

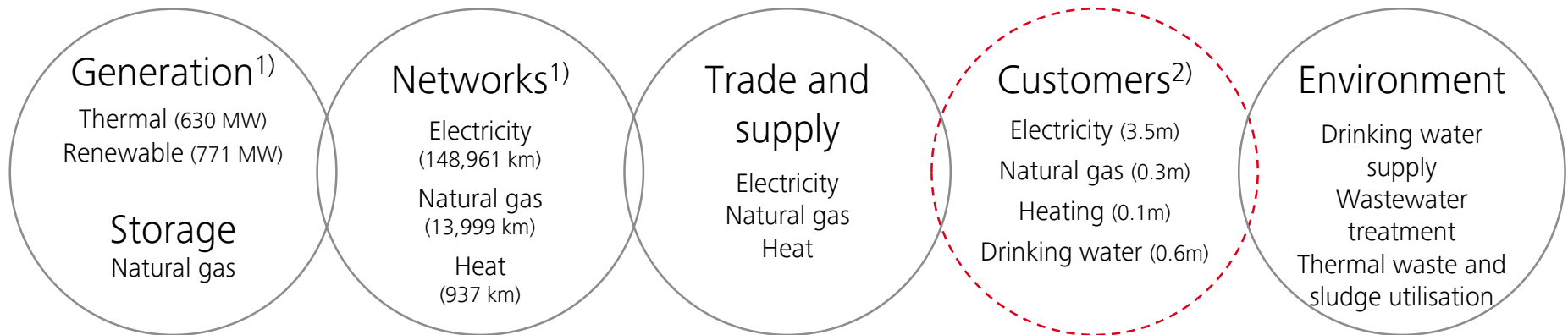
# EVN – the company for energy, water and environmental services

March 2023

- 
- EVN at a glance
  - Business development (FY 2021/22)
  - Back-up information

# Integrated business model as basis for our value chain

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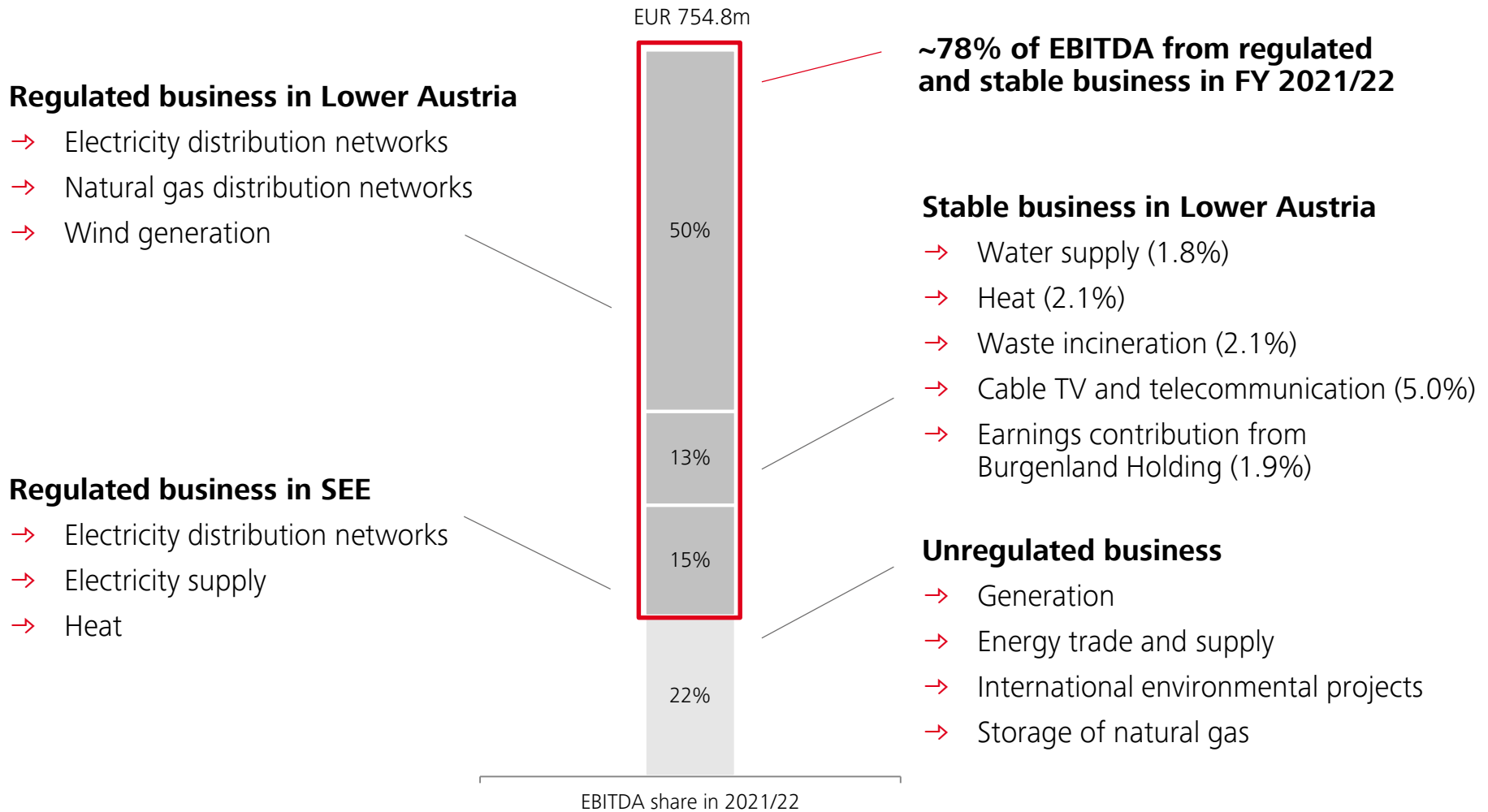
<sup>1)</sup> As of 30 September 2022

