

Press release

28 January 2022

**O`KEY GROUP REPORTS 10.4% REVENUE GROWTH IN Q4 2021**  
**DISCOUNTERS' REVENUE GROWS BY 47.3% WITH 24.8% LFL**

O`KEY Group S.A. (LSE, MOEX: OKEY, the “Group” or the “Company”), one of Russia’s leading food retailers, has announced its unaudited operating results for the fourth quarter (Q4) and the twelve months (12M) of 2021.

All materials published by the Group are available at [www.okeygroup.lu](http://www.okeygroup.lu).

**Q4 2021 operational highlights**

- Group net retail revenue<sup>1</sup> increased 10.4% YoY to RUB 54.0 bn.
- Group like-for-like (LFL) net retail revenue rose 6.9% YoY, led by both hypermarket and discounter growth.
- O`KEY hypermarkets’ net retail revenue grew 4.2% YoY to RUB 43.5 bn, primarily on the back of a 3.8% YoY LFL revenue increase.
- Total online sales increased 127.1% YoY to RUB 1.7 bn, amounting to 3.8% of O`KEY's revenue.
- DA! discounters’ demonstrated 47.3% YoY net retail revenue growth to RUB 10.5 bn, driven by a 24.8% LFL revenue increase and supported by an expansion programme.
- DA! discounters’ share in the Group’s revenue rose 4.9 pp YoY to 19.4%.

**12M 2021 operational highlights**

- Group net retail revenue rose 7.2% YoY to RUB 185.2 bn.
- O`KEY hypermarkets’ net retail revenue increased 2.5% YoY to RUB 150.4 bn, with 1.4% YoY LFL revenue growth.
- Total online sales increased 93.7% YoY to RUB 4.7 bn, accounting for 3.1% of O`KEY's revenue.
- DA! discounters’ net retail revenue grew 34.3% YoY to RUB 34.8 bn, with 16.3% YoY LFL revenue growth.

**Armin Burger, Chief Executive Officer at O`KEY Group, commented:**

“We are very pleased with the Group’s operational results in 2021 perfectly in line with our previously announced guidelines. Our business model based on a balanced combination of complementary sales formats and channels has proved its efficiency under various market conditions.

O`KEY hypermarkets showed a strong 4.2% YoY net retail revenue increase on the back of a 3.8% LFL increase in Q4 2021 – an acceleration compared to the first half of 2021. We are proceeding with the hypermarkets transformation program as a part of the Group’s strategy of strengthening its market position and supporting our long-term growth. The program aims at rebalancing the assortment with a specific focus on fresh and ultra-fresh categories, enhancing the quality and range of food and non-food products under our own brand, maintaining high standards of customer service, and renovating hypermarkets.

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<sup>1</sup> Hereinafter, net retail revenue, LFL net retail revenue and average ticket metrics are provided net of VAT.

In Q4 2021, we upgraded our first two stores in St. Petersburg and relaunched one newly acquired hypermarket in Moscow. Our renovated hypermarkets are showing good progress in terms of customer traffic and sales density. As announced previously, we intend to rollout gradually the reformatting programme across our whole hypermarket chain in the mid-term.

In 12M 2021, the O`KEY's total online sales, including our own delivery service and those of third parties, almost doubled YoY, reaching RUB 4.7 bn and accounting for 3.1% of O`KEY's revenue. We are satisfied with our efficient e-commerce platform and the collaboration with food delivery aggregators.

DA! discounters continuously demonstrate one of the fastest growth rates in the sector. In Q4 2021, DA! showed an impressive 47.3% YoY net retail revenue increase and 24.8% LFL growth. In 12M 2021, DA! grew 34.3% YoY and reached almost RUB 35 bn in revenue, comprising almost 19% of the Group's top line. In 2021, we opened 34 discounters, bringing their total to 152 stores. Higher store density and penetration into the Central Region results in rising DA! brand awareness and customer loyalty thanks to our competitive value-for-money offers. We plan to intensify the expansion with up to 50 new stores annually starting this year. We expect the number of discounters to double and their share in the Group's revenue to reach 40%-50% in a 5 years horizon.

We expect to maintain single-digit LFL growth for O`KEY hypermarkets and double-digit LFL growth for DA! discounters in 2022."

## Operational review

### Group Net Retail Revenue in Q4 and 12M 2021

Net Retail Revenue, RUB mln (excl. VAT)	Q4 2021	Q4 2020	YoY, %	12M 2021	12M 2020	YoY, %
<b>O'KEY Group</b>	<b>54,024</b>	<b>48,922</b>	<b>10.4%</b>	<b>185,172</b>	<b>172,676</b>	<b>7.2%</b>
O'KEY hypermarkets	43,545	41,807	4.2%	150,383	146,779	2.5%
DA! discounters	10,479	7,115	47.3%	34,789	25,896	34.3%

### Group Like-for-like Net Retail Revenue Performance in Q4 and 12M 2021

LFL Net Retail Revenue, %	Q4 2021 vs Q4 2020			12M 2021 vs 12M 2020		
	Net retail revenue	Traffic	Average ticket	Net retail revenue	Traffic	Average ticket
<b>O'KEY Group</b>	<b>6.9%</b>	<b>(1.3%)</b>	<b>8.2%</b>	<b>3.7%</b>	<b>1.3%</b>	<b>2.4%</b>
O'KEY hypermarkets	3.8%	(5.9%)	10.3%	1.4%	(1.6%)	3.1%
DA! discounters	24.8%	11.4%	12.0%	16.3%	9.1%	6.6%

Note: LFL metrics are calculated based on 77 O'KEY and 111 DA! stores.

