



EVN conference call FY 2018/19 results

12 December 2019

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- Group net result: EUR 302.4m
 - Incl. positive valuation effects of ~EUR 110m after tax
 - Sound earnings contributions from wind power and South East Europe Segment
 - Negative factors in FY 2018/19 as predicted:
rising wholesale prices; reduced volume of network stabilisation;
price and volume effects in the Networks Segment
 - Expansion of wind power capacity to 367 MW installed capacity
 - Investments: EUR 391.4m
 - Focus on stable and regulated activities in Lower Austria
 - Dividend proposal: EUR 0.50 per share¹⁾

1) EUR 0.47 + 0.03 bonus per share

Non-cash, non-recurring effects in FY 2018/19



- Positive valuation effects of ~EUR 110m after tax
 - Effects from impairment tests (triggered by lower market interest rates and higher electricity prices)
 - Valuation effects from hedges on EVN AG and EVN KG¹⁾
 - Tax effects
- Selected pre-tax effects from impairment testing
 - Electricity procurement rights, renewable generation and district heating assets EUR 35m
 - Customer bases in Bulgaria and North Macedonia EUR 23m
 - Verbund Innkraftwerke¹⁾ EUR 92m
 - Walsum 10 power plant EUR -13m

1) At equity consolidated with operational nature

Key financials in FY 2018/19



	FY 2018/19 EURm	+/- %
Revenue	2,204.0	6.0
EBITDA	631.7	-6.0
Depreciation and amortisation	-269.8	-4.5
Effects from impairment tests	41.6	-
EBIT	403.5	2.7
Financial results	-29.9	19.5
Group net result	302.4	18.8
Net cash flow from operating activities	429.7	-28.8
Investments ¹⁾	391.4	9.8
Net debt	999.5	3.7
	%	
Equity ratio ²⁾	55.6	3.3
	EUR	
Earnings per share	1.70	18.7

→ Different developments in revenue

- Increase in renewable generation and heating business
- Price- and volume-related decline in the Networks Segment

→ Decline in EBITDA

- Negative earnings contribution from EVN KG (higher procurement costs and valuation of hedges)
- Higher contribution from Verbund Innkraftwerke due to valuation effects

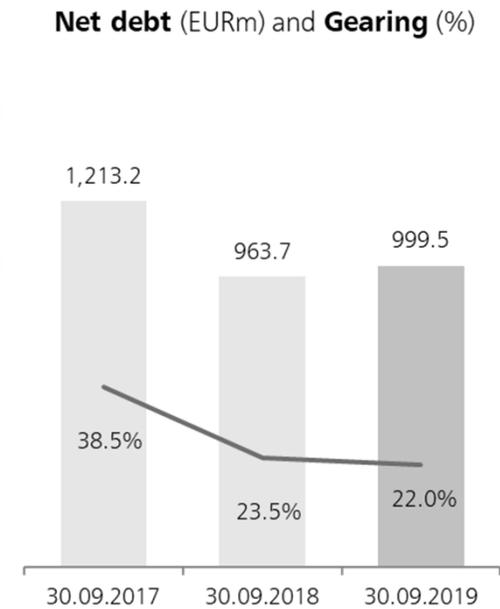
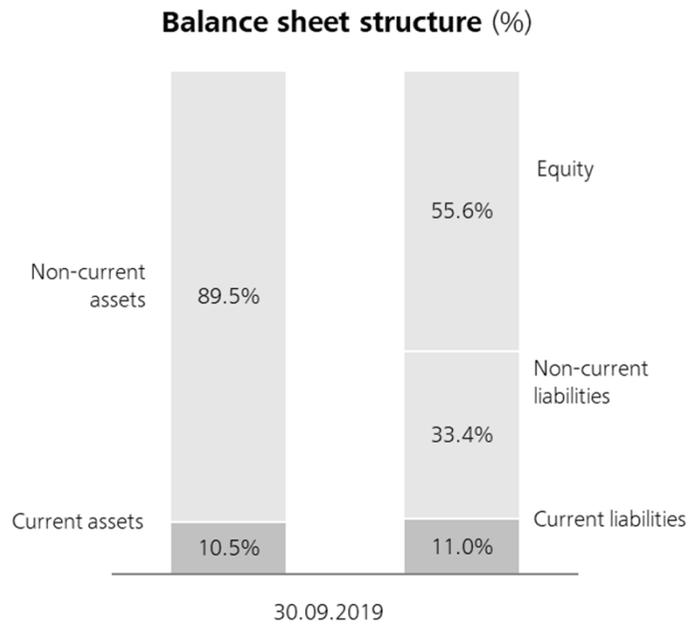
→ EBIT and Group net result above previous year

