



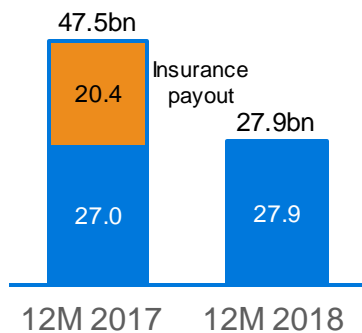
# Unipro PJSC 2018 Full year results

12 March 2019

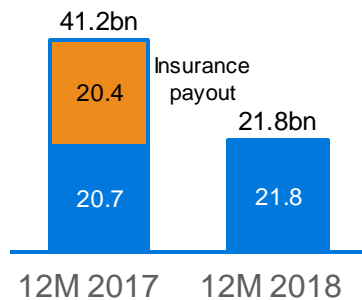


# Improvement of underlying earnings thanks to strong 4<sup>th</sup> quarter

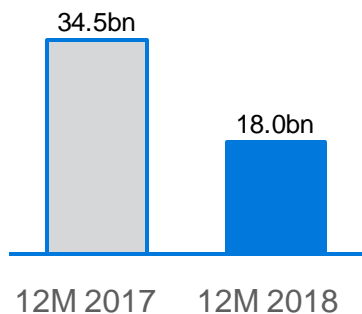
EBITDA<sup>1,2</sup>



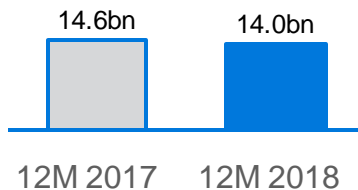
EBIT<sup>1,2</sup>



Underlying net income<sup>1,2</sup>



Capex<sup>3</sup>



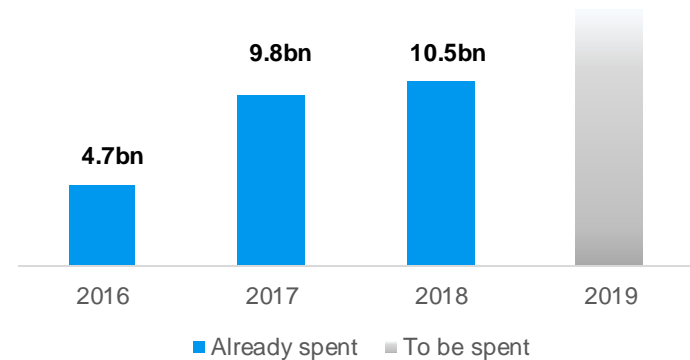
## Highlights

- EBITDA excluding one-off effect from insurance payout +2.9% vs. 2017
- Q4 results above expectations: +14% vs. Q4'2017
- Stable gross margin with higher capacity earnings and lower electricity earnings year on year
- Capex remain on high level due to ongoing repair works at Berezovskaya
- Engagement in new business areas: industrial customer solutions and energy services

# Berezovskaya unit 3 project update



Capex (to be) spent on project, in RUB <sup>1</sup>



## Project progress:

- Recent milestone: boiler convection pass units and secondary superheater were installed
- Next steps: installation of boiler heating surface and completion of pipe systems
- Challenges: extensive fire coating requirement, project complexity with several parallel processes on different heights affecting critical path
- **COD expected in Q4 2019**

## Financials:

- Project budget:<sup>1</sup> **25bn RUB capex spent so far, 15bn RUB capex to be spent**
- Budget considers capex increase due to extensive fire-coating requirements, limited availability of resources, mitigation of delay risks via increased costs

# Favorable regulatory and market development

## Market Prices

### European Zone

- Day ahead market price +3.4% (Q4 +7.6%)
- Gas tariff indexation: +3.4% from August 2018
- Electricity demand +1.3% in Europe, however -2.0% in Tyumen region

### Siberian Zone

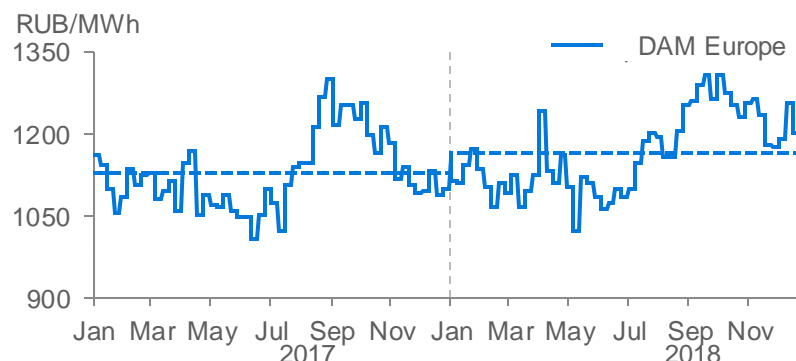
- Day ahead market price +3.0% (Q4 +7.0%)
- Demand increase by +2.1%
- Very high hydro generation in summer months

