

FY 2017 results

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e-on

Financial Highlights

FY 2017 results

€m	FY 2016	FY 2017	% YoY
Sales	38,173	37,965	-1
EBITDA ¹	4,939	4,955	+0
EBIT ¹	3,112	3,074	-1
Adjusted net income ¹	904	1,427	+58
OCF bIT	3,974	-2,235	-
Investments	3,169	3,308	+4
Economic net debt ²	26,320	19,248	-27

1. Adjusted for non operating effects, 2. Economic net debt as per 31 Dec 2016 and 31 Dec 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 3. Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs (KFK), 4. NFT refund after payment to minorities without positive interest income effect and taxes

EBIT

- Energy Networks: +16% YoY. Higher regulated revenues in Germany and CEE and tariff increases in Sweden
- Customer Solutions: -35% YoY. Increased competitive dynamics
- Renewables: +6% YoY. Arkona book gain in Q2 2016 and better wind conditions

Adj. Net Income

- **€523 m above last years FY 2017 result**
- Improvement YoY mainly driven by significant lower interest accretion of nuclear provisions and a tax rate of 26% (vs. 29% in FY 2016)

OCF bIT

- Cash provided by operating activities €6.2 bn below prior-year level
- Key drivers: €10.3 bn payment to nuclear fund (KFK³) (-) and €2.6 bn net nuclear fuel tax (NFT) refund (+)⁴

Investments

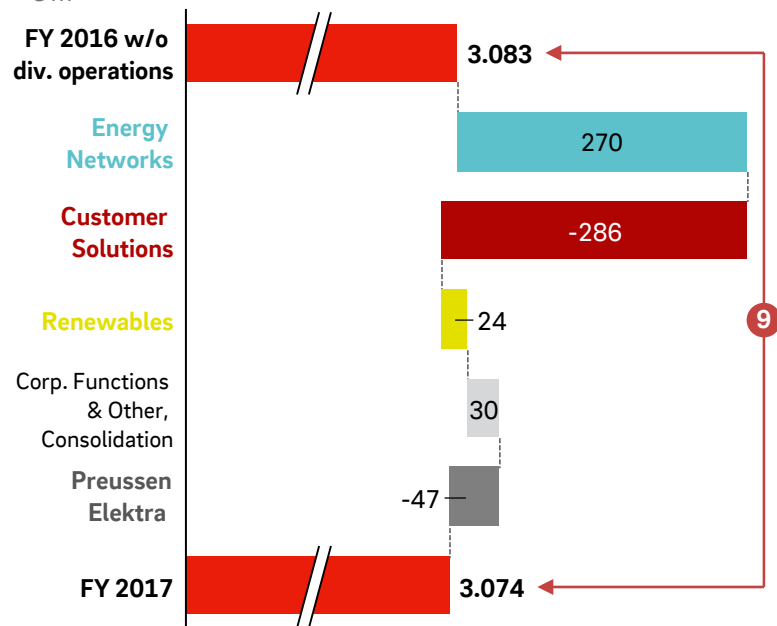
- Energy Networks: €1,418 m (vs. €1,419 m YoY)
- Customer Solutions: €595 m (vs. €580 m YoY)
- Renewables: €1,225 m (vs. €1,070 m YoY)

Q4 2017: Catch-up completed

FY 2017 results

EBIT¹ FY 2017 vs. FY 2016

€ m



Key FY 2017 Effects

Energy Networks



- + Higher regulated revenues in Germany and CEE (esp. Hungary, Czech Republic)
- + Tariff increases in Sweden

Customer Solutions



- + Price increases in Germany and UK
- Higher costs (e.g. ECO²), PPM³ cap, competitive dynamics in UK, Energy procurement crisis in Romania (Q1 2017)

Renewables



- + Improved wind conditions
- Arkona book gain in Q2 2016 (offshore)



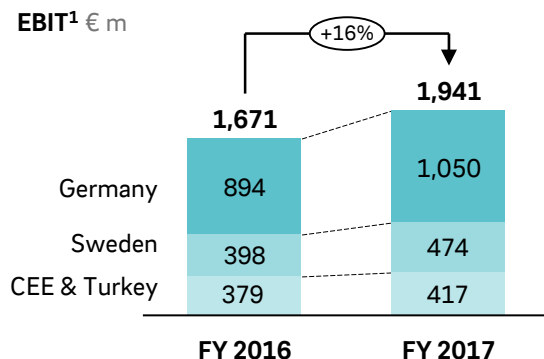
- Lower prices & volumes
- + End of nuclear fuel tax, one-off effects in relation to court cases & KFK solution

