Russian automotive market
H1 2018 results and outlook

Passenger cars | Light commercial vehicles | Trucks | Buses

Special review: Car sharing in Russia

September 2018
Contents

1 Overview of the Russian passenger car market 3
2 Overview of the Russian commercial vehicle market 9
3 Car sharing in Russia 13
4 Conclusions 17
5 About PwC 19
Overview of the Russian passenger car market
Positive macroeconomic indicators supported the recovery of the Russian car market in Q1 2018

**GDP growth rates and consumer price index (CPI)**
Q1 2015 – Q2 2018

Source: Ministry of Economic Development of the Russian Federation; Rosstat

**Average nominal RUB/USD exchange rate**
Q1 2015 – Q2 2018

Source: Central Bank of the Russian Federation

**Consumer confidence index**
Q1 2015 – Q2 2018

Source: Rosstat

**Brent oil price behaviour, USD**
Q1 2015 – Q2 2018

Source: Bloomberg
In H1 2018, sales of new passenger cars in Russia came to 790,000 units, which is 19% more than in H1 2017 (665,000 units).

Sales of Russian cars increased by 20%. This was driven by higher demand for Lada cars, particularly for the Lada Vesta and Lada Largus (sales of these models grew in 2018 by 43% and 53%, respectively). UAZ passenger car sales also increased, as the demand for UAZ Pickup grew by 43%. At the same time, demand for other UAZ models dropped.

Sales of foreign brands assembled in Russia grew by 17%. This is below the average growth rate in the industry. As of H1 2018, this segment accounted for around 62% of total new passenger car sales. The stable position and competitiveness of foreign brands assembled in Russia were largely facilitated by various state support programmes.

The share of imports in total sales in H1 2018 came to around 16%. As the scrappage fee increased and the Russian rouble strengthened in February-March 2018, sales of imported passenger cars grew by 23% in H1.

In monetary terms, the market demonstrated growth both in RUB and USD. In rouble terms, growth was higher (23% vs 19%), as the rouble was weaker in H1 2018 than in H1 2017.

<table>
<thead>
<tr>
<th>Passenger car categories (exclusive of LCV)</th>
<th>Sales,* thousand cars</th>
<th>Sales,* RUB billion</th>
<th>Sales,* USD billion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jan-June 2018</td>
<td>Jan-June 2017</td>
<td>Change</td>
</tr>
<tr>
<td>Domestic brands</td>
<td>173</td>
<td>144</td>
<td>20%</td>
</tr>
<tr>
<td>Foreign car models assembled in Russia</td>
<td>490</td>
<td>418</td>
<td>17%</td>
</tr>
<tr>
<td>Imported new cars</td>
<td>127</td>
<td>104</td>
<td>23%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>790</td>
<td>665</td>
<td>19%</td>
</tr>
</tbody>
</table>

* Passenger car shipments
Source: AEB, Russian Federal Customs Service, Autostat, PwC analysis
Managing localisation and developing in-house financing programmes are now high priorities for car manufacturers as they seek to maintain their competitiveness

Key trends in the Russian passenger car market in H1 2018:

In 2018, government support of the car market scaled down as the market gradually started to grow naturally. Still, in July 2018, a decision was taken to extend the subsidised car loan and car leasing programme through 2020. In addition, car loan subsidies were increased for the Far Eastern Federal District to promote sales of cars assembled in Russia.

In light of reduced government support, many car producers are continuing to promote offers such as trade-ins, soft lending, operational leasing and leasing for individuals.

Before the scrappage fee increase, the imported car segment showed growth from 1 April 2018. The top three largest imported vehicles are Toyota, Mercedes-Benz and Lexus. Together, they account for around 45% of total imports.

For the first time since 2015, the premium segment demonstrated a positive trend, growing by 5.5% up to 70,900 cars, while its share continues to shrink and makes up 9%. Many strong performers in H1 2017 (such as Jaguar, Volvo, Jeep, Cadillac and Infiniti) showed a negative trend in H1 2018, while Mercedes and Lexus reversed their downward trend towards growth.

In H1 2018, the SUV and B segments continued to show the largest sales volumes, accounting for 81% of all new passenger vehicle sales.