## Group Net Retail Revenue Monthly Metrics for Q4 2021

	Oct	Nov	Dec	Q4 2021	12M 2021
<b>Net retail revenue, % YoY</b>					
<b>O'KEY Group</b>	<b>13.1%</b>	<b>10.5%</b>	<b>8.6%</b>	<b>10.4%</b>	<b>7.2%</b>
O'KEY hypermarkets	6.8%	3.5%	2.8%	4.2%	2.5%
DA! discounters	47.4%	48.0%	46.2%	47.3%	34.3%
<b>Customer traffic, % YoY</b>					
<b>O'KEY Group</b>	<b>6.0%</b>	<b>3.4%</b>	<b>3.9%</b>	<b>4.4%</b>	<b>6.6%</b>
O'KEY hypermarkets	(3.1%)	(8.0%)	(6.0%)	(5.7%)	(0.5%)
DA! discounters	30.3%	33.7%	33.4%	32.5%	26.9%
<b>Average ticket, % YoY</b>					
<b>O'KEY Group</b>	<b>6.7%</b>	<b>6.9%</b>	<b>4.5%</b>	<b>5.7%</b>	<b>0.5%</b>
O'KEY hypermarkets	10.3%	12.4%	9.4%	10.4%	3.0%
DA! discounters	13.1%	10.8%	9.6%	11.2%	5.8%

The Group's net retail revenue increased 10.4% YoY to RUB 54,024 mln in Q4 2021 and 7.2% YoY to RUB 185,172 mln in 12M 2021.

Net retail revenue at O'KEY hypermarkets increased 4.2% YoY to RUB 43,545 mln in Q4 2021 and 2.5% YoY to RUB 150,383 mln in 12M 2021. O'KEY's LFL revenue grew 3.8% YoY in Q4 2021 and 1.4% in 12M 2021.

In 2021, O'KEY continued implementing its transformation programme for the hypermarket business.

As a result of our strategic focus on the quality and range of fresh products on offer, the share of such categories as fresh, ultra-fresh, fruits & vegetables in our hypermarkets' revenue continued to grow and reached 52.1% in 12M 2021. In 2021, O'KEY also began to cooperate with DA! discounters, exchanging the expertise to improve the range and quality of own brands in food and non-food categories. O'KEY's own brands accounted for 7.8% of revenue in 12M 2021.

In Q4 2021, as part of the transformation programme, the Group upgraded its first two hypermarkets in St. Petersburg, and a newly acquired store was rebranded and reformatted in Moscow.

In Q4 2021, the O'KEY's total online sales, including through our own delivery channels and those of third parties, grew by 127.1% YoY to RUB 1,665 mln, accounting for 3.8% of O'KEY's revenue. In 12M 2021, the Group's total online sales increased by 93.7% YoY to RUB 4,667 mln. In 2021, the Group continued to develop its e-commerce platform in the key cities of Moscow and St. Petersburg, collaborating with food delivery operators in all regions of its presence.

DA! discounters' net retail revenue grew by 47.3% YoY to RUB 10,479 mln in Q4 2021, and by 34.3% YoY to RUB 34,789 mln in 12M 2021. The discounters demonstrated 24.8% YoY LFL revenue growth in Q4 2021 and 16.3% LFL growth in 12M 2021. Furthermore, the DA! chain added 28.5% YoY in selling space as of the end of 12M 2021. The discounters' share in the Group's revenue rose by 4.9 pp YoY to reach 19.4% in Q4 2021.

In 2021, DA! continued further development of the assortment to meet the needs of customers, offering a wide range of its own brands and fresh products. Over 1,100 SKUs produced and sold under DA!'s own brands generated around 50% of the discounter's revenue in 12M 2021. The share of fruits & vegetables, fresh and ultra-fresh products in the discounters' sales mix exceeded 60% in 12M 2021.

## Group Stores and Selling Space in 12M 2021

Stores and Selling Space	12M 2021	12M 2020	Net change	Change (%)
<b>Number of stores, EoP</b>	<b>230</b>	<b>195</b>	<b>35</b>	<b>17.9%</b>
O'KEY hypermarkets	78	77	1	1.3%
DA! discounters	152	118	34	28.8%
<b>Total selling space (sq m), EoP</b>	<b>625,572</b>	<b>599,433</b>	<b>26,139</b>	<b>4.4%</b>
O'KEY hypermarkets	522,650	519,369	3,281	0.6%
DA! discounters	102,922	80,064	22,858	28.5%

A newly acquired hypermarket was opened under the O'KEY brand in Moscow in Q4 2021. As of 31 December 2021, the Group operated 78 O'KEY stores with a total selling space of 522,650 sq m.

In 12M 2021, the Group opened 34 new discounters net of closures and, as of 31 December 2021, operated 152 DA! stores with a total selling space of 102,922 sq m.

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## ABOUT O'KEY GROUP

As of 31 December, 2021, the Group operated 230 stores across Russia (78 hypermarkets and 152 discounters) with total selling space of 625,572 square meters. The company opened its first hypermarket in St. Petersburg in 2002 and has since demonstrated continuous growth. O'KEY was the first Russian food retailer to launch e-commerce operations in St. Petersburg and Moscow, offering a full range of hypermarket products for home delivery. The Group has seven e-commerce pick-up points in Moscow and six e-commerce pick-up points in St. Petersburg. In 2015, the Group 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. The Group employs more than 20,000 people. In 2020, Group's revenue amounted to RUB 174.3 billion, while EBITDA reached RUB 14.8 billion. The O'KEY shareholder structure is as follows: NISEMAX Co Ltd – 43.20%, GSU Ltd – 30.03%, free float and other holders – 26.77%.

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