

Growth | Focus | Discipline

Creating the future of energy

Q1 2019 Results

13th May 2019

e.on

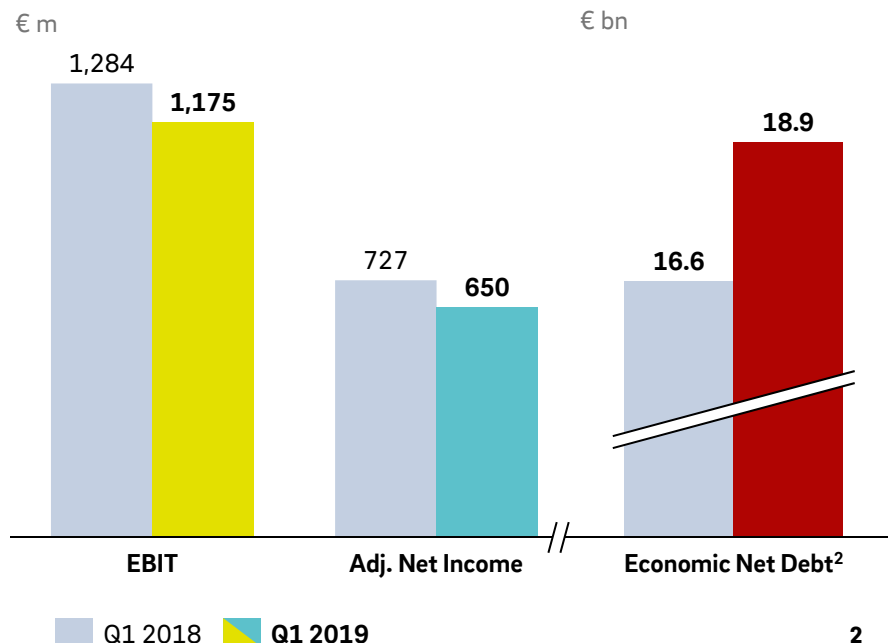
On track to deliver FY 2019 outlook

E.ON Q1 2019 results

Highlights

- ✓ **EBIT down 8%, Adj. Net Income down 11%** as expected, compared to exceptionally high base in Q1 2018
- ✓ **Economic Net Debt increasing** as a result of adoption of IFRS 16, lower interest rates and seasonally weak cashflow
- ! **Full year 2019 outlook confirmed**
- ! **Fixed dividend of €0.46/share** to be proposed for 2019
- ! **Preparation of innogy takeover fully on track**

Key Financials¹



1. Adjusted for non operating effects 2. Economic Net Debt as per 31 Mar 2019 and 31 Dec 2018

innogy transaction progressing well amid sound operational performance



- **Antitrust approval on track**
EU Case team in phase II investigations
- **Integration project moving on**
Senior management selection process on track
- **Target of €600-800m net synergies by 2022 reiterated**



