



Investor Release Q4 2024

April 15, 2025

Details of the webcast from the meeting with CEO&CFO

April 16, 2025 (Wednesday), 9.30 am CEST

Link to the webcast: <https://infostrefa.tv/pge/>

Questions for Q&A session allowed via email: ir@gkpge.pl

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Operations: sharply higher gas generation, slightly higher lignite production, decline in hard coal and RES generation. Rising volumes in Distribution. Higher sales of heat. Lower volumes in Supply.

Financials: Positive - no contributions paid to the Price Difference Payment Fund, lower hard coal and CO2 prices in Conventional Generation, higher WACC and RAB in Distribution, revenues from Balancing Capacity Market in Conventional Generation and RES segments, positive effect of higher margin in Supply, start of contribution of Gas-fired generation segment. Negative –lower result of Railway Energy Services on decline in connection fees, rising personnel cost, lower support for highly efficient cogeneration in District Heating.

- PGE electricity generation at 15.5TWh in Q4, inched down (-1% y/y) as significantly lower hard coal generation (-15% y/y) and RES generation (-13% y/y) was substituted by higher volumes on gas and lignite.
- Recurring EBITDA at PLN 3.6bn, sharply higher (+74% y/y). Strong operating results of Conventional Generation and Distribution. Positive contribution of Supply, Gas-fired Generation and RES. Negative contribution of Railway Energy Services and District Heating.
- Reported EBITDA at PLN 4.6bn (+172% y/y), mainly as result of positive effect of change in reclamation and actuarial provisions (PLN +0.9 bn y/y).
- PLN 11.0bn - net debt at the end of Q4 2024, significantly higher (PLN +6.6bn) q/q largely due to purchases of CO2 emission allowances. Net economic debt at PLN 17.2bn down by PLN 1.8bn q/q mainly as effect of changes in working capital.

Generation volumes: start of gas production at CCGT Gryfino, lower volumes on hard coal and RES

Lignite generation was relatively stable in Q4 (+0.1 TWh, +1% y/y) despite decline in electricity production in Poland in Q4 (-2% y/y), crowding out hard coal power plants due to relatively better margins. Hard coal generation (-0.8 TWh, -15% y/y) declined on higher gas generation in National Energy System and shrinking generation margins. Gas generation rose by 63% y/y up to 2.1 TWh due to contribution of commissioned in Q3/Q4 2024 CCGT Gryfino (+1.1 TWh y/y). RES generation in Q4 was at 0.7 TWh (-13% y/y), declined mainly on unfavourable wind conditions. Heat volumes were slightly higher in Q4 (+0.3PJ, +2% y/y). Volumes of electricity distribution in PGE Group advanced by +2% y/y (+0.2TWh) primarily on rising demand from households (G tariff). Electricity sales to final clients in PGE Group contracted (-0.4 TWh, -4% y/y) mainly due to declining sales to large business clients.

Recurring EBITDA sharply higher in Q4 2024

Recurring EBITDA at PLN 3.6bn (+74% y/y) in Q4. Higher result of RES segment supported by revenues from Balancing Capacity Market. Positive contribution of Gas-fired Generation on start of commercial operations in CCGT Gryfino. Strong performance of Conventional Generation as result of lack of contributions to the Price Difference Payment Fund and lower hard coal and CO2 prices. Declining result of District Heating segment on lower revenues from support scheme for cogeneration. Solid result of Distribution on rising distribution margin. Negative contribution of Railway Energy Services on declining connection fees. Supply results in positive territory on higher margin on retail sales of electricity.

Recurring EBITDA of Renewables segment increased in Q4 to PLN 0.3bn (+16% y/y) mostly as result of revenues from Balancing Capacity Market and lack of contributions to the Price Difference Payment Fund.

EBITDA of Gas-fired Generation at PLN 0.1bn on start of generation at CCGT Gryfino in Q3/Q4 2024.

Performance of Conventional Generation was strong in Q4 (recurring EBITDA at PLN 1.0bn, +152% y/y). Margins on electricity generation were lower y/y on declining electricity price, which was not offset by lower hard coal and CO2 prices. Result on generation was significantly improved by lack of contributions to the Price Difference Payment Fund. EBITDA was additionally supported by revenues from Balancing Capacity Market, which did not occur in Q4 2023.

District Heating recurring EBITDA at PLN 0.6bn. Negative performance (PLN -0.15bn y/y) was driven mainly by lower revenues from support scheme for cogeneration.

Distribution recurring EBITDA at PLN 1.2bn came out significantly better (+0.5bn y/y) in Q4, mainly on higher distribution margin (higher WACC and RAB and distribution volumes).

