MAGNIT 3Q AND 9M 2021 TRADING UPDATE AND FINANCIAL HIGHLIGHTS CONFERENCE CALL

Operator

Good day and welcome to the Magnit 3Q and 9M 2021 Trading Update and Financial Highlights call. Today's call is being recorded. At this time, I would like to turn the call over to Albert Avetikov. Please, go ahead.

Albert Avetikov, Head of Investor Relations

Good evening, good afternoon, and good morning, ladies and gentlemen. Thank you for joining us to discuss Magnit's operating and unaudited financial results for the third quarter of 2021. With me to review the results, our CFO Dmitry Ivanov and our CEO Jan Dunning. The announcement and presentation are available on our website. As usual, after our remarks, we look forward to taking your questions. I would also like to remind you that today's financial results are based on the management accounts.

With that, I will now turn the call over to Magnit's CEO, Jan Dunning. Jan, please.

Jan Dunning, CEO

Good day everyone and thank you for joining us.

Obviously, I'm pleased with the underlying operating and financial metrics. This time we delivered even more than promised. And this development is sustainable for already seven consecutive quarters. Sales densities improved again supported by mature stores; on-line sales channel develops fast; our pilots are very promising. Margin gains continue; cash generation remains solid; and working capital optimized further.

We started consolidating Dixy business with around 2.5 thousand stores. The first deep dive shows lots of value which can be unlocked in both brands.

Now let me take you through the key highlights before we move into details:

- Remarkable quarter with sales growth in the Magnit stores of 14% and LFL of 9%
- Mature stores – old vintages - are the main driver with double-digit LFL sales growth
- Sales density increased by 5%

- We again accelerated expansion and redesign program with around 1.5 thousand new openings YTD. Expect further pick up in the fourth quarter
- In July we completed strategic acquisition of Dixy. And first deep dive is very promising in terms of potential synergies
- We develop our e-commerce capacity and reached 50 thousand online orders a day
- EBITDA margin increased versus previous quarter to 7.2% even after consolidation of the Dixy business. We expect sustainable upward trend to continue with annual margin improving compared to last year
- Our working capital cycle improved again with inventory turnover 16 days better year-on-year
- Full year and long-term guidance remain unchanged
- And finally, together with the largest FMCG companies we signed the Code of Commitments under the 'United for a Healthier Future' initiative

With that I will now add some color to quarter developments

a) <u>We achieved solid LFL sales growth in the mature stores and speed-up expansion</u>

  - Total sales growth stood at 28%. Adjusted for the consolidation of Dixy we achieved remarkable 14% of net retail sales growth
  - We saw strong monthly trend – sales growth moved up from 10% in July to 17% in September
  - This was driven by LFL sales growth of 8.6% pushed by mature stores. For example, our old vintages, stores of 3-4 years old delivered double-digit LFL sales growth
  - This result came higher than even in the environment of COVID-related restrictions in the first quarter of last year. And, basically, this is the strongest LFL sales growth for the last 30 quarters
  - Expansion accelerated underpinned by strong return dynamics. We opened 535 stores on gross basis – 50% more than a year ago. And for the first nine months we added close to 1.5 thousand new outlets – basically, we open more than 5 stores a day. So, fully confident in our guidance of 2,000 store openings this year
  - LFL sales growth was positive across all regions and all formats:
    - Moscow, Central and Siberia were in the double-digit zone
    - The key convenience format demonstrated leading LFL sales growth of 10.2%
    - Supermarkets improved vs previous quarter to 3.2%
    - Drogerie format faced high base for comparison and much lower inflation in non-food categories delivering as well 3.2% LFL result

- Other company-specific trends included:
  - Continuous inflow of new customers, however less contributing this quarter than an increase in visit frequency
  - Number of loyalty cardholders exceeded 55 million with 65% penetration in sales
  - On-shelf price inflation accelerating further and reaching peak levels in line with Rosstat food CPI
  - Number of articles in the average basket broadly flat
  - Slight trading up effect continued as a result of ongoing assortment changes
  - This was well supported by continuous CVP improvement, favourable weather conditions in the end of summer, strong domestic tourist season and government payments to various social groups
  - So, all in all, we are improving sales densities without sacrificing volume and margins

b) <u>Promo intensity remained flat</u>

- Promo remains at a healthy level
- On both y-o-y and q-o-q basis it remained unchanged
- We continue to focus on CVP improvement to drive sales in the first place
- At the same time, we see improving promo margin due to better promo forecasting