<sup>2)</sup> Number of customers in brackets

## → Foreign markets in the energy business

- Bulgaria: Electricity distribution networks, electricity supply, generation and heat
- North Macedonia: Electricity distribution networks, electricity supply and generation
- Selected activities in Germany, Croatia and Albania

# High share of regulated and stable business



**~78% of EBITDA from regulated and stable business in FY 2021/22**

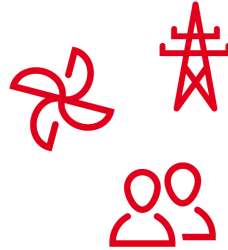
### Stable business in Lower Austria

- Water supply (1.8%)
- Heat (2.1%)
- Waste incineration (2.1%)
- Cable TV and telecommunication (5.0%)
- Earnings contribution from Burgenland Holding (1.9%)

### Unregulated business

- Generation
- Energy trade and supply
- International environmental projects
- Storage of natural gas

Integrated  
business model



~80% of EBITDA  
from stable and  
regulated activities

>EUR 500m  
annual investments



Stable  
dividend policy

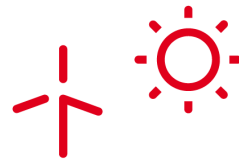
Digitalisation  
of customer processes



More sustainable.  
More digital.  
More efficient.

Stable net debt

EVN Climate Initiative  
(decarbonisation path  
agreed with SBTi)



Diversification  
through international  
project business

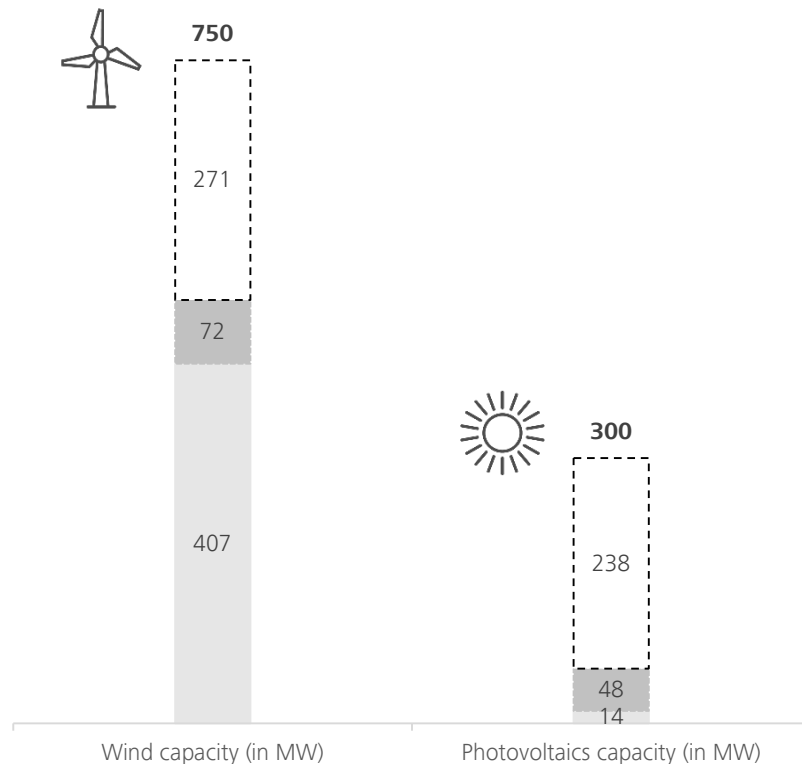




- EVN climate initiative
  - Expansion targets for renewables until 2030
  - CO<sub>2</sub> reduction goals agreed with Science Based Targets initiative (SBTi)
  - Climate neutrality in selected subsidiaries (PAS 2060)
- Capex KPI: 85% (share of taxonomy-aligned investments)
- Improvements in ESG ratings
  - CDP 2022: A-/Leadership
  - ISS Research: B-/prime status

# Expansion targets for renewables until 2030

## → Targets for wind and PV (in MW)



- ▤ Planned expansion during 2024-2030
- Projects under construction in 2023
- Installed capacity in MW (30.09.2022)

## → Projects under construction in Lower Austria in 2023

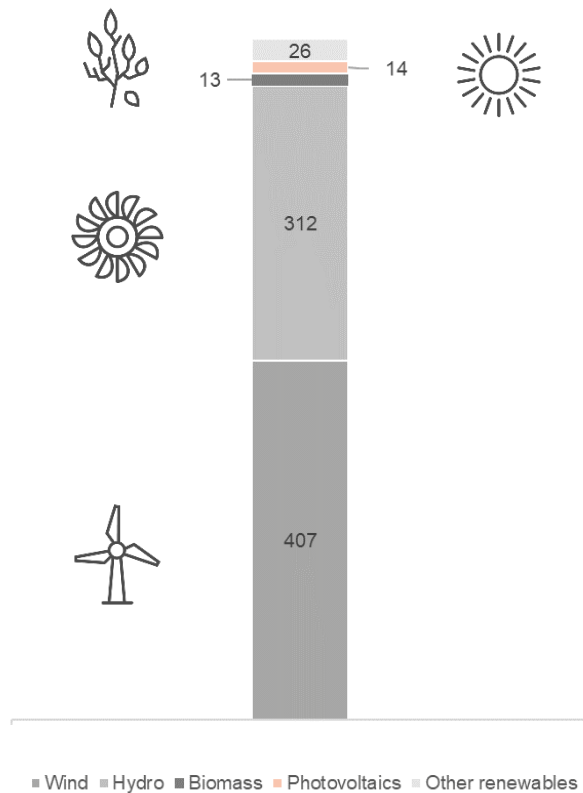
- 3 wind parks (72 MW in total)
- 4 large-scale PV projects (48 MW in total)

