



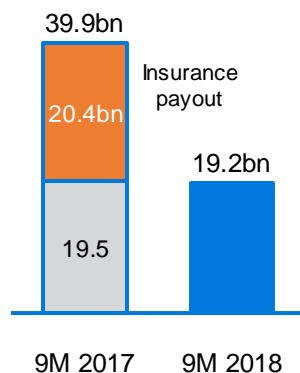
Unipro PJSC 2018 9M results

13 November 2018

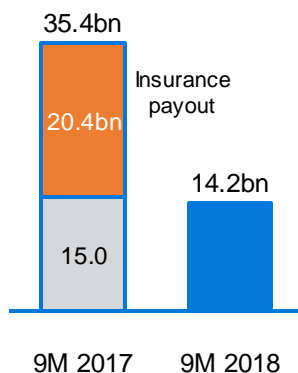


Earnings excluding one-offs on a stable level

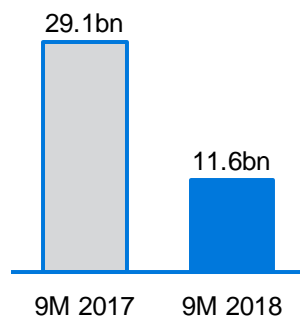
EBITDA^{1,2}



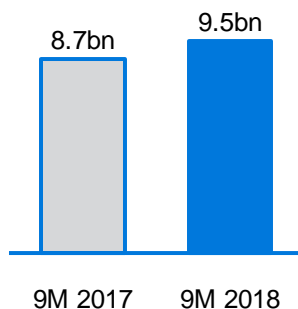
EBIT^{1,2}



Underlying net income^{1,2}



Capex³



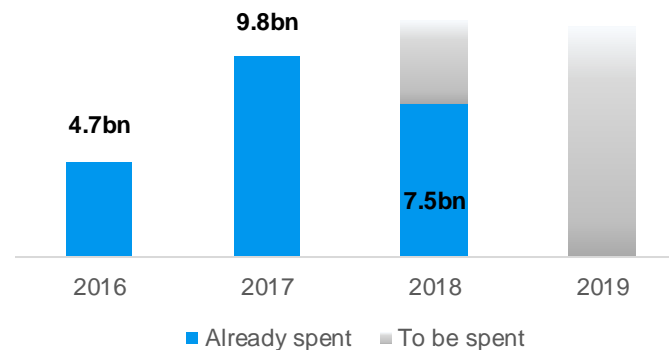
Highlights

- Sharp decrease in earnings year on year due to insurance compensation received in 2017
- Capacity earnings increased both for CSA and KOM units
- Electricity gross margin decreased due to lower generation volume and negative price effects
- Non-fuel cost base stable with reduced Opex for Berezovskaya repair works
- Increasing capex along with advanced stage of Berezovskaya-3 project

Berezovskaya unit 3 project update



Capex (to be) spent on project, in RUB ¹



Project progress:

- Roof and walls of boiler building restored
- Assembling of key elements on full speed, damaged boiler columns already replaced
- Installation of cable system and pipes ongoing
- Detailed testing procedures in H1'2019
- Extensive fire-coating requirement may cause delay of COD to Q4'2019

Financials:

- Project budget:¹
 - ~22bn RUB capex spent so far
 - ~14bn RUB capex to be spent
- ~90% of capex budget contracted

Mixed picture of power prices and demand

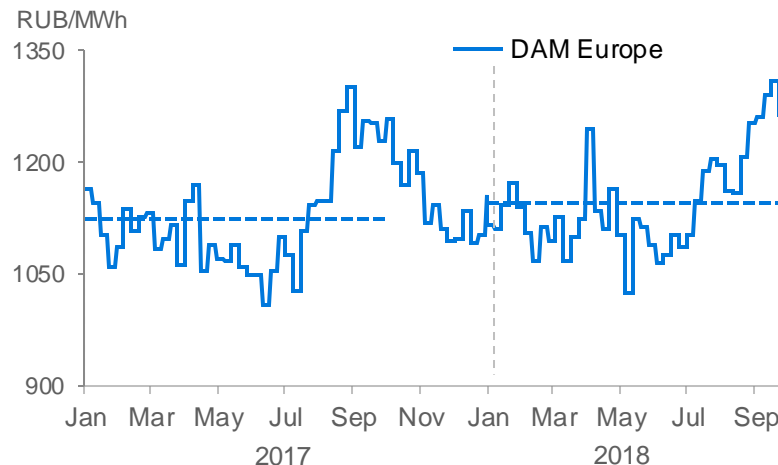
European Zone

- Day ahead market price +1.9% (Q3 +2.4%)
- Gas tariff indexations: by 3.9% from July 2017, and further by 3.4% from August 2018
- Electricity demand +1.2% in Europe, however -1.0% in Tyumen region
- Grid congestions reinforcing local oversupply

