

FIX PRICE OPERATING AND FINANCIAL HIGHLIGHTS FOR Q1 2024

Revenue

71.7
RUB billion

Net openings

+131
stores

Gross margin

32.7%

Net profit

3.3
RUB billion

FIX PRICE ANNOUNCES KEY OPERATING AND FINANCIAL RESULTS FOR Q1 2024

Keeping focus on unlocking the long-term potential of the business despite market challenges

26 April 2024, Limassol, Cyprus – Fix Price Group PLC (LSE and MOEX: FIXP, AIX: FIXP.Y, “Fix Price”, the “Company” or the “Group”), one of the leading variety value retailers globally and the largest in Russia, today announces its operating and IFRS financial results based on management accounts for the first quarter (Q1 2024) ended 31 March 2024.

OPERATING AND FINANCIAL SUMMARY FOR Q1 2024

- Revenue grew by 8.8% y-o-y and reached RUB 71.7 billion
 - Retail revenue increased by 9.0% to RUB 63.3 billion
 - Wholesale revenue was RUB 8.3 billion, up 6.9% y-o-y
- LFL sales¹ dynamics turned positive increasing 0.4% y-o-y on the back of LFL average ticket growth coupled with gradually recovering LFL traffic. Macroeconomic headwinds continue to put pressure on consumer demand, however, LFL sales growth kept improving in Q2 and exceeded 2% for the first 24 days of April 2024
- During the reporting period, the Company opened 131 net new stores (including 6 franchise stores). As of 31 March 2024, Fix Price was operating a total of 6,545 stores
- In Q1 2024, 28.5 thous. sqm were added to the Company’s total selling space, which reached 1,419.1 thous. sqm (+12.1% y-o-y) as of the end of the quarter
- The total number of registered cardholders grew by 3.4 million² over the last 12 months to 26.4 million (14.6% increase y-o-y), with loyalty-card transactions accounting for 61.0% of retail sales. The average ticket for purchases made using a loyalty card was about 80% higher than the average ticket for non-loyalty-card purchases
- Gross profit was up 6.7% to RUB 23.4 billion supported by revenue growth. Gross margin stood at 32.7% on the back of an increase in cost of goods sold due to devaluation of the rouble and rising transportation costs, which were partially mitigated by a greater share of higher-margin non-food items in retail sales

¹ Here and hereinafter, like-for-like (LFL) sales, average ticket and number of tickets are calculated based on the results of stores operated by Fix Price and that were open for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail sales including VAT. LFL numbers exclude stores that were temporarily closed for seven or more consecutive days during the reporting period and/or comparable periods

² Here and hereinafter, loyalty programme data is calculated for Fix Price stores operating in Russia

- SG&A costs (excl. LTIP expense³ and D&A) as a percentage of revenue was 19.0%, versus 16.2% in Q1 2023, due to growth in the shares of staff costs, advertising and other expenses coupled with the negative operating leverage effect. Pressure on the cost base was partially mitigated by efficiencies gained in rental expenses and security services as a percentage of revenue
- Adjusted EBITDA⁴ under IFRS 16 amounted to RUB 10.0 billion on the back of pressure on gross margin and growth of SG&A costs. Adjusted EBITDA margin was 13.9%
- EBITDA under IFRS 16 amounted to RUB 9.8 billion. The EBITDA margin stood at 13.6%
- Fix Price recorded a net profit of RUB 3.3 billion for the period, with net profit margin at the level of 4.6%
- CAPEX as a percentage of revenue decreased to 1.9%, down from 3.2% in Q1 2023 due to the completion of construction of distribution centres (DCs) in 2023 as planned

³ LTIP expense – expense related to the long-term incentive programme (LTIP)

⁴ EBITDA adjusted for LTIP expense. EBITDA is calculated as profit for the respective period before income tax expense, net interest income / (expense), depreciation and amortisation expense, and foreign exchange gain / (loss)

"Since the beginning of 2024, we have noted signs of a recovery in consumer confidence, driving our LFL sales into positive territory. At the same time, amid high interest rates and inflation expectations, shoppers are still showing a preference for savings and large non-food purchases, limiting their spending on inexpensive items.

