



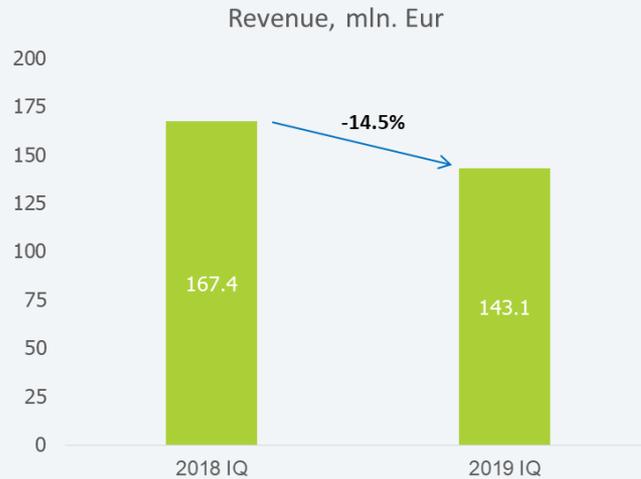
eso

AB “Energijos skirstymo operatorius” Financial results for 3 months of 2019

2019-04-30

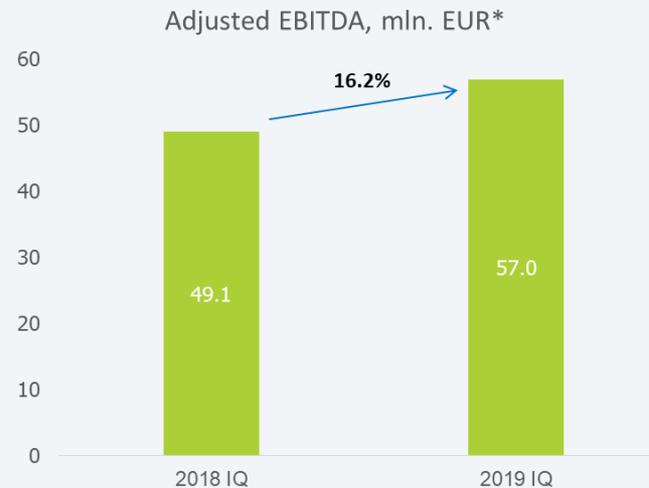
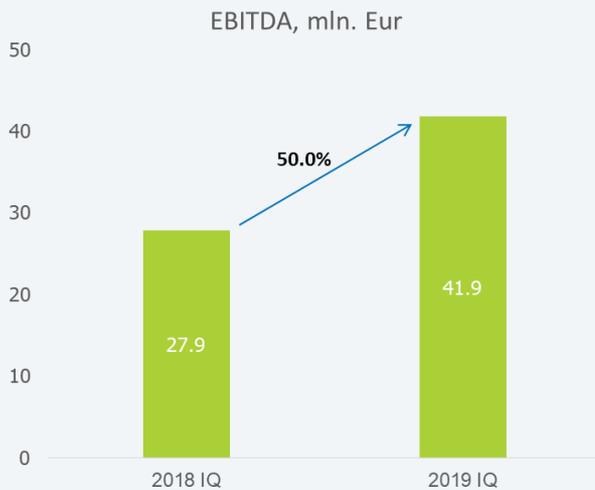


Main financial ratios



The main reason of revenue decrease, EBITDA and net profit increase – discontinued electricity public supply activity. After elimination of the impact of public supply activities:

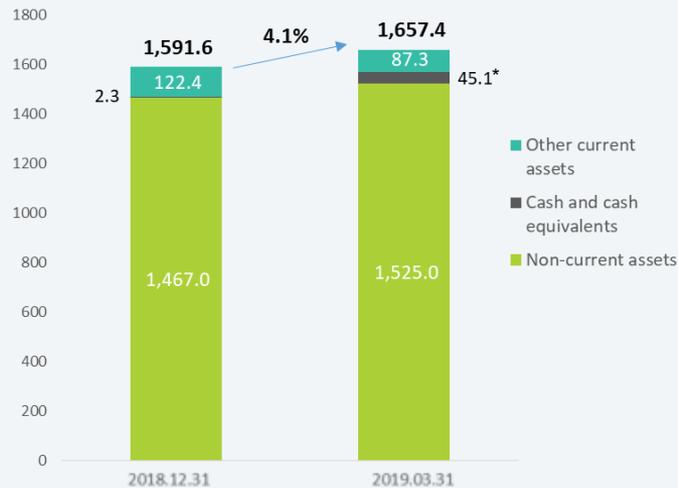
- revenue would be 1.7 % higher compared to the same period of 2018.
- purchases of electricity, natural gas and related services would be 7.6 % lower compared to the same period of 2018.



