

# EVN Conference Call Q. 1 2014/15 Results

26 February 2015

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- Increase in electricity generation based on full operations in the Duisburg-Walsum power plant and the expansion of renewable energy production
  - Sale of the sodium hypochlorite plant to the Moscow city water supply and wastewater disposal company
  - Group net result exceeds first quarter of previous year
  - Outlook for 2014/15 financial year: Group net profit is expected to exceed 2012/13 level

	EURm	2014/15 Q. 1	+/- in %
Revenue		599.9	8.2
EBITDA		184.8	32.3
EBIT		121.2	53.5
Financial results		-24.4	-33.2
Group net profit		73.1	66.1
Net cash flow from operating activities		92.4	-50.4
	EUR		
Earnings per share		0.41	66.2

## Higher revenue than in the previous year

- Full operations in the Duisburg-Walsum power plant
- Group's natural gas marketing activities
- Recent price decisions in SEE
- Thermal waste utilisation in Austria

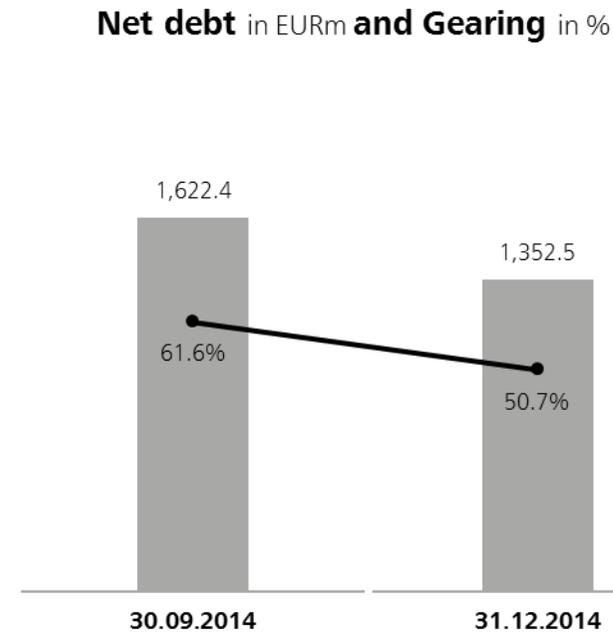
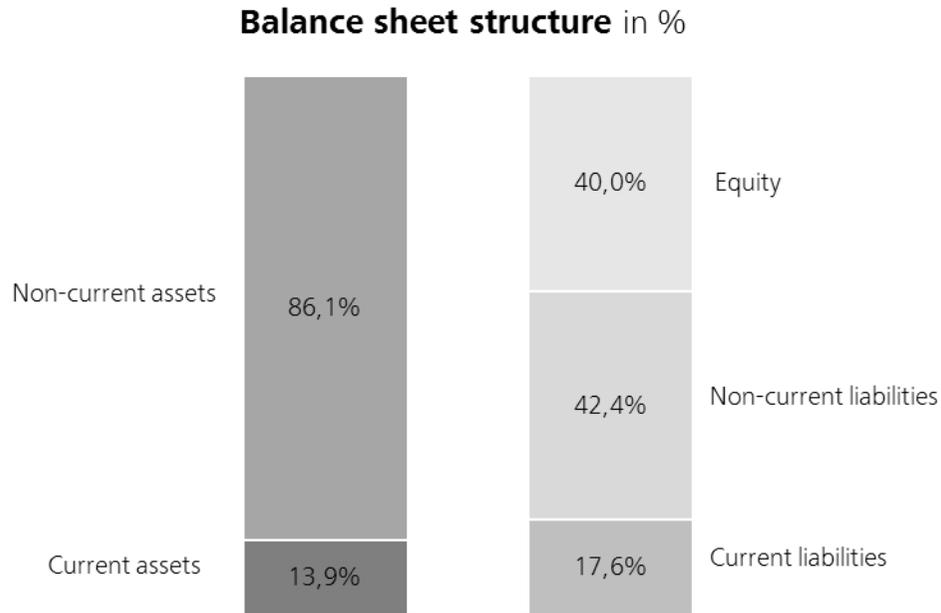
## Increase in EBITDA and EBIT

### Financial results declined

- Termination of the hedge for the financing of the sold sodium hypochlorite plant and
- Costs for the related investment guarantee from the Federal Republic of Germany

