

MOSENERGO

2017FY IFRS Results

March 12, 2018

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Operational Highlights¹

	2016	2017	Change
Electricity Output, mn kWh	59,068	57,864	-2,0%
Electricity Sales, mn kWh	60,858	60,251	-1,0%
Heat Output, th.Gcal	81,827	79,447	-2,9%
Fuel Rate on Electricity, g/kWh	232.3	226.3	-2,6%
Fuel Rate on Heat, kg/Gcal	164.0	163.6	-0,2%

Financial Highlights, mn RUR

	2016	2017	Change
Revenue	190,656	196,056	+2.8%
Variable Costs	(126,240)	(121,963)	-3.4%
Fixed Costs ²	(26,160)	(26,542)	+1.5%
EBITDA ³	30,703	44,327	+44.4%
EBITDA, adj. ⁴	38,256	47,551	+24.3%
Depreciation of PP&E	(15,067)	(15,117)	+0.3%
Operating Profit	15,636	29,210	+86.8%
Profit for the Period	13,438	24,802	+84.6%

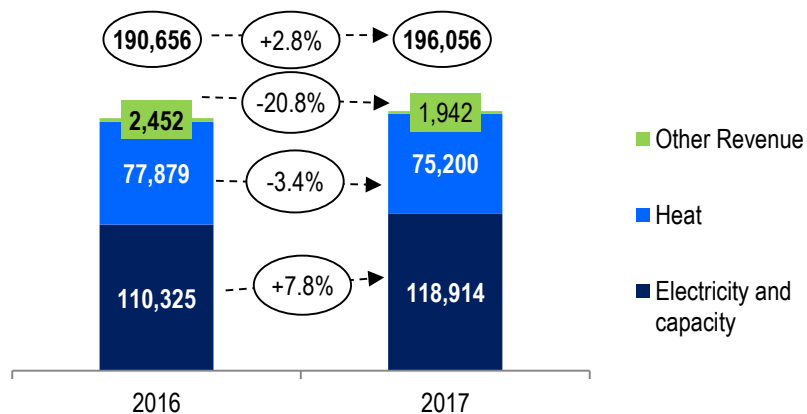
¹ Management report data

² Excluding Depreciation of PP&E

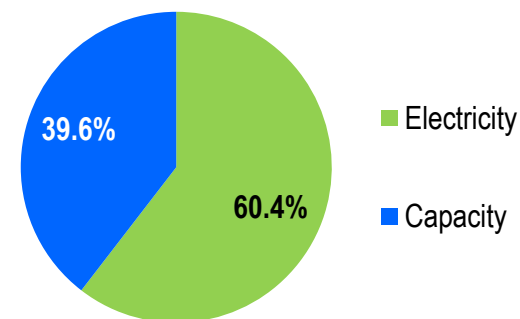
³ EBITDA = Operating Profit + Depreciation of PP&E

⁴ Adjusted to net accrual of reserve for assets impairment and other reserves

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 2017FY, %



Prices and Tariffs

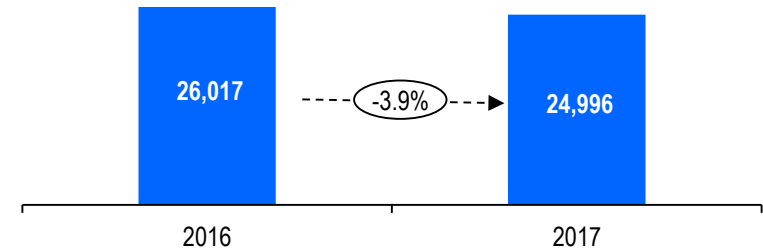
Parameter	2016	2017	Change
Average Weighted Electricity Price, RUR/MWh ¹	1,182.67	1,193.08	+0.9%
Average Price for New Capacity, RUR/MW per Month	798,194.12	1,055,014.49	+32.2%
Average Price for Old Capacity, RUR/MW per Month	128,248.45	135,870.05	+5.9%
Average Weighted Heat Tariff, RUR/Gcal	946.65	951.31	+0.5%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	897.92	927.47	+3.3%