- Positive effects from impairment testing

¹⁾ In intangible assets and property, plant and equipment

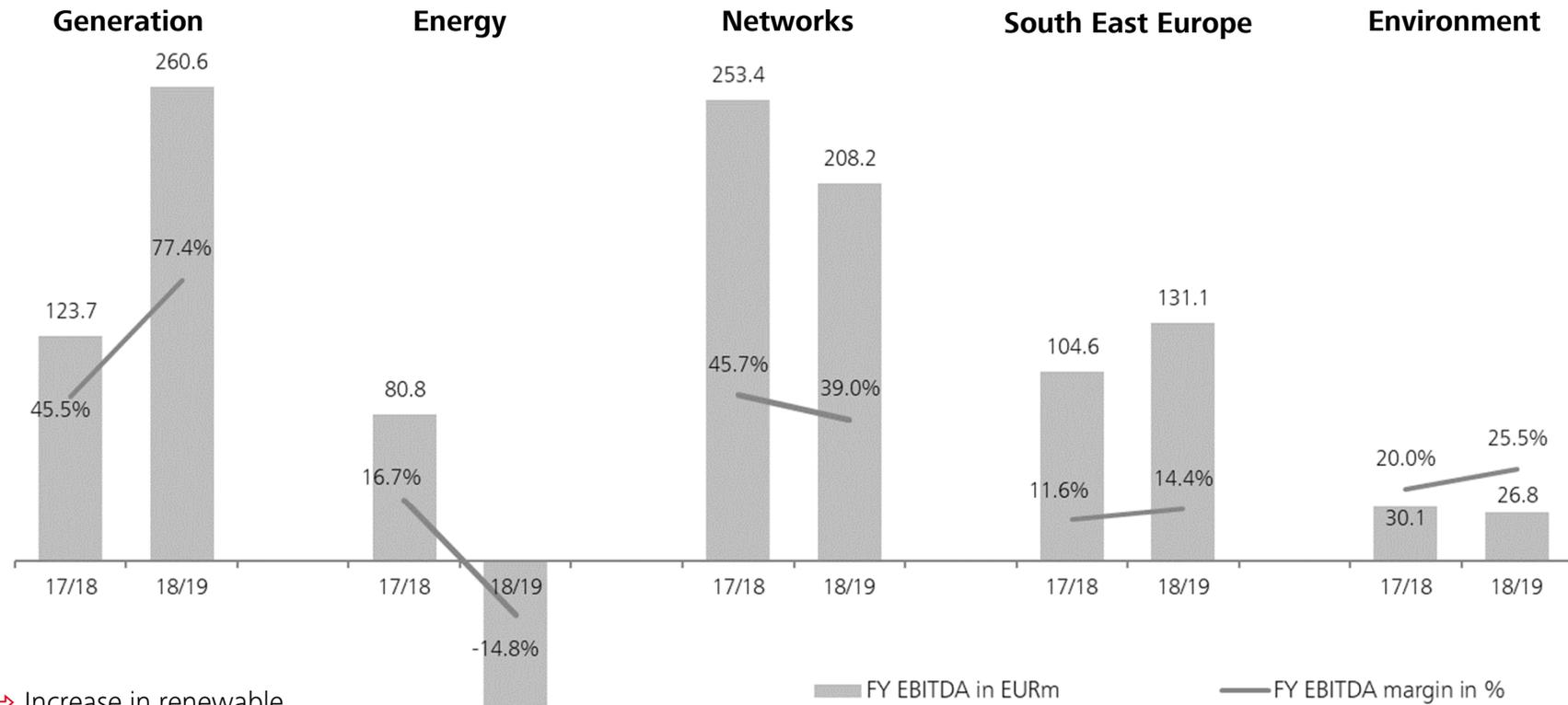
²⁾ Changes reported in percentage points

Solid balance sheet structure



- Net debt fluctuates around EUR 1bn after substantial deleveraging over the past years
- Strong balance sheet as a basis for future investments (~EUR 400m per year)

EBITDA development by segments



- Increase in renewable generation
- Reassignment of the thermal waste utilisation plant to this Segment in Q. 4 2017/18
- Higher earnings contribution from Verbund Innkraftwerke

- Negative impact from supply business (valuation of hedges in EVN KG)

- Negative volume and price effects

- Increase in network and energy sales volumes
- Improved collection rate of receivables

- Reassignment of the thermal waste utilisation plant to the Generation Segment in Q. 4 2017/18

	FY 2018/19	+/-
Electricity generation volumes	GWh	%
Total	4,850	1.2
Renewable energy sources	1,941	9.6
Thermal energy sources	2,909	-3.8
Financial performance	EURm	%
Revenue	336.7	23.7
EBITDA	260.6	-
EBIT	218.4	-

→ **Decline in electricity generation**

- Strong y-o-y increase in wind generation
- 430 MW contractual reserve capacity for network stabilisation (last year: 1,090 MW)

