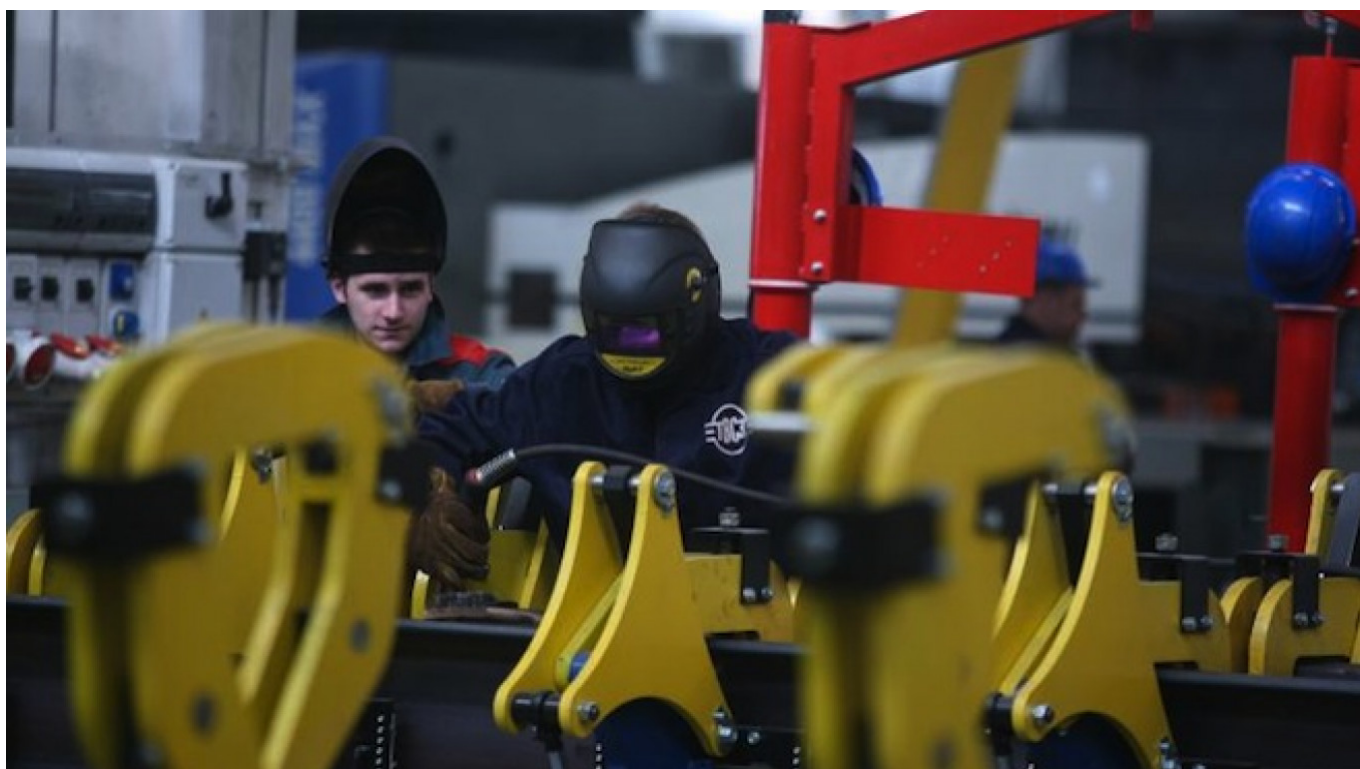


Russia's United Wagon Company Has First IPO In More Than Year

By [The Moscow Times](#)

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Russia's UWC expects to raise about \$200 million on the Moscow exchange.

Russian rail car manufacturer United Wagon Company plans to float at least 10 percent of its shares on the Moscow exchange, it said Friday, representing Russia's first initial public offering (IPO) in more than a year.

The company, part of the ICT Group headed by Russian billionaire Alexander Nesis, expects to raise about \$200 million, a source close to the deal said, achieving a market valuation of about \$2 billion.

Approximately half of the offered stake will be new shares, with the rest provided by sole shareholder United Wagon Plc, which is also owned by Nesis, the company said in a statement.

Chief Executive Roman Savushkin said the company had several anchor investors, including

investment firms, but would not name them.

A recommended share price will be announced on April 29, another source said.

Russia's most recent IPO was by budget hypermarket chain Lenta in February last year, weeks before Moscow annexed the Crimean Peninsula from Ukraine.

The resulting Western sanctions over Russia's involvement in Ukraine and a collapse in global oil prices have hit the Russian economy hard, with the Central Bank forecasting a contraction of 3.5 percent to 4 percent this year.

United Wagon Company, however, sees opportunities in the outdated Russian railway industry, using proceeds from its market debut to finance development, Savushkin said.

"We are focused on fairly aggressive growth," he said. "Firstly, the expansion of our fleet. ... Secondly, the extension of our product line, introducing new types of cars."

The CEO said there was growing demand for United Wagon's rail cars to replace Russia's aging rolling stock, 35 percent of which the company expects to be written off in the next seven years.

The company reported earnings before interest, tax, depreciation and amortization (EBITDA) of 3.6 billion rubles (\$71.4 million) last year, up almost 90 percent on 2013.

Its 2014 EBITDA margin, a measure of profitability, was about 21 percent, and its net debt is 90 billion rubles, the company said.

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