



# Presentation of the Company's performance and results H1 2017

Lietuvos Energijos Gamyba, AB (LEG)

Eglė Čiužaitė  
30/8/2017 Vilnius

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***Planned duration:***  
*20 min + Your questions*



Presented by

**EGLĖ ČIUŽAITĖ**

Chairwoman of the Board  
and CEO



Moderated by

**VALENTAS NEVIERA**

Head of Communication

# LEG provides services that are necessary for the energy system security



## ELEKTRĖNAI COMPLEX

Production of electricity and heat

System services  
(main – tertiary reserve),  
strategic reserve



## KRUONS PSHP

Commercial production of electricity

System services  
(main – secondary reserve)



## KAUNAS A. BRAZAUSKAS HPP

Commercial production of electricity

System services

Capitalization  
30/06/2017

€ 398  
million



Shareholder structure

96.75% - Lietuvos Energija, UAB  
3.25% - minority shareholders

Minority shareholders  
– about

5 900

# The most significant events of Q2 2017



9

May

Environmentalists approved the wind park development next to the Kruonis PSHP



22

May

LEG repaid a significant part of the loan – € 60 million



31

May

LEG started monthly announcements of the financial results



9

June

New LEG board member was elected



22

June

The feasibility analysis of the expansion of the Kruonis PSHP by installing the 5th unit was completed



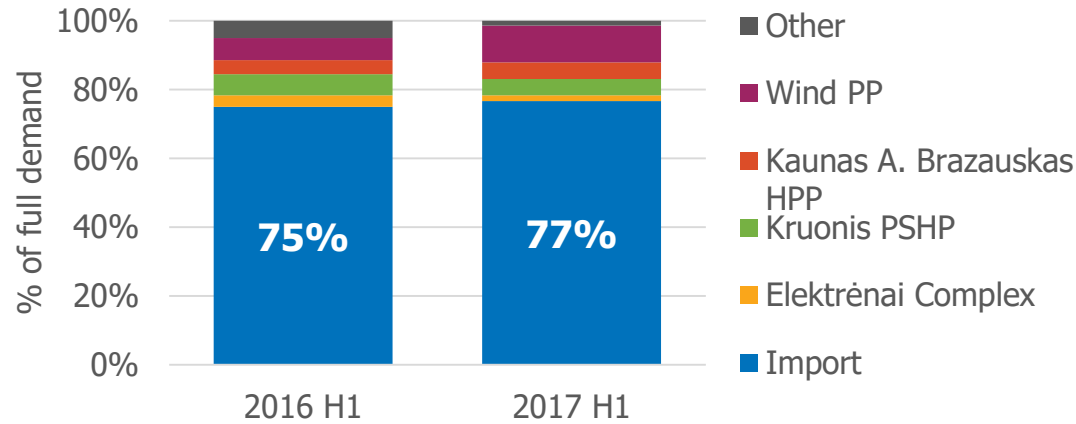
29

June

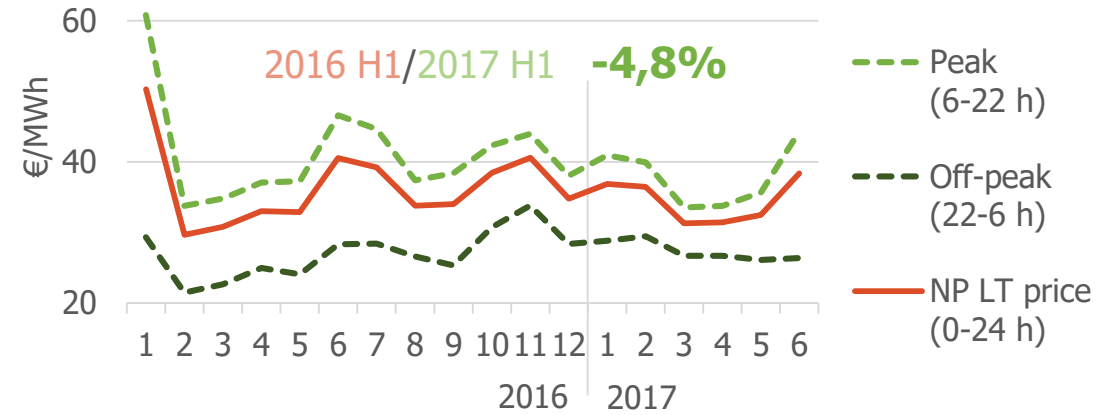
The Competition Council: LEG participated in the tertiary electricity reserve auction in compliance with competition rules

