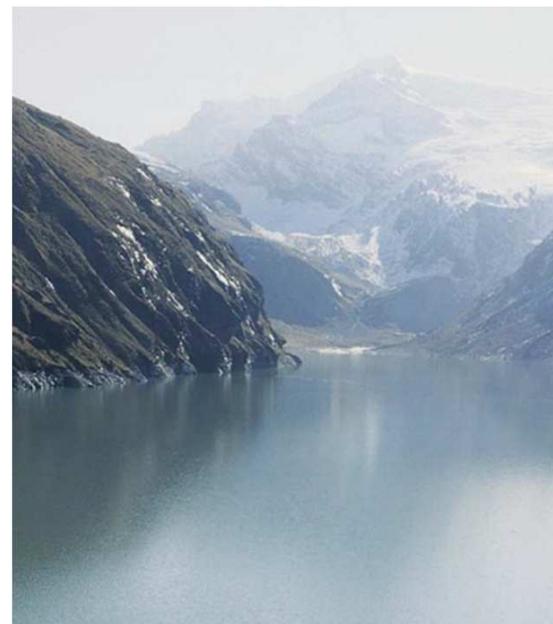
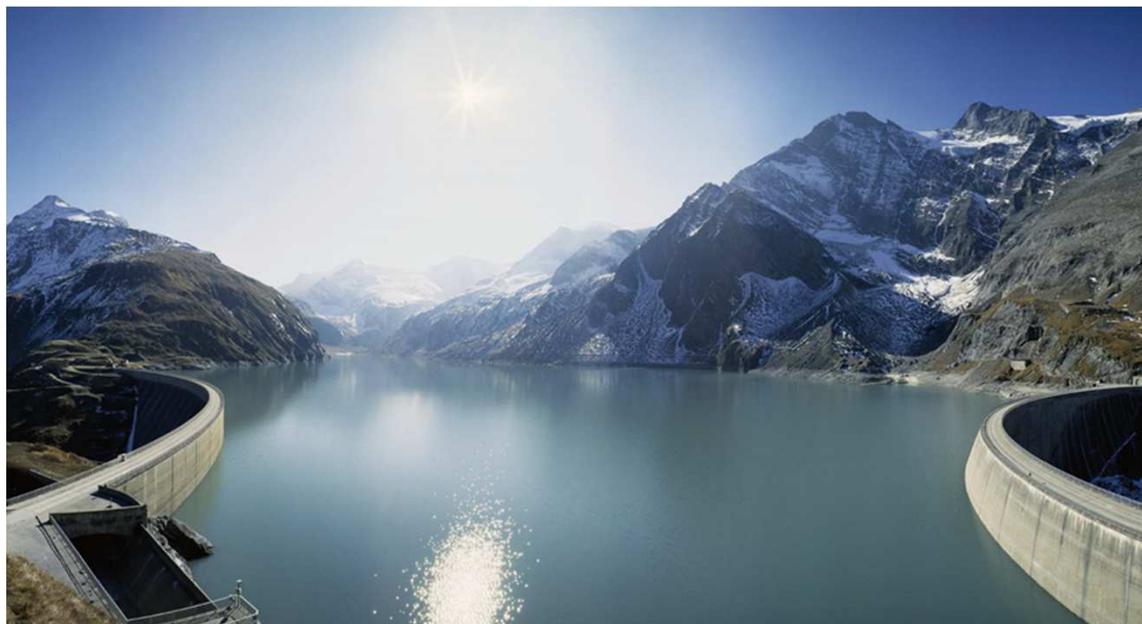


# Verbund



**Verbund**

# VERBUND

## Results quarter 1/2020

Vienna, 13/5/2020



# At a glance

## Influencing factors

- Change 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 despite lower spot market prices
- Hydro coefficient 9 percentage points above the long term average but 12 percentage points below Q1/2019
- Higher contribution from flexibility products (especially congestion management)
- Lower contribution from the high voltage grid

