PJSC Gazprom Neft

Q1 2018 Financial and operating results
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Anna Sidorkina, Head of Investor Relations

Good afternoon, ladies and gentlemen, and welcome to our conference call, highlighting the results of activities in 1Q 2018 (IFRS). A presentation and commentary on our financial results can be found on our website. Before we begin, I would like to introduce everyone participating in today's conference call. Alexey Yankeyvich, Deputy CEO for Economics and Finance, will be commenting on the financial report; Alexander Mikheev, Head of Economics and Investment for the Upstream Division, will be reporting on Upstream Division activities, followed by Vladimir Konstantinov, Head of Economics and Investment for the Downstream Division (Logistics, Processing and Sales), who will be talking about activities in the Downstream Division. After which, colleagues from relevant departments will be helping us answer your questions, during a Q&A session.

As always, before we start our conference call I would like to remind you that the presentation you see on the webcast on our site, and comments made during the presentation, may contain and will contain forward-looking statements relating to the company's financial position and the results of its business activities. All statements, other than assertions about past facts, are or should be treated as forward-looking statements. Such statements express expectations about the future based on the current situation and assumptions made by Company managers, and involve both known and unknown risks and uncertainties that may cause actual results to differ materially from those contained in or implied by the conference call today.

Thank you, and I will now hand over to Alexey Yankevich.

Alexey Yankevich, Member of the Management Board and CFO

Good afternoon, ladies and gentlemen. Today we will be presenting the results of the company's activities for 1Q 2018. I would like to note that the first quarter was not an easy one in terms of the external environment, and its impact was contradictory. On the one hand, we can see evidence of a recovery in oil prices – which is, obviously, a positive factor for the industry. On the other hand, the industry continues to live under OPEC constraints, which is imposing certain restrictions on our activities. Added to which, you are aware of the somewhat difficult situation in processing; and those two factors, accordingly, could be described as negative. At the same time, it should be noted that Gazprom Neft's 1Q 2018 results can, with some confidence, be described good, and we continue to confirm our status as a growing company – as evidenced by our production growth: total hydrocarbon production having increased one percent year-on-year. Refining volumes are also up, the challenging situation notwithstanding, helped here by our having, fortuitously, completed all planned refurbishment taking place last year. It is also gratifying to see sales continuing to grow in premium sectors and filling-station sales. We didn't just prove a growing company in the first quarter, but also, clearly, grew ahead of the market. By which I mean that the contribution made by of our internal efficiency, improvements to corporate structure, and optimising our product range meant we were able to grow more strongly than would have been the case simply through higher global prices; I will be showing this later, on the factorial analysis slide. EBIDTA growth of 32 percent is, in itself, very impressive and suggests that the macro environment wasn't the only growth factor. If we had done nothing, and had simply followed the external environment, we would have grown by no more than 17 to 18 percent; so the contribution made by the company's activities is quite substantial, while prices have, at the same time, also helped.

As for comparing our results with the previous quarter, I always say – this is difficult, because the industry is seasonal, there are particular aspects to each quarter. The first quarter, for all oil companies, is far from the best. This is due to seasonality and, in particular, to the fewer number of days in February – which has an impact on all company metrics (as a result of an ongoing business activity). So we can see that production fell: but the main factor here was the lower number of days, while daily production was stable. Refining volumes decreased – the result of the challenging situation regarding refining profitability, although I should stress, right off, that we are reasonably comfortable with this. We have good facilities, and we have a good premium retail network – but refining, generally, is not in a better position, and we need to strike a balance here, in order to maintain it at a viable level. Despite the fact that fewer days meant production fell, financial performance improved, EBITDA grew by 2.7 percent, and net profit increased.

That covers my review of the main results and finances, and I will now hand over to Alexander Mikheev, Upstream.

Alexander Mikheev, Head of Economics and Investment Department, Upstream Division

Good afternoon, ladies and gentlemen. We will be outlining results from the Upstream Division. I'll start with the main events occurring in the first quarter of this year. In March, we increased the stake in our joint venture with Novatek, Arcticgas, to 50 percent. If we're talking about our success in resource base development and geological exploration, we obtained licenses for hydrocarbon exploration and production at six license blocks in the Khanty-Mansi Autonomous Okrug, and two license blocks in the Yamalo-Nenets Autonomous Okrug. The Novozarinskoye field was also discovered: this is the Uransky license block, located in the Orenburg Region, with geological reserves estimated at over 11 million tonnes. We continue to ship premium oil from the Arctic Shelf. At our international projects, specifically the Garmian block in the Kurdistan Region of Iraq, we commissioned the second Sarqala-2 well, now producing over 11,000 barrels per day. Construction of the first production well at the Tazovskoye field has now been completed, with initial production in excess of 100 tonnes per day. Further hydraulic fracturing has been carried out at our project (at the Yamburgskoye field) to develop Achimov oil-rim deposits – with significant effect, delivering more than 100 tonnes per day.

