



EVN conference call Annual results 2015/16

13 December 2016

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- Increase in electricity generation by 20.1%
 - Lower renewable generation due to lower wind and water flows
 - Higher demand for network stabilisation in Austria and Germany
 - Operating improvements due to higher energy business results
 - New contract for four turn-key wastewater projects in Croatia and Macedonia
 - Increase in EBITDA and Group net result
 - Decrease of net debt and gearing due to strong operating cash flow
 - Dividend proposal to 88th Annual General Meeting: EUR 0.42 per share for the 2015/16 financial year

Key financials 2015/16



	2015/16	+/-
	EURm	%
Revenue	2,046.6	-4.2
EBITDA	604.4	3.6
Depreciation and amortisation	-266.1	-2.3
Effects from impairment tests	-77.9	-42.3
EBIT	260.4	-2.9
Financial results	-61.6	-2.1
Group net result	156.4	5.6
Net cash flow from operating activities	463.0	-3.2
	EUR	
Earnings per share	0.88	5.7

→ Revenue below previous year

- Lower revenue from mild winter in Bulgaria and liberalisation steps in SEE
- Higher revenue from thermal generation and Austrian network business

→ Increase in EBITDA

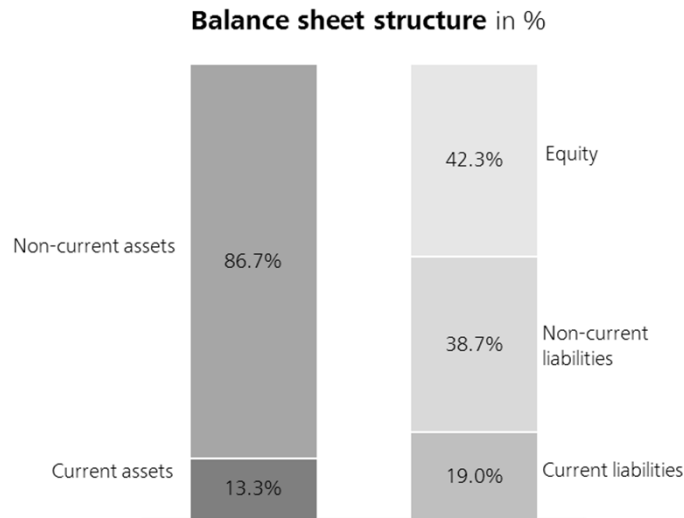
- Lower electricity purchases and primary energy expenses
- Reduction of operating expenses

→ Impairment testing

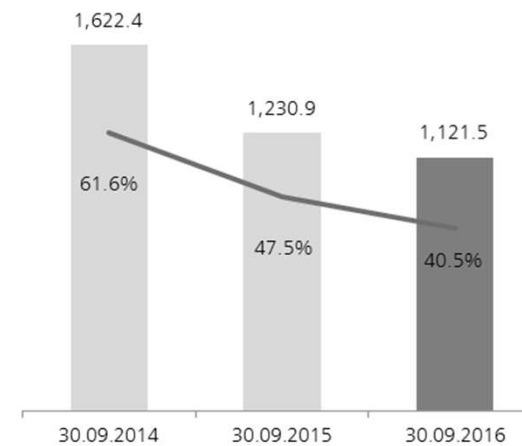
- Energy generation plants
- EUR 77.9m negative effect on EBIT

