



# TGC-1

## 3M 2018 IFRS Results

May 14, 2018

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## Operational Highlights

	3M 2017	3M 2018	Change
Installed Capacity, MW	6,952	6,950	-0.03%
Electricity Production, mn kWh, Including:	7,558	8,818	+16.7%
CHP	4,559	5,400	+18.5%
HPP	2,999	3,418	+14.0%
Electricity Sales Including Purchased Energy, mn kWh	8,317	9,551	+14.8%
Capacity Sales, MW (monthly average)	5,548	5,684	+2.5%
Heat Output, thous Gcal	9,485	10,452	+10.2%
Useful Heat Output Including Purchased Energy, thous Gcal	9,263	10,096	+9.0%
Fuel Rate on Electricity*, g/kWh	188.9	192.8	+2.1%
Fuel Rate on Heat*, kg/Gcal	167.5	166.2	-0.8%
Capacity Load Factor, %*	50.4	58.8	+8,4 p.p.
CHP	51.6	61.2	+9,6 p.p.
HPP	48.7	55.4	+6,7 p.p.

## Financial Highlights, RUB mln

	3M 2017	3M 2018	Change
Revenue	25,776	28,862	+12.0%
Operating Expenses, Incl.:	(20,009)	(22,716)	+13.5%
Variable Costs	(13,932)	(16,145)	+15.9%
Fixed Costs	(4,049)	(4,648)	+14.8%
Depreciation and Amortization	(2,028)	(1,923)	-5.2%
Total Operating Expenses**	(19,830)	(22,514)	+13.5%
Operating Profit	5,946	6,347	+6.7%
Profit Before Income Tax	5,391	6,134	+13.8%
EBITDA ***	7,974	8,271	+3.7%
Profit for the Period	3,966	5,676	+43.1%
Total Comprehensive Income for the Period	3,965	5,676	+43.2%

\* Without PJSC Murmanskaya CHPP.

\*\* With account to Other operating income, Provision for PP&E impairment and Government subsidy.

\*\*\* EBITDA = Operating profit + Depreciation of property, plant and equipment and Amortization of intangible assets and investment property

TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/MWh

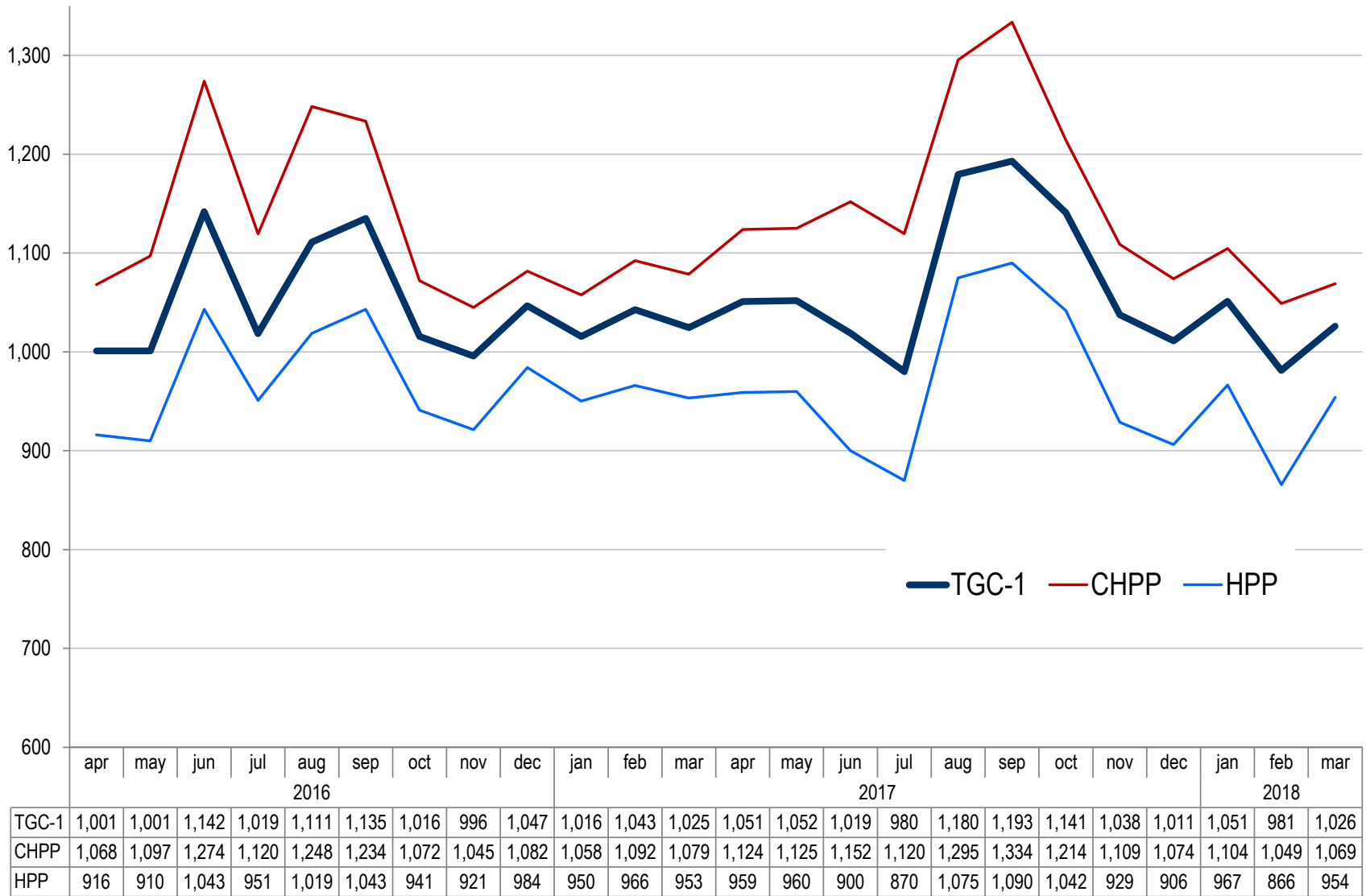
CHPP  
13  
HPP  
40



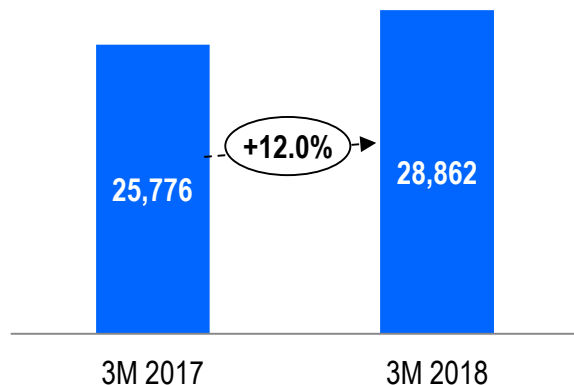
	3M 2017		3M 2018
Kolsky Branch	882.99	-4.4%	844.24
Karelsky Branch	1,030.52	-4.3%	986.06
Nevsky Branch	1,082.71	-0.3%	1,079.70
<b>TGC-1</b>	<b>1,027.27</b>	<b>-0.6%</b>	<b>1,020.61</b>



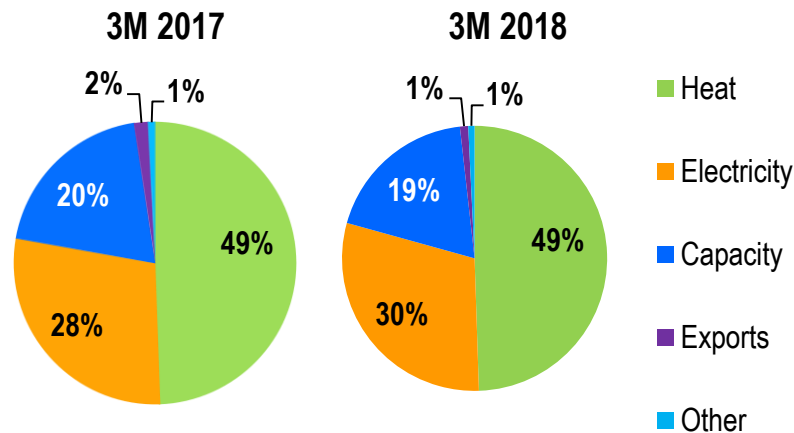
# Dynamics of Prices for Electricity at the Day-ahead Market: CHPPs and HPPs



