



# EVN conference call Q. 1-3 2019/20 results

27 August 2020

- 
- Diversified business model as stabilising factor
    - Recovery of EVN KG
    - EBITDA (+17.9%), EBIT (+20.3%), Group net result (+25.2%)
    - Corona crisis with selective impacts only
  - Clear commitment to investment programme
    - EUR 400m p.a., thereof EUR 300m in Lower Austria
    - Focus on networks, renewable and drinking water
  - Share of renewable electricity generation rises to 59.7% (previous year: 42.6%)
  - Achievements in international project business
    - Three new thermal sludge treatment projects in Germany
    - Closing for wastewater project in Kuwait

# Key financials Q. 1-3 2019/20



	<b>Q. 1-3 2019/20</b>	<b>+/-</b>
	EURm	%
Revenue	1,596.9	-6.8
<b>EBITDA</b>	513.6	17.9
Depreciation and amortisation	-214.6	-7.5
Effects from impairment tests	-14.5	-
<b>EBIT</b>	284.5	20.3
Financial results	-6.7	53.6
<b>Group net result</b>	210.7	25.2
Net cash flow from operating activities	205.8	-13.8
Investments <sup>1)</sup>	201.1	-8.9
Net debt	1,086.4	8.6

## → Different developments in revenue

- Positive trend from South East Europe and international project business
- Decline in thermal generation and in the Network Segments

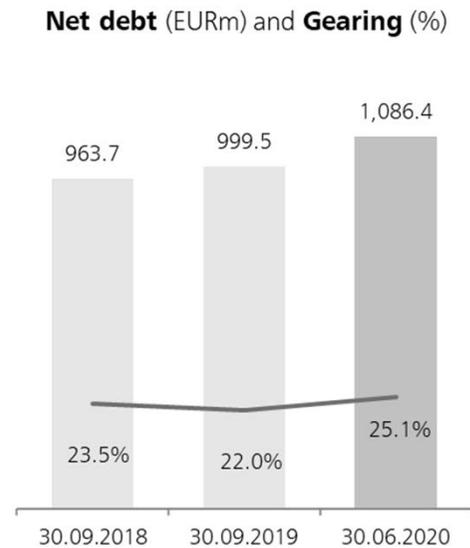
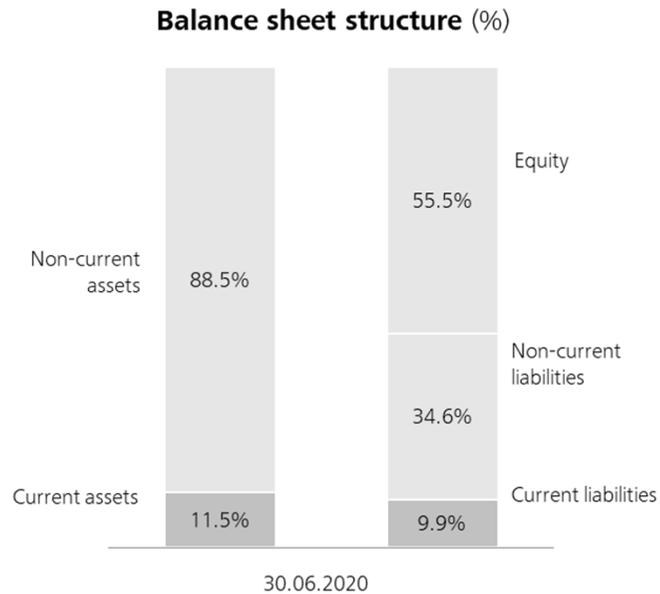
## → EBITDA, EBIT and Group net result above previous year

- Recovery of EVN KG
- Positive one-time effects at RAG and Energie Burgenland
- Impairment losses already in Q. 2 2019/20 due to increase in country risk premiums in South East Europe caused by the Covid-19 pandemic

