H1 2022

O'KEY GROUP OF COMPANIES

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.

1

O'KEY GROUP
OVERVIEW

O'KEY Group at a glance

243
Stores in 23 cities in 6 Federal Districts of Russia

97.8
Group revenue rose by 10.3% in H1 2022

20
Years of experience on the market

79
Total number of hypermarkets

7.5 BN RUB
Group EBITDA in H1 2022

+4.8%
Group LFL revenue growth in H1 2022

164
Total number of discounters

28.5%
DA! discounters share in the Group's net retail revenue

+63.1%
Discounters revenue growth in H1 2022

Source: Company





An established **track record**

2002
- O'KEY Group founded
- First O'KEY hypermarket opened in St. Petersburg

2003–2007
- Strategy to establish regional market leadership

2007–2009
- Focus on expansion in Russia's key regional markets
- Top 10 retailer by revenue
- Six new regions

2009–2014
- Rapid expansion in Moscow and key regional markets
- IPO on the London Stock Exchange

2015
- Online sales platform launched
- DA! Brand—new discounter format launched

2016
- Mobile app for iOS and Android launched

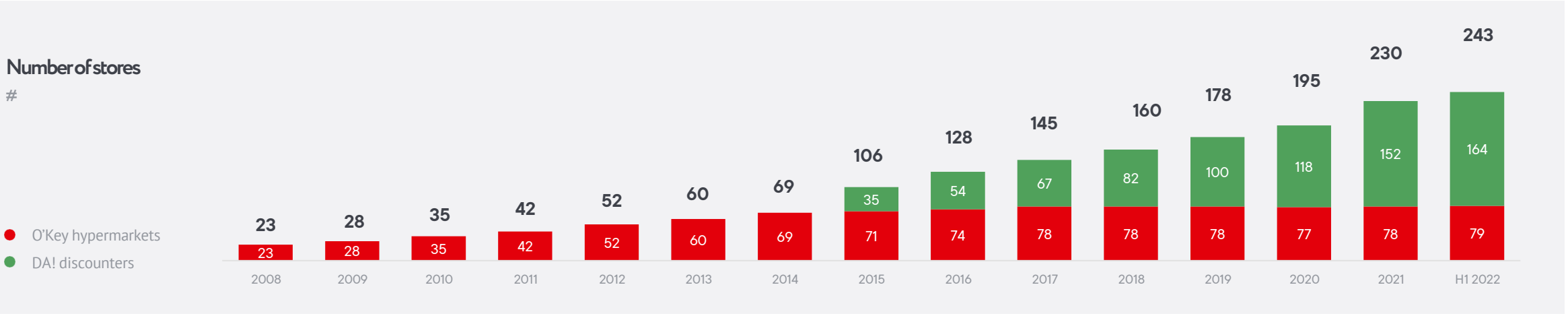
2017
- O'KEY drive-through, and 24-hour delivery service launched for the hypermarket segment
- Sale of supermarket business

2018
- Discounter revenue under the DA! Brand reached 8.5% of the Group revenue
- Omnichannel Mobile app launched providing a unified approach to communications with customers in stores and online

2019
- 100 Discounter stores under DA! Brand operating across Russia

2020
- Discounter DA! revenue reached 15% of the Group revenue
- O'KEY new branding and new store concept presented
- Listing of GDRs on MOEX

2021
- 152 DA! stores reaching 19% of Group's revenue
- O`KEY hypermarkets new concept rolled-out in St-Petersburg



