

VATTENFALL



A woman with short dark hair, wearing a beige trench coat over a white shirt and blue jeans, stands by a waterfront. She is looking towards the camera with a slight smile. The background shows a city skyline across a body of water under a cloudy sky.

Working for fossil freedom

Vattenfall AB
Group presentation 2024

Agenda

Introduction

This is Vattenfall
Group Executive Management
Value chain
Market trends

Strategy

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Investment plan

Financials

Targets
Highlights

Sustainability

UN Sustainable Development Goals
Reduction of CO₂ emissions
Partnerships

Operating segments

Operating segments
Customers & Solutions
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



0.6 million

Heat customers



2.3 million

Gas customers



20,193

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 ¹	20.0	35.1 ³
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 ³
Funds from operations/ adjusted net debt, %	21.5	55.0
TWh	FY 2023	FY 2022
Electricity generation	100.9	108.9
Customer sales, electricity ²	125.9	111.4
Customer sales, heat	13.5	14.1
Customer sales, gas	44.5	47.3

¹ Operating profit excluding items affecting comparability

² Excluding sales to Nord Pool Spot and deliveries to minority shareholders

³ 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



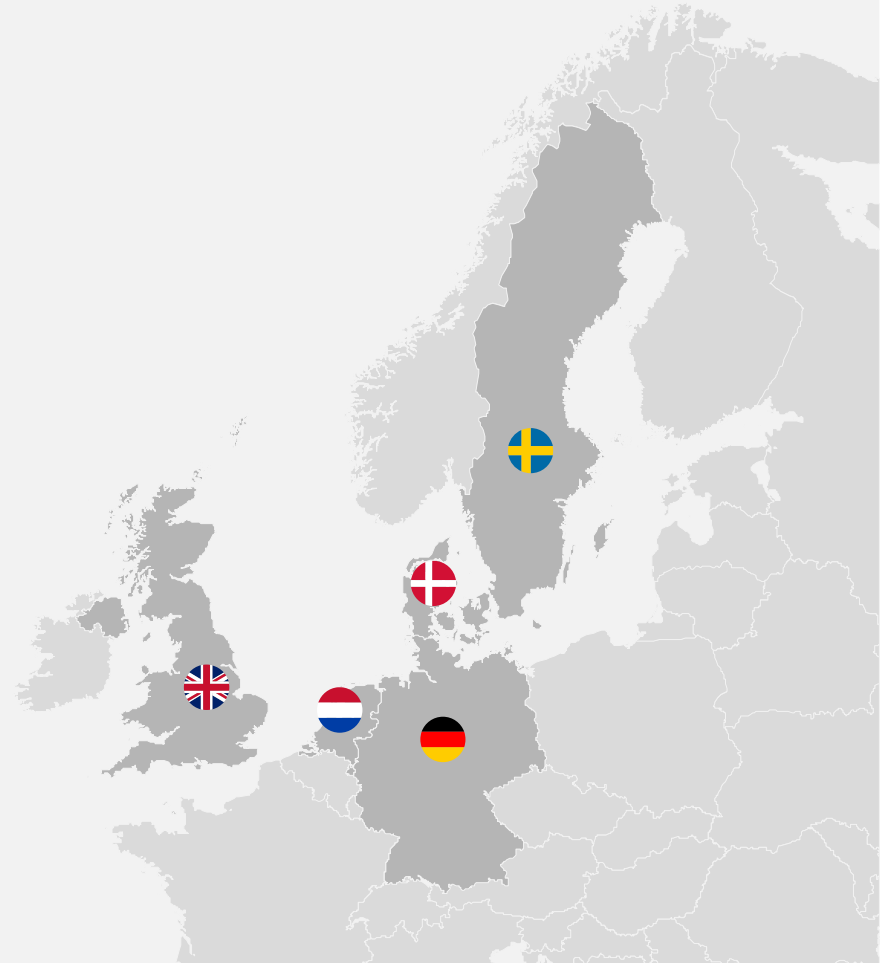
Sweden

Germany








Netherlands

Denmark

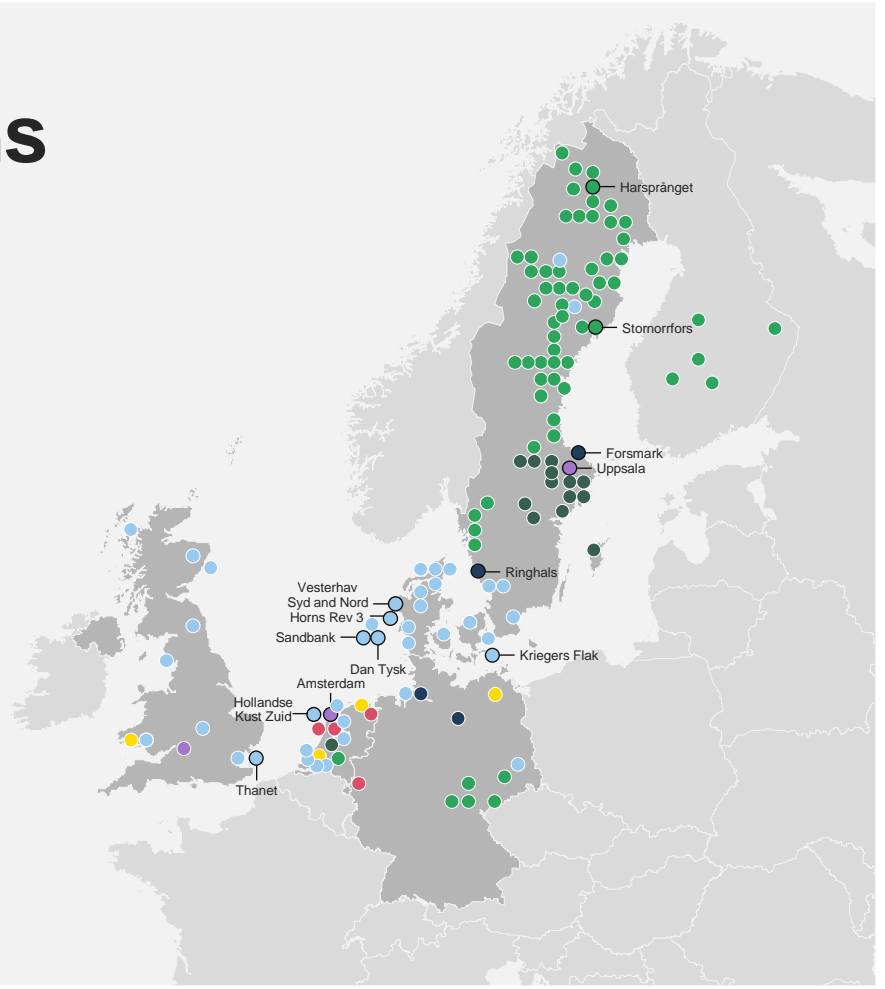
United Kingdom



Location of our operations and major plants

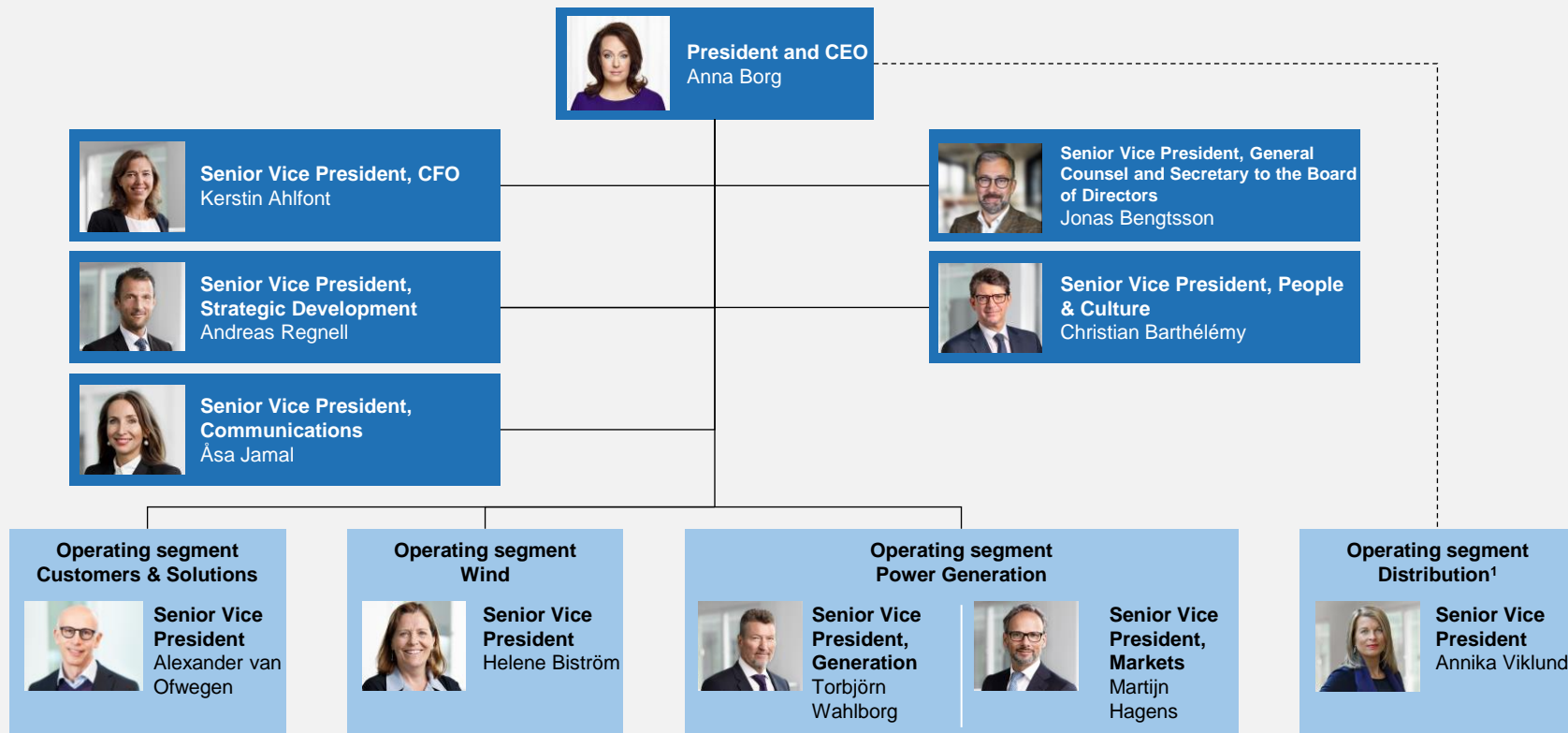
 Wind ●	 Biomass ●	 Hydro ●	 Gas ●
 Nuclear ●	 Solar ●	 District heating ●	

