



EVN – energy company and
environmental services provider

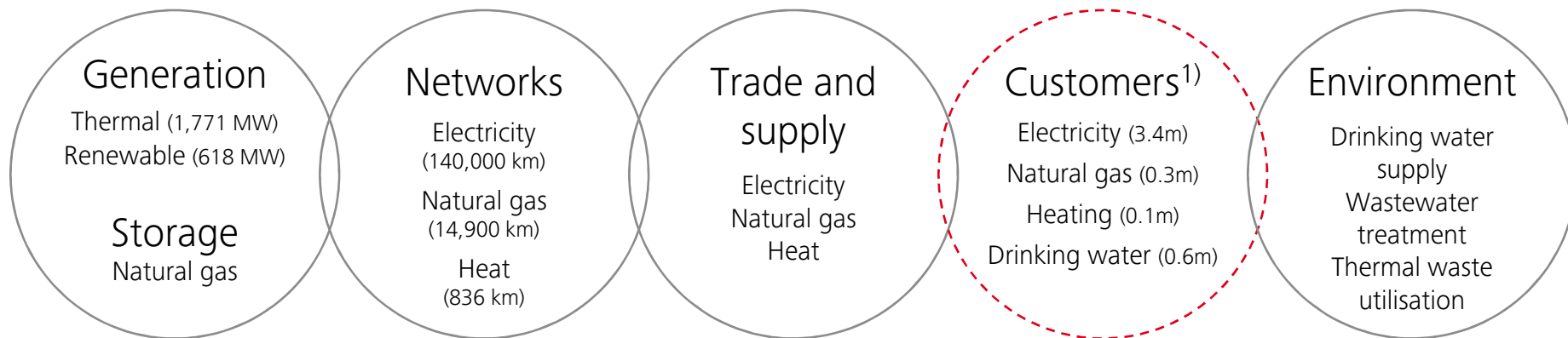
August 2017

Agenda



-
- EVN at a glance
 - Business development (FY 2015/16)
 - Back-up information

Integrated business model as basis for our value chain

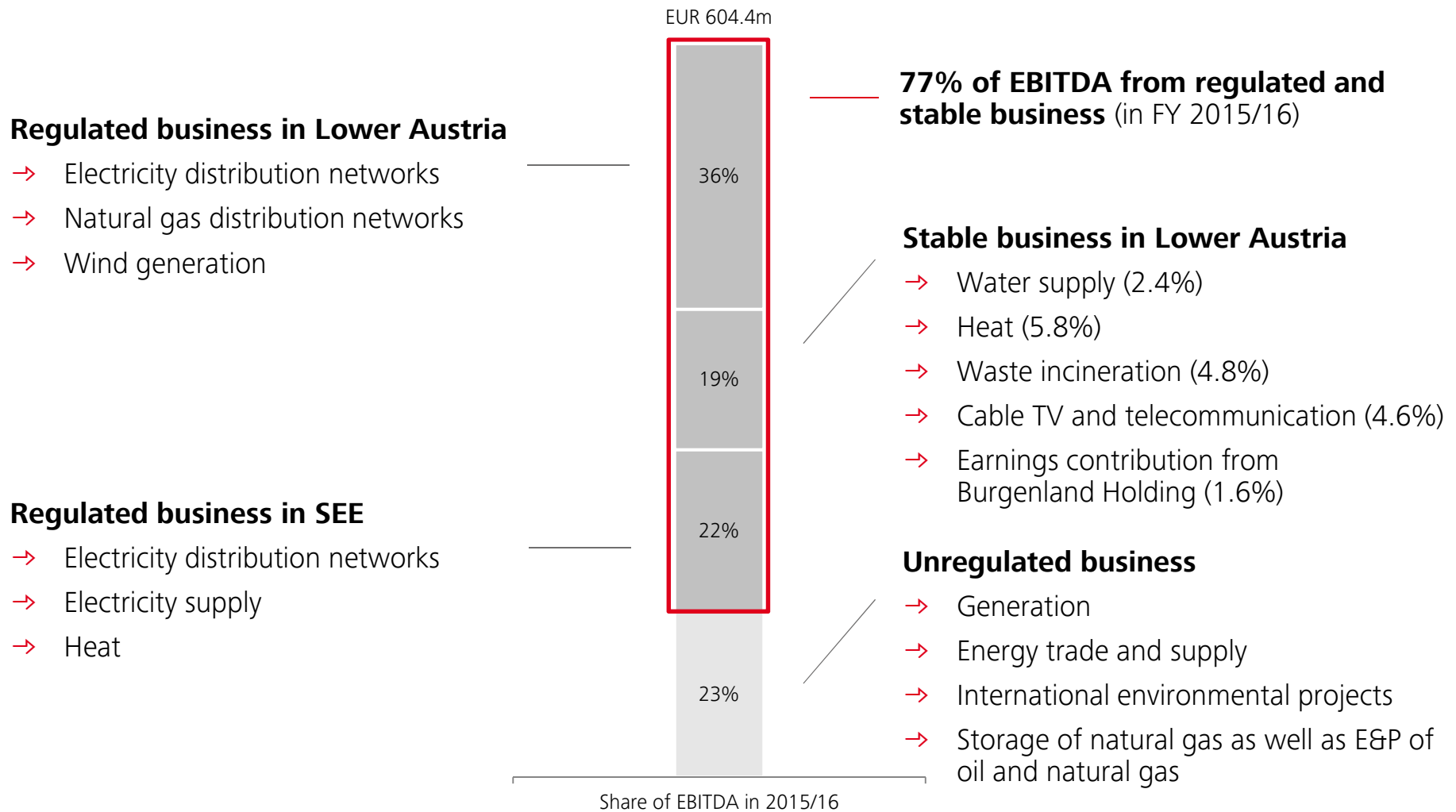


¹⁾ Number of customers in brackets

→ Foreign markets in the energy business

- Bulgaria: Electricity distribution networks, electricity supply, generation and heat
- Macedonia: Electricity distribution networks, electricity supply and generation
- Selected activities in Germany, Croatia and Albania

High share of regulated and stable business



Continuous strengthening and expansion of domestic and stable activities



- Sustaining high share of stable income from network business
 - Stable and incentive-based Austrian regulatory framework
 - Ø future RAB growth 3-4% p.a.

- Increase of windpower capacity
 - From 269 MW to over 300 MW (in 2017/18)
 - Feed-in tariffs in Austria fixed for 13 years

Regulated business in Austria



Network	Electricity	Gas	Comments
Regulatory authority	E-Control GmbH	E-Control GmbH	
Start of the regulatory period	01.01.2014	01.01.2013	
