

**#StandWithUkraine**



# Anlegerforum SdK

12. April 2022

**e-on**

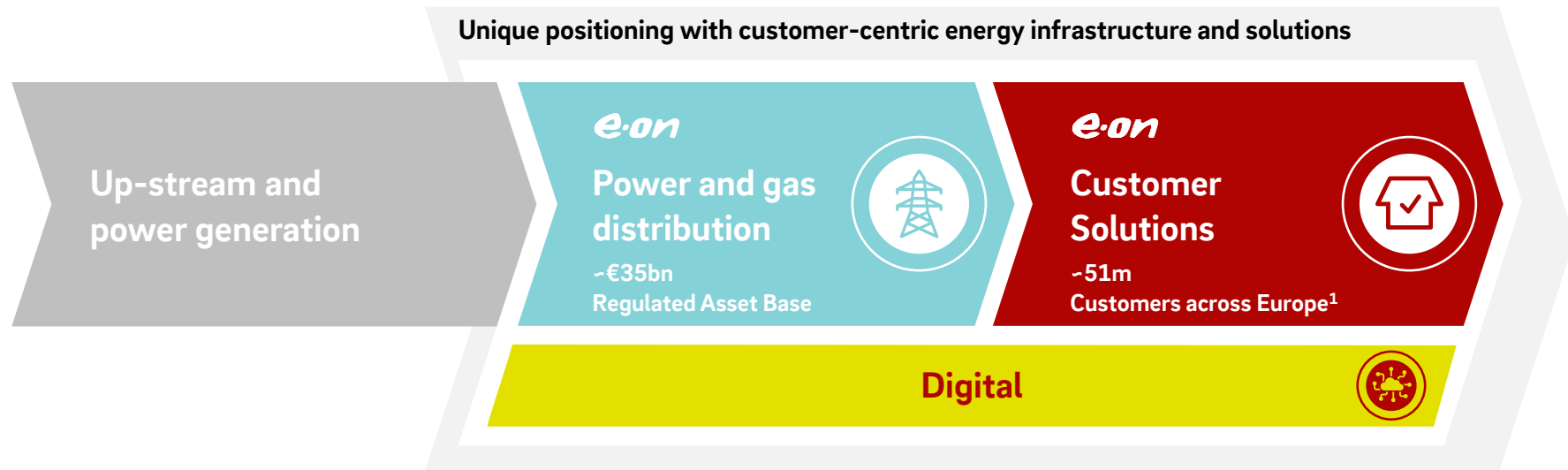
A group of people, including a man in a red jacket in the foreground, are standing on a rocky beach next to a turquoise stream of meltwater. In the background, a large glacier is visible, with several other people scattered across the scene. The image is framed by a yellow bar on the left and a red bar on the right.

Connecting everyone  
to good energy

*e-on*

# E.ON combines stability of regulated and infrastructure businesses with ambitious growth

Unique positioning with customer-centric energy infrastructure and solutions



Employees 2021<sup>2</sup>

~72k

Dividend per share 2021<sup>3</sup>

€0.49

Adj. EBITDA 2021<sup>4</sup>

€7.9bn

Adj. Net Income 2021<sup>4</sup>

€2.5bn

1. Including customers of at-equity participations 2. Number of employees does not include apprentices, working students, or interns. This figure reports persons 3. Subject to 2022 AGM approval 4. Adjusted for non-operating effects

# All our businesses are benefitting from massively growing markets

50-70%



Growth of annual investment needs in EU power distribution networks between 2020-2030<sup>1</sup>

- Renewables build-out
- Changing customer behavior
- Network reinforcement
- Digitalization

>100%



Growth in share of electricity vs. overall energy demand related to E.ON's main customer clusters between 2020-2050<sup>2</sup>

- Industry +111%
- Transport + 3,400%
- Buildings +36%

1. €39bn average annual investment need between 2020 and 2030. Source: Study from Eurelectric "Power Distribution Grid: Critical enabler of the European Green Deal"

2. Source: IEA Net Zero Scenario Global (p. 196): Share of electricity demand compared to total energy demand per sector to rise from 19% to 48% related to industry, transport and building sector

# All of that is reflected in our investment highlights

## Why invest in E.ON?



### **Dividend growth**

Our resilient and future-proof portfolio is the foundation for dividend growth and sustainable value creation



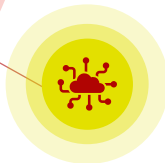
### **Customer-centric energy infrastructure and solutions growth**

Our customer-centric energy infrastructure and solutions are connecting everyone to good energy



### **Sustainability**

We pave the way to net zero for society



### **Digitalization**

We will be an all-digital energy company, since this allows new business opportunities and continuous efficiency improvements

