

United Wagon Company 2017 Results

(UWGN RM)



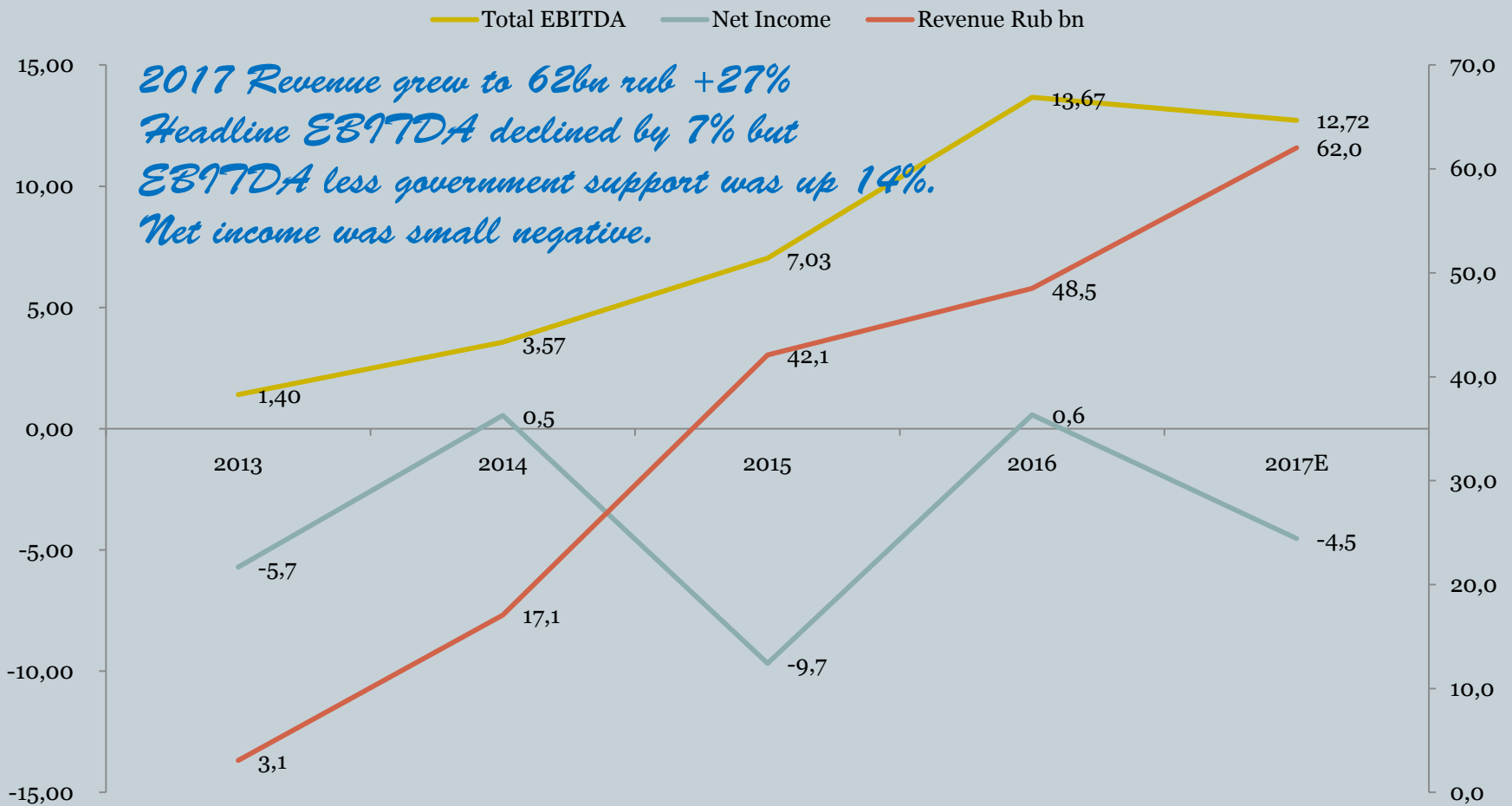
Share price Rub (UWGN RM)



Results were taken positively by the market



Consolidated Numbers (Rub bn)

