9M 2018 statement

innogy

Financial highlights in 9M 2018

- Adjusted EBIT decrease of 11% to €1,872 million largely expected apart from extraordinary low wind levels that impact our Renewables business
- Adjusted net income declines to €721 million (9M 2017: €978 million) due to lower adjusted EBIT and weaker financial result. Financial result includes lower interest income from loans to npower as a large part of the financing volume was repaid in Q4 2017
- Outlook for adjusted EBIT and adjusted net income confirmed at group level
- Outlook adjusted at divisional level (see page 12):
  - Outlook for Renewables adjusted to "about €300 million" (previously: "about €350 million") due to adverse weather conditions
  - Outlook for Grid & Infrastructure adjusted to "about €1,950 million" (previously: "about €1,850 million") mainly due to higher one-off effects and higher income from participations
  - Outlook for the Retail division adjusted to "over €700 million" (previously: "about €750 million") due to cold weather effect in the Netherlands in Q1 2018 and steadily mounting competition

Major events after 9M 2018

- Adverse market developments and regulatory interventions require adjustments due to the terms of the proposed transaction to combine innogy's and SSE's retail businesses in Great Britain. Both parties currently are still pursuing the objective to combine retail businesses in Great Britain. Details of the required adjustments and timing are still being analysed and discussed
- innogy receives final clearance by the UK Competition & Markets Authority (CMA) for the creation of a new, independent British energy supply and services company, through the anticipated merger of innogy's subsidiary npower with SSE's household energy and energy services business
- Proceeds from innogy's inaugural Green Bond (issued in October 2017 with a nominal value of €850 million) reallocated to grid projects; Sustainalytics, an ESG agency, confirmed the continued validity of innogy's Green Bond Framework and the eligibility of projects in the grid business

9M 2018 statement

innogy

Major events in Q3 2018

July

- innogy agrees with E.ON and RWE on fair integration processes and supports the planned transaction; agreements call for the planned transaction to be implemented in a transparent process in which all employees will be treated fairly and as equally as possible
- innogy successfully closes onshore wind transaction in the US by acquiring EverPower Wind Holdings' US onshore wind development business as announced in December 2017. The project pipeline consists of onshore wind development projects exceeding in total 2.0 GW. Approval by the US government's Committee on Foreign Investment in the United States (CFIUS) and consents from authorities at state level have been received
- SSE shareholders back retail business merger with innogy's subsidiary npower by approving the transaction at the company's Annual General Meeting
- €250 million tap issue of 4.5-year senior bond (originally placed in May 2018 with a volume of €500 million)

August/September

- innogy finds new partners for its Triton Knoll offshore wind farm and achieves Financial Close with all of required debt funding fully committed by the project lenders
  - innogy sells 41% of its Triton Knoll offshore wind farm to J-Power (25%) and to Kansai Electric Power (16%); innogy currently retains a stake of 59%
  - Total planned investment volume amounts to approximately £2 billion of which around £1.75 billion of debt facilities are provided by a consortium of 15 banks
- innogy SE and SSE plc appoint Dr Martin Read as Chairman Designate of the Board of the planned combined independent British energy supply and services company
- Acquisition of the solar farm development company Limondale Sun Farm Ltd in Australia and subsequent start of construction; full commercial operation of solar power plant is expected in mid-2020

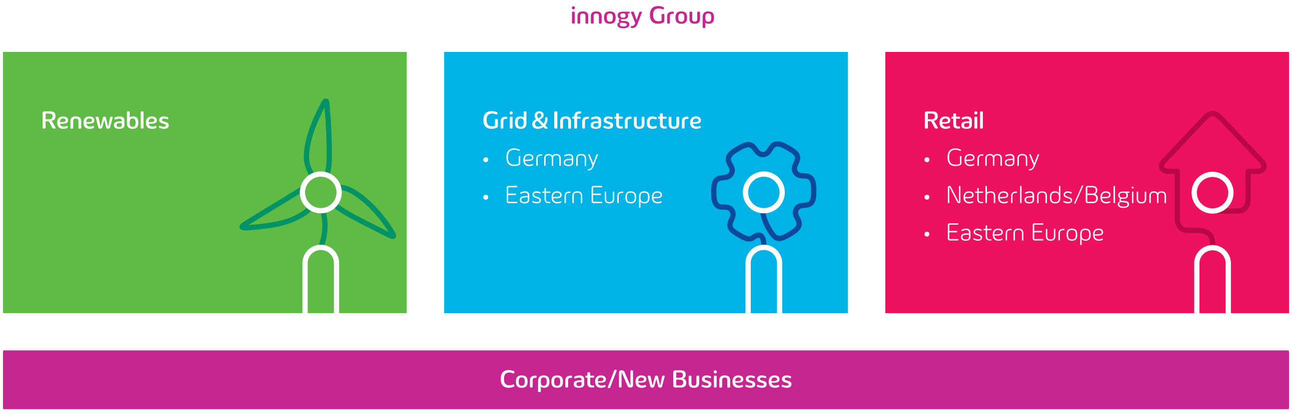
Major events which occurred in H1 2018 are presented in the half-year report 2018 on pages 4 to 6.

