

EVN Conference Call Q. 1 2015/16 Results

26 February 2016

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- Increase in electricity generation through use of thermal power plants to protect network stability
 - Cornerstone ceremony for the wastewater treatment plant in Prague
 - Stable EBITDA; EBIT slightly below last year's Q1
 - Increase in Group net result

Key financials 2015/16



EURm	2014/15 Q1	+/- in %
Revenue	573.3	-4.4
EBITDA	185.0	0.1
Depreciation and amortisation	-65.5	-3.1
Effects from impairment tests	-	-
EBIT	119.4	-1.4
Financial results	-16.7	31.5
Group net result	78.8	7.9
Net cash flow from operating activities	93.2	0.8
Earnings per share	0.44	0.8

→ Decrease in revenue

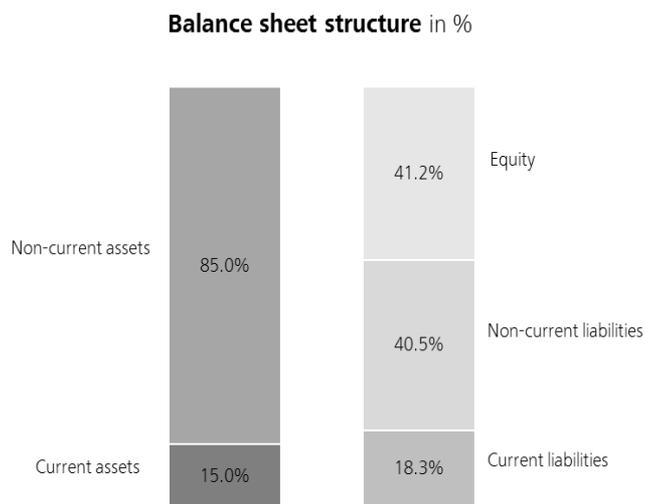
- Rise in electricity generation
- Decline in natural gas trading activities
- Volume and price related declines in Bulgaria

→ Stable EBITDA, EBIT slightly below last year's Q1; increase in group net result

