



Q1 2018 Results

8th May 2018

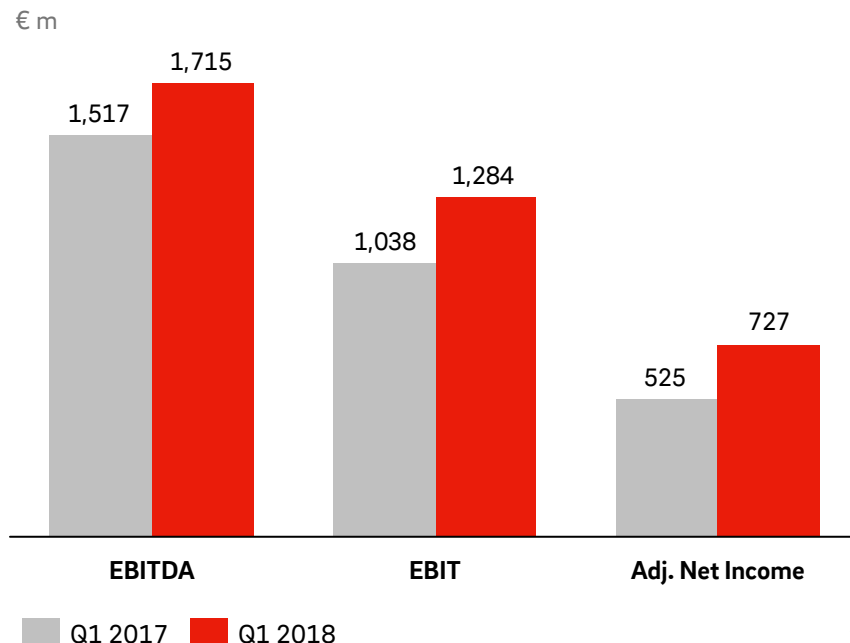
e.on

Strong Q1 2018

Highlights

- ✓ **Strong EBIT development: +24% Q1 2018 vs. low base in Q1 2017**
- ✓ **Adj. Net Income increased +38% YoY**
- ✓ **FY 2018 guidance confirmed:**
EBIT €2.8-3.0 bn, Adj. Net Income €1.3-1.5 bn
- ✓ **Voluntary PTO² to innogy minority shareholders formally launched**

Key Financials¹



Takeover of innogy – Official offer period has started

Highly attractive offer for innogy minority shareholders

- Total offer value €38.40 (= €40.00 pre 2017 dividend of €1.60 paid in April 2018)
- **28% premium to innogy's last share price** unaffected by general takeover speculations (22 February 2018)
- **23% premium to average broker target price** before announcement
- Offer value reflects **value of innogy stand-alone and part of the potential synergies** resulting from full integration into E.ON

Alternatives for innogy minority shareholders that do not tender

- Compensation payment based on IDW S1¹ valuation in case of DPLTA² or squeeze-out or
- "Guaranteed dividend" in case of DPLTA or
- Shares in merged NewCo

Compensation payment **could be lower than offer value**
→ In DPLTA case synergy value will not be considered

Guaranteed dividend could be structured akin to a **bond with yield reflecting current low interest rate environment**