c) <u>We continue to develop our e-commerce activities and initiatives</u>

- We run several e-com pilots including own express and regular delivery. And partnerships with Delivery Club, Sbermarket, Yandex and Widlberries
- In the third quarter we added 12 hundred stores to the online services
- Today 27 hundred stores in 64 regions are connected to this option
- And we may finish the year with total of over 4,000 connected stores
- The number of cities covered by our e-com initiatives more than doubled to 267 at the end of the quarter
- Magnit already has one of the widest coverages in region with the regards to e-grocery
- We launched two new partnerships - with the largest Russian marketplace Wildberries as well as pharmacy marketplace Uteka
- We also launched our e-pharmacy in regions
- GMV of Magnit’s online segment stands at 5.2 billion rubles for the first nine months. Looking at the recent data in October, we are already at 1.5% of total Company’s revenue generated by on-line sales

- And just to remind you, first delivery from our stores was done just 15 months ago
- As we rapidly expand into regions, the share of online revenue generated outside Moscow and Saint-Petersburg increased to 66%. We want to capture this opportunity and use a chance to quickly become market leader in the regions
- On the peak day of September we hit 50 thousand orders
- We are moving fast towards market leaders, but we follow cost-efficient and capex-light approach

d) <u>Hard discounter pilot looks promising</u>

- We continue developing our hard discounter concept. As of today, we operate 141 stores
- By year-end we expect network to increase up to 200 stores. Next year we may take a decision to significantly accelerate expansion to reach critical mass
- Scale may provide better scope for further development of proper assortment and higher private label penetration
- Even now with small number of stores we see customer satisfaction resulting in strong sales density and extraordinary returns in the range of 30-40%

e) <u>Now a bit on recent trading</u>

- In October month-to-date we are happy to see further acceleration of both total sales growth and LFL sales growth above third quarter average
- Similar trend we see in the Dixy stores
- This acceleration is achieved despite the high base for comparison as October was the second-best month last year in terms of LFL sales growth
- And again, our initiatives remain the key driver without any promo intensification
- In October we launched the third season of our unbeatable loyalty campaign – Skrepyshi toys
- Together with the continued operational improvements and food inflation this campaign is supporting our top line expansion very well

f) <u>Dixy integration is in progress</u>

- We started consolidating the business since 22nd July
- Dixy network was not the main beneficiary of the favourable external factors, while showed quite sustainable performance
- On pro-forma basis LFL sales growth in the mid-single digit level fully supported by mature stores as basically selling space growth was almost zero
- So, despite high base sales densities continued improving
- We are in the process of finalizing negotiation campaign with suppliers and expect first portion of synergies to arrive in the next quarter

- Good progress is on SG&A level. We are now applying Magnit's tariffs for Dixy's bank guaranties, acquiring, cash collection, banking services, etc. So, without any FTE optimization we may expect this to result in significant amount of savings in the next periods
- Next step will be aligning all policies and automatization of business processes.

Now, let me pass the floor to Dmitry to walk you through our financial results

Dmitry Ivanov, CFO

Thank you, Jan and good day everyone.

a) <u>Gross profit margin improved q-o-q to 23.6%, but was 21bps lower versus last year</u>

- Overall, there were two main factors impacting the whole P&L: positive operating leverage effect and consolidation of the Dixy business
- On the gross profit level, we had positive impact from the following factors:
  - Improved commercial terms with suppliers
  - Better promo funding from suppliers and higher promo margin
  - Shrinkage improvement of 24bps despite acceleration of store openings and thanks to strict oversight and solid LFL sales growth
  - Supply-chain costs decrease of 7bps on higher DC productivity and utilization. This was partly offset by negative impact of the growing transport tariffs and stuffing issues at the DCs
  - Favourable format mix on lower share of wholesale business
  - These positive factors were offset by:
    - ✓ Consolidation of the Dixy business with lower commercial margin
    - ✓ Technically lower share of high margin drogerie business due to consolidation of Dixy

b) <u>SG&A expenses remained under strict control</u>

- SG&A as % of sales were 9bps down y-o-y and flat versus previous quarter. That came despite some cost inflation and growing number of stores in the ramp up phase. On a positive side, topline growth was the key factor
- Staff costs went down 64bps. Higher productivity of in-store personnel, especially in convenience, fully offset additional pressure from new stores in the ramp up and some turbulence in rotation
- Lease expenses grew by 24bps. An increase in sales density, better rates per sqm and closing of inefficient stores were more than offset by growing

share of leased space. This came as a result of the consolidation of 2.5 thousand stores of Dixy located in the capitals with higher rent rates and higher share of rented stores

