



TGC-1

3M 2018 IFRS Results

May 14, 2018

The information contained herein has been prepared using information available to Public Joint Stock Company “Territorial generating company №1” (hereinafter - TGC-1 or the Company) at the time of preparation of the presentation. Since making a presentation on the activities of TGC-1 and the content of the presentation could affect the external or other factors. In addition all relevant information about TGC-1 may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. TGC-1 cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in TGC-1, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

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

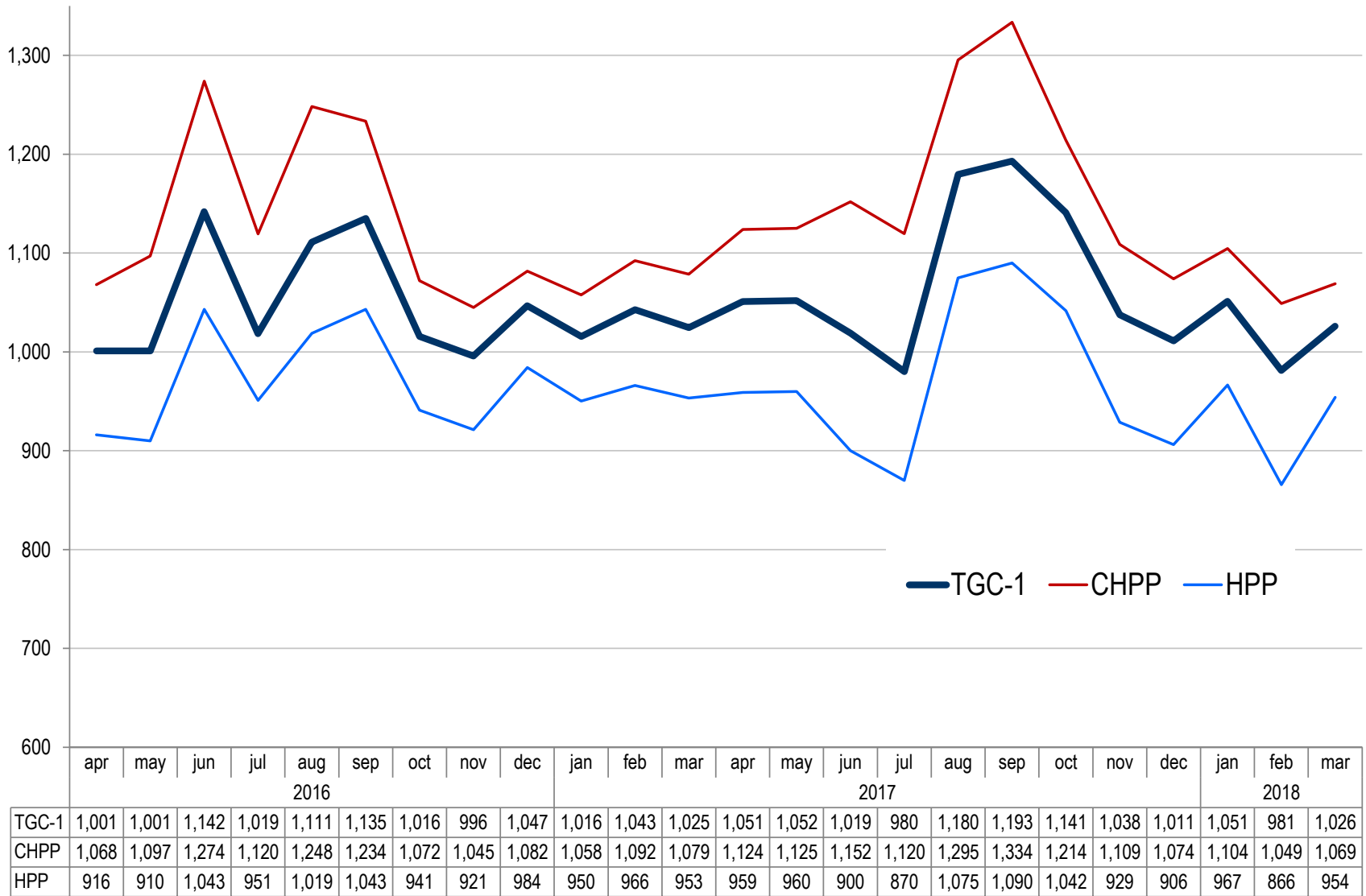
CHPP
13
HPP
40



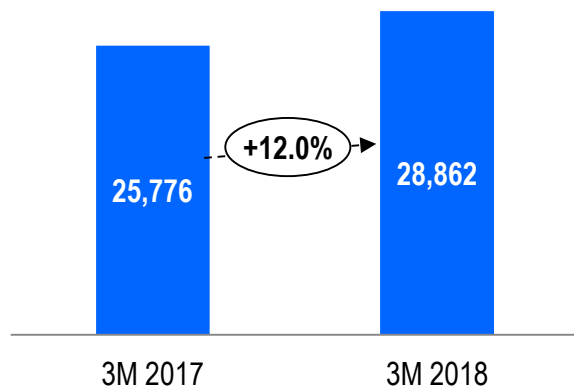
