H1 2017
Delivering step by step

9 August 2017

Delivering step by step ...

Highlights

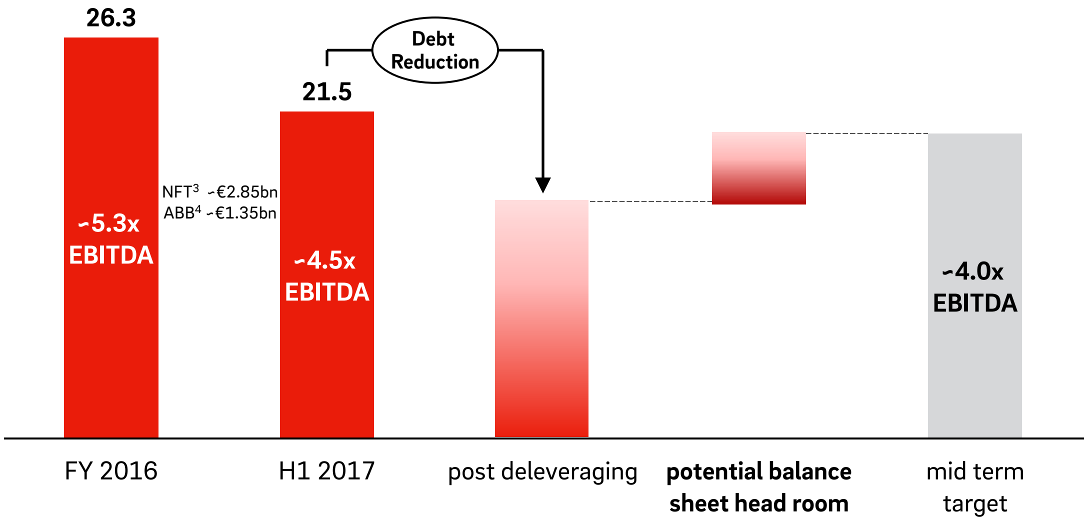
- ✓ Raising payout ratio to a **minimum of 65%**[1] (specification of exact range with FY 2017 results)
- ✓ Striving for **payout ratio in line with peers and absolute dividend growth**
- ✓ Nuclear fuel tax refund paves way to potential over-achievement of leverage target
- ✓ De-risking completed: transfer of ~€10 bn to government fund finalizes KFK solution
- ✓ Strong Q2 2017 results
- ✓ **FY 2017 guidance confirmed**

1. Based on Adjusted Net Income, from FY 2018 (payable in 2019) onwards

Potential over-achievement of deleveraging could create balance sheet head room

Economic net debt

€ bn



Debt reduction measures

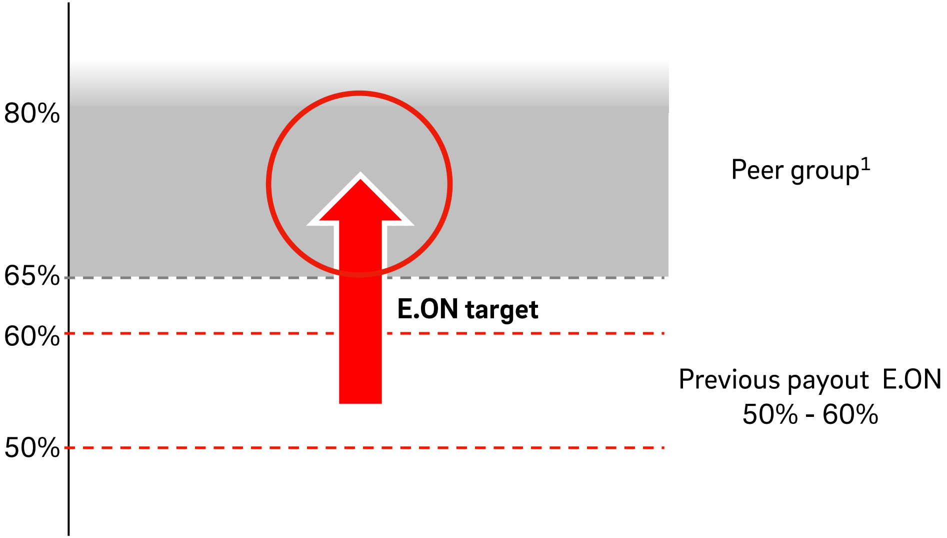
+ Monetization of Uniper shares	~3.1[1]
+ Transfer of NS1[2] into CTA	~1.0
+ Nuc. decommissioning cost savings	~1.0
+ Additional measures (mainly non-core disposals excl. Urenco)	~1.0

✘ **No hybrid issuance necessary**

1. Based on share price of €18.20 (as of August 7, 2017), 2. Nordstream 1 stake, 3. Nuclear Fuel Tax, 4. Accelerated Book Build

Raising payout and striving for dividend growth

Payout ratios by E.ON and peers



Dividend policy:

