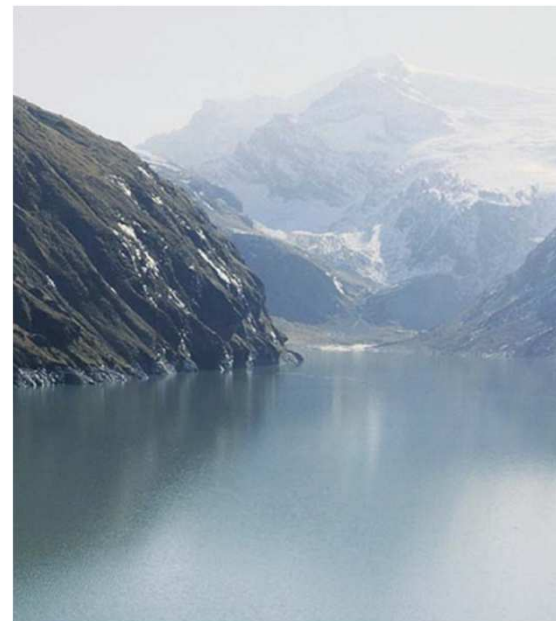
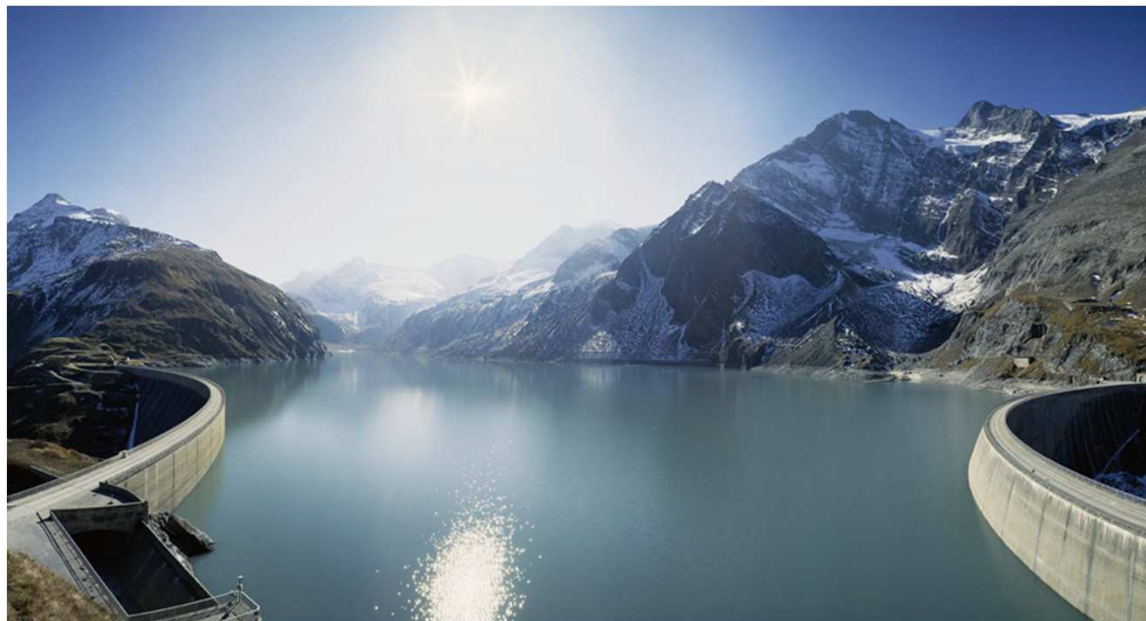


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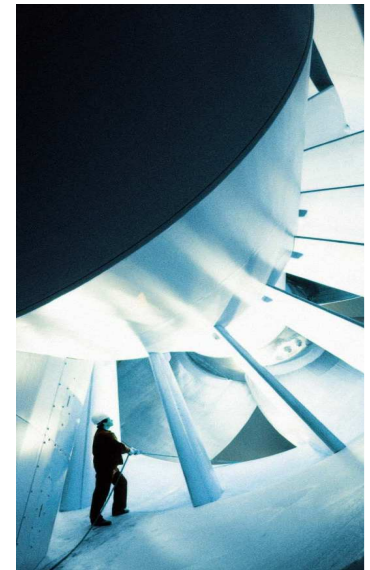
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VERBUND

Full year results 2018

Vienna, 13/3/2019

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At a glance

Influencing factors

- Water supply considerably lower than the long-term average and below the level for FY2017
- Slightly lower average achieved contract prices for own generation from hydropower
- Lower contribution from flexibility products after record year 2017
- Higher contribution from the high voltage grid
- Positive non-recurring effects - primarily reversal of impairments on hydro power plants in Austria and Germany as well as on wind power assets in Romania
- Positive impact from cost cutting and efficiency improvement programs