○ Largest facilities marked with a circle



Introduction

Executive Group Management



¹ 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.

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

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 marketplaces 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

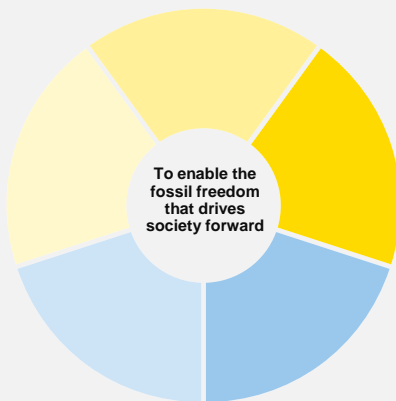
Being active in the whole value chain is strategically important

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

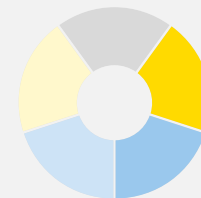
The ability to optimise dispatch across both customer loads and supply.

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 ¹ (Absolute): +18	+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 ₂ Emissions Intensity ³ : ≤86 gCO₂e/kWh	69 ³	78	●	Improvement due to lower fossil-based generation
Empowering our people	Lost Time Injury Frequency (LTIF): ≤1.0	1.5	1.1	●	Above target levels. Further actions required to enhance safety
	Employee Engagement Index: ≥75%	80	80	●	Outcome above target level after continued improved performance with more engaged employees
Delivering high-performing operations	FFO/Adjusted Net Debt: 22-27%	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: ≥8%	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

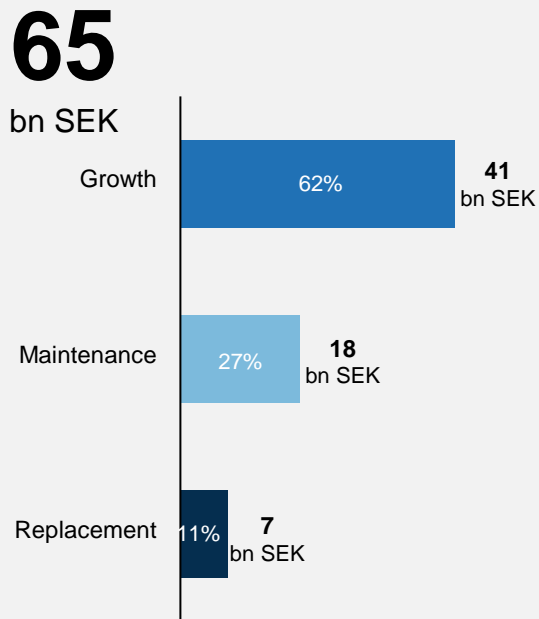
¹ NPS absolute target is calculated with a weighting of 80% from Customers & Solutions and 20% from Heat resembling size of customer basis

