



Source: eurosport.de

MONTEL AUSTRIAN ENERGY DAY 2024 | HOW TO OPTIMIZE YOUR PROCUREMENT STRATEGY? | JENS BERGMANN | SEP 25, 2024



KNAUF

How to optimize your procurement strategy?

*Montel Austrian Energy Day, Vienna
September 25, 2024*

MONTEL GROUP
- at the forefront of energy markets

Build on us.



1

Knauf Group

A regional overview of (some of the) energy-intensive products.

Knauf Group

Overview

present in

90

countries
on all continents

over

300

plants
worldwide

Energy Consumption

Natural Gas: 22 TWh (>1.25 million households)

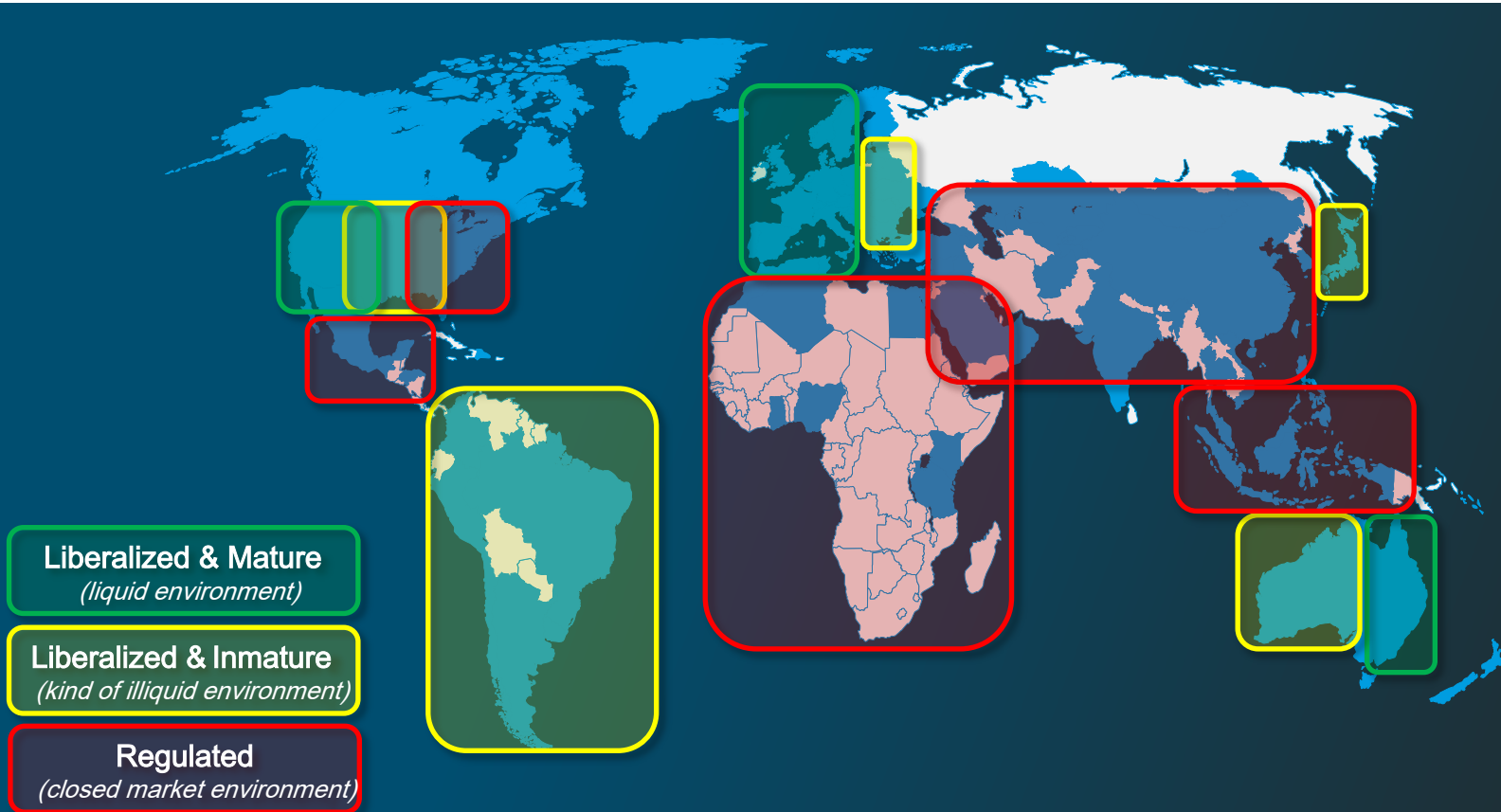
Electricity: 4 TWh (>1.15 million households)