1. Adjusted for non operating effects, 2. Energy Company Obligation (ECO) 3. Prepayment Meter (PPM)

Segment: Energy Networks

FY 2017 results

Energy Networks



Highlights

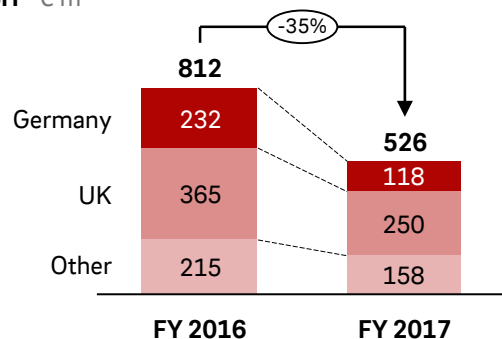
- **Germany:**
 - + Regulatory effects
 - + Lower maintenance cost
- **Sweden:**
 - + Tariff increases
- **CEE & Turkey:**
 - + Tariff increases in Hungary
 - + Higher allowed revenues in Czech Republic

Details	€m	Germany			Sweden			CEE & Turkey			Total		
		FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY
Revenue		13,205	14,199	+8	1,029	1,072	+4	1,658	1,719	+4	15,892	16,990	+7
EBITDA ¹		1,507	1,641	+9	562	632	+12	610	654	+7	2,679	2,927	+9
EBIT ¹		894	1,050	+17	398	474	+19	379	417	+10	1,671	1,941	+16
thereof Equity-method earnings		66	74	+12	0	0	-	63	44	-30	129	118	-9
OCFbIT		1,588	2,451	+54	575	640	+11	605	605	+0	2,768	3,696	+34
Investments		846	702	-17	291	345	+19	282	371	+32	1,419	1,418	-0

Segment: Customer Solutions

FY 2017 results

Customer Solutions

EBIT¹ € m

Highlights

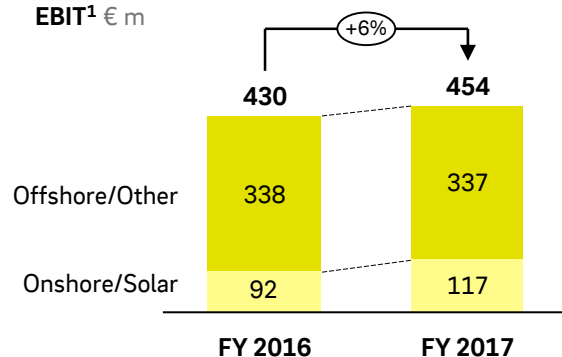
- **Germany:**
 - Lower power & gas margins due to higher prices especially TSO² fees
 - Provision building in Q4 2017
 - + Price increases as per Q2 2017
- **UK:**
 - Higher ECO³ costs & FX weakening
 - Price cap on PPM⁴ customers
 - Competitive dynamics
- **Other:**
 - Energy procurement crisis in Romania in Q1 2017

Details	€m	Germany			UK			Other			Total		
		FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY
		Revenue	7,781	7,452	-4	7,791	7,205	-8	6,796	6,910	+2	22,368	21,567
EBITDA ¹	299	192	-36	460	353	-23	351	302	-14	1,110	847	-24	
EBIT ¹	232	118	-49	365	250	-32	215	158	-27	812	526	-35	
thereof Equity-method earnings	0	0	-	0	0	-	10	14	+40	10	14	+40	
OCFbIT	351	317	-10	435	403	-7	381	247	-35	1,167	967	-17	
Investments	73	75	+3	220	211	-4	287	309	+8	580	595	+3	

Segment: Renewables

FY 2017 results

Renewables

EBIT¹ € m

Highlights

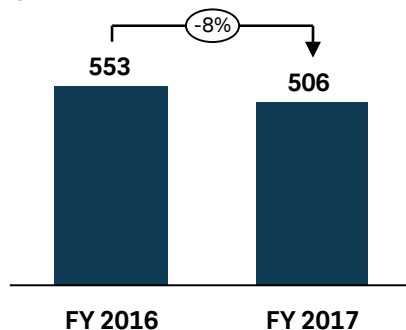
- **Offshore:**
 - + Better wind conditions especially in Q4 2017
 - Arkona book gain in Q2 2016
- **Onshore:**
 - + COD of Colbeck's Corner in May 2016
 - + Higher production of US wind farms

