



**EVN conference call  
Q. 1-3 2023/24 results**

29 August 2024

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- Solid business development in Q. 1-3 2023/24
    - Significantly mild weather conditions in all three markets
    - Changes in consumer behaviour including a shift towards prosumers
    - Decline in wholesale prices for electricity and energy carriers compared to high level in prior year
    - Increase in electricity production from renewables due to favourable wind and water conditions
  
  - Substantial progress in expansion of renewable generation
    - Wind power capacities at 478 MW and photovoltaics capacities at ~80 MWp as of reporting date
    - Share of renewable generation increased to 84%
  
  - Investment programme of EUR 700m to EUR 900m per year by 2030
    - Focal points: network infrastructure, renewable generation and drinking water supplies
    - Thereof ~3/4 in Lower Austria

	<b>Q. 1-3 2023/24</b>	+/-
	EURm	%
<b>Revenue</b>	2,500.6	-13.9
<b>EBITDA</b>	657.9	9.3
Depreciation and amortisation	-257.7	-5.4
Effects from impairment tests	-0.3	-
<b>EBIT</b>	399.9	11.3
Financial results	162.3	22.5
<b>Group net result</b>	479.6	14.5
Net cash flow from operating activities	829.1	-
Investments <sup>1)</sup>	438.6	15.2
Net debt	1,134.7	-22.8
	%	
Equity ratio <sup>2)</sup>	62.4	4.2
	EUR	
Earnings per share	2.69	14.4

<sup>1)</sup> In intangible assets and property, plant and equipment

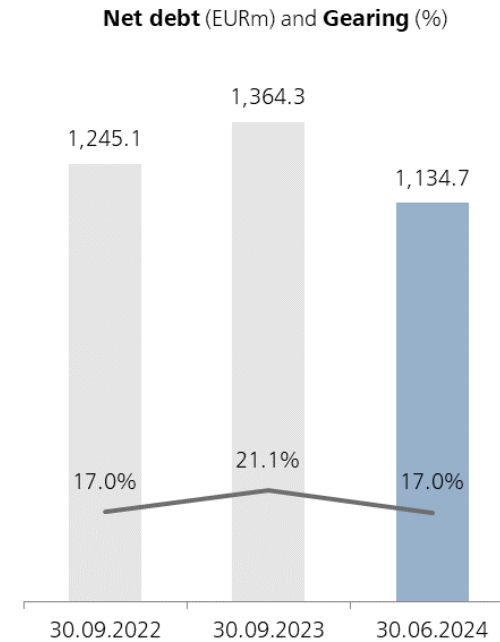
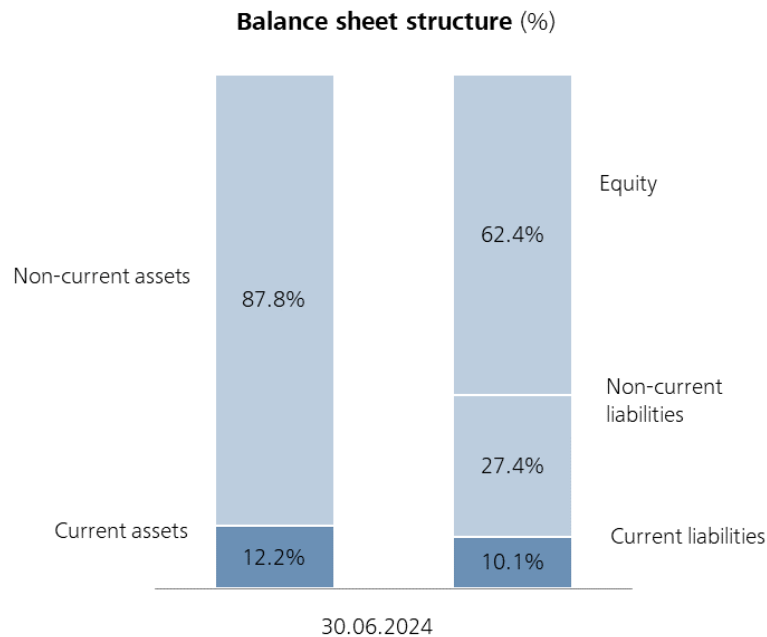
<sup>2)</sup> Changes reported in percentage points

## → Decline in revenue

- Declining wholesale prices
- Reduced use of natural gas-fired power plant Theiss
- Negative price and volume effects in natural gas network volumes
- South Eastern Europe negatively affected by network tariffs in Bulgaria
- Lower contribution from international project business caused by largely completed Kuwait project