As of 2024

KNAUF

In which energy markets can we optimize our energy pro

Overview



In which energy markets can we optimize our energy pro

Amvverview

Liberalized & Mature

(liquid environment)



- Large number of suppliers available, tenders & negotiations possible
- Time horizon for hedging activities: several years
- Type of hedging: buy & sell, buy-only or fixed price

Liberalized & Inmature

(kind of illiquid environment)



- Small number of potential suppliers available, tenders possible
- Limited time horizon for hedging activities: illiquid energy market
- Type of hedging: buy-only or fixed price

Regulated

(closed market environment)



- State regulated, no competition, no tenders.
- Almost no optimization options for energy portfolios: fixed price
- Regional tenders may be possible: e.g. LNG or LPG deliveries.

In which energy markets can we optimize our energy pro

Optimization potential.

Liberalized & Mature

(liquid environment)



“Hell yeah!”



Liberalized & Inmature

(kind of illiquid environment)



Possible, but with restrictions.

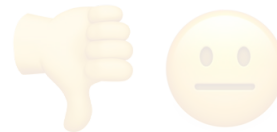


Regulated

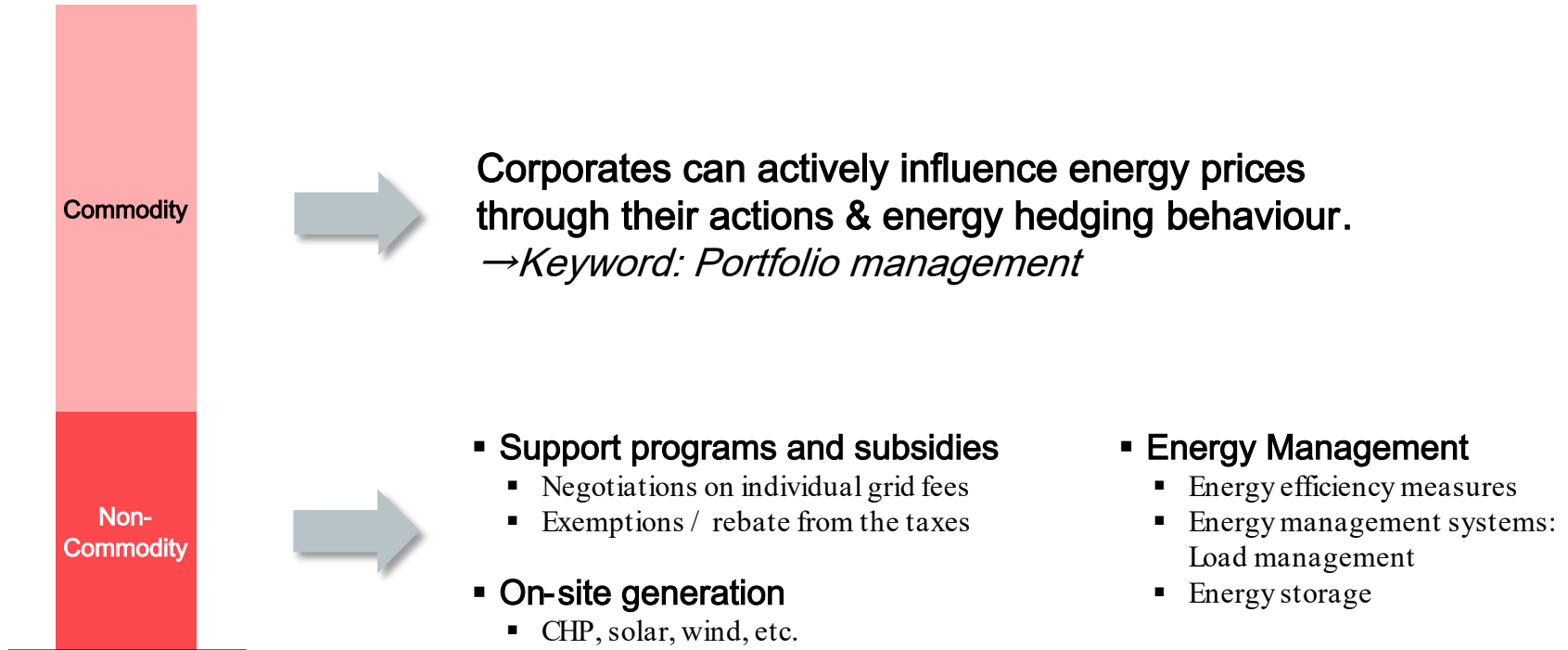
(closed market environment)



