

VERBUND

Half year results 2022



Vienna, 28 July 2022

Verbund

At a glance

Influencing factors

- Higher average achieved contract prices due to higher spot and forward prices (HY 2022: €112.5/MWh)
- Hydro coefficient 10 percentage points below the long term average, 6 percentage points below HY 2021
- Higher production from reservoirs
- Higher contribution from flexibility products (HY 2022: €163.7m (+134.6%))
- Positive contribution from full consolidation of Gas Connect Austria GmbH (full consolidation as at 31 May 2021)
- Positive non recurring effects of in total €82.6m

Development of results, cash flows and debt

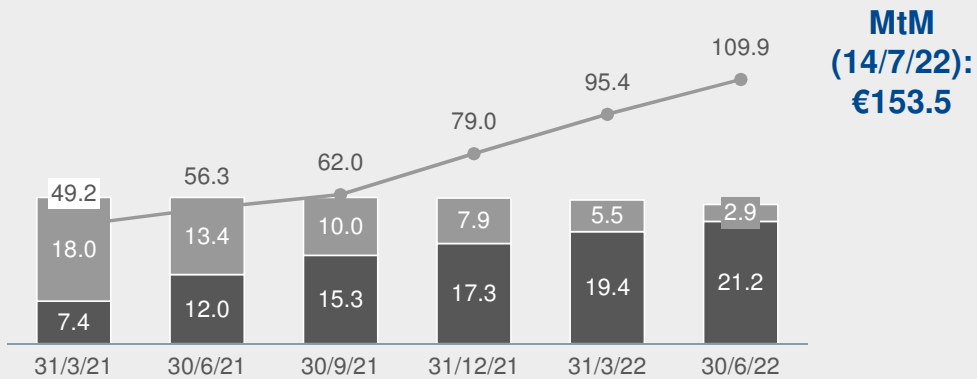
- Reported and adjusted EBITDA €1,378.9m (+110.5%)
- Group result €817.1m (+151.8%), adjusted Group result €734.5m (+133.0%)
- Operating cash flow €920.3m (+115.8%); Free cash flow after dividends €–111.0m
- Net Debt €3,568.4m (+1.6%)

Guidance 2022

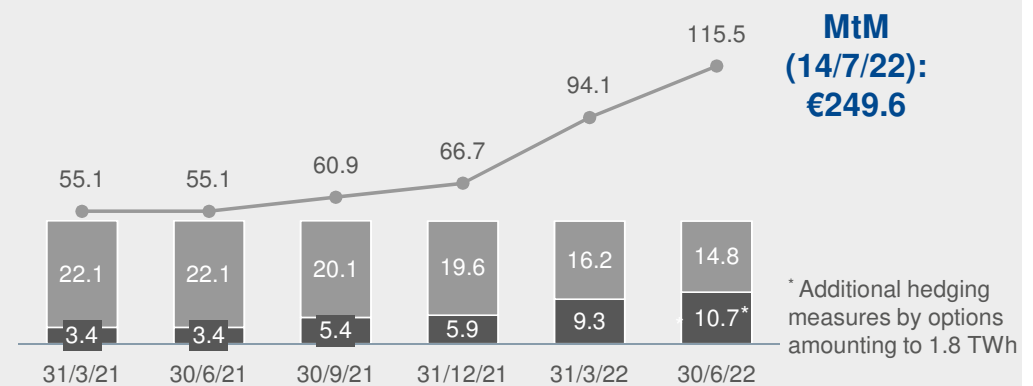
- EBITDA rep. & adj. approx. €3,000m – €3,500m; Group result reported approx. €1,680m – €2,030m
- Pay-out ratio 45% – 55% on adjusted Group result between approx. €1,600m – €1,950m

