

Romanian power supplier and distributor Electrica said on Wednesday its consolidated net profit fell to 95 million lei (\$24 million/21 million euro) in the first nine months of 2017 from 466 million lei in the year-ago period mainly due to higher prices at which it buys electricity, seenews.com informs.

Electrica's January-September operating revenue edged down 0.5% on the year to 4.17 billion lei, the company said in an unaudited consolidated financial statement filed with the Bucharest Stock Exchange, BVB.

"I would like to note the significant improvement in the financial results of Electrica Group in the course of the first nine months of this year. Of course, the Q1-Q3 cumulative results are still highly affected by the effects of major imbalances in the energy market, particularly from the first quarter and partly from the second quarter. As a consequence, the third quarter in isolation has produced practically the total net and operating profit obtained during the first three quarters," Electrica general manager, Catalin Stancu, said. To offset this negative impact the company's management team has started to implement programmes for cost-cutting and optimization of processes and administrative structures. Expenses for the purchase of energy increased by 15% to 2.2 billion lei in the nine month period ended on September 30, due to the significant increase in the prices on the local electricity market mainly in January and February, the report showed.

The company's operating profit shrank by 79.2% on the year to 116 million lei in the nine months through September, while operating expenses rose 11.5% to 4.05 billion lei.

During the first nine months of the year, Electrica distributed 13.4 TWh of electricity, representing a decrease of 8.7% compared to the same period of the last year.

With approximately 10,000 employees, the company is providing services to over 1.6 million customers.

Electrica ended 2016 with a net profit of 239.2 million lei, down 20% on the year.

At the beginning of November, Electrica concluded the purchase of minority stakes in four of its subsidiaries held by local investment fund Fondul Proprietatea for a total of 752 million lei.

Blue chip Electrica, in which the state owns 48.8%, is simultaneously listed on the BVB and the London Stock Exchange.

Its shares changed hands 0.48% lower at 12.44 lei by 1225 CET on the BVB on Wednesday.

Source: actmedia.eu