

Press release
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O`KEY GROUP REPORTS NET PROFIT OF RUB 2.0 BN AND 20.3% EBITDA GROWTH IN FY 2024

O`KEY Group S.A. (AIX, MOEX: OKEY, the “Group”), one of Russia’s leading food retailers, has announced its financial results for the full year of 2024 based on its audited consolidated financial statements.

All materials published by the Group are available on its website okeygroup.lu.

FY 2024 financial highlights¹

- **Total Group revenue** increased by 5.5% YoY to RUB 219.4 bn, driven mainly by LFL net retail revenue growth from both O`KEY hypermarkets and DA! discounters.
- **Group gross profit** rose by 7.9% YoY to RUB 51.4 bn, while **gross margin** grew by 0.5 pps to 23.4%, led by efficient procurement and shrinkage cost management.
- **Group EBITDA** increased by 20.3% YoY to RUB 20.5 bn, while **EBITDA margin** grew by 1.1 pps to 9.3% due to improved profitability in both business segments.
- **O`KEY hypermarkets’ EBITDA increased** by 6.2% YoY to RUB 13.4 bn, while **EBITDA margin** rose by 0.3 pps to 9.1%, driven by revenue growth and optimisation of operating expenses.
- **DA! discounters’ EBITDA** surged by 61.0% YoY to RUB 7.1 bn, while **EBITDA margin** rose 2.8 pps YoY to 9.7% in FY 2024. This was driven by both optimisation of operating expenses and a higher share of mature DA! stores in the Group’s portfolio.
- The Group reported a **net profit** of RUB 2.0 bn in FY 2024, compared to a net loss of RUB 2.9 bn in FY 2023.

Group profit and losses highlights in FY 2024

| RUB mln | 2024 | 2023 | Δ YoY, % |
|--|-----------------|-----------------|--------------|
| Total Group revenue | 219,358 | 207,865 | 5.5% |
| O`KEY | 146,967 | 143,980 | 2.1% |
| DA! | 72,391 | 63,885 | 13.3% |
| Gross profit | 51,415 | 47,660 | 7.9% |
| Gross profit margin, % | 23.4% | 22.9% | 0.5pps |
| Selling, general and administrative expenses | (42,577) | (42,516) | - |
| SG&A, % of revenue | 19.4% | 20.5% | (1.1pps) |
| Other operating expenses, net | 753 | (292) | n/a |
| Finance costs, net | (8,447) | (7,267) | 16.2% |
| Foreign exchange loss | (304) | (1,074) | n/a |
| Net profit / (loss) | 1,988 | (2,878) | n/a |
| Group EBITDA | 20,485 | 17,026 | 20.3% |
| Group EBITDA margin, % | 9.3% | 8.2% | 1.1pps |
| O`KEY EBITDA | 13,431 | 12,643 | 6.2% |
| O`KEY EBITDA margin, % | 9.1% | 8.8% | 0.3pps |
| DA! EBITDA | 7,054 | 4,383 | 61.0% |
| DA! EBITDA margin, % | 9.7% | 6.9% | 2.8pps |

¹ All results are presented according to IFRS 16 unless stated otherwise.

Group revenue

| RUB mln | 2024 | 2023 | Δ YoY, % |
|----------------------------|----------------|----------------|-------------|
| Total Group revenue | 219,358 | 207,865 | 5.5% |
| Retail revenue | 217,125 | 205,772 | 5.5% |
| O`KEY | 144,781 | 141,947 | 2.0% |
| DA! | 72,344 | 63,825 | 13.3% |
| Rental income | 2,233 | 2,093 | 6.7% |

Total Group revenue increased by 5.5% YoY to RUB 219,358 mln, driven by both DA! discounters' and O`KEY hypermarkets' retail revenue growth in FY 2024. Group retail revenue rose 5.5% YoY to RUB 217,125 mln in FY 2024, primarily led by the LFL performance of both chains.

The Group's rental income increased by 6.7% YoY to RUB 2,233 mln in FY 2024.

Group net retail revenue and LFL revenue

| RUB mln | 2024 | 2023 | Δ YoY, % | LFL 2024 / 2023, % |
|--------------------|----------------|----------------|-------------|--------------------|
| O`KEY Group | 217,125 | 205,772 | 5.5% | 4.1% |
| O`KEY hypermarkets | 144,781 | 141,947 | 2.0% | 2.3% |
| DA! discounters | 72,344 | 63,825 | 13.3% | 8.0% |

For more details regarding net retail revenue dynamics in FY 2024, please refer to the Group's [Q4 2024 Trading Update](#).