Next regulatory adjustment	01.01.2019	01.01.2018	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)	6.42%	6.42%	Set for length of regulatory period
General productivity factor	1.25%	1.95%	Gains from cost reductions remain with the company during the regulatory period
Inflation	Annual adjustment	Annual adjustment	Network operator price index consists of consumer (30%) and building price (40%) indices as well as wage increase index

Clear and prudent strategy for unregulated activities



- Thermal plants as reserve capacity
 - Strong demand for network stabilisation in Austria and southern Germany
 - Contracts with transmission grid operators

- Maintain strong anchorage in domestic supply business
 - EVN brand stands for high quality energy products and services
 - Supply security and focus on customers form EVN's key promises

Strong market position in Austria



EVN's electricity market share in Lower Austria

EVN: **64%**

Market size: 8 TWh

Electricity market shares in the Austrian market

EVN: **9%**
EAA & Partners: **18%**

61 TWh

Gas market shares in Lower Austria

EVN: **34%**

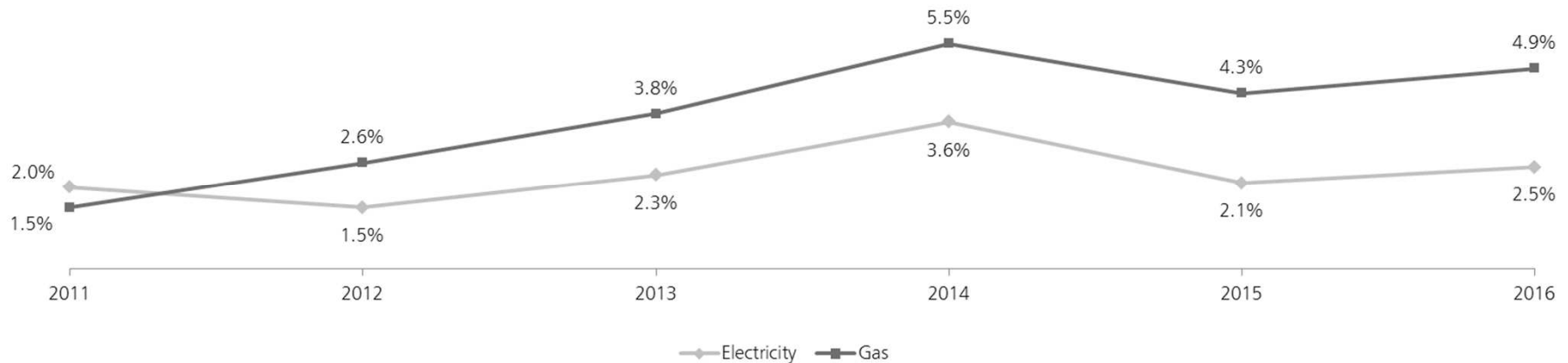
16 TWh

Gas market shares in the Austrian market

EVN: **6%**
EAA & Partners: **9%**

89 TWh

Churn rates in Lower Austria
(%, incl. tariff changes by customers)

