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Earnings Call – 2024 Preliminary Results





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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

# Welcome to PE's Preliminary 2024 Earnings Call



**José Garza**

CEO,  
Premier Energy Group



**Peter Stohr**

CFO,  
Premier Energy Group



**Zuzanna Kurek**

Moderator | IRO  
Premier Energy Group



## Agenda

- **Opening remarks**
- **Financial highlights**
- **Segment overview**
- **Q&A session**





## Opening remarks

by José Garza

## Integrated, diversified business model is right strategy

Generation and management of renewable energy assets and the supply of renewable energy to non-households

Romania Renewable  
Energy



Romania Energy  
Supply

Supply of primarily electricity to approx. 1.4 million household and non-household customers in Romania



Distribution of natural gas to users and its supply to both household and non-household consumers in Romania and wholesale throughout the SEE region

Natural Gas



Moldova Electricity

Distribution of electricity to users and its supply to both household and non-household consumers in Moldova

Despite challenges in 2024, including high balancing costs, lower electricity prices, and weaker wind conditions, Premier Energy's **diversified and vertically integrated operations** supported resilience, enabling the Group to adapt and deliver solid performance.

Strong operational growth driven by strategic acquisitions and expansions, well reflected in turnover for the quarter

## 4Q 2024 RESULTS HIGHLIGHTS

**+65%**

increase in Group normalized revenues, to **EUR 421.7 million**

**+25%**

growth in Group normalized EBITDA, to **EUR 30.3 million**

**EUR -51 mn**

working capital adjusted net debt, indicating a sound financial position with net cash and working capital **surplus** despite acquisitions and CAPEX spend



**+140% growth**

YoY increase in own renewables production



**+110% clients**

driven by Premier Energy Furnizare addition



**+96% growth**

YoY increase in electricity supplied



**+71% growth**

YoY increase in gas supplied



**+6% growth**

YoY increase in gas distribution customers



**+120% growth**

in owned renewable capacity, added 109 MW in 2024



# Financial highlights

by Peter Stohr



## 4Q 2024 preliminary income statement overview

€ in mil.	Q4 2024	Q3 2023	Δ%
Revenue	404.2	258.3	56%
<b>Normalized Revenue</b>	<b>421.7</b>	<b>256.1</b>	<b>65%</b>
OPEX	418.6	234.1	79%
Adjusted EBITDA	12.9	26.6	-51%
<b>Normalized EBITDA</b>	<b>30.3</b>	<b>24.3</b>	<b>25%</b>
Net Profit	(2.2)	16.5	-114%
<b>Normalized Net Profit</b>	<b>13.1</b>	<b>14.5</b>	<b>-10%</b>

- **Normalized revenue growth of 65%** (adjusting for tariff deviations and the tariff changes in energy supplied but unbilled in Moldova) fueled primarily by strong supply businesses growth in both the natural gas division and the CEZ Vanzare acquisition. Growth also come from the renewable segment due primarily to acquisitions.
- **Normalized EBITDA grew by 25%** in 4Q 2024, driven by the higher supplied volumes and profitability in the natural gas segment, return to expected profitability in the Romanian energy supply / Premier Energy Furnizare segment, offset by continued weakness due to continued elevated balancing costs, higher intraday price volatility, the new solidarity tax, and lower overall wind production volumes in the renewable segment.



## 2024 preliminary income statement overview

€ in mil.	2024	2023	Δ%
Revenue	1,220.0	912.0	34%
<b>Normalized Revenue</b>	<b>1,263.3</b>	<b>874.0</b>	<b>45%</b>
OPEX	1,216.3	761.3	60%
Adjusted EBITDA	57.8	127.7	-55%
<b>Normalized EBITDA</b>	<b>102.6</b>	<b>89.7</b>	<b>14%</b>
Net Profit	24.2	79.0	-69%
<b>Normalized Net Profit</b>	<b>43.4</b>	<b>41.5</b>	<b>5%</b>

- Normalized revenue growth of 45% (adjusting for tariff deviations and the impact of unbilled energy in Moldova), driven primarily by growth in the supply businesses due to organic growth in the natural gas business and to the CEZ Vanzare acquisition.
- Normalized EBITDA grew at 14%, with the growth being hindered by the unprecedentedly high balancing costs in May and June and increased intraday price volatility which affected the entire market, paired with the negative impacts from regulation, especially the new solidarity tax on renewable electricity production sources from April 2024.
- The normalized net profit amounted to EUR 43.4 million, a 5% YoY increase, and was impacted by higher interest expenses as a result of higher working capital levels, especially due to receivables from the government support schemes.



