

ЮНИ  
ПРО

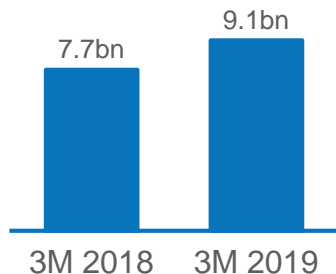
Unipro PJSC  
2019 3M results

May 7, 2019

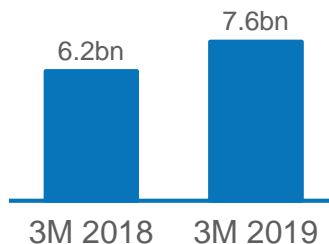
19

# Earnings reflect significant increase of gross margin

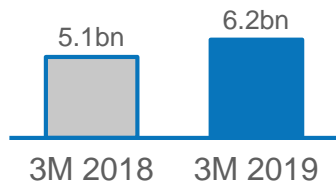
## EBITDA<sup>1,2</sup>



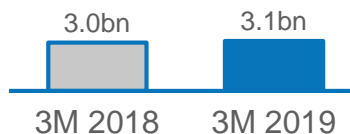
## EBIT<sup>1,2</sup>



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



## Capex<sup>3</sup>



## Highlights

- 18% EBITDA growth, triggered by higher electricity margin at all plants
- Main factors for sales increase were favorable export-import balance, oil production growth in Tyumen that supported a higher load factor
- Costs increase due to one-offs
- **Outlook 2019:** confirmation of guidance given at full year disclosure (EBITDA RUB 26-28bn excluding Berezovskaya unit 3)
- Capex mainly allocated on repair works at Berezovskaya

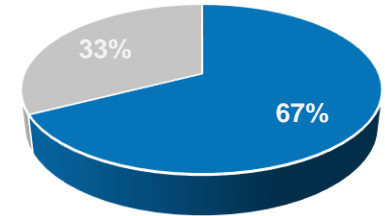
# Berezovskaya unit 3 project on final straight



## Details:

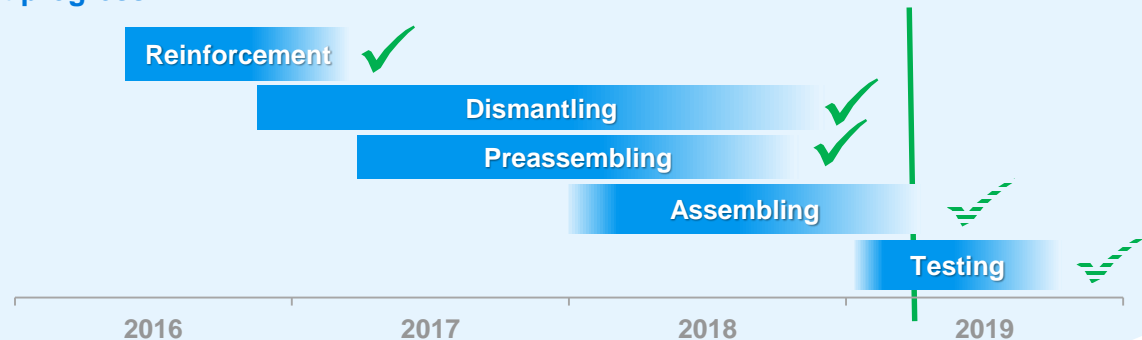
- Project budget<sup>1</sup>: RUB 27bn capex spent, 13bn RUB capex to be spent
- Installation of furnace in design position in progress
- Hydro pressure tests in August 2019
- Steam water oxygen cleaning in October 2019
- Commissioning in December 2019