Revenue, RUB mln



Revenue Structure\*



Prices and Tariffs\*, RUB mln

	3M 2017	3M 2018	Change
Average Electricity Price, thousand RUB/MWh	934.1	952.5	+2.0%
Average New Capacity Price, RUB/MWh per Month	952,607.5	973,186.9	+2.2%
Average Old Capacity Price RUB/MWh per Month	127,139.3	125,163.2	-1.6%

Revenue Change Factors

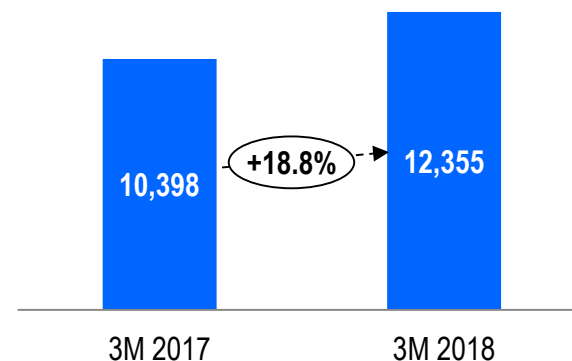
- Growing capacity price for CSA-units and CSA-units priority load;
- Commissioning of a new highly efficient GTU-CHPP at Power Plant No. 1 at the Centralnaya CHPP;
- High water content at all branches;
- Lower air temperature.

\* Management report data.

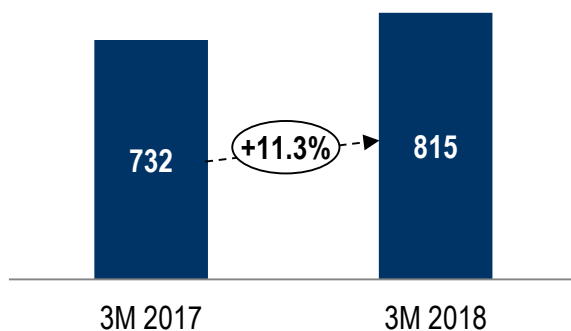
## Variable Costs, RUB mln

	3M 2017	3M 2018	Change
Fuel	10,398	12,355	+18.8%
Electricity, Capacity and Heat Purchases	1,949	2,100	+7.7%
Water Usage Expenses	710	752	+5.9%
Other Materials	143	123	-14.0%
Heat Transmission	732	815	+11.3%
<b>Total Variable Costs</b>	<b>13,932</b>	<b>16,145</b>	<b>+15.9%</b>

## Fuel Expenses, RUB mln



## Heat Transmission, RUB mln



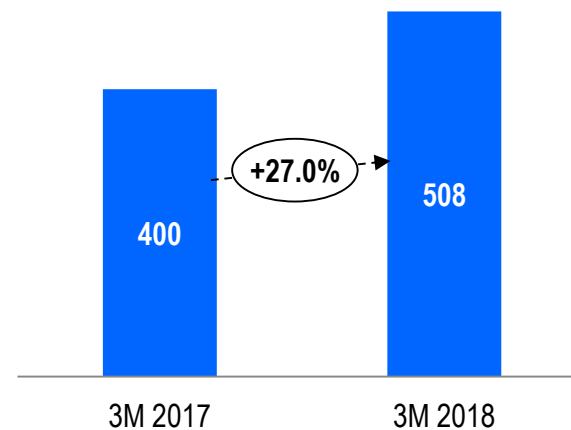
## Variable Costs Change Factors

- Growing fuel expenses;
- Increased expenses for electricity purchase, caused by growing electricity output;
- Heat and electricity transmission cost growth on the account of new users connection in Leningrad Oblast.

## Fixed Costs, RUB mln

	3M 2017	3M 2018	Change
Employee Benefits	1,825	1,998	+9.5%
Repairs and Maintenance	602	604	+0.3%
Taxes Other than Income Tax	400	508	+27.0%
Fees of Electricity Market Operators	208	210	+1.0%
Rent Expenses	526	711	+35.2%
Insurance Cost	72	73	+1.4%
Other	416	544	+30.8%
<b>Total Fixed Costs</b>	<b>4,049</b>	<b>4,648</b>	<b>+14.8%</b>