As regards production, the next slide – here, as we've already seen, if you look at the results of the first quarter compared to the same period last year, we've grown by just over one percent; the total figure being 22.2 million tonnes of oil equivalent: and here we see the results of management activities in refocusing on more marginal production at our major projects. First of all, the Novy Port project. Under the current restrictions of the OPEC deal, we see that the main factors driving production growth were Novy Port and and Messoyakha, as well as projects in Iraq. Talking about production breakdown, on the right-hand diagram we see that, with an insignificant decrease in the volume of liquid hydrocarbons, we have grown by almost 600 tonnes of oil equivalent in gas. This is primarily due to increasing utilisation of associated gas, the result of launching an gas processing plant at our Novy Port project. This is still not yet operating at full capacity – four out of the seven compressors are currently in operation – but this has, nonetheless, allowed us to deliver that sort of growth.

A bit more detail, on the next slide, about the activities and initiatives that have allowed us to achieve this growth in hydrocarbons, in the context of our key major projects. As regards the Prirazlomnoye project, here we have commissioned a production well with an initial production rate of 1,170 tonnes per day as well as, following the workover of a previously drilled well, obtaining further gains, of about 500 tonnes per day. Regarding our project at the Garmian block, the Sarqala-2 well, as I've already mentioned, has been drilled. As regards Novy Port, here we have successfully drilled a four-downhole multilateral well. This well is unique, with a total run of almost seven kilometres, of which 4.4 kilometres were run through the productive strata – subsequently obtaining a very high initial production rate, of about 270 tonnes per day. A pilot polymer-flooding project has been successful implemented at the Messoyakha project. The first horizontal production well has been drilled into deep strata – the depth of the well being 3.3 kilometres, delivering an initial production rate of 250 tonnes per day.

The next slide is about operational efficiency under OPEC+ constraints. The trend in terms of operating expenses is positive, this having decreased by almost four percent. There are divergent contributions from various projects here, and if we're talking about our mature fields, then this effect has largely been achieved through a very tough kind of an approach to various restrictions, and almost putting on hold and stopping the high water cut well stock. We have terminated entire assets and, subsequently, have achieved a reduction in specific operating costs, of almost seven percent. As regards major projects, there's a positive trend here too, but of a different character. Here we witnessing a trend in terms of major projects reaching plateau production and, accordingly, the overriding trend in terms of production growth impacts OPEX behaviour. As regards our joint ventures, here we are witnessing growth, the consequence of OPEC production limitations, mainly due to our Tomskneft joint-venture assets. As for international assets, growth here was primarily due to lower production at our Serbian assets and the strengthening of the Serbian dinar, partially offset by increased production in our Middle East projects.

Moving on, I'd like to talk about our technology projects as part of our implementation of the Upstream Division's Technology Strategy. We are achieving good results at our assets in the Orenburg Cluster, where we are, already, implementing a number of projects. A multistage pilot acid-proppant fracking project has been implemented, which has delivered a positive effect, with an almost 57-percent increase in well productivity, and the decision has been taken to roll this out. We are now expanding the range of potential wells, and hope to secure an increase of more than one million tonnes over the full and extensive development of this asset.

A pilot project on selecting optimum technologies and enhanced oil recovery (EOR) techniques in horizontal wells at carbonate deposits has also been initiated, and the impact here too is estimated at more than 2.5 million tonnes.

A technology project on cognitive field development has been started, as part of which we plan to create a digital integrated model of the eastern block of the Orengburg oil and gas condensate field which, according to our estimates, should mitigate the decline in base production by about two percent per year. We expect to secure additional production, as well as reducing specific operational costs by about 10 percent.

We have succeeded in drilling a horizontal well without a change of drilling tool – a pilot project, the technology for which will help considerably in optimising machinery operation, in eliminating a large number of round-trip operations for changing drilling tools: we achieved more than a 24-hour reduction in the well-drilling cycle at the pilot well.