## EBITDA Normalization reflects tariff deviation differences in Moldova

in EUR m

	2024	2023	2022	2021
IFRS Adjusted EBITDA <sup>(a)</sup>	-3.9	75.1	32.8	4.5
<b>A</b> Impact of Tariff Deviation (non-IFRS)	41.8	-47.9	13.3	23.0
Statutory EBITDA (non-IFRS)	37.9	27.2	46.1	27.5
<b>B</b> Tariff Impact in Energy Unbilled	1.5	9.9	-12.6	1.1
Normalised EBITDA (non-IFRS)	39.4	37.1	33.5	28.6
Energy Unbilled – Ending Balance (GWh)	60	71	74	73
Tariff in force – End-of-Period (MDL)	2.18	2.23	4.50	1.43
Regulated WACC Return	11.7%	10.3%	8.3%	7.8%

## Tariff deviation differences in the past few years have been driven by underlying energy market price fluctuations

Lower than anticipated energy prices in 2020 and 2023 caused the business to outperform the regulatory-allowed return; the tariff deviation was then brought more into balance with underperformances vs. the regulatory-allowed returns in 2021 and 2024

Tariff deviations are mainly affecting the supply part of the business, which generates only a small part of the normalized EBITDA (in 2024 amounting to EUR 3 million, making approximately 8% of total EBITDA in Moldova)

Normalized EBITDA increasing primarily due to WACC return and RAB increases (with some impact from FX and other minor items)

### **A** Tariff deviation

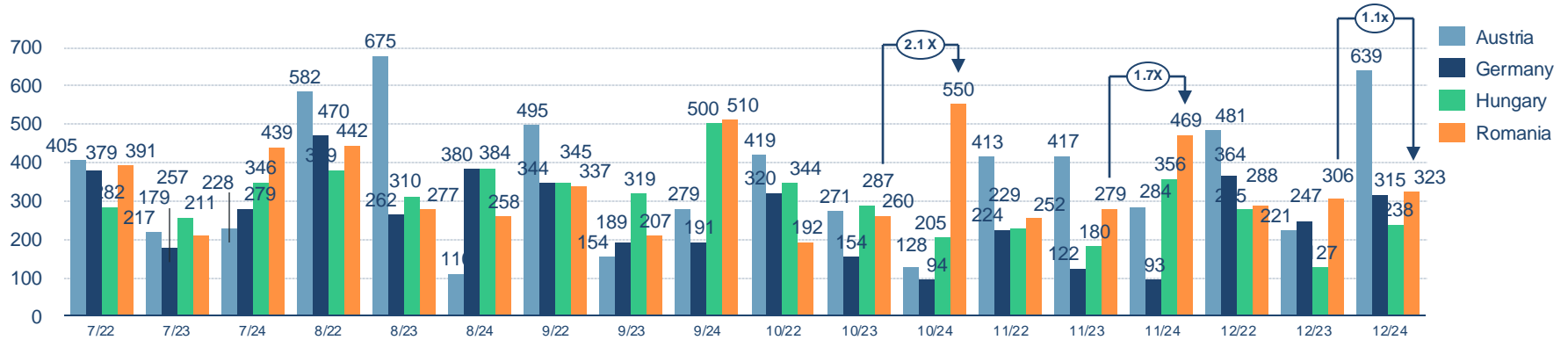
- Difference between forecasted and actual components of tariff, main impact referring to price evolution of procured electricity.
- **As a result of earning substantially more than the regulatory allowed return in 2023, the business had an over-performance deviation of €33 million at YE '23; but with the 2024 results the business ended 2024 with a €7 million under-recovery deviation (meaning the business has earned €7 million less than the regulatory-allowed return up to Dec. 2024)**
- **The new tariffs agreed in Jan. 2025 incorporate the recovery of this €7 million**

### **B** Energy Unbilled

- Energy unbilled is driven by the timing difference between procured energy (fully accounted as an expense) and the billing of energy-based meter reading (revenue accounted once meter reading is performed).
- Normalization impact dependent primarily on YoY delta of tariffs in force on period ends, adjusting for season impact between months due to consumption evolution.
- If electricity prices in Moldova continue to stabilize, tariffs will stabilize, and there will not be a need to normalize.

