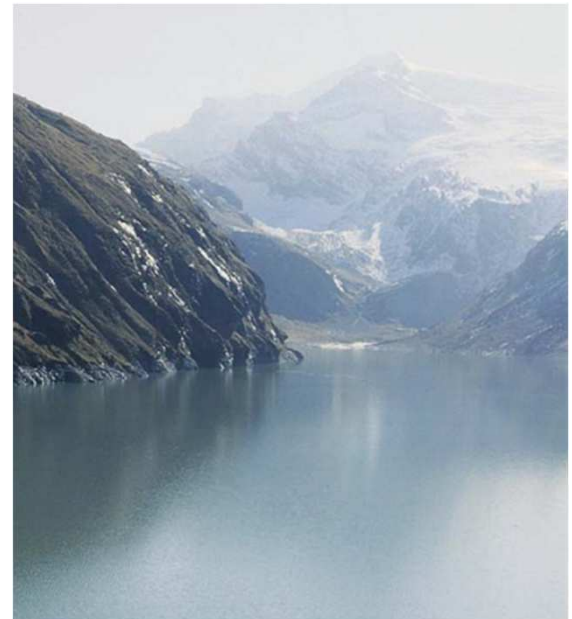
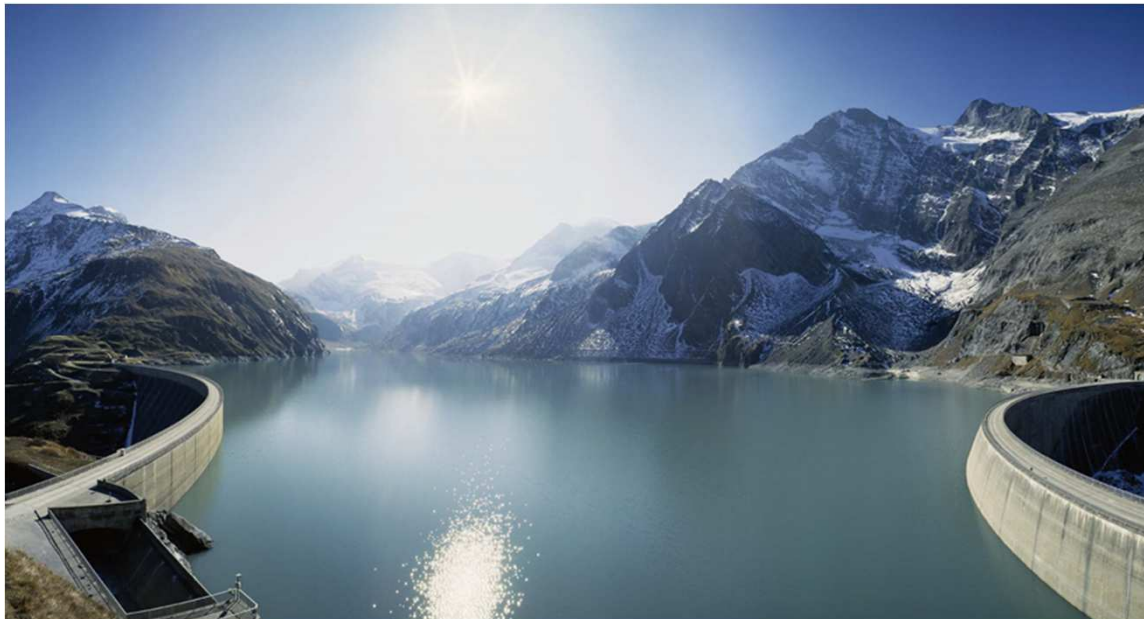


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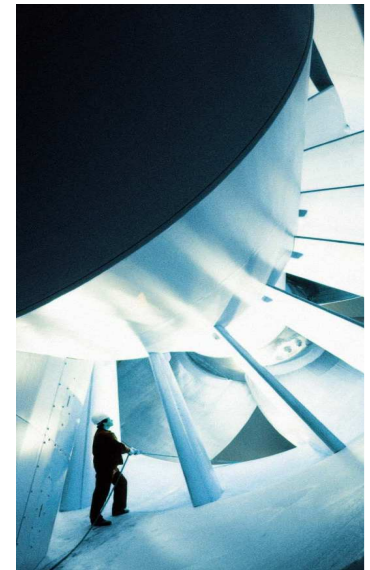
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VERBUND

Full year results 2017

Vienna, 14/3/2018

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At a glance

Influencing factors

- Water supply slightly below the long-term average and slightly below FY2016
- Lower average achieved contract prices for own production from hydropower
- Significant higher contribution from flexibility products (especially congestion management)
- Weaker result contributions from the high voltage grid
- Positive impact from cost cutting programs
- Non-recurring effects - primarily impairments and reversal of impairments on hydro power and thermal power assets

Development of results, cash flows and debt

- Reported EBITDA €922.3m (–11.7%); Adjusted EBITDA €899.7m (+0.6%)
- Reported Group result €301.4m (–29.0%); Adjusted Group result €354.5m (+8.8%)
- Operating cash flow €640.6m (–20.4%); Free cash flow before dividend €416.1m (–28.4%)
- Net Debt € 2,843.8m (–11.7%)

