

FY 2023



# Investor presentation



## Disclaimer

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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

## 297



Stores in 23 cities in 6  
Federal Districts of Russia

## 205.8



Group retail revenue  
rose by 2.8% in 2023

## 21



Years of experience  
on the market

## 77

Total number  
of hypermarkets

## 63.8

BN  
RUB

DA! retail revenue grew  
by 19.8% in 2023

## 7.7

BN  
RUB

Online revenue increased by  
24.0% in 2023

## 220

Total number  
of discounters

## 31%

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

## 5.4%

Online share in O'KEY  
revenue +1.2pp in 2023



# Key events for 2023



O'KEY opens a new hypermarket in St-Petersburg and reinforces its presence in North-West region



DA! discounters deliver a 19.8% revenue growth and reach 31.0% of the Groups net retail revenue



O'KEY online sales reach RUB 7.7 bn, or 5.4% of O'KEY retail revenue



Expert RA rating agency affirms the credit rating of O'KEY at "ruA-", outlook Stable  
NCR agency assigns O'KEY a "A.ru" rating with a stable outlook

# An established track record

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

**2002** **2003–2007**

Strategy to establish regional market leadership

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

**2007–2009** **2009–2014**

Rapid expansion in Moscow and key regional markets

IPO on the London Stock Exchange

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

**2015** **2016**

Mobile app for iOS and Android launched

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

**2017** **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

100 Discounter stores under DA! Brand operating across Russia

**2019** **2020**

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

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

**2021** **2022**

194 DA! discounters reached 26% of the Group's revenue  
4 new O'KEY stores opened in Moscow Region

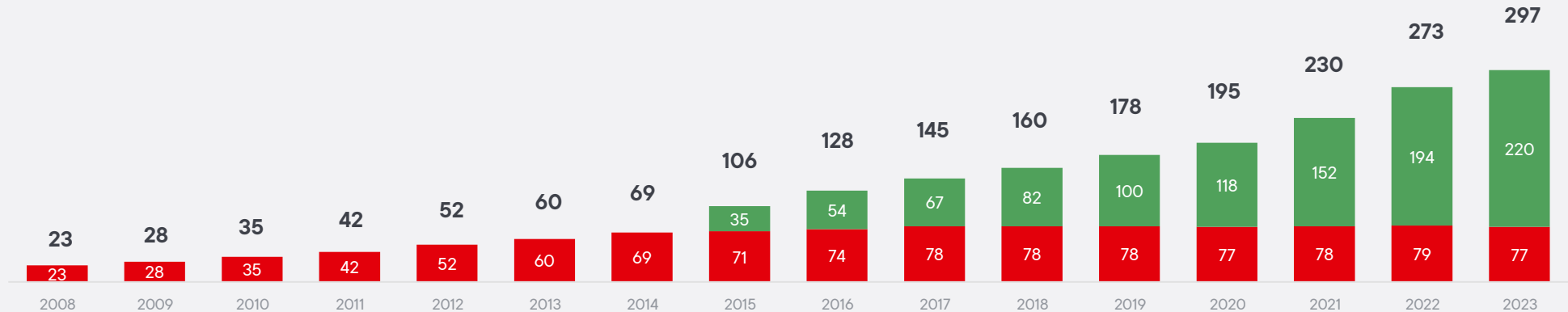
220 DA! stores reached 30.7% of Group's revenue  
A new O'KEY opened in St-Petersburg

