



# GAZPROM: 1Q2019 IFRS RESULTS

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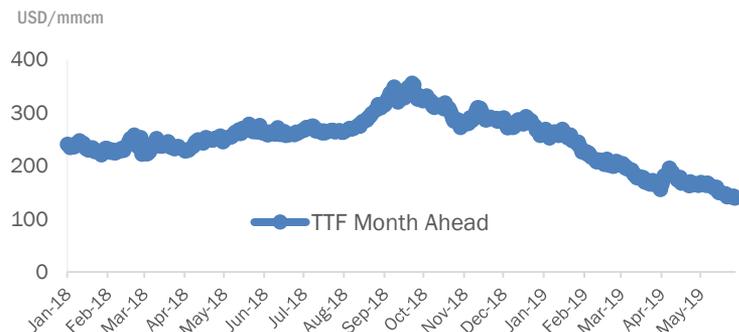
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# 1Q2019 MARKET ENVIRONMENT

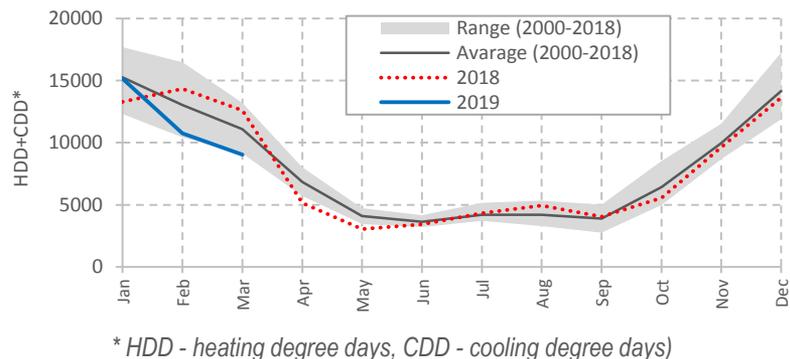
## HIGHLIGHTS

- WEATHER CONDITIONS IN EUROPE IN 1Q19 WERE NOT FAVORABLE FOR GAS CONSUMPTION
- GAZPROM PRICES IN 1Q19 WERE HIGHER THAN EUROPEAN SPOT PRICES

