

H1 2023



Investor presentation



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.

None of the future projections, expectations, estimates or prospects in this announcement should be taken as forecasts or promises, nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this announcement. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.



O'KEY GROUP

OVERVIEW

O'KEY Group at a glance

282



Stores in 23 cities in 6
Federal Districts of Russia

99.5



Group revenue rose
by 1.7% in H1 2023

21



Years of experience
on the market

77

Total number
of hypermarkets

22.7 BN
RUB

Group Gross profit grew
by 1.6% in H1 2023

7.1 BN
RUB

Group EBITDA in H1 2023

205

Total number
of discounters

31%

DA! discounters' share in
Group's revenue in H1 2023

+19.2%

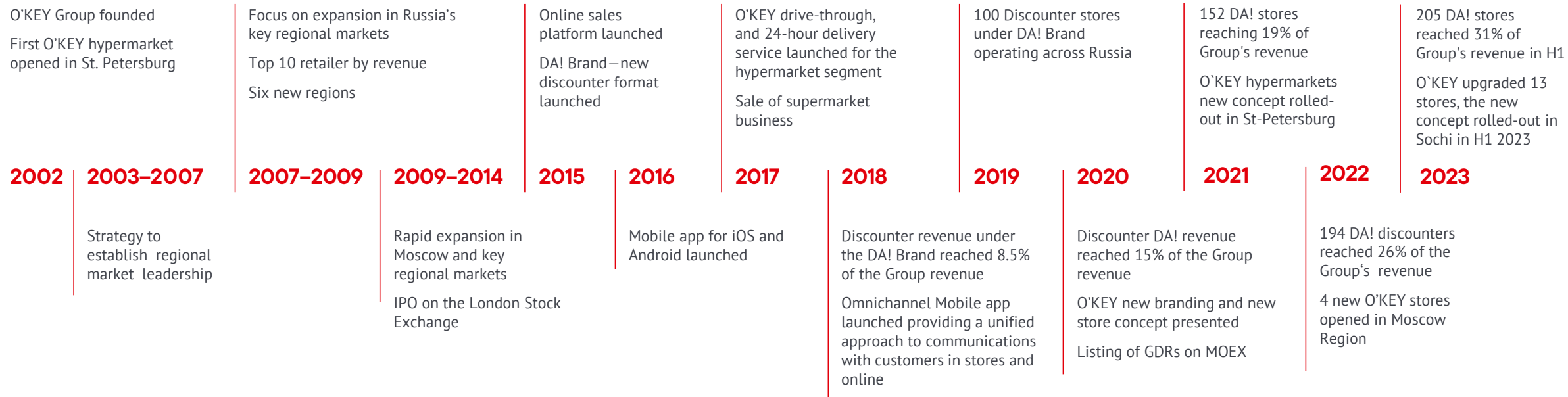
Discounters revenue
growth in H1 2023

Source: Company

O'KEY
GROUP OF COMPANIES



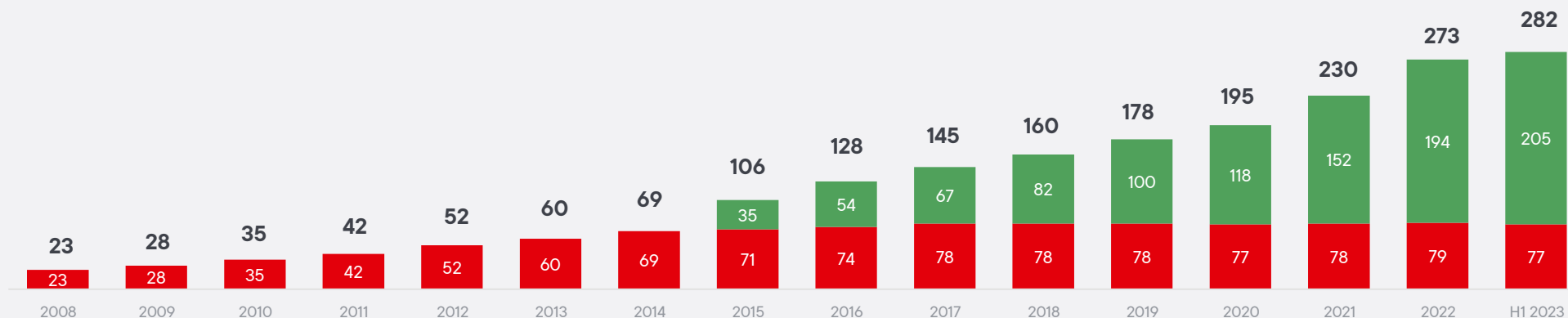
An established **track record**



Number of stores

#

- O'KEY hypermarkets
- DA! discounters

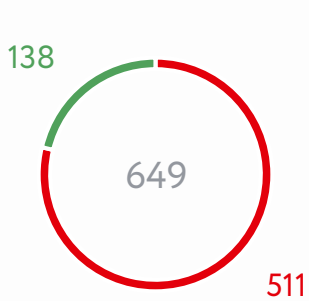


Nationwide presence with focus on central and north-west regions

O'KEY online delivery
 Online delivery via partners
 O'KEY hypermarkets
 DA! discounters
 O'KEY distribution centers
 DA! distribution centers

Selling space breakdown by brand

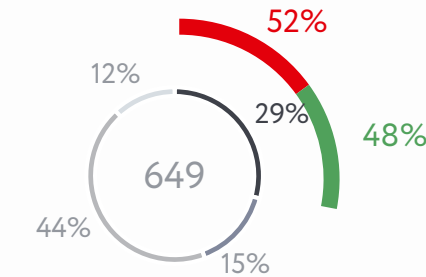
Ths sqm, H1 2023



O'KEY hypermarkets
 DA! discounters

Selling space breakdown by region

Ths sqm, H1 2023



North-West
 East
 Central
 South
 O'KEY hypermarkets
 DA! discounters

Central FD



100% online coverage in cities of O'KEY presence

282

Total stores

5 total DCs

77

O'KEY hypermarkets

4 DCs for hypermarkets
63% centralization rate

205

DA! discounters

1 DC for discounters
100% centralization rate

