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# Quarterly Statement

January–September **III/2023**


# Business Highlights

**Growth strategy reaffirmed: investments** to propel the **energy transition** up almost **40 percent year on year** in the first nine months of 2023, **investment target raised** to **€6.1 billion**

As anticipated, **adjusted EBITDA** and **adjusted net income** in the first nine months of 2023 **significantly above the prior year**

**Outlook** for the 2023 financial year, which **was raised** at the half-year mark, **confirmed: adjusted EBITDA** of **€8.6 to €8.8 billion, adjusted net income** of **€2.7 to €2.9 billion**, and **adjusted earnings per share** of **€1.03 to €1.11** expected

**Financial flexibility remains high**: year-end **debt factor** of **significantly under 5.0** expected

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Regulations of the Frankfurt Stock Exchange (dated October 2, 2023) and is not a Quarterly Report within the meaning of International Accounting Standard 34.

# Key Figures of the E.ON Group

## Financial

| Financial Figures<br>Nine months<br>€ in millions | 2023 | 2022 | +/- % |
|---|---|---|---|
| External sales | 69,243 | 81,593 | -15 |
| Adjusted EBITDA[1] | 7,789 | 6,110 | 27 |
| Adjusted EBIT[1] | 5,662 | 4,034 | 40 |
| Net income/net loss | 1,369 | 4,282 | -68 |
| Net income/net loss attributable to shareholders of E.ON SE | 1,169 | 3,814 | -69 |
| Adjusted net income[1] | 2,941 | 2,126 | 38 |
| E.ON Group investments | 3,928 | 2,838 | 38 |
| Cash provided by operating activities | 3,707 | 5,958 | -38 |
| Cash provided by operating activities before interest and taxes | 5,054 | 7,054 | -28 |
| Economic net debt (September 30, 2023, and December 31, 2022) | 34,153 | 32,742 | 4 |
| Earnings per share (€)[2, 3] | 0.45 | 1.46 | -69 |
| Adjusted net income per share (€)[2, 3] | 1.13 | 0.81 | 40 |
| Shares outstanding (weighted average, in millions) | 2,610 | 2,609 | 0 |

[1]Adjusted for non-operating effects.
[2]Based on shares outstanding (weighted average).
[3]Attributable to shareholders of E.ON SE.

# Special Events in the Reporting Period

## Russia-Ukraine War Creates Significant Macroeconomic Uncertainty and Impacts the Energy Sector

E.ON's priority since the beginning of the Russia-Ukraine war in early 2022 has been to secure the energy supply in these anxious times. E.ON's power, gas, and heat networks in various regions of Europe are running stably, even in the current situation.

The war's repercussions also have implications for E.ON's business. In particular, volatile commodity prices and energy demand behavior impact our operations and are described in greater detail below in the sections entitled "Earnings Situation" and "Financial Situation."

## E.ON Successfully Issues Bonds in 2023

In the first nine months of 2023, E.ON successfully issued four bonds totaling €3.3 billion:

- €800 million bond that matures in January 2028 and has a coupon of 3.5 percent (January 2023)
- €1 billion green bond that matures in January 2035 and has a coupon of 3.875 percent (January 2023)
- €750 million green bond that matures in March 2029 and has a coupon of 3.75 percent (August 2023)
- €750 million green bond that matures in August 2033 and has a coupon of 4 percent (August 2023).

## Changes in Segment Reporting

E.ON's segment reporting was adjusted effective January 1, 2023. PreussenElektra's generation activities were originally planned to end on December 31, 2022. Consequently, Non-Core Business has been reported under Corporate Functions/Other from the beginning of 2023. In addition, owing to the discontinuation of operations and the dismantling of all nuclear power plants, the associated expenses and income are reported under non-operating expense/income.

## Earthquakes in Southeast Turkey and Northern Syria

Southeastern Turkey and northern Syria experienced several major earthquakes on February 6, 2023, and in the days afterward. They resulted in electricity and gas service outages. At E.ON, Enerjisa Enerji's supply territory was affected. Network repair activities are in full swing, and the power supply has largely been restored. All of Enerjisa Üretim's power plants are fully operational. From today's perspective, there have been no material implications for E.ON's asset, financial, and earnings situation.

## Consortium Agreement with RheinEnergie

The consortium agreement concluded on June 29, 2021, between Westenergie AG, a fully consolidated subsidiary of the E.ON Group, and RheinEnergie AG was finalized effective March 31, 2023, after the conditions imposed by the Bundeskartellamt (German Federal Cartel Office) were met. The closing of the transaction enabled Westenergie and RheinEnergie to merge shareholdings in individual municipal utilities into rhenag. It also resulted in the initial consolidation of AggerEnergie GmbH in the E.ON Group. Full details of the business combination can be found in the Interim Report for the first half of 2023. In addition, Westenergie transferred 20 percent of the shares of Stadtwerke Duisburg, which, pursuant to IFRS 5, was previously included in E.ON's Consolidated Financial Statements as an associated company, to RheinEnergie, which increased its share in RheinEnergie from 20 to 24.2 percent.

## Conclusion of a Future Consolidation Agreement with ZSE Shareholders

On April 8, 2022, the shareholders of Západoslovenská energetika a.s. ("ZSE") and of Východoslovenská energetika Holding a.s. ("VSEH"), E.ON SE, and the Slovak Republic, concluded a Future Consolidation Agreement to combine ZSE and the VSEH Group. The agreement provides, among other things, for 100 percent of VSEH shares to be transferred to ZSE, the sale of all VSEH subsidiaries to ZSE, and the implementation of corporate law changes at VSEH.

