

EVN conference call Q. 1 2017/18 results

28 February 2018

-
- Increase in renewable generation by 10.5%
 - Favourable wind and water conditions
 - Commissioning of the Oberwaltersdorf windpark in October 2017
 - Dynamic expansion of windpower capacities:
 - Increase from current level of 279 MW to 314 MW in spring 2018 (commissioning of the Sommerein windpark)
 - 370 MW planned by the end of 2019/20 through the realisation of approved projects
 - 500 MW as medium-term target (subject to appropriate framework conditions)
 - Continuing high demand for electricity from thermal generation to support network stability
 - Significantly milder temperatures in Austria, Bulgaria and Macedonia

	Q. 1 2017/18	+/-
	EURm	%
Revenue	590.9	-2.7
EBITDA	231.6	5.4
Depreciation and amortisation	-65.0	1.1
Effects from impairment tests	-0.7	97.6
EBIT	166.0	32.5
Financial results	-11.8	-37.3
Group net result	112.2	17.7
Net cash flow from operating activities	115.4	-
Investments ¹⁾	61.9	3.7
Net debt	1,132.5	-21.0
	%	
Equity ratio ²⁾	49.4	5.6

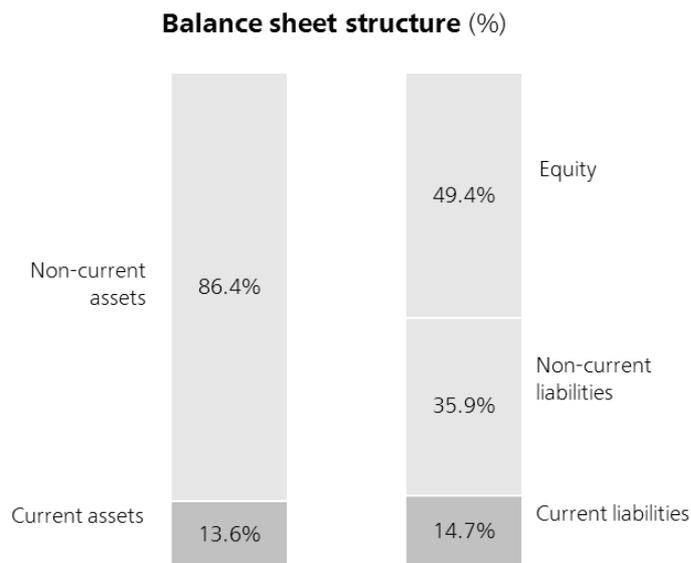
→ Revenue below previous year

- Higher revenue from energy business in Austria
- Temperature-based decrease in revenue in South Eastern Europe and reduced natural gas trading
- Lower revenue from the Environment Segment

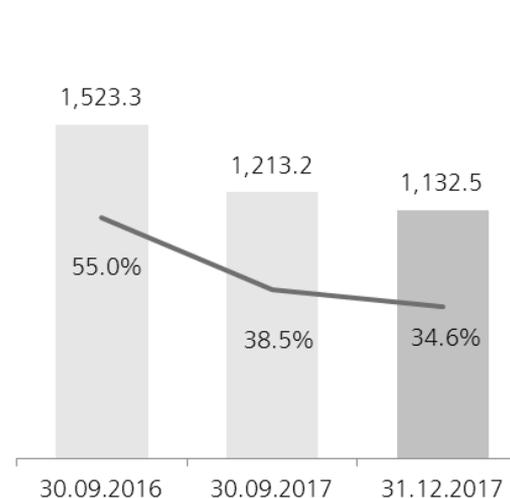
→ Increase in EBITDA, EBIT and Group net result

- Decreased operating expenses
- Improvement in the energy business results
- Impairment loss to planned Gorna Arda hydropower project in previous year