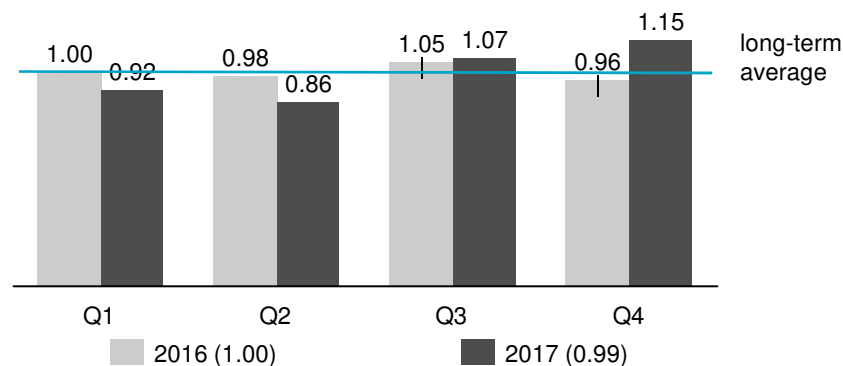
Dividend 2017

- Dividend proposal 2017: €0.42/share (+44.8%)
- Pay-out ratio of 48.4% (41.2% on adjusted Group result)

Slightly lower water supply but higher own generation; Declining average contract price for hydro production

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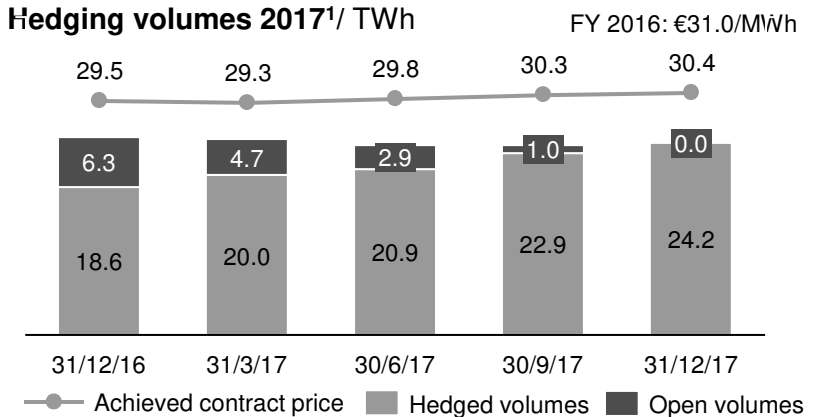
Hydro coefficient (run-of-river)



Electricity supply 63,264 GWh (+4,409 GWh, +7.5%)

- Hydropower: 29,687 GWh (−122 GWh, −0.4%)
 - Storage power: 4,452 GWh (+49.6 GWh)
- Thermal Power: 2,227 GWh (+876 GWh, +64.8%)
 - CCGT Mellach: 1,465 GWh (+825 GWh)
- Wind: 952 GWh (+117 GWh, +14.0%)
- Purchase from third parties: 30,398 (+3,538 GWh)

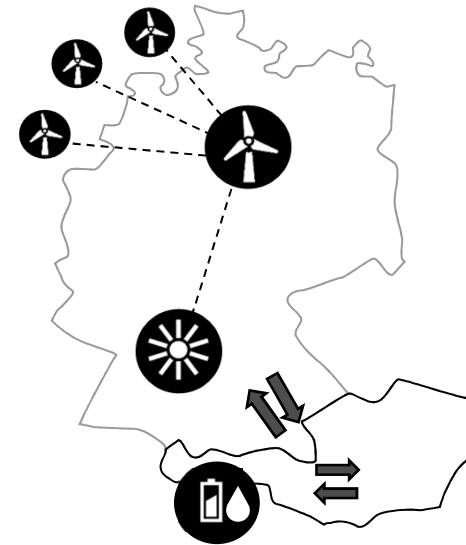
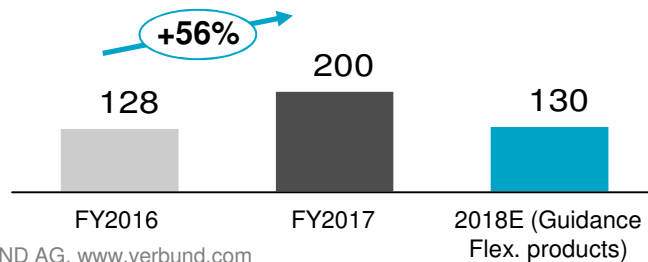
Hedging volumes 2017¹/ TWh



Flexibility products on record level

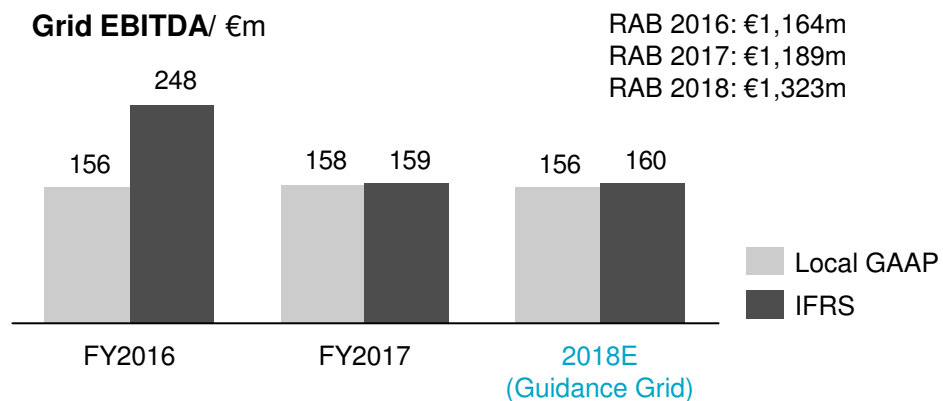
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Consequence: Higher demand for flexibility products (especially congestion management) in 2017 due to
 - Cold winter and hot summer
 - Revision of nuclear power plants (France)
 - Low hydro production in 1st HY 2017
 - Installation of phase shifters in Eastern European countries
 - Congestion management within Austria (in addition to DE/AT)
- Flexibility products include control energy, congestion management, grid system services, intraday trading, capacity/cold reserve and pumping/reverse operations

