



Investor Presentation

Financial Year 2018

20 March 2019

Agenda

- 1 Business Profile
- 2 Regulatory Developments
- 3 Group Structure & Financial Profile
- 4 Financial Performance
- 5 Outlook

VGT with Strong Performance in 2018

- EBITDA at €526m significantly above expectations, especially due to higher capacity bookings than anticipated
- Excess revenues 2018 to be settled via regulatory account mechanism
- Implementation of significant CAPEX programme on track:
VGT Group CAPEX of €469m in 2018
- General efficiency factor and further essential parameters for 3rd regulatory period fixed
- Excellent credit standing: Strong A- rating (S&P) since 2013
- €500m 10yr Eurobond successfully issued at a coupon of 1.5% in September 2018, confirming VGT's solid standing in the capital markets
- €600m RCF extended by one year until 2023, €500m Euro Commercial Paper Programme established in March 2018

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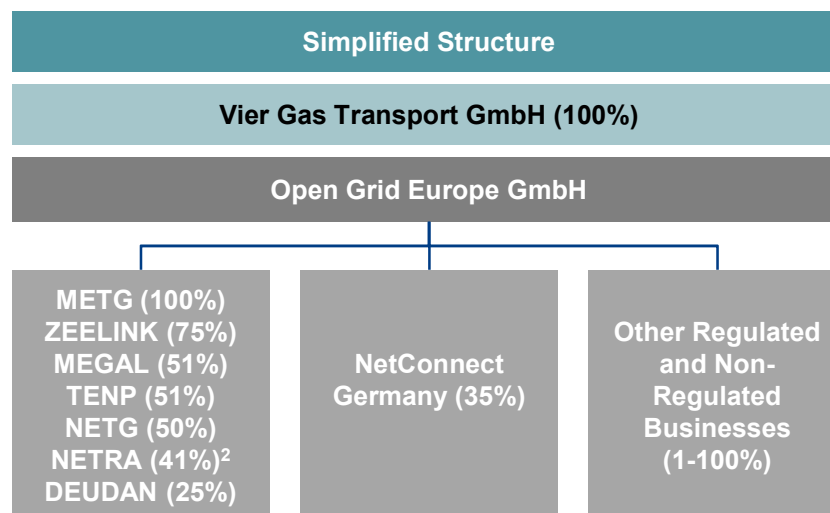
Vier Gas Transport at a Glance

Overview OGE

- Largest German gas transmission operator
 - ▶ Natural gas transmission for > 400 customers
 - ▶ Design, construction, operation and marketing of gas transmission
 - ▶ Largest supra-regional pipeline network in Germany
 - ▶ Providing services related to gas transmission
 - ▶ Operating history dates back over 90 years

Key Figures VGT Group (2018)

Total Revenues	€1.008m
EBITDA	€526m
CAPEX	€469m
Total Employees¹	1,417



¹ Employees at year end 2018 (excluding management and apprentices)

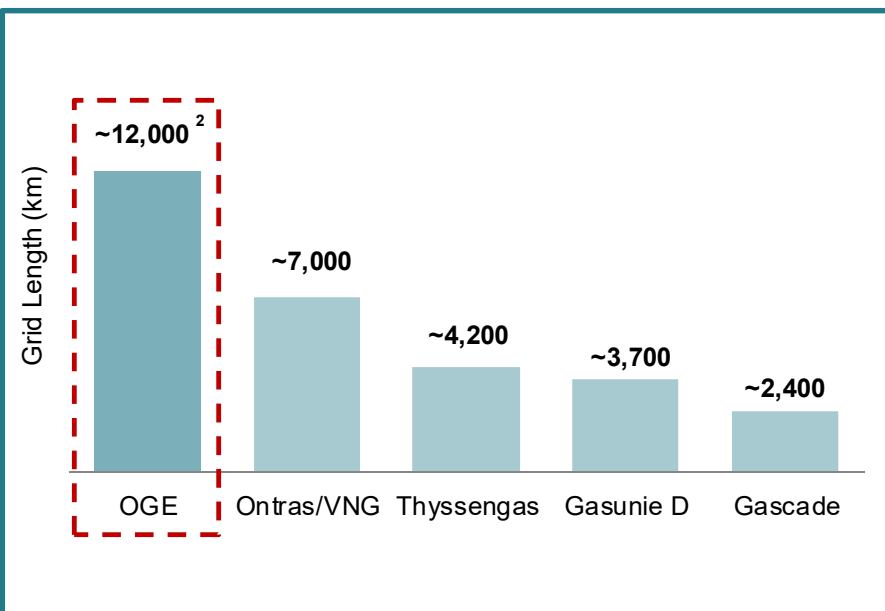
² OGE holds 15% of indirect shares in NETRA in addition to direct shareholding of 41%

Key Gas Transmission System Operator at the Heart of Europe

Centrally Positioned Service Area



Largest German Gas Transmission Network/ Operator ¹



- Annual offtake quantity in 2018 of approx. 650 TWh
- 28 compressor stations and 90 units
- Approx. 50 entry and 1,100 exit points with 15 interconnections to bordering countries

¹ Source: FNB Gas "Konsultationsdokument Netzentwicklungsplan Gas 2018-2028"