## The electricity balancing costs remained elevated throughout 2024

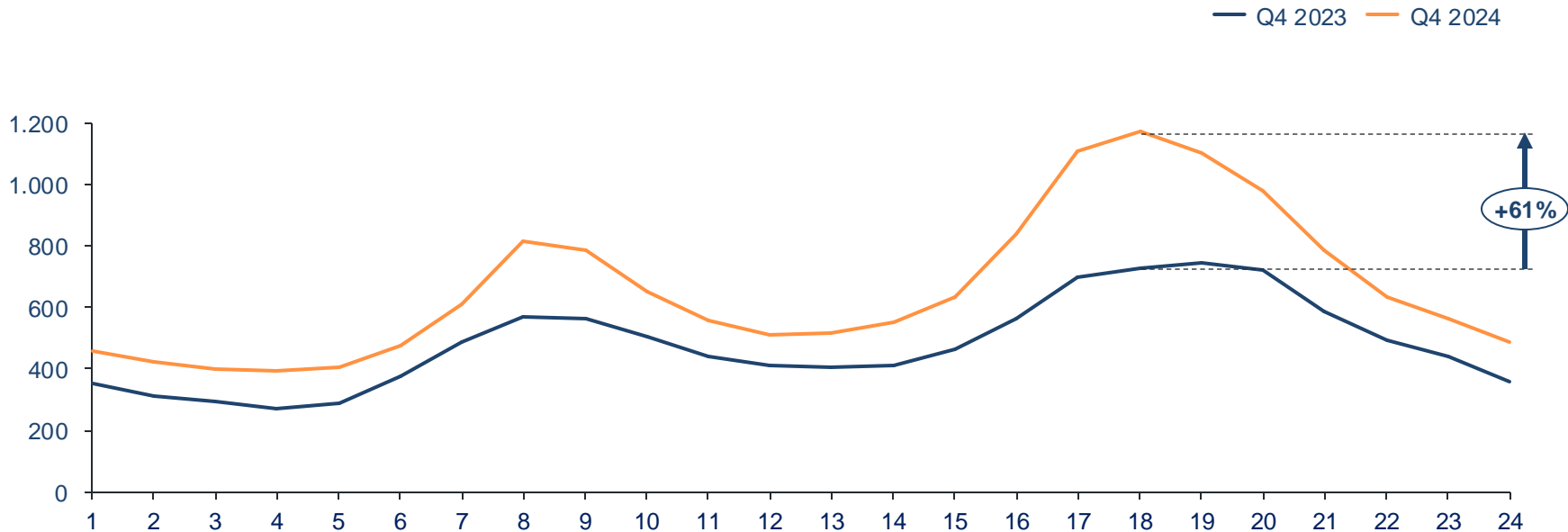
### Standard deviation of imbalance surplus price | EUR/MWh



- High balancing costs impacted renewables profitability in 2024, particularly in Q2. Lower solar production in Q4 reduced prosumer imbalances, but costs remained elevated.
- Strategic balancing investments are mitigating pressures. The 13.2 MW cogeneration plant, fully operational since July 1, 2024, will expand with two new engines by 6.7 MW to 19.9 MW in Q2 2025.
- Premier Energy's integrated electricity model optimizes renewables and limits balancing risks. As one of the largest players in Romania and Moldova, the Group leverages its 120+ renewable plants and supply business to drive efficiencies.
- Future balancing capacity expansion remains a priority, with battery storage integration in upcoming solar projects supporting long-term profitability (68 MWh capacity to be installed)