At a glance

innogy Group[1]		9M 2018	9M 2017	+/– %	FY 2017
Power generation from renewable sources	TWh	7.0	6.9	1.4	10.2
External electricity sales volume	TWh	169.1	163.5	3.4	222.1
External gas sales volume	TWh	118.3	127.7	–7.4	188.7
External revenue[2]	€ million	23,756	26,160	–9.2	36,581
Adjusted EBITDA	€ million	2,904	3,108	–6.6	4,298
Adjusted EBIT	€ million	1,872	2,104	–11.0	2,879
Income before tax	€ million	1,513	1,760	–14.0	2,591
Net income/income attributable to innogy SE shareholders	€ million	228	389	–41.4	778
Adjusted net income[3]	€ million	721	978	–26.3	1,337
Cash flow from operating activities of continuing operations	€ million	1,782	1,672	6.6	3,251
Net investments	€ million	689	981	–29.8	1,867
Capital expenditure[4]	€ million	1,575	1,133	39.0	2,080
Proceeds from disposal of assets/divestitures	€ million	–247	–212	–16.5	–277
Net changes in equity (including non-controlling interests)[5]	€ million	–639	60	–	64
Free cash flow	€ million	1,093	691	58.2	1,384
		30 Sep 2018			31 Dec 2017
Market capitalisation	€ billion	21.2			18.2
Net debt	€ billion	16.3			15.6
Employees[6]		36,841			36,011
Customers	thousands	17,598			17,789

1 Retail United Kingdom is shown as discontinued operations, see notes on reporting principles on page 4. This also applies to non-financial figures.
2 Due to the first-time adoption of IFRS 15 in 2018, figures for 9M 2018 do not include changes in the fair values of commodity derivatives (included in the other operating result) and passed-through subsidies under the German Renewable Energy Act (previously, premiums received and passed on were recognised in their gross amounts in revenue and the cost of materials).
3 Adjusted net income in 2017 adjusted for gain in the financial result from early redemption fee following the early repayment of loans from npower in Q4 2017.
4 Capital expenditure on property, plant and equipment as well as intangible and financial assets. In H1 2018 we changed our definition of capital expenditure: the figure now includes solely items with an effect on cash. The reported amounts correspond to the actual cash flows in line with the cash flow statement. Prior-year figures have been adjusted accordingly.
5 As of Q3 2018 and in line with our net investments definition we include net changes in equity in our shortened cash flow statement.
6 Converted to full time equivalents (FTE).

Reporting principles



As of 30 September 2018.

Group structure features three divisions. In the third quarter, preparations for the planned merger of npower and SSE's household energy business in Great Britain are progressing and require a change to our financial reporting compared to 31 December 2017 (see Annual Report 2017, page 48). Since the third quarter of 2018, the retail operations of npower and thus the segment Retail United Kingdom are reported as discontinued operations according to IFRS 5. The three functionally distinct divisions Renewables, Grid & Infrastructure and Retail remain unchanged, but this change leads to a reduction of our operating segments. Until the planned disposal of the Retail United Kingdom business all related income and expenses for the reporting year and the previous year are recognised separately in the income statement, condensed as income from discontinued operations. Consequently, among other things npower no longer contributes to the consolidated figures for revenue, adjusted EBITDA, adjusted EBIT, the non-operating result, the financial result and taxes on income. The income from npower's retail activities is not included in adjusted net income.

In the cash flow statement in the consolidated financial statements, we present all cash flows from discontinued operations for the reporting and prior-year periods separately. We take a different approach in the condensed cash flow statement in the review of operations (see page 7), as only cash flows from continuing activities are shown here.

On the consolidated balance sheet, the assets and liabilities attributable to discontinued operations of the Retail United Kingdom business are reported separately; in contrast to the income statement and the cash flow statement, no adjustment is made to the comparison period used for the balance sheet.

Additionally, effective from 1 January 2018 we re-classified our eMobility activities, which are now reported outside of the Retail division in the 'Corporate/New Businesses' line item. Prior year figures have been adjusted accordingly. Furthermore, we also present certain financial indicators separately for the eMobility and Innovation Hub businesses in this line item.

Insofar as necessary, all figures are rounded in accordance with commercial practice. As a result, it is possible that the sum totals of the rounded figures do not add up to the rounded totals.