*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.

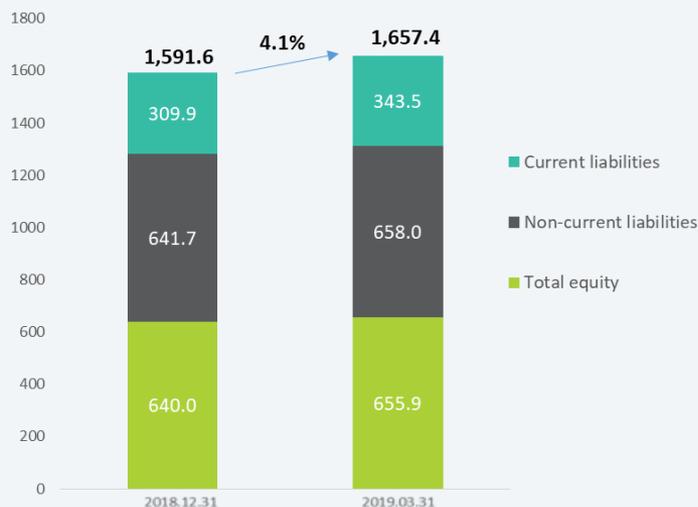
Assets, equity and liabilities

Total assets, M EUR

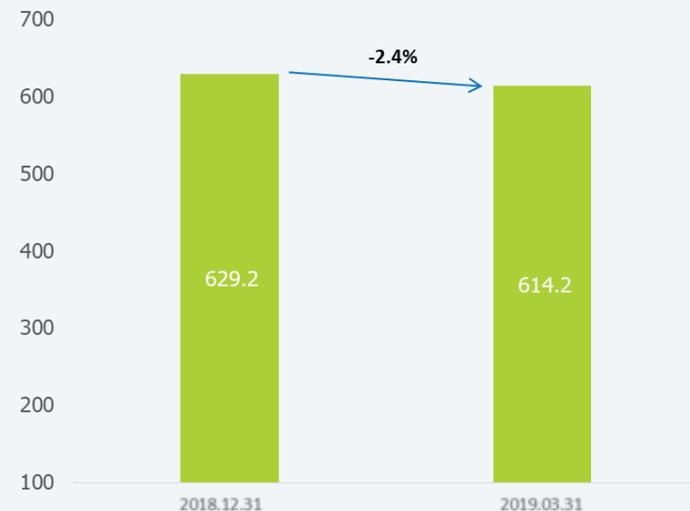


Non-current assets accounted for 92.0% of the total assets. During the reported period non-current assets increased by 4.0% due to investments and changes of IFRS 16 adopted from at 1 January 2019 (long-term agreements recognized as non-current-assets).

