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# DIXY Group

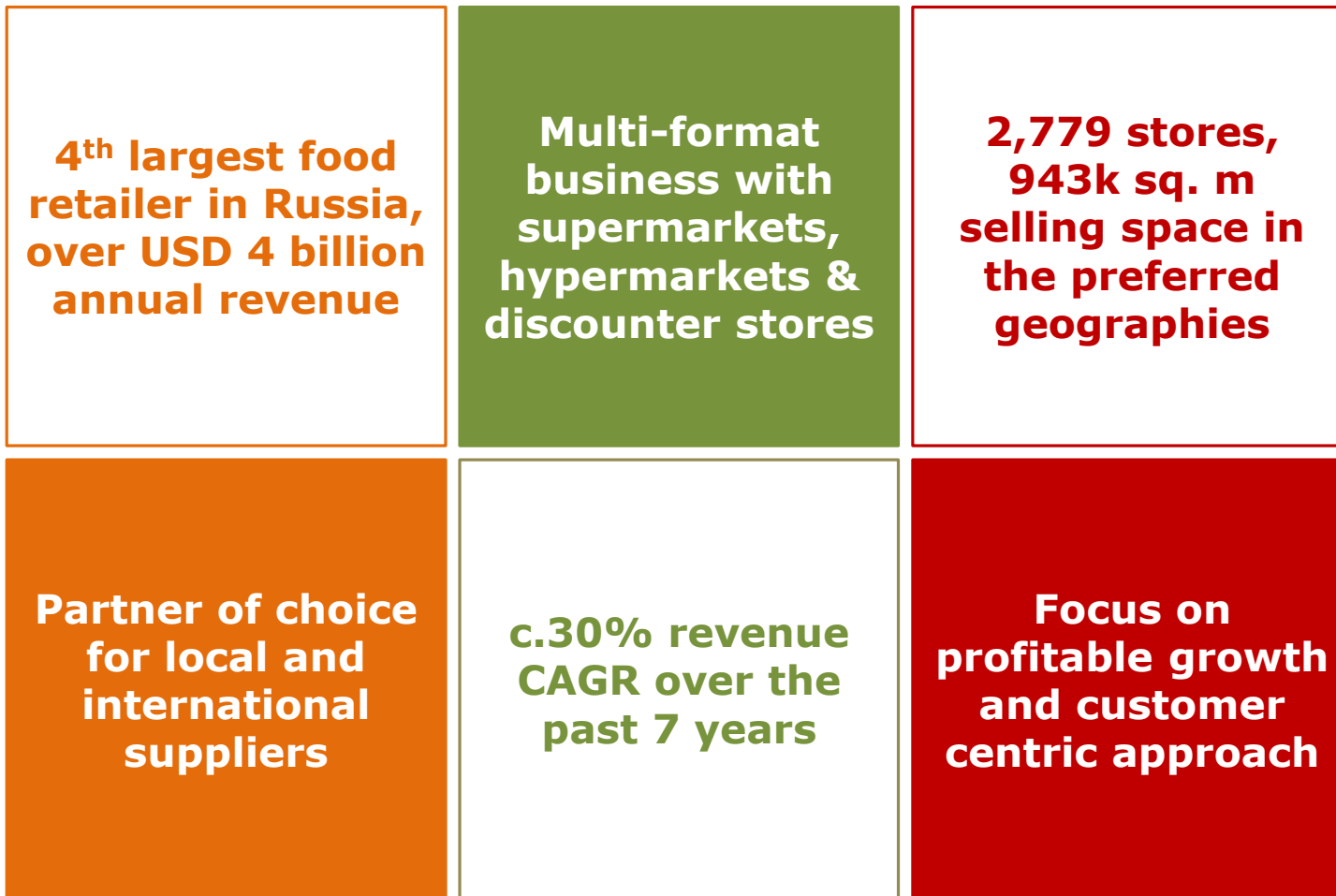
3Q and 9m 2016 IFRS Results Investors & Analysts Presentation

November 2016



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# DIXY Group Q3 & 9m 2016 Financials

## 3Q Financial Highlights



Revenue increased 14% and amounted to 75 billion RUB, (traffic +10.7%; average ticket +2.9%);



