

M.VideoEldorado

---

# STRATEGY DAY

2021

FEBRUARY



# DISCLAIMER

THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED BY PJSC "M.VIDEO" (THE "COMPANY"). THE INFORMATION AND OPINIONS PRESENTED HEREIN ARE BASED ON INFORMATION GATHERED AT THE TIME OF ITS PUBLICATION AND ARE THEREFORE SUBJECT TO CHANGE WITHOUT NOTICE. WHILE THE COMPANY RELIES ON INFORMATION OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, IT DOES NOT GUARANTEE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE CONTENTS OF THIS PRESENTATION HAVE NOT BEEN INDEPENDENTLY VERIFIED BY OR ON BEHALF OF THE COMPANY OR ANY OF ITS ADVISERS (THE "ADVISERS"), OR BY ANY OTHER INDEPENDENT THIRD PARTY. NO RELIANCE MAY BE PLACED FOR ANY PURPOSES WHATSOEVER ON THE INFORMATION CONTAINED IN THIS PRESENTATION OR ON ITS COMPLETENESS, ACCURACY OR FAIRNESS. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE OR GIVEN BY OR ON BEHALF OF THE COMPANY OR ANY OF ITS SUBSIDIARIES, SHAREHOLDERS, DIRECTORS, OFFICERS OR EMPLOYEES OR ANY OTHER PERSON AS TO THE ACCURACY, COMPLETENESS OR FAIRNESS OF THE INFORMATION OR OPINIONS CONTAINED IN THIS PRESENTATION. ACCORDINGLY, NONE OF THE COMPANY, ANY OF ITS SUBSIDIARIES, ANY OF THE COMPANY'S OR ITS SUBSIDIARIES' ADVISERS, OR ANY OF THE COMPANY'S RESPECTIVE SUBSIDIARIES, AFFILIATES, ADVISERS, REPRESENTATIVES OR ANY OTHER PERSON SHALL HAVE ANY LIABILITY WHATSOEVER (IN NEGLIGENCE OR OTHERWISE) FOR ANY LOSS WHATSOEVER ARISING FROM ANY USE OF THIS PRESENTATION OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION WITH THE PRESENTATION.

THE INFORMATION AND OPINIONS CONTAINED IN THIS PRESENTATION (INCLUDING WITHOUT LIMITATION ANY FORWARD-LOOKING STATEMENTS AS REFERRED TO BELOW) ARE PROVIDED AS AT THE DATE OF THIS PRESENTATION AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. MATTERS DISCUSSED IN THIS PRESENTATION MAY CONSTITUTE FORWARD-LOOKING STATEMENTS.

**THIS PRESENTATION CONTAINS STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS. ANY STATEMENT IN THESE MATERIALS THAT IS NOT A STATEMENT OF HISTORICAL FACT INCLUDING, WITHOUT LIMITATION, THOSE REGARDING THE COMPANY'S OR ITS GROUP'S FINANCIAL POSITION, BUSINESS STRATEGY, FUTURE PLANS AND OBJECTIVES FOR FUTURE OPERATIONS, OUTLOOK AND GROWTH PROSPECTS, POTENTIAL FOR FUTURE GROWTH; GROWTH IN DEMAND FOR PRODUCTS, ECONOMIC OUTLOOK AND INDUSTRY TRENDS AND DEVELOPMENTS OF MARKETS, INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY OR ITS GROUP TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE BASED ON NUMEROUS ASSUMPTIONS REGARDING THE COMPANY'S OR ITS GROUP'S PRESENT AND FUTURE BUSINESS STRATEGIES AND THE ENVIRONMENT IN WHICH THE COMPANY OR ITS GROUP WILL OPERATE IN THE FUTURE. ALTHOUGH THE COMPANY BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND ITS CONTROL AND IT MAY NOT ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. PAST PERFORMANCE SHOULD NOT BE TAKEN AS AN INDICATION OR GUARANTEE OF FUTURE RESULTS, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE REGARDING FUTURE PERFORMANCE. THESE FORWARD LOOKING STATEMENTS SPEAK ONLY AS AT THE DATE AS OF WHICH THEY ARE MADE, AND NONE OF THE COMPANY, THE ADVISERS, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR OR THEIR AFFILIATES' RESPECTIVE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ADVISERS INTEND OR HAVE ANY DUTY OR OBLIGATION TO SUPPLEMENT, AMEND,**

**UPDATE OR REVISE ANY OF THE FORWARD LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION, OR TO REFLECT ACTUAL RESULTS, CHANGES IN ASSUMPTIONS OR CHANGES IN FACTORS AFFECTING THESE STATEMENTS, ANY CHANGE IN THE COMPANY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENTS ARE BASED OR TO UPDATE OR TO KEEP CURRENT ANY OTHER INFORMATION CONTAINED IN THIS PRESENTATION.**

**CERTAIN FINANCIAL INFORMATION INCLUDED IN THIS PRESENTATION INCLUDING, BUT NOT LIMITED TO, NON-IFRS FINANCIAL INFORMATION, MAY NOT HAVE BEEN AUDITED, REVIEWED OR VERIFIED BY AN INDEPENDENT ACCOUNTING FIRM. THE INCLUSION OF SUCH FINANCIAL INFORMATION IN THIS PRESENTATION OR ANY RELATED PRESENTATION SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE COMPANY, THE ADVISORS, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR OR THEIR AFFILIATES' RESPECTIVE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OF ADVISERS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION'S PORTRAYAL OF THE FINANCIAL CONDITION OR RESULTS OF OPERATIONS OF THE COMPANY OR ITS GROUP. IN ADDITION, THE COMPANY'S AUDITORS ARE CONTINUING TO AUDIT THE COMPANY'S CONSOLIDATED FINANCIAL INFORMATION AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 AND, THEREFORE, SUCH FINANCIAL INFORMATION IS PRELIMINARY AND MAY BE SUBJECT TO AMENDMENT AND/OR RESTATEMENT. SOME NUMERICAL FIGURES INCLUDED IN THIS PRESENTATION HAVE BEEN SUBJECT TO ROUNDING ADJUSTMENTS. ACCORDINGLY, NUMERICAL FIGURES SHOWN AS TOTALS IN CERTAIN TABLES MAY NOT BE AN ARITHMETIC AGGREGATION OF THE FIGURES THAT PRECEDED THEM.**

TO THE EXTENT AVAILABLE, THE INDUSTRY, MARKET AND COMPETITIVE POSITION DATA CONTAINED IN THE PRESENTATION COME FROM OFFICIAL OR THIRD PARTY SOURCES. THIRD PARTY INDUSTRY PUBLICATIONS, STUDIES AND SURVEYS GENERALLY STATE THAT THE DATA CONTAINED THEREIN HAVE BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, BUT THAT THERE IS NO GUARANTEE OF THE ACCURACY OR COMPLETENESS OF SUCH DATA. WHILE THE COMPANY BELIEVES THAT EACH OF THESE PUBLICATIONS, STUDIES AND SURVEYS HAS BEEN PREPARED BY A REPUTABLE SOURCE, NONE OF THE COMPANY, THE ADVISERS OR ANY OF THEIR OR THEIR RESPECTIVE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ADVISERS HAS INDEPENDENTLY VERIFIED THE DATA CONTAINED THEREIN. IN ADDITION, CERTAIN OF THE INDUSTRY, MARKET AND COMPETITIVE POSITION DATA CONTAINED IN THE PRESENTATION COME FROM THE COMPANY'S OWN INTERNAL RESEARCH AND ESTIMATES BASED ON THE KNOWLEDGE AND EXPERIENCE OF THE COMPANY'S MANAGEMENT IN THE MARKETS IN WHICH THE COMPANY AND THE OTHER MEMBERS OF THE GROUP OPERATE. WHILE THE COMPANY BELIEVES THAT SUCH RESEARCH AND ESTIMATES ARE REASONABLE, THEY, AND THEIR UNDERLYING METHODOLOGY AND ASSUMPTIONS, HAVE NOT BEEN VERIFIED BY ANY INDEPENDENT SOURCE FOR ACCURACY OR COMPLETENESS AND ARE SUBJECT TO CHANGE AND CORRECTION WITHOUT NOTICE. ACCORDINGLY, RELIANCE SHOULD NOT BE PLACED ON ANY OF THE INDUSTRY, MARKET OR COMPETITIVE POSITION DATA CONTAINED IN THE INFORMATION.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL, OR ANY SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES AND NOTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER.

THIS PRESENTATION IS NOT DIRECTED TO, OR INTENDED FOR DISTRIBUTION TO, DIRECTLY OR INDIRECTLY, OR USE BY, ANY PERSON OR ENTITY THAT IS A CITIZEN OR RESIDENT OR LOCATED IN ANY LOCALITY, STATE, COUNTRY OR OTHER JURISDICTION WHERE SUCH PUBLICATION, AVAILABILITY OR USE WOULD BE CONTRARY TO LAW OR REGULATION OR

WHICH WOULD REQUIRE ANY REGISTRATION, LICENSING OR OTHER PERMISSION WITHIN SUCH JURISDICTION.

THIS PRESENTATION IS ADDRESSED SOLELY TO AND IS ONLY BEING DISTRIBUTED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "EEA") WHO ARE QUALIFIED INVESTORS (WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION). IN ADDITION, IN THE UNITED KINGDOM, THIS PRESENTATION IS ADDRESSED SOLELY TO AND IS ONLY BEING DISTRIBUTED TO AND DIRECTED AT PERSONS ARE QUALIFIED INVESTORS (WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL ACT) 2018 WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (II) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THE INFORMATION MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS, AND (II) IN ANY RELEVANT STATE, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL ONLY BE AVAILABLE TO AND WILL ONLY BE ENGAGED IN WITH (I) RELEVANT PERSONS IN THE UNITED KINGDOM AND (II) QUALIFIED INVESTORS IN ANY MEMBER STATE OF THE EEA. NEITHER THIS PRESENTATION NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED DIRECTLY OR INDIRECTLY IN CANADA OR DISTRIBUTED OR REDISTRIBUTED IN JAPAN OR TO CANADIAN PERSONS OR TO ANY SECURITIES ANALYST OR OTHER PERSON RESIDENT IN ANY OF THOSE JURISDICTIONS.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA. ACCORDINGLY, NEITHER THIS PRESENTATION NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA, EXCEPT IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). THE COMPANY'S SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA EXCEPT PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THIS PRESENTATION IS NOT A PUBLIC OFFER OR ADVERTISEMENT OF SECURITIES OR ANY OTHER KIND OF ADVERTISEMENT, IN THE RUSSIAN FEDERATION, AND IS NOT AN OFFER, OR AN INVITATION TO MAKE OFFERS, TO PURCHASE, SELL, EXCHANGE OR TRANSFER ANY SECURITIES IN THE RUSSIAN FEDERATION.

NO PART OF THIS PRESENTATION, NOR THE FACT OF ITS DISTRIBUTION, SHOULD FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT OR COMMITMENT OR INVESTMENT DECISION WHATSOEVER. THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY.

BY VIEWING THIS PRESENTATION, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS AND CONDITIONS AND, IN PARTICULAR, WILL BE TAKEN TO HAVE REPRESENTED, WARRANTED AND UNDERTAKEN THAT YOU HAVE READ AND AGREE TO COMPLY WITH THE CONTENTS OF THIS DISCLAIMER.

# PRESENTING TEAM

**Alexander  
Izosimov**

CEO



**Ekaterina  
Sokolova**

CFO

# AGENDA

---

**01** 

**GROUP TODAY**

---

**02** 

**HACKING RETAIL –  
OUR DIGITAL STORY**

---

**03** 

**STRATEGY**

---

**04 Q&A** 



M.VideoEldorado

---



2021

STRATEGY DAY

# GROUP TODAY

---



# 01 KEY FACTS ABOUT M.VIDEO-ELDORADO GROUP

## Top-10

**CE retailer worldwide<sup>1</sup>**

with ~100m monthly traffic<sup>2</sup>

## #1

**Online CE retailer in Russia<sup>3</sup>**

33% CE online market share in 2020<sup>3</sup>

## Leading

**CE retailer in Russia<sup>3</sup>**

27% CE market share in 2020<sup>3</sup>

## 19m

**Identified active customers<sup>4</sup>**

with 72m loyal customer<sup>5</sup> base

## ~60%

**Total online sales**

with +109% YoY growth in 2020

## ~1m m<sup>2</sup>

**Fulfilment area<sup>6</sup>**

with outstanding last-mile capabilities

## 100%

**Prompted brand awareness<sup>7</sup>**

86%<sup>7</sup> NPS of M.Video/ 73%<sup>8</sup> of Eldorado

## RUB 0.5tn

**GMV<sup>9</sup>**

with +15% YoY growth in 2020

## ~5-7%

**Historical EBITDA margin<sup>10</sup>**

(1) Across global CE retailer specialists by revenue in 2019, data from Thomson Reuters; (2) Average monthly traffic for website, app and stores in FY 2020; (3) Data for FY 2020 market share, GfK; (4) Identified active customer denotes identified customers with at least one purchase for the last 12 months, data as of 31 Dec 2020; (5) Loyal customers represent a group of authorized customers with active loyalty cards; (6) Warehouse area in stores of ~540k m<sup>2</sup>, distribution centers of ~418k m<sup>2</sup>, and regional distribution centers of ~83k m<sup>2</sup> as of 31 Dec 2020; (7) Brand Health Tracking, 260 cities of presence M.Video and Eldorado stores (100k+ population), base 2020, customers CE during the last 6 months (9,599 respondents, Male / Female. 16-65 years), Millward Brawn A/R M/I-Marketing; (8) Q1 data for 2020, base 39/35 M.Video / Eldorado stores, survey at the exit from the store "M&P ANALYTICS LLC"; (9) Gross Merchandise Value (GMV) includes purchases in retail stores (including pick up orders), paid and delivered online orders, paid shipments to legal entities from warehouses. Purchases made in stores and online orders may be made by individuals and legal entities. GMV includes sales of goods and services, which may be owned by the Company or agents. GMV includes VAT, excludes returns and discounts offered to customers for the reporting period. GMV is not Revenue of the Company; (10) IAS 17 EBITDA margin in 2017-2019;

Source: Company data, GfK "Consumer Electronics industry report" (Jan 2021), M&P ANALYTICS LLC, Millward Brawn A/R M/I-Marketing

# 01 UNMATCHED NATIONAL SCALE OF LOGISTICS BACKBONE AND OMNICHANNEL PRESENCE



**~1m m<sup>2</sup>** fulfilment area<sup>1</sup>  
**1,074** stores and **67** DCs<sup>2</sup>



**60%** population coverage with  
**24** hours stock availability<sup>3</sup>



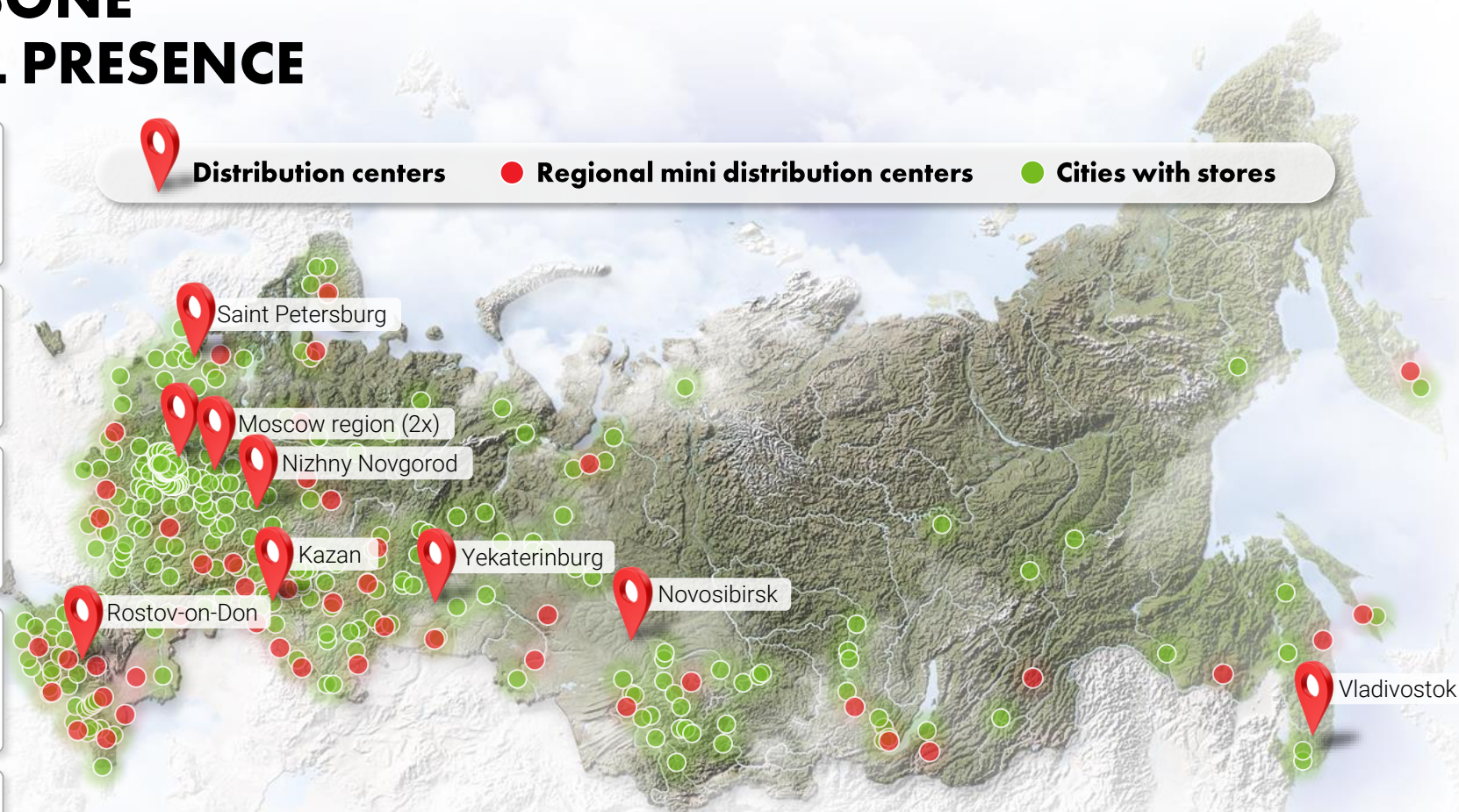
**19m** active customers<sup>4</sup>  
**1.2bn** traffic<sup>5</sup>



**56m** transactions<sup>6</sup>  
**93%** using in-store capabilities<sup>6</sup>



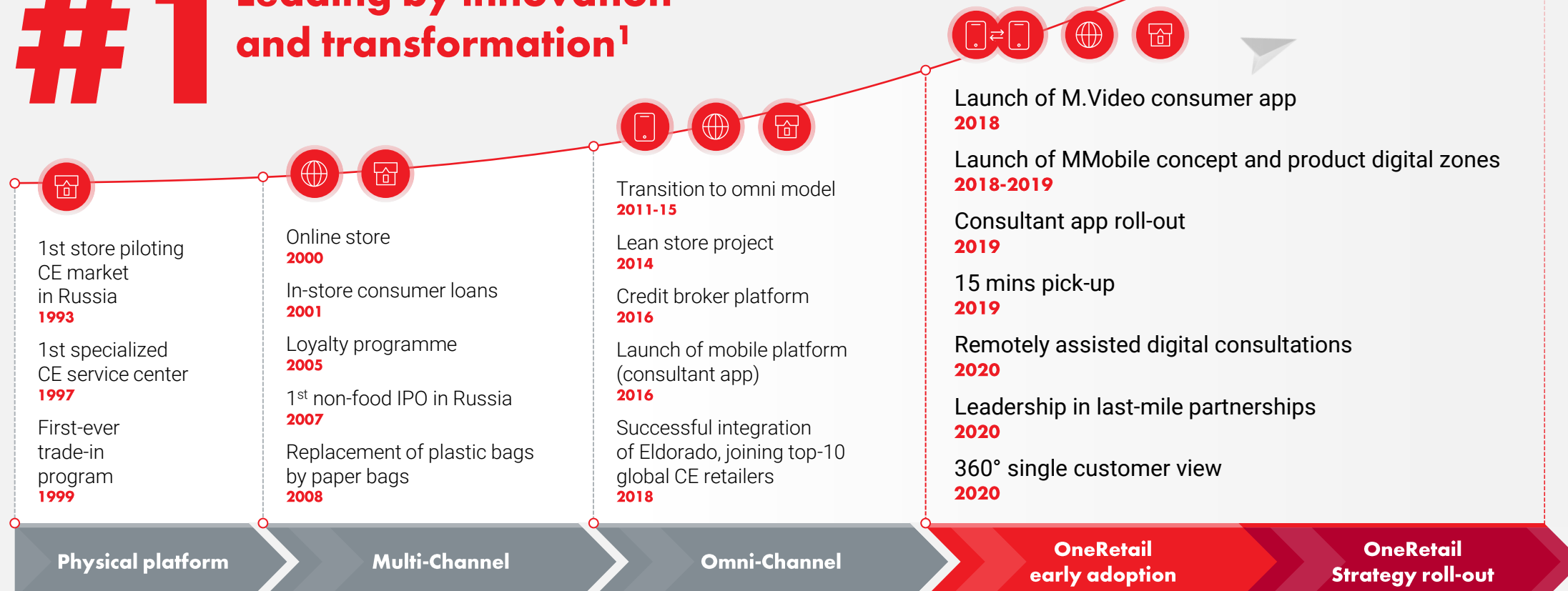
**5m** home visits<sup>6</sup>  
**60** last-mile partnerships<sup>4</sup>



(1) Warehouse area in stores of ~540k m<sup>2</sup>, distribution centers of ~418k m<sup>2</sup> and regional distribution centers of ~83k m<sup>2</sup> as of 31 Dec 2020; (2) o/w 9 distribution centers and 58 mini-regional distribution centers as of 31 Dec 2020; (3) calculated as population of cities with M.Video-Eldorado presence divided by total country population as of Dec 2020; (4) as of 31 Dec 2020; (5) total traffic (including website, app and stores) for FY 2020; (6) data for FY 2020;  
 Source: Company data  
 Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

# 01 PIONEER IN THE RUSSIAN CE MARKET SINCE INCEPTION WITH OUTSTANDING TRACK RECORDS IN INNOVATION AND EXECUTION

## #1 Leading by innovation and transformation<sup>1</sup>



(1) In relation to above projects launched in 1993-2018, each of which was the first in the Russian CE market  
 Source: Company data  
 Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise



# 01 TOP VENDOR, EMPLOYER AND INNOVATION RATINGS IN THE RUSSIAN RETAIL REFLECTED IN CUSTOMER NPS

## #1 for Vendors



Retailer of the year  
2020

## #1 for Employees

KINCENTRIC

Best employer in Russia<sup>1</sup>  
2019



Best employer  
2019

## #1 in Innovations and Services



#1 omni experience  
among Russian retailers  
2020



Quality award  
For CIS innovation  
category 2020

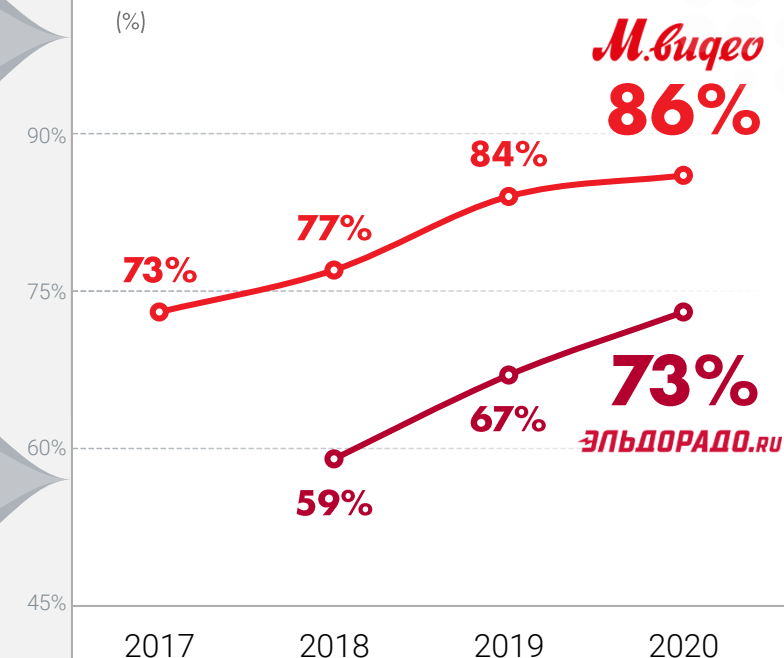


Innovation leader  
in retail  
2019

## #1 for Customers

### Net Promoter Score<sup>2</sup>

(%)

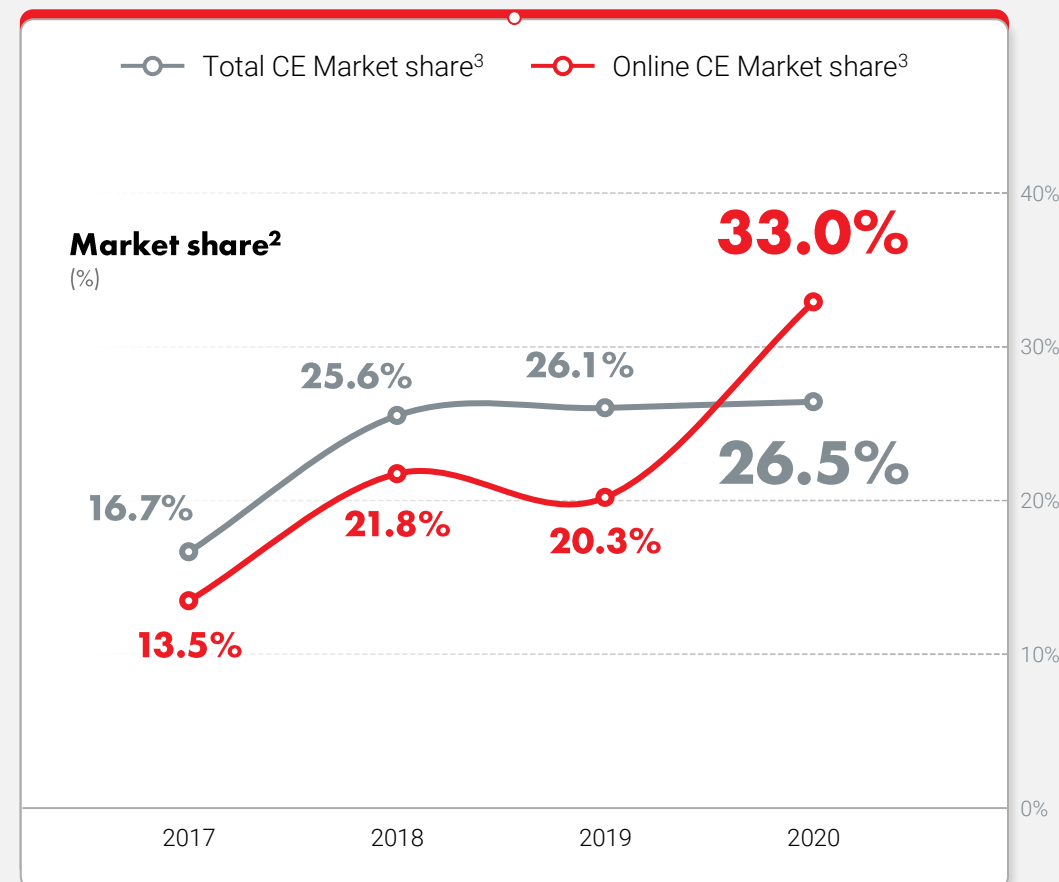
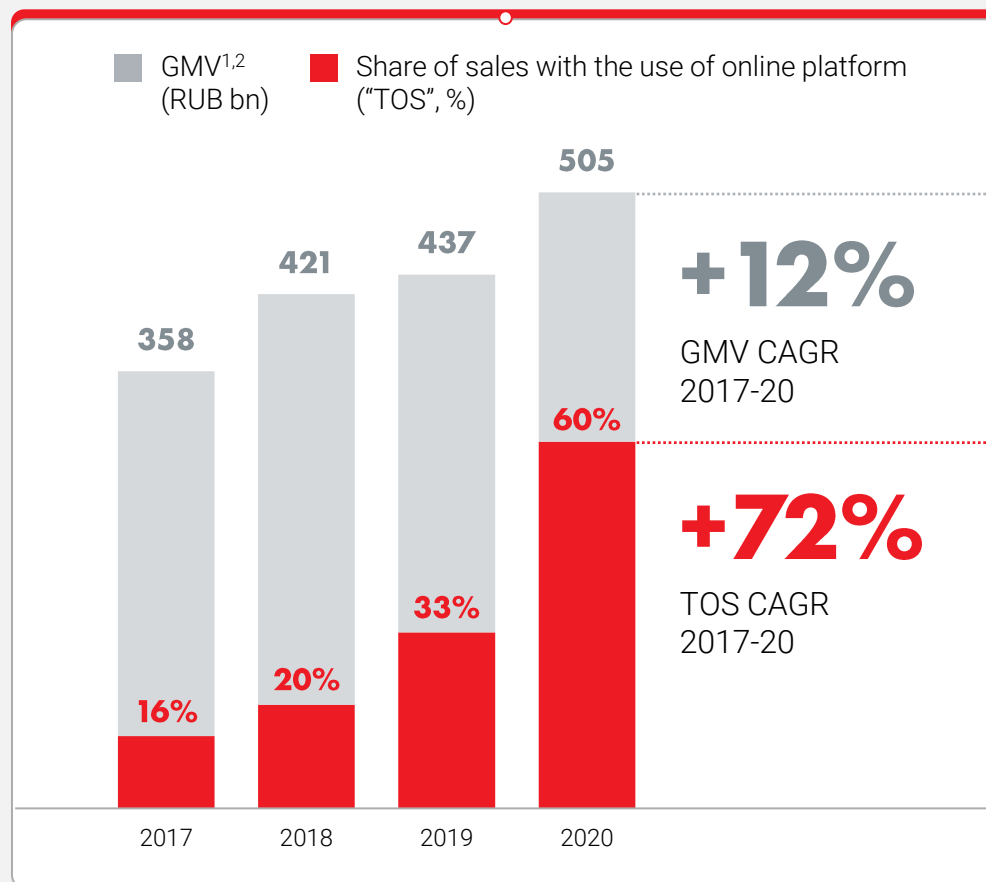