Hedging volumes

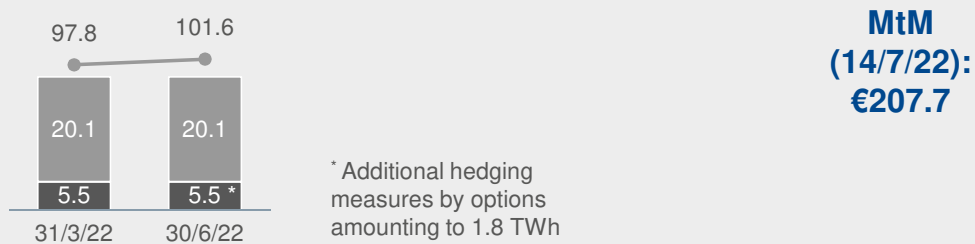
Hedging volumes 2022¹/ TWh



Hedging volumes 2023¹/ TWh



Hedging volumes 2024¹ / TWh



Historic contract prices

- FY2021: €54.8/MWh
- FY2020: €44.6/MWh
- FY2019: €39.0/MWh

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

Hydro segment

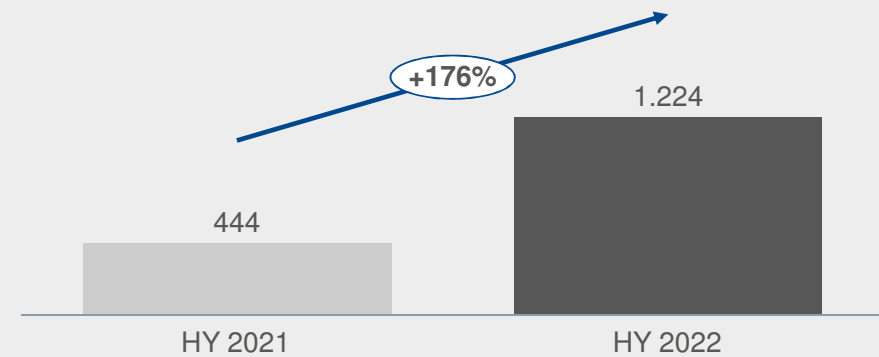
Facts and figures

- Lower generation from hydropower in HY 2022
 - Hydropower: 14,107 GWh (–3.1%)
 - Lower hydro coefficient in HY 2022 (0.90 vs. 0.96)
 - Storage power: 2,474 GWh (+18.7%)
- Higher average achieved prices
- Flexibility products increased by €68.5m

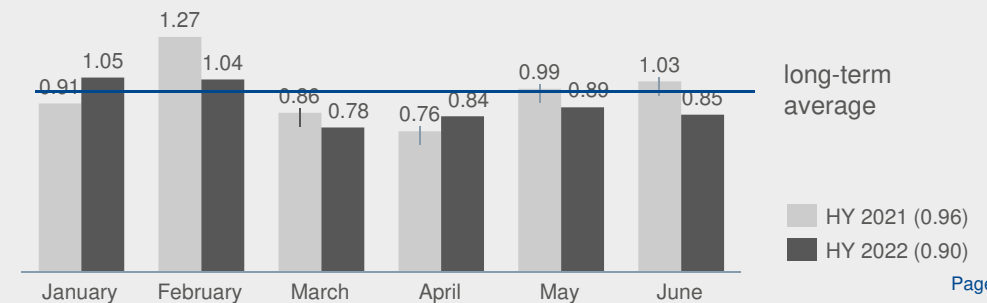
Current information

- 480 MW Limberg III pumped-storage power plant project
 - planned COD 2025
- 45 MW Reißbeck II+ pumped storage power plant project
 - planned COD 2023
- 118 MW Jettenbach-Töging run-of-river power plant project
 - planned COD 2022

EBITDA/ €m



Hydro coefficient (run-of-river)



