

Romania: Romgaz distribution of dividends from last year's net profit

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The company will pay a gross dividend in the amount of 0.33 euros/share, resulting in a yeald of 5.8 %. In addition to last year's net profit, Romgaz will also distribute to shareholders part of its reserves accumulated in the previous years. Shareholders of Romanian natural gas producer Romgaz have approved the distribution of dividends from last year's net profit.

The total sum to be distributed to shareholders amounts to 128 million euros. The Romanian state, which holds 70 % of the company's shares, will get almost 90 million euros. The remaining 38 million will be split among the minority shareholders, which include private pension funds, and other local investment funds.

Last week, some of the shareholders said that they are not satisfied with the dividend proposed by the company's management. According to investment fund SIF Moldova, a shareholder with almost 2 % stake in Romgaz, taking into account the company's fundamentals and the dividends paid in the past, minority shareholders urged the company to review its initial proposal for dividends for 2019, so that it is at least at the level of the previous year.

Romgaz recorded a net profit in the amount of 298 million euros, which is by 4.55 % higher compared to the previous year. The company's revenues increased by 1.52 % in 2019 to 1.05 billion euros, following an increase of sales of gas from both domestic production and from gas purchased for resale. The increase also results from a 4.4 % rise of revenues from sales of gas produced by Romgaz and of gas purchased for resale, as well as gas from joint ventures, an increase by 11 % of revenues from storage services and an increase by 115.7 % of revenues from gas condensate sales. According to Romgaz' data, Romania's natural gas consumption dropped by 8.7 % in 2019. This managed to offset a decreased revenues from electricity sales by 50.95 %. Electricity sales decreased as production decreased by an annual 49.4 % due to investment works carried out at an power plants.