→ Increase in Group net result

Solid balance sheet structure, reduced net debt

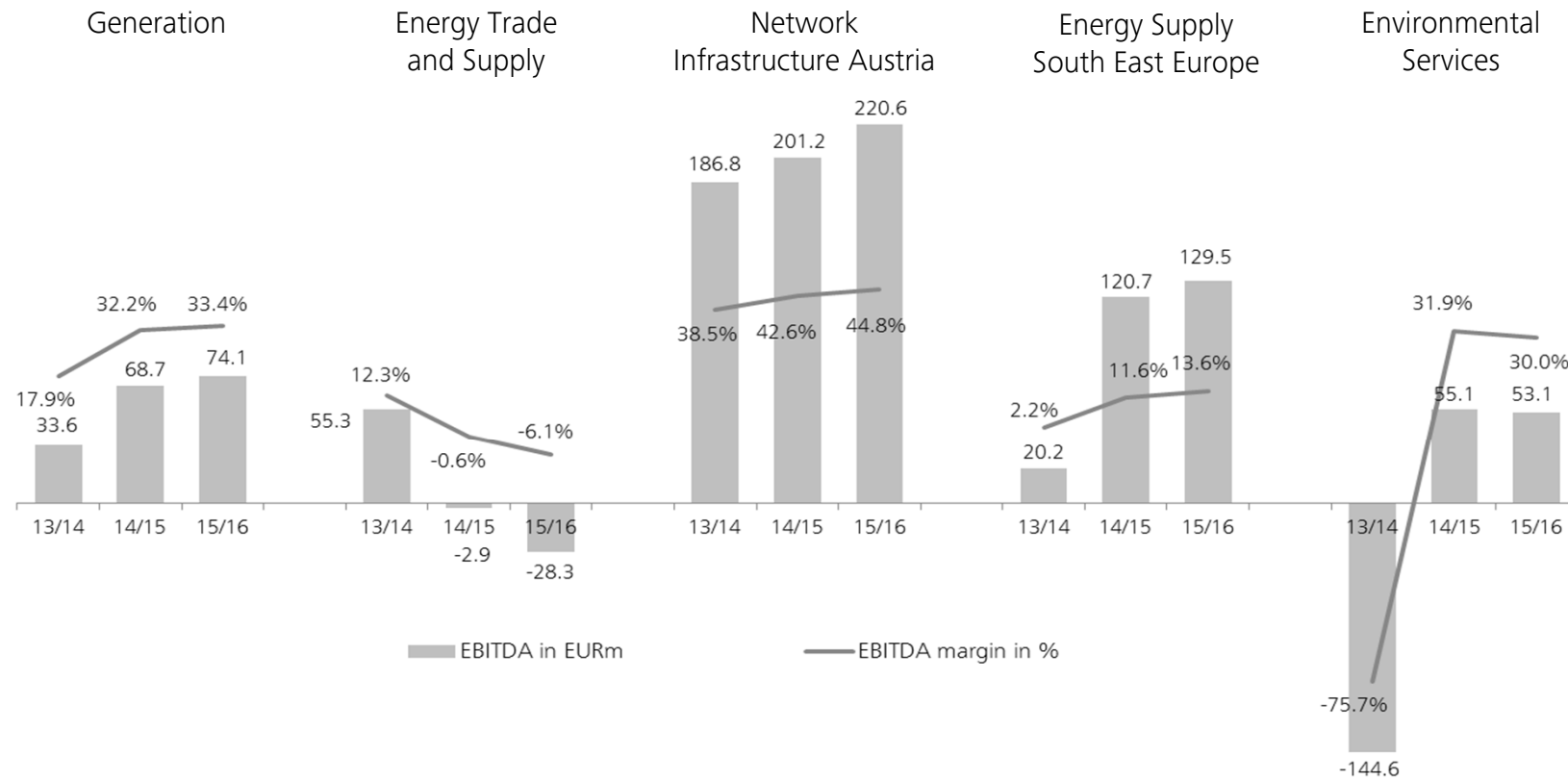


Net debt (in EURm) and Gearing (in %)



- Improvement of equity ratio to 42.3% (30 September 2015: 39.8%)
- Reduction of net debt to EUR 1,121.5m (30 September 2015: EUR 1,230.9m)
- Gearing decreased to 40.5 % (30 September 2015: 47.5%)

EBITDA development by segments



→ Higher thermal generation to support network stability

→ Negative influence through provision for onerous contracts

→ Positive price and volume effects

→ Weaker electricity demand (mild winter and liberalisation)
→ Operating improvements

→ Increase in revenue
→ Absence of last year's positive effect from sale of sodium hypochlorite plant

Generation



	2015/16	+/-
Electricity generation volumes	GWh	%
Total	5,105	24.8
Renewable energy sources	1,626	-2.8
Thermal energy sources	3,479	44.0

	2015/16	+/-
Financial performance	EURm	%
Revenue	221.7	4.0
EBITDA	74.1	7.7
EBIT	4.8	-

→ Increase in energy production

- Greater use of thermal power plants to support network stability
- Decline in renewable generation due to less favourable wind conditions

→ Improvement in EBITDA

- Reduction in operating expenses

→ Increase in EBIT

- Negative impact by impairment losses, which reflected less favourable estimates for the long-term development of electricity prices

Energy Trade and Supply



Sales volumes to end customers	2015/16 GWh	+/- %
Electricity	6,410	-5.8
Natural gas	5,098	-2.7
Heat	1,898	3.9

Financial performance	2015/16 EURm	+/- %
Revenue	463.4	-4.6
EBITDA	-28.3	-
EBIT	-45.7	-

→ Energy sales

- Decline in electricity and natural gas sales volumes
- Increase in heat sales volumes

