



## PRESS RELEASE

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## ENEL RUSSIA 1H 2018 RESULTS IMPACTED BY MARKET CONDITIONS

- Increased output in 2Q 2018, specifically from CCGT units, partly offset adverse market conditions

### MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	1H 2018	1H 2017	Change
Revenues	34,011	34,822	-2.3%
EBITDA	7,705	8,689	-11.3%
EBIT	5,581	6,935	-19.5%
Net income	3,391	4,300	-21.1%
Net debt at the end of the period	22,225	17,889 <sup>1</sup>	+24.2%

**Carlo Palasciano Villamagna**, General Director of Enel Russia, commented: “The results posted in the second quarter of 2018 helped us smooth the negative trend from the first half of the year, while the strong performance of our CCGT units allowed us to withstand the challenging market scenario. Enel Russia confirms its conservative guidance for 2018 results, as outlined in the company’s strategic plan.”

**Moscow, July 31<sup>st</sup>, 2018** – PJSC Enel Russia has published its reviewed 1H 2018 financial results in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** declined, mainly reflecting:
  - reduced output by most power generation facilities, with the exception of CCGT units, that was driven by overcapacity as well as by weaker electricity consumption in the Urals region;
  - a slight decrease in revenues from the capacity market resulting from the lower government bond yield in 2018 that was one of the components for the calculation of DPM tariff.

Higher regulated sales with annual tariffs increase, as well as higher free capacity (KOM) sales due to indexation of KOM prices, only partially offset the aforementioned decline in revenues.

- **EBITDA** also declined, in line with:
  - lower revenues;
  - higher fixed costs driven by the property tax on movable assets as of 2018.

Lower fuel costs caused by lower electricity production partially offset the above decrease.

<sup>1</sup> As of December 31<sup>st</sup>, 2017



- The decrease in **EBIT** reflected EBITDA dynamics, as well as higher depreciation and amortisation together with higher accruals for bad debt.
- **Net income** reflected EBIT decline, partially offset by lower net financial charges, which were mainly attributable to lower average debt level compared with 1H 2017, also backed by the positive effect of the company's financial charges optimisation strategy.
- **Net debt** as of June 30<sup>th</sup>, 2018 increased against the value posted as of December 31<sup>st</sup>, 2017, mainly explained by 5.1bn RUB of dividends paid upon FY 2017 results.

## OPERATIONAL HIGHLIGHTS

	1H 2018	1H 2017	Change
Net power output (GWh)	17,998	18,325	-1.8%
Power sales (GWh)	20,657	21,068	-2.0%
Heat sales (thousand Gcal)	2,753	2,841	-3.1%

- **Net power output** declined, reflecting lower production of all units (except both CCGT units at Sredneuralskaya and Nevinnomyskaya) and in particular:
  - Konakovskaya output dropped by 8.6%, mainly due to higher hydro production in the Middle Volga region.
  - Reftinskaya output was 2.3% down due to downward trend in power consumption in the Urals region.

CCGT units recorded an increase in output, as both units were going through scheduled maintenance in 2Q 2017. This increase compensated the lower production from non-CCGT units, and improved the dynamics of the relevant power plants, and specifically:

- Sredneuralskaya output stood flat, despite overcapacity in the system;
- Nevinnomysskaya output increased by 3.6%, supported by growing power demand in Southern Russia, and in spite of the high hydro production in the same region.
- **Power sales** were down due to the abovementioned factors of net power output.
- **Heat sales** decreased slightly, mostly attributable to a reduction in the volumes sold by Sredneuralskaya.

### About Enel Russia

An Enel Group subsidiary, PJSC Enel Russia operates the following power plants: Konakovskaya GRES, Nevinnomysskaya GRES, Sredneuralskaya GRES and Reftinskaya GRES. The company's total gross installed electrical capacity is 9,428.7 MW (equivalent to 8,878.4 MW net installed capacity) and thermal capacity is 2.382 Gcal/h. PJSC Enel Russia's authorised 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 authorised capital is 56.43%, PFR Partners Fund I Limited's share is 19.03%, Prosperity Capital Management Limited's share is 8.23% and other minority shareholders' share is 16.31%. PJSC Enel Russia shares are listed in Level 1 MICEX quotation list.

The company was established in Yekaterinburg on October 27<sup>th</sup>, 2004 as OJSC OGGK-5. On July 7<sup>th</sup>, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGGK-5 and on August 8<sup>th</sup>, 2014 the Federal Tax Service registered the new version of the company's charter with the name OJSC Enel Russia. On June 25<sup>th</sup>, 2015 the company changed its legal type and was renamed PJSC Enel Russia. You can follow the company's news in social media such as [Facebook](#), [Instagram](#), [Twitter](#) и [YouTube](#)