

HEP Plin, a subsidiary of state-owned power utility HEP, has now completely merged Plin VTC into its operation after taking over a 100 % stake in the Virovitica gas distribution system operator Plin VTC from local self-government units at the beginning of 2019. Thus, another of the increasingly frequent takeover and merger processes on the Croatian gas market has been completed.

In March 2019, HEP Plin has won a tender for the purchase of local gas distributor Plin VTC, the company that operates in Virovitica municipality, with an offer worth 2.6 million euros. The sale proceedings began in December 2017, when the Virovitica City Council adopted a decision to find a strategic partner for the purchase of up to 100 % stake in the gas distribution company. Together with surrounding municipalities which co-owned the company (Gradin, Lukac, Suhopolje and Spisic Bukovic), the City Council started the preparations for the sale and hired PwC as a consultant for the selection of strategic partner. The reason for the sale is that Plin VTC was too small to compete with larger distributors in the market. This was HEP's second acquisition in the Croatian gas distribution market, in the context of market liberalization and consolidation. But unlike the previous acquisition when HEP Plin took over the gas network in the municipality of Fenicanci, in this case HEP will take over entire company along with its customers. In the meantime, HEP Plin took over PPD's gas supply and distribution businesses and gas distribution network in Bizovac municipality.