Press release

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**Litgrid first quarter results: energy independence achieved, reliable electricity supply ensured**

**On February 9, 2025, Litgrid, the Lithuanian electricity transmission system operator, successfully completed the Baltic synchronisation with continental Europe, which had been planned for more than 10 years. The reliability of electricity supply continued to be ensured during the first three months of this year. Due to temporary factors affecting the electricity balancing market, the company incurred losses, but the adjusted financial results were better than in the same period last year.**

“In February this year, we disconnected from the Russian-controlled electricity system without any disruptions and joined the Continental Europe Synchronous Area. The date of synchronisation – 9 February – has already gone down in history as the Baltic Energy Independence Day, following a decision by the Parliament of the Republic of Lithuania. In implementing the synchronisation programme, we completed a number of important projects in the last quarter that will strengthen Lithuania's electricity transmission grid: we commissioned the second synchronous condenser in Alytus, the Kruonis HAE–Bitėnai power transmission line, and completed the reconstruction of the Neris substation, the construction of the Darbėnai–Bitėnai line, and the frequency stability assessment system projects,” says Rokas Masiulis, CEO of Litgrid.

According to him, significant steps were also taken at the beginning of the year towards the implementation of other strategic projects.

“We have obtained construction permits and signed a contract for the connection of the newly built Kuprioniškės transformer substation to the electricity transmission grid. This will ensure the supply of electricity to the new Teltonika High-Tech Hill technology park in Vilnius. We have also completed the engineering infrastructure development plan for the Harmony Link land connection and the strategic environmental impact assessment report, and last month we began design work on the connection,” says the CEO of Litgrid.

**Supply reliability**

The amount of electricity transmitted through Lithuania's transmission networks decreased at the beginning of the year. In the first quarter of 2025, the amount of electricity transmitted to meet the country's needs reached 2.683 TWh, which is 3.6% less than in the same period in 2024, when 2.782 TWh was transmitted.

By supervising and managing the electricity transmission system, Litgrid continued to implement its planned electricity supply reliability targets. In the first quarter of 2025, the average interruption time (AIT) indicator was 0.01 minutes, while the energy not supplied (ENS) indicator was 0.22 MWh. By comparison, the National Energy Regulatory Council (NERC) has set a target of 0.934 minutes for the AIT and 27.251 MWh for the ENS for the whole year.

The overall availability of interconnections with Sweden (NordBalt) and Poland (LitPol Link) was 96.8% and 99.4%, respectively. The availability of the NordBalt interconnection decreased due to a failure at a converter station in Sweden at the end of March.

**Financial results**

According to unaudited data, Litgrid revenue in the first quarter of 2025 amounted to EUR 108.7 million. Compared to the same period last year, it was 4% lower.

Electricity transmission revenue (including EUR 8.6 million in congestion management revenue used for tariff reductions in 2025) decreased by 2% to EUR 37.1 million due to a 3.6% decrease in the volume of electricity transmitted.

Ancillary services revenue increased by 21% to EUR 49.2 million. The main reason for the change was the 28% increase in the transmission price component for the purchase of ancillary services set by NERC.

Balancing activity revenue decreased by 45% to EUR 18.7 million due to lower sales prices. The system balancing service provided by Litgrid is always zero-profit, i.e. changes in revenue do not affect the amount of profit (loss) as this revenue only covers the actual costs incurred.

In the first quarter of 2025, earnings before interest, taxes, depreciation, and amortization (EBITDA), after adjustments for temporary regulatory deviations from the amounts approved by NERC and eliminating other non-recurring income or losses, amounted to EUR 14.2 million. In comparison, adjusted EBITDA for the first quarter of 2024 was EUR 12.5 million. Adjusted net profit for the first quarter of 2025 amounted to EUR 8.2 million, 14% more than in the same period last year, when adjusted net profit was EUR 7.2 million. The adjusted profit indicators were mainly driven by higher return on investment due to the increase in the value of regulated assets and higher return on investment.

In the first quarter of 2025, the company's unadjusted EBITDA was negative (-33.6) million euros, compared to 23.8 million euros in the same period last year. Unadjusted net loss in the first quarter of 2025 amounted to (-27) million euros, compared to a net profit of 21.5 million euros in January-March 2024. The negative unadjusted profit indicators were mainly due to increased costs of ancillary services related to balancing reserve costs. On April 30, NERC adopted a resolution on a new mechanism of unplanned-profit sharing, according to which the component of ancillary services purchased will be reduced by the unplanned-profit earned by electricity producers from electricity balancing services. This will allow to reduce the impact on electricity consumer tariff increase due to higher ancillary service costs. According to the pricing of ancillary services, the result of ancillary services in the previous year is assessed when determining the component for the purchase of additional services in subsequent years, so the result of this activity is zero profitability over a period of several years.

Litgrid’s investments in the first quarter of 2025 amounted to EUR 41.2 million. Of this amount, 58% was allocated to the implementation of strategic and nationally important electricity projects, and 42% to the reconstruction and expansion of the transmission network and operational maintenance.

In the first quarter of 2025, congestion management revenue amounted to EUR 31.3 million, up 4% compared to the same period last year. The congestion management revenue received is not recognized as income and does not directly affect Litgrid’s operating results. Its use is regulated by Regulation (EU) 2019/943 of the European Parliament and of the Council and the methodology approved by the Agency for the Cooperation of Energy Regulators (ACER). Congestion management revenue is mainly used to partially finance the company's investments in increasing the capacity of interconnections.