Flexibility products/ €m



Weaker result contribution from high voltage grid

Grid EBITDA/ €m



RAB 2016: €1,164m
RAB 2017: €1,189m
RAB 2018: €1,323m

Local GAAP: stable earnings and cash flows

- Differences between revenues and planned revenues compensated by a regulatory account

IFRS: volatile earnings

- Revenue surpluses or shortfalls are not utilised/compensated via the regulatory account

⇒ Volatility in IFRS from: control energy, auctioning off of cross-border grid capacities, congestion management services

Grid FY 2017/ km

Voltage Level	Route length	System length
380-kV	1,153	2,577
220-kV	1,615	3,212
110-kV	660	1,175
110-kV (cable)	3	6
Total	3,431	6,970

Decrease in grid EBITDA 2017 (IFRS)

- Higher expenses for congestion management and for control energy

WACC for new regulatory period (2018-2022)

- Approximately 5% (4.88% pre tax for existing assets, 5.20% pre tax incl. investment-markup for new assets)

Non-recurring effects on P&L in 2017

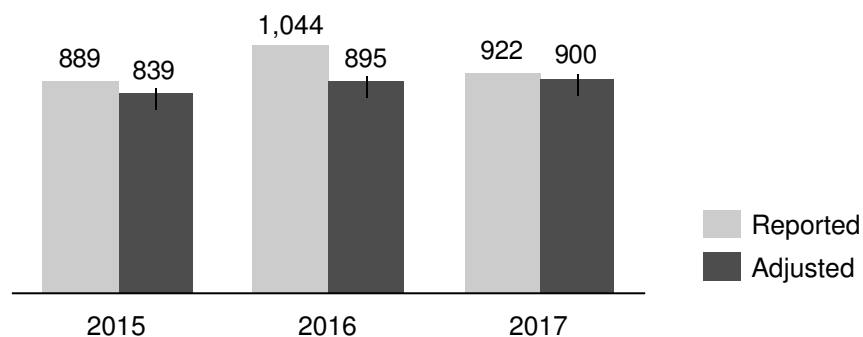
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€m	Detail	2017	2016
Other operating income	Sale of participation in SMATRICS GmbH & Co KG	23	
EBITDA	Total	23	150
Impairments	Hydro power & thermal power plants	-259	
Reversal of impairments	CCGT Mellach	78	
Operating result	Total	-158	60
Other financial result	Measurement of an obligation to return an interest (DKJ)	32	
Impairments	Ashta/Albania and others	-5	
Financial result	Total	27	36
Taxes	Effects due to the non-recurring effects above	40	
Minorities	Effects due to the non-recurring effects above	38	
Group result	Total	-53	99

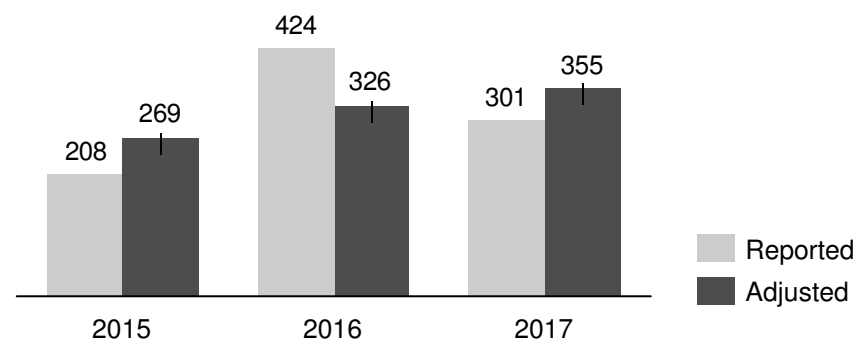
Key figures (1)

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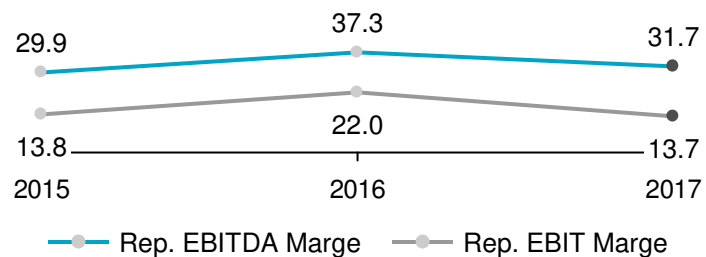
EBITDA/ €m