## Regulation

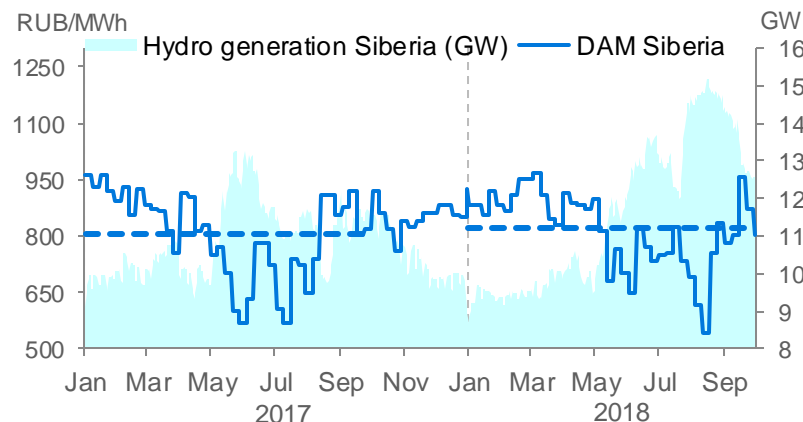
### Legislation for modernization and KOM extension signed off

- First modernization auction for COD in 2022-24
  - bid submission by 2<sup>nd</sup> April
  - preliminary results publication by end of April
  - Unipro is ready to participate
- New KOM in 2022-24
  - auction expected in summer 2019