Equity and liabilities, M EUR

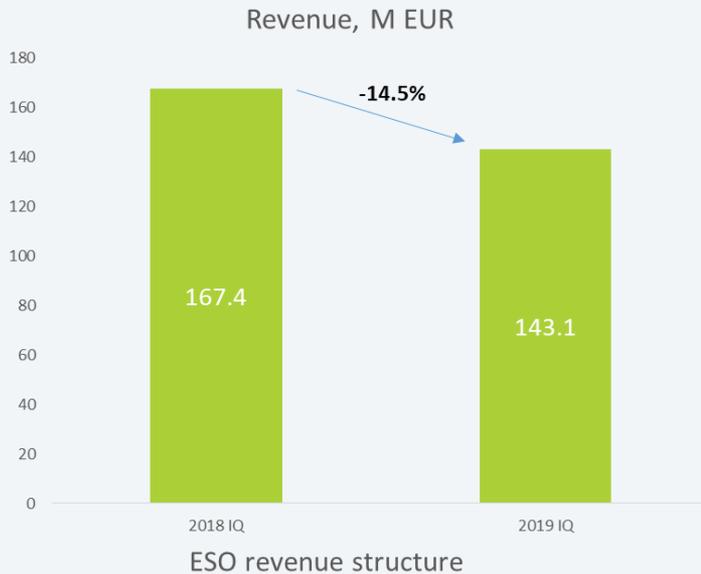


Net financial debt, M EUR

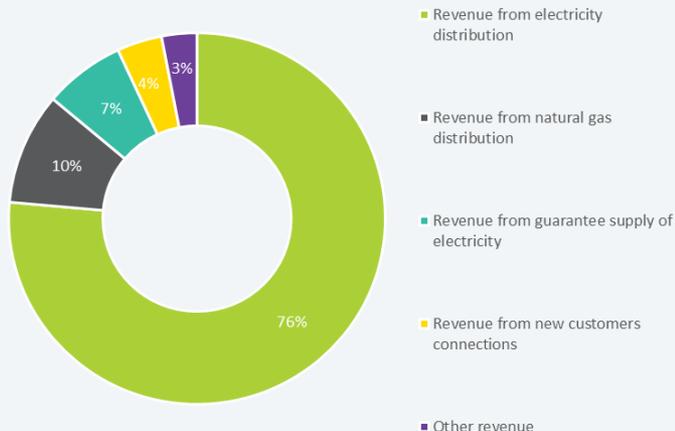


* Cash and cash equivalents increased due to cash received for a business segment of public electricity supply sold as at 1 October 2018

Revenue



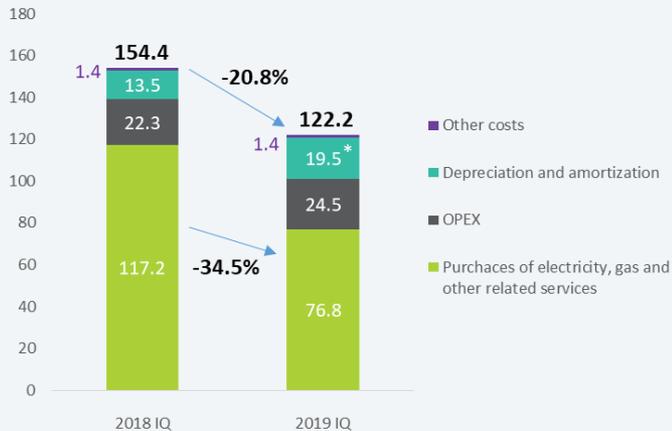
ESO's revenue for 3 months of 2019 reached EUR 143 million, which is a decrease of 14.5% compared to 3 months of 2018. Without a business segment of public electricity supply during 3 months of 2018, revenue for 3 months of 2019 would be 1.7 % higher compared to the same period of 2018. The main reason for the growth in income is a higher price of distribution of electricity and a higher volume of guaranteed electricity supply.



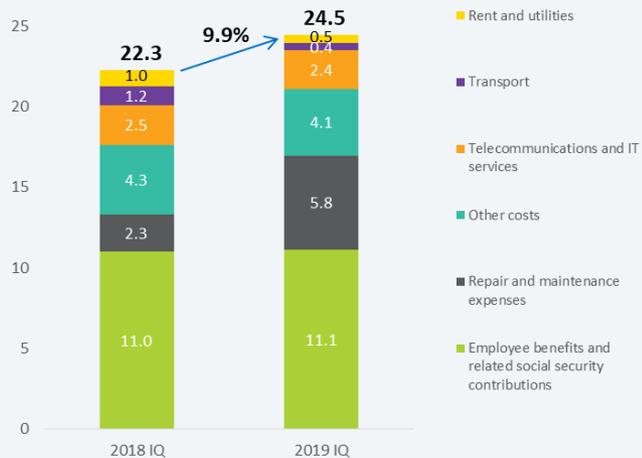
Revenue from electricity distribution is the main source of the Company's revenue. In IQ of 2019, distribution revenue comprised 76%.

