



eso

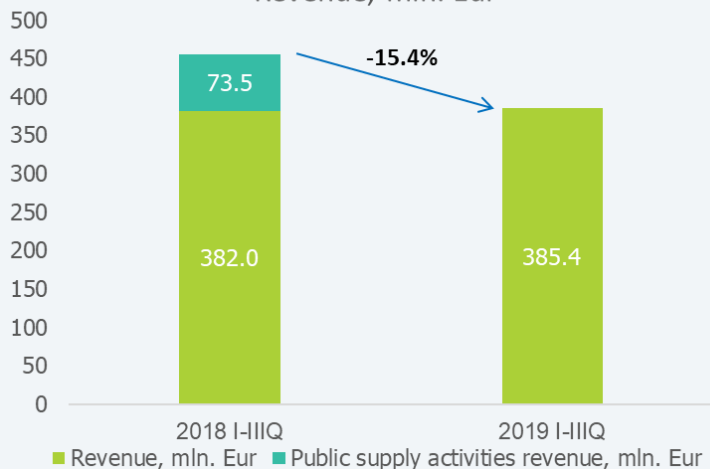
AB “Energijos skirstymo operatorius” Financial results for 9 months of 2019

2019-10-30

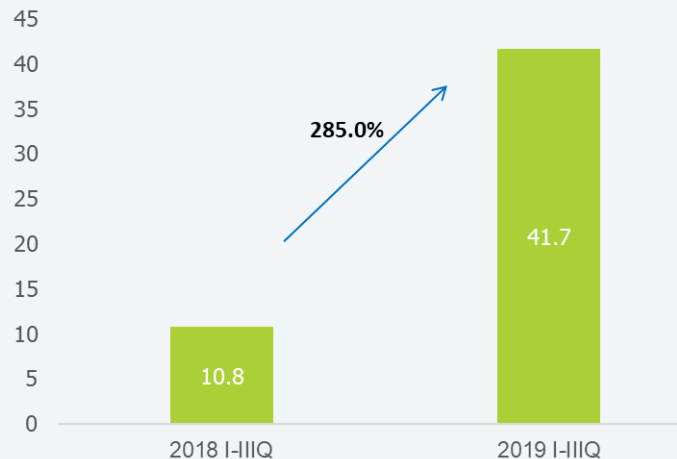


Main financial ratios

Revenue, mln. Eur



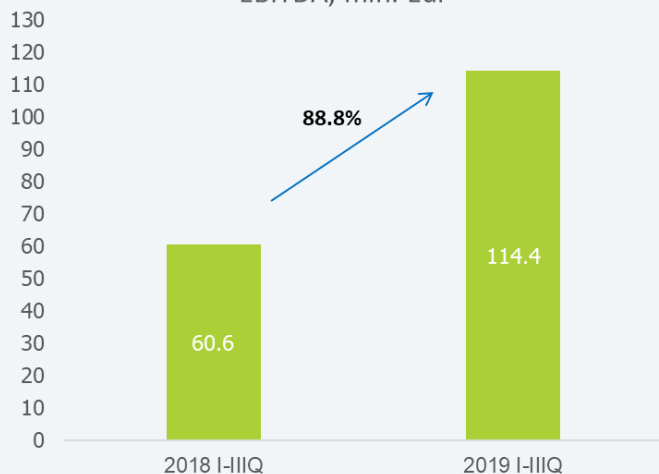
Net profit, mln. Eur



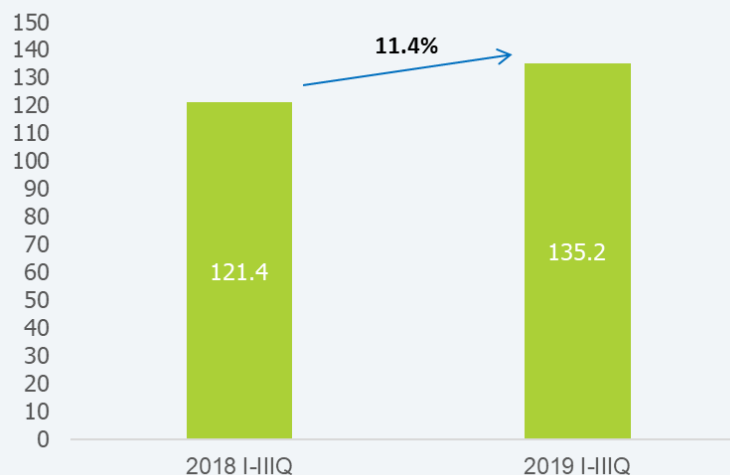
The main reason of EBITDA and net profit increase – the diminished difference of electricity acquisition price set by the regulator as part of regulated service cost and actual electricity acquisition price..

