

A photograph of three children standing on a hill overlooking a city. The child on the left is a boy with long brown hair wearing a dark navy blue cable-knit sweater and dark pants, with his hands in his pockets. The child in the middle is a girl with blonde braids wearing a grey t-shirt and a green quilted jacket. The child on the right is a boy with dark curly hair wearing a white t-shirt and a dark blue button-down shirt. The background shows a city with a river and buildings under a cloudy sky.

**VATTENFALL**



A photograph of three children standing outdoors in a scenic landscape. On the left is a boy with long brown hair wearing a dark blue cable-knit sweater. In the center is a girl with blonde braids wearing a green jacket over a grey top. On the right is a boy with dark curly hair wearing a blue button-down shirt over a white t-shirt. The background shows a blurred town and a river under a grey sky.

# Working for fossil freedom

Vattenfall AB  
Group presentation 2024

# Agenda

## Introduction

This is Vattenfall  
Group Executive Management  
Value chain  
Market trends

## Strategy

Targets  
Investment plan

## Financials

Targets  
Highlights

## Sustainability

UN Sustainable Development Goals  
Reduction of CO<sub>2</sub> emissions  
Partnerships

## Operating segments

Operating segments  
Customers & Solutions  
Heat  
Power Generation  
Wind  
Distribution



Introduction

# This is Vattenfall

One of Europe's largest producers  
and retailers of electricity and heat

## Introduction



**100%**

Owned by the Swedish State



**8 million**

Electricity customers



**1.0 million**

Electricity network customers



**2.1 million**

Heat customers



**2.3 million**

Gas customers



**20,995**

Employees

Introduction

# Summary of key data 2023



**SEK 290.2 bn**  
Net sales



**SEK 20.0 bn**  
Underlying operating profit



**100.9 TWh**  
Electricity production

## Introduction

# Key data

SEK bn	FY 2023	FY 2022
Net sales	290.2	239.6
Underlying operating profit <sup>1</sup>	20.0	35.1 <sup>3</sup>
Operating profit (EBIT)	17.0	12.6
Profit for the period	10.4	0.0
Return on capital employed, %	5.3	4.2
Return on capital employed excl. items affecting comp., %	6.3	11.7 <sup>3</sup>
Funds from operations/ adjusted net debt, %	21.5	55.0
TWh	FY 2023	FY 2022
Electricity generation	100.9	108.9
Customer sales, electricity <sup>2</sup>	125.9	111.4
Customer sales, heat	13.5	14.1
Customer sales, gas	44.5	47.3

<sup>1</sup> Operating profit excluding items affecting comparability

<sup>2</sup> Excluding sales to Nord Pool Spot and deliveries to minority shareholders

<sup>3</sup> The value has been adjusted compared with information previously published in Vattenfall's financial report