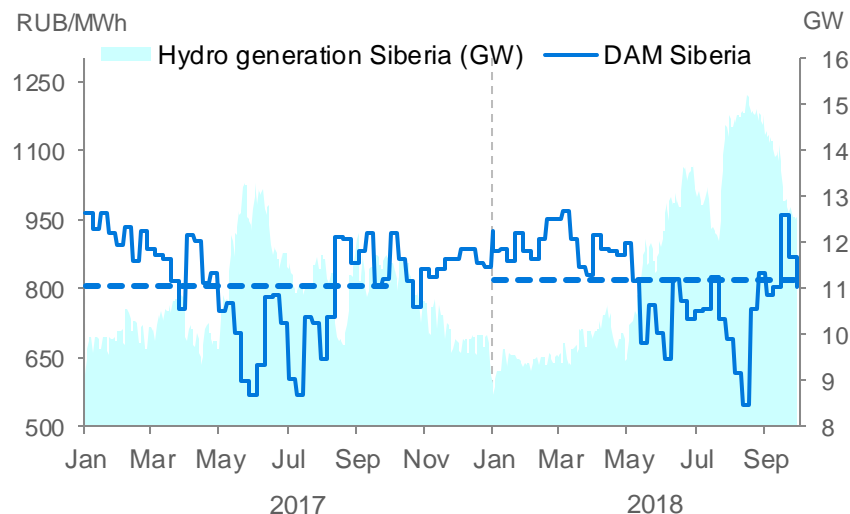
Siberian Zone

- Day ahead market price +1.5% (Q3 -1.7%)
- Demand increase by +2.3% (Q3 +0.7%) driven mostly by lower temperatures
- Increase of oversupply due to high water levels (hydro baseload +2.5 GW in Q3'18 vs Q3'17)
- Grid limitations reinforcing local oversupply