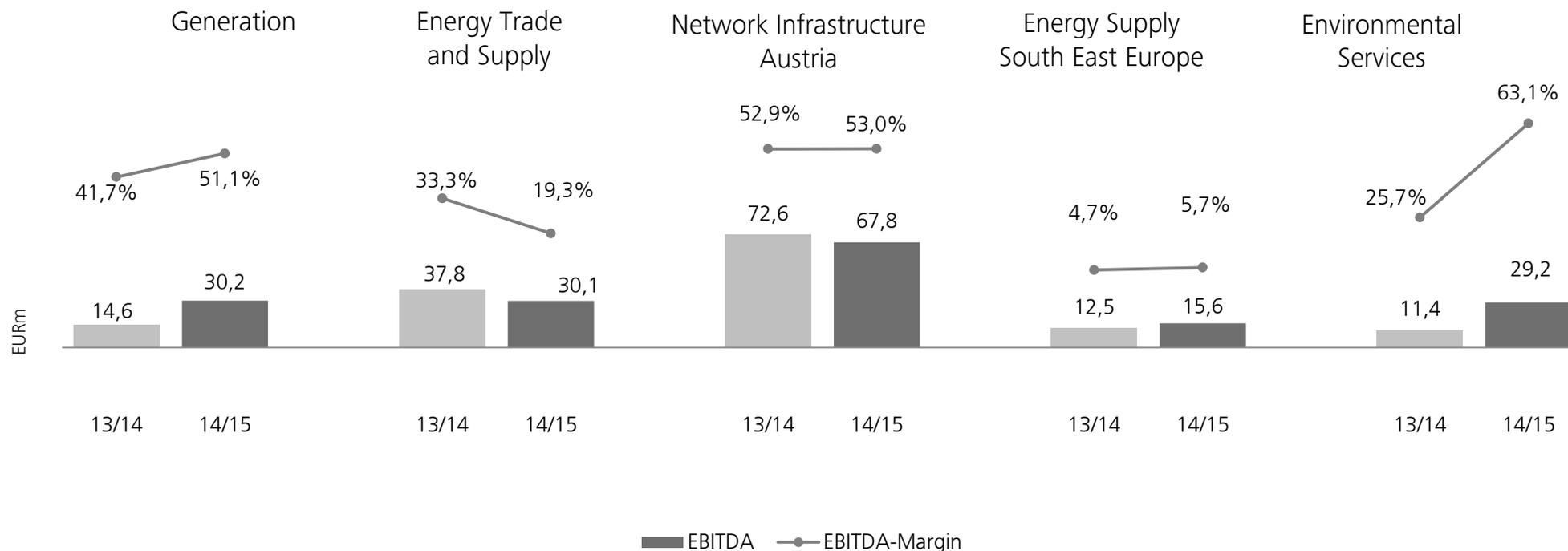
### Decline in cash flow from op. activities

- resulted from an increase in working capital



- Equity ratio 40.0%
- Net debt declined by EUR 269.9m to EUR 1,352.5m (compared to 30.09.2014)
- Gearing fell from 61.6% to 50.7% (compared to 30.09.2014)

# EBITDA development by segments



- **Generation:** increased by full operations of the Duisburg-Walsum power plant
- **Energy Trade and Supply:** Temperature-related decrease of sales volumes
- **Network Infrastructure Austria:** temperature-related decline in natural gas distribution volumes
- **Energy Supply South East Europe:** positive volume and price effects
- **Environmental Services:** Sale of sodium hypochlorite plant and higher revenue from thermal waste utilisation

		2014/15 Q. 1	+/- in %
<b>Electricity generation volumes</b>			
	GWh		
Total		1,165	44.9
Renewable energy sources		401	-1.6
Thermal energy sources		764	93.0
<b>Financial performance</b>			
	EURm		
Revenue		59.1	68.5
EBITDA		30.2	-
EBIT		16.8	-

**Production increased by full operations at the Duisburg-Walsum power plant**

**Production from renewable energy sources**

- Decrease due to higher water flows in the previous year
- Increase due to full operations at the Prellenkirchen wind park

**Higher EBITDA and EBIT**

- Higher revenue, operating expenses as well as depreciation and amortisation related to full operations in the Duisburg-Walsum power plant

## End customer price adjustment<sup>1)</sup>

Electricity and gas	1.10.2014	-10%
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## Sales volumes to end customers

	GWh	2014/15 Q. 1	+/- in %
Electricity		1,805	-3.9
Natural Gas		1,786	-13.0
Heat		565	-4.1

## Financial performance

	EURm		
Revenue		155.7	37,1
EBITDA		30.1	-20.4
EBIT		25.9	-23.7

## Development of sales volumes

- Higher electricity sales to industrial customers; temperature-related decline in household segment
- Temperature-related drop in sales volumes of natural gas and heat

## Revenues and operating expenses rose

- Lower revenues from heat sales were offset by the sale of production from the Duisburg-Walsum power plant
- Increase in natural gas trading activities

## Decrease in EBITDA and EBIT

- Weather-related lower sales volumes
- Effects from the average 10% reduction in end customer electricity prices

1) Average, household sector (source: EVN)

