



PRESS RELEASE

Media Relations

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ENEL RUSSIA CONTINUES TO POST STRONG FINANCIAL RESULTS IN 1H 2019

- *The company's solid financial performance is driven by favourable power market prices and the outcome of managerial action, which offset lower output*
- *On July 22nd, 2019 Enel Russia's shareholders' approved the sale of Reftinskaya GRES at the company's Extraordinary General Shareholders' meeting*

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	H1 2019	H1 2018	Change
Revenues	35,293	34,011	+3.8%
EBITDA	8,804	7,705	+14.3%
Reported EBIT	(1,887)	5,581	-
Ordinary EBIT	6,137	5,581	+10.0%
Reported net income / (loss)	(2,142)	3,391	-
Net ordinary income	4,279	3,391	+26.2%
Net debt at the end of the period	19,921	19,376 ¹	+2.8%

Carlo Palasciano Villamagna, General Director of Enel Russia, said: *"In the first half of 2019 we registered strong results, with double-digit increase for both EBITDA and net ordinary income. Throughout the rest of the year, we will continue to carry out the construction of our wind farms and will focus on the finalisation of the sale of Reftinskaya GRES, while remaining on the lookout for new investment opportunities should they arise in the market."*

Moscow, July 31st, 2019 – PJSC Enel Russia has published its reviewed financial statements for 1H 2019 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** increased by 3.8% compared to 1H 2018, mainly as a result of:
 - the growth in power revenues reflecting strong market pricing in the Central and Urals regions due to drop of hydro production and increased demand of electricity set for export from the first price zone, namely European Russia and Urals;
 - higher capacity sales due to annual increase in regulated tariffs, as well as higher free capacity (KOM) prices resulting from their indexation for 2019.

¹ As of December 31st, 2018



These factors more than offset:

- lower power output that was mostly driven by changes in maintenance schedule versus 2018 and lower loading by the System Operator;
 - lower revenues from heat production amid warmer average temperature versus 2018.
- **EBITDA** increased in line with revenues, with an additional positive effect coming from a 16% fixed cost decline that was mainly attributable to:
 - elimination of property tax on movable assets from 2019;
 - lower personnel expenses due to 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) increase.
 - **Reported EBIT** posted a negative value largely because of impairment losses recognised as a result of reclassification of non-current assets of Reftinskaya GRES to the “Assets held for sale” category.
 - **Ordinary EBIT**, net of the abovementioned reclassification effect, mainly reflected the improvement in EBITDA and came in 10% higher than 1H 2018.
 - **Net ordinary income** was in line with ordinary EBIT, further boosted by a decrease in net financial charges of around 40%, which was mainly attributable to managerial action, which resulted in the optimisation of debt currency and cost structure.
 - **Net debt** as of June 30th, 2019 grew slightly against the value posted as of December 31st, 2018 on the back of higher asset development capex which mostly included investments into renewable projects.

OPERATIONAL HIGHLIGHTS

	1H 2019	1H 2018	Change
Net production (GWh)	17,610	17,998	-2.2%
Power sales (GWh)	20,293	20,657	-1.8%
Heat sales (thousand Gcal)	2,433	2,753	-11.6%

- **Net power output** declined with mixed plant-by-plant dynamics, all backed by lower power demand in the first price zone due to higher average temperatures in 2019 vs 2018, specifically:
 - Output from coal and combined cycle units declined, mainly due to changes in maintenance schedule versus 2018;
 - Conventional gas unit output was in line with 1H 2018 as solid Konakovskaya performance could offset the decline in Nevinnomysskaya output, due to the lower electricity output from nuclear assets in the Central region, where the former plant is located, and higher output from nuclear in the Southern region, where Nevinnomysskaya is located.
- **Power sales** decreased in line with output.
- **Heat sales** declined amid average warmer temperatures 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 27th, 2004 as OJSC OGK-5. On July 7th, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGK-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.

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