



Public Power Corporation S.A.-Hellas

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H1 2020

Consolidated results

September 3, 2020

Public Power Corporation



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Section 1: Financial performance

Konstantinos Alexandridis

Chief Financial Officer

Section 2: Comments on Financial Results & Recent Developments

Georgios Stassis

Chairman and CEO



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Financial Highlights (€ m)

Revenues

H1 2020	H1 2019
2,249.6	2,305.2
-2.4%	

EBITDA Recurring¹

H1 2020	H1 2019
457.3	9.3

Capex

H1 2020	H1 2019
160.6	378.0

Net Debt

30.6.2020	31.12.2019
3,453.2	3,687.0
-233.8	

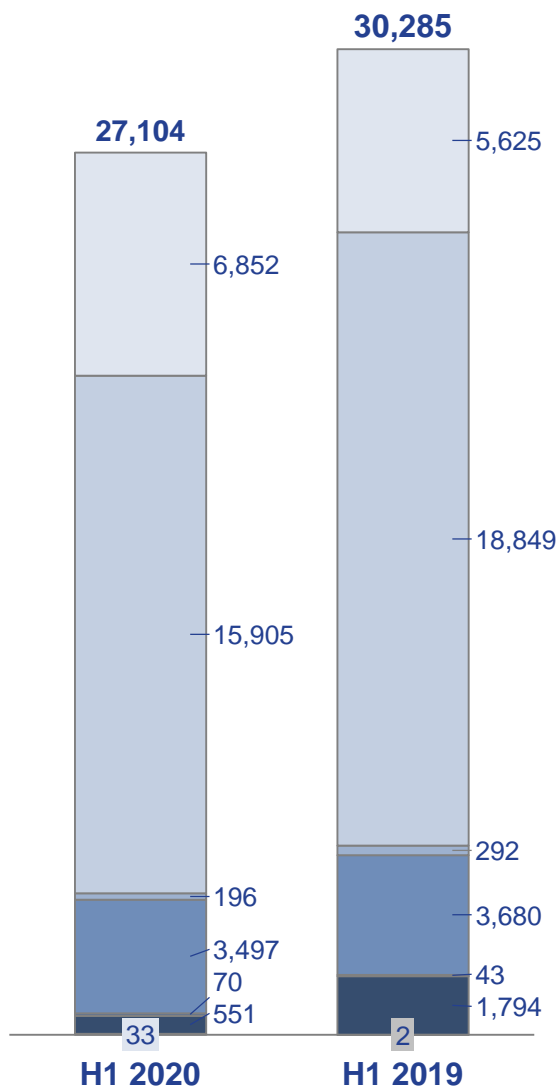
1. Excludes: (i) for H1 2020 an extraordinary item of € 44.8 m from the revision of pipeline gas procurement cost for 2012 – 2019 (positive impact) and the provision of € 16.3 m for personnel's severance payment (negative impact) and (ii) for H1 2019 the rebate of € 99.3 m from the special RES account (negative impact). Reported EBITDA at € 485.8 m



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Electricity Demand H1 2020 vs H1 2019



	GWh	H1 2020	H1 2019	Δ	Δ%
Domestic Demand		26,450	28,446	-1,996	-7.0%
Sales		22,757	24,474	-1,717	-7.0%
Third Party sales (estimation)		6,852	5,625	1,227	21.8%
PPC's sales		15,905	18,849	-2,944	-15.6%
<i>PPC's average market share</i>		<i>69.9%</i>	<i>77.0%</i>		
Mines		196	292	-96	-32.9%
Network losses		3,497	3,680	-183	-5.0%
Pumping		70	43	27	62.8%
Third Party exports		551	1,794	-1,243	-69.3%
PPC's exports		33	2	31	
Total Demand		27,104	30,285	-3,181	-10.5%