² Thereof approx. 7,730km fully owned by OGE



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Business Profile

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Regulatory Developments

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Group Structure & Financial Profile

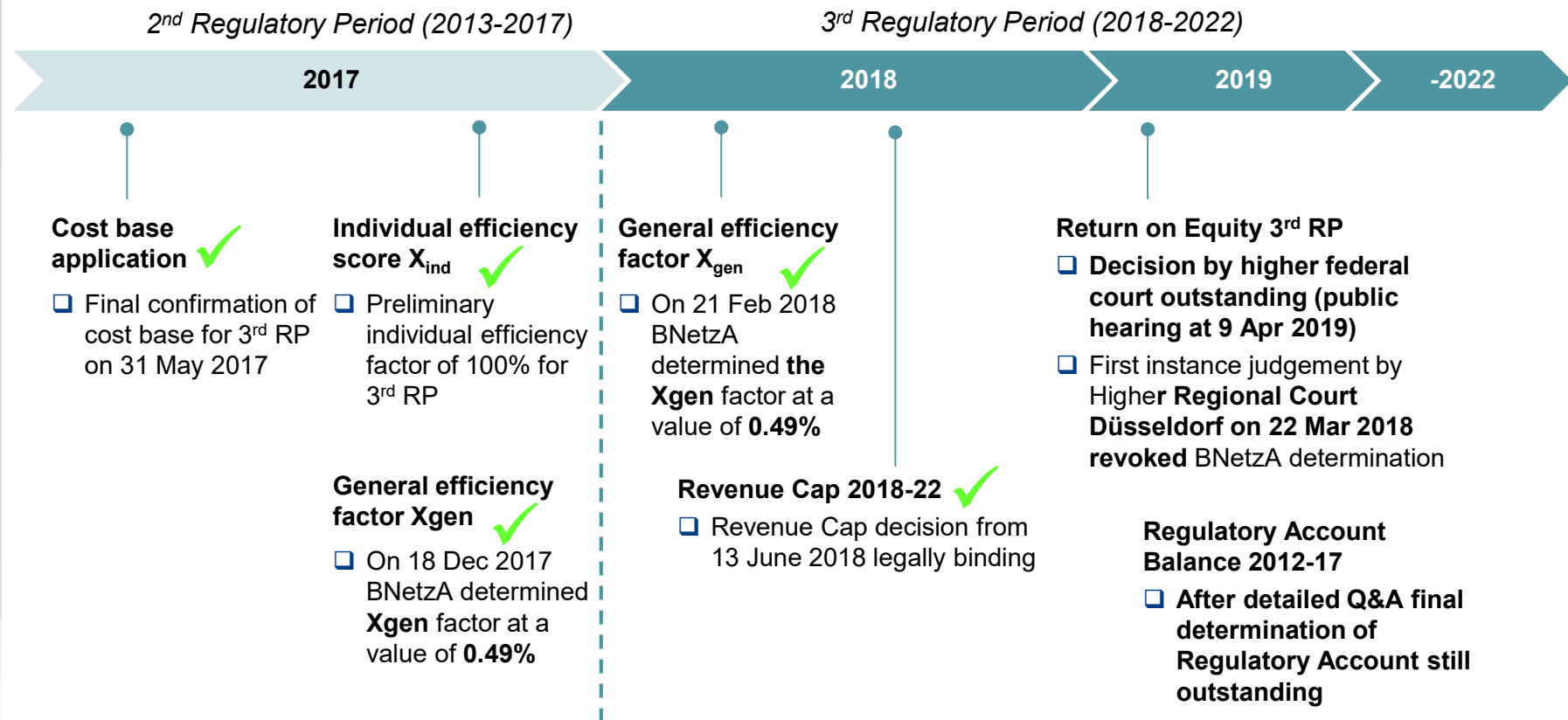
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Financial Performance

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Outlook

Determination of Key Regulatory Parameters for 3rd RP



Stable & supportive regulatory framework for 3rd Regulatory Period

OGE Share of €2.3bn in Network Development Plan

NDP well established process

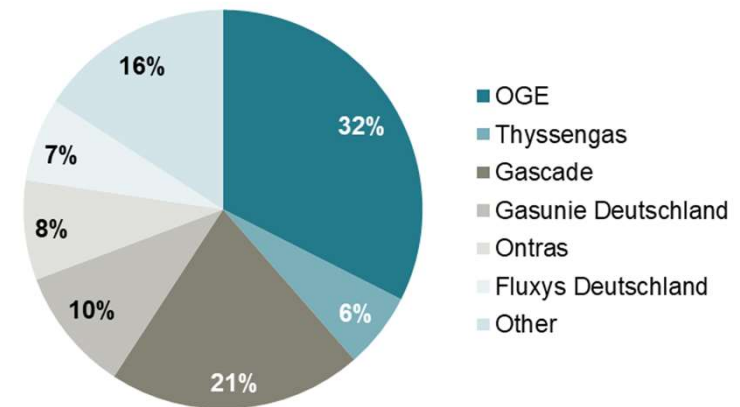
- NDP provides high certainty to TSOs regarding investments
- Updated bi-annually following public consultation
- Draft NDP 2018 confirms OGE's NDP 2016 projects

Implications regulatory framework

- Regulatory framework promotes investment measures
- New assets earn imputed cost of capital (imputed equity interest + imputed trade tax) already during construction phase
- Operating expenses are covered in a lump sum approach

Total CAPEX draft NDP 2018: €7.1bn

OGE CAPEX draft NDP 2018: 32% (€2.3bn)



Required investments continuously add to revenue growth!

