



EVN – energy company and
environmental services provider

March 2019

RELIABLE SUPPLIES

EVN

Energy. Water. Life.

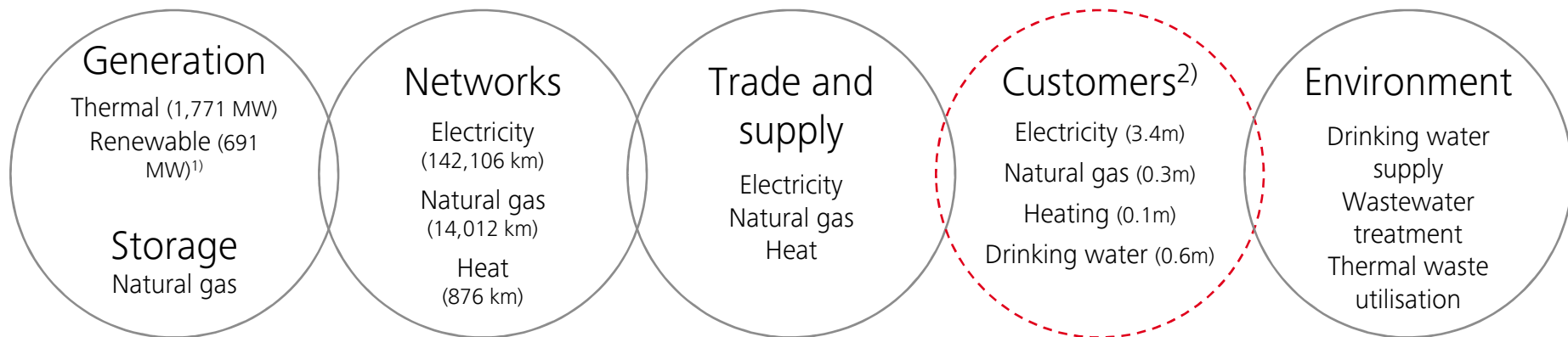


Agenda



-
- EVN at a glance
 - Business development (FY 2017/18)
 - Back-up information

Integrated business model as basis for our value chain



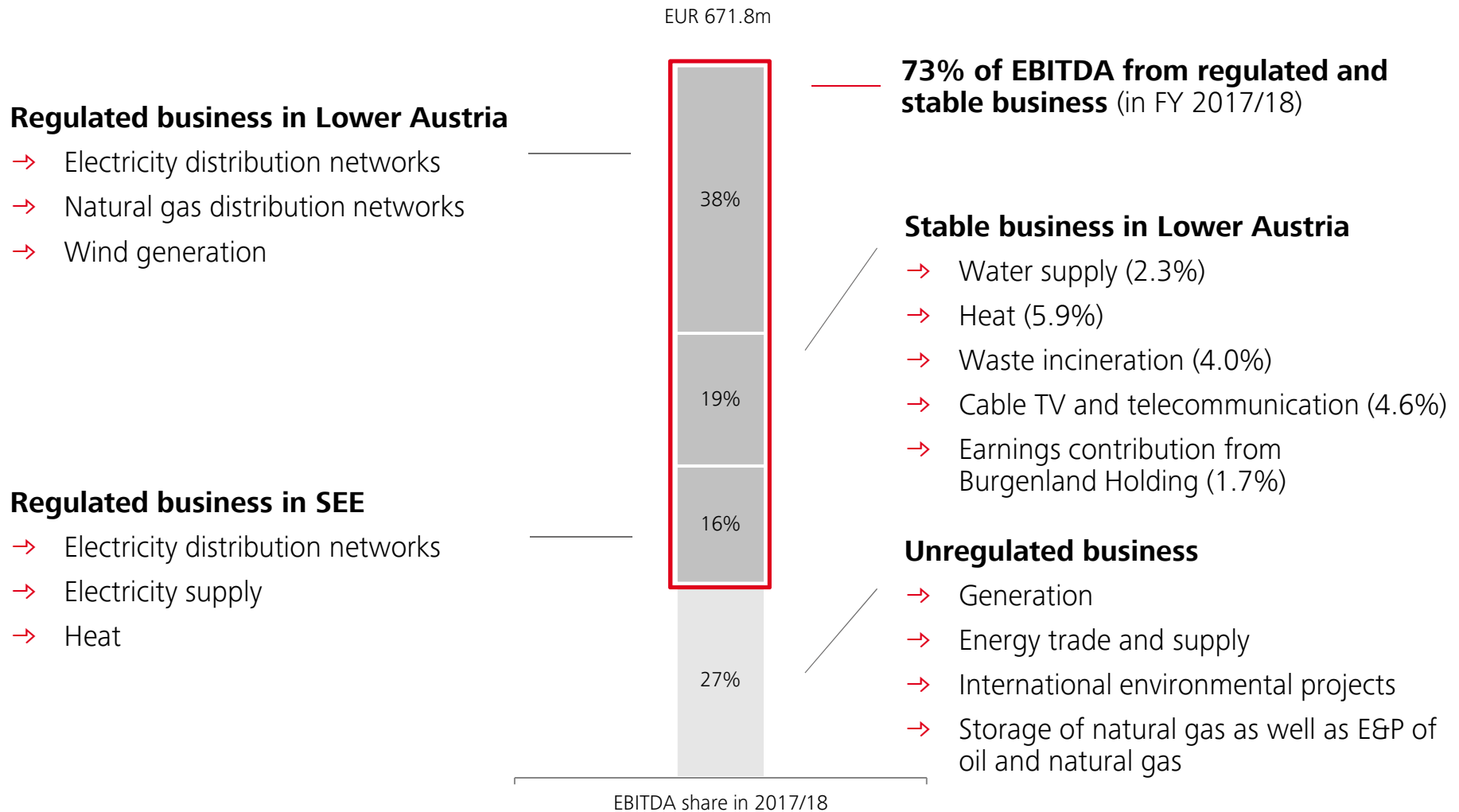
¹⁾ Thereof 336 MW wind power (as of December 2018)