O'KEY: modern hypermarkets

with a strong customer value proposition



6,700 SQM

Average store selling space



35K SKUs

Average product range



RUB 69.0 BN

O'KEY revenue in H1 2023

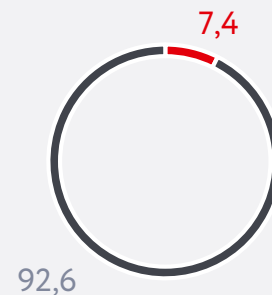


69.4%

O'KEY share in the Group's revenue

Private Labels

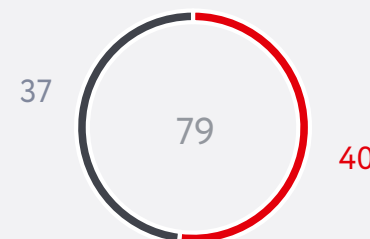
Share in revenue %, H1 2023



- Private labels
- Other brands

Location

Number of stores, as of H1 2023



- Standalone
- In shopping malls

Fresh categories

Share in revenue %, H1 2023



- Fresh categories
- Other categories

Our unique value proposition

- Wide range of competitively priced, high quality products, including fresh food, own bakery, delicatessen products and non-food items
- Locations near key traffic intersections, within easy access to public transportation and/or within highly populated residential district
- Modern shopping environment with an appealing ambiance
- Omnichannel bonus system to accumulate and spend loyalty points
- Large number of cash registers, self-scanning and self-checkout

O'KEY 'fresh' and 'ultra fresh' proposition as a competitive advantage

Strong focus on ultra-fresh and fresh products

- **Around 400 kinds** of fresh fruit, vegetables, berries and greens
- **Direct imports** of fresh fruits and vegetables
- **More than 5,000 items** across fresh fish, seafood, poultry, meat, sausages, cheese, steaks, and farm-fresh dairy products
- **The Hot Bread**—freshly baked bread three times a day
- **Fresh, ultra fresh** products and fruits & vegetables are important traffic drivers for O'Key stores

52%

share of fresh, ultra-fresh, fruits & veg in O'Key sales volumes



O'KEY continues to upgrade its hypermarkets

13 stores

Have been upgraded under the new concept in key locations in Moscow, St-Petersburg and Sochi

