



EVN conference call Annual results 2016/17

14 December 2017

-
- Exceptionally positive environment
 - Unusually high, temperature-related demand for energy
 - Increase in energy, network and water distribution volumes
 - Higher use of thermal power plants to ensure network stability
 - Results leveraged by positive one-off effects
 - Valuation effects from hedges (as of balance sheet closing date)
 - Settlement with state-owned Bulgarian NEK regarding disputed receivables
 - Positive arbitration decision for Walsum 10 power plant
 - Dynamic expansion of windpower capacity in Lower Austria
 - 500 MW as medium-term goal (based on appropriate legal framework)
 - Higher dividend recommendation to 89th AGM
 - EUR 0.44 plus bonus dividend of EUR 0.03 per share

Key financials 2016/17



	FY 2016/17 EURm	+/- %
Revenue	2,215.6	8.3
EBITDA	721.6	19.4
Depreciation and amortisation	-262.3	1.5
Effects from impairment tests	-112.5	-44.5
EBIT	346.9	33.2
Financial results	-21.4	65.2
Group net result	251.0	60.4
Net cash flow from operating activities	508.9	9.9
Investments ¹⁾	303.8	-3.7
Net debt	1,213.2	-20.4
	%	
Equity ratio ²⁾	48.8	6.5
	EUR	
Earnings per share	1.41	60.4

→ Revenue above previous year

- Positive weather-related volume effects
- Higher revenue from generation
- Positive impulses from international project business

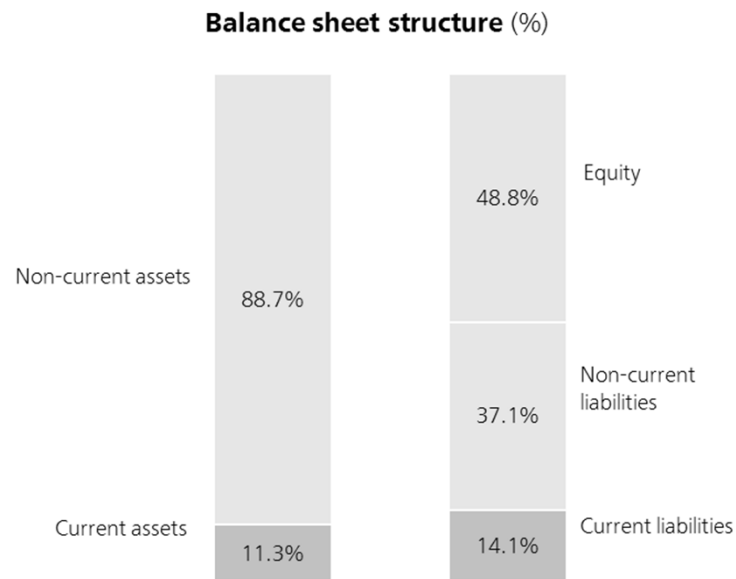
→ Increase in EBITDA, EBIT and Group net result

- Improvement in the energy business results
- Valuation effects from hedges
- Positive one-off effect from settlement with Bulgarian NEK
- Negative effect from increase in impairment losses

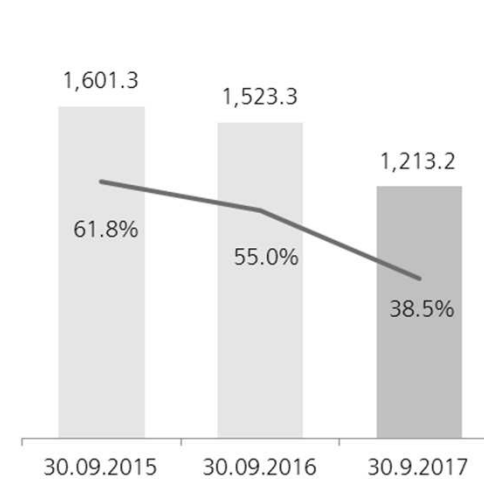
¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Solid balance sheet structure, reduced net debt¹⁾