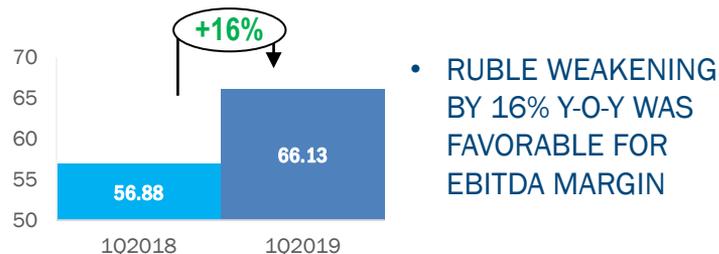
## AVERAGE GAS PRICES



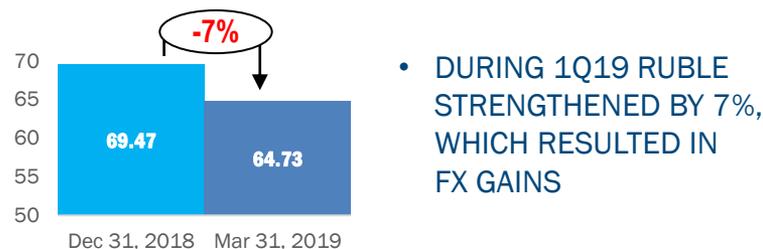
## WEATHER INDEX IN EUROPE



## AVERAGE USD/RUB EXCHANGE RATE

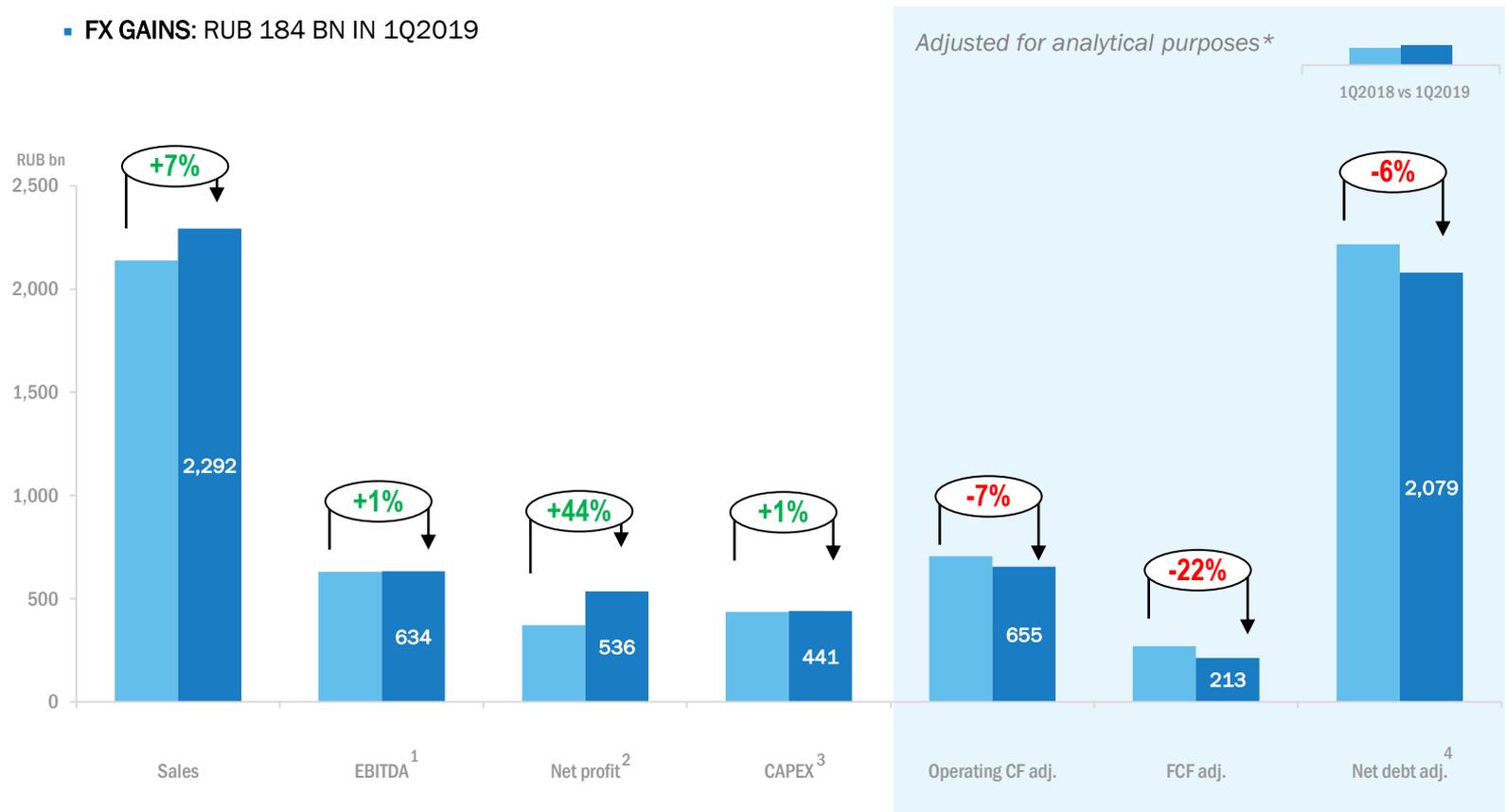


## END OF PERIOD USD/RUB EXCHANGE RATE



# STRONG FINANCIAL PERFORMANCE

- **ROBUST OIL BUSINESS GROWTH:** THE PRODUCTION OF CRUDE OIL AND GAS CONDENSATE SEGMENT FINANCIAL RESULT INCREASED BY 29% Y-O-Y
- **GROWTH OF INCOME FROM ASSOCIATED COMPANIES**
- **FX GAINS:** RUB 184 BN IN 1Q2019