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



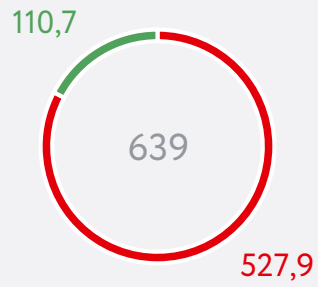
Central FD

Moscow region	Tula region	Kaluga region	Tver region	Ryazan region
108	9	8	7	6

Voronezh	Lipetsk	Ivanovo
2	1	1

Selling space breakdown by brand

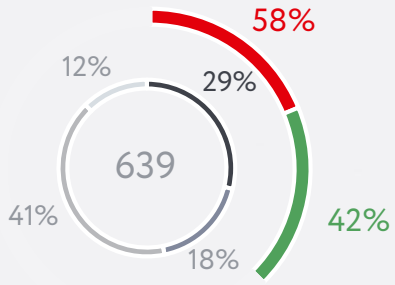
Ths sqm, H1 2022



O'Key hypermarkets
DA! discounters

Selling space breakdown by region

Ths sqm, H1 2022



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

100% online coverage in cities of presence

243
Total stores

5 total DCs

79
O'Key hypermarkets

4 DCs for hypermarkets
>60% centralization rate

164
DA! discounters

1 DC for discounters
100% centralization rate

Key events for H1 2022



April 2022: O`KEY opens 4 hypermarkets under new concept to replace Karusel stores acquired earlier from X5



June 2022: DA! discounters deliver a 37.1% LFL net retail revenue growth and reach 28.5% of the Groups revenue in Q2 2022



June 2022: O`KEY opens 6 new collection points for online orders in its hypermarkets in Moscow and St-Petersburg, online sales reach 4.3% of O'KEY retail revenue



June 2022: Expert RA rating agency affirms the credit rating of O`KEY at "ruA-", outlook Stable

O'KEY: modern hypermarkets with a strong customer value proposition

6,700 SQM
Average store selling space

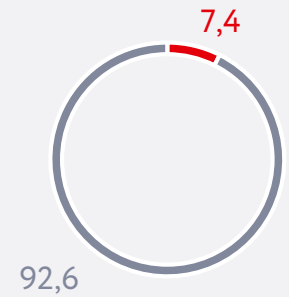
30K SKUs
Average product range

693.3 mln
items sold in H1 2022

73.6%
O'KEY share in the Group's revenue

Private Labels

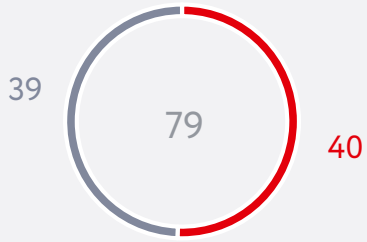
Share of private labels in sales, H1 2022



- Private labels
- Other brands

Location

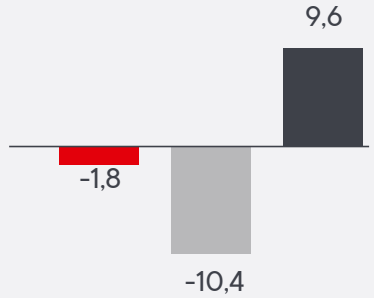
Number of stores, as of H1 2022



- Standalone
- In shopping malls

LFL Revenue

%, in H1 2022



- Net retail revenue
- Traffic
- Average ticket

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

54.2%

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







O'KEY continues to upgrade its hypermarkets

- **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

8 stores

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



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

+53.6%
YoY online growth in H1 2022

>30K
Available SKUs

19
Pick-up and delivery storehouses

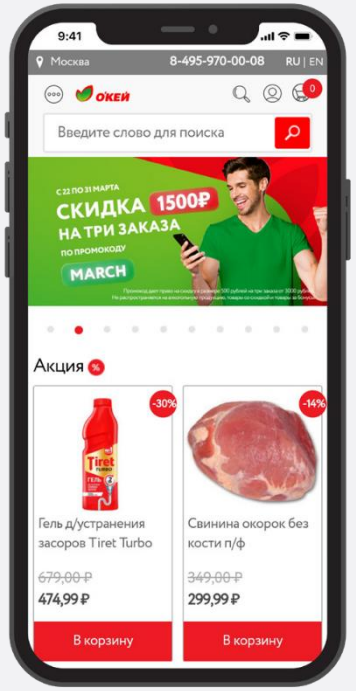
68%
Share of online sales via mobile app in H1 2022