Introduction

# Vattenfall's geographical footprint



**Sweden**

**Finland**

**Norway**

**Denmark**

**Poland**

**Germany**

**The Netherlands**

**Belgium**

**France**

**United Kingdom**





Introduction

# Vattenfall's main markets



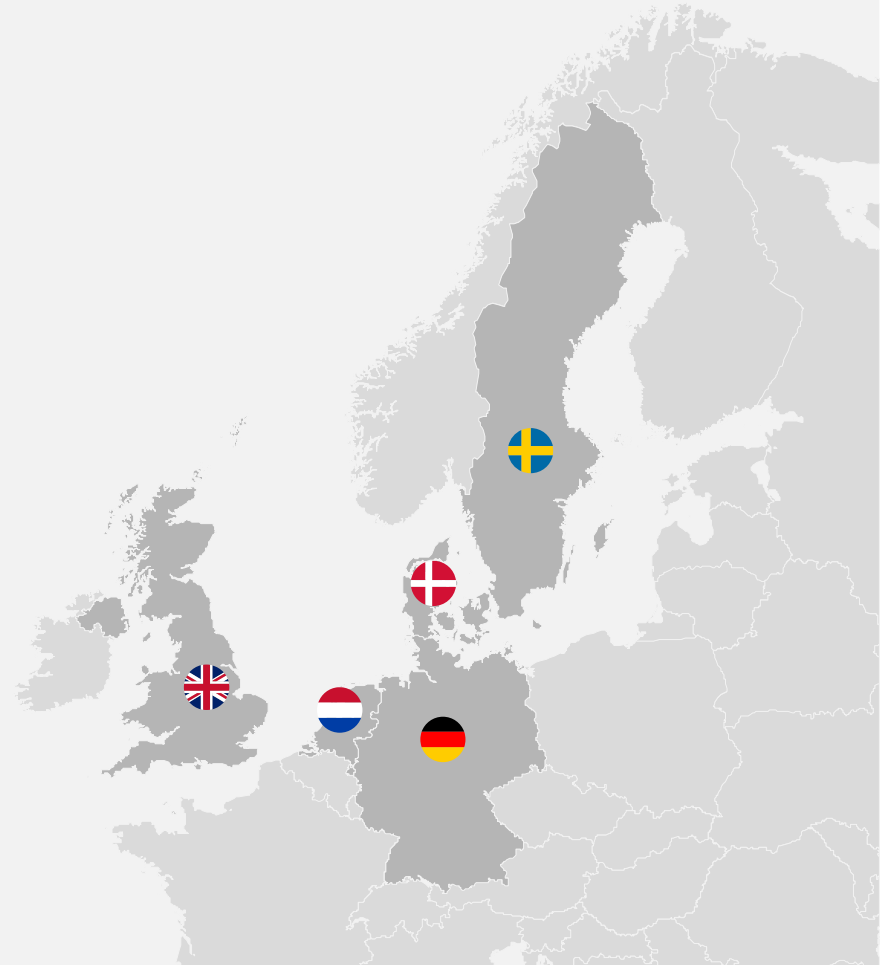
Sweden

Germany

Netherlands

Denmark

United Kingdom



## Introduction

# Location of our operations and major plants



Wind ●



Biomass ●



Hydro ●



Gas ●



Nuclear ●



Coal ●

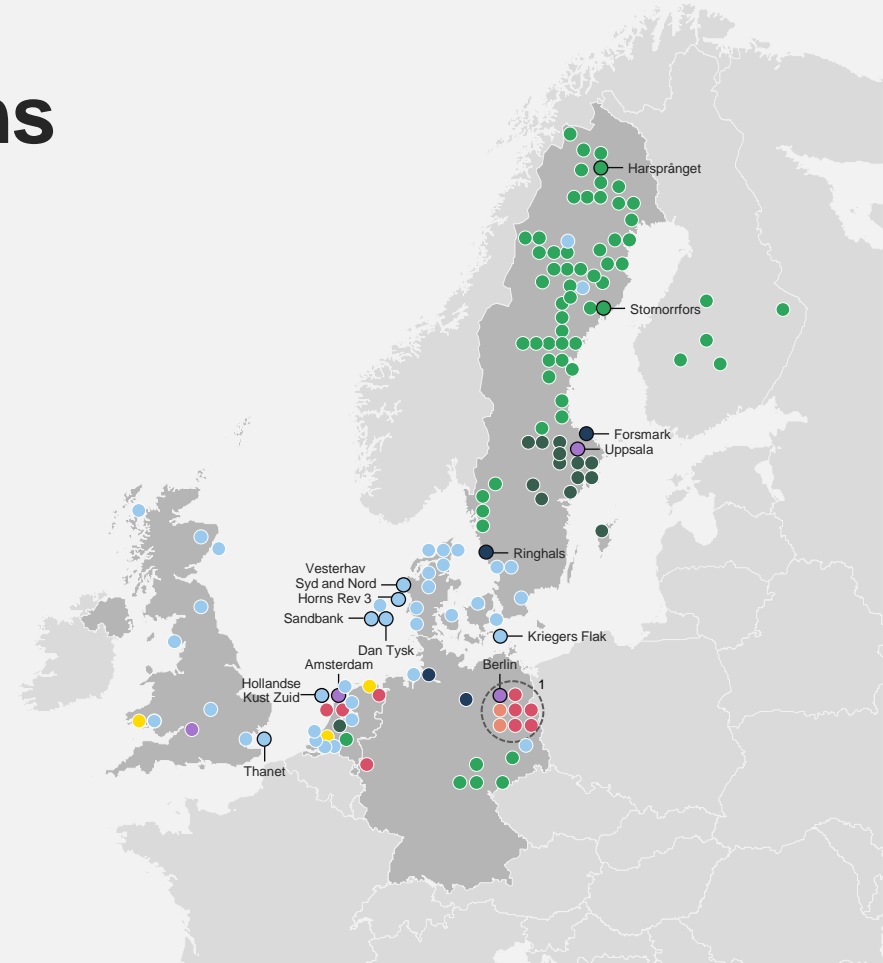


Solar ●



District heating ●

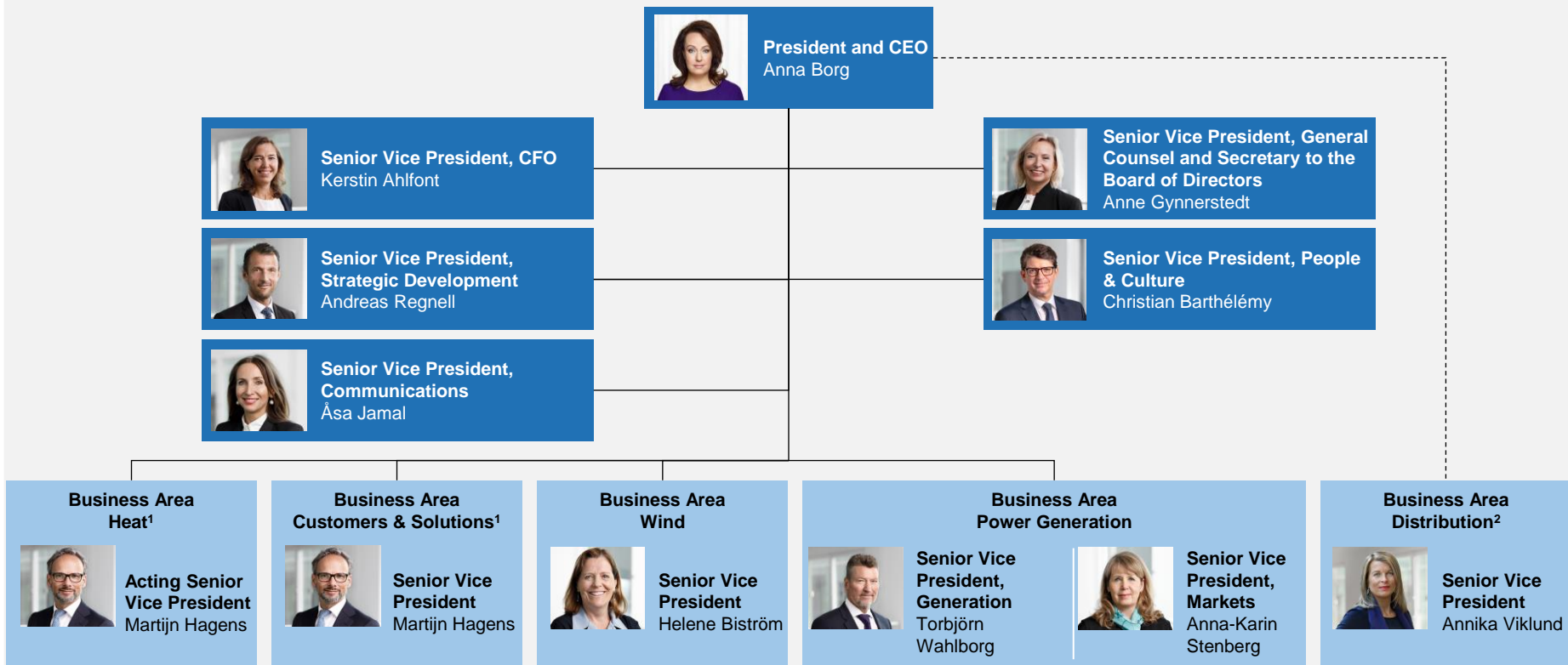
○ Largest facilities marked with a circle



<sup>1</sup> Heat Berlin is to be divested to the State of Berlin during 2024

# Introduction

## Executive Group Management



• For more info: see page 108-109 in the Annual- and Sustainability Report 2023

1 As per 31<sup>st</sup> of December 2023

2 The electricity distribution operations are unbundled from Vattenfall's other operations in accordance with Swedish and British legislation. The head of Business Area distribution is therefore not a member of the EGM.

