



Fix Price announces key operating results and revenue for Q2 and H1 2022

27 July 2022 – Fix Price (LSE and MOEX: FIXP, the “Company”), one of the leading variety value retailers globally and the largest in Russia, today announces its operating results based on management accounts for the second quarter (Q2 2022) and six months (H1 2022) ended 30 June 2022.

Key highlights

- H1 2022 revenue was up 24.2% y-o-y to RUB 131.8 billion, driven by store network expansion and LFL sales growth
- H1 2022 LFL sales¹ for Russian stores were up 15.8%. H1 2022 LFL sales for the Group were up 13.5%, driven by 14.3% growth in the LFL average ticket, which fully offset a slight contraction in LFL traffic of 0.7%
- The total number of stores increased by 363, which is in line with the FY 2022 store opening guidance of approximately 750 net openings
- The EBITDA margin for H1 2022 exceeded the FY 2021 level of 19.2%

Q2 2022 operating review

- Revenue was up 27.0% y-o-y to RUB 69.2 billion, driven by store network expansion and LFL sales growth:
 - Retail revenue increased by 27.3% y-o-y to RUB 61.3 billion
 - Wholesale revenue grew by 24.3% y-o-y to RUB 7.9 billion
- LFL sales increased by 15.4% y-o-y, driven by 16.5% growth in the LFL average ticket, which fully offset a 0.9% contraction in LFL traffic:
 - LFL average ticket was up 16.5% y-o-y on the back of strong consumer demand for Fix Price merchandise, continued assortment rotation and a higher share of the upper range of price points in retail sales
 - LFL traffic decreased by 0.9% versus the high comparative base of Q2 2021
 - LFL sales for the Russian Company-operated stores grew by 18.4%. The performance of the Company-operated stores in Kazakhstan and Belarus was affected by continued government restrictions and the tough macroeconomic environment
- The total number of stores increased by 184 over the quarter to 5,267 (578 of which are franchised). The new stores added 40.4 thous. sqm of selling space, bringing the total selling space of stores operating under the Fix Price brand to 1,137 thous. sqm
- The total number of registered loyalty cardholders increased by 1.1 million over the quarter to 19.1 million, with purchases made using a loyalty card accounting for 52.2% of total sales.² The average ticket for purchases made using a loyalty card increased by 12.8% y-o-y to RUB 444, which is 1.8x higher than the average ticket for transactions completed without a loyalty card

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 operational for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail revenue including VAT. LFL numbers exclude stores that were temporarily closed for seven or more consecutive days during the reporting and/ or comparable periods

² Loyalty programme data is calculated for Fix Price stores operating in Russia

H1 2022 operating review

- Revenue was up 24.2% y-o-y to RUB 131.8 billion:
 - Retail revenue increased by 25.4% y-o-y to RUB 116.7 billion
 - Wholesale revenue grew by 15.4% y-o-y to RUB 15.1 billion
- LFL sales were up 13.5%:
 - LFL average ticket increased by 14.3%
 - LFL traffic was slightly down, by 0.7%
 - LFL sales at Company-operated stores in Russia grew by 15.8%
- The total number of stores increased by 363, including 321 Company-operated stores and 42 franchised stores, which is in line with the FY 2022 store opening guidance of approximately 750 net openings. The new stores added a total of 80.3 thous. sqm of selling space, bringing the total selling space of stores operating under the Fix Price brand to 1,137 thous. sqm
- The total number of registered loyalty cardholders increased by 2.2 million to 19.1 million during H1 2022, with penetration in total sales reaching 52.5%
- The pace of recovery in terms of gross margin exceeded the level of Q4 2021, when it had improved by 80 bps y-o-y. This trend was supported by proactive work with the assortment that mitigated the higher cost of production
- The EBITDA margin exceeded the FY 2021 level of 19.2%

LFL dynamics, %

	Q2 2022	Q2 2021	H1 2022	H1 2021
LFL sales	15.4%	11.8%	13.5%	11.9%
LFL traffic	(0.9%)	21.8%	(0.7%)	9.0%
LFL average ticket	16.5%	(8.2%)	14.3%	2.6%

Store base, geographical coverage and selling space

	30.06.2022	31.12.2021	30.06.2021
Total number of stores	5,267	4,904	4,585
Russia	4,772	4,445	4,204
Belarus	236	212	180
Kazakhstan	206	172	138
Uzbekistan	13	42	38
Latvia	28	24	19
Georgia	6	4	4
Kyrgyzstan	6	5	2
Number of Company-operated stores	4,689	4,368	4,099
Russia	4,271	3,975	3,775
Belarus	227	203	171
Kazakhstan	181	148	115
Uzbekistan	10	42	38
Number of franchised stores	578	536	486

	30.06.2022	31.12.2021	30.06.2021
Russia	501	470	429
Belarus	9	9	9
Kazakhstan	25	24	23
Latvia	28	24	19
Georgia	6	4	4
Kyrgyzstan	6	5	2
Uzbekistan	3	-	-
Selling space (sqm)	1,137,140	1,056,840	983,919
Company-operated stores	1,009,087	938,392	877,518
Franchised stores	128,053	118,448	106,401

