

**VERBUND**

Results for quarters 1–3/2022



Vienna, 3 November 2022

**Verbund**

# At a glance

## Influencing factors

- Higher average achieved contract prices due to higher spot and forward prices (Q1–3/2022: €111.6/MWh)
- Hydro coefficient 16 percentage points below the long-term average (EBITDA effect approx. €640m) leading to electricity buy backs at high market prices to cover sold volumes (EBITDA effect approx. €350m)
- Higher production from reservoirs
- Negative valuation effects mainly from hedging of own generation due to increasing wholesale prices for electricity (EBITDA effect Q1–3/2022: approx. €310m)
- Higher contribution from flexibility products (Q1–3/2022: €314.8m (+180.0%))
- 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

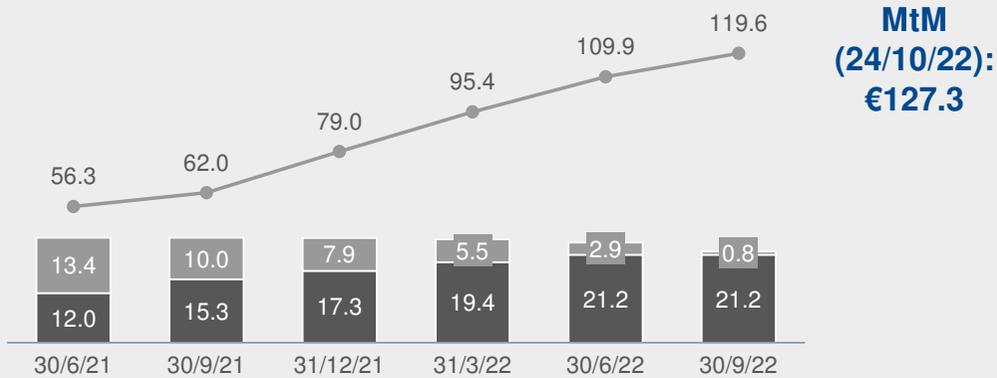
- Reported and adjusted EBITDA €1,933.3m (+68.0%)
- Group result €1,065.2m (+81.4%), adjusted Group result €982.6m (+73.5%)
- Operating cash flow €1,120.8m (+119.5%); Free cash flow after dividends €–628.4m
- Net Debt €4,505.7m (+28.3%)

## Guidance 2022 adjusted due to low hydro availability

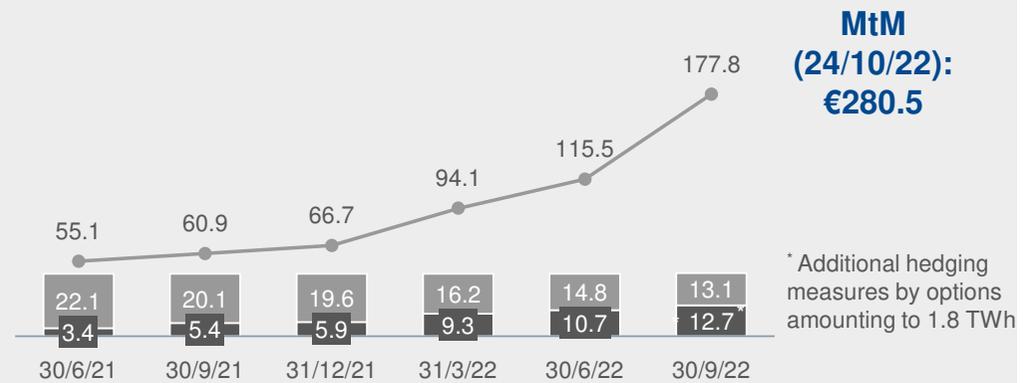
- EBITDA rep. & adj. approx. €2,800m – €3,300m; Group result reported approx. €1,530m – €1,880m
- Pay-out ratio 45% – 55% on adjusted Group result between approx. €1,450m – €1,800m

