



# SOLLERS IFRS RESULTS 2018

April 30, 2019

- 1. 2018 SOLLERS STRATEGIC DEVELOPMENTS**
2. RUSSIAN AUTOMOTIVE MARKET OVERVIEW
3. SOLLERS OPERATING AND FINANCIAL PERFORMANCE IN 2018
4. SOLLERS' JOINT VENTURES' RESULTS

### 3 | 2018 SOLLERS STRATEGIC DEVELOPMENTS

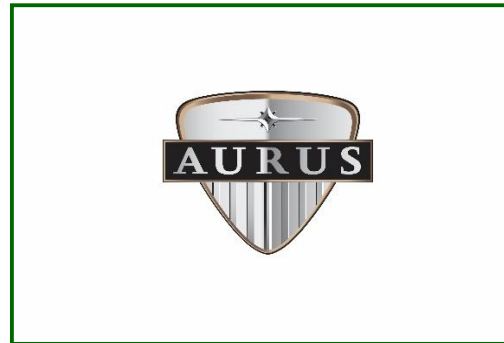
#### FEBRUARY

MAZDA-SOLLERS JV starts assembly of new Mazda CX-9 in Vladivostok



#### MAY

NAMI and SOLLERS present a brand new luxury vehicle AURUS



#### MAY

ISUZU-SOLLERS JV and Ministry of Industry and Trade signed SIC to produce vehicles at UAZ



#### JULY

"INNOPROM 2018": UAZ introduces prototype of hybrid truck UAZ PROFi



#### AUGUST

Asia Auto starts production of UAZ vehicles in Kazakhstan



#### SEPTEMBER

MAZDA-SOLLERS JV starts production of engines in Vladivostok



## SEPTEMBER

SOLLERS launches production of UAZ Patriot 2019 with new ZMZ PRO engines



## NOVEMBER

MAZDA-SOLLERS JV starts assembly of new Mazda6 in Vladivostok



## MARCH 2019

SOLLERS OJSC takes the controlling interest in the relaunched Ford Sollers JV



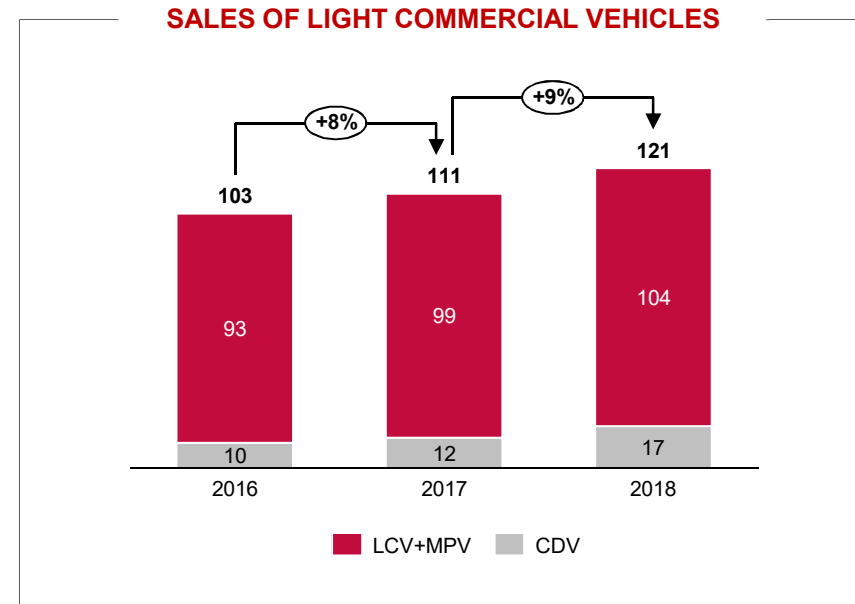
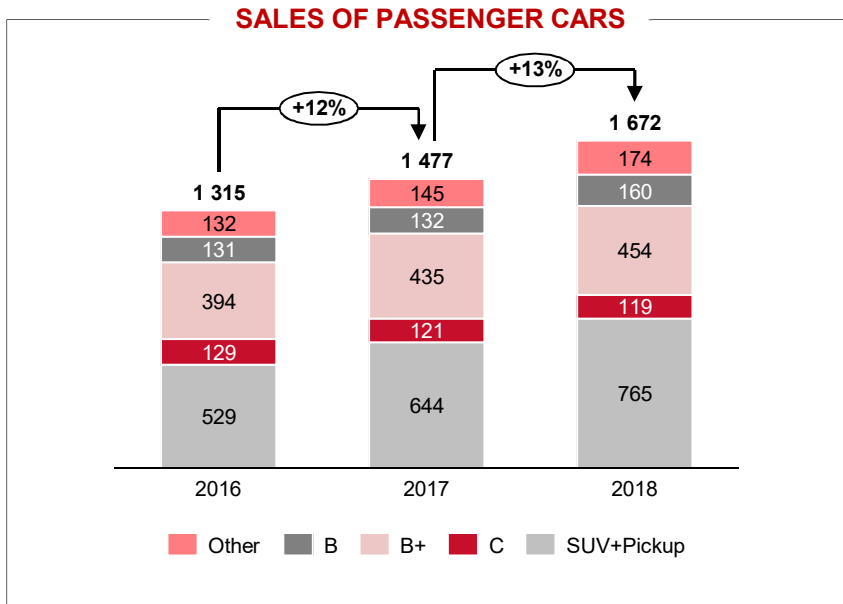
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## 6 | 2016 – 2018 RUSSIAN AUTOMOTIVE MARKET, K UNITS\*



