



TGC-1

2017FY IFRS Results

March 12, 2018
Saint Petersburg

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Operational Highlights

	2016	2017	Change
Installed Capacity, MW	6,852	6,950	+1.4%
Electricity Production, mn kWh, Including:	27,672	29,509	+6.6%
CHP	14,809	15,823	+6.8%
HPP	12,863	13,686	+6.4%
Electricity Sales Including Purchased Energy, mn kWh	30,590	32,579	+6.5%
Capacity Sales, MW (monthly average)	5,392	5,420	+0.5%
Heat Output, thous Gcal	24,445	24,715	+1.1%
Useful Heat Output Including Purchased Energy, thous Gcal	23,010	22,871	-0.6%
Fuel Rate on Electricity*, g/kWh	209.0	208.7	-0.1%
Fuel Rate on Heat*, kg/Gcal	169.7	169.2	-0.3%
Capacity Load Factor, %*	45.7	48.5	+2.8 p.p.
CHP	41.7	44.2	+2.5 p.p.
HPP	51.2	54.7	+3.5 p.p.

Financial Highlights, RUB mln

	2016	2017	Change
Revenue	78,891	87,395	+10.8%
Operating Expenses, Incl.:	(69,802)	(76,007)	+8.9%
Variable Costs	(41,198)	(45,238)	+9.8%
Fixed Costs	(20,920)	(22,315)	+6.7%
Depreciation and Amortization	(7,684)	(8,454)	+10.0%
Total Operating Expenses**	(70,290)	(75,409)	+7.3%
Operating Profit	8,601	11,986	+39.4%
Profit Before Income Tax	6,466	10,520	+62.7%
EBITDA ***	16,285	20,440	+25.5%
Profit for the Year	5,324	7,927	+48.9%
Total Comprehensive Income for the Year	5,391	7,806	+44.8%

* Without 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

Dynamics of Sale Prices for Electricity at the Day-ahead Market

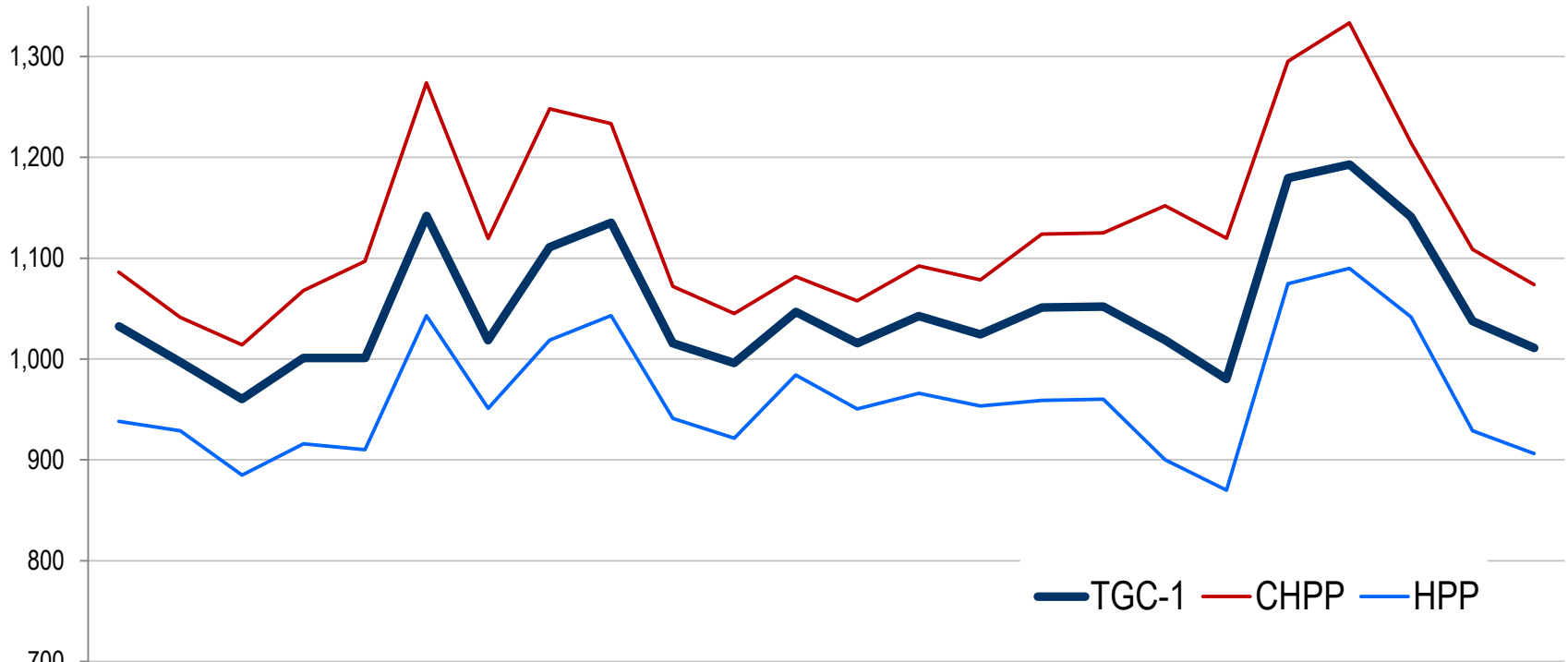
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/ MWh

