



TGC-1

6M 2018 IFRS Results

August 6, 2018

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Operational Highlights

	6M 2017	6M 2018	Change
Installed Capacity, MW	6,952	6,950	-0.03%
Electricity Production, mln kWh, Including:	14,513	15,902	+9.6%
CHPP	8,042	8,810	+9.6%
HPP	6,471	7,092	+9.6%
Electricity Sales Including Purchased Energy, mln kWh	15,996	17,377	+8.6%
Capacity Sales, MW (monthly average)	5,469	5,619	+2.7%
Heat Output, thous Gcal	14,480	14,576	+0.7%
Useful Heat Output Including Purchased Energy, thous Gcal	14,497	14,552	+0.4%
Fuel Rate on Electricity*, g/kWh	199.6	205.3	+2.9%
Fuel Rate on Heat*, kg/Gcal	168.7	167.4	-0.8%
Capacity Load Factor, %*	48.1	52.8	+4,7 p.p.
CHPP	45.3	49.7	+4,4 p.p.
HPP	52.2	57.2	+5,0 p.p.

Financial Highlights, RUB mln

	6M 2017	6M 2018	Change
Revenue	44,691	47,913	+7.2%
Operating Expenses, Incl.:	(37,081)	(39,335)	+6.1%
Variable Costs	(23,534)	(25,596)	+8.8%
Fixed Costs	(9,480)	(9,868)	+4.1%
Depreciation and Amortization	(4,067)	(3,871)	-4.8%
Total Operating Expenses**	(36,428)	(38,575)	+5.9%
Operating Profit	8,263	9,339	+13.0%
Profit Before Income Tax	7,538	9,028	+19.8%
EBITDA ***	12,330	13,209	+7.1%
Profit for the Period	5,820	7,958	+36.7%
Total Comprehensive Income for the Period	5,819	7,957	+36.7%

* Without PJSC Murmanskaya CHPP.

** With account to Other operating income, Reversal of impairment loss for financial assets and Government subsidy.

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

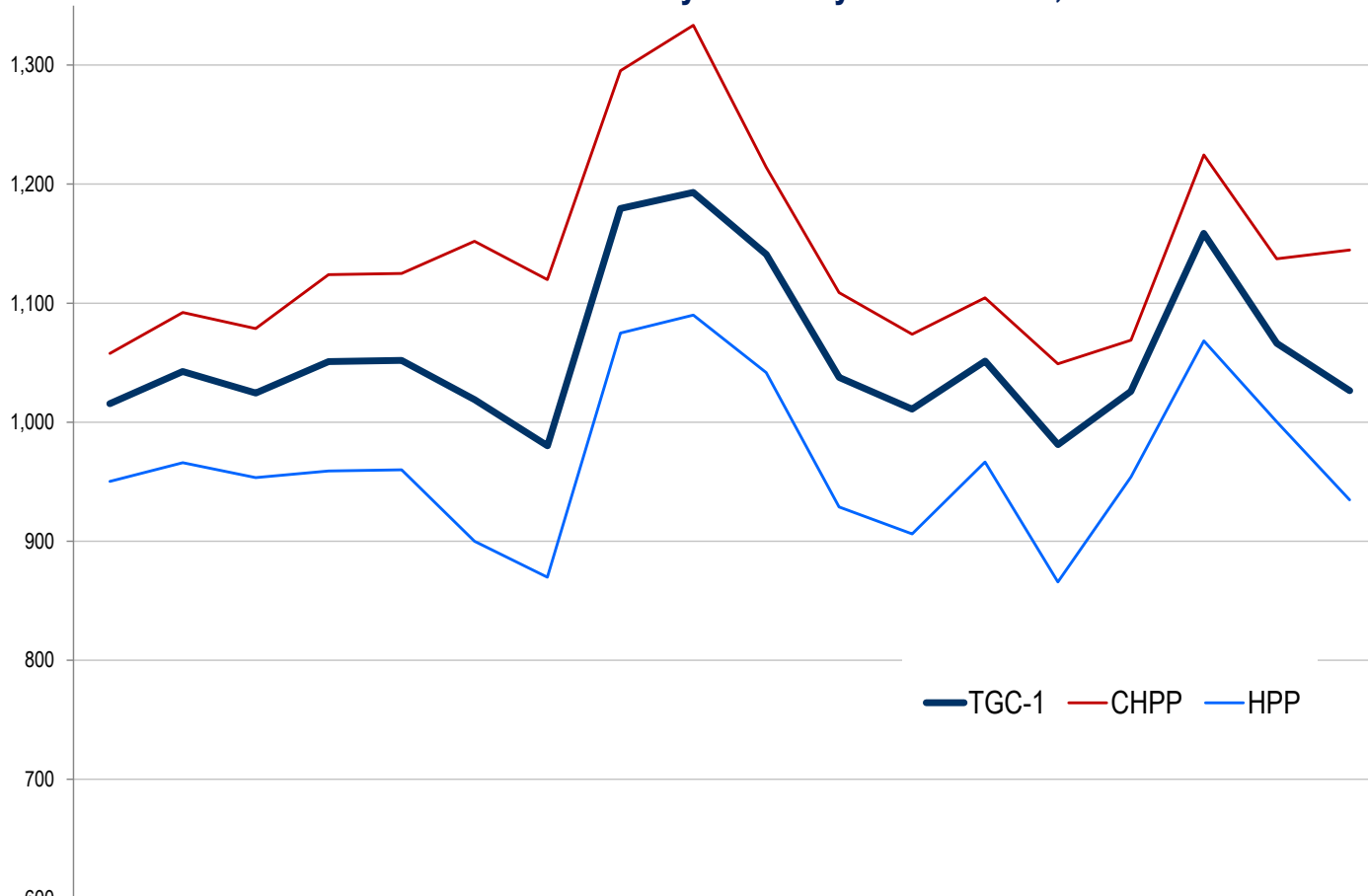
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/MWh