Group result/ €m

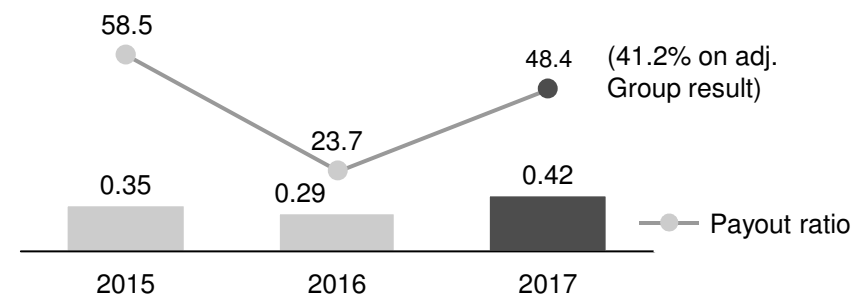


EBITDA margin, EBIT margin/ %



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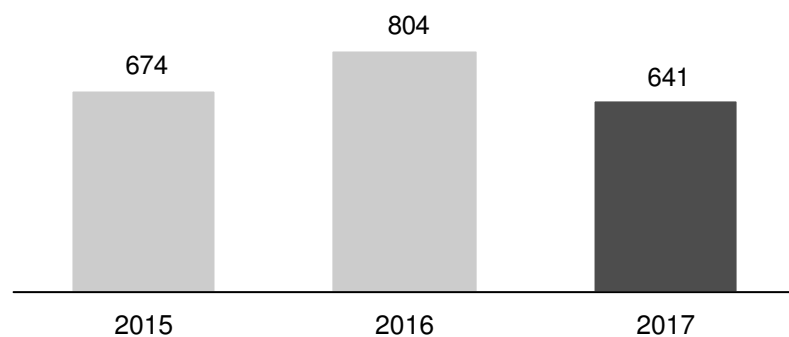
Dividend; Payout ratio from Group result/ €; %



Key figures (2)

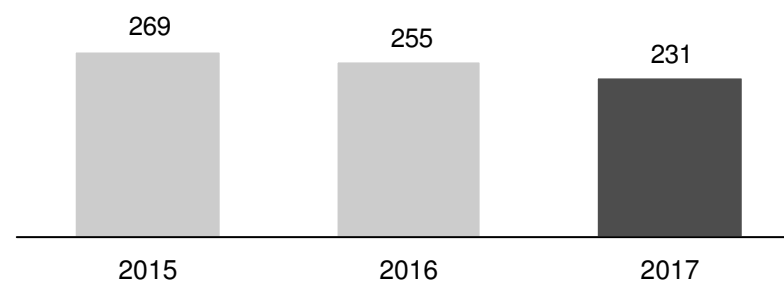
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Operating cash flow/ €m

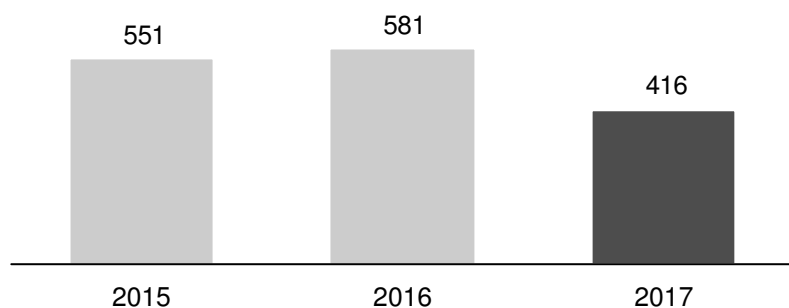


Additions/ €m

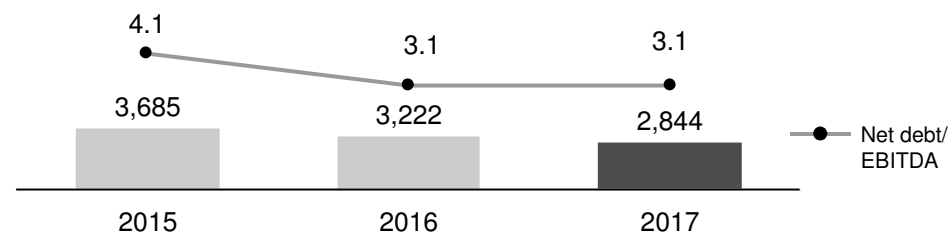
to tangible assets (without business combination)



Free cash flow before dividend/ €m

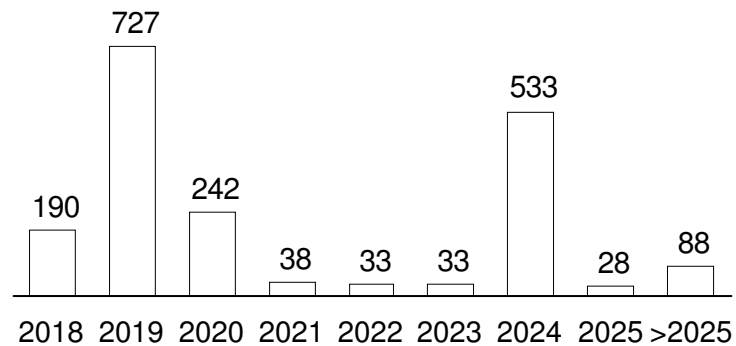


Net debt; Net debt/EBITDA/ €m; x



Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €bn



Financial liabilities

- Book value Financial liabilities: €1,928m

Financial ratios

- Duration: 3.6 years
- Effective interest rate: 3.6% p.a.
- Uncommitted lines of credit: approx. €546m*
- Syndicated loan: €500m