Shares in NewCo → **No cash compensation at all**

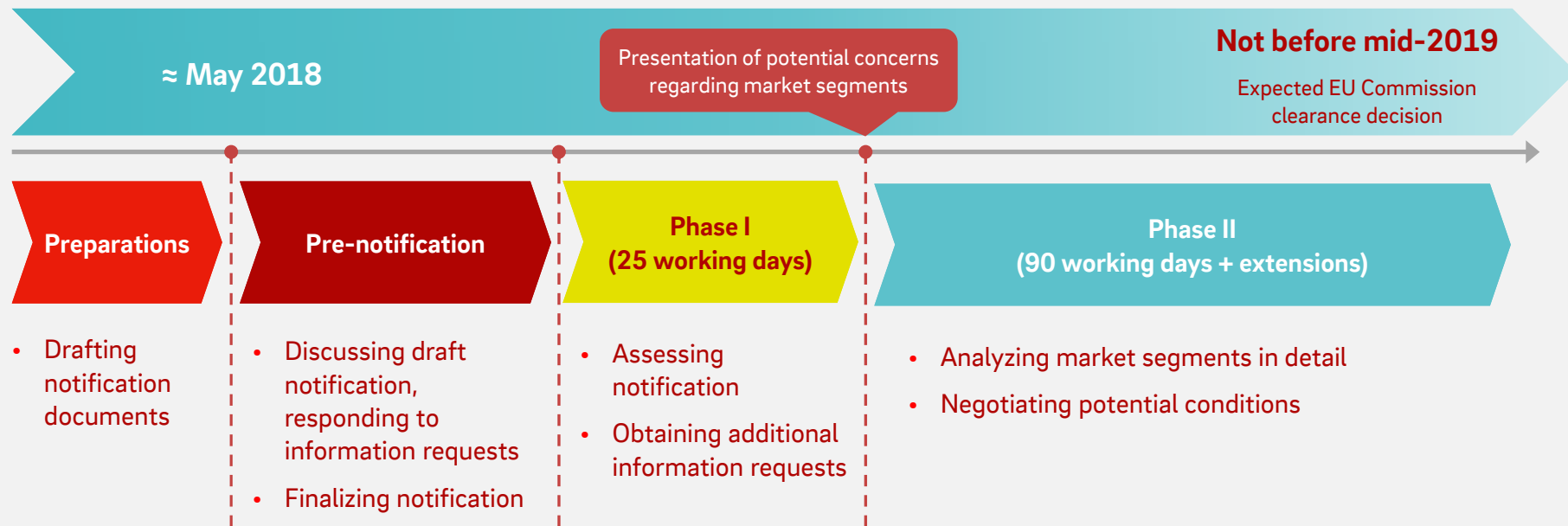
E.ON will have control post closing, irrespective of offer acceptance rate

Incentive structure for high acceptance rate in place

Merger control proceedings follow a strict procedure

E.ON Q1 2018 results

Simplified overview of process steps of EU merger control proceedings
(possible (partial) referrals to national authorities not taken into account¹)



1. Federal Cartel Office Germany, CMA, CEE

Operational update



Energy Networks Germany

- **OLG¹ court decision on allowed RoE²**
 - Ruling: 6.91% set by BNetzA **too low**
 - Independent expert view: **7.7% adequate**
 - BNetzA: **appeal** at last resort BGH³
- **General efficiency factor gas**
 - Reduction from **1.5% to 0.49%**
 - However, E.ON **filed legal complaint**
 - Calculation method **too unreliable**
- **General efficiency factor power**
 - Decision by BNetzA in Q3 at the earliest

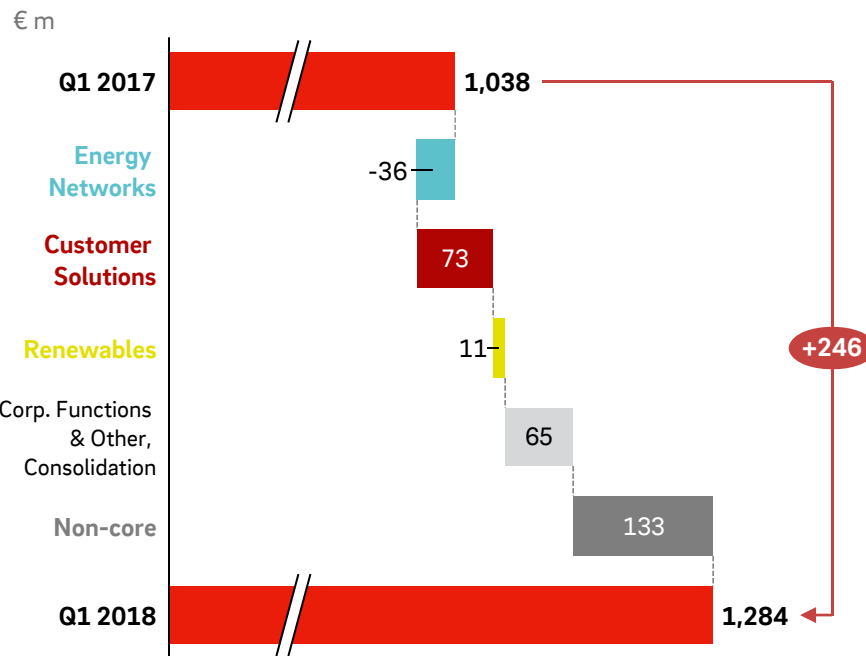


Customer Solutions Germany/UK





- **Customer numbers continue to grow**
 - More than **50,000 additional household customers in Q1**
 - Following **gain of more than 100,000 in Q4 2017** and stabilization in Q2 & Q3 2017
 - Managed to reduce **churn rate below market average** in UK
 - Strategy of innovative tariff offerings and focused sales channels is bearing fruits
- **UK political environment disappointing**
 - Price cap still pending, many **uncertainties remain**

