

# EVN IR News

www.evn.at  
www.investor.evn.at

25.02.2022

## Business development in the first quarter of 2021/22

(1 October 2021 – 31 December 2021)

### Highlights

- Distortions on energy markets lead to decline in Group net result
- Weather-related higher energy demand in the core markets and very good wind flows
- Construction of the Schildberg wind park and repowering of the Japons wind park, each with 12.6 MW
- Share of renewable generation reaches 54.4%
- Commissioning of natural filter plant in Petronell on schedule
- Increase of up to EUR 500m in annual investments; roughly three-fourths in Lower Austria with focus on network infrastructure, renewable generation and drinking water supplies

### Key results

- **Revenue:** +49.1% to EUR 900.9m
- **EBITDA:** –39.5% to EUR 201.9m
- **EBIT:** –4,7% to EUR 129.5m
- **Group net result:** –12.7% to EUR 81.5m
- **Net debt:** EUR 905.9m (30 September 2021: EUR 813.8m)

### Energy sector environment

The temperature-related energy demand in EVN's three core markets exceeded both the previous year and the long-term average in the first quarter of 2021/22. The market prices for natural gas, CO<sub>2</sub> emission certificates and base as well as peak load electricity rose to historic highs. These energy market distortions had different effects on EVN's diversified business areas: Renewable generation benefited but distribution earnings declined, while results in South East Europe were negatively affected by the increase in market prices and the related significantly higher costs for network loss coverage.

## Increase in revenue, EBIT and Group net result below previous year

Revenue recorded by the EVN Group rose by 49.1% to EUR 900.9m in the first quarter of 2021/22. The sharp rise in electricity prices was the main driver for this growth and also formed the basis for substantially higher energy sales in South East Europe. In addition to weather-related volume effects in all three core markets, the network tariffs set by E-Control in Austria as of 1 January 2021 had a positive effect. The upward trend in wholesale prices was also responsible for an increase in the revenue from renewable generation. Another factor involved the more frequent use of the Theiss power plant by the Austrian transmission network operator for network stabilisation.

Other operating income fell by 79.0% year-on-year to EUR 28.9m, chiefly due to the absence of a positive non-recurring effect from the previous year which resulted from the takeover of an additional electricity procurement right.

Similar to the development of revenue, the cost of electricity purchases from third parties and primary energy expenses – which totalled EUR 552.8m (previous year: EUR 242.2m) – increased substantially. This development resulted, above all, from higher energy procurement costs in South East Europe, higher primary energy expenses from the above-mentioned, more frequent use of the Theiss power plant and higher procurement costs at EVN Wärme. The cost of materials and services declined by 3.9% to EUR 110.6m based on a slight reduction in construction activity in the international project business.

Personnel expenses were 4.1% higher year-on-year at EUR 91.3m. The increase resulted entirely from adjustments required by collective bargaining agreements, while the average number of employees declined slightly to 7,145 (previous year: 7,152 employees). Other operating expenses rose by 7.4% to EUR 25.2m due to higher receivables write-offs in North Macedonia.

The share of results from equity accounted investees with operational nature fell to EUR 52.0m (previous year: EUR 60.2m). Declines were recorded mainly by Energie Burgenland and the distribution business in Austria and Germany. EBITDA recorded by the EVN Group fell by 39.5% year-on-year to EUR 201.9m in the first quarter of 2021/22.

The sale of EVN's 49% investment in the Walsum 10 power plant at the end of the 2020/21 financial year contributed to a reduction of 7.1% in scheduled depreciation and amortisation to EUR 78.8m. A revaluation of EUR 6.4m was recognised to the Kavarna wind park in Bulgaria to reflect changed regulatory framework conditions in combination with increased electricity prices while, in the previous year, the takeover of an additional electricity procurement right resulted in the recognition of impairment losses totalling EUR 113.1m. In total, EBIT declined by 4.7% to EUR 129.5m.

Financial results dropped to EUR –16.4m as a result of foreign exchange developments (previous year: EUR –8.0m). The result before income tax amounted to EUR 113.1m and was 11.6% lower than the first quarter of 2020/21. After the deduction of EUR 28.0m (previous year: EUR 26.4m) in income tax expense and the earnings attributable to non-controlling interests, Group result for the period equalled EUR 81.5m. This represents a year-on-year decline of 12.7%.

## Solid balance sheet structure

EVN has a solid and stable capital structure which provides a sound foundation for realisation of the extensive investment programme in the areas of network infrastructure, renewable generation and drinking water supplies over the coming years. Net debt totalled EUR 905.9m as of 31 December 2021.

## Energy. Water. Life. – Developments in the energy and environmental services business

### Energy business

EVN's electricity generation declined by 8.0% year-on-year to 963 GWh in the first quarter of 2021/22. Renewable generation equalled 524 GWh and represented 54.4% of the total (previous year: 51.9%). Wind flows topped the long-term average and, consequently, were substantially higher than the low previous year. Water flows were lower in year-on-year comparison. Electricity generation in the thermal power plants fell by 12.9% to 439 GWh due to the sale of the 49% investment in the Walsum 10 power plant.

In line with the Strategy 2030, EVN plans to increase the Group's wind power capacity by 350 MW to 750 MW by 2030 if energy sector conditions are appropriate. This goal will be met through projects in Lower Austria and Bulgaria. Current assignments involve the construction of a wind park in Schildberg and the repowering of an existing wind park in Japons, each with an installed capacity of 12.6 MW. Photovoltaic projects will also be realised in Lower Austria, Bulgaria and North Macedonia, with a Group-wide installed capacity of 300 MW.