"Heightened competition in the labour market continues to put pressure on our margins, and recruiting and retaining line personnel remains the main challenge for the Company and for Russian retail as a whole. We expect this factor to affect our financial performance in the medium term. For our part, we remain committed to a conservative financial policy, maintaining high liquidity reserves and low leverage. We are incorporating digital solutions to improve our operational efficiency, including artificial intelligence-based products that enable us to automate business processes, reduce costs and increase our resilience to external challenges.

"In a challenging operating environment, we continue to take steps to bolster our long-standing leading position. During the reporting period, we surpassed the 6,500-store mark and began operating in 29 new communities, where Fix Price's arrival was a long-awaited event for local residents. I would also like to note the expansion of our international presence: in Q1 2024, the share of international markets increased y-o-y to 10.3% of our total number of stores.

"We are constantly focused on analysing trends in consumer preferences and searching for intriguing new products for our customers. During the reporting period, we observed a gradual recovery in demand for items in non-food categories, with kitchenware, DIY as well as party and celebration products leading the way.

"Our loyalty programme continues to offer tangible benefits to members, and their number increased by 15% over the past year, reaching 26.4 million by the end of March 2024. The average ticket of loyalty cardholders continues to be nearly double that of other shoppers, an indication of the programme's success.

"I am pleased to see that our team's efforts were reflected in the high rating that we received in a recent study by the independent research company Romir. According to this research, we have consistently been among the top three retail chains in Russia in terms of trust and visibility, and 2024 was no exception.

I would like to thank all of the Group's employees who have played a part in creating a quality customer experience, and I have no doubt that together we will be able to achieve our most ambitious goals and ensure long-term growth in the value of our business."

Dmitry Kirsanov, Fix Price CEO

Store base, geographical coverage and selling space

	31 Mar 2024	31 Dec 2023	31 Mar 2023
Total number of stores	6,545	6,414	5,848
Russia	5,874	5,756	5,256
Belarus	299	292	273
Kazakhstan	287	280	246
Latvia	45	46	39
Uzbekistan	22	22	20
Georgia	7	7	6
Kyrgyzstan	6	6	6
Mongolia	3	3	2
Armenia	2	2	-
Number of Company-operated stores	5,836	5,711	5,206
Russia	5,277	5,166	4,721
Belarus	289	282	263
Kazakhstan	270	263	222
Number of franchise stores	709	703	642
Russia	597	590	535
Latvia	45	46	39
Kazakhstan	17	17	24
Uzbekistan	22	22	20
Belarus	10	10	10
Georgia	7	7	6
Kyrgyzstan	6	6	6
Mongolia	3	3	2
Armenia	2	2	-
Selling space (sqm)	1,419,120	1,390,611	1,266,268
Company-operated stores	1,261,559	1,234,312	1,123,997
Franchise stores	157,561	156,299	142,271

Development of Company-operated stores

	Q1 2024	Q1 2023
Gross openings	164	198
Russia	143	169
Belarus	9	11
Kazakhstan	12	18

	Q1 2024	Q1 2023
Closures	39	31
Russia	32	23
Belarus	2	1
Kazakhstan	5	7
Net openings	125	167
Russia	111	146
Belarus	7	10
Kazakhstan	7	11

OPERATING RESULTS

Store network expansion

- The total number of stores increased by 11.9% y-o-y to 6,545; the share of franchise stores amounted to 10.8% of the total store count (down 15 bps y-o-y)
- In Q1 2024 Fix Price added 131 net new stores, including 125 Company-operated stores and 6 franchise stores, compared to 185 net new stores in Q1 2023, including 167 Company-operated stores and 18 franchise stores
- The Company closed 39 Company-operated stores in Q1 2024 (versus 31 stores in Q1 2023), focusing on further improvement of lease terms
- 9.9% of net openings in Q1 2024 took place outside of Russia, as Fix Price continued on its growth path in Russia and internationally. The share of international geographies increased to 10.3% of the total store base, compared to 10.1% as of 31 March 2023
- Total selling space grew by 28.5 thous. sqm to 1,419.1 thous. sqm as of the end of the quarter (a 12.1% increase y-o-y). The average Fix Price store selling space was 217 sqm as of 31 March 2024
- In Q1 2024, the Company entered 29 new localities in its countries of operations

