

CREDIT OPINION

30 April 2024

Update

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RATINGS

EVN AG

Domicile	Maria Enzersdorf, Austria
Long Term Rating	A1
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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EVN AG

Update following rating affirmation

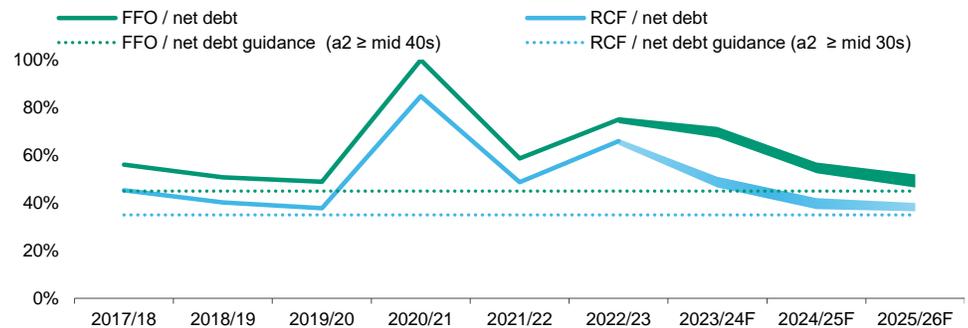
Summary

EVN AG's (A1 stable) credit profile is supported by its high degree of regulated earnings — around half of the group's EBITDA comes from regulated domestic network activities, with very low business risk, and other non-regulated but relatively low-risk utility activities in Lower Austria; its strong competitive position in its core market of Lower Austria, a market characterised by high customer loyalty; its strong financial profile, with its funds from operations (FFO)/net debt averaging 75% in the last three fiscal years, underpinned by its continued prudent financial policy; and its majority ownership by the [State of Lower Austria](#) (Aa1 stable), as required by legislation, resulting in a one-notch uplift to EVN's A1 rating for potential support.

EVN's credit quality is constrained by its significant portion of earnings from activities with increased business risk, particularly its operations in South East Europe (SEE) (typically accounting for around 20% of group EBITDA) and its international projects division, although the group has taken measures to reduce these risks in recent years; and its overall small scale compared with similarly rated peers.

Exhibit 1

We expect EVN to remain comfortably within its ratio guidance through fiscal year 2024



All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are fiscal year-end unless indicated. EVN's financial year ends on 30 September.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

## Credit strengths

- » Around half of the group's earnings are derived from activities with very low (distribution networks in Lower Austria) or relatively low (select multi-utility activities primarily) business risk, which generate stable and predictable cash flow
- » Strong competitive position in the core market of Lower Austria
- » Continued prudent financial policy, despite recent change in dividend policy
- » Majority ownership by the State of Lower Austria, which provides one notch of uplift to the final rating

## Credit challenges

- » Significant portion of earnings derived from activities with high business risk, particularly its operations in SEE (typically accounting for around 20% of group EBITDA) and international projects
- » Significant investment programme, although focused on the regulated and stable business in Lower Austria (primarily distribution networks, onshore wind and water) and supported by a prudent financial policy

## Rating outlook

The stable outlook on EVN's ratings reflects our expectation that EVN will maintain its FFO/net debt at least in the mid-40s and retained cash flow (RCF)/net debt at least in the mid-30s (both in percentage terms) without an increase in business risk.

## Factors that could lead to an upgrade

- » EVN's upwards rating potential is constrained by its business risk concentration driven by the company's small size relative to its European utility peers that we rate; its dependence on prevailing market conditions in its core market of Lower Austria, with Austria accounting for 65%-75% of group EBITDA in recent years; and the fact that a significant portion of group EBITDA is derived from activities carrying a high business risk profile.

## Factors that could lead to a downgrade

- » Downward rating pressure could develop if EVN fails to maintain our ratio guidance of FFO/net debt and RCF/net debt in the mid-40s and mid-30s (both in percentage terms), respectively.
- » Downward rating pressure could also arise if there was a significant deterioration in EVN's business risk, for example, as a result of a change in investment strategy; the operating environment of its high risk activities in SEE and the international projects business; or the composition and size of the international projects business.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2  
EVN AG

	2019	2020	2021	2022	2023	12-18 months forward view
(CFO Pre-W/C) / Net Debt	50.8%	48.9%	100.0%	58.7%	75.0%	55% - 70%
RCF / Net Debt	40.2%	37.8%	84.8%	48.7%	65.9%	40% - 50%
(FFO + Interest Expense) / Interest Expense	10.5x	10.7x	13.2x	17.6x	18.6x	13x - 14.5x

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

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FFO and RCF for financial year 2020/21 include increase in provision, which resulted from the takeover of an additional electricity procurement right contract on the Walsum 10 power plant.

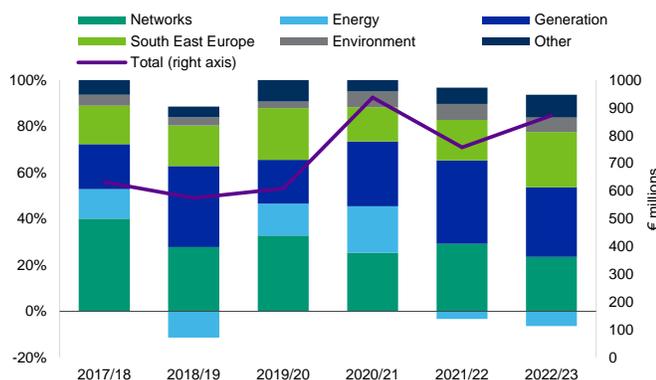
For definitions of Moody's most common ratio terms, please see accompanying [User's Guide](#).

