

# **MOSENERGO**

## **6M 2018 IFRS Results**

August 13, 2018

The information contained herein has been prepared using information available to JSC “Mosenergo” (hereinafter - Mosenergo or the Company) at the time of preparation of the presentation. External or other factors might have impacted the business of Mosenergo and the content of this presentation, since its preparation. In addition all relevant information about Mosenergo may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. Mosenergo cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in Mosenergo, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

## Operational Highlights<sup>1</sup>

	6M 2017	6M 2018	Change
Electricity Output, mn kWh	30,269	30,268	0.0%
Electricity Sales, mn kWh	31,405	31,270	-0.4%
Heat Output, th.Gcal	46,323	47,984	+3.6%
Fuel Rate on Electricity, g/kWh	220.1	218.6	-0.7%
Fuel Rate on Heat, kg/Gcal	163.1	162.8	-0.2%

## Financial Highlights, mn RUR

	6M 2017	6M 2018	Change
Revenue	104,181	107,668	+3.3%
Variable Costs	65,483	67,942	+3.8%
Fixed Costs <sup>2</sup>	12,048	12,929	+7.3%
EBITDA <sup>3</sup>	25,304	25,995	+2.7%
EBITDA, adj. <sup>4</sup>	26,650	26,797	+0.6%
Depreciation of PP&E	7,389	7,443	+0.7%
Operating Profit	17,915	18,552	+3.6%
Profit for the Period	14,528	15,232	+4.8%

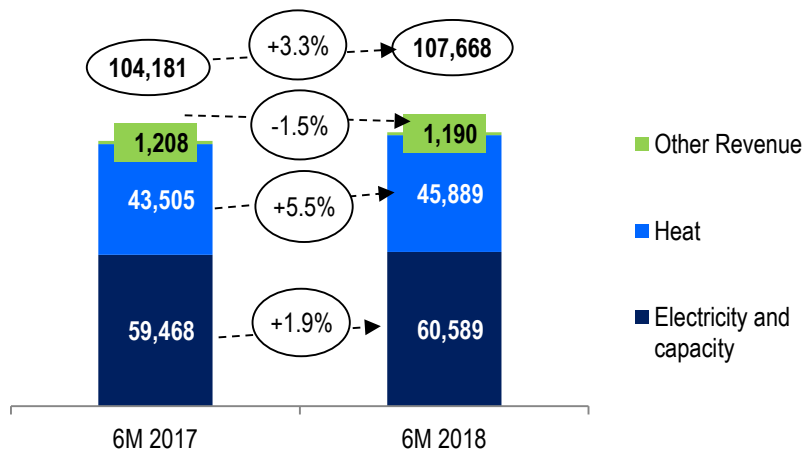
<sup>1</sup> Management report data

<sup>2</sup> Excluding Depreciation of PP&E

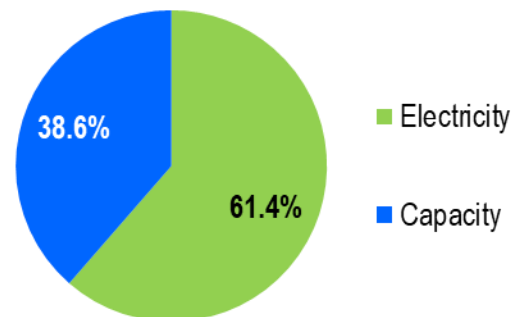
<sup>3</sup> EBITDA = Operating Profit + Depreciation of PP&E

