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Head of Business Area Customers & Solutions

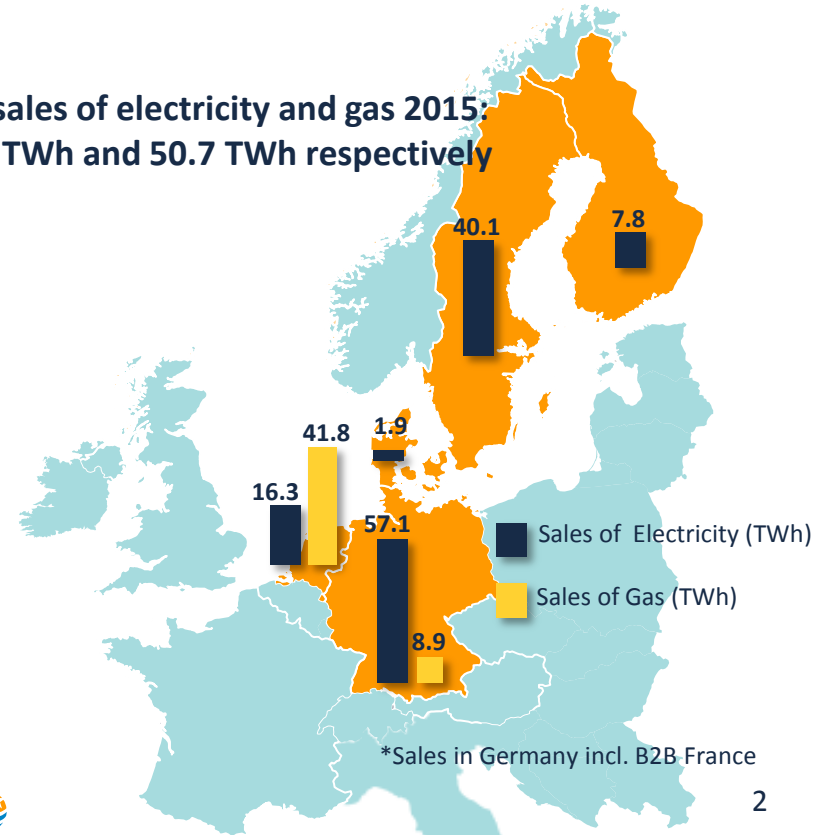
Vattenfall Capital Markets Day, Solna, 19 September 2016

FACTS AND FIGURES – BA C&S

Business Area Customers & Solutions is responsible for sales of electricity, gas and energy services in all of Vattenfall's markets

	2015
External net sales (MSEK)	84,905
EBIT (MSEK)	775
Underlying EBIT (MSEK)	1,390
Investments (MSEK)	331
Number of electricity customers	6,225,000
Number of gas customers	2,062,000
Number of employees (FTE)	~3,200

Total sales of electricity and gas 2015:
123.2 TWh and 50.7 TWh respectively



KEY ACHIEVEMENTS – BA C&S

Our customer base is growing and increasingly promoting Vattenfall

Key achievements until Q2 2016:

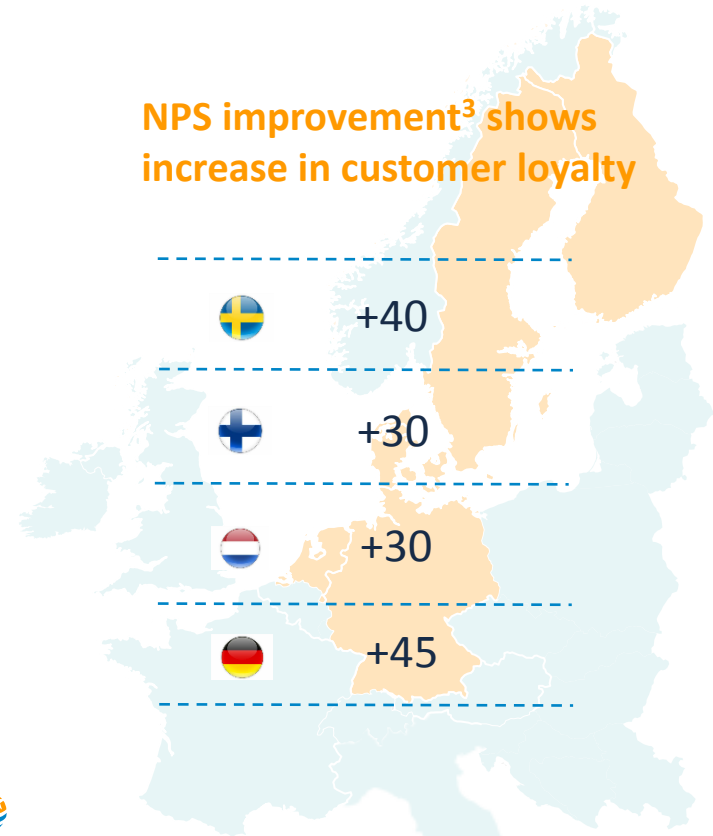
- **+232,000**¹ contracts
- Lowered CTS with **17%**²
- Further development **ALLTID** flatrate concept for the young target group (SE)
- Launch first EU online sharing platform for energy called **Powerpeers** (NL)
- Soft launch mobile only product called **ENPURE** (DE)

1) growth in customer base, from 1 January 2015 to 30 June 2016

2) comparing H1 2016 to 2014

3) NPS improvement (B2C) 2011 to June 2016

NPS improvement³ shows increase in customer loyalty



A LEADING CUSTOMER COMPANY



FAIR

“A leading customer company supplying a wide range of energy solutions and services to private and business customers”



EASY

1. GROW AND SECURE PROFITABILITY OF CURRENT BUSINESS

Provide our customers with good energy products and services. Secure a strong financial performance through retention focus with a market-based commodity strategy, grow in new markets and lower cost-to-serve.

