



EVN – the company for  
energy, water and  
environmental services

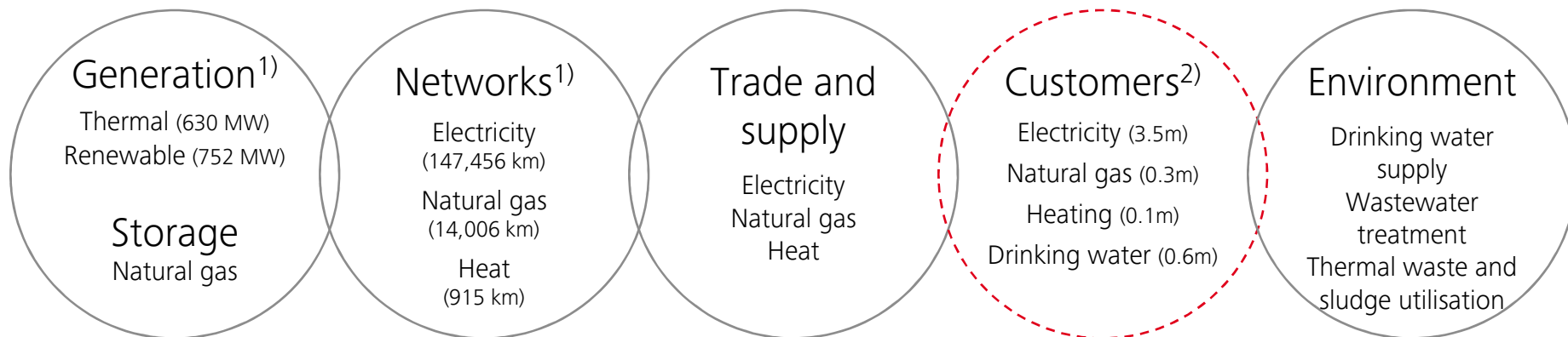
June 2022

# Agenda



- 
- EVN at a glance
  - Business development (FY 2020/21)
  - Back-up information

