



1Q 2019  
Financial Results  
Presentation

Webcast & Conference Call

31 May 2019

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- Group EBITDA impacted by lower Aluminium price and lower metals segment sales affected by OFAC sanctions
- Power EBITDA resilient, both in absolute terms & margin
- Starting to see working capital improvement: expect to reverse majority of sanctions impact and release between USD 600 mn to USD 900 mn of working capital
- Normalisation of metals segment operational and financial performance expected over the remainder of 2019
- Metals segment committed to plant over one million trees in Russia as part of its climate strategy aimed at reducing the Company's carbon footprint. The initiative represents Russia's largest ever forest restoration project
- Announced intention to invest USD 200 mn in new aluminium rolling mill in the USA – a RUSAL's JV with Braidly Industries. This strategic partnership aims to create on an end-to-end basis, the first low-carbon impact industrial aluminum rolling mill operation in the world

	Power	Metals	En+ Group	Target	Comment
<b>Work-related employee fatalities</b> 				To achieve zero fatalities.	Management consider work-related fatalities unacceptable and conduct a comprehensive investigations of all fatalities in order to develop and implement corrective measures.
<b>Lost time injury frequency rate</b> Per 200,000 hours worked 				To reduce year-on-year lost time injury frequency rate. In 2019, to achieve LTIFR not exceeding 0.11 for the Power segment, 0.19 for the Metals segment, 0.16 for the Group.	LTIFR increase in the Metals segment is associated with a decrease in the number of man-hours in 1Q 2019 in comparison with 1Q 2018 while almost the same number of lost-time injuries occurred. At the same time, the number of lost workdays due to disability decreased by 2.5% in comparison with 1Q 2018. The target LTIFR for the Metals segment for 2019, equalling 0.19, will be met. LTIFR for the Power segment in 1Q 2019 does not exceed management targets.
<b>Employee occupational illness rate</b> Per one hundred employees 				To reduce year-on-year employee occupational illness rate.	Employee occupational illnesses rate generally tends to decrease. These mostly include vibration disease, hearing loss and chronic intoxication with fluorine compounds. Occupational illnesses that are not typical for our types of production have not been identified.
<b>GHG emissions of smelters (Scope 1)</b> MtCO <sub>2</sub> e/tAl 				To reduce direct specific greenhouse gas emissions by 15% from 2014 levels (2.28 tCO <sub>2</sub> e/tAl) at existing aluminium smelters by 2025.	GHG emissions reduction in aluminium plants was possible due to implementation of a targeted program to reduce anode consumption (reducing CO <sub>2</sub> emissions), as well as frequency and duration of anode effects (reducing PFCs emissions).

# 1Q 2019 Operational Highlights

		1Q 2019	1Q 2018	Change	
Sales and production	Total aluminium production	928 kt	931 kt	(0.3%)	▼
	Total aluminium sales	896 kt	965 kt	(7.2%)	▼
	Total electricity production <sup>1</sup>	19.2 TWh	17.6 TWh	9.1%	▲
	HPPs	14.2 TWh	12.1 TWh	17.4%	▲
	CHPs	5.1 TWh	5.5 TWh	(7.3%)	▼
	Heat production	10.5 mn Gcal	11.2 mn Gcal	(6.2%)	▼
Macro	Average LME aluminium price	USD 1,859/t	USD 2,159/t	(13.9%)	▼
	Average electricity spot prices <sup>2</sup> in 2nd price zone	1,025 Rb/MWh	928 Rb/MWh	10.5%	▲
	Irkutsk region	1000 Rb/MWh	962 Rb/MWh	4.0%	▲
	Krasnoyarsk region	983 Rb/MWh	892 Rb/MWh	10.1%	▲
	Average USD/RUB Exchange Rate	66.13 RUB/USD	56.88 RUB/USD	16.3%	▲

Source: Company data, Bloomberg

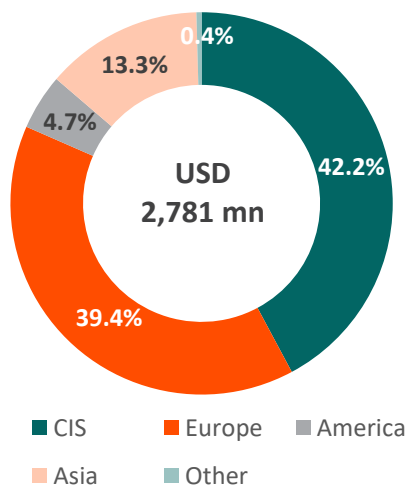
(1) Excluding Onda HPP

(2) Day ahead market prices, data from ATS and Association "NP Market Council"

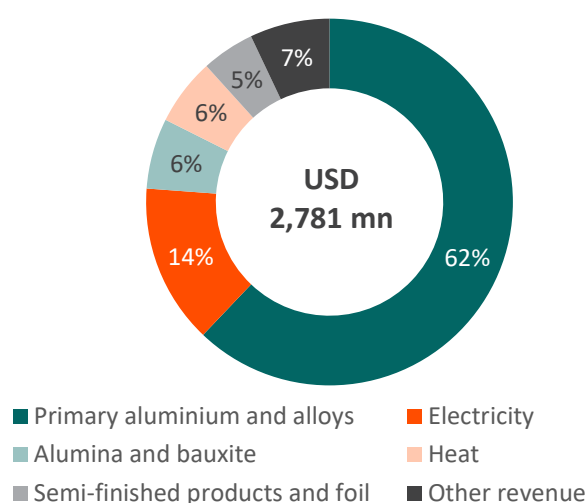
# 1Q 2019 Financial Highlights

USD mn	1Q 2019	1Q 2018	Change
Revenue	2,781	3,438	(19.1%)
Adj. EBITDA <sup>1</sup>	579	929	(37.7%)
Adj. EBITDA margin	20.8%	27.0%	(6.2 pp)
Net profit	409	667	(38.7%)
Net profit margin	14.7%	19.4%	(4.7 pp)
Capex	178	232	(23.3%)
Free cash flow	220	(31)	na

1Q 2019 Revenue by region<sup>2</sup>

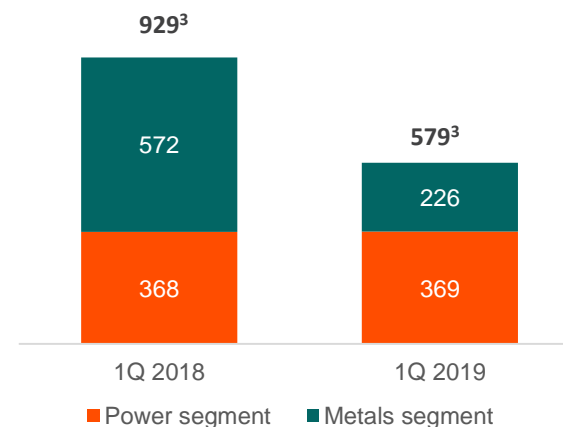


1Q 2019 Revenue by product<sup>2</sup>



Adj. EBITDA by segment

(USD mn)



(1) Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

(2) From external customers.

(3) After consolidation adjustments.

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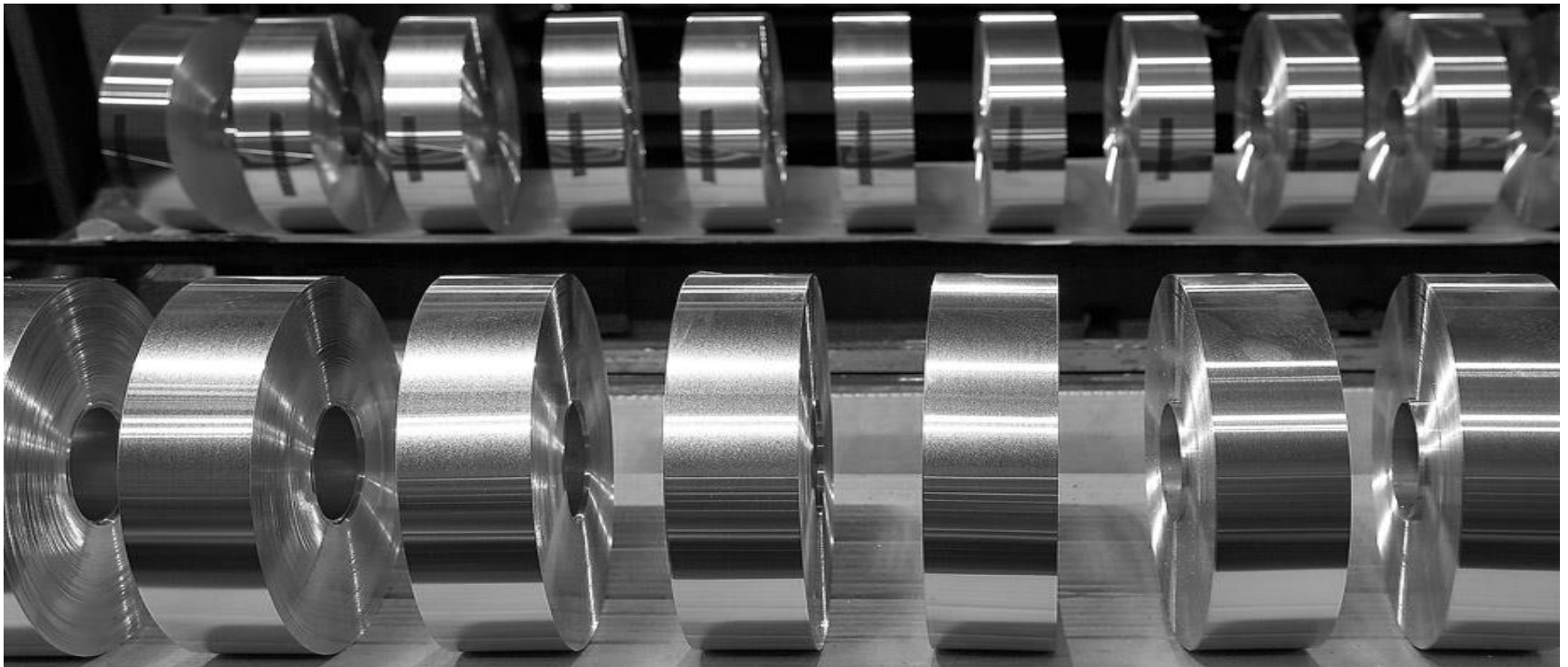
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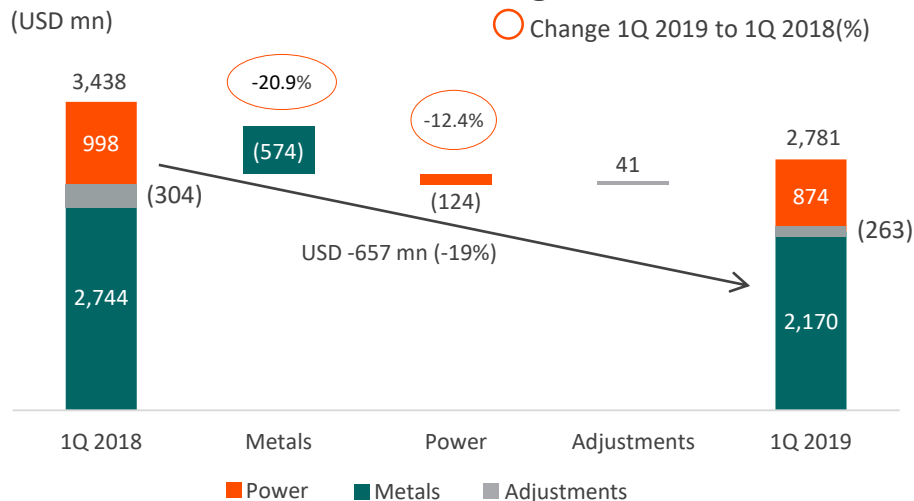
Appendix



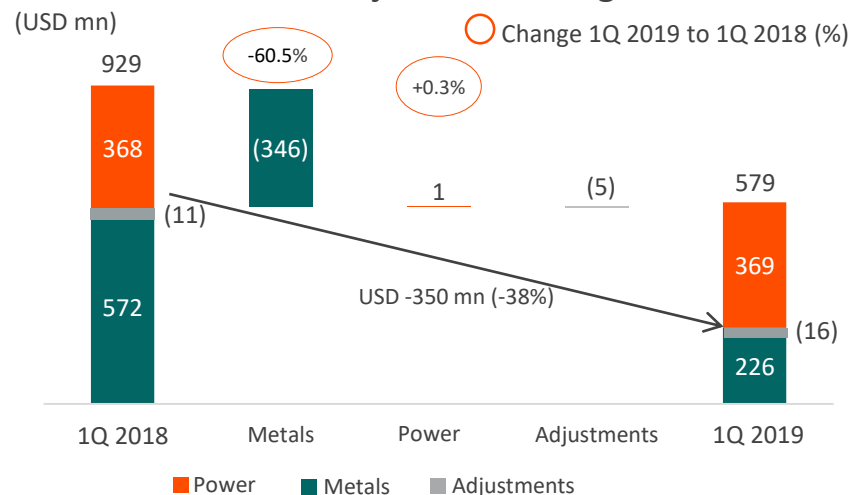


# En+ Group Revenue and EBITDA Breakdown

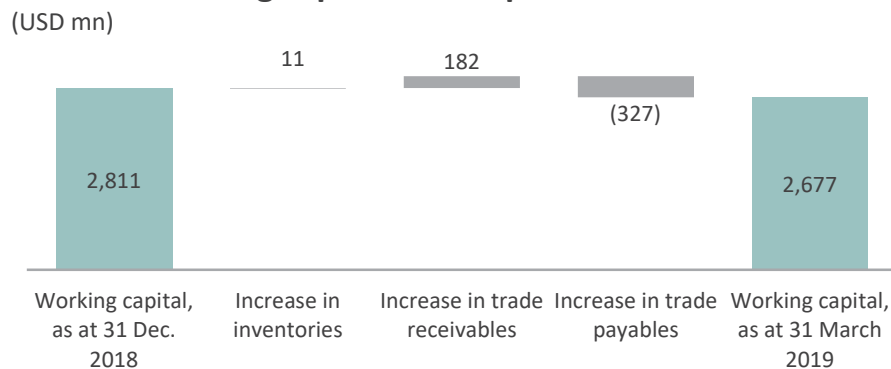
## 1Q 2018 to 1Q 2019 Revenue bridge



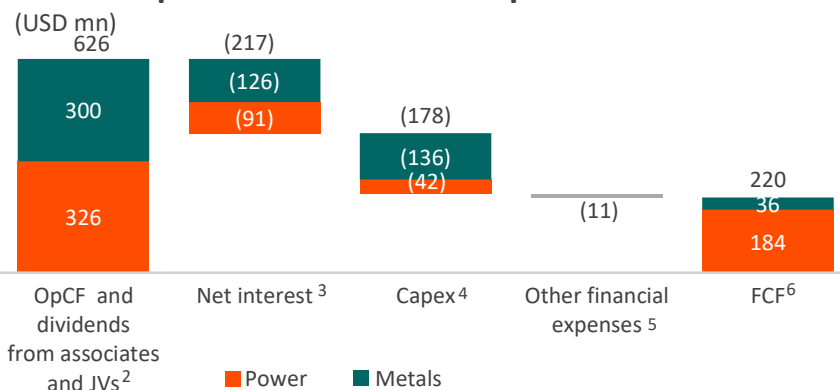
## 1Q 2018 to 1Q 2019 Adj. EBITDA<sup>1</sup> bridge



## 1Q 2019 working capital build-up



## En+ Group free cash flow and capex



- (1) Results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period
- (2) Operating cash flow is calculated as adjusted EBITDA (Results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period) adjusted for the changes in net working capital, non-cash items, income taxes paid.
- (3) Cash interest paid less cash interest received.
- (4) Capital expenditure represents cash flow related to investing activities – acquisition of property, plant and equipment and intangible assets, adjusted for one-off acquisition of assets.
- (5) Restructuring fee, expenses related to issuance of shares and payments from settlement of derivative instruments
- (6) Calculated as operating cash flow less net interest paid and less capital expenditure adjusted for payments from settlement of derivative instruments plus dividends from associates and joint ventures.

