# M.Video-Eldorado Reduced Total Debt by 10.4 Billion Roubles in H1 2025

29.08.2025 17:36

M.Video PJSC (M.Video-Eldorado Group, the "Company" or the "Group"; Moscow Exchange: MVID), Russia's leader in e-commerce and retail of electronics and home appliances, reports its IFRS-compliant operating and condensed unaudited[*] consolidated financial statements for the six months ended June 30, 2025.

CONSUMER MARKET ANALYSIS

- Deals on the new housing development market of Moscow declined 19.3% in H1 2025 versus H1 2024 (according to the Russian Federal Registration Agency) affecting sales of big & small household appliances[1].
- Smartphone sales dropped 22% in H1 2025 versus January–June 2024 in Russia[2].
- Laptop sales fell 19% in H1 2025 in Russia[3].
- TV sales fell 10% in H1 2025 in Russia[2].
- Desktop computer sales fell 11% in H1 2025 in Russia[2].
- The market of major home appliances declined 5% in H1 2025 in Russia[2].
- As the Russian rouble appreciated, some previously purchased imported goods were sold at a discount, which further drove down the revenue in monetary terms.

Ekaterina Yarina, CFO of M.Video-Eldorado, says:

"In the first half of 2025, the rate of decline in consumer demand in the home appliances and electronics segment accelerated in line with other cyclical markets—real estate and automobile sales. While the second half of 2024 saw a slight decline in sales in the home appliances and electronics market compared to the same period last year, in the first half of 2025, this decline reached double-digit percentages year-over-year across several categories (smartphones, laptops, TVs, etc.). At the same time, household savings in Russian banks grew by 18%[2], while consumer lending declined by 31%[2], indicating a shift toward a savings-based consumption model. However, we expect that the gradual reduction of the Central Bank of Russia's key rate will lead to a market turnaround and growth in pent-up demand for home appliances and electronics.

Under challenging market conditions, the company adheres to its new strategy, executes an anti-crisis plan to maintain financial and operational stability, works to improve internal process efficiency, and develops IT, logistics, and e-

commerce."

## ANTI-CRISIS PLAN IN PROGRESS

At the time of high key interest rate, declined lending, and shrinking consumer demand, M.Video-Eldorado continues to execute its updated anti-crisis plan. Some measures will show delayed effect to be seen in future reporting periods.

- Through private placement of extra stock, the Company raised 30 billion roubles from key shareholders to support the Company's working capital.
- The Company restructures its loan obligations with partner banks to extend loans at preferential rates and longer period.
- To reduce the need for banking instruments to secure equipment purchases (factoring, bank guarantees), the Company has begun the process of transitioning contracts with major suppliers of home appliances and electronics (both manufacturers and distributors) to an agency-based cooperation model. Negotiations are underway with other suppliers to extend payment terms for purchased equipment.
- The company is reducing its own product assortment by 25%, focusing on the most in-demand items and expanding the SKU lineup from 3P suppliers on its own marketplace. This measure will increase the turnover of the company's own product range, eliminate items that may remain unsold for extended periods, while maintaining a wide selection for consumers through the agency model of working with suppliers.
- Given the high cost of financing, the Company is optimizing its investment programme and focusing on improving internal efficiency, having closed more than 100 underperforming stores since the beginning of the year and opened five new stores with high sales potential. At the same time, to expand its geographic reach and improve product accessibility for consumers, the Company began delivering goods via SDEK to more than 4,500 cities in Russia starting in June 2025. Thanks to integration with the logistics platform, shoppers now have access to over 5,500 pickup points and more than 2,800 parcel lockers in 4,567 cities, reaching an audience of up to 100 million people.
- The new organizational structure of the head office has not only improved the efficiency of internal processes but also saved up to 25% on headquarters personnel costs.

