



IDGC OF CENTRE

# On approval of the Annual Report of IDGC of Centre, PJSC for 2018

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INTERREGIONAL DISTRIBUTION GRID COMPANY  
OF CENTRE, PUBLIC JOINT-STOCK COMPANY

CEO

Igor V. Makovskiy

IDGC of Centre is a natural monopoly –  
its tariff rates are regulated by executive authorities

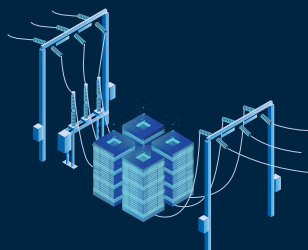
## TYPES OF ACTIVITY



Transmission  
and distribution  
of electric energy



Grid  
connections



Energy  
services

**11** subjects of Russia  
SERVICE AREA

**458** thous. km<sup>2</sup>  
OPERATION AREA  
2,7 % of total Russia

**13.6** mln people  
POPULATION IN THE SERVICE AREA  
9,5 % of total population  
of Russia



## TYPES OF ACTIVITY OF IDGC OF CENTRE

### ELECTRICITY TRANSMISSION

**47.0** BLN kWh

Services rendered<sup>1</sup>

**90.0** BLN RUB

Revenue (RAS)

### GRID CONNECTIONS

**867.5** MW

Connected capacity

**1.9** BLN RUB

Revenue (RAS)

### VALUE-ADDED SERVICES

**160.3** THOUS.

Calls

**1.1** BLN RUB

Revenue for value-added services

14.4

Electricity  
transmission  
market share  
in the service  
area<sup>2</sup> in 2018, %

85.6

11.5

Grid connection  
market share  
in the service  
area in 2018, %

88.5

IDGC of Centre

Other Territorial Grid Companies

<sup>1</sup> Taking into account the volume of services rendered in the territory of performance of functions of the supplier of last resort by IDGC of Centre

<sup>2</sup> Share of required gross revenue (RGR) of IDGC of Centre in RGR of the regions

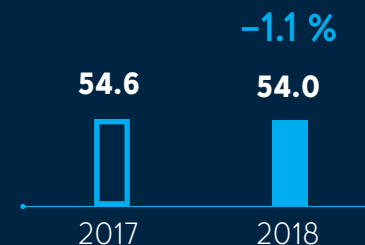
# PRODUCTION CAPACITY FOR 2018

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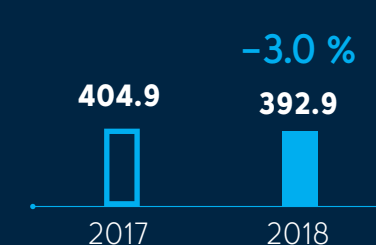
INDICATOR	31.12.2018 <sup>1</sup>
Length of 0.4-110 kV conductors (route), thous. km	372.4
Length of 35-110 kV conductors, thous. km	51.1
Length of 0.4-10 kV conductors, thous. km	321.3
Length of 0.4-110 kV cables, thous. km	20.5
Capacity of substations, thous. MVA	54
Capacity of 35-110 kV substations, thous. MVA	34.4
Capacity of 6-10/0.4 kV transformer and distribution substations, thous. MVA	19.6
Number of substations, thous. pc	102.5
Number of 35-110 kV substations, thous. pc	2.4
Number of 6-10/0.4 kV transformer and distribution substations, thous. pc	100.1
Number of conditional units, mln	2.3
Number of Distribution Zones, pc	277

<sup>1</sup> Taking into account the equipment on the balance, rental equipment, leased equipment and equipment serviced under contracts

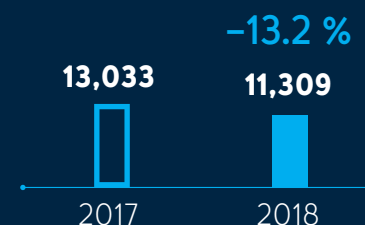
Capacity of substations, thous. MVA



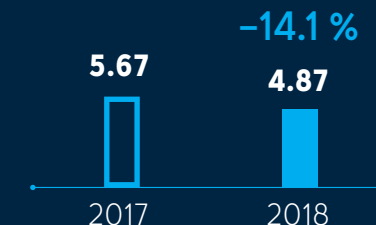
Length of power lines (route), thous. km