¹ At the wholesale market of electricity and capacity

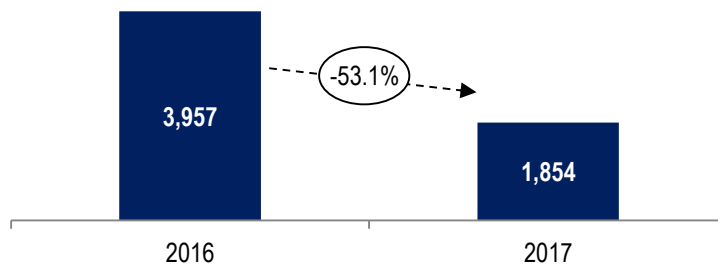
Variable Costs Structure, mn RUR

Variable Costs	2016	2017	Change
<u>Operating costs, incl.:</u>	122,283	120,109	-1.8%
<i>Fuel expenses</i>	110,213	107,833	-2.2%
<i>Purchased heat and electricity</i>	9,579	10,029	+4.7%
<i>Other materials expenses</i>	2,491	2,247	-9.8%
<u>Heat transmission</u>	3,957	1,854	-53.1%
Total variable costs	126,240	121,963	-3.4%

Reference Fuel Consumption, thous. Tons of Reference Fuel



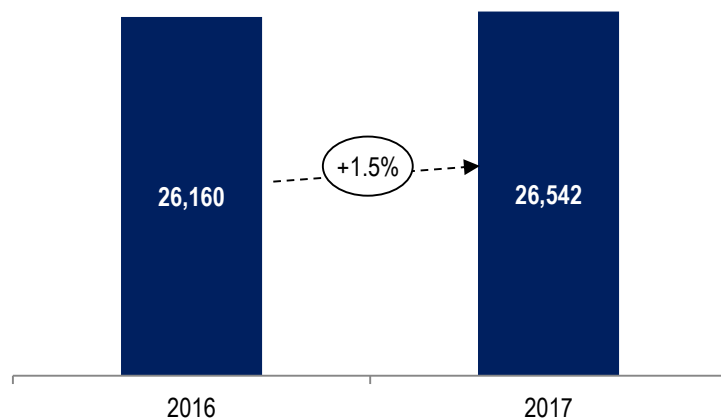
Heat Transmission, mn RUR



Variable Costs Change Factors

- Fuel expenses decrease resulted mostly from lower electricity and heat production and corresponding reduction of fuel consumption, as well as better fuel efficiency of equipment.
- Heat transmission expenses reduction was due to decrease in heat output, subject to transportation (via heating grids), on the back of growing share of heat output from headers of power plants (boiler houses), as well as overall heat output decrease.

Total Fixed Costs, mn RUR



Fixed Costs Change Factors

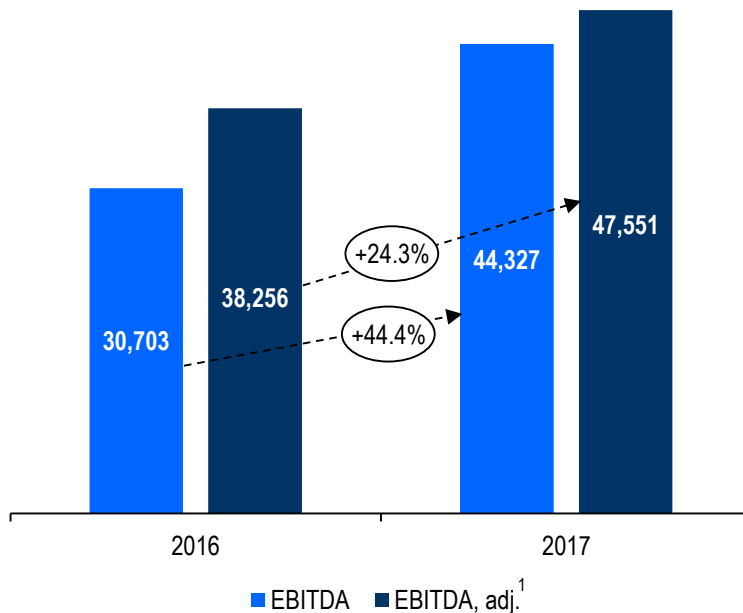
- Maintenance and repairs expenses increase mainly was caused by growing maintenance costs of CCGT units.
- Other external suppliers item decreased in no small degree on the account of lower rent expenses.