## Development of results, cash flows and debt

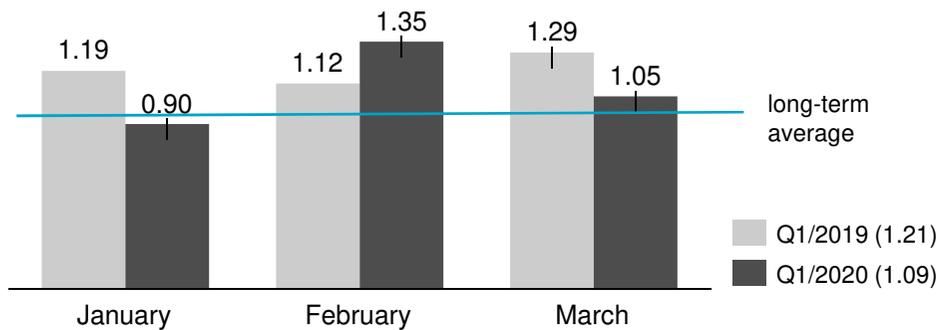
- EBITDA €331.0m (−4.9%)
- Group result €156.5m (−12.1%)
- Operating cash flow €298.2m (−21.5%); Free cash flow after dividends €150.2m (−50.9%)
- Net Debt €2,104.2m (−6.7%)

## Outlook range 2020 adjusted

- EBITDA between approx. €1,090m and €1,250m, Group result between approx. €470m and €560m
- Pay-out ratio between 40% and 50% on adjusted Group result

# Slightly lower own generation

## Hydro coefficient (run-of-river)

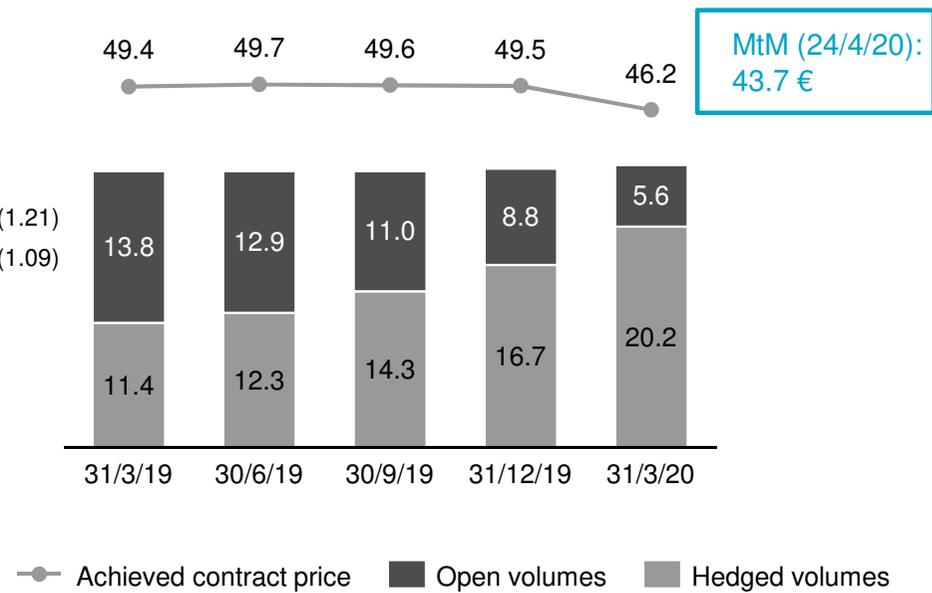


## Electricity supply 16,277 GWh (+213 GWh, +1,3%)

- Hydropower: 6,776 GWh (-331 GWh, -4.7%)
  - Storage power: 1,266 GWh (+154 GWh)
- Thermal Power: 576 GWh (+191 GWh, +49.6%)
  - CCGT Mellach: 244 GWh (+146 GWh)
- Wind/solar: 315 GWh (+19 GWh, +6.2%)
- Purchase from third parties: 8,611 (+335 GWh)

