

EVN IR News

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Business development in the 2023/24 financial year

(1 October 2023 – 30 September 2024)

Highlights

- Decline in Group net result by 11.0% to EUR 471.7m
- Negative earnings contribution of roughly EUR 162m from the Austrian electricity and natural gas supply company
- Increase in share of renewable generation to 84.4% (previous year: 77.0%)
- Dynamic expansion of wind power and photovoltaic capacity to 477 MW and 93 MWp
- Start of construction on a biomass combined heat and power plant in St. Pölten
- Austria's largest charging station operator for e-mobility with 3,000 charging points
- Record investments of EUR 753.0m for the energy future (thereof 88.8% taxonomy-aligned)
- Dividend proposal: EUR 0.90 per share

Energy sector environment

The weather in EVN's three core markets was again characterised by milder temperatures during the 2023/24 financial year. The heating degree total – which defines the temperature-related demand for energy – was clearly below the previous year as well as the long-term average in Austria, Bulgaria and North Macedonia. Both water and wind flows were very positive. Primary energy and energy prices continued to decline. Also, the prices of CO₂ emission certificates were lower year-on-year as a result of general economic conditions. These developments also had an impact on the market prices for electricity, which again declined significantly during the reporting year. Due to the steadily increasing share of renewable generation capacity in the energy system, price developments during the year are now also significantly influenced by seasonal effects.

EBITDA, EBIT and Group net result below previous year

Revenue recorded by the EVN Group declined by 13.6% to EUR 3,256.6m in 2023/24. This development resulted primarily from the downward trend in wholesale prices for electricity and natural gas in all three EVN core markets. The price-related revenue decline in renewable production was offset in part by an increase in generation volumes. Other factors included the reduced use of the Theiss power plant for network stabilisation and a weather-related decrease in heat sales volumes as well as lower network tariffs in Bulgaria in accordance with the regulation methodology. Revenue in the international project business was also lower following the completion of the wastewater treatment plant in Kuwait.

In line with the development of revenue, declining wholesale prices for electricity and natural gas also led to a reduction in the cost of electricity purchases from third parties and primary energy expenses in South East Europe and

in electricity and heat generation. The cost of electricity purchases from third parties and primary energy expenses fell by a total of 18.7% to EUR 1,362.8m in 2023/24. The cost of materials and services declined by 14.6% to EUR 565.8m corresponding to the development of revenue in the international project business.

Personnel expenses rose by 13.1% year-on-year to EUR 473.9m. The primary reasons were adjustments required by collective bargaining agreements and an increase in the average workforce. Other operating expenses were 5.3% higher year-on-year at EUR 212.8m. They include an impairment loss of EUR 22.5m which was recognised to a receivable in the international project business during the first quarter of 2023/24 following a court of arbitration judgment. This position also includes the energy crisis contribution levy for electricity generation.

The share of results from equity accounted investees with operational nature was again influenced by a negative contribution from the energy supply company EVN KG, which amounted to EUR –162.3m (previous year: EUR –240.3m). Two valuation effects were the main reasons for this development: the impairment of EUR 39.7m to natural gas inventories previously purchased as a strategic reserve and the addition to provisions. Challenging framework conditions – above all intensified competition combined with customers' energy savings measures and supplies from private photovoltaic equipment – also reduced electricity and natural gas sales volumes and made planning for sales volumes more difficult. An additional positive effect was the further revaluation of EUR 16.8m to the Ashta hydropower plant (previous year: EUR 11.1m). The share of results from equity accounted investees amounted to EUR 30.8m (previous year: EUR –67.6m). Based on these developments, EBITDA recorded by EVN declined by 8.0% year-on-year to EUR 799.4m.

The higher pace of investments led to an increase of 3.5% in scheduled depreciation and amortisation to EUR 348.3m. Impairment losses of EUR –24.9m were recorded in 2023/24 (previous year: EUR –3.9m). Therefore EBIT for the EVN Group amounted to EUR 426.2m in 2023/24 (previous year: EUR 528.5m).

Financial results totalled EUR 135.3m (previous year: EUR 127.6m) and resulted chiefly from a higher dividend from Verbund AG for the 2023 financial year. In total, Group net result for the 2023/24 financial year was 11.0% lower year-on-year at EUR 471.7m.

Solid balance sheet structure, rise in investment programme and EU Taxonomy Regulation

The capital structure is stable and solid and provides a sound foundation for the realisation of the investments planned as part of the EVN Strategy 2030. Net debt totalled EUR 1,129.3m as of 30 September 2024 (30 September 2023: EUR 1,364.3m).

Investments reached an all-time high of EUR 753.0m in 2023/24 and are scheduled to rise to roughly EUR 900m annually in the years up to 2030. The main drivers for this increase include the demands on the network business to create the necessary basis for the integration of the steadily growing feed-in volumes of renewable energy and the expansion of wind power and photovoltaic capacity. EVN is also continuing to enlarge its natural heat offering through the consolidation of district heating networks and the expansion of generation capacity. In 2023/24, construction started on the fifth biomass combined heat and power plant which will be located in St. Pölten, with commissioning planned for the end of 2025. It will be able to supply roughly 30,000 households with environmentally friendly heat and 15,000 households with green electricity. These measures demonstrate EVN's measurable contribution to contain global warming and to support the transition to a CO₂-free energy future.

The installation of an additional 500 charging points during 2023/24 increased the number of EVN charging points to 3,000 and make the company Austria's largest charging station operator. Further investments of EUR 100m are planned by 2030 and will service e-autos and e-buses as well as e-lorries and ships. The comprehensive, cross-industry electrification of traffic will play an important role in reaching the climate goals set by Lower Austria.