## → EBITDA, EBIT and Group net result above prior year

- Procurement costs decreased y-o-y
- Higher personnel expenses
- Positive results from at equity accounted investees (EUR 4.2m; prior year: EUR –157.7m)
- Increased financial results y-o-y due to higher Verbund dividend



- Strong balance sheet is the basis for EVN's ambitious investment programme
- Net debt decreased compared to the level of balance sheet date 30.09.2023, but is expected to increase again by financial year end due to high volume of investments
- EVN's goal is to maintain solid A category ratings

Sales volumes to end customers	Q. 1-3 2023/24	+/-
	GWh	%
Electricity <sup>1)</sup>	4,853	-17.9
Natural gas <sup>1)</sup>	2,788	-29.6
Heat	1,654	-10.3

Financial performance	Q. 1-3 2023/24	+/-
	EURm	%
Revenue	626.7	-21.9
EBITDA	-19.1	82.5
EBIT	-39.0	69.1

<sup>1)</sup> Mainly sales volumes from EVN KG and EnergieAllianz in Austria and Germany; the results from these two sales companies are included in EBITDA under the share of results from equity accounted investees with operational nature.

→ **Drop in electricity, natural gas and heat sales volumes**

- Significantly warmer temperatures y-o-y
- Demanding framework conditions for sales company EVN KG: growing competition, consumers' energy saving efforts and increased generation by customers' own PV equipment

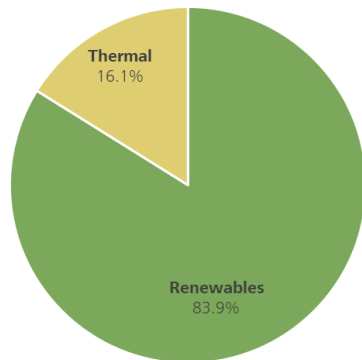
→ **EBITDA and EBIT above prior year**

- Revenue dropped:
  - Lower wholesale prices and resulting lower valuation effects from hedges
  - Reduced use of own power plant Theiss
- Operating expenses reduced:
  - Lower primary energy costs for electricity and heat generation
- Negative earnings contribution from EVN KG  
(Q. 1-3 2023/24: EUR – 107.4m; prior year: EUR –264m)

	Q. 1-3 2023/24	+/-
<b>Electricity generation volumes</b>	GWh	%
Total	2,022	14.3
Renewable energy sources	1,845	24.4
Thermal energy sources	177	-38.0

	Q. 1-3 2023/24	+/-
<b>Financial performance</b>	EURm	%
Revenue	334.5	-9.1
EBITDA	193.6	-12.7
EBIT	159.3	-15.7

Share of EVN's renewable generation  
(as of 30.06.2024)



Generation from thermal energy sources include the use of the Theiss power plant by the Austrian network transmission operator for network stabilisation and co-generation plants.

## → Electricity generation above prior year level

- Y-o-y increase in renewable energy generation driven by good wind and water conditions combined with capacity expansion
- Decrease in demand for gas-fired generation to support network stability

## → EBITDA and EBIT below prior year

- Revenue decreased due to declining market prices
- Lower operating expenses due to the decline in the energy crisis contribution for electricity compared y-o-y
- Lower results from at equity accounted Verbund Innkraftwerke caused by lower market prices

Network distribution volumes	Q. 1-3 2023/24	+/-
	GWh	%
Electricity	5,904	-2.2
Natural gas <sup>1)</sup>	9,523	-8.4

Financial performance	Q. 1-3 2023/24	+/-
	EURm	%
Revenue	508.5	2.9
EBITDA	226.8	11.6
EBIT	102.0	9.7

<sup>1)</sup> Including network sales to EVN's power stations

## → Decline in electricity and natural gas network sales volumes

- Warmer temperatures y-o-y
- Changing consumer behaviour: consumers' energy saving efforts and expansion of customer-operated PV equipment
- Lower use of Theiss power plant for network stabilisation

## → Increase in revenue

- Higher system network tariffs for electricity compensated lower revenue from natural gas
- Positive revenue contribution from cable TV, internet and telecommunications

## → EBITDA and EBIT above prior year

Key energy business indicators	Q. 1-3 2023/24	+/-
	GWh	%
Electricity generation volumes	344	-8.4
Network distribution volumes	10,599	1.2
Electricity sales volumes	8,230	-0.8
Heat sales volumes	153	-7.1

Financial performance	Q. 1-3 2023/24	+/-
	EURm	%
Revenue	1,033.4	-12.8
EBITDA	162.5	-9.1
EBIT	100.1	-15.8