Development of Company-operated stores

	Q2 2022	Q2 2021	H1 2022	H1 2021
Gross openings	200	224	388	404
Russia	171	170	330	312
Belarus	10	17	24	29
Kazakhstan	19	23	34	39
Uzbekistan	-	14	-	24
Closures	34	26	67	47
Russia	14	23	34	44
Belarus	-	1	-	1
Kazakhstan	-	1	1	1
Uzbekistan	20	1	32	1
Net openings	166	198	321	357
Russia	157	147	296	268
Belarus	10	16	24	28
Kazakhstan	19	22	33	38
Uzbekistan	(20)	13	(32)	23

Operating results

Store network development

- The total number of stores increased by 14.9% y-o-y to 5,267; the share of franchised stores amounted to 11.0% of the total store count (up 37 bps y-o-y)
- The Company opened 184 stores on a net basis during Q2 2022, including 166 Company-operated stores and 18 franchised stores, compared to 231 stores (net) in Q2 2021, including 198 Company-operated stores and 33 franchised stores
- In Q2 2022, Fix Price closed 34 Company-operated stores versus 26 Company-operated store closures in Q2 2021. Fix Price continued renegotiating lease terms with landlords and replacing profitable stores with sites nearby with higher efficiency
- In Q2 2022, Fix Price continued expansion across Russia and internationally: 7.6% of net openings were in geographies outside of Russia. The share of international geographies remained stable at 9.4% of the total store base

- Total selling space increased by 40.4 thous. sqm during Q2 2022 and stood at 1,137 thous. sqm (a 15.6% increase y-o-y). The average selling space per Fix Price store was 216 sqm, versus 215 sqm as of 30 June 2021
- In Q2 2022, Fix Price entered 51 new localities. The Company has a presence in 80 of Russia's 85 regions, which covers 98% of the country's population

LFL sales growth

- LFL sales grew by 15.4% in Q2 2022, driven by 16.5% increase in the LFL average ticket, which offset a slight contraction in LFL traffic, of 0.9%
- Even after stockpiling in March 2022, Fix Price's diverse merchandise at highly attractive prices helped drive double-digit LFL sales uplift. Assortment rotation within categories and price points supported growth in the LFL average ticket, while LFL traffic was down slightly y-o-y from the elevated level of 21.8% in Q2 2021, when major COVID-related restrictions were loosened in Russia
- At the country level, LFL sales were led by Russia, with an 18.4% y-o-y increase in Q2 2022. In Kazakhstan and Belarus, LFL sales were affected by continuous pressure on customers' real disposable income, while Fix Price had to temporarily reduce its assortment matrix in the reporting period due to state regulations

Assortment and category mix

- Amid sustained uncertainty, consumers remained cautious and delayed impulse buying, while focusing more on essentials. The share of food in retail sales reached 30.9% in Q2 2022, up from 29.4% for the same period last year. The share of drogerie (household chemicals and hygiene products) in retail sales remained elevated at 26.4%, compared to 22.9% in Q2 2021, reflecting Fix Price's competitive assortment and price proposition
- In Q2 2022, drogerie and food products recorded the highest LFL sales growth among categories, at 38% and 25% respectively. LFL sales of household goods, clothes and DIY products also enjoyed double-digit increases
- The share of price points above RUB 200 in retail sales reached 13.4% in Q2 2022, up from 5.9% in Q2 2021 and 8.9% in Q1 2022. The share of price points above RUB 100 in retail sales increased to 34.7% in Q2 2022 from 24.5% for the same period last year, reflecting continued utilisation of price points' potential
- The average ticket increased by 16.3% y-o-y to RUB 307 in Q2 2022 amid the introduction of new products and assortment rotation

Loyalty programme development

- Another 1.1 million loyalty cards were issued during Q2 2022, taking the total number to 19.1 million; the increase was driven by promotional campaigns for loyalty programme members, while the share of active users³ remained solid at 55%
- Transactions using loyalty cards accounted for 52.2% of total retail sales for Q2 2022, compared to 42.2% in Q2 2021
- The average ticket for purchases made using a loyalty card grew by 12.8% y-o-y in Q2 2022 to RUB 444, which is 1.8 times higher than the average ticket for transactions completed without a loyalty card, RUB 243

³ Members of the loyalty programme who make at least one purchase per month

Revenue dynamics

RUB million	Q2 2022	Q2 2021	Change Q2'22 vs Q2'21, %	H1 2022	H1 2021	Change H1'22 vs H1'21, %
Revenue	69,158	54,457	27.0%	131,788	106,116	24.2%
Retail revenue	61,303	48,140	27.3%	116,688	93,026	25.4%
Wholesale revenue	7,855	6,317	24.3%	15,100	13,090	15.4%

The Group's **revenue** was up by 27.0% y-o-y to RUB 69.2 billion for Q2 2022, driven by 27.3% growth in retail revenue and a 24.3% increase in wholesale revenue.

Retail revenue spiked to RUB 61.3 billion on the back of network expansion and a healthy 15.4% increase in like-for-like sales, which was partially offset by the softer sales densities of the Company-operated stores in Belarus and Kazakhstan.

Wholesale revenue growth to RUB 7.9 billion was driven by the opening of new franchised stores, while the share of wholesale revenue in the Company's total revenue was down slightly, by 24 bps, to 11.4% due to faster growth of the sales densities of Company-operated stores.

About the Company

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

As of 30 June 2022, Fix Price operated 5,267 Fix Price 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. The Company operates 8 DCs covering 80 regions of Russia and 6 countries.

In 2021, the Company recorded revenue of RUB 230.5 billion, EBITDA of RUB 44.2 billion and net profit of RUB 21.4 billion, in accordance with IFRS.

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