# Hedging volumes

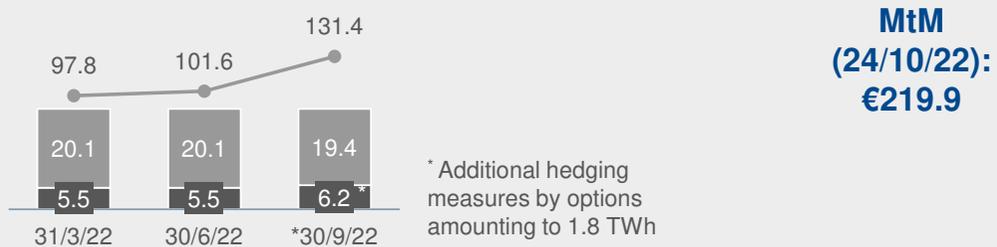
## Hedging volumes 2022<sup>1</sup>/ TWh



## Hedging volumes 2023<sup>1</sup>/ TWh



## Hedging volumes 2024<sup>1</sup> / TWh



## Historic contract prices

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

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

# Hydro segment

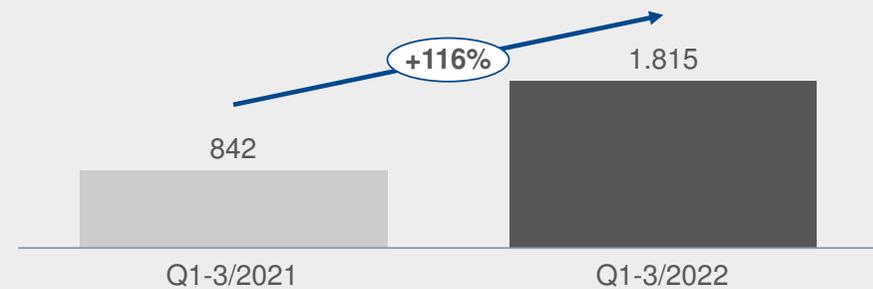
## Facts and figures

- Lower generation from hydropower in Q1–3/2022
  - Hydropower: 20,836 GWh (–12.0%)
    - Lower hydro coefficient in Q1–3/2022 (0.84 vs. 0.99)
    - Storage power: 3,729 GWh (+2.5%)
- Higher average achieved prices
- Flexibility products increased by €137.8m

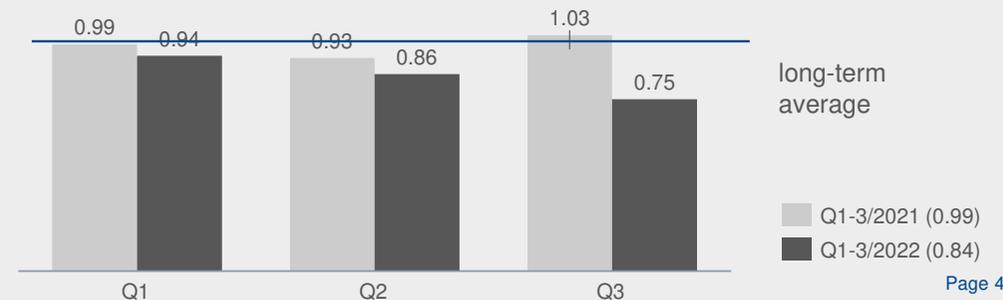
## Current information

- 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
  - finalized and in operation