<sup>1)</sup> In intangible assets and property, plant and equipment

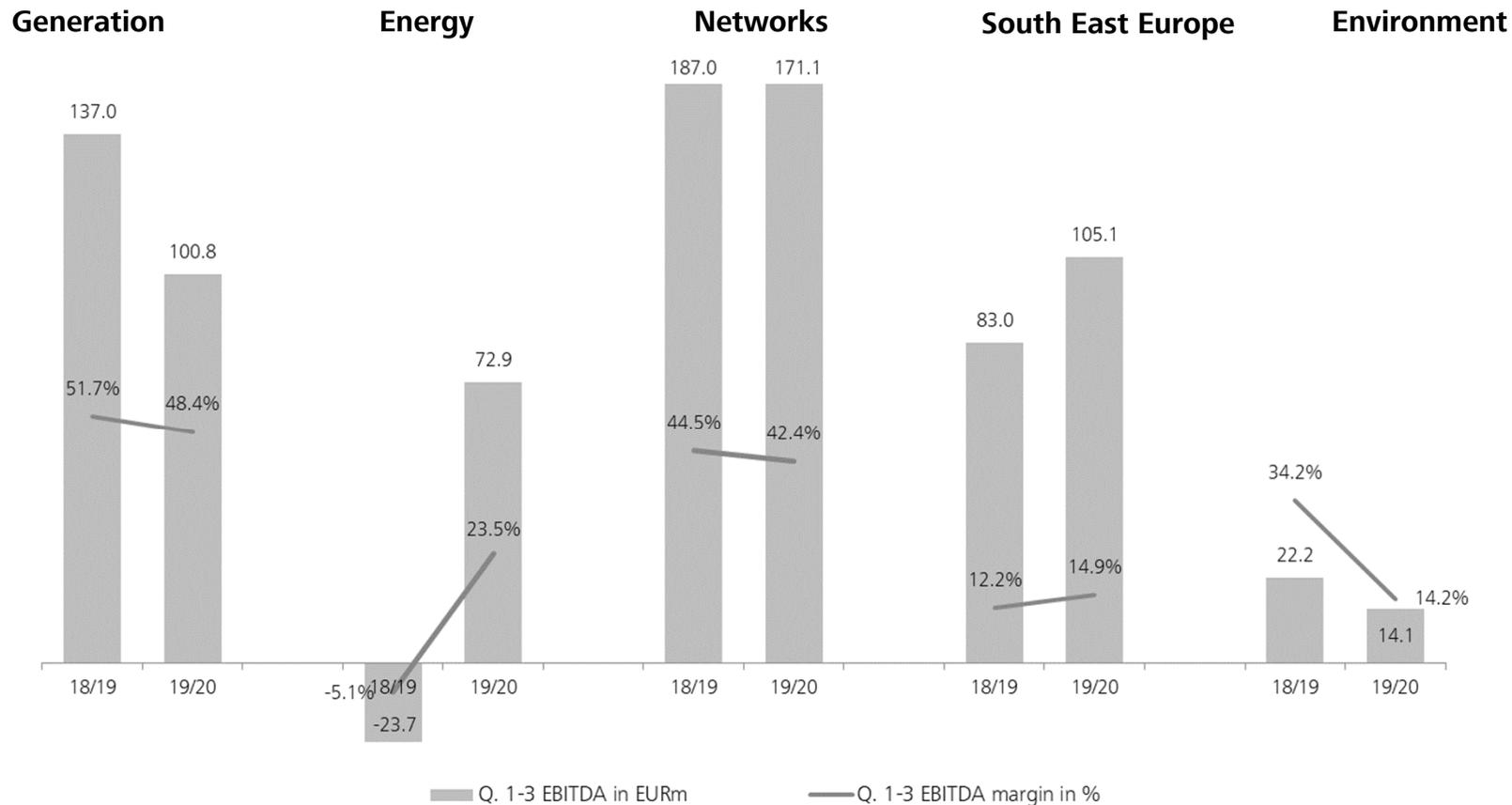
<sup>2)</sup> Changes reported in percentage points

# Solid balance sheet structure



- Increase of net debt in Q. 1-3 2019/20 includes effect of ~EUR 70m in connection with initial application of IFRS 16
- Strong balance sheet as a basis for future investments (~EUR 400m p.a. over the coming years)

# EBITDA development by segments



→ Electricity generation below previous year

→ Decline in marketing of own generation  
→ Recovery of sales activities (EVN KG)

→ Negative volume and tariff effects

→ Sound operating performance

→ Y-o-y comparison influenced by positive one-off effects in prior year's at equity result

	Q. 1-3 2019/20	+/-
<b>Electricity generation volumes</b>	GWh	%
Total	2,310	-38.5
Renewable energy sources	1,438	-7.8
Thermal energy sources	871	-60.3
<b>Key financial indicators</b>	EURm	
Revenue	208.1	-21.4
EBITDA	100.8	-26.4
EBIT	49.4	-45.0

## → Decline in electricity generation

- Renewable generation slightly lower y-o-y (additional wind capacity, but lower wind and water flows)
- Lower thermal generation (closure of coal-fired power plant in Dürnröhr; less demand for network stabilisation)

## → Revenue, EBITDA and EBIT below previous year

- Impairment losses already in Q. 2 2019/20 following an increase in the country risk premiums due to Covid-19 (Ashta hydropower plant in Albania and wind park Kavarna in Bulgaria)

<b>Sales volumes to end customers</b>	<b>Q. 1-3 2019/20</b>	<b>+/-</b>
	GWh	%
Electricity	6,404	6.4
Natural gas	4,508	-3.8
Heat	1,760	1.5
<b>Key financial indicators</b>	EURm	
Revenue	310.2	-33.7
EBITDA	72.9	-
EBIT	57.4	-

## → Different development of energy sales volumes

- Increase in electricity sales volumes (positive development in sales to industrial customers)
- Weather- and competition-related decline in natural gas