Failures<sup>2</sup>, pc



Specific failure rate<sup>2</sup>, pc per 1,000 units of equipment

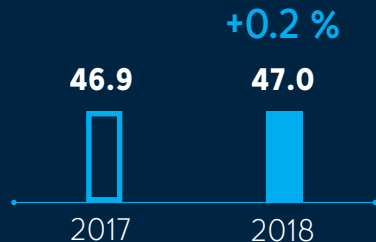


<sup>2</sup> 6 kV and higher grid

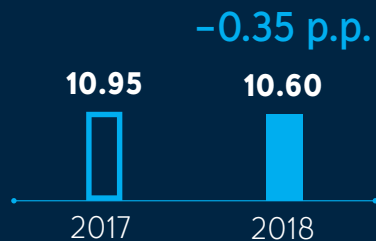
The decrease in indicators on the production potential is caused by the specification of technical parameters of the equipment during data sheet arrangement, as well as by the results of geographical coordinates entered into the integrated information-analytical system of the situational management of PJSC ROSSETI

## ELECTRICITY TRANSMISSION

Amount of electric energy  
transmission services  
(in comparable conditions<sup>1</sup>), bln kWh

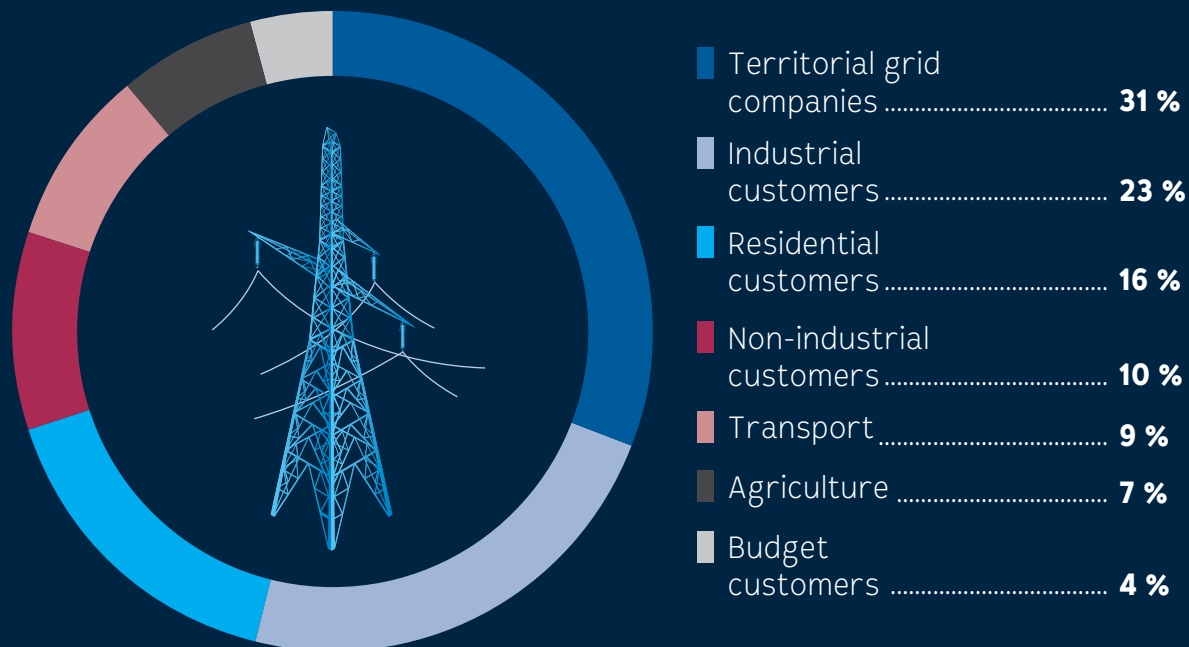


Electric energy losses  
(in comparable conditions<sup>1</sup>), %



<sup>1</sup> In comparable conditions of electricity balance

Electric energy net supply structure by customer categories

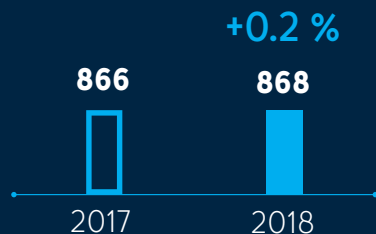


# OPERATION RESULTS FOR 2018

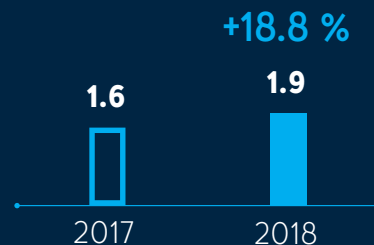
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## GRID CONNECTION