**2023**

## Number of stores

#

- O'KEY hypermarkets
- DA! discounters

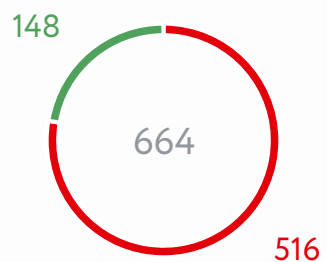


# Nationwide presence with focus on central and north-west regions

- 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

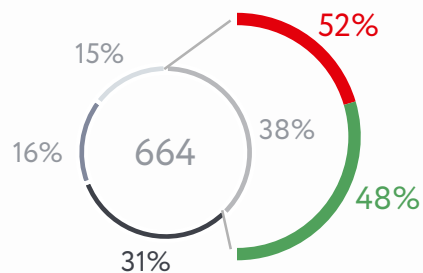
This sqm, 2023



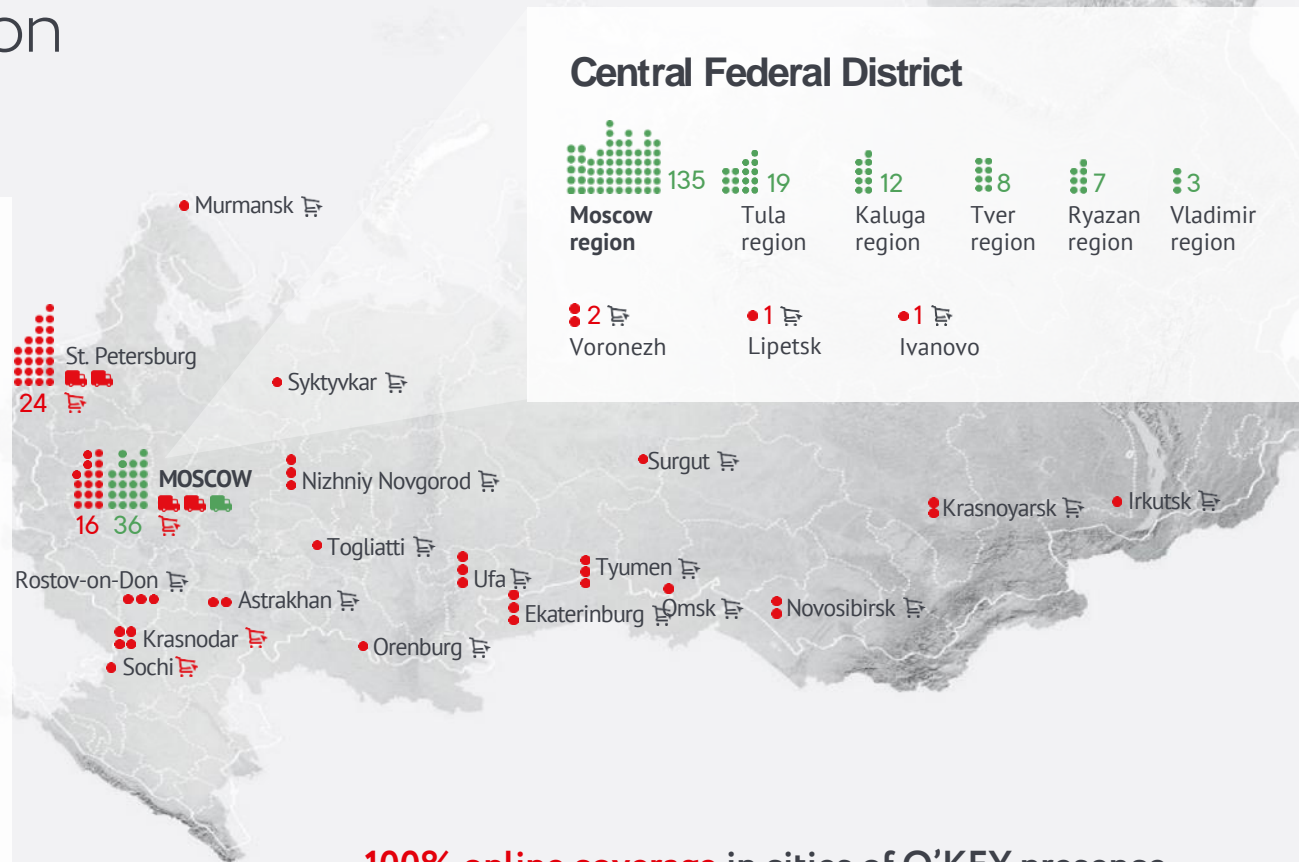
- O'KEY hypermarkets
- DA! discounters

## Selling space breakdown by region

This sqm, 2023



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



100% online coverage in cities of O'KEY presence

**297**

Total stores

5 total DCs

**77**

O'KEY hypermarkets

4 DCs for hypermarkets  
63% centralization rate

**220**

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



**40K** SKUs

Average product range



**RUB 141.9** BN

O'KEY net retail revenue in 2023

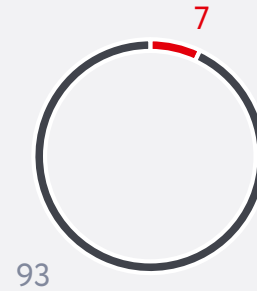


**69.0%**

O'KEY share in the Group's retail revenue

## Private Labels

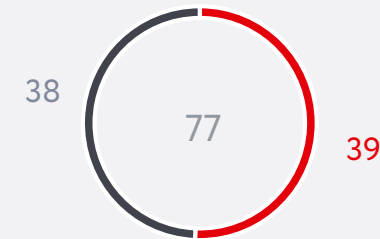
Share in revenue %, 2023



- Private labels
- Other brands

## Location

Number of stores, as of end 2023



- Standalone
- In shopping malls

## Fresh categories

Share in revenue %, 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

# 50.6%

share of fresh, ultra-fresh, fruits&veg in O'KEY retail revenue



# 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

**O'KEY stores were upgraded under the new concept** in key locations in Moscow, St-Petersburg and Sochi

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

