VERBUND
Results quarter 1/2023

Verbund

Vienna, 11/5/2023

Results quarter 1/2023 - At a glance

Influencing factors

- Significantly higher average achieved contract prices due to overall higher wholesale prices
- Weak hydro coefficient with 0.93 in Q1/2023 but higher production from reservoirs
- Higher production from wind and PV, lower production from thermal generation
- Lower contribution from flexibility products (Q1/2023: €67.6m)
- Negative contribution from the sales segment among others due to higher procurement costs
- Negative contribution from levies on excess profits in Austria, Germany and Romania (total EBITDA effect in Q1/2023: €68.6m)

Development of results, cash flows and debt

- Reported and adjusted EBITDA €967.3m (+18.7%)
- Group result €529.0m (+2.8%), adjusted Group result €529.0m (+14.1%)
- Operating cash flow €1,363.7m (Q1/2022: €209.2m); Free cash flow after dividends €1,160.5m (Q1/2022: €–105.1m)
- Net debt €2,739.3m (–29.7%)

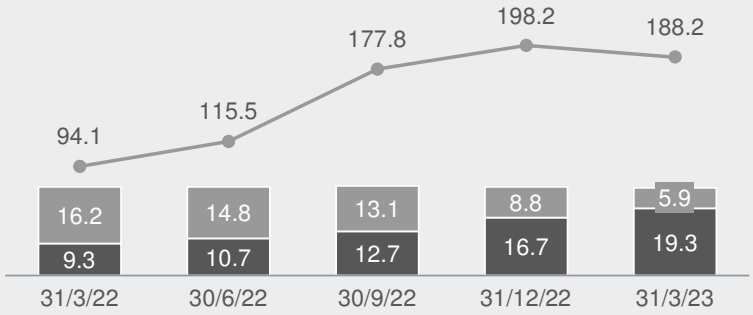
Group level guidance 2023 *

- EBITDA rep. & adj. approx. €3,700m – €4,300m; Group result reported approx. €2,000m – €2,400m
- Pay-out ratio 45% – 55% on adjusted Group result between approx. €2,000m – €2,400m

* The earnings forecast and the information on the expected payout ratio are contingent on VERBUND not being impacted further by possible energy policy measures to skim off some of the profits at energy companies.

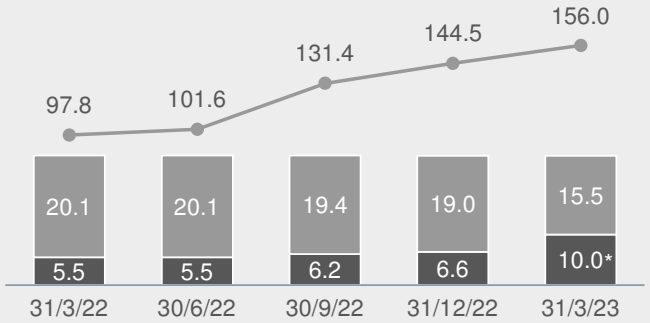
Hedging volumes

Hedging volumes 2023[1]/ TWh



MtM (27/4/23): €174.1

Hedging volumes 2024[1]/ TWh



MtM (27/4/23): €155.9

* Additional hedging measures by options amounting to 1.8 TWh

Hedging volumes 2025[1] / TWh

MtM (27/4/23): €134.8

Historic contract prices

- FY2022: €115.1/MWh
- FY2021: €54.8/MWh
- FY2020: €44.6/MWh

Achieved contract price | Open volumes | Hedged volumes

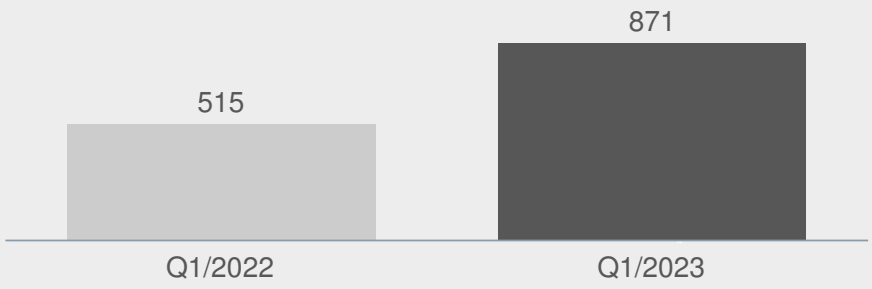
[1] Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