## Power segment

USD mn	1Q 2019	1Q 2018	Change
Revenue	874	998	(12.4%)
Adj. EBITDA <sup>1</sup>	369	368	0.3%
Adj. EBITDA margin	42.2%	36.9%	5.3pp
Net profit <sup>3</sup>	151	133	13.5%
Net profit margin	17.3%	13.3%	4pp
Capex	42	25	68.0%

- The Power segment's revenue decreased by 12.4% y-o-y mainly due to rouble depreciation<sup>2</sup>, which was partially offset by an increase in electricity and capacity sales volumes, higher electricity and capacity prices and heat tariffs
- The Power segment's net profit increased by 13.5% y-o-y largely resulting from a decrease in finance expenses of 11.4%
- In 1Q 2019, capital expenditure by the Group's Power segment amounted to USD 42 million (up 68% y-o-y), the increase was mainly attributable to rescheduling of projects from 1Q 2018 to later periods

## Metals segment

USD mn	1Q 2019	1Q 2018	Change
Revenue	2,170	2,744	(20.9%)
Adj. EBITDA <sup>1</sup>	226	572	(60.5%)
Adj. EBITDA margin	10.4%	20.8%	(10.4 pp)
Net profit	273	544	(49.8%)
Net profit margin	12.6%	19.8%	(7.2 pp)
Capex	136	220	(38.2%)

- In 1Q 2019, revenue attributable to the Metals segment dropped by 20.9% y-o-y following decrease in the LME aluminium price by 13.9% to USD 1,859 per tonne compared with USD 2,159 per tonne for the comparable period and lower volumes of metal being sold as OFAC sanctions were lifted only in end of January 2019, this translated into EBITDA compression
- The Metals segment's profit for the period declined by 49.8% y-o-y, where top-line pressures were partially offset by the increase in share of profit from associates and joint ventures
- Capital expenditure at the Metals segment amounted to USD 136 million, decreasing by 38.2% y-o-y

(1) Adj. EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

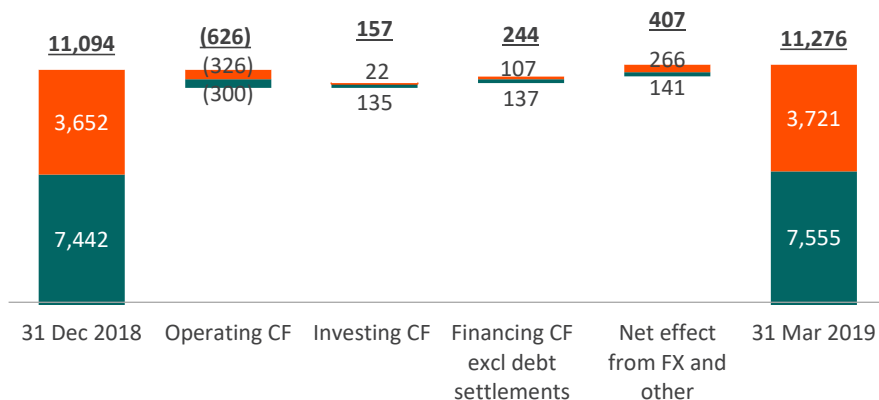
(2) In 1Q 2019, the average for the period RUB/USD exchange rate increased by 16.3% to 66.13 compared to 56.88 in 1Q 2018.

(3) Excluding dividends from UC Rusal

# En+ Group Debt Overview as of 31 March 2019

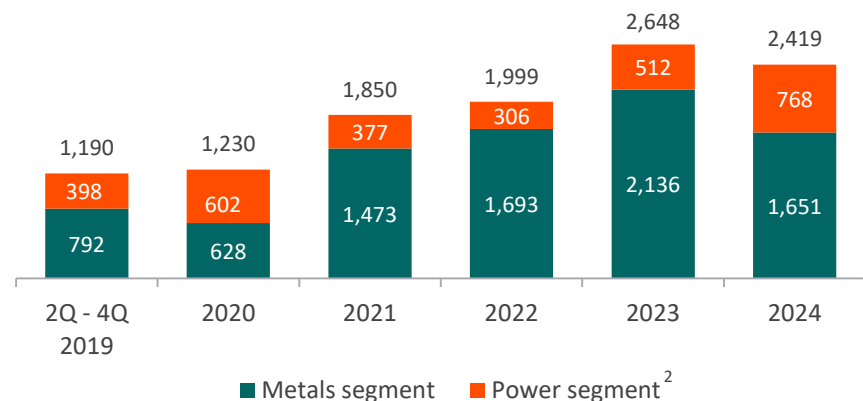
## Net debt change in 1Q 2019

(USD mn)



## Debt Maturity as of 31 Mar 2019

(USD mn)



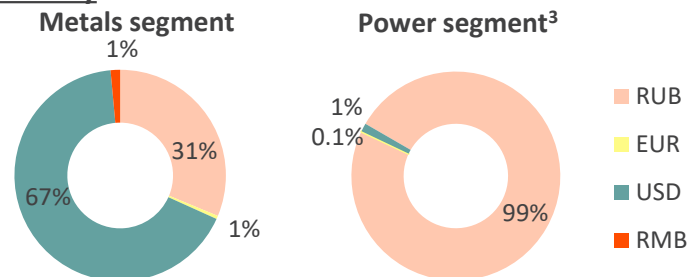
## Key debt metrics

(USD mn)

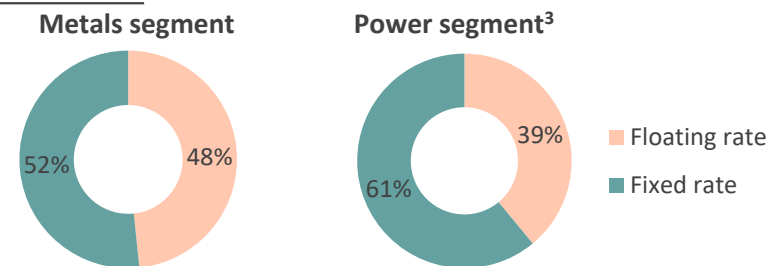
	31 Mar 2019	31 Dec 2018
Total debt, IFRS	12,648	12,277
Cash and cash equivalents	1,372	1,183
Net debt <sup>1</sup> , IFRS	11,276	11,094

## Debt portfolio breakdown as of 31 Mar 2019

### By currency



### By interest rate



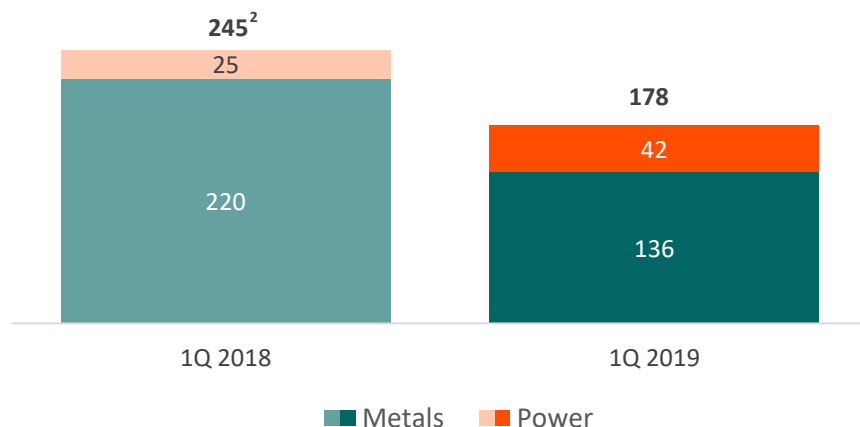
Note: Due to rounding, total may not correspond with the sum of the separate figures.

(1) Net debt – the sum of loans and borrowings and bonds outstanding less total cash and cash equivalents as at the end of the relevant period.

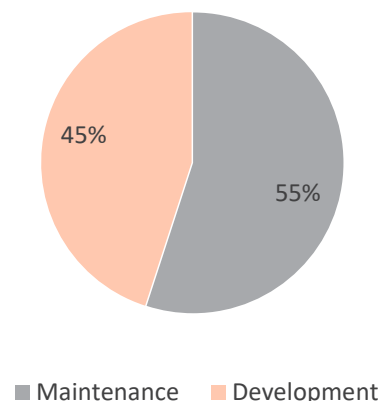
(2) Corporate debt.

(3) Nominal debt of Power segment – USD 4,201 mn. Nominal debt includes also USD 1.2 bn of revolving facilities to finance short-term operational activities.

## Capital expenditure dynamics<sup>1</sup> (USD mn)



## 1Q 2019 Capital expenditure structure (USD mn)



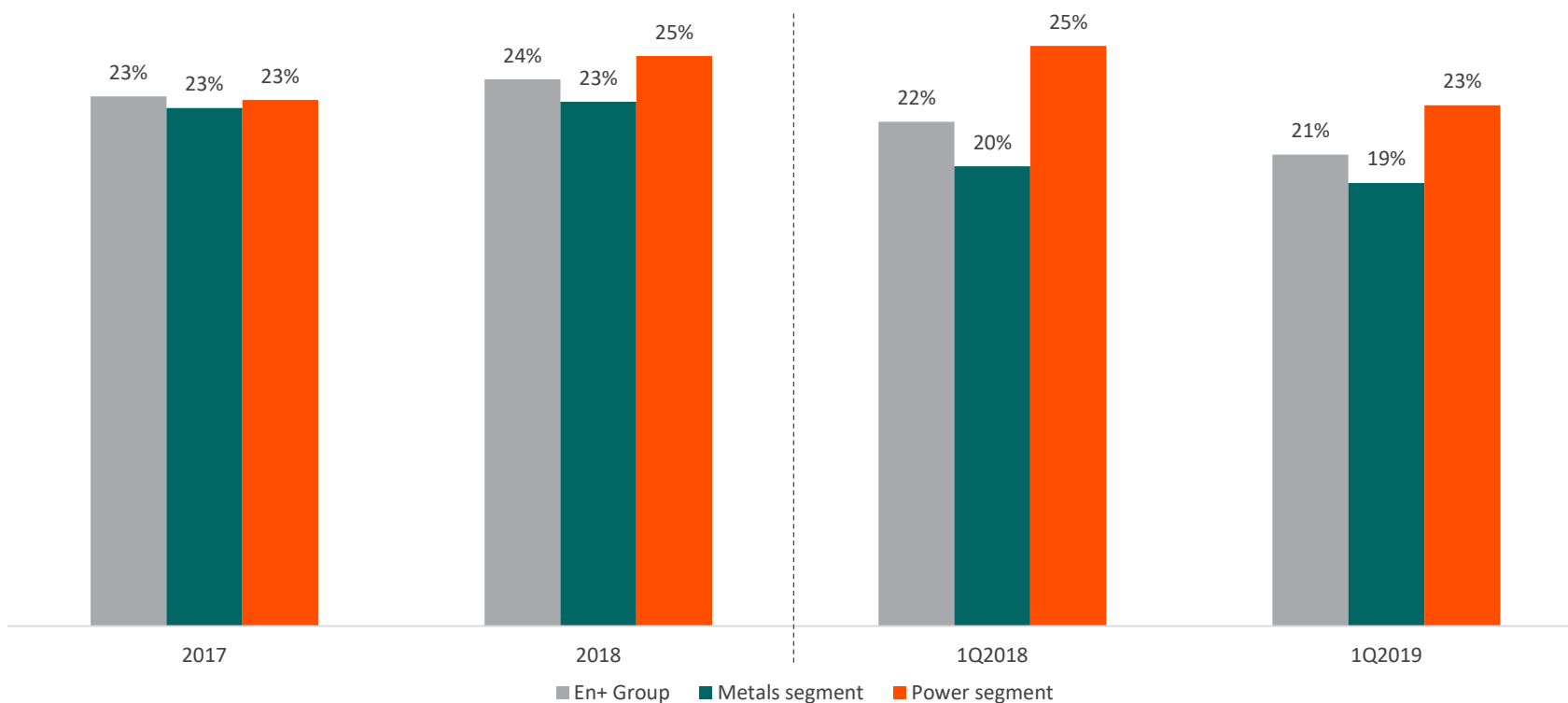
- In 1Q 2019, capital expenditure by the Group's Power segment increased by 68% y-o-y mainly due to rescheduling of projects from 1Q 2018 to later periods. Maintenance capex accounted for approximately 67% of total capital expenditure
- The key project of the Power segment is the 'New Energy' HPPs modernization program:
  - In 1Q 2019, upgraded equipment allowed for an increased energy production of the HPPs of 271 GWh
  - In 1Q 2019, a modernized runner commenced operations at the Krasnoyarsk HPP
  - The Group started the modernization of Irkutsk HPP: replacement of three hydropower-generating units
- Capital expenditure at the Metals segment decreased by 38.2% y-o-y. Maintenance capex amounted to c. 50% of aggregate capex
- In 1Q 2019, the Group, together with RusHydro, commissioned the first potline at the Boguchansky aluminium smelter (part of the BEMO project), the design capacity of which is 298 kt of aluminium per annum
- During the reporting period the Company continued financing the construction of the Taishtet aluminium smelter and it is expected that the smelter will produce first metal in 4Q 2020

(1) Capital expenditure represents cash flow related to investing activities – acquisition of property, plant and equipment and acquisition of intangible assets.

