

# EVN Conference Call HY. 1 2014/15 Results

28 May 2015

- 
- Significant increase in electricity generation
    - expansion of renewable energy production
    - full operations in the Duisburg-Walsum power plant
    - usage of gas power plants to ensure network stability
  
  - Reduction in electricity and natural gas network tariffs in Lower Austria; increase in power prices in Bulgaria
  
  - Sale of the sodium hypochlorite plant to the Moscow city water supply and wastewater disposal company
  
  - Better operating results than in the previous year; stable Group net result
  
  - Standard & Poor's rating confirmed (BBB+ with stable outlook)

		<b>2014/15 HY. 1</b>	<b>+/- in %</b>
	EURm		
Revenue		1,224.7	6.5
EBITDA		384.0	18.1
EBIT		237.5	19.5
Financial results		-22.0	-
Group net profit		165.4	-0.5
Net cash flow from operating activities		209.4	-40.2
	EUR		
Earnings per share		0.93	-0.51

## Year-on-year rise in revenue

- Increase in electricity production
- Growth in natural gas marketing activities
- Energy price and network tariff decisions

## Improved EBITDA and EBIT

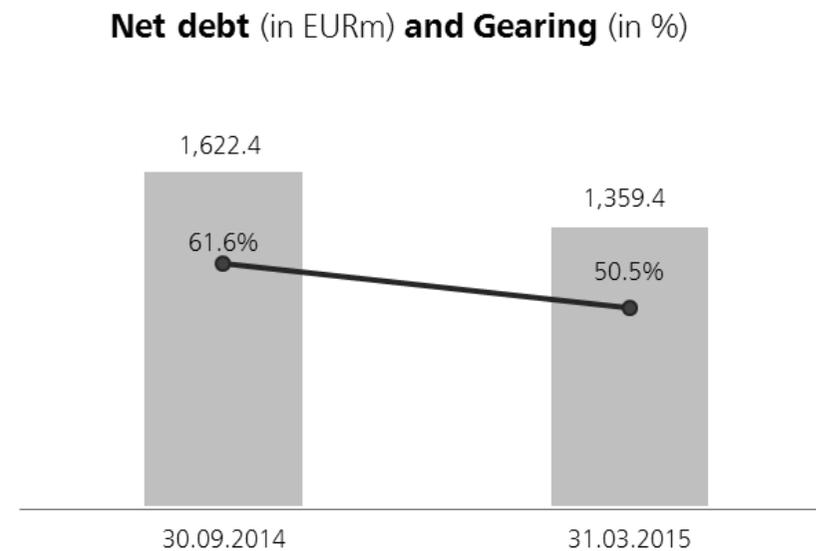
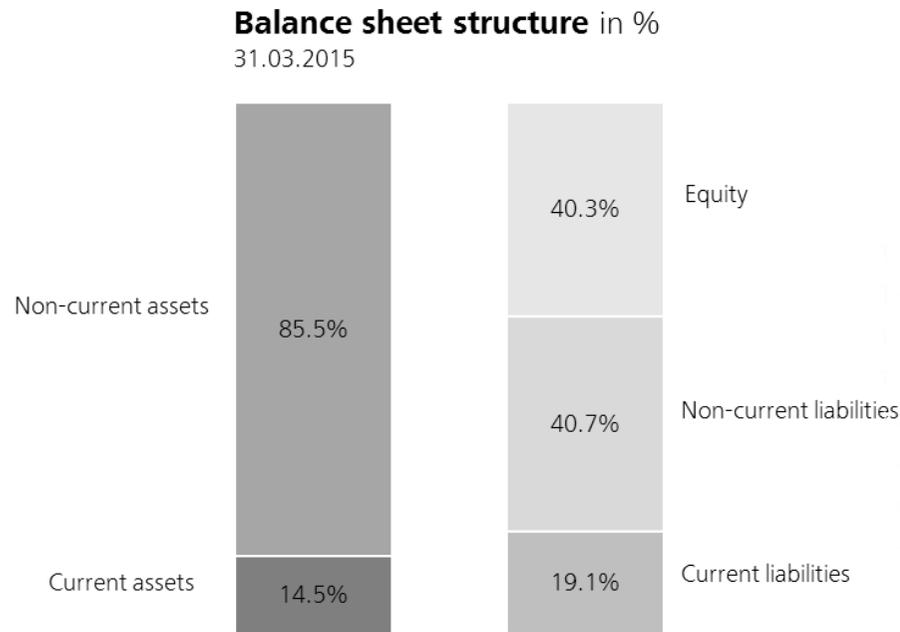
- Sale of sodium hypochlorite plant
- Better results from equity accounted investees with operational nature