Development of results, cash flows and debt

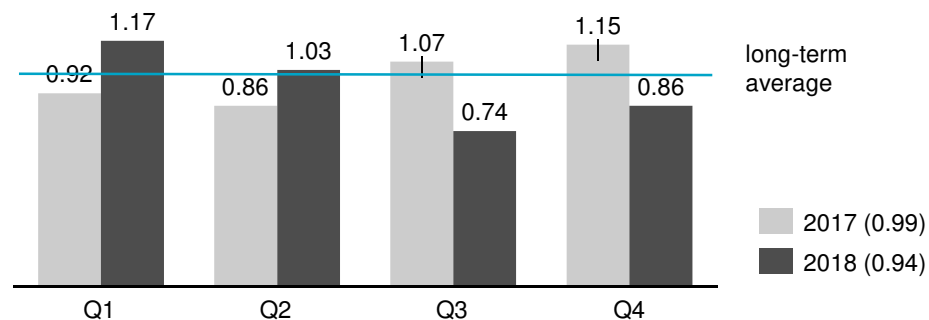
- Reported EBITDA €864.2m (–6.3%); Adjusted EBITDA €863.5m (–4.0%)
- Reported Group result €433.2m (43.7%); Adjusted Group result €342.2m (–3.5%)
- Operating cash flow €664.1m (3.7%); Free cash flow before dividend €415.3m (–0.2%)
- Net Debt €2,560.7m (–10.0%)

Dividend 2018

- Dividend proposal 2018: €0.42/share (+0.0%)
- Pay-out ratio of 33.7% (42.6% on adjusted Group result)

Lower water supply resulting in lower own generation; Lower average achieved contract price for hydro production

Hydro coefficient (run-of-river)

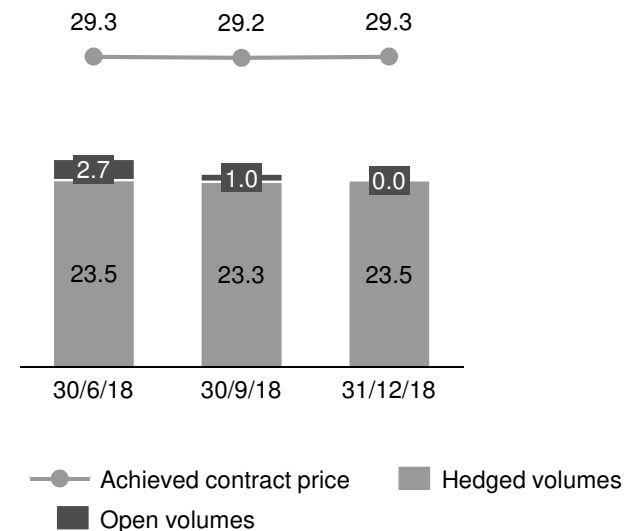


Electricity supply 63,195 GWh (–69 GWh, –0.1%)

- Hydropower: 28,684 GWh (–1,003 GWh, –3.4%)
 - Storage power: 4,698 GWh (+245.7 GWh)
- Thermal Power: 1,611 GWh (–615 GWh, –27.6%)
 - CCGT Mellach: 915 GWh (–550 GWh)
- Wind Power: 834 GWh (–118 GWh, –12.4%)
- Purchase from third parties: 32,065 (+1,667 GWh)

Hedging volumes 2018¹/ TWh

FY2017: €30.4/MWh

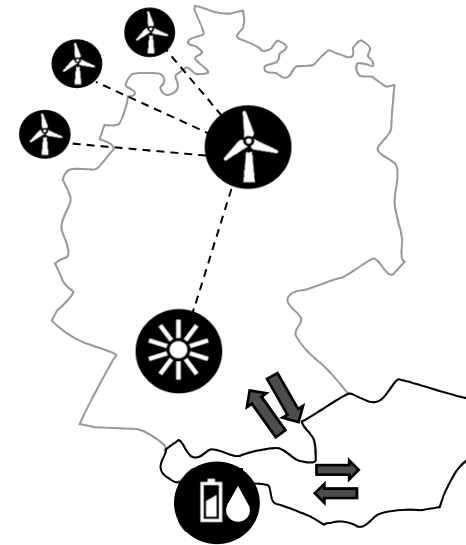
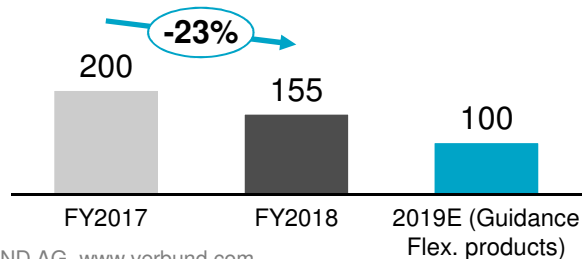


¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

Flexibility products lower than in 2017

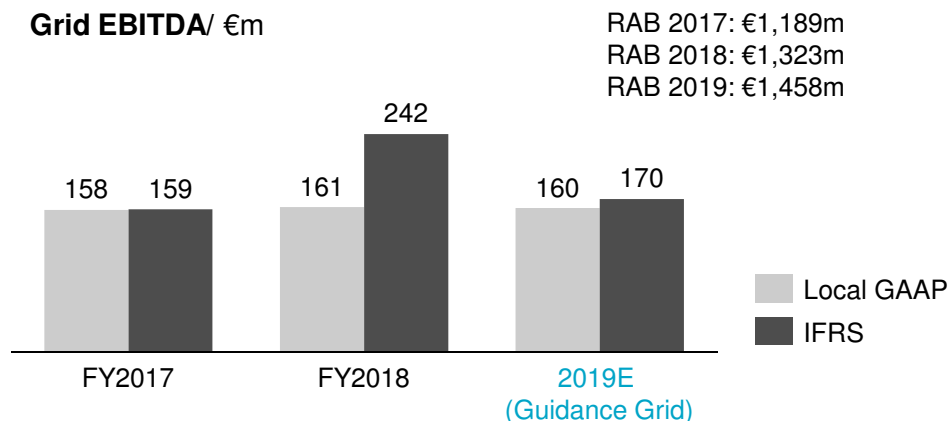
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Lower contributions from flexibility products after record year 2017
- Demand for flexibility products depending on the following influencing factors:
 - Temperatures/weather in winter/summer
 - Revision of nuclear power plants
 - Hydro production
 - Installation of phase shifters
 - 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



Higher result contribution from high voltage grid

Grid EBITDA/ €m



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 2018/ km

Voltage Level	Route length	System length
380-kV	1,156	2,583
220-kV	1,613	3,206
110-kV	660	1,175
110-kV (cable)	3	6
Total	3,432	6,970

Increase in grid EBITDA 2018 (IFRS)

- Higher contribution margin from congestion management

WACC for 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 P&L in 2018

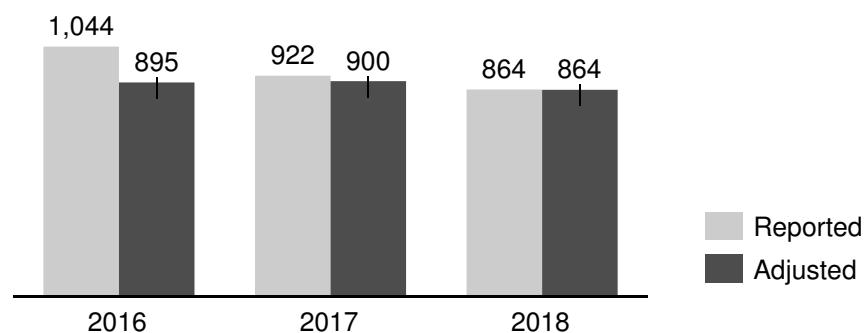
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€m	Detail	2018	2017
Other operating income			23
Other operating expenses	Changes to provision reg. dismantling of Korneuburg	1	
EBITDA	Total	1	23
Impairments	Hydro power power plants	-9	-259
Reversal of impairments	Hydro and wind power plants	127	78
Operating result	Total	119	-158
Other financial result	Measurement of an obligation to return an interest (DKJ)	8	32
Impairments	Ashta/Albania and others	-2	-5
Financial result	Total	6	27
Taxes	Effects due to the non-recurring effects above	-30	40
Minorities	Effects due to the non-recurring effects above	-4	38
Group result	Total	91	-53

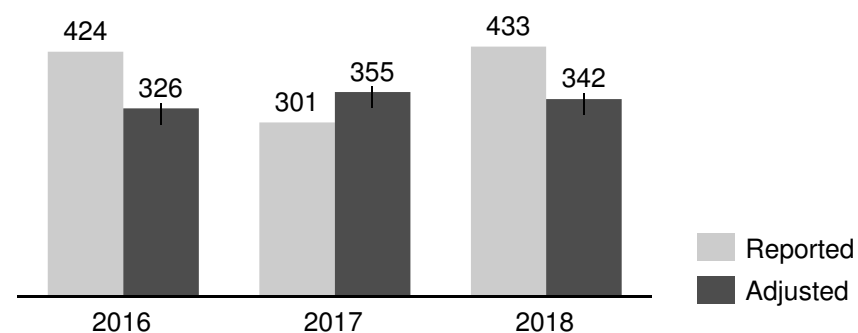
Key figures (1)

