



TGC-1

2018FY IFRS Results

March 14, 2019

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Operational Highlights

	2017	2018	Change
Installed Capacity, MW	6,950	6,950	0.0%
Electricity Production, mn kWh, Including:	29,509	29,327	-0.6%
CHP	15,823	16,508	+4.3%
HPP	13,686	12,819	-6.3%
Electricity Sales Including Purchased Energy, mn kWh	32,579	32,580	0.0%
Capacity Sales, MW (monthly average)	5,420	5,502	+1.5%
Heat Output, thous Gcal	24,715	24,895	+0.7%
Useful Heat Output Including Purchased Energy, thous Gcal	24,938	25,312	+1.5%
Fuel Rate on Electricity*, g/kWh	208.7	213.6	+2.3%
Fuel Rate on Heat*, kg/Gcal	169.2	168.2	-0.6%
Capacity Load Factor, %*	48.5	48.2	-0.3 p.p.
CHP	44.2	46.1	+1.9 p.p.
HPP	54.7	51.2	-3.5 p.p.

Financial Highlights, RUB mln

	2017**	2018	Change
Revenue	87,641	92,455	+5.5%
Operating Expenses, Incl.:	(73,907)	(77,390)	+4.7%
Variable Costs	(45,238)	(48,813)	+7.9%
Fixed Costs	(20,215)	(20,599)	+1.9%
Depreciation and Amortization	(8,454)	(7,978)	-5.6%
Total Operating Expenses***	(75,651)	(79,507)	+5.1%
Operating Profit	11,989	12,948	+8.0%
Profit Before Income Tax	10,520	12,316	+17.1%
EBITDA****	20,444	20,926	+2.4%
Profit for the Period	7,927	10,421	+31.5%
Total Comprehensive Income for the Period	7,806	10,606	+35.9%

* Without PJSC Murmanskaya CHPP.

** 2017FY results restated due to transfer of items "Government subsidy" and "Income from leased property" from "Other operating income" item to "Revenue".

*** 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

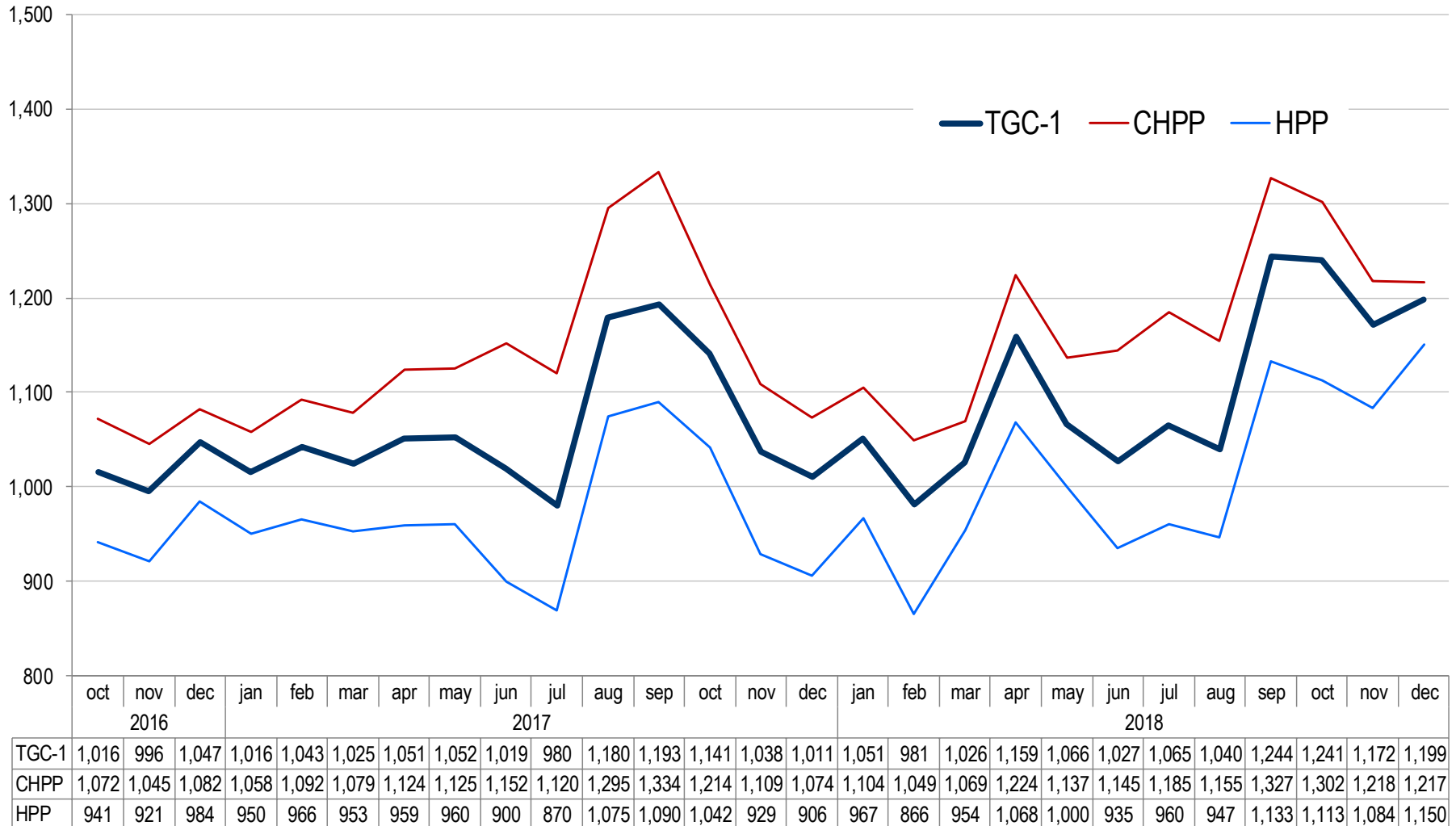
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/MWh

