



PRESS RELEASE

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ENEL RUSSIA 9M 2018 RESULTS CONTINUE TO BE IMPACTED BY ADVERSE MARKET CONDITIONS

- *Strong operational performance of CCGT units and the company's cost optimisation strategy partially offset adverse market conditions*

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	9M 2018	9M 2017	Change
Revenues	52,594	53,876	-2.4%
EBITDA	11,440	12,859	-11.0%
EBIT	8,157	10,139	-19.5%
Net income	4,888	6,147	-20.5%
Net debt at the end of the period	21,170	17,889 ¹	+18.3%

1. As of December 31st, 2017

Carlo Palasciano Villamagna, General Director of Enel Russia, commented: *"Enel Russia's results for the first nine months of this year are consistent with those in the first half of 2018. Our CCGT units posted strong performances in the period, while all other units were affected by overcapacity and lower demand in some regions. We maintain a conservative outlook moving forward, in line with the scenario envisaged for the end of the year."*

Moscow, November 1st, 2018 – PJSC Enel Russia has published its unaudited 9M 2018 financial results in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** declined, largely as a result of:
 - lower output by most power generation facilities, with the exception of CCGT units, that was driven by overcapacity as well as by decreased electricity consumption in the Ural region;
 - a slight decline in revenues from the capacity market due to lower government bond yields in 2018 that was one of the components for the calculation of the DPM tariff.

Higher regulated sales with an increase in annual tariffs, as well as higher free capacity (KOM) prices resulting from its indexation for 2018, only partially offset the aforementioned drop in revenues.

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



Lower electricity production, as well as higher contribution from CCGT units with lower fuel costs, partially offset the above decrease.

- **EBIT** decreased reflecting EBITDA, as well as higher depreciation and amortisation together with higher accruals for bad debt.
- **Net income** reflected EBIT, partially offset by lower net financial charges, which were mainly due to the optimisation of debt currency and cost structure, including the refinancing of 10 billion rubles of commercial papers in 2018.
- **Net debt** as of September 30th, 2018 increased against the value posted as of December 31st, 2017, that is a temporary effect coming from 5.1 billion rubles of dividends paid upon FY 2017 results.

OPERATIONAL HIGHLIGHTS

	9M 2018	9M 2017	Change
Net power output (GWh)	28,504	29,074	-2.0%
Power sales (GWh)	32,808	33,334	-1.6%
Heat sales (thousand Gcal)	3,276	3,524	-7.0%

- **Net power output** decreased, reflecting lower production of all units (except both CCGT units at Sredneuralskaya and Nevinnomyskaya) and in particular:
 - Konakovskaya’s output dropped by 9.5% mainly resulting from lower equipment use by the System Operator caused by overcapacity in the system;
 - Reftinskaya’s output decreased by 1.8% resulting from the downward trend in power consumption in the Ural region.

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

- Sredneuralskaya’s output was up 0.9%, despite the overcapacity in the system;
- Nevinnomysskaya’s output increased by 2.7%, supported by the growing power demand in Southern Russia, and in spite of the high nuclear and hydro production in the same region.
- **Power sales** decreased as a result of the abovementioned factors of net power output.
- **Heat sales** decreased, mostly attributable to a reduction of heat suppliers’ consumption at all power plants, as well as higher temperatures in the European part of Russia.

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 27th, 2004 as OJSC OGG-5. On July 7th, 2009 by the resolution of Annual General Shareholders’ Meeting the company was renamed OJSC Enel OGG-5 and on August 8th, 2014 the Federal Tax Service registered the new version of the company’s charter with the name OJSC Enel Russia. On June 25th, 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](#) and [YouTube](#).