Details	€m	Onshore Wind / Solar			Offshore Wind / Others			Total		
		FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY	FY 2016	FY 2017	% YoY
		Revenue	728	927	+27	629	677	+8	1,357	1,604
EBITDA ¹	308	299	-3	488	486	-0	796	785	-1	
EBIT ¹	92	117	+27	338	337	-0	430	454	+6	
<i>thereof Equity-method earnings</i>							15	24	+60	
OCFbit							699	601	-14	
Investments							1,070	1,225	+14	

Segment: PreussenElektra

FY 2017 results

PreussenElektra

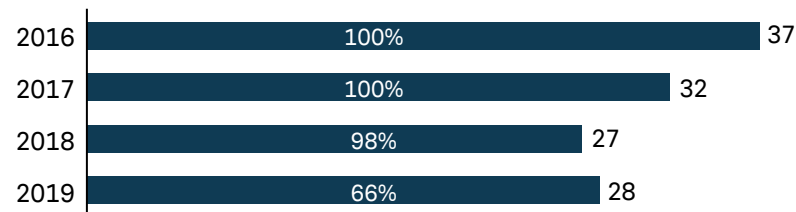
EBIT¹ € m

Highlights

- Lower volumes due to Brokdorf outage
- Lower achieved power prices
- + End of nuclear fuel tax payments in 2016
- + One-off effects in relation to court cases & KFK solution

Details	€m	PreussenElektra		
		FY 2016	FY 2017	% YoY
Revenue		1,538	1,585	+3
EBITDA ¹		644	654	+2
EBIT ¹		553	506	-8
thereof Equity-method earnings		63	55	-13
OCFbIT		93	-7,357	-
Investments		15	14	-7

Hedged Prices Germany (€/MWh) as of 31 Dec 2017



Adjusted Net Income

€m	FY 2016	FY 2017	% YoY
EBITDA¹	4,939	4,955	+0
Depreciation/amortization	-1,827	-1,881	-3
EBIT¹	3,112	3,074	-1
Economic interest expense (net)	-1,452	-744	+49
EBT¹	1,660	2,330	+40
Income Taxes on EBT ¹	-478	-613	-28
% of EBT ¹	-29%	-26%	-
Non-controlling interests	-278	-290	-4
Adjusted net income¹	904	1,427	+58

€0.67 EPS (€ per share)

FY 2017 results

Economic interest expense (net)

- Improvement mainly driven by significant lower interest accretion of nuclear provisions (-€750m), while other interest expenses were up (-€60m)

Tax rate

- Tax rate of 26% (vs. 29% in FY 2016)

Adjusted Net Income

- Up 58% over prior year

Economic interest expense (net)

FY 2017 results

€m	FY 2016	FY 2017	Difference (in € m)
Interest from financial assets/liabilities	-614	-673	-59
Interest cost from provisions for pensions and similar provisions	-84	-82	+2
Accretion of provisions for retirement obligation and similar provisions	-841	-67	+773
Construction period interests ¹	37	43	+6
Others	51	35	-16
net interest result	-1,452	-744	+707

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%)