That's everything on the Upstream Division, and I'll hand over to Vladimir Konstantinov.

Vladimir Konstantinov, Head of Economics and Investment, Downstream Division

Good evening, ladies and gentlemen. I'd like to continue Alexey Yankevich's view that 1Q 2018 was very challenging for downstream. The oil price was up 24 percent, but this increase was not offset by the traditional change in the exchange rate. The ruble didn't appreciate strong enough and, as a result, the oil price for plants increased considerably – up more than 20 percent, which could not help but impact the financial outcome for refining. In fact, financial results are close to zero in the first quarter. We had a similar financial outcome in April–May, again due to significant fluctuations in the two main metrics impacting refining efficiency – the oil price and the exchange rate. Added to which, in April we still had significant maintenance work ongoing at the Moscow refinery, but we'll talk about this in the next presentation, on 2Q results; for now, we'll go back to Q1. Against comparable resources volumes we have a fairly serious – in comparison to 1Q 2017 – change in resource structure. There were no repairs at facilities in 1Q 2018, as a result of which, we saw a recovery in refining volumes, up 15 percent on 1Q 2017 and, accordingly, on a broadly similar level of resources, we reduced export volumes as well as supplies to the domestic market.

Moving on to the next slide. As I have already said, refining volumes increased by 15 percent, the main growth here being due to the Moscow Refinery, which saw a two-fold increase; refining volumes at the Omsk Refinery and YaNOS being in line with those of 1Q 2017. Since there was no major maintenance works, including works of secondary processes, refining efficiency saw a significant improvement – in processing depth and the light oil yield. Refining efficiency in terms of these two indicators improved across all plants, but particularly at the Moscow Refinery.

Moving on to sales, as usual I'd like to say that we are increasing sales of gasoline and diesel fuels. Growth is outpacing the market, with significant growth in 1Q 2018 demonstrating the impact of retail sales, evidenced by average throughput per station, which increased 6.3 percent. Geographic coverage of high-performance (100 octane number) premium G-Drive fuel sales has also been extended. We should also pause here to point out that this significant throughput growth has been made possible by new information technologies being successfully applied throughout the company's retail sales – one case in point being the significant development of the "GazpromNeft" filling station app, already downloaded by one million users. A few words about this app. It reflects motorists' favourite services – managing their loyalty-programme bonus points, being able to look at fuel prices and their availability at a specific station, getting help online, and being able to leave feedback on a particular station. Only Gazprom Neft currently provides a range of services like this on its app. As a result, the audience for this app has grown considerably – a five-fold increase – with the number of users increasing 2.5-fold, to 360,000 people.

The company's productive business sectors – aviation fuels, bunkering, lubricants and bitumens – saw reasonable success in 1Q 2018. All areas except bitumens saw significant growth in premium sales. Growth in aviation and lubricants was more than 10 percent, bunkering more than eight percent. There has been a drop in premium bitumens, but this is nothing major and is only a matter of a few thousand tonnes. As regards activities in relevant markets and objectives achieved in 2018, I would like to highlight the increasing number of outlets at which we have a presence – in terms of airports, and the geographic distribution of our bunkering, lubricants and bitumen materials. I would also like to highlight our having concluded agreements with several major bitumen industry clients.

In closing, I'd just like to touch on some important news. We have made a start – in quite a big way – on a project on producing catalysts for oil production. This project has been under quite serious development by our company, for some time. And we've now embarked on pro-active steps. The main parameters of this project are increasing our catalyst production capacity from 3,000 tonnes in 2017 to 21,000 tonnes by 2020. We envisage this project coming to completion in 2020. We'll be significantly expanding our range of catalyst products. At the moment we're just producing catcracking catalysts, but in future we'll be producing hydrotreatment and hydrocracking catalysts. About 30 percent of products, once the project is complete, are expected to be used throughout Gazprom Group businesses – which means Gazprom Neft and other Gazprom subsidiaries – and 70 percent will be made available to the market, mainly the domestic market, where we already have customers, at the moment. Indeed, of the small volume we are currently producing, we are, already, making some of it available to the market. Once the project is complete, the majority will go to the Russian market. It's also a matter of import substitution, particularly since our quality and competitiveness is at a pretty high level. Another important point is that we expect to see a return on this project, since we don't expect to be just catalyst producers, but will also be offering support services in catalyst production, maintenance and replacement.

And that, I think, is all the information on the first quarter. Given the challenging macroeconomic conditions downstream is operating under, the results of our work can be described as positive. Thank you.

