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ПРО

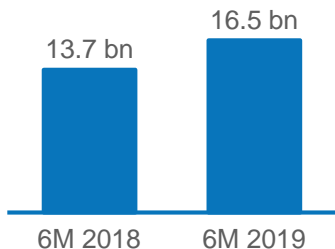
Unipro PJSC
2019 6M results

August 8, 2019

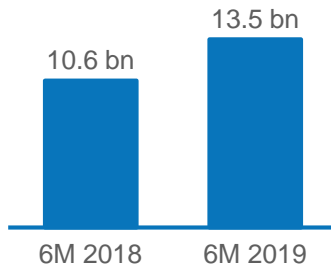
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Higher DAM prices supported earnings growth

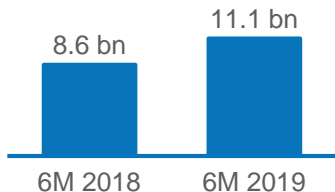
EBITDA^{1,2}



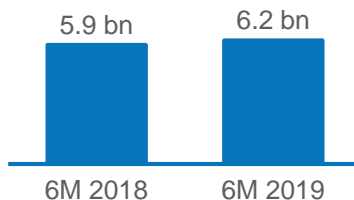
EBIT^{1,2}



Underlying net income^{1,2}



Capex³



Highlights

- Sales increase was supported by higher electricity prices, generation volumes and KOM prices
- Surplus of electricity export to Finland and Baltic countries
- Growth of consumption in Tyumen thanks to the increase of oil production
- **Outlook 2019:** EBITDA guidance stepped up to RUB 28-30bn
- Capex mainly allocated to repair works at Berezovskaya

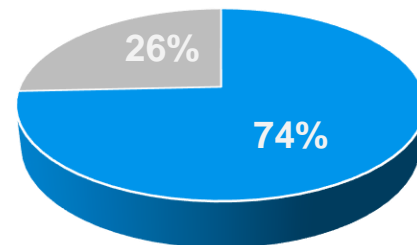
Berezovskaya Unit 3 re-commissioning in Q1 2020



Details:

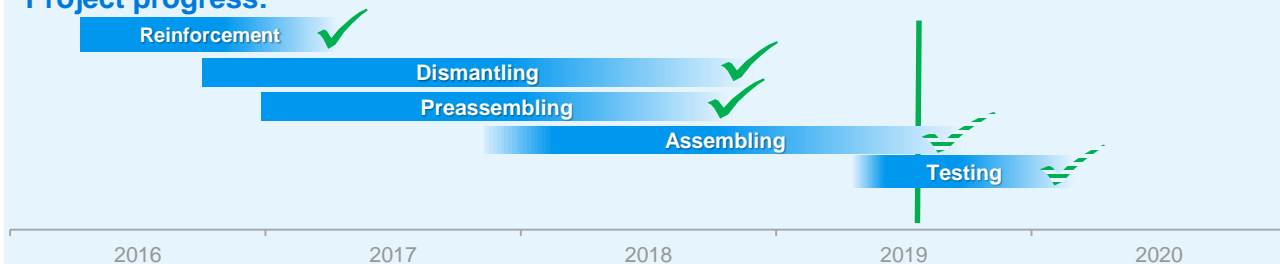
- Project budget¹: **RUB 30bn capex spent, RUB 10bn capex to be spent**
- Re-Commissioning shift into Q1 2020
- Additional headcount mobilization by a contractor gives comfort to reach the new target
- The following works are still to be done: Installation of the boiler furnace into its design position (Aug 2019), Hydro pressure tests (Sep 2019), Steam water oxygen cleaning (Nov 2019), Thermal insulation coating (Dec 2019), Electrical works (Dec 2019)
- Dividend guidance for 2020 remains unchanged: RUB 20bn pay out in two installments

Capex (to be) spent on project¹ (%)



■ Already spent ■ To be spent

Project progress:



Favourable price dynamics in both pricing zones

European Zone

- Day ahead market price +12.4% (Q2 +13.5%)
- Gas tariff indexation: +3.4% from August 2018
- Export-Import Balance increase (No electricity import from Kazakhstan and export is increased to Finland and Baltic countries)
- Less hydro generation in H1 2019

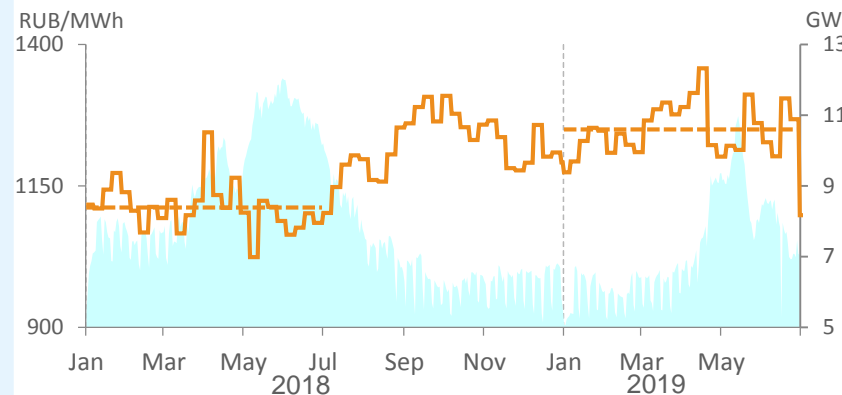
Siberian Zone

- Day ahead market price +17.5% (Q2 +25.5%)
- Coal price increase +4%
- No electricity import from Kazakhstan
- Hydro generation influence reduction on dynamics of day ahead market prices