After elimination of the impact of public supply activities revenue would be 0.9% higher compared to the same period of 2018.

EBITDA, mln. Eur



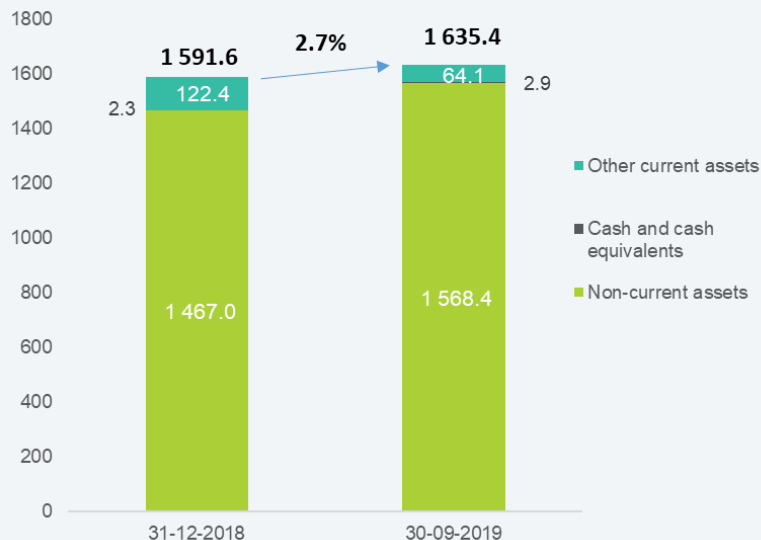
Adjusted EBITDA, mln. EUR*



*The adjusted EBITDA is calculated by adding the impact of the recalculation of regulated activities revenue generated in prior periods (as established by respective resolutions of the Commission) and by eliminating the difference that arose during the reporting period between the return on investments permitted by the Commission and the return of investments calculated by the management. The management estimates that the adjusted EBITDA indicator more accurately reflects the Company's performance and allows to better compare results between the periods, as it presents the actual amount of revenue earned by the Company during the reporting period, as well as by eliminating the differences arising between the return on investments permitted by the Commission and the actual return on investments of prior periods which might have both a positive and negative effect on the results of the reporting period. The adjusted EBITDA indicator is not calculated using data presented in the financial statements.

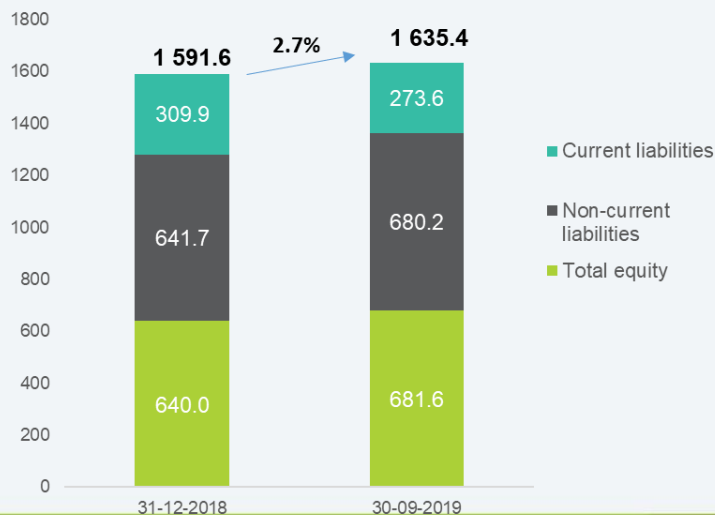
Assets, equity and liabilities

Total assets, M EUR

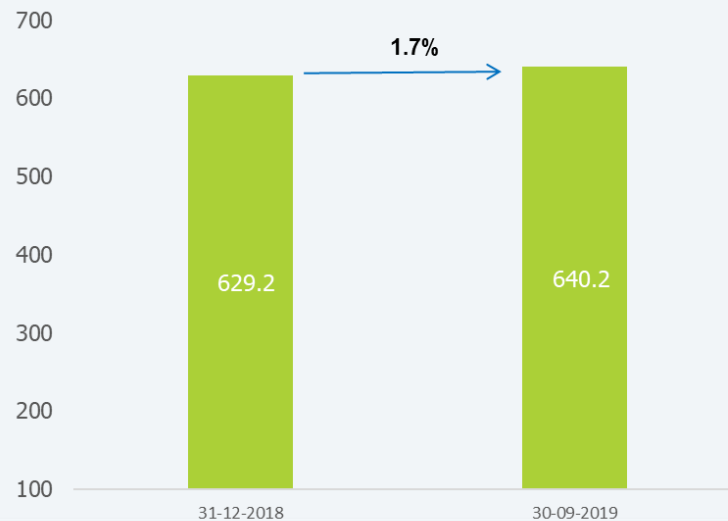


Non-current assets accounted for 95.9% of the total assets. During the reported period non-current assets increased by 6.9% due to investments