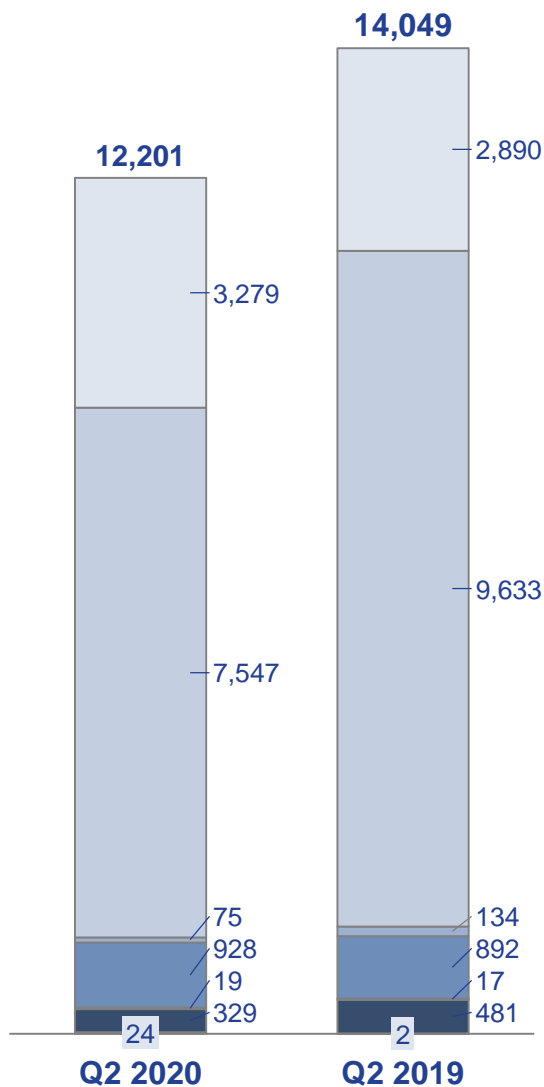
- Domestic demand down by 7% mainly due to covid-19
- Total electricity demand down by 10.5% also due to lower third party exports
- PPC's sales down by 15.6% driven by market share reduction by 7 p.p. and lower demand



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Electricity Demand Q2 2020 vs Q2 2019



	GWh	Q2 2020	Q2 2019	Δ	Δ%
Domestic Demand		11,829	13,549	-1,720	-12.7%
Sales		10,826	12,523	-1,697	-13.6%
Third Party sales (estimation)		3,279	2,890	389	13.5%
PPC's sales		7,547	9,633	-2,086	-21.7%
<i>PPC's average market share</i>		<i>69.7%</i>	<i>76.9%</i>		
Mines		75	134	-59	-44.0%
Network losses		928	892	36	4.0%
Pumping		19	17	2	11.8%
Third Party exports		329	481	-152	-31.6%
PPC's exports		24	2	22	
Total Demand		12,201	14,049	-1,848	-13.2%

- Domestic demand down by 12.7% mainly due to higher covid-19 impact
- Total electricity demand down by 13.2% also due to lower third party exports
- PPC's sales down by 21.7% driven by market share reduction by 7.2 p.p. and lower demand

