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# FINAL TRANSCRIPT

Q4 2018 Vattenfall AB Earnings Call

EVENT DATE/TIME: FEBRUARY 07, 2019 / 8:30AM GMT

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**Lars Paulsson** *Bloomberg News - Analyst*

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**Bernd Radowitz** *Recharge News - Analyst*

## PRESENTATION

**Karin Lepasoon** *Vattenfall AB - Head of Communications*

Good morning and welcome to this presentation of Vattenfall's Year-End Report 2018. In a moment, we'll hear from our CEO, Magnus Hall, and our CFO, Anna Borg, and after that, we'll open up for questions.

As usual, this is a live meeting here in Solna combined with a webcast and a telephone conference. With that, Magnus, over to you.

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**Magnus Hall** *Vattenfall AB - CEO*

Thank you very much for that kind introduction and also from my side, welcome to today's full-year report of Vattenfall 2018. Also, welcome to you on the web and over the telephone.

Yes, we are reporting a result for 2018 which is, you can say, both sweet and sour. Sour in the sense that the result is actually lower than last year. I will come back to that, but also sweet in the sense that we are doing a lot of things which are taking us in the right direction to become fossil free within one generation.

The underlying profit is, as you can see from this picture, reduced from SEK23.2 billion in last year to roughly SEK20 billion this year and the main reason is -- actually the first part is a positive contribution from a very good production in the Swedish facilities, specifically the nuclear, but it was also counteracted -- and high prices, but that was counteracted by the hedging strategy that we are running, both in the Nordics and the continental side. That was actually a drag on the development there.

Higher fuel prices and CO2 prices have been there for the heat operations on the continental side. We haven't been able to recover those in terms of prices and so that also significantly contributed to the lower result in the heat business.

Wind business is doing well. Considerable increase versus last year, good price development and some additional capacity coming on stream and then also we have, on the Customers & Solutions side, our retail side a lower result mainly because of growth investments, but also because of the situation in the U.K. that a lot of operators are experiencing with lower margins in their sales business and that's also effecting the Vattenfall group.

If we just look to the result, it was an increase from SEK9.5 billion last year to SEK12 billion, mainly backed by lower corporate taxes and also some increases in the Swedish nuclear fund that is supporting the development.

The board of directors is proposing a dividend of SEK2 billion for 2018 being paid out in 2019, same dividend as was paid out last year. The overall results, you can see from this picture, what is shown here is actually the return.

If you look to the right up there, the return on capital employed, we reached 7 percent. The target from the owner is 8 percent and we're still not there. And we can also see that we have a target of 22 percent when it comes to FFO to net debt, which we didn't reach. We came to 20.7 percent.

We have a good development in customer sales in terms of volumes. You can see down to the left, of electricity, quite a considerable increase versus last year and that's also shown in the development of our retail business that we can see customer growth and also volume growth there.

Then if you look to electricity production to the right, the highlight there is, of course, the situation in the nuclear power side where we had a record year in 2018 and a very important year also when prices were high and parts of the year was quite dry and also quite cold.

We have a set of strategic targets that we have set up for our company. Just very briefly to go through them, we are, of course, trying to grow with our customers.

So we look at customer engagement and we didn't actually fulfill the score for 2018, mainly related on there is always a difficulty when we did have price increases towards our customers and they react from a natural aspect to that and we think this is also reflected in the figure that we see, but we continue to work on this as being very important to us.

Renewables, we did increase some, but not as much as we expected. One of the wind parks, Horns Rev 3, outside the Danish coast was delayed. That's the reason why we didn't fulfill that.

On absolute CO2 emissions, we did lower than last year, which is good, but we still didn't reach the target, the 21 million tonnes. And the return on capital employed I already covered.

Lost time injury frequency, LTIF, is, of course, a very important target for us as the safety target and we

had not a good year and, particularly, we did not have a good year because we had two fatalities during last year in our services operations in Sweden and we have, of course, increased the work trying to focus now really on safety when it comes to the safety of our employees.

I can say, also, I will come back to a little bit about this recent storm Alfrida, but there we have had no work-related injuries which is, of course, very positive in respect to that significant work that has been done there.

Employee engagement, unfortunately, we are not increasing. This is something that we really have to work on. I think there is, in general, a very good momentum in the company when it comes to the direction, the strategic direction and the motivation, but we also want this to be true for the whole company for every employee. So we are really not there yet.