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

## Profile

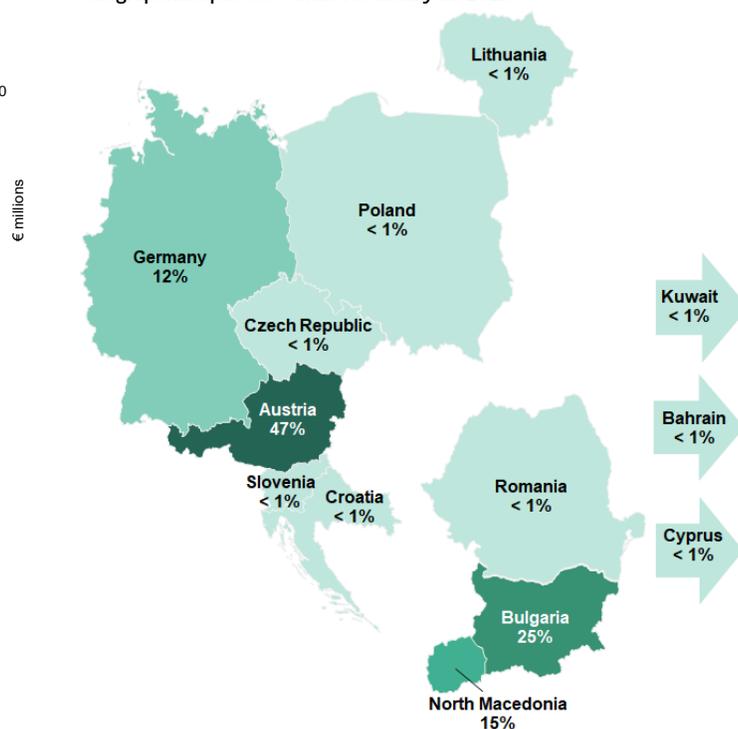
EVN AG is a multi-utility company with a primary focus on the State of Lower Austria, where the company typically generates around half of its revenue and 65%-75% of its EBITDA. EVN is the second-largest electric utility company in Austria, with its energy activities (comprising electricity generation, distribution and supply; gas distribution and supply; and district heat generation and supply) accounting for around 90% of its revenue.

Exhibit 3  
EVN's EBITDA breakdown by business segment



Sources: EVN and Moody's Ratings

Exhibit 4  
Most of EVN's revenue is realised in Austria  
Geographical split of revenue for fiscal year 2023



Sources: EVN and Moody's Ratings

Exhibit 5

**EVN's reporting segments and associated activities**

Business area	Reporting segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy	Procurement of electricity and primary energy carriers, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Networks	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
	South East Europe	Operation of electricity networks and electricity sales to end customers in Bulgaria and North Macedonia, heat generation and sale in Bulgaria, electricity generation in North Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environment	Water supply and wastewater disposal in Austria, as well as an international project business constructing, financing and/or operating plants for drinking water supplies, waste treatment and thermal waste utilisation
Other business activities	All Other Segments	Strategic and other investments, corporate services

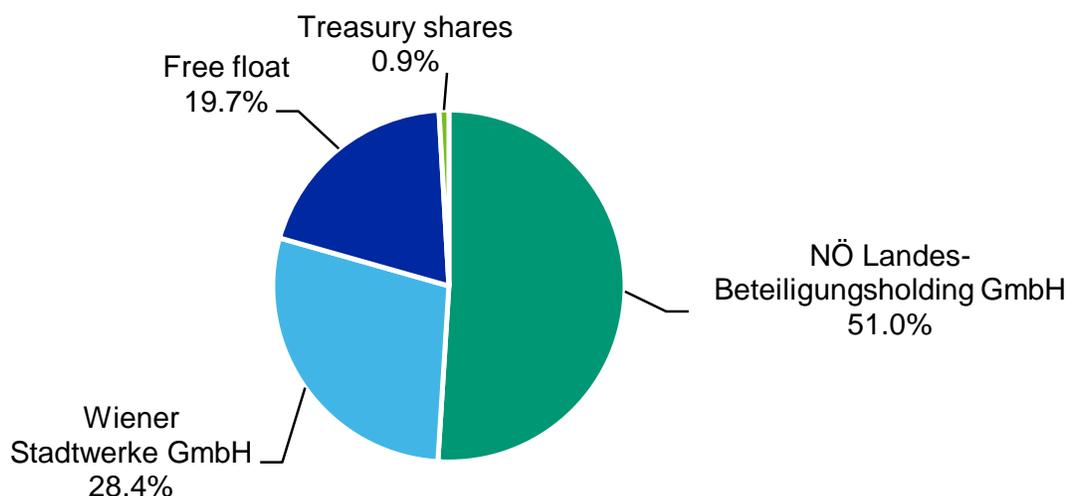
Operation of a thermal waste utilisation plant in Lower Austria (Zwentendorf/Dürnrohr) has been reported under "Generation" since 1 July 2018 (previously in "Environment"). Within "All Other Segments", EVN's main holdings comprise a 12.63% stake in Austria's largest generator [Verbund AG](#) (A3 positive), a 73.63% stake in Burgenland Holding AG (with a 49.00% shareholding in the regional electric and gas utility Energie Burgenland AG) and a 50.03% stake in the Austrian gas storage company RAG Austria AG.

Source: EVN

EVN's main shareholders are the State of Lower Austria (51.0% ownership) and Wiener Stadtwerke GmbH (28.4% stake), with the remainder in free float (19.7%) and treasury shares (0.9%). In mid-April 2024, EVN had a market capitalisation of around €4.5 billion.