Costs

Cost, M EUR



OPEX, M EUR

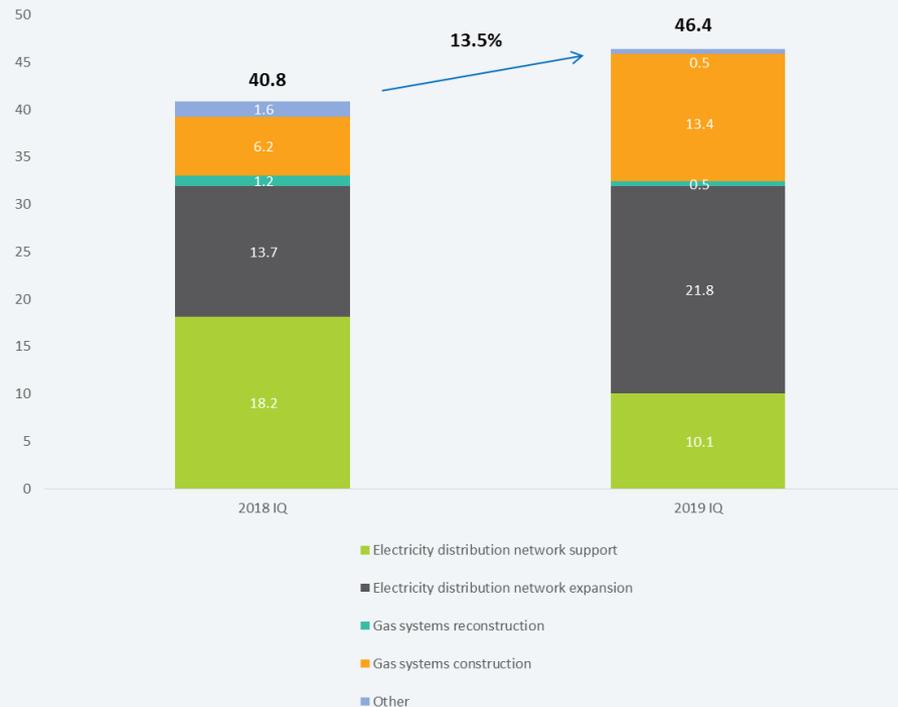


In 3 months of 2019 purchases of electricity, natural gas and related services made up EUR 76.8 million and decreased by 34.5% compared to 3 months of 2018. Without a business segment of public electricity supply during 3 months of 2018, purchases of electricity, natural gas and related services for 3 months of 2019 would be 7.6 % lower compared to the same period of 2018.

In 3 months of 2019 operating expenses increased by 9.9% compared to 3 months of 2018 and amounted to EUR 24.5 million. This was mainly influenced by a higher repair and maintenance expenses.

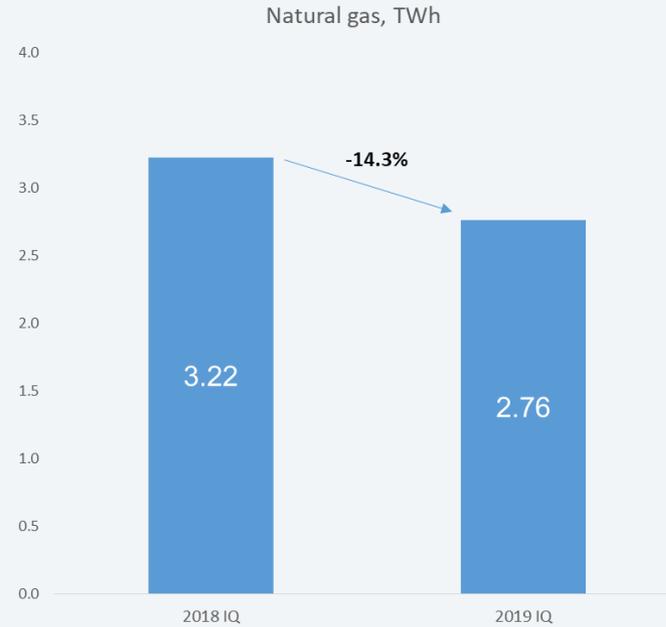
* Depreciation and amortization increased due to higher investments and the impact of the adoption of IFRS 16

Investment, M Eur



In 3 months of 2019 ESO's investments in the electricity and gas distribution networks amounted to EUR 46.4 million, which is 13.5% more than in 3 months of 2018 when they were equal to EUR 40.8 million.

