

Interim Financial Report 2019/20

1 October 2019 – 31 March 2020

Interim Financial Report 2019/20

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Key figures

HY1 2019/20

Burgenland Holding AG		2019/20 HY1	2018/19	Change in %
Balance sheet total	EURm	81.8	80.1 ¹⁾	2.1
Equity	EURm	80.5	80.1 ¹⁾	0.5
Investment income	EURm	10.3	9.8 ²⁾	5.1
Net income for the period	EURm	10.2	9.7 ²⁾	5.2

1) As of 30 September 2019

2) HY1 2018/19

Energie Burgenland AG		2019/20 Q1	2018/19 Q1	Change in %
Electricity sales volumes	GWh	334	346	-3.5
Electricity network distribution volumes	GWh	489	496	-1.4
Natural gas sales volumes	GWh	324	325	-0.3
Natural gas network distribution volumes	GWh	739	730	1.2
Revenue	EURm	93.1	95.1	-2.1
Pre-tax profit	EURm	17.4	19.4	-10.3
Balance sheet total	EURm	885.6	880.9	0.5
Equity	EURm	339.6	338.4	0.4

Energising Burgenland

Burgenland Holding AG

Burgenland Holding Aktiengesellschaft holds 49% of the share capital of Energie Burgenland AG. Landesholding Burgenland GmbH holds the remaining 51% of the shares. The share capital of Energie Burgenland AG amounts to EUR 34.9m.

The shares of Burgenland Holding Aktiengesellschaft (share capital: EUR 21.8m) are traded in the Official Market of the Vienna Stock Exchange under the international securities identification number (ISIN) AT0000640552. The majority shareholder of Burgenland Holding Aktiengesellschaft is EVN AG, which continues to hold 73.63% of the share capital. Over 10% of the shares are held by VERBUND AG, and between 5% and 10% by WIEN ENERGIE GmbH. The shares held by the remaining shareholders are below the reporting threshold of 4%.

The Burgenland Holding AG share

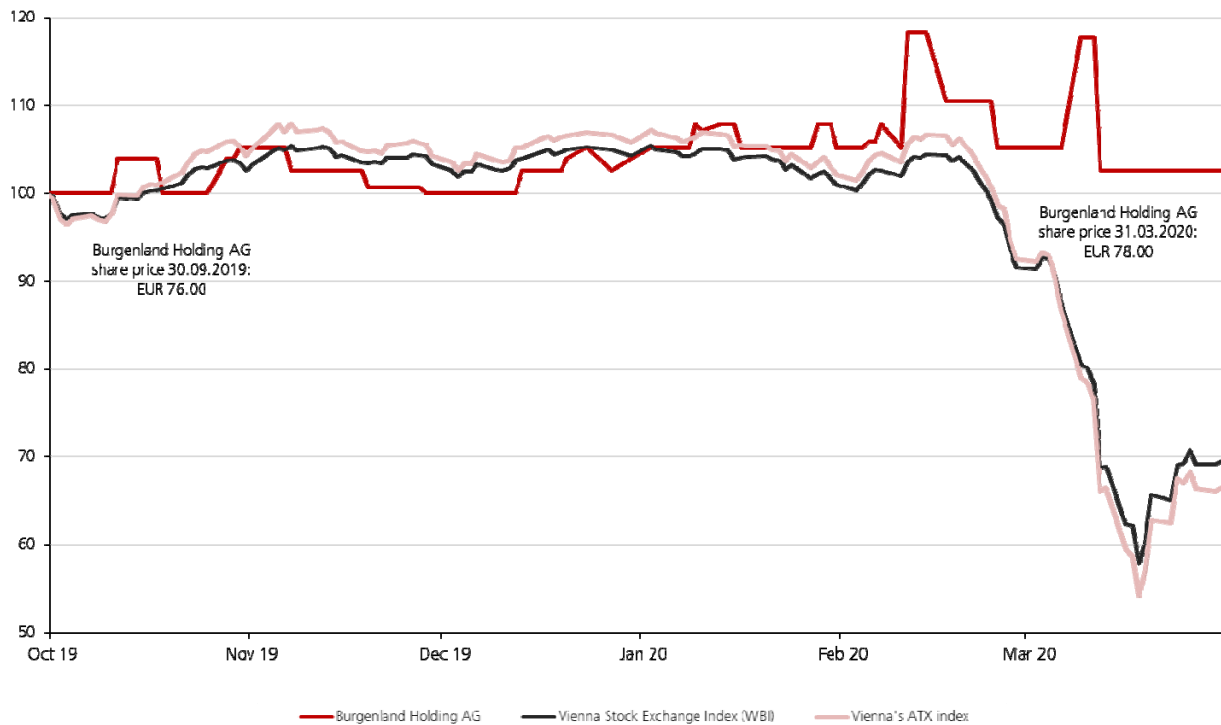
Between October 2019 and March 2020, European stock markets generally performed negatively due to the Covid 19 crisis. For example, the German DAX benchmark index lost 20.1% in value. The same applies to the Vienna ATX, which lost 33.5% in the reporting period. The most important international stock exchange indices were also unable to escape this development, such as the DJ Euro Stoxx Utilities sector index, which lost 14.1% of its value.

