

EVN conference call Q. 1-3 2022/23 results

24 August 2023

→ Sound financial performance

- Group net result +83.5 %
- Significantly higher dividend of Verbund AG for 2022 financial year
- Sharp decline of earnings contribution of EVN KG (EUR -268.7m)
- Share of renewable generation in Q. 1-3 2022/23 increased to 76.0% (previous year: 64.2%)

→ Ambitious investment programme fully on track

- Annual investments exceeding EUR 600m; Focal points: network infrastructure, renewables and drinking water supplies
- Increased pace of expansion of renewable energies in Lower Austria
 - 12.6 MW wind (repowering) and 25 MWp PV capacities already commissioned in FY 2022/23
 - Additional 116 MW – both wind and PV capacities – under progress (thereof 94 MW still within 2023 calendar year)

→ "Green loan" of EUR 110m for construction of wind parks from EIB in July 2023

	Q. 1-3 2022/23	+/-
	EURm	%
Revenue	2,904.1	-1.3
EBITDA	602.1	4.2
Depreciation and amortisation	-244.5	-3.3
Effects from impairment tests	1.6	-
EBIT	359.2	23.8
Financial results	132.5	-
Group net result	419.1	83.5
Net cash flow from operating activities	365.1	-
Investments ¹⁾	380.7	17.4
Net debt	1,470.2	39.6
	%	
Equity ratio ²⁾	58.3	-2.5
	EUR	
Earnings per share	2.35	83.5

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

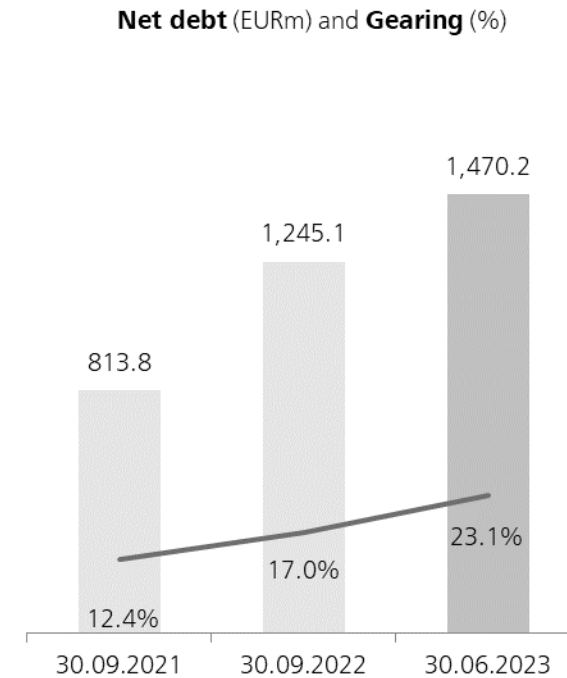
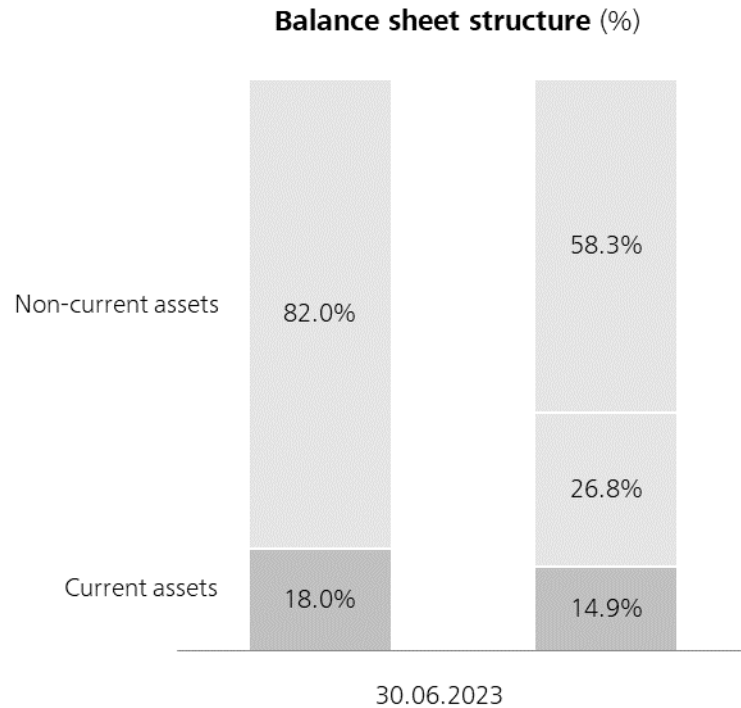
→ Revenue slightly below prior year's level