Gross Profit grew 1.4%, Gross Margin amounted to 25.5%;



EBITDA amounted to 1.1 billion RUB, EBITDA margin stood at 1.5%;



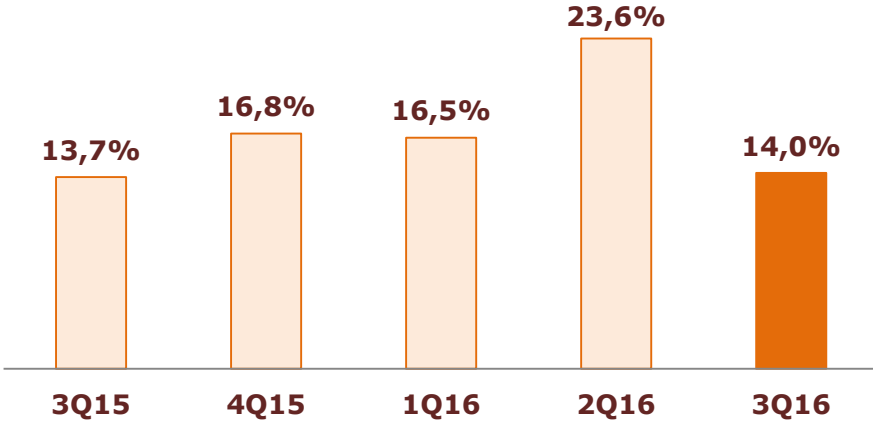
Finance costs (net) decreased 22.7%;



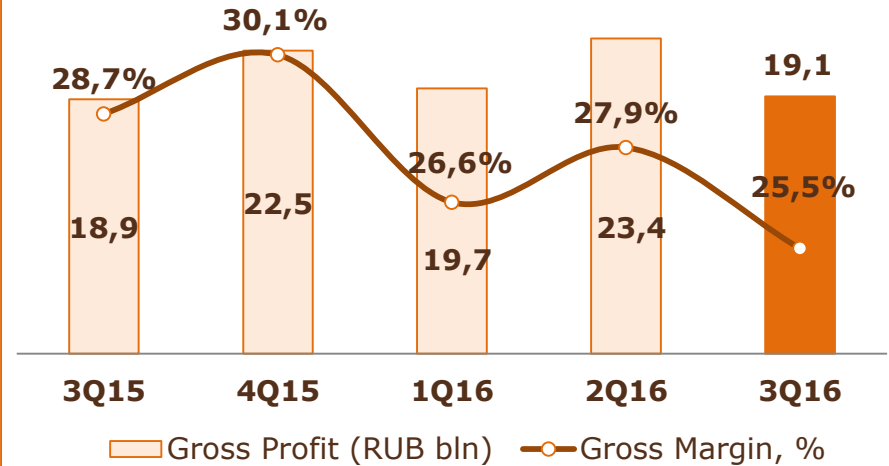
Net cash flow from operations increased 51.4%.

