

## M.Video-Eldorado Group Outperformed the Market with 12% Sales Growth in Q1 2019

18 April 2019, Moscow, Russia. PJSC M.video (M.Video-Eldorado Group, the Company, or the Group), Russia's largest consumer electronics retailer by revenue (MOEX: MVID), releases today its combined interim unaudited sales, like-for-like sales, and the networks expansion results for M.Video and Eldorado for the first quarter ended 31 March 2019.

### Q1 2019 highlights (pro-forma<sup>1</sup>):

- M.Video-Eldorado Group net sales increased by 11.7% year-on-year to RUB 101.4 billion (with VAT)
- Group's online-based sales (OBS) rose by 22.3% year-on-year to RUB 20.5 billion (with VAT) amounting to 20% of total net sales
- Group's Like-for-Like (LFL) sales grew by 2.2%

The Group's net sales increased by 11.7% year-on-year to RUB 101.4 billion (with VAT) in the first quarter of 2019. The growth was driven by strong expansion program of 2018, and supported by solid OBS dynamics and positive like-for-likes of both M.Video and Eldorado brands.

M.Video chain net sales rose by 11.7% year-on-year to RUB 68.1 billion (with VAT), and Eldorado net sales increased equally by 11.6% year-on-year to RUB 33.3 billion (with VAT) in the first quarter of 2019.

M.Video's online-based sales (pick-up and home delivery) rose by 21.4% year-on-year to RUB 14.3 billion (with VAT) in the first quarter of 2019, driven by growing number of transactions and the average ticket. Eldorado's OBS increased by 24.3% year-on-year to RUB 6.2 billion (with VAT) in the first quarter of 2019, due to digital categories driving the average ticket growth. The share of OBS in Group's total net sales reached 20.2% in Q1 2019. Pick-up rate rose to 75.9% of online sales in Q1 2019.

Group's Like-for-Like sales grew by 2.2% in the first quarter of 2019, due to growing share of digital products, accessories and services in the sales mix. In Q1 2019, M.Video Like-for-Like sales improved by 1.4%, while Eldorado demonstrated 4.0% Like-for-Like sales growth.

"M.Video-Eldorado Group completed the integration process in the first quarter of 2019, following the operational merger in 2018, the company moved to one legal entity and a single IT system. The unified business model for the two retail chains competing for the best customer service, promos and price offers, allowed both brands to grow their sales above the market, by 12% year-on-year, and increase their market share", - emphasized M.Video-Eldorado Group President, Alexander Tynkovan.

"We estimate the growth of the Russian consumer electronics market slowed down to c.10% in Q1 2019, as a result of the market natural cyclical development and the economy stabilization. M.Video and Eldorado sustainably deliver double-digit sales growth on the back of the effective retail network supported by additional sales from stores opened in the end of 2018 and expected to ramp up during the whole 2019", - noted Enrique Fernandez, Chief Executive Officer of M.Video-Eldorado Group.

"We also see growing impact of the Internet on our shoppers, while maintaining traffic to our retail stores. About 70% of our customers use the Internet at some stage of choosing products, but at the same time, up to 95% of all transactions are completed in offline. In 2018, M.Video-Eldorado Group became the largest public e-commerce retailer not only in its segment, but also in the Russian market as a whole. That clearly proves that an effective retail network is an additional driver for online growth. Further digitalization of our business within One Retail strategy will allow M.Video and Eldorado to offer our customers not only favorable prices, but also the best service and shopping experience," – Mr. Fernandez added.

In Q1 2019, the Group increased its network by 14 stores net, including 5 M.Video, 7 Eldorado, and 2 m\_mobile stores. The Group's total number of stores reached 955 as of March 31, 2019.

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<sup>1</sup> Pro-forma combined operational results for the Group include Eldorado numbers starting from the beginning of the earliest comparable period, i.e. from the beginning of 2018.

# M.VideoEldorado

## Q1 2019 M.Video-Eldorado Group Sales and Expansion Summary (Pro-forma\*):

Net Sales, mn RUB (with VAT)	Q1 2019	Q1 2018	YoY, %
M.Video	68,131	60,973	+11.7%
Eldorado	33,289	29,827	+11.6%
<b>M.Video-Eldorado Group</b>	<b>101,421</b>	<b>90,801</b>	<b>+11.7%</b>

Online Sales (pick-up + home delivery), mn RUB (with VAT)	Q1 2019	Q1 2018	YoY, %
M.Video	14,347	11,814	+21.4%
Eldorado	6,179	4,971	+24.3%
<b>M.Video-Eldorado Group</b>	<b>20,526</b>	<b>16,785</b>	<b>+22.3%</b>

\*Pro-forma combined operational results for the Group include Eldorado numbers starting from the beginning of the earliest comparable period, i.e. from the beginning of 2018.

Like-for-Like Sales**, %	Q1 2019 / Q1 2018, %
M.Video	+1.4%
Eldorado	+4.0%
<b>M.Video-Eldorado Group</b>	<b>+2.2%</b>

\*\* LFL data is based on a comparison of 794 stores operating as of January 1, 2018 and not closed for more than two weeks, and/or not expanded or downsized by >20% of their total space.

Networks Expansion	31.12.2018	31.03.2019	New for 3m 2019*	
<b>Stores, #</b>				
M.Video	480	487	+7	
Eldorado	461	468	+7	
<b>M.Video-Eldorado Group</b>	<b>941</b>	<b>955</b>	<b>+14</b>	
<b>Selling Space, ths sqm</b>				
M.Video	759	767	+8	+1.1%
Eldorado	633	636	+3	+0.5%
<b>M.Video-Eldorado Group</b>	<b>1,391</b>	<b>1,403</b>	<b>+11</b>	<b>+0.8%</b>
<b>Total Space, ths sqm</b>				
M.Video	1,031	1,041	+10	+1.0%
Eldorado	814	842	+28	+3.4%
<b>M.Video-Eldorado Group</b>	<b>1,845</b>	<b>1,883</b>	<b>+38</b>	<b>+2.1%</b>

\* In Q1 2019, 6 M.Video stores (including 3 rebranded MediaMarkts) and 2 m\_mobile stores were opened, while 1 M.Video store was closed due to its relocation.

In Q1 2019, 8 Eldorado stores (including 4 rebranded MediaMarkts) were opened, and 1 Eldorado stores was closed due to its relocation.

# M.VideoEldorado

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## About M.Video-Eldorado Group

M.Video-Eldorado Group (PJSC “M.video”) consolidates consumer electronic retail brands M.Video and Eldorado, and Goods marketplace. The Group’s combined annual sales are over 420 billion rubles with VAT. M.Video-Eldorado Group is the first and only public consumer electronic retailer in Russia. The Company’s shares are traded on the Moscow Stock Exchange (ticker: MVID).

As of 31 March 2019, the Group operated 480 under M.Video, 468 stores under Eldorado, and 7 stores under m\_mobile brand in more than 200 cities of the Russian Federation. The Group’s selling space was 1,403 ths sqm, and total space was 1,883 ths sqm as of 31 March 2019.

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