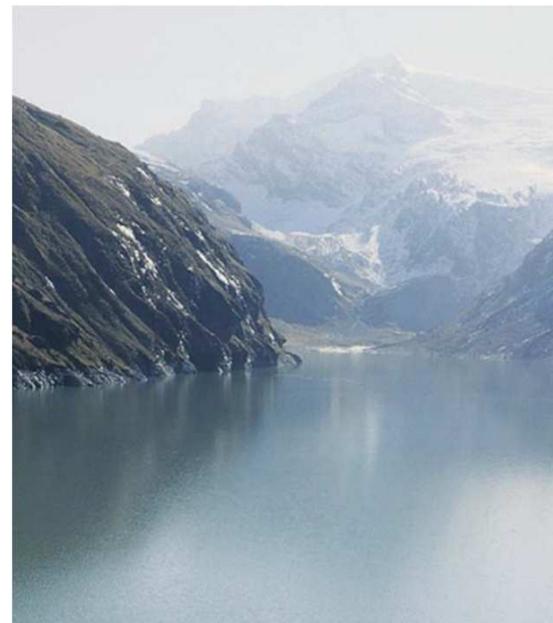


Verbund



Verbund

VERBUND

Full year results 2019

Vienna, 18/3/2020

© VERBUND AG, www.verbund.com



At a glance

Influencing factors

- Water supply higher than level for FY2018 and slightly higher than long-term average
- Higher contract prices for own generation from hydropower
- Higher contribution from high voltage grid
- Lower contribution from flexibility products

Development of results, cash flows and debt

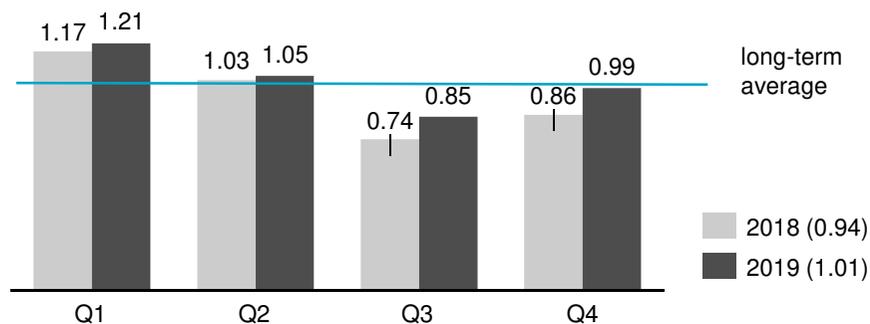
- Reported EBITDA €1,183.5m (+36.9%); Adjusted EBITDA €1,183.5m (+37.1%)
- Reported Group result €554.8m (+28.1%); Adjusted Group result €549.0m (+60.4%)
- Operating cash flow €1,204.3m (+81.3%); Free cash flow after dividend €639.3m (+169.5%)
- Net Debt €2,256.1m (-11.9%)

Dividend 2019

- Dividend proposal 2019: €0.69/share (+64.3%)
- Pay-out ratio of 43.2% (43.7% on adjusted Group result)

Higher water supply resulting in higher own generation; Higher average achieved contract price for hydro production

Hydro coefficient (run-of-river)

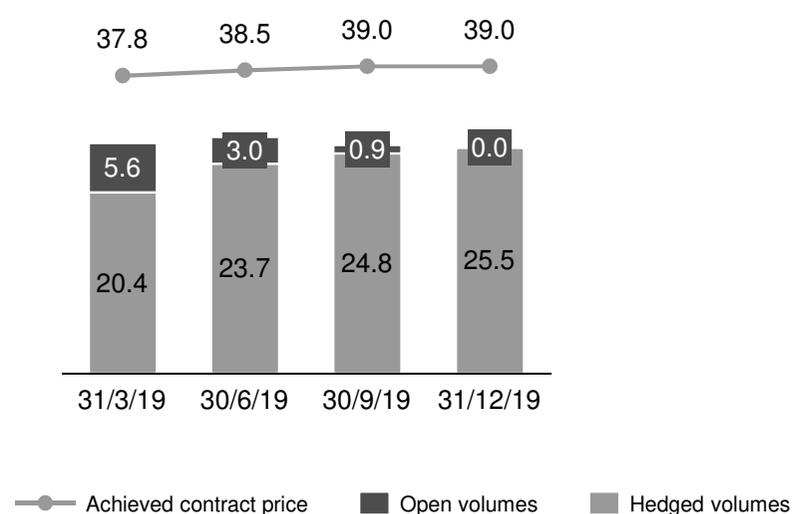


Electricity supply 66,292 GWh (+3,097 GWh, +4.9%)

- Hydropower: 30,660 GWh (+1,976 GWh, +6.9%)
 - Storage power: 4,595 GWh (-103 GWh)
- Thermal Power: 1,570 GWh (-42 GWh, -2.6%)
 - CCGT Mellach: 888 GWh (-27 GWh)
- Wind Power: 929 GWh (+95 GWh, +11.4%)
- Purchase from third parties: 33,133 (+1,068 GWh)

Hedging volumes 2019¹/ TWh

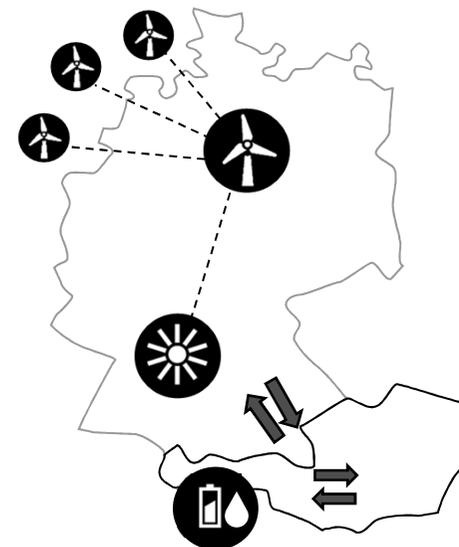
FY2018: €29.3/MWh



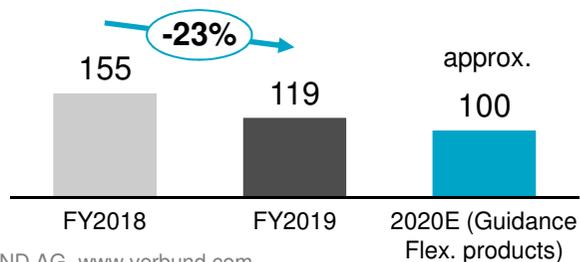
¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

Flexibility products lower than in 2018

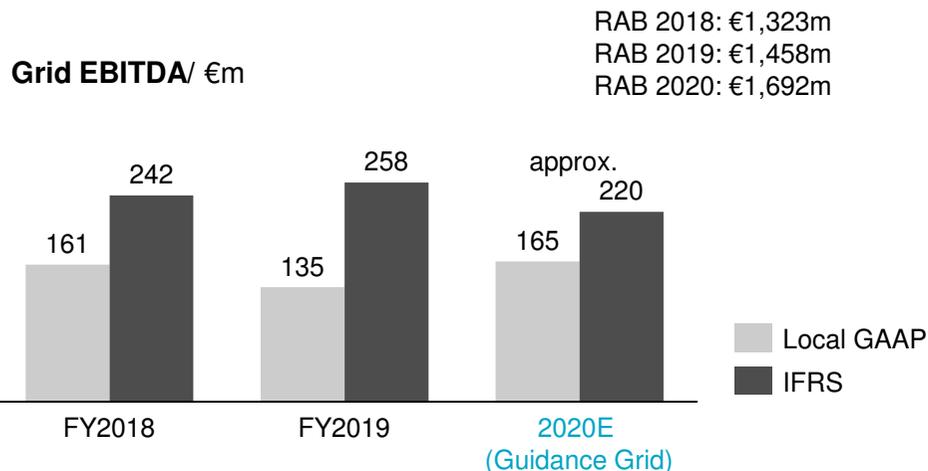
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Demand for flexibility products depending on the following influencing factors:
 - Temperatures/weather in winter/summer
 - Revision of nuclear power plants
 - Hydro production
 - Installation of phase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



Slightly 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 2019/ km

Voltage Level	Route length	System length
380-kV	1,156	2,583
220-kV	1,613	3,206
110-kV	656	1,170
110-kV (cable)	3	6
Total	3,428	6,965

Increase in grid EBITDA 2019 (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)

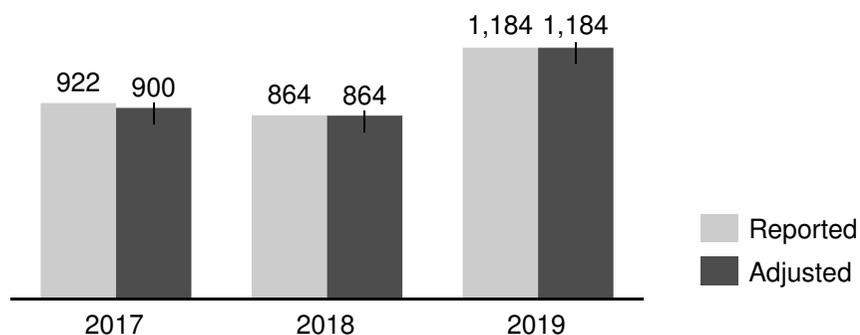
Non-recurring effects P&L in 2019

Verbund

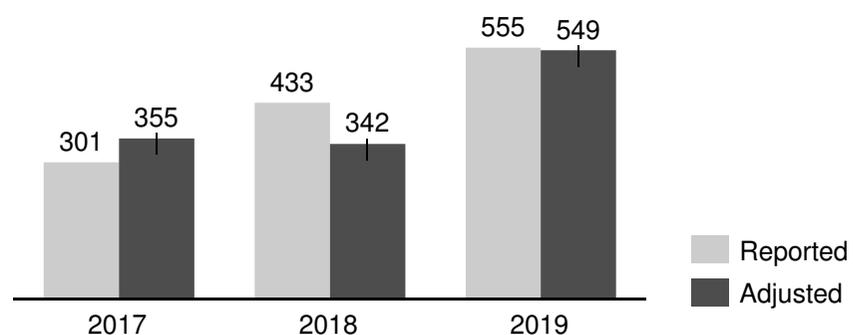
€m	Detail	2019	2018
Other operating expenses		0	1
EBITDA	Total	0	1
Impairments		-1	-9
Reversal of impairments	Hydro and wind power plants	48	127
Operating result	Total	47	119
Other financial result	Measurement of an obligation to return an interest (DKJ)	-56	8
Reversal of impairments	Ashta/Albania	16	-2
Financial result	Total	-39	6
Taxes	Effects due to the non-recurring effects above	4	-30
Minorities	Effects due to the non-recurring effects above	-6	-4
Group result	Total	6	91

Key figures (1)

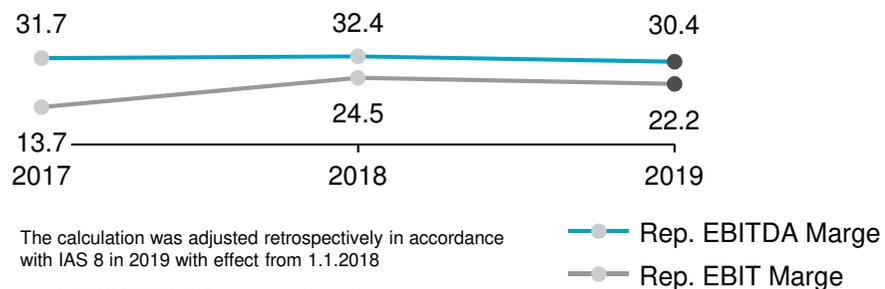
EBITDA/ €m



Group result/ €m

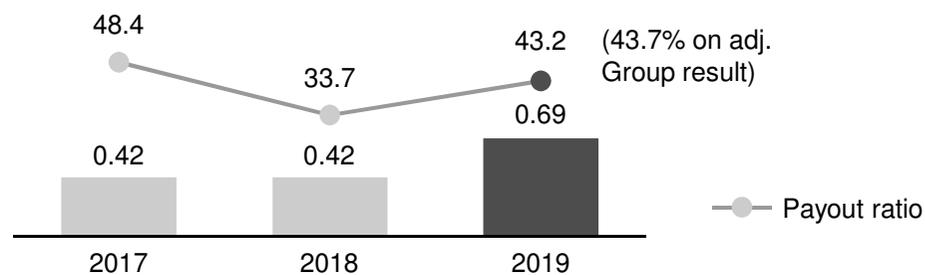


EBITDA margin, EBIT margin/ %



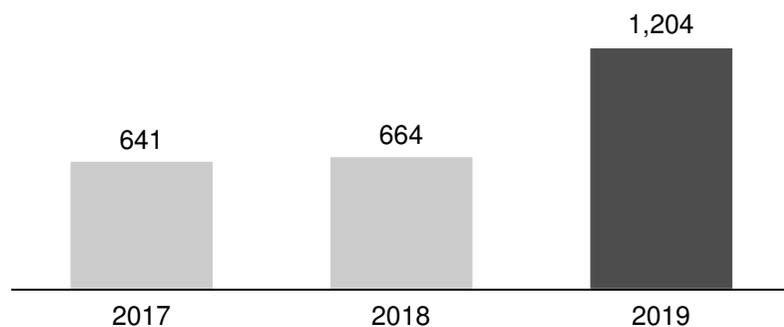
The calculation was adjusted retrospectively in accordance with IAS 8 in 2019 with effect from 1.1.2018

Dividend; Payout ratio from Group result/ €; %

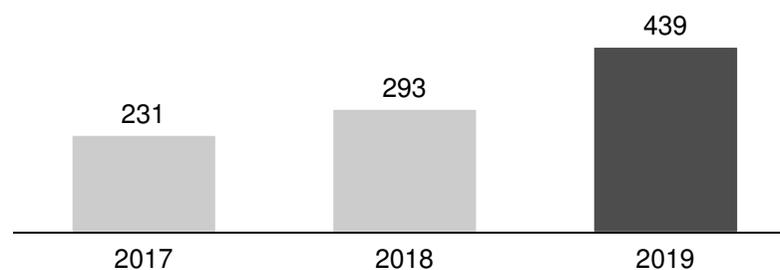


Key figures (2)

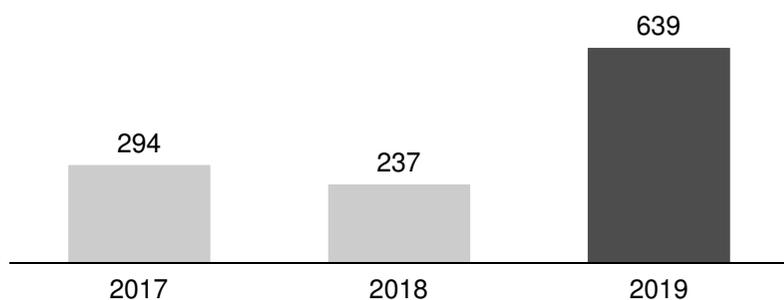
Operating cash flow/ €m



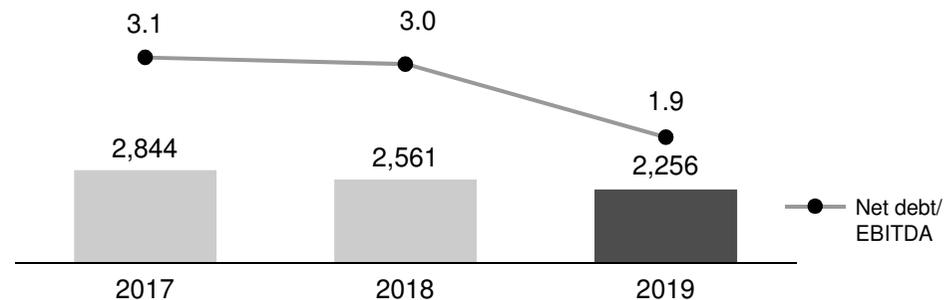
Additions/ €m
to tangible assets



Free cash flow after dividend/ €m

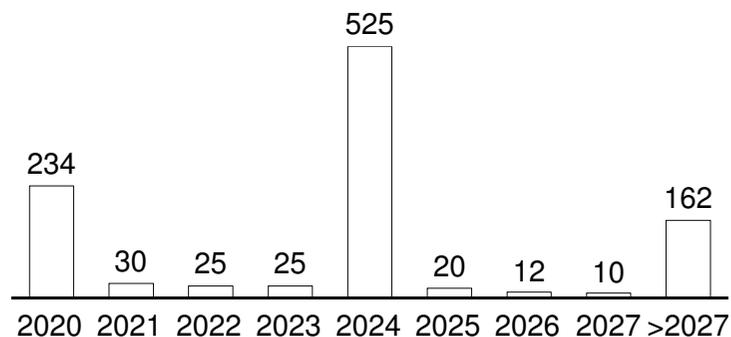


Net debt; Net debt/EBITDA/ €m; x

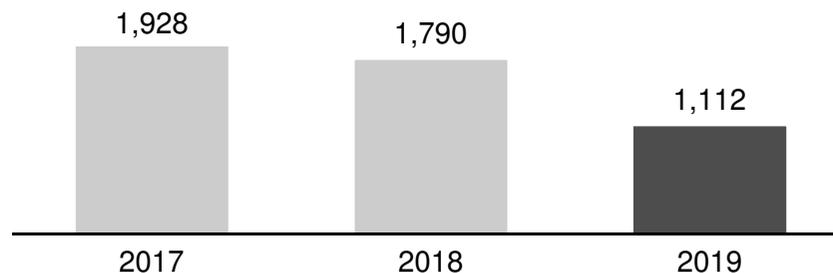


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €mn



Financial liabilities

- Book value Financial liabilities: €1,112m

Financial ratios

- Duration: 4.1 years
- Effective interest rate: 2.79% p.a.
- Uncommitted lines of credit: approx. €500m*
- Syndicated loan: €500m

Interest mix

- 91% fixed interest rate
- 9% floating interest rate

Currency

- 100% EUR

Rating

S&P Global
Ratings

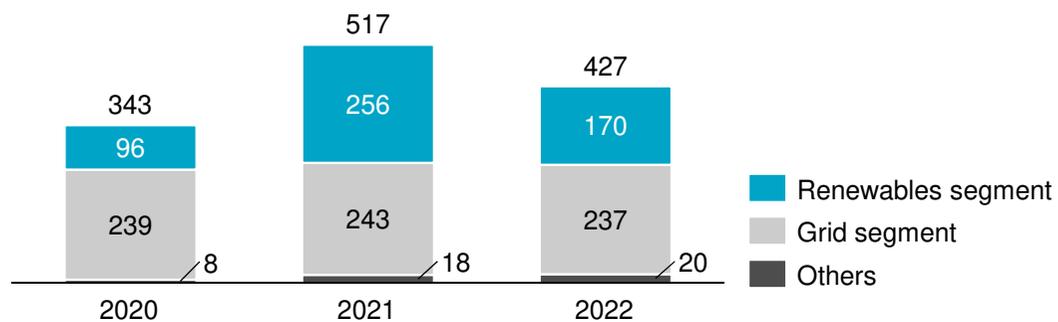
A/stable outlook

MOODY'S
INVESTORS SERVICE

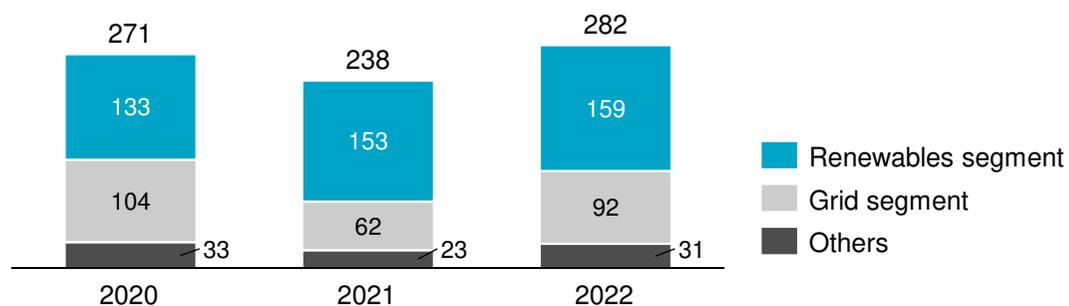
A3/stable outlook

CAPEX plan 2020-2022 (total of €2,077m)