Small to none.



Which components of our energy costs can we optimize

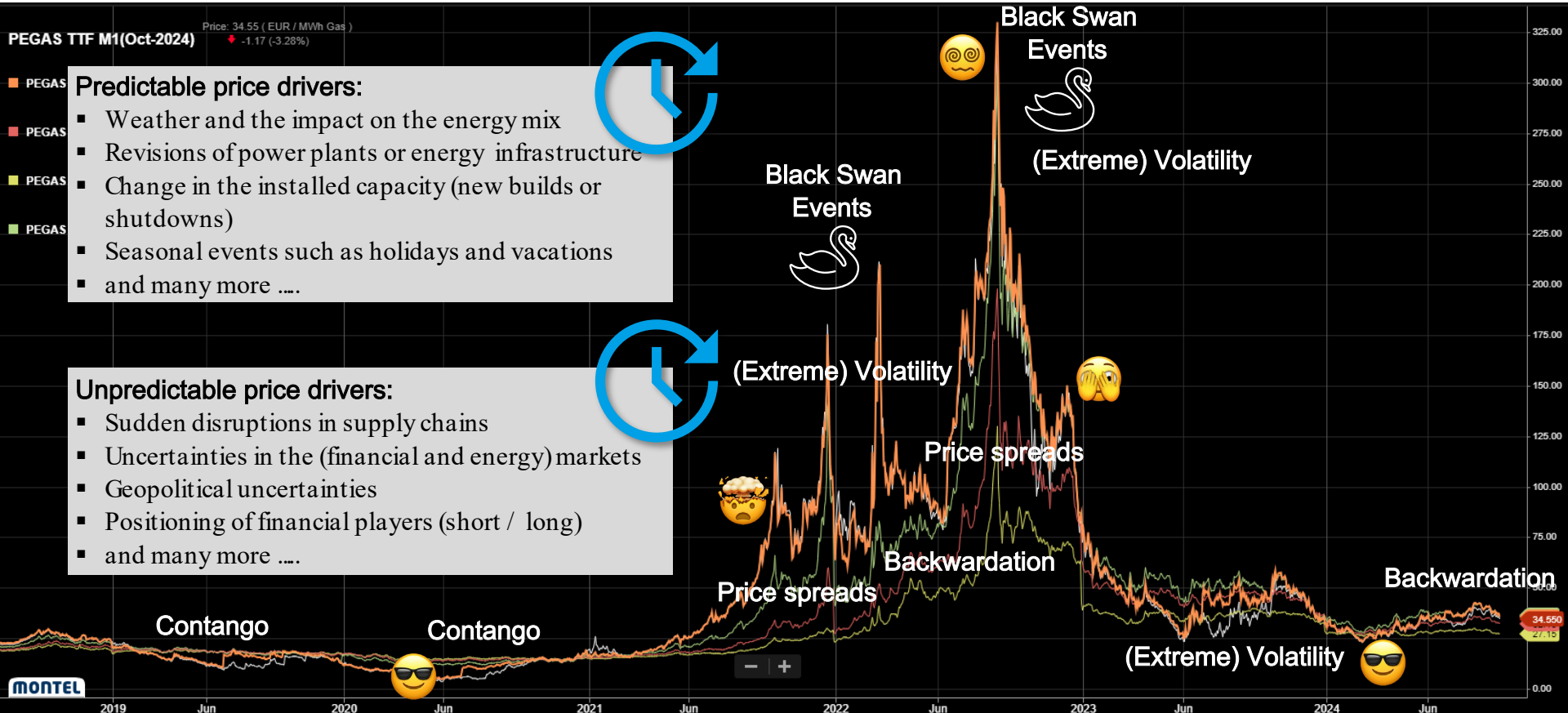


What influences energy prices?

Commodity



What influences energy prices and our hedging decisions



How do I best maneuver my energy portfolio through this market?



How do I best maneuver my energy portfolio through this

“Do I want to actively participate in this energy market and actively manage my portfolio?”

If you can answer this question with “Yes!”, then...

“How accurate is my own data? Do I know the expected consumption of my plants for the coming years? If there are changes, how will I be informed in good time?”

“Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?”

“Can I make decisions independently on my own or do I have to wait for the “Go!” from my management? If so, how long does the answer take?”

“How do I keep my stakeholders informed in the best possible way without overloading them with a flood of data?”

“Is selling positions an option for me? If so, how often do I sell? Am I a trader?”

“How do I deal with open unhedged volumes? Is spot / uncertainty an option?”

“How risk-averse is my company? In which business environment does the business operate?”

“Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?”

“What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci-Retracements, Elliott Waves, etc.”

“What are my KPIs within the company? Am I budget or market driven?”

“How do I deal with different mindsets in different business units? After all, energy costs are their P/L and not yours.”

“How far in advance do I want to hedge? One year? 3, 4 or 5 years?”

... and many more.

How do I best maneuver my energy portfolio through this

“Do I want to actively participate in this energy market and actively manage my portfolio?”

