



EVN – energy company and
environmental services provider

June 2020



RELIABLE SUPPLIES

EVN

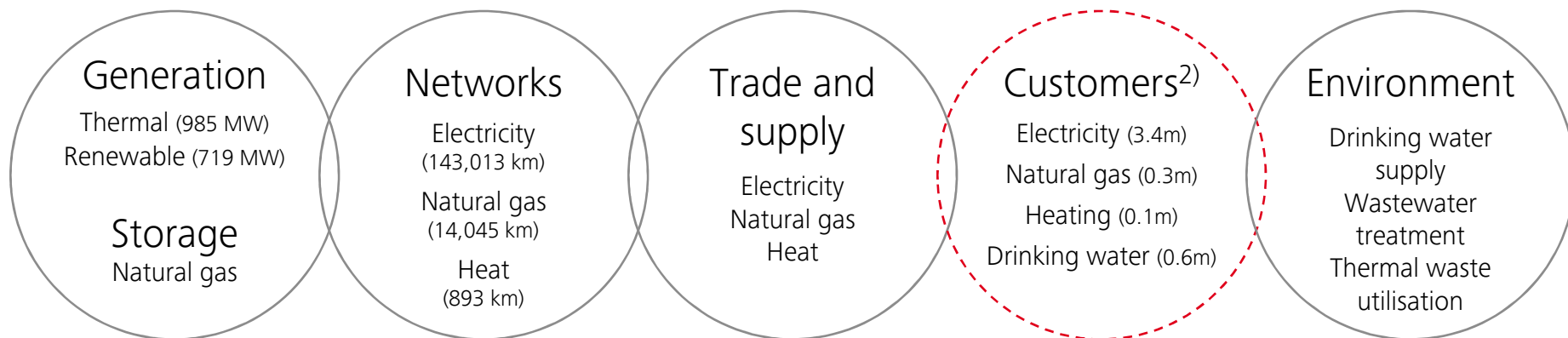
Energy. Water. Life.