Exhibit 6

**State of Lower Austria is EVN's majority shareholder, in accordance with the Austrian federal and provincial constitutional law**  
**Shareholder structure as of 30 September 2023**



NÖ Landes-Beteiligungsholding GmbH is a company owned by the State of Lower Austria (NÖ Holding GmbH is the sole owner of NÖ Landes-Beteiligungsholding GmbH. The State of Lower Austria solely owns NÖ Holding GmbH).

Free float includes shares held by employees.

Source: EVN

## Detailed credit considerations

### Low business risk in domestic network activities, underpinned by a developed regulatory regime

EVN's regulated electricity and gas distribution networks in Lower Austria are the largest contributors to the group's EBITDA, accounting for 25%-30% in recent years. These monopolistic activities are governed by a well-defined and stable regulatory regime

— ex-ante incentive-based regulation has existed for more than 10 years in distribution (since 2006 and 2008 for electricity and gas, respectively) — and thus generate stable and predictable cash flow.

**Allowed returns have diminished, but impact is manageable because of strong operational performance and continued asset base growth**

EVN benefits from cash flow visibility into its distribution operations following regulatory determinations by the Austrian energy regulator (E-Control) for the 2023-27 (gas) and 2024-28 (electricity) regulatory periods.

Austria entered a new regulatory period for gas distribution from 2023 to 2027, which saw allowed returns cut to 3.72% (from 4.88%) on the existing regulated asset base (RAB) and 4.88% (from 5.20%) on the new RAB. This change was largely expected (reflecting a low interest rate environment in previous years, and E-Control using the five-year trailing average of the 10-year government bond to set the risk-free rate).

Starting January of this year, a new regulatory period for electricity distribution has also started and will run through the end of 2028. Although the allowed returns for this period have been cut to 4.16% (from 4.88%) on the existing RAB, similar to gas assets, the returns for new RAB have been raised to 6.33% (from 5.20%). This reflects the more recent increases in the interest rates. The general productivity factor for electricity distribution networks has been lowered to 0.4% and is in line with gas distribution.

EBITDA for EVN's network business in Austria was up by 20% in the first quarter of the current fiscal year 2024 (ending 30 December 2023), mainly reflecting the increase in system network tariffs in the household customer segment despite the decline in distributed volumes. EVN has guided its pre-tax income for the networks segment for the fiscal year to be lower than the year earlier on the back of diminished volumes and reduced allowed returns for existing RAB. However, EVN does not carry any volume risks, and the diminished volumes will be fully recovered with a two-year lag.

Despite the cut in allowed returns for electricity and gas distribution on existing assets, we expect EVN's networks business to demonstrate stable to growing returns over the next three years. This reflects:

- » the incremental income from earning a higher allowed return on its existing assets than the average Austrian Distribution System Operator (DSO) for this period because E-Control has determined that EVN has above-average efficiency, particularly in its gas operations
- » the increased returns on newly built assets for both gas and electricity networks
- » our expectation of outperformance against regulatory cost allowances in this period (0.40% for gas and for electricity, with EVN keeping 100% of any gains)
- » EVN's significant capital spending programme, primarily in electricity (principally associated with smart meters, construction and expansion of transformer stations, and expansion of 110 kilovolt power lines), which will result in growth in distribution RAB of well above 10% per annum over the next few years, offsetting some of the reduction in EBITDA (from increased regulatory return and regulatory depreciation)

Exhibit 7

## Summary of regulatory framework for EVN's Austrian distribution networks

	Electricity (2024-28)	Gas (2023-27)	Comment
Regulatory authority	E-Control	E-Control	
Regulatory period start	1-Jan-24	1-Jan-23	
Regulatory period end	31-Dec-28	31-Dec-27	Adjustment of WACC and cost efficiency parameters
Duration of regulatory period	5 years	5 years	
Regulatory method	Revenue cap	Revenue cap	
Regulated Asset Base	Annually adjusted	Annually adjusted	Annual investments are added to the RAB in the following year
WACC (pre-tax, nominal)	- New RAB 6.33% - Existing RAB of DSO with average efficiency: 4.16%	- New RAB (in 2023) 4.88% - Existing RAB of DSO with average efficiency 3.72%	Set for length of regulatory period Higher WACC for existing RAB of DSOs with above average efficiency (such as EVN/Netz NÖ)
Cost efficiency: general productivity factor	0.40%	0.40%	Gains from cost reductions remain with the company during the regulatory period
Cost efficiency: company specific factor	0% (100%) - 2.931% (80%)	0% (100%) - 2.931% (80%)	Efficiency values shown in parentheses
Inflation	Annual adjustment	Annual adjustment	Network operator price index which consists of consumer price index and wage increase index

Sources: E-Control and Moody's Ratings

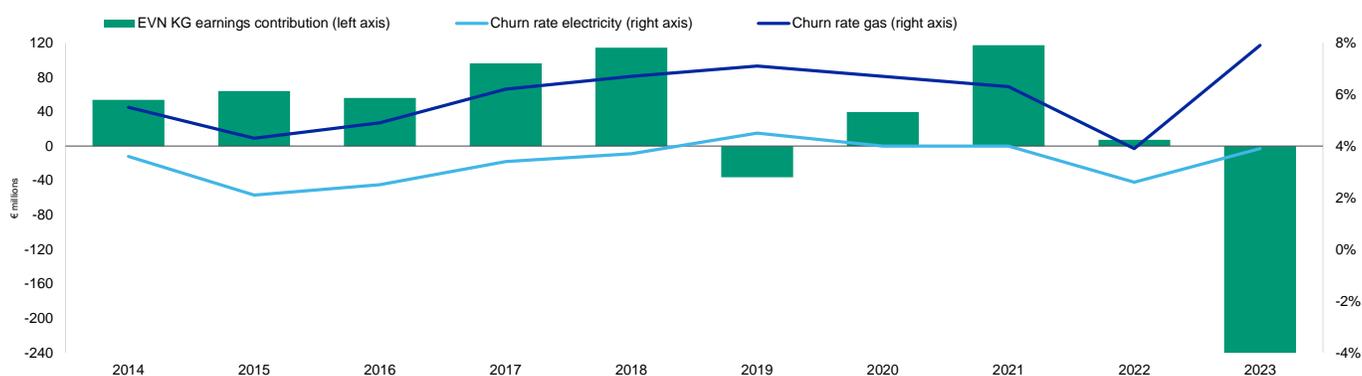
## Strong competitive position in Lower Austria