<sup>4</sup> Adjusted to net charge for impairment and other provisions

## Revenue, mn RUR



## Electricity and Capacity Revenue Structure for 6M 2018, %



## Prices and Tariffs

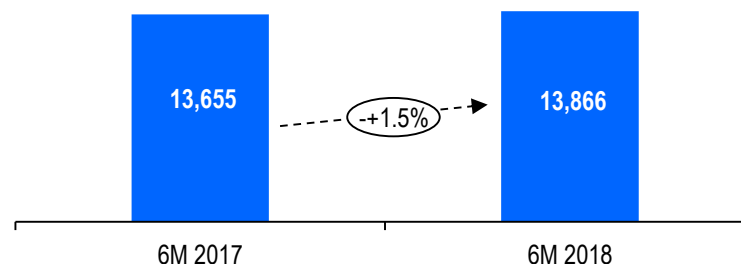
Parameter	6M 2017	6M 2018	Change
Average Weighted Electricity Price, RUR/MWh <sup>1</sup>	1,146.93	1,189.79	+3.7%
Average Price for New Capacity, RUR/MW per Month	1,033,944.26	1,033,029.75	-0.1%
Average Price for Old Capacity, RUR/MW per Month	135,233.26	138,580.66	+2.5%
Average Weighted Heat Tariff, RUR/Gcal	943.75	960.58	+1.8%
<i>Including tariff for generation, RUR/Gcal</i>	<i>910.60</i>	<i>950.56</i>	<i>+4.4%</i>

<sup>1</sup> At the wholesale market of electricity and capacity

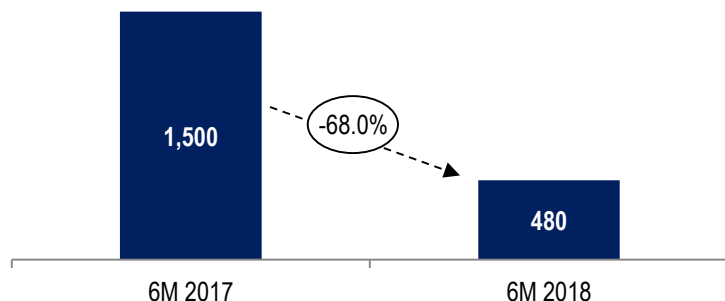
## Variable Costs Structure, mn RUR

Variable Costs	6M 2017	6M 2018	Change
<u>Operating costs, incl.:</u>	63,983	67,462	+5.4%
<i>Fuel expenses</i>	57,895	61,304	+5.9%
<i>Purchased heat and electricity</i>	4,980	5,194	+4.3%
<i>Other materials expenses</i>	1,108	964	-13.0%
<u>Heat transmission</u>	1,500	480	-68.0%
<b>Total variable costs</b>	<b>65,483</b>	<b>67,942</b>	<b>+3.8%</b>

## Reference Fuel Consumption, thous. tons of Reference Fuel



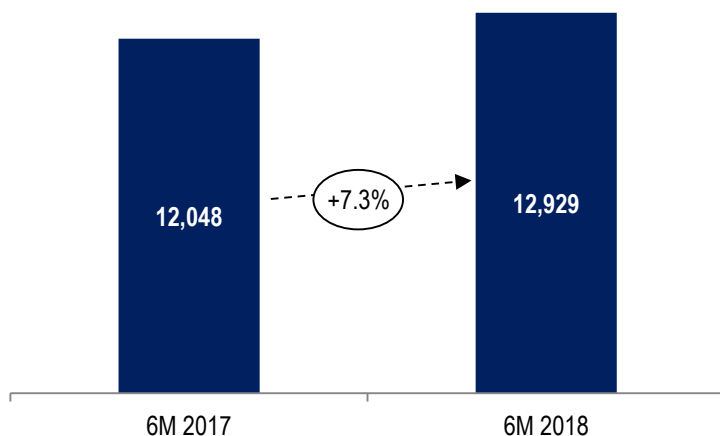
## Heat Transmission, mn RUR



## Variable Costs Change Factors

- Fuel expenses increase resulted from growing heat production on the back of lower air temperature in 1Q 2018.
- Heat transmission expenses reduction was due to decrease in heat output, subject to transportation (via heating grids), on the account of growing share of heat output from headers of power plants (boiler houses).