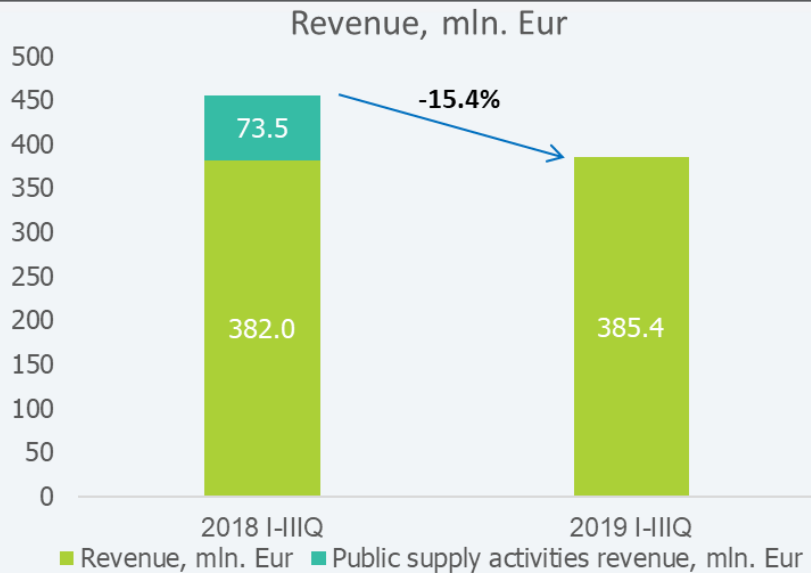
Equity and liabilities, M EUR



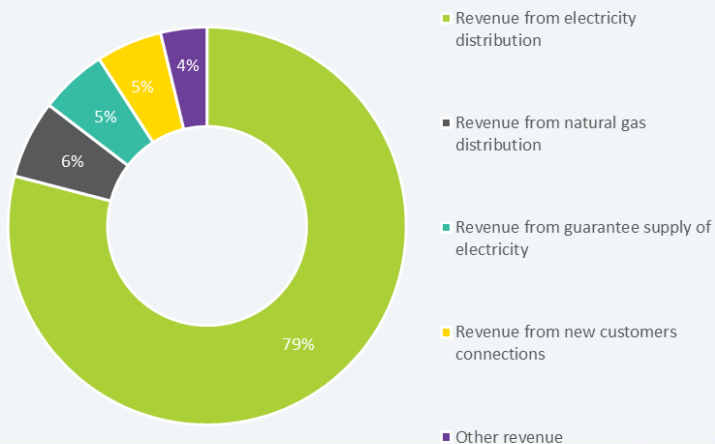
Net financial debt, M EUR



Revenue



ESO revenue structure

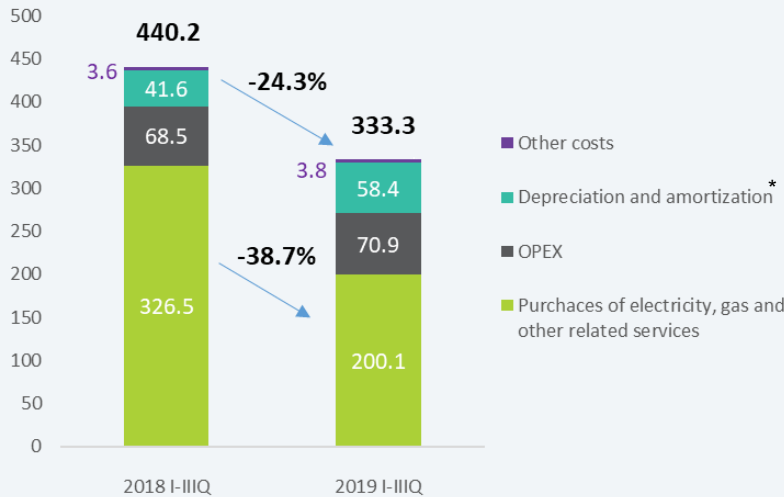


ESO's revenue for 9 months of 2019 reached EUR 385.4 million, which is a decrease of 15.4% compared to 9 months of 2018. Without a business segment of public electricity supply during 9 months of 2018, revenue for 9 months of 2019 would be 0.9% higher compared to the same period of 2018.

