

# M.Video-Eldorado Group's online sales jumped by 70% to reach RUB 144 billion in 2019

28.01.2020 15:00

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

- M.Video-Eldorado Group net sales rose by +3.8% year-on-year to RUB 437.5 billion (with VAT).
- Group's Total Online Sales (TOS)<sup>2</sup> grew by +70.2% year-on-year to RUB 144.0 billion (with VAT) and amounted to 32.9% of total net sales.
- In FY 2019, Group's Like-for-Like (LFL) sales declined by -5.5% vs. FY2018 and grew by +7.1% compared to FY 2017, mainly due to high comparison base of 2018.
- The Group opened 97 stores net and operated 1,038 stores as of December 31, 2019.

Q4 2019 highlights:

- M.Video-Eldorado Group net sales declined by -1.4% year-on-year to RUB 138.3 billion (with VAT) in Q4 2019.
- Group's TOS grew by +57.2% year-on-year to RUB 52.6 billion (with VAT) to new record high 38.0% of Group's net sales.
- In Q4 2019, Group's LFL sales declined by -9.7% vs Q4 2018 and rose by +3.5% compared to Q4 2017, due to high base of Q4 2018.

"In 2019, M.Video-Eldorado Group completed Eldorado integration – we created one legal entity, moved all operations to single ERP-system, and realized all planned synergies. The latter illuminates efficiency of our business model where two brands are run by one company and reinforce one another. As a result, in accordance with previously announced plans, the Group has reached a new sustainable EBITDA margin level and, in December 2019, returned to the practice of dividend payments. We see realizing further business growth potential yet maintaining best-in-class profitability levels as a next development milestone".

"According to Gfk, Russian consumer electronics market went up by 2.9% in 2019. Having integrated all benefits of online and offline channels within one business model the Company has delivered above the market 3.8% top line growth bringing its sales to RUB 437.5 billion in 2019. Our total online sales jumped by 70% in 2019 to reach RUB 144 billion while the overall internet consumer electronics market demonstrated almost 20% growth, by Gfk. Over 30% of our top line comes from online, indicating the Company's successful

transformation from omni-channel to ONE RETAIL model”, – commented M.Video-Eldorado Group President Alexander Tynkovan.

“We see that in spite of the high internet sales growth, the share of customers utilizing multichannel approach (by going both online and offline) has been growing and reached 70% in the consumer electronics market. With that in mind, we have rolled out our RTD solution (mobile application for shop assistants) across all M.Video stores throughout 2019. Since August 2019, over 10,000 M.Video shop assistants can check-in the customer at a store via this application and provide a personalized experience and unique offering, thereby positively impacting sales.”

“Today M.Video is able to compare and analyze the client behavior online and in a store. We get unique inputs for creating convenient environment and personalized proposals for each customer. Last year we’ve also launched M.Video’s mobile app that has enjoyed over a million downloads and one of the highest ratings in its class. We will proceed with the digital transformation of our business to secure future growth and efficiency gains”, – emphasized Enrique Fernandez, Chief Executive Officer of M.Video-Eldorado Group.

“Telecom segment remains one of the key consumer electronics market drivers. The Group tapped into the segment several years ago and has become one of the key players since then. M.Video-Eldorado Group smartphones sales were up by 17% YoY in money terms in 2019, above the market dynamics. Moreover, our customers purchase every second device with an accessory or an additional service. This “ecosystem” approach based on meeting customer needs in telecom and other categories allows us to strengthen market leadership and enhance efficiency”, – Mr. Fernandez added.

Group’s net sales increased by +3.8% year-on-year to RUB 437.5 billion (with VAT) in the full year of 2019, driven by expansion program, and supported by Total Online Sales growth.

In 2019, M.Video net sales rose by +4.6% year-on-year to RUB 292.5 billion (with VAT). Eldorado net sales increased by +2.4% year-on-year to RUB 144.9 billion (with VAT).

Group’s Total Online Sales grew by +70.2% year-on-year to RUB 144.0 billion (with VAT) and amounted to 32.9% of total net sales in the full year of 2019, and 38.0% in Q4 2019.

In 2019, M.Video’s total online sales (home delivery, pick-up and checked-in sales through sellers’ mobile devices RTD) almost doubled year-on-year to RUB 116.4 billion (with VAT) on the back of the RTD project implementation, as well as

online traffic and conversion rate growth. In August 2019, the company successfully completed the RTD rollout across M.Video store chain.

Eldorado's online sales (home delivery and pick-up) grew by +12.8% year-on-year to RUB 27.6 billion (with VAT) driven by growing number of transactions and higher average ticket.

In 2019, the Group opened 97 stores net, including 38 M.Video, 45 Eldorado and 14 m\_mobile stores, bringing the total stores number to 1,038 as of 31 December 2019.

The presentation is also available here: [download](#).

Contacts for media:

Valeriya Andreeva, Head of PR

e-mail: [valeriya.andreeva@mvideo.ru](mailto:valeriya.andreeva@mvideo.ru)

Tel: +7 (495) 644 28 48, ext. 7386

Contacts for investors:

Natalya Belyavskaya, IR Director,

[natalya.belyavskaya@mvideo.ru](mailto:natalya.belyavskaya@mvideo.ru)

tel: +7 (495) 644 28 48, ext. 1425

<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.

<sup>2</sup>Total Online Sales (TOS) of M.Video-Eldorado Group, in-line with the ONE RETAIL strategy, include all sales to authorized clients through various channels: home delivery, in-store pick-up, and sales to clients checked-in through shop assistants' mobile devices connected to Real-Time Dealing platform (RTD). RTD is currently available in M.Video stores only.