Agenda



-
- EVN at a glance
 - Business development (FY 2018/19)
 - Back-up information

Integrated business model as basis for our value chain

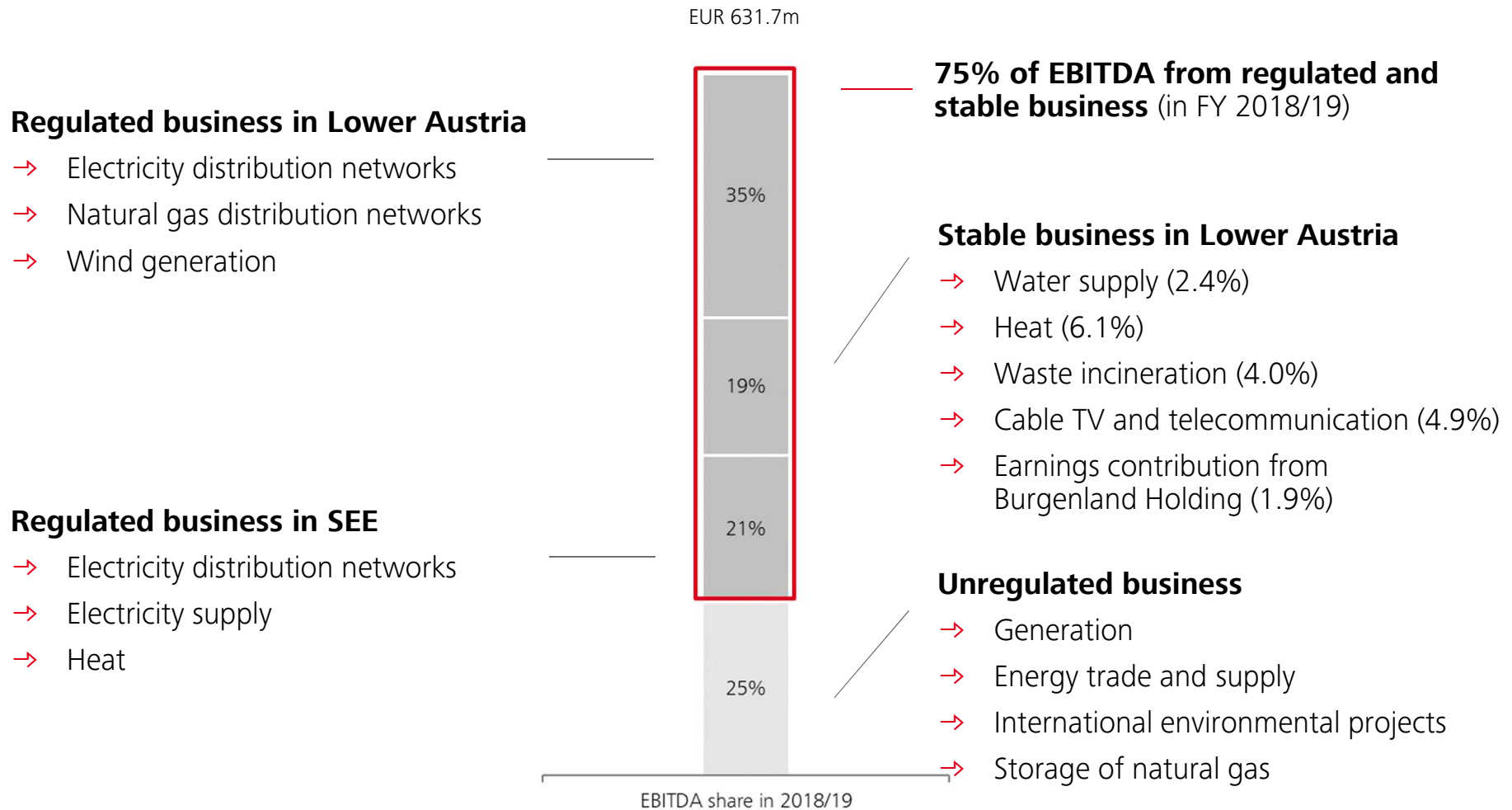


²⁾ Number of customers in brackets

→ 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



Sustaining high share of stable income from regulated network business



- Investments in electricity networks
 - New construction or expansion of transformer stations and substations
 - Expansion of 110 kV power lines
 - Smart meter
- Investments in gas networks
 - Replacement of PVC gas pipelines
- Ø future RAB growth 3-4% p.a.

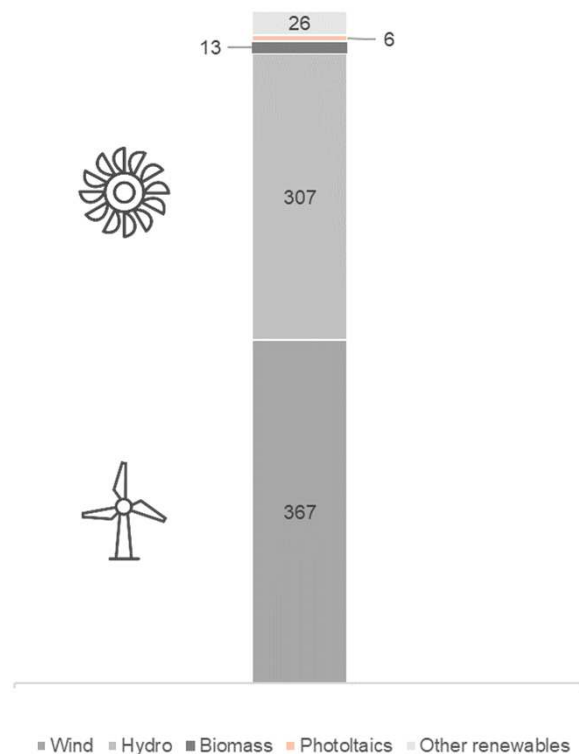
Regulated business in Austria



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"> – New RAB (as of 2019): 5.20% – Existing RAB of DSO with average efficiency: 4.88% 	<ul style="list-style-type: none"> – New RAB (as of 2018): 5.20% – Existing RAB of DSO with average efficiency: 4.88% 	<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

Further expansion of renewable generation fleet as strategic priority

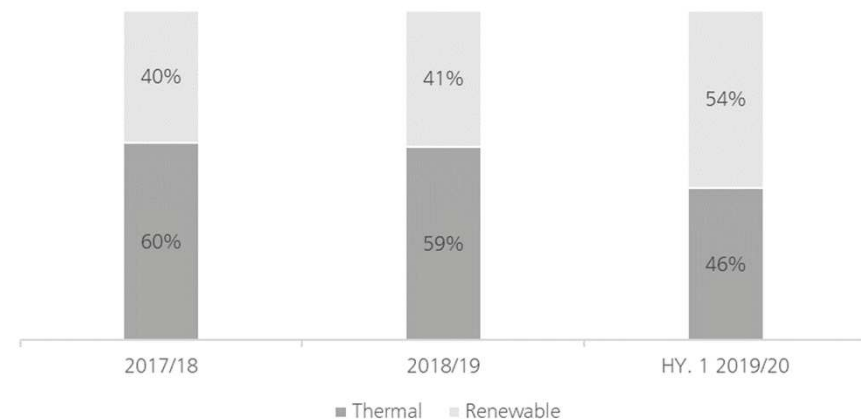
→ EVN's renewable portfolio with 719 MW installed capacity¹⁾