Revenue from electricity distribution is the main source of the Company's revenue. In 9 months of 2019, distribution revenue comprised 79%.

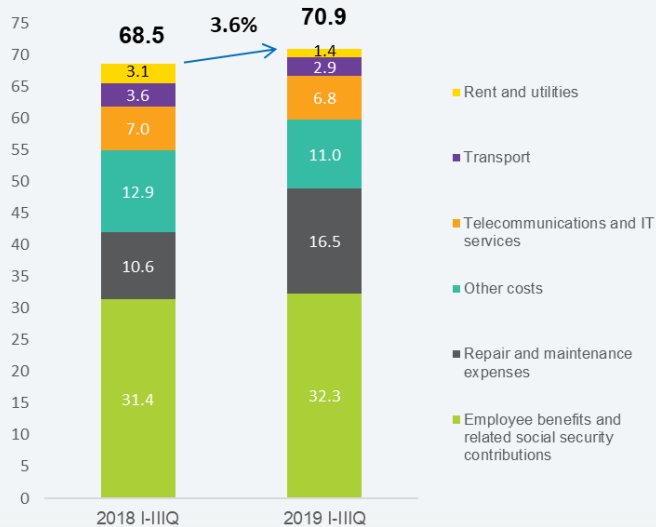
Costs

Cost, M EUR



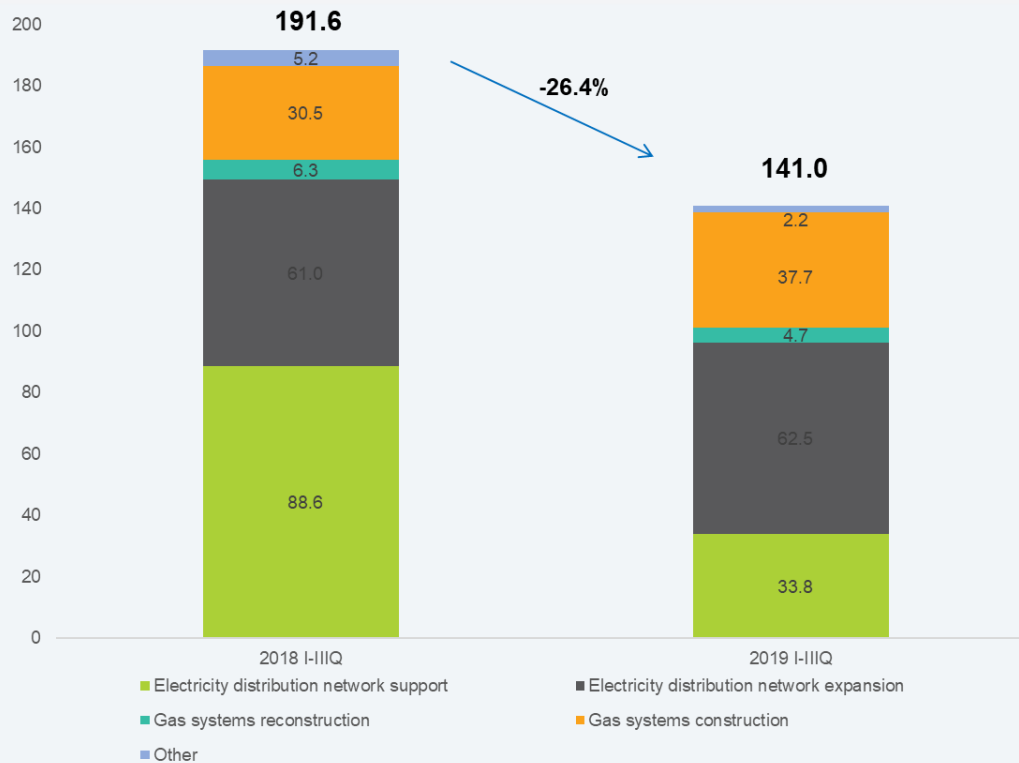
In 9 months of 2019 purchases of electricity, natural gas and related services made up EUR 200.1 million and decreased by 38.7% compared to 9 months of 2018. Without a business segment of public electricity supply during 9 months of 2018, purchases of electricity, natural gas and related services for 9 months of 2019 would be 10.8 % lower compared to the same period of 2018. The main reason of lower costs is lower electricity purchase price.