- Declining revenues in South Eastern Europe and the international project business
- Positively affected by price effects in renewable electricity generation, valuation effects from hedging transactions, higher sales prices at EVN Wärme and higher network revenue

→ EBITDA, EBIT above prior year

- Lower procurement prices in line with revenue development in South Eastern Europe and international project business
- Higher operating expenses related to increased costs for network losses and upstream network costs and the energy crisis contribution for electricity
- Decline in earnings contribution from at equity accounted investees driven by supply company EVN KG

→ Group net result influenced by significantly higher dividend of Verbund AG



- Strong balance sheet as the basis for increased investment programme (exceeding EUR 600m p.a., mainly in Lower Austria)
- Net debt increased y-o-y due to high investment level and temporary financing of working capital needs
- "Green loan" of EUR 110m from EIB for construction of wind parks in July 2023

Sales volumes to end customers	Q. 1-3 2022/23	+/-
	GWh	%
Electricity ¹⁾	5,911	-11.3
Natural gas ¹⁾	3,957	-12.4
Heat	1,845	-8.2

Financial performance	Q. 1-3 2022/23	+/-
	EURm	%
Revenue	802.6	40.4
EBITDA	-109.5	-
EBIT	-126.0	-

¹⁾ Mainly sales volumes from EVN KG and EnergieAllianz in Austria and Germany; the results from these two sales companies are included in EBITDA under the share of results from equity accounted investees with operational nature.

→ Decline in electricity, natural gas and heat sales volumes

- Temperature-related energy demand in line with long-term average, but below level of prior year
- Consumers' energy saving efforts and increased competition within the electricity and natural gas customer segment

→ EBITDA and EBIT below prior year

- Revenue increased: valuation effects of hedges; price effects in marketing of own electricity production and at EVN Wärme
- Operating expenses higher y-o-y: rise in procurement costs for biomass and natural gas; price-related higher expenses for electricity purchased from third parties from the marketing of own renewable electricity generation; inflation effects
- Sharp decline in earnings contribution from EVN KG

	Q. 1-3 2022/23	+/-
Electricity generation volumes	GWh	%
Total	1,769	-18.9
Renewable energy sources	1,483	-0.4
Thermal energy sources	286	-58.8
Financial performance	EURm	%
Revenue	368.2	24.1
EBITDA	221.8	8.7
EBIT	189.0	5.5

→ Electricity generation below prior year

- Y-o-y increase in electricity production from hydropower, but significantly lower wind flows
- Decrease in demand for natural gas-fired generation to support network stability

→ EBITDA and EBIT increased y-o-y

- Rise in revenue due to higher electricity prices
- Higher operating expenses related to prevailing high inflation and the energy crisis contribution for electricity
- Higher earnings contribution from at equity accounted Verbund Innkraftwerke
- Revaluation of wind park Kavarna (Bulgaria) in previous year (EUR 6.4m)

Network distribution volumes	Q. 1-3 2022/23	+/-
	GWh	%
Electricity	6,037	-9.3
Natural gas ¹⁾	10,401	-24.2

Financial performance	Q. 1-3 2022/23	+/-
	EURm	%
Revenue	494.3	8.8
EBITDA	203.2	-1.2
EBIT	92.9	-5.5

1) Including network sales to EVN's power stations

→ Decline in electricity and natural gas network sales volumes

- Mild temperatures and consumers' energy saving efforts lowered network sales volumes for industrial and household customers
- Lower use of power plants for network stabilisation by the transmission grid operator

→ EBITDA and EBIT below prior year

- Revenue slightly increased: positive price effects for electricity; volume-related decline in revenue from natural gas; positive revenue contribution by subsidiary kabelplus
- Operating expenses raised: increase in costs for network losses due to higher energy market prices and upstream network costs

Key energy business indicators	Q. 1-3 2022/23	+/-
	GWh	%
Electricity generation volumes	376	5.6
Network distribution volumes	10,476	-7.5
Electricity sales volumes	8,297	-14.6
Heat sales volumes	164	-19.7

Financial performance	Q. 1-3 2022/23	+/-
	EURm	%
Revenue	1,185.1	-16.8
EBITDA	178.8	-
EBIT	118.9	-

→ **Higher electricity generation volumes y-o-y**

- Higher water flows and additional PV capacities in North Macedonia

→ **Energy sales volumes below prior year**

- Significantly milder weather conditions and increased competition in liberalised markets

