

# M.VideoEldorado

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## **M.Video's brand Novex ventures into the Russian television market and uses the Yandex megaplatform**

**3 August 2020, Moscow. 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, is in the process of expanding its product range, producing new models under Company-owned brands. With its Novex brand, M.Video has ventured into the Smart TV and 4K market, selling mid-range models at affordable prices that use Yandex's multimedia platform.**

Through its brand Novex, M.Video-Eldorado Group has taken its first steps into the Russian television market. The Company has previously produced and sold equipment in this market under the banner of Hi, an Eldorado brand. This represents the Group's two-pronged approach. Eldorado provides consumers with budget television options, while M.Video supplies a range of more advanced, but still well priced, models. At the present time, Novex offers a range of goods which includes eleven televisions, ranging from 24 to 65 inches in size.

### **Yandex multimedia platform – a new frontier for M.Video-Eldorado Smart Televisions**

The increasing popularity of Smart and 4K (UHD) Televisions is driving growth in the Russian TV market. This is facilitated by the growing accessibility of new technology and the development of the online video market. Under its Novex brand, M.Video has introduced an assortment of new 4K televisions into its product range. These products come with pre-installed Smart TV content provided by Russian tech giant Yandex. The average price of a 30–44 inch Smart TV in the Russian market stands at around RUB 20,000–22,000. In this department, M.Video outcompetes its competitors, offering its 43 inch televisions at the affordable price of RUB 17,990. This 20% saving is possible thanks to the use of local development and production.

Consumers can pick up one of M.Video's Novex TVs on the Yandex megaplatform. There are currently two models on offer, with prices ranging from RUB 17,990 for the 43-inch model to RUB 34,990 for the 65-inch. Smart Televisions have a 3840x2160 (4K UHD) resolution, a slimline body with an optical depth of 20 mm, a high contrast matrix and an inbuilt DVB-S2 satellite tuner. In addition to all this, they are fitted with voice recognition technology and support HDR10 and HLG standards.

The Yandex content platform, which operates via the Android operating system (using Android Open Source Project) gives users the opportunity to view more than 200 TV channels from Yandex.Live, films and series from the online cinema KinoPoisk HD, and even YouTube clips. The fun doesn't stop here, however, as users also have the ability to surf the web via Wi-Fi.

"With the new private label now firmly established within the Group, we are confident that we can both satisfy demand in the growing TV segment and respond to different consumer budgets and preferences. By centring our production in Russia, we are able to offer products at competitive prices, conduct our own quality control operations and ensure our presence in more than 250 cities across the country. Both M.Video and Eldorado have loyal customer bases and their own points of growth. Our Hi range focuses on budget options, while our Novex models put a big emphasis on new technologies and ensuring a premium user experience. In terms of our future plans, we are committed to further developing our brands and entering into new segments of household

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appliances, ensuring our products satisfy consumers' growing demands", commented **Maxim Gusev, M.Video-Eldorado Director for Strategic Development.**

## **Over a single year period, sales under the Hi brand totalled 10% of Eldorado's total sales volume**

Eldorado first released its budget television brand Hi in May 2019. At the present time, customers have a choice of 16 models, with a starting price of RUB 5,790. Each model is compact in nature, with thin frames and a slimline body. Our televisions are produced within the Russian Federation. Results for the first half of this year show that sales under the Hi brand amounted to around 10% of the chain's total television sales.

## **Smart Televisions make up over half of the Russian market**

Based on the results for 1H 2020, the Russian television market experienced remarkable growth, jumping by 16% and 7.5% in volume and value terms to hit 3.4 million and RUB 72 billion, respectively. Smart Televisions accounted for over 55% of the total market volume, while making up 80% in value terms. The growing popularity of 4K (UHD) televisions is a lucrative turn of events for the Company. Currently, every third television sold is a 4K model. This is up from 1 in 4 last year, and 15% in 2017. These models make up around 60% of the total market value.

## **About M.Video-Eldorado Group**

**About 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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