## KEY PERFORMANCE RESULTS IN H1 2025[i]

- The Company's total sales (GMV[ii]) in the first half of 2025 amounted to 217.7 billion roubles (including VAT), which is 11.9% lower than the previous year's figure. Revenue amounted to 171.2 billion roubles (-15.2% year-over-year). This trend is primarily due to a decline in consumer activity in the home appliances and electronics market during the first half of 2025, driven by cooling demand amid tight monetary policy and reduced lending volumes.
- The Company's total online sales[iii] amounted to 170 billion roubles (including VAT), with their share increasing to 78% of GMV compared to 73% a year earlier. This growth in market share was driven by the development of the company's own channels: the seller's mobile app, as well as the mobile apps of the "M.Video" and "Eldorado" brands. At the same time, thanks to the omnichannel business model, approximately 87% of all orders were placed using the store infrastructure.
- Gross profit amounted to 27 billion roubles (15.8% of revenue compared to 20.6% year-over-year). The decline in margins was primarily driven by increased spending on promotional activities and product discounts to stimulate purchases amid declining consumer demand and growing competition.
- Selling, general, and administrative expenses (SG&A), excluding depreciation, amounted to 24.2 billion roubles, decreasing by 1.2 billion roubles year-over-year in absolute terms. This improvement was driven by the closure of underperforming stores, lower personnel expenses, reduced commissions paid to marketplaces, and the optimization of other expenses.
- EBITDA amounted to 3.8 billion roubles (2.2% of revenue versus 8.2% year-over-year). The decline in this metric was caused by a decrease in gross profit, which was partially offset by lower selling expenses.
- The Company's net loss amounted to 25.2 billion roubles, driven firstly by persistently high interest rates amid a significant debt burden – a situation typical for most Russian companies under current macroeconomic conditions – and secondly by a decline in the home appliances and electronics market. In the second half of 2025, the Company's management expects a reduction in the key interest rate, which should ease pressure on financial results both due to lower financing costs and increased consumer demand for home appliances and electronics.
- The Company's total debt (including lease liabilities per IFRS 16) as of June 30, 2025, amounted to 165.6 billion roubles, a decrease of 10.4 billion roubles (including the redemption of Series 001P-04 bonds in the amount of 5.2 billion roubles) compared to the end of 2024.
- The Company's share of credit sales[**] in GMV remained at 17%, despite the high level of the Central Bank of Russia key rate, which led to a 31%

year-over-year decline in consumer lending.

- The Company acquired 4.4 million new customers, increasing its customer base to 79.4 million people. Traffic growth in the buyer's mobile app was 8.7%. Total installations of the "M.Video" and "Eldorado" mobile apps reached 5.6 million, up 23% year-over-year.
- The number of subscribers to M.Combo, a unique subscription launched in September 2024, exceeded 200,000 customers by the end of July 2025, of which 35% were new to M.Video-Eldorado, indicating the product's high value and demand.
- Thanks to the expansion of trade-in and buyback programmes, the Company recorded growth in sales of refurbished smartphones — sales volume increased by 145% in units and 122% in monetary terms compared to the same period last year. The category continues to gain popularity due to the opportunity to purchase in-demand models at lower prices – while the devices undergo mandatory testing, certification, and are sold with a warranty.

KEY EVENTS AFTER REPORTING DATE

- On July 22, 2025, MV FINANCE LLC (a subsidiary of M.Video PJSC) fully redeemed its Series 001P-03 exchange-traded bonds (ISIN: RU000A104ZK2) in the amount of 5 billion roubles using its own operating funds, paying bondholders income for the sixth coupon period in the amount of 153,950,000 roubles at a rate of 30.79 roubles per bond.
- On August 18, 2025, the Central Bank of Russia approved the state registration of an additional issue of 500 million ordinary shares of Public Joint-Stock Company M.Video, via private placement. The additional stock issue was registered under № 1-02-11700-A-003D.

[1] https://realty.rbc.ru/news/687844629a79476d7ae431f6

[2] Based on analysis by a leading research agency.

[3] https://www.vedomosti.ru/technology/articles/2025/08/28/1134695-rinok-noutbukov-v-rossii-padaet

[i] Here and below, M.Video-Eldorado's financial results are presented in accordance with IFRS 16 and on a year-over-year basis, unless otherwise

specified.

[ii] GMV (Gross Merchandise Value) includes purchases at retail stores (including 'click&collect' orders), paid and home-delivered online orders, as well as paid shipments from warehouses to legal entities. Purchases in stores and online orders may be made by individuals and legal entities. GMV includes sales of goods and services, which may be proprietary or agency-based. GMV includes VAT, net of discounts provided to customers, as well as net of returns made during the reporting period. GMV is not the Company's revenue.

[iii] M.Video-Eldorado total online sales include all sales to authorized customers via the Internet, including home delivery, in-store pickup, and sales recorded in-store through the retailer's mobile app at M.Video and Eldorado stores.

* At the end of the half-year, the auditing firm conducts a review of the financial statements. The audit is conducted at the end of the fiscal year.

** Financial products are sold through Direct Credit subsidiary.