



**EVN conference call
HY. 1 2023/24 results**

29 May 2024

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- Solid business development in HY. 1 2023/24
 - Significantly mild weather conditions in all three markets
 - Increase in electricity production from renewables due to favourable wind and water conditions
 - Changes in consumer behaviour including a shift towards prosumers
 - Decline in wholesale prices for electricity and energy carriers

 - Substantial progress in expansion of renewable generation
 - Wind power capacities at 478 MW and photovoltaics capacities at ~80 MWp as of reporting date

 - Investment programme of EUR 700m to EUR 900m per year by 2030
 - Focal points: network infrastructure, renewable generation and drinking water supplies
 - Thereof ~3/4 in Lower Austria

Key financials HY. 1 2023/24



	HY. 1 2023/24	+/-
	EURm	%
Revenue	1,805.1	-17.7
EBITDA	453.0	-2.9
Depreciation and amortisation	-171.3	-5.3
Effects from impairment tests	-0.1	-
EBIT	281.6	-7.3
Financial results	-25.1	8.8
Group net result	199.3	-8.3
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Net cash flow from operating activities	414.9	-
Investments ¹⁾	258.9	18.0
Net debt	1,357.6	-22.4
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	%	
Equity ratio ²⁾	61.0	3.7
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	EUR	
Earnings per share	1.12	-8.3

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

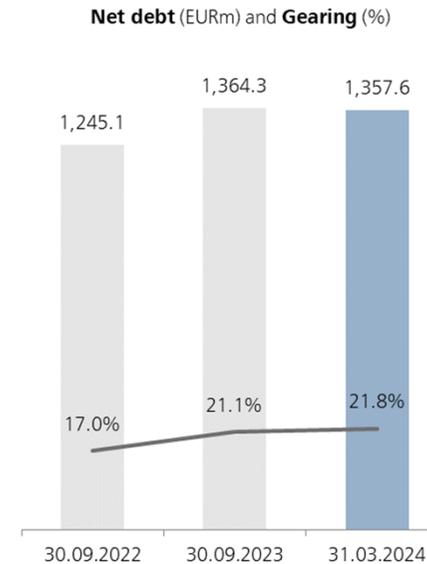
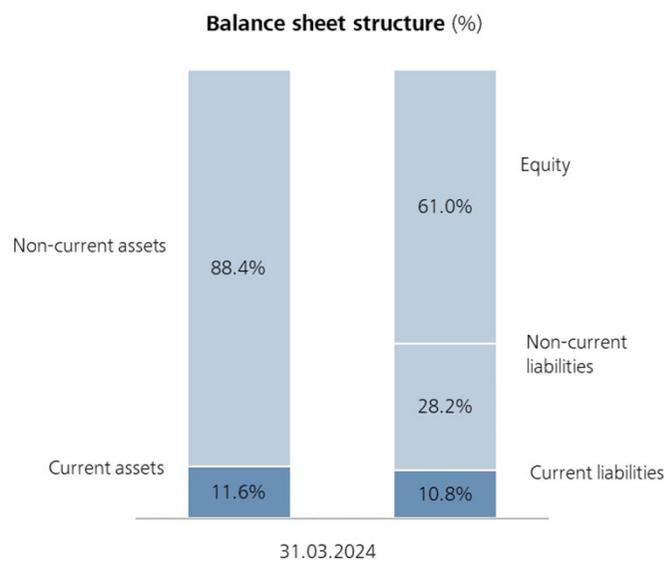
→ Decline in revenue

- Lower valuation effects from hedges caused by downward trend in wholesale prices in Austria
- Reduced use of natural gas-fired power plant Theiss
- Negative volume and price effects in natural gas network distribution sales
- South Eastern Europe negatively affected by lower electricity prices and reduced network tariffs in Bulgaria
- Lower contribution from international project business caused by largely completed Kuwait-project

→ EBITDA, EBIT and Group net result below prior year

- Procurement costs decreased y-o-y
- Higher personnel expenses
- Results from at equity accounted investees improved, but negative (EUR –42.9m; prior year: EUR –143.3m)
- Financial results improved y-o-y

Solid balance sheet structure



- Strong balance sheet is the basis for EVN's ambitious investment programme
- Net debt roughly at the level of balance sheet date 30.09.2023
- EVN's ratings with Moody's (A1, stable) and Scope (A+, stable) recently reconfirmed

Sales volumes to end customers	HY. 1 2023/24	+/-
	GWh	%
Electricity ¹⁾	3,457	-17.4
Natural gas ¹⁾	2,414	-26.6
Heat	1,293	-13.1

Financial performance	HY. 1 2023/24	+/-
	EURm	%
Revenue	454.2	-26.3
EBITDA	-53.6	-15.7
EBIT	-66.3	-16.1

¹⁾ Mainly sales volumes from EVN KG and EnergieAllianz in Austria and Germany; the results from these two sales companies are included in EBITDA under the share of results from equity accounted investees with operational nature.