- Advertising expenses increased by 33bps on higher marketing activities including loyalty campaigns as well as digital marketing
- Other costs slightly decreased on positive operating leverage effect or remained broadly flat

c) <u>As a result, EBITDA margin improved q-o-q to 7.2%, and was flat y-o-y</u>

- Net interest expenses increased by 11.6% in absolute terms, but reduced by 12bps y-o-y. This came due to recent increase in total amount of borrowings to finance organic expansion and M&As
- As a result, Net Income increased by 41% y-o-y and stood at 13.6 billion rubles with a margin of 2.8%.
- Effective tax rate was 22.7%

d) <u>We are on track with working capital cycle optimization after consolidation of the Dixy business</u>

- Inventories increased by 3.6% y-o-y, while sales growth came at 28%. This resulted into faster rotation by 16.3 days despite:
  - ✓ acceleration of store openings,
  - ✓ higher on-shelf availability;
  - ✓ increasing supplier inflation
  - ✓ and, of course, consolidation of the Dixy business
  - ▪ Trade and other payables grew by 57.2 billion rubles y-o-y driven by higher sales and increased payment days. And this is almost twice higher growth than in the previous quarter
  - ▪ Accounts receivables increased by RUB 1.8 billion rubles versus last year period due to higher sales and improved commercial terms with suppliers
- We continue to focus on further improvements in the working capital in days

e) <u>CAPEX increased on acceleration of expansion</u>

- Capex in 3Q more than doubled to 16.4 billion rubles due to much faster expansion and redesign
- For 9M 2021 we have invested 42 billion rubles – in line with our projections and calendarization of the store opening and redesign process
- So, we confirm our guidance for the year - to open around 2,000 stores on gross basis, redesign about 700 stores and spend 60-65 billion rubles on capex

f) <u>Our financial position remains stable despite one-off hike in leverage</u>

- At the end of 3Q our Gross Debt was 271 billion rubles – almost flat versus end of the previous quarter
- Cash position of Rub 37.5 billion rubles resulting in Net Debt of Rub 234bn. An increase vs previous quarter is fully explained by settlement of the Dixy transaction
- Average cost of debt stayed flat vs last quarter at 6.4% - it remains below the state bonds yield and CBR key rate
- Portfolio duration is long enough, so we don't expect any meaningful change in the average cost of debt in the next few years
- We have quite large cash position, which is placed on deposits at much higher rate vs borrowing cost – so, we get some finance income
- Net Debt to EBITDA ratio was 1.9x. We expect it to reduce to the comfortable zone at the year-end
- With strong cash generation we may not need any borrowings to finance our organic expansion and projects. So, our leverage will continue moving down in the next periods

And now I will give a floor back to Jan for some closing remarks.

Jan Dunning, CEO

Thanks, Dmitry

Before we move to the Q&A session, let me update you on our recent appointments:

- During last quarter we strengthened our management team with two professionals
- In July Andrey Lukashevich joined Magnit as an E-Commerce Director and is responsible for the development of the e-commerce infrastructure and the roll-out of the digital sales channels
- Yury Misnik was appointed a Chief Digital and Technology Officer and is responsible for the development of Magnit's digital product portfolio, integration of modern technologies and innovations, development of IT infrastructure and advanced analytics
- So, we have now formed a fantastic team of professionals united under clear mandate. As a leader of this team, I am confident we can speed up Magnit's retail and digital transformation even further
- As we noticed some concerns in the market I want to mention that my employment contract is unlimited having no expiry date and doesn't require

any action from the Board side. We noticed that was a concern on the market and we wanted to address that

And a couple of final remarks from me:

- The results and prospects are encouraging
- I think we have everything in place to move even faster than originally planned. And we still have rooms for improvement in many areas
- We are now a business with double-digit topline growth, continuous margin gains, strong balance sheet and dividend distribution.

Thanks for listening. We are ready for your questions

Q&A Session

Operator

Our first question will come from Henrik Herbst with Morgan Stanley. Please, go ahead.

Henrik Herbst, Morgan Stanley

Hello. Thanks very much, and congratulations on a very strong set of results. I have a few questions, please.