Volume of passenger car sales for selected brands, H1 2018*

<table>
<thead>
<tr>
<th>Brand</th>
<th>Market share H1 2018, %</th>
<th>Market share H1 2017, %</th>
<th>Change in market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lada</td>
<td>20.8%</td>
<td>20.4%</td>
<td>▲</td>
</tr>
<tr>
<td>KIA</td>
<td>14.1%</td>
<td>12.8%</td>
<td>▲</td>
</tr>
<tr>
<td>Hyundai</td>
<td>11.0%</td>
<td>10.5%</td>
<td>▲</td>
</tr>
<tr>
<td>Renault</td>
<td>8.8%</td>
<td>9.1%</td>
<td>▼</td>
</tr>
<tr>
<td>VW</td>
<td>6.1%</td>
<td>6.0%</td>
<td>▲</td>
</tr>
<tr>
<td>Toyota</td>
<td>6.0%</td>
<td>6.5%</td>
<td>▼</td>
</tr>
<tr>
<td>Nissan</td>
<td>4.7%</td>
<td>5.3%</td>
<td>▼</td>
</tr>
<tr>
<td>Skoda</td>
<td>4.6%</td>
<td>4.3%</td>
<td>▼</td>
</tr>
<tr>
<td>Ford</td>
<td>2.6%</td>
<td>2.8%</td>
<td>▼</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>2.5%</td>
<td>1.3%</td>
<td>▲</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>2.3%</td>
<td>2.6%</td>
<td>▼</td>
</tr>
<tr>
<td>BMW</td>
<td>2.2%</td>
<td>2.2%</td>
<td>▼</td>
</tr>
<tr>
<td>Chevrolet</td>
<td>1.8%</td>
<td>2.2%</td>
<td>▼</td>
</tr>
<tr>
<td>Mazda</td>
<td>1.8%</td>
<td>1.7%</td>
<td>▼</td>
</tr>
<tr>
<td>Lexus</td>
<td>1.5%</td>
<td>1.6%</td>
<td>▼</td>
</tr>
</tbody>
</table>

Source: AEB, PwC analysis

Change in the passenger car market share for selected brands

* Mitsubishi is in top 15 but not represented in the diagram due to the sales growth at the level of 131%

Source: AEB, PwC analysis

In light of reduced government support, many car producers are continuing to promote offers such as trade-ins, soft lending, operational leasing and leasing for individuals.
Passenger car sales growth is expected to slow in H2 2018, and further market development will be driven by the macroeconomic environment.

In the optimistic scenario for 2018, sales of new passenger cars in Russia may grow 14% and reach 1.68 million cars.

In the baseline scenario, sales in this segment will grow 12%, reaching 1.65 million cars.

The outcome will mainly depend on macroeconomic conditions.

Factors that may contribute to slower sales growth in H1 2018:
- Worsened macroeconomic environment and increased volatility of the national currency
- Increased scrappage fee
- Reduced government support of the car industry
- Cancelled benefits for imported components and more stringent requirements for potential parties to special investment contracts

Factors that will drive sales growth in H1 2018:
- Higher demand for cars by the year-end prior to the VAT increase up to 20% from 1 January 2019

New car market forecast, thousand cars (exclusive of LCV)

<table>
<thead>
<tr>
<th>Passenger car categories</th>
<th>2017 (actual)</th>
<th>2018 (baseline forecast)</th>
<th>2018 (optimistic forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic brands</td>
<td>323</td>
<td>361</td>
<td>367</td>
</tr>
<tr>
<td>Foreign car models assembled in Russia</td>
<td>897</td>
<td>1,022</td>
<td>1,040</td>
</tr>
<tr>
<td>Imported new cars</td>
<td>255</td>
<td>266</td>
<td>270</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,475</strong></td>
<td><strong>1,648</strong></td>
<td><strong>1,678</strong></td>
</tr>
</tbody>
</table>

*Source: PwC analysis*
In the next five years, the passenger car market will grow moderately

New passenger car market outlook for Russia, 2018-2022, million cars

*CAGR: Compound annual growth rate
Source: PwC analysis
Overview of the Russian commercial vehicle market
Cancellation of government support programmes could hinder market development

The light commercial vehicle (LCV) segment includes vehicles with a gross weight of up to 3.5 tonnes.

