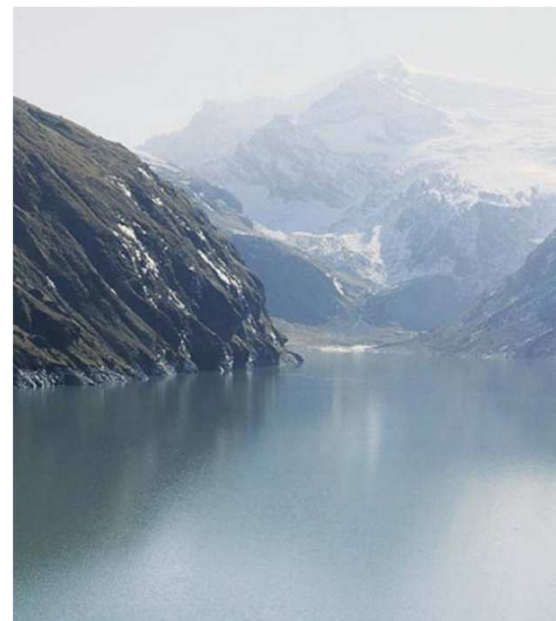
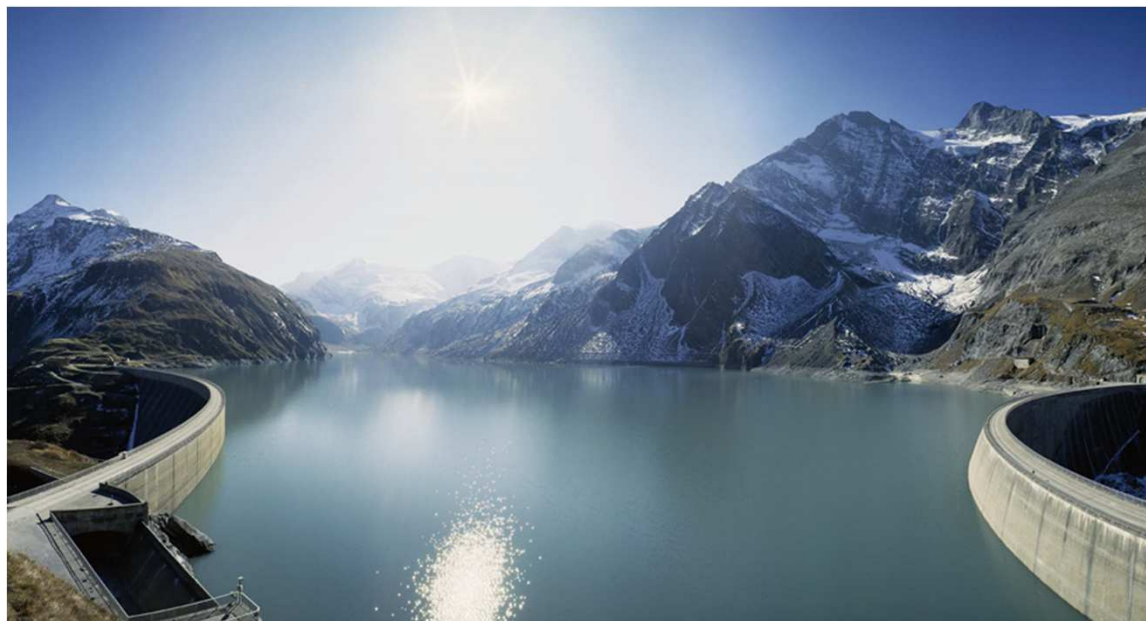


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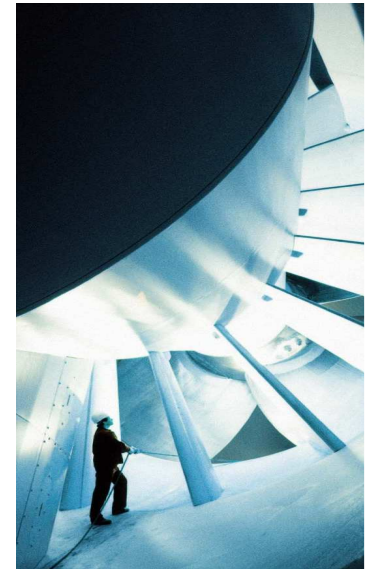