The transfer of VSEH shares to ZSE will result in ZSE becoming VSEH's sole shareholder (and thus also shareholder of selected VSEH subsidiaries). The ownership interests in ZSE will remain unchanged; that is, E.ON will have a 49 percent stake in VSE and the Slovakian state a 51 percent stake. The new ZSE shareholders agreement, which has yet to be concluded, will essentially correspond to the current shareholders agreement. After the transaction, ZSE will thus continue to be included in E.ON's Consolidated Financial Statements as a jointly owned company and accounted for using the equity method. After closing, the business operations of VSEH, which previously had been fully consolidated, will be included in the Consolidated Financial Statements as part of ZSE and likewise accounted for using the equity method.

It was originally planned for the transaction to close by the end of 2022. Consequently, the VSEH Group has been reported as a disposal group pursuant to IFRS 5 since December 31, 2021. In the agreement, the parties acknowledge that the expected transaction is subject to, among other things, the preconditions stipulated in the agreement. The last precondition was fulfilled on June 12, 2023. Although the parties had originally intended for the planned transaction to close between November and December 2022 and then in 2023, respectively, in particular the signing of the consolidation documentation including the agreement on the transfer and contribution of shares and the updated shareholder agreement as well as the registration of the planned transaction in the Commercial Register are still pending. Final closing of the transaction is now expected in the first half of 2024.

## The Temporary Continued Operation of Germany’s Remaining Nuclear Power Plants (“NPPs”) Ended on April 15, 2023

The authorization of Emsland, Neckarwestheim 2, and Isar 2 NPPs (the latter of which is operated by PreussenElektra, an E.ON subsidiary) to operate expired at the close of April 15, 2023. By continuing to operate in the winter of 2022–2023, Germany’s NPPs made a valuable contribution toward securing the energy supply amid the crisis. Isar 2 NPP was taken offline at the close of April 15, 2023, and its reactor was shut down. As planned, preparations are being made to dismantle the entire facility.

PreussenElektra earned power-market proceeds for about 2 TWh since January 1, 2023. These proceeds must be set against the additional costs arising from the extension and the provisions of the Act on the Introduction of an Electricity Price Cap and on the Amendment of Other Provisions of Energy Law (German abbreviation: “StromPBG”) on the Taxation of Electricity Market Revenues, which took effect on December 24, 2022. E.ON plans to take the proceeds from continued operation and use them for the energy transition, such as for network infrastructure and the development of its hydrogen business.

## Erich Clementi is the New Chairman of the E.ON SE Supervisory Board

At a constitutive meeting of the Supervisory Board following the Annual Shareholders Meeting on May 17, 2023, Erich Clementi was elected to succeed Karl-Ludwig Kley. Erich Clementi has been Deputy Chairman of the E.ON SE Supervisory Board since 2016. Karl-Ludwig Kley decided not to stand for reelection to the Supervisory Board. In addition, the E.ON SE Supervisory Board now consists of 16 members. The previous size of 20 members had applied temporarily and for a limited period following the innogy takeover.

# Earnings Situation

- The E.ON Group's external sales in the first nine months of 2023 were lower than in the prior year, mainly because of the settlement of derivatives amid lower price levels on commodity markets
- As anticipated, the E.ON Group's adjusted EBITDA and adjusted net income in the first nine months of 2023 were significantly above the prior year due to a good operating performance.

## External Sales

Effective the Interim Report for the first half 2023, we have changed our presentation of sales. For the sake of clarity and in order to provide more useful commentary, the Combined Group Management Report only discloses external sales and only comments on the change in external sales with regard to the segments' performance.

The E.ON Group's external sales in the first nine months of 2023 amounted to €69.2 billion and were thus €12.4 billion below the prior-year figure.

Energy Networks' sales increased by €2.6 billion relative to the prior year to €12.6 billion. This development is attributable in particular to temporary effects and to cost-driven effects from prior years. In addition, growth in the regulated asset base continued to have a positive impact on sales. However, a large portion of the increase in external sales is offset by a corresponding price-driven increase in expenses.

**External Sales**

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| € in millions | 2023 | 2022 | +/- % | 2023 | 2022 | +/- % |
| Energy Networks | 4,114 | 3,369 | 22 | 12,627 | 10,033 | 26 |
| Customer Solutions | 10,680 | 17,161 | -38 | 48,067 | 53,370 | -10 |
| Corporate Functions/Other[1] | 2,090 | 8,218 | -75 | 8,550 | 18,190 | -53 |
| Consolidation | -1 | 0 | – | -1 | 0 | – |
| **E.ON Group** | **16,883** | **28,748** | **-41** | **69,243** | **81,593** | **-15** |

[1]Prior-year figures were adjusted owing to the transfer of Non-Core Business.

Customer Solutions' sales declined by €5.3 billion to €48.1 billion. The decrease is mainly attributable to the settlement of derivatives amid lower price levels on commodity markets in Germany. A decline in sales volume due to energy conservation, weather-related effects, and our focus on small and medium-sized B2B customers also reduced sales in nearly all E.ON regions. The successive passthrough to end-customers of crisis-driven high procurement costs had a countervailing effect. It had the largest impact in Germany, the United Kingdom, and the Czech Republic.

External sales recorded at Corporate Functions/Other declined by €9.6 billion in the reporting period to €8.6 billion. The decrease is mainly attributable to the settlement of derivatives in a lower price environment compared with the prior year on commodity transactions conducted by E.ON Energy Markets, our central commodity procurement unit.

**1Q–3Q 2023** **222.7 billion kWh**
1Q–3Q 2022 238.7 billion kWh
Power wheeling volume

**1Q–3Q 2023** **104.6 billion kWh**
1Q–3Q 2022 134.7 billion kWh
Power sales[1]

**1Q–3Q 2023** **132.6 billion kWh**
1Q–3Q 2022 146.2 billion kWh
Gas wheeling volume

**1Q–3Q 2023** **125.2 billion kWh**
1Q–3Q 2022 153.7 billion kWh
Gas sales[1]

[1]Customer Solutions' sales volume does not include sales to the wholesale market.

## Adjusted EBITDA

We use earnings before interest, taxes, depreciation, and amortization adjusted to exclude extraordinary effects ("adjusted EBITDA") for the internal management control of our intended growth and as an indicator of our business units' sustainable earnings strength.

