

**M.VideoEldorado**

---

# **M.Video-Eldorado Group Q1 2020 Trading & Market Update**

April 28, 2020



# Content & Liability Disclaimer

The information contained in this presentation or enclosed herewith is provided and intended for informational purposes only and should not be relied on for any investment decisions. The information provided in the presentation includes assumptions and financial information on M.Video and Eldorado operations and expectations which are "indicative". Specifically, some of the 2008-2022 information presented is taken from the M.Video-Eldorado Group management information system and as such may be unaudited and may include accruals and estimates. Except for numbers which can be traced to the audited Consolidated Financial statements for the years ended 31 December 2007-2018, the numbers may not have been subjected to any audit testing nor have the IFRS policies necessarily been applied to these numbers/calculations. All M.Video Group companies information provided in this presentation is provided on an "as is" basis. M.Video believes and has done everything within its power to ensure the information is not misleading, nevertheless M.Video does not take any responsibility for the accuracy or completeness of the information. Likewise, for the forward looking information provided, these are based upon the M.Video-Eldorado Group management high level, longer term views and not on detailed budgeting or forecasting principles. The addressees of the presentation should not take these numbers as the true and accurate numbers and as such not disseminate, or refer to these numbers for any purpose other than for the purpose they were given, namely for informational purpose. A person who uses the information contained in this presentation does so at his/her own risk.

# Business overview in April '20 & COVID-19 response

## NEW REALITY

**+69% YoY**

website traffic

**~90%**

share of OBS

**-75% YoY**

decline in foot traffic

**4x YoY**

growth in deliveries

**~1/3**

share of delivery in sales



*The current situation was conducive to the Group's full transformation into an online business. The initial plan would take three years to implement our ONE RETAIL model, the pandemic prompted us to mobilize our resources and do the same within three weeks against a backdrop of strict financial austerity and cost optimization. [...]*

*The efforts and resources we have invested in building our ONE RETAIL concept pay off as we are now able to quickly adapt to the current environment and changing consumer behaviours.*



**Alexander Tynkovan**  
M.Video-Eldorado Group's President



- **Safety.** Compliance with all anti-epidemic protocols (regular body temperature check-up, hygienic hand antiseptics, use of sanitizers, regular sanitation at all locations, use of floor markings at stores).
- **Employment.** The Group uses its best efforts to keep people employed and well-off: 1) fixed stable monthly income for those employees who continue working at our stores, which does not depend on sales results; 2) all other employees have an opportunity to be transferred to other functions; 3) enhanced life and health insurance programmes; 4) introduction of additional financial aid in case of coronavirus infection and free access to 24/7 remote medical assistance and psychological counselling.
- **Store operation.** As of April 27, ~97% of all stores remain operational in usual format or as pick-up points, mobile phone or dark stores.

### Strengthening online sales, increasing efficiency, speed and safety of 'last mile' solutions, as well as exclusion of social contacts:

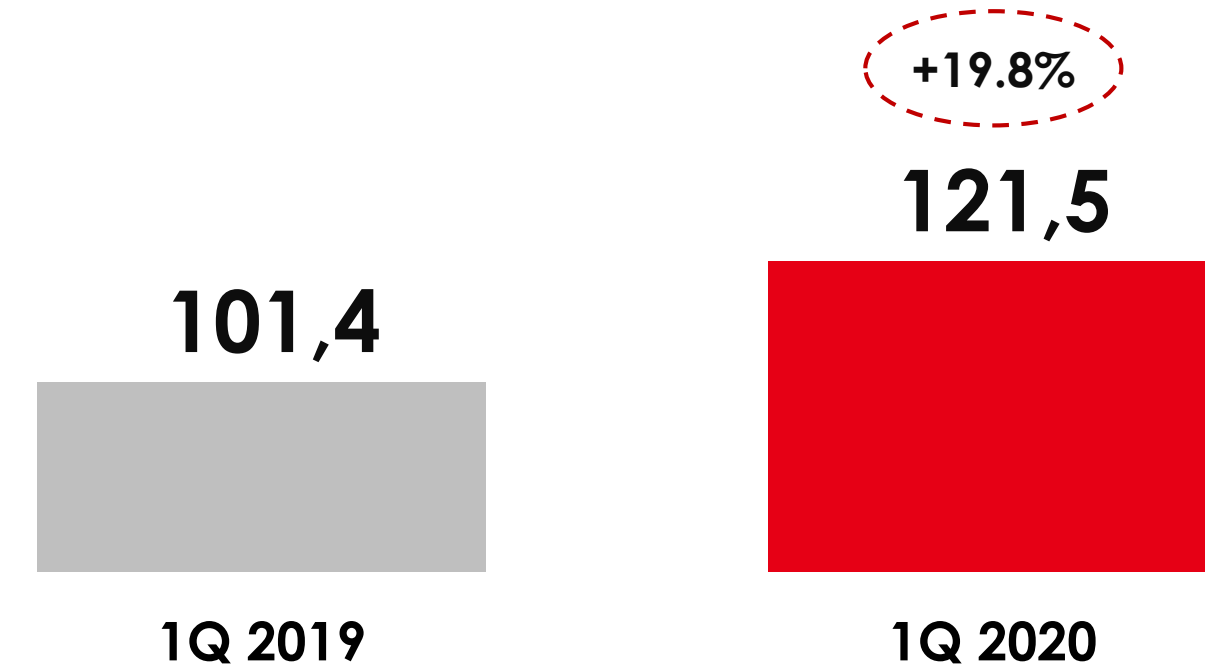
- ✓ partnership with X5 Retail Group for M.Video and Eldorado online orders to be picked up at Pyaterochka stores;
- ✓ M.Video store to be opened on Ozon marketplace;
- ✓ deliveries to parking lots near stores;
- ✓ express delivery via taxi (Gett, Yandex.Taxi), DPD, Russian Post;
- ✓ video consultations for customers and 24/7 support via WhatsApp;
- ✓ call centre efficiency improvement in view of much higher traffic.