## Total Fixed Costs, mn RUR



## Fixed Costs Change Factors

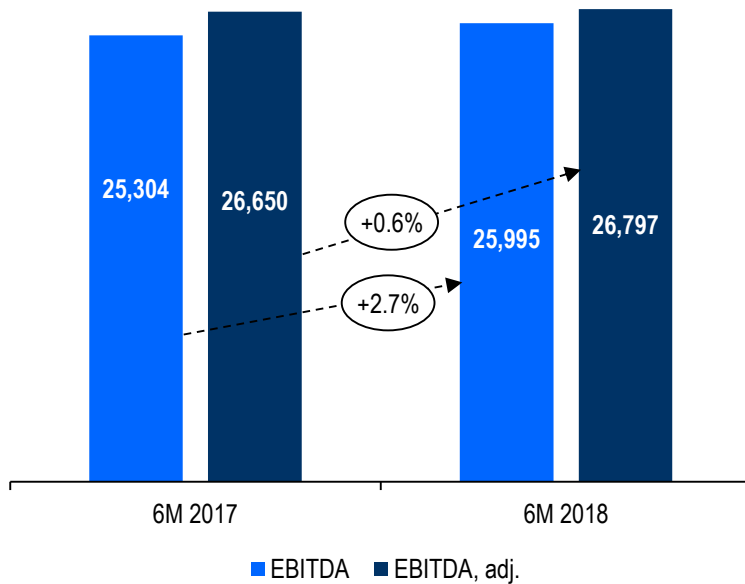
- Maintenance and repairs expenses increase mainly was caused by growing maintenance costs of CCGT units.
- Other operating income item was formed by inflows from fines, fees and penalties. The decrease resulted from changes in income (loss) from PP&E retirement.

## Fixed Costs Structure, mn RUR

Fixed Costs	6M 2017	6M 2018	Change
Personnel expenses	5,462	5,589	+2.3%
Maintenance and repairs expenses	2,402	3,040	+26.6%
Other external suppliers <sup>1</sup>	3,378	3,327	-1.5%
Taxes other than income tax	1,095	1,024	-6.5%
Other operating expenses (income)	(289)	(51)	-82.4%
<b>Total fixed costs</b>	<b>12,048</b>	<b>12,929</b>	<b>+7.3%</b>

<sup>1</sup> Excluding Heat transmission

## EBITDA, mn RUR



## EBITDA Change Key Factors

- Lower air temperature in 1Q 2018 and corresponding heat production growth.
- Advanced fuel efficiency of the main equipment.