1 EBITDA adjusted for changes in impairment provisions  
 2 Profit attributable to PJSC Gazprom's shareholders for the period  
 3 Cash capital expenditures  
 4 Compared to Net debt as of December 31, 2018

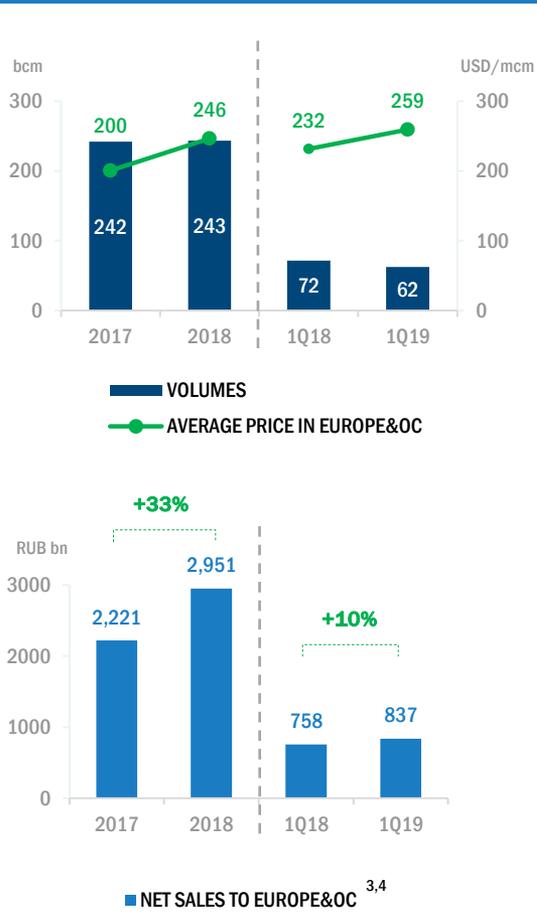
\*In order to reflect the effects of the changes in bank deposits (reported as part of Other current and Other non-current assets)

# GAS BUSINESS

## Russia



## Europe & OC<sup>2</sup>



## FSU



Calculations may differ due to rounding.

<sup>1</sup> Net of value added tax (VAT)

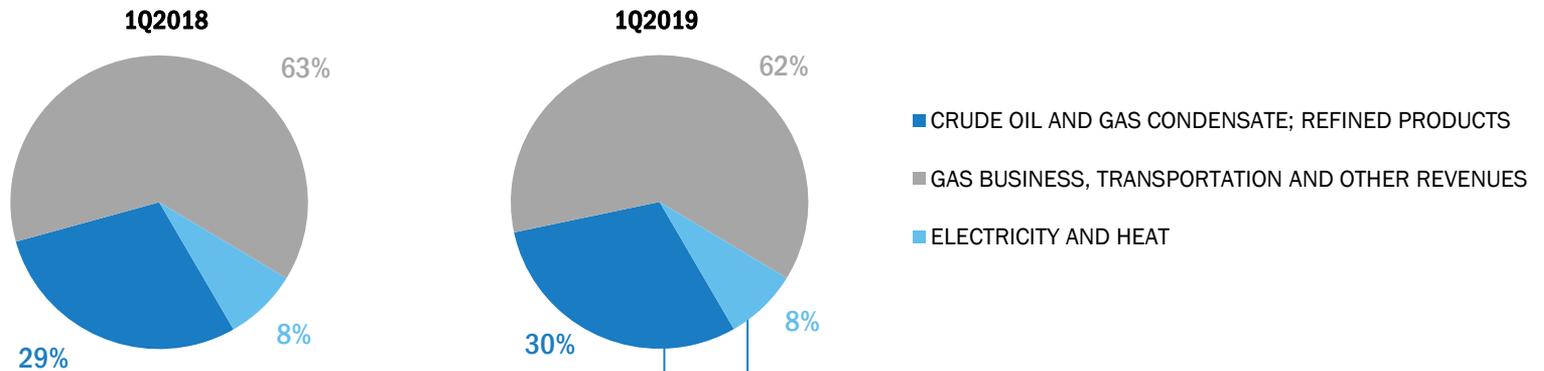
<sup>2</sup> OC - other countries, including LNG sales

