Growth  |  Focus  |  Discipline

Creating the future of energy

http://www.energyfortomorrow.eu/  November 2018
Creating the future of energy

- **Focus**: Europe’s first energy player with exclusive downstream focus
- **Unique downstream footprint**: RAB and customer numbers rise >60%\(^1\)
- **Earnings quality**: network EBIT share rises to ~80%\(^1\)
- **Strong synergies**: fading nuclear earnings overcompensated by €600-800m synergies
- **Attractive dividends**: aiming to deliver absolute annual dividend growth
- **EPS accretion**: from second year after closing
- **Solid capital structure**: high commitment to strong BBB rating
- **Limited cash impact**: acquisition of RWE’s 76.8% in innogy via asset exchange; attractive offer to minority shareholders

1. Future E.ON pro-forma EBIT 2017 (innogy data based on public information), 2. Bloomberg Data, 3. RABs from different regulatory regimes are not directly comparable due to significant methodical differences.
Creating two focused energy companies

Structure today

E.ON

Target structure

Future E.ON

RWE

-77% innogy

16.67%
Acquisition of innogy via innovative asset exchange

Total equity value: ~€22bn

- 16.67% Stake in Future E.ON (~€3.7bn)
- E.ON & innogy Renewables & Other Assets (~€13.5bn)
- Innogy dividends (~€1.4bn)
- Cash payment to E.ON (~€1.5bn)

Offer price and innogy dividend for 2017 and '18 (~€5.2bn)

Asset exchange (limited cash impact)

1. Acquisition of RWE’s 76.8% stake in innogy via asset exchange
2. RWE to get in exchange:
   - 16.67% in new E.ON via 20% capital increase against contribution in kind (authorized capital)
   - E.ON’s and innogy’s renewables businesses
   - Additional assets: E.ON’s minority stakes in two RWE operated nuclear power plants, innogy’s gas storage business and minority participation in Kelag
3. RWE receives innogy dividends for 2017 and 2018
4. Net cash payment from RWE to E.ON of ~€1.5bn

Cash offer

- Attractive cash offer to minority shareholder in innogy with total value of €40.00 per share (offer price (€36.76) plus FY 2017 dividend of €1.60 per share, plus expected dividend of €1.64 per share for FY 2018)

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1. Equity value for transfer perimeter, 2. Gundremmingen C (25% stake) and Emsland (12.5% stake), 3. Payment to balance asset valuation, 4. Excludes 20% in Rampion and certain onshore capacity indirectly held by E.ON and innogy.
Transacting from a position of strength

E.ON today

- EBIT €3.1bn\(^1\)
- ANI €1.4bn\(^1\)
- END €19.2bn\(^1\)
- Dividend
- Mid-term Growth

Future E.ON ('17)

- EBIT €5bn\(^1\)
- ANI €1.4bn\(^1\)
- END €19.2bn\(^1\)
- Dividend
- Mid-term Growth

1. E.ON standalone 2017 reported, 2. Future E.ON pro-forma 2017 (innogy data based on public information), 3. 2018-2020 based on existing portfolio (E.ON standalone), 4. RABs from different regulatory regimes are not directly comparable due to significant methodical differences.
Unique downstream position across Europe

Excludes npower UK customers subject to transaction with SSE

1. E.ON 2017 reported, 2. innogy 2017 reported, 3. Future E.ON pro-forma 2017 (innogy data based on public information), 4. RABs from different regulatory regimes are not directly comparable due to significant methodical differences.
Focus, scale and efficiency pre-requisite for success

Mega trends accelerate and reinforce each other
- Future E.ON's unique downstream positioning fully captures benefits of energy mega trends

Focus, scale and efficiency needed in New Energy World
- Creating markets for customers through our products, services, technologies
- “Go to” partner for politicians and regulators in designing the energy transition
- Combining innovation power to enhance development of state-of-the-art products
- Synergies improve cost position and roll-out speed
- Innovative services levered on significantly higher customer number
Acceleration of strategy execution

**Position of strength**
- Robust portfolio
- Strong financial & operational delivery
- Balance sheet headroom

**Transition year**
- Spin-off Uniper & reset of E.ON

**Unique strategic position**
- Focus on high-performance regulated networks and state-of-the-art customer solutions
- Reduction of portfolio complexity
- Enhanced earnings quality: ~80% of EBIT\(^1\) is regulated
- Aiming to deliver absolute annual dividend growth

1. Future E.ON pro-forma 2017 (innogy data based on public information).
Value creation for shareholders

Realization of valuation premium

- Renewables: 11x EV/EBITDA
- innogy acquisition at ~10x EV/EBITDA
- Instant redeployment of capital
- Platform for high synergies (€600-800m)

Shareholder value creation

1. Enterprise value (schematic)
Integration of innogy provides for strong synergy potential

Estimated synergies (€ m)²

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergy</td>
<td>-5%</td>
<td>-25%</td>
<td>-55%</td>
<td>-100%</td>
</tr>
<tr>
<td>Estimated synergies (€ m)²</td>
<td>€600-800m</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Synergy focus¹, ²

- Strong synergy potential of €600-800m
- 10-15% of controllable costs
- ~5000 FTEs affected (~7% of employee base)

¹ Synergy split (€ million), ² Future E.ON pro-forma 2017 (innogy data based on public information).
Attractive earnings & dividend profile secured long-term

Share of regulated network earnings (EBIT)

-65%\(^1\)

-80%\(^2\)

EBIT development\(^3\)

Synergies to over-compensate fading nuclear earnings

E.ON stand-alone

Enlarged E.ON

Future E.ON’s key financials

- **EBITDA**: ~€8bn\(^1\)
- **EBIT**: ~€5bn\(^1\)
- **EPS accretion from second year after completion**
- **Dividend**: Aiming to deliver absolute annual dividend growth (fixed dividend for 2018: €0.43\(^3\))

---

Pro forma economic net debt

E.ON today¹ (€ bn)

-19.2
-5.0
-3.6
-10.6

Economic Net Debt 2017

Future E.ON²,³ (€ bn)

-35

-€2.8bn debt transferred to RWE

- Nuclear provisions: -€0.9bn
- AROs (Renewables): -€0.9bn
- Tax equity liabilities (Renewables): -€0.6bn
- Pension provisions (Renewables): -€0.4bn

Further deleveraging measures to be realized in ‘18 (€ bn)

Includes:
- Acquisition of 23.2% minority shares
- €1.5bn cash payment from RWE

Includes:
- Monetization of Uniper shares
- Transfer of NS1⁴ into CTA

-5

Future E.ON pro-forma 2017 (innogy data based on public information), 3. E.ON will address structural subordination post closing, 4. Nord Stream I stake.