Solid performance in Energy networks

- Continuous implementation of ambitious RAB growth



Strong operational development in Customer Solutions Germany

- More than 100,000 profitable new customers in Q1 2019

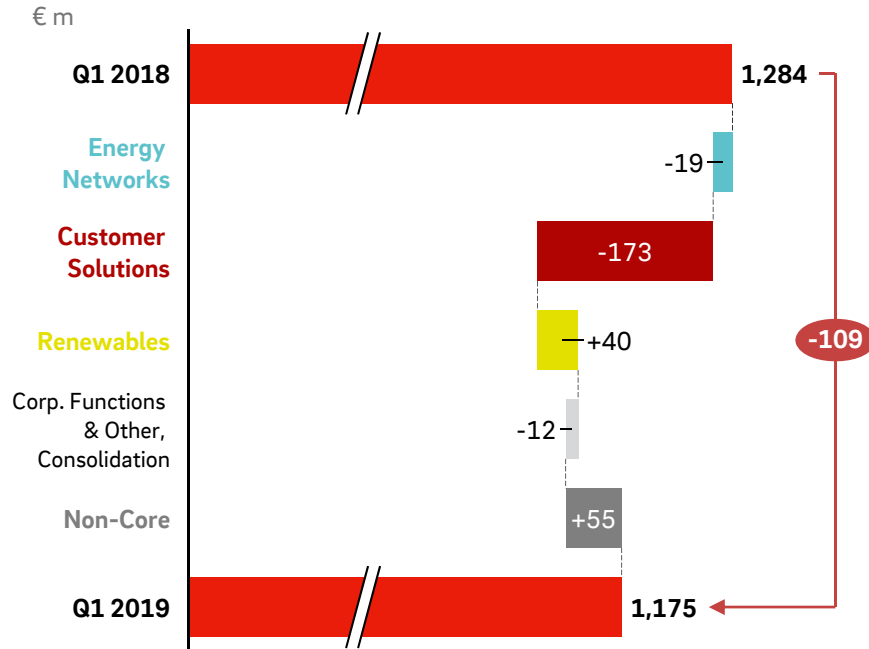


Capacity buildout


- Start of construction of two onshore windfarms in Texas (Cranell 220MW, Peyton Creek 150MW)

EBIT development in line with expectations


EBIT¹ Q1 2019 vs. Q1 2018




Key Q1 Effects

Energy Networks 


- +/- Germany: new regulatory period power
- +/- Sweden: power tariff increase, disposal of gas network in Q2 2018, adverse FX development

Customer Solutions 

- Germany: timing effect from higher grid fees and gas procurement costs, warm weather
- UK: regulatory effects (i.e. SVT price cap), competitive dynamics

Renewables 

- + Onshore: capacity additions (US)
- Onshore: support scheme expiries
- + Offshore: capacity additions (Germany & UK)

Non-Core 

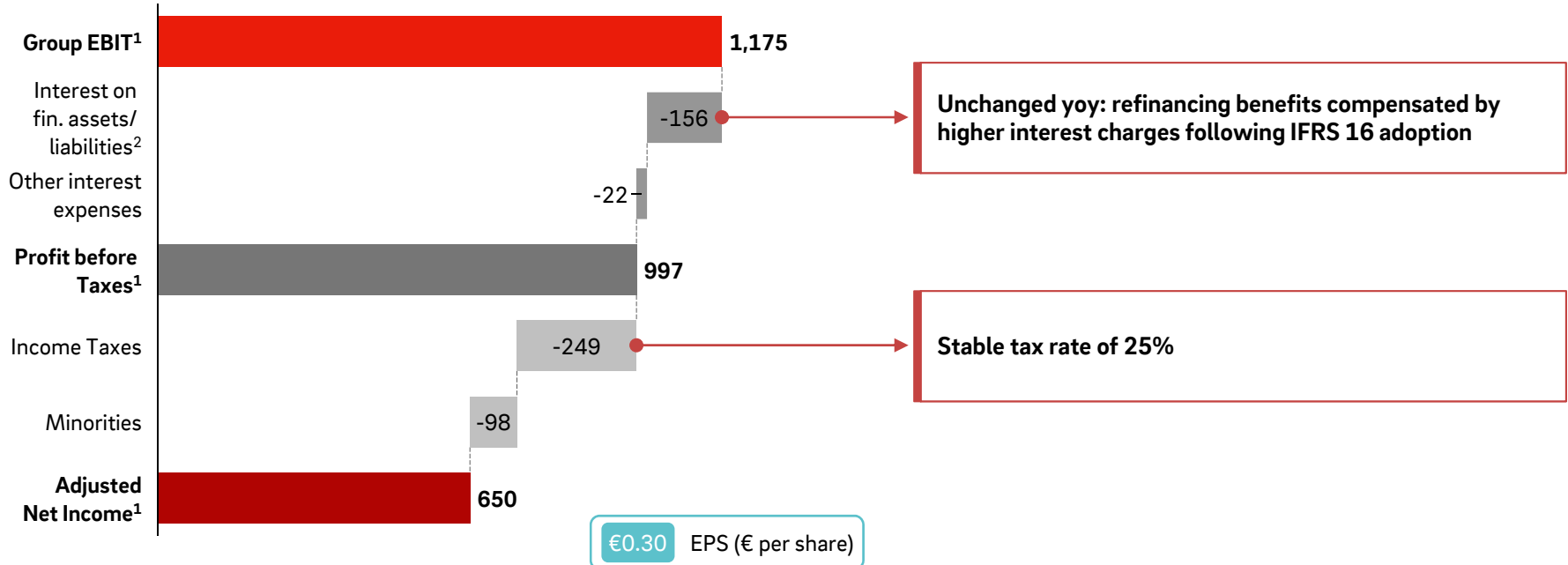
- +/- Preussen Elektra: higher achieved prices, higher volumes due to plant outage in 2018, higher depreciation, absence of 2018 one-off
- + Turkey: oper. improvements (mainly hydro)