CHPP
13
HPP
40



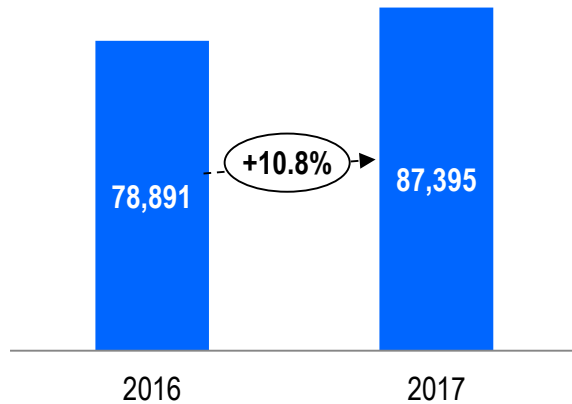
	2016		2017
Kolsky Branch	873.18	+0.9%	880.89
Karelsky Branch	1,019.96	+0.6%	1,026.59
Nevsky Branch	1,105.53	+3.0%	1,138.37
TGC-1	1,033.04	+2.7%	1,061.44

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

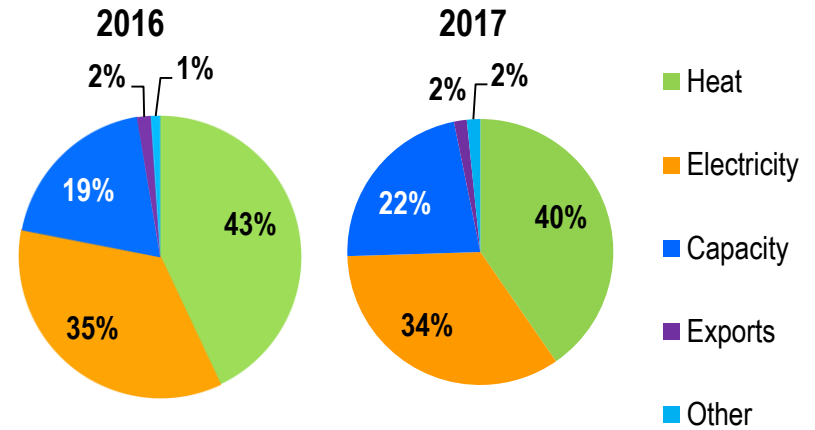


	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
	2016												2017											
TGC-1	1,032	997	960	1,001	1,001	1,142	1,019	1,111	1,135	1,016	996	1,047	1,016	1,043	1,025	1,051	1,052	1,019	980	1,180	1,193	1,141	1,038	1,011
CHPP	1,086	1,041	1,014	1,068	1,097	1,274	1,120	1,248	1,234	1,072	1,045	1,082	1,058	1,092	1,079	1,124	1,125	1,152	1,120	1,295	1,334	1,214	1,109	1,074
HPP	938	929	885	916	910	1,043	951	1,019	1,043	941	921	984	950	966	953	959	960	900	870	1,075	1,090	1,042	929	906