² Targeting 86 gCO₂/kWh by 2025 puts us on a "1.5°C" trajectory by 2030 according to Science Based Target levels

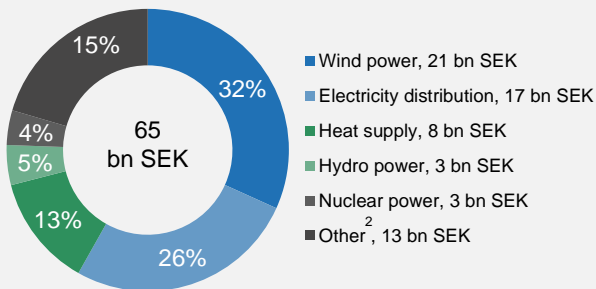
³ Deviates from the preliminary reported value communicated in the year-end report 2023

Investment plan 2024-2025

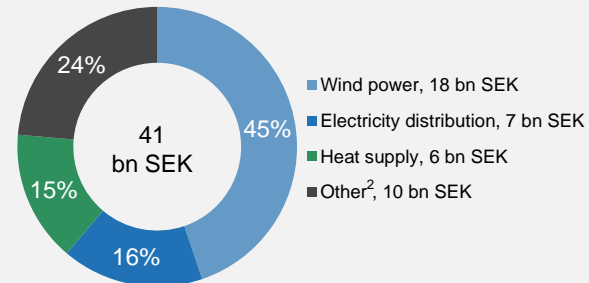
Total¹ capex 2024-2025



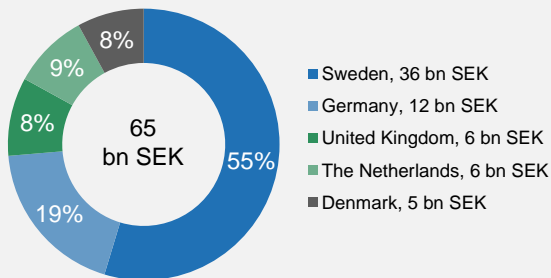
Total¹ capex per technology



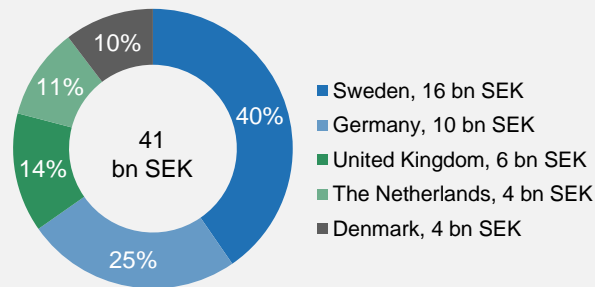
Growth¹ capex per technology



Total¹ capex per country



Growth¹ capex per country



¹ Investment plan excludes investments in Heat Berlin, which has been divested to the State of Berlin during 2024

² 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

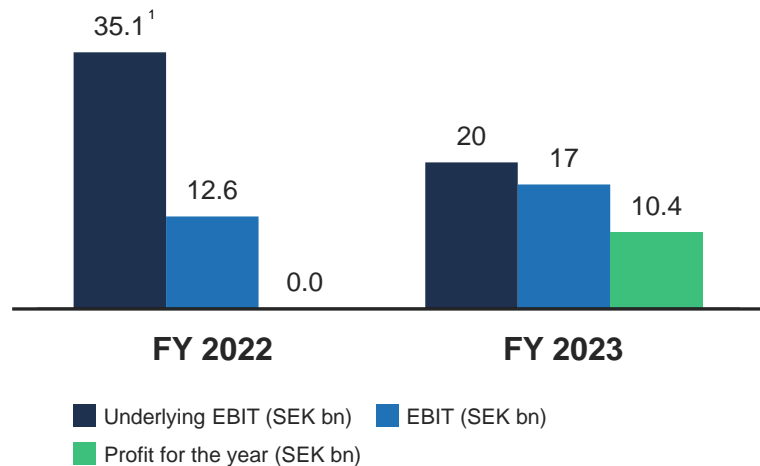
Financial targets	Targets over a business cycle ¹	Outcome 2023	Comment
Profitability	Return on capital employed: ≥8% ²	5.3%	Outcome below target due to lower electricity prices as well as lower generation volumes from hydro power and lower availability from nuclear power. The negative price effects from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

