



EVN conference call Q. 1 2019/20 results

27 February 2020

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- Solid business development in line with expectations
 - EBITDA (+16.8%), EBIT (+21.9%) and Group net result (+40.3%)
 - Recovery of EVN KG
 - Normalisation of the operating business in energy sales
 - Lower effects from the valuation of hedges
 - Networks Segment negatively affected by lower tariffs and volume effects
 - Sound development in South East Europe
 - Share of renewable electricity generation rises to 49.7% (previous year: 33.6%)
 - Contract awarded for Kuwait wastewater treatment project
 - Outlook for FY 2019/20 confirmed

Wastewater treatment project Umm Al Haymann (Kuwait)



Layout of wastewater treatment plant

- Wastewater treatment plant (PPP)
 - Capacity: 500,000 m³/d (~1.7m people)
 - EPC contractor: WTE (100%)
 - Contract value: ~EUR 600m
 - Construction period: 2.5 years
 - Financing: equity¹⁾ (20%), bank debt (80%)
- Sewage infrastructure (DBO)
 - Pipes (450 km), pumping stations etc.
 - EPC contractor: WTE (67.6%) and two local partners
 - Contract value: ~EUR 950m
 - Construction period: up to 4 years
 - Financing through State of Kuwait (100%)

1) Shareholders: State-owned Kuwaiti institutions (80%), WTE (20%);
WTE's equity contribution (~EUR 30m) is covered by a state guarantee from the
Federal Republic of Germany

Key financials Q. 1 2019/20



	Q. 1 2019/20	+/-
	EURm	%
Revenue	576.2	-3.3
EBITDA	190.6	16.8
Depreciation and amortisation	-71.6	-9.2
Effects from impairment tests	-0.1	31.7
EBIT	118.8	21.9
Financial results	-10.7	30.8
Group net result	82.9	40.3
Net cash flow from operating activities	-28.9	-
Investments ¹⁾	76.2	-4.2
Net debt	1,127.4	9.1
	%	
Equity ratio ²⁾	55.8	2.8

→ Different developments in revenue

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

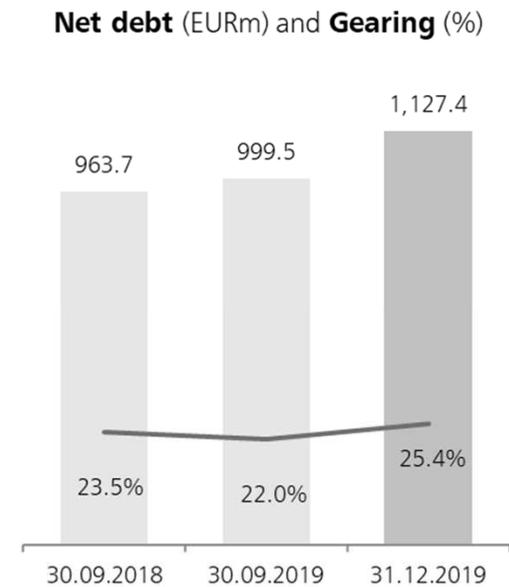
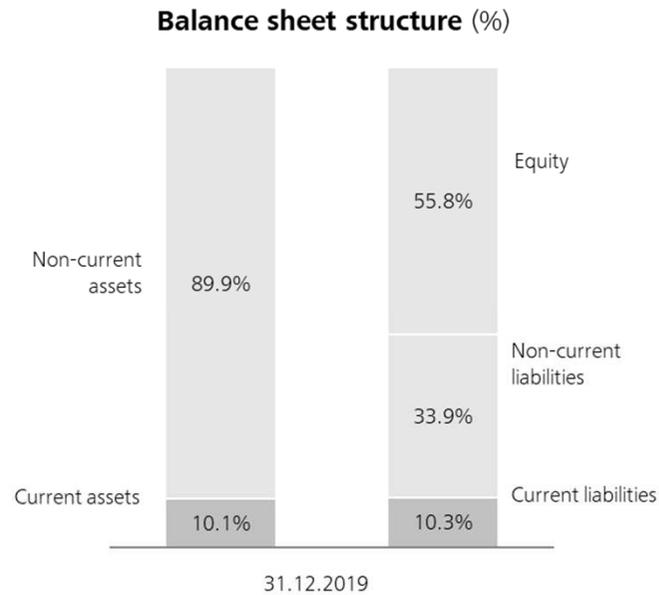
→ EBITDA, EBIT and Group net result above previous year

