



Press Office

PJSC EL5-Energo
Pavlovskaya 7, bld. 1,
Moscow, Russia
T +7(495) 539 31 31 ext. 7824
media@el5-energo.ru

el5-energo.ru

EL5-ENERGO PUBLISHES ITS IFRS BASED FINANCIAL RESULTS FOR 2023 AND ITS FORECAST FOR 2024

Moscow, April 2, 2024 – EL5-Energo PJSC publishes its financial results with an audit review for 2023 in accordance with the International Financial Reporting Standards (IFRS).

- *As of year-end 2023, the company demonstrates strong growth of its key financial indicators. The revenue increased by more than 20%, EBITDA – by almost 30% and net ordinary income – by more than 40%. This was primarily due to the continuing significant increase of capacity sales revenue after the full commissioning of the Kola wind farm as well as due to favorable electricity market prices.*
- *The company's net debt remains almost unchanged because of the impact of the ongoing intensive investment program on the free cash flow. Therefore, the positive dynamics of leverage, expressed by the ratio of the net debt to EBITDA, primarily reflects the company's gross margin growth trends.*
- *Due to the persisting significant leverage levels, the Board of Directors decided to recommend to the General Shareholders' Meeting of EL5-Energo not to pay dividends on its ordinary shares based on the results of 2023.*

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	2023	2022	Change
Revenue	60,815	50,481	+20.5%
EBITDA	12,141	9,382	+29.4%
EBIT	8,596	(23,579)	-
Ordinary EBIT	8,727	5,882	+48.4%
Net income	4,624	(20,218)	-
Ordinary net income	4,729	3,350	+41.2%
Net debt at the end of the period	29,046	29,777	-2.5%

- **Revenue** showed a growth of more than 20% y-o-y driven mainly by the following factors:
 - Increase in revenues from capacity sales by 38% thanks to a notable growth in revenues from the renewable CSA program after the commissioning of the Kola wind farm, increase of KOM and KOMMod prices, as well as indexation of regulated tariffs.
 - Increase in revenues from electricity sales by 15% thanks to the favorable dynamics of market electricity (DAM) prices in the first price zone and indexation of regulated tariffs for electricity. This indicator was also positively influenced by the growth of net power production and sales volumes due to, among other things, the conclusion of free bilateral contracts for the supply of "green" energy.
 - Increase in revenues from heat sales by 8% primarily due to indexation of regulated tariffs despite certain decrease of sales volumes.
- **EBITDA** increased by almost 30% primarily due to the significant growth of gross margin from the capacity, electricity and heat sales including revenue growth gained within the renewable CSA program. This growth was



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partially offset by higher O&M expenses and personnel costs due to the commissioning of the Kola wind farm, as well as general inflationary trends.

- **Ordinary EBIT** increased by more than 48% in 2023, significantly outpacing EBITDA dynamics due to a lower amount of depreciation y-o-y, primarily due to a significant impairment of the company's fixed assets in 2022.
- **Ordinary net income** increased by almost 41% in 2023 following the ordinary EBIT growth. The restraining factor was the increase of net financial expenses, due to the general increase in interest rates on the financial markets as well as due to the end of the period of capitalization of interest expenses under the project loan for the Kola wind farm into the company's assets.
- **Net debt** showed a slight decrease of 2.5% to RUB 29.0 bln from RUB 29.8 bln as of the year-end 2022, having increased slightly in Q4 2023 due to significant capital expenditures ahead of the CCGTs repairs scheduled for 2024. In line with the company's 2023 targets, the free cash flow was allocated to the financial debt decrease.

EL5-Energo PJSC publishes its operational and financial forecast for 2024.

- *The company's financial results are expected to be steady: a temporary decrease in the forecasted output amidst the scheduled repairs of the generating equipment will be compensated by the positive impact of the electricity and capacity price growth.*
- *The top focus is on the TG6 and TG7 modernization projects at Sredneuralskaya GRES, as well as on the continuous operation of the existing generating equipment, in particular, the company's combined cycle gas turbine units. This will lead to significant expenses in 2024 within the investment activities constraining the company's free cash flow.*
- *Due to the temporary decrease in the company's operating earnings in 2024 in the environment of scheduled repairs, ongoing large-scale investments in modernization projects, as well as existing high leverage, the steady results of 2023 provide an additional margin of stability to the company. The company's financial policy remains unchanged and aimed at reducing the leverage levels. Until the Board of Directors of EL5-Energo PJSC takes a decision on having reached the optimal level of leverage, the company is going to continue allocating the free cash flow to the debt containment and its further repayment.*

EL5-Energo PJSC is going to persist with the activities aimed at improving reliability and efficiency of the generating equipment in order to further improve the company's financial results. As for thermal generation, two units at Sredneuralskaya GRES are going to be modernized under the state modernization program in 2024-2025. The installed capacity of the power plant will increase by 40 MW. As for renewable generation, in 2024 the company will be focused on maintenance of its wind farms by engaging reliable domestic contractors, developing its own maintenance and repair skills as well as providing a pool of strategic spare parts and their uninterrupted supply.



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The company keeps on following a conservative approach in terms of energy industry forecasts and macroeconomic trends.

MAIN PERFORMANCE TARGETS	2023	2024 ¹	Change
Net production (TWh)	21.0	19.0	-10%
Marginal profit (bln rub)	21.8	22.3	+2%
EBITDA (bln rub)	12.1	11.7	-3%
Ordinary net income (bln rub)	4.7	3.4	-28%
Net debt (bln rub)	29.0	29.7	+2%
Net debt to EBITDA	2.4x	2.5x	+0.1x

Net power output is expected to be 19 TWh in 2024 compared to 21 TWh in 2023 due to the scheduled maintenance at the gas-fired power plants. This in turn will be offset by strong market conditions, which will lead to a slight increase in the company's revenues and margins.

Gross margin shall increase by 2% against 2023 and reach RUB 22.3 bln in 2024 according to the plan. The main factors affecting this result are:

- marginal profit growth from capacity sales against the KOM price growth;
- decrease in marginal profit from electricity sales due to repairs of combined cycle units at NGRES and SGRES;
- steady marginal profit from heat sales.

EBITDA is forecasted at the level of RUB 11.7 bln in 2024, being 3% lower than in 2023. The growth of fixed costs influenced by inflation is not expected to be fully offset by the increase in marginal profit due to the repair of the combined cycle units at NGRES and SGRES.

Net profit will be affected by increase in financial expenses and it is expected to amount to RUB 3.4 bln in 2024.

Net debt will slightly increase to RUB 29.7 bln in 2024 amid significant investment and repair activities, after which shall start decreasing next year. The leverage ratio will also increase to 2.5x amidst net debt growth and EBITDA decline. The reduction of leverage will remain the primary focus of the financial policy of EL5-Energo.

About PJSC EL5-Energo

PJSC EL5-Energo is a Russian generating company. The power plants of PJSC EL5-Energo are three gas power plants - Konakovskaya GRES, Nevinnomysskaya GRES and Sredneuralskaya GRES, as well as two wind power plants - Azovskaya WPP and Kolskaya WPP. The total installed capacity of the Company is 5,941.9 MW for power generation and 1,717 Gcal/h for heat generation. Shares of PJSC EL5-Energo are included in the first level quotation list of PJSC Moscow Exchange. Follow company news on [YouTube](#) and [Telegram](#)

¹ The forecast value according to the 2024-2026 Business Plan.