# Integrated business model as basis for our value chain



<sup>1)</sup> As of 30 September 2021

<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

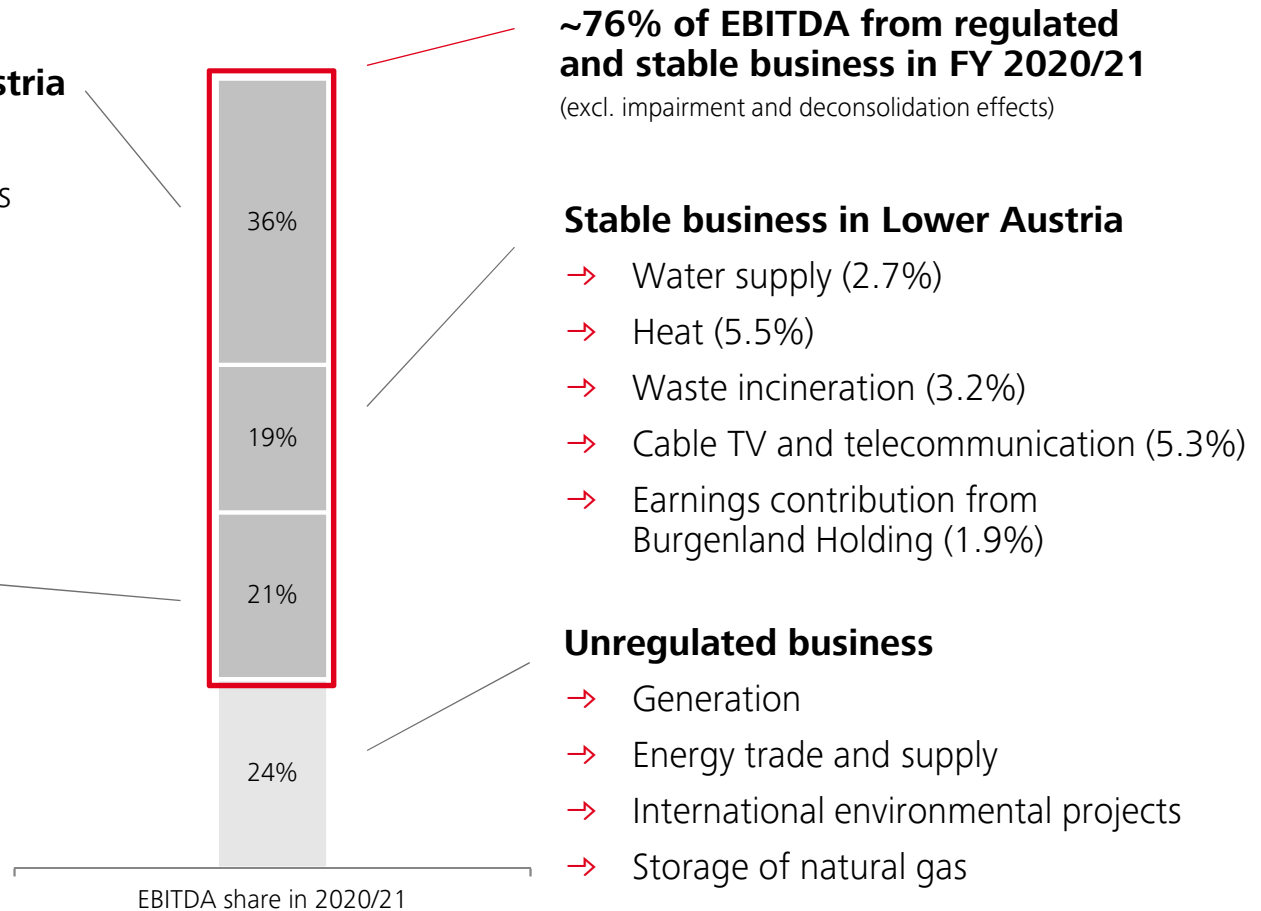


## Regulated business in Lower Austria

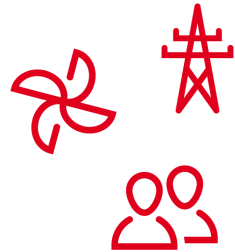
- Electricity distribution networks
- Natural gas distribution networks
- Wind generation

## Regulated business in SEE

- Electricity distribution networks
- Electricity supply
- Heat



Integrated business model



~80% of EBITDA from stable and regulated activities

EUR 500m annual investments



Stable dividend policy

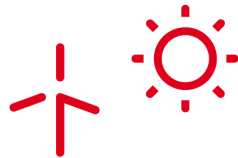
Digitalisation of customer processes



More sustainable.  
More digital.  
More efficient.

Stable net debt

EVN Climate Initiative (decarbonisation path agreed with SBTi)



Diversification through international project business





- Expansion targets for renewables until 2030
  - Wind (+350 MW) and PV (+300 MW)
- CO<sub>2</sub> reduction goals agreed with Science Based Targets initiative
  - Well-below 2°C goal of Paris Agreement

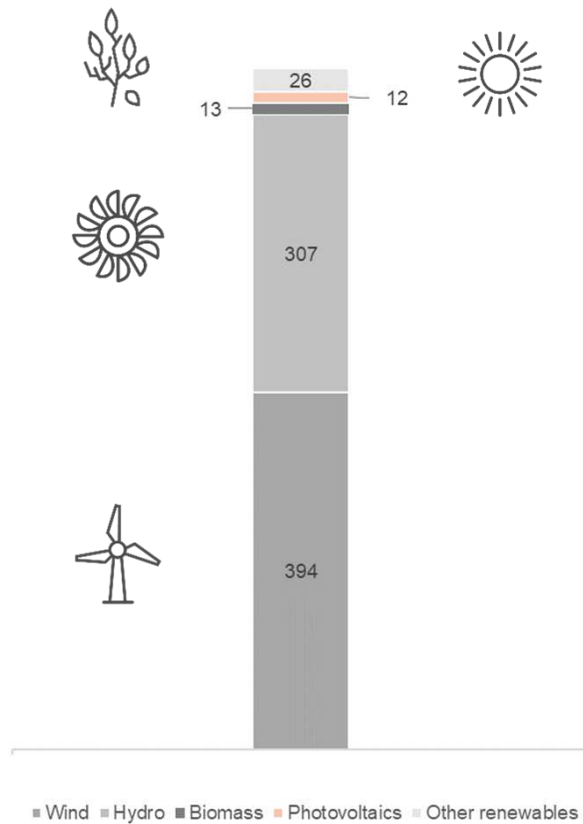


- Climate neutrality in selected subsidiaries (PAS 2060)

# EVN is #2 wind producer in Austria

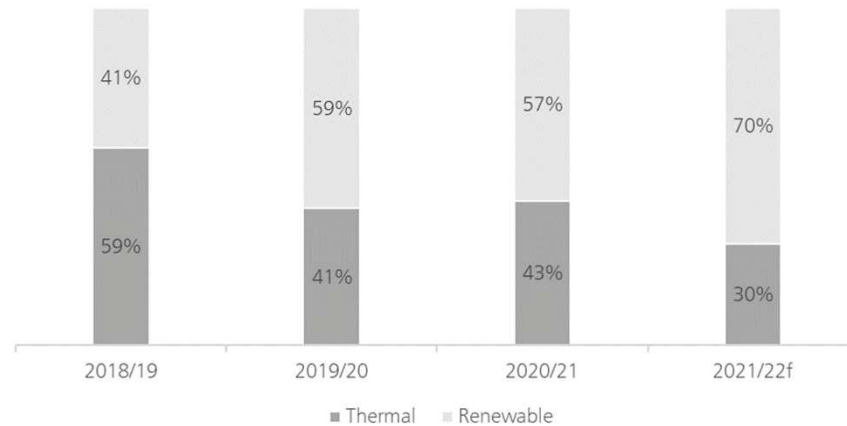


→ EVN's renewable portfolio with 752 MW installed capacity<sup>1)</sup>



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

- Complete exit from coal-fired electricity generation as of 30 September 2021
- Substantial re-dimensioning of natural gas (only used as network stabilization and for cogeneration of heat and electricity)



