



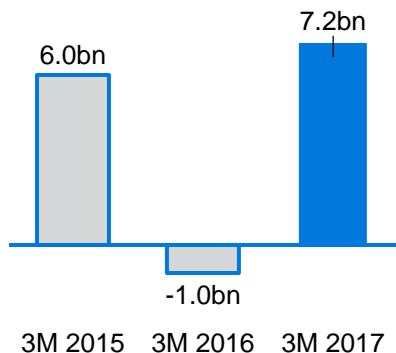
Unipro PJSC 2017 Q1 results

10 May 2017

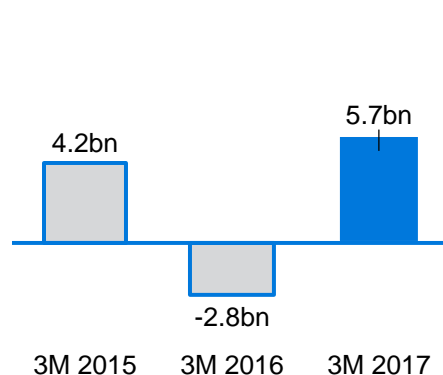


Q1 results – earnings recovery supported by increase of payments for new capacities (CSA)

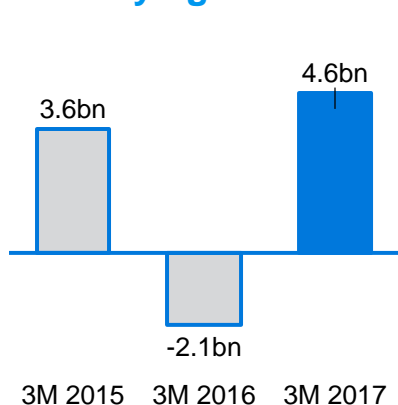
EBITDA^{1,2}



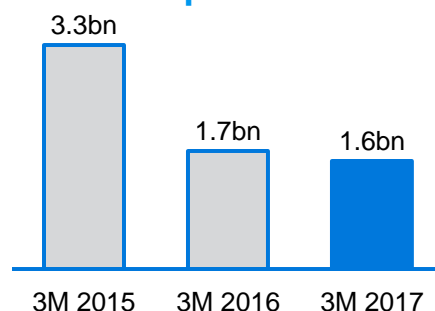
EBIT^{1,2}



Underlying net income^{1,2}



Capex³



Highlights

- Earnings increase mostly due to omission of last year's one-off effect: Q1 2016 results included RUB 9bn¹ reduction of carrying amount of Berezovskaya 3
- Profitability of underlying business improving over the last two years
- Main contribution in 2017 comes from increased CSA prices
- Higher fuel efficiency leads to less fuel costs

Berezovskaya 3 – start of dismantling imminent

Progress update

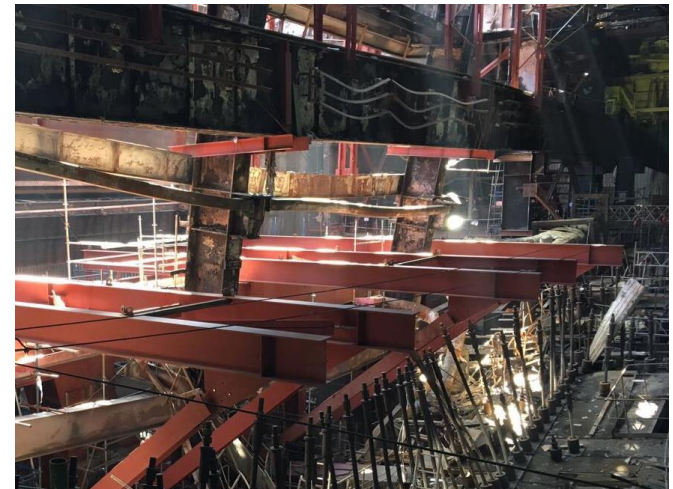
- Completion of reinforcement is close to finalization
- Hard disc of boiler is stabilized, monitoring system to supervise the boiler positioning is implemented
- Materials are being delivered on schedule, preassembling has started
- Project team is working on mitigation plans for risk and contingency

Project steering

- Implementation of best practice in project steering to ensure transparency and acceleration
- Employment of best available experts and resources

