



# Presentation of the Company's performance and results Q1 2017

Lietuvos Energijos Gamyba, AB (LEG)

Eglė Čiužaitė  
15/05/2017Vilnius

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About the Company

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Company's financial results

A glimpse into the future

Your questions

***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  
31/03/2017

€ 405  
million



Shareholder structure

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

Minority shareholders  
– more than

5 900



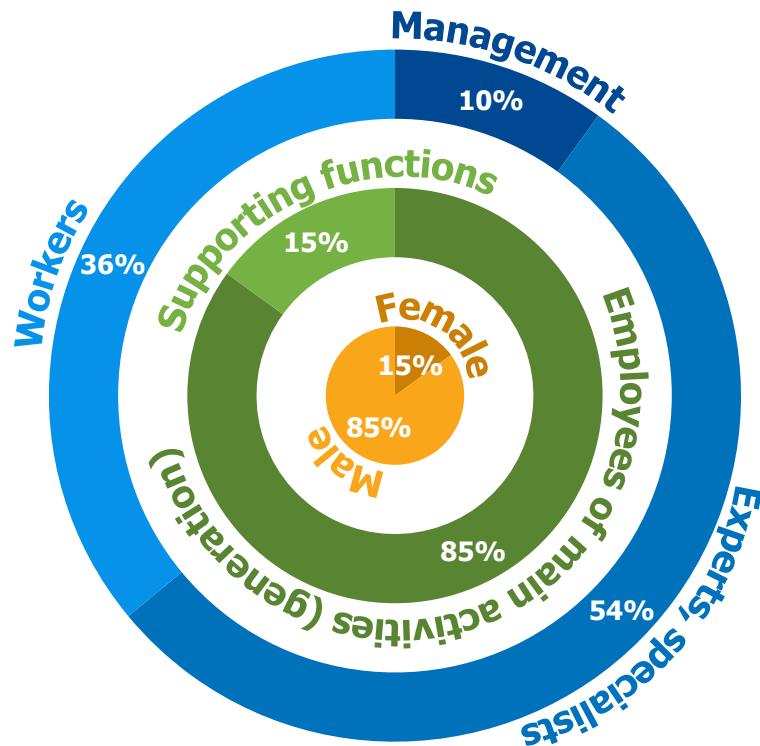
# LEG – reliable and modern company, important part of Lietuvos Energija Group



