



SOLLERS IFRS RESULTS 1H2019

29.08.2019

2 | STRATEGIC MILESTONES

MARCH

Ford Sollers JV announced restructuring. SOLLERS will acquire the controlling stake in the JV



MAY

Adil Shirinov was appointed the CEO of Uliyanovsk Automotive Plant



JUNE

Nikolay Sobolev was appointed the CEO of SOLLERS PJSC

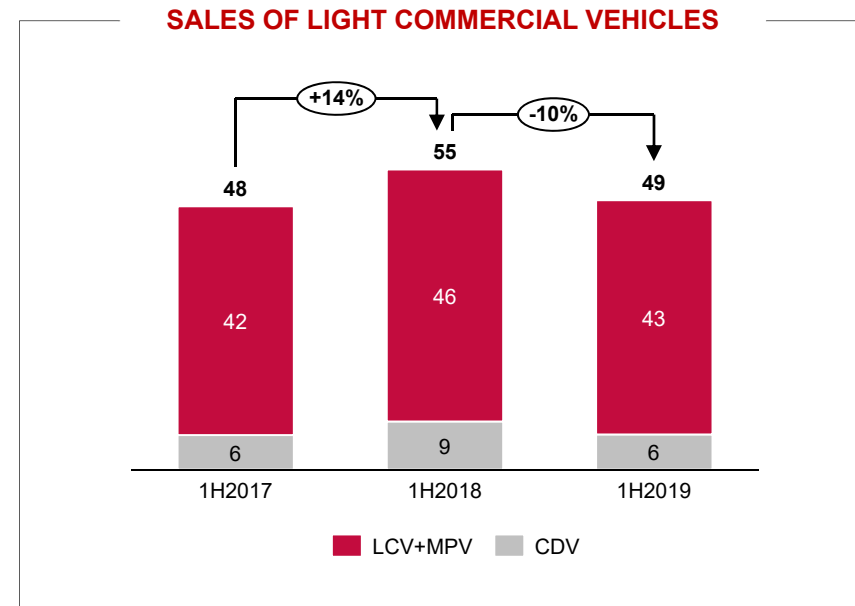
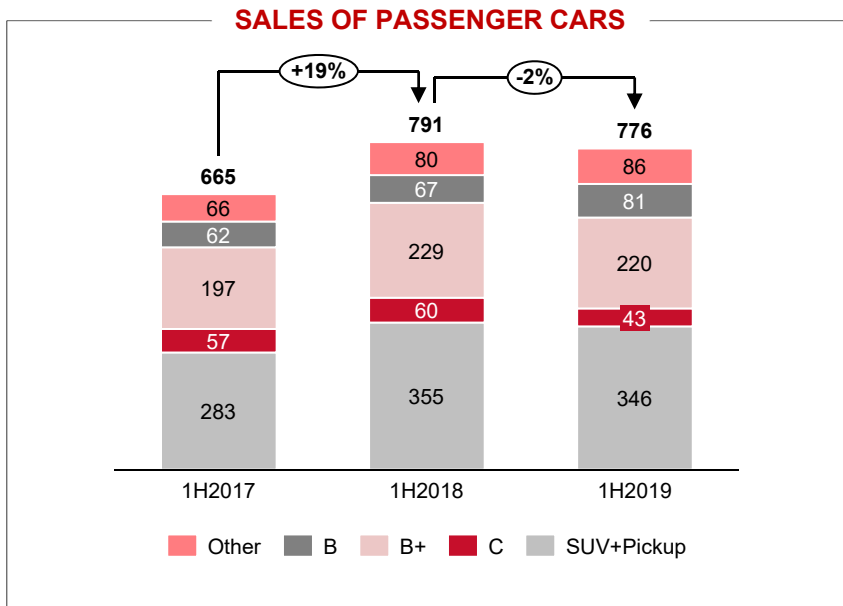


