

CREDIT OPINION

22 April 2022

Update



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RATINGS

EVN AG

Domicile	Maria Enzersdorf, Austria
Long Term Rating	A1
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

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Japan 81-3-5408-4100

EMEA 44-20-7772-5454

EVN AG

Update to credit analysis

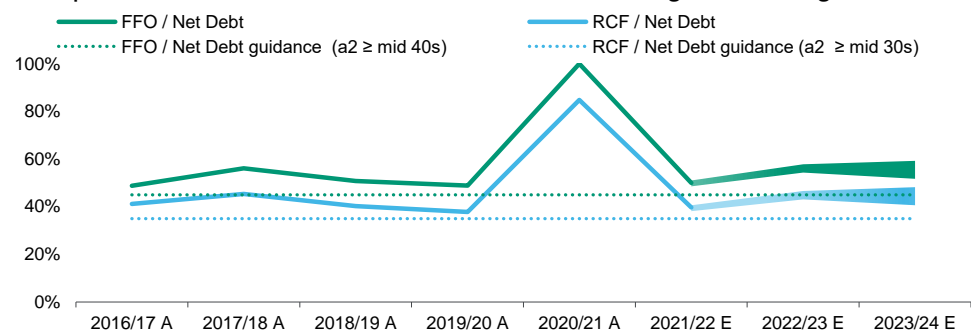
Summary

[EVN AG's](#) (EVN, A1 stable) credit profile is supported by (1) its high degree of regulated earnings, around half of the group's EBITDA comes from regulated domestic network activities, which have very low business risk, and other non-regulated but relatively low-risk utility activities in Lower Austria; (2) its strong competitive position in its core market of Lower Austria, a market characterised by high customer loyalty; (3) a strong financial profile, with funds from operations (FFO)/net debt averaging 66% in the last three financial years, underpinned by its continued prudent financial policy; and (4) the majority ownership by the [State of Lower Austria](#) (Aa1 negative), required by legislation, resulting in EVN's A1 rating incorporating a one notch rating uplift for potential support.

EVN's credit quality is constrained by; (1) its significant portion of earnings emanating from activities with high business risk, in particular, operations in South East Europe (SEE) (SEE, typically accounting for around 20% of group EBITDA) and the international projects division, though the group has taken measures to reduce these risks in recent years; and (2) its overall low scale compared to similarly rated peers.

Exhibit 1

We expect EVN will maintain a comfortable headroom to its ratio guidance through fiscal 2024



All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's projections are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Investors Service

Credit strengths

- » Around half of the group's earnings derive from activities with very low (distribution networks in Lower Austria) or relatively low (select multi-utility activities primarily) business risk, which generate stable and predictable cash flow
- » Strong competitive position in the core market of Lower Austria

- » Continued prudent financial policy, which has enabled EVN to deleverage significantly in recent years
- » Majority ownership by the State of Lower Austria, which provides one notch of uplift to the final rating

Credit challenges

- » Significant portion of earnings derived from activities with high business risk, in particular, operations in SEE (typically accounting for around 20% of group EBITDA) and international projects
- » Significant investment programme, although focused on the regulated and stable business in Lower Austria (primarily distribution networks, onshore wind and water) and supported by a prudent financial policy

Rating outlook

The stable outlook reflects our view that EVN will maintain FFO/net debt at least in the mid-40s and retained cash flow (RCF)/net debt at least in the mid-30s (both in percentage terms) without an increase in business risk.

Factors that could lead to an upgrade

- » We see no potential for an upgrade in the medium term. EVN's rating is constrained by (1) its small size compared with that of its European utility peers that we rate; (2) its dependence on prevailing market conditions in its core market of Lower Austria, with Austria accounting for 75%-80% of group EBITDA in recent years; and (3) the fact that a material portion of group EBITDA is derived from activities with high business risk.

Factors that could lead to a downgrade

- » Downward rating pressure would develop if EVN appeared unlikely to maintain our ratio guidance for FFO/net debt and RCF/net debt in the mid-40s and mid-30s (both in percentage terms), respectively.
- » Downward rating pressure would also arise if there was a material deterioration in EVN's business risk, for example, as a result of a change in (1) investment strategy; (2) the operating environment of its activities in SEE and the international projects business; or (3) the composition and size of the international projects business.

Key indicators

Exhibit 2

EVN AG's key credit metrics

	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sept-2022 proj.	Sept-2023 proj.
(CFO Pre-W/C) / Net Debt	48.8%	56.1%	50.8%	48.9%	100.0%	48%-50%	57%-59%
RCF / Net Debt	41.1%	45.4%	40.2%	37.8%	84.8%	38%-40%	44.5%-46.5%
(FFO + Interest Expense) / Interest Expense	9.8x	10.6x	10.5x	10.7x	13.2x	14x-16x	19x-21x

Note: FFO and RCF for 2020/21 includes increase in provision which resulted from the takeover of an additional electricity procurement right contract on Walsum 10 power plant. All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-end unless indicated. LTM = Last 12 months. For definitions of Moody's most common ratio terms please see accompanying [User's Guide](#).

