Internal Information

CEZ Group Raises Its Full-Year Earnings Outlook; Earned CZK 23bn for Q1-Q3 2024

Operating Profit before interest, taxes, depreciation and amortization (EBITDA) reached CZK 100bn in for first three quarters of the year, up by CZK 5 billion year-on-year. The increase in EBITDA is mainly due to the end of the obligation to pay levies on excess revenues from power generation in the Czech Republic. On the other hand, the lower earnings of Trading and the Mining segment have a negative effect. Net Profit reached CZK 23.4bn, down CZK 6.4bn year-on-year. CEZ Group raises its full-year 2024 outlook, with EBITDA at CZK 126-130bn and adjusted Net Profit at CZK 26-30bn.

„The results for the three quarters met our expectations. We are raising our full-year outlook for operating profit before depreciation and amortization mainly for two reasons – we took over GasNet with a contribution of about CZK 4bn to this year's EBITDA, and the court confirmed our claim in the dispute with the Railway Administration regarding electricity supply in 2010," said **Daniel Beneš, Chairman of the Board of Directors and CEO of CEZ**, adding: *„We continue to focus on ensuring energy security and self-sufficiency of the Czech Republic. In addition to successfully continuing preparations for the construction of large nuclear units, we have taken a significant step in respect of small modular reactors. We have entered into a partnership with the UK-based Rolls-Royce SMR; CEZ will become a strategic investor and, thus, participate in the development of SMRs in Europe. On Monday, 11 November, we took another step toward fulfilling our Vision 2030 in terms of decarbonization. We have made an agreement to sell all of our Polish coal assets."*

The takeover of a 55.21% stake in GasNet, the largest gas distributor in the Czech Republic, was completed on 28 August 2024. The new acquisition has been positively impacting CEZ Group's EBITDA since September and will add approximately CZK 4bn to our full-year Operating Profit before depreciation and amortization. The GasNet infrastructure will play an important role in ensuring independent, self-sufficient and affordable energy in the Czech Republic.

Capital expenditures in the first three quarters reached CZK 34.8bn, a significant year-on-year increase of CZK 6.8bn. Capex grew in all segments outside Mining, particularly in renewable and nuclear sources and distribution networks. Capital expenditures spent on the new acquisition of GasNet amounted to CZK 1.1bn. CEZ Distribuce spent CZK 1.1bn more on capex year-on-year, mainly due to an increase in customer demand for the connection of new renewable energy sources. In this period, the subsidiary connected a total of 42,000 generating plants with a total installed capacity of 562 MW, of which photovoltaic power plants accounted for 40,000 generating plants with a total installed capacity of 474 MW. A total of 129,000 generating plants with an installed capacity of 7,908 MW are currently connected to the distribution system of CEZ Distribuce, of which 127,000 are photovoltaic plants with a total installed capacity of 2,374 MW.

Electricity generation from renewable and nuclear sources remained the same year-on-year at 25 TWh. While renewable sources generated 0.2 TWh more electricity, mainly due to above-average hydrological conditions, nuclear generation decreased by 0.1 TWh due to planned outages at the Dukovany power plant. Power generation from fossil-fuel sources fell by 2% year-on-year to 11.8 TWh.

Electricity consumption in CEZ Distribuce’s distribution territory decreased by 1% year-on-year to 24.6 TWh, with household consumption down by 4% and large industrial consumption down by 1%, mainly due to warm weather. Climate- and calendar-adjusted electricity consumption stagnated at 25.1 TWh. Gas distribution in the GasNet territory, which covers about 80% of the country, fell by 4% year-on-year to 38.8 TWh; climate- and calendar-adjusted gas consumption slipped by 1%.