→ Successful reduction of CO₂ footprint in electricity generation

→ Continuous increase of renewable share

- 50% target reached in HY. 1 2019/20
- Further growth of renewable electricity production envisaged

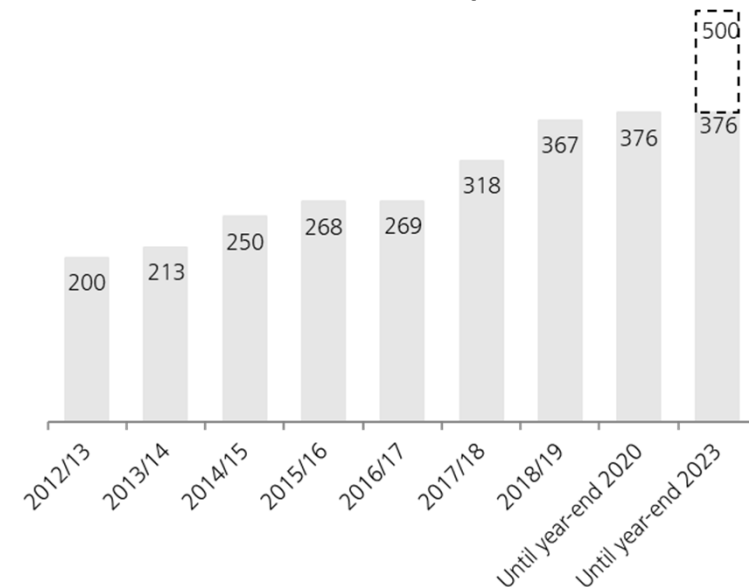


¹⁾ As of 30 September 2019

Continuous expansion of renewable generation capacity



→ Planned development of EVN's installed wind capacity (in MW)¹⁾



→ Evaluation of large-scale photovoltaic projects

– Potential of up to 100 MW

1) Subject to appropriate framework conditions

Strong market position in Austria



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

EVN: **71%**

Market size: 8.5 TWh

**Electricity market shares
in the Austrian market**

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

63 TWh

**Gas market share in
Lower Austria**

EVN: **33%**

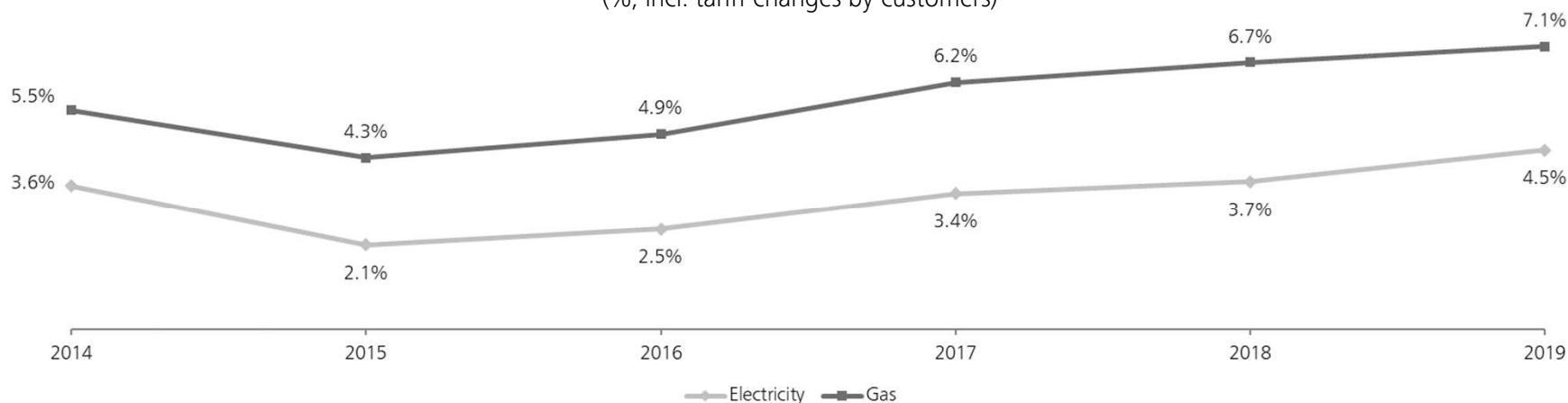
16 TWh

**Gas market shares in
the Austrian market**

EVN: **5%**
EAA & Partners: **7%**
(excl. EVN)

99 TWh

Churn rates in Lower Austria
(%, incl. tariff changes by customers)