Hydro segment

Facts and figures

- Slightly higher generation from hydropower in Q1/2023
  - Hydropower: 6,089 GWh (+2.0%)
    - Slightly lower hydro coefficient in Q1/2023 (0.93 vs. 0.94)
    - Storage power: 1,445 GWh (+13.5%)
- Higher average achieved prices
- Flexibility products decreased by €4.5m

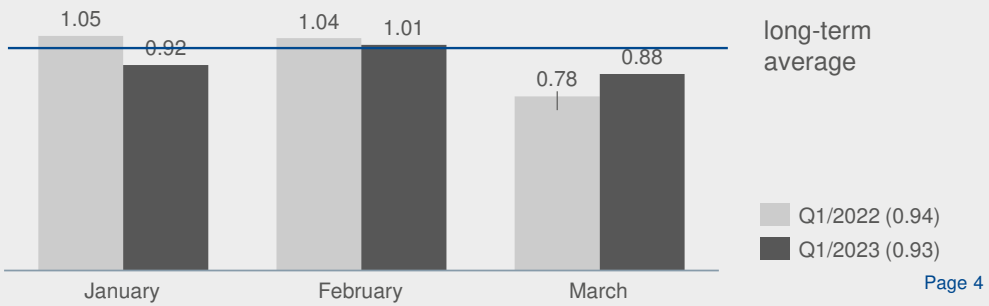
EBITDA/ €m



Current information

- 480 MW Limberg III pumped-storage power plant project
  - planned COD 2025
- 45 MW Reißeck II+ pumped storage power plant project
  - planned COD 2024
- 11 MW Gratkorn run-of-river power plant project
  - Planned COD 2024

Hydro coefficient (run-of-river)

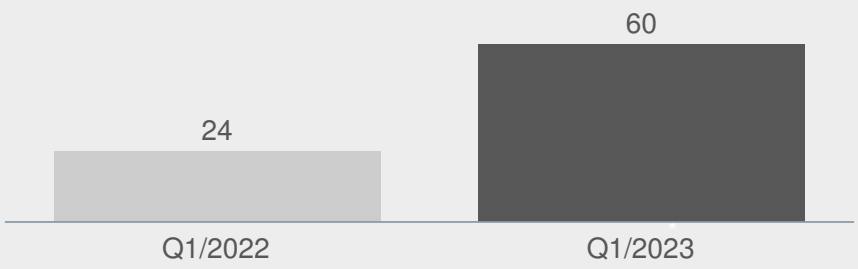


New renewables segment

Facts and figures

- Higher generation from wind power in Q1/2023: 337 GWh (+7.3%)
  - Austria 71 GWh (–8.1%)
  - Germany 71 GWh (+5.8%)
  - Romania 162 GWh (–4.1%)
  - Spain 32 GWh
- Photovoltaic: 35 GWh
  - Austria: 1 GWh
  - Spain: 35 GWh

