

# EVN IR News

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## Business development in the first three quarters of 2022/23

(1 October 2022 – 30 June 2023)

### Highlights

- EBITDA +4.2%; positive development in the Generation and South East Europe Segments, but substantial loss for the period recorded by the energy supply company EVN KG
- Group net result significantly influenced by higher dividend from Verbund AG
- Increase in renewable generation to 76.0%; investments at record level
- Commissioning of photovoltaic plants in Trumau and Theiss with total capacity of roughly 13 MWp
- Additional wind parks and photovoltaic plants with a combined capacity of over 116 MW in preparation or under construction
- Order received for the construction of a sewage sludge utilisation plant in Munich (contract value: approximately EUR 255m)
- Arrangement of a EUR 110m "green loan" by the European Investment Bank

### Energy sector environment

The heating degree total – which defines the temperature-related demand for energy – reflected the long-term average in Austria during the first three quarters of 2022/23. In Bulgaria and North Macedonia, it was clearly below the long-term average and previous year in both countries as the result of milder temperatures. Primary energy prices continued to trend downwards. The market prices for base load and peak load electricity followed this development but remain at a high level. The spot market prices for base load and peak load electricity were lower than the previous year at an average of EUR 150.2 per MWh and EUR 176.0 MWh (previous year: EUR 207.2 per MWh and EUR 239.9 per MWh). The price for CO<sub>2</sub> emission certificates represented an exception with an increase to EUR 83.7 per tonne (previous year: EUR 76.4 per tonne).

### EBITDA and EBIT and group net result above previous year

Revenue recorded by the EVN Group declined by 1.3% to EUR 2,904.1m in the first three quarters of 2022/23. The underlying factors included a decrease in revenue from South East Europe due to lower network and energy sales volumes as well as market price declines which followed the market distortions and sharp rise in the previous year. The international project business also reported a decrease in revenue. In contrast, revenue was increased by price effects for renewable electricity generation, valuation effects from hedges, higher sales prices at EVN Wärme and an increase in network tariffs.

In line with the development of revenue in South East Europe, the cost of energy purchases from third parties and primary energy expenses declined by 21.3% year-on-year to EUR 1,340.0m. Contrasting factors included, above all,

higher costs for network losses and upstream network costs for Netz Niederösterreich as well as higher energy procurement costs for EVN Wärme.

The cost of materials and services was 4.5% lower at EUR 457.0m consistent with the development of revenue in the international project business and offset inflation-related increases in the other Group companies. Personnel expenses were 8.1% higher year-on-year at EUR 298.7m due to adjustments required by collective bargaining agreements. The number of employees increased to 7,229 (previous year: 7,142 employees).

Other operating expenses rose by 45.3% to EUR 138.2m. This position includes the EUR 21.5m energy crisis levy on the surplus proceeds earned from electricity generation which has been payable in Austria since December 2022.

The share of results from equity accounted investees with operational nature equalled EUR –157.7m in the first three quarters of 2022/23 (previous year: EUR 100.7m). This decline – as already reported in the first quarter and projected for the remainder of this year – is attributable to the energy supply company EVN KG, where business development in the reporting period has been massively influenced by multiple factors: In addition to higher procurement costs for energy which can only be passed on to customers with a delay, earnings were negatively influenced by the lower valuation of hedges as of 30 June 2023 and additions to the provisions for impending losses from contractual delivery obligations. A contrasting factor was the improvement in the earnings contributions from RAG and the Verbund Innkraftwerke power plants.

Based on these developments, EBITDA recorded by the EVN Group rose by 4.2% year-on-year to EUR 602.1m in the first three quarters of 2022/23.

Investments led to an increase of 3.3% in scheduled depreciation and amortisation to EUR 244.5m. A comparison of this position with the previous year is also influenced by the absence of EUR 51.2m in effects from impairment testing in 2021/22: Impairment losses in the international project business were contrasted by a revaluation of EUR 6.4m to the Kavarna wind park in Bulgaria. The first three quarters of 2022/23 also included a revaluation of EUR 1.6m at EVN Wasser as of 30 June 2023. In total, EBIT rose by 23.8% to EUR 359.2m.