Business performance

innogy Group

External revenue[1] € million	9M 2018	9M 2017	+/– %
Renewables	906	893	1.5
Grid & Infrastructure	6,825	8,190	–16.7
Germany	6,047	7,494	–19.3
Eastern Europe	778	696	11.8
Retail	15,750	16,774	–6.1
Germany	10,957	12,212	–10.3
Netherlands/Belgium	2,376	2,138	11.1
Eastern Europe	2,417	2,424	–0.3
Corporate/New Businesses	275	303	–9.2
innogy Group	**23,756**	**26,160**	**–9.2**
Natural gas tax/electricity tax	1,348	1,349	–0.1
innogy Group (excluding natural gas tax/electricity tax)	**22,408**	**24,811**	**–9.7**

1 Due to the first-time adoption of IFRS 15 in 2018, figures for 9M 2018 do not include changes in the fair values of commodity derivatives (included in the non-operating result) and passed-through subsidies under the German Renewable Energy Act (previously, premiums received and passed on were recognised in their gross amounts in revenue and the cost of materials).

Adjusted EBIT € million	9M 2018	9M 2017	+/– %
Renewables	180	194	–7.2
Grid & Infrastructure	1,379	1,424	–3.2
Germany	1,000	1,026	–2.5
Eastern Europe	379	398	–4.8
Retail	525	688	–23.7
Germany	279	385	–27.5
Netherlands/Belgium	85	137	–38.0
Eastern Europe	161	166	–3.0
Corporate/New Businesses	–212	–202	–5.0
Corporate/other	–173	–158	–9.5
eMobility	–30	–16	–87.5
Innovation Hub	–9	–28	67.9
innogy Group	**1,872**	**2,104**	**–11.0**

Adjusted EBIT down by 11% mainly driven by retail business

- **Renewables:** adjusted EBIT below 9M 2017 mainly due to negative volume effects as well as ramp-up costs for new projects and lower income from photovoltaic EPC contracts (Engineering, Procurement & Construction); these effects are partly compensated by positive price effects and contribution from new assets
- **Grid & Infrastructure:** lower earnings in German grid business in particular due to entering new regulatory period for gas and a lower result from peakload consumption in 9M 2018
- **Retail:** adjusted EBIT down year-on-year primarily due to non-recurrence of positive one-off effects in 2017 and unexpected commodity cost increases driven by cold weather in the Netherlands in Q1 2018
- **Corporate/New Businesses:** earnings development of Innovation Hub above 9M 2017 due to the increase in value of financial investments and lower growth expenses (with focus e. g. on investments with higher maturity levels); eMobility affected by higher growth expenses

Financial result € million	9M 2018	9M 2017
Interest income	55	113
Interest expenses	−328	−378
Net interest	**−273**	**−265**
Interest accretion to non-current provisions	−56	−42
Other financial result	−71	−25
Financial result	**−400**	**−332**
Adjustments in the financial result	−166	−116
Adjusted financial result to derive the adjusted net income	**−566**	**−448**

Development of financial result

- Net interest: absence of prior-year effects (expense from debt transfer from RWE and interest income from npower before loan repayments in Q4 2017) and higher costs for debt financing
- Interest accretion to provisions reflects impact of discount rate adjustments to non-current other provisions which was positive in 9M 2017
- Other financial result affected by the negative result of securities including associated financial transactions compared to a gain in 9M 2017
- Changes in adjustments in the financial result due to negative one-off effects in 2017; adjustments mainly reflect valuation effects stemming from transfers of loans and bonds from RWE to innogy, which were initiated in 2015 (see Annual Report 2017, page 60)

Reconciliation to net income € million (unless stated otherwise)	9M 2018	9M 2017
Adjusted EBITDA	**2,904**	**3,108**
Operating depreciation, amortisation and impairment losses	−1,032	−1,004
Adjusted EBIT	**1,872**	**2,104**
Non-operating result	41	−12
Financial result	−400	−332
Income from continuing operations before tax	**1,513**	**1,760**
Taxes on income	−456	−445
Income from continuing operations	**1,057**	**1,315**
Income from discontinued operations	−571	−662
Income	**486**	**653**
Non-controlling interests	258	264
Net income/income attributable to innogy SE shareholders	**228**	**389**
Effective tax rate	*30%*	*25%*

Reported net income significantly below prior year level

- Non-operating result improved year-on-year due to movement in value of commodity derivatives
- Costs associated with announced transaction between E.ON and RWE recognised in non-operating result
- Effective tax rate at upper end of the guided range primarily due to a temporary effect related to commodity price movements
- Income from discontinued operations affected by impairment on assets held for sale (npower) of −€748 million (goodwill impairment of −€480 million from Retail United Kingdom business in 2017) as well as by positive valuation effects of derivatives

Derivation of adjusted net income € million (unless stated otherwise)	9M 2018	9M 2017
Adjusted EBIT	1,872	2,104
Adjusted financial result	−566	−448
Adjusted income before tax	**1,306**	**1,656**
Tax rate used to calculate adjusted net income	*25%*	*25%*
Taxes on income to calculate adjusted net income	−327	−414
Non-controlling interests	−258	−264
Adjusted net income	**721**	**978**

