

TGC-1

3 month of 2019 IFRS Results

15 May, 2019

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Operational Highlights

	3M 2018	3M 2019	Change
Installed Capacity, MW	6,950	6,950	0%
Electricity Production, mln kWh, Including:	8,818	8,488	-3.7%
CHPP	5,400	5,672	+5.0%
HPP	3,418	2,815	-17.6%
Electricity Sales Including Purchased Energy, mln kWh	9,551	9,133	-4.4%
Capacity Sales, MW (monthly average)	5,684	5,713	+0.5%
Heat Output, thous GCal	10,452	9,740	-6.8%
Useful Heat Output Including Purchased Energy, thous GCal	10,096	8,320	-17.6%
Fuel Rate on Electricity*, g/kWh	192.8	199.2	+3.3%
Fuel Rate on Heat*, kg/GCal	166.2	167.9	+1.0%
Capacity Load Factor, %*	58.8	55.8	-3.0 p.p.
CHPP	61.2	64.3	+3.1 p.p.
HPP	55.4	43.8	-11.6 p.p.

Financial Highlights, RUB mln

	3M 2018**	3M 2019	Change
Revenue	28,947	31,901	+10.2%
Operating Expenses, Incl.:	(22,859)	(23,775)	+4.0%
Variable Costs	(16,145)	(17,398)	+7.8%
Fixed Costs	(4,791)	(3,973)	-17.1%
Depreciation and Amortization	(1,923)	(2,404)	+25.0%
Loss on Finance Assets Impairment	230	(217)	-
Operating Profit	6,317	7,909	+25.2%
Profit Before Income Tax	6,134	7,167	+16.8%
EBITDA***	8,241	10,313	+25.1%
Profit / Total Comprehensive Income for the Period	5,676	5,980	+5.4%

* Without PJSC Murmanskaya CHPP.

** 3M 2018 results were restated due to "Government subsidies" and "Income from rent" items transfer from "Other operating income" to "Revenue"

*** EBITDA = Operating profit + Depreciation and Amortization

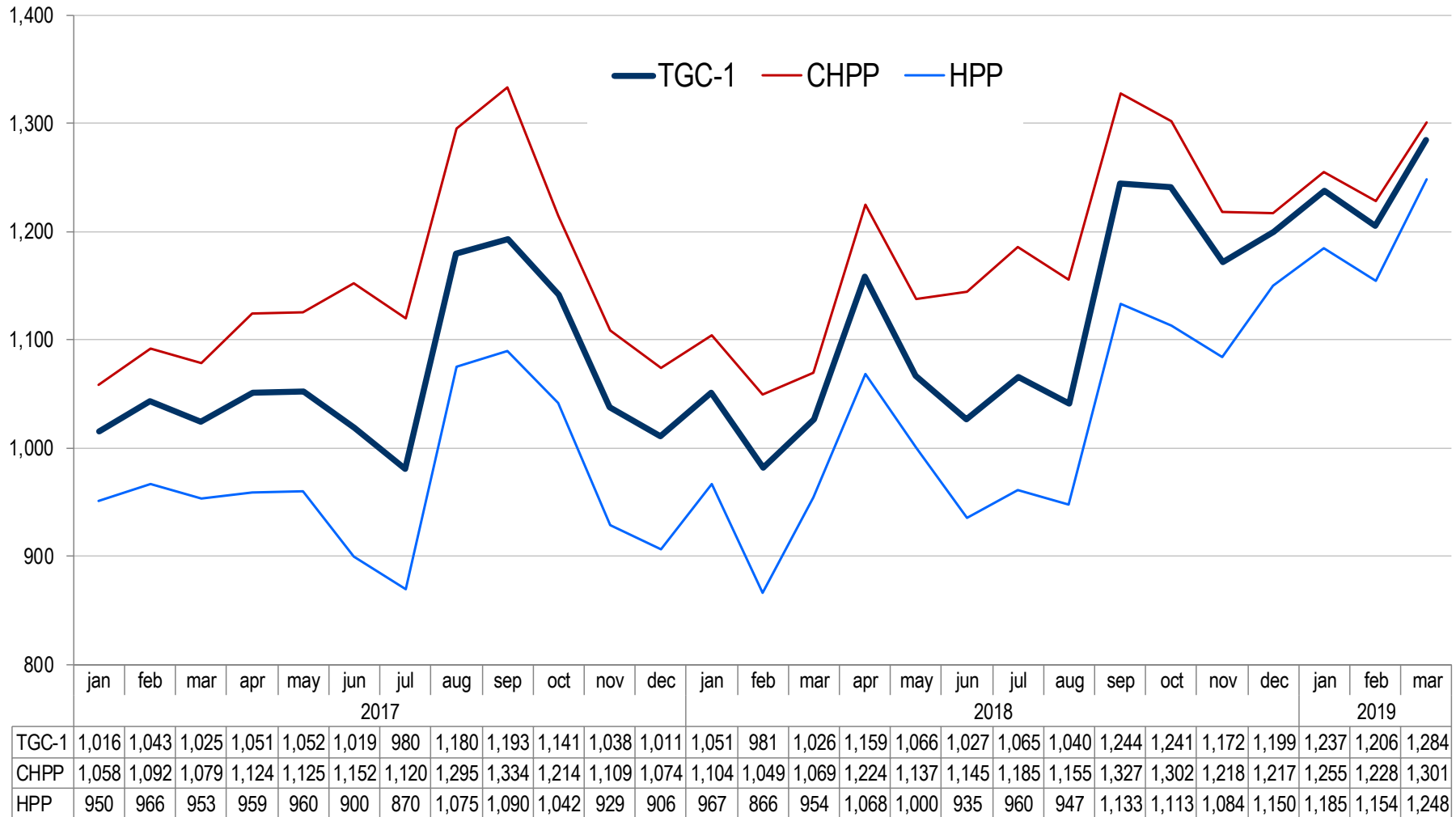
TGC-1's Regional Sale Prices for Electricity at the Day-ahead Market, RUB/MWh

