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ELDORADO LLC

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Credit rating components		Weight
Industry risk profile	**Medium risk**	**0%**
Operating risk profile	**BBB+**	**37%**
Market position	Neutral	
Business profile	Adequate	
Geographic diversification	Very high	
Corporate governance	Weak	
Financial risk profile	**BB-**	**63%**
Size	Medium	
Profitability	Medium	
Leverage	High	
Coverage	Low	
Liquidity	Medium	
Cash flow	Minimum	
SCA	**BB+**	
Analytical adjustments	**0**	
Final SCA	**BB+**	
Support	**0**	
State support	0	
Group support	0	
Foreign support	0	
Credit rating	**BB+**	

Key rating assessment factors

High debt load of ELDORADO LLC (hereinafter – Eldorado or the Company) is largely related to guarantees provided by Eldorado for the USD 350 mln worth loan taken out by the parent company. As a result, its total debt to FFO before fixed charges ratio ran into 8.2x as of December 31, 2016. By end-2016, FFO before fixed charges divided by the latter reached 1.2x and is expected to retreat to 1.0–1.1x starting 2017.

Moderate liquidity of Eldorado depends largely on the RUB 7 bln worth borrowing limit, which will enable the Company to execute practically all its obligations even if existing creditors refuse to refinance loans. The short-term liquidity ratio for 2017 will stand at 1.75x. ACRA expects that in 2018–2019 the aforementioned ratio will vary from 1.1 to 1.5x and will depend on the Company's ability to refinance its current debt.

Adequate business profile is determined by Eldorado's strong brand and efficient brand policy as well as actively developed online sales segment, which en masse increase diversification of formats used by the Company.

Weak corporate governance. Low level of Eldorado's development strategy formalization coupled with incomplete formation process of the Board of Directors and absence of regulated risk management process may dwindle the quality of Company's management. In addition, ACRA notes low financial transparency of Eldorado's parent entities.

Moderate size and profitability. According to Company's preliminary estimates, as of end-2016, Eldorado posted RUB 111 bln in revenues (hereinafter – not including VAT), with FFO before fixed charges and taxes fetching RUB 9.7 bln and FFO margin before fixed charges reaching 8.7%. EBITDAR per one square meter ran into RUB 12.9 thousand, which is somewhat lower than the same indicator shown by peers.

Potential outlook or rating change factors

The **Stable outlook** assumes that the rating will most likely stay unchanged within the 12 to 18-month horizon.

A positive rating action may be prompted by:

- Material debt load decline;
- Material corporate governance improvement.

A negative rating action may be prompted by:

- Debt load growth, or tightening loan agreement terms;
- Average exchange rate growth to RUB 75 / USD;
- Dividend payout in addition to servicing the loan provided by OOO Safmar Retail;
- Material deterioration of access to external liquidity sources.

Key assumptions

- No negative impact on Company's financial and operating performance in case the owner successfully completes the acquisition of M.Video;
- Network growing by 10–15 stores per year;
- Average exchange rate within RUB 60–70 / USD;
- No dividend payout in addition to servicing the loan provided by OOO Safmar Retail;
- Sustaining moderate liquidity by the Company itself as well as due to support from the parent entity.

Brief information about the company

Eldorado is the third largest (in terms of revenues of RUB 111 bln) Russian multiproduct nationwide retailer specializing on consumer electronics and appliances (CE&A) sales with a market share of 9.7%. Eldorado was established in 1994 by Igor Yakovlev; in 2008, the ownership went over to PPF Group that sold the Company to Safmar Group in late 2016.

The Company's operating revenue is generated via three sales channels, with retail stores playing the key role. The share of this channel in Eldorado's revenue structure contracted from 87% in 2013 to 78% as of 9M 2016 on the back of Company's online sales growth (from 10% to 18% over the same period). In addition, approximately 3–4% of revenue is attributed to franchising segment.

As of end-2016, the Company's retail chain comprised 427 stores 8% of which was in ownership. According to Eldorado's plan, its retail chain will expand by 10–15 stores annually.

