

M.Video Earns Online Every Fifth Ruble

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April 18, 2018, Moscow, Russia. PJSC M.video (M.Video, the Company, or the Group), Russia's largest consumer electronics retailer by revenue (MOEX: MVID), releases today its interim unaudited sales, like-for-like sales, and the network expansion results for the first quarter ended 31 March 2018.

Q1 2018 Highlights:

- Net Sales increased by 17.4% year-on-year and amounted to RUB 61.0 billion (with VAT)
- Like-for-Like (LFL) sales grew by 12.5%
- Online Based Sales (OBS) jumped 82.4% year-on-year to RUB 11.8 billion (with VAT)

In the first quarter of 2018, M.Video Net Sales increased by 17.4% year-on-year and reached RUB 61.0 billion (including VAT). The growth was driven by Like-for-Like stores dynamics, as well as extensive expansion program of Q4 2017, and supported by strong online sales performance.

Like-for-Like Sales demonstrated 12.5% growth in Q1 2018, due to both growing number of transactions and higher average basket year-on-year. The growth was attributable to much healthier consumer demand, as opposed to the first quarter of last year, and was encouraged by value-creative M.Mobile, M.Credit and Real-Time Dealing strategic projects, and supported by various promotional activities. In the end of 2017, M.Video relaunched its communication platform and started special promotions across various channels targeting younger audience, especially, in digital market.

OBS increased by 82.4% year-on-year to RUB 11.8 billion (including VAT), and set another record at 19% of total Net Sales (24% in Moscow and 26% in St-Petersburg) in Q1 2018, driven both by traffic and conversion rate growth. Number of transactions doubled year-on-year in Q1 2018. Pick-up rate was 74% of OBS in Q1 2018 compared to 69% in Q1 2017.

“M.Video once again proved the efficiency of its OMNI-channel model – like-for-

like sales grew double digit by 12.5% thanks to high-quality service and individual approach to our clients. Real-Time Dealing in-store sales using mobile tablets and M_Credit consumer loan broker make it possible to offer our customers unique shopping experience at attractive terms. Implementation of M_Mobile shop-in-shops and brand repositioning for youth has strengthened M.Video's market position in digital – smartphones, laptops and related accessories showed 30-40% growth in the first quarter. This year we are piloting standalone m_mobile shops fully dedicated to digital products”, – commented M.Video Chief Executive Officer, Enrique Fernandez.

“M.Video almost doubled its online sales, transforming into an Internet retailer with online platform and most advanced IT-solutions organically complemented by efficient offline chain. Three out of four our online customers prefer in-store picking-up, which is fast, convenient and rational. In next three years, we plan to fully integrate implemented innovations for online and offline and develop mobile solutions in retail within our One Retail digital transformation strategy. This will allow us not only guarantee our clients unique seamless shopping experience, but also strengthen our market position through an in-depth analysis of consumer behavior and preferences, and individual solutions for each customer”, – emphasized M.Video President, Alexander Tynkovan.

Q1 2018 M.Video Sales and Expansion Summary:

RUB million, with VAT	Q1 2108	Q1 2017	YoY,%
Net Sales*	60 974	51 930	+17
Online Based Sales (Home Delivery + Pick-up)	11 814	6 476	+82

Like-for-Like** Sales	1Q 2018 / 1Q 2017, %
RUB	+12.5%

Expansion	31 Mar 2018	31 Dec 2017	Change	
Stores***	422	424	-2	-0
Selling space, ths. sq.m	690	693	-3	-0
Total space, ths. sq.m	932	937	-5	-0

* Net Sales are Total sales for the reporting period excluding sales of discount coupon cards. Sales numbers for the respective period of 2017 were restated to Net Sales for comparability purposes.

** LFL data is based on a comparison of 376 stores operating as of January 1, 2017 and not closed for more than two weeks, and/or not expanded or downsized by >20% of their total space.

***In Q1 2018, 2 stores were closed for their relocation.

Note for editors:

M.Video is the largest Russian consumer electronic retail chain by revenue. The Company started its operations in 1993. In November 2007, M.Video became the first publicly traded company in the domestic consumer electronic retail sector. The Company's shares are traded on Moscow Exchange (ticker: MVID). M.Video operates 422 brand name stores in 169 Russian cities. As of March 31, 2018, the selling space of M.Video stores was 690,000 sq. m, and the total space was 932,000 sq. m.

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