CHPP
13
HPP
40

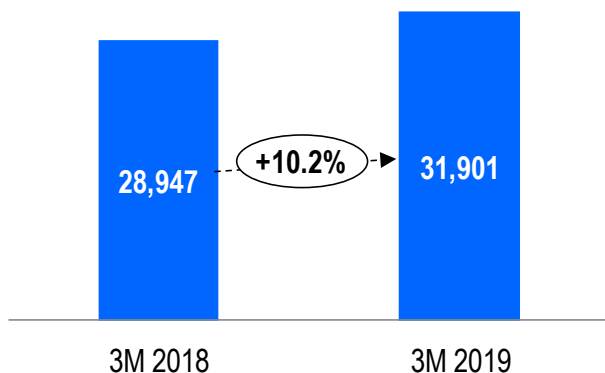


	3M 2018		3M 2019
Kolsky Branch	844.24	+36.1%	1,149.42
Karelsky Branch	986.06	+26.8%	1,250.30
Nevsky Branch	1,079.70	+17.3%	1,266.84
TGC-1	1,020.61	+21.8%	1,243.32

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



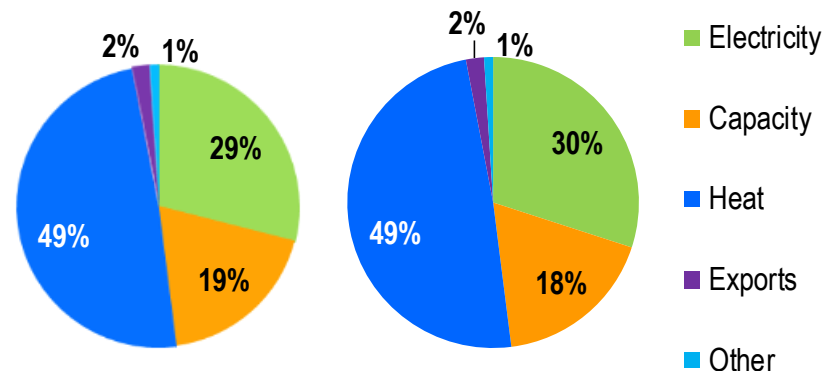
Revenue, RUB mln



Revenue Structure

3M 2018

3M 2019



Revenue Change Factors

- Growing day-ahead electricity prices (+21.8% year-on-year);
- Increased revenue from CDA capacity sales (+8.7% year-on-year);
- Exported electricity sales growth (+70.2% year-on-year), resulting from favorable market environment at Nord Pool market;
- Increased heat sales on the account of growing tariff.