**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 store<sup>1</sup>

# 4.6 points

Mobile app rank in IOS platform

# +24.0%

YoY online sales growth in 2023

# 36

Pick-up and delivery storehouses

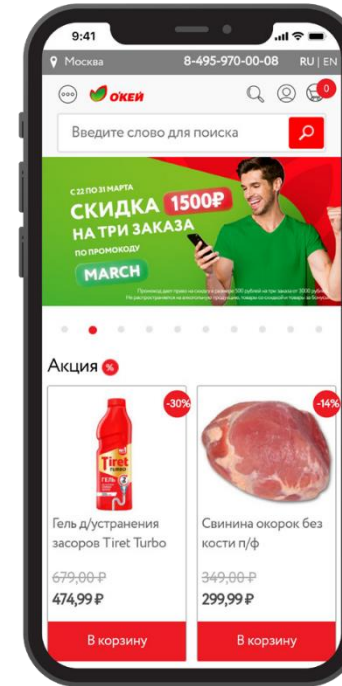
# 70%

Share of online sales via mobile app in 2023

# 5.4%

E-comm share of O'KEY revenue in 2023

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



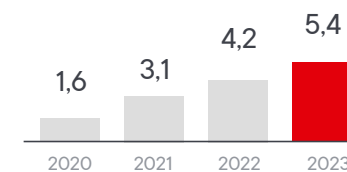
## Fully omnichannel mobile app

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

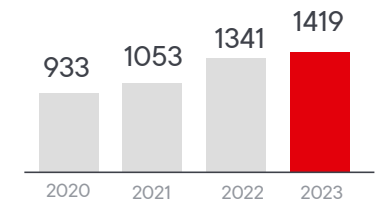
## Online revenue share

% of O'KEY revenue



## 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



## 673 SQM

Average store selling space



## 3.4 SKUs

Average product range



## 31.0%

Share in the Group's retail revenue in 2023

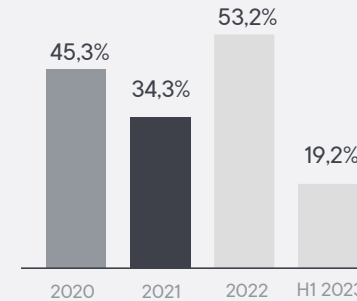


## +19.8%

DA! revenue growth in 2023

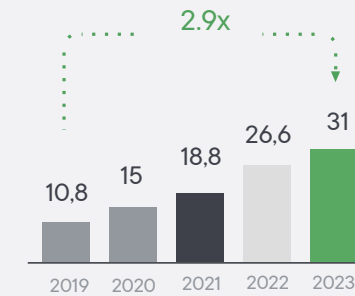
### DA! Net Retail revenue growth, YoY

Net Retail revenue growth YoY, %



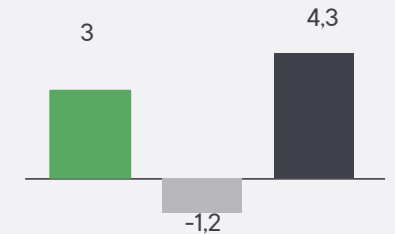
### Share of DA! brand in Group revenue

Share in net retail revenue, %



### LFL Growth

%, in 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

## >1,367

active SKUs in 2023

## 49.9%

PLs share in DA! retail  
revenue in 2023

- **Exclusive own brands** portfolio accounting for **c.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