# At a glance: Our Group targets on Sustainability

**WE** will achieve carbon-neutrality for Scope 1 and 2 by 2040 and full carbon-neutrality by 2050 (Scope 3)

**WE** have set absolute SBTi<sup>1</sup> targets and a SBTi<sup>1</sup> intensity target for CO<sub>2</sub> Scope 3 aligned with 1.5° celsius path

**WE** will achieve ~95% alignment of our Group capex to EU-Taxonomy based on eligible capex

**WE** will increase diversity within workforce e.g. share of women in manager positions to ≥30% by 2030

**WE** will reduce the serious incidents and fatalities frequency for employees to ≤0.07 by 2025

**WE** will ensure top quartile performance in industry as measured by key ESG ratings

# E.ON is inherently sustainable



**Sustainable business:**  
helping our customers  
to decarbonize is the  
key driver of our  
growth



**Sustainable company:**  
ESG<sup>1</sup> considerations  
drive us internally

**We enable the decarbonization  
of society ...**



... by providing the backbone for  
the energy transition

**We help our customers to  
become green ...**



... through our green solutions  
and retail portfolio

**We are becoming an even  
greener company ourselves ...**



... by integrating sustainability  
into all our processes, e.g.  
planning and risk management

# Our targets across all sustainability dimensions

## Environmental

Scope 1 & 2 emissions

**-100%**  
by 2040

Scope 3 emissions

**-100%**  
by 2050

## Social

Female Executives

**≥30%**  
women in management  
positions by 2030

Health & Safety

**≤0.07**  
SIF<sup>1</sup> for employees

## Governance

Supervisory Board composition

**≥30%**  
female

Board remuneration

Sustainability  
targets embedded in STI<sup>2</sup> and LTI<sup>2</sup>



# 2021 delivery above expectations despite operational challenges and volatile macro environment

## We are the reliable partner for energy infrastructure and solutions



### Covid-19

E.ON is the operator of system critical infrastructure and a reliable energy supplier



### Floods and storms

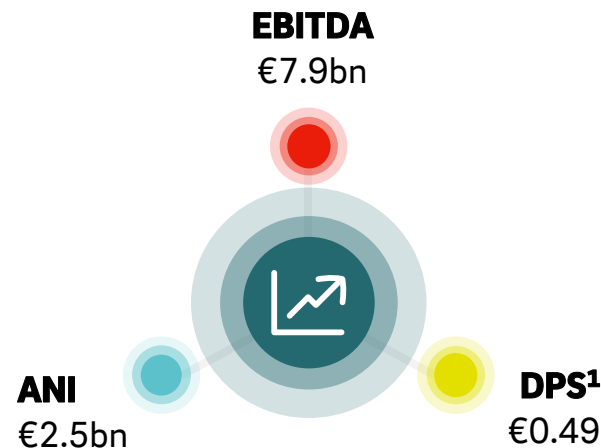
E.ON successfully executed disaster management in Germany, Sweden and CEE with minimum power outages



### Energy prices

E.ON is the reliable supplier and partner for our customers

## 2021 with strong delivery



# We successfully progress on our strategic priorities

E.ON FY 2021 results

## Growth



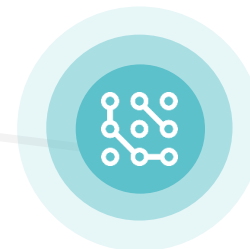
- -€5.3bn investments in 2022 and -€27bn until 2026
- At least 6% power RAB growth p.a.
- Increasing demand for sustainable B2C solutions in 2021: >125,000 PV, heating and charging solutions installed (+25% yoy)

## Sustainability



- 107m tons avoided CO2 emissions in 2021
- 97% EU taxonomy aligned capex 2021
- Major green gas activities initiated

## Digitalization



- 100,000 smart meters in Germany
- Investments into digital start-ups to broaden our digital ecosystem e.Hub
- Successful digitalization of German and UK retail operations

