

# M.VideoEldorado

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## **M.Video-Eldorado research: sales of smart speakers in Russia up 6.5 times over the past year**

**16 September 2020, Moscow, Russia. M.Video-Eldorado Group (PJSC M.Video, MOEX: MVID), Russia's largest consumer electronics retailer and part of SAFMAR Group owned by Mikhail Gutseriev, announces statistics on the Russian portable audio and smart speaker market for the seven months of 2020. In January to July, Russia saw purchases of around 1.3 million devices for a total of RUB 6.7 bn, delivering a year-on-year growth of 31% and 38% in volume and value terms, respectively. Speakers with AI-driven voice assistant recorded the strongest boost in demand, with their sales up 6.5 and 5 times year-on-year in volume and value terms, respectively.**

The improved sound quality as well as shock-proof and water resistant features add to the popularity of portable wireless audio devices (over 70% of those sold are water-resistant). Other contributing factors include growing demand for additional light effects (+85% year-on-year in volume terms) and increasingly popular music streaming services. Speakers are compact, easy to operate, and have a long battery life. Plus, they are affordable with an average ticket at RUB 5,200. JBL remains the best selling brand.

Another factor driving the portable audio sales is the rising consumer interest in smart speakers. Demand for these devices surged 6.5 times in volume terms and expanded five-fold in value terms. There are currently about 20 models of smart speakers available in the Russian market, with prices ranging between RUB 4,000 and RUB 30,000. In January to July 2020, the average ticket stood at RUB 5,700. Devices featuring Alice, a virtual assistant from Yandex, accounted for the vast majority of sales.

The first Yandex.Station went on sale in July 2018. Today, Alice is available on smart speakers made by Yandex (two models) and its partners, including JBL Link Portable, LG XBOOM WK7Y, Elari SmartBeat, and others. Launching on 31 October 2019, Yandex.Station Mini has been the top selling smart speaker.

In late April 2020, Mail.ru Group's acoustic system, called Capsule and featuring the Marusya voice assistant, launched in the Russian market, initially available for RUB 7,990. Gray sales of Google Home, Amazon Echo, and Apple HomePod, which all come with non-Russian speaking Google Assistant, Alexa, and Siri, respectively, accounted for less than 1% of the total number of smart speakers sold in Russia.

**Vadim Eremin, Head of Gadgets and Innovations at M.Video-Eldorado:** 'The emerging market of voice-controlled acoustics is expanding rapidly on the back of releases of more affordable devices, launches of new voice assistants, and improved functionality in the existing ones. The growth is also bolstered by a steady increase in sales of wireless music speakers as voice commands and messages are gaining traction among smartphone users. This segment of the audio equipment market also has the potential as a smart home integrator and an incentive to have more internet-connected home appliances'.

The main features of voice-activated speakers include music playback, search for information on the internet, conversation support, reminders, alarm clock, weather forecast, road traffic reports, and interactive services for children. Speakers are also increasingly popular as a way to control smart home products and Wi-Fi connected appliances, which saves time and effort. Users can now turn on a washing machine and robot vacuum cleaner, boil a kettle, start a TV video service, change the colour of the room lights or adjust their brightness with just a voice command.

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## 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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