New renewables segment

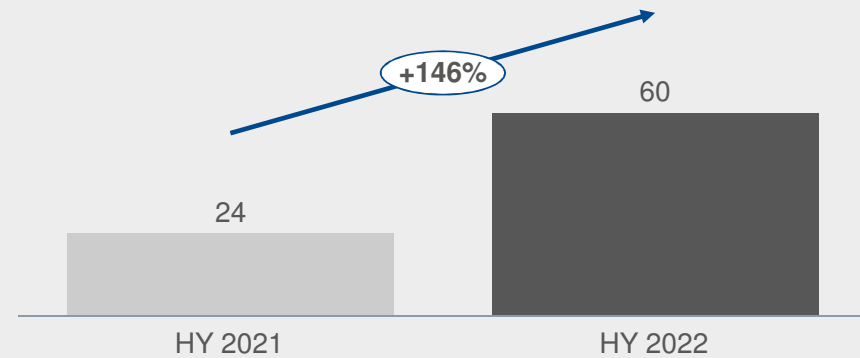
Facts and figures

- Higher generation from wind power in HY 2022: 513 GWh (+15.7%)
 - Austria 125 GWh (+5.2%)
 - Germany 101 GWh (+15.2%)
 - Romania 278 GWh (+17.2%)
 - Spain 9 GWh
- Photovoltaic: 2.2 GWh

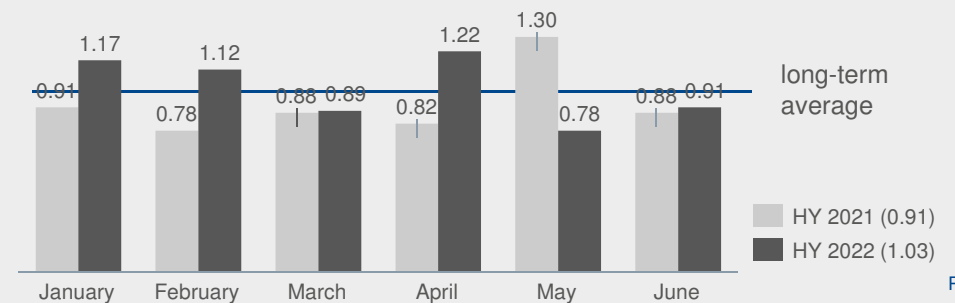
Current information

- Planned acquisition of operational renewables portfolio (82 MWp) and development platform (~2,100 MW at an advanced stage) in Spain
- Acquisition of 171 MW wind-/PV projects in Spain from Capital Energy
- Acquisition of 147.6 MWp solar park project in Southern Spain from BayWa r.e.
- JLW PV cooperation in Germany

EBITDA/ €m



New renewables coefficient



Sales segment

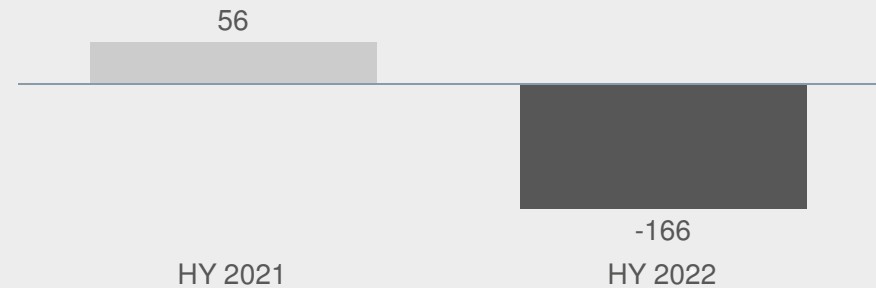
Facts and figures

- The negative EBITDA is mainly due to a negative result from the valuation of energy derivatives in connection with hedging transactions for future energy deliveries and higher procurement prices of electricity and gas for end customers.
- Flexibility products increased by €33.2m
- 528.000 end customers (+1.0%)

Current information

- Focus on
 - E-Mobility
 - Batteries
 - Green hydrogen
- Various mitigating measures to compensate price increases for end customers

