EVN conference call
Annual results 2017/18

13 December 2018

Highlights 2017/18

- Group net result above normal level for second year in succession due to non-recurring effects
  - Positive non-cash effect from higher valuation of hedges as of 30 September 2018
- Increase of renewable electricity generation by 5.7%
- Volume and price effects weigh on natural gas distribution business in Lower Austria
- Significantly milder temperatures especially in South Eastern Europe
- 73% EBITDA from regulated and stable activities
  - 56% in Austria, 17% in South Eastern Europe
- Dividend proposal to 90th Annual General Meeting
  - EUR 0.44 plus bonus dividend of EUR 0.03 per share

Key financials 2017/18

EVN

	FY 2017/18 EURm	+/– %
Revenue	2,072.6	-6.5
EBITDA	671.8	-6.9
Depreciation and amortisation	-258.3	1.5
Effects from impairment tests	-20.6	81.7
EBIT	392.9	13.3
Financial results	-37.2	-73.9
Group net result	254.6	1.4

Net cash flow from operating activities	603.5	18.6
Investments[1)]	356.4	17.3
Net debt	963.7	-20.6

	%	
Equity ratio[2)]	52.3	3.5

[1)] In intangible assets and property, plant and equipment
[2)] Changes reported in percentage points

→ Decline in revenue

- Thermal electricity generation below high prior year level and reduced natural gas trading activities
- Temperature-related drop in revenue in South Eastern Europe
- Decline from international project business

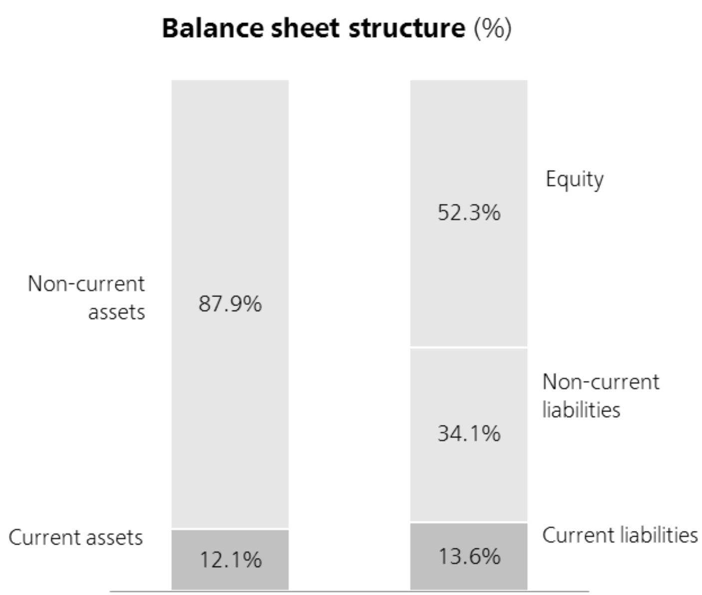
→ Lower EBITDA

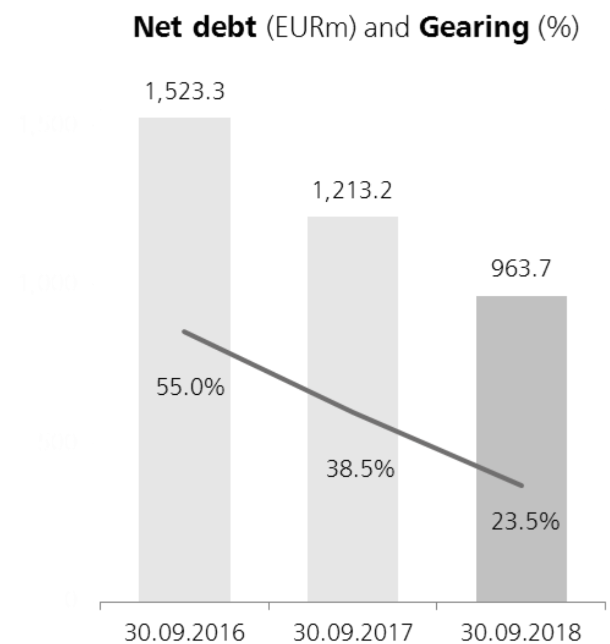
- Decreased operating expenses
- Increase in results from equity accounted investees due to valuation effects of hedges at EVN KG