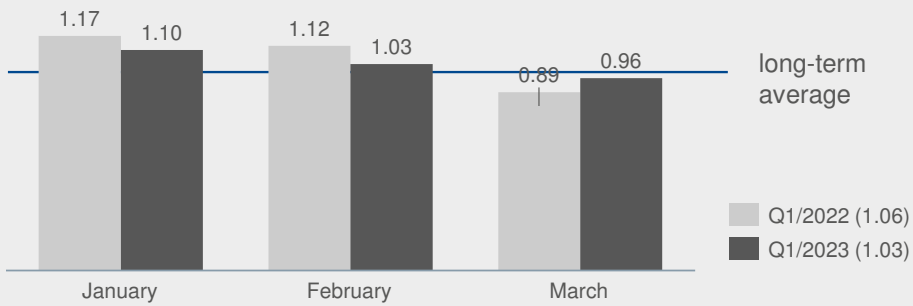
EBITDA/ €m



Current information

- Implementation of 3 wind farms with approx. 100 MW in Spain continued; COD expected in quarters 2–3/2023
- 3 solar farms in Spain with approx. 148 MW acquired at the end of 2021 to be finalized ~April 2023
- Work continued on project pipeline acquired in summer 2022 in Spain – first project achieved ready to build status in Q1/2023
- Project development continued also in Austria, Germany, Romania, Italy and Albania

New renewables coefficient



Sales segment

Facts and figures

- The decline in EBITDA is due, among other things, to sharply higher procurement prices for electricity and gas as well as lower earnings contributions from flexibility products.
- Flexibility products decreased by €1.1m
- 520.000 end customers

EBITDA/ €m

Current information

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

The Sales segment comprises

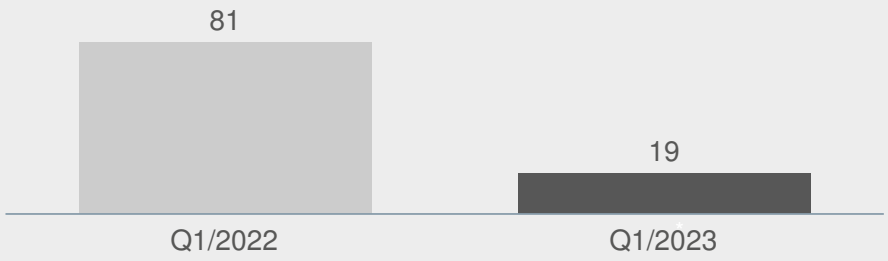
- trading
- sales activities and
- energy services

All other segments

Facts and figures

- Lower electricity and district heating production led to declining electricity and district heating revenues. This, as well as negative effects from the valuation of energy derivatives in connection with future energy deliveries, led to a sharp drop in EBITDA, despite lower fuel consumption as a result of the reduced use of power plants.
- Thermal Power: 307 GWh (–55.4%)
  - CCGT Mellach: 306 GWh
- Flexibility products decreased by €5.6m

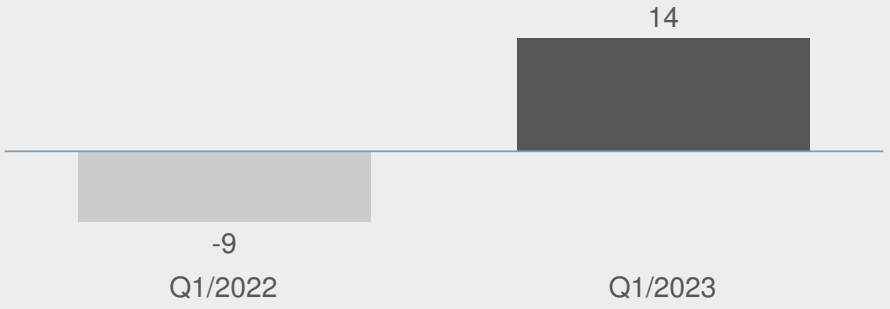
EBITDA/ €m



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 2023 to 30 September 2023
- District heating power plant Mellach contracted from APG from 1 April 2023 to 30 September 2023

KELAG contribution to financial result / €m



Grid segment

EBITDA Grid segment Q1/2023: €134.1m

Local GAAP: stable earnings

- Differences compensated by a regulatory account

IFRS: volatile earnings (no regulatory account)