- Raising payout ratio to a **minimum of 65%**[2]
- Striving for **payout ratio in line with peers**
- Specification of exact range with full year 2017 results
- Targeting **absolute dividend growth** (base year 2017)
- **Strong alignment of management and investors through E.ON Focus**

1. Peer group: Centrica, Enel, EDP, Iberdrola, innogy, SSE, 2. Based on Adjusted Net Income, from FY 2018 (payable in 2019) onwards

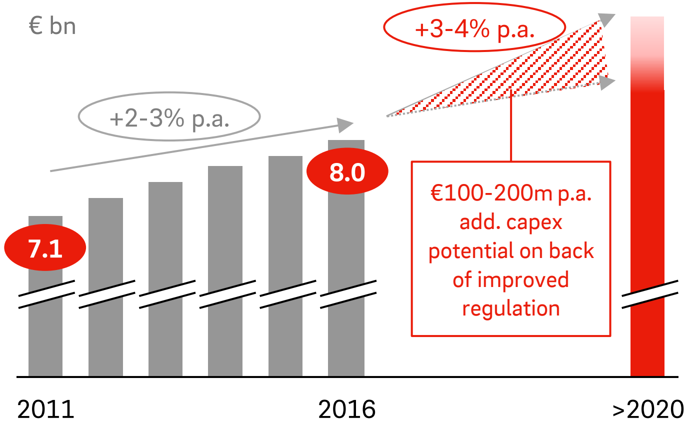
Energy Networks: multi-decade growth

Regulations and mega trends support multi decade growth

- Additional replacement and reinforcement investments
- Renewables build out
- Smart meter roll-out
- E-mobility
- Sector coupling

RAB growth: potential for higher replacement capex on top of continuing network extensions

Example: Power RAB in Germany

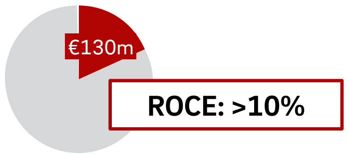


CS: very good progress and growth also from asset-backed solutions

District Heating / B2M

- Strong district heating business in Sweden, Germany, UK with yearly **EBIT of ~€130m**
- Stable and resilient earnings profile often based on **network assets**
- New **€250m capex** project in Högbytorp close to Stockholm to be finalized in 2019; 100 MW CHP plus district heating network extension

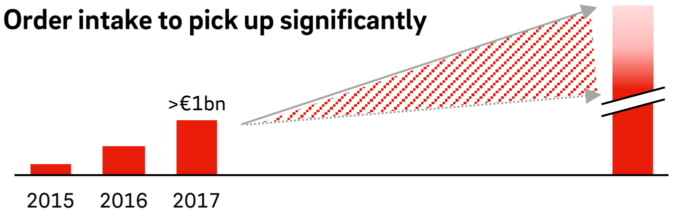
Heat contributes ~20% of Customer Solutions EBIT



Energy Solutions B2B

- Focus on industrial generation (6-120 MW CHPs), on-site generation solutions (small/medium CHPs, PV), energy and CO_2 efficiency and flexibility
- Order intake[1] YTD of ~€0.4bn on track to **double order intake to >€1bn** yoy in 2017

Order intake to pick up significantly



E-Mobility

- **Leading E-Mobility player** in Denmark (**>50% market share**)
- Established strong partnerships (e.g. Clever and Sixt)
- Roll-out of service offerings to other E.ON markets
- Aim for leading role in developing role in developing Europe's charging infrastructure

1. TCV: Total contract value

Renewables: risk & return focus

Focus on PPA and FiT secured pipeline

US onshore

- Safe-harbored **pipeline of > 3,000MW with 100% PTC support**
- New project Stella (201MW) with FID expected in Q3-17
- ~500 MW on track for completion in 2017

Europe onshore

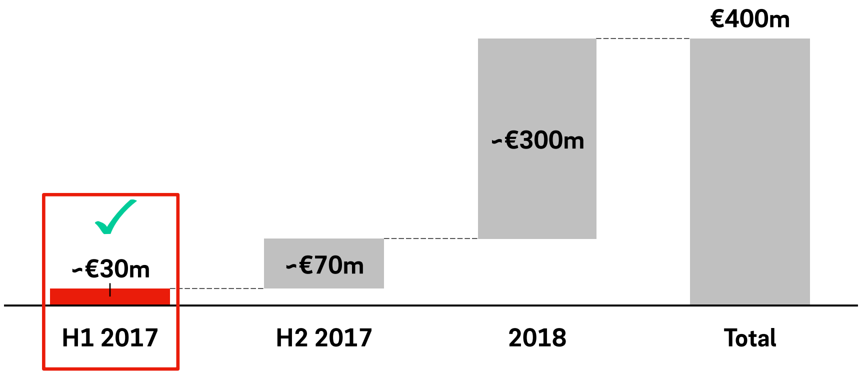
- Opportunistic approach
- Recent example: FID on Morcone in Italy (57 MW, FiT of 66 €/MWh for 20 years)
- Several hundred MW potential (e.g. in Scotland and Sweden)