→ Improvement in EBIT and Group net result

- Prior year influenced by impairment losses

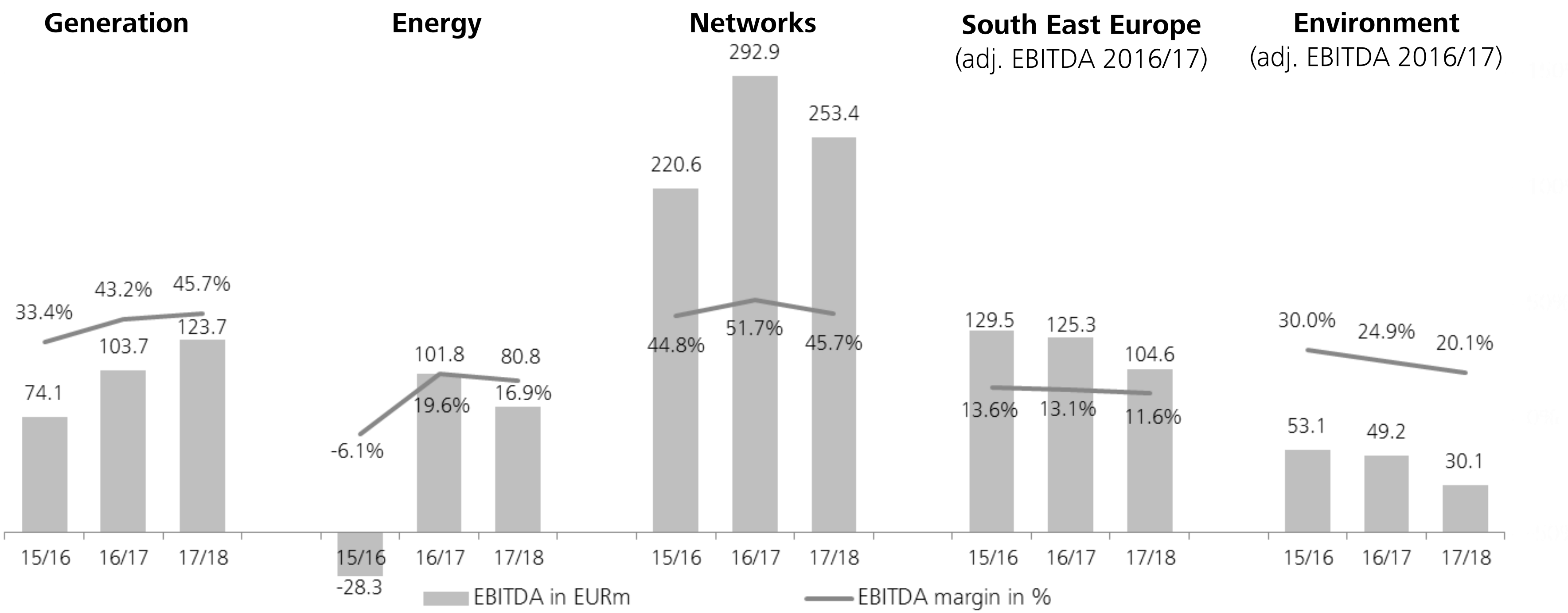
Solid balance sheet structure, reduced net debt





- Reduction of net debt to EUR 963.7m (30 September 2017: EUR 1,213.2m)
- Gearing decreased from 38.5% to 23.5%

EBITDA development by segments



Generation

- Higher renewable generation
- Contractual reserve capacity

Energy

- Positive non-cash effect from valuation of hedges
- Temperature-related decline in natural gas and heat sales volumes
- Provision for onerous contracts related to marketing of own electricity production

Networks

- Negative volume and price effects in natural gas distribution
- Higher operating expenses