Prices and Tariffs*, RUB mln

	3M 2018	3M 2019	Change
Average Electricity Price, thousand RUB/MWh	952.5	1 156.7	+21.4%
Average New Capacity Price, RUB/MWh per Month	973,186.9	1,019,048.9	+4.7%
Average Old Capacity Price RUB/MWh per Month	125,163.2	124,946.4	-0.2%

* Management report data, without PJSC Murmanskaya CHPP.

Variable Costs, RUB mln

	3M 2018	3M 2019	Change
Fuel	12,355	13,267	+7.4%
Electricity, Capacity and Heat Purchases	2,100	2,486	+18.4%
Water Usage Expenses	752	789	+4.9%
Other Materials	123	188	+52.8%
Heat Transmission	815	668	-18.0%
Total Variable Costs	16,145	17,398	+7.8%

Fixed Costs, RUB mln

	3M 2018	3M 2019	Change
Employee Benefits	1,998	2,307	+15.5%
Repairs and Maintenance	604	555	-8.1%
Taxes Other than Income Tax	508	352	-30.7%
Fees of Electricity Market Operators	210	222	+5.7%
Insurance Cost	73	74	+1.4%
IT-service Cost	122	116	-4.9%
Other	1,276	347	-72.8%
Total Fixed Costs	4,791	3,973	-17.1%

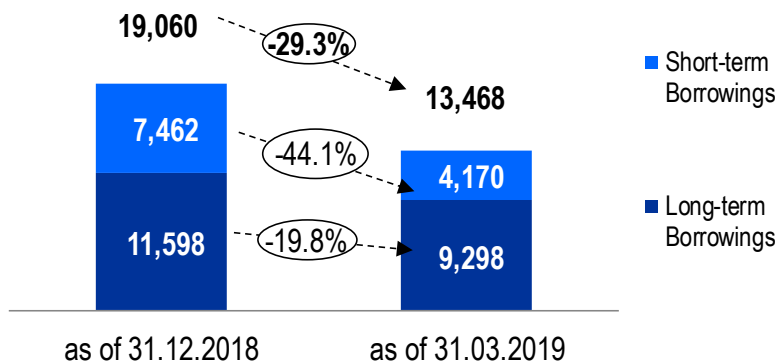
Variable Costs Change Main Factors

- Growing fuel expenses on the back of increased electricity output at CHPPs (+5.0% year-on-year) and growing fuel prices;
- Increased expenses for electricity purchase, caused by growing purchased electricity price and volume, in order to assure exports;
- Growth in water usage expenses, resulting from growing tariffs and water consumption by heating grid.

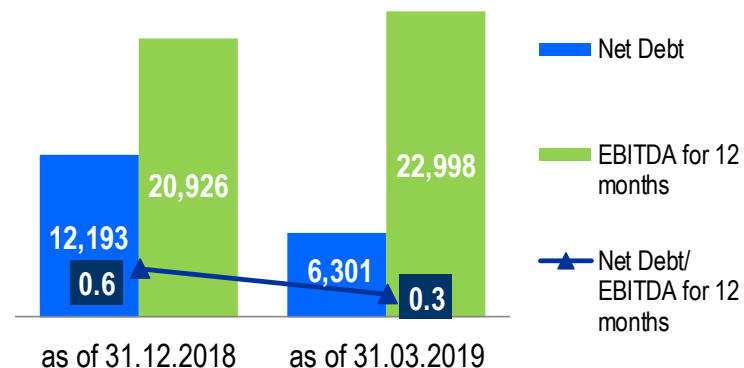
Fixed Costs Change Main Factors

- Increased employee benefits on the account of salary indexation in 1Q 2019, as well as salary increase for workers and technical specialists in order to assure staffing plan;
- Decrease of taxes other than income tax due to changes in Article 30 of Tax code, resulting in movable property exclusion from property tax basis;
- Lower other costs dew to growing gain from disposal of property, plant and equipment.