Revenue, RUB mln



Revenue Structure*



Prices and Tariffs*, RUB mln

	2016	2017	Change
Average Electricity Price, thous RUB/MWh	940.5	957.7	+1.8%
Average New Capacity Price, RUB/MWh per Month	677,195.4	911,130.4	+34.5%
Average Old Capacity Price RUB/MWh per Month	116,298.6	119,627.5	+2.9%

Revenue Change Factors

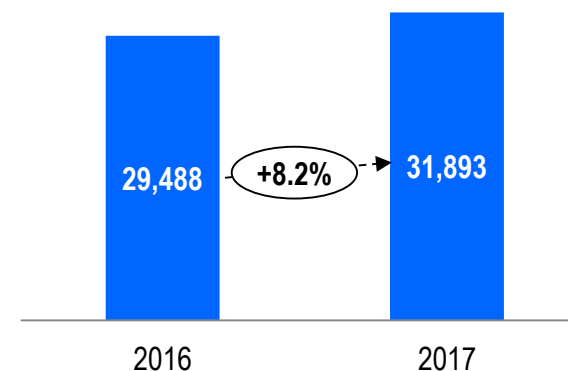
- Growing capacity price for CSA-units and CSA-units priority load;
- Commissioning of a new highly efficient gas turbine – CHP at station #1 at Tsentralnaya CHP;
- Spot price growth by 2.7%;
- High water factor at Nevsky and Karelsky branches;
- Long heating period.

* Management report data.

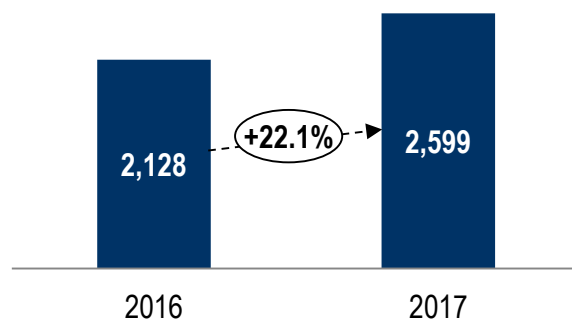
Variable Costs, RUB mln

	2016	2017	Change
Fuel	29,488	31,893	+8.2%
Electricity, Capacity and Heat Purchases	6,169	7,060	+14.4%
Water Usage Expenses	2,600	2,838	+9.2%
Other Materials	813	848	+4.3%
Heat Transmission	2,128	2,599	+22.1%
Total Variable Costs	41,198	45,238	+9.8%

Fuel Expenses, RUB mln



Heat Transmission, RUB mln



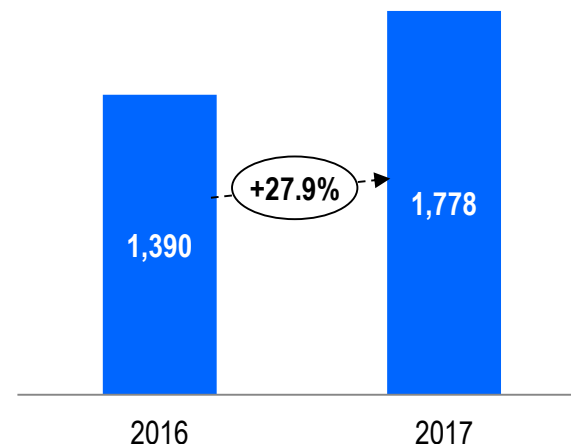
Variable Costs Change Factors

- Growing fuel expenses;
- Increased expenses for electricity purchase, caused by growing electricity output and exports volume;
- Heat and electricity transmission growth on the account of new users connection in Leningrad region, as well as growing heat tariff.