## Value chain



### Production

Vattenfall generates electricity from many types of energy sources.

We are actively phasing out fossil fuels and investing to expand renewable generation.



### Electricity distribution

Guarantee secure supply requires well-functioning distribution networks and development of smart network solutions.

Vattenfall also enables customers to feed self-generated electricity into the grid.



### Sales of electricity, heat & gas

Sells electricity, heat and gas to consumers and business customers.

Focuses on various price and service models. We give customers the opportunity to understand and reduce their environmental impact.



### Energy services and decentralised generation

Battery storage, network services, charging solutions for electric vehicles etc.

We also provide market-places where customers can buy and sell electricity, as well as solutions for customers to optimise their energy use.



### District heating

One of Europe's largest producers and distributors of district heating, supplying households and industries in metropolitan areas.

In partnership with cities and regions we are driving the transformation towards fossil-free heating solutions.

Introduction

# Beliefs that underpin our strategy

**There will be a shortage of fossil-free electrons on the market for some time to come**

**We can attract and retain the people and competencies we need**

**We can secure enough sustainable supplies in the long term**

**The value of flexibility will increase over time**

**Our role in the hydrogen value chain is primarily to provide fossil-free electricity**



# Strategy

## Strategy



## Strategy

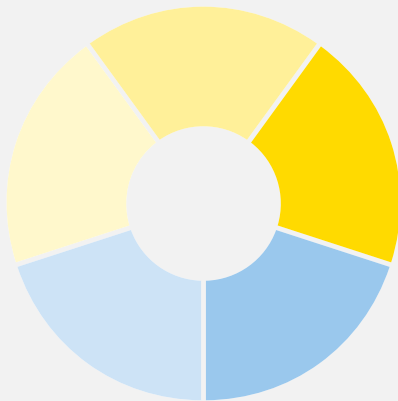
# Being active in the whole value chain is strategically important

## Increases our competitive advantage

Our ability to establish partnerships with industrial off-takers makes us an attractive candidate in e.g. wind auctions.

## Differentiates us from competitors

Access to renewable volumes on the customer side as fossil-free electricity becomes more scarce.



## Brings optimal value of a total portfolio

The ability to optimise dispatch across both customer loads and supply.

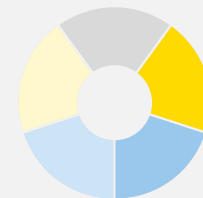
## Diversifying & reducing total portfolio risk

Means lower cost of capital and an ability to take on more debt.



## Strategy

# Strategic targets 2025



Strategic focus area	Strategic targets to 2025	Actual 2023	Actual 2022	Progress	Comments
Driving decarbonisation with our customers & partners	Net Promoter Score <sup>1</sup> (Absolute): <b>+18</b>	+11	+16	●	Decrease in absolute NPS due to longer response times in customer services during the beginning of 2023
Securing a fossil-free energy supply	CO <sub>2</sub> Emissions Intensity <sup>3</sup> : <b>≤86 gCO<sub>2</sub>e/kWh</b>	69 <sup>3</sup>	78	●	Improvement due to lower fossil-based generation
Empowering our people	Lost Time Injury Frequency (LTIF): <b>≤1.0</b>	1.5	1.1	●	Above target levels. Further actions required to enhance safety
	Employee Engagement Index: <b>≥75%</b>	80	80	●	Outcome above target level after continued improved performance with more engaged employees
Delivering high-performing operations	FFO/Adjusted Net Debt: <b>22-27%</b>	21.5%	55.0%	●	Below target interval as a result of lower underlying EBITDA, and the adjusted net debt mainly increased due to increased investments.
	ROCE: <b>≥8%</b>	5.3%	4.2%	●	Outcome below target due to lower electricity prices and also lower generation volumes from hydro power and lower availability from nuclear power. The negative price effects from the Continental hedging also had a negative impact

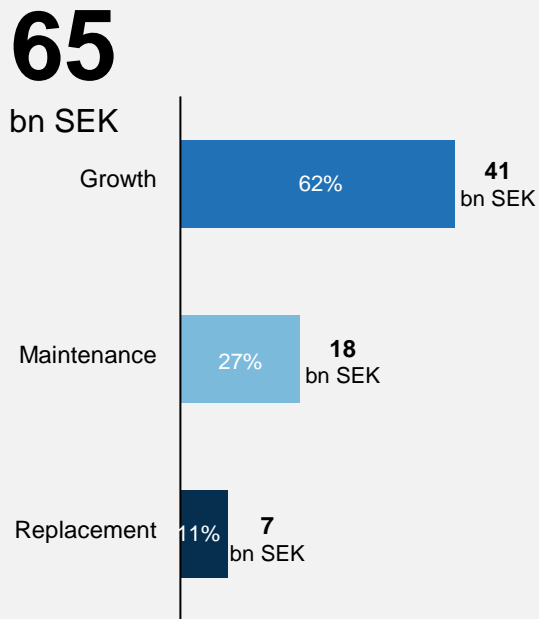
<sup>1</sup> NPS absolute target is calculated with a weighting of 80% from Customers & Solutions and 20% from Heat resembling size of customer basis

<sup>2</sup> Targeting 86 gCO<sub>2</sub>/kWh by 2025 puts us on a "1.5°C" trajectory by 2030 according to Science Based Target levels

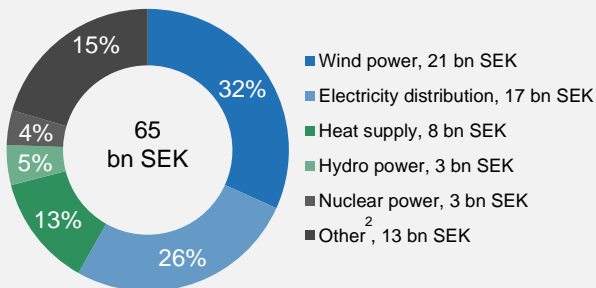
<sup>3</sup> Deviates from the preliminary reported value communicated in the year-end report 2023