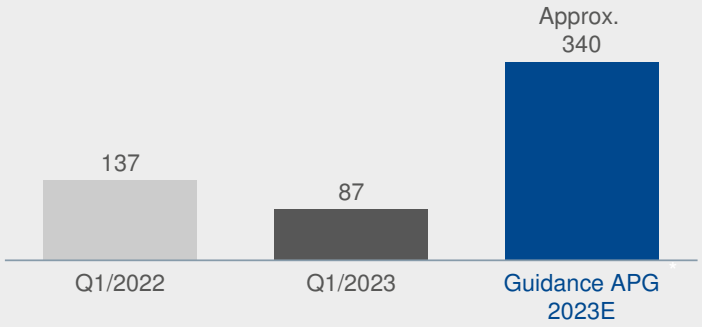
Contribution from APG in Q1/2023 (IFRS): €87m EBITDA

APG WACC for regulatory period (2023)

- Ø 3.97% pre-tax (3.72% for existing, 4.88% for new assets)
- WACC for new assets to be reviewed on a yearly basis
- WACC for existing assets to be reviewed 2023 (valid until 2028)

APG EBITDA/ €m

RAB 2022: €2,182m
RAB 2023: €2,600m



Contribution from GCA in Q1/2023 (IFRS)

- €47m EBITDA

GCA TSO WACC for regulatory period (2021-2024)

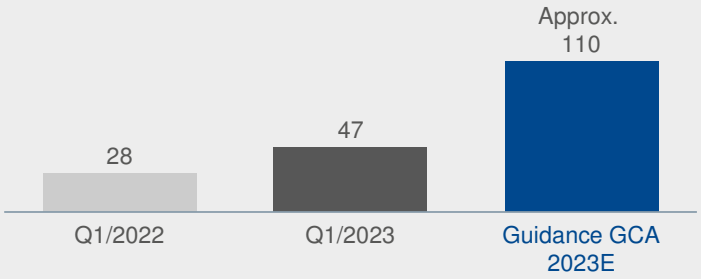
- 4.98% nominal incl. capacity risk

GCA DSO WACC for regulatory period (2023-2027)

- 3.72% for existing assets, 4.88% for new assets; WACC for new assets to be reviewed annualy

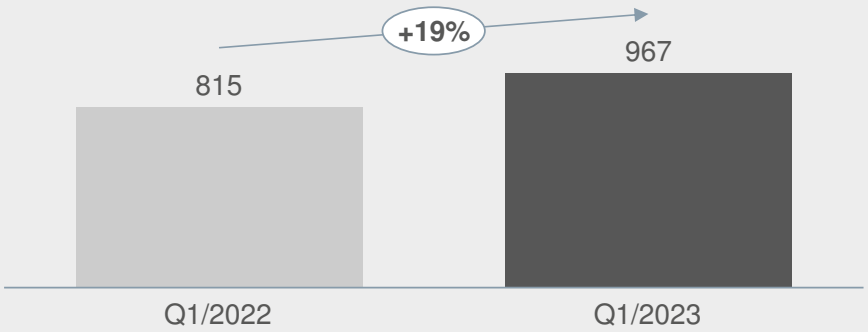
GCA EBITDA/ €m

RAB 2022: €647m
RAB 2023: €647m

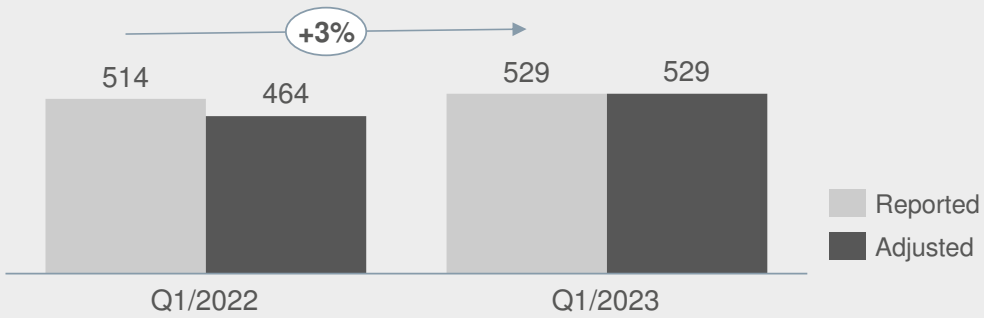


Key financial figures (1)