Europe: DAM price vs hydro generation

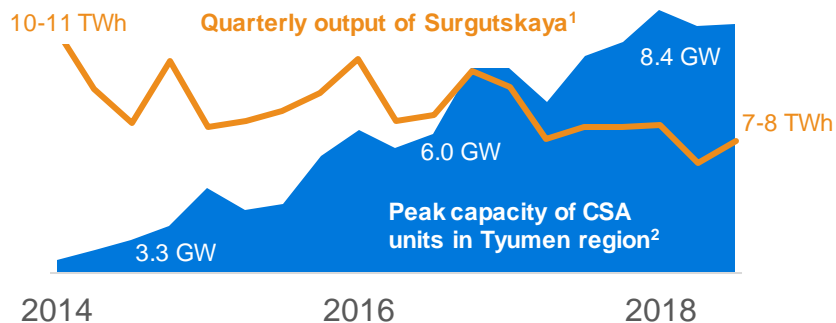


Siberia: DAM price vs hydro generation

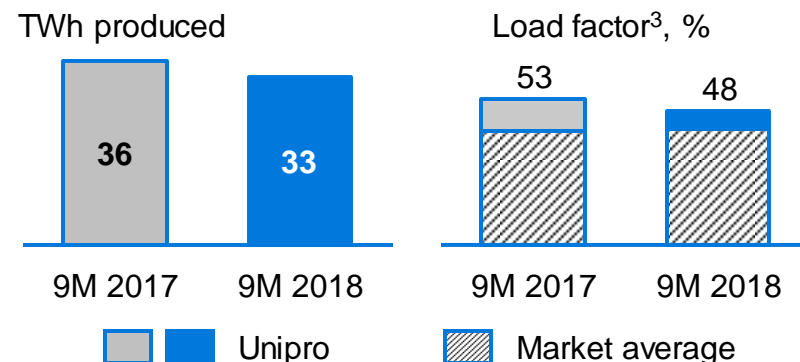


Pressure on generation volumes especially in regions relevant for Unipro

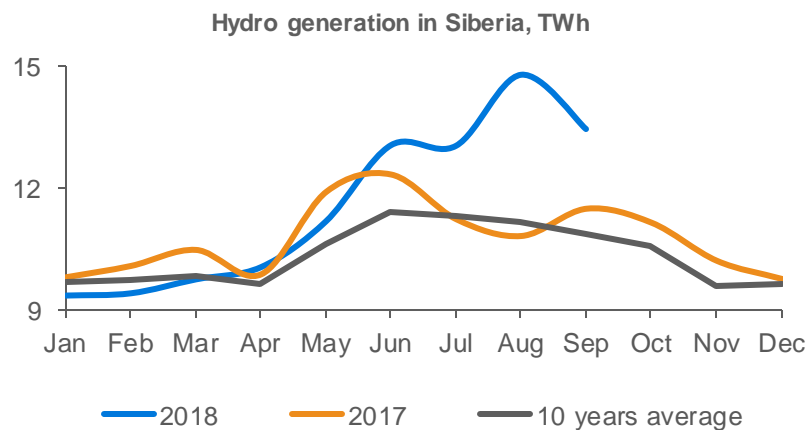
Factor for Surgutskaya: new CSA capacities



Electric power generation



Factor for Berezovskaya: hydro generation



Background

- Continuing pressure on generation volumes of Surgutskaya-2 and Berezovskaya mostly triggered by overcapacities in Tyumen region and grid limitations
- Surgutskaya-2 also affected by overhaul of CCGT unit 7
- Load factor³ remains above market level

1. Gross TWh generated per quarter by Surgutskaya-2 power plant (with gross capacity of 5.7 GW)
 2. Available peak capacity not considering units in repair mode
 3. Load factor excludes Berezovskaya unit 3

Modernization framework approved

Modernization: proposed regulation

- Modernization auction for 11 GW will take place soon, further 28 GW to be tendered in next 7 years
- 14% return based on the bond yield of 8.5%¹

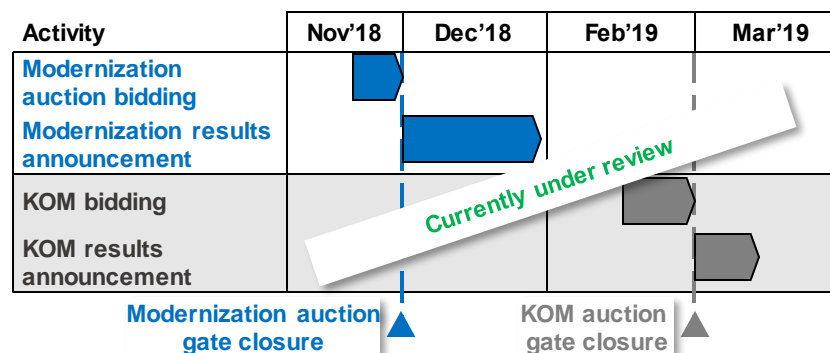
Increasing attractiveness of KOM scheme

- KOM auction for the years 2022-24 postponed to March 2019
- Expectation of rising KOM prices due to significant increase of price parameters: 6% in 2022, 13% in 2023, 20% in 2024 + inflation

Potential participation...

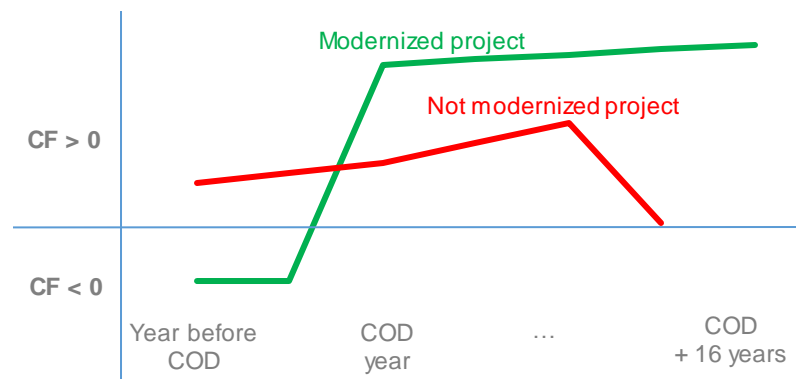
- ...only in case of positive business case
- Internal decision process close to finalization
- Flexibility to spread program participation across several years from 2018 onwards
- Business case includes comparison to “business as usual” earnings under KOM tariff