¹ Target for 2025

² The key ratio is based on EBIT and average capital employed

Financial highlights

Earnings

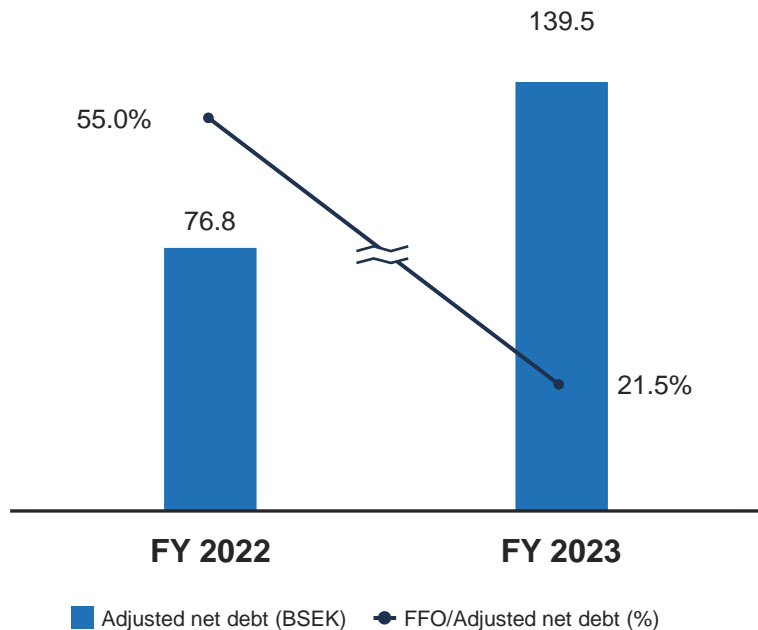


¹ The value has been adjusted compared with information previously published in Vattenfall's financial report



Financial highlights

Adjusted net debt





Sustainability

Our commitments toward Net Zero

-52%

Emission intensity
reduction since 2017

1.5°C

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

Net Zero

Emissions in our
full value chain

→ 2023

→ 2030

→ 2040

Sustainability

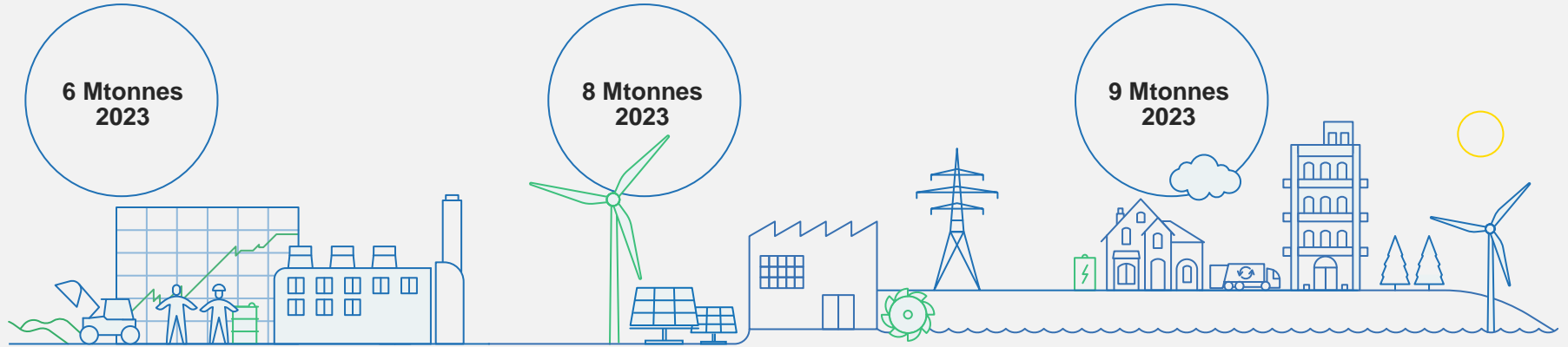
Our prioritised UN Sustainable Development Goals



