



**DIXY GROUP  
INVESTOR AND ANALYST  
PRESENTATION 2Q 2017**

**July, 2017**

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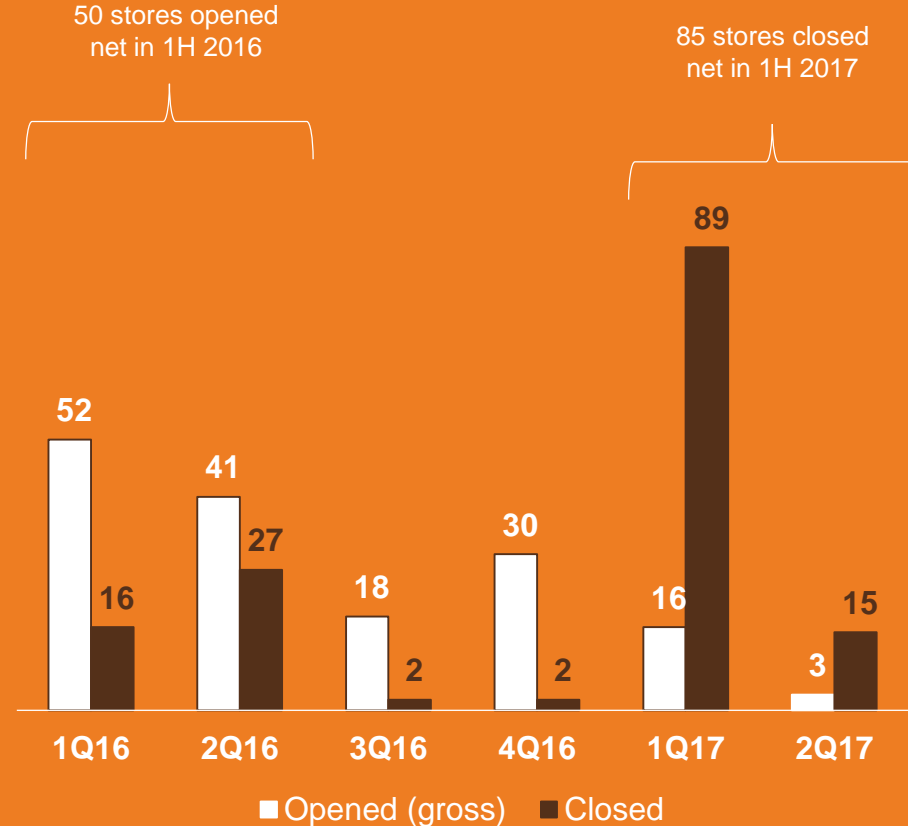
**2Q AND 1H 2017  
OPERATIONAL  
HIGHLIGHTS**

# EXPANSION

- Total number of stores reached 2,717
- Total selling space reached 935K sq.m, -0.1% yoy
- Reassessment of existing store base finalized in 2Q 2017
- 3 new stores were opened and 15 stores were closed in 2Q 2017
- DIXY division: 2 new stores were opened while 14 stores were closed in 2Q 2017
- Victoria and Megamart did not open stores on net basis in 2Q 2017