CHPP
13
HPP
40

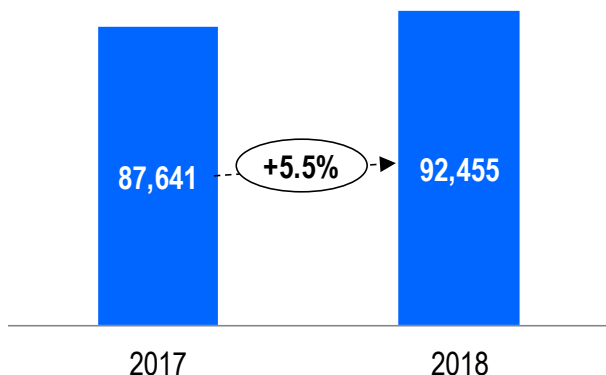


	2017		2018
Kolsky Branch	880.89	+4.8%	922.95
Karelsky Branch	1,026.59	+3.4%	1,061.74
Nevsky Branch	1,138.37	+3.3%	1,175.42
TGC-1	1,061.44	+4.0%	1,104.19

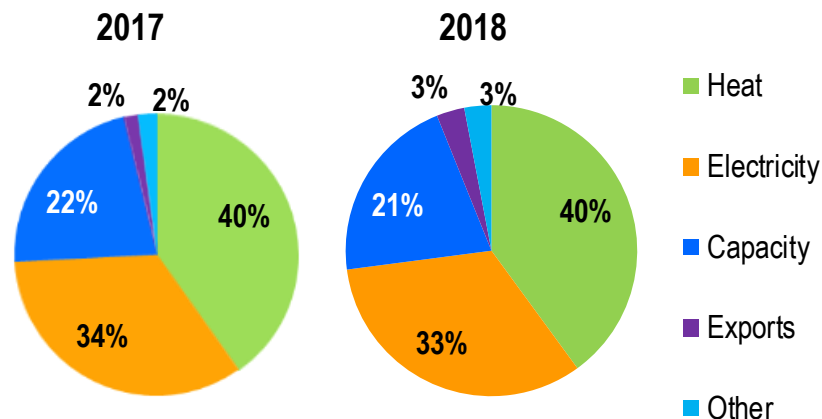
TGC-1's Sale Price for Electricity at the Day-ahead Market, RUB/MWh



Revenue, RUB mln



Revenue Structure*



Revenue Change Factors

- Growing day-ahead electricity prices (+4.0% year-on-year);
- Increased volume of payable CSA capacity (+5.5% year-on-year) on the account of lower capacity supply shortage at Pravoberezhnaya and Yuzhnaya CHPs;
- Exported electricity sales growth, resulting from favorable market environment at Nord Pool (+105.9%);
- Increased heat sales on the account of growing useful heat output volume (+1.7% year-on-year), on the back of lower air temperature and higher weighted average tariffs (+2.8% year-on-year).

Prices and Tariffs*, RUB mln

	2017	2018	Change
Average Electricity Price, thousand RUB/MWh	957.7	1,034.1	+8.0%
Average New Capacity Price, RUB/MWh per Month	911,130.4	889,464.3	-2.4%
Average Old Capacity Price RUB/MWh per Month	119,627.5	118,596.3	-0.9%

* Management report data.

