

Greece: Higher profit at PPC

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Net profit in the second quarter alone amounted to 40.4 million euros at the Greek state-controlled Public Power Corporation (PPC). PPC said that it has recorded a net profit in the amount of 29.3 million euros in the first half of 2020, compared to a loss of 274.8 million euros in the same period last year.

PPC Group's EBITDA in H1 2020 was positively impacted by the return of 44.8 million euros due to the revision of the natural gas procurement cost of DEPA by Turkish BOTAS for the years 2012 -2019, following the decision taken by the International Arbitration Court, with respect to the dispute between the two companies. H1 2020 results have also been negatively impacted by the provision for personnel's severance payment of 16.3 million euros.

Adjusted for the abovementioned amounts, recurring EBITDA settled at 457.3 million euros, compared to H1 2019 EBITDA, adjusted for 9.3 million euros for the positive impact from the return of 99.3 million euros from the surplus created in the RES Special Account. As a result, recurring EBITDA margin stood at 20.3 % from 0.4 % last year.

Recurring EBITDA for H1 2020 has been positively affected by the lower System Marginal Price (SMP), the reduction of natural gas prices and the reduction of the volume of CO2 emissions. Adjusted pre -tax profits amounted to 28.9 million euros compared to losses of 352.8 million euros in H1 2019, while on a reported basis, without any adjustment, pre-tax profits of 51.2 million euros were recorded.

The company's CEO Georgios Stassis said that despite the positive financial performance there is no room to relax, especially in the current unprecedented environment. PPC continues its actions in order to address the impact of COVID-19, taking measures in order to safeguard the safety of personnel, changing and modernizing customer service model by introducing new services and products, while at the same time shielding the company by accelerating the implementation of digital transformation plan as well as securing new liquidity sources. In this context, PPC signed a new 160 million euros facility with the EBRD and is moving forward with the receivables' securitization transactions, which will enhance liquidity by 500 million euros over the coming months, transactions which constitute a vote of confidence for PPC and the strategy it follows from high profile international investors.

PPC continues the implementation of its strategic priorities with the advancement of the construction of photovoltaic parks in Ptolemaida and Megalopolis, the decommissioning of TPP Amyntaio units within September, the implementation of the voluntary retirement scheme and the tender for the supply of 1,000 charging stations for electric vehicles.

