

# EVN IR News

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## Business development in the first half of 2023/24

(1 October 2023 – 31 March 2024)

### Highlights

- Sound operating business development based on Strategy 2030 and diversified business model
- Continuing high volatility on the energy markets
- Very good wind and water flows for electricity generation
- Installed photovoltaic capacity doubles to approximately 80 MWp
- Two wind parks currently under construction: Sigless-Pöttelsdorf (8.4 MW; repowering), Paasdorf (22.2 MW)
- Drinking water supplies: Completion of the natural filter plant in Obersulz
- Investments in first half 2023/24 of about EUR 259mn for the transformation of the energy system
- Conclusion of EUR 500m green credit line as strategic liquidity reserve
- External ratings confirmed: Moody's (A1, outlook: stable); Scope Rating (A+, outlook: stable)

### Energy sector environment

The first half of the 2023/24 financial year was again influenced by very mild temperatures: For example, March 2024 was by far the warmest March in Austria since the start of recording. The heating degree total – which defines the temperature-related demand for energy – in all three EVN core markets was clearly below the long-term average and, in each case, also below the comparable prior year period.

Water flows were very positive during the reporting period. The respective generation coefficients in Austria, North Macedonia and Germany were all clearly above the long-term average. Wind flows in Austria also exceeded the long-term average and were substantially higher year-on-year. In Bulgaria, wind flows were lower than the previous year. The prices for primary energy carriers and CO<sub>2</sub> emission certificates as well as the market prices for base load and peak load electricity continued to decline as a result of the weaker economy. The feed-in of renewable energies has become a major influencing factor for the development of electricity prices and the prices for CO<sub>2</sub> emission certificates.

### Revenue, EBITDA, EBIT and Group net result below previous year

Revenue recorded by the EVN Group declined by 17.7% to EUR 1,805.1m in the first half of 2023/24. This negative development resulted primarily from the downward trend in wholesale prices for electricity and natural gas in all three core markets as well as the resulting effects from the valuation of hedges. Other contributing factors included the reduced use of the Theiss power plant for network stabilisation, volume and price effects from natural gas network sales volumes as well as the lower network tariffs in Bulgaria which offset the overcompensation for the added costs of network loss coverage in the previous year in accordance with the regulation methodology. The

international project business also reported a decrease in revenue due to the largely completed wastewater treatment plant in Kuwait. The decline in revenue was offset in part by an increase in renewable production and higher network tariffs for electricity in Lower Austria.

In line with the development of sales volumes and revenue, the cost of energy purchases from third parties and primary energy expenses fell by 24.1% year-on-year to EUR 777.3m. This reduction resulted chiefly from the decline in wholesale prices in South East Europe and lower primary energy costs for electricity and heat generation. The cost of materials and services fell by 20.8% to EUR 258.9m consistent with the development of revenue in the international project business.

Personnel expenses, in contrast, rose by 16.8% year-on-year to EUR 225.7m. The primary reasons were adjustments required by collective bargaining agreements and an increase in the workforce to 7,496 (previous year: 7,185 employees).

Other operating expenses were 12.6% higher at EUR 113.5m. An impairment loss of EUR 22.5m was recognised to a receivable from the wastewater treatment plant project in Budva, Montenegro in the first quarter of 2023/24. It was based on a judgement issued by the Geneva Court of Arbitration in January 2024 which confirmed payments totalling EUR 41.9m received by WTE in previous years but did not recognise any further claims. In contrast, the energy crisis levy on the surplus proceeds from electricity generation was lower than the previous year due to the decline in market prices and the adjustment of the deductible amount for the 2024 calendar year.

The share of results from equity accounted investees with operational nature is still influenced by developments at the energy supply company EVN KG, which reported a negative contribution of EUR –128.5m in the first half of 2023/24 (previous year: EUR –223.1m). The negative valuation of hedges as of the closing date was lower in period comparison, and provisions recognised for contractual supply obligations were utilised. However, intensified competition and the resulting downward trend in natural gas tariffs led to an impairment of natural gas reserves purchased in the past to protect supply security. The challenging framework conditions – above all, intensified competition, energy savings by customers and increasing feed-in from customers' own photovoltaic systems – had an additional negative influence on electricity and natural gas network sales and made the planning of sales volumes more difficult. In addition, higher year-on-year contributions were received from the equity accounted investees Burgenland Energie and Verbund Innkraftwerke. RAG, in contrast, recorded a decline but in comparison with an above-average prior year. In total, the share of results from equity accounted investees with operational nature amounted to EUR –42.9m (previous year: EUR –143.3m).