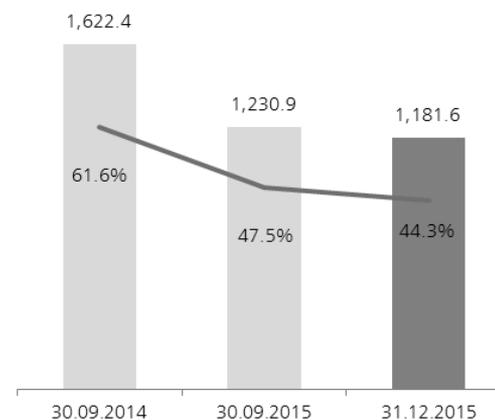
- OPEX reduction

→ Improved financial result

Solid balance sheet structure, reduced net debt

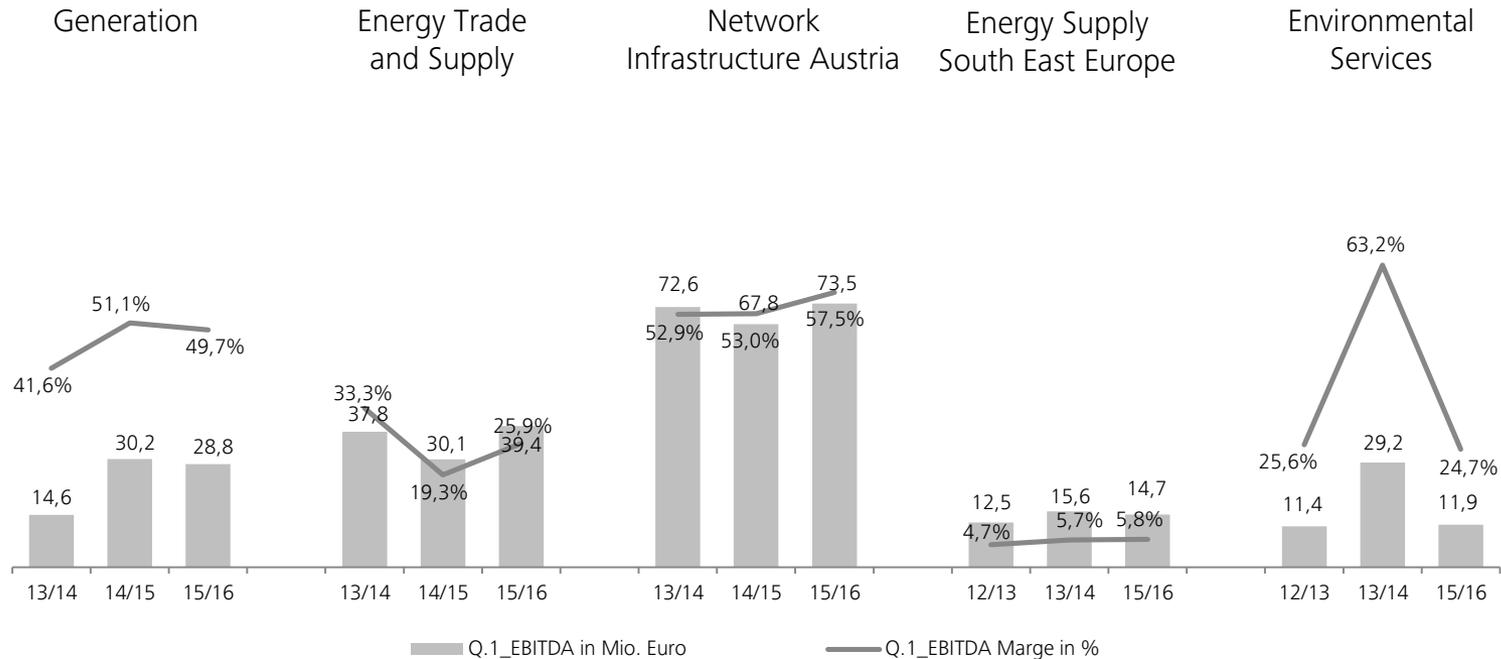


Net debt (in EURm) and Gearing (in %)



- Improvement of equity ratio to 41.2% (30.09.2015: 39.8%)
- Reduction of net debt to EUR 1,181.6m (30.09.2015: EUR 1,230.9m)
- Gearing decreased to 44.3% (30.09.2015: 47.5 %)

EBITDA development by segments



- Increase of electricity production
- Revenue declined
- Positive volume effects
- Volume and price related declines
- Last year included the sale of the sodium hypochlorite plant
- Reduced results from equity accounted investees
- Increased results from equity accounted investees
- Cost reductions
- Cost reductions

	2014/15	+/-
	Q1	in %
Electricity generation volumes (GWh)		
Total	1.458	25,2
Renewable energy sources	350	-12,9
Thermal energy sources	1.108	45,2
Financial performance (EURm)		
Revenue	58,0	-1.9
EBITDA	28,8	-4.9
EBIT	15,1	-9.9

→ Increase of electricity production

- Lower wind and water flows
- Greater use of thermal power plants to protect network stability

→ Decline in EBITDA and EBIT

- Revenue remained nearly unchanged
- EBITDA influenced by reduced results from equity accounted investees

End customer prices ¹⁾	+/- in %	Adjustment
Electricity and gas	-5.0%	01.10.2015
Electricity and gas	-10.0%	01.10.2014

Sales volumes to end customers (GWh)	2014/15 Q1	+/- in %
Electricity	1,794	-0.6
Natural gas	1,788	0.1
Heat	574	1.5

Financial performance (EURm)	2014/15 Q1	+/- in %
Revenue	152.2	-2.3
EBITDA	39.4	30.9
EBIT	35.0	35.1

→ Different development of sales volumes

- Slight increases in natural gas and heat sales volumes
- Small decline in electricity sales volumes (increase in Austria was more than offset by reduced sales in Germany)

→ Revenue declined, EBITDA and EBIT increased

- Declining natural gas trading activities
- Increased results from equity accounted investees

¹⁾ Average; household segment (source: EVN)

Development of tariffs ¹⁾	+/- in %	Adjustment
Electricity	11.0%	01.01.2016
Natural gas	11.0%	01.01.2016

