



EVN conference call Q. 1-3 2016/17 results

24 August 2017

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- Key drivers for business development
 - Positive impact of low temperatures on network distribution and energy sales volumes
 - Strong demand for balancing energy and management of shortages
 - Sound operational performance of international project business
 - Positive arbitration decision for Walsum 10 power plant
 - Settlement with state-owned Bulgarian NEK regarding disputed receivables
 - Further expansion of windpower capacity in Lower Austria
 - From 269 MW to over 300 MW (in 2017/18)
 - Windparks Oberwaltersdorf (10 MW) and Sommerein (33 MW) under construction
 - Medium-term goal (based on appropriate legal framework): approximately 500 MW installed capacity

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

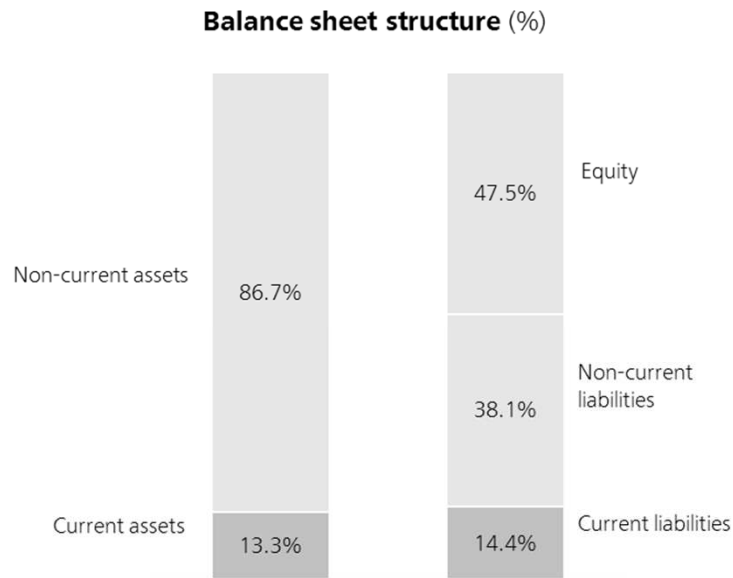
→ Increase in EBITDA, EBIT and Group net result

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

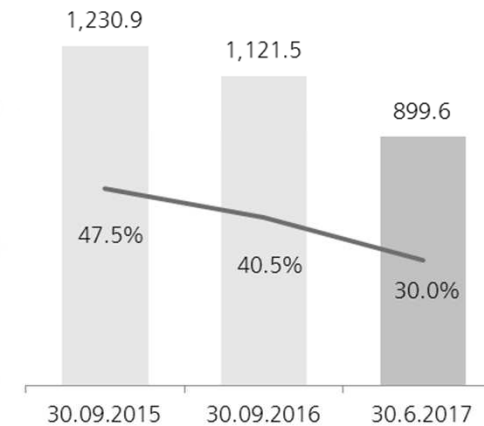
¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Solid balance sheet structure, reduced financial net debt