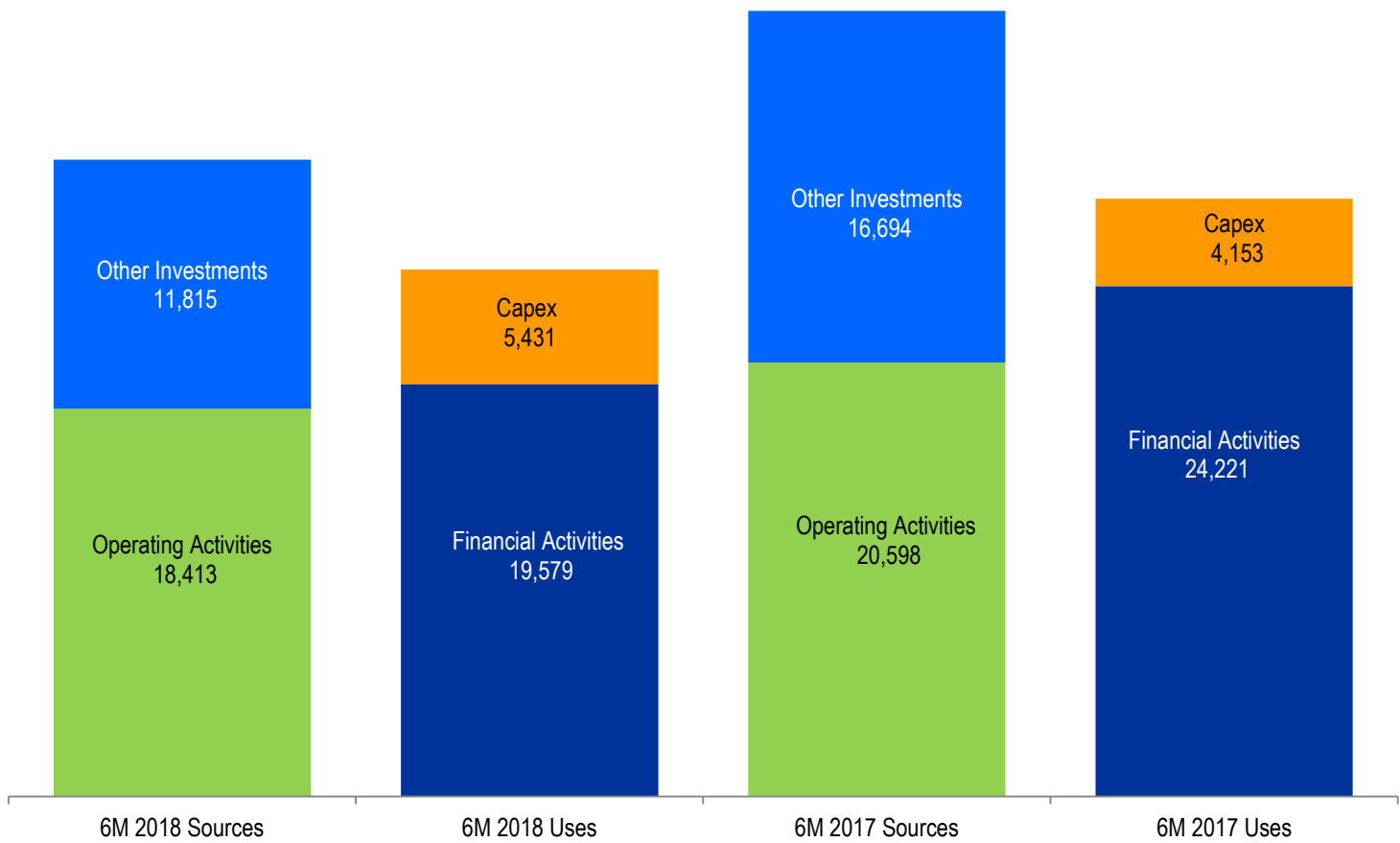
## Operating Profit Composition, mn RUR

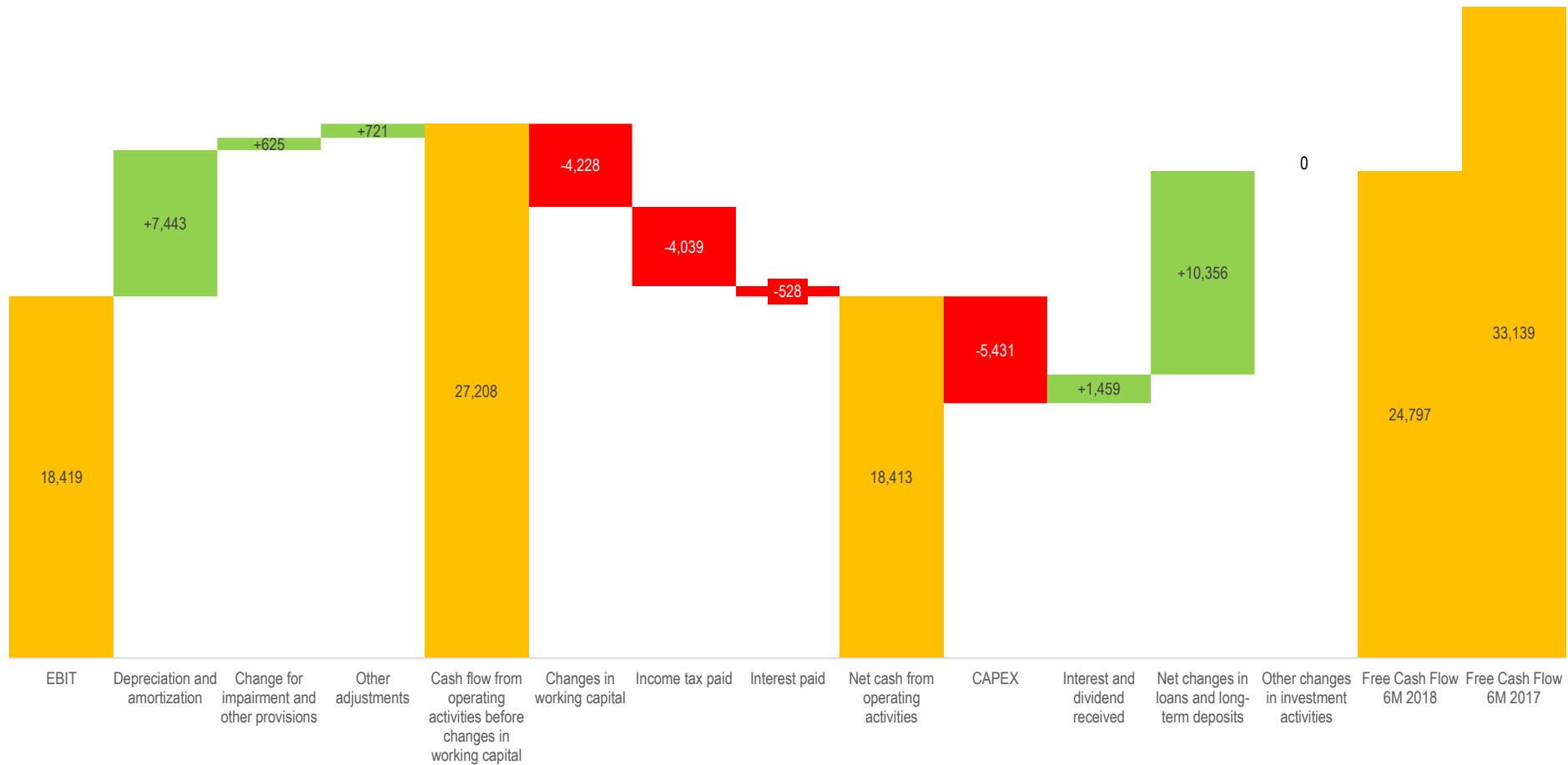
Parameter	6M 2017	6M 2018	Change
<b>Revenue</b>	<b>104,181</b>	<b>107,668</b>	<b>+3.3%</b>
Variable costs	(65,483)	(67,942)	+3.8%
Fixed costs	(12,048)	(12,929)	+7.3%
Depreciation of PP&E	(7,389)	(7,443)	+0.7%
Loss from devaluation of financial assets	(1,227)	(625)	-49.1%
Estimated liabilities change	(119)	(177)	+48.7%
<b>Operating profit</b>	<b>17,915</b>	<b>18,552</b>	<b>+3.6%</b>