Interest mix

- 93% fixed interest rate
- 7% floating interest rate

Currency

- 100% EUR

Rating

S&P Global
Ratings

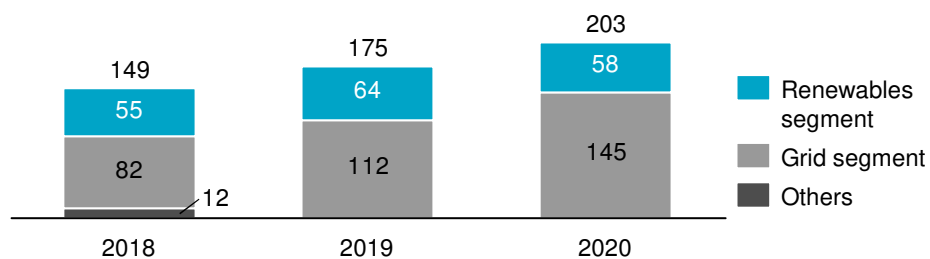
BBB+/stable outlook

MOODY'S
INVESTORS SERVICE

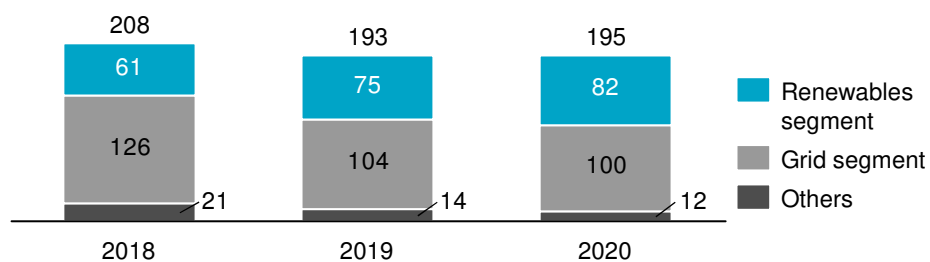
Baa2/positive outlook

CAPEX plan 2018–2020

Growth CAPEX/ €m (total of €528m)



Maintenance CAPEX/ €m (total of €596m)



Outlook

Sensitivities 2018

A change of 1% (generation from hydropower/ windpower) or €1/MWh (wholesale price) either way would be reflected as follows in the group result for 2018, other things being equal:

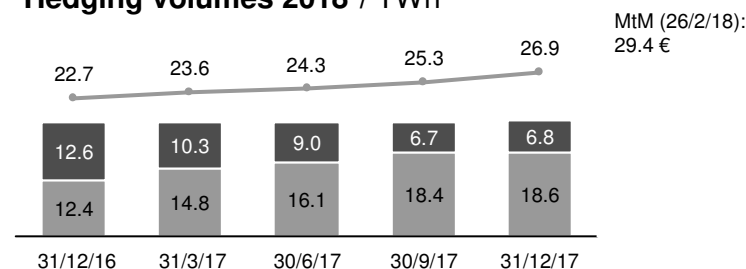
- Greater or less generation from hydropower: +/- €5.8m
- Greater or less generation from windpower: +/- €0.3m
- Wholesale prices (renewable generation): +/- €3.9m

Earnings outlook 2018

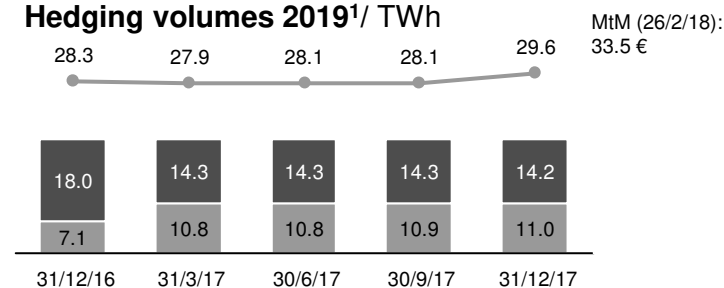
EBITDA of around €850m and Group result of around €300m based on an average generation from hydropower and windpower.

For financial year 2018, VERBUND plans to pay out between 40 and 45% of the Group result after adjustment for non-recurring effects.