Adjusted net income down

- Lower adjusted EBIT and financial result drove development of adjusted net income; 2017 figure positively influenced by higher interest income from npower before repayment of loans
- Tax rate for calculating adjusted net income set at 25%
- Relative to the number of innogy shares outstanding, adjusted net income amounted to €1.30 per share

Net investments € million	9M 2018	9M 2017
Renewables	521	246
Grid & Infrastructure	853	696
Germany	597	471
Eastern Europe	256	225
Retail	110	91
Germany	35	29
Netherlands/Belgium	54	52
Eastern Europe	21	10
Corporate/New Businesses	91	100
Corporate/other	35	92
eMobility	28	2
Innovation Hub	28	6
Total capital expenditure[1]	**1,575**	**1,133**
Proceeds from disposal of assets/ divestitures	–247	–212
Net changes in equity (including non-controlling interests)	–639	60
Total net investments	**689**	**981**

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets. In H1 2018 we changed our definition: the figure now includes solely items with an effect on cash. The reported amounts correspond to the actual cash flows in line with the cash flow statement (see below). Prior-year figures have been adjusted accordingly.

Higher investments mainly in Renewables – proceeds from divestments significantly higher

- **Renewables:** increase partially driven by investments for offshore wind farm Triton Knoll and the Australian solar power plant Limondale
- **Grid & Infrastructure:** rise in investments primarily in Germany due to higher investments for expansion and modernisation of grid infrastructure and increased broadband activities
- **Retail:** net investments slightly higher due to a bundle of smaller developments; focus of investment activities is on growing Energy+ business all across Europe
- **Corporate/New Businesses:**
  - Corporate/other: absence of prior-year effect relating to securities of our early retirement provisions; lower investments in IT infrastructure compared to 9M 2017
  - eMobility: significant increase in investments year-on-year due to acquisition of BTCPower
  - Innovation Hub: higher investments due to portfolio growth and focus on acceleration and investments with higher maturity levels, i.e. from late seed stage
- Higher divestments mainly due to disposals in the Renewables business (including 41% sale of Triton Knoll, see page 1) and higher sales of shares in equity holdings in the division Grid & Infrastructure in Germany

Cash flow statement[1] € million	9M 2018	9M 2017
Funds from operations (FFO)	1,820	2,175
Changes in working capital	–38	–503
Cash flows from operating activities of continuing operations	**1,782**	**1,672**
Capital expenditure[2]	–1,575	–1,133
Proceeds from disposal of assets/ divestitures	247	212
Net changes in equity (including non-controlling interests)[3]	639	–60
Total net investments	**–689**	**–981**
Free cash flow	**1,093**	**691**
Dividend payments	–1,226	–1,312
Budget deficit/surplus	**–133**	**–621**

1 Only cash flows from continuing operations.
2 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
3 As of Q3 2018 and in line with our net investments definition we include net changes in equity in our shortened cash flow statement.

Free cash flow significantly improved versus 9M 2017

- FFO mainly influenced by decrease in adjusted EBITDA year-on-year. However, cash flows from operating activities were on a higher level year-on-year due to lower increase in working capital
- Despite higher gross investments, net investments decreased due to higher revenues from divestments and changes in equity (including Triton Knoll)
- Deducting the dividend payments from free cash flow results in a significantly lower budget deficit compared to previous year

Net debt € million	30 Sep 2018	31 Dec 2017
Financial assets	**5,313**	**4,086**
Financial liabilities[1]	**17,942**	**16,378**
of which: senior bonds	13,242	12,007
of which: loans from RWE	1,656	1,656
of which: loans from EIB	1,039	1,039
Net financial debt	**12,629**	**12,292**
Provisions for pensions and similar obligations[2]	3,304	2,986
Provisions for wind farm decommissioning	357	359
Net debt from continuing operations	**16,290**	**15,637**
Net debt from discontinued operations[3]	−34	–
Total net debt	**16,256**	**15,637**

1 Adjusted for a step-up effect of €711 million as of 30 September 2018 and €877 million as of 31 December 2017.
2 Including 'Surplus of plan assets over benefit obligations' of −€241 million as of 30 September 2018 and −€103 million as of 31 December 2017.
3 Excluding liabilities to other innogy entities.