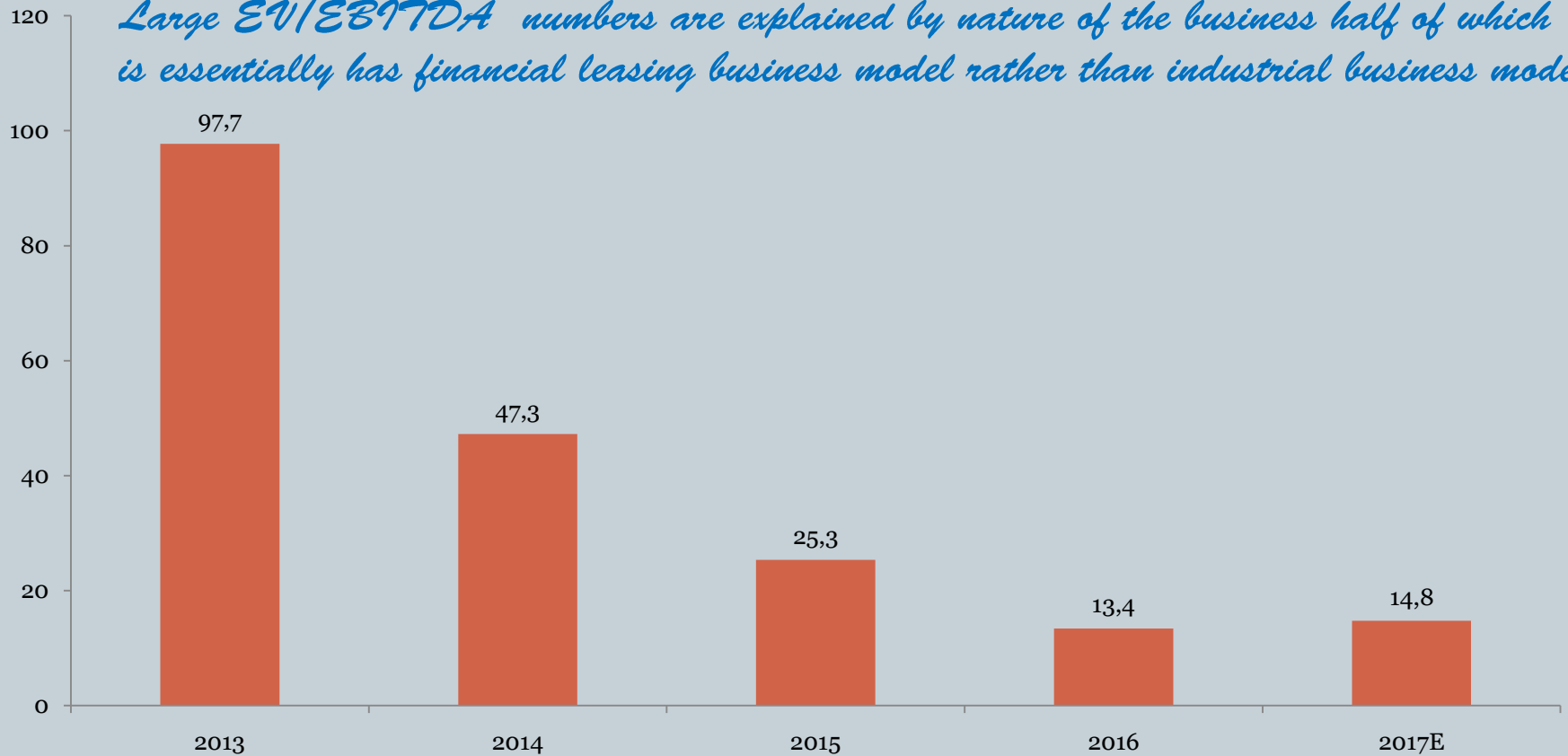


Valuations metrics remain large with current debt load

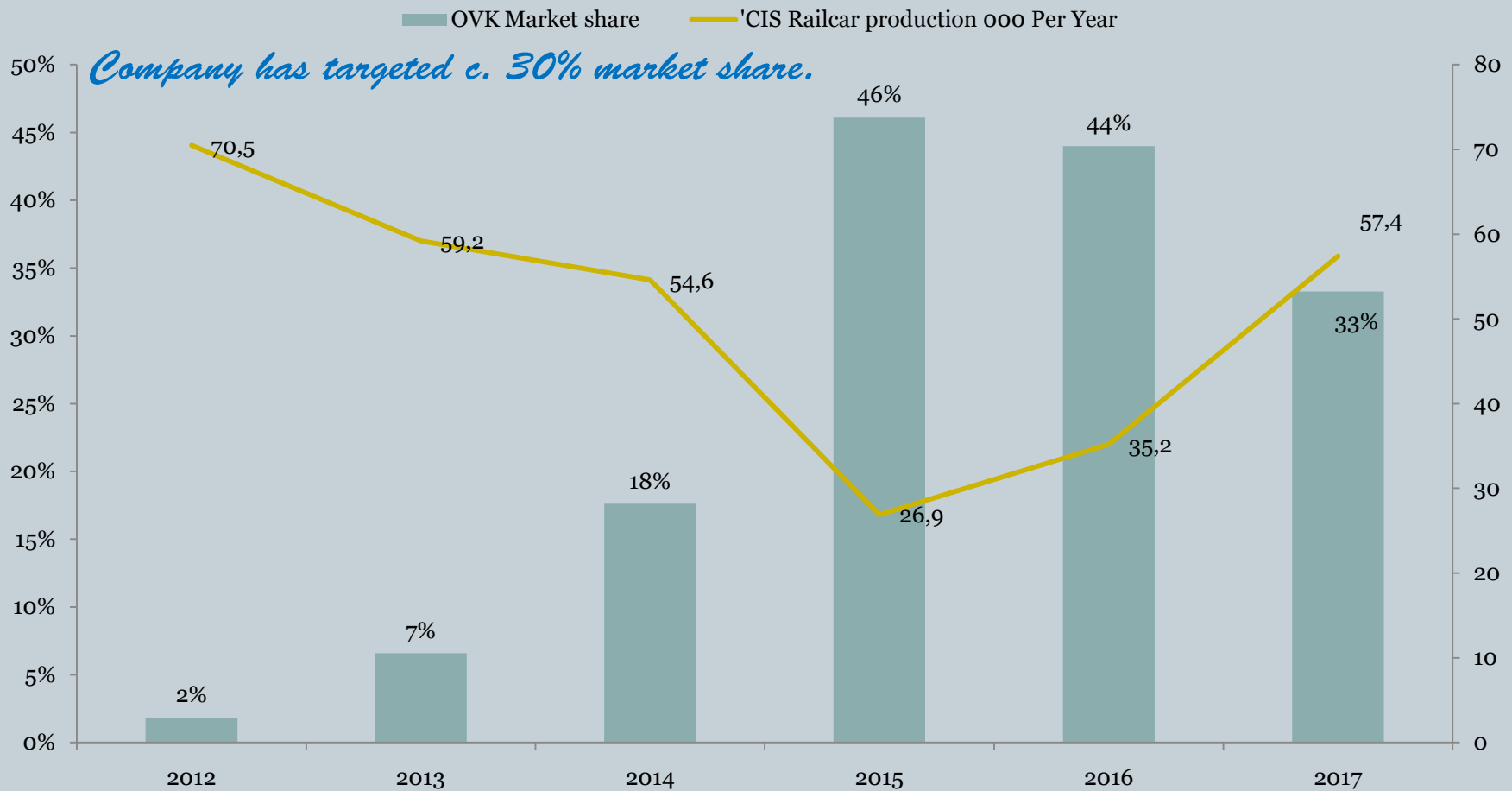


EV/EBITDA

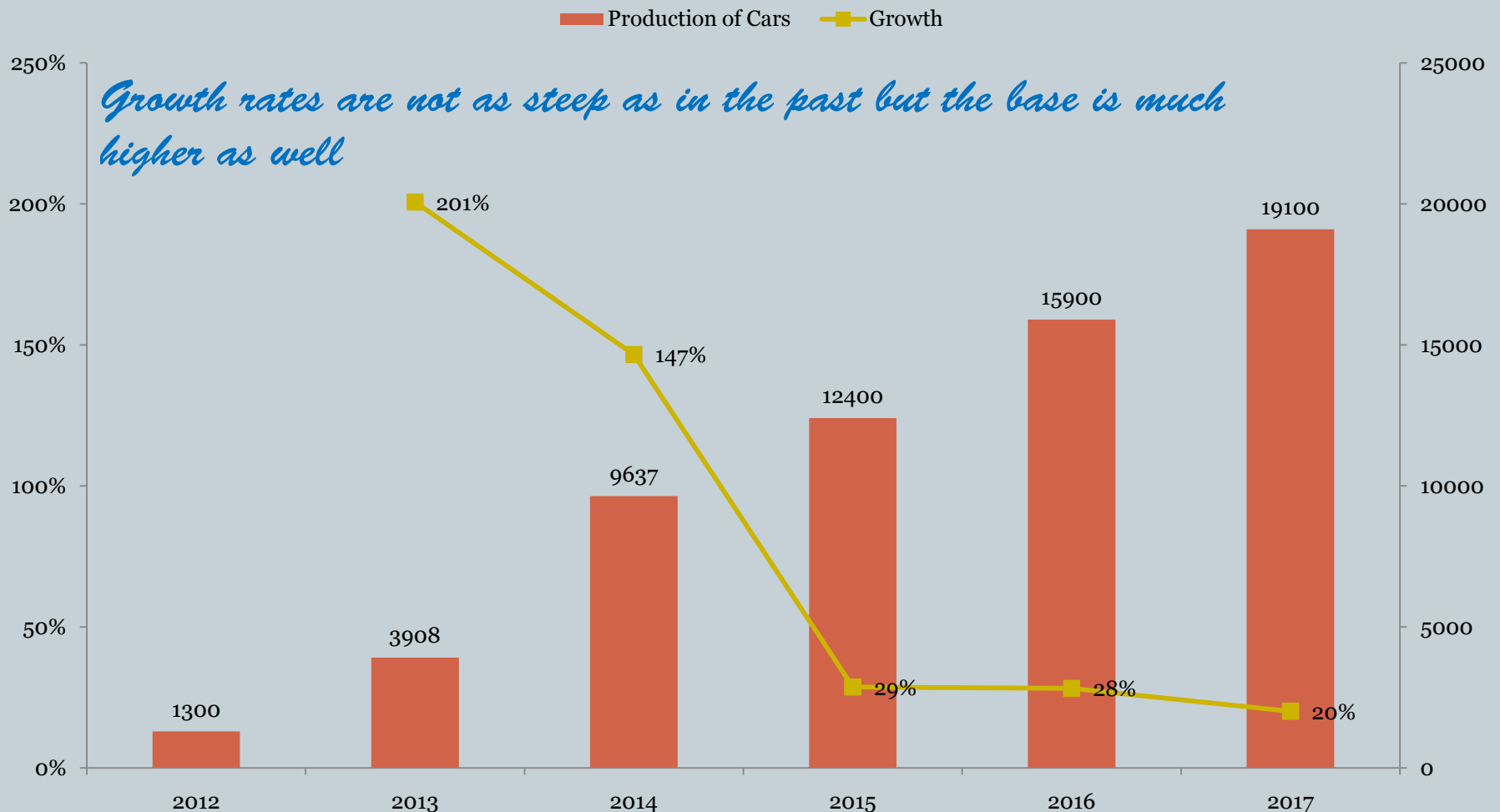
Large EV/EBITDA numbers are explained by nature of the business half of which is essentially has financial leasing business model rather than industrial business model