Market shares refer to FY 2018/19; EVN holds a 45% stake in EAA & Partners

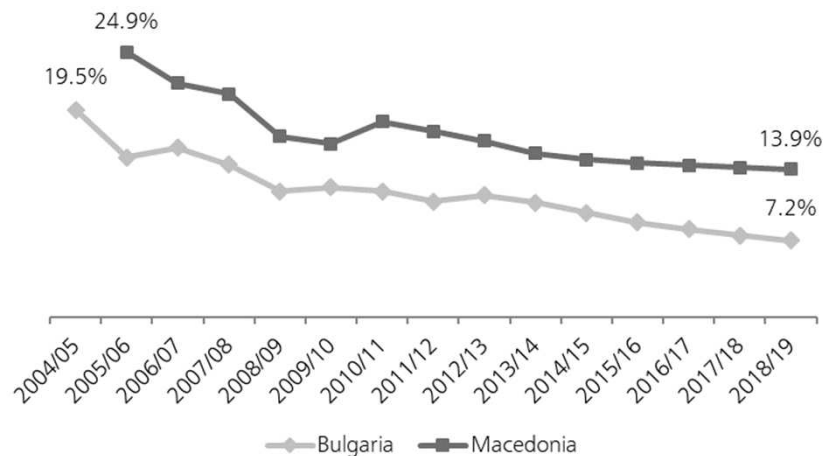
Source market shares: E-Control 2019, EVN annual report and company numbers

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 4 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



Sludge drying and thermal sludge treatment plant project Tubli (Bahrain)

- 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)
 - 9 wastewater projects under planning and construction (Poland, Lithuania, Romania, Croatia, Bahrain, Kuwait)¹⁾
- Plants for thermal utilisation of sewage sludge as area with high future potential
 - Contracts for projects in major German cities (Berlin, Hannover)

¹⁾ As of 31 March 2020

Wastewater treatment project Umm Al Hayman (Kuwait)

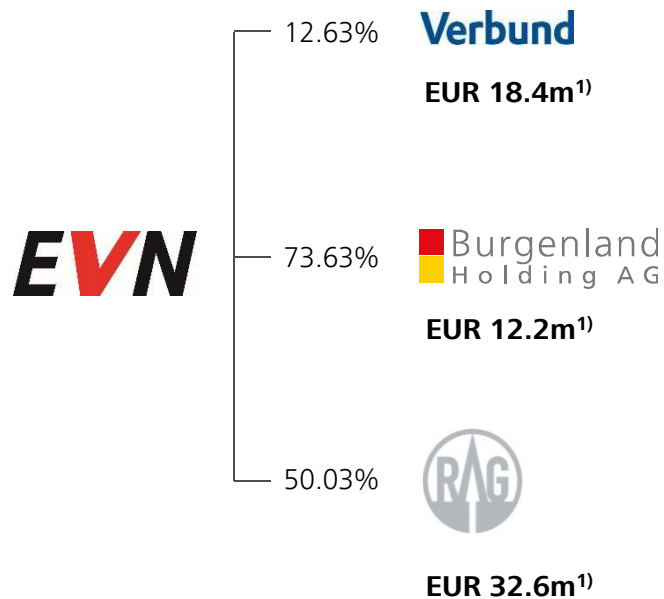


Layout of wastewater treatment plant

- Wastewater treatment plant (PPP)
 - Capacity: 500,000 m³/d (~1.7m people)
 - EPC contractor: WTE (100%)
 - Contract value: ~EUR 600m
 - Construction period: 2.5 years
 - Financing: equity¹⁾ (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

- ~6bn m³ storage capacity for natural gas

¹) Contribution to EVN's net profit in FY 2018/19

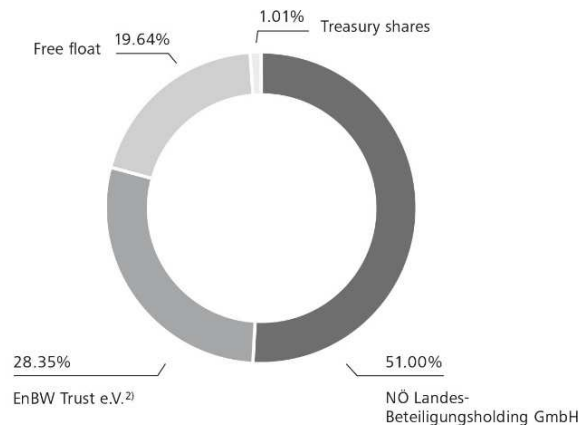
Key messages to our shareholders



- 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
- Benefit from solid home market
 - Maintain strong anchorage in the supply business despite growing competition
- Robustness of integrated business model
- Commitment to stable dividend policy

-
- Group net result for 2019/20 is expected to range from EUR 180m to EUR 200m
 - Assuming average conditions in the energy business environment
 - Investment strategy
 - Approximately EUR 400m p.a. over the next financial years
 - Thereof approximately EUR 300m will be directed to networks, renewable generation, natural heat and drinking water in Lower Austria
 - Occasional delays in projects during coronavirus lockdown

→ Shareholder structure



1) As at 31 March 2020

2) The approvals of the antitrust authorities for the acquisition by Wiener Stadtwerke GmbH of the 28.35% investment in EVN held by EnBW Trust e.V. are still outstanding.