## Store openings / closures

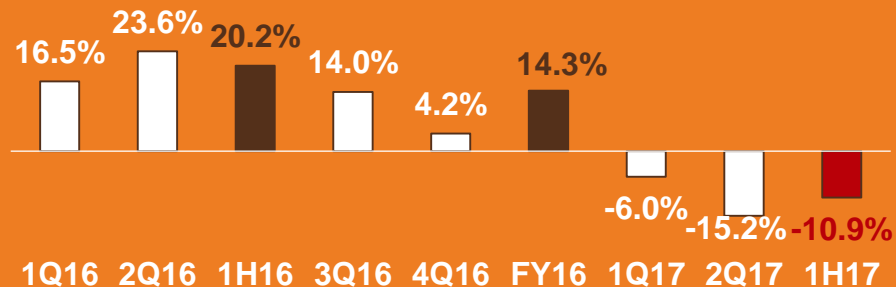


# REVENUE EVOLUTION

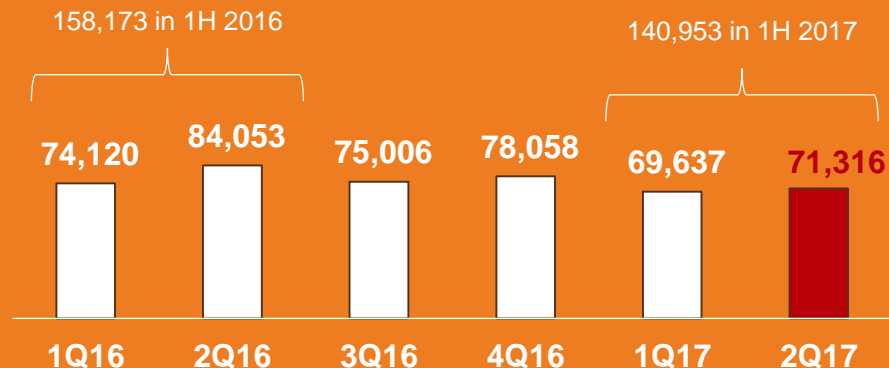
- In 2Q 2017, DIXY Group's top line declined by 15% and amounted to 71 bln RUB, due to 15% decrease in the number of tickets and 0.4% ticket decline
- Company's revenue earned in 2Q 2017 was 2% higher than in 1Q 2017
- In 2Q the comparative base effect was high due to active promotional activity back in 2Q 2016



## Total revenue dynamics, %



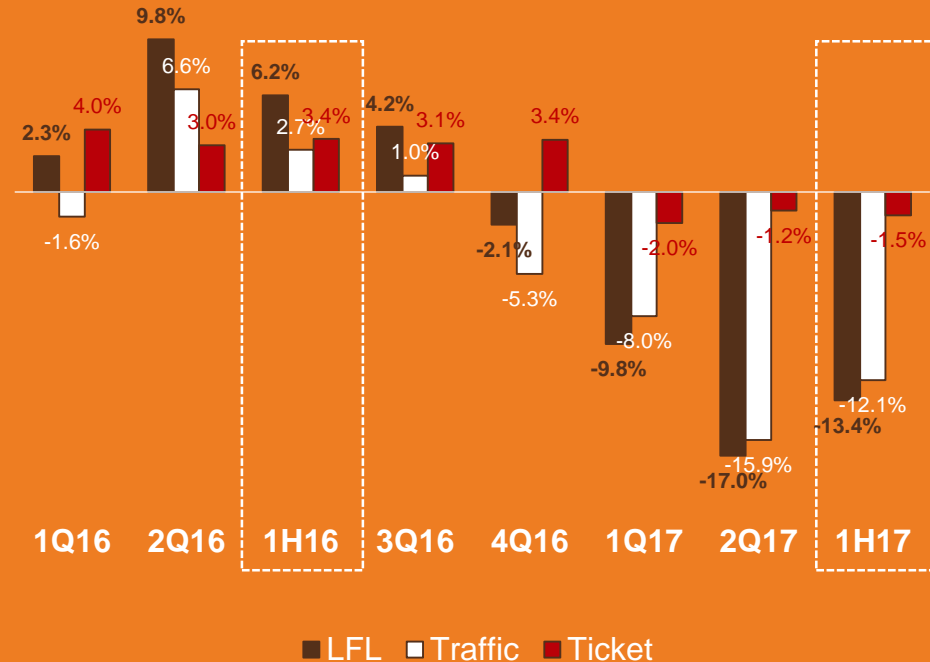
## Total revenue dynamics, mln RUB



# LFL EVOLUTION

- LFL ticket came at -1.2% in 2Q 2017 and -1.5% in 1H 2017
- Traffic decline in 2Q 2017 came higher than in 1Q 2017 on the back of high base effect
- In 1H 2017, LFL traffic went down by 12.1%
- On the positive side, the number of SKUs per basket improved by c.2% QoQ in 2Q 2017, although remained in the negative territory