(2) Before intersegmental elimination

- As a result of a challenging environment return on capital employed at the consolidated level slightly declined compared to the same period in 2018, before sanctions. In 1Q 2019, the return on capital employed accounted for 21% on the Group level
- Power segment demonstrated 2% decrease in ROCE, which was mostly related to forex rates fluctuation

## Return on Capital Employed<sup>1</sup>



(1) Calculation of Return on Capital Employed:

- Return is a sum of adj. EBITDA, Dividends from the jointly controlled entities and other associates and Interest received
- Capital Employed is a sum of Loans and borrowings and Equity
- For Power segment: return excludes dividends from Metals segment while equity excludes investment in Metals segment

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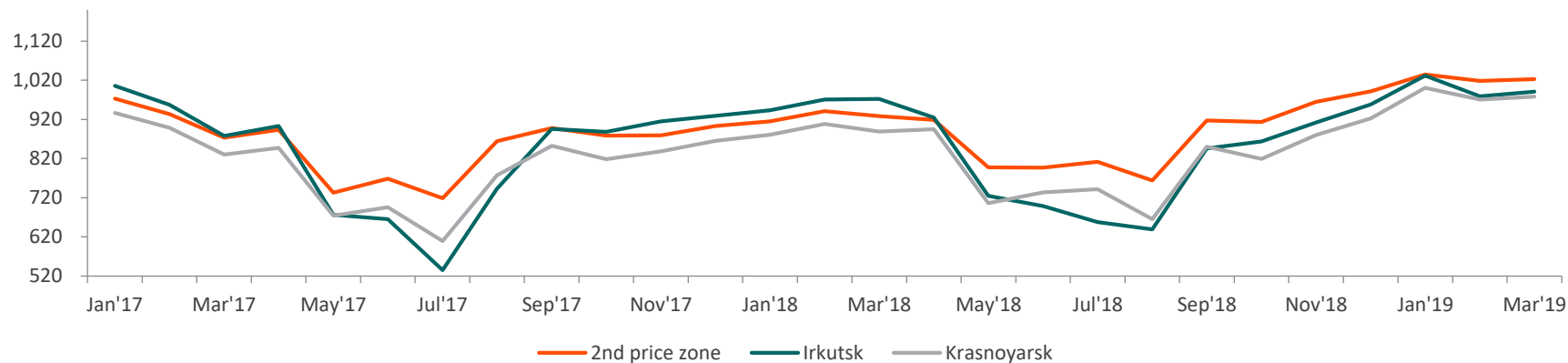
## Power supply and demand in Siberia<sup>1</sup>

TWh	1Q 2019	1Q 2018	Change
Production in Siberia	56.8	56.2	+1.1%
HPPs production	23.6	20.6	+14.8%
Consumption	57.5	58.0	-1.0%

## Average electricity spot prices<sup>2</sup>

Average market price, RUB/MWh	1Q 2019	1Q 2018	Change
2 <sup>nd</sup> price zone	1,025	928	+10.5%
Irkutsk region	1,000	962	+4.0%
Krasnoyarsk region	983	892	+10.1%

## Electricity spot prices<sup>2</sup>, Rb/MWh



## Capacity prices<sup>3</sup>

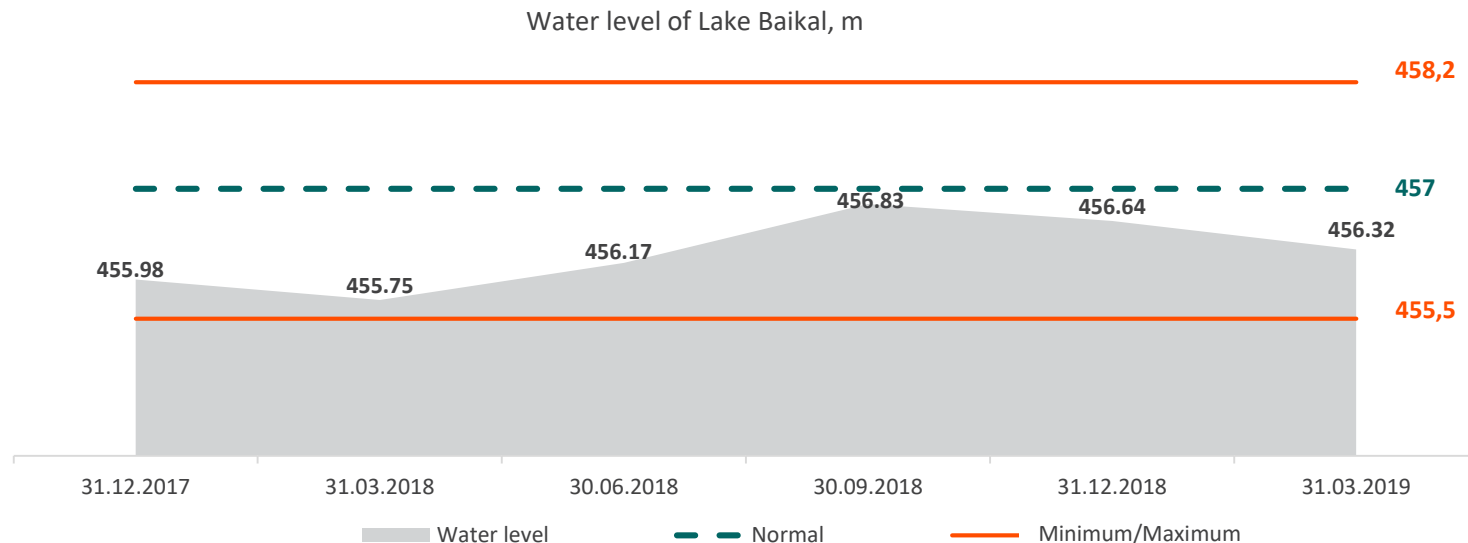
th. RUB/MW/month	2016	2017	2018	2019	2020	2021
2 <sup>nd</sup> price zone	189	182	186	190	191	225

(1) System Operator of the Unified Power System.

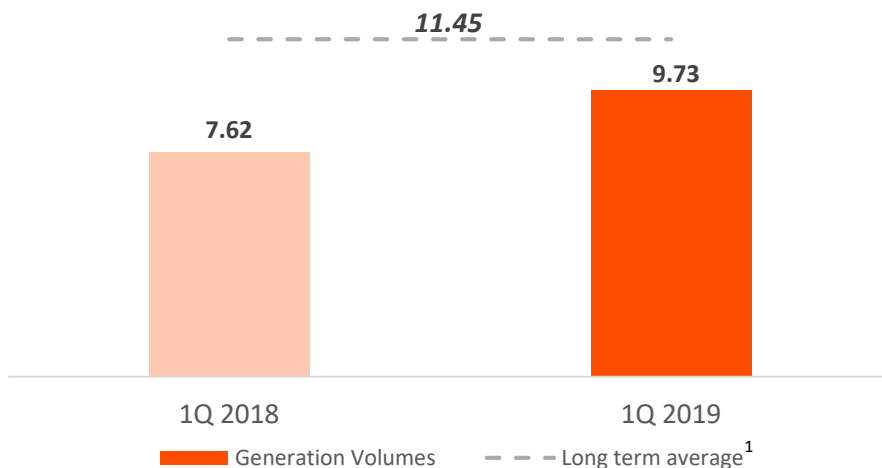
(2) Day ahead market prices, data from ATS and Association "NP Market Council".

(3) According to Russian regulations in the power industry, capacity price is defined by supply-demand balances, set in real terms and linked to CPI-1% till 2017 and CPI-0.1% since 2018.

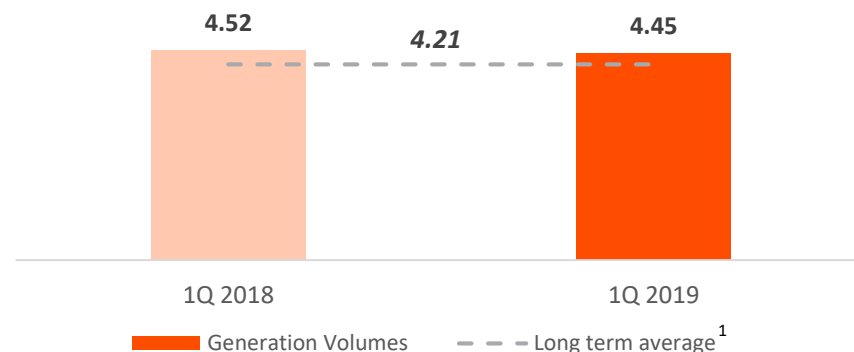
# Improving Water Inflows Driving an Increase in HPP Generation



## Angara cascade, TWh



## Yenisey cascade/KHPP, TWh

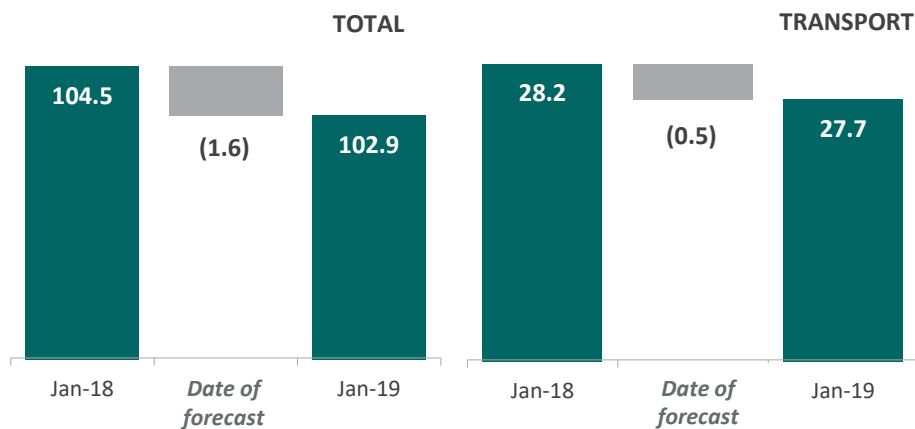


(1) Average since 1970 for Krasnoyarsk HPP and since 1977 for Angara cascade.

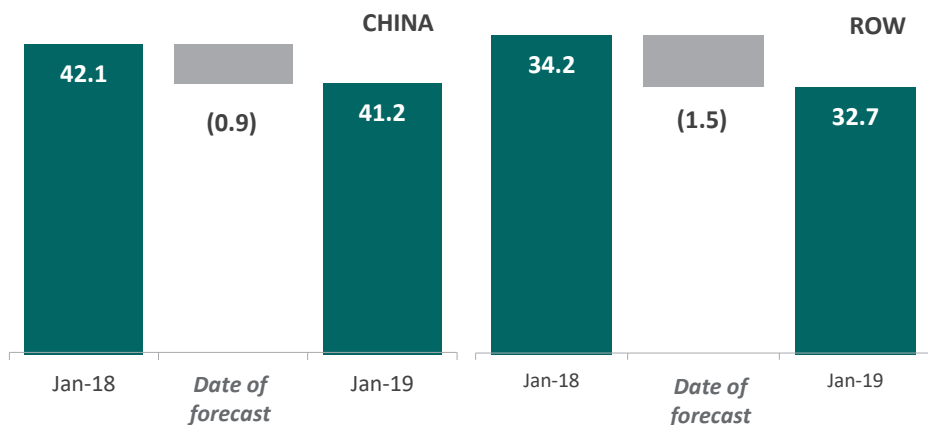


# Various Risks Impacting Global Aluminium Demand Forecast

Global semis demand forecast  
in 2022, Mt



Primary alu demand forecast  
In 2022, Mt



Sources: CRU, Rusal Analysis

## Influential factors

- TRADE WARS 
- BREXIT 
- CHINA'S ECONOMIC SLOWDOWN 
- A BAN ON IMPORT OF LOW GRADE ALU SCRAP IN CHINA (FOR THE US, AN ADDITIONAL 25% TARRIFF IMPOSED) 
- NEW AMERICAN & EUROPEAN INVESTMENT SCREENING REGULATIONS FOR CHINESE FDI 

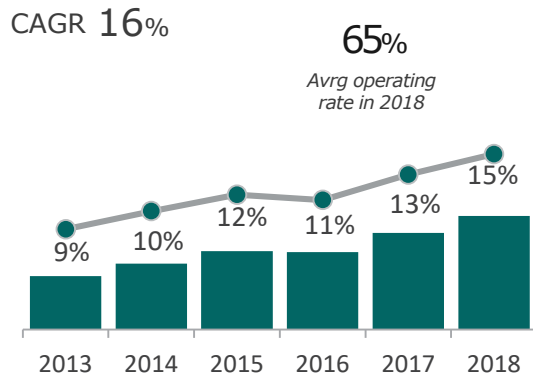
The IMF has cut its global growth forecast for the  
**4<sup>th</sup> time in 9 months**



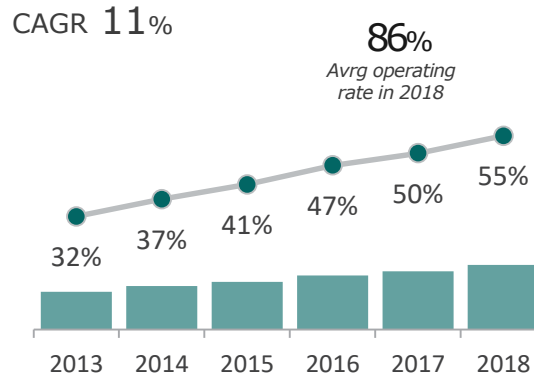
# The Lack of Semis Capacities in ROW May Raise the Risk of Chinese Export Strengthening to Meet Demand Ex-China