Let me deep dive on the business areas. Customers & Solutions, I mentioned earlier that our result was slightly lower there. It was from SEK1.9 billion in last year to SEK1.3 billion in this year.

The U.K. is a market where we have recently entered and where we also have significant changes in the regulation about retail sales. That has put a lot of pressure on that operation and it shows that's a negative result compared to last year and also compared to what we expected.

But we do put a considerable amount of growth investments into e-mobility, into new services for our customers for everyone to be able to supply also solar panels, heat pumps, charging infrastructure for our customers and that part of the business is growing, but in the meantime, it's actually -- we're putting money into it. So it comes up as a cost to begin with.

We had good customer growth. Specifically in Germany we have grown quite a lot. So the underlying operations in our retail business is very sound, very profitable, but we also have additional business which is consuming money.

We're also entering into France, which we started last year in the end where we see, also, structural change in the French market where there will be a possibility for new incumbents, actually, to take market share for the future. So we are positioning ourselves there and we were already there before with B2B sales.

Yes, Power Generation, the next, of course, coming back to the fact that Power Generation is about hydro power and nuclear power, of course, production of nuclear-based electricity and hydro power. And as I said earlier, significant result there in terms of production of nuclear and I'm very happy for that.

And you can see, also, the increase versus 2017 and, of course, that is a base business for the whole Vattenfall group. Very efficient, generating a lot of cash that we are then also reinvesting into other parts of the company to make ourselves fit for the purpose for being fossil free within one generation. So very important.

You can see -- in the middle graph there, you can see the situation in Sweden and the below part of that graph is something called the hydro balance, which means that how much water do we have compared to a normal year, and you can see that we are clearly below zero.

That means that we have a deficit and that pushes prices up, which you can then see on the top part of that graph, and that's actually the situation we have right now.

And that would mean that everybody would expect us also to show a much better result because prices are high, good production, but then we have, on the other side, also, hedged.

And Vattenfall run a continuous hedging of electricity prices in order to take the volatility of prices out and that is the reason why short-term price increases and price changes will not filter through into our results and that's what you're seeing here.

And in a combination, then, with remaining hedges in the continental business of Vattenfall actually meant, as a total, that the result actually was lower than last year. So it's a bit contradictory to understand, but that's the general background why we are showing a lower result. If you look to underlying, this is going in the right direction for sure.

Just a few words on the nuclear. We are very happy about the situation in Germany because there we have decommissioning on the nuclear side and we have been able to also push ourselves forward in terms of the permissions we have there to go forward. We are very happy about that.

And then also on the marketing side, we are increasing our services to new renewable operations in the wind side, actually giving them access to the market and that's an increasing business that we do under our markets and trading operations. So good development there in general, but not really filtering through in the result, unfortunately.

Wind, again, a positive earning development, as I mentioned earlier. Of course, here, this is a clear growth case. We're investing a lot of money into this area and we have a lot of projects both behind us and going forward.

The result increase is significant based on higher prices and some currency effects, but you can also see that it is a considerable increase from SEK2.1 billion to SEK3.7 billion. So we're happy for that.

And we also inaugurated, last year, the European Offshore Wind Deployment Centre outside Aberdeen where the biggest wind turbines commercially operated in the world are, right now, spinning, which is, of course, very interesting.

We managed to win the Hollandse Kust 1 and 2, which is more of a beauty contest rather than just a pricing game. We're also very happy for that because we believe it's a real quality issue to be chosen for

it.

And we also took a decision to go further on the Danish Kriegers Flak, which so far will be our biggest project going in Danish waters with 600 megawatts being built in the coming years. And then, also, we had first supply of this Horns Rev 3, which is our second biggest operation offshore -- or our current biggest, 407 megawatts.

So we're doing a lot of things in this area and we are very happy to also prove that it's showing a better result and a growing result.

Heat, yes, that's where we have experienced quite significant problems in 2018. The reason mainly is increased coal prices and increased CO2 prices, which we haven't then been able to bring forward into increase the prices on the other side and that has clearly negatively affected the result.

But there is also a one-time effect in 2017 that make the comparison between the two years a little bit difficult to understand. So you have to take away roughly SEK800 million in 2017 to understand the difference, but then still that you see clearly a lower result.

