

Operating Review

Despite a challenging market and turbulent geopolitical environment, Fix Price underpinned its strength and leadership in Russian variety value retail in 2022, massively expanding operations across Russia and neighbouring countries.

FY 2022 Revenue and LFL Sales Growth

Fix Price's FY 2022 total revenue increased by 20.5% year-on-year to RUB 277.6 billion, driven by store network expansion and like-for-like (LFL, same-store) sales growth.¹ The Company's retail revenue rose 21.1% year-on-year to RUB 246.2 billion, while wholesale revenue grew by 15.8% year-on-year to RUB 31.4 billion. The average basket size at Company-operated stores for FY 2022 reached RUB 325, up 13.1% year-on-year, also driven by the successful management of the assortment and price point mix.

Cautious consumer behaviour amid the continued macroeconomic uncertainty and falling real disposable income put pressure on the Company's LFL traffic in 2022. Nevertheless, our flexible business model, ability to adjust to an ever-changing environment and customer preferences, fast assortment rotation, affordable value proposition, and the increase in the share of higher price points in retail sales all helped deliver solid LFL ticket performance.

LFL sales adjusted for the appreciation of the rouble² grew by 11.0% (10.1% before the adjustment) year-on-year in FY 2022, in line with the initial IPO guidance, as the Company's business model yet again proved successful despite external headwinds.

The LFL average ticket adjusted for the appreciation of the rouble² was up 13.9% (12.9% before the adjustment) in FY 2022.

The Company's LFL traffic decreased by 2.5% as the turbulent macroeconomic situation weighed on consumer sentiment.

LFL sales of Company-operated stores in Russia were up 12.2% in FY 2022. LFL sales in Kazakhstan and Belarus were negatively affected by the currency-conversion effect amid the appreciation of the rouble. In their local currency, stores in Belarus posted solid results, which were somewhat impacted by a decline in assortment following the government's resolution to limit trade markups. LFL performance in Kazakhstan slipped during Q4 2022 due to lower consumer demand amid inflationary pressure.

Key Achievements in FY 2022:

759

Net store openings

20.5%

Revenue growth y-o-y

11.0%

LFL sales²

28.7%

Loyal customer base growth y-o-y



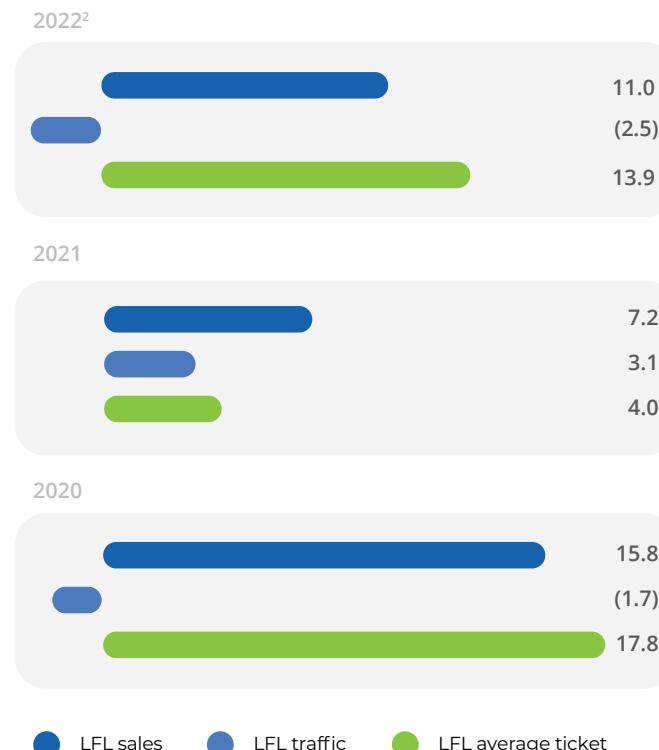
¹ LFL sales, average ticket and number of tickets are calculated based on figures from stores operated by Fix Price that have been open for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail revenue gross of VAT. LFL figures exclude stores that were temporarily closed for seven or more consecutive days during the reporting period and the comparable period

² LFL sales and average ticket adjusted for the appreciation of the rouble are calculated using monthly LFL sales in foreign countries converted into roubles at the average exchange rates for each comparable month of 2021

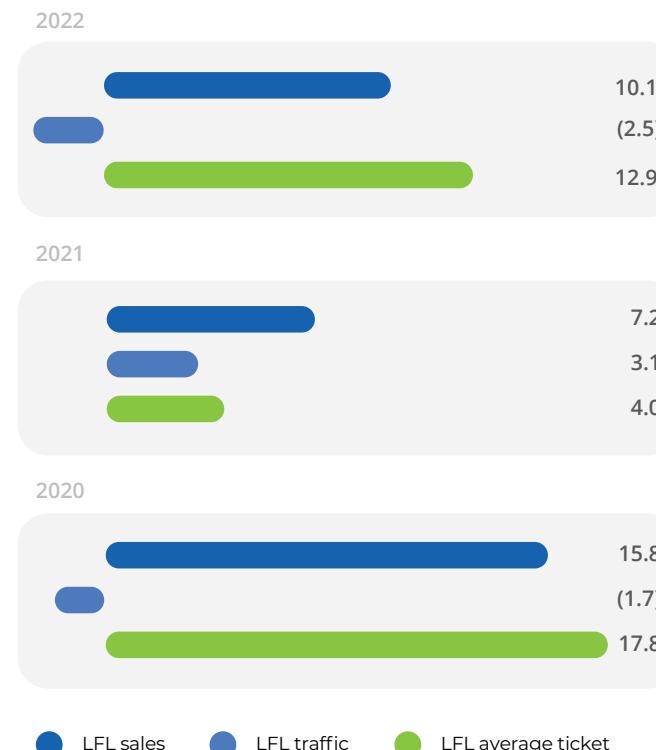
Revenue and LFL sales¹, change y-o-y, Q1-Q4 2022, %