Share of Chinese semis exports in ex-China consumption in 2013-2018, Kt

## Flat rolled products



## Foil



## FRP

+1,8  
Mt

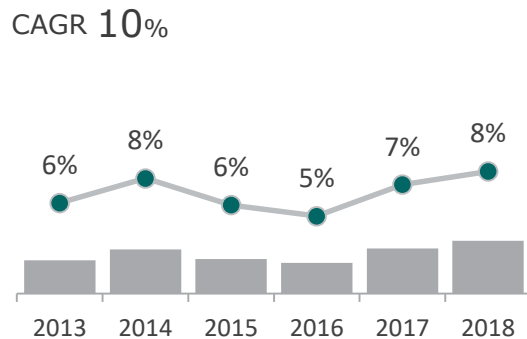
INCREMENTAL PRODUCTION GROWTH DUE TO OPERATING RATE INCREASE UP TO 75%

## FOIL

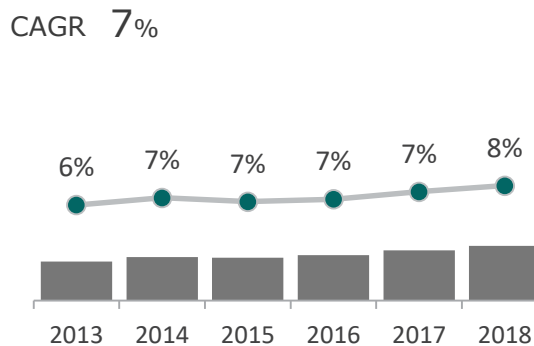
+167  
Kt

INCREMENTAL PRODUCTION GROWTH DUE TO OPERATING RATE INCREASE UP TO 90%

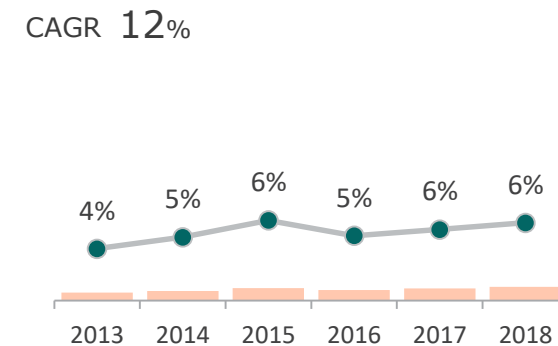
## Extrusions



## Wheels



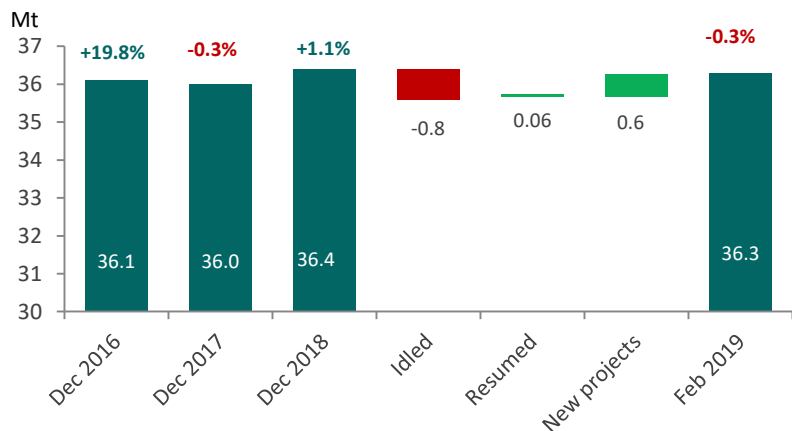
## Wire and cable



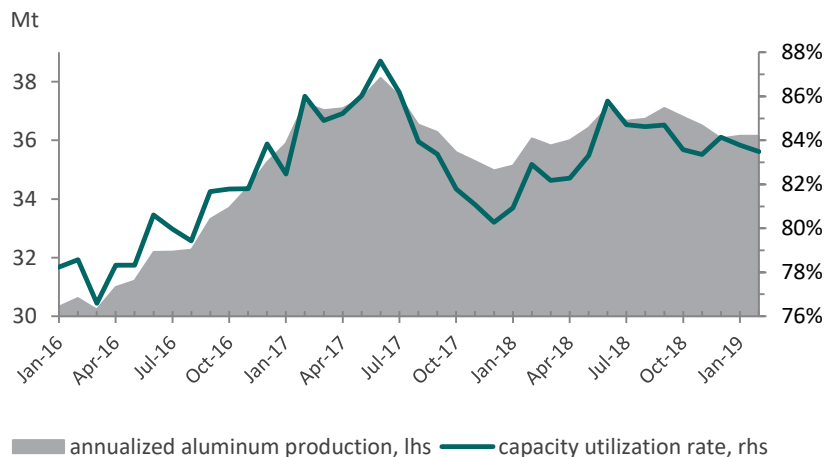
Sources: Trade Map, Eurostat, CRU, SMM, Rusal Analysis

# Muted Chinese Aluminum Capacity but with Potential to Grow

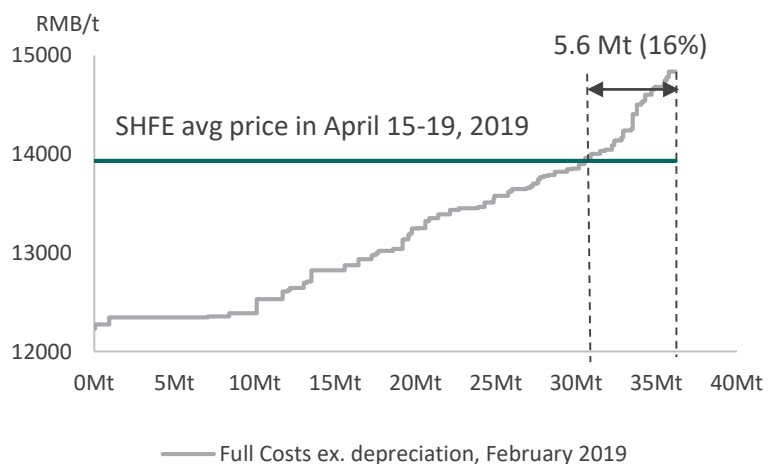
## China capacity evolution



## China annualized production



## Chinese cost curve



- Over the last two years there was no net growth in Chinese operating capacity despite new ramp-ups.
- In 2019 0.8 Mt of capacity was closed and another 0.2-0.3 Mt is set to close in 2Q19 due to low aluminum price. Some restarts possible at 14,000RMB/t SHFE price.
- China's primary aluminum production declined to the lowest level since March 2018 and now stands at **35.8 mt** (at annual rate).
- With SHFE price growth now less capacity is unprofitable in China and production growth may start in 2Q19 with restarts and new capacity entering the market.
- But overall demand is still weak with only 1.5% growth in 1Q19 YoY.

Source: Aladdiny, MEP, Rusal Analysis

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## Market

- In 1Q 2019, the aluminium price continued to be under pressure due to a seasonally weak period and the negative impact resulting from trade wars and US-China tensions. This trend is expected to continue negatively impact aluminium price in 2Q 2019. Global aluminium demand grew by 1.5% y-o-y to 15.9 mt in 1Q 2019. The total aluminum deficit increased 1.7 times to 0.5 mt compared to 4Q 2018, which was key factor for aluminium stock levels
- In 1Q 2019 both electricity consumption and production in Siberia remained mostly stable with HPP output increased by c. 15% y-o-y.

## Operational performance

- Group Aluminium production remained largely stable y-o-y, while aluminium and VAP sales decreased y-o-y by 7.2% and 44.1% respectively affected by OFAC sanctions which were only lifted on 27 January 2019
- Electricity production improved by 9.1% y-o-y on the back of more favorable hydrological environment

## Financial performance

- In 1Q 2019, the Group operated in highly challenging environment. Decline in aluminium prices coupled with pressures onto sales volumes, resulted in subdued relative to normal financial results
- Management re-iterates its guidance with respect to operational performance, capex and expects a normalisation of financial performance as Metals segment catches up on sales volumes post sanctions removal while Power business continues to perform stable
- Margins may continue to be pressurised given prevailing macro environment (lower aluminium prices and volatile FX y-o-y as compared to 2018)

## Working Capital Management

- In 1Q 2019 there was a slight release of working capital (c. USD 134 mn) the Group is targeting a return to historical levels of working capital over the course of next 12 months

## Sustainability

- Metals segment committed to plant over one million trees in Russia as part of its climate strategy aimed at reducing the Company's carbon footprint. The initiative represents Russia's largest ever forest restoration project
- Direct specific greenhouse gas emissions at smelters reduced by 2.3% y-o-y
- Achieving zero fatalities across all our operations is a key priority for the Group. To our regret, in 1Q 2019 one work-related employee fatality did occur in the Metals segment. The Group considers fatalities unacceptable and conducts a comprehensive and thorough investigation to implement required measures

**A resilient business with #1 positions in Energy and Aluminium with upside growth prospects and a strong free cash flow generation from a fully integrated low carbon business model**

For further information, please visit  
<https://www.enplusgroup.com/en/investors/>  
or contact:

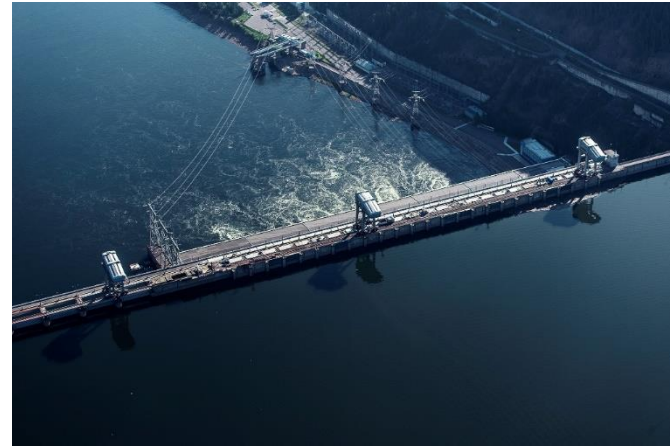
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# Improving Water Inflows Driving an Increase in HPP Generation

## Overview

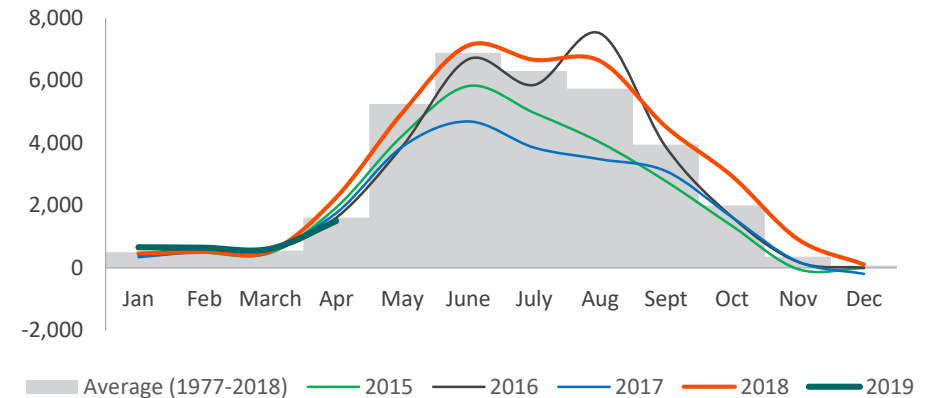
- In 1Q 2019, Krasnoyarsk HPP's total power generation remained flat y-o-y and amounted to 4.5 TWh. The lateral inflow to Krasnoyarsk reservoir accounted for 260 cubic meters per second (103.2% of normal level) compared to 278 cubic meters per second (110.3% of normal level) in 1Q 2018. At the beginning of 1Q 2019, water levels at the headrace of the dam were 236.7 meters, which is 0.2 meters higher than at the start of 1Q 2018.
- The Group's Angara cascade HPPs (Irkutsk, Bratsk and Ust-Ilimsk HPPs) increased power generation by 27.6% y-o-y to 9.7 TWh in 1Q 2019 due to increased water reserves in Angara cascade reservoirs. Water inflows to Lake Baikal in 1Q 2019 accounted for 103% of normal levels (compared to 71% of normal levels in 1Q 2018). The water level of Lake Baikal reached 456.32 meters as at the end of 1Q 2019 (455.75 meters at the end of 1Q 2018).

## Water level (m)

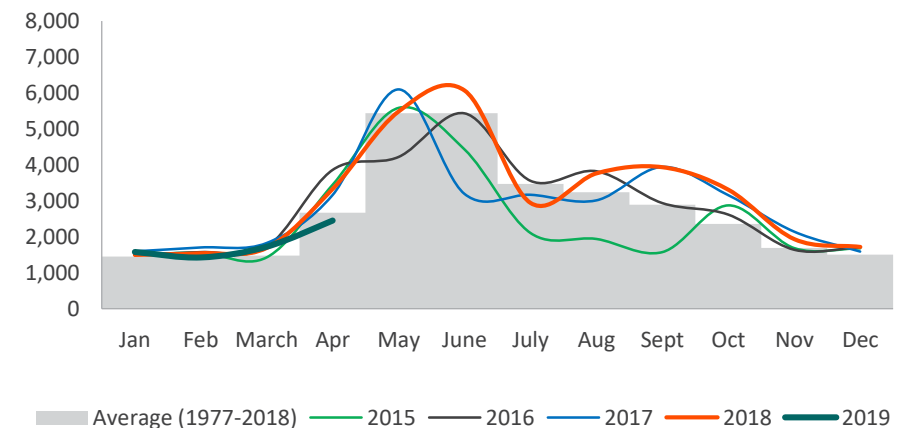
	Normal	Minimum	31.03.2019	31.03.2018
Irkutsk HPP	457.00	455.54	456.32	455.75
Bratsk HPP	402.08	392.08	395.94	394.57
Ust-Ilimsk HPP	296.00	294.50	294.86	294.61
Krasnoyarsk HPP	243.00	225.00	232.39	232.01

(1) Hydro production and water inflows data for Angara cascade include Irkutsk, Bratsk and Ust-Ilimsk HPPs.