→ **Change in Segment reporting for thermal waste utilisation plant¹⁾**

- Corresponding changes in p&I

→ **EBITDA and EBIT above previous year**

- Higher earnings contribution from Verbund Innkraftwerke (due to better performance and revaluation)

1) The thermal waste utilisation plant in Zwentendorf/Dürnrohr that was previously held in the Environment Segment was assigned to the Generation Segment beginning with Q. 4 2017/18

Sales volumes to end customers	FY 2018/19 GWh	+/- %
Electricity	7,941	12.2
Natural gas	4,974	-2.2
Heat	1,987	-1.2

Financial performance	FY 2018/19 EURm	+/- %
Revenue	573.5	18.9
EBITDA	-85.0	-
EBIT	-97.2	-

→ **Different development of energy sales volumes**

- Higher electricity sales volumes
- Decline in natural gas and heat sales volumes mainly due to milder weather

→ **EBITDA and EBIT below previous year**

- Sales activities in EVN KG (at equity consolidated with operational nature) suffered from valuation of hedges and higher procurement costs

Network distribution volumes	FY 2018/19 GWh	+/- %
Electricity	8,511	-0.6
Natural gas ¹⁾	15,838	-6.4

Financial performance	FY 2018/19 EURm	+/- %
Revenue	534.0	-3.7
EBITDA	208.2	-17.8
EBIT	82.9	-41.9

→ **Decline in network distribution volumes**

- Slight decline in electricity
- Natural gas affected by reduced use of natural gas-fired power plants and warmer weather

→ **Tariff reductions in 2019**

- New regulatory periods provide for lower WACC

→ **Revenue below previous year**

- Negative volume and price effects

South East Europe



Key energy business indicators	FY 2018/19 GWh	+/- %
Electricity generation volumes	425	10.3
Network distribution volumes	14,223	1.9
Electricity sales volumes	11,983	5.7
Heat sales volumes	209	0.8

Financial performance	FY 2018/19 EURm	+/- %
Revenue	910.7	0.9
EBITDA	131.1	25.3
EBIT	95.9	-

- **Income-neutral change of calculation method for “green electricity mark-up”**
 - Corresponding decrease in revenue and procurement costs
- **Higher network and energy sales volumes**
- **Improvement in EBITDA and EBIT**
 - Improved collection rate of receivables

Financial performance	FY 2018/19 EURm	+/- %
Revenue	105.1	-30.3
EBITDA	26.8	-11.0
EBIT	15.2	63.8
Financial results	-11.7	-12.9
Result before income tax	3.5	-

→ Achievements in international project business

- Commissioning of one wastewater treatment plant each in Croatia and North Macedonia
- Receipt of six new general contractor assignments

→ Change in Segment reporting for thermal waste utilisation plant¹⁾

- Corresponding changes in p&l

1) The thermal waste utilisation plant in Zwentendorf/Dürnrohr that was previously held in the Environment Segment was assigned to the Generation Segment beginning with Q. 4 2017/18

Cash flows



	FY 2018/19	+/-
	EURm	in %
Gross cash flow	550.5	-1.8
Net cash flow from operating activities	429.7	-28.8
Net cash flow from investing activities	-207.1	54.7
Net cash flow from financing activities	-191.0	-24.4
Net change in cash and cash equivalents	31.5	-

→ CF from operating activities

- Changes in working capital

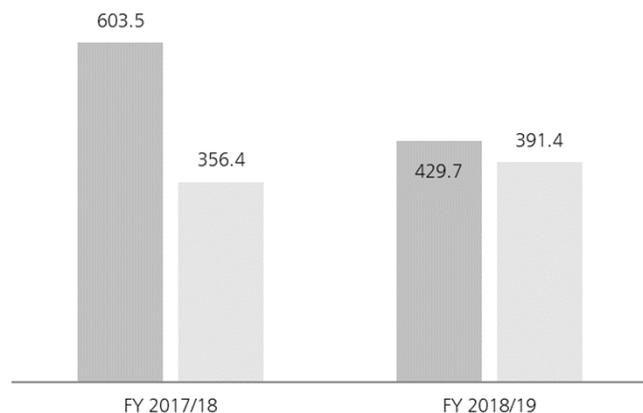
→ CF from investing activities

- Reduction of investments in cash funds and in securities in R 138 fund
- Y-o-y increase of net investments with a focus on regulated and stable activities

→ CF from financing activities

- Dividend payments
- Scheduled repayment of financial liabilities

Cash flow from operating activities and investments (EURm)



- Cash flow from operating activities
- Investments in property, plant and equipment and intangible assets

Outlook for 2019/20



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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
 - Y-o-y decline due to positive valuation effects of approximately EUR 110m after tax in 2018/19
 - Operating result is therefore expected to remain constant

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