- **Austerity measures and strict payment discipline** across the Group;
- **Capital expenditure was optimised** and priority was given to projects related to online business as well as to improving customer experience;
- **Optimization of payments** and terms of cooperation with partners in light of the new circumstances.

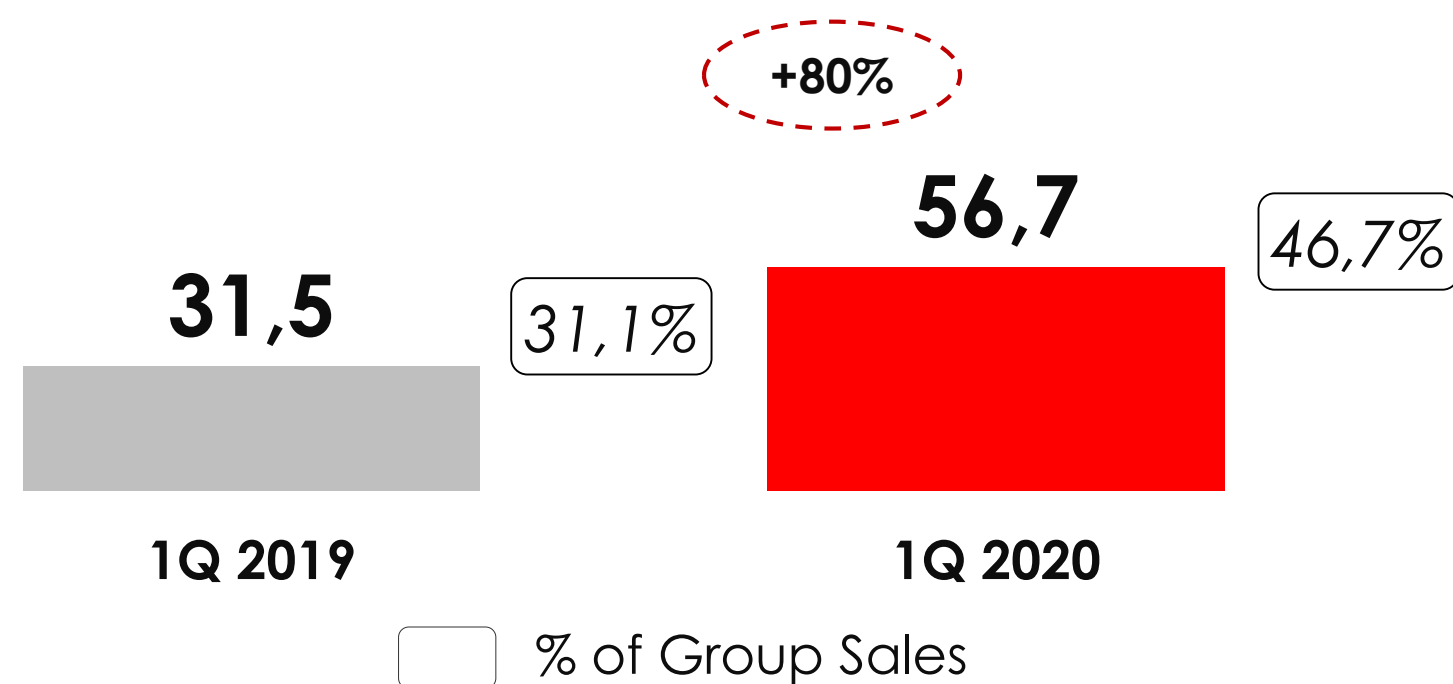
# 1 Q 2020 M.Video-Eldorado Group Operational Highlights

- The Group's net sales rose by 19.8% year-on-year to RUB 121.5 billion (incl. VAT)
- Total online sales (TOS) grew by 80% year-on-year to RUB 56.7 billion (incl. VAT), accounting for 46.7% of total sales.
- Like-for-like (LFL) sales added 13.5% vs Q1 2019 and 15.1% vs Q1 2018.
- The total store count was 1,038 as at 31 March 2020, up 83 stores vs Q1 2019 and flat year-to-date.

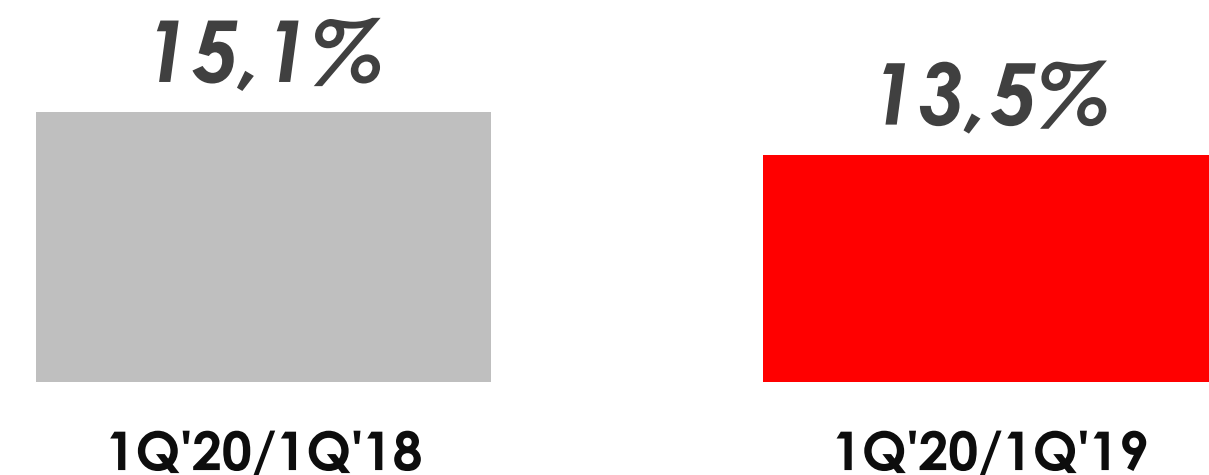
1 Q 2020 Group Net Sales, RUB bn (with VAT)



