

Energie AG Oberösterreich at a Glance

	Unit	1st HY 2018/2019	Change	1st HY 2017/2018
Sales revenues				
Energy Segment	EUR mill.	581.4	8.1%	537.7
Grid Segment	EUR mill.	194.6	10.0%	176.9
Waste Management Segment	EUR mill.	111.5	1.8%	109.5
Water Segment	EUR mill.	71.3	5.2%	67.8
Holding & Services Segment	EUR mill.	23.2	8.9%	21.3
Group	EUR mill.	982.0	7.5%	913.2
Result				
Operating result (EBIT)	EUR mill.	107.3	-15.7%	127.3
EBIT margin	%	10.9	-21.6%	13.9
Earnings before taxes	EUR mill.	96.4	-21.5	122.8
Consolidated net earnings	EUR mill.	75.8	-19.0	93.6
Cash flow from operating activities	EUR mill.	97.7	-16.9%	117.5
		31.03.2019	Change	31.03.2018
Statement of financial position				
Balance sheet total	EUR mill.	3,083.2	-4.3%	3,222.7
Equity	EUR mill.	1,344.6	-2.7%	1,381.4
Equity ratio	%	43.6%	1.7%	42.9%
Workforce (on average)	FTE	4,449	2.0%	4,363

Introduction by the Management Board of Energie AG Oberösterreich



The core philosophy of our company is to think ahead to the future and forge ahead with innovation, while ensuring stability and security. The first half of the 2018/2019 fiscal year was also clearly defined by this outlook. Our Group structure and corporate governance are geared to these objectives and have once again provided solid results during the fiscal year-to-date.

The very strong first half of the previous year was even surpassed in terms of sales revenue with EUR 982 million (7.5%), although operating income was lower than the previous figure at EUR 107 million (-15.7%). In the Grid Segment, this trend is primarily due to the regulatory environment, while the increased supply costs for electricity and gas have reduced margins in the Energy Segment. However, the recent “A (outlook stable)” grade from ratings agency Standard & Poor’s fundamentally confirms Energie AG’s successful direction and the strategy of our broad-based group of companies.

This broad base guarantees stability and security, especially in more turbulent times. Yet on the other hand, it also requires us to focus on many different fields at once, to stay sharply on time everywhere we operate, and to identify and seize opportunities.

Our acquisition of Linz AG’s stake in ENAMO GmbH was one example of an opportunity taken at a crucial interface between our company and our customers. Full ownership in the electricity sales market can reduce some of the burdens imposed by bureaucracy and restrictive regulations. In addition, it is a prerequisite to creating an integrated vehicle that can offer several different utilities – and, in turn, necessary to providing a better service for our customers. In particular, the ability to bundle services such as telecom products and electricity in the medium term will enable us to respond even more effectively to customers’ needs, while improving levels of excellence in our sales processes. This gives us a tool for actively helping to shape the challenges of the future.

Following on from this outwardly visible structural change, we were also able to complete our preparations for the reorganisation of our generation business. From the start of the second half of the year, electricity and heat generation (including heat networks) will be managed under the same umbrella. This step will also increase efficiency and make it possible to benefit from additional areas of synergy. Similarly, action was taken to consolidate water and heating activities in the Czech Republic, bringing them under the control of a special holding company. This will also have a positive effect on business development.

The restructuring projects have placed great demands on our staff, but are providing the necessary room for manoeuvre to ensure continued existence in this changing economic environment. We face difficulties stemming from climate policy action, including the new Austrian Electricity Industry and Organisation Act and the renewables expansion law due to enter into force in 2020, which we are awaiting with interest. In addition, changes to the markets also present major challenges for our company. For instance, the splitting-up of the joint electricity price zone between Germany and Austria created uncertainty. In this atmosphere of volatility in the electricity market triggered by the split, Energie AG successfully managed to position itself as a reliable partner. The downward trend in switching rates provides positive evidence of this fact.

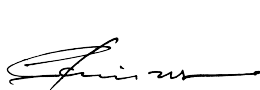
Last winter, which in some places brought extreme snowfall, provided serious challenges for our employees and was also noticeable for our customers. The replacement of overhead lines with underground cable in recent years has paid off at the low and medium voltage levels. In the high voltage range, our overhead lines were once again the backbone of the power transmission system and prevented more severe blackouts. It is against this background that we are further expanding our system of high voltage overhead lines, which is so important for supply reliability. The expansion of the grid will grow in importance and urgency with the increasing prevalence of renewable energy and distributed energy resources, as well as greater electric vehicle use.

Achieving stability and security requires forward planning, along with commitment and dedication from everyone involved. We would therefore like to take this opportunity to thank all our staff, who bring these attributes to their work every day for the company's benefit. We also owe a debt of gratitude to our stakeholders and shareholders, who help us to perform successfully. At this point, we should also not fail to mention the change to our Supervisory Board, which bade farewell to Dr. Michael Strugl in December with many thanks for his 10-year stint as a member of the board, most recently as its chairman. With all the same warmth, we would like to welcome his successor, state minister Markus Achleitner, both to the Supervisory Board and its chairman's seat. We look forward to a successful working relationship.

Naturally, we would also like to thank our customers, who are at the heart of what we do. We aspire to provide even better service to these customers with the reorganisation of our sales business.

Linz, 29 May 2019

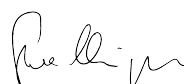
The Management Board of Energie AG Oberösterreich



Chief Executive Officer
DDr. Werner Steinecker MBA
Chairman of the Management Board



Dr. Andreas Kolar
Member of the Management Board



Dipl.-Ing. Stefan Stallinger MBA
Member of the Management Board