



Innovation
Technologies
in Footwear Production

Financial Results for the 1st Quarter of 2017 by the Russian Accounting Standards

 WESTFALIKA

 Rossita

Lisette

 [®] St-step

PESHEKHOD
FABRIKA OBUVI

EMILIA ESTRA
Shoes Couture

 SNOW GUARD

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May 2017

Main Financial Indicators by the Russian Accounting Standards

REVENUE,
mln rub.



The revenue of the Company **increased by 13%** in comparison with the 1st quarter of 2016 and reached **2.2 billion rubles**.

NET PROFIT,
mln rub.



The net profit was **205 million rubles** (it was 234 million rubles in the 1st quarter of 2016).

EBITDA,
mln rub.



EBITDA — 541 million rubles, the growth in comparison with the same period of 2016 is **8%**.

EBITDA
PROFITABILITY,
%



EBITDA profitability — 24% (the indicator of the 1st quarter of 2016 was 25%).

Dynamics of the Main Financial Indicators

	1 quarter 2016	1 quarter 2017	Growth, %	Times
Revenue, mln rub.	1,980	2,231	13	1,13
EBITDA, mln rub.	500	541	8.36	1.08
EBITDA profitability, %	25.24	24.27	-3.84	0.96
Net profit, mln rub.	234	205	-12.45	0.88
Net profit margin, %	11.8	9.2	-22.31	0.90

Factors of Growth of the Main Indicators in the 1st Quarter

- adaptation of collections;
- development of Internet sales;
- such services for purchasers as sales of footwear on installment plans;
- stabilization of situation on the footwear market.

The marketing division of the Company forecasts that the footwear market (in pairs) will be slowly growing in the medium term – by 4-5% per year. It will return to the pre-crisis indicators not earlier than by 2019-2020.



Development of the Assortment



In the 1st quarter the Company launched test sales of rubber footwear.

The results of the 1st quarter showed that the sales of related products increased by

10%

and were

488 million rubles

The Company introduced a line of inexpensive related products in the assortment of Westfalika stores.



The share of related products in the sales revenue reached

30%

"Arifmetika" System of Financial Services



- Over **70 thousand "Arifmetika MasterCard" cards** have been issued for now (they were 30 thousand at the end of 2016).
- **200 million rubles** is the monthly amount credited to the cards, and 100 million is the amount of payments at the cash register.
- More than a half of the payments are regular credit payments.
- The average amount of a payment at the cash register is **4,500 rub.**

By the end of 2017, the Company plans to double the monthly amount credited to the cards – up to **400** million rubles

Production

In spring the Company reconstructed the assembly shop and combined the assembly of footwear, that is produced by the cementing, welt-sewing method and by the technology of high-temperature vulcanization of rubber to the upper, on one site in Berdsk.

This allowed the Company to optimize the production process, to reduce the labor effort, and to increase the speed of work performance.



Financial Indicators of Obuv Rossii Group of Companies

mln rub.	2010	2011	2012	2013	2014	2015	2016	1 quarter 2016	1 quarter 2017
Revenue	1,587	2,203	3,335	4,967	8,113	8,981	9,982	1,980	2,231
Growth in comparison with the previous period, %	19	39	51	49	63	11	11	10.53	12.69
EBITDA	184	288	529	912	1,567	2,276	2,433	500	541
EBITDA profitability	12	13	16	18	19	25	24	25.24	24.27
Equity	778	1,141	2,216	2,837	4,197	5,540	7,003	5,774	7,201
Assets	1,420	2,354	4,140	5,655	10,950	12,619	15,409	13,979	15,505



Thank you for your attention!

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