1. Adjusted for non operating effects

Adj. Net Income reflecting EBIT development

Q1 2019

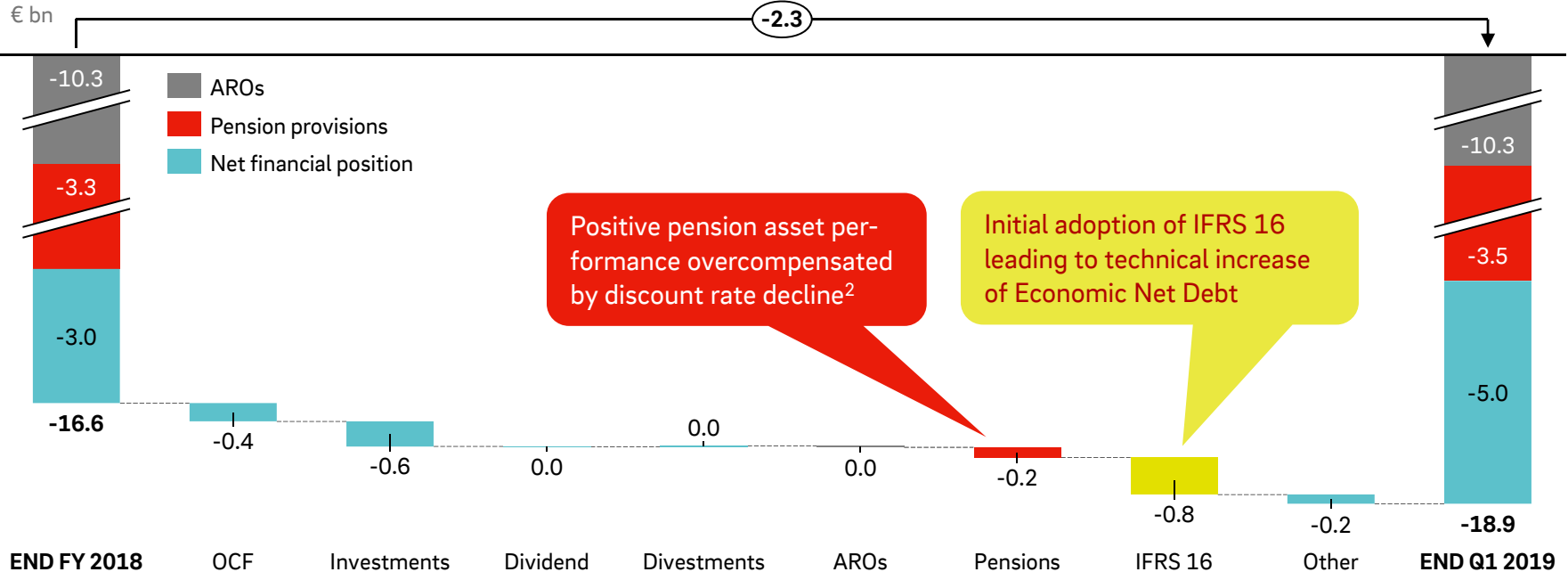
€ m



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

END impacted by technical and seasonal effects

END¹ Q1 2019 vs. FY 2018

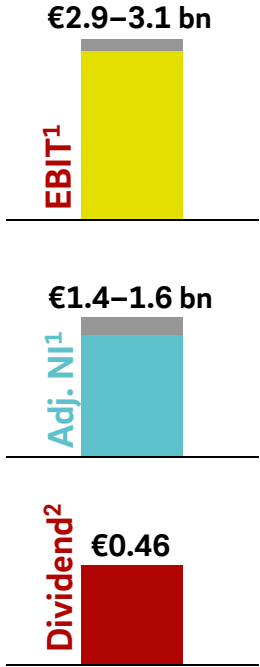


1. Economic net debt definition takes into account the decommissioning provisions calculated with a real discount rate of 0.0% as opposed to IFRS ARO's