CHPP
13
HPP
40



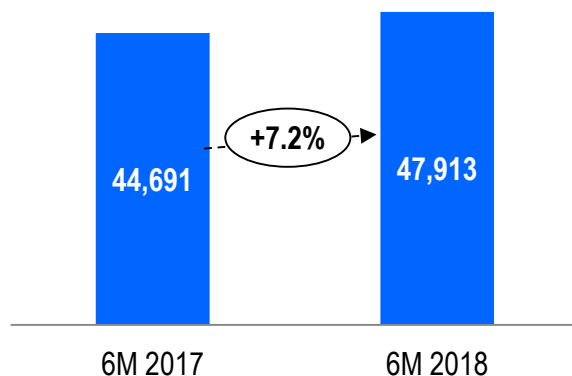
	6M 2017		6M 2018
Kolsky Branch	868.8	+1.7%	883.6
Karelsky Branch	1,021.0	-0.9%	1,011.7
Nevsky Branch	1,102.6	+1.2%	1,116.3
TGC-1	1,034.1	+1.6%	1,050.6

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

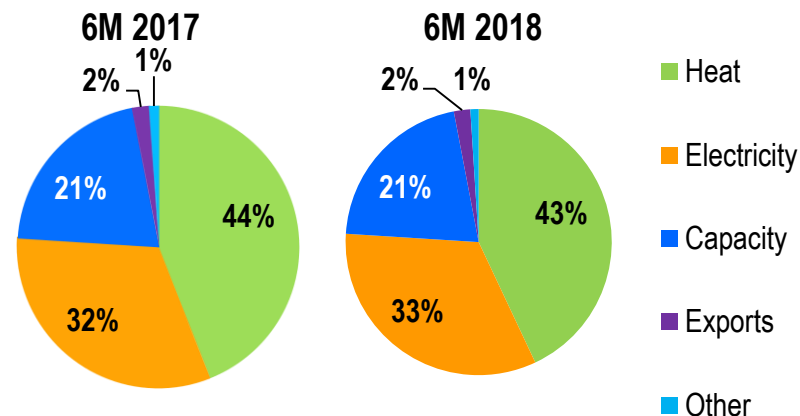


	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun
	2017												2018					
TGC-1	1,016	1,043	1,025	1,051	1,052	1,019	980	1,180	1,193	1,141	1,038	1,011	1,051	981	1,026	1,159	1,066	1,027
CHPP	1,058	1,092	1,079	1,124	1,125	1,152	1,120	1,295	1,334	1,214	1,109	1,074	1,104	1,049	1,069	1,224	1,137	1,145
HPP	950	966	953	959	960	900	870	1,075	1,090	1,042	929	906	967	866	954	1,068	1,000	935

Revenue, RUB mln



Revenue Structure*



Revenue Change Factors

- Growing sales volume at the spot market in 1Q 2018 (+23.0%) and growing spot prices in 2Q 2018 (+4.6%);
- Increased CSA capacity sales volume (+8.5%) in 6M 2018, as well as contract prices growth (+1.8%);
- Growing sales volume at liberalized capacity market (+4.8%);
- Exported electricity sales growth, resulting from elevated prices at Nord Pool market (+27.1%);
- Increased heat output in 1Q 2018, on the back of low air temperature.