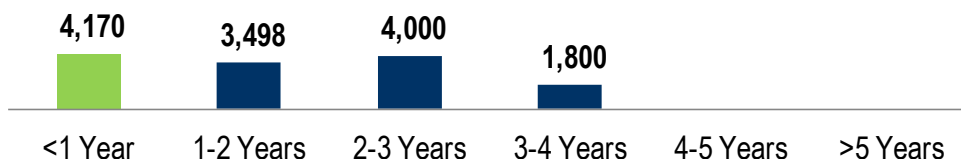
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of 31 March, 2019, RUB mln

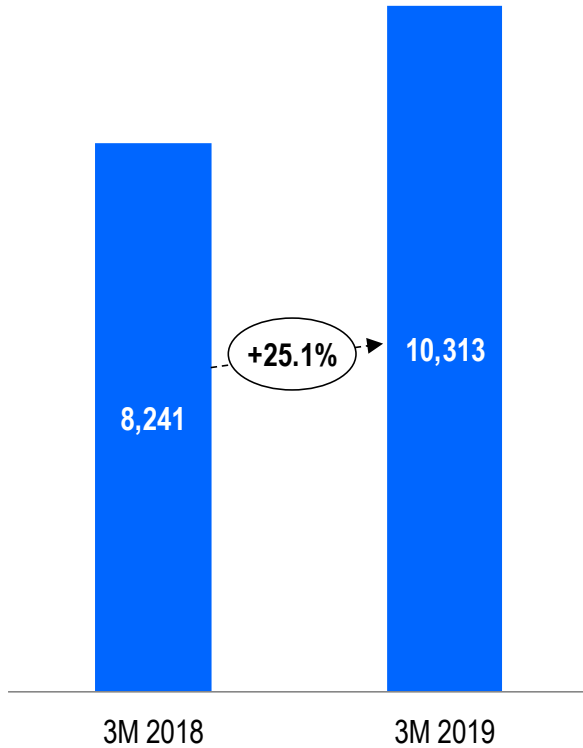


Debt Portfolio Management

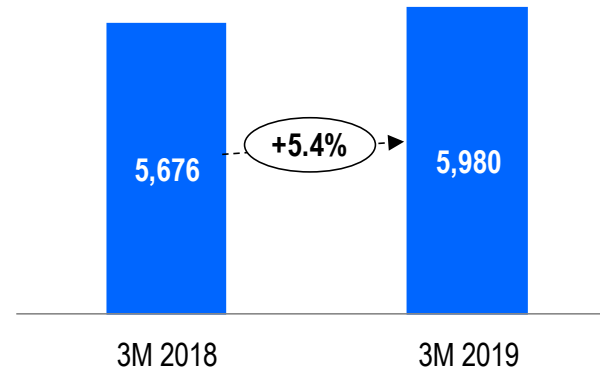
- Two bond issues series 03-04 of TGC-1 are traded on Moscow Exchange.
- Weighted average interest for TGC-1 debt portfolio for 3M 2019 amounted to 7.54%.

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

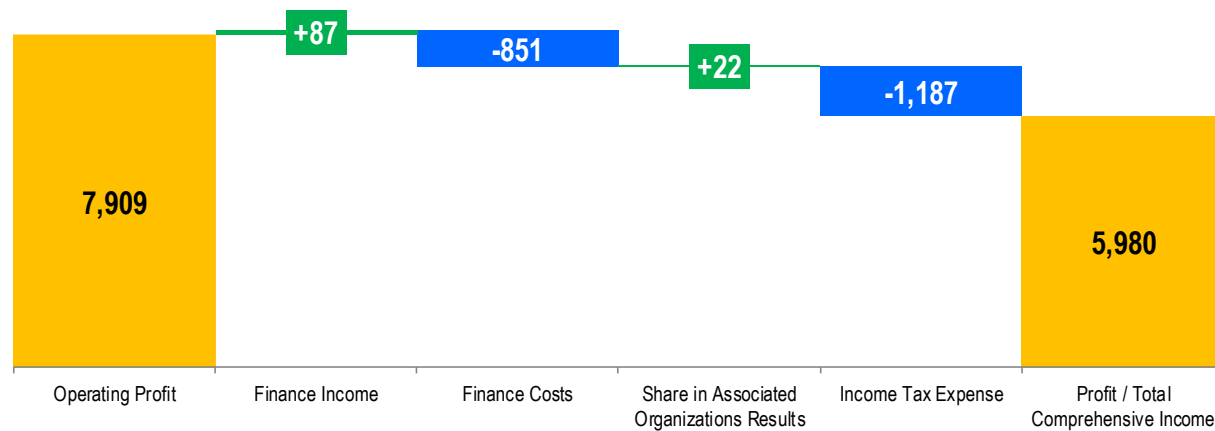
EBITDA, RUB mln



Profit Dynamics, RUB mln



Profit Bridge for 3M 2019, 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-»

*On 28.03.2019 Fitch Ratings reiterated the issuer's ratings



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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