

TGC-1

6M 2019 IFRS Results

6 August 2019

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Operational Highlights

	6M 2018	6M 2019	Change
Installed Capacity, MW	6,950	6,950	0.0%
Electricity Production, mn kWh, Including:	15,902	15,078	-5.2%
CHPP	8,810	9,224	+4.7%
HPP	7,092	5,854	-17.5%
Electricity Sales Including Purchased Energy, mn kWh	17,377	16,516	-5.0%
Capacity Sales, MW (monthly average)	5,619	5,495	-2.2%
Heat Output, thous Gcal	14,576	13,735	-5.8%
Useful Heat Output Including Purchased Energy, thous Gcal	14,552	13,895	-4.5%
Fuel Rate on Electricity*, g/kWh	205.3	218.3	+6.3%
Fuel Rate on Heat*, kg/Gcal	167.4	169.1	+1.0%
Capacity Load Factor, %*	52.8	50.0	-2.8 p.p.
CHP	49.7	52.0	+2.3 p.p.
HPP	57.2	47.2	-10.0 p.p.

Financial Highlights, RUB mln

	6M 2018**	6M 2019	Change
Revenue	48,064	52,712	+9.7%
Operating Expenses, Incl.:	(39,129)	(41,404)	+5.8%
Variable Costs	(25,265)	(27,654)	+9.5%
Fixed Costs	(9,993)	(8,888)	-11.1%
Depreciation and Amortization	(3,871)	(4,862)	+25.6%
Reversal on Financial Assets Impairment	414	771	+86.2%
Operating Profit	9,349	12,079	+29.2%
Profit Before Income Tax	9,028	11,045	+22.3%
EBITDA ***	13,220	16,941	+28.1%
Profit for the Period	7,958	9,302	+16.9%
Total Comprehensive Income for the Period	7,957	9,302	+16.9%

* Without PJSC Murmanskaya CHPP.

** 6M 2018 results were restated due to "Government subsidies" and "Income from rent" items transfer from "Other operating income" to "Revenue".

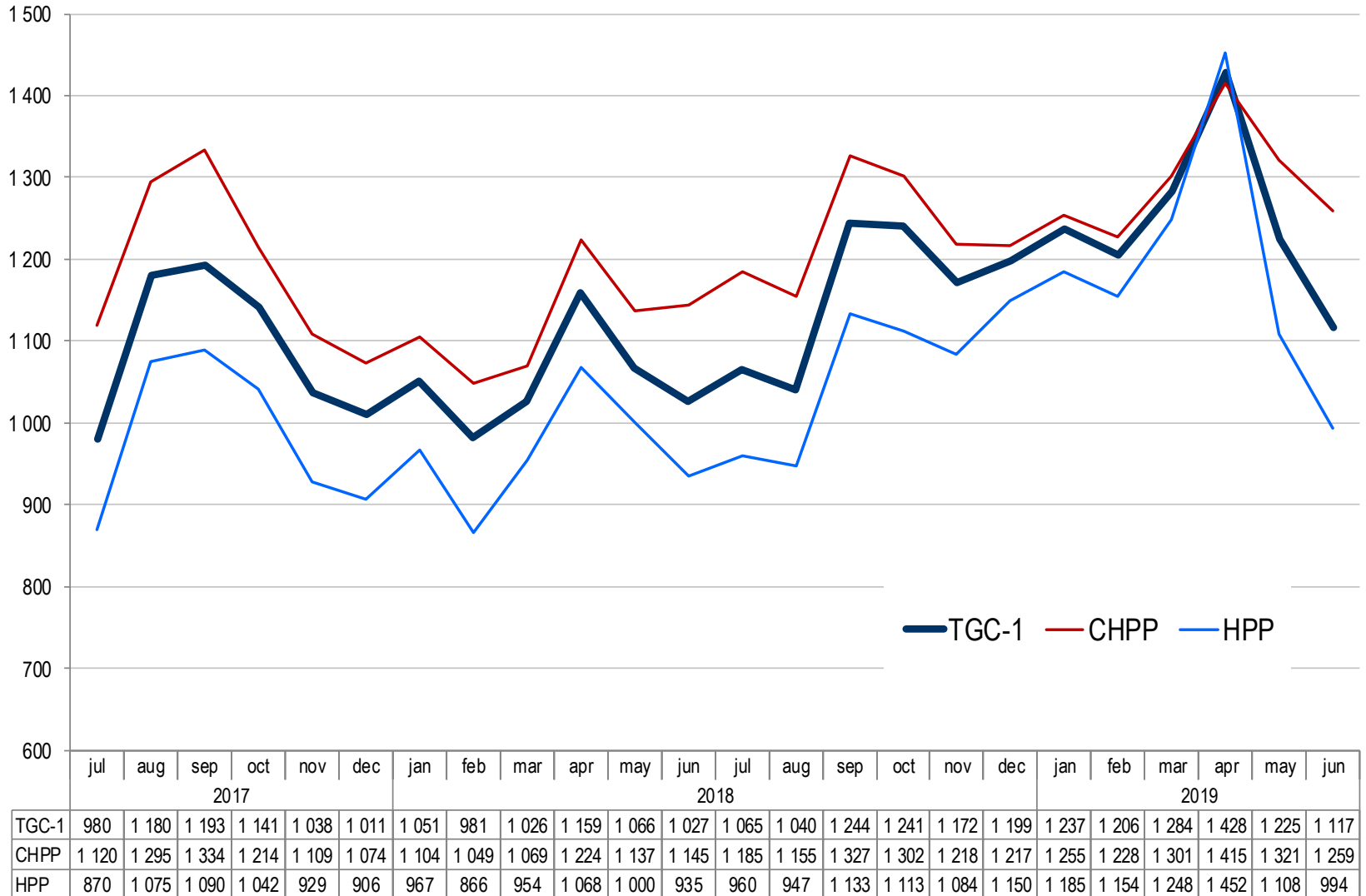
*** EBITDA = Operating profit + Depreciation and Amortization.