EBITDA/ €m



The Sales segment comprises

- trading
- sales activities and
- energy services

All other segments

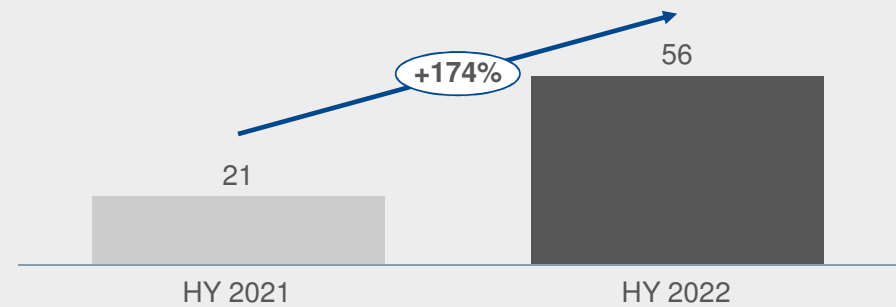
Facts and figures

- Higher thermal power generation due to the market-driven use of one line of the CCGT Mellach for electricity and district heating production in Q1/2022
- Thermal Power: 805 GWh
 - CCGT Mellach: 805 GWh
- Flexibility products decreased by €7.8m

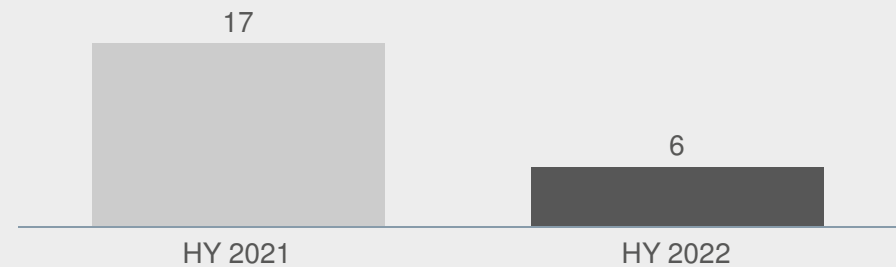
Current information

- CCGT Mellach contracted from APG for future congestion management
 - Line 10 from 1 October 2021 to 30 September 2023
 - Line 20 from 1 April 2022 to 30 September 2022
- District heating power plant Mellach not contracted from APG and mothballed as at 1/10/2021

EBITDA/ €m



KELAG contribution to financial result / €m



Grid segment



Local GAAP: stable earnings and cash flows

- Differences compensated by a regulatory account

IFRS: volatile earnings (no regulatory account)

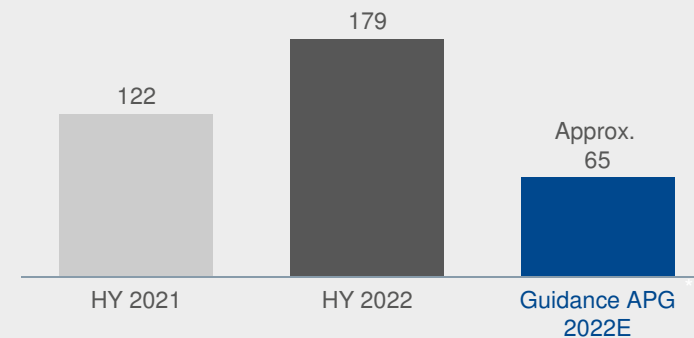
APG WACC for regulatory period (2018-2022)

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

Low FY 2022 Guidance

- Clawback, increase in congestion management, loss in auctions

APG EBITDA/ €m



RAB 2020: €1,692m
RAB 2021: €1,920m
RAB 2022: €2,182m

Contribution from GCA in HY 2022 (IFRS)

- €46m EBITDA

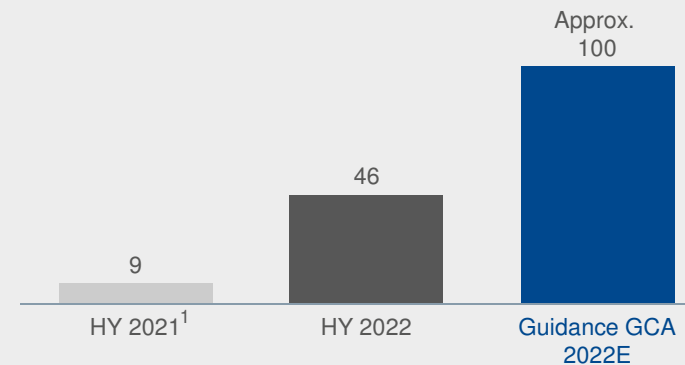
GCA TSO WACC for regulatory period (2021-2024)