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

Sustainability

Cut CO₂ 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

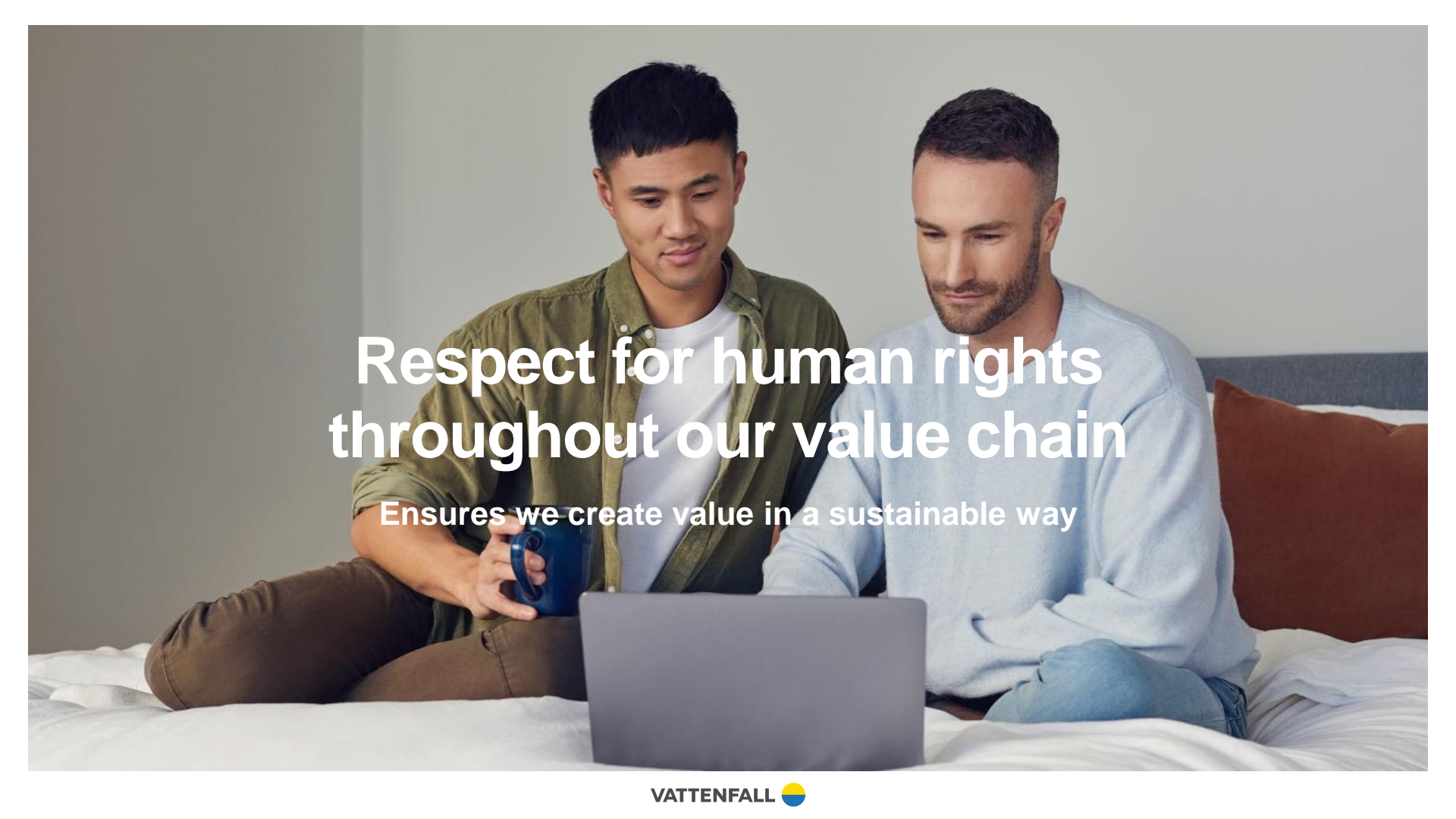
Phase out of fossil fuels

Customers

Climate smart solutions for homes and cities

City partnerships

Environmental product offerings

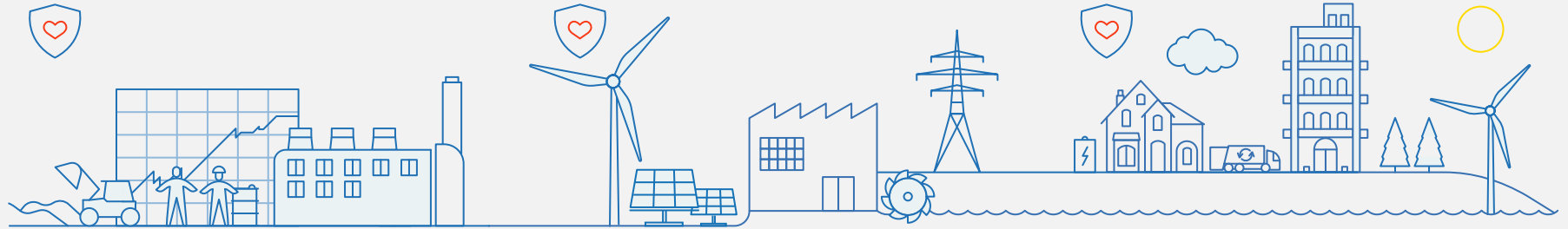
A photograph of two men sitting on a bed, looking at a laptop. The man on the left is wearing a green shirt and holding a blue mug. The man on the right is wearing a light blue sweater. The background is a simple, light-colored wall.