Investor agreement with RWE ensures equal treatment of shareholders

Preamble
- RWE to act purely as financial investor

Corporate Governance
- Right to nominate one Supervisory Board member

Shareholder structure and rights
- Not allowed to increase stake above 16.67%
- Not allowed to sell to an E.ON competitor
Framework agreement signed — innogy fully supports the transaction and its implementation

Support areas
- Antitrust & other regulatory approvals
- Preparation of carve-out of innogy’s RES business
- Communication: public, internal and in capital markets

Working together in integration process
- Joint project for integration planning & to define future operating model
- E.ON with right of final decision

Safeguarding employees’ interests
- Employees will be treated fairly and as equally as possible
- Transparent process to determine leadership functions

Agreement supportive for transaction timeline and expected synergies of €600–800m
1. Payment to balance asset valuation, 2. Transfers of E.ON minority shares in the two RWE-operated nuclear power plants Gundremmingen (25% stake) and Emsland (12.5% stake) to RWE.
Schematic merger control proceedings

Simplified overview of process steps of EU merger control proceedings (possible (partial) referrals to national authorities not taken into account\(^1\))

\(\approx\) May 2018

- **Preparations**
  - Drafting notification documents
  - Discussing draft notification, responding to information requests
  - Finalizing notification

- **Pre-notification**
  - Discussing draft notification, responding to information requests

- **Phase I** (25 working days)
  - Assessing notification
  - Obtaining additional information requests

- **Phase II** (90 working days + extensions)
  - Analyzing market segments in detail
  - Negotiating potential conditions

\(\approx\) Not before mid-2019

Expected EU Commission clearance decision

\(^1\) Federal Cartel Office Germany, CMA, CEE
Investment highlights

Starting from position of strength:
Creating the future of energy

Growth
Aiming to deliver absolute annual dividend growth

Focus
Unique downstream positioning with ~80% regulated earnings\(^1\)

Discipline
Renewables value crystallization and €600-800m synergies
High commitment to strong BBB rating

1. Future E.ON pro-forma 2017 (innogy data based on public information).
Strong 9M 2018 results –
On track to achieve upper half of guidance range

- **Strong EBIT development:**
  +11% 9M 2018 vs. 9M 2017 partly on the back of phasing effects that will reverse in Q4 2018

- **Adj. Net Income up +25% YoY**

- **FY 2018 guidance confirmed:**
  EBIT €2.8-3.0 bn, Adj. Net Income €1.3-1.5 bn

- **Well on track to achieve upper half of 2018 guidance range**

- **Economic Net Debt reduced** to €15.4bn (vs. €19.2bn in FY 2017)

1. Adjusted for non operating effects
Transaction & operations update

- **Antitrust approval on track**
  Regular contact with EU Case Team on draft document

- **Integration project gaining traction**
  Initial phase completed, more than 20 workstreams now up and running

- **Target of €600-800m net synergies by 2022 reiterated**

- **UK: Standard Variable Tariff (SVT)**
  - Price cap level confirmed by Ofgem
    - Full effect of cap on market participants still to be seen
    - Sizeable EBIT impact in 2019
    - Mid-term upside from efficiency program “SWAT”

- **Germany: regulatory review ongoing**
  - Cost audit finalized, awaiting benchmarking results

- **Sweden: positive court decision on carry-over**
  - Court confirmed E.ON view; appealed by regulator

- **Capacity growth delivery continued**
  - Arkona turbine installation completed in record time
  - Repowering in the US starting with 258 MW project
EBIT development in line with expectations

EBIT$^1$ 9M 2018 vs. 9M 2017

€ m

<table>
<thead>
<tr>
<th>Category</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Networks</td>
<td>2,117</td>
<td>2,352</td>
<td>+235</td>
</tr>
<tr>
<td>Customer Solutions</td>
<td>-31</td>
<td>-18</td>
<td>-13</td>
</tr>
<tr>
<td>Renewables</td>
<td>35</td>
<td>163</td>
<td>+128</td>
</tr>
<tr>
<td>Corp. Functions &amp; Other, Consolidation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Core</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key 9M Effects

- **Energy Networks**
  - +/– Germany: positive one-off effects in Q2 & Q3 2018, reversal of regulatory effects, disposal gas network HH, new regulatory period gas
  - +/- Sweden: tariff increase, adverse FX dev.

- **Customer Solutions**
  - + Germany & UK: price increases in Q2 2017
  - + UK: seasonality of 3rd party charges
  - – Germany & UK: competitive dynamics, restructuring charges, price caps in the UK

- **Renewables**
  - + Onshore & Offshore: capacity additions (Bruening's Breeze, Radford's Run, Rampion)
  - – Onshore: support scheme expiries

- **Non-Core**
  - +/- PreussenElektra: one-off effects in 2017, lower achieved prices, higher volumes due to plant outages in 2017, lower depreciation
  - + Turkey: omission of book loss, adverse FX dev.

1. Adjusted for non operating effects
Adj. Net Income profiting from lower interest expenses and stable tax rate

9M 2018 € m

- Group EBIT¹ 2,352
- Interest on fin. assets/liabilities² -436
- Other interest expenses -64
- Profit before Taxes¹ 1,852
- Income Taxes -463
- Minorities -181
- Adjusted Net Income¹ 1,208

-€ 90m improvement yoy mainly due to refinancing benefits, partly compensated by lower interest income from asset portfolio

Tax rate of 25% (stable yoy)

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

END lowered mainly due to sale of Uniper stake

END¹ 9M 2018 vs. FY 2017

€ bn

-10.6 -10.4 -3.6 -2.3 -0.8 -0.9 -0.1 -2.7 -5.0 -2.2

Sale of Uniper stake

Liquidation of pension scheme in Q1 2018 results in reduction of pension provisions – limited effect on END

END FY 2017

OCF Investments Dividend Divestments AROs Pensions Other (CTA² Funding) Other END 9M 2018

2.6 -2.3 4.3 0.2 0.9 -0.9 -0.1 -15.4

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 – On track to achieve upper half of guidance range

Outlook 2018

<table>
<thead>
<tr>
<th>EBIT&lt;sup&gt;1&lt;/sup&gt;</th>
<th>€2.8-3.0 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. Net Income&lt;sup&gt;1&lt;/sup&gt;</td>
<td>€1.3-1.5 bn</td>
</tr>
</tbody>
</table>

