

OVERVIEW

Peru / Equity - Corporate Credit / Utilities

27 JULY 2023

ENGIE ENERGIA PERU 2Q23 RESULTS: EBITDA LIFTED AS HIGHER GENERATION DELIVERS NET SPOT SELLER POSITION

KEY DRIVERS

- 🔗 EBITDA rose 26.1% YoY to USD 62.9mn on account of higher volumes sold (+12.3% YoY) and a net spot seller position provided by the rise in own generation (+78% YoY), partially offset by higher fuel consumption costs (+35% YoY).
- 🔗 Net income came to USD 29.8mn (+95% YoY), owing to the positive impact of FX differences and higher tax payments.
- 🔗 Net debt/EBITDA stable at 2.4x in 2Q23 on higher EBITDA offset by higher Net Debt.



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LarrainVial
RESEARCH
Your eyes in the Andean Region

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- Net income came to USD 29.8mn (+95% YoY), owing to the positive impact of FX differences and higher tax payments.
- Net debt/EBITDA stable at 2.4x in 2Q23 on higher EBITDA offset by higher Net Debt.

Consolidated EBITDA came to USD 62.9mn (+26.1% YoY), mainly on account of greater generation (+78% YoY), which afforded the company a net seller spot position at 12 GWh (+341 GWh relative to 2Q22), and greater volumes sold to both unregulated and regulated clients (+12.3% YoY). This was offset by the +53% YoY hike in fuel consumption costs. Net income came to USD 29.8mn (+95.1% YoY) on the back of higher financial income (+71% YoY) and positive FX as PEN appreciated +1.3% YoY, partially offset by higher tax expenses.

Net generation soared to 2,192 GWh (+36.7% YoY) driven by a 41% YoY rise in thermal generation amid the incorporation of wind generation after the entrance of Punta Lomitas (+71 GWh). These were partially offset by a -44% YoY drop in hydro. The company, while being a net spot seller in the quarter, had an almost neutral position selling 12 GWh but ended as a net seller after new wind capacity.

Revenues rose to USD 164.4mn (+29% YoY) owing to greater volumes sold to unregulated and regulated clients, up +12.3% YoY, higher prices owed to natural gas indexations, and the positive net spot balance (+341 GWh to 12 GWh in sales) after the increase in generation. Costs rose +28% YoY to USD 121.2mn as fuel consumption costs jumped +53% YoY after greater use of thermal generation.

Net income came to USD 29.8mn (+95% YoY). This was owed to improvements in operating performance, positive financial income (+71%) and a positive impact from FX differences as PEN appreciated +1.3% YoY against USD, partially offset by higher tax expenses (+33% YoY). Net Debt/EBITDA remained stable at 2.4x in 2Q23 as improvements in EBITDA were offset by increased debt

Engie Energia Peru: Quarterly Income Statement (USD mn)

	2Q23a	2Q22a	%Var 23/22
Revenues	164.4	127.4	29.0%
Op. Income	41.2	28.8	43.2%
Op. Margin (%)	25.1%	22.6%	
EBITDA	62.9	49.9	26.1%
EBITDA Margin (%)	38.3%	39.2%	
Net Income	29.8	15.3	95.1%
Net Margin (%)	18.1%	12.0%	

Source: LarrainVial Research Department

Disclosures and certifications can be found in "Important Disclosures" on the last page of this report.

STOCK INFORMATION

Current Price:	4.77
Target Price:	5.65
Recommendation:	NEUTRAL
BBG ticker:	ENGIEC1 PE
52w high-low:	5.65 – 4.75
Free Float:	38%
#Shares:	601 mn

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