

OBUV ROSSII GROUP ANNOUNCES OPERATING RESULTS FOR 1ST QUARTER 2019

5 April 2019, Novosibirsk, Russia: Obuv Rossii Group (MOEX: OBUV/ hereinafter the "Company" or, together with its subsidiary and dependent companies, "Obuv Rossii" or the "Group"), the first publicly traded company in the Russian fashion retail, comprising 758¹ stores in 271 cities of Russia and two production facilities, announces its operating results for the first quarter ended 31 March 2019.

1Q 2019 OPERATING HIGHLIGHTS:

- Group consolidated unaudited revenue increased by 12.2 % and totaled RUB 2.536 bln, compared with RUB 2.260 bln in the 1st quarter 2018.
- Like-for-like² sales of Obuv Rossii Group increased by 2.1 %:
 - Like-for-like number of tickets grew by 0.3 %;
 - Like-for-like average ticket size increased by 1.8 %.
- In the first quarter 2019 the Group launched 42 new DOS³, 19 stores were closed on the relocation program, and the net growth of retail chain amounted to 23 stores. As of 31 March 2019, the total number of the points of sale stood at 756 stores, of which 167 operated as a franchise.
- Total DOS selling space increased by 23.8% year-on-year to 54,300 sq.m. compared with 43,900 sq.m. in the 1st quarter 2018.
- The number of holders of the loyalty cards that are valid in all retail chains of the Group increased by 13.8% to 2.295 mln holders, in comparison with 2.017 mln holders in the 1st quarter 2018.

KEY EVENTS OF 1Q 2019:

- DPD pick-up points opened in Obuv Rossii stores, DPD is the largest commercial operator of express delivery in Russia. DPD became the second partner of the Group alongside with PickPoint in implementing the project of integrating into the logistic infrastructure of the Russian e-commerce market.
- Obuv Rossii is expanding sales geography for the S-TEP footwear brand which it manufactures at its own factory in Novosibirsk and is studying the perspectives of the Central Asia markets. Therefore the company for the first time participated in the largest industry exhibitions for the casual and outdoor segment in Russia and Kazakhstan.

¹ As of 5 April 2019

² The growth of like-for-like sales, the growth of the like-for-like number of tickets and the average ticket size are calculated on the basis of the results of Obuv Rossii Group stores that operated within one full previous calendar year.

³ DOS – Directly operated stores.

KEY OPERATING INDICATORS

Indicator	31.03.2019	31.03.2018	Δ, %
Number of Obuv Rossii Group stores	756	569	32.9%
DOS ⁴	589	456	29.2%
Franchise	167	113	47.8%
DOS selling space (thousand sq.m.)	54.3	43.9	23.8%
Number of loyalty cards' holders, mln people	2.295	2.017	13.8%

Like-for-Like ⁵	1Q 2019	1Q 2018	Δ, p.p.
LFL sales growth	2.1%	(10.9%)	13.0p.p.
Number of tickets growth	0.3%	(12.9%)	13.3p.p.
Average ticket size growth	1.8%	2.4%	(0.6p.p.)
Cash loans Like-for-Like	26.3%	(12.1%)	38.4p.p.

Indicator	1Q 2019	1Q 2018	Δ, p.p.
Share of related products in retail revenues, %	38.2%	33.4%	4.8p.p.
Online sales, RUB bln	0.196	0.138	42.3%
<i>Share in retail revenue, %</i>	<i>14.0%</i>	<i>11.1%</i>	<i>2.9p.p.</i>

Indicator	1Q 2019	1Q 2018	Δ, %
Average installment purchase, RUB	8,978	8,416	6.7%
Average cash loan, RUB	17,326	14,000	23.8%

Indicator	31.03.2019	31.03.2018	Δ, %
Portfolio size in installment sales, RUB bln	2.795	2.770	0.9%
Portfolio size in cash loans, RUB bln	1.869	1.465	27.5%
Amount of issued contracts on installment payments, RUB bln	1.030	0.831	23.9%
Amount of cash loans issued, RUB bln	0.990	0.724	36.7%

⁴ DOS – Directly operated stores.

⁵ The growth of like-for-like sales, the growth of the like-for-like number of tickets and the average ticket size are calculated on the basis of the results of Obuv Rossii Group stores that operated within two full compared periods.