## EBITDA/ €m



## Hydro coefficient (run-of-river)



# New renewables segment

## Facts and figures

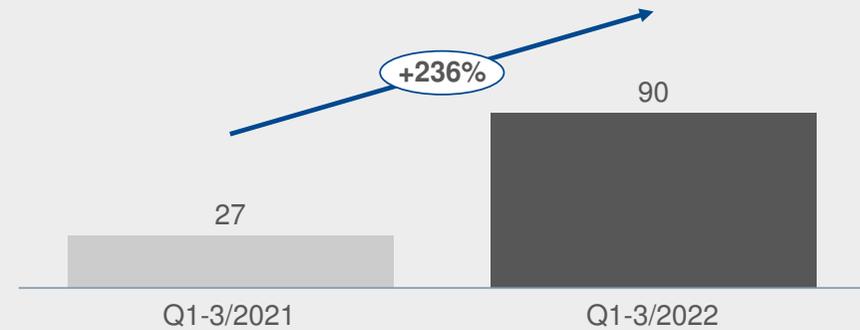
- Higher generation from wind power in Q1-3/2022: 718 GWh (+22.4%)
  - Austria 168 GWh (+6.9%)
  - Germany 128 GWh (+13.2%)
  - Romania 371 GWh (+17.3%)
  - Spain 51 GWh
- Photovoltaic: 3.5 GWh

## Current information

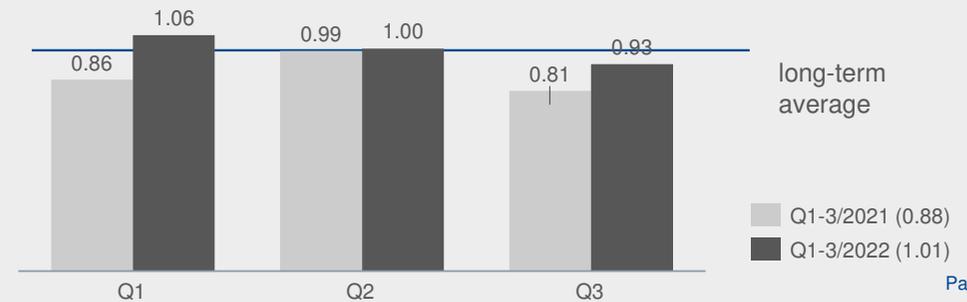
- Acquisition of operational renewables portfolio (82 MWp) and development platform (~2,100 MW at an advanced stage) from Q-Energy in Spain
- Acquisition of 171 MW wind-/PV projects from Capital Energy in Spain
- Acquisition of 147.6 MWp solar park project from BayWa r.e. in Southern Spain \*
- JLW PV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

\* 11/2021 \*\* 4/2021

## 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 €66.6m
- 527.000 end customers (–1.5%)

## 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

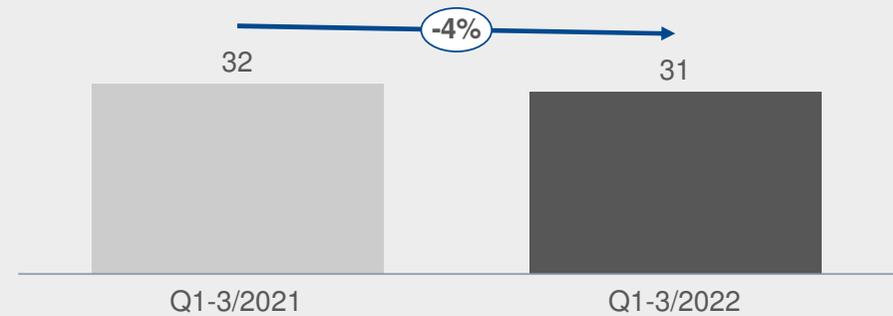
## Facts and figures

- Higher thermal power generation due to the market-driven use of the CCGT Mellach for electricity and district heating production counterbalanced by increased gas procurement costs and negative valuations of energy derivatives
- Thermal Power: 879 GWh
  - CCGT Mellach: 879 GWh
- Flexibility products decreased by €2.0m