The share price of Burgenland Holding AG, on the other hand, increased by 2.6% in the period under review. With a share price of EUR 78.00 at the end of March 2020, the market capitalisation amounts to EUR 234m. The average daily turnover in the first half of 2019/20 was 31 shares and the weighting of the share in the Vienna Stock Exchange Index (WBI) as of 31 March 2020 was 0.30%.

Stock performance		2019/20 HY1	2018/19 HY1
Average daily turnover	Shares	31	23
Total share volume	EURm	0.44	0.21
Highest price	EUR	90.00	85.00
Lowest price	EUR	76.00	70.00
Share price at the end of March	EUR	78.00	80.00
Market capitalisation at the end of March	EURm	234	240
WBI weighting at the end of March	%	0.30	0.21

Burgenland Holding share price – relative development compared to ATX and WBI (%)

On the basis of September 2019



Burgenland Holding AG

HY1 2019/20

Highlights

- 31st Annual General Meeting on 13 March 2020 approved dividend payment of EUR 3.25 per share
- Investment income of EUR 10.3m, 5.2% above the level of the comparable period
- Outlook 2019/20 confirmed: Investment income of Burgenland Holding AG slightly above the level of the 2018/19 financial year

Burgenland Holding AG – key figures		2019/20 HY1	2018/19	Change in %
Balance sheet total	EURm	81.8	80.1 ¹⁾	2.1
Equity	EURm	80.5	80.1 ¹⁾	0.5
Investment income	EURm	10.3	9.8 ²⁾	5.1
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1) As of 30 September 2019

2) HY1 2018/19

Income situation

During the first half of the 2019/20 business year, the result from participating interests of Burgenland Holding AG comprises the dividend distribution of Energie Burgenland AG for the 2018/19 business year.

At EUR 10.3m, the investment income of Burgenland Holding AG in the first six months was 5.2% higher than in the same period of the previous year.

In total, this led to a net income for the period of EUR 10.2m (previous year: EUR 9.7m).

Balance sheet and capital structure

At EUR 81.8m, the balance sheet total at the reporting date of 31 March 2020 was 2.1% higher than at 30 September 2019.

Liabilities to affiliated companies include the short-term interim financing of the company's own dividend distribution. In the first half of 2019/20, this led to a decline in the equity ratio from 99.9% to 98.5% compared to the balance sheet date of 30 September 2019.

Outlook

Based on the dividend distribution of Energie Burgenland AG from the balance sheet profit of the 2018/19 business year, which has already been recorded, no major changes in the result of Burgenland Holding AG for the current 2019/20 business year are to be expected after the first six months of the 2019/20 business year. Investment income is therefore expected to be slightly higher than in the previous year.

As announced ad hoc on 14 May 2020, Energie Burgenland AG expects extraordinary earnings contributions of around EUR 24m for the 2019/20 financial year ending on 30 September 2020. These are due to the realization of one-off effects in connection with the termination of the U.S. cross-border lease in the amount of around EUR 20m as well as the sale of a minority interest in the amount of around EUR 4m. Assuming average conditions in the energy industry, Energie Burgenland AG expects its business operations to develop with the usual fluctuations.

The result of Burgenland Holding AG is essentially determined by the result of Energie Burgenland AG and its related dividend payment. Burgenland Holding AG holds 49% of the share capital of Energie Burgenland AG.