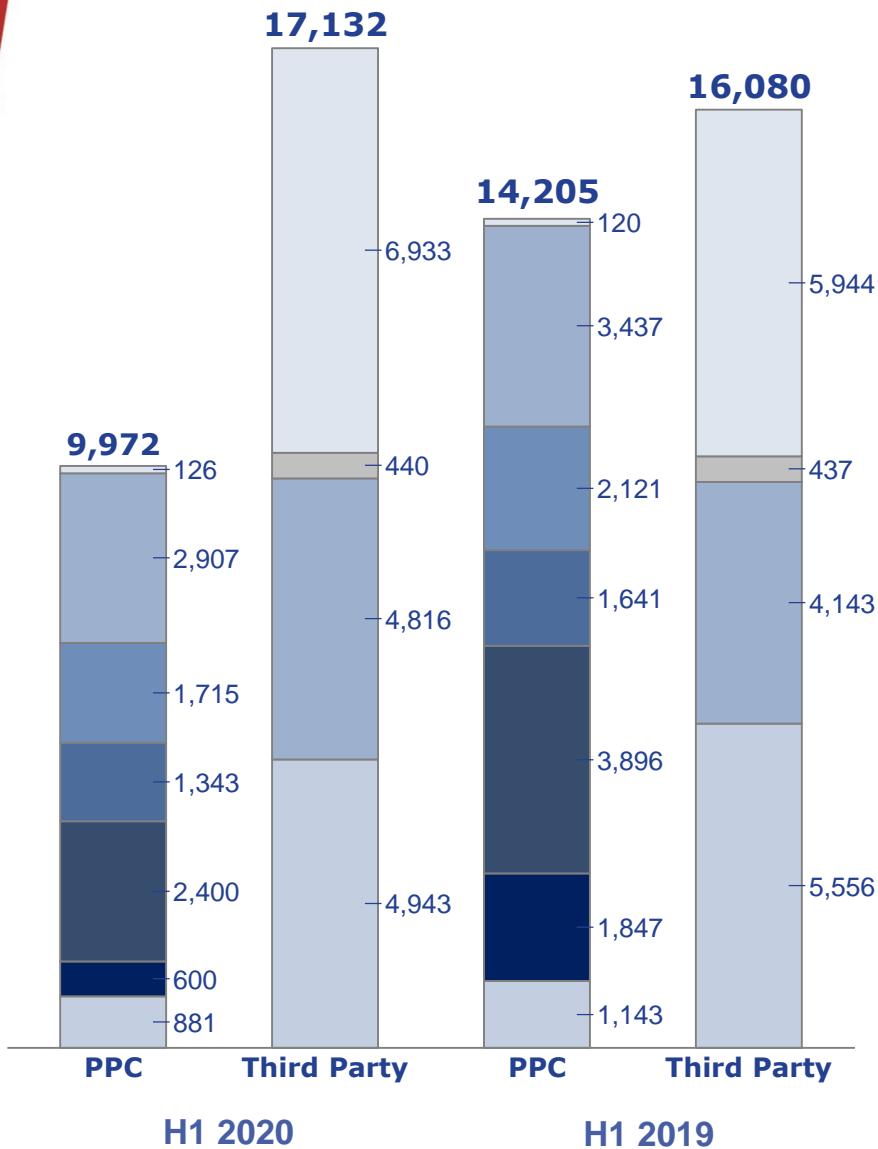


Electricity Generation and Imports

H1 2020 vs H1 2019

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GWh	H1 2020	H1 2019	Δ	Δ%
Electricity Generation and Imports	27,104	30,285	-3,181	-10.5%
PPC Generation	9,091	13,062	-3,971	-30.4%
RES	126	120	6	5.0%
Natural Gas	2,907	3,437	-530	-15.4%
Oil	1,715	2,121	-406	-19.1%
Hydro	1,343	1,641	-298	-18.2%
Lignite (Parent)	2,400	3,896	-1,496	-38.4%
Lignite (Meliti S.A. & Megalopolis S.A)	600	1,847	-1,247	-67.5%
Third Party Generation	12,189	10,524	1,665	15.8%
RES	6,933	5,944	989	16.6%
ALUMINIUM S.A. - CHP	440	437	3	0.7%
Natural Gas	4,816	4,143	673	16.2%
Imports	5,824	6,699	-875	-13.1%
PPC	881	1,143	-262	-22.9%
Third Party	4,943	5,556	-613	-11.0%
PPC's Generation & Imports Market share	36.8%	46.9%		
PPC's Generation Market share	42.7%	55.4%		