ZEELINK: The Key to L-/H-Gas Conversion

One of the largest NDP projects

- Connecting key European gas infrastructures e. g. LNG Terminal Zeebrugge, TENP and OGE grid
- Ownership: 75% OGE, 25% Thyssengas
- Prerequisite for L-/H-Gas Conversion
- €0.9bn NDP Budget

Status update

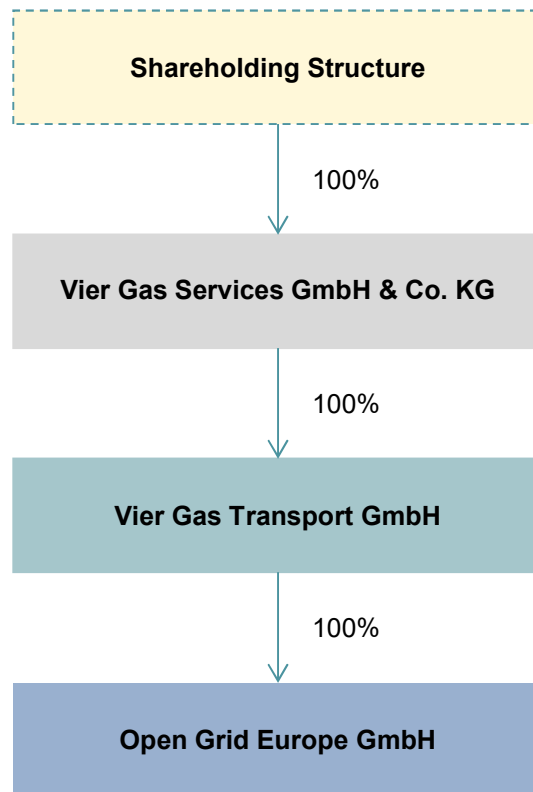
- Two out of three plan approval orders received
- Preparatory construction activities e. g. lumbering ongoing
- Construction to start April 2019
- Commissioning date 2021



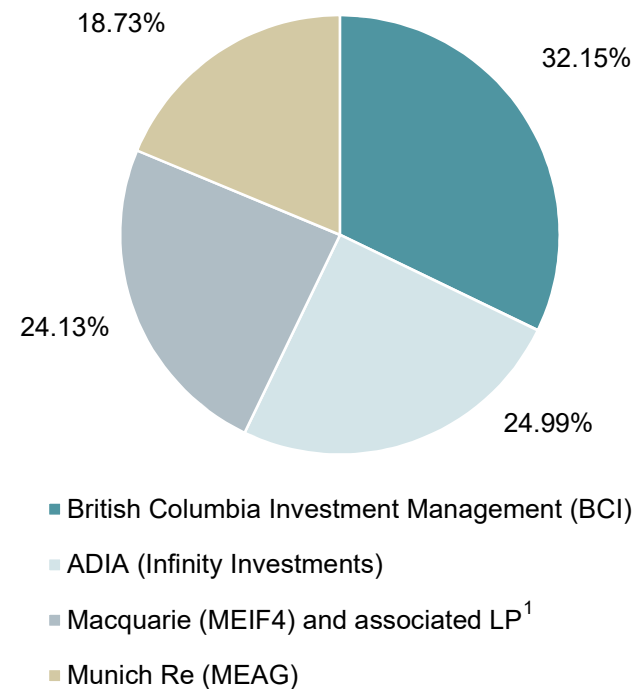
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Group Ownership Structure: Experienced Long-Term Investors

