



# INVESTOR PRESENTATION

# Magnit at a Glance

As of September 30, 2018



As of September 30, 2018

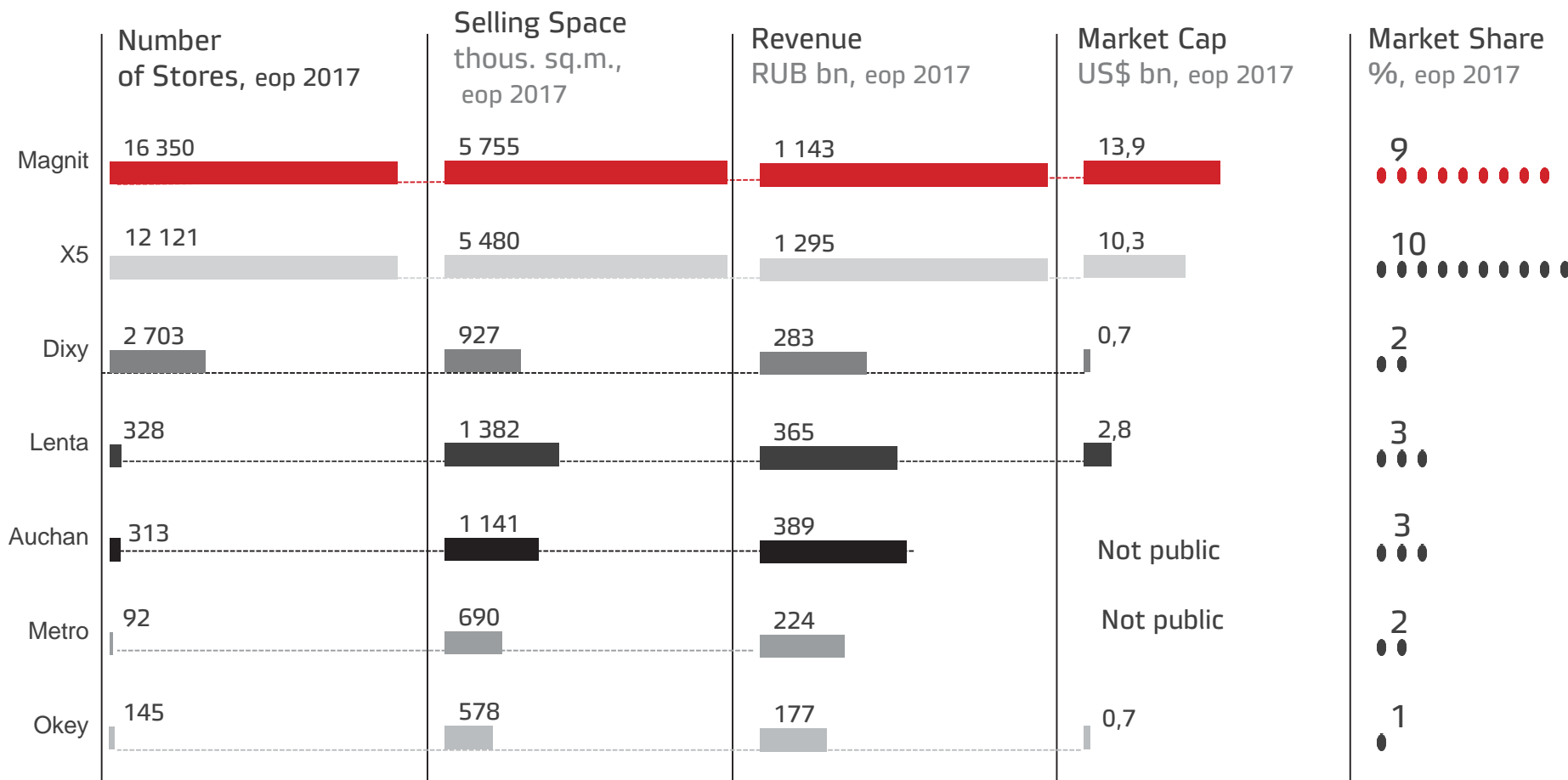


As of September 30, 2018



\*as of FY2017

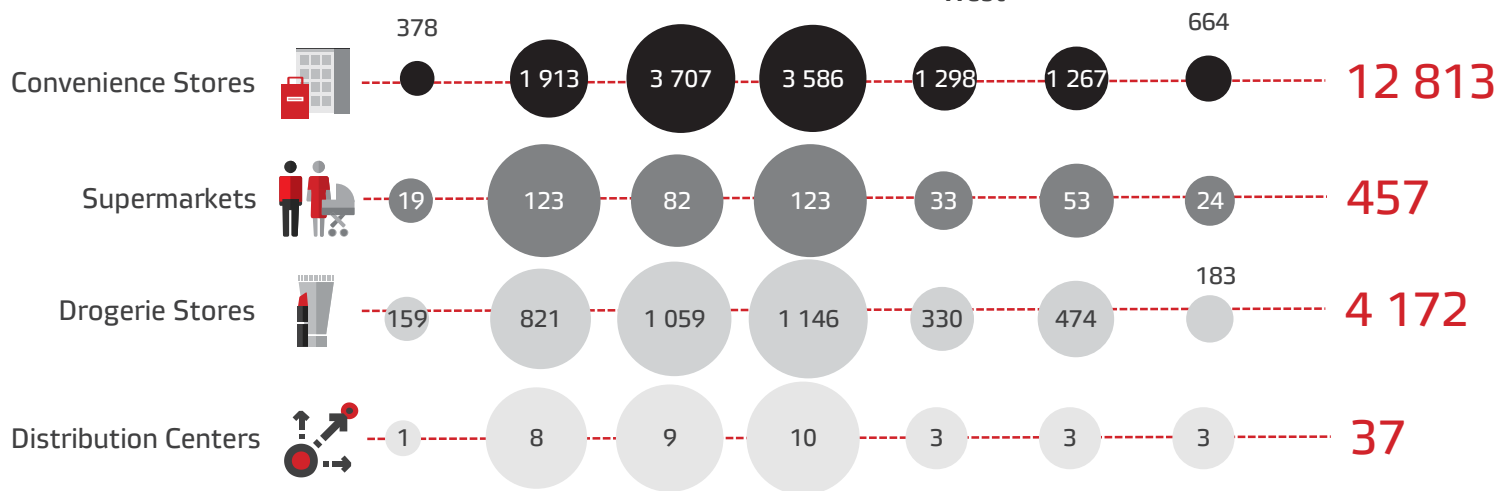
# Magnit vs Peers



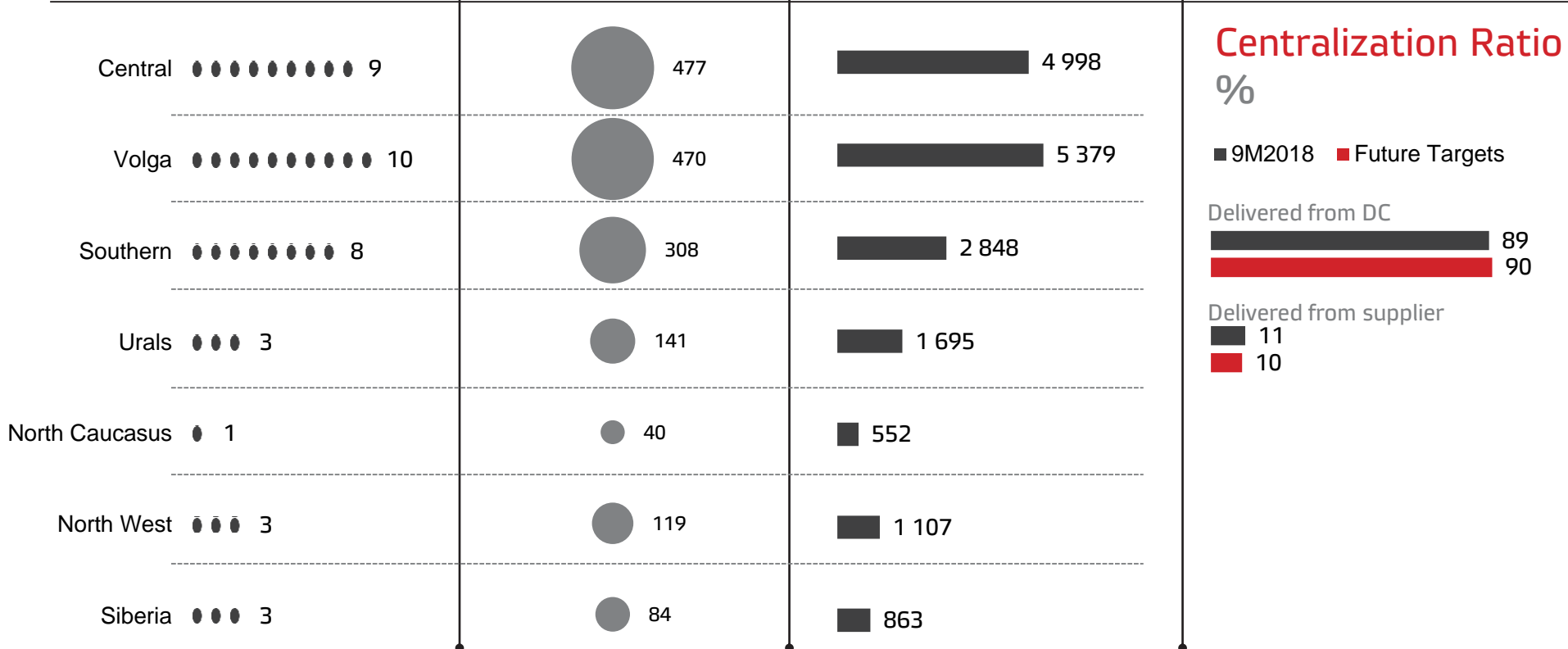