Offshore

- **Stringent risk & return discipline**
- ~800MW on schedule to be operational in 2018/19

Embedding operational excellence

Phoenix ahead of schedule



- Phoenix targets predominantly central overhead & support functions
- Earlier achievement of Phoenix targets currently expected

Beyond Phoenix

Performance Culture to be sustainably embedded across all functions

- Focus on operational excellence
- Improve customer centricity
- Digitization to improve processes and customer experiences

Key takeaways

- ✓ Raising payout ratio to a **minimum of 65%**[1] (specification of exact range with FY 2017 results)
- ✓ Striving for **payout ratio in line with peers** and **absolute dividend growth**
- ✓ Nuclear fuel tax refund paves way to potential over-achievement of leverage target
- ✓ **Strong alignment of management and investors through E.ON Focus**

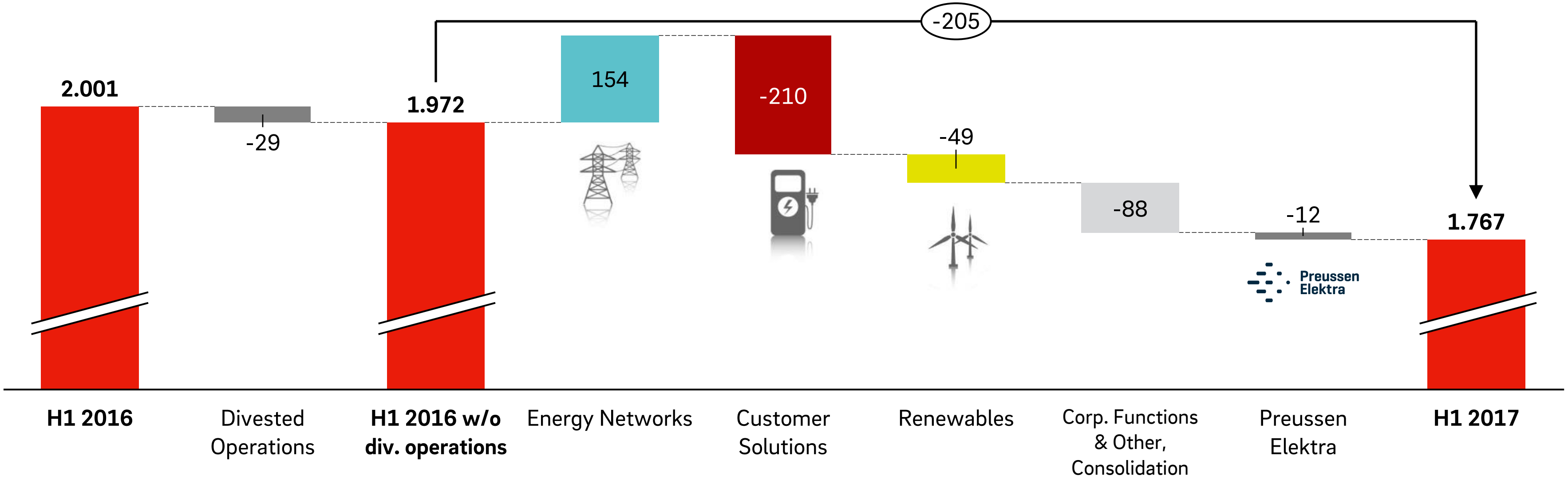
1. Based on Adjusted Net Income, from FY 2018 (payable in 2019) onwards

H1 results & FY 2017 guidance

Strong Q2 2017 but H1 2017 EBIT still below prior year

EBIT[1] H1 2017 vs. H1 2016

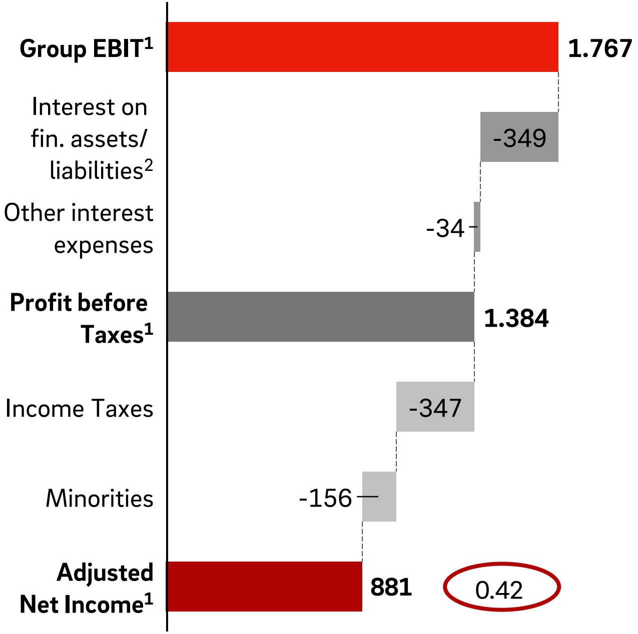
€ m



1. Adjusted for non operating effects

Adjusted Net Income supported by lower accretion and taxes

H1 2017
€ m



~€ 40m deterioration YoY due to lower interest income

~€450m improvement mainly due to significant lower accretion of nuclear provisions and other interest expenses