## LFL dynamics



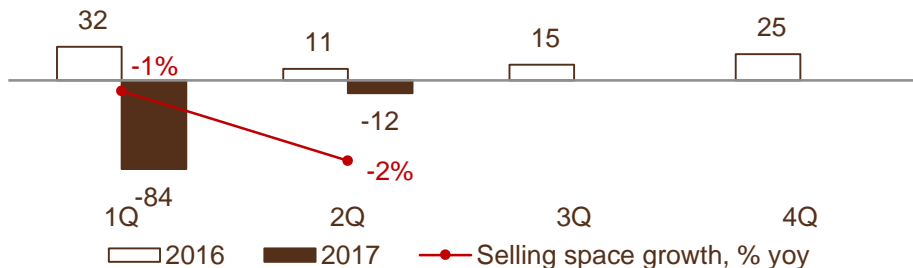


**2Q AND 1H 2017 DIVISIONS'  
OPERATIONAL  
HIGHLIGHTS**

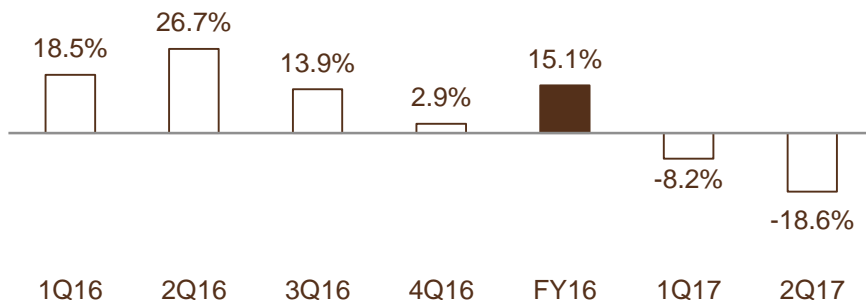
# Operational Highlights (DIXY Division)