LEG starts the chain of service value of Lietuvos Energija Group of companies



LEG has 404 high competence **employees** in total



**Management system of LEG** is in line with the highest standards of Corporate governance practices

## SUPERVISORY BOARD



**M. Keizeris** Chairman  
**D. Tučkus** Member  
**P. Vilkas** Ind. member

## MANAGEMENT BOARD



**E. Čiužaitė** Chairwoman  
**D. Kucinas** Member  
**M. Kvekšas** Member  
**M. Gražys** Member

## Most significant events in Q1 2017



**6**

**January**

7th unit was activated for the test of tertiary reserve services provision



**25**

**January**

Start of the decommissioning project of units 5 and 6



**1**

**March**

Renewal of the organizational structure of LEG



**8**

**March**

First technical maintenance services for external clients



**24**

**March**

Decision to pay dividends for the six-month period ended 31 December 2016



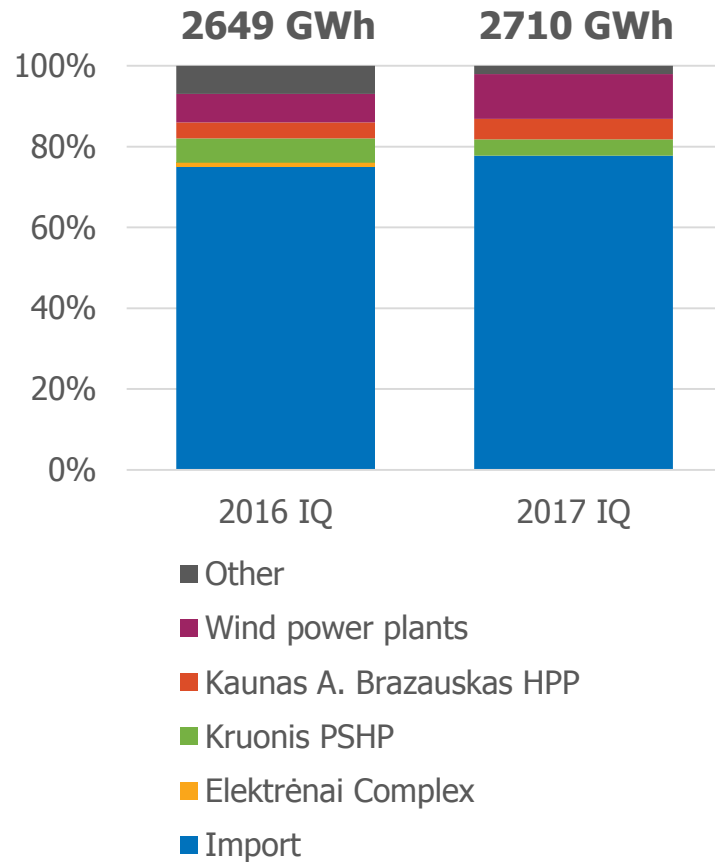
**31**

**March**

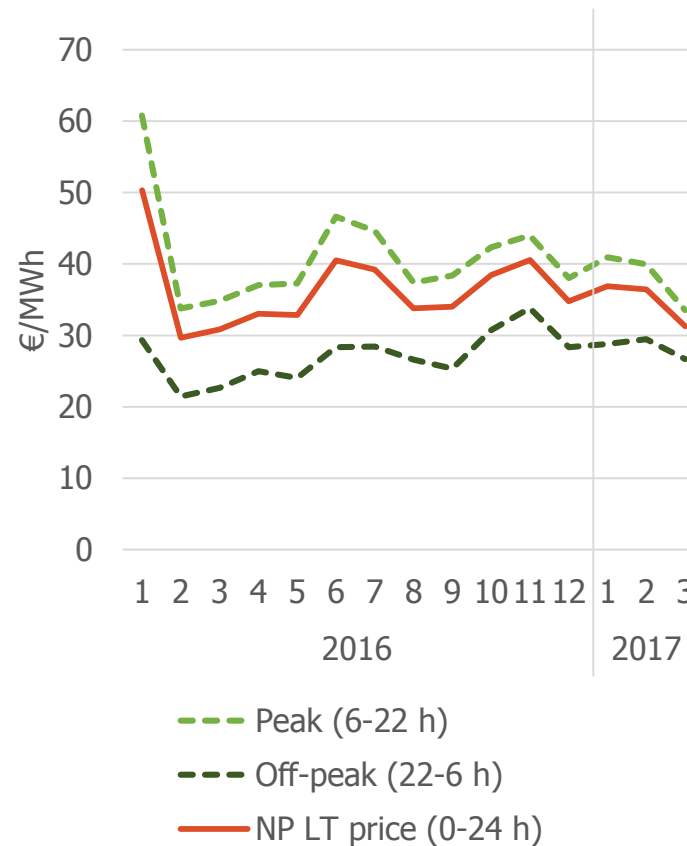
Finish of the decommissioning project of units 1 and 2