	H1 2020	H1 2019	Δ	Δ%
NOME Quantities (GWh)	1,718	7,005	-5,287	-75.5%

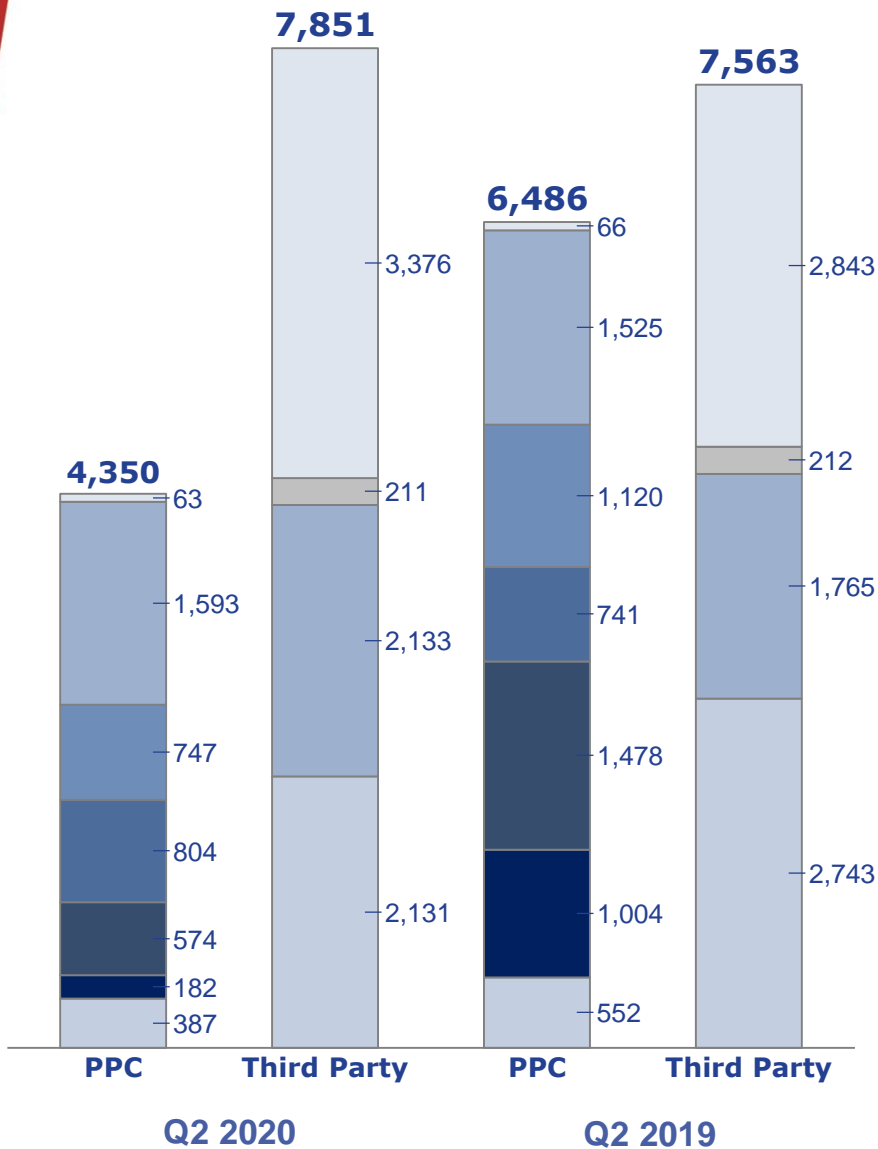


Electricity Generation and Imports

Q2 2020 vs Q2 2019

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GWh	Q2 2020	Q2 2019	Δ	Δ%
Electricity Generation and Imports	12,201	14,049	-1,848	-13.2%
PPC Generation	3,963	5,934	-1,971	-33.2%
RES	63	66	-3	-4.5%
Natural Gas	1,593	1,525	68	4.5%
Oil	747	1,120	-373	-33.3%
Hydro	804	741	63	8.5%
Lignite (Parent)	574	1,478	-904	-61.2%
Lignite (Meliti S.A. & Megalopolis S.A)	182	1,004	-822	-81.9%
Third Party Generation	5,720	4,820	900	18.7%
RES	3,376	2,843	533	18.7%
ALUMINIUM S.A. - CHP	211	212	-1	-0.5%
Natural Gas	2,133	1,765	368	20.8%
Imports	2,518	3,295	-777	-23.6%
PPC	387	552	-165	-29.9%
Third Party	2,131	2,743	-612	-22.3%
PPC's Generation & Imports Market share	35.7%	46.2%		
PPC's Generation Market share	40.9%	55.2%		