We have underlying a good business, increasing customer stock, increasing usage of this. You can see that we increased our customer base by more than 2 percent. So I think we are on a good trajectory in this, but, of course, short-term, we are experiencing this problem with fuel and CO2.

Hamburg, as also been reported before, is now the process of divesting Hamburg after a call option that the city had and which they called to buy the remaining 75 percent of that operation.

It's not something that we are happy to do, but, of course, we are now in a process to deliver that in the best way to the city. So that will be concluded during 2019, actually. The contracted price for that 75 percent is EUR625 million.

We also have a very big investment program going on in Uppsala for the heat system and we are doing several different energy storage pilots, one in Berlin where we are then taking cheap electricity to put into heat.

So there is certainly, around the corner, an interesting and continued development for this business even though this year, 2018, was quite challenging.

Distribution, here I'd like to put the focus on the investments. That has been some discussions about that prices are increased for the networks, but investments are not going up.

We can show clearly that we are doing our part in this. We are increasing investments by 20 percent now compared to 2017 and it is absolutely necessary to invest in the Swedish electricity network for many reasons to make sure that cities can grow to make sure that we have a safe, sort of a stable delivery of

electricity, but also to apply new production in terms of decentralized production.

So a lot of reasons for why we should invest into this and I think we are clearly a proof of that being done now. Then, underlying, you can see, also, that the operating profit is increasing versus last year, but it's more or less stable, you can say, and on a good level.

I'm very happy to say, also, that we own the grid in Berlin. And as you know, this is now up for a concession decision, which we have -- firstly, we have appealed the process, the way it was done, but we have lost that and now the concession will be awarded during quarter one and we will see what the outcome will be.

But this very, of course, encouraging to report is that our distribution network, and that's very seldom, has been awarded a distinction in terms of being super efficient from the regulator and that is something that the organization is, of course, very proud of and me too.

It shows that we are a good operator of this grid and hopefully -- of course, hopefully, they will also view that in terms of the concession decision coming forward. Let's see what [it comes on].

Major effects in Alfrida case and a separate picture on that. You can see here on the map the red part's where we really had big problems is on the east side. This didn't really have that much effect on the whole of Sweden, but mainly in this area northeast of Stockholm and that was significant.

38 meters per second in wind, which is very strong, and coming from the north, (inaudible). That was not the normal wind direction and trees are -- it's difficult for them if the wind comes from the wrong direction. So then they easily fall and this is what's actually happened here quite to a considerable extent.

100,000 customers without electricity, 65,000 out of them from us. We had 500 field resources. We deployed a huge amount of people, as much as you can ever think of because you can't apply -- there is an optimum to what you can do and I think we have handled this, even though many customers have suffered from this and [had no electricity], some even not for three weeks.

It's a very difficult period we can understand, but we have put a lot of effort in trying to make this as soon as possible to repair it and now, of course, since the 23rd of -- 22nd of January, everybody has their electricity back.

So we are very happy about this corporation and dialogue that we've had with the local -- the communities and, for sure, a big, big part of our focus has been on that during January.

The compensation -- the cost -- there's actually two costs that would come out of this. One is compensation costs, which are regulated and that means that we have to pay people who are without electricity a certain amount of money for the time they have been out. We calculate that to roughly

SEK350 million.

And then on top of that, we will have repair costs and rebuild costs that we don't know exactly yet. We are now and still continuing, even though everybody has electricity, we have to rebuild part of the network here.

So there is still a lot of work to be done and we can't, today, really see exactly where the cost will land, but there will be another significant cost coming up, of course. But apart from that, we are happy with the way we have been able to solve it. It was quite a big storm.

So if I just sum up, I said sweet and sour at the beginning. I think, yes, the result is slightly lower because of what I mentioned, but you also have some clearly good signs of the company going in the right direction to become fossil free within one generation and show that we are a good partner for our customers and partners.

So with that, I conclude this first part of the presentation and I would like to leave the word to Anna Borg, the CFO, please.

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**Anna Borg Vattenfall AB - CFO**

Thank you, Magnus. Good morning and let's have a look at the financials after the fourth quarter. As you can see and as we have communicated earlier, 2018 is a very heavy investment year for us. That is also clearly showing in our financials and in our key ratios.

We do have an increased net sales going from SEK135 billion in 2017 to SEK156.8 billion this year. The reasons for the increased sales are mainly volumes in U.K., in France and in Germany, but also the increased prices in the Nordics and the Netherlands and finally, also the increased generation volumes, especially in our nuclear operations in Sweden. They have a very strong year.