Alexey Yankevich, Member of the Management Board and CFO

Ladies and gentlemen, going back to analysis of financial indicators, I'm going to focus on movement in net profit, on EBITDA, with factorial analysis in more detail a bit later. It's worth noting that growth in net profit – at 12 percent – could be a lot higher; it's really lagging behind EBITDA growth. The main factor here concerns differences in exchange rates, which resulted in a high base in 1Q last year (where we had a positive exchange rate differential – a positive exchange gain connected with the ruble appreciation), and 1Q 2018 when the rate was reasonably stable and we didn't have any major outcomes from differential exchange rates. But in all other respects changes in net profit correlate to changes in EBITDA.

A bit more detail on EBITDA. The next slide shows the impact of various factors on changes in operating profit. As I said, the external environment – in terms of higher oil prices – helped us, but this is, by no means, the only growth factor. If internal factors and our own efforts, internally, had no impact then we'd be growing solely as a result of external factors – at a rate of 17–18 percent. The pretty significant increase of 32 percent was achieved by our own internal efficiency. We, OPEC limitations notwithstanding, were able to increase the profitability of the Upstream Division by developing our new projects; and by improving production structuring – i.e., by increasing the proportion of new, more efficient projects in such production structuring, on the one hand, and, on the other, undertaking pretty serious cost optimisation at mature fields. This meant the Upstream Division was able to become more profitable. Downstream, we also increased efficiency and, as a result, added another seven billion rubles.

The next slide shows changes against the previous quarter. As I said, the first quarter is always harder than the fourth, not least due to the fewer days, which influenced the fact that, despite our efforts to increase upstream profitability, we only managed to offset the negative effect of fewer days on production and, as a result, upstream saw no change.There was a small decline, around zero, downstream, due to the factors cited by Vladimir Konstantinov. The first quarter was certainly tough, we had to keep a balance, there was no possibility of increasing refining. We compensated for negative factors and allowed the price growth to increase our efficiency, with the result that the first quarter was 2.7 percent up on the fourth quarter.

The next slide is on cash flow. It is important to note that we continue to secure a positive free cash flow. Free cash flow totalled RUB12 billion, but RUB11 billion needs to be added to that – being the return on funds invested in Messoyakha. In general terms, this forms part of our operating cash flow, so it's probably more correct to look at all figures, in total. In analysing cash flow in previous years, we have included investments in joint ventures in our cash outflows, which means it's now correct to include a return to cash inflow. So, formally, from the standpoint of IFRS reporting, cash flow was 12 billion, but calculated correctly, it is 23 billion. Plus, in the first quarter, the loan portfolio increased – the result of the fact that, in the first quarter, we paid fairly significant interim dividends (for nine months). I will say, straight away, that we continue to expect a positive free cash flow, which might be even higher thanks to a number of one-off factors, including working capital. According to our forecast, working capital will improve, so, accordingly, we expect, in terms of the year as a whole, to achieve a positive free cash flow.

The next slide is on investment. Investments grew by nine percent year-on-year but we do not expect that sort of trend over the year as a whole, and we are sticking to the forecast we made earlier, of maintaining the same level as last year. There were a number of distinct factors in the first quarter.First and foremost, the impact of a low base in upstream. You'll remember that, in the first quarter of 2017, we had very severe weather conditions, and there was a temporary decrease in CAPEX. In comparison with the previous quarter, we see growth upstream, although one might expect a decline, due to OPEC. This forecast remains relevant, since there is this peculiar to the first quarter. As regards downstream, here we see an increase in investment. We predicted this, and we also announced it. And this includes higher advances in respect of major projects, including, primarily, refining projects. Going back, again, to the forecast, growth of nine percent, according to our calculations, is not typical for the year as a whole.

I'll end my presentation with a review of our loan portfolio. I would like to note that our financial stability is improving, debt-to-EBITDA is declining – and that's a positive thing. As regards the sustainability and terms of the loan portfolio, we see that the portfolio is fairly balanced, it's not deteriorating, it's even showing a slight improvement in the medium term. We continue to be a good and successful borrower on the domestic market, we continue to issue ruble bonds and, when market windows appear, we will continue to do so. As we have already stated, we have returned to a full investment-grade credit rating, with all three international rating agencies now rating us at investment grade, which has a positive impact on our image as a good borrower.