Fixed Costs Structure, mn RUR

Fixed Costs	2016	2017	Change
Personnel expenses	10,471	10,623	+1.5%
Maintenance and repairs expenses	5,830	6,133	+5.2%
Other external suppliers ¹	7,540	7,371	-2.2%
Taxes other than income tax	2,227	2,368	+6.3%
Other operating expenses	92	47	-48.9%
Total fixed costs	26,160	26,542	+1.5%

¹ Excluding Heat transmission

EBITDA, mn RUR



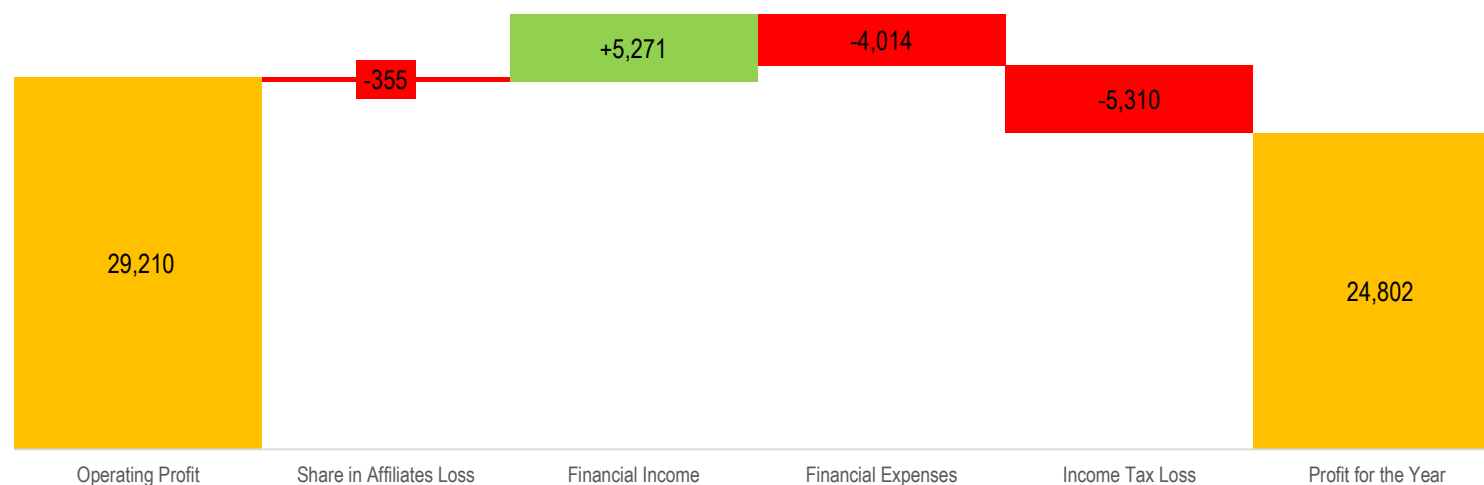
EBITDA Change Key Factors

- Growing capacity price under Capacity Supply Agreements (CSA) on the account of consideration since July, 2016 of an item in CSA prices, determining the proportion of investments compensated at the capacity market, in order to guarantee the established payback period for generating equipment and adjust CSA ratio for particular equipment in 2017.
- Advanced fuel efficiency of the main equipment.
- Fixed costs control.