	3M 2017		3M 2018
Kolsky Branch	882.99	-4.4%	844.24
Karelsky Branch	1,030.52	-4.3%	986.06
Nevsky Branch	1,082.71	-0.3%	1,079.70
TGC-1	1,027.27	-0.6%	1,020.61



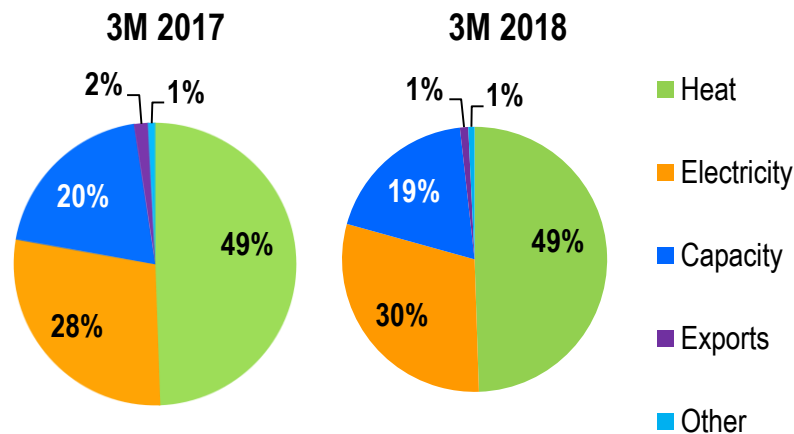
Dynamics of Prices for Electricity at the Day-ahead Market: CHPPs and HPPs



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

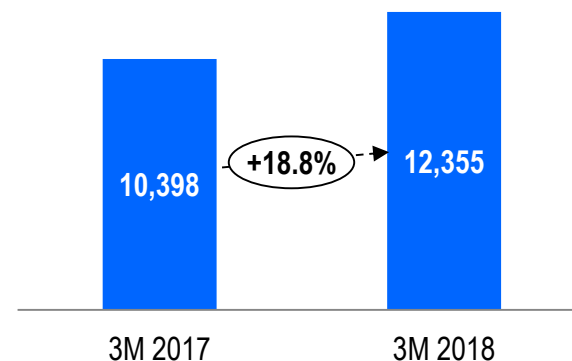
- Growing capacity price for CSA-units and CSA-units priority load;
- Commissioning of a new highly efficient GTU-CHPP at Power Plant No. 1 at the Centralnaya CHPP;
- High water content at all branches;
- Lower air temperature.

* Management report data.

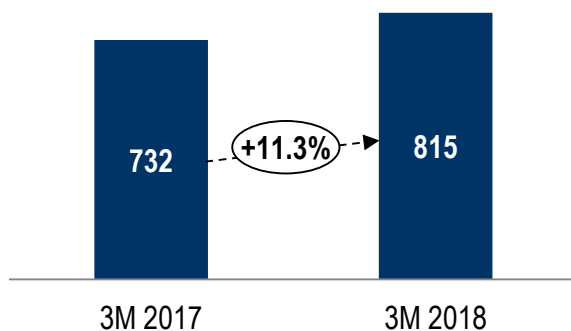
Variable Costs, RUB mln

	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%
Total Variable Costs	13,932	16,145	+15.9%