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

→ Share purchase agreement between Wiener Stadtwerke and EnBW Trust (5 March 2020)

- Subject to approval by antitrust authorities, Wiener Stadtwerke will acquire 51,000,000 EVN shares from EnBW Trust

→ Dividend history

	2018/19	2017/18
Dividend per share (EUR)	0.47 + 0.03 ¹⁾	0.44 + 0.03 ¹⁾
Payout ratio (%)	29.4	32.9
Dividend yield (%)	3.1	2.8
31.12.2019		
Share price (EUR)	17.30	
Market capitalisation (EURm)	3,112	

¹⁾ Bonus dividend of EUR 0.03 per share

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Key financials

(FY 2018/19)



	FY 2018/19	+/-
	EURm	%
Revenue	2,204.0	6.0
EBITDA	631.7	-6.0
Depreciation and amortisation	-269.8	-4.5
Effects from impairment tests	41.6	-
EBIT	403.5	2.7
Financial results	-29.9	19.5
Group net result	302.4	18.8
Net cash flow from operating activities	429.7	-28.8
Investments ¹⁾	391.4	9.8
Net debt	999.5	3.7
Equity ratio ²⁾	55.6	3.3
Earnings per share	1.70	18.7

- Different developments in revenue
 - Increase in renewable generation and heating business
 - Price- and volume-related decline in the Networks Segment
- Decline in EBITDA
 - Negative earnings contribution from EVN KG (higher procurement costs and valuation of hedges)
 - Higher contribution from Verbund Innkraftwerke due to valuation effects
- EBIT and Group net result above previous year
 - Positive effects from impairment testing

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Key energy business indicators

(FY 2018/19)



	2018/19	+/-
	GWh	%
Electricity generation volumes	5,594	1.2
Renewable energy sources	2,315	4.6
Thermal energy sources	3,279	-1.0
Network distribution volumes		
Electricity	22,734	1.0
Natural gas	16,080	-6.1
Energy sales volumes to end customers		
Electricity	19,924	8.2
thereof Austria and Germany	7,941	12.2
thereof South Eastern Europe	11,983	5.7
Natural gas	5,083	-1.8
Heat	2,196	-1.0

- Increased renewable generation
 - Expansion of wind power capacities
 - High wind flows
- Decline in thermal production
- Network distribution volumes
 - Increase in electricity supported by South East Europe Segment
 - Decline in natural gas due to weather effects as well as reduced use of thermal power plants
- Higher electricity sales volumes

EBITDA development by segments



(FY 2018/19)

Segment	2018/19 EURm	+/- %	Comment
Generation	260.6	–	Higher renewable electricity generation; reassignment of the thermal waste utilisation plant to this Segment in Q. 4 2017/18; higher earnings contribution from Verbund Innkraftwerke
Energy	-85.0	–	Negative impact from supply business (valuation of hedges in EVN KG)
Networks	208.2	-17.8	Negative volume and price effects
South East Europe	131.1	25.3	Increase in network and energy sales volumes; improved collection rate of receivables
Environment	26.8	-11.0	Reassignment of the thermal waste utilisation plant to the Generation Segment in Q. 4 2017/18

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Key financials

(HY. 1 2019/20)



	HY. 1 2019/20	+/-
	EURm	%
Revenue	1,194.4	-4.2
EBITDA	388.8	17.7
Depreciation and amortisation	-143.6	-7.8
Effects from impairment tests	-14.5	-
EBIT	230.7	16.5
Financial results	-29.1	-25.9
Group net result	152.7	18.4
Net cash flow from operating activities	31.2	-70.9
Investments ¹⁾	128.4	-4.5
Net debt	1,191.2	14.4
Equity ratio ²⁾	55.0	-0.3

→ Different developments in revenue

- Positive trend from South East Europe and international project business
- Decline in thermal generation and in the Network Segments

