

O'KEY GROUP TRADING UPDATE

Q1 2019

21 May, 2019

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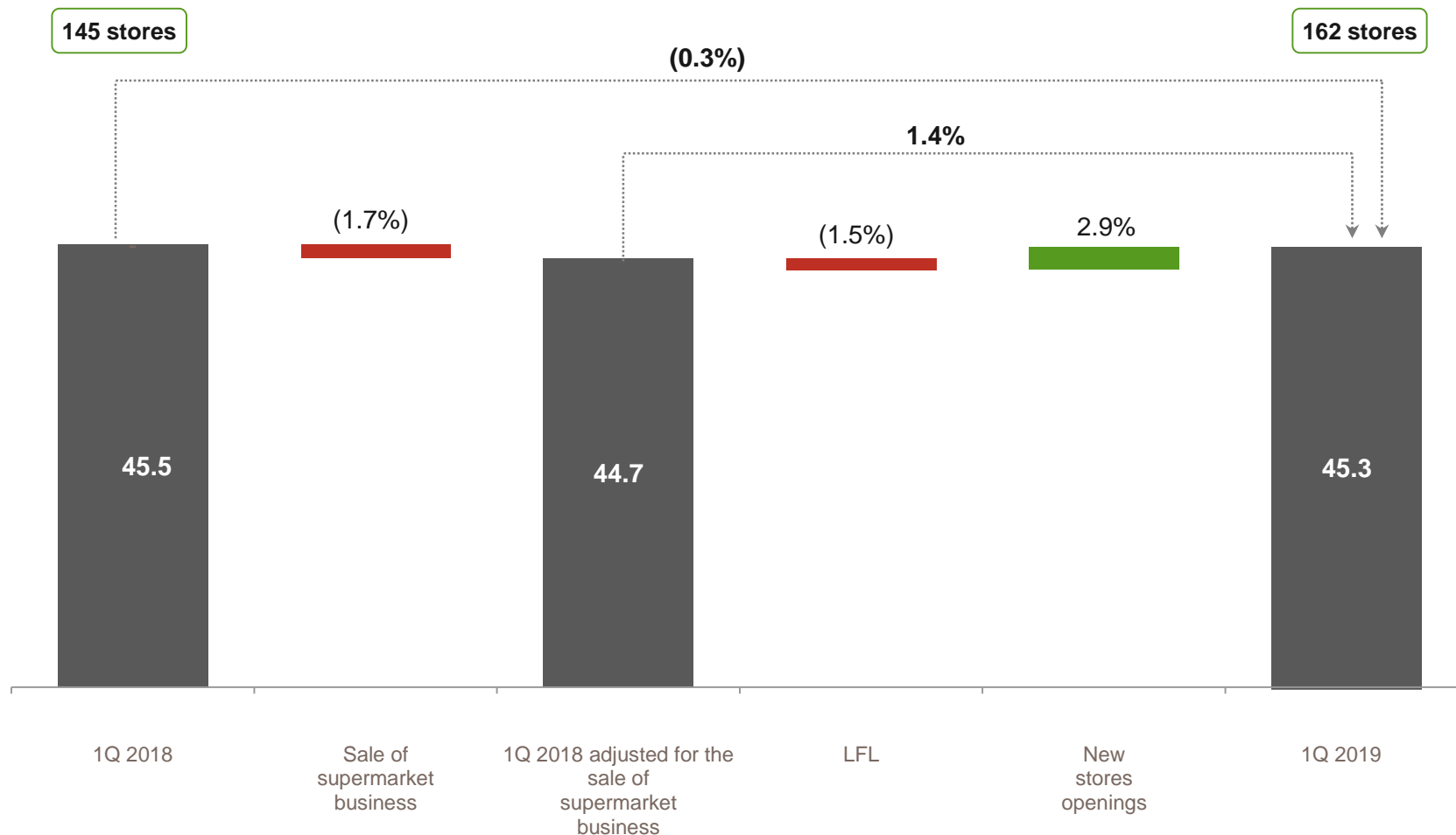
Group operating highlights

- Total revenue in Q1 2019 decreased by 0.3% YoY to RUB 45,305 mln
 - Underlying total revenue⁽¹⁾ increased by 1.4% YoY
- LFL revenue in Q1 2019 decreased by 1.3% YoY
 - LFL traffic decreased by 3.4%
 - LFL ticket increased by 2.2%
- Two discounters were opened in Q1 2019
- Total selling space amounted to 586,357 sq. m as of March 31st 2019 (increase by 2.5% YoY)

Underlying Group total revenue in Q1'19 increased by 1.4% YoY driven by new stores openings