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VERBUND

Half year results 2019

Vienna, 1/8/2019



At a glance

Influencing factors

- Higher average achieved contract prices due to increased forward and spot prices for electricity
- Hydro coefficient 11 % above the long term average and 3 percentage points above Q1-2/2018
- Higher contribution from the high voltage grid
- Lower contribution from flexibility products (especially congestion management)
- Positive impact from cost cutting and efficiency improvement programs

Development of results, cash flows and debt

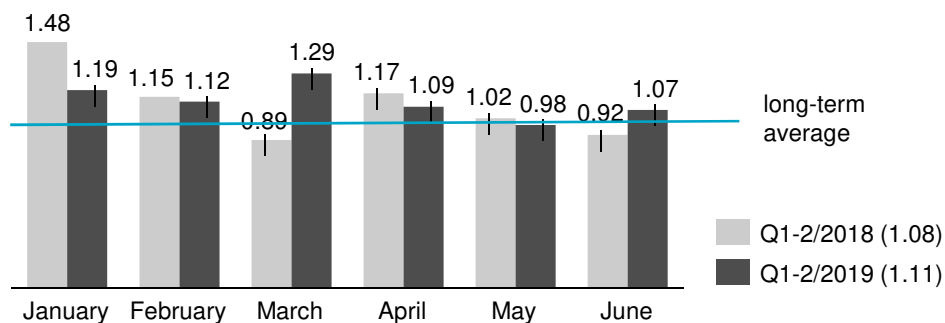
- EBITDA €685.9m (+36.2%), Adjusted EBITDA €685.9 (+36.4%)
- Group result €338.2m (+48.7%), Adjusted Group result €340.3 (+53.1%)
- Operating cash flow €690.7m (+43.9%); Free cash flow after dividends €355.5m (+100.0%)
- Net Debt €2,433.2m (-5.0%)

Outlook 2019 increased

- EBITDA between approx. €1,180m and €1,250m, Group result between approx. €530m and €580m
- Pay-out ratio between 40% and 45% on adjusted Group result between approx. €530m and €580m

Slightly higher own generation; higher average achieved contract price for hydro production

Hydro coefficient (run-of-river)

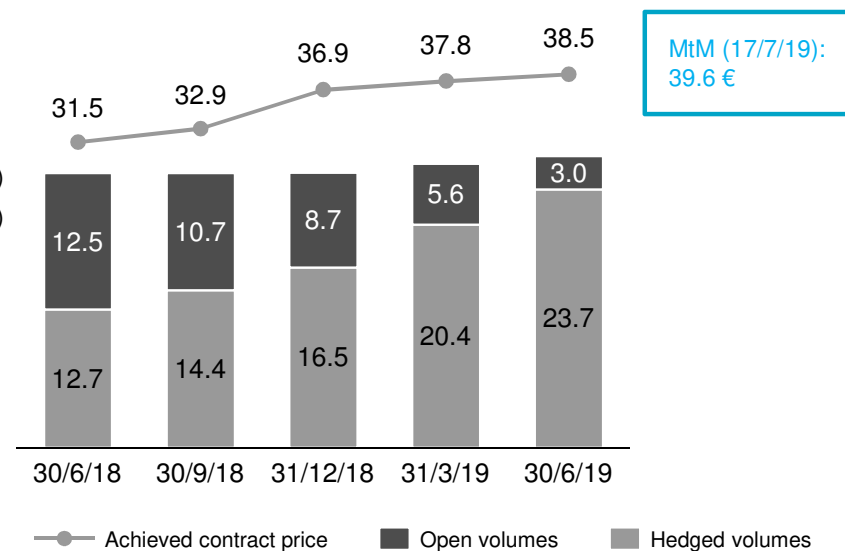


Electricity supply 33,651 GWh (+1,332 GWh, +4,1%)