# Geographical Coverage

**2 866** Cities & Towns

**7** Federal Regions



# Logistics System



## Centralization Ratio %

■ 9M2018 ■ Future Targets

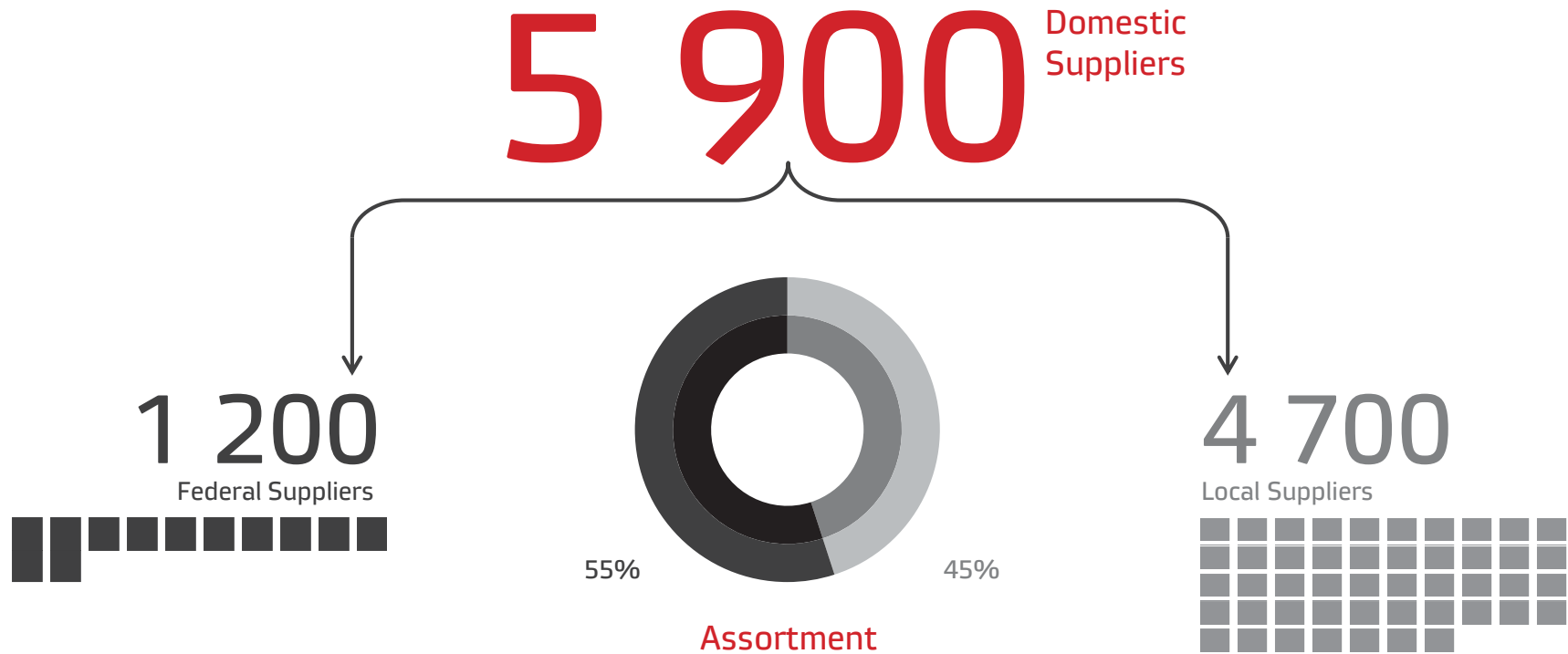
Delivered from DC



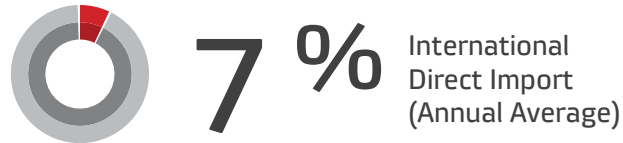