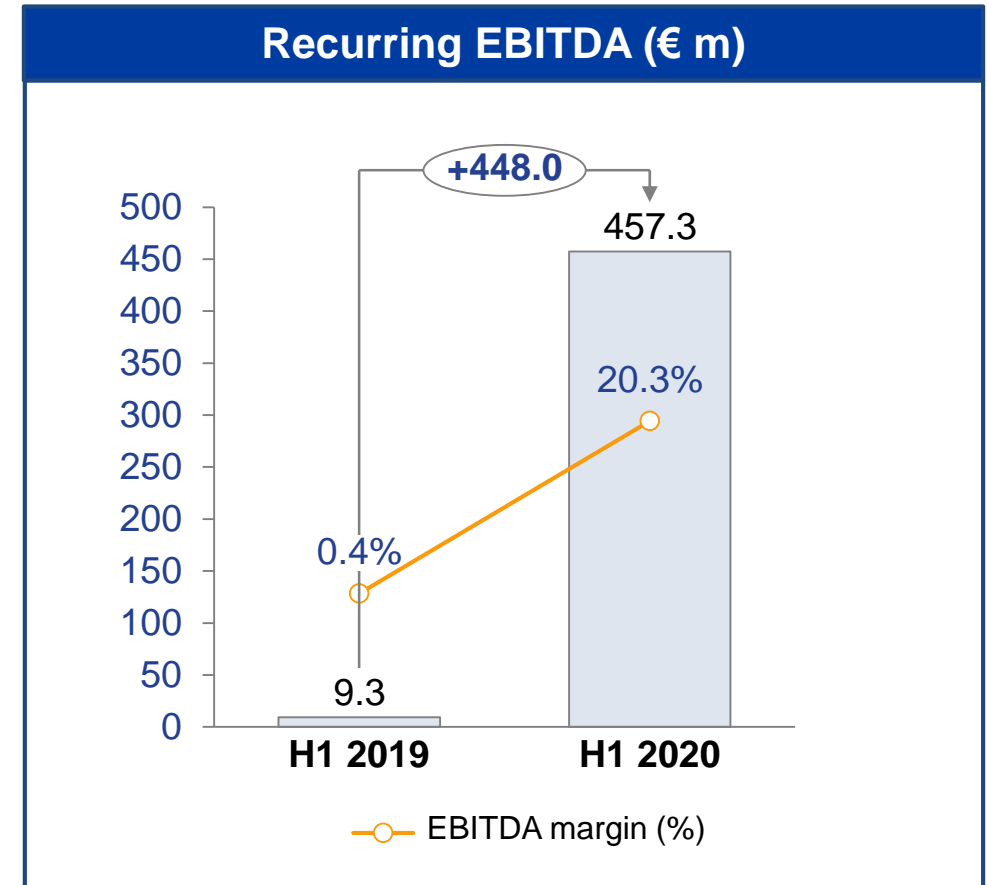
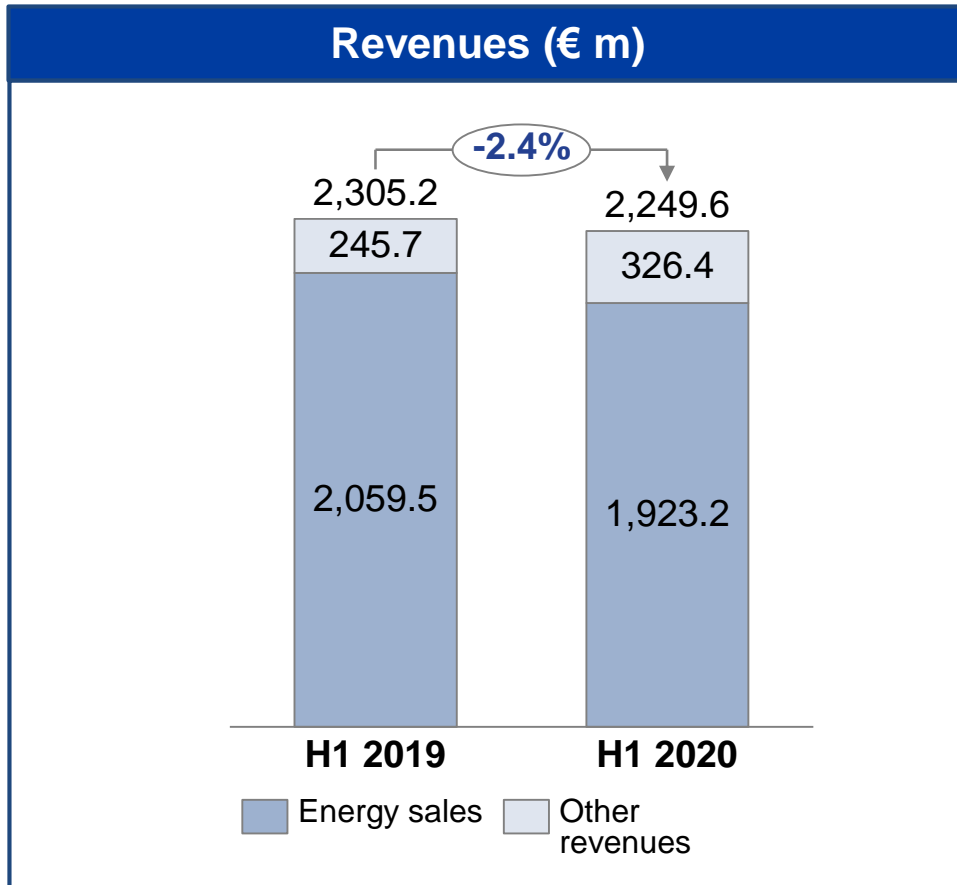
	Q2 2020	Q2 2019	Δ	Δ%
NOME Quantities (GWh)	21.6	3,269.4	-3,248	-99.3%



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Turnover & operating profitability



- Lower energy sales driven by market share loss and demand reduction partly offset by initiatives undertaken since September 2019
- Higher revenues from third party Distribution network fees and PSOs