²⁾ Number of customers in brackets

→ Foreign markets in the energy business

- Bulgaria: Electricity distribution networks, electricity supply, generation and heat
- 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
 - 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



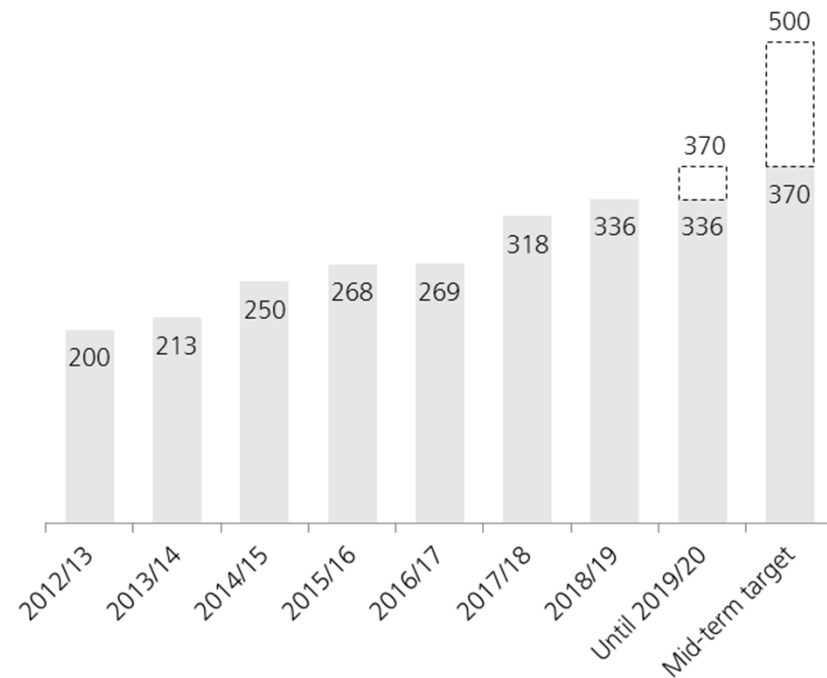
| Network | Electricity | Natural gas | Comments |
|-----------------------------------|---|---|---|
| Regulatory authority | E-Control GmbH | E-Control GmbH | |
| Start of the regulatory period | 01.01.2019 | 01.01.2018 | |
| Next regulatory adjustment | 01.01.2024 | 01.01.2023 | Adjustment of WACC 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% | 0.67% | 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 |

Dynamic expansion of windpower capacity in Lower Austria



→ Planned expansion of wind capacity (MW)¹⁾

- Pipeline of approved projects
- Feed-in tariffs in Austria fixed for 13 years



1) Subject to appropriate framework conditions

Clear and prudent strategy for unregulated activities



- Thermal plants as reserve capacity
 - Strong demand for network stabilisation in Austria and southern Germany
 - Contract with transmission grid operator

- Maintain strong anchorage in domestic supply business
 - EVN brand stands for high quality energy products and services
 - Supply security and focus on customers form EVN's key promises