Energy Networks' adjusted EBITDA increased by €787 million to €4,856 million in the first nine months of 2023 (prior year: €4,069 million). This development was driven in part by a further increase in investments in the energy transition in nearly all regions, which leads to continual growth in the regulated asset base. In addition, the recovery of the energy-industry market environment contributed to a significant reduction in the costs for redispatching in Germany. These cost reductions are temporary in nature, and, because of regulatory mechanisms, will be credited to network customers in subsequent years. Adjusted EBITDA in Sweden and at East-Central Europe/Turkey received additional support in nearly all regions from catch-up effects for costs incurred in prior years for network losses that were not fully covered. The weak Swedish krona and Turkish lira had a countervailing effect. Earnings were also adversely impacted by lower wheeling volume resulting from a reduction in energy consumption. Effects relating to fluctuations in wheeling volume are essentially temporary in nature and, in most countries, are recovered in subsequent years through regulatory mechanisms.

**Adjusted EBITDA**

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| € in millions | 2023 | 2022 | +/- % | 2023 | 2022 | +/- % |
| Energy Networks | 1,404 | 1,415 | -1 | 4,856 | 4,069 | 19 |
| Customer Solutions | 743 | 393 | 89 | 2,989 | 1,417 | 111 |
| *Thereof: Energy Infrastructure Solutions ("EIS")* | *81* | *52* | *56* | *379* | *365* | *4* |
| Corporate Functions/Other[1] | -24 | 242 | -110 | -53 | 627 | -108 |
| Consolidation | -3 | -1 | -200 | -3 | -3 | 0 |
| E.ON Group | **2,120** | **2,049** | **3** | **7,789** | **6,110** | **27** |

[1]Prior-year figures were adjusted owing to the transfer of Non-Core Business.

Adjusted EBITDA at Customer Solutions rose by €1,572 million to €2,989 million (prior year: €1,417 million). The increasing stabilization of the energy-industry market environment, which had been under considerable strain in the prior year, had a positive impact on Customer Solutions' nine-month earnings as well. In nearly all E.ON markets, necessary price adjustments contributed to an earnings improvement relative to the prior year. In addition, energy procurement in the United Kingdom, Germany, and the Netherlands was adjusted to current market conditions, and one-off effects from prior periods had a positive impact. A decline in sales volume along with risk provisions for bad debts had a countervailing effect in nearly all regions. The, in some cases, tense situation in 2022 in some regions of the Other unit eased as a result of improvements in regulatory schemes (especially in Romania). Consequently, wider margins and effects from portfolio management led to an increase in earnings. Despite adverse currency-translation effects, Energy Infrastructure Solutions' ("EIS") business of providing on-site energy solutions was slightly above the prior-year level.

Adjusted EBITDA recorded at Corporate Functions/Other declined by €680 million in the reporting period to -€53 million, mainly because of the absence of earnings streams from PreussenElektra, whose earnings are recorded under non-operating expense/income effective the beginning of 2023.

The E.ON Group's adjusted EBITDA amounted to €7,789 million in the first nine months of 2023, which was €1,679 million above the prior-year figure (€6,110 million).

## Adjusted Net Income

Adjusted earnings per share ("EPS") is another key performance indicator that is relevant for management purposes. It is equal to adjusted net income attributable to E.ON SE shareholders adjusted to exclude non-operating effects.

Adjusted depreciation charges rose relative to the prior-year period, from €2,076 million to €2,127 million. This is mainly attributable to an increase in depreciation charges on property, plant, and equipment resulting from additional investments in the network business.

In the operating interest result, the net interest expense rose from €714 million to €839 million, primarily because of a higher periodic remeasurement of provisions due to the increase in interest rate levels at the end of 2022. In addition, the higher interest expense on newly issued bonds more than offset the positive effects of bond repayments.

**Adjusted Net Income**

| | Third quarter | | | Nine months | | |
|---|---|---|---|---|---|---|
| € in millions | 2023 | 2022 | +/- % | 2023 | 2022 | +/- % |
| **Adjusted EBITDA** | **2,120** | **2,049** | **3** | **7,789** | **6,110** | **27** |
| Adjusted depreciation | -737 | -692 | -7 | -2,127 | -2,076 | -2 |
| **Adjusted EBIT** | **1,383** | **1,357** | **2** | **5,662** | **4,034** | **40** |
| Operating interest result | -350 | -252 | -39 | -839 | -714 | -18 |
| Taxes on operating earnings | -257 | -276 | 7 | -1,205 | -830 | -45 |
| Operating earnings attributable to non-controlling interests | -142 | -116 | -22 | -677 | -364 | -86 |
| **Adjusted net income** | **634** | **713** | **-11** | **2,941** | **2,126** | **38** |

The tax rate on operating earnings of continuing operations was 25 percent, as in the prior year. The tax expense rose from €830 million to €1,205 million.

Non-controlling interests' share of operating earnings rose significantly—from €364 million to €677 million—primarily because of higher operating earnings at minority-held companies.

Adjusted net income increased from €815 million to €2,941 million. The improvement is attributable to our good operating performance in the first nine months of 2023. Based on E.ON stock outstanding, adjusted earnings per share ("EPS") amounted to €1.13 (prior year: €0.81).

## Reconciliation to Adjusted Earnings Metrics

In accordance with IFRS, earnings for the first nine months of 2023 also include earnings components that are not directly related to E.ON Group's ordinary business activities or that are non-recurring or rare in nature. These non-operating items are considered separately in internal management control. Adjusted EBITDA and adjusted net income reflect the E.ON Group's long-term profitability and, as metrics for internal management control, are adjusted to exclude non-operating items.

In the tables at right, the disclosures in the Consolidated Statements of Income are reconciled to the adjusted earnings metrics.