JULY

July 1, 2019: New Ford Sollers JV – start of operations



3 | 1H2017 - 1H2019 RUSSIAN AUTOMOTIVE MARKET, K UNITS*



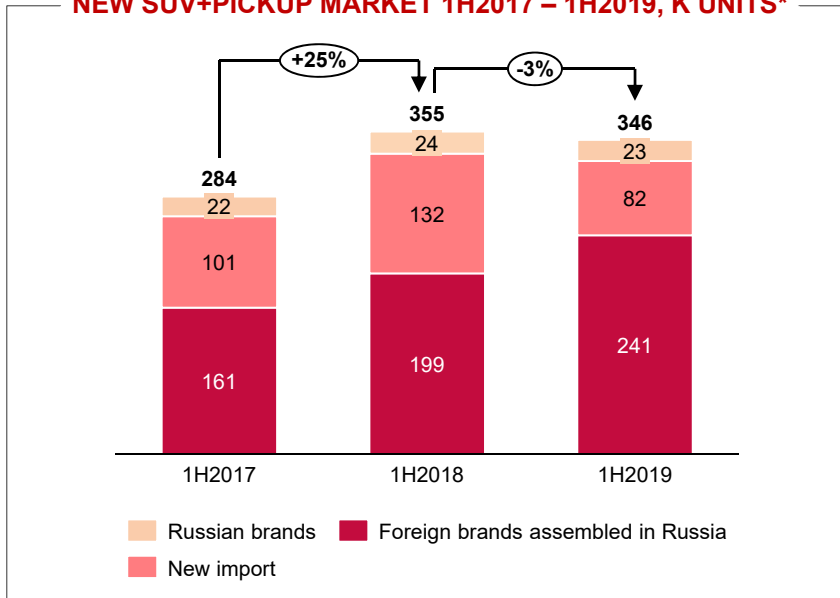
HIGHLIGHTS

- Decline in all main market segments, the overall passenger car market went down by 2%
- The largest SUV segment decreased by 3% in 1H2019
- The decrease (-7%) in LCV+MPV segment is due to sales of GAZ vehicles (-5%) and UAZ vehicles (-1%)

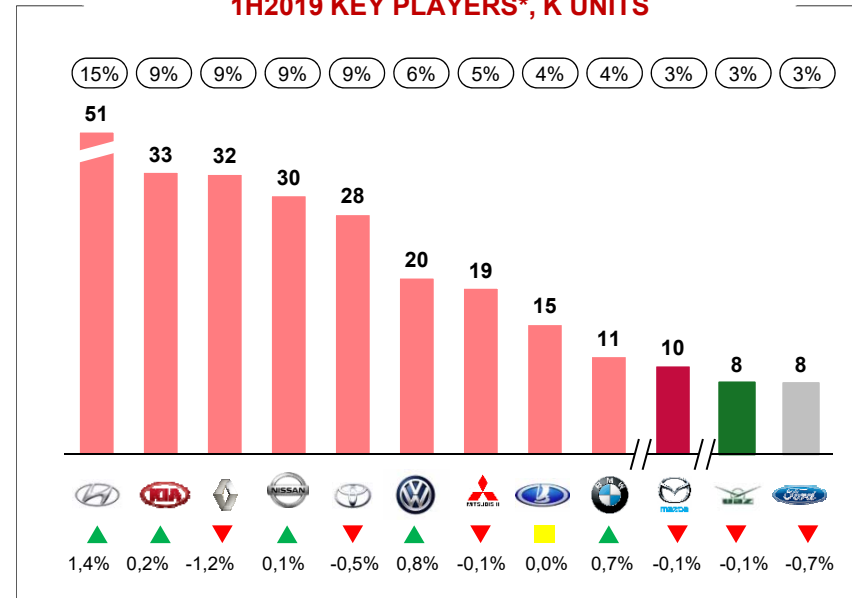
* Source - AEB

4 | NEW SUV + PICKUP MARKET 1H2017-1H2019

NEW SUV+PICKUP MARKET 1H2017 – 1H2019, K UNITS*



1H2019 KEY PLAYERS*, K UNITS



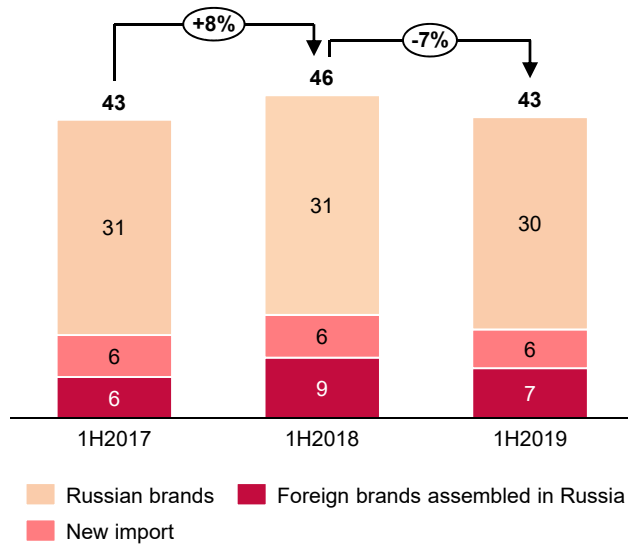
MAJOR MARKET TRENDS IN 1H2019

- The SUV and Pickup sales decreased faster than the overall market with the pace of -3%
- The market leaders are locally produced Hyundai Creta, Renault Duster and Kia Sportage
- Ford sales went down by 25% in 1H2019. Ford Sollers JV was restructured to maintain only commercial vehicle business in Russia. The local production of Ford SUVs was stopped in 1H2019