4.3%
E-comm share of O'KEY revenue in H1 2022

90 MIN
"Fast delivery" launched in 2020

4.6 points
Mobile app rank in IOS platform FY 2021

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



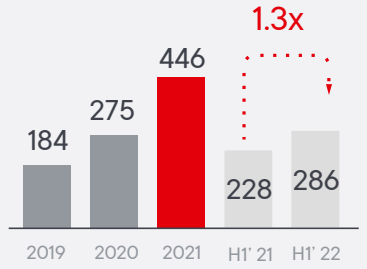
Fully omnichannel mobile app

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

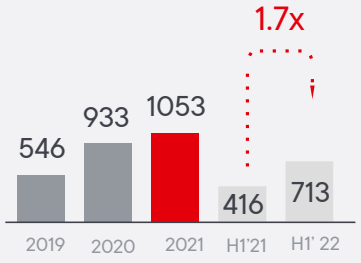
Active customers

'000 people



Mobile app downloads

'000 for the period



DA!: fast-growing classic european discounters

700 SQM
Average store selling space

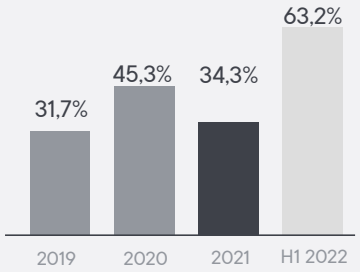
3.2K SKUs
Average product range

26.4%
Share in the Group's revenue in H1 2022

59%
Share of fresh and ultra-fresh product in revenue in H1 2022

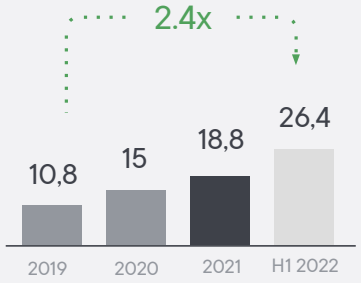
DA! Net Retail revenue growth, YoY

Net Retail revenue growth YoY, %



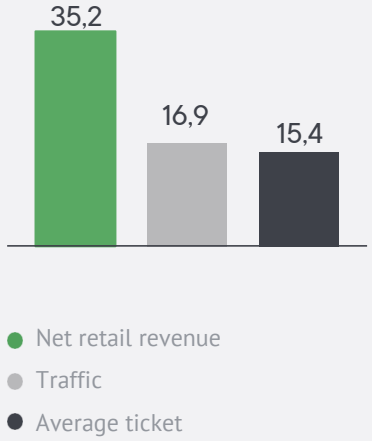
Share of DA! brand in Group revenue

Share in Net Retail revenue, %



LFL Growth

%, in H1 2022



Our unique value proposition

- Tailor-made own brands and packaging designed by DA! under different brand names
- 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

