

Net debt

Indicator, RUB mln	31 December 2018	31 December 2017
Total debt	93.7	89.5
Net of cash and cash equivalents	246.8	209.8
Net debt	-153.1	-120.3
Net debt/EBITDA	-0.40	-0.33

The net debt of the Company remains negative, as of 31 December 2018 this figure amounted to minus RUB 153.1 mln (this means that the cash and cash equivalents exceed the total debt on the books). As of the reporting date, PJSC Evropeyskaya Elektrotehnica had no debt owned to external creditors not affiliated with Evropeyskaya Elektrotehnica's Group of Companies.

At the end of 2018, the cash and cash equivalents showed an increase of RUB 37.0 mln, even taking into account the financial investments required to launch LLC ROG-Engineering and to continue the Group's Investment Programme.

KEY RISKS and uncertainties

The Company's activities are associated with various risks that may affect the results of operating, financial, and investment activities.

The Company strives for the successful development, rational allocation of resources, and enhancing of competitive fitness through efficient risk management.

Risk management includes the identification and assessment of potential threats and the elaboration of risk mitigation actions.

The Company has internal procedures in place to regulate risk management activities.

The main risks and uncertainties are described below together with activities aimed at reducing potential threats.

THE COMPANY'S RISK MANAGEMENT POLICY

The Company's risk management system is primarily focused on revealing potential risks before they occur or at a very early stage.

The Company regularly analyses the probability and impact of risks. Once the risks are identified, the Company evaluates them and prepare the measures to eliminate or mitigate the negative consequences to acceptable level.

The essence of the risk management system of PJSC Evropeyskaya Elektrotehnica is to implement a continuous process relating to all activities of the Company and aimed at risks identification, assessment and development of measures to mitigate the risks and probability of their occurrence.

The Company's business are exposed to the risks inherent in its financial and economic activities. The presented list of risks is not exhaustive and reflects an outlook on the most significant risks, based on the Company's own estimates.