

## M.Video-Eldorado: Russia's 5G phone sales grow threefold each quarter

**21 October 2020, Moscow, Russia. M.Video-Eldorado Group (PJSC M.Video, MOEX: MVID), Russia's largest consumer electronics retailer by revenue and part of the SAFMAR Group owned by Mikhail Gutseriev, has analysed the demand for 5G-capable smartphones in Russia over 9M 2020. The sales amounted to nearly 160,000 devices for a total of around RUB 9.2 bn. The average price of a phone with 5G capability was RUB 57,500. The demand in volume terms increases threefold each quarter. The fourth quarter may bring further gains on the back of the release of the iPhone 12 quadruple lineup and higher interest in other brands' phones with next-gen connectivity.**

The penetration of mobile devices supporting the fifth generation of cellular mobile communications grows at a fast pace due to the constant expansion of product lineups, releases of more affordable devices, and higher sales of RUB 50,000+ gadgets. In January–September 2020, Russian customers purchased a total of 160,000 smartphones featuring 5G connectivity for RUB 9.2 bn, which accounted for 0.7% and 2.3% of the overall device sales in volume and value terms respectively. In Q3 2020, sales in volume terms in this segment accounted for 70% of the annual turnover, which was a 3.2x increase versus Q2 2020. The demand almost tripled during April-June 2020 compared to January-March 2020. The average price of 5G smartphone is RUB 57.5 thousand.

The first 5G-enabled smartphones arrived on the Russian market in Q4 2019 and became widely available in Q1 2020. The top-10 brands currently offer over 30 phone models in the mid- and premium-price categories, with Honor, Samsung, Huawei, Xiaomi and Sony proving the most popular among Russian consumers. The five best-selling mobile phones were three Honor (30, 30 Pro+, 30S) and two Samsung (Galaxy S20 Ultra and Galaxy Note 20) devices.

**Vladimir Chayka, Head of Mobile at M.Video-Eldorado:** 'People pick flagships or futureproof mid-price devices to use them as their daily driver for longer periods of time, normally two to three years. Taking this into account, the owners of this or last year's 5G devices, as well as of the upcoming iPhone 12, will be set to benefit from the next generation network architecture in Russia and abroad. The share of 5G devices sold by M.Video and Eldorado was higher than the market average – 1.5% and 4% in volume and value terms respectively'.

M.Video and Eldorado are Apple's official partners in Russia. On 21 October, both chains are kicking off preorders for iPhone 12 and iPhone 12 Pro, with preorders for iPhone mini and iPhone 12 Pro Max going online on 29 October. All four models support 5G. iPhone 12 starts at RUB 79,990, iPhone 12 mini – at RUB 69,990, iPhone 12 Pro – at RUB 99,990, and iPhone 12 Pro Max – at RUB 109,990.

According to M.Video-Eldorado Group estimates, from January to September the Russian market's total smartphone turnover reached 23 million units and RUB 390 bn, delivering a year-on-year growth of 6.5% and 14% in volume and value terms respectively. From January to September, smartphones in the price range of RUB 10,000–30,000 and those priced over RUB 50,000 saw the highest increase in sales (up 11% both in volume and value terms, up 41% in volume and 48% in value terms respectively). M.Video-Eldorado Group reported an increase of about 31% in volume and 33% in value terms.

# M.VideoEldorado

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## About M.Video-Eldorado Group

**M.Video-Eldorado Group** (PJSC M.video) is Russia's largest consumer electronic retailer uniting the M.Video and Eldorado brands in the market for home appliances and electronics. The companies' total annual turnover exceeds RUB 430 billion, including VAT (FY 2019). The M.Video-Eldorado Group is the only Russian publicly-traded company in the electronics retail sector. The company's shares are traded on Moscow Exchange (ticker: MVID).

The Group operates Russia's largest online platform for consumer electronics and household appliances commanding a market share of over 30%. As of June 30, 2020, the Group also operates 512 stores under the M.Video brand, 505 stores under the Eldorado brand and 20 m\_mobile stores in more than 250 cities across Russia with a total selling space of 1,450 thousand square meters. The Group has 100% online coverage in all cities of operation.

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