### Environmental and water business

Investments in drinking water supplies remain focused on the expansion of the cross-regional pipeline networks. The first section of the planned 60 km transport pipeline from Krems to Zwettl, which runs from Pallweis to Zwettl, was completed in December 2021. This project is intended to provide long-term protection for water supplies in the Waldviertel and Weinviertel regions. EVN's fifth natural filter plant, which is located in Petronell, is currently undergoing stepwise commissioning, and full commercial operations are expected to begin in March 2022. This plant will supply ten communities east of Vienna International Airport with drinking water that is naturally softened without the use of chemicals.

In the international project business, WTE Wassertechnik was working on the planning and construction of 11 projects for wastewater, drinking water and thermal sewage sludge treatment in Germany, Poland, Lithuania, Romania, Bahrain and Kuwait as of 31 December 2021. Three further contracts for thermal sludge utilisation plants in Germany are being realised by the 50:50 joint venture sludge2energy.

### Outlook confirmed for the 2021/22 financial year

EVN expects Group net result of approximately EUR 200m to EUR 240m for the 2021/22 financial year. However, stronger or sustained distortions on the energy markets could have a negative influence on expected results. Investments will total approximately EUR 500m and concentrate, above all, on the regulated and stable businesses in the areas of network infrastructure, renewable generation and drinking water supplies. These activities are intended to protect EVN's solid business foundation and support continued growth.

The Letter to Shareholders on the first quarter of 2021/22 is available under [www.investor.evn.at](http://www.investor.evn.at).

### Investor Relations, EVN Group

EVN AG  
EVN Platz, 2344 Maria Enzersdorf, Austria  
[investor.relations@evn.at](mailto:investor.relations@evn.at)  
[www.evn.at](http://www.evn.at)

## EVN in figures

	GWh	2021/22	2020/21	+/-		2020/21
		Q. 1	Q. 1	Nominal	%	
<b>Key energy business indicators</b>						
<b>Electricity generation volumes</b>		<b>963</b>	<b>1,047</b>	<b>-84</b>	<b>-8.0</b>	<b>3,997</b>
Renewable energy sources		524	543	-19	-3.5	2,283
Thermal energy sources		439	504	-65	-12.9	1,715
<b>Network distribution volumes</b>						
Electricity		6,239	5,965	274	4.6	23,257
Natural gas <sup>1)</sup>		5,726	5,234	492	9.4	16,184
<b>Energy sales volumes to end customers</b>						
<b>Electricity</b>		<b>5,558</b>	<b>5,174</b>	<b>384</b>	<b>7.4</b>	<b>20,207</b>
thereof Central and Western Europe <sup>2)</sup>		2,295	2,259	36	1.6	8,717
thereof South Eastern Europe		3,263	2,915	347	11.9	11,490
<b>Natural gas</b>		<b>1,840</b>	<b>1,826</b>	<b>14</b>	<b>0.8</b>	<b>5,412</b>
<b>Heat</b>		<b>842</b>	<b>783</b>	<b>59</b>	<b>7.5</b>	<b>2,545</b>
thereof Central and Western Europe <sup>2)</sup>		767	722	46	6.3	2,342
thereof South Eastern Europe		75	62	13	21.2	203

<sup>1)</sup> Incl. Network distribution volumes to EVN power plants

<sup>2)</sup> Central and Western Europe covers Austria and Germany

	EURm	2021/22	2020/21	+/-		2020/21
		Q. 1	Q. 1	Nominal	%	
<b>Condensed consolidated statement of operations</b>						
<b>Revenue</b>		<b>900.9</b>	<b>604.1</b>	<b>296.8</b>	<b>49.1</b>	<b>2,394.9</b>
Other operating income		28.9	137.8	-108.9	-79.0	250.1
Electricity purchases and primary energy expenses		-552.8	-242.2	-310.6	-	-1,064.7
Costs of materials and services		-110.6	-115.1	4.4	3.9	-509.2
Personnel expenses		-91.3	-87.7	-3.6	-4.1	-361.3
Other operating expenses		-25.2	-23.4	-1.7	-7.4	-113.0
Share of results from equity accounted investees with operational nature		52.0	60.2	-8.2	-13.7	239.6
<b>EBITDA</b>		<b>201.9</b>	<b>333.8</b>	<b>-131.9</b>	<b>-39.5</b>	<b>836.5</b>
Depreciation and amortisation		-78.8	-84.8	6.0	7.1	-337.7
Effects from impairment tests		6.4	-113.1	119.5	-	-112.4
<b>Results from operating activities (EBIT)</b>		<b>129.5</b>	<b>135.9</b>	<b>-6.4</b>	<b>-4.7</b>	<b>386.4</b>
<b>Financial results</b>		<b>-16.4</b>	<b>-8.0</b>	<b>-8.5</b>	<b>-</b>	<b>-20.0</b>
<b>Result before income tax</b>		<b>113.1</b>	<b>128.0</b>	<b>-14.9</b>	<b>-11.6</b>	<b>366.4</b>
Income tax expense		-28.0	-26.4	-1.6	-6.1	-14.7
<b>Result for the period</b>		<b>85.1</b>	<b>101.6</b>	<b>-16.5</b>	<b>-16.2</b>	<b>351.7</b>
thereof result attributable to EVN AG shareholders (Group net result)		81.5	93.5	-11.9	-12.7	325.3
thereof result attributable to non-controlling interests		3.6	8.2	-4.5	-55.8	26.4
<b>Earnings per share in EUR<sup>1)</sup></b>		<b>0.46</b>	<b>0.52</b>	<b>-0.1</b>	<b>-12.8</b>	<b>1.83</b>

<sup>1)</sup> There is no difference between basic and diluted earnings per share.