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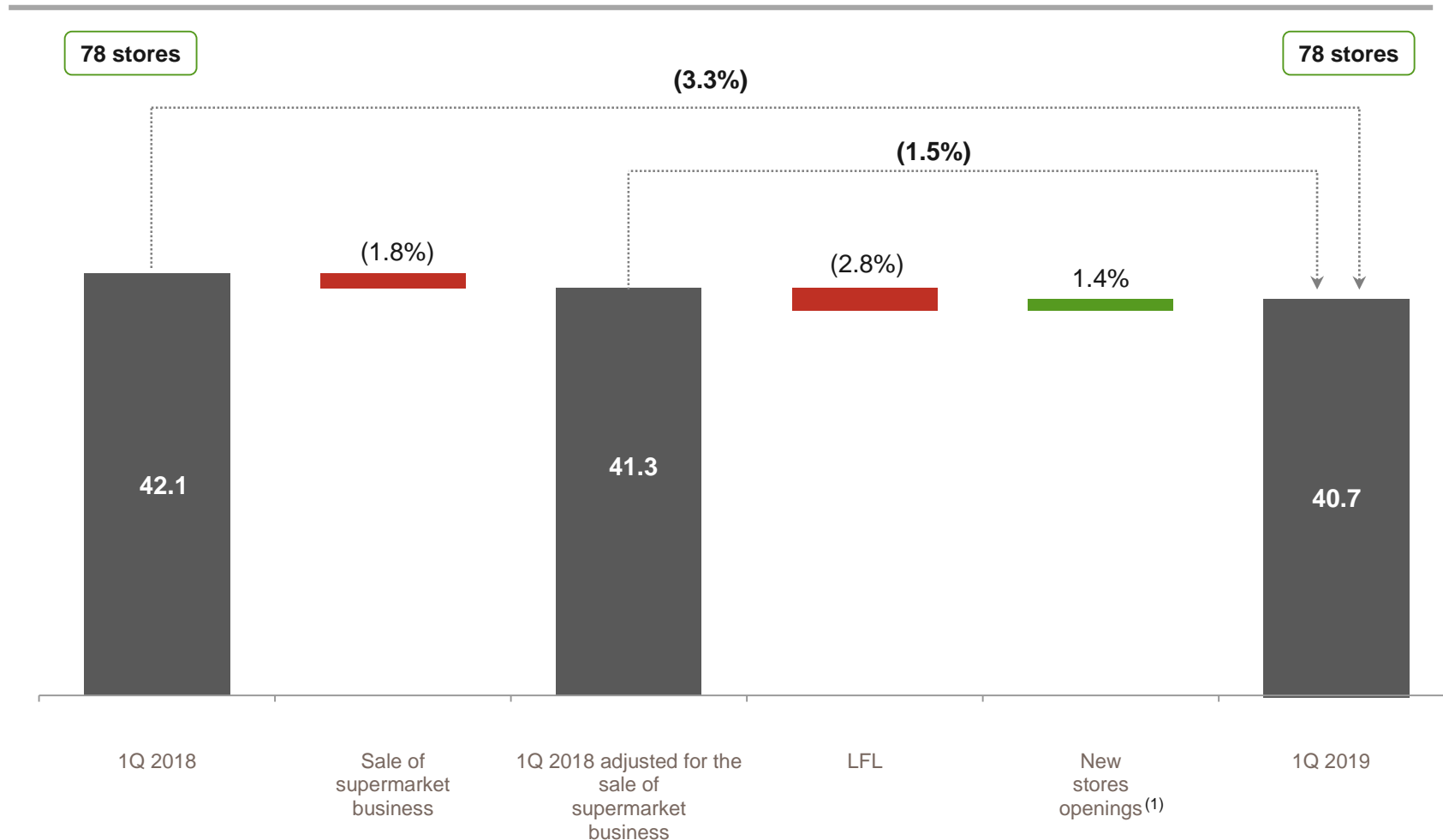
Total revenue, Q1 2019 vs. Q1 2018, RUB bn



Intensifying competition affected O`KEY organic revenue growth in Q1'19

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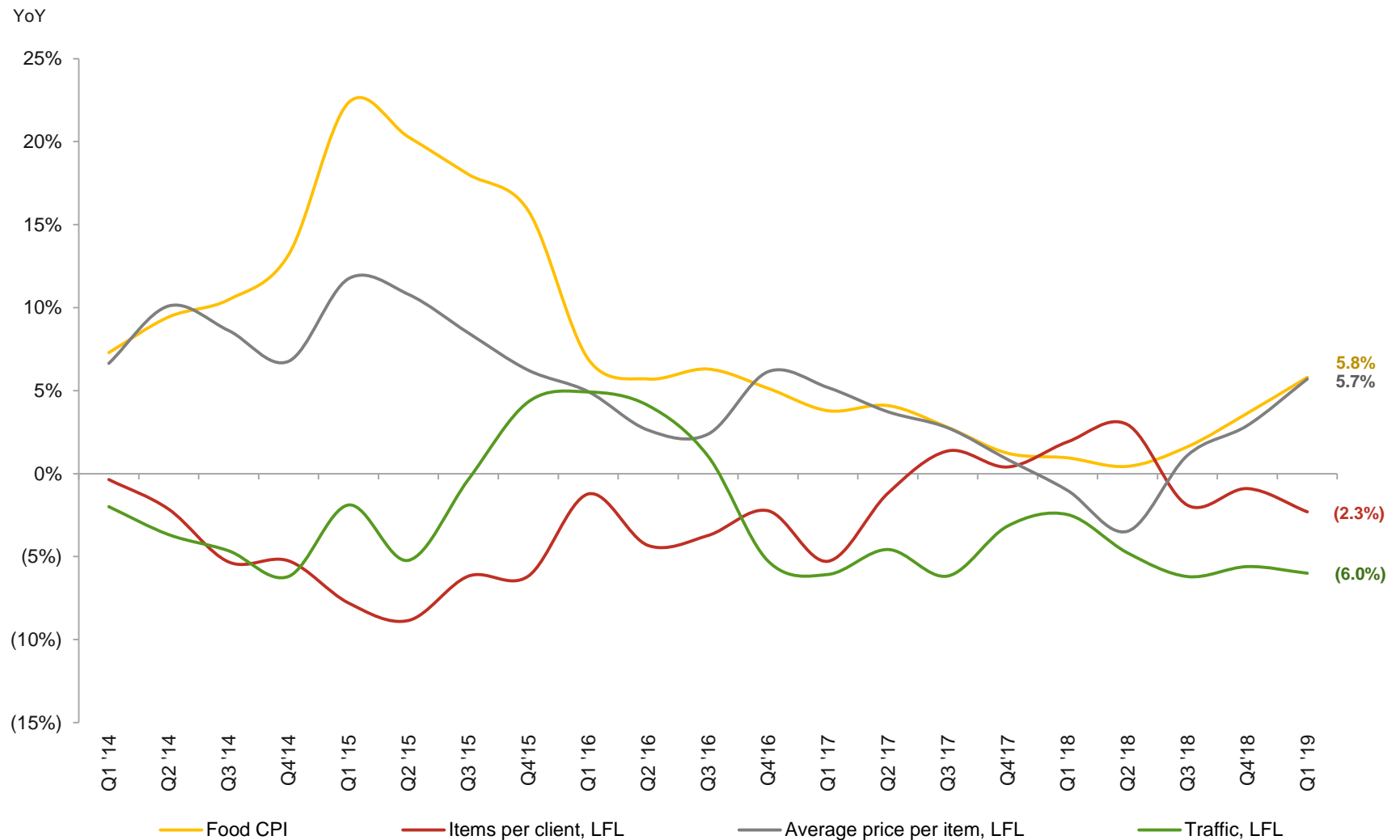
Total revenue, Q1 2019 vs. Q1 2018, RUB bn