→ EBITDA, EBIT and Group net result above previous year

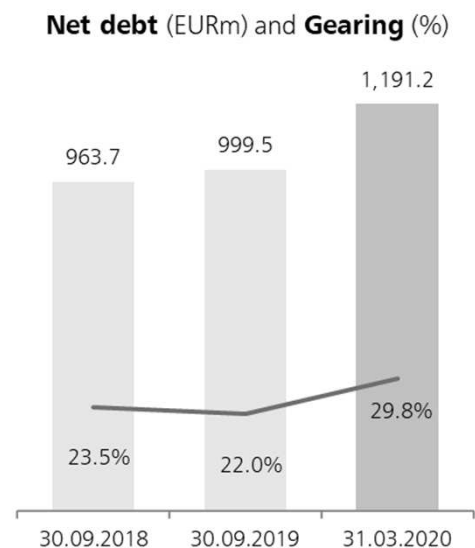
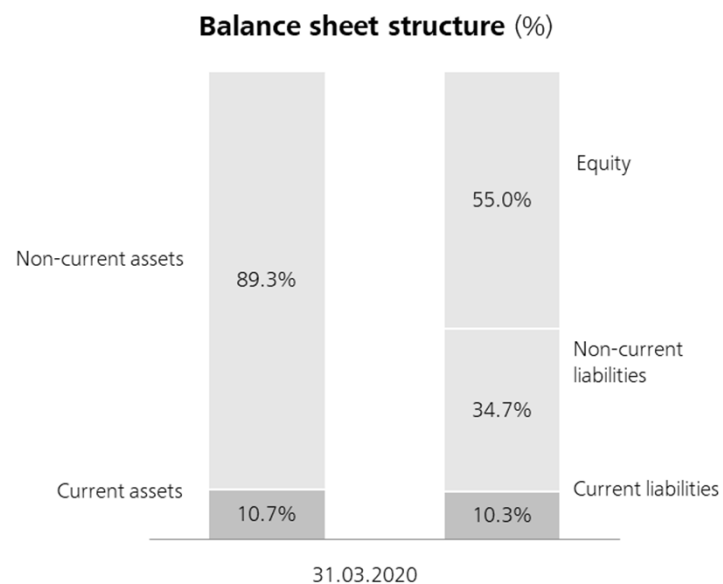
- Recovery of EVN KG
- Positive non-recurring effect at RAG
- Impairment losses due to increase in country risk premiums in South East Europe caused by the Covid-19 pandemic

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Solid balance sheet structure

(HY. 1 2019/20)



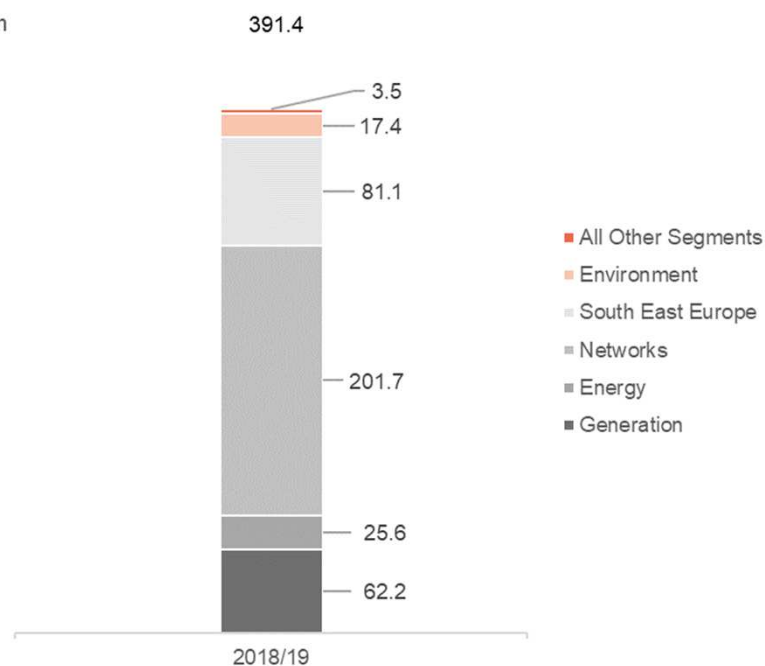
→ Increase of net debt in HY. 1 2019/20 includes effect of EUR 68.1m in connection with initial application of IFRS 16

Structure of investments¹⁾

(FY 2018/19)