Intraday prices continued to experience volatility in Q4; prices in the evening peak were 61% more expensive compared with last year

### Day ahead price average for 3 months | RON/MWh



Sources: Day ahead prices from OPCOM

## Balance sheet overview

	Dec-24	Dec-23	Δ%
Non-current assets	628	471	33%
Current assets	505	260	95%
<b>Total assets</b>	<b>1,133</b>	<b>731</b>	<b>43%</b>
Equity	518	405	28%
Non-current liabilities	245	172	43%
Current liabilities	370	154	140%
<b>Total liabilities and equity</b>	<b>1,133</b>	<b>731</b>	<b>43%</b>

	Dec-24	Dec-23	Δ%
Short-term bank debt	197	54	268%
Long-term bank debt	87	100	-16%
Less: Cash & Equivalents	(82)	(81)	43%
Less: Restricted cash deposits	(14)	(6)	150%
<b>Net debt</b>	<b>188</b>	<b>68</b>	<b>28%</b>
Plus: Current Liabilities (excl. debt)	170	100	70%
Less: Current Assets (excl. cash)	(409)	(173)	136%
<b>Working Capital Adj. Net Debt/(Cash)</b>	<b>(51)</b>	<b>(5)</b>	<b>920%</b>

**Total assets:** grew by 43% driven by a 33% rise in fixed assets fuelled by strategic investments in new electricity production plants, including the 18 MW and 80 MW wind parks in Romania and the 28 MW of solar plant developments in Moldova, as well as continued investments into the distribution networks in both Romania and Moldova

**Current assets:** rose by 95% mainly driven by a 109% increase in trade receivables. Trade and other receivables, as well as short-term bank debt, increased primarily due to the CEZ Vânzare acquisition and government support schemes. The Group was owed over EUR 130 million in government support scheme receivables within the electricity supply business at YE 2024.

**Equity:** grew by 28% to EUR 518 million in 2024, driven by the successful IPO in May and generated profits.

**Liabilities & Net Debt:** Liabilities rose by 89% to EUR 615 million, with net debt at EUR 188 million as of December 2024; however, after working capital adjustments, the adjusted net debt is a negative EUR 51 million, reflecting a net cash and working capital position. This working capital position is influenced by the significant (EUR 132 million) receivables from the government support schemes in electricity supply and EUR 21 million in natural gas inventory, while over EUR 28 million of investments have yet to generate any revenue or profits (incl. renewable development projects & distribution networks CapEx not yet reflected in RAB



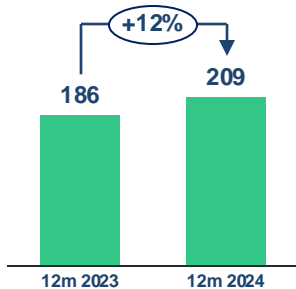
# Segment overview

by Peter Stohr

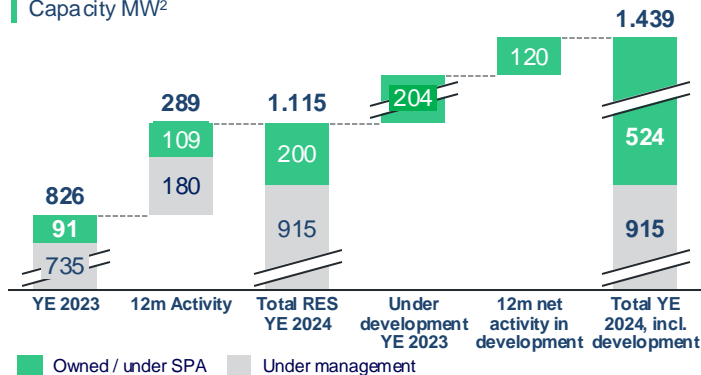


## Revenue growth supported by 80 MW wind farm acquisition; high balancing costs and intraday pricing volatility maintaining the negative impact on the performance

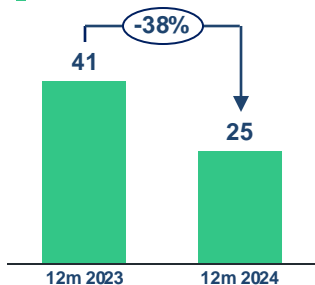
### Revenues EUR m.