## Capex (to be) spent on project<sup>1</sup> (%)



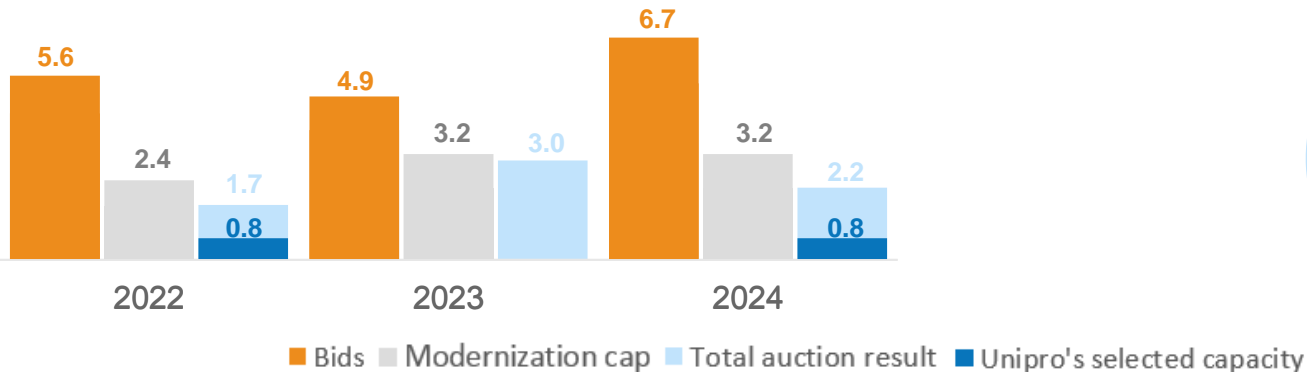
■ Already spent ■ To be spent

## Project progress:

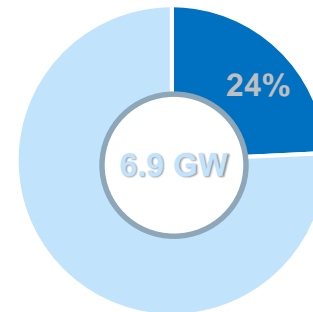


# Favorable preliminary results of modernization auction

## Modernization parameters<sup>1</sup> (GW)



## Auction selected capacity<sup>1</sup> (GW, %)



- Unipro welcomes the preliminary result of the first auction
- CAPEX to be spent for selected units amounts to RUB 6-7bn over 2019-23 years
- Selected units of Unipro:
  - Surgutskaya unit 1 (830 MW) with COD in 2022
  - Surgutskaya unit 6 (830 MW) with COD in 2024
- The 2<sup>nd</sup> wave of the modernization auction is expected to take place in September 2019

# Favourable price dynamics in both pricing zones

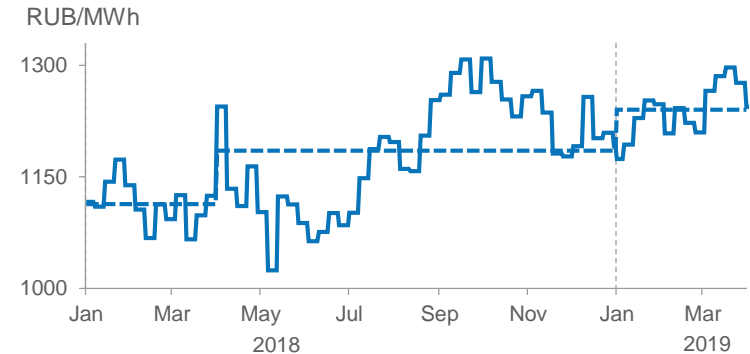
## European Zone

- Day ahead market price +11.4%
- Gas tariff indexation: +3.4% from August 2018
- Electricity demand increase in Tyumen region
- Less grid congestions in Ural

