

SPP – distribúcia, a.s. annual financial results for calendar year 2024

The year 2024 was the 1st warmest and 94th coldest, in the temperature terms, since at least 1931. Air temperatures were below the average high only during the autumn in Slovakia, which was the 21st warmest since at least 1931. The only month of 2024 that fell below the long-term temperature average was September, which was the 68th warmest. All the other seasons were above average in temperature and were the warmest in the history of measurements in Slovakia. (Source: SHMI)

In 2024, SPP-distribúcia, a.s. continued to streamline its internal processes. Although the level of operating costs is stable, the company continues to analyse and evaluate its operating activities in an effort to optimise them.

Between 1 January 2024 and 31 December 2024, the company had to pay close attention and respond to regularly changing regulatory legislation.

On 1 January 2024, Regulation of the Government of the Slovak Republic No. 472/2023 Coll. came into force, laying down crisis regulation for, among other things, the tariff for access to the gas distribution network, the tariff for gas distribution and the tariff for covering losses in gas distribution. Under the crisis regulation, price decisions do not apply; the prices are replaced by those set by the Government in the Regulation. The difference between these prices is compensated by the Ministry of Economy.

Act No. 251/2012 Coll. on energy (hereinafter referred to as “ZoE”) as well as Act No. 250/2012 Coll. on regulation in network industries (hereinafter referred to as “ZoR”) were amended with effect from 8 June 2024 by Act No. 128/2024 Coll., which requires the Company to update the data in its business permit more frequently and makes certain sanctions for breaches of regulatory rules more restrictive. Later, these regulatory regulations were amended by Act No. 109/2024 Coll. with effect from 1 July 2024 which, among other things, loosen the rules for carrying out readings for household gas customers. Act No. 143/2024 Coll, amending the ZoE and ZoR with effect from 1 August 2024, was also published in the Collection of Laws. This amendment will bring changes in technical matters concerning price proposals as well as in the delivery of official documents by the Regulatory Office for Network Industries (hereinafter referred to as “RONI”).

Within the framework of sub-legislative regulations, the company’s activities are directly affected by the new Decree of RONI No. 451/2022 Coll. establishing price regulation of selected regulated activities in the gas industry and certain conditions for the performance of selected regulated activities in the gas industry. This regulation has been replaced by the new Decree of RONI No. 147/2024 Coll. establishing price regulation of selected regulated activities in the gas industry and certain conditions for the performance of regulated activities in the gas industry. This decree was extensively commented on by the company. With effect from 1 July 2023, the new Decree of RONI No. 208/2023 Coll. laying down the rules for the functioning of the internal gas market, the content of the operating rules of the network operator and the storage facility operator, and the scope of the business terms and conditions that are form of the operating rules of the network operator (hereinafter referred to as the “Market Rules”), is also in force. The Market Rules were amended by the Decree of RONI No. 491/2023 Coll. with effect from 30 December 2023 and by the Decree of RONI

No. 132/2024 Coll. The amendments to the Market Rules entailed, among other things, an obligation for the company to submit new data on the consumption of individual delivery points.

At the European level, the Gas Package was adopted. It consists, inter alia, of (i) the Directive of the European Parliament and of the Council on common rules for the internal market in renewable gases, natural gas and hydrogen, to be transposed by 5 August 2026, and (ii) the Regulation of the European Parliament and of the Council on the internal market in renewable gases, natural gas and hydrogen, to apply from 5 February 2025. These are intended to create the conditions for the decarbonisation of the gas industry, inter alia through greater use of hydrogen in the gas industry.

Among non-legislative acts, the Regulatory Policy for the 6th regulatory period, in the drafting of which the company was actively involved, came into force on 1 January 2023.

Last but not least, SPP – distribúcia, a.s. is closely monitoring the presented intentions of the government and actively participates in various initiatives of the Ministry of Economy of the Slovak Republic or the Regulatory Office for Network Industries in order to defend the important and strategic position of natural gas in the energy mix of the Slovak Republic.

During the 12 consecutive months ended of 31st December 2024 compared with the 12 months ended 31st December 2023, natural gas consumption increased by 158.5 million m³ (3.79%).

Total revenues increased to €484.5 million compared with 31st December 2023, a change of 2.9% and EBITDA increased by 4.4% to €367.6 million. The financial results for the calendar year 2024 again confirm SPP – distribúcia, a.s. as a profitable and financially stable company.

Operating profit in 2024 amounted to €181.8 million, which was €7.0 million higher than in the 12 consecutive months ended 31st December 2023. The increase in operating profit was caused mainly by higher natural gas distribution.

