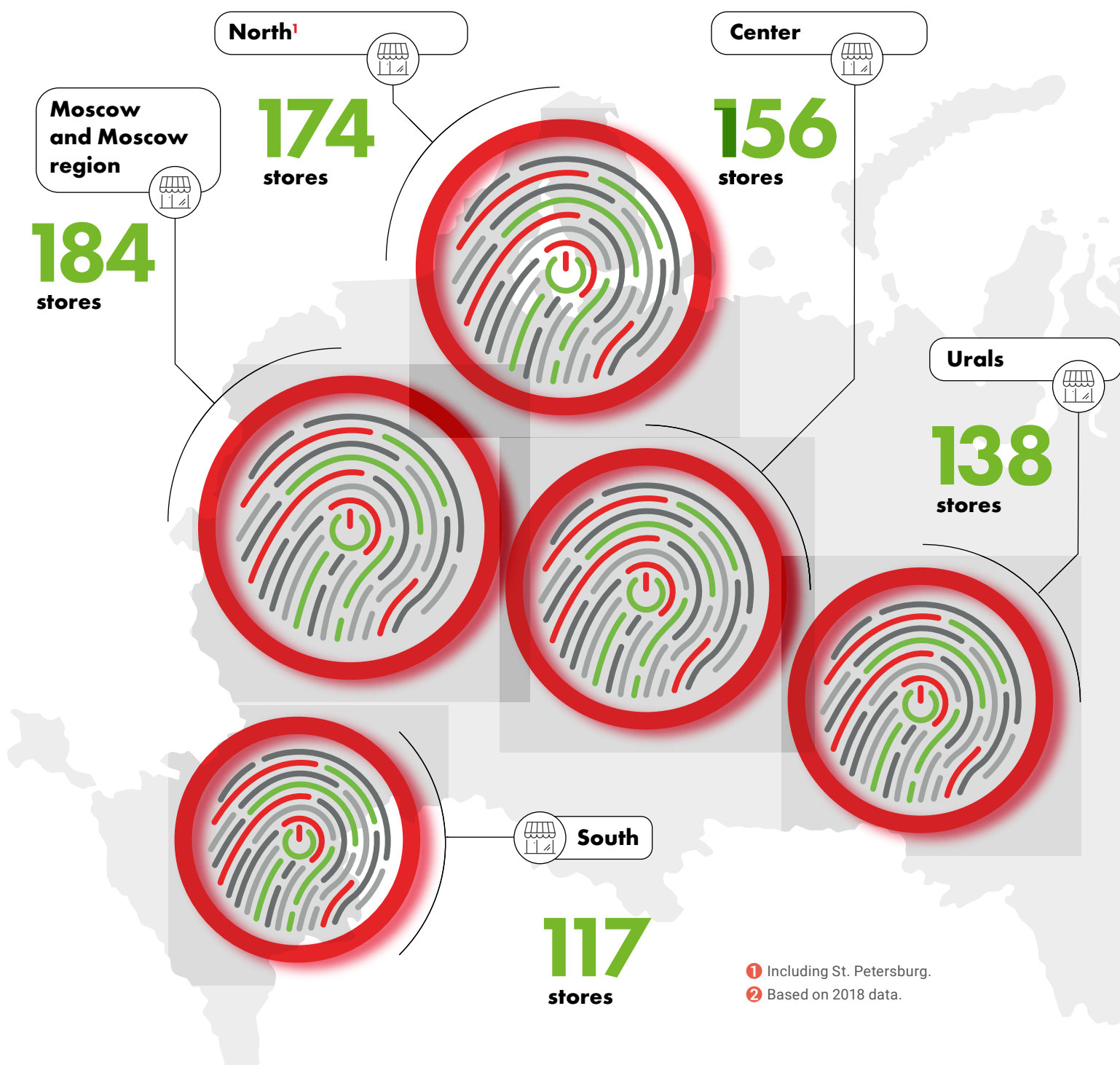


RETAIL NETWORK – THE GROUP'S KEY COMPETITIVE ADVANTAGE →

STORES ARE THE CORE OF THE GROUP'S ECOSYSTEM, THE BASIS FOR THE M.VIDEO AND ELDORADO GROWTH STRATEGY AS TWO LEADING BRANDS IN RUSSIA'S CONSUMER ELECTRONICS MARKET. STORES ARE THE CENTRE OF THE GROUP'S SUPERIOR CUSTOMER SERVICE, WHERE CUSTOMERS HAVE THE OPPORTUNITY TO PERSONALLY SEE PRODUCTS AND TRY THEM OUT, AS WELL AS TO ASK QUESTIONS OF SALES STAFF.



A diverse retail network is a key competitive advantage in developing M.Video–Eldorado’s online business and the basis for the Group’s transition to the ONE RETAIL model, which provides for the creation of a completely seamless customer experience at all points of the Group’s interaction with online and offline shoppers.

Around 74% of the Group’s customers who make purchases online prefer to pick them up in stores². The opening of each new sales point increases traffic to our online platform in the area where it opens by 10–15%.

Moreover, each store serves to concentrate the Group’s merchandise inventory, supporting online sales in its region and enabling us to reduce delivery delays to consumers, thus increasing profitability from sales.

At all M.Video stores, customers have an opportunity to select and order products according to the ‘endless shelf’ principle. Using the sales assistant’s tablet, which is connected to the m_RTD system, customers can gain access to goods not only in the Group’s stores or warehouses but also in suppliers’ warehouses, which greatly expands the product range and is one of the tools used to erase the boundaries between online and offline sales channels.

For more, see p. 24 

The Group is striving to ensure full geographic coverage of the Russian market and is planning to grow its retail network to more than 1,100 stores by the end of 2022. Today, our network includes 941 stores, including 480 M.Video stores (including five m_mobile stores) and 461 Eldorado stores in 220 Russian cities. The distance between the easternmost store owned by the Group in Petropavlovsk-Kamchatsky and our westernmost point in Kaliningrad spans more than 7,420 kilometres.

The Group manages

941

stores as of
31 December 2018 of which:

>220

cities across Russia

480
M.Video
stores

882
retail stores
rented out

117
retail stores
located in
stand-alone buildings

461
Eldorado
stores

59
retail stores
fully owned

824
retail stores located
in shopping centers

Siberia & Far East



172
stores



Online coverage
in cities of presence

100%

The opening of each new
sales point increases traffic
to our online platform
in the area where it opens by

+10-15%