## Decline in financial results

- Lower dividend payment from Verbund AG
- Termination of the hedge for the financing of the sold sodium hypochlorite plant and costs for the related investment guarantee

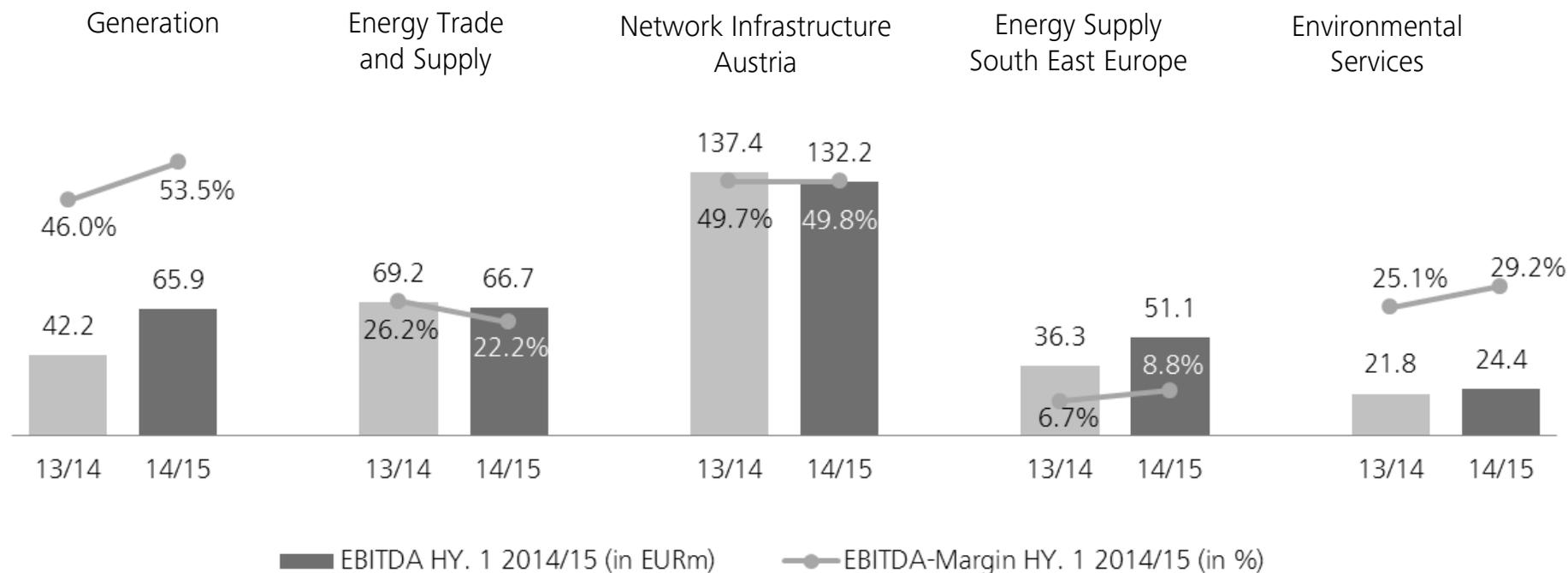
## Decrease in cash flow from op. activities

- Due to increase in working capital



- Equity ratio 40.3% in comparison to 38.5% as of 30.09.2014
- Net debt reduced by EUR 263.0m to EUR 1,359.4m (compared to 30.09.2014)
- Gearing decreased from 61.6% to 50.5% (compared to 30.09.2014)

# EBITDA development by segments



- Full operations at the Duisburg-Walsum power plant
- Increase in use of natural gas power plants to ensure network stability
- Renewable production