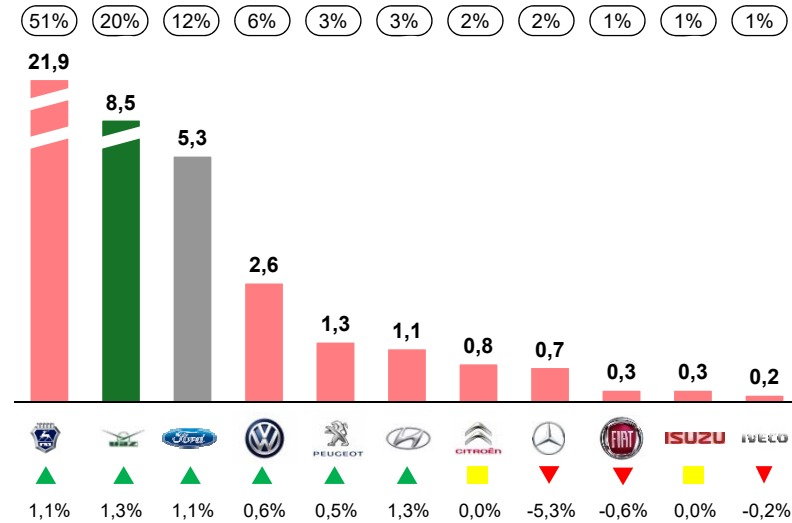
* Source - AEB

5 | NEW LCV+MPV MARKET 1H2017-1H2019

NEW LCV+MPV MARKET 1H2017 – 1H2019, K UNITS*



1H2019 KEY PLAYERS*, K UNITS



MAJOR MARKET TRENDS IN 1H2019

- UAZ retail sales of commercial vehicles were almost flat, the brand is #2 player with 20% market share
- The sales of Ford CVs grew by 3% outperforming the CV market as a result of the well positioned Ford Transit and restated business strategy

* Source - AEB

UAZ CONSOLIDATED WHOLESALLES

<i>k units</i>	1H2018	1H2019	Change
UAZ	16,8	16,8	0,0%
UAZ SUVs	7,3	7,3	0,0%
UAZ commercial vehicles	9,5	9,5	0,0%

