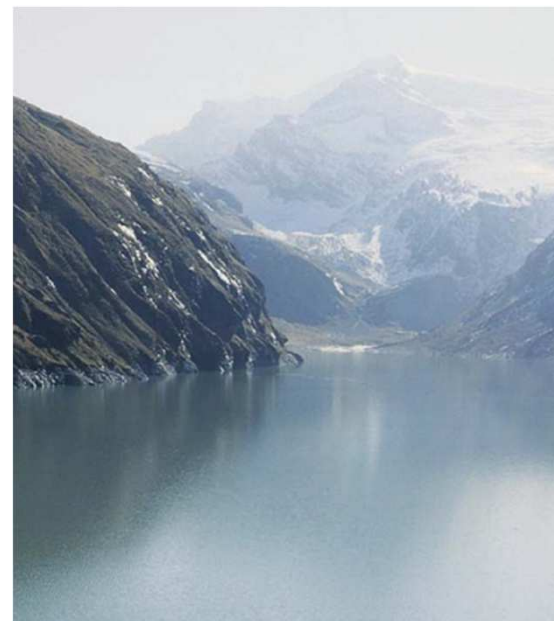
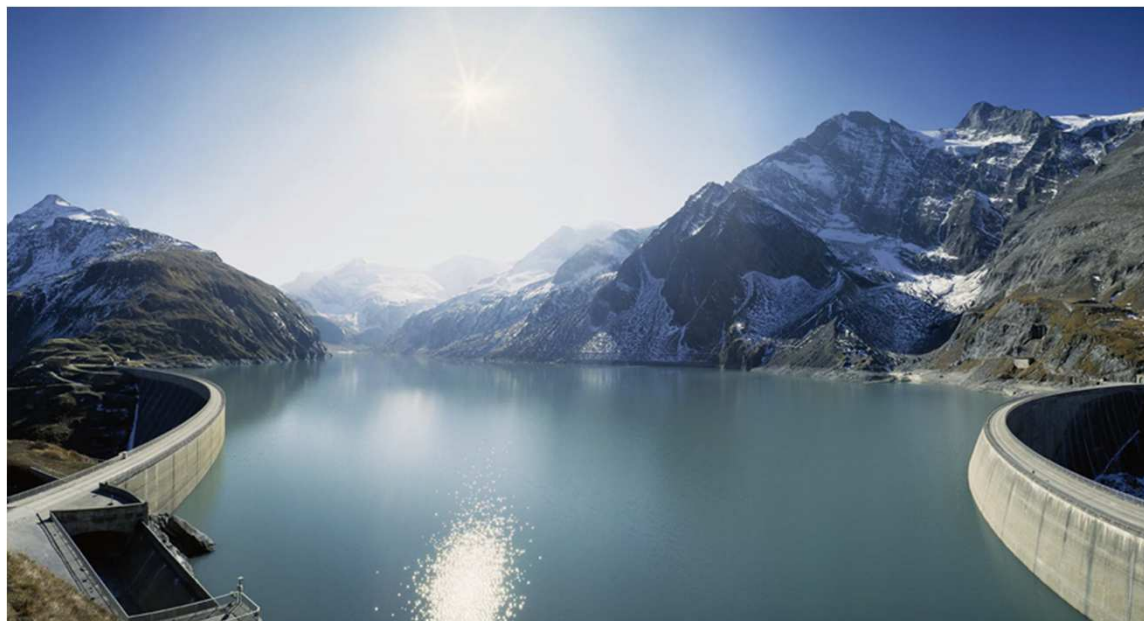


Verbund



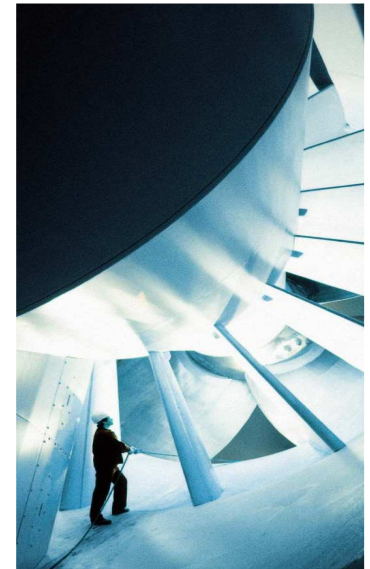
Verbund

VERBUND

Results for quarters 1-3/2020

Vienna, 5/11/2020

© VERBUND AG, www.verbund.com



At a glance

Verbund

Influencing factors

- Higher average achieved contract prices for own generation from hydro production due to higher futures prices - but lower spot market prices because of lower electricity demand from COVID 19
- Hydro coefficient 2 percentage points below the long term average and 4 percentage points below Q1-3/2019 but higher production from storage power plants
- Slightly lower contribution from the high voltage grid
- Lower contribution from flexibility products (especially congestion management)
- Positive contribution from financial result because of further debt reduction and lower interest rates

Development of results, cash flows and debt

- EBITDA €989.5m (+4.6%), adjusted EBITDA €989.5 (+4.6%)
- Group result €477.7m (+6.0%), adjusted Group result €468.3 (+3.3%)
- EBITDA Margin 39,2 % (Q1-3/2019: 33,5 %)
- Operating cash flow €852.3m (−4.6%); Free cash flow after dividends €135.8m (−70.0%)
- Net Debt €2,016.5m (−10.6%)

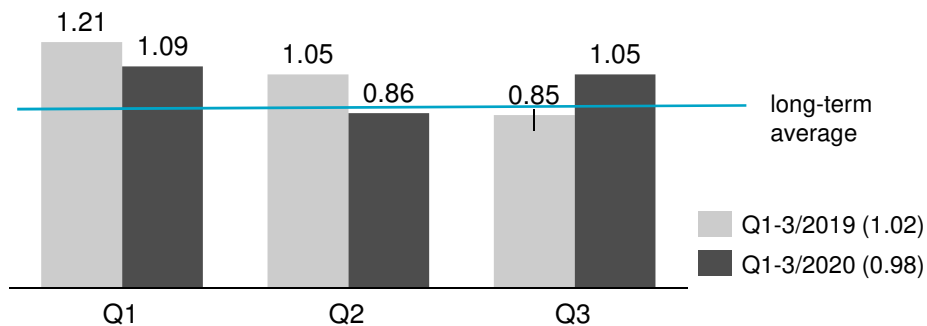
Outlook range 2020 improved

- EBITDA between approx. €1,240m and €1,300m, Group result between approx. €570m and €610m
- Pay-out ratio between 40% and 50% on adjusted Group result between approx. €560m and €600m