Group gross profit

In FY 2024, **Group gross profit** increased by 7.9% YoY to RUB 51,415 mln, while gross margin improved by 0.5 pps YoY to 23.4%, thanks to consistent work on enhancing the efficiency of procurement as well as optimisation of shrinkage costs.

Group selling, general and administrative expenses

| RUB mln | 2024 | % of revenue | 2023 | % of revenue | Δ YoY, pps |
|---------------------------------|---------------|--------------|---------------|--------------|--------------|
| Personnel costs | 17,801 | 8.1% | 17,649 | 8.5% | (0.4) |
| Depreciation and amortisation | 10,495 | 4.8% | 11,069 | 5.3% | (0.5) |
| Communication and utilities | 5,425 | 2.5% | 5,355 | 2.6% | (0.1) |
| Advertising and marketing | 2,110 | 1.0% | 2,200 | 1.1% | (0.1) |
| Repairs and maintenance | 1,845 | 0.8% | 1,780 | 0.9% | (0.1) |
| Insurance and bank commissions | 1,475 | 0.7% | 1,348 | 0.7% | - |
| Operating taxes | 864 | 0.4% | 674 | 0.3% | 0.1 |
| Security expenses | 756 | 0.3% | 771 | 0.4% | (0.1) |
| Legal and professional expenses | 746 | 0.3% | 718 | 0.3% | - |
| Operating leases | 564 | 0.3% | 440 | 0.2% | 0.1 |
| Materials and supplies | 397 | 0.2% | 441 | 0.2% | - |
| Other costs | 99 | 0.0% | 74 | 0.0% | - |
| Total SG&A | 42,577 | 19.4% | 42,516 | 20.5% | (1.1) |

The Group's total **SG&A expenses** were almost flat YoY at RUB 42,577 mln in FY 2024. SG&A expenses as a percentage of revenue declined by 1.1 pps YoY to 19.4% in FY 2024. The decrease was led mainly by revenue growth as well as efficient cost management.

In FY 2024, **personnel costs** increased by 0.9% YoY to RUB 17,801 mln, but decreased as a percentage of revenue by 0.4 pps YoY to 8.1%, mainly due to cost optimisation, as well as a higher number of mature discounters in the Group's portfolio.

Communication and utilities expenses grew by 1.3% YoY to RUB 5,425 mln, but decreased as a percentage of revenue by 0.1 pps in FY 2024, mainly due to revenue growth combined with cost optimisation.

Advertising and marketing expenses decreased by 4.1% YoY to RUB 2,110 mln and, as a percentage of revenue, by 0.1 pps YoY to 1.0%, mainly due to effective management of the marketing channels mix.

Repairs and maintenance expenses increased by 3.7% YoY to RUB 1,845 mln, but declined as a percentage of revenue by 0.1 pps YoY to 0.8%, largely as a result of the Group's revenue increase, as well as a temporary slowdown in discounter openings in FY 2024.

Group EBITDA grew by 20.3% YoY to RUB 20,485 mln, while EBITDA margin rose by 1.1 pps YoY to 9.3% in FY 2024, led by positive dynamics in both business segments. **O'KEY hypermarkets' EBITDA** increased by 6.2% YoY, while **EBITDA margin** grew by 0.3 pps YoY to 9.1% in FY 2024. **DA! discounters' EBITDA** surged by 61.0% YoY, while their **EBITDA margin** increased to 9.7% in FY 2024, compared to 6.9% in FY 2023.

Depreciation and amortisation decreased by 5.2% YoY to RUB 10,495 mln and by 0.5 pps YoY as a percentage of revenue in FY 2024, mainly as a result of a temporary slowdown in the discounter chain's expansion, as well as a review of the assets' useful life in the discounter network related to the renewal of lease agreements (under IFRS 16).

In FY 2024, the Group recognised **other operating income** in the amount of RUB 753 mln, compared to a loss of RUB 292 mln in FY 2023. This income arose from the modification of assets related to the improvement of lease terms (in accordance with IFRS 16).

Net finance costs increased by 16.2% YoY to RUB 8,447 mln in FY 2024. A substantial part of this growth was attributable to an increase in the weighted average rate on the back of a rise in the Bank of Russia interest rate.