Simplified Group Structure

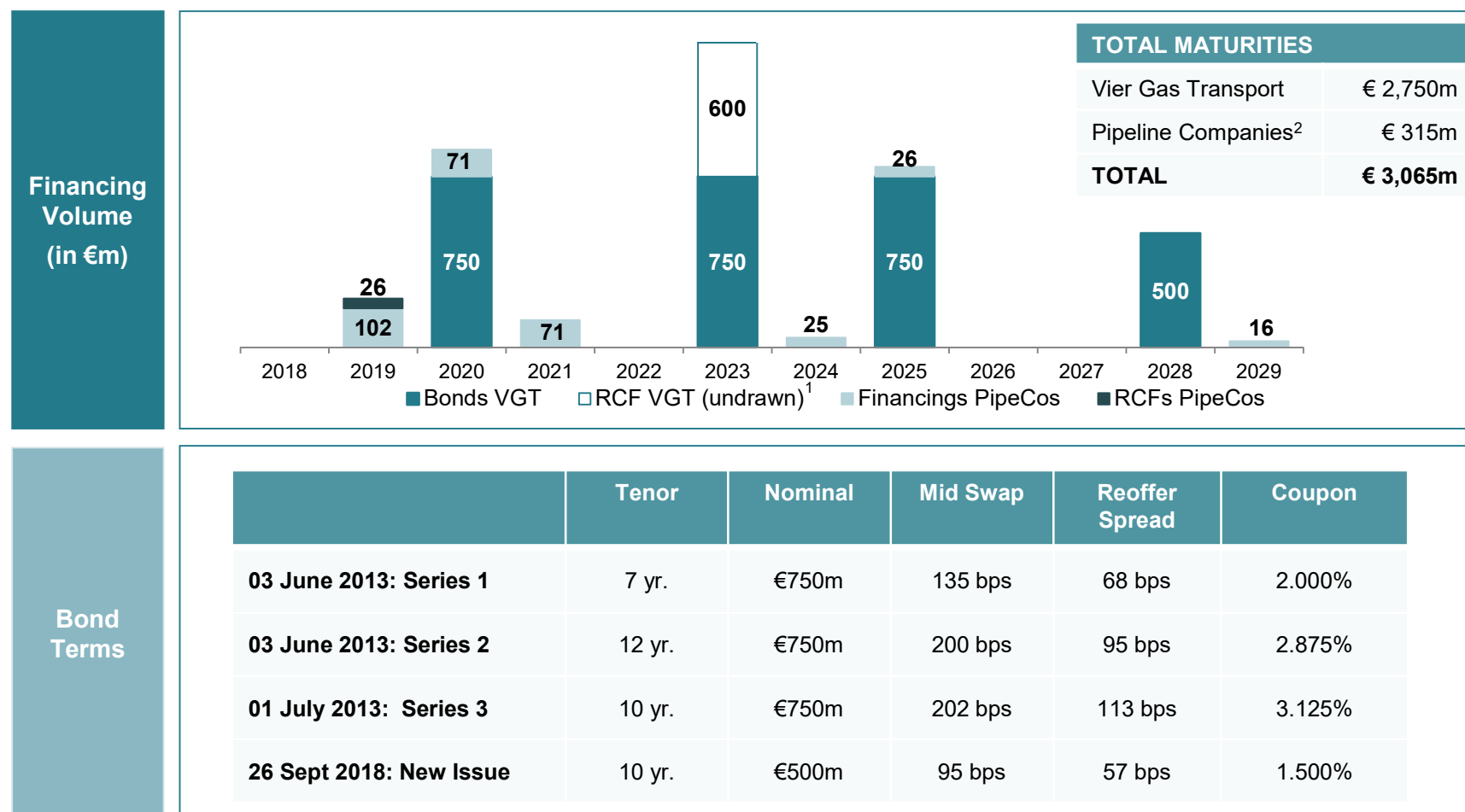


Shareholder Composition



¹ 97.7% MEIF4 and 2.3% Halifax Regional Municipality Master Trust

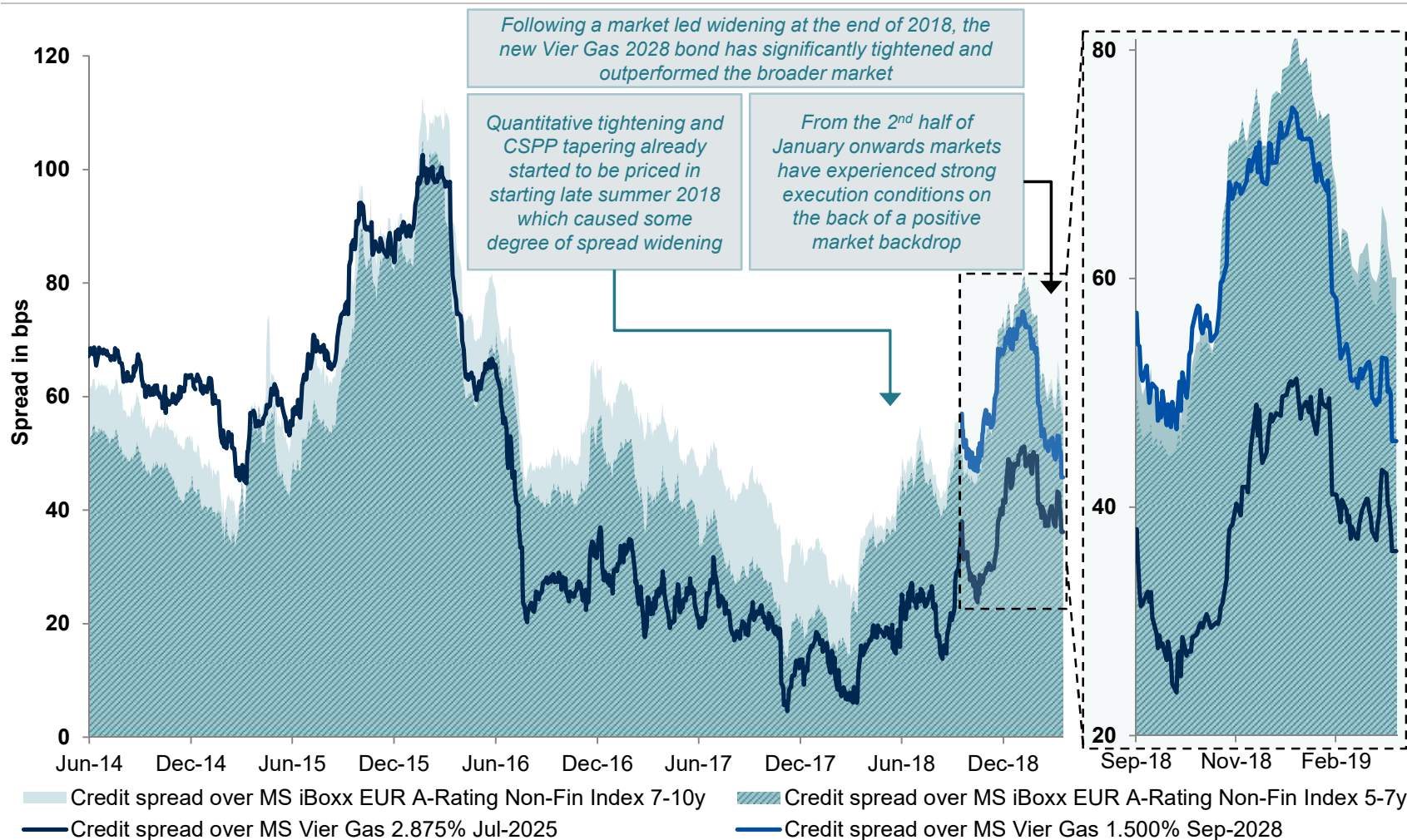
Well-Balanced Maturity Profile of Vier Gas Group (as of 31-12-2018)