Solid balance sheet structure, reduced net debt

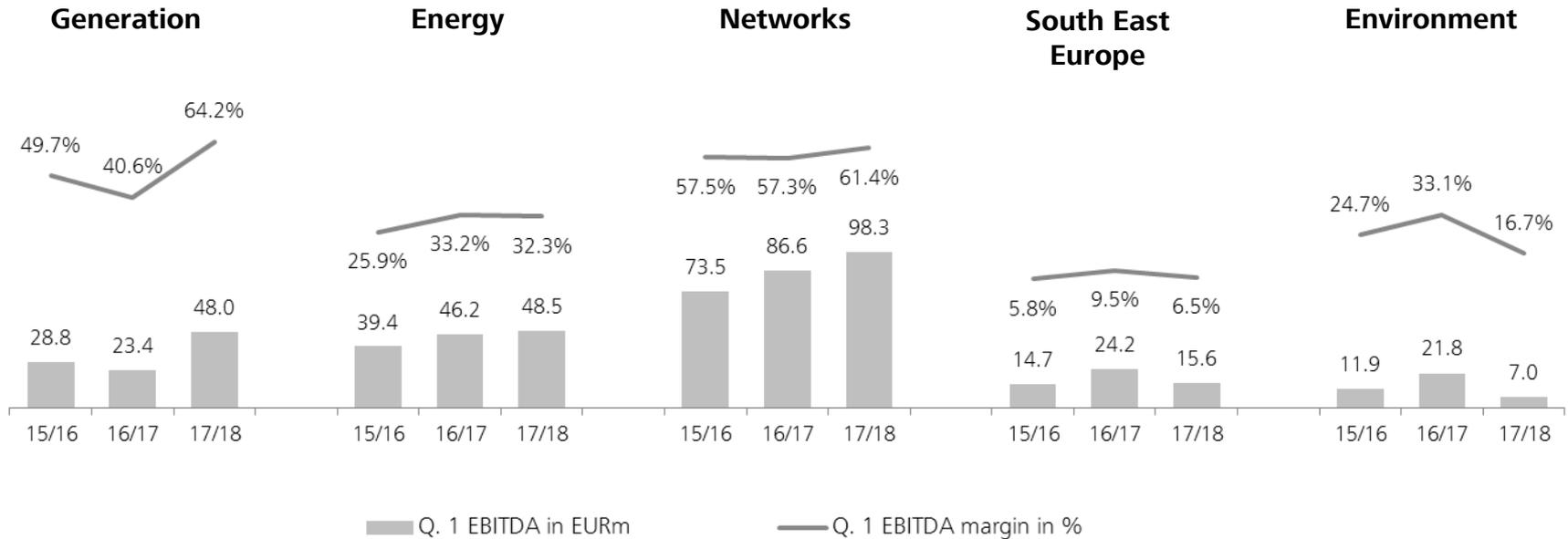


Net debt (in EURm) and Gearing (in %)



- Reduction of net debt to EUR 1,132.5m (30 September 2017: EUR 1,231.2m)
- Gearing decreased from 38.5% to 34.6%

EBITDA development by segments



- Higher renewable generation
- Contractual reserve capacity

- Higher heat sales volumes
- Decline in electricity and natural gas sales volumes

- Weather-related decline in natural gas distribution volumes
- Energy distribution volumes slightly up

- Lower network distribution and sales volumes due to mild temperatures

- Decline in international project business

	Q. 1 2017/18	+/-
Electricity generation volumes	GWh	%
Total	1,493	-13.4
Renewable energy sources	479	13.2
Thermal energy sources	1,014	-22.1
Financial performance	EURm	%
Revenue	74.8	29.9
EBITDA	48.0	-
EBIT	35.8	-

→ Increase in renewable energy production

- Favourable wind and water conditions
- Continuing high demand for electricity from thermal generation to support network stability

→ Increased revenue

- Due to renewable generation and contractual reserve capacities for network stability

→ Higher EBITDA and EBIT

- Impairment loss to planned Gorna Arda hydropower project in prior year

Sales volumes to end customers	Q. 1 2017/18 GWh	+/- %
Electricity	1,748	-1.1
Natural gas	1,871	-11.2
Heat	660	2.6

→ **Different development of energy sales volumes**

- Increase in heat sales volumes
- Weather-related decline in electricity and natural gas sales volumes

Financial performance	Q. 1 2017/18 EURm	+/- %
Revenue	150.2	8.0
EBITDA	48.5	5.0
EBIT	43.6	5.2

→ **Improvement in EBITDA and EBIT**

- Increased revenue

Network distribution volumes	Q. 1 2017/18 GWh	+/- %
Electricity	2,261	1.3
Natural gas ¹⁾	5,864	-4.3

