

EVN conference call FY 2022/23 results

14 December 2023

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- Strong financial performance in FY 2022/23
 - Group net result at EUR 529.7m
 - Earnings improvement in South East Europe Segment
 - Substantial higher dividend of Verbund AG for 2022 financial year (EUR 158.0m)
 - Negative result in supply company EVN KG (EUR –240.3m)
 - 88% of investments are officially classified as “green” under the EU Taxonomy

 - Dividend proposal to the 95th AGM of EVN
 - Ordinary dividend of at least EUR 0.52 per share plus special dividend of EUR 0.62 per share

 - Ambitious investment programme for the upcoming years (EUR 700m to EUR 900m p.a. up to 2030)
 - High expansion activities of renewables in Lower Austria in FY 2022/23 to 447 MW wind and 42 MWp PV
 - Additional ~30 MW wind and ~38 MWp PV capacities to be commissioned end of 2023 and beginning 2024, respectively

Key financials FY 2022/23



	FY 2022/23	+/-
	EURm	%
Revenue	3,768.7	-7.2
EBITDA	869.0	15.1
Depreciation and amortisation	-336.5	-5.8
Effects from impairment tests	-3.9	96.3
EBIT	528.5	59.4
Financial results	127.6	-
Group net result	529.7	-
Net cash flow from operating activities	942.4	-
Investments ¹⁾	694.1	23.1
Net debt	1,364.3	9.6
	%	
Equity ratio ²⁾	58.8	-0.1
	EUR	
Earnings per share	2.97	-