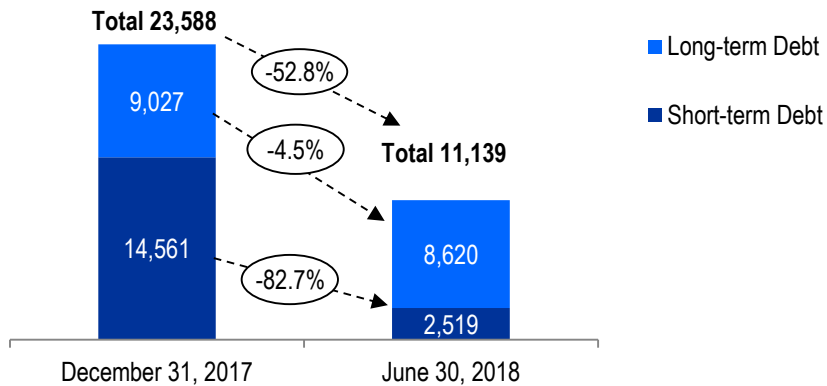


Sources and Uses of Cash, mn RUR

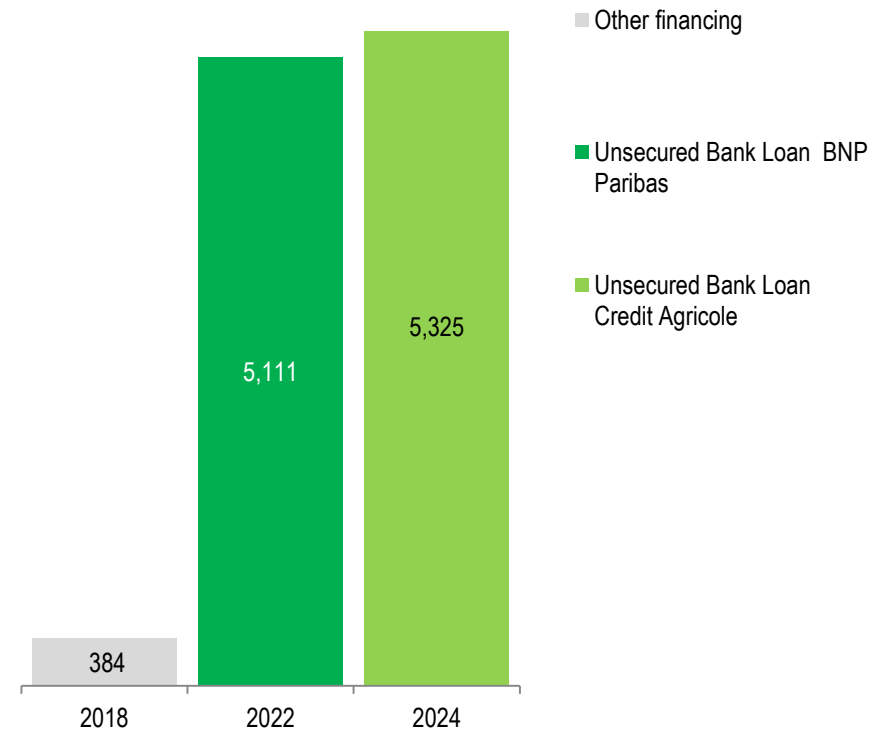




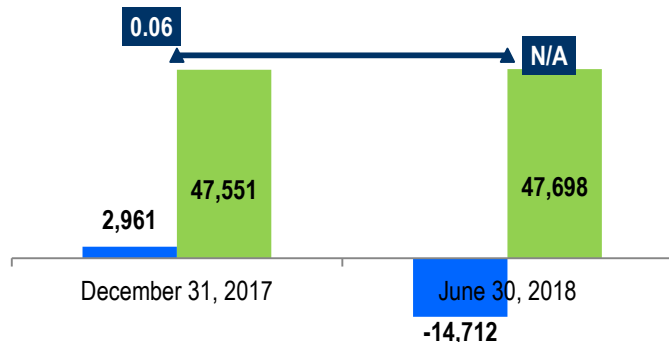
### Debt Structure, mn RUR



### Maturity Profile as of June 30, 2018, mn RUR (carrying amount)<sup>2</sup>



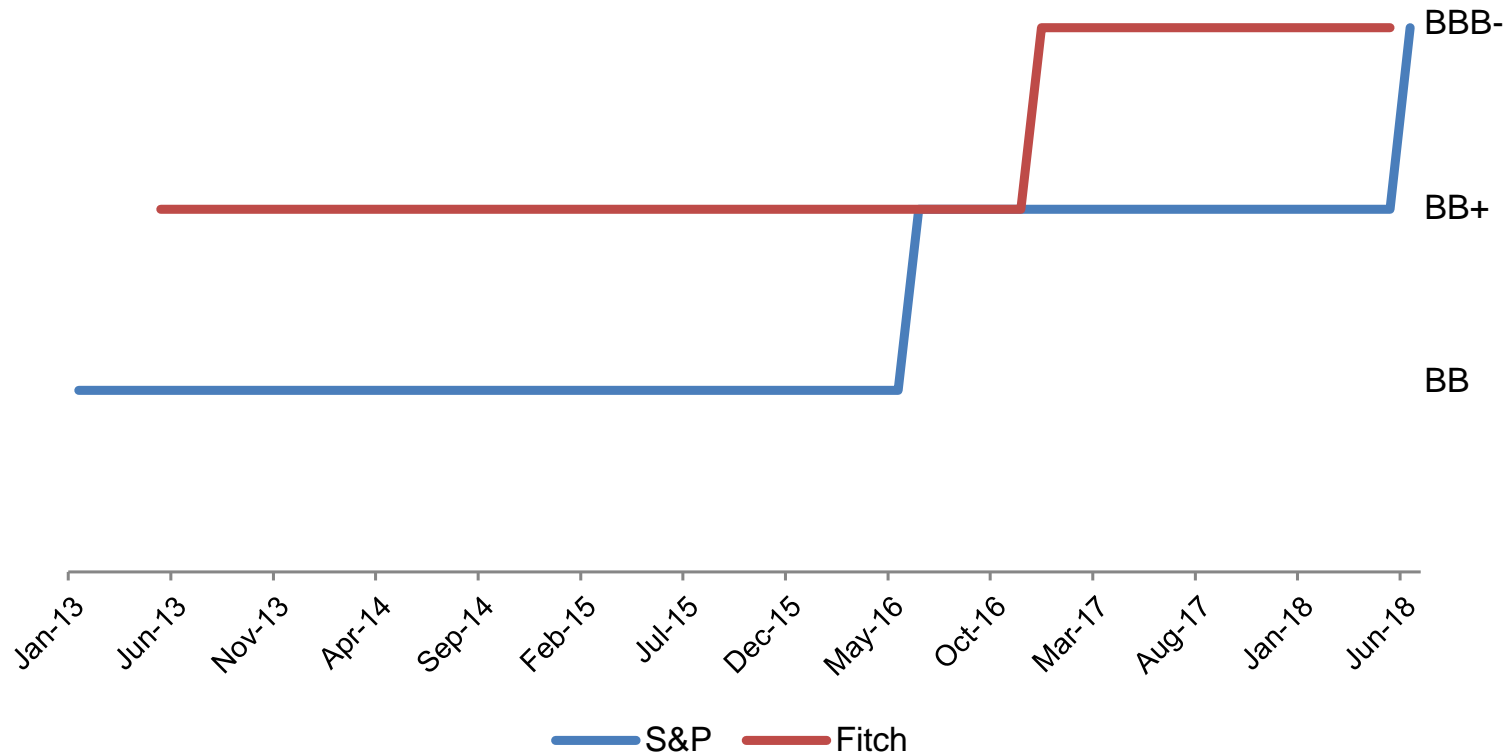
### Debt/ EBITDA, adj. for 12 months<sup>1</sup>



■ Net Debt 
 ■ EBITDA, adj. 
 ↔ Net Debt/EBITDA, adj.

<sup>1</sup> EBITDA, adj for 12 months ended 30.06.2018 = EBITDA, adj for 12 months ended 31.12.2017 - EBITDA, adj for 6M 2017 + EBITDA, adj for 6M 2018

<sup>2</sup> Not including debt for interest payable of 117 mn RUR and finance lease liabilities of 202 mn RUR



# Thank You for Your Attention!

IR contacts:

Denis Voronchikhin

Tel. (495) 957-1-957 (ext. 3457)

[VoronchikhinDS@mosenergo.ru](mailto:VoronchikhinDS@mosenergo.ru)