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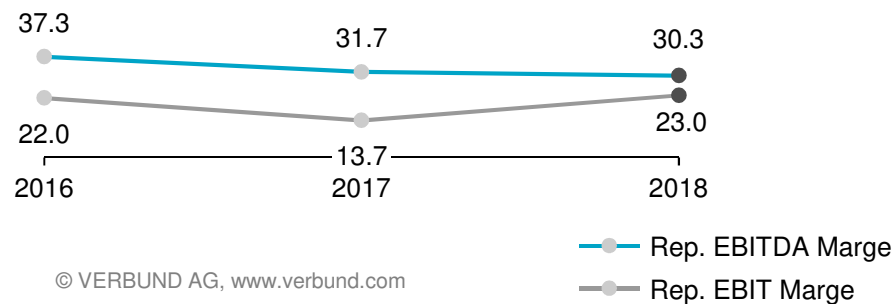
EBITDA/ €m



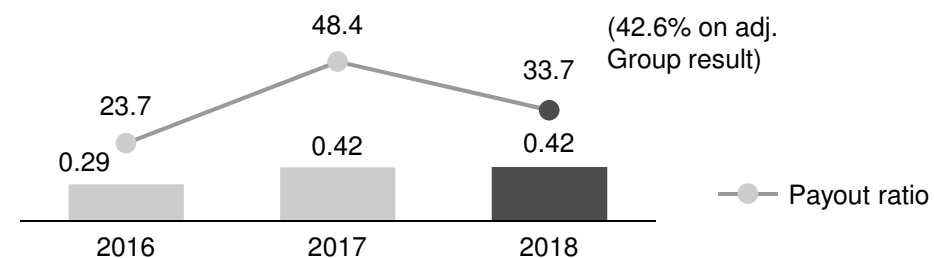
Group result/ €m



EBITDA margin, EBIT margin/ %



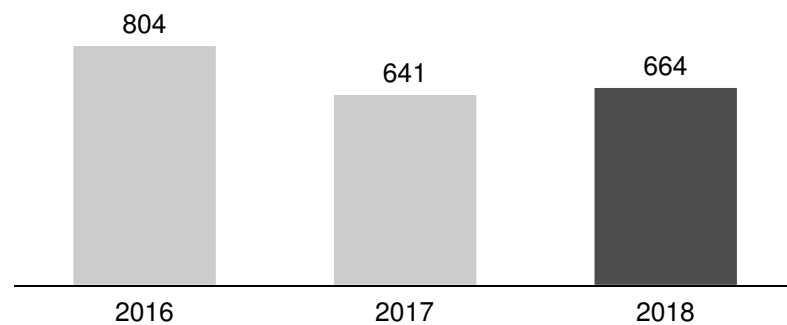
Dividend; Payout ratio from Group result/ €; %



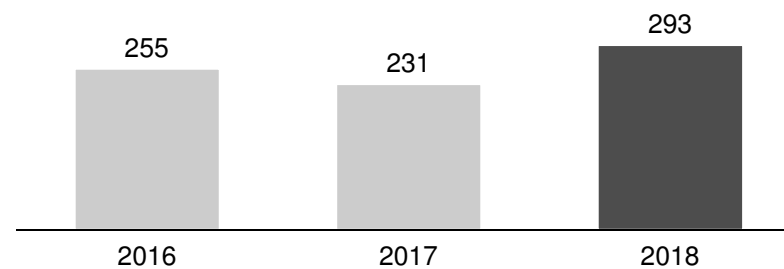
Key figures (2)

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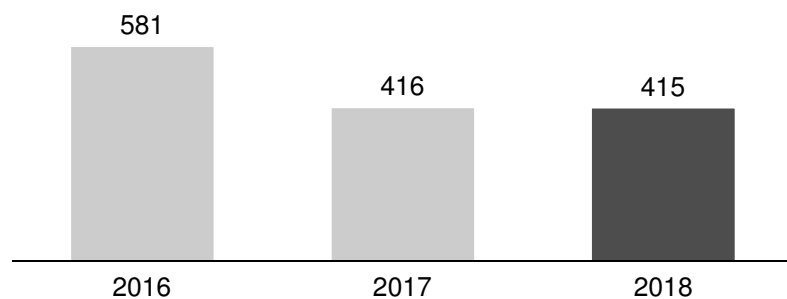
Operating cash flow/ €m