Increase in net debt

- Net financial debt partially impacted by budget deficit
- Bond issuance of €2.3 billion in 2018 and redemptions of €1.0 billion result in higher financial liabilities
- Increase in pension provisions mainly caused by a decrease in discount rates in Germany (1.9% as of end Q3 2018 vs. 2.0% FY 2017), negative performance of plan assets, as well as full consolidation of a new grid partnership company (effect from Q1 2018). Counteracting-effects: changes in actuarial assumptions for the United Kingdom drive up the capitalised surplus of plan assets

Business divisions and segments

Renewables		9M 2018	9M 2017
External revenue	€ million	906	893
Adjusted EBITDA	€ million	418	430
Operating depreciation, amortisation and impairment losses	€ million	−238	−236
Adjusted EBIT	€ million	180	194
Capital expenditure[1]	€ million	521	246
Proceeds from disposal of assets/divestitures	€ million	11	11
Power generation	TWh	6.3	6.2
		30 Sep 2018	31 Dec 2017
Employees[2]		1,825	1,669
Total capacity	MW	3,565	3,487

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Particularly low wind levels led to reduced utilisation of existing plants – especially in Q2 and Q3 2018
- Lower earnings year-on-year due to higher development and ramp-up costs for new projects
- Positive contribution from new assets especially in Germany and the UK as well as positive price effects
- Changes in installed capacity in Q3 2018: Sale of onshore wind farm Paffendorf in August (sold stake of 51% corresponding to 6.6 MW)

Grid & Infrastructure Germany		9M 2018	9M 2017
External revenue	€ million	6,047	7,494
Adjusted EBITDA	€ million	1,493	1,502
Operating depreciation, amortisation and impairment losses	€ million	−493	−476
Adjusted EBIT	€ million	1,000	1,026
Capital expenditure[1]	€ million	597	471
Proceeds from disposal of assets/divestitures	€ million	197	150
		30 Sep 2018	31 Dec 2017
Employees[2]		14,553	14,164

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Lower adjusted EBIT in particular due to new regulatory period for gas and a lower result from peakload consumption in the first nine months of the year
- One-offs from grid sales and provision releases slightly higher than in 9M 2017
- Efficiency improvements achieved in 9M 2018
- Higher headcount mainly due to full consolidation of new grid co-operation (Regionetz) from 1 January 2018
- Decline in revenue mainly due to new revenue recognition standard (IFRS 15) concerning the direct marketing of electricity generated from renewable sources to be applied from 2018 onwards

Grid & Infrastructure Eastern Europe		9M 2018	9M 2017
External revenue	€ million	778	696
Adjusted EBITDA	€ million	570	588
Operating depreciation, amortisation and impairment losses	€ million	−191	−190
Adjusted EBIT	€ million	379	398
Capital expenditure[1]	€ million	256	225
Proceeds from disposal of assets/divestitures	€ million	2	11
		30 Sep 2018	31 Dec 2017
Employees[2]		6,942	7,394

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Hungary: adjusted EBIT is down due to several smaller effects, including impact of cable tax and foreign exchange rates
- Czech Republic: adjusted EBIT benefited from positive price effect stemming mainly from the compensation mechanism for the difference between actual and allowed revenues, e. g. due to the weather impact in previous years. In addition, positive foreign exchange effect, which was partly offset by adverse weather in current year
- Lower workforce due to reassignment of innogy Česká republika a.s. to Corporate/New Businesses

Retail Germany		9M 2018	9M 2017
External revenue	€ million	10,957	12,212
Adjusted EBITDA	€ million	304	407
Operating depreciation, amortisation and impairment losses	€ million	−25	−22
Adjusted EBIT	€ million	279	385
Capital expenditure[1]	€ million	35	29
Proceeds from disposal of assets/divestitures	€ million	1	13
		30 Sep 2018	31 Dec 2017
Employees[2]		4,097	4,159
Customers	thousands	7,848	7,905
Of which: residential and commercial customers	thousands	7,765	7,819

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Lower earnings year-on-year primarily due to non-recurrence of positive one-off effects in 2017
- Competitive market environment resulted in expected net customer losses in 9M 2018 compared to FY 2017, however, customer number stabilised in Q3 2018
- Decline in revenue from commodity derivatives (mainly due to the implementation of the new IFRS 15 standard in 2018 according to which fair value movements of commodity derivatives are no longer reported in revenues)

Retail Netherlands/Belgium		9M 2018	9M 2017
External revenue	€ million	2,376	2,138
Adjusted EBITDA	€ million	121	171
Operating depreciation, amortisation and impairment losses	€ million	−36	−34
Adjusted EBIT	€ million	85	137
Capital expenditure[1]	€ million	54	52
Proceeds from disposal of assets/divestitures	€ million	1	14
		30 Sep 2018	31 Dec 2017
Employees[2]		2,509	2,346
Customers	thousands	4,197	4,357
Of which: residential and commercial customers	thousands	4,193	4,349

1 Capital expenditure on property plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Higher cost caused by unexpected commodity cost increases driven by cold weather and related higher gas demand in Q1 2018
- Challenging market environment remains due to strong competitive pressure

Retail Eastern Europe		9M 2018	9M 2017
External revenue	€ million	2,417	2,424
Adjusted EBITDA	€ million	175	180
Operating depreciation, amortisation and impairment losses	€ million	−14	−14
Adjusted EBIT	€ million	161	166
Capital expenditure[1]	€ million	21	10
Proceeds from disposal of assets/divestitures	€ million	27	–
		30 Sep 2018	31 Dec 2017
Employees[2]		2,632	2,534
Customers	thousands	5,552	5,528
Of which: residential and commercial customers	thousands	5,525	5,502