# Investment plan 2024-2025

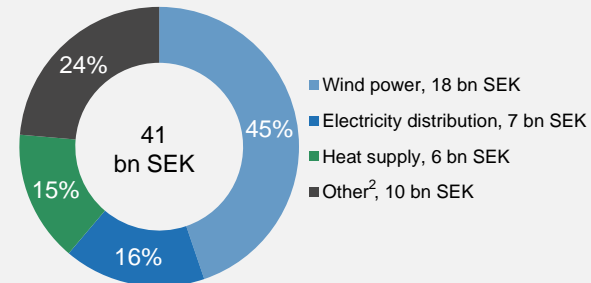
Total<sup>1</sup> capex 2024-2025



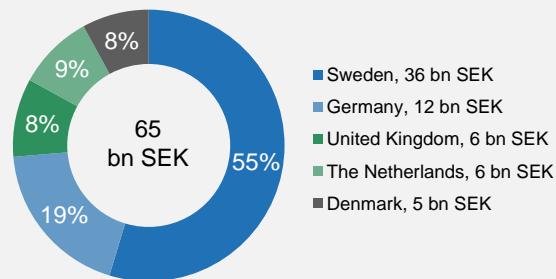
Total<sup>1</sup> capex per technology



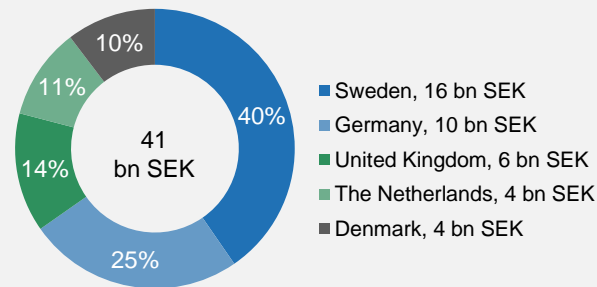
Growth<sup>1</sup> capex per technology



Total<sup>1</sup> capex per country



Growth<sup>1</sup> capex per country



<sup>1</sup> Investment plan excludes investments in Heat Berlin, which is to be divested to the State of Berlin during 2024

<sup>2</sup> Mainly E-mobility, solar and battery projects



# Financials

Financials

# Outcome 2023



**5.3%**

Return on capital  
employed



**21.5%**

FFO/adjusted  
net debt



**SEK 4.0 bn**

Dividend

## Financials

# Financial targets

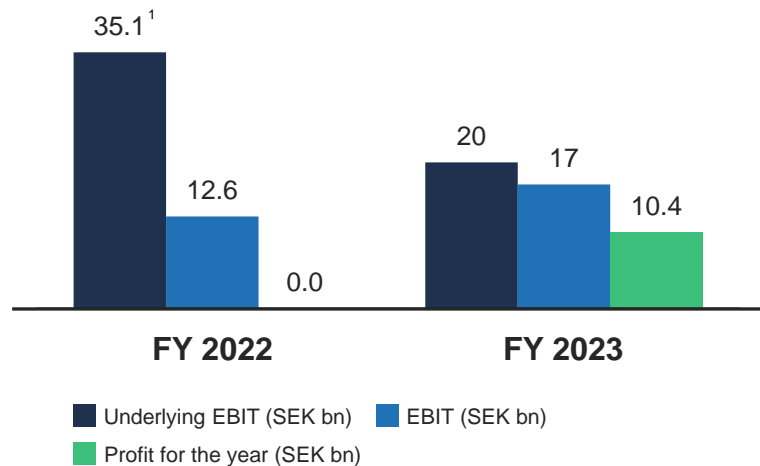
Financial targets	Targets over a business cycle <sup>1</sup>	Outcome 2023	Comment
<b>Profitability</b>	Return on capital employed: ≥8% <sup>2</sup>	<b>5.3%</b>	Outcome below target due to lower electricity prices as well as lower generation volumes from hydro power and lower availability from nuclear power. The negative price effects from the Continental hedging also had a negative impact.
<b>Capital structure</b>	FFO/adjusted net debt: <b>22%–27%</b>	<b>21.5%</b>	Below target interval as a result of lower underlying EBITDA, and the adjusted net debt mainly increased due to increased investments.
<b>Dividend policy</b>	Dividend: <b>40%–70% of the year's profit after tax</b>	<b>4.0 billion SEK</b>	

<sup>1</sup> Target for 2025

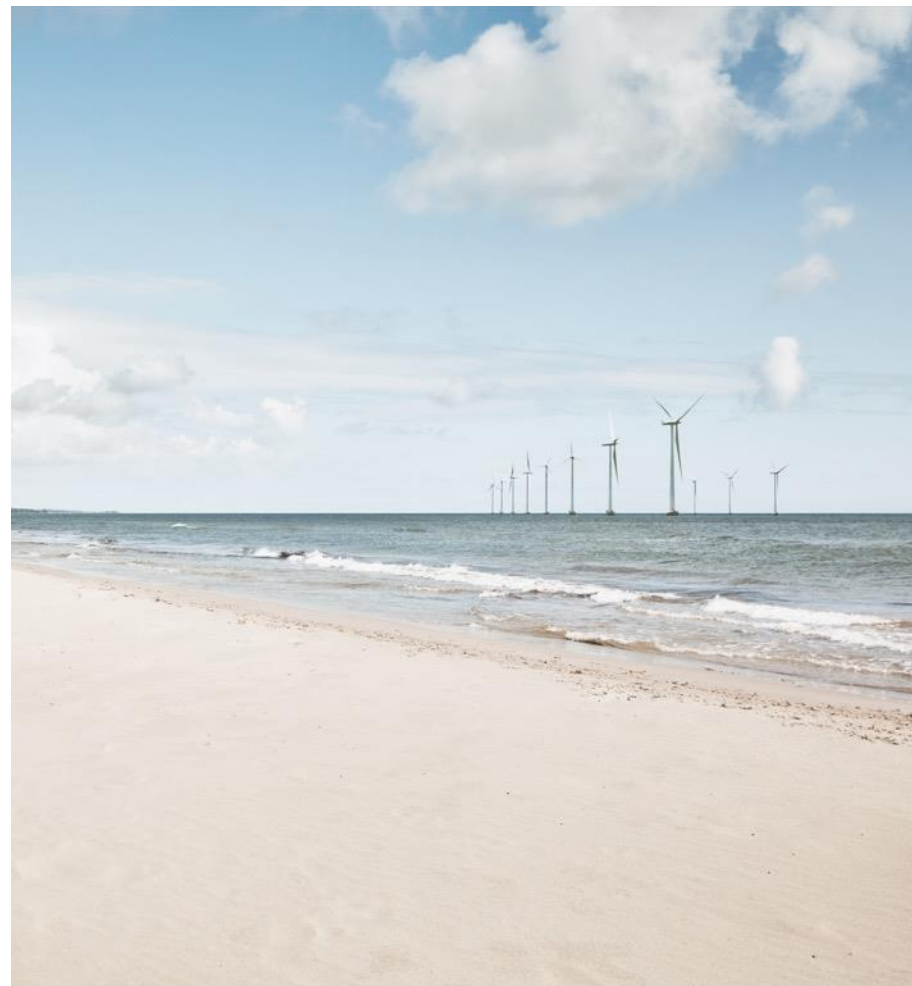
<sup>2</sup> The key ratio is based on EBIT and average capital employed