## Store openings (net)

43 net openings in 1H 2016  
96 net closures in 1H 2017

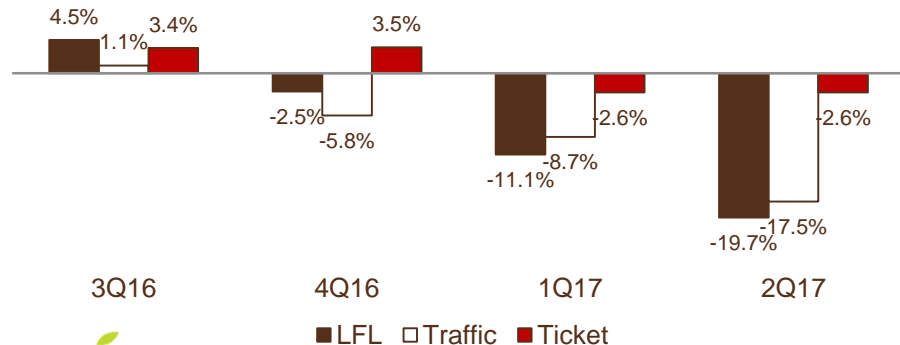


## Retail revenue growth, %

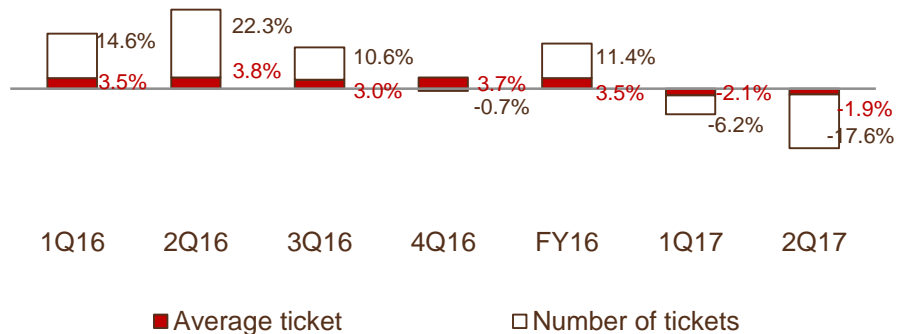


## LFLs dynamics

1H17 LFL: -15.5% incl -2.5% ticket, -13.3% traffic



## Revenue growth composition, %

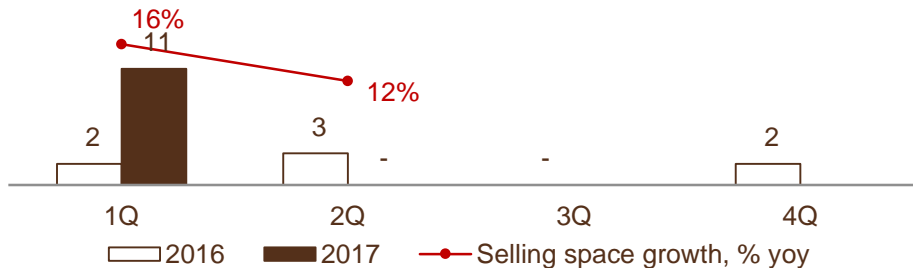




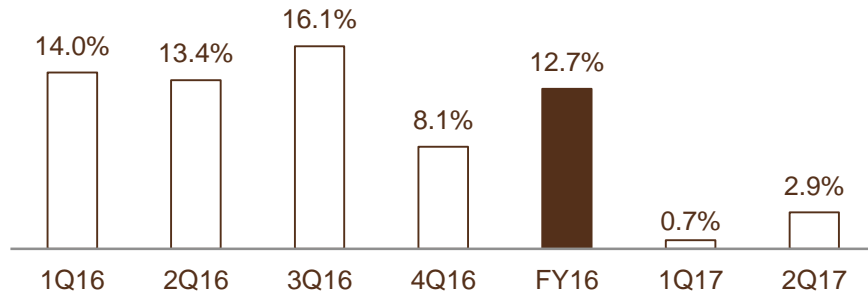
# Operational Highlights (Victoria Division)