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

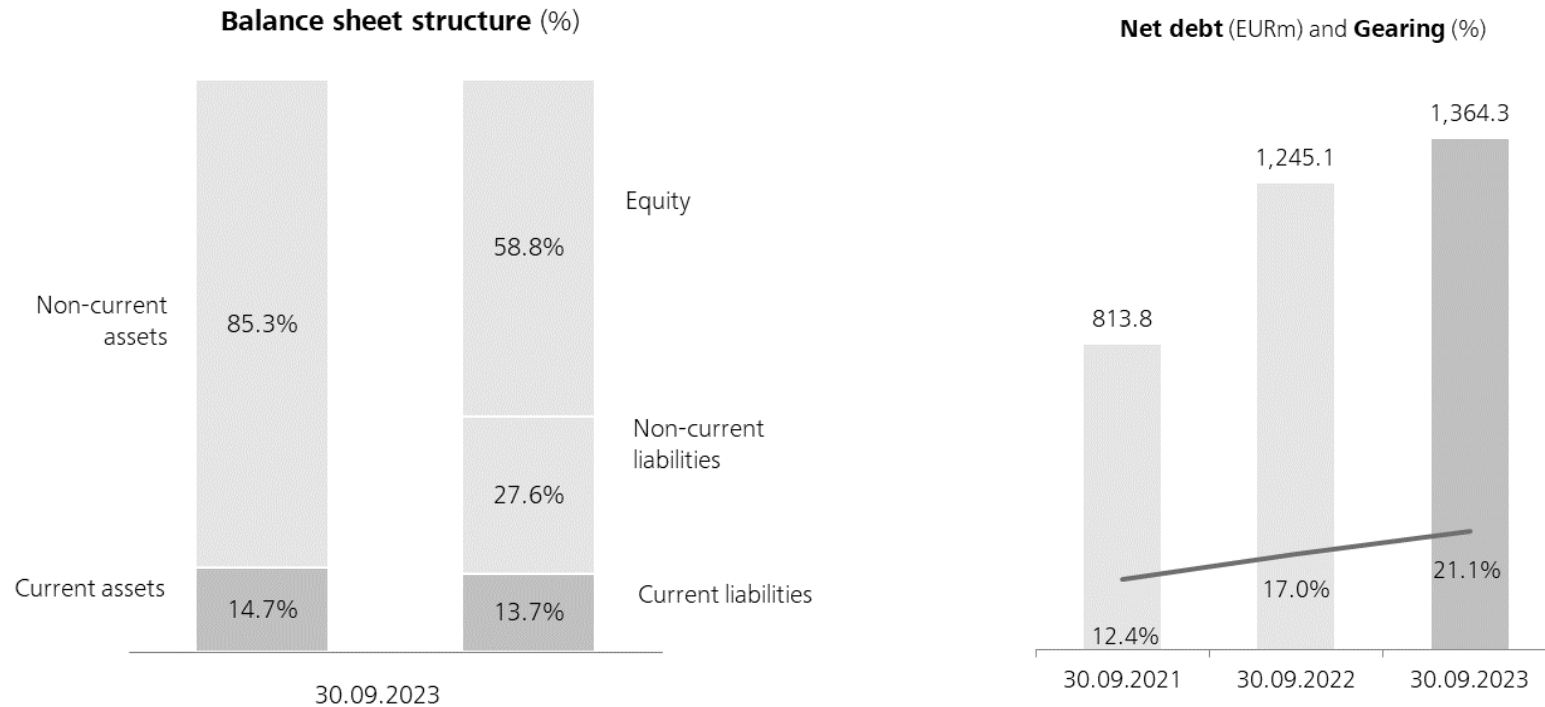
→ Revenue below prior year's level

- Declining revenues in SEE due to decreased energy market prices and in the international project business
- Positively affected by price and volume effects in renewable electricity generation, valuation effects from hedges, higher revenue from natural gas trading, increased sales prices at EVN Wärme and higher network tariffs

→ EBITDA, EBIT above prior year

- Drop in cost of electricity purchases from third parties and primary energy expenses
 - Declining wholesale prices in SEE (regulatory compensation for additional costs for covering network losses – to be offset in the following year)
 - Contrasting factors: higher costs for network losses and upstream network costs in Austria, increased energy procurement costs
- Decline in results from at equity accounted investees driven by supply company EVN KG (EUR –240.3m)
- Significantly lower effects of impairment losses at y-o-y comparison

→ Higher dividend of Verbund AG



- Strong balance sheet is the basis for EVN's ambitious investment programme
- Net debt increased y-o-y due to high investment level
- EVN's goal is to maintain solid A category ratings in the future

Sales volumes to end customers	FY 2022/23	+/-
	GWh	%
Electricity ¹⁾	7,551	-12.8
Natural gas ¹⁾	4,155	-14.1
Heat	2,096	-9.9

Financial performance	FY 2022/23	+/-
	EURm	%
Revenue	1,035.2	35.5
EBITDA	-63.6	-
EBIT	-90.1	-64.9

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 energy sales volumes**

- Significantly milder temperature – y-o-y and to long-term average
- Consumers’ energy saving efforts, increase in customers’ own energy generation from PV and growing competition within the electricity and natural gas customer segment

→ **EBITDA and EBIT below prior year**

- Revenue increased: valuation effects of hedges, higher revenue from natural gas trading, price effects in marketing of renewable electricity generation and higher sales prices at EVN Wärme
- Operating expenses higher y-o-y: increased cost of energy purchases from third parties (marketing of EVN’s renewable electricity production), higher procurement costs for biomass and inflationary effects; contrasted by valuation effects from hedges
- Sharp decline in earnings contribution from EVN KG

	FY 2022/23	+/-
Electricity generation volumes	GWh	%
Total	2,280	-14.4
Renewable energy sources	1,910	1.3
Thermal energy sources	370	-52.4
	FY 2022/23	+/-
Financial performance	EURm	%
Revenue	481.9	13.7
EBITDA	300.4	2.6
EBIT	255.0	-2.0

→ Electricity generation below prior year

- Y-o-y increase in electricity production from hydropower including positive volume effects from Verbund IKW
- Clearly below-average wind flows
- Demand for natural gas-fired generation volumes to support network stability dropped y-o-y

→ EBITDA above and EBIT below prior year

- Revenue increased y-o-y due to higher electricity prices
- Higher operating expenses related to increased costs for electricity purchases from Verbund IKW (corresponding effect in revenue) and energy crisis contribution for electricity (EUR 25.1m)
- Higher results from at equity accounted Verbund IKW and revaluation to at equity accounted Ashta hydropower plant (EUR 11.1m)
- Absence of revaluation to Kavarna wind park in prior year (EUR 9.6m)

Network distribution volumes	FY 2022/23	+/-
	GWh	%
Electricity	7,796	-9.4
Natural gas ¹⁾	12,103	-22.2

Financial performance	FY 2022/23	+/-
	EURm	%
Revenue	637.9	9.9
EBITDA	235.4	-0.5
EBIT	78.6	33.6

¹⁾ Including network sales to EVN's power stations

→ Decline in network sales volumes

- Significantly milder temperatures and consumers' energy saving efforts by customers
- Reduced use of power plants for network stabilisation by the transmission grid operator