(1) Applicable to M.Video brand; (2) Data NPS average for 2017-2019; Q1 data for 2020, base 39/35 M.Video / Eldorado stores, survey at the exit from the store  
Source: Data Insight, LLC "MP Analytics", company data, <https://tcgsummit.com/awards/>  
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

01

# GROWTH FUELED BY STRUCTURAL SHIFT TOWARDS ONLINE

**Strong GMV growth driven by online development leading to increasing market share both in online and total market**



(1) Gross Merchandise Value (GMV) includes purchases in retail stores (including pick up orders), paid and delivered online orders, paid shipments to legal entities from warehouses. Purchases made in stores and online orders may be made by individuals and legal entities. GMV includes sales of goods and services, which may be owned by the Company or agents. GMV includes VAT, excludes returns and discounts offered to customers for the reporting period. GMV is not Revenue of the Company; (2) GMV and total online sales numbers are taken from pro-forma adjusted for Eldorado acquisition based on 2017-2018 financials; (3) GfK data for FY 2020

Source: Company data, GfK "Consumer Electronics industry report" (Jan 2021)

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

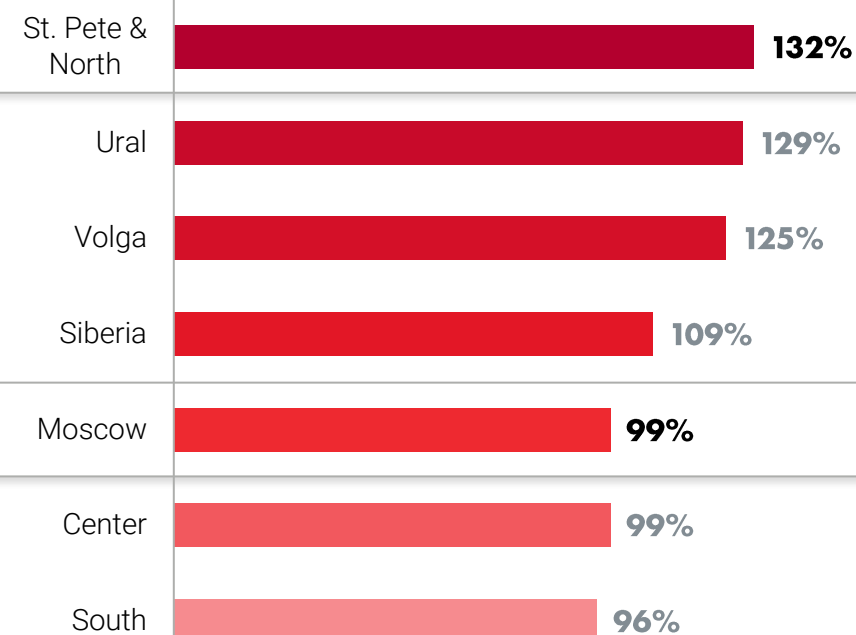
01

# WELL-DIVERSIFIED ONLINE SALES ACROSS ALL REGIONS IN RUSSIA

## • TOS<sup>1</sup> by regions in 2020 (RUB bn)



## • TOS<sup>1</sup> growth by regions Y-o-Y growth in 2020 (%)

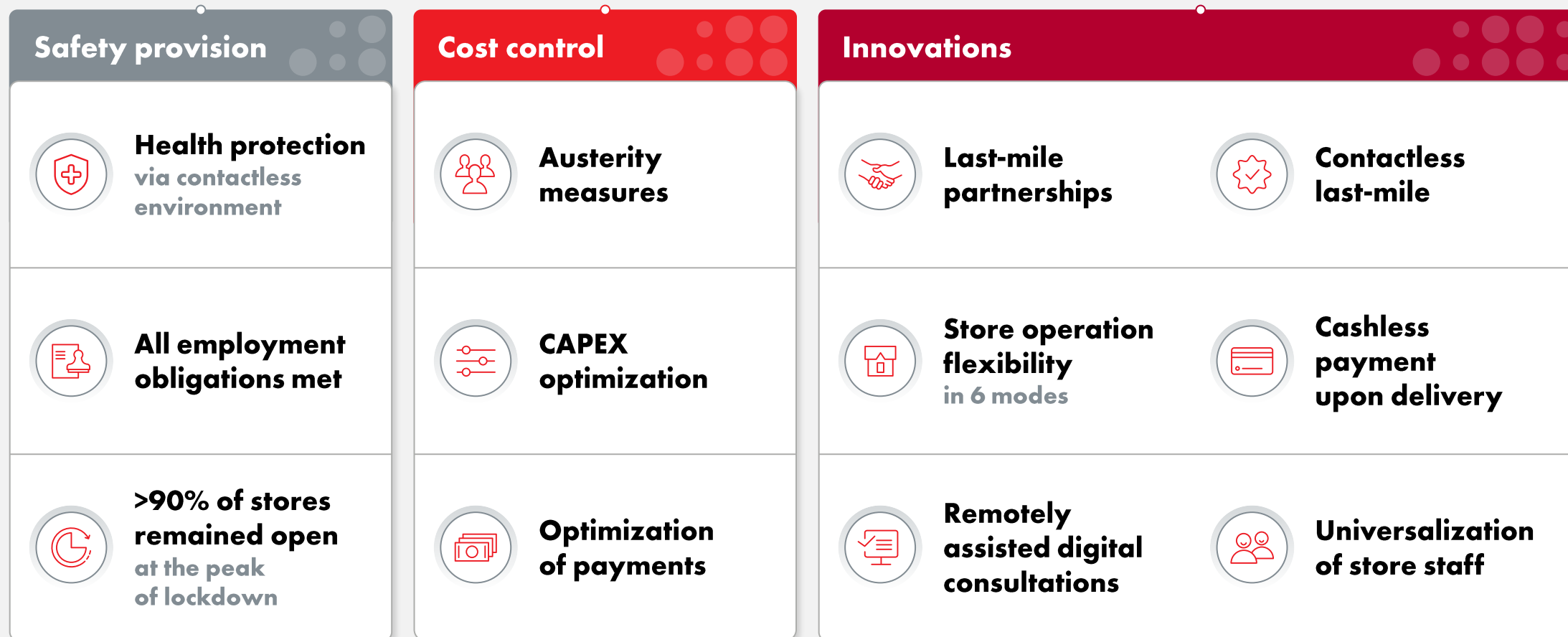


(1) TOS denotes Total Online Sales

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

# 01 AGILE OPERATIONS AND FINANCIAL MANAGEMENT ENABLED SUCCESSFUL PANDEMIC RESPONSE





M.VideoEldorado

---



2021

STRATEGY DAY

# HACKING RETAIL

## OUR DIGITAL STORY

---



## 02 M.VIDEO-ELDORADO GROUP IS A COMPELLING DIGITAL STORY IN A GROWING MARKET

### Business



Versatile dual brand  
approach with  
high recognition



Unique  
and successful  
hybrid business model



Loyal client base  
with high  
retention



Well invested  
proprietary tech  
platform



Established countrywide  
store presence and  
effective logistics

### Market



One of the largest  
and most attractive  
CE markets globally



The market has already  
passed early stage of  
structural shift to online

### Performance



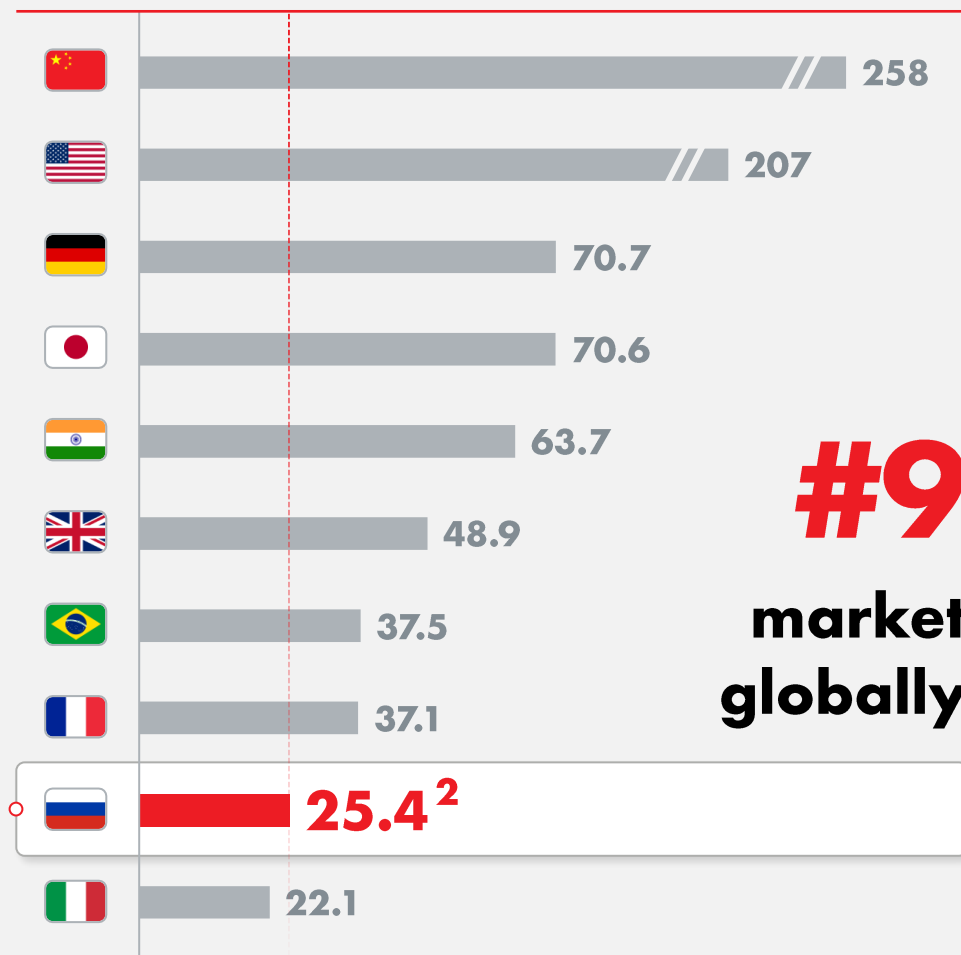
Robust financial profile  
driven by strong  
operational performance



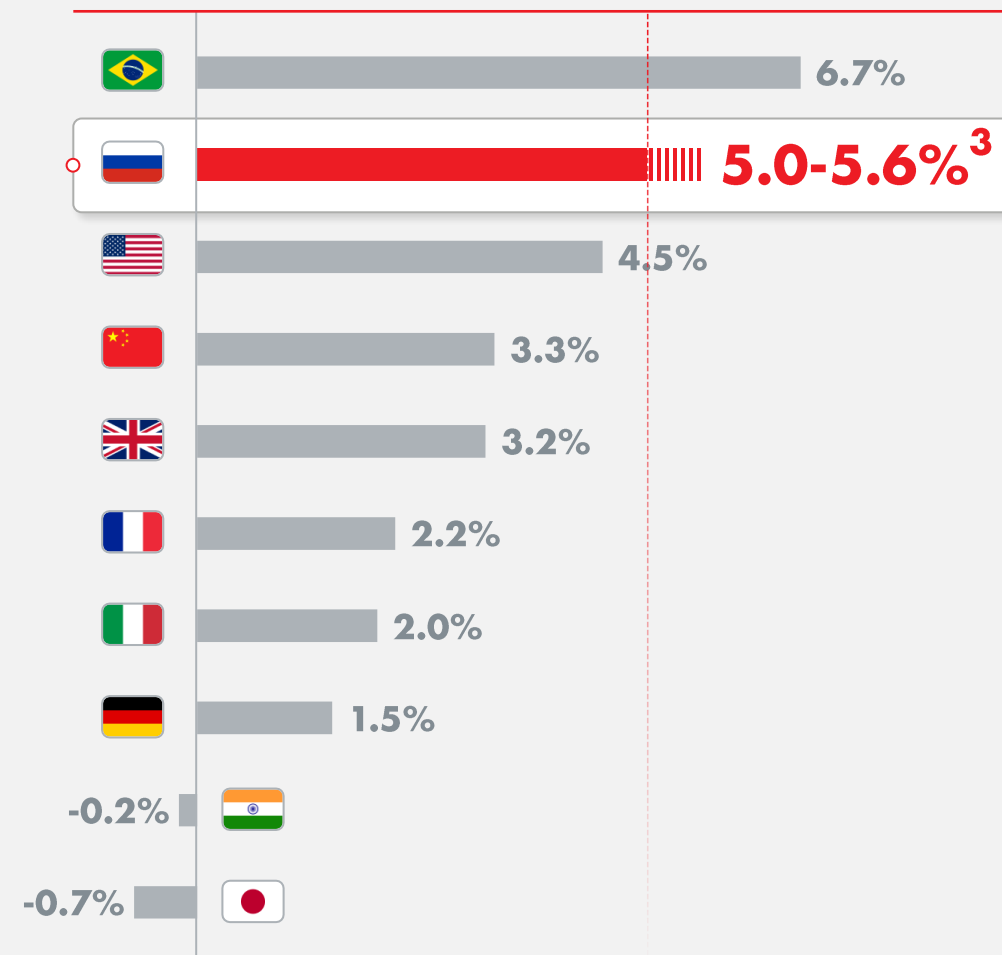
"Hacking Retail" growth  
strategy backed by established  
governance

# 02 RUSSIAN CE MARKET IS ONE OF THE LARGEST AND FASTEST-GROWING

• CE markets<sup>1</sup> 2020 (US\$bn)



• CE markets<sup>1</sup> CAGR 2020-2024 in local currencies (%)



(1) Top selected countries

(2) Main CE categories according to GfK; CE market covered by GfK panel only

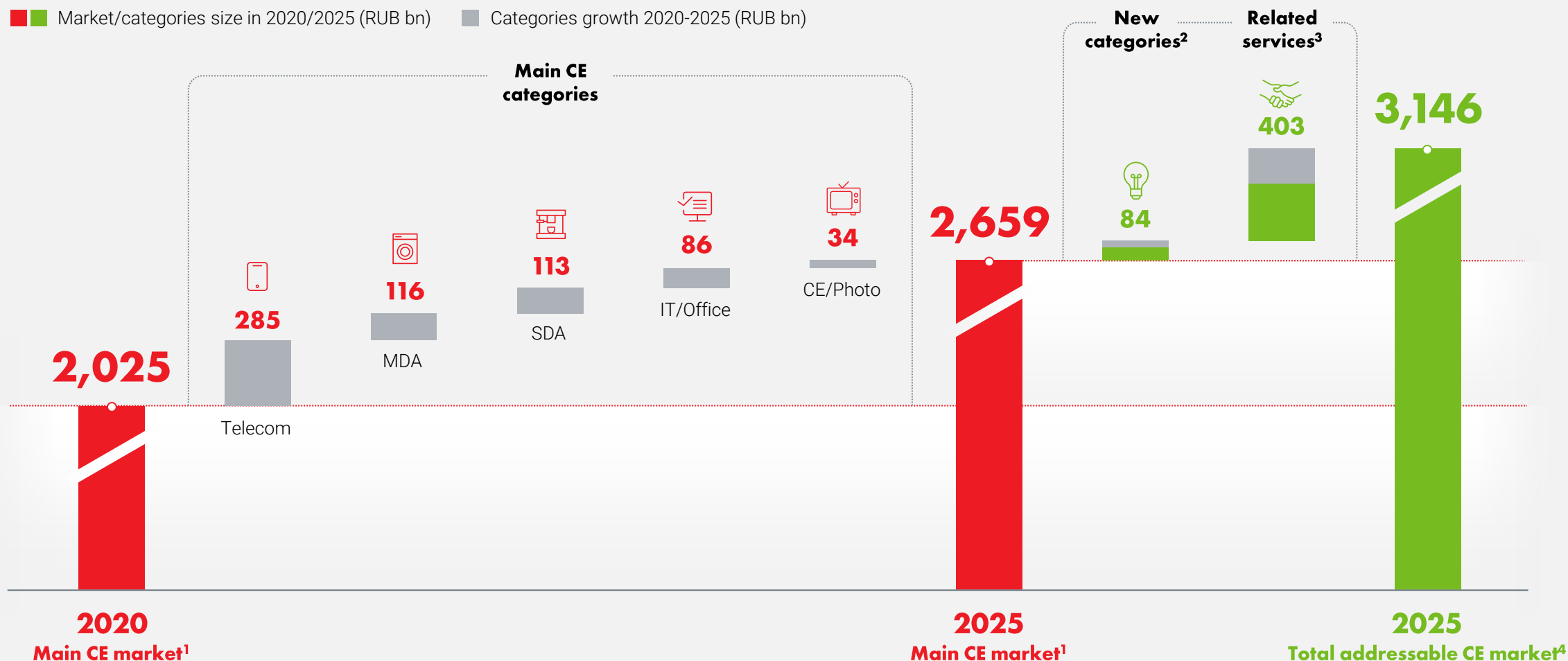
(3) CAGR 2020-2024 of +5.0% and CAGR 2020-2025 of +5.6% based on GfK estimated main CE categories (CAGR 2020-2025 for the other top-10 CE markets are not available);

Source: GfK "Consumer Electronics industry report" (Jan 2021)

02

# GROWTH IN TOTAL ADDRESSABLE MARKET EXPECTED ACROSS ALL CATEGORIES AND RELATED SERVICES IN RUSSIA

■ Market/categories size in 2020/2025 (RUB bn) ■ Categories growth 2020-2025 (RUB bn)



(1) Including 10% CE market not covered by GfK panel data; (2) GfK estimate for selected categories, not included in Main CE market; (3) Company's estimate, not included in GfK panel

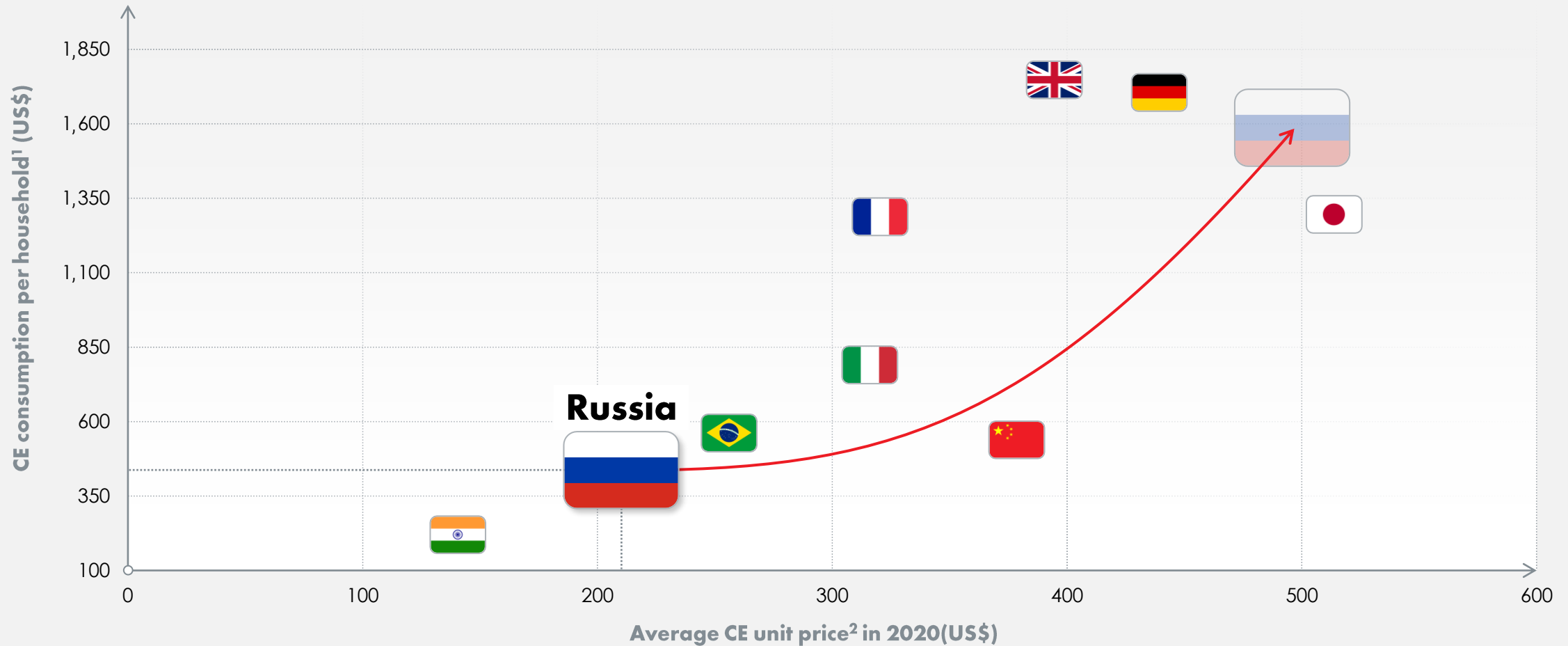
(4) Company estimate of the total addressable CE market, including selected new categories (provided by GfK) and related services (estimated by the Company)

Source: GfK "Consumer Electronics industry report" (Jan 2021), company analysis

Information presented on the slide is related to the Russia CE market unless stated otherwise

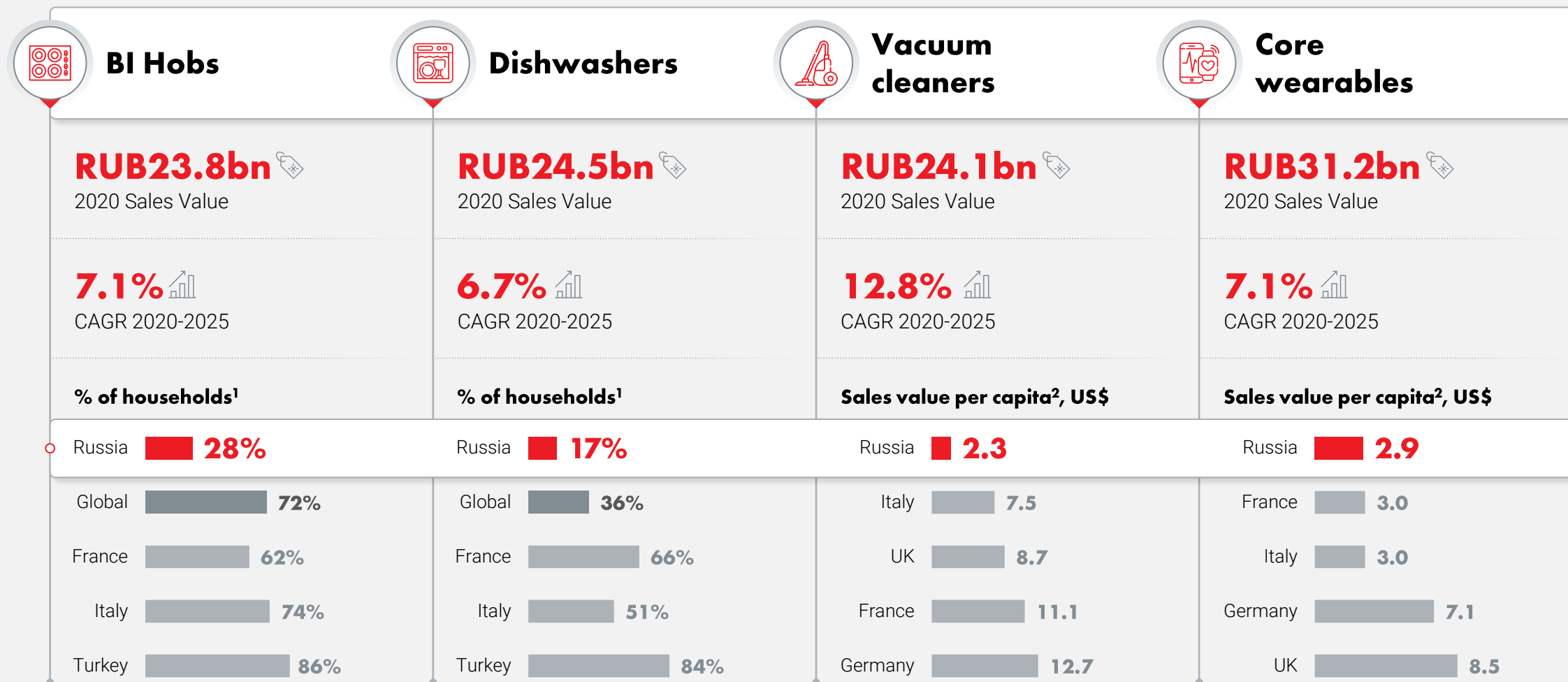


## 02 RUSSIAN CE MARKET IS SIGNIFICANTLY UNDERPENETRATED VS. INTERNATIONAL BENCHMARKS



(1) CE consumption per household in 2020 per GfK estimations; (2) Calculated as average unit price for Q1-Q4 in 2020;  
Source: GfK "Consumer Electronics industry report" (Jan 2021)