LFL sales growth

- In Q1 2024, LFL sales turned positive, increasing 0.4% due to LFL average ticket growth of 3.7% offsetting a 3.2% contraction in LFL traffic, which was milder y-o-y on the back of gradually recovering consumer sentiment. However, people still opted for food and big non-food purchases rather than buying inexpensive items, or decided to save money in an environment of record deposit interest rates

- LFL sales of Company-operated stores in Russia were down 1.1% in Q1 2024. At the same time, the Group's LFL performance was supported by rouble-denominated LFL sales dynamics in Kazakhstan and Belarus, on the back of the currency conversion effect due to rouble depreciation
- The positive LFL dynamics in national currencies for stores in Belarus and Kazakhstan were a result of improved traffic thanks to a highly compelling value proposition, while the average ticket in both countries was impacted by the high base of the previous year
- LFL sales for the first 24 days of April 2024 grew by over 2%

Assortment and category mix⁵

- In the reporting period the share of non-food in retail sales rose to 48.7%, compared to 44.5% in Q1 2023 due to the Company's strong LFL performance of various non-food categories, such as kitchenware, DIY, household and party and celebration products. The share of food in retail sales decreased to 25.9% versus 26.8% last year. The share of cosmetics, hygiene and household chemicals as a percentage of retail sales declined to 25.5% in Q1 2024, compared to abnormally high level of 28.7% in Q1 2023
- The share of imported goods in retail sales increased slightly to 23.4% in Q1 2024, versus 22.8% in Q1 2023
- The share of price points above RUB 100 in retail sales grew to 58.3% in Q1 2024, up from 40.1% in Q1 2023, which reflects the increased share of more expensive non-food items and the introduction of trendy new products at fractional price points above RUB 100. The Company also continued to gradually move its assortment mix to the mid- and higher price range. The share of price points above RUB 200 in retail sales increased to 15.2% in Q1 2024, up from 14.2% in Q1 2023
- Average ticket for all Company-operated stores increased by 4.2% y-o-y to RUB 344

Loyalty programme development⁶

- During the quarter, the total number of registered loyalty cardholders grew by 14.6% y-o-y, reaching 26.4 million. Advertising campaigns and perks for loyalty programme members helped attract 3.4 million new registered cardholders over the year. The share of active loyalty programme members⁷ among the total number of loyalty cardholders was 49%
- Transactions using loyalty cards accounted for 61.0% of total retail sales for Q1 2024, compared to 63.4% in Q1 2023
- The average ticket of a loyalty cardholder was RUB 469, which was 80% higher than the average ticket of RUB 255 for non-loyalty-card purchases

⁵ Unless stated otherwise, the data in this section refers to Company-operated stores in Russia

⁶ Loyalty programme data is calculated for Fix Price stores operating in Russia

⁷ Members of the loyalty programme who make at least one purchase per month

FINANCIAL RESULTS FOR Q1 2024

Statement of comprehensive income highlights

RUB million	Q1 2024	Q1 2023	Change
Revenue	71,684	65,895	8.8%
Retail revenue	63,349	58,099	9.0%
Wholesale revenue	8,335	7,796	6.9%
Cost of sales	(48,250)	(43,929)	9.8%
Gross profit	23,434	21,966	6.7%
<i>Gross margin, %</i>	32.7%	33.3%	(64) bps
SG&A (excl. LTIP and D&A)	(13,599)	(10,690)	27.2%
Other op. income and share of profit of associates	153	159	(3.8)%
Adjusted EBITDA	9,988	11,435	(12.7)%
<i>Adjusted EBITDA margin, %</i>	13.9%	17.4%	(342) bps
EBITDA	9,773	11,161	(12.4)%
<i>EBITDA margin, %</i>	13.6%	16.9%	(330) bps
D&A	(4,043)	(3,574)	13.1%
Operating profit	5,730	7,587	(24.5)%
<i>Operating profit margin, %</i>	8.0%	11.5%	(352) bps
Net finance income/(costs)	21	(337)	n/a
FX gain, net	59	483	(87.8)%
Profit before tax	5,810	7,733	(24.9)%
Income tax expense	(2,520)	(1,880)	34.0%
Profit for the period	3,290	5,853	(43.8)%
<i>Net profit margin, %</i>	4.6%	8.9%	(429) bps