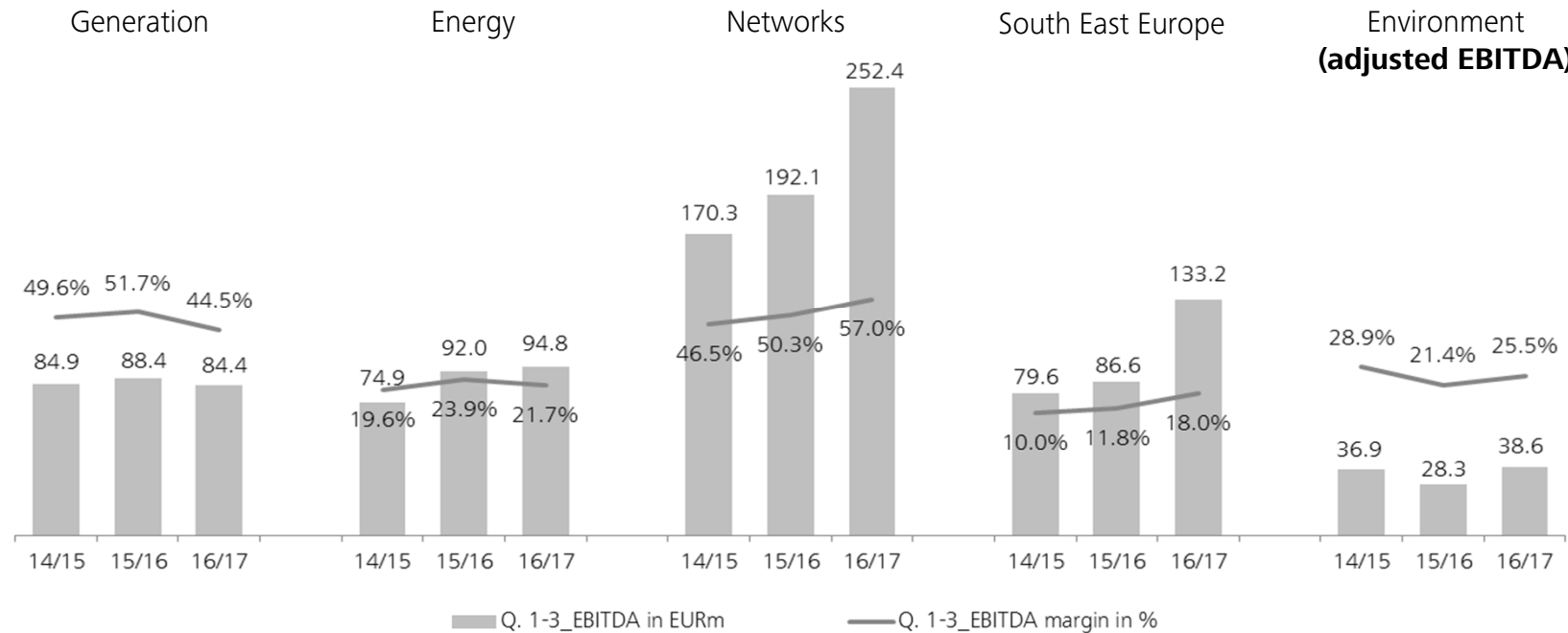


Financial net debt (in EURm) and Gearing (in %)



- 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)
- Ratings:
 - S&P: A-, stable
 - Moody's: A2, stable

EBITDA development by segments



- Higher renewable and thermal generation
- Higher expenses for primary energy and power plant inspections

- Higher energy sales volumes
- Rise in demand for energy purchases

- Positive price and weather-related volume effects

- Higher network distribution and sales volumes
- Positive one-off effect from settlement with NEK

- Positive performance of international project business
- EBITDA adjusted by EUR 45.5m valuation allowance to inventories
- Unadjusted EBITDA: EUR -6.9m

	Q. 1-3 2016/17	+/-
Electricity generation volumes	GWh	%
Total	4,338	7.0
Renewable energy sources	1,286	5.4
Thermal energy sources	3,053	7.6
	Q. 1-3 2016/17	+/-
Financial performance	EURm	%
Revenue	189.8	11.0
EBITDA	84.4	-4.5
EBIT	-8.4	-

→ Revenue above prior year

- Increase in renewable and thermal electricity production
- Supply of balancing energy and reserve capacity

→ Higher operating expenses

- Higher primary energy costs due to additional use of thermal plants
- Expenses for power plant inspections

→ Lower EBITDA and EBIT

- Negative effects from impairment testing

Sales volumes to end customers	Q. 1-3 2016/17 GWh	+/- %
Electricity	4,998	0.8
Natural gas	5,310	10.1
Heat	1,776	9.4

Financial performance	Q. 1-3 2016/17 EURm	+/- %
Revenue	436.8	13.4
EBITDA	94.8	3.1
EBIT	76.4	-3.3

→ **Energy sales above prior year**

- Development supported by colder winter temperatures

→ **Improvement in EBITDA, decline in EBIT**

- Higher energy purchases (due to greater use of thermal power plants and natural gas trading)
- Higher earnings contribution from electricity and natural gas sales of EVN KG (included at equity)
- Increase of depreciation and amortisation including effects from impairment tests