EURm



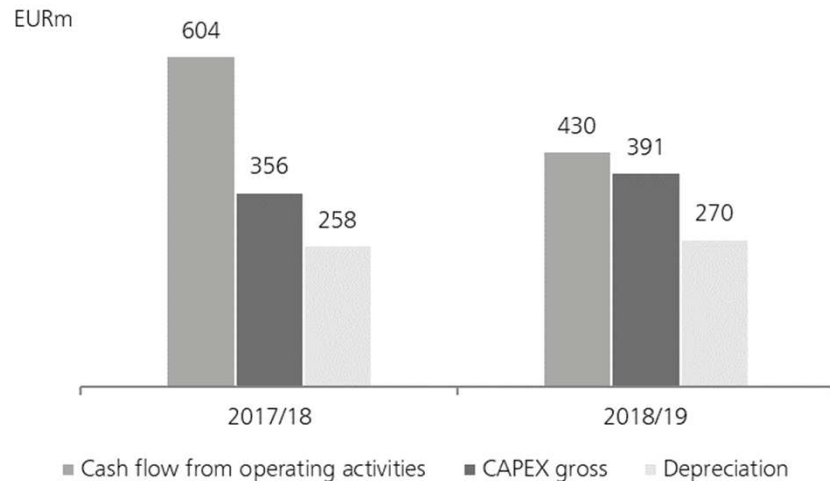
→ Investment strategy

- Approximately EUR 400m p.a. over the next financial years
- Thereof approximately EUR 300m will be directed to networks, renewable generation and drinking water in Lower Austria

¹⁾ In intangible assets and property, plant and equipment

Strong operating cash flow

(FY 2018/19)



- Strong operating cash flow due to high share of regulated and stable business
 - Covers investments
 - Secures attractive dividend payments
- Investment program with a strong focus on RAB-growth
 - Ø future RAB growth 3-4% p.a.

→ Stable dividend policy

- Hold the absolute amount of the ordinary dividend constant at a level of at least EUR 0.47 per share

→ 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 FFO/Net debt target ratios of both rating agencies

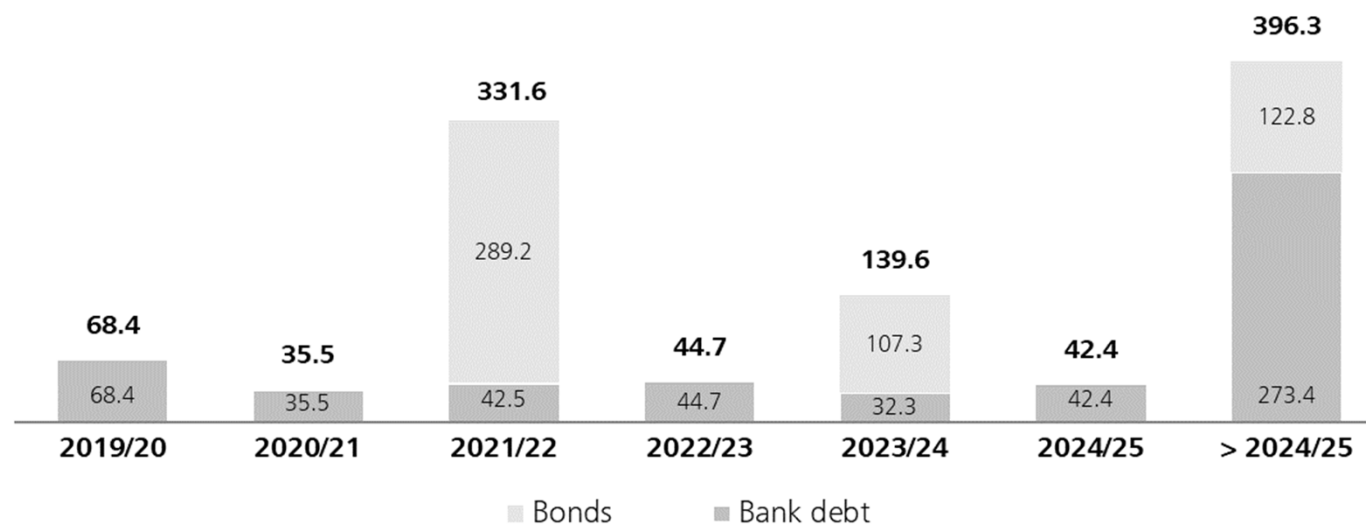
→ Credit ratings

- Moody's: A1, stable outlook (May 2020)
- S&P: A, negative outlook (May 2020)

Well-balanced maturity profile



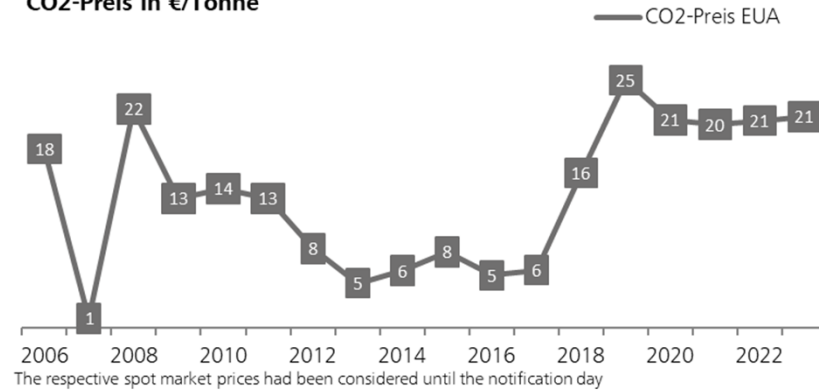
Debt maturity profile (in EURm)