Stable own generation

Verbund

Hydro coefficient (run-of-river)

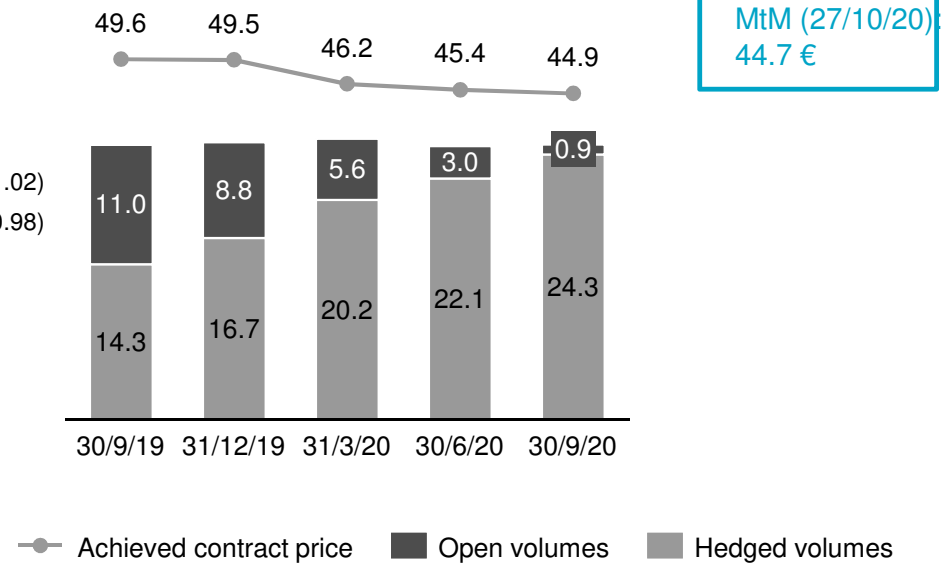


Electricity supply 50,603 GWh (+147 GWh, +0.3%)

- Hydropower: 24,268 GWh (+3 GWh, +0.0%)
 - Storage power: 4,073 GWh (+589 GWh)
- Thermal Power: 808 GWh (–261 GWh, –24.4%)
 - CCGT Mellach: 472 GWh (–274 GWh)
- Wind: 680 GWh (+17 GWh, +2.6%)
- Purchase from third parties: 24,847 (+386 GWh)

Hedging volumes 2020¹/ TWh

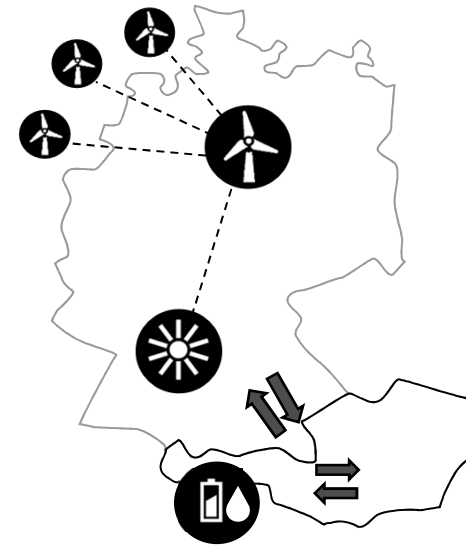
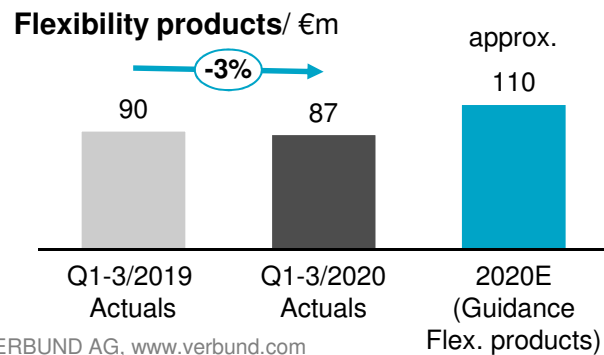
FY2019: €39.0/MWh



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

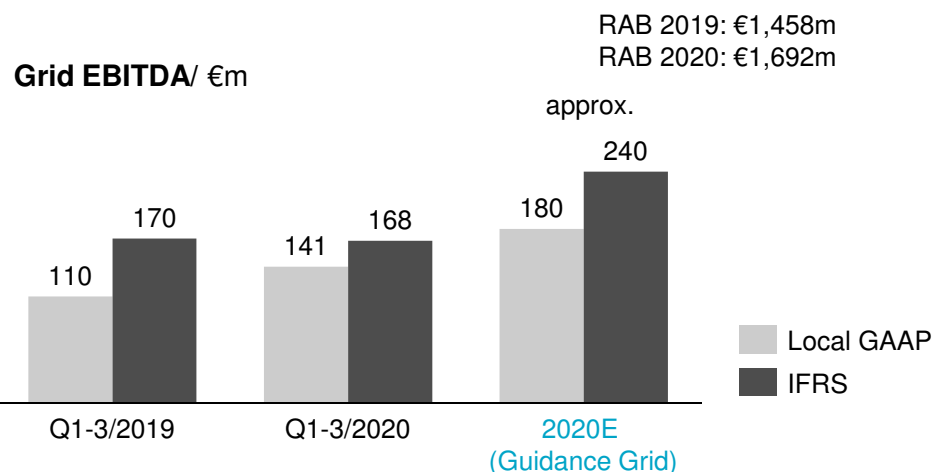
Flexibility products slightly decreased

- 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



Slightly lower result contribution from high voltage grid

Verbund



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

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 EBITDA in Q1-3/2020 (IFRS) almost unchanged

Strong increase in grid guidance from €200m to €240m (IFRS)