# Trade and commodities market overview

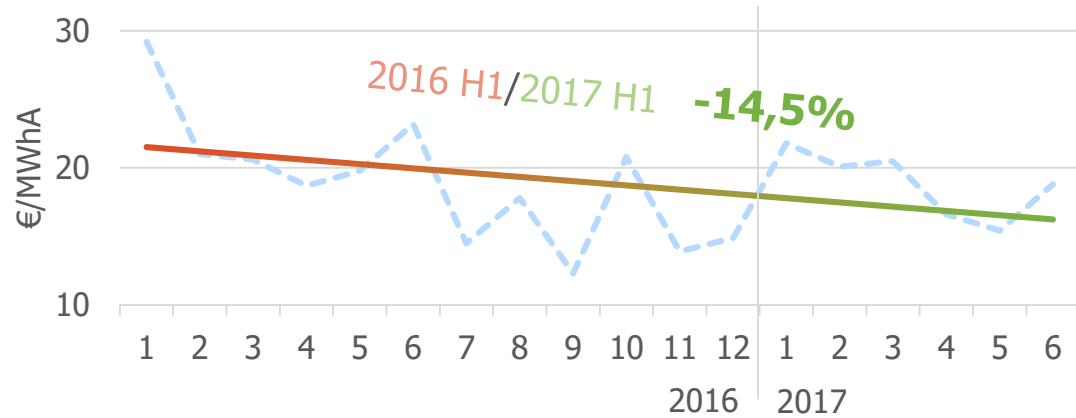
## Electricity balance in Lithuania



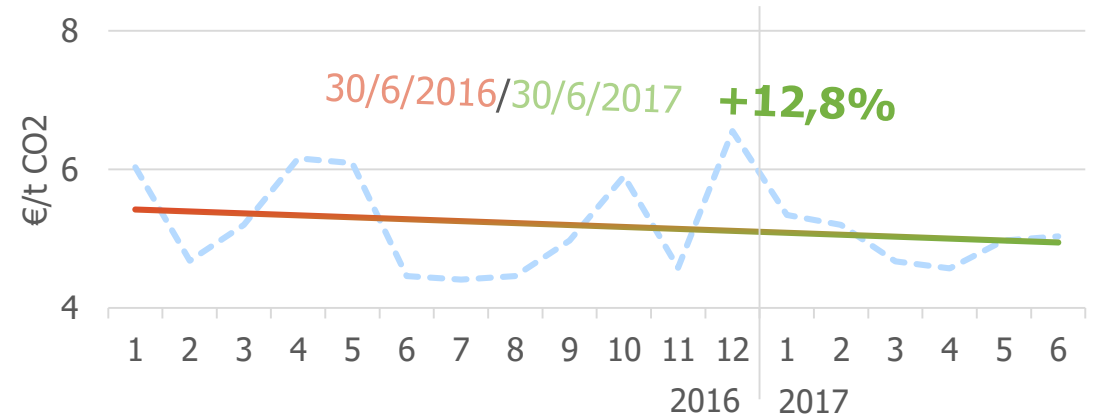
## Wholesale electricity price in NP Lithuania