## Store openings (net)

5 net openings in 1H 2016  
11 net openings in 1H 2017

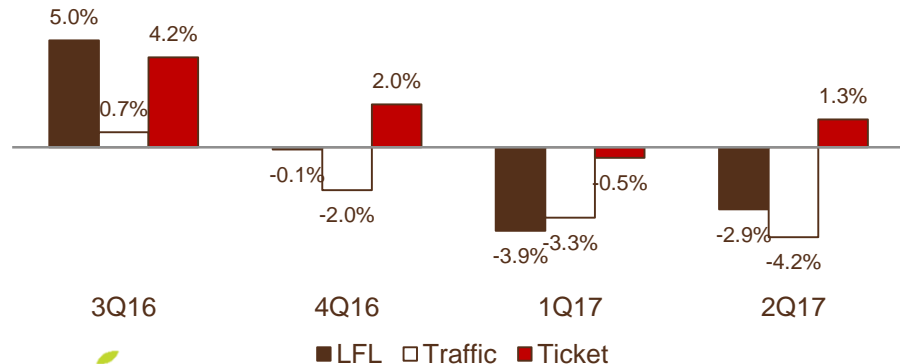


## Retail revenue growth, %

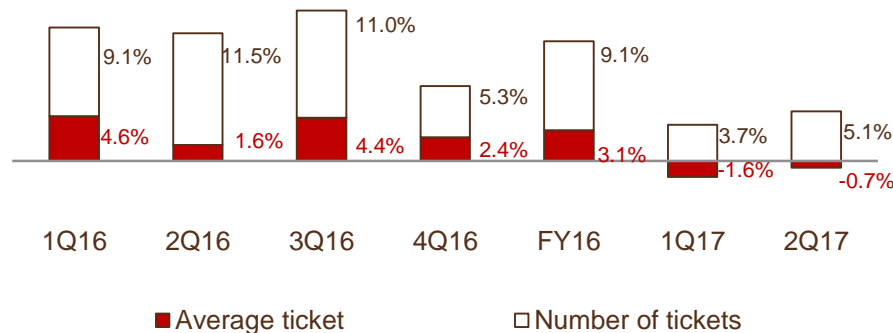


## LFLs dynamics

1H17 LFL: -3.1% incl +0.4% ticket growth, -3.6% traffic

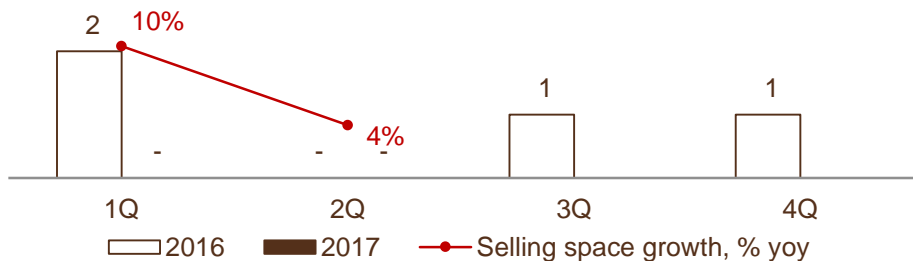


## Revenue growth composition, %

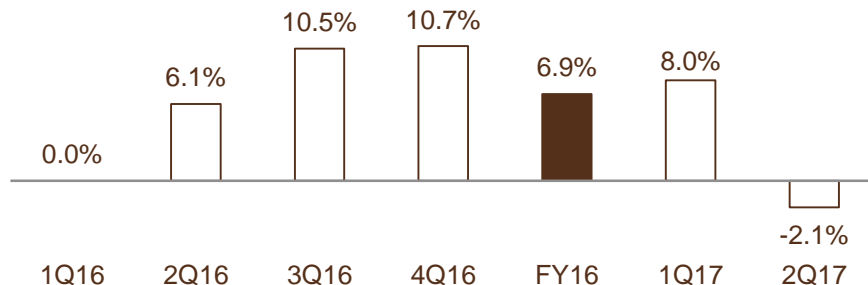


# Operational Highlights (Megamart Division)

## Store openings (net)

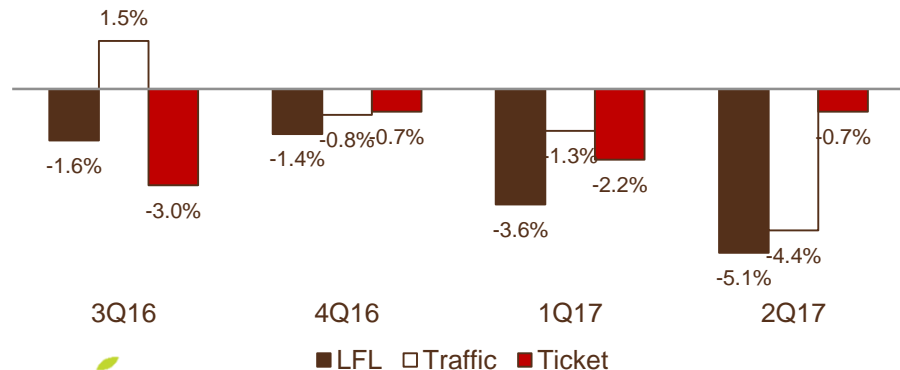


## Retail revenue growth, %

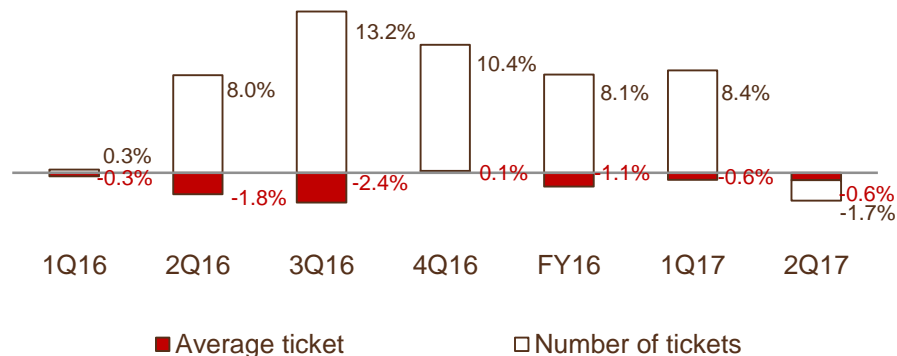


## LFLs dynamics

1H17 LFL: -3.8% incl -1.4% ticket, -2.5% traffic



## Revenue growth composition, %





**DIXY GROUP HISTORICAL  
OPERATIONAL DATA**

# DIXY Group Operational Data (1)

	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
<b>Total space, 000' m2</b>	<b>1,690</b>	<b>1,766</b>	<b>1,832</b>	<b>1,868</b>	<b>1,877</b>	<b>1,908</b>	<b>1,922</b>	<b>1,909</b>	<b>1,897</b>
- DIXY division	1,360	1,426	1,479	1,503	1,510	1,517	1,532	1,486	1,477
- Victoria division	179.7	184.7	196.4	199.8	202.4	223.9	220.1	252.9	249.6
- Megamart division	150.5	155.1	156.4	165.0	165.0	167.1	170.4	170.4	170.4
<b>Selling space, 000' m2</b>	<b>827.2</b>	<b>871.4</b>	<b>907.6</b>	<b>925.9</b>	<b>935.7</b>	<b>941.3</b>	<b>952.5</b>	<b>940.1</b>	<b>934.5</b>
- DIXY division	678.8	717.5	746.1	756.6	760.7	765.5	774.2	748.5	745.0