## → 2030 targets supported by strong project pipeline

- Wind power projects in Lower Austria and Bulgaria
- Photovoltaic projects in Lower Austria, Bulgaria and North Macedonia

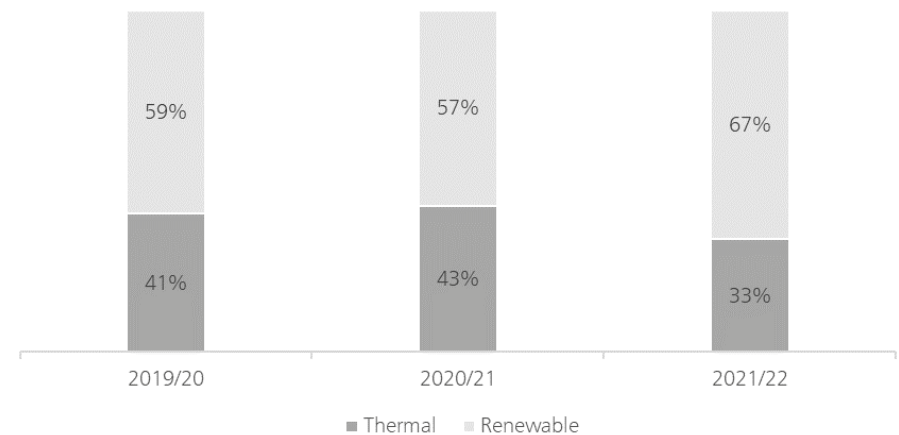
# EVN is #3 wind producer in Austria

→ EVN's renewable portfolio with 771 MW installed capacity<sup>1)</sup>



→ Successful reduction of CO<sub>2</sub> footprint in electricity generation

- Complete exit from coal-fired electricity generation as of 30 September 2021
- Natural gas-fired generation only used for network stabilization and for cogeneration of heat and electricity



<sup>1)</sup> As of 30 September 2022



# Sustaining high share of stable income from regulated network business



- High share of renewables in Lower Austria as major challenge for electricity networks
  - 53% of Austria's installed wind capacity
  - 25% of Austria's installed PV capacity
- Transformation to CO<sub>2</sub>-neutral energy system and e-mobility as investment drivers
  - New construction or expansion of transformer stations and substations
  - Expansion of 110 kV power lines
- Ø future RAB growth ~5% p.a.

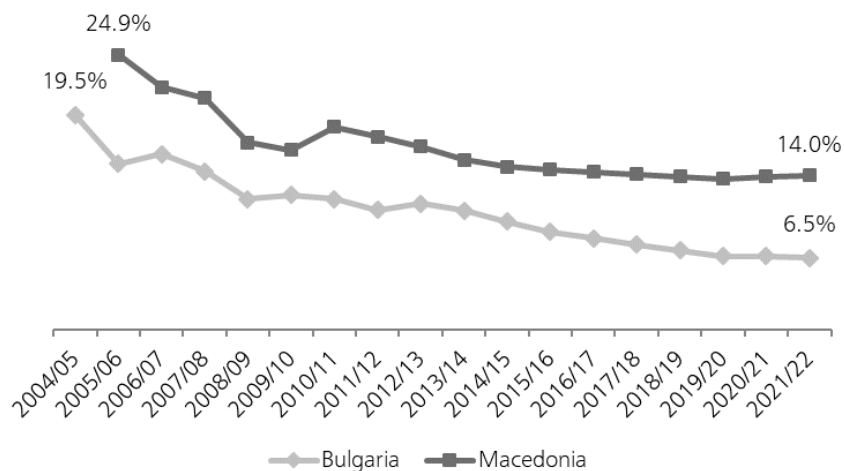
# Regulated business in Austria



Network	Electricity	Natural gas	Comments
Regulatory authority	E-Control GmbH	E-Control GmbH	
Start of the regulatory period	01.01.2019	01.01.2023	
Next regulatory adjustment	01.01.2024	01.01.2028	Adjustment of WACC and productivity factors
Duration of the regulatory period	5 years	5 years	
Regulatory method	Revenue caps	Revenue caps	
RAB (EURm)	Annually adjusted	Annually adjusted	Annual investments are added to the RAB in the following year
WACC (pre-tax, nominal)	<ul style="list-style-type: none"> <li>– New RAB (as of 2019): 5.20%</li> <li>– Existing RAB of DSO with average efficiency: 4.88%</li> </ul>	<ul style="list-style-type: none"> <li>– New RAB (in 2023): 4.88%</li> <li>– Existing RAB of DSO with average efficiency: 3.72%</li> </ul>	<p>Set for length of regulatory period</p> <p>Higher WACC for existing RAB of DSO with above-average efficiency (such as EVN/Netz NÖ)</p>
General productivity factor	0.95%	0.40%	Gains from cost reductions remain with the company during the regulatory period
Inflation	Annual adjustment	Annual adjustment	Network operator price index consists of consumer price index and wage increase index