EVN's strong competitive position in Lower Austria is reflected in its supply market shares of 72% in electricity and 36% in natural gas in the region. These markets are characterised by high customer loyalty, with annual churn rates in the region averaging around 4.0% in electricity and 6.0% in gas over the last five years. During fiscal 2022/23, the supply business continued to suffer substantially from increased procurement costs, and EVN KG's earnings dropped significantly from the year earlier into negative territory. The energy division overall reported a negative EBITDA of €63.6 million in the fiscal year 2022/23. With the eventual passing through of procurement costs to customers along with a gradual decline in prices in 2024, already demonstrated by Q1 results from EVN KG (€8 million in Q1 of fiscal 2023/24), we expect the energy segment to return to positive earnings over the next 12-18 months. However, the earnings contribution from this segment is likely to remain somewhat muted at least over the next two years.

Exhibit 8

## Increased procurement costs reduced earnings in fiscal year 2023

## Churn rates in Lower Austria and earnings contribution from EVN KG



If a customer changes tariff but retains the supplier, it still counts as customer switching and is, therefore, included in the churn statistics. EVN KG is a supplier of electricity and natural gas for household customers in Lower Austria. Its earnings contribution reflects the share of results from equity-accounted investees with an operational nature and is as of the year ending 30 September (EVN's reporting year-end), rather than 31 December, for churn rates.

Sources: EVN, E-Control and Moody's Ratings

Lower Austria accounts for around 16% of the national GDP, which is the third-highest contribution after Vienna and Upper Austria, and its per capita GDP is below the Austrian average. The regional economy is highly dependent on services. Corporate services, public services, retailing and tourism comprise a significant share of the regional economy, but Lower Austria also has a substantial industrial

base, with companies operating in the chemical, food and beverages, steel, automobile, textile, electronics and paper sectors (see the latest [State of Lower Austria credit opinion](#), published in July 2023, for more information).

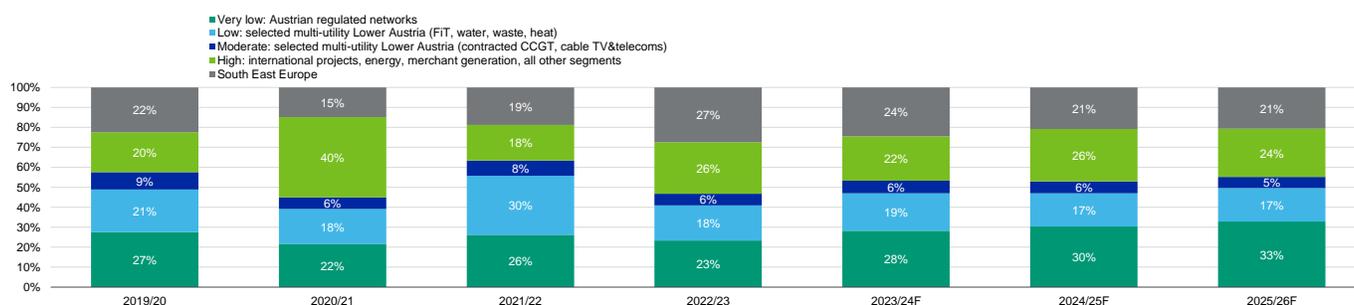
### Significant cash flow contributions from other multi-utility activities in Lower Austria

Further earnings stability is derived from other multi-utility activities in Lower Austria, which have either relatively low (power generation from subsidised renewables [onshore wind for EVN]; heat; water and waste) or moderate (cable TV and telecoms) business risk. We estimate that these activities will collectively account for around 20% of group EBITDA over the next two years. Accredited existing wind projects are covered by support schemes for 13-20 years; drinking and wastewater is quasi-monopolistic but not regulated; thermal waste utilisation is underpinned by long-term contracts with municipalities; and district heating is not regulated, but the risks mainly relate to prices of substitute sources of heat.

During the FY 2022/23, the generation segment in particular contributed very positively to EVN's results. Generation increased EVN's EBITDA to €300.4 million, up 3% from the previous year as the company continued to reap the benefits of increased electricity prices despite diminished volumes as a result of below-average wind flow and diminished demand for thermal generation. In the first quarter of FY2023/24, despite declining energy prices, EBITDA from the segment was up 5% compared with the year earlier due to favourable wind and water flow, and new capacity additions to the renewable generation portfolio. We expect earnings from generation to decline slightly in fiscal 2023/24 as electricity prices continue to decline, offset by the absence of excess levies that the Austrian government has extended by an additional 12 months.

Exhibit 9

### Other multi-utility activities in Lower Austria account for a significant portion of group EBITDA, but business risk varies by activity Moody's-estimated breakdown of group EBITDA by business risk profile



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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

### Strong financial metrics underpinned by continued prudent financial policy

EVN's strong financial metrics, reflected in its FFO/net debt averaging 75% over the last three fiscal years, are underpinned by its continued prudent financial policy. The company's strong operating performance is demonstrated by the increase in its FFO, which reached €990 million (Moody's-adjusted) as of September 2023, despite the losses in the energy segment. The result is mainly driven by the improvements in SEE where the cost of electricity purchases from third parties has significantly decreased, in addition to the inflow of regulatory compensation for network losses. At the same time, the business leverage has increased slightly since the previous fiscal year as EVN's investments reached a record high level of almost €700 million in the last fiscal year.

