

OVERVIEW

Peru / Equity - Corporate Credit / Utilities

31 OCTOBER 2022

ENGIE ENERGIA PERU 3Q22 RESULTS: LOWER ENERGY PURCHASES BOOST EBITDA BY 10.1% DESPITE THE END OF SOME PPAs

KEY DRIVERS

- 🔗 EBITDA grew 10.1% YoY to USD 49.1mn, on the back of lower energy purchase costs and the net spot seller position, offset by the drop in contract sales.
- 🔗 Net income came to USD 15.4mn (+69% YoY), mostly owing to better operating and financial performance, offset by FX differences.
- 🔗 Net debt/EBITDA worsened to 2.3x in 3Q22 from 2.1x on higher net debt.



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- Net income came to USD 15.4mn (+69% YoY), mostly owing to better operating and financial performance, offset by FX differences.
- Net debt/EBITDA worsened to 2.3x in 3Q22 from 2.1x on higher net debt.

Consolidated EBITDA was USD 49.1mn (+10.1% YoY), mainly on account of the net spot seller position this quarter, offset by the -8.4% YoY drop in contract sales (mostly in the regulated segment as PPAs came to an end). Net income resulted in profits of USD 15.4mn (+69% YoY) after better operating performance, higher financial income, and lower financial costs, which were offset by the impact of the PEN's appreciation on FX differences.

Net generation fell to 1,603 GWh (-7.1% YoY). This was driven by a drop in thermal generation (-9.3% YoY) while generation with other sources remained flat. Unregulated physical sales increased +5.6% and regulated ones were down -34.2% YoY as some regulated PPAs expired, allowing the company to be a net spot seller compared to the previous year, when it was in a buyer position.

Revenues flat (-0.6% YoY) at USD 130.9mn on account of lower income from services provided, offset by higher capacity income from Ilo31 and Ilo41 thermal plants due to price indexations and higher prices from natural-gas-indexed PPAs. Costs fell -9% YoY to USD 98.1mn on the back of lower energy purchases as a result of lower demand and higher generation at the Yuncan plant.

Net income came to USD 15.4mn, up 69% YoY, mainly on account of a better operating performance, higher financial income and lower financial costs as well, which was partially offset by the impact of the PEN's appreciation. Net Debt/EBITDA went from 2.1x in 2Q22 to 2.3x in 3Q22 on higher financial debt.

Engie Energia Peru: Quarterly Income Statement (USD mn)

	3Q22a	3Q21a	%Var 22/21
Revenues	130.9	131.7	-0.6%
Op. Income	28.0	21.9	28.1%
Op. Margin (%)	21.4%	16.6%	
EBITDA	49.1	44.7	10.1%
EBITDA Margin (%)	37.5%	33.9%	
Net Income	15.4	9.1	68.9%
Net Margin (%)	11.8%	6.9%	

Source: LarrainVial Research Department

STOCK INFORMATION

Current Price:	5.00
Target Price:	7.50
Recommendation:	NEUTRAL
BBG ticker:	ENGIEC1 PE
52w high-low:	6.75 – 5.00
Free Float:	38%
#Shares:	601 mn

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