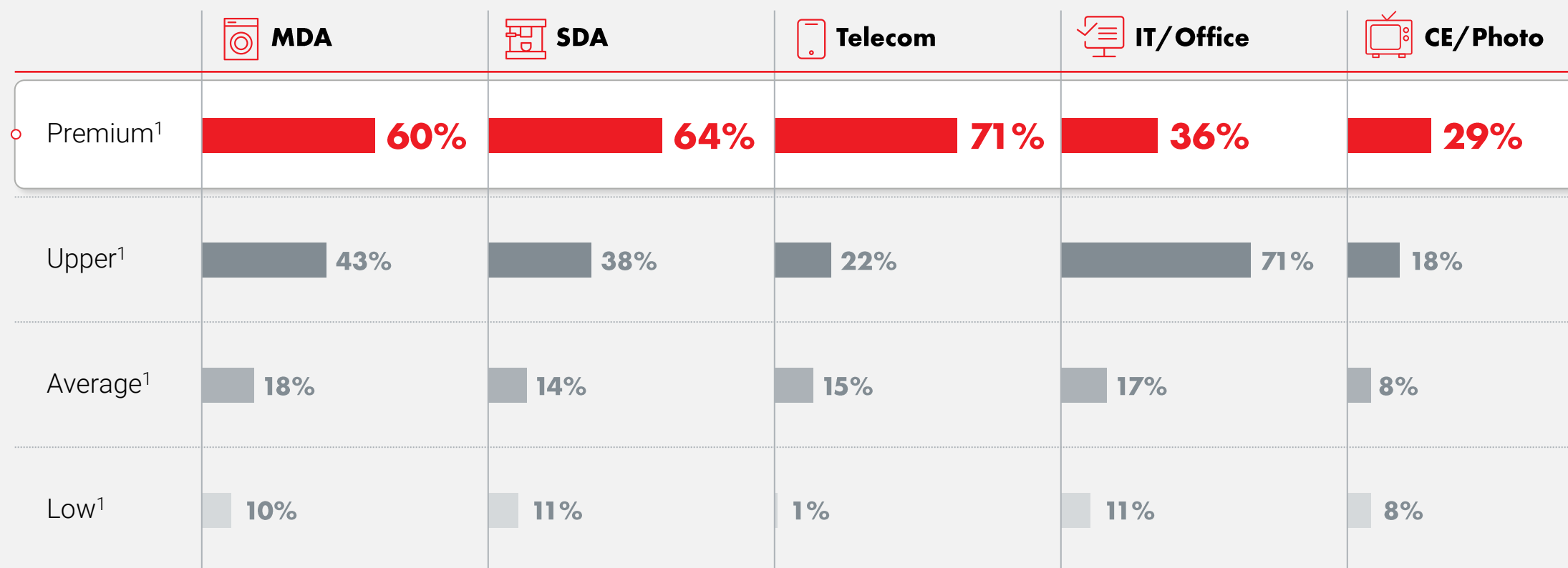
# MAJOR CE CATEGORIES ARE STILL UNDERPENETRATED IN RUSSIA



(1) % of households by countries; (2) Total market size was provided by GfK  
 Source: GfK "Consumer Electronics industry report" (Jan 2021), Eurostat, Rosstat

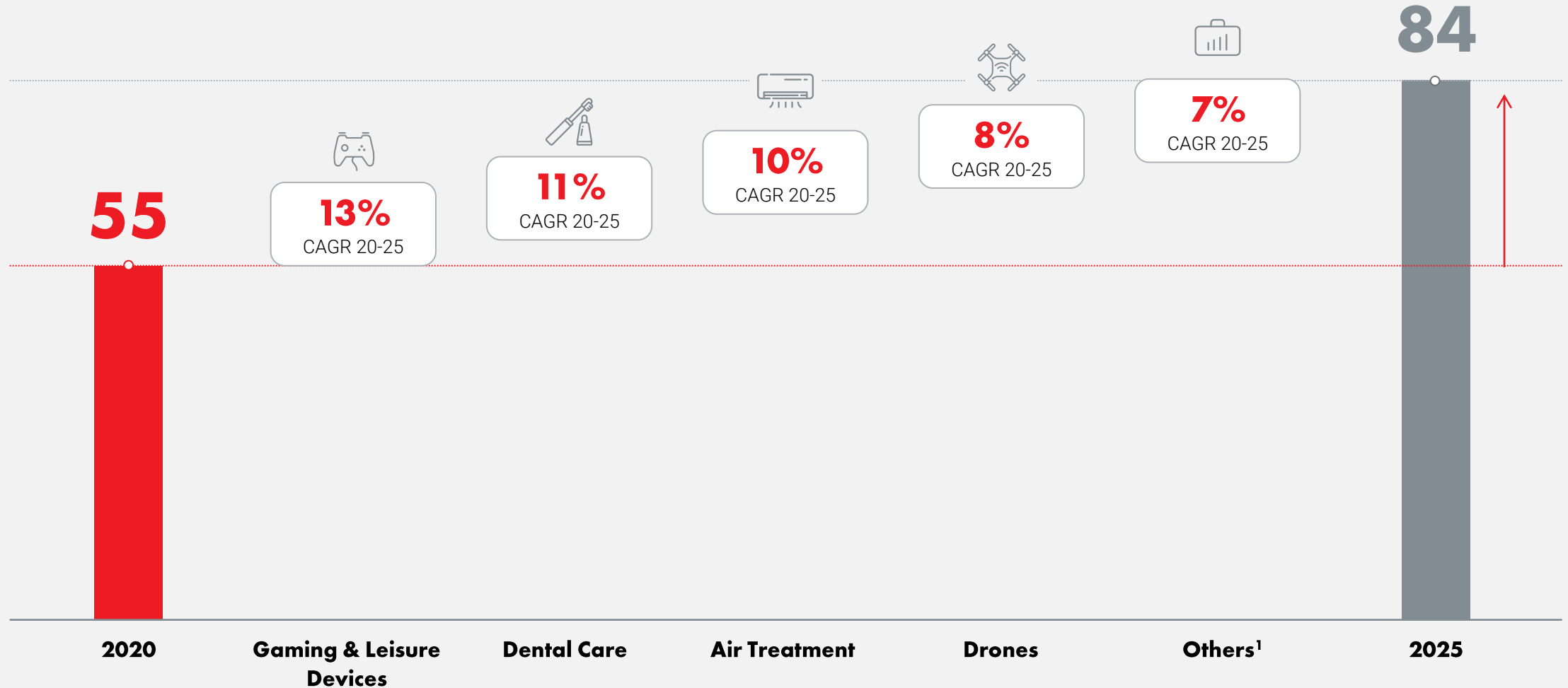
## 02 GROWTH IN MAIN CE CATEGORIES IS PREDOMINANTLY DRIVEN BY PREMIUM PRODUCTS IN RUSSIA

### 2020 Sales value growth



(1) Divided into quartiles depending on each category pricing  
 Source: GfK "Consumer Electronics industry report" (Jan 2021)  
 Information presented on the slide is related to the Russia CE market unless stated otherwise

## 02 EXPECTED GROWTH IN NEW CATEGORIES WILL BE DRIVEN BY TECHNOLOGICAL ADVANCES AND INNOVATIONS IN RUSSIA

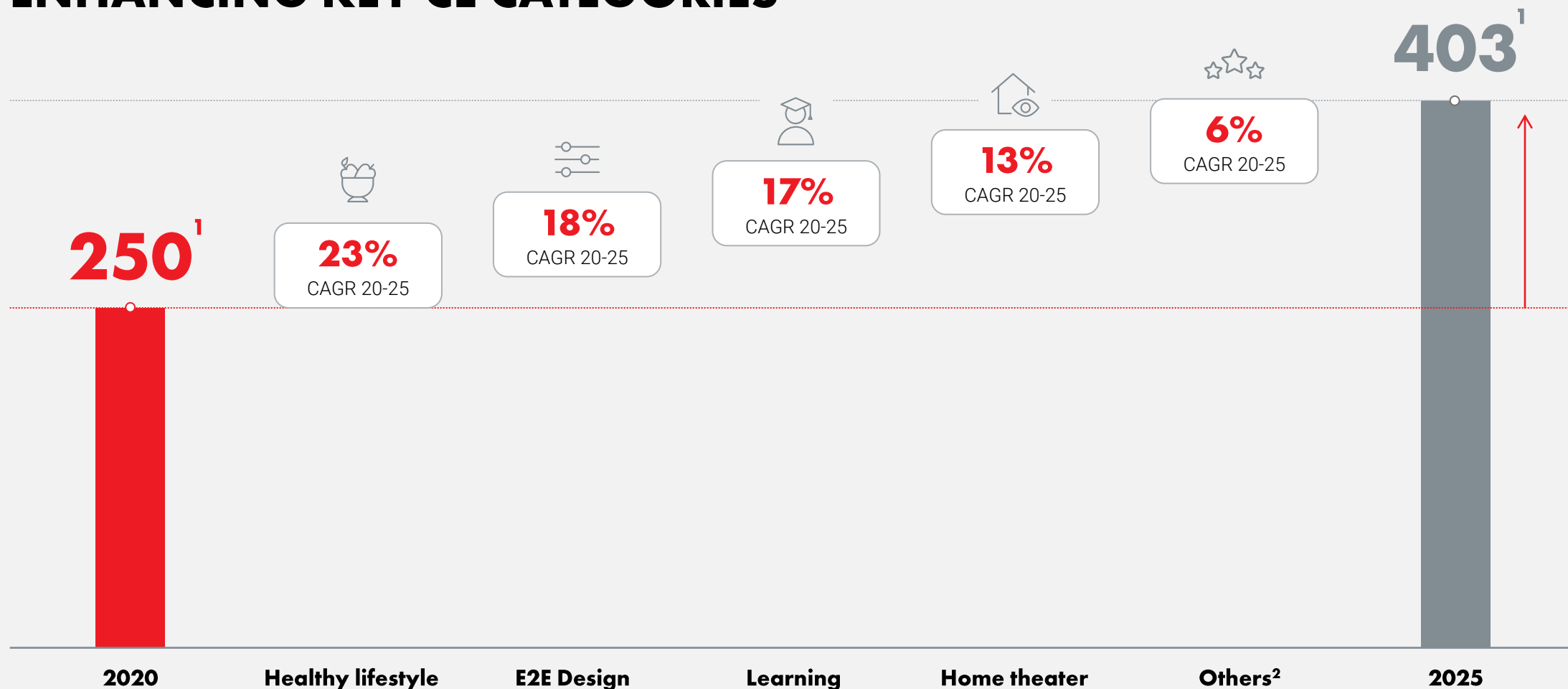


(1) Including Core Wearables and Personal Scales  
Source: GfK "Consumer Electronics industry report" (Jan 2021), RUB bn, new categories are not included in the main CE market  
Information presented on the slide is related to the Russia CE market unless stated otherwise



02

## VALUE-ADDED SERVICES FORECAST TO GROW AROUND 10% P.A. WHILE ALSO ENHANCING KEY CE CATEGORIES

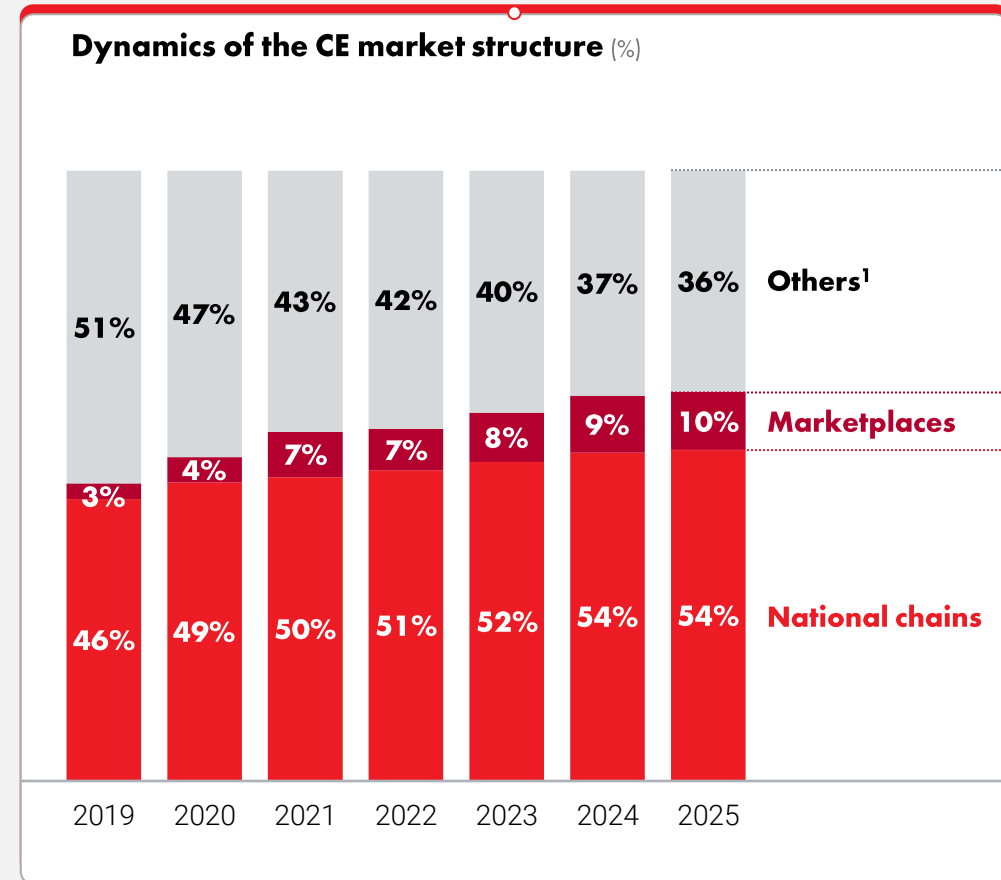
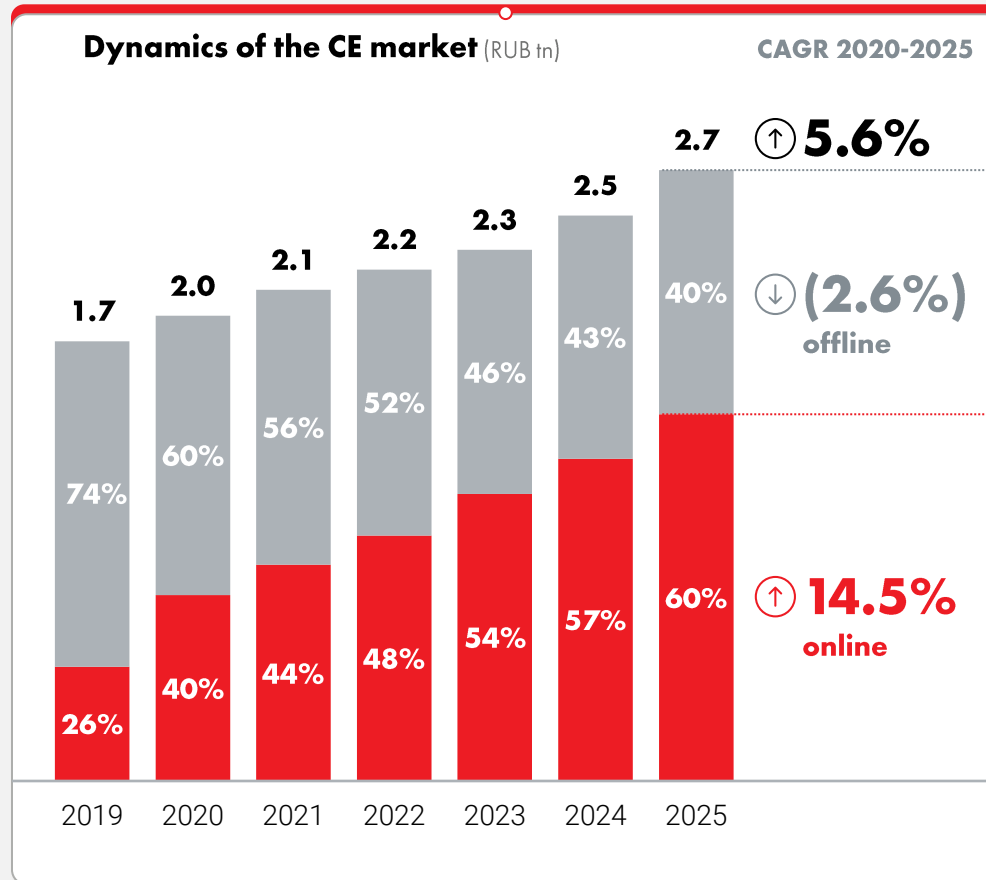


(1) Company estimate of services sub-segment (RUB bn), not included in GfK panel data; (2) Including Work-Gameplace, Kitchen, Mobile device

Source: Company estimates

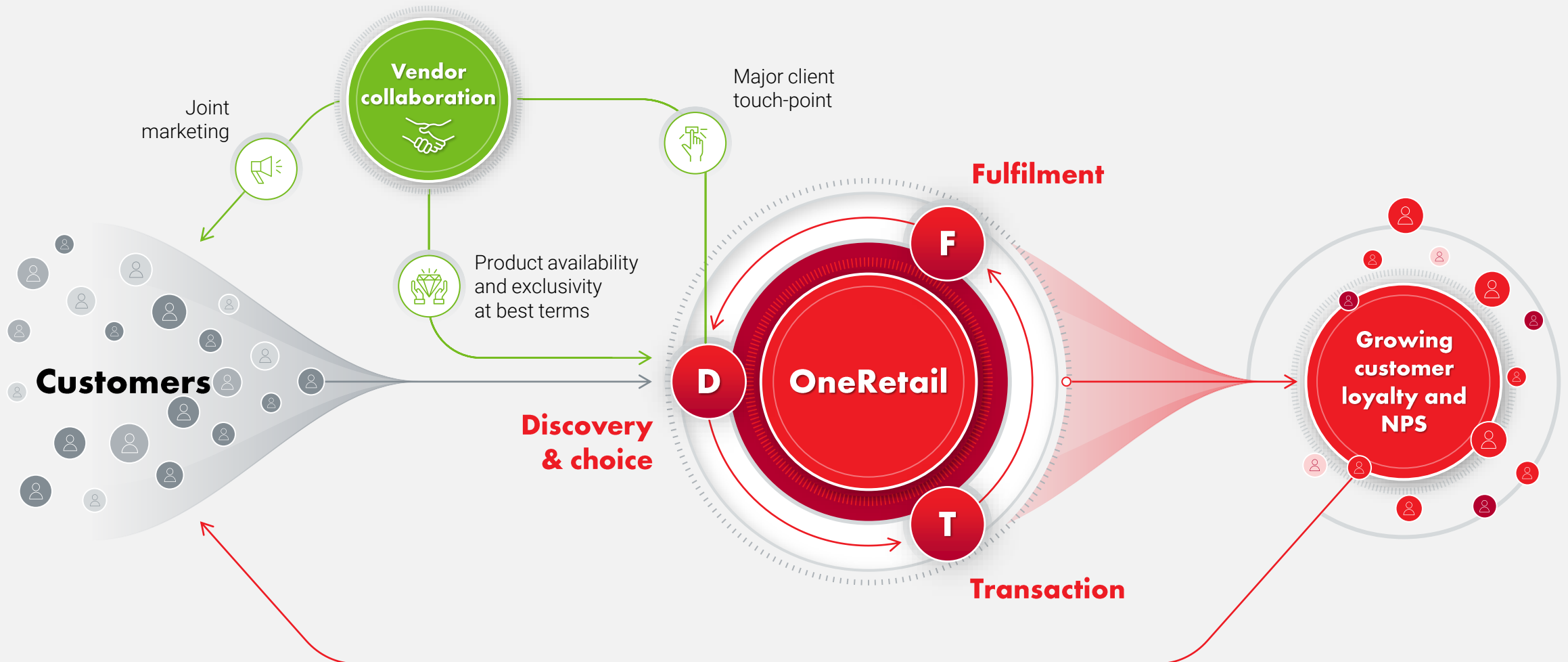
Information presented on the slide is related to the Russia CE market unless stated otherwise

## 02 INCUMBENT PLAYERS ARE EXPECTED TO INCREASE MARKET SHARE AS ONLINE SEGMENT OUTGROWS OVERALL MARKET



(1) Per GfK classification includes regional chains, other pure players, CSS, operators, other OER/TCR and all others  
 Source: GfK "Consumer Electronics industry report" (Jan 2021)  
 Information presented on the slide is related to the Russia CE market unless stated otherwise

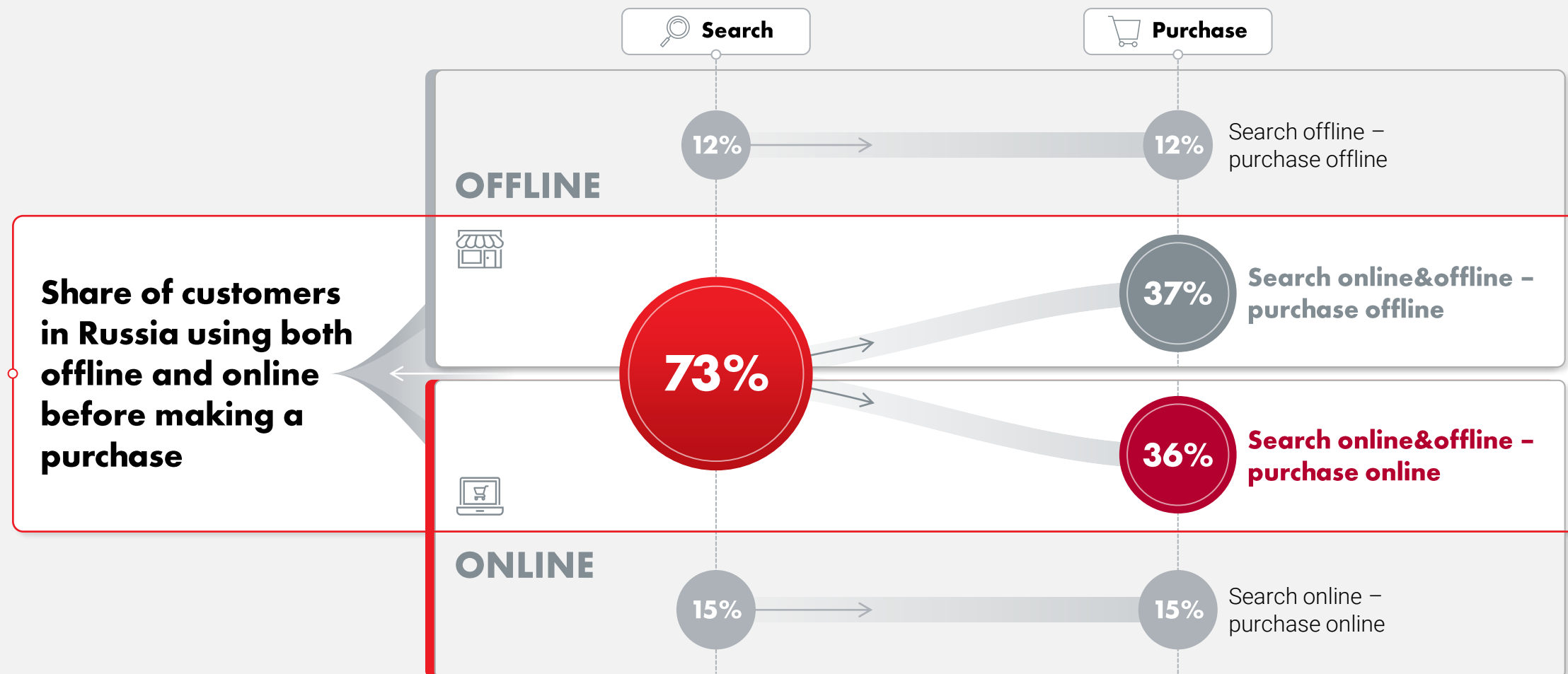
## 02 HYBRID MODEL WITH NETWORK EFFECTS SPINS UP CUSTOMER LOYALTY AND VENDOR COLLABORATION



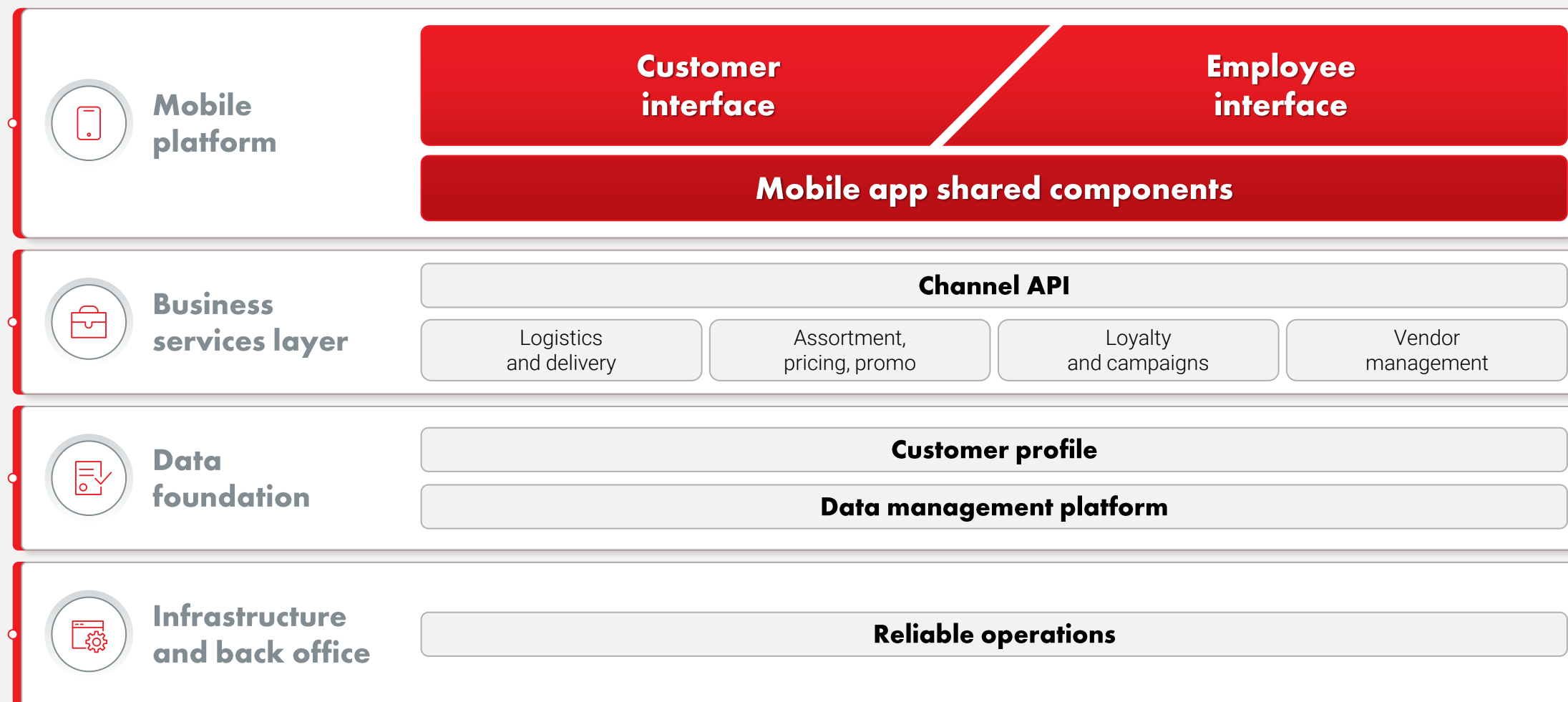
## 02 SET OF KEY COMPETITIVE ADVANTAGES TO SUPPORT FUTURE GROWTH



## 02 SEAMLESS INTEGRATION BETWEEN ONLINE AND OFFLINE CHANNELS IS KEY FOR WINNING CUSTOMERS



## 02 ONERETAIL ARCHITECTURE USES A MOBILE PLATFORM AS THE CORE TO CREATE A HYBRID ONLINE AND OFFLINE EXPERIENCE



02

# MOBILE PLATFORM HACKS RETAIL AND BRINGS STORE EXPERIENCE TO ONLINE

## Consultant App<sup>1</sup>

Personal client account  
with order history

Understanding of  
customer preferences

Personalized offerings  
and promos

Access to endless  
shelf across all stores

Follow-up of one-retail  
basket to customer app

One-retail orders, seamless  
connection with the client

## Customer App

Smart search  
in full catalogue

Personal  
offers

Promotions  
and bonuses

Online  
payments

Credit  
offering

Chat  
support



(1) Consultant app, previously disclosed as "m\_RTD" project, is an application on a tablet for consultants for authorization of customers in the store, consultations, basket formation and checkout. The main focus of the consultant app is to better understand customer needs, make individual proposals and use data analytics for more accurate business processes, which improves the company's brand recognition, loyalty and, ultimately, provides sales growth and efficiency  
Source: Company data  
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