1 Q 2020 Total Online Sales, YoY



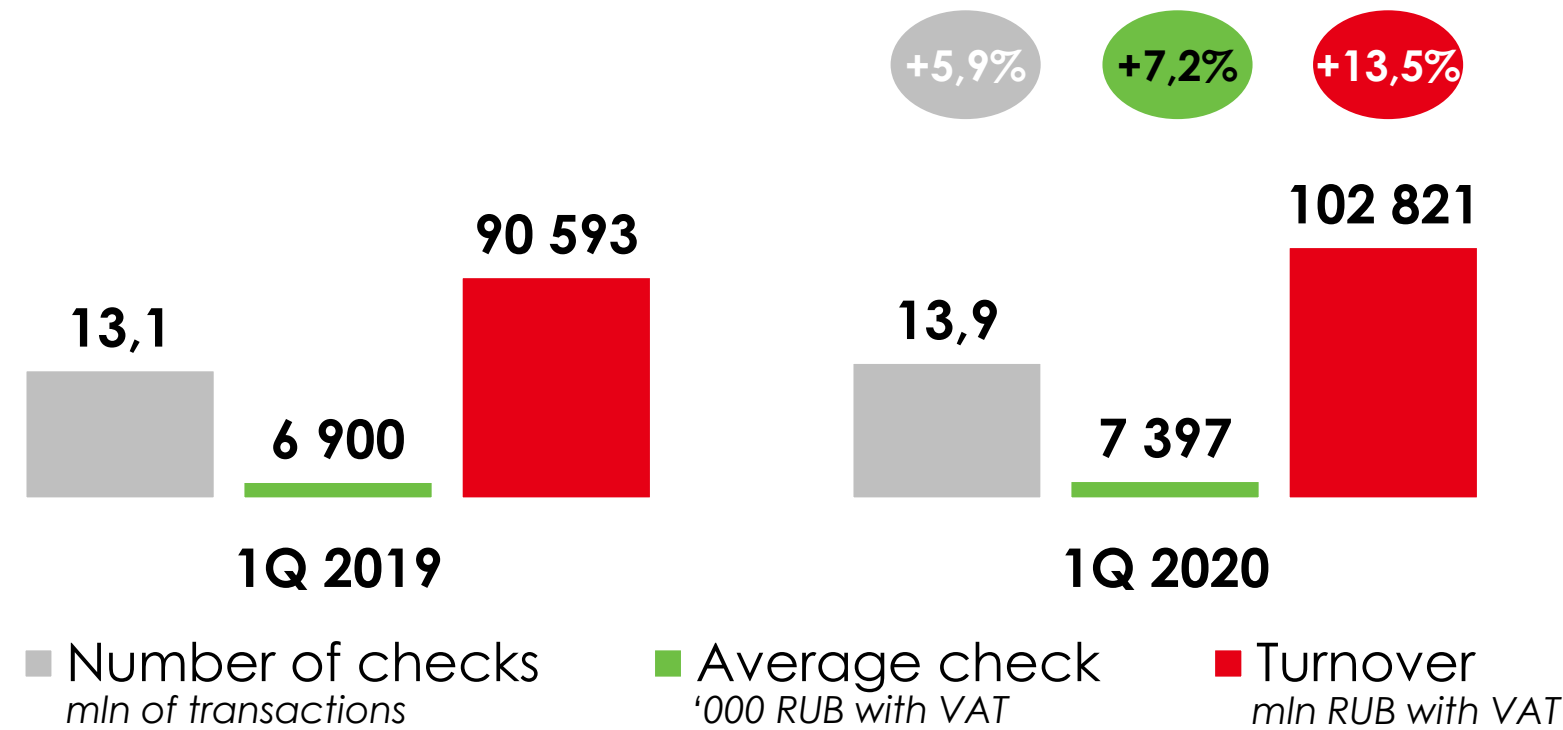
1 Q 2020 Group LFL, YoY



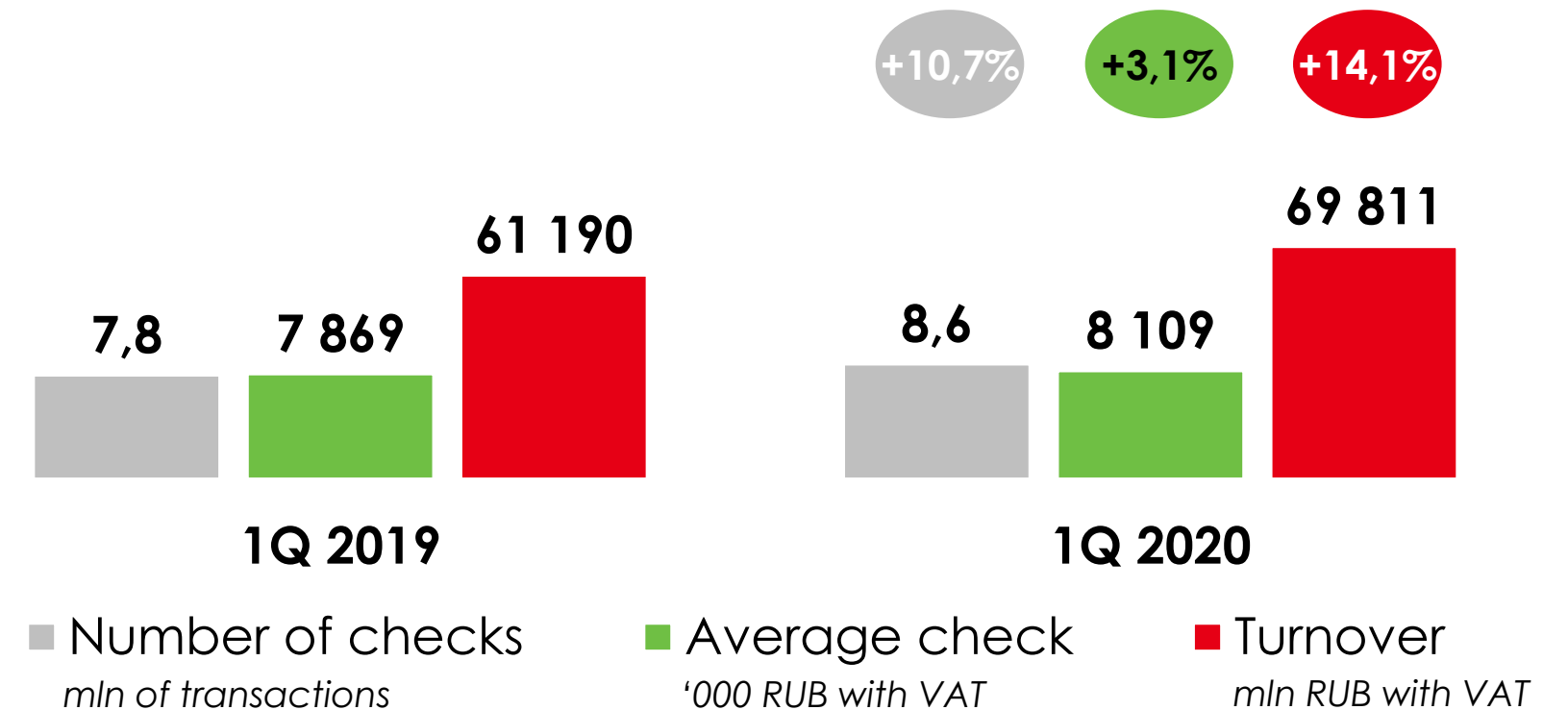


# M.Video-Eldorado Group LFL Performance in 1Q 2020<sup>(1)</sup>

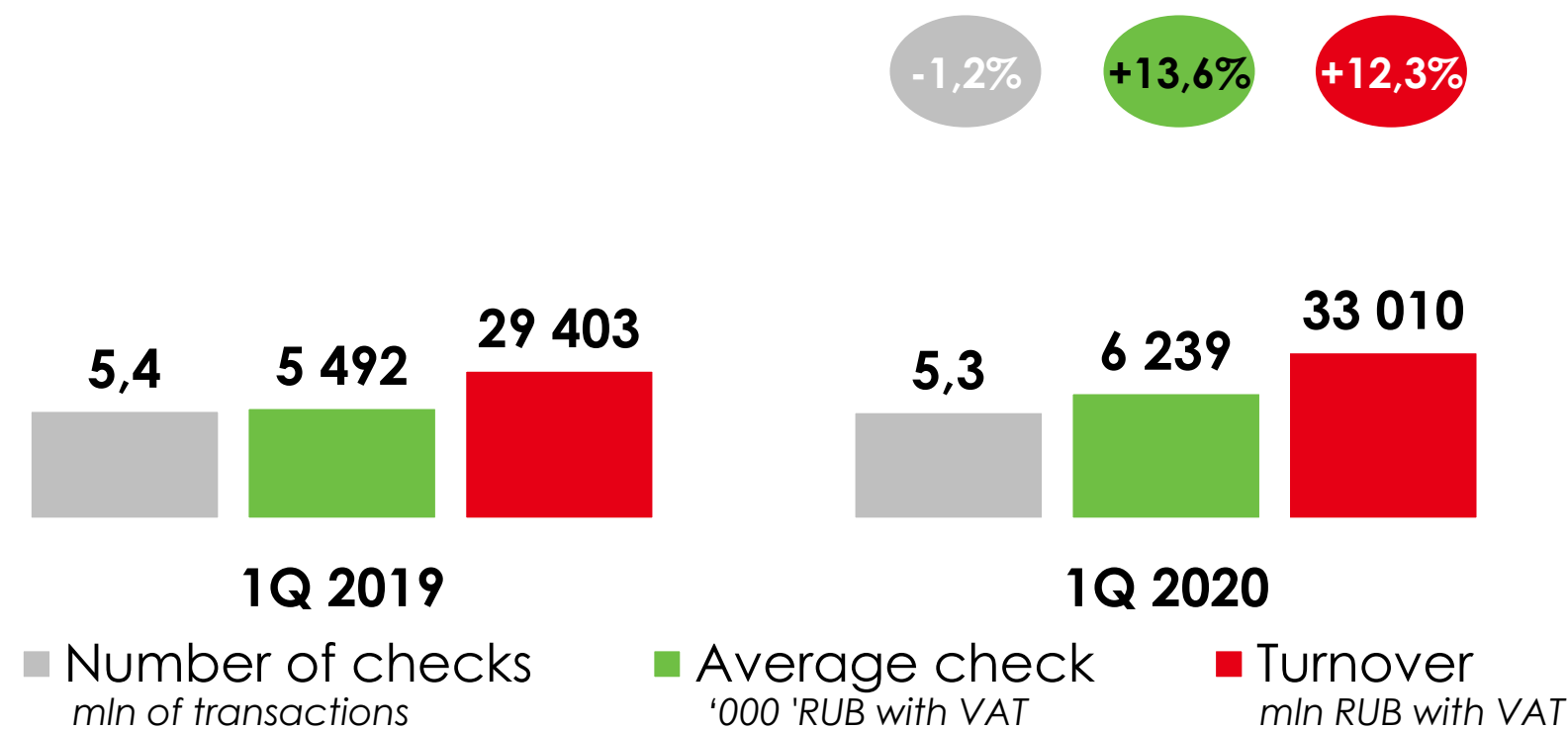
1Q 2020 Group LFL Sales, %



1Q 2020 M.Video LFL Sales, %



1Q 2020 Eldorado LFL Sales, %

