

Internal Information

ČEZ Group earned CZK 18.7 billion in the third quarter, a total of CZK 52 billion in the first three quarters

In the third quarter, the operating profit before depreciation (EBITDA) reached CZK 30.0 billion and the net profit was CZK 18.7 billion. For the first three quarters, EBITDA amounted to CZK 89.3 billion. The year-on-year increase of 88% reflects the enormous growth in commodity prices on the wholesale markets, the record profit from commodity trading on foreign markets, as well as the high operational reliability of power plants this year. Net income was CZK 52.3 bn. ČEZ Group increases its full-year EBITDA outlook to the level of CZK 115 to 125 billion and net profit adjusted for extraordinary effects to the level of CZK 65 to 75 billion.

During the year, operating revenues for the first three quarters reached the value of CZK 211.1 billion, i. e. by 35 % more. The unprecedented growth in EBITDA of the PRODUCTION segment was partially reduced by a decline in the results of the SALE segment, which was negatively affected by the rise in commodity prices. EBITDA of ČEZ Prodej, which supplies electricity and gas to end customers in the Czech Republic, decreased year-on-year by CZK 0.5 billion. This is due to the extreme increase in the cost of gas and electricity in 2022, partially offset by temporary seasonal effects.

CEZ Group expects net profit adjusted for extraordinary effects for the full year 2022 to reach CZK 65 to 75 billion. The main reasons for the adjustment of the economic outlook are higher profits from commodity trading on foreign markets.

"The current full-year earnings forecast indicates a record dividend for shareholders. If the dividend were set at the upper end of the dividend policy range, CZK 52 to 60 billion would be distributed to shareholders. For the majority shareholder, the Czech Republic, this would mean an income of CZK 36 to 42 billion, **which** can be used to help households and businesses with high energy prices." said Daniel Beneš, Chairman of the Board of Directors and CEO of CEZ, adding: "Since September 8, CEZ has been using the first European LNG terminal launched since the invasion of Ukraine, which was put into operation in a record-breaking 6 months. The LNG terminal in the Dutch port of Eemshaven can process LNG equivalent to the annual gas consumption of the entire Czech Republic. Of this, CEZ has a contract for 1/3 of the capacity for 5 years and has also secured contracts for the conversion of LNG to natural gas and natural gas transmission routes from the Netherlands to the Czech Republic. This is a crucial step for the Czech Republic's energy security, independence from Russia and an important insurance in case of a restriction of natural gas supplies from other sources. In practice, LNG gas transported by ships to the terminal is already used for supply to the Czech Republic after conversion to natural gas."

CEZ Group continues to implement all other measures aimed at maximizing the Czech Republic's energy self-sufficiency and security. In the area of emission-free nuclear power, we are increasing the safety and efficiency of nuclear power sources with the aim of producing over 32 TWh of emission-free electricity per year, we have secured the supply of nuclear fuel for Temelín from non-Russian sources and we are continuing preparations for the construction of a new unit of the Dukovany Nuclear Power Plant. We expect to receive bids by the end of November. We are also accelerating our small modular reactor programme. The first small modular reactor could be built on the Temelín NPP site after 2032. In the field of renewables, we are accelerating the construction of new power plants with a target of 6,000 MW by 2030. And we are increasing the number of photovoltaic power plant installations for ČEZ Prodej and ČEZ ESCO customers.

Generation from nuclear sources amounted to 22.6 TWh in the first three quarters and increased year-on-year by 3%. Production from current renewable sources fell year-on-year by 15% due to below-average hydrometeorological conditions and also due to an outage at the biomass co-firing power plant at Poříčí. Production from coal-fired sources in the Czech Republic reached 11.6 TWh and increased year-on-year by 5%, while production from gas fell by 28% year-on-year in the first three quarters due to lower electricity production at the Počerady steam power plant.

"CEZ, like large European electricity producers, faced huge liquidity requirements in August due to its obligation to supply cash to exchanges and trading counterparties to hedge the commodity trades through which it gradually resells its production. Margin deposits, i.e. cash temporarily deposited with trading counterparties as collateral until the contract is settled, reached a value exceeding CZK 195 billion in August due to the extreme fluctuation of electricity market prices up to the limit of EUR 1,000/MWh. As of 31 October, CEZ's margin deposits totalled CZK 116 billion." says Martin Novák, Member of the Board of Directors and Chief Finance Officer.

On 1 November, the payment of dividends for the year 2021 in the total amount of CZK 25.8 billion started.

Electricity consumption in the distribution area of ČEZ Distribuce fell year-on-year by 4%, in temperature- and calendar-adjusted figures, this is 3%. Consumption by large businesses fell by 2% and household consumption fell by 10%, but mainly due to the warm weather at the start of the year and also due to covid-19 as more employees worked from home in 2021.