## Water inflows, Angara cascade<sup>1</sup> (m<sup>3</sup> per sec.)



## Water inflows, Yenisey cascade / KHPP (m<sup>3</sup> per sec.)

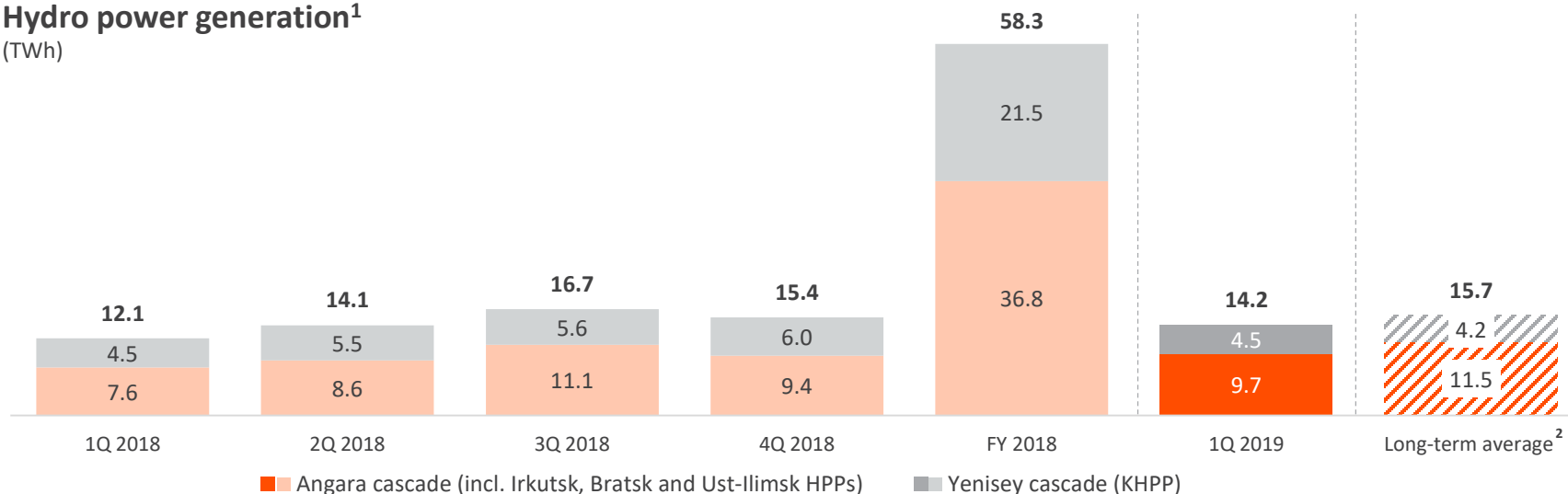




# Power Generation Volumes

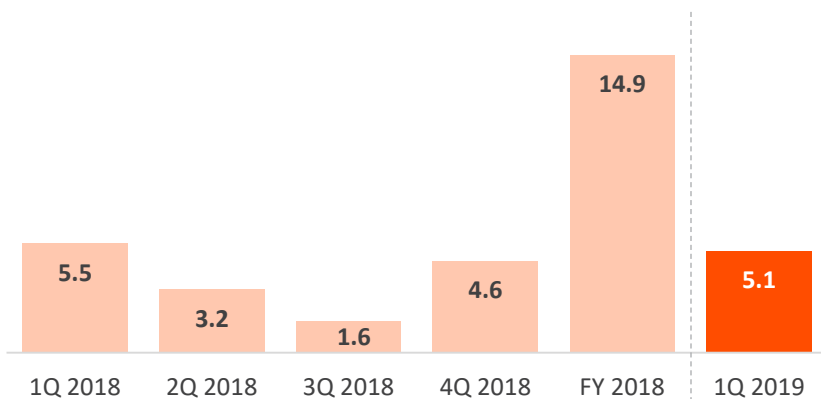
## Hydro power generation<sup>1</sup>

(TWh)



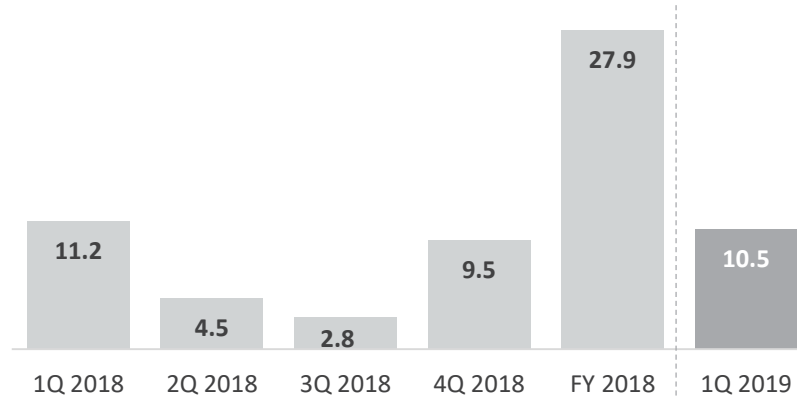
## CHP electricity generation

(TWh)



## Heat generation

(mn Gcal)



Note: Due to rounding, total may not correspond with the sum of the separate figures.

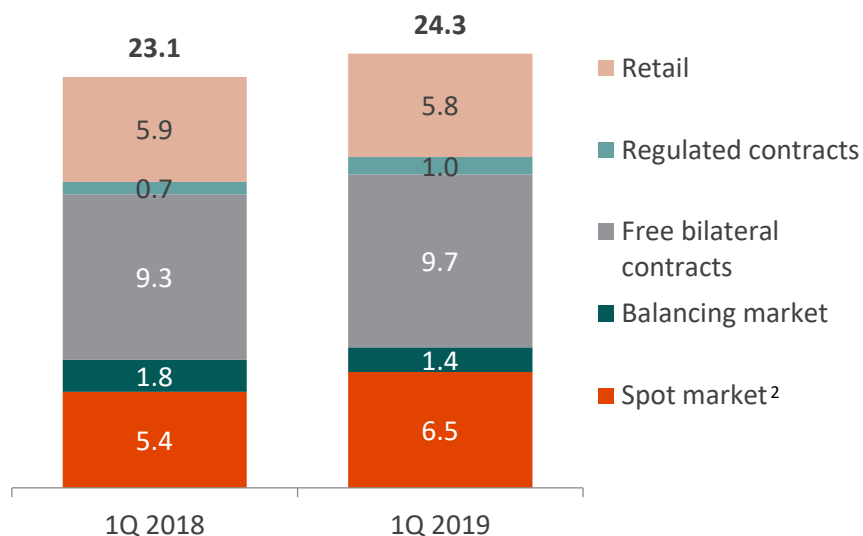
(1) Excluding Onda HPP

(2) FY average since 1970 for Krasnoyarsk HPP and since 1977 for Angara cascade.

# Power Segment Sales Breakdown

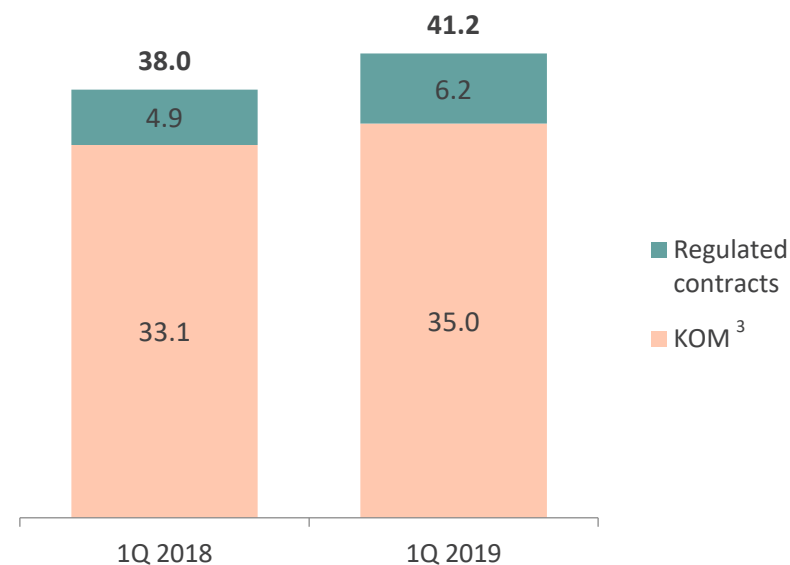
## Electricity sales

(TWh)



## Capacity sales<sup>1</sup>

(GW)



- Electricity sales increased by 5.2% y-o-y to 24.3 TWh in 1Q 2019. Growth in total electricity volumes sold was mainly driven by an increase in spot market sales and sales through free bilateral contracts
- Capacity sales increased by 8.4% y-o-y to 41.2 GW, KOM sales increased by 5.7% y-o-y to 35.0 GW and sales through regulatory contracts increased by 26,5% to 6.2 GW

(1) Capacity sales volume equals sellable capacity multiplied by 12 months.

(2) Day ahead market.

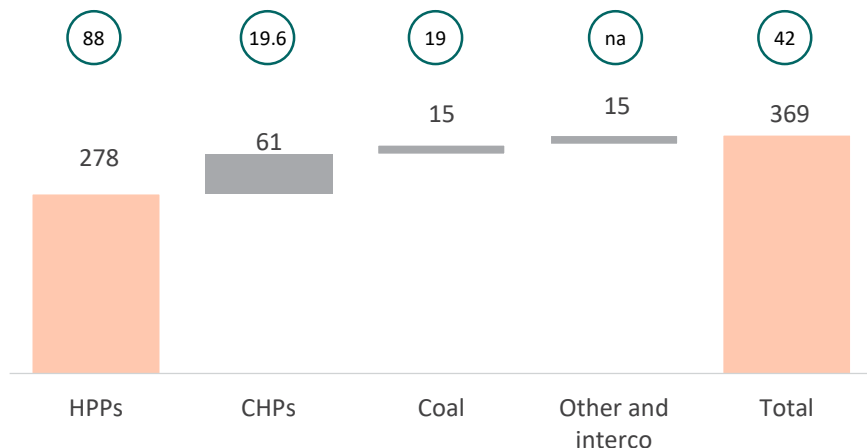
(3) KOM is a Russian abbreviation for Competitive Capacity Outtake. KOM sales include capacity supply contracts / DPM (Abakan SPP) and must run generation. Siberian hydro capacity prices (excl. regulated contracts) are 100% liberalized from May 2016.

# Power Segment EBITDA Analysis

## Power segment EBITDA in 1Q 2019

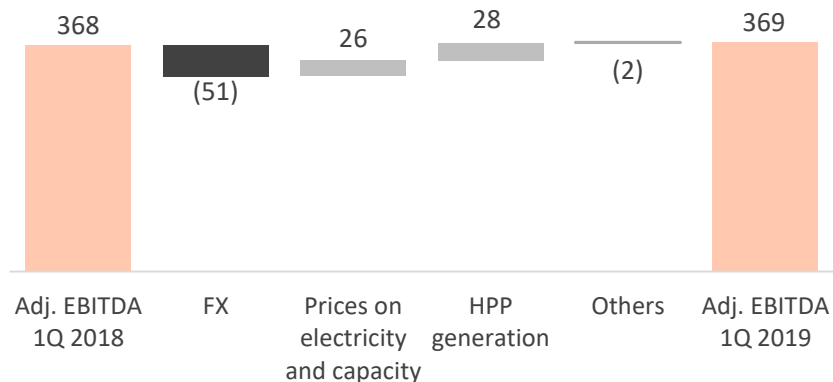
(USD mn)

○ EBITDA margin (%)



## 1Q 2019 adj. EBITDA bridge build-up

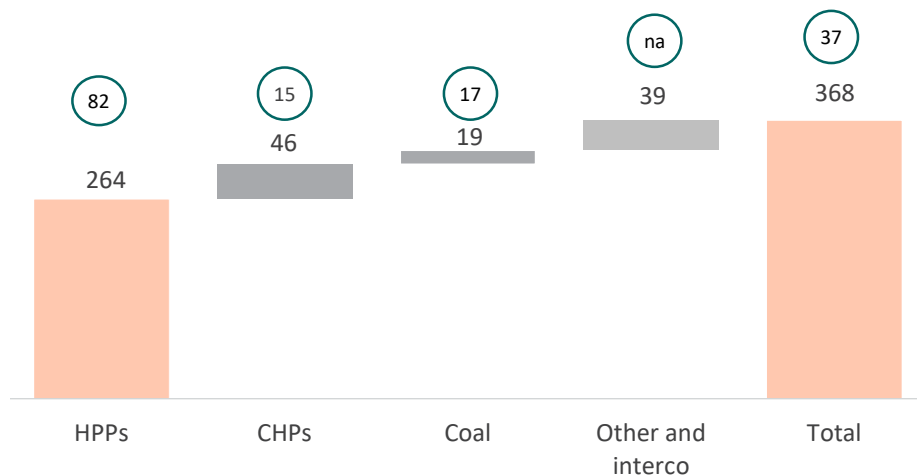
(USD mn)



## Power segment EBITDA in 1Q 2018

(USD mn)

○ EBITDA margin (%)



The Power segment's Adjusted EBITDA in 1Q 2019 remained almost flat y-o-y (up 0.3%) and accounted for USD 369 million, largely reflecting an increase in electricity and capacity sales volumes and prices on the back of rouble depreciation:

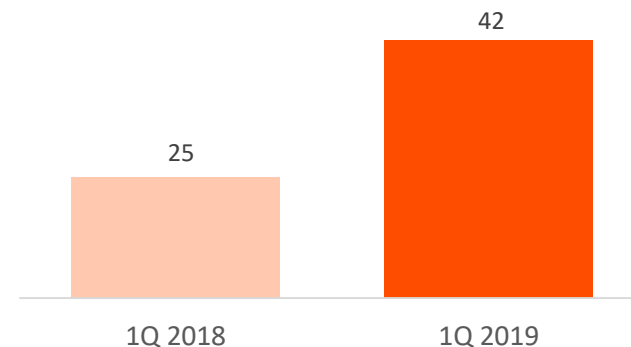
- Foreign exchange rates: in 1Q 2019, the average for the period RUB/USD exchange rate increased by 16.3% to 66.13 compared to 56.88 in 1Q 2018.
- HPP generation: the Group's HPPs increased generation by 9.1% y-o-y to 19.2 TWh in 1Q 2019

Note: The calculations are for illustrative purposes only and based on management accounts.