2. Actuarial interest rates for German pensions down 30bps to 1.7%, for UK pensions down 40bps to 2.5% (31 Mar 2019)

FY 2019 outlook confirmed

Outlook 2019



Effects for the remainder of 2019

Energy Networks

- + Germany: new regulatory period power
- + Sweden: power tariff increases (already implemented)

Renewables

- +/- Onshore: capacity additions, support scheme expiries
- + Offshore: capacity additions (Arkona, Rampion)

Customer Solutions

- + Germany & UK: restructuring charges in 2018
- UK: regulatory interventions (i.e. SVT price cap)

Non-Core

- +/- PEL³: increased wholesale prices, higher depreciation, one-offs in 2018

1. Adjusted for non operating effects 2. Fixed dividend per share proposal to AGM to be paid in 2020 3. Preussen Elektra

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Q1 2019 – Financial Appendix

E.ON standalone

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Financial Highlights

E.ON Q1 2019 results

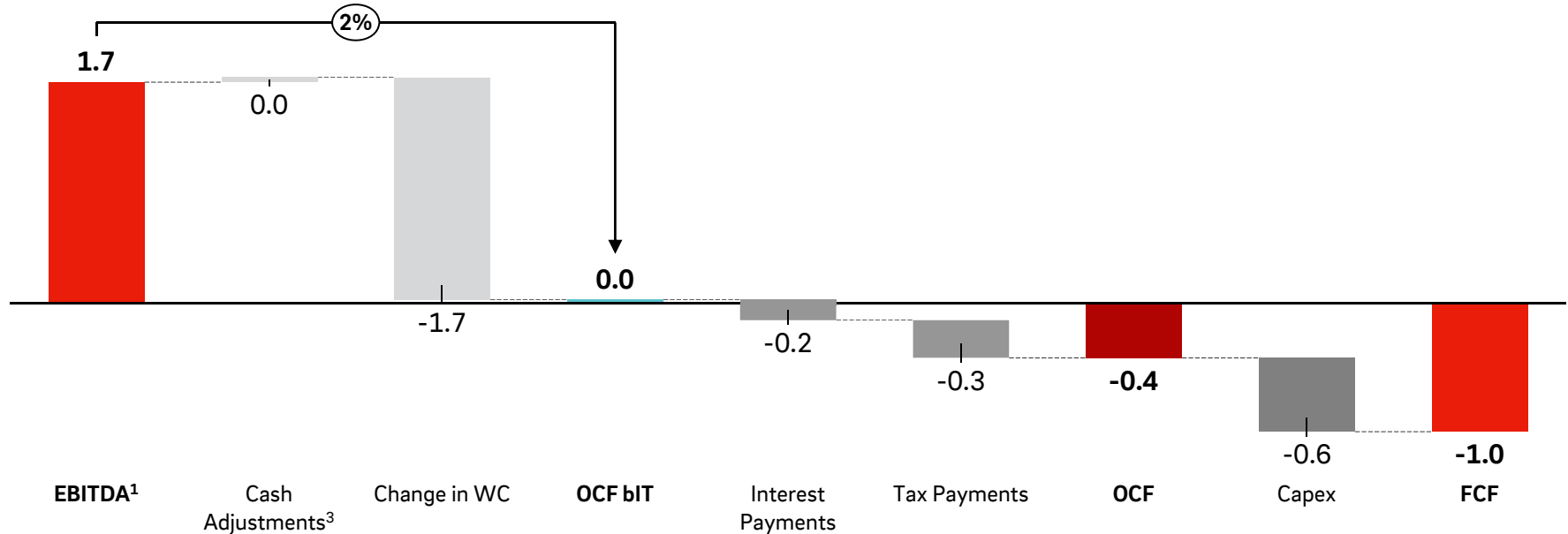
€m	Q1 2018	Q1 2019	% YoY
Sales	8,752	9,162	+5
EBITDA ¹	1,715	1,671	-3
EBIT ¹	1,284	1,175	-8
Adjusted Net Income ¹	727	650	-11
OCF bIT	359	27	-92
Investments	696	568	-18
Economic Net Debt ²	-16,580	-18,853	-14