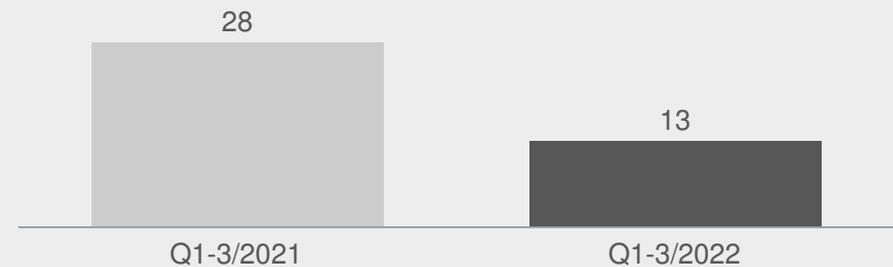
## Current information

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

## EBITDA/ €m



## KELAG contribution to financial result / €m



# Grid segment



## Local GAAP: stable earnings

- 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 expenses for grid loss energy, loss in auctions

## Contribution from GCA in Q1–3/2022 (IFRS)

- €56m EBITDA

## GCA TSO WACC for regulatory period (2021-2024)

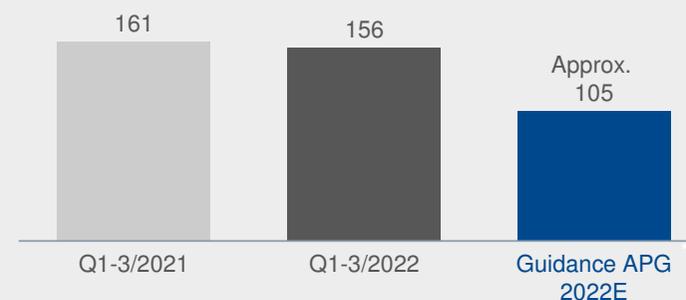
- 4.98% nominal incl. capacity risk

## 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)

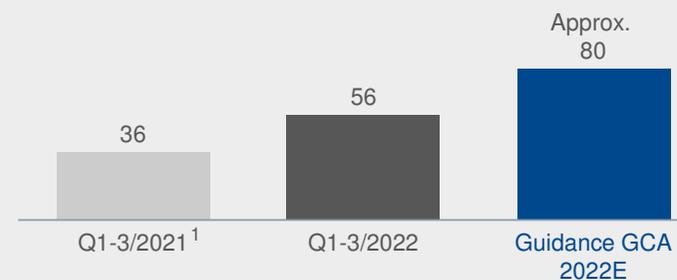
## APG EBITDA/ €m

RAB 2021: €1,920m  
RAB 2022: €2,182m



## GCA EBITDA/ €m

RAB 2021: €635m  
RAB 2022: €647m



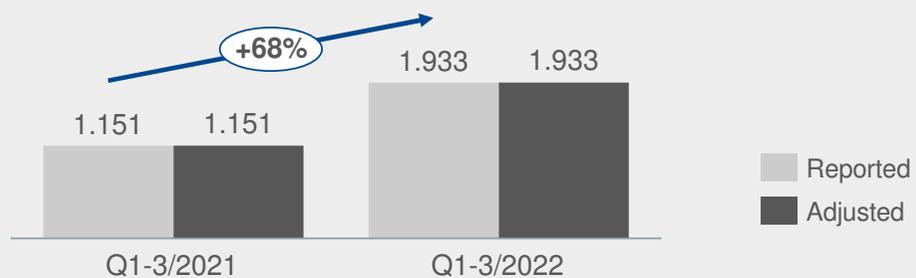
<sup>1</sup> Consolidation as of 31 May 2021