<sup>1)</sup> As of 30 September 2021

# Sustaining high share of stable income from regulated network business

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- Transformation to CO<sub>2</sub>-neutral energy system and e-mobility as investment drivers
- Investments in electricity networks
  - New construction or expansion of transformer stations and substations
  - Expansion of 110 kV power lines
  - Smart meter
- 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	01.01.2018	
Next regulatory adjustment	01.01.2024	01.01.2023	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 (as of 2018): 5.20%</li> <li>– Existing RAB of DSO with average efficiency: 4.88%</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%	0.83%	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

# Strong market position in Austria



**EVN's electricity market share in Lower Austria**

EVN: **72%**

**Market size: 8.4 TWh**

**Electricity market shares in the Austrian market**

EVN: **10%**  
EAA & Partners: **18%**  
(excl. EVN)

**60 TWh**

**Gas market share in Lower Austria**

EVN: **36%**

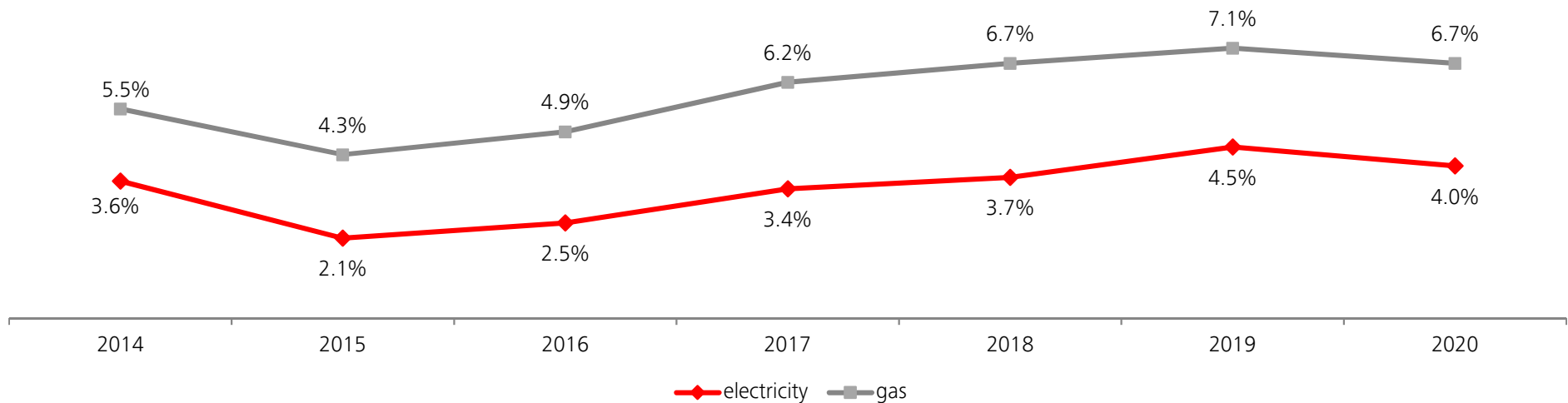
**15 TWh**

**Gas market shares in the Austrian market**

EVN: **6%**  
EAA & Partners: **7%**  
(excl. EVN)

**94 TWh**

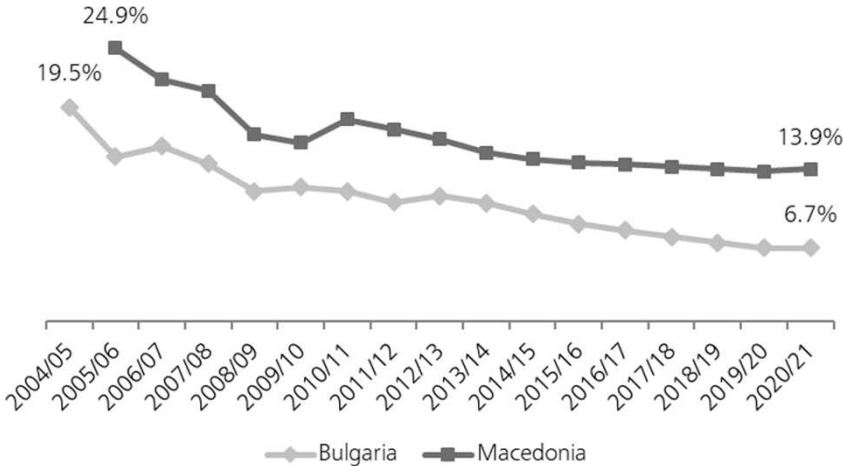
**Churn rates in Lower Austria**



Market shares refer to FY 2019/20; EVN holds a 45% stake in EAA & Partners  
 Source market shares: E-Control 2020, EVN annual report and company numbers  
 Source churn rates: E-Control, market statistics – consumer attitude/churn rates electricity and gas according to network areas

