

Maroussi, 14 November 2024

3Q/9M 2024 financial results

Strong operational performance across all businesses, albeit on lower refining margins; 9M24 Adjusted EBITDA of €0.75bn, on increased domestic market sales and, mainly, improvement in the international business; €0.20 per share interim dividend

HELLENiQ ENERGY Holdings S.A. ("Company") announced its **3Q24 consolidated financial results, with Adjusted EBITDA amounting to €183m and Adjusted Net Income to €49m, while for 9M24 they amounted to €753m and €284m respectively.**

Performance has been positively affected by **increased refining units availability**, leading to higher sales and improved operations, partly offsetting weaker refining margins, while Marketing and Petrochemicals' performance also improved in 3Q24.

Downstream output in 3Q24 increased by 6% to 3.9m MT, while sales reached 4.2m MT (+8%), **at the highest level since 3Q16**, with exports corresponding to 46% of the total.

On 19 July 2024, L5122 was passed for the imposition of a temporary Solidarity Contribution, which is calculated on the tax profits of FY23, which exceed 120% of the average respective results of 2018-2021, in accordance with the relevant European Regulation. The extraordinary contribution, on top of normal corporate taxation, amounts to €223m and will be paid in February 2025. The net impact on 3Q24 Reported Net Income amounts to €173m.

Considering the 9M24 results and the outlook for the FY24 period, the Board of Directors of HELLENiQ ENERGY Holdings decided **the distribution of an interim dividend of €0.20 per share to its shareholders.**

Main developments - Strategy implementation

The Group's strategic plan's implementation continues through **initiatives targeting operational excellence and profitability improvement across all Group's businesses**, as well as the evaluation of options in relation to our participations in ELPEDISON and DEPA Commercial, aiming at increasing the Group's value.

In Refining and Petrochemicals, energy autonomy and efficiency projects are progressing, while works relating to the expansion of the polypropylene plant's capacity by 60,000 tons p.a. have commenced and are expected to be completed in the next two years. At the same time, initiatives focused on decarbonizing operations and improving the environmental footprint are advancing. As the majority of sales are carried out outside of the Greek market, the Company proceeded to transform the business model of its Supply & Trading business, through strengthening the team, implementing advanced systems and establishing trading subsidiaries in international markets.

In Marketing, the ongoing transformation program emphasizes on the rationalization and development of the retail network both in Greece and internationally, with a particular focus on strengthening our own network and promoting the sale of premium products, while also increasing the contribution from non-fuel sales of products and services. At the same time, emphasis is also placed on the expansion of the loyalty program.

In the Renewable Energy sources (RES) business, HELLENiQ RENEWABLES operates and develops projects totaling **5.7 GW in Greece and internationally**. Specifically, projects with an installed capacity of 0.4 GW are already operational, while an additional 0.7 GW are under development and expected to be completed in the short term, with 120 MW expected to be added by the end of the year; with 0.5 GW of projects in operation, annual power generation is projected to reach 1 TWh, exceeding the annual electricity consumption of downstream business. The objective is to operate **at least 1 GW of RES projects until 2026 and to exceed 2 GW by 2030.**

In E&P business, seismic surveys have been completed in five offshore areas and data processing and interpretation is progressing, with a decision on drilling potential targets anticipated within 2025.

The implementation of the digital transformation program across all activities within the Group is ongoing, with substantial benefits projected for 2024, estimated at approximately €40m annually. Emphasis is placed on enhancing operational performance, ensuring the safety of personnel and facilities with a strong focus on preventive measures, and achieving more effective risk management.

Lower crude oil prices and benchmark refining margins

In 3Q24, Brent crude oil declined to the lowest levels since December 2021, averaging 80/bbl, a 7% decrease compared to 3Q23. The EUR/USD exchange rate averaged 1.10 vs 1.09 in 3Q23.

In contrast, natural gas and electricity prices increased by 5% and 17% respectively. At the same time, CO2 prices (EUAs) fell by 20% on average, compared to last year.

Refining margins dropped vs both 3Q23 and 2Q24. Specifically, our refineries' system benchmark margin averaged 3.6/bbl in 3Q24 vs 12.6/bbl in 3Q23.