Fixed Costs, RUB mln

	2016	2017	Change
Employee Benefits	7,274	7,620	+4.8%
Repairs and Maintenance	3,496	3,538	+1.2%
Taxes Other than Income Tax	1,390	1,778	+27.9%
Fees of Electricity Market Operators	814	821	+0.9%
Rent Expenses	466	2,518	x5.4
Insurance Cost	286	286	-
Other	7,194	5,754	-20.0%
Total Fixed Costs	20,920	22,315	+6.7%

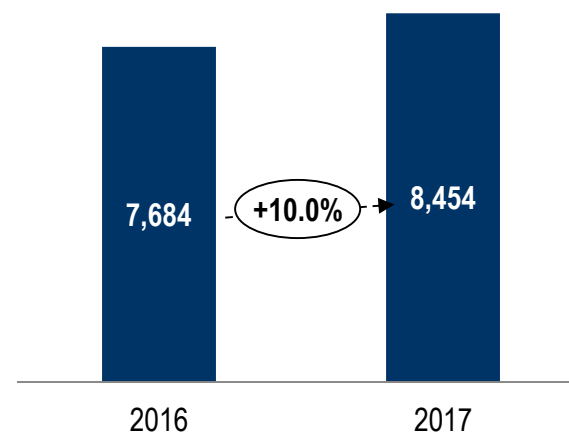
Taxes other than Income Tax, RUB mln



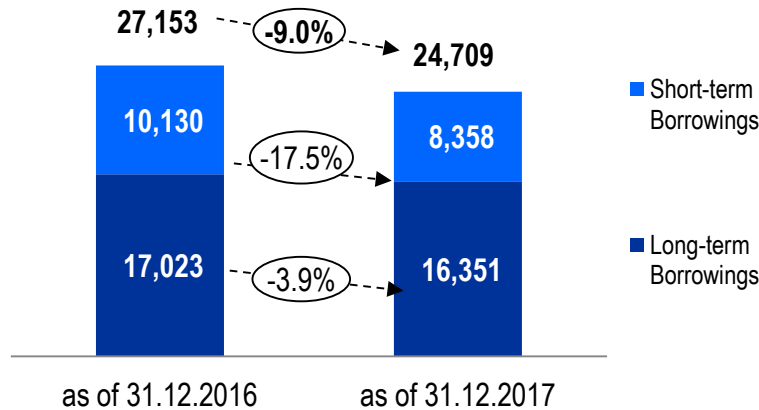
Fixed Costs and Depreciation Change Factors

- Growing rent expenses.
- Provision for impairment of accounts receivable at a lower rate than in 2016;
- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.
- Lower IT services, consulting, legal and audit expenses

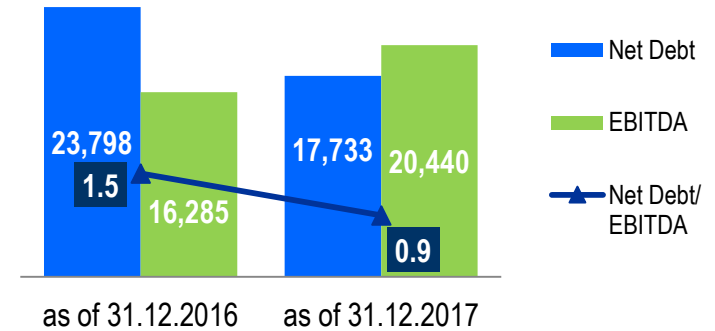
Depreciation and Amortization, RUB mln



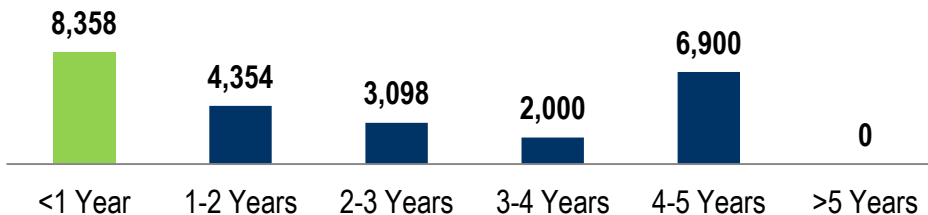
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of December 31, 2017, RUB mln