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

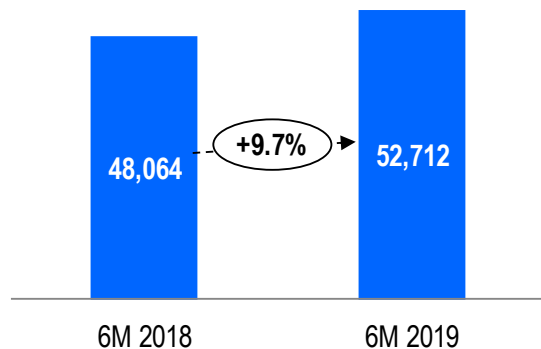
CHPP
13
HPP
40



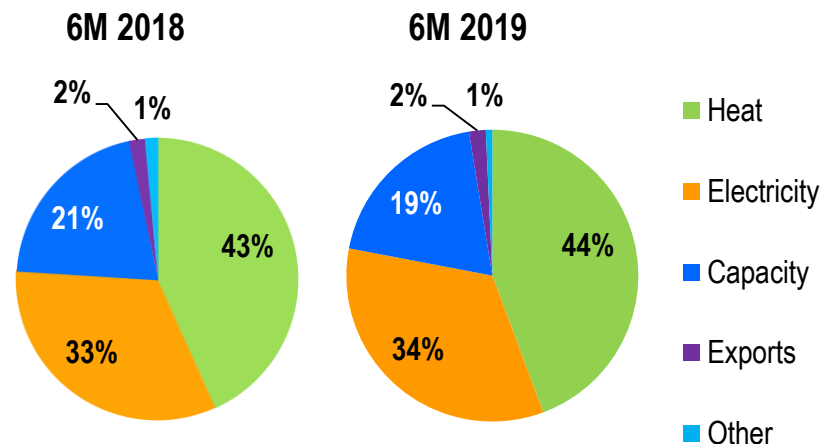
	6M 2018		6M 2019
Kolsky Branch	883.59	+28.5%	1,135.10
Karelsky Branch	1,011.69	+20.6%	1,220.01
Nevsky Branch	1,116.26	+16.3%	1,297.83
TGC-1	1,050.64	+19.5%	1,255.01



Revenue, RUB mln



Revenue Structure*



Revenue Change Factors

- Growing prices at the day-ahead market (+19.5%);
- CDA capacity prices growth (+5.5% year-on-year);
- Exported electricity sales growth, resulting from favorable situation at Nord Pool market (+11.4% year-on-year);
- Increased revenue from heat sales (+12.4% year-on-year), on the back of growing tariffs.