And here I'll end my presentation. Summing up, I'd like to say that we view these results as good. Above all, it's important to us that we maintain a positive trend, and that our financial indicators improve. As regards production, as soon as the structure and extent of OPEC quotas changes, we are ready to increase production volumes. But even without an increase in absolute production volumes, we are experiencing a structural improvement upstream and this will continue – the contribution from new projects will continue to grow, which will increase profitability upstream. So, we see opportunities for further growth in our profit and profitability, both upstream and downstream. Our forecast is positive, including in terms of cash flows; in terms of the year as a whole, I don't think we will disappoint you. And that's everything from me – I'm ready to answer any questions.

Q&A

Question 1

Alexander Kornilov, ATON

Gentlemen, good evening, many thanks for the opportunity to ask a question. I, in fact, have two. During the presentation, you mentioned that you are ready to increase production in the event of participants weakening the restrictions of the OPEC Plus agreement; you couldn't be a bit more specific as to the extent to which you are prepared to increase production, how fast, and through which assets? That's the first question.

And the second question. On the last call, you said that CAPEX would remain at 2017 levels until 2020, at which point the focus would change. If previously you were focussing on upstream projects, then by 2020 you planned to focus more on refining, and, accordingly, on projects related to increasing refining depth, etc. So can you tell us, please, in the context of the recent discussion on zeroing export duty by 2024, which the Ministry of Finance is insisting on, will it affect your enthusiasm for investment in refining at all, or are your plans not going to change? Thank you!

Alexey Yankevich, Member of the Management Board and CFO

Alexander, thank you for your questions. The first one, on production and OPEC, I'll pass to Alexander Mikheev, and the next one I'll answer myself.

Alexander Mikheev, Head of Economics and Investment Department, Upstream Division

In terms of production, as a result of the weakening of the OPEC deal, we are considering different options, but first of all we will increase production at our mature assets, obviously with an eye to the efficiency of those projects in our portfolio. I can't give a precise figure, but I think, on the whole, the trend we have delivered in terms of year-on-year growth in recent years will continue, so over a few years maybe one to three percent. But I can't give an exact figure right now.

Alexey Yankevich, Member of the Management Board and CFO

Alexander, as to the second part of your question, I would say this: our plans on modernisation are not going to change and, on some projects, incremental economies will accrue, because modernisation is directed at improving the range – increasing light products and, accordingly, reducing the proportion of dark products. This will allow plants to be more profitable, under any conditions. In a zero-duty environment, some plants, at current levels, will become even more profitable. Discussion is now ongoing with the Ministry of Finance to the effect that advanced factories shouldn't lose out, substantially, even if nothing is done. We're expecting a concept that protects refining profitability at precisely those plants with a better complexity – and which are producing a significant proportion of light products. More advanced plants will be profitable even in a zero-duty environment, so our plans are not going to change. Thank you.

Question 2

Evgenia Dyshlyuk, Gazprombank

Good morning. I have three short questions. First question: what's the reason for the decline in oil production at the Prirazlomnoye and Messoyakha fields compared with the fourth quarter?

Second question: what's the reason behind the negative change in working capital, which has turned out to be higher than in the fourth quarter and in Q1 2017? I mean, mainly, accounts receivable?

And the third question: could you possibly comment generally upon the current economics in refining? I'm mainly wondering whether excise duties were passed on to consumers in full from the start of growth in 2017, and how, in your view, the expected reduction in excise duties from 1 July is likely to impact the refining margin? Does this mean the situation is going to show a major improvement, a reduction in prices at filling stations, or will it improve the profitability of some sectors? Who's going to benefit from this? Thank you.

Alexey Yankevich, Member of the Management Board and CFO

Evgenia, thank you. I'll start by answering question by question. Firstly, the reduction in oil production at Prirazlomnoye and Messoyakha. First of all, I wanted to say, we haven't had any drop in production at Messoyakha. We'll send you another breakdown – have a look at it. As regards Prirazlomnoye, there definitely has been a drop, connected to a number of repairs being carried out at our wells. These repairs have now been successfully completed, and we can see a marked increase in the production rate.