- Hydropower: 16,689 GWh (+231 GWh, +1.4%)
 - Storage power: 2,226.2 GWh (-209 GWh)
- Thermal Power: 497 GWh (-112 GWh, -18.3%)
 - CCGT Mellach: 208 GWh (-35 GWh)
- Wind: 515 GWh (+63 GWh, +13.9%)
- Purchase from third parties: 15,951 (+1,149 GWh)

Hedging volumes 2019¹/ TWh

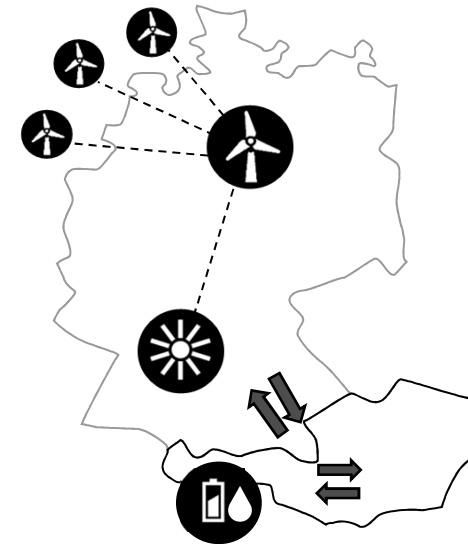
FY2018: €29.3/MWh



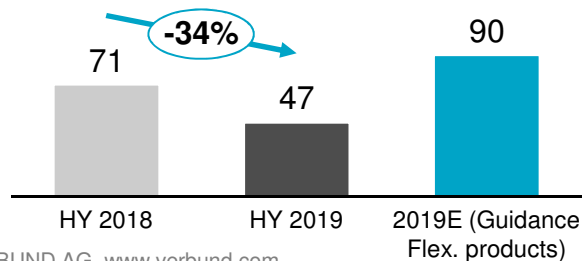
¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

Flexibility products lower than in 2018

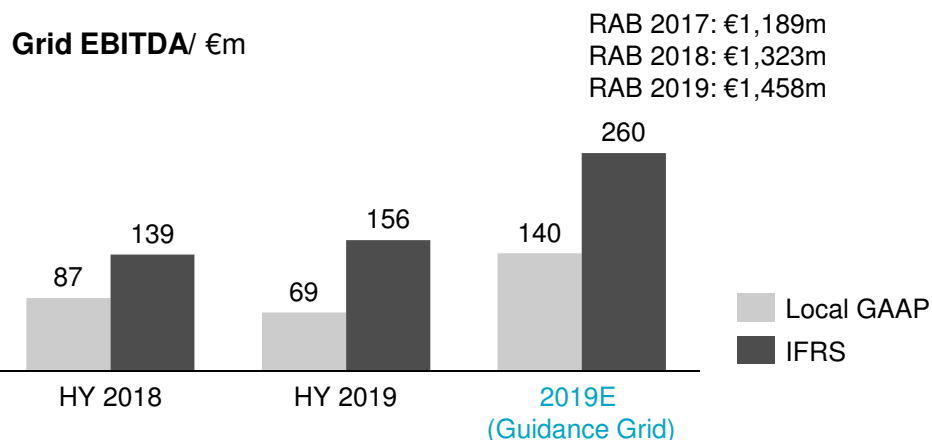
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Demand for flexibility products depending on the following influencing factors:
 - Temperatures/weather in winter/summer
 - Revision of nuclear power plants
 - Hydro production
 - Installation of phase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



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 in Q1-2/2019 (IFRS)

- Higher contribution margin from auctions regarding cross border capacities and initial application of IFRS 16

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)