South East Europe

- Temperature-related decline in network distribution and sales volumes
- EBITDA 2016/17 adjusted by EUR 42.0m positive effect from settlement with Bulgarian NEK

Environment

- Decline in international project business
- EBITDA 2016/17 adjusted by EUR 45.5m valuation allowance to inventories

Generation

Electricity generation volumes	FY 2017/18 GWh	+/– %
Total	4,794	-9.2
Renewable energy sources	1,771	4.5
Thermal energy sources	3,023	-15.7

Financial performance	FY 2017/18 EURm	+/– %
Revenue	270.6	12.8
EBITDA	123.7	19.2
EBIT	78.4	–

The Generation Segment includes the thermal waste utilisation plant in Zwentendorf/Dürnrohr since Q. 4 2017/18

→ **Increased renewable generation**
- Good water flows and continuous expansion of windpower capacities

→ **Decline in thermal production**

→ **Increased revenue**
- Higher renewable generation
- Positive effects from contractual reserve capacities for network stability

→ **Improvements in EBITDA and EBIT**
- Lower expenses for primary energy carriers
- Prior year influenced from impairment losses

Energy

Sales volumes to end customers	FY 2017/18 GWh	+/– %
Electricity	7,080	9.0
Natural gas	5,083	-10.2
Heat	2,011	-2.5

Financial performance	FY 2017/18 EURm	+/– %
Revenue	478.6	-8.0
EBITDA	80.8	-20.6
EBIT	57.4	-22.3

→ **Different development of energy sales volumes**

– Higher electricity sales volumes

– Weather-related decline in natural gas and heat sales volumes

→ **Revenue dropped y-o-y**

– Decrease in marketing of own thermal generation

– Reduced natural gas trading activities

→ **EBITDA and EBIT below previous year**

– Provision for onerous contracts related to marketing of own electricity production

– Positive contrary effect from valuation gains on hedges at EVN KG

Networks

Network distribution volumes	FY 2017/18 GWh	+/– %
Electricity	8,565	1.3
Natural gas[1)]	16,927	-9.2

Financial performance	FY 2017/18 EURm	+/– %
Revenue	554.4	-2.2
EBITDA	253.4	-13.5
EBIT	142.6	-19.7

1) Including network sales to EVN's power stations

→ **Different development of network distribution volumes**

– Increase in electricity supported by sound economy

– Decline in natural gas due to the reduced use of thermal power plants in Lower Austria

→ **Revenue below previous year**

– Negative volume and price effects

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

→ **EBITDA and EBIT declined y-o-y**

– Increased operating expenses (higher upstream costs and costs for third party services)

South East Europe

Key energy business indicators	FY 2017/18 GWh	+/– %
Electricity generation volumes	385	-11.6
Network distribution volumes	13,955	-1.5
Electricity sales volumes	11,333	-6.0
Heat sales volumes	208	-10.2

Financial performance	FY 2017/18 EURm	+/– %
Revenue	902.8	-5.8
EBITDA	104.6	-37.5
EBIT	40.2	-50.4

→ **Business development suffers from milder winter**

- Temperature-related decline in network distribution and energy sales volumes
- Revenue dropped y-o-y

→ **Decline in EBITDA and EBIT**

- Prior year positively influenced by non-recurring effect from settlement with Bulgarian NEK

Environment

Financial performance	FY 2017/18 EURm	+/– %
Revenue	150.0	-24.0
EBITDA	30.1	–
EBIT	9.3	–
Financial results	-10.4	–
Result before income tax	-1.1	95.2