On working capital, there has, definitely, been an increase in accounts receivable; there are two factors here, one simple and one complex. The simple one has less weight, but it is there – and that's the increase in prices. With a growth in prices (and all other things being equal) accounts receivable always grow. But the bigger factor concerns the fact that we have a certain proportion of accounts receivable in exports that are regulated – although this is connected with certain costs. Accordingly, we use this depending on the liquidity situation. In the first quarter, liquidity was adequate – somewhere else, there might be a bit of a surplus. You know, there were serious expectations, from sanctions getting worse, there was a lot of talk and we tried to hedge, worried that worsening sanctions might have a negative impact on the debt market. We made certain borrowings, fixing good terms, in advance. This, on the one hand, meant we were able to hedge, although the impact – for all of us, and for the market – didn't turn out to be as serious as predicted although, I think, it's better to hedge than to take that risk. On the other hand, we had excess liquidity, which would not have existed if we had been in a completely stable environment. In this situation, there was no sense in using mechanisms to cut payment terms, because that would entail certain costs. In the future, within a year, we will use this mechanism so, as I said, we expect a certain reverse and, accordingly, an improvement in working capital and the removal of that negative factor occurring in Q1 2018.

The next question was about the economy, downstream. I'll start answering, and Vladimir Konstantinov can add anything, if necessary. The question concerned passing on excise duties. That question wasn't really correct – nobody ever passes anything on, because we're not market makers. If we were monopolists, then we might be able to pass something on to consumers. But we operate within a market and, accordingly, our prices are all tied in to commodity prices, and on the market, we follow the market. Excise taxes have an impact on the market to some extent, certainly, so the reduction in excise duties we are expecting will have a positive impact on the market, relieving the current strain on the market, to some extent. There's no doubt, it's difficult to keep up with fluctuating market prices, particularly under sharply rising oil prices – that's always been the case. In this context, reducing excise taxes will help the market adapt. That's how I'd answer that question and, further, we're not the sort of company, we're not in a position to pass comments on market forecasts and market mechanisms. You'd need to go to a regulatory agency or an exchange so they can give you a forecast as to how this will impact various market participants. Thank you.

Evgenia Dyshlyuk, Gazprombank

Thank you very much. I now know that you're price taker.

Question 3

Ekaterina Rodina, VTB Capital

Good evening. Thank you very much for the presentation. I have a few questions, if that's OK. First, if I heard correctly, the company plans to keep investment this year at the same level as 2017 – about RUB360 billion. You couldn't give us a breakdown in CAPEX – how much of this you plan to allocate to upstream, how much to refining, and how much to marketing? That's the first question.

And two questions on refining, another hot topic. If I heard correctly, Vladimir Konstantinov said that first-quarter financial results in this sector were roughly zero – in terms of financial results; do I understand correctly – that means net profit? And the second question on refining, on your planned expansion of catalyst production. You plan to increase capacity from 3,000 to 21,000 – what's the total size of the catalyst market? So that I can understand your position, if that's OK. Thank you.

Alexey Yankevich, Member of the Management Board and CFO

Thank you for all your questions. As regards a breakdown – this remains the same as stated, upwards of 60 percent is upstream, about 35 – 36 percent is downstream, and then some small percentages are going on other investments – IT, infrastructure, everything else. That breakdown, which we've already outlined, remains in place.

The next question was on refining. Vladimir Konstantinov will answer this, and will also talk about catalysts.

Vladimir Konstantinov, Head of Economics and Investment Department, Downstream Division

As regards financial performance, in this case it means the refining margin, which is more or less the same as operating profit.

As regards the catalysts market, forecasting this precisely is difficult, insofar as it depends on what happens in terms of global modernisation of refining facilities at various companies. Companies have different plans, and these plans are pretty serious – how they're being implemented is hard for us to say at the moment; the only think we can say is that we are planning for our share in the catalysts market to be reasonably high.

Question 4

Olga Maryasova, Evli Bank

Good evening. I'd just like to clarify something. In your 2017 accounts your operating cash flow includes about RUB5.6 billion in dividends received. Can you say where you're going to get these dividends from, what they depend on?

Alexey Yankevich, Member of the Management Board and CFO

Olga, thank you very much. As regards dividends received, traditionally NIS, our independent Serbian subsidiary makes up that line, and it's Salym Petroleum Development and Tomskneft. Sorry, Salym is a JV. It's mainly NIS, dividends from NIS, we receive these regularly and will continue to do so.

Olga, we'll send you a more detailed transcript, so that you've got the figures and can forecast them. I'm not going to give exact figures now, there are other small companies we receive dividends from. We've got a list, let's just send you the breakdown.

Anna Sidorkina, Head of Investor Relations

Thank you very much for your questions, and thank you to our management for their answers, and for a good presentation. If you need anything else, please get in touch. We await your reports. Thank you very much. All the best.