Insurance

- Investigation into root cause almost finalized
- Claim to be closed with compensation at cap level
- Remaining proceeds of ~RUB20bn confirmed for May



Positive regulatory impacts with mixed picture regarding power prices

European Zone

- Day ahead market price +2.7%
- Demand increase by +3.7% mostly due to low temperatures in February

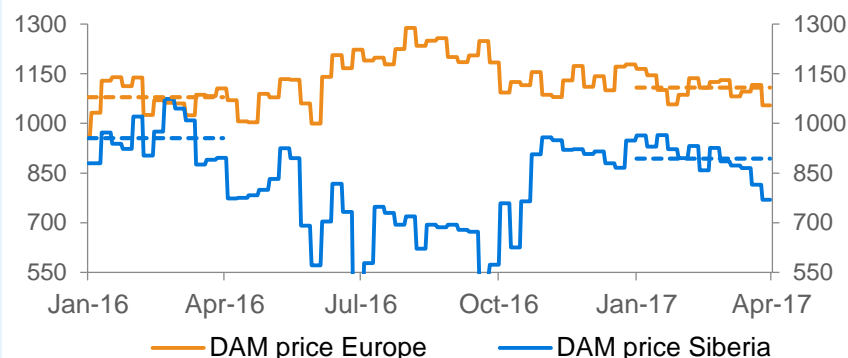
Siberian zone

- Day ahead market price -6.5%
- Change of large consumers' behavior from price taking to price bids outside of DAM drives down the resulting market prices

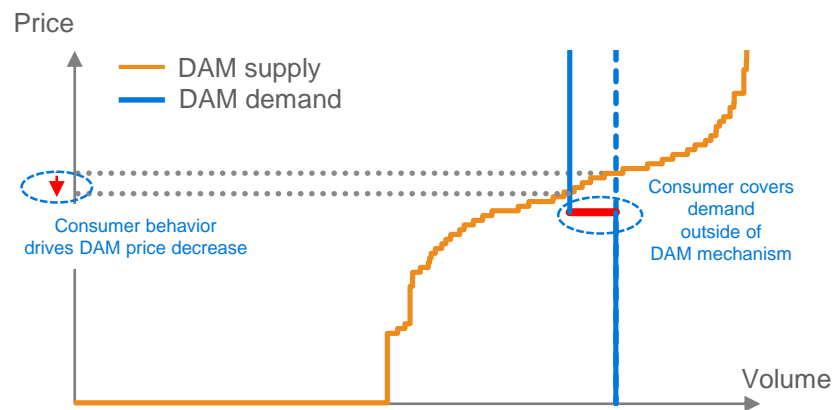
Regulation

- Positive effects on CSA tariffs due to acceleration of capacity payments (for the plants coming into the 7th year of operation) and also due to the increase of C_{DAM}^1 coefficient
- Ministry of energy plans to take a decision on mechanism for attracting investments for modernization in the near future

DAM price (weekly average, RUB/MWh)