Our EBIT and underlying EBIT is lower compared to 2017. It's mainly three things. It's our heat business in Germany, it's growth in our customer and sales business and it's also the hedges that we make in order to make sure we have a stable result development and don't see too much of the upside or downside of the price swings.

These three topics are also the main reason for our return on capital employed being 7.0 percent in 2018 compared to 7.7 percent in 2017. We also have some positive tax effects during the year. Among other things, we have a tax refund in Germany of SEK664 million in total.

Our FFO over adjusted net debt comes in at 20.7 percent compared to 21.4 percent last year. That is pretty much in line with our own expectations and it's caused by the lower underlying EBITDA, but it's also balanced by lower interest payments during the year and the lower adjusted net debt, which, in turn, is due to very strong operational cash flow and I will come back to that in a moment.

If we take a look at the development of the underlying EBIT a bit more in detail, you can see what Magnus mentioned already earlier that we have a lower result in our Customers & Solutions business.

It's mainly related to a very tight margin situation in the U.K. business, but also related to growth when it comes to developing new energy solutions to our customers. Our Power Generation segment is having an impact of higher prices in the Nordic market, however, being counteracted by the hedges that we have made historically.

Our wind business is showing a better result than in 2017. That is due to increased capacity compared to the year before, but it's also due to the price effect.

In our heat business, we have a couple of different things. We have a one-off effect or several one-off effects in 2017, which shows an unusual good result for that year. Those one-offs are subsidies, but also related to a repayment of grid costs that originally belonged to 2016, but that was paid to us in 2017. Altogether, that's approximately SEK800 million.

On top of that, we have the lower spreads, especially the clean dark spread in Germany. That's the difference between the electricity price on one hand and the cost for fuel and CO2 on the other hand and it's especially the very high CO2 prices in Europe that has an impact here and only underlies the importance of becoming fossil free.

In addition to that, we had warm weather during 2018, which also had a negative impact on our heat operations. Taking a look at our cash flow for the full year of 2018, you can see that we have a very strong operational cash flow.

We have positive impacts from changes in working capital, which, in turn, is mainly due to margin calls and you can also see that we more than well are financing our growth investments with our own operational cash flow.

And speaking of investments, this is what our capital expenditure looked like for 2018. We invested SEK24.5 billion, 33 percent of that into wind, solar and biomass, 26 percent into electricity networks.

And if you compare the 2017 investments with the 2018, you can see that we are increasing the investments in wind, solar and biomass with approximately 46 percent.

We're increasing the investments into our electricity networks with 22 percent and the increase in fossil investments that you see is related to us converting from coal into other fuels in, first and foremost, our European operations. All in all, we are investing SEK4 billion more in 2018 than we did in 2017.

So in order to give you a summarized overview of our key figures, we do have an increased net sales, we do have an increased profit for the period and we have a decreased EBIT and underlying EBIT.

The decreased EBIT and underlying EBIT is mainly due to heat where we have positive one-off effects of SEK800 million. We have squeezed margins in the European operations and we have warm weather.

The second reason for the lower underlying EBIT is the hedges that we made in order to make sure that we have a stable result and are not exposed to the swings in the market.

And the third reason is the investments we're making in our Customers & Solutions business in order to find new products and solutions for our customers, but also the challenges we have in our U.K. business. The underlying core customer operations are doing very well.

In addition to this, we have three important saving programs going on. We have the saving program in nuclear in relation to the 19 öre program. That is progressing well.

We have our outsourcing initiatives where we are outsourcing our HR, finance and procurement processes in order to lower cost and we also have the cost-saving program in relation to our staff functions, both centrally and in all our business in all our countries also progressing well.

So all in all, a challenging year, a reasonably stable development and our board of directors decided yesterday to propose a dividend of SEK2 billion for 2018, the same level as the year before.

Looking ahead, this is our investment plan for 2019 and 2020. We will invest SEK56 billion over this two-year period, 58 percent of that is going into growth, 22 percent into maintenance and 20 percent into replacements.

And if you look at our growth investments specifically, we will invest SEK32 billion and out of that, 75 percent will go into growth in our wind business. So all in all, we continue to invest in order to make our ambition to become fossil free also a reality. Thank you.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

Thank you very much, both, Magnus and Anna. With that, it's time for the Q&A and we start by asking our guests here in Solna whether you have any questions to Anna or Magnus.