## Non-recurring effects

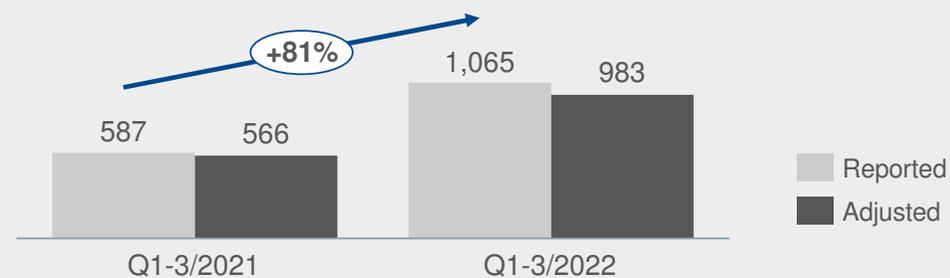
€m	Detail	Q1–3/2022	Q1–3/2021
<b>EBITDA</b>		<b>0</b>	<b>0</b>
Impairments	HPP Gratkorn, CGU GCA, good will GCA	-32	-1
Reversal of impairments	CCGT Mellach	56	0
<b>Operating result</b>	<b>Total</b>	<b>24</b>	<b>-1</b>
Other equity interests		0	12
Other financial result	Measurement of an obligation to return an interest (DKJ), TAG PPR	17	13
Impairments	HPP Ashta, TAG	-4	0
<b>Financial result</b>		<b>13</b>	<b>25</b>
Taxes	Revaluation of deferred taxes and effects due to the non-recurring effects above	44	-3
Minorities		2	0
<b>Group result</b>	<b>Total</b>	<b>83</b>	<b>21</b>

