



# EVN Conference Call Q. 1–3 2015/16 Results

25 August 2016

- 
- Increase in electricity generation by 19.5%
    - Frequent use of thermal power plants to support network stability
    - Lower renewable generation due to substantially weaker wind and water flows
  - Operating improvements along the entire value chain of EVN's energy business
  - New contract for turn-key wastewater project in Vodice, Croatia
  - Increase in EBITDA, EBIT and Group net result

# Key financials Q. 1–3 2015/16



EURm	2015/16 Q. 1-3	+/- in %
<b>Revenue</b>	1,616.6	-2.9
<b>EBITDA</b>	525.4	5.7
Depreciation and amortisation	-226.1	-7.3
<b>EBIT</b>	299.3	4.5
<b>Financial results</b>	-39.5	4.2
<b>Group net result</b>	198.8	6.3
<b>Net cash flow from operating activities</b>	397.7	25.8
Earnings per share	1.12	6.4

## → Revenue below previous year

- Lower revenue from mild winter in Bulgaria and liberalisation steps in SEE
- Higher revenue from thermal generation and Austrian network business

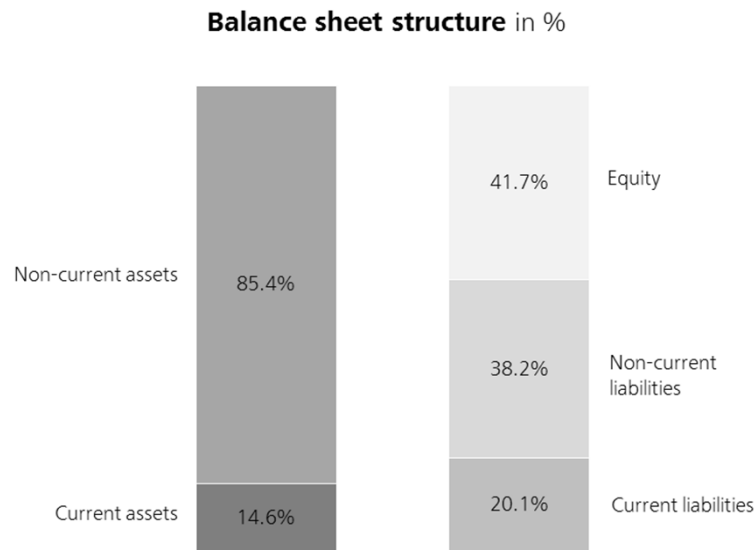
## → Increase in EBITDA, EBIT and Group net result

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

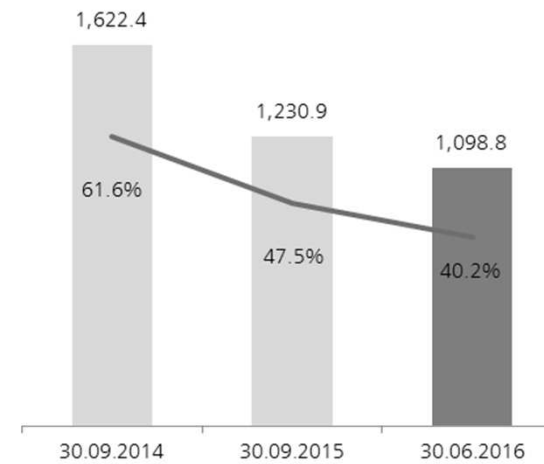
## → Increase in financial results

- Absence of previous year's one-off financial costs (termination of interest hedge and federal guarantee for the sodium hypochlorite project in Moscow)