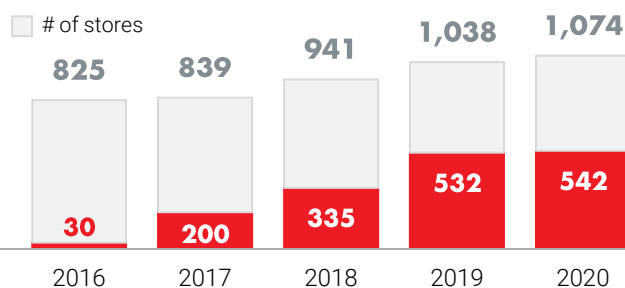
# EXPLOSIVE GROWTH IN MOBILE PLATFORM SINCE LAUNCH

## Consultant App

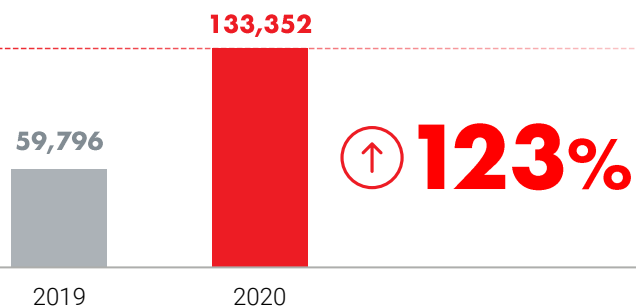
### • Consultant App roll-out<sup>1</sup>(%)

■ # of stores connected to Consultant app

□ # of stores

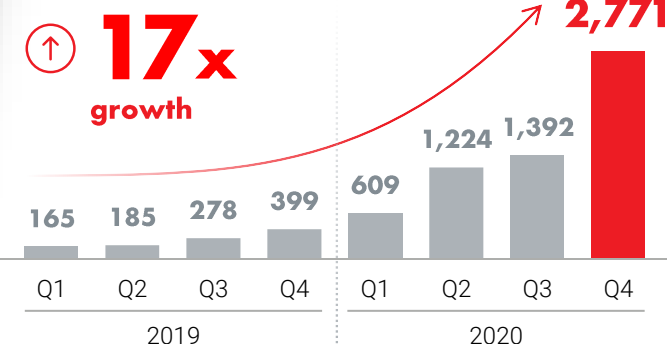


### • Consultant App sales (RUB m)

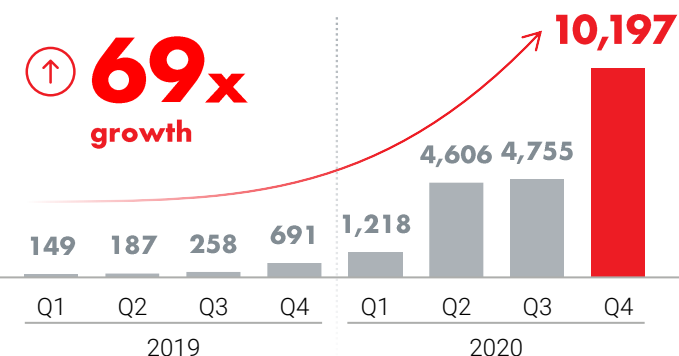


## Customer App

### • Monthly Active Users (k)



### • Customer App sales (RUB m)



(1) M.Video and Eldorado stores as of 31 Dec for 2016-2020; calculated as % of stores connected to consultant app divided by total number of stores

Source: Company data

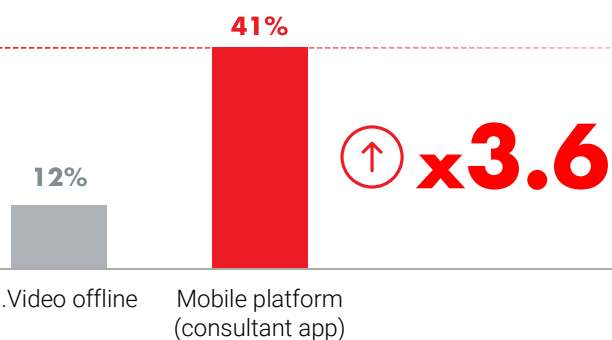
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise



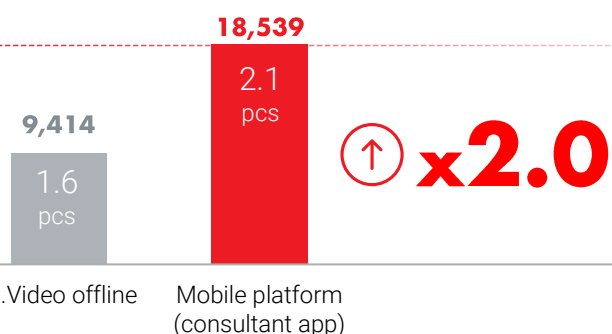
# 02 TRAFFIC MONETIZATION OF MOBILE PLATFORM IS SIGNIFICANTLY HIGHER

## Consultant App

### • Conversion rate 2020 (%)

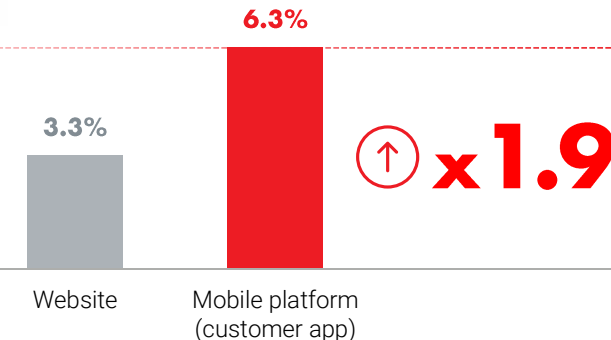


### • Average check and units per transaction 2020 (%)

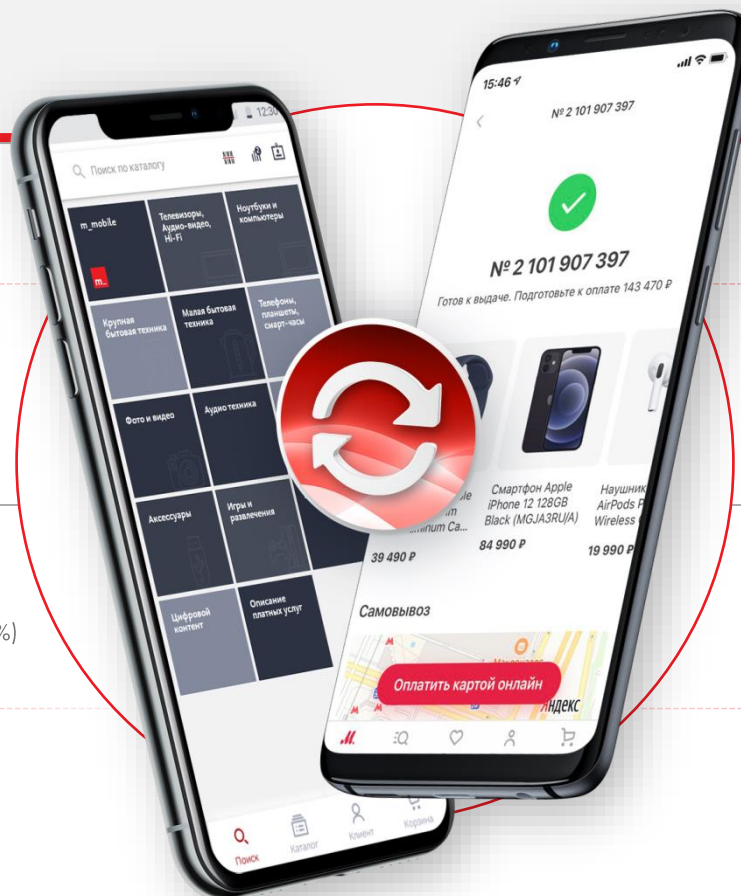
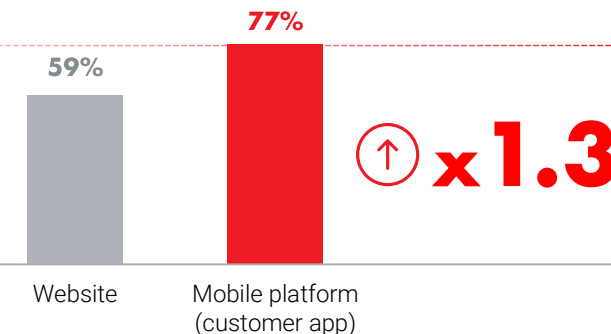


## Customer App

### • Conversion rate 2020 (%)



### • Checkout completion rate 2020 (%)



02

# SHARE OF MOBILE PLATFORM IN SALES HAS CONSIDERABLE POTENTIAL FOR GROWTH

## Consultant App

- Share in in-store sales<sup>1</sup> (%)

**75%+****39%**

2020

Mid-term potential

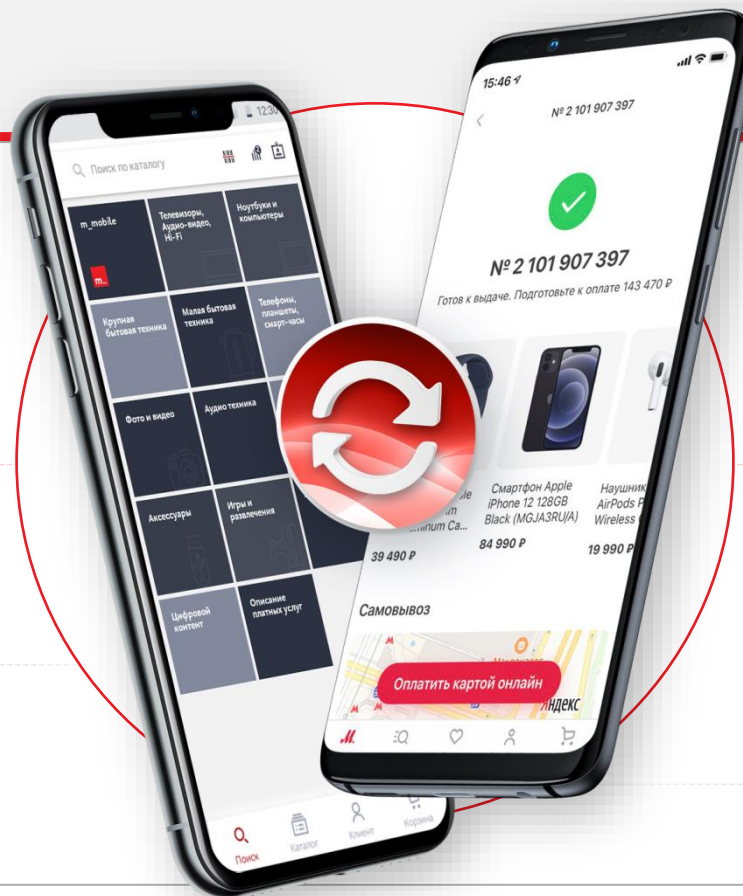
## Customer App

- Share in online sales<sup>2</sup> (%)

**~50%****12%**

2020

Mid-term potential



(1) calculated as consultant app sales divided by offline sales plus consultant app sales; (2) calculated as customer app sales divided on web-platform and customer app sales

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise



## 02 HIGH QUALITY ASSORTMENT THAT ADDRESSES BROAD SPECTRUM OF CUSTOMER DEMAND



**Exclusive assortment**  
with ~11,000 exclusive SKUs<sup>1</sup>



**Innovate categories**  
requiring expert assistance  
(14% of our GMV)



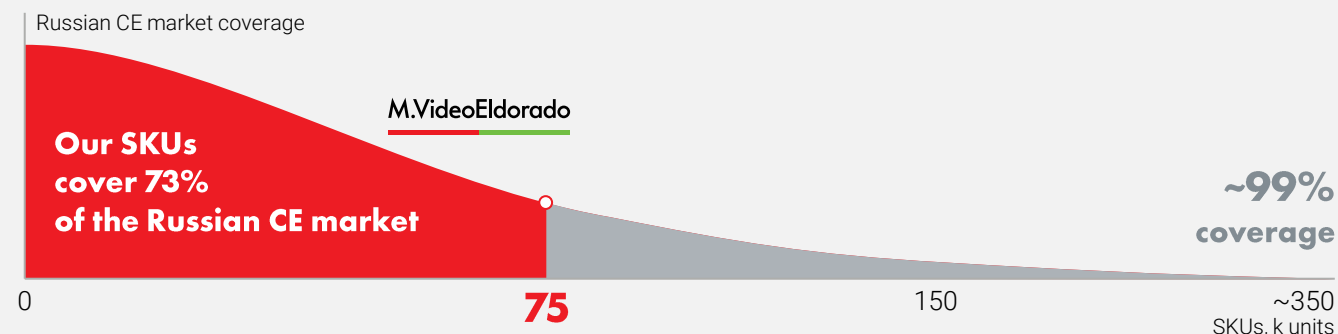
**Broad portfolio of premium products**  
(7% of our GMV)



**80% purchases**  
are done via **direct contracts**  
with manufacturers

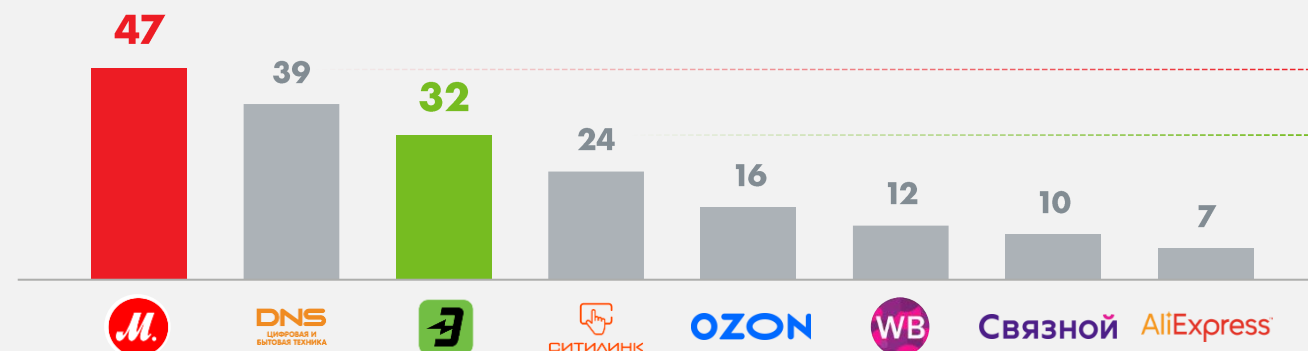
### • Optimal balance between inventory and coverage of customer needs

Indicative coverage of the Russian CE market size by SKUs<sup>2</sup>



### • Unmatched quality perception<sup>3</sup>

% of respondents considering "high quality of items" for corresponding player



(1) exclusive SKU denotes SKU with over 85% market share for respective unit; (2) data for FY 2020 (3) Brand Health Tracking, 260 cities of presence M.Video and Eldorado stores (100k+ population), base Q4'2020, customers CE during the last 6 months (2304 respondents, Male / Female 16-65 years), Millward Brawn A/R M/I-Marketing  
Source: Company data, Millward Brawn A/R M/I-Marketing



# FLEXIBLE PRICING GIVES COMPETITIVE EDGE



**Price setter for the market** thanks to superior purchasing power



**Price match offering** via online screening (incl. marketplaces)



**Attractive prices for loyal customers** through bonuses and ongoing promotions

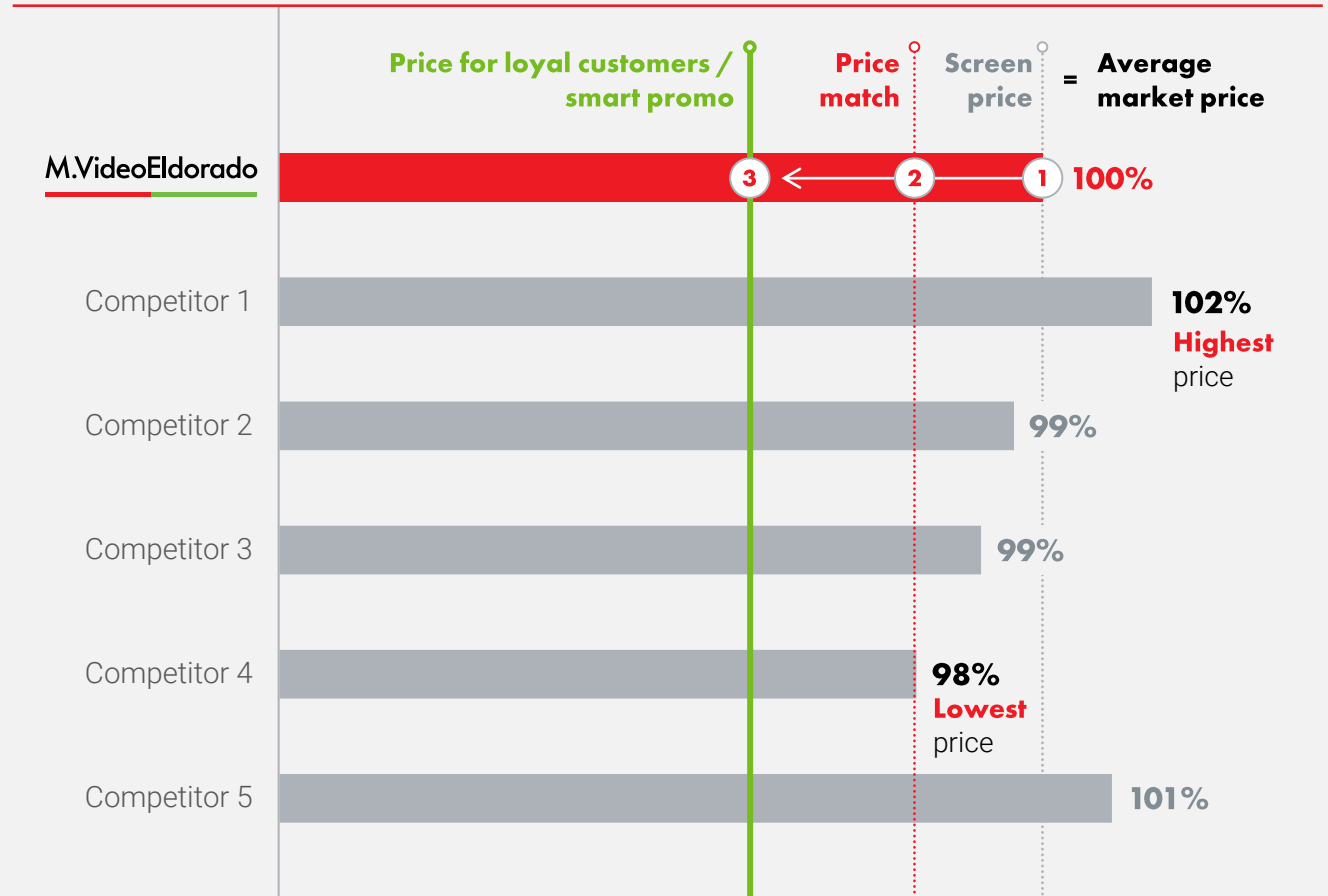


**Smart promo** coordinated with vendors

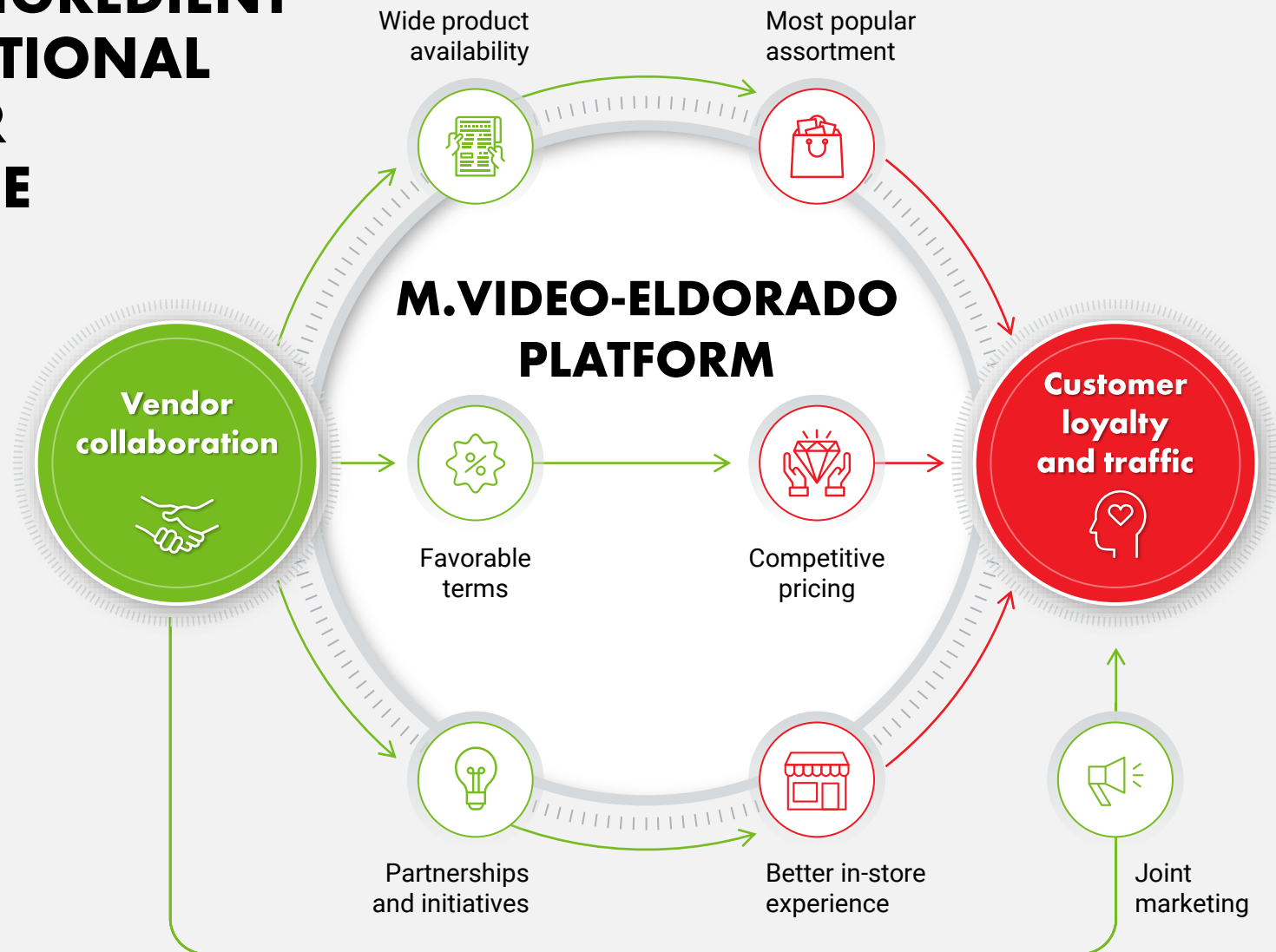


**Sustainable strong margins** supported by strong relationships with suppliers

## Indicative pricing model for customer



## 02 VENDOR COLLABORATION IS A KEY INGREDIENT FOR EXCEPTIONAL CUSTOMER EXPERIENCE



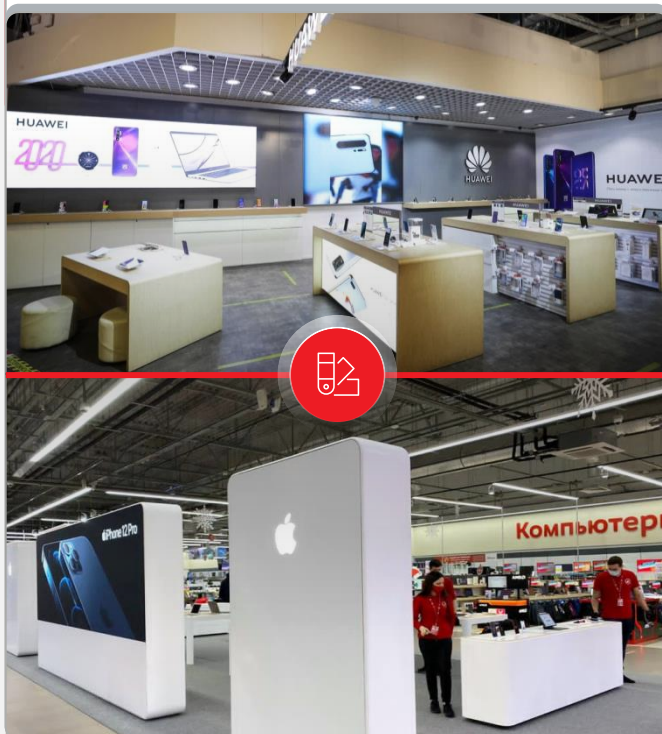


Better in-store  
experienceJoint  
marketing

## 02 VENDORS' SIGNIFICANT MARKET DEVELOPMENT FUNDS FOR MARKETING AND PROMO DRIVE HIGH ROI FOR THESE ACTIVITIES

### In-store

Brand-zones



### Events

M.Video Electronics Show 2019

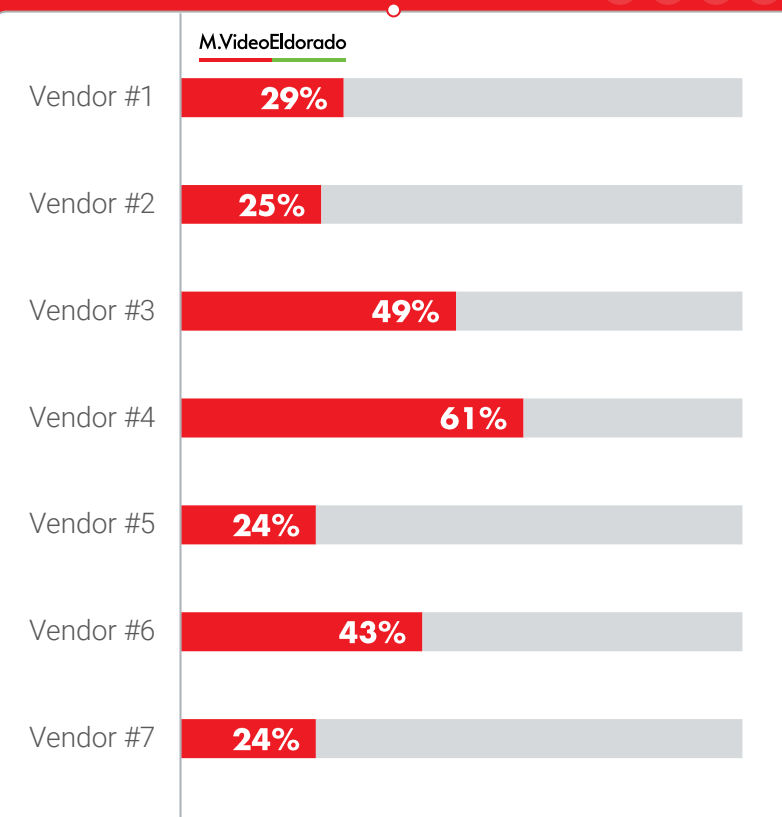


### Media



## 02 THE GROUP IS AN ESSENTIAL PARTNER FOR TOP CE VENDORS IN RUSSIA

### Group's share in sales of top-7 largest CE vendors in Russia<sup>1</sup>



### • Mutually beneficial relationships acknowledged by suppliers

Throughout Samsung's 30-year history in Russia, we always have been passionate about providing our high-quality products and services to Russian consumers. This wouldn't be possible without a highly developed retail presence and support. We appreciate that M.Video-Eldorado Group has been helping us make this possible for 28 years already.