The first one is, I guess, with Dixy you've grown your store base quite a lot. How should we think about you growing it organically this year? How should we think about the potential to sustain that rate of store footprint expansion going into next year? Or have you, sort of, done some of the stuff you wanted to do with acquisition of Dixy?

Secondly, I wanted to see if you could maybe help quantify some of these external factors, I guess, benefits from stimulus checks and no international travel and stuff like that.

And then the last one is, I guess, if you could give us any thoughts on dividends for the first nine months. I guess, we should get a result from the Board at some point quite soon. Thanks very much.

Jan Dunning, CEO

Thanks a lot for the questions. The first one is on Dixy, and acquisition and further growth rate.

What we're currently doing is we're looking at the portfolio of Dixy and actually integrating a couple of Dixy stores into the Magnit platform. We do that because we noticed that some of the Dixy stores are not really close to the supply chain they have in place. So this given example, we have 90 stores in the Ural, where we separately run a distribution center. We have capacity in our existing infrastructure in the Ural, so we will shift those stores to our Magnit infrastructure, so that we have additional cost advantages.

A similar exercise we will do in Murmansk and Astrakhan. But we also will develop Dixy as a banner itself, because the banner Dixy is quite strong in Moscow and in St. Petersburg. We have asked the Dixy team to try to open up 100 stores this year as well and also to do a couple of remodeling in order for us to assess what is the uplift if we do that, and are we getting the right returns to actually build a program for next year?

Now looking for next year, because that was your question as well, is really acquisition of Dixy, the market matured? We don't believe so. I think we still believe for the next couple of years that there is enough opportunity in the market, and even in Moscow, for us to grow. What you will see of course, and that's what you've seen already earlier, is that it's potentially a lot of replacements. We take over rent from existing players. So it's not always new retail space, it's also replacement space. But as you also probably know, in Russia, there is a lot of development ongoing into the biggest cities of new living areas and new living districts. And of course, we would like to take that part of the pie as well. I don't think expecting us to come down on us, on our store growth is what I will put in my budget.

Turning on the external factors, I will hand it over to Dmitry. But before I hand over to him, I would like to share one thing because I think it is actually quite essential. The external factors have been the same for all the retailers in the industry. And what I'm actually very happy with is that we have been able to take the most out of it, and that's also clear in the performance. And that shows a call of the agility, but at least the flexibility of the team to deal with different circumstances and changed situations. I am actually super proud of this.

Dmitry Ivanov, CFO

Jan, thank you.

So in July, August and September, there were several tranches of government subsidies to several groups of Russian population, to families with kids, to pensioners, to military, to workers. Overall, looking into the analysis, in our statistics, we estimated that around 50–60% of the social payments in the regions, especially in the regions, are landing at Magnit stores. That's quite a big portion. And I would say this is much less pronounced in the capitals. So the biggest part came in the regions.

Jan Dunning, CEO

Then on dividends, the last part of your question. We have the habit to announce dividends after the Board approval, and the Board is set to come up with an approval as of November 9. I think around that time, the second week of November, I think you will hear us announce something on dividends.

Albert Avetikov, Head of Investor Relations

The second question you had on stimulus. Just to remind you, that the last portion came actually in the beginning of September, the first week of September. Now sitting in the end of October, we see no tail of that. But we're looking at strong acceleration of our LFL sales growth versus 3Q average of 8.6. And the same for total sales growth.

Henrik Herbst, Morgan Stanley

Sorry, I just want to clarify. When you say, you don't expect store growth to come down, are you stating percentage growth terms or absolute? I'm assuming you mean absolute, but just wanted to check.

Jan Dunning, CEO

Yes, that's an absolute.

Henrik Herbst, Morgan Stanley

OK, thank you very much.

Operator

Our next question comes from Alex Paq with LT Capital. Please, go ahead.

Alex Paq, LT Capital

Hello, and congratulations with very strong results. It was announced in August that Magnit joins European purchasing alliance called Epic Partners. Could you please let us know, what advantages you would expect and how it will affect margin?

Jan Dunning, CEO

Yes, we have become a member of Epic. The main purpose is as a retailer of the size of Magnit, I think, it's very important that you get a bit more international best practices in place. Reaching out to Epic to become a member should serve two purposes. One is joint marketing activities with the suppliers. But second, I have an opportunity to look into the kitchen of other leading European retailers, to learn from them and to share best practices with us and our best practices with them.

