

## 6M 2021 RAS results

IR release

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*Yekaterinburg (Ural Federal District, Russia) – Rosseti Ural (MOEX: MRKU) reports its 6M2021 RAS results*

6M2021 revenues totaled RUB 40,990.7 million (+10.2% YoY), the hike impacted by grown revenues from electricity transmission, as a result of increased net supply and transmission rates.

Pre-tax profit totaled RUB 4,813.6 million.

6M 2021 net profit totaled RUB 4,031.5 million (+RUB 3,539 million YoY), the boost influenced by grown revenues from electricity transmission and recovery of the bad debt allowance related to OOO “Mechel-Energo”, as the firm paid off its debt for electricity transmission.

*Table 1. 6M2020 and 2021 highlights of the Company, RUB thousand*

Item	6M2021	6M2020
Total revenues	40,990,668	37,192,660
Total expenses (plus commercial and administrative costs)	37,317,360	35,418,536
Sales profit	2,994,767	1,124,585
<i>Operating margin</i>	<i>7.3%</i>	<i>3%</i>
Pre-tax profit (loss)	4,813,639	515,861
Net income	4,031,491	492,457
<i>Net margin</i>	<i>9.8%</i>	<i>1.3%</i>

To view 6M2021 accounting statements prepared under Russian Accounting Standards (RAS), please, visit our corporate web-site (Financial Statements section).

Rosseti Ural (OAO IDGC of Urals, est. in February 2005) is a grid company responsible for energy transmission and connection of consumers to electric networks in the Sverdlovsk, Chelyabinsk and Perm regions. FY2020 RAS revenues totaled RUB 76.1 bln, net income reached RUB 19.3 mln. Common shares are traded on MOEX (Level 2 Quotation List). Moody's ratings: Ba1 (CFR) and Ba1-PD (PDR), Stable Outlook. For additional information on the Company, please, visit our corporate web-site at [www.mrsk-ural.ru](http://www.mrsk-ural.ru) and our web-page in Interfax newswire system.

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## Revenues and expenses overview

6M2021 total revenues amounted to RUB 40,990.7 million (+RUB 3,798.0 million or 10.2% YoY).

Table 2. 6M2020 and 2021 revenues breakdown, RUB thousand:

Revenues	6M2021	Share, %	6M2020	Share, %	Changes, %
<b>Total revenues</b>	<b>40,990,668</b>	<b>100,0</b>	<b>37,192,660</b>	<b>99,9</b>	<b>10,2</b>
<i>Electricity transmission</i>	<i>40,592,808</i>	<i>99,0</i>	<i>36,796,281</i>	<i>98,9</i>	<i>10,3</i>
<i>Connection</i>	<i>165,471</i>	<i>0,4</i>	<i>191,227</i>	<i>0,5</i>	<i>-13,5</i>
<i>Other revenues</i>	<i>232,389</i>	<i>0,6</i>	<i>205,152</i>	<i>0,5</i>	<i>13,3</i>

6M2021 revenues from electricity transmission totaled RUB 40,592.8 million, contributing 99% to the total revenues (+10.3% YoY), a RUB 3,796.5 million increase impacted by grown 6M2021 net supply (+1,610.4 million kWh or 5.9%YoY) and transmission rates.

6M2021 revenues from connection totaled RUB 165.5 million, contributing 0.4% to the total revenues (-13.5% YoY, the decrease impacted by the changes in the structure of connection contracts. 6M2021 other expenses totaled RUB 232.4 million, contributing 0.5% to the total revenues (+13.3% YoY).

6M2021 total expenses (plus commercial and administrative costs) totaled RUB 37,995.9 million (+5.4% YoY). The breakdown of expenses is presented in the figure below

Table 3. 6M2020 and 2021 expense breakdown, RUB thous.

Expenses	6M2021	Share, %	6M2020	Share, %	Changes, %
<b>Total expenses</b>	<b>37,317,360</b>	<b>100.0</b>	<b>35,418,536</b>	<b>100.0</b>	<b>5.4</b>
<b>Material costs:</b>	<b>6,602,242</b>	<b>17.7</b>	<b>6,143,969</b>	<b>17.3</b>	<b>7.5</b>
<i>Purchased energy to compensate losses</i>	<i>5,489,037</i>	<i>14.7</i>	<i>5,063,238</i>	<i>14.3</i>	<i>8.4</i>
<i>Purchased energy for production and economic needs</i>	<i>174,262</i>	<i>0.5</i>	<i>153,870</i>	<i>0.4</i>	<i>13.3</i>
<i>Raw materials</i>	<i>938,943</i>	<i>2.5</i>	<i>926,861</i>	<i>2.6</i>	<i>1.3</i>
<b>Production-related works and services:</b>	<b>20,300,991</b>	<b>54.4</b>	<b>19,066,249</b>	<b>53.8</b>	<b>6.5</b>
<i>Outsourced repair and maintenance</i>	<i>196,580</i>	<i>0.5</i>	<i>146,306</i>	<i>0.4</i>	<i>34.4</i>
<i>Transmission services rendered by other grid operators, namely:</i>	<i>20,022,121</i>	<i>53.7</i>	<i>18,819,860</i>	<i>53.1</i>	<i>6.4</i>
<i>- PAO FSK UES</i>	<i>8,493,088</i>	<i>22.9</i>	<i>8,058,493</i>	<i>22.7</i>	<i>5.4</i>
<i>- Other grid operators</i>	<i>11,529,033</i>	<i>30.9</i>	<i>10,761,367</i>	<i>30.4</i>	<i>7.1</i>
<i>Other production-related services</i>	<i>82,290</i>	<i>0.1</i>	<i>100,083</i>	<i>0.3</i>	<i>-17.8</i>
<b>Wages and social benefits</b>	<b>5,721,426</b>	<b>15.3</b>	<b>5,637,331</b>	<b>15.9</b>	<b>1.5</b>
<b>Depreciation and amortization</b>	<b>2,951,604</b>	<b>7.9</b>	<b>2,971,853</b>	<b>8.4</b>	<b>-0.7</b>
<b>Other expenses</b>	<b>1,741,097</b>	<b>4.8</b>	<b>1,599,134</b>	<b>4.6</b>	<b>8.9</b>
<b>Administrative costs</b>	<b>638,579</b>		<b>606,718</b>		<b>5.3</b>
<b>Commercial costs</b>	<b>39,962</b>		<b>42,821</b>		<b>-6.7</b>