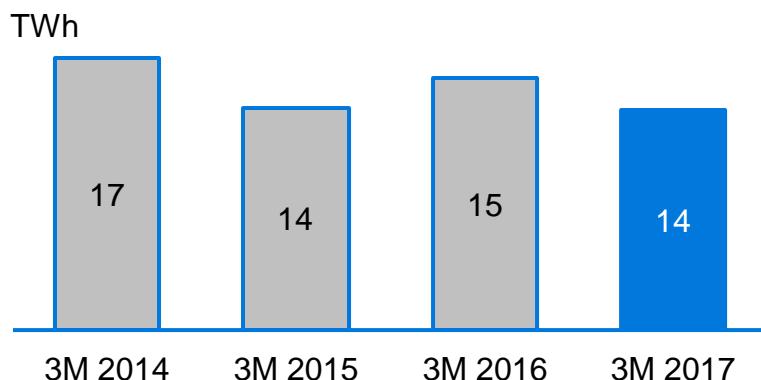


Siberia: consumer-driven shift of DAM price

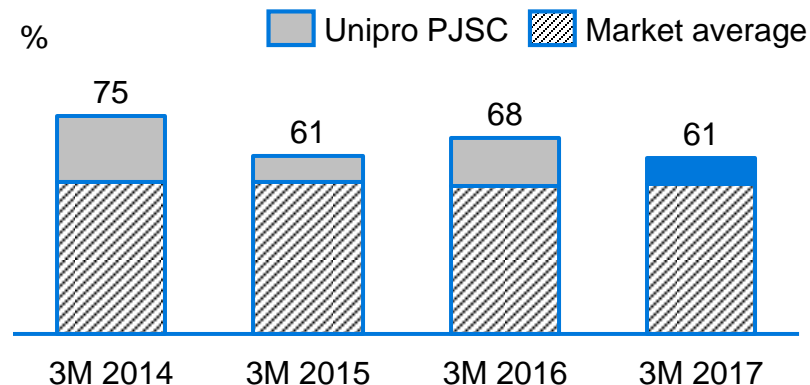


Power generation slightly below last year

Electric power generation

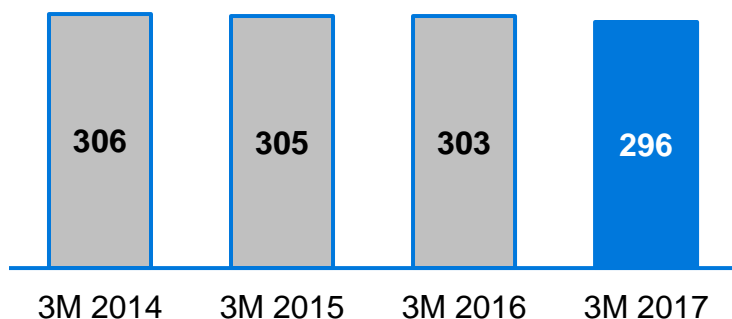


Load factor¹



Efficiency

Gfe/kWh – Fuel equivalent grams per 1 kWh

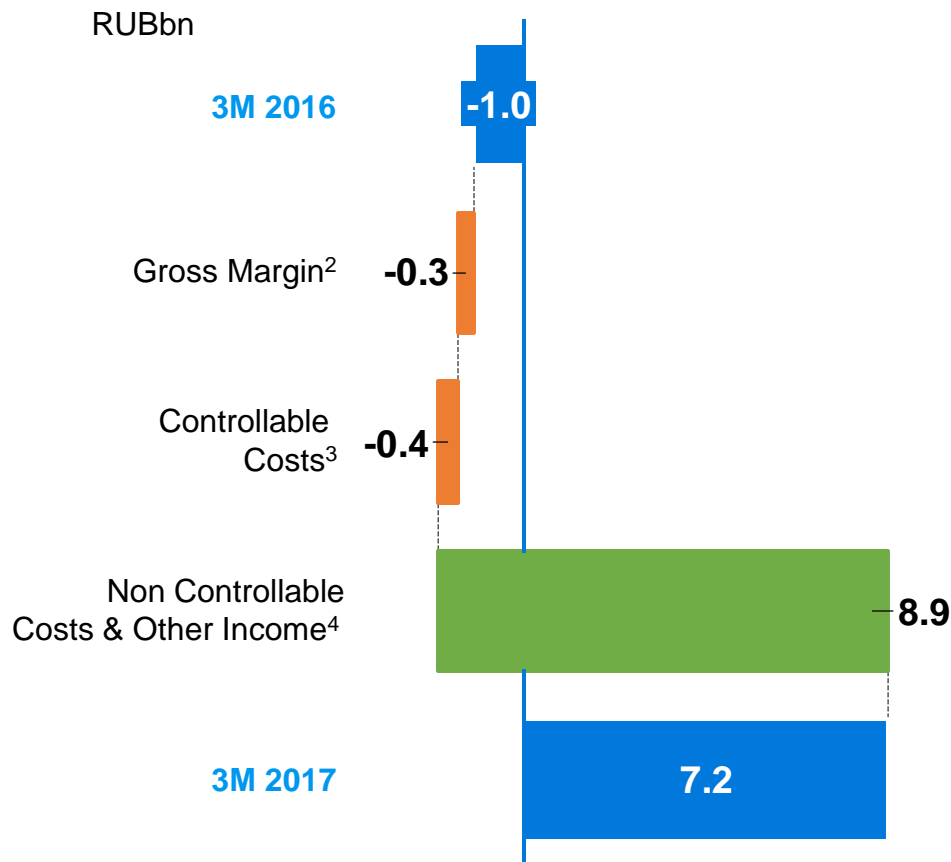


Background

- Power generation and load factor¹ declined year on year but staid in line with 2015 levels
- Unipro's load factor remains stable over market level
- Negative effects comparing to 2016 due to demand driven decline of generation volumes of Surgutskaya and Berezovskaya
- Further improvement of fuel efficiency