**DH Kim**, President of Samsung Electronics CIS

**SAMSUNG**

In the past years Huawei is dedicated to be a premium brand, and as well M.Video dedicated to be a premium retailer in the industry and has built the leading branding merch in the industry. We think that in the past years our collaboration is win-win collaboration.

**Leo Lee**, President Huawei's Russia division

**HUAWEI**

M.Video-Eldorado Group has built a unique business culture in the Russian market, combining the best parts of European and Russian business practices. The most important ingredient of M.Video-Eldorado Group's success is the trust they have earned from consumers and their ability and willingness to follow new trends. The Group is in a unique position in the world to create a successful and exemplary hybrid model combining offline retail with the efficiencies and opportunities of online and data-based consumer engagement.

**Olmez Oguzhan**, General Manager, Groupe SEB

**SEB**

(1) Top-7 largest CE top-A brand owners by sales in Russia for FY 2019  
Source: Company data

02

# COMPREHENSIVE SERVICE OFFERING IS ESSENTIAL FOR SUCCESSFUL CE BUSINESS

## Installation

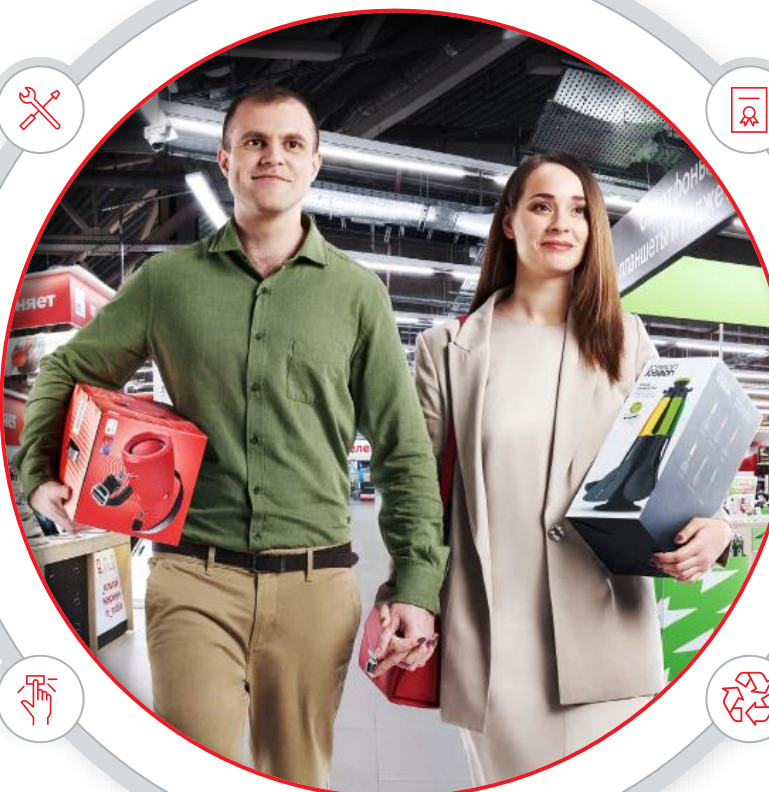
- Installation on a turnkey basis
- ~0.5m installations per year (~10% of all deliveries)<sup>1</sup>

## Credit platform

- 12 partners offering (9 banks)<sup>2</sup>
- Credit availability online via 10 mins application process

## In-store assembly and digital services

- Sticking screen protectors
- Settings and soft/apps installation for devices



## Certificates

- Expanded conditions for returns (30 days vs 14 days by law)
- “Quick service” – repair or exchange in 72h

## Insurance

- Wide range of insurance programs: goods, home, health, travel, car, pet
- ~700 k insurance plans sold per year<sup>1</sup>

## Recycling

- Russia's first project for the recycling of electronics
- 1kt of electronics recycled per year<sup>1</sup>

(1) data for FY 2020; (2) data as of 31 Dec 2020

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise



## 02 INSTALLATION SERVICE FOR LARGE APPLIANCES IS IMPORTANT DIFFERENTIATOR AND COMPETITIVE ADVANTAGE



**5m**

Deliveries / home visits



**463k**

Installations



**>500**

Installation and delivery staff



**>150**

Partners



**RUB 1bn**

Installation revenue

**Installation service is essential for purchases of complex CE products**

**Differentiated fulfilment qualification**

**MDAs<sup>1</sup> delivery capabilities**



**Installation**



**Installation services in accordance with EU service standards**



**Own branded installation service**



## 02 CUSTOMER PROPOSITION ENHANCED BY CONSUMER LOANS AND CASHLESS PAYMENTS



### 17%

Total share of credit sales



### +19%

YoY growth in online loan applications



### 12 partners

9 banks and 3 micro financing institutions



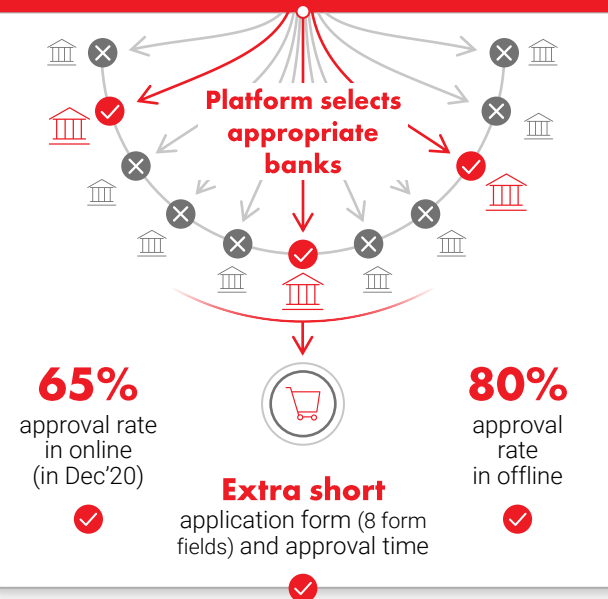
### 60%

Share of contactless payment in deliveries

### Installment payments



### Credit broker platform available both: online and offline, incl. Mobile Platform



### Payments via Dynamic QR-codes

One of the first pilots launched in Russia with VTB Bank (Moscow stores)



## 02 HIGH QUALITY CUSTOMER EXPERIENCE DRIVEN BY LEADING LAST-MILE OFFERING



**1,074<sup>1</sup> stores**  
in 279 cities in Russia



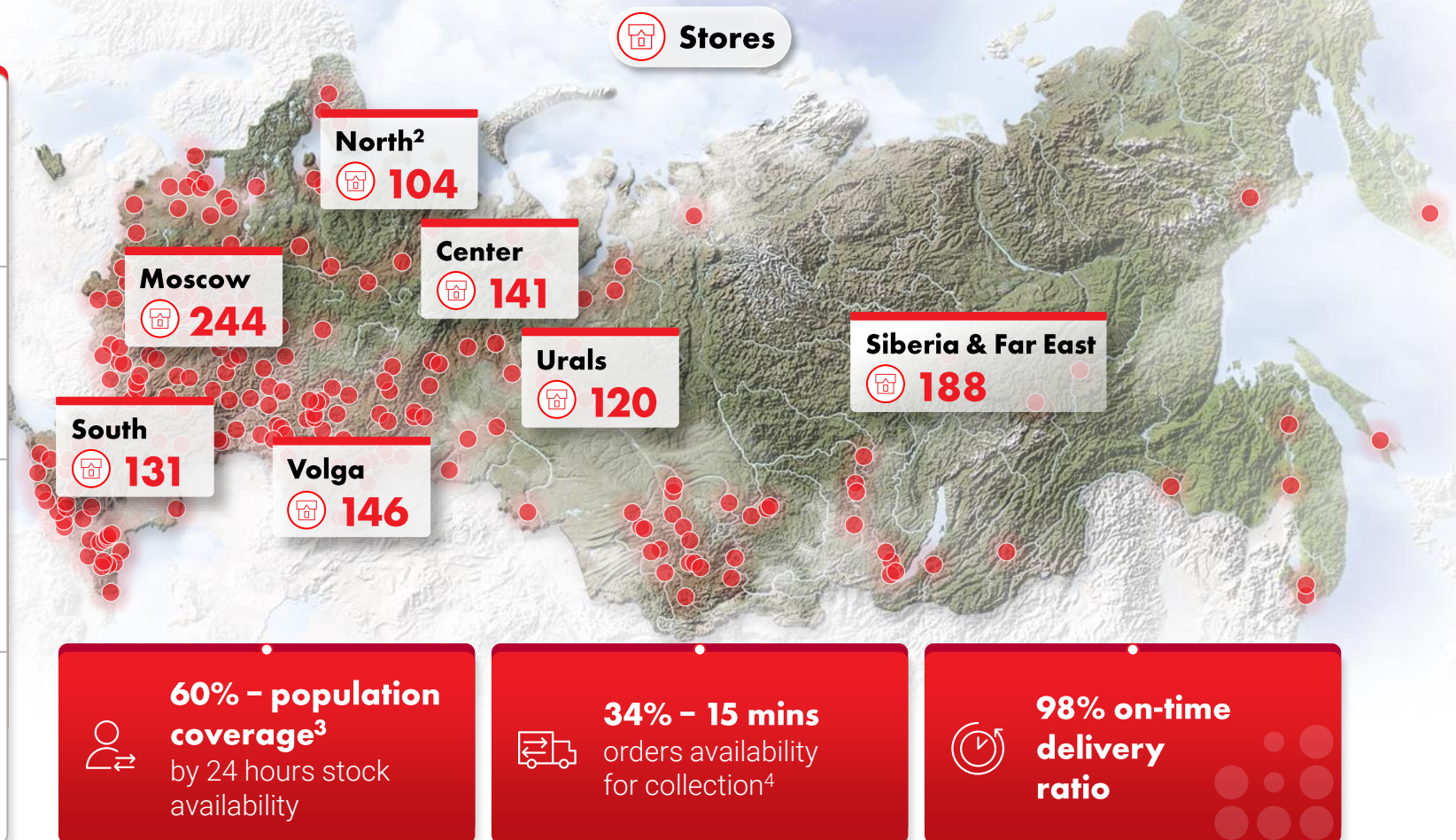
**100% online coverage**  
in cities of presence<sup>1</sup>



**>55,000**  
partner pick-up points  
and parcel lockers<sup>1</sup>



**15,000 store assistants**  
providing qualified professional  
advice and personalized  
support<sup>1</sup>



(1) As of 31 Dec 2020; (2) Including Saint Petersburg; (3) calculated as population of cities with M.Video-Eldorado presence divided by total country population as of Dec 2020;

(4) calculated as GMV from channels offering 15-min order availability divided by GMV in 2020

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise



# LAST-MILE DELIVERY POWERED BY WELL-INVESTED LOGISTICS AND DISTRIBUTION PLATFORM WITH NATIONWIDE REACH



**>RUB 150bn**

invested in stores and logistics infrastructure since 1993<sup>1</sup>



**~540k m<sup>2</sup>**

warehousing area in  
**1,074 stores<sup>2</sup>**



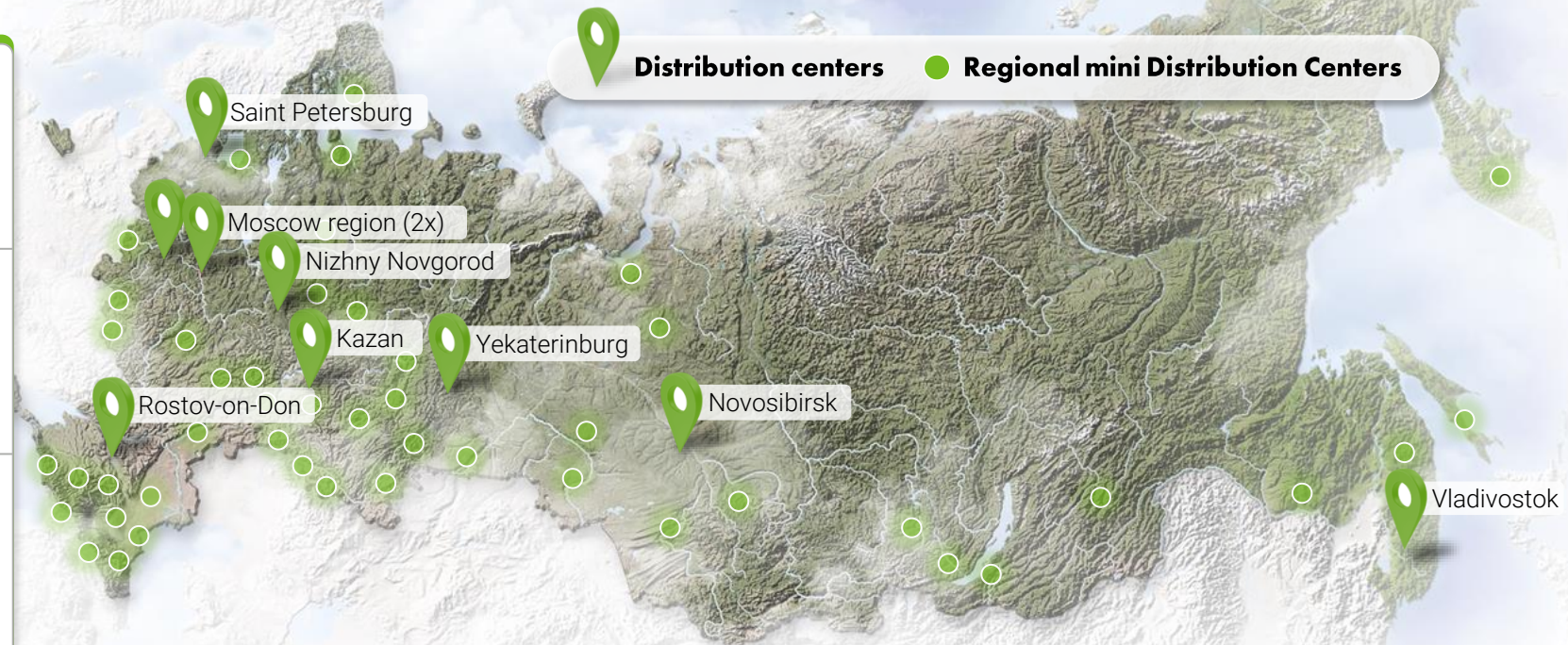
**~418k m<sup>2</sup>**

warehousing area in  
**9 Distribution Centers<sup>2</sup>**



**~83k m<sup>2</sup>**

warehousing area in  
**58 mini regional DCs<sup>2</sup>**



**85% - 24 hours**  
stock availability<sup>3</sup>



**67% online**  
**orders** collected  
via pick-up<sup>4</sup>



**Inventory**  
**storage<sup>2</sup>**  
46% stores; 43% DCs;  
10% Regional DCs







(1) company estimates; (2) As of 31 Dec 2020; (2) calculated as inventory storage breakdown in m3 as of 2020; (3) calculated as GMV from channels offering same-next day delivery divided by total online sales, data for FY 2020; (4) percentage of web and customer app sales collected via pick-up in 2020;

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

## 02 LOGISTICS AND DISTRIBUTION PLATFORM ENABLES WIDE RANGE OF DELIVERY OPTIONS FOR CUSTOMERS ACROSS RUSSIA



1	Taxi same day		Next day or later		Pick-up		
	2h	>2h	24h free <sup>2</sup>	24h paid />24 h <sup>2</sup>	15 min <sup>3</sup>	Same day	Next day / later
	✓	✓	✓	✓	✓	✓	✓
	○	✓	○	✓	○	✓	✓
	✓	✓	✓	✓	○	✓	✓
	○	✓	○	✓	○	✓	✓
	○	○	●	✓	○	○	✓
	○	○	○	✓	○	○	✓

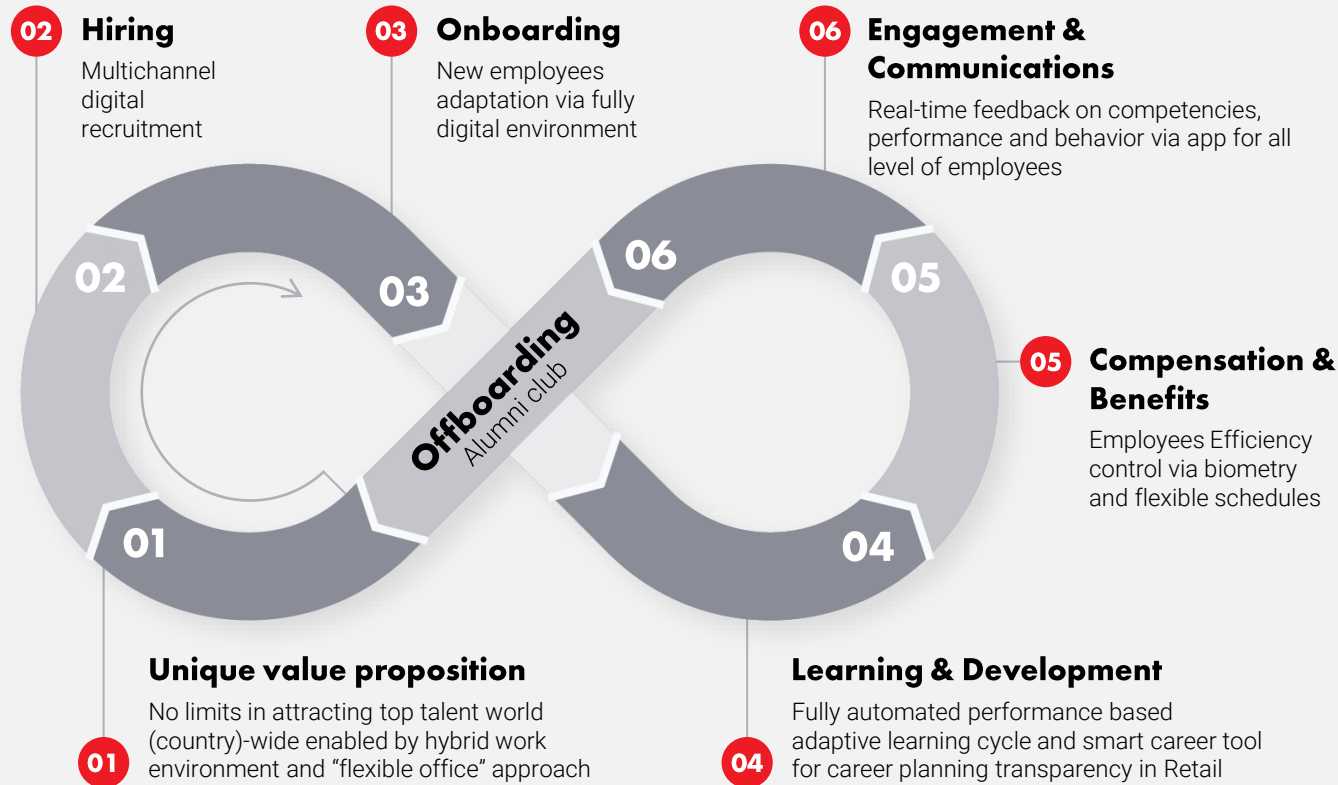
(1) Delivery terms for Apple iPhone 11 64GB Black, in Moscow, Saint Petersburg and regions include Kazan, Nizhny Novgorod, Rostov-on-Don, Yekaterinburg, Novosibirsk, Vladivostok as of Dec 2020;

(2) Free for M.Video and Eldorado for orders above RUB 5k, also free for >1 day delivery; (3) 98% confirmations for M.Video and Eldorado

Source: Company data

## 02 INDUSTRY LEADING CAPABILITIES IN RECRUITMENT, ENGAGEMENT AND RETENTION

>30,000 of employees in a single digital space



### • Employee turnover<sup>1</sup>

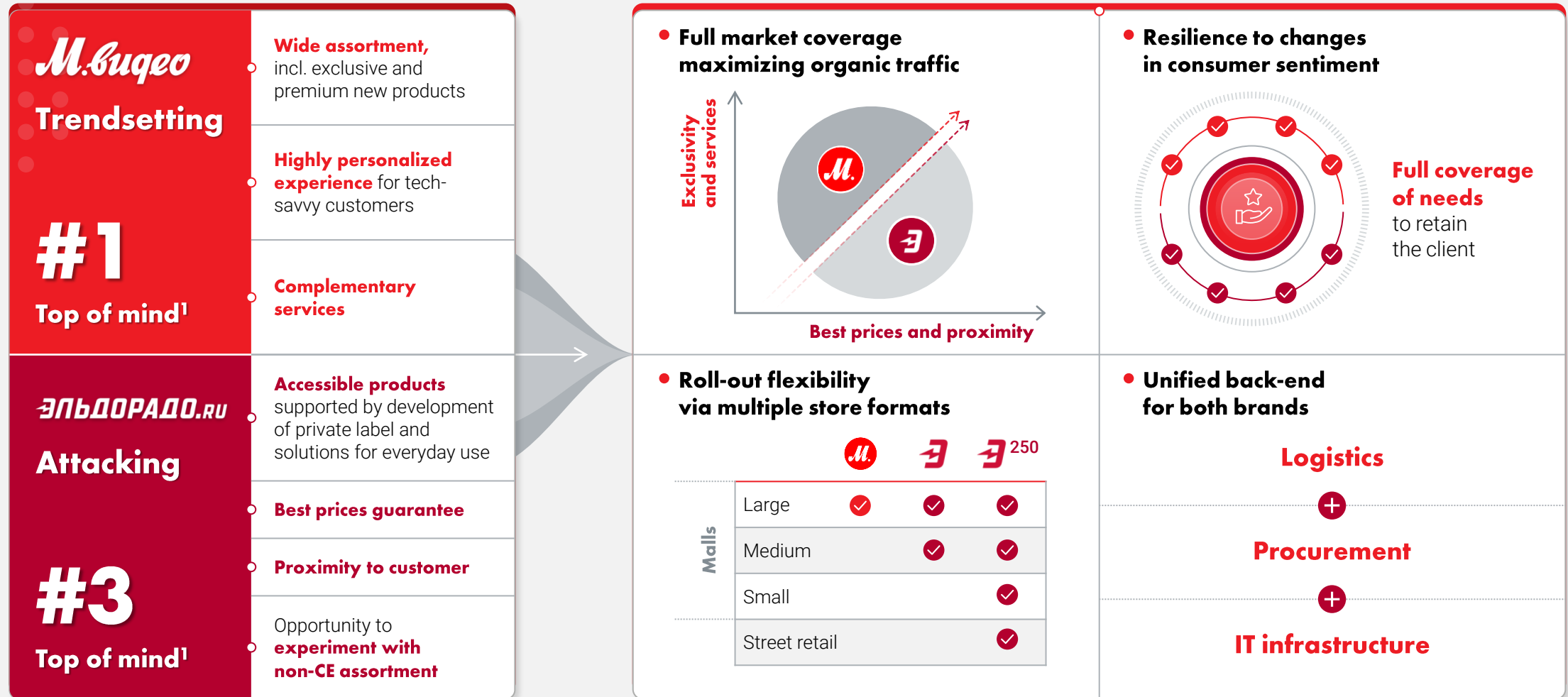
M.VideoEldorado	<b>31%</b>
Russian retail	57%
Global retail	45%

### • Employee engagement<sup>2</sup>

M.VideoEldorado	<b>80%</b>
Russian retail	68%
Global retail	68%

(1) Employee turnover based on HR benchmarks "Human Resources Performance Indicators" AMT Consult and KPMG, 2020; (2) Employee engagement survey Kincentric (Aon Hewitt), January 2020;  
Source: Company data, Aon Hewitt, AMTconsult, KPMG  
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise




































# 02 VERSATILE DUAL BRAND MODEL CREATES MULTIPLE COMPETITIVE ADVANTAGES



(1) Top of mind in CE in Russia, Brand Health Tracking, 260 cities of presence M.Video and Eldorado stores (100k+ population), base 2020, customers CE during the last 6 months (9,599 respondents, Male Female. 16-65 years)  
 Source: Company data, Millward Brown A/R M/I-Marketing