# Humanitarian crisis affects all of us - E.ON supporting with variety of measures

## 4 E.ON markets with borders to Ukraine



### Support and donations

E.ON supports affected regions and matches donations from employees



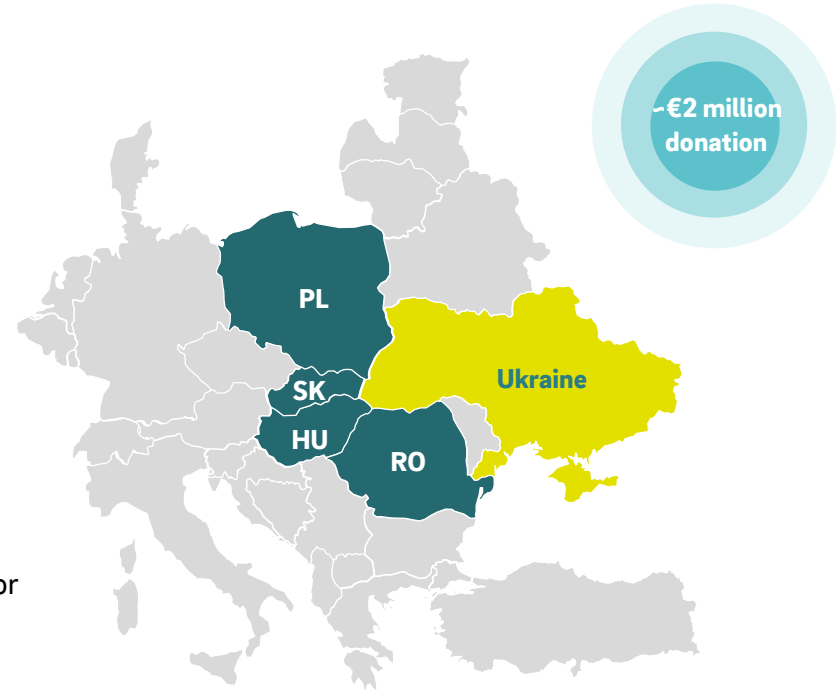
### Regional support from E.ON entities

E.ON offers direct help for refugees and additional activities especially in Poland, Slovakia, Hungary, Czech Republic and Romania



### Energy security in border areas

E.ON to maintain a reliable and affordable access to energy for our customers in the affected regions



# Time for action: multiple implications from the war for the European energy sector and its customers



## Short-term

### Access to gas in situation of shortages

Enough liquidity on European wholesale markets now but tighter situation expected during winter season 2022/2023

### Stability of supply

Maintain access to non-gas assets as feasible options to be discussed with politics

### Affordability of energy

Ensuring protection of the customers to maintain affordability of energy. Germany: Abolishment of renewables surcharge is right signal



## Long-term

### Reduce dependency from Russia through diversification of fuel mix

55% of German gas supply stemming from Russian imports

### Import more Liquefied Natural Gas (LNG)

LNG infrastructure needs to be ramped up and prepared to also supply green hydrogen

### Accelerate energy transition

Digitalization and modernization of energy network infrastructure to absorb increasing demand for renewables connections

# Short-term impact on earnings from high energy prices

E.ON FY 2021 results



## Energy Networks

### Temporary exposure to higher energy prices

Higher costs for network losses recoverable in the following years



## Customer Solutions

### Neutral exposure to higher energy prices

Fully hedged for 2022<sup>1</sup> - Higher costs for unhedged volumes sold to customers will be passed through



## Non-Core

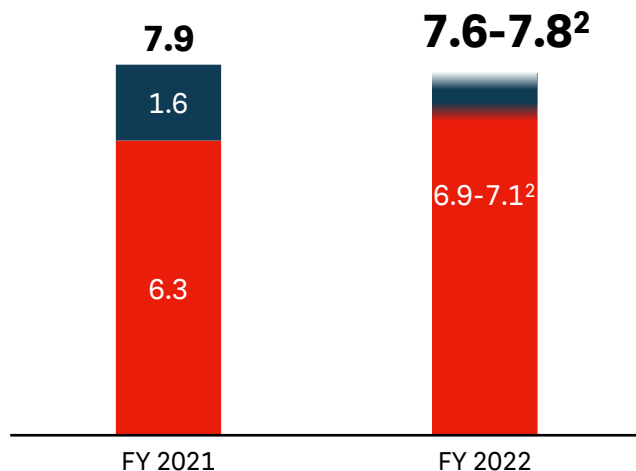
### Positive exposure to higher energy prices