<sup>3</sup> VAT is not charged on export sales

<sup>4</sup> Net of custom duties and excise tax on gas exports

# OIL AND ENERGY BUSINESS

## Total sales<sup>1</sup> breakdown



## Crude oil and gas condensate; refined products sales



## Electricity and heat sales

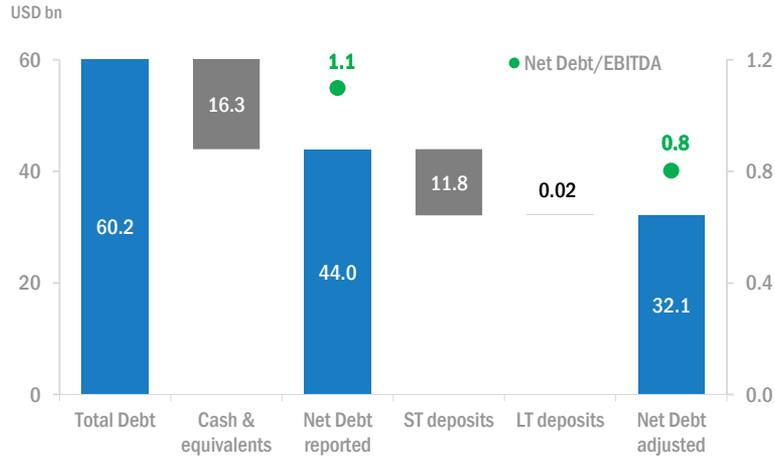


Calculations may differ due to rounding.

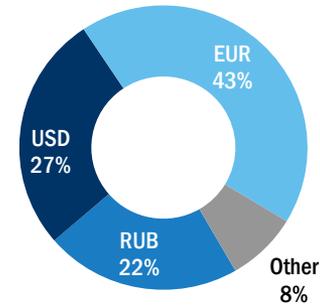
1 Net of value added tax (VAT), excise tax and custom duties.

# KEY DEBT METRICS

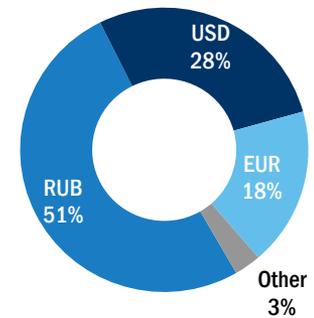
## 1Q2019 adjusted Net Debt structure<sup>1</sup>