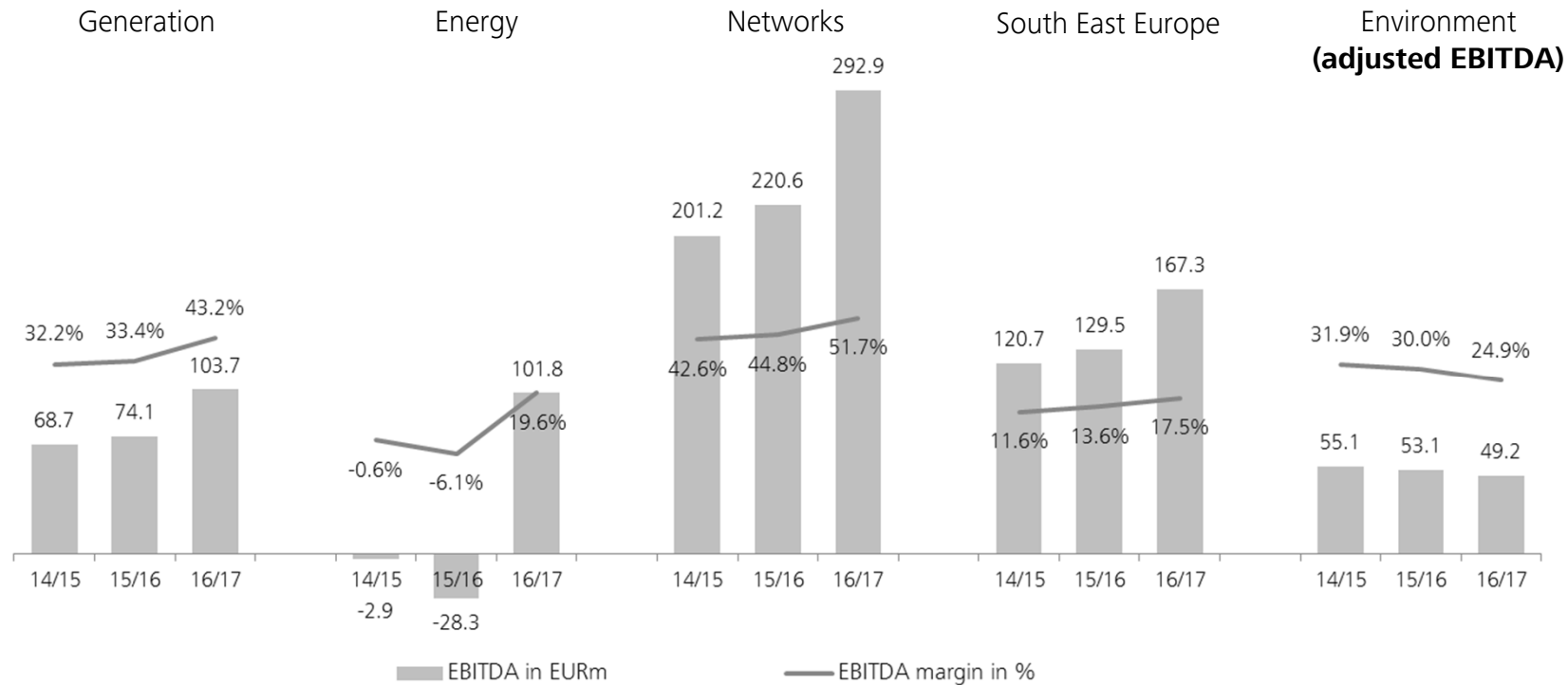
Net debt (in EURm) and Gearing (in %)



- Improvement of equity ratio to 48.8% (30 September 2016: 42.3%)
- Reduction of net debt to EUR 1,213.2m (30 September 2016: EUR 1,523.3m)
- Ratings:
 - S&P: A-, stable
 - Moody's: A2, stable

1) Incl. non-current personnel provisions

EBITDA development by segments



→ Higher renewable and thermal generation (to secure network stability)

→ Higher energy sales volumes
 → Weather-related volume effects
 → Absence of prior year's provision for onerous contracts

→ Positive price and weather-related volume effects

→ Higher network distribution and sales volumes
 → Cold winter and hot summer
 → Positive one-off effect from settlement with NEK

→ Positive performance of international project business
 → EBITDA adjusted by EUR 45.5m valuation allowance to inventories
 → Unadjusted EBITDA: EUR 3.7m

	FY 2016/17	+/-
Electricity generation volumes	GWh	%
Total	5,280	3.4
Renewable energy sources	1,695	4.2
Thermal energy sources	3,585	3.0
Financial performance	FY 2016/17	+/-
	EURm	%
Revenue	240.0	8.3
EBITDA	103.7	40.1
EBIT	-7.0	-

→ **Higher revenue from increase in electricity production**

- Greater use of thermal plants to stabilise the networks
- Increase in renewable generation

→ **Improvement in EBITDA**

- Higher primary energy costs due to additional use of thermal plants

→ **EBIT influenced by impairment losses**

- Bulgarian hydropower plant project Gorna Arda, electricity procurement rights, renewable and thermal generation plants

Sales volumes to end customers	FY 2016/17 GWh	+/- %
Electricity	6,493	1.3
Natural gas	5,660	11.0
Heat	2,062	8.6

Financial performance	FY 2016/17 EURm	+/- %
Revenue	520.5	12.3
EBITDA	101.8	-
EBIT	73.9	-

→ **Energy sales above prior year**

- Weather-related volume effects

→ **Improvement in EBITDA and EBIT**

- Positive effects from valuation of hedges
- Absence of prior year's provision for onerous contracts
- Higher earnings contribution from electricity and natural gas sales of EVN KG (included at equity)
- Impairment losses in heating business

Network distribution volumes	FY 2016/17 GWh	+/- %
Electricity	8,452	4.0
Natural gas ¹⁾	18,642	15.0