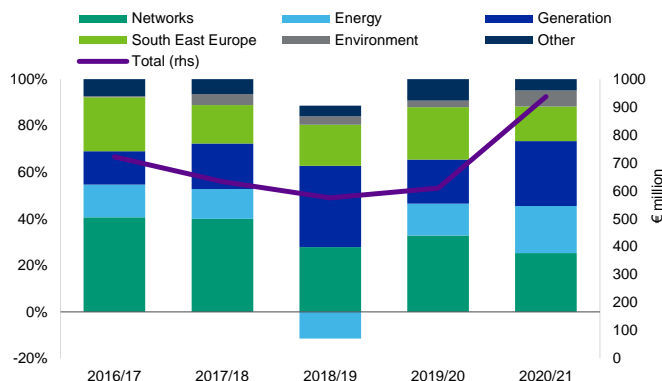
Source: Moody's Financial Metrics

Profile

EVN AG (EVN) is a multi-utility company with a primary focus on the State of Lower Austria, where the company typically generates around half its revenue and 75%-80% of its EBITDA. EVN is the second-largest Austrian electric utility, with its energy activities (comprising electricity generation, distribution and supply; gas distribution and supply; and district heat generation and supply) accounting for more than 90% of revenue.

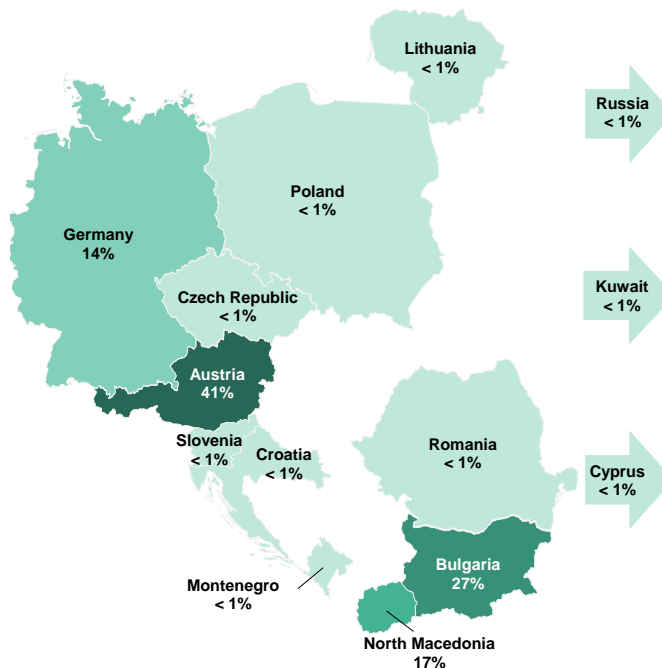
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

Exhibit 3
Split of EVN's EBITDA by business segment



Source: EVN, Moody's Investors Service

Exhibit 4
Most of EVN's revenues are realised in Austria
Geographical split of revenues for fiscal 2021



Source: EVN, Moody's Investors Service

Exhibit 5
EVN's reporting segments and associated activities

Business area	Reporting segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy	Procurement of electricity and primary energy carriers, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Networks	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
South East Europe		Operation of electricity networks and electricity sales to end customers in Bulgaria and North Macedonia, heat generation and sale in Bulgaria, electricity generation in North Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environment	Water supply and wastewater disposal in Austria, as well as an international project business constructing, financing and/or operating plants for drinking water supplies, waste treatment and thermal waste utilisation
Other business activities	All Other Segments	Strategic and other investments, corporate services

(1) Operation of a thermal waste utilisation plant in Lower Austria (Zwentendorf/Dürnröhr) has been reported in "Generation" since 1 July 2018 (previously in "Environment"). (2) Within "All Other Segments", EVN's main holdings comprise a stake in Austria's largest generator [Verbund](#) (12.63% stake, A3 stable), a 73.63% stake in Burgenland Holding AG (with a 49.00% shareholding in the regional electric and gas utility Energie Burgenland AG), and the Austrian gas storage company RAG Austria AG (RAG, 50.03% stake).

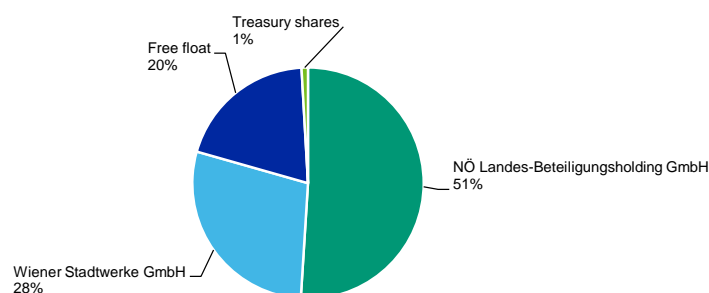
Source: EVN

EVN's main shareholders are the State of Lower Austria (51.0% ownership) and Wiener Stadtwerke GmbH (28.4% stake), with the balance (19.7%) in free float and 0.9% of treasury shares.

On 5 April 2022, EVN had a market capitalisation of around €4.3 billion.

Exhibit 6

State of Lower Austria is EVN's majority shareholder, in accordance with Austrian federal and provincial constitutional law
Shareholder structure as of 30 September 2021



Note: NÖ Landes-Beteiligungsholding GmbH is a subsidiary of the State of Lower Austria. (NÖ Holding GmbH is the sole owner of NÖ Landes-Beteiligungsholding GmbH. The State of Lower Austria solely owns NÖ Holding GmbH.)

Note 2: Free float includes shares held by employees.

Source: EVN

Detailed credit considerations

Low business risk of domestic network activities underpinned by developed regulatory regime

EVN's regulated electricity and gas distribution networks in Lower Austria are the largest contributor to the group's EBITDA, accounting for 25%-35% in recent years. These monopoly activities are governed by a well-defined and stable regulatory regime — ex-ante incentive-based regulation has existed for more than 10 years in distribution (since 2006 and 2008 for electricity and gas respectively) — and thus generate stable and predictable cash flow.