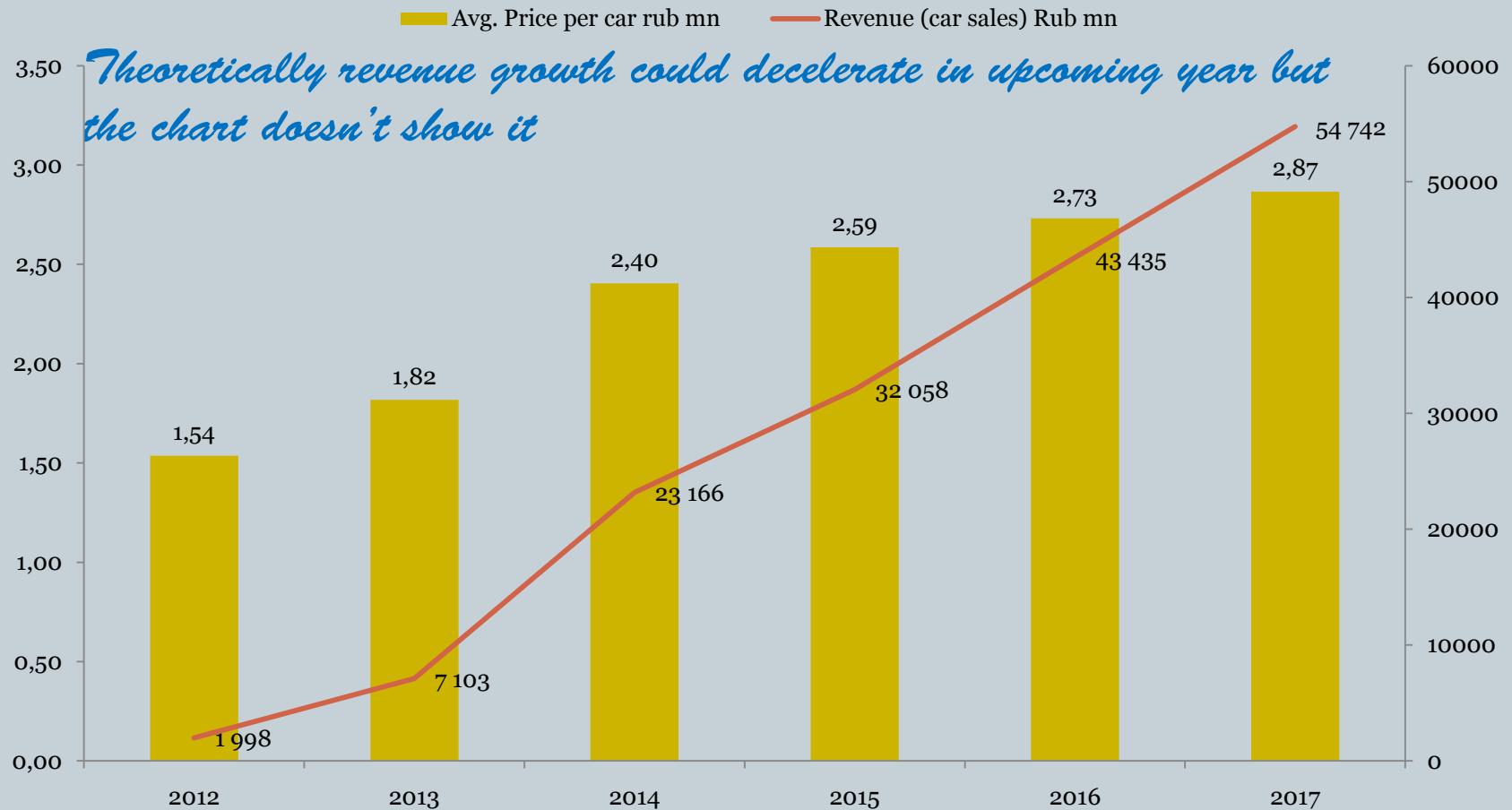
Production growth of railcars is strong



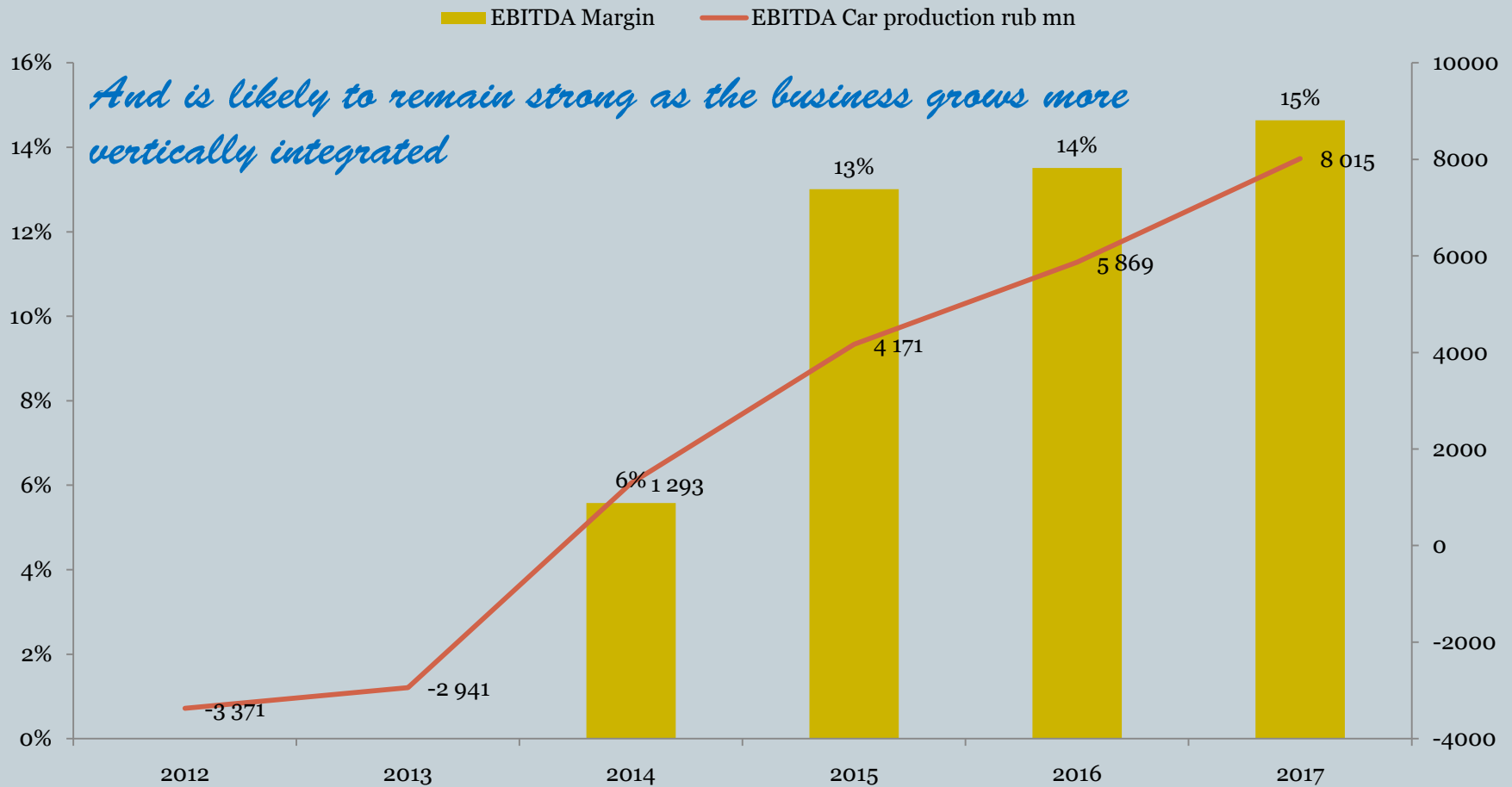
OVK has been able to post additional 20% rise in railcar production in 2017 increasing the total to 19100