In H1 2018, the light commercial vehicle market grew 5%, with 52,900 units sold. Citroen (+65%), Peugeot (+60%) and Ford (+59%) led in incremental sales growth.

The Russian commercial vehicle market is dominated by the national brands GAZ, UAZ and Lada, with a total share of 70%. However, the leading Russian brands lost their combined market share (6.6% down versus the same period in 2017). GAZ demonstrated the largest sales uptake (+10%).

According to our projections, sales growth for LCVs in 2018 will amount to 8%, with 117,000 units sold.

The main factors influencing the LCV market:

- **Small and medium enterprises.** In the wake of Russia’s economic recovery, SME activities will intensify, contributing to LCV sales growth.
- **Government support.** Prolongation of the government programme for subsidised loans and car leasing will drive commercial transport sales growth.

### Forecast for LCV sales, thousand cars

![Forecast chart](chart.png)

Source: Autostat, PwC analysis

### Market share

<table>
<thead>
<tr>
<th>Brand</th>
<th>H1 2018, %</th>
<th>H1 2017, %</th>
<th>Change in market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAZ</td>
<td>45.3%</td>
<td>43.6%</td>
<td>▲</td>
</tr>
<tr>
<td>UAZ</td>
<td>14.7%</td>
<td>22.3%</td>
<td>▼</td>
</tr>
<tr>
<td>LADA</td>
<td>9.6%</td>
<td>9.3%</td>
<td>▲</td>
</tr>
<tr>
<td>FORD</td>
<td>9.0%</td>
<td>6.0%</td>
<td>▲</td>
</tr>
<tr>
<td>MERCEDES</td>
<td>8.1%</td>
<td>7.4%</td>
<td>▲</td>
</tr>
<tr>
<td>VOLKSWAGEN</td>
<td>4.8%</td>
<td>4.3%</td>
<td>▲</td>
</tr>
<tr>
<td>PEUGEOT</td>
<td>2.1%</td>
<td>1.4%</td>
<td>▲</td>
</tr>
<tr>
<td>CITROEN</td>
<td>1.8%</td>
<td>1.2%</td>
<td>▲</td>
</tr>
<tr>
<td>HYUNDAI</td>
<td>1.7%</td>
<td>1.7%</td>
<td>▼▲</td>
</tr>
<tr>
<td>FIAT</td>
<td>1.3%</td>
<td>1.6%</td>
<td>▼▲</td>
</tr>
<tr>
<td>Other</td>
<td>1.6%</td>
<td>1.2%</td>
<td>▲</td>
</tr>
</tbody>
</table>

Source: Autostat, PwC analysis
Among all commercial vehicle segments, the largest growth is projected for trucks.

The truck market includes medium-capacity (3.5-16 tonnes) and large-capacity (over 16 tonnes) trucks.

In H1 2018, truck sales amounted to 37,900 units, an increase of 20%. The share of foreign brands continued to grow in H1 2018. Among the ten leading players in the market, Russian brands lost almost 5% of their share, while the foreign brands increased their share by 2%.

According to our projections, sales of trucks in 2018 will grow 27%, amounting to 102,000 units sold.

The main factors influencing the truck market:

- Development of road infrastructure. At the end of 2017, the Transportation System Development State Programme was adopted to facilitate the growth of cargo delivery volumes, which will require larger truck fleets.
- Lease product development. Cheaper leasing and new lease products will drive truck sales growth.