Strong market position in Austria



EVN's electricity market share in Lower Austria

EVN: **66%**

Market size: 8.6 TWh

Electricity market shares in the Austrian market

EVN: **9%**
EAA & Partners: **17%**

63 TWh

Gas market shares in Lower Austria

EVN: **33%**

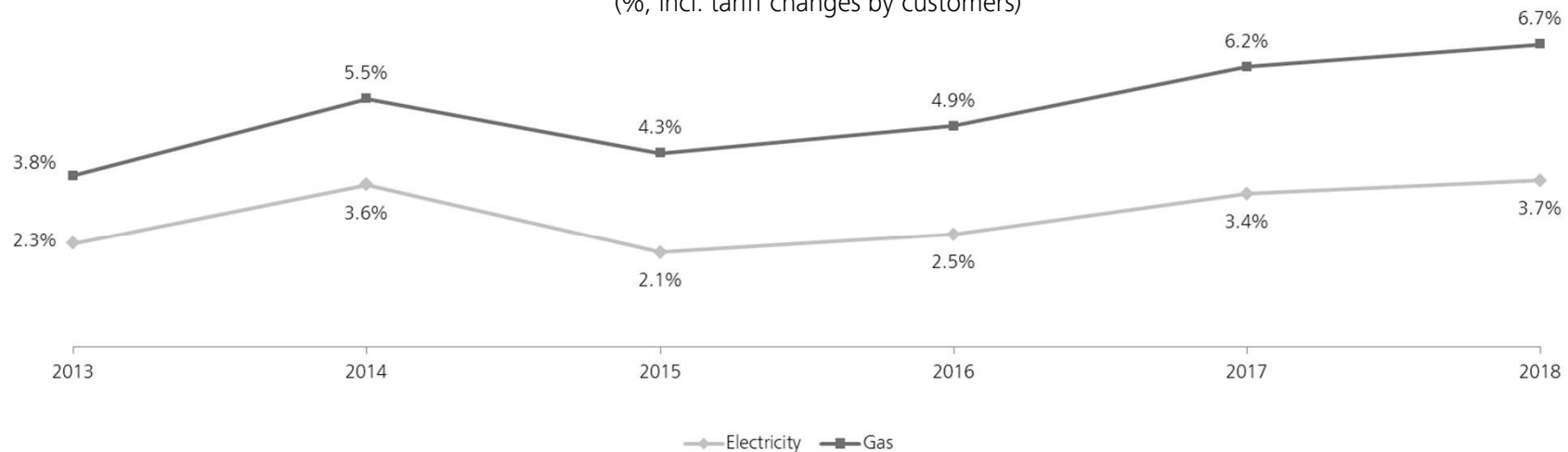
17 TWh

Gas market shares in the Austrian market

EVN: **6%**
EAA & Partners: **8%**

97 TWh

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

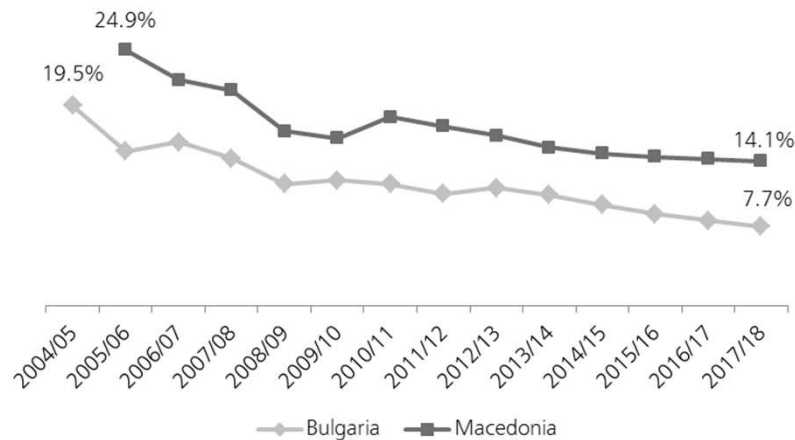


Market shares refer to FY 2017/18; EVN holds a 45% stake in EAA & Partners
Source market shares: E-Control 2018, annual report and company numbers
Source churn rates: E-Control, market statistics – consumer attitude/churn rates electricity and gas according to network areas

Continuous efforts to achieve further operating improvements in SEE



→ Improvement of grid efficiency



→ 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

→ Ongoing efforts for adequate regulatory framework and electricity market design

Environmental services business adds stability and further diversifies EVN's business mix

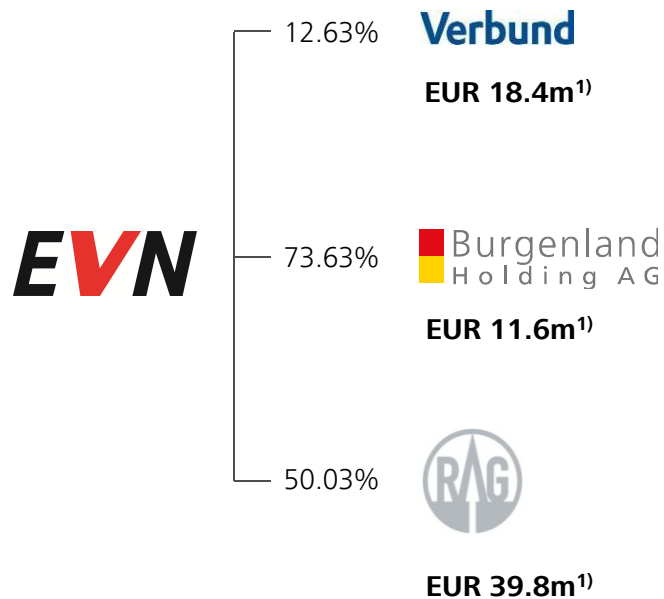


- Stable earnings contribution from activities in Lower Austria
 - Largest regional drinking water supplier (supra-regional pipeline networks and local water supply networks)