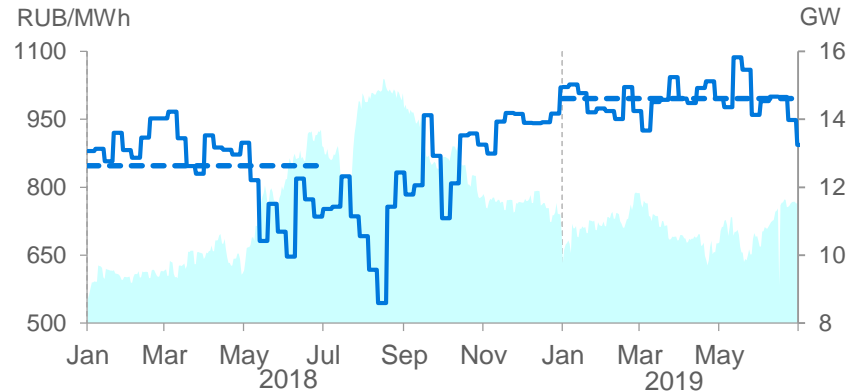
Capacity market (modernization and KOM)

- Unipro considers participation in modernization auction in September 2019
- Company prepares for upcoming KOM auctions in August and in November 2019 and expects favorable price increases

Europe: DAM price vs hydro generation

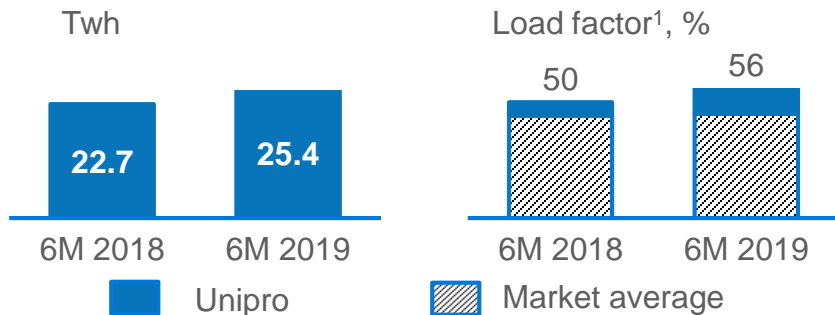


Siberia: DAM price vs hydro generation

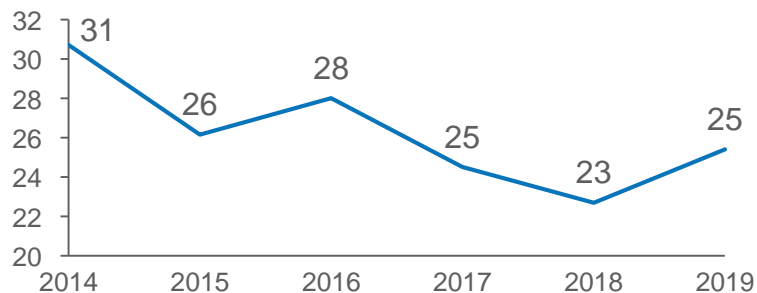


Generation volumes recovery

Electric power generation



Generation in H1 2019, TWh



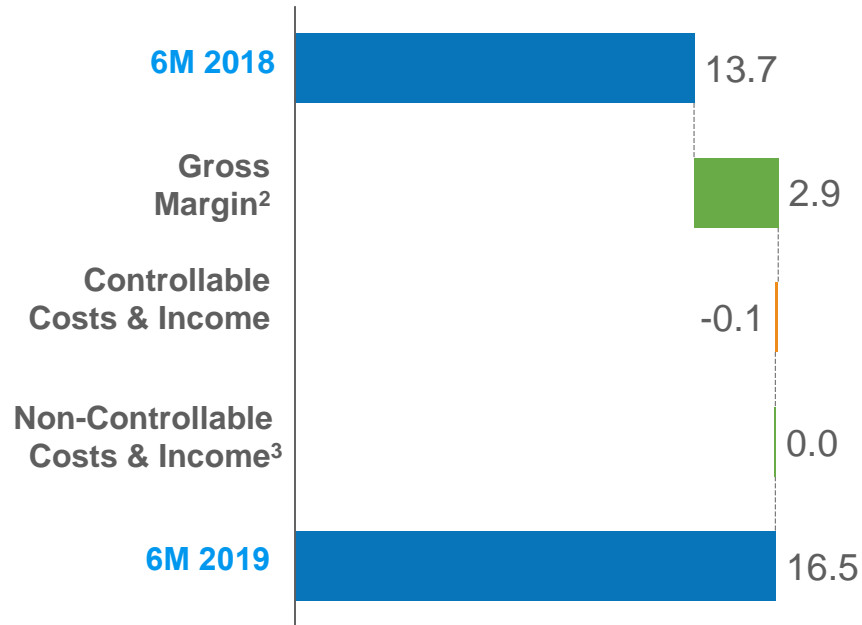
Background

- Load factor¹ improving year on year, but still under some pressure due to oversupply
- Generation volumes recovered after a prolonged period of downward trends
- Growth of electricity export to Finland and Baltic countries, no electricity import from Kazakhstan
- Growth of consumption in Tyumen due to oil production increase
- Less grid congestions in Ural and Central Siberia allowed higher load factor of Unipro's efficient units

Increased margin thanks to favorable market conditions

EBITDA¹ 6M 2019 ► 6M 2018

bn RUB



Highlights

Gross margin² +15% to RUB 22.6bn

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

Cost base

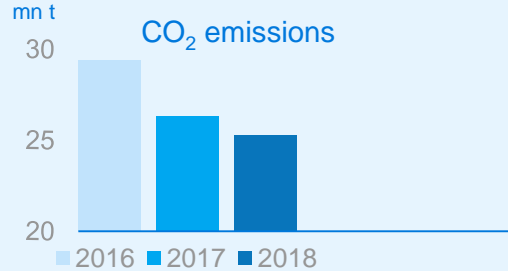
- Costs increase mainly due to the following one-offs:
 - Maintenance costs due to CCGT repairs
 - Accruals for bad debt
 - Legal expenses

Outlook 2019: EBITDA guidance stepped up to RUB 28-30bn

ESG¹ - Our way going forward

Environment

Use of effective technologies and solutions to reduce consumption of natural resources



- Further reducing Unipro's carbon emissions mainly because of lower electric generation by steam-power units and a higher share of combined-cycle gas turbine plants in power generation
- In 2018 Unipro successfully confirmed that it meets all requirements of the ISO 14001:2015 international standard
- New draft legislation has being discussed "On state regulation of emissions and the absorption of greenhouse gases"

Social & Health

Providing a safe work environment and ensuring equal opportunities