Notes: (1) RIO hypermarket reopening, opening of hypermarket in Novocherkassk in 3Q '18.

O'KEY Q1'19 operating results overview

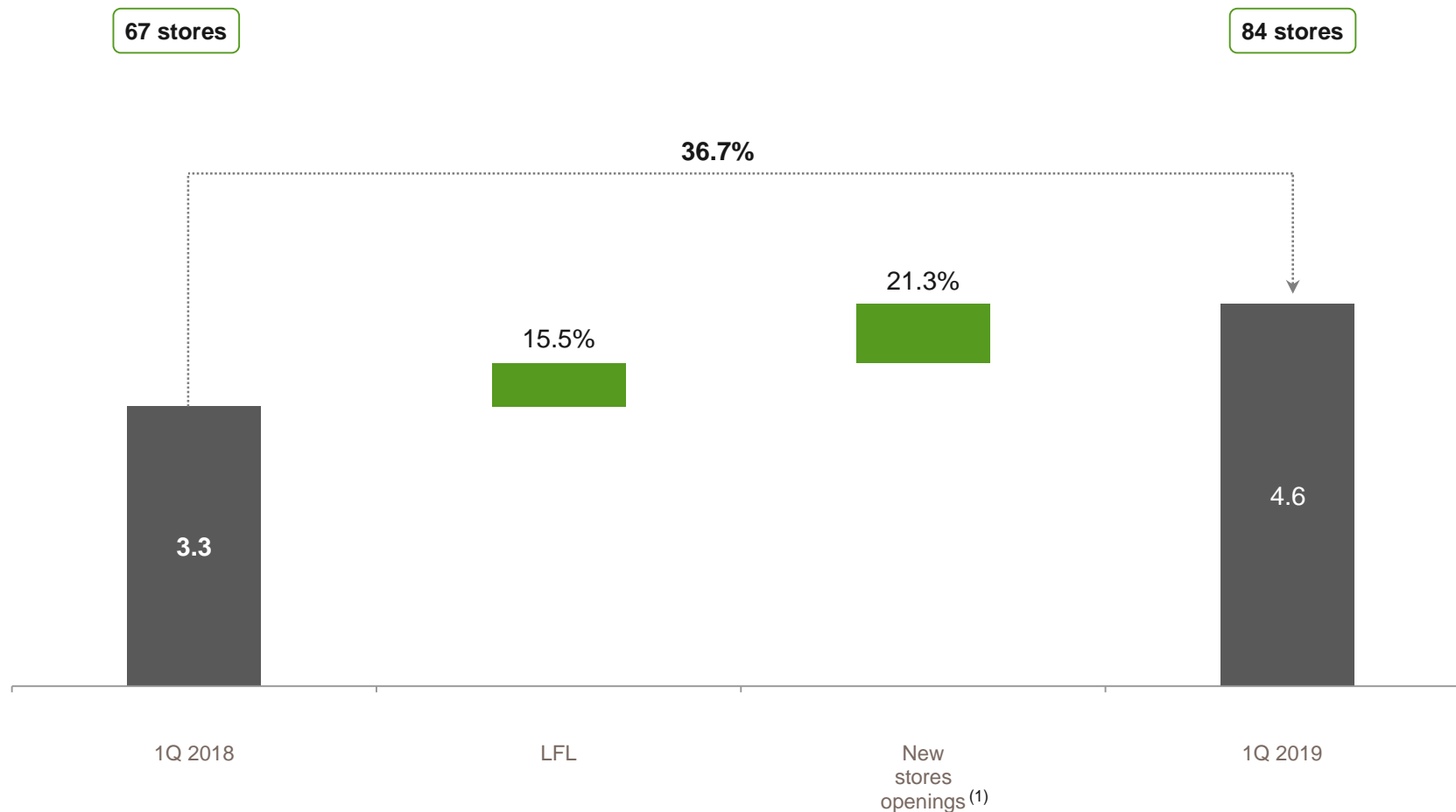
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DA! discounters continued to demonstrate strong growth trends in Q1'19

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Total revenue, Q1 2019 vs. Q1 2018, RUB bn