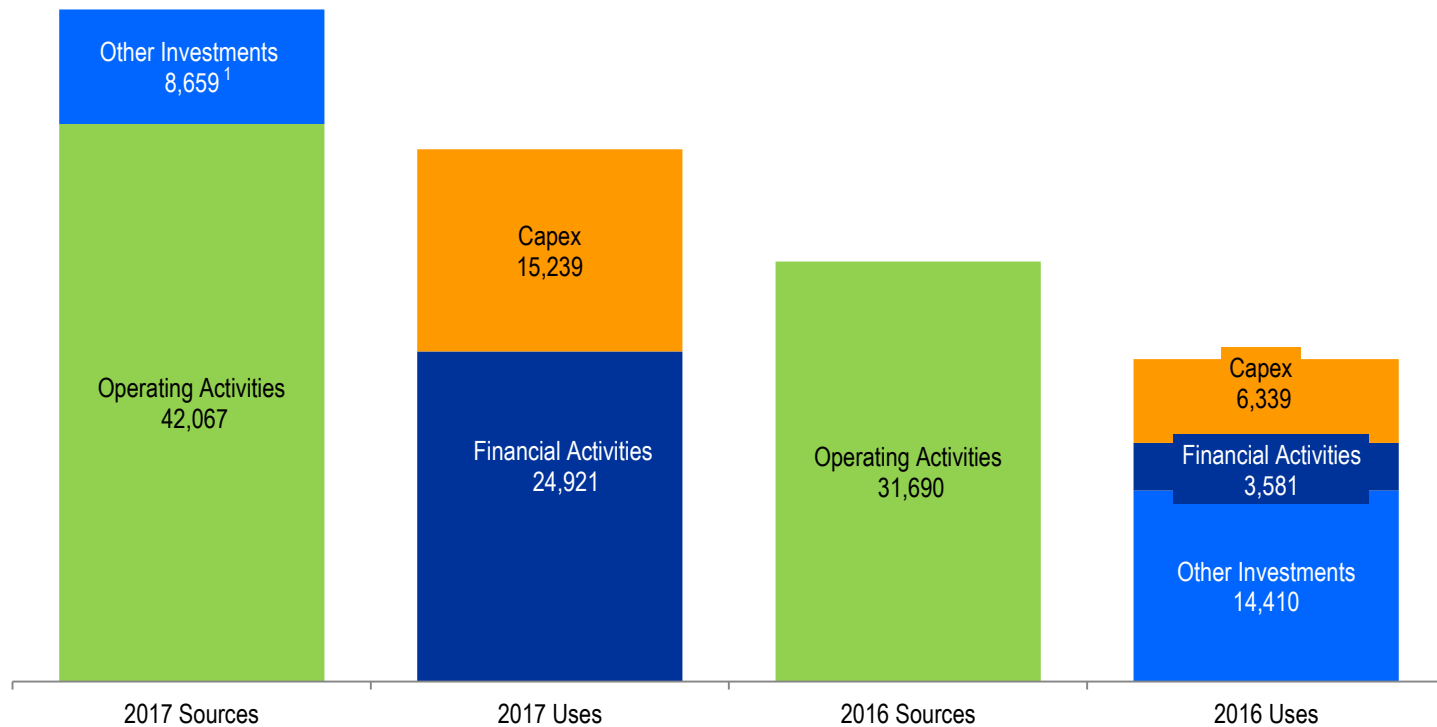
¹ Adjusted to net accrual of reserve for assets impairment and other reserves