- **Competitive format** driving synergies and clear advantages for development in online
- **Strong potential** to improve the efficiencies of sales space utilization
- **Strengthening O'KEY's market position** and creating a foundation for long-term expansion

Please [click here](#) to watch a movie about the new hypermarket

+50%

Even more space allocated to fresh and ultra fresh categories as main traffic drivers

80%

Non-food area reduction, range revitalisation and re-design of the display, focusing on high-quality items that are most popular with customers



Improved layouts and re-imagined approach to product range, while using every square meter as efficiently as possible

O'KEY has a functional mobile application and fast home delivery

Attractive regions of delivery

O'KEY delivery across Moscow region and St. Petersburg as well as delivery in regions in partnership with other operators

#1

Online food store¹

4.6 points

Mobile app rank in IOS platform FY 2022

+26.3%

YoY online sales growth in H1 2023

31

Pick-up and delivery storehouses

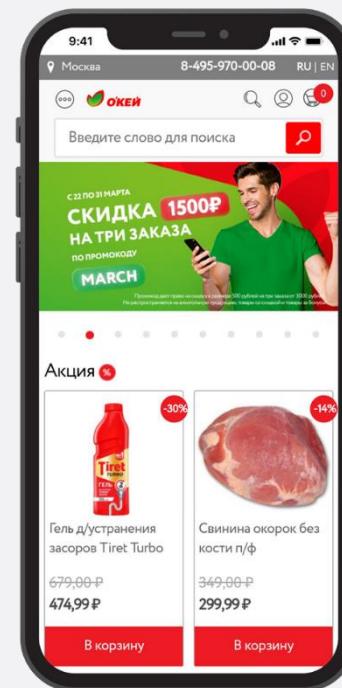
70%

Share of online sales via mobile app in Q2 2023

5.6%

E-comm share of O'KEY revenue in H1 2023

- 100% online coverage in all regions of O'KEY presence
- Efficient e-commerce platform and the collaboration with food delivery aggregators
- Own service of home delivery and in Moscow, St-Petersburg and in-store pick-up of online orders at hypermarkets in Moscow, St-Petersburg, Sochi and Krasnodar



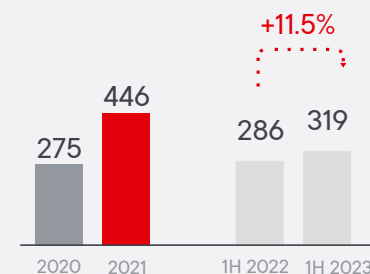
Fully omnichannel mobile app

O'KEY mobile app allows customers to:

- View offline catalogues
- Access order and shopping history
- Share basket between users
- View promotions
- Create a loyalty e-card and check bonuses
- Use voice assistant
- Locate the nearest store
- Pay online

