



# EVN Conference Call HY. 1 2015/16 Results

25 May 2016

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- Increase in electricity generation by 14.6%
    - Frequent use of thermal power plants to support network stability
    - Lower renewable generation due to substantially weaker wind and water flows
  - New contract to provide reserve capacity for summer months 2016 and 2017
  - Contract for three turn-key wastewater projects in Macedonia
  - Increase in EBITDA, EBIT and group net result

# Key financials HY. 1 2015/16



EURm	2015/16 HY. 1	+/- in %
<b>Revenue</b>	1,196.8	-2.3
<b>EBITDA</b>	422.4	10.0
Depreciation and amortisation	-131.7	-3.3
<b>EBIT</b>	290.7	22.4
<b>Financial results</b>	-39.5	-79.3
<b>Group net result</b>	189.9	14.8
<b>Net cash flow from operating activities</b>	236.0	12.7
Earnings per share	1.07	14.9

## → Revenue below previous year

- Lower revenue from domestic renewable generation and mild winter in Bulgaria
- Higher revenue from thermal generation and Austrian network business

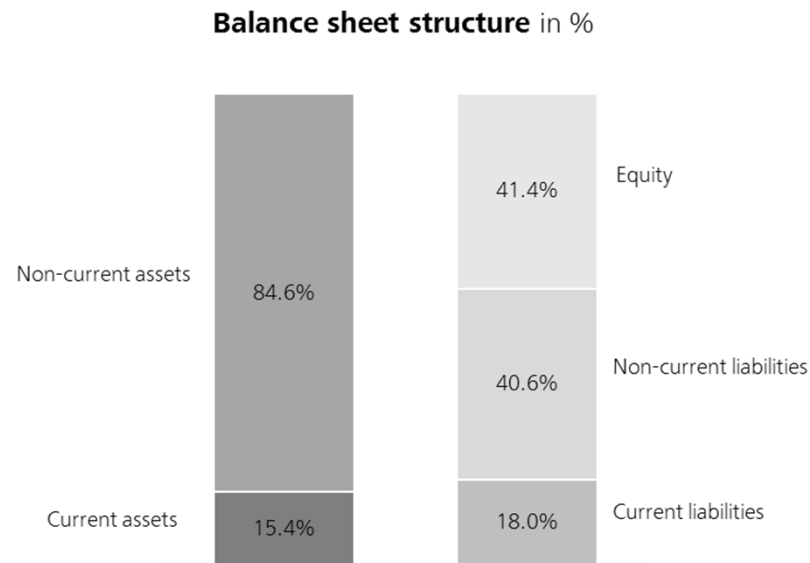
## → Increase in EBITDA, EBIT and group net result

- Lower electricity purchases and primary energy expenses
- Reduction of operating expenses