## Financial highlights

# Earnings

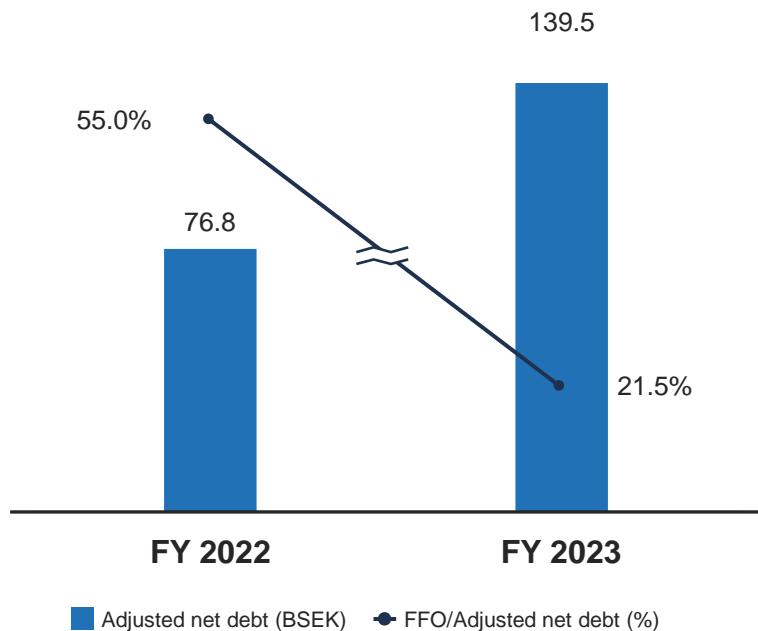


<sup>1</sup> The value has been adjusted compared with information previously published in Vattenfall's financial report



## Financial highlights

# Adjusted net debt





# Sustainability



# Our commitments toward Net Zero

**-52%**

Emission intensity  
reduction since 2017

→ 2023

**1.5°C**

Target for own emission  
reductions – alignment  
with 1.5°C trajectory

→ 2030

**Net Zero**

Emissions in our  
full value chain

→ 2040

Sustainability

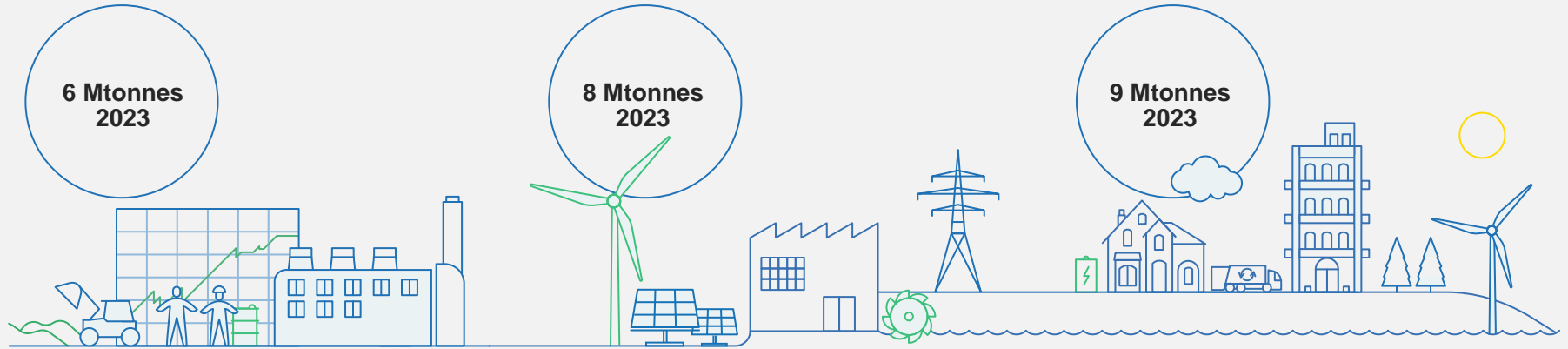
# Our prioritised UN Sustainable Development Goals



Vattenfall's strategy is driving our contribution to the UN's  
Global Sustainable Development Goals