<table>
<thead>
<tr>
<th>Brand</th>
<th>H1 2018, %</th>
<th>H1 2017, %</th>
<th>Change in market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAMAZ</td>
<td>31.7%</td>
<td>35.5%</td>
<td>▼</td>
</tr>
<tr>
<td>GAZ</td>
<td>10.4%</td>
<td>11.2%</td>
<td>▼</td>
</tr>
<tr>
<td>VOLVO</td>
<td>8.6%</td>
<td>6.7%</td>
<td>▼</td>
</tr>
<tr>
<td>SCANIA</td>
<td>7.1%</td>
<td>6.2%</td>
<td>▼</td>
</tr>
<tr>
<td>MAN</td>
<td>5.9%</td>
<td>4.8%</td>
<td>▲</td>
</tr>
<tr>
<td>MERCEDES</td>
<td>5.2%</td>
<td>6.1%</td>
<td>▼</td>
</tr>
<tr>
<td>MAZ</td>
<td>4.7%</td>
<td>5.2%</td>
<td>▼</td>
</tr>
<tr>
<td>ISUZU</td>
<td>4.4%</td>
<td>5.0%</td>
<td>▼</td>
</tr>
<tr>
<td>Ural</td>
<td>3.8%</td>
<td>4.1%</td>
<td>▼</td>
</tr>
<tr>
<td>DAF</td>
<td>3.7%</td>
<td>4.5%</td>
<td>▼</td>
</tr>
<tr>
<td>Other</td>
<td>14.5%</td>
<td>10.7%</td>
<td>▲</td>
</tr>
</tbody>
</table>

Source: Autostat, PwC analysis
Extended government support programme and tougher regulation of the segment will promote the upgrade of obsolete bus fleets

The bus segment comprises transport vehicles designated for the transportation of passengers and luggage that have eight passenger seats apart from the driver’s seat, except for transport vehicles that fall into the category of light commercial vehicles.

New bus sales in H1 2018 showed a 22% increase, amounting to 6,300 vehicles. Among the top five players, Russian brands account for more than 94% of the bus market. The leading brand is PAZ, which decreased its market share to 51%.

According to our projections, the sales volume for buses in 2018 will grow 22%, amounting to 14,200 units sold.

The main factors influencing the bus market:

- **Regulations.** The extended government support programme for manufacturers of gas-engine machinery will drive sales growth.

- **Government Policy.** A Russian Government resolution that bans the use of buses more than ten years old for transporting organised groups of children comes into effect in phases, starting from 1 July. Given the age structure of regional fleets, the resolution will positively influence sales volumes.

### Bus sales forecast, thousand units

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10.3</td>
</tr>
<tr>
<td>2010</td>
<td>12.4</td>
</tr>
<tr>
<td>2011</td>
<td>16.4</td>
</tr>
<tr>
<td>2012</td>
<td>17.1</td>
</tr>
<tr>
<td>2013</td>
<td>15.2</td>
</tr>
<tr>
<td>2014</td>
<td>11.2</td>
</tr>
<tr>
<td>2015</td>
<td>9.0</td>
</tr>
<tr>
<td>2016</td>
<td>10.4</td>
</tr>
<tr>
<td>2017</td>
<td>11.7</td>
</tr>
<tr>
<td>2018</td>
<td>14.2</td>
</tr>
<tr>
<td>2019</td>
<td>15.2</td>
</tr>
<tr>
<td>2020</td>
<td>16.0</td>
</tr>
<tr>
<td>2021</td>
<td>17.1</td>
</tr>
<tr>
<td>2022</td>
<td>18.0</td>
</tr>
</tbody>
</table>

Source: Autostat, PwC analysis

<table>
<thead>
<tr>
<th>Brand</th>
<th>H1 2018, %</th>
<th>H1 2017, %</th>
<th>Change in market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAZ</td>
<td>51.3%</td>
<td>53.4%</td>
<td>▼</td>
</tr>
<tr>
<td>LIAZ</td>
<td>18.0%</td>
<td>15.5%</td>
<td>▲</td>
</tr>
<tr>
<td>NEFAZ</td>
<td>6.2%</td>
<td>7.9%</td>
<td>▼</td>
</tr>
<tr>
<td>MAZ</td>
<td>6.0%</td>
<td>4.8%</td>
<td>▲</td>
</tr>
<tr>
<td>YUTONG</td>
<td>5.0%</td>
<td>2.3%</td>
<td>▲</td>
</tr>
<tr>
<td>Other</td>
<td>13.6%</td>
<td>16.1%</td>
<td>▼</td>
</tr>
</tbody>
</table>

Source: Autostat, PwC analysis
Car sharing in Russia
Car sharing is gradually integrating into the transportation systems of large Russian cities

The sharing economy has expanded into many dimensions of our life, with car sharing being one of the prime examples.