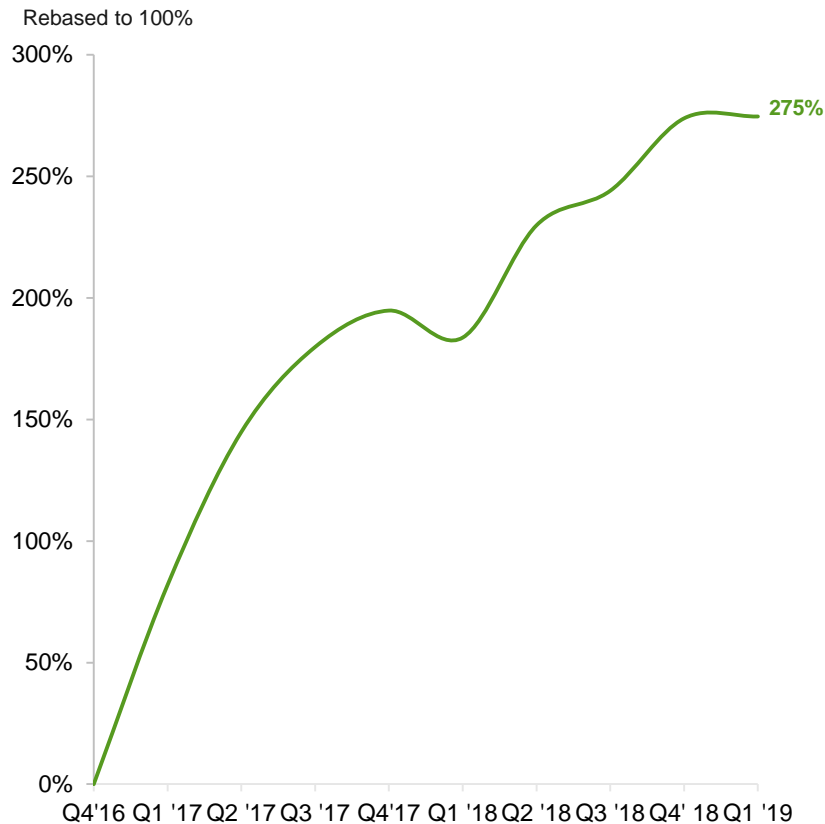


Notes: (1) Opening of 2 new discounters in Q1'2019.

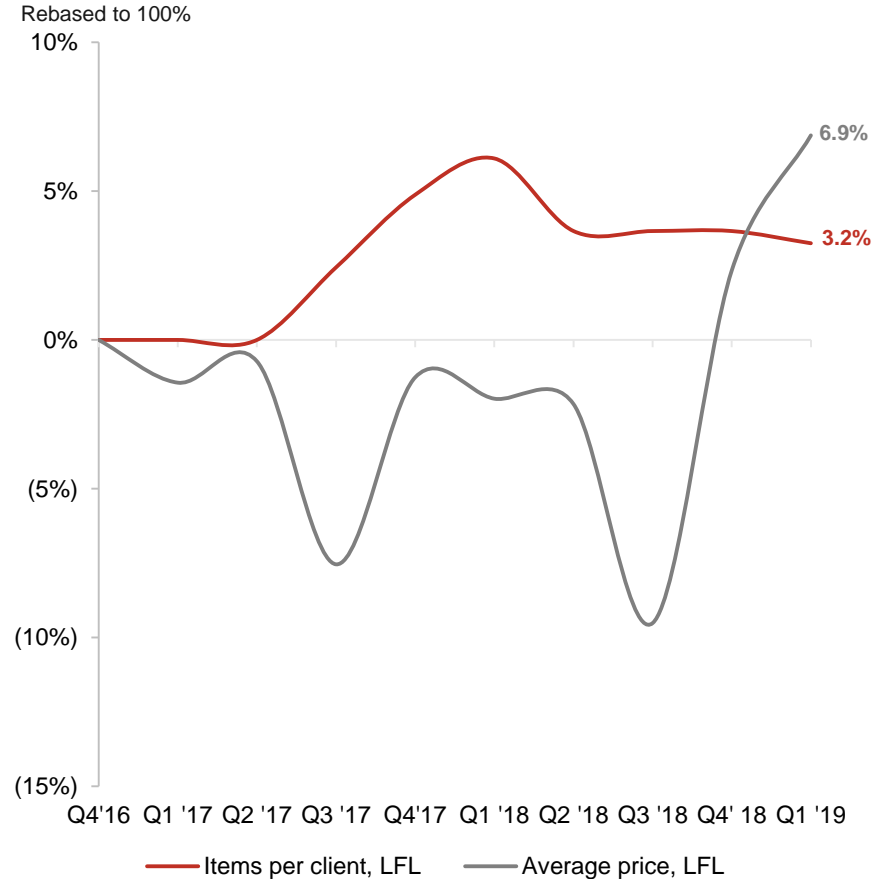
DA! Q1'19 operating results overview

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Growing popularity of the discounters' value proposition continue to yield solid LFL traffic



Average price per item increased in Q1'19 driven by steady growth of inflation



Group transformation under way: O`KEY

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Initiatives launched and completed in Q1 2019



NEW IT INFRASTRUCTURE

- ✓ Modernization of IT infrastructure in line with the adopted strategy



SUPPLY CHAIN

- ✓ Change of pick-by-line supplies work scheme. Costs optimization up to 5%
- ✓ New alcohol unit at Litvinovo DC is prepared for licensing



ASSORTMENT & MARKETING

- ✓ Expansion of premium assortment
- ✓ Focus on fresh and ultra-fresh categories

O`KEY
ОТЛИЧНО ЖИТЬ ПРАКТИЧНО

Notes: (1) On shelf availability; (2) According to the research conducted by third party agency.

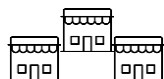
O`KEY
GROUP OF COMPANIES

Group transformation under way: DA!