Selling, general and administrative expenses⁸

RUB million	Q1 2024	Q1 2023	Change
Staff costs (excl. LTIP)	10,519	8,022	31.1%
<i>% of revenue</i>	14.7%	12.2%	250 bps
Bank charges	892	797	11.9%
<i>% of revenue</i>	1.2%	1.2%	3 bps
Rental expense	353	372	(5.1)%
<i>% of revenue</i>	0.5%	0.6%	(7) bps
Security services	506	504	0.4%
<i>% of revenue</i>	0.7%	0.8%	(6) bps

⁸ Total may not equal the sum of the components due to rounding

RUB million	Q1 2024	Q1 2023	Change
Advertising costs	303	204	48.5%
% of revenue	0.4%	0.3%	11 bps
Repair and maintenance costs	268	223	20.2%
% of revenue	0.4%	0.3%	4 bps
Utilities	272	238	14.3%
% of revenue	0.4%	0.4%	2 bps
Other expenses	486	330	47.3%
% of revenue	0.7%	0.5%	18 bps
SG&A (excl. LTIP and D&A)	13,599	10,690	27.2%
% of revenue	19.0%	16.2%	275 bps
LTIP expense	215	274	(21.5)%
% of revenue	0.3%	0.4%	(12) bps
Depreciation of right-of-use assets	3,082	2,718	13.4%
% of revenue	4.3%	4.1%	17 bps
Other depreciation and amortisation	961	856	12.3%
% of revenue	1.3%	1.3%	4 bps
Total SG&A	17,857	14,538	22.8%
% of revenue	24.9%	22.1%	285 bps

The Group's **revenue** was up 8.8% y-o-y and stood at RUB 71.7 billion in Q1 2024, thanks to 9.0% growth in retail revenue and 6.9% growth in wholesale revenue.

In Q1 2024, the Company reported **retail revenue** of RUB 63.3 billion, mainly driven by store network expansion. **Wholesale revenue** rose to RUB 8.3 billion as the Company continued to open new franchise stores. Wholesale revenue accounted for 11.6% of total revenue (20 bps decrease) as a result of faster growth of retail revenue.

Gross profit reached RUB 23.4 billion (up 6.7% y-o-y) in Q1 2024 supported by revenue growth. **Gross margin** was down 64 bps y-o-y and stood at 32.7% on the back of an increase in the cost of goods sold due to the devaluation of the rouble and rising transportation costs, which were partially mitigated by a greater share of higher-margin non-food items in retail sales.

Transportation costs grew by 13 bps to 1.9% of revenue in Q1 2024 as a result of tariff hikes in Russia, Kazakhstan and Belarus.

Inventory write-downs accounted for 0.8% of revenue, versus 1.1% in Q1 2023, on the back of lower accruals based on the results of the FY 2023 inventory count.

Selling, general and administrative expenses (SG&A) excluding LTIP and D&A expenses increased by 275 bps y-o-y to 19.0% of revenue mainly due to growth in the shares of staff costs, advertising and other expenses coupled with

the negative operating leverage effect. Pressure on the cost base was partially mitigated by efficiencies gained in rental expenses and security services as a percentage of revenue.

Staff costs excluding LTIP grew by 250 bps y-o-y to 14.7% of revenue, mostly due to salary indexation for store and DC employees caused by continued labour shortages and persistently growing competition in the market, and due to an increase in the number of employees as a result of new DC openings.

LTIP expense was RUB 215 million in Q1 2024, versus RUB 274 million in Q1 2023.

Depreciation and amortisation (D&A) expenses grew by 22 bps y-o-y to 5.6% of revenue. Depreciation of right-of-use assets increased by 17 bps y-o-y to 4.3% of revenue due to an increase in the amount of right-of-use assets caused by the expansion of the store network. The share of other depreciation and amortisation expenses was stable y-o-y at 1.3% of revenue.