We expect the group to retain a strong financial profile because of its continued investment focus on regulated and stable activities in Lower Austria (primarily in distribution grids, subsidised onshore wind and drinking water) for further growth, and modest dividend levels (around 40% of its net income over the medium term).

EVN has guided to gross capital spending of €700-€900 per annum over the next few years, with around 75% of its capital spending to be directed to its core market of Lower Austria. A significant portion of its spending will be focused on distribution networks, renewable generation and drinking water, which are stable and regulated businesses. We expect earnings from renewable generation to grow with the group's planned growth in onshore wind<sup>1</sup> because no existing subsidies will roll off during fiscal 2023 to fiscal 2024.

Levelised costs of onshore wind have fallen at a much greater rate than the fall in feed-in tariffs (around €70-€80/MWh currently), although wind parks outside of the Austrian subsidy scheme will be exposed to the market wholesale prices volatility.

We expect EVN to maintain a prudent financial policy. Despite the increase in the absolute amount of ordinary dividends to €0.82/share (previously €0.52/share) announced in December 2023, we expect EVN to maintain its adherence to a modest payout ratio of up to 40% and commitment to solid A ratings, expressed in the self-imposed target metrics (Net Debt/ Funds from operations (FFO) in the 1.5x-2x range).

EVN's financial policies are prudent and underpin the current rating. The company's track record and adherence to conservative financial policies are reflected in its strong governance scoring under our ESG framework.

### Credit quality constrained by the fact that a significant portion of earnings still comes from activities with high business risk

EVN generates around 40% of group EBITDA from activities that have increased business risk. Although the company has taken measures to reduce risks in recent years and has demonstrated a track record of managing them, it still faces high risks because of the size of these operations compared with the group.

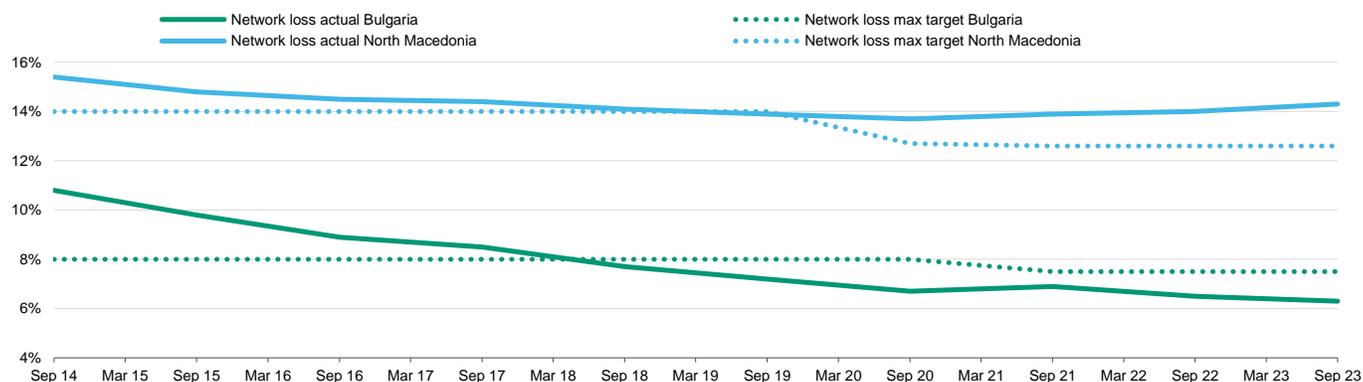
#### Operations in SEE

Operations in SEE typically account for around 20% of group EBITDA, with most of this division's earnings coming from Bulgaria and North Macedonia. EVN's investment programme in the region is focused on reducing network losses because this is a key driver of the division's performance. The regulators in these countries left targets for network losses unchanged in the most recent regulatory determination (summer 2021), and EVN is performing in line with these allowances following continual improvements in operational efficiency in Bulgaria, but is still higher than target in North Macedonia.

In the fiscal 2023, EBITDA for the segment was unusually high, reaching €239.4 million. Although there was a significant decrease in revenues due to decreased energy volumes distributed and sold, operating expenses decreased by 32% year on year as the company received additional compensation payments for network losses, which led to the improvement in EBITDA. However, this effect will be offset in the coming years according to the regulatory mechanism. We expect earnings from this segment to normalise by the end of the current fiscal year 2024 and demonstrate flat- to low-single-digit growth over the following years.

Exhibit 10

### Electricity network losses now below regulatory maximum target in Bulgaria following continual improvements in operating efficiency in recent years



Sources: EVN and Moody's Ratings

#### International projects

EVN's German subsidiary, WTE, has undertaken more than 100 international projects. As of January 2023, projects were primarily in the area of water and wastewater services. Projects remain concentrated in Central and South Eastern Europe, although there is an expansion in the Gulf states, as reflected in a contract award for a wastewater project in Bahrain in fiscal 2018 and a contract award for a wastewater treatment plant and sewage infrastructure project in Kuwait in fiscal 2020.

Although both projects, particularly the Kuwait project, are very large compared with previous projects undertaken by the group, the group has a track record of delivering projects on budget and on time, including these types of projects. We also assess the country risk, although high, as lower than in some other jurisdictions that EVN has previously undertaken projects in.