- Victoria division	85.9	89.0	96.1	98.2	100.2	99.9	100.4	113.6	111.6
- Megamart division	62.5	64.8	65.5	71.1	74.8	75.9	77.9	77.9	77.9
<b>Number of stores</b>	<b>2,466</b>	<b>2,603</b>	<b>2,708</b>	<b>2,744</b>	<b>2,758</b>	<b>2,774</b>	<b>2,802</b>	<b>2,729</b>	<b>2,717</b>
- DIXY division	2,333	2,465	2,563	2,595	2,606	2,621	2,646	2,562	2,550
- Victoria division	98	102	109	111	114	114	116	127	127
- Megamart division	35	36	36	38	38	39	40	40	40



## DIXY Group Operational Data (2)

	1Q16	2Q16	1H16	3Q16	4Q16	FY16	1Q17	2Q17	1H17
<b>Total revenue, RUB billion</b>	74.1	84.1	158.2	75.0	78.1	311.2	69.6	71.3	141.0
<b>Retail revenue, RUB billion</b>	73.6	83.5	157.2	74.4	77.5	309.1	69.1	70.8	139.9
- DIXY division	60.0	69.4	129.4	60.7	62.1	252.2	55.0	56.5	111.5
- Victoria division	9.3	9.2	18.5	9.0	10.0	37.5	9.4	9.5	18.9
- Megamart division	4.4	4.9	9.3	4.8	5.4	19.4	4.7	4.8	9.5
<b>Average ticket, RUB</b>	377	361	368	344	375	364	372	359	365
- DIXY division	351	339	345	321	346	339	344	333	338
- Victoria division	519	487	503	472	524	501	509	484	496
- Megamart division	642	618	629	592	672	631	635	614	625
<b># of customers, mln</b>	222.7	263.7	486.4	246.1	235.6	968.2	212.1	223.5	435.6
- DIXY division	194.9	233.4	428.3	215.6	205.0	848.9	182.7	192.3	375.0
- Victoria division	20.1	21.3	41.4	21.3	21.5	84.2	20.9	22.3	43.3
- Megamart division	7.8	9.0	16.8	9.2	9.1	35.1	8.4	8.9	17.3