During 4Q24 (from October to 14 November 2024), refining margins have recovered slightly, with the system benchmark refining margin at approximately 5.5/bbl, albeit lower than the corresponding period of the previous year.

Increased demand for fuels in the domestic market

Domestic market demand in 3Q24 reached 1.7m MT, 2% higher than 3Q23, with automotive fuels consumption increasing by 3%. Aviation and marine fuels demand grew by 10% and 6% y-o-y respectively.

Balance sheet and capital expenditure

Operating cash flow amounted to €126m in 3Q24, while capital expenditure reached €59m, directed mainly to maintenance and safety projects at the refineries, alongside maintenance and expansion projects at the Thessaloniki polypropylene plant.

Net debt increased q-o-q to €1.77bn. During 3Q24, the final dividend for the fiscal year 2023 was distributed, amounting to €183m.

Furthermore, in 3Q24 the **debt refinancing cycle was successfully concluded**, while the Oct' 24 outstanding notes (€300m) were fully repaid. Over the past 2 years, **the Group's balance sheet and the debt maturity profile have significantly improved**, as demonstrated by the extension of the average maturity to five years, along with a re-balanced exposure to floating vs fixed interest rates. Furthermore, the current credit headroom, excluding project finance, exceeds €1.1bn.

Andreas Shiamishis, Group CEO, commented on the results:

"In 3Q24 we achieved very good operational performance in refining, with oil products output reaching a six-year high and sales at an eight-year high, driven by increased availability of our refining units. As expected, 3Q24 financial results were affected by weak benchmark refining margins. Nonetheless, the 9M24 performance remains particularly positive, with the Refining, Supply & Trading business contributing approximately €0.6bn (80%) to the Group Adjusted EBITDA, which amounted to €0.75bn. Notable improvement has also been delivered by the Marketing business in Greece and internationally. At the same time, the RES business' organic growth is progressing, contributing €50m of annual EBITDA in just 3 years from its inception.

9M24 profitability and the current year's outlook allow for the distribution of a €0.20 per share interim dividend to shareholders.

The implementation of the Vision 2025 strategic plan continues, with the objective of improving our position in the energy market and our environmental footprint. The results thus far justify the balanced transition to RES and highlight the importance of enhancing operational performance across all core businesses, as well as pursuing international expansion. Furthermore, ongoing initiatives are underway to further improve corporate governance and re-align our business model in the electricity and natural gas markets, with the objective of maximizing the value of the Group.

The development of our human capital, the strengthening of required skills in both core and new activities, and the consolidation of a culture of meritocracy and high performance are the key enablers for achieving our strategic objectives. In the last few years, we have implemented extensive recruitment campaigns, resulting in a staff renewal rate of approximately 40%, with a particular focus on repatriating specialized executives from abroad."

Key highlights and contribution for each of the main business units in 3Q24 were:

Refining, Supply & Trading

- 3Q24 Refining, Supply & Trading Adjusted EBITDA came in at €95m, lower y-o-y, as the refining margin fell to 10.9/bbl vs 20.5/bbl in 3Q23), despite sustained overperformance.
- Production increased by 6% y-o-y and reached a six-year high, at 4.3m MT, on high refineries availability; likewise, sales volume rose by 8% y-o-y and reached an eight-year high. Exports and sales to bunkering and aviation markets accounted for 72% of total volumes.

Petrochemicals

- 3Q24 Adjusted EBITDA improved by 46% y-o-y to €12m, primarily due to a recovery in polypropylene (PP) margin.

Marketing

- Domestic Marketing recorded improved comparable profitability, primarily due to higher sales across all markets (auto fuels, aviation, bunkering) as well as improved margins. Auto fuels' market share improved, while the contribution from premium products increased y-o-y for yet another quarter, as well as sales from non-fuel products and services. At the same time, regulatory constraints on the retail gross margin remain in place.
- Performance in International Marketing improved, with increased sales (+3%) and profitability (+14% in Adjusted EBITDA), due to network expansion (327 petrol stations vs 321 in 3Q23), higher margins and contribution from sales of non-fuel products and services.