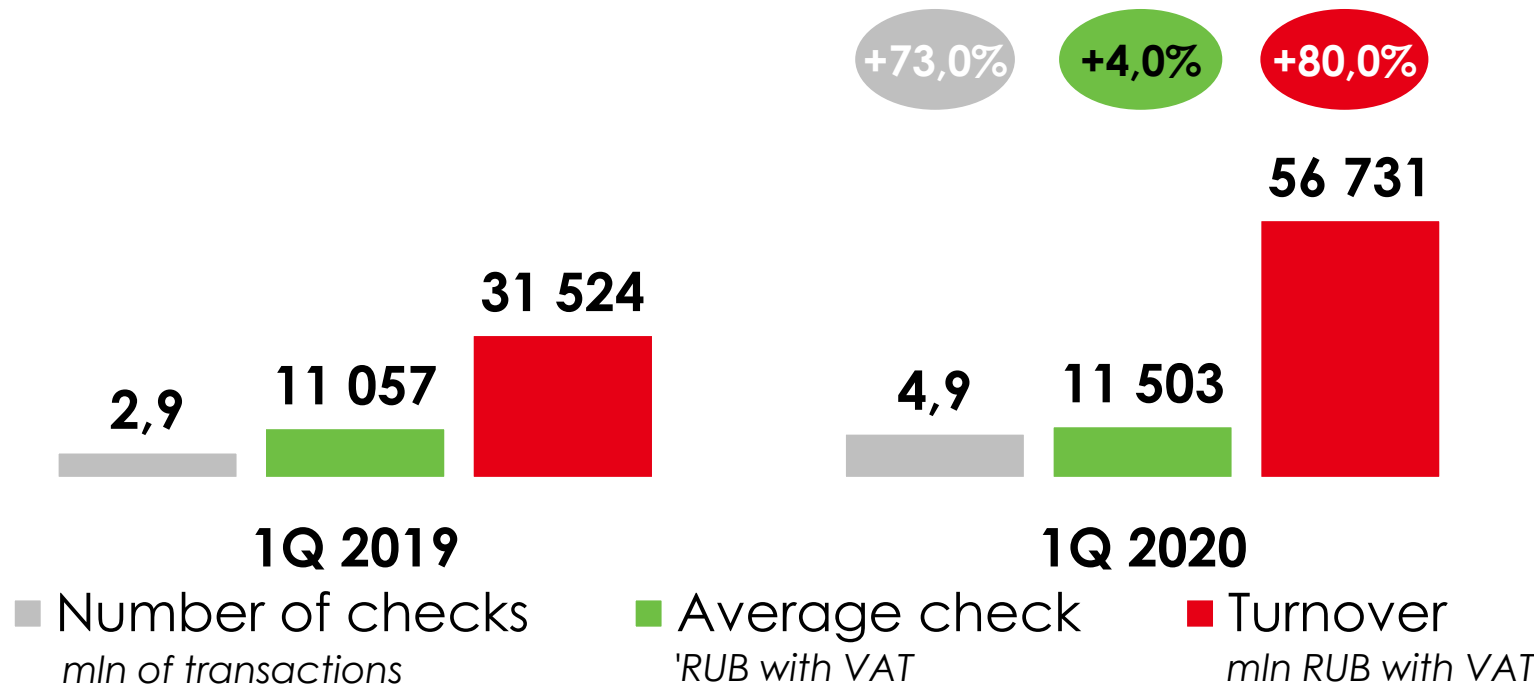


- The Group showed **+13.5% LFL growth** driven by average check across both brands and ~11% growth in number of checks at M.Video
- Key drivers:
  - work/study from home surge in March;
  - deferred demand for major purchases amid FX volatility;
  - strong performance in smartphone sales