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Strategic commitments

Initiatives launched and completed in Q1 2019



GROWTH & EXPANSION

- ✓ Two new discounters were opened
- ✓ Installation of additional drinks chillers
- ✓ Remerchandising of PL products driven by high demand



ASSORTMENT & MARKETING

- ✓ Listing of new SKUs under PL brand “Farm collection”
- ✓ Seasonal changes in assortment and merchandising
- ✓ Private label rebranding



THE BEST VALUE PROPOSITION

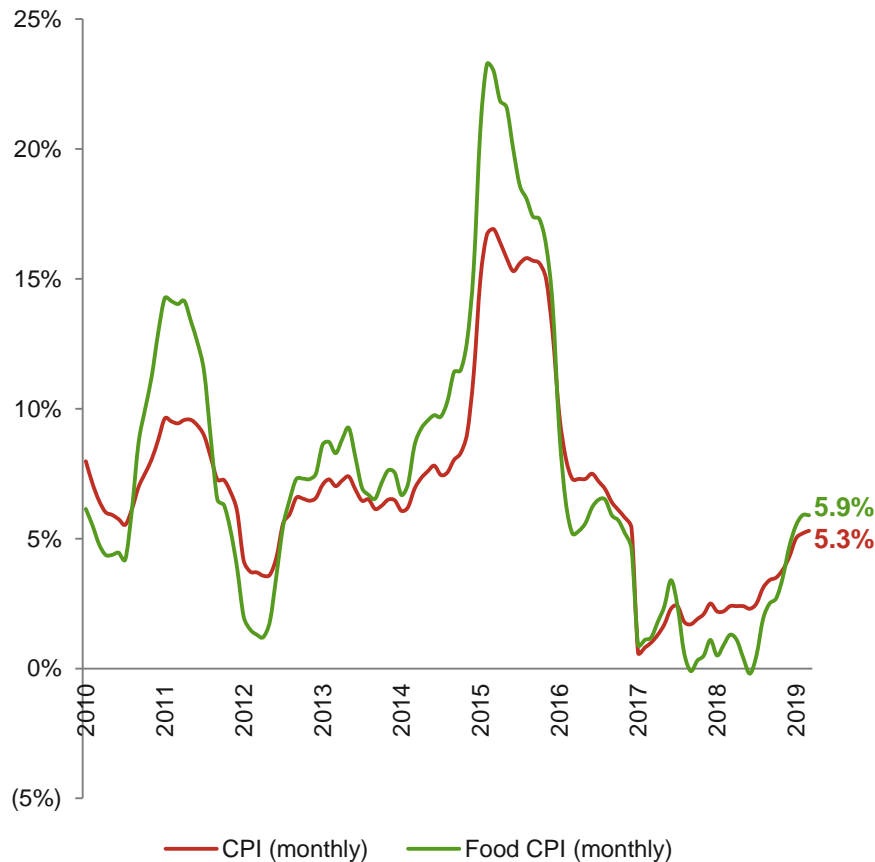
- ✓ Improvement of recipes in private label assortment



Food CPI continued to edge up in Q1 2019

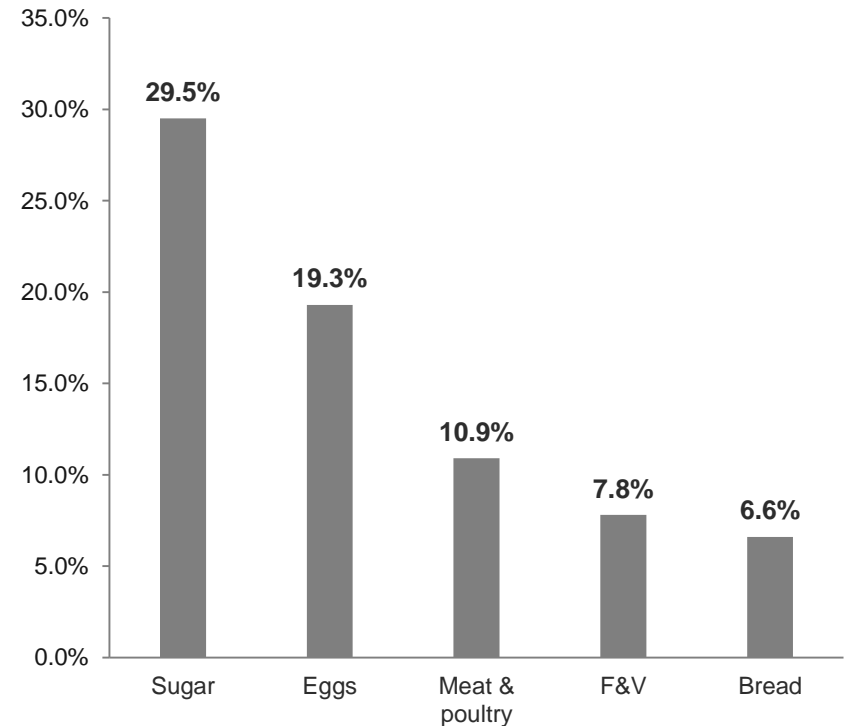
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In Q1'19 food CPI reached the highest level since September'16...