Variable Costs, RUB mln

	2017	2018	Change
Fuel	31,893	34,816	+9.2%
Electricity, Capacity and Heat Purchases	7,060	7,776	+10.1%
Water Usage Expenses	2,838	3,034	+6.9%
Other Materials	848	906	+6.8%
Heat Transmission	2,599	2,281	-12.2%
Total Variable Costs	45,238	48,813	+7.9%

Fixed Costs, RUB mln

	2017	2018	Change
Employee Benefits	7,620	8,067	+5.9%
Repairs and Maintenance	3,538	3,630	+2.6%
Taxes Other than Income Tax	1,778	2,012	+13.2%
Fees of Electricity Market Operators	821	855	+4.1%
Rent Expenses	2,518	2,725	+8.2%
Insurance Cost	286	292	+2.1%
IT-service Cost	332	349	+5.1%
Other	3,322	2,669	-19.7%
Total Fixed Costs	20,215	20,599	+1.9%

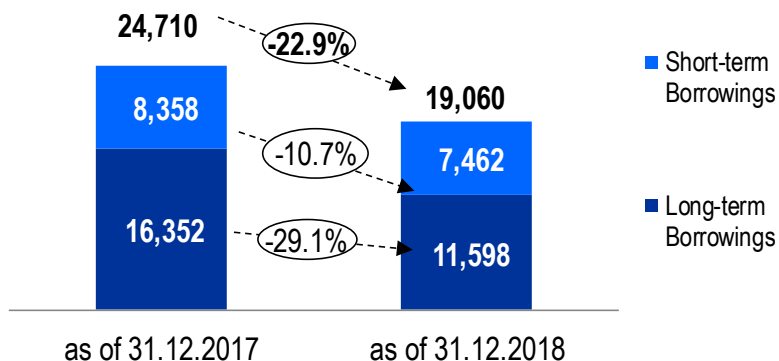
Variable Costs Change Main Factors

- Growing fuel expenses on the back of increased electricity output at CHPs (+4.3% year-on-year) and growing fuel expenses;
- Increased expenses for electricity purchase, caused by growing purchased electricity volume, in order to assure exports, as well as growing purchased electricity prices at day-ahead, balancing markets and competitive capacity outtake;
- Growth in water usage expenses, resulting from water consumption by heating grid and growing tariffs.

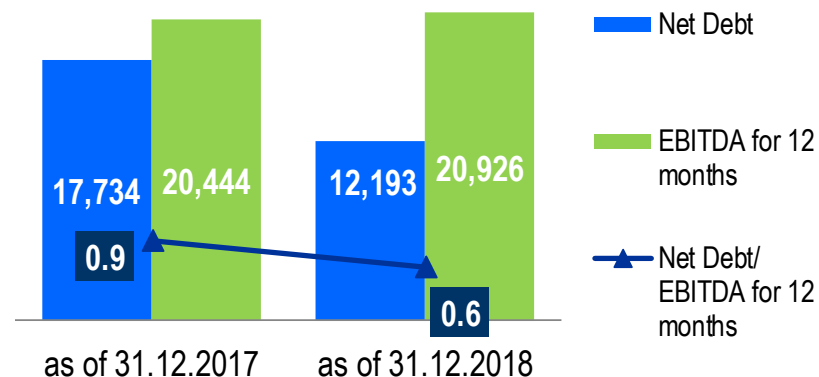
Fixed Costs Change Main Factors

- Increased employee benefits on the account of salary indexation in 1H 2018, as well as salary increase for workers and technical specialists in order to assure staffing plan;
- Increase of taxes other than income tax due to less property tax allowance used in St. Petersburg and growing property tax for grid assets.
- Growing rent expenses;
- Lower loss from disposal of property, plant and equipment in the reporting period.

