

Bulgaria: CEZ' subsidiaries will not distribute dividends for 2019

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The proposal for not distributing the dividends will be voted at the next shareholders' meeting scheduled for 30 July. Bulgarian subsidiaries of Czech energy company CEZ – electricity distributor CEZ Distribution Bulgaria and electricity supplier CEZ Electro said that they plan to propose to their shareholders not to distribute dividends for 2019.

CEZ Electro recorded non-consolidated net profit in the amount of 7.82 million euros in 2019, which is slightly lower compared to 7.88 million euros in the previous year. The company's operating revenues rose to 301.5 million euros in 2019 from 270 million euros in 2018. Operating expenditures also rose to 293 million euros from last year's 261 million euros.

CEZ Distribution Bulgaria recorded non-consolidated net profit in the amount of 9.56 million euros in 2019, compared to 1.95 million euros recorded in the previous year. The company's operating revenues rose to 185.3 million euros in 2019 from 180.4 million euros in 2018. Operating expenditures dropped to 174.6 million euros from last year's 177.6 million euros. In February 2018, Czech energy company CEZ agreed to the sale of its Bulgarian assets, including CEZ Distribution Bulgaria, to local company Inercom for an undisclosed sum, but the media speculate that the amount is around 320 million euros. However, the Commission for Protection of Competition (CPC) prohibited the sale of CEZ' Bulgarian assets to Inercom because this sale agreement would lead to the establishment of a dominant position, that would affect the competition on the market. In April 2019, CEZ terminated the sale agreement with Inercom and started negotiating the sale with the largest public holding company in Bulgaria – Eurohold. In June, CEZ agreed to sell its Bulgarian assets to Eurohold for a sum of 335 million euros. However, In October, the CPC once again prohibited the sale of CEZ' Bulgarian assets.