If you can answer this question with “Yes!”, then...

“How accurate is my own data? Do I know the expected consumption of my plants for the coming years? If there are changes, how will I be informed in good time?”

“Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?”

Knowledge & Experience

“Can I make decisions independently on my own or do I have to wait for the “Go!” from my management? If so, how long does the answer take?”

“Is selling positions an option for me? If so, how often do I sell? Am I a trader?”

“Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?”

“How do I deal with open unhedged volumes? Is spot / uncertainty an option?”

“What are my KPIs within the company? Am I budget or market driven?”

“What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci-Retracements, Elliott Waves, etc.”

“How do I deal with different mindsets in different business units? After all, energy costs are their P/L and not yours.”

“How far in advance do I want to hedge? One year? 3, 4 or 5 years?”

... and many more.

KNAUF

How do I best maneuver my energy portfolio through this

“Do I want to actively participate in this energy market and actively manage my portfolio?”

If you can answer this question with “Yes!”, then...

“How accurate is my own data? Do I know the expected consumption of my plants for the coming years? If there are changes, how will I be informed in good time?”

“Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?”

“Can I make decisions independently on my own or do I have to wait for the “Go!” from my management? If so, how long does the answer take?”

“How do I keep my stakeholders informed in the best possible way without overloading them with a flood of data?”

“Is selling positions an option for me? If not, how do I sell? Am I a trader?”