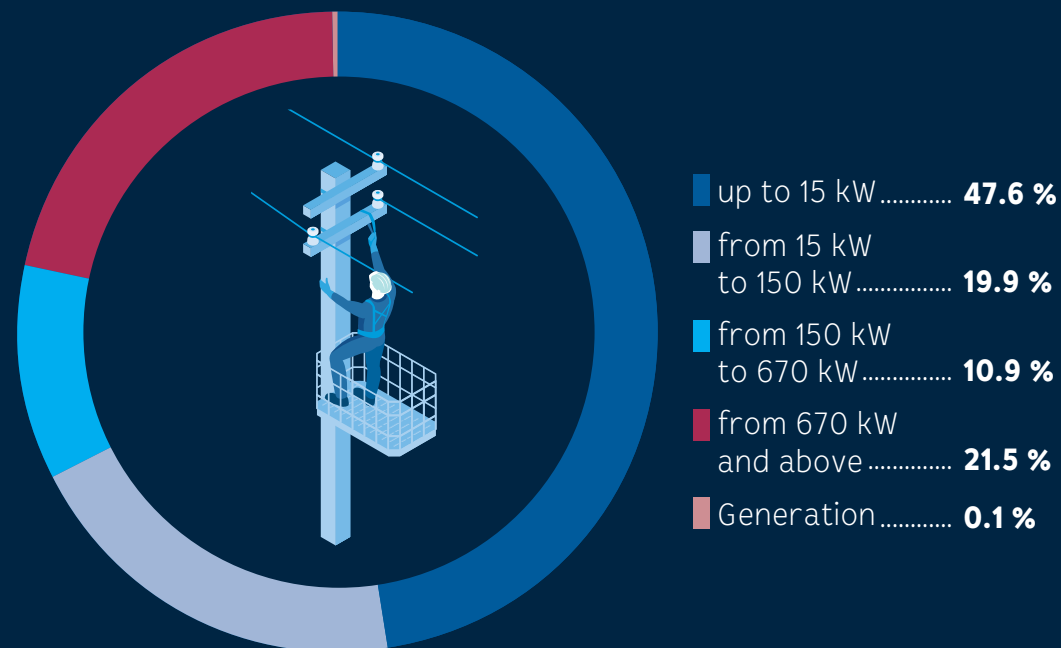
Connected capacity, MW



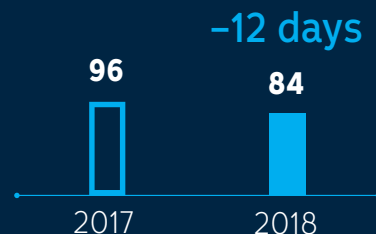
Grid connection revenue, bln RUB



Connected capacity structure by customer groups



Average grid connection contract execution term with the activities of the grid company («contract - notification») of the category «Doing Business», days

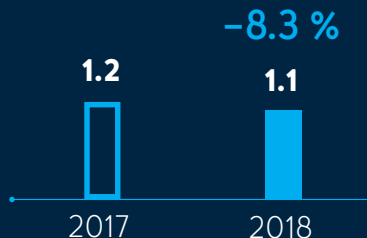


## VALUE-ADDED SERVICES



**160** thous.  
calls of customers

Revenue from value-added  
services, bln RUB



Maintenance and repair of electrical networks and electrical equipment

Reconfiguration of power grid facilities in the interests of customers

Design and construction of energy facilities

Street lighting systems setup

Tests and diagnostics of equipment

Provision of technical resources

Installation and replacement of metering devices

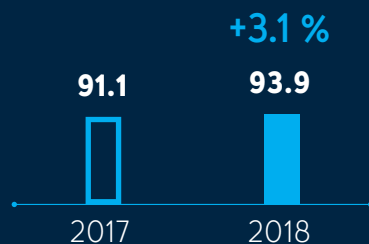
Grid connection support

Energy audit and energy services

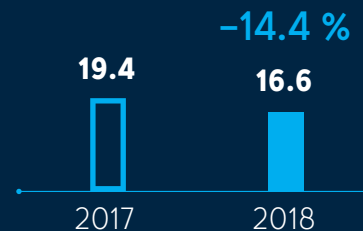
# KEY FINANCIALS FOR 2018

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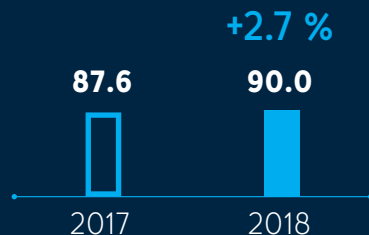
REVENUE, bln RUB



