

EVN conference call Q. 1 2023/24 results

29 February 2024

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- Stable business development in Q. 1 2023/24
 - Significantly mild weather conditions in all three markets
 - Increase in electricity production from renewables
 - Decline in wholesale prices for electricity and energy carriers

 - Substantial progress in expansion of renewable generation
 - Wind power capacities at 478 MW as of reporting date
 - Photovoltaics capacities will be at ~80 MWp in Q. 2 2023/24

 - 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

	Q. 1 2023/24	+/-
	EURm	%
Revenue	909.1	-22.6
EBITDA	285.7	1.4
Depreciation and amortisation	-84.8	-5.2
Effects from impairment tests	-0.3	-
EBIT	200.5	-0.3
Financial results	-11.9	-16.7
Group net result	143.8	-3.7
Net cash flow from operating activities	87.2	-
Investments ¹⁾	127.5	19.3
Net debt	1,372.9	-13.1
	%	
Equity ratio ²⁾	60.9	2.7
	EUR	
Earnings per share	0.81	-3.7

¹⁾ In intangible assets and property, plant and equipment

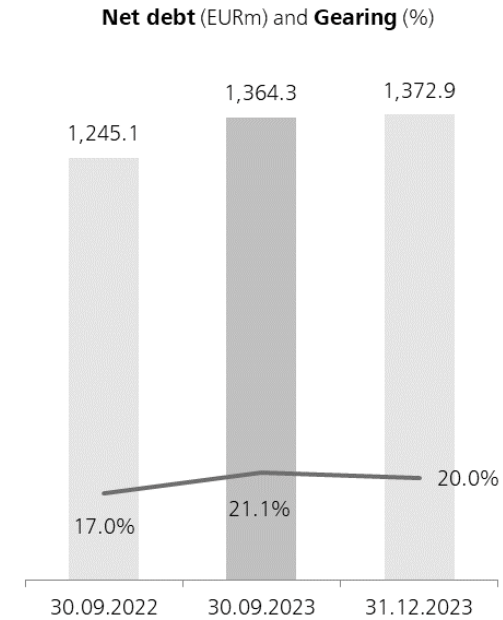
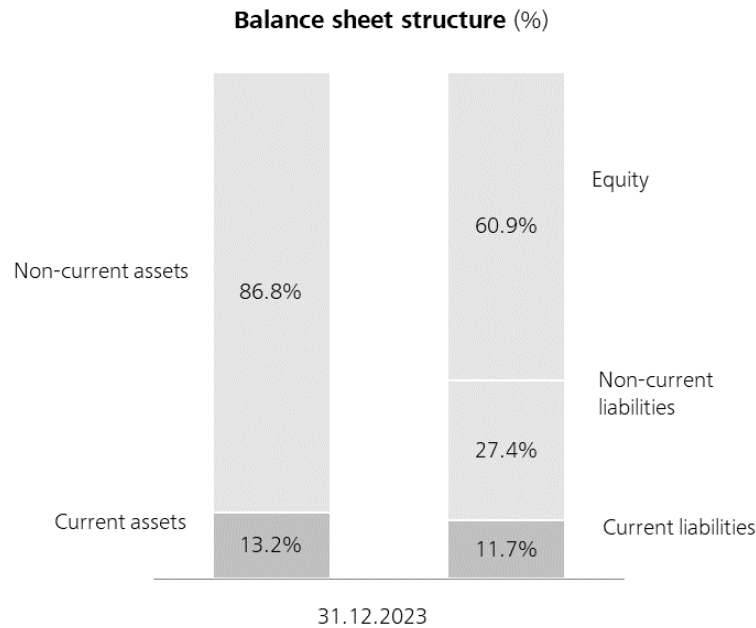
²⁾ Changes reported in percentage points

→ Decline in revenue

- Lower valuation effects from hedges caused by downward trend in wholesale prices
- Reduced use of natural gas-fired power plant Theiss
- South Eastern Europe negatively effected by drop in electricity prices and lower energy sales volumes in Bulgaria
- Lower contribution from international project business caused by largely completed Kuwait-project

→ EBITDA slightly above, EBIT and Group net result below prior year

- Procurement costs decreased y-o-y
- Higher personnel expenses
- Increased results from at equity accounted investees (EUR 47.4m; prior year: EUR –43.2m)



- Strong balance sheet as the basis for EVN's ambitious investment programme
- Net debt roughly at the level of 30.09.2023
- EVN's goal is to maintain solid A category ratings

Sales volumes to end customers	Q. 1 2023/24	+/-
	GWh	%
Electricity ¹⁾	1,838	-16.0
Natural gas ¹⁾	1,142	-23.7
Heat	614	-4.4

Financial performance	Q. 1 2023/24	+/-
	EURm	%
Revenue	265.2	-25.6
EBITDA	66.3	-2.1
EBIT	60.0	-3.8

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 y-o-y
- Consumers' energy saving efforts, increased generation by customers' own PV equipment and growing competition

→ **EBITDA and EBIT below prior year**

- Revenue decline:
 - Lower wholesale prices and resulting lower valuation effects from hedges; negative effects from marketing of own electricity production due to reduced use of natural gas-fired power plant Theiss
 - Positive effects derive from increased renewable generation volumes and natural gas trading
- Positive earnings contribution from EVN KG (Q.1 2023/24: EUR 8m; prior year: EUR –70.5m)