Delivered from supplier



# Suppliers



# Direct Import



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# Private Label

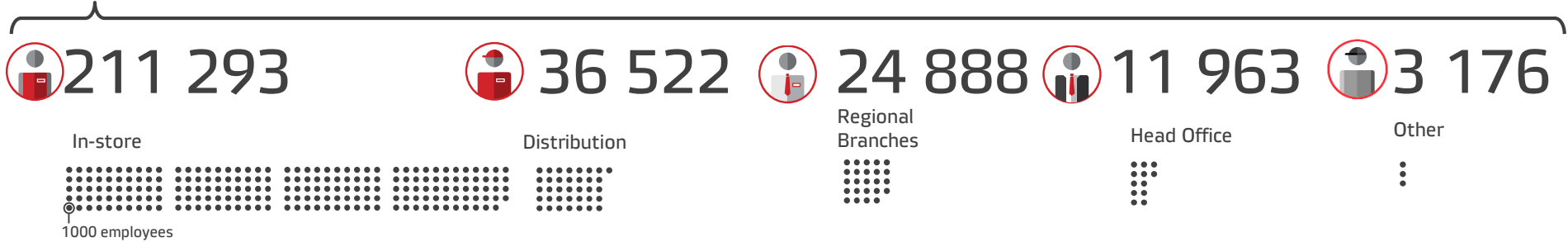


Source: Company,  
Direct Import – as of December 31, 2017;  
Private Label – as of September 30, 2018