- International project business
 - Planning and construction of plants for drinking water supplies, wastewater disposal and thermal waste incineration
 - Operation and financing (upon request)
 - 5 projects under construction¹⁾

¹⁾As of 31.12.2018

Significant contribution to EVN's net profit from strategic investments



¹) Contribution to EVN's net profit in FY 2017/18

→ 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, regional network and energy distributor)

→ RAG Austria AG

- #2 oil & gas producer in Austria, one of the largest gas storage operators in CE with 5.8bn m³ working gas capacity

Key messages to our shareholders

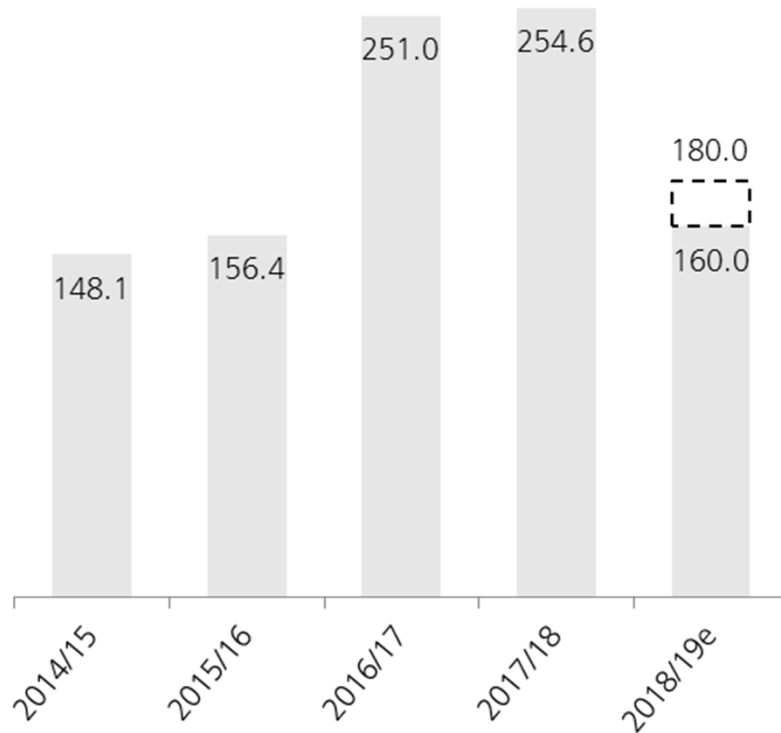


- High share of earnings from regulated and stable business
- Continuous strengthening and expansion of domestic regulated and stable activities
 - Networks, wind generation, heating, drinking water supply
- Benefit from solid home market
 - Maintain strong anchorage in the supply business despite growing competition
- Robustness of integrated business model
- Commitment to stable dividend policy

Outlook for 2018/19



→ Development of Group net result



→ Group net result for 2017/18 positively influenced by valuation of hedges

→ Expected Group net result for 2018/19 in the range of EUR 160m to EUR 180m

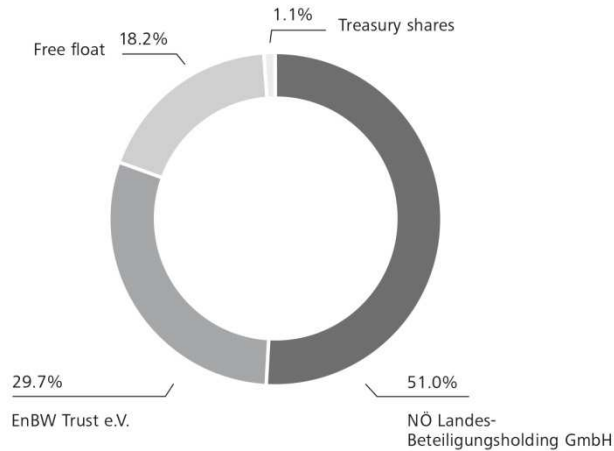
→ Factors that could influence the Group net result include

- Regulatory background
- Proceedings currently in progress in Bulgaria
- Remaining proceeding over the Walsum 10 power plant project
- Progress on activities in Moscow

EVN share



→ Shareholder structure
(as of 31 December 2018)