# Continuous efforts to achieve further operating improvements in SEE

→ Ongoing reduction of grid losses



→ Number of customers

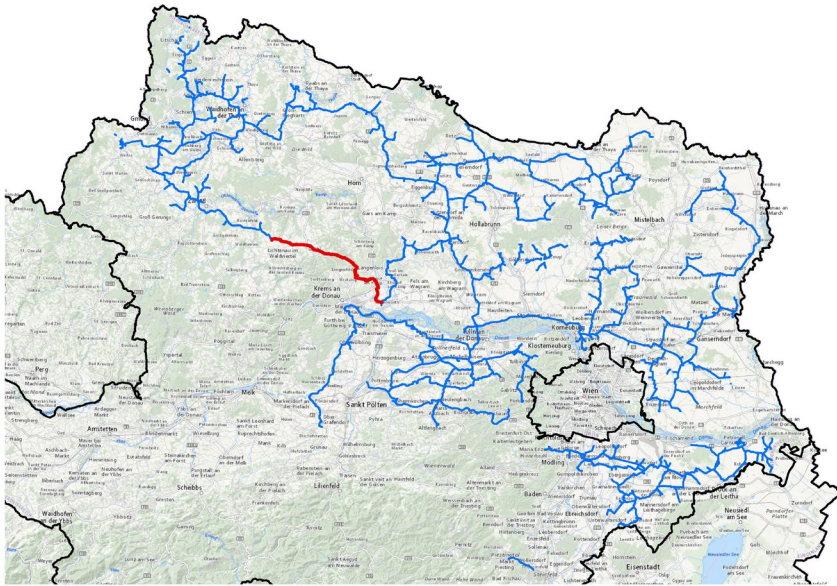
- Bulgaria: 1.8m
- North Macedonia: 0.9m

→ Commitment to supply security

→ Investment strategy for SEE

- Expansion and upgrading of network infrastructure to continuously reduce network losses
- Replacement of metres to further improve collection rates

# Drinking water business in Lower Austria – stable earnings contribution and future growth area



EVN's drinking water supply area in Lower Austria

- Largest regional drinking water supplier
  - 0.6m drinking water customers
  - Supra-regional pipeline networks and local water supply networks
  - Operation of 5 natural filter plants to reduce the hardness of water by natural means
- Expansion of cross-regional pipeline networks (until 2030)
  - ~EUR 165m total investments
  - ~300 km additional pipelines

# International environmental projects further diversify EVN's business mix



Thermal sludge treatment plant in Halle-Lochau (Germany)

- International project business
  - WTE Wassertechnik GmbH (Germany)
  - Planning and construction of plants for drinking water supplies, wastewater disposal and thermal waste incineration
  - Operation and financing (upon request)
  - 14 projects under planning and construction (Germany, Poland, Lithuania, Romania, Bahrain, Kuwait)<sup>1)</sup>
  
- Plants for thermal utilisation of sewage sludge as area with high future potential
  - Commissioning of plant in Germany (2022)
  - Contracts for projects in major German cities (Berlin, Hanover)

<sup>1)</sup> As of 30 September 2022

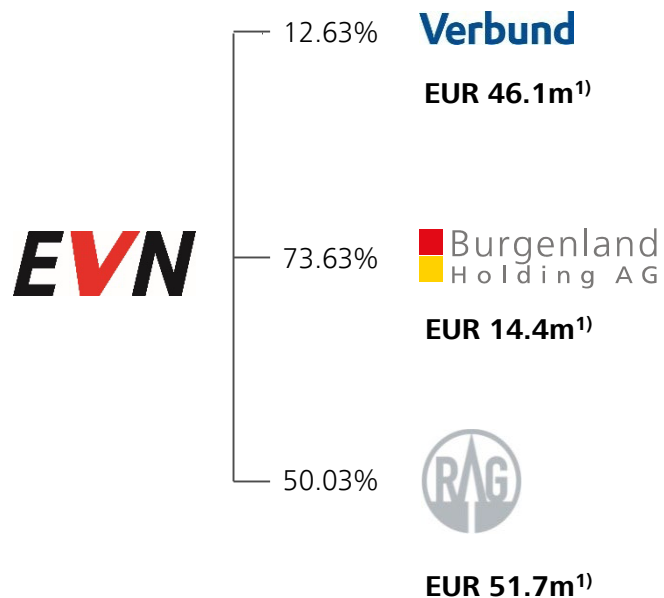
# Wastewater treatment project Umm Al Hayman (Kuwait)



- Wastewater treatment plant (PPP)
  - Capacity: 500,000 m<sup>3</sup>/d (~1.7m people)
  - EPC contractor: WTE (100%)
  - Contract value: ~EUR 600m
  - Stage of completion: 60%<sup>1)</sup>
  - Financing: equity<sup>2)</sup> (20%), bank debt (80%)
- Sewage infrastructure (DBO)
  - Pipes (450 km), pumping stations etc.
  - EPC contractor: WTE (67.6%) and two local partners
  - Contract value: ~EUR 950m
  - Stage of completion : 40%<sup>1)</sup>
  - Financing through State of Kuwait (100%)

1) As of 30 September 2022  
2) Shareholders: State-owned Kuwaiti institutions (80%), WTE (20%);  
WTE's equity contribution (~EUR 30m) is covered by a state guarantee from the  
Federal Republic of Germany

# Significant contribution to EVN's net profit from strategic investments



## → Verbund AG

- #1 electricity producer in Austria and #2 hydropower producer in Europe with 8.2 GW installed capacity

## → Burgenland Holding AG

- Holds a 49% stake in Burgenland Energie (#1 green energy producer in Austria, distribution networks, sale of energy)