# Q3 2016 Key Financial Indicators Dynamics

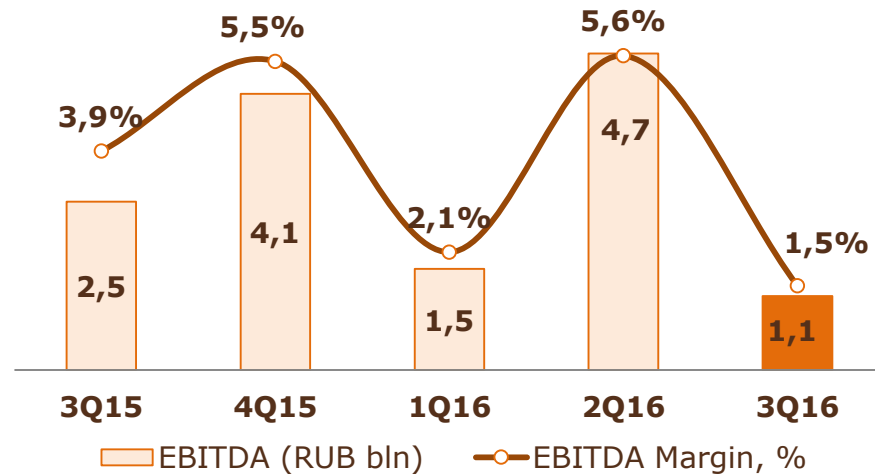
### Total revenue growth, %



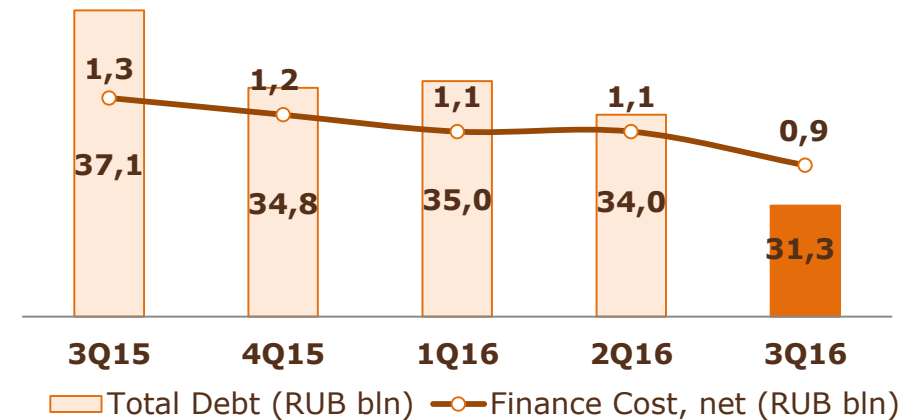
### Gross Profit & GM dynamics



### EBITDA & EM dynamics



### Total Debt & Finance Cost dynamics



## 9m Financial Highlights



Revenue increased 18% and amounted to 233 billion RUB, (traffic +15.0%; average ticket +2.8%);



Gross Profit grew 8.9%, Gross Margin amounted to 26.7%;



EBITDA amounted to 7.4 billion RUB, EBITDA margin stood at 3.2%;