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

24/7 matching fossil-free energy for data centers



Microsoft

Investigate feasibility H2 at Swedish Airports



SAS Swedavia Airports AIRBUS

Investigating joint investments in new fossil free energy production in Sweden



INDUSTRI KRAFT

Green guaranteed energy delivery large customers e.g.



Air Liquide BASF We create chemistry BOREALIS EVONIK Making Smarter Chemistry

Developing flexible solutions for grid stability



eramet GRANGES NOBIAN

Excess heat from algae cultivation to heat households



AstaReal The Green Heat Provider

Operating segments

Operating segments



Customers & Solutions

Responsible for customer relations, heat plants and gas-fired condensing plants as well as sales of electricity, gas, heat and energy services



Wind

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



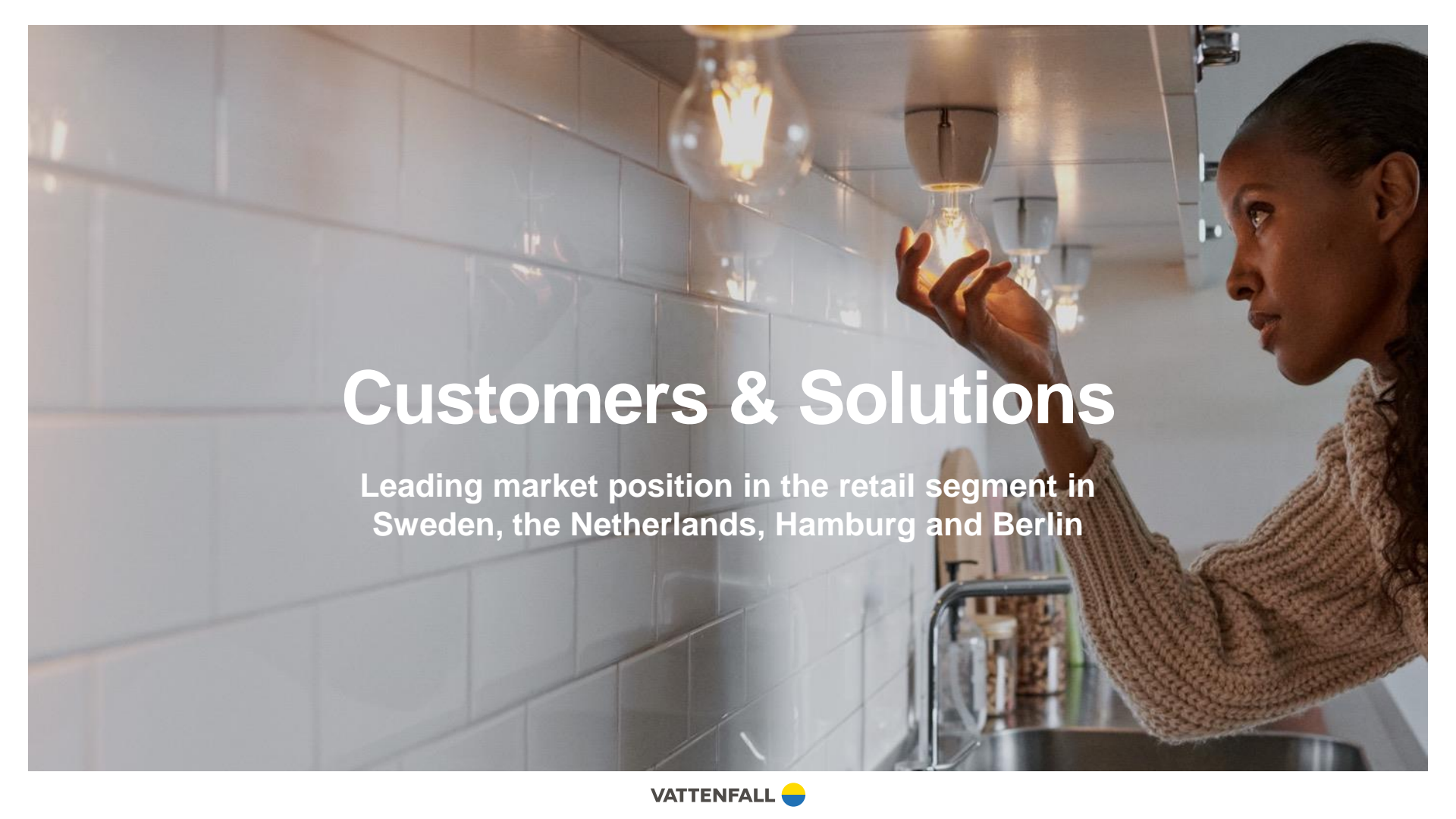
Power Generation

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 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