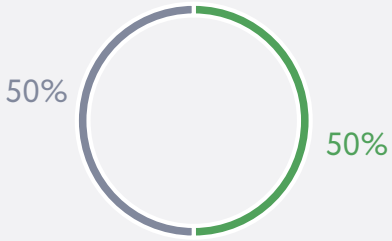
DA! exclusive
own brand expertise

1,100

active SKUs

Private Labels

Share of private labels in sales, H1 2022



- **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

59%

Share of fresh in DA! sales

>40

Items of freshly baked pastries

Please click here to watch a movie about the DA! discounter chain







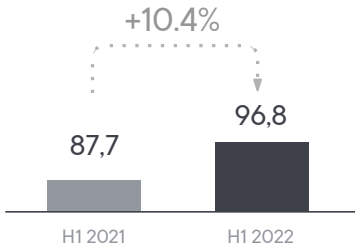
H1 2022

OPERATIONAL & FINANCIAL RESULTS

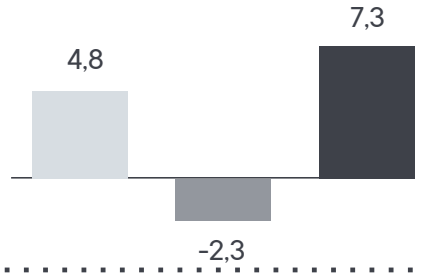
H1 2022
Group operating highlights

GROUP

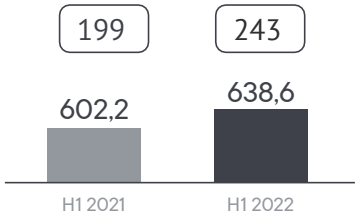
Net retail revenue
RUB bn



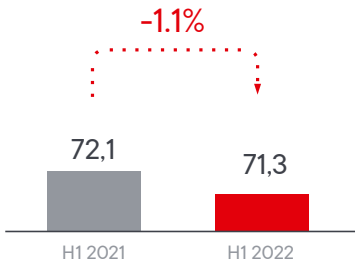
LFL net retail revenue
%, YoY

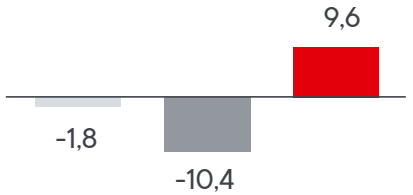


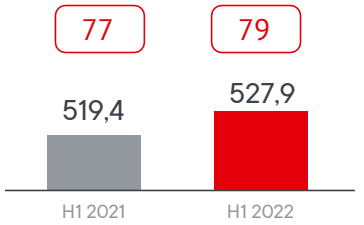
Selling space
'000 sqm



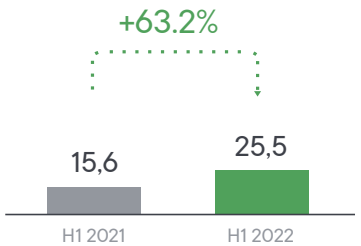
O'KEY

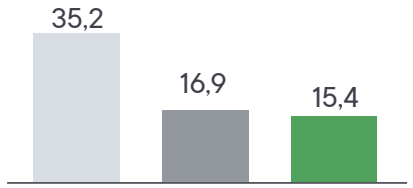


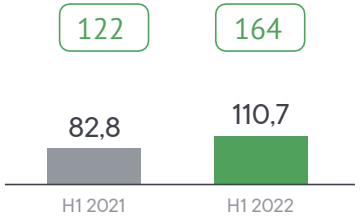




ДА!







Net retail revenue · Traffic · Average ticket · Number of stores

H1 2022
Group financial highlights

97.8 BN RUB
Group revenue grew by 10.3% YoY

7.7%
EBITDA margin up by 0.3pps YoY

22.3 BN RUB
Group gross profit grew by 14.5% YoY

7.5 BN RUB
Group EBITDA rose by 14.2%

1.75 BN RUB
DA! discounters EBITDA jumped 2.6x YoY

3.68x
Total interest bearing liabilities (net of cash) to EBITDA decreased

	Revenue, RUB bn			EBITDA, RUB bn		
	H1 2021	H1 2022	Change	H1 2021	H1 2022	Change
GROUP	88,7	97,8	+10.3%	6,6	7,5	+14.2%
O'KEY	73	72,3	-1.0%	5,9	5,8	–2.3%
ДА!	15,7	25,5	+63.1%	0,7	1,7	+2.6x

Group EBITDA margin bridge

7.7%

EBITDA margin in H1 2022

0.8 ^ pps YoY

Gross margin grew led by efficiencies in procurement and reduced tariffs in logistics

0.3 ^ pps YoY

Personnel costs grew mainly due to new store openings in the both chains and wages indexation in hypermarkets

0.05 ^ pps YoY

Advertising and marketing expenses increased by 0.05 pps, due to advertising equipment in stores upgrade