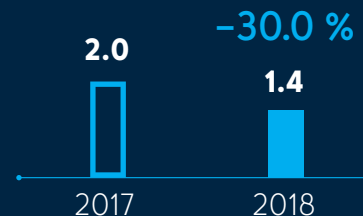
EBITDA<sup>1</sup>, bln RUB



ELECTRICITY TRANSMISSION  
REVENUE, bln RUB



NET PROFIT, bln RUB

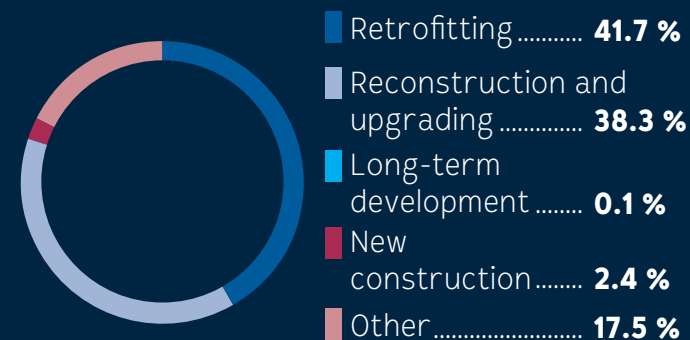


<sup>1</sup> EBITDA was calculated as  
Profit before tax – Interest  
payable + Depreciation =  
Line 2300 (RAS Form No. 2) –  
Line 2330 (RAS Form No. 2) +  
Line 6514 (RAS Form No. 2.1) +  
Line 6554 (RAS Form No. 2.1) +  
Line 6564 (RAS Form No. 2.1)



INDICATOR	2017	2018	CHANGE
Capex, mln RUB without VAT	11.6	12.2	5.2 %
Commissioning, mln RUB without VAT	11.8	12.7	7.6 %
Financing, mln RUB with VAT	14.2	14.5	2.1 %
Commissioning, MVA	560	376	-32.9 %
Commissioning, km	4,075	3,598	-11.7 %

Structure of the Investment Program financing following its implementation for 2018



## The largest facilities of the Investment Program implemented in 2018

SS 110/35/10 kV  
«Vyazma-1»  
(Smolensk region)

- Design capacity 63 MVA
- Improving reliability
- Expansion of the sales market

SS 110/10 kV  
«Vatutinskaya»  
(Belgorod region)

- Design capacity 12.6 MVA
- Grid connection of large facilities of the Ministry of Defense of Russia

SS 110/10 kV  
«Sheino»  
(Belgorod region)

- Design capacity 10 MVA
- Improving reliability
- Expansion of the sales market

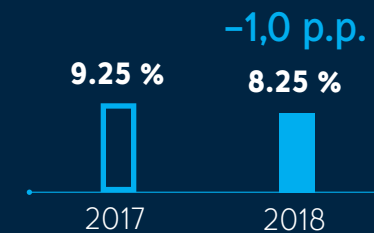
# FINANCIAL STANDING

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IFRS	31.12.2018	31.12.2017	Change
Net debt <sup>1</sup> , bln RUB	39.6	40.1	-1.2%

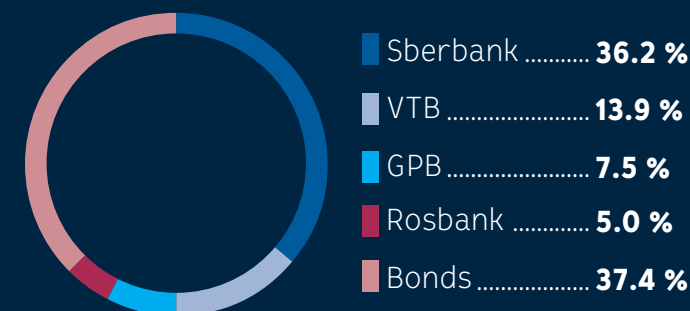
Agency	Scale	Rating	Outlook
S&P	international, long-term	BB	Stable
S&P	international, short-term	B	–
RAEX	national, long-term	ruAA	Stable