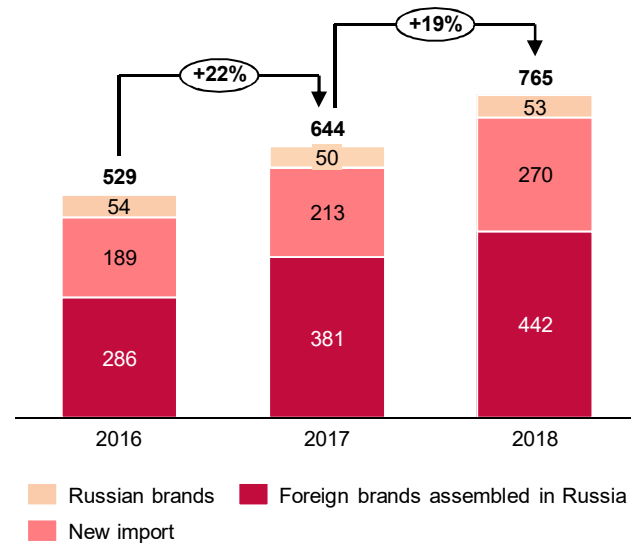
### HIGHLIGHTS

- Growth in all main market segments, the overall passenger car market went up by 13% in FY2018
- The largest SUV segment grew by 19% in FY2018 mainly due to SUV-C sales
- B+ segments was also growing by 4%
- The slight growth in LCV+MPV segment is due to sales of Ford and GAZ vehicles (+34% and +3% growth respectively)
- Some rebound of CDV segment is due to success of Lada Largus (+23% in FY2018) and the launch of Renault Dokker

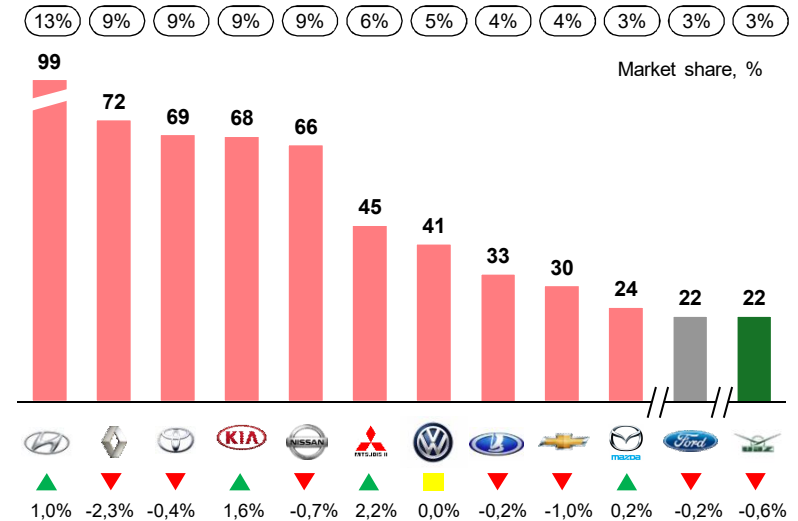
\* Source - AEB

## 7 | NEW SUV + PICKUP MARKET 2016 - 2018

NEW SUV+PICKUP MARKET 2016 – 2018, K UNITS\*



2018 KEY PLAYERS\*, K UNITS



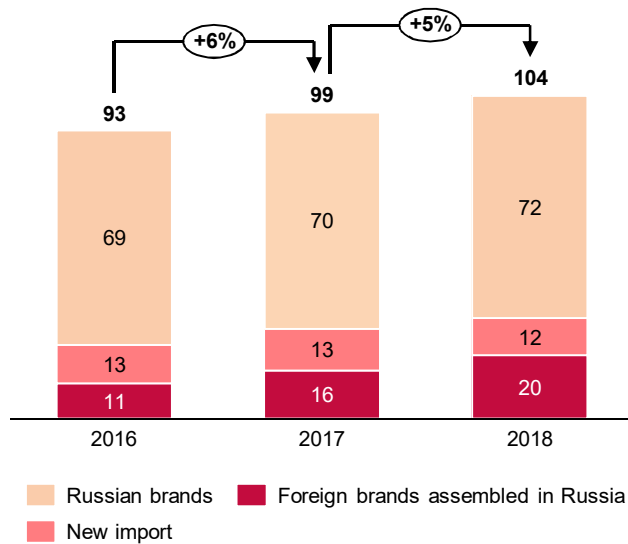
### MAJOR MARKET TRENDS

- The SUV and Pickup market outperformed the overall market: +19% vs. 13% growth of total passenger car sales
- The market leaders are locally produced crossovers Hyundai Creta and Renault Duster
- UAZ sales were down by 3% in FY2018 due to the anticipation of new UAZ Patriot launched in September 2018
- Ford sales grew with the market by 11% in FY2018. Main drivers: Ford Kuga (+7%) and Ford Explorer (+51%)