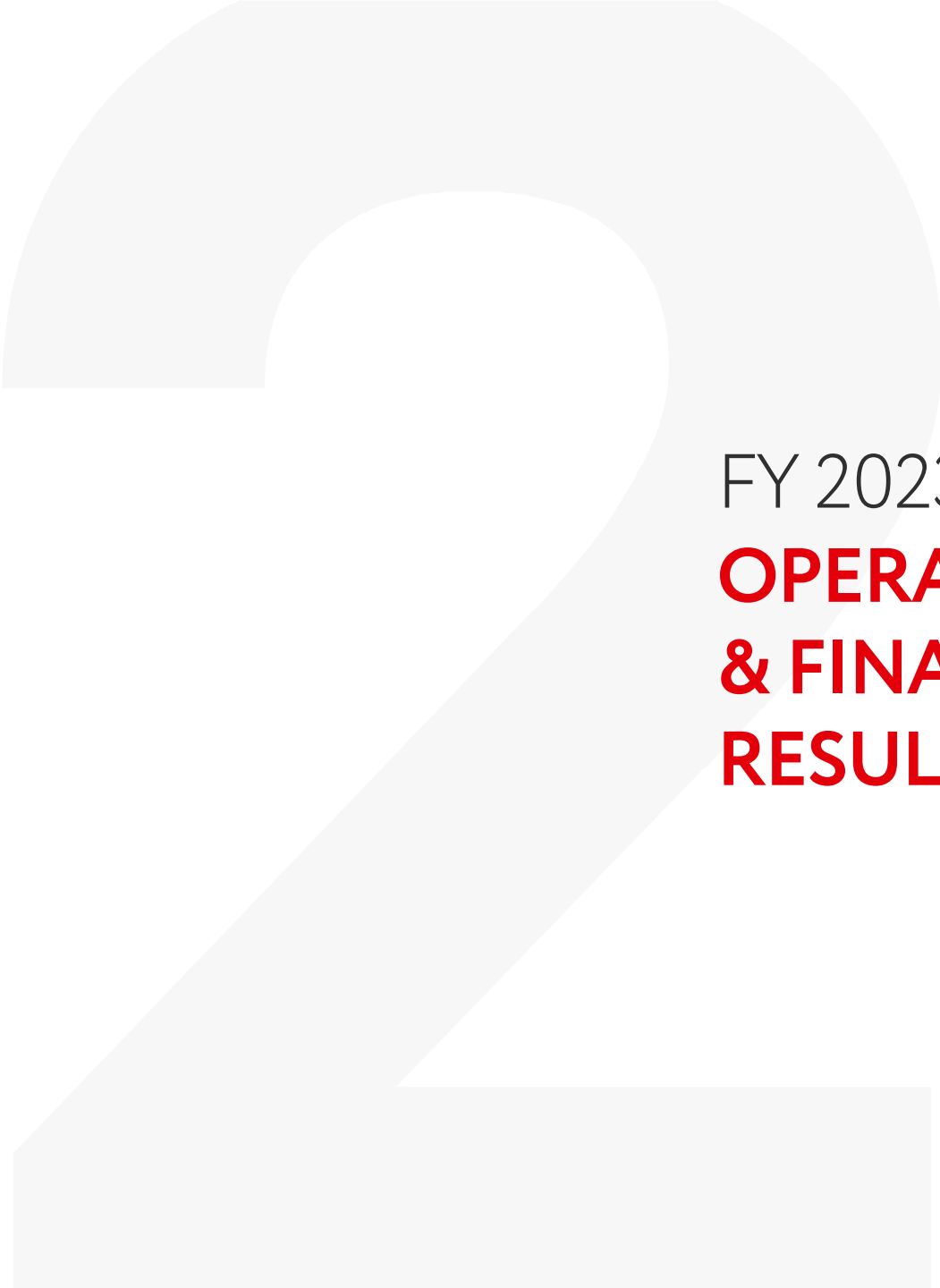


# Fresh quality to differentiate our offer at DA!

- **Daily delivery** of 'fresh' to all DA! stores
- **Direct imports** of fresh fruits and vegetables
- **>60% share of fresh** (dairy, meat, fruits & vegetables) in sales
- **>40 SKUs** of hot bread and freshly baked pastries