EBIT 24% above prior year

EBIT¹ Q1 2018 vs. Q1 2017

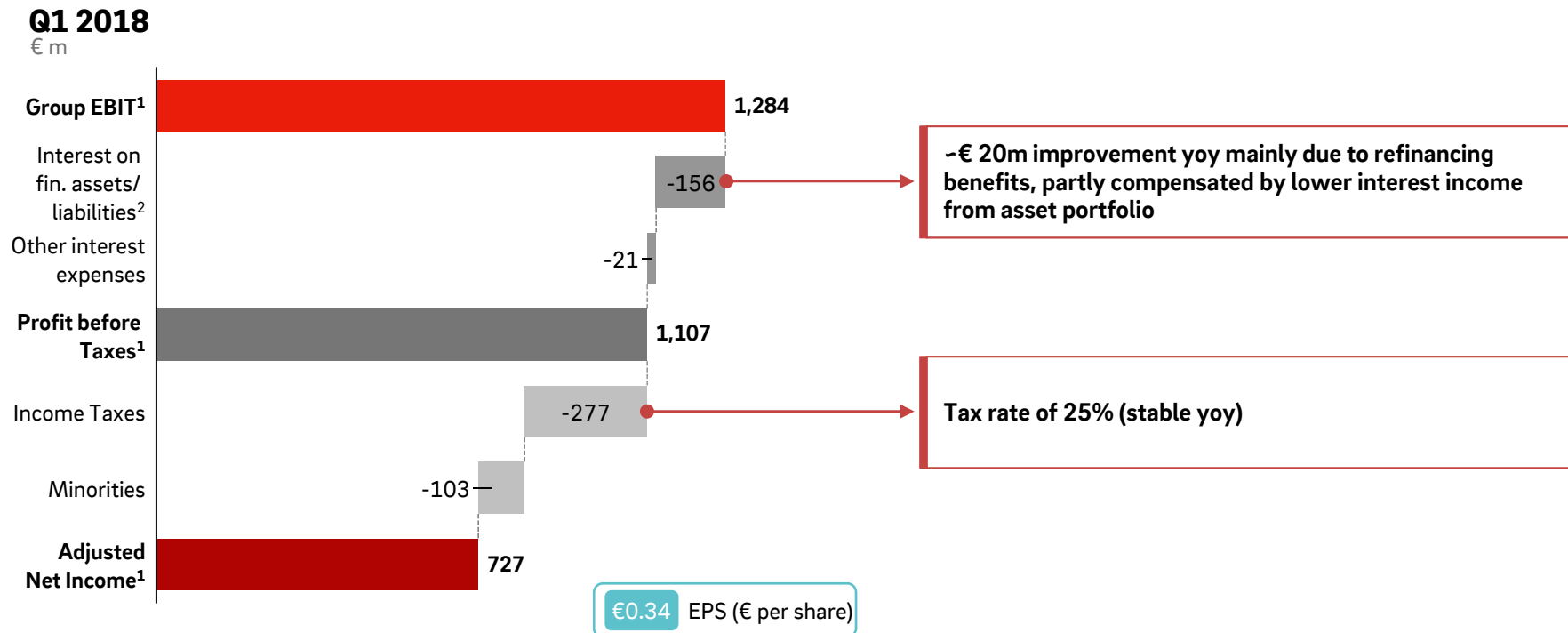


Key Q1 Effects

 <p>Energy Networks</p>	<ul style="list-style-type: none"> + Sweden: power tariff increase + Turkey: regulatory improvements - Germany: reversal of regulatory effects, concession loss Hamburg
 <p>Customer Solutions</p>	<ul style="list-style-type: none"> + Germany: price increases as per Q2 2017, lower gas procurement costs Q1 2018 - UK: competitive dynamics, restructuring costs overcomp. price increases as per Q2 2017
 <p>Renewables</p>	<ul style="list-style-type: none"> + Onshore & Offshore: capacity additions (mainly Bruening's Breeze & Radford's Run) - Onshore: subsidy expiries
 <p>Non-Core</p>	<ul style="list-style-type: none"> + PreussenElektra: increased volumes due to plant outages in Q1 2017 (mainly Brokdorf), positive one-off effects + Turkey: omission of book loss from asset sale