1. Adjusted for non operating effects, 2. Economic net debt as per 31 Mar 2019 and 31 Dec 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

Seasonally low Cash Conversion Rate²

Q1 2019

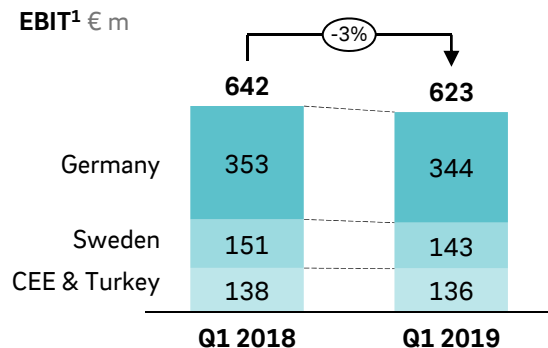
€ bn



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

Segments: Energy Networks

Energy Networks



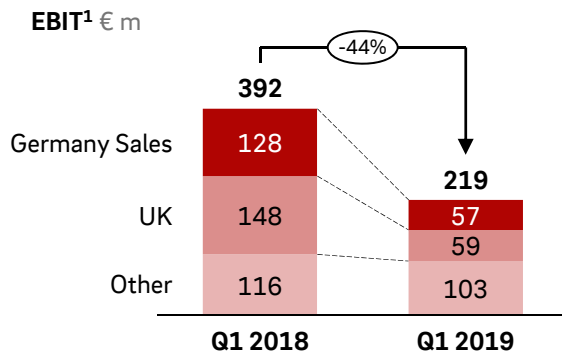
Highlights

- **Germany**
 - +/- New regulatory period for power
 - + Regulatory effects in 2018
- **Sweden**
 - + Power tariff increase
 - Adverse FX development
 - Disposal of gas network in Q2 2018
 - Costs for storm "Alfrida" in early 2019

Details	€m	Germany			Sweden			CEE & Turkey			Total		
		Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY
Revenue		1,651	1,724	+4	293	277	-5	432	452	+5	2,376	2,453	+3
EBITDA ¹		490	497	+1	190	184	-3	197	194	-2	877	875	-0
EBIT ¹		353	344	-3	151	143	-5	138	136	-1	642	623	-3
<i>thereof Equity-method earnings</i>		16	17	+6	0	0	-	30	31	+3	46	48	+4
OCFyIT		23	-200	-	267	164	-39	164	189	+15	454	153	-66
Investments		108	167	+55	55	56	+2	108	74	-31	271	297	+10

Segments: Customer Solutions

Customer Solutions



Highlights

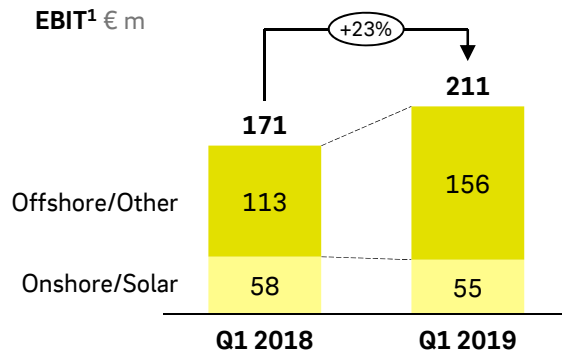
- **Germany Sales**
 - Timing effect from delayed pass-on of higher grid fees
 - Higher procurement costs for gas
 - Warm weather
- **UK**
 - Regulatory effects, mainly SVT² price cap
 - Competitive dynamics
 - Higher third-party costs