Effects for Q4 2018

<table>
<thead>
<tr>
<th>Energy Networks</th>
<th>Germany: reversal of reg. effects, new reg. period gas, disposal gas netw. HH</th>
</tr>
</thead>
</table>
| Customer Solutions | Germany: adverse FX, divest gas grid  
|                  | Turkey: one-off effect in Q4 2017 |
| Renewables      | Germany: negative one-off in Q4 2017  
|                 | Germany & UK: restructuring charges  
|                 | UK: reversal of timing effects 3<sup>rd</sup> party charges, price cap<sup>2</sup> |
| Non-Core        | Offshore & Onshore: capacity additions (Bruenning’s Breeze, Radford’s Run, Rampion), normalizing wind yields  
|                 | Onshore: support scheme expiries |
|                 | PreussenElektra: lower hedged prices, higher depreciation  
|                 | Turkey: adverse FX development |

1. Adjusted for non operating effects, 2. Price cap on vulnerable customers
Appendix
Growth | Focus | Discipline

E.ON Group

E.ON standalone
Delivering step by step – Strategy & Operations

Portfolio reset completed

• €3.8bn Uniper disposal: decision to accept Fortum’s offer
• De-risking: transfer of nuclear storage liabilities to government
• €0.2bn proceeds: successful IPO of Enerjisa’s downstream business

New culture & capabilities

• -€1bn total contract value in B2B new solutions (2017)
• ~200% sales growth in PV/battery: fastest growing solar company in Germany
• Innovation & digitization: successful launch of new products
• E-mobility: gaining traction

Operational excellence

• + ~500MW onshore wind in US in 2017
• + ~130k customer in Q4 ’17 – turn-around achieved
• €400m delivery of Phoenix performance program
• ~€0.6bn nuclear decommissioning savings secured
Each pillar with focused and disciplined growth

**Customer Solutions**
- Total Customer #
  - 2017: 22m
  - 2025: 24m
  - Growth: +-2m

- Energy sales: reinvent with profitable customer growth
- New solutions: rapidly scale up
- Heat: leverage existing positions

**Energy Networks**
- E.ON power RAB
  - 2017: 19bn
  - 2020: 21-22bn
  - Growth: +-€2-3bn

- Grow & sustain RAB
- Develop transformative platform
- Drive adjacent businesses

**Renewables**
- E.ON operated capacity
  - 2017: 6GW
  - 2020: 8GW
  - Growth: +-2GW

- Onshore: grow at scale
- Offshore: leverage existing options

---
1. Based on constant FX rates.
Attractive stand-alone profile

**EBIT growth**
- Group CAGR: +3-4%
- €2.8 – 3.0bn
- 2018 to 2020

**EPS growth**
- +5-10% CAGR
- €0.60 – 0.70
- 2018 to 2020

**Dividend growth**
- +40%
- €0.30 to €0.43
- 2017 to 2018

Aiming to deliver absolute annual dividend growth

---

E.ON’s guiding principles

Drive value creation

Absolute annual dividend growth

Sustainable & resilient EPS growth

Customer-led

Digitization

Operational excellence

Capital discipline
Strong delivery of financial targets

EBIT\(^1\) vs. guidance

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT(^1)</th>
<th>Guidance range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>€3.1bn</td>
<td>€2.7bn - €3.1bn</td>
</tr>
<tr>
<td>2017</td>
<td>€3.1bn</td>
<td>€2.8bn - €3.1bn</td>
</tr>
</tbody>
</table>

Adj. Net income\(^1\) vs. guidance

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. Net income(^1)</th>
<th>Guidance range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>€0.9bn</td>
<td>€0.6bn - €1.0bn</td>
</tr>
<tr>
<td>2017</td>
<td>€1.4bn</td>
<td>€1.2bn - €1.45bn</td>
</tr>
</tbody>
</table>

Deleveraging achieved: significant reduction of END

- €7bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Total debt</th>
<th>Guidance range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>€26.3bn</td>
<td>€2.7bn - €3.1bn</td>
</tr>
<tr>
<td>2017</td>
<td>€19.2bn</td>
<td>€2.8bn - €3.1bn</td>
</tr>
</tbody>
</table>

EBIT vs. guidance

1. Adjusted for non-operating effects.
Deleveraging creates balance sheet headroom

Economic net debt
€ bn

- 26.3
- 21.5
- 19.2

FY 16
Q2 17
FY 17

-5.3x EBITDA
-4.4x EBITDA
-3.9x EBITDA

Hybrid cancelled
Scrip dividend cancelled

Achieved (€ bn)
+ Nuclear fuel tax -2.9
+ Accelerated Book Build -1.4
+ Nuc. decommissioning cost savings -0.6
+ Additional measures -0.6

To be finalized (€ bn)
+ Monetization of Uniper shares
+ Transfer of NS1\(^1\) into CTA
+ Nuc. decommissioning cost savings and additional measures -5

1. Nord Stream 1 stake.
1. Capex net of divestments.

- Energy Networks
- Renewables
- Customer Solutions

### Capex split 2018-2020

**Capex\(^1\) 2018**

- € 3.5bn
- € 9.5bn

**Capex\(^1\) 2018-2020**

- Increase in capex drives the EBIT growth target
- Segments have to compete for capital and against other uses of funds
- Strict adherence to return targets (ROCE 8-10%)

1. Growth
2. Focus
3. Discipline
Sustainable performance - Phoenix & beyond

**Phoenix measures fully implemented**

<table>
<thead>
<tr>
<th>Year</th>
<th>Restructuring costs (upfront)</th>
<th>EBIT contribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-130m</td>
<td>-270m</td>
<td>400m</td>
</tr>
</tbody>
</table>

**Fokus (Ger) & SWAT (UK) next wave**

- Gross savings to offset margin pressure
- €120m savings
- £100m savings

**Performance culture to be sustainably embedded across all functions**

- Focus on central overhead and support functions
- Digitalization to improve processes and customer experiences

**Already embarked on the next efficiency projects**

- Focus on business operations
- Fokus (CS Ger) & Swat (CS UK) target to fully off-set margin pressure
- Make business model future proof
Group guidance FY 2018

**2017 Actuals**

- **EBIT 2017**: €3.1bn
- **Adj. Net Income 2017**: €1.4bn

**2018 Guidance**

- **EBIT\(^1\) (€ bn)**: 3.0
- **Adj. Net Income (€ bn)**: 1.5

Includes ~€100m restructuring costs in Customer Solutions (UK, Germany)

1. Adjusted for non operating effects.
## Delivering step by step – Attractive dividends

### Absolute dividend growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>€0.21</td>
</tr>
<tr>
<td>FY 2017</td>
<td>€0.30</td>
</tr>
<tr>
<td>FY 2018</td>
<td>€0.43</td>
</tr>
</tbody>
</table>


