

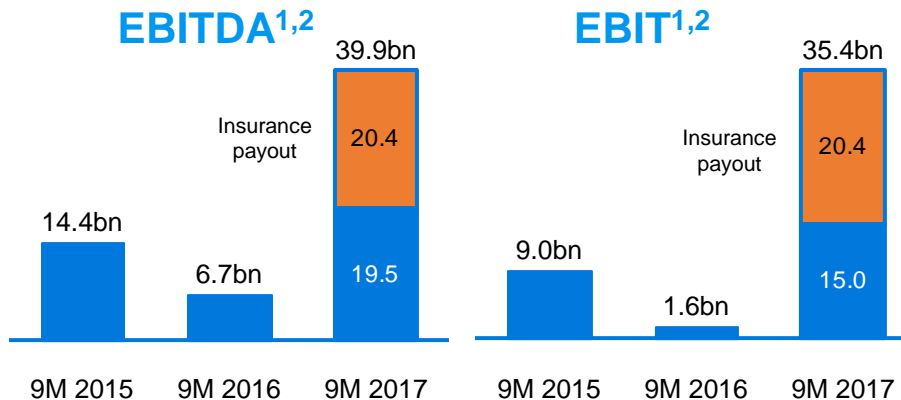


# Unipro PJSC 2017 9M results

07 November 2017

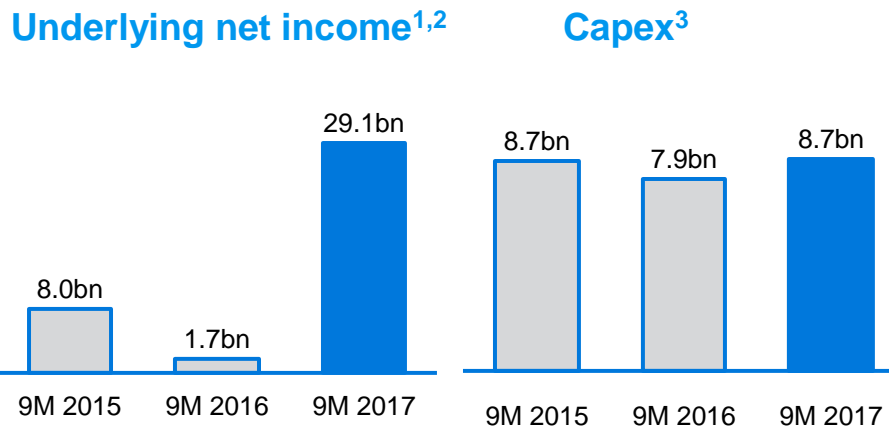


# Increasing gross margin drives underlying earnings



## Highlights

- EBITDA excluding insurance one off effect up by 35% since 9M 2015
- Positive price effects for both electricity and capacity earnings
- Uplift of capacity payments under CSA contracts
- Further reduction of fuel costs
- Increasing capex due to repair works at Berezovskaya



# Berezovskaya: repair project in line with time and budget

## Repair project on full speed:

- ~700 full time employees working on site
- Monitoring of all milestones on weekly basis
- ~90% of new parts for the boiler delivered
- Capital expenses:<sup>1</sup>
  - 11bn RUB capex spent so far
  - ~25bn RUB capex to be spent



## Project progress up to date:

- Reinforcement and debris removal finalised
- Dismantling to be finalised until 2018
- Pre-assembling is ongoing
- Assembling of boiler to start in 2018
- COD expected in Q3'2019
- CAR/EAR insurance in line with project KPIs



# Capacity auction (KOM) results support future growth

## European Zone

- Day ahead market price -0.9% in Q1-Q3 (incl. -3.1% in Q3)
- Gas tariff indexation by 3.9% from 1<sup>st</sup> of July 2017
- Hydropower generation in Q3 Y-o-Y is higher by 29%
- Price increase in Tyumen region (relevant for Surgutskaya) +4% in Q1-Q3