# Employees



# 287 842

 Employees

₽ 34 485 Average Monthly Salary\*

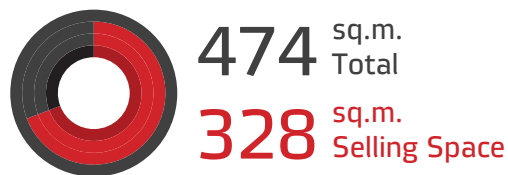
Source: Company,  
as of September 30, 2018  
\*as of June 30, 2018



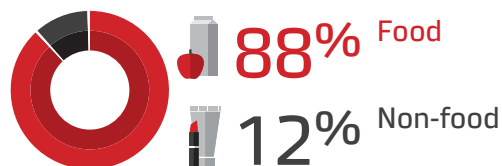
# Convenience Store

## Format Description

### Size of the Store



### Sales Mix



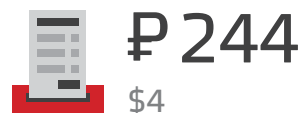
### Store Ownership Structure



Source: Company,  
as of September 30, 2018

## Key Operational Statistics

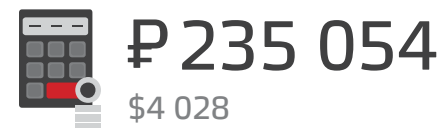
### Average Ticket



### Traffic tickets/sq.m./day



### Sales Density sales/sq.m./year



### LFL 9M2018 – 9M2017, %

-1,3 Average Ticket, RUB

-2,6 Traffic

-3,9 Sales

## Opening

### Payback

#### If Leased

● ● ●  
3 years

#### If Owned

● ● ● ● ● ●  
4-6 years

### Cost of New Store per sq.m. of Total Space, thousand RUB

26

### Cost of Refits per sq.m. of Total Space, thousand RUB

20

### Cost of Light Refits per sq.m. of Total Space, thousand RUB

10

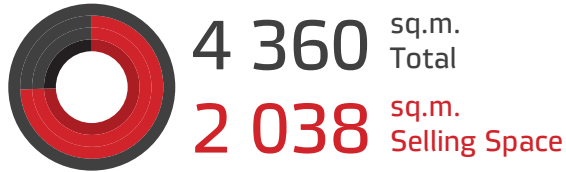
### Time to Maturity

● ● ● ● ● ●  
6 months

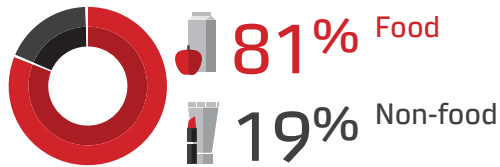
# Supermarket

## Format Description

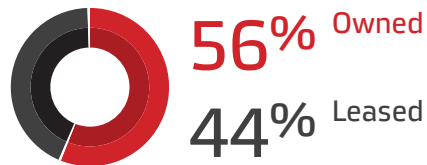
### Size of the Store



### Sales Mix



### Store Ownership Structure



Source: Company, as of September 30, 2018

## Key Operational Statistics

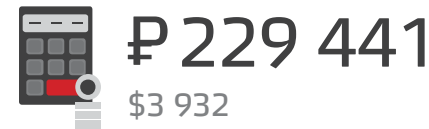
### Average Ticket



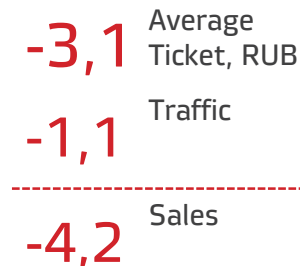
### Traffic tickets/sq.m./day



### Sales Density sales/sq.m./year



### LFL 9M2018 – 9M2017,%



## Opening

### Payback



### Cost of New Store per sq.m. of Total Space, thousand RUB

40

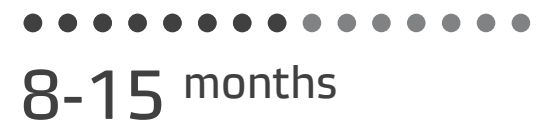
### Cost of Refits per sq.m. of Total Space, thousand RUB