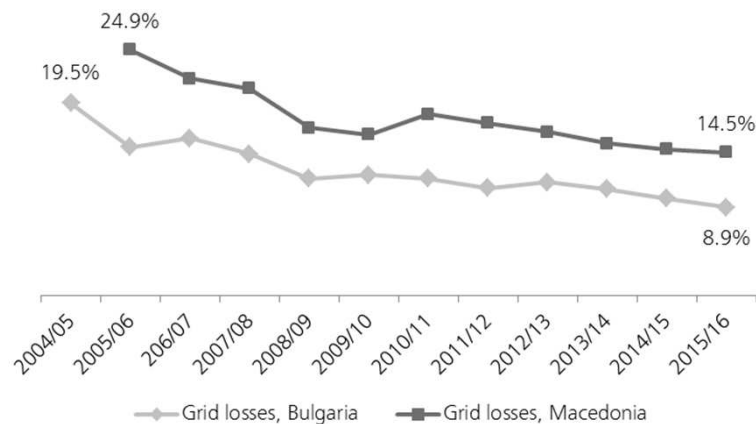


Market shares refer to FY 2015/16; EVN holds a 45% stake in EAA & Partners
 Source market shares: E-Control 2016, annual report and company numbers
 Source churn rates: E-Control, market statistics – consumer attitude/churn rates electricity and gas according to network areas

Continuous efforts to achieve further operating improvements in SEE



→ Improvement of grid efficiency



→ Commitment to supply security

→ Investment strategy for SEE

- Expansion and upgrading of network infrastructure to continuously reduce network losses

- Replacement of metres to further improve collection rates

→ Ongoing efforts for adequate regulatory framework and electricity market design

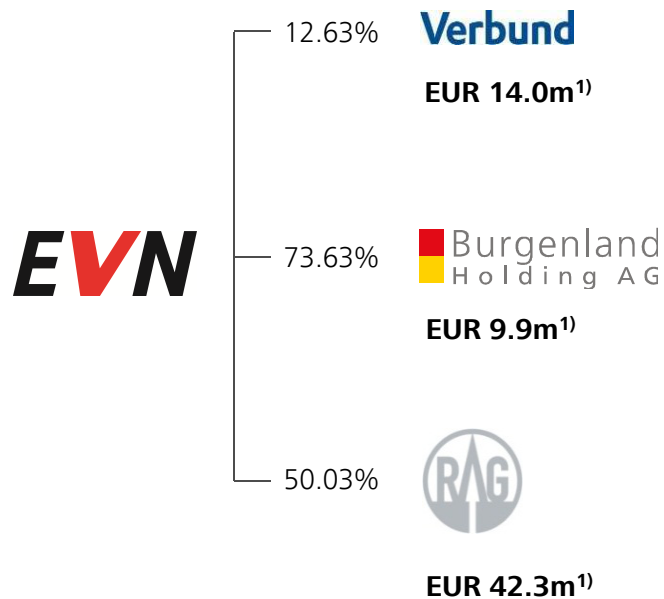
Environmental services business adds stability and further diversifies EVN's business mix



- Stable earnings contribution from activities in Lower Austria
 - Largest regional drinking water supplier (supra-regional pipeline networks and local water supply networks)
 - Thermal waste utilisation plant (annual capacity 500,000 t)

- International project business
 - Planning and construction of plants for drinking water supplies, wastewater disposal and thermal waste incineration
 - Operation and financing (upon request)
 - 7 projects under realisation

Significant contribution to EVN's net profit from strategic investments



¹) Contribution to EVN's net profit in FY 2015/16

→ Verbund AG

- #1 electricity producer in Austria and #2 in Europe with 7.7 GW installed capacity

→ Burgenland Holding AG

- Holds a 49% stake in Energie Burgenland (#1 green energy producer in Austria and local gas distributor)