# Market overview: LEG power plants face high competition

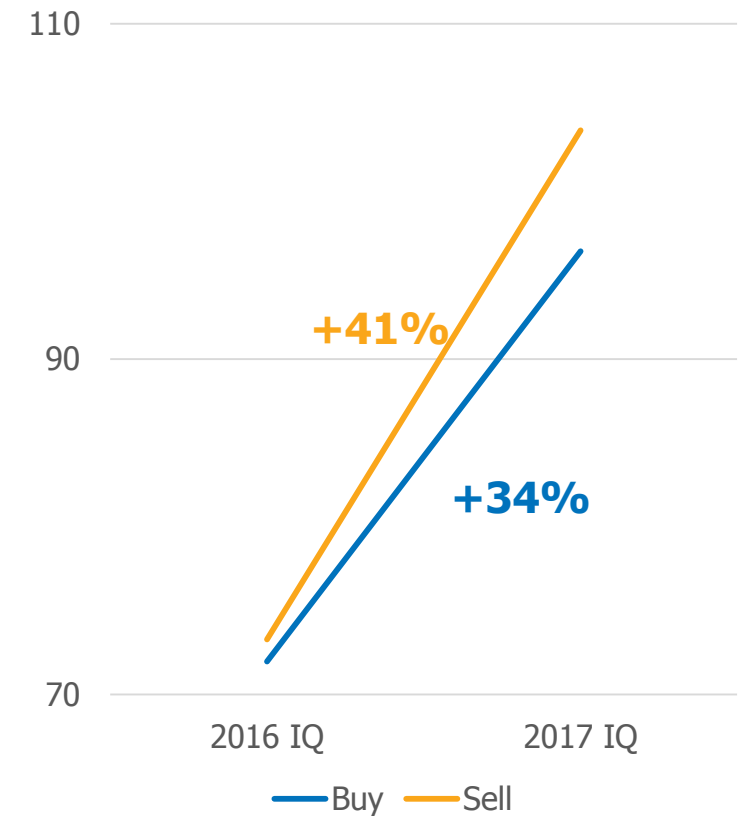
Electricity balance in Lithuania,  
% of full demand



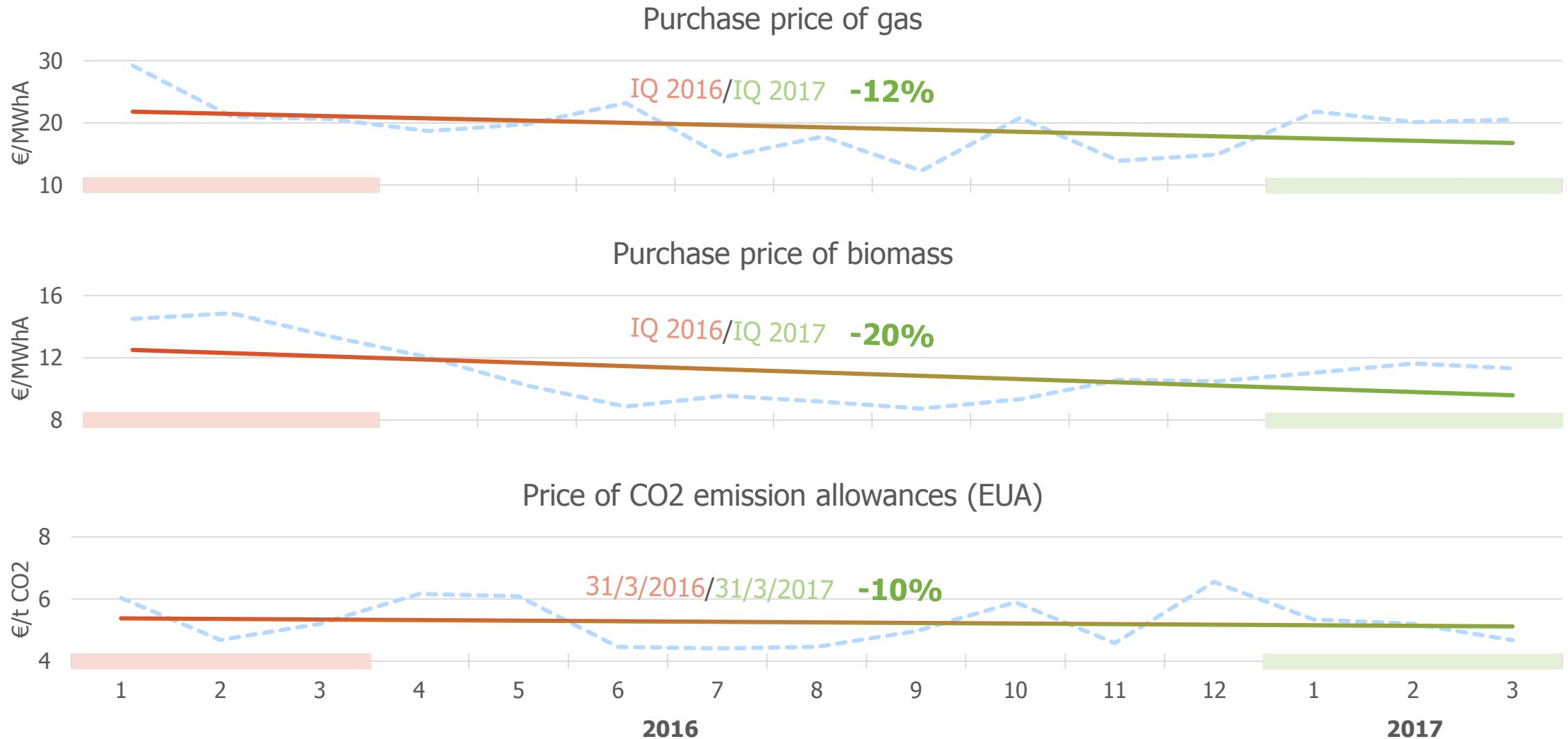
Wholesale electricity prices in  
NP Lithuania price zone