# Continuous efforts to achieve further operating improvements in SEE

→ Ongoing reduction of grid losses



→ Number of customers

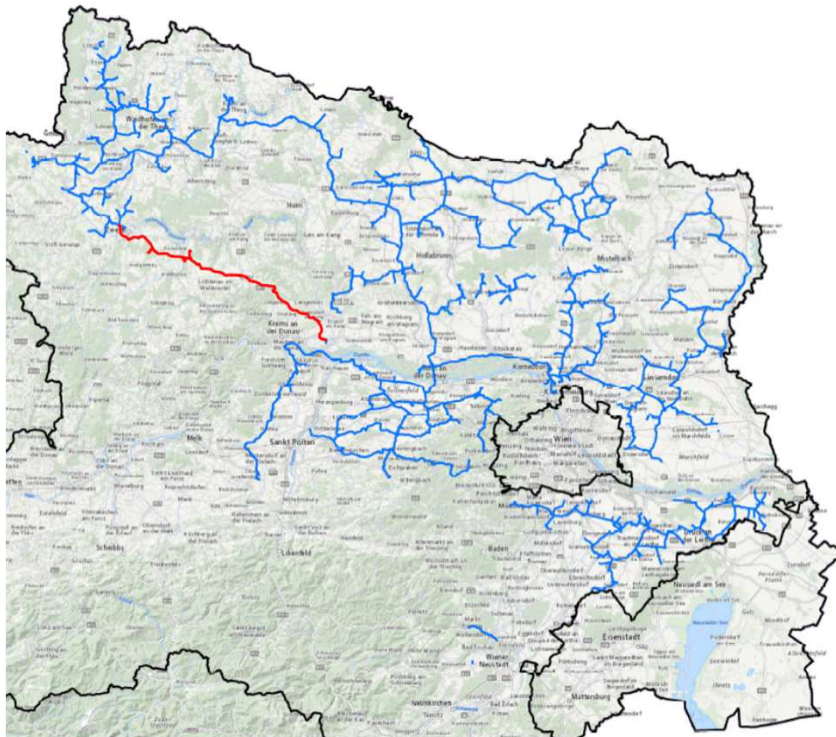
- Bulgaria: 1.8m
- North Macedonia: 0.9m

→ 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)
  - 12 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 (Hanover, Straubing)

<sup>1)</sup>As of 31 March 2022

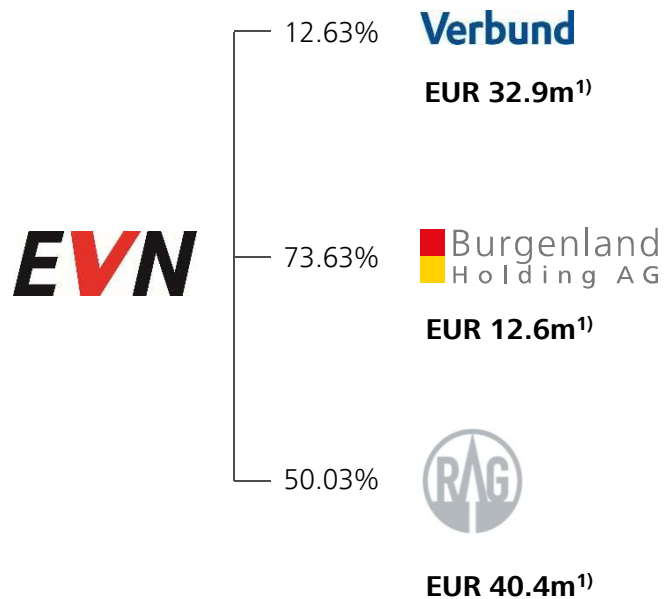
# Wastewater treatment project Umm Al Hayman (Kuwait)



- Wastewater treatment plant (PPP)
  - Capacity: 500,000 m<sup>3</sup>/d (~1.7m people)
  - EPC contractor: WTE (100%)
  - Contract value: ~EUR 600m
  - Construction period: 2.5 years
  - Financing: equity<sup>1)</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
  - Construction period: up to 4 years
  - Financing through State of Kuwait (100%)

1) 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 Energie Burgenland (#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 2020/21



