

Serbia: EPS power utility business&operating results 1H2016

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EPS fills the budget of Serbia

The success of the reforms and austerity measures in EPS resulted in a growing profit during the first six months of this year, to more than 13 billion dinars.

In the first half of 2016, Electric Power Industry of Serbia paid 46.6 billion dinars to the budget of Serbia in profits, taxes, excise taxes, contributions, fees and charges thanks to its good business results. The success of the reforms and austerity measures in EPS resulted in a growing profit for the first six months of this year to more than 13 billion dinars. Net profit of the largest energy company in Serbia was 10 billion dinars higher than in the first six months of the last year and about four and a half times higher than planned.

- We are following the path of the Serbian Government reforms and our results show how effective austerity measures and business improvements are. We saw improvements in almost all areas. Collection rate exceeds 95 percent, while increased efficiency and better organization have enabled savings of 13.8 billion in just half a year – EPS management noted. - We will continue to cut costs and improve our business operations, however, the main objective of EPS remains to ensure stable generation and reliable supply of electricity to households and businesses in Serbia.

Operations in all areas were more efficient, with the largest savings at the level of about six billion dinars achieved by reducing outsourcing, costs, etc. Centralized procurement system contributed to the reduction of material costs by 729 million dinars, while 1.3 billion less than planned was spent on fuel. Another important result was that maintenance costs were 1.9 billion lower than planned.

Excellent results were also recorded on the income side, with the collection rate of 95.27 percent between January and June 2016. When it comes to the reserve supply customers, collection rate also grew from 47.81 to 96.96 percent, given that this group of customers was one of the biggest problems faced by EPS.

EPS posted the highest income

Electric Power Industry of Serbia is the highest ranked of the seven companies in Serbia on this year's Deloitte list of 500 largest companies in Central Europe. With revenue of 1.86 billion euros in 2015, EPS has taken 83rd place on the list. Naftna Industrija Srbije was 87th on the list, while Telekom Srbije is 201st, followed by Mercator-S at 222nd place, Srbijagas on the 347th, with Nelt and Tarkett Backa Palanka sharing 462nd position.

EPS has advanced three positions and took the eighth place on the list of top 50 companies in the Balkans, published by the French company for credit insurance Kofas. With a turnover of 1.26 billion euros in 2015, EPS is ranked second among nine companies from Serbia.