OPEX, M EUR



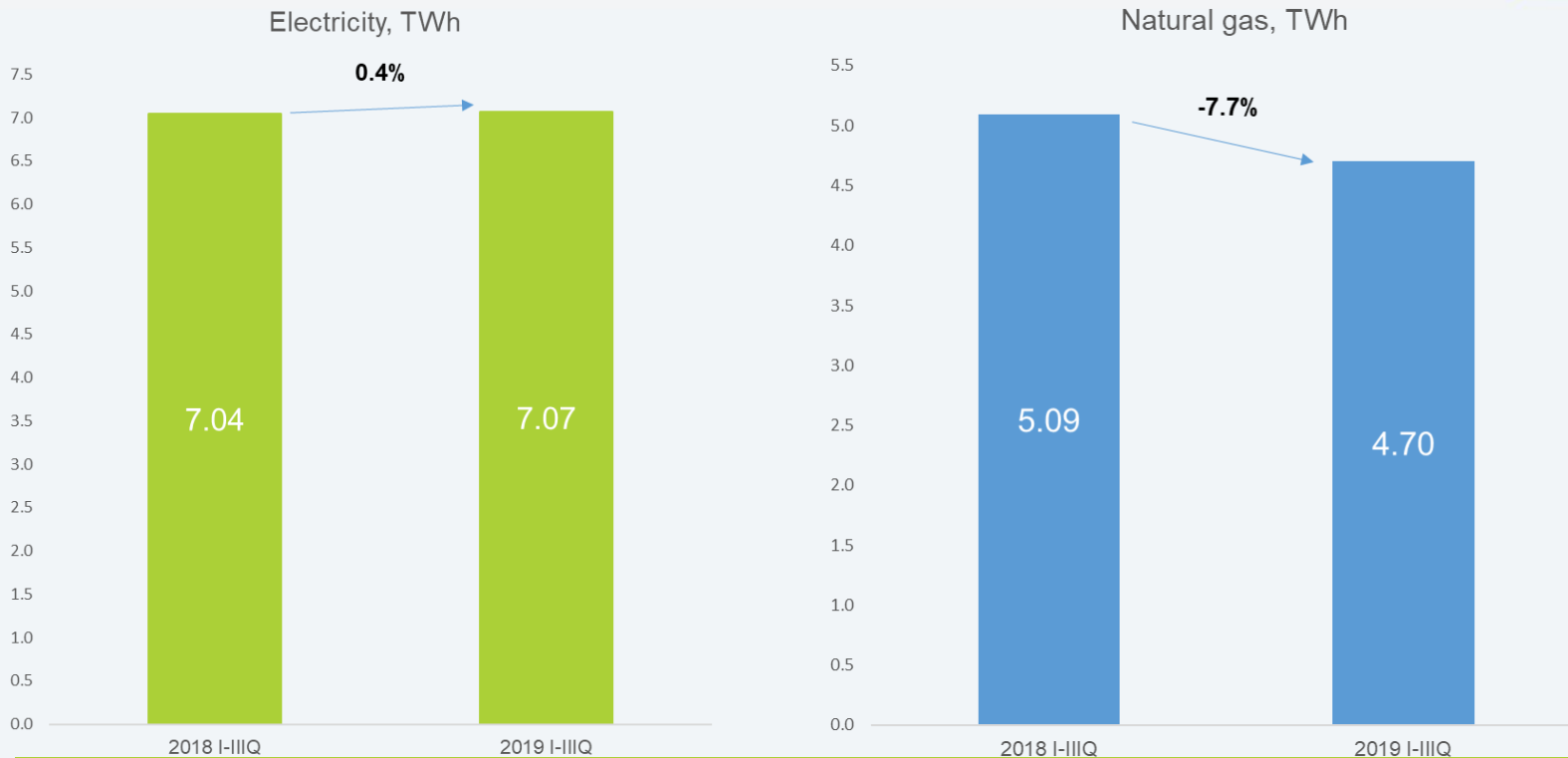
In 9 months of 2019 operating expenses increased by 3.6% compared to 9 months of 2018 and amounted to EUR 70.9 million. The main reason of higher repair and maintenance expenses is lower investment in electricity distribution network support.

