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ACRA assigns eA+(RU) to BO-P01 bond issued by KAMAZ PTC**Lead analysts:**

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Credit rating rationale. The issues are senior unsecured debt instruments of [KAMAZ PTC](#) (the Company). In view of the absence of either structural or contractual subordination of the issues, ACRA assesses the bonds *pari passu* with other existing and future unsecured and unsubordinated obligations of the Company. According to the ACRA methodology, the expected credit rating of the issue is on par with that of the Company — A+(RU).

The credit rating assigned to KAMAZ PTC is based on high systemic importance of the Company for the Russian economy and high level of state influence according to the ACRA methodology. In addition, the Company enjoys a strong market positions, has high-quality corporate governance, strong geographic diversification, strong liquidity assessments, and medium assessments of business profile, size, profitability, leverage and coverage. The credit rating is under pressure from weak cash flow indicators resulting from the investment cycle peak that the Company is currently in.

Key issue properties

Borrower	KAMAZ PTC
Issuer credit rating	A+(RU), outlook Stable
Actual issuer	KAMAZ PTC
Type of security	Exchange-traded interest-bearing certified bearer bonds, BO-P01 series
Issue volume	RUB 7 bln
Bookbuilding deadline	January 31, 2019
Maturity	3 years

Regulatory disclosure

ACRA will assign a credit rating to BO-P01 bond issued by KAMAZ PTC after receiving the final documentation. In case of any significant discrepancies between the final documentation and the preliminary materials, ACRA may change the issue credit rating against the expected credit rating.

The expected credit rating has been assigned to BO-P01 bond issued by KAMAZ PTC under the national scale for the Russian Federation based on the Methodology for Assigning Credit Ratings to Individual Issues of Financial Instruments under the National Scale of the Russian Federation, and the [Key Concepts Used by Analytical Credit Rating Agency within the Scope of Its Rating Activities](#).

The expected credit rating has been assigned to BO-P01 bond issued by KAMAZ PTC for the first time. ACRA expects to assign the final credit rating within 90 days following the assignment date of the expected rating (February 1, 2019).

The expected credit rating is based on data provided by KAMAZ PTC, information from publicly available sources, and ACRA's own databases. The credit rating is solicited, and KAMAZ PTC participated in its assignment.

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

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

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