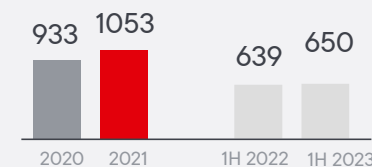
Active customers

'000 people



Mobile app downloads

'000 for the period



1. According to All-Russian customer research conducted by Retailer.ru among over 1 mln customers across the country

DA!: fast-growing classic european discounters



670 SQM

Average store selling space



3.4 SKUs

Average product range



30.6%

Share in the Group's revenue in H1 2023

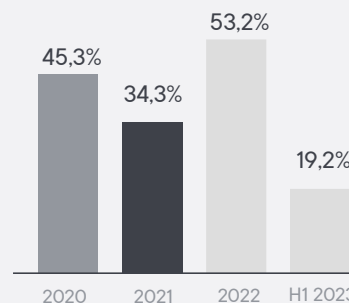


+19.2%

DA! revenue growth in H1 2023

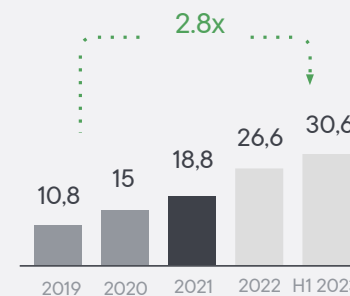
DA! Net Retail revenue growth, YoY

Net Retail revenue growth YoY, %



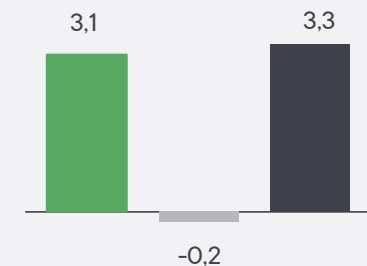
Share of DA! brand in Group revenue

Share in net retail revenue, %



LFL Growth

%, in H1 2023



● Net retail revenue
● Traffic
● Average ticket

Our unique value proposition

- Tailor-made own brands and packaging designed by DA! under different brand names
- c.50% share of own brands to offer best price to the customer – every day low prices
- Own logistics and 100% centralization level with daily deliveries of fresh products to all of the stores
- Low operating costs due to cost-optimizing procedures, efficient processes and low number of SKUs
- Modern design and well-trained personnel, fast check-out

DA! exclusive own brand expertise

>1,300

active SKUs

- **Exclusive own brands** portfolio accounting for 50% of sales
- **On average, 20-30% cheaper** than branded products of the same quality
- **Positioned against A-brands** in each product category
- **Long-term mutually beneficial collaboration** with producers
- **Participation in all the stages of production:** selection of suppliers, quality control and production audit, eco-friendly and high-quality packaging design