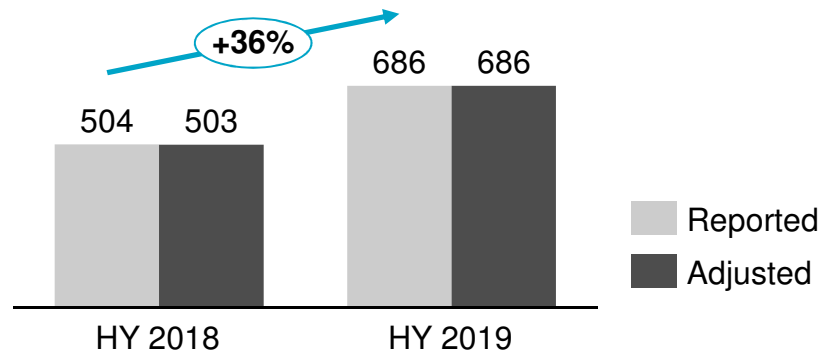
Non-recurring effects

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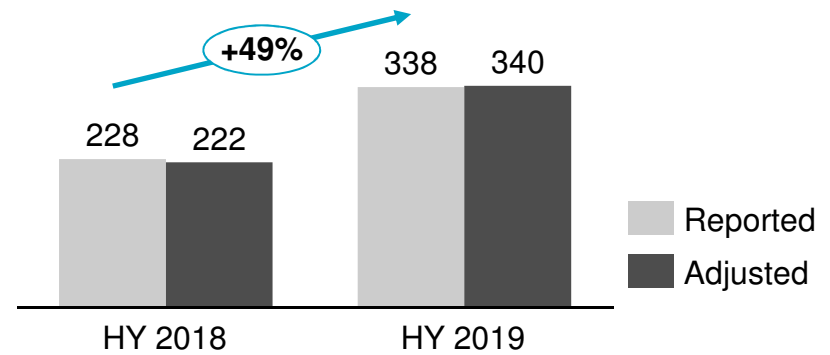
€m	Detail	HY 2019	HY 2018
	Other operating expenses	0	1
EBITDA		0	1
	Impairments	0	6
Operating result	Total	0	7
Other financial result	Measurement of an obligation to return an interest (DKJ)	-2	0
Financial result		-2	0
Taxes	Effects due to the non-recurring effects above	1	-2
Group result	Total	-2	5

Key financial figures (1)