- Lower expenses for congestion management due to better weather situation

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

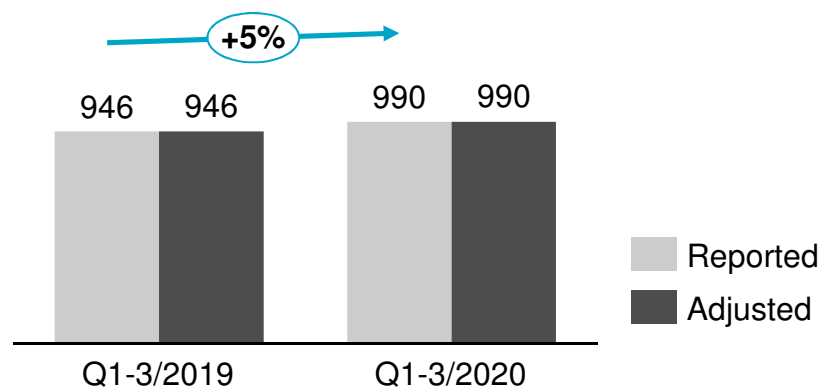
Verbund

€m	Detail	Q1-3/2020	Q1-3/2019
EBITDA		0	0
Impairments	CCGT Mellach, HPP Graz & Gries, others	-15	-1
Operating result	Total	-15	-1
Other financial result	Measurement of an obligation to return an interest (DKJ)	26	-2
Impairments	HPP Ashta	-1	0
Financial result		25	-2
Taxes	Effects due to the non-recurring effects above	-3	1
Minorities		1	0
Group result	Total	9	-2

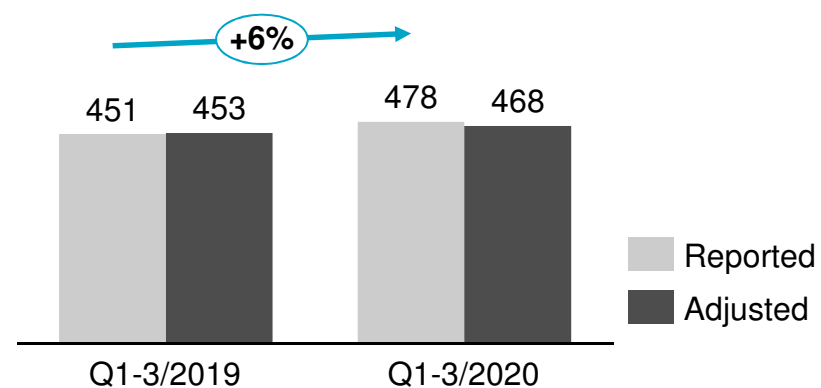
Key financial figures (1)

Verbund

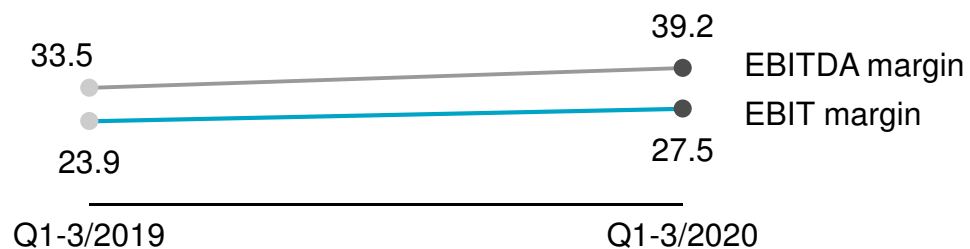
EBITDA/ €m



Group result/ €m

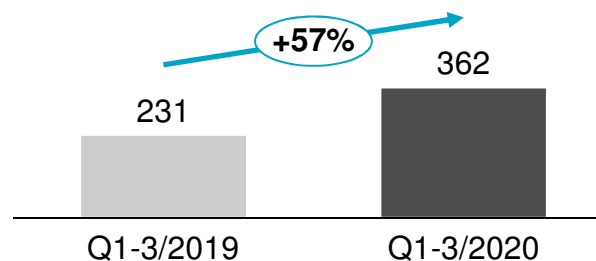


Margins/ %



Additions/ €m

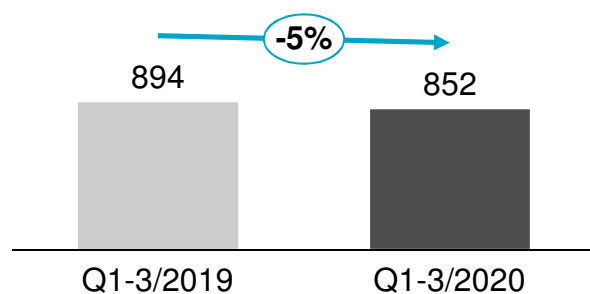
to tangible assets



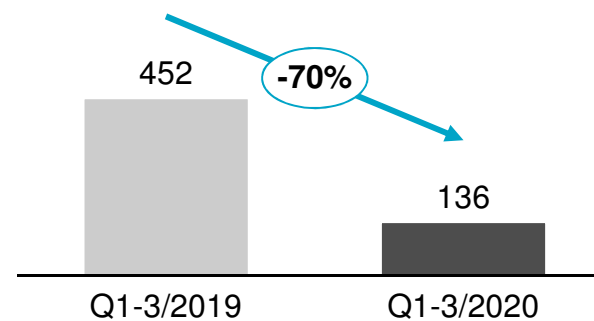
Key financial figures (2)