Higher achieved prices for unhedged volumes with positive impact on P&L

1. For volumes that are not following regulatory trackers

# Guidance 2022 including substantial year over year growth in our core earnings

EBITDA<sup>1</sup>  
€bn



Guidance:  Core  Non-Core

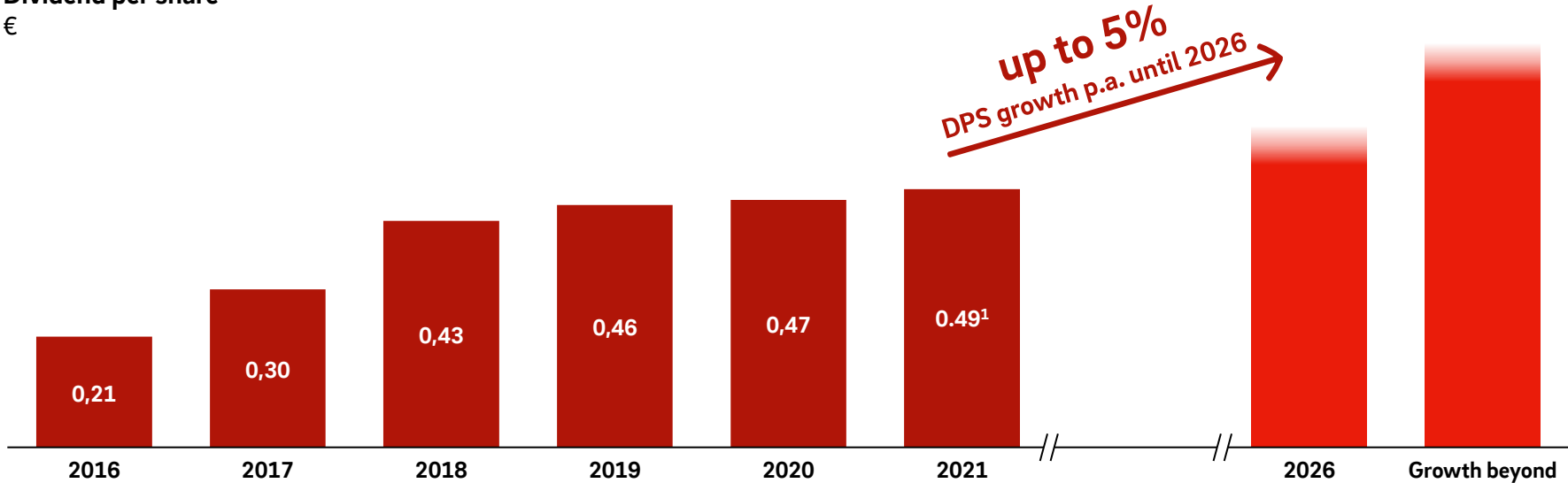
EBITDA<sup>1</sup> key drivers 2022

Core	+ Realization of synergies
	+ Strong business growth
Non-Core	+ Increased power prices
	- Phase out Brokdorf & Grohnde
	- Nuclear production rights agreement 2021 (~€0.5bn)

1. Adjusted for non-operating effects 2. No earnings impact from potential portfolio optimization measures included; excluding potential political and/or regulatory effects that could arise from the Russian Ukrainian crisis

# We commit to annually grow the dividend, also beyond 2026

Dividend per share  
€



We delivered ...

... and will continue to deliver

1. Subject to 2022 AGM approval

# We are well on track to achieve our 5-year delivery plan

Dividend per share (DPS) growth of up to 5% p.a. until 2026

€0.49 dividend for FY 2021<sup>1</sup>

EBITDA<sup>2,3</sup> 2026: ~€7.8bn / 4-5% CAGR<sup>4</sup>

EPS<sup>2,3</sup> 2026: ~€0.90 / 7-9% CAGR<sup>4</sup>

2022-2030: Average 5-year rolling<sup>5</sup> EPS CAGR at least 5%

Total capex 2022-2026: ~€27bn

Capital structure with strong BBB/Baa rating<sup>6</sup>

Average ROCE of 7-8%<sup>7</sup>

1. Subject to 2022 AGM approval 2. Adjusted for non-operating effects 3. Core business only (segments: Energy Networks, Customer Solutions, Corporate Functions & Other) 4. 2021-2026 CAGR, calculated on core earnings only (segments: Energy Networks, Customer Solutions, Corporate Functions & Other), CAGRs are adjusted to FY 2021 actuals 5. 5-year rolling period applies to every 5-year period between 2022 and 2030 6. Debt factor target: 4.8-5.2x 7. Average for period 2022-2026