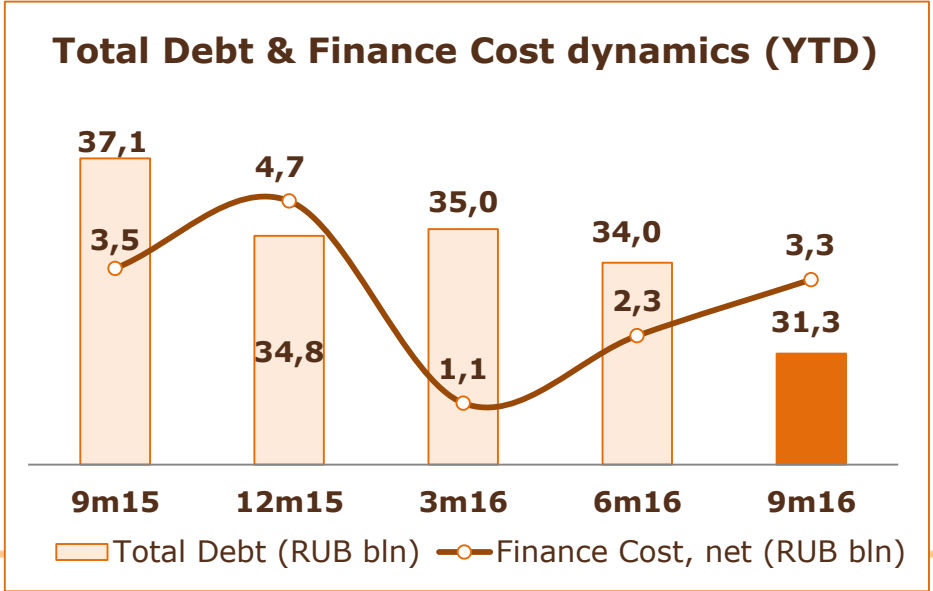
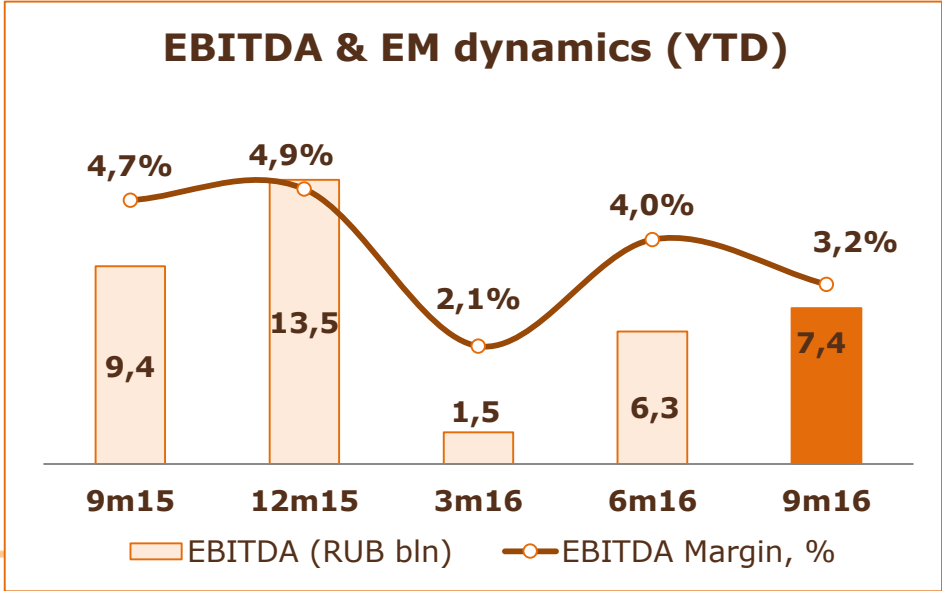
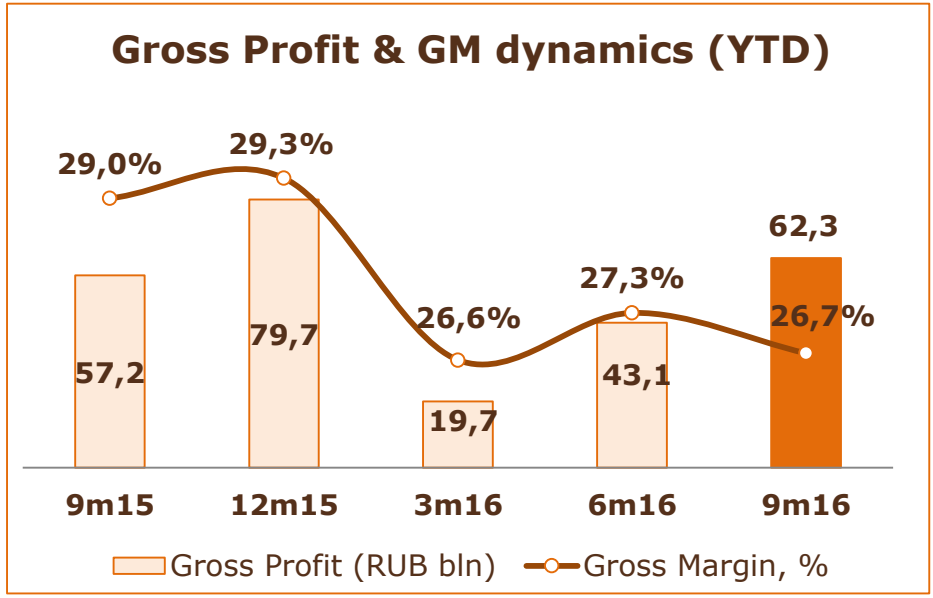
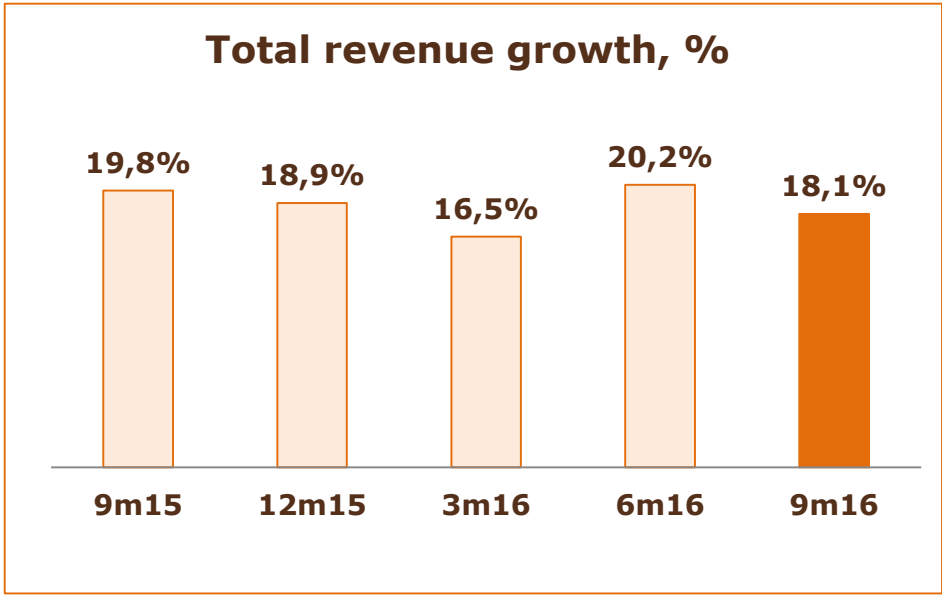