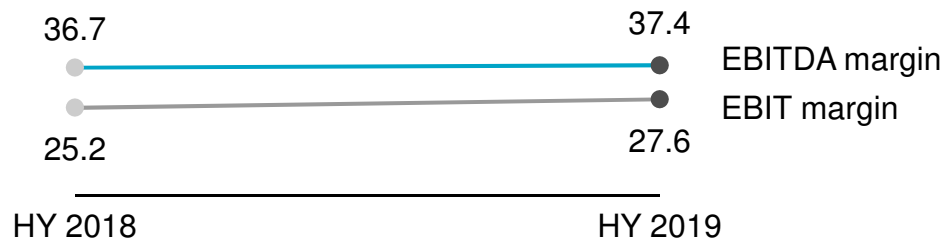
EBITDA/ €m



Group result/ €m

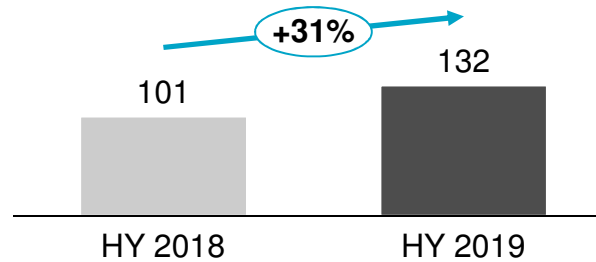


Margins/ %



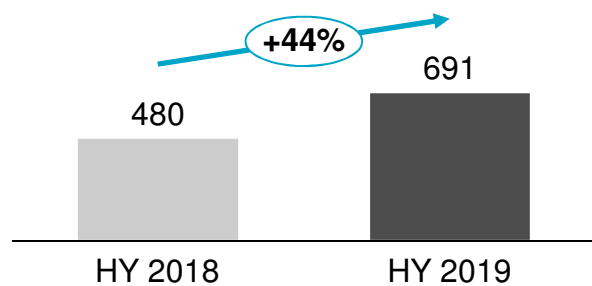
Additions/ €m

to tangible assets

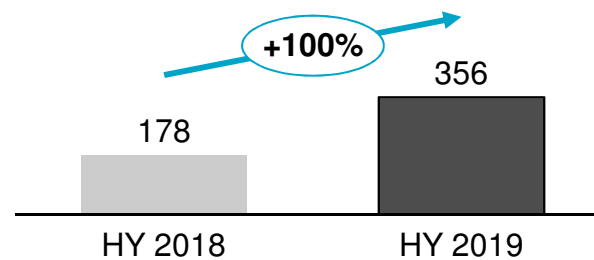


Key financial figures (2)

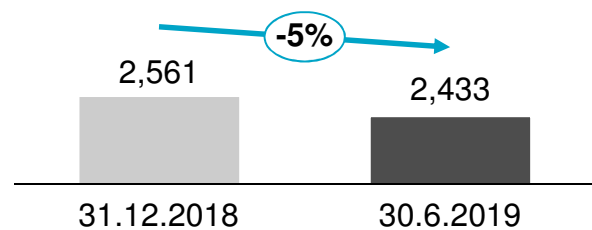
Operating cash flow/ €m



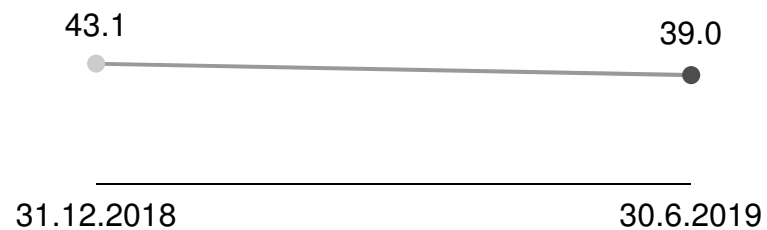
Free cash flow after dividends/ €m



Net debt/ €m

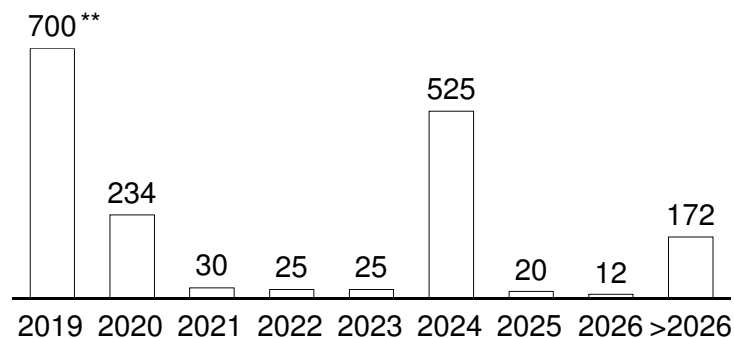


Gearing/ %

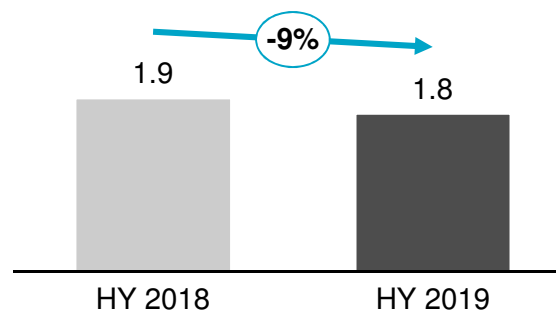


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €bn



Financial liabilities

- Book value Financial liabilities: €1,776m

Financial ratios

- Duration: 2.9 years
- Effective interest rate: 3.7% p.a.
- Uncommitted lines of credit: approx. €722m*
- 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
INVESTORS SERVICE