→ Rohöl-Aufsuchungs-Aktiengesellschaft

- #2 oil & gas producer in Austria, one of the largest gas storage operators in CE with 5.8bn m³ working gas capacity

Key messages to our shareholders



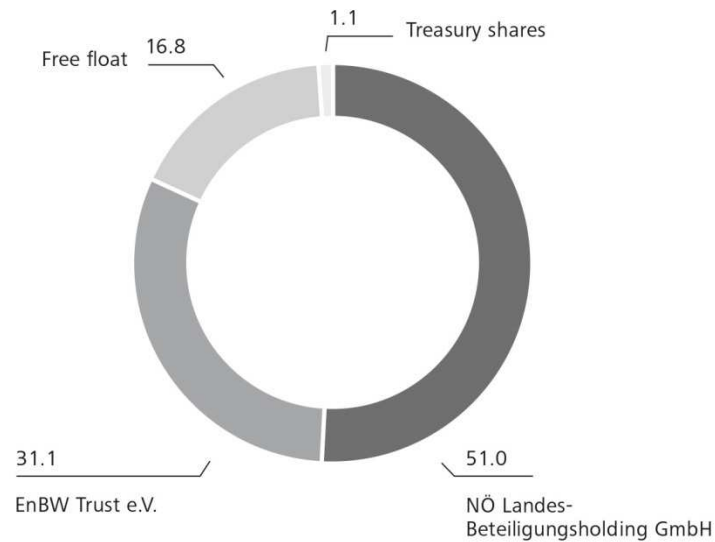
- High share of earnings from regulated and stable business
- Continuous strengthening and expansion of domestic regulated and stable activities
 - Networks, wind generation, drinking water supply, heating
- Benefit from solid home market
 - Maintain strong anchorage in the supply business despite growing competition
- Robustness of integrated business model
- Commitment to stable dividend policy

-
- Group net result is expected to increase over the previous year on the order of the non-recurring effect from the settlement in Bulgaria
 - In this connection, reversal of valuation allowances to receivables recorded in previous years and default interest totalling approximately EUR 38m after tax were recognised
 - Outlook assumes average conditions in the energy business environment
 - EVN's strategy remains unchanged
 - Investment programme for networks, renewable generation and drinking water supplies to be continued
 - Commitment to integrated business model

EVN share



→ Shareholder structure (as of 31.03.2017)



	2016/17	2015/16
Dividend per share (EUR) ¹⁾	0.42	0.42
Payout ratio (%)	47.7	50.4
Dividend yield (%)	4.0	4.3
	30.06.2017	
Share price (EUR)	13.09	
Market capitalisation (EURm)	2,355	

¹⁾ Stable dividend of 0.42 EUR/share since FY 2011/12

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Key financials

(FY 2015/16)



	2015/16	+/-
	EURm	%
Revenue	2,046.6	-4.2
EBITDA	604.4	3.6
Depreciation and amortisation	-266.1	-2.3
Effects from impairment tests	-77.9	-42.3
EBIT	260.4	-2.9
Financial results	-61.6	-2.1
Group net result	156.4	5.6
Net cash flow from operating activities	463.0	-3.2
Investments ¹⁾	315.4	-2.2
Net debt	1,121.5	-8.9
	%	
Equity ratio ²⁾	42.3	2.5
	EUR	
Earnings per share	0.88	5.7

- Lower revenue from mild winter in Bulgaria and liberalisation steps in SEE
- Lower electricity purchases and primary energy expenses lead to increase in EBITDA
- Increase in Group net result

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Key energy business indicators



(FY 2015/16)

	2015/16	+/-
	GWh	%
Electricity generation volumes	5,866	20.1
Renewable energy sources	2,026	-3.8
Thermal energy sources	3,840	38.3
Network distribution volumes		
Electricity	21,532	-0.7
Natural gas	16,288	8.7
Energy sales volumes to end customers		
Electricity	18,292	-5.0
thereof Austria and Germany	6,410	-5.8
thereof South Eastern Europe	11,882	-4.6
Natural gas	5,134	-2.0
Heat	2,082	2.2

- Increase in energy production
 - Greater use of thermal power plants to support network stability
 - Decline in renewable generation due to less favourable wind conditions
- Substantial increase in natural gas network distribution volumes due to stronger demand for thermal generation

EBITDA development by segments



(FY 2015/16)