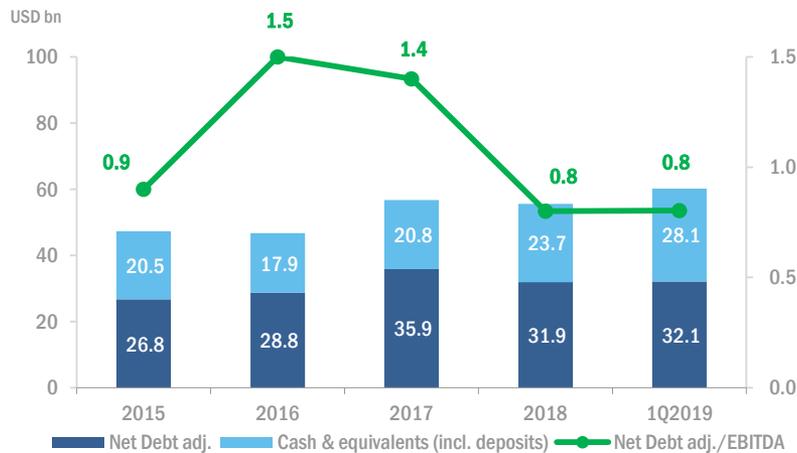
## Total Debt breakdown by currency



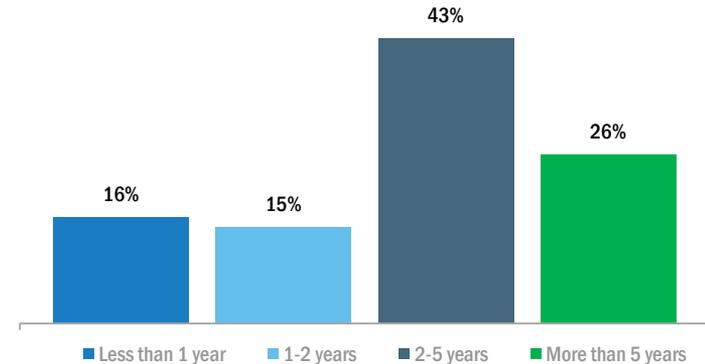
## Cash, cash equivalents, bank deposits breakdown by currency



