

Internal Information

ČEZ Group earned CZK 8.4 billion in Q1 and confirms the full-year outlook

The financial results for Q1 are in line with initial expectations; ČEZ Group confirms the full-year outlook for operating profit before depreciation (EBITDA) of CZK 57 to 60 billion and net profit adjusted for extraordinary items at CZK 17 to 20 billion. Operating profit before depreciation (EBITDA) in Q1 reached CZK 19.9 billion, down CZK 6 billion year-on-year. The year-on-year comparison was affected by specific temporary market effects of CZK 3.6 billion due to the revaluation of hedging contracts for production supplies, mainly due to last year's drop in commodity prices on wholesale markets in 2020 Q1 following the spread of the Covid-19 pandemic to Europe. In addition, in Q1 last year, ČEZ achieved a record profit from speculative trading in commodities of almost CZK 3 billion.

"The financial results for the first quarter are in line with our expectations. I am pleased that, despite the continuing risks associated with Covid-19, I can confirm ČEZ Group's full-year EBITDA outlook of CZK 57 to 60 billion. We continue to fulfill our strategy aimed at growing the share of emission-free resources and focusing on the Czech Republic and Central Europe. The CO₂ emission intensity of ČEZ Group's electricity production decreased by 19% year-on-year in Q1, and at the end of March, we completed the settlement of the sale of Romanian assets," said Daniel Beneš, Chairman of the Board of Directors and CEO of ČEZ. He continued, "Safety and social responsibility are priorities for us. We were one of the first in the country to introduce regular self-testing of Covid-19 employees, and we currently perform approximately 8,200 tests per week."

Electricity production within the companies that according to the current strategy will remain in ČEZ Group even after the completion of divestments in Bulgaria and Poland, decreased by 4% year-on-year. Of this, production in coal sources decreased by 23%, mainly due to the sale of the Počerady power plant and the shutdown of Unit 1 in Prunéřov, and overall the share of coal production is less than 33%. Production in emission-free sources increased significantly: production from renewable sources by 17% and production from nuclear sources by 8%. The area of sales for ESCO services saw some stabilization, sales increased by 2% year-on-year and an increase of 8% is expected for the whole year.

"We confirm the full-year outlook for net profit adjusted to CZK 17 to 20 billion, and our cash flow is developing in line with expectations. As a result of the payment of the entire purchase price for Romanian assets, ČEZ Group's net debt decreased by CZK 27.5 billion in Q1. We have already partially used the proceeds from the sale to prepay part of the bond issues denominated in EUR and USD, incl. a EUR loan from the EIB in the total value over CZK 14 billion. We will use the remaining part and funds from other divestments for development investments in the Czech Republic and stable countries, for the repayment of bonds due in October 2021 and for dividends for shareholders", said Martin Novák, Member of the Board of Directors and Chief Financial Officer, adding: "In addition to the current purchase agreement with Eurohold, in Bulgaria we have negotiated a dividend payment of a total of EUR 25 million from the companies sold without affecting the purchase price."

Electricity consumption in ČEZ Distribuce's distribution area increased by 4% year-on-year, and with climate and calendar adjustments that figure is 1.9%. Consumption by large enterprises fell by 2%, while household consumption increased by 16%.