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so you can energize the world.

**Earnings Call 3Q 2024**



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

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# Welcome to PE's 3Q 2024 Earnings Call



**José Garza**  
CEO



**Peter Stohr**  
CFO



**Giacomo Billi**  
Head of Renewables



**Jose Luis Gomez Pascual**  
Country Manager Moldova



**Madalina Vasile**  
CMO



**Miruna Ciocea**  
Head of M&A



**Zuzanna Kurek**  
IRO



**Cristian Prevenda**  
IRO

# Agenda

Opening remarks

Financial highlights

Segment overview

Q&A session





# Opening remarks

by José Garza

# We believe 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 such as high balancing costs, lower overall electricity prices, and reduced wind conditions in 2024, Premier Energy's diversified and vertically integrated operations ensured resilience, allowing the Group to maintain stability and navigate market disruptions effectively**

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

## 3Q 2024 RESULTS HIGHLIGHTS

**| +74%**

increase in Group normalized revenues, to **EUR 306.9 million**

**| +22%**

growth in Group normalized EBITDA, to **EUR 19.1 million**

**| EUR -31.4 mn**

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



**+111% growth**

YoY increase in own renewables production



**+111% clients**

driven by CEZ Vanzare acquisition



**+103% growth**

YoY increase in electricity supplied



**+51% growth**

YoY increase in gas supplied



**+5% growth**

YoY increase in gas distribution customers



**+219% growth**

in owned renewable capacity, added 80 MW wind-park in Q3'24



# Financial highlights

by Peter Stohr



# 3Q'24 income statement overview

(€ in millions)	3Q'24	3Q'23	Δ%
<b>Revenues</b>	<b>303</b>	<b>188</b>	<b>61%</b>
Other operating income	49	6	
Gain on bargain purchase	6	0	
Operating expenses	(338)	(167)	
Depreciation and amortization	(7)	(5)	
FX Gain / Losses	0	(1)	
<b>Profit from Operations</b>	<b>13</b>	<b>22</b>	<b>-41%</b>
Net financial Inc/(Exp)	(4)	(3)	
Income tax expense	(2)	(6)	
<b>Net income</b>	<b>7</b>	<b>13</b>	<b>-49%</b>
Reported revenues	303	188	
Tariff Deviations (MD)	5	(11)	
Energy supplied but unbilled (MD)	(2)	(1)	
<b>Normalized revenue</b>	<b>307</b>	<b>176</b>	<b>74%</b>
Reported EBITDA	14	28	
Tariff Deviations (MD)	5	(11)	
Energy Supplied/Unbilled (MD)	(2)	(1)	
One-time expenses for PW80	1	0	
<b>Normalized EBITDA</b>	<b>19</b>	<b>16</b>	<b>22%</b>
<b>Normalized Net Income</b>	<b>5</b>	<b>4</b>	<b>12%</b>

- **Normalized revenue growth of 74%** (adjusting for tariff deviations and the tariff changes in energy supplied but unbilled in Moldova) fueled primarily by strong supply businesses growth, incl. the CEZ Vanzare acquisition, but also renewable segment growth, due to the 80 MW wind plant acquisition in July, despite challenges from lower overall electricity prices, higher intraday price volatility, the new solidarity tax, and lower wind production.
- **Normalized EBITDA grew at 22%** in 3Q 2024, driven by higher supplied volumes and profitability in the natural gas segment, return to expected profitability in the Romanian energy supply segment, slight growth in Moldova on a normalized basis as expected, offset by continued weakness due to continued elevated balancing costs, higher intraday price volatility, the new solidarity tax and lower overall wind production volumes.