Alex Paq, LT Capital

Thank you. And would it have some kind of implication on margin, on profit?

Jan Dunning, CEO

We are, of course, in the process of continuously trying to improve our margins. This is not the main purpose. In principle, we are also taking the position that if we have an opportunity to convey those advantages into consumer advantages, then we will for sure do this. I think we see in the LFL evidence of this, we're clearly investing into the Russian consumer as well, and that's needed. I think the main purpose is not just margin, is also becoming better. If you've been on the calls earlier, I've always said my ambition is not to be the number one, my ambition is to be the best. And that means that we are looking very much into our processes, into our commercial activities. And also for my colleagues in the team it is very insightful to see how other organizations are dealing with certain topics. You will not believe it, that even the Dixy acquisition of course has also a reverse impact on our business, because we also learn from Dixy. I think that makes being a retailer actually quite interesting.

Operator

Our next question comes from Alexander Gnusarev with VTB Capital. Please, go ahead.

Alexander Gnusarev, VTB Capital

Gentlemen, hello. Congratulations on your very strong results. I just have a couple of questions. Most of them, I suppose, are rather of a clarification style. The first one that I have is that you have a very strong EBITDA margin of 7.2%. Maybe you could elaborate, if we take Magnit standalone, your EBITDA margin was closer to 8%, right?

Dmitry Ivanov, CFO

Alexander, hello and let me elaborate a bit on this topic. First of all, we don't disclose segment reporting, and we don't disclose separately Magnit's financial statements. But if you remember, when we announced Dixy acquisition, we expected margin dilution in the range between 7 to 10 basis points. So closing our third quarter, we saw that we were very accurate in our projections and overall dilution for the third quarter was in this range. We believe that for full year it will be even lower, beyond that we acquired Dixy and started consolidating since July 22. And also we already can get some synergies from commercial conditions, from costs savings as we already explained. So we believe it will be still in this range, between 7 and 10 basis points or maybe slightly less.

Alexander Gnusarev, VTB Capital

Perfect. That's clear.

The second question: when you were talking about your month-to-date sales in October, do I get it right that they are higher than average in 3Q21?

Dmitry Ivanov, CFO

I can repeat to make it absolutely clear. So for 3Q, we had 8.6 LFL sales growth and 13.8% of net retail sales growth. In October, we see strong acceleration versus 3Q average of both LFL sales growth and total sales growth. And definitely if I include Dixy stores, then for the Group we see acceleration versus 28% total sales growth. Is it clear now?

Alexander Gnusarev, VTB Capital

Perfect. Pretty clear now.

Operator

We will move to our next question in the interim. We will go to Maxim Nekrasov with Goldman Sachs. Please, go ahead.

Maxim Nekrasov, Goldman Sachs

Good afternoon, everyone. I have a couple of questions.

First, I have a question on your staff costs. I was a bit surprised to see such a significant reduction in your personnel costs as a percent of sales. As it seems that the labor market in retail is quite strong, according to other retailers. I'm just wondering, do you expect any additional pressure on your staff costs going forward, or it was driven by kind of efficiency improvements and things should be stable going forward?

Dmitry Ivanov, CFO

Yes, that's right. Overall, the industry faces quite serious challenges with linear personnel, DC personnel, store personnel. Everyone tries to overcome these challenges by different measures. What we did in our Company: first of all, as we have already explained several times, we are quite actively focusing on implementing technologies of self-checkouts, mobiles printers, on several tools which help to monitor queues, on some other technologies which can arrange planning for store staff and DC workers. All these measures help us to optimize staffing levels without Company-wide salaries indexation and significant negative impact on our results. Of course, we are using more sophisticated motivator schemes which help us to deliver such good results, which are also supported by strong operating leverage.

Jan Dunning, CEO

Next. Maybe you recall a couple of years ago that actually staff rotation was our biggest problem. Two years ago, when we actually started this journey, we had rotations of 12 to 15% on a monthly basis. We were actually replacing our staff 1.5 time a year. It was obvious that we had to do something on retention as well. I think besides the activities that Dima has explained, we've also been pretty active in starting to plan properly to have better staffing schemes for the stores and the DCs, but also in training and making sure that people are being appreciated. We've done quite a lot of efforts. And that led actually to a rotation level of the beginning of this year and the first half year of around 4.5% instead of the 12–15%. That helps us of course as well, because what you then get is you get staff inside the stores and DCs that are experienced, and they also deliver considerably higher productivity rates than what you have if you have the higher rotation.