In FY 2024, **net foreign exchange loss** amounted to RUB 304 mln, compared to a RUB 1,074 mln loss in FY 2023. The loss was largely attributable to intragroup US dollar-denominated loans; losses from import operations had a relatively small impact on the Group's results. Net foreign exchange loss has a non-cash nature.

The Group reported a RUB 1,988 mln **net profit** in FY 2024, compared to a loss of RUB 2,878 mln in FY 2023.

Group cash flow

| RUB mln | 2024 | 2023 |
|---|--------------|--------------|
| Net cash from operating activities | 19,427 | 15,276 |
| Net cash used in investing activities | (1,835) | (4,341) |
| Net cash used in financing activities | (13,260) | (11,158) |
| Net increase / (decrease) in cash and cash equivalents | 4,333 | (223) |
| Effect of exchange rate on cash and cash equivalents | (30) | (30) |

Net cash from operating activities amounted to RUB 19,427 mln in FY 2024, compared to RUB 15,276 mln in FY 2023. The increase was mainly led by revenue growth.

Net cash used in investing activities amounted to RUB 1,835 mln in FY 2024, showing a decrease in comparison with RUB 4,341 mln in FY 2023. In FY 2024, the Group focused on optimisation of its discounter store opening model, which led to a temporary slowdown in the pace of openings and, consequently, in a reduction in investing activities. The Group invested RUB 1,072 mln (excluding VAT) in its hypermarket business, and RUB 767 mln (excluding VAT) in the development of its DA! discounter segment.

Net cash used in financing activities amounted to RUB 13,260 mln in FY 2024, compared to RUB 11,158 mln in FY 2023. This was due to regular refinancing of the Group's credit portfolio in FY 2024.

As of 31 December 2024, the Group had RUB 13,050 mln worth of available credit lines in Russian roubles with fixed and floating interest rates. If necessary, proceeds from these facilities may be used to finance operating and investing activities.

Group net debt position

| RUB mln | As of 31 December 2024 | As of 31 December 2023 |
|---|------------------------|------------------------|
| EBITDA | 20,485 | 17,026 |
| Total debt | 47,651 | 47,131 |
| Short-term debt ¹ | 11,070 | 6,003 |
| Long-term debt | 36,581 | 41,128 |
| Cash & cash equivalents | 15,828 | 11,526 |
| Net debt | 31,823 | 35,606 |
| Total lease liabilities | 22,435 | 26,722 |
| Short-term lease liabilities | 5,456 | 5,962 |
| Long-term lease liabilities | 16,979 | 20,760 |
| Total interest-bearing liabilities (net of cash & cash equivalents) | 54,257 | 62,328 |
| Total interest-bearing liabilities (net of cash & cash equivalents) / EBITDA | 2.65x | 3.66x |

[1] Short-term debt does not include interest accrued on loans and borrowings.

As of 31 December 2024, the **total interest-bearing liabilities (net of cash) to EBITDA ratio** declined to 2.65x from 3.66x as of 31 December 2023. This was mainly driven by an increase in EBITDA combined with a decrease in net debt and long-term lease liabilities (in accordance with IFRS 16).

Group audited consolidated IFRS report

The Group's audited report, including the full set of audited IFRS financial statements, can be found at <https://www.okeygroup.lu/investors/result-center/ifrs-statements/>.

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ABOUT O`KEY GROUP

O`KEY Group S.A. (AIX, MOEX: OKEY) is one of the leading grocery retailers in Russia, operating hypermarkets under the O`KEY brand and discounters under the DA! brand.

As of 31 December 2024, the Group had 301 stores across Russia (77 hypermarkets and 224 discounters) with a total selling space of 663,568 sq m. O`KEY opened its first hypermarket in St Petersburg in 2002 and has since demonstrated continuous growth. It was the first Russian food retailer to launch e-commerce operations offering a full range of hypermarket products for home delivery. The Group operates e-commerce pick-up and delivery points in O`KEY hypermarkets across the country. In 2015, we launched the first discount chain in Russia under the DA! brand. The Group operates five distribution centres in Russia – three in Moscow and two in St Petersburg – and employs over 19,000 people.

In 2024, the Group's revenue amounted to RUB 219.4 bn, and EBITDA reached RUB 20.5 bn.

The O`KEY Group shareholder structure is as follows: NISEMAX Co Ltd, 49.11%; GSU Ltd, 34.14%; free-float and other holders, 16.75%.

DISCLAIMER

These materials contain statements about future events and expectations that are forward-looking statements. These statements typically include words such as 'expects' and 'anticipates' and words of similar import. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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