## Net Debt adjusted for bank deposits<sup>1</sup>



## Total Debt maturity profile, 1Q2019

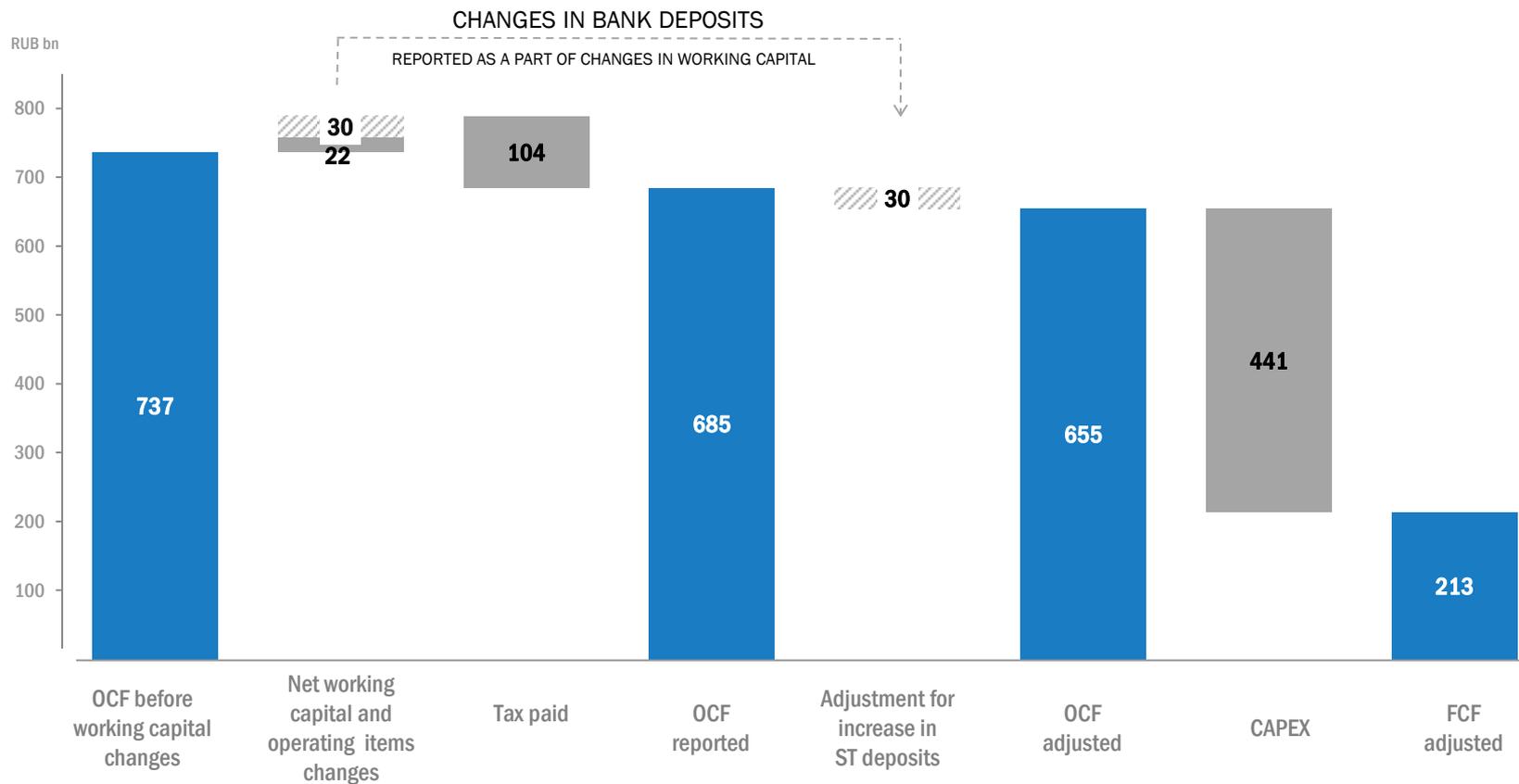


<sup>1</sup> Net Debt adjusted for the bank deposits reported as a part of Other current and non-current assets (see Slide 15 for details). Based on calculations in USD.

# 1Q2019 ADJUSTED FREE CASH FLOW BREAKDOWN



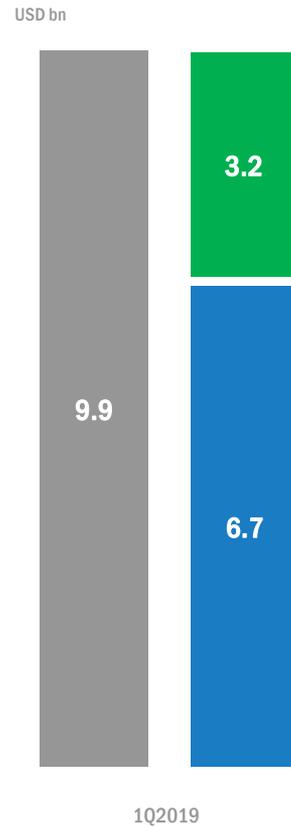
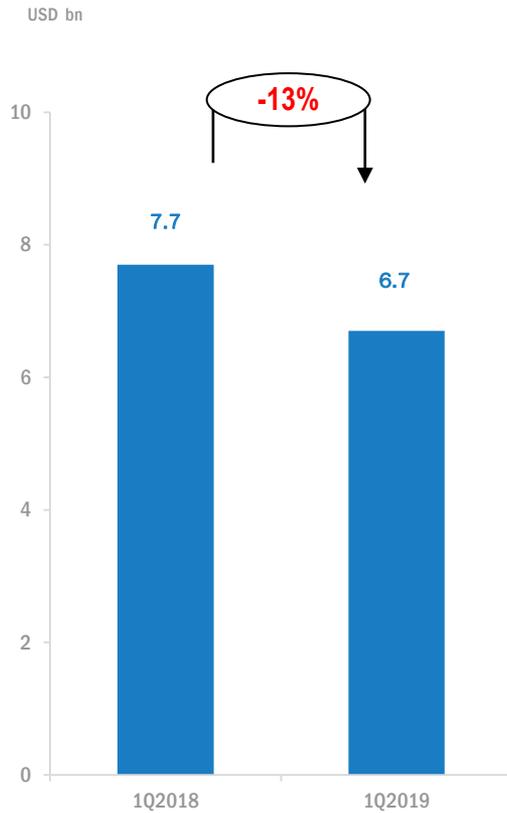
**FCF ADJUSTED FOR CHANGES IN BANK DEPOSITS REMAINS POSITIVE AT RUB 213 BN (\$3.2 BN) IN 1Q2019**