- Recovery of EVN KG
- Positive non-recurring effect at RAG

¹⁾ In intangible assets and property, plant and equipment

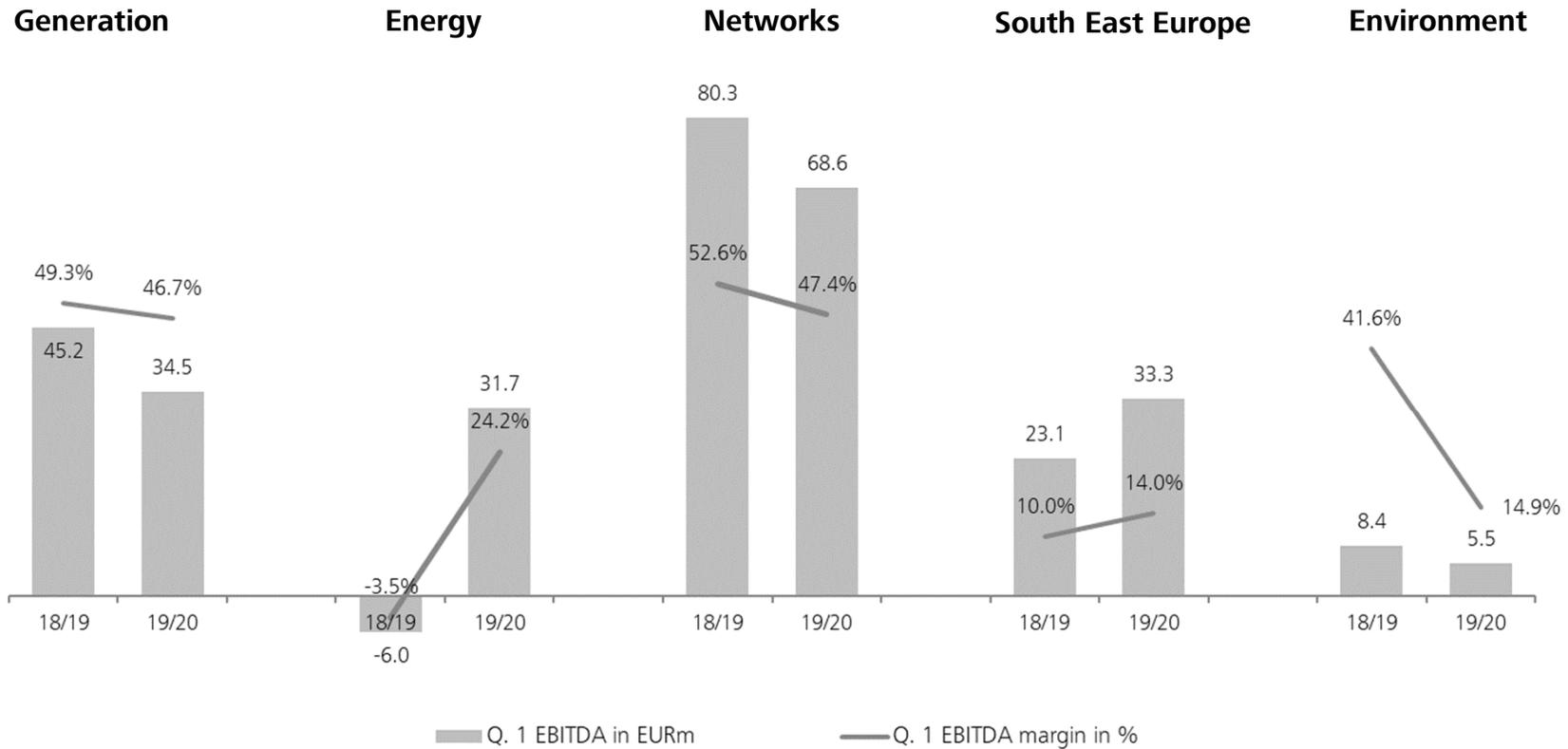
²⁾ Changes reported in percentage points

Solid balance sheet structure



- EVN has a net debt level of ~EUR 1bn (subject to seasonal fluctuations)
- Increase in Q. 1 2019/20 includes effect of EUR 69.7m in connection with initial application of IFRS 16
- Gearing increased from 22.0% to 25.4%

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

Generation



	Q. 1 2019/20	+/-
Electricity generation volumes	GWh	%
Total	913	-32.3
Renewable energy sources	461	8.0
Thermal energy sources	452	-51.0

	Q. 1 2019/20	+/-
Financial performance	EURm	%
Revenue	73.8	-19.6
EBITDA	34.5	-23.7
EBIT	17.9	-40.6

→ Decline in electricity generation

- Increase in renewable generation (additional wind capacity and y-o-y increase in 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

