



PRESS RELEASE

Media Relations

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ENEL RUSSIA NET ORDINARY INCOME UP BY 22% FOR THE NINE MONTHS OF 2019

- *The company's solid financial performance is driven by favorable power market prices together with the outcome of managerial action, which offset lower power output*
- *Reftinskaya GRES was classified as "Assets held for sale" during 3Q 2019*

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	9M 2019	9M 2018	Change
Revenues	52,741	52,594	+0.3%
EBITDA	13,019	11,440	+13.8%
EBIT	1,520	8,157	-81.4%
Ordinary EBIT	8,971	8,157	+10.0%
Net income / (loss)	(27)	4,888	-
Net ordinary income	5,971	4,888	+22.1%
Net debt at the end of the period	20,907	19,376 ¹	+7.9%

Carlo Palasciano Villamagna, General Director of Enel Russia, said: *"Our nine months financials demonstrate positive results achieved throughout the year. In the past period, our managerial actions were focused on continuous debt profile optimization, including refinancing of our single remaining euro-denominated facility with roubles, the active participation in the second modernization tender with a positive outcome for the company, as well as closure of Reftinskaya GRES sale beforehand. Favorable power pricing together with operational efficiencies helped a lot to beat the lower production registered at our power plants, and allow us to confirm that we are on the way to meet our full-year guidance despite the lack of Reftinskaya financial result over 4Q 2019."*

Moscow, October 30th, 2019 – PJSC Enel Russia has published its unaudited financial results for 9M 2019 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** stood broadly in line with 9M 2018 (increased by 0.3%), mainly as a result of:
 - the growth in electricity market prices in the Central and Urals regions mainly due to drop of hydro production and increased demand of electricity set for export from European Russia and Urals (the first price zone).
 - slightly higher capacity sales due to annual increase in regulated tariffs, as well as higher free

¹ As of December 31st, 2018



capacity (KOM) prices resulting from their indexation for 2019.

These factors offset:

- lower power output that was mostly driven by changes in yearly maintenance schedule versus 2018 and lower loading by the System Operator;
 - lower revenues from heat production amid warmer average temperature versus 2018.
- **EBITDA** increased mainly following the revenues, with an additional positive effect coming from a 14% fixed cost decline that was mainly attributable to:
 - elimination of property tax on movable assets from 2019;
 - provisions and personnel liabilities recalculation related to Reftinskaya GRES, as well as lower headcount more than offsetting the impact on salaries of the Consumer Price Index (CPI).
 - **EBIT** notably declined largely because of impairment loss recognized as a result of reclassification of non-current assets of Reftinskaya GRES to the “Assets held for sale” category from July 1st, 2019. Lower amount of depreciation due to its elimination for Reftinskaya GRES starting from July 1st, 2019, as well as lower accruals for bad debts, partially offset the abovementioned negative effect.
 - **Ordinary EBIT**, net of the abovementioned reclassification effect, mainly reflected the improvement in EBITDA and came in a 10% increase versus 9M 2018.
 - **Net ordinary income** was in line with ordinary EBIT, further boosted by around a 23% decrease in net financial charges, which was mainly attributable to managerial action that resulted in the optimization of debt currency and cost structure.
 - **Net debt** as of September 30th, 2019 grew by 7.9% against the value posted as of December 31st, 2018 on the back of dividends paid upon 2018 result, as well as asset development capex which mostly included investments into renewable projects.

OPERATIONAL HIGHLIGHTS

	9M 2019	9M 2018	Change
Net production (GWh)	27,153	28,504	-4.7%
Power sales (GWh)	31,201	32,808	-4.9%
Heat sales (thousand Gcal)	3,097	3,276	-5.5%

- **Net power output** declined due to lower production on all facilities, except Sredneuralskaya conventional units, all backed by lower power demand in the first price zone due to higher average temperatures in 2019 versus 2018, and specifically:
 - Output from coal and combined cycle units declined, mainly due to changes in maintenance schedule versus 2018;
 - Conventional gas unit output was lower than 9M 2018 due to lower loading by the System Operator mostly on higher output of nuclear facilities together with lower power consumption in the Southern region in 3Q 2019 compared to 3Q 2018.

These factors were only partially offset by higher production of Sredneuralskaya conventional units due to higher loading by the System Operator partially explained by lower hydro production in the system.

- **Power sales** decreased in line with output.



- **Heat sales** declined due to lower heat suppliers' consumption at all power plants amid average warmer temperatures versus 2018.

About Enel Russia

PJSC Enel Russia is a subsidiary of Enel Group. PJSC Enel Russia operates the following three gas power plants: Konakovskaya GRES, Nevinnomysskaya GRES and Sredneuralskaya GRES. The company's total gross installed electrical capacity is 5,628.7 MW (equivalent to 5,255.4 MW net installed capacity) and thermal capacity is 2,032 Gcal/h. The company currently operates coal Reftinskaya GRES of 3,800 MW. Besides that, PJSC Enel Russia implements three projects in the field of wind generation: Azovskaya WPP (90 MW), Kolskaya WPP (201 MW) and Rodnikovskaya WPP (71 MW). PJSC Enel Russia's authorized capital is 35,371,898,370 roubles, which is divided into ordinary shares with a par value of 1 rouble. The Enel S.p.A. share in the company's authorized capital is 56.43%, PFR Partners Fund I Limited's share is 19.03%, Prosperity Capital Management Limited's share is 7.68% and other minority shareholders' share is 16.86%. PJSC Enel Russia shares are listed in Level 1 MICEX quotation list.

The company was established in Yekaterinburg on October 27, 2004 as OJSC OGK-5. On July 7, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGK-5 and on August 8, 2014 the Federal Tax Service registered the new version of the company's charter with the name OJSC Enel Russia. On June 25, 2015 the company changed its legal type and was renamed PJSC Enel Russia.

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