Revenues from railcar sales in 2017 are close to 1bn\$ and average unit railcar prices adjust nicely to post devaluation ruble rates



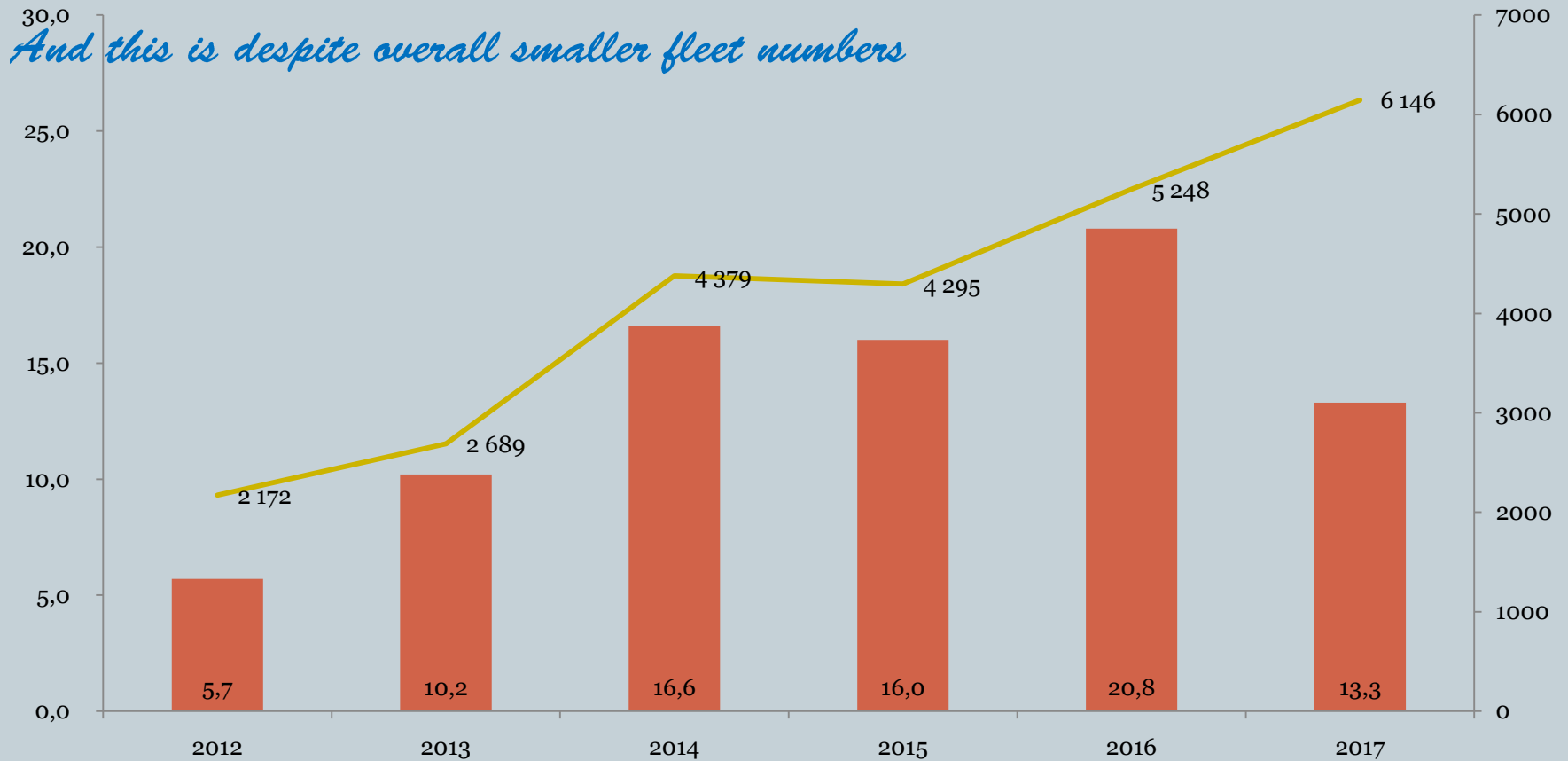
EBITDA margin in production rerated last year