Tax rate of 25% (vs. 38% in H1 2016)

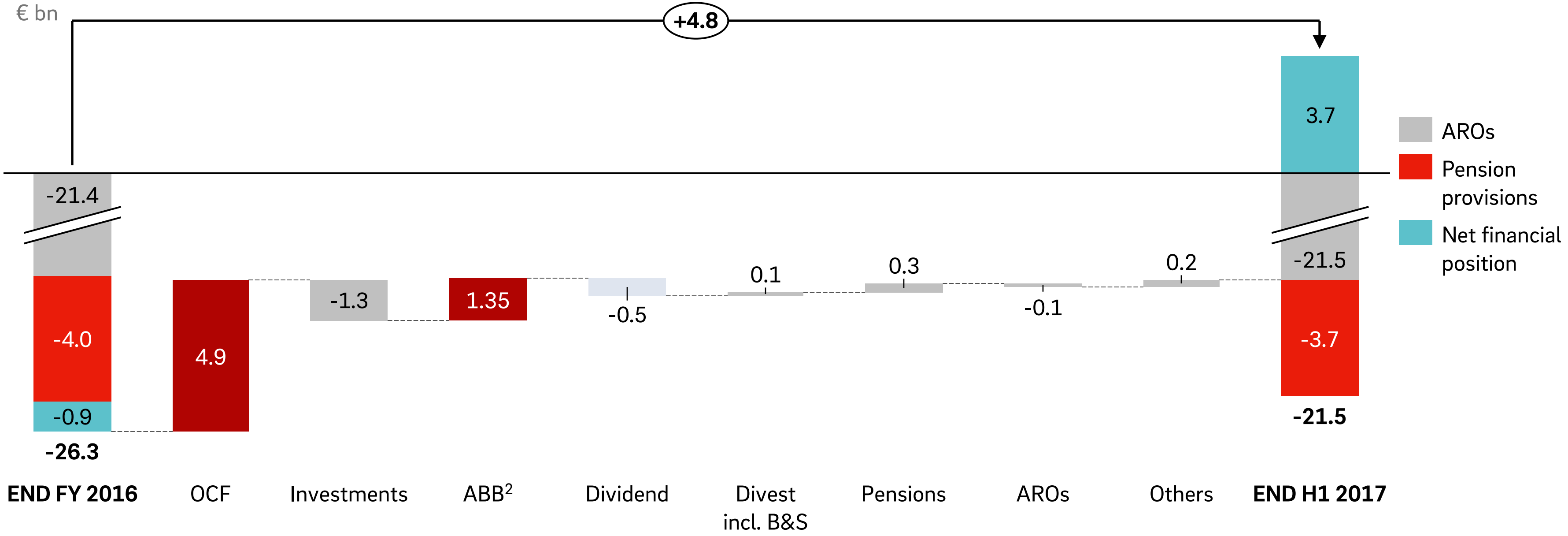
Adjusted net income up 46% over prior year

EPS (€ per share)

1. Adjusted for non operating effects, 2. Without accretion of nuclear provisions

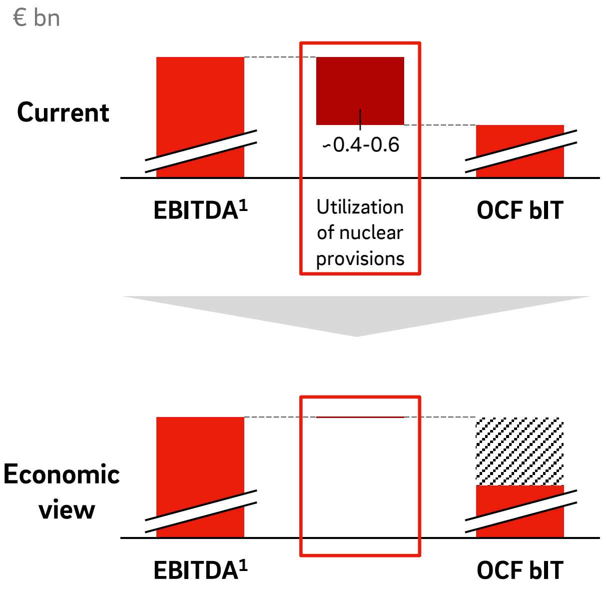
END improves significantly due to high cash flow and capital increase

END[1] H1 2017 vs. FY 2016



1. Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS ARO's. 2. Accelerated Book Build

Nuclear decommissioning is no limitation for dividends or capex



Current approach

- Nuclear decommissioning provisions are part of E.ON's economic net debt (END)
- Utilization of nuclear provisions is currently part of **operating cash flow** and thus implies a burden for the financial leeway