The Company operates four logistics centers – two in the Moscow Region (in Chekhov and Solnechnogorsk), one in Novosibirsk and one in Kazan. The Company also owns 21 warehouses.

Rating assessment factors

Industry risk profile

Industry risk profile is assessed as "Medium".

Eldorado is a typical representative of retail trade. This sector is prone to pronounced segmentation, with cyclicality and overdue bank debt parameters varying considerably between segments. In this regard, more accurate assessment of CE&A sales sector is performed in the framework of business profile analysis, in particular, while assessing the subfactor defined as "cyclical demand for products".

According to Rosstat's data, in 2015, the volume of CE&A market amounted to RUB 1,356 bln. That said, in recent years, the share of consumer spending on CE&A within the total consumer spending volume ranges from 3.4% to 3.6%. Over the longer term, ACRA expects no significant changes in this indicator that will approximate 3.5%. Thus, market dynamics will be determined by consumer spending overall dynamics which, in its turn, is defined by changes in household nominal disposable income. According to ACRA estimates, in 2016–2021, the average annual growth rate of household nominal income will amount to 4.9%, which, inter alia, will be due to an average increase in real income by 0.6% per year and an average annual inflation of 4.3%. ACRA expects a surge of CE&A market volume in monetary terms to RUB 1,756 bln by 2021 (+29.5% vs 2015).

Operating risk profile

Market position

Market position is assessed as "Neutral".

Eldorado is a competitive player on the market marked by segmentation. Company's share of the Russian CE&A market ran into 9.3% as of end-2015 and 9.7% in 1H 2016. Thus, Eldorado is the third largest multiproduct retailer in terms of revenue after M.Video (14.8% of total market revenue in 2015) and DNS (10%), and is well ahead of Media Markt (4.7%). It should be noted that the Company operates in all RF regions, and its regional market share ranges from 6.4% in the Far East to 12.4% in Siberia. The Company is the largest market player in the low price segment, while its customer base is marked by high brand loyalty: approximately 75% of sales accrues to frequent buyers. ACRA expects no changes in Eldorado's market position within the next three years, and, therefore, projects that the Company will remain the third largest retailer in terms of revenue in the Russian CE&A market.

Business profile

Business profile is assessed as "Adequate".

CE&A retail segment is characterized by a higher cyclicality compared to most other market segments (sales of food and daily necessities, kids & baby goods, etc.). The Company expanded its range of products by adding new categories of goods (including kids &baby goods), but their share of sales remains low. Adding new categories of goods is more a marketing ploy than a method of diversifying a product line. Due to this, ACRA expects the Company to retain its existing sales structure in terms of goods categories within the next three years.

Retail stores remain the key sales channel for Eldorado, the Company, however, actively develops online sales segment accounting for an 18% share in the total revenues following 2016 results. All retail stores of the network are pickup points for online orders. As at December 31, 2016, the Company was managing 427 stores, with total and retail floor space of 768 th sq m and 596 th sq m, respectively. Share of fully owned stores is low: 8% as at December 31, 2016. In the last year, total number of stores was up by 20, with the total floor space up by 1.6%. Going forward, Eldorado has no plans to substantially increase the number of stores, with 10 to 15 new stores to be opened every year (2%-4% growth from the total number).

Prior to 2016, rent rates were fixed for the majority of stores; then, the Company changed its policy for dealing with landlords and started transitioning to floating rates depending on store sales. According to Eldorado estimates, rent rates amount to 5%–6% of store's revenues. The Company plans to increase the share of stores operating at a floating rent rate to 70% as early as 2017. Such change in relationships with landlords may result in rent payment savings, however, and more importantly, it increases Eldorado's business sustainability as a decline in revenues would also drive reduced rent costs.

Eldorado's average receipt increased by 4.5% to RUB 6.1 th (incl. VAT) in 2016 which is generally comparable with last year's inflation rate (5.4%). Going forward, ACRA expects average receipt dynamics to remain at the pace of projected inflation rate. Therefore, according to our estimates, the average receipt will be at RUB 6.4 th (incl. VAT) in 2017. ACRA estimates the traffic in Eldorado stores at 96 mln ppl in 2016, up by 29% from 2015, while it remained below the 2014 figure (99 mln ppl). As a base case scenario, we project further traffic growth amid increasing number of stores and gradual recovery of real disposable income.