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

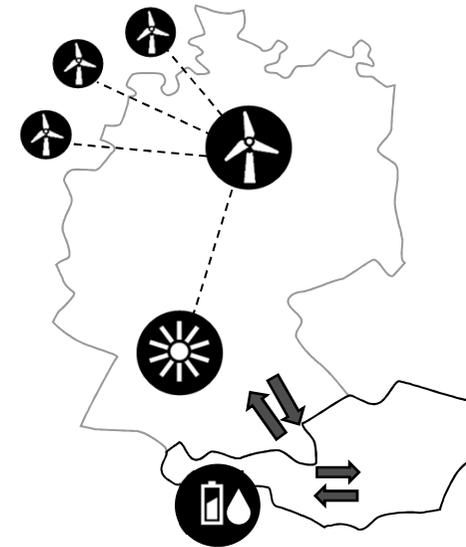
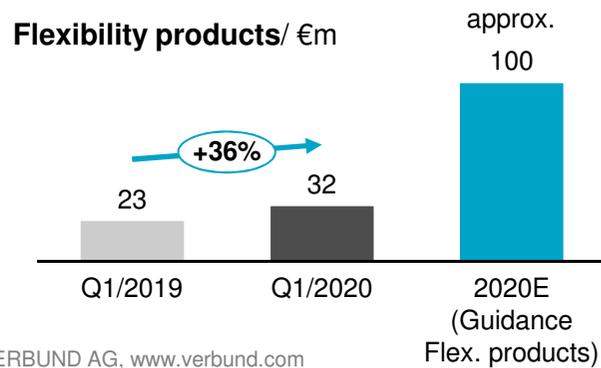
FY2019: €39.0/MWh



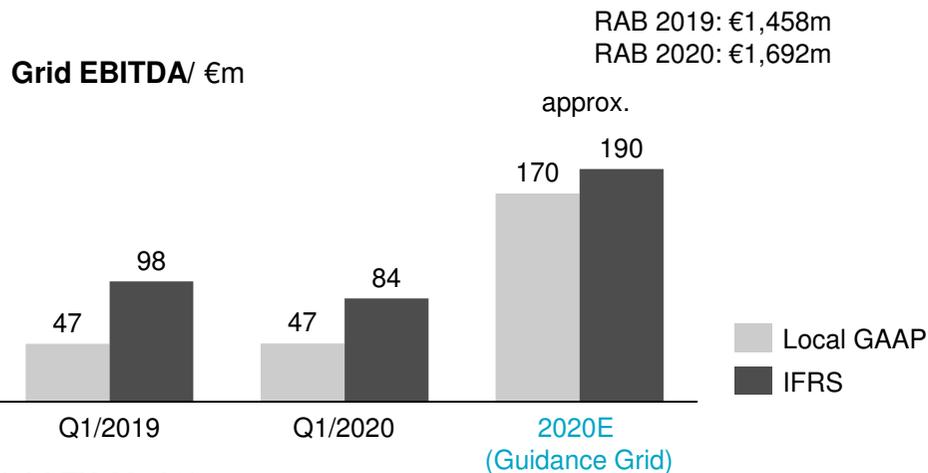
<sup>1</sup> Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

# 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



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

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

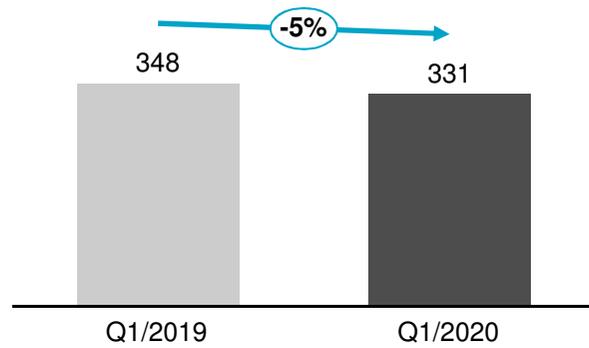
- Lower contribution from congestion management

