

EVN conference call HY. 1 2022/23 results

25 May 2023

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- Proposal of a special dividend and specification of outlook for 2022/23
 - Special dividend for 2022/23 of EUR 0.62 per share to be proposed at 95th AGM¹⁾
 - Ordinary dividend for 2022/23 to be at least EUR 0.52 per share¹⁾
 - Contribution of operating activities to Group net result in 2022/23 to be at upper end of communicated range at around EUR 250m; in addition, contribution from Verbund AG in the amount of EUR 158m

 - Sound financial performance
 - Significantly mild weather conditions in all three markets
 - Positive development of Group net result, above all the South East Europe, Environment and Generation Segments, but substantial negative effects by EVN KG

 - Ambitious investment programme
 - Annual investments exceeding EUR 600m
 - Focal points: network infrastructure, renewable generation and drinking water supplies
 - Renewable energy expansion in Lower Austria ahead of schedule

1) Subject to approval of supervisory board at its meeting convened to approve financial statements as well as the approval of shareholders of EVN AG at 2024 AGM

	HY. 1 2022/23	+/-
	EURm	%
Revenue	2,192.6	3.1
EBITDA	466.4	11.0
Depreciation and amortisation	-162.6	-2.7
Effects from impairment tests	-	-
EBIT	303.8	44.0
Financial results	-27.5	11.9
Group net result	217.4	70.6
Net cash flow from operating activities	-94.4	-12.3
Investments ¹⁾	219.4	14.6
Net debt	1,748.4	54.1
	%	
Equity ratio ²⁾	57.4	-2.0
	EUR	
Earnings per share	1.22	70.6

¹⁾ In intangible assets and property, plant and equipment

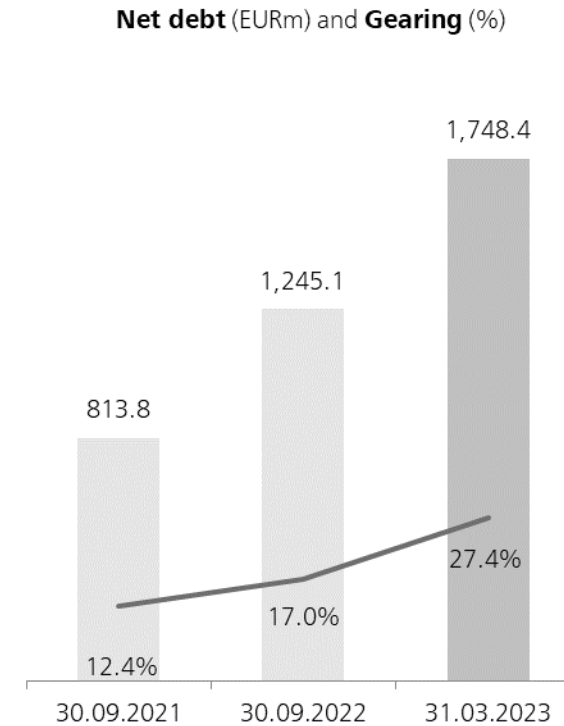
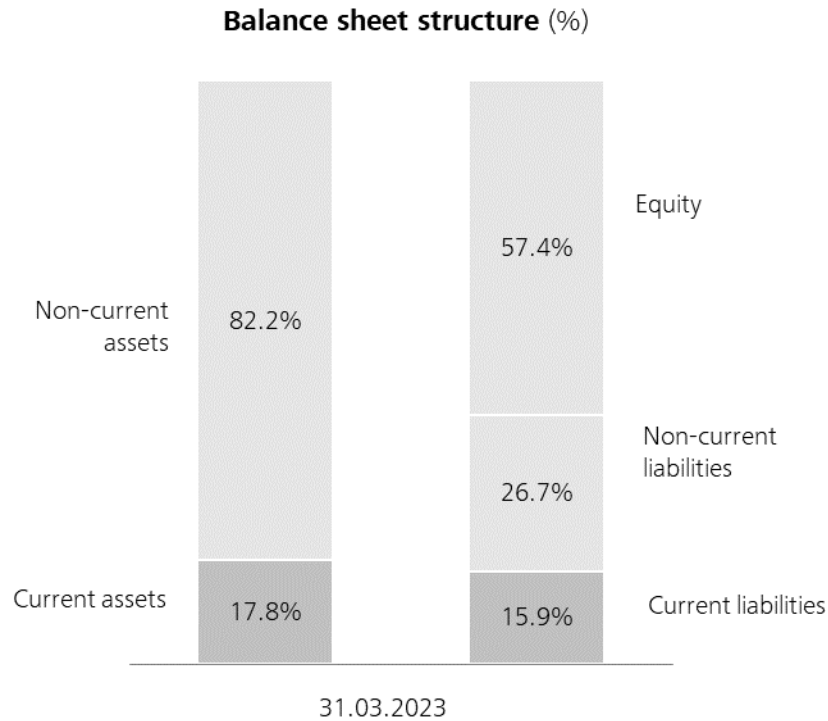
²⁾ Changes reported in percentage points