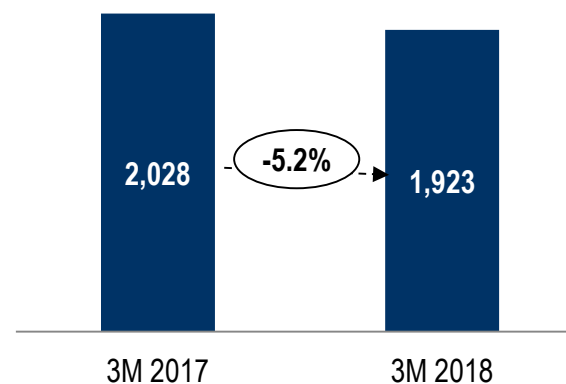
## Taxes other than Income Tax, RUB mln



## Fixed Costs and Depreciation Change Factors

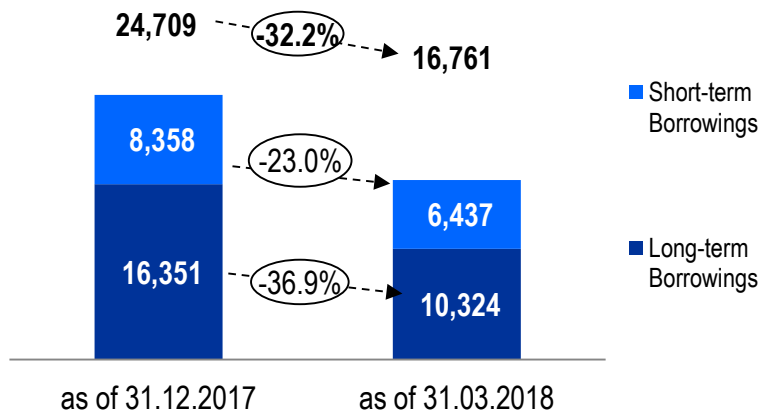
- Growing rent expenses.
- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.

## Depreciation and Amortization, RUB mln

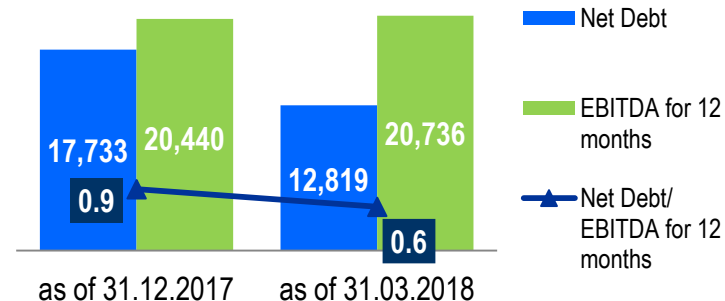




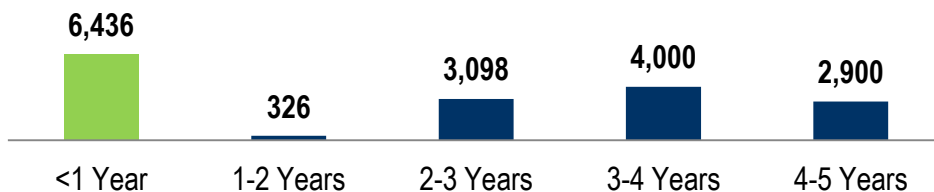
## Debt Structure, RUB mln



## Net Debt\*/ EBITDA



## Maturity Profile, as of March 31, 2018, RUB mln



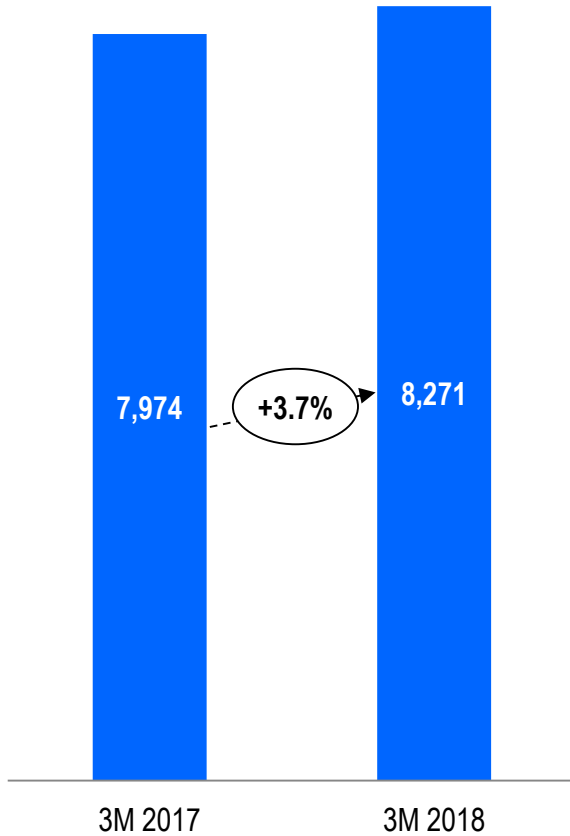
## Debt Portfolio Management

Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.