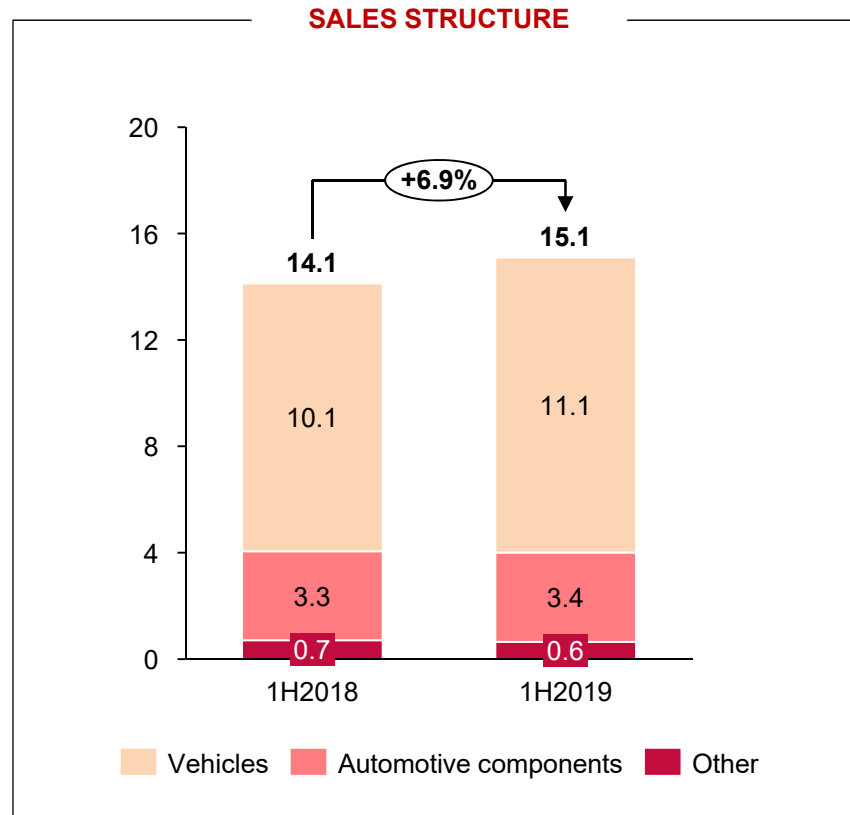
SOLLERS JVS WHOLESALLES

<i>k units</i>	1H2018	1H2019	Change
MAZDA SOLLERS JV	14,2	15,7	10,0%
FORD SOLLERS JV	27,6	20,1	-27,3%

7 | OVERVIEW OF 1H2019 FINANCIAL RESULTS

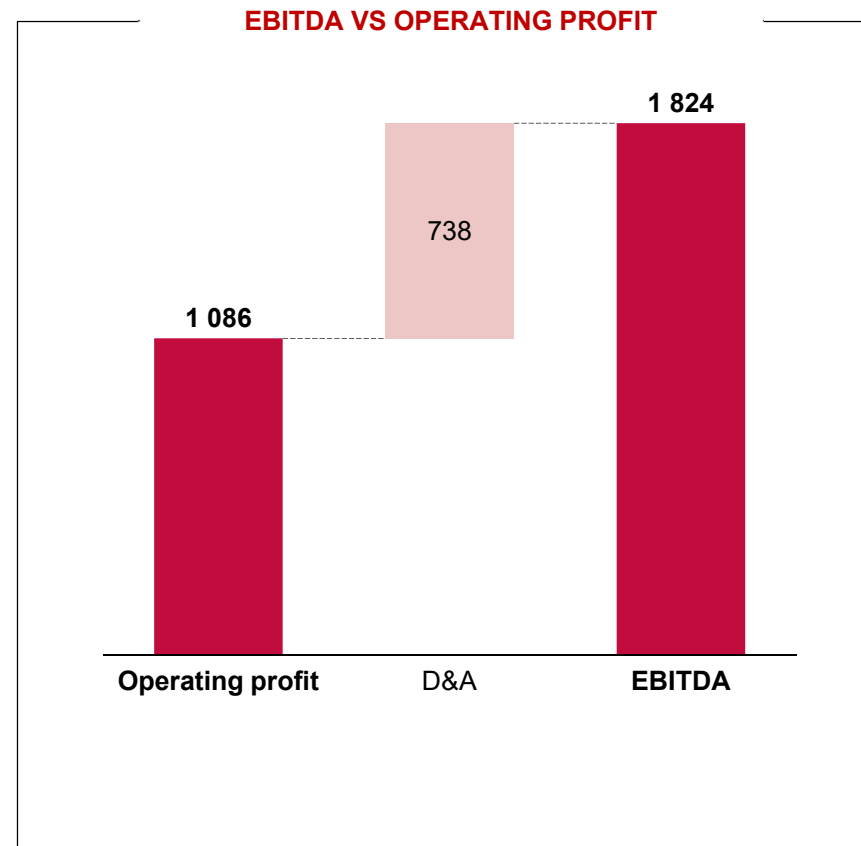
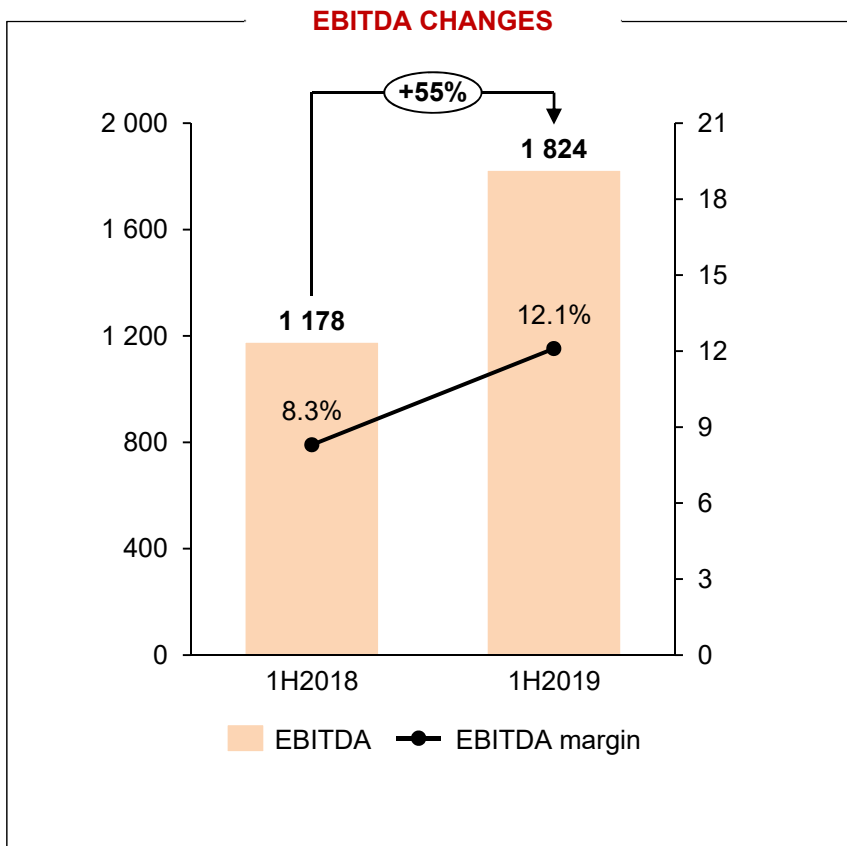
<i>RUB mln</i>	1H2018	1H2019	Change
Revenue	14 132	15 107	6,9%
EBITDA	1 178	1 824	54,8%
EBITDA margin	8,3%	12,1%	3,8%
Operating profit	416	1 086	161,0%
Operating margin	2,9%	7,2%	4,3%
Share of result of JVs	66	278	320,9%
Net profit	443	(136)	-130,7%
Net debt as of 31.12.2018/ 30.06.2019	3 703	3 786	2,2%
Net debt as of 30.06.2018/ 30.06.2019	6 840	3 786	-44,6%

