

## ZE PAK

### 2Q'24 results above market consensus due to lower loss in generation

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ZE PAK reported 2Q'24 financial results with the following highlights:

- **Reported EBITDA amounted to PLN 93mn (vs. PLN 22mn expected by market consensus, please note that forecasts were provided by only one analyst).**
- **In generation segment reported EBITDA amounted to PLN -15mn (vs. PLN 132mn year ago and PLN 91mn quarter ago).** Volumes of generated power are lower by 18% y/y and higher 19% q/q.
- **In mining segment reported EBITDA amounted of PLN 72mn (vs. PLN 131mn year ago and PLN 124mn quarter ago).** Coal consumption was lower by 20% y/y and higher 8% q/q.
- Net income amounted to PLN 110mn (vs. PLN 12mn expected by market consensus and PLN 254mn year ago).
- Operating cash flow amounted to PLN 252mn (vs. PLN 109mn year ago).
- Capex amounted to PLN 365mn (vs. PLN 212mn year ago).
- Net cash amounted to PLN 464mn (vs. PLN 643mn in 1Q'24).
- ZE PAK states in the report that the **CCGT plant is expected to be in commissioned by the end of the first quarter of 2027.**

#### Our view: POSITIVE

*We find 2Q'24 results of ZE PAK as positive. After a not as good first quarter, 2Q'24 was better. The company was able to achieve a relatively high power price of PLN 731 per MWh, which together with stable costs of CO2 (PLN 398 per ton) has contributed to a good overall financial performance. The outperformance of market consensus is primarily due to lower loss in generation segment and solid result in mining. We note that the results were also impacted by the share of the profit of associates (49.5% share of PAK-PCE) that added PLN 31mn.*

*We highlight that it is important to bear in mind that ZE PAK strong net cash position ignores as reported by the company: (i) a reclamation provision of PLN 622mn that will have to be cover in coming years and (ii) a provision for EUA allowances of PLN 301mn.*

## ZE PAK 2Q'24 results

P&L (PLNmn)	2Q'23	3Q'23	4Q'23	1Q'24	2Q'24	Y/Y	Q/Q	Cons.	vs. Cons
<b>Revenues</b>	<b>306</b>	<b>820</b>	<b>829</b>	<b>520</b>	<b>522</b>	71%	0%	<b>547</b>	<b>-5%</b>
<b>EBITDA</b>	<b>264</b>	<b>397</b>	<b>445</b>	<b>27</b>	<b>93</b>	-65%	248%	<b>22</b>	<b>317%</b>
Generation	132	135	332	-91	-15	-111%	-84%		
Mining	131	190	220	124	72	-45%	-42%		
Other	1	72	-107	-7	36	n/a	n/a		
<b>EBIT</b>	<b>248</b>	<b>413</b>	<b>419</b>	<b>23</b>	<b>89</b>	-64%	285%	<b>17</b>	<b>417%</b>
Financial cost net	14	42	-41	-15	1	n/a	n/a		
<b>Gross profit before tax</b>	<b>262</b>	<b>455</b>	<b>378</b>	<b>8</b>	<b>91</b>	-65%	976%		
Tax & other	-64	-81	145	-13	20	n/a	n/a		
<b>Net income</b>	<b>199</b>	<b>375</b>	<b>523</b>	<b>-5</b>	<b>110</b>	-57%	n/a	<b>12</b>	<b>790%</b>
<b>Debt</b>									
Debt	43	40	40	33	33				
Net debt	-634	-1,189	-494	-643	-464				
<b>Operational data</b>									
<b>Generation</b>									
Volume of generated power (TWh)	0.39	0.31	0.20	0.27	0.32	-18%	19%		
Volume of power trading (TWh)	0.35	0.15	0.25	0.23	0.19	-46%	-17%		
Realized price of power (PLN/MWh)	1,072	1,392	1,388	696	731	-32%	5%		
CO2 emission (mnt)	0.50	0.43	0.29	0.35	0.40	-20%	14%		
Realized CO2 price (PLN/t)	369	394	297	406	398	8%	-2%		
CO2 cost per MWh	473	547	431	526	498	5%	-5%		
Emission factor (t/MWh)	1.28	1.39	1.45	1.30	1.25	-3%	-4%		
<b>Spread (power price-CO2, PLN/MWh)</b>	<b>599</b>	<b>845</b>	<b>957</b>	<b>169</b>	<b>234</b>	-61%	38%		
<b>Mining</b>									
Coal consumption (mnt)	0.49	0.42	0.31	0.36	0.39	-20%	8%		

Source: Company, Pekao Equity Research

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