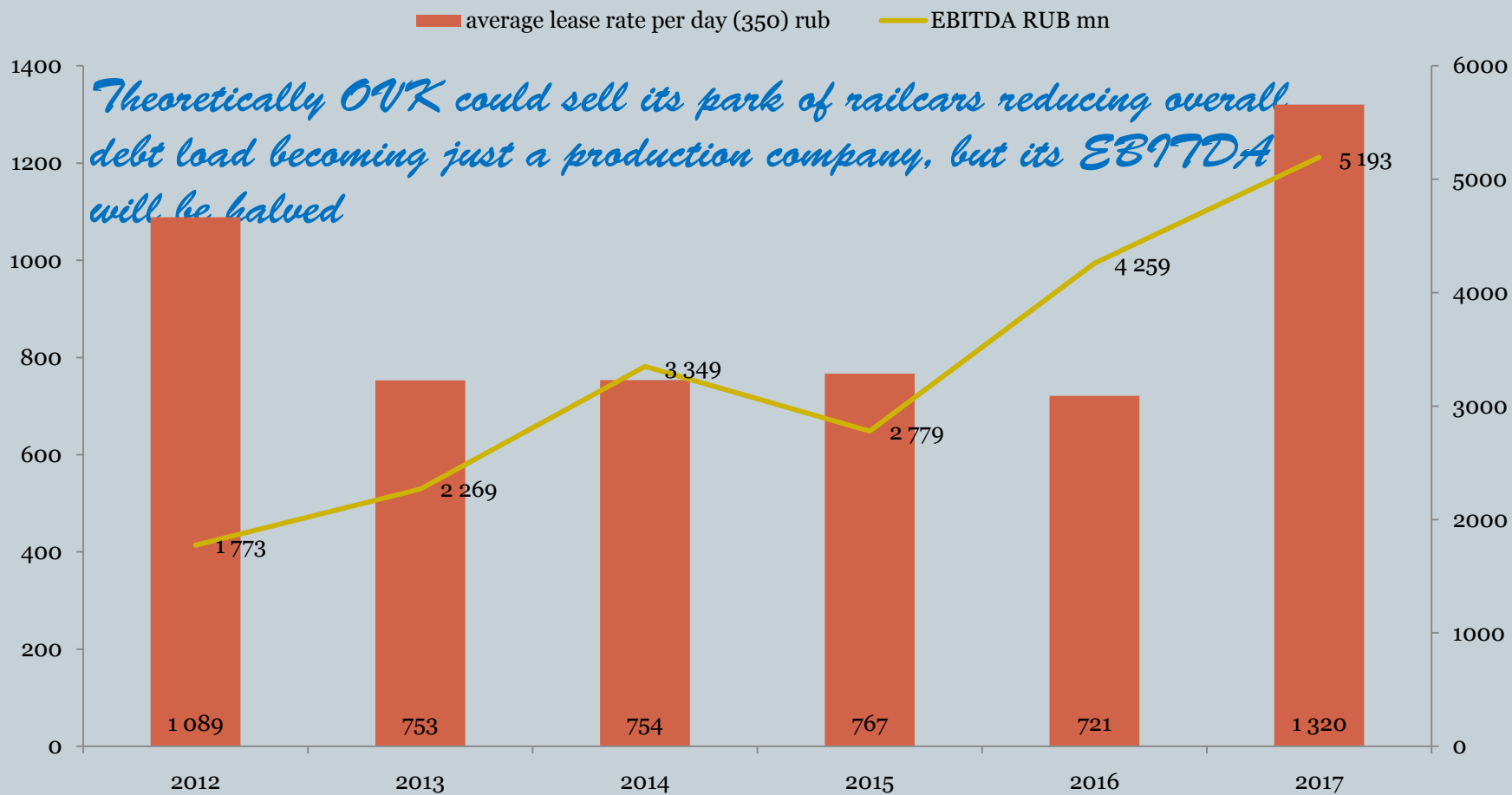
Revenues from leasing add additional 10% to total



