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Internal Information

CEZ Group Earned CZK 29.6 bn in 2023, with 74% thereof from emission-free activities. It is the highest profit for the past 10 years, excluding the extraordinary year of 2022.

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached CZK 124.8 bn, down 5% year-on-year. We exceeded our initial ambitions, mainly thanks to additional gains from commodity trading and reliable nuclear power plant production. Net Profit reached CZK 29.6 bn. Adjusted Net Profit reached CZK 34.8 bn, and the dividend policy in place indicates a dividend of CZK 39 to 52 per share. In 2024, CEZ Group expects EBITDA of CZK 115 to 120 bn and Adjusted Net Profit at CZK 25 to 30 bn.

“Despite the significant decline in electricity prices, we were able to meet our initial financial targets. This was mainly due to the safe and reliable generation at our nuclear power plants, which were able to generate more than 30 TWh for the fifth consecutive year. Another key factor was the excellent trading performance of our trading business, which achieved the second-best result ever and generated a trading margin of CZK 9.4 billion. Despite the extraordinary levy on excess revenues from generation, in 2023 we achieved the highest profit in the last 10 years, with the exception of the extraordinary year 2022,” said Daniel Beneš, Chairman of the Board of Directors and CEO of ČEZ, adding: “The future of the Czech energy sector will be based on renewable sources and safe nuclear power. Already now 74% of our profits are generated by emission-free activities. We are changing rapidly; twenty years ago coal was still the main source of profit.”

CEZ Group has met its main strategic sustainability goal, announced in 2021, to be among the top 20% of ESG ratings in 2023. According to CSRHub, an international rating aggregator, which rates nearly 35,000 companies, ČEZ reached the 84th percentile at the end of the year, placing it among the top 16% of companies worldwide.

Operating Revenues increased by 18% year-on-year to CZK 340.6 bn, while Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) fell by 5% to CZK 124.8 bn. The decline in EBITDA of CZK 6.7 bn was driven by a non-recurring year in 2022, where commodities trading alone generated CZK 26.9 bn in earnings, CZK 17 bn more than in 2023. The year-on-year comparison was impacted by the newly introduced levy on excess revenues from generation, which added CZK 10 bn to 2023 costs. Net Profit reached CZK 29.6 bn. Net Profit adjusted for extraordinary effects was CZK 34.8 bn. This was mainly due to the creation of provisions for the assets of Severočeské doly due to a significant deterioration in market conditions for future coal-fired power generation.

Electricity generation from nuclear and renewable sources remained at 34 TWh year-on-year. Due to favorable weather conditions, generation from renewable sources increased by 9%, while generation from nuclear sources decreased by 2% due to long planned downtimes at both power plants. The capital projects and measures implemented during these downtimes will contribute to the efficient generation of more emission-free energy.

Coal and gas-fired generation fell by 13% to 17.5 TWh as a result of lower source deployment in view of the deterioration in market operating conditions. CEZ Group is pursuing its “Clean Energy of Tomorrow” decarbonization strategy. In the Czech Republic, the share of coal-fired generation has reached 27%, whereas in the early 1990s the share of coal was still over 70%.

CEZ Group spent almost CZK 46 bn in capital expenditures on fixed assets in 2023, up by CZK 11 bn year-on-year. The largest amount, more than CZK 22 bn, was expended in the Generation segment, of which nearly CZK 9 bn was spent on the acquisition of nuclear fuel. Therefore, the most capital expenditures were actually spent in the Distribution segment, amounting to CZK 17 bn.

“The results reflect the high selling prices of electricity generated and the extraordinary taxation introduced at the end of 2022. The cost of the levy on excess revenues from generation reached CZK 10 bn, and the tax on unexpected profits was at CZK 30 bn. Yet despite the record dividend and a significant increase in capital expenditures, CEZ Group’s total debt declined in 2023. In addition to high operating profit, this was due to the stabilization of commodity prices and the resulting decline in margin deposits by almost CZK 57 bn," said Martin Novák, Member of the Board of Directors and Chief Financial Officer.

The consumption of electricity in the distribution territory of ČEZ Distribuce fell by 4% year-on-year to 33.6 TWh. Electricity consumption by large enterprises fell by 3%, household consumption fell by 4% and the consumption of small enterprises was also lower by 4%. The decrease is mainly due to reduced customer consumption as a result of high commodity prices and weather conditions. The fall in consumption was also influenced by the boom in rooftop photovoltaic installations by customers.