Segment	2015/16 EURm	+/- %	Comment
Generation	74.1	7.7	Higher thermal generation to support network stability
Energy	-28.3	-	Decline in electricity and natural gas sales volumes; negative influence from provisions for onerous contracts
Networks	220.6	9.7	Positive price and volume effects
South East Europe	129.5	7.2	Weaker electricity demand (mild winter and liberalisation); operating improvements
Environment	53.1	-3.5	Increase in revenue; absence of last year's positive effect from sale of sodium hypochlorite plant

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Key financials



(Q. 1-3 2016/17)

	Q. 1-3 2016/17 EURm	+/- %
Revenue	1,765.5	9.2
EBITDA	603.0	14.8
Depreciation and amortisation	-196.1	1.6
Effects from impairment tests	-105.8	-
EBIT	301.2	0.6
Financial results	-7.8	80.3
Group net result	242.0	21.7
Net cash flow from operating activities	380.6	-4.4
Investments ¹⁾	171.2	-11.6
Financial net debt	899.6	-18.1
	%	
Equity ratio ²⁾	47.5	5.7
	EUR	
Earnings per share	1.36	21.7

→ Revenue above previous year

- Higher revenue from generation
- Temperature-based increase in network distribution and energy sales volumes
- Positive impulses from international project business

→ Increase in EBITDA, EBIT and Group net result

- Higher operating expenses
- Improvement in the energy business results
- Positive one-off effect from settlement with Bulgarian NEK

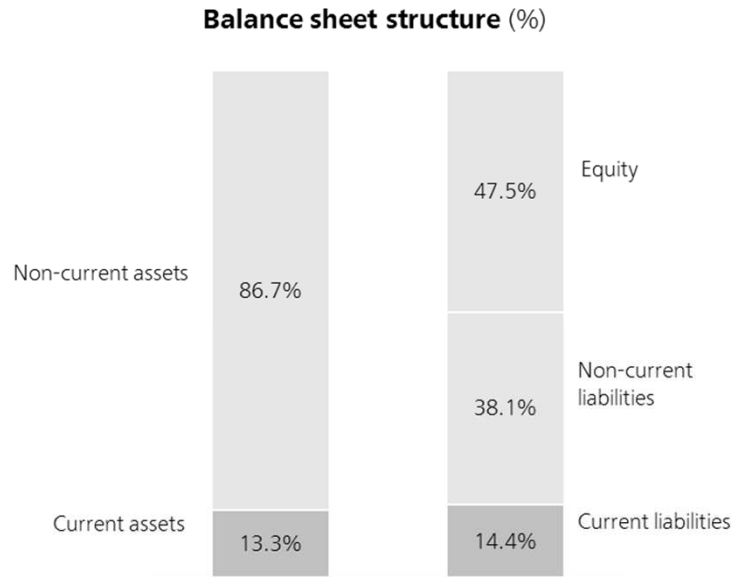
¹⁾ In intangible assets and property, plant and equipment

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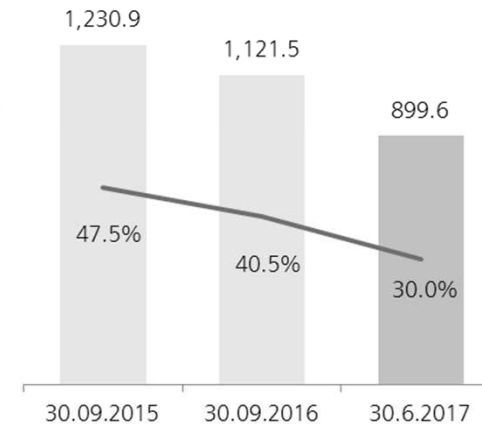
Solid balance sheet structure



(Q. 1-3 2016/17)



Financial net debt (in EURm) and Gearing (in %)



- Improvement of equity ratio to 47.5% (30 September 2016: 42.3%)
- Reduction of financial net debt to EUR 899.6m (30 September 2016: EUR 1,121.5m)

Arbitration decision in favour of Walsum power plant project (23 November 2016)



- Arbitration court awarded a claim of ~EUR 200m
- Accounting impacts for Walsum project company¹⁾
 - ~EUR 190m reduction of acquisition costs (capitalised fixed assets), counterbalanced by corresponding reduction of current liabilities against the general contractor Hitachi
 - EUR 9m positive p&l effect (for legal costs and interest)
 - Positive impact on depreciation due to reduction of fixed assets
 - No material liquidity effect
- Recalculation of cost allocation has offsetting p&l effects at Segment level only (but irrelevant from consolidated perspective)
 - Generation: One-time reduction of revenue in Q1 2016/17
 - Energy: Corresponding decline in expenses

¹⁾ Impacts on EVN's consolidated financials correspond to EVN's 49%-stake in project company