Auction for modernization and KOM: updated timeline



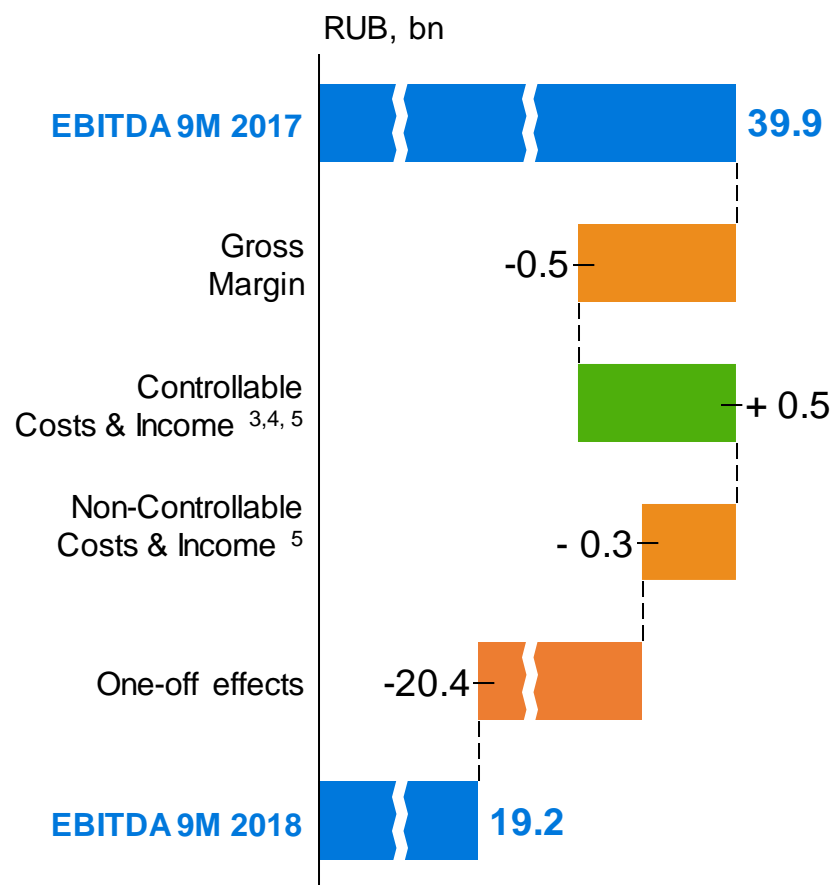
Business case: modernization vs. business as usual

(illustrative)



Cost savings and mixed picture regarding gross margin

EBITDA¹ drivers 9M 2018 vs. 9M 2017



Gross margin²: -1.8% to RUB 28.0bn

- Increased capacity payments due to CSA uplift for Surgutskaya-2
- Negative effects from lower generation volumes continued in Q3

Cost base^{3,4}

- Opex decrease at Berezovskaya 3
- Property tax increase due to expiry of tax exemption
- Negative FX effects

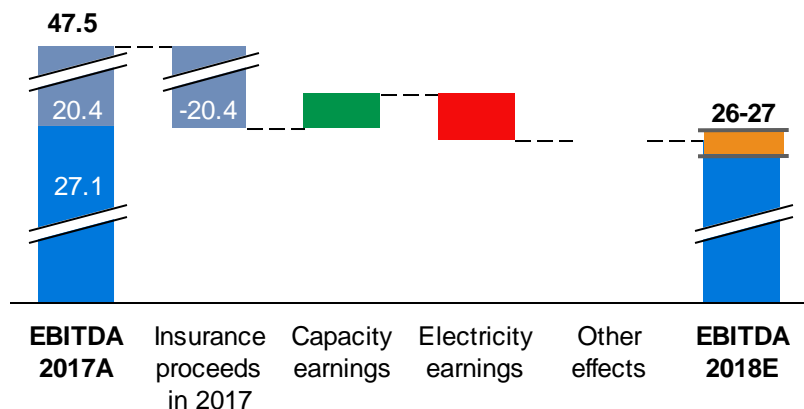
One-off effect:

- Insurance proceeds: RUB 20.4bn in Q2'17

Outlook for EBITDA and dividends

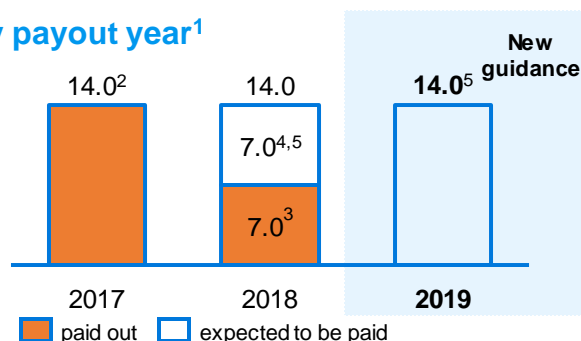
EBITDA – main drivers 2018 vs 2017

RUB, bn



Dividends by payout year¹

RUB, bn



EBITDA outlook 2018

- Positive effects from capacity earnings (both KOM and CSA)
- Continuous pressure on electricity earnings due to overcapacities
- DAM prices continue to show volatility
- **EBITDA 2018 expectation narrowed to RUB 26-27bn**

Dividends

- RUB 7bn paid in Jul'18 out of 2017 income³
- RUB 7bn expected to be paid in Dec'18 as interim dividends for 9M 2018^{4,5}
- **RUB 14bn expected to be paid in 2019⁵**

Appendix

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Financials

Key P&L items, in RUBbn

RUBbn	9M 2017	9M 2018
Sales¹	55.1	54.4
Fuel costs	-24.7	-24.3
Other costs of sale	-1.9	-2.1
Gross Margin	28.5	28.0
Controllable costs	11.7	-8.1
<i>excluding one-off effects²</i>	-8.5	-8.1
Non-controllable costs	-1.2	-1.1
<i>excluding one-off effects²</i>	-0.8	-1.1
Other operating income ³	1.0	0.4
<i>excluding one-off effects²</i>	0.4	0.4
EBITDA	39.9	19.2
EBIT	35.4	14.2
Underlying net income	29.1	11.6

Operating KPIs

Operating KPIs per power plant

	Gross MW installed ¹	CSA MW installed ¹	Load Factor	Load Factor	TWh produced ²	TWh produced ²
	9M 2018	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018
Surgutskaya-2	5 657	797	65%	59%	24.2	21.7
Berezovskaya ³	2 400	800	29%	22%	4.6	3.4
Shaturskaya	1 493	393	27%	34%	2.6	3.3
Smolenskaya	630	0	27%	25%	1.1	1.0
Yaivinskaya	1 048	448	48%	49%	3.2	3.4
Unipro total	11 229	2 439	49%	45%	35.8	32.8

Earnings streams

Earnings streams per component¹

	Electricity sales in TWh ²	Capacity sales in GW ³	Average price or tariff	Average price or tariff
	9M 2018	9M 2018	9M 2017	9M 2018
Electricity, DAM Zone 1	22.6	-	979 RUB/MWh	986 RUB/MWh
Electricity, DAM Zone 2	3.0	-	838 RUB/MWh	858 RUB/MWh
Electricity, regulated	8.4	-	719 RUB/MWh	727 RUB/MWh
Capacity, KOM Zone 1	-	4.8	115 kRUB/MW/month	116 kRUB/MW/month
Capacity, KOM Zone 2	-	1.1	181 kRUB/MW/month	190 kRUB/MW/month
Capacity, CSA Zone 1	-	1.5	924 kRUB/MW/month	1 037 kRUB/MW/month
Capacity, regulated	-	2.4	115 kRUB/MW/month	122 kRUB/MW/month

Reporting calendar & contacts

Reporting calendar

Date	Event
March 12, 2019	Publication of IFRS financial statements of Unipro Group for 2018
March 19, 2019	Publication of RAS financial statements of Unipro PJSC for 2018
April 26, 2019	Publication of RAS financial statements of Unipro PJSC for 3 months of 2019
May 7, 2019	Publication of IFRS financial results of Unipro Group for 3 months of 2019
July 26, 2019	Publication of RAS financial statements of Unipro PJSC for 6 months of 2019
August 8, 2019	Publication of IFRS financial information of Unipro Group for 6 months of 2019
October 25, 2019	Publication of RAS financial statements of Unipro PJSC for 9 months of 2019
November 12, 2019	Publication of IFRS financial results of Unipro Group for 9 months of 2019

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