2018: Fixed Dividend

Aiming to deliver absolute annual dividend growth

- **FY 2016 Dividend**: €0.21
- **FY 2017 Dividend**: €0.30
- **FY 2018 Dividend**: €0.43

E.ON FOCUS – medium-term framework

Our basis for steering the company

Capital Structure
Strong BBB/Ba

Return
ROCE\(^1\)
8 – 10 %

Cash
Cash conversion rate\(^2\)
≥ 80 %

EBIT\(^3\)
Group
+ 3-4%

EPS\(^3\)
Group
+ 5-10%

Dividend
Payout
Fixed dividend: €0.43\(^5\)
Absolute dividend growth

Executive Compensation
Closely linked to EPS target achievement and relative TSR\(^4\) (in addition: share ownership obligations)


E.ON standalone
Investment highlights

- **From deleveraging to focused and disciplined growth**
- **Growth**
  - Deliver sustainable EPS growth and aiming for absolute annual dividend growth
- **Focus**
  - Management team with strong shareholder focus
- **Discipline**
  - Strict capital discipline and high-performance culture
Growth | Focus | Discipline

Energy Networks

E.ON standalone
Energy Networks - The heart of E.ON

Regulated asset base 2017¹

- **Sweden**: €4.0bn
- **Germany**: €10.7bn
- **CEE & Turkey**: €8.5bn³

- **Switzerland**: €0.5bn
- **Germany**: €1.1bn

EBIT⁴ 2017

- **Switzerland**: €0.4bn
- **Germany**: €1.1bn

- **CEE & Turkey**: -€1.9bn

Grid length ('000 km)¹

- Germany: 349
- Sweden: 137
- CEE & Turkey: 490

Market share (%)

- **Germany**: 19%
- **Sweden**: 32%
- **CEE & Turkey**: 52%

1. 100% view for Slovakia and Turkey, 2. Differences may occur due to rounding, 3. In Hungary the RAB has been increased in 2017 by €2.8bn due to a system change towards replacement costs. It was €1.5bn before, 4. Adjusted for non operating effects, 5. Arithmetic average.
Energy Networks - Higher capex leads to power RAB growth

Germany
- €8bn
- €3.8bn
2017 2020

Sweden
- €3.8bn
- €8bn
2017 2020

Czech Republic
- €1.4bn
- €8bn
2017 2020

1. Based on constant FX rates.
Multi-decade RAB growth engine

Energy Networks capex\(^1\)

- €1.4bn
- €1.4bn

Disciplined & gradual ramp-up

Beyond 2020 “New normal”

Cautious planning
- Main driver is additional replacement investments
- Conservative assumptions on Renewables and E-mobility roll-out

Potential upsides to “new normal”-level
- Acceleration of Renewables build-out
- Smart meter
- E-mobility
- Electrical heating
- Digital layer & fully digital equipment

1. Excluding Slovakia and Turkey.
Major transformation in Energy Networks

Future energy network system will need to combine different layers of infrastructure

<table>
<thead>
<tr>
<th>Digital layer</th>
<th>Physical layer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data center</td>
<td>Local grid control</td>
</tr>
<tr>
<td>VPP</td>
<td>Block chain</td>
</tr>
<tr>
<td>EMS</td>
<td>Smart Meter</td>
</tr>
<tr>
<td>Platforms</td>
<td>Antenna</td>
</tr>
<tr>
<td>Asset control systems</td>
<td>Cloud</td>
</tr>
<tr>
<td>Network control center</td>
<td>Wifi</td>
</tr>
</tbody>
</table>

Energy Network player

From

<table>
<thead>
<tr>
<th>Energy network operator</th>
<th>Holistic system provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single layer infrastructure (energy)</td>
<td>Infrastructure ecosystem</td>
</tr>
<tr>
<td>Physical linear network</td>
<td>Decentral, connected multi-layer infrastructure</td>
</tr>
<tr>
<td>Centralized system</td>
<td>More (semi-) autonomous local energy systems</td>
</tr>
</tbody>
</table>
Turkey with extraordinary high RAB growth

**Downstream Business**
- Established in **3 high-growth regions**
- **Leading electricity network operator:**
  - 10.5 m connections
  - 220,000 km network length (20% of market)

**Market & Regulation**
- **Constructive regulatory environment:**
  - Allowed WACC for 2016-2020 regulatory period has been increased to 13.6% from 11.9% (pre-tax, real)
  - Incentives to outperform capex, opex, and theft & loss allowances
- **High network investment** due to:
  - Strong power demand growth of >4% p.a.
  - Need for significant network modernization

**RAB development**
- Target to more than double 2016 RAB by 2020

- Regions
  - Istanbul
  - Ankara
  - Adana

**Strongly growing market with highly attractive returns**
Operational excellence – digitization in practice

Digital workforce
Introduce digital application used by every field worker comprising all functionalities necessary in the daily work

Asset replacement decisions
Conventional approach
Expert judgement and local experience
Predictive maintenance
Data driven decisions to prioritize replacement activities

Impact
Providing a smooth user experience
6-12% productivity gains

Tool
Transparent and effective capex allocation
Low double digit million € added value p.a. potential after full roll-out
Aspiration to develop the platform for energy transition

Further decentralization and fragmentation lead to a need for local rebalancing.

Increasing system responsibility assumed by regional or local network operator.

Energy transition is and will be happening essentially at the DSO-level.
Opportunities in adjacent businesses - Broadband

**A** Growing from existing assets

- E.ON’s existing fiber-optic infrastructure
- E.ON’s new fiber-optic infrastructure

**B** Entering Fiber-to-the-Home (FttH) market

- Fiber-optic cables in every street and to every household

---

**Extension of existing business**

- Telco X’s backbone
- Enterprise customer’s data center
- Point of Presence (Switch between backbone and access network)
- Mobile cell tower

**New business concept in development**

- Business building
- Network operations center
- Point of Presence (Switch between backbone and access network)
- Local transformer station
- E.ON standalone

---

48
EBIT outlook – Stability despite two major regulatory reviews

- Lower allowed returns reflect lower bond yields
- Benefits from maturing legacy bonds to be attributed to Energy Networks driving EPS growth

Positive one-off

German pension cost pass through

Lower allowed returns

Higher RAB

ε1.9bn

2017 2018 2019 2020

EPS growth

+5-10% p.a.