	Q1	Q2	Q3	Q4
Revenue	21.2%	27.0%	21.2%	13.9%
LFL sales	11.6%	15.4%	12.9% ²	5.2% ²

LFL sales, traffic and the average ticket adjusted for the rouble appreciation effect, change y-o-y, FY 2020–FY 2022, %



LFL sales, traffic and the average ticket before the adjustment for the rouble appreciation effect, change y-o-y, FY 2020–FY 2022, %



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Network Expansion

The total number of Fix Price stores grew by 759 on a net basis in 2022 (of which 671 were Company-operated and 88 were franchised), which exceeds the previously announced guidance of 750 net openings for 2022. The total number of Fix Price stores reached 5,663 outlets, a 15.5% increase year-on-year.

The franchise stores amounted to 11.0% of the total store count (up 9 bps year-on-year).

A total 111 Company-operated stores were closed in 2022, versus 123 stores in 2021. Most closures were driven by lease rationalisation.

The total selling space of stores operating under the Fix Price brand increased by 168.5 thousand sq.m, or by 15.9% year-on-year, and reached 1,225 thousand sq.m.

The average selling space per Fix Price store was 216 sq.m in 2022, flat on 2021.

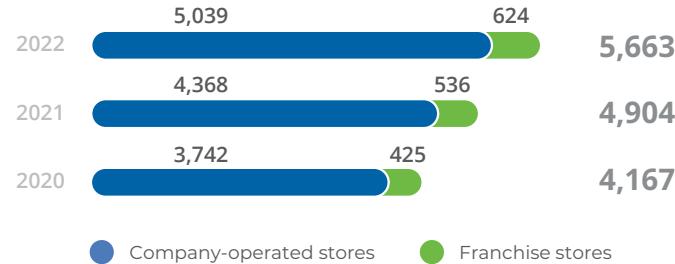
By the end of FY 2022, Fix Price had a presence in 80 of Russia's regions, while we added 132 new Russian towns and cities to our store network coverage.

Fix Price continued its expansion not just across Russia, but also internationally: 14.0% of net openings in 2022 were in locations outside of Russia. The share of international stores grew to 10.0% of the total store base from 9.4% in 2021.

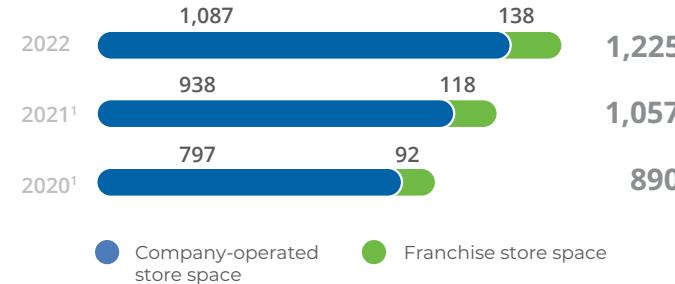
In January 2023, Fix Price opened its first franchise stores in Mongolia — our eighth country. In the next few months, we will focus on testing and tailoring the Company's business model to the specifics of the Mongolian market.

Looking ahead, we aim to maintain the pace of our store network expansion to further improve operational and financial performance, with plans to open approximately 750 net new stores in 2023.

Fix Price store portfolio expansion, number of stores



Fix Price selling space expansion, thous. sq.m



Assortment and Category Mix

In 2022 we kept creating a strong alignment between a value-driven merchandise and customer demand. We were cautious in introducing new assortment at higher price points, while carefully tweaking and innovating products. The share of price points above RUB 199 in retail sales grew to 13.3% in 2022 from 7.2% in 2021. A total of 86.8% of our SKUs were cheaper than RUB 99.

In 2022, Fix Price started testing a new price point of RUB 349, with its share of retail sales reaching 2.3% in 2022.

The category mix in the reporting period was skewed towards essential goods, as consumers were conservative in their buying patterns amidst growing macroeconomic uncertainty, while Fix Price succeeded in sourcing exciting products at attractive prices.

The share of food in retail sales remained almost flat on 2021 at 28.1% in 2022. The share of drogerie (household chemicals and hygiene products) in retail sales grew by 4.8 pps to 26.7%, due to strong demand for the Company's enhanced assortment and attractive value proposition in this category.

LFL sales of food and drogerie combined grew by 22.8% in 2022. The Company also posted positive LFL sales in kitchenware, apparel, DIY products, household goods, books and stationery, and party supplies. Our seasonal assortment was put under pressure as customers became more budget-conscious and reduced their New Year gift budgets.

Fix Price switched to local producers across a number of non-food categories during 2022, which helped to optimise production and delivery costs. At the same time, the share of imports in retail sales for Russian Company-operated stores continued to decline year-on-year from 28.0% in 2021 to 23.9% in 2022.

¹ Total may not equal the sum of the components due to rounding