0.05 ^ pps YoY

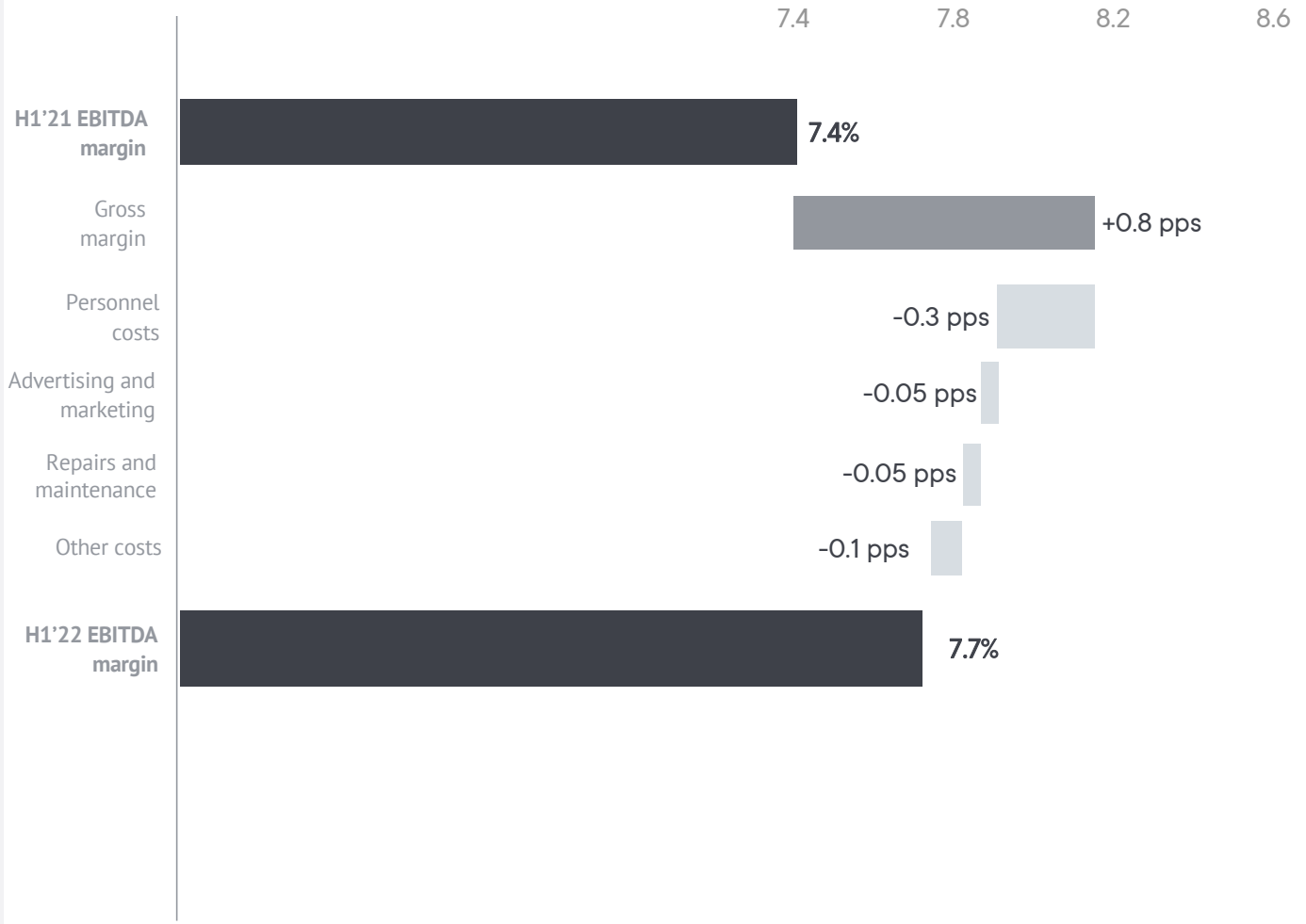
Repairs and maintenance expenses rose by 0.05 pps, due to mainly to new store openings