€0.60 – 0.70

2018 2020

EBIT outlook – Stability despite two major regulatory reviews

E.ON standalone

49
Growth | Focus | Discipline

Customer Solutions

E.ON standalone
Energy sales is the anchor of customer solutions

Customer focused portfolio

- Energy Sales: 22m\(^1\) customers in 8 countries
- B2M/Heat: 10% market share in Germany & Sweden
- B2B Solutions: ~€1bn TCV\(^2\) in 2017

E.ON's market positions

- Energy Sales is the anchor business
  - EBIT\(^3\) 2017: €526m
  - Energy Sales EBIT\(^4\)
    - B2B: ~25%
    - B2C: ~75%

High customer loyalty

- Customer tenure\(^4\)
  - < 2y
  - 2-5y
  - > 5y

1. Excluding Turkey, 2. Total Contract Value, 3. Adjusted for non operating effects, 4. B2C customers in Germany and UK.
E.ON is leading the transformation of energy sales

E.ON standalone

**Standard tariff customer numbers declining**

- Customer accounts in m
- Turnaround in customer numbers
- UK SVT customers
- UK B2C customers

**2016 year of peak margins**

- % margin
- UK

**Attractive products**
- Innovative and green tariffs complemented by smart meter rollout

**Protecting revenues**

**Focused sales channels**

**Rigorous cost focus**
- Reduce cost to acquire and cost to serve dramatically

**Increasing EBIT into next decade**

---

1. Final figure for 2017 not yet available: ~5%.
Increase customer attraction while reducing cost to acquire

Product offering and selection of sales channels lead to...

- 200k innovative tariffs sold since June 2017
- > 5,000 E.ON Plus products (devices as add-on to tariffs) sold
- 18% of our customer base with add-on services
- +100% value-add services contracts in 2017

Tariff innovations

Scale sales cooperations with big retailers (e.g. Lidl)
- Innovative tariff offering
- Focus on earning customers’ loyalty

Sales channels

Sales push in digital
- From broker site to own website e.g. GER, UK, SWE

Home move journey as acquisition channel

...increase in customer numbers...

...at the same time reducing costs to acquire

Sales channels

Physical channel
Digital channel

E.ON standalone
Closing the gap - Cost to serve to be reduced dramatically

Tackling cost to serve and overall cost efficiencies to support earnings

Measures to reduce cost to serve

- Other
- Metering & Installation
- Debt resolution
- Servicing and Backoffice

Components of cost to serve¹

Efficiency programs

- Fokus: €120m savings
- SWAT: £100m savings

Cost to serve ambition

€/customer account

1. Example UK
Re-inventing our customer business with the digital attacker

- **Cost efficiency**
  - Market Leading Cost to Serve
  - Synergies across regions
  - Market leading cost of change

- **Innovative proposition**
  - 1-click Customer journey
  - Fast time to market
  - Single platform for tariff innovations

- **Superior services**
  - Data driven propositions
  - +50 NPS\(^1\) Quick response & accurate billing
  - Self learning functionality

Gradual replacement of legacy systems – customer focused with proven stability

1. Net Promoter Score
New Solutions - Strive for leadership with innovative products

**Product offering**

- **B2B**
  - Decentral generation
  - Energy efficiency
  - Flexibility & storage
  - Digital energy solutions

- **B2M**
  - District heating
  - City quarter solutions
  - Integrated city energy solutions

- **B2C**
  - PV + battery
  - Smart home
  - Smart meter

---

**E-mobility**

---

**Ambition 2025**

- **EBIT margin > 10%**
  - **EBIT^1** ~€250-300 m
  - **EBIT^1** ~€200 m
  - **EBIT^1** >~€50 m

---

1. Adjusted for non operating effects
B2B - E.ON to become a leading Energy Service Company in Europe

Ambitious organic growth of TCV\(^1\) …

…to translate into EBIT\(^2\) over time

Decentral generation
Energy efficiency
Flexibility & storage
Digital energy solutions

1. Total Contract Value, 2. Adjusted for non operating effects.
B2M – E.ON is a reliable partner for cities and communities

Investments with low risk and high return

- ROCE > 10%
- Stable (long-term) earnings
- 15-20 year contracts

Capex\(^2\) 2018-2020

- €800m

E.ON to benefit from market trends and investments

Heat EBIT\(^3\) €m

- €200m

2017

2025

- Sweden
- Germany
- UK

Project examples

- > €250m capex project close to Stockholm, COD 2019
- 100 MW CHP district heating network extension and biogas as part of a circular economy project

- Can provide heating and cooling for an entire city, optimising excess heating and cooling
- First ectogrid under construction in Lund, Sweden
- Patented global solution - available to be sold and integrated in other cities

1. Germany, Sweden, UK, 2. Capex net of divestments, including investments for Högbytorp, 3. Adjusted for non operating effects.
B2C - E.ON drives the electrification of the home and mobility

E.ON product offering for the electrification of home
- PV + battery
- E.ON SolarCloud
- E.ON Plus + smart meters
- E-mobility solutions
- Home heating

Example: PV + battery growth story
PV + battery units sold

E.ON – the fastest growing solar company in Germany

Translating into decent EBIT in the next decade

EBIT\(^1\) €m

- €50m

1. Adjusted for non operating effects

2015 2016 2017 ... 2025

-5x

~3x

~5x

2017

2025

beyond
Disciplined investment plan to support growth opportunities

Temporary high investments for smart meter & IT

Capex\(^1\) 2018-2020 €2.4bn

- Heat & B2B projects
- IT & efficiency
- Smart meter
- E-mob
- Other

Partially temporary

Asset-backed investments

Medium-term EBIT development

Customer Solutions EBIT\(^2\) 2017-2020

- Heat & New Solutions
- Energy Sales

Restructuring charges

2017 2018 2020 ...

2025

€526m

Growth | Focus | Discipline

Renewables

E.ON standalone
Position of strength

-4 GW\(^1\)

-3 GW\(^1\)

Stella

Arkona

Rampion

Morcone

Under construction: ~1GW

1. Gross capacity

Highlights

- €0.5bn EBIT 2017 (~18% of core EBIT)
- ~95% Long-term contracted or hedged until 2020
- Strong track record with ~7 GW\(^1\) delivered
- Active in 3 technologies and batteries
Growth trend unbroken – RES to dominate global power generation

Industry trends

Decarbonization

Strong cost decrease

Capacity additions forecast
Annual build rate avg. 2018–’30

- 300 turbines per week

Bid prices per technology
(EUR/MWh)

Offshore

Onshore

E.ON aims to grow at scale in Onshore

Onshore
Capitalize on attractive
-8 GW pipeline

Offshore
Leverage existing options in Europe

Solar PV
- From boutique to industrial
- Capex light

1. Operated capacity, 2. ~400MW net capacity addition. Gross capacity addition: 800MW.
High share of contracted revenues provides stability and visibility

<table>
<thead>
<tr>
<th>Year</th>
<th>Merchant</th>
<th>Hedged</th>
<th>Long-term Contracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td>~75% long-term contract</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td>~95% hedged or long-term contract</td>
</tr>
</tbody>
</table>