# Key messages to our shareholders

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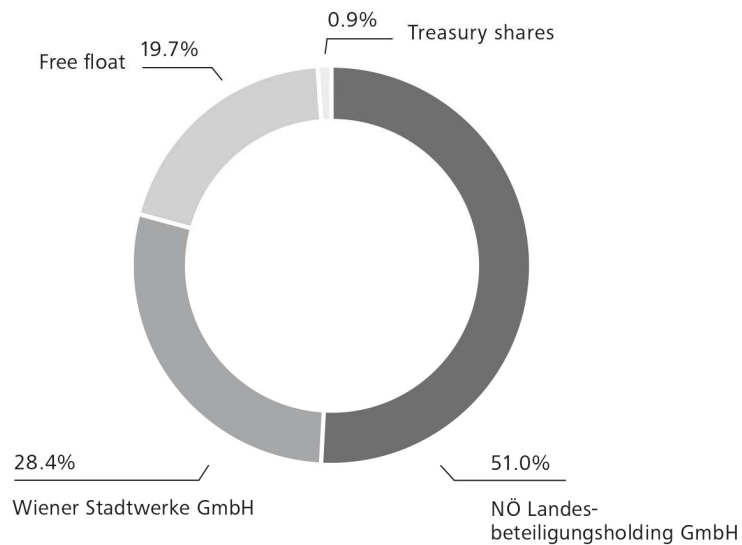


- High share of earnings from regulated and stable business
- Continuous strengthening and expansion of domestic regulated and stable activities
  - Networks, wind generation, heating, drinking water supply
- Active role in energy transition
- Sustainable company with ESG-focused strategy
  - CO<sub>2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



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- Group net result for 2021/22 is expected to range from approximately EUR 200m to EUR 240m
    - Stronger or sustained distortions on the energy markets could have a negative influence on expected results
  - Investment strategy
    - Annual investments up to EUR 500m over the coming years
    - Thereof approximately three-fourths will be directed to renewable generation, networks, district heating and drinking water in Lower Austria
    - Wind and photovoltaic projects in Lower Austria, Bulgaria and North Macedonia

→ 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

	2020/21	2019/20
Dividend per share (EUR)	0.52	0.49
Payout ratio (%)	28.5	43.8
Dividend yield (%)	2.3	3.4
	<b>31.03.2022</b>	
Share price (EUR)	23.30	
Market capitalisation (EURm)	4,191	

→ Member of the ATX

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# Key financials

(FY 2020/21)



	<b>FY 2020/21</b>	+/-
	EURm	%
<b>Revenue</b>	2,394.9	13.6
<b>EBITDA</b>	836.5	41.7
Depreciation and amortisation	-337.7	-13.8
Effects from impairment tests	-112.4	–
<b>EBIT</b>	386.4	41.5
Financial results	-20.0	-26.4
<b>Group net result</b>	325.3	62.9
Net cash flow from operating activities	789.6	–
Investments <sup>1)</sup>	415.0	12.8
Net debt	813.8	-21.6
	%	
Equity ratio <sup>2)</sup>	58.7	4.4
	EUR	
Earnings per share	1.83	62.8

## → Improvement in revenue

- Higher temperature-related network sales volumes
- Increase in energy sales in South East Europe
- Start of wastewater project in Kuwait
- Higher revenue from electricity generation

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

- Revaluations to previously impaired equity accounted investees
- Improvements in operating earnings and valuation effects from hedges at EVN KG
- Contribution from international project business

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

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

# Key energy business indicators



(FY 2020/21)

	<b>2020/21</b>	+/-
	GWh	%
<b>Electricity generation volumes</b>	<b>3,997</b>	<b>5.6</b>
Renewable energy sources	2,283	1.5
Thermal energy sources	1,715	11.7
<b>Network distribution volumes</b>		
Electricity	23,257	5.0
Natural gas	16,184	6.3
<b>Energy sales volumes to end customers</b>		
Electricity	20,207	2.0
thereof Austria and Germany	8,717	3.0
thereof South Eastern Europe	11,490	1.2
Natural gas	5,412	9.2
Heat	2,545	10.5

- Increase in electricity generation
  - Above-average water flows offset decline in wind flows
  - Thermal generation above low prior year level
- Increase in network distribution volumes
  - Previous year influenced by weaker demand due to Covid-19
  - Temperature-related increase in natural gas network sales volumes
- Higher electricity sales volumes
  - Colder temperature and recovery of corona-related weaker demand

# EBITDA development by segments



(FY 2020/21)

Segment	2020/21 EURm	+/- %	Comment
Generation	262.5	–	Increase in electricity generation and higher electricity prices; revaluations to previously impaired equity accounted investees; one-offs related to Walsum 10
Energy	188.6	–	Temperature-related increase in energy sales; one-offs related to Walsum 10; improvement in operating earnings and valuation of hedges at EVN KG
Networks	237.3	18.7	Positive price and volume effects
South East Europe	139.0	1.7	Temperature-related increase in network sales and energy sales volumes; rising energy procurement costs
Environment	64.0	–	Increase due to wastewater treatment plant project in Kuwait

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# Key financials HY. 1 2021/22



(HY. 1 2021/22)