Details	€m	Germany Sales			UK			Other			Total		
		Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY
Revenue		2,013	2,157	+7	2,391	2,238	-6	2,341	2,608	+11	6,745	7,003	+4
EBITDA ¹		135	67	-50	169	88	-48	159	148	-7	463	303	-35
EBIT ¹		128	57	-55	148	59	-60	116	103	-11	392	219	-44
thereof Equity-method earnings		0	0	-	0	0	-	1	3	+200	1	3	+200
OCFbIT		-169	-214	-27	-103	-16	+84	-76	-36	+53	-348	-266	+24
Investments		4	8	+100	40	36	-10	30	118	+293	74	162	+119

Segments: Renewables

Renewables

EBIT¹ € m



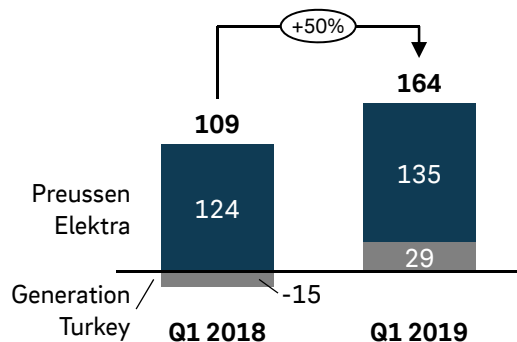
Highlights

- **Offshore/Other**
 - + GE: Capacity additions (Arkona)
 - + UK: Capacity additions (Rampion)
- **Onshore/Solar**
 - + US: Capacity additions (Stella)
 - Support scheme expiries

Details	Onshore Wind / Solar			Offshore Wind / Others			Total		
	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY
	€m								
Revenue	234	294	+26	167	184	+10	401	478	+19
EBITDA ¹	97	101	+4	150	205	+37	247	306	+24
EBIT ¹	58	55	-5	113	156	+38	171	211	+23
<i>thereof Equity-method earnings</i>							8	36	+350
OCFbit							228	197	-14
Investments							180	83	-54

Non-Core

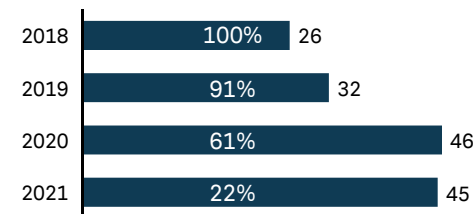
EBIT¹ € m



Highlights

- **PreussenElektra**
 - + Higher achieved power prices
 - + Higher volumes due to Grohnde outage in 2018
 - Higher depreciation
 - One-off effect in 2018
- **Generation Turkey**
 - + Operational improvements, mainly higher hydro volumes

PreussenElektra: Hedged Prices (€/MWh) as of 31 March 2019



Details	€m	PreussenElektra			Generation Turkey			Total		
		Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY	Q1 2018	Q1 2019	% YoY
Revenue		278	336	+21	0	0	-	278	336	+21
EBITDA ¹		159	184	+16	-15	29	+293	144	213	+48
EBIT ¹		124	135	+9	-15	29	+293	109	164	+50
thereof Equity-method earnings		25	23	-8	-15	29	+293	10	52	+420
OCFbIT		112	143	+28	0	0	-	112	143	+28
Investments		7	2	-71	154	0	-100	161	2	-

Adjusted Net Income

E.ON Q1 2019 results

€m	Q1 2018	Q1 2019	% YoY
EBITDA¹	1,715	1,671	-3
Depreciation/amortization	-431	-496	-15
EBIT¹	1,284	1,175	-8
Economic interest expense (net)	-177	-178	-1
EBT¹	1,107	997	-10
Income Taxes on EBT ¹	-277	-249	+10
% of EBT ¹	-25%	-25%	-
Non-controlling interests	-103	-98	+5
Adjusted Net Income¹	727	650	-11