Car sharing originated as a response to the increasing cost of car ownership, traffic jams and the limited availability and high cost of parking in large cities.

The first Russian car sharing operator appeared in Moscow in late 2012, and the service started to develop dynamically in 2015.

Car sharing is more popular in large cities. Driven by business scaling among major players, however, the service has recently begun to move beyond megacities, primarily to resort cities (Sochi, Krasnodar). As of August 2018, car sharing is available in 14 Russian cities.

Cities that offer car sharing services
(The figure in brackets is the number of car sharing operators in the city)

- Kaliningrad (2)
- St Petersburg (5)
- Moscow (16)
- Nizhny Novgorod (1)
- Rostov (1)
- Kazan (1)
- Samara (1)
- Ekaterinburg (2)
- Ufa (2)
- Chelyabinsk (1)
- Grozny (1)
- Novosibirsk (3)
Over the past three years, the competitive landscape in car sharing has changed dramatically

Timeline of car sharing operators entry to Russian cities*

- Kazan
- Chelyabinsk
- Grozny
- Rostov
- Kaliningrad
- Samara
- Ekaterinburg
- Novosibirsk
- Nizhny Novgorod
- Ufa
- Krasnodar
- Sochi
- St Petersburg
- Moscow

* Non-exhaustive list
Source: PwC analysis
**The Moscow car sharing market is among the leaders in terms of fleet growth, but the market is still not saturated**

### Car sharing fleet in Moscow

**As of August 2018**

- **16** car sharing operators
- **10,500** total car fleet
  - Delimobil *(including Anytime)*
  - Belka Car
  - YouDrive *(including YouDrive Pool)*
  - Yandex Drive
- **94%** of the market

### Total car sharing fleet, PwC projections

- **10,500** August 2018
- **16,000** End of 2018
- **30,000** 2025

### Annual parking pass price, RUB thousand

- **20** for 1 car sharing vehicle
- **300** for regular citizen

### Pricing

- **Average price per minute, RUB**
  - **7-10** for *mass segment* cars
  - **3** RUB per minute *in morning hours*

### Premium segment development

Many car sharing companies are expanding their range of car models to maintain competitiveness and attract customers. In addition, the market shows an increasing demand for premium cars. In response, operators are expanding their premium car fleets. However, most premium models are not eligible for reduced parking costs due to their size. Therefore, premium car sharing can be less profitable for operators.

### Green car sharing development

The development of green car sharing is in its initial stage. The Russian Private Equity Fund and Enel (Italy) are planning to build infrastructure and launch e-car sharing in Moscow by the end of 2018. Also, Concern Radio-Electronic Technologies (CRET) of Rostec State Corporation, Delimobil and Renault have signed an agreement on launching e-car sharing in the Krasnodar Region. CRET will build a network of charging stations first in the Krasnodar Region and then all over Russia.

### Car sharing outlook

- **Logistics and transportation solutions**
  - **Available service**
  - **Being discussed**

---

*PwC*
Conclusions
Conclusions

1. Positive developments in macroeconomic indicators supported the recovery of the Russian car market in Q1 2018.

2. In H1 2018, the passenger car market grew by 19% on the back of low sales in H1 2017.

3. Managing localisation and developing in-house financing programmes are among the highest priorities of car manufacturers seeking to maintain their competitiveness.

4. Cancellation of government support programmes could hinder market development.

5. Passenger car sales growth is expected to slow in H2 2018, and further market development will be driven by the macroeconomic environment.

6. Among all commercial vehicle segments, the largest growth is projected for trucks.

7. Extended government support programmes and tougher regulation of the segment will promote the upgrading of obsolete bus fleets.

8. Car sharing is gradually integrating into the transportation systems of large Russian cities. Over the past three years, the competitive landscape of car sharing in Russia has changed dramatically.

9. The Moscow car sharing market is among the leaders in terms of fleet growth, but the market is still not saturated.
About PwC
PwC has a wealth of international experience in providing services to companies in the automotive industry

We are proud that experts recognise us as leaders in our field.