Impact of allowed returns from 2019 manageable because of strong operational performance and continued asset base growth

EVN benefits from cash flow visibility for its distribution operations through the early 2020s following regulatory determinations by the Austrian energy regulator (E-Control) for the 2018-22 (gas) and 2019-23 (electricity) regulatory periods.

We assess the regulatory determinations as credit neutral overall (see [November 2018 sector comment following final determination for electricity distribution networks](#)). While allowed returns were cut, for both fuels, to around 5% on average¹ from 6.42% in the prior period, reducing EVN's EBITDA by around €15 million–€20 million per annum, this change was both expected (reflecting the continued low interest rate environment, and E-Control using the five-year trailing average of the 10-year government bond to set the risk-free rate) and in line with recent determinations in mainland Europe.

Despite the cut in allowed returns, we expect EVN to achieve returns slightly above this level and deliver underlying EBITDA at or slightly above current levels on an underlying basis, that is, after adjusting for any under/over-recoveries of allowed revenue, by the end of the regulatory period. This reflects:

- » the incremental income from earning a higher allowed return on its existing assets than the average Austrian Distribution System Operator (DSO) for this period because E-Control has determined that EVN has above-average efficiency, particularly for its gas operations
- » our expectation of some outperformance against regulatory cost allowances because of less demanding assumed annual sector productivity improvement targets in this period² (and there no longer being a company-specific productivity factor), with EVN keeping 100% of any gains
- » that EVN's significant capital spending programme, primarily in electricity (principally associated with smart meters, constructing and expanding transformer stations and expanding 110kV power lines), will result in distribution regulated asset base growth of around 5% per annum over the next few years, offsetting some of this EBITDA reduction (from higher regulatory return and regulatory depreciation)

Exhibit 7

Summary of regulatory framework for EVN's Austrian distribution networks

	Electricity (2019-23)	Gas (2018-22)	Comment
Regulatory authority	E-Control	E-Control	
Regulatory period start	1-Jan-19	1-Jan-18	
Regulatory period end	31-Dec-23	31-Dec-22	Adjustment of WACC and cost efficiency parameters
Duration of regulatory period	5 years	5 years	
Regulatory method	Revenue cap	Revenue cap	
Regulated Asset Base	Annually adjusted	Annually adjusted	Annual investments are added to the RAB in the following year
WACC (pre-tax, nominal)	- New RAB (as of 2019) 5.20% - Existing RAB of DSO with average efficiency 4.88%	- New RAB (as of 2018) 5.20% - Existing RAB of DSO with average efficiency 4.88%	Set for length of regulatory period Higher WACC for existing RAB of DSOs with above average efficiency (such as EVN/Netz NÖ)
Cost efficiency: general productivity factor	0.95%	0.83%	Gains from cost reductions remain with the company during the regulatory period
Cost efficiency: company specific factor	0% (100%) - 2.931% (80%)	0% (100%) - 2.958% (74.06%)	Efficiency values shown in parentheses
Inflation	Annual adjustment	Annual adjustment	Network operator price index which consists of consumer price index and wage increase index

In electricity distribution, the sector-wide productivity factor (x-gen) changed, after the Final Determination, from 0.815% to 0.95% for the current regulatory period following an appeal by a consumer group. EVN will not appeal this decision as it still expects to outperform the regulatory settlement.

Sources: E-Control and Moody's Investors Service

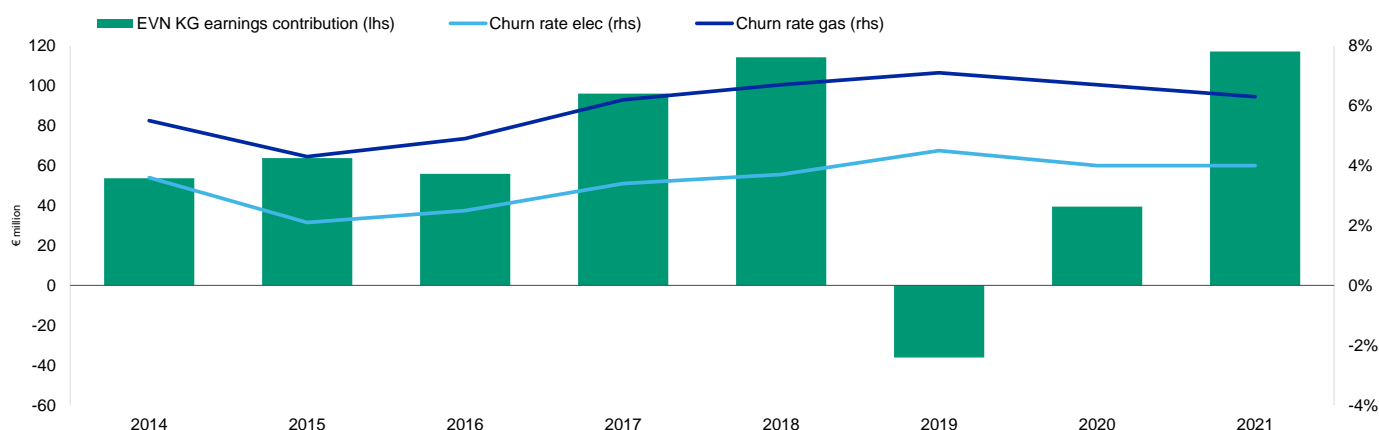
Strong competitive position in Lower Austria

EVN's strong competitive position in Lower Austria is reflected in its supply market shares of 72% in electricity and 36% in natural gas in the region. These markets are characterised by high customer loyalty, with annual churn rates in the region averaging around 4.0% in electricity and 6.7% in gas over the last five years.

