



# EVN Conference Call Annual results 2014/15

10 December 2015

- 
- Increase in electricity generation
    - Commissioning of new 37 MW windpark Prottes-Ollersdorf
    - Favourable wind and water flows for renewable generation
    - Short-term use of natural gas-fired power plants to ensure network stability
    - First full-year operation of the Duisburg-Walsum power plant
  - Improvement of operating business in South East Europe and absence of prior year's negative one-off effects and impairment losses
  - Agreement with the city of Moscow on the sale of the sodium hypochlorite plant
  - Increase in EBITDA, EBIT and group net result

# Key financials 2014/15



	2014/15	+/-
	EURm	in %
<b>Revenue</b>	2,135.8	8.2
<b>EBITDA</b>	583.2	-
Depreciation and amortisation	-260.3	-1.7
Effects from impairment tests	-54.7	79.7
<b>EBIT</b>	268.2	-
<b>Financial results</b>	-60.3	-88.9
<b>Group net result</b>	148.1	-
<b>Net cash flow from operating activities</b>	478.3	-12.4
Earnings per share	0.83	-

## → Increase in revenues

- Rise in electricity generation
- Growth in natural gas trading activities
- Positive contribution from Bulgaria and Macedonia

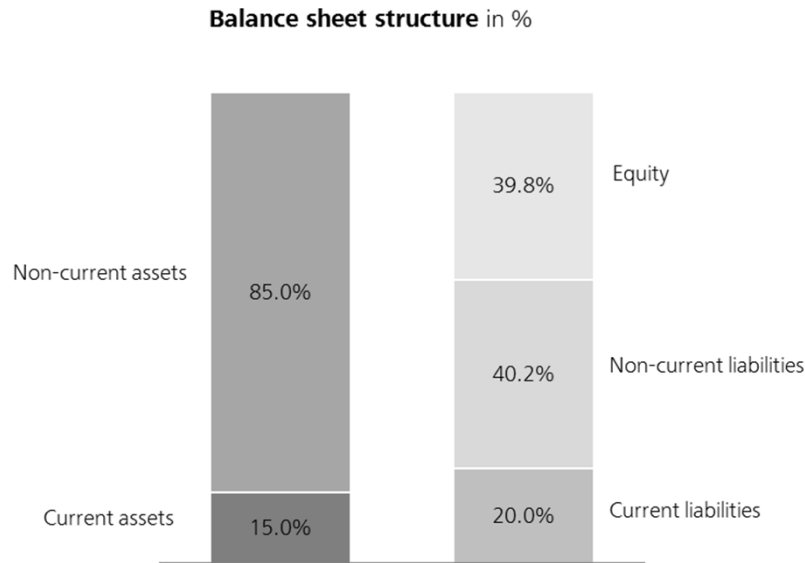
## → Improvement in EBITDA, EBIT and group net result

- Sale of sodium hypochlorite plant Moscow
- Improvement of operating business
- Absence of last year's one-off effects