Net book gains/losses and restructuring expenses were insignificant in the first nine months of 2023. Primarily expenditures to restructure the sales business in the United Kingdom were recorded in the prior year.

Effects in conjunction with derivative financial instruments changed by -€3,917 million to -€2,646 million. This resulted mainly from a decline in the fair value measurement of unsettled sales and procurement transactions (including the corresponding provisions) due to the declining price trend on commodity markets.

Non-operating expense/income mainly consists of PreussenElektra's earnings since January 1, 2023, and countervailing earnings effects in conjunction with the valuation of shareholdings in Turkey using the equity method. The prior-year figure primarily includes additions to provisions for mining damage and for nuclear energy due to price effects as well as earnings effects pursuant to IAS 29 in conjunction with the valuation of shareholdings in Turkey using to the equity method.

### Non-Operating Adjustments

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 |
| Net book gains (+)/losses (-) | -2 | -3 | -7 | -59 |
| Restructuring expenses | -2 | -23 | -26 | -85 |
| Effects from derivative financial instruments | -1,033 | 669 | -2,646 | 1,271 |
| Carryforward of hidden reserves (+) and liabilities (-) from the innogy transaction | -18 | -19 | -113 | -81 |
| Other non-operating earnings | -152 | 14 | -18 | -744 |
| **Non-operating adjustments of EBITDA** | **-1,207** | **638** | **-2,810** | **302** |
| Depreciation of hidden reserves (-) and liabilities (+) from the innogy transaction | -113 | -124 | -341 | -389 |
| Other non-operating impairments/reversals | -40 | – | -45 | -22 |
| Non-operating interest expense (-)/income (+) | 392 | 400 | 502 | 1,333 |
| Non-operating taxes | 357 | 3 | 383 | 568 |
| **Non-operating adjustments of net income/loss** | **-611** | **917** | **-2,311** | **1,792** |

### Reconciliation to Adjusted EBITDA

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 |
| **Adjusted EBITDA** | **2,120** | **2,049** | **7,789** | **6,110** |
| Non-operating adjustments of EBITDA | -1,207 | 638 | -2,810 | 302 |
| **Income/loss from continuing operations before depreciation, interest result, and income taxes** | **913** | **2,687** | **4,979** | **6,412** |
| Scheduled depreciation/impairments and amortization/reversals | -888 | -815 | -2,512 | -2,487 |
| **Income/loss from continuing operations before interest results and income taxes** | **25** | **1,872** | **2,467** | **3,925** |

Besides the above-described effects in the reconciliation to adjusted EBITDA, the reconciliation to adjusted net income at right includes the following items:

A small amount of impairment charges was recorded in the first nine months of 2023 (in part on goodwill at Energy Network's business in Slovakia in conjunction with its reclassification as a disposal group) along with the depreciation charges in connection with the innogy purchase-price allocation, which are disclosed separately. In the prior year, impairment charges were recorded in particular at an Energy Networks shareholding in Croatia and at Customer Solutions' business in Slovakia.

Non-operating interest expense/income declined by €831 million to €502 million, mainly because of the only moderate change in interest-rate levels relative to the prior-year period. This led to a significant year-on-year reduction in the positive effect relating to the increase in actuarial discount rates on provisions. This affects provisions for asset-retirement obligations, provisions for recultivation and remediation obligations, and other non-current provisions, as well as countervailing valuation effects on securities recognized at fair value in the current year. The positive effect of €142 million (prior year: €157 million) from the difference between the nominal interest rate and the effective interest rate of former innogy bonds adjusted due to the purchase-price allocation is still recorded under non-operating interest expense/income.

**Reconciliation to Adjusted Net Income**

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 |
| **Adjusted net income** | **634** | **713** | **2,941** | **2,126** |
| Operating earnings attributable to non-controlling interests | 142 | 116 | 677 | 364 |
| Non-operating adjustments of net income | -611 | 917 | -2,311 | 1,792 |
| **Income from continuing operations** | **165** | **1,746** | **1,307** | **4,282** |
| Income/loss from discontinued operations, net | -8 | 0 | 62 | 0 |
| **Net income** | **157** | **1,746** | **1,369** | **4,282** |

The non-operating tax result is mainly influenced by the fair value measurement of commodity derivatives, which has no tax-relief effect, and by changes in the value of deferred taxes and taxes for previous years. The tax expense on continuing operations in the first nine months of 2023 amounted to €823 million (prior year: tax expense of €262 million). This resulted in a tax rate of 39 percent (prior year: 6 percent). The main factor that resulted in a higher tax rate in the reporting period was the fair value measurement of commodity derivatives, which has no tax-relief effect. In addition, changes in the value of deferred taxes and taxes for previous years have an impact on the tax rate.

Non-controlling interests' share of operating earnings rose significantly—from €364 million to €677 million—primarily because of higher operating earnings at minority-held companies.

Income from discontinued operations resulted from a transaction already completed in 2005. In accordance with the purchase agreement, a one-time purchase-price adjustment was made after an audit of the divested company was completed in the first quarter of 2023, and the contractual clause now took effect.

Group adjusted net income and corresponding earnings per share amounted to €1,369 million and €0.45, respectively, in the first nine months of 2023. Prior-year adjusted net income and earnings per share were €4,282 million and €1.46, respectively.

# Financial Situation

- Economic net debt rose relative to year-end 2022
- Provisions for pensions declined slightly owing to an increase in actuarial discount rates
- Operating cash flow before interest and taxes significantly below prior-year level
- Growth strategy reaffirmed: investments to propel the energy transition substantially above prior-year level.

E.ON manages its financial condition using, among other financial measures, economic net debt and operating cash flow.

## Financial Position

Economic net debt increased by €1.5 billion relative to year-end 2022 (€32.7 billion) to €34.2 billion.