## Purchase price of gas



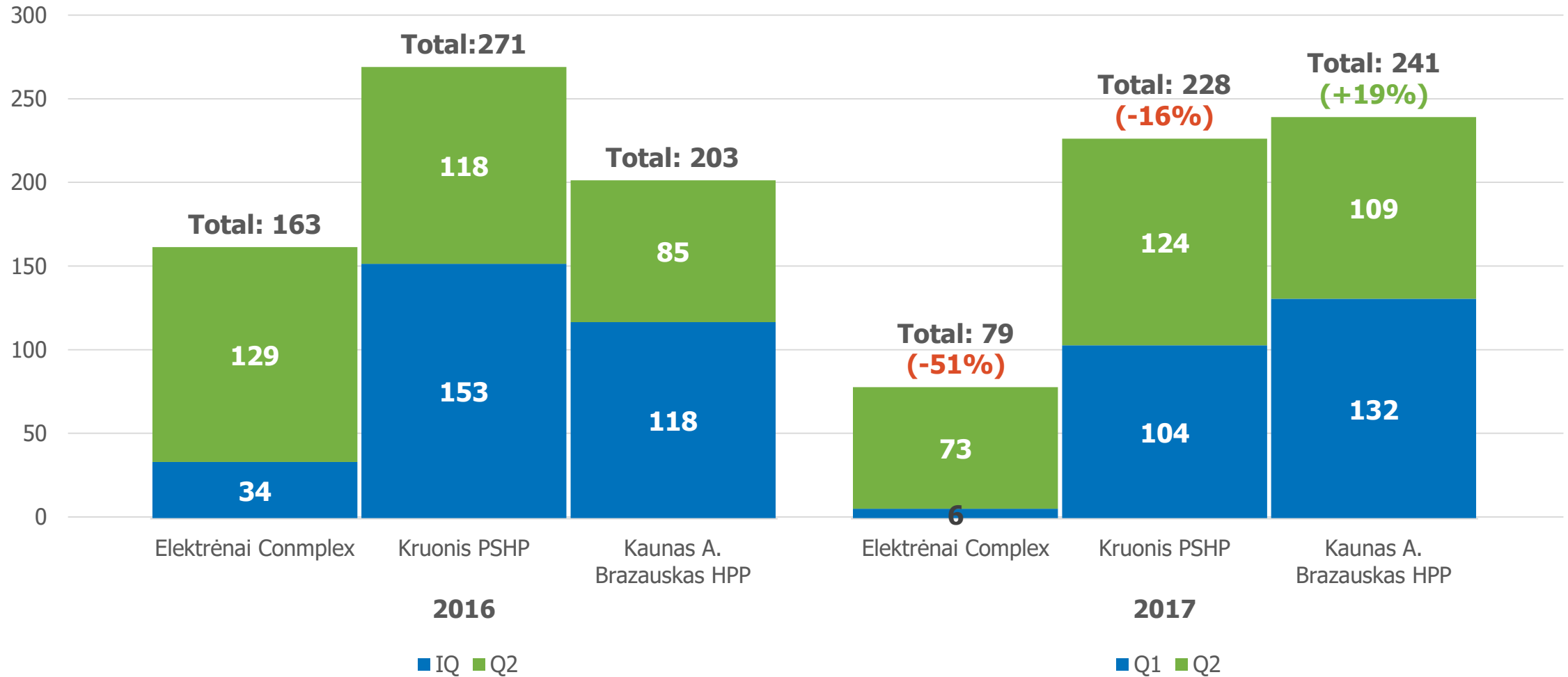
## Price of CO2 emission allowances (EUA)



Source: Energijos tiekimas, Nord Pool, Company's accounting information, Platts  
 Remark: gas price – without taxes for user capabilities and without constituent for security of LNGT