Investment, M Eur



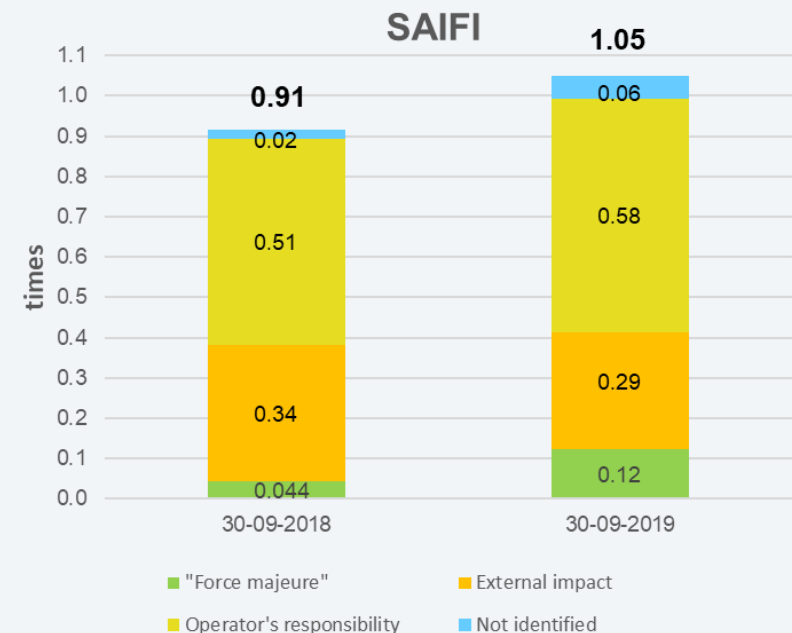
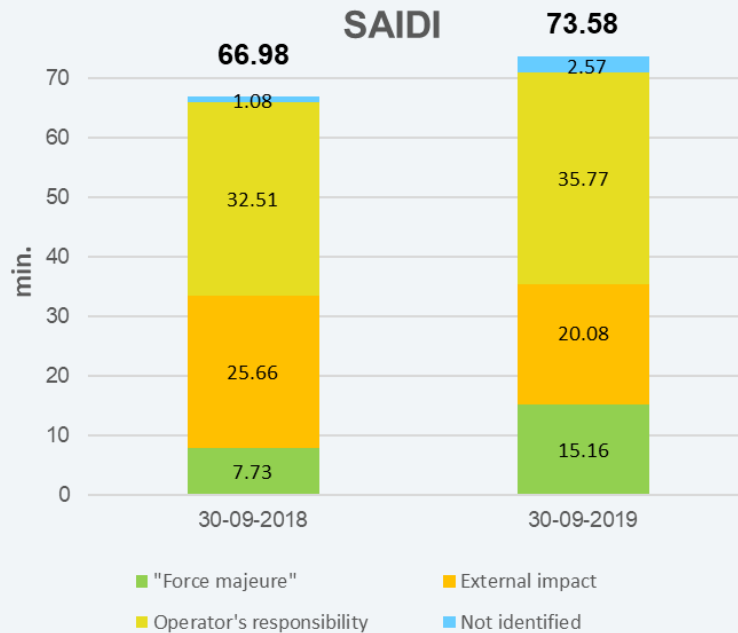
In 9 months of 2019 ESO's investments in the electricity and gas distribution networks amounted to EUR 141 million, which is 26.4% less than in 9 months of 2018 when they were equal to EUR 191.6 million. The electricity distribution network expansion is growing therefore the investment electricity distribution network support is lower in order to balance Company's cash flows and maintain stable financial position without increasing the leverage level.

Distributed volumes



The volume of electricity distributed increased by 0.4% compared to 9 months of 2018. In 9 months of 2019 ESO transported approximately 7.7% less natural gas than in 9 months of 2018. Gas distribution volumes decreased mainly due to a lower gas consumption as a result of higher average weather temperature in the beginning of 2019.

