

Press Release

E.ON reaffirms outlook and lives up to responsibilities amid crisis

- **2022 forecast at Group level for investments, adjusted EBITDA, and adjusted net income reaffirmed**
- **Economic net debt down significantly, declining by €1.3 billion to €37.4 billion**
- **Implementation of growth strategy on schedule; demand for sustainable customer solutions rising**

E.ON remains on course after the first half of 2022 and is systematically implementing its strategy despite the extreme turbulence on energy markets. At the presentation of the company's results, CEO Leonhard Birnbaum said: "E.ON is living up to its responsibilities. We're helping Germany and our European markets respond to the extraordinary crisis in the short term and also working to establish long-term energy security by accelerating the energy transition. Our crisis management has enabled us to deliver solid half-year results. We again reaffirm our forecast for full year 2022."

Birnbaum continued: "The current energy crisis finally makes clear that Europe needs to transform its energy system. To be independent of Russian gas. To ensure supply security. To secure affordable energy for people in Europe. To provide green, climate-friendly energy. For this, the energy transition needs to move forward with even greater determination. We're doing our part by expanding our energy networks and sustainable customer solutions."

On course with first-half results, despite turbulent times

Birnbaum said: "Our business model puts us in the right position, particularly in the current tense situation. This has enabled us to systematically pursue our course even in recent months, as our first-half results confirm. Despite the ongoing crisis, we're keeping our promises, from both an operating and financial perspective."

E.ON's business performed as anticipated in the first half of 2022, despite the difficult environment. Group adjusted EBITDA of just under €4.1 billion was about €700 million below the prior-year figure, which had benefited primarily from positive one-off effects relating to residual power output rights.

E.ON's stable network business made the largest contribution—roughly €2.7 billion—to EBITDA. Earnings were adversely affected by milder weather and higher costs for line losses, primarily in Sweden and East-Central Europe. The adverse effects were partially offset by operating improvements, particularly at the network business in Germany.

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Customer Solutions' adjusted EBITDA declined by €90 million year-on-year to just over €1 billion, mainly because of significantly higher procurement costs in energy sales. As communicated at the start of the year, the massive increase in wholesale energy prices required E.ON to adjust its end-customer prices. In Germany, most of the price increases have already been successfully implemented or announced. However, they will not be fully reflected in earnings until the second half of 2022.

The business of providing innovative energy infrastructure solutions for customers delivered a particularly good first-half performance. Investments in new customer projects increased by 32 percent year-on-year, adjusted EBITDA by 23 percent to roughly €313 million. Sales of decarbonization solutions for households rose by 40 percent year on year to roughly €600 million. E.ON sold 20,000 solar and storage solutions as well as 40,000 state-of-the-art heating solutions, primarily heat pumps, in the first half of 2022 alone. This makes E.ON Europe's biggest provider of decarbonization solutions for households. These solutions enable E.ON customers to reduce their annual carbon emissions by more than 500,000 metric tons.

Non-Core Business benefited from the higher level of wholesale power prices in the first half of the year, which did not, however, offset the closure of Grohnde and Brokdorf nuclear power plants (NPPs). In addition, the refund of residual power purchases in conjunction with the implementation of the public law agreement between the German federal government and the country's NNP operators was a key positive factor in the prior year.

Debt significantly lower due to interest-rate increase

In line with E.ON's EBITDA performance, its adjusted net income of just over €1.4 billion was 20 percent below the prior-year figure of nearly €1.8 billion. Economic net debt declined from €38.9 billion at year-end 2021 to €37.4 billion. This enhanced financial flexibility reflects E.ON's strong operating cash flow and, above all, higher discount rates, which led to a reduction in provisions for pensions.

Forecast reaffirmed

E.ON continues to expect to meet its 2022 forecast. CFO Marc Spieker said: "Our investment plan is on schedule, which, as promised, will enable our earnings to grow organically. We reaffirm our investments of roughly €5.3 billion in 2022. We'll fully achieve our targeted synergies from the innogy integration. We therefore reaffirm our forecast for our core businesses. Our Non-Core Business segment will benefit from rising energy prices. Consequently, we're raising our forecast for Non-Core Business by €200 million to €0.8 to €1 billion."

E.ON continues to expect adjusted EBITDA of €7.6 to €7.8 billion and adjusted net income of €2.3 to €2.5 billion. The latter corresponds to adjusted earnings per share of 88 to 96 cents.

E.ON Group Financial Highlights

First half € in millions	2022	2021	+/- %
Sales	52,845	33,040	60
Adjusted EBITDA ¹	4,061	4,768	-15
Adjusted EBIT ¹	2,677	3,163	-15
Net income/ Net loss	2,536	2,772	-9
Net income/ Net loss attributable to shareholders of E.ON SE	2,258	2,548	-11
Adjusted net income	1,413	1,765	-20
Investments E.ON group	1,736	1,908	-9
Cash provided by operating activities ²	1,816	1,205	51
Cash provided by operating activities before interest and taxes ³	2,574	2,171	19
Economic net debt (June 30, 2022 and December 31, 2021)	37,444	38,773	-3
Employees (June 30, 2022 and December 31, 2021) ⁴	68,535	69,733	-2
Earnings per share (€) ^{5,6}	0.87	0.98	-11
Adjusted net income per share (€) ^{5,6}	0.54	0.68	-21
Shares outstanding (weighted average; in millions)	2,609	2,607	0

1 Adjusted for non-operating effects.

2 entspricht dem Cashflow aus der Geschäftstätigkeit

3 entspricht dem Cashflow aus der Geschäftstätigkeit vor Zinsen und Steuern

4 Core workforce does not include apprentices, working students, or interns. This figure reports full-time equivalents ("FTE").

5 Based on shares outstanding (weighted average).

6 Attributable to shareholders of E.ON SE.

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