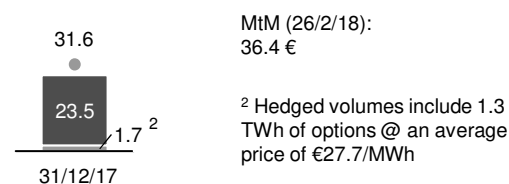
Hedging volumes 2018¹/ TWh



Hedging volumes 2019¹/ TWh



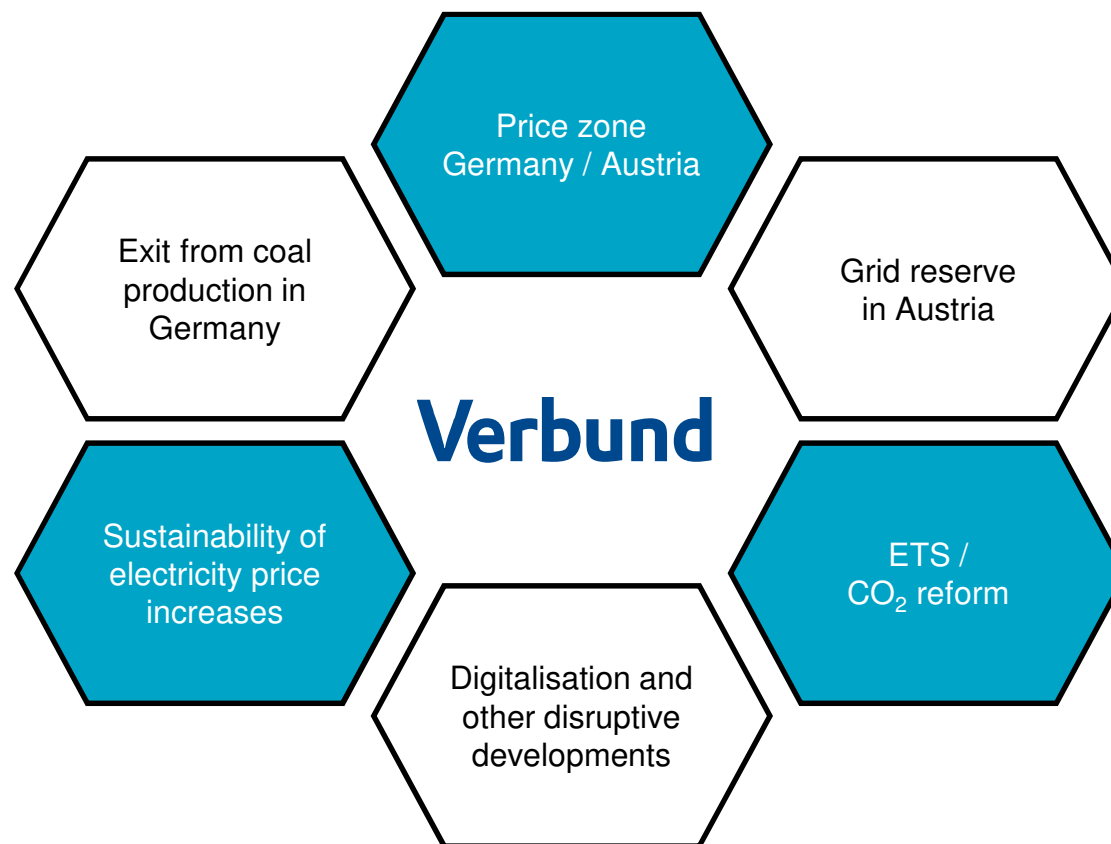
Hedging volumes 2020 incl. options¹/ TWh



—●— Achieved contract price ■ Open volumes ■ Hedged volumes

Key topics 2018

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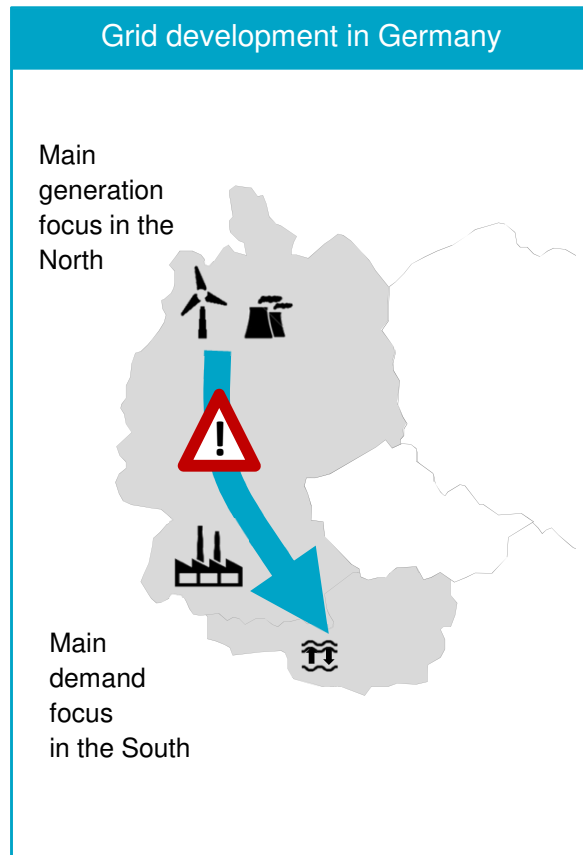


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Appendix



Price zone Germany/Austria



- Electricity surplus from north cannot fully be transported to south due to missing grid capacities
- Discussions on separation of the common price zone Germany/Austria
- Consequences of a separation:
 - Higher power price in Austria
 - Increasing total costs
 - Less market liquidity
 - Higher transaction costs
 - Impediment to renewables- and market integration (EU-objectives)
 - Higher market entry barriers
- Bilateral agreement between BNetzA and E-Control to introduce market separation as of 1 October 2018
 - NTC agreed at 4.9 GW
 - Additional capacities in short-term trading (day-ahead) possible
- New products (electricity futures for Germany & Austria) at EEX introduced
- Bidding zone review published by ENTSO-E and put for public consultation. Key findings:
 - "... evaluation does not provide sufficient evidence for a modification or for a maintenance of the current bidding zone (i.e. common GE/AT zone)..."
 - "...and therefore recommend to maintain the current bidding zone delimitation."
 - "The recommendation should in no way be interpreted as an endorsement or an objection against the planned split of the German/Austrian bidding zone."
- Next steps:
 - After the consultation and the final version of the bidding zone review, member states are obliged to reach agreement within 6 months on maintaining or amending the bidding zone configuration
 - Assessment of current bidding zone configuration every three years