Intraday trading volumes in  
the Baltic countries, GWh

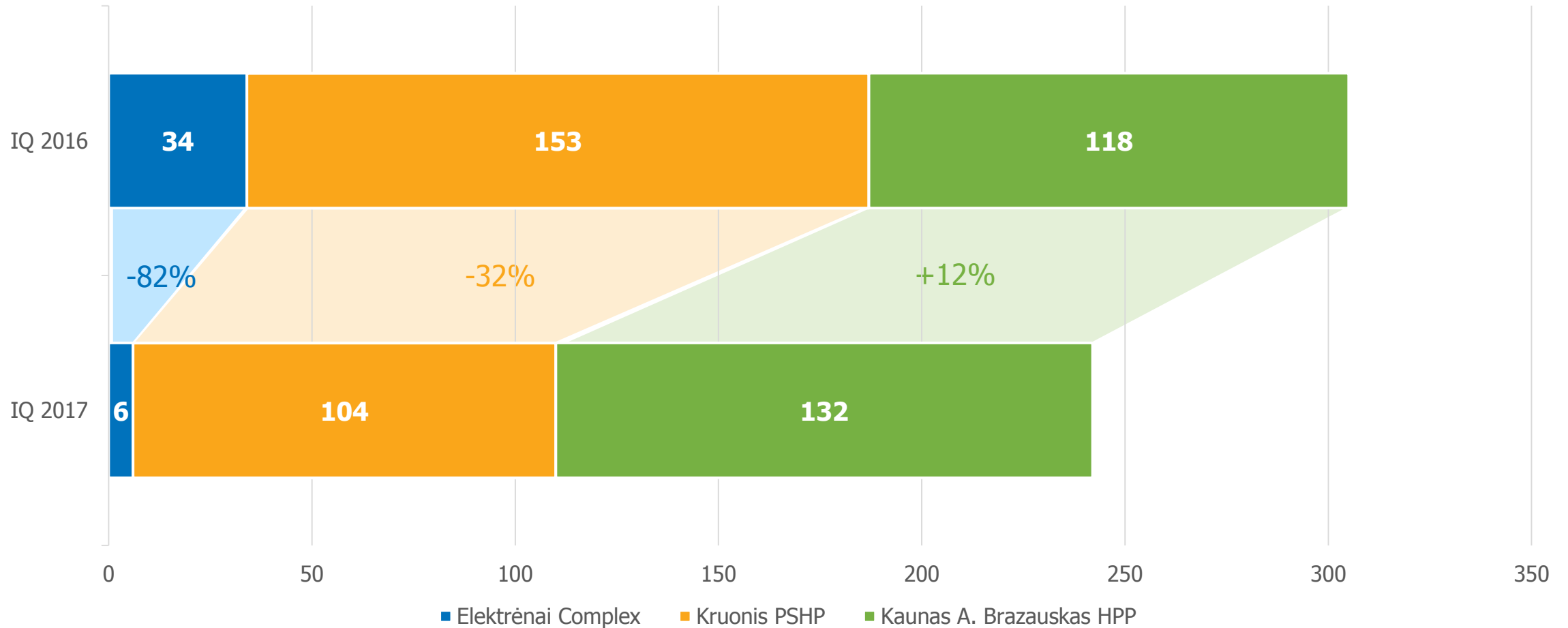


# Market overview: prices of materials decreased, as well as pollution taxes



# More production at Kaunas hydro power