### WACC for regulatory period (2018-2022)

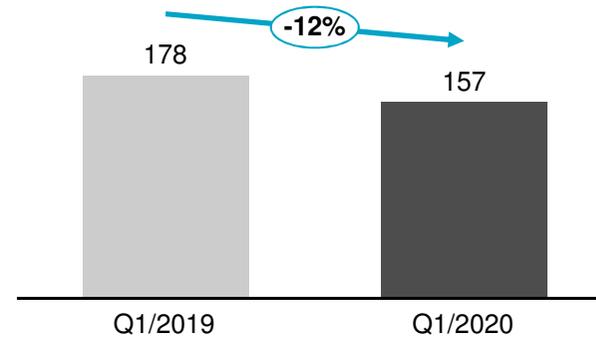
- Approximately 5% (4.88% pre tax for existing assets, 5.20% pre tax incl. investment-markup for new assets)

# Key financial figures (1)

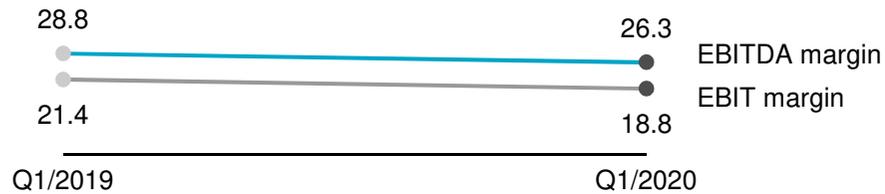
**EBITDA/ €m**



**Group result/ €m**

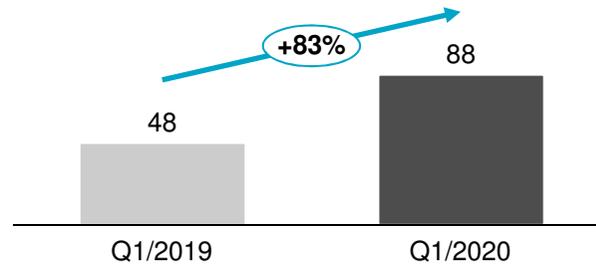


**Margins/ %**



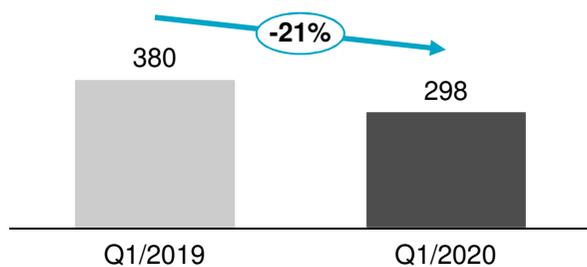
**Additions/ €m**

to tangible assets

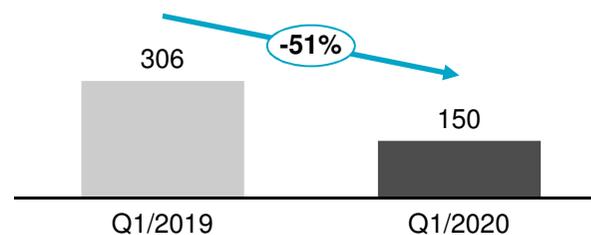


# Key financial figures (2)

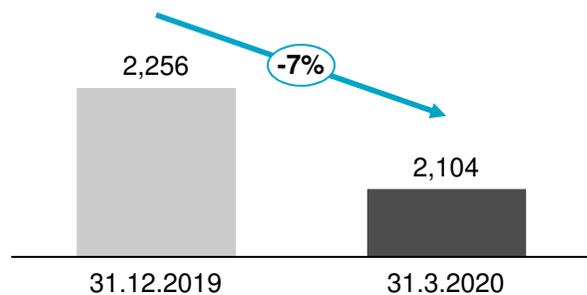
Operating cash flow/ €m



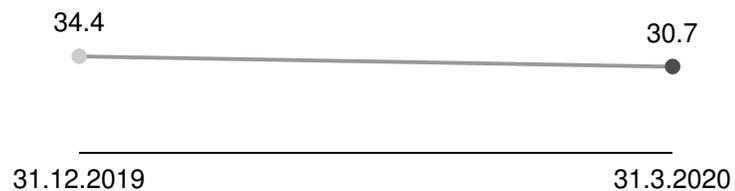
Free cash flow after dividends/ €m



Net debt/ €m

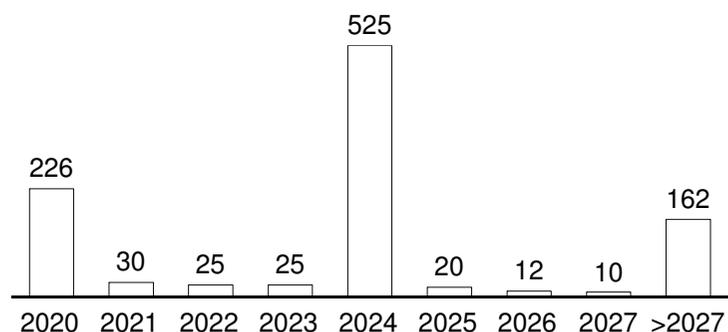


Gearing/ %

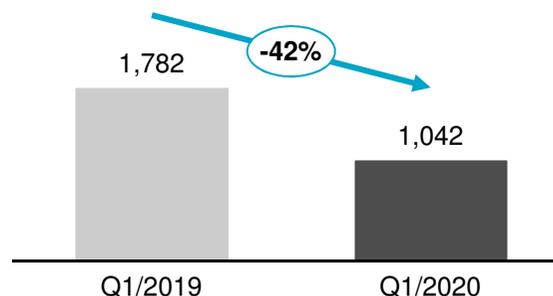


# Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €mn



## Financial liabilities

- Book value Financial liabilities: €1,042m

## Financial ratios

- Duration: 4.1 years
- Effective interest rate: 2.82% p.a.
- Uncommitted lines of credit: approx. €405m\*
- Syndicated loan: €500m