- In 2016, PwC was named the strongest brand in the Business for Business category by Brand Finance and was ranked among the world’s ten most influential global brands in their annual rating.
- PwC’s global network holds first place in the international rating by the reputable professional publication International Accounting Bulletin as the world’s largest international network.
- According to Vault, the PwC network is:
  - The PwC network is the world leader in business consulting, according to IDC.
  - ALM Vanguard considers the PwC network the world leader in the field of M&A transactions consulting.
  - In 2016, PwC Russia ranked second among major audit and consulting groups in Russia, according to the Expert RA ratings agency.
  - In 2015, PwC Russia was recognised for the sixth time as the Russian tax consulting firm of the year in an annual competition held by International Tax Review.
  - PwC Legal was listed among Russia’s 10 best law firms by the Pravo.Ru 300 rating of law firms.

About PwC:

- The PwC network of firms is the world’s largest network rendering professional services.
- The global network encompasses more than 236,000 people in 158 countries.
- For more than 25 years, PwC has been rendering services in Russia. More than 2,700 professionals help us reach success.
- PwC consists of specialised sectoral subdivisions, which enables us to render services of maximum quality and meet the needs of each individual client.
- In Russia, our clients include more than 3,000 companies, 270 of which are included in the Expert 600 rating of leading Russian companies.
- PwC Russia is a member of a number of professional organisations, business unions and business associations.
**PwC has experience rendering services to automotive industry companies in Russia**

PwC's market share in all types of services rendered to automotive industry companies in Russia (by number of clients)

Twenty-seven companies included in the Top 400 rating

PwC's market share in audit services rendered to automotive industry companies in Russia (by number of clients)

Twenty-seven companies included in the Top 400 rating

A non-exhaustive list of PwC's clients in Russia in the automotive industry

<table>
<thead>
<tr>
<th>PwC</th>
<th>70%</th>
<th>PwC</th>
</tr>
</thead>
</table>

