

Poor financial results of Serbian state-owned power utility EPS in 2019 are primarily due to lower than planned electricity generation (coal-fired generation was 5 % below plan) and increased electricity purchases due to lower domestic generation (electricity procurement costs were 3 % above 2019 plan).

EPS recorded a net loss of some 33 million euros in 2019. The result does not look promising, given the fact the company recorded net profit, albeit miniscule, in 2018 - 4.6 million euros, and that the company operates the assets worth almost 10 billion euros. At the group level, EPS recorded operational profit of 102 million euros in 2019 (50 % more than in 2018), while financial profit reached 41.5 million euros, which is 17 million less than a year before. However, the company's non-core operation recorded a loss of 168 million euros, which pushed final result to negative - 23 million euros pre-tax loss or 33 million after taxes.

EPS consists of public enterprise JP EPS, which handles electricity generation, and EPS Distribucija, which is in charge of electricity distribution. In 2019, JP EPS recorded a profit of some 30 million euros, but EPS Distribucija recorded losses in the amount of 50 million euros. EPS Distribucija operated at a loss in 2018 as well, but it was much smaller, at around 20 million euros.

At the end of 2019, EPS had a total of 28,083 employees, which is significantly higher compared to comparable utilities in the EU. The price of electricity EPS sells to the population is 7.3 eurocents/kWh, while the EU average is 16.4 eurocents/kWh. For comparison, Croatian state-owned power utility HEP recorded a net profit of 186 million euros in 2019, Romanian electricity supplier and distributor Electrica recorded around 43 million euros profit, while Czech CEZ, in many terms comparable to EPS, recorded a net profit of 550 million euros last year.