Financial results totalled EUR 132.5m in the first three quarters of 2022/23 (previous year: EUR 4.8m) and were influenced, above all, by an increase in the dividend from Verbund AG for the 2022 financial year (2022: EUR 3.60 per share; previous year: EUR 1.05 per share). The earnings contribution from the investment in Verbund AG equalled EUR 158.0m for the reporting period. Financial results were also improved by foreign exchange valuation effects and by the better performance of the R138 fund and EVN's cash funds – despite an increase in interest expense.

The result before income tax equalled EUR 491.7m in the first three quarters of 2022/23 and was 66.7% higher than the previous year. After the deduction of EUR 37.6m in income tax expense (previous year: EUR 47.2m) and the earnings attributable to non-controlling interests, Group net result for the period equalled EUR 419.1m. That represents a year-on-year increase of 83.5%, which was influenced primarily by the high dividend payment of EUR 158.0m from Verbund AG.

## Solid balance sheet structure

EVN can continue to rely on a solid and stable capital structure that forms a sound basis for the realisation of extensive investments in the network infrastructure, renewable generation and drinking water supplies over the coming years. Net debt equalled EUR 1,470.2m as of 30 June 2023 and was influenced, above all, by the steady high level of investment, ongoing liquidity compensation for the energy supply company EVN KG to cover working capital requirements, and the dividend from Verbund AG. A EUR 110m loan was arranged by the European Investment Bank in June 2023 to finance wind power projects.

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

### Energy business

EVN generated 2,330 GWh of electricity in the first three quarters of 2022/23, which represents a 15.7% year-on-year decline. Thereof, 1,771 GWh were attributable to renewable generation (previous year: 1,774 GWh). The increase in electricity generation from hydropower was unable to offset the decrease in renewable generation caused by clearly below-average wind flows. The reduction in electricity generation from the thermal power plants resulted primarily from the lower use of the Theiss power plant to support network stabilisation. The share of renewable generation rose to 76.0% in the reporting period (previous year: 64.2%).

In line with the Strategy 2030 and the related expansion goals for renewable generation, the newly built wind park in Japons (repowering: 12,6 MW) and three large-scale photovoltaic plants in Grafenwörth, Trumau and Theiss (total capacity: approximately 25 MWp) were commissioned during the first three quarters of 2022/23. Five further wind parks and a photovoltaic project with a total output of over 116 MW are currently under construction or in preparation.

### Environmental and water business

Investments in drinking water supplies continue to focus on the planning and construction of transport and connecting pipelines to further improve and protect supply security. Construction on the second section of the 60 km Waldviertel transport pipeline from Krems to Zwettl started during the reporting period. EVN's natural filter plant in Bisamberg was commissioned in March 2023 and now supplies roughly 50,000 customers in the region north of Vienna with naturally softened drinking water. In addition, the groundbreaking ceremony for a natural filter plant in Obersulz took place in recent months.

In the international project business, WTE Wassertechnik received a contract for the construction of a sewage sludge utilisation plant in Munich, Germany (contract value: approximately EUR 255m). This large-scale plant will be responsible for the thermal utilisation of the entire sewage sludge from wastewater treatment in Munich and in the 22 surrounding communities.

As of 30 June 2023, WTE Wassertechnik was working on the planning and construction of 15 projects for wastewater treatment, drinking water treatment and thermal sludge utilisation in Germany, Poland, Lithuania, Romania, North Macedonia, Bahrain and Kuwait.

## Confirmation of the outlook for the 2022/23 financial year

The contribution of the operating activities of EVN to Group net result in the financial year 2022/23 will amount to approximately EUR 250m in 2022/23. An additional earnings contribution of EUR 158m to Group net result for the current financial year has come from the investment in Verbund AG.