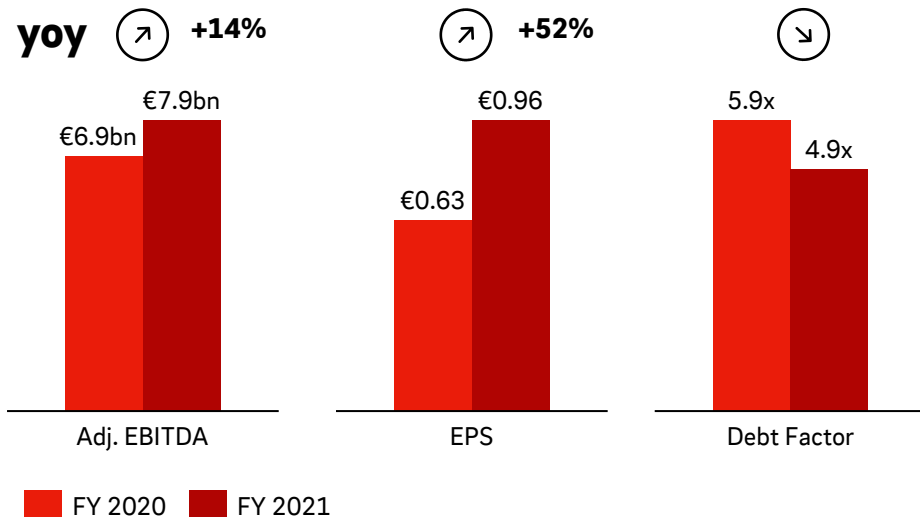


**Thank you!**

# Strong operations leading to significant growth

E.ON FY 2021 results

## FY 2021 key financials<sup>1</sup>



## Highlights FY 2021

### Strong performance

Beat on earnings guidance due to excellent operations



### Synergy target

Fully achieved synergy target of additional ~€180m



### Delivery of UK turnaround

EBIT target of £100m achieved despite challenging market environment



### Deleveraging target achieved ahead of plan

Debt factor of 4.9x already achieved



### Dividend growth

Confirmed dividend of €0.49 per share<sup>2</sup>

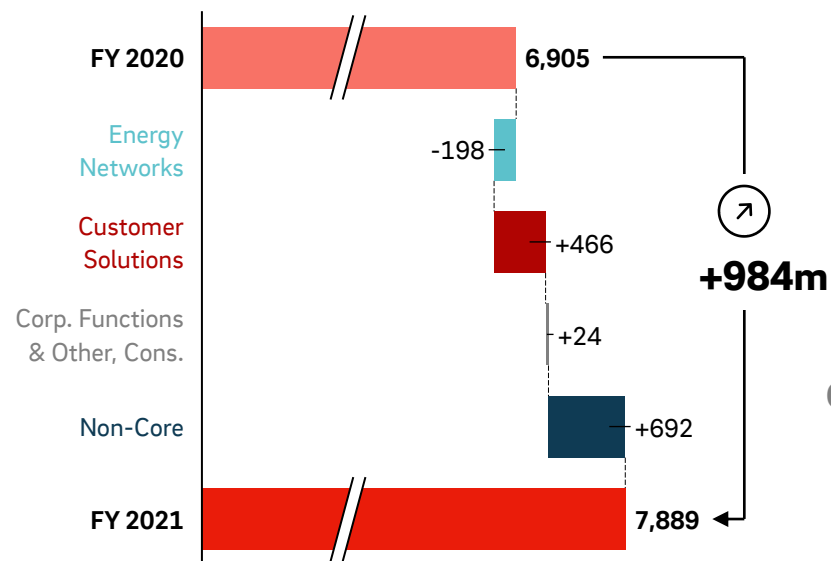


1. Adjusted for non-operating effects 2. Subject to 2022 AGM approval

# EBITDA up 1-billion-euro year over year

## EBITDA<sup>1</sup>

€m



## Key drivers

### Energy Networks

- + Covid-19 impact in 2020
- +/- Germany: normalized weather/ regulatory cycle
- Sweden /CEE & Turkey: higher costs for network losses

### Customer Solutions

- + UK: ongoing restructuring benefits
- + Covid-19 impact in 2020
- + Normalized weather
- Higher energy prices

### Corp. Functions & Other, Cons.

- + Realization of synergies

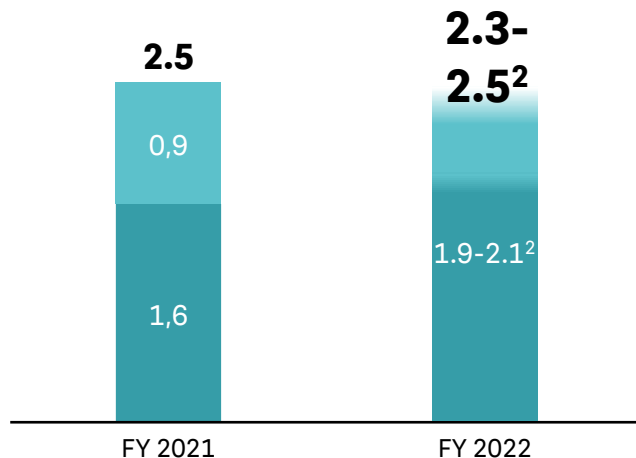
### Non-Core

- + PreussenElektra: nuclear production rights agreement (~€0.5bn)
- + Higher realized market prices and volumes