→ **Drop in electricity, natural gas and heat sales volumes**

- Significantly warmer temperatures y-o-y
- Demanding framework conditions for sales company EVN KG: growing competition, consumers' energy saving efforts and increased generation by customers' own PV equipment

→ **EBITDA and EBIT below prior year**

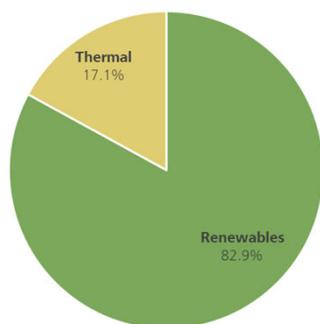
- Revenue decline:
 - Lower wholesale prices and resulting lower valuation effects from hedges
- Operating expenses reduced:
 - Lower expenses from electricity purchases from third parties
- Negative earnings contribution from EVN KG (HY. 1 2023/24: EUR -128.5m; prior year: EUR -223.1m)

Renewable generation

	HY. 1 2023/24	+/-
Electricity generation volumes	GWh	%
Total	1,410	18.1
Renewable energy sources	1,281	33.6
Thermal energy sources	129	-44.9

	HY. 1 2023/24	+/-
Financial performance	EURm	%
Revenue	243.9	-3.8
EBITDA	147.1	-4.9
EBIT	123.7	-6.8

Share of EVN's renewable generation
(as of 31.03.2024)



Generation from thermal energy sources include the use of the Theiss power plant by the Austrian network transmission operator for network stabilisation and co-generation plants.

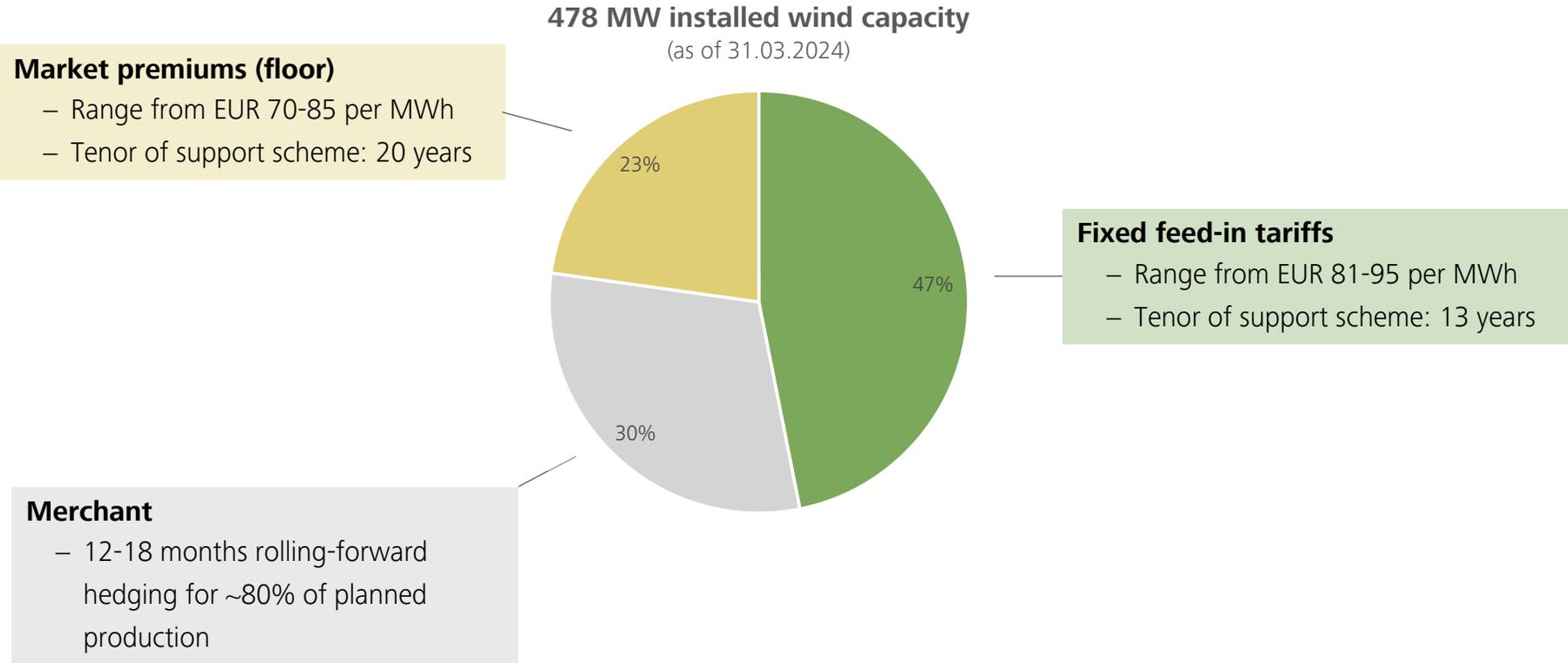
→ Electricity generation above prior year level