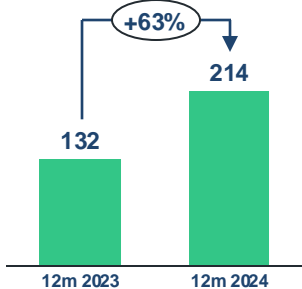
### Portfolio of renewables Capacity MW<sup>2</sup>



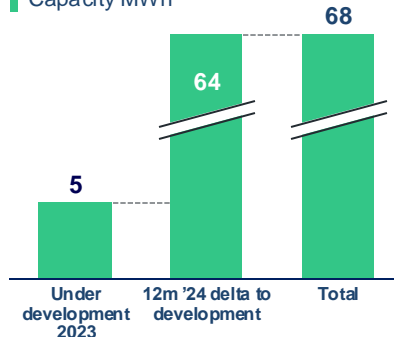
### Normalized EBITDA<sup>1</sup> EUR m.



### Renewables production GWh of owned RES



### Battery storage Capacity MWh



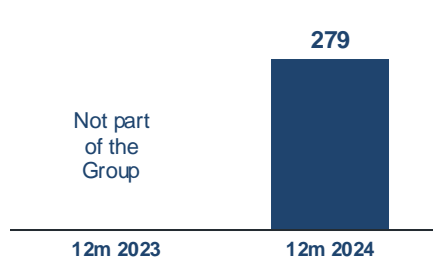
Notes: (1) adjusted for one-time acquisition costs; (2) solar parks in MW/DC  
Sources: Company data

- 2024 revenues from the renewable segment grew by 12%, boosted by the acquisition of the 80 MW wind park in July, despite challenges from the new solidarity tax from April 2024 and reduced wind production
- Normalized EBITDA was largely influenced by the high balancing costs that the industry faced during May and June and continued to be elevated in 2H and by the increased intraday price volatility
- EBITDA in the 4<sup>th</sup> quarter grew by 14% from the previous year
- Renewable production from owned plants increased by 63% in 2024, driven by new acquisitions and developments, but was tempered by less favorable wind conditions throughout the year
- In 4Q 2024, the impact of unfavorable wind conditions eased, resulting in a 6% decrease compared to 4Q 2023, while 1H 2024 saw a decrease of nearly 15%
- The cogeneration balancing plant began production in 3Q, generating 24.7 GWh in 2H 2024
- New pricing schemes are being implemented for the management & supply side of the business to capture more margin

## PE Furnizare returned to positive EBITDA contribution in 2H 2024 but the profitability is still impacted by unsustainable regulation

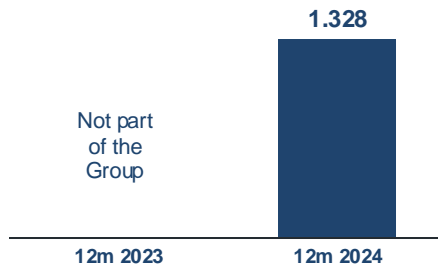
### Revenues

EUR m.



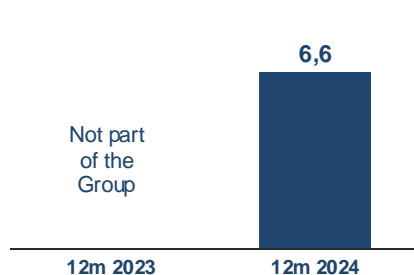
### Customer evolution

# ths.



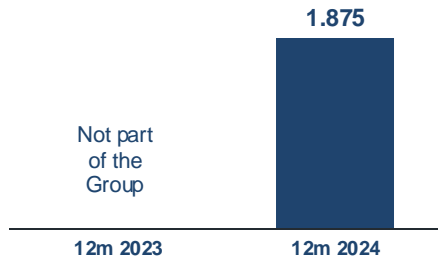
### EBITDA

EUR m.



