

PJSC "Magnit" Consolidated statement of comprehensive income for the year ended 31 December 2018

(In thousands of Russian rubles)

	Notes	2018	2017(Note 3)*
Revenue from contracts with customers	21	1,237,015,457	1,143,314,405
Cost of sales	22	(940,568,293)	(853,816,856)
Gross profit		296,447,164	289,497,549
Selling expenses	23	(16,069,946)	(15,629,200)
General and administrative expenses	24	(234,766,774)	(222,963,876)
Investment income		210,316	340,714
Finance costs	25	(9,136,262)	(12,978,882)
Other income	26	8,710,355	7,759,273
Other expenses		(907,548)	(735,488)
Foreign exchange (loss)/gain		(1,415,310)	133,680
Profit before income tax		43,071,995	45,423,770
Income tax expense	27	(9,207,471)	(9,884,798)
Profit for the year		33,864,524	35,538,972
Total comprehensive income for the year, net of tax		33,864,524	35,538,972
Profit for the year			
Attributable to:			
Equity holders of the Parent		33,864,524	35,538,972
		33,864,524	35,538,972
Total comprehensive income for the year, net of tax			
Attributable to:			
Equity holders of the Parent		33,864,524	35,538,972
		33,864,524	35,538,972
Earnings per share (in RUB per share)			
- basic and diluted, for profit for the year attributable to equity holders of the parent	28	334.81	373.68

* Certain amounts shown here do not correspond to the financial statements for the year ended 31 December 2017 and reflect adjustments described in Note 3.

Chief Executive PJSC "Magnit" Naumova O.V.

14 March 2019

The accompanying notes on pages 12-67 are an integral part of these consolidated financial statements

PJSC "Magnit" Consolidated statement of cash flows for the year ended 31 December 2018

(In thousands of Russian rubles)

	Notes	2018	2017 (Note 3)*
Cash flows from operating activities			
Profit before income tax		43,071,995	45,423,770
<i>Adjustments for:</i>			
Depreciation	7	35,521,322	32,947,360
Amortization including land lease rights	24	996,116	768,342
Loss from disposal of property, plant and equipment		549,026	464,016
Loss from disposal of intangible assets		27,278	-
Loss from disposal of land lease rights	8	25,789	24,697
Gain from disposal of investment property		(1,180)	-
(Reversal) of expected credit losses / accrual of bad debt provision	24	(97,118)	129,225
Foreign exchange loss/(gain)		1,415,310	(133,680)
Finance costs	25	9,136,262	12,978,882
Investment income		(210,316)	(340,714)
Operating cash flows before working capital changes		90,434,484	92,261,898
Increase in trade and other receivables		(1,213,236)	(684,289)
(increase)/decrease in advances paid		(663,651)	217,829
Increase in advances received		511,328	375,292
Decrease/(increase) in taxes receivable		1,145,281	(150,461)
Decrease/(increase) in prepaid expenses		118,695	(181,674)
Increase in inventories		(23,424,016)	(27,260,045)
Increase in trade and other payables		10,247,625	15,353,763
Increase in accrued expenses		511,124	926,667
Decrease in taxes payable		(1,827,166)	(2,527,243)
Increase in contract liabilities		1,131,356	189,020
Increase in government grants	20	1,858,968	355,296
Cash generated from operations		78,830,792	78,876,053
Income tax paid		(4,433,235)	(4,876,235)
Interest paid		(9,860,959)	(13,334,900)
Interest received		200,720	343,376
Net cash from operating activities		64,737,318	61,008,294
Cash flows from investing activities			
Purchase of property, plant and equipment		(51,603,538)	(73,528,262)
Purchase of intangible assets	9	(2,154,557)	(1,560,744)
Purchase of land lease rights	8	(847)	(63,023)
Cash received from business combination	6	187,758	-
Proceeds from sale of property, plant and equipment		1,079,628	459,417
Proceeds from sale of investment property		601,180	-
Loans provided		(1,507,414)	(1,855,287)
Loans repaid		166,756	1,552,549
Proceeds from government grants	20	22,742	800,695
Net cash used in investing activities		(53,208,292)	(74,194,655)
Cash flows from financing activities			
Proceeds from loans and borrowings	30	600,693,859	688,243,578
Repayment of loans and borrowings	30	(572,272,534)	(689,033,285)
Dividends paid	30	(13,808,982)	(29,233,198)
Repayment of obligations under finance leases		(3,345)	(1,250)
Proceeds from additional issue of shares	14	-	44,988,662

	Notes	2018	2017 (Note 3)*
Purchase of treasury shares	14	(17,727,687)	–
Net cash (used in) / generated from financing activities		(3,118,689)	14,964,507
Net increase in cash and cash equivalents		8,410,337	1,778,146
Cash and cash equivalents at the beginning of the year	13	18,337,417	16,559,271
Cash and cash equivalents at the end of the year	13	26,747,754	18,337,417

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PJSC "Magnit" Consolidated statement of changes in equity for the year ended 31 December 2018

(In thousands of Russian rubles)

	Share capital	Share premium	Treasury shares	Retained earnings	Attributable to equity holders of the parent
					Equity attributable to equity holders of the parent
Balance at 1 January 2017	946	42,647,372	–	153,428,650	196,076,968
Profit for the year	–	–	–	35,538,972	35,538,972
Total comprehensive income for the year	–	–	–	35,538,972	35,538,972
Dividends declared (Note 15)	–	–	–	(17,297,163)	(17,297,163)
Additional issue of shares (Note 14)	74	44,988,588	–	–	44,988,662
Balance at 31 December 2017	1,020	87,635,960	–	171,670,459	259,307,439
Balance at 1 January 2018	1,020	87,635,960	–	171,670,459	259,307,439
Profit for the year	–	–	–	33,864,524	33,864,524
Total comprehensive income for the year	–	–	–	33,864,524	33,864,524
Dividends declared (Note 15)	–	–	–	(27,437,973)	(27,437,973)
Purchase of treasury shares (Note 14)	–	–	(17,727,687)	–	(17,727,687)
Business combination (Note 6, 14)	–	(378,620)	5,676,224	–	5,297,604
Balance at 31 December 2018	1,020	87,257,340	(12,051,463)	178,097,010	253,303,907

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