Exclusive own brands to guarantee the best quality
at the lowest possible price

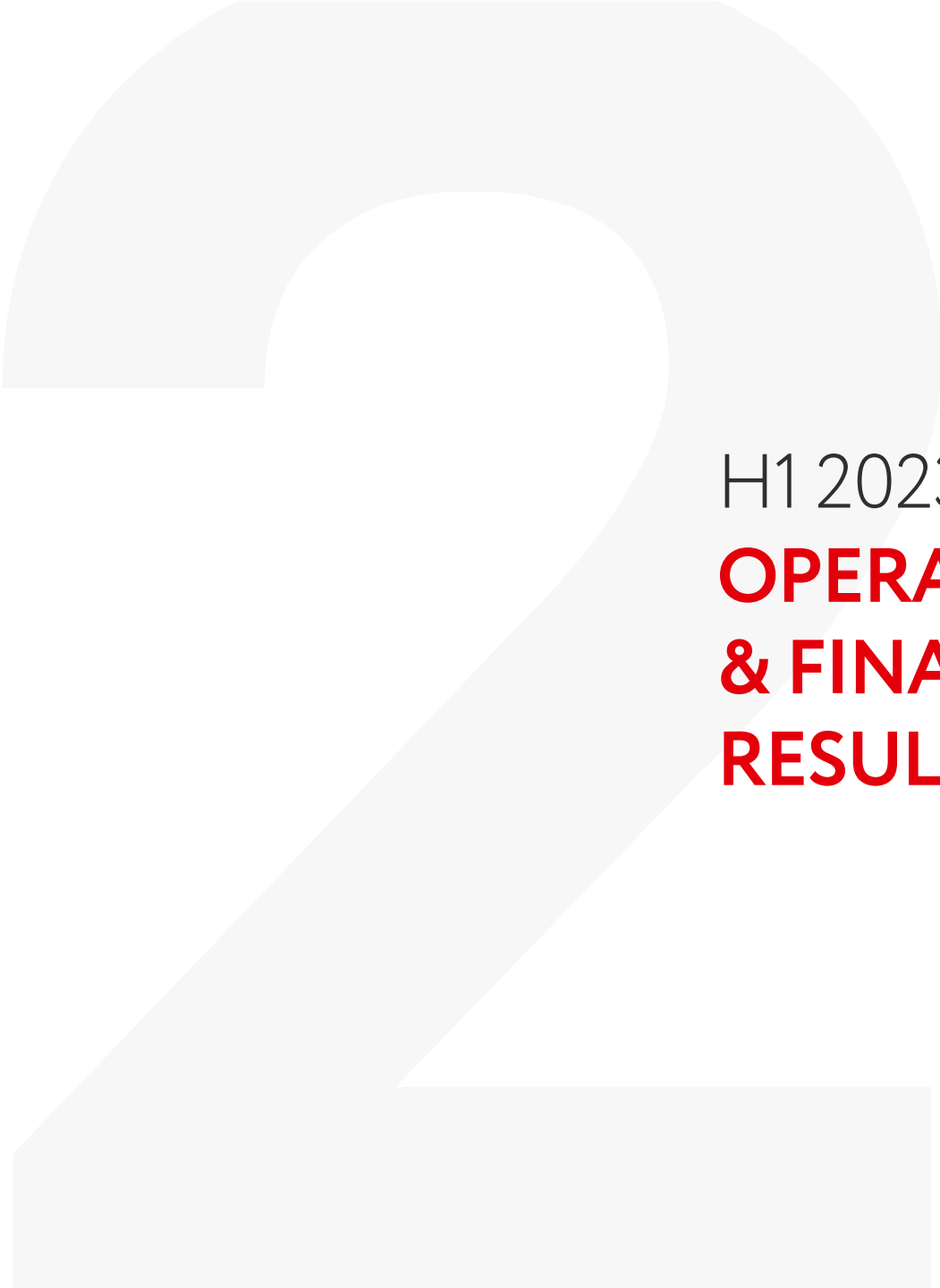


Fresh quality to differentiate our offer at DA!

- **Daily delivery** of 'fresh' to all DA! stores
- **Direct imports** of fresh fruits and vegetables
- **A wide range** of dairy and meat produce
- **A wide range** of hot bread and freshly baked pastries

Please [click here](#) to
watch a movie about the
DA! discount chain





H1 2023

**OPERATIONAL
& FINANCIAL
RESULTS**

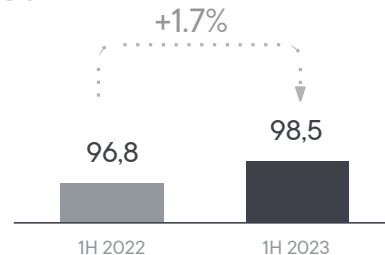
H1 2023

Group operating highlights

GROUP

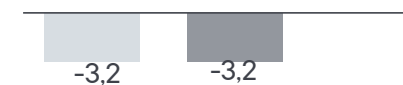
Net retail revenue

RUB bn



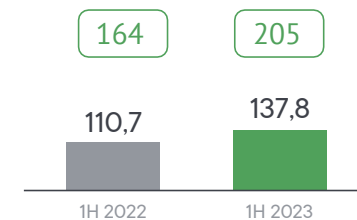
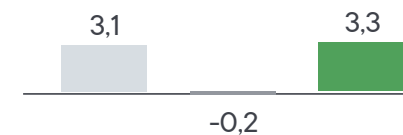
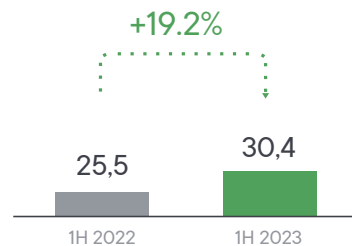
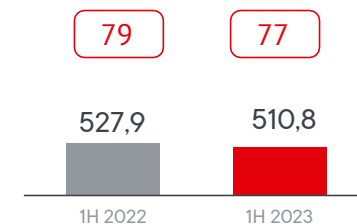
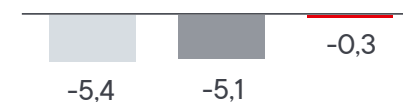
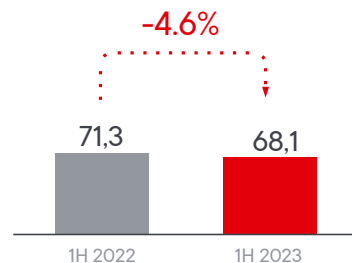
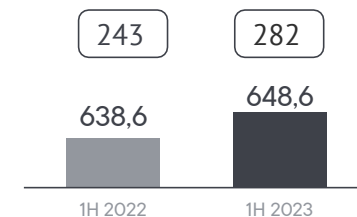
LFL net retail revenue