→ Increase in revenue

- Price effects in renewable generation
- Valuation effects of hedges and higher prices at EVN Wärme
- Decreased revenue in South East Europe
- Growth from international project business

→ Rise in EBITDA, EBIT and Group net result

- Lower procurement prices in South Eastern Europe
- Higher operating expenses related to the energy crisis contribution for electricity
- Negative earnings contribution from EVN KG



- Strong balance sheet as a basis for increased investment programme (exceeding EUR 600m p.a., mainly in Lower Austria)
- Working Capital related increase in net debt
- Ratings confirmed: A1/stable (Moody's), A+/stable (Scope)

Sales volumes to end customers	HY. 1 2022/23	+/-
	GWh	%
Electricity ¹⁾	4,187	-9.2
Natural gas ¹⁾	3,290	-14.8
Heat	1,487	-7.0

Financial performance	HY. 1 2022/23	+/-
	EURm	%
Revenue	616.0	56.0
EBITDA	-46.4	-
EBIT	-57.1	-

¹⁾ 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.

→ Decline in electricity, natural gas and heat sales volumes

- Warmer temperatures year-on-year as well as in the long-term average
- Consumers' energy saving efforts

→ EBITDA and EBIT above prior year

- Significant increase in revenue: valuation effects of hedges; price effects in marketing of own electricity production and at EVN Wärme
- Increased operating expenses: higher procurement costs for biomass and for natural gas
- Sharp decline in earnings contribution from EVN KG: higher procurement costs; negative effects from the lower valuation of hedges; additions to provisions for impending losses from contractual obligations; valuation of strategic natural gas inventories

	HY. 1 2022/23	+/-
Electricity generation volumes	GWh	%
Total	1,194	-25.0
Renewable energy sources	959	-5.2
Thermal energy sources	235	-59.6
	HY. 1 2022/23	+/-
Financial performance	EURm	%
Revenue	253.6	27.5
EBITDA	154.7	12.9
EBIT	132.7	8.4

→ **Electricity generation below previous year**

- Y-o-y increase in electricity production from hydropower did not offset significantly lower wind flows
- Decrease in demand for gas-fired generation to support network stability

→ **EBITDA and EBIT above prior year**

- Rise in revenue due to higher electricity prices
- Higher operating expenses related to the energy crisis contribution for electricity
- Revaluation of wind park Kavarna (Bulgaria) in previous year (EUR 6.4m)

Network distribution volumes	HY. 1 2022/23	
	GWh	+/- %
Electricity	4,263	-8.6
Natural gas ¹⁾	8,106	-27.0

Financial performance	HY. 1 2022/23	
	EURm	+/- %
Revenue	356.9	10.1
EBITDA	156.3	1.3
EBIT	82.8	1.0

1) Including network sales to EVN's power stations

→ Decline in electricity and natural gas network sales volumes

- Decreased network sales volumes for industrial and household customers due to warmer weather and consumers' energy saving efforts
- Lower use of power plants for network stabilisation by the transmission grid operator

→ EBITDA and EBIT slightly above prior year

- Rise in revenue: positive price effects for electricity; volume-related decline in revenue from natural gas; positive revenue contribution by subsidiary kabelplus
- Increase in operating expenses: inflation-related increase in costs for network losses and upstream network costs

Key energy business indicators	HY. 1 2022/23	+/-
	GWh	%
Electricity generation volumes	253	4.3
Network distribution volumes	7,379	-10.3
Electricity sales volumes	5,986	-16.2
Heat sales volumes	142	-22.6

Financial performance	HY. 1 2022/23	+/-
	EURm	%
Revenue	901.4	-12.5
EBITDA	117.7	-
EBIT	77.9	-