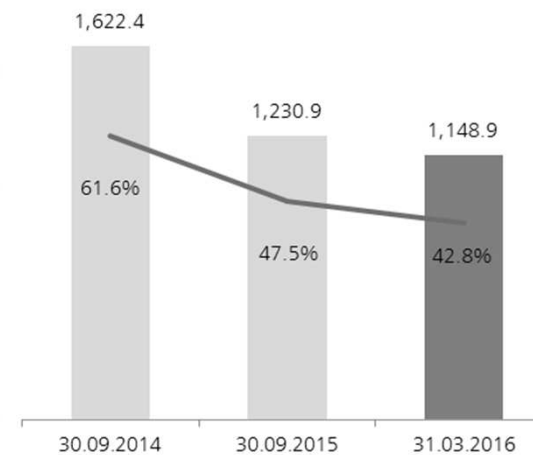
## → Decrease in financial result

- Dividend from Verbund will only be reported in Q3 2015/16 results

# Solid balance sheet structure, reduced net debt

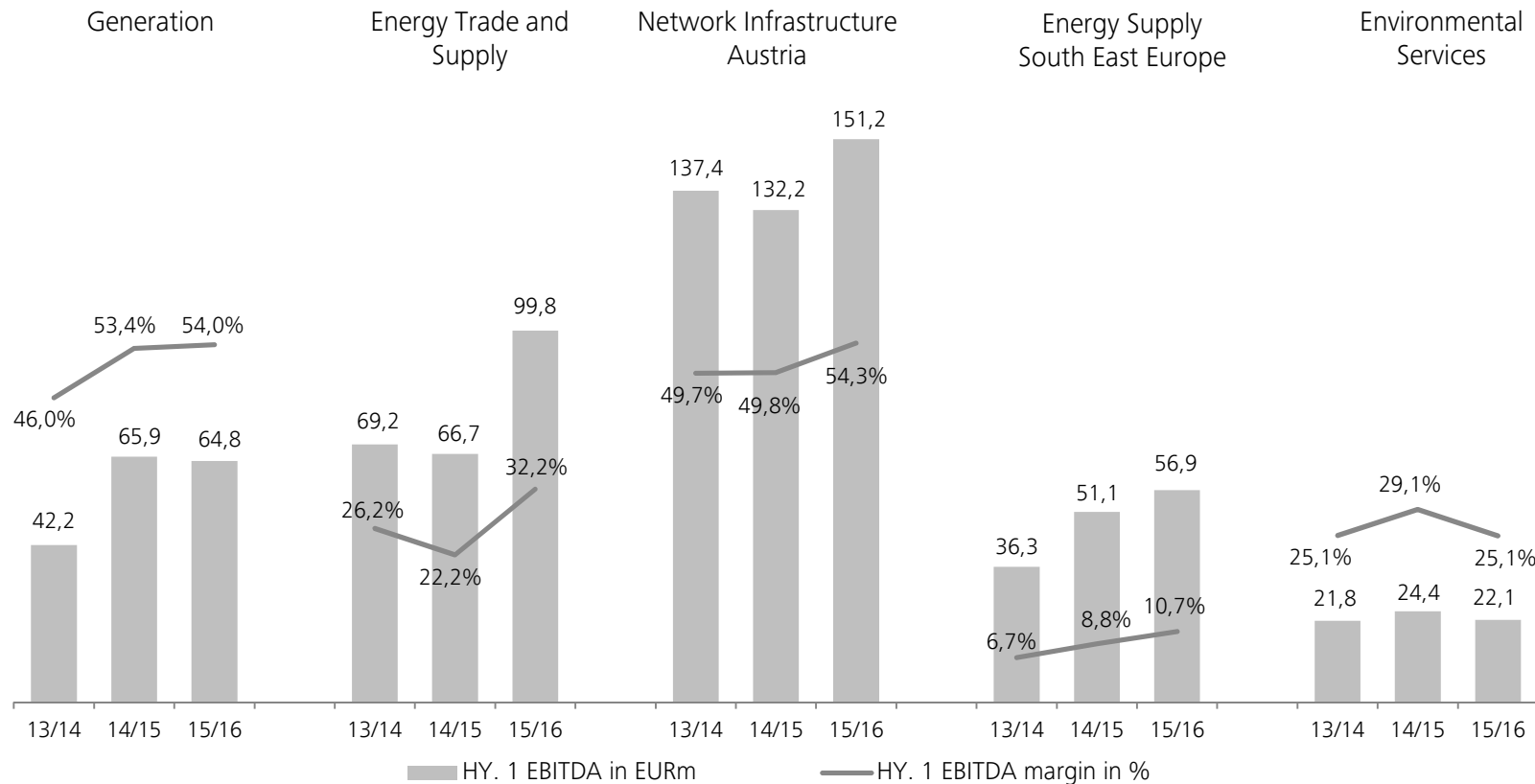


**Net debt** (in EURm) and **Gearing** (in %)



- Improvement of equity ratio to 41.4% (30 September 2015: 39.8%)
- Reduction of net debt to EUR 1,148.9m (30 September 2015: EUR 1,230.9m)
- Gearing decreased to 42.8% (30 September 2015: 47.5%)

# EBITDA development by segments



- Higher thermal generation
- Lower renewable generation due to wind and water flows

- Lower primary energy expenses
- Higher earnings contributions from at equity accounted companies

- Higher gas distribution volumes for thermal generation
- Lower operating expenses

- Lower operating expenses (e.g. personnel costs, decrease in valuation allowances)

- Absence of last year's positive effect from sale of sodium hypochlorite plant

# Generation



	2015/16 HY. 1	+/- in %
<b>Electricity generation volumes (GWh)</b>		
Total	2,942	18.4
Renewable energy sources	769	-9.7
Thermal energy sources	2,174	33.0
<b>Financial performance (EURm)</b>	2015/16 Q1	+/- in %
Revenue	120.0	-2.7
EBITDA	64.8	-1.7
EBIT	37.6	73.8

→ **Increase of electricity production**

- Frequent use of thermal power plants to support network stability
- Decline in renewable production due to lower wind and water flows

→ **Slight decline in EBITDA**

→ **Rise in EBIT**

- Absence of prior year's impairment effects

# Energy Trade and Supply



End customer prices <sup>1)</sup>	+/- in %	Adjustment
Natural gas	-7.0%	01.05.2016
Electricity and natural gas	-5.0%	01.10.2015

Sales volumes to end customers (GWh)	2015/16 HY. 1	+/- in %
Electricity	3,507	-3.3
Natural gas	4,129	-2.5
Heat	1,276	3.8

Financial performance (EURm)	2015/16 HY. 1	+/- in %
Revenue	310.4	3.4
EBITDA	99.8	49.6
EBIT	91.1	56.1

## → Different development of sales volumes

- Decline in electricity and natural gas sales volumes
- Increase in heat sales volumes