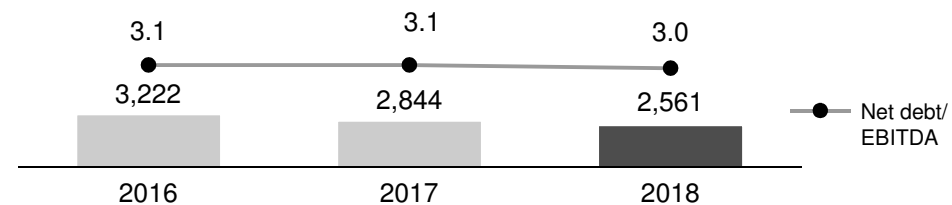
Additions/ €m
to tangible assets



Free cash flow before dividend/ €m

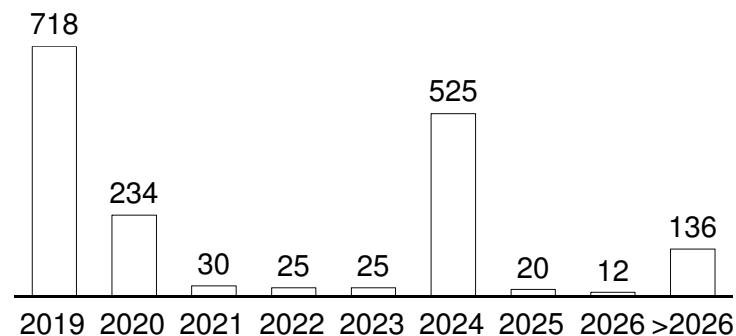


Net debt; Net debt/EBITDA/ €m; x

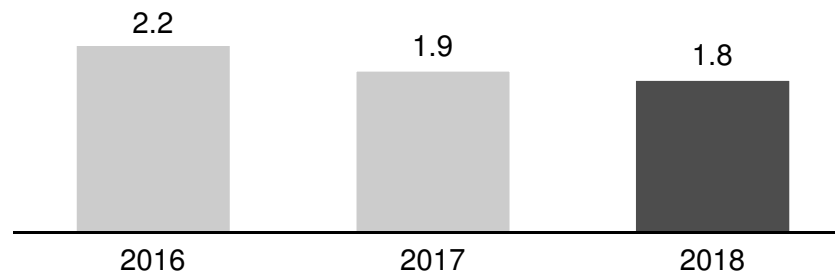


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €bn



Financial liabilities

- Book value Financial liabilities: €1,790m

Financial ratios

- Duration: 3.3 years
- Effective interest rate: 3.7% p.a.
- Uncommitted lines of credit: approx. €582m*
- Syndicated loan: €500m