## Sustainability

# Cut CO<sub>2</sub> emissions throughout the value chain



### Suppliers

Supplier dialogues and sustainability requirements in tenders

Lifecycle Assessments

Industry collaborations

### Own operations

Reducing emissions in line with climate science

Growth in renewables

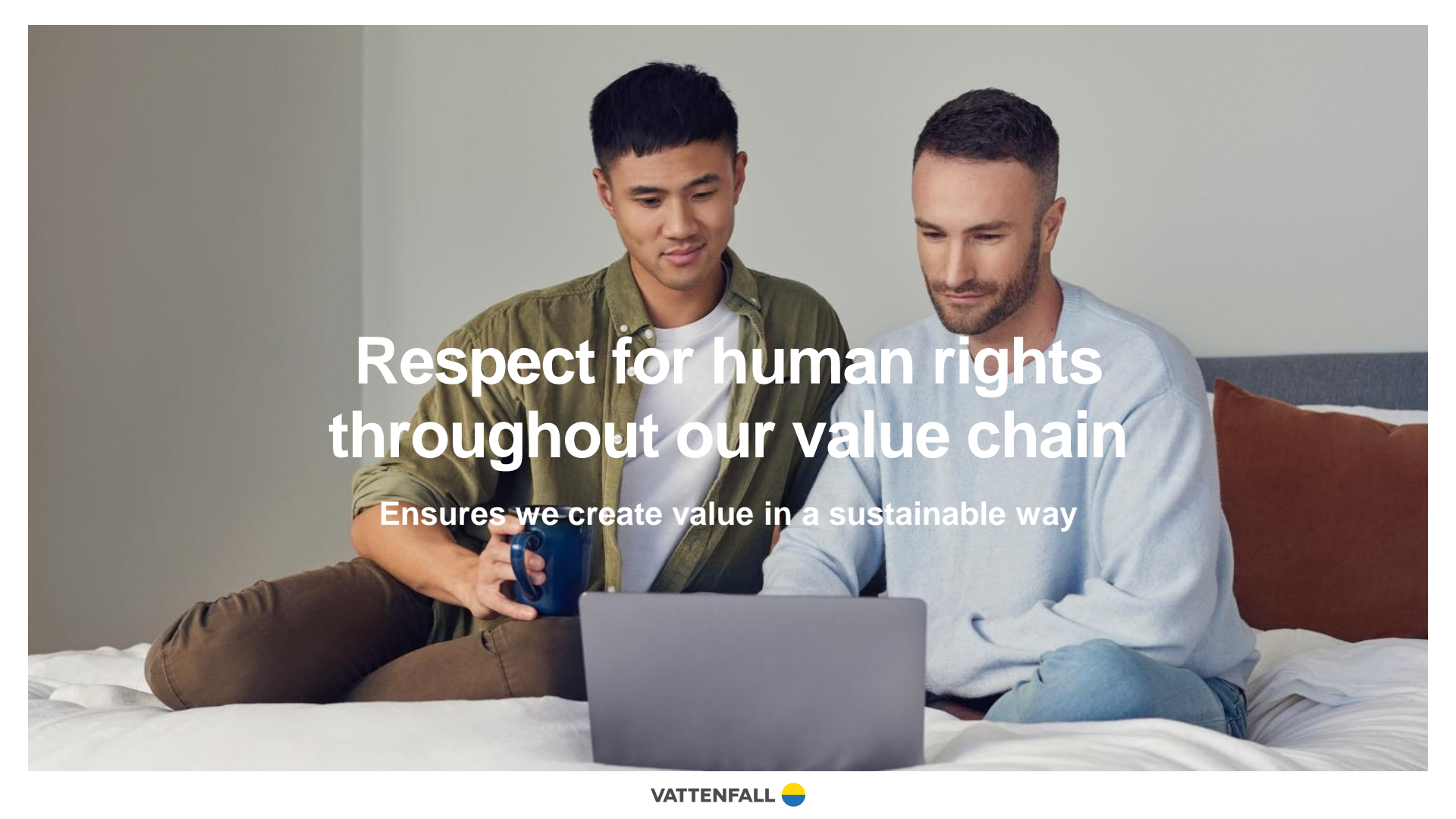
Phase out of fossil fuels

### Customers

Climate smart solutions for homes and cities

City partnerships

Environmental product offerings

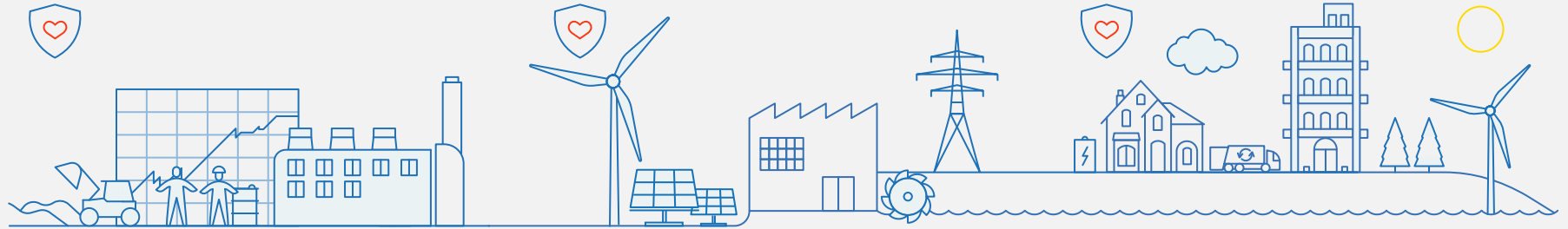
A photograph of two men sitting on a bed, looking at a laptop. The man on the left is wearing a green shirt and holding a blue mug. The man on the right is wearing a light blue sweater. The background is a simple, light-colored wall.

# Respect for human rights throughout our value chain

Ensures we create value in a sustainable way

## Sustainability

# Tools, processes and actions to respect human rights



### Upstream & suppliers

- Supplier risk assessment tool
- Supplier screening and self-assessment questionnaires
- Audits & corrective action plans
- Code of Conduct for Suppliers & Partners
- Supplier capacity building & engagement

### Operations

- Stakeholder consultation, in particular indigenous people
- Local community funds
- MyOpinion, H&S maturity
- H&S contractor management
- Just transition & responsible decommissioning

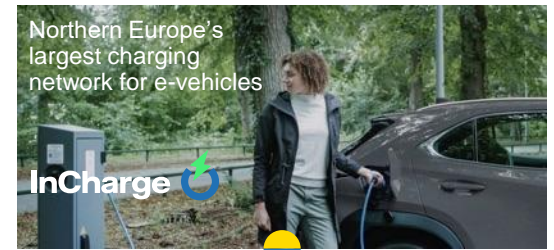
### Downstream & customers

- Screening large B2B customers
- Assessing potential partners or acquisition targets
- Evaluating & minimising product end-of-life impacts

**We aim to go beyond compliance and deliver positive impact through sustainability in tenders, industry initiatives (WindEurope, Bettercoal, SolarPowerEurope), supplier collaboration and capacity building, and value chain deep dives.**