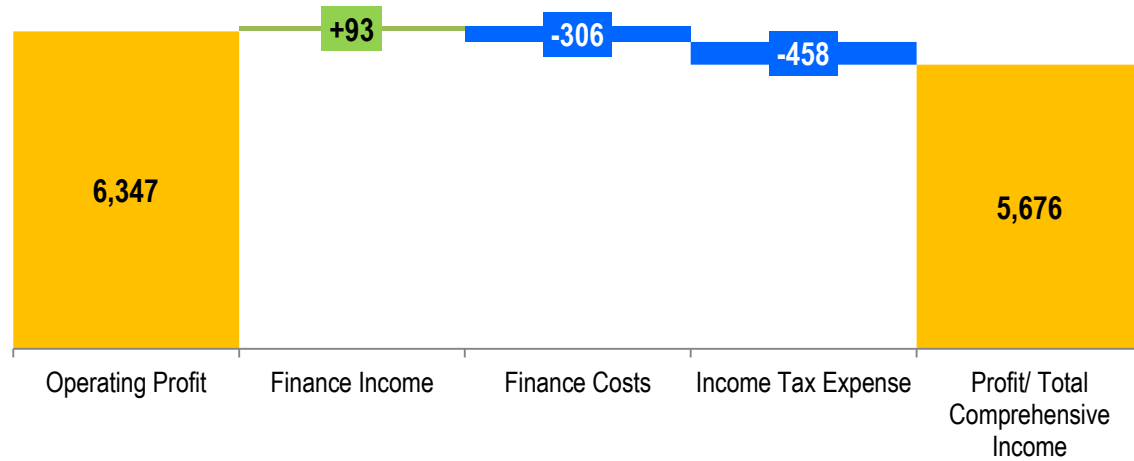
Weighted average interest for TGC-1 debt portfolio (cumulative year-to-date) for 3M 2018 amounted to 7.68%

\* Net debt = Total amount of borrowings less cash and cash equivalents

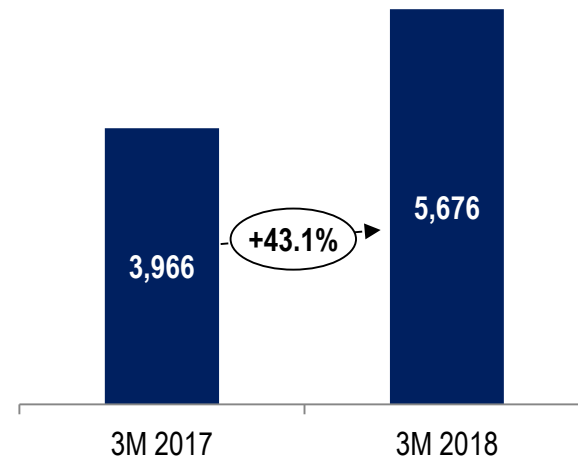
EBITDA, RUB mln



Profit Bridge for 3M 2018, RUB mln



Profit Dynamics, RUB mln



## S&P Global Ratings

### Credit Ratings by S&P Global Ratings

Date	Rating Type	Rating Value
21.09.2017	International scale long-term rating	«BB+», forecast «positive»
21.09.2017	International scale short-term rating	«B», forecast «positive»

## Fitch Ratings Credit Ratings by Fitch Ratings

Date	Rating Type	Rating Value
05.10.2016	Foreign currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Domestic currency nominated long-term IDR	«BB+», forecast «stable»
05.10.2016	Foreign currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated short-term IDR	«B»
05.10.2016	Domestic currency nominated priority unsecured rating	«BB+»



### Credit rating ACRA

Date	Rating Type	Rating Value
18.01.2018	National scale credit rating	«AA(RU)», forecast «stable»

# Thank you for Your Attention!

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