Interest mix

- 98% fixed interest rate
- 2% floating interest rate

Currency

- 100% EUR

Rating

S&P Global
Ratings

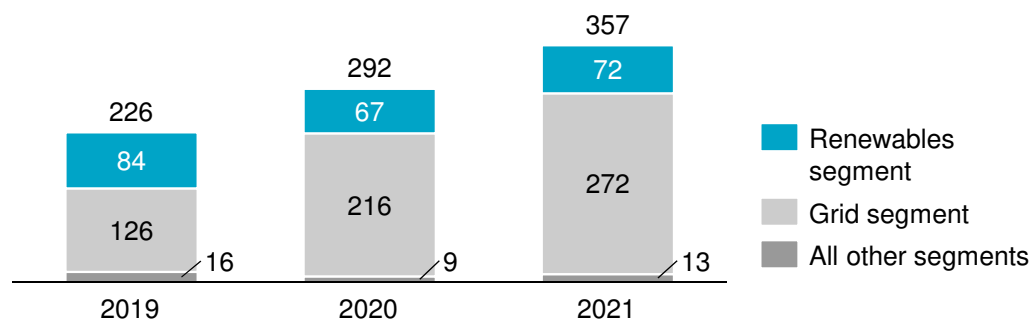
A-/stable outlook

MOODY'S
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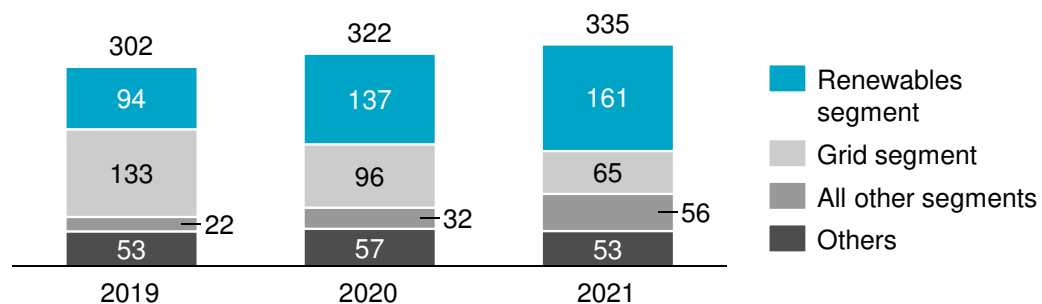
Baa1/positive outlook

CAPEX plan 2019-2021

Growth CAPEX/ €m (total of €875m)



Maintenance CAPEX/ €m (total of €959m)



Outlook

Sensitivities 2019

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 2019, other things being equal:

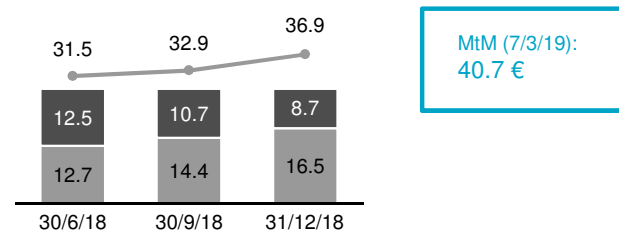
- Greater or less generation from hydropower: +/- €8.5m
- Greater or less generation from windpower: +/- €0.3m
- Wholesale prices (renewable generation): +/- €5.8m

Earnings outlook 2019

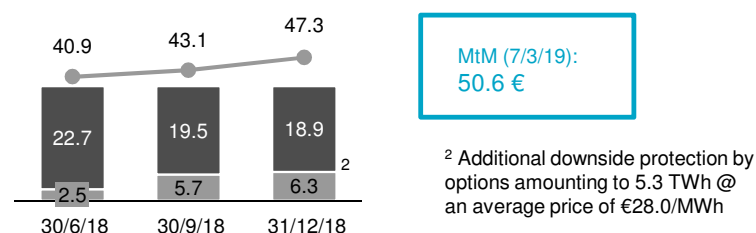
EBITDA of between approx. €1,050m and approx. €1,200m and Group result of between approx. €440m and approx. €540m based on an average generation from hydropower and windpower as well as the opportunities and risk situation of the Group. For financial year 2019, VERBUND plans to pay out between 40 and 45% of the Group result after adjustment for non-recurring effects of between approx. €440m and €540m.

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Hedging volumes 2019¹/ TWh



Hedging volumes 2020¹ incl. options/ TWh



— Achieved contract price ■ Open volumes ■ Hedged volumes

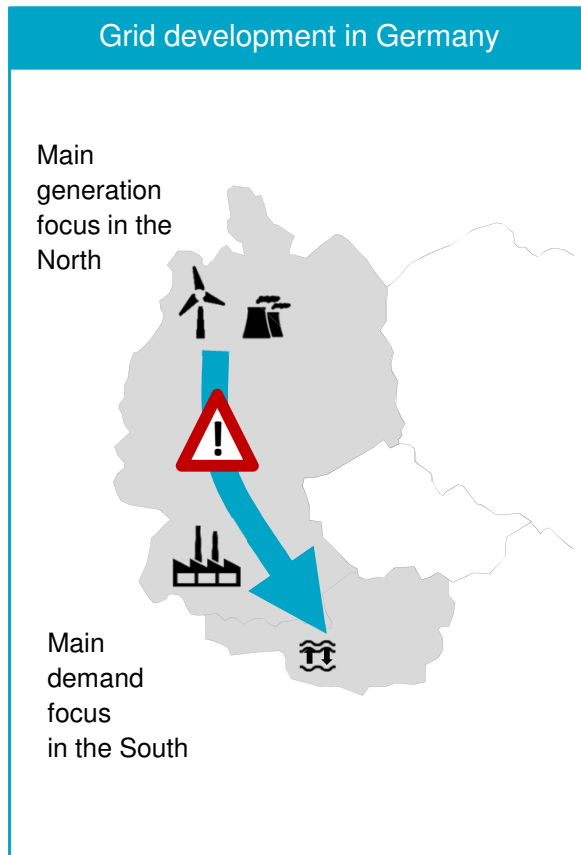
¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping. Page 12