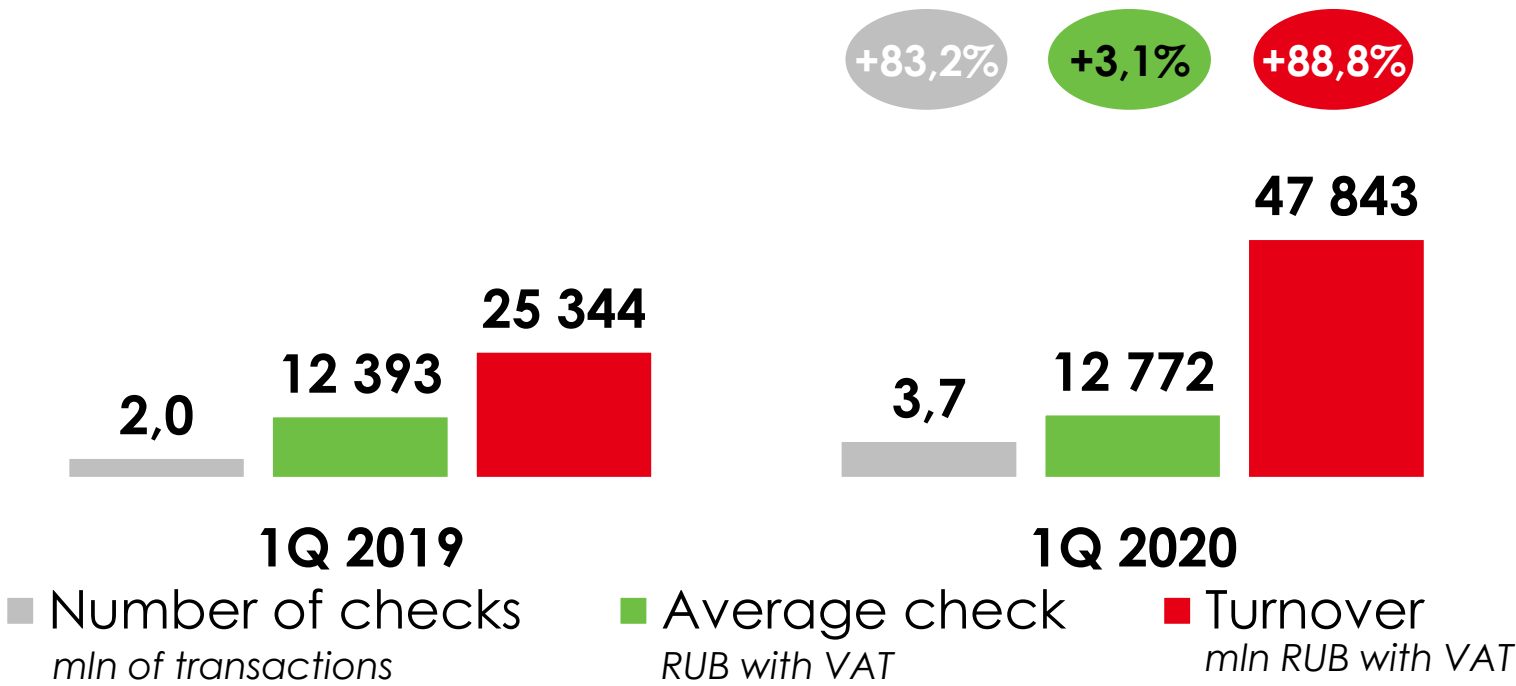
(1) LFL data is based on a comparison of 882 stores operating as of January 1, 2019 and not closed for more than two weeks, and/or not expanded or downsized by >20% of their total space