## Europe: DAM price

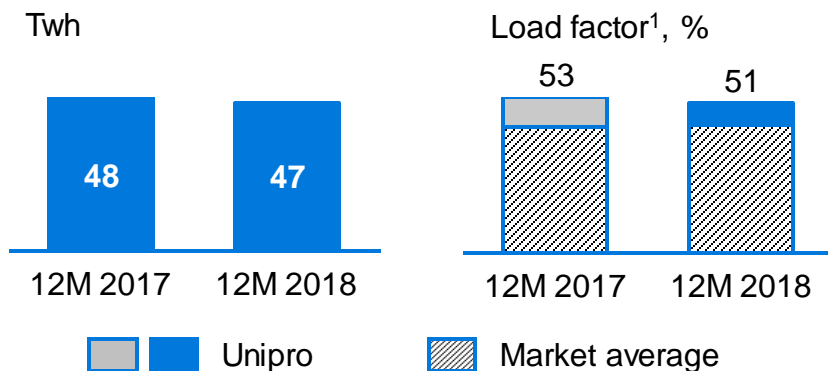


## Siberia: DAM price vs hydro generation

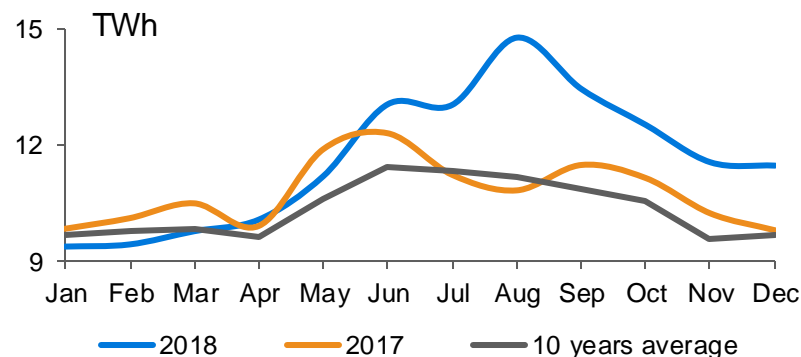


# High generation volumes in last months of the year

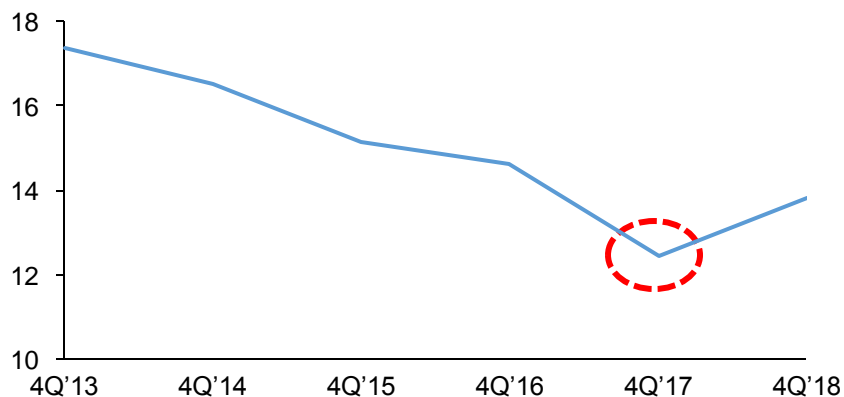
## Electric power generation



## Hydro generation in Siberia



## Generation in 4<sup>th</sup> quarter, TWh

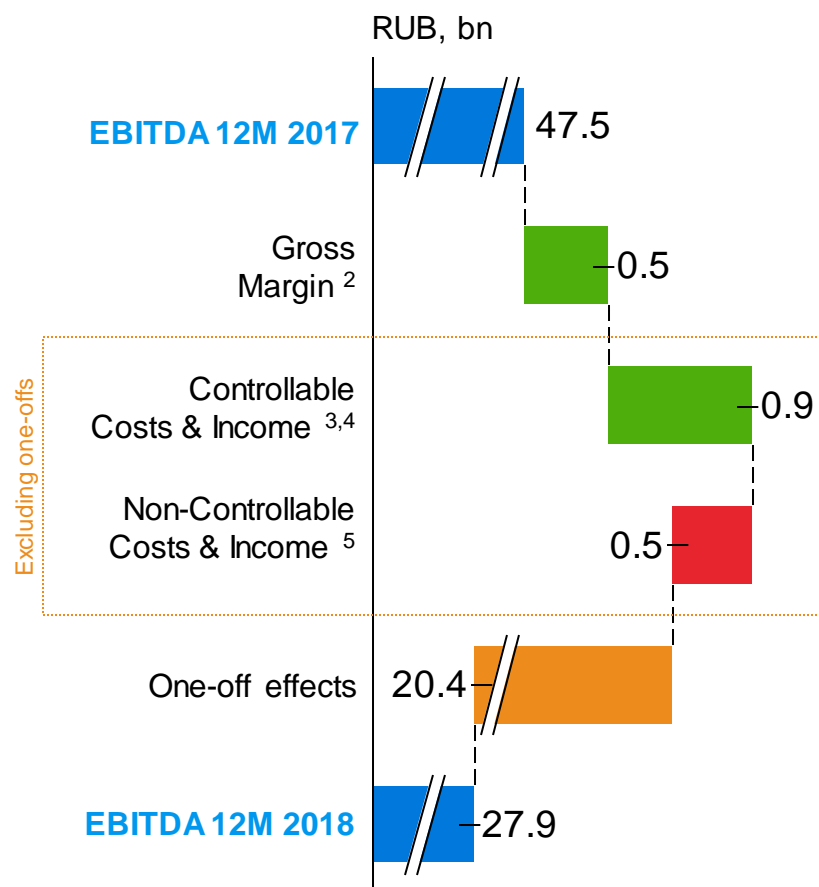


## Background

- Load factor<sup>1</sup> remains above market level but is still under pressure due to oversupply effects
- Generation volumes decreased year on year, however Q4 stand alone +11% year on year
- Surgutskaya affected by overhaul of CCGT unit 7

# Stable underlying earnings with increased margin thanks to strong 4<sup>th</sup> quarter

EBITDA drivers<sup>1</sup> 12M 2018 ► 12M 2017



## Highlights

Gross margin<sup>2</sup> +1.3% to RUB 39.8bn

- Increased capacity payments due to CSA uplift for Surgutskaya-2
- Negative effects from lower generation volumes in the first nine months partly compensated by strong 4th quarter

Cost base<sup>3,4</sup>

- Opex decrease at Berezovskaya 3
- Property tax increase due to expiry of tax exemption
- Efficient cost management

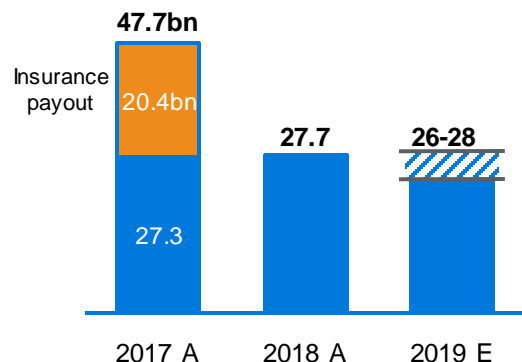
Large one-off effects:

- Insurance proceeds: RUB 20.4bn in 2017

# New dividend policy approved

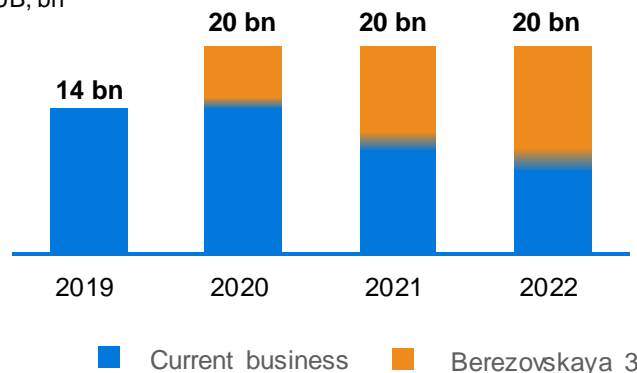
## EBITDA development

RUB, bn



## Expected dividends<sup>1</sup>

RUB, bn



## EBITDA outlook 2019

- Capacity earnings stable: upsides for KOM, downsides for CSA
- Electricity earnings: continuous volatility of DAM prices
- Berezovskaya 3: no significant contribution expected in 2019
- Recent positive development of gross margin considered in outlook
- **EBITDA 2019 expected in range of RUB 26-28bn**

## Dividend policy

- **Dividend commitment until 2022**
- Details:
  - Considered: operational risks
  - Recommissioning of Berezovskaya 3 will impact dividend in 2020
- Update of policy every two years
- Payments twice per year

# Appendix

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# Financials

## Key P&L items, in RUBbn

RUBbn	12M 2017	12M 2018
<b>Sales<sup>1</sup></b>	<b>75.4</b>	<b>77.2</b>
Fuel costs	-33.6	-34.5
Other costs of sale	-2.5	-2.8
<b>Gross Margin</b>	<b>39.3</b>	<b>39.8</b>
Controllable costs	8.7	-10.9
<i>excluding one-offs<sup>2</sup></i>	-11.8	-10.9
Non-controllable costs	-1.6	-1.6
<i>excluding one-offs</i>	-1.6	-1.6
Other operating income <sup>3</sup>	1.1	0.6
<b>EBITDA</b>	<b>47.5</b>	<b>27.9</b>
<b>EBIT</b>	<b>41.2</b>	<b>21.8</b>
<b>Underlying net income</b>	<b>34.5</b>	<b>18.0</b>

# Operating KPIs

## Operating KPIs per power plant

	Gross MW installed <sup>1</sup>	CSA MW installed <sup>1</sup>	Load Factor	Load Factor	TWh produced <sup>2</sup>	TWh produced <sup>2</sup>
	12M 2018	12M 2018	12M 2017	12M 2018	12M 2017	12M 2018
Surgutskaya-2	5 657	797	64%	61%	32.0	30.4
Berezovskaya <sup>3</sup>	2 400	800	31%	26%	6.5	5.5
Shaturskaya	1 493	393	29%	36%	3.8	4.7
Smolenskaya	630	0	27%	27%	1.5	1.5
Yaivinskaya	1 048	448	50%	50%	4.5	4.5
<b>Unipro total</b>	<b>11 229</b>	<b>2 439</b>	<b>49%</b>	<b>47%</b>	<b>48.2</b>	<b>46.6</b>

# Earnings streams

## Earnings streams per component<sup>1</sup>

	Electricity sales in TWh <sup>2</sup>	Capacity sales in GW <sup>3</sup>	Average price or tariff	Average price or tariff
	12M 2018	12M 2018	12M 2017	12M 2018
Electricity, DAM Zone 1	32.3	-	961 RUB/MWh	1000 RUB/MWh
Electricity, DAM Zone 2	4.8	-	830 RUB/MWh	880 RUB/MWh
Electricity, regulated	11.3	-	719 RUB/MWh	730 RUB/MWh
Capacity, KOM Zone 1	-	4.8	118 kRUB/MW/month	120 kRUB/MW/month
Capacity, KOM Zone 2	-	1.1	188 kRUB/MW/month	197 kRUB/MW/month
Capacity, CSA Zone 1	-	1.5	982 kRUB/MW/month	1 065 kRUB/MW/month
Capacity, regulated	-	2.5	116 kRUB/MW/month	123 kRUB/MW/month

# Reporting calendar & contacts

## Reporting calendar

Date	Event
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

## Contacts

Dmitri Ermilichev

Email: [Ermilichev\\_D@unipro.energy](mailto:Ermilichev_D@unipro.energy)

Phone: +7 (495)545-3838

Mikhail Prokhorov

Email: [Mikhail.Prokhorov@uniper.energy](mailto:Mikhail.Prokhorov@uniper.energy)

Phone: +49 (211)4579-4484

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