

Fix Price unveils its largest distribution centre

Located in Krasnodar Krai, the all-new distribution centre will help drive the retail chain's expansion in Russia's southern regions

Moscow, 29 September 2021 – Fix Price (LSE and MOEX: FIXP), one of the leading variety value retailers globally and the largest in Russia, announces the opening of a new distribution centre (DC) with a total area of 68,000 sq m in the Dinskoy District of Krasnodar Krai. The newly opened logistics hub is the retailer's largest facility, and, according to Knight Frank, it was the biggest BTS sale in Russia over the last year and a half (2020 – 1H 2021). From now until the end of 2025 the company plans to invest approximately RUB 15-16 billion into logistics development and to double its distribution centres' space.

The new DC will service eleven Russian regions: Krasnodar Krai, the Astrakhan and Rostov regions, Stavropol Krai, and the republics of Adygeya, Kalmykia, Kabardino-Balkaria, Karachay-Cherkessia, Ingushetia, Dagestan and North Ossetia–Alania. The facility will also operate cross-border, supplying products to Georgia. The distribution centre is in full operation – the first batch of goods has already left the facility.

Fix Price CEO **Dmitry Kirsanov** said:

“Fix Price continues to push for its regional expansion and plans to considerably increase the number of outlets, including in locations beyond Central Russia and in neighbouring countries. The new distribution centre in Krasnodar Krai will support the Company's growth in the Southern and North Caucasian federal districts, which are currently home to around 700 Fix Price stores and almost 20% of the country's population. The DC will create over 400 jobs and ensure seamless supplies to more than 150 local cities and towns.”

Konstantin Fomichenko, Regional Director, Head of Warehouses, Industrial and Land Department at Knight Frank – the consultancy engaged to support the DC construction transaction, commented:

“We expect retail turnover to continue growing rapidly for the next several years, making streamlined logistics crucial for a retail chain's smooth operations. Many major players are sparing no effort to expand their logistics infrastructure across Russia, and we expect over 850 thousand sq m of warehouses to be brought to the market in 2021, with transactions covering over one million sq m. Fix Price's new distribution centre is among the largest facilities in Russia's regions. We are happy to see the Company partner with A2Group, which was able to meet the most stringent requirements for a modern industrial building”.

The distribution centre is a built-to-suit project tailored to Fix Price's needs. It maintains an average temperature of 18–25 °C to safely store Fix Price's product mix, which does not include perishable goods. The DC's cross-docking process enhances the efficiency of its operations by separating inbound and outbound areas. Goods arrive in semi-trailer trucks and are then stacked into pallets to be shipped out by medium-duty trucks. The facility has a total of 300 parking spaces for trucks and is estimated to be able to handle 45 semi-trailer trucks and 75 medium-duty trucks per day.

The new distribution centre will have around 400 employees, including office staff, warehouse workers, pickers, engineers, quality control officers, etc. They will benefit from various incentive programmes, including bonuses for working in summer and for exceeding targets, welcome payments for new hires, as well as convenient corporate transport and free meals. To minimise the physical workload, all warehouse employees will have modern electric pallet trucks to facilitate pallet handling.

FIX PRICE DISTRIBUTION CENTRES

(September 2021)

DC geography	Total space (sq m)
Krasnodar Krai	68,000
Novosibirsk	44,000
St Petersburg	35,000
Kazan	33,000
Moscow, Vnukovo	27,000
Moscow, Pushkino	27,000
Voronezh	25,000
Yekaterinburg	23,000
Total	282,000

FIX PRICE STORES IN RUSSIA

(1H 2021)

Federal District	Number of stores
Central FD	1,230
Volga FD	886
Southern FD	519
Siberian FD	479
Northwestern FD	434
Ural FD	420
North Caucasian FD	173
Far Eastern FD	63
Total	4,204

About the Company

Fix Price (LSE and MOEX: FIXP), 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 frequently updated product assortment of non-food goods, personal care and household products and food items at low fixed price points.

Today there are more than 4,700 Fix Price stores in Russia and neighbouring countries, all of them stocking approximately 1,800 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.

In 2020, the Company recorded revenue of RUB 190.1 billion, EBITDA of RUB 36.8 billion and net profit of RUB 17.6 billion, in accordance with IFRS.



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