Exhibit 8

Strong competitive position in Lower Austria despite a hit to the household supply business in the region from higher wholesale prices in fiscal 2019

Churn rates in Lower Austria and earnings contribution from EVN KG



(1) If a customer changes tariff but retains the supplier, it still counts as customer switching and is, therefore, included in the churn statistics. (2) EVN KG is a supplier of electricity and natural gas for household customers in Lower Austria. Its earnings contribution reflects the share of results from equity-accounted investees with an operational nature and refer to the year ending 30 September (EVN's reporting year end), rather than 31 December, for churn rates. (3) The increase in EVN KG's earnings contribution in fiscal 2017 and fiscal 2018 was the result of lower procurement costs and weather-related factors (both in fiscal 2017 only) and positive valuation effects from hedges (both years, with the latter, around €40 million). On the other hand, higher wholesale prices and related higher procurement costs, as well as the negative valuation of hedges, adversely affected fiscal 2019 results.

Source: EVN, E-Control and Moody's Investors Service

Lower Austria accounts for around 16% of the national GDP, which is the third-highest contribution after Vienna and Upper Austria, and its per capita GDP is below the Austrian average. The regional economy is highly dependent on services. Corporate services, public

services, retailing and tourism comprise a significant share of the regional economy, but Lower Austria also has a substantial industrial base, with companies operating in the chemical, food and beverages, steel, automobile, textile, electronics and paper sectors. (See the latest [State of Lower Austria credit opinion](#), published in December 2021, for more information)

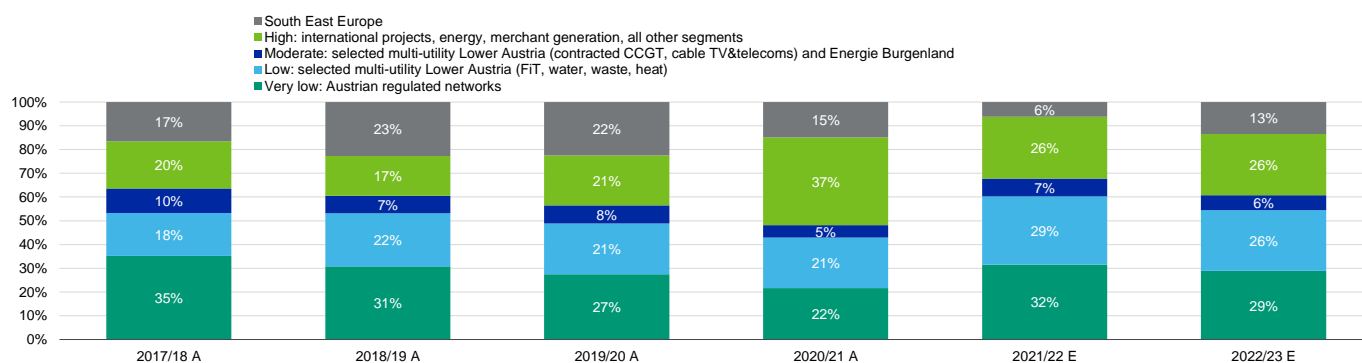
Material cash flow contributions from other multi-utility activities in Lower Austria

Further earnings stability is derived from other multi-utility activities in Lower Austria, which have either relatively low (power generation from subsidised renewables, onshore wind for EVN; heat; water and waste) or moderate (cable TV and telecoms) business risk. We estimate these activities collectively will account for around 34% of the group's EBITDA over the next 2 years. Accredited wind projects receive feed-in tariffs for 13 years; drinking and wastewater is monopolistic but not regulated; thermal waste utilisation is underpinned by long-term contracts with municipalities; and district heating is not regulated but the risks mainly relate to prices of substitute sources of heat.

Exhibit 9

Other multi-utility activities in Lower Austria account for a material portion of group EBITDA but business risk varies by activity

Moody's-estimated breakdown of group EBITDA by business risk profile



Moody's forecasts represent Moody's opinion, not the views of the issuer.

Source: Moody's Investors Service

Strong financial metrics underpinned by continued prudent financial policy

EVN's strong financial metrics, reflected in FFO/net debt averaging 63.3% in the last three financial years, are underpinned by its continued prudent financial policy. The company's strong operational performance has enabled a significant deleveraging of the business: from the fiscal year ended September 2016 (fiscal 2016), reported net debt (Moody's definition) fell by over 26% to €740.9 million as of September 2021. We expect the group to retain a strong financial profile given its continued investment focus on regulated and stable activities in Lower Austria (primarily in distribution grids, subsidised onshore wind and drinking water) for further growth and modest dividend levels (around 40% of net income over the medium term).

EVN has guided to gross capital spending of up to €500 million per annum over the next few years, with around 75% of its capital spending to be directed to its core market of Lower Austria. The vast majority of spending will be oriented towards distribution networks, renewable generation and drinking water, which we consider stable and/or regulated businesses. We expect earnings from renewable generation to grow with the group's planned growth in onshore wind³, because no existing subsidies will roll off during fiscal 2022 to fiscal 2023, levelised costs of onshore wind have fallen at a much greater rate than the fall in feed-in tariffs (around €80/MWh currently) and wind parks outside of Austrian subsidy scheme benefit from current higher wholesale prices. Most of the residual capital spending pertains to EVN's operations in SEE where tight capital discipline continues; with no growth in capital spending or inorganic growth pursued and investments limited to the grids and in proving operational performance.