	<b>HY. 1 2021/22</b>	+/-
	EURm	%
<b>Revenue</b>	2,126.7	65.5
<b>EBITDA</b>	420.2	-21.6
Depreciation and amortisation	-158.3	5.9
Effects from impairment tests	-50.9	55.0
<b>EBIT</b>	211.0	-17.1
Financial results	-31.3	-49.0
<b>Group net result</b>	127.4	-27.6
Net cash flow from operating activities	-84.1	-
Investments <sup>1)</sup>	191.5	22.9
Net debt	1,134.4	22.0

## → Increase in revenue

- High electricity prices as a driver
- Price and volume effects in networks business
- Higher demand for gas-fired generation to support network stability

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

- High procurement costs and costs for network losses in South East Europe
- Lower earnings contribution from EVN KG
- Impairment losses in Environment Segment
- Takeover of electricity procurement right led to positive one-off effect in the previous year

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

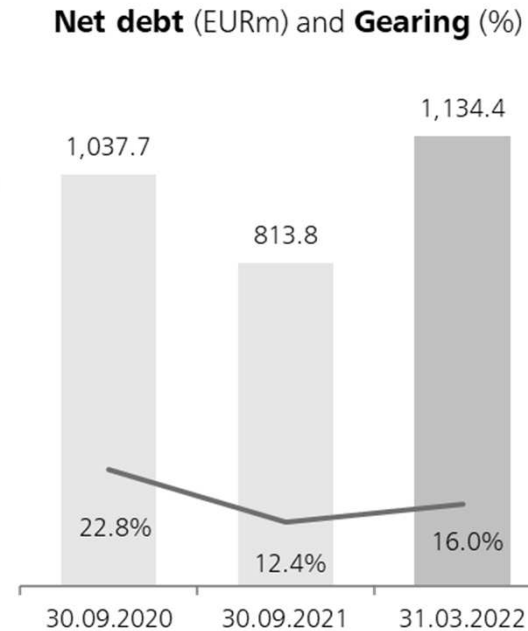
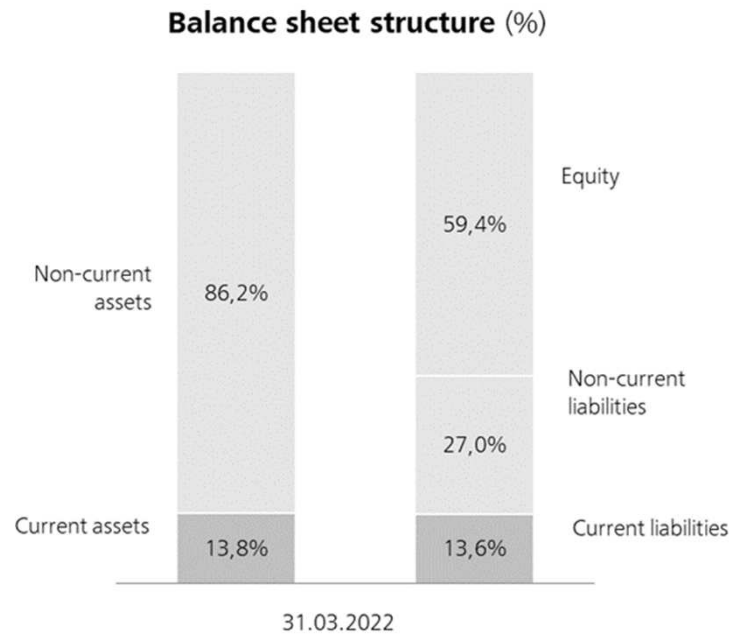
<sup>2)</sup> Changes reported in percentage points



# Solid balance sheet structure



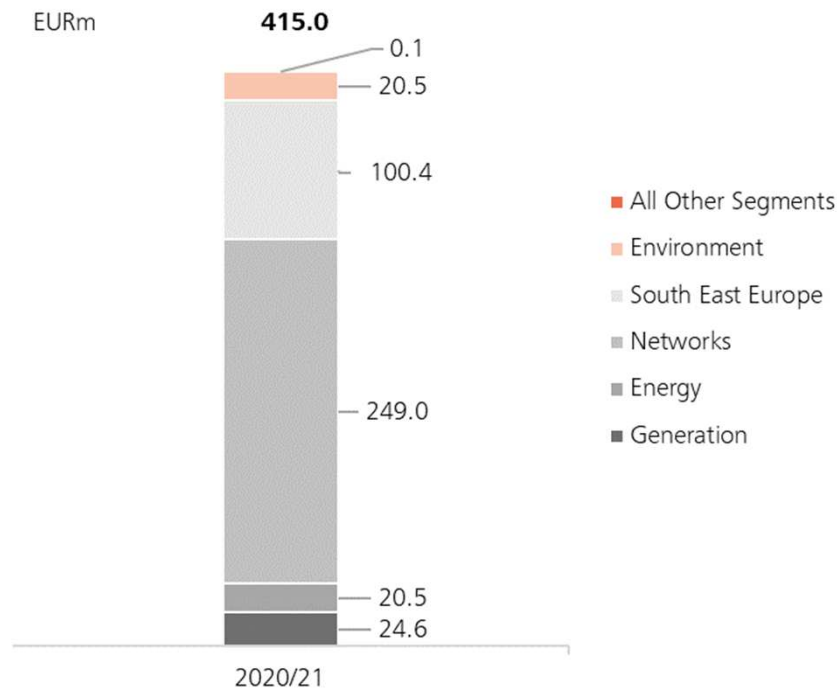
(HY. 1 2021/22)