Financial performance	Q. 1 2017/18 EURm	+/- %
Revenue	160.1	5.9
EBITDA	98.3	13.6
EBIT	68.8	18.5

1) Including network sales to EVN's power stations

→ **Increase in electricity and temperature-related decline in natural gas network distribution volumes**

→ **EBITDA and EBIT above prior year**

- Price effects
- Lower operating expenses

→ **New regulatory period for natural gas distribution networks as of 1 January 2018**

Key energy business indicators	Q. 1 2017/18 GWh	+/- %
Electricity generation volumes	100	-21.3
Network distribution volumes	3,611	-3.1
Electricity sales volumes	3,037	-8.6
Heat sales volumes	68	-16.3

Financial performance	Q. 1 2017/18 EURm	+/- %
Revenue	239.9	-6.1
EBITDA	15.6	-35.6
EBIT	-0.2	-

→ **Decreased network and energy sales volumes**

– Significantly milder temperatures in Bulgaria and Macedonia

→ **Decline in EBITDA and EBIT**

	Q. 1 2017/18	+/-
Financial performance	EURm	%
Revenue	41.8	-36.5
EBITDA	7.0	-67.8
EBIT	1.2	-92.3
Financial results	-0.3	-
Result before income tax	0.9	-94.1

→ **Decline in revenue**

- Lower revenue from international project business

→ **Decreased EBITDA and EBIT**

- Driven by international project business

	Q. 1 2017/18	+/-
	EURm	in %
Gross cash flow	233.1	17.2
Net cash flow from operating activities	115.4	–
Net cash flow from investing activities	-163.2	–
Net cash flow from financing activities	-10.1	71.0
Net change in cash and cash equivalents	-57.9	–

→ Rise in operating cash flow

- Changes in working capital
- Prior year negatively affected by the arbitration decision for Walsum, however corresponding positive effect was contained in cash flow from investing activities

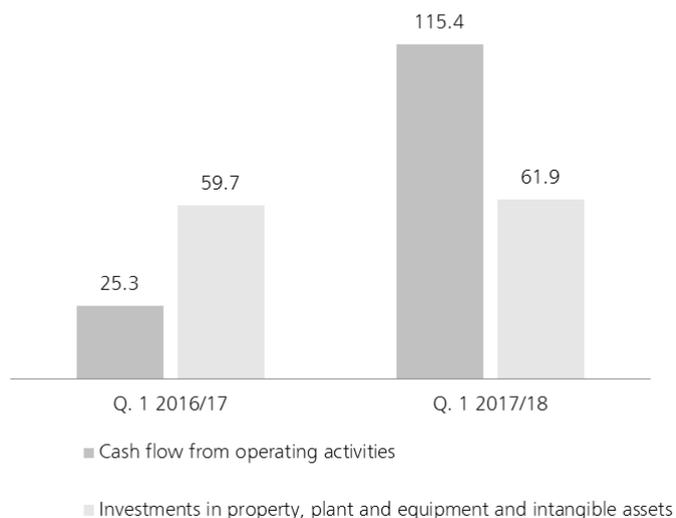
→ Cash flow from investing activities

- Main focus on grids

→ Cash flow from financing activities

- Scheduled repayments of loans

Cash flow from operating activities and investments (EURm)



-
- Group net result for 2017/18 should return to a normal level that reflects the average of the 2015/16 and 2016/17 financial years
 - Outlook assumes average conditions in the energy business environment
 - Factors that could influence the Group net result include
 - The regulatory background – especially in South Eastern Europe
 - The proceedings currently in progress in Bulgaria
 - The remaining proceedings over the Walsum 10 power plant project
 - The progress on activities in Moscow
 - Presentation of HY. 1 2017/18 results
 - 30 May 2018

→ Stefan Szyszkowitz, CEO

→ IR contact partners:

- Gerald Reidinger
- Matthias Neumüller
- Doris Lohwasser
- Karin Krammer

→ IR contact details

- E-mail: investor.relations@evn.at
- Phone: +43 2236 200-12128
- Phone: +43 2236 200-12473
- Phone: +43 2236 200-12867

→ Information on the internet

- www.evn.at
- www.investor.evn.at
- www.responsibility.evn.at

→ Headquarters of EVN AG

- 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.