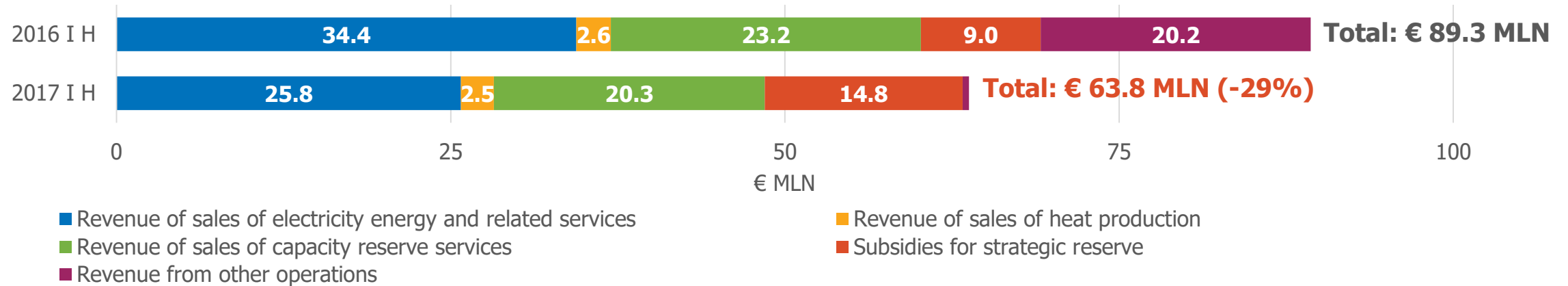
# More production at Kaunas hydro power plant, 14% less total generated electricity