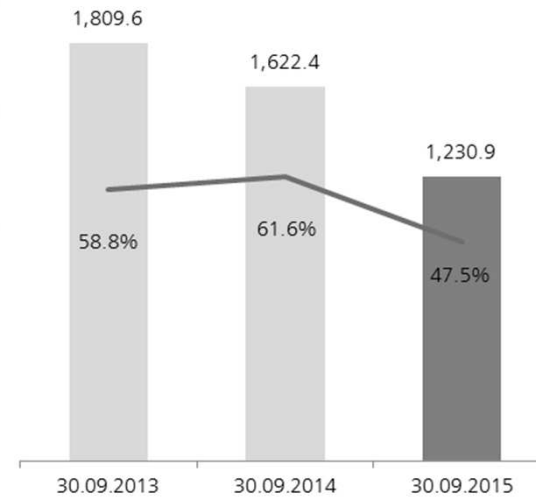
## → Decrease in financial result

- Lower dividend from Verbund

# Solid balance sheet structure, reduced net debt

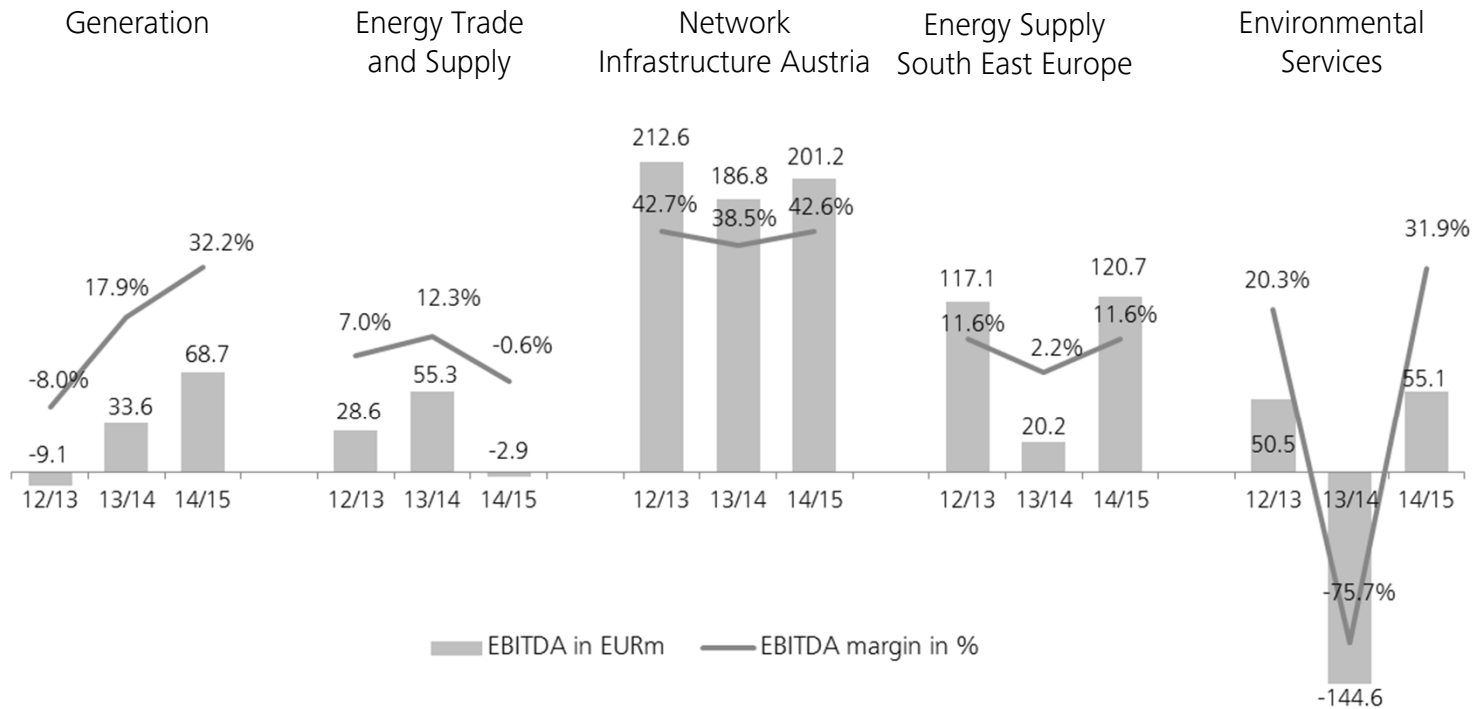


**Net debt** (in EURm) and **Gearing** (in %)



- Improvement of equity ratio to 39.8% (previous year: 38.5%)
- Reduction of net debt to EUR 1,230.9m (previous year: EUR 1,622.4m)
- Gearing decreased from 61.6% to 47.5%

# EBITDA development by segments



→ Increase of electricity production

→ Revenue growth  
→ Result influenced by provisions

→ Positive volume effects  
→ Cost reductions and lower additions to personnel provisions

→ Positive volume and price effects  
→ Absence of prior year's one-off effects

→ Sale of sodium hypochlorite plant  
→ Absence of prior year's one-offs

# Generation



	2014/15	+/-
<b>Electricity generation volumes</b>	<b>GWh</b>	<b>in %</b>
Total	4,089	9.9
Renewable energy sources	1,673	9.1
Thermal energy sources	2,416	10.5
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	2014/15	+/-
<b>Financial performance</b>	<b>EURm</b>	<b>in %</b>
Revenue	213.1	13.7
EBITDA	68.7	-
EBIT	-10.5	80.3

→ **Increase of electricity production and revenue**

→ **Rise in EBITDA and EBIT**

- Increased purchase costs for energy carriers almost fully offset by optimisation measures for thermal power plants
- Increase in depreciation
- Impairment losses

<b>End customer prices<sup>1)</sup></b>	<b>+/- in %</b>	<b>Adjustment</b>
Electricity and gas	-5.0%	01.10.2015
Electricity and gas	-10.0%	01.10.2014

<b>Sales volumes to end customers</b>	<b>2014/15 GWh</b>	<b>+/- in %</b>
Electricity	6,804	0.3
Natural gas	5,241	-2.6
Heat	1,827	1.2

<b>Financial performance</b>	<b>2014/15 EURm</b>	<b>+/- in %</b>
Revenue	485.8	8.3
EBITDA	-2.9	-
EBIT	-20.6	-

## → Different development of sales volumes

- Slight increases in electricity and heat sales volumes
- Small decline in natural gas sales volumes (mainly due to lower volumes in the household segment)

## → Revenue growth, but lower EBITDA and EBIT

- Energy sales from Duisburg-Walsum power plant and expansion of natural gas trading activities have positive impact on revenue
- Provisions for onerous contracts related to the marketing of EVN's own electricity production

<sup>1)</sup> Average; household segment (source: EVN)

Development of tariffs <sup>1)</sup>	+/- in %	Adjustment
Electricity	-1.0%	01.01.2015
Natural gas	-3.0%	01.01.2015