Based on these developments, EBITDA recorded by the EVN Group declined by 2.9% year-on-year to EUR 453.0m in the first half of 2023/24. The higher pace of investments led to an increase of 5.3% in scheduled depreciation and amortisation to EUR 171.3m. In total, EBIT was 7.3% below the previous year at EUR 281.6m.

Financial results totalled EUR –25.1m (previous year: EUR –27.5m). This improvement reflected the better performance of the R138 fund and partly offset the increase in interest expense. In addition, foreign exchange developments had a stronger influence on financial results in the previous year. The result before income tax was 7.2% lower at EUR 256.5m. After the deduction of EUR 33.5m in income tax expense (previous year: EUR 35.2m) and the earnings attributable to non-controlling interests, Group net result for the period equalled EUR 199.3m. That represents a year-on-year decline of 8.3%.

### Solid balance sheet structure

EVN has a solid and stable capital structure which provides a sound foundation for the realisation of the extensive investment programme of EUR 700 to 900m annually. These investments will continue to focus on the network infrastructure, renewable generation and drinking water supplies; three-fourths of them in Lower Austria. Net debt totalled EUR 1,357.6m as of 31 March 2024 (30 September 2024: EUR 1,364.3m). In April and May 2024 both external ratings of EVN were confirmed by the rating agencies Moody's (A1, outlook stable) and Scope Ratings (A+, outlook stable).

The syndicated credit line of EUR 400m of EVN was refinanced prematurely at the end of April and replaced by a new syndicated sustainability-linked credit facility of EUR 500m.

## Energy. Water. Life. – Developments in the energy and environmental services business

### Energy business

EVN's electricity generation rose by 13.8 % year-on-year to 1,791 GWh in the first six months of 2023/24. Above-average wind and water flows combined with capacity expansion supported a 31,0 % increase in renewable generation to 1.485 GWh. Reduced use of the Theiss power plant for network stabilisation by the Austrian transmission network operator led to a decline in thermal generation by 30.4 % to 306 GWh. The share of renewable generation, in total, improved to 82.9 % (previous year: 72.0 %).

In addition to the commissioning of two wind parks in November 2023, the commissioning of a large-scale photovoltaic plant in Dürnröhr (23.5 MWp) took also place in the reporting period. Two further wind parks are under construction: Sigless-Pöttelsdorf (8.4 MW; repowering) and Paasdorf (22.2 MW). Furthermore, preparations for construction of additional wind power and photovoltaic projects were started.

### Environmental and water business

The focal point of investments in drinking water supplies remains on the planning and construction of transport and connecting pipelines to further improve and protect supply security. Construction on the second section as well as preparations for the third section are proceeding as planned for the 60 km transport pipeline from Krems to Zwettl which will provide long-term protection for water supplies in the Waldviertel and Weinviertel regions. In the reporting period the natural filter plant in Obersulz was completed and construction of a further plant in Reisenberg in the Industrieviertel is in preparation.

In the international project business, WTE Wassertechnik was working on the planning and construction of nine projects for wastewater treatment, drinking water treatment and thermal sewage sludge utilisation in Germany, Poland, Romania, North Macedonia, Bahrain and Kuwait as of 31 March 2024. In the reporting period the wastewater plant in Kuwait was completed and a successful test run took place; about two-thirds of the wastewater treatment infrastructure was finalised.

## Confirmation of the outlook and dividend policy for the 2023/24 financial year

EVN expects Group net result within a range of EUR 420 to 460m for the current 2023/24 financial year under the assumption of a stable regulatory and energy policy environment. This outlook includes the Verbund dividend of EUR 182m received by EVN in May 2024, i.e. during the third quarter of the 2023/24 financial year. The dividend should equal at least EUR 0.82 per share in the future, whereby EVN wants its shareholders to appropriately participate in any additional earnings growth. A payout ratio equalling 40% of Group net result, adjusted for extraordinary effects, is targeted for the mid-term.