Clear guiding principles:

- High earnings stability
- Secure long-term stable off-take agreements for new investments
- Revenue optimization for assets at the end of support scheme (rolling 3 year hedging)
- Active commercial risk management/value optimization incl. congestion hedging, day-ahead/intra-day optimization

1. Average 2017-2020
Integral part of E.ON - Modular value crystallization

<table>
<thead>
<tr>
<th>Develop &amp; Sell &amp; (Operate)</th>
<th>Build &amp; Sell &amp; Operate</th>
<th>Build &amp; Keep</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rapid monetization of value</td>
<td>• Reduce exposure in certain geographies</td>
<td>• Resilient long-term cash flows</td>
</tr>
<tr>
<td>• Capex light</td>
<td>• Additional value from long-term O&amp;M services</td>
<td>• Additional value from long-term O&amp;M services</td>
</tr>
<tr>
<td>• Additional value from long-term O&amp;M services</td>
<td></td>
<td>• Strong operational capabilities ensure E.ON being an efficient asset owner</td>
</tr>
</tbody>
</table>

**Case studies**

<table>
<thead>
<tr>
<th>Afton</th>
<th>Deal value: ~$100m&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Magic Valley 1&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Deal value: ~$650m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year: 2016</td>
<td>Sold: 100%</td>
<td>Year: 2014</td>
<td>Year: 2014</td>
</tr>
<tr>
<td>Cap.: 50 MW</td>
<td>Sold: 80%</td>
<td>Sold: 80%</td>
<td></td>
</tr>
<tr>
<td>Wildcat 1&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Cap.: 405 MW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amrumbank</td>
<td></td>
<td></td>
<td>Capex: ~€1bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>COD: 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cap.: 302 MW</td>
</tr>
</tbody>
</table>

Technical/digital excellence to drive down LCOE

Predictive maintenance roll-out

- 10% in 2017
- 60% in 2018
- 100% in 2019 and 2020

- Transparent and effective capex and opex allocation
- Extension of life-time
- Improved load factors and availability

Array layout optimizer

- Self-learning algorithms to optimize wind park layout in order to increase production and reduce wake effects
- Single digit yield increase
- Turbine selection tailored to site conditions
- Data driven investment decision

1. Levelized cost of electricity
Play at scale in Onshore - Attractive pipeline in Tier 1 geographies

Gross capacity additions 2018-2020 (MW)

Onshore pipeline
-5.9 GW

Onshore pipeline
-1.8 GW

Growth | Focus | Discipline

Financial Appendix

E.ON standalone
Highly stable business profile

**Business profile**

- High share of regulated and long-term contracted earnings (~3/4 of EBITDA)
- Operations in Energy Networks under stable, well established frameworks in low risk markets with strong regulatory track record
- Predominantly quasi-regulated or contracted earnings in heat operations and Renewables
- Remaining merchant exposure in Renewables and PreussenElektra largely hedged

**FY EBITDA 2017**

- €5.0bn
- ~3/4 from regulated/long-term contracted businesses

---

1. Adjusted for non operating effects, representation in pie charts excluding Corporate Functions/Other; total figure including Corporate Functions/Other,
2. Including Energy Networks and a portion of Renewables and Heat.
E.ON today – Regulated Energy Networks at the heart

Key financials 2017

- Group EBIT\(^1\) \(\€3.1\text{bn}\)
- Adj. Net Income\(^1\) \(\€1.4\text{bn}\)

Core EBIT\(^1\) 2017

- Customer Solutions: \(\€0.5\text{bn}\)
- Energy Networks: \(\€1.9\text{bn}\)
- Renewables: \(\€0.5\text{bn}\)

Share of regulated/long-term contracted businesses\(^2\)

Strong pillars with Customer Solutions and Renewables

---

1. Adjusted for non operating effects, 2. Percentage as of Group EBIT.
2017 yet another year of strong delivery

**Highlights**
- EBIT and Adj. Net Income at the upper end of the guidance range
- Adj. Net Income + 58% versus FY 2016
- Economic net debt reduced to €19.2bn
- Dividend 2017 of €0.30/share confirmed

**Key Financials**

<table>
<thead>
<tr>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT (€ m)</td>
<td>3,112</td>
</tr>
<tr>
<td>Adj. Net Income (€ m)</td>
<td>904</td>
</tr>
<tr>
<td>Economic Net Debt (€ bn)</td>
<td>26.3</td>
</tr>
</tbody>
</table>

EON standalone

Guidance range EBITDA €2.8-3.1bn, Adj. Net Income 1.2-1.45bn

1. Adjusted for non operating effects
Growth | Focus | Discipline

9M 2018 – Financial Appendix

E.ON standalone
# Financial Highlights

<table>
<thead>
<tr>
<th>€m</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>27,937</td>
<td>24,342</td>
<td>-13</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,540</td>
<td>3,675</td>
<td>+4</td>
</tr>
<tr>
<td>EBIT</td>
<td>2,117</td>
<td>2,352</td>
<td>+11</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>965</td>
<td>1,208</td>
<td>+25</td>
</tr>
<tr>
<td>OCF bIT</td>
<td>-3,091</td>
<td>3,494</td>
<td>–</td>
</tr>
<tr>
<td>Investments</td>
<td>2,222</td>
<td>2,279</td>
<td>+3</td>
</tr>
<tr>
<td>Economic net debt</td>
<td>-19,248</td>
<td>-15,357</td>
<td>+20</td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects, 2. Economic net debt as per 31 Dec 2017 and 30 Sep 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
95% Cash Conversion Rate

9M 2018
€ bn

EBITDA¹  3.7
Cash Adjustments³  -0.3
Change in WC  0.2
OCF bIT  3.5
Interest Payments  -0.5
Tax Payments  -0.5
OCF  2.6
Capex  -2.3
FCF  0.3

¹ Adjusted for non operating effects, ² Cash Conversion Rate: OCF bIT ÷ EBITDA, ³ Net non cash effective EBITDA items incl. provision utilizations
### Energy Networks

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>% YoY</th>
<th>€m</th>
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<th>% YoY</th>
<th>€m</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>10,797</td>
<td>-33</td>
<td>831</td>
<td>-12</td>
<td>1,239</td>
<td>-9</td>
<td>12,887</td>
<td>-29</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,210</td>
<td>-2</td>
<td>467</td>
<td>+2</td>
<td>544</td>
<td>-3</td>
<td>2,221</td>
<td>-2</td>
</tr>
<tr>
<td>CEE &amp; Turkey</td>
<td>781</td>
<td>-3</td>
<td>345</td>
<td>+5</td>
<td>377</td>
<td>-6</td>
<td>1,503</td>
<td>-2</td>
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#### EBITDA