Eldorado actively invests in its own brand development. According to the Company, its advertising costs were at RUB 1.7 bln in 2016, thanks to which it made top 30 Russian advertisers list. Eldorado uses all major promotion channels: TV, outdoor advertising, radio, and Internet. According to TNS Marketing Index research (Q1 2013 - Q3 2016) provided by the Company, "Eldorado" is the most recognizable brand in the retail consumer electronics and home appliances market. Loyalty program participants generate 75% of Company's revenues.

Eldorado has a diversified counterparty structure. As one of the largest retail chains in consumer electronics and home appliances segment, the Company enjoys substantial grace period to pay for goods (100-110 days). All supply agreements are made in rubles. In its forecast, ACRA factors in that the current structure of trade payables remains the same as we do not see any conditions that might change that.

Geographic diversification

Geographic diversification is assessed as "Very High".

Eldorado is a federal chain present in all federal districts of the Russian Federation. The largest share of revenues is sourced from the Central Federal District (38%), with Privolzhsky (17%) and Siberian (14%) Federal Districts also taking substantial shares. This geography of sales determines location of Eldorado's distribution centers: two centers are in the Central Federal District (Chekhov and Solnechnogorsk), one center is located in the Siberian Federal District (Novosibirsk), and one center is in the Privolzhsky Federal District (Kazan). Logistics at Eldorado is arranged as follows: suppliers deliver goods to distribution centers and the Company redirects goods to storages and then to stores. Company's merchandise is insured.

Corporate governance

Corporate governance is assessed as "Weak".

Eldorado has no elaborated document detailing company's development strategy. At the same time, the Company defined key principles it will draw upon in its development in the years ahead. First, Eldorado plans to keep expanding categories of goods available in its stores. For example, new merchandise categories will include DIY supplies, goods for kids, etc., but the Company does not expect this segment's share to increase substantially. Second, Eldorado is looking to be more client-centric, which is expected to result in less customer complaints and higher brand loyalty. Third, Eldorado pays specific attention to territorial accessibility of its stores and follows the principle according to which "90% of the population shall reside within 40 km proximity from the nearest store of the chain." When planning its activities, Eldorado does not factor in any aggressive assumptions and plans to grow its store count by 10-15 a year. However, poorly formalized development strategy may lower Company's governance level.

Eldorado's risk management is not standardized. In order to finance its activities, the Company raises only ruble loans at fixed rates, which reduces its FX and interest rate exposure. Purchase prices for the majority of goods are driven by ruble exchange rate dynamics; however, the Company transfers purchase price change risks entirely to its customers.

It is worth noting that Eldorado acts as a guarantor under a ruble-denominated loan to its parent company – OOO Safmar Retail. In the meantime, a back-to-back swap contract in dollars was made with respect to this loan which actually converts the loan into a dollar denominated one and significantly increases Company's FX exposure. Taking additional FX risks defines Company's risk management efficiency as inadequate.

Eldorado's board of directors is being formed now. In addition, a board of directors is being formed at the parent company to include a representative from the bank that financed Eldorado acquisition deal who will be entitled to block a number of decision including those with regard to property disposal matters. Arranging activities of the board of directors in an efficient manner could improve current corporate governance practice at Eldorado.

Eldorado's related party transactions are economically justified (renting space from Safmar Group for the distribution center in Chekhov). Ownership structure is moderately complex but group's structure, at the same time, is transparent and simple: all commercial operations are performed by Eldorado LLC while three companies – OOO Invest Nedvizhimost, OOO Rentol, and OOO TK Permskiy – own real estate property.

Information transparency of Eldorado is at an acceptable level. The Company prepares consolidated financial statements under IFRS on a semiannual basis audited by KPMG. Management reporting with operational performance is prepared on a monthly basis. Neither financial statements of the Company, nor excerpts from it, nor operating figures are publicly available.