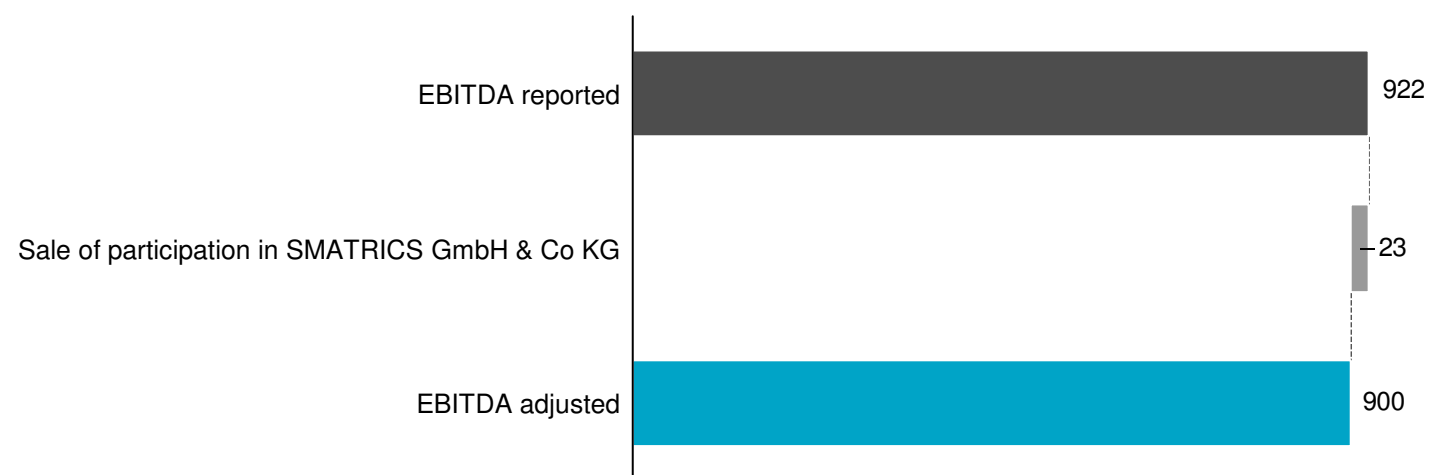
Income statement

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€m	2016	2017
	Total	Total
Revenue	2,795.9	2,913.2
Electricity revenue	2,213.9	2,370.2
Grid revenue	395.0	416.4
Other revenue	187.0	126.6
Other operating income	179.0	78.4
Expenses for electricity purchases & use of fuels	-1,389.8	-1,542.4
Other operating & personnel expenses	-540.8	-526.8
EBITDA	1,044.2	922.3
Depreciation & amortisation	-339.3	-341.3
Effects from impairment tests	-89.8	-180.9
EBIT	615.1	400.1
Result from equity interests & oth. interests	36.5	39.1
Interest income/expense	-104.1	-93.6
Other financial result	4.3	38.2
Effects from impairment tests	5.0	-5.2
Financial result	-58.4	-21.6
Taxes	-97.2	-77.0
Group result	424.4	301.4
Minorities	35.1	0.1
Earnings per share (€)	1.22	0.87
(Proposed) dividend per share (€)	0.29	0.42

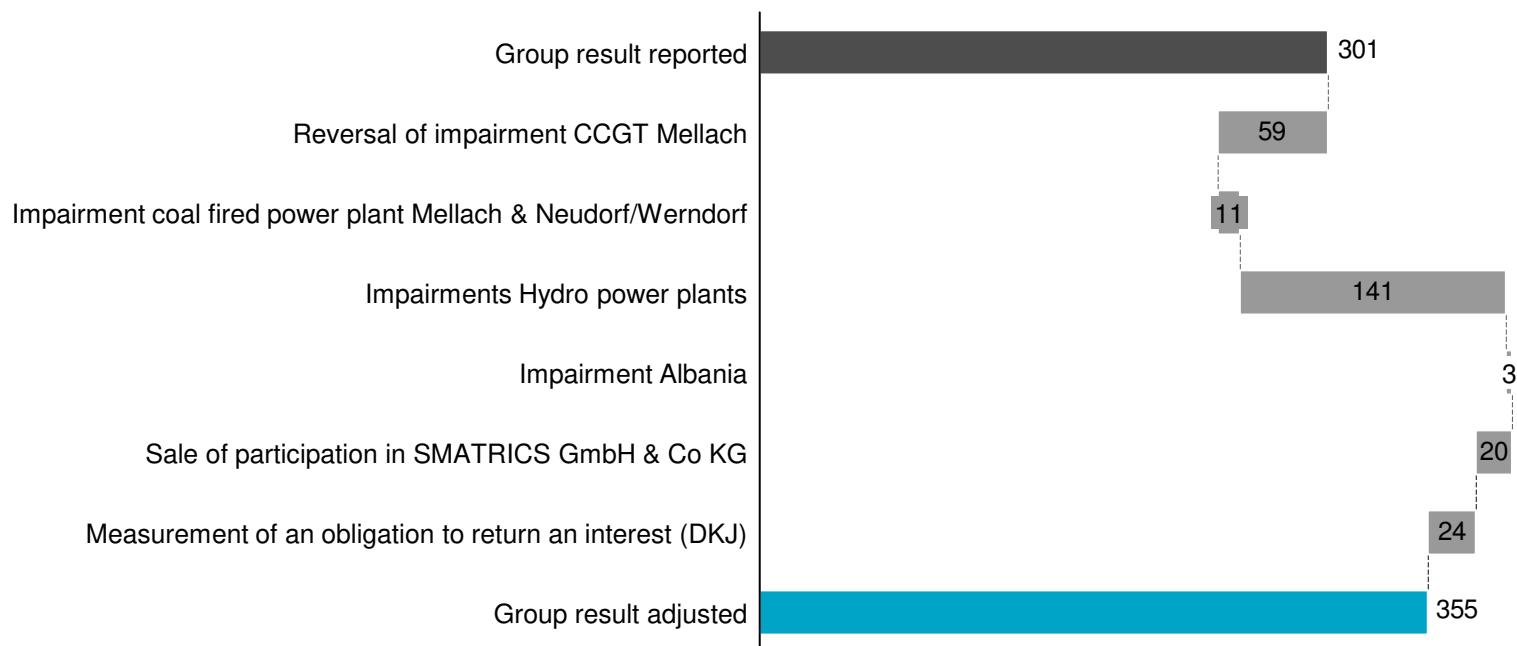
Non-recurring effects influence EBITDA in €m