Financial performance	FY 2016/17 EURm	+/- %
Revenue	566.7	15.0
EBITDA	292.9	32.7
EBIT	177.6	61.1

→ **Weather-related increase in network distribution volumes**

- Additional positive impact on natural gas distribution volumes from greater use of thermal power plants

→ **Improvement in EBITDA and EBIT**

- Positive price and volume effects

¹⁾ Including network sales to EVN's power stations

Key energy business indicators	FY 2016/17 GWh	+/- %
Electricity generation volumes	436	-3.3
Network distribution volumes	14,170	5.7
Electricity sales volumes	12,051	1.4
Heat sales volumes	231	25.7

Financial performance	FY 2016/17 EURm	+/- %
Revenue	958.0	0.9
EBITDA	167.3	29.2
EBIT	81.0	-

→ Temperature-related volume effects

- Higher network distribution and energy sales volumes from cold winter and hot summer
- Increase in energy demand contrasted by negative effects from continuing liberalisation

→ Improvement in EBITDA and EBIT

- Positive non-recurring effect from the settlement with the Bulgarian national electricity company NEK (reversal of past valuation allowances to receivables plus default interest)

Financial performance	FY 2016/17 EURm	+/- %
Revenue	197.5	11.7
EBITDA	3.7	-93.1
EBIT	-21.2	-
Financial results	-1.6	35.7
Result before income tax	-22.8	-

→ **Increase in revenue**

- Positive impulses from international project business

→ **Decline in EBITDA and EBIT**

- Increase in operating expenses in line with revenue growth in international project business
- Negative non-recurring, non-cash effect (valuation allowance to inventories)

→ **Potential contract in Kuwait**

- Preferred bidder for wastewater treatment project, contract still to be awarded

Cash flows



	FY 2016/17 EURm	+/- in %
Gross cash flow	572.3	6.4
Net cash flow from operating activities	508.9	9.9
Net cash flow from investing activities	-70.6	69.4
Net cash flow from financing activities	-439.9	-73.3
Net change in cash and cash equivalents	-1.6	92.4

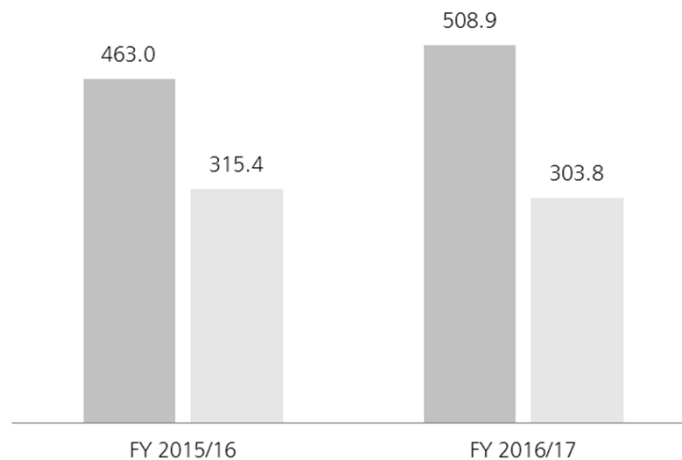
→ Increase in operating cash flow

- Strong operating performance
- Offsetting effects in operating cash flow and cash flow from investing activities due to Walsum arbitration decision

→ Cash flow from financing activities

- Dividend payment
- Scheduled repayments of loans and EUR 150m bond (in June 2017)

Cash flow from operating activities and investments (EURm)



■ Cash flow from operating activities

■ Investments in property, plant and equipment and intangible assets

-
- The past financial year was influenced by a number of exceptional circumstances which had a positive effect on Group net result for 2016/17
 - Group net result for 2017/18 should return to a normal level that reflects the average of the 2015/16 and 2016/17 financial years
 - Outlook assumes, among others, average conditions in the energy business environment
 - Investment strategy
 - Approximately EUR 400m p.a. over the next financial years
 - Roughly three-fourths will be directed to networks, renewable generation and drinking water in Lower Austria
 - Presentation of Q. 1 2017/18 results
 - 28 February 2018

Contact details



→ Stefan Szyszkowitz, CFO

→ IR contact partners:

- Gerald Reidinger
- Matthias Neumüller
- Doris Lohwasser
- Karin Krammer

→ IR contact details

- E-mail: investor.relations@evn.at
- Phone: +43 2236 200-12128
- Phone: +43 2236 200-12473
- Phone: +43 2236 200-12867

→ Information on the internet

- www.evn.at
- www.investor.evn.at
- www.responsibility.evn.at

→ Headquarters of EVN AG

- EVN Platz
2344 Maria Enzersdorf

Certain statements made in this presentation may constitute „Forward-Looking Statements“ within the meaning of the U.S. federal securities law. Forward-looking information is subject to various known and unknown risks and uncertainties. These include statements concerning our expectations and other statements that are not historical facts.

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.