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

| | 2017/18 | 2016/17 |
|------------------------------|---------------------------|---------------------------|
| Dividend per share (EUR) | 0.44 + 0.03 ¹⁾ | 0.44 + 0.03 ¹⁾ |
| Payout ratio (%) | 32.8 | 33.3 |
| Dividend yield (%) | 2.8 | 3.6 |
| | 31.12.2018 | |
| Share price (EUR) | 12.58 | |
| Market capitalisation (EURm) | 2,263 | |

¹⁾ Bonus dividend of EUR 0.03 per share

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Key financials

(FY 2017/18)



| | FY 2017/18 | +/- |
|---|-------------------|-------|
| | EURm | % |
| Revenue | 2,072.6 | -6.5 |
| EBITDA | 671.8 | -6.9 |
| Depreciation and amortisation | -258.3 | 1.5 |
| Effects from impairment tests | -20.6 | 81.7 |
| EBIT | 392.9 | 13.3 |
| Financial results | -37.2 | -73.9 |
| Group net result | 254.6 | 1.4 |
| <hr/> | | |
| Net cash flow from operating activities | 603.5 | 18.6 |
| Investments ¹⁾ | 356.4 | 17.3 |
| Net debt | 963.7 | -20.6 |
| <hr/> | | |
| | % | |
| Equity ratio ²⁾ | 52.3 | 3.5 |

→ Decline in revenue

- Thermal electricity generation below high prior year level and reduced natural gas trading activities
- Temperature-related drop in revenue in South Eastern Europe
- Decline from international project business

→ Lower EBITDA

- Decreased operating expenses
- Increase in results from equity accounted investees due to valuation effects of hedges at EVN KG

→ Improvement in EBIT and Group net result

- Prior year influenced by impairment losses

¹⁾ In intangible assets and property, plant and equipment

²⁾ Changes reported in percentage points

Key energy business indicators

(FY 2017/18)



| | 2017/18 | +/- |
|--|----------------|-------|
| | GWh | % |
| Electricity generation volumes | 5,526 | -8.8 |
| Renewable energy sources | 2,213 | 5.7 |
| Thermal energy sources | 3,313 | -16.5 |
| Network distribution volumes | | |
| Electricity | 22,520 | -0.4 |
| Natural gas | 17,126 | -8.8 |
| Energy sales volumes to end customers | | |
| Electricity | 18,413 | -0.7 |
| thereof Austria and Germany | 7,080 | 9.0 |
| thereof South Eastern Europe | 11,333 | -6.0 |
| Natural gas | 5,178 | -9.9 |
| Heat | 2,219 | -3.2 |

- Increased renewable generation
 - Good water flows and continuous expansion of wind power capacities
- Decline in thermal production
- Temperature-related decrease in network distribution and energy sales volumes

EBITDA development by segments



(FY 2017/18)

| Segment | 2017/18 EURm | +/- % | Comment |
|-------------------|-----------------|----------|--|
| Generation | 123.7 | 19.2 | Higher renewable electricity generation; supply of entire thermal capacity (1.090 MW) to secure network stability |
| Energy | 80.8 | -20.6 | Temperature-related decline in natural gas and heat sales volumes; valuation effects from hedges |
| Networks | 253.4 | -13.5 | Negative price and volume effects |
| South East Europe | 104.6 | -37.5 | Temperature-related decline in network and energy sales volumes; prior year positively influenced by non-recurring effect from settlement with Bulgarian NEK |
| Environment | 30.1 | - | Less dynamic development of international project business; prior year affected by negative non-recurring effect (valuation allowance on inventories) |

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Key financials

(Q. 1 2017/18)



| | Q. 1 2018/19 | +/- |
|---|---------------------|-------|
| | EURm | % |
| Revenue | 596.0 | 0.6 |
| EBITDA | 163.2 | -29.5 |
| Depreciation and amortisation | -65.6 | -1.0 |
| Effects from impairment tests | -0.2 | 72.9 |
| EBIT | 97.4 | -41.3 |
| Financial results | -15.5 | -31.9 |
| Group net result | 59.1 | -47.3 |
| Net cash flow from operating activities | -7.6 | - |
| Investments ¹⁾ | 79.5 | 28.5 |
| Net debt | 1,033.2 | -8.8 |
| | % | |
| Equity ratio ²⁾ | 53.0 | 3.6 |

→ Different developments in revenue

- Increase in renewable generation and heat sales
- Price- and volume-related decline in the Network Segments

→ Lower EBITDA

- Lower earnings contribution from EVN KG (higher procurement costs and valuation of hedges)