%, YoY



Selling space

'000 sqm



● Net retail revenue ● Traffic
 ● Average ticket

○ ○ ○ Number of stores

H1 2023

Group financial highlights

99.5  BN
RUB


Group revenue grew by 1.7% YoY

22.7  BN
RUB

Group gross profit grew by 1.6% YoY

22.8%


Gross margin stood flat YoY

7.1  BN
RUB

Group EBITDA declined 5.4% YoY

7.1%  BN
RUB

Group EBITDA margin declined
0.6 pps YoY

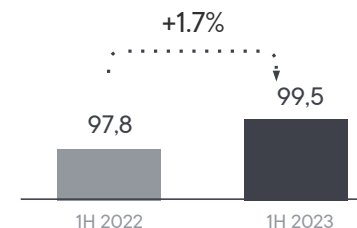
4.08x 

Total interest bearing liabilities
(net of cash) to EBITDA

Revenue

RUB bn

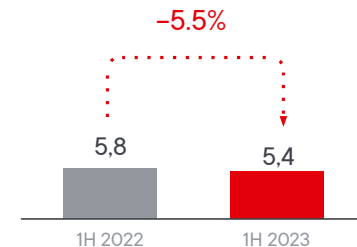
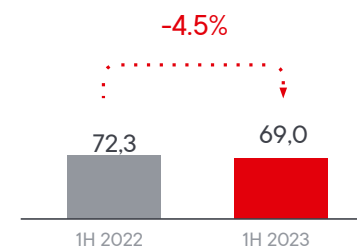
GROUP



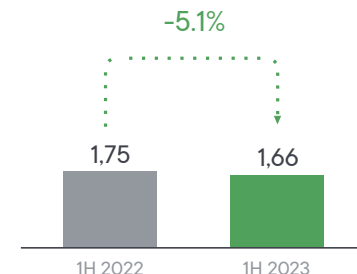
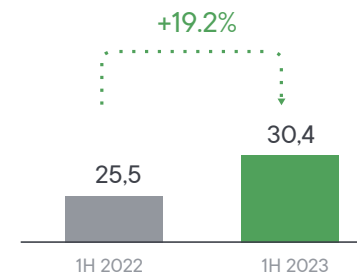
EBITDA

RUB bn

O'KEY



ДА!



Group debt position was stable in H1 2023

ruA-

In June 2023, EXPERT RA affirmed O'KEY's rating with Stable outlook

80%

The share of borrowings with fixed rate as of June 30, 2023

100%

Rouble nominated borrowings as of June 30, 2023

ruA

In July 2023, NCA assigned O'KEY credit rating with Stable outlook

Net total IBL, EoP

RUB bn



Net total IBL, EoP

RUB mln

	As of 30 June 2023	As of 30 June 2022
EBITDA LTM	16,612	16,440
Total debt	48,442	44,396
Cash & cash equivalents	5,921	7,946
Net debt	42,521	36,451
Total lease liabilities	25,215	23,967
Total interest-bearing liabilities (net of cash & cash equivalents)	67,735	60,418
Total interest-bearing liabilities (net of cash & cash equivalents) / EBITDA	4.08x	3.68x

1. Total IBL – Total Interest Bearing Liabilities, Net Total IBL – Total Interest Bearing Liabilities excluding Cash & Equivalents

3

APPENDIX

Group's unaudited interim consolidated balance sheet

'000 RUB	30 Jun 2023	31 Dec 2022
ASSETS		
Non-current assets		
Investment property	1,257,218	1,447,333
Property, plant and equipment	42,170,127	42,609,851
Construction in progress	1,254,856	1,326,017
Right-of-use assets	21,692,769	19,216,816
Intangible assets	1,164,658	1,205,515
Deferred tax assets	5,887,544	5,245,595
Other non-current assets	1,627,085	1,801,139
Total non-current assets	75,054,257	72,879,266
Current assets		
Inventories	22,431,699	23,916,987
Trade and other receivables	2,573,715	2,930,220
Prepaid income tax	104,378	59,282
Prepayments	802,530	1,177,461
Cash and cash equivalents	5,920,819	11,779,334
Non-current assets held for sale	255 000	305,000
Total current assets	32,088,141	40,168,284
Total assets	107,142,398	113,047,550