Total debt decreased 15.6% to 31.3 billion RUB y-o-y.



Net cash flow from operations doubled.

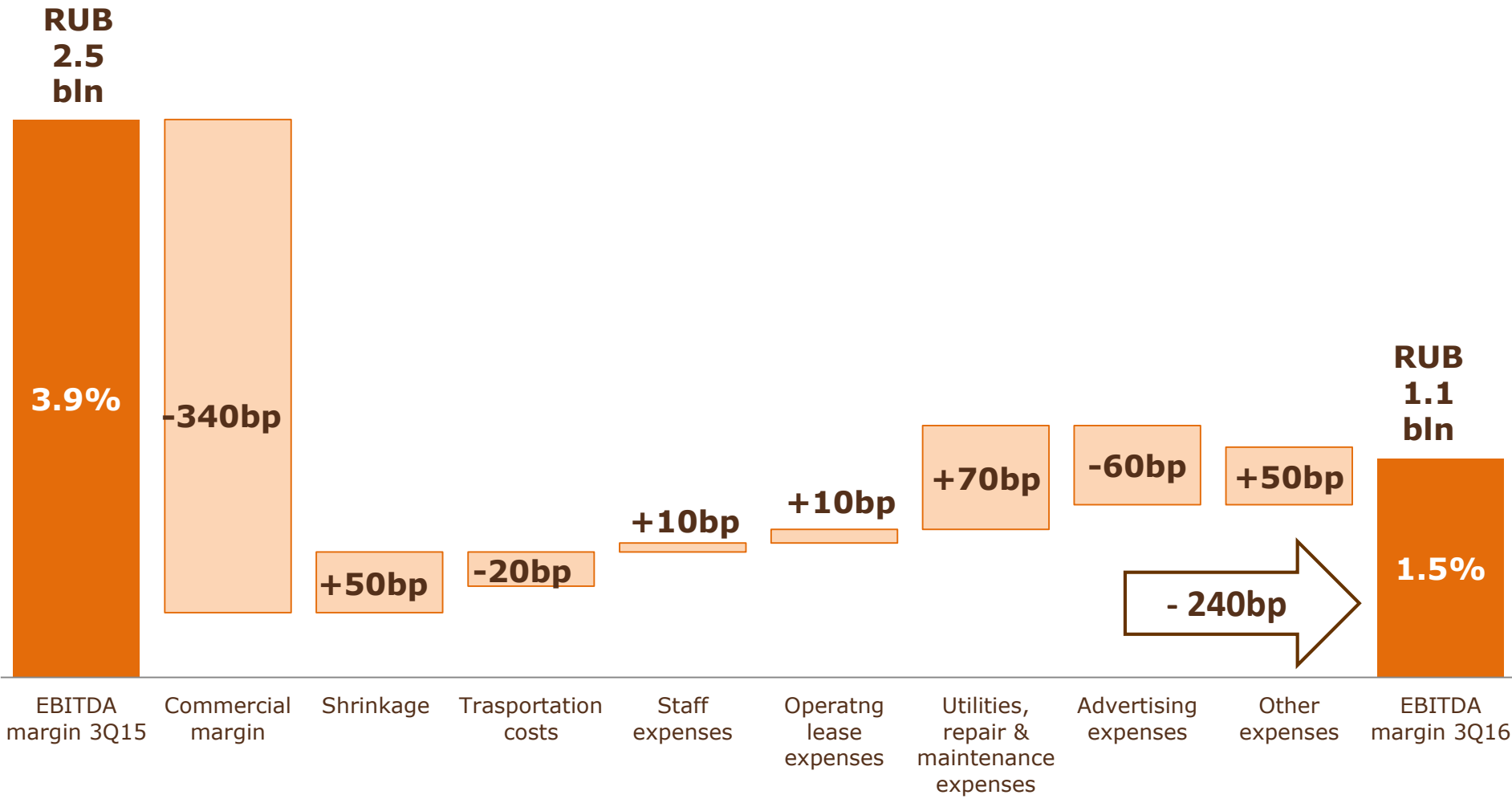
# 9m 2016 Key Financial Indicators Dynamics