- Decline in sales volumes due to lower demand from household customers

- Decrease in electricity and natural gas network tariffs

- Positive volume and price effects

- Sale of sodium hypochlorite plant
- Higher revenue from thermal waste utilisation and water supply in Lower Austria

		<b>2014/15 HY. 1</b>	<b>+/- in %</b>
<b>Electricity generation volumes</b>	GWh		
Total		2,486	34.0
Renewable energy sources		851	15.1
Thermal energy sources		1,635	46.5
<b>Financial performance</b>	EURm		
Revenue		123.3	34.4
EBITDA		65.9	56.3
EBIT		21.6	14.8

## Increase in thermal production

## Rise in production from renewable energy sources

- Increase due to full operations at the Prellenkirchen wind park
- Stepwise commissioning of the Prottes-Ollersdorf windpark

## Higher EBITDA and EBIT

- Higher revenue
- Operating expenses related to full operations at the Duisburg-Walsum power plant
- Rise in depreciation and amortisation due to Duisburg-Walsum and a recognised impairment loss on the Dürnrrohr power plant

<b>End customer price adjustment<sup>1)</sup></b>			
Electricity and gas	1.10.2014	-10%	

<b>Sales volumes to end customers</b>		<b>2014/15 HY. 1</b>	<b>+/- in %</b>
	GWh		
Electricity		3,629	-0.7
Natural Gas		4,235	-3.2
Heat		1,229	-0.9

<b>Financial performance</b>			
	EURm		
Revenue		300.1	13.8
EBITDA		66.7	-3.6
EBIT		58.3	-4.9

## Different development of sales volumes

- Slightly lower heat and electricity sales volumes
- Decrease in natural gas volumes due to a decline in the household segment

## Rise in revenues and operating expenses

- Lower revenues from heat sales compensated by sale of production from the Duisburg-Walsum power plant
- Increase in natural gas trading activities

## Decrease in EBITDA and EBIT

- Higher operating expenses

1) Average, household sector (source: EVN)

## Tariff structures<sup>1)</sup>

Electricity	01.01.2015	-1.0%
	01.01.2014	-9.0%
Natural gas	01.01.2015	-3.0%
	01.01.2014	7.7%

## Network distribution volumes

	GWh	2014/15 HY. 1	+/- in %
Electricity		4,261	2.4
Natural gas <sup>2)</sup>		10,363	7.5

## Financial performance

	EURm		
Revenue		265.5	-4.0
EBITDA		132.2	-3.8
EBIT		80.5	-7.2

## Year-on-year increase in network distribution volumes

- Higher electricity distribution volumes above all related to higher demand from industrial customers
- Rise in natural gas demand in all customer segments

## Decrease in EBITDA and EBIT

- Decrease in network tariffs for electricity and natural gas
- Higher revenue in cable TV and telecommunication services
- Decline in operating expenses

1) Average, according to the regulator in Austria (E-Control)

2) Including network sales to EVN's power stations

<b>End customer price adjustments<sup>1)</sup></b>			
Bulgaria	electricity	1.10.2014	9.7%
	heat	1.7.2014	5.1%
Macedonia	electricity	1.7.2014	3.5%

<b>Key energy business indicators</b>	GWh	<b>2014/15 HY. 1</b>	<b>+/- in %</b>
Electricity generation volumes		288	35.1
Network distribution volumes <sup>2)</sup>		7,483	5.4
Heat sales volumes to end customers		174	13.6

<b>Financial performance</b>	EURm		
Revenue		581.3	7.4
EBITDA		51.1	40.5
EBIT		20.5	–

## Higher electricity generation volumes

→ Good water flows in Macedonia

## Sales volumes increased

→ Temperature-related increase in electricity network distribution volumes and heat sales volumes in Bulgaria

## Year-on-year EBITDA and EBIT increase

- Rise in electricity and heat prices in Bulgaria
- Higher operating expenses related to regulatory decisions
- Continued reduction of network losses

1) Average, household sector, according to the regulators in Bulgaria (SEWRC) and Macedonia (ERC)  
 2) In Bulgaria and Macedonia energy sales volumes fairly equal present network distribution volumes