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

- Slightly lower adjusted EBIT in 9M 2018 primarily due to colder weather in 2017

Corporate/New Businesses		9M 2018	9M 2017
External revenue	€ million	275	303
Total adjusted EBIT	€ million	**−212**	**−202**
of which: Corporate/other			
Adjusted EBITDA	€ million	−142	−126
Operating depreciation, amortisation and impairment losses	€ million	−31	−32
Adjusted EBIT	€ million	−173	−158
Capital expenditure[1]	€ million	35	92
Proceeds from disposal of assets/divestitures	€ million	8	13
		30 Sep 2018	31 Dec 2017
Employees[2]		4.048	3.592
of which: eMobility			
Adjusted EBITDA	€ million	−27	−16
Operating depreciation, amortisation and impairment losses	€ million	−3	–
Adjusted EBIT	€ million	−30	−16
Capital expenditure[1]	€ million	28	2
Proceeds from disposal of assets/divestitures	€ million	–	–
		30 Sep 2018	31 Dec 2017
Employees[2]		194	92
of which: Innovation Hub			
Adjusted EBITDA	€ million	−8	−28
Operating depreciation, amortisation and impairment losses	€ million	−1	–
Adjusted EBIT	€ million	−9	−28
Capital expenditure[1]	€ million	28	6
Proceeds from disposal of assets/divestitures	€ million	–	–
		30 Sep 2018	31 Dec 2017
Employees[2]		41	61

1 Capital expenditure on property, plant and equipment as well as intangible and financial assets.
2 Converted to FTE.

Corporate/other:

- Lower adjusted EBIT due to higher costs for cybersecurity and SAP HANA implementation (technical upgrade of system landscape to latest version)
- Higher headcount due to reassignment of innogy Česká republika a.s. from Grid & Infrastructure Eastern Europe

eMobility:

- Adjusted EBIT is affected as planned by higher operating expenditures due to expenses to ramp-up national and international eMobility activities; continuing development of new products for business and private customers
- Acquisition of BTCPower in the United States (closed on 1 July 2018) provides innogy with a fast-charging product portfolio for the North American market
- Acquisition of Recargo completed in early October: this leading software solutions company for electric mobility in the USA has more than 350,000 active users of their charge point application
- Steady increase in staff reflects growth ambitions and is underlined by acquisition in the United States

Innovation Hub:

- Adjusted EBIT reflects an increase in the value of financial investments
- Operational expenditures have been significantly reduced by focusing on acceleration or investments with higher maturity levels, i.e. from late seed to late stage and growth of portfolio companies
- 40 investments in new portfolio companies or follow-up rounds for existing equity holdings have been executed

Outlook

Outlook 2018 for adjusted EBIT and adjusted net income confirmed at the Group level

Outlook € million (unless stated otherwise)	2017 actual	Outlook for 2018 (August 2018)	Confirmation/ Change versus August 2018
Adjusted EBIT[1]	2,879	About 2,700	Confirmed
Renewables	355	About 350	About 300
Grid & Infrastructure	1,944	About 1,850	About 1,950
Retail	890	About 750	Over 700
Adjusted financial result[2]	–602	About –750	Confirmed
Tax rate used to calculate adjusted net income	25%	25% to 30%	Confirmed
Adjusted net income[2]	1,337	Over 1,100	Confirmed

1 ‚Corporate/New Businesses' not stated separately.
2 Adjusted financial result in 2017 and adjusted net income in 2017 adjusted for gain from early redemption fee following the early repayment of loans from npower in Q4 2017.

- Outlook for adjusted EBIT and adjusted net income confirmed at group level, with the following adjustments at the level of the divisions:
  - Outlook for Renewables adjusted to "about €300 million" (previously: "about €350 million") due to adverse weather conditions
  - Outlook for Grid & Infrastructure adjusted to "about €1,950 million" (previously: "about €1,850 million") mainly due to higher one-off effects and higher income from participations
  - Outlook for the Retail division adjusted to "over €700 million" (previously: "about €750 million") due to cold weather effect in the Netherlands in Q1 2018 and steadily mounting competition
- Target dividend payout ratio of 70% to 80% of adjusted net income remains unchanged

Group financial results

Income statement[1] (condensed)