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





FY 2023

**OPERATIONAL  
& FINANCIAL  
RESULTS**

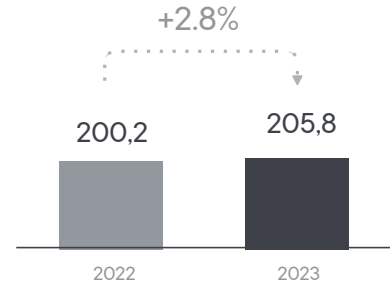
# FY 2023 Group operating highlights

## GROUP



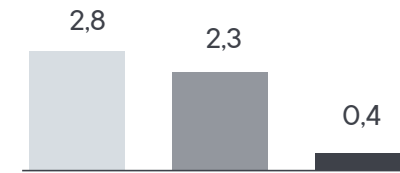
### Net retail revenue

RUB bn



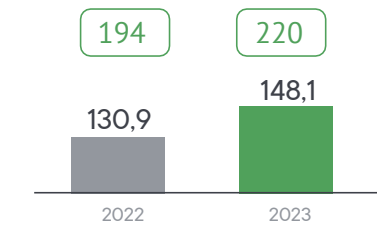
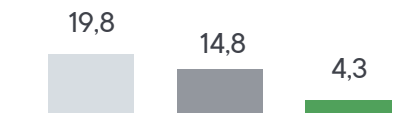
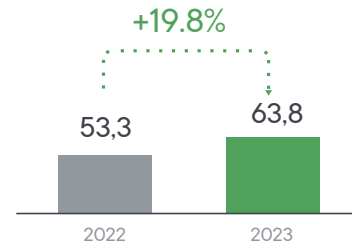
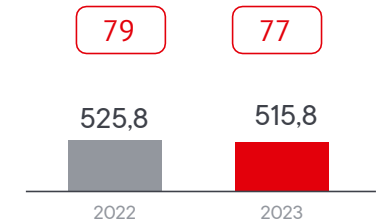
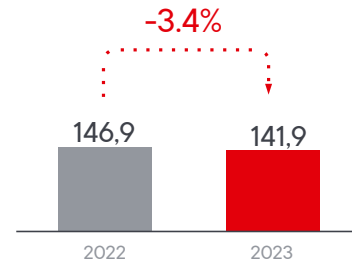
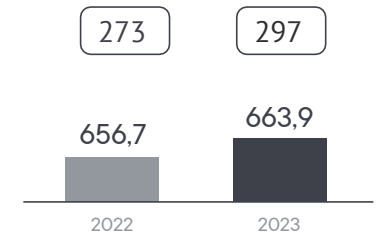
### Net retail revenue metrics

%, YoY



### Selling space

'000 sqm



● Net retail revenue ● Traffic  
● ● Average ticket

○ ○ Number of stores



# FY 2023

## Group financial highlights<sup>1</sup>

**207.9** BN  
RUB

Group revenue grew by 2.8% YoY

**47.7** BN  
RUB

Group gross profit grew by 1.8% YoY

**22.9%**

Gross margin down by 0.3pps YoY

**17.0** BN  
RUB

Group EBITDA stood flat YoY

**8.2%** BN  
RUB

Group EBITDA margin declined  
by 0.2 pps YoY

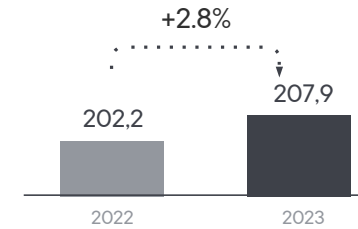
**6.9%**

DA! discounters' EBITDA margin  
rose by 0.1 pps YoY

### Revenue

RUB bn

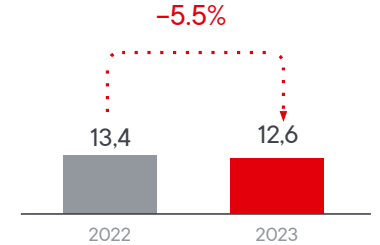
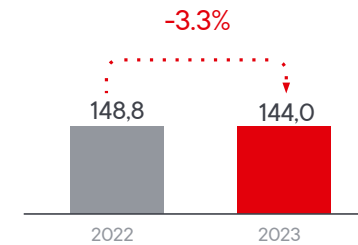
**GROUP**