Prices and Tariffs*, RUB mln

	6M 2017	6M 2018	Change
Average Electricity Price, thousand RUB/MWh	924.1	962.9	+4.2%
Average New Capacity Price, RUB/MWh per Month	877,835.8	893,659.0	+1.8%
Average Old Capacity Price RUB/MWh per Month	119,604.2	118,525.0	-0.9%

* Management report data.

Variable Costs, RUB mln

	6M 2017	6M 2018	Change
Fuel	17,052	18,814	+10,3%
Electricity, Capacity and Heat Purchases	3,566	3,675	+3,1%
Water Usage Expenses	1,375	1,476	+7,3%
Other Materials	296	331	+11,8%
Heat Transmission	1,245	1,300	+4,4%
Total Variable Costs	23,534	25,596	+8,8%

Fixed Costs, RUB mln

	6M 2017	6M 2018	Change
Employee Benefits	4,037	4,224	+4.6%
Repairs and Maintenance	1,284	1,294	+0.8%
Taxes Other than Income Tax	933	1,019	+9.2%
Fees of Electricity Market Operators	412	417	+1.2%
Rent Expenses	1,059	1,396	+31.8%
Insurance Cost	144	144	-
IT-service Cost	154	256	+66.2%
Other	1,457	1,118	-23.3%
Total Fixed Costs	9,480	9,868	+4.1%

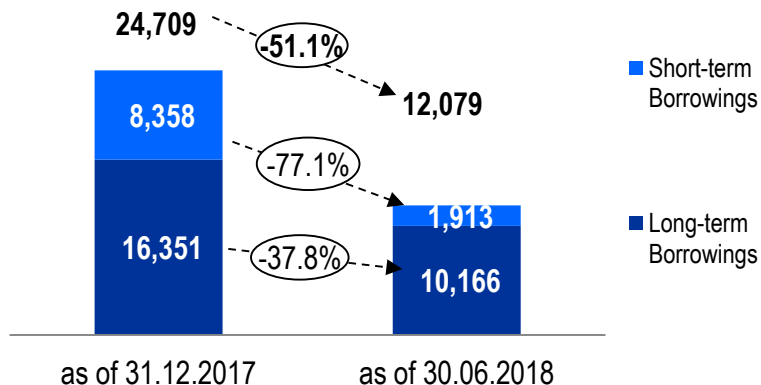
Variable Costs Change Main Factors

- Growing fuel expenses on the back of increased by 18.5% electricity output at CHPPs in 1Q 2018;
- Increased expenses for electricity purchase, caused by growing electricity output;
- Growth in water usage expenses, resulting from water consumption by heating grid;
- Heat and electricity transmission cost growth on the account of new users connection in Leningrad Oblast.

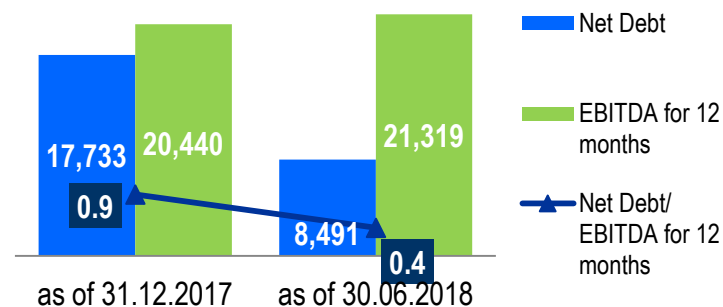
Fixed Costs Change Main Factors

- Growing rent expenses;
- Increased employee benefits on the account of salary indexation in 1H 2018;
- Growing IT-service cost, due to renovation of the Company information-management systems and enhancement of informational security;
- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.

