

Internal Information

CEZ Group Earns CZK 10 Billion in Q1

CEZ Group's net income in Q1 2016 was CZK 10bn, which is a 32% increase year-on-year. EBITDA grew by 5% year-on-year. The growth was achieved in spite of a further decrease in wholesale electricity prices, primarily thanks to the Company's successful business strategy.

EBITDA was CZK 20.0bn, growing by CZK 0.9bn year-on-year. "The increase in operating income was mainly due to our successful business strategy. We managed to earn CZK 1.1bn more than last year from trading activities on the wholesale market and we were also successful in sales to end customers. There was also a positive effect of resumed allocation of green certificates for our Fântânele Vest and Cogealac wind farms in Romania. I am pleased that we managed to more than compensate for the further decrease in wholesale electricity prices and also our lower volume of production in Q1," says Daniel Beneš, Chairman of the Board of Directors and CEO of ČEZ.

CEZ Group's net income was CZK 10.0bn, growing by CZK 2.4bn year-on-year. In addition to EBITDA, this was greatly helped by foreign exchange effects. A strengthening of the Turkish lira against the U.S. dollar improved CEZ Group's financial performance by CZK 1.3bn year-on-year. "In Q1 2016, CEZ Group managed to generate operating cash flow of CZK 15.1bn and cut its net debt by CZK 7.9bn," says Martin Novák, ČEZ's Vice-Chairman of the Board of Directors and CFO.

Due to a decrease in the expected volume of production and persisting unfavorable business conditions in the European energy sector, CEZ Group keeps its expected EBITDA for the whole year 2016 at CZK 60bn and expected net income adjusted for extraordinary effects at CZK 18bn.

The volume of production in Q1 decreased by 5%, primarily due to outages at nuclear facilities. The amount of electricity sold to end customers remained at the same level as last year; however, the sales of gas increased by 12%. The sales of heat grew by 3% year-on-year, primarily in Poland due to higher deliveries to the Katowice-Chorzów heat distribution system.

Electricity consumption in the distribution area of ČEZ Distribuce grew by 1.9% year-on-year in Q1; in temperature- and calendar-adjusted figures, this is approximately 0.3 percent.