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Appendix



Price zone Germany/Austria



- Electricity surplus from north cannot fully be transported to south due to missing grid capacities
 - Implementation of a split of the common prize zone between Germany/Austria on 1 October 2018 following a bilateral agreement between BNetzA and E-Control and approval procedures at relevant governing bodies
 - NTC agreed at 4.9 GW
- Consequences of the 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
- New products (electricity futures for Germany & Austria) at EEX introduced
- Assessment of current bidding zone configuration every three years
- Pending legal procedures

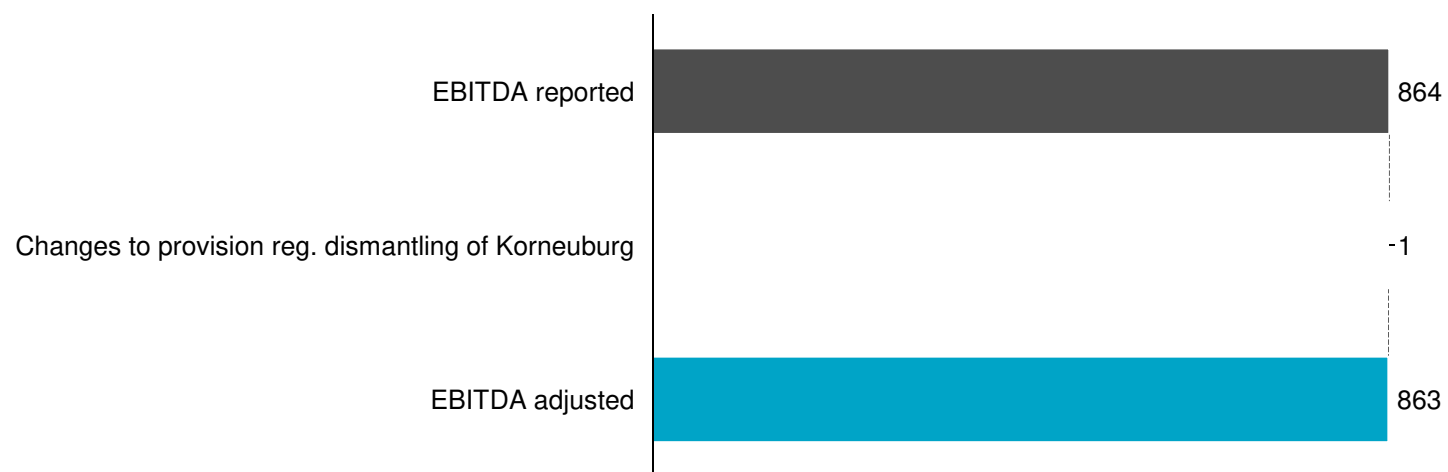
Income statement

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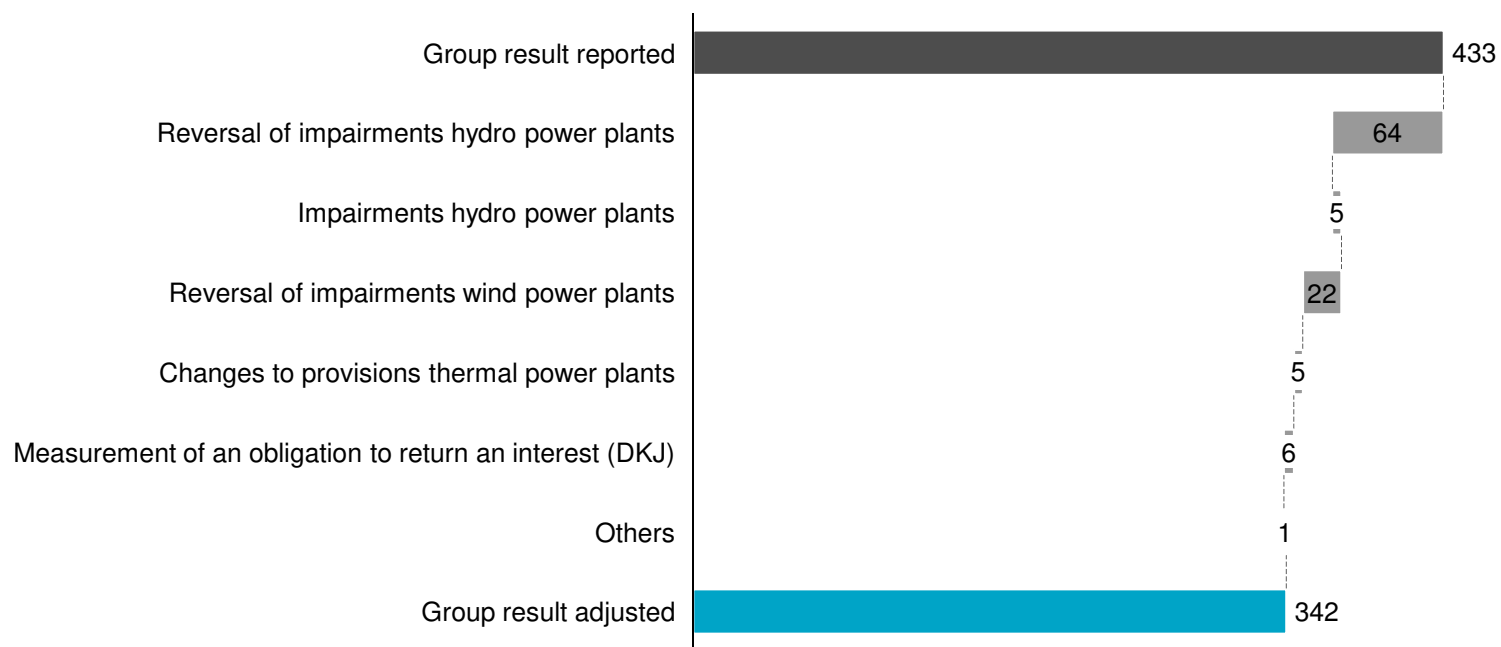
€m	2017	2018
	Total	Total
Revenue	2,913.2	2,847.9
Electricity revenue	2,370.2	2,189.8
Grid revenue	416.4	537.2
Other revenue	126.6	121.0
Other operating income	78.4	65.5
Expenses for electricity purchases & use of fuels	-1,542.4	-1,486.5
Other operating & personnel expenses	-526.8	-562.7
EBITDA	922.3	864.2
Depreciation & amortisation	-341.3	-327.3
Effects from impairment tests	-180.9	118.2
EBIT	400.1	655.1
Result from equity interests & oth. interests	39.1	37.3
Interest income/expense	-93.6	-95.4
Other financial result	38.2	7.8
Effects from impairment tests	-5.2	-1.8
Financial result	-21.6	-52.1
Taxes	-77.0	-126.8
Group result	301.4	433.2
Minorities	0.1	43.1
Earnings per share (€)	0.87	1.25
(Proposed) dividend per share (€)	0.42	0.42

Non-recurring effects influence EBITDA in €m

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Non-recurring effects influence Group result in €m



Balance sheet (short version)

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€m	2017	2018	Change
Non-current assets	10.662	10.703	0%
Current assets	622	1.002	61%
Total assets	11.284	11.705	4%