- 4.98% nominal incl. capacity risk

GCA DSO 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)

GCA EBITDA/ €m



RAB 2020: €754m
RAB 2021: €635m
RAB 2022: €647m

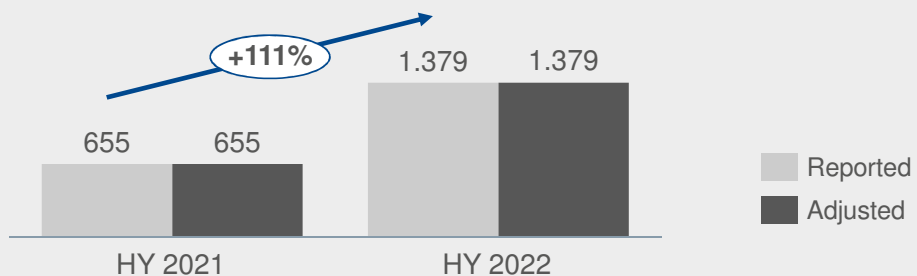
¹ Consolidation as of 31 May 2021

Non-recurring effects

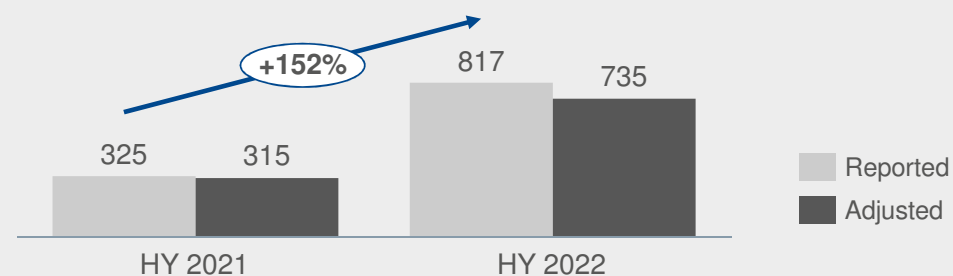
€m	Detail	HY 2022	HY 2021
EBITDA		0	0
Impairments	HPP Gratkorn, CGU GCA, GCA goodwill	-32	-1
Reversal of impairments	CCGT Mellach	56	0
Operating result	Total	24	-1
Other financial result	Measurement of an obligation to return an interest (DKJ), TAG PPR	17	13
Impairments	HPP Ashta, TAG	-4	0
Financial result		13	13
Taxes	Revaluation of deferred taxes and effects due to the non-recurring effects above	44	-3
Minorities		2	0
Group result	Total	83	9

Key financial figures (1)