→ **Decline in revenue**

– Less dynamic development of international project business

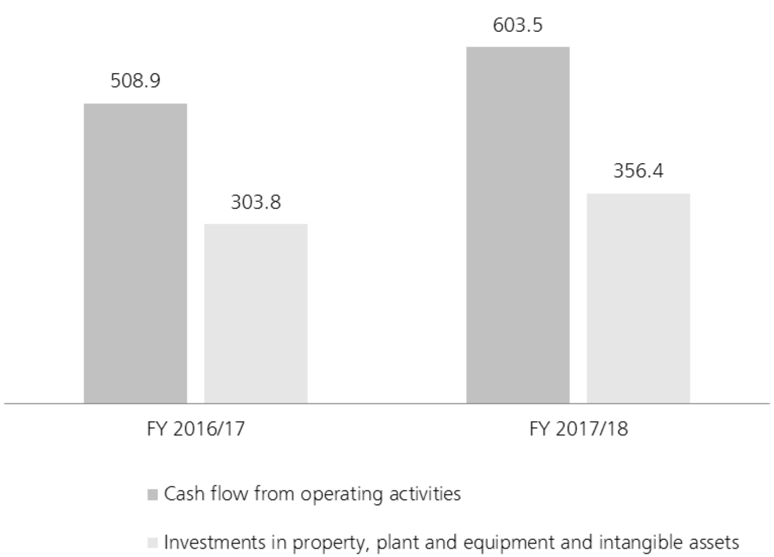
→ **EBITDA and EBIT above prior year**

– Previous year affected by negative non-recurring effect (valuation allowance on inventories)

Cash flows

	FY 2017/18 EURm	+/– in %
Gross cash flow	560.3	-2.1
Net cash flow from operating activities	603.5	18.6
Net cash flow from investing activities	-457.1	–
Net cash flow from financing activities	-153.5	65.1
Net change in cash and cash equivalents	-7.1	–

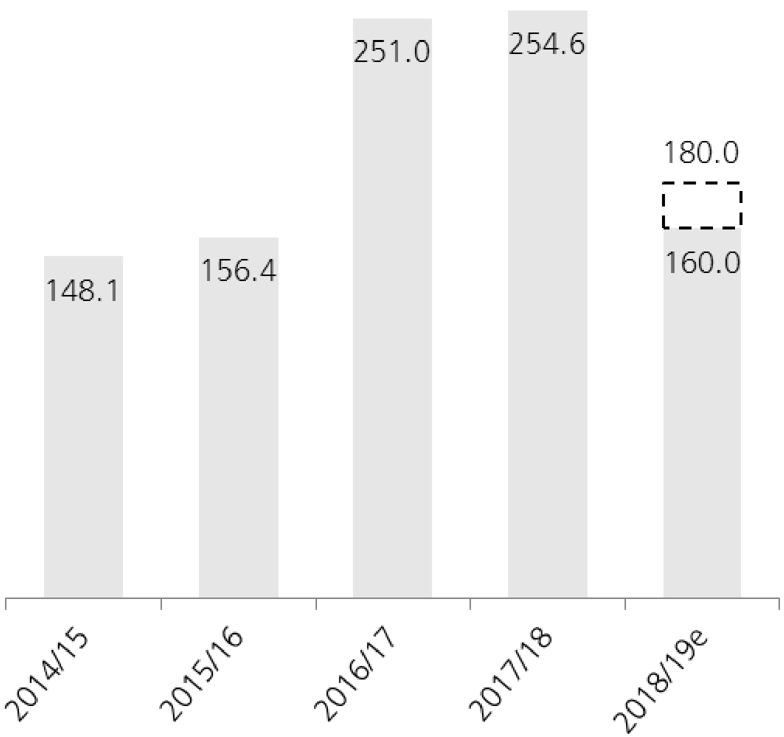
Cash flow from operating activities and investments (EURm)



- **Increase in CF from operating activities**
  - Strong operating performance
  - Prior year negatively affected by the arbitration decision for Walsum, however corresponding positive effect was contained in CF from investing activities
- **CF from investing activities**
  - Higher investments and a rise in short-term securities
- **CF from financing activities**
  - Dividend payments
  - Scheduled repayments of loans

Outlook for 2018/19

→ Development of Group net result



→ Group net result for 2017/18 positively influenced by valuation of hedges

→ Expected Group net result for 2018/19 in the range of EUR 160m to EUR 180m

→ Factors that could influence the Group net result include

– Regulatory background

– Proceedings currently in progress in Bulgaria

– Remaining proceeding over the Walsum 10 power plant project

– Progress on activities in Moscow

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