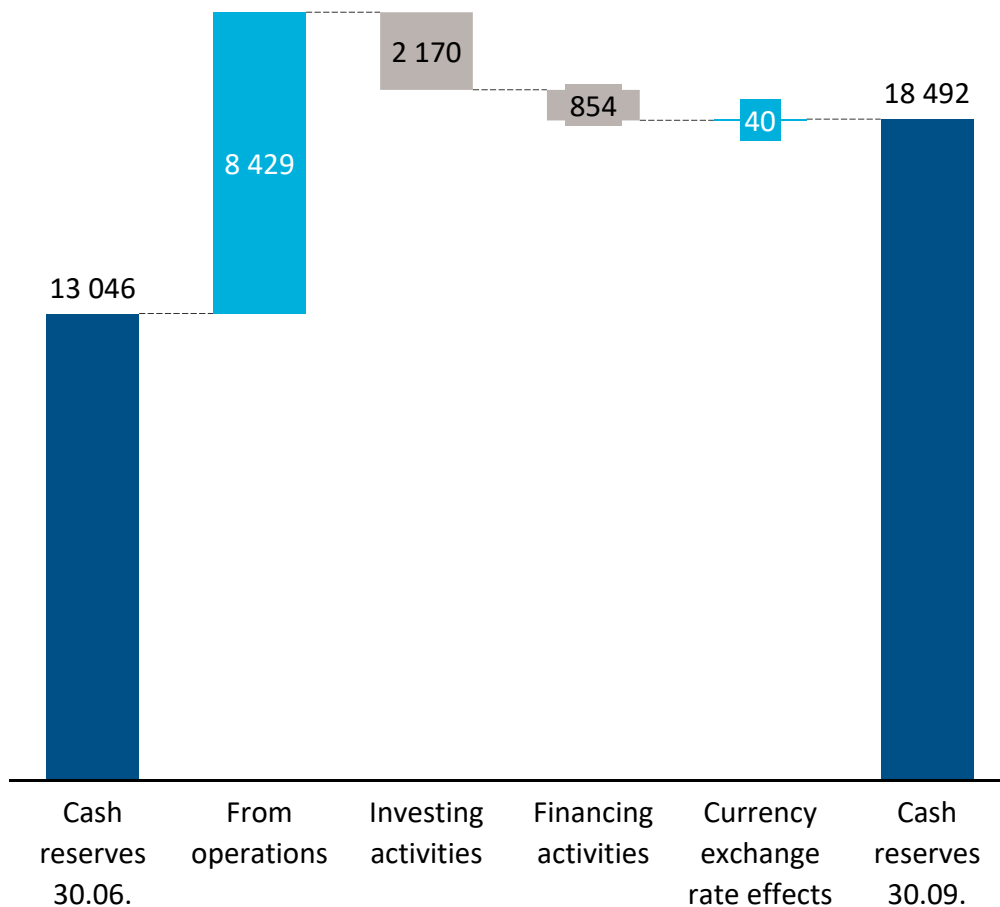
Q3 2019 capital expenditure¹



- ▶ Distribution of CAPEX in the quarter:
 - 61% new capacity investments
 - 30% maintenance/other investments
 - 9% shareholdings
- ▶ Maintenance primarily related to Nordic hydropower
- ▶ Hydropower capacity under construction in Albania and India
- ▶ Wind power capacity under construction at Fosen in Norway

Cash flow and financial position

NOK million



- ▶ NOK 13.8 billion in net interest-bearing debt (NOK 12.9 billion end of 2018)
- ▶ Net interest-bearing debt-equity 12.5%
- ▶ Current ratings provide a framework for our investments going forward

Summary



Rheidol hydropower plant, Wales

- ▶ Solid underlying performance in the quarter
- ▶ Robust financial position
- ▶ Solid foundation for growth phase
- ▶ Investment plan with large degree of flexibility



THANK YOU

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