## → RAG Austria AG

- ~6.3bn m<sup>3</sup> storage capacity for natural gas

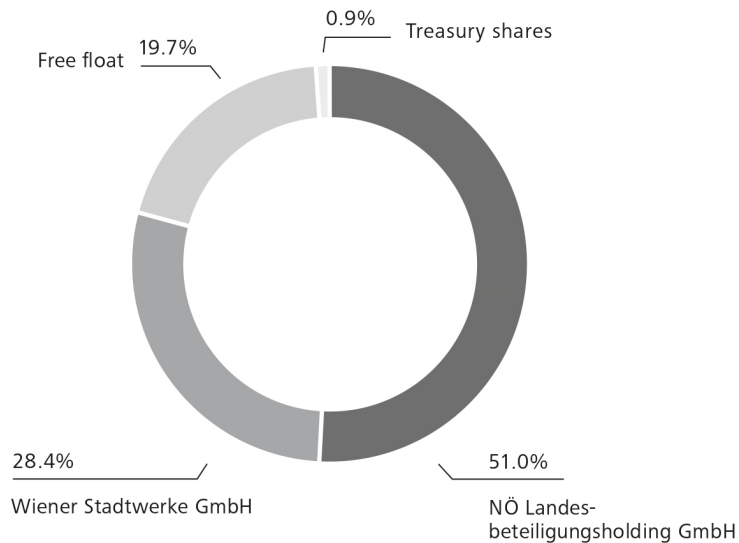
<sup>1</sup>) Contribution to EVN's result before income tax in FY 2021/22

- High share of earnings from regulated and stable business
- Continuous strengthening and expansion of domestic regulated and stable activities
  - Networks, wind generation, heating, drinking water supply
- Active role in energy transition
- Sustainable company with ESG-focused strategy
  - CO<sub>2</sub> reduction goals agreed with Science Based Targets initiative; renewable expansion; exit from coal
- Robustness of integrated business model
- Highly reliable dividend stock



- 
- Group net result for 2022/23 is expected to range from roughly EUR 190m to EUR 250m
    - Under assumption of a stable regulatory environment, predictable energy sector and tax frameworks
    - Earnings contribution from Verbund AG for the 2022 financial year is initially not included
  - Dividend is expected to at least equal the previous year (EUR 0.52 per share)
    - EVN wants its shareholders to appropriately participate in any additional earnings growth
  - Investments of >EUR 500m p.a. over the coming years
    - Thereof approximately three-fourths will be directed to renewable generation, networks, district heating and drinking water in Lower Austria

## → Shareholder structure



→ According to federal and provincial laws, the Province of Lower Austria is required to hold a stake of at least 51% in EVN

## → Dividend history

	2021/22	2020/21
Dividend per share (EUR)	0.52	0.52
Payout ratio (%)	44.2	28.5
Dividend yield (%)	2.3	3.1
	31.12.2022	30.09.2022
Share price (EUR)	16.90	17.04
Market capitalisation (EURm)	3,040	3,065

## → Member of the ATX

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# Key financials

(FY 2021/22)



	<b>FY 2021/22</b>	+/-
	EURm	%
<b>Revenue</b>	4,062.2	69.6
<b>EBITDA</b>	754.8	-9.8
Depreciation and amortisation	-318.0	5.8
Effects from impairment tests	-105.2	6.3
<b>EBIT</b>	331.6	-14.2
Financial results	-30.5	-52.5
<b>Group net result</b>	209.6	-35.6
Net cash flow from operating activities	151.0	-80.9
Investments <sup>1)</sup>	564.0	35.9
Net debt	1,245.1	53.0
	%	
Equity ratio <sup>2)</sup>	58.9	0.1
	EUR	
Earnings per share	1.18	-35.6

<sup>1)</sup> In intangible assets and property, plant and equipment

<sup>2)</sup> Changes reported in percentage points

## → Increase in revenue

- High electricity prices as key driver
- Price effects in networks business
- Higher demand for gas-fired generation to support network stability
- Growth from international project business

## → Decline in EBITDA, EBIT and Group net result

- High procurement costs
- Lower earnings contribution from EVN KG
- Impairment losses (natural gas network and goodwill in international project business)
- Takeover of electricity procurement right led to positive one-off effect in the previous year

# Key energy business indicators

(FY 2021/22)

	<b>2021/22</b>	+/-
	GWh	%
<b>Electricity generation volumes</b>	3,365	-15.8
Renewable energy sources	2,248	-1.5
Thermal energy sources	1,117	-34.8
<b>Network distribution volumes</b>		
Electricity	23,092	-0.7
Natural gas	15,877	-1.9
<b>Energy sales volumes to end customers</b>		
Electricity	20,853	3.2
thereof Austria and Germany	8,662	-0.6
thereof South Eastern Europe	12,191	6.1
Natural gas	4,987	-7.9
Heat	2,545	0.0

- Decline in electricity generation
  - Y-o-y increase in wind flows only partially offset lower water flows
  - Divestment of 49%-stake in Walsum 10 power plant as of 30 September 2021
  - Higher demand for gas-fired generation to support network stability
- Decline in network distribution volumes
  - Temperature-related decline in Austria
- Higher electricity sales volumes
  - Increase in South East Europe segment due to customer changes from liberalized market

# EBITDA development by segments



(FY 2021/22)

<b>Segment</b>	<b>2020/21</b> EURm	<b>+/-</b> %	<b>Comment</b>
Generation	292.9	11.6	Higher electricity prices offset decline in electricity generation
Energy	-26,7	-	Lower earnings contribution from EVN KG due to higher procurement costs
Networks	236.5	-0,3	Positive price effects from tarif decisions of Austrian regulatory authority
South East Europe	142.2	2.3	Financial performance supported by government compensation for additional costs for network losses in Bulgaria
Environment	56.5	-11,6	In line with progress of international projects

- 
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# Key financials

(Q. 1 2022/23)

