

## FIX PRICE FINANCIAL HIGHLIGHTS FOR FY 2022

Revenue  
+20.5%

**277.6**  
RUB billion

Gross margin  
+129 bps

**33.1%**

EBITDA margin  
+36 bps

**19.5%**

Operating margin  
+76 bps

**14.8%**

# **FIX PRICE ANNOUNCES KEY FINANCIAL RESULTS FOR Q4 AND 12M 2022**

## **Reaching targets through a sustainable business model**

**27 February 2023, Limassol, Cyprus** – Fix Price (LSE and MOEX: FIXP, the “Company” or the “Group”), one of the leading variety value retailers globally and the largest in Russia, today announces its audited IFRS financial results for the twelve months ended 31 December 2022 (FY 2022).

### **FINANCIAL SUMMARY FOR Q4 2022**

- Revenue increased by 13.9% y-o-y to RUB 75.8 billion, supported by the Company’s store network expansion and LFL sales growth
  - Retail revenue reached RUB 67.4 billion, up 14.0% y-o-y
  - Wholesale revenue increased by 13.3% y-o-y and stood at RUB 8.4 billion
- Gross profit increased by 17.9% y-o-y and reached RUB 25.8 billion in Q4 2022. Gross margin improved by 116 bps y-o-y to 34.0%, evidencing the Group’s successful management of the assortment and price point mix
- SG&A expenses (excl. D&A) grew by 139 bps y-o-y to 14.6% of revenue primarily due to higher staff costs as a percentage of revenue, which were partially mitigated by efficiencies gained in other SG&A costs
- EBITDA<sup>1</sup> increased by 12.8% y-o-y to RUB 15.1 billion. EBITDA margin declined slightly, by 20 bps, y-o-y to 19.9% as gross margin gain was offset by the growth of SG&A expenses (excl. D&A)
- Operating profit increased by 12.9% y-o-y to RUB 11.6 billion. Operating margin decreased by 14 bps y-o-y to 15.3%
- Profit for the period grew by 43.8% y-o-y to RUB 9.3 billion. Net profit margin was up to 12.3% versus 9.7% in Q4 2021
- The IAS 17-based net cash to EBITDA ratio was (0.04)x, versus the IAS 17-based net debt to EBITDA ratio of 0.4x as of 31 December 2021

<sup>1</sup> EBITDA is calculated as profit for the respective period adjusted for income tax expense, net interest income / (expense), depreciation and amortisation expense, and foreign exchange gain / (loss)

## FINANCIAL SUMMARY FOR 12M 2022

- Revenue grew by 20.5% y-o-y to RUB 277.6 billion
  - Retail revenue reached RUB 246.2 billion, representing growth of 21.1% y-o-y
  - Wholesale revenue grew by 15.8% y-o-y to RUB 31.4 billion
- Gross profit went up 25.3% y-o-y to RUB 92.0 billion. Gross margin was up 129 bps y-o-y to 33.1%
- SG&A costs (excl. D&A) as a percentage of revenue increased to 14.1%, compared to 13.1% for 12M 2021
- Rental expenses under IAS 17 as a percentage of retail revenue improved by 32 bps y-o-y to 5.3%, in line with IPO guidance
- EBITDA was up by 22.7% y-o-y to RUB 54.2 billion. EBITDA margin grew by 36 bps y-o-y to a record high of 19.5%, outperforming IPO guidance. The increase in EBITDA margin was mainly due to a substantial improvement in gross margin which was partially offset by growing SG&A expenses
- Operating profit grew by 27.0% y-o-y to RUB 41.1 billion. Operating margin rose to 14.8%, compared with 14.0% in 2021
- Profit for the period amounted to RUB 21.4 billion
- CAPEX as a percentage of revenue grew to 4.3% for 12M 2022 from 2.7% for the previous year, as the Company pushed forward expansion of distribution centres' space to capture better construction terms and benefit from the current market environment

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*"In 2022, we once again proved that we are capable of operating in any economic conditions, and, despite all the challenges, we achieved solid financial results, thus delivering on all the key targets we announced during our IPO. Throughout the year, we actively contributed to the economic development in our extensive regions of operations, where we created new jobs by expanding our network. Most importantly, we ensured that a wide range of high-quality essentials were always available to our customers at the best prices.*