- Y-o-y increase in renewable energy generation driven by good wind and water conditions combined with capacity expansion
- Decrease in demand for gas-fired generation to support network stability

→ EBITDA and EBIT above prior year

- Revenue decreased due to declining market prices
- Higher operating expenses related to inflation effects and higher personnel expenses
- Lower energy crisis contribution for electricity
- Higher results from at equity accounted Verbund Innkraftwerke

Remuneration structure of EVN's wind portfolio



Network distribution volumes	HY. 1 2023/24	+/-
	GWh	%
Electricity	4,147	-2.7
Natural gas ¹⁾	7,555	-6.8

Financial performance	HY. 1 2023/24	+/-
	EURm	%
Revenue	367.0	2.8
EBITDA	177.8	13.8
EBIT	94.8	14.4

¹⁾ Including network sales to EVN's power stations

→ Decline in electricity and natural gas network sales volumes

- Warmer temperatures y-o-y as well as consumers' energy saving efforts and expansion of customer-operated PV equipment
- Lower use of power plants for network stabilisation led to reduced gas distribution volumes despite increased volumes from industrial customers

→ Increase in revenue

- Positive effects from electricity compensated decrease in revenue from natural gas
- Positive revenue contribution from cable TV, internet and telecommunications

→ EBITDA and EBIT above prior year

Key energy business indicators	HY. 1 2023/24	
	GWh	+/- %
Electricity generation volumes	234	-7.5
Network distribution volumes	7,678	4.1
Electricity sales volumes	5,986	0.0
Heat sales volumes	140	-1.5

Financial performance	HY. 1 2023/24	
	EURm	+/- %
Revenue	746.5	-17.2
EBITDA	116.0	-1.4
EBIT	74.8	-3.9

- **Electricity generation volumes lower y-o-y**
 - Water flows in North Macedonia above long-term average but below prior year
 - Generation volumes from photovoltaics doubled y-o-y
- **Increased network distribution volumes, energy sales volumes nearly on prior year**
 - Mild weather conditions, especially in Bulgaria
 - Higher network distribution volumes
- **EBITDA and EBIT below prior year**
 - Revenue decreased y-o-y due to declining electricity prices and lower network tariffs in Bulgaria
 - Operating expenses decreased (decrease in costs for third party electricity purchases, energy carriers and gas procurement)

	HY. 1 2023/24	+/-
Financial performance	EURm	%
Revenue	209.3	-21.8
EBITDA	10.6	-70.1
EBIT	-1.2	-
Financial results	-13.0	5.1
Result before income tax	-14.2	-

→ **Decrease in EBITDA, EBIT and result before income tax**

- Completion of wastewater treatment plant in Kuwait as main impact for decline in revenue and operating expenses
- ~2/3 of wastewater treatment infrastructure at the Kuwait project has already been completed
- Impairment loss for outstanding receivables of EUR 22.5m from the Budva-project in Q. 1 2023/24
- Earnings contribution from equity accounted investees below prior year

→ **9 projects under construction**

- Germany, Poland, Romania, North Macedonia, Bahrain, Kuwait

Cash flows



	HY. 1 2023/24	+/-
	EURm	in %
Gross cash flow	518.3	-18.3
Net cash flow from operating activities	414.9	-
Net cash flow from investing activities	49.7	-
Net cash flow from financing activities	-446.3	-
Net change in cash and cash equivalents	18.2	-