→ EBITDA slightly below, EBIT above prior year

- Revenue increased y-o-y: higher network tariffs and positive revenue contribution by subsidiary kabelplus, contrasted by substantial reduction in natural gas network sales volumes
- Operating expenses higher y-o-y: inflation-related increase and raised costs for network losses due to higher energy market prices and upstream network costs
- Higher scheduled depreciation and amortization based on high investment level but impairment loss at Netz Niederösterreich in previous year (EUR 32.9m)

Key energy business indicators	FY 2022/23 GWh	+/- %
Electricity generation volumes	460	8.7
Network distribution volumes	13,686	-5.5
Electricity sales volumes	10,602	-13.0
Heat sales volumes	176	-18.9

Financial performance	FY 2022/23 EURm	+/- %
Revenue	1,501.2	-25.1
EBITDA	239.4	68.4
EBIT	159.5	-

→ **Higher electricity generation volumes**

- Higher water flows and additional PV capacities in North Macedonia

→ **Network distribution volumes and energy sales volumes below prior year**

- Significantly milder weather conditions
- Increased competition in liberalised markets

→ **EBITDA and EBIT above prior year**

- Revenue declined: lower network and energy sales volumes, lower wholesale prices; partly compensated by higher network tariffs in Bulgaria and higher regulated household electricity prices in North Macedonia
- Operating expenses dropped y-o-y: declining wholesale prices in SEE (regulatory compensation for additional costs for covering network losses – to be offset in the following year)
- Absence of impairment loss at TEZ Plovdiv in prior year (EUR 16.7m)

	FY 2022/23	+/-
Financial performance	EURm	%
Revenue	532.2	-13.1
EBITDA	62.2	9.9
EBIT	29.5	-
Financial results	-20.9	53.9
Result before income tax	8.6	-

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

- Declining revenue consistent with finalisation phase of the project in Kuwait that reached peak in previous year
- 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 58.4m)
- Financial result significantly increased due to negative foreign exchange effects last year

→ **12 projects under construction¹⁾**

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

¹⁾ As of 30 September 2023

	FY 2022/23	+/-
	EURm	in %
Gross cash flow	1,100.7	49.9
Net cash flow from operating activities	942.4	-
Net cash flow from investing activities	-929.0	-
Net cash flow from financing activities	1.6	-98.6
Net change in cash and cash equivalents	14.9	-

→ Increase in gross cash flow

- Higher results before income tax recorded
- Dividend payment by Verbund AG for 2022 (EUR 158.0m)

→ Higher CF from operating activities

- Capital commitment for working capital
- Lower capital commitment in the international project business, reflecting the progress in Kuwait
- Higher receivables from taxes and from hedges

→ 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 and refinancing

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- Group net result for 2023/24 is expected to range from EUR 420m to EUR 460m
 - Under the assumption of a stable regulatory and energy policy environment







 - EVN's dividend policy reflects investment and growth perspectives up to 2030 and beyond
 - Dividend of at least EUR 0.82 per share
 - Appropriate shareholders' participation in any additional earnings growth
 - Payout ratio – in the mid term – equaling 40% of Group net result (adj. for extraordinary effects)

 - Annual investments will range from EUR 700m to EUR 900m up to 2030
 - Core areas: networks, renewable generation and drinking water supplies
 - EVN as a leading infrastructure operator and enabler of a CO₂-free energy future

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- Expansion of wind and photovoltaics on track
 - Massive network and infrastructure investments will enhance RAB growth
 - Benefit from all-electricity future
 - Continue decarbonisation path

Appendix

Segment outlook for 2023/24

Segments	Outlook 2023/24	Comments
 Energy	↑	Segment EBIT expected to be above prior year's level at the lower end of the range of EUR 45m to EUR 70m – Return of the results of the energy supply company EVN KG to positive levels expected; development in view of the gradual decline in spot and forward prices during 2023
 Generation	↘	Segment EBIT expected to be slightly below prior year's level – Under the assumption of wind and water flows corresponding the long-term average – Decline in electricity prices
 Networks	↘	Segment EBIT expected to be below the previous year – Lower WACC in the new regulatory period for electricity distribution network expected – End customers' ongoing efforts to reduce energy consumption and negative macroeconomic effects
 South East Europe	↓	Segment EBIT expected to be below previous year at the range of EUR 70m to EUR 90m – Offsetting of regulatory compensation for additional costs for covering network losses recognised which contributed to the unusually high segment results in 2022/23
 Environment	→	Segment earnings expected to be at prior year's level – Earnings depend on the respective progress on international projects
 All other Segments	↓	Segment EBIT expected to be below prior year at the range of EUR 40m to EUR 50m – Dividend from Verbund AG is recognised in financial result

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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.