02

# THE GROUP IS #1 IN ALL AWARENESS-RELATED METRICS IN THE RUSSIAN CE MARKET

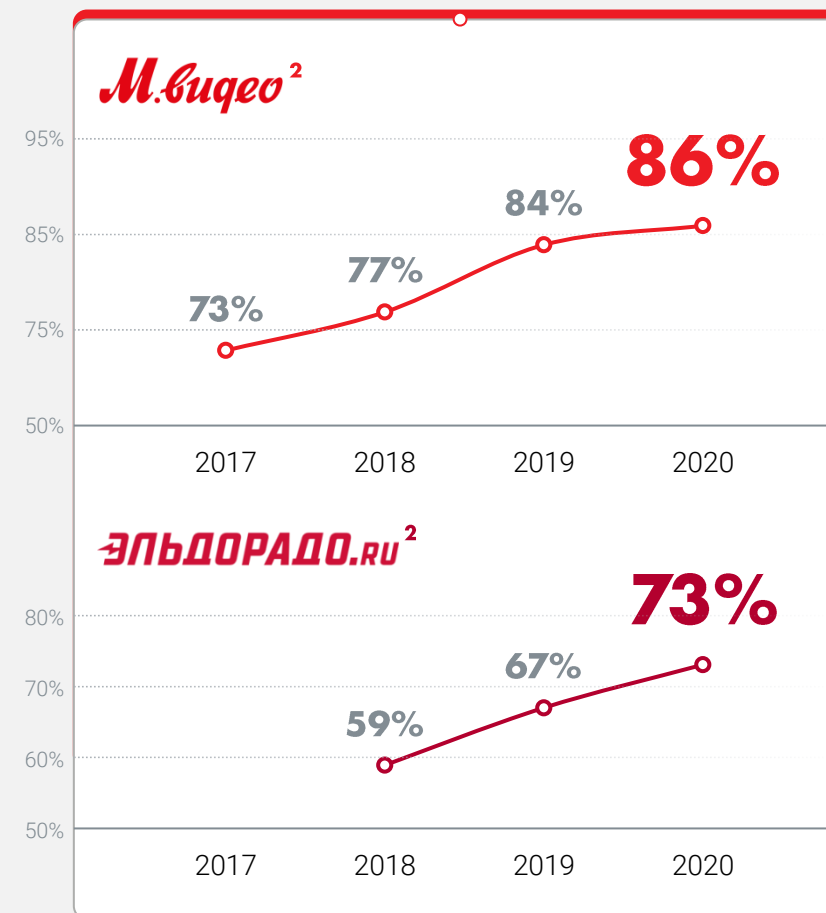
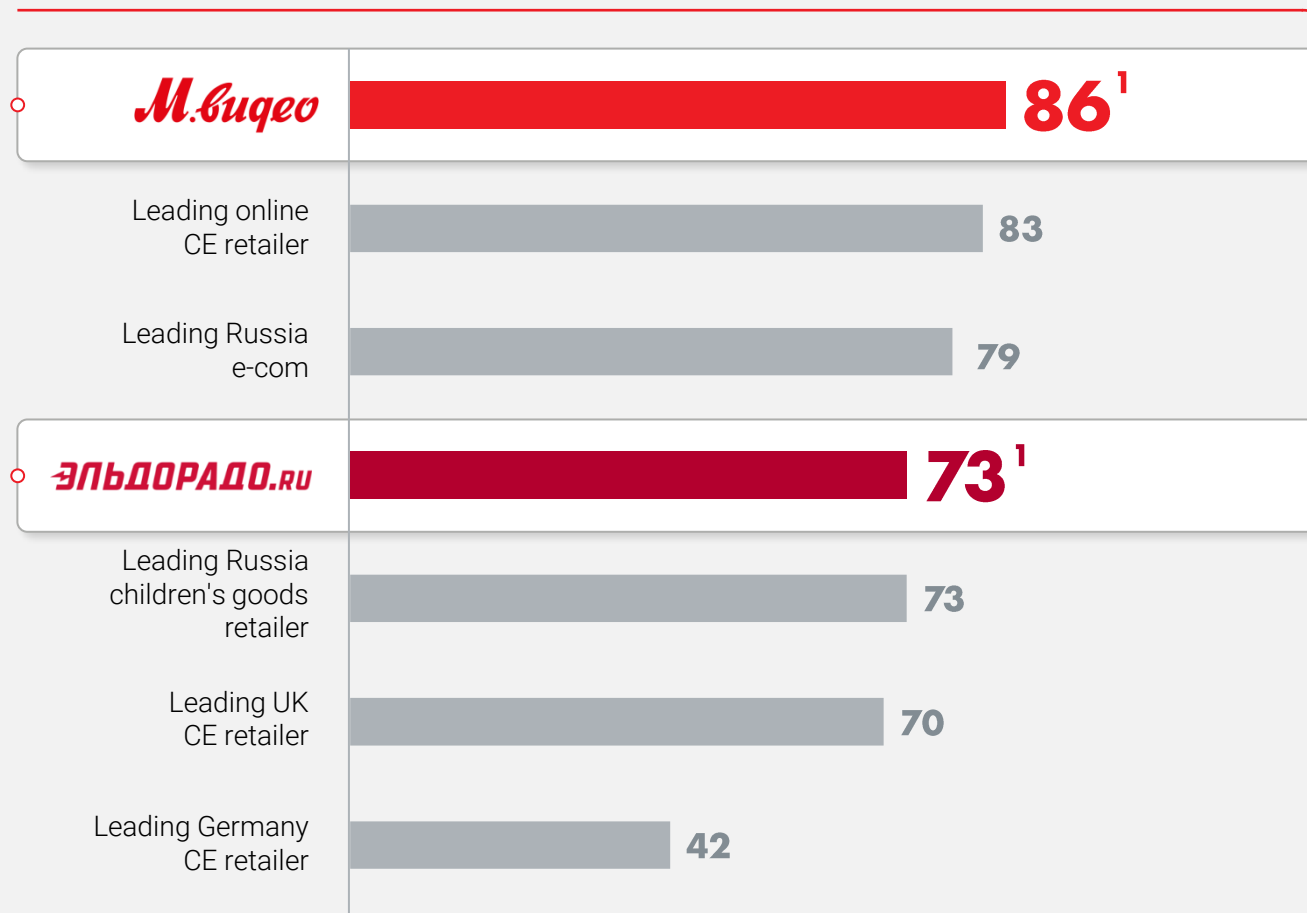
(%)	Top of mind <sup>1</sup> (TOM)	Main store <sup>1</sup> (CE)	First choice <sup>1</sup> (CE stores)	Brand power <sup>3</sup>
 M.VideoEldorado	 46	 47	 54 <sup>2</sup>	 37
 DNS	 21	 33	 40	 20
 СИТИЛИНК ЭЛЕКТРОННЫЙ ДИСКАУНТЕР	 6	 10	 17	 7
 AliExpress	 3	 12	 14	 5
 OZON	 3	 8	 14	 6
 СВЯЗНОЙ	 1	 3	 7	 1
 WILDBERRIES	 1	 6	 9	 5

(1) Brand Health Tracking, 260 cities of presence M.Video and Eldorado stores (100k+ population), base 2020, customers CE during the last 6 months (9,599 respondents, Male / Female. 16-65 years), Millward Brawn A/R M/I-Marketing; (2) Consideration as a first choice for CE store, either M.Video or Eldorado or both brands together; (3) As of Q1-Q3'2020, base, 7,295 respondents; Source: Millward Brawn A/R M/I-Marketing



# 02 LEADING NPS LEVELS CONFIRM WINNING CUSTOMER VALUE PROPOSITION

## • Net Promoter Score (NPS)

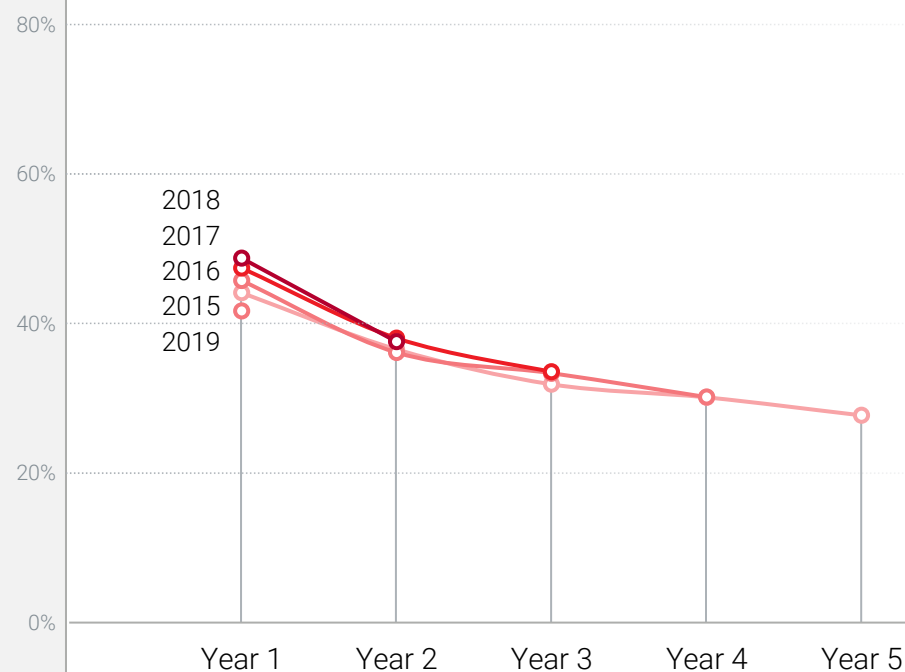


(1) Data NPS for Q1'2020, base 39/35 M.Video / Eldorado stores, survey at the exit from the store, LLC "MP Analytics"; (2) Data NPS average for 2017-2019, Q1'2020 base 39/35 M.Video / Eldorado stores, survey at the exit from the store, LLC "MP Analytics"  
Source: LLC "MP Analytics", company data, peers disclosure

# CVP DRIVES LOYAL CLIENT BASE WITH HIGH RETENTION

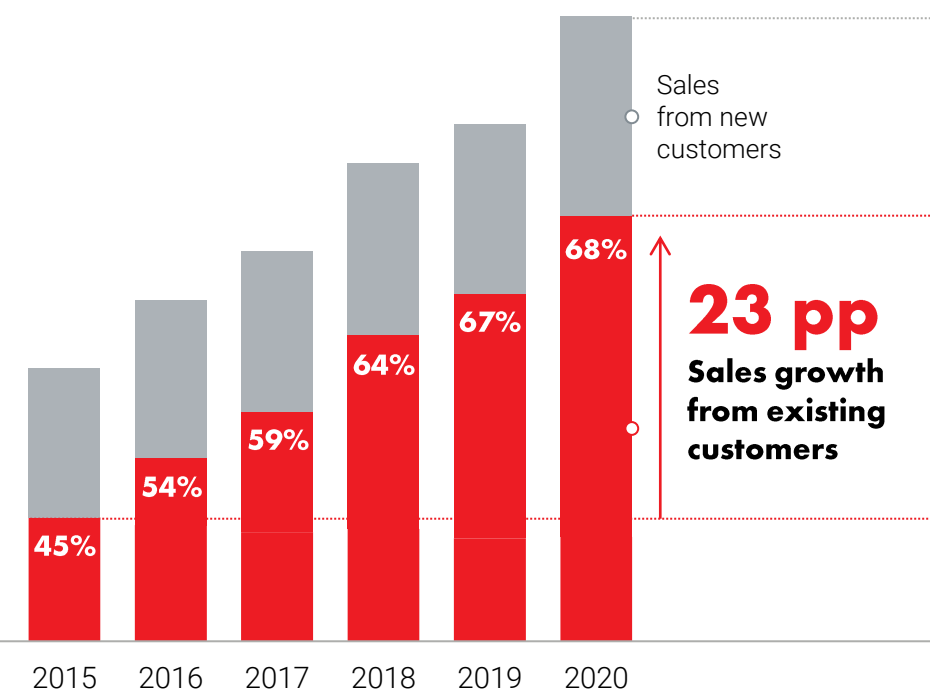
## • Strong retention profile...

Customer retention by cohort<sup>1,2</sup>(%)



## • ...driving growing share of sales from existing customers

Total sales by cohort<sup>1,2</sup>(%)

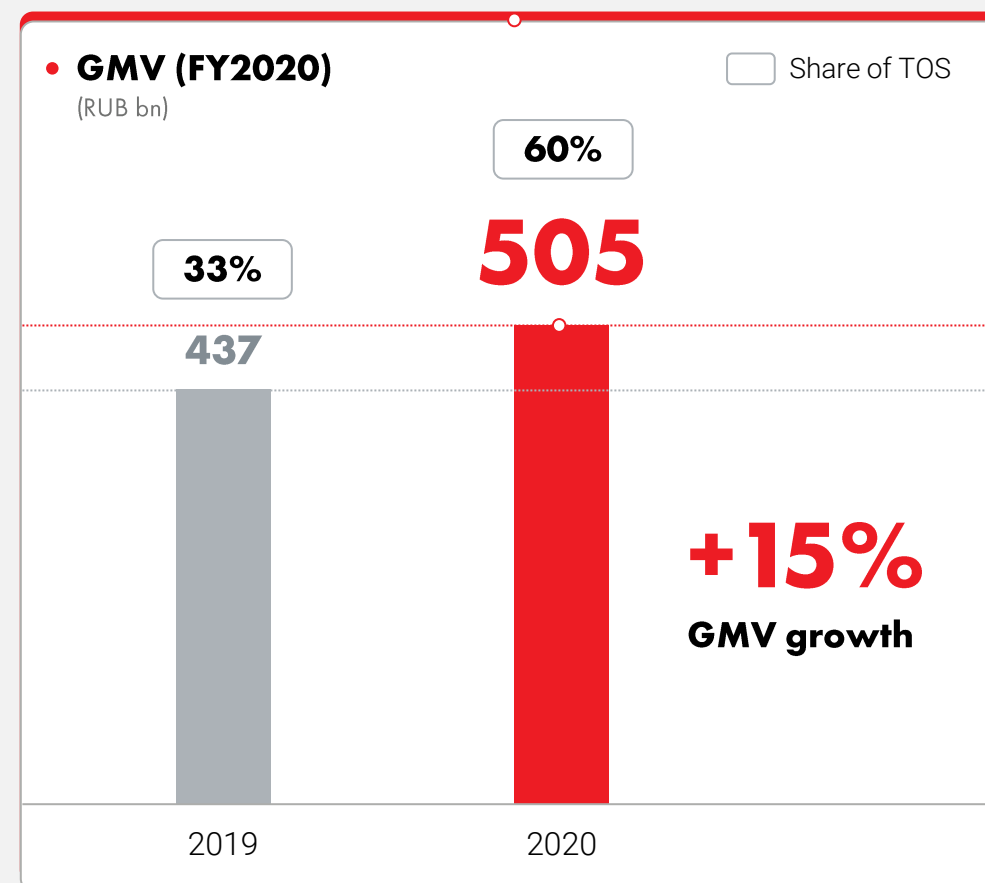
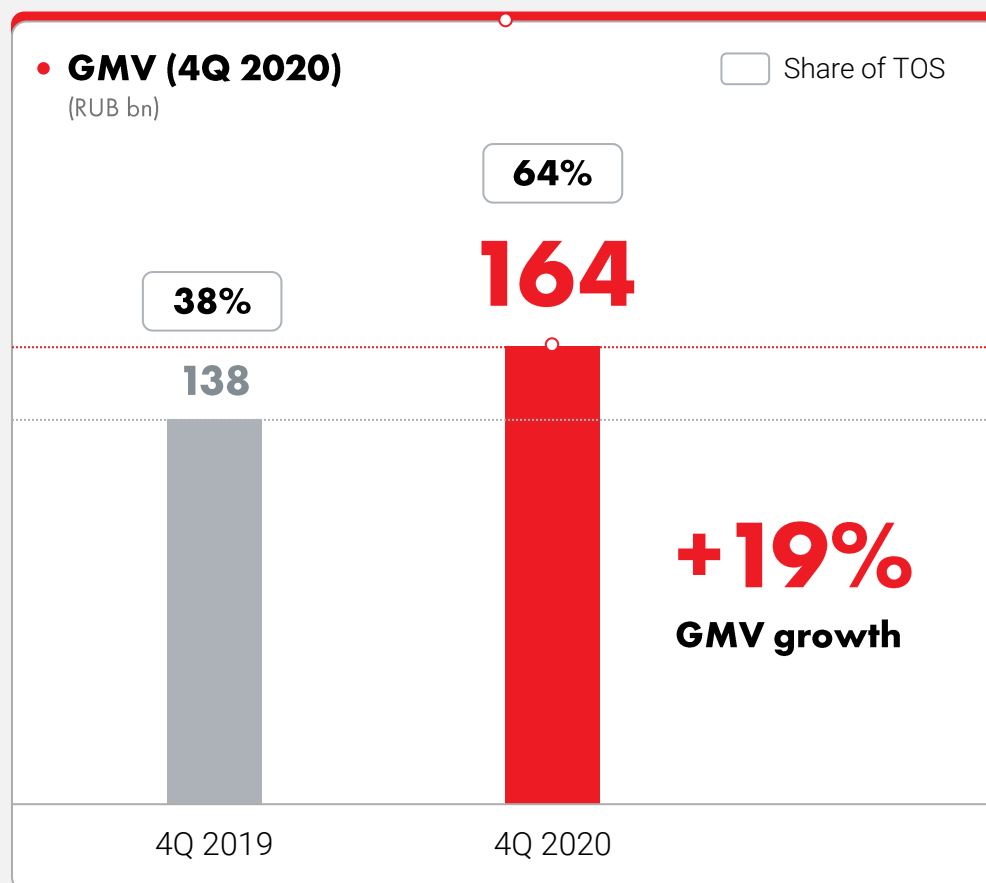


(1) Data for M.Video (w/o Eldorado); (2) Including identified customers only

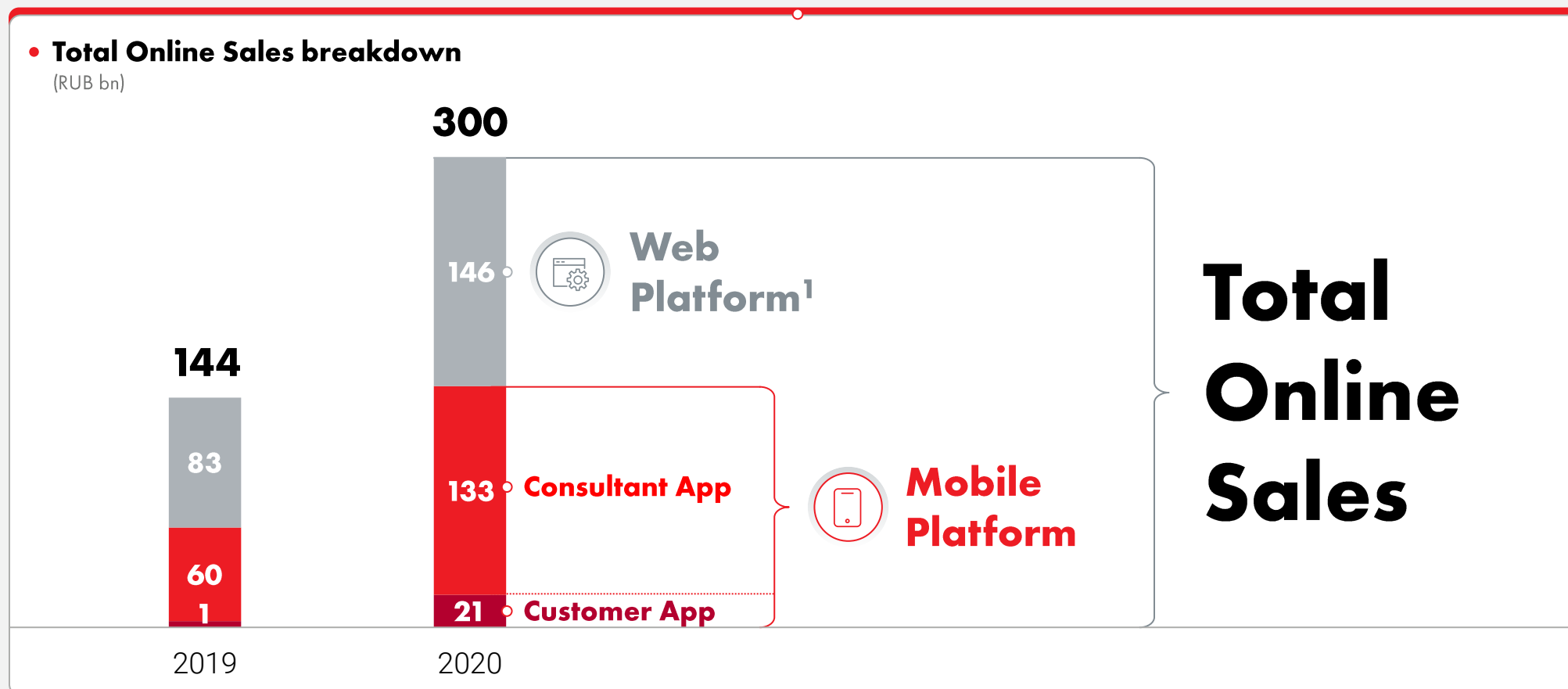
Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

## 02 ROBUST GROWTH IN GMV DRIVEN BY ~2X INCREASE IN SHARE OF ONLINE SALES

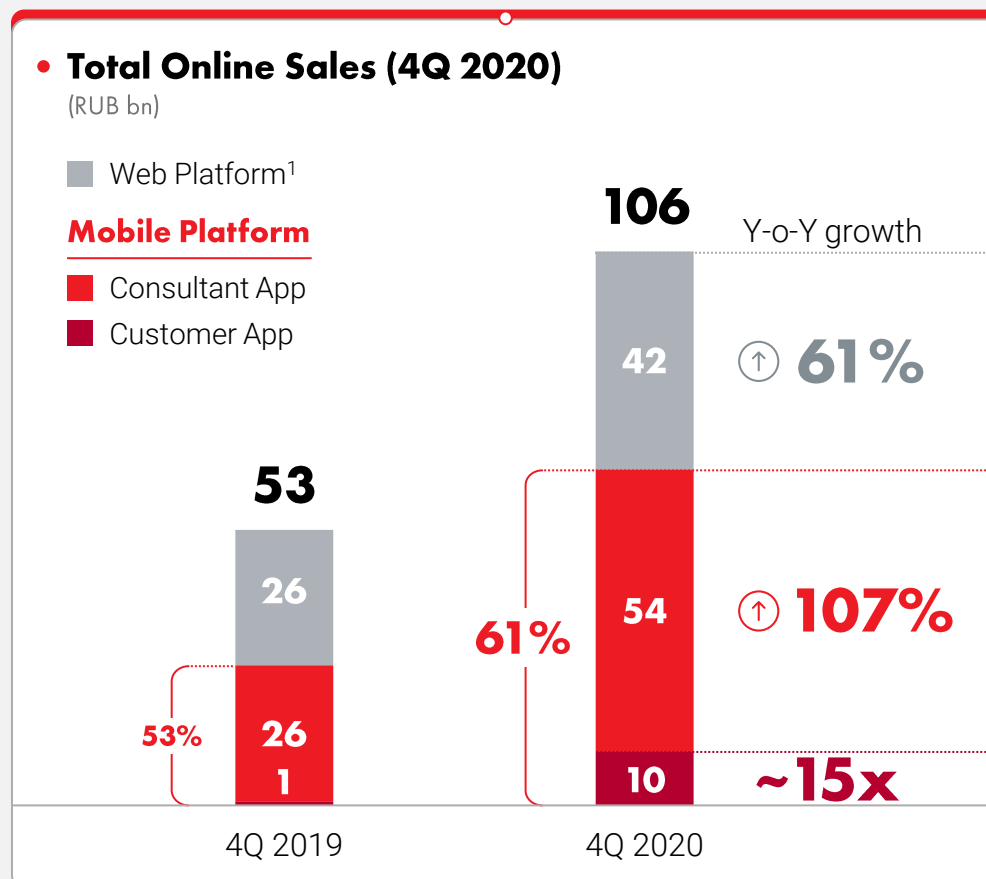


## 02 INTRODUCING TOS BREAKDOWN THAT REFLECTS SHIFT TOWARDS MOBILE-FIRST MODEL



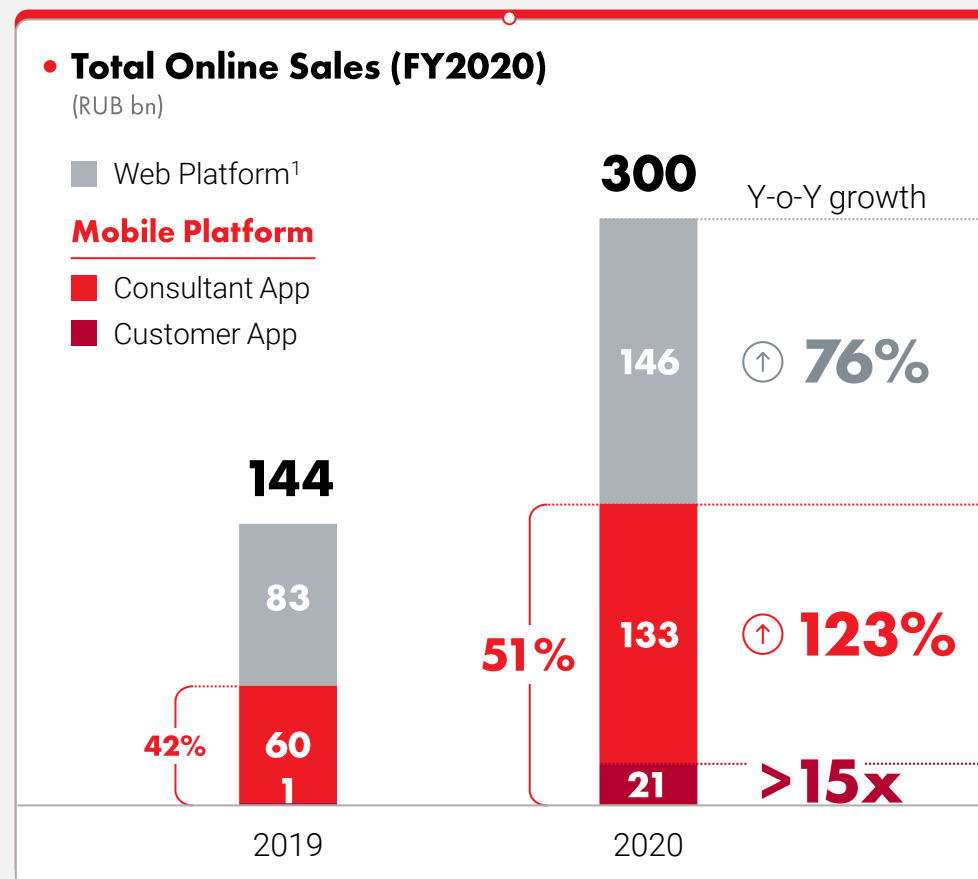
(1) Web Platform includes sales from website, marketplace, manual orders, vendor catalogue and contact center  
Source: Company data  
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

# 02 MOBILE PLATFORM DRIVES EXPLOSIVE GROWTH OF TOTAL ONLINE SALES



**+101%** Total online sales growth

**+140%** Mobile Platform sales growth



**+109%** Total online sales growth

**+152%** Mobile Platform sales growth

(1) Web Platform includes sales from website, marketplace, manual orders, vendor catalogue and contact center  
Source: Company data  
Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

02

# INCREASING SHARE OF ONERETAIL TRANSACTIONS RESULTS IN HIGHER OVERALL AVERAGE TICKET

## • Transactions (FY2020)

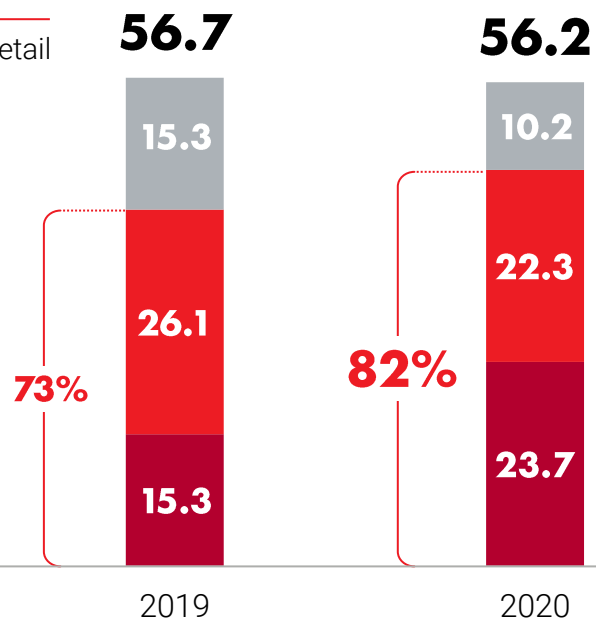
(m tickets)

■ Not identified

**Identified**

■ Non-OneRetail

■ OneRetail



**+55%** OneRetail transactions growth

**42%** Share of OneRetail transactions

## • Average ticket

(RUB)

2019

OneRetail

**11,207**

Non-OneRetail

**8,080**

Total

**7,712<sup>1</sup>**

2020

OneRetail

**11,732**

Non-OneRetail

**8,012**

Total

**8,980<sup>1</sup>**

**+46%** Higher average ticket for OneRetail customers

**+16%** Average ticket growth

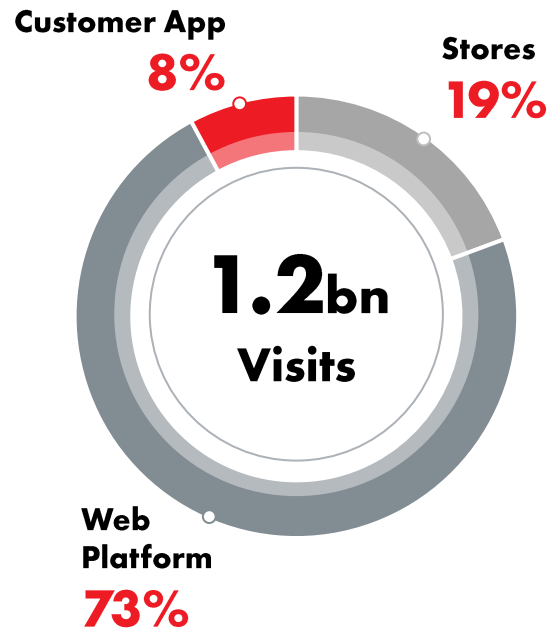
(1) including not identified

Source: Company data

Information presented on the slide is related to M.Video-Eldorado Group unless stated otherwise