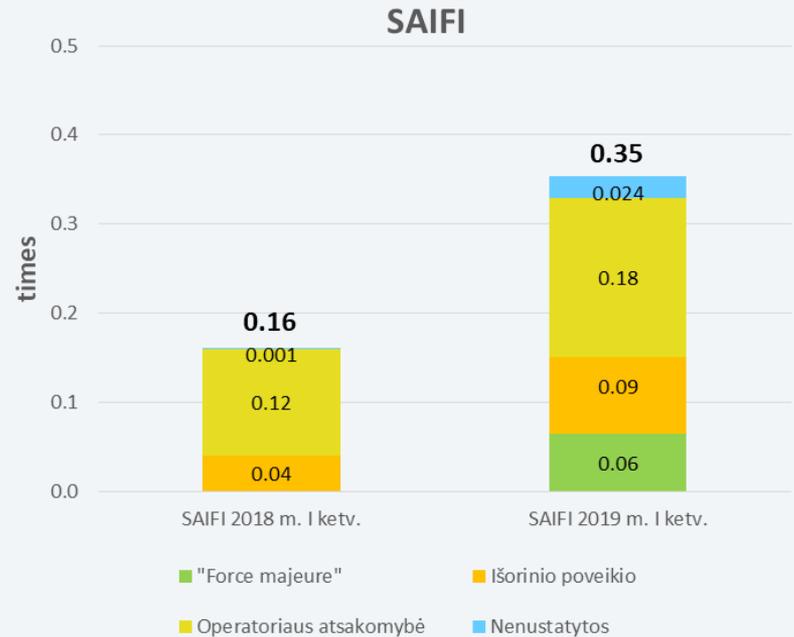
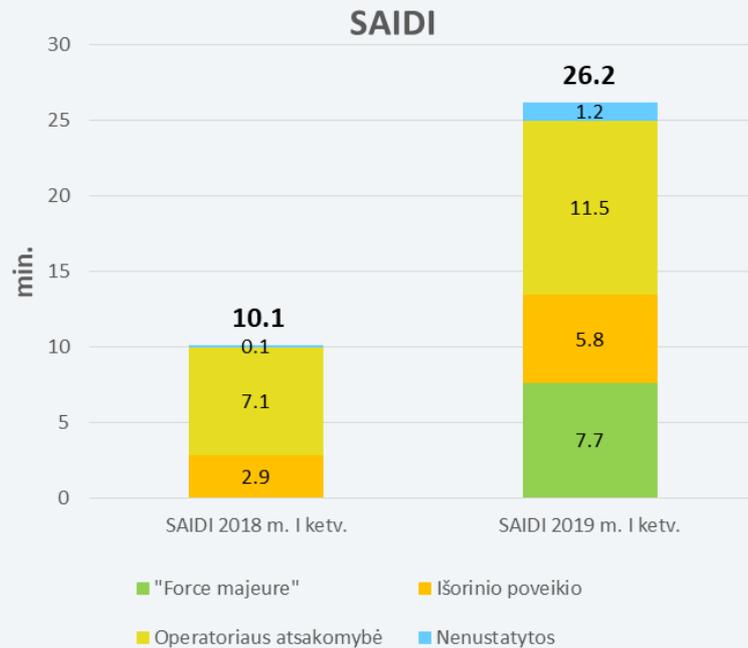
Distributed volumes



The volume of electricity distributed increased by 0.4% compared to 3 months of 2018 .