Rental expense (under IFRS 16) decreased by 7 bps y-o-y to 0.5% of revenue (down 8 bps to 0.6% of retail revenue), caused by a decline in the share of the variable component in the lease payment structure due to slower revenue growth.

Rental expense (under IAS 17) was up 15 bps y-o-y to 5.3% of revenue (up 16 bps to 6.0% of retail revenue), due to the growing influence of fixed-rate contracts (34% of the total contract base), which do not depend on store revenue performance, and the fixed component of variable contracts. Increasing store and DC rent rates also added to the y-o-y growth in rental expense.

Bank charges were generally flat at 1.2% of revenue, reflecting gradually slowing growth of the share of bank card transactions in total client payments.

Security costs were down 6 bps y-o-y to 0.7% of revenue as a result of the Company's ongoing optimisation efforts.

Repair and maintenance costs and **utilities** were generally stable y-o-y, accounting for 0.4% of revenue each.

Advertising costs grew by 11 bps to 0.4% of revenue on the back of enhanced promotional campaigns, while **other expenses** rose 18 bps to 0.7% of revenue.

The Group's **total SG&A** expenses amounted to 24.9% of revenue, up 285 bps y-o-y, attributable mostly to 250 bps growth in the share of staff costs and a 22 bps increase in the share of D&A expenses.

Other operating income and the share of profit of associates stayed flat y-o-y at the level of 0.2% of revenue.

EBITDA IFRS 16 and IAS 17 reconciliation

RUB million	Q1 2024	Q1 2023	Change
EBITDA (IFRS 16)	9,773	11,161	(12.4)%
<i>EBITDA margin (IFRS 16), %</i>	<i>13.6%</i>	<i>16.9%</i>	<i>(330) bps</i>
LTIP expense	215	274	(21.5)%

RUB million	Q1 2024	Q1 2023	Change
Adjusted EBITDA (IFRS 16)	9,988	11,435	(12.7)%
<i>Adjusted EBITDA margin (IFRS 16), %</i>	13.9%	17.4%	(342) bps
Rental expense	(3,422)	(2,999)	14.1%
Utilities	(58)	(53)	9.4%
Adjusted EBITDA (IAS 17)	6,508	8,383	(22.4)%
<i>Adjusted EBITDA margin (IAS 17), %</i>	9.1%	12.7%	(364) bps
LTIP expense	(215)	(274)	(21.5)%
EBITDA (IAS 17)	6,293	8,109	(22.4)%
<i>EBITDA margin (IAS 17), %</i>	8.8%	12.3%	(353) bps

Adjusted EBITDA under IFRS 16 amounted to RUB 10.0 billion, versus RUB 11.4 billion for Q1 2023 on the back of pressure on gross margin and growth of SG&A costs. **Adjusted EBITDA margin** was 13.9%.

EBITDA under IFRS 16 declined by 12.4% y-o-y to RUB 9.8 billion. The **EBITDA margin** was 13.6% versus 16.9% in Q1 2023.

Adjusted EBITDA under IAS 17 was RUB 6.5 billion. The **IAS 17-based adjusted EBITDA margin** amounted to 9.1% in Q1 2024, while in Q1 2023 it stood at 12.7%.

Net finance income amounted to RUB 21 million, compared to net finance costs of RUB 337 million for Q1 2023. This growth was mainly driven by an increase in interest income on Group deposits, partially offset by rising costs of funding and lease liabilities on the back of growing interest rates.

FX gain during the quarter amounted to RUB 59 million, as a result of the mitigating effect of several FX-denominated balance-sheet factors. Q1 2023 FX gain stood at RUB 483 million.

Income tax expense amounted to RUB 2.5 billion in Q1 2024, up 34.0% y-o-y due to withholding tax accrued on intra-group dividends.

The Group recorded **profit for the period** of RUB 3.3 billion, down 43.8% y-o-y. The net profit margin stood at 4.6%.