¹ €1.5m reserved for guarantees

² Pro-rata share (51%) / Financings include term loans, Schuldschein loan agreements ("Schuldscheindarlehen"), registered bonds ("Namensschuldverschreibungen") and drawings under committed/uncommitted credit facilities

Vier Gas Bonds Clearly Outperforming Benchmark



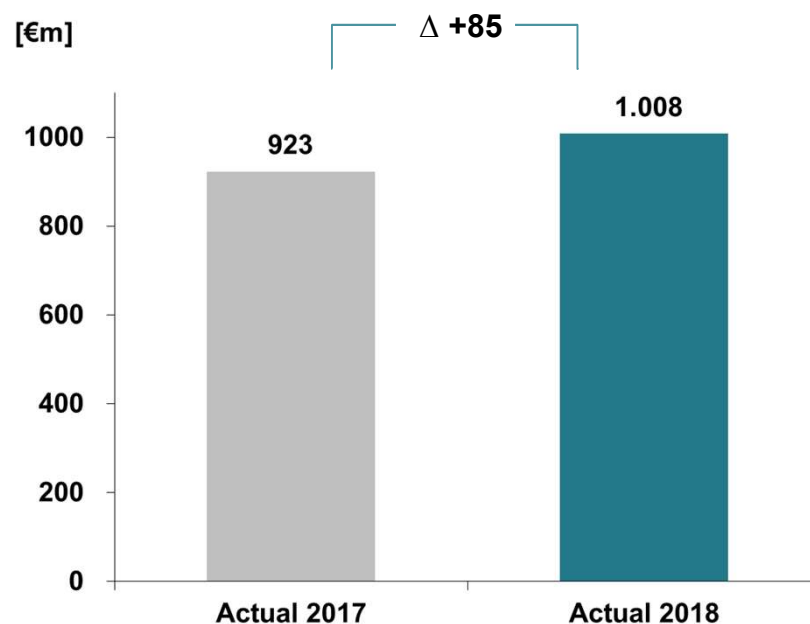
Source: Bloomberg (18-03-2019), Markit

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Transport Revenues 2018 Significantly above Prior Year

IFRS Consolidated Financial Statements Vier Gas Transport

Total Revenues



Higher transport revenues (+€81m)

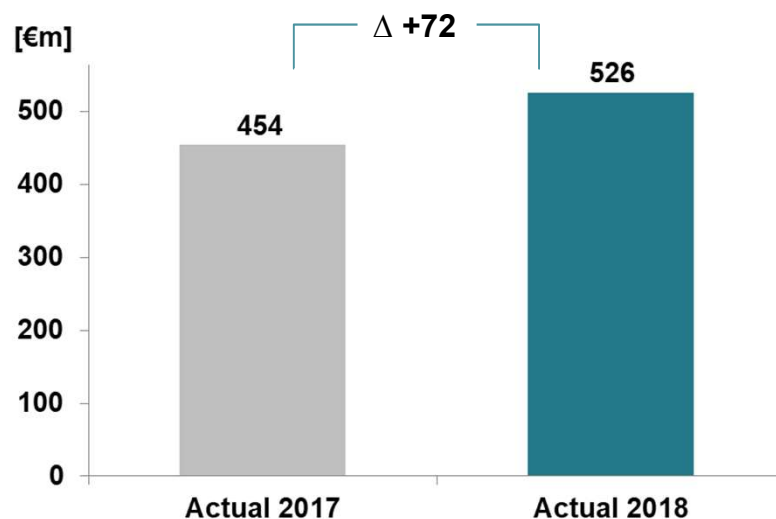
- Higher capacity bookings than anticipated
- Both years affected by volume deviations
 - Excess revenues in 2018
 - Revenue shortfall in 2017