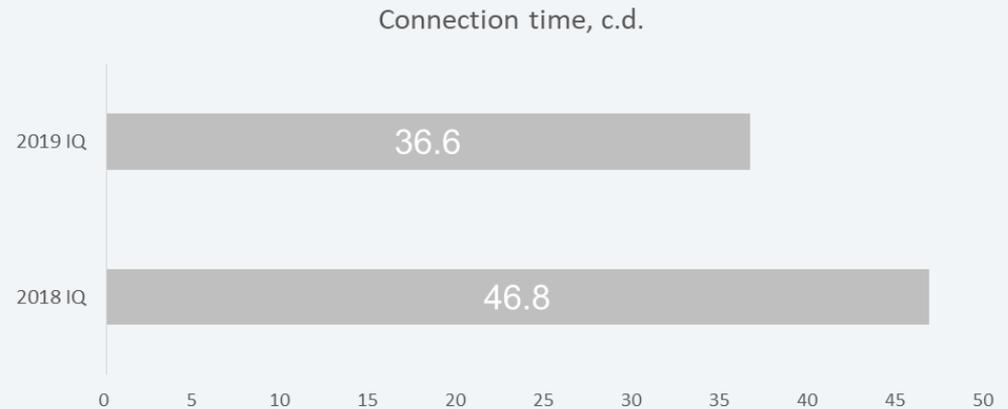
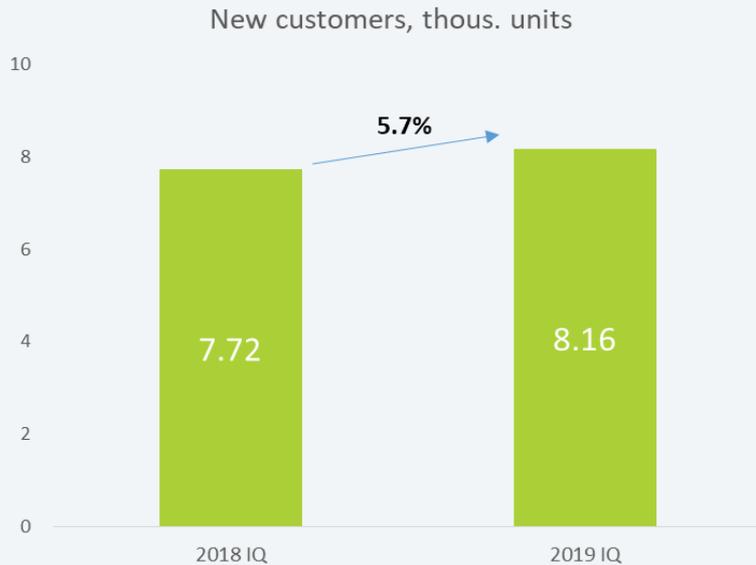
In 3 months of 2019 ESO transported approximately 14.3% less natural gas than in 3 months of 2018. Gas distribution volumes decreased mainly due to a lower gas consumption as a result of higher average weather temperature compared to 3 months of 2018.

Electricity quality indices



During 3 months of 2019 the system average interruption duration index (SAIDI) per customer increased by 16 minutes, the system average interruption frequency index (SAIFI) per customer was 0.19 time higher compared to 3 months of 2018. Significant deterioration of the indicators was due to a bad weather in the first 2019 months.

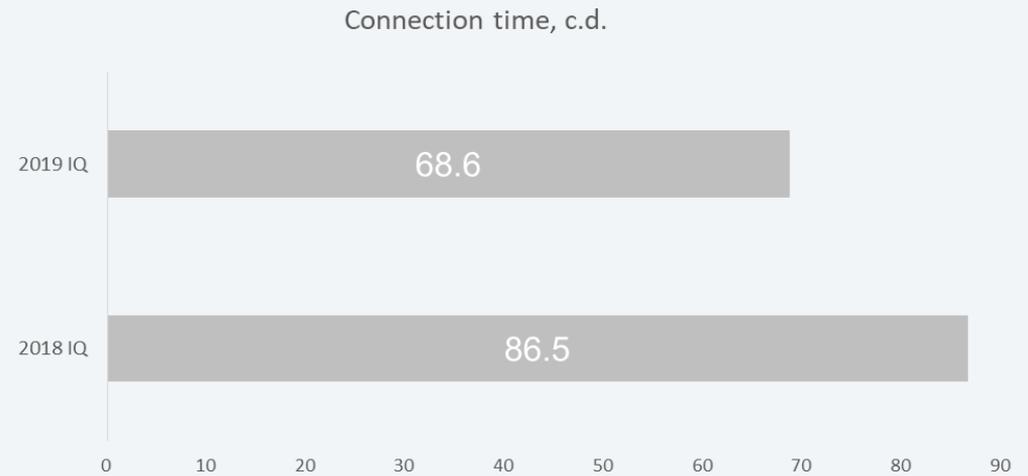
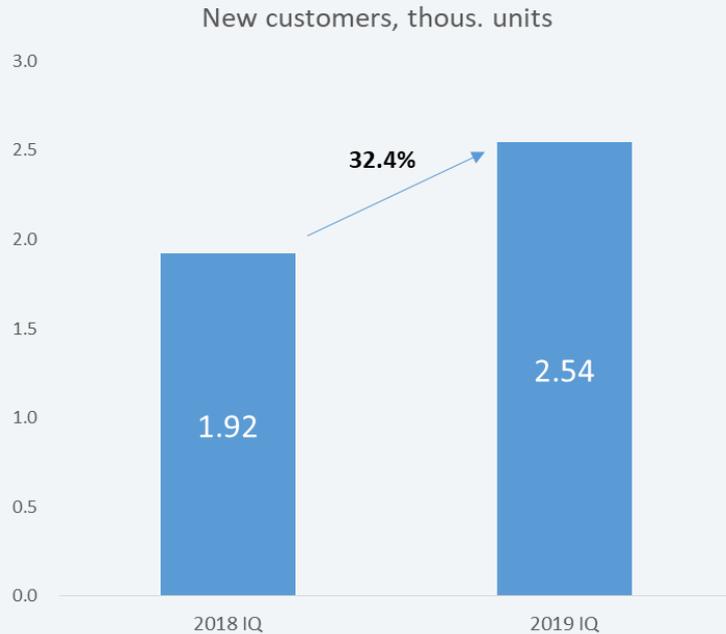
Connection of new customers - ELECTRICITY