Sales volumes to end customers	Q. 1 2019/20 GWh	+/- %
Electricity	2,114	10.4
Natural gas	1,691	-1.9
Heat	646	0.6

Financial performance	Q. 1 2019/20 EURm	+/- %
Revenue	131.1	-22.7
EBITDA	31.7	-
EBIT	26.7	-

→ **Different development of energy sales volumes**

- Increase in electricity sales volumes due to higher supplies to large customers
- 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

Network distribution volumes	Q. 1 2019/20 GWh	+/- %
Electricity	2,284	0.9
Natural gas ¹⁾	4,898	-8.1

Financial performance	Q. 1 2019/20 EURm	+/- %
Revenue	144.7	-5.3
EBITDA	68.6	-14.7
EBIT	36.2	-27.4

1) Including network sales to EVN's power stations

→ **Different development of network distribution volumes**

- Slight rise for electricity
- Decline in natural gas due to lower use of thermal power plants for network stabilisation

→ **Revenue below previous year**

- Negative volume and price effects

→ **EBITDA and EBIT declined y-o-y**

South East Europe



Key energy business indicators	Q. 1 2019/20 GWh	+/- %
Electricity generation volumes	101	-4.3
Network distribution volumes	3,483	-5.3
Electricity sales volumes	2,940	-5.3
Heat sales volumes	61	-17.8

Financial performance	Q. 1 2019/20 EURm	+/- %
Revenue	238.6	3.3
EBITDA	33.3	44.5
EBIT	15.5	-

- **Network and energy sales volumes declined y-o-y**
 - Significantly milder temperatures
- **Improvement in EBITDA and EBIT**
 - Reduction in procurement costs for network losses in Bulgaria

Financial performance	Q. 1 2019/20 EURm	+/- %
Revenue	36.9	82.5
EBITDA	5.5	-33.8
EBIT	2.5	-55.0
Financial results	-1.1	1.5
Result before income tax	1.4	-69.1

→ **Higher revenue y-o-y**

- Positive development of international project business

→ **EBITDA and EBIT below prior year**

- Operating expenses up in line with developments of international project business
- Previous year benefited from positive effects in at equity results

Cash flows



	Q. 1 2019/20 EURm	+/- in %
Gross cash flow	140.7	-29.9
Net cash flow from operating activities	-28.9	-
Net cash flow from investing activities	-10.7	62.9
Net cash flow from financing activities	-50.8	-42.3
Net change in cash and cash equivalents	-90.4	-25.4

→ CF from operating activities

- Lower dividends from equity accounted investees

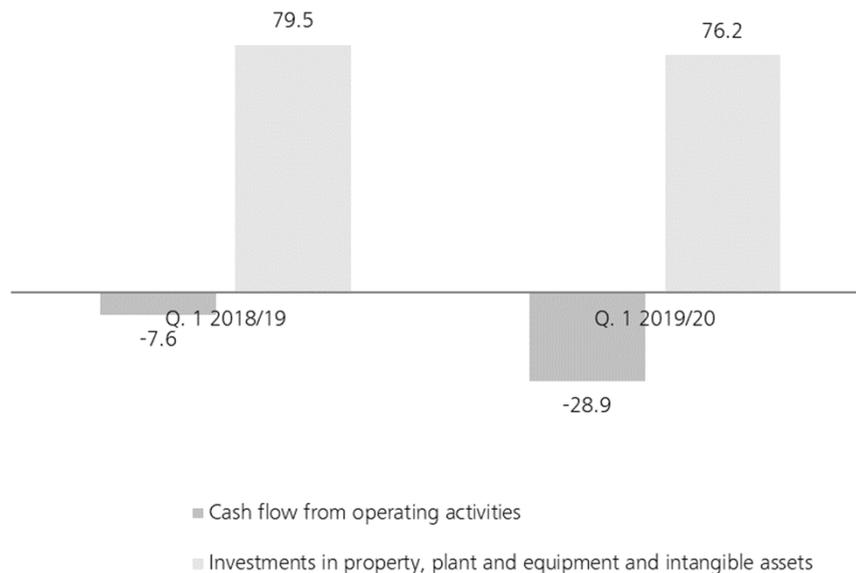
→ CF from investing activities

- Ongoing high investments in regulated and stable activities contrasted by sale of securities held in funds

→ CF from financing activities

- Scheduled repayment of financial liabilities

Cash flow from operating activities and investments (EURm)



Outlook for 2019/20 confirmed



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- Group net result for 2019/20 is expected to range from EUR 200m to EUR 230m
 - Assuming average conditions in the energy business environment
 - 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

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