Operating Profit Composition, mn RUR

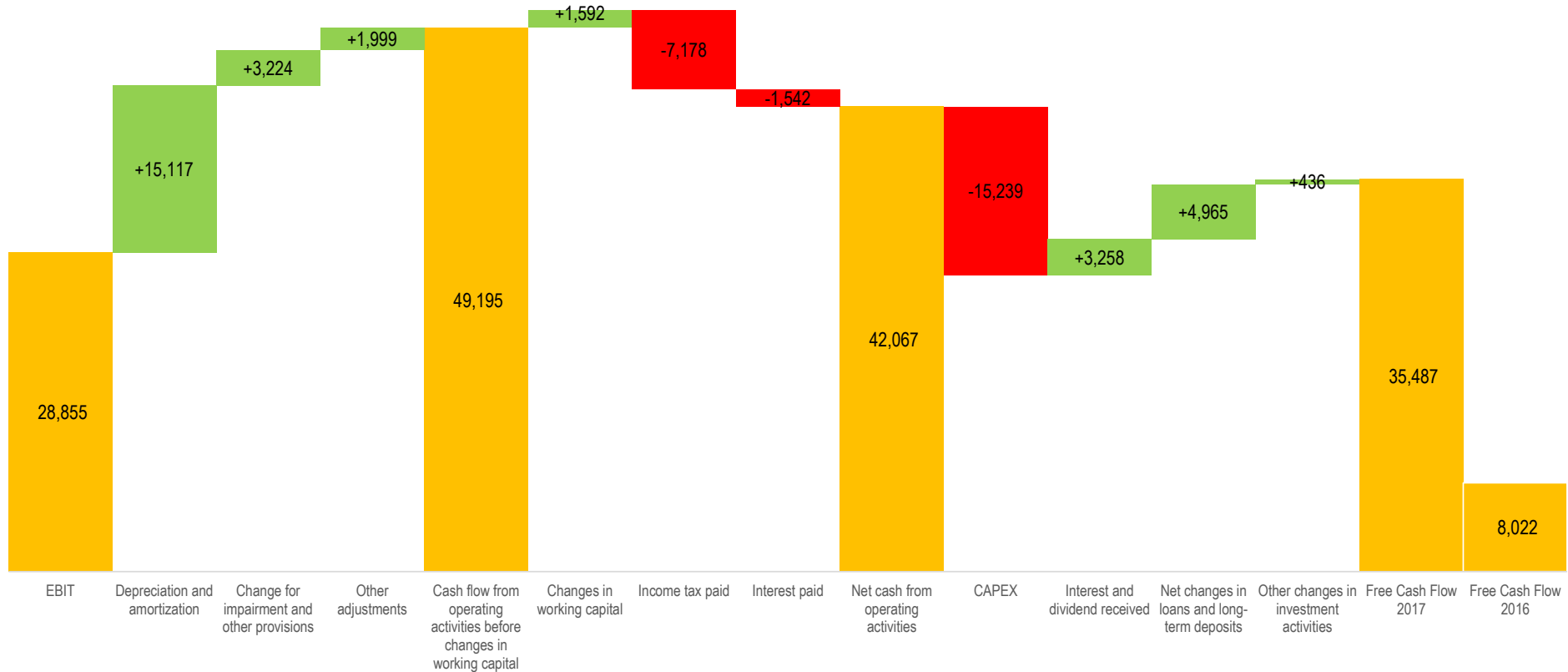
Parameter	2016	2017	Change
Revenue	190,656	196,056	+2.8%
Variable costs	(126,240)	(121,963)	-3.4%
Fixed costs	(26,160)	(26,542)	+1.5%
Depreciation of PP&E	(15,067)	(15,117)	+0.3%
Net accrual of reserve for assets impairment and other reserves	(7,553)	(3,224)	-57.3%
Operating profit	15,636	29,210	+86.8%



