Krasnodar, Russia

MAGNIT AND SAMBERI LAUNCH NEW PRICEHIT HARD DISCOUNTERS IN RUSSIAN FAR EAST

Khabarovsk, Russia (September 11, 2024): Magnit, one of Russia's leading federal retailers, and Samberi, the largest retail chain in the Russian Far East, are piloting a new hard discounter banner in the region — Tsenohit (PriceHit).

The first pilot PriceHit store was opened in Khabarovsk this summer. Given its success, Magnit and Samberi have made the decision to expand the scope of the pilot and plan to open a second outlet in October and another one before the end of the year. The two chains will then analyze the pilot stores' performance and decide on further scaling.

The new format is based on the blueprint of V1 (First Choice), the hard discounter banner that Magnit has been developing since 2023. Currently, the V1 chain operates more than 130 stores in Moscow, St. Petersburg, Nizhny Novgorod, and the respective regions.

The new PriceHit format combines the elements of the modern hard discounter developed by the V1 team (principles for organizing retail space, drawing up planograms, managing pricing, etc.) and the expertise and best practices of Samberi Group, which has a deep understanding of the region's market and the demands of local consumers. The core assortment of PriceHit stores will consist of locally sourced products, which are expected to comprise at least 55% of the total range. In addition, the stores will offer a broad selection of fruits and vegetables at affordable prices, which is especially relevant for the market of the Russian Far East, as well as freshly baked goods from the chain's own bakeries.

The PriceHit banner is intended for rational consumers of any income who appreciate high-quality goods and services and quick and convenient shopping. To ensure the best experience for such customers, PriceHit stores have wide aisles, use easy navigation, and are equipped with self-checkout terminals. The chain's pricing strategy is based on the principles of EDLP (everyday low prices).

An average PriceHit store will have an area of 380 square meters and offer an assortment of about 1,000 items of popular goods that cover the key customer needs. The stores' visual design utilizes a combination of red and green.

Anzhela Ryabova

Director of the V1 hard discounter chain

"The teams of V1, Magnit, and Samberi have joined forces to offer consumers in the Far East a new format not previously seen in the region — sophisticated modern hard discounters. The concept is built around the principle of rational consumption: we offer our customers popular high-quality goods, consistently low prices, and quick and convenient shopping. We believe that consumers in the Far East will embrace PriceHit stores."

Vladislav Grebenyuk

Director of Discounter Store Chain at Samberi Group

"Together with Magnit and V1, we have brought the consumers in Khabarovsk a modern and convenient store of a new format — PriceHit, a hard discounter offering an assortment of popular products and the most affordable prices. We are getting positive feedback from our customers: they appreciate the quality and freshness of our products, the level of service, and the low prices. Before the end of the year, we plan to open several more PriceHit stores in the region and will then decide on the possibility of further rollout of this format."

In the fall of 2023, Magnit made a deal to acquire a 33.01% stake in Samberi. The transaction was completed in the summer of 2024. In addition to this, Magnit secured the right to buy out the remaining stakes within five years.

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Note to editors

"Magnit" is one of Russia's leading retailers. Founded in 1994, the company is headquartered in the southern Russian city of Krasnodar. As of June 30, 2024, Magnit operated 47 distribution centers and 30,109 stores in 4,387 cities and towns throughout 7 federal regions of the Russian Federation and in the Republic of Uzbekistan.
In accordance with pre-IFRS 16 results for 1H 2024, Magnit had revenues of RUB 1,460 billion and an EBITDA of RUB 77 billion. Magnit's shares are listed on the Moscow Exchange (MOEX: MGNT).

Forward-looking statements

This document contains or may contain forward-looking statements that may or may not prove accurate. For example, statements regarding expected sales growth rate and/or store openings are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. Any forward-looking statement is based on information available to Magnit as of the date of the statement. All written or oral forward-looking statements attributable to Magnit are qualified by this caution. Magnit does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances.