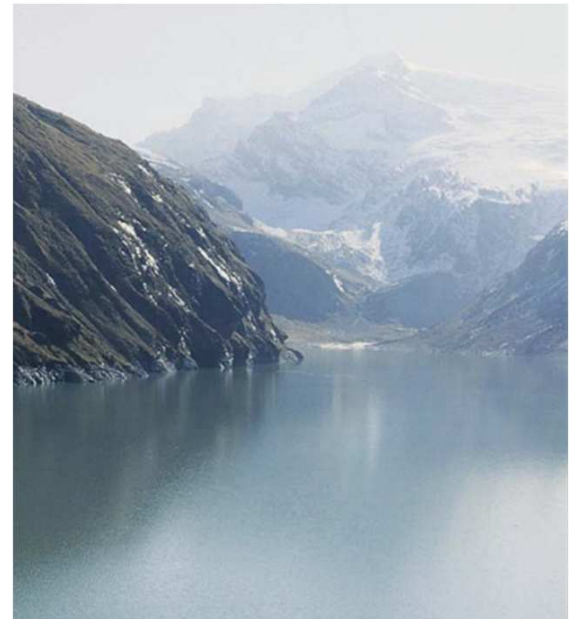
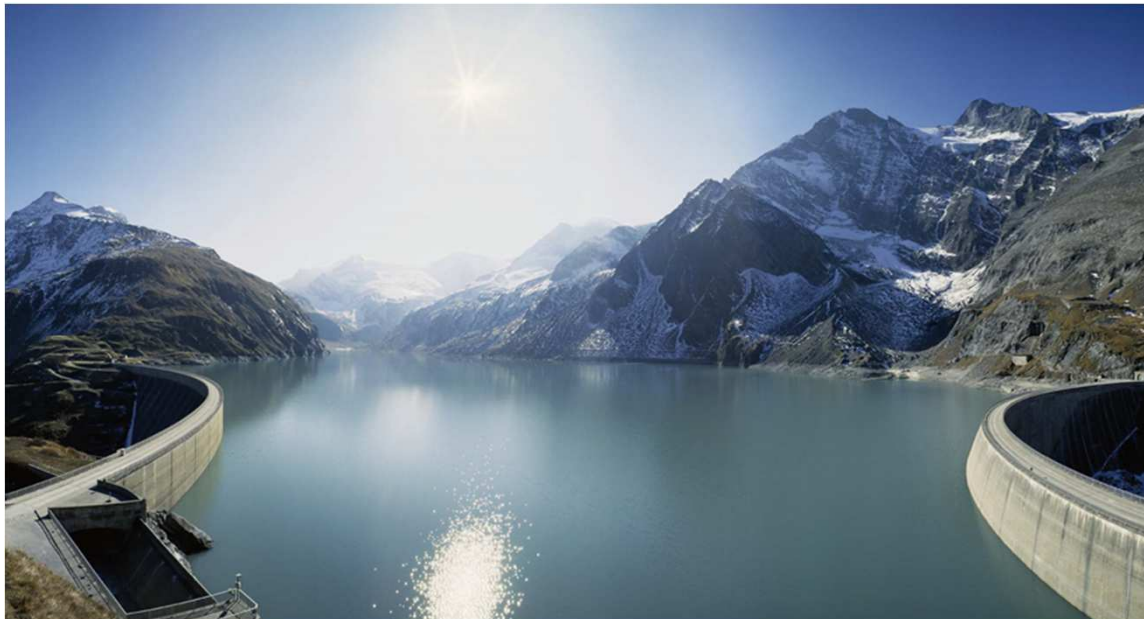


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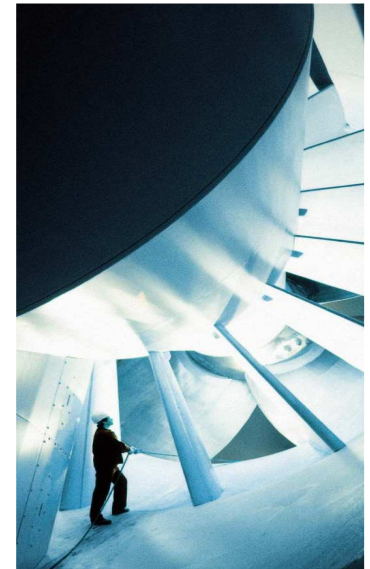
**Verbund**

# VERBUND

## Half year results 2020

Vienna, 30/7/2020

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# At a glance

## Influencing factors

- Changes in energy market environment due to COVID-19 crisis
- Higher average achieved contract prices for own generation from hydro production due to long term hedging strategy
- Hydro coefficient 5 percentage points below the long term average and 16 percentage points below Q1-2/2019
- Higher contribution from flexibility products (especially congestion management)
- Lower contribution from the high voltage grid
- Positive contribution from financial result

## Development of results, cash flows and debt

- EBITDA €639.0m (–6.8%), adjusted EBITDA €639.0 (–6.8%)
- Group result €310.4m (–8.2%), adjusted Group result €301.0 (–11.6%)
- Operating cash flow €584.6m (–15.4%); Free cash flow after dividends €268.1m (–24.6%)
- Net Debt €2,129.0m (–5.6%)

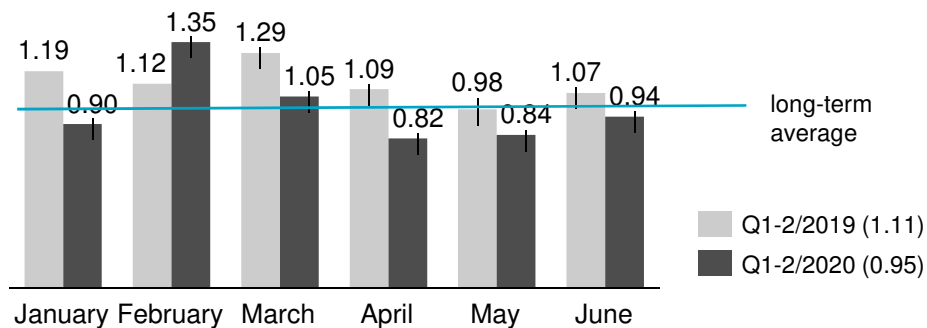
## Outlook range 2020 narrowed

- EBITDA between approx. €1,150m and €1,250m, Group result between approx. €510m and €570m
- Pay-out ratio between 40% and 50% on adjusted Group result between approx. €500 and €560m

# Lower own generation

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## Hydro coefficient (run-of-river)

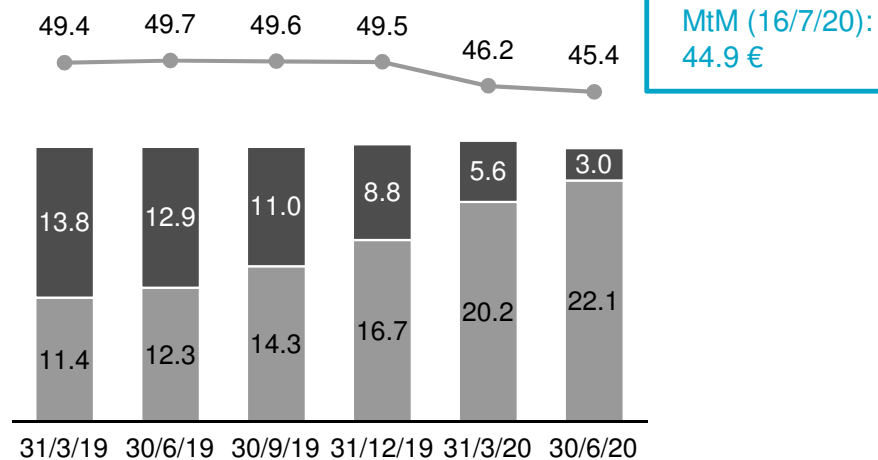


## Electricity supply 32,964 GWh (–687 GWh, –2.0%)

- Hydropower: 14,992 GWh (–1,697 GWh, –10.2%)
  - Storage power: 2,484 GWh (+258 GWh)
- Thermal Power: 676 GWh (+179 GWh, +36.0%)
  - CCGT Mellach: 341 GWh (+133 GWh)
- Wind: 515 GWh (–0 GWh, –0.0%)
- Purchase from third parties: 16,782 (+831 GWh)

## Hedging volumes 2020<sup>1</sup>/ TWh

FY2019: €39.0/MWh



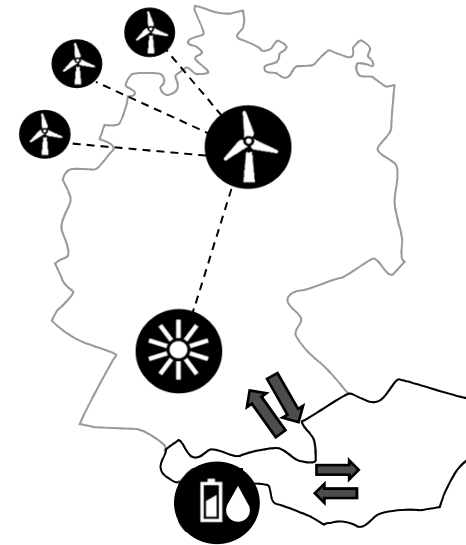
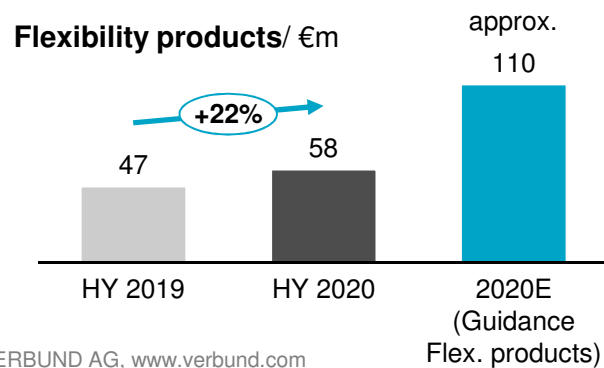
MtM (16/7/20):  
44.9 €

— Achieved contract price    ■ Open volumes    ■ Hedged volumes

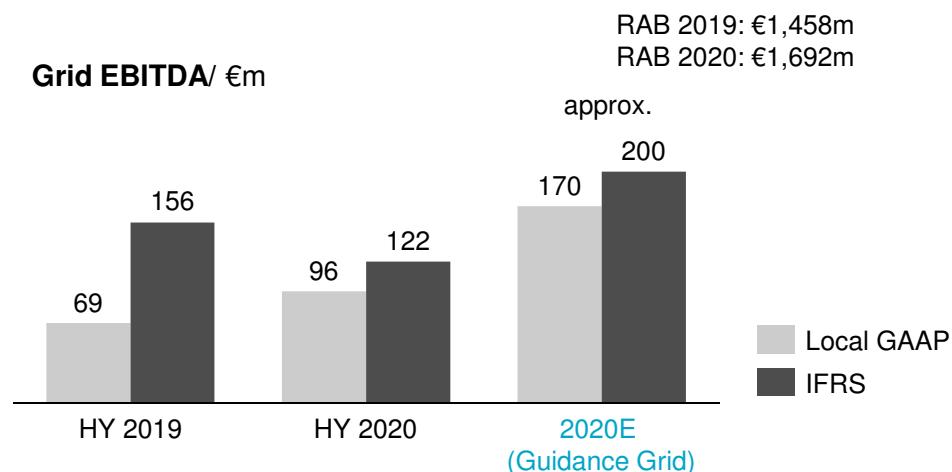
<sup>1</sup> Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

# Flexibility products increased

- 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



## Lower result contribution from high voltage grid



### 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
<b>Total</b>	<b>3,428</b>	<b>6,965</b>

### 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

### Decrease in grid EBITDA Q1-2/2020 (IFRS)

- Lower contributions from congestion management and auctioning off of cross-border grid capacities

### 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

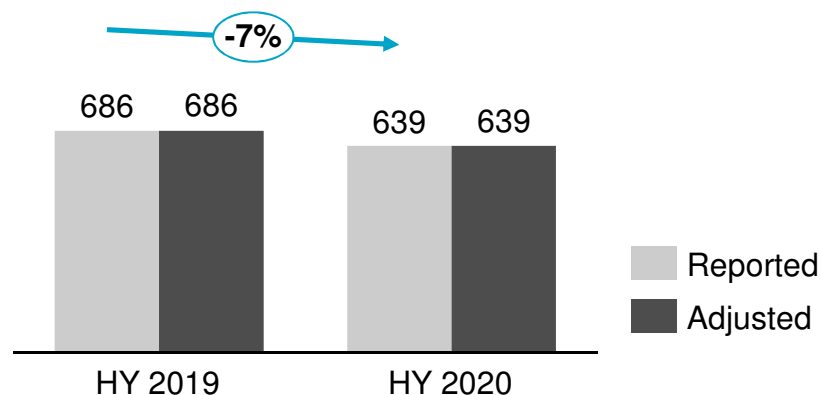
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€m	Detail	HY 2020	HY 2019
<b>EBITDA</b>		<b>0</b>	<b>0</b>
Impairments	CCGT Mellach, HPP Graz, HPP Gries, others	-15	0
<b>Operating result</b>	<b>Total</b>	<b>-15</b>	<b>0</b>
Other financial result	Measurement of an obligation to return an interest (DKJ)	26	-2
Impairments	HPP Ashta	-1	
<b>Financial result</b>		<b>25</b>	<b>-2</b>
Taxes	Effects due to the non-recurring effects above	-3	1
Minorities	HPP Graz, Gries & Ashta	2	
<b>Group result</b>	<b>Total</b>	<b>9</b>	<b>-2</b>

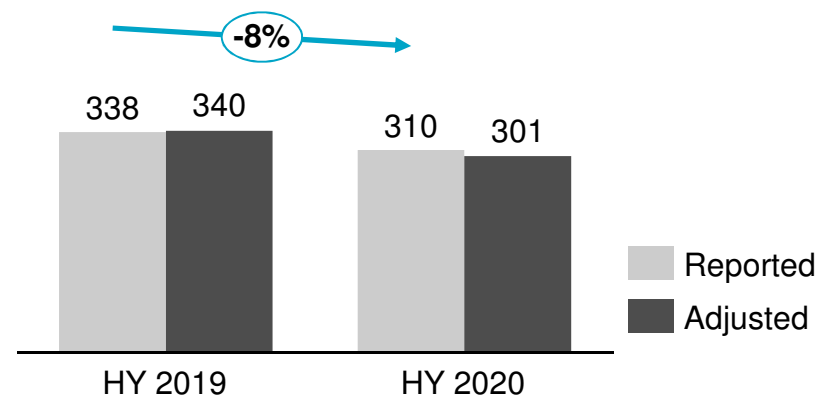
# Key financial figures (1)

Verbund

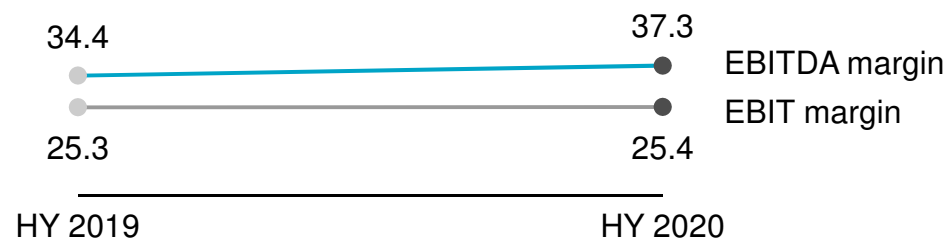
EBITDA/ €m



Group result/ €m

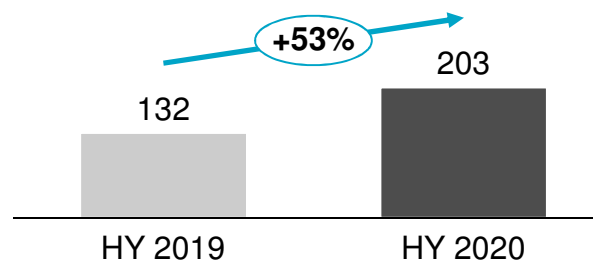


Margins/ %



Additions/ €m

to tangible assets

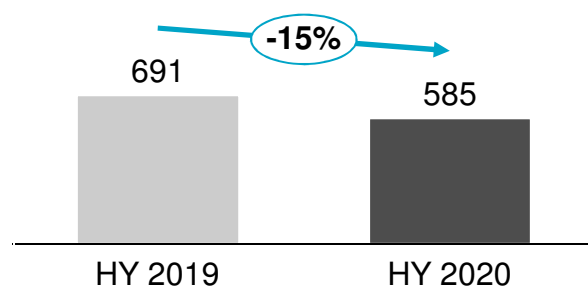




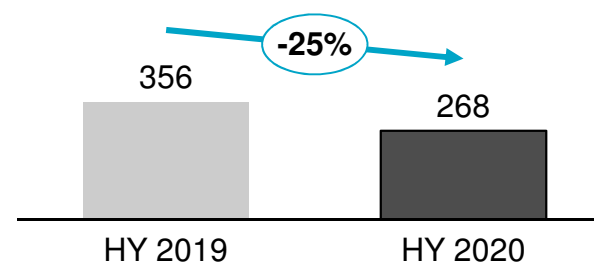
## Key financial figures (2)

Verbund

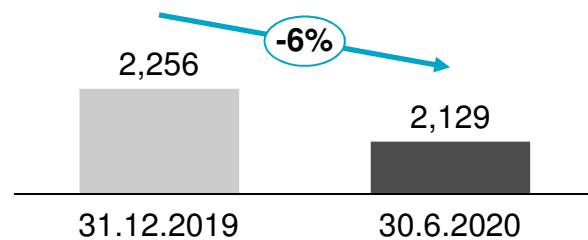
Operating cash flow/ €m



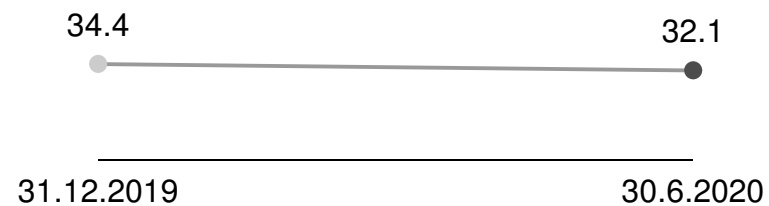
Free cash flow after dividends/ €m



Net debt/ €m

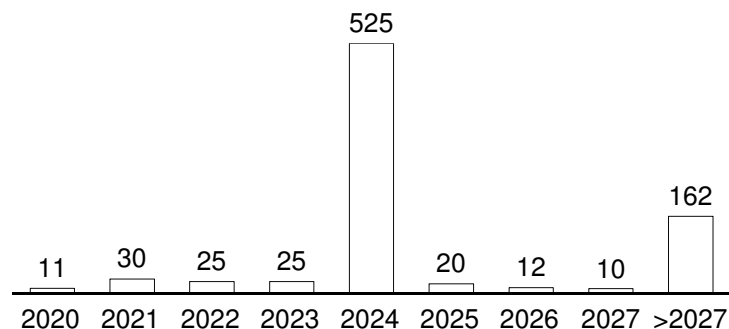


Gearing/ %

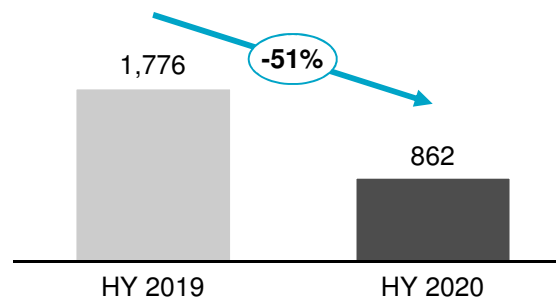


# Financial liabilities

## Debt maturity profile/ €m



## Financial liabilities/ €mn



### Financial liabilities

- Book value Financial liabilities: €862m

### Financial ratios

- Duration: 4.8 years
- Effective interest rate: 2.30% p.a.
- Uncommitted lines of credit: approx. €745m\*
- Syndicated loan: €500m

### Interest mix

- 92% fixed interest rate
- 8% floating interest rate

### Currency

- 100% EUR

### Rating

**S&P Global**  
Ratings

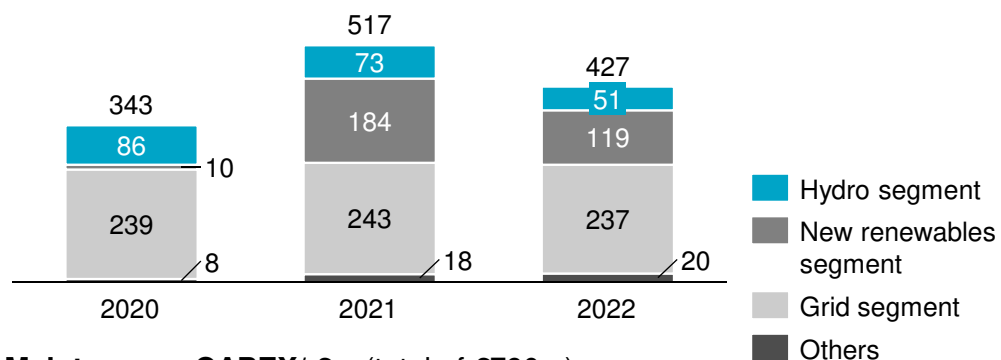
A/stable outlook

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INVESTORS SERVICE

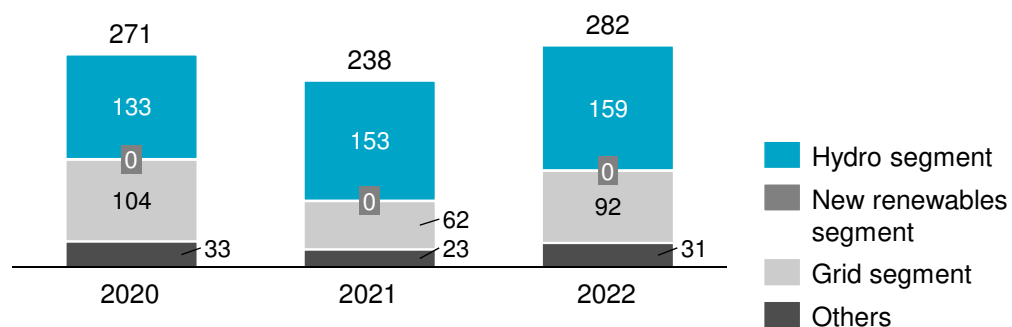
A3/stable outlook

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

## Growth CAPEX/ €m (total of €1,287m)



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



# Outlook

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## 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: +/- €3.2m
- Greater or less generation from windpower: +/- €0.3m
- Wholesale prices (renewable generation): +/- €2.1m

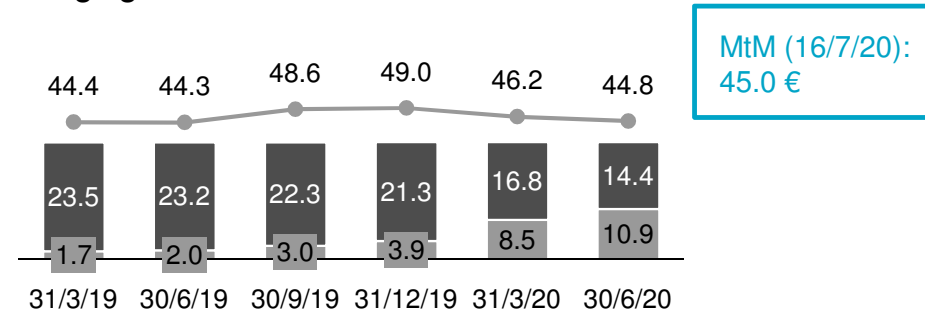
## Earnings outlook 2020 narrowed

EBITDA between approx. €1,150m and approx. €1,250m and Group result between approx. €510m and approx. €570m based on an average generation from hydropower and windpower in Q3-4/2020 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 amounting to between €500m and €560m.

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## Hedging volumes 2021<sup>1</sup> / TWh



## Hedging volumes 2022<sup>1</sup> / TWh



— Achieved contract price    ■ Open volumes    ■ Hedged volumes

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

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# Appendix



# Income statement

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€m	Q1-2/2019	Q1-2/2020
	Total	Total
<b>Revenue</b>	<b>1,996.3</b>	<b>1,714.0</b>
Electricity revenue	1,631.4	1,383.6
Grid revenue	288.5	250.9
Other revenue	76.4	79.5
Other operating income	27.5	35.5
Expenses for electricity purchases & use of fuels	-1,072.6	-823.6
Other operating & personnel expenses	-265.2	-286.9
<b>EBITDA</b>	<b>685.9</b>	<b>639.0</b>
Depreciation & amortisation	-179.8	-189.3
Effects from impairment tests	-0.3	-14.6
<b>EBIT</b>	<b>505.8</b>	<b>435.2</b>
Result from equity interests & oth. interests	27.8	26.7
Interest income/expense	-45.7	-26.7
Other financial result	6.6	20.1
Effects from impairment tests	0.0	-0.8
<b>Financial result</b>	<b>-11.3</b>	<b>19.3</b>
Taxes	-109.2	-101.6
<b>Group result</b>	<b>338.2</b>	<b>310.4</b>
<b>Minorities</b>	<b>47.0</b>	<b>42.5</b>
<b>Earnings per share (€)</b>	<b>0.97</b>	<b>0.89</b>

## Balance sheet (short version)

Verbund

€m	31.12.2019	30.6.2020	Change
Non-current assets	11.062	11.089	0%
Current assets	777	674	-13%
<b>Total assets</b>	<b>11.839</b>	<b>11.763</b>	<b>-1%</b>
Equity	6.568	6.624	1%
Non-current liabilities	4.107	4.012	-2%
Current liabilities	1.163	1.128	-3%
<b>Total liabilities</b>	<b>11.839</b>	<b>11.763</b>	<b>-1%</b>

## Cash flow statement (short version)



Verbund

€m	Q1-2/2019	Q1-2/2020	Change
Cash flow from operating activities	691	585	-15%
Cash flow from investing activities	-361	-264	-27%
Cash flow from financing activities	-226	-322	43%
<b>Change in cash and cash equivalents</b>	<b>104</b>	<b>-1</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>143</b>	<b>43</b>	<b>–</b>



# Capital market calendar 2020

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	30/7/2020	Result and interim report quarters 1–2/2020
	5/11/2020	Result and interim report quarters 1–3/2020

# Management

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**Wolfgang Anzengruber**  
CEO, Chairman of the Managing Board



**Michael Strügl**  
Deputy Chairman of the Managing Board



**Peter Kollmann**  
CFO, Member of the Managing Board



**Achim Kaspar**  
Member of the Managing Board

# Investor relations team

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