# Strong double digit Core EPS growth mainly driven by business growth

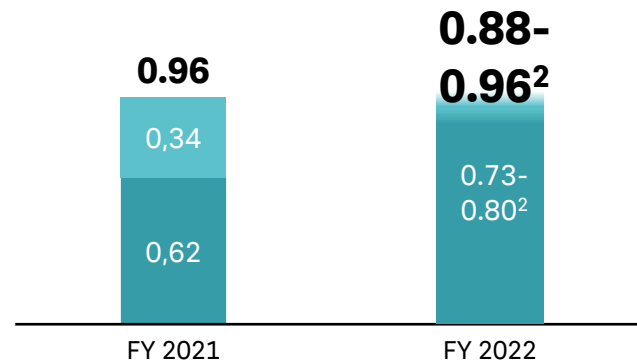
## Group Adjusted Net Income<sup>1</sup>

€bn



## Group Earnings per share<sup>1</sup>

€



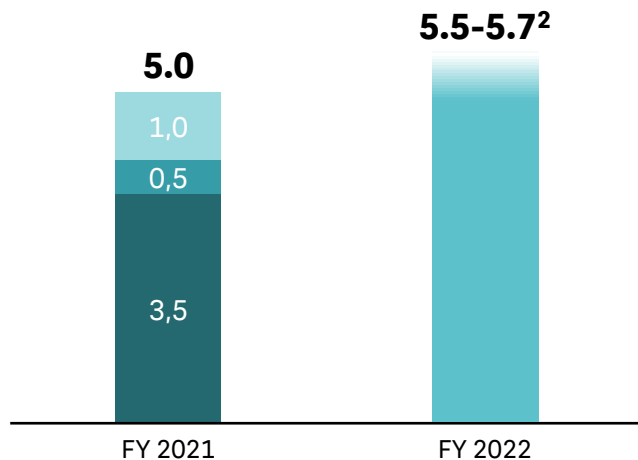
Guidance:  Core<sup>3</sup>  Non-Core

1. Adjusted for non-operating effects 2. No earnings impact from potential portfolio optimization measures included, excluding potential political and/or regulatory effects that could arise from the Russian Ukrainian crisis 3. Core business only (segments: Energy Networks, Customer Solutions, Corporate Functions & Other)

# Substantial Energy Networks earnings growth from increased efficiencies & capex driven growth

## Energy Networks EBITDA<sup>1</sup>

€bn



**Guidance:** ↗ Germany ↗ Sweden ↘ CEE & Turkey

## EBITDA<sup>1</sup> key drivers 2022

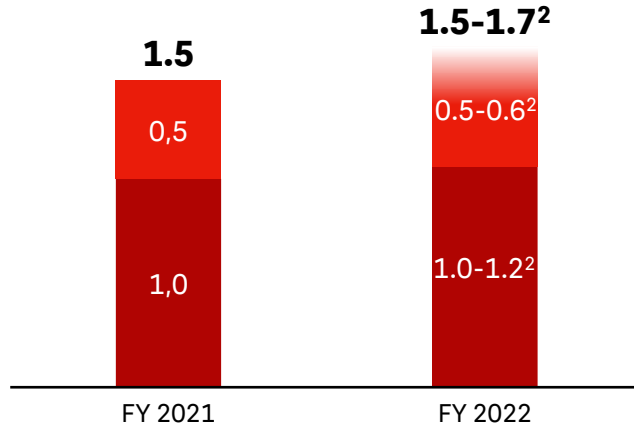
All	+ Organic RAB growth
Germany	+ Realization of synergies
Germany	+ Increase in efficiencies
Sweden	- Higher costs for network losses
CEE & Turkey	- Higher costs for network losses

1. Adjusted for non-operating effects 2. No earnings impact from potential portfolio optimization measures included, excluding potential political and/or regulatory effects that could arise from the Russian Ukrainian crisis

# Customer Solutions earnings growth despite adverse market environment

## Customer Solutions EBITDA<sup>1</sup>

€bn



**Guidance:**  Energy Retail  Energy Infrastructure Solutions

## EBITDA<sup>1</sup> key drivers 2022

### Energy Retail

- + Germany: operational improvements and realization of synergies
- +/- UK: ongoing restructuring benefits; higher energy prices and market design
- Other: higher energy prices