Financial risk profile

Basic assumptions used in forecasting financial indicators and principles of their accounting in the rating model

In late 2016, the Company acted as a guarantor under a loan raised by its parent company – OOO Safmar Retail – in the amount of USD 350 mln. The debt will be serviced primarily by Eldorado's dividend payments. Due to this, ACRA consolidated this loan in the Company's debt portfolio: we increased long-term borrowings amount by USD 350 mln and also recorded share buy-back for that same amount in Company's equity capital. Although this loan will be in fact serviced by means of Eldorado's dividend payments to its parent company, we treated these payments as interest payments for calculation of debt servicing indicators.

ACRA's estimates of Eldorado revenues are based on three major indicators: total floor space dynamics in stores managed by the Company, inflation rate, and number of customers. ACRA projects average receipt dynamics using its own inflation expectations, and we factor in population's real disposable income evolution to forecast total store floor space growth. We projected cost of sales by taking into consideration Company's typical markup. We projected administrative and commercial costs item-by-item based on inflation expectations, total floor space dynamics, revenues, etc. (in line with the nature of specific items).

To be reflected in the rating model, we averaged financial indicators by weighting. The greatest weight of 30% was applied to 2016 and 2017 indicators, those for 2015 and 2018 were assigned a weight of 15%, while 2014 and 2019 assumed 5% of weight each.

Size and profitability

Company size is assessed as "Medium".

According to Company's preliminary estimates, its 2016 revenues amounted to RUB 111 bln. LFL sales grew by 13.9% in that period. Revenue dynamics is in line with traffic dynamics: 2016 revenues are substantially higher than previous year results (+10.0%) but below 2014 result (-1.2%). High revenues in 2014 with lower figures in 2015 are largely explained by panic buying of consumer electronics in November and December of 2014 resulting in a materialization of a portion of 2015 demand in the previous year. In 2017, the Agency expects revenue growth by 14% to RUB 127 bln. According to ACRA projections, Eldorado's annual revenue growth will be in the range of 6% to 10% in 2018-2019.

ACRA estimates that decline in FFO before fixed charges and taxes was at 13% in 2016 (up to RUB 9.7 bln), which is caused by decreased gross margin of Eldorado. In 2017–2019, ACRA projects gross margin to stabilize at 26% as forecast by the Company.

Profitability is assessed as "Medium".

Declined FFO before fixed charges in 2016 will result in lower FFO margin at 7.5%-9% in 2017-2019. The Agency also expects a decline in Eldorado's EBITDAR per 1 square meter from RUB 15.1 th in 2015 to RUB 12.5 th in 2016. Going forward, ACRA projects this indicator to fluctuate in the range of RUB 11.7-13.6 th, which is generally below respective figures of its peers.

Leverage and coverage

Leverage is assessed as "High".

As at December 31, 2016, Eldorado's debt amounted to RUB 10.4 bln, and to RUB 32.8 bln if the guarantee under the loan raised by OOO Safmar Retail is taken into account. Debt to FFO before fixed charges ratio including the guarantee and adjusted for operating lease capitalization is high standing at 8.2x. ACRA projects this indicator to decrease to 7.5x in the next three years, but it will remain the evidence of high leverage.

The debt with respect to which Eldorado acts as guarantor was initially denominated in rubles; however, after entering into cross-currency interest rate swap, it has in fact become a foreign currency loan at the interest rate of 7.3%. The loan was issued by AO Rosselkhozbank (RSKHB) for 15 years with equal repayments of the principal amount starting in 2019. Other Company's loans are denominated in rubles and short-term, with the average interest rate of such loans of 12.5%. Eldorado is in a position to extend them into 2018; the Company also informed of established borrowing limit of RUB 7 bln with one of its partner banks. As at December 31, 2016, the share of the largest creditor (Sberbank) was 48% of the total amount of Company's loan obligations.

Coverage is assessed as "Low".

Since RSKHB's loan was granted in late 2016, interest payments on it have had no material effect on interest expenses of Eldorado in 2016. Following 2016 results, the amount of FFO before fixed charges was sufficient to make interest and lease payments. This way, FFO before fixed charges to fixed charges ratio reached 1.2x. Starting 2017, ACRA estimates the above indicator to decrease to 1.0-1.1x.