- **Electricity generation volumes lower y-o-y**
  - Water flows in North Macedonia above long-term average but below prior year
  - Generation volumes from photovoltaics increased y-o-y
- **Slightly increased network distribution volumes, energy sales volumes nearly on prior year**
  - Mild weather conditions, especially in Bulgaria
  - Higher network distribution volumes
- **EBITDA and EBIT below prior year**
  - Revenue decreased y-o-y due to declining electricity prices and lower network tariffs in Bulgaria
  - Operating expenses decreased (decrease in costs for third party electricity purchases and energy carriers)



Financial performance	Q. 1-3 2023/24	+/-
	EURm	%
Revenue	296.7	-18.6
EBITDA	22.2	-49.8
EBIT	4.6	-77.3
Financial results	-18.4	6.4
Result before income tax	-13.8	-

→ **Decrease in EBITDA, EBIT and result before income tax**

- Completion of wastewater treatment plant in Kuwait as main impact for decline in revenue and operating expenses
- ~3/4 of wastewater pipeline infrastructure at the Kuwait project has already been completed
- Impairment loss for outstanding receivables of EUR 22.5m from the Budva project in Q. 1 2023/24

→ **9 projects under construction**

- Germany, Poland, Romania, North Macedonia, Bahrain and Kuwait

	<b>Q. 1-3 2023/24</b>	+/-
	EURm	in %
Gross cash flow	890.0	-5.7
Net cash flow from operating activities	829.1	-
Net cash flow from investing activities	-312.8	16.6
Net cash flow from financing activities	-486.4	-
Net change in cash and cash equivalents	30.0	-

→ **Rise in CF from operating activities**

- Working Capital related increase
- Liquidity settlement for EVN KG and related capital commitment for working capital in previous year

→ **Lower CF from investing activities**

- Higher construction and network subsidies in the network and heating business
- Cash in from sale of cash funds
- Increasing investment level

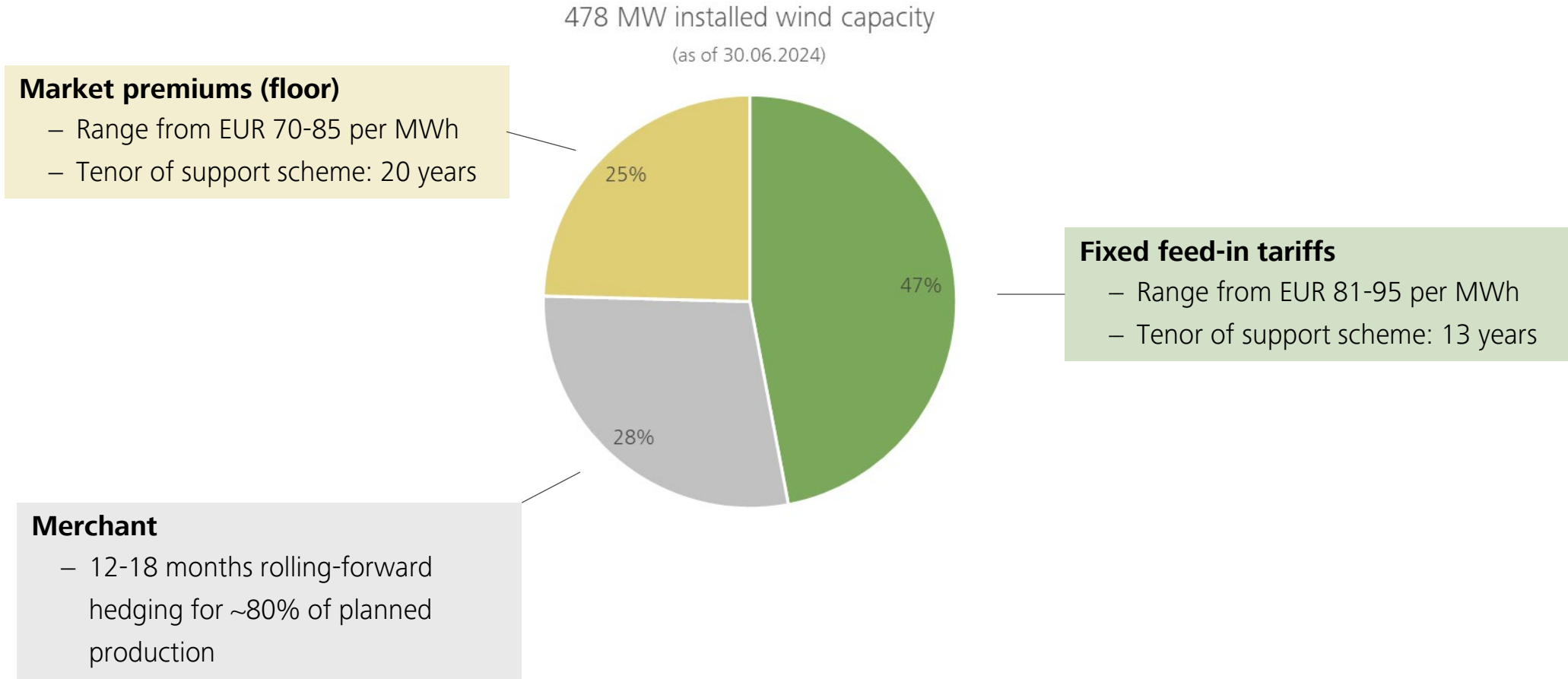
→ **Reduced CF from financing activities**