“Would I rather hedge step by step or do I want to put all my eggs in one basket? What is my target hedge?”

“How do I deal with open unhedged volumes? Is spot / uncertainty an option?”

“How risk-averse is my company? In which business environment does the business operate?”

“What are my KPIs within the company? Am I budget or market driven?”

“What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci-Retracements, Elliott Waves, etc.”

“How do I deal with different mindsets in different business units? After all, energy costs are their P/L and not yours.”

“How far in advance do I want to hedge? One year? 3, 4 or 5 years?”

RASI & Communication

... and many more.

KNAUF

How do I best maneuver my energy portfolio through this

“Do I want to actively participate in this energy market and actively manage my portfolio?”

If you can answer this question with “Yes!”, then...

“How accurate is my own data? Do I know the expected consumption of my plants for the coming years? If there are changes, how will I be informed in good time?”

“Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?”

“How do I keep my stakeholders informed in the best possible way without overloading them with a flood of data?”

“Is selling positions an option for me? If so, how often do I sell? Am I a trader?”

“Can I make decisions independently on my own or do I have to wait for the “Go!” from my management? If so, how long does the answer take?”

“How risk-averse is my company? In which business environment does the business operate?”

“Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?”

Business Environment & Data

“How do I deal with open unhedged volumes? Is spot / contract an option?”

“What are my KPIs within the company? Am I budget or market driven?”

“What price signals do I follow? Bollinger Bands, Moving Average, RSI, MACD, Fibonacci-Retracement, Elliott Wave?”

“How do I deal with different mindsets in different business units? After all, energy costs are their P/L and not yours.”

“How far in advance do I want to hedge? One year? 3, 4 or 5 years?”

... and many more.

KNAUF

Knowledge & Experience

“Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?”

“Is selling positions an option for me? If so, how often do I sell? Am I a trader?”

“Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?”

“What are my KPIs within the company? Am I budget or market driven?”

“How far in advance do I want to hedge? One year? 3, 4 or 5 years?”

“How do I deal with open unhedged volumes? Is spot / uncertainty an option?”

“What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc.”

Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"



"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."

- Successfully managing a (global) energy portfolio **requires experience**, the necessary **time** and, above all, **knowledge**.
- If one of these prerequisites is missing, there are two options:
 1. **Internal:** Build a team and bundle everything internally.
 2. **External:** Make use of external know-how.



Internal

VS.



External

Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



- Energy prices never move in just one direction.
- Why limit to just one instrument? Buy-only.
- **It must be 100% clear to all those responsible** that selling of positions is always associated with risk (but also with chance):
 - **The portfolio gets exposed to volatile market prices!**

Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



We have to accept that we cannot predict the future.

Key word: Risk diversification



Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



- There is no holy “Energy Portfolio-KPI”-benchmark, as there is a wide range of possible comparisons.
- **Possible variants:** SMA (Monkey Hedge), spot price, last trade before physical delivery, budget, previous year's performance

Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

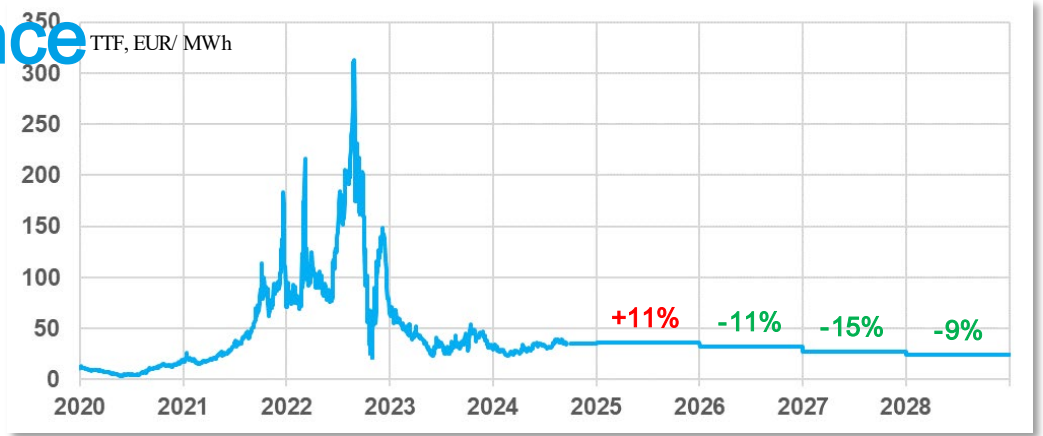
"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