We expect EVN to maintain a prudent financial policy: the group stated at the end of fiscal 2020 that it aims to maintain the absolute amount of the ordinary dividend at least constant at €0.52/share.

Credit quality constrained by the fact that a material portion of earnings still come from activities with high business risk

EVN generates around 40% of group EBITDA from activities that we qualify to have a higher business risk. During last financial year, this share increased to 50% due to an exceptionally high contribution from the energy division in 2020/2021. While EVN has taken

measures to reduce the risks in recent years and has demonstrated a track record of managing them, it still faces high risks given the size of these operations relative to the group.

Operations in South East Europe

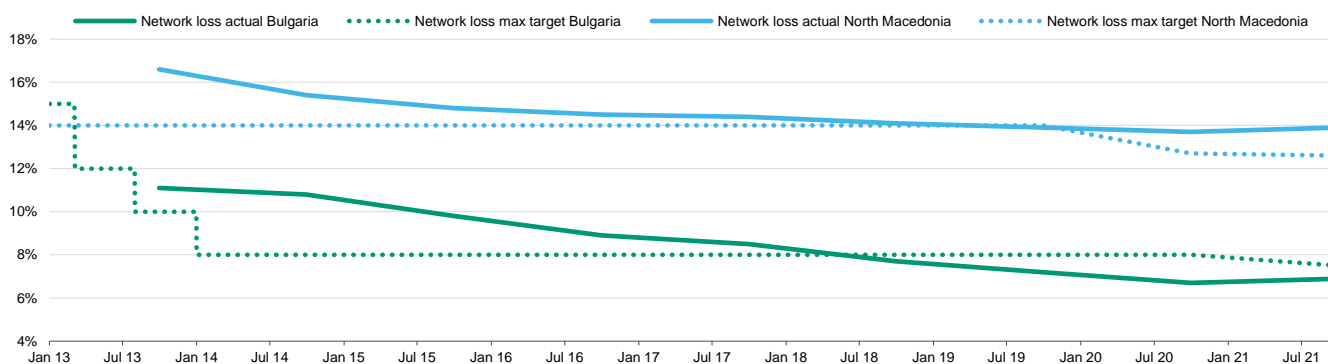
Operations in SEE typically account for around 15% of group EBITDA, with most of this division's earnings coming from Bulgaria and North Macedonia. EVN's investment programme in the region is focused on reducing network losses as this is a key driver of the division's performance. The regulators in these countries left targets for network losses unchanged in the most recent regulatory determination, summer 2018, and EVN is now performing in line with these allowances following continual improvements in operational efficiency in Bulgaria and slightly above target in North Macedonia.

In both Bulgaria and North Macedonia, EVN has to cover grid losses by purchasing electricity on the wholesale market. As a result, SSE earnings division are expected to be negatively affected by current elevated electricity prices. For example, during the first quarter of the current financial year, the segment's EBITDA amounted to only €7 million, which is a decline of 79% in comparison to the previous financial year. EVN is in dialogue with the regulators in these countries regarding the increased procurement costs they are facing. Increased costs, that have not already been reflected through increased tariffs in these countries, are expected to be addressed in future tariff decisions.

Following court proceedings in Bulgaria in April 2019, key regulatory principles have been enshrined in statute and thus as such provide greater cash flow stability and predictability. However, energy affordability remains a concern in the region and court proceedings do not provide either a guaranteed or a timely right of redress.

Exhibit 10

Electricity network losses now below regulatory maximum target following continual improvements in operating efficiency in recent years



Source: EVN and Moody's Investors Service

International projects

EVN's German subsidiary, WTE, has undertaken over 100 international projects. As of January 2022, projects are primarily in the area of water and wastewater services. Projects continue to be predominantly in Central and South Eastern Europe, with an expansion in Gulf states, as reflected in a contract award for a wastewater project in Bahrain in fiscal 2018 and a contract award for a wastewater treatment plant and sewage infrastructure project in Kuwait in fiscal 2020. The latter started up during last financial year and contributed to overall higher earnings in the international projects segment compared to the previous year.

While both projects, in particular the Kuwait project, are very large compared with prior projects undertaken by the group, and in the context of the group, we note the group's track record in delivering projects on budget and on time, including these types of projects. We also assess the country risk, although elevated, as lower than in some other jurisdictions that EVN has previously undertaken projects in.