Service revenues slightly above prior year level

Strong EBITDA Performance in 2018 at €526m

IFRS Consolidated Financial Statements Vier Gas Transport

EBITDA



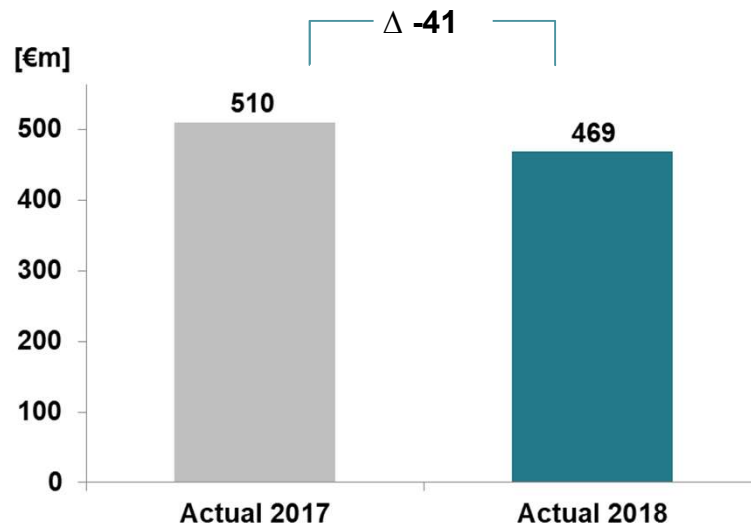
Main EBITDA Drivers vs. 2017:

- Higher transport revenues (+€81m),
(regulatory account effect of €64m)
- Lower costs of materials (+€4m)
 - *Mainly lower maintenance expenses*
- Slightly increased personnel expenses (-€4m)
- Lower other operating income (-€7m)

**Expected excess revenues 2018 of €64m
to be settled in 2020-2022**

CAPEX 2018 Driven by NDP Projects

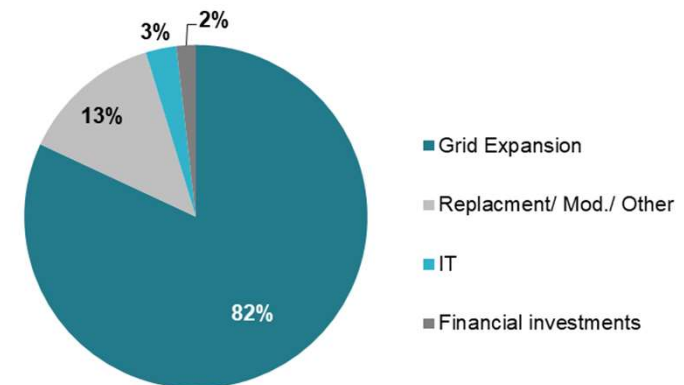
CAPEX



CAPEX Overview 2018

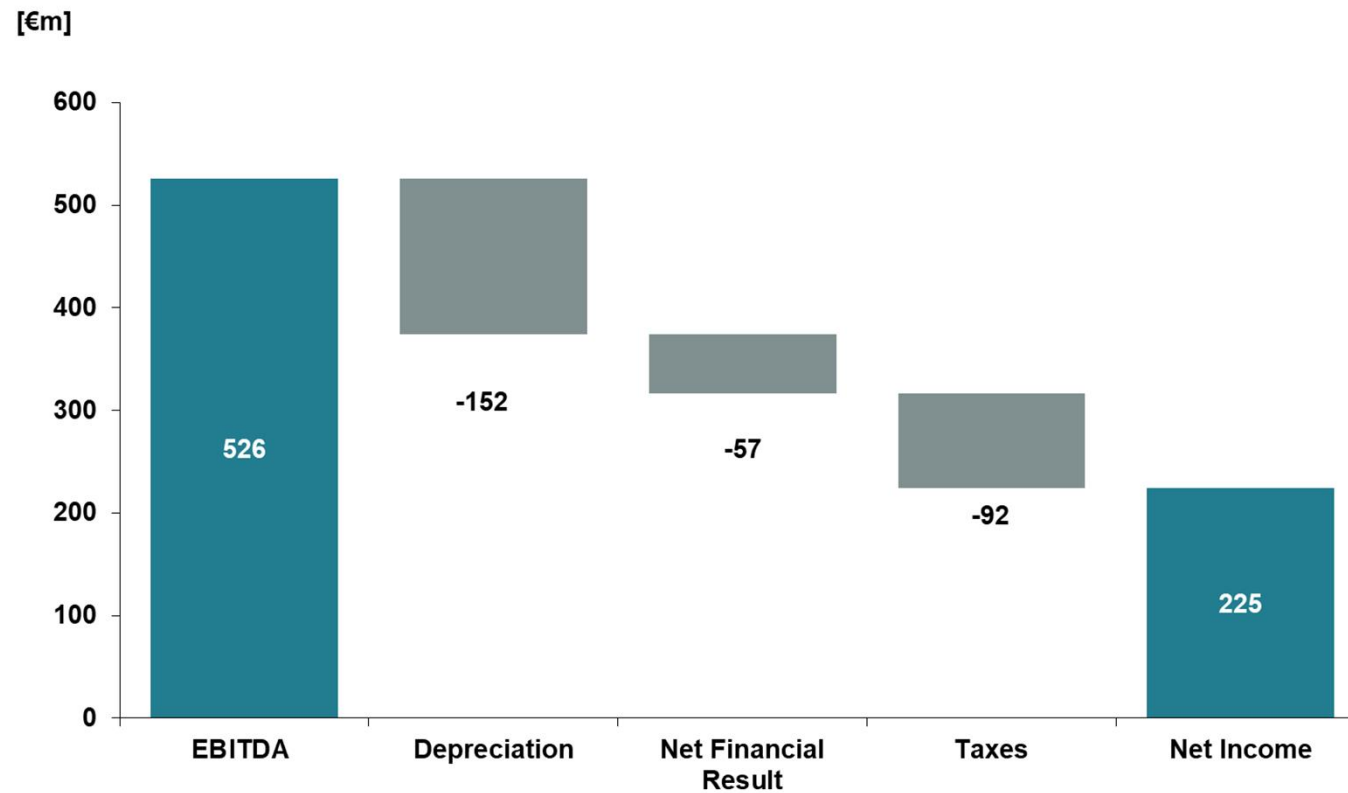
■ OGE Pipelines	€166m
■ OGE Compressor Stations	€105m
■ Pipeline Companies	€119m
■ Gas control, metering stations & other	€ 57m
■ IT	€ 13m
■ Financial investments	€ 9m