Condensed Interim Financial Statement

Balance sheet as of 31 March 2020

Assets in TEUR	31.03.2020	30.09.2019
A. Fixed assets		
Investments	71,325.3	71,325.3
	71,325.3	71,325.3
B. Current assets		
I. Accounts receivables		
1. Receivables from affiliated companies	90.9	8,776.7
2. Receivables from associates	10,290.0	0.0
3. Other receivables	11.0	4.2
	10,391.9	8,780.9
II. Cash at banks	9.7	11.7
	10,401.6	8,792.5
C. Deferred expenses and accrued income		
Other	17.0	5.5
D. Deferred tax assets	30.8	0.0
Total assets	81,774.6	80,123.3
Equity and liabilities		
A. Equity		
I. Called-up, subscribed, and paid-in share capital	21,810.0	21,810.0
II. Capital reserves committed reserves	43,676.4	43,676.4
III. Retained earnings other reserves (free reserves)	4,862.0	4,862.0
IV. Net profit thereof profit carried forward	10,193.5 2.4	9,752.4 8.8
	80,541.9	80,100.7
B. Provisions		
Other provisions	7.1	19.9
C. Liabilities		
1. Trade accounts payable	0.0	1.1
thereof with a remaining maturity of up to one year	0.0	1.1
2. Liabilities to affiliated companies	1,225.7	1.7
thereof with a remaining maturity of up to one year	1,225.7	1.7
3. Other current liabilities	0.0	0.0
thereof with a remaining maturity of up to one year	0.0	0.0
	1,225.7	2.7
thereof with a remaining maturity of up to one year	1,225.7	2.7
thereof with a remaining maturity of more than one year	0.0	0.0
Total equity and liabilities	81,774.6	80,123.3

Profit and loss account

Profit and loss account in TEUR	2019/20 HY1	2018/19 HY1
1. Revenue	0.0	0.0
2. Other operating income		
a) other	0.2	0.2
	0.2	0.2
3. Other operating expenses		
a) Taxes, unless covered by fig. 10	0.0	0.0
b) other	-137.6	-127.0
	-137.6	-127.0
4. Total fig. 1 to 3 (Operating result)	-137.4	-126.8
5. Investment income	10,290.0	9,800.0
6. Other interest and similar income	7.9	8.1
thereof from associated companies	7.9	8.1
7. Interest and similar expenses	-0.1	-0.1
thereof from associated companies	-0.1	-0.1
8. Total fig. 5 to 7 (Financial result)	10,297.7	9,808.0
9. Pre-tax profit	10,160.4	9,681.2
10. Taxes on income from tax allocation	0.0	0.0
thereof income from tax credits	0.0	0.0
11. Deferred income taxes	30.8	27.9
12. After-tax profit = Net income for the period	10,191.1	9,709.1
13. Profit carry-forward	2.4	8.8
14. Net profit	10,193.5	9,717.9

Notes

General principles

The Interim Financial Statements for the period 1 October 2019 to 31 March 2020 were prepared in accordance with Austrian generally accepted accounting principles.

The half-year financial report as of 31 March 2020 was neither subject to a complete audit nor to an audit review by an auditor.

Notes to the balance sheet

As of the balance sheet date 31 March 2020, equity was EUR 80.5m, slightly above the level on the balance sheet date 30 September 2019. The other provisions related to remuneration for members of the Supervisory Board of Burgenland Holding AG.

The item liabilities to affiliated companies includes TEUR 1,225.0 for short-term interim financing of the company's own dividend distribution.

Notes to the profit and loss account

In the first half of 2019/20, the operating result of TEUR –137.4 was higher than in the same period of the previous year. This development is due to higher other operating expenses.

During the period under review, the investment income of Burgenland Holding AG comprised the dividend distribution of Energie Burgenland AG. The Annual General Meeting of Energie Burgenland AG on 27 March 2020 decided on a dividend distribution from the balance-sheet profit as at 30 September 2019 in the amount of EUR 21.0m, of which EUR 10.29m are attributable to Burgenland Holding AG.

Due to the low level of interest rates, the other financial result of TEUR 7.9 was slightly below the level of the comparative period.

Interim Management Report

The result of Burgenland Holding AG is essentially influenced by the distributions made by the associated companies Energie Burgenland AG and Wiener Börse AG¹⁾, as well as by the interest level.

After the first six months of the 2019/20 financial year, net income for the period was EUR 10.2m, up 5.2% on the same period of the previous year. This increase is attributable to a higher dividend distribution by Energie Burgenland AG compared with the previous year.

Owing to the dividend payment by Energie Burgenland AG, which has already been recorded, no major changes in the result of Burgenland Holding AG are to be expected for the second half of the 2019/20 business year.