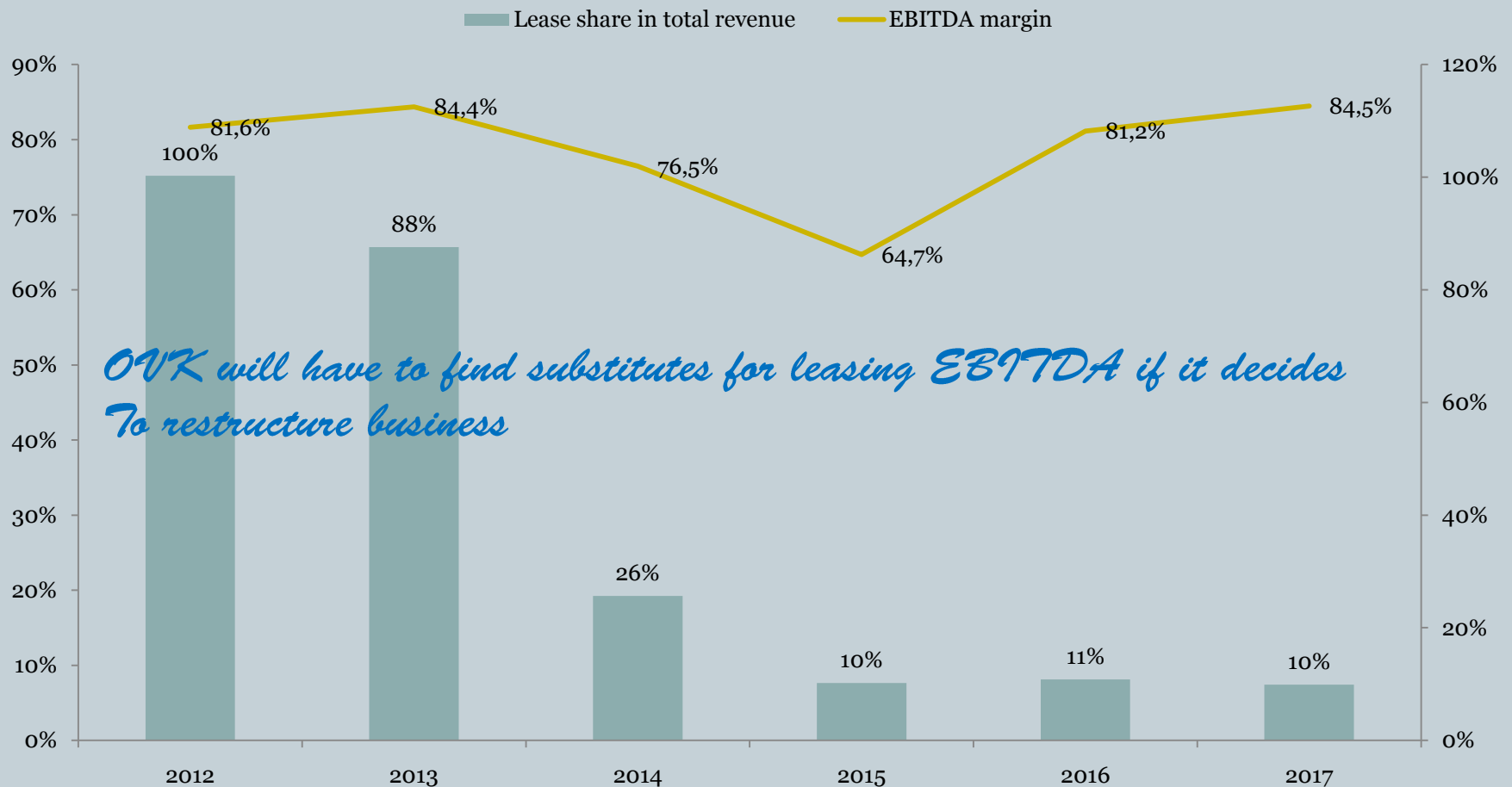
fleet 000 Revenue rub mn



However despite smaller share of leasing revenues in total, EBITDA from leasing is roughly half of EBITDA from production



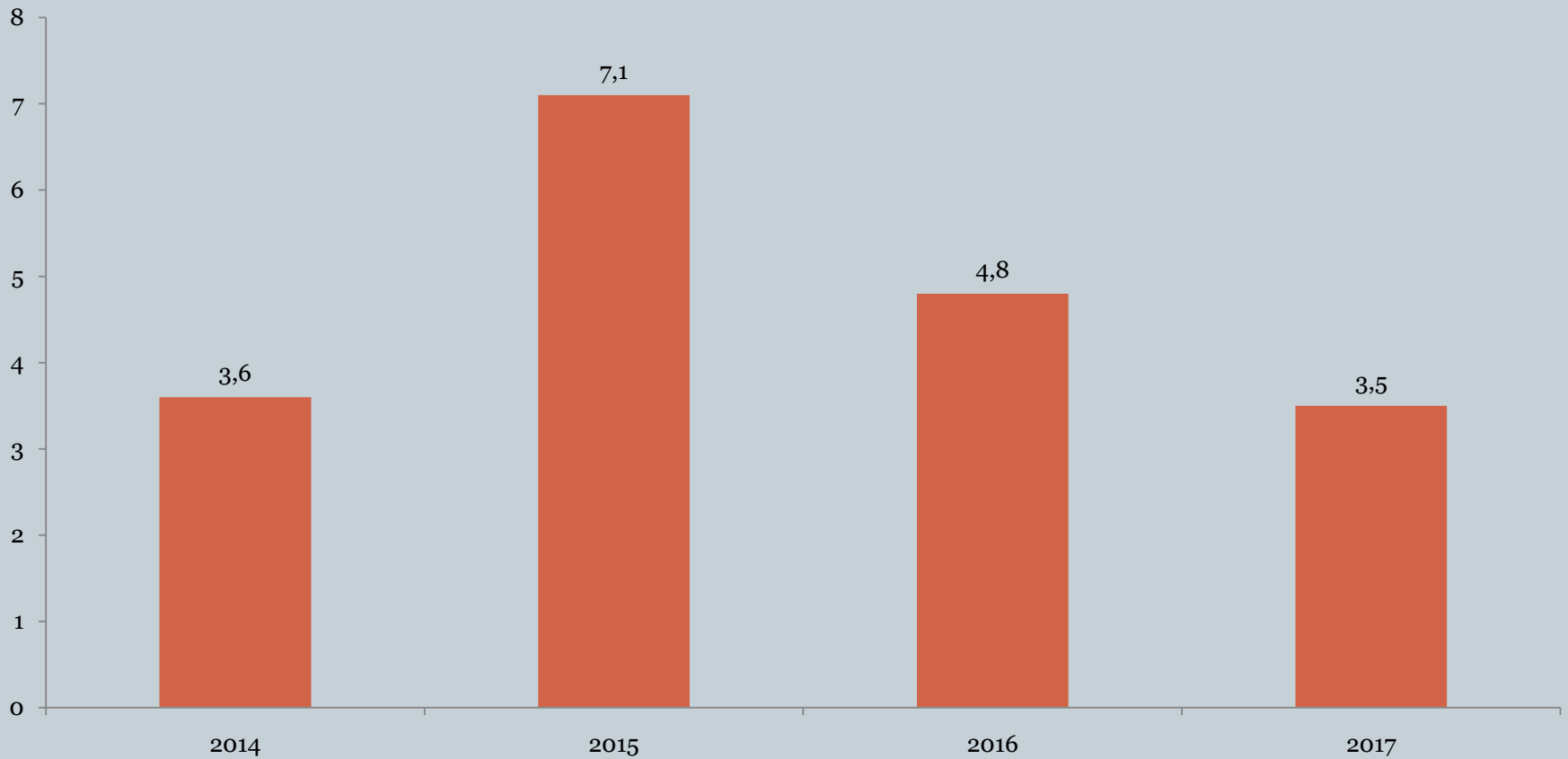
And this is due to very healthy EBITDA margin in leasing