- The overall operating results are in line with SOLLERS' management expectation
- Despite negative industry trend SOLLERS' revenue increased due to product mix and price changes in the 1H2019, although overall unit sales were stable
- EBITDA increased due to improving operating profitability
- SOLLERS' net loss of RUB 136 mln in 1H2019 is due to one-off expenses arising from the Group restructuring other than Ford Sollers JV
- Ford Sollers JV restructuring results will be recognized in 2H2019. The JV's operations will be consolidated starting from 2H2019



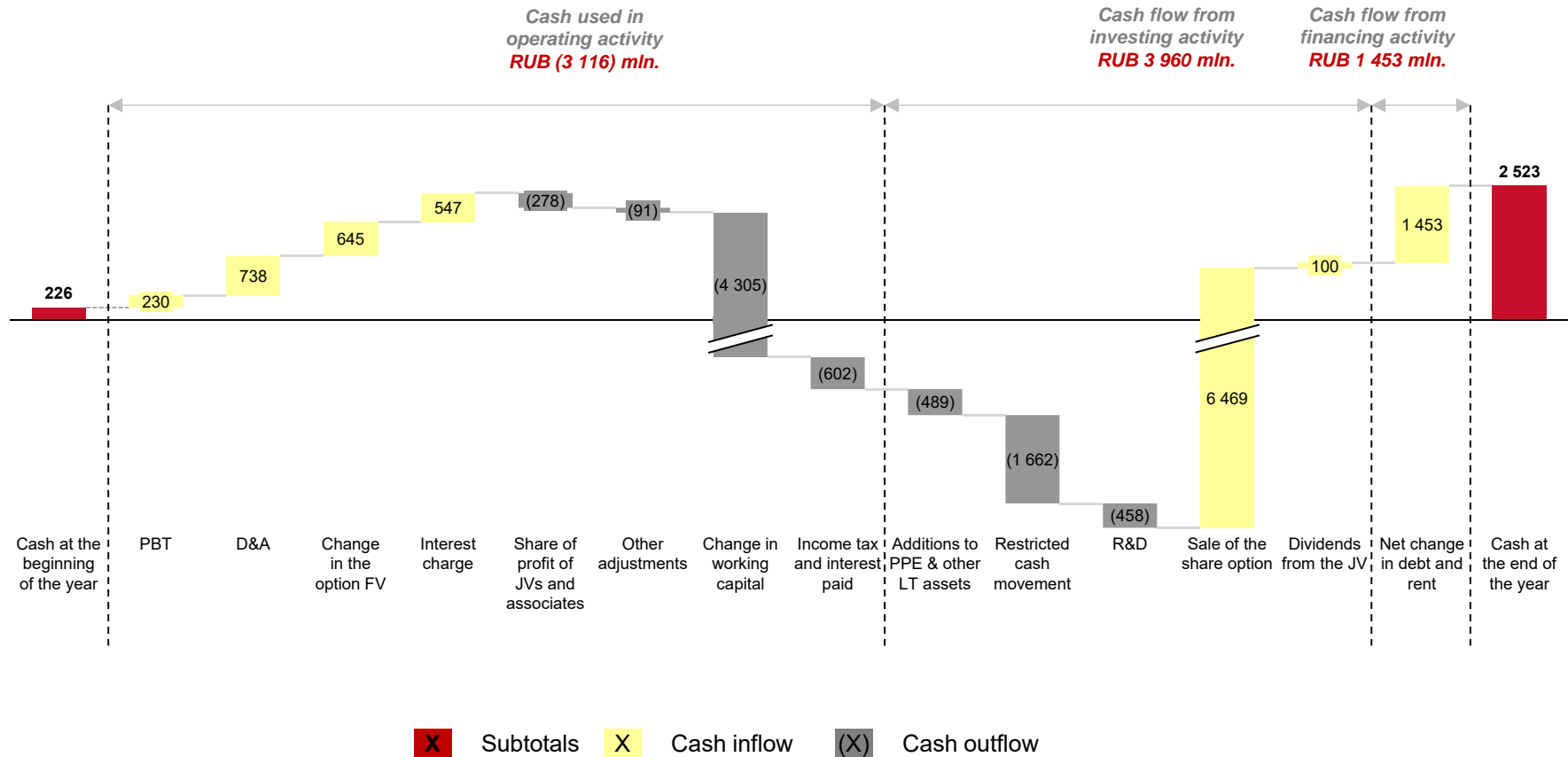
The increase in the Group's revenue of 6,9% due to the change in UAZ model mix and sales prices

9 | EBITDA CHANGES, RUB MLN



The EBITDA level reflects the overall increase in the operating efficiency

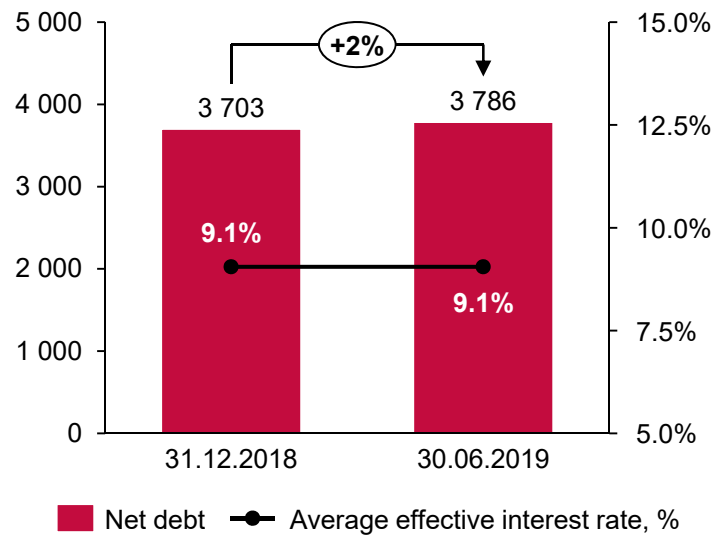
10 | CASH FLOW, RUB MLN



- Substantial deterioration of working capital in 1H2019 was due to increase in inventory and decrease in trade payables, which was compensated by the cash from share option sale recognized in the investment activity generating solid positive free cash flow of RUB 844 mln.
- Other adjustments include amortization of state grants, provision movements and profit/ loss on the disposal of property, plant and equipment, investments and other assets

11 | NET DEBT POSITION, RUB MLN

NET DEBT POSITION AND EFFECTIVE INTEREST RATE



NET DEBT STRUCTURE

<i>RUB mln</i>	31.12.2018	30.06.2019	Change
Long-term debt	1 254	1 021	-18,6%
Short-term debt	4 436	6 185	39,4%
Total debt	5 690	7 207	26,7%
Cash at the end of the period	226	2 523	1016,4%
Restricted cash*	1 761	897	-49,0%
Net debt	3 703	3 786	2,2%