**Economic Net Debt**

| € in millions | Sept. 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Liquid funds | 9,561 | 9,378 |
| Non-current securities | 1,214 | 1,347 |
| Financial liabilities[1] | -34,711 | -32,483 |
| FX hedging adjustment | 206 | 196 |
| **Net financial position** | **-23,730** | **-21,562** |
| Provisions for pensions | -3,524 | -3,735 |
| Asset-retirement obligations | -6,899 | -7,445 |
| **Economic net debt** | **-34,153** | **-32,742** |

[1]Bonds previously issued by innogy are recorded at their nominal value. The figure shown in the Consolidated Balance Sheets is €1.5 billion higher (year-end 2022: €1.7 billion higher).

E.ON's net financial position increased by €2.1 billion relative to year-end 2022, from -€21.6 billion to -€23.7 billion. The main factors were investment expenditures and E.ON SE's dividend payment, which were not offset by operating cash flow.

Financial liabilities of €34.7 billion include E.ON SE's issuance of four bonds in the current year totaling €3.3 billion as well as the on-schedule repayment of euro-denominated bonds in the amount of €1.3 billion.

Provisions for pensions only changed minimally in the first nine months of 2023. A decrease in defined benefit obligations resulting from the development of actuarial discount rates was the main factor. A decline in the fair value of plan assets had a countervailing effect.

**Actuarial Discount Rates**

| Percentages | Sept. 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Germany | 4.10 | 3.71 |
| United Kingdom | 5.54 | 4.80 |

E.ON's creditworthiness has been assessed by Standard & Poor's ("S&P"), Moody's, and Fitch Ratings with long-term ratings of BBB, Baa2, and BBB+, respectively. The ratings are based on the assumption that E.ON will be able to maintain a debt ratio commensurate with them. E.ON's short-term ratings are A-2 (S&P) , P-2 (Moody's), and F1 (Fitch Ratings).

In July 2023 Fitch confirmed its long-term rating of BBB+ and raised its short-term rating from F2 to F1.

**E.ON SE Ratings**

| | S&P | Moody's | Fitch |
|---|---|---|---|
| Long-term | BBB | Baa2 | BBB+ |
| Short-term | A-2 | P-2 | F1 |

## Investments

The E.ON Group's cash-effective investments of €3.9 billion in the first nine months of 2023 were significantly above the prior-year figure of €2.8 billion. The E.ON Group invested about €3.7 billion in property, plant, and equipment and intangible assets (prior year: €2.7 billion). Share investments totaled about €199 million versus €97 million in the prior year.

**Investments**

| Nine months<br>€ in millions | 2023 | 2022 | +/- % |
|---|---|---|---|
| Energy Networks | 3,117 | 2,265 | 38 |
| Customer Solutions | 710 | 518 | 37 |
| *Thereof: Energy Infrastructure Solutions ("EIS")* | *431* | *353* | *22* |
| Corporate Functions/Other[1] | 101 | 55 | 84 |
| Consolidation | 0 | 0 | 0 |
| **E.ON Group** | **3,928** | **2,838** | **38** |

[1]Prior-year figures were adjusted owing to the transfer of Non-Core Business.

The strategic focus of our investment activity is Energy Networks. This segment's investments rose by €852 million to €3,117 million (prior-year: €2,265 million) and went primarily toward new connections and network expansion in conjunction with the energy transition.

Customer Solutions' investments increased by €192 million to €710 million (prior year: €518 million). A large portion of investments went toward various projects at Energy Infrastructure Solutions ("EIS").

Investments at Corporate Functions/Other of €101 million (prior year: €55 million) went especially toward the capitalization of intangible assets and investments in other shareholdings.

## Cash Flow

Cash provided by operating activities of continuing operations before interest and taxes of €5.1 billion was €2 billion below the prior-year level (€7.1 billion). This resulted in part from a decline of €1.1 billion at Energy Networks, which is mainly attributable to adverse changes in working capital at the network business in Germany. In particular, back payments to energy feed-in customers who had received insufficient installment payments in the previous year had a negative impact on operating cash flow in the current reporting period. The remaining decline came from Customer Solutions and Corporate Functions/Other and was due to negative changes in working capital in the current financial year that much more than offset the increase in cash-effective earnings. These negative changes in working capital are mainly attributable to the timing difference between customer installment payments already received in 2022 and payments from government support measures and the related cash outflows from commodity procurement in the current reporting period.

Operating cash flow was also adversely affected by higher tax payments than in the prior year.

**Cash Flow[1]**

| Nine months<br>€ in millions | 2023 | 2022 |
|---|---|---|
| Operating cash flow | 3,707 | 5,958 |
| Operating cash flow before interest and taxes | 5,054 | 7,054 |
| Cash provided by (used for) investing activities | -3,352 | -1,130 |
| Cash provided by (used for) financing activities | -343 | -495 |

[1]From continuing operations.

Cash provided by investing activities of continuing operations amounted to -€3.4 billion compared with -€1.1 billion in the prior-year period. This includes cash-effective investments of €3.9 billion (prior year: €2.8 billion), particularly at the network business in Germany. A reduction in cash inflow from the sale of securities and in restricted cash along with lower repayments from initial margins also affected cash provided by investment activities.

Cash provided by financing activities of continuing operations of -€0.3 billion was €0.2 billion above the prior-year figure of -€0.5 billion. The net of the issuance and repayment of bonds and commercial paper led to a deterioration of cash provided by financing activities, which was offset by an increase in bank liabilities and by lower payments in conjunction with variation margins.

# Forecast Report

We reaffirm our earnings forecast for the 2023 financial year, which we raised at the half-year mark.

The earnings forecast continues to factor in a potential deterioration of the market situation in the fourth quarter of 2023 as well as adverse financial effects from the passthrough of lower wholesale prices by means of price reductions.