In 3 months of 2019 ESO connected about 5.7% more new customers to the electricity distribution network than in 3 months of 2018.

Connection time decreased by 10.2 calendar day.

Connection of new customers – NATURAL GAS

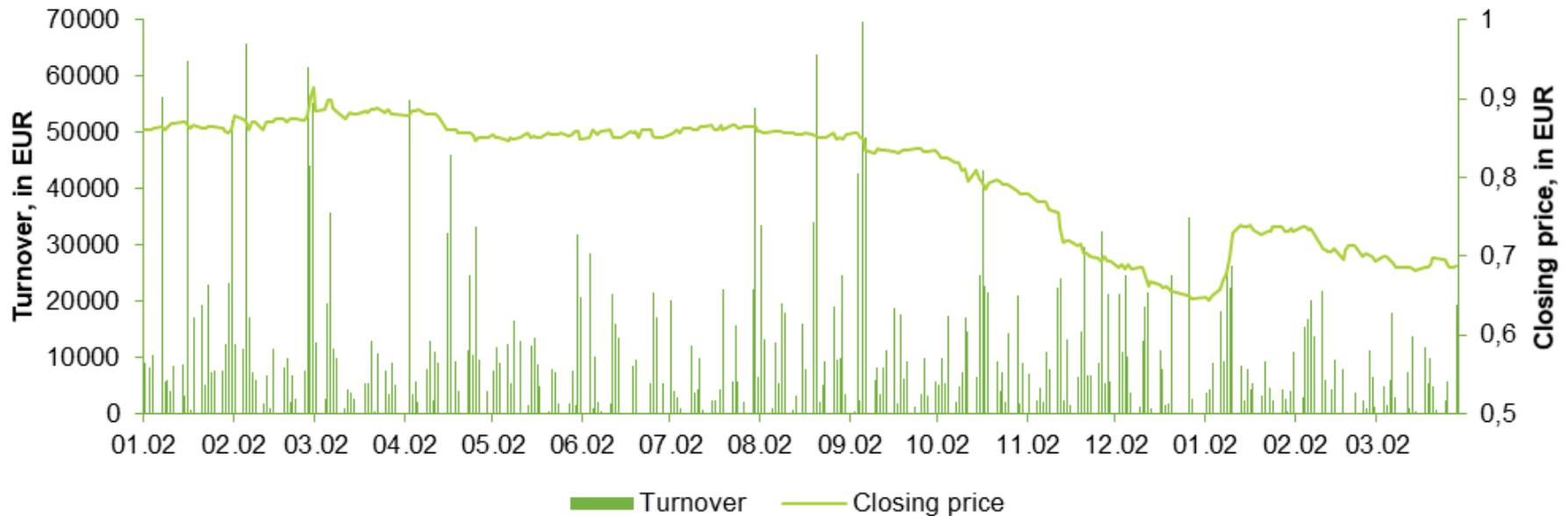


In 3 months of 2019 ESO connected 32.4% more new customers to the natural gas distribution network than in 3 months of 2018.

Connection time decreased by 17.9 calendar days.

Share price and shareholders

Main shareholder was „Lietuvos energija“, UAB holding 94.98% of shares, with the rest floating.



ESO – the third largest company by market capitalization on NASDAQ Baltic Exchange (615.50 mln. EUR). The weighted average price during the reporting period was EUR 0.706.



eso

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