In 1H2019 SOLLERS' net debt remains almost flat

* Excluding amounts deposited on escrow accounts for the acquisition of the share in new Ford Sollers JV

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

<i>RUB mln</i>	Current SOLLERS' stake	1H2018	1H2019	Change
MAZDA SOLLERS JV	50%	(37)	150	505%
SOLLERS-BUSSAN JV	50%	(8)	(5)	37%
ISUZU-SOLLERS JV	50%	(2)	(13)	-537%
SOLLERS-FINANCE JV	50%	113	146	29%
TOTAL CONTRIBUTION		66	278	321%

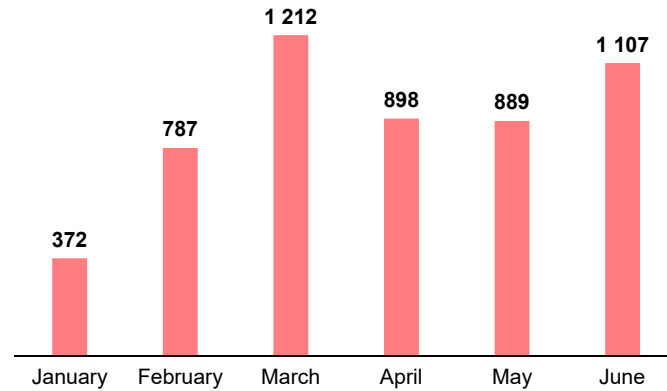
In 1H2019 SOLLERS FINANCE JV distributed the dividends of RUB 200 mln., with the SOLLERS' share of RUB 100 mln.

On July 1, 2019 SOLLERS and Ford Motor Company launched the operations in new Ford Sollers JV, which is focused on the development of light commercial vehicles in Russia

HIGHLIGHTS

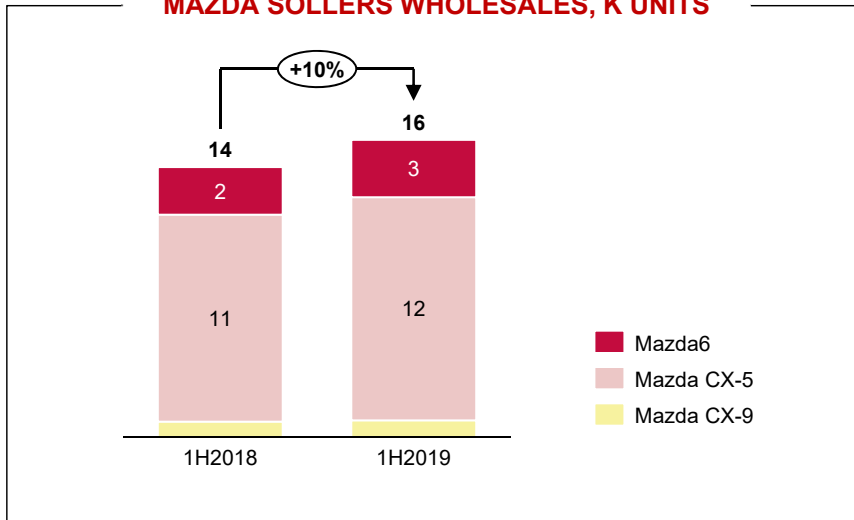
- Shareholder structure: SOLLERS – 51%, Ford Motor Company – 49%
- Production site: Ford Sollers Elabuga (SEZ ALABUGA, Tatarstan)
- Product line: light commercial vehicles Ford Transit
- Annual output: up to 25 k units
- Key JV initiatives: high localization of the product based on Special Investment Contract

