Internal Information

CEZ Group's Net Income in Q1–Q3 Is Almost CZK 17 Billion

CEZ Group's net income increased by 13% year-on-year to CZK 16.6 billion, primarily due to sale of MOL stock. EBITDA decreased by 6% year-on-year to CZK 41.1 billion, primarily due to decreased realization prices of generated electricity and increased expenses on emission allowances. By contrast, there was a positive year-on-year effect of increased generation at nuclear and wind power plants. CEZ Group confirms its outlook for annual adjusted net income at a level of CZK 19 billion.

Operating revenues were CZK 146.7 billion, increasing by 1% year-on-year, with electricity generation by conventional facilities increasing by one percent to 44.6 TWh. Electricity generation by wind, photovoltaic, and small hydroelectric power plants increased by 25%, primarily due to increased generation at wind parks in Romania and acquisitions of wind turbines in Germany in late 2016. CEZ Group continues to be successful in the market of natural gas sales to end-use customers, the volume of which increased by 30% year-on-year.

EBITDA decreased by CZK 2.7 billion year-on-year, primarily due to decreased realization prices of generated electricity (CZK -3.1 billion) and increased expenses on emission allowances (CZK -1.3 billion). By contrast, there was a positive year-on-year effect of increased generation at nuclear and wind power plants (CZK +1.9 billion). Net income increased by CZK 1.9 billion year-on-year, primarily due to the sale of MOL stock (CZK +4.4 billion) and sale of real property (CZK +1.1 billion).

"The year so far has been a successful one for CEZ Group, both in terms of the income achieved and in terms of the fulfillment of our strategic development goals. What's important for the company's future is our growth in new energy segments. Elevion, one of the largest providers of comprehensive energy services in Germany, has been part of CEZ Group since September. As is a wind farm at Lettweiler Höhe (35.4 MW), which increased CEZ Group's installed capacity in German wind farms to almost 134 MW," said Daniel Beneš, Chairman of the Board of Directors and CEO.

CEZ Group confirms its outlook for annual net income while adjusting its outlook for operating income. *"We are adjusting our annual EBITDA outlook to CZK 52 billion as we expect the court's decision on the performance of SŽDC's obligations from 2011 to be postponed until after the end of this year in relation to the Supreme Court's decision on a similar lawsuit concerning SŽDC's obligations from 2010. At the same time, we are confirming our outlook for annual adjusted net income at a level of CZK 19 billion, primarily due to lower estimated depreciation and amortization than our August estimate," said Martin Novák, Vice-Chairman of the Board of Directors and CFO.*

Electricity consumption in the distribution area of ČEZ Distribuce in the first three quarters increased by 3.7% year-on-year; in temperature- and calendar-adjusted figures, this is 3.6%. The increase is 4.1% for large customers and 3.8% for residential customers, which reflects the good condition of the Czech economy.