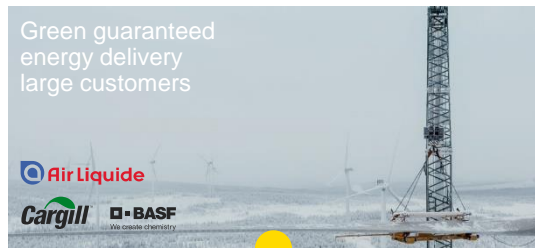
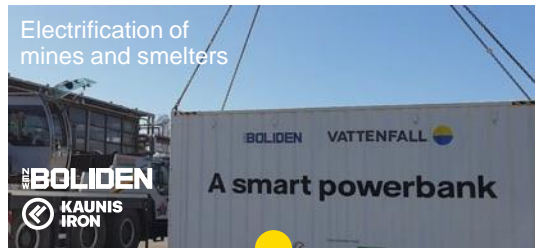
## Sustainability

# A new generation of transports, industries and materials together with our partners



## Sustainability

# A new generation of transports, industries and materials together with our partners



# Operating segments



## Operating segments



### Customers & Solutions

Responsible for sales of electricity, gas and energy services in all of Vattenfall's markets.



### Heat

Responsible for Vattenfall's heat business (district heating and decentralised solutions) and gas-fired condensing plants.



### Wind

Responsible for development and operation of Vattenfall's wind farms as well as large-scale and decentralised solar power and batteries.



### Power Generation

Responsible for Vattenfall's hydro and nuclear power operations, maintenance services business, and optimisation and trading operations including certain large business customers.



### Distribution

Responsible for Vattenfall's electricity distribution operations in Sweden as well as operations in the UK focused on owning and operating new networks.

A woman with dark hair, wearing a beige knitted sweater, is shown in profile from the chest up. She is looking intently at a glowing incandescent light bulb that she is holding with her right hand. The setting is a kitchen with white subway tiles on the wall and a stainless steel sink and faucet visible in the background. Several other light bulbs are hanging from the ceiling, some of which are also glowing. The overall lighting is warm and focused on the woman and the bulb she is holding.

# Customers & Solutions

Leading market position in the retail segment in  
Sweden, the Netherlands, Hamburg and Berlin

## Operating segments

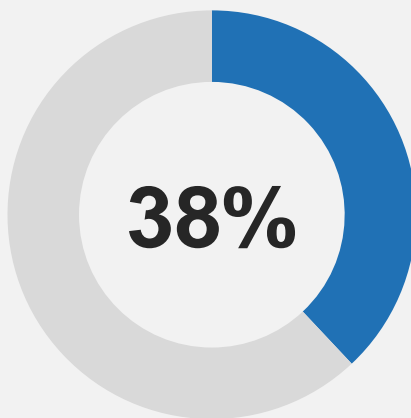
# Customers & Solutions



Sweden, Finland, Denmark, Germany,  
the Netherlands and France

Key data	FY 2023	FY 2022
Net sales (SEK bn)	216.3	183.2
External net sales (SEK bn)	207.3	174.0
Underlying EBIT <sup>1</sup> (SEK bn)	7.6	7.4
Sales of electricity (TWh)	113.5	93.5
- of which, private customers	27.6	27.1
- of which, resellers	36.3	20.7
- of which, business customers	49.6	45.7
Sales of gas (TWh)	44.1	46.4
Net Promoter Score (NPS) absolute <sup>2</sup>	+11	+16
Electricity customers	8,050,000	7,530,000
Gas customers	2,290,000	2,320,000
Number of employees (FTE)	3,641	3,289

## Share of underlying EBIT



## Highlights 2023

The customer base increased by 5% to 11.4 million contracts in 2023 compared to year-end 2022

Increase of our fossil-free electricity share to 80 per cent

Operates 51,000 e-mobility charging points in Sweden, Germany, the Netherlands, and Norway

<sup>1</sup> Operating profit excluding items affecting comparability

<sup>2</sup> NPS is a tool for measuring customer loyalty and for gaining an understanding of customers' perceptions of Vattenfall's products and services. Weighted 80% from Customers & Solutions and 20% from Heat

A man with a beard and tattoos, wearing a green button-down shirt, is looking at a smartphone. He is standing next to a modern, dark-colored heating unit with a digital display. The display shows a control interface with the word 'Eco' visible. The background shows a doorway and a copper pipe.

# Heat

One of Europe's largest producers  
and distributors of district heating

## Operating segments

# Heat



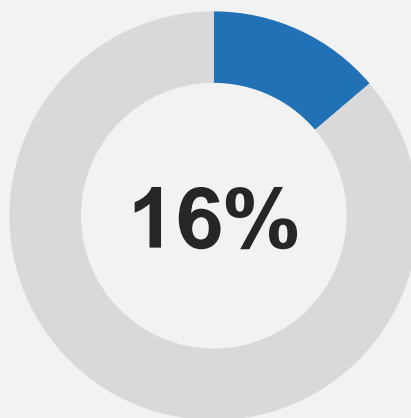
Sweden, Germany,  
the Netherlands and the UK

Key data	FY 2023	FY 2022
Net sales (SEK bn)	44.2	60.5
External net sales (SEK bn)	25.8	20.9
Underlying EBIT <sup>1</sup> (SEK bn)	3.2	-3.6
Sales of heat (TWh)	13.5	14.1
Electricity generation (TWh)	13.6	16.6
CO <sub>2</sub> emissions <sup>2</sup> (Mtonnes)	7.8	9.4
Nitrogen oxide, NO <sub>x</sub> (ktonnes)	4.3	4.6
Sulphur dioxide, SO <sub>2</sub> (ktonnes)	1.1	1.2
Particulate matter, PM (ktonnes)	0.1	0.1
Number of employees (FTE)	3,227	3,188

<sup>1</sup> Operating profit excluding items affecting comparability

<sup>2</sup> CO<sub>2</sub> emissions are pro rata

## Share of underlying EBIT



## Highlights 2023

The number of customers amounted to 2.1 million households in 2023 which corresponds to an increase of 2.6% compared to the end of 2022

The Berlin heat business was sold to the State of Berlin. The transaction is expected to be closed in the second quarter of 2024