Prices and Tariffs*, RUB mln

	6M 2018	6M 2019	Change
Average Electricity Price, thousand RUB/MWh	962.9	1,138.3	+18.2%
Average New Capacity Price, RUB/MWh per Month	893,659.0	942,529.9	+5.5%
Average Old Capacity Price RUB/MWh per Month	118,525.0	119,069.0	+0.5%

* Management report data.

Variable Costs, RUB mln

	6M 2018	6M 2019	Change
Fuel	18,814	20,712	+10.1%
Electricity, Capacity and Heat Purchases	3,675	4,186	+13.9%
Water Usage Expenses	1,476	1,543	+4.6%
Heat Transmission	1,300	1,213	-6.7%
Total Variable Costs	25,265	27,654	+9.5%

Fixed Costs, RUB mln

	6M 2018	6M 2019	Change
Employee Benefits	4,224	4,599	+8.9%
Repairs and Maintenance	1,294	1,219	-5.8%
Taxes Other than Income Tax	1,019	807	-20.8%
Rent Expenses	1,396	-*	-
Other	2,060	2,263	+9.9%
Total Fixed Costs	9,993	8,888	-11.1%

* Zero rent expenses for 6M 2019 resulted from IFRS 16 standard "Rent", valid since 1 January 2019. Depreciation of assets expense in form of right of use and interest expenses on rent were reflected in accordance with the standard.

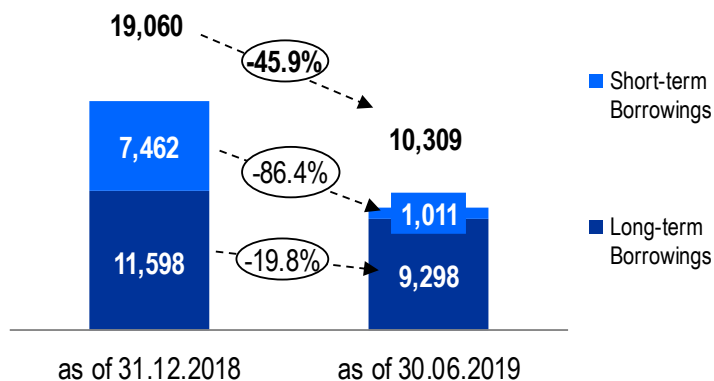
Variable Costs Change Main Factors

- Growing fuel expenses on the back of increased electricity output at CHPPs (+4.7%);
- Increased expenses for electricity purchase, in order to assure exports and liabilities under regulated contracts;
- Growth in water usage expenses, resulting from growing water consumption by heating grid;
- Heat and electricity transmission cost decrease on the account of lower heat output (-5.8%) and warmer weather in 1Q 2019.

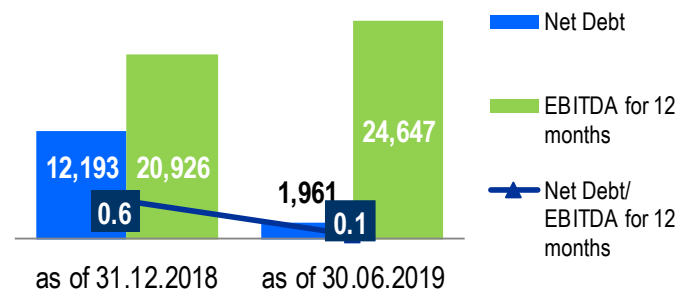
Fixed Costs Change Main Factors

- 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.