# 9M'24 income statement overview

(€ in millions)	9M'24	9M'23	Δ%
<b>Revenues</b>	<b>816</b>	<b>654</b>	<b>25%</b>
Other operating income	88	31	
Gain on bargain purchase	20	4	
Operating expenses	(859)	(582)	
Depreciation and amortization	(19)	(15)	
FX Gain / Losses	(2)	(2)	
<b>Profit from Operations</b>	<b>44</b>	<b>91</b>	<b>-52%</b>
Net financial Inc/(Exp)	(12)	(8)	
Income tax expense	(6)	(21)	
<b>Net income</b>	<b>26</b>	<b>62</b>	<b>-58%</b>
Reported revenues	816	654	
Tariff Deviations (MD)	23	(48)	
Energy supplied but unbilled (MD)	3	12	
<b>Normalized revenue</b>	<b>842</b>	<b>618</b>	<b>36%</b>
Reported EBITDA	45	103	
Tariff Deviations (MD)	23	(48)	
Energy Supplied/Unbilled (MD)	3	12	
One-time expenses for PW80	1	0	
<b>Normalized EBITDA</b>	<b>72</b>	<b>67</b>	<b>8%</b>
<b>Normalized Net Income</b>	<b>30</b>	<b>27</b>	<b>12%</b>

- Normalized revenue growth of 36% (adjusting for tariff deviations and the impact of unbilled energy in Moldova), driven primarily by growth in the supply businesses due to both organic and acquisition reasons.
- Other operating income surged by 185% due to the acquisition of CEZ Vânzare and the subsidies that it receives from the Romanian State for price caps & recoverable electricity margins.
- Normalized EBITDA grew at 8%, with the growth being hindered by the unprecedentedly high balancing costs in May and June and the intraday price volatility during the summer months, which affected the entire market, paired with the negative impacts from the new solidarity tax on renewable electricity production sources, applicable since April 2024 as well as lower overall electricity prices.
- The normalized net profit, adjusting for the after-tax tariff deviations, tariffs impacts in energy supplied but unbilled, and one-time transaction-related expenses on 80 MW wind park acquisition, amounted to EUR 30.5 million, a 13% YoY normalized increase.



# EBITDA Normalization reflects tariff deviation differences in Moldova

in EUR m

	9M'24	9M'23	2023	2022	2021
IFRS Adjusted EBITDA <sup>(a)</sup>	6.0	64.7	75.1	32.8	4.5
<b>A</b> Impact of Tariff Deviation (non-IFRS)	22.8	-47.5	-47.9	13.3	23.0
Statutory EBITDA (non-IFRS)	28.8	17.2	27.2	46.1	27.5
<b>B</b> Tariff Impact in Energy Unbilled	3.1	11.7	9.9	-12.6	1.1
Normalised EBITDA (non-IFRS)	31.9	28.9	37.1	33.5	28.6
Energy Unbilled – Ending Balance (GWh)	16	27	71	74	73
Tariff in force – End-of-Period (MDL)	2.18	2.41	2.23	4.50	1.43
Regulated WACC Return	11.7%	10.3%	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 9M 2024

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

## **A** Tariff deviation

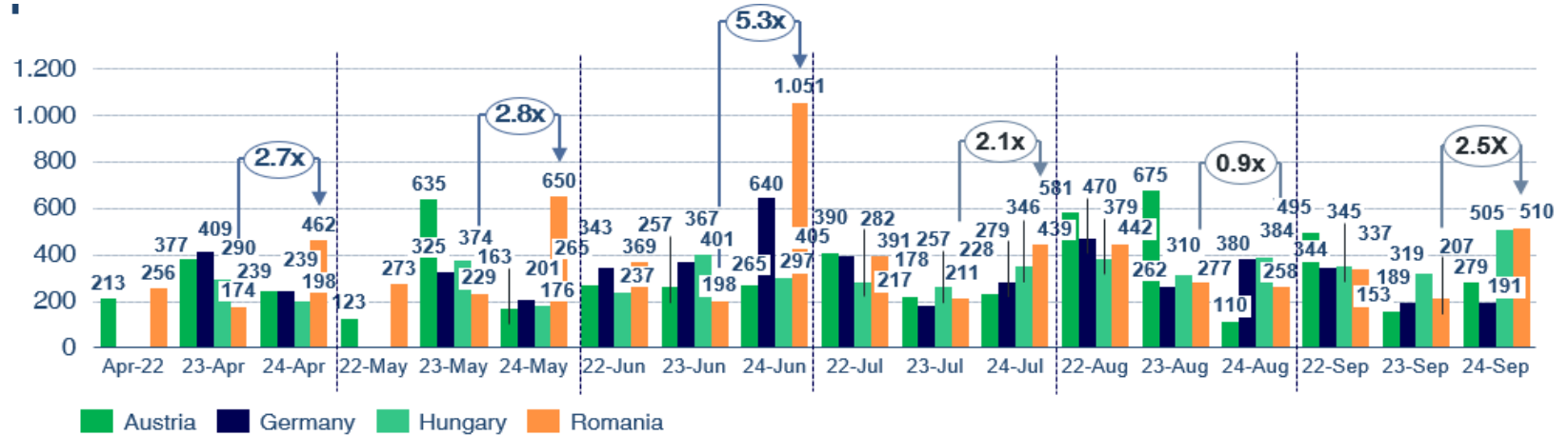
- Difference between forecasted and actual components of tariff, main impact referring to price evolution of procured electricity
- As a result of earning substantially more than the regulatory allowed return in 2023, the business had an over-performance deviation of ~€33 million at YE '23, which as of Sept. was down to ~€10 million