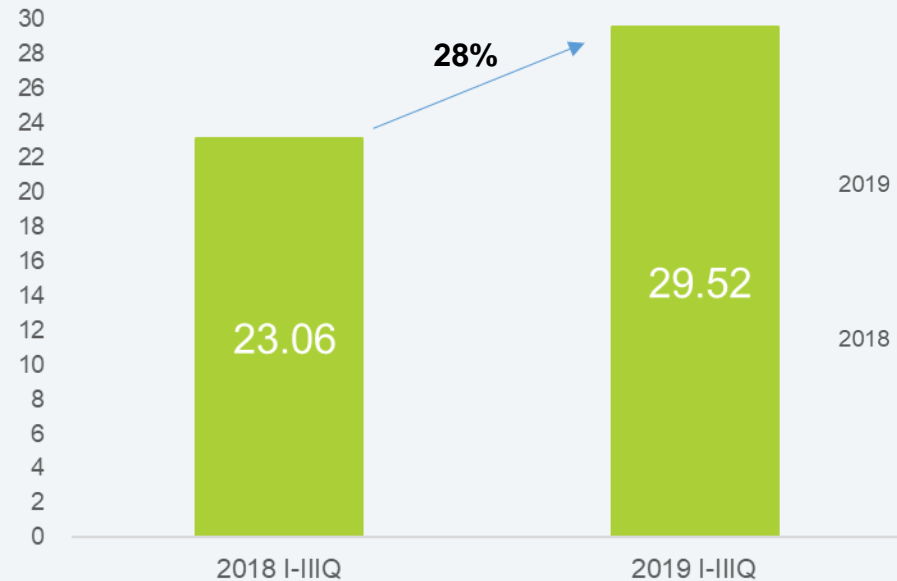
Electricity quality indices



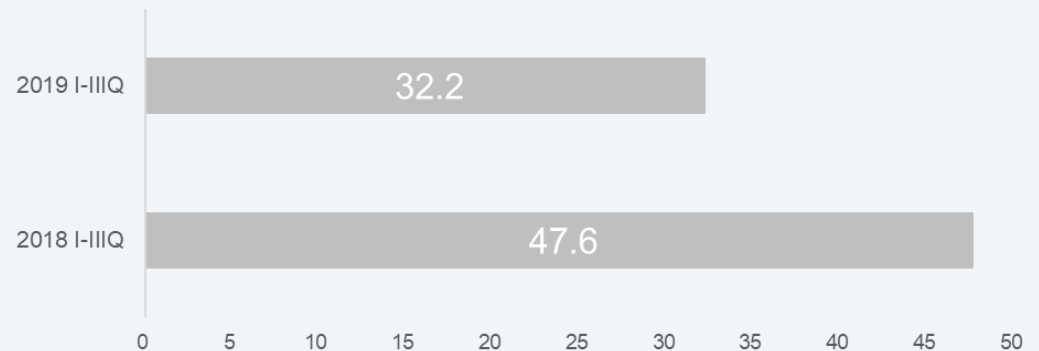
During 9 months of 2019 the system average interruption duration index (SAIDI) per customer increased by 6.6 minutes, the system average interruption frequency index (SAIFI) per customer was 0.14 time higher compared to 9 months of 2018. Significant deterioration of the indicators was due to a bad weather in the first 2019 months.

Connection of new customers - ELECTRICITY

New customers, thous. units



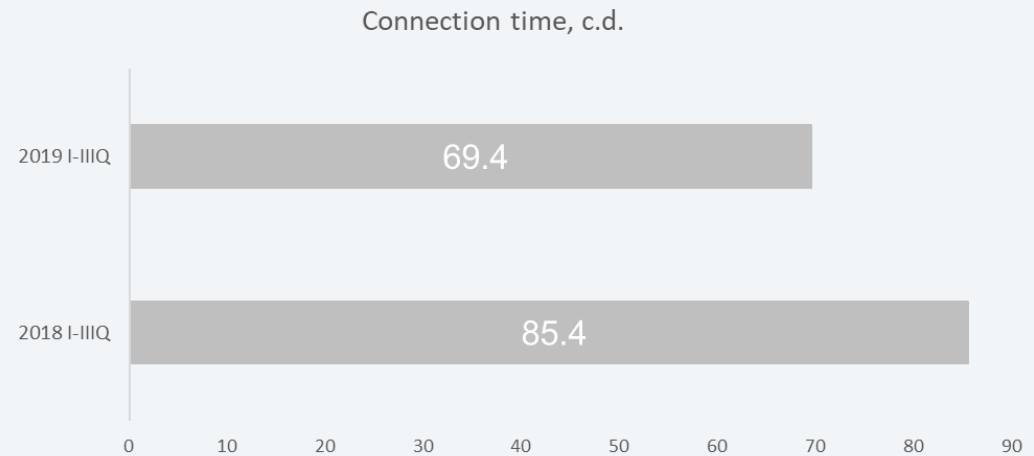
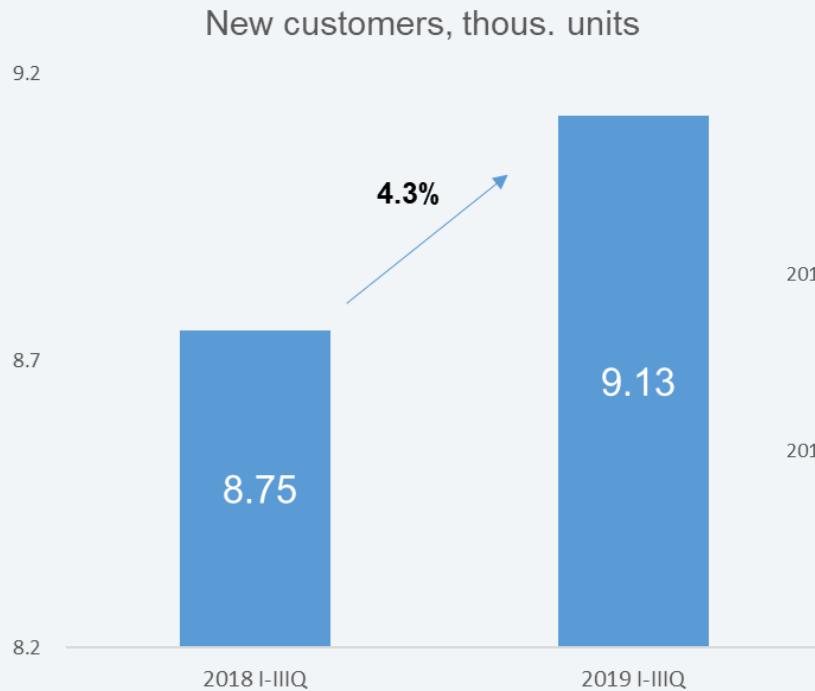
Connection time, c.d.