# DIXY Group Operational Data (3)

	1Q16	2Q16	1H16	3Q16	4Q16	FY16	1Q17	2Q17	1H17
<b>LFL, %</b>	<b>2.3%</b>	<b>9.8%</b>	<b>6.2%</b>	<b>4.2%</b>	<b>(2.1%)</b>	<b>4.4%</b>	<b>(9.8%)</b>	<b>(17.0%)</b>	<b>(13.4%)</b>
- DIXY division	2.5%	12.3%	<b>7.6%</b>	4.5%	(2.5%)	<b>5.1%</b>	(11.1%)	(19.7%)	<b>(15.5%)</b>
- Victoria division	2.1%	(0.1%)	<b>1.0%</b>	5.0%	(0.1%)	<b>2.4%</b>	(3.9%)	(2.9%)	<b>(3.1%)</b>
- Megamart division	1.1%	(3.0%)	<b>(1.0%)</b>	(1.6%)	(1.4%)	<b>(0.6%)</b>	(3.6%)	(5.1%)	<b>(3.8%)</b>
<b>LFL average basket, %</b>	<b>4.0%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>(2.0%)</b>	<b>(1.2%)</b>	<b>(1.5%)</b>
- DIXY division	4.1%	4.3%	<b>4.1%</b>	3.4%	3.5%	<b>4.0%</b>	(2.6%)	(2.6%)	<b>(2.5%)</b>
- Victoria division	4.1%	1.1%	<b>2.6%</b>	4.2%	2.0%	<b>2.8%</b>	(0.5%)	1.3%	<b>0.4%</b>
- Megamart division	1.8%	(1.6%)	<b>0.0%</b>	(3.0%)	(0.7%)	<b>(0,7%)</b>	(2.2%)	(0.7%)	<b>(1.4%)</b>
<b>LFL number of tickets, %</b>	<b>(1.6%)</b>	<b>6.6%</b>	<b>2.7%</b>	<b>1.0%</b>	<b>(5.3%)</b>	<b>0.9%</b>	<b>(8.0%)</b>	<b>(15.9%)</b>	<b>(12.1%)</b>
- DIXY division	(1.6%)	7.7%	<b>3.3%</b>	1.1%	(5.8%)	<b>1.1%</b>	(8.7%)	(17.5%)	<b>(13.3%)</b>
- Victoria division	(1.9%)	(1.2%)	<b>(1.6%)</b>	0.7%	(2.0%)	<b>(0.4%)</b>	(3.3%)	(4.2%)	<b>(3.6%)</b>
- Megamart division	(0.7%)	(1.4%)	<b>(1.0%)</b>	1.5%	(0.8%)	<b>0.1%</b>	(1.3%)	(4.4%)	<b>(2.5%)</b>