30

### Cost of Light Refits per sq.m. of Total Space, thousand RUB

15

### Time to Maturity



# Drogerie Store

## Format Description

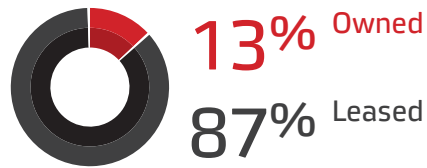
Size of the Store



Sales Mix



Store Ownership Structure



Source: Company, as of September 30, 2018

## Key Operational Statistics

Average Ticket



Traffic tickets/sq.m./day



Sales Density sales/sq.m./year



LFL 9M2018 – 9M2017,%



## Opening

Payback

If Leased



If Owned



Time to Maturity

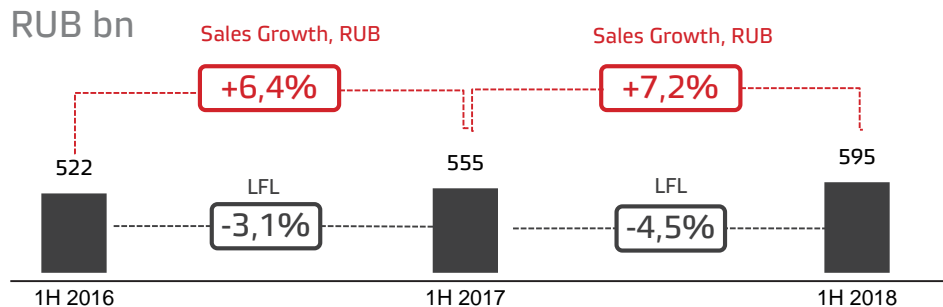


# Summary P&L

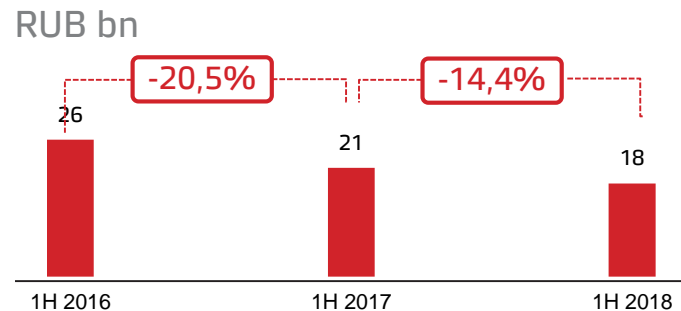
RUB MN	1H 2017	1H 2018	Y-o-Y Growth
<b>Net sales</b>	<b>555,025</b>	<b>595,263</b>	7.2%
Cost of sales	(406,459)	(448,090)	10.2%
<b>Gross profit</b>	<b>148,565</b>	<b>147,172</b>	(0.9%)
Gross margin, %	26.8%	24.7%	
SG&A	(102,662)	(105,386)	2.7%
Other income, net	2,784	2,239	(19.6%)
<b>EBITDA</b>	<b>48,790</b>	<b>44,163</b>	(9.5%)
EBITDA margin,%	8.8%	7.4%	
Depreciation & Amortization	(16,448)	(17,437)	6.0%
<b>EBIT</b>	<b>32,342</b>	<b>26,726</b>	(17.4%)
Net finance costs	(6,280)	(4,264)	(32.1%)
Profit before tax	26,062	22,462	(13.8%)
Taxes	(5,313)	(4,697)	(11.6%)
Effective tax rate	20.4%	20.9%	
<b>Net income</b>	<b>20,748</b>	<b>17,765</b>	(14.4%)
Net margin, %	3.7%	3.0%	