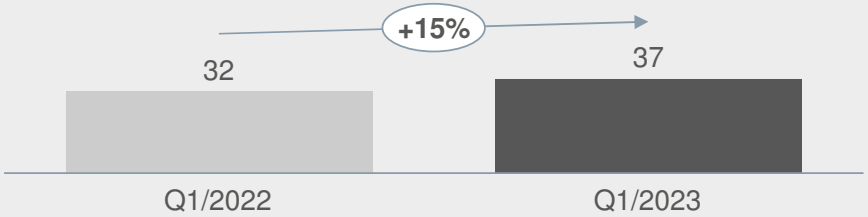
EBITDA/ €m



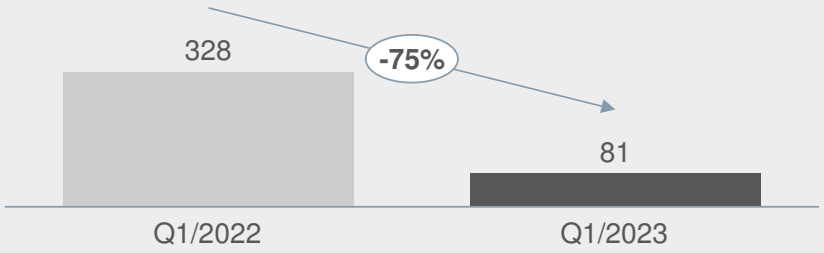
Group result/ €m



Additions to tangible assets (infrastructure) / €m

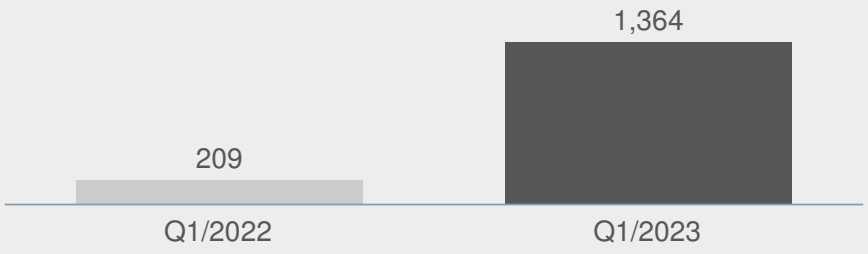


Additions to tangible assets (renewables business & others) / €m

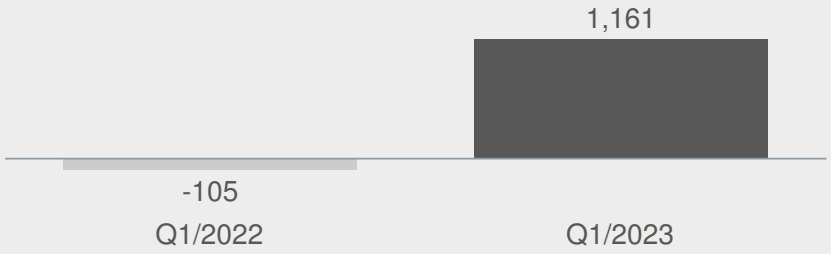


Key financial figures (2)