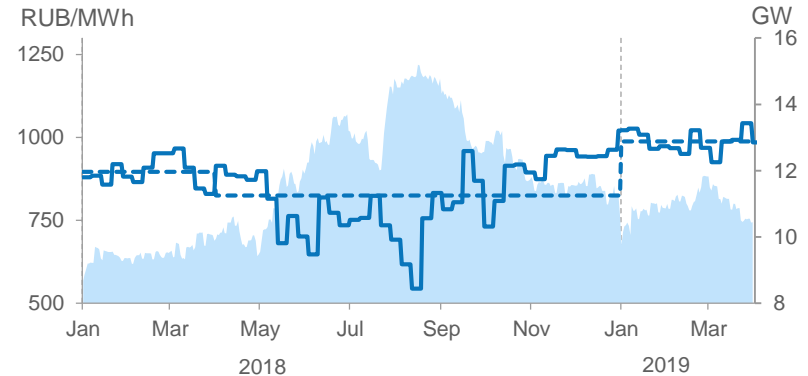
## Siberian Zone

- Day ahead market price +10.2%
- Coal price indexation +4%
- Favorable electricity consumers price strategies
- No electricity import from Kazakhstan
- Hydro generation influence reduction on dynamics of day ahead market prices

## Europe: DAM price

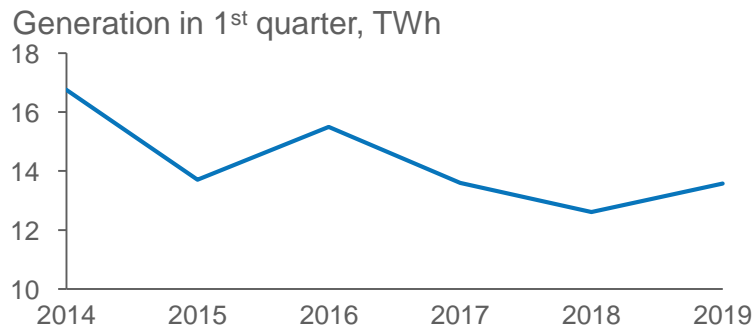
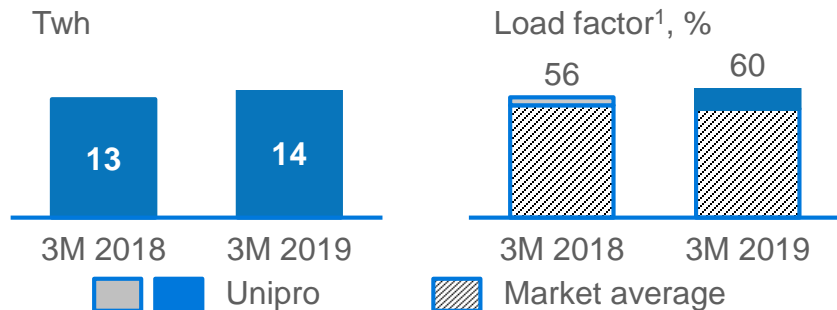