Renewables

- 3Q24 RES EBITDA amounted to €13m. Installed capacity increased to 384 MW from 356 MW in 3Q23, while power generation stood at 190 GWh, +2% y-o-y).

Associate companies

The contribution of associate companies consolidated using the equity method in the electricity and natural gas sector improved in 3Q24, primarily due to higher profitability from ELPEDISON, and amounted to €4m.

HELLENIQ ENERGY Holdings S.A.

Key consolidated financial indicators for 3Q / 9M2024

(prepared in accordance with IFRS)

€m	3Q23	3Q24	% Δ	9M23	9M24	% Δ
P&L figures						
Refining Sales Volumes ('000 MT)	3,844	4,163	8%	11,490	12,153	6%
Sales	3,408	3,192	-6%	9,499	9,744	3%
EBITDA	505	90	-82%	905	622	-31%
Adjusted EBITDA ¹	400	183	-54%	968	753	-22%
Operating Profit	425	4	-99%	669	370	-45%

Operating Profit	120	1	22%	80	210	15%
Net Income	300	-198	-	462	12	-97%
Adjusted Net Income¹	218	49	-77%	496	284	-43%
Balance Sheet Items						
Capital Employed				4,539	4,529	-
Net Debt				1,478	1,769	20%
Gearing (ND/ND+E)				33%	39%	7 pps ²

¹ Adjusted for inventory effects and other non-operating/one-off items, as well as the IFRS accounting treatment of the EUAs deficit.

² pps stands for percentage points

Further information:

Investor Relations

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Interim Condensed Consolidated Statement of Financial Position

	Note	30 September 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	9	3,628,249	3,643,045
Right-of-use assets	10	230,888	232,189
Intangible assets	11	319,875	333,692
Investments in associates and joint ventures	6	393,856	404,743
Deferred income tax assets		98,191	95,546
Investment in equity instruments	3	538	514
Derivative financial instruments		-	746
Loans, advances and long-term assets	12	58,345	57,771
		4,729,942	4,768,246
Current assets			
Inventories	13	1,503,659	1,472,536
Trade and other receivables	14	871,985	880,986
Income tax receivable		78,293	66,148
Derivative financial instruments		-	930
Cash and cash equivalents	15	584,414	919,457
		3,038,351	3,340,057
Total assets		7,768,293	8,108,303
Equity			
Share capital and share premium	16	1,020,081	1,020,081
Reserves	17	288,156	291,010
Retained Earnings		1,395,631	1,568,384
Equity attributable to the owners of the parent		2,703,868	2,879,475
Non-controlling interests		55,849	66,916
Total equity		2,759,717	2,946,391
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	18	1,904,716	1,388,010
Lease liabilities		186,234	182,335
Deferred income tax liabilities		161,394	174,063
Retirement benefit obligations	19	183,213	176,305
Derivative financial instruments	3	1,796	1,541
Provisions		35,536	33,835
Other non-current liabilities		34,698	25,348
		2,507,587	1,981,437
Current liabilities			

Trade and other payables	20	1,641,948	1,598,726
Derivative financial instruments	3	18,559	13,333
Income tax payable		359,926	285,570
Interest bearing loans and borrowings	18	449,639	1,158,495
Lease liabilities		28,980	32,220
Dividends payable	25	1,937	92,131
		2,500,989	3,180,475
Total liabilities		5,008,576	5,161,912
Total equity and liabilities		7,768,293	8,108,303

