Greek Public Power Corporation (PPC) secured financial relief. The Board of Directors of PPC approved moves worth 300 million euros, including restructuring of high-cost loans, in an effort to boost the company’s liquidity.
Financial tools and alternative borrowing sources have once again become available to the corporation following its return to profit with expected growth trend.
The Board approved a JP Morgan offer worth between 200 and 250 million euros for unpaid receivables by customers in the low and mid-voltage categories. This package of unpaid receivables totals 260 million euros and concerns amounts overdue for no more than 60 days. JP Morgan is offering an interest rate of 3.5 % over a three-year period. Bonds will be issued by PPC through a special purpose vehicle.
Also, Greek four largest banks, National Bank, Alpha Bank, Eurobank and Piraeus Bank have accepted PPC’s request for a delay in the payments of two 25 million euros installments, respectively due on 30 June and 31 December, for a billion euros worth five-year bond issued in 2018. The banks agreed to receive these payments when bond matures in 2023.
PPC recorded a core profit in the first quarter of the year, helped by a drop in energy costs due to the coronavirus pandemic. Its earnings before interest, tax, depreciation and amortization (EBITDA) amounted to at 182 million euros, compared with a core loss of 66.3 million euros in the same period last year. Despite lower electricity demand during a lockdown that Greece imposed to stop the spread of the coronavirus, PPC benefited from lower fuel, natural gas and carbon emissions costs for its plants.