	Q. 1 2023/24	+/-
Electricity generation volumes	GWh	%
Total	629	7.3
Renewable energy sources	562	34.4
Thermal energy sources	67	-60.1
	Q. 1 2023/24	+/-
Financial performance	EURm	%
Revenue	126.7	12.6
EBITDA	69.5	4.7
EBIT	57.7	3.6

→ Electricity generation above prior year level

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

→ EBITDA and EBIT above prior year

- Revenue increase due to higher production volumes
- Higher operating expenses related to increased costs for electricity purchases (corresponding effect in revenue) and energy crisis contribution for electricity (Q. 1 2023/24: EUR 10.6m, prior year: EUR 7.0m)
- Higher results from at equity accounted Verbund IKW

Network distribution volumes	Q. 1 2023/24	+/-
	GWh	%
Electricity	2,064	-4.3
Natural gas ¹⁾	3,671	-9.0

Financial performance	Q. 1 2023/24	+/-
	EURm	%
Revenue	174.4	15.1
EBITDA	89.3	30.3
EBIT	48.0	50.8

¹⁾ Including network sales to EVN's power stations

- **Decline in electricity and natural gas network sales volumes**
 - Warmer temperatures y-o-y as well as consumers' energy saving efforts and expansion of customer-operated PV equipment
 - Lower use of power plants for network stabilisation led to reduced gas distribution volumes
- **Increase in revenue**
 - Positive effects from electricity and natural gas network tariffs
 - Positive revenue contribution from cable TV, internet and telecommunications
- **EBITDA and EBIT above prior year**
- **New regulatory period for the electricity distribution network as of 01.01.2024**

Key energy business indicators	Q. 1 2023/24	+/-
	GWh	%
Electricity generation volumes	105	-6.7
Network distribution volumes	3,531	4.3
Electricity sales volumes	2,730	-2.1
Heat sales volumes	58	4.0

Financial performance	Q. 1 2023/24	+/-
	EURm	%
Revenue	355.2	-26.2
EBITDA	37.3	-20.2
EBIT	17.1	-36.4

→ **Electricity generation volumes lower y-o-y**

- Reduced water flows y-o-y in North Macedonia
- Maintenance-related decline at cogeneration plant in Bulgaria

→ **Increased network sales volumes, decline in energy sales volumes**

- Mild weather conditions, especially in Bulgaria, but cooler temperatures in North Macedonia compared to prior year
- Competition-related decline in energy sales volumes

→ **EBITDA and EBIT below prior year**

- Revenue decreased y-o-y due to lower energy sales volumes in Bulgaria and declining electricity prices
- Lower energy procurement costs
- Scheduled depreciation and amortisation slightly increased y-o-y caused by higher investments

	Q. 1 2023/24	+/-
Financial performance	EURm	%
Revenue	109.3	-30.9
EBITDA	-1.4	-
EBIT	-7.3	-
Financial results	-5.6	-88.4
Result before income tax	-12.9	-

→ **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
- ~2/3 of wastewater treatment infrastructure at the Kuwait project has already been completed
- Earnings contribution from equity accounted investees slightly below prior year
- Y-o-y increase in financial results due to higher interest expenses

→ **9 projects under construction**

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

	Q. 1 2023/24	+/-
	EURm	in %
Gross cash flow	216.8	-29.9
Net cash flow from operating activities	87.2	-
Net cash flow from investing activities	34.8	-53.1
Net cash flow from financing activities	-155.3	-
Net change in cash and cash equivalents	-33.3	64.7

→ **Lower gross cash flow**

- Lower earnings recorded in the reporting period
- Lower dividends from equity accounted investees

→ **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
- Income tax payments decreased y-o-y

→ **Decrease in CF from investing activities**

- Investments in property, plant & equipment remain high
- Sale of cash funds

→ **Reduced CF from financing activities**

- Scheduled repayments



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- Group net result for 2023/24 is expected to range from EUR 420m to EUR 460m
 - 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 of 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: networks, renewable generation and drinking water supplies
 - EVN as a leading infrastructure operator and enabler of a CO₂-free energy future

Appendix

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"> – New RAB: 6.33% – Existing RAB of DSO with average efficiency: 4.16% 	<ul style="list-style-type: none"> – New RAB: 4.88% – Existing RAB of DSO with average efficiency: 3.72% 	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	Comments
 Energy	↑	Segment EBIT expected to be above prior year's level at the lower end of the range of EUR 45m to EUR 70m – Return of the results of the energy supply company EVN KG to positive levels expected; development in view of the gradual decline in spot and forward prices during 2023
 Generation	↘	Segment EBIT expected to be slightly below prior year's level – Under the assumption of wind and water flows corresponding the long-term average – Decline in electricity prices
 Networks	↘	Segment EBIT expected to be below the previous year – Lower WACC in the new regulatory period for electricity distribution network expected – End customers' ongoing efforts to reduce energy consumption and negative macroeconomic effects
 South East Europe	↓	Segment EBIT expected to be below previous year at the range of EUR 70m to EUR 90m – Offsetting of regulatory compensation for additional costs for covering network losses recognised which contributed to the unusually high segment results in 2022/23
 Environment	→	Segment earnings expected to be at prior year's level – Earnings depend on the respective progress on international projects
 All other Segments	↓	Segment EBIT expected to be below prior year at the range of EUR 40m to EUR 50m – Dividend from Verbund AG is recognised in financial result

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For additional information regarding risks, investors are referred to EVN’s latest Annual report.