# Revenue & Costs

## Revenue Dynamics

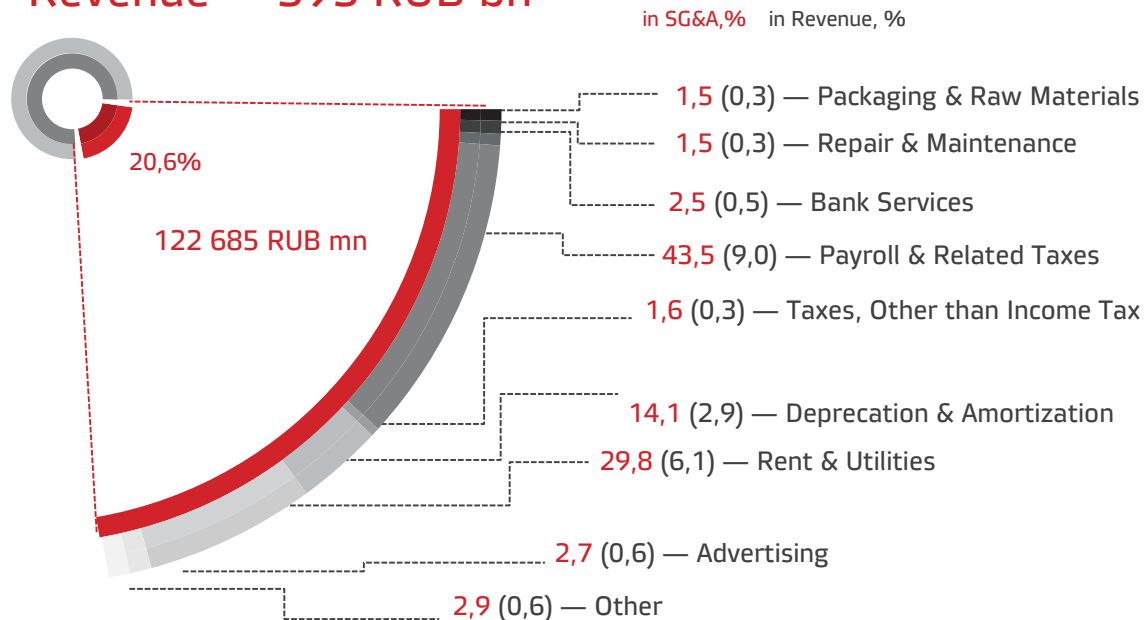


## Net Income Dynamics

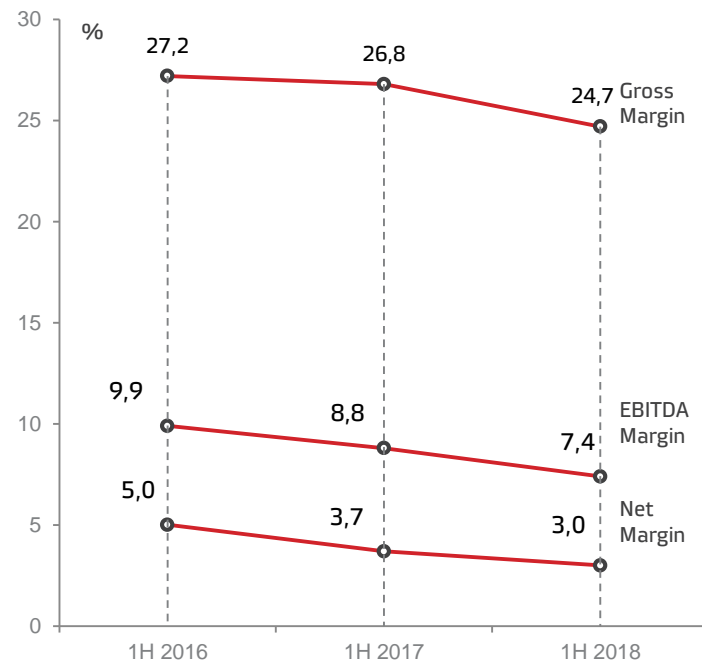


## SG&A Expense Structure 1H 2018

Revenue — 595 RUB bn

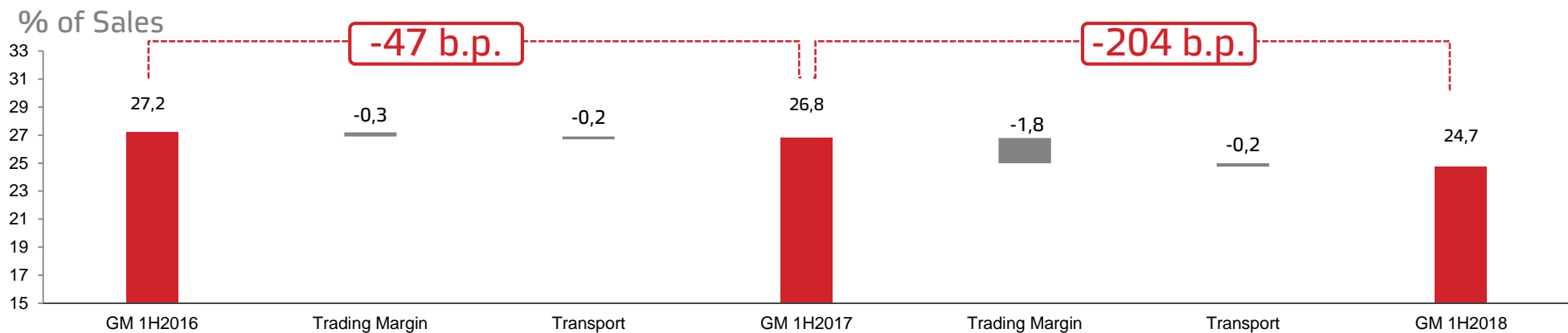


## Margin Dynamics

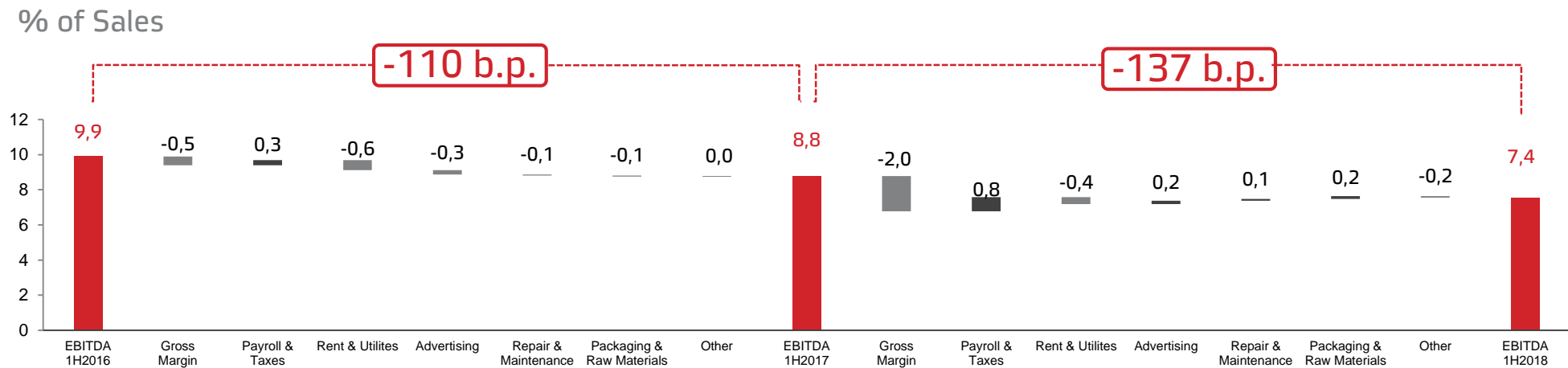


Source: Company's calculations based on IFRS accounts for 1H 2016, 1H 2017 and 1H 2018