Source: Company data



# EBITDA evolution 3Q 2015 – 3Q 2016



# SG&A evolution 3Q 2015 – 3Q 2016

RUB million	3Q 2016	as % of revenue	3Q 2015	as % of revenue
Payroll	8,849	11.8%	7,804	11.9%
Lease expenses	5,470	7.3%	4,860	7.4%
Utilities, repairs & maintenance expenses	1,722	2.3%	1,985	3.0%
Advertising & marketing expenses	739	1.0%	283	0.4%
Other expenses	1,191	1.6%	1,374	2.1%
<b>Subtotal</b>	<b>17,971</b>	<b>24.0%</b>	<b>16,307</b>	<b>24.8%</b>
Depreciation & Amortisation expenses	2,001	2.7%	1,894	2.9%
<b>Total SG&amp;A expenses</b>	<b>19,973</b>	<b>26.6%</b>	<b>18,201</b>	<b>27.7%</b>

# Cash flow

RUB million	3Q15	4Q15	1Q16	2Q16	3Q16
CF before Working capital change	2,603	4,413	1,512	5,252	1,068
Working capital change	722	(191)	2,416	(2,300)	2,968
CF after working capital change	3,325	4,221	3,928	2,952	4,036
Income tax and interest expenses	(1,647)	(1,360)	(1,398)	(1,273)	(1,494)
<b>CF from/(used in) operations</b>	<b>1,678</b>	<b>2,861</b>	<b>2,530</b>	<b>1,678</b>	<b>2,541</b>
CF used in investing activities	(5,777)	1,852	(1,357)	(2,097)	(910)
CF from/(used in) financing activities	4,141	(3,354)	223	(1,084)	(2,726)
Net change in cash and cash equivalents	42	1,358	1,397	(1,503)	(1,095)
<b>Cash and cash equivalents, eop</b>	<b>1,563</b>	<b>2,921</b>	<b>4,318</b>	<b>2,815</b>	<b>1,720</b>

# Working Capital Improvement

RUB million	3Q15	4Q15	1Q16	2Q16	3Q16
<b>Working capital change, incl</b>	<b>722</b>	<b>(191)</b>	<b>2,416</b>	<b>(2,300)</b>	<b>2,968</b>
- Inventories	(187)	(5,888)	994	2,582	2,216
- Trade and other accounts receivable	1,748	(1,596)	1,645	(4,366)	2,376
- Trade and other accounts payable	(190)	8,887	(2,012)	(1,322)	(814)
- Other	(649)	(1,595)	1,789	806	(810)

- In 3Q 2016 working capital changes in the amount of RUB 3.0 billion was related mainly to RUB 2.4 bln seasonal decrease in trade and other receivables and RUB 2.2 bln decrease in inventory position due to ongoing management initiatives to optimize working capital