Baa1/positive outlook

Outlook

Sensitivities 2019

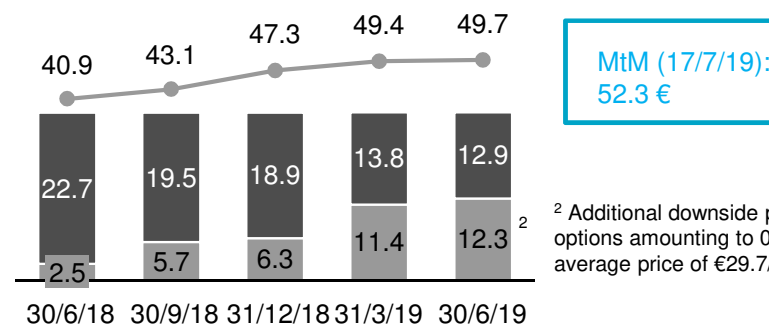
A change of 1% (generation from hydropower/ windpower) or €1/MWh (wholesale price) either way would be reflected as follows in the group result for 2019, other things being equal:

- Greater or less generation from hydropower: +/- €3.6m
- Greater or less generation from windpower: +/- €0.2m
- Wholesale prices (renewable generation): +/- €2.1m

Earnings outlook 2019 increased, band narrowed

EBITDA of between approx. €1,180m and approx. €1,250m and Group result of between approx. €530m and approx. €580m based on an average generation from hydropower and windpower in Q3–4/2019 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.

Hedging volumes 2020¹ incl. options/ TWh



² Additional downside protection by options amounting to 0.7 TWh @ an average price of €29.7/MWh

Hedging volumes 2021¹/ TWh



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

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

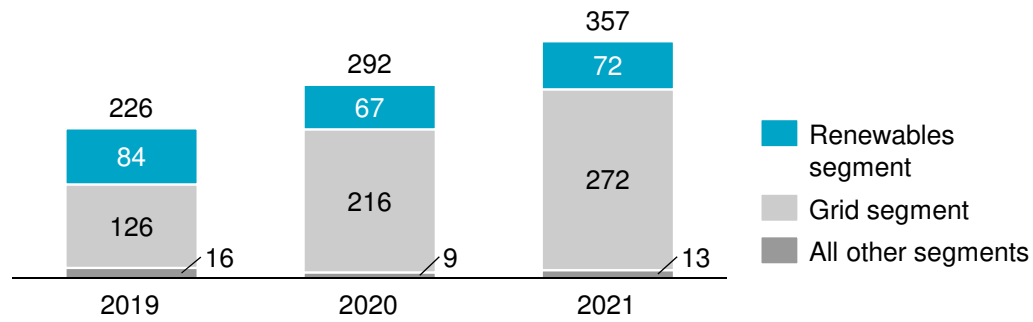
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Appendix

