

14 FEBRUARY 2025

## ENGIE ENERGIA PERU 4Q24 RESULTS: CONSOLIDATED EBITDA -11% YoY ON HIGHER DISMANTLING PROVISIONS AND OTHER OPERATING EXPENSES

### KEY DRIVERS

- Consolidated EBITDA fell -11% YoY to USD 50mn as higher revenues (USD 156mn, +13% YoY) were offset by higher SG&A expenses and an increase in the provision for the dismantling of the Ilo21 coal power plant.
- Net income was USD 5mn much better than the net loss of -USD 47mn in 4Q23 due to a write-off of the book value of generation assets in that quarter.
- Net debt/EBITDA rose to 1.50x from 1.24x in 3Q24 on account of a lower cash balance and slightly lower LTM EBITDA.

**Generation output fell -8.9% YoY to 2,093 GWh** driven by lower thermal generation (1,420 GWh, -20.0% YoY) offset by higher wind (318 GWh, +39.5% YoY) and hydro (322 GWh, +24.3% YoY). Client demand reached 2,252 GWh, slightly higher (+2% YoY) than 4Q23 demand (2,208 GWh). Lower generation meant EEP was a net buyer in the spot market this quarter.

**Consolidated revenues rose +13.2% YoY to USD 155.8mn** on account of: (i) greater demand from clients; and (ii) a higher average contract price on indexations to natural gas prices, CPI and PPI. This was offset by lower spot market sales owing to lower generation this quarter.

**Consolidated EBITDA reached USD 50.0mn (-10.7% YoY)** in the quarter in spite of the aforementioned higher revenues. The EBITDA decline was driven by higher operating costs mainly related to: (i) Higher SG&A expenses (+28.3% YoY) on higher personnel and third-party services costs; (ii) Higher other generation expenses (+37.3% YoY); and (iii) A USD 9.3mn additional provision for dismantling expenses for the Ilo21 coal-fired thermoelectric plant.

**Finally, consolidated net income came in at USD 5.4mn, which compared favorably with the net loss of -USD 46.6mn reported in 4Q23.** This improvement was chiefly on account of -USD 77.7mn impairment of generation assets in 4Q23, which had been partially offset by the recognition of insurance proceeds of USD 30.2mn for the outage of the Quitaraca hydroelectric plant.

### Engie Energia Peru: Quarterly Income Statement (USD mn)

	4Q24a	4Q23a	%Var 24/23
Consolidated Revenues	155.8	137.6	13.2%
Consol. Op. Income	17.7	-59.8	-129.6%
Op. Margin (%)	11.4%	-43.5%	
<b>Consol. EBITDA</b>	<b>50.0</b>	<b>56.0</b>	<b>-10.7%</b>
EBITDA Margin (%)	32.1%	40.7%	
<b>Consol. Net Income</b>	<b>5.4</b>	<b>-46.6</b>	<b>-111.6%</b>
Net Margin (%)	3.5%	-33.9%	

Source: Company reports, LarrainVial Research Department

### STOCK INFORMATION

Current Price:	PEN 3.80
Target Price:	PEN 5.20
Recommendation:	OVERWEIGHT
BBG ticker:	ENGIEC1 PE
52w high-low:	4.98 – 3.79
Free Float:	38%
#Shares:	601 mn

### CONTACT US

**Andrew McCarthy**  
Senior Analyst, Utilities  
[amccarthy@larrainvial.com](mailto:amccarthy@larrainvial.com)  
+562 2339 8610