<b>Financial performance</b>	EURm	<b>2014/15 HY. 1</b>	<b>+/- in %</b>
Revenue		83.8	-3.4
EBITDA		24.4	12.1
EBIT		11.2	44.8
Financial results		-7.9	-
Profit before income tax		3.4	-52.3

## Improvement of EBITDA and EBIT

- Sale of the sodium hypochlorite plant
- Positive effects from water supply and thermal waste utilisation in Lower Austria
- Valuation allowance of aggregate components of the former project waste incineration plant no. 1 in Moscow

## Drop in financial results

- Termination of the hedge and investment guarantee for the sodium hypochlorite plant
- Decrease in interest income from completed projects

## Business development

- Commissioning of plants in Poland, Romania and Cyprus
- Start-up and takeover of the sodium hypochlorite plant by the city of Moscow

	EURm	2014/15 HY. 1	+/- in %
Gross CF		305.7	1.8
Net CF from operating activities		209.4	-40.3
Net CF from investing activities		95.5	-
Net CF from financing activities		-300.4	-38.6
Net change in cash and cash equivalents		4.6	-

## Year-on-Year increase of gross cash flow

→ Increase in the result before income tax

## Reduction in net cash flow from operating activities

→ Working capital effect

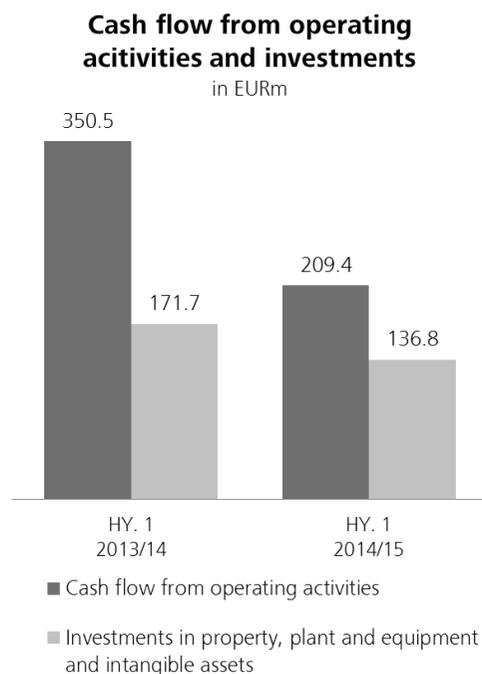
## Positive cash flow from investing activities

→ Sale of the sodium hypochlorite plant

## Decrease in net cash flow from financing activities

→ Repayment of the financing for the sodium hypochlorite plant

→ Scheduled repayments



- 
- Group net profit 2014/15 is expected to exceed 2012/13 level
  - EVN's strategy:
    - Integrated business model
    - Consolidation of existing business in core markets
    - Increase of efficiency
  - Investment focus on security of supply and expansion of renewable energy production capacities in Lower Austria

## **Stefan Szyszkowitz**

CFO

Phone: +43 2236 200-12132

Fax: +43 2236 200-82132

E-mail: [stefan.szyszkowitz@evn.at](mailto:stefan.szyszkowitz@evn.at)

## **Gerald Reidinger**

Head of Controlling and Investor Relations

Phone: +43 2236 200-12698

Fax: +43 2236 200-82698

E-mail: [gerald.reidinger@evn.at](mailto:gerald.reidinger@evn.at)

## **Investor information on the web**

[www.evn.at](http://www.evn.at)

[www.investor.evn.at](http://www.investor.evn.at)

[www.responsibility.evn.at](http://www.responsibility.evn.at)

E-mail: [investor.relations@evn.at](mailto:investor.relations@evn.at)

## **EVN AG**

Headquarters

EVN Platz

2344 Maria Enzersdorf

---

Certain statements made in this presentation may constitute „Forward-Looking Statements“ within the meaning of the U.S. federal securities law. Forward-looking information is subject to various known and unknown risks and uncertainties. These include statements concerning our expectations and other statements that are not historical facts.

The Company believes any such statements are based on reasonable assumptions and reflect the judgement of EVN’s management based on factors currently known by it.

No assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved.

For additional information regarding risks, investors are referred to EVN’s latest Annual report.