Generation of LEG power plants, GWh

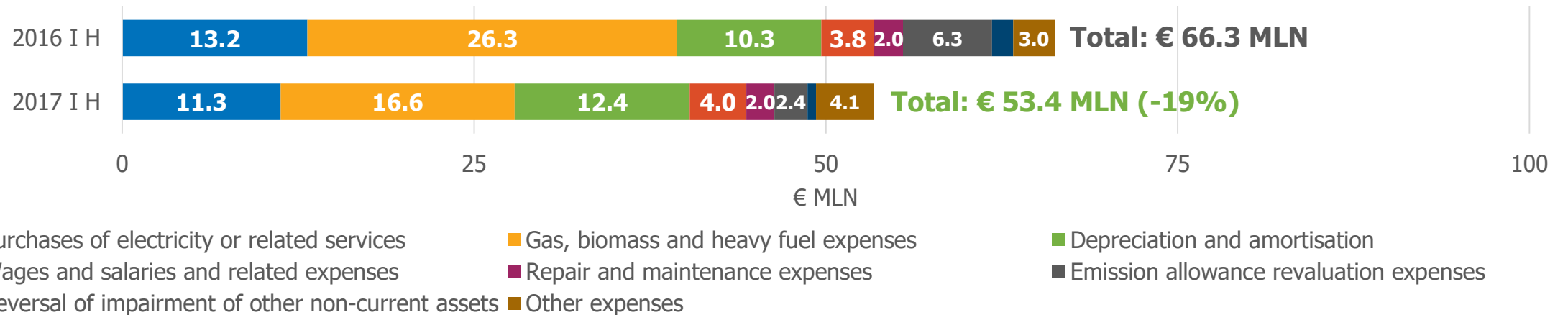


# Decrease in revenue – in line with