ACRA's base case scenario includes fluctuations of the annual average USD/RUB exchange rate in the range of RUB 60-70. A stress scenario involves an increase of USD/RUB exchange rate to RUB 75, which would result in a substantially increased expenses to service the foreign currency loan. Consequently, FFO before fixed charges to fixed charges ratio will see a significant decline and remain steadily below 1 in the next three years, which would be the evidence of cash flow deficit to cover fixed charges. Materialization of this scenario is very likely to result in Eldorado's credit rating downgrade.

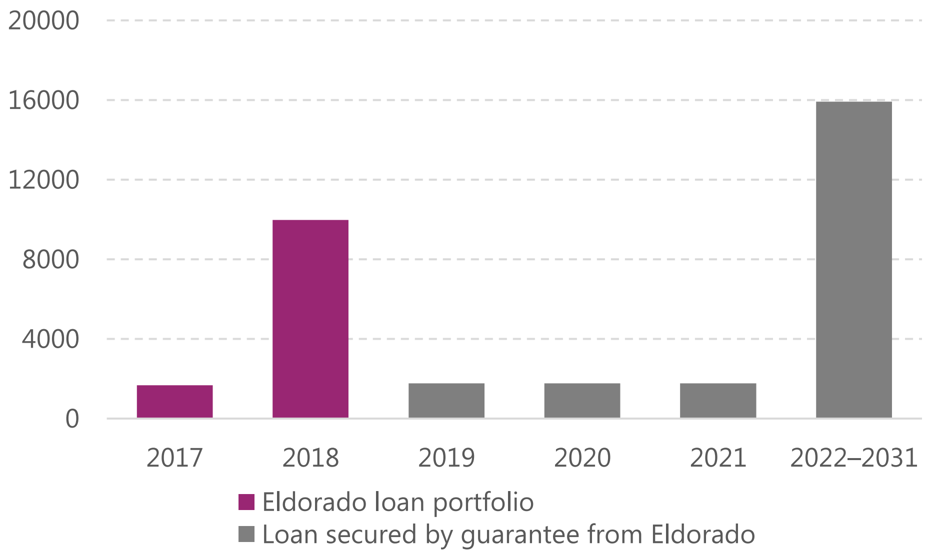
Liquidity and cash flows

Liquidity is assessed as "Medium".

Cash flow is assessed as "Minimum".

According to ACRA's estimates, Eldorado will have enough liquidity to perform its obligations in 2017-2019. According to the Company, it may extend current credit facilities into 2018; at the same time, its cash reserves sufficiently cover negative FCF (free cash flow). Going forward, Company's access to additional external liquidity sources will significantly support its liquidity position. Short-term liquidity ratio will be at 1.75 in 2017. Hereafter, ACRA estimates this ratio value to stay in the range of 1.1-1.5x and to depend on Company's ability to refinance its current debt.

Figure 1. Eldorado debt obligations repayment schedule



Source: Company data, ACRA estimates

In 2017, Eldorado plans to implement several relatively large investment projects. First, the Company is constructing a new warehouse in Kazan. According to the Company, respective costs will amount to RUB 1,350 mln. Second, the Company plans to transfer SAP DPC from Germany to Russia, to implement an option to forward receipts to tax authorities online, and to increase costs for development of its online sales segment. According to ACRA estimates, Company's capital investments including costs associated with opening new stores will total RUB 3.9 bln next year – twice as much as in 2016. Thus, ACRA forecasts Company's FCF to be found in the red in 2017 (FCF margin to be at -1%). In the ensuing years, we forecast FCF margin to be at -0.5%. Nevertheless, capital investments to revenue ratio will be at a comfortable level of 3.1% in 2017 and will decrease to 1.3-1.5% in future.

Analytical adjustments

Financial policy

The loan secured by Eldorado as a guarantor will be serviced from Company's dividend flow. The Company expects no additional dividend payments. Since ACRA consolidated this loan into Company's debt, Eldorado's indicators have been recalculated by taking into account expenses to service it, which makes any additional adjustments in the credit rating unnecessary.