## Average weighted borrowing rate of IDGC of Centre (at the end of the reporting period)



Type of securities	Volume (bln RUB)	Индивидуальный номер и дата присвоения	Срок обращения	Статус	Ставка купона (%)
Bonds of series BO-04	5	4B02-04-10214-A dated 25.06.2013	up to 10 years	In circulation	11.58%
Bonds of series BO-05	5	4B02-05-10214-A dated 25.06.2013	up to 10 years	In circulation	9.32%
Bonds of series BO-06	5	4B02-06-10214-A dated 25.06.2013	up to 10 years	In circulation	6.95%

## Loan portfolio structure of IDGC of Centre (as at 31.12.2018)



<sup>1</sup> Net debt is calculated as follows: long-term debt + short-term debt – cash and cash equivalents

# CORPORATE GOVERNANCE & STOCKS

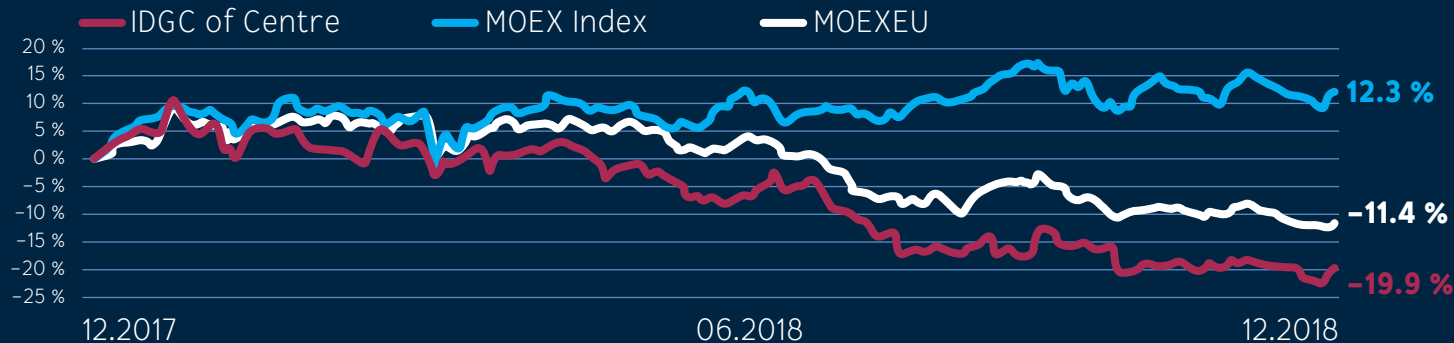
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**II level**

LIST OF SECURITIES, ADMITTED TO TRADING  
AT MOSCOW EXCHANGE

**12.0** bln RUB

MCAP AS AT 31.12.2018



**NCGR**

**7+**

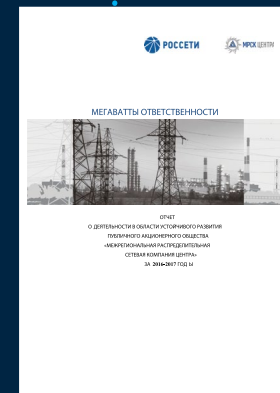
CORPORATE GOVERNANCE RATING  
NP "RID"

**80.35%**

ASSESSMENT OF EFFICIENCY OF CORPORATE  
GOVERNANCE (OUT OF 100% POSSIBLE)  
WAS PERFORMED IN 2018 BY THE INTERNAL  
AUDIT DEPARTMENT OF THE COMPANY



Annual report of IDGC  
of Centre for 2017  
became the winner  
of the XXI Annual contest  
of annual reports  
in the main nomination  
«The best annual  
report of the company  
with a capitalization  
of up to 40 billion rubles»



**SUSTAINABILITY  
REPORT**

**43.9** mln RUB  
environmental protection costs

**30,486** people  
headcount

**96** %  
staffing level

**88.0** %  
workers have vocational education

**91.8** mln RUB  
staff training costs

**604.3** mln RUB  
safety costs

Distribution of trained workers by category in 2018



■ Production staff .....	<b>94 %</b>
■ Administration and management .....	<b>5.7 %</b>
■ Support staff .....	<b>0.3 %</b>