Reconciliation of Adj. EBIT to IFRS Net Income

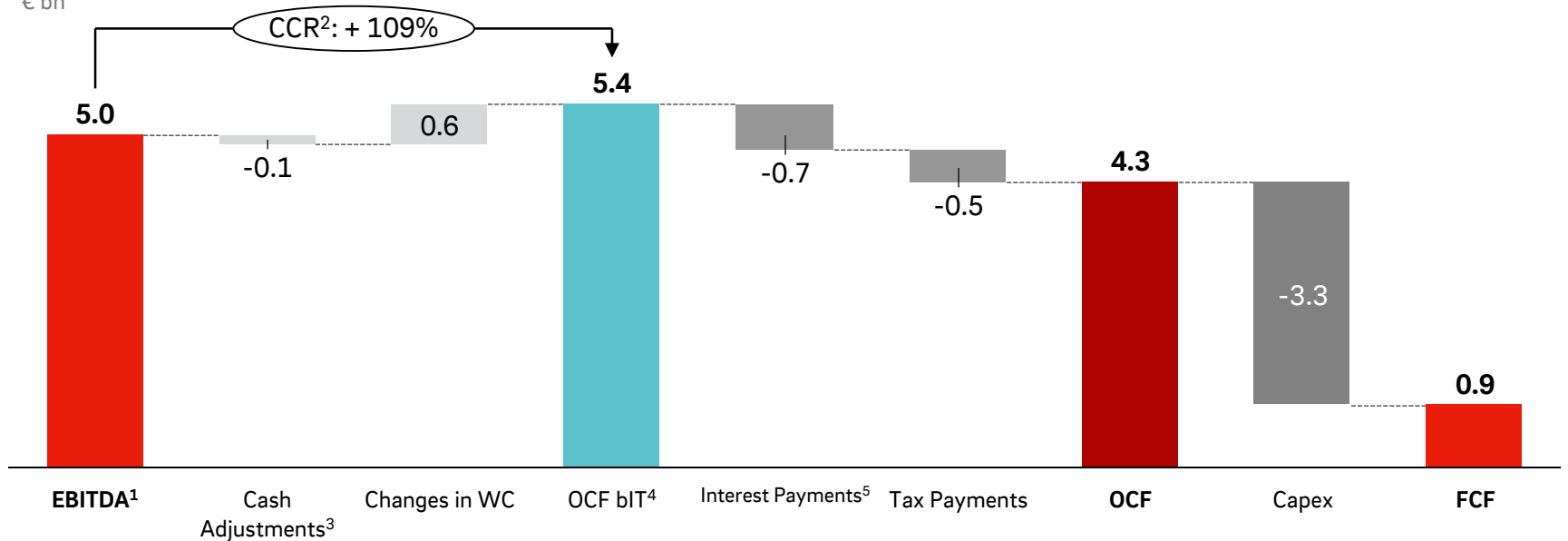
FY 2017 results

€m	FY 2016	FY 2017	% YoY
EBITDA¹	4,939	4,955	+0
Depreciation/Amortization/Impairments	-1,827	-1,881	-3
EBIT¹	3,112	3,074	-1
Economic interest expense (net)	-1,452	-744	+49
Net book gains	63	375	+495
Restructuring	-274	-541	-97
Mark-to-market valuation of derivatives	932	-951	-202
Impairments (net)	-394	-916	-132
Other non-operating earnings	-3,712	4,323	-
Income/Loss from continuing operations before income taxes	-1,725	4,620	+368
Income taxes	-440	-440	+0
Income/loss from discontinued operations, net	-13,842	0	+100
Non-controlling interests	-7,557	255	+103
Net income/loss attributable to shareholders of E.ON SE	-8,450	3,925	+146

