



## PRESS RELEASE

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## ENEL RUSSIA POSTED POSITIVE FINANCIAL RESULTS IN 1Q 2019 WITH NET INCOME UP 29.3%

- *The company registered solid results due to favorable market prices that, together with continuous overall cost optimisation, offset lower production*

### MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	1Q 2019	1Q 2018	Change
Revenues	19,101	18,542	+3.0%
EBITDA	5,296	4,600	+15.1%
EBIT	4,072	3,561	+14.3%
Net income	3,000	2,319	+29.3%
Net debt at the end of the period	18,444	19,376 <sup>1</sup>	-4.8%

**Carlo Palasciano Villamagna**, General Director of Enel Russia, said: *“The first quarter of 2019 was positively impacted by favorable market prices that boosted the company’s financial performance, despite a decrease in output mainly due to lower electricity consumption and a more competitive market scenario. We are committed to continuing down our strategic path adapting our actions to the changing market environment.”*

**Moscow, April 25<sup>th</sup>, 2019** – PJSC Enel Russia has published its unaudited financial statements for the first quarter of 2019 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** increased, largely as a result of:
  - Higher power sales mainly due to strong market pricing in the Center and Urals regions and lower hydro production;
  - Higher capacity sales due to annual increase in tariffs, as well as higher free capacity (KOM) prices resulting from its indexation for 2019.

These factors more than offset lower output by all gas units, except Konakovskaya, that was mostly driven by lower loading by the System Operator resulting from decreased electricity consumption in the first price zone (European Russia and Urals regions) and overcapacity in the system.

- **EBITDA** growth reflected the revenues increase with an additional positive effect coming from a 14.2%

<sup>1</sup> As of December 31<sup>st</sup>, 2018



fixed cost decline that was mainly attributable to:

- Elimination of property tax on movable assets from 2019, lower operation and maintenance (O&M) costs due to changes in the O&M schedule as well as lower personnel expenses due to lower pension costs and headcount more than offsetting the impact on salaries of the Consumer Price Index (CPI) increase.
- **EBIT** increased in line with EBITDA, more than offsetting higher accruals for bad debt.
- **Net income** was in line with EBIT, further boosted by around 50% decrease in net financial charges, which was mainly due to the optimisation of debt currency and cost structure carried out over 2018 and 2019.
- **Net debt** as of March 31<sup>st</sup>, 2019 lowered against the value posted as of December 31<sup>st</sup>, 2018 as solid operating cash flow compensated the payments made over the period.

## OPERATIONAL HIGHLIGHTS

	1Q 2019	1Q 2018	Change
Net power output (GWh)	9,318	9,673	-3.7%
Power sales (GWh)	10,724	10,993	-2.4%
Heat sales (thousand Gcal)	1,671	1,887	-11.5%

- **Net power output** declined due to lower production on all gas units, except Konakovskaya, as a result of lower power demand in the first price zone due to higher average temperatures in 2019 vs 2018, specifically:
  - Nevinnomysskaya output was down 9.8% on lower loading of conventional units by the System Operator following the new thermal and nuclear entrants in the Southern region in 2018;
  - Sredneuralskaya output decreased by 12.2% mainly due to lower output from conventional units against a backdrop of overcapacity in the system.

On a positive side, Konakovskaya increased output by a solid 7.6% on higher loading by the System Operator mainly due to lower nuclear output in the Central region.

Moving to coal facilities, Reftinskaya output was in line with 1Q 2018.

- **Power sales** decreased due to the abovementioned dynamics of net power output.
- **Heat sales** declined on lower heat consumption backed by warmer average temperature versus 2018.

### 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 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<sup>th</sup>, 2004 as OJSC OGK-5. On July 7<sup>th</sup>, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGK-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.



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