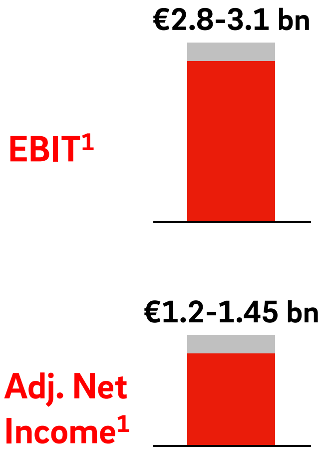
Economic view

- However, economically the utilization is comparable to a redemption of debt and thus has features of **financing cash flow**
- Nuclear decommissioning could therefore be paid and replaced with financial debt (END neutral) and is thus **no limitation for dividend or capex**

1. Adjusted for non operating effects

Outlook 2017 confirmed

Outlook 2017



Effects for H2 2017

Energy Networks
- \+ Regulatory effects (e.g. pensions), lower maintenance costs
- \+ Tariff increase in Sweden
- \+ Positive development in CZ, HU

Customer Solutions
- \+ Price increases in Germany & UK, focus on efficiency

Renewables
- \+ Normalizing wind yields

Preussen Elektra
- \+ Omission of nuclear fuel tax payments
- \+ Operational improvements
- – Lower hedging prices
- – Asset retirement cost (ARC) effect

1. Adjusted for non operating effects

E.ON Focus – Our basis for steering the company

Under review
Update with FY 2017 results

E.ON FOCUS – medium-term framework

Capital structure	Strong BBB / Baa

Profit	**Cash**	**Return**	**Growth**
Group EBIT[1] & EPS[4]	Cash conversion rate[2] ≥ 80 %	ROCE[3] 8 – 10 %	DPS

Dividend payout	FY 2017: € 30ct (fixed) Post 2017: min 65 %[4]
Executive compensation	closely linked to EPS target achievement and relative TSR[5] (in addition: Share ownership obligations)

- Update of E.ON Focus with FY 2017 results
- Increased payout ratio to **minimum of 65%**[4]
- Striving for **payout ratio in line with peers** (specification of exact range with FY 2017 results)
- Target of **absolute dividend growth** (base year 2017)
- **Strong alignment of management and investors**

E.ON KPIs without Uniper contribution, 1. Adjusted for extraordinary effects and divested operations, FY 2017 guidance range as basis for medium-term outlook, 2. OCFbIT divided by EBITDA, 3. Based on EBIT (= pre-tax), 4. Based on Adjusted Net Income, from FY 2018 (payable in 2019) onwards, 5. Total Shareholder Return

Appendix

Financial Highlights

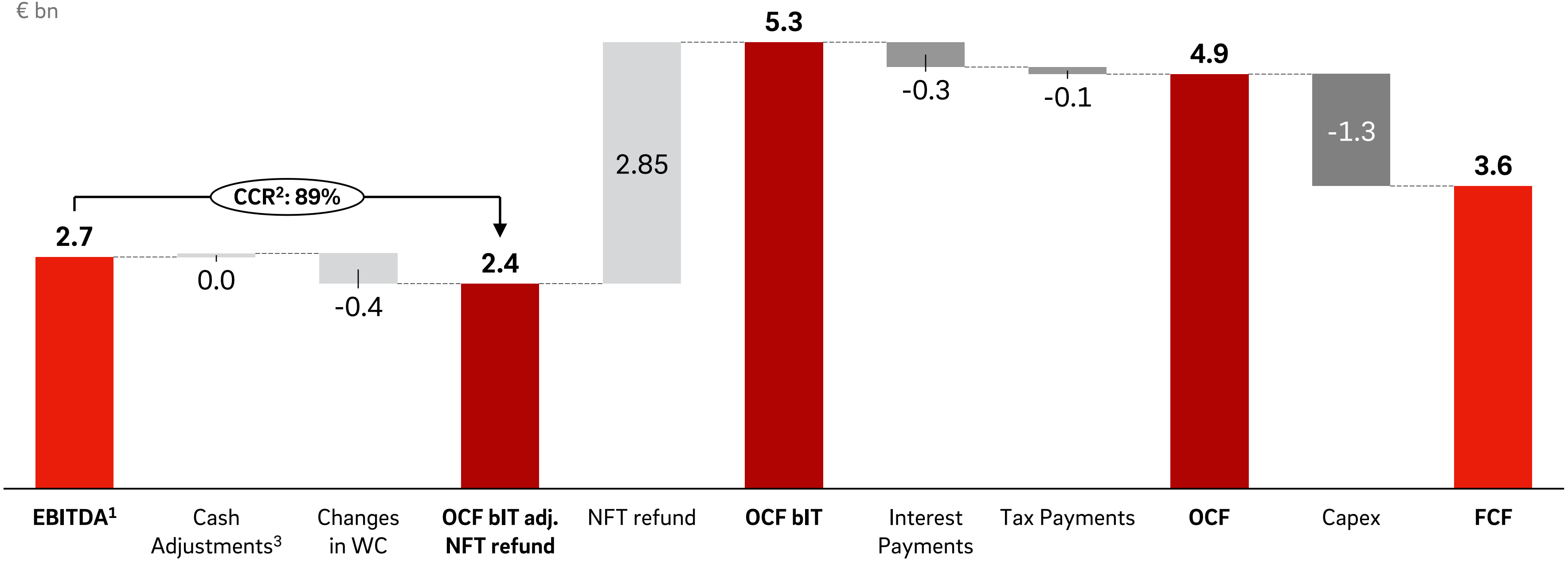
€bn	H1 2016	H1 2017	% YoY
Sales	20.3	19.6	-3
EBITDA [1]	2.9	2.7	-6
EBIT [1]	2.0	1.8	-12
Adjusted net income [1]	0.6	0.9	+46
OCF bIT	2.3	5.3	+130
Investments	1.3	1.3	-1
Economic net debt [2]	26.3	21.5	-18