Interim Condensed Statement of Financial Position of the Company

	Note	30 September 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment		1,152	673
Right-of-use assets	10	7,645	9,155
Intangible assets		17	63
Investments in subsidiaries, associates and joint ventures	6	1,864,115	1,785,115
Deferred income tax assets		8,375	8,416
Loans, advances and long term assets	12	46,830	242,249
		1,928,134	2,045,671
Current assets			
Trade and other receivables	14	244,940	26,101
Income tax receivables		-	2,625
Cash and cash equivalents		4,920	150,528
		249,860	179,254
Total assets		2,177,994	2,224,925
Equity			
Share capital and share premium	16	1,020,081	1,020,081
Reserves	17	292,638	292,638
Retained Earnings		826,869	784,155
Total equity		2,139,588	2,096,874
Liabilities			
Non-current liabilities			
Lease liabilities		5,339	6,973
		5,339	6,973
Current liabilities			
Trade and other payables		27,132	24,597
Income tax payable		1,381	1,928
Lease liabilities		2,617	2,422
Dividends payable	25	1,937	92,131
		33,067	121,078
Total liabilities		38,406	128,051
Total equity and liabilities		2,177,994	2,224,925

Interim Condensed Consolidated Statement of Comprehensive Income

	Note	For the period ended		For the three-month period ended	
		30 September 2024	30 September 2023	30 September 2024	31 September 2023
Revenue from contracts with customers	4	9,744,283	9,499,050	3,191,729	3,407,682
Cost of sales		(8,838,599)	(8,408,019)	(3,019,160)	(2,836,723)
Gross profit / (loss)		905,684	1,091,031	172,569	570,959
Selling and distribution expenses		(332,779)	(301,929)	(116,037)	(106,909)
Administrative expenses		(148,652)	(132,447)	(52,669)	(43,648)
Exploration and development expenses		(7,657)	(5,810)	(757)	(1,151)
Other operating income and other gains	5	24,258	25,653	8,810	8,077
Other operating expense and other losses	5	(71,144)	(7,690)	(8,110)	(2,772)
Operating profit / (loss)		369,710	668,808	3,806	424,556
Finance income		10,277	6,164	3,512	3,059
Finance expense		(101,236)	(97,284)	(33,945)	(32,906)
Lease finance cost		(7,299)	(7,025)	(2,443)	(2,383)
Currency exchange gains / (losses)	6	(2,201)	5,358	(8,245)	4,670
Share of profit / (loss) of investments in associates and joint ventures	7	(10,584)	1,124	3,976	(6,043)

Profit / (loss) before income tax		258.667	577.145	(33.339)	390.953
Income tax (expense) / credit	8	(244.459)	(111.269)	(162.267)	(87.757)
Profit / (loss) for the period		14.208	465.876	(195.606)	303.196
Profit / (loss) attributable to:					
Owners of the parent		11.642	462.274	(197.573)	300.269
Non-controlling interests		2.566	3.602	1.967	2.927
		14.208	465.876	(195.606)	303.196
Other comprehensive income / (loss):					
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):					
Actuarial gains / (losses) on defined benefit pension plans		-	(1.711)	-	-
Changes in the fair value of equity instruments	18	32	(10)	26	(2)
		32	(1.721)	26	(2)
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):					
Share of other comprehensive income / (loss) of associates	18	623	701	161	1.720
Fair value gains / (losses) on cash flow hedges	18	1.034	23.599	(15.094)	25.021
Recycling of (gains) / losses on hedges through comprehensive income	17	(4.596)	1.991	(274)	-
Currency translation differences and other movements	18	34	(333)	48	(34)
		(2.905)	25.958	(15.159)	26.707
Other comprehensive income / (loss) for the period, net of tax		(2.873)	24.237	(15.133)	26.705
Total comprehensive income / (loss) for the period		11.335	490.113	(210.739)	329.901
Total comprehensive income / (loss) attributable to:					
Owners of the parent		8.788	486.628	(212.912)	326.790
Non-controlling interests		2.547	3.485	2.173	3.111
		11.335	490.113	(210.739)	329.901
Earnings / (losses) per share (expressed in Euro per share)	9	0,04	1,51	(0,65)	0,98