<b>Tariff structures<sup>1)</sup></b>			
Electricity	1.1.2014	-9.0%	
Natural gas	1.1.2014	+7.7%	

<b>Network distribution volumes</b>		<b>2014/15 Q. 1</b>	<b>+/- in %</b>
	GWh		
Electricity		2,104	0.2
Natural gas <sup>2)</sup>		4,464	-6.4

<b>Financial performance</b>			
	EURm		
Revenue		127.9	-6.8
EBITDA		67.8	-6.7
EBIT		42.4	-10.8

## Development of distribution volumes

- Electricity distribution volumes at prior year level
- Weather-related decline in natural gas distribution volumes

## Decrease in EBITDA and EBIT

- Due to lower revenue in gas distribution volumes
- Higher revenue in cable TV and telecommunication services
- Lower operating expenses

1) Average, according to the regulator in Austria (E-Control)

2) Including network sales to EVN's power stations

<b>End customer price adjustments<sup>1)</sup></b>			
Bulgaria	electricity	1.10.2014	9.7%
	heat	1.7.2014	5.1%
Macedonia	electricity	1.7.2014	3.5%

<b>Key energy business indicators</b>	GWh	<b>2014/15 Q. 1</b>	<b>+/- in %</b>
Electricity generation volumes		120	17.6
Network distribution volumes <sup>2)</sup>		3,507	2.2
Heat sales volumes to end customers		72	11.8

<b>Financial performance</b>	EURm		
Revenue		274.1	3.9
EBITDA		15.6	24.7
EBIT		0.4	-

## Rise in electricity generation volumes

→ Good water flows in Macedonia

## Sales volumes increased

→ Temperature-related increase (Bulgaria) in network distribution volumes and heat sales volumes

## Increase in EBITDA and EBIT

→ Regulatory environment

→ Continued reduction of network losses

1) Average, household sector, according to the regulators in Bulgaria (SEWRC) and Macedonia (ERC)

2) In Bulgaria and Macedonia energy sales volumes fairly equal present network distribution volumes

<b>Financial performance</b>	EURm	<b>2014/15</b>	<b>+/- in %</b>
Revenue		46.2	3.8
EBITDA		29.2	–
EBIT		22.5	–
Financial results		–9.7	–
Profit before income tax		12.7	–

## EBITDA and EBIT

- Sale of the sodium hypochlorite plant
- Positive impact from thermal waste utilisation in Lower Austria

## Drop in financial results

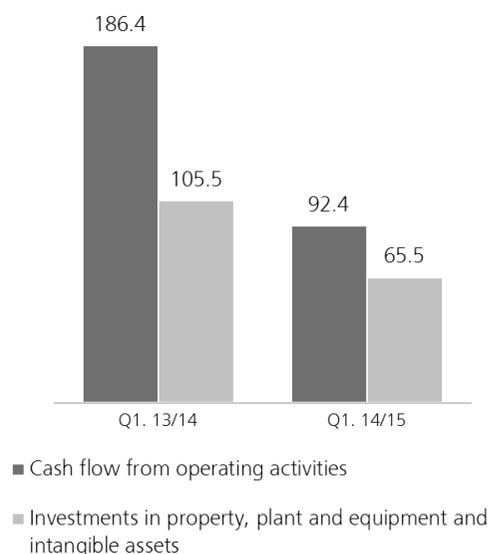
- Due to the termination of the hedge and investment guarantee related to the sodium hypochlorite plant
- Lower interest margin on completed projects

## Business development

- Signing of the contract for the expansion of the Zalau wastewater purification plant in Romania
- Commissioning process started for the waste water purification plants in Larnaca and Krakow
- Construction of natural filter plants in Lower Austria

	EURm	<b>2014/15 Q. 1</b>	<b>+/- in %</b>
Gross CF		166.6	21.7
Net CF from operating activities		92.4	-50.4
Net CF from investing activities		60.9	-
Net CF from financing activities		-192.8	-
Net change in cash and cash equivalents		-39.4	-

**Cash flow from operating activities and investments**  
in EURm



## Increase of gross cash flow

- Increase in the result before income tax
- Decline in the non-cash earnings components from equity accounted investees
- Increase in non-current provisions

## Decline in net cash flow from operating activities

- Working capital effect

## Higher cash flow from investing activities

- Sale of the sodium hypochlorite plant

## Decrease in net cash flow from financing activities

- Repayment of the financing for the sodium hypochlorite plant
- Scheduled repayments

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- Group net profit 2014/15 is expected to exceed 2012/13 level
  
  - Investment focus on Lower Austria
    - Electricity and gas networks
    - Renewable Energy (wind power)
    - Water supplies
  
  - EVN's strategy:
    - Integrated business model
    - Consolidation of existing business in core markets
    - Increase of efficiency

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