Any questions? It appears that that's not the case here in Solna. Then we will check with the telephone conference. Also, there, no questions currently. However, we do have a couple of questions on the webcast, Mikael.

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**Mikael Petrovic Wågmark Vattenfall AB - Communications**

Yes, we do. We have one question from Andrew Moulder at CreditSights.

**Andrew Moulder *CreditSights* - Analyst**

You said the U.K. retail business was weaker than you expected. Exactly why was that? The tariff cap was well known and high levels of competition must have been anticipated. So what else was weaker than you were expecting?

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**Magnus Hall *Vattenfall AB* - CEO**

I'm looking back a few years when we entered it and then the cap was not clear. I think also we underestimated the competition in the market and that's where we wanted to grow with our customers and we didn't -- we can't grow with our customers on a profitable base. I think that that is the development that we see.

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**Mikael Petrovic Wågmark *Vattenfall AB* - Communications**

All right.

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**Karin Lepasoon *Vattenfall AB* - Head of Communications**

We have another question from ...

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**Mikael Petrovic Wågmark *Vattenfall AB* - Communications**

Yes. Andrew Moulder has asked a couple of questions here.

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**Andrew Moulder *CreditSights* - Analyst**

Is the Hamburg heat business accounted as a discontinued operation in 2018? Do you expect to receive cash payment in the first quarter of 2019 when the sale is expected to complete?

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**Anna Borg *Vattenfall AB* - CFO**

We are counting it as an asset held for sale in 2019 and the most likely, we are assuming that we will see the payment later than Q2 2019, but still during the year 2019.

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**Karin Lepasoon *Vattenfall AB* - Head of Communications**

So during 2018, it was also question, how will we had it in our books for 2018.

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**Anna Borg *Vattenfall AB* - CFO**

In 2018, we have it fully in our books. Yes.

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**Mikael Petrovic Wågmark *Vattenfall AB* - Communications**

Okay.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

Yes.

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**Mikael Petrovic Wågmark Vattenfall AB - Communications**

And the third question from Andrew then.

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**Andrew Moulder CreditSights - Analyst**

Do you have any comment on the German coal commission recommendations? What effect do you see for Vattenfall?

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**Magnus Hall Vattenfall AB - CEO**

We don't see any immediate effects of the coal commission. We had a coal phase-out planned for the Berlin situation until 2030, which we will keep according to plan and then, of course, we now know that the Moorburg plant, which is our big, modern plant, can be run up to 2038, which is, of course, from that aspect, positive.

So we're not surprised. I think there is a lot of money being put into the social side of changing -- the social side of the change in Germany is the big issue. So we don't see any immediate effects on Vattenfall.

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**Mikael Petrovic Wågmark Vattenfall AB - Communications**

All right. Then we have a question from Paul Davey at Wells Fargo in London.

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**Paul Davey Wells Fargo - Analyst**

What's your expectations for working capital in 2019? It looks like quite a large inflow in 2018. Would this be reversed?

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**Anna Borg Vattenfall AB - CFO**

Well, in general, we don't comment on our forecasts, but, of course, it's true that we have a very strong working capital and margin calls in 2018 and given the volatility in the market, this will also, most likely, continue to be volatile going forward.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

I believe we have a couple of questions on the telephone as well. Let's go to the telephone conference. Please go ahead.

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**Operator**

The first question from the phone comes from Lars Paulsson, Bloomberg News. Please go ahead.

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**Lars Paulsson Bloomberg News - Analyst**

Yes. Good morning. Just to follow up on Andrew Moulder's question there on U.K. retail energy market, I

mean, even the the biggest operators here are struggling to make money and you say that you underestimated the competition. Does that mean you're considering pulling out?

And my second question is on the trading where you posted a -- profits there were quite considerable in the full year and you also posted a loss for last quarter. Could you shed some light on why that was? Thank you.

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**Magnus Hall Vattenfall AB - CEO**

I can take the first question. No, I mean, we are not -- what we're doing now is we're coming in from [a mode] that we calculated on expanding where we are, more looking much more to our cost situation and that's what we're doing right now.

And that we know that we can do more on that and that's the concentration. I think when it comes to markets, I don't know if you, Anna, perhaps want ...