# CAPITAL EXPENDITURES

## Cash Capex

## Positive FCF adj.



- CAPEX REDUCTION DUE TO CONSTANT COST CONTROL
- POSITIVE FCF DESPITE HIGH CAPEX LEVEL
- MOST PART OF CAPEX IS RUB-DENOMINATED

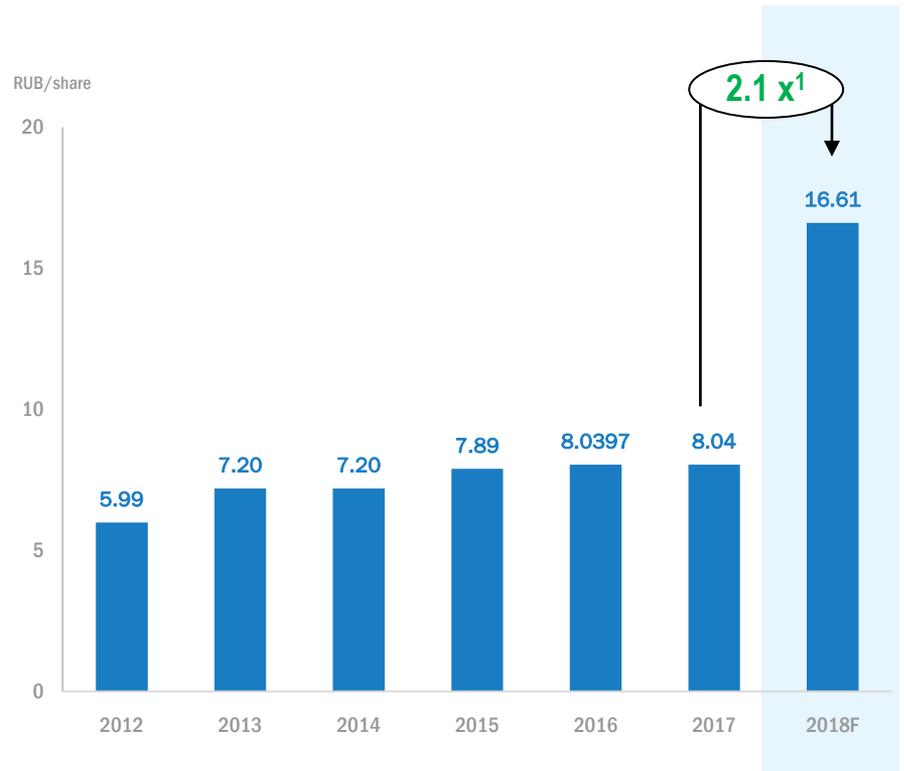
■ Operating cash flow adj.

■ CAPEX

■ Free cash flow adj.

# DIVIDENDS GROWTH

## Dividend per share



### Highlights:

- HISTORICALLY RECORD-HIGH DIVIDENDS IN 2019
- OVER THE PAST FEW YEARS, GAZPROM CONSISTENTLY INCREASED DPS IN RUBLE TERMS