# M.Video-Eldorado Group Total Online Sales (TOS) in 1Q 2020

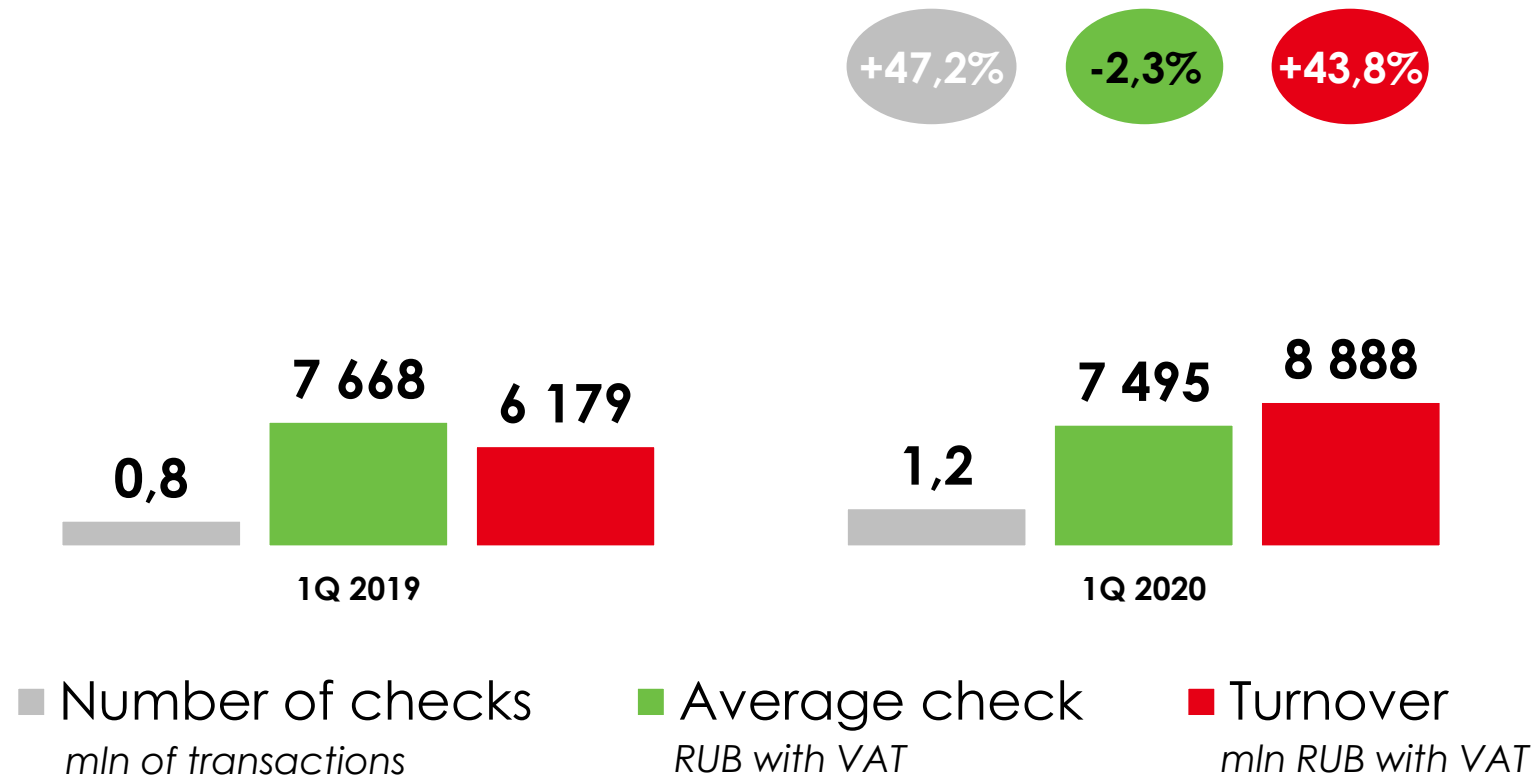
1Q 2020 Group TOS Drivers



1Q 2020 M.Video TOS Drivers



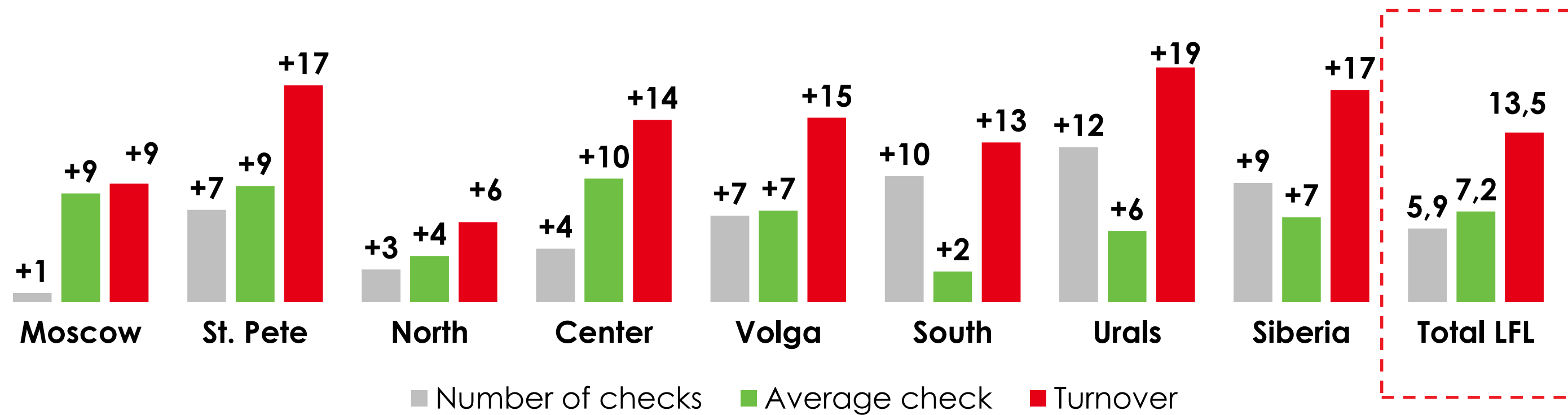
1Q 2020 Eldorado TOS Drivers



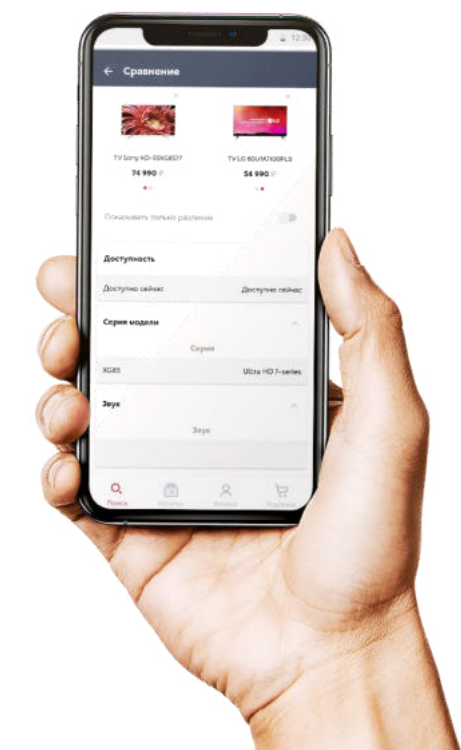
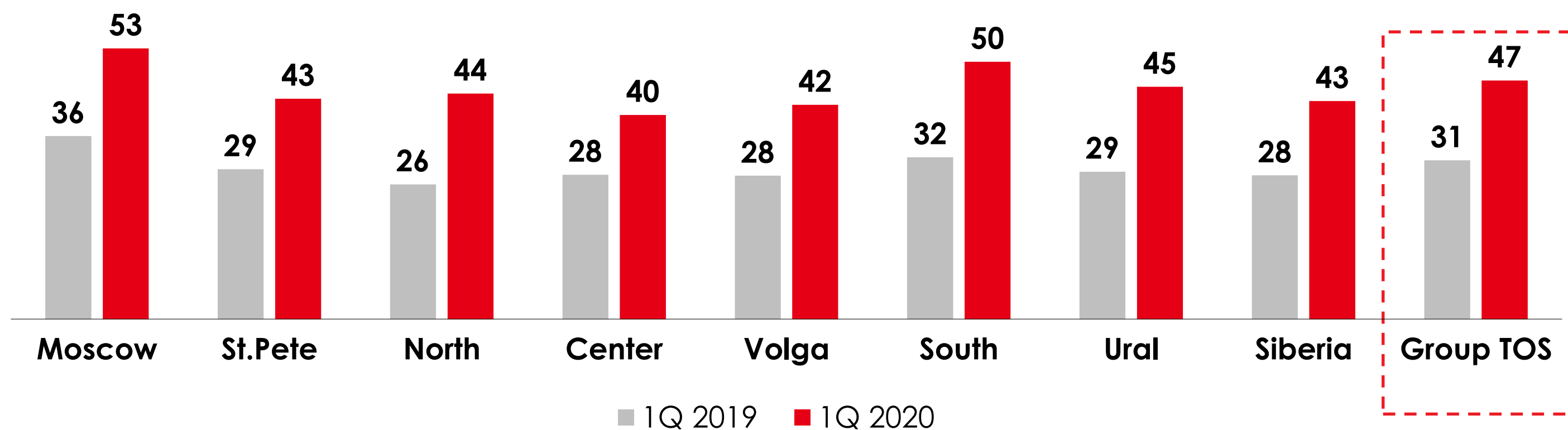
- Group delivered +80% total online sales growth driven by both number of transactions and average check in 1Q'20
- M.Video TOS grew by +88.9% in 1Q'20 spurred by increased demand from work/study from home surge, and deeper RTD penetration
- Eldorado showed strong TOS growth of +43.8% in 1Q'20