Download our  
**LVRs App** for  
Android and iOS

## RESEARCH DEPARTMENT

### Director of Research

**Leonardo Suarez**  
Managing Director  
(562) 2339 8668  
lsuarez@larrainvial.com

### Head of Research Financials

**Florencia Stefani**  
Executive Director  
(562) 2339 8597  
fstefani@larrainvial.com

### Head of Equity Strategy Retail & Real Estate

**Luis Ramos**  
Executive Director  
(511) 611 4326  
lramos@larrainvial.com

### Chief Economist

**Javier Salinas**  
Senior Vice President  
(562) 2339 8531  
jsalinas@larrainvial.com

### Corporate Credit Strategy

**Cristian Campos**  
Senior Vice President  
(562) 2339 8425  
crcampos@larrainvial.com

### Utilities

**Andrew McCarthy**  
Senior Vice President  
(562) 2339 8676  
amccarthy@larrainvial.com

### Senior Economist

**Francisco de la Cerda**  
Senior Associate  
(562) 2339 8289  
fdelacerda@larrainvial.com

### Basic Materials

**Juraj Domic**  
Senior Associate  
Senior Analyst  
(562) 2519 8029  
jdomic@larrainvial.com

### Retail & Real Estate

**Guillermo Edwards**  
Senior Associate  
Senior Analyst  
(562) 2339 8945  
gedwards@larrainvial.com

### Corporate Credit

**Lucas Howard**  
Senior Associate  
Senior Analyst  
(562) 2339 8698  
lhoward@larrainvial.com

### Financials, Industrials & Beverages

**Carolina Guerrero**  
Associate  
Analyst  
(562) 2339 8516  
cguerrerom@larrainvial.com

## PUBLISHING & CORPORATE ACCESS

### Head of Institutional Client Relationships

**Consuelo Solis**  
(562) 2339 8639  
consuelo.solis@larrainvial.com

### Editing

**David Arenas**  
(562) 2616 5649  
darenas@larrainvial.com

### Design

**Bernardita Ebensperger**  
(562) 2616 5659  
bebensperger@larrainvial.com

### Research Support

**Paulina Ordenes**  
(562) 2339 8591  
pordenes@larrainvial.com

Av. El Bosque Norte 0177,  
4th Floor,  
Santiago - Chile.  
(562) 2339 8591

www.larrainvialresearch.com  
Contact us: research@larrainvial.com

Our research at your fingertips  
Scan to download our LVRS App



## IMPORTANT DISCLOSURES

This report has been prepared by Larrain Vial Servicios Profesionales Limitada ("LVSP"), a subsidiary of Larrain Vial SpA. Larrain Vial Securities US LLC ("LV US"), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation, is distributing this report in the United States. LV US is not involved in any way or form in the preparation of research reports. LV US assumes responsibility for this research for purposes of U.S. law. Any U.S. person receiving this report and wishing to effect any transaction in a security discussed in this report should do so with LV US at 56-2-23398562, El Bosque Norte 0177, 3rd Floor, Las Condes, Santiago, Chile.

LarrainVial refers to Larrain Vial Securities US LLC as well as Larrain Vial SpA and Larrain Vial Servicios Profesionales Limitada.

This report is for distribution only under such circumstances as may be permitted by applicable law. This report is not directed at you if LV US is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that LV US is permitted to provide research material concerning investments to you under relevant legislation and regulations. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation, offer, invitation, or inducement to buy or sell any securities or related financial instruments in any jurisdiction. Prices in this report are believed to be reliable as of the date on which this report was issued and are derived from one or more of the following: (i) sources as expressly specified alongside the relevant data; (ii) the quoted price on the main regulated market for the security in question; (iii) other public sources believed to be reliable; or (iv) LV US's proprietary data or data available to LarrainVial. All other information herein is believed to be reliable as of the date on which this report was issued and has been obtained from public sources believed to be reliable. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning LV US, its subsidiaries and affiliates, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this report.

As of the end of the month immediately preceding the date of publication of this report, neither LarrainVial nor any of its affiliates beneficially own 1% or more of any class of common equity securities of the companies analyzed in this report. In addition, neither LarrainVial nor its affiliates: (a) have managed or co-managed a public offering of securities for the companies; or (b) have received compensation for investment banking services from the companies in the past 12 months. Exception for LATAM and Mallplaza.

On the other hand, LarrainVial or its affiliates expect to receive or intends to seek compensation for investment banking services from the companies within the next 3 months. LV US did not engage in market-making activities in the subject company's securities at the time this research report was published.