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<th>€m</th>
<th>% YoY</th>
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<td>1,503</td>
<td>-2</td>
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<tr>
<td>CEE &amp; Turkey</td>
<td>396</td>
<td>+13</td>
<td>228</td>
<td>-2</td>
<td>240</td>
<td>+18</td>
<td>864</td>
<td>+10</td>
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#### EBIT

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<td>228</td>
<td>-2</td>
<td>240</td>
<td>+18</td>
<td>864</td>
<td>+10</td>
</tr>
</tbody>
</table>

#### Details

- **Germany**
  - One-off effects in Q2 & Q3 2018
  - Reversal of regulatory effects
  - Disposal of gas network Hamburg, new regulatory period gas

- **Sweden**
  - Power tariff increase
  - Adverse FX development

- **CEE & Turkey**
  - Turkey: Adverse FX development, 10% lower stake after IPO
  - Romania: Lower regulatory returns

1. Adjusted for non operating effects
## Segments: Customer Solutions

### Customer Solutions

<table>
<thead>
<tr>
<th>Details</th>
<th>€m</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>5,122</td>
<td>4,892</td>
<td>-4</td>
</tr>
<tr>
<td>EBITDA1</td>
<td></td>
<td>99</td>
<td>148</td>
<td>+49</td>
</tr>
<tr>
<td>EBIT2</td>
<td></td>
<td>76</td>
<td>124</td>
<td>+63</td>
</tr>
<tr>
<td>thereof Equity-method earnings</td>
<td></td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>OCFbIT</td>
<td></td>
<td>188</td>
<td>236</td>
<td>+26</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td>15</td>
<td>10</td>
<td>-33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Details</th>
<th>€m</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany Sales</td>
<td></td>
<td>5,083</td>
<td>5,432</td>
<td>+7</td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td>214</td>
<td>211</td>
<td>-1</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>140</td>
<td>143</td>
<td>+2</td>
</tr>
</tbody>
</table>

### Highlights

- **Germany Sales**
  - + Price increases in 2017
  - - Restructuring charges

- **UK**
  - + Seasonality of 3rd party charges (Q3 2018)
  - - Restructuring charges, competitive dynamics
  - - Price caps (PPM², vulnerable customers)
  - + Price increases in 2017

- **Other**
  - - Romania: Higher gas procurement costs
  - - B2B solutions: Unavailability of co-generation unit

---

1. Adjusted for non operating effects, 2. Prepayment Meter
E.ON standalone

Segments: Renewables

**EBIT$^1$ € m**

<table>
<thead>
<tr>
<th>Segment</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore/Other</td>
<td>186</td>
<td>209</td>
<td>+14%</td>
</tr>
<tr>
<td>Onshore/Solar</td>
<td>62</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>

**Details**

<table>
<thead>
<tr>
<th>€m</th>
<th>Onshore Wind / Solar</th>
<th>Offshore Wind / Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9M 2017</td>
<td>9M 2018</td>
<td>% YoY</td>
</tr>
<tr>
<td>Revenue</td>
<td>691</td>
<td>813</td>
<td>+18%</td>
</tr>
<tr>
<td>EBITDA$^1$</td>
<td>209</td>
<td>191</td>
<td>-9%</td>
</tr>
<tr>
<td>EBIT$^1$</td>
<td>62</td>
<td>74</td>
<td>+19%</td>
</tr>
<tr>
<td>thereof Equity-method earnings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCFbit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects

**Highlights**

- Offshore/Other
  + UK: Capacity additions (Rampion)
- Onshore/Solar
  + US: Capacity additions (Bruenning’s Breeze, Radford’s Run)
  - Support scheme expiries
Non-Core business

Non-Core

EBIT\(^1\) € m

\[\begin{array}{c|c|c}
 & 9M 2017 & 9M 2018 \\
\hline
Preussen Elektra & 264 & 314 \\
\hline
Generation Turkey & 357 & 354 \\
\hline
\end{array}\]

\(+19\%\)

Highlights

- **PreussenElektra**
  + / - One-off effects
  - Lower achieved power prices
  + Higher volumes due to plant outages in 2017
  + Lower depreciation

- **Generation Turkey**
  + Book loss from asset sale in Q1 2017, operational improvements
  - Adverse FX developments

PreussenElektra: Hedged Prices (€/MWh) as of 30 September 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>% YoY</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-20</td>
<td>1,230</td>
<td>983</td>
</tr>
<tr>
<td>2018</td>
<td>-12</td>
<td>497</td>
<td>436</td>
</tr>
<tr>
<td>2019</td>
<td>-5</td>
<td>42</td>
<td>44</td>
</tr>
<tr>
<td>2020</td>
<td>+102</td>
<td>122</td>
<td>10</td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects
## Adjusted Net Income

<table>
<thead>
<tr>
<th>€m</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA¹</td>
<td>3,540</td>
<td>3,675</td>
<td>+4</td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>-1,423</td>
<td>-1,323</td>
<td>+7</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>2,117</td>
<td>2,352</td>
<td>+11</td>
</tr>
<tr>
<td>Economic interest expense (net)</td>
<td>-575</td>
<td>-500</td>
<td>+13</td>
</tr>
<tr>
<td>EBT¹</td>
<td>1,542</td>
<td>1,852</td>
<td>+20</td>
</tr>
<tr>
<td>Income Taxes on EBT¹</td>
<td>-386</td>
<td>-463</td>
<td>-20</td>
</tr>
<tr>
<td>% of EBT¹</td>
<td>-25%</td>
<td>-25%</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-191</td>
<td>-181</td>
<td>+5</td>
</tr>
<tr>
<td>Adjusted net income¹</td>
<td>965</td>
<td>1,208</td>
<td>+25</td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects
Reconciliation of EBIT to IFRS Net Income