## Siberia: DAM price vs hydro generation



# Trend of Q4 2018 remains on track in Q1 2019

## Electric power generation

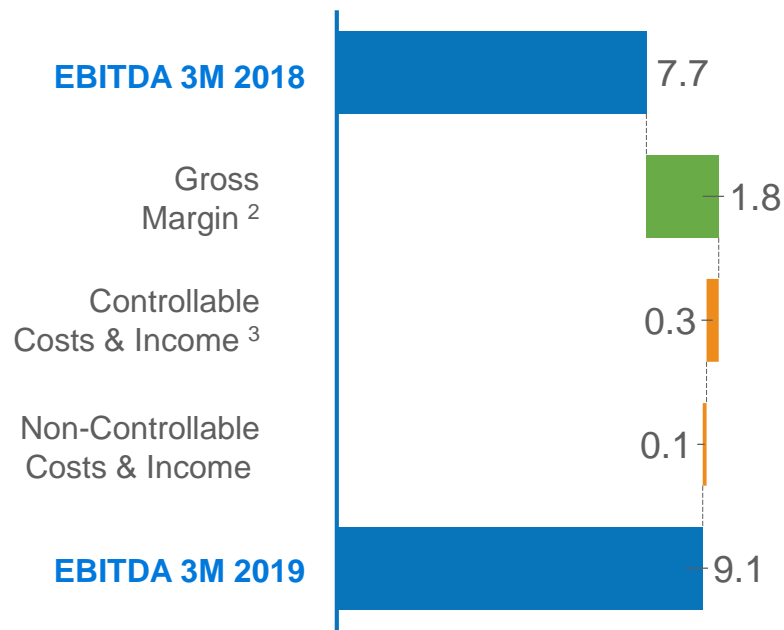


## Background

- Generation volumes increased year on year
- Load factor<sup>1</sup> improving year on year but still under some pressure due to oversupply
- Growth of electricity export to Finland and Baltic countries, no electricity import from Kazakhstan
- Ural generators substitute for electricity import from Kazakhstan
- Growth of consumption in Tyumen due to oil production increase

# Increased growth margin due to significant sales growth

## EBITDA drivers<sup>1</sup> 3M 2019 ► 3M 2018



## Highlights

### Gross margin<sup>2</sup> +18% to RUB 12.4bn

- Favourable operating results
- Growth of electricity sales is the main factor for gross margin increase
- Stable capacity earnings

### Cost base<sup>3</sup>

- Costs increase mainly due to one-offs:
  - Maintenance costs due to CCGT repairs
  - Accruals for bad debt and legal expenses
- Cost expectations for 2019: increase in line with inflation

# Appendix

19



# Financials

## Key P&L items, in RUB bn

	3M 2018	3M 2019
<b>Sales<sup>1</sup></b>	<b>20.2</b>	<b>22.8</b>
Fuel costs	-8.9	-9.6
Other costs of sale	-0.6	-0.8
<b>Gross Margin</b>	<b>10.7</b>	<b>12.4</b>
Controllable costs	-2.5	-2.8
Non-controllable costs	-0.6	-0.7
Other operating income <sup>2</sup>	0.1	0.2
<b>EBITDA</b>	<b>7.7</b>	<b>9.1</b>
<b>EBIT</b>	<b>6.2</b>	<b>7.6</b>
<b>Underlying net income</b>	<b>5.1</b>	<b>6.2</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>
	3M 2019	3M 2019	3M 2018	3M 2019	3M 2018	3M 2019
Surgutskaya-2	5 657	797	64%	70%	7.8	8.6
Berezovskaya <sup>3</sup>	2 400	800	39%	45%	2.0	2.4
Shaturskaya	1 500	400	35%	32%	1.1	1.0
Smolenskaya	630	0	23%	25%	0.3	0.3
Yaivinskaya	1 048	448	59%	55%	1.3	1.2
<b>Unipro total</b>	<b>11 235</b>	<b>2 445</b>	<b>52%</b>	<b>56%</b>	<b>12.6</b>	<b>13.6</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
	3M 2019	3M 2019	3M 2018	3M 2019
Electricity, DAM Zone 1	9.0	-	954 RUB/MWh	1 069 RUB/MWh
Electricity, DAM Zone 2	2.0	-	871 RUB/MWh	993 RUB/MWh
Electricity, regulated	3.0	-	698 RUB/MWh	703 RUB/MWh
Capacity, KOM Zone 1	-	4.6	131 kRUB/MW/month	135 kRUB/MW/month
Capacity, KOM Zone 2	-	1.1	222 kRUB/MW/month	238 kRUB/MW/month
Capacity, CSA Zone 1	-	1.6	1 159 kRUB/MW/month	1 117 kRUB/MW/month
Capacity, regulated	-	2.8	122 kRUB/MW/month	127 kRUB/MW/month

# Reporting calendar & contacts

## Reporting calendar

Date	Event
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

Anna Denisova

Email: [Anna.Denisova@uniper.energy](mailto:Anna.Denisova@uniper.energy)

Phone: +49 (170)148-9740

# Disclaimer

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Unipro Group and other information currently available to Unipro Group. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Unipro Group does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.