1. Adjusted for non operating effects

Adj. Net Income 38% above prior year

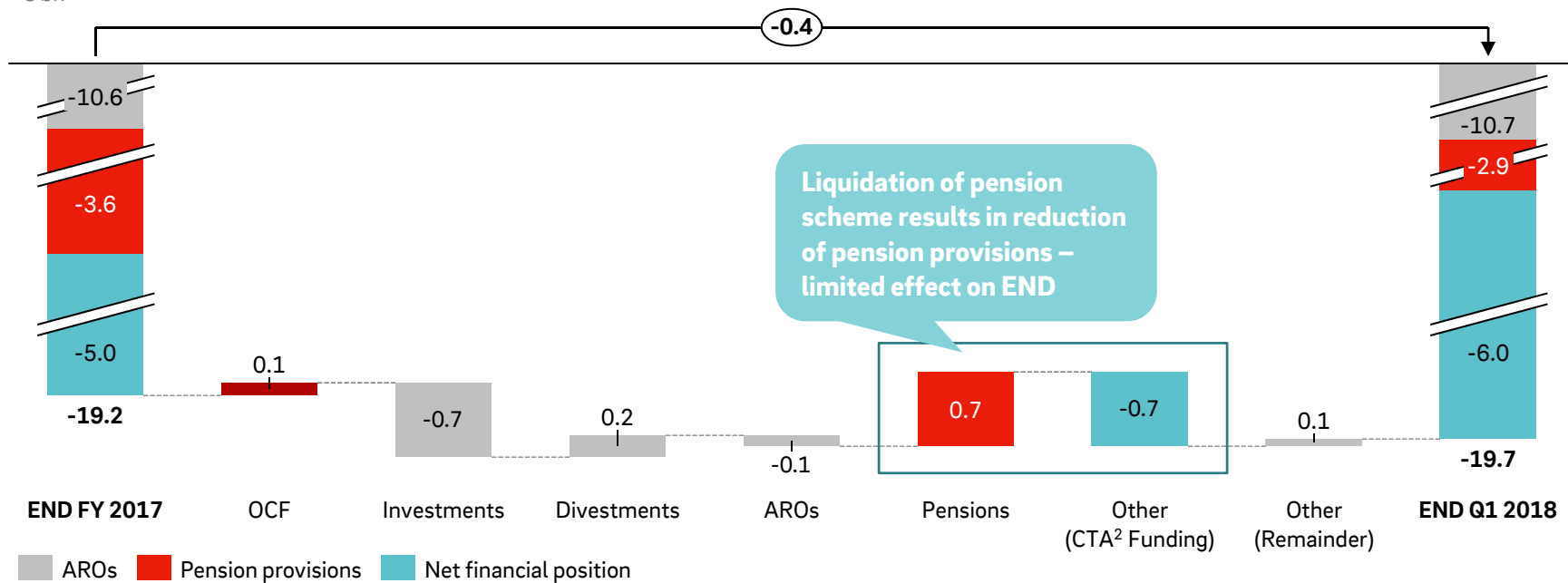


1. Adjusted for non operating effects, 2. Without interest accretion of nuclear provisions

END impacted by seasonally low operating cash flow

END¹ Q1 2018 vs. FY 2017

€ bn

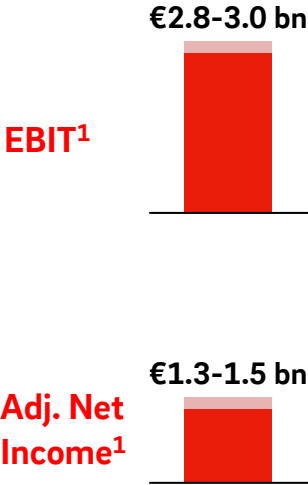


1. Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS AROs, 2. Contractual Trust Arrangement





Outlook 2018 confirmed



Outlook 2018



Effects for the remainder of 2018

 Energy Networks	<ul style="list-style-type: none"> + Sweden: power tariff increase - Germany: reversal of regulatory effects, new regulatory period for gas, concession loss Hamburg
 Customer Solutions	<ul style="list-style-type: none"> + Germany: non-reoccurrence of a negative one-off effect in 2017 - Germany & UK: restructuring costs - UK: competitive dynamics
 Renewables	<ul style="list-style-type: none"> + Offshore & Onshore: capacity additions (Bruenning's Breeze, Radford's Run, Rampion) - Onshore: subsidy expiries
 Non-Core	<ul style="list-style-type: none"> +/- PrussenElektra: non-reoccurrence of one-off effects from 2017 - PrussenElektra: lower hedged prices