plant, less operation of other plants

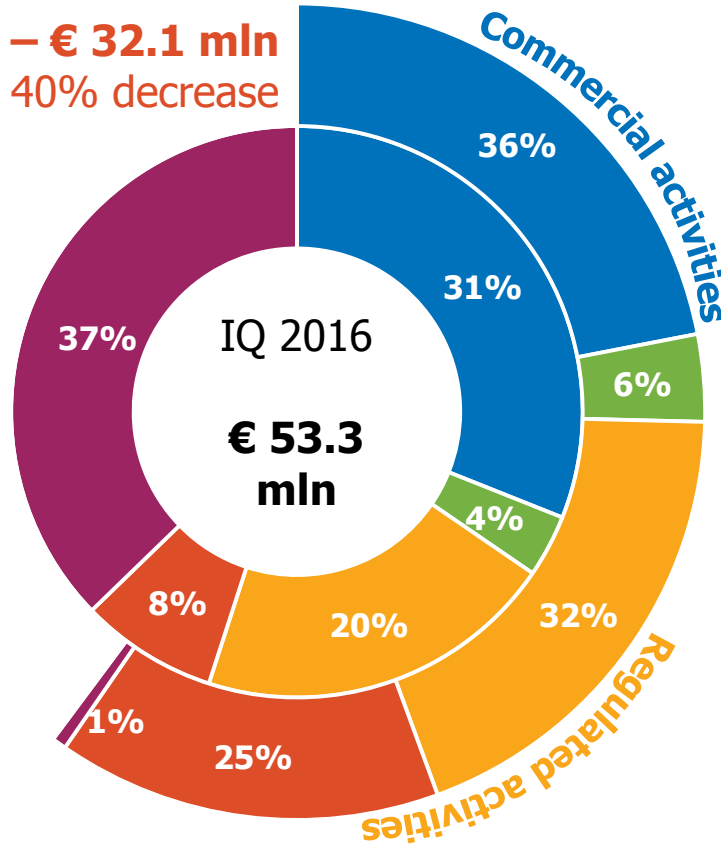
Generation of LEG power plants, GWh





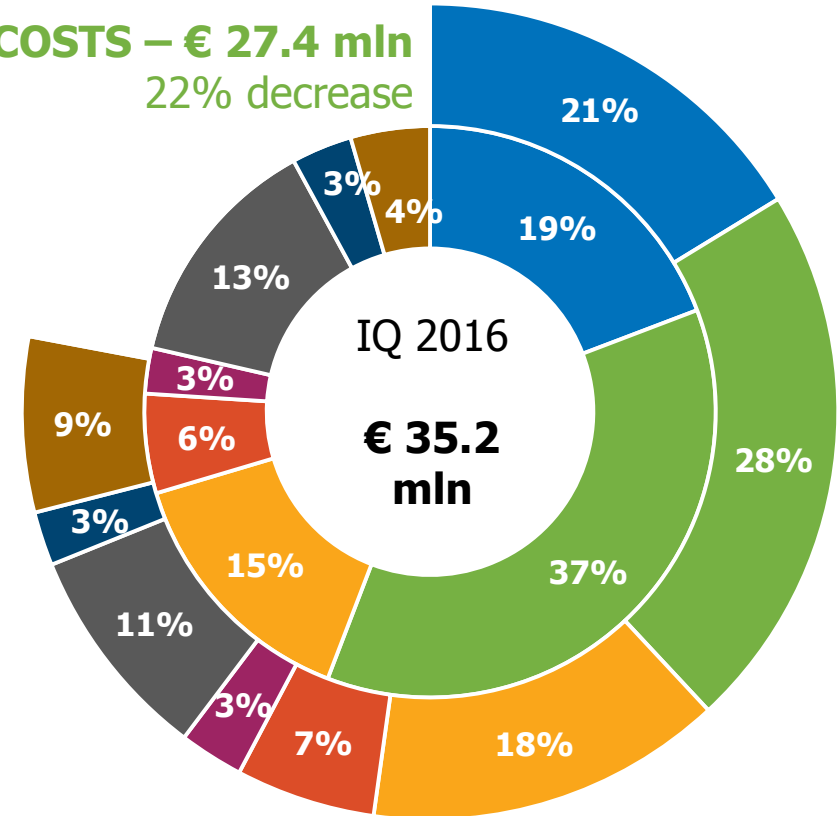
# Decrease in revenue – in line with effective costs' control