Material costs:

6M2021 expenses on loss compensation totaled RUB 5,489.0 million, contributing 14.7% to the total expenses (+8.4% YoY), a RUB 425.8 million hike impacted by a 59.5 million Kwh (+3%) increase in losses due to the grown net supply, sales premium and average weighted price.

**Production-related works and services:**

6M 2021 outsource repairs and maintenance totaled RUB 196.6 million, contributing 0.5% to the total expenses. The Company's repair program is performed in line with the approved plans. YoY deviation was influenced by increased scope of works due to YoY changes in the working schedules.

6M 2021 payments to PAO FSK UES totaled RUB 8,493.1 million, contributing 22.9% to the total expenses (+5.4% YoY) due to changes in capacity tariff and increased net power flow from the PAO FSK UES network.

6M 2021 payments to other grid operators totaled RUB 11,529.0 million, contributing 30.9% to the total expenses (+7.1% YoY), the hike impacted by a 847.8 million kWh (or 5.6%) increase in volumes as well as use-of-system charges and loss compensation tariffs.

6M 2021 wages and social benefits totaled RUB 5,721.4 million, contributing 15.3% to the total expenses (+1.5% YoY).

6M 2021 other expenses totaled RUB 1,741.1 million, contributing 4.8% to the total expenses (+8.9% YoY) due to grown expenses on rent and maintenance of rented grids.

Loans and borrowings of the Company as of 30.06.2021 totaled RUB 18,752 million.

*Table 4. Debt portfolio of the company as of 30.06.2021 and 30.06.2020, RUB thousand.*

	As of 30.06.2021	As of 30.06.2020
Short-term loans and borrowings, incl.	0	1,567,159
<i>bonds</i>	0	0
Long-terms loans and borrowings, incl.	18,625,816	16,718,825
<i>bonds</i>	7,000,000	7,000,000
Interest arrears, incl.	126,569	126,474
<i>coupon arrears</i>	84,560	83,230
<b>TOTAL:</b>	<b>18,752,385</b>	<b>18,412,458</b>

There are no short-term loans and borrowings as of 30.06.2021.

As of 30.06.20, long-term loans and borrowings totaled RUB 18,625.8 million +(11.4 % or RUB 1,907.0 million YoY). As of 30.06.20, the Company has RUB 4.0 billion Series BO-04 exchange-traded bearer bonds and RUB 3.0 billion Series BO-03 exchange-traded bearer bonds, both maturing in 10 years.

*Table 5. Debt indicators as of 30.06.2021 and 30.06.2020.*

	As of 30.06.2021	As of 30.06.2020
Debt, RUB thousand	18,752,385	18,412,458
Net Debt, RUB thousand	17,804,033	17,652,693
EBITDA, RUB thousand*	11,295,143	7,774,730
Debt/ EBITDA	1.66	2.37
Net Debt/ EBITDA	1.58	2.27
Debt/ Equity	0.42	0.45
Equity/ Assets	0.54	0.52

\*for the last 4 quarters



Debt as of 30.06.2021 totaled RUB 18,752.4 million (+1.8% or RUB 339.9 million YoY) due to the loans borrowed to fund the investment program.

Net debt as of 30.06.2021 totaled RUB 17,804.0 million (+0.9% or RUB 151.3 million YoY), affected by increased debt.

EBITDA as of 30.06.2021 totaled RUB 11,295.1 million (+45.3% or RUB 3,520.4 million YoY).

Debt / EBITDA as of 30.06.2021 totaled 1.66 (-30.0% YoY).

Net Debt / EBITDA as of 30.06.2021 totaled 1.58 (-30.4% YoY).

Debt / Equity as of 30.06.2021 totaled 0.42 (-6.7% YoY).

Equity / Assets as of 30.06.2021 totaled 0.54 (+3.8% YoY).