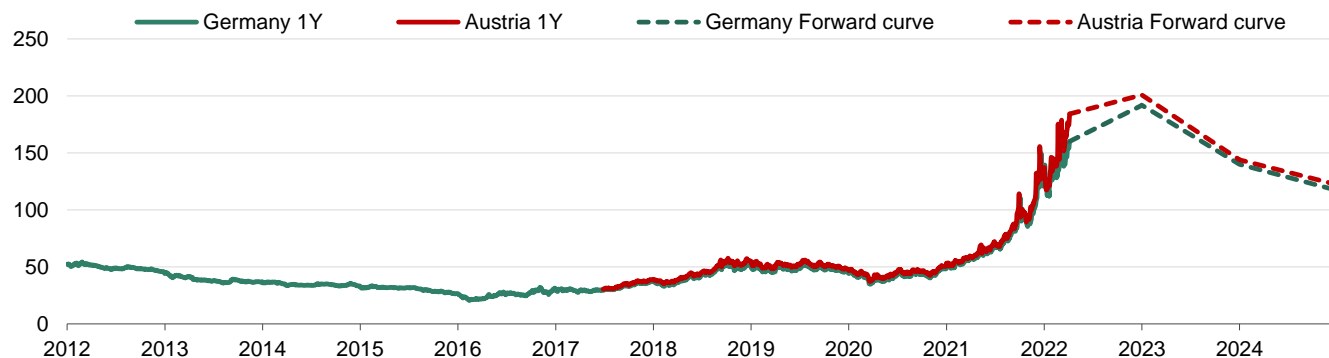
Commodity prices

Since the separation of the Austrian-German electricity price zone on 1 October 2018, Austrian power prices have traded at a premium. Following the steep rise in gas, CO₂ and electricity prices, the price premium has widened. Although future power prices are currently in backwardation, we expect a higher level of electricity prices to last through 2023 at least. The higher level of electricity prices will

benefit EVN's unsubsidised hydro generation in Austria (by around €1 million per €/MWh movement in power prices). However, less of its thermal generation has been contracted by the national electricity transmission system operator (TSO, APG - owned by [Verbund AG](#), A3 stable) to provide grid stability services.

Exhibit 11

Power prices in Austria are higher than in Germany



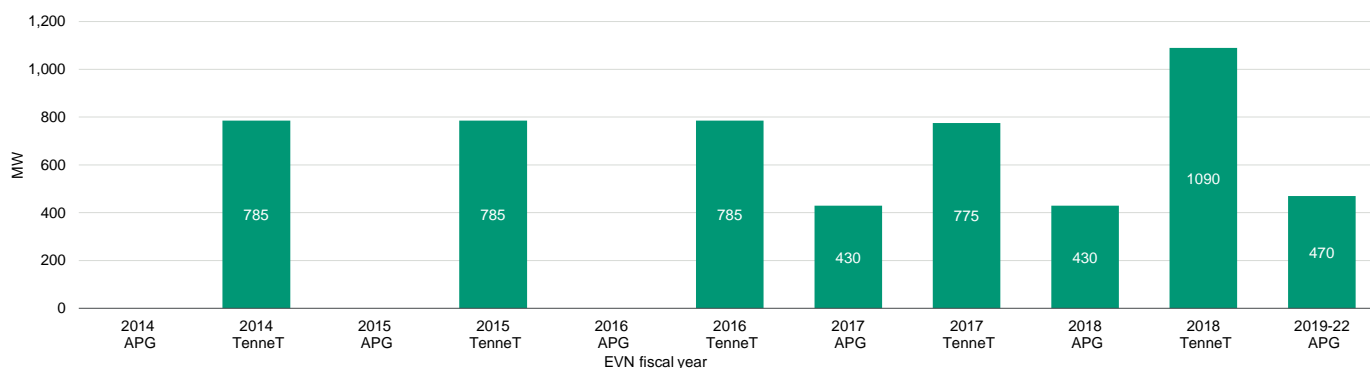
Source: FactSet and Moody's Investors Services

All of EVN's other gas-fired power plants in Austria were deactivated and conserved since 1 October 2018. As of September 2021, EVN announced the full exit from coal-fired power generation following sale of the 49% investment in the Walsum 10 power plant. Germany seeks to exit all coal fired generation by 2030, if possible.

The operating environment for thermal generation has been difficult for a number of years in the past, meaning that EBITDA contribution from these activities have been modest. Contracted thermal capacity with TSO's have fallen compared to previous years.

Exhibit 12

EVN's contracted thermal capacity with TSOs has fallen



(1) From fiscal 2019 only, APG can procure capacity reserve for Austrian power plants; (2) the 470MW of contracted capacity with APG from Theiss with a tenor extended until October 2022.

Source: APG

One-notch rating uplift from government shareholding

EVN's A1 ratings incorporate one notch of uplift from its standalone credit quality or Baseline Credit Assessment (BCA) of a2. EVN is 51% owned by the State of Lower Austria, via the holding company NÖ Landes-Beteiligungsholding GmbH. There is moderate dependence between the State of Lower Austria and the company, reflecting the fact that EVN generates most of its earnings in Lower Austria, a trend that is likely to continue given the company's focus on domestic regulated and stable businesses. EVN's A1 rating factors in our expectation of moderate support from the State of Lower Austria, reflecting EVN's stable ownership structure, supported

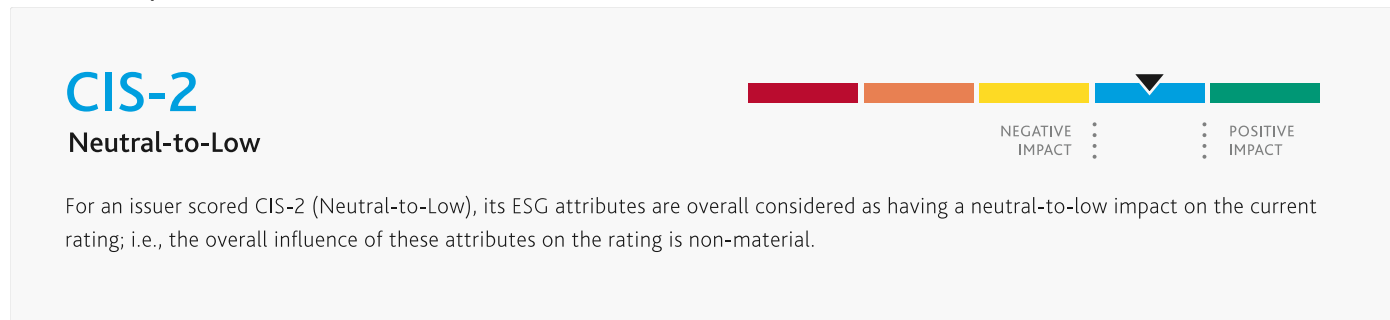
by the requirement under federal and provincial constitutional law that a minimum 51% stake in the company must be owned by the State of Lower Austria, and the economic importance of EVN as the main supplier of utility services in Lower Austria.