### Electricity supplied volumes

GWh

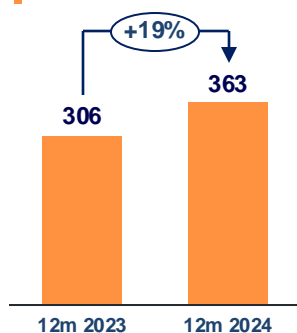


- P&L consolidation started on 1<sup>st</sup> of April
- Revenue generated from April – Dec. 2024 amounted to EUR 279 million
- The EBITDA generated was EUR 6.6 million, affected by the high balancing costs in 2Q combined with price caps and remuneration caps, including remuneration caps on the balancing costs which are tied to the value of the average sourcing costs as well as due to the increased volumes from prosumers
- The balancing costs in 2024 were at times above the 5% maximum threshold compensated by the State and the average cost was also at times higher than the RON 700 maximum threshold for compensation, negatively impacting overall profitability
- Integration of the business within the broader Premier Energy Group is ongoing
- With the acquisition, the Group established itself as the #4 electricity supplier on the Romanian market (incl. with our Alive Energy subsidiary)

## Natural gas business continued its strong 2024 performance in 4Q

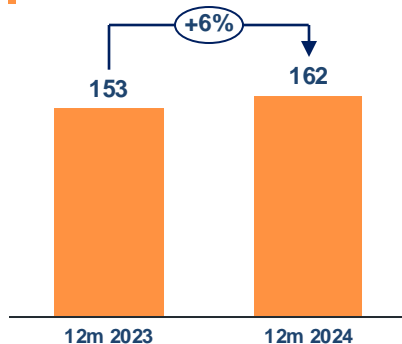
### Revenues

EUR m.



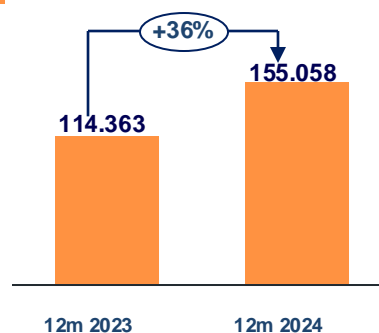
### Distribution customers

# ths.



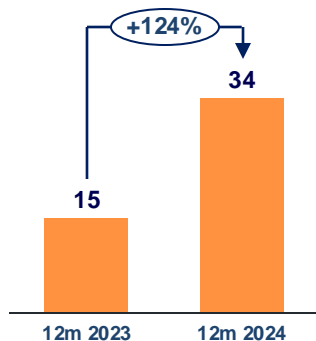
### Supply customer evolution

# ths.



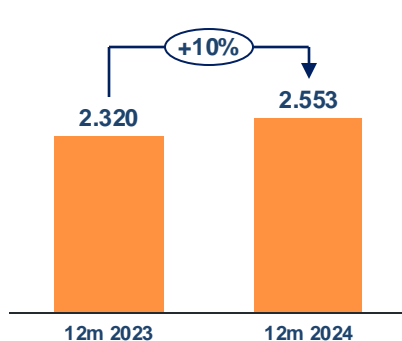
### EBITDA

EUR m.



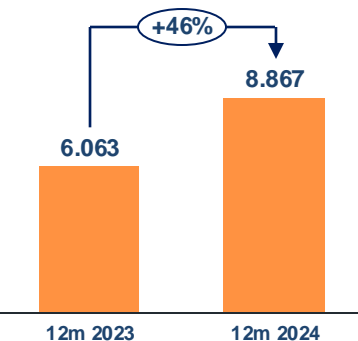
### Distributed gas quantity

GWh



### Gas supplied volumes

GWh

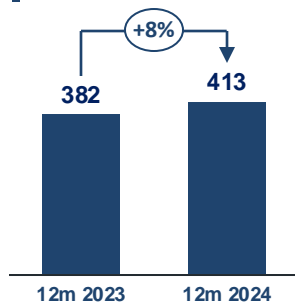


- The natural gas division generated a 19% revenue increase
- At the level of EBITDA, the division noted a 124% increase reaching EUR 34 million for 2024, supported by growing volumes as well as increased margins, including through the increased regulatory margin limit from RON 12 / MW to RON 15 / MW starting in April 2024
- The natural gas division saw a 46% increase in supply volumes, with a 42% rise on an LFL basis, driven by strong domestic sales in Romania, very good wholesale performance outside the country, and cold weather in 4Q
- Distribution volumes grew by 6%, supported by the Group's expanding distribution footprint and increasing natural gas demand
- The Group added 9,000 new customers to its distribution network, marking a 6% increase, and constructed 203 kilometres of new distribution network, to be recognized in future RAB values
- The natural gas client base expanded by 41K since the start of the year, with 21K of these clients coming from the acquisition of CEZ Vânzare (now Premier Energy Furnizare)