Out-of-court settlement with state-owned Bulgarian electricity provider NEK (13 February 2017)

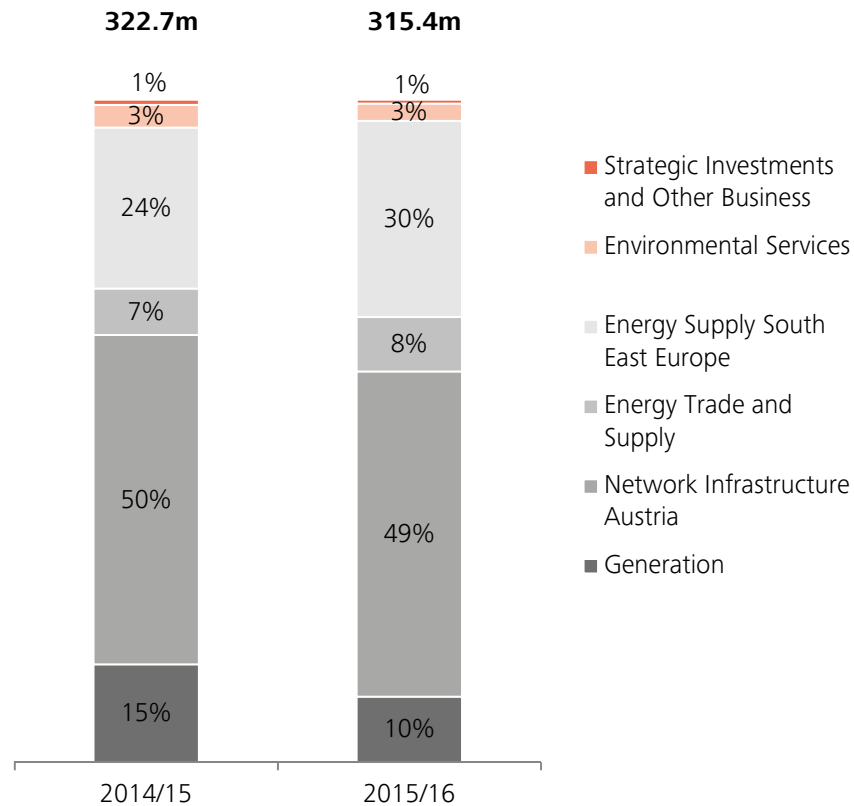


- Set-off of claims between EVN Bulgaria and NEK
 - Outstanding receivables for additional costs of renewable energy which were financed in advance by EVN Bulgaria (plus default interest)
 - Claims of NEK against EVN Bulgaria from power deliveries
- EVN Bulgaria had to recognise partial valuation allowances to these receivables against NEK in the past
- Agreement with NEK triggered reversal of these valuation allowances
 - ⇒ positive effect of ~EUR 38m on Group net result in Q. 2 2016/17

Structure of investments¹⁾



(FY 2015/16)



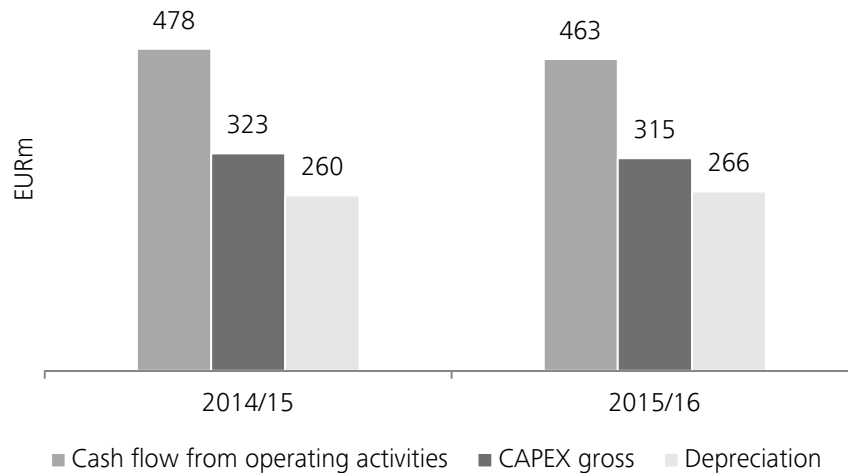
→ Investment focus

- Network Infrastructure Austria Segment
- Expansion of windpower capacity in Lower Austria
- Expansion of heat networks and biomass capacities in Lower Austria
- Expansion of the network infrastructure and replacement of meters in SEE
- Investments in natural gas network in Croatia