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

EVN Climate Initiative

As an integral part of the Strategy 2030, the EVN Climate Initiative defines precise decarbonisation goals. It bundles measures for the expansion of renewable generation capacity and sets targets for the reduction of greenhouse gas emissions. The existing goals were revised in 2023/24 and adapted to meet the 1.5°C goal of the Paris Climate Agreement. A transition plan aligned with the Corporate Sustainability Reporting Directive (CSRD) was also prepared. These revised goals will be submitted to the Science Based Target Initiative (SBTi) in 2024/25 for external scientific review and validation. The main lever to reduce emissions lies in the expansion of renewable generation capacity. Substantial progress was again made in this area during 2023/24, and EVN is well underway to meeting its expansion goals for 2030 (wind power 770 MW, photovoltaics 300 MWp).

Energy business

EVN's renewable electricity generation rose by 22.0% year-on-year to 2,799 GWh. Water as well as wind flows were higher than in the previous year whereas hydrological conditions even exceeded the long-term average. Electricity generation from wind power also benefitted from the construction of new wind and photovoltaic parks and the repowering of existing wind parks. In contrast, thermal generation fell by 24.4% to 519 GWh due to the reduced use of the Theiss power plant for network stabilisation during the reporting year.

Environmental and water business

Improving the security and quality of drinking water supplies in Lower Austria is also a focal point of EVN's investments. The current major project in this context is the construction of a 60 km cross-regional transport pipeline from Krems to Zwettl. The second section is largely complete, and construction on the third and final section started in summer 2024. The entire transport pipeline is scheduled for commissioning in 2025/26. Also, a further natural filter plant was commissioned during the reporting year, and preparations started for construction of another plant of this type in Reisenberg in the Lower Austrian Industrieviertel.

In the international project business, WTE Wassertechnik was working on the planning and construction of eight projects in Germany, Romania, North Macedonia, Bahrain and Kuwait as of 30 September 2024. A decision by the Executive Board of EVN in September 2023 confirmed the Group's focus on the core energy business. On 10th December 2024, EVN announced ad-hoc that EVN AG and STRABAG SE have reached an agreement on key terms of a potential sale of all shares in WTE Wassertechnik. Signing of the transaction documents is envisaged for the end of February 2025.

Dividend and outlook on the 2024/25 financial year

The Executive Board will make a recommendation to the 96th Annual General Meeting which calls for the distribution of an ordinary dividend of EUR 0.90 per share for the financial year 2023/24. For the 2024/25 financial year, EVN expects Group net result within a range of EUR 400m to EUR 440m – under the assumption of a stable regulatory and energy policy environment. The dividend policy was confirmed and is unchanged. As of the 2024/25 financial year, the dividend will equal at least EUR 0.82 per share in the future, whereby EVN wants its shareholders to appropriately participate in any additional earnings growth. In the medium term, a payout ratio equalling 40% of Group net result, adjusted for extraordinary effects, is targeted.

For the complete Full Report on the 2023/24 financial year, see www.investor.evn.at.

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EVN in figures

	GWh	2023/24	2022/23	+/-		2021/22
				Nominal	%	
Key energy business indicators						
Electricity generation volumes		3,318	2,981	337	11.3	3,365
Renewable energy sources		2,799	2,295	504	22.0	2,248
Thermal energy sources		519	686	-167	-24.4	1,117
Network distribution volumes						
Electricity		21,643	21,483	161	0.7	23,092
Natural gas ¹⁾		11,583	12,454	-871	-7.0	15,877
Energy sales volumes to end customers						
Electricity		16,947	18,153	-1,206	-6.6	20,853
thereof Central and Western Europe ²⁾		6,282	7,551	-1,270	-16.8	8,662
thereof South Eastern Europe		10,665	10,602	63	0.6	12,191
Natural gas		3,202	4,291	-1,089	-25.4	4,987
Heat		2,080	2,272	-192	-8.4	2,545
thereof Central and Western Europe ²⁾		1,917	2,096	-180	-8.6	2,328
thereof South Eastern Europe		164	176	-12	-6.7	217

¹⁾ Incl. Network distribution volumes to EVN power plants

²⁾ Central and Western Europe covers Austria and Germany

	EURm	2023/24	2022/23	+/-		2021/22
				Nominal	%	
Condensed consolidated statement of operations						
Revenue		3,256.6	3,768.7	-512.0	-13.6	4,062.2
Other operating income		127.3	127.5	-0.2	-0.2	109.5
Electricity purchases and primary energy expenses		-1,362.8	-1,675.5	312.7	18.7	-2,278.2
Costs of materials and services		-565.8	-662.7	96.9	14.6	-707.1
Personnel expenses		-473.9	-419.2	-54.7	-13.1	-372.2
Other operating expenses		-212.8	-202.2	-10.6	-5.3	-158.4
Share of results from equity accounted investees with operational nature		30.8	-67.6	98.4	-	98.9
EBITDA		799.4	869.0	-69.6	-8.0	754.8
Depreciation and amortisation		-348.3	-336.5	-11.8	-3.5	-318.0
Effects from impairment tests		-24.9	-3.9	-21.0	-	-105.2
Results from operating activities (EBIT)		426.2	528.5	-102.3	-19.4	331.6
Financial results		135.3	127.6	7.7	6.0	-30.5
Result before income tax		561.6	656.2	-94.6	-14.4	301.2
Income tax expense		-33.5	-74.0	40.6	54.8	-64.0
Result for the period		528.1	582.1	-54.0	-9.3	237.1
thereof result attributable to EVN AG shareholders (Group net result)		471.7	529.7	-58.0	-11.0	209.6
thereof result attributable to non-controlling interests		56.4	52.4	4.0	7.6	27.5
Earnings per share in EUR¹⁾		2.65	2.97	-0.3	-11.0	1.18

¹⁾ There is no difference between basic and diluted earnings per share.