1. Adjusted for non operating effects

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Financial Highlights

€m	Q1 2017	Q1 2018	% YoY
Sales	10,480	9,330	-11
EBITDA ¹	1,517	1,715	+13
EBIT ¹	1,038	1,284	+24
Adjusted net income ¹	525	727	+38
OCF bIT	1,027	359	-65
Investments	588	696	+18
Economic net debt ²	-19,248	-19,658	-2



1. Adjusted for non operating effects, 2. Economic net debt as per 31 Dec 2017 and 31 Mar 2018; Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS AROs

EBIT

- Energy Networks: -5% YoY
Reversal of regulatory effects in Germany and tariff increases in Sweden
- Customer Solutions: +23% YoY
Price increases in Germany 2017, competitive dynamics in the UK
- Renewables: +7% YoY
Capacity additions, partly offset by subsidy expiries

Adj. Net Income

- Improves €202 m YoY
- Driven by strong EBIT and profiting from refinancing benefits and stable tax rate (25%)

OCF bIT

- Cash provided by operating activities €0.7 bn below prior-year level
- Key driver: One-off effects in Working Capital

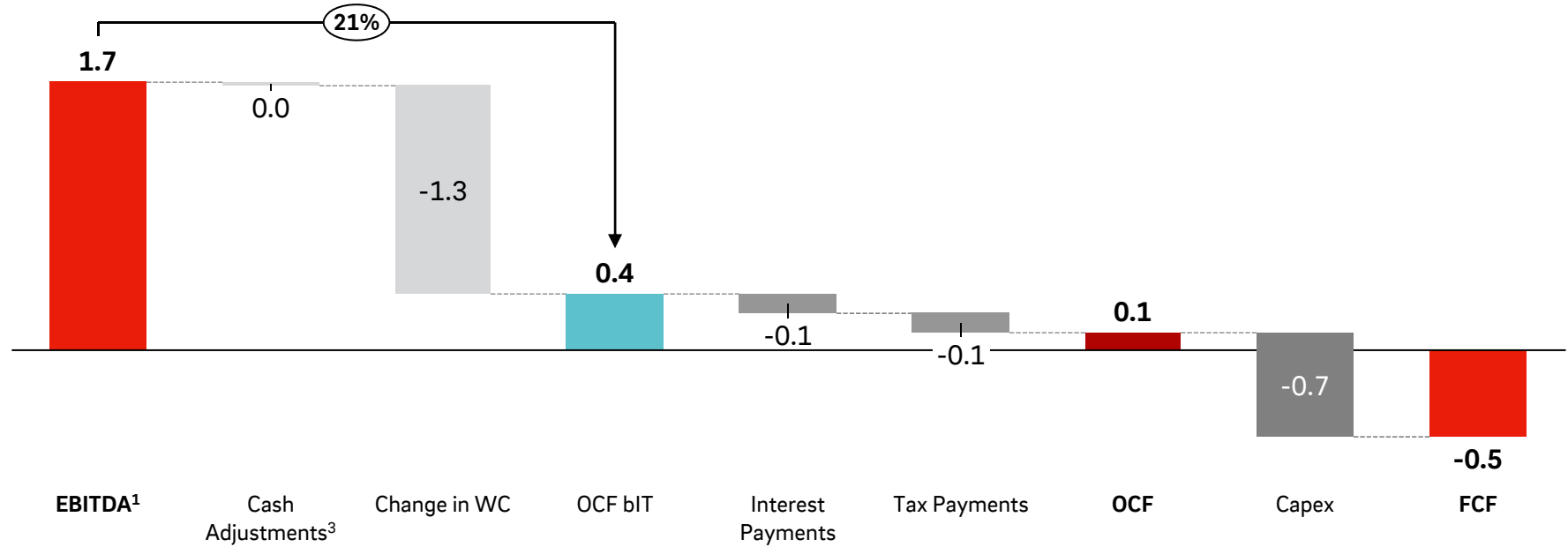
Investments

- Energy Networks: €271 m (vs. €260 m YoY)
- Customer Solutions: €74 m (vs. €64 m YoY)
- Renewables: €180 m (vs. €251 m YoY)
- Non-Core: €161 m (vs. €5 m YoY)