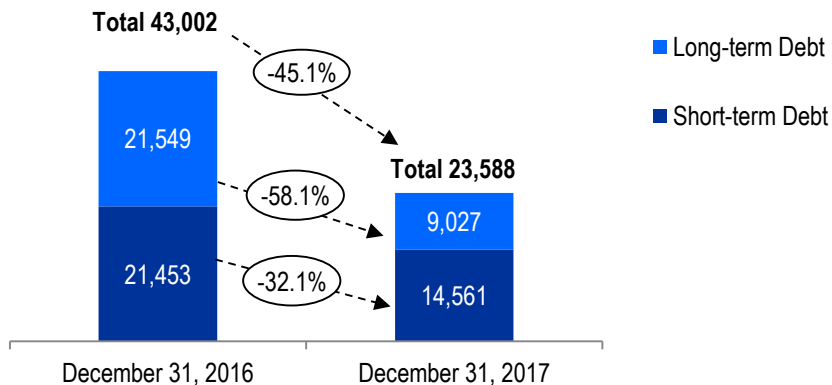
Sources and Uses of Cash, mn RUR



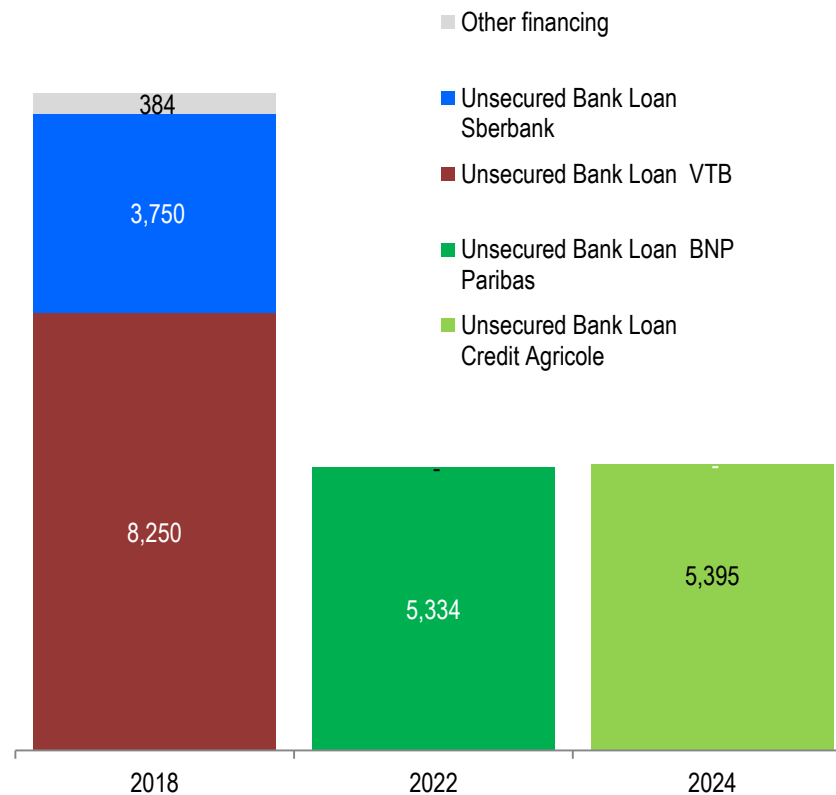
¹ Including cash from closed deposits for 15,057 mn RUR



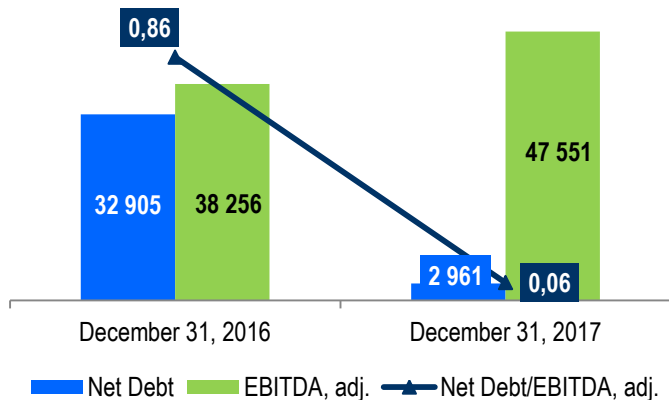
Liabilities Structure, mn RUR



Maturity Profile as of December 31, 2017, mn RUR (book value)¹



Net Debt / EBITDA, adj.



¹ Not including debt for interest payable of 277 mn RUR and finance lease liabilities of 198 mn RUR

Thank You for Your Attention!

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