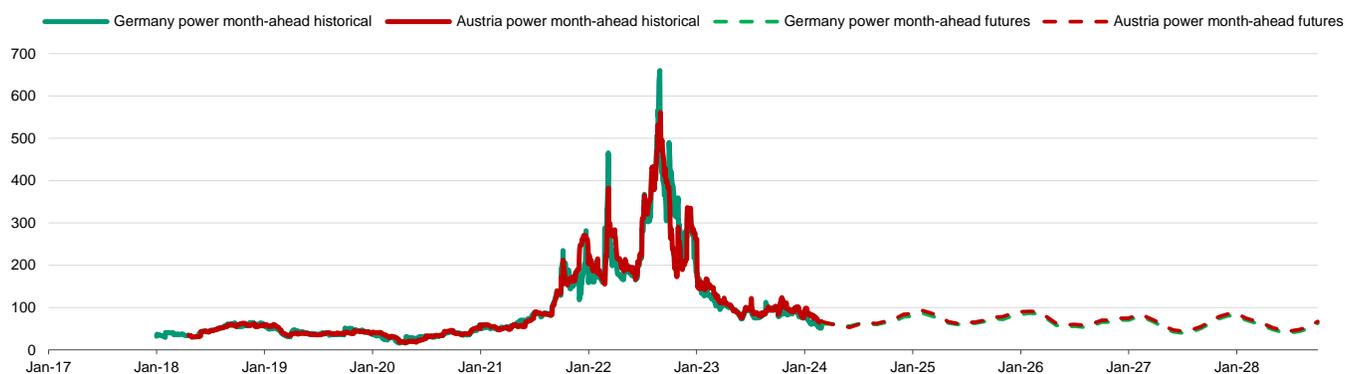
In September 2023, EVN has announced a structured bidder process to divest its international project business, which would allow the company to focus on its core business in the energy sector. However, in April 2024 the company has terminated the process as all the bidders have either withdrawn or have been disqualified from the process. We expect earnings in this segment for this fiscal year to slightly decrease vs last fiscal year as WTE completed three projects, including the wastewater treatment plant in Kuwait, by the end of Q1.

### Commodity prices

Since the separation of the Austrian-German electricity price zone on 1 October 2018, Austrian power prices have traded at a premium. Following the steep rise in gas, CO<sub>2</sub> and electricity prices, the price premium has widened. The power prices are currently in decline and we expect it to continue declining through 2024. EVN's unsubsidised hydro generation in Austria is exposed to volatility in electricity prices (by around €1 million per €1/MWh movement in power prices). On the other hand, its thermal generation has been contracted by the national electricity transmission system operator (TSO; APG, owned by Verbund AG) to provide grid stability services.

Exhibit 11

### Power prices in Austria are higher than in Germany



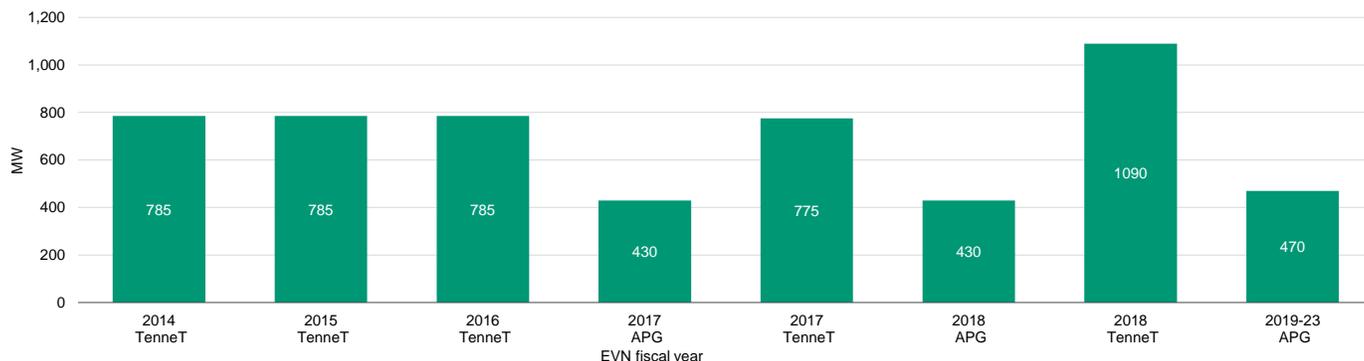
Sources: FactSet and Moody's Ratings

All of the other gas-fired power plants in Austria operated by EVN have been deactivated and conserved since 1 October 2018. As of September 2021, EVN announced the full exit from coal-fired power generation following the sale of its 49% investment in the Walsum 10 power plant. Germany seeks to exit all coal-fired generation by 2030, if possible.

The operating environment for thermal generation has been difficult for a number of years, meaning that EBITDA contribution from these activities has been modest. Contracted thermal capacity with TSOs have fallen from the levels in previous years.

Exhibit 12

**EVN's contracted thermal capacity with TSOs has fallen**



From fiscal 2019, APG procured capacity reserve for Austrian power plants; the 470 MW of contracted capacity with APG from Theiss with a tenor extended until October 2024.  
 Source: APG