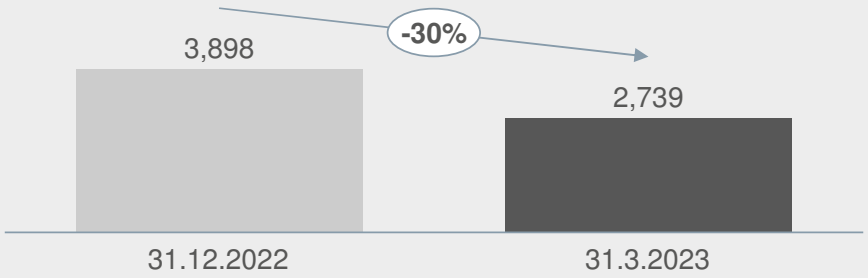
Operating cash flow/ €m



Free cash flow after dividends/ €m



Net debt/ €m



Gearing/ %

Outlook

Earnings outlook 2023

- EBITDA between approx. €3,700m and approx. €4,300m and reported Group result between approx. €2,000m and approx. €2,400m based on an average generation from hydro, wind and PV in Q2–4/2023 as well as the actual opportunities and risk situation of the Group.
- For financial year 2023, VERBUND plans to pay out between 45% and 55% of the Group result after adjustment for non-recurring effects between approx. €2,000m and approx. €2,400m.
- The earnings forecast and the information on the expected payout ratio are contingent on VERBUND not being impacted further by possible energy policy measures to skim off some of the profits at energy companies.

Sensitivities 2023

A change of 1% (generation from hydropower/windpower/PV) or €1/MWh (wholesale price) either way would be reflected as follows in the group result for 2023, other things being equal:

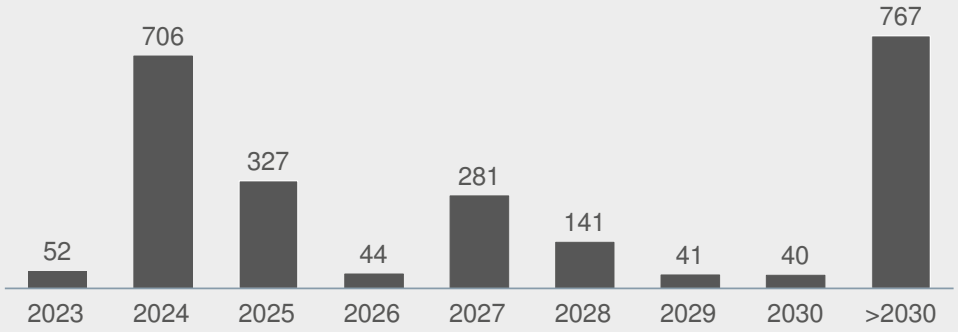
- Greater or less generation from hydropower: +/– €18.8m
- Greater or less generation from windpower & PV: +/– €1.7m
- Wholesale prices (renewable generation): +/– €3.8m

Sensitivities 2023 as of 31 March 2023

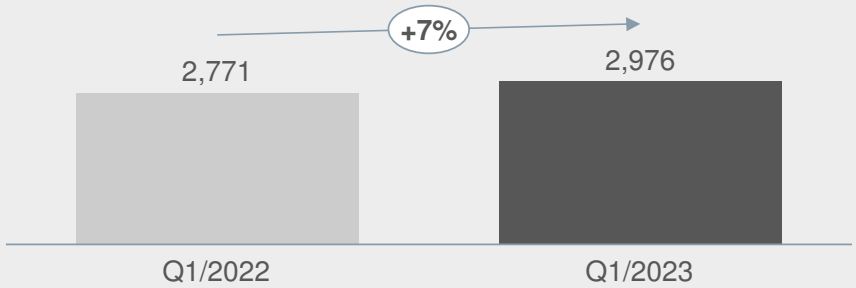
Appendix

Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €m



Financial liabilities

- Book value Financial liabilities: €2,975.7m

Financial ratios

- Duration: 4.4 years
- Effective interest rate: 2.09% p.a.
- Uncommitted lines of credit: €2,930m [1)]
- Commited lines of credit: €2,450m [2)]
- Syndicated loan: €500m