Seasonally low CCR²

Q1 2018

€ bn

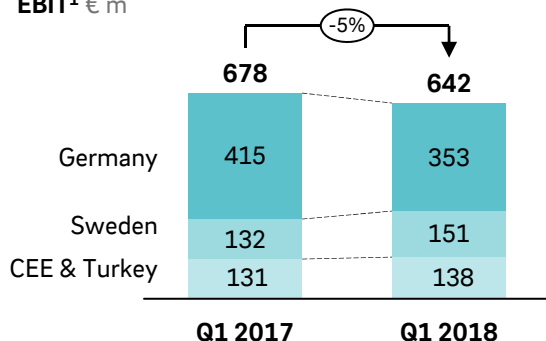


1. Adjusted for non operating effects, 2. Cash Conversion Rate: $OCF\ bit \div EBITDA$, 3. Net non cash effective EBITDA items incl. provision utilizations

Segments: Energy Networks

Energy Networks

EBIT¹ € m



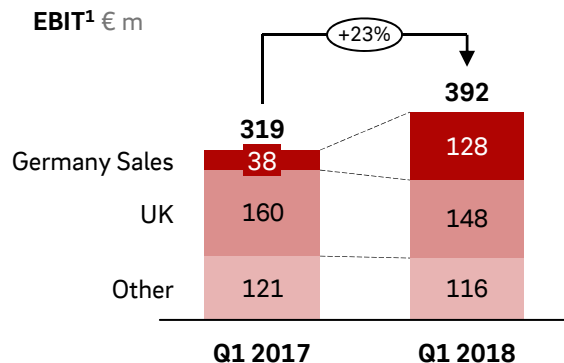
Highlights

- **Germany**
 - Reversal of regulatory effects
 - New regulatory period gas
 - Concession loss Hamburg
- **Sweden**
 - + Power tariff increase
- **CEE & Turkey**
 - + Regulatory improvements in Turkey

Details	€m	Germany			Sweden			CEE & Turkey			Total		
		Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY
Revenue		3,426	2,229	-35	298	293	-2	475	432	-9	4,199	2,954	-30
EBITDA ¹		559	490	-12	173	190	+10	185	197	+6	917	877	-4
EBIT ¹		415	353	-15	132	151	+14	131	138	+5	678	642	-5
<i>thereof Equity-method earnings</i>		16	16	+0	0	0	-	22	30	+36	38	46	+21
OCFyIT		720	23	-97	142	267	+88	152	164	+8	1,014	454	-55
Investments		98	108	+10	60	55	-8	102	108	+6	260	271	+4

Segments: Customer Solutions

Customer Solutions



Highlights

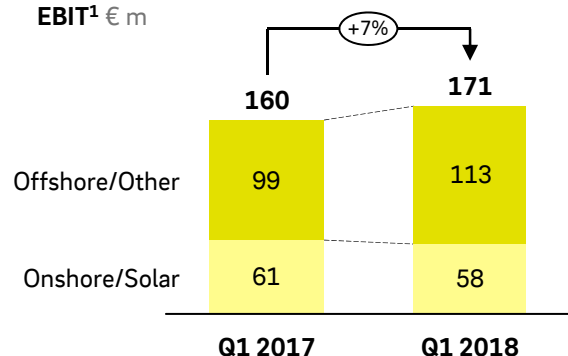
- **Germany Sales**
 - + Price increases as per Q2 2017
 - + Lower gas procurement costs
 - Restructuring costs
- **UK**
 - + Price increases as per Q2 2017
 - Competitive dynamics
 - Restructuring costs
 - Price caps (PPM², vulnerable customers)

Details	€m	Germany Sales			UK			Other			Total		
		Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY
Revenue		2,155	2,013	-7	2,151	2,391	+11	2,244	2,341	+4	6,550	6,745	+3
EBITDA ¹		44	135	+207	184	169	-8	167	159	-5	395	463	+17
EBIT ¹		38	128	+237	160	148	-8	121	116	-4	319	392	+23
<i>thereof Equity-method earnings</i>		0	0	-	0	0	-	3	1	-67	3	1	-67
OCF _{BIT}		-178	-169	+5	9	-103	-	2	-76	-	-167	-348	-108
Investments		3	4	+33	46	40	-13	15	30	+100	64	74	+16

Segments: Renewables

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Renewables

EBIT¹ € m

Highlights

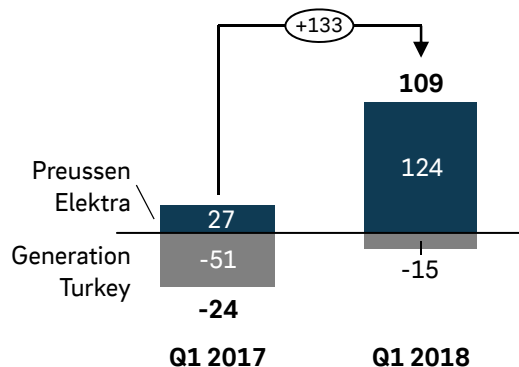
- **Offshore/Other**
 - + UK: Ramp-up capacity additions (Rampion)
- **Onshore/Solar**
 - + US: Capacity additions (Bruening's Breeze, Radford's Run)
 - Subsidy expiries