→ Decline in EBITDA and EBIT

- Negative impact from creation of a provision for onerous contracts related to the marketing of EVN's own electricity production

Network distribution volumes	2015/16 GWh	+/- %
Electricity	8,128	0.1
Natural gas ¹⁾	16,216	8.4

Financial performance	2015/16 EURm	+/- %
Revenue	492.9	4.4
EBITDA	220.6	9.7
EBIT	110.3	15.4

→ Network distribution volumes

- Substantial increase in natural gas network distribution volumes
- Electricity network distribution volumes at prior year level

→ Improvement in EBITDA and EBIT

- Positive price and volume effects

¹⁾ Including network sales to EVN's power stations

Energy Supply South East Europe



End customer prices¹⁾		+/- in %	Adjustment
Bulgaria	electricity	-0.4%	01.08.2015
		+0.83%	01.07.2016
	heat	-1.9% ²⁾	
Macedonia	electricity	-0.3%	01.07.2015
		-0.3%	01.07.2016
Key energy business indicators		2015/16	+/-
		GWh	%
	Electricity generation volumes	450	-9.1
	Network distribution volumes	13,403	-1.2
	Electricity sales volumes	11,882	-4.6
	Heat sales volumes	184	-12.8
Financial performance		2015/16	+/-
		EURm	%
	Revenue	949.7	-8.5
	EBITDA	129.5	7.2
	EBIT	35.4	-38.8

→ Decline in revenue

- Decrease of electricity production in Macedonia (lower water flows)
- Lower energy demand due to unusually mild temperatures and liberalisation steps

→ Improvement in EBITDA, decline in EBIT

- Lower energy procurement costs (in correspondence with lower sales volumes)
- Operating improvements (reduction of network losses, improvement in collection of receivables, cost savings)
- Impairment effect related to Bulgarian heating business

¹⁾ Average; household sector; according to regulators in Bulgaria and Macedonia

²⁾ Step-by-step reduction as compared to level on 1 July 2015

	2015/16	+/-
Financial performance	EURm	%
Revenue	176.8	2.4
EBITDA	53.1	-3.5
EBIT	27.3	-4.6
Financial results	-2.5	67.3
Result before income tax	24.8	18.0

→ **Increase in revenue**

- Higher revenue from thermal waste incineration in Lower Austria and from international project business

→ **Decrease in EBITDA and EBIT; increase in financial results**

- Absence of previous year's one-off effects from sale of sodium hypochlorite plant in Moscow

Cash flows



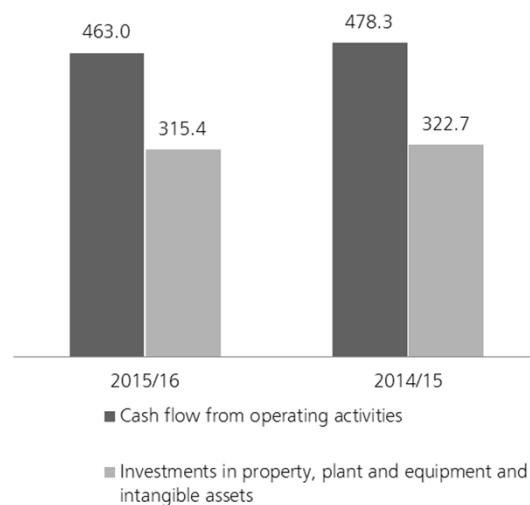
	2015/16	+/-
	EURm	in %
Gross cash flow	537.9	22.8
Net cash flow from operating activities	463.0	-3.2
Net cash flow from investing activities	-230.6	-
Net cash flow from financing activities	-253.9	28.9
Net change in cash and cash equivalents	-21.5	-

→ **Increase of operating cash flow**

– Strong operating performance

→ **Changes in the cash flow from investing as well as financing activities influenced by last year’s sale of sodium hypochlorite plant**

Cash flow from operating activities and investments
in EURm



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- Group net result for 2016/17 is expected to remain largely stable
 - Arbitral decision in favor of project company for the power plant Walsum 10
 - An arbitral tribunal has awarded the project company claims in the amount of EUR 200 million
 - Such arbitral decision will to a large extent result in a reduction of construction costs for the power plant
 - Currently no material effects expected on EVN's Group net result in the 2016/17 financial year
 - EVN's strategy remains unchanged
 - EUR 1bn investment programme for networks, renewable generation and drinking water supplies to be continued
 - Commitment to integrated business model

Additional information



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No assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved.

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