**IQ 2017 REVENUE – € 32.1 mln**  
40% decrease



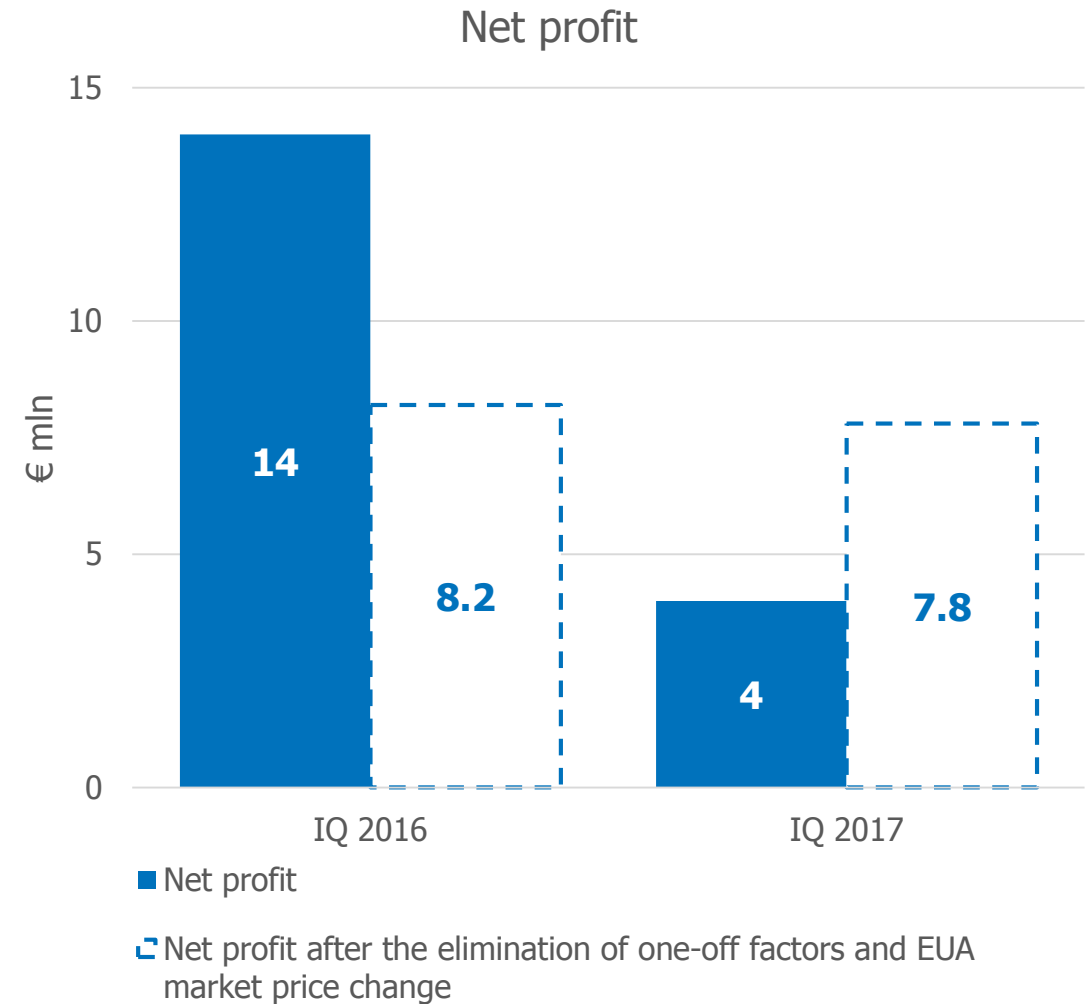
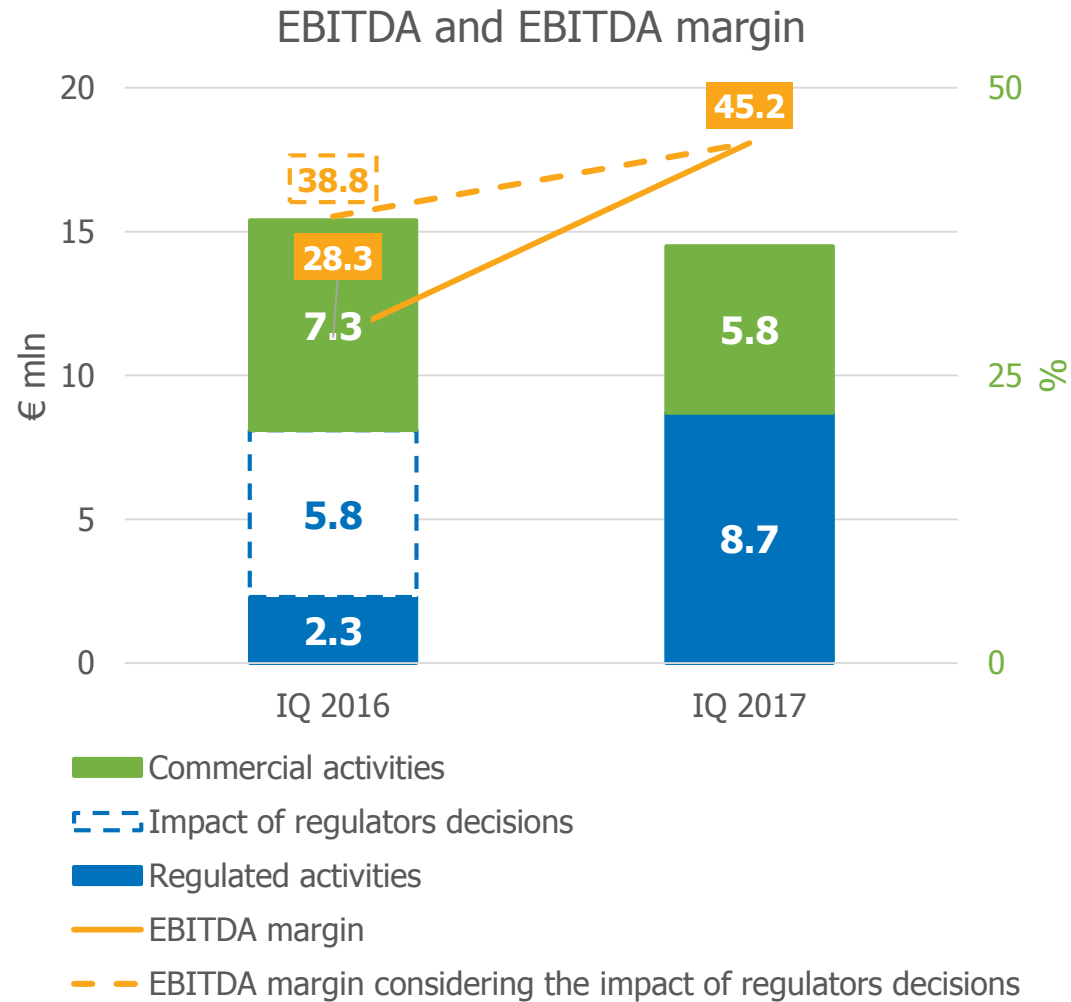
- Revenue of sales of electricity energy and related services
- Revenue of sales of heat production
- Revenue of sales of capacity reserve services
- Subsidies for strategic reserve
- Revenue from other operations