	<b>Q. 1 2022/23</b>	+/-
	EURm	%
<b>Revenue</b>	1,174.3	30.3
<b>EBITDA</b>	281.7	39.6
Depreciation and amortisation	-80.6	-2.3
Effects from impairment tests	0.0	-
<b>EBIT</b>	201.1	55.3
Financial results	-10.2	38.2
<b>Group net result</b>	149.4	83.2
Net cash flow from operating activities	-255.9	-
Investments <sup>1)</sup>	106.9	-2.9
Net debt	1,580.7	74.5
	%	
Equity ratio <sup>2)</sup>	58.2	0.8
	EUR	
Earnings per share	0.84	83.1

## → Increase in revenue

- Price effects in renewable generation
- Valuation effects of hedges and price adjustments in the Energy Segment
- South East Europe benefitted from higher network tariffs and the increase of electricity prices in the regulated household customer segment in North Macedonia
- Growth from international project business

## → Rise in EBITDA and Group net result

- Procurement costs nearly at prior-year-level
- Compensation payments from Bulgarian government for network losses in prior year
- Negative earnings contribution from EVN KG

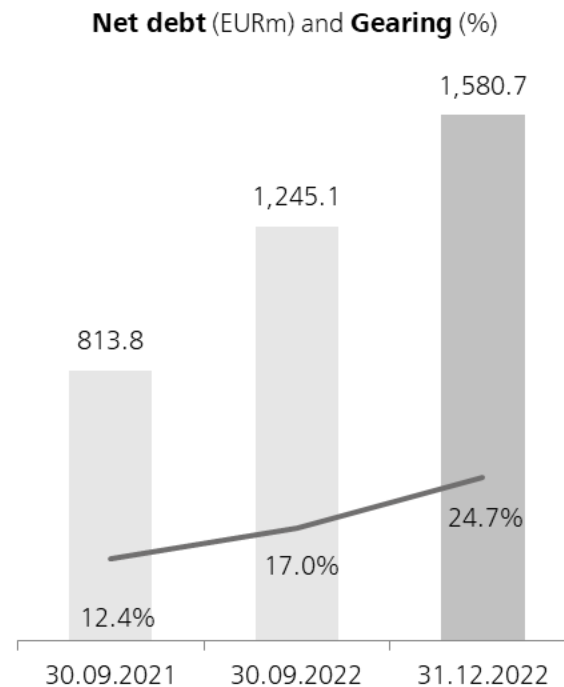
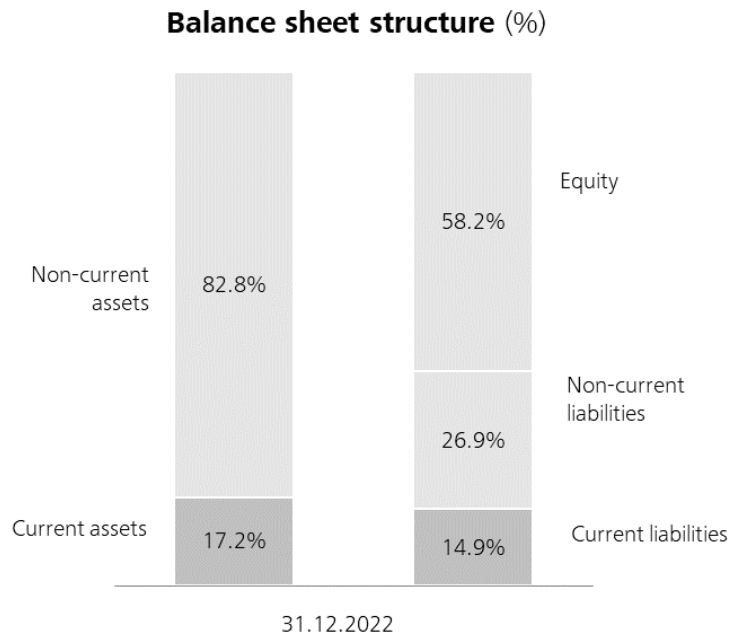
<sup>1)</sup> In intangible assets and property, plant and equipment

<sup>2)</sup> Changes reported in percentage points



# Solid balance sheet structure

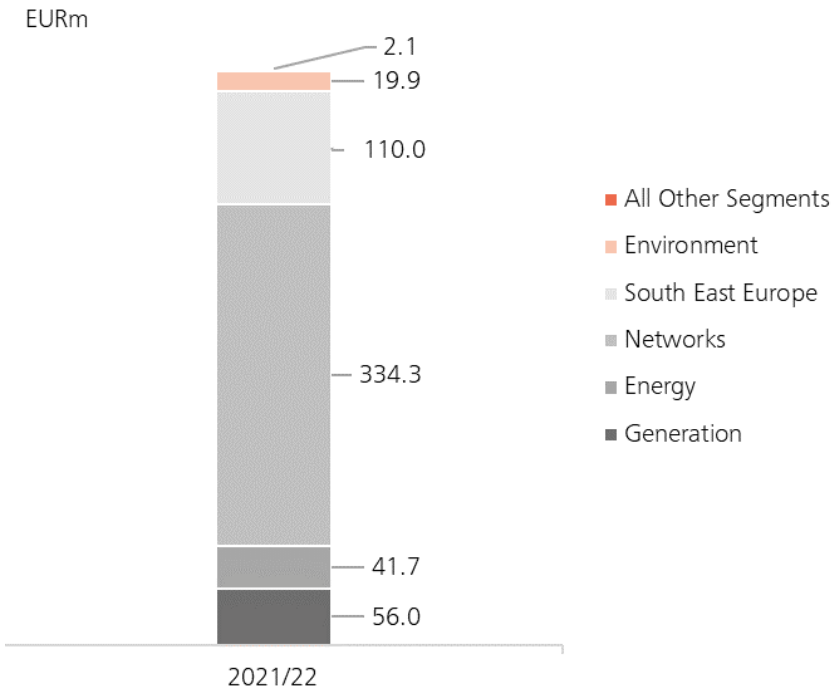
(Q. 1 2022/23)