Statement of financial position highlights

RUB million	31 Mar 2024	31 Dec 2023	31 Mar 2023
Current loans and borrowings	10,026	10,024	15,022
Non-current loans and borrowings	4,765	4,675	4,432
Current lease liabilities	9,069	8,800	8,279
Non-current lease liabilities	4,731	4,974	4,502
Cash and cash equivalents	(27,994)	(37,343)	(21,576)
Net debt / (Net cash)	597	(8,870)	10,659

RUB million	31 Mar 2024	31 Dec 2023	31 Mar 2023
Net debt / (Net cash) to EBITDA (IFRS 16)⁹	0.01x	(0.2)x	0.2x
Current lease liabilities	(9,069)	(8,800)	(8,279)
Non-current lease liabilities	(4,731)	(4,974)	(4,502)
IAS 17-based (net cash)	(13,203)	(22,644)	(2,122)
IAS 17-based (net cash) to EBITDA	(0.3)x	(0.6)x	(0.05)x

The Group's current and non-current loans and borrowings were generally stable compared to the beginning of the year and amounted to RUB 10.0 billion and RUB 4.8 billion respectively. As a result, **total loans and borrowings** stood at RUB 14.8 billion (versus RUB 14.7 billion as of 31 December 2023). Lease liabilities also remained flat versus the start of the year and totalled RUB 13.8 billion. As a result, **total loans, borrowings and lease liabilities** amounted to RUB 28.6 billion as of 31 March 2024.

In Q1 2024 the Company announced and paid an interim dividend of RUB 8.4 billion, or RUB 9.84 per share/GDR, which resulted in a decrease in the Company's IAS 17-based net cash position to RUB 13.2 billion, down from RUB 22.6 billion as of 31 December 2023. The **IAS 17-based net cash to EBITDA ratio** was 0.3x versus 0.6x as of 31 December 2023.

Statement of cash flow highlights

RUB million	Q1 2024	Q1 2023
Profit before tax	5,810	7,733
Cash from operating activities before changes in working capital	10,550	12,146
Changes in working capital	(4,111)	(4,283)
Net cash generated from operations	6,439	7,863
Net interest received/(paid)	114	(396)
Income tax paid	(3,177)	(2,270)
Net cash flows from operating activities	3,376	5,197
Net cash flows used in investing activities	(1,364)	(2,124)
Net cash flows used in financing activities	(11,376)	(5,276)
Effect of exchange rate fluctuations on cash and cash equivalents	15	195
Net decrease in cash and cash equivalents	(9,349)	(2,008)

⁹ Here and hereinafter, the calculation of net debt / (net cash) to EBITDA is based on EBITDA for the last 12 months

Net trade working capital¹⁰ reached RUB 16.0 billion (5.4% of revenue)¹¹ as of 31 March 2024 compared to RUB 14.5 billion (5.0% of revenue) as of 31 December 2023, while still remaining on a comfortable and manageable level. The Company is ordering and testing new assortment to gauge consumer sentiment and find products that resonate with our customers the most. On top of that, an increase in inventories was associated with uneven deliveries amid a reshuffling of logistics routes, while revenue growth rates remained subdued.

CAPEX decreased to RUB 1.4 billion compared to RUB 2.1 billion in Q1 2023, when Fix Price was investing in the construction of new distribution centres that started in 2022.

ABOUT THE COMPANY

Fix Price (LSE and MOEX: FIXP, AIX: FIXP.Y), one of the leading variety value retailers globally and the largest in Russia, has been helping its customers save money every day since 2007. Fix Price offers its customers a unique and constantly updated assortment of non-food goods, including personal care and household products, and food items at low fixed price points.

As of 31 March 2024, Fix Price was operating 6,545 stores in Russia and neighbouring countries, all of them stocking approximately 2,000 SKUs across around 20 product categories. As well as its own private brands, Fix Price sells products from leading global names and smaller local suppliers. As of 31 March 2024, the Company was operating 13 DCs covering 81 regions of Russia and 8 neighbouring countries.

In 2023, the Company recorded revenue of RUB 291.9 billion, EBITDA of RUB 53.1 billion and net profit of RUB 35.7 billion, in accordance with IFRS.

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¹⁰ Net trade working capital is calculated as inventories *plus* receivables and other financial assets *minus* payables and other financial liabilities

¹¹ The calculation of the percentage of net trade working capital in revenue is based on revenue for the last 12 months