Verbund

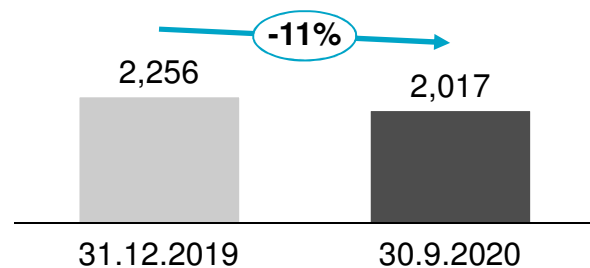
Operating cash flow/ €m



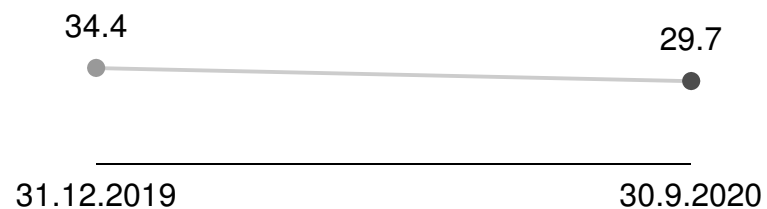
Free cash flow after dividends/ €m



Net debt/ €m

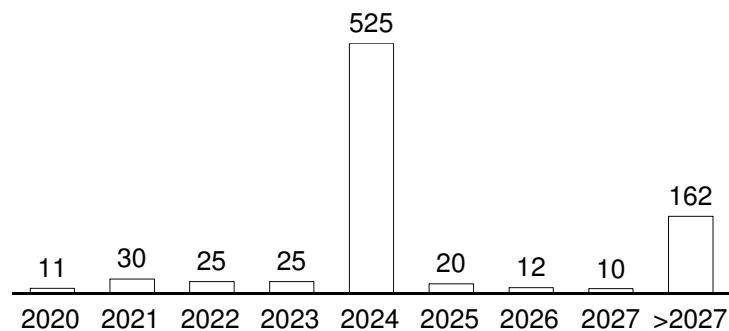


Gearing/ %

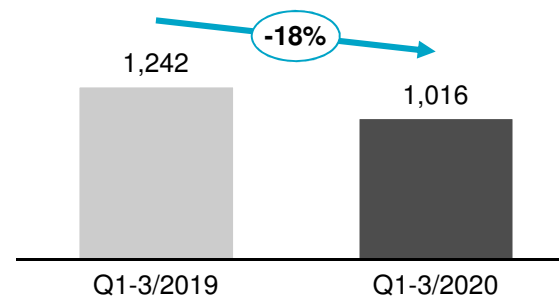


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €mn



Financial liabilities

- Book value Financial liabilities: €1,016m

Financial ratios

- Duration: 4.1 years
- Effective interest rate: 2.30% p.a.
- Uncommitted lines of credit: approx. €610m*
- Syndicated loan: €500m

Interest mix

- 79% fixed interest rate
- 21% floating interest rate

Currency

- 100% EUR

Rating

S&P Global
Ratings

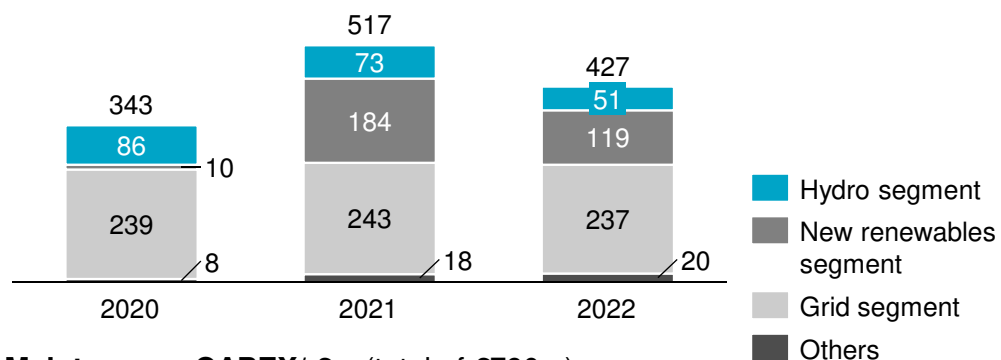
A/stable outlook

MOODY'S
INVESTORS SERVICE

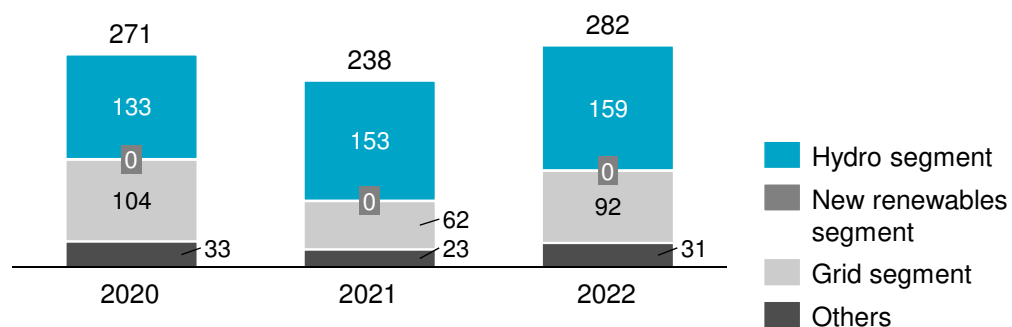
A3/stable outlook

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: +/- €1.5m
- Greater or less generation from windpower: +/- €0.2m
- Wholesale prices (renewable generation): +/- €0.7m

Earnings outlook 2020 improved

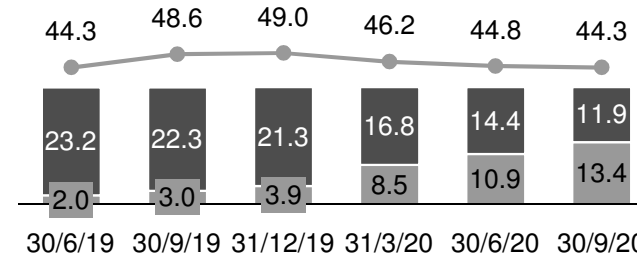
EBITDA between approx. €1,240m and approx. €1,300m and Group result between approx. €570m and approx. €610m based on an average generation from hydropower and windpower in Q4/2020 as well as the opportunities and risk situation of the Group.

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 €560m and €600m.