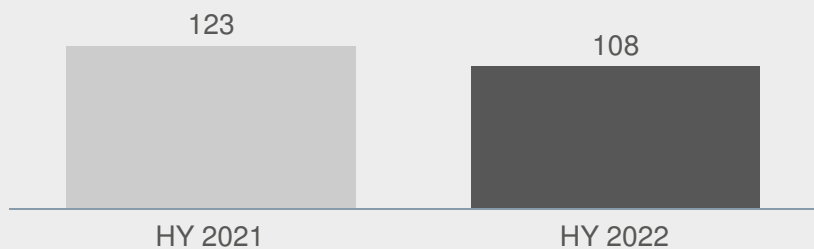
EBITDA/ €m



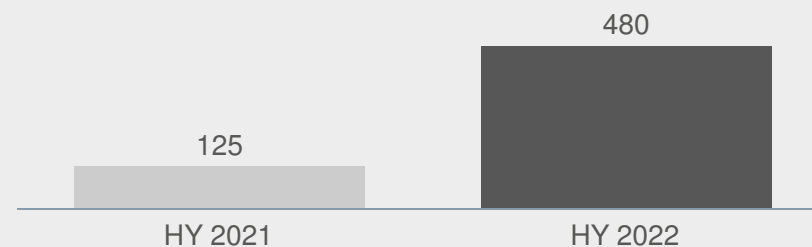
Group result/ €m



Additions to tangible assets (infrastructure) / €m

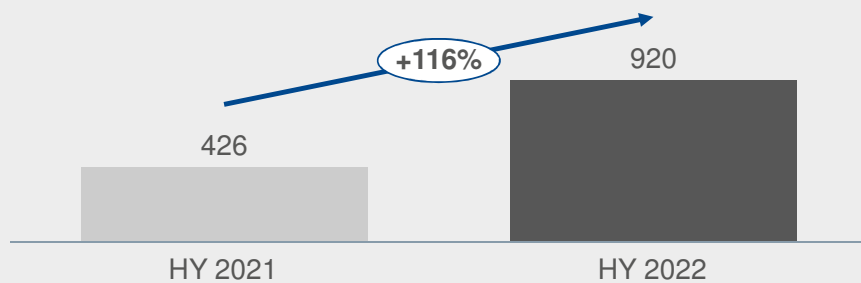


Additions to tangible assets (core business & others) / €m



Key financial figures (2)