As a result of the successful expansion of our capacity in the course of implementing our growth strategy, we expect to invest about €300 million more to expand our energy networks. Consequently, we are raising our forecast for the entire Group's investments from €5.8 to €6.1 billion.

| | 2022[1] | 2023 forecast (March) | 2023 forecast (August) | 2023 forecast (November) |
|---|---|---|---|---|
| **Adjusted EBITDA (€ in billions)** | **8.1** | **7.8 to 8.0** | **8.6 to 8.8** | ✓ |
| *Energy Networks* | *5.5* | *6.0 to 6.2* | *6.3 to 6.5* | ✓ |
| *Customer Solutions* | *1.7* | *1.8 to 2.0* | *2.3 to 2.5* | ✓ |
| *Corporate Functions/Other* | *0.9* | *roughly -0.1* | *roughly -0.1* | ✓ |
| **Adjusted net income (€ in billions)** | **2.7** | **2.3 to 2.5** | **2.7 to 2.9** | ✓ |
| **Adjusted net income per share (€)** | **1.05** | **0.88 to 0.96** | **1.03 to 1.11** | ✓ |
| **Investments (€ in billions)** | **4.8** | **-5.8** | **-5.8** | **-6.1** |

✓ Reaffirmation of the 2023 forecast.
[1]Because of changes in segment reporting the prior-year figure was adjusted.

# Risks and Chances Report

The 2022 Combined Group Management Report describes in detail E.ON's management system for assessing risks and chances and the measures it takes to limit risks.

## Risks and Chances

In the normal course of business, E.ON is subject to a number of risks and chances that are inseparably linked to the operation of its businesses. They are described in detail in the 2022 Combined Group Management Report. With regard to identified chances and risks, the E.ON Group's risks and chances position described there remained essentially unchanged from a structural perspective at the end of the third quarter of 2023. Commodity prices, which rose sharply in 2022 in conjunction with the war in Ukraine, have declined significantly in 2023 to date. This has tangible implications for the assessment of individual risks and chances. For example, there is less of an impact from sales volume and price effects and bad debts in the sales business and from network losses and redispatch measures at Energy Networks. In addition, lower commodity prices lead to a significant decline in counterparty risks, whose likelihood of occurrence additionally remains very low because of our major suppliers' good credit ratings and system relevance.

The E.ON Group's aggregated range of risks and chances remains classified as "major" owing to the ongoing energy crisis. This risk assessment is based on the current level of commodity prices, which remains significantly above the pre-crisis level.

## Assessment of the Risk Situation

From today's perspective, E.ON does not perceive any risks that could threaten the E.ON Group's existence.

## E.ON SE and Subsidiaries Consolidated Statements of Income

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 |
| Sales including electricity and energy taxes | 16,968 | 28,807 | 70,218 | 82,604 |
| Electricity and energy taxes | -85 | -59 | -975 | -1,011 |
| **Sales** | **16,883** | **28,748** | **69,243** | **81,593** |
| Changes in inventories (finished goods and work in progress) | 75 | 206 | 294 | 488 |
| Own work capitalized | 340 | 217 | 836 | 562 |
| Other operating incomes | 4,637 | 38,745 | 28,836 | 86,487 |
| Cost of materials | -11,799 | -38,960 | -46,547 | -101,980 |
| Personnel costs | -1,446 | -1,350 | -4,381 | -4,030 |
| Depreciation, amortization, and impairment charges | -843 | -817 | -2,460 | -2,469 |
| Other operating expenses | -7,939 | -25,076 | -43,807 | -56,899 |
| *Thereof: impairments of financial assets* | *-143* | *-153* | *-664* | *-404* |
| Income from companies accounted for under the equity method | 95 | 149 | 329 | 164 |
| Income/loss from equity investments | 22 | 10 | 124 | 9 |
| **Income from continuing operations before interest results and income taxes** | **25** | **1,872** | **2,467** | **3,925** |
| Interest results | 42 | 148 | -337 | 619 |
| *Income from other securities, interest, and similar income* | *690* | *642* | *1,199* | *1,885* |
| *Interest and similar expenses* | *-648* | *-494* | *-1,536* | *-1,266* |
| Income taxes | 98 | -274 | -823 | -262 |
| **Income from continuing operations** | **165** | **1,746** | **1,307** | **4,282** |
| Income/loss from discontinued operations, net | -8 | – | 62 | – |
| **Net income** | **157** | **1,746** | **1,369** | **4,282** |
| *Attributable to shareholders of E.ON SE* | *81* | *1,556* | *1,169* | *3,814* |
| *Attributable to non-controlling interests* | *76* | *190* | *200* | *468* |
| in € | | | | |
| **Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted**[1] | | | | |
| from continuing operations | 0.03 | 0.60 | 0.43 | 1.46 |
| from discontinued operations | – | – | 0.02 | – |
| **from net income** | **0.03** | **0.60** | **0.45** | **1.46** |
| **Weighted-average number of shares outstanding (in millions)** | **2,610** | **2,609** | **2,610** | **2,609** |

[1]Based on weighted-average number of shares outstanding.