1. Adjusted for non operating effects, 2. Economic net debt as per 31 Dec 2016 and 30 June 2017; Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS ARO's

Cash conversion rate[2] at 89% due to strong operational quarter

H1 2017

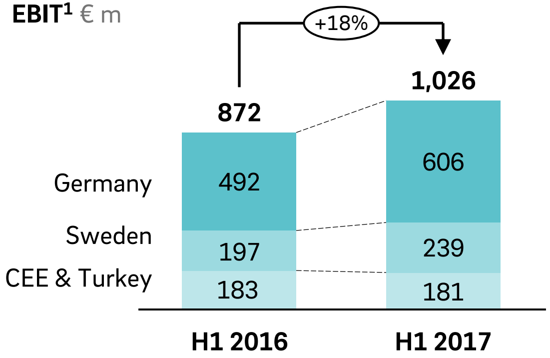
€ bn



1. Adjusted for non operating effects, 2. Cash Conversion Rate: OCF bIT / EBITDA, adjusted for NFT refund, 3. Net non cash effective EBITDA items

Segments: Energy Networks

Energy Networks



Highlights

- Germany:
  - + Regulatory effects
  - + Lower maintenance costs
- Sweden:
  - + Tariff increases
- CEE & Turkey:
  - + Positive effects in Czech Republic, Hungary

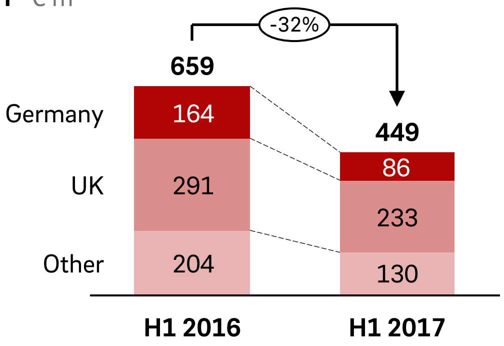
€m	Germany			Sweden			CEE & Turkey			Total		
	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY
Revenue	7,002	7,208	*+3*	509	563	*+11*	811	856	*+6*	**8,322**	**8,627**	***+4***
EBITDA [1]	793	896	*+13*	279	320	*+15*	286	292	*+2*	**1,358**	**1,508**	***+11***
EBIT [1]	492	606	*+23*	197	239	*+21*	183	181	*-1*	**872**	**1,026**	***+18***
thereof Equity-method earnings	32	41	*+28*	0	0	*-*	46	-18	*-139*	**78**	**23**	***-71***
OCFbIT	929	1,114	*+20*	278	305	*+10*	302	319	*+6*	**1,509**	**1,738**	***+15***
Investments	303	231	*-24*	114	147	*+29*	117	167	*+43*	**534**	**545**	***+2***

1. Adjusted for non operating effects

Segments: Customer Solutions

Customer Solutions

EBIT[1] € m



Highlights

- Germany:
  – Lower power margins due to increased TSO fees
  – Lower gas margin due to price decrease in Nov 2016
  + Price increases in Q2 2017
- UK:
  + Stabilizing customer numbers & price increases in Q2 2017
  – FX weakening after Brexit decision & price cap on PPM customers
- Other:
  – Energy procurement crisis in Romania in Q1 2017
  – Higher gas procurement costs in Eastern Europe

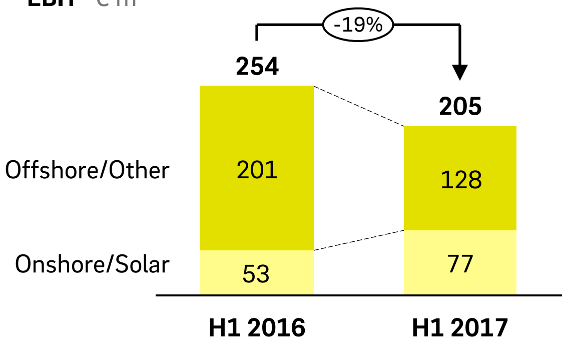
€m	Germany			UK			Other			Total		
	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY	H1 2016	H1 2017	% YoY
Revenue	4,150	3,917	*-6*	4,356	3,723	*-15*	3,491	3,555	*+2*	**11,997**	**11,195**	***-7***
EBITDA[1]	196	122	*-38*	338	282	*-17*	269	200	*-26*	**803**	**604**	***-25***
EBIT[1]	164	86	*-48*	291	233	*-20*	204	130	*-36*	**659**	**449**	***-32***
thereof Equity-method earnings	0	0	-	0	0	-	5	7	*+40*	**5**	**7**	***+40***
OCFbIT	-68	-129	*-90*	136	285	*+110*	481	275	*-43*	**549**	**431**	***-21***
Investments	27	25	*-7*	108	97	*-10*	115	87	*-24*	**250**	**209**	***-16***

