

**Overview**

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Peru

Utilities

**LVRS: Engie Energia Peru 2Q21 Results**

## EBITDA up 18.1% YoY on demand recovery

Consolidated EBITDA came in at USD 60.3mn (+18% YoY), mainly on account of a 34% YoY increase in client demand (mostly in the unregulated segment, which has returned to pre-COVID levels). Net income came to a profit of USD 24.2mn (+27% YoY) on the back of improved operating performance and lower financial expenses.

Net generation increased from 1,048 GWh in 2Q20 to 1,699 GWh in 2Q21 (+82% YoY). Hydro generation was down 1.7% while thermal generation grew 96% YoY, mainly in Chilca. The rise in generation led to a -25% YoY decline in net spot purchases, despite the 34% YoY rebound in demand.

Revenues rose 16.9% YoY to USD 127.3mn, mostly explained by a 34% rise in energy volumes that was partially offset by lower average prices. Regulated demand fell -9.6% YoY owing to the termination of PPAs while unregulated demand climbed 80.7% thanks to new PPAs and demand recovery.

Costs rose 10% YoY, mostly on account of higher fuel consumption (+5.5 USD mn) related to higher gas generation at ChilcaUno and higher maintenance expenses, delayed in 2020 (+26% YoY).

Net income came to USD 24.2mn, relative to USD 19mn in 2Q20 (up +27.2% YoY), mainly on account of improved operating performance that was partially offset by higher depreciation (+USD 1.7 mn). Net debt/EBITDA remained flat at 1.6x in 2Q21 vs 1Q21.

	2Q21	2Q20	%Var 21/20
Revenues	127.3	108.9	16.9%
Op. Income	40.5	32.9	23.0%
Op. Margin (%)	31.8%	30.3%	
<b>EBITDA</b>	<b>60.3</b>	<b>51.0</b>	<b>18.1%</b>
EBITDA Margin (%)	47.4%	46.9%	
<b>Net Income</b>	<b>24.2</b>	<b>19.0</b>	<b>27.2%</b>
Net Margin (%)	19.0%	17.5%	

Source: Company reports, LarrainVial Research Department

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