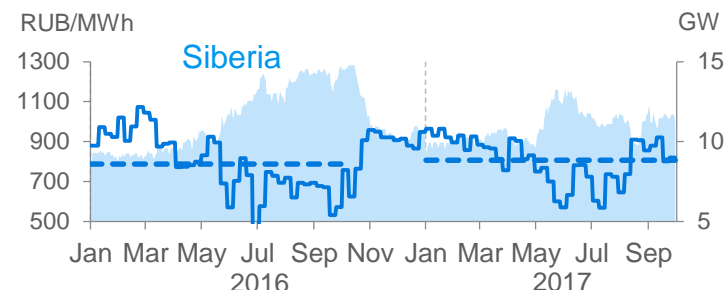
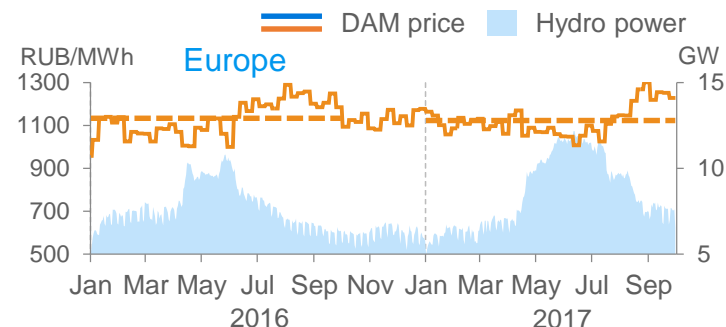
## Siberian zone

- Day ahead market price +2.5% in Q1-Q3 (incl. +19.7% in Q3)
- Hydropower generation in Q3 is lower by 19%

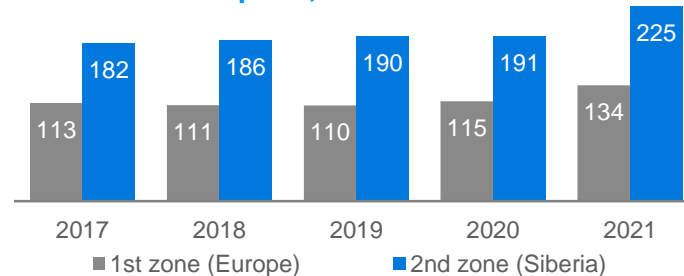
## Regulation: KOM 2021 results

- KOM price in Europe +17% in 2021 vs 2020 due to decommissioning of 3.5 GW
- KOM price in Siberia +18% to 2021 vs 2020 due to consumption growth by 7%
- Indexation of KOM expected at CPI -0,01%

DAM price (weekly average, RUB/MWh)