SPP – distribúcia, a.s. continued its efforts to optimise its operating activities during calendar year 2024 by monitoring work productivity in maintenance activities, with the goal of keeping the increase in operating costs below inflation.

The company's profit before income tax and net profit were €193.8 million and €109.1 million, respectively.

Total assets decreased by €113.7 million compared with 31st December 2023. The change was driven mainly by:

- Decrease in property, plant and equipment in amount of €126.1 million;
- Decrease in cash and cash equivalents of €60.2 million;
- Decrease in inventories in amount of €14.2 million due to a decrease in purchase price;
- Decrease in right of use assets in amount of €2.1 million;
- Decrease in contract assets in amount of €0.9 million;
- Increase in receivables and prepayments in amount of €90.2 million due to an increase in cash pooling compared to end of calendar year 2023.

Total equity decreased by €147.2 million. The movement was within the legal reserve fund and other funds (mainly the revaluation surplus and deferred tax) in amount of €109.5 million. Retained earnings decreased by €37.7 million.

Total liabilities increased by €33.5 million compared with 31st December 2023. The change was driven mainly by:

- Increase in the deferred tax liability of €50.0 million;
- Increase in contract liabilities of €6.2 million;
- Increase in trade and other payables of €5.8 million;
- Decrease in obligation under finance lease of €2.2 million;
- Decrease in loans and bonds of €26.7 million.

SPP – distribúcia, a.s.
FINANCIAL OVERVIEW
Period ended 31 December 2024

ASSETS (in € million)	31.12.2024	31.12.2023
Property, plant and equipment	3 962.4	4 088.5
Non-current intangible assets and other assets	10.5	10.8
Investments in subsidiaries	1.0	1.0
Right of use assets	23.6	25.7
Loans provided	0.0	0.1
Total non-current assets	3 997.5	4 126.1
Inventories	188.6	202.8
Receivables and prepayments	96.9	6.7
Contract assets	64.3	65.2
Income tax assets	0.0	0.0
Investments in securities current	0.1	0.1
Cash and cash equivalents	352.0	412.2
Total current assets	701.9	687.0
TOTAL ASSETS	4 699.4	4 813.1
EQUITY AND LIABILITIES (in € million)	31.12.2024	31.12.2023
Registered capital	1 200.0	1 200.0
Legal reserve fund and other funds	1 806.3	1 915.8
Retained earnings	92.2	129.9
Total equity	3 098.5	3 245.7
Loans and bonds	557.6	557.2
Contract liability	42.7	36.5
Deferred income	0.1	0.1
Retirement and other long-term employee benefits	4.0	4.0
Obligation under finance lease	19.8	22.0
Deferred tax liability	904.8	854.8
Total non-current liabilities	1 529.0	1 474.6
Trade and other payables	61.7	55.9
Contract liability short-term	0.0	0.0
Current income tax	1.4	1.4
Loans and bonds	2.8	29.5
Obligation under finance lease	5.6	5.6
Provisions and other current liabilities	0.4	0.4
Total current liabilities	71.9	92.8
TOTAL EQUITY AND LIABILITIES	4 699.4	4 813.1

SPP – distribúcia, a.s.
FINANCIAL OVERVIEW
Period ended 31 December 2024

	(12M) 31.12.2024	(12M) 31.12.2023
INCOME STATEMENT (in € million)		
Natural gas distribution	451.9	425.5
Other revenues	32.6	45.5
Total revenues	484.5	471.0
Own work capitalised	13.6	11.2
Change in gas inventories	0.3	-0.6
Purchases of natural gas and consumables	-13.1	-18.5
Storage of natural gas and other services	-57.8	-54.9
Depreciation and amortisation	-185.5	-177.3
Staff costs	-62.7	-58.2
Provision for bad and doubtful debts, net	-0.1	0.2
Provisions and impairment losses, net	-0.2	-0.3
Other, net	2.8	2.2
Total operating costs	-302.7	-296.2
OPERATING PROFIT	181.8	174.8
Financial revenues	22.3	15.8
Financial costs	-10.3	-9.5
PROFIT BEFORE INCOME TAXES	193.8	181.1
Income tax	-84.7	-44.0
NET PROFIT FOR THE PERIOD	109.1	137.1

		(12M) 31.12.2024	(12M) 31.12.2023
INVESTOR RATIOS			
EBITDA	€ million	367.6	343.0
CAPEX	€ million	-41.4	-34.1
FCF	€ million	257.3	140.0
FCF / EBITDA	multiple	0.7	0.4
EBITDA / Interest	multiple	35.7	49.0

Useful link:

SPP – distribúcia, a.s. - Annual reports & Audited financial statements:
<https://www.spp-distribucia.sk/annual-reports/>