→ Lower gross cash flow

- Lower earnings recorded in the reporting period
- Non-cash earnings components
- Higher dividends from equity accounted investees

→ Rise in CF from operating activities

- Working Capital related increase
- Liquidity settlement for EVN KG and related capital commitment for working capital in previous year

→ Positive CF from investing activities

- Higher construction and network subsidies in the network and heating business
- Cash in from sale of cash funds
- Investments in property, plant & equipment remain high

→ Reduced CF from financing activities

Outlook for 2023/24 financial year confirmed



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- Group net result for 2023/24 is expected to range from EUR 420m to EUR 460m
 - Under the assumption of a stable regulatory and energy policy environment
 - Earnings contribution from Verbund at the amount of 182 million euros

 - EVN's dividend policy reflects investment and growth perspectives up to 2030 and beyond
 - Dividend of at least EUR 0.82 per share
 - Appropriate shareholders' participation in any additional earnings growth
 - Payout ratio – in the mid-term – equaling 40% of Group net result (adj. for extraordinary effects)

 - Annual investments will range from EUR 700m to EUR 900m up to 2030
 - Core areas: networks, renewable generation and drinking water supplies

Appendix

Regulated business in Austria



Network	Electricity	Natural gas	Comments
Regulatory authority			
Start of the regulatory period	01.01.2024	01.01.2023	
Next regulatory adjustment	01.01.2029	01.01.2028	Adjustment of WACC and productivity factors
Duration of the regulatory period	5 years	5 years	
Regulatory method	Revenue caps	Revenue caps	
RAB (EURm)	Annually adjusted	Annually adjusted	Annual investments are added to the RAB in the following year
WACC (pre-tax, nominal)	<ul style="list-style-type: none"> – New RAB: 6.33% – Existing RAB of DSO with average efficiency: 4.16% 	<ul style="list-style-type: none"> – New RAB: 4.88% – Existing RAB of DSO with average efficiency: 3.72% 	Set for length of regulatory period Higher WACC for existing RAB of DSO with above-average efficiency (such as EVN/Netz NÖ)
General productivity factor	0.40%	0.40%	Gains from cost reductions remain with the company during the regulatory period
Inflation	Annual adjustment	Annual adjustment	Network operator price index consists of consumer price index and wage increase index

Segment outlook for 2023/24



Segments	Outlook 2023/24	Adjusted Outlook 2023/24	Comments
 Energy	↑	↗	<p>Segment outlook adjusted:</p> <ul style="list-style-type: none"> – The write-down of natural gas inventories required as of 31 March 2024 and the challenging framework conditions will have a negative impact on the sales company EVN KG – The return to a positive earnings level of EVN KG, originally expected for the financial year 2023/24, will be delayed
 Generation	↘	↘	<p>Segment outlook confirmed:</p> <ul style="list-style-type: none"> – EBIT expected to be slightly below prior year's level – Under the assumption of wind and water flows corresponding to the long-term average – Ongoing decline in electricity prices
 Networks	↘	↘	<p>Segment outlook confirmed:</p> <ul style="list-style-type: none"> – EBIT expected to be below the previous year – Lower WACC in the new regulatory period for electricity distribution network expected – End customers' ongoing efforts to reduce energy consumption and negative macroeconomic effects
 South East Europe	↓	↓	<p>Segment outlook confirmed:</p> <ul style="list-style-type: none"> – EBIT expected to be below previous year at the upper range of EUR 70m to EUR 90m – Offsetting of regulatory compensation for additional costs for covering network losses which contributed to the unusually high segment results in 2022/23
 Environment	→	↘	<p>Segment outlook adjusted:</p> <ul style="list-style-type: none"> – Earnings expected to be below prior year's level – Earnings dependent on the respective progress on international projects
 All other Segments	↓	↗	<p>Segment outlook adjusted:</p> <ul style="list-style-type: none"> – Higher dividend payout by Verbund AG (recognised in financial result) – Decline in the operating result contribution of equity-accounted investments Burgenland Energie and RAG, which started from a high level in the previous year.

Previous outlook as of 14th December 2023; Adjusted outlook as of 29th May 2024

Conference call HY. 1 2023/24 results

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No assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved.

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