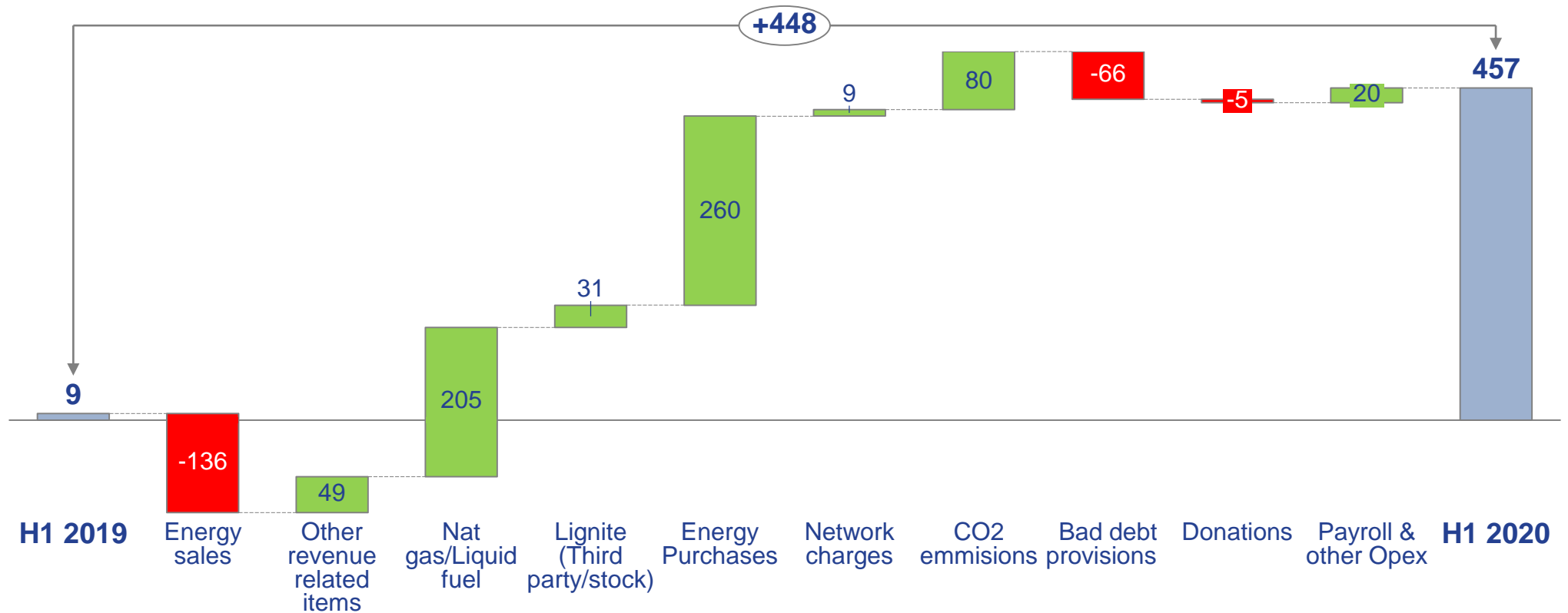
- Positive impact from SMP reduction
- Lower natural gas, CO₂, and liquid fuel expense



Recurring EBITDA evolution (€ m)

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Major drivers

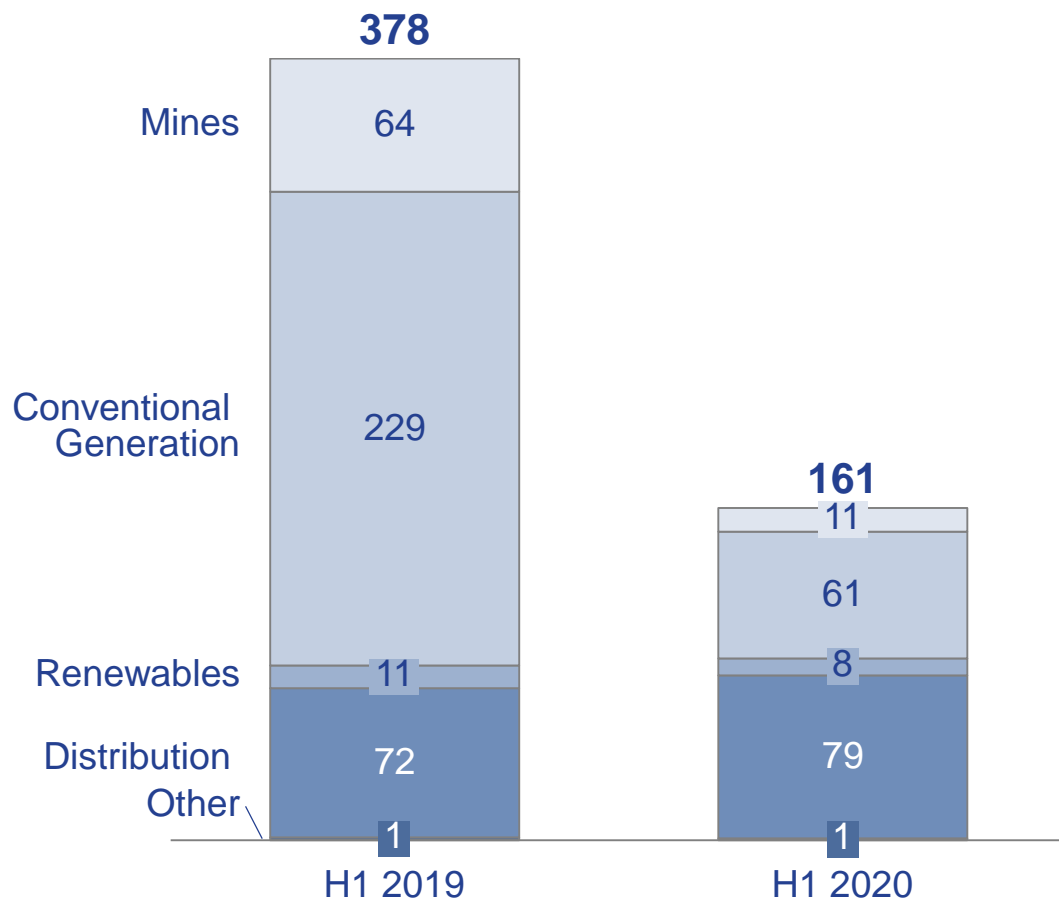
- Fuel expense down mainly driven by natural gas (lower volume and price)
- Energy purchases down driven by SMP reduction despite higher quantities
- CO₂ emissions cost down due to lower quantities
- Opex down mainly due to reduction of personnel