# Gross Margin Bridge



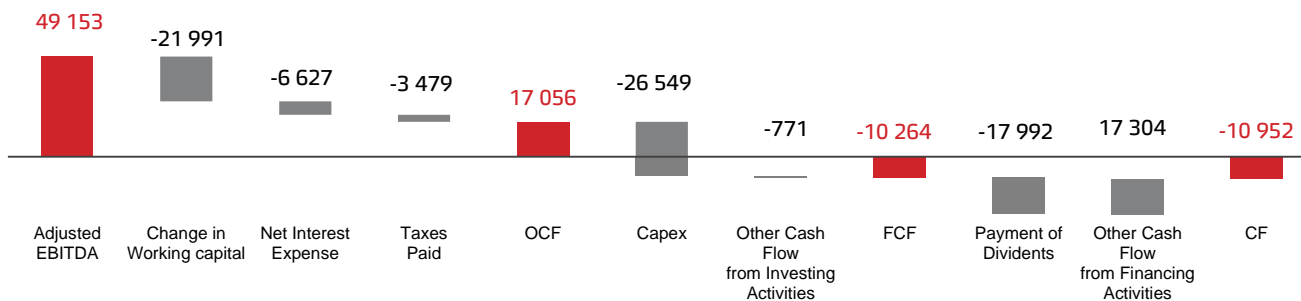
# EBITDA Margin Bridge



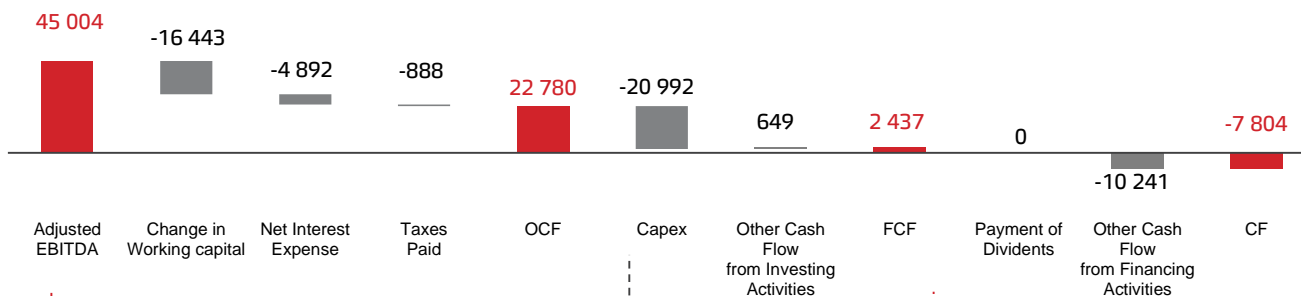
Please note: there may be small variations in calculation of totals, subtotals, and/or percentage change due to rounding of decimals

# Free Cash Flow

RUB mn  
1H 2017



1H 2018



Adjusted for loss from disposal of PPE, provision for doubtful receivables, foreign exchange loss, gain on disposal of subsidiary

Calculated as additions + transfers of PP&E during the respective period

Does not include cash flow from financing activities

## Working Capital Analysis

Average Days Payable to Suppliers is 36 Days.

Inventory Management Days is 67 Days

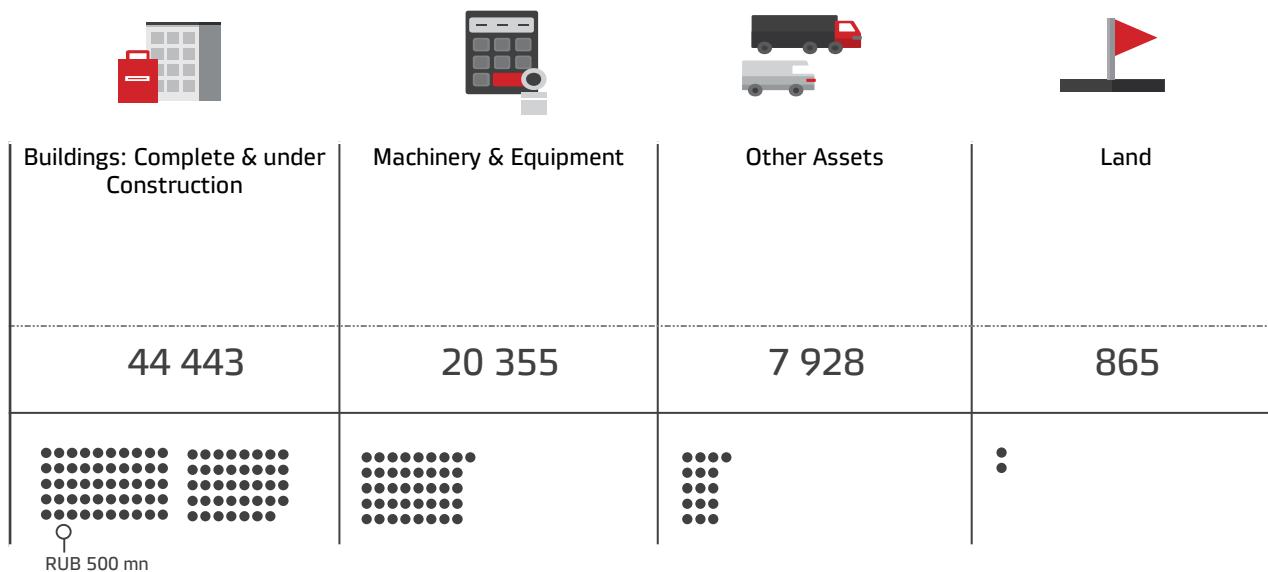
Working Capital: RUB 69 398 mn as of 30.06.2018