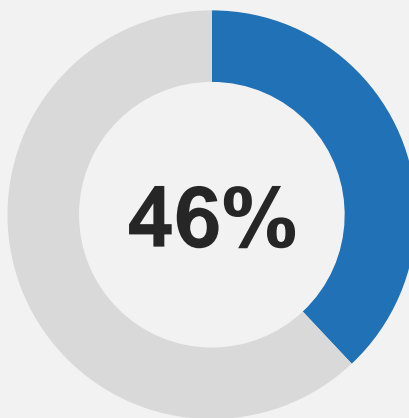
Customers & Solutions



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

Key data ¹	FY 2023	FY 2022
Net sales (SEK bn)	235.2	N/A
External net sales (SEK bn)	215.6	N/A
Underlying EBIT ² (SEK bn)	9.2	N/A
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 ³	+11	+16
Electricity customers	8,050,000	7,530,000
Gas customers	2,290,000	2,320,000

Share of underlying EBIT



Highlights 2023

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

The Berlin heat business was sold to the State of Berlin and the transaction was closed in the second quarter of 2024

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

¹ As per 1 January 2024, the Customers & Solutions operating segment includes Vattenfall's heat operations, hence FY2022 consolidated data not available ² Operating profit excluding items affecting comparability

³ NPS is a tool for measuring customer loyalty and for gaining an understanding of customers' perceptions of Vattenfall's products and services.

Power Generation

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

Operating segments

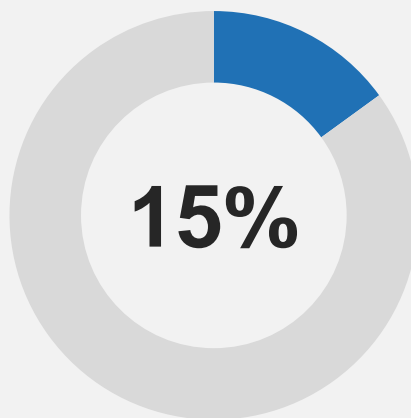
Power Generation



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 ¹ (SEK bn)	3.1	14.3 ¹
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

¹ 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

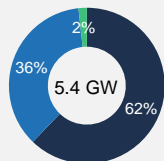


The UK, Denmark, the Netherlands,
Sweden and Germany

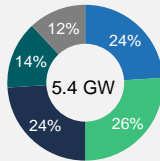
Key data

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

Split by type of generation

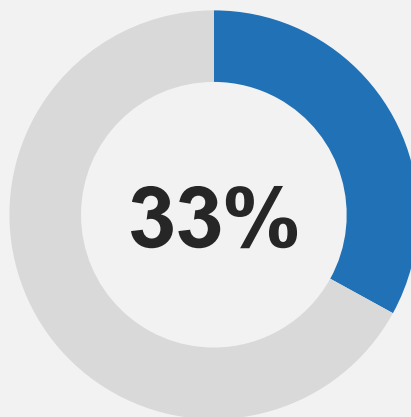


Split by geography



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

Share of underlying EBIT



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

¹ Operating profit excluding items affecting comparability



Distribution

Leading owner and operator of electricity
distribution grids in Sweden

Operating segments

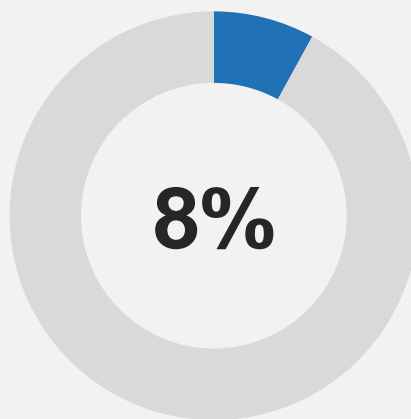
Distribution



Sweden and the UK¹

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 ² (SEK bn)	1.5	2.1
Investments (SEK bn)	6.9	5.5
SAIDI ³ (minutes/customer)	132	157
SAIFI ⁴ (number/customer)	1.91	2.08
Number of employees (FTE)	1,606	1,340

Share of underlying EBIT



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 Strooma in Amsterdam

¹ Power-as-a-service also offered in Denmark and the Netherlands

² Operating profit excluding items affecting comparability

³ SAIDI: System Average Interruption Duration Index

⁴ SAIFI: System Average Interruption Frequency Index



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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 and a dark blue button-down shirt. The background shows a city with a river and buildings under a cloudy sky.

VATTENFALL