# Appendix.

## DIXY Group Historical Financial Data

# DIXY Group Profit and loss account

In RUB mln	3Q15	4Q15	FY15	1Q16	2Q16	3Q16	9M16	9M YoY
Revenue	65,799	74,927	<b>272,345</b>	74,120	84,053	75,006	<b>233,179</b>	<b>18.1%</b>
Gross profit	18,854	22,544	<b>79,709</b>	19,726	23,424	19,111	<b>62,260</b>	<b>8.9%</b>
Gross margin (%)	28.7%	30.1%	<b>29.3%</b>	26.6%	27.9%	25.5%	<b>26.7%</b>	<b>(230bp)</b>
SG&A expenses	18,201	20,607	<b>73,900</b>	20,305	20,858	19,973	<b>61,135</b>	<b>14.7%</b>
SG&A expenses (%)	27.7%	27.5%	<b>27.1%</b>	27.4%	24.8%	26.6%	<b>26.2%</b>	<b>(80bp)</b>
EBITDA	2,547	4,113	<b>13,470</b>	1,523	4,732	1,140	<b>7,394</b>	<b>(21.0%)</b>
EBITDA margin	3.9%	5.5%	<b>4.9%</b>	2.1%	5.6%	1.5%	<b>3.2%</b>	<b>(150bp)</b>
Finance expenses (net)	1,284	1,180	<b>4,660</b>	1,145	1,120	992	<b>3,257</b>	<b>(6.4%)</b>
Net profit/(loss)	(843)	624	<b>589</b>	(1,512)	1,071	(1,590)	<b>(2,030)</b>	<b>na</b>
Net profit margin (%)	na	0.8%	<b>0.2%</b>	na	1.3%	na	<b>na</b>	<b>na</b>

# DIXY Group SG&A expenses

In RUB mln	3Q15	4Q15	FY15	1Q16	2Q16	3Q16	9M16	9M yoy
SG&A expenses, incl	18,201	20,607	<b>73,900</b>	20,305	20,858	19,973	<b>61,135</b>	<b>14.7%</b>
Staff expenses	7,804	8,936	<b>33,055</b>	9,089	9,333	8,849	<b>27,271</b>	<b>13.1%</b>
Operating lease expenses	4,860	5,194	<b>18,667</b>	5,383	5,333	5,470	<b>16,186</b>	<b>20.1%</b>
Depreciation and amortization	1,894	2,176	<b>7,661</b>	2,102	2,166	2,001	<b>6,269</b>	<b>14.3%</b>
Utilities, repair and maintenance expenses	1,985	2,150	<b>7,569</b>	2,130	1,918	1,722	<b>5,770</b>	<b>6.5%</b>
Advertising expenses	283	406	<b>1,214</b>	185	497	739	<b>1,422</b>	<b>76.0%</b>
Other expenses	1,374	1,745	<b>5,734</b>	1,415	1,610	1,191	<b>4,216</b>	<b>5.7%</b>
As % of revenue	3Q15	4Q15	FY15	1Q16	2Q16	3Q16	9M16	9M YoY
SG&A expenses, incl	27.7%	27.5%	<b>27.1%</b>	27.4%	24.8%	26.6%	<b>26.2%</b>	<b>(80bp)</b>
Staff expenses	11.9%	11.9%	<b>12.1%</b>	12.3%	11.1%	11.8%	<b>11.7%</b>	<b>(50bp)</b>
Operating lease expenses	7.4%	6.9%	<b>6.9%</b>	7.3%	6.3%	7.3%	<b>6.9%</b>	<b>10bp</b>
Depreciation and amortization	2.9%	2.9%	<b>2.8%</b>	2.8%	2.6%	2.7%	<b>2.7%</b>	<b>(10bp)</b>
Utilities, repair and maintenance expenses	3.0%	2.9%	<b>2.8%</b>	2.9%	2.3%	2.3%	<b>2.5%</b>	<b>(20bp)</b>
Advertising expenses	0.4%	0.5%	<b>0.4%</b>	0.3%	0.6%	1.0%	<b>0.6%</b>	<b>20bp</b>
Other expenses	2.1%	2.3%	<b>2.1%</b>	1.9%	1.9%	1.6%	<b>1.8%</b>	<b>(20bp)</b>

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