The Letter to Shareholders on the first half of 2023/24 is available under [www.investor.evn.at](http://www.investor.evn.at).

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## EVN in figures

	GWh	2023/24	2022/23	+/-		2022/23
		HY. 1	HY. 1	Nominal	%	
<b>Key energy business indicators</b>						
<b>Electricity generation volumes</b>		<b>1,791</b>	<b>1,573</b>	<b>217</b>	<b>13.8</b>	<b>2,981</b>
Renewable energy sources		1,485	1,134	351	31.0	2,295
Thermal energy sources		306	440	-134	-30.4	686
<b>Network distribution volumes</b>						
Electricity		11,825	11,642	183	1.6	21,483
Natural gas <sup>1)</sup>		7,761	8,289	-528	-6.4	12,454
<b>Energy sales volumes to end customers</b>						
<b>Electricity</b>		<b>9,443</b>	<b>10,172</b>	<b>-730</b>	<b>-7.2</b>	<b>18,153</b>
thereof Central and Western Europe <sup>2)</sup>		3,457	4,187	-730	-17.4	7,551
thereof South Eastern Europe		5,986	5,986	0	0.0	10,602
<b>Natural gas</b>		<b>2,479</b>	<b>3,361</b>	<b>-882</b>	<b>-26.2</b>	<b>4,291</b>
<b>Heat</b>		<b>1,433</b>	<b>1,629</b>	<b>-197</b>	<b>-12.1</b>	<b>2,272</b>
thereof Central and Western Europe <sup>2)</sup>		1,293	1,487	-194	-13.1	2,096
thereof South Eastern Europe		140	142	-2	-1.5	176

<sup>1)</sup> Incl. Network distribution volumes to EVN power plants

<sup>2)</sup> Central and Western Europe covers Austria and Germany

	EURm	2023/24	2022/23	+/-		2022/23
		HY. 1	HY. 1	Nominal	%	
<b>Condensed consolidated statement of operations</b>						
<b>Revenue</b>		<b>1,805.1</b>	<b>2,192.6</b>	<b>-387.5</b>	<b>-17.7</b>	<b>3,768.7</b>
Other operating income		66.1	61.9	4.2	6.7	127.5
Electricity purchases and primary energy expenses		-777.3	-1,024.2	246.9	24.1	-1,675.5
Costs of materials and services		-258.9	-326.7	67.8	20.8	-662.7
Personnel expenses		-225.7	-193.2	-32.5	-16.8	-419.2
Other operating expenses		-113.5	-100.8	-12.7	-12.6	-202.2
Share of results from equity accounted investees with operational nature		-42.9	-143.3	100.4	70.1	-67.6
<b>EBITDA</b>		<b>453.0</b>	<b>466.4</b>	<b>-13.5</b>	<b>-2.9</b>	<b>869.0</b>
Depreciation and amortisation		-171.3	-162.6	-8.6	-5.3	-336.5
Effects from impairment tests		-0.1	0.0	-0.1	-	-3.9
<b>Results from operating activities (EBIT)</b>		<b>281.6</b>	<b>303.8</b>	<b>-22.2</b>	<b>-7.3</b>	<b>528.5</b>
<b>Financial results</b>		<b>-25.1</b>	<b>-27.5</b>	<b>2.4</b>	<b>8.8</b>	<b>127.6</b>
<b>Result before income tax</b>		<b>256.5</b>	<b>276.2</b>	<b>-19.8</b>	<b>-7.2</b>	<b>656.2</b>
Income tax expense		-33.5	-35.2	1.7	4.8	-74.0
<b>Result for the period</b>		<b>223.0</b>	<b>241.1</b>	<b>-18.1</b>	<b>-7.5</b>	<b>582.1</b>
thereof result attributable to EVN AG shareholders (Group net result)		199.3	217.4	-18.1	-8.3	529.7
thereof result attributable to non-controlling interests		23.7	23.7	0.0	0.0	52.4
<b>Earnings per share in EUR<sup>1)</sup></b>		<b>1.12</b>	<b>1.22</b>	<b>-0.1</b>	<b>-8.3</b>	<b>2.97</b>

<sup>1)</sup> There is no difference between basic and diluted earnings per share.