¹⁾ In intangible assets and property, plant and equipment

Strong operating cash flow

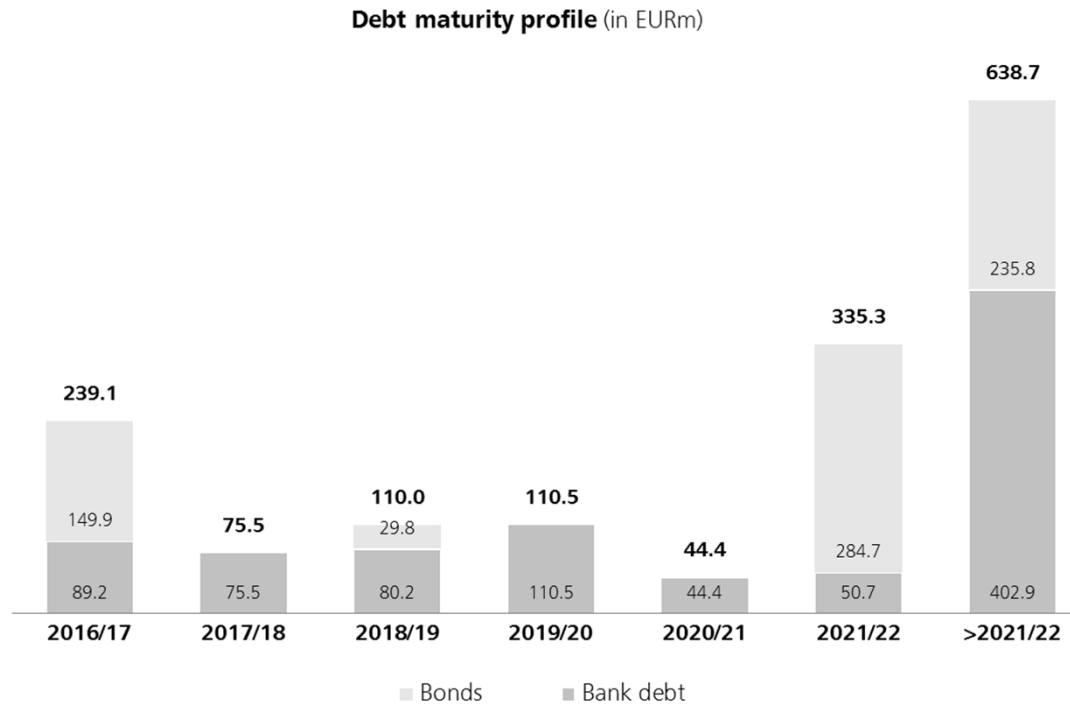
(FY 2015/16)



- Strong operating cash flow due to high share of regulated and stable business
 - Covers investments
 - Secures attractive dividend payments
- Investment program with a strong focus on RAB-growth
 - Ø future RAB growth 3-4% p.a.

- Stable dividend policy
- Financial policy
 - EVN aims to maintain credit ratings in the good investment grade area
 - In order to achieve such ratings, EVN is strictly monitoring the adjusted FFO/Net debt target ratios of both rating agencies
- Credit ratings
 - Moody's: A2, stable (April 2017)
 - S&P: A-, stable (April 2017)

Well-balanced maturity profile

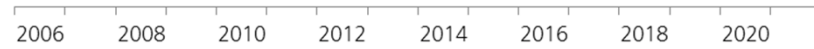
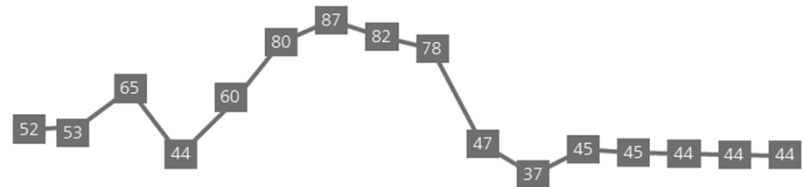


→ EUR 522m undrawn credit lines (as of 31.03.2017)

Challenging market environment

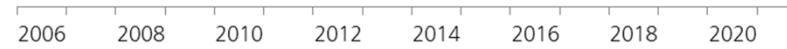
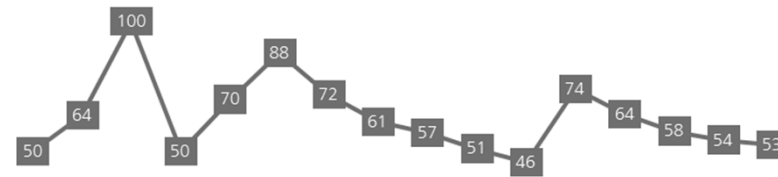