# Power Segment Capital Expenditure

- In 1Q 2019, capital expenditure by the Group's Power segment amounted to USD 42 million (up 68% y-o-y), the increase was mainly attributable to projects rescheduling in 1Q 2018 to later periods
- The Energy segment continues investing into the operational efficiency of its assets and grid infrastructure development
- The key project of the Power segment is the 'New Energy' HPPs modernization program. In 1Q 2019 upgraded equipment allowed for an increased energy production of the HPPs of 271 GWh

Capex<sup>1</sup>



## 'New energy' programme:

Period	Project	Status
2011– 2017	Bratsk HPP: 12 runners replacement	Completed
2014 – 2018	Ust-Ilimsk HPP: 4 runners replacement	Completed
2015 – 2019	Krasnoyarsk HPP: 2 runners replacement	Completed
2017 – 2023	Irkutsk HPP: 4 hydropower generating units replacement	Approved. 1st unit to be commissioned from 2H 2020. Other 3 units to be commissioned by 2023

Source: En+ Group's IFRS statements, En+ Group management accounts.

Note: Converted to RUB at average USD/RUB rate of 66.13 and 56.88 for 1Q 2019 and 1Q 2018 respectively.

(1) Capital expenditure represents cash flow related to investing activities – acquisition of property, plant and equipment and intangible assets

# Power Segment Debt Overview

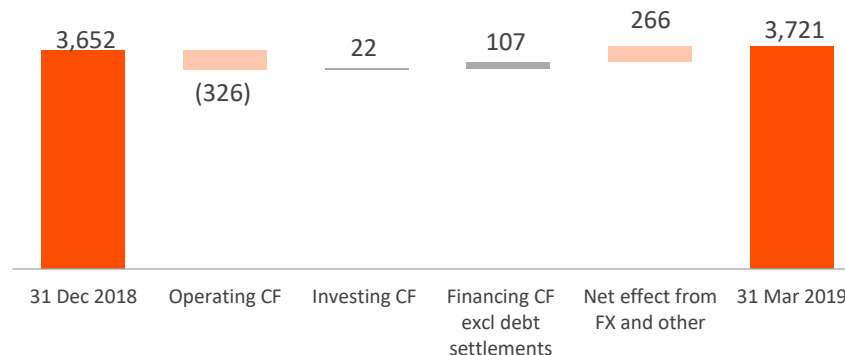
## Key debt metrics

(USD mn)

	31 Mar 2019 IFRS	31 Dec 2018 IFRS
Loans and borrowings	4,267	3,991
- Corporate Debt	3,027	2,818
- Operational Debt	1,240	1,173
<b>Total debt</b>	<b>4,267</b>	<b>3,991</b>
Cash and cash equivalents	546	339
<b>Net debt</b>	<b>3,721</b>	<b>3,652</b>
<b>Net debt / adj. LTM EBITDA</b>	<b>3.2x</b>	<b>3.1x</b>

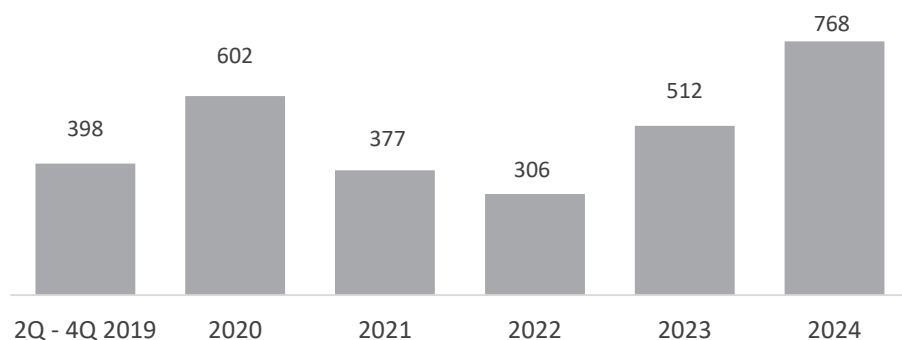
## Net debt change in 1Q 2019

(USD mn)



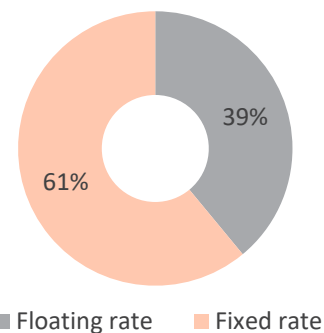
## Nominal corporate debt maturity profile as at 31 Mar 2019

(USD mn)

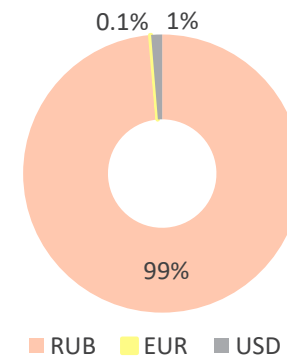


## Debt portfolio<sup>1</sup> breakdown as at 31 Mar 2019

### By interest rate



### By currency



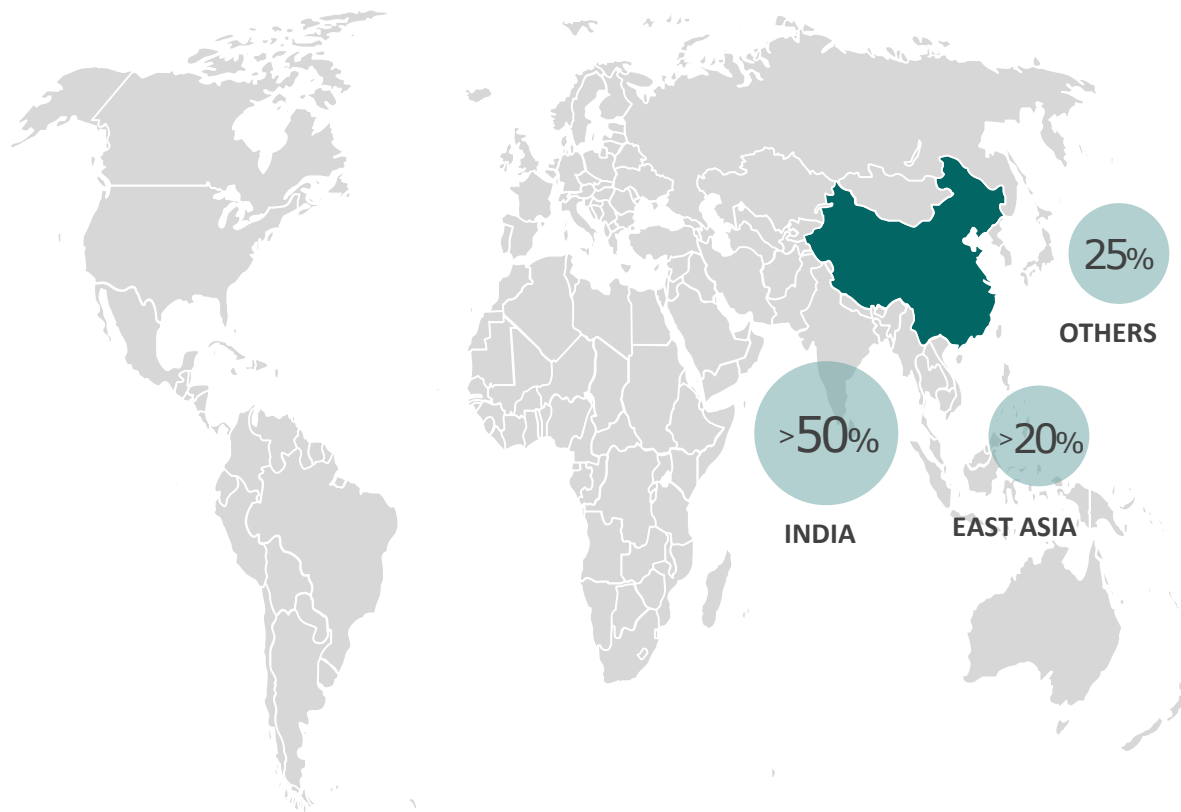
Note: Due to rounding, total may not correspond with the sum of the separate figures.

(1) Nominal debt – USD4,201mn. Nominal debt includes also USD 1.2 bn of revolving facilities to finance short-term operational activities.

# Chinese Ban on Import of Low Quality Waste Led to an Excess of Aluminium Scrap Supply Ex-China

## Chinese Underimported Scrap Was Sold to India & East Asia

2018 vs 2017



INVESTMENT INTO RECYCLING TO ADD OVER 1,3Mt OF CAPACITIES

DEVELOPMENT OF SCRAP SORTING TECHNOLOGIES

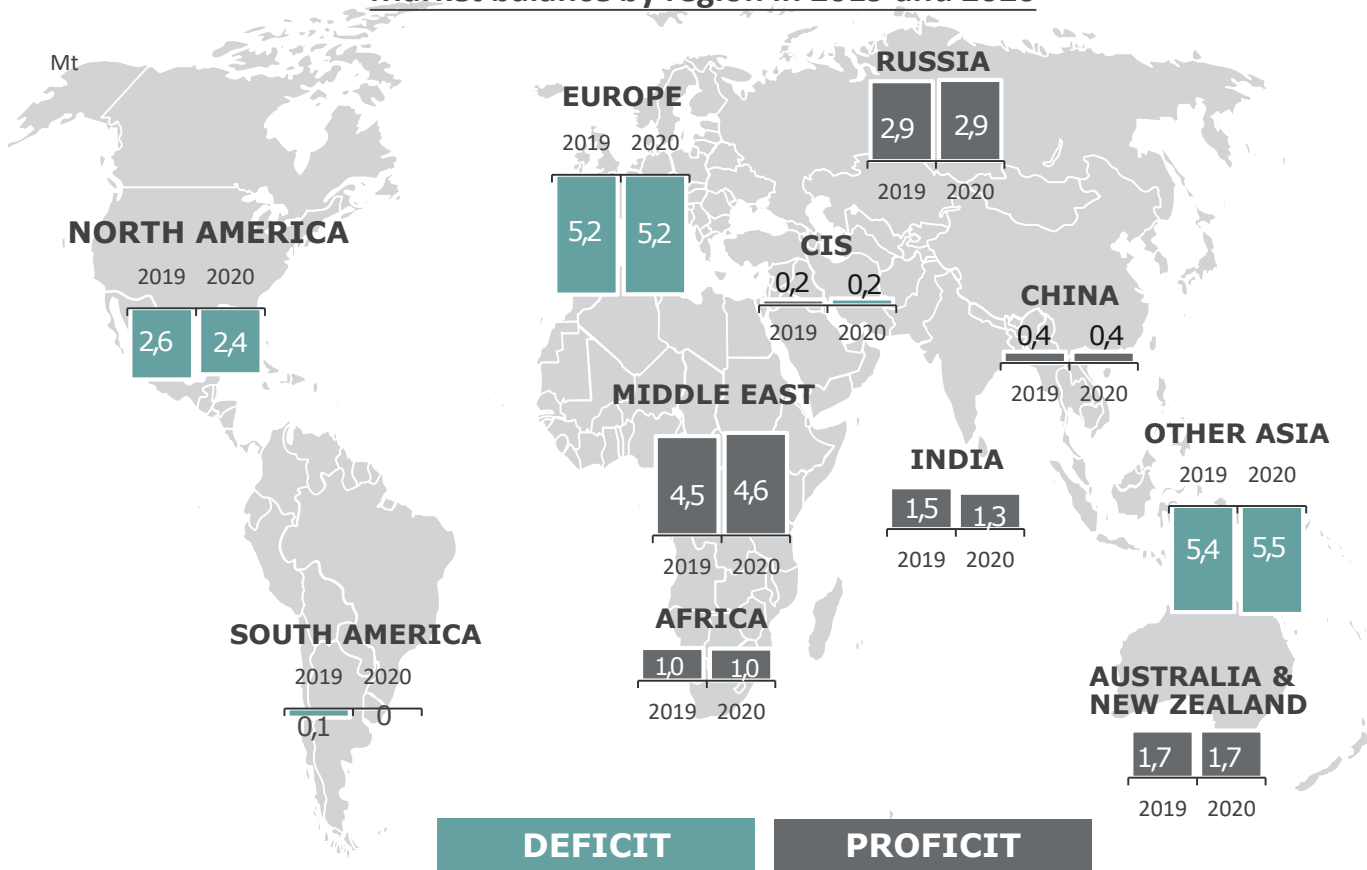
SCRAP & ALLOYS PRICE FALLS

VAP

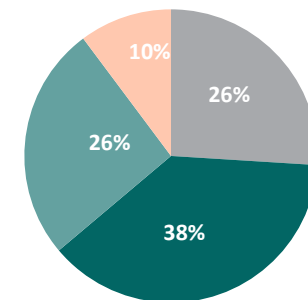
**IN 2018 CHINA DECREASED ALUMINIUM SCRAP IMPORTS BY** **600Kt**

Sources: Harbor, LME, Trade map, Metal Bulletin, Rusal analysis

## Market balance by region in 2019 and 2020



## Aluminium capacity restarts/expansion world ex-China in 2019-2020



**+1.6Mt**

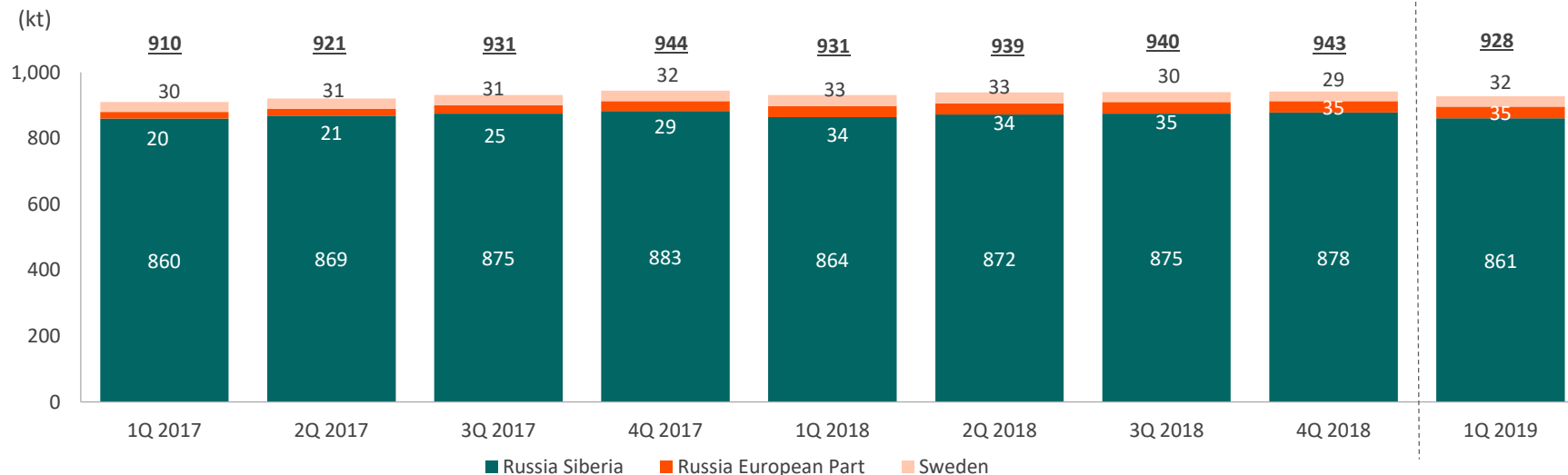
1.6Mt of additional smelting capacities to be delivered to the market Ex-China are not sufficient to meet demand, keeping ROW market in deficit