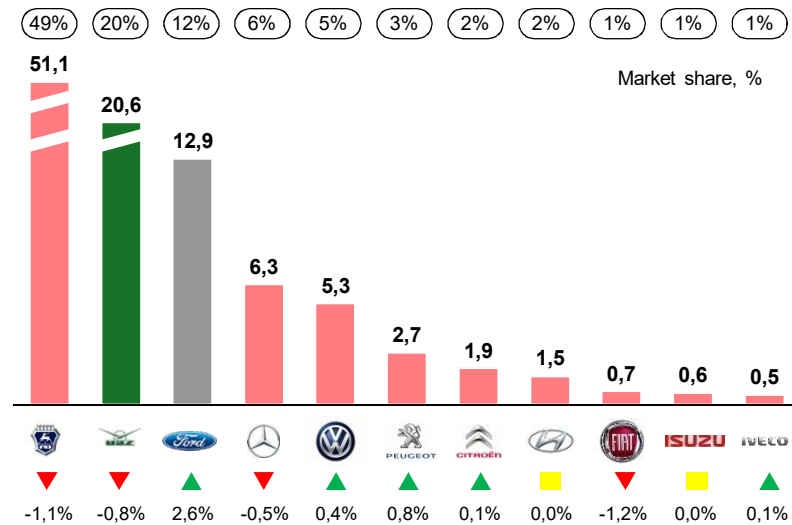
\* Source - AEB

## 8 | NEW LCV+MPV MARKET 2016-2018

NEW LCV+MPV MARKET 2016 – 2018, K UNITS\*



2018 KEY PLAYERS\*, K UNITS



### MAJOR MARKET TRENDS

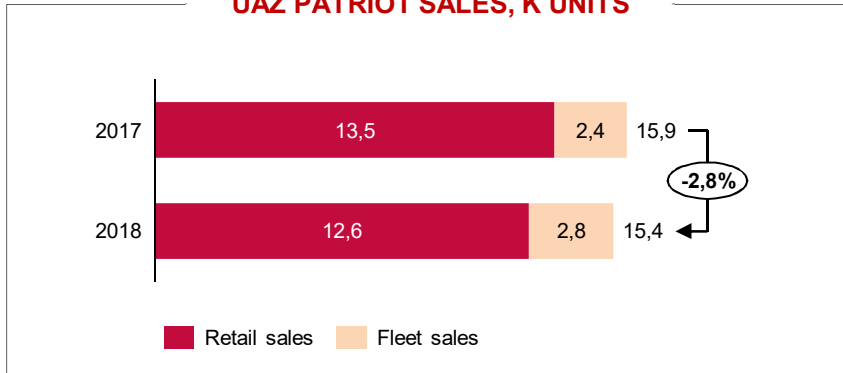
- UAZ retail sales of commercial vehicles went up by 1%, the brand is #2 player with 20% market share
- The sales of Ford CVs grew by 34% as a result of the well positioned Ford Transit

