

Due to reduced travel needs of the general public and the slowdown in economic activity prompted by the coronavirus spread, fuel sales dropped by between 30 and 50 % in the past month as Croatian oil company INA said.

As a result, the company has refocused operation at its Consumer Services and Retail segment, in order to provide reliable and safe supply across its network and to keep the segment cash flow positive.

Regarding its Exploration and Production segment, INA said that production has been uninterrupted and is going as planned, but plunging crude oil prices have dented its profitability and cash flow. Due to the reduced cash flow generation investment projects for the upcoming period, profitability of existing fields and operational costs are reviewed to adjust the operation to the changed external environment.

At the same time, the lockdown in INA's core markets has significantly reduced demand for key product groups in its Refining and Marketing segment, with a negative impact on the company's cash flow and creating operational challenges that call for continuous optimization across the assets.

Safe supply of products in all core markets is ensured and remains INA's top priority, as the company switches to a crisis mode of operations, introducing operational and financial measures to keep its production ongoing and the market supply safe.

Some of the measures include a comprehensive review of operational expenditure in order to preserve cash flow, as well as adjusting some of the planned capital spending.

INA said that it has recorded a consolidated net profit in the amount of 65 million euros in 2019, which is 59 % lower compared to the previous year. In 2019, INA Group revenues amounted to 3.03 billion euros, which is a stable performance compared to 2018, despite the more challenging external environment. CCS EBITDA excluding special items amounted to 390 million euros in 2019, mainly due to the 10 % decline in Brent crude price. CAPEX was higher by 18 % in 2019 year-on-year and amounted to 288 million euros, with increased investments in Refining and Marketing. Exploration and Production revenues amounted to 502 million euros in 2019 and EBITDA excluding special items amounted to 316 million euros, on the back of 9 % lower realized hydrocarbon prices and a 3 % decline in hydrocarbon production. Overall production volumes were supported by higher crude oil production in Egypt, which was more than offset by the natural decline on Croatian fields, especially on gas fields. Refining and Marketing, including Consumer Services and Retail, CCS EBITDA excluding special items amounted to 75 million euros in 2019 and increased by 36.5 million euros year-on-year.