1. Adjusted for non operating effects

Reconciliation of EBIT to IFRS Net Income

€m	Q1 2018	Q1 2019	% YoY
EBITDA¹	1,715	1,671	-3
Depreciation/Amortization/Impairments	-431	-496	-15
EBIT¹	1,284	1,175	-8
Reclassified businesses of Renewables	-165	-204	-24
Interest result	-190	-261	-37
Net book gains	104	12	-88
Restructuring	-26	-38	-46
Mark-to-market valuation of derivatives	213	-203	-195
Impairments (net)	0	0	-
Other non-operating earnings	-40	-10	+75
Income/Loss from continuing operations before income taxes	1,180	471	-60
Income taxes	-222	-150	+32
Income/loss from continuing operations	958	321	-66
Income/loss from discontinued operations, net	75	172	+129
Net income/loss	1,033	493	-52

1. Adjusted for non operating effects

Cash effective investments

E.ON Q1 2019 results

€m	Q1 2018	Q1 2019	% YoY
Energy Networks	271	297	+10
Customer Solutions	74	162	+119
Renewables	180	83	-54
Corporate Functions & Other	9	25	+178
Consolidation	1	-1	-
Non-Core	161	2	-99
Investments	696	568	-18

Economic Net Debt¹

E.ON Q1 2019 results

€m	31 Dec 2018	31 Mar 2019
Liquid funds	5,423	3,815
Non-current securities	2,295	2,792
Financial liabilities	-10,721	-11,749
Adjustment FX hedging ²	-28	107
Net financial position	-3,031	-5,035
Provisions for pensions	-3,261	-3,493
Asset retirement obligations	-10,288	-10,325
Economic Net Debt	-16,580	-18,853

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)

E.ON Q1 2019 results

€m	Q1 2018	Q1 2019	Difference (in € m)
Interest from financial assets/liabilities	-156	-156	+0
Interest cost from provisions for pensions and similar provisions	-16	-15	+1
Accretion of provisions for retirement obligation and similar provisions	-20	-17	+3
Construction period interests ¹	8	3	-4
Others	8	7	-2
Net interest result	-176	-178	-2

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: 5.37%).

Financial Liabilities

E.ON Q1 2019 results

Liquidity Sources (as of Q1 2019)