## 02 **STRONG GROWTH IN IDENTIFIED ACTIVE USERS WITH SHARE OF ONERETAIL CUSTOMERS REACHING 42%**

### • Traffic (FY2020)

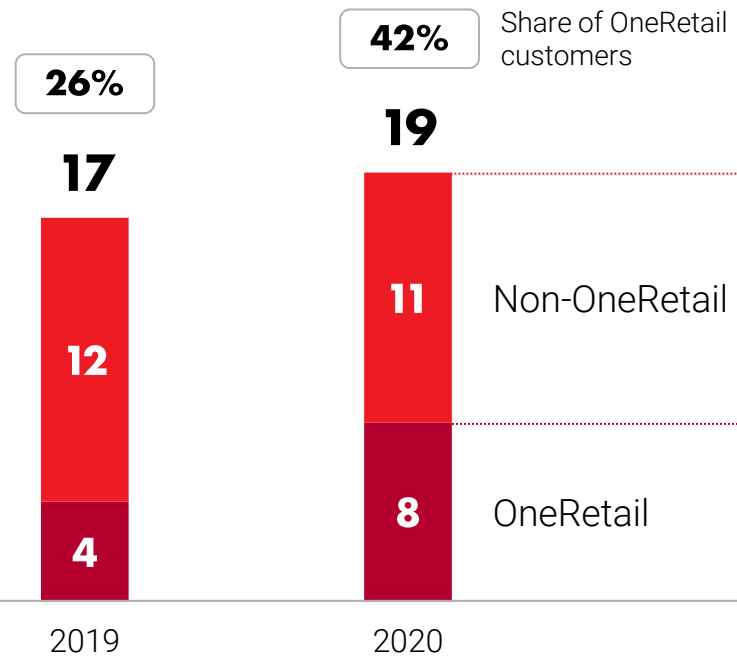


**72m**  
Loyal  
Customer  
Base

**>7x** Customer App  
traffic growth

**+29%** Web Platform  
traffic growth

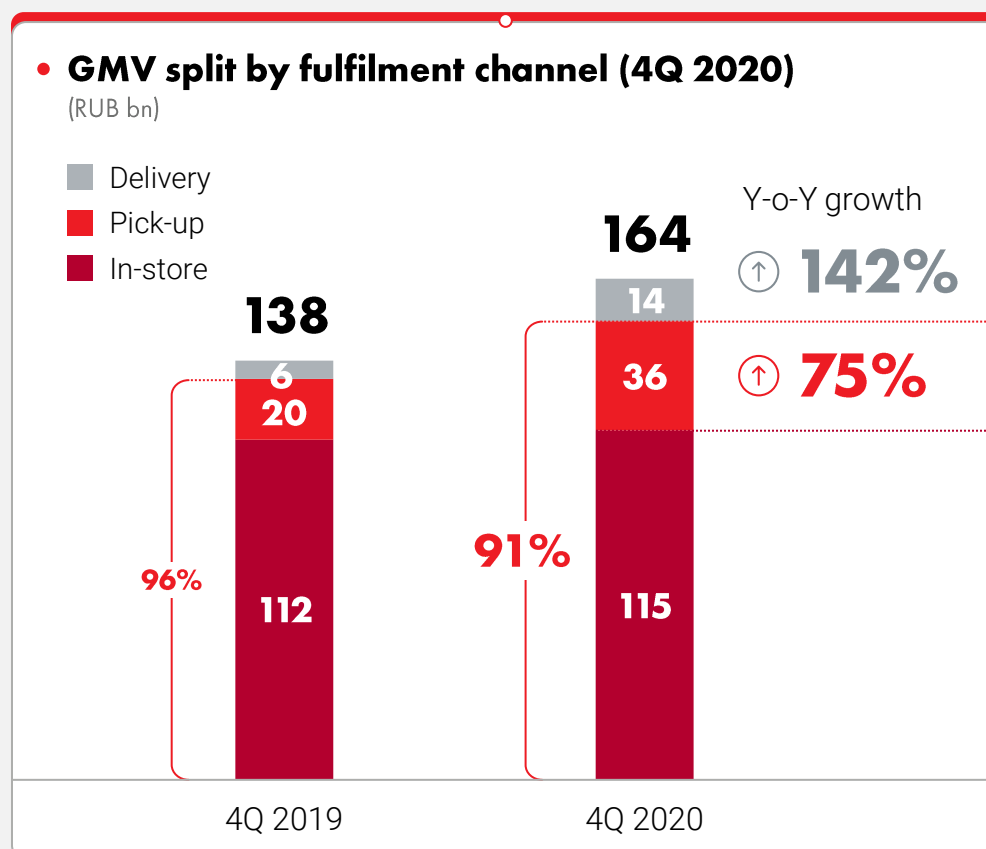
### • Identified active customers (FY2020) (m people)



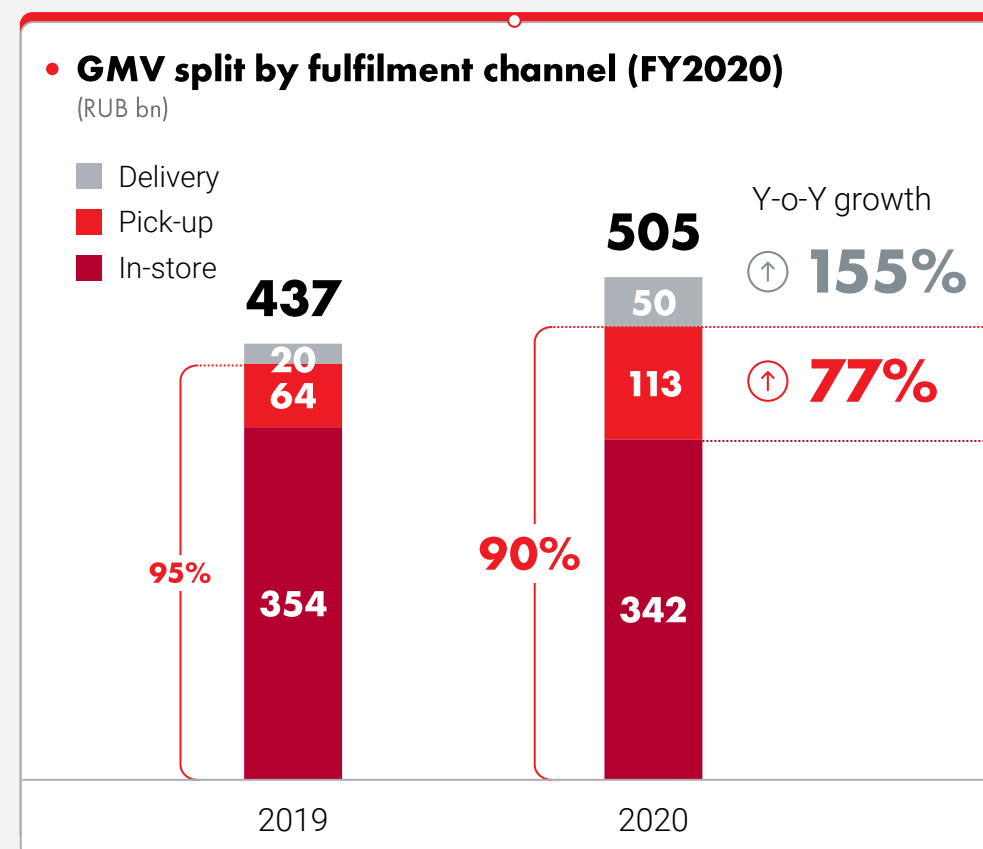
**+79%** OneRetail  
customers growth

**+12%** Identified active  
customers growth

## 02 OVER 90% OF ORDERS WERE FULFILLED USING STORE INFRASTRUCTURE, WHICH IS THE MOST COST-EFFICIENT OPTION



**+75%** Growth in pick-up orders



**+77%** Growth in pick-up orders



M.VideoEldorado

---



2021

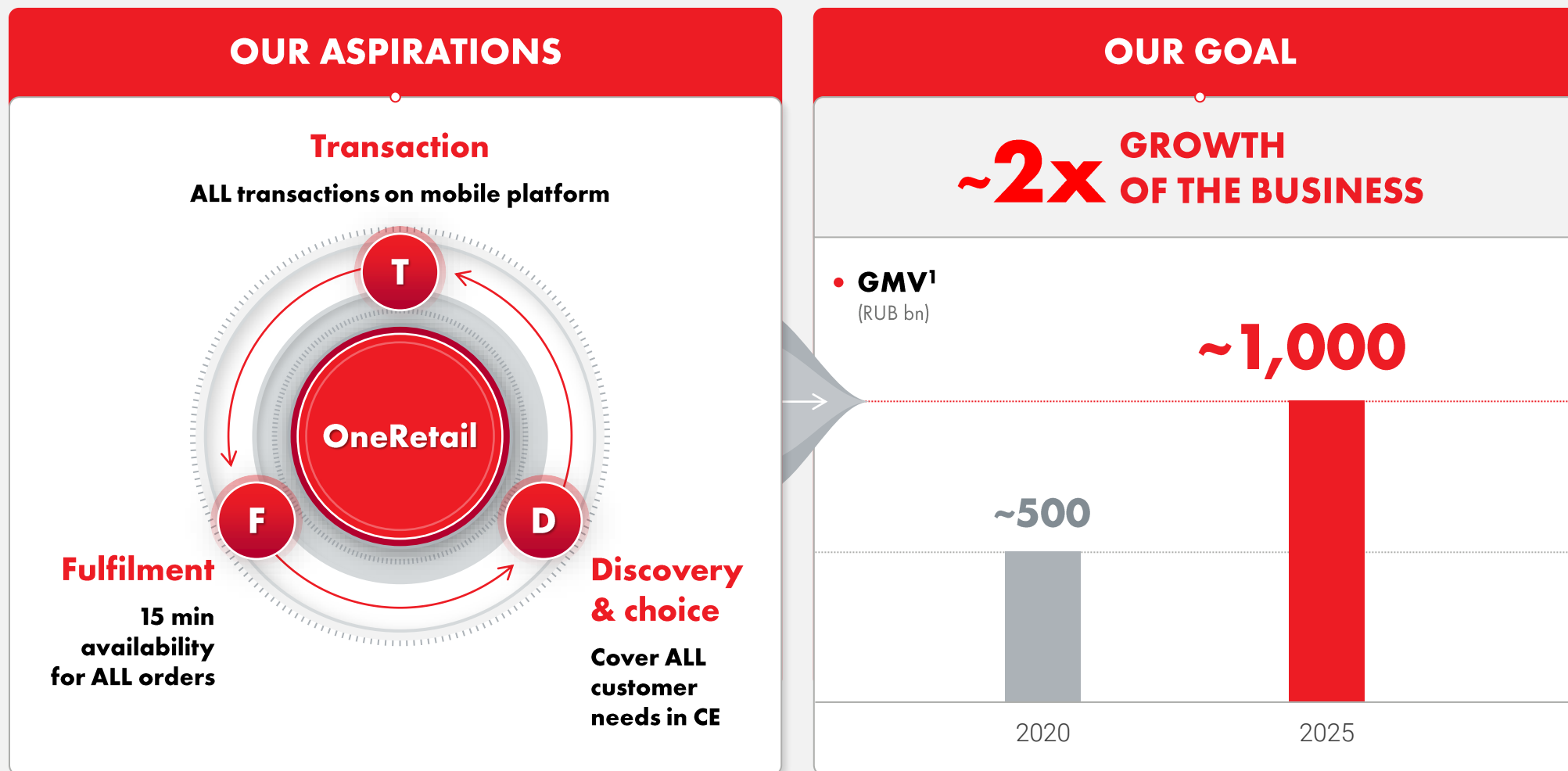
STRATEGY DAY

# STRATEGY

---



## 03 STRATEGIC OBJECTIVE: DOUBLE SIZE OF BUSINESS TO RUB 1 TRILLION GMV BY FY 2025



(1) incl. VAT  
Source: Company data and targets

# 03 STRATEGIC AIM: SCALE UP AND ENHANCE GROWTH "FLYWHEEL"

## Engaged people



## TRANSACTION

### Key initiatives

Tight integration of all transaction points into OneRetail platform including launch of "Single basket"

Launch of AI driven personalized offering

Enhance easy check-out at any touchpoint with multiple payment options

## Famous brands



## FULFILMENT

### Key initiatives

Further scaling our network to provide flexibility and increasing adaptability of the logistics platform

Further enhance delivery experience

Develop advanced complementary post-transaction services

## DISCOVERY & CHOICE

### Key initiatives

Expand CE assortment and share of premium and innovative products

Continue to roll-out and enhance mobile platform, incl. further development of digitally assisted consultations

## Advanced technology

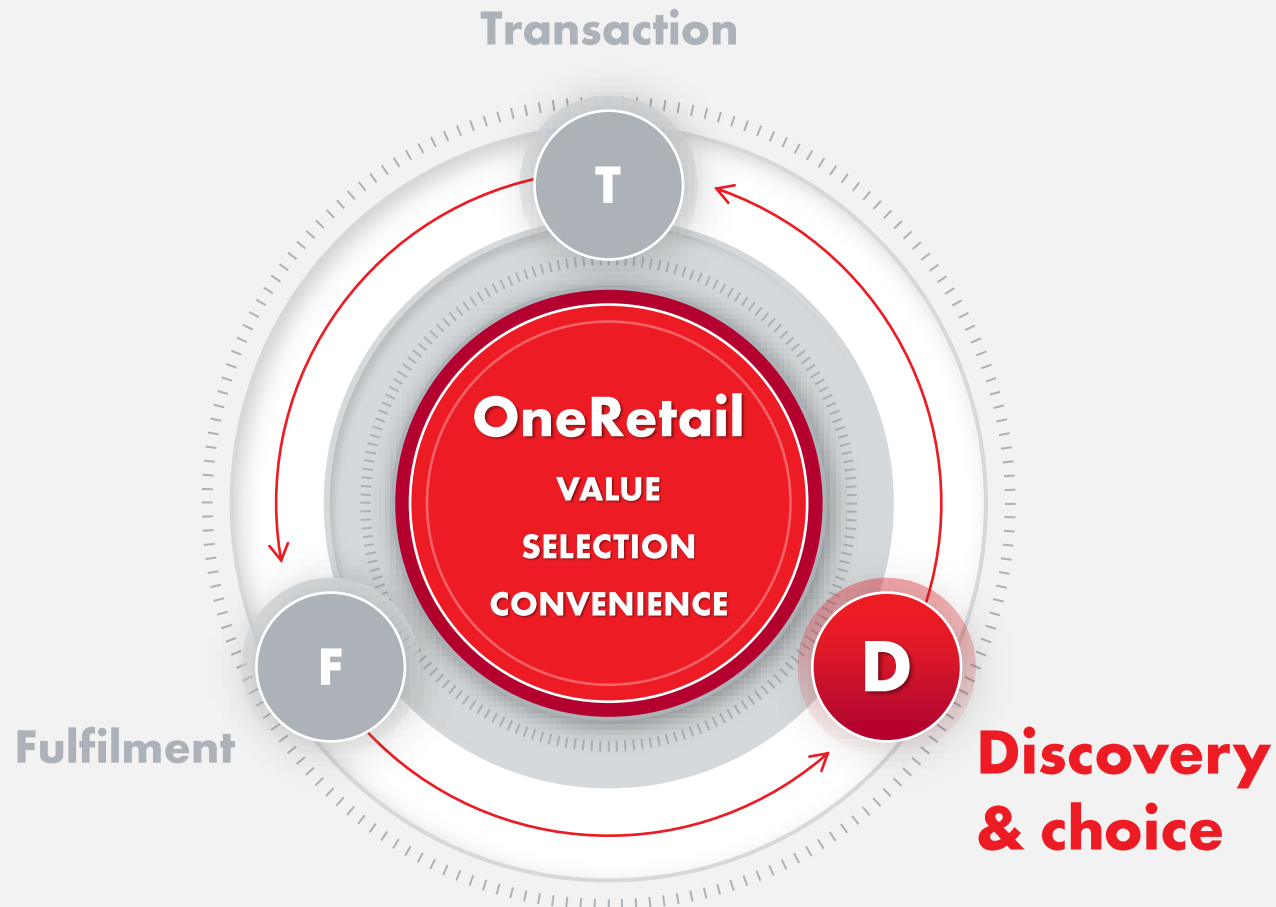


## Effective logistics



03

# ASPIRATION: COVER ALL CUSTOMER NEEDS IN CONSUMER ELECTRONICS



## KEY INITIATIVES



Expand CE assortment and share of premium and innovative products



Continue to roll-out and enhance mobile platform, incl. further development of digitally assisted consultations

## 03 SUBSTANTIAL EXPANSION OF CE ASSORTMENT



**Vendor catalogue**

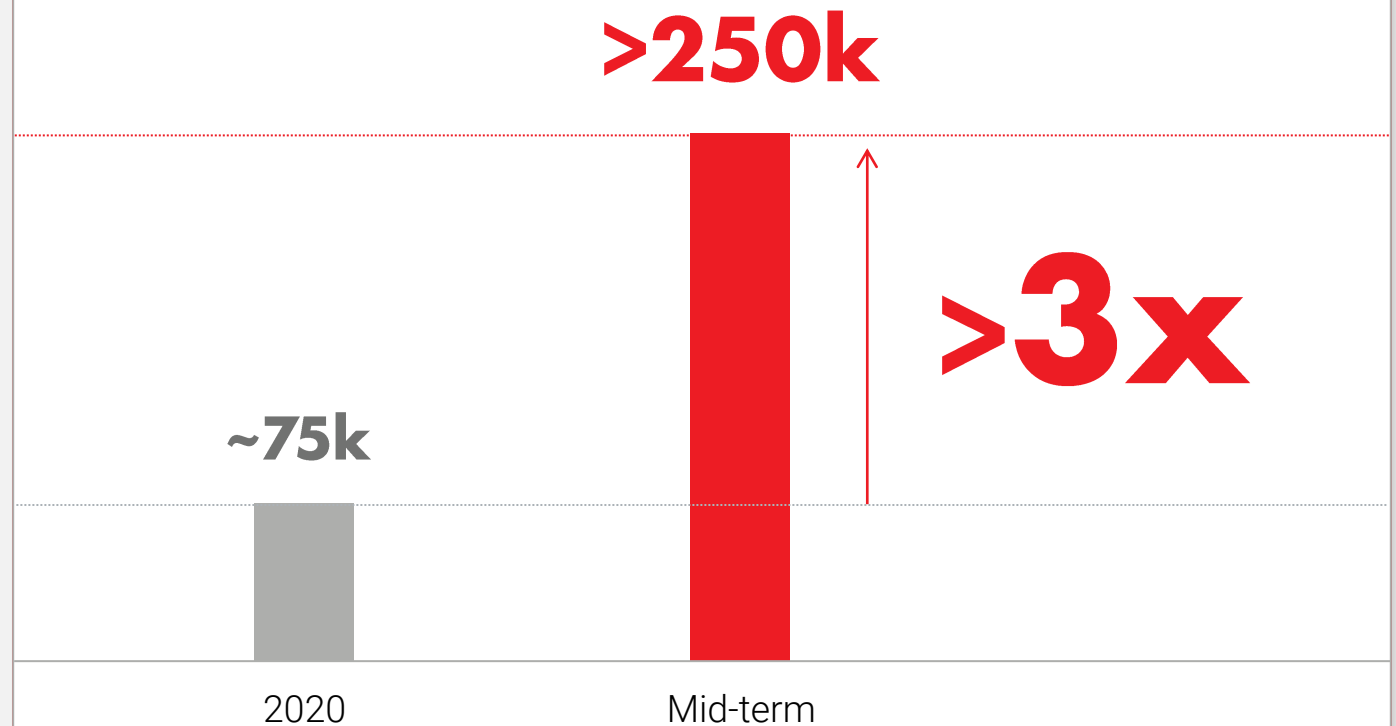


**Endless shelf**



**Marketplace**

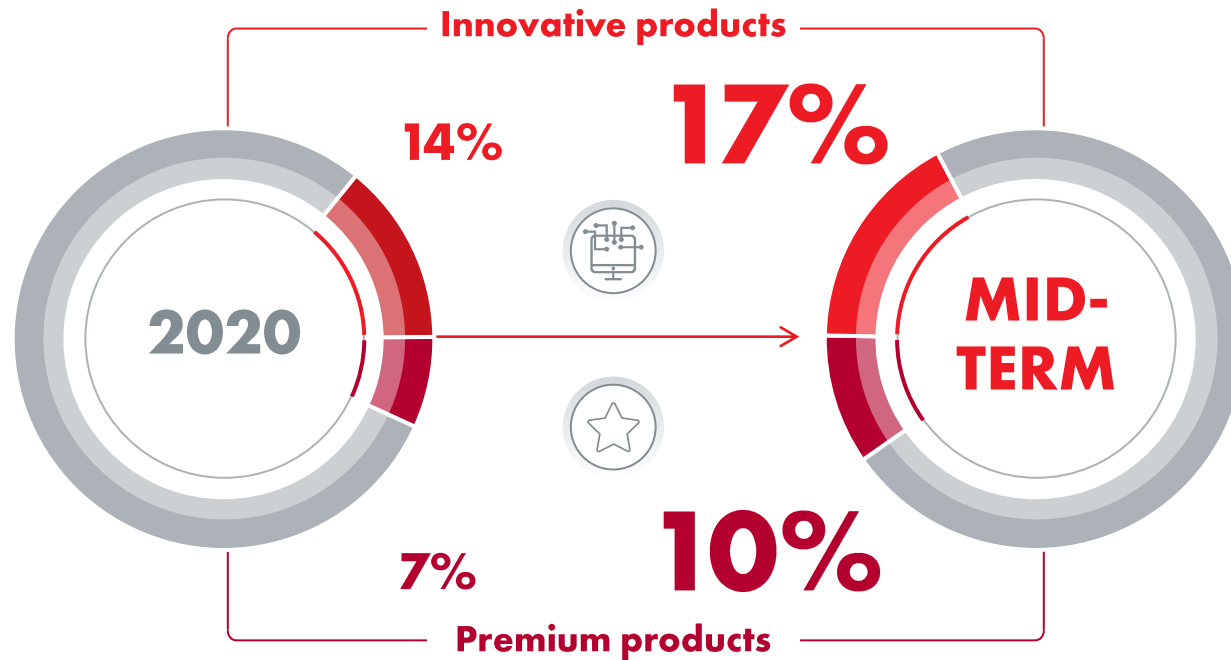
• **CE SKUs (#)**



03

# CONTINUED FOCUS ON HIGH-GROWTH PREMIUM AND INNOVATIVE PRODUCT CATEGORIES

- Share of innovative and premium products (%)



## Innovative / premium products:

Smart home installations



Remote security services and monitoring



Home robotic appliances

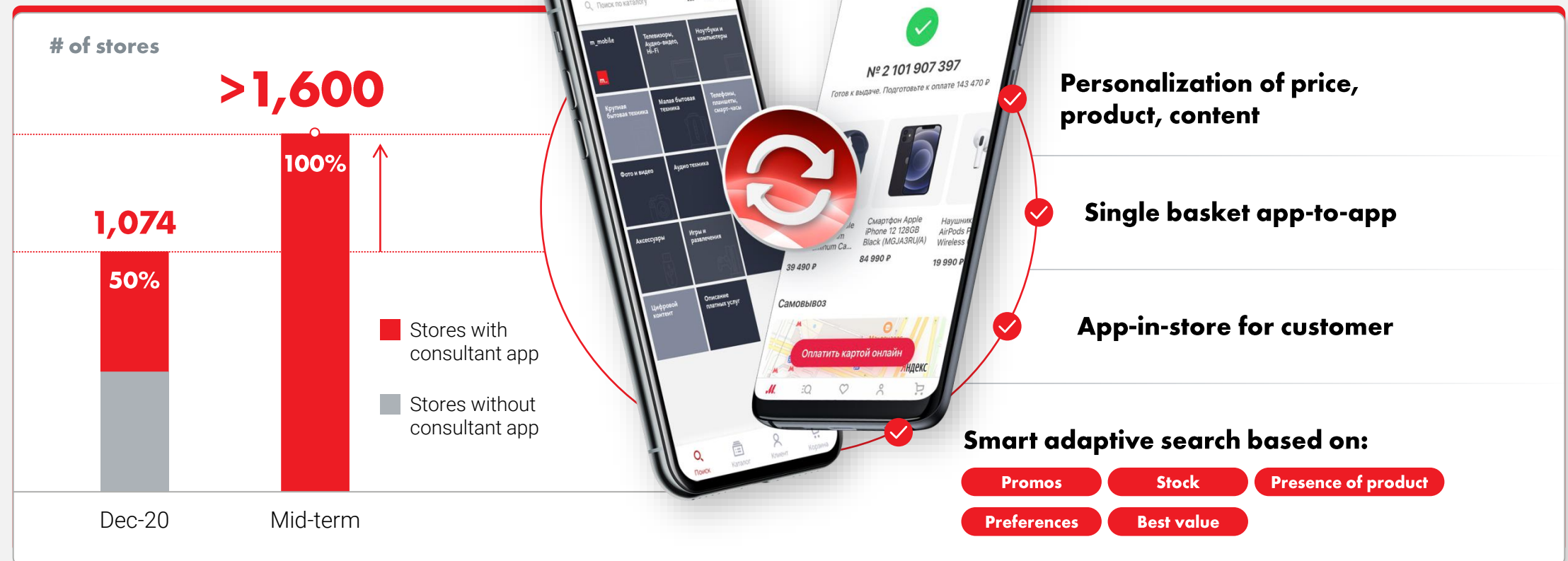


Healthcare wearables



## 03 CONTINUED ROLL-OUT AND ENHANCEMENT OF MOBILE PLATFORM

Further roll-out of mobile platform across our store network and evolution of mobile platform functionality to transform customer experience





## 03 FURTHER DEVELOPMENT OF DIGITALLY ASSISTED CONSULTATIONS

We are increasing the number of digitally assisted consultations to reinforce our differentiation against marketplaces and traditional retail