**One-notch rating uplift from government shareholding**

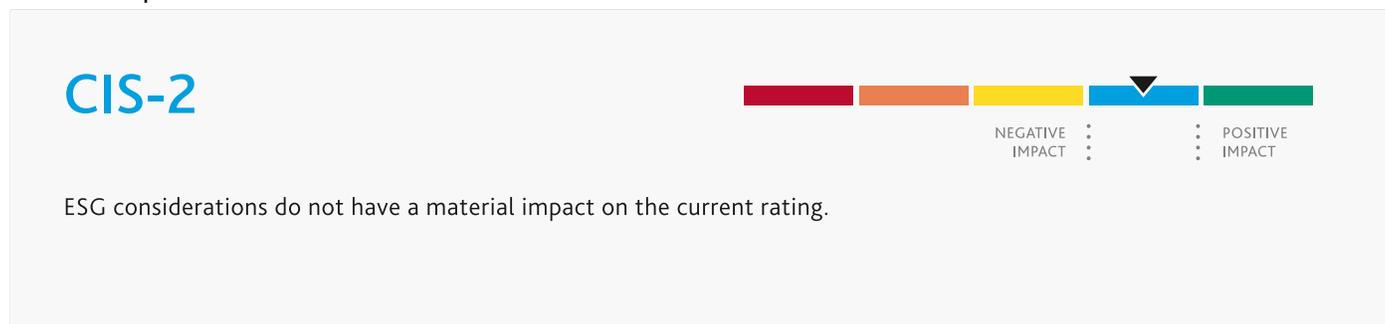
EVN's A1 ratings incorporate a one-notch uplift from its standalone credit quality or Baseline Credit Assessment (BCA) of a2. EVN is 51% owned by the State of Lower Austria, via the holding company NÖ Landes-Beteiligungsholding GmbH. There is moderate dependence between the State of Lower Austria and the company, reflecting the fact that EVN generates most of its earnings in Lower Austria, a trend that is likely to continue because of the company's focus on domestic regulated and stable businesses. EVN's A1 rating factors in our expectation of moderate support from the State of Lower Austria, reflecting EVN's stable ownership structure, supported by the requirement under federal and provincial constitutional law that a minimum 51% stake in the company must be owned by the State of Lower Austria; and the economic importance of EVN as the main supplier of utility services in Lower Austria.

**ESG considerations**

**EVN AG's ESG credit impact score is CIS-2**

Exhibit 13

**ESG credit impact score**



Source: Moody's Ratings

EVN's **CIS-2** reflects moderately negative exposure to environmental and social risks, mitigated by the positive influence of governance considerations, and our expectation that its shareholders would provide support to the company if this were to become necessary.

Exhibit 14

**ESG issuer profile scores**

Source: Moody's Ratings

**Environmental**

EVN's **E-3** score reflects its exposure to hedging risk from the sale of natural gas and electricity, with electricity sale volumes c.6.1 times higher than electricity produced by its generation business and the volatility of hydro and wind generation which accounted for nearly 77% of generation output in the last twelve months ending 30 September 2023. EVN's physical assets have a moderately negative risk of damage from floods.

**Social**

EVN's **S-3** score reflects the exposure of its regulated activities in Austria and South East Europe, which accounted for 55% of earnings in the 2023 fiscal year, to the risk that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention.

**Governance**

EVN's **G-1** score reflects its prudent financial policy which has enabled EVN to deleverage significantly in recent years. This largely mitigates the independence of EVN's board, assessed as weak, in view of the State of Lower Austria owning 51% of EVN's shares.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

**Liquidity analysis**

EVN has excellent multiyear liquidity. EVN's liquidity was supported by cash and cash equivalents of €74.5 million as of December 2023; and access to a €400 million undrawn revolving credit facility without financial covenants, maturing in May 2025. A further liquidity buffer is provided by an additional €386 million worth of bilateral credit facilities. Apart from a €125 million bank loan due fiscal 2024/25, EVN has limited debt falling due over the next five years.

**Methodology and scorecard**

Our assessment of EVN is based on our rating methodologies for Unregulated Utilities and Unregulated Power Companies, published in December 2023, under which EVN is rated under the unregulated utilities segment; and Government-Related Issuers, published in January 2024, because of EVN's 51% ownership by the State of Lower Austria. Accordingly, and based on our estimate of moderate support in case of financial distress, the A1 rating for EVN factors in one notch of uplift from the group's standalone credit quality or BCA of a2.

Exhibit 15

## Rating factors

EVN AG

Unregulated Utilities and Unregulated Power Companies Industry scorecard		Current FY Sep-23		Moody's 12-18 month forward view	
Factor 1 : Scale (10%)	Measure	Score	Measure	Score	
a) Scale (USD Billion)	Baa	Baa	Baa	Baa	
<b>Factor 2 : Business Profile (40%)</b>					
a) Market Diversification	Baa	Baa	Baa	Baa	
b) Hedging and Integration Impact on Cash Flow Predictability	Baa	Baa	Baa	Baa	
c) Market Framework & Positioning	Ba	Ba	Ba	Ba	
d) Capital Requirements and Operational Performance	Baa	Baa	Ba	Ba	
e) Business Mix Impact on Cash Flow Predictability	Aa	Aa	Aa	Aa	
<b>Factor 3 : Financial Policy (10%)</b>					
a) Financial Policy	A	A	A	A	
<b>Factor 4 : Leverage and Coverage (40%)</b>					
a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	16.3x	Aa	13x - 14.5x	Aa	
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)	74.7%	Aa	55% - 70%	Aa	
c) RCF / Net Debt (3 Year Avg)	63.9%	Aaa	40% - 50%	Aa	
<b>Rating:</b>					
a) Scorecard-Indicated Outcome		A2		A2	
b) Actual Rating Assigned				A1	
<b>Government-Related Issuer</b>					
a) Baseline Credit Assessment				Factor a2	
b) Government Local Currency Rating				Aa1	
c) Default Dependence				Moderate	
d) Support				Moderate	
e) Actual Rating Assigned				A1	