© VERBUND AG, www.verbund.com

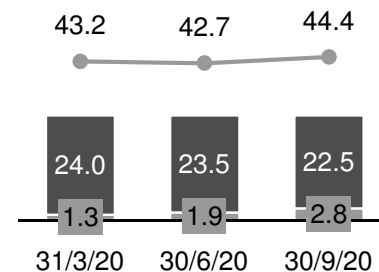
Verbund

Hedging volumes 2021¹ / TWh



MtM (27/10/20):
43.0 €

Hedging volumes 2022¹ / TWh

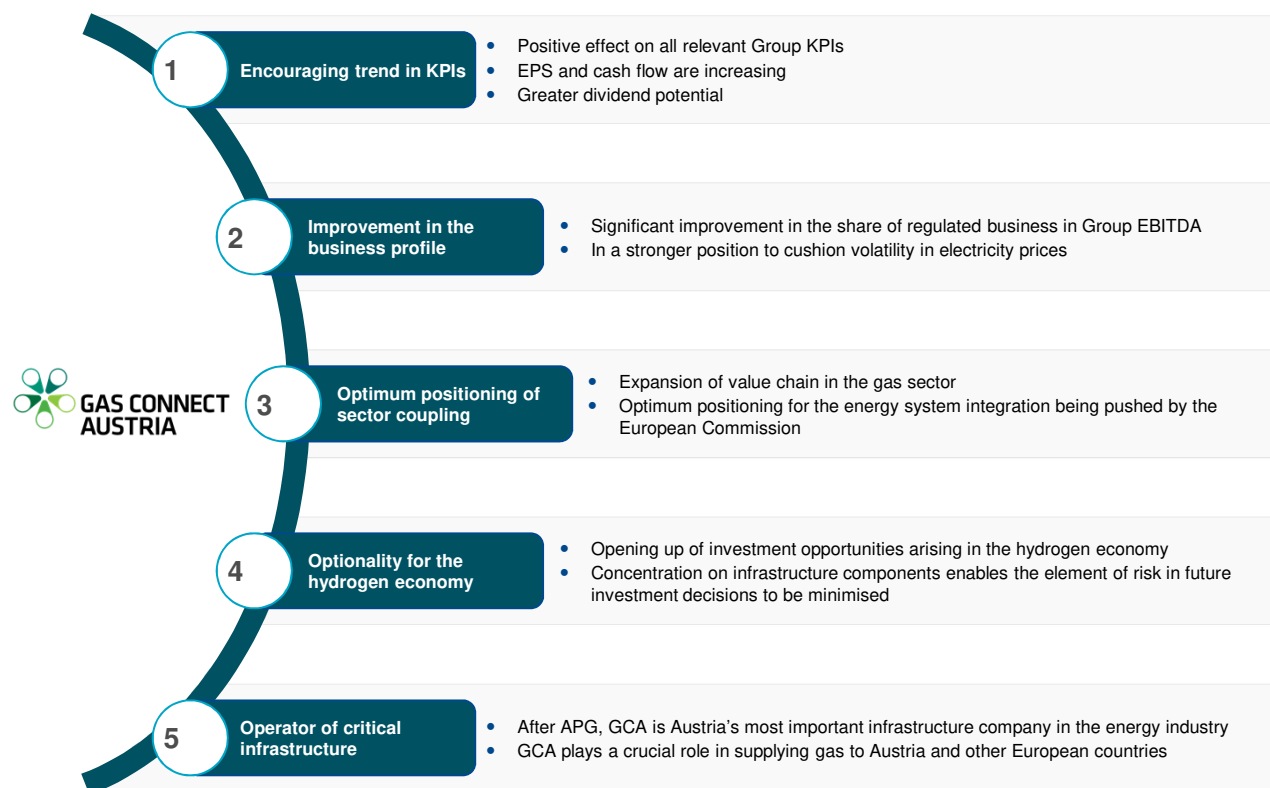


MtM (27/10/20):
44.1 €

—●— Achieved contract price ■ Open volumes ■ Hedged volumes

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

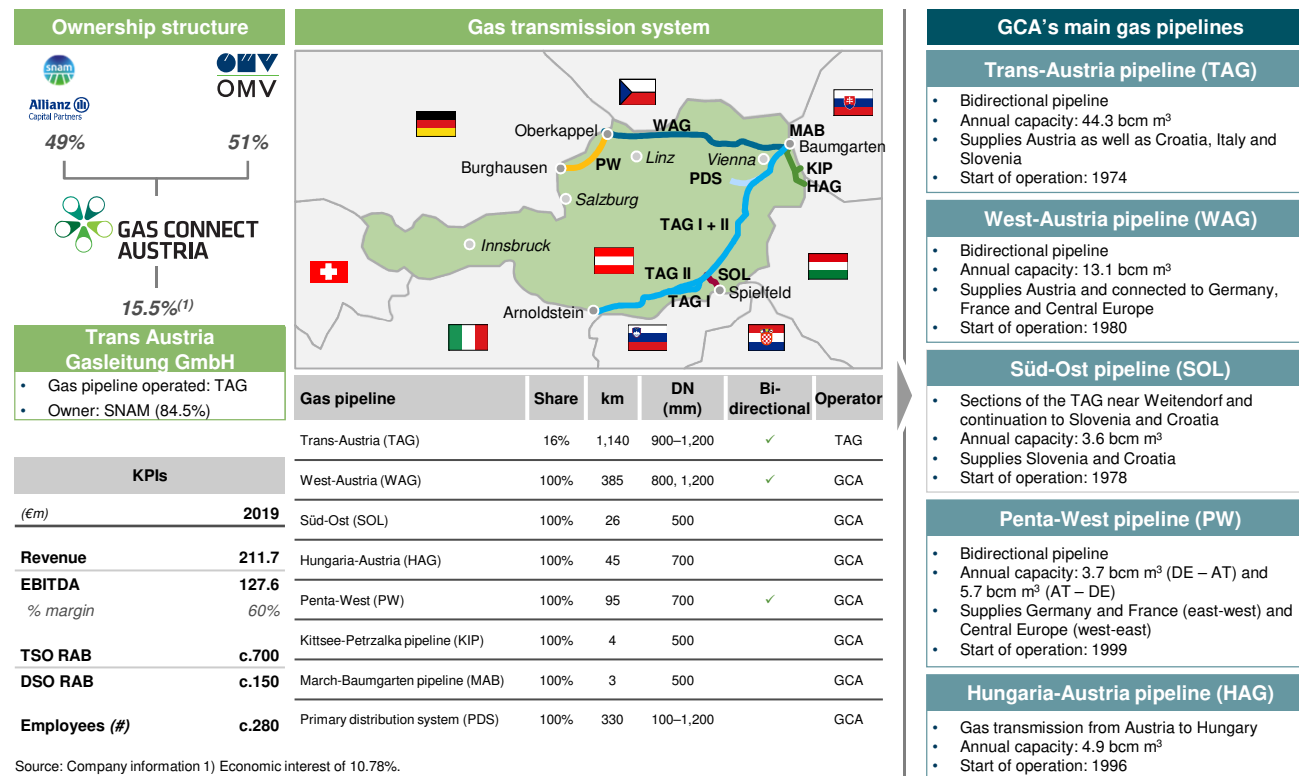
Equity story – Gas Connect Austria



Gas Connect Austria – Overview

Verbund

GCA holds 100% of the internally managed assets and 15.5%⁽¹⁾ of the TAG pipeline



KPIs

(€m)	2019
Revenue	211.7
EBITDA	127.6
% margin	60%
TSO RAB	c.700
DSO RAB	c.150
Employees (#)	c.280

Verbund

Appendix



Sustainability@VERBUND

Sustainability is the core element of VERBUND's vision

Our focus is on customised, sustainable electricity products and energy-related services that enable our environmentally aware customers to make efficient use of energy. We are also working to shape the future of energy by offering innovative solutions – from electromobility to developing new technologies for flexible storage.