Crude oil price Brent in EUR/bbl



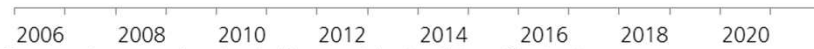
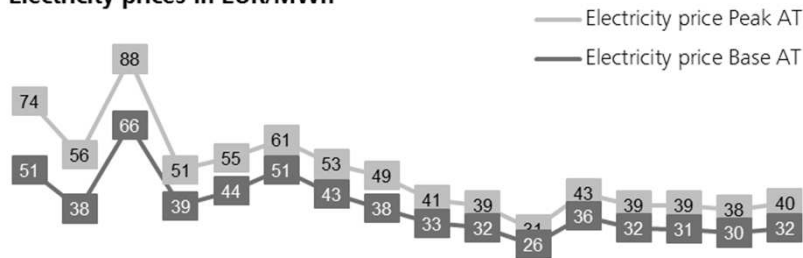
The respective spot market prices had been considered until the notification day

Hard coal prices API2 in EUR/tonne



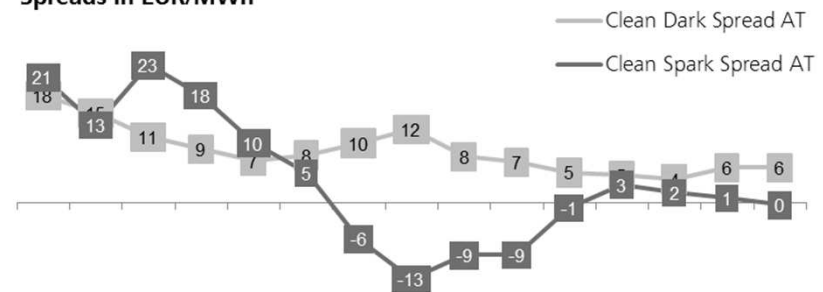
The respective spot market prices had been considered until the notification day

Electricity prices in EUR/MWh



The respective spot market prices had been considered until the notification day

Spreads in EUR/MWh



The respective spot market prices had been considered until the notification day

Source: EVN August 2017

Case study: RAG – inclusion in EVN Group results



- EVN holds a 50.03% stake in RAG through its fully consolidated subsidiary RAG-Beteiligungs-Aktiengesellschaft
- 100% of RAG earnings are recognised as share of profit of equity accounted investees with operational nature
- 49.97% of RAG earnings assigned to minority interest
- EVN contractually not entitled to exercise a controlling influence over RAG
- Shareholder structure
 - EVN AG (50.03%)
 - Uniper Exploration & Production GmbH (29.97%)
 - Energie Steiermark Kunden GmbH (10.00%)
 - Salzburg AG (10.00%)

Case study: RAG – Rohöl-Aufsuchungs AG¹⁾



Production statistics

		2016
Gas production	m m ³	400.8
Gas sales ²⁾	m m ³	1,443.8
Oil production	t	106,916
Oil tank storage capacity	t	260,000

Natural gas storage

Capacity (as of 31.12.2016)	t	5,888
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Key financials

Revenue	EURm	455.2
EBIT	EURm	74.1

Core areas of business

- Oil and natural gas E&P
- Natural gas storage

Concessions

- Austria (6,142 km²)
- Germany (7,055 km²)
- Hungary (2,993 km²)
- Romania (1,106 km²)

Storage facilities (Salzburg, Upper Austria)

- Puchkirchen/Haag (1,080 m m³)
- Aigelsbrunn (130 m m³)
- Haidach 5 (16 m m³)
- Nussdorf/Zagling (289 m m³)
- Haidach (JV with Gazprom & Wingas; 2,640 m m³)
- 7Fields (JV with Uniper Gas Storage; 1,733 m m³)

¹⁾ Source: RAG

²⁾ Sales of produced, swapped and traded gas

Contact details



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- www.evn.at
- www.investor.evn.at
- www.responsibility.evn.at

→ Headquarters of EVN AG

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→ Financial calendar

- Next event: Results FY 2016/17,
14 December 2017
- www.investor.evn.at/financial-calender

Certain statements made in this presentation may constitute „Forward-Looking Statements” within the meaning of the U.S. federal securities law. Forward-looking information is subject to various known and unknown risks and uncertainties. These include statements concerning our expectations and other statements that are not historical facts.

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.