In 9 months of 2019 ESO connected about 28% more new customers to the electricity distribution network than in 9 months of 2018.

Connection time decreased by 15.4 calendar day.

Connection of new customers – NATURAL GAS

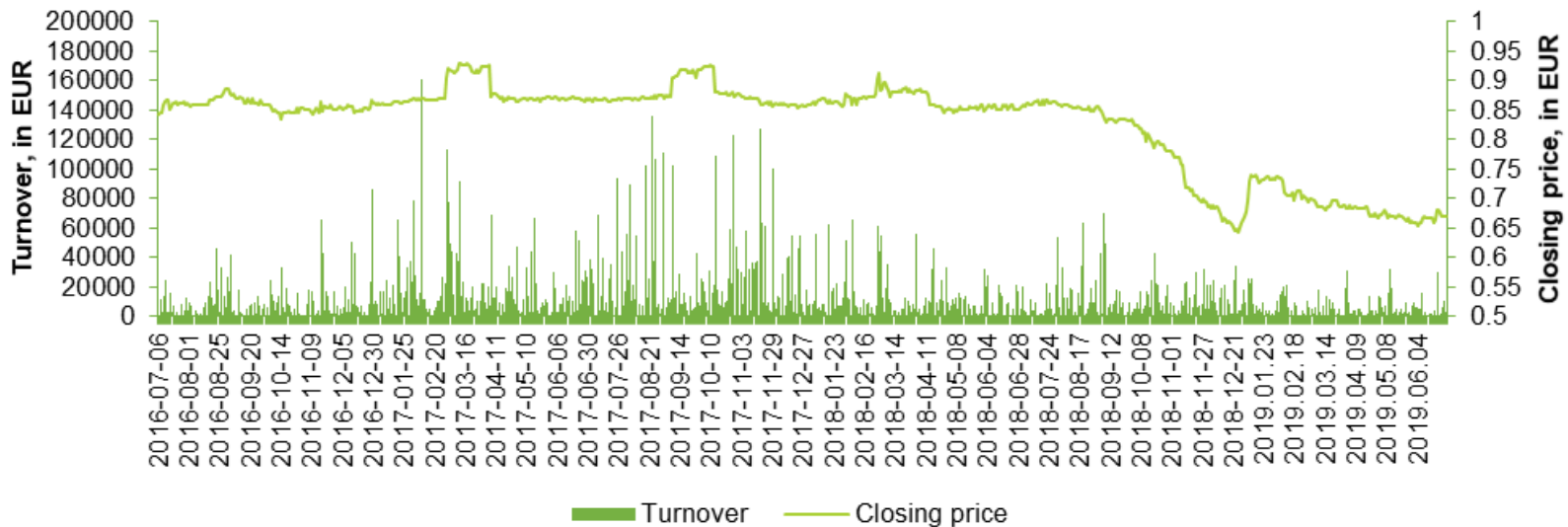


In 9 months of 2019 ESO connected 4.3% more new customers to the natural gas distribution network than in 9 months of 2018.

Connection time decreased by 16 calendar days.

Share price and shareholders

Main shareholder was UAB Ignitis grupė holding 94.98% of shares, with the rest floating.



ESO – the third largest company by market capitalization on NASDAQ Baltic Exchange (622.66 mln. EUR). The weighted average price during the reporting period was EUR 0.706.



eso

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