In view of the stable earnings structure of Burgenland Holding AG, no significant risks and uncertainties are expected for the remaining six months of the current 2019/20 financial year from today's perspective.

1) Formerly CEESEG AG; with effect from the beginning of April, the former group holding company CEESEG AG was merged with Wiener Börse AG to reduce expenses and costs .

Energie Burgenland AG

Q1 2019/20¹⁾

Highlights

- Construction work on the Steinbrunn substation
- Expansion of the Eisenstadt district heating network (takeover of the BELIG network)
- Development or launch of innovative product solutions ("joint PV", Solar Account 2.0 or the Wind Account)
- Smart Meter mass rollout completed in the districts of Jennersdorf, Güssing, Oberwart, Oberpullendorf and Mattersburg. In the districts of Eisenstadt and Neusiedl the rollout continues to make good progress. By the end of 2019, around 160,000 digital meters had been installed, which corresponds to about 80% of all metering points in Burgenland. According to the current status, the rollout can be completed by the end of 2020.

Energie Burgenland AG – Group		2019/20 Q1	2018/19 Q1	Change in %
Electricity sales volumes	GWh	334	346	-3.5
Electricity network distribution volumes	GWh	489	496	-1.4
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Pre-tax profit	EURm	17.4	19.4	-10.3
Balance sheet total	EURm	885.6	880.9	0.5
Equity	EURm	339.6	338.4	0.4
Gross cash flow	EURm	26.5	28.9	-8.3

Energy sales and supply

During the first quarter of the 2019/20 business year, electricity sales to end customers dropped by 3.5% to 334 GWh. The electricity network distribution volumes dropped by 1.4% to 489 GWh compared to the previous year.

At 324 GWh, natural gas sales to end customers came close to the level of the previous year (previous year: 325 GWh); the natural gas network distribution volumes rose by 1.2% to 739 GWh (previous year: 730 GWh) during the period under review.

Income situation

At EUR 93.1m, Group sales revenues were 2.1% down on the same period of the previous year. Lower revenue in the generation and grid area could not be compensated in spite of an increase in the sales area.

On balance, earnings before taxes amounted to EUR 17.4m (previous year: EUR 19.4m).

Balance sheet and capital structure

The balance sheet total as of 31 December 2019 was EUR 885.6m. Fixed assets (EUR 708.8m) accounted for around 80% of total assets. The year-on-year increase in

fixed assets was primarily due to investments in the grid area.

Equity rose to EUR 339.6m as of 31 December 2019, resulting in an equity ratio of 38.3%. In the first quarter of 2019/20, the gross cash flow was EUR 26.5m (previous year: EUR 28.9m).

Outlook

In addition to the continuous grid expansion, grid renewal and maintenance measures, the Burgenland distribution grid is being further expanded to integrate additional eco-electricity generation plants, especially wind power plants. The following wind power projects are currently being implemented:

- Extension of Zurndorf substation
- Expansion of Pama-Süd wind park
- Expansion of Nikelsdorf wind park
- Completion Power to Heat together with district heating

The biomass sector is gradually withdrawing from electricity production; the district heating sector, on the other hand, is being expanded (adaptation of the Eisenstadt CHP plant, expansion of the district heating network).

1) The information on the development of business refers to the consolidated interim financial statements of Energie Burgenland AG for the 2019/20 business year as at 31 December 2019; for comparison, the figures of the consolidated interim financial statements as at 31 December 2018 are given. The reporting entity includes 14 fully consolidated companies, two companies consolidated on a pro-rata basis and three companies consolidated at equity.

Statement of the Management Board on the Interim Financial Report

Pursuant to § 125 para 1 fig. 3 Stock Exchange Act 2018

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as required by the applicable accounting standards and that the interim management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements with respect to the principal risks and uncertainties for the remaining six months of the financial year.

Eisenstadt, 25 May 2020

The Management Board



Klaus Kohlhuber
Member of the
Management Board



Nikolaus Sauer
Member of the
Management Board

Burgenland Holding AG

Corporate calendar 2019/20¹⁾

Annual results 2019/20	16.12.2020
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1) Preliminary

Basic information

Share capital	EUR 21.81m
Denomination	3.0 million no-par bearer shares
Majority shareholder	EVN AG
Identification number (ISIN)	AT0000640552
Ticker symbols	BHAV.VI (Reuters); BURG AV (Bloomberg); AT; BHD (Dow Jones)
Stock exchange listing	Vienna

Imprint

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