1. Adjusted for non operating effects

Segments: Renewables

Renewables

EBIT[1] € m



Highlights

- Offshore:
  - – Arkona book gain in Q2 2016
  - – Low wind conditions in UK
- Onshore:
  - + COD of Colbeck's Corner in May 2016
  - + Higher production of US wind farms & better wind conditions in Europe

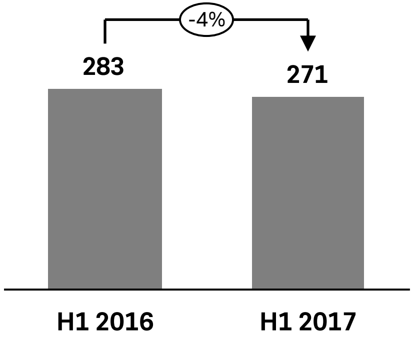
€m	Onshore Wind / Solar			Offshore Wind / Others			Total		
	H1 2016	H1 2017	*% YoY*	H1 2016	H1 2017	*% YoY*	H1 2016	H1 2017	*% YoY*
Revenue	347	389	*+12*	333	321	*-4*	**680**	**710**	***+4***
EBITDA [1]	172	182	*+6*	274	204	*-26*	**446**	**386**	***-13***
EBIT [1]	53	77	*+45*	201	128	*-36*	**254**	**205**	***-19***
thereof Equity-method earnings							**11**	**16**	***+45***
OCFbit							**407**	**237**	***-42***
Investments							**473**	**528**	***+12***

1. Adjusted for non operating effects

Segments: PreussenElektra

PreussenElektra

EBIT[1] € m



€m	PreussenElektra		
	H1 2016	H1 2017	*% YoY*
Revenue	751	891	*+19*
EBITDA [1]	327	364	*+11*
EBIT [1]	283	271	*-4*
thereof Equity-method earnings	41	39	*-5*
OCFbIT	361	3,073	*+751*
Investments	11	7	*-36*

Highlights

+ Non-reoccurrence of nuclear fuel tax payments in Q2 2016
+ One-off effect from court case
– Lower volumes due to outages
– Lower achieved power prices
– ARC Depreciation

Hedged Prices Germany (€/MWh) as of 30 June 2017

1. Adjusted for non operating effects

Adjusted Net Income

€m	H1 2016	H1 2017	% YoY
EBITDA [1]	**2,901**	**2,715**	**-6**
Depreciation/amortization	-900	-948	-5
EBIT [1]	**2,001**	**1,767**	**-12**
Economic interest expense (net)	-810	-383	+53
EBT [1]	**1,191**	**1,384**	**+16**
Income Taxes on EBT [1]	-456	-347	+24
% of EBT [1]	*-38%*	*-25%*	-
Non-controlling interests	-131	-156	-19
Adjusted net income [1]	**604**	**881**	**+46**

1. Adjusted for non operating effects

From EBITDA to Net Income

€m	H1 2016	H1 2017	% YoY
EBITDA [1]	**2,901**	**2,715**	**-6**
Depreciation/Amortization/Impairments	-900	-948	-5
EBIT [1]	**2,001**	**1,767**	**-12**
Economic interest expense (net)	-810	-383	+53
Net book gains	-25	273	+1,192
Restructuring	-129	-177	-37
Mark-to-market valuation of derivatives	552	-311	-156
Impairments (net)	-44	5	+111
Other non-operating earnings	-23	3,409	+14,922
Income/Loss from continuing operations before income taxes	**1,522**	**4,583**	**+201**
Income taxes	-567	-549	+3
Income/loss from discontinued operations, net	-3,884	0	+100
Non-controlling interests	105	162	+54
Net income/loss attributable to shareholders of E.ON SE	**-3,034**	**3,872**	**+228**

1. Adjusted for non operating effects

Cash effective investments by unit

€m	H1 2016	H1 2017	% YoY
Energy Networks	534	545	+2
Customer Solutions	250	209	-16
Renewables	473	528	+12
Corporate Functions & Other	60	27	-55
Consolidation	-5	-2	+60
PreussenElektra	11	7	-36
Investments	**1,323**	**1,314**	**-1**