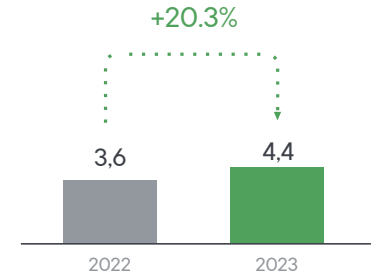
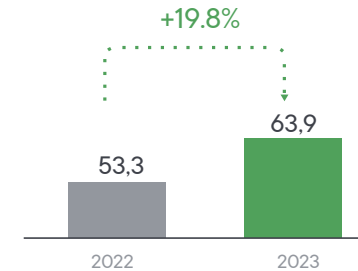
### EBITDA

RUB bn

**O'KEY**



**ДА!**



<sup>1</sup> All results, hereinafter, are according to IFRS 16, unless stated otherwise

# Group debt position in 2023

## ruA-

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

## 79%

The share of borrowings with fixed rate as of December 31, 2023

## 100%

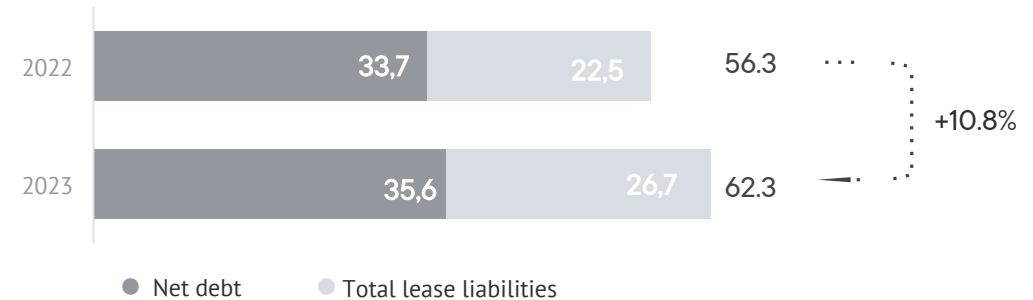
Rouble nominated borrowings as of December 31, 2023

## ruA

In July 2023, NCR agency assigned O'KEY a credit rating with stable outlook

### Net total IBL<sup>1</sup>, EoP

RUB bn



### Net total IBL, EoP

RUB mln

	As of 31 Dec 2023	As of 31 Dec 2022
EBITDA	17,026	17,020
Total debt	47,131	45,486
Cash & cash equivalents	11,526	11,779
<b>Net debt</b>	<b>35,606</b>	<b>33,707</b>
Total lease liabilities	26,722	22,545
<b>Total interest-bearing liabilities (net of cash &amp; cash equivalents)</b>	<b>62,328</b>	<b>56,251</b>
<b>Total interest-bearing liabilities (net of cash &amp; cash equivalents) / EBITDA</b>	<b>3.66x</b>	<b>3.30x</b>

<sup>1</sup> Total IBL – Total Interest Bearing Liabilities, Net Total IBL – Total Interest Bearing Liabilities excluding Cash & Equivalents



## **APPENDIX**

# Group's audited consolidated balance sheet

'000 RUB	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	1,257,218	1,447,333
Property, plant and equipment	43,240,482	42,609,851
Construction in progress	1,122,363	1,326,017
Right-of-use assets	23,309,763	19,216,816
Intangible assets	1,214,553	1,205,515
Deferred tax assets	6,082,047	5,245,595
Other non-current assets	872,104	1,801,139
<b>Total non-current assets</b>	<b>77,098,530</b>	<b>72,879,266</b>
<b>Current assets</b>		
Inventories	24,975,926	23,916,987
Trade and other receivables	2,516,192	2,930,220
Prepaid income tax	97,140	59,282
Prepayments	800,312	1,177,461
Cash and cash equivalents	11,525,791	11,779,334
Non-current assets held for sale	-	305,000
<b>Total current assets</b>	<b>39,915,361</b>	<b>40,168,284</b>
<b>Total assets</b>	<b>117,013,891</b>	<b>113,047,550</b>

