

## M.Video-Eldorado: smartphone sales resume growth in May

**9 June 2020, Moscow.** According to M.Video-Eldorado Group (PJSC M.Video, MOEX: MVID), Russia's largest consumer electronics retailer by revenue and part of SAFMAR Group owned by Mikhail Gutseriev, smartphone sales in May grew by 3% year-on-year to RUB 39.2 billion, while in volume terms the market stood at 2.4 million smartphones, flat year-on-year. In June, the market is still on the rise. M.Video-Eldorado sales outpace the market manyfold: in May, smartphone sales by both chains gained 10% in money terms, and 19% in volume, while online sales skyrocketed by 300%.

In the two months (April and May), sales totalled 3.8 million smartphones worth RUB 60 billion with online sales accounting for circa 35%, a more than 2x growth year-on-year. Thus, according to M.Video-Eldorado Group estimates, in May Russia's smartphone market started to recover after April's slump (down 24% and 29% year-on-year in volume and value terms, respectively). In May, volume sales were close to last year's numbers, while sales in value terms added about 3% to reach 2.4 million smartphones and RUB 39.2 billion, respectively. In 5M 2020, sales totalled around 11.4 million devices worth RUB 188.5 billion, up 3.5% and 5.5% year-on-year in volume and value terms, respectively.

M.Video-Eldorado Group's sales keep growing ahead of the market. In April-May, total smartphone sales added 12% in volume terms, growing 19% in volume and 10% in value in May alone. The majority of purchases were made via the online channel, which saw a 2.5x increase in demand over the past two months and nearly quadrupled in May.

**Vladimir Chaika, Head of Mobile at M.Video-Eldorado commented:** *'Online platforms have become the main smartphone selling point under lockdown. We have fully adapted our business processes, increased logistics capacities, and launched new services to ensure that people have instant and safe access to communications devices. A wide product range at easy to reach stores that continued operating as pick-up points for online orders and mobile phone shops, coupled with competitive prices, helped M.Video-Eldorado strengthen its leadership in the smartphone market. Many customers were also happy to try out our new services such as a two-hour delivery by taxi or delivery to partner pick-up points'*

Over the past two months, the average ticket has declined by 2% year-on-year to RUB 15,600. With the lockdown in place, customers tend to choose best value for money in the low- and mid-price segments of RUB 5,000-15,000 and RUB 20,000-40,000, respectively. On the other hand, a successful launch of the new iPhone SE series at the end of April and high demand for the rest of Apple's range and other brands' flagship smartphones evidence that people are still interested in models worth over RUB 40,000 that account for 35% of the market in value terms.

Top 5 smartphone brands in April and May were Honor, Samsung, Xiaomi, Apple and Huawei, comprising nearly 85% of the total amount of devices sold. Apple remains the market leader by revenue. May's overall bestseller was Samsung Galaxy A51 (64 GB), Honor 20 lite (128 GB), Honor 8A (32 GB), Samsung Galaxy A10 (32 GB) and Galaxy A30s (32 GB). Online only top 5 comprised Samsung Galaxy A51 (64 GB), Xiaomi Redmi 7A (16 GB), Xiaomi Redmi 7A (32 GB), iPhone 11 (128 GB) and Honor 10i (128 GB).

# M.VideoEldorado



## **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 currently 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 March 31, 2020, the Group also operates 514 stores under the M.Video brand, 504 stores under the Eldorado brand and 20 m\_mobile stores in more than 250 cities across Russia with a total selling space of 1,451 thousand square meters. The Group has 100% online coverage in all cities of operation.

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