

Bulgaria: Energo-Pro raised its offer for the acquisition of CEZ' Bulgarian assets

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According to Czech media, energy company Energo-Pro has raised its offer for the acquisition of the assets in Bulgaria of another Czech energy company CEZ to more than 300 million euros.

Energo-Pro spokesperson Hana Hikelova said that the company has responded to the request of CEZ to adjust its offer for the acquisition of CEZ' Bulgarian assets and submitted an improved offer. The offered price exceeds the initial investment of CEZ in Bulgaria (281 million euros), and it is also higher than 300 million euros that CEZ initially requested for its Bulgarian assets.

Earlier in September, Czech media reported that CEZ was not satisfied with offers that it has received for its assets in Bulgaria, including a 50 million euros bid for 1,260 MW thermal power plant Varna, adding that it will not sell if the offers are not improved within next week.

In August, CEZ announced that it has received binding bids for its assets in Bulgaria from several candidates, without disclosing any further details, adding that the bids are currently in the process of evaluation.

In late January, CEZ announced that it is currently considering a withdrawal from the Bulgarian energy market. The company is the largest electricity supplier and distributor in the country, with over 3 million customers, annual revenues of about 720 million euros, which also owns several hydropower plants and, now defunct, thermal power plant Varna. According to media reports, several companies from France, Romania and Turkey have shown interest in the possible acquisition, as well as some local companies which currently have no presence in the energy business.

In May, Czech media reported that CEZ has invited four candidates interested in acquiring the company's assets in Bulgaria to submit binding bids and bank guarantees for their offers. Two of the four candidates are Bulgarian companies - Inercom Group and thermal power plant Bobov Dol, there is also Czech company Energo-Pro which is already involved in electricity distribution business in Bulgaria. The fourth candidate is a consortium of Turkish engineering holding STFA Yatirim and Bulgarian motor oil producer Prista Oil.

Although CEZ said that the main reason for withdrawal from the Bulgarian market would be interest shown from investors, media speculate that real reasons for such decision could be frequent changes in regulations in the energy sector and low profit in recent years.