

November 11, 2024

NUCLEARELECTRICA

Q3'24 Earnings preview

* Nuclearelectrica will post Q3'24 IFRS individual results on the 14th of November.

* SNN's net profit for Q3 2024 is projected to fall 38% Y/Y to RON 430m, largely due to a 39% Y/Y decline in power sales, down to RON 1,140m, driven by a 34% Y/Y drop in the average realised power selling price to RON 446/MWh. The revenue projection assumes a sales distribution of 9% from spot markets, 45% from bilateral contracts markets, and 46% from MACEE. Additionally, Q3'24 output is projected to decline by 7% Y/Y, reaching 2.73 TWh, primarily due to an increased number of unplanned reactor outage days.

* According to OPCOM data, the average price on the spot market in Q3'24 added 38% Y/Y to RON 713/MWh, while on the bilateral contracts market, it plummeted by 42% Y/Y to RON 494/MWh.

* OPEX for Q3'24 is anticipated to fall by 35% year-on-year to RON 738m, mainly due to a significant 94% Y/Y drop in windfall tax expenses, which could land at RON 38m amid the lower realised power selling price. In contrast, cost of purchased electricity is expected to surge by 4.7x Y/Y to RON 116m, driven by the high number of unplanned reactor outages. Additionally, repairs and maintenance costs are projected to rise 44% Y/Y to RON 30m. Personnel expenses could increase 14% Y/Y, reaching RON 189m, while nuclear fuel costs are estimated at RON 48m, up 3% Y/Y.

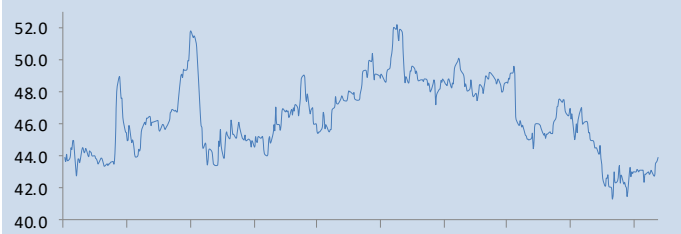
* For the nine months ending September 2024, we anticipate SNN's cumulative bottom-line to decline 36% Y/Y, reaching RON 1,273m.

Romania
Nuclear power generation

Q3'24 Earnings preview

BQ: SNN RO				
Last close	RON 43.90			
52 - Week range	RON 41.0 RON 52.4			
Market cap (m)	RON 13,242		€ 2,662	
	Q3'23	Q3'24E	9M'23	9M'24E
P&L summary (RONm)*				
Net sales	1,859	1,140	5,574	3,174
Effective price (RON/MWh)	674	446	720	429
Sales on spot market	181	109	546	796
Average price (RON/MWh)	495	652	520	387
Sales on bilateral market	1,100	553	3,492	577
Average price (RON/MWh)	1,013	473	1,080	474
Sales on MACEE**	574	469	1,523	1,733
Other income	21	26	86	109
Operating revenues	1,880	1,167	5,659	3,283
D&A	154	160	470	489
Personnel expenses	167	189	450	519
Cost of purchased electricity	25	116	39	237
Repairs and maintenance	21	30	61	86
Cost of nuclear fuel	47	48	126	137
Windfall tax	598	38	2,059	45
Operating expenses	1,143	738	3,611	2,008
EBITDA	891	589	2,518	1,764
EBITDA margin	48%	52%	45%	56%
EBIT	737	429	2,048	1,275
EBIT margin	40%	38%	37%	40%
Financial result	88	83	291	244
EBT	825	512	2,339	1,518
EBT margin	44%	45%	42%	48%
Net profit	694	430	1,977	1,273
Net profit margin	37%	38%	35%	40%

Source: The Company; * IFRS unconsolidated; ** Centralised Electricity Purchase Mechanism



Price performance	1m	3m	12m	YTD
	2.8%	-3.4%	-7.2%	-10.6%

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Mentioned companies

Company	BSE	Rating	Price	Price date	Disclosure
Nuclearelectrica	SNN	-	43.90	08/11/2024	NONE

Rating history for Nuclearelectrica

Date	Rating	Share Price (RON)	Target Price (RON)
24/10/2023	Initiation of coverage – NEUTRAL	45.80	49.77

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