Details	Onshore Wind / Solar			Offshore Wind / Others			Total		
	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY
Revenue	188	234	+24	188	167	-11	376	401	+7
EBITDA ¹	113	97	-14	136	150	+10	249	247	-1
EBIT ¹	61	58	-5	99	113	+14	160	171	+7
<i>thereof Equity-method earnings</i>							11	8	-27
OCFbit							187	228	+22
Investments							251	180	-28

Non-core business

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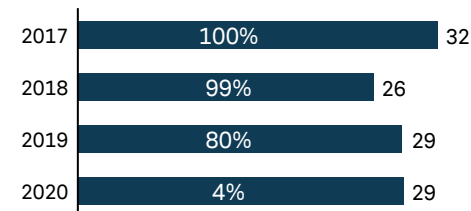
Non-core

EBIT¹ € m

Highlights

- **PreussenElektra**
 - + Higher volumes due to outages of all plants in Q1 2017
 - + Positive one-off effects in Q1 2018
 - Lower achieved power prices
- **Generation Turkey**
 - + Book loss from asset sale in Q1 2017

PreussenElektra: Hedged Prices (€/MWh) as of 31 March 2018



Details	€m	PreussenElektra			Generation Turkey			Total		
		Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY	Q1 2017	Q1 2018	% YoY
Revenue		364	278	-24	0	0	-	364	278	-24
EBITDA ¹		74	159	+115	-51	-15	+71	23	144	+526
EBIT ¹		27	124	+359	-51	-15	+71	-24	109	+554
<i>thereof Equity-method earnings</i>		26	25	-4	-51	-15	+71	-25	10	+140
OCFbIT		207	112	-46	0	0	-	207	112	-46
Investments		5	7	+40	0	154	-	5	161	-

Adjusted Net Income

€m	Q1 2017	Q1 2018	% YoY
EBITDA¹	1,517	1,715	+13
Depreciation/amortization	-479	-431	+10
EBIT¹	1,038	1,284	+24
Economic interest expense (net)	-195	-177	+9
EBT¹	843	1,107	+31
Income Taxes on EBT ¹	-210	-277	-32
% of EBT ¹	-25%	-25%	-
Non-controlling interests	-108	-103	+5
Adjusted net income¹	525	727	+38

1. Adjusted for non operating effects

Reconciliation of EBIT to IFRS Net Income

€m	Q1 2017	Q1 2018	% YoY
EBITDA¹	1,517	1,715	+13
Depreciation/Amortization/Impairments	-479	-431	+10
EBIT¹	1,038	1,284	+24
Economic interest expense (net)	-195	-177	+9
Net book gains	52	104	+100
Restructuring	-94	-26	+72
Mark-to-market valuation of derivatives	-308	191	+162
Impairments (net)	3	0	-100
Other non-operating earnings	394	-87	-122
Income/Loss from continuing operations before income taxes	890	1,289	+45
Income taxes	-155	-256	-65
Income/loss from continuing operations	735	1,033	+41
Income/loss from discontinued operations, net	0	0	-
Net income/loss	735	1,033	+41

Cash effective investments by unit

€m	Q1 2017	Q1 2018	% YoY
Energy Networks	260	271	+4
Customer Solutions	64	74	+16
Renewables	251	180	-28
Corporate Functions & Other	8	9	+13
Consolidation	0	1	-
Non-Core	5	161	-
Investments	588	696	+18

Economic Net Debt¹

€m	31 Dec 2017	31 Mar 2018
Liquid funds	5,160	4,108
Non-current securities	2,749	2,449
Financial liabilities	-13,021	-12,736
Adjustment FX hedging ²	114	166
Net financial position	-4,998	-6,013
Provisions for pensions	-3,620	-2,924
Asset retirement obligations	-10,630	-10,721
Economic net debt	-19,248	-19,658

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

Economic interest expense (net)

€m	Q1 2017	Q1 2018	Difference (in € m)
Interest from financial assets/liabilities	-175	-156	+19
Interest cost from provisions for pensions and similar provisions	-21	-16	+5
Accretion of provisions for retirement obligation and similar provisions	-17	-20	-3
Construction period interests ¹	8	8	+0
Others	10	7	-3
Net interest result	-195	-177	+18

