

Serbia: Gazpromneft NIS recorded significantly better financial results in Q1 2017

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Serbian oil company NIS, majority owned by Russian GazpromNeft, announced that it has significantly improved its financial results in the first quarter of 2017. The net profit amounted to 43.8 million euros, compared to 2.12 million euros achieved in the first quarter of 2016.

The company's earning before interest, taxes, depreciation and amortization (EBITDA) in the first quarter 2017 was about 90 million euros, which is almost three times more compared to the previous reporting period when this indicator amounted to 31 million euros. The good results achieved in the first quarter have been accomplished due to a disciplined implementation of programs for increase of operational efficiency, the increase of the total turnover of crude oil and petroleum products, as well as due to the growing prices of crude oil in the global market.

In the first quarter of 2017, the company invested a total of 38.2 million euros, predominantly into the exploration and production, as well as into the refining. By the same token, NIS Group's liabilities, taxes and other public revenues in the first quarter 2017 amounted to 289 million euros, 8 % more than in the first three months 2016.

The total volume of oil and gas production amounted to 343,000 tons of oil equivalent, while 765,000 tons of oil and semi-finished products were refined. The total turnover has reached 714,000 tons, which is by 2 % more compared to the first three months of 2016 . The volume of sales in the retail market in Serbia increased by 3 % and amounted to 155,000 tons, while foreign assets turnover increased by 25 % compared to last year's first quarter. Electricity production at NIS facilities reached 46,076 MWh or 15 % more than in the first quarter last year.

CEO of NIS Kirill Tyurdenev said that the righteousness of the path on which NIS has embarked in the complicated economic circumstances has been once again validated by the results achieved in the first quarter 2017. A successful response to the challenges of the market was made possible due to the, first and foremost, the implementation of measures to increase of operational efficiency: whose effect on the EBITDA indicator in the first quarter is reckoned to be around 9 million euros. Further streamlining of operational efficiency remains in the company's focus in 2017. The completion of this program, as well as the completion of strategic investment projects will be a solid ground to pave the way of the entire development of NIS.