*"Although the macroeconomic environment remains tough in 2023, we are positive about what lies ahead, and we will continue to make every effort to develop Fix Price business and increase its long-term value.*

**Dmitry Kirsanov, Fix Price CEO**

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## FINANCIAL RESULTS FOR Q4 AND FY 2022

### Statement of comprehensive income highlights

RUB million	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
<b>Revenue</b>	<b>75,757</b>	<b>66,507</b>	<b>13.9%</b>	<b>277,644</b>	<b>230,473</b>	<b>20.5%</b>
Retail revenue	67,351	59,086	14.0%	246,212	203,328	21.1%
Wholesale revenue	8,406	7,421	13.3%	31,432	27,145	15.8%
Cost of sales	(49,968)	(44,641)	11.9%	(185,650)	(157,073)	18.2%
<b>Gross profit</b>	<b>25,789</b>	<b>21,866</b>	<b>17.9%</b>	<b>91,994</b>	<b>73,400</b>	<b>25.3%</b>
<i>Gross margin, %</i>	<i>34.0%</i>	<i>32.9%</i>	<i>116 bps</i>	<i>33.1%</i>	<i>31.8%</i>	<i>129 bps</i>
SG&A (excl. D&A)	(11,023)	(8,750)	26.0%	(39,149)	(30,162)	29.8%
Other op. income and share of profit of associates	305	247	23.5%	1,353	917	47.5%
<b>EBITDA</b>	<b>15,071</b>	<b>13,363</b>	<b>12.8%</b>	<b>54,198</b>	<b>44,155</b>	<b>22.7%</b>
<i>EBITDA margin, %</i>	<i>19.9%</i>	<i>20.1%</i>	<i>(20 bps)</i>	<i>19.5%</i>	<i>19.2%</i>	<i>36 bps</i>
D&A	(3,448)	(3,069)	12.3%	(13,138)	(11,829)	11.1%
<b>Operating profit</b>	<b>11,623</b>	<b>10,294</b>	<b>12.9%</b>	<b>41,060</b>	<b>32,326</b>	<b>27.0%</b>
<i>Operating profit margin, %</i>	<i>15.3%</i>	<i>15.5%</i>	<i>(14 bps)</i>	<i>14.8%</i>	<i>14.0%</i>	<i>76 bps</i>
Net finance costs	(564)	(630)	(10.5%)	(3,001)	(1,647)	82.2%
FX gain / (loss), net	1,220	(165)	n/a	(234)	(83)	181.9%
<b>Profit before tax</b>	<b>12,279</b>	<b>9,499</b>	<b>29.3%</b>	<b>37,825</b>	<b>30,596</b>	<b>23.6%</b>
Income tax expense	(2,961)	(3,017)	(1.9%)	(16,414)	(9,207)	78.3%
<b>Profit for the period</b>	<b>9,318</b>	<b>6,482</b>	<b>43.8%</b>	<b>21,411</b>	<b>21,389</b>	<b>0.1%</b>
<i>Net profit margin, %</i>	<i>12.3%</i>	<i>9.7%</i>	<i>255 bps</i>	<i>7.7%</i>	<i>9.3%</i>	<i>(157 bps)</i>

### LFL<sup>2,3</sup> dynamics adjusted for the rouble appreciation effect, %

	Q4 2022	Q4 2021	12M 2022	12M 2021
LFL sales	5.2%	3.2%	11.0%	7.2%
LFL traffic	(4.1%)	(3.5%)	(2.5%)	3.1%
LFL average ticket	9.7%	6.9%	13.9%	4.0%

<sup>2</sup> Like-for-like (LFL) sales, average ticket and traffic 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 revenue including VAT. LFL numbers exclude stores that were temporarily closed for seven or more consecutive days during the reporting period and/or comparable periods

<sup>3</sup> LFL sales and average ticket adjusted for the rouble appreciation effect are calculated using monthly LFL sales in foreign countries converted into roubles at the average exchange rates for each comparable month of 2021

## LFL dynamics before the adjustment for the rouble appreciation effect, %

	Q4 2022	Q4 2021	12M 2022	12M 2021
LFL sales	3.9%	3.2%	10.1%	7.2%
LFL traffic	(4.1%)	(3.5%)	(2.5%)	3.1%
LFL average ticket	8.3%	6.9%	12.9%	4.0%