Since January 2019 VERBUND supports the UN Global Compact – the world's largest corporate sustainability initiative of the United Nations. VERBUND is committed to support the **17 Sustainable Development Goals** (SDGs) and the **ten universal principles** deriving from Labour/Human Rights/Environment/Anti-Corruption.

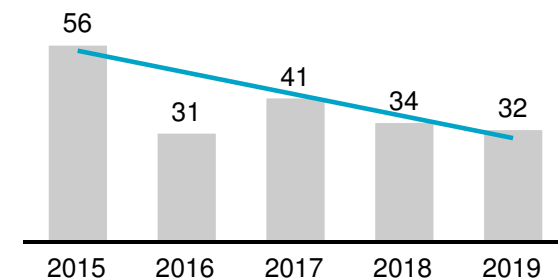


© VERBUND AG, www.verbund.com

WE SUPPORT



On the way to decarbonization/ g CO₂e/kWh



Specific THG emissions Scope 1 referred to the total electricity generation incl. warrants without consideration of generated district heat; provisional data before verification.

Sustainability rating & rankings



SUSTAINALYTICS

20.2/100 points



Gold Status

Top 10% out of 50,000 rated companies



ISS-oekom “B” rating

MSCI
ESG RATINGS



**AA rating, leader category
among 144 utility companies**

Verbund

being part of



VBV ÖSTERREICHISCHER
NACHHALTIGKEITSINDEX



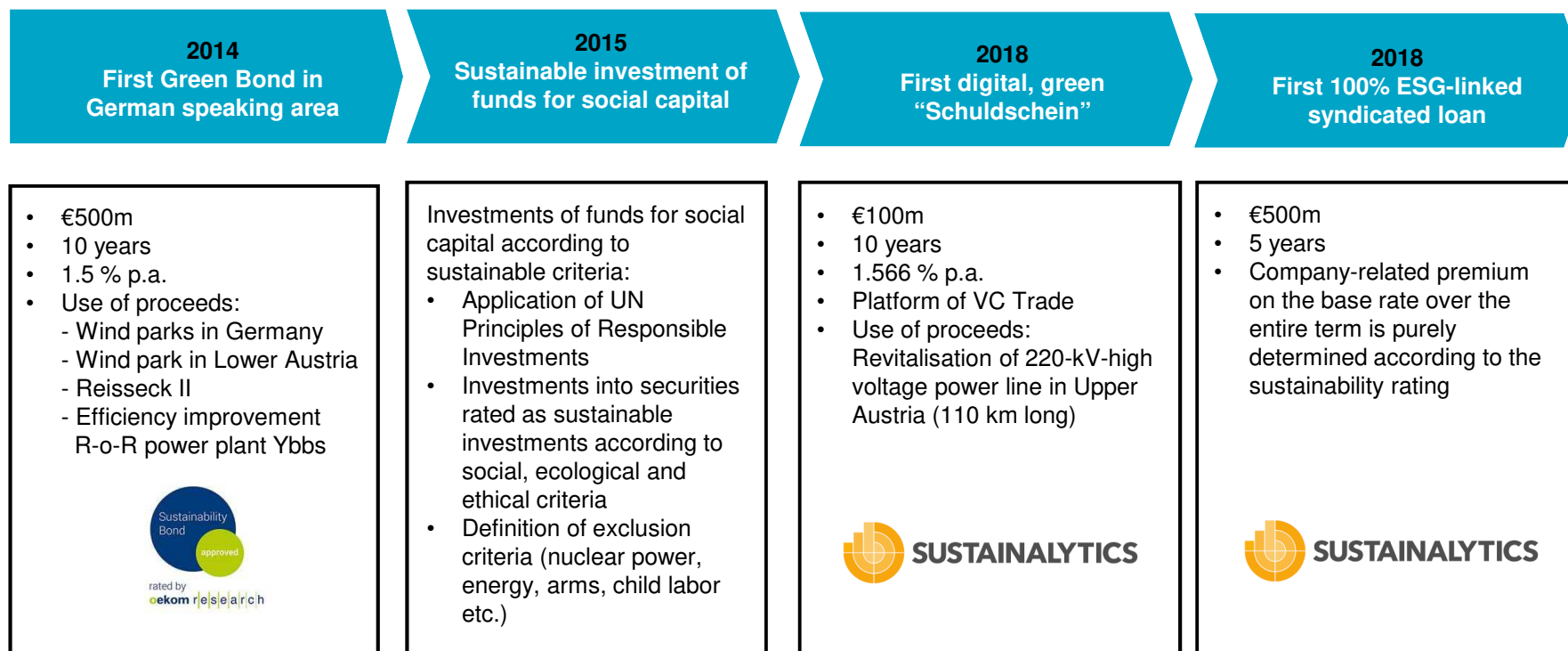
FTSE4Good



all data as at 31/12/2019

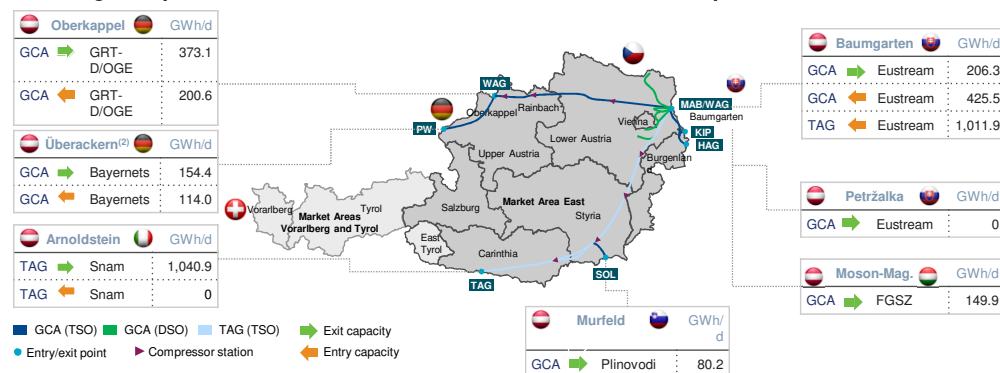
VERBUND – market leader in green finance

