



## PRESS RELEASE

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## ENEL RUSSIA BEATS 2018 FINANCIAL TARGETS

- *The company exceeded its guidance for 2018 disclosed with its strategic plan in February 2019 resulting from better power pricing and fixed cost optimisation over 4Q18*

### MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	2018	2017	Change
Revenues	73,265	74,400	-1.5%
EBITDA	17,225	17,732	-2.9%
EBIT	12,536	13,970	-10.3%
Net income	7,699	8,544	-9.9%
Net debt at the end of the period	19,376	17,889	+8.3%

*“We are beating 2018 guidance on EBITDA and net income even though, as expected, we posted lower results versus the exceptional performance registered in 2017,” said **Carlo Palasciano Villamagna**, General Director of Enel Russia. “In the last quarter of 2018, our results benefitted from higher revenues generated by power prices and effective management of fixed costs. Looking ahead, we are continuing to work on our wind projects, as well as enhancing our company’s operational and cost efficiency as we expect that the current challenging scenario will persist throughout 2019.”*

**Moscow, March 18<sup>th</sup>, 2019** – PJSC Enel Russia has published its audited consolidated financial statements for 2018 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** slightly declined, largely as a result of:
  - lower output by conventional gas units that was mostly driven by lower loading by the System Operator resulting from overcapacity in the system, as well as by a marginal reduction in electricity consumption in the Ural region;
  - a 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 declined slightly, reflecting revenues, with lower fixed costs partially offsetting the above decrease.



Specifically, fixed costs dropped by 6% largely on lower personnel costs resulting from the amendment to the company's pension plan, in line with the recent evolution in legislation on the matter, lower use of materials following the higher level of planned maintenance that took place in 2017, as well as overhead optimisation initiatives. Recurring fixed costs, e.g. net of one-offs, increased on a like-for-like basis by marginal 0.4% over 2018 or well below CPI that is fully in line with the company's strategic guideline.

- **EBIT** decreased reflecting EBITDA, as well as higher accruals for bad debt.
- **Net income** reflected EBIT dynamics, 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 December 31<sup>st</sup>, 2018 increased against the value posted as of December 31<sup>st</sup>, 2017, as a result of investments into the development of wind projects that were awarded to the company in a 2017 public tender.

#### **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 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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