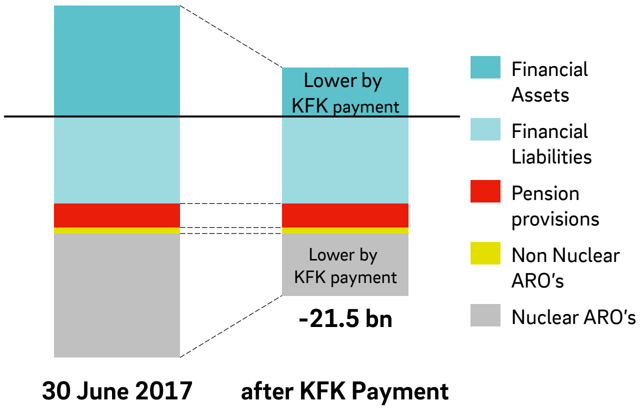
1. Adjusted for non operating effects

Economic Net Debt[1]

€m	31 Dec 2016	30 June 2017
Liquid funds	8,573	14,252
Non-current securities	4,327	3,850
Financial liabilities	-14,227	-14,691
Adjustment FX hedging [2]	390	311
Net financial position	**-937**	**3,722**
Provisions for pensions	-4,009	-3,748
Asset retirement obligations	-21,374	-21,459
Economic net debt	**-26,320**	**-21,485**

Schematic END split after KFK payments

- Amount of END unchanged
- Nuclear ARO's and NFP are decreased by KFK payment
- Pension provisions and non nuclear AROs unchanged



1. Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS ARO's, 2. Net figure; does not include transactions relating to our operating business or asset management

Economic interest expense (net)

€m	H1 2016	H1 2017	Difference (in € m)
Interest from financial assets/liabilities	-311	-349	-38
Interest cost from provisions for pensions and similar provisions	-43	-41	+2
Accretion of provisions for retirement obligation and similar provisions	-442	-30	+412
Construction period interests[1]	19	18	-1
Other[2]	-33	19	+52
net interest result	**-810**	**-383**	**+427**

1. Borrowing cost that are directly attributable to the acquisition, construction or production of a qualified asset. Borrowing cost are (virtual) interest costs incurred by an entity in connection with the borrowing of funds. (interest rate: 5.6%), 2. Includes mainly effects from tax related interest (in 2016) and interest rate changes of other long term provisions

Financial Liabilities

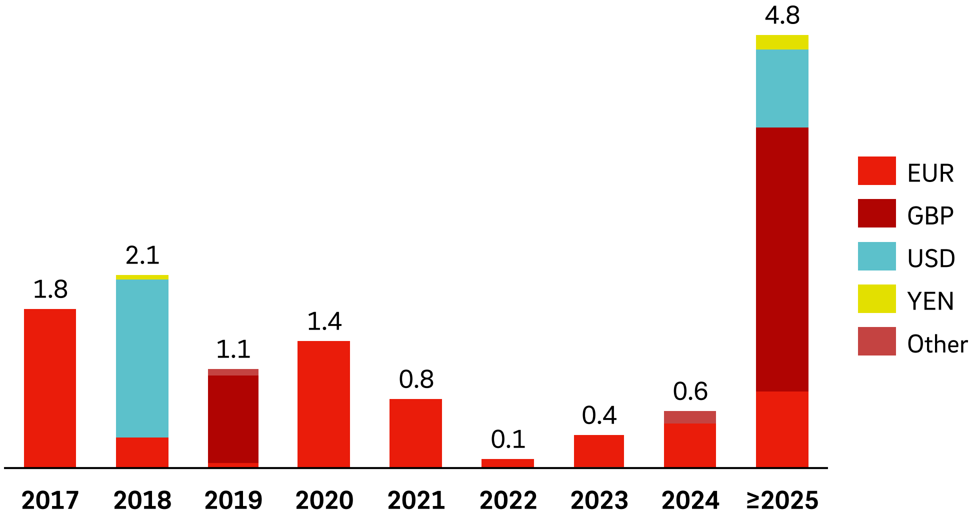
Split Financial Liabilities

€ bn

	30 June 2017
Bonds	**-12.6**
in EUR	-5.7
in GBP	-3.9
in USD	-2.6
in JPY	-0.2
in other denominations	-0.2
Promissory notes	**-0.4**
Commercial papers	**0.0**
Other liabilities	**-1.7**
Total	**-14.7**

Maturity profile (as of end H1 2017)[1]

€ bn



1. Bonds and promissory notes issued by E.ON SE, E.ON International Finance B.V. and E.ON Beteiligungen GmbH (fully guaranteed by E.ON SE)

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Financial calendar & important links

Financial calendar

November 8, 2017	Interim Report III: January – September 2017
March 14, 2018	Annual Report 2017
May 8, 2018	Interim Report I: January – March 2018
May 9, 2018	2018 Annual Shareholders Meeting
August 8, 2018	Interim Report II: January – June 2018

Important links

Presentations	https://www.eon.com/en/investor-relations/presentations.html
Annual Reports	https://www.eon.com/en/investor-relations/financial-publications/annual-report.html
Interim Reports	https://www.eon.com/en/investor-relations/financial-publications/interim-report.html
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