Verbund



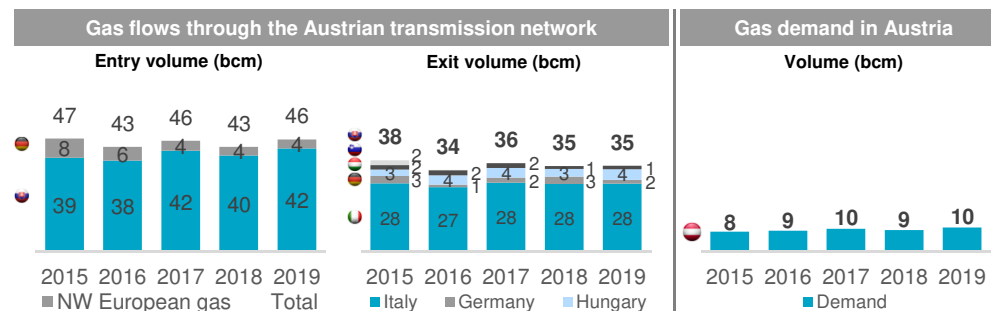
Overview of Austria's gas transmission network

Due to its geographic location, Austria's gas network serves as a hub and a transit route for the transmission of natural gas imported from countries in Western and Southern Europe



Highlights

- Two main actors in the gas transmission market:
 - The main TSO, GCA, which connects Austria with Slovakia (through Baumgarten, KIP and MAB), Germany (through WAG and PW), Slovenia (through SOL) and Hungary (through HAG)
 - TAG, which connects Austria with Italy through the TAG pipeline
- The Baumgarten interconnection point with Slovakia is Austria's main entry point for natural gas and also a hub between the two main long-distance pipelines, WAG and TAG, as well as HAG and MAB
- Main transit routes through Austria:
 - Baumgarten – Oberkappel/Überackern, transmission of Russian gas to Germany and more recently also gas from Northwest Europe to Ukraine via Slovakia using bidirectional pipelines
 - Baumgarten – Arnoldstein, transmission of Russian gas to Italy
- The GCA infrastructure acts as a hub in the Austrian gas infrastructure by providing flexibility and maximising opportunities to respond to the range of flow scenarios required by the market dynamics



Sources: ENTSG, company information, Aurora Energy Research Gas Model, Eurostat.
 Note: Booked (company-specific) entry/exit capacity in GW/d in March 2020; Überackern ABG/Überackern SUDAL entry/exit point is reflected as mutually exclusive set-up points with competing physical capacity.

VERBUND & GCA: sector coupling

The transaction will allow the sector coupling being pushed by the EU to be accelerated in Austria

Overview

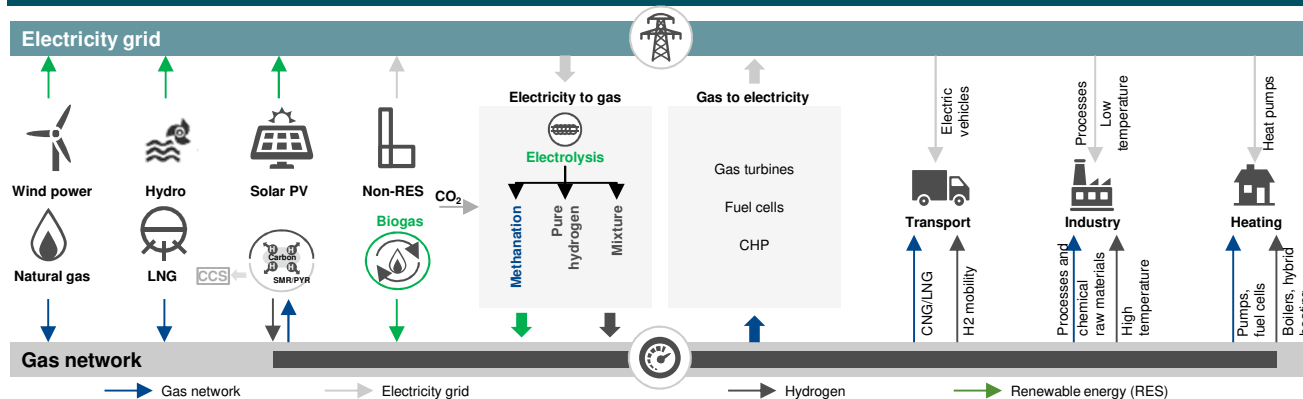
- The transaction will facilitate closer cooperation between the sectors of electricity generation (VERBUND), electricity transmission (APG) and gas transmission/distribution/storage (GCA)
- The potential value chain could allow volatile electricity generated by VERBUND to be converted into H₂ or "green methane" through power to gas (P2G) and subsequently stored and delivered to the industry (e.g. steel industry, refineries) and the mobility sector (e.g. heavy transporters, trains/buses) using the GCA network
- Likewise, gas could be used for electricity generation ("re-electrification") and its subsequent transmission to the APG grid.

Existing projects and partners

- As part of the H2FUTURE project, VERBUND and APG have already delivered a concrete example for sector coupling through the electrolysis operation supporting the grid.
- The project involves construction of the first Siemens electrolyser of its kind to produce H₂ for voestalpine's steel plants and provide balancing services for the grid
- Under the umbrella of the "UpHy" joint project by VERBUND and OMV, GCA's majority shareholder, research is being conducted into H₂ production for use in the mobility sector and refineries

voestalpine OMV SIEMENS Verbund APG

Illustrative energy system with a high degree of sector coupling



Sources: ENTSOG, company information

Gas Connect Austria – operator of critical infrastructure

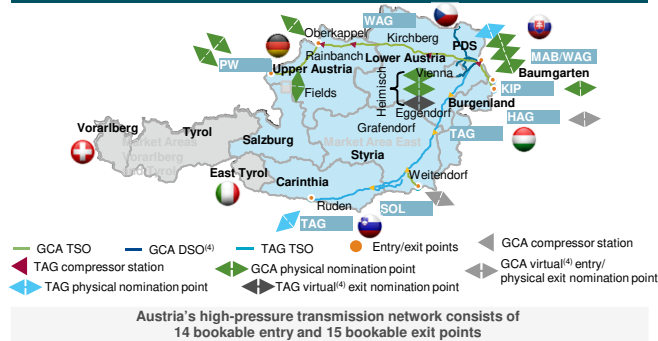
Verbund

GCA operates highly flexible natural gas transmission and distribution infrastructures that are vital for the Austrian and European gas supply network