- Scheduled repayments and dividend payment



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- Group net result for 2023/24 is expected to be at the upper part of the previously communicated range of EUR 420m to EUR 460m based on the development of the operating business
    - Under the assumption of a stable regulatory and energy policy environment
  
  - EVN's dividend policy reflects investment and growth perspectives up to 2030 and beyond
    - Dividend for financial year 2023/24 expected to equal at least EUR 0.82 per share
    - Appropriate shareholders' participation in any additional earnings growth
    - Payout ratio – in the mid-term – equaling 40% of Group net result (adj. for extraordinary effects)
  
  - Annual investments will range from EUR 700m to EUR 900m up to 2030
    - Core areas: network infrastructure, renewable generation and drinking water supplies

# Appendix







# Remuneration structure of EVN's wind portfolio



# Regulated business in Austria

Network	Electricity	Natural gas	Comments
Regulatory authority			
Start of the regulatory period	01.01.2024	01.01.2023	
Next regulatory adjustment	01.01.2029	01.01.2028	Adjustment of WACC and productivity factors
Duration of the regulatory period	5 years	5 years	
Regulatory method	Revenue caps	Revenue caps	
RAB (EURm)	Annually adjusted	Annually adjusted	Annual investments are added to the RAB in the following year
WACC (pre-tax, nominal)	<ul style="list-style-type: none"> <li>– New RAB: 6.33%</li> <li>– Existing RAB of DSO with average efficiency: 4.16%</li> </ul>	<ul style="list-style-type: none"> <li>– New RAB: 4.88%</li> <li>– Existing RAB of DSO with average efficiency: 3.72%</li> </ul>	Set for length of regulatory period Higher WACC for existing RAB of DSO with above-average efficiency (such as EVN/Netz NÖ)
General productivity factor	0.40%	0.40%	Gains from cost reductions remain with the company during the regulatory period
Inflation	Annual adjustment	Annual adjustment	Network operator price index consists of consumer price index and wage increase index

# Segment outlook for 2023/24

Segments	Outlook 2023/24	Adjusted Outlook 2023/24	Comments
 Energy	↑	↗	<p>Segment outlook <b>adjusted</b>:</p> <ul style="list-style-type: none"> <li>– The write-down of natural gas inventories and the challenging framework conditions will have a negative impact on the sales company EVN KG</li> <li>– The return to a positive earnings level of EVN KG, originally expected for the financial year 2023/24, will be delayed</li> </ul>
 Generation	↘	↘	<p>Segment outlook <b>confirmed</b>:</p> <ul style="list-style-type: none"> <li>– EBIT expected to be slightly below prior year's level</li> <li>– Under the assumption of wind and water flows corresponding to the long-term average</li> <li>– Ongoing decline in electricity prices</li> </ul>
 Networks	↘	↘	<p>Segment outlook <b>confirmed</b>:</p> <ul style="list-style-type: none"> <li>– EBIT expected to be below the previous year</li> <li>– Lower WACC in the new regulatory period for electricity distribution network</li> <li>– End customers' ongoing efforts to reduce energy consumption and negative macroeconomic effects</li> </ul>
 South East Europe	↓	↓	<p>Segment outlook <b>confirmed</b>:</p> <ul style="list-style-type: none"> <li>– EBIT expected to be below previous year at the upper range of EUR 70m to EUR 90m</li> <li>– Offsetting of regulatory compensation for additional costs for covering network losses which contributed to the unusually high segment results in 2022/23</li> </ul>
 Environment	→	↘	<p>Segment outlook <b>adjusted</b>:</p> <ul style="list-style-type: none"> <li>– Earnings expected to be below prior year's level</li> <li>– Earnings dependent on the respective progress on international projects</li> </ul>
 All other Segments	↓	↗	<p>Segment outlook <b>adjusted</b>:</p> <ul style="list-style-type: none"> <li>– Higher dividend payout by Verbund AG (recognised in financial result)</li> <li>– Decline in the operating result contribution of equity-accounted investments Burgenland Energie and RAG, which started from a high level in the previous year.</li> </ul>

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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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