2. BECOME A SOLUTION PROVIDER

Our solutions will make life or business easier for our customers and we will, over time, grow together with our customers and in cooperation with partners into becoming a solution provider.

CUSTOMER EXPERIENCE OPTIMISATION

Enhance customer journeys and accelerate digital capabilities



SUSTAINABLE



ENGAGED

SECURE AND INCREASE PROFITABILITY OF CURRENT SALES BUSINESS

Secure a strong financial performance with market-based commodity strategy, balancing volumes and Gross Margin, enhance NPS, grow in new markets and lower cost-to-serve

Focus on emotional experience

Our focus is on designing customer journeys, not internal processes. All our managers have direct customer contact every month. We measure our customers' loyalty by measuring NPS. We act on our customers' feedback and always close the feedback loop with our customers.



Grow our customer base

We continue to grow our customer base organically in our existing markets as well as participate in consolidation opportunities when they arise. We actively explore acquisition opportunities in new markets such as Denmark, Norway, France and the UK.



Reduce cost to serve

We continue to reduce the cost to serve by digitalising parts of the daily operations, optimising the IT landscape and executing cost optimisation programmes such as the outsourcing of customer services in Germany.



Accelerate digital transformation

We accelerate the digital transformation by increasing our digital capabilities, developing fully digital offerings and making the next step in agile way of working.



Develop, scale & bundle products

We develop and scale new solutions and aim to bundle these with our commodity contracts. We develop decentralised solutions, in cooperation with partners and tailored to local market situations.



Grow second sales platforms







We grow the second sales platforms introduced in 2016 in our three core markets: powerpeers (NL), Alltid.se (SWE) and Enpure (GER). These platforms operate in competition with our current platforms, in order to cater for different customer segments as well as actively test new business and service models



BECOME A SOLUTION PROVIDER

Becoming a solution provider is a gradual process.
We play a leading role towards sustainable consumption...

... and proof points* show that we are delivering on the strategy

	 Germany	 Netherlands	 Sweden
E-mobility	Charging solutions for home, business and cities with differentiated services		
			Bus charging solutions
Smart & de-centralised solutions	<ol style="list-style-type: none"> 1. Vattenfall Smart Home 2. Solar PV plus battery storage partnership (<i>exploration</i>) 3. Heat pumps 	<ol style="list-style-type: none"> 1. Smart meter insights and alerts 2. Solar PV buy & lease 3. Smart thermostats, incl. data insight and alerts 4. Heat Pumps 	<ol style="list-style-type: none"> 1. Smart service concepts (<i>Smart Church & Smart Summer House</i>) 2. Heat pumps and Solar PV 3. Smart Solutions combining Smart Temp, EnergyWatch and Smart Plugs
Innovative Business Models			

- **6.000** E-mobility charging points sold
- **73.000** Smart Home solutions
- **22.000** Decentralised energy systems
- **600.000** Decentralised heating systems

*Based on # units sold from the beginning that a product was introduced to the market

We develop and scale new solutions and aim to bundle these - as much as possible - with our commodity contracts

LEADING POSITION IN ALL MAIN MARKETS



Sweden

- Fragmented market with ~170 suppliers
- Vattenfall #1



Finland

- Highly fragmented market with ~70 suppliers
- New entrant in local areas
- Vattenfall #3, a Challenger position



Netherlands

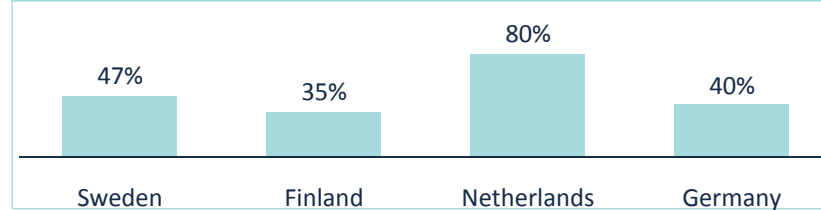
- Relatively concentrated market with ~47 suppliers, of which three incumbents
- Vattenfall #1 (Nuon brand)



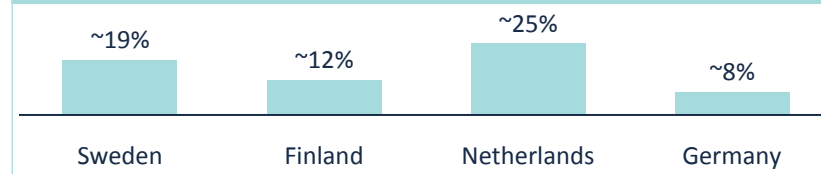
Germany

- Fragmented market with ~400 suppliers, of which four integrated incumbents.
- Vattenfall #1 in Berlin and Hamburg.
- Vattenfall #4 nation wide. Challenger position in Germany outside of Berlin and Hamburg.

Top 3 Market Share – Retail customers



Market share Vattenfall – Retail customers



Market share Vattenfall – Business customers