\* Source - AEB

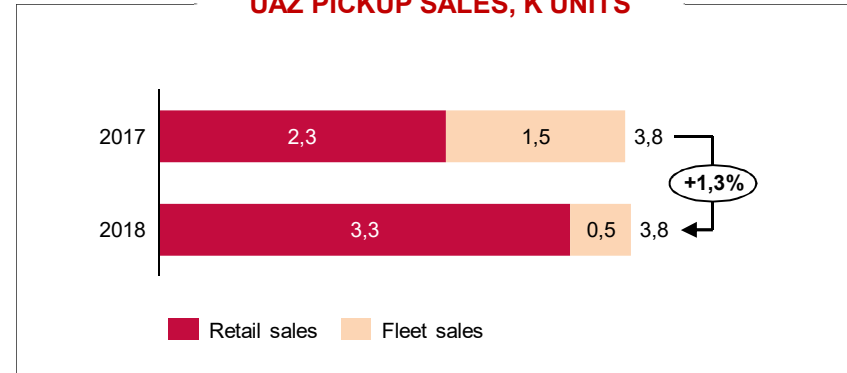


## 9 | SALES RESULTS: KEY MODELS, 2017 – 2018

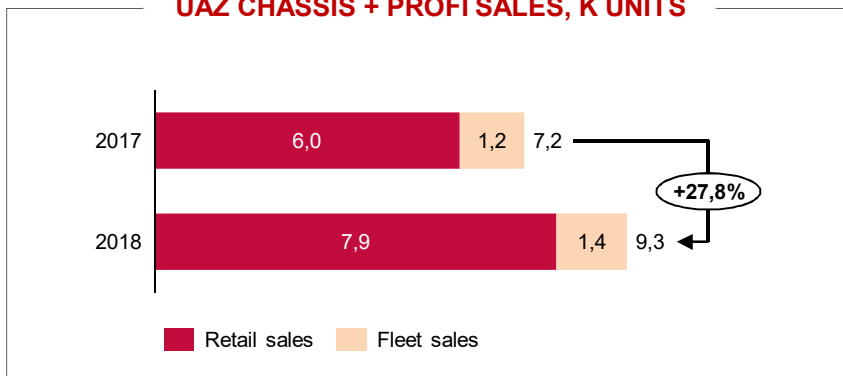
### UAZ PATRIOT SALES, K UNITS



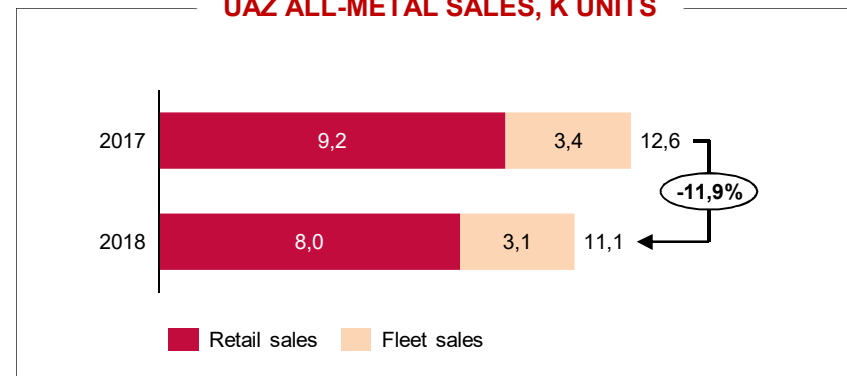
### UAZ PICKUP SALES, K UNITS



### UAZ CHASSIS + PROFI SALES, K UNITS



### UAZ ALL-METAL SALES, K UNITS



### MAJOR MARKET TRENDS

- Patriot fleet sales increased by 18%, overall decline is due to retail sales
- UAZ Pickup is the leader of the segment
- New PROFI chassis-van modifications improved CVs' sales volume

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**SOLLERS CONSOLIDATED WHOLESALLES**

<i>k units</i>	2017	2018	Change
<b>UAZ</b>	<b>46,6</b>	<b>46,4</b>	<b>-0,4%</b>
UAZ Hunter	2,3	2,0	-14,2%
UAZ Patriot	15,5	16,2	4,7%
UAZ commercial vehicles - old model range	22,0	18,4	-16,2%
UAZ commercial vehicles - new model range	6,8	8,9	31,0%
UAZ assembly kits	-	0,9	100,0%

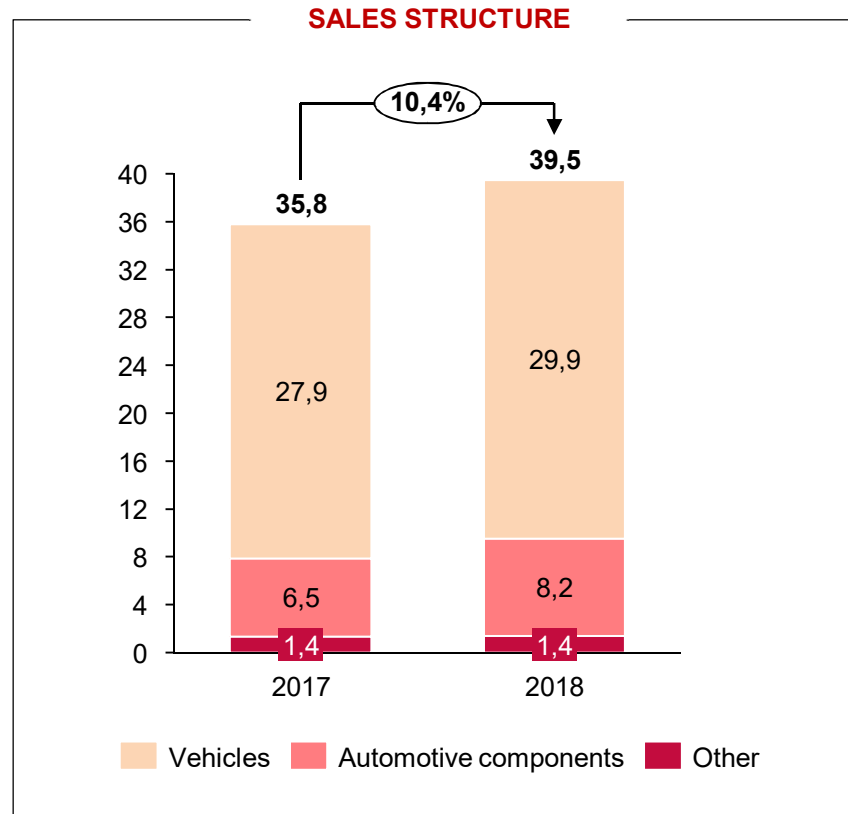
**SOLLERS JVS WHOLESALLES**

<i>k units</i>	2017	2018	Change
MAZDA SOLLERS JV	24,1	31,1	29,1%
FORD SOLLERS JV	50,4	53,2	5,6%