Fuel Expenses, RUB mln



Heat Transmission, RUB mln



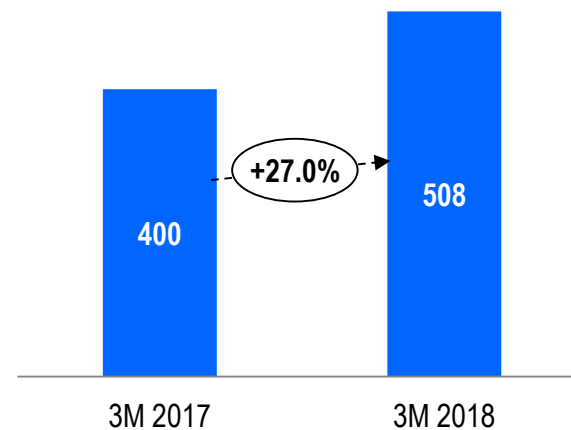
Variable Costs Change Factors

- 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%
Total Fixed Costs	4,049	4,648	+14.8%

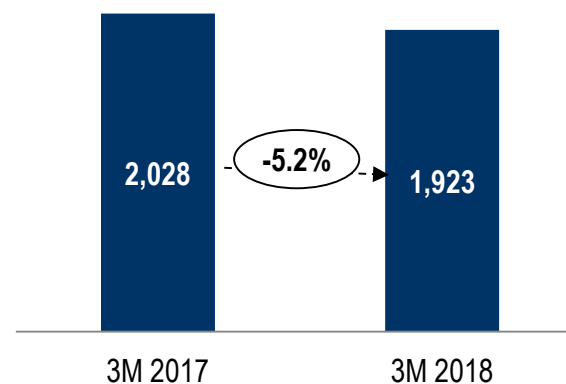
Taxes other than Income Tax, RUB mln



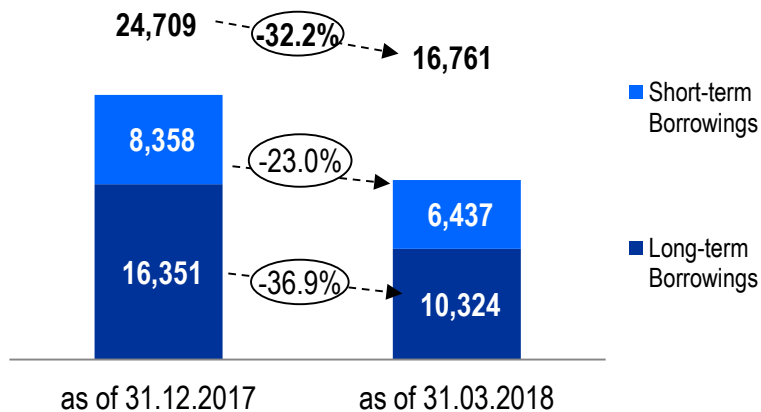
Fixed Costs and Depreciation Change Factors

- 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.