...largely driven by soaring prices for sugar, eggs, meat & poultry and others

Price dynamics in Q1'19 vs Q1'18

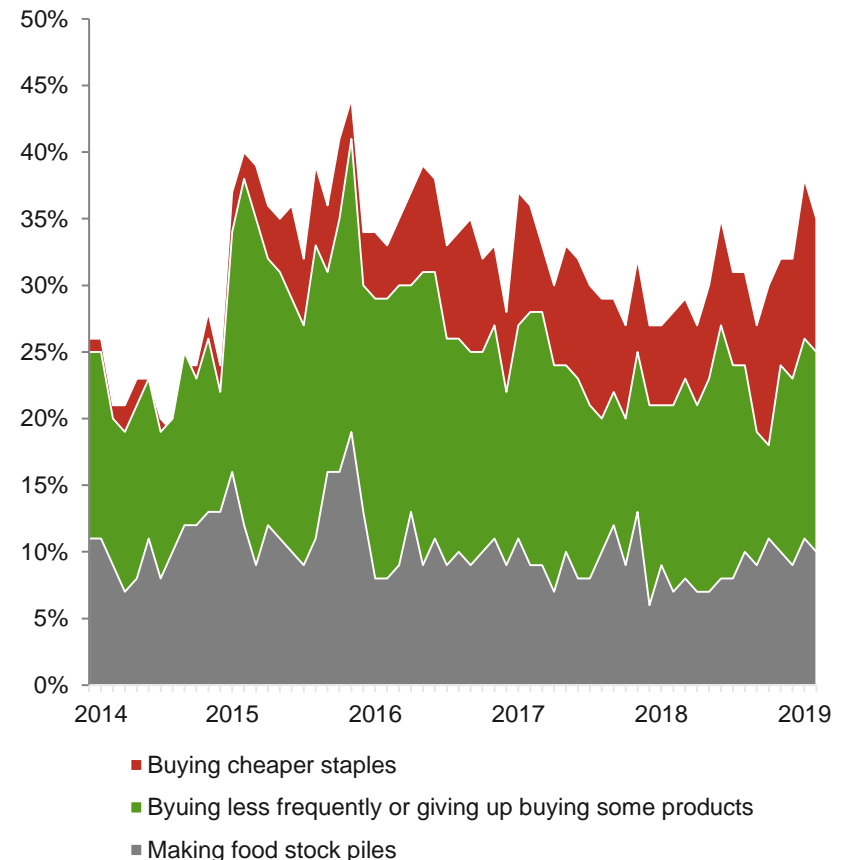
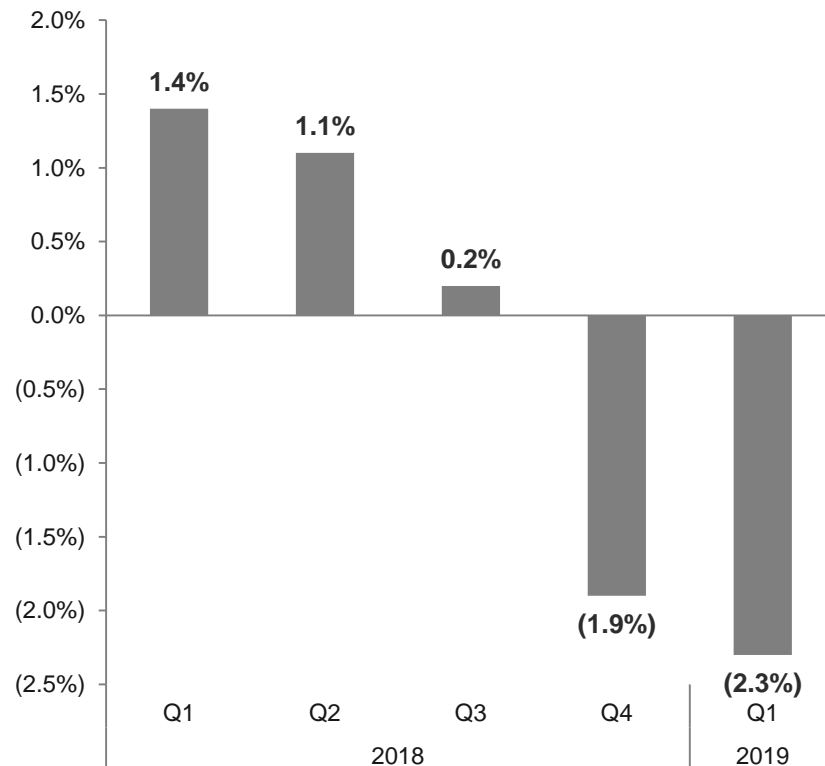


In Q1'19 consumer sentiment remained weak

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In Q1'19 real disposable income decreased by 2.3% YoY largely owing to the high base of the respective period a year ago

The percentage of customers who traded down rose on average to 35% in Q1'19 from 27% a year ago, gradually coming closer to the peak levels of 2015-2016



APPENDIX

Three major shareholders

- Mr. Dmitry Korzhev
- Mr. Dmitry Troitskiy
- Mr. Boris Volchek

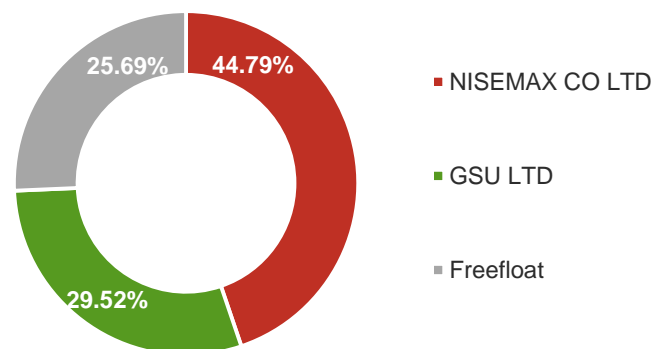
Board of Directors

- Mr. Heigo Kera, Chairman
- Mr. Dmitry Troitskiy, Non-Executive Director
- Mr. Dmitry Korzhev, Non-Executive Director
- Boris Volchek, Non-Executive Director
- Mykola Buinycky, Independent Director