## → Increase in revenue, EBITDA and EBIT

- Revenue growth due to marketing of thermal production
- Lower operating expenses (especially primary energy expenses)

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

# Network Infrastructure Austria



<b>Development of tariffs<sup>1)</sup></b>	<b>+/- in %</b>	<b>Adjustment</b>
Electricity	11.0%	01.01.2016
Natural gas	11.0%	01.01.2016

<b>Network distribution volumes (GWh)</b>	<b>2015/16 HY. 1</b>	<b>+/- in %</b>
Electricity	4,328	1.6
Natural gas <sup>2)</sup>	11,237	8.4

<b>Financial performance (EURm)</b>	<b>2015/16 HY. 1</b>	<b>+/- in %</b>
Revenue	278.7	5.0
EBITDA	151.2	14.4
EBIT	96.4	19.7

→ **Increase in network distribution volumes**

- Positive volume impact on gas distribution from use of EVN’s gas-fired power plants

→ **Improvement in revenue, EBITDA and EBIT**

- Positive price- and volume-effects
- Lower operating expenses

<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



<b>End customer prices<sup>1)</sup></b>		<b>+/- in %</b>	<b>Adjustment</b>
Bulgaria	electricity	-0.4%	01.08.2015
	heat	-0.7%	01.10.2015
Macedonia	electricity	-0.3%	01.07.2015
<b>Key energy business indicators (GWh)</b>		<b>2015/16 HY. 1</b>	<b>+/- in %</b>
Electricity generation volumes		246	-14.4
Network distribution volumes <sup>2)</sup>		7,297	-2.5
Heat sales volumes		156	-10.5
<b>Financial performance (EURm)</b>		<b>2015/16 HY. 1</b>	<b>+/- in %</b>
Revenue		533.7	-8.2
EBITDA		56.9	11.4
EBIT		25.4	23.9

## → Decline in electricity production and electricity sales volumes

- Lower water flows in Macedonia
- Lower energy demand in Bulgaria due to mild temperatures
- Lower revenue due to these factors

## → EBITDA and EBIT increase

- Lower energy procurement costs (due to lower sales volumes and further reduction of network losses)
- Improvements in collection of receivables
- Cost reductions

<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

<b>Financial performance (EURm)</b>	<b>2015/16 HY. 1</b>	<b>+/- in %</b>
Revenue	88.0	5.1
EBITDA	22.1	-9.5
EBIT	9.3	-17.3
Financial result	-1.7	78.1
Result before income tax	7.6	-

→ **Increase in revenue**

- Higher drinking water sales volumes
- Higher revenue from international project business

→ **Decrease in EBITDA and EBIT;  
increase in financial result**

- Absence of previous year's one-off effects from sale of sodium hypochlorite plant in Moscow

→ **Successful market entry for this  
Segment in Macedonia**

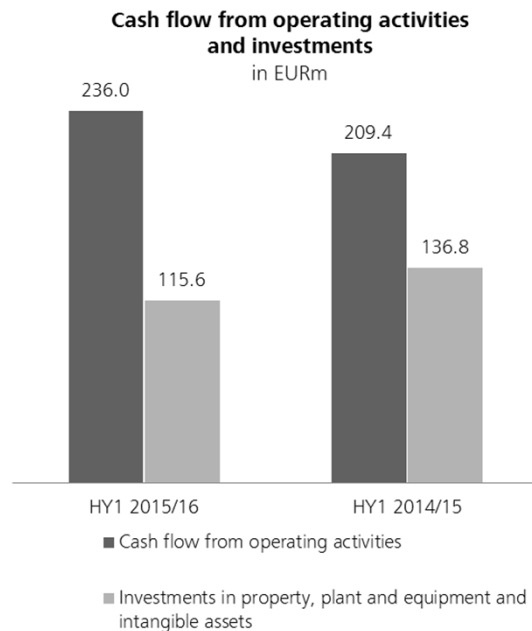
- Three turn-key wastewater projects

# Cash flow



EURm	2015/16 Q1	+/- in %
Gross CF	384.6	25.8
Net CF from operating activities	236.0	12.7
Net CF from investing activities	-86.3	-
Net CF from financing activities	-173.3	42.3
Net change in cash and cash equivalents	-23.6	-

- **Increase of operating cash flow**
  - Strong operating performance
- **Changes in the cash flow from investing as well as financing activities influenced by last year's sale of sodium hypochlorite plant**



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- 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

# Additional information



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## **Financial calender**

[www.investor.evn.at/financial-calender](http://www.investor.evn.at/financial-calender)

Next event: Results Q. 3 2015/16,

25 August 2016

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The Company believes any such statements are based on reasonable assumptions and reflect the judgement of EVN’s management based on factors currently known by it.

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

For additional information regarding risks, investors are referred to EVN’s latest Annual report.