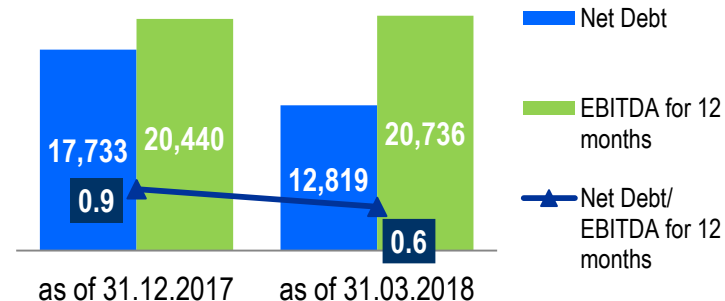
Depreciation and Amortization, RUB mln



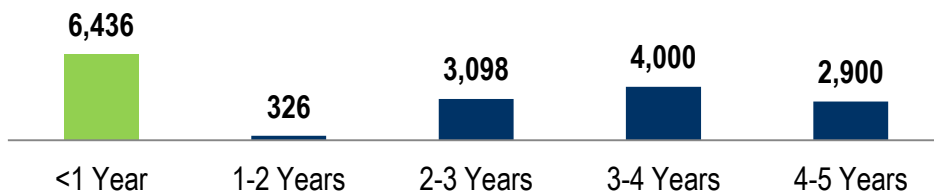
Debt Structure, RUB mln



Net Debt*/ EBITDA



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



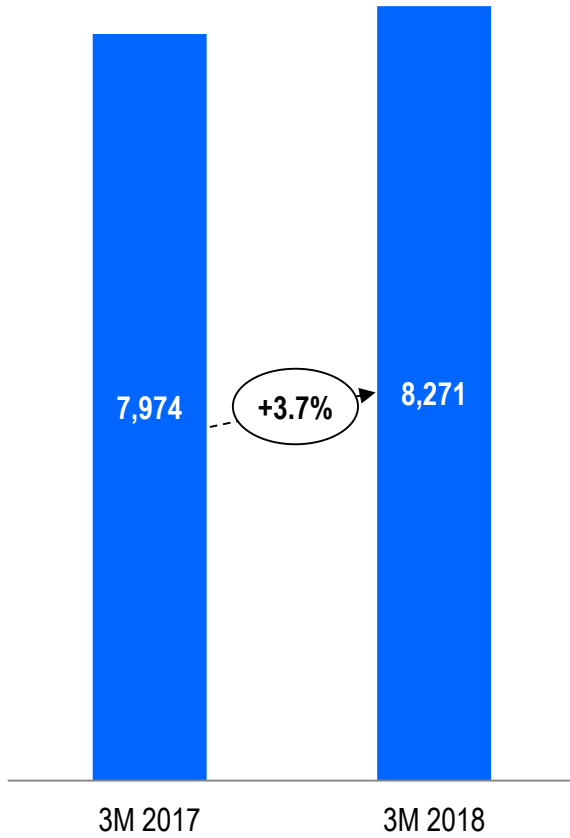
Debt Portfolio Management

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

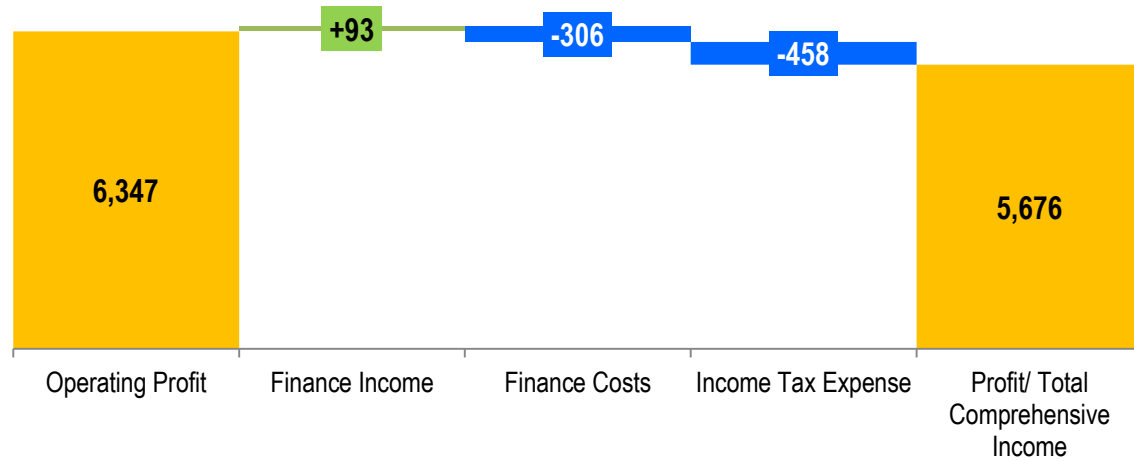
Weighted average interest for TGC-1 debt portfolio (cumulative year-to-date) for 3M 2018 amounted to 7.68%

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

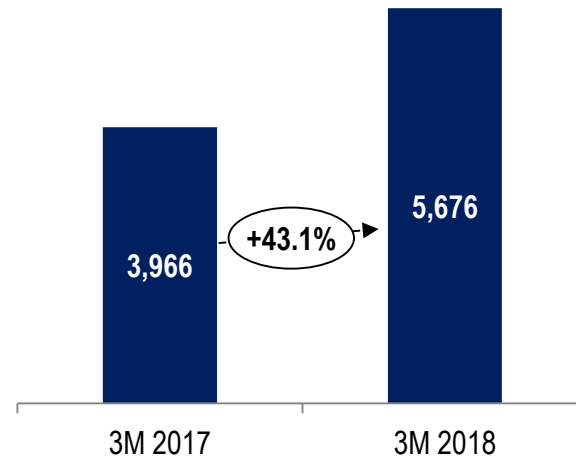
EBITDA, RUB mln



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!

Contacts for mass-media

+7 (812) 688-32-84
press_tgc1@tgc1.ru

Contacts for investors and analysts

+7 (812) 688-38-07
ir@tgc1.ru