## Store selling space

	31 Dec 2022	31 Dec 2021	Change
<b>Selling space (sqm)</b>	<b>1,225,360</b>	<b>1,056,840</b>	<b>15.9%</b>
Company-operated stores	1,087,047	938,392	15.8%
Franchised stores	138,313	118,448	16.8%

## Selling, general and administrative expenses

RUB million	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
Staff costs	7,893	6,013	31.3%	28,195	20,884	35.0%
% of revenue	10.4%	9.0%	138 bps	10.2%	9.1%	109 bps
Depreciation of right-of-use assets	2,635	2,395	10.0%	10,009	9,198	8.8%
% of revenue	3.5%	3.6%	(12 bps)	3.6%	4.0%	(39 bps)
Other depreciation and amortisation	813	674	20.6%	3,129	2,631	18.9%
% of revenue	1.1%	1.0%	6 bps	1.1%	1.1%	(1 bp)
Bank charges	895	738	21.3%	2,799	2,535	10.4%
% of revenue	1.2%	1.1%	7 bps	1.0%	1.1%	(9 bps)
Rental expense	650	555	17.1%	2,289	1,667	37.3%
% of revenue	0.9%	0.8%	2 bps	0.8%	0.7%	10 bps
Security services	549	436	25.9%	1,897	1,613	17.6%
% of revenue	0.7%	0.7%	7 bps	0.7%	0.7%	(2 bps)
Advertising costs	168	212	(20.8%)	719	767	(6.3%)
% of revenue	0.2%	0.3%	(10 bps)	0.3%	0.3%	(7 bps)
Repair and maintenance costs	296	306	(3.3%)	1,121	925	21.2%
% of revenue	0.4%	0.5%	(7 bps)	0.4%	0.4%	-
Utilities	216	197	9.6%	835	712	17.3%
% of revenue	0.3%	0.3%	(1 bp)	0.3%	0.3%	(1 bp)
Other expenses	356	293	21.5%	1,294	1,059	22.2%
% of revenue	0.5%	0.4%	3 bps	0.5%	0.5%	1 bp
<b>SG&amp;A (excl. D&amp;A)</b>	<b>11,023</b>	<b>8,750</b>	<b>26.0%</b>	<b>39,149</b>	<b>30,162</b>	<b>29.8%</b>
<b>% of revenue</b>	<b>14.6%</b>	<b>13.2%</b>	<b>139 bps</b>	<b>14.1%</b>	<b>13.1%</b>	<b>101 bps</b>

RUB million	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
Total SG&A	14,471	11,819	22.4%	52,287	41,991	24.5%
% of revenue	19.1%	17.8%	133 bps	18.8%	18.2%	61 bps

The Group's **revenue** increased by 13.9% y-o-y and stood at RUB 75.8 billion in Q4 2022 on the back of 14.0% growth in retail revenue and a 13.3% increase in wholesale revenue.

**Retail revenue** totalled RUB 67.4 billion, driven by new store openings and LFL sales growth of 3.9%. **Wholesale revenue** reached RUB 8.4 billion and was supported by the opening of new franchised stores. The share of wholesale revenue remained almost flat y-o-y at 11.1% of the Company's total revenue.

**Gross profit** increased by 17.9% y-o-y and reached RUB 25.8 billion in Q4 2022. **Gross margin** improved by 116 bps y-o-y to 34.0%, reflecting the Group's efficient management of the assortment and price point mix. This improvement was partially offset by the lower share of non-food goods in the retail sales mix and FX volatility.

**Transportation costs** were up 8 bps y-o-y to 1.6% of revenue in Q4 2022 on the back of increased tariffs in Russia in 2022.

**Inventory write-downs** decreased slightly, by 3 bps y-o-y to 0.9% of revenue in Q4 2022, as the physical inventory count recorded smaller losses compared to applied accruals.

**Selling, general and administrative expenses (SG&A) excluding D&A** grew by 139 bps y-o-y to 14.6% of revenue on the back of an increase in the shares of staff costs, bank charges, security services, rental and other expenses, which was partially mitigated by efficiencies gained in advertising, repair and maintenance, as well as in utilities costs. The Group's **total SG&A** expenses were up 133 bps y-o-y to 19.1% of revenue as the share of D&A expenses decreased by 6 bps.

**Staff costs** were up 138 bps y-o-y to 10.4% of revenue as a result of the continued salary indexation process in the Company throughout 2022, which was aimed at improving Fix Price's competitive position in the labour market in its countries of operations, as well as other incentives.