**HIGHLIGHTS**

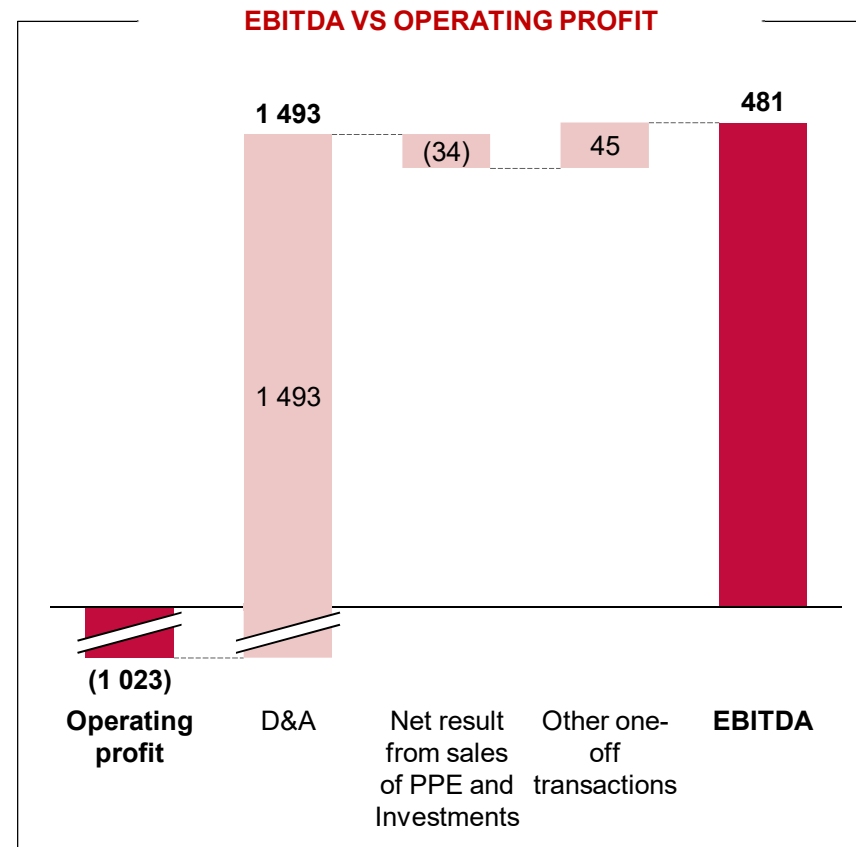
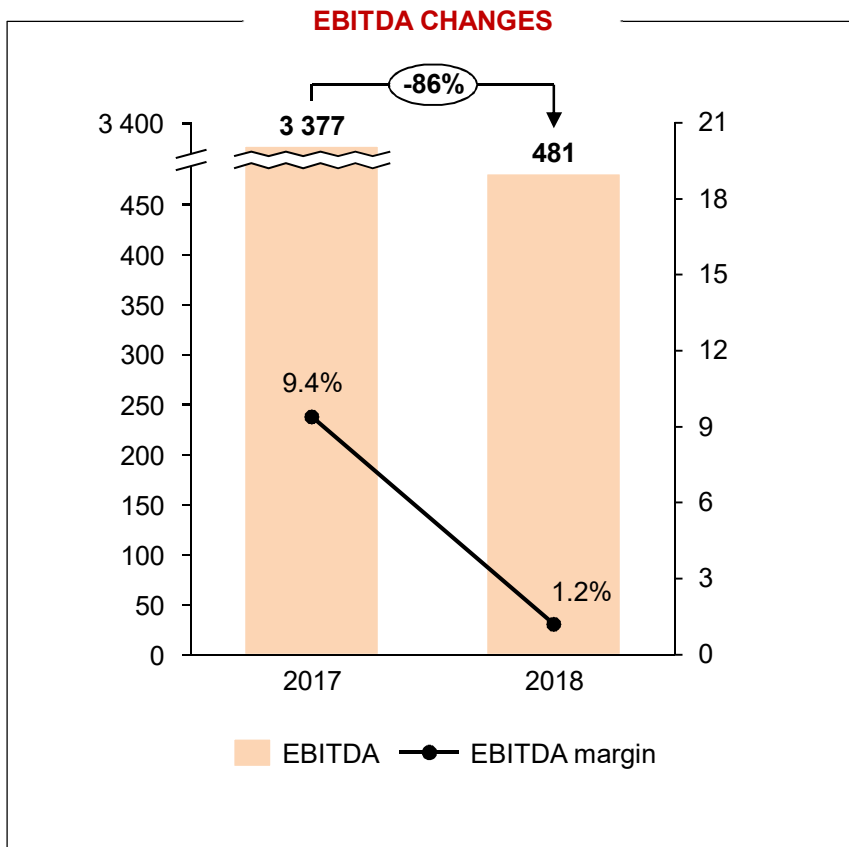
The decrease in UAZ sales volumes is due to customers' adaptation to the reduction in state direct support