Anton Titov, CEO of Obuv Rossii Group, comments:

In the first quarter 2019 we demonstrated rather strong performance: the revenue grew by 12.2% to 2.536 bln rubles. Over the first three months we launched 42 new DOS⁶ in 38 Russian cities and towns. We mainly opened new sales outlets in small towns in Urals, Siberia and in the Far East.

Range diversification and add-on services enable the company to increase the number of complex purchases, which has positive effect on operating results. In the first quarter like-for-like sales of Obuv Rossii rose by 2.1% with average ticket size growing by 1.8%. We further expanded the assortment of apparel adding dresses, blouses and skirts. Currently the apparel collections in our stores include 200 SKU, in the first quarter the share of apparel in retail revenue reached 20%, the share of related products achieved 38%.

We made progress in fulfilling the project of launching pick-up points in our sales outlets. At present we cooperate with the key operators of the Russian logistic market DPD and PickPoint. As of the end of March, the service was available in 340 stores, over the first three months 45 thousands parcels were delivered in our sales outlets. Due to this project the foot traffic grew by 2.4%, the purchase conversion rate (the clients who come to the store to get the parcel and buy something) was 5%.

In 2019 we will continue expanding in small towns considering them as promising for further roll-out. It allows us to increase market capacity, to launch more stores, to shorten a pay-back period, to expand sales geography and to strengthen our positions in regions.

Company profile:

Obuv Rossii (MOEX: OBUV) is a nationwide footwear company, the first publicly traded company in the Russian fashion retail. Obuv Rossii was established in 2003, it is headquartered in Novosibirsk and has a representative office in Moscow. The main Group business line is the production and sale of footwear and related goods. The Company manages 758⁷ stores (167 operate as a franchise) under the brands of Westfalika (a monobrand store of classic footwear), Peshekhod ("Pedestrian") (a multibrand footwear supermarket), Rossita (a store for the whole family), Emilia Estra and Lisette (salons of fashionable footwear), in addition to developing brands of clothes and footwear for the active lifestyle brands of S-tep, All.go and Snow Guard. Furthermore, the Group also owns two manufacturing facilities in the Novosibirsk region.

In October 2017, Obuv Rossii raised 5.9 billion rubles in an IPO on the Moscow Exchange (ticker: OBUV), the issuer being OR PJSC, and in doing so became the first publicly listed company within the Russian footwear and fashion market. In September 2018, RAEX (Expert PA) confirmed the creditworthiness rating of Obuv Rossii Group at ruBBB+ level, a "stable" forecast.

In accordance with the audited Financial Statements under the IFRS Group, revenue amounted to RUB 11.55 billion for the full year of 2018, net profit was RUB 1.33 billion, and EBITDA was RUB 2.86 billion.

Website of the Group: www.obuvrus.ru; Internet stores: www.westfalika.ru, www.westfalika-home.ru, www.emilia-estra.ru, www.rossita.com, www.lisette.me.

Additional information:

Contact for mass media:

Natalia Pauli,
PR Director,

+7 913 750 81 37
n.pauli@obuvrus.ru

Contact for investors:

Kirill Streblyanskiy,
Deputy CFO of Capital Markets of Obuv Rossii
Group,
+7 383 280 80 21
k.streblyanskiy@obuvrus.ru

Disclaimer:

Some information in this document may contain prospective estimates and other representations of a predictive nature concerning future events and the future financial and operating activity of Obuv Rossii. One can determine, whether a representation is of a predictive nature, on the basis of the use of such words and expressions as "expect", "believe", "estimate", "intend/plan", "would/would be", "could", "can", including negative forms of these verbs, as well as on the basis of other similar expressions. The Group cautions that these representations are only forecasts, and actual events and results of Obuv Rossii activity can substantially differ from them. Obuv Rossii does not intend to update these representations in order to reflect events and circumstances that occur after this document is published, or in order to reflect the fact of the occurrence of unexpected events. There are many factors as a result of which the actual results of Obuv Rossii activity will substantially differ from the predicted results contained in the representations of a forecast nature, including such factors as the general conditions of economic activity, competitive environment, risks related to the performance of activity in the Russian Federation, rapid technological changes, and changes of the market situation in the industries in which Obuv Rossii performs its activity as well as other risks related in particular to Obuv Rossii and its activity.