- Markets have been in **backwardation** for a long time. Do I want to hedge this **"discount"** ?
 - If we have a "buy-only" portfolio, the question is how much do we want to log in? After all, we can no longer sell it if prices fall.
- **Making sure that the contractual framework is in place to be able to act accordingly in the forward curve.**

Knowledge & Experier

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

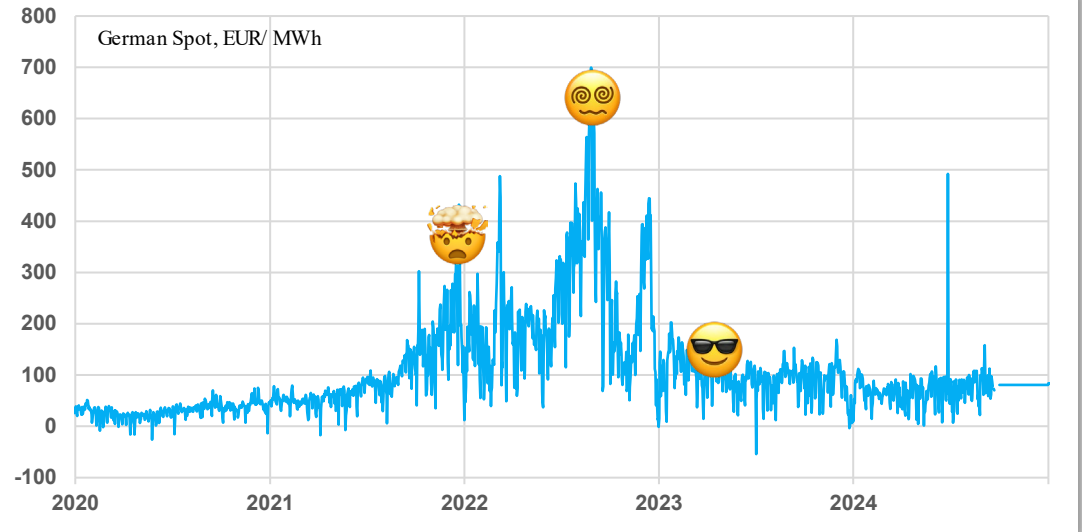
"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



- **Not hedging is also a decision that has its place.**
- We have to be 100% aware that with an open position we are exposed to the volatility of the spot market.
 - **Exposed to spot can be good but also bad.**
- It also depends on the **volume restrictions in the contract.**

Knowledge & Experience

"Do I have enough knowledge and experience internally to successfully manage my energy portfolio myself or do I need to get external support for this?"

"Is selling positions an option for me? If so, how often do I sell? Am I a trader?"