0.1 ^ pps YoY

Other costs include bank commissions, operating taxes and operating lease

EBITDA margin YoY dynamics

%



Group debt position was stable in H1 2022

ruA–

In June 2022, EXPERT RA affirmed O`KEY's rating with Stable outlook

3.68x

Net IBL[1] to EBITDA reduced as of June 30, 2022

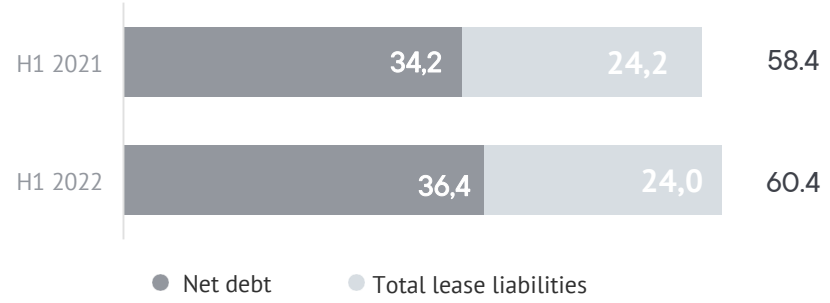
99%

Rouble nominated borrowings as of June 30, 2022

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

Net total IBL, EoP

RUB mln



Net total IBL, EoP

RUB mln	As of 30 June 2022	As of 30 June 2021
EBITDA LTM	16,440	14,709
Total debt	44,396	36,556
Cash & cash equivalents	7,946	2,380
Net debt	**36,450**	**34,176**
Total lease liabilities	23,967	24,241
Total interest-bearing liabilities (net of cash & cash equivalents)	**60,417**	**58,417**
Total interest-bearing liabilities (net of cash & cash equivalents) / EBITDA	**3.68**	**3.97**

3

CORPORATE GOVERNANCE

Investment highlights

- **Flexible business model** based on two competitive shopping formats and an e-commerce platform, covering all customer segments and needs
- **Top-10 food retailers in online** with 100% coverage in major Russian regions
- **O'KEY:** strong brand and market positioning in major Russian cities
- **DA! discounters:** one of the fastest growing grocery chains in the market
- **Exceptional expertise in private labels** and own production enables building appealing customer value proposition
- **Highly centralized logistics:** five distribution centres in Moscow and St. Petersburg
- **Focus on cutting-edge IT solutions** and progressive infrastructure
- **Experienced management team** with international retail expertise





High standards
of corporate governance

Major shareholders

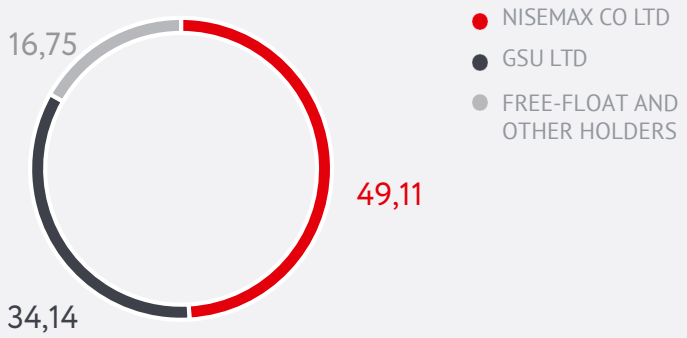
Mr. Dmitry Korzhev
(NISEMAX CO LTD)

Mr. Dmitry Troitskiy
(NISEMAX CO LTD)

Mr. Boris Volchek
(GSU LTD)

Shareholder structure

%



Board of directors

Heigo Kera
Group Chairman, Member of the Audit Committee, Chair of the Remuneration Committee

Dmitriy Korzhev
Member of the Audit Committee

Dmitriy Troitskiy
Member of the Remuneration Committee, Non-Executive Director

Mykola Buinyckyi
Independent Director,
Chair of the Audit Committee

Boris Volchek
Member of the Audit and Remuneration Committees

O'Key stock

Exchange	Ticker	Listed since
London Stock Exchange	OKEY	Nov 2010
Moscow Exchange, Level 1	OKEY	Dec 2020

O'KEY