High cash conversion rate² of 109% supported by strong operating cash flow

FY 2017

€ bn

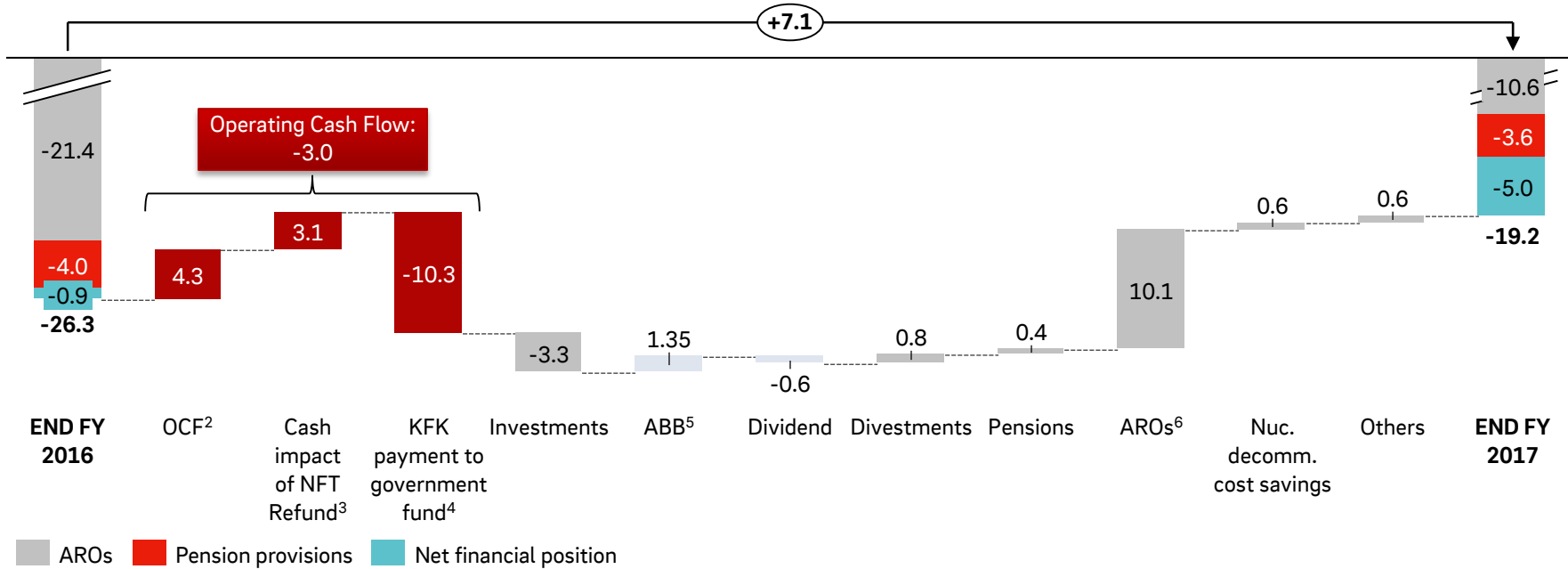


1. Adjusted for non operating effects, 2. Cash Conversion Rate: OCF bit / EBITDA, adjusted for NFT and KFK effects, 3. Net non cash effective EBITDA items incl. provision utilizations, 4. Adjusted for KFK and NFT effects, 5. Adjusted for NFT effects

END improves significantly due to high cash flow and refund of nuclear fuel tax

END¹ FY 2017 vs. FY 2016

€ bn



Differences occur due to rounding. 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. OCF adjusted for KFK and NFT effects, 3. Nuclear Fuel Tax (NFT) after payment to minorities including positive interest income effect, before taxes 4. Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs (KFK), 5. Accelerated Book Build (ABB), 6. Includes transfer of nuclear storage liabilities to government fund

Economic Net Debt¹

FY 2017 results

€m	31 Dec 2016	31 Dec 2017
Liquid funds	8,573	5,160
Non-current securities	4,327	2,749
Financial liabilities	-14,227	-13,021
Adjustment FX hedging ²	390	114
Net financial position	-937	-4,998
Provisions for pensions	-4,009	-3,620
Asset retirement obligations	-21,374	-10,630
Economic net debt	-26,320	-19,248

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

Cash effective investments by unit

€m	FY 2016	FY 2017	% YoY
Energy Networks	1,419	1,418	-0
Customer Solutions	580	595	+3
Renewables	1,070	1,225	+14
Corporate Functions & Other	106	53	-50
Consolidation	-21	3	+114
PreussenElektra	15	14	-7
Investments	3,169	3,308	+4

Financial Liabilities

FY 2017 results

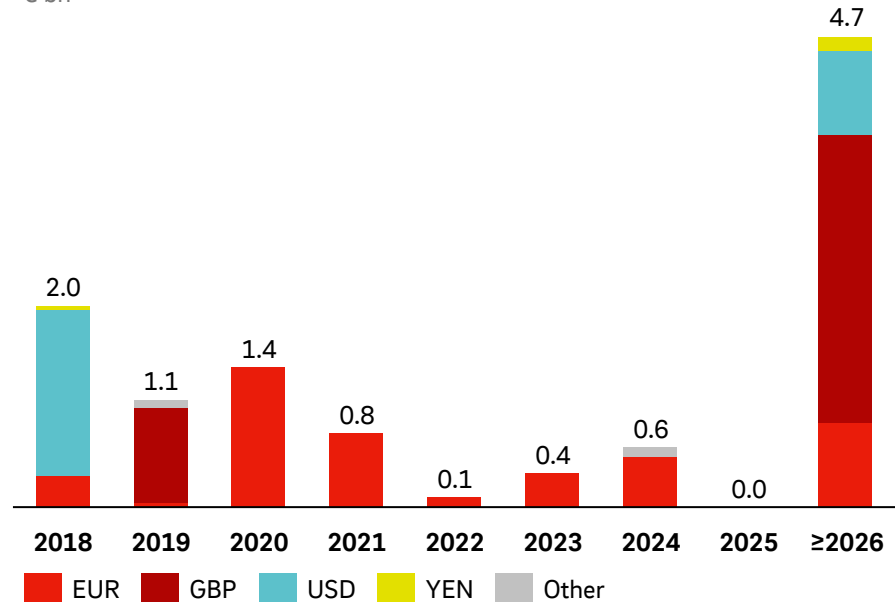
Split Financial Liabilities

€ bn

	31 Dec 2017
Bonds	-10.7
in EUR	-4.0
in GBP	-3.9
in USD	-2.5
in JPY	-0.2
in other denominations	-0.1
Promissory notes	-0.4
Commercial papers	0.0
Other liabilities	-1.9
Total	-13.0

Maturity profile (as of end FY 2017)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)

E.ON Investor Relations contacts



Alexander Karnick
Head of Investor Relations

T+49 (201) 184 28 38
alexander.karnick@eon.com



Martina Burger
Manager Investor Relations

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



Dr. Stephan Schönefuß
Manager Investor Relations

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

FY 2017 results



Financial calendar

May 8, 2018

Quarterly Statement: January – March 2018

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

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>

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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