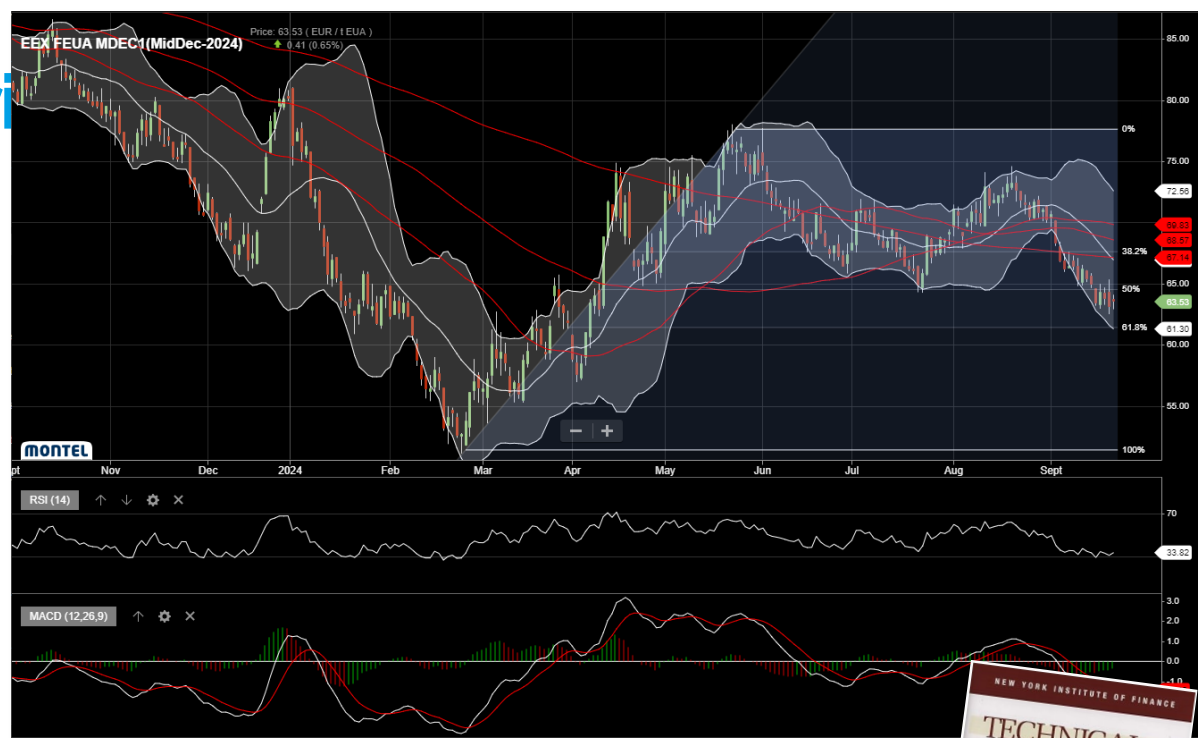
"Would I rather hedge step by step or do I want to put all my eggs in one basket and hedge 100%?"

"What are my KPIs within the company? Am I budget or market driven?"

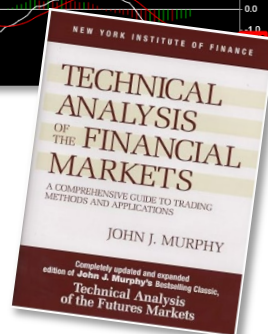
"How far in advance do I want to hedge? One year? 3, 4 or 5 years?"

"How do I deal with open unhedged volumes? Is spot / uncertainty an option?"

"What price signals do I follow? Bollinger Bands, Moving Averages, RSI, MACD, Fibonacci Retracements, Elliott Waves, etc."



- **Technical analysis can be a powerful tool** (if little other information is available).
- **My opinion:**
It is one tool in a big well equipped toolbox.



RASI & Communication

“Can I make decisions independently on my own or do I have to wait for the “Go!” from my management? If so, how long does the answer take?”



“How do I keep my stakeholders informed in the best possible way without overloading them with a flood of data?”

“How do I deal with different mindsets in different business units? After all, energy costs are their P/L and not yours.”

