

Internal Information

CEZ Group's profits for the first half of the year have reached 13.8 billion crowns

In the first half of 2016 CEZ Group has achieved a net profit of CZK 13.8 billion, down by 10% year-on-year. Earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled CZK 33.1 billion, falling by CZK 2.4 billion year-on-year. This has primarily been caused by the lower exercise prices of produced electricity. This influence has resulted in a year-on-year decline of CZK 3.2 billion.

The decline in electricity production in nuclear power stations has virtually been made up for by increased production from coal sources and therefore overall production from traditional sources for the first six months has only fallen by one per cent. The completion of comprehensive restoration of all three blocks of the Prunéřov Power Station was also a factor. "We have more than compensated for the negative impact that extended checks of weld joints in nuclear power stations have had on profits for the first half-year with higher and more effective production in coal power stations and in particular thanks to gains from commodity trading," says Chairman of the Board and General Manager of ČEZ, Daniel Beneš.

From here, CEZ Group expects an adjusted net profit for the whole of this year in the range of 18 billion crowns. "Besides typical seasonal impacts, there are two major factors for the relatively low net profit which we expect from the second half of the year. The increase in depreciation and decrease in capitalized interest related to the inclusion of the comprehensively restored Prunéřov Power Station in company assets. In addition, this year we will not be able to rely on last year's partial return of tax on emission allowances for the years 2011 and 2012, which brought in profits of CZK 3.8 billion in the second half of 2015," states Vice-Chairman of the Board and CFO of ČEZ, Martin Novák. Estimated EBITDA has been updated at around CZK 58 billion, primarily due to the extension of temporary shutdowns of nuclear power sources and the postponement of an expected court ruling regarding the fulfillment of a commitment of the Railway Infrastructure Administration (SŽDC) from 2011. Conversely, restrictions on fixed operating costs have had a positive effect on the outlook for year-long economic activities.

During the first six months of the year, CEZ Group has confirmed its role as the largest alternative supplier of gas on the Czech market. Year-on-year sales have grown by 9% and the number of customers has reached almost 400,000.

The positive development of the Czech economy is confirmed by the consumption of electricity in the distribution area of the company ČEZ Distribuce, which has grown by 1.4% year-on-year after climatic and calendar adjustments of approximately 0.4%.