effective cost control

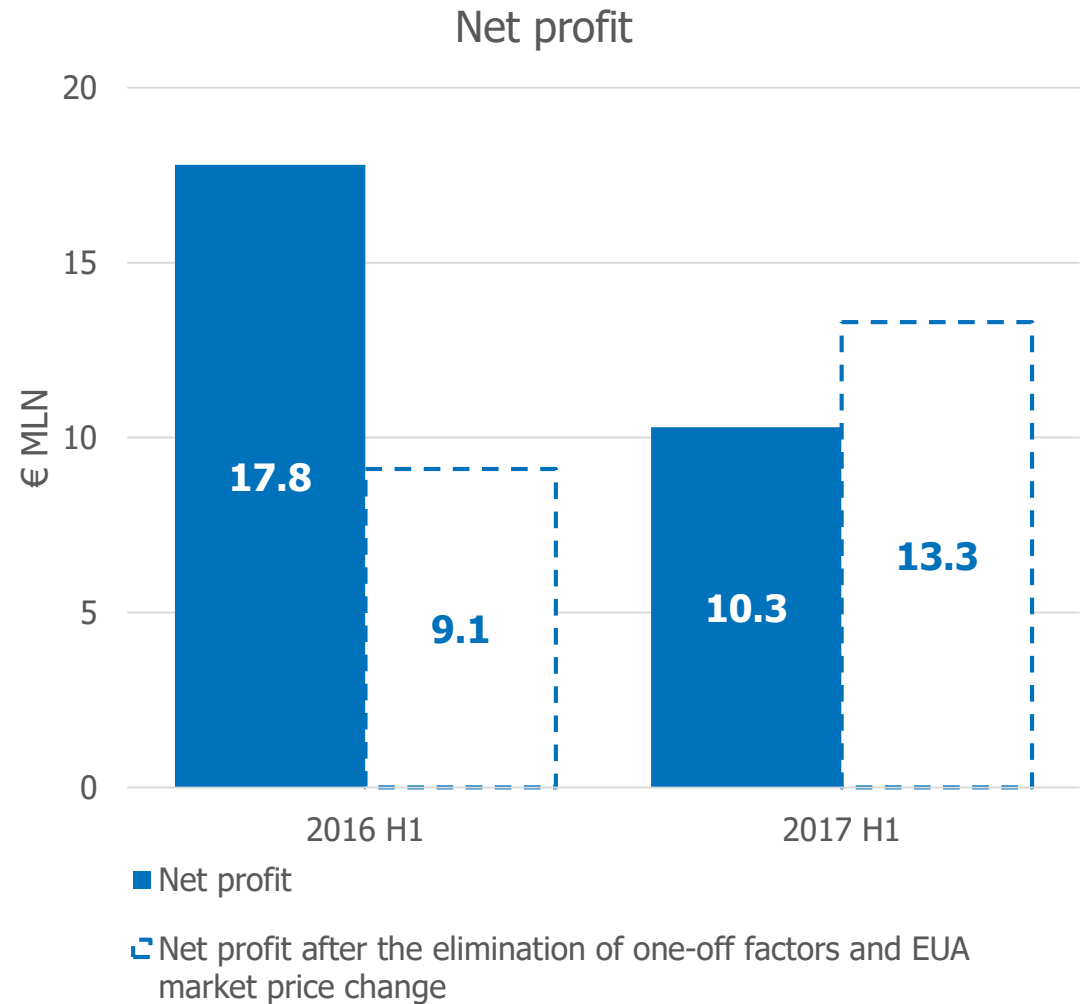
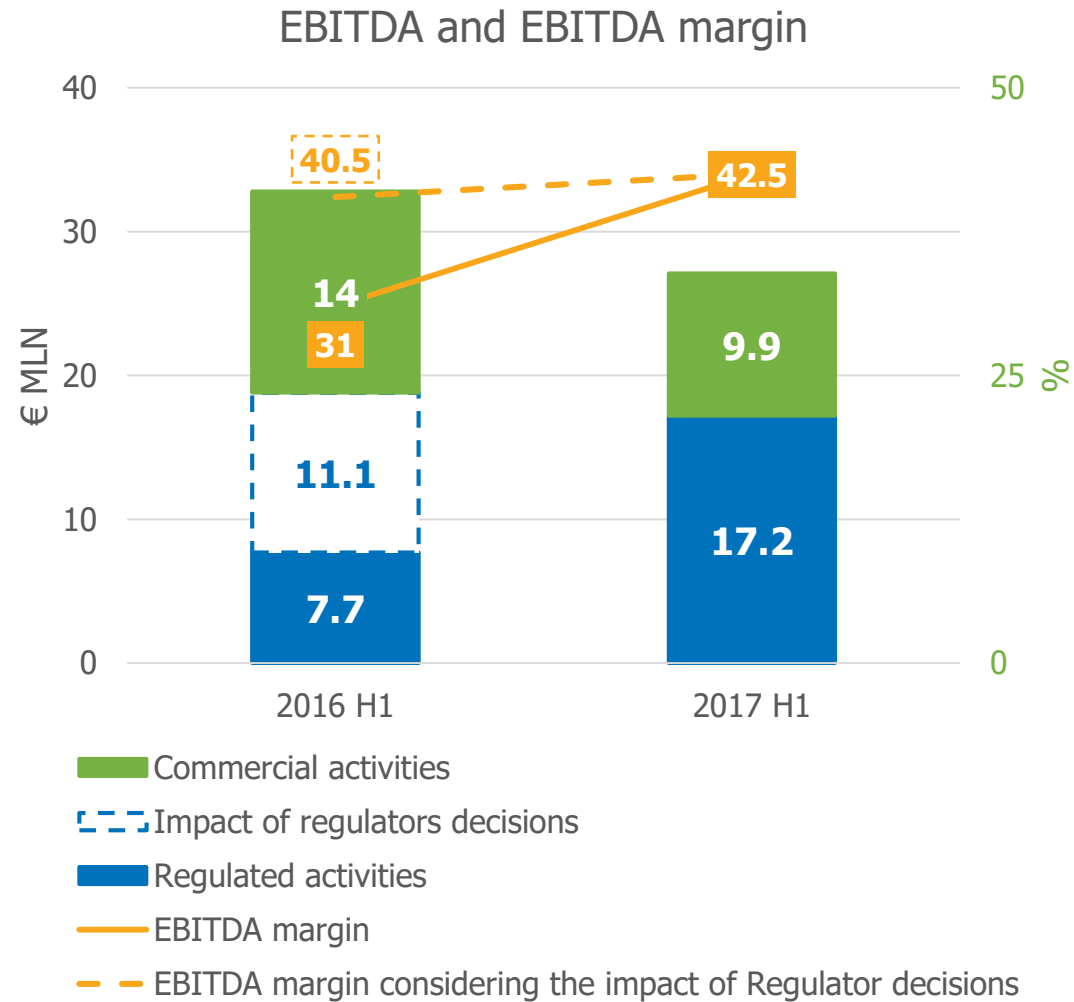
LEG revenue