### A non-exhaustive list of PwC's clients in Russia in the automotive industry

**Avilon Automobile Group***  
**Cominvest-AKMT***  
**SP BUSINESS CAR***

**Avtovaz**  
**Cordiant***  
**SUZUKI MOTOR Rus***

**AgroCentre Holding**  
**Magna Automotive Holding***  
**Tenneco Automotive Volga***

**Asia Auto Ust-Kamenogorsk***  
**Mazda Motor Rus***  
**Toyo Tires Rus***

**Automotive Glass Alliance Rus***  
**MAZDA SOLLERS Manufacturing Rus***  
**Toyota Boshoku***

**Automotive Lighting**  
**MAHLE RUS***  
**Toyota Tsusho Technics***

**BMW Russland Trading**  
**MAN Trucks and Bus Rus***  
**Federal Mogul Powertrain Vostok***

**Bosch Rexroth***  
**Mercedes-Benz RUS***  
**Volkswagen Group Rus***

**Brembo Russia**  
**Mitsubishi Corporation***  
**Ford Motor Company***

**Bridgestone CIS**  
**MMC Rus***  
**Ford Sollers Automotive Components***

**Bridgestone Tire Manufacturing CIS**  
**NVH RUS***  
**Ford Sollers Elabuga***

**Brose Togliatti Automotive***  
**NGK Spark Plugs (Eurasia)***  
**Ford-Sollers Holding***

**Volvo Vostok***  
**Nizhnекамскshina***  
**Faurecia Group***

**Voroиnezh tire plant**  
**Nissan Manufacturing Rus***  
**Fujikura Automotive Rus Cheboksary***

**Goodyear Russia***  
**NорautoRus***  
**Fuyao Glass Rus***

**DAIMLER KAMAZ Rus**  
**Peugeot Citroen Rus***  
**Hankook Tire Rus***

**Daf Trucks Rus**  
**Pirelli Tyre Russia***  
**Hyundai Motor CIS***

**JCB Russia**  
**Porsche Russia***  
**Hyundai Steel Rus***

**Johnson Controls***  
**Renault***  
**Hyundai Truck and Bus Rus***

**Ingersoll-Rand Services and Trading***  
**ROLL***  
**Hyva Russia***

**Inchcape Holding***  
**Skania-Peter***  
**Zeppelin Russland***

**KAMAZ**  
**Scania-Rus***  
**ZF KAMA***

**Caterpillar Eurasia***  
**SKF***  
**Schmitz Cargobull Russland***

**Caterpillar Tosno***  
**SOLLERS***  
**Unipress Rus***

**KIA Motors Rus**  
**Sollers-Bussan***  
**Jaguar Land Rover***

**Sources: PwC; Expert-600 rating, October 2017.**

* Audit clients
We have the leading automotive practice in Russia

How we can help automotive companies

- What should my company’s strategy look like to ensure success in the market? How do I achieve my shareholders’ objectives? What is my business worth?
- Market analytics: Where are future market trends heading and what could the anticipated demand for automobiles and machinery amount to?
- Searching for sources of financing and partners: How do I negotiate the best terms for my deal?
- Driving business efficiency: What is the best organisational structure and headcount for my company? Which business processes are most feasible to automate?
- Impact analysis of the latest and anticipated amendments in tax and customs legislation
- Legal issues arising from business registration, restructuring and protection
- How to ensure the transparency of financial reporting and improve trust among creditors, investors, shareholders and business partners in the information provided to them

Our competitive edge

1. With our industry-based capabilities, we can focus our resources, knowledge and experience on particular activities and lines of service. Our team has deep expertise in the specifics of the automotive industry.
2. We are familiar with the best practices in the industry, have access to a global network of databases and can engage leading subject matter experts. This helps us find the most effective solutions for our clients.
3. The automotive industry is one of PwC’s priorities in Russia. We work with multiple Russian and global automobile, vehicle and spare-parts manufacturers, as well as with importers and dealers.
4. Our activities in the automotive sector go beyond advisory services to our clients, including extensive engagement in professional conferences, networking with industry associations and publishing our in-house expert opinions and research in mass media sources.
5. We have comprehensive knowledge of our clients, as PwC Russia provides auditing and advisory services to 65% of the country’s automotive leaders.
We conduct automotive market research and understand all of its trends

PwC strives to be in the centre of events in the automotive industry and to offer the most relevant information and research to our clients.

For this purpose, PwC:

- Conducts **detailed research** devoted to the current state of the automotive industry and its development;
- Holds **specialised workshops and round tables** for our automotive industry clients on issues for the industry and business development;
- Participates in **key industry events and activities**;
- Sponsors key industry events and research.

PwC works with the Russian Automobile Dealers Association (RADA), including participating in its annual conferences.

PwC has partnered with the State Scientific Centre of the Russian Federation that is part of FGUP NAMI.

---

The cost of car ownership in Russia

Reinventing the wheel: potential development scenarios for the automotive industry

Automotive M&A insights, mid-year 2016

2016 Global State of Information Security Survey: survey results from companies in the automotive industry

The Future of the Automotive Industry

How do you define business success in an ever-changing world? Suggesting a new definition
Let's talk

Oleg Malyshev
Partner, Advisory Deals Leader

Tel.: +7 (495) 967 6000
E-mail: oleg.malyshev@pwc.com

Victoria Sinichkina
Director, Automotive

Tel.: +7 (495) 967 6000
E-mail: victoria.sinichkina@pwc.com

Nadezhda Markova
Assistant Manager, Automotive

Tel.: +7 (495) 967 6000
E-mail: nadezhda.markova@pwc.com

Press Office, PwC Russia:
Ekaterina Sarkisyan

Tel.: +7 (495) 967 000, ext. 3654,
Email: ekaterina.sarkisyan@pwc.com

This presentation has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this presentation without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this presentation. Unless otherwise provided for by the Russian legislation, PwC, its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this presentation or for any decision based on it.

PwC Russia (www.pwc.ru) provides industry-focused assurance, tax, legal and advisory services. Over 2,500 people work in our offices in Moscow, St Petersburg, Ekaterinburg, Kazan, Novosibirsk, Rostov-on-Don, Krasnodar, Voronezh, Vladikavkaz and Ufa. We use our in-depth knowledge, wealth of experience and creative approach to problem-solving to develop fresh perspectives, sound advice and practical solutions that can open up new vistas for business.

“PwC” refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Together, these firms form the PwC network, which includes over 236,000 employees in 158 countries. For more details, please visit http://www.pwc.ru/ru/about.html

© PwC, 2018. All rights reserved.