# Key financial figures (1)

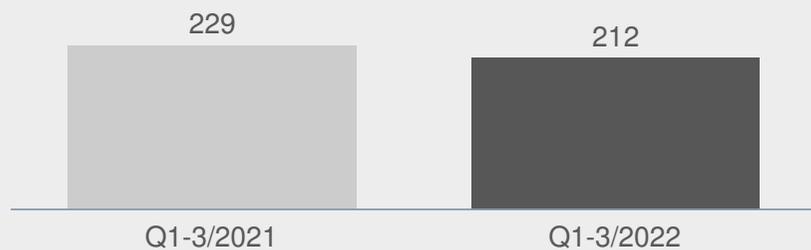
## EBITDA/ €m



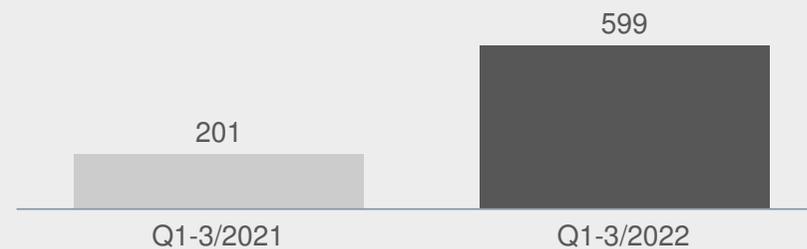
## Group result/ €m



## Additions to tangible assets (infrastructure) / €m

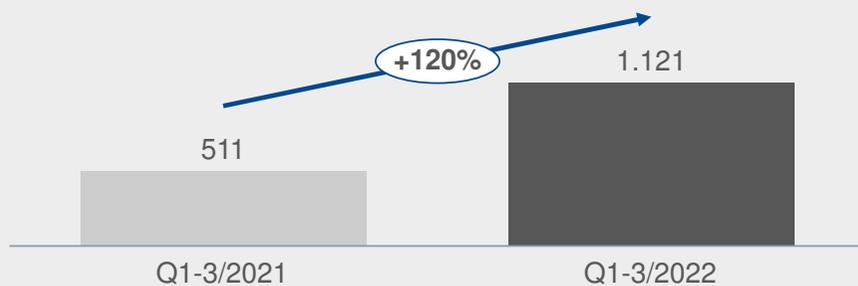


## Additions to tangible assets (core business & others) / €m



## Key financial figures (2)

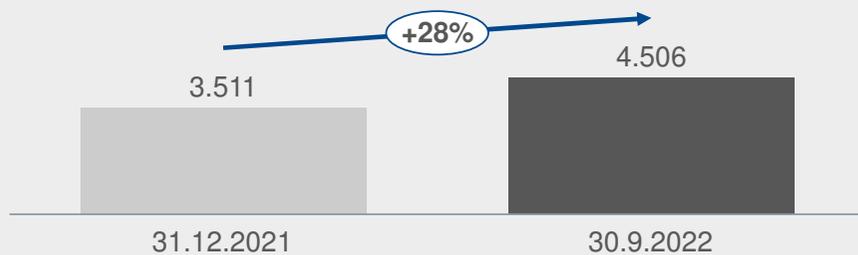
Operating cash flow/ €m



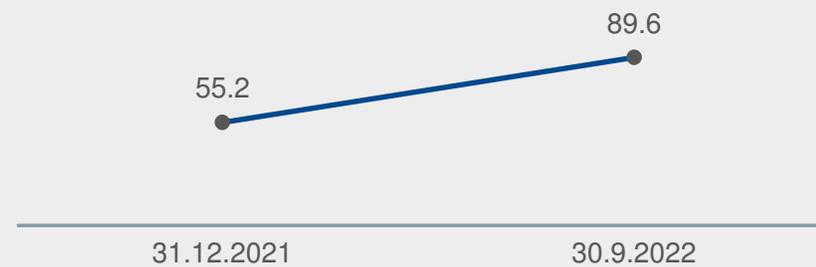
Free cash flow after dividends/ €m



Net debt/ €m

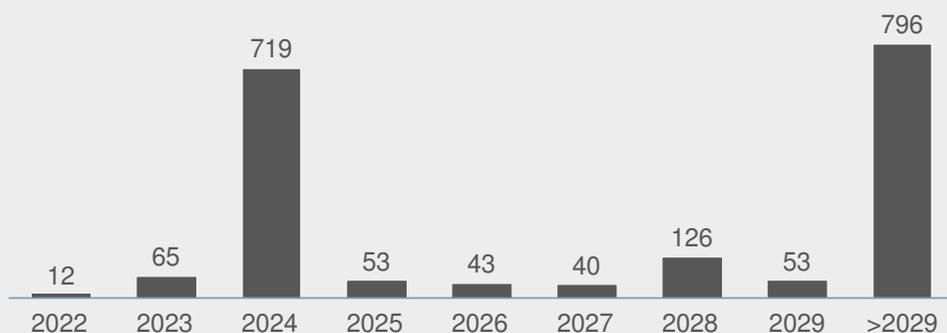


Gearing/ %

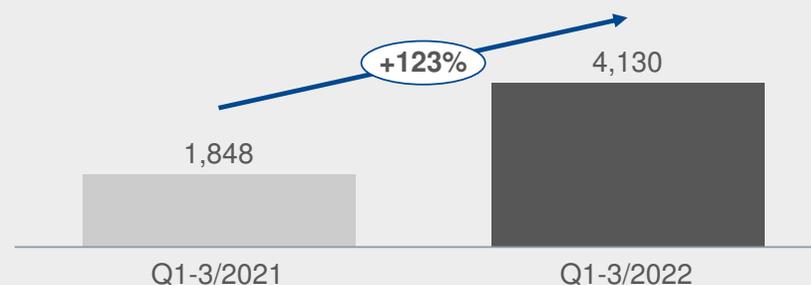


# Financial liabilities

## Debt maturity profile/ €m



## Financial liabilities/ €m



## Financial liabilities

- Book value Financial liabilities: €4,130.0m

## Financial ratios

- Duration: 3.0 years
- Effective interest rate: 1.82% p.a.
- Uncommitted lines of credit: €2,240m <sup>1)</sup>
- Committed lines of credit: €1,450m <sup>2)</sup>
- Syndicated loan: €500m