## Interest mix

- 98% fixed interest rate
- 2% floating interest rate

## Currency

- 100% EUR

## Rating

S&P Global  
Ratings

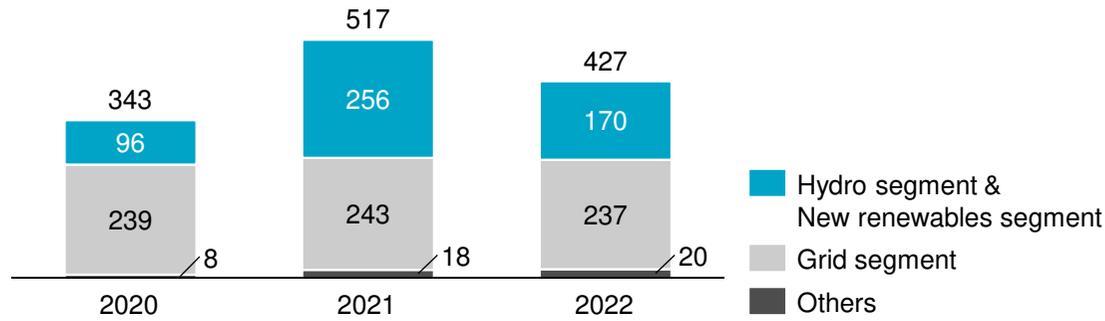
A/stable outlook

MOODY'S  
INVESTORS SERVICE

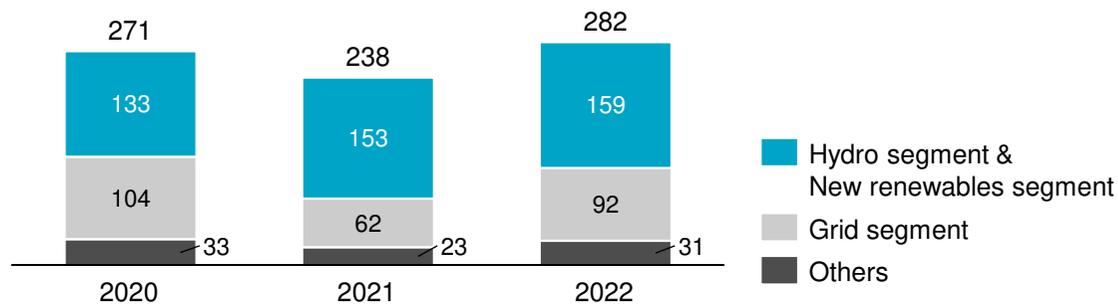
A3/stable outlook

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

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



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



# Outlook

Verbund

## 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:

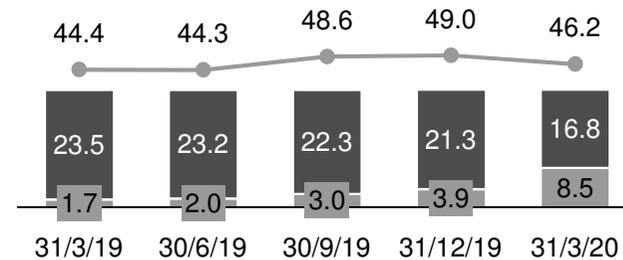
- Greater or less generation from hydropower: +/- €3.7m
- Greater or less generation from windpower: +/- €0.4m
- Wholesale prices (renewable generation): +/- €3.8m

## Earnings outlook 2020 adjusted

EBITDA between approx. €1,090m and approx. €1,250m and Group result between approx. €470m and approx. €560m based on an average generation from hydropower and windpower in Q2-4/2020 as well as the opportunities and risk situation of the Group.

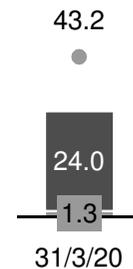
For financial year 2020, VERBUND plans to pay out between 40 and 50% of the Group result after adjustment for non-recurring effects.

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



MtM (24/4/20):  
42.3€

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



MtM (24/4/20):  
43.9 €

—●— 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.

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# Appendix



# Income statement

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€m	Q1/2019	Q1/2020
	Total	Total
<b>Revenue</b>	<b>1,208.4</b>	<b>1,257.3</b>
Electricity revenue	1,006.6	1,060.1
Grid revenue	152.5	142.7
Other revenue	49.3	54.5
