



M.Video Sales Growth Speeds Up to 9%, Online Soars by 55% in 3Q 2017

October 18, 2017, Moscow, Russia. PJSC M.video (M.Video, the Company, or the Group), Russia's largest consumer electronics retailer by revenue (MOEX: MVID), releases today its interim unaudited sales, like-for-like sales, and the network expansion results for the third quarter and nine months ended 30 September 2017.

3Q 2017 Highlights:

- Sales increased by 9% and amounted to RUB 58.7 billion (with VAT)
- Like-for-Like (LFL) sales grew by 5.8%
- Online Based Sales (OBS) increased by 55%

9M 2017 Highlights:

- Sales increased by 3.7% and amounted to RUB 157.1 billion (with VAT)
- Like-for-like (LFL) sales increased by 0.4%
- Online Based Sales grew by 30% to RUB 22.4 billion (with VAT)

In the third quarter of 2017, M.Video Sales grew by 9.3% year-on-year to RUB 58.7 billion, including VAT. Like-for-Like Sales growth speeded up to 5.8% in 3Q 2017, on the back of improving market conditions, the Company's marketing efforts, and payback from strategic projects, such as M.Mobile and M.Credit, rolled-out across the chain in the first half of 2017. LFL Sales growth was driven by increased traffic, both online and retail, higher conversion rate, and units sold per transaction, while the average selling price remained lower year-on-year.

In 9M 2017, M.Video Sales increased by 3.7% year-on-year and reached RUB 157.1 billion, including VAT. LFL Sales stood almost flat at 0.4% in 9M 2017.

M.Video Online Based Sales (including home delivery and instore pick-up) increased by 30.3% year-on-year to RUB 22.4 billion, including VAT. OBS grew by 54.6% year-on-year in 3Q 2017, driven by higher traffic, conversion and instore pick-up rate.

"In the third quarter of 2017, we evidenced some notable revival of consumer activity in the electronics and home appliances market compared to the end of 2016 – beginning of 2017. However, sales volume growth continued to outpace sales value on the back of prices deflation. The company outperformed the market in key categories in the third quarter and nine months of 2017. M.Video sales grew by 9%, while units sold increased by 16% in the third quarter. M.Video demonstrates outstanding results both in online and on company level, and keeps undisputed leadership in the consumer electronics market", – commented M.Video President Alexander Tynkovan.

"For several quarters in a row, we have been actively investing our time and resources in the development of the Company's strategic projects, such as ecosystem approach to sales of digital products, mainly telecomm, and attached accessories and services; consumer credits program development; implementation of new mobile technologies into retail business. M.Video seeks to benefit from using modern IT-platform and tools, and, being the market leader in retail, rapidly grows its online business. In the third quarter, M.Video online sales grew 55% showing the highest pace over the last couple of years, and significantly ahead of the market. M.Video competes successfully for the customers' minds both in traditional categories, such as home appliances and TVs, and in digital, for instance, action-cameras and flagship smartphones. Modern IT-solutions and long-term partnership with suppliers make it possible for us to offer our clients the richest product range at attractive prices and to ensure the best service», – emphasized M.Video Chief Executive Officer Enrique Fernandez.

In 9M 2017, M.Video opened 7 new stores (including 4 stores opened in 3Q), and closed one store for relocation. As of September 30, 2017, the Company operated 404 stores in 165 cities of Russia. The selling space accounted to 670,000 sqm, and the total space to 905,000 sqm as of September 30, 2017.



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3Q & 9M 2017 M.Video Sales and Expansion Summary:

Sales	9m 2017	9m 2016*	YoY, %	3Q 2017	3Q 2016	YoY, %
RUB million, with VAT	157 082	151 465	+3.7%	58 712	53 701	+9.3%
RUB million, net of VAT	133 120	128 360		49 756	45 509	

Online Based Sales (Home Delivery + Pick Up)	9m 2017	9m 2016*	YoY, %	3Q 2017	3Q 2016	YoY, %
RUB million, with VAT	22 396	17 194	+30.3%	9 419	6 092	+54.6%
RUB million, net of VAT	18 980	14 571		7 982	5 162	

LFL **	9m 2017 / 9m 2016, %	3Q 2017 / 3Q 2016, %
RUB	+0.4%	+5.8%

Expansion	31.12.16	30.09.2017	New 9m 2017**	
Stores	398	404	+6	+1.5%
Selling space, ths. sq.m	663	670	+7	+1.0%
Total space, ths. sq.m	895	905	+10	+1.1%

* Sales numbers for 2016 have been adjusted according to the Company's IFRS accounting policy which came into effect in 2017.

** Note: LFL data is based on a comparison of stores operating as of January 1, 2016 and not closed for more than two weeks, and/or not expanded or downsized by >20% of their total space.

*** 7 new stores were opened (4 stores in 3Q) and 1 closed for relocation in 9M 2017.

Note for editors:

M.Video is the largest Russian consumer electronic retail chain by revenue. The Company started its operations in 1993. In November 2007, M.Video became the first publicly traded company in the domestic consumer electronic retail sector. The Company's shares are traded on Moscow Exchange (ticker: MVID). M.Video runs 404 brand name stores in 165 Russian cities. As of September 30, 2017, the selling space of M.Video stores was 670,000 sq. m, and the total space was 905,000 sq. m.

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