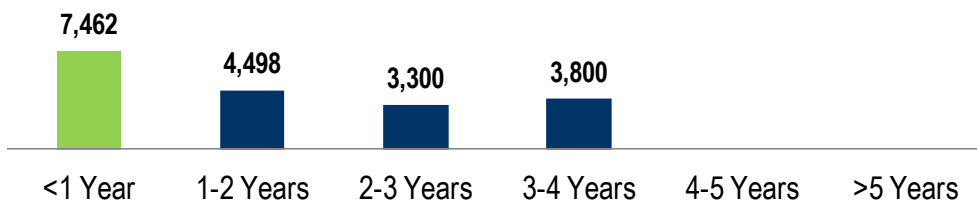
Debt Structure, RUB mln



Net Debt*/ EBITDA



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

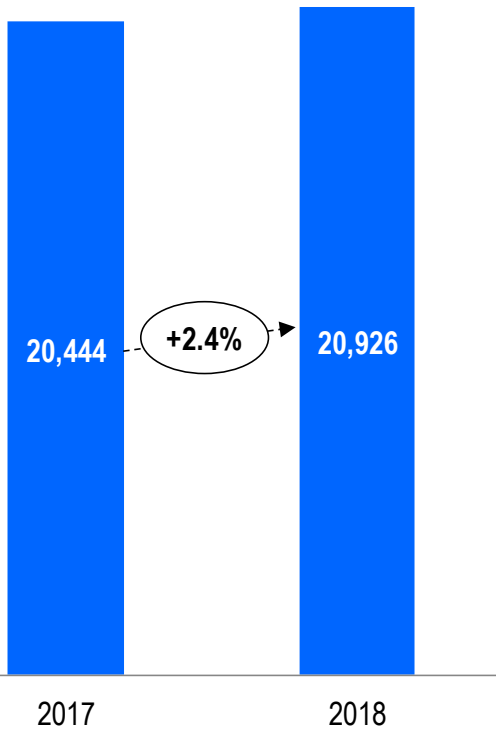


Debt Portfolio Management

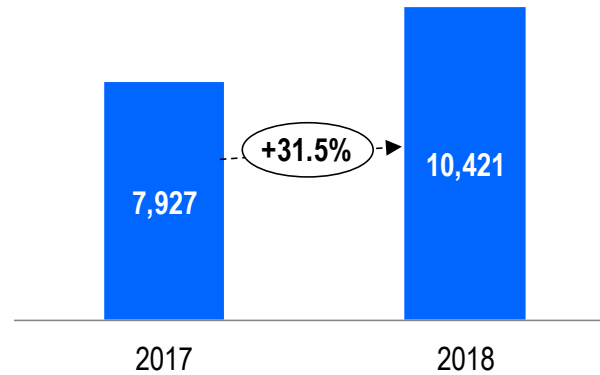
- Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.
- Weighted average interest for TGC-1 debt portfolio for 12M 2018 amounted to 7.26%.

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

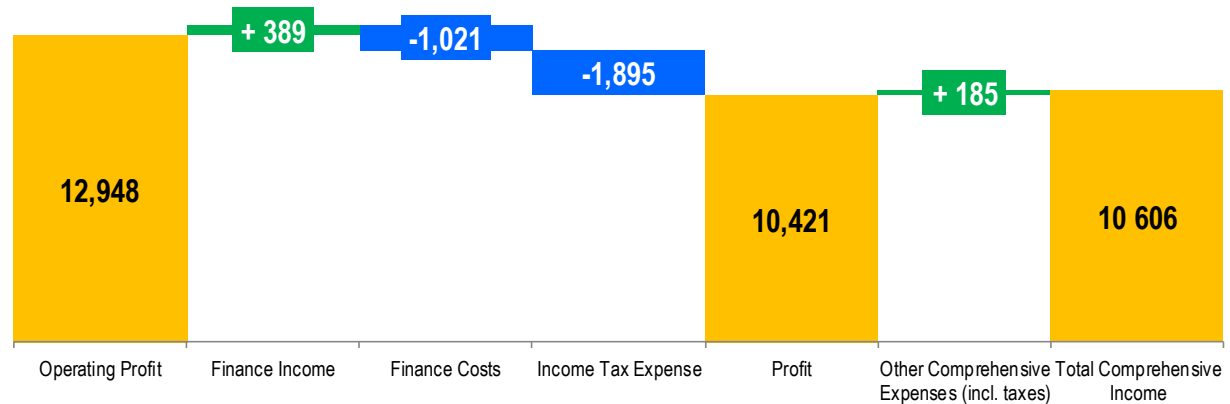
EBITDA, RUB mln



Profit Dynamics, RUB mln



Profit Bridge for 2018, RUB mln



S&P Global Ratings

Credit Ratings by S&P Global Ratings

Date	Rating Type	Rating Value
20.09.2018	International scale long-term rating	«BBB-», forecast «stable»
20.09.2018	International scale short-term rating	«A-3», forecast «stable»

Fitch Ratings Credit Ratings by Fitch Ratings

Date	Rating Type	Rating Value
11.09.2018	Foreign currency nominated long-term IDR	«BBB-», forecast «stable»
11.09.2018	Domestic currency nominated long-term IDR	«BBB-», forecast «stable»
11.09.2018	Foreign currency nominated short-term IDR	«F3»
11.09.2018	Domestic currency nominated short-term IDR	«F3»
11.09.2018	Domestic currency nominated priority unsecured rating	«BBB-»



Credit rating ACRA

Date	Rating Type	Rating Value
15.01.2019	National scale credit rating	«AA(RU)», forecast «stable»

Thank you for Your Attention!

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