# M.Video-Eldorado Group LFL and TOS by Region in Q1 2019

1Q 2020 Group LFL Sales by Region, %



1Q 2020 Group TOS by Region, %

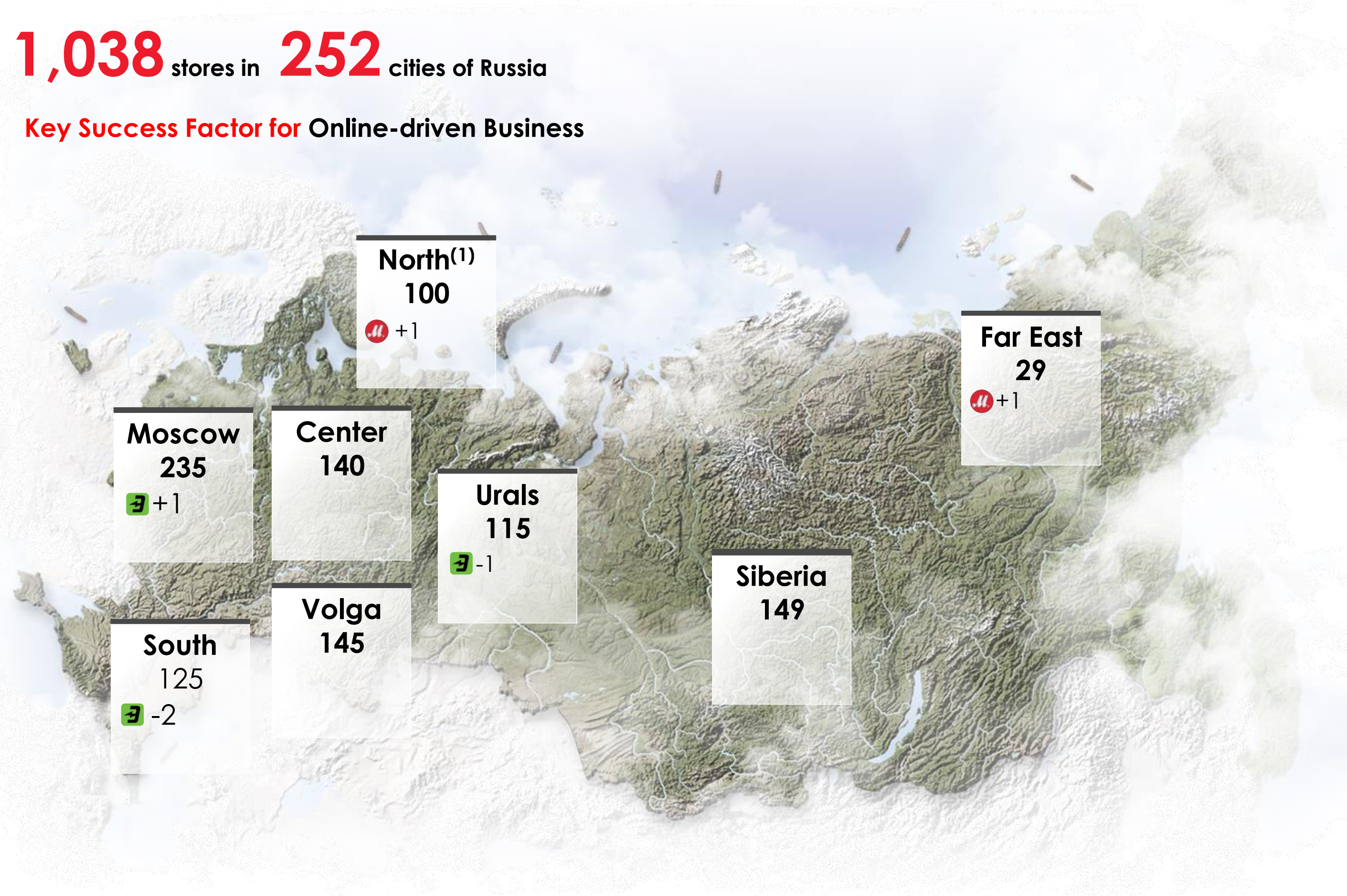




# Group's Footprint as of 31 March 2020

**1,038** stores in **252** cities of Russia

Key Success Factor for Online-driven Business



				TOTAL
# of Stores	514	504	20	1,038

- 100% online coverage in cities of presence
- The total store count was **1,038** as at 31 March 2020
  - +83 stores vs 1Q'19
  - no change in no. of stores YTD following several new openings and closures
- As of March 31, 2020:
  - 514 M.Video, 504 Eldorado, and 20 m\_mobile stores;

(1) Including St-Petersburg



# Contact Information

PJSC M.video  
Address: 105066, Russia, Moscow  
Nizhnaya Krasnoselskaya Str., 40/12 bld 20

Tel: +7 495 644 28 48, ext. 1425

E-mail: [ir@mvideo.ru](mailto:ir@mvideo.ru)

Corporate web-site: [invest.mvideo.ru](http://invest.mvideo.ru)

Listing: Moscow Stock Exchange

Ticker: MVID

For investors' requests, please, contact IR team:

Maxim Novikov ([maxim.novikov@mvideo.ru](mailto:maxim.novikov@mvideo.ru))

Timur Akhmedzhanov ([timur.akhmedzhanov@mvideo.ru](mailto:timur.akhmedzhanov@mvideo.ru))