**IQ 2017 COSTS – € 27.4 mln**  
22% decrease



- Purchases of electricity or related services
- Gas, biomass and heavy fuel expenses
- Depreciation and amortisation
- Wages and salaries and related expenses
- Repair and maintenance expenses
- Emission allowance revaluation expenses
- Reversal of impairment of other non-current assets
- Other expenses

# Profitability of main activities increased



# A glimpse into the future: long-term perspective

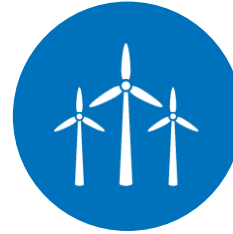
**Efficiency of  
main activities**



**Decommissioning  
projects**



**Investment  
projects**



**New  
services**



# A glimpse into the future: things to follow in II-IIIQ 2017

## Reserve services for 2018:

- Regulation lags behind the market needs, therefore tertiary reserve auctioning for 2018 remains unclear,
- Demand of strategic reserve?

## Kruonis PSHP Unit 5:

- Public discussion on development perspectives to be initiated

## Compensation from Alstom:

- No official information received

## Disputes with the regulator started in 2014-2015:

- Several court decisions are expected

## Changes in management:

- New member of the board in June 2017

# A glimpse into the future: good news spring



## More production:

Flood in river Nemunas, generation in Elektrėnai (by CCGT)



## Informing more frequently:

Preliminary results – every month

The screenshot shows the Nasdaq website interface. At the top, there are navigation menus for 'Pradžia', 'Akcijos', 'Skolos VP', 'Fondai', 'Indeksai', 'Aukcionai', 'Statistika', 'Naujienos', 'Paslaugos', 'Apie mus', and 'Depozitoriumas'. Below the navigation is the Nasdaq logo and the tagline 'NASDAQ. MORE SUSTAINABLE MARKETS.' A market data bar shows various indices like OMX Riga, OMX Vilnius, PRFIT, SABIL, LHV1T, and TELTL with their respective percentage changes. The main content area is titled 'Pranešimai' (News) and contains a table of news items. On the right side, there is a 'Nauja paieška' (New search) section with a search bar and filters for 'Bendrovė' (Company) and 'Rinka' (Market).

Data	Rinka	Bendrovė	Naujienos	Kalba
2017.05.15 09:55	VLN	Lietuvos energijos gamyba	Dėl „Lietuvos energijos gamyba“, AB, valdybos nario atsistatydinimo	EN
2017.05.15 08:42	VLN	Lietuvos energijos gamyba	Priminimas „Lietuvos energijos gamyba“, AB, 2017 m. pirmojo ketvirčio finansinių rezultatų pristatymas internetiniame seminare	EN
2017.05.09 09:00	VLN	Lietuvos energijos gamyba	Dėl žiniasklaidoje pasirodžiusios informacijos	EN
2017.05.08 16:00	VLN	Lietuvos energijos gamyba	Kvietimas į „Lietuvos energijos gamyba“, AB, 2017 m. pirmojo ketvirčio finansinių rezultatų pristatymą internetiniame seminare	EN
2017.04.28 16:00	VLN	Lietuvos energijos gamyba	Preliminariūs „Lietuvos energijos gamyba“, AB, 2017 m. trijų mėnesių rezultatai: daugiau gamino hidroelektrinė, didesnis pagrindinės veiklos pelningumas	EN
2017.04.19 17:52	VLN	Lietuvos energijos gamyba	Dėl teismo priėmto sprendimo	EN
2017.03.24 09:55	VLN	Lietuvos energijos gamyba	„Lietuvos energijos gamyba“, AB, 2016 metų metinė informacija Attachments: [PDF]	EN
2017.03.24 09:50	VLN	Lietuvos energijos gamyba	Dėl „Lietuvos energijos gamyba“, AB, esminio visuotinio akcininkų susirinkimo sprendimų Attachments: [PDF], [PDF]	EN
2017.03.09 16:15	VLN	Lietuvos energijos gamyba	Dėl „Lietuvos energijos gamyba“, AB, stebėtojų tarybos sprendimų	EN
2017.03.08 08:41	VLN	Lietuvos energijos gamyba	Dėl teismo priėmto sprendimo	EN





**Thank You!**

**Your  
questions?**