CAPEX by Category




Net Income 2018

IFRS Consolidated Financial Statements Vier Gas Transport



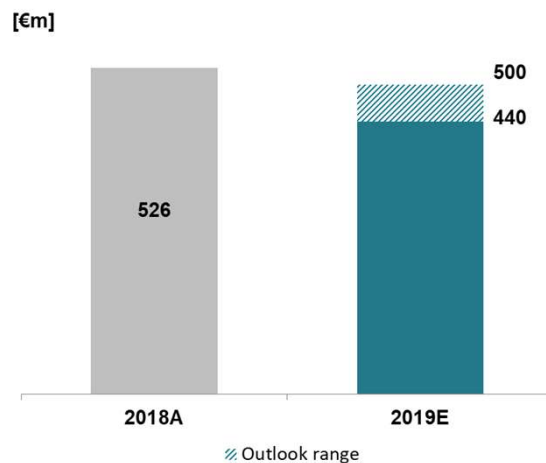
Note: Aggregated figures may contain rounding differences

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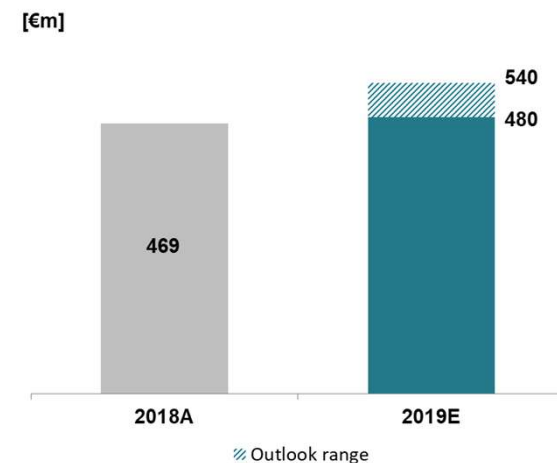
Outlook: Predictable Returns and Organic Growth

2019 and beyond

EBITDA slightly below 2018



CAPEX above 2018



- Another year of strong EBITDA performance expected for 2019
- Execution of substantial CAPEX programme ongoing