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

## Appendix

Exhibit 16

### Peer comparison EVN AG

(in € millions)	EVN AG			VERBUND AG			EnBW Energie Baden-Wuerttemberg AG			EWE AG		
	A1 Stable			A3 Positive			Baa1 Stable			Baa1 Stable		
	FY Sep-21	FY Sep-22	FY Sep-23	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-21	FY Dec-22	LTM Sep-23	FY Dec-21	FY Dec-22	LTM Jun-23
Revenue	2,395	4,062	3,769	4,777	10,346	10,450	32,148	56,003	51,204	6,120	8,605	10,203
EBITDA	692	708	988	1,616	3,178	4,647	3,010	3,877	5,390	1,505	1,486	171
Total Assets	11,140	12,431	10,996	17,276	19,150	19,477	71,273	69,504	62,533	19,410	20,399	17,604
Total Debt	1,337	1,762	1,704	3,423	3,939	2,554	22,759	22,227	23,925	5,283	4,465	4,033
Net Debt	741	1,194	1,319	3,105	3,530	1,590	10,876	11,456	13,885	3,384	2,787	2,169
FFO / Net Debt	100.0%	58.7%	75.0%	65.7%	46.3%	102.2%	24.1%	27.7%	22.6%	23.4%	43.5%	84.1%
RCF / Net Debt	84.8%	48.7%	65.9%	55.4%	32.7%	4.5%	20.5%	24.0%	19.5%	17.8%	37.4%	80.2%
(FFO + Interest Expense) / Interest Expense	13.2x	17.6x	18.6x	44.9x	21.0x	15.6x	6.4x	5.0x	5.0x	8.3x	9.2x	11.7x
Debt / Book Capitalization	15.0%	17.3%	19.0%	33.1%	30.0%	16.9%	66.9%	59.8%	57.5%	48.6%	44.4%	43.6%

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 17

### Moody's-adjusted net debt reconciliation EVN AG

(in € millions)	2019	2020	2021	2022	2023
<b>As reported debt</b>	<b>1,063</b>	<b>1,233</b>	<b>1,098</b>	<b>1,590</b>	<b>1,527</b>
Pensions	283	261	239	172	177
Leases	48	0	0	0	0
Non-Standard Adjustments	49	52	0	0	0
<b>Moody's-adjusted debt</b>	<b>1,443</b>	<b>1,545</b>	<b>1,337</b>	<b>1,762</b>	<b>1,704</b>
Cash & Cash Equivalents	(434)	(540)	(596)	(569)	(385)
<b>Moody's-adjusted net debt</b>	<b>1,009</b>	<b>1,005</b>	<b>741</b>	<b>1,194</b>	<b>1,319</b>

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. EVN's financial year ends on 30 September.

Nonstandard adjustments pertain to EVN's share of WEEV debt (only relevant up to and including the financial year ended September 2016) and the Ashta power plant guarantee.

Source: Moody's Financial Metrics™

Exhibit 18

### Moody's-adjusted FFO reconciliation EVN AG

(in € millions)	2019	2020	2021	2022	2023
<b>As reported funds from operations (FFO)</b>	<b>543</b>	<b>459</b>	<b>724</b>	<b>719</b>	<b>1,042</b>
Leases	7	0	0	0	0
Alignment FFO	(53)	(9)	17	(22)	42
Non-Standard Public Adjustments	16	42	0	4	(94)
<b>Moody's-adjusted funds from operations (FFO)</b>	<b>512</b>	<b>492</b>	<b>741</b>	<b>701</b>	<b>990</b>

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. EVN's financial year ends on 30 September.

Source: Moody's Financial Metrics™

Exhibit 19

## Overview on selected historical Moody's-adjusted financial data

EVN AG

(in € millions)	2019	2020	2021	2022	2023
<b>INCOME STATEMENT</b>					
Revenue	2,204	2,108	2,395	4,062	3,769
EBITDA	611	573	692	708	988
EBIT	379	322	416	443	706
Interest Expense	54	51	61	42	56
<b>BALANCE SHEET</b>					
Net Debt	1,009	1,005	741	1,194	1,319
<b>CASH FLOW</b>					
Funds from Operations (FFO)	512	492	741	701	990
FFO / Net Debt	50.8%	48.9%	100.0%	58.7%	75.0%
Capital Expenditures	(335)	(312)	(346)	(488)	(588)
Dividends	106	112	113	119	120
Retained Cash Flow (RCF)	406	380	628	582	869
RCF / Net Debt	40.2%	37.8%	84.8%	48.7%	65.9%
Free Cash Flow (FCF)	11	30	331	(457)	234
FCF / Net Debt	1.1%	3.0%	44.7%	-38.3%	17.7%
<b>PROFITABILITY</b>					
% Change in Sales (YoY)	6.0%	-4.4%	13.6%	69.6%	-7.2%
EBIT margin %	17.2%	15.3%	17.3%	10.9%	18.7%
EBITDA margin %	27.7%	27.2%	28.9%	17.4%	26.2%
<b>INTEREST COVERAGE</b>					
EBIT / Interest Expense	7.0x	6.3x	6.8x	10.5x	12.6x
EBITDA / Interest Expense	11.3x	11.3x	11.4x	16.8x	17.6x
(EBITDA - CAPEX) / Interest Expense	5.1x	5.1x	5.7x	5.2x	7.1x
<b>LEVERAGE</b>					
Debt / EBITDA	2.4x	2.7x	1.9x	2.5x	1.7x
Net Debt / EBITDA	2.1x	2.1x	1.6x	2.0x	1.3x

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. EVN's financial year ends on 30 September.

Source: Moody's Financial Metrics™

## Ratings

Exhibit 20

<u>Category</u>	<u>Moody's Rating</u>
<b>EVN AG</b>	
Outlook	Stable
Senior Unsecured -Dom Curr	A1

Source: Moody's Ratings

## Endnotes

- 1 Installed capacity reached 447 megawatt (MW) as of September 2023 from 269 MW as of September 2017, and will reach 750 MW over the medium term, provided appropriate remuneration arrangements are in place.

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