## **B** Energy Unbilled

- Energy unbilled driven by timing difference between procured energy (fully accounted as expense) and the billing of energy-based meter reading (revenue accounted once meter reading performed)
- Normalization impact dependent primarily on YTD and 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, causing tariffs to stabilize, there will not be a need to normalize

# The electricity balancing costs remained elevated in 3Q 2024

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

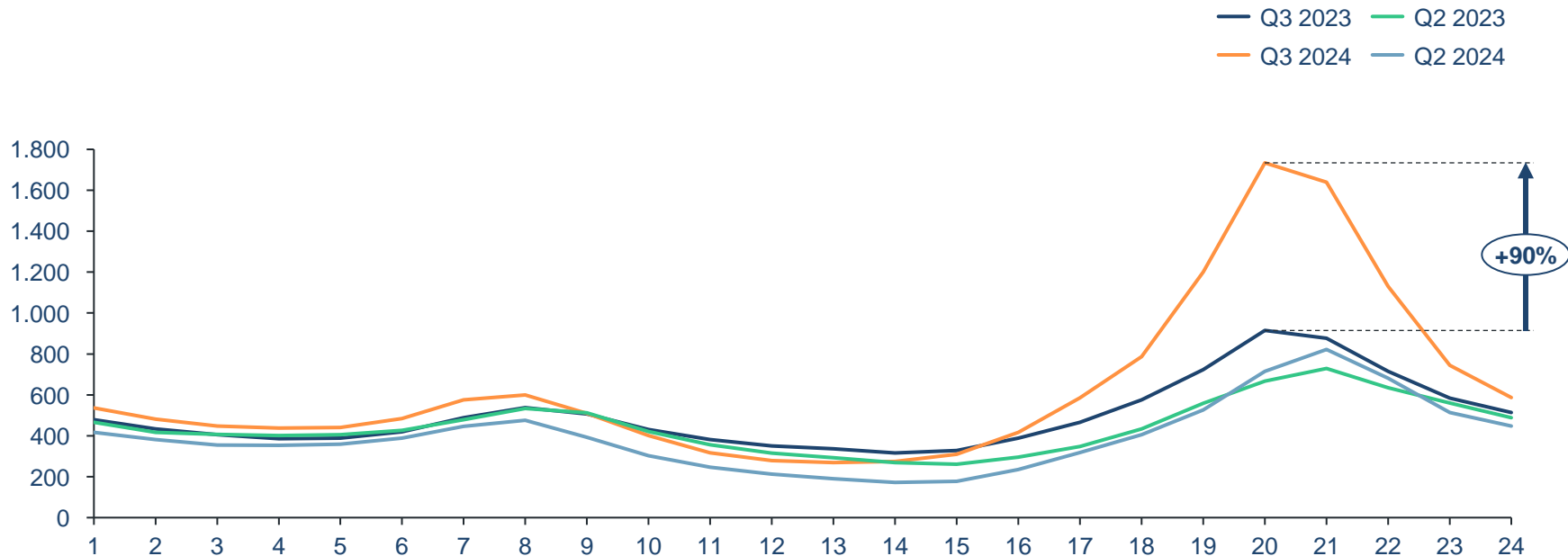


- The high balancing costs have impacted the profitability of the renewables division in 9M 2024 results
- Profitability impact is starting to be partially absorbed by the strategic investments in balancing capabilities, including the operational launch of the 13.2 MW cogeneration plant in July (looking at enlarging the plant by adding 2 new engines with a capacity of 6.7 MW).
- Premier Energy's scaled, vertically integrated electricity model, one of the largest in Romania and the biggest in Moldova, optimizes renewable production and limits balancing quantities relative to total renewable electricity sold, driving efficiencies to mitigate high balancing costs.