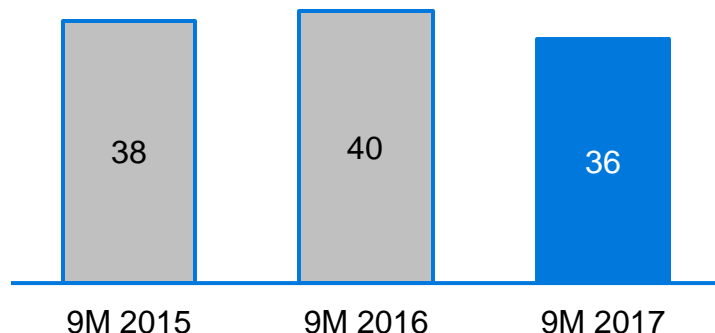
KOM price, kRUB/MW/month



# Power generation below last year levels but load factor above market average

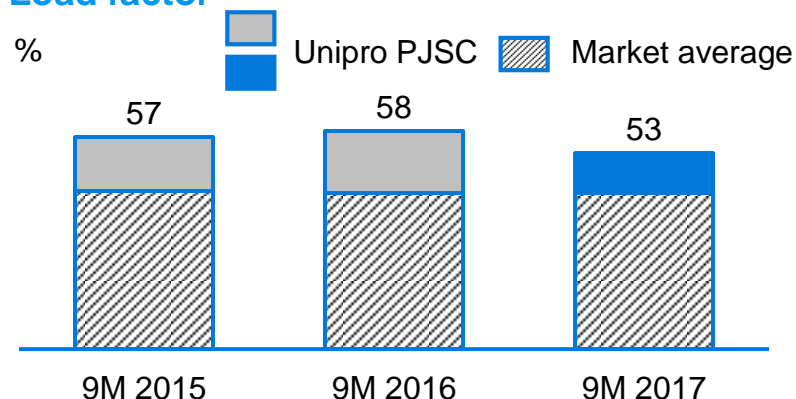
## Electric power generation

TWh



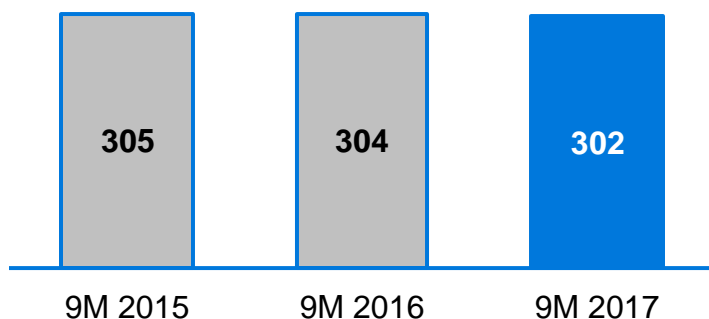
## Load factor<sup>1</sup>

%



## Efficiency

Gfe/kWh – Fuel equivalent grams per 1 kWh

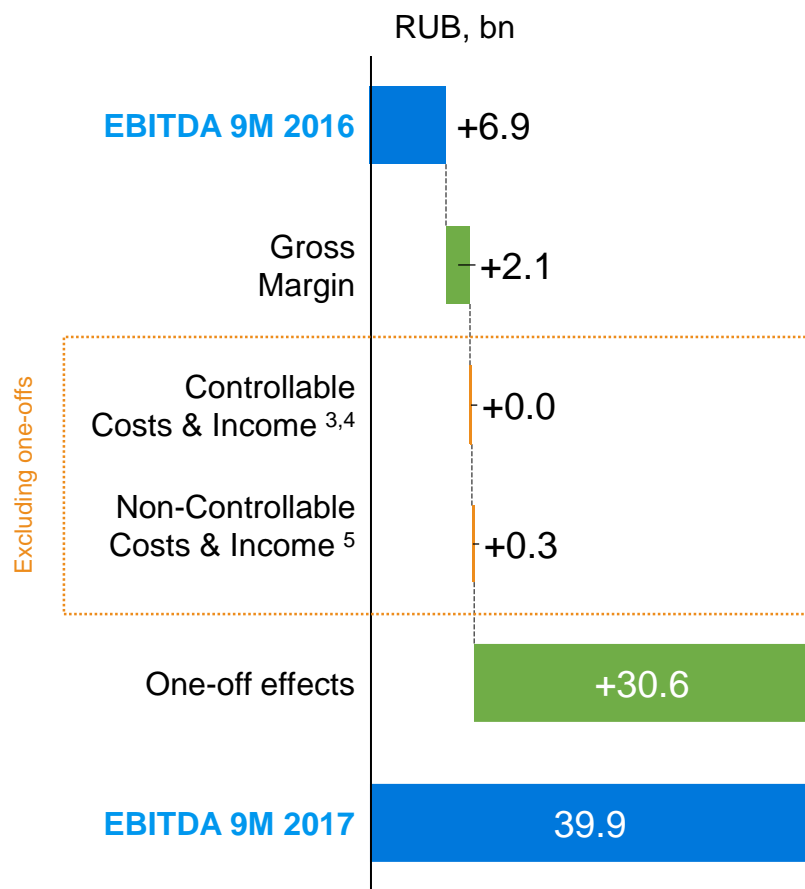


## Background

- Load factor<sup>1</sup> stays above market level
- Surgutskaya-2 being placed in cold reserve more frequently than in 2016
- Generation by Berezovskaya<sup>1</sup> lower year to date but improving in Q3

# Robust earnings development thanks to CSA

## EBITDA<sup>1</sup> drivers 9M 2017 vs. 9M 2016



### Gross margin<sup>2</sup>: +7.9% to RUB 28.5bn

- Electricity: negative effects of lower generation volumes, partly compensated by positive price effects
- Capacity: uplift of CSA tariffs overcompensating the absence of capacity payments for Berezovskaya 3

### Cost base excluding one-offs<sup>3,4</sup>

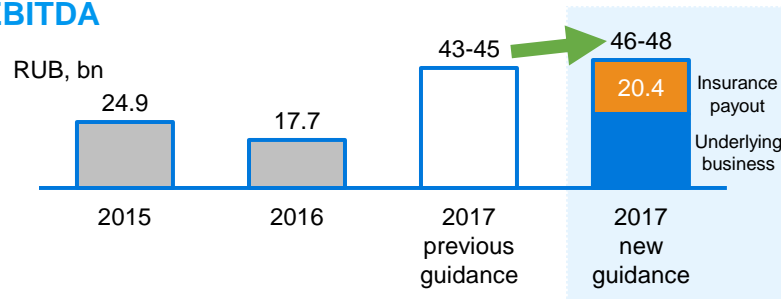
- Costs development below inflation

### Significant one-off effects:

- Berezovskaya write off: RUB 10.6bn<sup>6</sup> in H1'16
- Insurance proceeds: RUB 20.4bn in Q2'17
- Opex increase for Berezovskaya 3 repair<sup>7</sup>