## E.ON SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 |
| **Net income** | **157** | **1,746** | **1,369** | **4,282** |
| Remeasurements of defined benefit plans | 368 | 402 | 351 | 4,590 |
| Remeasurements of defined benefit plans of companies accounted for under the equity method | *147* | 21 | *148* | 22 |
| Income taxes | -155 | -277 | -189 | -1,133 |
| **Items that will not be reclassified subsequently to the income statement** | **360** | **146** | **310** | **3,479** |
| Cash flow hedges | *-63* | 94 | *-377* | 1,544 |
| *Unrealized changes—hedging reserve* | *100* | *183* | *35* | *1,480* |
| *Unrealized changes—reserve for hedging costs* | *1* | *9* | *5* | *42* |
| *Reclassification adjustments recognized in income* | *-164* | *-98* | *-417* | *22* |
| Fair-value measurement of financial instruments | *-1* | -36 | *23* | -165 |
| *Unrealized changes* | *-13* | *-38* | *0* | *-172* |
| *Reclassification adjustments recognized in income* | *12* | *2* | *23* | *7* |
| Currency-translation adjustments | -89 | -143 | -159 | -359 |
| *Unrealized changes—hedging reserve/other* | *-89* | *-132* | *-153* | *-301* |
| *Unrealized changes—reserve for hedging costs* | *0* | *4* | *1* | *-18* |
| *Reclassification adjustments recognized in income* | *0* | *-15* | *-7* | *-40* |
| Companies accounted for under the equity method | 238 | 29 | 204 | 277 |
| *Unrealized changes* | *238* | *29* | *204* | *277* |
| *Reclassification adjustments recognized in income* | – | – | – | – |
| Income taxes | 33 | -6 | 115 | -84 |
| **Items that might be reclassified subsequently to the income statement** | **118** | **-62** | **-194** | **1,213** |
| **Total income and expenses recognized directly in equity (other comprehensive income)** | ***478*** | **84** | ***116*** | **4,692** |
| **Total recognized income and expenses (total comprehensive income)** | **635** | **1,830** | **1,485** | **8,974** |
| *Attributable to shareholders of E.ON SE* | 529 | *1,576* | 1,244 | *8,030* |
| *Continuing operations* | *529* | *1,576* | *1,244* | *8,030* |
| *Discontinued operations* | – | – | – | – |
| *Attributable to non-controlling interests* | *106* | *254* | *241* | *944* |

**E.ON SE and Subsidiaries Balance Sheets—Assets**

| € in millions | Sept. 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Goodwill | 17,120 | 17,017 |
| Intangible assets | 3,493 | 3,453 |
| Right-of-use assets | 2,481 | 2,377 |
| Property, plant, and equipment | 39,011 | 37,419 |
| Companies accounted for under the equity method | 6,079 | 5,532 |
| Other financial assets | 3,653 | 3,538 |
| *Equity investments* | *2,439* | *2,191* |
| *Non-current securities* | *1,214* | *1,347* |
| Financial receivables and other financial assets | 1,197 | 1,034 |
| Operating receivables and other operating assets | 4,550 | 9,286 |
| Deferred tax assets | 2,461 | 2,079 |
| Income tax assets | 36 | 34 |
| **Non-current assets** | **80,081** | **81,769** |
| Inventories | 2,436 | 2,204 |
| Financial receivables and other financial assets | 632 | 1,819 |
| Trade receivables and other operating assets | 18,273 | 36,447 |
| Income tax assets | 948 | 851 |
| Liquid funds | *9,561* | 9,376 |
| *Securities and fixed-term deposits* | *1,845* | *1,598* |
| *Restricted liquid funds* | *356* | *454* |
| *Cash and cash equivalents* | *7,360* | *7,324* |
| Assets held for sale | 1,281 | 1,543 |
| **Current assets** | **33,131** | **52,240** |
| **Total assets** | **113,212** | **134,009** |

**E.ON SE and Subsidiaries Balance Sheets—Equity and Liabilities**

| € in millions | Sept. 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Capital stock | 2,641 | 2,641 |
| Additional paid-in capital | 13,345 | 13,338 |
| Retained earnings | 3,290 | 3,217 |
| Accumulated other comprehensive income | -2,413 | -2,206 |
| Treasury shares | -1,067 | -1,067 |
| **Equity attributable to shareholders of E.ON SE** | **15,796** | **15,923** |
| Non-controlling interests (before reclassification) | 7,408 | 7,032 |
| Reclassification related to IAS 32 | -1,064 | -1,088 |
| **Non-controlling interests** | **6,344** | **5,944** |
| **Equity** | **22,140** | **21,867** |
| Financial liabilities | 30,470 | 28,965 |
| Operating liabilities | 8,292 | 10,910[1] |
| Income tax liabilities | 420 | 298 |
| Provisions for pensions and similar obligations | 3,524 | 3,735 |
| Miscellaneous provisions | 8,666 | 11,233 |
| Deferred tax liabilities | 3,622 | 2,793 |
| **Non-current liabilities** | **54,994** | **57,934** |
| Financial liabilities | 5,787 | 5,186 |
| Trade payables and other operating liabilities | 25,108 | 42,147[1] |
| Income tax liabilities | 298 | 584 |
| Miscellaneous provisions | 4,226 | 5,528 |
| Liabilities associated with assets held for sale | 659 | 763 |
| **Current liabilities** | **36,078** | **54,208** |
| **Total equity and liabilities** | **113,212** | **134,009** |

[1]The presentation of the maturities of liabilities from derivative financial instruments was adjusted by €16.7 billion as of December 31, 2022, from non-current to current within the meaning of IAS 8.41 ff. This relates to energy procurement and sales contracts that are not classified as own-use contracts under IFRS 9 and are accounted for as commodity derivatives.

**E.ON SE and Subsidiaries Consolidated Statements of Cash Flows**

| Nine months<br>€ in millions | 2023 | 2022 |
|---|---|---|
| **Net income** | **1,369** | **4,282** |
| Income/loss from discontinued operations, net | -62 | – |
| Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment | 2,460 | 2,469 |
| Changes in provisions | -3,740 | 17,179 |
| Changes in deferred taxes | 373 | -545 |
| Other non-cash income and expenses | 1,088 | 1,887 |
| Gain/loss on disposal of intangible assets and property, plant, and equipment, equity investments, and securities (>3 months) | 24 | 23 |
| Changes in operating assets and liabilities and in income taxes | 2,195 | -19,337 |
| **Cash provided by (used for) operating activities of continuing operations** | **3,707** | **5,958** |
| Cash provided by (used for) operating activities of discontinued operations | – | – |
| **Cash provided by (used for) operating activities (operating cash flow)** | **3,707** | **5,958** |
| Proceeds from disposal of intangible assets and property, plant, and equipment | 182 | 208 |
| Proceeds from disposal of equity investments | -8 | -2 |
| Purchases of investments in intangible assets and property, plant, and equipment | -3,729 | -2,741 |
| Purchases of investments in equity investments | -199 | -97 |
| Changes in securities, financial receivables, and fixed-term deposits | 310 | 1,113 |
| Changes in restricted liquid funds | 92 | 389 |