<table>
<thead>
<tr>
<th>€m</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA ²</td>
<td>3,540</td>
<td>3,675</td>
<td>+4</td>
</tr>
<tr>
<td>Depreciation/Amortization/Impairments</td>
<td>-1,423</td>
<td>-1,323</td>
<td>+7</td>
</tr>
<tr>
<td>EBIT ¹</td>
<td>2,117</td>
<td>2,352</td>
<td>+11</td>
</tr>
<tr>
<td>Reclassified businesses of Renewables</td>
<td>-240</td>
<td>-278</td>
<td>-16</td>
</tr>
<tr>
<td>Interest result</td>
<td>96</td>
<td>-522</td>
<td>-644</td>
</tr>
<tr>
<td>Net book gains</td>
<td>288</td>
<td>859</td>
<td>+198</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-172</td>
<td>-52</td>
<td>+70</td>
</tr>
<tr>
<td>Mark-to-market valuation of derivatives</td>
<td>-483</td>
<td>905</td>
<td>+287</td>
</tr>
<tr>
<td>Impairments (net)</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Other non-operating earnings</td>
<td>2,687</td>
<td>-81</td>
<td>-103</td>
</tr>
<tr>
<td>Income/Loss from continuing operations before income taxes</td>
<td>4,293</td>
<td>3,183</td>
<td>-26</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-540</td>
<td>-198</td>
<td>+63</td>
</tr>
<tr>
<td>Income/loss from continuing operations</td>
<td>3,753</td>
<td>2,985</td>
<td>-20</td>
</tr>
<tr>
<td>Income/loss from discontinued operations, net</td>
<td>150</td>
<td>170</td>
<td>+13</td>
</tr>
<tr>
<td>Net income/loss</td>
<td>3,903</td>
<td>3,155</td>
<td>-19</td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects
## Cash effective investments by unit

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Networks</td>
<td>864</td>
<td>954</td>
<td>+10</td>
</tr>
<tr>
<td>Customer Solutions</td>
<td>350</td>
<td>407</td>
<td>+16</td>
</tr>
<tr>
<td>Renewables</td>
<td>961</td>
<td>698</td>
<td>-27</td>
</tr>
<tr>
<td>Corporate Functions &amp; Other</td>
<td>42</td>
<td>56</td>
<td>+33</td>
</tr>
<tr>
<td>Consolidation</td>
<td>-5</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Non-Core</td>
<td>10</td>
<td>164</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>2,222</td>
<td>2,279</td>
<td>+3</td>
</tr>
</tbody>
</table>

1. Adjusted for non operating effects
## Economic Net Debt\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>31 Dec 2017</th>
<th>30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid funds</td>
<td></td>
<td>5,160</td>
<td>6,489</td>
</tr>
<tr>
<td>Non-current securities</td>
<td></td>
<td>2,749</td>
<td>1,997</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td>-13,021</td>
<td>-10,710</td>
</tr>
<tr>
<td>Adjustment FX hedging(^2)</td>
<td></td>
<td>114</td>
<td>-8</td>
</tr>
<tr>
<td><strong>Net financial position</strong></td>
<td></td>
<td>-4,998</td>
<td>-2,232</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td></td>
<td>-3,620</td>
<td>-2,715</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td></td>
<td>-10,630</td>
<td>-10,411</td>
</tr>
<tr>
<td><strong>Economic net debt</strong></td>
<td></td>
<td>-19,248</td>
<td>-15,357</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Difference (in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from financial assets/liabilities</td>
<td>-522</td>
<td>-436</td>
<td>+86</td>
</tr>
<tr>
<td>Interest cost from provisions for pensions and similar provisions</td>
<td>-61</td>
<td>-48</td>
<td>+14</td>
</tr>
<tr>
<td>Accretion of provisions for retirement obligation and similar provisions</td>
<td>-49</td>
<td>-59</td>
<td>-10</td>
</tr>
<tr>
<td>Construction period interests&lt;sup&gt;1&lt;/sup&gt;</td>
<td>29</td>
<td>14</td>
<td>-15</td>
</tr>
<tr>
<td>Others</td>
<td>29</td>
<td>28</td>
<td>-0</td>
</tr>
<tr>
<td><strong>Net interest result</strong></td>
<td><strong>-575</strong></td>
<td><strong>-500</strong></td>
<td><strong>+75</strong></td>
</tr>
</tbody>
</table>

<sup>1</sup> 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

### Split Financial Liabilities

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
<th>30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td></td>
<td>-9.2</td>
</tr>
<tr>
<td>in EUR</td>
<td></td>
<td>-4.0</td>
</tr>
<tr>
<td>in GBP</td>
<td></td>
<td>-3.9</td>
</tr>
<tr>
<td>in USD</td>
<td></td>
<td>-0.9</td>
</tr>
<tr>
<td>in JPY</td>
<td></td>
<td>-0.2</td>
</tr>
<tr>
<td>in other denominations</td>
<td></td>
<td>-0.2</td>
</tr>
<tr>
<td>Promissory notes</td>
<td></td>
<td>-0.2</td>
</tr>
<tr>
<td>Commercial papers</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>-1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>-10.7</strong></td>
</tr>
</tbody>
</table>

### Maturity profile (as of end 9M 2018)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR</th>
<th>GBP</th>
<th>USD</th>
<th>JPY</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>0.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>0.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≥2026</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Stephan Schönefuß</td>
<td>Interim Head of Investor Relations</td>
<td>T +49 (201) 184 28 22 <a href="mailto:stephan.schoenefuss@eon.com">stephan.schoenefuss@eon.com</a></td>
</tr>
<tr>
<td>Martina Burger</td>
<td>Manager Investor Relations</td>
<td>T +49 (201) 184 28 07 <a href="mailto:martina.burger@eon.com">martina.burger@eon.com</a></td>
</tr>
<tr>
<td>Sebastian Gaßner</td>
<td>Manager Investor Relations</td>
<td>T +49 (201) 184 28 05 <a href="mailto:sebastian.gassner@eon.com">sebastian.gassner@eon.com</a></td>
</tr>
<tr>
<td>Andreas Thielen</td>
<td>Manager Investor Relations</td>
<td>T +49 (201) 184 28 15 <a href="mailto:andreas.thielen@eon.com">andreas.thielen@eon.com</a></td>
</tr>
</tbody>
</table>

T +49 (201) 184 2806  
investorrelations@eon.com
## Financial calendar & important links

### Financial calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 13, 2019</td>
<td>Annual Report 2018</td>
</tr>
<tr>
<td>May 13, 2019</td>
<td>Quarterly Statement: January – March 2019</td>
</tr>
<tr>
<td>May 14, 2019</td>
<td>2019 Annual Shareholders Meeting</td>
</tr>
<tr>
<td>November 13, 2019</td>
<td>Quarterly Statement: January – September 2019</td>
</tr>
</tbody>
</table>

### Important links

<table>
<thead>
<tr>
<th>Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentations</td>
</tr>
<tr>
<td>Facts &amp; Figures 2018</td>
</tr>
<tr>
<td>Annual Reports</td>
</tr>
<tr>
<td>Interim Reports</td>
</tr>
<tr>
<td>Shareholder Meeting</td>
</tr>
<tr>
<td>Bonds / Creditor Relations</td>
</tr>
</tbody>
</table>

- [Presentations](https://www.eon.com/en/investor-relations/presentations.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/](http://www.energyfortomorrow.eu/)
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