<i>RUB mln</i>	2017	2018	Change
Revenue	35 764	39 479	10,4%
<b>EBITDA</b>	<b>3 377</b>	<b>481</b>	<b>-85,8%</b>
EBITDA margin	9,4%	1,2%	-8,2%
Operating profit	1 788	(1 023)	-157,2%
Operating margin	5,0%	-2,6%	-7,6%
Financial instrument recognition/ revaluation and change in fair value*	(261)	1 759	774,0%
Share of result of JVs	412	232	-43,6%
<b>Net profit</b>	<b>999</b>	<b>46</b>	<b>-95,4%</b>
Net debt as of 31.12.2017/ 31.12.2018	7 609	3 703	-51,3%

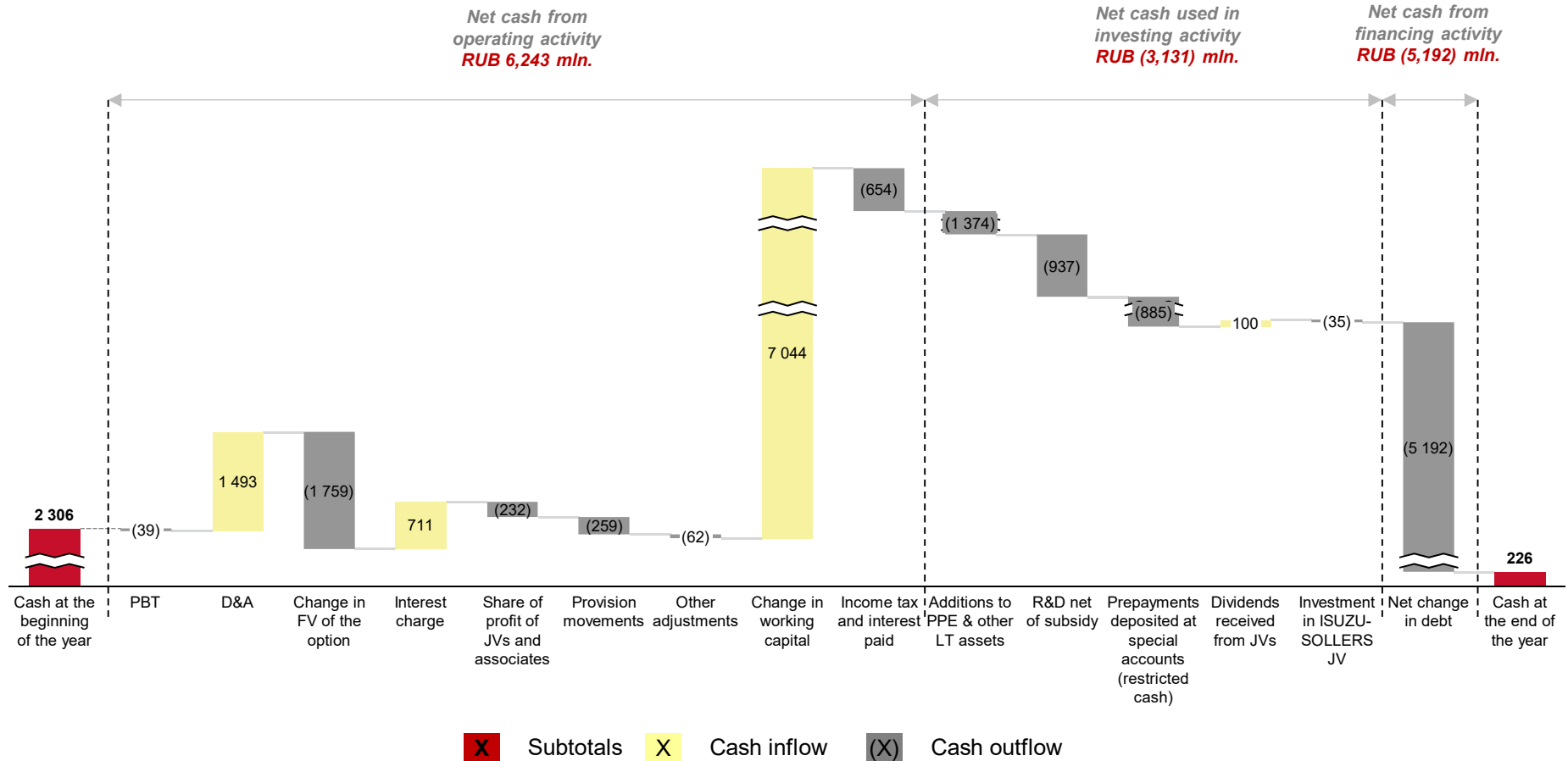


The growth in the Group's revenue of 10,4% due to the change in UAZ product mix and sales of components