## E.ON SE and Subsidiaries Consolidated Statements of Cash Flows

| Nine months<br>€ in millions | 2023 | 2022 |
|---|---|---|
| **Cash provided by (used for) investing activities of continuing operations** | **-3,352** | **-1,130** |
| Cash provided by (used for) investing activities of discontinued operations | – | – |
| **Cash provided by (used for) investing activities** | **-3,352** | **-1,130** |
| Payments received/made from changes in capital | 22 | 31 |
| Cash dividends paid to shareholders of E.ON SE | -1,331 | -1,278 |
| Cash dividends paid to non-controlling interests | -297 | -307 |
| Changes in financial liabilities | 1,263 | 1,059 |
| **Cash provided by (used for) financing activities of continuing operations** | **-343** | **-495** |
| Cash provided by (used for) financing activities of discontinued operations | – | – |
| **Cash provided by (used for) financing activities** | **-343** | **-495** |
| **Net increase/decrease in cash and cash equivalents** | **12** | **4,333** |
| Effect of foreign exchange rates on cash and cash equivalents | 17 | -32 |
| Cash and cash equivalents at the beginning of the year[1] | 7,336 | 3,642 |
| Cash and cash equivalents of discontinued operations at the beginning of the period | – | – |
| **Cash and cash equivalents at the end of the period** | **7,365** | **7,943** |
| **Less: Cash and cash equivalents of discontinued operations at the end of the period** | **–** | **–** |
| **Cash and cash equivalents of continuing operations at the end of the period[2]** | **7,365** | **7,943** |

[1]Cash and cash equivalents of continuing operations at the beginning of the period also include €12 million attributable to VSEH Group that was reclassified as a disposal group in the fourth quarter of 2021 (previous year: €8 million).
[2]Cash and cash equivalents of continuing operations at the end of the period also include €5 million attributable to VSEH Group that was reclassified as a disposal group in the fourth quarter of 2021 (previous year: €11 million).

## Financial Information by Business Segment[1]

| | Energy Networks | | | | | | Customer Solutions | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nine months | Germany | | Sweden | | ECE/Turkey | | Germany | | United Kingdom | | The Netherlands | | Other | |
| € in millions | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| External sales | 9,701 | 8,062 | 744 | 738 | 2,182 | 1,233 | 18,346 | 21,138 | 18,368 | 18,652 | 3,165 | 3,337 | 8,188 | 10,243 |
| Intersegment sales | 4,027 | 3,651 | 4 | 3 | 655 | 915 | 7,894 | 5,620 | 7,535 | 551 | 5,351 | 3,254 | 846 | 463 |
| **Sales** | **13,728** | **11,713** | **748** | **741** | **2,837** | **2,148** | **26,240** | **26,758** | **25,903** | **19,203** | **8,516** | **6,591** | **9,034** | **10,706** |
| **Adjusted EBITDA** | **3,678** | **3,112** | **458** | **360** | **720** | **597** | **1,060** | **475** | **971** | **510** | **273** | **209** | **685** | **223** |
| *Equity method earnings* | *248* | *204* | – | – | *157* | *63* | *3* | *4* | – | – | *6* | *7* | *7* | *2* |
| **Depreciation and amortization[2]** | **-1,229** | **-1,135** | **-136** | **-131** | **-260** | **-236** | **-143** | **-123** | **-98** | **-99** | **-52** | **-48** | **-138** | **-137** |
| **Operating cash flow before interest and taxes** | **2,925** | **4,134** | **404** | **328** | **669** | **612** | **1,843** | **1,055** | **468** | **637** | **341** | **407** | **1,194** | **120** |
| **Investments** | **2,130** | **1,524** | **325** | **271** | **662** | **470** | **313** | **245** | **113** | **76** | **58** | **22** | **226** | **175** |

[1]Because of changes in segment reporting, the prior-year figure was adjusted accordingly.
[2]Adjusted for non-operating effects.

## Financial Information by Business Segment[1]

| Nine months | Corporate Functions/Other | | Consolidation | | E.ON Group | |
|---|---|---|---|---|---|---|
| € in millions | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| External sales | 8,550 | 18,190 | -1 | – | 69,243 | 81,593 |
| Intersegment sales | 36,407 | 12,789 | -62,719 | -27,246 | – | 0 |
| **Sales** | **44,957** | **30,979** | **-62,720** | **-27,246** | **69,243** | **81,593** |
| **Adjusted EBITDA** | **-53** | **627** | **-3** | **-3** | **7,789** | **6,110** |
| *Equity method earnings* | *116* | *182* | – | – | *537* | *462* |
| **Depreciation and amortization[2]** | **-71** | **-166** | **–** | **-1** | **-2,127** | **-2,076** |
| **Operating cash flow before interest and taxes** | **-2,794** | **-234** | **4** | **-5** | **5,054** | **7,054** |
| **Investments** | **101** | **55** | **–** | **–** | **3,928** | **2,838** |

[1]Because of changes in segment reporting, the prior-year figure was adjusted accordingly.
[2]Adjusted for non-operating effects.

# Financial Calendar

| | |
|---|---|
| **March 13, 2024** | **Release of the 2023 Integrated Annual Report** |
| **May 15, 2024** | **Quarterly Statement: January–March 2024** |
| **May 16, 2024** | **2024 Annual Shareholders Meeting** |
| **August 14, 2024** | **Half-Year Financial Report: January–June 2024** |
| **November 14, 2024** | **Quarterly Statement: January–September 2024** |

This Quarterly Statement was published on November 8, 2023.

Only the German version of this Quarterly Statement is legally binding.

This Quarterly Statement may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group Management and other information currently available to E.ON. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development, or performance of the company and the estimates given here. E.ON SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

# Imprint

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