Network distribution volumes	Q. 1-3 2016/17 GWh	+/- %
Electricity	6,471	3.9
Natural gas ¹⁾	16,265	16.3

Financial performance	Q. 1-3 2016/17 EURm	+/- %
Revenue	443.0	16.0
EBITDA	252.4	31.4
EBIT	166.5	51.2

→ Increase in network distribution volumes

- Higher volumes due to cold winter
- Additional positive impact on natural gas distribution volumes from greater use of thermal power plants

→ Improvement in EBITDA and EBIT

- Positive price and volume effects

¹⁾ Including network sales to EVN's power stations

Key energy business indicators	Q. 1-3 2016/17 GWh	+/- %
Electricity generation volumes	361	-1.0
Network distribution volumes	10,925	6.6
Electricity sales volumes	9,690	1.8
Heat sales volumes	219	27.7

Financial performance	Q. 1-3 2016/17 EURm	+/- %
Revenue	741.8	0.8
EBITDA	133.2	53.9
EBIT	59.6	-

→ **Slightly higher revenue**

- Temperature-related growth in network distribution and energy sales volumes
- Increase in energy demand contrasted by negative effects from continuing liberalisation

→ **Improvement in EBITDA, decline in EBIT**

- Positive non-recurring effect from the settlement with the Bulgarian national electricity company NEK (reversal of past valuation allowances to receivables plus default interest)

Financial performance	Q. 1-3 2016/17 EURm	+/- %
Revenue	151.4	14.4
EBITDA	-6.9	-
EBIT	-25.9	-
Financial results	-1.4	13.1
Result before income tax	-27.3	-

→ Increase in revenue

- Positive impulses from international project business

→ Negative EBITDA and EBIT

- Increase in operating expenses in line with revenue growth in international project business
- Negative non-recurring, non-cash effect (valuation allowance to inventories)

→ Potential contract in Kuwait

- Best bidder for a wastewater treatment plant project (after opening of offers in March 2017)
- Contract still to be awarded

Cash flows



	Q. 1-3 2016/17 EURm	+/- in %
Gross cash flow	508.4	12.8
Net cash flow from operating activities	380.6	-4.4
Net cash flow from investing activities	47.7	-
Net cash flow from financing activities	-362.1	-68.3
Net change in cash and cash equivalents	66.1	-

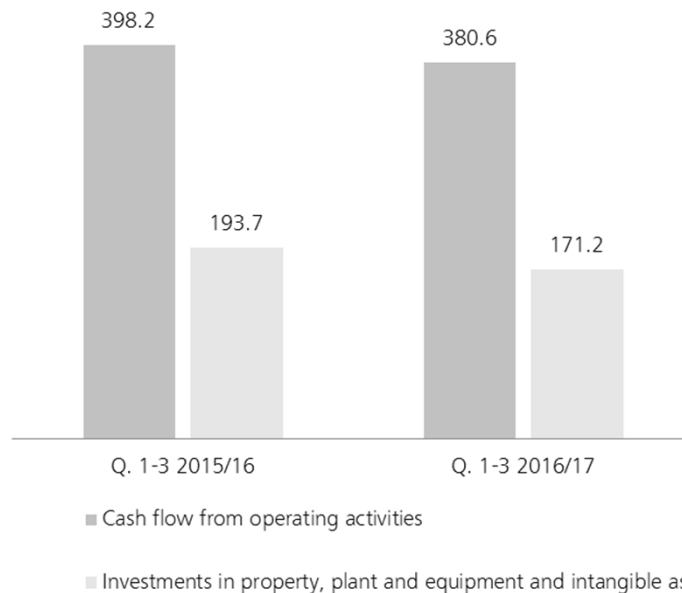
→ Strong operating cash flow

- Offsetting effects in operating cash flow and cash flow from investing activities due to Walsum arbitration decision
- Slight decline compared to previous year

→ Cash flow from financing activities

- Dividend payment
- Scheduled repayments of loans and EUR 150m bond (in June 2017)

Cash flow from operating activities and investments (EURm)



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- 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
 - Sustainable investments in Lower Austria
 - Focused continuation of activities on networks, renewable generation and drinking water
 - Presentation of FY 2016/17 results
 - 14 December 2017

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