

## M.Video-Eldorado research: sales of LHA up by a quarter in 1H 2021

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**M.Video-Eldorado Group**, Russia's leading e-commerce and consumer electronics retailer (MOEX: MVID), has recorded consistently high growth in the Russian market for large home and kitchen appliances. In the first six months of 2021, the sales of refrigerators, washing machines and other major appliances grew by 23%, reaching 6.7 million items. In value terms, sales increased by 32% to more than RUB 155 billion. On average, one in three large home and kitchen appliances (including built-in appliances) were bought at M.Video or Eldorado, including half of such items in higher price segments.

The best-selling devices in Russia were washing machines (1.8 million items) and refrigerators (1.6 million items), together accounting for around 50% of goods sold in volume terms. The five most popular categories also included built-in cooktops, kitchen hoods and built-in ovens. In terms of revenue, refrigerators remained the biggest contributor (sales of ca. RUB 49 billion), with washing machines and built-in appliances (cooktops, ovens and dishwashers) also making it into the top five.

Built-in kitchen devices showed the highest growth rates compared to the previous year: sales of cooktops were up 27% in value terms; dishwashers, 25%; ovens, 23%; and refrigerators, 23%. Looking to save space in their kitchens, consumers are purchasing more than built-in appliances: demand for single-door refrigerators and freezers and narrow ovens is also growing.

The middle and upper price segments remain popular among Russian consumers. Purchases in these segments accounted for approximately 52% of sales in value terms. Consumers in Russia are increasingly opting for technologically advanced solutions that will work smoothly, remain relevant in the coming years (the average life of a large household device is seven to eight years), make life more comfortable and complement the interior of their homes.

For instance, tall refrigerators (over 2 meters high) now account for roughly 30% of the Russian market in volume terms. The demand for multi-door and side-by-side refrigerators has increased by more than 35%. Modular designer refrigerators are also gaining in popularity. Dishwasher sales have enjoyed massive growth—up 1.5 times over the past three years (users are increasingly choosing models with a third rack for cutlery). As for cooktops, induction models are now in high demand, with extendable heating zones becoming a popular new feature. Ovens that offer steam cooking and preset baking programs are gaining traction as well.

**Oleg Muraviev, Commercial Director at M.Video-Eldorado Group, said:**

*“During the COVID-19 pandemic, Russians shifted focus toward their homes and started buying new household appliances more often. We see continued active growth in segments that are relatively new for the Russian market—for example, dishwashers, which are now used by only one in every five households. Other drivers behind the increase in household appliance sales are the rapid development of the housing market, growth in mortgage lending and changes in spending habits. At M.Video and Eldorado, we offer customers the widest selection of electronic goods from leading producers and under our own Novex and Hi brands. Our clients enjoy personal discounts and special offers in both our offline and online stores, and they can choose products virtually or test them in stores, with our assistants helping them both in-person and through video consultations. Regardless of where a product is purchased, we will promptly and carefully deliver it to the customer's home, help with the installation and take away old devices for recycling if necessary.”*

## About the Group

M.Video-Eldorado Group (PJSC M.video) is a leading Russian e-commerce and consumer electronics retailer that unites the M.Video and Eldorado brands. The Group's GMV exceeded RUB 500 billion including VAT at the end of 2020.

As of March 31, 2021, the Group had stores across nearly 300 Russian cities, with 545 and 553 stores under the M.Video and Eldorado brands, respectively. Total floor space was 2,020 thousand square meters.

M.Video-Eldorado Group is Russia's only publicly listed consumer electronics retailer. The Company's shares are currently traded on Moscow Exchange (ticker: MVID), with a 24% free float. Said Gutseriev directly or indirectly controls 60% of the share capital of M.video PJSC, 15% is held by Media-Saturn-Holding GmbH and another 1% is held by MVM LLC, a 100% subsidiary of M.video PJSC.

### **Investor Relations team:**

**Maxim Novikov**, IR Director

maxim.novikov@mvideo.ru

Tel: +7 (495) 644 28 48, ext. 1425

### **Media relations team:**

**Valeriya Andreeva**, Head of PR

valeriya.andreeva@mvideo.ru

Tel: +7 (916) 978 02 10

### **Timur Akhmedzhanov**

Investor Relations

timur.akhmedzhanov@mvideo.ru

Tel: +7 (495) 644-28-48, ext. 1384

### **Andrey Petrov**

pr@mvideo.ru

Tel: +7 (916) 684 76 22