### EIS

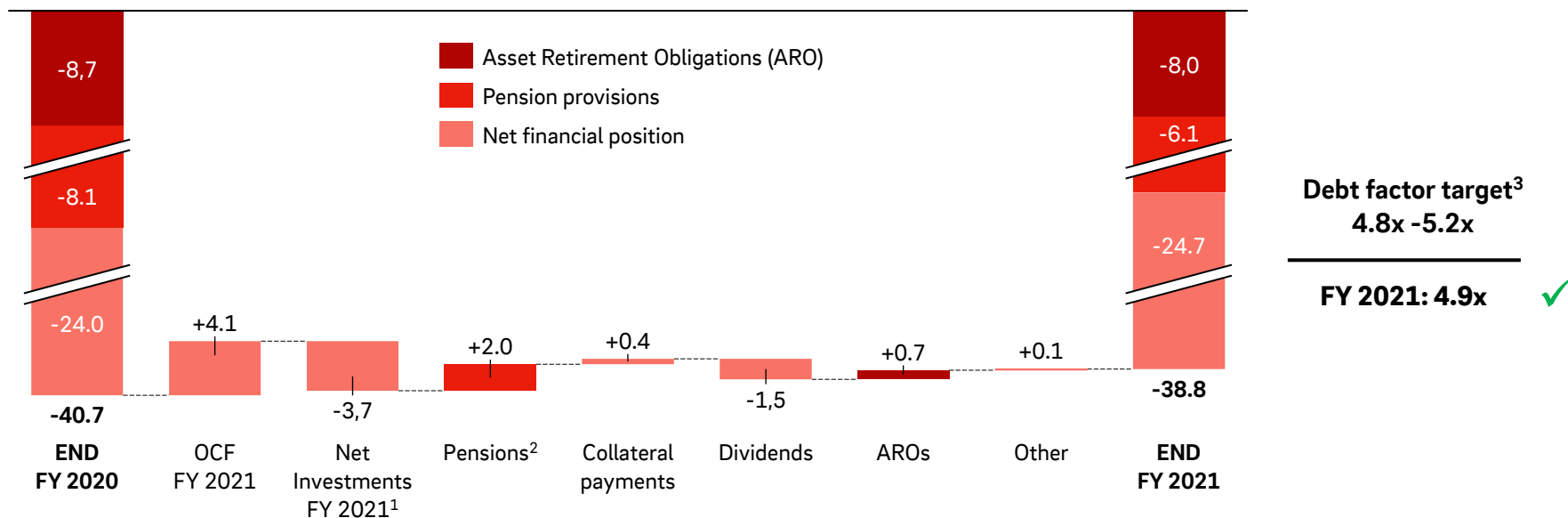
- + Operation of several new projects
- + Organic growth
- Sweden: one-off effect in 2021

1. Adjusted for non-operating effects 2. No earnings impact from potential portfolio optimization measures included, excluding potential political and/or regulatory effects that could arise from the Russian Ukrainian crisis

# Positive debt factor development ahead of plan supports strong BBB/Baa rating

## Economic net debt

€bn



1. Net of divestments, incl. disposal proceeds from restructuring Hungarian network business: ca. €0.4bn 2. Actuarial interest rates for German pensions at 1.1% (vs. 0.8% @ FY 2020), for UK pensions at 1.9% (vs. 1.4% @ FY 2020) 3. Economic Net Debt/EBITDA, EBITDA adjusted for non-operating effects



# Guidance overview

€bn	Actual FY 2021	FY 2022 <sup>5</sup>	FY 2026	CAGR 21-26 <sup>8</sup>	2022-2030 (5yr rolling) <sup>9</sup>
<b>Core EBITDA<sup>1</sup></b>	<b>6,272</b>	<b>6.9-7.1</b>	<b>-7.8</b>	<b>4-5%</b>	-
Energy Networks	4,988	5.5-5.7	6.0-6.2	-4%	-
Customer Solutions	1,492	1.5-1.7	1.9-2.2	5-8%	-
Energy Retail	1,013	1.0-1.2	1.2-1.4	3-6%	-
Energy Infrastructure Solutions	0,479	0.5-0.6	0.7-0.8	8-11%	-
Corporate Functions & Other	-0,208	--0.2	-	-	-
<b>Group EBITDA<sup>1</sup></b>	<b>7,889</b>	<b>7.6-7.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-Core	1,617	0.6-0.8	-	-	-
<b>Core Adj. Net Income<sup>1</sup></b>	<b>1,605</b>	<b>1.9-2.1</b>	<b>-2.35</b>	<b>7-9%</b>	<b>At least 5% CAGR<sup>9</sup></b>
Group Adj. Net Income <sup>1</sup>	2,503	2.3-2.5	-	-	-
<b>Core EPS<sup>1</sup></b>	<b>€0.62</b>	<b>€ 0.73-0.80</b>	<b>-€0.90</b>	<b>7-9%</b>	<b>At least 5% CAGR<sup>9</sup></b>
Group EPS <sup>1</sup>	€0.96	€ 0.88-0.96	-	-	-
<b>Dividend</b>	<b>€0.49<sup>4</sup></b>	<b>Up to 5% p.a.</b>	<b>-</b>	<b>Up to 5% p.a.</b>	<b>Growth beyond 2026</b>
<b>Capex<sup>2</sup></b>	<b>4,762</b>	<b>-5.3</b>	<b>-27<sup>6</sup></b>	<b>-</b>	<b>-</b>
Energy Networks	3,520	-4.1	-22 <sup>6</sup>	-	-
Customer Solutions	0,710	-1.1	-5 <sup>6</sup>	-	-
<b>Capex EU Taxonomy aligned<sup>3</sup></b>	<b>97%</b>	<b>-95%<sup>6</sup></b>	<b>-95%<sup>6</sup></b>	<b>-</b>	<b>-</b>
<b>ROCE</b>	<b>7.8%</b>	<b>7-8%<sup>7</sup></b>	<b>7-8%<sup>7</sup></b>	<b>-</b>	<b>-</b>
<b>Debt factor</b>	<b>4.9x</b>	<b>4.8x-5.2x</b>	<b>4.8x-5.2x</b>	<b>-</b>	<b>-</b>