Sources: all data regarding balancing costs for Romania contains final prices. For Germany, Austria, and Hungary, the data includes estimates, intermediary prices, as well as final prices. Data sources: ENTSO-E Transparency Platform (<https://transparency.entsoe.eu/>) and OPCOM (<https://www.opcom.ro/>). The prices applied are surplus rates intended to penalize excess energy.

# Intraday prices saw higher volatility in Q3; prices in the evening demand peak almost doubling compared with last year and last quarter

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



Sources: Day ahead prices from OPCOM

## Balance sheet overview

	Sept-24	Dec-23	Δ%
Non-current assets	578	471	27%
Current assets	450	260	73%
<b>Total assets</b>	<b>1,048</b>	<b>731</b>	<b>43%</b>
Equity	519	405	28%
Non-current liabilities	260	172	51%
Current liabilities	269	154	74%
<b>Total liabilities and equity</b>	<b>1,048</b>	<b>731</b>	<b>43%</b>

	Sept-24	Dec-23	Δ%
Short-term bank debt	97	54	78%
Long-term bank debt	150	100	49%
Less: Cash & Equivalents	(110)	(81)	35%
Less: Restricted cash deposits	(13)	(6)	122%
<b>Net debt</b>	<b>125</b>	<b>68</b>	<b>83%</b>
Plus: Current Liabilities (excl. debt)	172	100	72%
Less: Current Assets (excl. cash)	(327)	(173)	89%
<b>Working Capital Adj.Net Debt/(Cash)</b>	<b>(31)</b>	<b>(5)</b>	<b>478%</b>

**Total assets:** grew by 43% driven by a 27% rise in fixed assets fuelled by strategic investments in the 80 MW wind park and continued investments in natural gas in Romania and electricity distribution networks as well as solar plant developments in Moldova

**Current assets:** rose by 73% mainly driven by a 133% increase in trade receivables, largely from the CEZ Vânzare acquisition and government support schemes. Over EUR 70 million of these receivables were collected in July and August 2024 but new receivables were created during 3Q. The cash position increased by 35% to EUR 110 million, reflecting primarily the net IPO proceeds

**Equity:** grew by 28% to EUR 519 million in 9M 2024, driven by the successful IPO in May and generated profits

**Liabilities & Net Debt:** Liabilities rose by 62% to EUR 529 million, with net debt at EUR 125 million as of September 2024; however, after working capital adjustments, the adjusted net debt is a negative EUR 31 million, reflecting a net cash and working capital position. This working capital position is influenced by significant (EUR 95 million) receivables from government support schemes and EUR 55 million in natural gas inventory, while over EUR 20 million of investments have yet to generate any revenue or profits



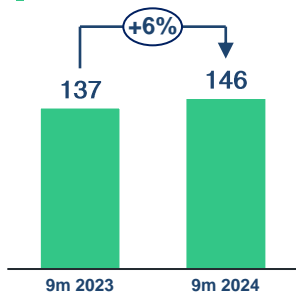


## Segment overview

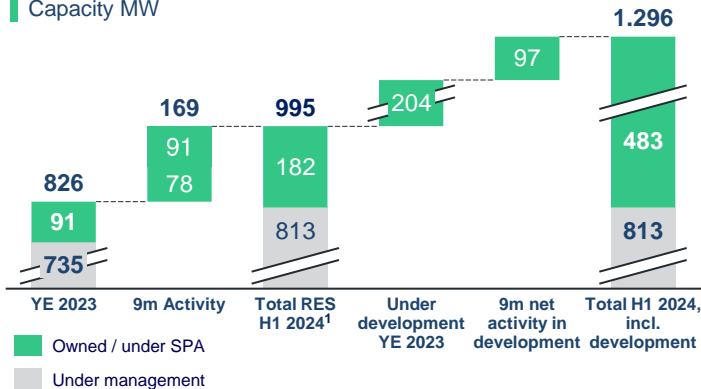
by Peter Stohr

# Revenues supported by 80MW wind farm acquisition, high balancing costs maintaining the negative impact on the 9M performance as did the intraday price volatility in 3Q