→ Increase in electricity generation volumes

- Higher water flows in North Macedonia and additional photovoltaics capacities

→ Decrease in energy sales volumes

- Significantly milder weather conditions

→ EBITDA and EBIT above prior year

- Decreased revenue: lower sales volumes and decline in electricity prices, partly offset by higher network fees in Bulgaria and unscheduled increase in electricity prices for regulated household customer segment in North Macedonia
- Lower costs for third party electricity purchases and energy carriers
- Reduced costs for network loss coverage in North Macedonia due to government subsidised purchases
- Extraordinary government measures as compensation for additional costs for network losses in Bulgaria in prior year

Financial performance	HY. 1 2022/23	+/-
	EURm	%
Revenue	267.7	10.2
EBITDA	35.4	49.0
EBIT	18.4	-
Financial results	-13.7	-46.9
Result before income tax	4.7	-

→ Increase in EBITDA, EBIT and result before income tax

- Progress on Kuwait project as main driver for growth in revenue and operating expenses
- Prior year affected by impairment losses in the international project business (EUR 57.3m)
- Financial result declined due to increased interest expenses and ongoing negative foreign exchange effects

→ 14 projects under construction

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

	HY. 1 2022/23	+/-
	EURm	in %
Gross cash flow	634.3	62.8
Net cash flow from operating activities	-94.4	-12.3
Net cash flow from investing activities	-126.5	50.5
Net cash flow from financing activities	-72.8	-
Net change in cash and cash equivalents	-293.7	-38.1

→ **Increase in gross cash flow**

– Higher earnings recorded

→ **Decrease in CF from operating activities**

– Capital commitment for working capital

– Increased y-o-y increase in income tax payments

→ **Rise in CF from investing activities**

– Investments in property, plant & equipment remain high

→ **Lower CF from financing activities**

– Dividend payment for 2021/22 financial year

– Scheduled repayments, conclusion of 3 long-term bank loans

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- Group net result for 2022/23 is expected to be at the upper end of the communicated range at around EUR 250m
 - Based on currently available information on first half year 2022/23
 - In addition, earnings contribution from the investment in Verbund AG in the amount of EUR 158m

 - Dividend proposals
 - Special dividend of EUR 0.62 per share to the 95th AGM of EVN¹⁾
 - Ordinary dividend for the financial year 2022/23 to be expected at least at EUR 0.52 per share¹⁾

1) Subject to approval of supervisory board at its meeting convened to approve financial statements as well as the approval of shareholders of EVN AG at 2024 AGM
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Appendix

Segment outlook for 2022/23



Segment	Previous Outlook 2022/23	Adjusted Outlook 2022/23	Comments
Energy	↗	↘	<p>Segment earnings outlook adjusted: expected to be negative, but reflecting prior year</p> <ul style="list-style-type: none"> – High loss recorded by EVN KG in the first half of 2022/23 – Ongoing difficult market environment for distribution – Deviations possible by effects from the valuation of hedges as of the respective reporting dates
Generation	→	↘	<p>Segment earnings outlook adjusted: expected to be lower than the previous year, but still at a high level</p> <ul style="list-style-type: none"> – Decline in generation volumes caused by below-average wind and water flows – Current decline in electricity prices
Networks	↘	↘	<p>Segment outlook confirmed: earnings before tax expected to be below the previous year</p> <ul style="list-style-type: none"> – Lower WACC in the new regulatory period for the natural gas distribution network – Customer savings in electricity and natural gas consumption – Inflation-related increase in operating costs
South East Europe	→	↗	<p>Segment outlook adjusted: earnings expected to exceed the EBIT range of EUR 40m to EUR 60m</p> <ul style="list-style-type: none"> – Based on the development in the first half of 2022/23 – Based on the regulatory measures to offset the additional costs for network losses
Environment	↗	↗	<p>Segment outlook confirmed: earnings expected to be above prior year</p> <ul style="list-style-type: none"> – Based on the development of business during the first half 2022/23 – Excluding the non-recurring effects from impairment losses in the previous year
All other Segments	→	↗	<p>Segment outlook adjusted:</p> <ul style="list-style-type: none"> – Stable to positive earnings development expected for RAG and Burgenland Energie – Segment results include dividend from Verbund AG (EUR 158m)

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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.