# 14 | EBITDA CHANGES, RUB MLN



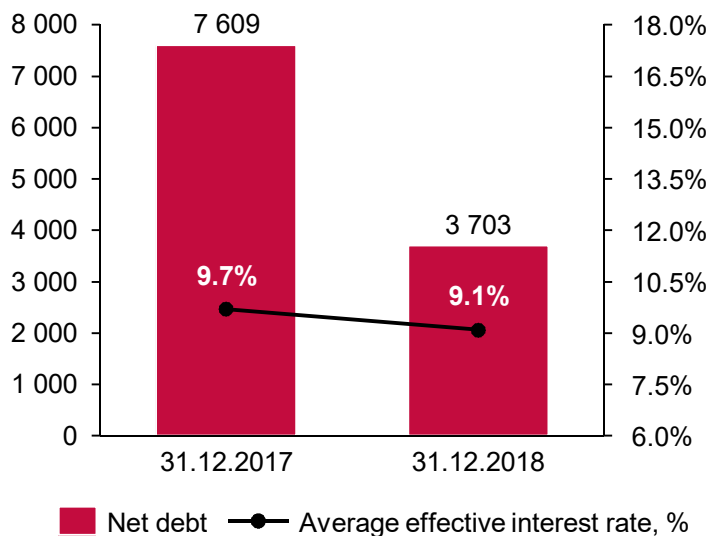
# 15 | CASH FLOW, RUB MLN



Other adjustments include profit/ loss on the sale of property, plant and equipment, investments and other non-current assets, R&D expenses and amortization of government grants



**NET DEBT POSITION AND EFFECTIVE INTEREST RATE**



**NET DEBT STRUCTURE**

<i>RUB mln</i>	31.12.2017	31.12.2018	Change
Long-term debt	2 830	1 254	-55,7%
Short-term debt	7 961	4 436	-44,3%
<b>Total debt</b>	<b>10 791</b>	<b>5 690</b>	<b>-47,3%</b>
Cash at the end of the period	2 306	226	-90,2%
Restricted cash	876	1 761	101,0%
<b>Net debt</b>	<b>7 609</b>	<b>3 703</b>	<b>-51,3%</b>

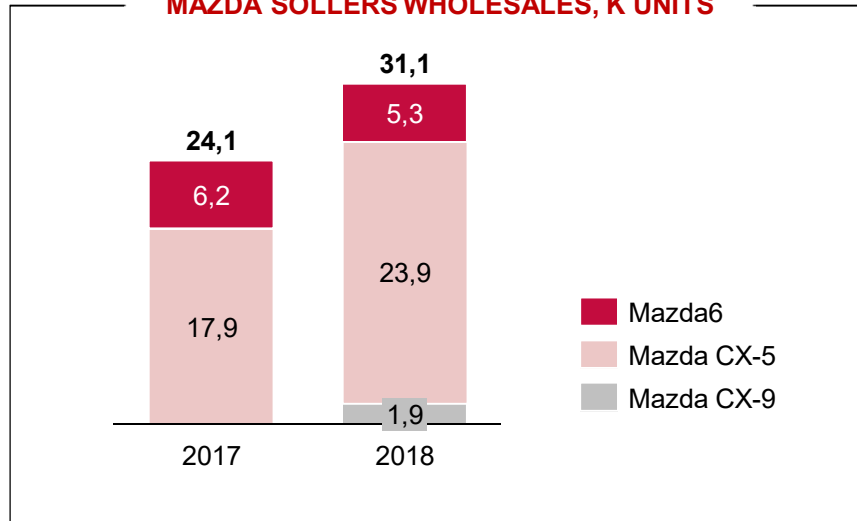
- Average effective interest rate decreases as a result of the growing share of subsidised loans from Industry Development Fund