## Deficit Ex-China

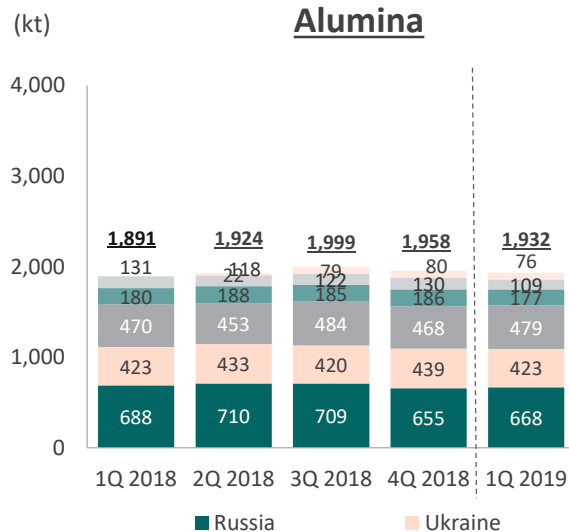


Source: Harbor, Companies' Reports, CRU. RUSAL analysis

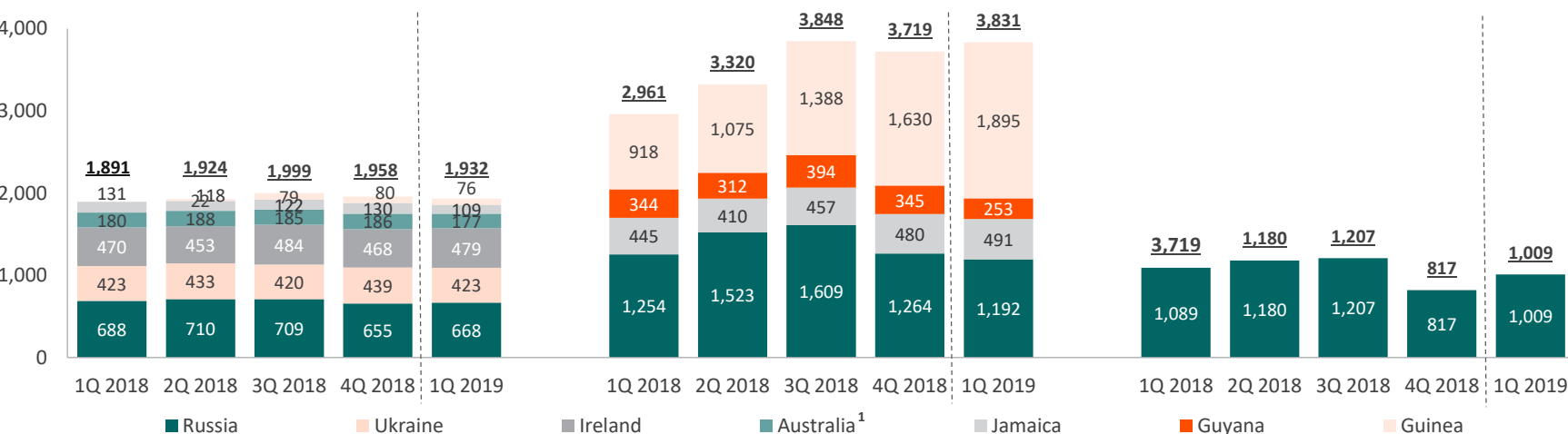
## Aluminium



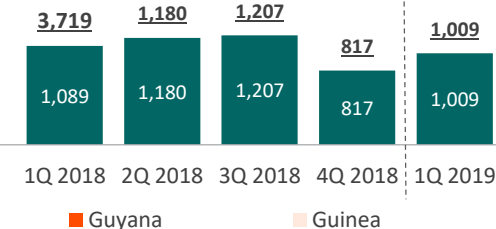
## Alumina



## Bauxite



## Nepheline ore



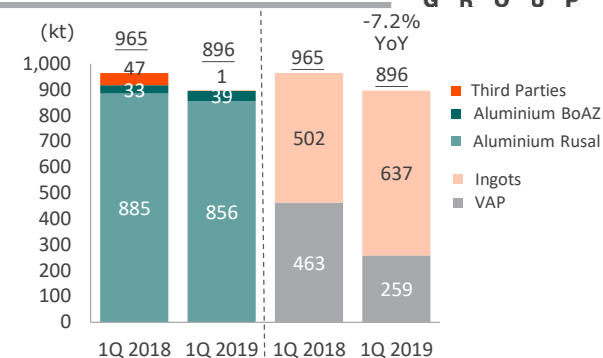
(1) Australia output (QAL) is presented on the ownership pro rata basis. In the income statement alumina sourced from QAL operations are reflected as bauxite purchases from third parties and tolling fee RUSAL pays to QAL for processing bauxite into alumina



# Aluminium Sales and Revenue

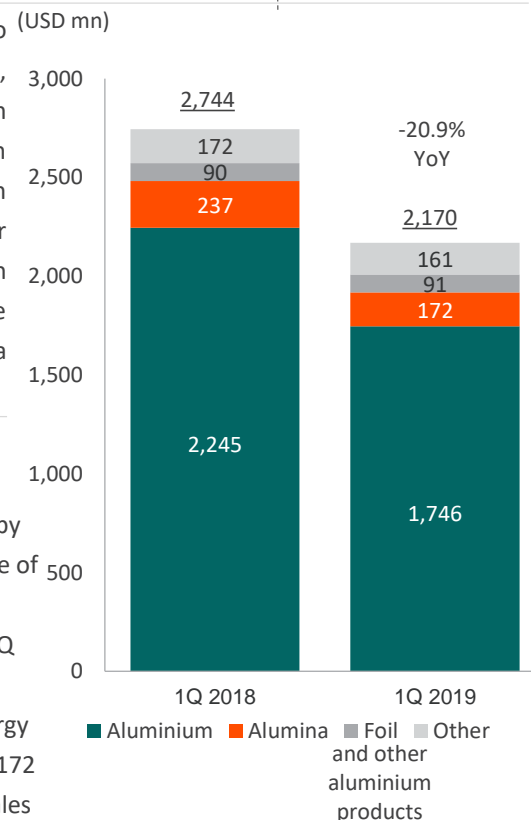
## Primary aluminium sales, kt

- Total aluminium sales for 1Q19 amounted to 896 kt (-7.2% YoY), including VAP sales of 259 kt (-44% YoY)
- VAP share dropped to 29% in 1Q19. Due to longer lead times VAP sales recognized in 1Q19 represent contracts that were serviced towards the end of 4Q18 and at the beginning of 1Q19. This period was significantly challenged by short OFAC General License extensions, as the Sanctions were lifted only on 27 January 2019.



## Revenue from primary aluminium and alloys, USD mn

- Revenue from sales of primary aluminium and alloys decreased by 22.2%, to USD 1,746 million in 1Q 2019 compared to USD 2,245 million in 1Q 2018, primarily due to 16.2% decrease in the weighted-average realized aluminium price per tonne (to an average of USD1,949 per tonne in 1Q 2019 from USD2,326 per tonne in 1Q 2018) driven by a decrease in the LME aluminium price (to an average of USD 1,859 per tonne in 1Q 2019 from USD 2,159 per tonne in 1Q 2018), as well as a decrease in premiums above the LME prices in the different geographical segments (to an average of USD 100 per tonne from USD 173 per tonne in 1Q 2019 and 1Q 2018, respectively) and by a 7.2% decrease in primary aluminium sales volume.



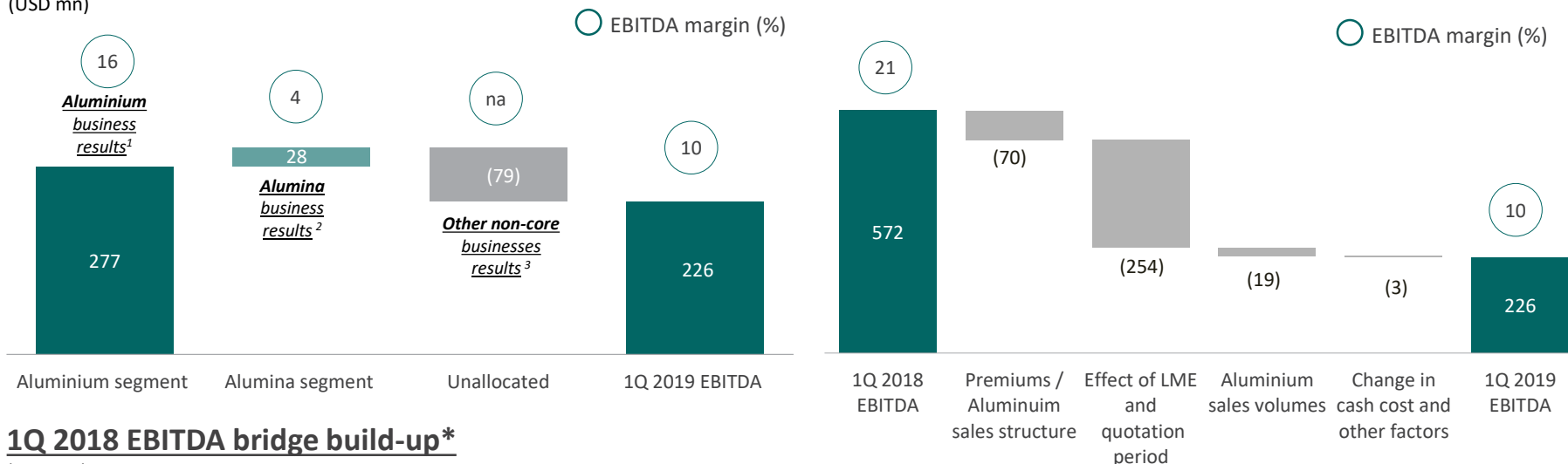
## Other revenue, USD mn

- Revenue from sales of alumina decreased by 27.4% to USD 172 million in 1Q 2019 from USD 237 million in 1Q 2018. The decrease in revenue over the comparable periods was driven by a significant decrease in the sales volume by 28.6%, which was partially offset by a slight increase in the average sales price of alumina by 1.4%.
- Revenue from sales of foil and other aluminium products was almost flat in 1Q 2019 and 1Q 2018.
- Revenue from other sales, including sales of other products, bauxite and energy services decreased by 6.4% to USD 161 million in 1Q 2019 compared to USD 172 million for the same period of the previous year, due to a 5.3% decrease in sales of other materials (such as bauxite by 99.3%, corundum by 17.2%).

# Metals Segment EBITDA Breakdown

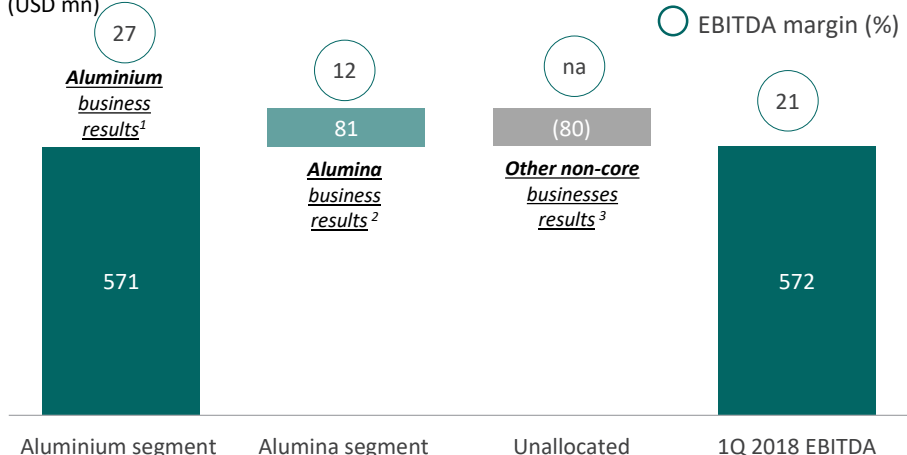
## 1Q 2019 EBITDA bridge build-up\*

(USD mn)



## 1Q 2018 EBITDA bridge build-up\*

(USD mn)



- LME aluminium price decreased by 13.9% y-o-y to USD1,859 per tonne, compared to USD2,159 per tonne in 1Q 2018
- Average realized premium component decreased by 42.1% y-o-y to USD 100 per tonne. The decline in premiums during 1Q 2019 is primarily attributed to the decrease of VAP share in product sales mix due to external market drivers related to the Sanctions
- In 1Q 2019, aluminium sales decreased by 7.2% y-o-y totaling 896 thousand tonnes. VAP sales decreased 44.1% y-o-y accounting for 259 thousand tonnes. VAP's share accounted for 29% of total sales, down from 48% in 1Q 2018
- In terms of the segment impact the aluminium segment remained the largest contributor to the Group EBITDA