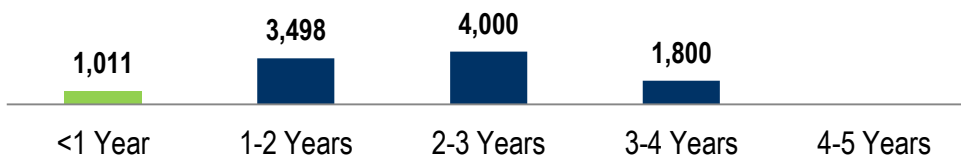
Debt Structure, RUB mln



Net Debt*/ EBITDA



Maturity Profile, as of 30 June 2019, RUB mln



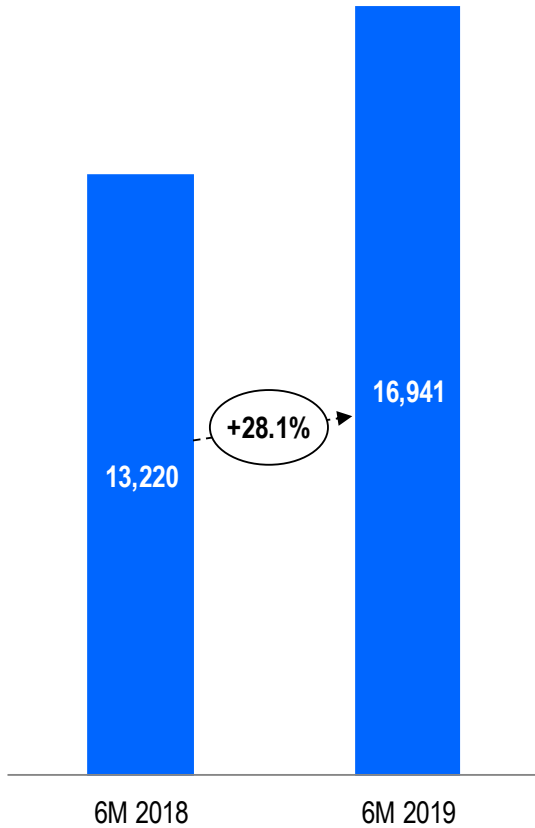
Debt Portfolio Management

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

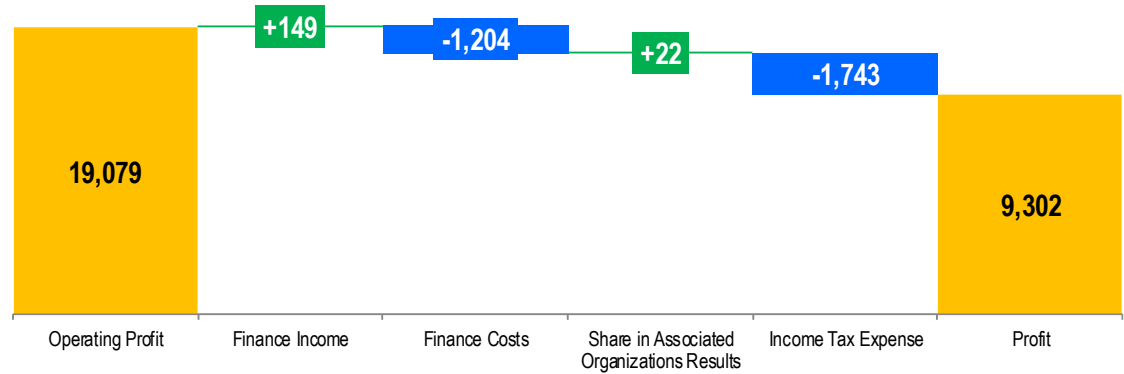
Weighted average interest rate for TGC-1 debt portfolio (cumulative year-to-date) for 6M 2019 amounted to 7.42%

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

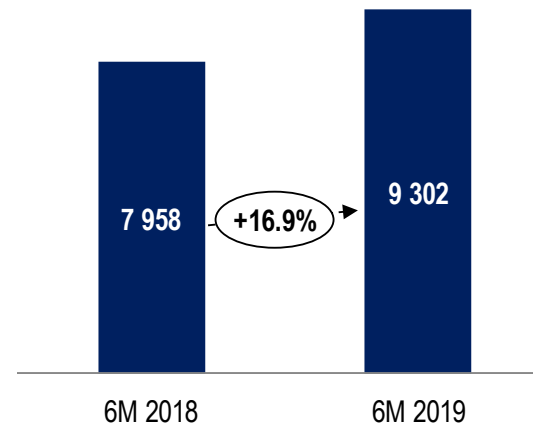
EBITDA, RUB mln



Profit Bridge for 6M 2019, RUB mln



Profit Dynamics, 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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