€ million	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017
Revenue (including natural gas tax/electricity tax)	**6,482**	**7,827**	**23,756**	**26,160**
Natural gas tax/electricity tax	−253	−268	−1,348	−1,349
Revenue	**6,229**	**7,559**	**22,408**	**24,811**
Cost of materials	−4,780	−5,937	−17,049	−19,243
Staff costs	−688	−671	−2,080	−1,985
Depreciation, amortisation and impairment losses	−354	−335	−1,031	−1,004
Other operating result	−151	−334	−622	−727
Income from investments accounted for using the equity method	65	57	172	152
Other income from investments	52	37	115	88
Financial income	93	122	267	783
Finance costs	−222	−324	−667	−1,115
Income from continuing operations before tax	**244**	**174**	**1,513**	**1,760**
Taxes on income	−166		−456	−445
Income from continuing operations	**78**	**174**	**1,057**	**1,315**
Income from discontinued operations	−651	−551	−571	−662
Income	**−573**	**−377**	**486**	**653**
of which: non-controlling interests	49	51	258	264
of which: net income/income attributable to innogy SE shareholders	−622	−428	228	389
Basic and diluted earnings per share in €	**−1.12**	**−0.77**	**0.41**	**0.70**
of which: from continuing operations in €	0.05	0.22	1.44	1.89
of which: from discontinued operations in €	−1.17	−0.99	−1.03	−1.19

1 Prior-year figures adjusted due to the presentation of the retail activities of npower as a discontinued operation pursuant to IFRS 5.

Statement of comprehensive income[1] (condensed)

€ million	Jul–Sep 2018	Jul–Sep 2017	Jan–Sep 2018	Jan–Sep 2017
Income	**–573**	**–377**	**486**	**653**
Actuarial gains and losses of defined benefit pension plans and similar obligations	56	131	–41	505
Fair valuation of equity instruments	7		11	
Income and expenses recognised in equity, not to be reclassified through profit or loss	**63**	**131**	**–30**	**505**
Currency translation adjustment	50	–3	–73	93
Fair valuation of financial instruments	10	20	13	18
Prorated income and expenses of investments accounted for using the equity method	–1		–4	3
Income and expenses recognised in equity, to be reclassified through profit or loss in the future	**59**	**17**	**–64**	**114**
Other comprehensive income	**122**	**148**	**–94**	**619**
Total comprehensive income	**–451**	**–229**	**392**	**1.272**
of which: attributable to innogy SE shareholders	–526	–283	153	965
of which: attributable to non-controlling interests	75	54	239	307

1 Figures stated after taxes.

Balance sheet (condensed)

Assets € million	30 Sep 2018	31 Dec 2017
Non-current assets		
Intangible assets	9,649	11,347
Property, plant and equipment	18,801	18,361
Investments accounted for using the equity method	2,223	2,214
Other financial assets	932	839
Receivables and other assets	3,187	1,261
Deferred taxes	2,305	2,480
	37,097	**36,502**
Current assets		
Inventories	549	380
Trade accounts receivable	2,173	4,198
Receivables and other assets	2,774	2,410
Marketable securities	2,999	2,254
Cash and cash equivalents	1,558	1,070
Assets held for sale	3,568	
	13,621	**10,312**
	50,718	**46,814**

Equity and liabilities € million	30 Sep 2018	31 Dec 2017
Equity		
innogy SE shareholders' interest	9,239	9,439
Non-controlling interests	1,958	1,813
	11,197	**11,252**
Non-current liabilities		
Provisions for pensions and similar obligations	3,545	3,089
Other provisions	1,545	1,539
Financial liabilities	16,102	15,492
Other liabilities	4,323	2,251
Deferred taxes	576	542
	26,091	**22,913**
Current liabilities		
Other provisions	1,856	2,606
Financial liabilities	2,546	1,764
Trade accounts payable	2,934	4,001
Other liabilities	4,311	4,278
Liabilities held for sale	1,783	
	13,430	**12,649**
	50,718	**46,814**

Cash flow statement[1]

€ million	Jan–Sep 2018	Jan–Sep 2017
Income from continuing operations	1,057	1,315
Depreciation, amortisation, impairment losses/reversals	1,026	1,007
Changes in provisions	–18	
Changes in deferred taxes	195	70
Income from disposal of non-current assets and marketable securities	–117	–149
Other operating income/expenses	–323	–68
Changes in working capital	–38	–503
Cash flows from operating activities of continuing operations	**1,782**	**1,672**
Cash flows from operating activities of discontinued operations	–149	–69
Cash flows from operating activities	**1,633**	**1,603**
Intangible assets/property, plant and equipment		
Capital expenditures	–1,305	–966
Proceeds from disposal of assets	97	100
Acquisitions/investments		
Capital expenditures	–270	–167
Proceeds from disposal of assets/divestitures	150	112
Changes in marketable securities and cash investments	–770	645
Cash flows from investing activities of continuing operations (before initial/subsequent transfer to plan assets)	**–2,098**	**–276**
Initial/subsequent transfer to plan assets	–13	–62
Cash flows from investing activities of continuing operations (after initial/subsequent transfer to plan assets)	**–2,111**	**–338**
Cash flows from investing activities of discontinued operations	–47	–74
Cash flows from investing activities (after initial/subsequent transfer to plan assets)	**–2,158**	**–412**
Net changes in equity (including non-controlling interests)	639	–60
Dividends paid to innogy shareholders and non-controlling interests	–1,226	–1,312
Issuance of financial debt	2,737	4,038
Repayment of financial debt	–1,334	–3,844
Cash flows from financing activities of continuing operations	**816**	**–1,178**
Cash flows from financing activities of discontinued operations	193	150
Cash flows from financing activities	**1,009**	**–1,028**
Net cash change in cash and cash equivalents	484	163
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	6	10
Net change in cash and cash equivalents	**490**	**173**
Cash and cash equivalents at the beginning of the reporting period as per the consolidated balance sheet	1,070	1,379
Cash and cash equivalents at the end of the reporting period	1,560	1,552
of which: reported as "Assets held for sale"	–2	
Cash and cash equivalents at the end of the reporting period as per the consolidated balance sheet	**1,558**	**1,552**