# Balance Sheet

RUB MN	2016	2017	1H 2018
<b>ASSETS</b>			
Property plant and equipment	289,945	329,827	332,781
Other non-current assets	6,081	6,959	6,453
Cash and cash equivalents	16,559	18,337	10,534
Inventories	134,916	162,205	173,229
Trade and other receivables	844	1,399	2,204
Advances paid	5,208	4,990	4,296
Taxes receivable	448	598	1,273
Short-term financial assets	216	215	406
Prepaid expenses	459	640	465
Income tax receivable	240	1,154	
<b>TOTAL ASSETS</b>	<b>454,915</b>	<b>526,325</b>	<b>531,641</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	196,077	259,307	263,263
Long-term debt	77,500	86,338	67,013
Other long-term liabilities	15,626	22,622	25,869
Trade and other payables	83,923	99,142	91,802
Short-term debt	50,106	40,122	48,584
Dividends payable	11,937	1	13,810
Other current liabilities	19,747	18,792	21,300
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>454,915</b>	<b>526,325</b>	<b>531,641</b>



# Capex Figures



FY 2017<sup>1</sup>

**RUB 74 bn**

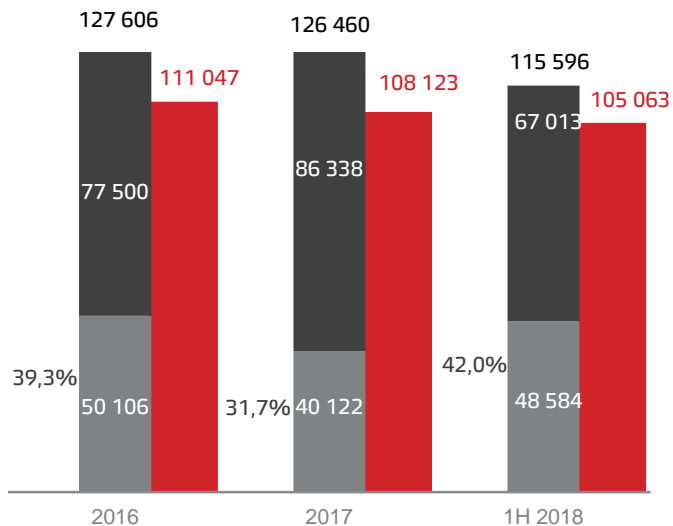
<sup>1</sup>CAPEX for 1H2018 amounts to RUB 21 bn

# Debt Burden

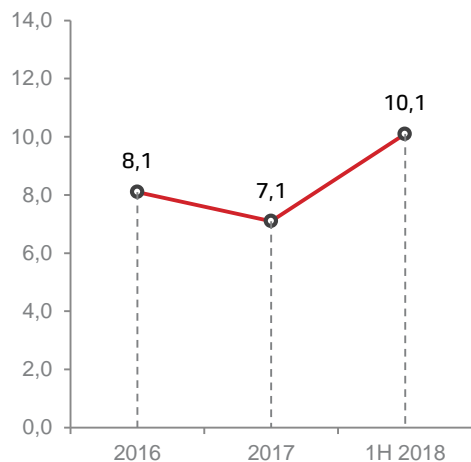
## Debt Level Dynamics

RUB mn

■ Net Debt ■ Short-term Debt ■ Long-term Debt ■ % EBITDA / Finance Expenses



## Credit Metrics



## Credit Profile

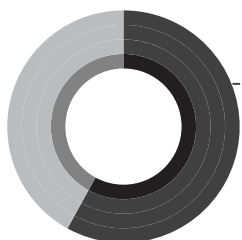
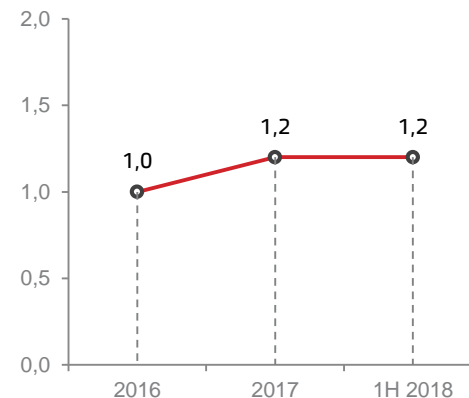


The Company has an Impeccable Credit History  
 Collaboration with the Largest Banks  
 Low Debt Burden:  
 Net Debt / LTM EBITDA Ratio of 1,2



**No Currency Risk:** 100% of Debt is Rub Denominated  
 Matching Revenue Structure  
**Insignificant Interest Rate Risk:**  
 Interest Payments are Made at Fixed Rates

Net Debt / LTM EBITDA



58% of Debt is Long-term