Interim Condensed Statement of Comprehensive Income of the Company

		For the nine-month period ended		For the three-month period ended	
	Note	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Revenue from contracts with customers		28,364	24,301	10,585	9,129
Cost of sales		(25,785)	(22,092)	(9,623)	(8,299)
Gross profit / (loss)		2,579	2,209	962	830
Administrative expenses		(7,558)	(6,126)	(2,755)	(1,554)
Other operating income and other gains	5	16,859	17,043	7,224	7,280
Other operating expense and other losses	5	(19,671)	(16,606)	(7,601)	(7,111)
Operating profit / (loss)		(7,791)	(3,480)	(2,170)	(555)
Finance income		11,652	14,741	4,025	4,876
Finance expense		(26)	(8)	(14)	(2)
Lease finance cost		(245)	(287)	(81)	(113)
currency exchange gain / (loss)		(7)	51	(4)	51
Dividend income	25	224,117	267,785	2,000	141,704
Profit / (loss) before income tax		227,700	278,802	3,756	145,961
Income tax (expense) / credit	7	(1,607)	(3,051)	(588)	(1,034)
Profit / (loss) for the period		226,093	275,751	3,168	144,927
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):					
Actuarial gains / (losses) on defined benefit pension plans		-	(1,034)	-	-
Other comprehensive income / (loss) for the year, net of tax		-	(1,034)	-	-
Total comprehensive income / (loss) for the period		226,093	274,717	3,168	144,927

Interim Condensed Consolidated Statement of Cash Flows

		For the nine-month period ended	
	Note	30 September 2024	30 September 2023
Cash flows from operating activities			
Cash generated from operations	21	698,109	1,143,587
Income tax (paid) / received		(200,434)	(167,869)
Net cash generated from / (used in) operating activities		497,675	975,718

Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	9,11	(232,074)	(200,148)
Proceeds from disposal of property, plant and equipment & intangible assets		690	2,669
Acquisition of share of subsidiaries, associates and joint ventures		(11,064)	(175)
Cash and cash equivalents of acquired subsidiaries	9	1,639	101
Grants received		10,008	3,023
Interest received		10,277	6,164
Prepayments for right-of-use assets		(57)	(135)
Dividends received		927	32,440
Net cash generated from/ (used in) investing activities		(219,654)	(156,061)
Cash flows from financing activities			
Interest paid on borrowings		(97,946)	(90,563)
Dividends paid to shareholders of the Company	25	(274,732)	(229,004)
Dividends paid to non-controlling interests		(2,741)	(3,707)
Proceeds from borrowings	18	1,350,000	549,876
Repayments of borrowings	18	(1,548,227)	(1,275,964)
Payment of lease liabilities - principal		(29,968)	(25,393)
Payment of lease liabilities - interest		(7,299)	(7,025)
Net cash generated from/ (used in) financing activities		(610,913)	(1,081,780)
Net increase/ (decrease) in cash and cash equivalents		(332,892)	(262,123)
Cash and cash equivalents at the beginning of the year	15	919,457	900,176
Exchange (losses) / gains on cash and cash equivalents		(2,152)	5,066
Net increase / (decrease) in cash and cash equivalents		(332,892)	(262,123)
Cash and cash equivalents at end of the period	15	584,413	643,119

Interim Condensed Statement of Cash Flows of the Company

For the nine-month period ended
Note 30 September 2024 30 September 2023

Cash flows from operating activities			
Cash generated from / (used in) operations	21	(1,973)	(5,292)
Income tax (paid) / received		(1,599)	(2,400)
Net cash generated from / (used in) operating activities		(3,572)	(7,692)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(499)	(23)
Participation in share capital increase of subsidiaries, associates and joint ventures	6	(75,500)	(86,115)
Loans and advances to Group Companies (outflow) / inflow	12	(24,500)	(50,800)
Interest received		13,194	13,623
Dividends received		222,117	158,532
Net cash generated from / (used in) investing activities		134,812	35,217
Cash flows from financing activities			
Dividends paid to shareholders of the Company	25	(274,732)	(229,004)
Payment of lease liabilities - principal		(1,871)	(1,422)
Payment of lease liabilities - interest		(245)	(287)
Net cash generated from / (used in) financing activities		(276,848)	(230,713)
Net increase / (decrease) in cash and cash equivalents		(145,608)	(203,188)
Cash and cash equivalents at the beginning of the period		150,528	209,054
Net increase / (decrease) in cash and cash equivalents		(145,608)	(203,188)
Cash and cash equivalents at end of the period		4,920	5,866

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