

August 18, 2025

## NUCLEARELECTRICA

Windfall tax weighs on EBIT, but net profit is supported by financial income | Outlook strengthens with removal of windfall tax in H2

\* SNN posted H1 2025 net profit of RON 867m, up 3% Y/Y and 7% above our estimate. The beat was mainly driven by a 38% Y/Y increase in net financial income to RON 221m, with net FX gains surging to RON 29m from RON 0.3m in the prior year, and an additional RON 13m booked from the difference between net book value and fair value of assets transferred to the FPCU Feldioara subsidiary. These items helped offset the impact of a significantly higher windfall tax expense, which surged to RON 505m in H1 2025 from just RON 6m a year earlier, reflecting both the higher realised power selling price and the reduction in the windfall tax cap from RON 450/MWh to RON 400/MWh starting April 2024.

\* Power sales grew strongly, reaching RON 2,621m (+33% Y/Y and 5% above our estimate), helped by both price and volume: the average realised selling price rose 25% Y/Y to RON 520/MWh, while the quantity sold increased by 6% Y/Y to 5.1 TWh. The sales mix shifted sharply due to the discontinuation of the Centralised Electricity Purchase Mechanism (MACEE) in January 2025. In terms of quantities sold, just 10%, was placed on the spot market vs. 39% in H1 2024, and 90% through the bilateral contracts, up from only 1% a year earlier. Therefore, spot market sales fell 60% Y/Y to RON 276m, while the realised price increased 52% to RON 554/MWh, 3% below market average. Bilateral contracts' revenues reached RON 2,345m from just RON 25m in the prior year, with realised prices broadly stable year-on-year at RON 516/MWh, modestly above the market average. As a result of the regulatory change, no revenues were booked from MACEE in the first half of 2025, compared with RON 1,265m in the same period last year.

\* On the cost side, operating expenses rose 52% Y/Y to RON 1,929m, which was 7% higher than our estimate. The largest driver was the windfall tax, while additional pressures came from traded electricity costs, which increased 51% Y/Y to RON 183m due to a higher number of unplanned outage days. Nuclear fuel costs advanced 29% Y/Y to RON 115m, reflecting a higher weighted average price of fuel bundles. Depreciation and amortisation grew 7% Y/Y to RON 354m, repairs and maintenance increased 8% Y/Y to RON 61m, while personnel expenses stood flat year-on-year, at RON 329m. As a result, EBIT declined by 4% year-on-year to RON 815m.

\* **OUTLOOK.** Looking ahead, we estimate that 2025 electricity sales could reach RON 5,406m, an increase of 17% Y/Y. This is based on a projected 13% Y/Y rise in average realised price to RON 512/MWh and a 3% Y/Y increase in volumes sold to 10.6 TWh. Our assumptions include a sales mix of 10% from the spot market and 90% through BCM. According to OPCOM data, 2025 forward prices could rise by 5% Y/Y to RON 525/MWh, while spot prices could average RON 552/MWh (-2% Y/Y). On the cost side, we project operating expenses of RON 3,476m, 13% higher than last year, with windfall tax expenses at RON 505m, unchanged from the first half, as the application of the tax ended on June 30, 2025. Under these assumptions, SNN's net profit for the year could increase by 21% Y/Y to RON 2,060m | **POSITIVE.**

Romania, Nuclear power generation

## H1 2025 First look

BQ: SNN RO

Last close

RON 47.10

52 - Week range

RON 37.0 | RON 48.1

Market cap (m)

RON 14,207

EUR 2,806

EV/ FY'25E EBITDA

4.2x

	Q2'24	Q2'25	H1'24	H1'25
<b>P&amp;L summary (RONm)*</b>				
Net sales	860	1,199	2,034	2,645
Effective price (RON/MWh)	411	511	416	520
Sales on spot market	386	99	687	276
Average price (RON/MWh)	375	431	364	554
Sales on bilateral market	11	1,088	25	2,345
Average price (RON/MWh)	615	519	521	516
Sales on MACEE**	418	0	1,265	0
Other income	51	55	83	99
<b>Operating revenues</b>	<b>911</b>	<b>1,254</b>	<b>2,116</b>	<b>2,744</b>
D&A	165	178	329	354
Personnel expenses	161	173	329	329
Cost of traded electricity	88	174	122	183
Repairs and maintenance	36	39	56	61
Cost of nuclear fuel	37	47	89	115
Windfall tax	6	164	6	505
<b>Operating expenses</b>	<b>668</b>	<b>969</b>	<b>1,271</b>	<b>1,929</b>
<b>EBITDA</b>	<b>408</b>	<b>463</b>	<b>1,175</b>	<b>1,169</b>
EBITDA margin	47%	39%	58%	44%
<b>EBIT</b>	<b>243</b>	<b>285</b>	<b>846</b>	<b>815</b>
EBIT margin	28%	24%	42%	31%
Financial result	91	135	161	221
<b>EBT</b>	<b>334</b>	<b>420</b>	<b>1,007</b>	<b>1,036</b>
EBT margin	39%	35%	49%	39%
<b>Net profit</b>	<b>280</b>	<b>353</b>	<b>843</b>	<b>867</b>
Net profit margin	33%	29%	41%	33%

Source: Nuclearelectrica; \*IFRS individual;

\*\* Centralised Electricity Purchase Mechanism



Price performance	1m	3m	12m	YTD
	8.7%	20.2%	2.4%	13.4%

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#### Mentioned companies

Company	BSE	Rating	Price	Price date	Disclosure
Nuclearelectrica	SNN	-	47.1	14/08/2025	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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