Vattenfall acquired Bristol Heat Networks Ltd and is working with Bristol City Leap aimed at achieving carbon neutrality for the city's energy infrastructure by 2030

# Power Generation

One of Europe's largest providers  
of fossil-free electricity

## Operating segments

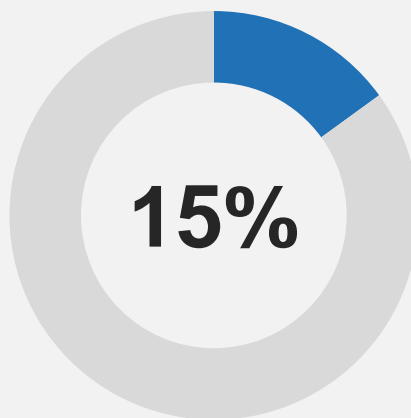
# Power Generation



Sweden, Finland  
and Germany

Key data	FY 2023	FY 2022
Net sales (SEK bn)	207.5	205.8
External net sales (SEK bn)	37.8	28.2
Underlying EBIT <sup>1</sup> (SEK bn)	3.1	14.3 <sup>1</sup>
Electricity generation (TWh)	73.5	80.1
Sales of electricity (TWh)	11.3	15.6
- of which, resellers	9.4	13.8
- of which, business customers	1.9	1.8
Sales of gas (TWh)	0.4	0.9
Number of employees (FTE)	7,474	7,219

## Share of underlying EBIT



## Highlights 2023

Vattenfall is pursuing new nuclear and is preparing applications for new nuclear reactors in connection with the Ringhals nuclear power plant

The Swedish Nuclear Fuel and Waste Management Company (SKB) signed a collaboration agreement with Skanska for expanding the existing final repository for short-lived radioactive waste in Forsmark

Continued increase of hydro power capacity through refurbishments and upgrades combined with outage optimisation measures

<sup>1</sup> The value has been adjusted compared with information previously published in Vattenfall's financial reports, see note 1 Accounting policies, risks and uncertainties.



# Wind

One of the biggest renewable  
energy players in Europe



## Operating segments

# Wind

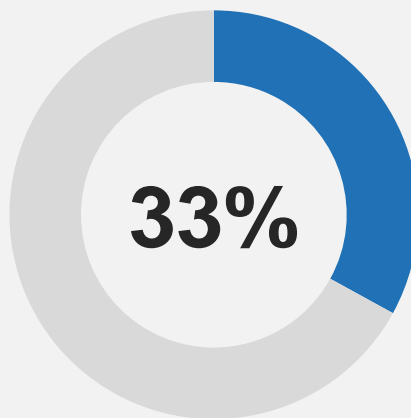


The UK, Denmark, the Netherlands,  
Sweden and Germany

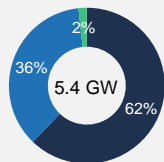
### Key data

	FY 2023	FY 2022
Net sales (SEK bn)	25.4	29.1
External net sales (SEK bn)	8.5	4.3
Underlying EBIT <sup>1</sup> (SEK bn)	6.5	16.5
Electricity generation (TWh)	13.8	12.2
Number of employees (FTE)	1,708	1,521

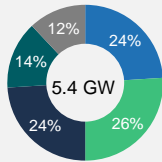
### Share of underlying EBIT



### Split by type of generation



### Split by geography



■ Offshore ■ Onshore ■ Solar ■ UK ■ Denmark ■ The Netherlands ■ Sweden ■ Germany



### Highlights 2023

Inauguration of offshore wind farm Hollandse Kust Zuid in the Netherlands and in onshore Grönhult in Sweden and South Kyle in the UK

Vattenfall exercised the option to develop the Nordlicht II offshore wind power project in Germany

Divestment of the Norfolk Offshore Wind Zone to RWE

<sup>1</sup> Operating profit excluding items affecting comparability

# Distribution

Leading owner and operator of electricity  
distribution grids in Sweden

## Operating segments

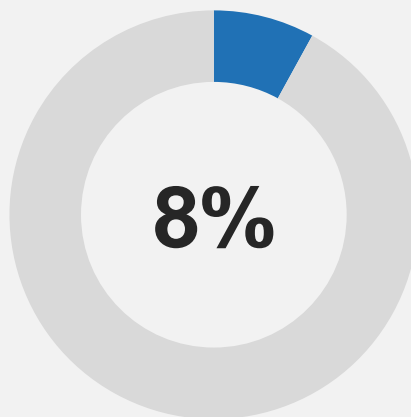
# Distribution



## Sweden and the UK<sup>1</sup>

Key data	FY 2023	FY 2022
Net sales (SEK bn)	11.1	12.5
External net sales (SEK bn)	10.4	11.7
Underlying EBIT <sup>2</sup> (SEK bn)	1.5	2.1
Investments (SEK bn)	6.9	5.5
SAIDI <sup>3</sup> (minutes/customer)	132	157
SAIFI <sup>4</sup> (number/customer)	1.91	2.08
Number of employees (FTE)	1,606	1,340

## Share of underlying EBIT



<sup>1</sup> Power-as-a-service also offered in Denmark and the Netherlands

<sup>2</sup> Operating profit excluding items affecting comparability

<sup>3</sup> SAIDI: System Average Interruption Duration Index

<sup>4</sup> SAIFI: System Average Interruption Frequency Index



## Highlights 2023

Vattenfall Eldistribution connected more than 18,000 solar PV installations to the grid, which is twice as much as in 2022

Swedish Energy Market Inspectorate has decided on the model and WACC for the revenue frames for electricity grid operators for the period of 2024-2027

Several Power-as-a-service (PaaS) contracts signed such as Cinis Fertilizer in northern Sweden and electrification of canal boats for Stromma in Amsterdam



Contact

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SE-169 92 Stockholm

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A photograph of three children standing on a hill overlooking a city. The child on the left is a boy with long brown hair wearing a dark navy blue cable-knit sweater and dark pants, with his hands in his pockets. The child in the middle is a girl with blonde braids wearing a grey t-shirt and an olive green jacket. The child on the right is a boy with dark curly hair wearing a white t-shirt under a dark blue button-down shirt. The background shows a city with a river and buildings under a cloudy sky.

**VATTENFALL**