Treasury Contacts & Ongoing Investor Engagement

Contacts



Axel Berndt

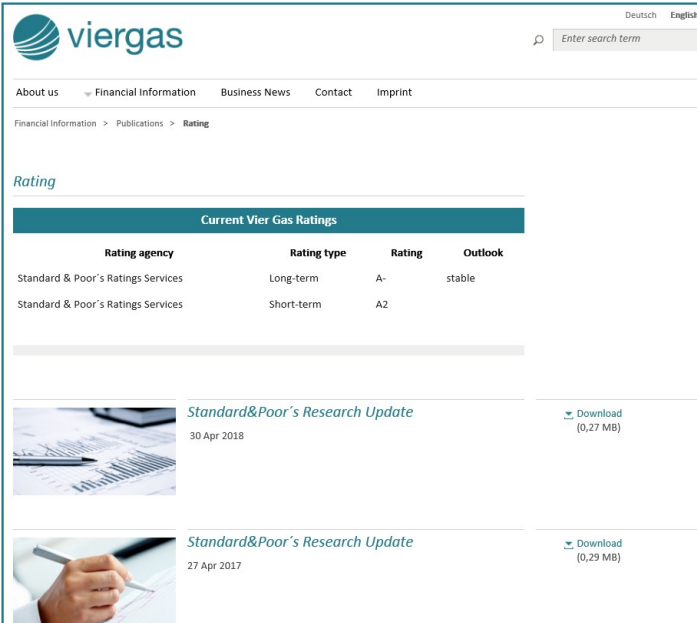
Head of Finance, Accounting & Tax



Sebastian Brauer

Head of Corporate Finance & Treasury

Viergas Website



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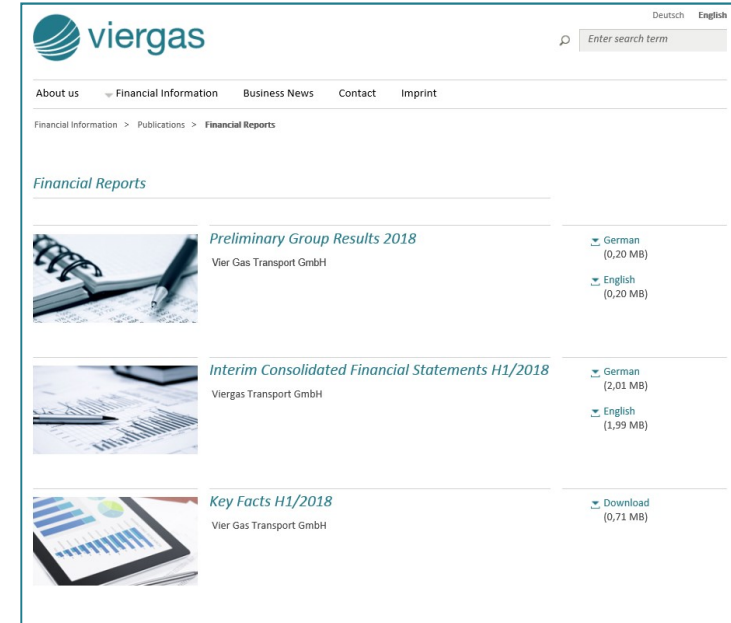
Rating

Rating agency	Rating type	Rating	Outlook
Standard & Poor's Ratings Services	Long-term	A-	stable
Standard & Poor's Ratings Services	Short-term	A2	

Current Vier Gas Ratings

Standard&Poor's Research Update
30 Apr 2018
Download (0,27 MB)

Standard&Poor's Research Update
27 Apr 2017
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Financial Reports

Preliminary Group Results 2018
Vier Gas Transport GmbH
German (0,20 MB)
English (0,20 MB)

Interim Consolidated Financial Statements H1/2018
Viergas Transport GmbH
German (2,01 MB)
English (1,99 MB)

Key Facts H1/2018
Vier Gas Transport GmbH
Download (0,71 MB)

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Appendix:

Financial Statements 2018

VGT Group Income Statement 2018

IFRS Consolidated Financial Statements Vier Gas Transport

[€m]	2018	2017	Δ
Transport revenues	884	803	+81
Other revenues	125	120	+5
Total revenues	1.008	923	+85
Other income	45	52	-7
Cost of materials	-294	-297	+4
Personnel costs	-161	-158	-4
Other expenses	-83	-82	-1
Equity income	11	15	-5
EBITDA	526	454	+72
Depreciation	-152	-155	+3
EBIT	374	299	+75
Net financial result*	-57	-70	+12
Current taxes	-98	-74	-24
Deferred taxes	6	4	+2
Net Income	225	159	+66

* Equity income included in EBITDA

Note: Aggregated figures may contain rounding differences

VGT Group Balance Sheet 2018

IFRS Consolidated Financial Statements Vier Gas Transport

[€m]	Assets		
	Q4 2018	Q4 2017	Δ
Non-current assets			
Intangible assets	47	42	+5
Goodwill	830	830	+0
Property, plant and equipment	3.638	3.346	+292
Financial assets	145	154	-8
<i>at equity method</i>	113	121	-8
<i>other financial assets</i>	33	33	+0
Deferred tax assets	24	27	-3
Non-current receivables	38	40	-2
Total non-current assets	4.724	4.439	+285
Current assets			
Inventories	39	30	+9
Trade receivables	36	34	+2
Receivables from tax creditors	14	14	+1
Other receivables	46	37	+9
Liquid funds	412	106	+305
Total current assets	547	221	+326
Total	5.271	4.660	+611

Equity and Liabilities			
	Q4 2018	Q4 2017	Δ
Equity			
Subscribed capital	0	0	+0
Additional paid-in capital	926	926	+0
Retained earnings	254	140	+114
Accumulated OCI	-1	-2	+1
Total equity	1.179	1.064	+115
Non-current liabilities			
Provisions for pensions	111	130	-19
Other provisions	96	93	+3
Financial liabilities	3.014	2.553	+461
Other non-current liabilities	30	29	+1
Deferred tax liabilities	477	493	-15
Total non-current liabilities	3.729	3.298	+431
Current liabilities			
Other provisions	46	34	+12
Financial liabilities	95	108	-14
Trade payables	92	82	+11
Income tax liabilities	0	0	+0
Other liabilities	130	74	+56
Total current liabilities	363	298	+65
Total	5.271	4.660	+611

Note: Aggregated figures may contain rounding differences

VGT Group Cash Flow Statement 2018

IFRS Consolidated Financial Statements Vier Gas Transport

[€m]	2018	2017	Δ
Net Income/loss before P&L transfer	225	159	+ 66
Depreciation and amortisation	152	165	- 13
Changes in deferred taxes	-6	-4	- 2
Other (incl. working capital)	96	68	+ 28
Operating Cash Flow	466	388	+ 78
Investing Cash Flow	-514	-434	- 80
Free Cash Flow	-47	-45	- 2
Financing Cash Flow	275	-38	+ 313
Total Cash Flow of the period	228	-83	+ 311
Cash & Cash Equivalents beginning of period (01.01.)	106	189	- 83
Cash & Cash Equivalents end of period (31.12.)	334	106	+ 228

Note: Aggregated figures may contain rounding differences

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