1. Adjusted for non-operating effects 2. Cash-effective investments including Corporate Functions & Other and Non-Core 3. Based on EU taxonomy eligible capex 4. Subject to 2022 AGM approval 5. No earnings impact from potential portfolio optimization measures included, excluding potential political and/or regulatory effects that could arise from the Russian Ukrainian crisis 6. 2022-2026 7. Average for period 2022-2026 8. CAGRs are adjusted to FY 2021 actuals 8. CAGRs are adjusted to FY 2021 actuals 9. 5-year rolling period applies to every 5-year period between 2022 and 2030



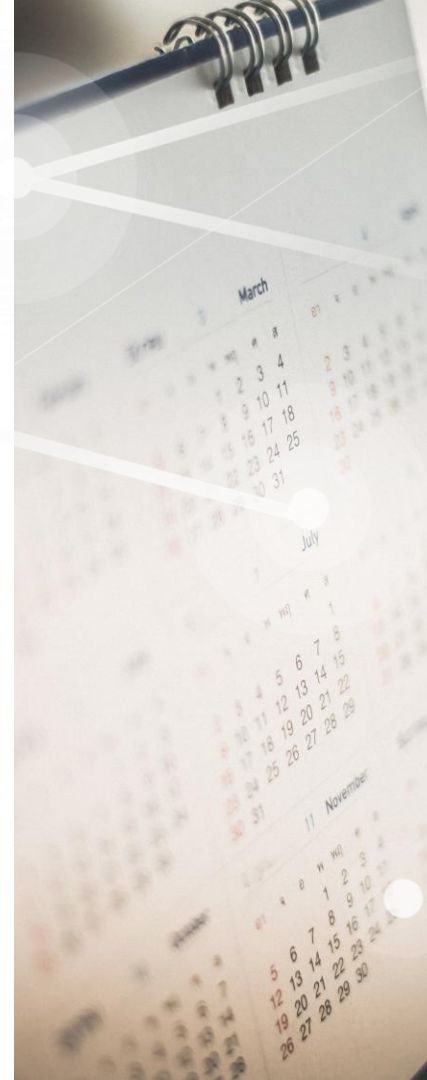
# Financial calendar & important links

## Financial calendar

May 11, 2022	Quarterly Statement: January – March 2022
May 12, 2022	2022 Annual Shareholder Meeting
August 10, 2022	Half-Year Financial Report: January – June 2022
November 9, 2022	Quarterly Statement: January – September 2022

## Important links

Presentations	<a href="https://www.eon.com/en/investor-relations/presentations.html">https://www.eon.com/en/investor-relations/presentations.html</a>
Facts & Figures 2022	<a href="https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/investor-relations/en/presentations/220316-facts-and-figures-2022-final.pdf">https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/investor-relations/en/presentations/220316-facts-and-figures-2022-final.pdf</a>
Annual Reports	<a href="https://www.eon.com/en/investor-relations/financial-publications/annual-report.html">https://www.eon.com/en/investor-relations/financial-publications/annual-report.html</a>
Interim Reports	<a href="https://www.eon.com/en/investor-relations/financial-publications/interim-report.html">https://www.eon.com/en/investor-relations/financial-publications/interim-report.html</a>
Shareholder Meeting	<a href="https://www.eon.com/en/investor-relations/shareholders-meeting.html">https://www.eon.com/en/investor-relations/shareholders-meeting.html</a>
Green Bond Framework	<a href="https://www.eon.com/en/investor-relations/bonds/green-bonds.html">https://www.eon.com/en/investor-relations/bonds/green-bonds.html</a>
Sustainability Report	<a href="https://www.eon.com/en/ueber-uns/nachhaltigkeit/nachhaltigkeitsbericht.html">https://www.eon.com/en/ueber-uns/nachhaltigkeit/nachhaltigkeitsbericht.html</a>



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