Support

Group support

Eldorado is owned by OOO Safmar Retail that, in turn, is owned by Gutseriev-Shishkhanov family through a number of third parties; Gutseriev-Shishkhanov family also owns a number of assets in oil and gas, construction, and financial industries, commercial real estate, etc. Various business activities are separated from each other, as a result of which the Agency sees no reasons to adjust the credit rating of Eldorado. It is worth noting that ACRA had no information regarding financial standing of parent companies in the course of rating analysis.

State support

Eldorado is not an entity influenced by state according to ACRA methodology.

Issue ratings

The company has no securities issues outstanding.

Rating history

March 3, 2017 — BBB-(RU), Stable.

Regulatory disclosure

The credit rating has been assigned under the national scale for the Russian Federation and is based on the Methodology for Credit Ratings Assignment to Non-Financial Corporations under the National Scale for the Russian Federation and the Key Concepts Used by the Analytical Credit Rating Agency within the Scope of its Rating Activities.

A credit rating has been assigned to Eldorado LLC for the first time. The credit rating and its outlook are expected to be revised within one year following the rating action (March 3, 2017).

The assigned credit rating is based on the data provided by Eldorado LLC, information from publicly available sources, as well as ACRA's own databases. The credit rating is solicited, and Eldorado LLC participated in its assignment.

No material discrepancies between the provided data and the data officially disclosed by Eldorado LLC in its financial statements have been discovered.

ACRA provided no additional services to Eldorado LLC. No conflicts of interest were discovered in the course of credit rating assignment.

Appendix

Table 1. Actual and projected Company indicators (incl. capitalization of guarantee provided with respect to a loan raised by parent company)

	2014	2015	2016*	2017E	2018E	2019E
Sales and profitability, RUB mln						
Revenues	112,808	101,279	111,469	127,133	139,271	147,481
change		-10.2%	10.1%	14.1%	9.5%	5.9%
EBITDAR	11,243	11,135	9,679	9,459	10,847	11,451
margin	10.0%	11.0%	8.7%	7.4%	7.8%	7.8%
EBITDA	4,794	5,004	3,366	3,058	3,956	4,208
margin	4.2%	4.9%	3.0%	2.4%	2.8%	2.9%
Net income	1,538	2,017	829	-1,245	-932	-834
margin	1.4%	2.0%	0.7%	-1.0%	-0.7%	-0.6%
Balance sheet, RUB mln						
Non-current assets	19,389	18,182	19,048	21,728	21,984	22,390
Inventories	19,466	29,999	33,083	35,693	38,231	39,565
Accounts receivable	4,564	7,792	10,078	11,494	12,592	13,334
Adjusted cash	5,659	3,064	1,802	1,832	1,158	1,516
Capital	4,171	8,188	-13,851	-15,096	-16,028	-16,861
Gross debt	6,098	11,778	33,157	34,453	33,731	34,111
Adjusted gross debt	51,242	54,695	77,352	79,254	81,971	84,815
Accounts payable	35,191	37,293	42,600	48,912	53,582	56,741
Cash flow, RUB mln						
FFO before fixed charges and taxes	11,128	11,141	9,679	9,459	10,847	11,451
FFO before net interest payments	4,773	3,848	3,158	3,058,	3,956	4,208
CFO	5,454	-9,496	2,413	2,793	2,273	2,485
Capex + intangible assets	-6,985	-1,694	-2,183	-4,094	-1,947	-2,126
FCF	-1,725	-11,190	229	-1,300	325	359
margin	-1.5%	-11%	0.2%	-1.0%	0.2%	0.2%
NFCF	810	-2,595	-1,261	30	-675	359
Debt load						
Gross debt / FFO before net interest payments	1.3	3.1	10.5	11.3	8.5	8.1
Adjusted gross debt / FFO before fixed charges	4.6	5.5	8.2	8.4	7.6	7.4
FFO before fixed charges / Fixed charges	1.4	1.4	1.2	1.0	1.1	1.1
FFO before net interest payments / Interest payments	8.4	6.9	3.2	1.1	1.4	1.4
Operating indicators and assumptions						
Store count	374	413	427	435	443	451
Total floor space, sq m	741,493	773,008	768,158	811,275	826,195	842,468
Average receipt, Rubles (excl. VAT)	5,536	5,848	5,181	5,446	5,691	5,918
Inflation	1.1%	12.9%	5.4%	5.1%	4.5%	4.0%
Average annual USD/RUB exchange rate	38.5	61.3	67.2	63.5	64.3	65.1