'000 RUB	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	119,440	119,440
Legal reserve	10,597	10,597
Additional paid-in capital	8,555,657	8,555,657
Retained earnings	447,347	3,325,409
Translation reserve	1,961,350	1,454,205
<b>Total equity</b>	<b>11,094,391</b>	<b>13,465,308</b>
<b>Non-current liabilities</b>		
Loans and borrowings	41,128,448	35,525,212
Lease liabilities	20,760,179	16,924,142
Deferred tax liabilities	683,833	532,644
<b>Total non-current liabilities</b>	<b>62,572,460</b>	<b>52,981,998</b>
<b>Current liabilities</b>		
Loans and borrowings	6,002,850	9,960,796
Interest accrued on loans and borrowings	254,450	215,737
Lease liabilities	5,962,202	5,620,662
Trade and other payables	31,062,083	30,636,945
Current income tax payable	65,455	166,104
<b>Total current liabilities</b>	<b>43,347,040</b>	<b>46,600,244</b>
<b>Total liabilities</b>	<b>105,919,500</b>	<b>99,582,242</b>
<b>Total equity and liabilities</b>	<b>117,013,891</b>	<b>113,047,550</b>

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

# Group's audited consolidated profit and loss statement

'000 RUB	2023	2022
<b>Revenue</b>	<b>207,8647,636</b>	<b>202,170,726</b>
Cost of goods sold	(160,204,388)	(155,362,939)
<b>Gross profit</b>	<b>47,660,248</b>	<b>46,807,787</b>
General, selling and administrative expenses	(42,515,886)	(40,389,935)
Other operating income and expenses, net	(291,634)	(666,903)
<b>Operating profit</b>	<b>4,852,728</b>	<b>5,750,949</b>
Finance income	252,676	438,380
Finance costs	(7,519,479)	(6,080,150)
Foreign exchange (loss) / gain	(1,074,086)	312,806
<b>Loss / Profit before income tax</b>	<b>(3,488,161)</b>	<b>421,985</b>
Income tax benefit / (expense)	610,099	(180,455)
<b>(Loss) / Profit for the year</b>	<b>(2,878,062)</b>	<b>241,530</b>

'000 RUB	2023	2022
<b>Other comprehensive (loss)/income</b>		
<i>Items that will never be reclassified to profit or loss:</i>		
Exchange differences on translation to presentation currency	507,145	(320,252)
<b>Other comprehensive income / (loss) for the year, net of income tax</b>	<b>507,145</b>	<b>(149,253)</b>
<b>Total comprehensive (loss) / income for the year</b>	<b>(2,370,917)</b>	<b>92,277</b>
<b>Earnings per share</b>		
Basic and diluted earnings per share (in RUB per share)	(10.7)	0.9

# Group's audited consolidated statement of cash flows

'000 RUB	2023	2022
<b>Cash flows from operating activities</b>		
Cash receipts from customers	238,395,137	231,986,614
Other cash receipts	620,203	663,715
Interest received	227,217	442,130
Cash paid to suppliers and employees	(218,251,832)	(215,153,159)
Taxes other than on income	(757,037)	(763,441)
Other cash payments	(24,321)	(51,033)
VAT paid	(4,675,763)	(3,509,800)
Income tax paid	(257,872)	(657,281)
<b>Net cash from operating activities</b>	<b>15,275,732</b>	<b>12,957,745</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (excluding VAT)	(4,391,908)	(6,290,524)
Purchase of intangible assets (excluding VAT)	(446,618)	(331,473)
Proceeds from sale of investment property (excluding VAT)	156,014	148,966
Proceeds from sale of property, plant and equipment (excluding VAT)	341,637	5,438
<b>Net cash used in investing activities</b>	<b>(4,340,875)</b>	<b>(6,467,593)</b>

'000 RUB	2023	2022
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	15,500,003	17,772,121
Repayment of loans and borrowings	(13,834,268)	(9,958,485)
Interest paid on loans and borrowings	(4,939,018)	(3,966,907)
Repayment of principal amount of lease liabilities	(5,268,297)	(5,094,982)
Interest paid on lease liabilities	(2,491,371)	(2,075,250)
Dividends paid	-	(480,594)
Other financial payments and proceeds	(125,188)	(80,560)
<b>Net cash used in financing activities</b>	<b>(11,158,139)</b>	<b>(3,884,657)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(223,282)</b>	<b>2,605,495</b>
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	(30,261)	(274,159)
<b>Cash and cash equivalents at the end of the year</b>	<b>11,525,791</b>	<b>11,779,334</b>

The image features a solid red background. On the left side, there is a large, semi-transparent red circle. In the upper right quadrant, there is a smaller, semi-transparent red shape that resembles a stylized exclamation point or a cone. The text 'O'KEY' is positioned in the center-right area, rendered in a bold, white, italicized sans-serif font.

***O'KEY***