- Strong balance sheet as a basis for increased investment programme in the coming years (annually up to EUR 500m)
- Committed, undrawn credit facilities in the amount of EUR 602m as of 31.03.2022
- Ratings confirmed: A1/stable (Moody's), A+/stable (Scope)

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

(FY 2020/21)



## → Investment strategy

- Annual investments over the coming years to an average of up to EUR 500m depending on projects
- 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

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→ 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

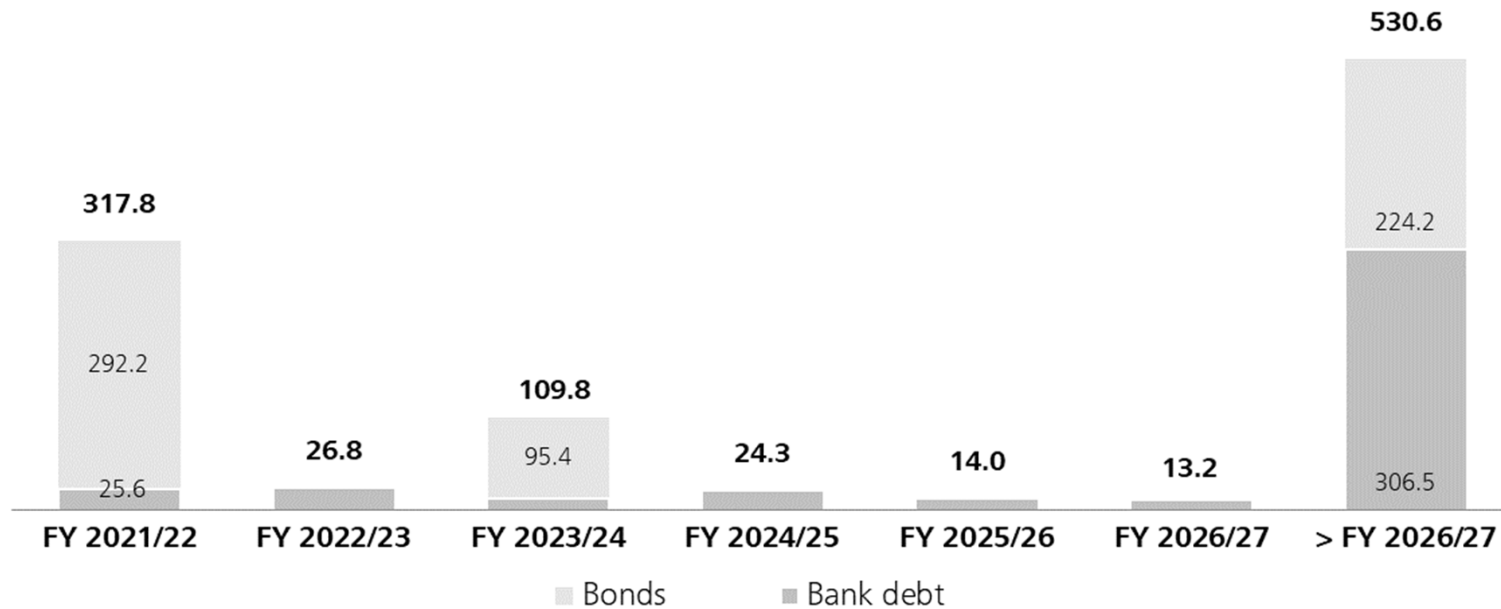
→ Credit ratings

- Moody's: A1, stable outlook (April 2022)
- Scope Ratings: A+, stable outlook (May 2022)