Growth CAPEX/ €m (total of €1,287m)



Maintenance CAPEX/ €m (total of €790m)



Outlook

Sensitivities 2020

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 2020, other things being equal:

- Greater or less generation from hydropower: +/- €6.8m
- Greater or less generation from windpower: +/- €0.6m
- Wholesale prices (renewable generation): +/- €5.9m

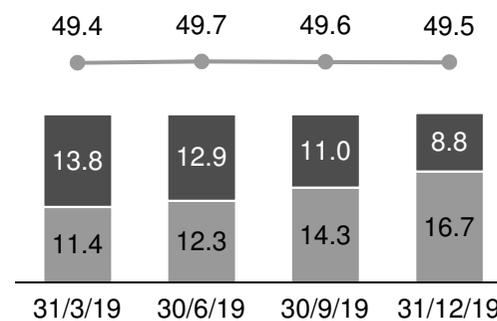
Earnings outlook 2020

EBITDA between approx. €1,150m and approx. €1,340m and Group result between approx. €510m and approx. €630m based on an average generation from hydropower and windpower as well as the opportunities and risk situation of the Group.

For financial year 2020, VERBUND plans to pay out between 40 and 50% of the Group result after adjustment for non-recurring effects of between approx. €510m and €630m.

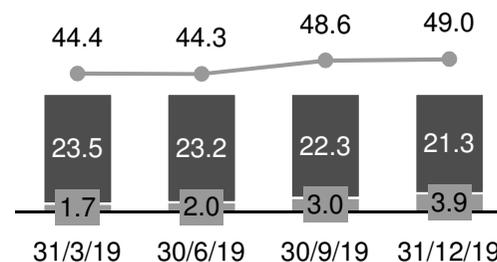
© VERBUND AG, www.verbund.com

Hedging volumes 2020¹/ TWh



MtM (27/2/20):
45.1€

Hedging volumes 2021¹ / TWh



MtM (27/2/20):
44.4€

—●— 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

Verbund

Appendix

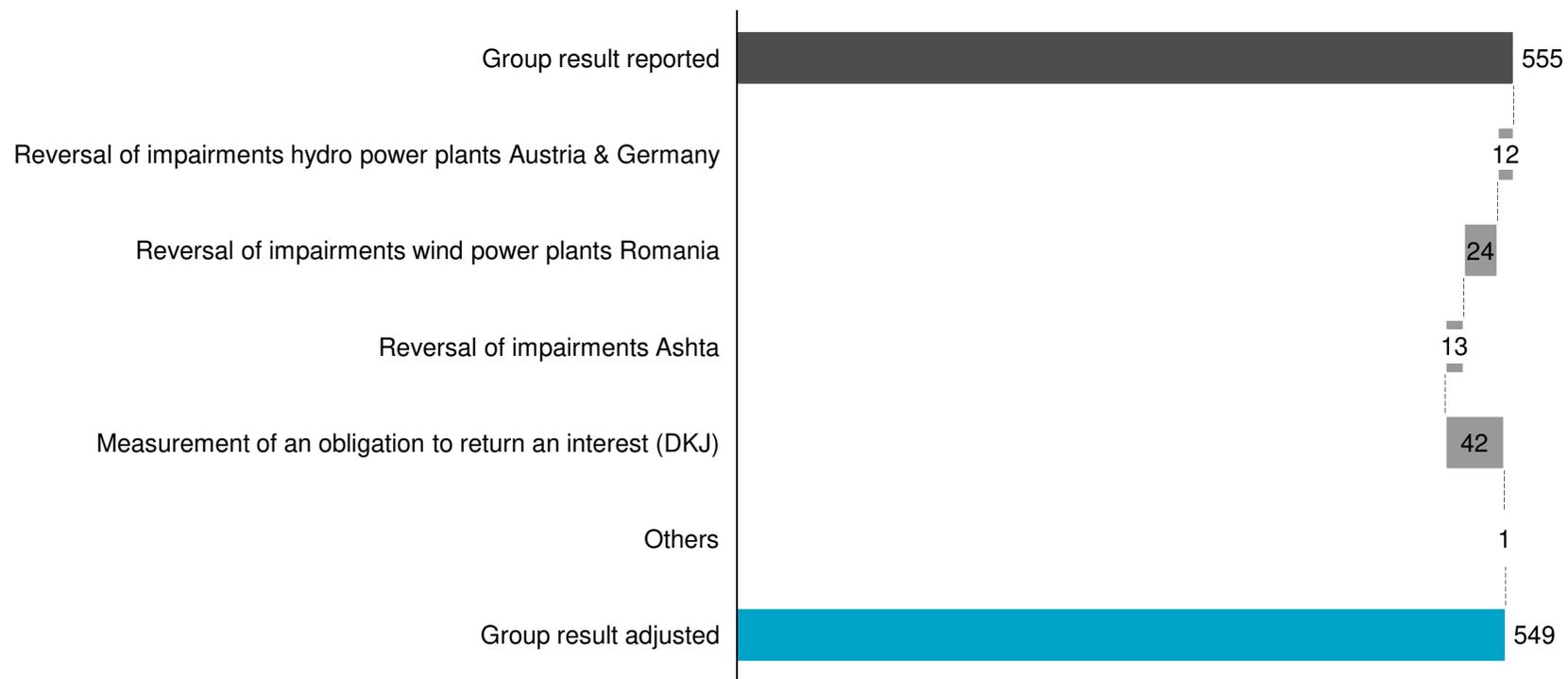


Income statement

Verbund

€m	2018	2019
	Total	Total
Revenue	2.671.1	3,895.0
Electricity revenue	2.011.3	3,190.8
Grid revenue	537.2	566.6
Other revenue	122.6	137.6
Other operating income	65.5	74.1
Expenses for electricity purchases & use of fuels	1,309.6	-2.203.2
Other operating & personnel expenses	-562.7	-582.4
EBITDA	864.2	1,183.5
Depreciation & amortisation	-327.3	-364.2
Effects from impairment tests	118.2	46.6
EBIT	655.1	865.9
Result from equity interests & oth. interests	37.3	46.9
Interest income/expense	-95.4	-77.6
Other financial result	7.8	-39.1