Equity	5.691	5.941	4%
Non-current liabilities	4.585	3.968	-13%
Current liabilities	1.008	1.796	78%
Total liabilities	11.284	11.705	4%

Cash flow statement (short version)

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€m	2017	2018	Change
Cash flow from operating activities	641	664	4%
Cash flow from investing activities	-219	-334	52%
Cash flow from financing activities	-421	-320	-24%
Change in cash and cash equivalents	1	11	—
Cash and cash equivalents at the end of the period	29	39	38%

Segment reporting










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in €m	Renewable generation		Sales		Grid		All other segments		Reconciliation/consolidation		Total Group	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
EBITDA reported	565.0	514.5	108.0	83.4	158.6	242.4	120.7	57.3	-30.0	-33.3	922.3	864.2
One-offs	0.0	0.0	0.0	0.0	0.0	0.0	-22.7	-0.8	0.0	0.0	-22.7	-0.8
EBITDA adjusted	565.0	514.5	108.0	83.4	158.6	242.4	98.1	56.5	-30.0	-33.3	899.7	863.5
Capital Employed	6,769.7	6,602.2	182.5	290.9	1,257.1	1,311.9	513.7	502.7	-86.2	185.2	8,636.8	8,892.8



Energy services
Thermal
Services
Participations

Capital market calendar 2019

	13/3/2019	Annual result and publication of annual report 2018
	20/4/2019	Record date for Annual General Meeting
	30/4/2019	Annual General Meeting
	7/5/2019	Ex-dividend date
	8/5/2019	Record date for dividends
	20/5/2019	Dividend payment date
	8/5/2019	Result and interim report quarter 1/2019
	1/8/2019	Result and interim report quarters 1–2/2019
	6/11/2019	Result and interim report quarters 1–3/2019

Management

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Wolfgang Anzengruber
CEO, Chairman of the Managing Board



Michael Strigl
Deputy Chairman of the Managing Board



Peter Kollmann
CFO, Member of the Managing Board



Achim Kaspar
Member of the Managing Board

Investor relations team

Verbund



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