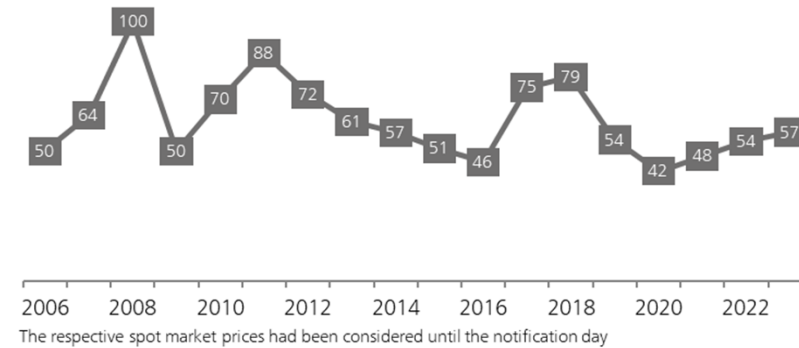
→ EUR 557m undrawn, committed credit lines (as of 19 May 2020)

Challenging market environment

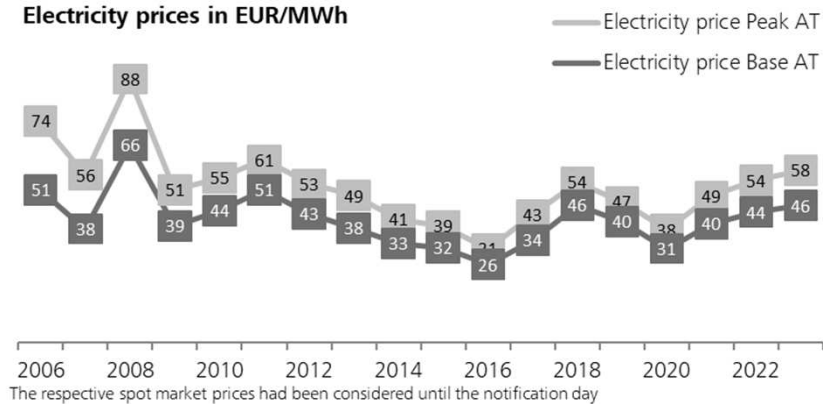
CO2-Preis in €/Tonne



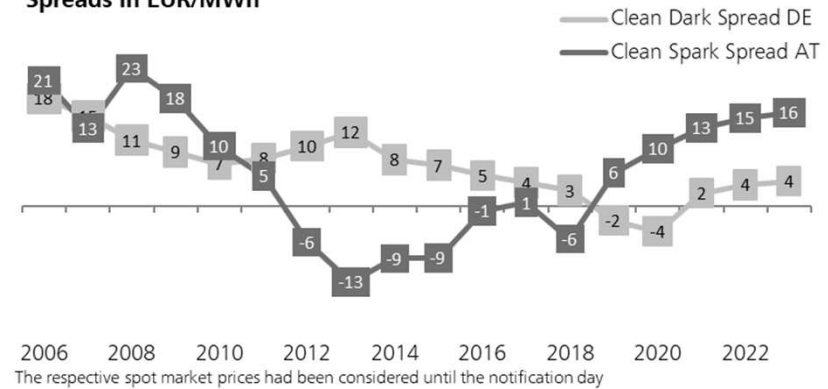
Hard coal prices API2 in EUR/tonne



Electricity prices in EUR/MWh



Spreads in EUR/MWh



Source: EVN, May 2020



© RAG (photography: RAG-Archiv)

Natural gas storage facility Haidach (Province of Salzburg)

Key financials (FY 2019)

Revenue	EURm	388.2
Profit after tax	EURm	42.8

¹⁾ Indirectly through RAG-Beteiligungs-Aktiengesellschaft (100%)

→ Shareholder structure

- EVN AG (50.03%)¹⁾
- 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



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→ Information on the internet

- www.evn.at
- www.investor.evn.at
- www.responsibility.evn.at

→ Headquarters of EVN AG

- EVN Platz
2344 Maria Enzersdorf

→ Financial calendar

- Next event: Results Q. 1-3 2019/20,
27 August 2020
- www.investor.evn.at/financial-calender

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.