# Better profitability triggers guidance upgrade

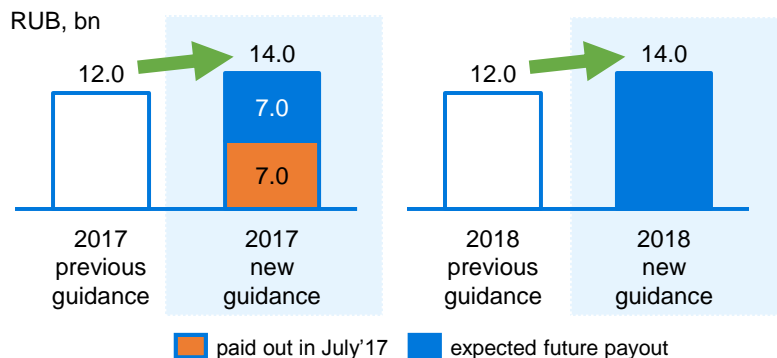
## EBITDA



## EBITDA guidance: upgrade for 2017

- Operating results exceeding expectations
- Increasing profitability of underlying business
- **EBITDA 2017: guidance upgraded from RUB 43-45bn to RUB 46-48bn**

## Dividends by payout year<sup>1</sup>



## Dividend guidance: upgrade for 2017 and 2018

- **Payout in 2017-18: guidance upgraded from RUB 12bn to 14bn for both years**
  - RUB 7bn paid out<sup>1</sup> in July'17
  - RUB 7bn expected<sup>1,2</sup> in Dec'17/Jan'18
  - RUB 14bn expected during 2018
- Reliable dividend payments also during the Berezovskaya repair

# Appendix





# Financials

## Key P&L items, in RUBbn

RUBbn	9M 2016	9M 2017
<b>Sales<sup>1</sup></b>	<b>56.3</b>	<b>55.1</b>
Fuel costs	-27.6	-24.7
Other costs of sale	-2.3	-1.9
<b>Gross Margin</b>	<b>26.4</b>	<b>28.5</b>
Controllable costs	-8.4	11.7
<i>excluding one-offs<sup>2</sup></i>	-7.7	-7.7
Non-controllable costs	-12.1	-1.2
<i>excluding one-offs</i>	-1.5	-1.2
Other operating income <sup>3</sup>	0.8	1.0
<b>EBITDA</b>	<b>6.7</b>	<b>39.9</b>
<b>EBIT</b>	<b>1.6</b>	<b>35.4</b>
<b>Underlying net income</b>	<b>1.7</b>	<b>29.1</b>

1. Excludes revenues which are not considered in gross margin calculation 2. Excluding insurance proceeds (RUB 20.4bn in 9M'17) and opex for Berezovskaya repairs (RUB 1.1bn in 9M'17 vs. RUB 0.7bn in 9M'16) 3. Excluding Berezovskaya write off (RUB 10.6bn in 9M'16) 3. Includes sales which are not considered in gross margin calculation

# 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>
	9M 2017	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017
Surgutskaya-2	5,657	797	70%	65%	26.2	24.2
Berezovskaya <sup>3</sup>	2,400	800	33%	29%	5.3	4.6
Shaturskaya	1,493	393	39%	27%	3.8	2.6
Smolenskaya	630	0	27%	27%	1.1	1.1
Yaivinskaya	1,025	425	53%	48%	3.6	3.2
<b>Unipro total</b>	<b>11,205</b>	<b>2,415</b>	<b>54%</b>	<b>49%</b>	<b>39.9</b>	<b>35.8</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
	9M 2017	9M 2017	9M 2016	9M 2017
Electricity, DAM Zone 1	24.8	-	950 RUB/MWh	979 RUB/MWh
Electricity, DAM Zone 2	4.3	-	829 RUB/MWh	838 RUB/MWh
Electricity, regulated	7.7	-	693 RUB/MWh	719 RUB/MWh
Capacity, KOM Zone 1	-	4.9	110 kRUB/MW/month	115 kRUB/MW/month
Capacity, KOM Zone 2	-	1.2	181 kRUB/MW/month	181 kRUB/MW/month
Capacity, CSA Zone 1	-	1.5	638 kRUB/MW/month	924 kRUB/MW/month
Capacity, regulated	-	2.4	109 kRUB/MW/month	115 kRUB/MW/month

# Reporting calendar & contacts

## Reporting calendar

Date	Event
March 7, 2018	Publication of IFRS financial statements of Unipro Group for 2017
March 21, 2018	Publication of RAS financial statements of Unipro PJSC for 2017
April 24, 2018	Publication of RAS financial statements of Unipro PJSC for 3 months of 2018
May 8, 2018	Publication of IFRS financial results of Unipro Group for 3 months of 2018
July 24, 2018	Publication of RAS financial statements of Unipro PJSC for 6 months of 2018
August 7, 2018	Publication of IFRS financial information of Unipro Group for 6 months of 2018
October 23, 2018	Publication of RAS financial statements of Unipro PJSC for 9 months of 2018
November 13, 2018	Publication of IFRS financial results of Unipro Group for 9 months of 2018

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