Maxim Nekrasov, Goldman Sachs

Do I understand correctly that you don't expect a pickup in personnel costs as a percent of sales because of your efforts and efficiency improvements in the coming quarters?

Jan Dunning, CEO

First of all, we see as well that the inflation is rather high. We will have to look at how does that relate to the income and spending power of our employees. But of course, the assignment of a retailer is to make sure that its sales grow faster than its costs. So we will be monitoring this relatively and make sure that we put other activities in place that at least create higher productivity norms and higher productivity output to compensate for the increase in salaries.

Maxim Nekrasov, Goldman Sachs

Understand. Thank you very much. And I have a second question with clarification in terms of your LFL growth in the third quarter. Can you disclose the difference between LFL growth in the regions and the capitals?

Jan Dunning, CEO

There was actually an explanation. We see in Moscow, and in Siberia, and in the central — three regions that are double-digit-s — and the rest of the regions are actually, I would say, the second tier of the single-digit. There's not a region where I think I need to worry. But there are slight differences. And that also depends on the level of cannibalization and level of competition that enters in. But overall, I think we're seeing across the board improvements in the consumer offer. And we see actually, what Dima has already mentioned with regards to visits and a new inflow, also across the board that there's not one outstanding region, or there's not one underlying region, that's not the case. Overall, quite steady now.

Dmitry Ivanov, CFO

So, Maxim, three regions with double-digit LFL sales growth, and the rest from almost 7 to 10%. The lowest was around 7%. The lowest region I mean.

Again, Moscow, Central and Siberia — three regions with double-digit LFL sales growth in 3Q with average of 8.6%.

Max Nekrasov, Goldman Sachs

So basically, in Moscow you had very strong double-digit LFL growth despite the fact that it is widely regarded that Moscow consumers were not really affected by those payments. Is it fair to say it was like more of a company-specific growth in Moscow?

Jan Dunning, CEO

I think in our offer, just on the category management side or on the commercial side, what we've done in the last year is we've clearly improved the need segmentation in the category. In the past there was a choice, but the choice was very much focused on a limited need. We've extended that. And it's clear that consumers picked it up. And it's also clear that the Moscow consumer is very sensitive. Let's call that company-specific. But if you recall, the year before and until actually the middle of the second quarter we were also in the northwest seeing similar performance. So the St. Petersburg and northwest performance was similar. And that is still holding on quite strong. So that's company-specific. In the regions, I think, our whole price position, but also the adding of in the range has helped us as well. That's something that we will continue going forward. With the input and the information from the loyalty cards we want to make smarter decisions.

Max Nekrasov, Goldman Sachs

Yes, thanks a lot. That's very clear.

Operator

Our next question comes from Julia Kazakovtseva with UBS. Please, go ahead.

Julia Kazakovtseva, UBS

Hello and good afternoon, everyone. I have a question on competition. Could you please comment on the overall level of competition on the market now? Do you see any competition identification now if something changed in this compared to the beginning of the year, for example? Any comments will be appreciated. Thank you.

Jan Dunning, CEO

Thanks for the question. I think the Russian consumer market has always been competitive. What we see in our business but also in general in the market is following: in our business I see an inflow of more affluent customers. I think we take from markets and independent retailers, but also from hypermarkets, customers that start shopping with us. And that's also related to the extension of the need segmentation. But what we also see on the lower side, and by the way that started to change in September, but we've seen for a long time, the P1, so the entry segment, not growing or even slightly declining. But in September we saw for the first time pick up. Overall, on the lower side, the consumer is moving towards the discounting. And that's why we also started a pilot on the discounter, because I think we with our own production will actually be very, very well positioned to pick that customer up with a very good value price proposition. But yes, with a limited need segmentation.

Julia Kazakovtseva, UBS

Thanks a lot, very helpful.

Operator

Thank you. This concludes today's question and answer session. Albert, at this time I will turn the conference to you for any closing remarks.

Albert Avetikov, Head of Investor Relations

Thank you very much. I'm happy we covered all the questions. Just to remind you, next time we speak when we report 4Q results in the beginning of February and then follow full-year financial results in March. Thank you very much.

Operator

This concludes today's conference. Thank you all for your participation. You may now disconnect.