## Moldova electricity segment performed as expected on a normalized basis

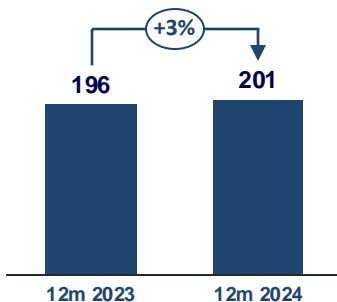
### Normalised revenues

EUR m.



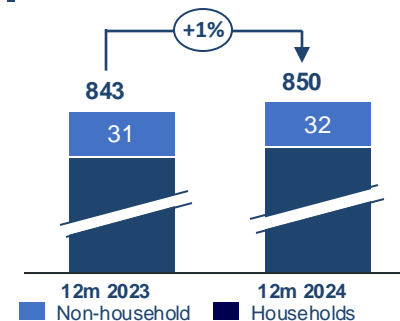
### Distribution RAB

USD m.



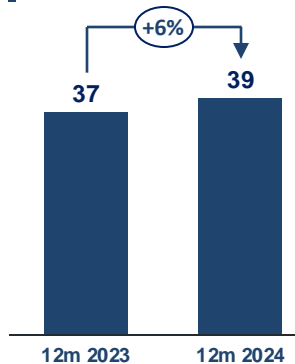
### Customer evolution

# ths.



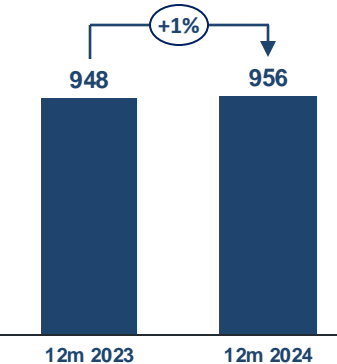
### Normalised EBITDA

EUR m.



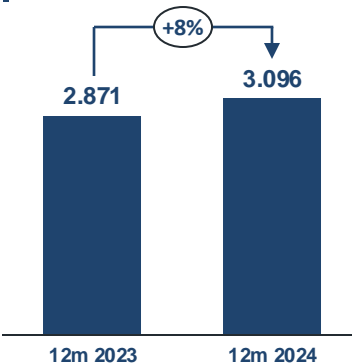
### Distribution points

# thousands



### Electricity supplied

GWh



- Performance according to expectations on a normalized basis (when adjusting for tariff deviations given the outperformance vs. regulatory allowed returns in 2023 which then caused 2024 to underperform vs. the regulatory allowed returns)
- For normalization details please refer to slide 11
- The normalized revenue increased to EUR 413 million, and normalized EBITDA amounted to EUR 39 million, a 6% increase
- Moldovan segment benefited from the revenue and profitability of its growing renewables footprint (33 MW at YE)
- The Moldovan division is performing in line with expectations, with a 1% increase in electricity distribution customers and a stable RAB value supported by the WACC return of 11.71% in 2024
- Supply volumes increased by 8%, with a 9% rise in Q4, driven by GDP growth and colder weather conditions, boosting electricity demand



Q&A



Thank you for joining us today!

- Premier Energy's consolidated preliminary 2024 results are available for download on our website, [www.premiereenergygroup.eu](http://www.premiereenergygroup.eu)
- The recording of this conference call will be available on our website shortly.
- For any questions related to our activity, please do not hesitate to contact the IR Team at: [investor.relations@premierenergygroup.eu](mailto:investor.relations@premierenergygroup.eu)

**2024**

**Preliminary financial results  
Premier Energy PLC**