ESG considerations

EVN AG's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 13

ESG Credit Impact Score



Source: Moody's Investors Service

EVN's ESG Credit Impact score is neutral-to-low (**CIS-2**), indicating that its ESG attributes have a neutral-to-low impact on the current rating. EVN's **CIS-2** reflects moderately negative exposure to environmental and social risks, mitigated by the positive influence of governance considerations, and our expectation that its shareholders would provide support to the company, if this were to become necessary.

Exhibit 14

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

EVN's environmental risk is moderately negative (**E-3** issuer profile score). Its physical climate risk is moderately negative reflecting its exposure to hedging risk from the sale of natural gas and electricity, with electricity sale volumes c.2.8 times higher than electricity produced by its generation business and the volatility of hydro and wind generation which accounted for nearly 60% of generation output in the last twelve months ending 30 September 2021. The large share of EVN's earnings from regulated networks and multi-utility operations as well as the exit from the Walsum coal plant in Germany announced in September 2021 positions EVN in the low-to-neutral risk category for carbon transition risk. EVN's physical assets have a moderately negative risk of damage to physical assets from floods. This is balanced by neutral-to-low risk exposure from water management, waste and pollution of air and soil, and natural capital.

Social

We assess EVN's social risk as moderately negative (**S-3** issuer profile score), reflecting the exposure of its regulated activities in Austria and South East Europe, which accounted for 58% of earnings in the 2020 fiscal year, to the risk that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention. These risks are balanced by neutral-to-low risks to health and safety, human capital, customer relationships and responsible production.

Governance

EVN has a positive exposure to governance considerations (**G-1** issuer profile score) which reflects the company's prudent financial policy which has enabled EVN to deleverage significantly in recent years. This largely mitigates the fact that, as the State of Lower Austria owns 51% of EVN's shares, we view the independence of EVN's board as weak.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

EVN has excellent multiyear liquidity. EVN's liquidity profile is supported by (1) cash and cash equivalents of €835 million as of December 2021; (2) access to a €400 million undrawn revolving credit facility without financial covenants, maturing in May 2025. Further liquidity cushion is provided by an additional €192 million worth of bilateral credit facilities. Aside a €300 million bond in April this year, EVN does only have limited debt falling due over the next years.

Methodology and scorecard

Our assessment of EVN is based on our rating methodologies for [Unregulated Utilities and Unregulated Power Companies](#), published in May 2017, under which EVN is rated under the unregulated utilities segment; and [Government-Related Issuers](#), published in February 2020, given EVN's 51% ownership by the State of Lower Austria. Accordingly, and based on our estimate of moderate support in case of financial distress, the A1 rating for EVN factors in one notch of uplift from the group's standalone credit quality or Baseline Credit Assessment of a2.

Exhibit 15

Rating factors

EVN AG

Unregulated Utilities and Unregulated Power Companies Industry Grid [1][2]	Current As of 30/09/2021		Moody's 12-18 Month Forward View As of April 2022 [3]	
	Measure	Score	Measure	Score
Factor 1 : Scale (10%)				
a) Scale (USD Billion)	Baa	Baa	Baa	Baa
Factor 2 : Business Profile (40%)				
a) Market Diversification	Baa	Baa	Baa	Baa
b) Hedging and Integration Impact on Cash Flow Predictability	Baa	Baa	Baa	Baa
c) Market Framework & Positioning	Ba	Ba	Ba	Ba
d) Capital Requirements and Operational Performance	Baa	Baa	Baa	Baa
e) Business Mix Impact on Cash Flow Predictability	Aa	Aa	Aa	Aa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	A	A	A	A
Factor 4 : Leverage and Coverage (40%)				
a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	11.5x	A	14x - 21x	Aa
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)	63.3%	Aa	48% - 59%	A
c) RCF / Net Debt (3 Year Avg)	51.4%	Aa	38% - 46.5%	A
Rating:				
a) Indicated Outcome from Scorecard		A2		A3
b) Actual Baseline Credit Assessment Assigned				a2
Government-Related Issuer				Factor
a) Baseline Credit Assessment				a2
b) Government Local Currency Rating				Aa1
c) Default Dependence				Moderate
d) Support				Moderate
e) Final Rating Outcome				A1

(1) All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

(2) As of 30/9/2021.

