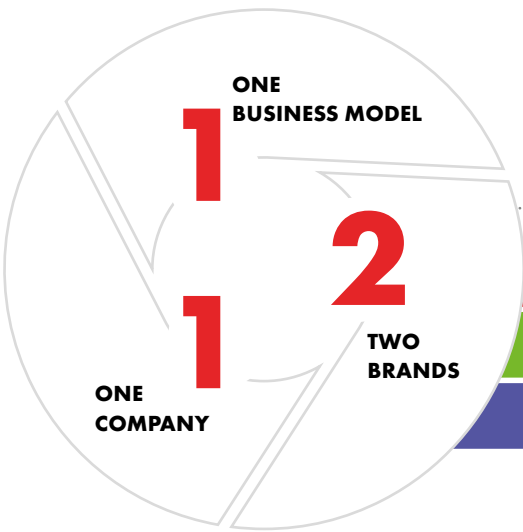


BUSINESS MODEL

A FLEXIBLE BUSINESS MODEL CREATES THE BASIS FOR THE GROUP'S DEVELOPMENT STRATEGY, WHICH SEES ITSELF AS THE STRONGEST, MOST INNOVATIVE AND MOST EFFICIENT PLAYER IN THE RUSSIAN HOUSEHOLD APPLIANCES AND CONSUMER ELECTRONICS MARKET.

The principle of 'One Company - One Business Model - Two Brands' ensures a highly efficient operating model, making it possible to fully realize the effects of scale and synergies from the merger of M.Video and Eldorado



2018 – 2022
2014
2012

Multichannel

- Expansion of the traditional retail network through an online store and call centre;
- An increase in the geography of the online business and the development of online service.

Omni-channel

- Alignment of the product range, prices and sales approaches online and offline;
- Development of online marketing.

ONE RETAIL

- A single digital retail environment with seamless transition between sales channels;
- A single customer view throughout all points of interaction with buyers;
- Solutions based on mobile Internet, data analysis, machine learning, VR and AR technologies.

BRANDS AND AUDIENCE



Brands

Two leading brands openly competing in the market

26% total market share of 25.6% for the Group



Customers

1 billion customer contacts per year

From mass retail to the premium segment

FULL AUDIENCE – ALL CUSTOMER AND PRICE SEGMENTS

Technologies

BEST CUSTOMER EXPERIENCE TECHNOLOGIES



service personalization through the m_RTD platform



mobile access to credit

Competitive advantages

UNIQUE SERVICE AND MARKET POSITIONING

- High level of brand awareness;
- The only player with coverage of all customer segments and retail formats;
- The best service experience in Russia.

customer satisfaction of **up to 76%** according to NPS

Strategic initiatives

TWO-BRAND STRATEGY

- M.Video strengthens positions in the upper price segments; Eldorado focuses on the budget segment and remote regions;
- development of efficient new formats in the premium segment (M. Video, m_mobile) and mass retail (Eldorado 600).

RETAIL ENVIRONMENT



Online platform

1 million
unique visitors
per day

65%
percentage
of customers who
use the Internet

22%
market share
in online sales



Retail network

941 stores
in Russia

1,845 thousand m²
of retail space

**FULL COVERAGE –
ALL FORMATS AND REGIONS**

PARTNERS AND INFRASTRUCTURE



Suppliers

>300 suppliers
from around
the world

Localization
of all purchases
in Russia



Logistics system

**>420 thousand m³
of merchandise**
Central distribution
warehouses capacity

2.6 million m³
annual shipments
of merchandise

DIGITALIZATION OF BUSINESS PROCESSES



solutions based on data analysis, machine learning, AR/VR technologies both online and in stores



electronic information exchange with suppliers



delivery management through a mobile application



personnel management on the basis of computer vision

OMNI-CHANNEL APPROACH AND EFFICIENCY

- omni-channel approach and seamless service online and offline;
- the most popular sites in the household appliances segment;
- the only online credit platform in the market;
- stores – an instrument for online sales;
- an asset-light model.

>74%
of online orders
are picked up in stores

>90%
of stores hold
a long-term lease

ECONOMIES OF SCALE AND SYNERGIES

- purchasing power, anchor tenant status;
- excellent relations with suppliers;
- large-scale, dispersed distribution network for the two brands;
- a combination of outsourcing and in-house operations, thus increasing efficiency.

ONE RETAIL CONCEPT AND NETWORK DEVELOPMENT

- complete digitalization of customer journey;
- development of strategic projects and services: m_RTD service, mobile applications, credit platform, etc.

DIGITALIZATION OF BUSINESS PROCESSES

- building a data-led organization;
- front- and back-office digitalization projects.

FULL DIGITALIZATION OF BUSINESS MODEL

GROUP STRATEGIC OBJECTIVES UNTIL 2022



Market share
>30%

EBITDA margin
>6%

Best customer experience