**Rental expense (under IFRS 16)** increased by 2 bps y-o-y to 0.9% of revenue (up 3 bps to 1.0% of retail revenue), as the share of floating-rate contracts grew to 65% in Q4 2022, compared to 57% in Q4 2021.

**Rental expense (under IAS 17)** decreased by 6 bps y-o-y to 4.6% of revenue (down 7 bps to 5.2% of retail revenue), as the Company continued its efforts to improve lease terms.

**Depreciation and amortisation (D&A) expenses** were down 6 bps y-o-y to 4.6% of revenue. Depreciation of right-of-use assets improved by 12 bps to 3.5% of revenue due to a decrease in the amount of right-of-use assets on the back of higher discount rates in 2022 compared to the previous year. The share of other depreciation and amortisation expenses grew by 6 bps, as a new owned DC in Novosibirsk was recorded on the Company's balance sheet.

**Bank charges** increased by 7 bps y-o-y to 1.2% of revenue, reflecting continued growth in the share of non-cash payments with higher commissions on bank card transactions compared with cash payments.

**Advertising costs** were down 10 bps y-o-y to 0.2% of revenue due to cost optimisation and a positive operating leverage effect.

Costs for **security services** remained almost flat at 0.7% of revenue; **repair and maintenance costs** decreased by 7 bps y-o-y to 0.4% of revenue. The decrease in repair and maintenance costs was attributable to lower spending on consumable materials versus 4Q 2021 as well as the fact that repair and maintenance works were partially passed on to landlords.

**Utilities** were stable y-o-y at 0.3% of revenue, and **other expenses** were up slightly, by 3 bps y-o-y, and stood at 0.5% of revenue.

**Other operating income and the share of profit of associates** increased by 3 bps y-o-y to 0.4% of revenue due to higher proceeds from the sale of waste.

## EBITDA IFRS 16 and IAS 17 reconciliation

RUB million	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
<b>EBITDA IFRS 16</b>	<b>15,071</b>	<b>13,363</b>	<b>12.8%</b>	<b>54,198</b>	<b>44,155</b>	<b>22.7%</b>
<i>EBITDA margin (IFRS 16)</i>	<i>19.9%</i>	<i>20.1%</i>	<i>(20 bps)</i>	<i>19.5%</i>	<i>19.2%</i>	<i>36 bps</i>
Rental expense	(2,856)	(2,565)	11.3%	(10,865)	(9,840)	10.4%
Utilities	(54)	(39)	38.5%	(188)	(153)	22.9%
<b>EBITDA IAS 17</b>	<b>12,161</b>	<b>10,759</b>	<b>13.0%</b>	<b>43,145</b>	<b>34,162</b>	<b>26.3%</b>
<i>EBITDA margin (IAS 17)</i>	<i>16.1%</i>	<i>16.2%</i>	<i>(12 bps)</i>	<i>15.5%</i>	<i>14.8%</i>	<i>72 bps</i>

**EBITDA under IFRS 16** increased by 12.8% y-o-y to RUB 15.1 billion for Q4 2022. The **EBITDA margin** declined by 20 bps y-o-y to 19.9%, as an increase in gross margin was offset by a lower share of higher-margin non-food goods in retail sales and growing SG&A expenses (excl. D&A).

**EBITDA under IAS 17** grew by 13.0% y-o-y to RUB 12.2 billion for Q4 2022. The IAS 17-based EBITDA margin decreased by 12 bps y-o-y to 16.1%.

**Net finance costs** in Q4 2022 were down 10.5% y-o-y to RUB 564 million due to the increase of interest income from bank deposits as the Company was allocating available cash, which fully offset growth of interest expenses driven by higher interest rates on loans.

In Q4 2022, the Group recorded an **FX gain** of RUB 1.2 billion, compared to a RUB 165 million loss in Q4 2021. On the back of the rouble weakening, the gain attributable to the revaluation of rouble-denominated liabilities of the Group's international entities and account balances in foreign currencies was partially offset by negative exchange rate differences in liabilities denominated in yuan.

The Group's total **income tax expense** decreased slightly by 1.9% y-o-y to RUB 3.0 billion in Q4 2022.

**Profit for the period** grew by 43.8% y-o-y to RUB 9.3 billion. Q4 2022 net profit margin was 12.3%, up by 255 bps y-o-y.