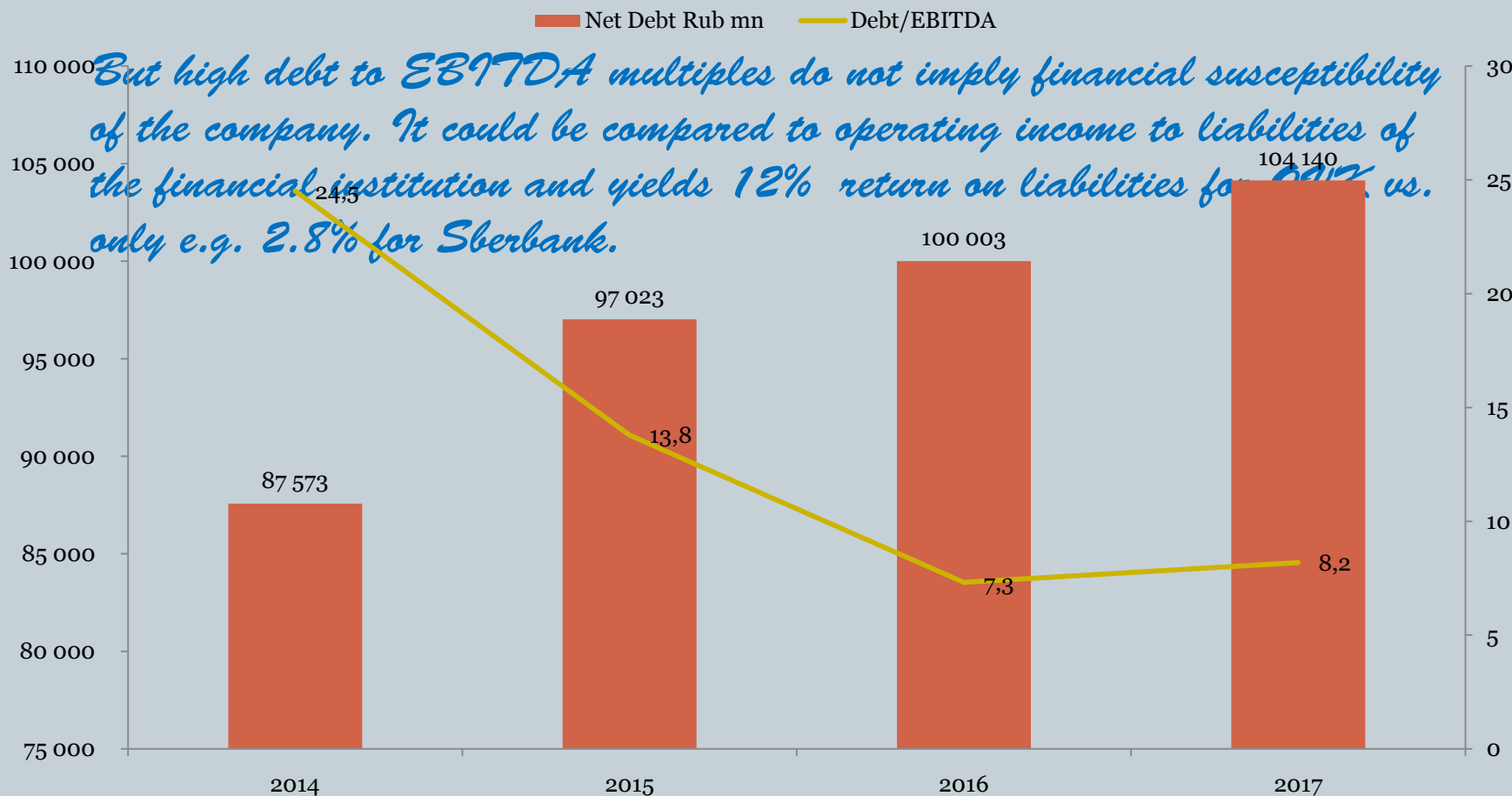
Capex has been on decline



Capex Rub bn



DEBT/EBITDA is down to levels of 8x



Even if EBITDA of OVK is accounted for interest expense which is roughly 8% of Net Debt, EBITDA/Net Debt comes to 4.2% and this is still higher number than for Sberbank