

# Analysis of Financial Performance by Segments

## REVENUE FROM ELECTRIC POWER TRANSMISSION

Main technical indicators	2016	2017	2018	Change, %
Revenue from electric power transmission, mln RUB	46,487	50,835	51,364	1.04

Increase in actual revenue from electric power transmission in 2018 is conditioned by the following reasons:

- growth of boiler productive supply, whereby such growth is observed in all branches due to decrease in average daily temperatures in the 1<sup>st</sup> half of 2018;
- growth of average tariff;
- reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017).

### Change in revenue by branches:

Revenue for the branch **Buryatenergo** in comparison with 2017 grew by RUB 171 mln (3.5%), including increase in revenue due to growth of boiler productive supply by 16 mln kWh (0.4%) amounted to RUB 20 mln, due to growth of average tariff by 1.7% – to RUB 86 mln, and due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) – to RUB 66 mln.

Revenue for the branch **Gorno-Altayskiye Power Grids** in comparison with 2017 grew by RUB 47 mln (3.36%), including increase in revenue due to growth of boiler productive supply by 18 mln kWh (4.2%) amounted to RUB 48 mln, due to reduction of average tariff by 0.3% – revenue decreased by RUB 3.7 mln, and due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) – revenue grew by RUB 3 mln.

Revenue for the branch **Krasnoyarskenergo** in comparison with 2017 grew by RUB 1,564 mln (12.4%), including increase in revenue due to growth of boiler productive supply by 143 mln kWh (1.2%) amounted to RUB 153 mln, due to growth of average tariff by 8.8% – to RUB 1,146 mln, and due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) – to RUB 264 mln.

Revenue for the branch **Kuzbassenergo-Regional Electric Grids** in comparison with 2017 grew by RUB 731 mln (9.5%), including increase in revenue due to growth of boiler productive supply by 539 mln kWh (3.3%) amounted to RUB 264 mln, due to growth of average tariff by 3.4% – to RUB 278 mln, and due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) – to RUB 191 mln.

Revenue for the branch **Khakasenergo** in comparison with 2017 decreased by RUB 1.037 mln (–27%). From April 2018, the branch Khakasenergo performs functions of a guarantee supplier in Republic of Khakassia. Principles of reflection of revenue for services on electric power transmission in case of performance of functions of a guarantee supplier and without performance of functions of a guarantee supplier are different. The increase in revenue is conditioned by the following factors:

- Decrease in revenue due to reduction of boiler productive supply by 4,220 mln kWh (–61.4%) related to “last mile” cancellation from 01.07.2017 amounted to RUB 2,429 mln
- Increase in revenue due to growth of average tariff by 84.2% amounted to RUB 1,285 mln
- Increase in revenue due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) amounted to RUB 107 mln

Revenue for the branch **Chitaenergo** in comparison with 2017 grew by RUB 296 mln (4.3%), including increase in revenue due to growth of boiler productive supply by 30 mln kWh (0.5%) amounted to RUB 38 mln, due to growth of average tariff by 1.9% – to RUB 134 mln, and due to reduction of cost of load losses due to their cancellation from 01.08.2018 (RF Government Decree No. 810 dated 07.07.2017) – to RUB 125 mln.

Change in revenue for the branches **Altayenergo** and **Omskenergo** in comparison to 2017 is no more than 2%.

## REVENUE FROM SERVICES ON TECHNOLOGICAL CONNECTION

Name of the indicator	2016	2017	2018	Change, %
Revenue from services on technological connection, mln RUB (VAT excl.)	565.7	467.5	995.2	112.88

Increase in revenue from services on technological connection is related to growth of the number of agreements on technological connection performed in 2018.

As for the number of agreements, target values were exceeded by 24.1% (over-fulfillment in absolute figures amounted to 5,754 agreements) due to the following reasons:

- Early performance of agreements on technological connection made with Housing Cooperative Serebryanny Bereg (RUB 15.2 mln), LLC Chinese National Chemical and Engineering Building Company No. 7 (RUB 14.6 mln), JSC OB (RUB 6.7 mln), JSC Omskelektro (RUB 3.7 mln), LLC Omsk RAPS and JSC Omsk RTS (RUB 3.2 mln), Administration of Azov German National Municipal Area (RUB 2.8 mln), Federal State-Owned Enterprise Directorate of Capital Construction Owner within the Ministry of Defense (RUB 2.1 mln), LLC Yastro and LLC Zima (RUB 1.6 mln), M. N. Zhigalov and LLC Dekoil (RUB 1.3 mln), Federal State-Owned Enterprise Correctional Camp No. 4 within the Directorate of the Federal Service for the Execution of Sentences of Russia (RUB 1.1 mln) (Omskenergo)
- Performance of big agreement for the total amount of RUB 22.6 mln (Committee for Municipal Property and Land Matters Management within the Administration of Petrovsk-Zabaikalsky Urban District, LLC PGS, JSC Zheldoripoteka, JSC RZD, Federal State Unitary Enterprise Unified Customer Group, CJSC AZSK, LLC Baikalrud, LLC Stroy Plus, LLC Electrochemical Company, LLC Manufacturing Company Quartz, Administration of Karymskoye Urban Settlement, etc.) (Chitaenergo)

Planned targets for the category of applicants below 15 kW was over-fulfilled by 21.5% (over-fulfillment in absolute figures amounted to 4,906 agreements). These indicators are conditioned by prevalence in the total number of agreements on technological connection performed of agreements relating to the category of applicants below 15 kW, as well as the category from 15 kW to 150 kW, i. e. the category of small and medium-sized business. Immediate growth of a number of agreements performed is conditioned by putting emphasis on works in liquidation of overdue liabilities under agreements on technological connection in 2018.

## REVENUE FROM SERVICES ON ELECTRIC POWER SALE

Name of the indicator	2016	2017	2018	Change, %
Revenue from electric power sale, mln RUB	0	0	2,958	100.00

Increase in revenue from electric power sale is conditioned by deprivation of a status of a guarantee supplier of JSC Khakasenergosbyt in Republic of Khakassia by Order of the Ministry of Energy of Russia No. 179 dated March 23, 2018 and picking up by PJSC IDGC of Siberia of functions of a guarantee supplier from April 01, 2018. Revenue from electric power sale in 2018 amounted to RUB 2,958 mln.

## REVENUE FROM IMPLEMENTATION OF ADDITIONAL SERVICES

Name of the indicator	2016	2017	2018	Change, %
Revenue from additional services, mln rub.	380	401	661	64.84

Based on results of 2018, revenue from implementation of additional services amounted to 661 mln rub. The biggest share falls on services on network topology change (under agreements on rearrangement) – 59% (388 mln rub.).