Network distribution volumes (GWh)	2014/15 Q1	+/- in %
Electricity	2,147	2.0
Natural gas ²⁾	5,395	20.9

Financial performance (EURm)	2014/15 Q1	+/- in %
Revenue	127.9	0.1
EBITDA	73.5	8.4
EBIT	46.2	9.0

→ Increase in network distribution volumes

- Higher electricity and natural gas distribution volumes across all customer segments
- Additional positive volume impact on gas distribution from use of EVN's gas-fired power plants

→ Improvement in EBITDA and EBIT

- Lower operating expenses
- Investment driven increase in depreciation

→ Continued investment focus on supply security

- Network Infrastructure Austria accounts for almost 50% of EVN's total investments

¹⁾ Average; according to the Austrian regulator

²⁾ Including network sales to EVN's power stations

End customer prices¹⁾		+/- in %	Adjustment
Bulgaria	electricity	-0.4%	01.08.2015
	heat	-0.7%	01.10.2015
Macedonia	electricity	-0.3%	01.07.2015
Key energy business indicators (GWh)		2014/15 Q1	+/- in %
Electricity generation volumes		94	-21.4
Network distribution volumes ²⁾		3,445	-1.7
Heat sales volumes		58	-19.2
Financial performance (EURm)		2014/15 Q1	+/- in %
Revenue		252.4	-7.9
EBITDA		14.7	-6.0
EBIT		-0.8	-

→ Negative development of key energy business indicators

- Decline in electricity production
- Weather-related decline of electricity network distribution volumes and heat sales volumes

→ Revenue, EBITDA and EBIT decrease

- Volume and price related declines
- Lower operating expenses

¹⁾ Average; household sector; according to regulators in Bulgaria and Macedonia

²⁾ Energy sales volumes in Bulgaria and Macedonia fairly equal to network distribution volumes

	2014/15	+/-
Financial performance (EURm)	Q1	in %
Revenue	48.2	4.2
EBITDA	11.9	-59.0
EBIT	5.5	-75.6

→ Increase in revenue

- Higher revenue from international project business and drinking water supplies
- Partly offset by reduced revenue from Lower Austrian waste incineration business

→ Decrease in EBITDA and EBIT

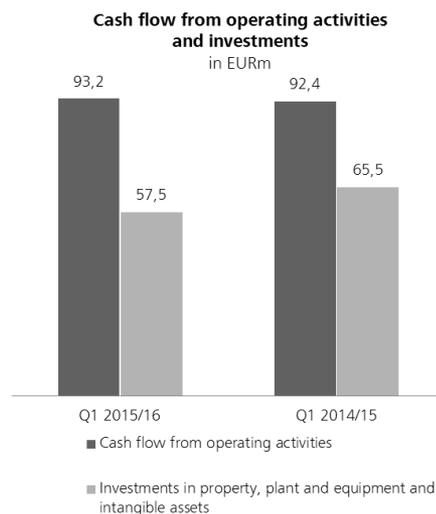
- Last year positive one-off from sale of sodium hypochlorite plant in Moscow

→ Progress in the international projects business

- Finalisation of the construction works of wastewater treatment projects in Poland and Romania
- Receipt of building permit and cornerstone ceremony for the wastewater treatment plant in Prague

EURm	2014/15 Q1	+/- in %
Gross CF	182.1	9.3
Net CF from operating activities	93.2	0.8
Net CF from investing activities	-58.5	-
Net CF from financing activities	-26.8	-
Net change in cash and cash equivalents	7.9	-

- **Increase of gross cash flow**
 - Stronger operating performance
- **Operating cash flow at prior year's level**
 - Due to changes in working capital
- **Changes in the cash flow from investing as well as from financing activities influenced by last year's sale of sodium hypochlorite plant**



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- Group net result for 2015/16 is expected to remain largely stable
 - EVN's strategy remains unchanged
 - Commitment to integrated business model
 - Focus on supply security through ongoing network expansion
 - Further increase of renewable generation capacities in Lower Austria
 - Consolidation of energy business in South East Europe

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Financial calender

www.investor.evn.at/financial-calender

Next event: Results HY. 1 2015/16, 25 Mai 2016

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