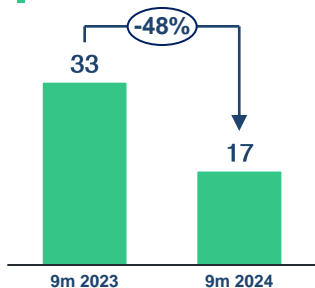
**Revenues**  
EUR m.



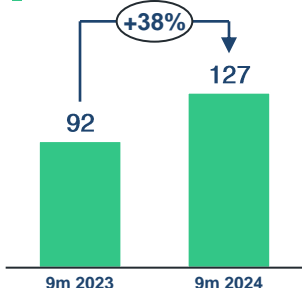
**Portfolio of renewables**  
Capacity MW



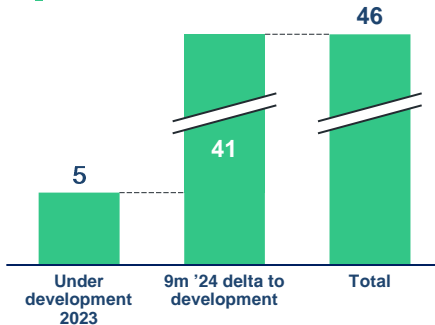
**Normalized EBITDA<sup>1</sup>**  
EUR m.



**Renewables production**  
GWh of owned RES



**Battery storage**  
Capacity MWh



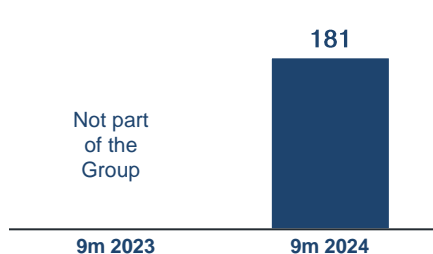
Notes: (1) adjusted for one-time acquisition costs  
Sources: Company data

- Revenues from the renewable segment grew by 6% in 9M, boosted by the acquisition of the 80 MW wind park in July 2024, despite challenges from lower electricity prices, 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 3Q and by increased intraday price volatility
- EBITDA in the 3<sup>rd</sup> quarter was only slightly down by approx. €700K from the previous year – 3<sup>rd</sup> quarter is the typically the weakest quarter for wind production
- Renewable production from owned plants increased by 38% in 9M 2024, driven by new acquisitions and developments, but was tempered by less favorable wind conditions throughout the year
- In 3Q 2024, the impact of unfavorable wind conditions eased, resulting in only a 6% decrease compared to 3Q 2023, while 1H 2024 saw a decrease of nearly 15%
- The cogeneration balancing plant began production in 3Q, generating 7.2 GWh, with a secondary services license expected soon to expand its business opportunities

# PEF has returned to positive EBITDA contribution in 3Q, mainly as the balancing costs were close to 5% of average monthly sourcing costs compensated by the state

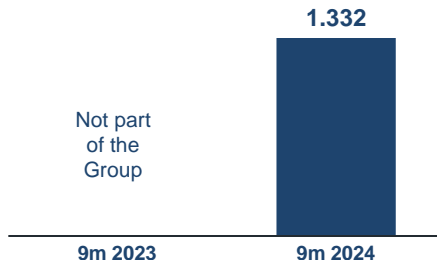
## Revenues

EUR m.