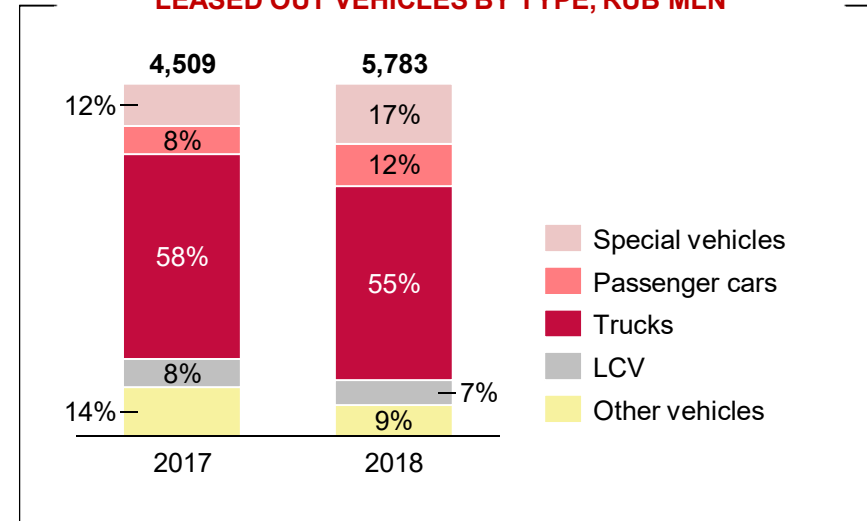
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## 18 | MAZDA SOLLERS JV AND SOLLERS-FINANCE JV PERFORMANCE

**MAZDA SOLLERS WHOLESALERS, K UNITS**



**LEASED OUT VEHICLES BY TYPE, RUB MLN**



### MAZDA SOLLERS JV FINANCIAL RESULTS

RUB mln	2017	2018
Revenue	27 490	40 210
Operating profit	662	(133)
Operating margin	2%	-
Net profit	604	39
Net profit margin	2%	-
Debt as of 31.12.2017/31.12.2018	-	-

### SOLLERS-FINANCE JV FINANCIAL RESULTS\*

RUB mln	2017	2018
Revenue	907	1 356
Operating profit	322	629
Operating margin	36%	46%
Net profit	259	502
Net profit margin	29%	37%
Leasing portfolio as of 31.12.2018/31.12.2017	4 095	5 662

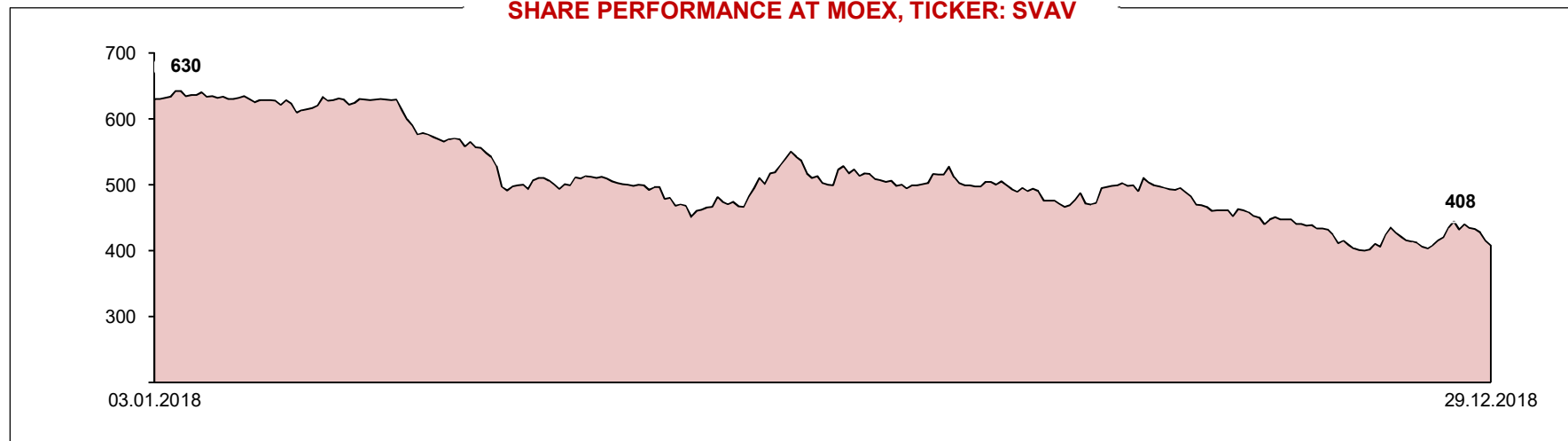
\* SOLLERS-FINANCE JV leasing portfolio adjusted for provisions


**BREAKDOWN OF JVS' CONTRIBUTION TO THE SHARE OF PROFIT OF JVS**

<i>RUB mln</i>	Current SOLLERS' stake	2017	2018	Change
MAZDA SOLLERS JV	50%	302	20	-93%
SOLLERS-BUSSAN JV	50%	(20)	(15)	-25%
ISUZU-SOLLERS JV	50%	-	(24)	n/a
SOLLERS-FINANCE JV	50%	130	251	93%
<b>TOTAL CONTRIBUTION</b>		<b>412</b>	<b>232</b>	<b>-44%</b>

The results of **Ford Sollers JV** are not presented due to impairment of the investment and recognition of the option in SOLLERS' consolidates financial statement

## SHARE PERFORMANCE AT MOEX, TICKER: SVAV



## STOCK EXCHANGE DATA AT 29.12.2018

Market capitalisation, RUB mln.	<b>13 982</b>
Shares, mln.	34,27
Price at 29.12.2018, RUB	408