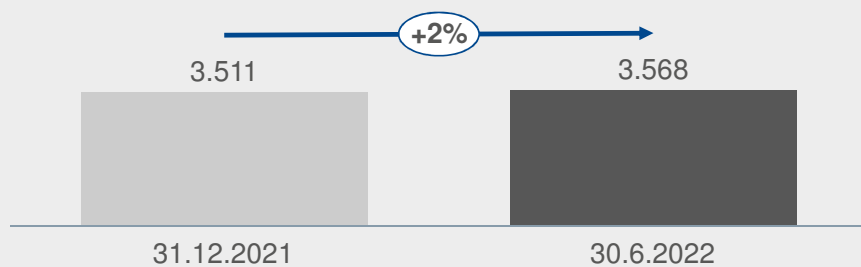
Operating cash flow/ €m



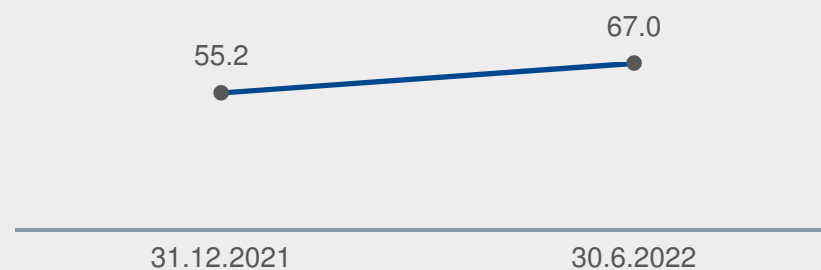
Free cash flow after dividends/ €m



Net debt/ €m

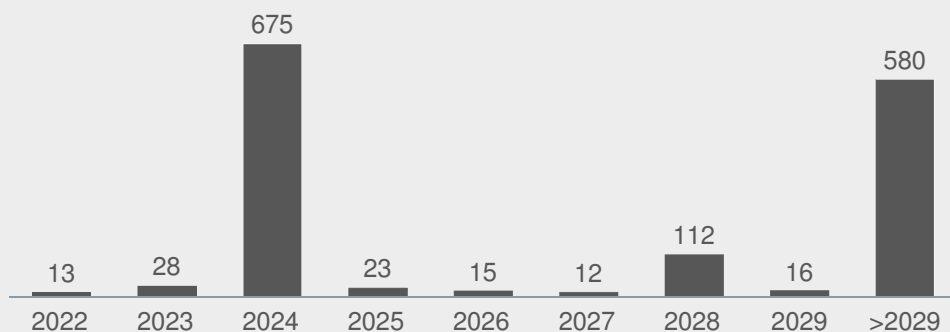


Gearing/ %

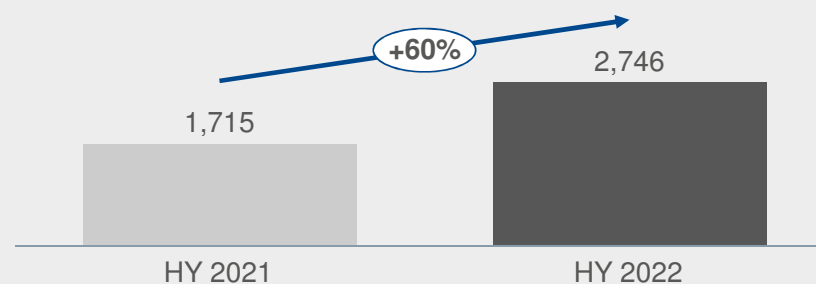


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €m



Financial liabilities

- Book value Financial liabilities: €2,746.2m

Financial ratios

- Duration: 3.5 years
- Effective interest rate: 1.7% p.a.
- Uncommitted lines of credit: €2,080m ¹⁾
- Committed lines of credit: €1,050m ²⁾
- Syndicated loan: €500m

¹⁾ thereof used: €880m ²⁾ thereof used: €100m

Interest mix

- 46.7% fixed interest rate
- 53.3% floating interest rate

Currency

- 100% EUR

Rating



A/positive outlook



A3/stable outlook

Outlook

Earnings outlook 2022

- EBITDA between approx. €3,000m and approx. €3,500m and reported Group result between approx. €1,680m and approx. €2,030m based on an average generation from hydro, wind and PV in Q3-4/2022 as well as the opportunities and risk situation of the Group.
- For financial year 2022, VERBUND plans to pay out between 45 and 55% of the Group result after adjustment for non-recurring effects between approx. €1,600m and approx. €1,950m.
- Proposal for a special dividend in the amount of €400m ¹⁾
- The earnings forecast and the information on the expected payout ratio are contingent on not being impacted by possible energy policy measures to skim off some of the profits at energy companies.

¹⁾ Distribution of the dividends must be approved by the Supervisory Board at the meeting at which the annual financial statements are to be approved and also requires the approval of the shareholders of VERBUND AG at the 2023 Annual General Meeting.



Sensitivities 2022

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 2022, other things being equal:

- Greater or less generation from hydropower: +/- €21.2m
- Greater or less generation from windpower: +/- €0.6m
- Wholesale prices (renewable generation): +/- €1.9m

Appendix

Income statement

€m	HY 2021	HY 2022
	Total	Total
Revenue	1,724.3	4,731.8
Electricity revenue	1,375.5	3,941.6
Grid revenue	282.1	623.4
Other revenue	66.7	166.9
Other operating income	36.3	49.6
Expenses for electricity purchases & use of fuels	-821.1	-3,065.3
Other operating & personnel expenses	-315.8	-372.6
Measurement and realisation of energy derivatives	31.2	35.4
EBITDA	654.9	1,378.9
Depreciation & amortisation	-195.3	-218.7
Effects from impairment tests	-0.5	24.1
EBIT	459.1	1,184.2
Result from equity interests & oth. interests	19.1	3.0
Interest income/expense	-18.6	-25.3
Other financial result	18.4	10.7
Effects from impairment tests	0.0	-4.2
Financial result	18.9	-15.7
Taxes	-114.3	-235.4
Group result	324.5	817.1
Minorities	39.2	116.0
Earnings per share (€)	0.93	2.35

Balance sheet (short version)