<sup>1)</sup> thereof used: €1,670m <sup>2)</sup> thereof used: €150m

## Interest mix

- 35.0% fixed interest rate
- 65.0% floating interest rate

## Currency

- 100% EUR

## Rating



A/positive outlook



A3/stable outlook

# Outlook

## Earnings outlook 2022 adjusted

- EBITDA between approx. €2,800m and approx. €3,300m and reported Group result between approx. €1,530m and approx. €1,880m based on an average generation from hydro, wind and PV in Q4/2022 as well as the actual 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. €1,450m and approx. €1,800m.
- Proposal for a special dividend in the amount of €400m<sup>1)</sup>
- The earnings forecast and the information on the expected payout ratio are contingent on not being impacted by possible further energy policy measures to skim off some of the profits at energy companies.

<sup>1)</sup> 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: +/- €18.5m
- Greater or less generation from windpower: +/- €0.4m
- Wholesale prices (renewable generation): +/- €0.5m

# Appendix

# Income statement

€m	Q1–3/2021	Q1–3/2022
	Total	Total
<b>Revenue</b>	<b>2,819.8</b>	<b>7,617.3</b>
Electricity revenue	2,279.1	6,489.8
Grid revenue	450.0	921.1
Other revenue	90.7	206.4
Other operating income	56.3	91.0
Expenses for electricity purchases & use of fuels	-1,363.5	-5,439.2
Other operating & personnel expenses	-483.1	-565.8
Measurement and realisation of energy derivatives	121.1	230.0
<b>EBITDA</b>	<b>1,150.6</b>	<b>1,933.3</b>
Depreciation & amortisation	-306.4	-335.7
Effects from impairment tests	-0.5	24.1
<b>EBIT</b>	<b>843.6</b>	<b>1,621.7</b>
Result from equity interests & oth. interests	42.2	12.7
Interest income/expense	-28.6	-42.2
Other financial result	20.5	10.4
Effects from impairment tests	0.0	-4.2
<b>Financial result</b>	<b>34.1</b>	<b>-23.3</b>
Taxes	-206.8	-355.1
<b>Group result</b>	<b>587.4</b>	<b>1,065.2</b>
<b>Minorities</b>	<b>83.5</b>	<b>178.2</b>
<b>Earnings per share (€)</b>	<b>1.69</b>	<b>3.07</b>

## Balance sheet (short version)

€m	31.12.2021	30.9.2022	Change
Non-current assets	12.877	15.213	18%
Current assets	4.234	8.025	90%
<b>Total assets</b>	<b>17.112</b>	<b>23.237</b>	<b>36%</b>
Equity	6.363	5.030	-21%
Non-current liabilities	4.404	4.962	13%
Current liabilities	6.344	13.245	–
<b>Total liabilities</b>	<b>17.112</b>	<b>23.237</b>	<b>36%</b>

## Cash flow statement (short version)

€m	Q1–3/2021	Q1–3/2022	Change
Cash flow from operating activities	511	1.121	–
Cash flow from investing activities	–772	–1.292	–
Cash flow from financing activities	260	340	31%
<b>Change in cash and cash equivalents</b>	<b>–1</b>	<b>169</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>48</b>	<b>487</b>	<b>–</b>

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

## Growth CAPEX/ €m (total of €2,075m)



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



# Capital market calendar 2023

	16/3/2023	Annual result and publication of annual report 2022
	15/4/2023	Record date for Annual General Meeting
	25/4/2023	Annual General Meeting
	2/5/2023	Ex-dividend date
	3/5/2023	Record date dividends
	15/5/2023	Dividend payment date
	11/5/2023	Result and interim report quarter 1/2023
	27/7/2023	Result and interim report quarters 1–2/2023
	2/11/2023	Result and interim report quarters 1–3/2023

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# VERBUND Board of Directors



**Michael Strugl**  
CEO, Chairman of the Executive Board



**Peter F. Kollmann**  
CFO, Member of the Executive Board



**Achim Kaspar**  
COO, Member of the Executive Board

The Power to Transform

V

Verbund