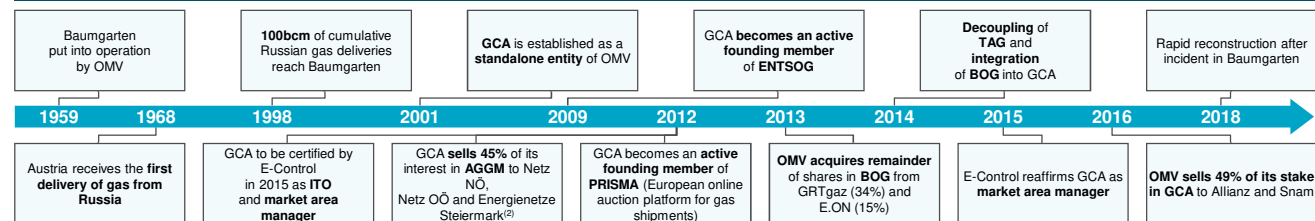
Overview

- Largest natural gas transmission company in Austria operating an approximately 900 km-long high-pressure pipeline grid with sold entry and exit capacity of approx. 143 bcm per year
- The cross-border interconnection hub in Baumgarten is Austria's biggest entry point, also serving as one of Europe's most important hubs for receiving gas being imported from Russia
- GCA's large share of physical interconnection points allows for flexible gas flows, including reverse flows, to accommodate changes in demand or changes in European gas flow patterns

Critical infrastructure at the centre of European gas flows



Evolution



Sources: Company information.

1. Participation in TAG through a 15.53% equity interest – in addition to the statutory dividends (which represent economic rights of 10.78%), GCA benefits from a participation right.
2. In 2013, GCA sold a further 4% in AGGM to TIGAS and Vorarlberger Energienetze.
3. A total of 322 km of the primary distribution system are classified as distribution pipelines as per the Austrian Gas Act (GWG); 7 km of the primary distribution systems are classified as transmission pipelines, ranging from Marchdöcker on the border with Slovakia to Baumgarten.
4. No physical gas flow to/from Austria. Virtual entry/exit possible up to the number of physical entry/exit nominations.
5. Information exclusively for GCA Group, excluding TAG (presented using the equity method of accounting)

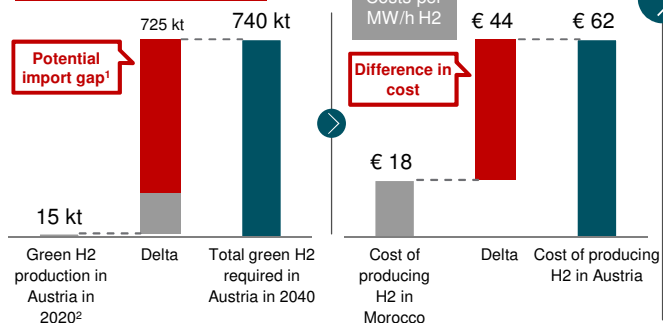
Hydrogen imports are indispensable for decarbonisation of Austria by 2040



“An international hydrogen market allows hydrogen and synthetic fuels to be imported on a large scale. The objective should be to ensure that these energy sources are produced abroad from renewable energy sources.”

2050 LTS, Federal Ministry of Sustainability and Tourism

Outside-in assessment



Reasons why Austria should import

- Virtually impossible to produce all required hydrogen **locally in Austria** (resource requirements)
- Establishment of adequate **power infrastructure expensive** and hampered by bureaucratic obstacles
- **Early import ambitions** may accelerate rapid connection to international H2 infrastructure
- A **worldwide import/export market** for green H2 is generally regarded as a natural final stage
- **Hydrogen production costs** outside the EU are substantially lower than in Austria

- Import & distribution only possible with pipelines, **no guarantee of “timely” connection** to the international grid
- Higher risk of **dependence on third countries** could cause political problems

1. Outside-in assessment 2. Based on the IEA hydrogen project database: Total no. of active projects with 100% annual capacity utilisation, 2020. Sources: Austria's 2050 long-term strategy; discussions with experts; public reports; BCG analysis.

Income statement

Verbund

€m	Q1-3/2019	Q1-3/2020
	Total	Total
Revenue	2,826.8	2,522.7
Electricity revenue	2,316.6	2,064.3
Grid revenue	412.7	357.7
Other revenue	97.5	100.7
Other operating income	46.8	54.4
Expenses for electricity purchases & use of fuels	-1,531.9	1,159.0
Other operating & personnel expenses	-395.6	-428.6
EBITDA	946.1	989.5
Depreciation & amortisation	-269.5	-282.0
Effects from impairment tests	-0.7	-14.6
EBIT	675.9	692.9
Result from equity interests & oth. interests	38.8	34.6
Interest income/expense	-62.2	-38.0
Other financial result	10.4	21.1
Effects from impairment tests	0.0	-0.8
Financial result	-13.0	16.8
Taxes	-145.5	-162.1
Group result	450.9	477.7
Minorities	66.5	69.9
Earnings per share (€)	1.30	1.38

Balance sheet (short version)

Verbund










€m	31.12.2019	30.9.2020	Change
Non-current assets	11.062	11.149	1%
Current assets	777	640	-18%
Total assets	11.839	11.789	0%
Equity	6.568	6.788	3%
Non-current liabilities	4.107	3.982	-3%
Current liabilities	1.163	1.019	-12%
Total liabilities	11.839	11.789	0%

Cash flow statement (short version)

Verbund

€m	Q1-3/2019	Q1-3/2020	Change
Cash flow from operating activities	894	852	-5%
Cash flow from investing activities	-172	-423	–
Cash flow from financing activities	-743	-422	–
Change in cash and cash equivalents	-21	7	–
Cash and cash equivalents at the end of the period	18	52	–

Capital market calendar 2021

	17/3/2021	Annual result and publication of annual report 2020
	10/4/2021	Record date for Annual General Meeting
	20/4/2021	Annual General Meeting
	27/4/2021	Ex-dividend date
	28/4/2021	Record date for dividends
	10/5/2021	Dividend payment date
	12/5/2021	Result and interim report quarter 1/2021
	29/7/2021	Result and interim report quarters 1–2/2021
	4/11/2020	Result and interim report quarters 1–3/2021

Management

Verbund



Wolfgang Anzengruber
CEO, Chairman of the Managing Board



Michael Strigl
Deputy Chairman of the Managing Board



Peter Kollmann
CFO, Member of the Managing Board



Achim Kaspar
Member of the Managing Board

Investor relations team

Verbund



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