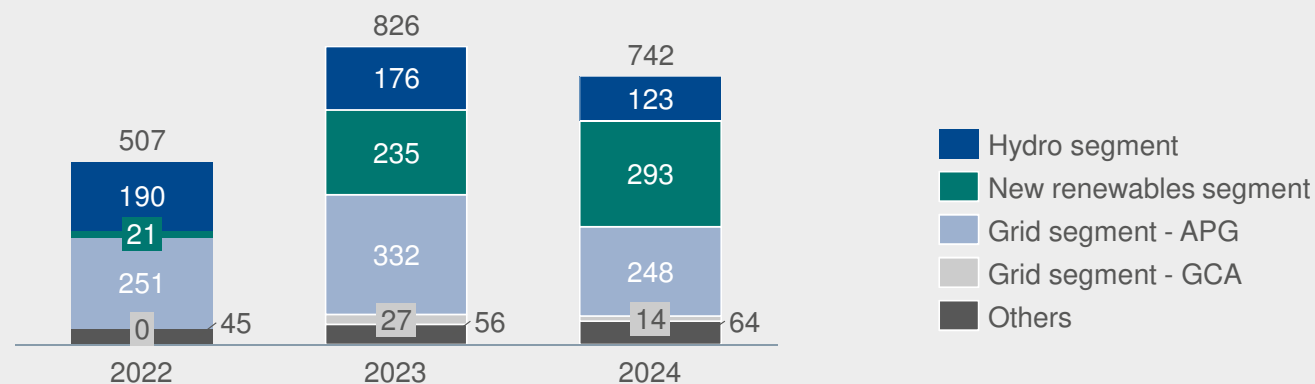
€m	31.12.2021	30.6.2022	Change
Non-current assets	12.877	13.899	8%
Current assets	4.234	6.038	43%
Total assets	17.112	19.936	17%
Equity	6.363	5.329	-16%
Non-current liabilities	4.404	4.395	0%
Current liabilities	6.344	10.212	61%
Total liabilities	17.112	19.936	17%

Cash flow statement (short version)

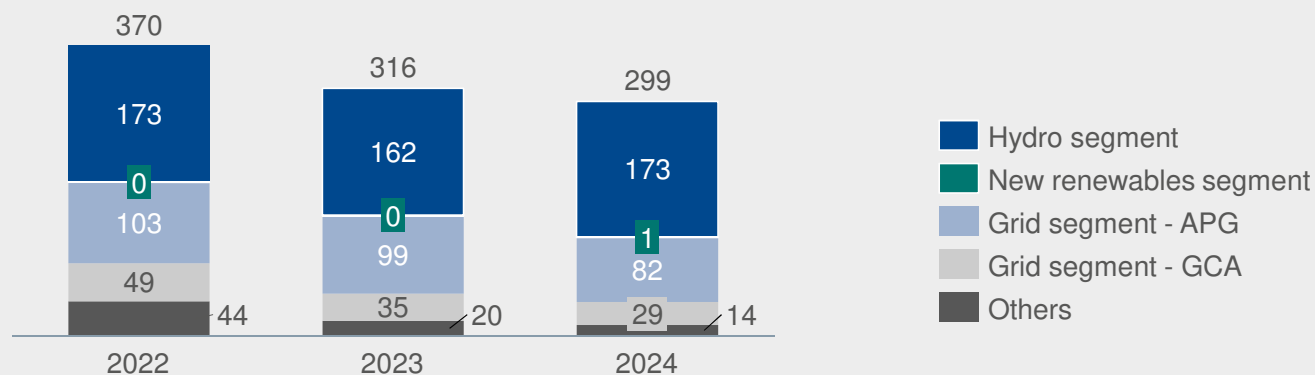
€m	HY 2021	HY 2022	Change
Cash flow from operating activities	426	920	116%
Cash flow from investing activities	-566	-564	—
Cash flow from financing activities	144	-620	—
Change in cash and cash equivalents	5	-264	—
Cash and cash equivalents at the end of the period	54	55	2%

CAPEX plan 2022-2024 (total of €3,059m)

Growth CAPEX/ €m (total of €2,075m)



Maintenance CAPEX/ €m (total of €985m)



Capital market calendar 2022



28/7/2022

Result and interim report quarters 1–2/2022



3/11/2022

Result and interim report quarters 1–3/2022

Investor Relations Team



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VERBUND Board of Directors



Michael Strugl
CEO, Chairman of the Board



Peter F. Kollmann
CFO, Member of the Board



Achim Kaspar
COO, Member of the Board

The Power to Transform



Verbund