'000 RUB	30 Jun 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	119,440	119,440
Legal reserve	10,597	10,597
Additional paid-in capital	8,555,657	8,555,657
Retained earnings	348,423	3,325,409
Translation reserve	1,891,054	1,454,205
Total equity	10,925,171	13,465,308
Non-current liabilities		
Loans and borrowings	42,243,532	35,525,212
Lease liabilities	19,273,573	16,924,142
Deferred tax liabilities	509,636	532,644
Total non-current liabilities	62,026,741	52,981,998
Current liabilities		
Loans and borrowings	6,198,051	9,960,796
Interest accrued on loans and borrowings	251,965	215,737
Lease liabilities	5,941,033	5,620,662
Trade and other payables	21,799,437	30,636,945
Current income tax payable	-	166,104
Total current liabilities	34,190,486	46,600,244
Total liabilities	96,217,227	99,582,242
Total equity and liabilities	107,142,398	113,047,550

The Group's IFRS financial statements, can be found at
<https://okeygroup.lu/investors/result-center/ifrs-statements/>

Group's unaudited interim consolidated profit and loss statement

'000 RUB	6m 2023	6m 2022
Revenue	99,477,890	97,803,485
Cost of goods sold	(76,825,436)	(75,501,195)
Gross profit	22,652,454	22,302,290
General, selling and administrative expenses	(21,762,285)	(19,793,712)
Other operating income and expenses, net	(389,294)	(551,029)
Operating profit	500,875	1,957,549
Finance income	130,408	257,223
Finance costs	(3,379,908)	(2,942,558)
Foreign exchange (loss) / gain	(880,518)	1,533,476
Profit before income tax	(3,629,143)	805,690
Income tax benefit / (expense)	652,157	(229,278)
(Loss) / Profit for the year	(2,976,986)	576,412

'000 RUB	6m 2023	6m 2022
Other comprehensive (loss)/income		
<i>Items that will never be reclassified to profit or loss:</i>		
Exchange differences on translation to presentation currency	436,849	(875,289)
Other comprehensive (loss)/ income for the year, net of income tax	436,849	(875,289)
Total comprehensive income for the year	(2,540,137)	(298,877)
Earnings per share		
Basic and diluted earnings per share (in RUB per share)	(11.1)	2.1

Group's unaudited interim consolidated statement of cash flows

'000 RUB	6m 2023	6m 2022
Cash flows from operating activities		
Cash receipts from customers	113,919,249	111,971,743
Other cash receipts	285,251	373,195
Interest received	98,020	236,330
Cash paid to suppliers and employees	(112,006,658)	(108,763,775)
Taxes other than on income	(390,954)	(371,852)
Other cash payments	(13,185)	(30,429)
VAT paid	(2,192,521)	(2,042,908)
Income tax paid	(220,433)	(424,392)
Net cash (used in) / from operating activities	(521,231)	947,912
Cash flows from investing activities		
Purchase of property, plant and equipment (excluding VAT)	(2,494,667)	(3,355,720)
Purchase of intangible assets (excluding VAT)	(143,848)	(152,180)
Proceeds from sale of investment property (excluding VAT)	389,312	1,166
Proceeds from sale of property, plant and equipment and intangible assets (excluding VAT)	-	25,000
Net cash used in investing activities	(2,249,203)	(3,481,734)

'000 RUB	6m 2023	6m 2022
Cash flows from financing activities		
Proceeds from loans and borrowings	14,500,000	10,417,252
Repayment of loans and borrowings	(11,521,569)	(3,241,572)
Repayment of loans from related parties	-	(393,582)
Interest paid on loans and borrowings	(2,197,399)	(1,976,965)
Repayment of principal amount of lease liabilities	(2,682,591)	(2,348,785)
Interest paid on lease liabilities	(1,131,679)	(1,032,208)
Other financial payments	(45,831)	(19,336)
Net cash (used in)/ from financing activities	(3,079,069)	1,404,804
Net decrease in cash and cash equivalents	(5,849,501)	(1,129,018)
Cash and cash equivalents at the beginning of the year	11,779,334	9,447,998
Effect of exchange rate fluctuations on cash and cash equivalents	(9,014)	(373,281)
Cash and cash equivalents at the end of the year	5,920,819	7,945,699



O'KEY