1. Borrowing cost that are directly attributable to the acquisition, construction or production of a qualified asset. Borrowing cost are interest costs incurred by an entity in connection with the borrowing of funds. (Interest rate: 5.47%)

Financial Liabilities

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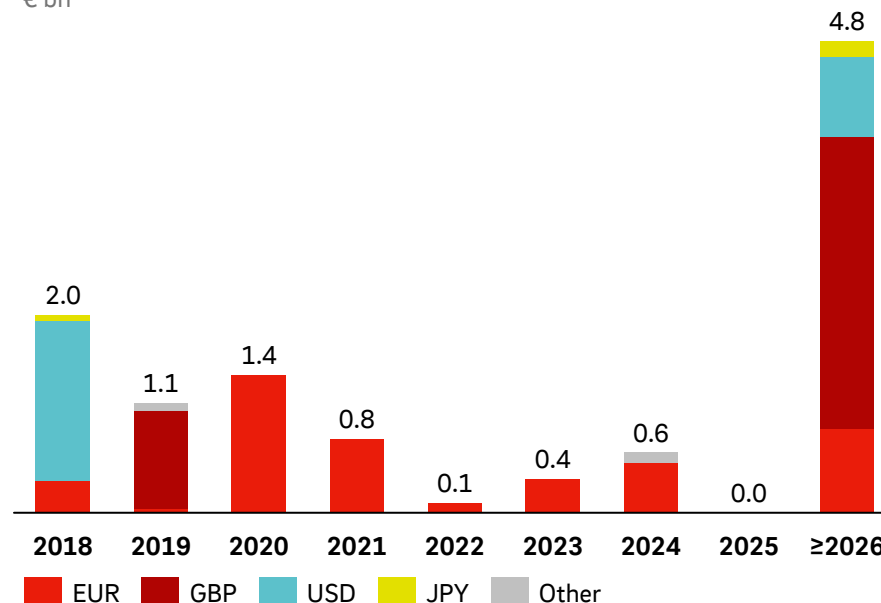
Split Financial Liabilities

€ bn

	31 Mar 2018
Bonds	-10.7
in EUR	-4.0
in GBP	-3.9
in USD	-2.4
in JPY	-0.2
in other denominations	-0.2
Promissory notes	-0.4
Commercial papers	0.0
Other liabilities	-1.6
Total	-12.7

Maturity profile (as of end Q1 2018)¹

€ bn



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

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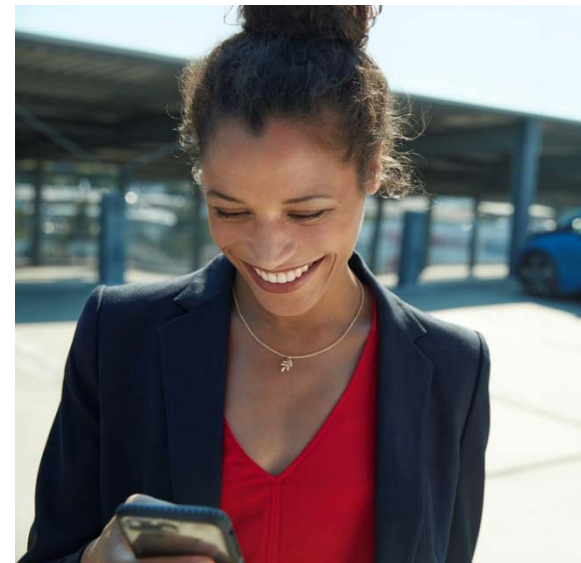
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Financial calendar & important links



Financial calendar

May 9, 2018

2018 Annual Shareholders Meeting

May 14, 2018

Dividend Payment

August 8, 2018

Half-Year Financial Report: January – June 2018

November 14, 2018

Quarterly Statement: January – September 2018

March 13, 2019

Annual Report 2018

May 13, 2019

Quarterly Statement: January – March 2019

Important links

Presentations

<https://www.eon.com/en/investor-relations/presentations.html>

Facts & Figures 2018

<https://www.eon.com/content/.../presentations/facts-and-figures-2018.pdf>

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>

Shareholder Meeting

<https://www.eon.com/en/investor-relations/shareholders-meeting.html>

Bonds / Creditor Relations

<https://www.eon.com/en/investor-relations/bonds.html>

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