## → Revenue below previous year

- Decline in marketing of own generation

## → Improvement in EBITDA and EBIT

- Lower usage of primary energy carriers
- Recovery of EVN KG

<b>Network distribution volumes</b>	<b>Q. 1-3 2019/20</b>	<b>+/-</b>
	GWh	%
Electricity	6,444	-1.3
Natural gas	12,763	-4.0
<b>Key financial indicators</b>		
	EURm	
Revenue	403.5	-4.0
EBITDA	171.1	-8.5
EBIT	74.4	-21.5

→ **Decline in network distribution volumes**

- Decline in electricity consumption caused by Covid-19 (volume effects to be offset in future tariffs according to Austrian regulation)
- Decline in natural gas due to lower use of thermal power plants for network stabilisation and mild winter

→ **Revenue below previous year**

- Negative volume and price effects

→ **EBITDA and EBIT declined y-o-y**

# South East Europe



<b>Key energy business indicators</b>	<b>Q. 1-3 2019/20</b> GWh	+/- %
Electricity generation volumes	332	-5.7
thereof renewable energy	99	4.9
thereof thermal power plants	233	-9.5
Network distribution volumes	10,607	-3.0
Electricity sales volumes	8,918	-3.8
Heat sales volumes	180	-9.1
<b>Key financial indicators</b>		
	EURm	
Revenue	706.1	3.8
EBITDA	105.1	26.6
EBIT	39.1	4.4

## → Network and energy sales volumes declined y-o-y

- Unusually mild temperatures and corona crisis

## → Improvement in EBITDA and EBIT

- Reduction in procurement costs for network losses in Bulgaria
- Impairment losses already in Q. 2 2019/20 following an increase in the country risk premiums due to Covid-19 (Bulgarian district heating company TEZ Plovdiv and customer base in North Macedonia)

Key financial indicators	Q. 1-3 2019/20	+/-
	GWh	%
Revenue	99.6	53.5
EBITDA	14.1	-36.5
EBIT	5.3	-60.7
Financial results	-5.6	-28.0
Result before income tax	-0.3	-

→ **Higher revenue y-o-y**

- Increase in drinking water sales volumes
- Positive development of international project business

→ **EBITDA and EBIT below prior year**

- Corresponding increase in operating expenses
- Previous year benefited from positive effects in at equity results

→ **General contractor assignment for thermal sludge treatment projects**

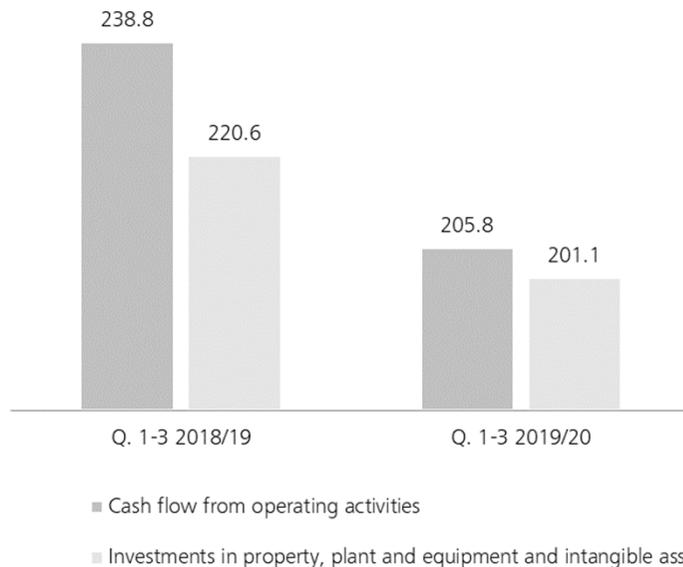
- Berlin contract for WTE Wassertechnik
- Hanover and Straubing contracts for sludge2energy (joint venture by WTE)

# Cash flows



	Q. 1-3 2019/20	+/-
	EURm	in %
Gross cash flow	392.3	-17.3
Net cash flow from operating activities	205.8	-13.8
Net cash flow from investing activities	-216.3	-
Net cash flow from financing activities	-65.3	65.2
Net change in cash and cash equivalents	-75.8	-

**Cash flow from operating activities and investments (EURm)**



## → CF from operating activities

- Non-cash effective earnings contribution by equity accounted investees

## → CF from investing activities

- Equity contribution for Kuwait project and increased investments in cash funds
- Contrasted by delay of investments due to corona crisis and divestments of securities (R 138 fund)

## → CF from financing activities

- Dividend payment for FY 2018/19 and scheduled repayment of financial liabilities
- EUR 100m green promissory note loan issued in April 2020

# Outlook for 2019/20 confirmed



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- Group net result for 2019/20 is expected to range from EUR 180m to EUR 200m
    - Assuming average conditions in the energy business environment and a stable situation in connection with the corona crisis during Q. 4 2019/20
  - Confirmation of dividend policy
    - Ordinary dividend of EUR 0.47 per share
  - Investment strategy
    - Approximately EUR 400m p.a. over the next financial years
    - Thereof approximately EUR 300m will be directed to networks, renewable generation, natural heat and drinking water in Lower Austria
    - Occasional delays resulting from the lockdown will be recovered as soon as possible

# Contact details



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