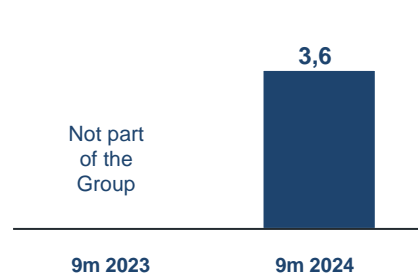
## Customer evolution

# ths.



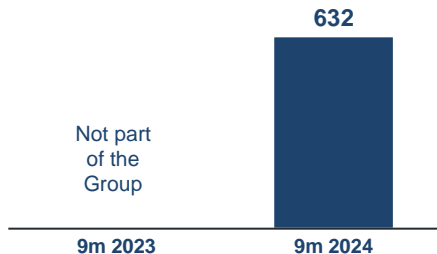
## EBITDA

EUR m.



## Electricity supplied volumes

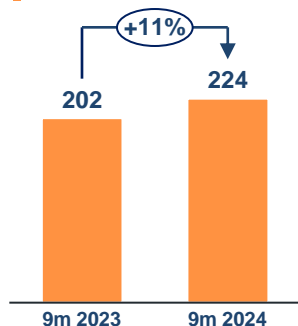
GWh



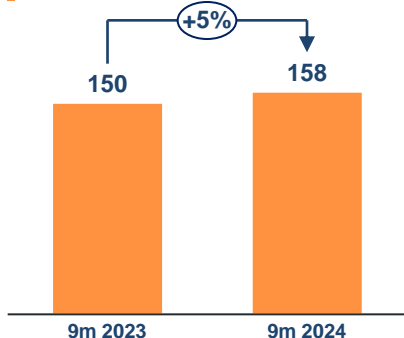
- P&L consolidation started on 1<sup>st</sup> of April
- Revenue generated in 9M 2024 amounted to EUR 181 million
- The EBITDA generated was EUR 3.6 million, affected by the high balancing costs in 2Q combined with price caps and remuneration caps, including remuneration caps on the balancing costs which are tied to the value of the average sourcing costs as well as due to the increased volumes from prosumers
- The balancing costs in 3Q were close to the 5% range of average monthly sourcing costs compensated by the state.
- Integration of the business within the broader Premier Energy Group is ongoing, on schedule
- 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 strong performance in 3Q

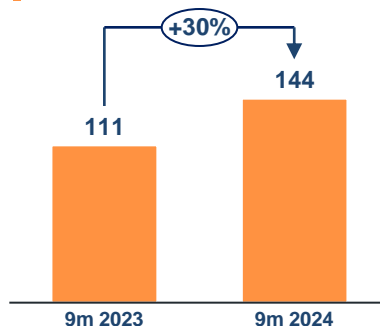
**Revenues**  
EUR m.



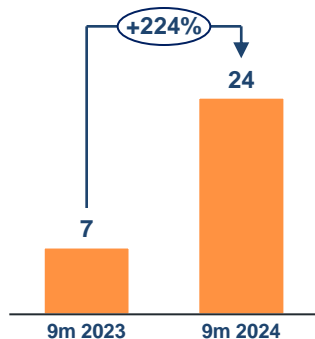
**Distribution customers**  
# ths.



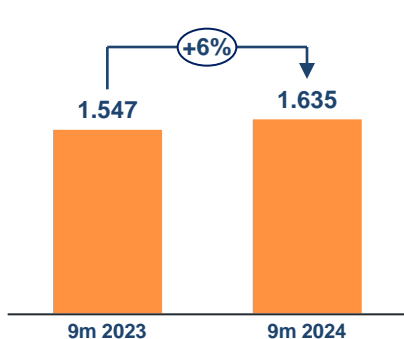
**Supply customer evolution**  
# ths.



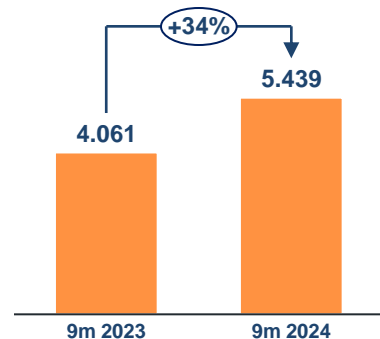
**EBITDA**  
EUR m.