Earnings development affected by Berezovskaya accident

EBITDA¹ drivers 3M 2017 vs. 3M 2016



Gross margin: -2.9% to RUB 10.8bn²

- Absence of CSA payments from Berezovskaya 3 which had one month of production in 2016
- Positive effects from higher DAM prices and from the uplift of CSA tariffs

Controllable costs: +13.7% to RUB 3.2bn

- Higher opex due to repairs of Berezovskaya 3

Non Controllable costs: Significant decrease due to last year's one-off effect

- Last year's costs included RUB 9bn⁵ reduction of the carrying amount of Berezovskaya unit 3

Visibility on 2017 dividends and earnings

Dividends

- Two dividend payouts going forward
- Payout amounts depend on net income and free cash flow of corresponding reference periods¹
- Aspiration to avoid dividend volatility

1st payout
Jul'17



RUB 7bn proposed

2nd payout
Dec'17/Jan'18



RUB ~5bn expected

Outlook

Expected EBITDA effects for 2017 vs. 2016

Insurance proceeds



Reduction of the carrying amount of
Berezovskaya-3 in 2016



Acceleration of CSA payments



Earnings of Berezovskaya 3 in 2016



EBITDA 2017 expectation

RUB 41-45bn

Appendix



Financials

Key P&L items, in RUBbn

RUBbn	12M 2016	3M 2016	3M 2017
Sales¹	77.0	22.1	20.4
Fuel costs	-37.9	-10.1	-8.9
Other costs of sale	-3.1	-0.8	-0.7
Gross Margin	36.0	11.2	10.8
Controllable costs	-6.6	-2.9	-3.2
Non-controllable costs	-12.7	-9.5	-0.7
Other operating income ²	1.0	0.2	0.3
EBITDA	17.7	-1.0	7.2
EBIT	11.0	-2.8	5.7
Underlying Net income	8.6	-2.1	4.6
Dividend	7.3³	-	-

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
	3M 2017	3M 2017	3M 2016	3M 2017	3M 2016	3M 2017
Surgutskaya-2	5,657	797	81%	74%	10.0	9.1
Berezovskaya ³	2,400	800	58%	40%	3.0	2.1
Shaturskaya	1,493	393	31%	29%	1.0	0.9
Smolenskaya	630	0	23%	19%	0.3	0.3
Yaivinskaya	1,025	425	52%	58%	1.2	1.3
Unipro total	11,205	2,415	64%	56%	15.5	13.6

Earnings streams

Earnings streams per component¹

	Electricity sales in TWh ²	Capacity sales in GW ³	Average price or tariff	Average price or tariff
	3M 2017	3M 2017	3M 2016	3M 2017
Electricity, DAM Zone 1	9.4	-	928 RUB/MWh	952 RUB/MWh
Electricity, DAM Zone 2	1.8	-	917 RUB/MWh	887 RUB/MWh
Electricity, regulated	2.9	-	656 RUB/MWh	682 RUB/MWh
Capacity, KOM Zone 1	-	4.7	126 kRUB/MW/month	130 kRUB/MW/month
Capacity, KOM Zone 2	-	1.1	212 kRUB/MW/month	209 kRUB/MW/month
Capacity, CSA Zone 1	-	1.5	725 kRUB/MW/month	945 kRUB/MW/month
Capacity, regulated	-	2.7	109 kRUB/MW/month	114 kRUB/MW/month

Reporting calendar & contacts

Reporting calendar

Date	Event
July 21, 2017	Publication of RAS financial statements of Unipro PJSC for 6 months of 2017
August 08, 2017	Publication of IFRS financial information of Unipro Group for 6 months of 2017
October 23, 2017	Publication of RAS financial statements of Unipro PJSC for 9 months of 2017
November 07, 2017	Publication of IFRS financial results of Unipro Group for 9 months of 2017

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