# Well-balanced maturity profile

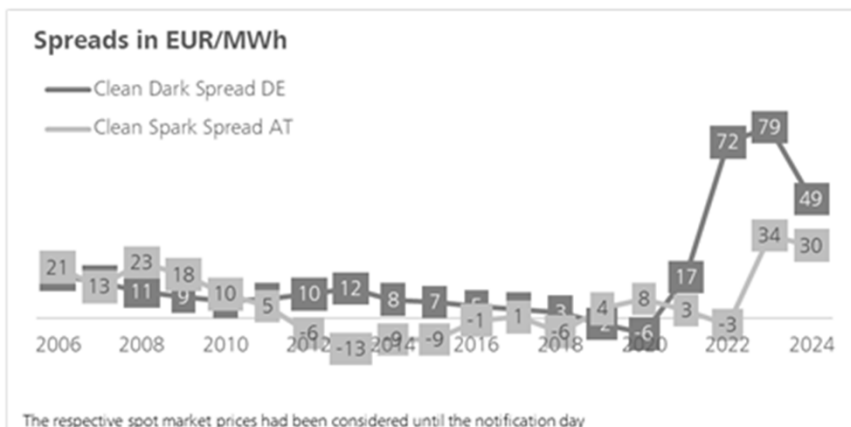
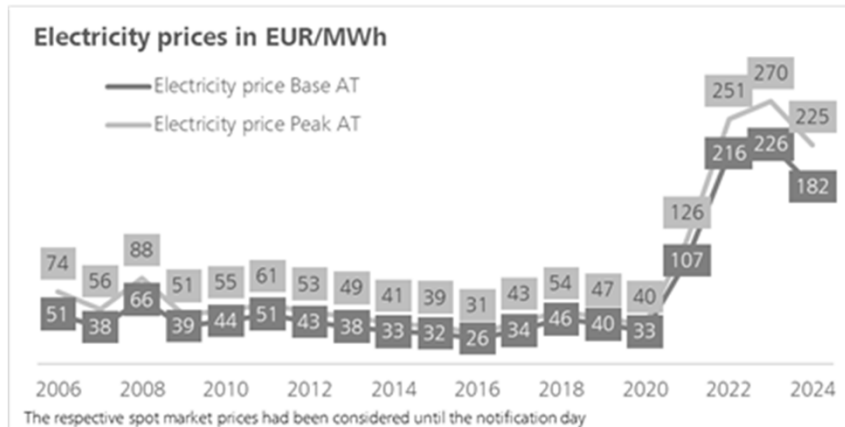
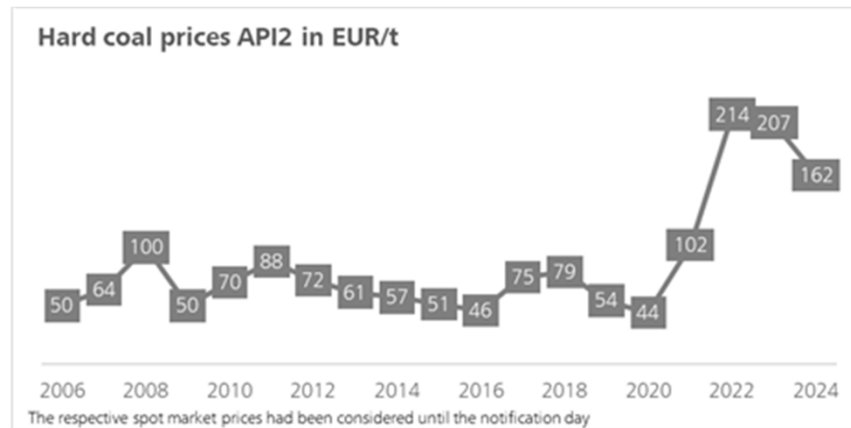
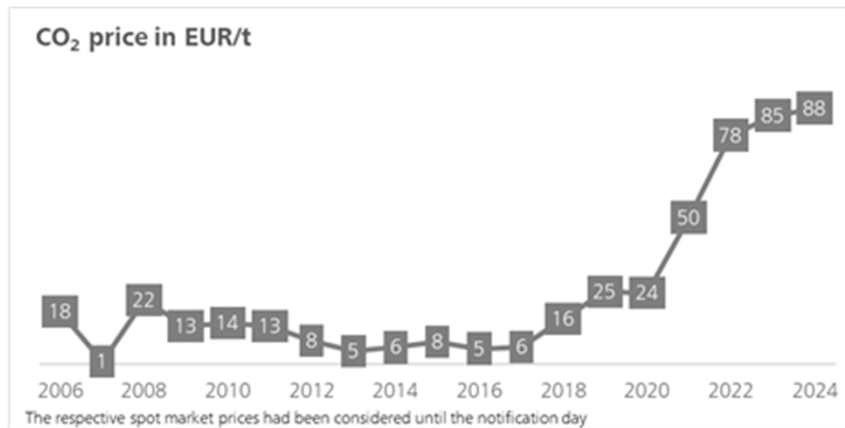


**Debt maturity profile** (in EURm)



→ EUR 602m undrawn, committed credit lines (as of 31 March 2022)

# Challenging market environment



Source: EVN, May 2022



© RAG (photography: RAG-Archiv)

Natural gas storage facility Haidach (Province of Salzburg)

### Key financials (FY 2020)

Revenue	EURm	279.5
Profit after tax	EURm	45.3

<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

# Contact details



- 
- Stefan Szyszkowitz, CEO
  - IR contact partners:
    - Gerald Reidinger
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    - Karin Krammer
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    - [www.responsibility.evn.at](http://www.responsibility.evn.at)
  - Headquarters of EVN AG
    - EVN Platz
    - 2344 Maria Enzersdorf
  - Financial calendar
    - Next event: Results Q. 1-3 2021/22,  
25 August 2022
    - [www.investor.evn.at/financial-calender](http://www.investor.evn.at/financial-calender)

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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.