# WHY DO WE NEED DIGITALIZATION?

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## BACKGROUND AND CHALLENGES:



Scientific and technical progress



State development policy, customer expectations for provision of new services



Transition to risk-based management based on “clean” data



Increasing requirements for the quality of power supply and reduction of work performance time

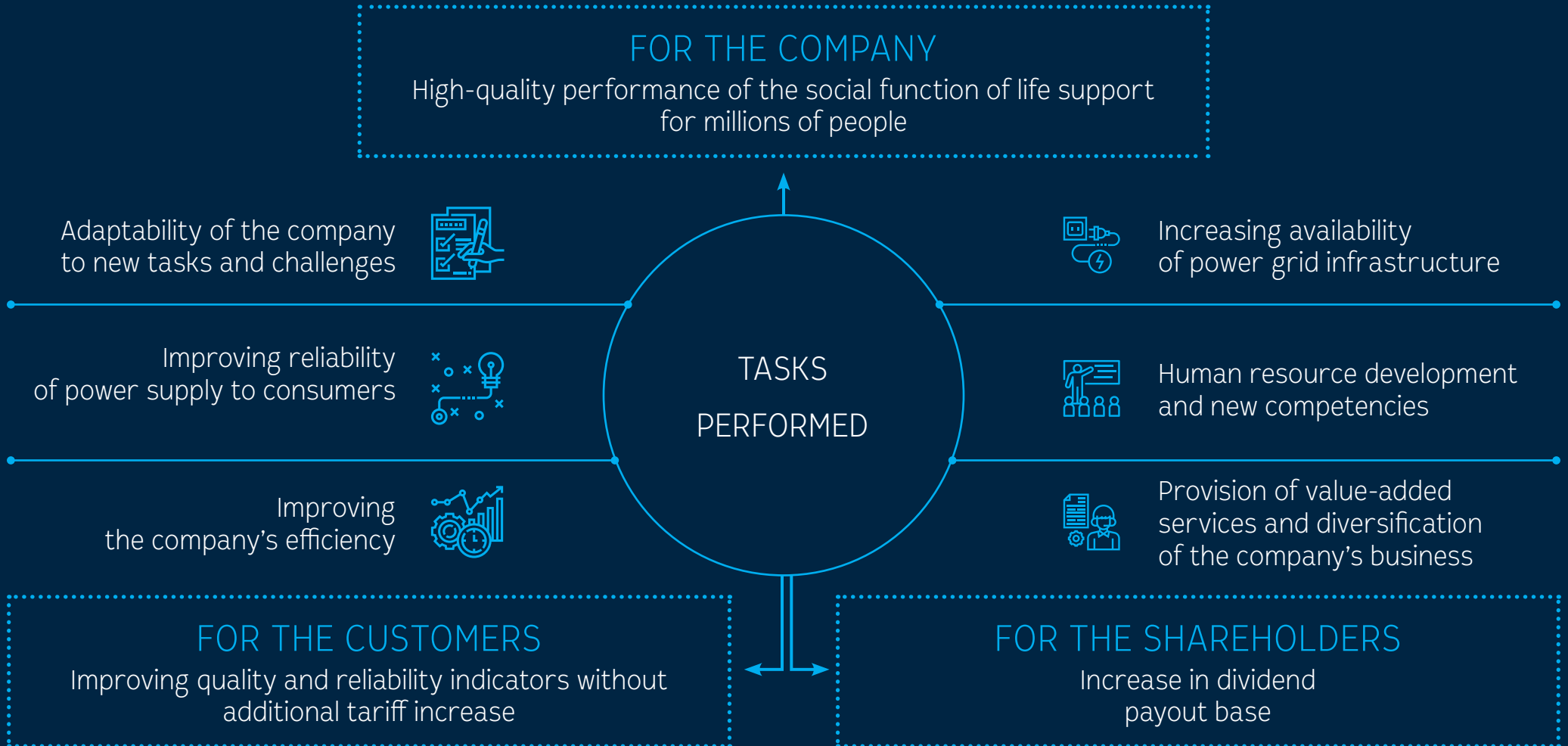


Tariff growth restriction



# EXPECTED DIGITALIZATION RESULTS

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# THANKS FOR YOUR ATTENTION



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