€ bn

Liquid funds ¹	-3.7
Non-current securities	-2.8
Total	-6.5

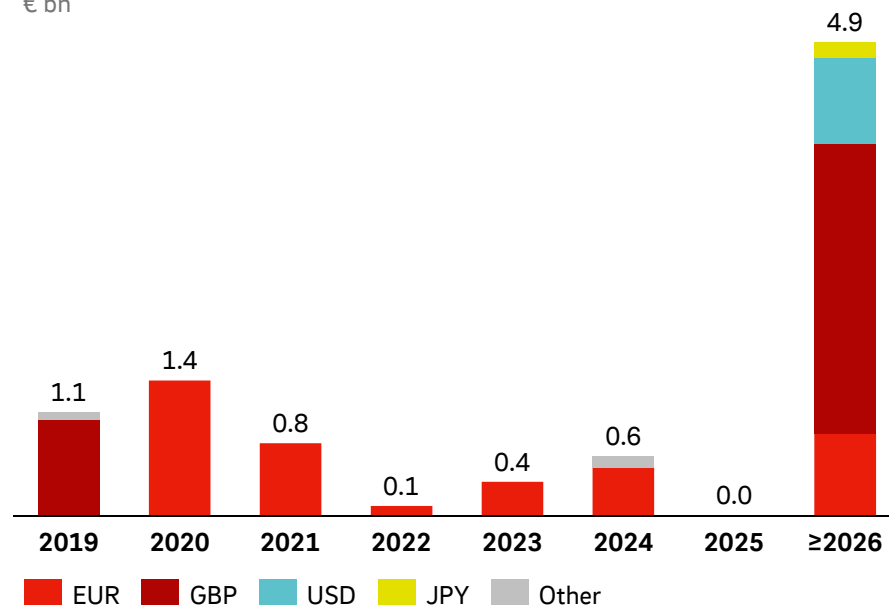
Syndicated loan (undrawn) 2.75

€ / \$ Commercial Paper programs (undrawn) 10 / 10

Acquisition facility (undrawn) 1.75

Maturity profile (as of end Q1 2019)²

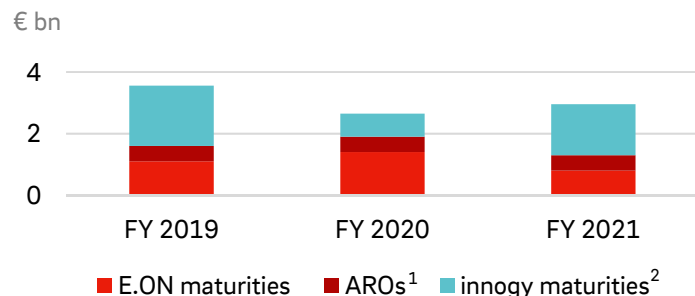
€ bn



1. Balance sheet value (IFRS) considering discontinued operations

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

Indicative combined maturities



Maturities (€ bn)	2019	2020	2021
E.ON	-1.1	-1.4	-0.8
innogy ²	-2.0	-0.8	-1.7

Financing considerations

- Takeover offer and purchase of RWE's innogy loan are covered by existing cash and RWE's payment
- 2019 funding needs: expected to be ~€1 billion (taking into account Jan. 2020 innogy bond maturity and the disposal of innogy's Czech gas grid)
- €1.75 billion undrawn acquisition facility available
- Regular funding volumes determined by
 - refinancing of upcoming maturities
 - utilization of asset retirement obligations
- Future annual funding needs estimated: €2-4 billion

1. Asset retirement obligations ('AROs'): Indicative utilization of €0.5 billion p.a.

2. Incl. senior bonds and 2019 RWE intercompany loan based on innogy's Fixed Income Investor Update 1st June 2018

E.ON Investor Relations contacts



Dr. Stephan Schönefuß
Interim Head of Investor Relations

T +49 (201) 184 28 22
stephan.schoenefuss@eon.com



Martina Burger
Manager Investor Relations

T +49 (201) 184 28 07
martina.burger@eon.com



Sebastian Gaßner
Manager Investor Relations

T +49 (201) 184 28 05
sebastian.gassner@eon.com



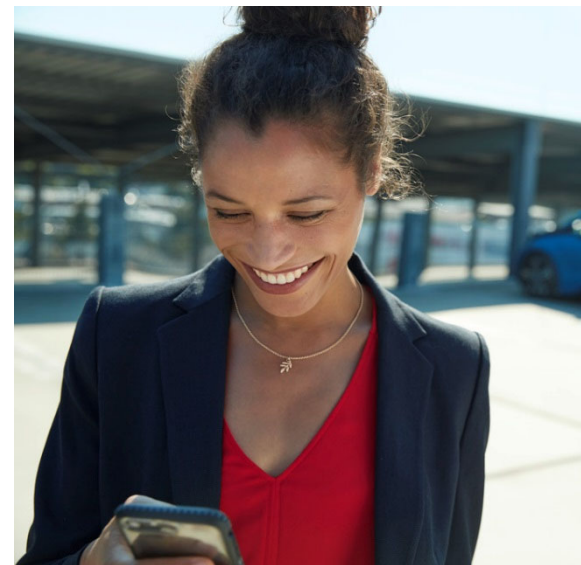
Conny Rippahn
Manager Investor Relations

T +49 (201) 184 28 34
conny.rippahn@eon.com



Andreas Thielen
Manager Investor Relations

T +49 (201) 184 28 15
andreas.thielen@eon.com



T +49 (201) 184 2806
investorrelations@eon.com

Financial calendar & important links



Financial calendar

May 14, 2019

2019 Annual Shareholders Meeting

August 7, 2019

Half-Year Financial Report: January – June 2019

November 13, 2019

Quarterly Statement: January – September 2019

March 25, 2020

Annual Report 2019

May 12, 2020

Quarterly Statement: January – March 2020

Important links

Presentations

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

Facts & Figures 2019

<https://www.eon.com/content/.../presentations/facts-and-figures-2019.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>

Transaction Website: <http://www.energyfortomorrow.eu/>

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