Railway Energy Services posted sharply declining results in Q4 at PLN 0.3bn (-56% y/y) on lower distribution margin, mainly as result of base effect related to extraordinarily high revenues from connection fees in Q4 23.

Recurring EBITDA of Supply segment jumped in Q4 by PLN PLN +0.7bn y/y from a loss in Q4 23 of PLN -0.5bn into a profit of PLN 0.2bn. Results were pushed out to profit by higher margin on electricity and positive effect of settlement of provision for onerous contracts.

CAPEX: transition investments clearly visible

Capital expenditures (on accrual basis) in PGE Group were at PLN 3.5bn, flat y/y in Q4 24. Raising outlays for investment in Gas-fired Generation (mainly CCGT Rybnik) and Renewables (mainly program of offshore wind development) and declining outlays in segments of Conventional Generation and Railway Energy Services.

Debt decreased on change in working capital

Net debt at the end of Q4 at PLN 11.0bn increased by PLN 6.6bn q/q chiefly due to purchase of CO2 emission allowances in Q4 2024. Real value of net economic debt (adjusted by forward payments for CO2): PLN 17.2bn (net economic debt/ recurring LTM EBITDA = 1.58x) lower q/q by PLN 1.8bn (decline largely explained by changes in working capital).

Key Financials

PLNm	Q4 2024	Q4 2023	y/y [%]	12M 2024	12M 2023	y/y [%]
Sales	17 627	24 889	-29%	64 483	95 964	-33%
EBITDA	4 617	1 698	172%	12 215	10 028	22%
Recurring EBITDA	3 587	2 067	74%	10 878	10 722	1%
EBIT	-4 221	-8 186	-48%	-65	-3 431	-98%
Recurring EBIT	2 354	758	211%	6 337	5 963	6%
Net profit (to equity)	-5 909	-8 041	-27%	-3 163	-5 012	-37%

EBITDA by segments

PLNm	Q4 2024	Q4 2023	y/y [%]	12M 2024	12M 2023	y/y [%]
Renewables	312	268	16%	1 340	1 114	20%
Gas-fired Generation	106	-4	-	146	-15	-
Conventional Generation	1 846	149	1139%	1 632	1 472	11%
District heating	578	635	-9%	1 505	1 952	-23%
Distribution	1 211	628	93%	4 573	3 880	18%
Railway Energy Services	348	618	-44%	1 073	1 243	-14%
Supply	279	-508	-	1 904	-4	-

EBIT by segments

PLNm	Q4 2024	Q4 2023	y/y [%]	12M 2024	12M 2023	y/y [%]
Renewables	206	178	16%	938	753	25%
Gas-fired Generation	53	-4	-	85	-16	-
Conventional Generation	-6 029	-9 223	-35%	-7 317	-9 418	-22%
District heating	311	424	-27%	621	1 168	-47%
Distribution	824	290	184%	3 133	2 578	22%
Railway Energy Services	198	440	-55%	590	866	-32%
Supply	269	-517	-	1 867	-38	-

Key operating data

TWh	Q4 2024	Q4 2023	y/y [%]	12M 2024	12M 2023	y/y [%]
Net Generation Volume	15.49	15.65	-1%	56.16	56.77	-1%
Sales to End-users	8.36	8.75	-4%	33.70	34.71	-3%
Electricity Distribution Volume	10.65	10.42	2%	40.55	38.88	4%
Sales of Heat [PJ]	17.47	17.20	2%	47.28	49.03	-4%

Electricity generation by source

TWh	Q4 2024	Q4 2023	y/y [%]	12M 2024	12M 2023	y/y [%]
Lignite-fired power plants	7.90	7.80	1%	30.83	29.75	4%
Hard coal-fired power plants	3.50	4.25	-18%	12.35	15.07	-18%
Gas-fired power plants	1.05	0.00	-	2.55	0.00	-
Coal-fired CHPs	1.10	1.16	-5%	3.21	3.83	-16%
Gas-fired CHPs	1.09	1.31	-17%	3.62	4.21	-14%
Biomass-fired CHPs	0.10	0.11	-9%	0.37	0.44	-16%
Waste-to-energy CHPs	0.01	0.00	-	0.03	0.03	0%
Pumped-storage	0.14	0.31	-55%	0.87	1.20	-28%
Hydro	0.07	0.10	-30%	0.40	0.44	-9%
Wind	0.51	0.60	-15%	1.78	1.77	1%
PV	0.02	0.01	100%	0.15	0.03	400%
TOTAL	15.49	15.65	-1%	56.16	56.77	-1%