### Outlook:

- NEW DIVIDEND POLICY UNDER DEVELOPMENT
- MAINTENANCE OF CONSERVATIVE FINANCIAL STRATEGY

<sup>1</sup> Recommended by the BoD

# INVESTMENT CASE FROM PEAK INVESTMENTS TO HIGHER FCF





## **ADDITIONAL INFORMATION**

# PRODUCTION



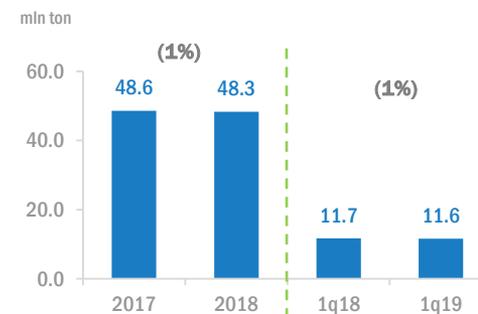
## Natural gas



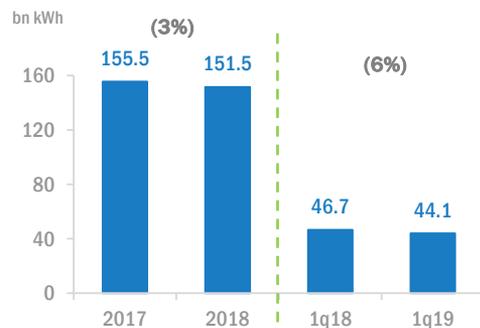
## Gas condensate



## Crude oil



## Electricity



## Heat



Gazprom Group's volumes produced in Russia  
Calculations may diverge due to rounding.

# IMPACT OF BANK DEPOSITS

## Key features of bank deposits<sup>2</sup>:

- Early withdrawal clause
- Deposit term of over 3 months

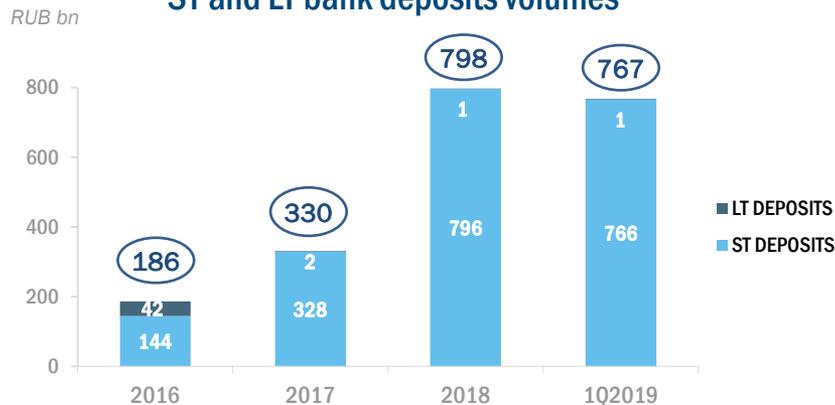
## Impact of bank deposits on Net debt:

- Bank deposits are NOT included in Cash and cash equivalents
- Net Debt and Net Debt/EBITDA need to be adjusted for bank deposits for analytical purposes

## Impact of changes in ST bank deposits on Cash flows:

- Changes in working capital (a part of Operating cash flows) include changes in ST bank deposits
- Operating cash flows and Free cash flow need to be adjusted for changes in ST bank deposits for analytical purposes

### ST and LT bank deposits volumes



### ST bank deposits changes



Applying of LT and ST bank deposits is aimed at improving the efficiency of liquidity management

<sup>1</sup> Source: Gazprom 1Q2019 IFRS report, note 13

<sup>2</sup> Reported as a part of Other current assets and Other non-current assets

# RUSSIAN NATURAL GAS BALANCE



Bcm	2017	2018	1Q2018	1Q2019
<b>Natural gas resources</b>	<b>770.29</b>	<b>810.64</b>	<b>234.24</b>	<b>227.59</b>
Domestic gas production	691.19	725.41	190.76	197.24
Other sources including Central Asian and Azerbaijani gas	25.33	23.49	6.40	5.04
Gas withdrawn from underground storage in Russia, Latvia and Europe	50.45	59.33	36.54	24.52
Decrease in the amount of gas within the gas transportation system	3.31	2.42	0.55	0.80
<b>Natural gas distribution</b>	<b>770.29</b>	<b>810.64</b>	<b>234.24</b>	<b>227.59</b>
Domestic consumption	468.01	493.18	161.14	154.30
including needs of the gas transportation system and underground storages	37.81	40.55	11.07	10.95
Gas pumped into underground storages	53.02	56.17	0.26	1.42
Gas for LNG production	15.46	20.94	4.29	10.55
Foreign supplies	197.40	200.29	55.12	49.62
FSU supplies	32.88	36.70	12.83	10.94
Increase in the amount of gas within the gas transportation system	3.52	3.07	0.60	0.76

Source: Company Operating Data

**THANK YOU!**