- Unipro achieved its strategic target in 2018 — zero fatalities at its facilities and a TRIF of 0.63 (the threshold rate is <1.9)²
- The Company ensures equal rights for men and women in terms of employment, promotion and social benefits. Program to attract new talents from respected Universities (15 specialists have been hired in 2018)
- Unipro continues to support local social initiatives on education, culture and community development in towns in which it operates

Governance

State of the art governance structure and compliance principles

- Fair remuneration system, development of a succession, promotion of the corporate culture and social partnerships
- Female managers account for around 40%

Appendix

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Financials

Key P&L items, in RUB bn

	6M 2018	6M 2019
Sales¹	37.3	42.4
Fuel costs	-16.3	-18.3
Other costs of sale	-1.4	-1.5
Gross Margin	19.7	22.6
Controllable costs	-5.5	-5.6
Non-controllable costs	-0.8	-0.8
Other operating income ²	0.3	0.3
EBITDA	13.7	16.5
EBIT	10.6	13.5
Underlying net income	8.6	11.1

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
	Total	CSA	6M 2018	6M 2019	6M 2018	6M 2019
Surgutskaya-2	5 657	797	59%	65%	14.4	15.9
Berezovskaya ³	2 400	800	29%	39%	3.0	4.1
Shaturskaya	1 500	400	34%	34%	2.2	2.2
Smolenskaya	630	0	24%	28%	0.7	0.8
Yaivinskaya	1 048	448	53%	53%	2.4	2.4
Unipro total	11 235	2 445	47%	52%	22.7	25.4

Earnings streams

Earnings streams per component¹

	Electricity sales in TWh ²	Capacity sales in GW ³	Average price or tariff	Average price or tariff
	6M 2018	6M 2019	6M 2018	6M 2019
Electricity, DAM Zone 1	17.0	-	979 RUB/MWh	1 083 RUB/MWh
Electricity, DAM Zone 2	3.6	-	852 RUB/MWh	1 016 RUB/MWh
Electricity, regulated	5.6	-	710 RUB/MWh	716 RUB/MWh
Capacity, KOM Zone 1	-	4.5	120 kRUB/MW/month	124 kRUB/MW/month
Capacity, KOM Zone 2	-	1.2	199 kRUB/MW/month	216 kRUB/MW/month
Capacity, CSA Zone 1	-	1.6	1068 kRUB/MW/month	1 026 kRUB/MW/month
Capacity, regulated	-	2.6	121 kRUB/MW/month	126 kRUB/MW/month

Reporting calendar & contacts

Reporting calendar

Date	Event
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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