LEG expenses



# Profitability of main activities increased



# A look into the future: what will be relevant in H2 2017?

## Generation in H2 2017:

- Obligatory tests of units and investment into the optimization of Combined Cycle Unit (CCU) operations will take place in Elektrėnai Complex in September; inspection and planned maintenance of CCU in Q4,
- More favorable conditions for the production of hydroelectric power plants as compared to H2 2016.

## Reserve services 2018:

- There is no specific information yet concerning the reserves for 2018 (neither tertiary nor strategic).

## Projects and research

- The assessment of the technical condition of Vilnius TE-3 is almost being finalized,
- Wind park development project – preparatory work is done, we are waiting for the decisions of the Ministry of Energy regarding the support schemes for RES development,
- 5th unit of Kruonis PSHP – we are looking into the possibility to receive EU funding for research, as well as waiting for the chosen synchronization model for the Baltic electricity networks.

## Changes in management bodies:

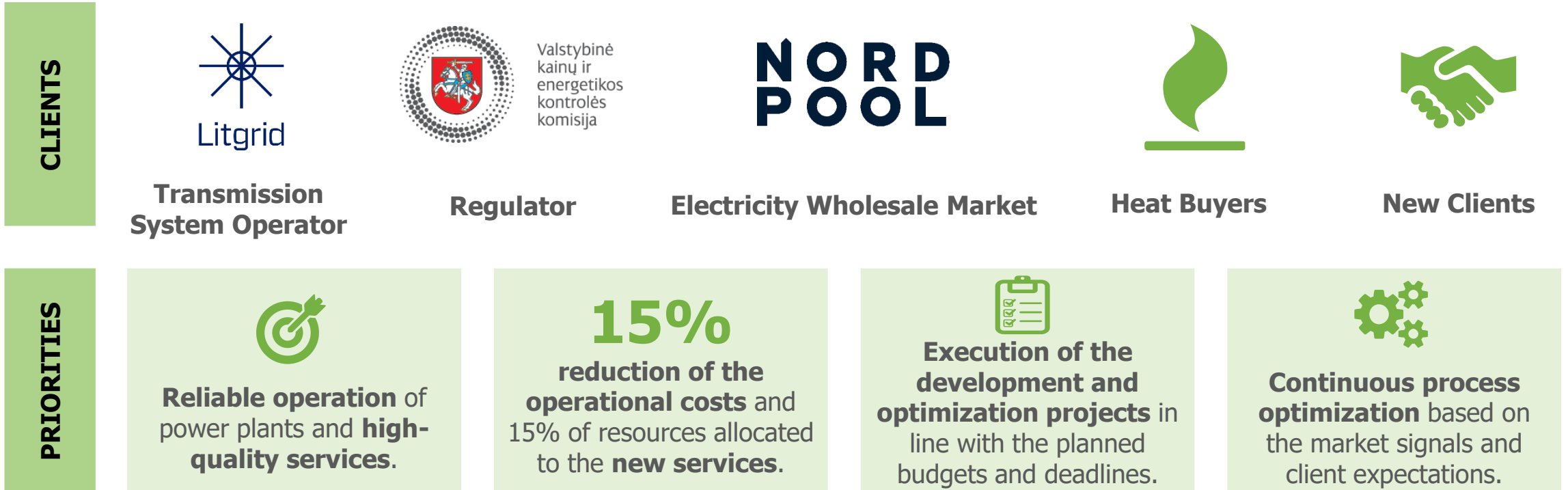
- In August, two supervisory board members were elected. The election of the independent member will take place,
- The term of office of the board will end on 17 September 2017.

# Summary of LEG performance in 2013-2017: key changes and operational developments

Corporate events	Strategic changes	Organisational changes	Capacity reduction
<p>8 2014</p> <p>The name of the company was changed, new Articles of association and new corporate management model were approved</p>	<p>6 2014</p> <p>9 2016</p> <p>The long-term strategy of the company was approved, which is being updated every two years</p>	<p>10 2014</p> <p>1 2015</p> <p>11 2016</p> <p>The functions of procurement, accounting, HR administration, internal audit and legal services were centralised</p>	<p>1 2013</p> <p>3 2017</p> <p>Units 1-4 of the reserve power plant were dismantled in four years, after which the process of dismantling of units 5-6 was started</p>
<p>3 2015</p> <p>The shares of subsidiary companies were sold</p>	<p>5 2015</p> <p>A biomass heat production unit was constructed in the Elektrėnai complex</p>	<p>1 2016</p> <p>A part of the commercial electricity wholesale trade activity was sold</p>	<p>1 2016</p> <p>The production quota is no longer allocated to the Elektrėnai complex</p>
<p>5 2016</p> <p>The shares of the former company LIETUVOS ELEKTRINĖ were redeemed</p>	<p>11 2016</p> <p>The company started providing new services to the businesses</p>	<p>3 2017</p> <p>Technical Maintenance Service and Planning Divisions were merged across LEG power plants</p>	

- Despite decreased income, LEG maintained a relatively stable EBITDA and **improved profitability**.
- From 2013 to 2016, LEG **paid € 128 million of dividends** in total (€ 43.4 million, € 41.9 million, € 2.7 million and € 40.0 million respectively)
- LEG ensures **high reliability of LEG power plants** and successfully manages **development and optimization projects**.

# LEG 2020 priorities





 Lietuvos  
energija | GAMYBA

**Thank You.  
Your questions?**