Committees of the Board of Directors

- Remuneration Committee
 - Committee Chairman – Mr. Heigo Kera
- Audit Committee
 - Committee Chairman – Mr. Mykola Buinycky

Shareholder structure

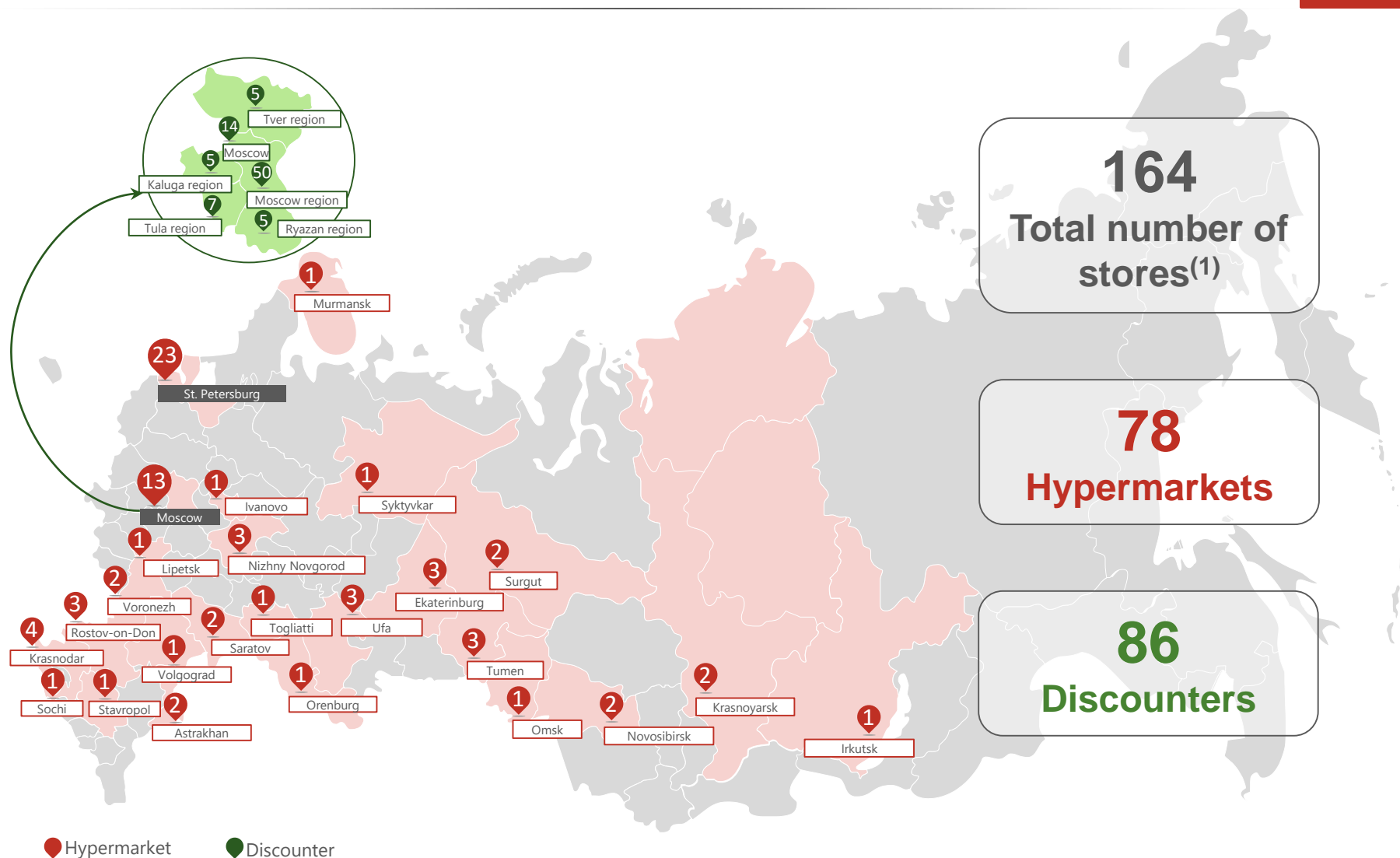


Key operating data by quarter

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Category ⁽¹⁾	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Total sales, RUB bn	196.9	48.8	47.6	46.6	55.9	198.9	45.5	42.6	41.6	52.2	181.9	45.3
<i>Growth</i>	7.5%	0.5%	4.9%	0.7%	(1.2%)	1.1%	(6.9%)	(10.6%)	(10.7%)	(6.6%)	(8.5%)	(0.4%)
O'KEY	190.4	46.4	44.8	43.7	52.4	187.3	42.1	38.8	37.8	47.7	166.5	40.7
DA!	6.4	2.4	2.8	2.9	3.5	11.7	3.3	3.8	3.8	4.5	15.4	4.6
Number of stores	164	165	164	168	145	145	145	147	151	160	160	162
O'KEY	110	110	109	109	78	78	78	78	79	78	78	78
DA!	54	55	55	59	67	67	67	69	72	82	82	84
Selling space, ths sqm	622,891	623,611	611,679	611,300	577,804	577,804	577,968	577,248	586,357	584,914	584,914	586,357
O'KEY	586,001	586,001	574,069	570,896	531,589	531,589	531,589	529,555	528,124	528,124	528,124	528,124
DA!	36,890	37,610	37,610	40,404	46,215	46,215	46,379	47,693	58,233	56,790	56,790	58,233
LFL sales growth	2.2%	(4.9%)	(0.1%)	(0.2%)	(0.5%)	(1.4%)	(0.7%)	(4.0%)	(1.3%)	-2.70%	(3.3%)	(1.3%)
O'KEY	2.0%	(6.4%)	(2.2%)	(2.3%)	(1.9%)	(3.2%)	(1.6%)	(5.4%)	(3.7%)	-3.70%	(4.3%)	(3.7%)
DA!	65.5%	67.8%	67.4%	54.1%	33.3%	52.0%	15.9%	15.7%	20.2%	12.20%	13.1%	21.4%
LFL traffic growth	1.2%	(3.6%)	(1.6%)	(3.1%)	(0.7%)	(2.2%)	(0.8%)	(2.2%)	(3.4%)	-3.40%	(2.6%)	(3.4%)
O'KEY	0.9%	(6.1%)	(4.6%)	(6.2%)	(3.2%)	(5.0%)	(2.5%)	(4.8%)	(6.0%)	-5.60%	(4.8%)	(6.0%)
DA!	37.4%	45.3%	40.4%	34.1%	25.7%	34.8%	12.7%	15.8%	12.1%	9.50%	12.0%	9.5%
LFL ticket growth	0.9%	(1.3%)	1.5%	2.9%	0.2%	0.8%	0.1%	(1.8%)	2.2%	0.80%	(0.6%)	2.2%
O'KEY	1.0%	(0.4%)	2.5%	4.2%	1.3%	1.9%	0.9%	(0.6%)	3.3%	2.00%	0.4%	3.3%
DA!	20.4%	15.5%	19.2%	14.9%	6.1%	12.7%	2.9%	0.0%	7.2%	2.50%	1.0%	7.4%