* ACRA estimates based on Company's preliminary data.
Source: Eldorado LLC, ACRA estimates

Table 2. Actual and projected Company indicators (excl. capitalization of guarantee provided with respect to a loan raised by parent company)

	2014	2015	2016*	2017E	2018E	2019E
Sales and profitability, RUB mln						
Revenues	112,808	101,279	111,469	127,133	139,271	147,481
change		-10.2%	10.1%	14.1%	9.5%	5.9%
EBITDAR	11,243	11,135	9,679	9,459	10,847	11,451
margin	10.0%	11.0%	8.7%	7.4%	7.8%	7.8%
EBITDA	4,794	5,004	3,366	3,058	3,956	4,208
margin	4.2%	4.9%	3.0%	2.4%	2.8%	2.9%
Net income	1,538	2,017	938	325	838	893
margin	1.4%	2.0%	0.8%	0.3%	0.6%	0.6%
Balance sheet, RUB mln						
Non-current assets	19,389	18,182	19,048	21,728	21,984	22,390
Inventories	19,466	29,999	33,083	35,693	38,231	39,565
Accounts receivable	4,564	7,792	10,078	11,494	12,592	13,334
Adjusted cash	5,659	3,064	2,365	2,457	1,433	1,724
Capital	4,171	8,188	9,127	7,939	7,006	4,716
Gross debt	6,098	11,778	10,757	12,087	11,087	12,863
Adjusted gross debt	51,242	54,695	54,952	56,889	59,327	63,568
Accounts payable	35,191	37,293	42,600	48,912	53,582	56,741
Cash flow, RUB mln						
FFO before fixed charges and taxes	11,128	11,141	9,679	9,459	10,847	11,451
FFO before net interest payments	4,773	3,848	3,131	2,977	3,747	3,985
CFO	5,454	-9,496	2,507	4,368	3,694	3,824
Capex + intangible assets	-6,985	-1,694	-2,183	-4,094	-1,947	-2,126
FCF	-1,725	-11,190	324	-1,239	-24	-1,485
margin	0.0%	-11.0%	0.3%	-1.0%	0.0%	-1.0%
NFCF	810	-2,595	-698	92	-1,024	291
Долговая нагрузка						
Gross debt / FFO before net interest payments	1.3	3.1	3.4	4.1	3.0	3.2
Adjusted gross debt / FFO before fixed charges	4.6	5.5	5.8	6.1	5.6	5.7
FFO before fixed charges / Fixed charges	1.4	1.4	1.3	1.2	1.3	1.3
FFO before net interest payments / Interest payments	8.4	6.9	3.7	2.5	3.1	2.9
Операционные показатели и предпосылки						
Store count	374	413	427	435	443	451
Total floor space, sq m	741,493	773,008	768,158	811,275	826,195	842,468
Average receipt, Rubles (excl. VAT)	5,536	5,848	5,181	5,446	5,691	5,918
Inflation	1.1%	12.9%	5.4%	5.1%	4.5%	4.0%
Average annual USD/RUB exchange rate	38.5	61.3	67.2	63.5	64.3	65.1

* ACRA estimates based on Company's preliminary data.
Source: Eldorado LLC, ACRA estimates

The Analytical Credit Rating Agency (ACRA) was founded in 2015, with its 27 shareholders representing major Russian corporate and financial institutions and its authorized capital exceeding RUB 3 bn. ACRA's main objective is to provide the Russian financial market with high-quality rating products. Methodologies and internal documents of ACRA are developed in compliance with the Russian legislation and with regard to global rating industry best practices.

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