## Statement of financial position highlights

RUB million	31 Dec 2022	31 Dec 2021
Current loans and borrowings	17,576	21,523
Non-current loans and borrowings	4,352	-
Current lease liabilities	7,997	6,971
Non-current lease liabilities	4,615	3,765
Cash and cash equivalents	(23,584)	(8,779)
<b>Net debt</b>	<b>10,956</b>	<b>23,480</b>
<b>Net debt / EBITDA (IFRS 16)</b>	<b>0.2x</b>	<b>0.5x</b>
Current lease liabilities	(7,997)	(6,971)
Non-current lease liabilities	(4,615)	(3,765)
<b>IAS 17-based net debt / (cash)</b>	<b>(1,656)</b>	<b>12,744</b>
<b>IAS 17-based net debt / (cash) / EBITDA</b>	<b>(0.04)x</b>	<b>0.4x</b>

Current loans and borrowings decreased by RUB 3.9 billion from the beginning of the year to RUB 17.6 billion, as the Company reduced its current debt in response to the elevated interest rates environment. Total **loans and borrowings** remained stable y-o-y at RUB 21.9 billion as of 31 December 2022. **Lease liabilities** grew to RUB 12.6 billion from RUB 10.7 billion at the start of the year, driven by hikes in market interest rates and an increase in the number of lease contracts on the back of store network expansion. As a result, the Group's total **loans, borrowings and lease liabilities** amounted to RUB 34.5 billion, up by 7.1% from the start of the year.

As of the end of the reporting period, the Company's IAS 17-based net cash position was RUB (1.7) billion, versus RUB 12.7 billion net debt at the start of the year, on the back of accumulated cash reserves. The Group's **IAS 17-based net cash to EBITDA ratio** was (0.04)x, versus net debt to EBITDA ratio of 0.4x as of 31 December 2021.

## Statement of cash flows highlights

RUB million	Q4 2022	Q4 2021	12M 2022	12M 2021
Profit before tax	12,279	9,499	37,825	30,596
Cash from operating activities before changes in working capital	15,774	13,990	56,889	46,155
Changes in working capital	5,073	(2,903)	(1,688)	(9,646)
<b>Net cash generated from operations</b>	<b>20,847</b>	<b>11,087</b>	<b>55,201</b>	<b>36,509</b>



RUB million	Q4 2022	Q4 2021	12M 2022	12M 2021
Net interest paid	(585)	(624)	(2,852)	(1,776)
Income tax paid	(1,474)	(2,961)	(15,567)	(9,396)
<b>Net cash flows from operating activities</b>	<b>18,788</b>	<b>7,502</b>	<b>36,782</b>	<b>25,337</b>
<b>Net cash flows used in investing activities</b>	<b>(5,368)</b>	<b>(1,026)</b>	<b>(11,880)</b>	<b>(6,159)</b>
<b>Net cash flows used in financing activities</b>	<b>(1,511)</b>	<b>(1,494)</b>	<b>(10,000)</b>	<b>(36,829)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	654	-	(97)	55
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>12,563</b>	<b>4,982</b>	<b>14,805</b>	<b>(17,596)</b>

The Group's **net trade working capital**<sup>4</sup> improved to RUB 9.1 billion as of 31 December 2022 from a peak of RUB 18.0 billion as of 30 June 2022, slightly up from RUB 7.9 billion as of 2021 year-end. The Company continued to pursue a diligent approach towards ordering assortment in advance to ensure the availability of goods on store shelves in case of supply chain disruptions. Continued normalisation of payment terms with the suppliers contributed to the improvement of the indicator throughout the year.

**CAPEX** for Q4 2022 amounted to RUB 6.5 billion, up from RUB 1.1 billion in Q4 2021, driven by active construction of two distribution centres to be launched in 2023.

## 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 constantly refreshed product assortment of non-food goods, personal care and household products and food items at low fixed price points.

As of 31 December 2022, Fix Price was operating 5,663 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 December 2022, the Company was operating 10 DCs covering 80 regions of Russia and 6 neighbouring countries.

In 2022, the Company recorded revenue of RUB 277.6 billion, EBITDA of RUB 54.2 billion and net profit of RUB 21.4 billion, in accordance with IFRS.

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<sup>4</sup> Net trade working capital is calculated as inventories plus receivables and other financial assets minus payables and other financial liabilities