(3) This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Ratings

Exhibit 16

Category	Moody's Rating
EVN AG	
Outlook	Stable
Senior Unsecured -Dom Curr	A1

Source: Moody's Investors Service

Appendix

Exhibit 17

Peer comparison
EVN AG

(in EUR million)	EVN AG			EnBW Energie Baden-Wuerttemberg AG			VERBUND AG			EWE AG		
	A1 Stable			(P)Baa1 Stable			A3 Stable			Baa1 Stable		
	FYE Sep-19	FYE Sep-20	FYE Sep-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	LTM Jun-21
Revenue	2,204	2,108	2,395	19,436	19,694	32,148	3,895	3,450	4,777	5,659	5,643	5,847
EBITDA	480	479	452	2,512	2,610	2,903	1,141	1,322	1,561	817	1,000	1,238
Total Assets	8,237	8,366	11,140	43,207	45,965	71,273	11,836	11,983	17,107	9,987	10,129	15,005
Total Debt	1,443	1,545	1,337	20,089	21,248	22,759	1,670	1,358	3,318	2,847	3,231	4,638
Net Debt	1,009	1,005	741	12,878	14,211	10,526	1,625	1,308	3,000	2,709	2,401	3,307
FFO / Net Debt	50.8%	48.9%	100.0%	16.4%	17.0%	25.0%	56.6%	80.6%	42.9%	25.7%	29.7%	24.5%
RCF / Net Debt	40.2%	37.8%	84.8%	13.7%	13.9%	19.5%	45.7%	59.0%	32.2%	22.4%	23.6%	17.4%
(FFO + Interest Expense) / Interest Expense	10.5x	10.7x	13.2x	4.6x	5.7x	6.3x	12.9x	22.1x	29.1x	6.6x	8.1x	9.8x
Debt / Book Capitalization	22.2%	23.7%	15.0%	66.1%	65.2%	66.9%	18.1%	14.8%	32.0%	43.3%	47.0%	46.7%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial Year-End. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 18

Moody's-adjusted net debt breakdown
EVN AG

(in EUR million)	FYE Sep-17	FYE Sep-18	FYE Sep-19	FYE Sep-20	FYE Sep-21
As Reported Total Debt	1,189	1,134	1,063	1,233	1,098
Pensions	250	254	283	261	239
Leases	40	44	48	0	0
Non-Standard Adjustments	56	53	49	52	0
Moody's Adjusted Total Debt	1,535	1,484	1,443	1,545	1,337
Cash & Cash Equivalents	(282)	(489)	(434)	(540)	(596)
Moody's Adjusted Net Debt	1,254	995	1,009	1,005	741

All figures are calculated using Moody's estimates and standard adjustments. Nonstandard adjustments pertain to EVN's share of (1) WEEV debt (only relevant up to and including FYE September 2016); and (2) the Ashta power plant guarantee.

Source: Moody's Financial Metrics™

Exhibit 19

Moody's-adjusted FFO breakdown
EVN AG

(in EUR million)	FYE Sep-17	FYE Sep-18	FYE Sep-19	FYE Sep-20	FYE Sep-21
As Reported Funds from Operations (FFO)	556	558	543	459	724
Leases	5	5	7	0	0
Alignment FFO	(18)	(20)	(53)	(9)	17
Non-Standard Adjustments	24	16	16	42	0
Moody's Adjusted Funds from Operations (FFO)	612	559	512	492	741

All figures are calculated using Moody's estimates and standard adjustments.

Source: Moody's Financial Metrics™

Exhibit 20

Select historical adjusted financial data

EVN AG

(in EUR million)	FYE Sep-17	FYE Sep-18	FYE Sep-19	FYE Sep-20	FYE Sep-21
INCOME STATEMENT					
Revenue	2,216	2,079	2,204	2,108	2,395
EBITDA	597	462	480	479	452
EBIT	374	240	248	228	176
Interest Expense	70	58	54	51	61
BALANCE SHEET					
Net Debt	1,254	995	1,009	1,005	741
CASH FLOW					
Funds from Operations (FFO)	612	559	512	492	741
FFO / Net Debt	48.8%	56.1%	50.8%	48.9%	100.0%
Capital Expenditures	(250)	(290)	(335)	(312)	(346)
Dividends	96	107	106	112	113
Retained Cash Flow (RCF)	516	451	406	380	628
RCF / Net Debt	41.1%	45.4%	40.2%	37.8%	84.8%
Free Cash Flow (FCF)	236.9	227.6	11.4	30	331.1
FCF / Net Debt	18.9%	22.9%	1.1%	3.0%	44.7%
PROFITABILITY					
% Change in Sales (YoY)	8.3%	-6.2%	6.0%	-4.4%	13.6%
EBIT margin %	16.9%	11.5%	11.3%	10.8%	7.3%
EBITDA margin %	26.9%	22.2%	21.8%	22.7%	18.9%
INTEREST COVERAGE					
EBIT / Interest Expense	5.4x	4.1x	4.6x	4.5x	2.9x
EBITDA / Interest Expense	8.5x	7.9x	8.9x	9.4x	7.4x
(EBITDA - CAPEX) / Interest Expense	5.0x	2.9x	2.7x	3.3x	1.7x
LEVERAGE					
Debt / EBITDA	2.6x	3.2x	3.0x	3.2x	3.0x
Net Debt / EBITDA	2.1x	2.2x	2.1x	2.1x	1.6x

All figures and ratios are calculated using Moody's estimates and standard adjustments.

Source: Moody's Financial Metrics™

Endnotes

- 1 The allowed return is 4.88% on the existing regulated asset base (RAB) for the average efficient DSO and 5.2% on the new RAB.
- 2 0.67% versus 1.95% in the prior period for gas; 0.95% versus 1.25% in the period for electricity.
- 3 Installed capacity reached 397MW as of September 2021, compared with 269MW as of September 2017, and will reach 500MW over the medium term, provided appropriate remuneration arrangements are in place.

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