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Non-recurring effects influence Group result in €m

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Balance sheet (short version)

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€m	2016	2017	Change
Non-current assets	10.934	10.662	-2%
Current assets	605	622	3%
Non-current assets held for sale	0	0	—
Total assets	11.538	11.284	-2%
Equity	5.530	5.691	3%
Non-current liabilities	4.908	4.585	-7%
Current liabilities	1.101	1.008	-8%
Total liabilities	11.538	11.284	-2%

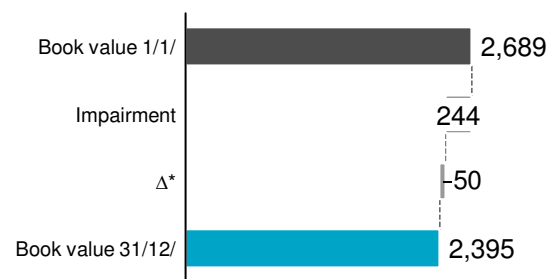
Cash flow statement (short version)

Verbund

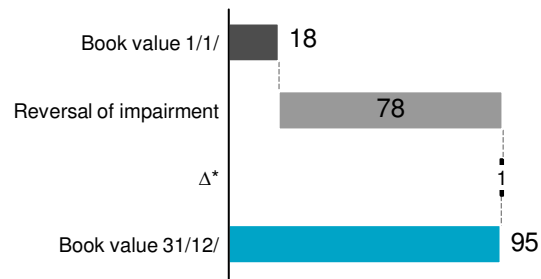
€m	2016	2017	Change
Cash flow from operating activities	804	641	-20%
Cash flow from investing activities	-219	-219	—
Cash flow from financing activities	-587	-421	-28%
Change in cash and cash equivalents	-2	1	—
Cash and cash equivalents at the end of the period	28	29	2%

Impairments 2017

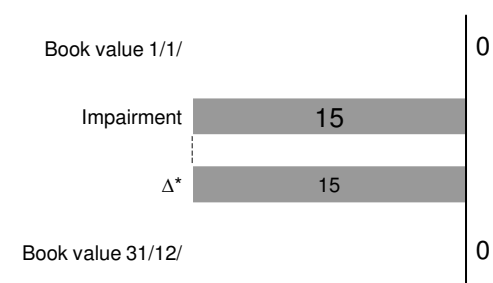
Hydro power plants/goodwill



CCGT Mellach



Other thermal power plants



Segment reporting










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in €m	Renewable generation		Sales		Grid		All other segments		Reconciliation/consolidation		Total Group	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
EBITDA reported	542.8	565.0	120.4	108.0	248.3	158.6	165.2	120.7	-32.5	-30.0	1.044.2	922.3
One-offs	3.7	0.0	-0.2	0.0	0.0	0.0	-153.0	-22.7	-0.2	0.0	-149.7	-22.7
EBITDA adjusted	546.5	565.0	120.2	108.0	248.3	158.6	12.2	98.1	-32.7	-30.0	894.5	899.7
Capital Employed	7,107.6	6,769.7	203.5	182.5	1,239.1	1,257.1	355.8	513.7	-25.2	-86.2	8,880.8	8,636.8



Energy services
Thermal
Services
Participations

Capital market calendar 2018

	14/3/2018	Annual result and publication of annual report 2017
	13/4/2018	Record date for Annual General Meeting
	23/4/2018	Annual General Meeting
	30/4/2018	Ex-dividend date
	2/5/2018	Record date for dividends
	11/5/2018	Dividend payment date
	9/5/2018	Result and interim report quarter 1/2018
	26/7/2018	Result and interim report quarters 1–2/2018
	7/11/2018	Result and interim report quarters 1–3/2018

Management

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Wolfgang Anzengruber
CEO, Chairman of the Managing Board



Johann Sereinig
Deputy Chairman of the Managing Board



Peter Kollmann
CFO, Member of the Managing Board



Günther Rabensteiner
Member of the Managing Board

Investor relations team

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