[1)] thereof used: €350m [2)] thereof used: €0m

Interest mix

- 47.5% fixed interest rate
- 52.5% floating interest rate

Currency

- 100% EUR

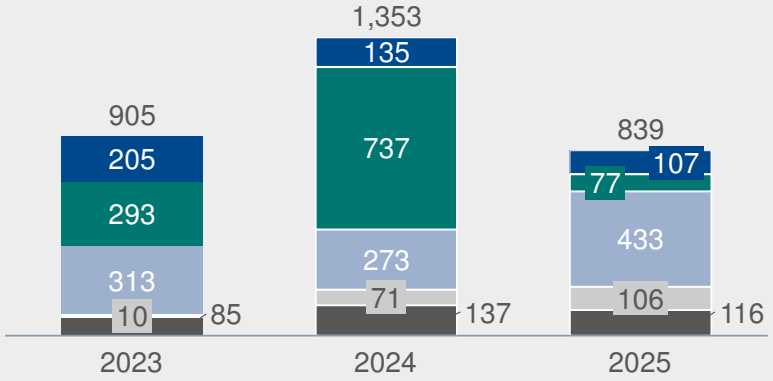
Rating

S&P Global Ratings — A/positive outlook

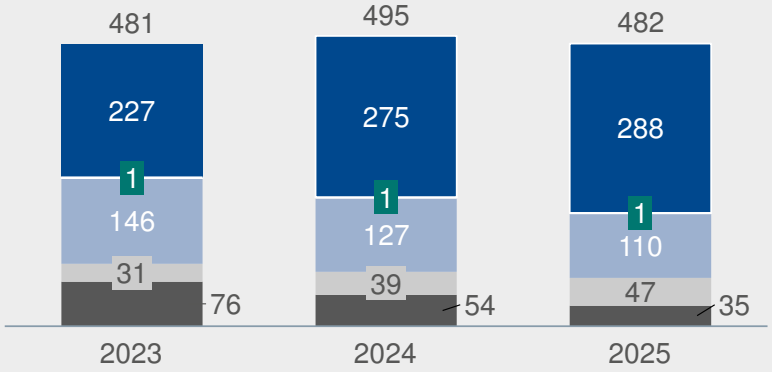
Moody's Investors Service — A3/stable outlook

CAPEX plan 2023-2025 (total of €4,554m)

Growth CAPEX/ €m (total of €3,096m)



Maintenance CAPEX/ €m (total of €1,457m)



CAPEX plan according to Q4 mid-term planning 2022, excl. M&A

Income statement

€m	Q1/2022	Q1/2023
	Total	Total
Revenue	**2,531.9**	**3,262.7**
Electricity revenue	2,063.8	2,765.7
Grid revenue	348.5	400.6
Other revenue	119.7	96.4
Other operating income	23.3	20.1
Expenses for electricity purchases & use of fuels	-1,720.8	-2,022.7
Other operating & personnel expenses	-194.8	-209.4
Measurement and realisation of energy derivatives	175.4	-83.5
EBITDA	**814.9**	**967.3**
Depreciation & amortisation	-109.2	-125.9
Effects from impairment tests	0.0	0.0
EBIT	**705.7**	**841.4**
Result from equity interests & oth. interests	-11.2	19.0
Interest income/expense	-12.3	-22.3
Other financial result	-3.6	5.6
Effects from impairment tests	0.0	0.0
Financial result	**-27.1**	**2.2**
Taxes	-111.0	-202.6
Group result	**514.4**	**529.0**
Minorities	**53.2**	**112.0**
Earnings per share (€)	**1.48**	**1.52**

Balance sheet (short version)

€m	31/12/2022	31.3.2023	Change
Non-current assets	15,245	15,166	-1%
Current assets	3,912	4,375	12%
Total assets	**19,157**	**19,541**	**2%**
Equity	8,323	9,968	20%
Non-current liabilities	6,688	6,304	-6%
Current liabilities	4,145	3,270	-21%
Total liabilities	**19,157**	**19,541**	**2%**

Cash flow statement (short version)

€m	Q1/2022	Q1/2023	Change
Cash flow from operating activities	209	1,364	–
Cash flow from investing activities	-314	-213	–
Cash flow from financing activities	-78	-498	–
Change in cash and cash equivalents	**-183**	**653**	–
Cash and cash equivalents at the end of the period	**136**	**1,063**	–

Capital market calendar 2023

15/5/2023	Dividend payment date
27/7/2023	Result and interim report quarters 1–2/2023
2/11/2023	Result and interim report quarters 1–3/2023

VERBUND Board of Directors

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Peter F. Kollmann
CFO, Member of the Executive Board

Achim Kaspar
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