

Montenegro: Power utility EPCG, Decline in revenue due to economic challenges and unfavorable hydrological situation

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In 1Q 2014 the revenue of Montenegro power utility “Elektroprivreda Crne Gore” (EPCG) amounted to EUR 64.5 million, which means that it was down by 5% compared to the projected amount, and by 17% compared to the same period last year.

“The fact that EPCG was operating in a challenging economic environment and reduced production due to unfavorable hydrological situation had negative impact on operational performance,” it was announced by EPCG.

EBITDA (earnings before interest, taxes, depreciation, and amortization) of EUR 20.3 million recorded in 1Q 2014 was by 22% lower than the projection, or by 33% lower in comparison to the same period last year, while EBIT (earnings before interest and taxes) amounted to EUR 11 million, i.e. it was down by 22% relative to the projection, or by 10% relative to 1Q 2013.

“Despite the readiness and stable operation of production facilities, the total generation of electricity in 1Q 2014 of 903 GWh was by 9% lower than projected, and by 25% lower compared to the same period last year. Hydro power plants produced 517 GWh (15% less than planned and 37% less than in 1Q 2013), while the thermal power plant Pljevlja generated 386 GWh of electricity (1% less than planned, or 0.4 % less compared to 1Q 2013). Imports of electricity for internal use amounted to 200.5 GWh. Labor costs were EUR 10.9 million, which is in line with the projection or, more precisely, by EUR 84 thousand lower compared to the same period last year,” it is said in the press release of EPCG.

EPCG emphasizes that great efforts are made to optimize the availability of plants, to reduce losses in the distribution network and reduce costs, as well as to increase overall efficiency, with the aim of improving the security of supplying the consumers, and the stability and sustainability of the energy system of the country.