 **Chat with consultant**

 **In-store**

 **Contact center**

 **Video consultation**

 **Chat-bot**

 **New types to be introduced**

 New types of digitally assisted consultations



# of transactions with digitally assisted consultations (mln)

8.7

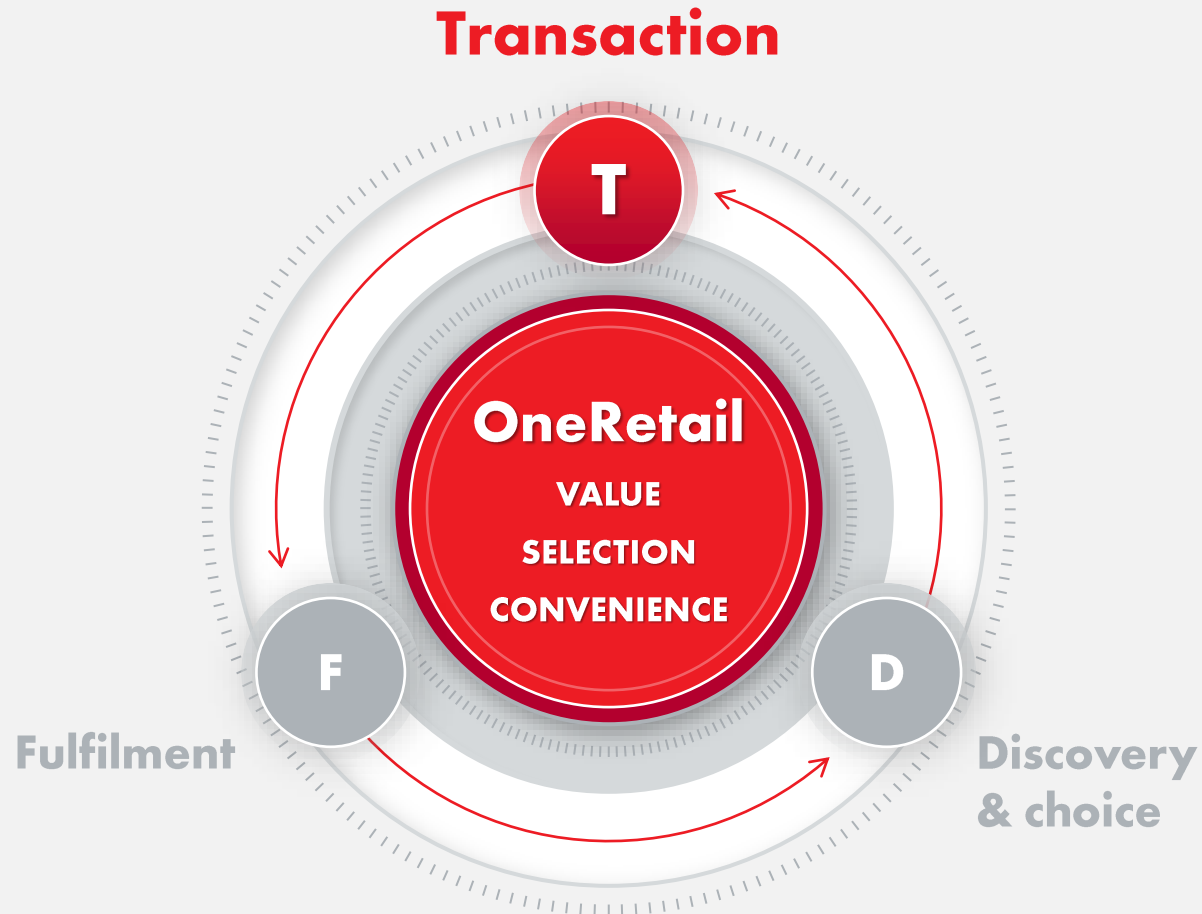
>16

~2x

2020

Mid-term

## 03 ASPIRATION: ALL TRANSACTIONS ON MOBILE PLATFORM



### KEY INITIATIVES



Launch of AI driven personalized offering



Tight integration of all transaction points into OneRetail platform including launch of "Single basket"



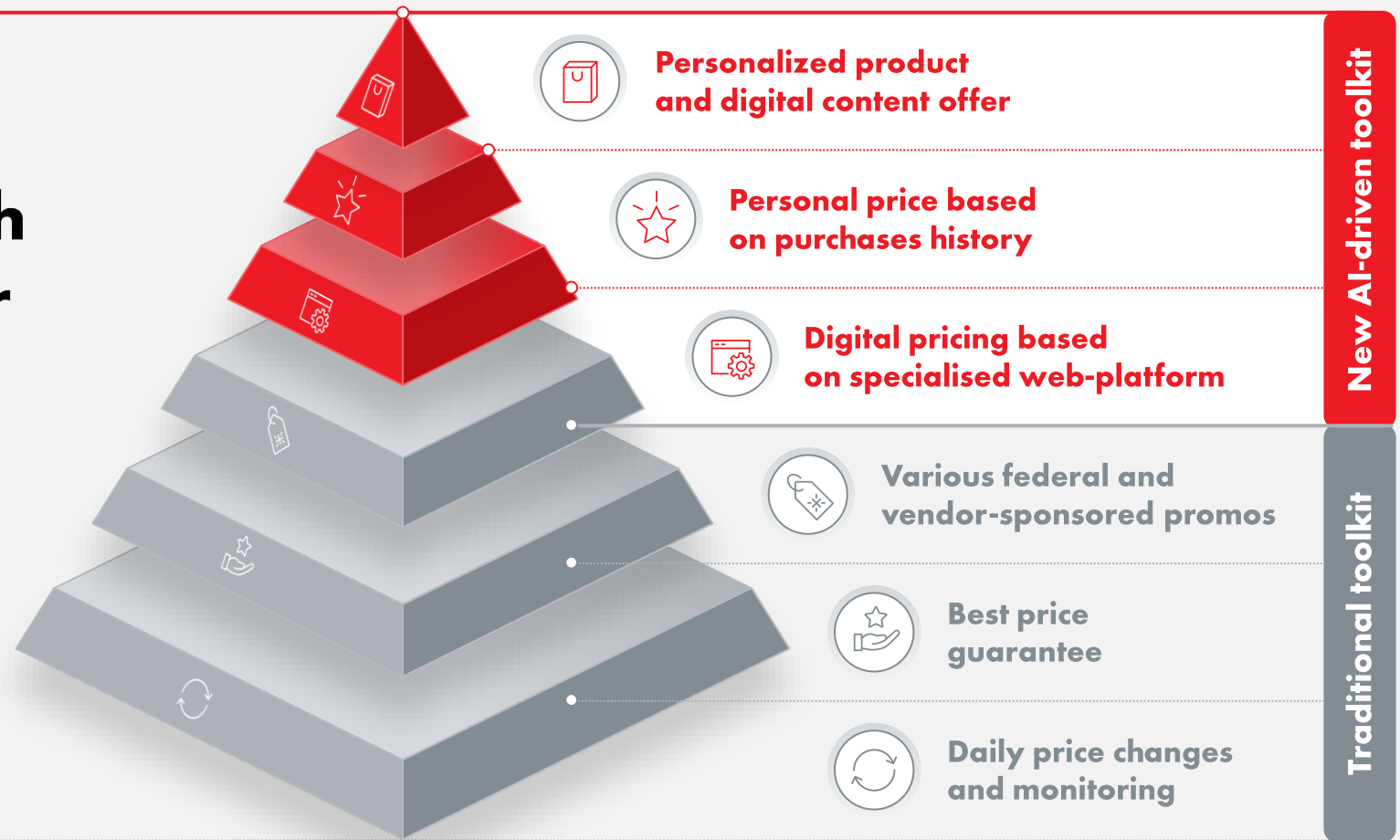
Enhance easy check-out at any touchpoint with multiple payment options

## 03 LAUNCH OF AI-DRIVEN PERSONALIZED OFFERING



**Best value of any transaction for each particular customer**

**~0.35-0.50 pp**  
expected growth of traffic conversion



## 03 LAUNCH OF "SINGLE BASKET" TO LEAD TIGHTER INTEGRATION OF ALL TRANSACTION POINTS INTO ONERETAIL PLATFORM



03

## ENHANCE EASY CHECKOUT AT ANY TRANSACTION POINT WITH MULTIPLE PAYMENT OPTIONS

Enhance check-out experience  
via new payment options



Faster Payments  
System



Payment  
via chat



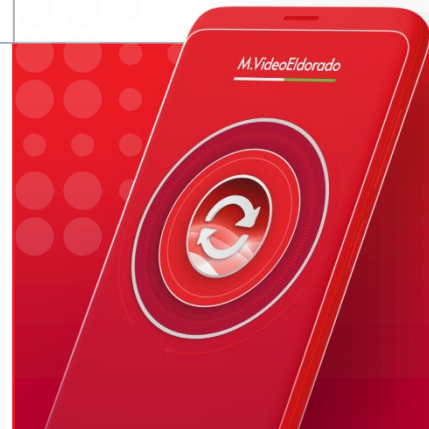
Payment with  
connected card



Loans at any  
transaction point<sup>1</sup>

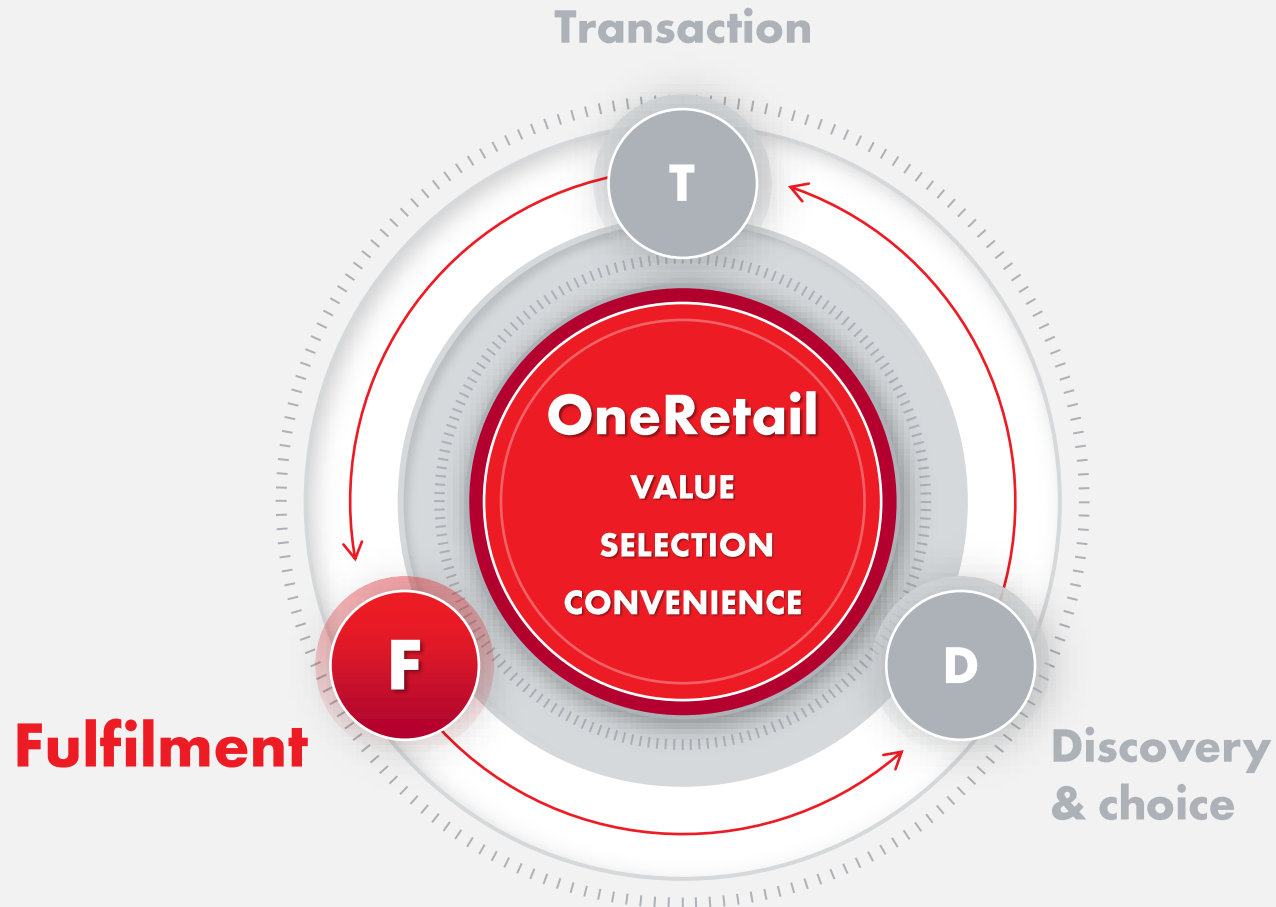


Use of pre-approved  
credit limits



(1) customer app, consultant app, web, store  
Source: Company data and targets

## 03 **ASPIRATION: 15 MINUTE AVAILABILITY FOR ALL ORDERS**



### KEY INITIATIVES



Further scaling our network to provide flexibility and increasing adaptability of the logistics platform



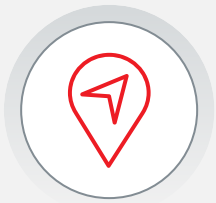
Further enhance delivery experience



Develop advanced complementary post-transaction services

## 03 SCALE UP LOGISTICS PLATFORM THROUGH EXPANSION OF STORE NETWORK

Roll-out of smaller store formats and entering smaller towns will further enhance network coverage



# >100

New towns to be covered<sup>1</sup>



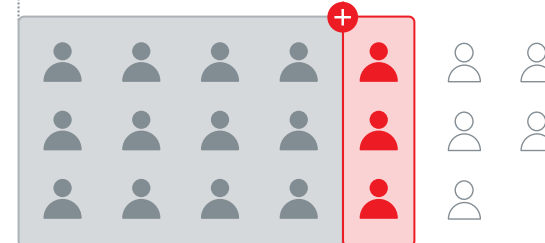
# >500

New stores to be opened<sup>1</sup>

- Increase of same day stock availability<sup>2</sup>

60%  
2020

70%+  
Mid-term





## 03 INCREASE FLEXIBILITY OF THE LOGISTICS PLATFORM

Further development of advanced logistics technologies to improve speed and efficiency of fulfilment



### AI tools to manage in store stock:

Sales forecasting at SKU-store level

Goods redistribution between stores



### AI tools to improve warehouse capacity utilization efficiency



### Automate processes and settings, including:

Delivery schedule management

Order logistics management (goal-setting and monitoring)

- 15 min order availability<sup>1</sup>

34%

2020



50%+

Mid-term



(1) % of GMV  
Source: Company data and targets

03

## FURTHER ENHANCE DELIVERY EXPERIENCE

### Large network of pick-up points

**Widen network of pick-up points**  
via new partnerships aiming  
to reach over 100k points



### Environment friendly delivery options

**Delivery via bicycle,  
scooter, walking**  
among other options



### End-to-end real-time tracking of orders

**Chat with courier**  
**Online adjustment of orders**  
via customer app



## 03 TECHNOLOGY: ENABLING FURTHER DEVELOPMENT OF OUR ONERETAIL STRATEGY

Continue to build out new mobile and AI-driven IT architecture based on robust technological platform

### Strong technological platform processing sizable data



#### ERP

>1k transaction types  
~30k users



#### CRM

>15m clients  
>3.5bn messages sent annually



#### POS

>200k tickets daily



#### Logistics

~36k shipments daily



#### Fulfilment

8 SAP EWM-powered warehouses  
~500 trucks daily



#### Suppliers

>2k offers daily

### Key focus areas for IT development



Priority towards **mobile channels** and full **OneRetail seamless space** creation



**Microservice flexible** IT architecture



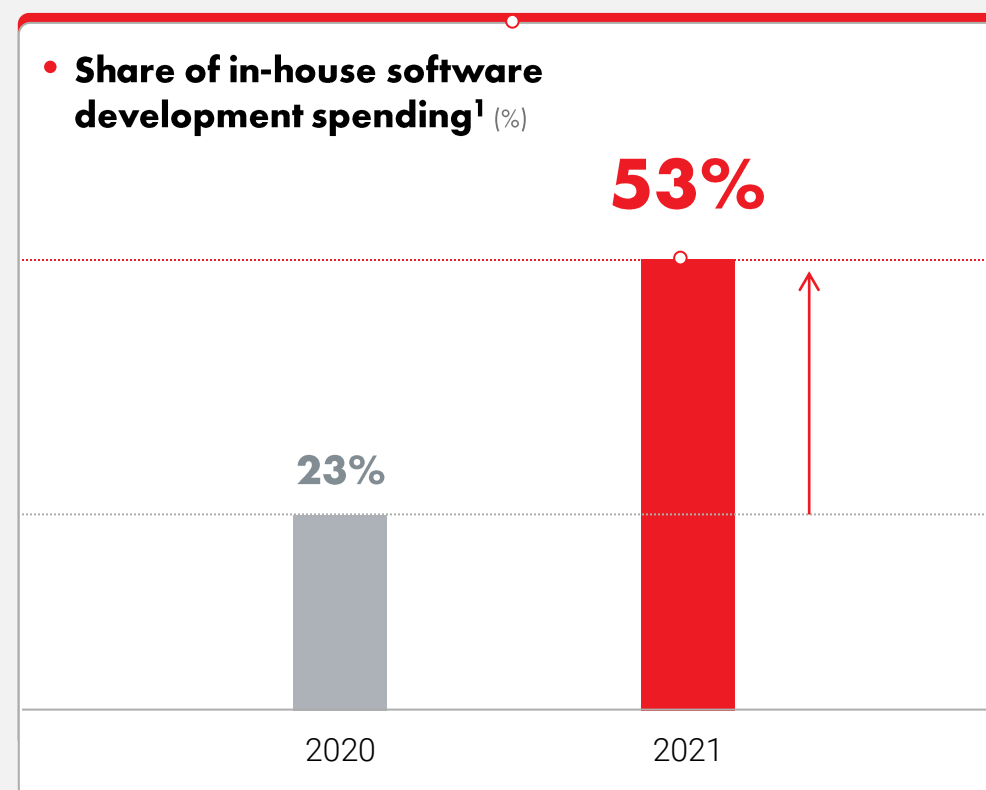
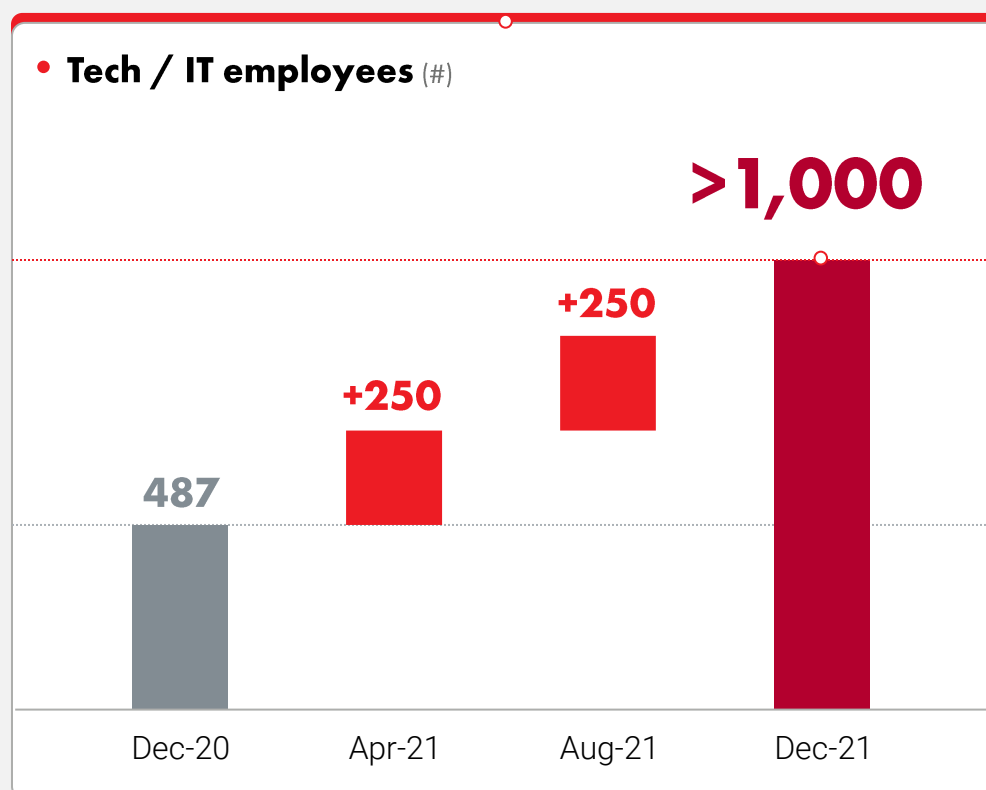
Development of **AI-driven predictive instruments** for all key business processes



**Agile product teams**

## 03 SIGNIFICANT INVESTMENTS IN PROPRIETARY SOFTWARE DEVELOPMENT AND INCREASE OF TECH PERSONNEL

Further strengthen in-house tech competencies to increase share of proprietary software developed in-house



(1) 23% and 53% are the planned shares of in-house software development in total IT spending: as of the beginning and as of the end of 2021 respectively  
Source: Company data and targets

## 03 PEOPLE: SHIFTING MINDSET TO FIT ONE RETAIL STRATEGY

YESTERDAY

TOMORROW



**RETAIL  
COMPETENCY**  
Shop assistant



Expert advice and sale  
of the goods to customers  
entering a store



**Exceptional assistance  
on the way to digital  
integration**



**TECH  
COMPETENCY**  
IT personnel



On-demand IT support  
of externally developed  
IT infrastructure



**Tight integration with  
business and adoption  
of product approach**



**OFFICE  
COMPETENCY**  
Logistics personnel



Coordination of logistics  
between shops and  
distribution centers



**Efficient ecosystem  
of logistics services to achieve  
best customer experience**



**OFFICE  
COMPETENCY**  
Office personnel








Functional mindset



**Agile product mindset**

## 03 STRATEGY OF PROFITABLE GROWTH: MEASURING OUR SUCCESS

### OPERATING KPIs

	2020	Mid-term
 # of active identified active customers	19m	25m
 Share of OneRetail customers <sup>1</sup>	42%	85%+
 Total online sales <sup>2</sup>	60%	85%+
 Mobile platform sales <sup>2</sup>	31%	60%
 15 min order availability <sup>2</sup>	34%	50%+





**GMV<sup>3</sup>**

**~500 ~1,000**

RUB bn 2020 → RUB bn 2025

**~2x**  
growth of the business

### FINANCIAL KPIs

Mid-term	
5-7%	EBITDA margin 
< 2.0% of GMV	Moderate CAPEX 
Payout of 100% NI	Sustainable and attractive dividends 
< 2.0x	Net Debt / EBITDA 

(1) % of identified active customers; (2) % of GMV; (3) Incl. VAT  
Source: Company data (based on IAS 17 figures, unaudited) and targets

## 03 LOOKING BEYOND CURRENT STRATEGY

### DEVELOPMENT OF COMPLEMENTARY SERVICES

### EXPAND ONERETAIL BEYOND CE





# 03 SUSTAINABILITY IS INTEGRATED INTO OUR GROWTH "HACKING RETAIL" STRATEGY



## PLANET

### Reducing GHG emissions

- Assess GHG emissions (Scope 1,2,3) in 2021
- Reduce GHG emissions by improving energy efficiency of our own operations and supply chain

### Circular economy & Waste management

- 100% regions of presence covered by the proper recycling project by 2024
- At least 10 mln people covered by educational activities by 2023



## PEOPLE & COMMUNITIES

### Encouraging learning and growth

- Equal opportunities for all employees
- At least 60% of positions covered by internal candidates

### Safety, inclusivity and diversity

- Develop zero incident safety culture
- Increase diversity across our teams

### Investing in communities

At least 15% of employees are volunteers



## CUSTOMERS & TECHNOLOGIES

### Accessibility

Equip 100% stores and our online platforms with assistive technologies

### Privacy and data security

100% awareness and prevention of cybersecurity issues

### Products that promote sustainable and healthy lifestyle

Increase share of sustainable and healthy lifestyle goods by at least 20%



## 03 **APPROACH TO SUSTAINABILITY: BUILDING A FUTURE TO BE PROUD OF**

Our priority UN SDG	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>10REDUCED INEQUALITIES</div></div>	<div>8DECENT WORK AND ECONOMIC GROWTH</div>	<div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div></div>	<div>17PARTNERSHIPS FOR THE GOALS</div>
<div><div></div><div>Results achieved in 2020</div></div>	<div><div>RUB 5m</div><div>in donated devices to hospitals amid the pandemic</div></div>	<div><div>31%</div><div>retail employees turnover (one of the lowest in the industry)</div></div>	<div><div>192 stores</div><div>equipped with remote control power supply systems</div></div>	<div><div>WWF conservation projects</div><div>active participant</div></div>
	<div><div>6k participants</div><div>in the volunteer movement</div></div>	<div><div>+8% increase</div><div>in training coverage of office staff</div></div>	<div><div>17 regions</div><div>covered by Russia's first project for the recycling of electronics</div></div>	<div><div>Memorandum on Sustainable Development</div><div>promoter</div></div>
	<div><div>COVID-19 prevention and support</div><div>for all employees and customers</div></div>	<div><div>Ensuring security and wellbeing</div><div>(financial, psychological and social)</div></div>	<div><div>1k tons+</div><div>of electronics recycled</div></div> <div><div>20 tons+</div><div>of batteries recycled</div></div>	<div><div>Leading cross-industry partnership</div><div>to decrease single-use packaging in stores</div></div>
<div><div></div><div>Ambitions</div></div>	<div><div>Provide access to people</div><div>with different abilities</div></div>	<div><div>Provide secure employment</div></div>	<div><div>Reduction of GHG emissions (Scope 1,2,3)</div></div>	<div><div>Promote responsible consumption</div><div>by bringing together ecosystems of customers, partners and producers to drive sustainable growth</div></div>
	<div><div>Offer a broad selection</div><div>of healthy lifestyle products</div></div>	<div><div>Increase employee satisfaction</div><div>by creating learning, safe and diverse culture</div></div>	<div><div>Improvement of waste management practices</div></div>	
	<div><div>Strategic charitable</div><div>and volunteering activities</div></div>			

## 03 NEXT STEPS FOR STRATEGIC ESG INITIATIVES



### DEVELOP POLICIES

that establish framework  
for achieving ESG  
ambitions and goals



### COLLABORATE WITH STAKEHOLDERS

to promote responsible  
consumption practices



### IMPROVE ESG DISCLOSURE

and obtain  
ESG ratings



### SET UP A CLEAR FRAMEWORK OF GOVERNANCE

and internal controls  
of ESG performance  
at the management bodies

## 03 SHAREHOLDERS SUPPORT TRANSFORMATION OF GOVERNANCE STRUCTURES

### • Shareholding structure as of Dec-2020 (%)



#### Two-tier governance structure:

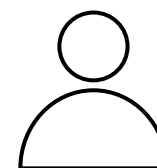
balanced BoD and distinguished Management Board



#### Exceptional treatment of minorities

since IPO in 2007 (including MTO terms in 2017)

### • Expected Board of Directors structure<sup>1</sup>



**Chairman  
of the Board**



**Indicate Independent Director ("INED")**



**Indicate shareholder representative**

### • Committees structure



#### Audit committee

fully comprised  
of INEDs



#### Remuneration and Nomination committee

fully comprised  
of INEDs











#### Strategy and digital transformation committee

chaired by founder of  
M.Video A. Tynkovan

(1) to be effective since May 2021  
Source: Company data

# 03 EXPERIENCED MANAGEMENT TEAM

 <div>25+ 1</div> <p><b>Alexander Izosimov</b> CEO</p> <p>McKinsey &amp; Company VimpelCom MARS</p>	 <div>20+ 5</div> <p><b>Ekaterina Sokolova</b> CFO</p> <p>Deloitte. THKBP</p>	 <div>20+ 2</div> <p><b>Dagmara Ivanova</b> Managing Director of M.Video</p> <p>X5RETAILGROUP Orkla</p>	 <div>20+ 12</div> <p><b>Sergey Li</b> Managing Director of Eldorado</p> <p>PHILIPS Sulpak</p>
 <div>20+ 1</div> <p><b>Alexander Sokolovsky</b> Chief Information Officer</p> <p>СБЕРБАНК LEROY MERLIN</p>	 <div>20+ 11</div> <p><b>Oleg Muraviev</b> Commercial Director</p> <p>LG Electronics B/S/H/</p>	 <div>25+ 24</div> <p><b>Irina Dementieva</b> Supply Chain Director</p>	 <div>20+ 10</div> <p><b>Natalya Maleeva</b> Human Resources Director</p> <p>ДЕТСКИЙ МИР MARY KAY</p>

Years of relevant experience

Years with M.Video

Company logos denote previous experience

M.VideoEldorado

---

**WE WILL DOUBLE  
THE BUSINESS  
BY HACKING  
RETAIL**

---

**2x**

M.VideoEldorado

---



2021

STRATEGY DAY

**Q&A**

---







**Alexander  
Izosimov**

CEO



**Ekaterina  
Sokolova**

CFO



**Dagmara  
Ivanova**

Managing Director  
of M.Video



**Sergey  
Li**

Managing Director  
of Eldorado



**Oleg  
Muraviev**

Commercial  
Director



**Maxim  
Novikov**

Investor Relations  
Director

# Q&A SESSION