The Letter to Shareholders on the first three quarters of 2022/23 is available under [www.investor.evn.at](http://www.investor.evn.at).

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## EVN in figures

		2022/23	2021/22	+/-		2021/22
	GWh	Q. 1-3	Q. 1-3	Nominal	%	
<b>Key energy business indicators</b>						
<b>Electricity generation volumes</b>		<b>2,330</b>	<b>2,763</b>	<b>-433</b>	<b>-15.7</b>	<b>3,365</b>
Renewable energy sources		1,771	1,774	-3	-0.2	2,248
Thermal energy sources		558	989	-430	-43.5	1,117
<b>Network distribution volumes</b>						
Electricity		16,514	17,989	-1,475	-8.2	23,092
Natural gas <sup>1)</sup>		10,671	13,966	-3,296	-23.6	15,877
<b>Energy sales volumes to end customers</b>						
<b>Electricity</b>		<b>14,208</b>	<b>16,377</b>	<b>-2,169</b>	<b>-13.2</b>	<b>20,853</b>
thereof Central and Western Europe <sup>2)</sup>		5,911	6,665	-754	-11.3	8,662
thereof South Eastern Europe		8,297	9,711	-1,414	-14.6	12,191
<b>Natural gas</b>		<b>4,061</b>	<b>4,642</b>	<b>-580</b>	<b>-12.5</b>	<b>4,987</b>
<b>Heat</b>		<b>2,009</b>	<b>2,214</b>	<b>-205</b>	<b>-9.3</b>	<b>2,545</b>
thereof Central and Western Europe <sup>2)</sup>		1,845	2,010	-165	-8.2	2,328
thereof South Eastern Europe		164	205	-40	-19.7	217

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

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

		2022/23	2021/22	+/-		2021/22
	EURm	Q. 1-3	Q. 1-3	Nominal	%	
<b>Condensed consolidated statement of operations</b>						
<b>Revenue</b>		<b>2,904.1</b>	<b>2,943.7</b>	<b>-39.7</b>	<b>-1.3</b>	<b>4,062.2</b>
Other operating income		89.6	86.3	3.4	3.9	109.5
Electricity purchases and primary energy expenses		-1,340.0	-1,702.7	362.8	21.3	-2,278.2
Costs of materials and services		-457.0	-478.5	21.5	4.5	-707.1
Personnel expenses		-298.7	-276.2	-22.5	-8.1	-372.2
Other operating expenses		-138.2	-95.1	-43.1	-45.3	-158.4
Share of results from equity accounted investees with operational nature		-157.7	100.7	-258.4	-	98.9
<b>EBITDA</b>		<b>602.1</b>	<b>578.1</b>	<b>24.1</b>	<b>4.2</b>	<b>754.8</b>
Depreciation and amortisation		-244.5	-236.7	-7.7	-3.3	-318.0
Effects from impairment tests		1.6	-51.2	52.7	-	-105.2
<b>Results from operating activities (EBIT)</b>		<b>359.2</b>	<b>290.2</b>	<b>69.1</b>	<b>23.8</b>	<b>331.6</b>
<b>Financial results</b>		<b>132.5</b>	<b>4.8</b>	<b>127.7</b>	<b>-</b>	<b>-30.5</b>
<b>Result before income tax</b>		<b>491.7</b>	<b>294.9</b>	<b>196.8</b>	<b>66.7</b>	<b>301.2</b>
Income tax expense		-37.6	-47.2	9.6	20.3	-64.0
<b>Result for the period</b>		<b>454.1</b>	<b>247.7</b>	<b>206.4</b>	<b>83.3</b>	<b>237.1</b>
thereof result attributable to EVN AG shareholders (Group net result)		419.1	228.4	190.7	83.5	209.6
thereof result attributable to non-controlling interests		35.0	19.3	15.7	81.2	27.5
<b>Earnings per share in EUR<sup>1)</sup></b>		<b>2.35</b>	<b>1.28</b>	<b>1.1</b>	<b>83.5</b>	<b>1.18</b>

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