→ Decline in EBIT and Group net result

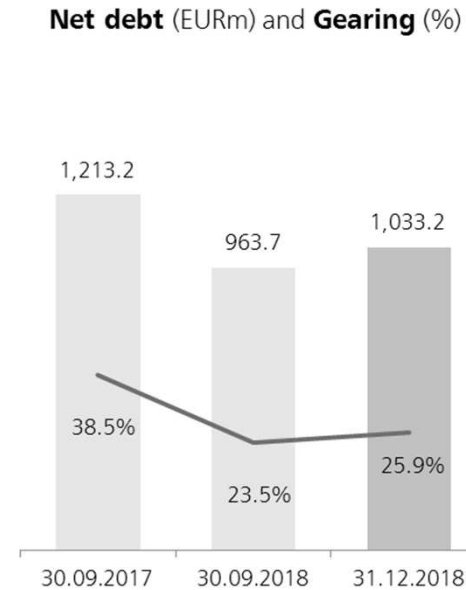
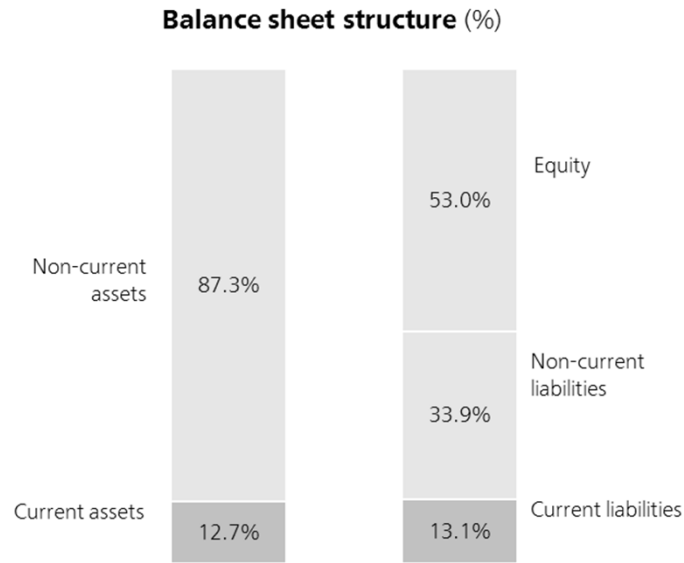
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²⁾ Changes reported in percentage points

Solid balance sheet structure



(Q. 1 2017/18)

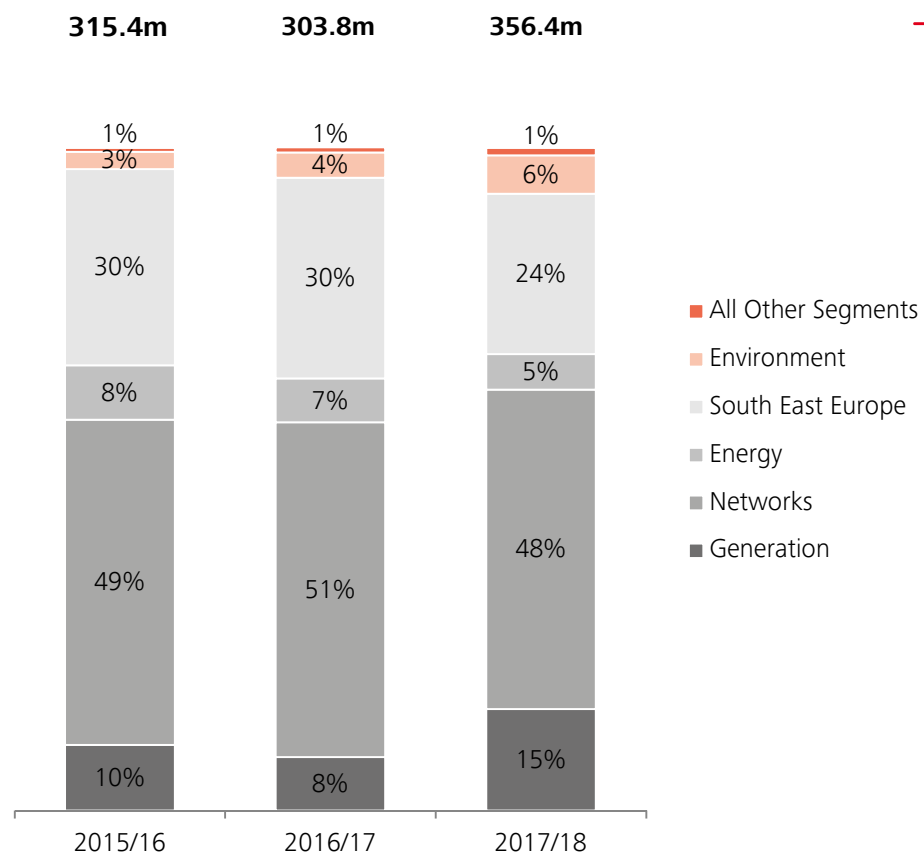


- Net debt remains low at EUR 1,033.2m despite slight increase as compared to 30 September 2018 (EUR 963.7m)
- Gearing increased from 23.5% to 25.9%

Structure of investments¹⁾



(FY 2017/18)