The decision to cover an asset with analysis is the exclusive responsibility of the LarrainVial Research Department. A report's content and its recommendation regarding the price of an asset under analysis is strictly confidential until the date of its publication, and only at that time do clients learn our opinion. Executives, the Investment Banking Division, the Sales and Trading Desk and personnel of LarrainVial do not know the content, fundamentals, projections, or recommendations contained in reports before their publication and dissemination to clients. Investment Banking Division, the Sales and Trading Desk and personnel of LarrainVial cannot be aware of the publication status of any report before it is publicly disseminated to the firm's clients. LarrainVial does not undertake that investors will obtain profits, nor will it share with investors any investment profits, nor accept any liability for any investment losses. Investments involve risks, and investors should exercise prudence in making their investment decisions. LarrainVial accepts no fiduciary duties to recipients of this report and in communicating this report is not acting in a fiduciary capacity. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Opinions, estimates, and projections expressed herein constitute the current judgment of the analyst responsible for the substance of this report as of the date on which it was issued and are therefore subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of LarrainVial as a result of using different assumptions and criteria. Any such opinions, estimates, and projections must not be construed as a representation that the matters referred to therein will occur. Prices and availability of financial instruments are indicative only and subject to change without notice.

Some of LarrainVial's directors are or could eventually become directors of companies whose stocks are monitored by the LarrainVial Research Department. The names of LarrainVial's directors can be found in the company's report on its website: [www.larrainvial.com](http://www.larrainvial.com). Regardless, the recommendations issued by the LarrainVial Research Department regarding the stocks its analysts monitor respond exclusively to the examination of their merits, and the market environment of the companies traded on the exchange. As such, the opinions of the Research Department are issued independently of the interests and the condition of directorship in said companies of LarrainVial's own directors.

LarrainVial Research Department issues its views pursuant to relevant factors necessary to recommend an investment decision and independently of any instructions that the Corporate Finance Division and/or the Sales and Trading Desk might have from any covered company with which it has a business relationship. The recommendations given by the Research Department with respect to the shares covered by its analysts respond exclusively to the analysis of the merits and the market conditions in which the publicly traded companies operate.

However, this does not guarantee their fulfillment. All of the recommendations or views contained herein can be modified without previous notice.

Research will initiate, update and cease coverage solely at the discretion of LarrainVial. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. LarrainVial is under no obligation to update or keep current the information contained herein, except when terminating coverage of the companies discussed in the report. LarrainVial relies on information barriers to control the flow of information contained in one or more areas within LarrainVial, into other areas, units, groups or affiliates of LarrainVial. The compensation of the analyst who prepared this report is determined by research management and senior management (not including investment banking or sales and trading). Analyst compensation is not based on investment banking revenues; however, compensation may relate to the revenues of LarrainVial as a whole, of which investment banking, sales and trading are a part.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates and other market conditions. Past performance is not necessarily indicative of future results. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the value or price of or the income derived from any security or related instrument mentioned in this report, and the reader of this report assumes any currency risk.

This report does not take into account the investment objectives, financial situation or particular needs of any particular investor. Investors should obtain independent financial advice based on their own particular circumstances before making an investment decision on the basis of the information contained herein. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Neither LarrainVial nor any of its affiliates, nor any of their respective directors, employees or agents, accepts any liability for any loss or damage arising from the use of all or any part of this report.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices and any given prices do not necessarily reflect LarrainVial's internal books and records or theoretical model-based valuations, and may be based on certain assumptions. Different assumptions, by LarrainVial or any other source, may yield substantially different results. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of LarrainVial, and LarrainVial accepts no liability whatsoever for the actions of third parties in this respect.

Additional information relating to the financial instruments discussed in this report is available upon request. REG (AC) Certifications

a) The analyst (or analysts) signing this report certify that the views expressed in the report accurately reflect his or her personal views about the subject securities and issuers.

b) The analyst (or analysts) signing this report certify that no part of his or her compensation or other payments where, are, or will be directly or indirectly related to the specific recommendations or views contained in this research report.