Other operating income	10.2	15.5
Expenses for electricity purchases & use of fuels	-747.4	-798.5
Other operating & personnel expenses	-123.2	-143.2
<b>EBITDA</b>	<b>348.0</b>	<b>331.0</b>
Depreciation & amortisation	-89.7	-94.7
Effects from impairment tests	0.0	-0.1
<b>EBIT</b>	<b>258.3</b>	<b>236.2</b>
Result from equity interests & oth. interests	13.7	10.9
Interest income/expense	-22.2	-13.5
Other financial result	6.2	-7.2
Effects from impairment tests	0.0	0.0
<b>Financial result</b>	<b>-2.2</b>	<b>-9.8</b>
Taxes	-56.8	-50.2
<b>Group result</b>	<b>178.1</b>	<b>156.5</b>
<b>Minorities</b>	<b>21.1</b>	<b>19.6</b>
<b>Earnings per share (€)</b>	<b>0.51</b>	<b>0.45</b>

## Balance sheet (short version)

Verbund

€m	31.12.2019	31.3.2020	Change
Non-current assets	11.062	11.067	0%
Current assets	777	1.058	36%
<b>Total assets</b>	<b>11.839</b>	<b>12.125</b>	<b>2%</b>
Equity	6.568	6.845	4%
Non-current liabilities	4.107	4.140	1%
Current liabilities	1.163	1.140	-2%
<b>Total liabilities</b>	<b>11.839</b>	<b>12.125</b>	<b>2%</b>

## Cash flow statement (short version)

Verbund

€m	Q1/2019	Q1/2020	Change
Cash flow from operating activities	380	298	-21%
Cash flow from investing activities	-280	-148	–
Cash flow from financing activities	-31	-86	–
<b>Change in cash and cash equivalents</b>	<b>69</b>	<b>64</b>	<b>-7%</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>108</b>	<b>109</b>	<b>1%</b>

# Capital market calendar 2020

	6/6/2020	Record date for Annual General Meeting
	16/6/2020	Annual General Meeting
	23/6/2020	Ex-dividend date
	24/6/2020	Record date for dividends
	6/7/2020	Dividend payment date
	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



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