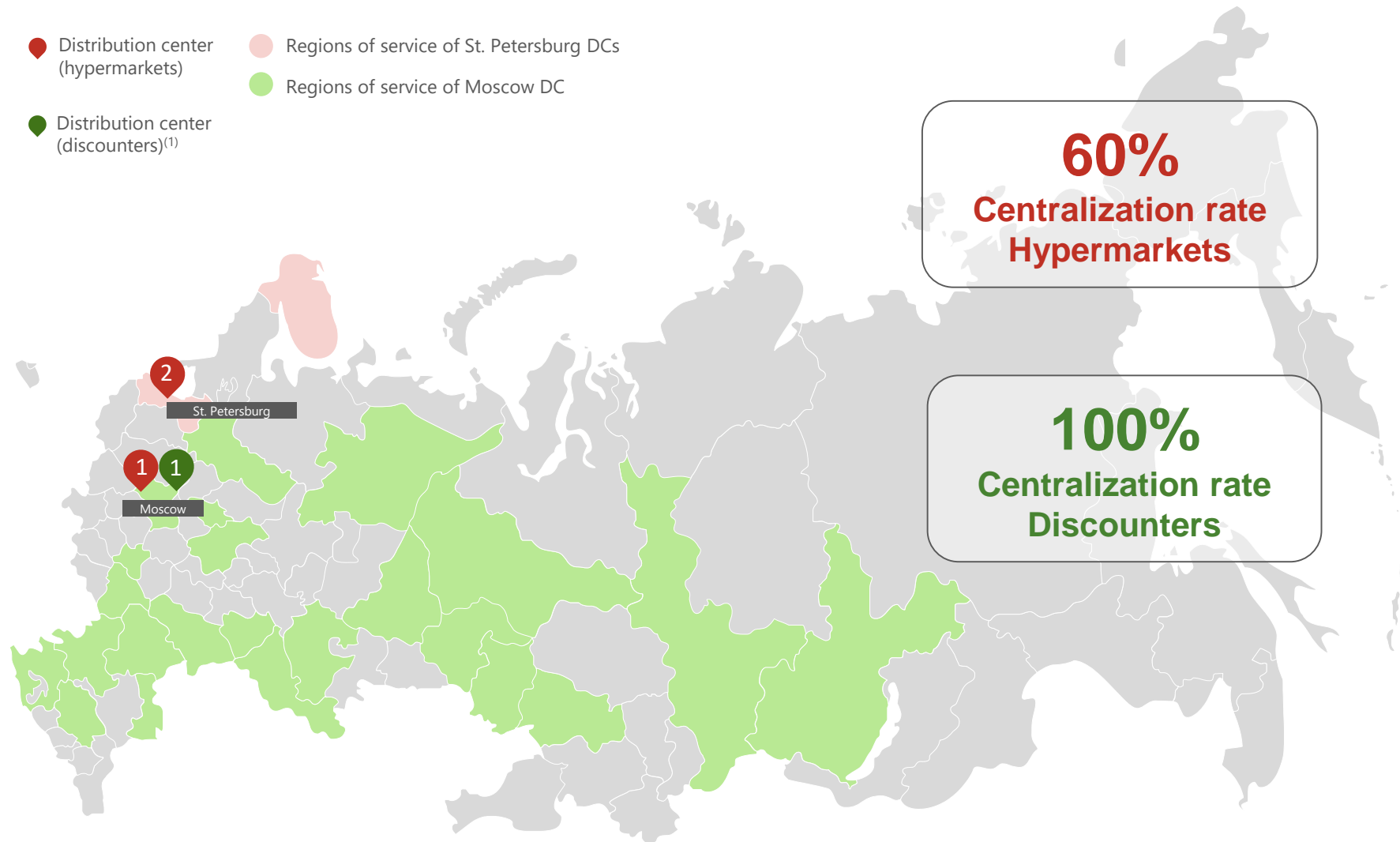
Notes: (1) O'KEY category includes hypermarkets and supermarkets, DA! category includes discounters



Notes: (1) Number of stores as of May 2019.

O`KEY supply chain

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Notes: (1) Service areas are limited to Moscow, Moscow region, Tula region, Tver region, Kaluga region and Ryazan region.

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