

Romanian Enel will not proceed with the sale of Romanian assets

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Italian energy group Enel is no longer interested in the sale of its assets in Romania, according to Romanian media. However, the company refused to make any official comment, just like it previously refused to comment discussions regarding the sale of minority stakes in its Romanian subsidiaries.

In mid-2019, Enel said it plans to sell minority stakes in its Romanian subsidiaries. Enel's Romanian assets in 2018 recorded revenues of around 1.2 billion euros and an operational profit of 230 million euros. The value of the assets subject to negotiations would be around one billion euros. This value is in line with the scenario of only minority stakes being put for sale. Enel came up with the idea of selling minority stakes in its Romanian companies after the investment fund Fondul Proprietatea put up for sale its minority stakes in Enel's subsidiaries, when interested investors expressed interest in acquiring larger, but not majority stakes. Thus, Enel would retain the majority stakes and keep managing the companies. Enel had previously considered in 2014 selling its Romanian assets, but gave up the idea in 2015 explaining that the assets are core assets under the revised business strategy. Enel has been active on the Romanian market since 2005, with operations in electricity distribution and supply as well as renewable energy generation. Suppliers Enel Energie and Enel Energie Muntenia serve about 3.1 million customers in Romania. The group also controls electricity distribution networks in Romania's Muntenia, Banat and Dobrogea regions, and large wind farms in Dobrogea.

Enel said that its Romanian operations recorded a net profit of 54 million euros in 2019, which is a decrease of 42.5 % compared to the previous year, mainly as a result of the increase of the losses recorded in the supply segment of electricity and of a lower profit obtained from the distribution activity.