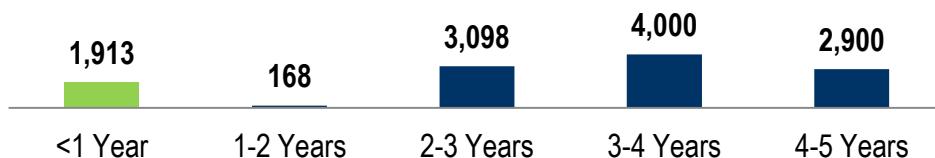
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of June 30, 2018, RUB mln



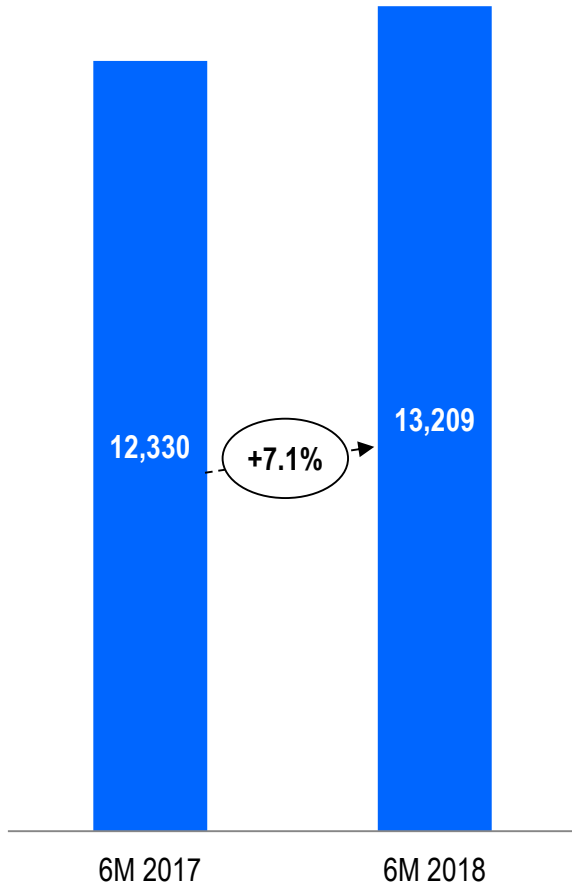
Debt Portfolio Management

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

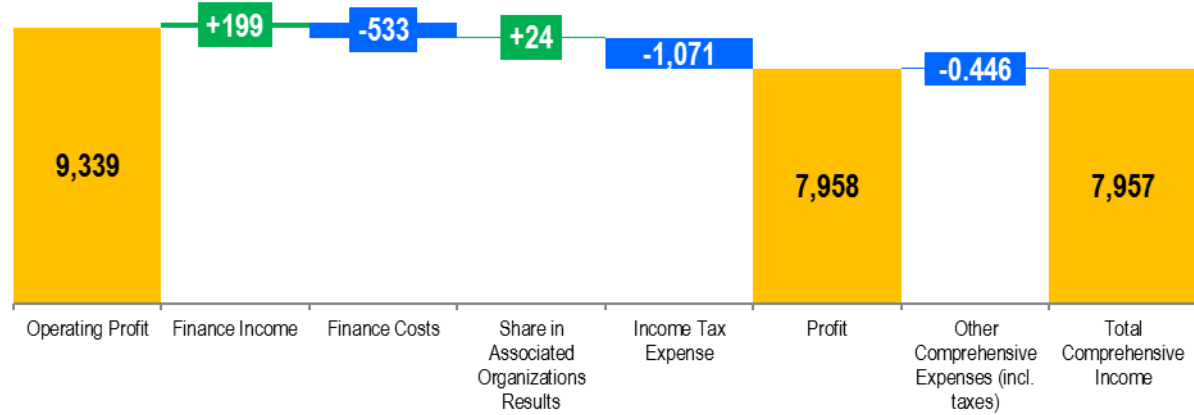
Weighted average interest for TGC-1 debt portfolio (cumulative year-to-date) for 6M 2018 amounted to 7.50%

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

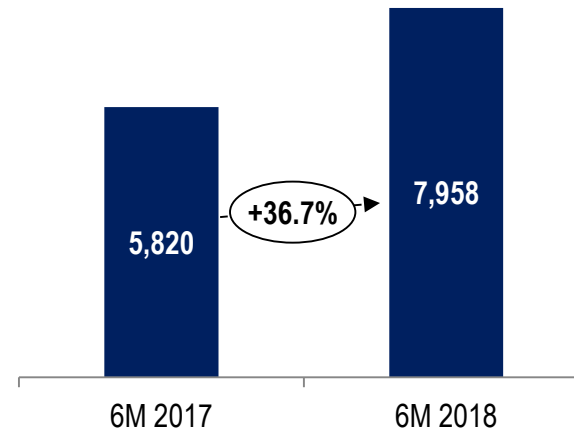
EBITDA, RUB mln



Profit Bridge for 6M 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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