Network distribution volumes	2014/15 GWh	+/- in %
Electricity	8,121	3.1
Natural gas <sup>2)</sup>	14,958	5.9

Financial performance	2014/15 EURm	+/- in %
Revenue	472.0	-2.6
EBITDA	201.2	7.7
EBIT	95.5	14.7

→ **Increase in network distribution volumes**

- Higher electricity and natural gas distribution volumes across all customer segments
- Additional positive volume impact on gas distribution from use of EVN's gas-fired power plants

→ **Improvement in EBITDA and EBIT**

- Increase in other operating income (due to increased work in progress)
- Cost reductions and lower additions to personnel provisions

→ **Continued investment focus on supply security**

- Network Infrastructure Austria accounts for almost 50% of EVN's total investments

<sup>1)</sup> Average; according to the Austrian regulator

<sup>2)</sup> Including network sales to EVN's power stations



# Energy Supply South East Europe



End customer prices <sup>1)</sup>		+/- in %	Adjustment
Bulgaria	electricity	-0.4%	01.08.2015
		9.7%	01.10.2014
	heat	-0.7%	01.10.2015
		-7.0%	01.07.2015
Macedonia	electricity	-0.3%	01.07.2015
		3.5%	01.07.2014

Key energy business indicators	2014/15 GWh	+/- in %
Electricity generation volumes	495	23.9
Network distribution volumes <sup>2)</sup>	13,536	3.9
Heat sales volumes	211	13.8

Financial performance	2014/15 EURm	+/- in %
Revenue	1,038.1	15.2
EBITDA	120.7	-
EBIT	57.8	-

## → Positive development of key energy business indicators

- Increase of electricity production
- Weather-related growth of electricity network distribution volumes and heat sales volumes

## → Revenue, EBITDA and EBIT increase

- Revenue growth due to higher sales volumes and higher end customer prices
- Absence of prior year's one-off effects

<sup>1)</sup> Average; household sector; according to regulators in Bulgaria and Macedonia

<sup>2)</sup> Energy sales volumes in Bulgaria and Macedonia fairly equal to network distribution volumes

	2014/15	+/-
Financial performance	EURm	in %
Revenue	172.6	-9.7
EBITDA	55.1	-
EBIT	28.6	-

→ **Decline in revenue**

- Lower revenues from international projects business
- Partly offset by higher revenues from drinking water supplies in Lower Austria

→ **Improvement in EBITDA and EBIT**

- Positive effect from sale of sodium hypochlorite plant in Moscow
  - Transfer of plant completed in March 2015 after successful 72-hour test
- Absence of previous year's one-off effects

→ **Positive progress in the international projects business**

- Completion of wastewater treatment projects in Poland, Romania and Cyprus

# Cash flow



	2014/15	+/-
	EURm	in %
Gross CF	438.1	29.8
Net CF from operating activities	478.3	-12.4
Net CF from investing activities	-72.7	70.1
Net CF from financing activities	-357.3	-6.7
Net change in cash and cash equivalents	48.3	-

→ **Increase of gross cash flow**

– Strong operating performance

→ **Decline in operating cash flow**

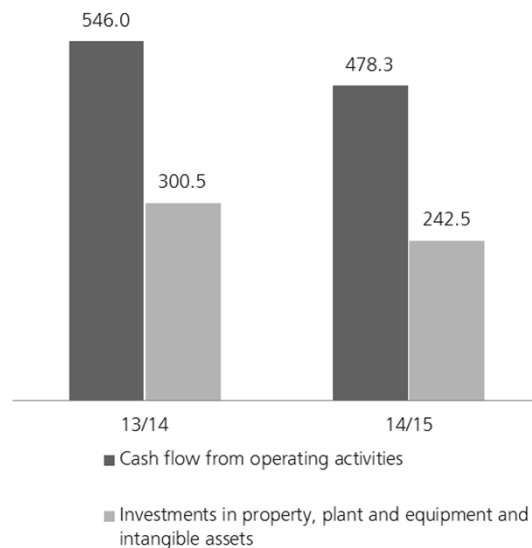
– Due to changes in working capital related to non-recurring effects in 13/14

→ **Cash flow from investing activities improved**

→ **Cash flow from financing activities**

– Influenced by sale of sodium hypochlorite plant

**Cash flow from operating activities and investments**



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- Austrian network tariffs for electricity and gas will increase as of 1 January 2016
    - Expected increase of electricity network tariffs<sup>1)</sup>: + 11.2%
    - Expected increase of gas network tariffs<sup>1)</sup>: +11.0%
  - Group net result for 2015/16 is expected to remain largely stable
  - EVN's strategy remains unchanged
    - Commitment to integrated business model
    - Focus on supply security through ongoing network expansion
    - Further increase of renewable generation capacities in Lower Austria
    - Consolidation of energy business in South East Europe

<sup>1)</sup> Average; household customers

# Additional information

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