**Distributed gas quantity**  
GWh



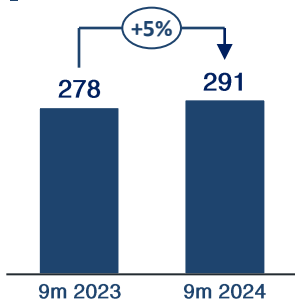
**Gas supplied volumes**  
GWh



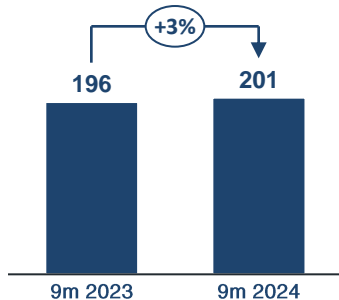
- The natural gas division generated an 11% revenue increase
- At the level of EBITDA, the division noted a 224% increase reaching EUR 24 million for 9M 2024, supported by the growing volumes as well as increased margins, including through the increased regulatory margin limit from RON 12 / MW to RON 15 / MW starting in April 2024
- The natural gas division saw a 34% increase in supply volumes, with a 32% rise on an LFL basis, driven by strong domestic sales in Romania and robust wholesale performance outside the country
- Distribution volumes grew by 6%, supported by the Group's expanding footprint and increasing natural gas demand
- The Group added 8,000 new customers to its distribution network, marking a 5% increase, and constructed 224 kilometres of new distribution network, to be recognized in RAB value
- The natural gas client base expanded by 33K since the start of the year, with 21K of these clients coming from the acquisition of CEZ Vanzare

# Moldova electricity segment performed as expected on a normalized basis

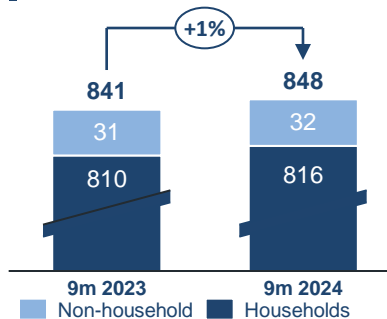
**Normalised revenues**  
EUR m.



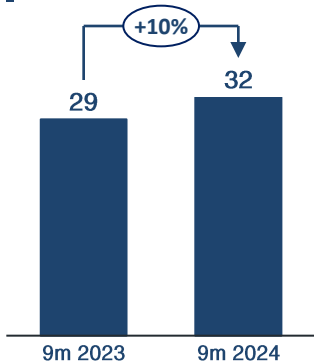
**Distribution RAB**  
USD m.



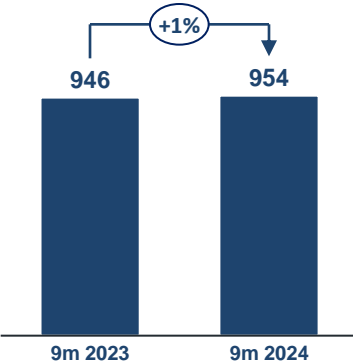
**Customer evolution**  
# ths.



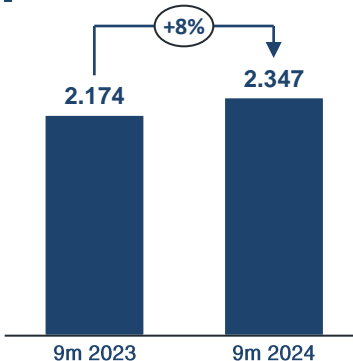
**Normalised EBITDA**  
EUR m.



**Distribution points**  
# thousands



**Electricity supplied**  
GWh



- Performance according to expectations, especially 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 on a year-over-year basis to EUR 291 million, and normalized EBITDA amounting to EUR 32 million, a 10% YoY increase
- Moldovan segment benefited in the 9 month period from the revenue and profitability of its growing renewables footprint
- 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%
- Supply volumes increased by 8% in 9M, with a 9% rise in Q3, driven by GDP growth and warmer weather conditions, boosting electricity demand



Q&A



## Thank you for joining us today!

- Premier Energy's consolidated 3Q 2024 results are available for download on our website, [www.premierenergygroup.eu](http://www.premierenergygroup.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)

## 3Q 2024 Report Premier Energy PLC