# Solid balance sheet structure, reduced net debt

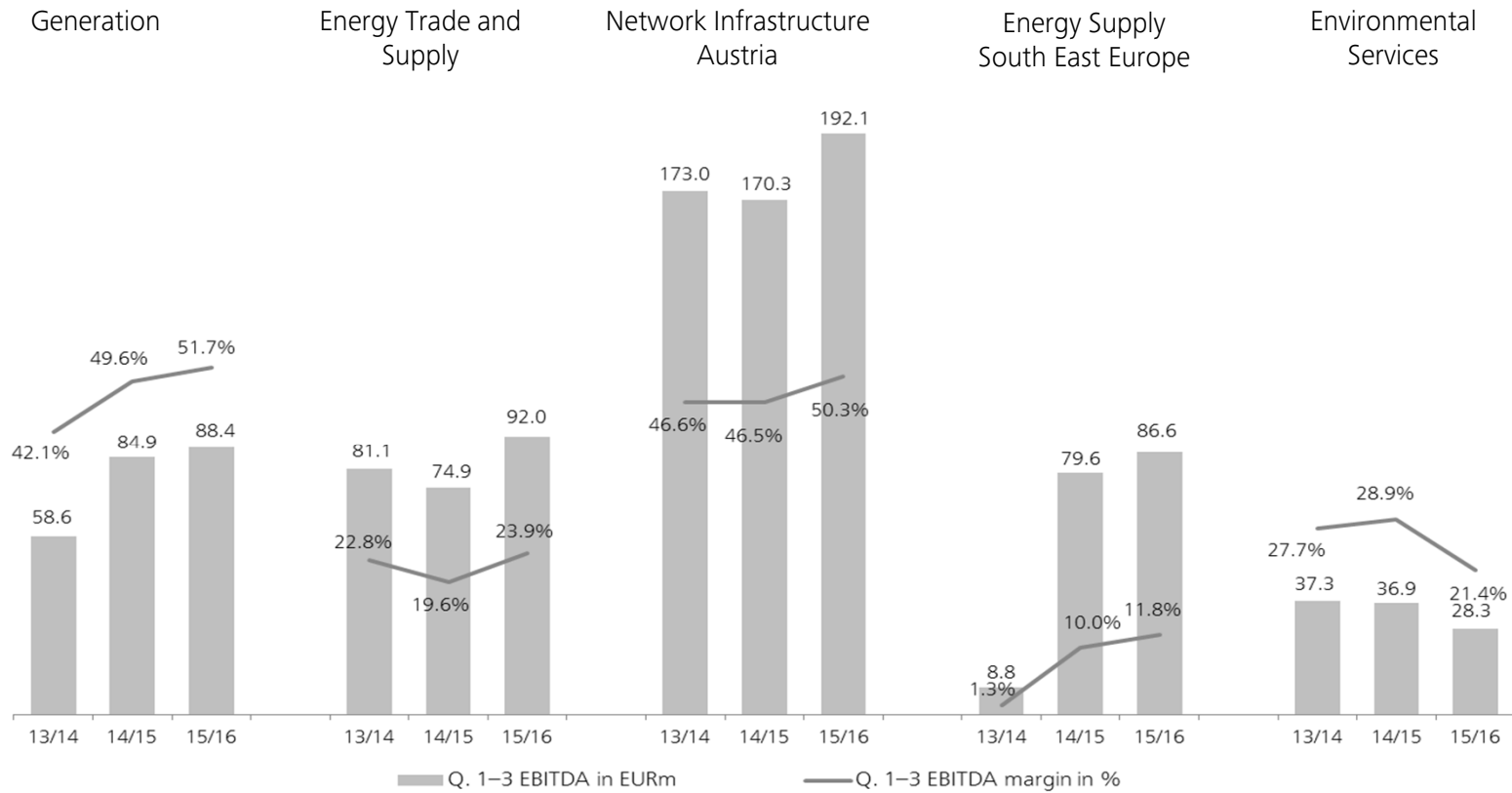


**Net debt (in EURm) and Gearing (in %)**



- Improvement of equity ratio to 41.7% (30 September 2015: 39.8%)
- Reduction of net debt to EUR 1,098.8m (30 September 2015: EUR 1,230.9m)
- Gearing decreased to 40.2% (30 September 2015: 47.5%)

# EBITDA development by segments



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

- Corresponding decline in sales volumes and primary energy expenses
- Higher earnings contributions from at equity accounted investees

- Positive price and volume effects
- Lower operating expenses

- Corresponding decline in revenue and energy procurement costs
- Improvement in collection of receivables

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

# Generation



	2015/16 Q. 1-3	+/- in %
<b>Electricity generation volumes (GWh)</b>		
Total	4,056	24.4
Renewable energy sources	1,220	-7.5
Thermal energy sources	2,836	46.1
<b>Financial performance (EURm)</b>		
Revenue	171.1	-0.1
EBITDA	88.4	4.1
EBIT	46.7	73.3