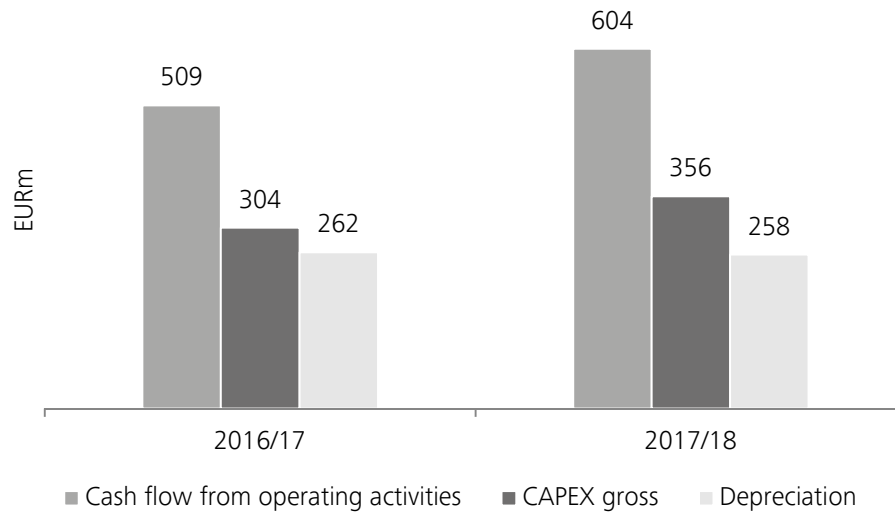
→ Investment strategy

- 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 2017/18)



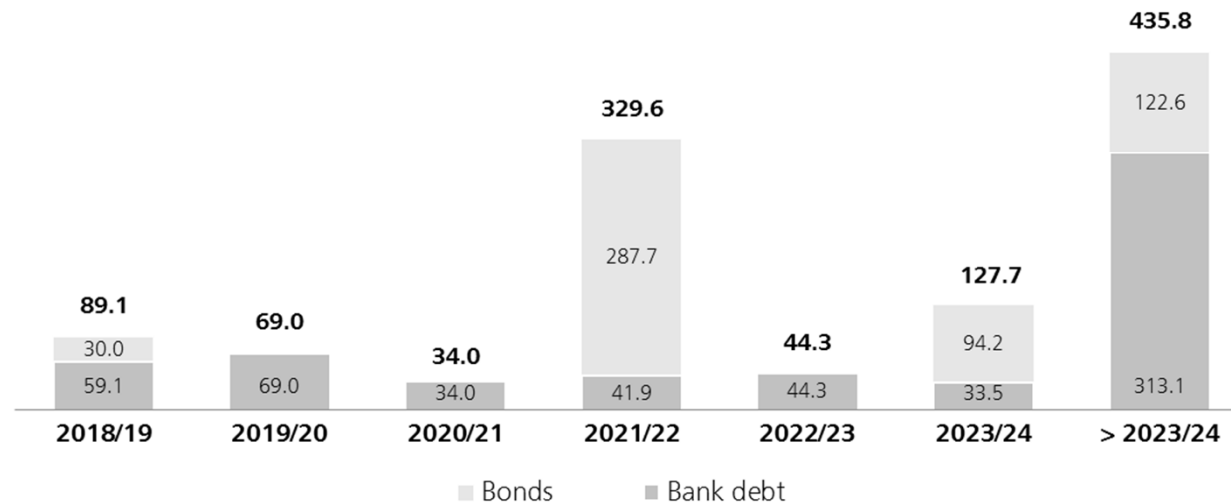
- Strong operating cash flow due to high share of regulated and stable business
 - Covers investments
 - Secures attractive dividend payments
- Investment program with a strong focus on RAB-growth
 - Ø future RAB growth 3-4% p.a.

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- Stable dividend policy
 - Financial policy
 - EVN aims to maintain credit ratings in the A-range
 - 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: A2, positive (April 2018)
 - S&P: A-, stable (April 2018)

Well-balanced maturity profile



Debt maturity profile (in EURm)

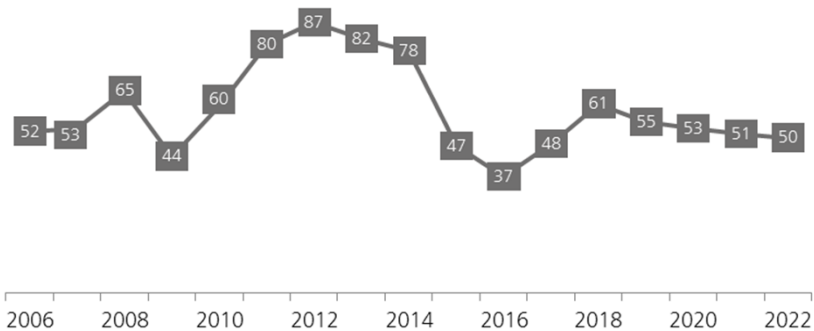


→ EUR 492m undrawn, committed credit lines (as of 31.12.2018)