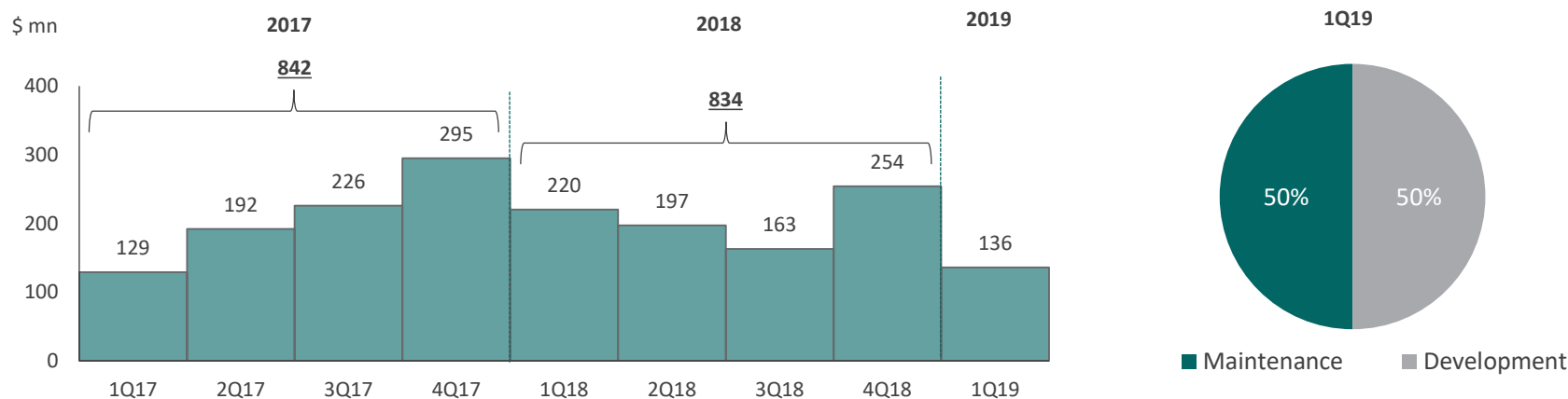
1) Aluminium business results, excluding alumina segment margin, the results of aluminium resales and other non-production costs and expenses

2) Alumina business results, excluding margin on sales to aluminium segment, the results of alumina and bauxite resales and other non-production costs and expenses

3) Other non-core businesses results are represented by foil, powder, silicon sales and other operations and general and administrative expenses of the headquarter

\* The segment result margin is calculated as a percentage of segment EBITDA to total segment revenue per respective segment

## Capex dynamics



- In 1Q19 capex totaled \$136 mn (-46% QoQ)
- Throughout the quarter, maintenance amounted to c. 50% of the aggregate CAPEX
- The Company continued its investment into key development projects as per its strategic priorities of preserving its competitive advantages of vertical integration into raw materials and product mix enhancements:
  - Alumina capacities expansion: Friguia alumina refinery complex (a bauxite mine and alumina refinery) was restarted in June 2018 (after the full ramp up, production will increase up to 600 ktpa);
  - Carbon materials self-sufficiency: Taishet anode plant (1st stage) - construction of anode baking furnace with a capacity of up to 217.5 ktpa of baked anodes<sup>1</sup> - is expected to be launched in December 2019;
  - Aluminium capacities expansion: Taishet aluminium smelter<sup>2</sup> (1<sup>st</sup> stage, 428.5 ktpa).

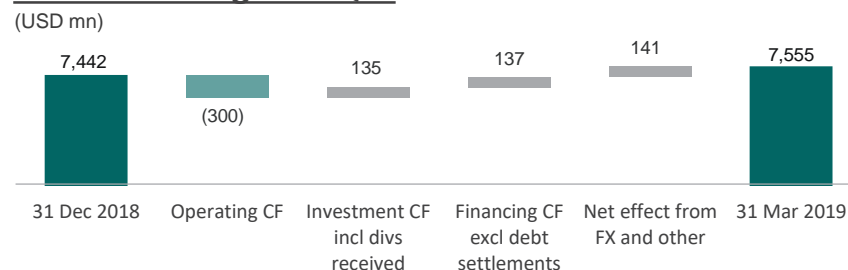
(1) For baking of SAZ green anodes during modernization of anode baking furnaces

(2) Please see following slides for further details on Taishet aluminium smelter

# Metals Segment Debt Overview

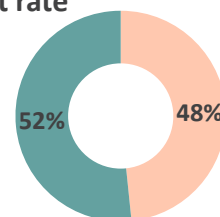
- In March-April the Group repaid **USD 267mn** of public debt, including:
  - 1<sup>st</sup> tranche of Panda bonds **RMB 680mn**
  - RUB-denominated bonds **RUB 10.8bn**
- Following the removal of sanctions 3 rating agencies assigned ratings to RUSAL as follows:
  - Fitch: **BB-**, stable outlook
  - Moody's: **Ba3**, stable outlook
  - Expert RA: **ruAA**, stable outlook
- On 29 April RUSAL successfully re-entered debt capital markets with RUB bonds placement of **RUB 15bn**, 10 years, subject to bondholders' put option exercisable in April 2022, unsecured with a coupon rate of **9.0% p.a.**
- The Group entered into the cross-currency interest rate swap, which resulted in the exchange-traded RUB bonds exposure being fully translated in the USD exposure: 3 years, with an interest rate of **4.69%** (vs 5.6% across USD-denominated debt portfolio)

## Net debt change in 1Q19



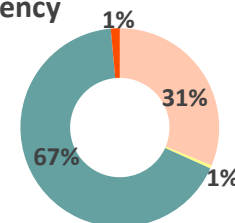
## Debt structure as of 31 Mar 2019

### By interest rate



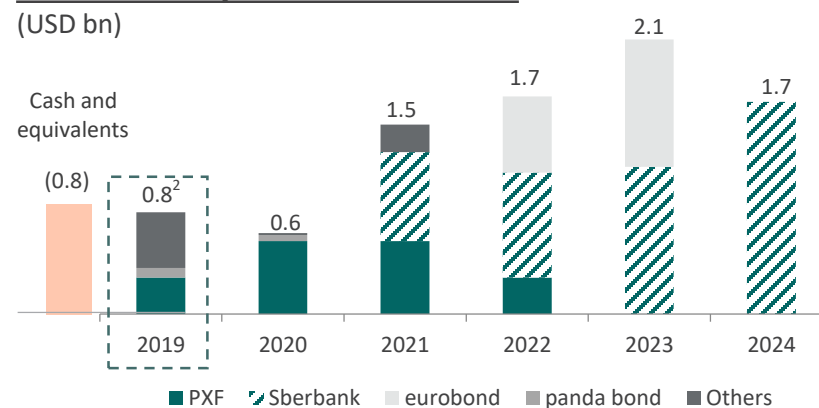
■ Floating rate ■ Fixed rate

### By currency



■ RUB ■ EUR ■ USD ■ RMB

## Debt maturity as of 31 Mar 2019



## Key debt metrics

(USD mn)

	31 Mar 2019	31 Dec 2018
<b>Total debt, IFRS</b>	<b>8 381</b>	<b>8 286</b>
Cash and cash equivalents	826	844
<b>Net debt, IFRS</b>	<b>7 555<sup>1</sup></b>	<b>7 442</b>
<b>Adjusted Total Net Debt<sup>3</sup></b>	<b>3 163</b>	<b>3 156</b>
<b>Adjusted Total Net Debt / EBITDA (covenant)<sup>3</sup></b>	<b>1.7x</b>	<b>1.4x</b>
Leverage covenants <sup>3</sup>	3.0x	3.0x

(1) Slight increase of Net debt (up 1.5% vs Net debt as of 31 Dec 2018) was driven mainly by FX factor

(2) The remaining repayments of US\$0.8 bn as of 31 March, 2019 do not reflect the subsequent repayments of RUB Bonds made in April 2019. So the amount of repayments due in 2019 is US\$0.6 bn. Repayment schedule includes trade financing facilities.

(3) For the Leverage ratio calculation the financial indebtedness secured by NN shares is excluded from the total net debt and the Group's EBITDA is net of the impact of NN shareholding (i.e. excludes dividends paid on any of the NN Shares). The leverage ratio is, thus, tested on the basis of the Group's core operations.

# En+ Group Income Statement

## Income Statement

USD mn	Three months ended	
	31-Mar-2019	31-Mar-2018
Revenue	2,781	3,438
Cost of sales	(2,044)	(2,290)
<b>Gross profit</b>	<b>737</b>	<b>1,148</b>
Distribution expenses	(127)	(177)
General and administrative expenses	(186)	(214)
Impairment of non-current assets	(27)	(55)
Other operating expenses, net	(37)	(27)
<b>Results from operating activities</b>	<b>360</b>	<b>675</b>
Share of profits of associates and joint ventures	427	238
Finance income	20	78
Finance costs	(297)	(239)
<b>Profit before tax</b>	<b>510</b>	<b>752</b>
Income tax expense	(101)	(85)
<b>Profit for the period</b>	<b>409</b>	<b>667</b>
Attributable to:		
Shareholders of the Parent Company	280	378
Non-controlling interests	129	289
<b>Profit for the period</b>	<b>409</b>	<b>667</b>

## Income Statement by Business segment

USD mn	Three months ended 31-Mar-2019			
	En+ Group Consolidated	Metals segment	Adjustments	Power segment
Revenue	2,781	2,170	(263)	874
Operating expenses (excluding depreciation and loss on disposal of PPE)	(2,202)	(1,944)	247	(505)
<b>Adj. EBITDA</b>	<b>579</b>	<b>226</b>	<b>(16)</b>	<b>369</b>
Depreciation and amortisation	(189)	(125)	-	(64)
Loss on disposal of PPE	(3)	(3)	-	-
Impairment of non-current assets	(27)	(25)	-	(2)
<b>Results from operating activities</b>	<b>360</b>	<b>73</b>	<b>(16)</b>	<b>303</b>
Share of profits of associates and joint ventures	427	427	-	-
Interest expense, net	(241)	(148)	-	(93)
Other finance costs, net	(36)	(36)	-	-
<b>Profit before tax</b>	<b>510</b>	<b>316</b>	<b>(16)</b>	<b>210</b>
Income tax expense	(101)	(43)	1	(59)
<b>Profit for the period</b>	<b>409</b>	<b>273</b>	<b>(15)</b>	<b>151</b>

## Balance Sheet

USD mn	31-Mar-2019	31-Dec-2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,717	9,322
Goodwill and intangible assets	2,300	2,195
Interests in associates and joint ventures	4,422	3,701
Deferred tax assets	125	125
Derivative financial assets	39	33
Other non-current assets	79	77
<b>Total non-current assets</b>	<b>16,682</b>	<b>15,453</b>
<b>Current assets</b>		
Inventories	3,048	3,037
Trade and other receivables	1,571	1,389
Short-term investments	204	211
Derivative financial assets	9	9
Cash and cash equivalents	1,372	1,183
<b>Total current assets</b>	<b>6,204</b>	<b>5,829</b>
<b>Total assets</b>	<b>22,886</b>	<b>21,282</b>

## Balance Sheet (cont'd)

USD mn	31-Mar-2019	31-Dec-2018
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	-	-
Share premium	1,516	973
Additional paid-in capital	9,193	9,193
Revaluation reserve	2,718	2,718
Other reserves	190	(62)
Foreign currency translation reserve	(5,661)	(5,024)
Accumulated losses	(4,386)	(5,143)
Total equity attributable to shareholders of the Parent Company	3,570	2,655
Non-controlling interests	2,626	2,747
<b>Total equity</b>	<b>6,196</b>	<b>5,402</b>
<b>Non-current liabilities</b>		
Loans and borrowings	9,955	10,007
Deferred tax liabilities	1,266	1,219
Provisions – non-current portion	475	459
Derivative financial liabilities	32	24
Other non-current liabilities	259	208
<b>Total non-current liabilities</b>	<b>11,987</b>	<b>11,917</b>
<b>Current liabilities</b>		
Loans and borrowings	2,693	2,270
Provisions – current portion	57	71
Trade and other payables	1,942	1,615
Derivative financial liabilities	11	7
<b>Total current liabilities</b>	<b>4,703</b>	<b>3,963</b>
<b>Total equity and liabilities</b>	<b>22,886</b>	<b>21,282</b>

# En+ Group Cash Flow Statement

## Cash Flow Statement

USD mn	Three months ended	
	31-Mar-2019	31-Mar-2018
<b>OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>409</b>	<b>667</b>
Adjustments for:		
Depreciation and amortisation	189	196
Impairment of non-current assets	27	55
Foreign exchange loss	23	5
Loss on disposal of property, plant and equipment	3	3
Share of profits of associates and joint ventures	(427)	(238)
Interest expense	261	234
Interest income	(20)	(9)
Change in fair value of derivative financial instruments	4	(69)
Income tax expense	101	85
(Reversal)/impairment of inventory	(3)	2
Impairment of receivables	5	7
<b>Operating profit before changes in working capital</b>	<b>572</b>	<b>938</b>
Decrease/(increase) in inventories	15	(117)
Increase in trade and other receivables	(176)	(122)
Increase/(decrease) in trade and other payables and provisions	414	(203)
<b>Cash flows generated from operations before income taxes paid</b>	<b>825</b>	<b>496</b>
Income taxes paid	(199)	(79)
<b>Cash flows generated from operating activities</b>	<b>626</b>	<b>417</b>

## Cash Flow Statement (cont'd)

USD mn	Three months ended	
	31-Mar-2019	31-Mar-2018
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	9	5
Acquisition of property, plant and equipment	(167)	(223)
Acquisition of intangible assets	(11)	(9)
Cash received from (paid for) other investments	20	(8)
Interest received	16	5
Acquisition of a subsidiary	(25)	–
Dividends from associates and joint ventures	–	3
Dividends from financial assets	1	3
Proceeds from disposal of subsidiaries	–	1
Changes in restricted cash	–	(4)
<b>Cash flows used in investing activities</b>	<b>(157)</b>	<b>(227)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	436	2,782
Repayment of borrowings	(521)	(2,427)
Restructuring fees and other payments related to issuance of shares	(9)	(19)
Interest paid	(233)	(226)
Settlement of derivative financial instruments	(2)	21
Payment for non-controlling interest acquired in prior periods	–	(55)
Distributions to shareholder	–	(68)
<b>Cash flows generated (used in)/from financing activities</b>	<b>(329)</b>	<b>8</b>
<b>Net increase in cash and cash equivalents</b>	<b>140</b>	<b>198</b>
Cash and cash equivalents at beginning of period, excluding restricted cash	1,140	957
Effect of exchange rate fluctuations on cash and cash equivalents	49	5
<b>Cash and cash equivalents at end of the period, excluding restricted cash</b>	<b>1,329</b>	<b>1,160</b>

Source: En+ Group



## Reconciliation of adj. EBITDA

USD mn	Three months ended 31 March 2019			Three months ended 31 March 2018		
	En+ Group	Metals	Power	En+ Group	Metals	Power
Results from operating activities	360	73	303	675	393	293
Add:						
Amortisation and depreciation	189	125	64	196	128	68
Loss on disposal of property, plant and equipment	3	3	-	3	2	1
Impairment of non-current assets	27	25	2	55	49	6
<b>Adjusted EBITDA</b>	<b>579</b>	<b>226</b>	<b>369</b>	<b>929</b>	<b>572</b>	<b>368</b>