FORD TRANSIT SALES 2019, UNITS

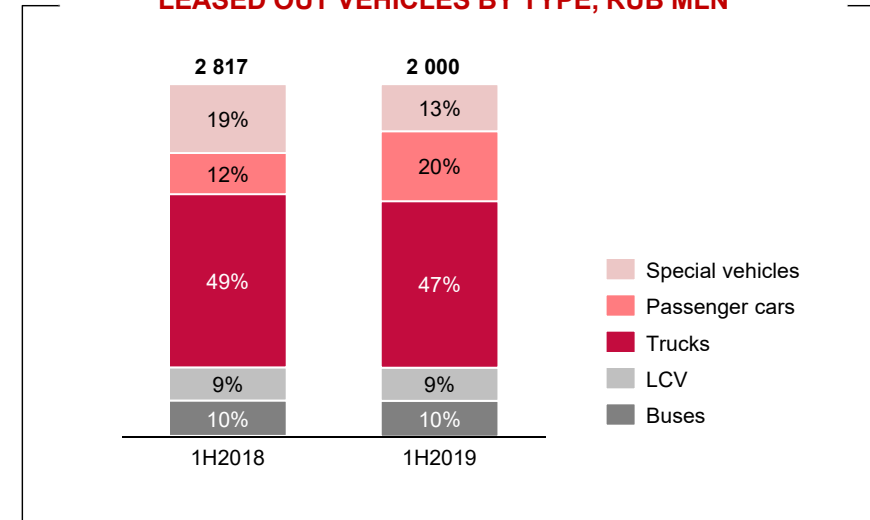


14 | MAZDA SOLLERS JV AND SOLLERS-FINANCE JV PERFORMANCE

MAZDA SOLLERS WHOLESALES, K UNITS



LEASED OUT VEHICLES BY TYPE, RUB MLN



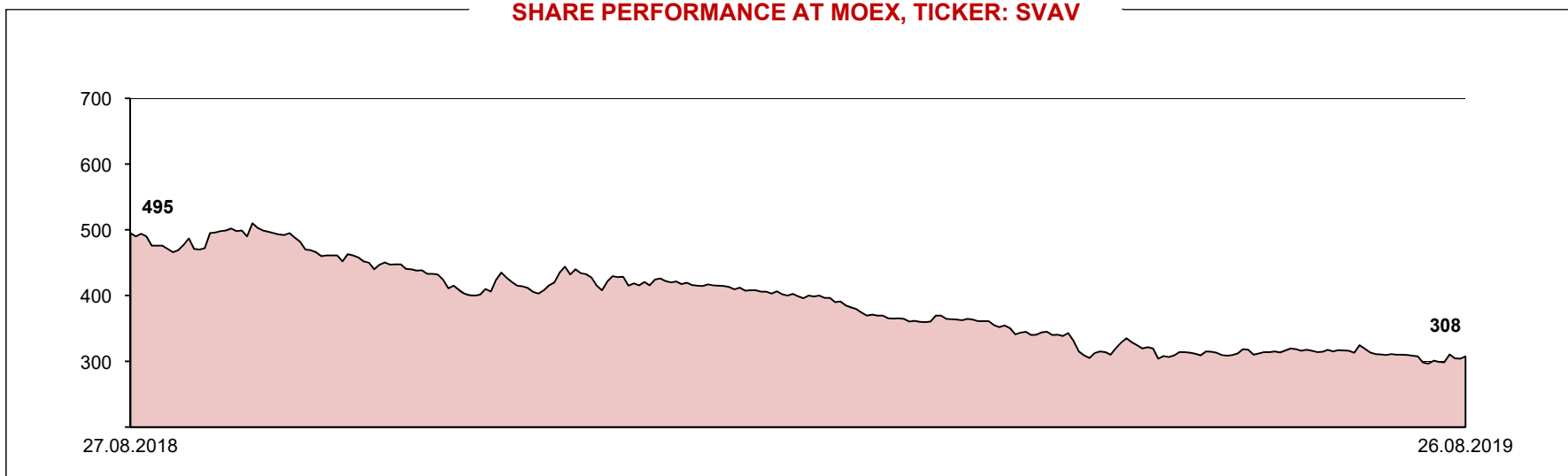
MAZDA SOLLERS JV FINANCIAL RESULTS*

RUB mln	1H2018	1H2019
Revenue	17 472	22 458
Operating profit	(131)	234
Operating margin	-1%	1%
Net profit	(73)	300
Net profit margin	0%	1,3%
Debt as of 31.12.2018/30.06.2018	-	-

SOLLERS-FINANCE JV FINANCIAL RESULTS

RUB mln	1H2018	1H2019
Revenue	632	732
Operating profit	281	365
Operating margin	44%	50%
Net profit	225	292
Net profit margin	36%	40%
Leasing portfolio as of 31.12.2018/30.06.2018	5 662	5 541

SHARE PERFORMANCE AT MOEX, TICKER: SVAV



STOCK EXCHANGE DATA AT 26.08.2019

Market capitalisation, RUB mln.	10 538
Shares, mln.	34,27
Price at 26.08.2019, RUB	307,5
Security List	I