→ **EBITDA, EBIT and Group net result above prior year's level**

- Decline in revenue: lower network and energy sales volumes, lower wholesale prices; partly offset by higher network tariffs in Bulgaria and higher regulated household electricity prices in North Macedonia
- Lower costs for third party electricity purchases and energy carriers
- Reduced costs for network loss coverage in North Macedonia due to government subsidised purchase prices

Financial performance	Q. 1-3 2022/23	+/-
	EURm	%
Revenue	364.3	-11.5
EBITDA	44.3	5.5
EBIT	20.3	-
Financial results	-19.6	-13.5
Result before income tax	0.6	-

→ EBITDA, EBIT and result before income tax above prior year's level

- Revenue in international project business lower after peak driven by major project in Kuwait
- Operating expenses decreased in line with development of revenue in international project business
- Higher earnings contribution of at equity accounted investees due to project in Kuwait
- Prior year affected by impairment losses in the international project business (EUR 57.6m)
- Financial result declined due to increased interest expenses

→ 15 projects under construction¹⁾

- Germany, Poland, Lithuania, Romania, North Macedonia, Bahrain and Kuwait

¹⁾ As of July 2023

	Q. 1-3 2022/23	+/-
	EURm	in %
Gross cash flow	944.2	60.3
Net cash flow from operating activities	365.1	-
Net cash flow from investing activities	-374.8	-
Net cash flow from financing activities	-103.9	-
Net change in cash and cash equivalents	-113.6	-2.5

→ **Increase in gross cash flow**

- Higher results before income tax recorded
- Dividend payment by Verbund AG for 2022 (EUR 158m)

→ **Decrease in CF from operating activities**

- Capital commitment for working capital
- Increased receivables from hedging transactions
- Y-o-y increase in income tax payments

→ **Rise in CF from investing activities**

- Significantly higher investments in property, plant & equipment

→ **Lower CF from financing activities**

- Dividend payment for 2021/22 financial year
- Scheduled repayments of loans, conclusion of 3 long-term bank loans

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- Contribution of the operating activities of EVN to Group net result in the financial year 2022/23 is expected to be at approximately EUR 250m¹⁾

 - In addition, earnings contribution from the dividend from Verbund AG in the amount of EUR 158m

 - Dividend proposals to the 95th AGM of EVN²⁾
 - Ordinary dividend of at least EUR 0.52 per share
 - Special dividend of EUR 0.62 per share

1) Based on currently available information on first three quarters of 2022/23 financial year

2) Subject to approval of supervisory board at its meeting convened to approve financial statements as well as the approval of shareholders of EVN AG at 2024 AGM

Appendix

Segment outlook for 2022/23



Segment	Previous Outlook 2022/23	Adjusted Outlook 2022/23	Comments
Energy	↗	↘	<p>Segment earnings outlook adjusted: expected to be negative, but reflecting prior year</p> <ul style="list-style-type: none"> – High loss recorded by EVN KG in the first half of 2022/23 – Ongoing difficult market environment for distribution – Deviations possible by effects from the valuation of hedges as of the respective reporting dates
Generation	→	↘	<p>Segment earnings outlook adjusted: expected to be lower than the previous year, but still at a high level</p> <ul style="list-style-type: none"> – Decline in generation volumes caused by below-average wind and water flows – Current decline in electricity prices
Networks	↘	↘	<p>Segment outlook confirmed: earnings before tax expected to be below the previous year</p> <ul style="list-style-type: none"> – Lower WACC in the new regulatory period for the natural gas distribution network – Customer savings in electricity and natural gas consumption – Inflation-related increase in operating costs
South East Europe	→	↗	<p>Segment outlook adjusted: earnings expected to exceed the EBIT range of EUR 40m to EUR 60m</p> <ul style="list-style-type: none"> – Based on the development in the first half of 2022/23 – Based on the regulatory measures to offset the additional costs for network losses
Environment	↗	↗	<p>Segment outlook confirmed: earnings expected to be above prior year</p> <ul style="list-style-type: none"> – Based on the development of business during the first half 2022/23 – Excluding the non-recurring effects from impairment losses in the previous year
All other Segments	→	↗	<p>Segment outlook adjusted:</p> <ul style="list-style-type: none"> – Stable to positive earnings development expected for RAG and Burgenland Energie – Segment results include dividend from Verbund AG (EUR 158m)

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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.