- Strong balance sheet as a basis for increased investment programme in the coming years (exceeding EUR 500m p.a.)
- Committed, undrawn credit facilities in the amount of EUR 636m as of 31.12.2022
- Credit ratings: A1/stable (Moody's), A+/stable (Scope)

# Structure of investments<sup>1)</sup>

(FY 2021/22)



## → Investment strategy

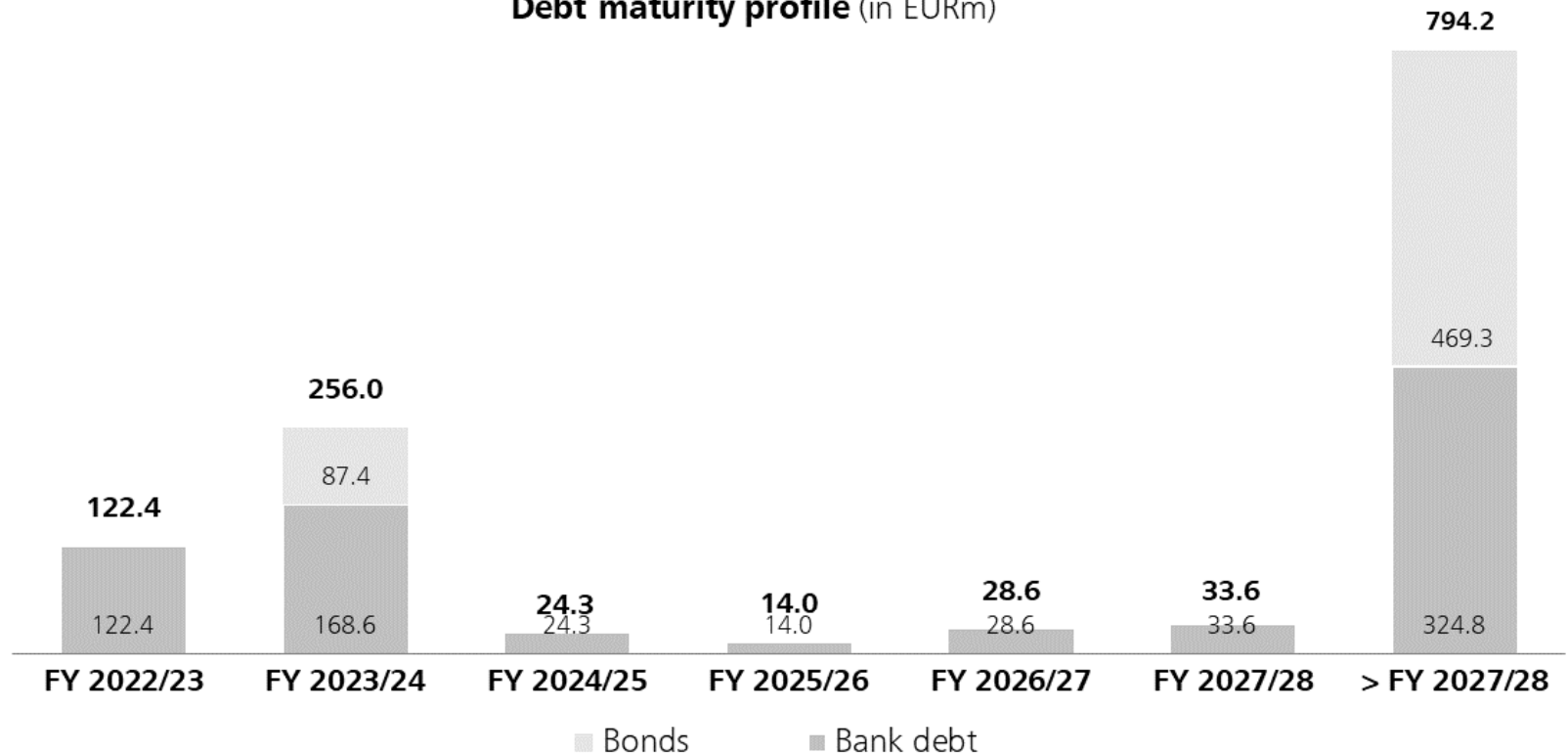
- Annual investments over the coming years >EUR 500m
- Thereof approximately  $\frac{3}{4}$  directed to networks, renewable generation and drinking water in Lower Austria

<sup>1)</sup> In intangible assets and property, plant and equipment

- 
- Stable dividend policy
    - Hold the absolute amount of the dividend constant at a level of at least EUR 0.52 per share
    - Commitment to appropriate participation in future earnings growth
  - Financial policy
    - EVN's goal is to maintain solid A category ratings in the future
    - In order to achieve such ratings, EVN is strictly monitoring the adjusted target ratios of both rating agencies
  - Credit ratings
    - Moody's: A1, stable outlook (April 2022)
    - Scope Ratings: A+, stable outlook (May 2022)