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**Anna Borg Vattenfall AB - CFO**

Yes, we don't comment on our trading business in detail, but it's true that we have a good result this year and also one last year. We have a reasonably limited prop trading business. That is visible in our books and they are performing very well.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

Good. We have another one on the telephone. Please go ahead.

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**Operator**

The next question comes from Jakob Magnussen, Danske Bank. Please go ahead, sir.

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**Jakob Magnussen Danske Bank - Analyst**

Yes. Hello. Regarding the tariffs in Sweden on your electricity network, just to get a feel for the process, this 3 percent in the proposed WACC, to what extent can that be reversed? What are your option -- or what is the industry's options to hike this WACC level?

And the second question, in your capex outlook for 2019 and 2020, how much is grid investments in Sweden down relative to the run rate we've seen so far in 2018? Thank you.

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**Magnus Hall Vattenfall AB - CEO**

On the WACC -- on the first part to the WACC, I don't think -- [what's really in] process now is actually to make the applications to the Swedish Energy Authority and I think, there, we will also know a little bit more how they finally view this regulation. We don't foresee any major change in that.

We just think -- from our perspective, we can see that that doesn't push the investments in the right direction and I think that part of the discussion will filter through and then we will just have to take it from there. It's very difficult to make any forecast on that. The second part of the question was about

2019 ...

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**Anna Borg Vattenfall AB - CFO**

Yes, that was in relation to capex in our electricity grid business and we are analyzing that as we speak. We see that we have a lot of mandatory investments when it comes to connecting new renewable energy and new customers, for example. So we are looking into that, but we'll see, most likely, a limited decline in 2019 and 2020 compared to the 2018 numbers.

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**Magnus Hall Vattenfall AB - CEO**

I think it's also important to understand that on the distribution side, we have started now, since quite awhile, a lot of projects and they are accelerating. So the investments will -- there will be a momentum in that development and after awhile, that momentum will go out and you will go into the new regulations. So there is a time lag in this as well.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

Yes. And maybe we can add, also, to the first part of the question when it comes to how the industry is reacting to the regulation on the WACC.

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**Magnus Hall Vattenfall AB - CEO**

Yes.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

The Swedish Industry Association on electricity has alerted and asked the European Commission to look into this whether the regulation was put in place in a proper way.

So not asking the commission to look at whether the WACC level is okay or not, but rather the regulation was put in place in a proper way. So that's also something that's going on in parallel.

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**Magnus Hall Vattenfall AB - CEO**

Yes. That's true.

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**Jakob Magnussen Danske Bank - Analyst**

Okay. Thank you.

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**Karin Lepasoon Vattenfall AB - Head of Communications**

All right. Do we have any further questions on the telephone? No? No further questions here in the audience in Solna, but we have one on the webcast.

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**Mikael Petrovic Wågmark Vattenfall AB - Communications**

Yes, we do. It's from Bernd Radowitz in Berlin, Recharge News.

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**Bernd Radowitz *Recharge News - Analyst***

Do you consider reviving your Swedish offshore wind projects once the government has waived grid connection fees for offshore? What capacity of Sweden is ready for construction on short notice?

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**Magnus Hall *Vattenfall AB - CEO***

I mean, our whole strategy for the offshore wind is creating optionality going forward in the pipeline and, of course, we're also looking to what options will be there [-- be in] the Swedish market.

That doesn't necessarily mean that we will fulfill them early. We want to create options. So of course we are looking at the Kriegers Flak -- the Swedish Kriegers Flak, which we previously had, to see how we can keep that permit running and apart from that, there are no big issues around the corner, no big projects or thoughts around the corner.

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**Mikael Petrovic Wågmark *Vattenfall AB - Communications***

And then we have one more question related to the WACC from Andrew Moulder at CreditSights again.

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**Andrew Moulder *CreditSights - Analyst***

You mentioned repayment of grid costs in 2018. Have you now recovered all past costs or will a further recovery help offset the lower WACC in Swedish distribution?

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**Anna Borg *Vattenfall AB - CFO***

No, we have received the repayment that we should. So there are no more of those planned for.

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**Karin Lepasoon *Vattenfall AB - Head of Communications***

All right. Let's see. No. No further questions on the web. And nothing on the telephone and nothing here in Solna. So with that, we thank you so much for your attention and wish you a wonderful weekend eventually. Thank you.

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