Effects from impairment tests	-1.8	16.4
Financial result	-52.1	-53.4
Taxes	-126.8	-171.8
Group result	433.2	554.8
Minorities	43.1	85.9
Earnings per share (€)	1.25	1.60
(Proposed) dividend per share (€)	0.42	0.69

Non-recurring effects influence Group result in €m



Balance sheet (short version)

Verbund

€m	2018	2019	Change
Non-current assets	10.703	11.062	3%
Current assets	1.002	777	-22%
Total assets	11.705	11.839	1%
Equity	5.941	6.568	11%
Non-current liabilities	3.968	4.107	4%
Current liabilities	1.796	1.163	-35%
Total liabilities	11.705	11.839	1%

Cash flow statement (short version)

Verbund

€m	2018	2019	Change
Cash flow from operating activities	664	1.204	81%
Cash flow from investing activities	-334	-322	–
Cash flow from financing activities	-320	-877	–
Change in cash and cash equivalents	11	5	–
Cash and cash equivalents at the end of the period	39	45	13%

Capital market calendar 2020

	18/3/2020	Annual result and publication of annual report 2019
	18/4/2020	Record date for Annual General Meeting
	28/4/2020	Annual General Meeting
	5/5/2020	Ex-dividend date
	6/5/2020	Record date for dividends
	18/5/2020	Dividend payment date
	13/5/2020	Result and interim report quarter 1/2020
	30/7/2020	Result and interim report quarters 1–2/2020
	5/11/2020	Result and interim report quarters 1–3/2020

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

Investor relations team



Andreas Wollein
Head of Group Finance, M&A
and Investor Relations
T +43(0)503 13-52614
andreas.wollein@verbund.com



Martin Weigl
Senior Investor Relations Manager
T +43(0)503 13-52616
martin.weigl@verbund.com



Stefan Wallner
Investor Relations Manager
T +43(0)503 13-52617
stefan.wallner@verbund.com