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Capex (€ m)



Mines

- Lower expropriations

Conventional Generation

- Reduction compared to H1 2019 approaching the completion of the construction of Ptolemais V unit

Renewables

- Acceleration of capex expected going forward

Distribution

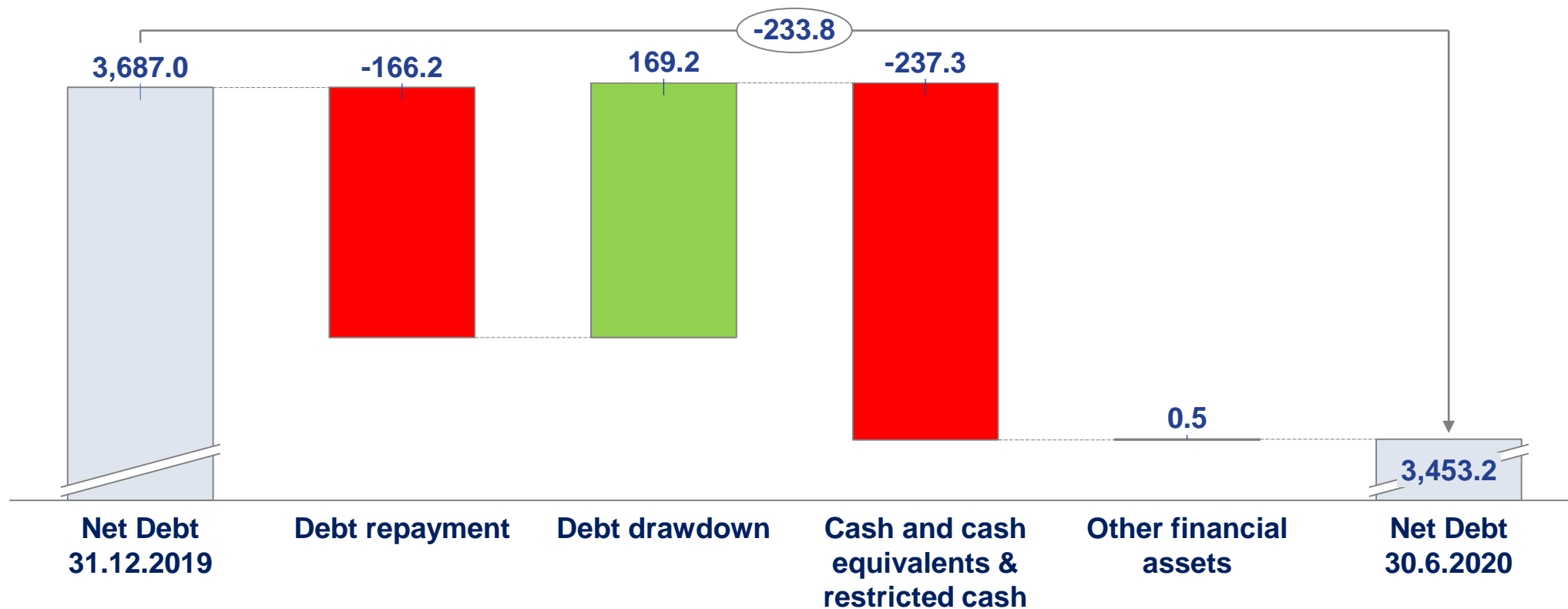
- Slight increase compared to H1 2019
- Scaling up distribution capex focusing on the modernization of the network



Net Debt Evolution – Liquidity (€ m)

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Net debt reduction by € 233.8 m



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Comments on Financial Results & Recent Developments

Georgios Stassis
Chairman and CEO
Public Power Corporation S.A.