→ **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 improvement in EBITDA**

→ **Rise in EBIT**

- Absence of prior year's impairment effects (related to Dürnröhr coal-fired power plant)

# 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 Q. 1-3	+/- in %
Electricity	4,956	-4.3
Natural gas	4,824	-2.3
Heat	1,623	4.4

Financial performance (EURm)	2015/16 Q. 1-3	+/- in %
Revenue	385.1	0.9
EBITDA	92.0	22.8
EBIT	79.0	26.6

## → 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 own 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 Q. 1-3</b>	<b>+/- in %</b>
Electricity	6,230	1.3
Natural gas <sup>2)</sup>	13,991	8.8

<b>Financial performance (EURm)</b>	<b>2015/16 Q. 1-3</b>	<b>+/- in %</b>
Revenue	381.9	4.3
EBITDA	192.1	12.8
EBIT	110.1	18.5

→ **Increase in network distribution volumes**

- Growth of electricity volumes in the industrial customer segment
- 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



End customer prices <sup>1)</sup>		+/- in %	Adjustment
Bulgaria	electricity	-0.4%	01.08.2015
		+0.83%	<b>01.07.2016</b>
	heat	-7.0%	01.07.2015
Macedonia	electricity	-0.7%	01.10.2015
		-2.5%	<b>01.07.2016</b>
	electricity	-0.3%	01.07.2015
		-0.25%	<b>01.07.2016</b>

Key energy business indicators (GWh)	2015/16 Q. 1-3	+/- in %
Electricity generation volumes	365	-11.9
Network distribution volumes <sup>2)</sup>	10,250	-1.7
Heat sales volumes	171	-13.7

Financial performance (EURm)	2015/16 Q. 1-3	+/- in %
Revenue	735.9	-8.0
EBITDA	86.6	8.8
EBIT	11.3	-66.4

## → Decline in revenue

- Lower energy demand in Bulgaria due to unusually mild temperatures and liberalisation steps
- Lower water flows in Macedonia

## → EBITDA increase

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

## → EBIT decrease

- Impairment effect of EUR 26.1m related to heating business of TEZ Plovdiv

<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 Q. 1-3</b>	<b>+/- in %</b>
Revenue	132.3	3.8
EBITDA	28.3	-23.5
EBIT	9.0	-47.5
Financial results	-1.6	75.2
Result before income tax	7.4	-30.7

→ **Increase in revenue**

- Volume growth in both, drinking water supplies and thermal waste incineration in Lower Austria
- Higher revenue from international project business

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

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

→ **New contract in international projects business**

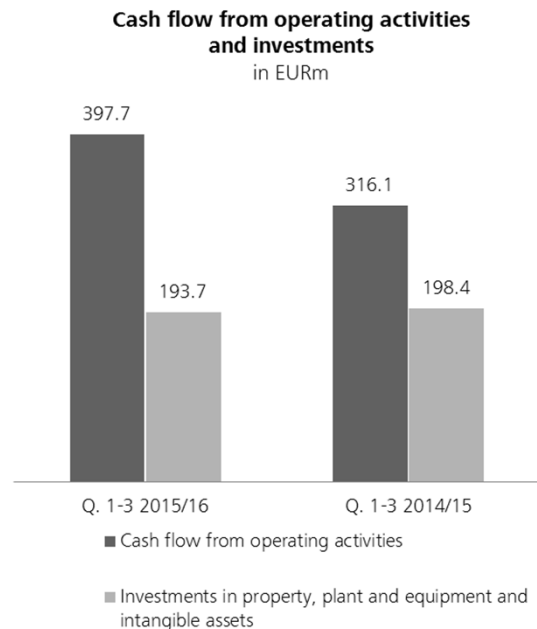
- Turn-key wastewater treatment project in Vodice (Croatia)

# Cash flows



EURm	2015/16 Q. 1-3	+/- in %
Gross CF	450.0	16.1
Net CF from operating activities	397.7	25.8
Net CF from investing activities	-161.4	-
Net CF from financing activities	-215.2	36.8
Net change in cash and cash equivalents	21.1	0.8

- **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 Eastern Europe

# Additional information



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## **Financial calendar**

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

Next event: Results FY 2015/16,

13 December 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.

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