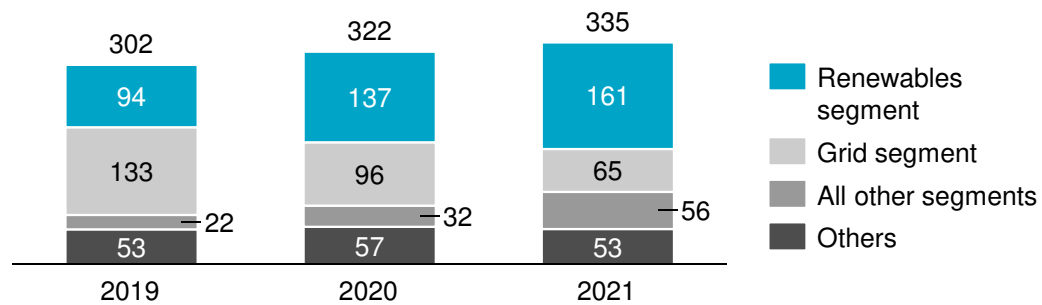


CAPEX plan 2019-2021

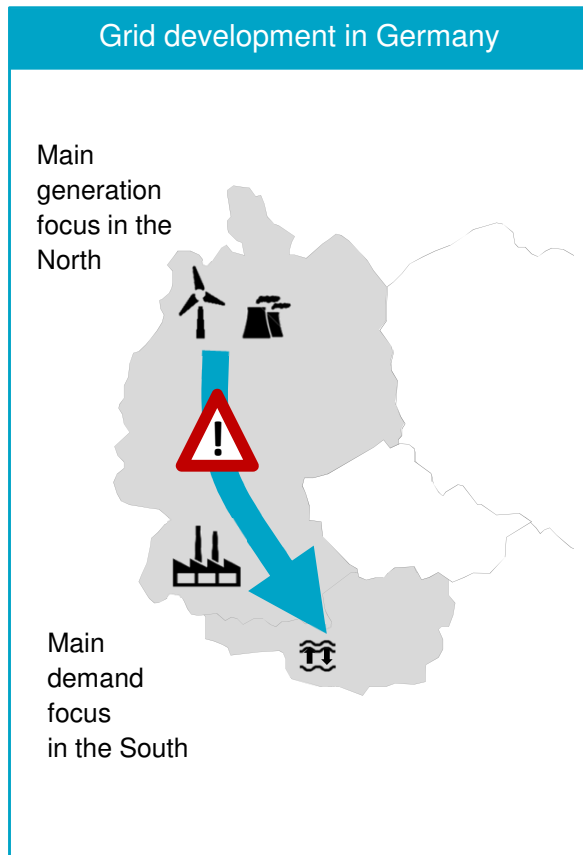
Growth CAPEX/ €m (total of €875m)



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



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 price 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	Q1-2/2018	Q1-2/2019
	Total	Total
Revenue	1,373.2	1,835.2
Electricity revenue	1,052.0	1,473.9
Grid revenue	248.1	288.5
Other revenue	73.1	72.8
Other operating income	26.9	27.5
Expenses for electricity purchases & use of fuels	-631.8	-911.6
Other operating & personnel expenses	-264.6	-265.2
EBITDA	503.7	685.9
Depreciation & amortisation	-163.2	-179.8
Effects from impairment tests	6.2	-0.3
EBIT	346.7	505.8
Result from equity interests & oth. interests	25.3	27.8
Interest income/expense	-47.4	-45.7
Other financial result	0.1	6.6
Effects from impairment tests	0.0	0.0
Financial result	-22.0	-11.3
Taxes	-72.1	-109.2
Group result	227.5	338.2
Minorities	25.1	47.0
Earnings per share (€)	0.65	0.97

Balance sheet (short version)

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€m	31.12.2018	30.6.2019	Change
Non-current assets	10.703	10.841	1%
Current assets	1.002	1.117	11%
Total assets	11.705	11.957	2%
Equity	5.941	6.236	5%
Non-current liabilities	3.968	3.980	0%
Current liabilities	1.796	1.741	-3%
Total liabilities	11.705	11.957	2%

Cash flow statement (short version)

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€m	Q1-2/2018	Q1-2/2019	Change
Cash flow from operating activities	480	691	44%
Cash flow from investing activities	-311	-361	16%
Cash flow from financing activities	-175	-226	29%
Change in cash and cash equivalents	-6	104	–
Cash and cash equivalents at the end of the period	23	143	–

Capital market calendar 2019

	1/8/2019	Result and interim report quarters 1–2/2019
	6/11/2019	Result and interim report quarters 1–3/2019

Management



Wolfgang Anzengruber
CEO, Chairman of the Managing Board



Michael Strugl
Deputy Chairman of the Managing Board



Peter Kollmann
CFO, Member of the Managing Board



Achim Kaspar
Member of the Managing Board

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