1 Prior-year figures adjusted due to the presentation of the retail activities of npower as a discontinued operation pursuant to IFRS 5.

Statement of changes in equity (condensed)

€ million	Subscribed capital and additional paid-in capital of innogy SE	Retained earnings and distributable profit	Accumulated other comprehen-sive income	**innogy SE shareholders' interest**	Non-controlling interests	**Total**
Balance at 1 Jan 2017	**7,321**	**2,291**	**−681**	**8,931**	**1,736**	**10,667**
Dividends paid		−889		−889	−247	−1,136
Income		389		389	264	653
Other comprehensive income		471	105	576	43	619
Total comprehensive income		860	105	965	307	1,272
Withdrawals/contributions		−60		−60	−64	−124
Balance at 30 Sep 2017	**7,321**	**2,202**	**−576**	**8,947**	**1,732**	**10,679**
Balance at 31 Dec 2017	**7,321**	**2,651**	**−533**	**9,439**	**1,813**	**11,252**
Adjustment due to IFRS 9		65	−80	−15		−15
Adjustment due to IFRS 15		−21		−21		−21
Balance at 1 Jan 2018	**7,321**	**2,695**	**−613**	**9,403**	**1,813**	**11,216**
Dividends paid		−889		−889	−274	−1,163
Income		228		228	258	486
Other comprehensive income		−23	−52	−75	−19	−94
Total comprehensive income		205	−52	153	239	392
Withdrawals/contributions		572		572	180	752
Balance at 30 Sep 2018	**7,321**	**2,583**	**−665**	**9,239**	**1,958**	**11,197**

Accounting policies

innogy SE, headquartered at Opernplatz 1, 45128 Essen, Germany, is the parent company of the innogy (Sub-)Group ("innogy" or "Group"). innogy is a supplier of energy in Europe focusing on renewables, retail and grid & infrastructure.

The income statement (condensed), statement of comprehensive income (condensed), balance sheet (condensed), cash flow statement and statement of changes in equity (condensed) as at 30 September 2018 were approved for publication on 9 November 2018 and were prepared in accordance with International Financial Reporting Standards (IFRSs) as applicable in the EU.

With the exception of the changes and new rules stated below, the same accounting policies were used as in the consolidated financial statements for the period ending on 31 December 2017. For further information, reference is made to the consolidated financial statements for the period ending on 31 December 2017.

Changes in accounting policies

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have approved new IFRSs, amendments of existing IFRSs and a new Interpretation, which became effective for the innogy Group as of fiscal 2018:

- IFRS 9 Financial Instruments (2014)
- IFRS 15 Revenue from Contracts with Customers (2014) including Amendments to IFRS 15 Effective Date of IFRS 15 (2015) and Clarifications to IFRS 15 Revenue from Contracts with Customers (2016)
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (2016)
- Annual Improvements to IFRS Standards 2014–2016 Cycle (2016)
- Amendments to IAS 40 Transfers of Investment Property (2016)
- Amendments to IFRS 2 Clarifications of Classification and Measurement of Share Based-Payment Transactions (2016)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (2016)

For a description of the new accounting policies and information on the effects of the new regulations, reference is made to the consolidated financial statements for the period ending on 31 December 2017.

Legal disclaimer

This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management, and are based on information currently available to the management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Therefore, actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this notification.

Financial calendar 2019

13 March 2019	Annual report for fiscal 2018
30 April 2019	Annual General Meeting
6 May 2019	Dividend payment
14 May 2019	Q1 2019 statement
9 August 2019	Half-year report 2019
12 November 2019	9M 2019 statement

This document was published on 13 November 2018. It is a translation of the German 9M 2018 statement.
In case of divergence from the German version, the German version shall prevail.

innogy SE

Opernplatz 1
45128 Essen
Germany

T +49 201 12-02
I www.innogy.com

Investor Relations

T +49 201 12-44794
I www.innogy.com/ir
E invest@innogy.com