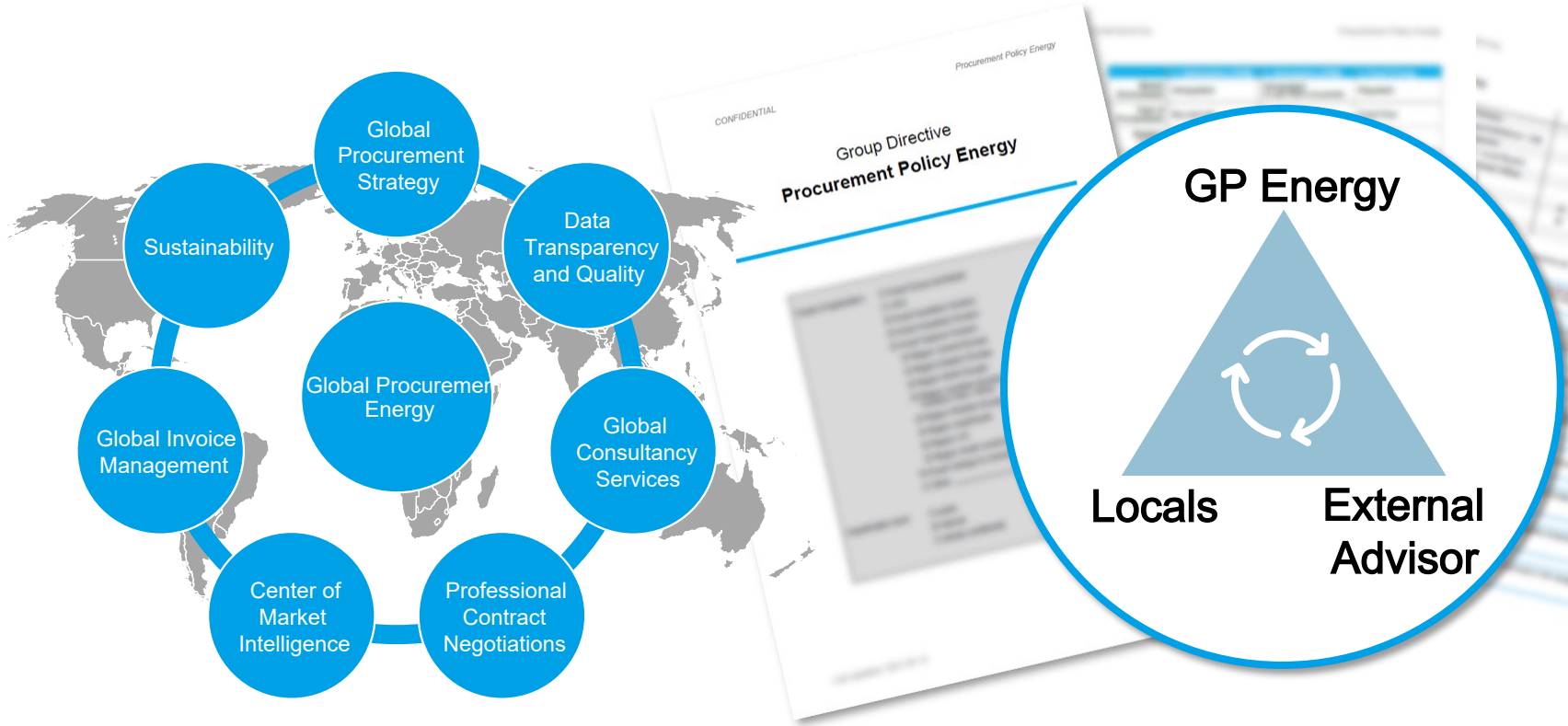
Business Environment & Data

“How accurate is my own data? Do I know the expected consumption of my plants for the coming years? If there are changes, how will I be informed in good time?”

“How risk-averse is my company? In which business environment does the business operate?”

Headline

Subheadline.





Source: eurosport.de



This is YusufDikeç. (alongside his teammate Şevval İlayda Tarhan)
At the 2024 Olympic Games in Paris, he won the
silver medal in the mixed 10 m air pistol event.

Global Energy Procurement Team 1



VS.

Global Energy Procurement Team 2



Both Energy Procurement Teams and their strategies & tools have their right to exist.

Thank You