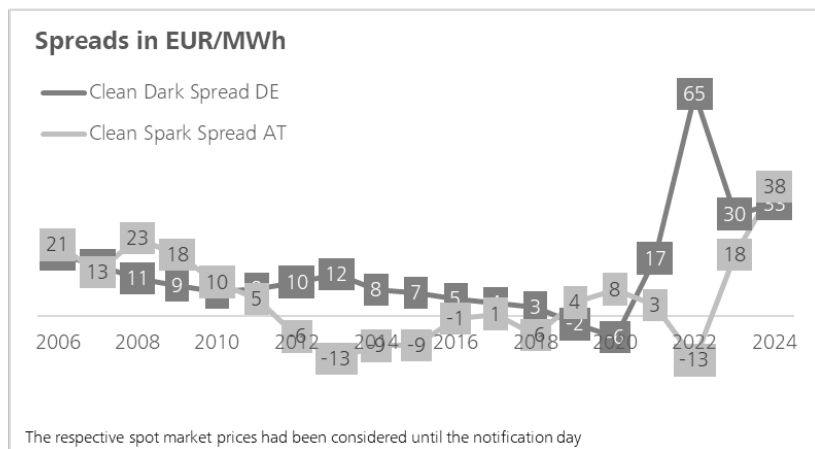
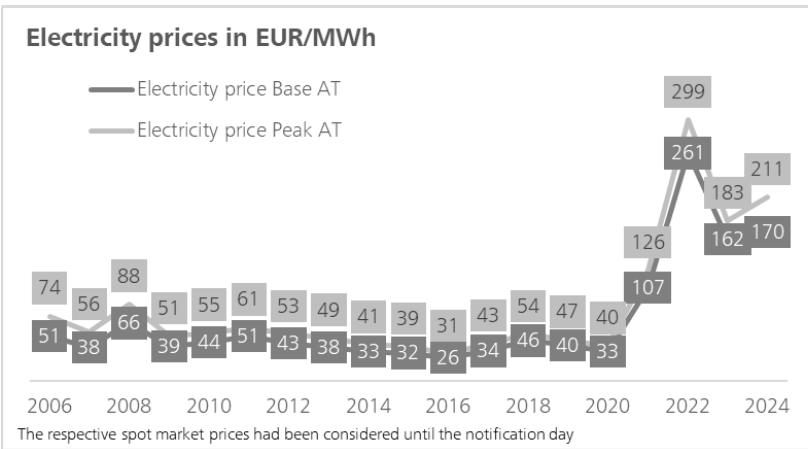
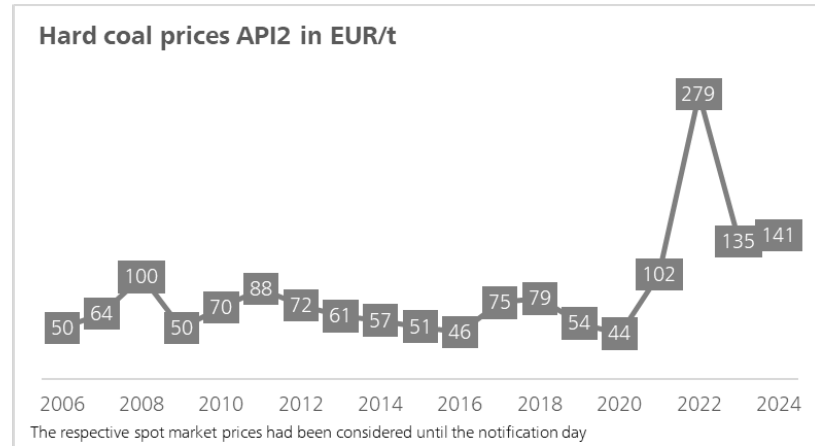
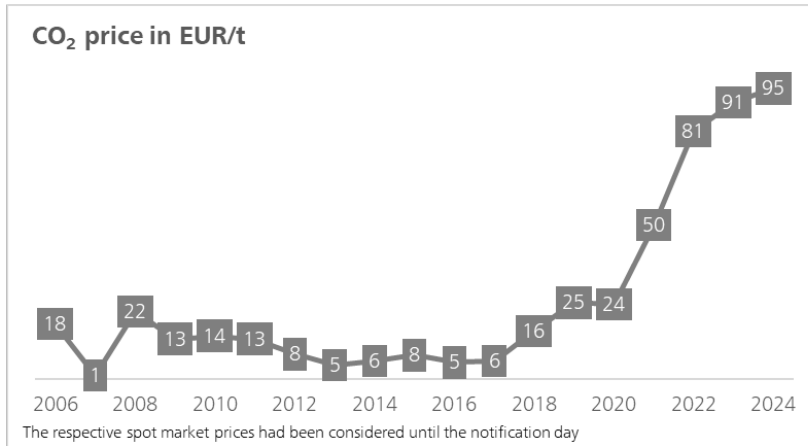
# Well-balanced maturity profile

**Debt maturity profile** (in EURm)



→ EUR 627m undrawn, committed credit lines (as of 30 September 2022)

# Challenging market environment



Source: EVN, March 2023



© RAG (photography: RAG-Archiv)

Natural gas storage facility Haidach (Province of Salzburg)

## Key financials (FY 2021)

Revenue	EURm	374.9
Profit after tax	EURm	48.4

<sup>1)</sup> Indirectly through RAG-Beteiligungs-Aktiengesellschaft (100%)

- Shareholder structure
  - EVN AG (50.03%)<sup>1)</sup>
  - Uniper Exploration & Production GmbH (29.97%)
  - Energie Steiermark Kunden GmbH (10.00%)
  - Salzburg AG (10.00%)
- 100% of RAG earnings are recognised as share of profit of equity accounted investees with operational nature
- 49.97% of RAG earnings assigned to minority interest
- EVN contractually not entitled to exercise a controlling influence over RAG

→ Stefan Szyszkowitz, CEO

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→ Information on the internet

- [www.evn.at](http://www.evn.at)
- [www.investor.evn.at](http://www.investor.evn.at)
- [www.responsibility.evn.at](http://www.responsibility.evn.at)

→ Headquarters of EVN AG

- EVN Platz  
2344 Maria Enzersdorf

→ Financial calendar

- Next event: Results HY. 1 2022/23,  
25 May 2023
- [www.investor.evn.at/financial-calender](http://www.investor.evn.at/financial-calender)

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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.