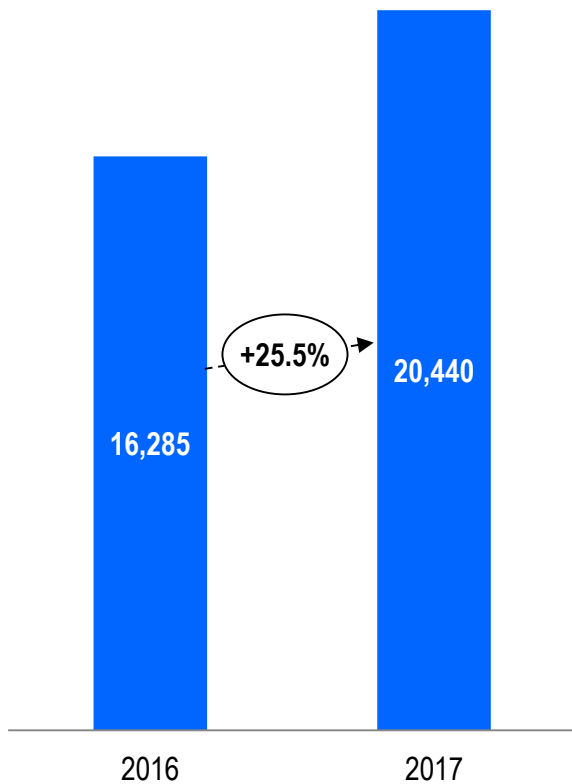
Debt Portfolio Management

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

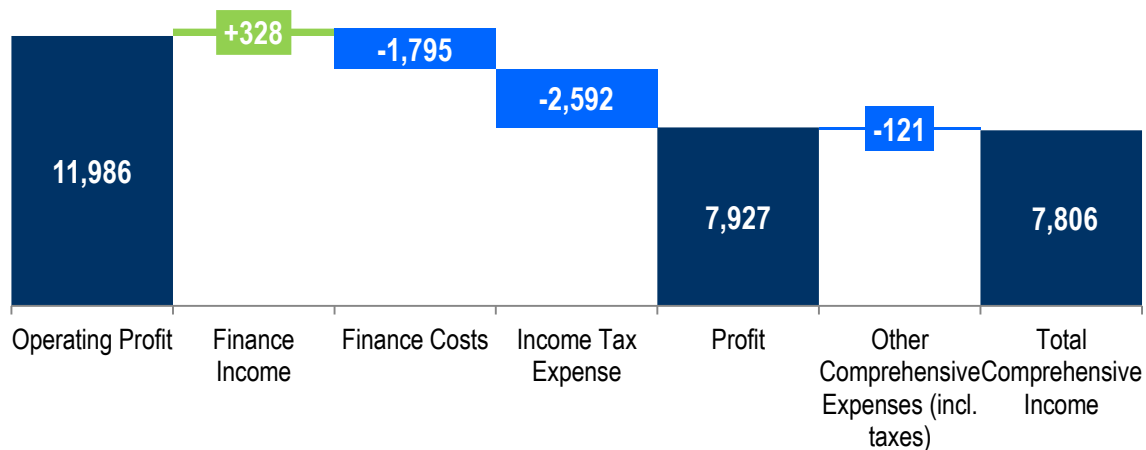
Weighted average effective interest for TGC-1 debt portfolio (cumulative year-to-date) for 12M 2017 amounted to 9.22%

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

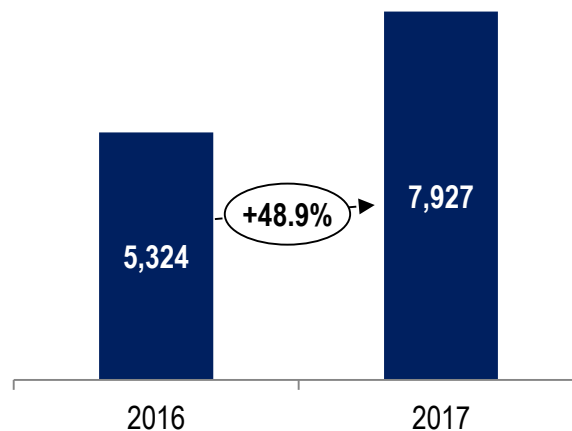
EBITDA, RUB mln



Profit Bridge for 2017FY, 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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