**APPENDIX: ASSETS AT A  
GLANCE**

# GEOGRAPHY OF PRESENCE

## Kaliningrad

77 Victoria

2 DCs



## Saint Petersburg & Northwestern

587 Dixy

1 DC

## Moscow & Central

1,856 Dixy

50 Victoria

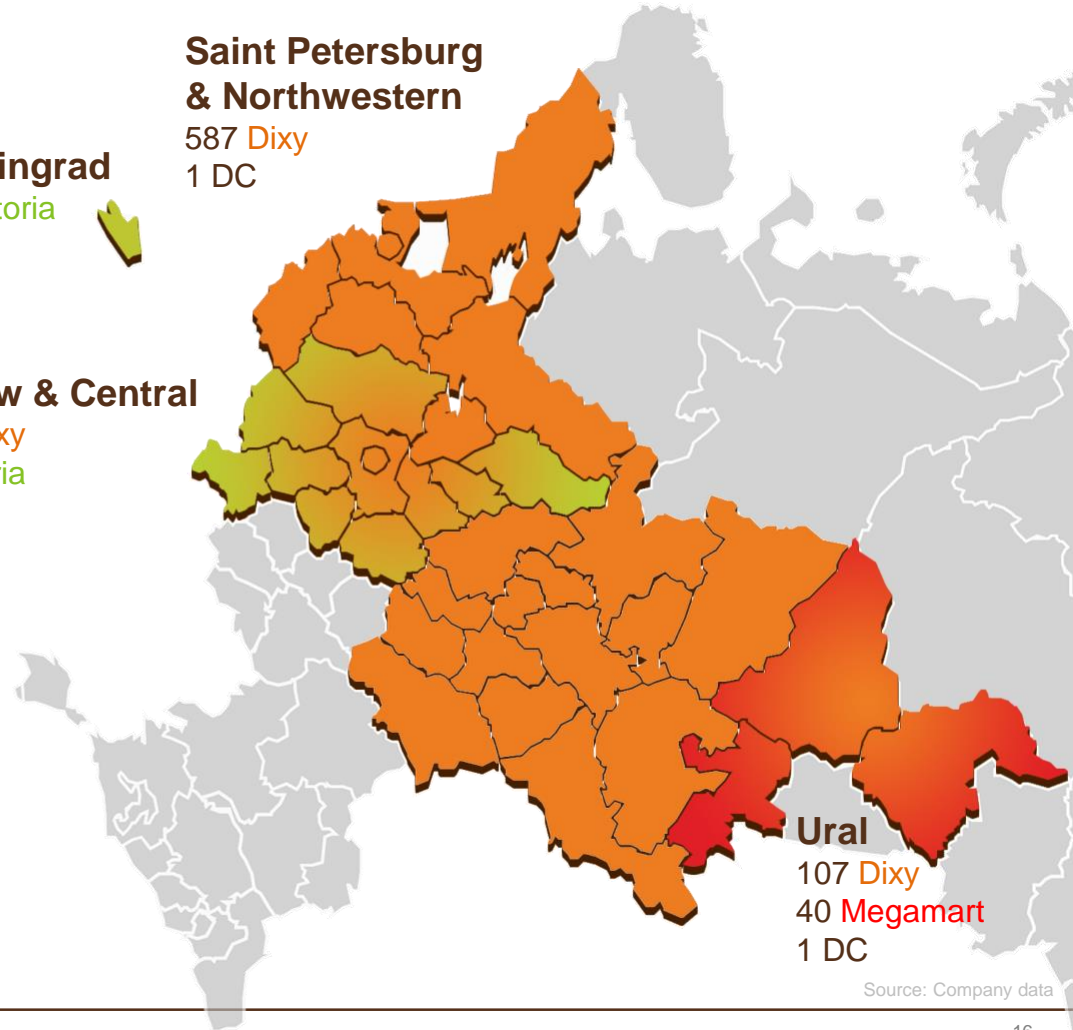
4 DCs

## Ural

107 Dixy

40 Megamart

1 DC



Source: Company data



# DIXY DIVISION HIGHLIGHTS



**2,550  
stores**

**745k m<sup>2</sup>  
selling  
space**



**RUB 338  
average  
ticket**

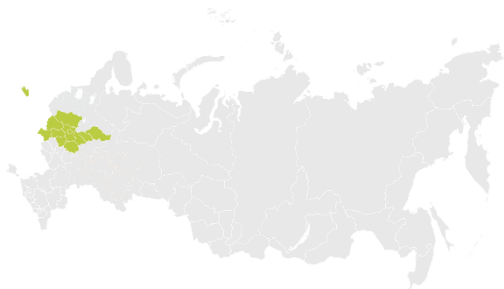
**290 m<sup>2</sup>  
average  
selling  
space**



**80%  
of retail  
revenue**

**90% leased  
selling  
space**

# VICTORIA DIVISION HIGHLIGHTS



127  
stores

112k m<sup>2</sup>  
selling  
space



RUB  
496  
average  
ticket

900 m<sup>2</sup>  
average  
selling  
space



13%  
of retail  
revenue

59% leased  
selling  
space



# MEGAMART DIVISION HIGHLIGHTS



40  
stores

m<sup>2</sup>  
78k m<sup>2</sup>  
selling  
space



RUB  
625  
average  
ticket

m<sup>2</sup>  
2,000 m<sup>2</sup>  
average  
selling  
space



7%  
of retail  
revenue

m<sup>2</sup>  
28% leased  
selling  
space

# THE KEY PILLARS OF OUR STRATEGY

To develop a consumer centric value proposition...



Stronger assortment



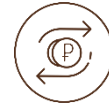
Price competitiveness



Shopping experience



Proximity



Consumer engagement

... with higher efficiency...



Efficiency imperative



Infrastructure

... enabled by a renewed solid organization



Organization



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