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Financial performance

Building on the positive trend

- 1 Third consecutive quarter of increased operating profitability with recurring **EBITDA** at € 275.3 in Q2 2020 on top of the € 182 m in Q1 2020 and € 236.8 m in Q 4 2019
- 2 Recurring **EBITDA** at € 457.3 m for 1H 2020 – **Guidance for 2020** upsized to the range of € 850-900 m
- 3 **Cost savings** due to continuing **payroll reduction** - **Improvement of gross margin** due to lower commodity prices
- 4 **EBT** at € 51.2 m in 1H 2020 vs losses of € 318.4 m in 1H 2019
- 5 **Net debt** reduction by € 233.8 m compared to end of 2019 due to increased cash reserves



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Update on Covid-19

Personnel

- Full adoption and implementation of the guidelines issued by the State to safeguard the health and safety of employees
- Provision of Personal Protective equipment, disinfection of workplaces, etc
- Acceleration of the roll out of digital transformation related projects (videoconferencing, digital signing, VPN access to employees) to increase the capacity of remote work

Customers

- Serving our customers having security as a priority
- Promotion and expansion of electronic and phone services
- Tariff measures for the financial relief of customers, especially the vulnerable ones

Business resilience

- Positive impact on our cost base from lower LNG prices and lower SMP
- Gradual correction since mid April of collections slowdown recorded in March due to Covid-19
- In process of securing additional liquidity sources in order to address a potential second pandemic wave



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Additional sources of financing to enhance liquidity

EBRD financing

- 2-year unsecured facility of € 160 m was signed



Benefits

- Support of operations during the covid-19 pandemic
- Initiation of a valuable cooperation with the Bank

Securitization of receivables

- Receivables up to 60 days
 - Estimated transaction amount: € 200m
 - Arranger: Finacity
 - Investor: JP Morgan
 - Interest: 3.5%
 - Eligible receivables: c. € 260 m
 - Status: Relevant contracts have been signed – financial closing expected in Q4 2020
- Overdue receivables over 90 days
 - Estimated transaction amount: € 300 m
 - Arranger: Deutsche Bank
 - Investor: PIMCO (group of participating investors will be finalized at the financial close)
 - Interest: 6.8%
 - Eligible receivables: € 1.7 bln
 - Status: Close to signing the relevant contracts



Benefits

- Landmark securitization transactions for utility receivables in Greece
- Vote of confidence for PPC and the strategy it has been following from major international investors
- Building long term strategic relationships with said investors
- Competitive financing cost for the up to 60 days utility receivables transaction
- Monetization of an inactive asset for the over 90 days utility receivables transaction
- PPC maintains the potential of overcollection of the securitized receivables through the Junior Notes
- Intensive monitoring of the transferred receivables' collections
- Non-recourse financing



Business operations developments (1/2)

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Conventional Generation

- **Increased competitiveness of Nat Gas units** due to higher LNG use and better mix of pipe gas contracts
- **Increase of dispatching capacity to 800 MW** from 500 MW of **Megalopolis V** Nat Gas unit leading to better performance of ng generation
- **Reduction of utilities and maintenance**



Retail

- **Pilot run of extended** opening hours for key locations
- **Launch of appointment** system for retail stores
- **Launch** of new fully **digital** electricity product “myHome online”
- **Execution** of first **CRM campaigns**, based on **segmentation**



E-mobility

- **Kicked-off E-Mobility Business Unit** aiming to lead the development of **Infrastructure and Services for EVs**
- **MOUs** with Frapport Airports, AB Retailer and BEAT Taxi network, for the **expansion of PPC Charging Stations across Greece**
- Ready to announce a **Tender for 1,000 Public Charging Stations for 2020/21**, to start installations as of **Q4 2020**



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Business operations developments (2/2)



Distribution

- Introduction of **new services** (call back, mobile apps, chatbots) to **improve Customer Experience** & ensure Operations during Covid-19
- **9% increase vs last year in capex** amidst Covid-19 crisis and occurrences of extreme weather conditions
- **Marginal increase of RAB in 2020**, after 5 consecutive years of continuous decrease
- **New 4+4 years regulation** scheme with incentives/penalties in **September**, applying for 2021



RES

- **30 MW PV in Ptolemais**: EPC contracts secured
- **200 MW PV in Ptolemais**: Bids received in June 2020 - Evaluation process in progress
- **50 MW in Megalopolis**: EPC tender announced – Bids from interested parties expected within October 2020
- **100MW wind projects** in Northern Greece: **ready to build within 2021**
- **Increased extroversion via M&A deals** focusing on PV: ongoing discussions



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Key highlights

Building on the positive trend

€ 457.3 m
Recurring EBITDA

€ 51.2 m
EBT

Significant net debt reduction

Update on Covid-19

Acceleration of initiatives to address a new pandemic outbreak

Business resilience despite covid

Enhancing Liquidity

EBRD financing related to covid

**Receivables
Securitizations**

Increased cash flow generation

Business developments

Increased competitiveness of nat gas units

Improving customer experience

Moving to e-mobility



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