Challenging market environment

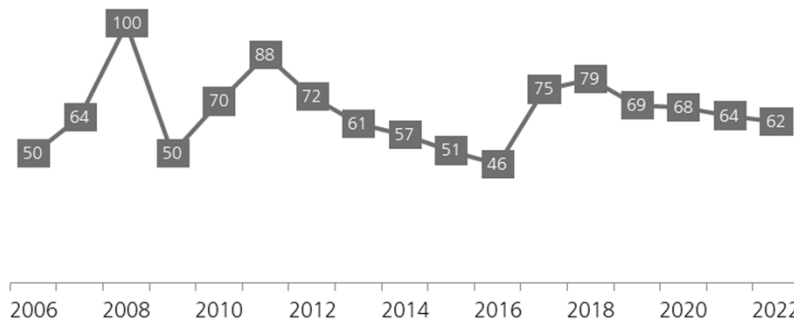


Crude oil price Brent in EUR/bbl



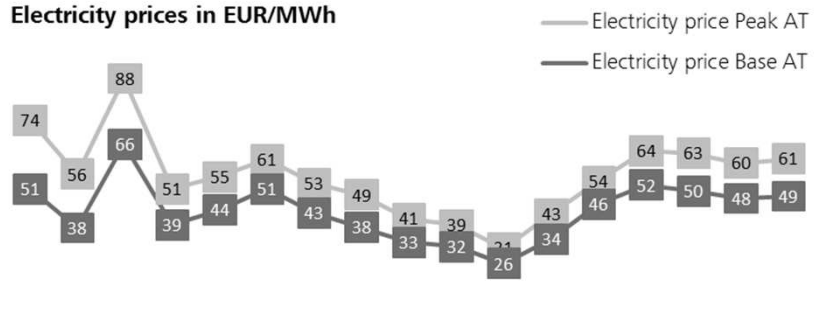
The respective spot market prices had been considered until the notification day

Hard coal prices API2 in EUR/tonne



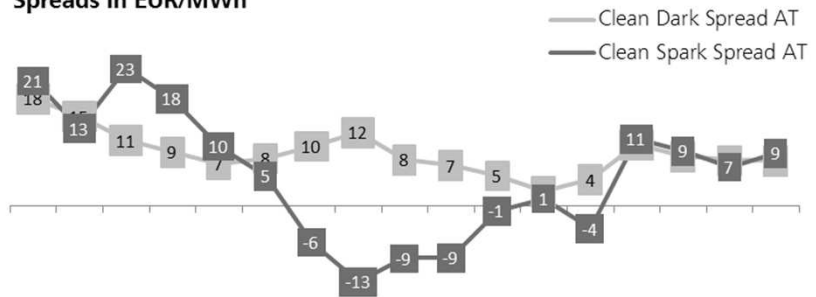
The respective spot market prices had been considered until the notification day

Electricity prices in EUR/MWh



The respective spot market prices had been considered until the notification day

Spreads in EUR/MWh



The respective spot market prices had been considered until the notification day

Source: EVN, February 2019

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- EVN holds a 50.03% stake in RAG through its fully consolidated subsidiary RAG-Beteiligungs-Aktiengesellschaft
 - 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
 - Shareholder structure
 - EVN AG (50.03%)
 - Uniper Exploration & Production GmbH (29.97%)
 - Energie Steiermark Kunden GmbH (10.00%)
 - Salzburg AG (10.00%)

| Production | | 2017 |
|---------------------------|------------------|-------------|
| Gas production | m m ³ | 829.9 |
| Gas sales ²⁾ | m m ³ | 1,215.8 |
| Oil production | t | 95,997 |
| Oil tank storage capacity | t | 260,000 |

| Natural gas storage | | |
|-----------------------------|---|-------|
| Capacity (as of 31.12.2017) | t | 5,888 |

| Key financials | | |
|-----------------------|------|-------|
| Revenue | EURm | 438.7 |
| EBIT | EURm | 69.9 |

Core areas of business

- Oil and natural gas E&P
- Natural gas storage

E&P Concessions

- Austria, Hungary, Romania

Storage facilities (Salzburg, Upper Austria)

- Puchkirchen/Haag (1,080 m m³)
- Aigelsbrunn (130 m m³)
- Haidach 5 (16 m m³)
- Nussdorf/Zagling (289 m m³)
- Haidach (JV with Gazprom & Wingas; 2,640 m m³)
- 7Fields (JV with Uniper Gas Storage; 1,733 m m³)

¹⁾ Source: RAG

²⁾ Sales of produced and traded gas

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 HY. 1 2018/19,
29 May 2019
- 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.