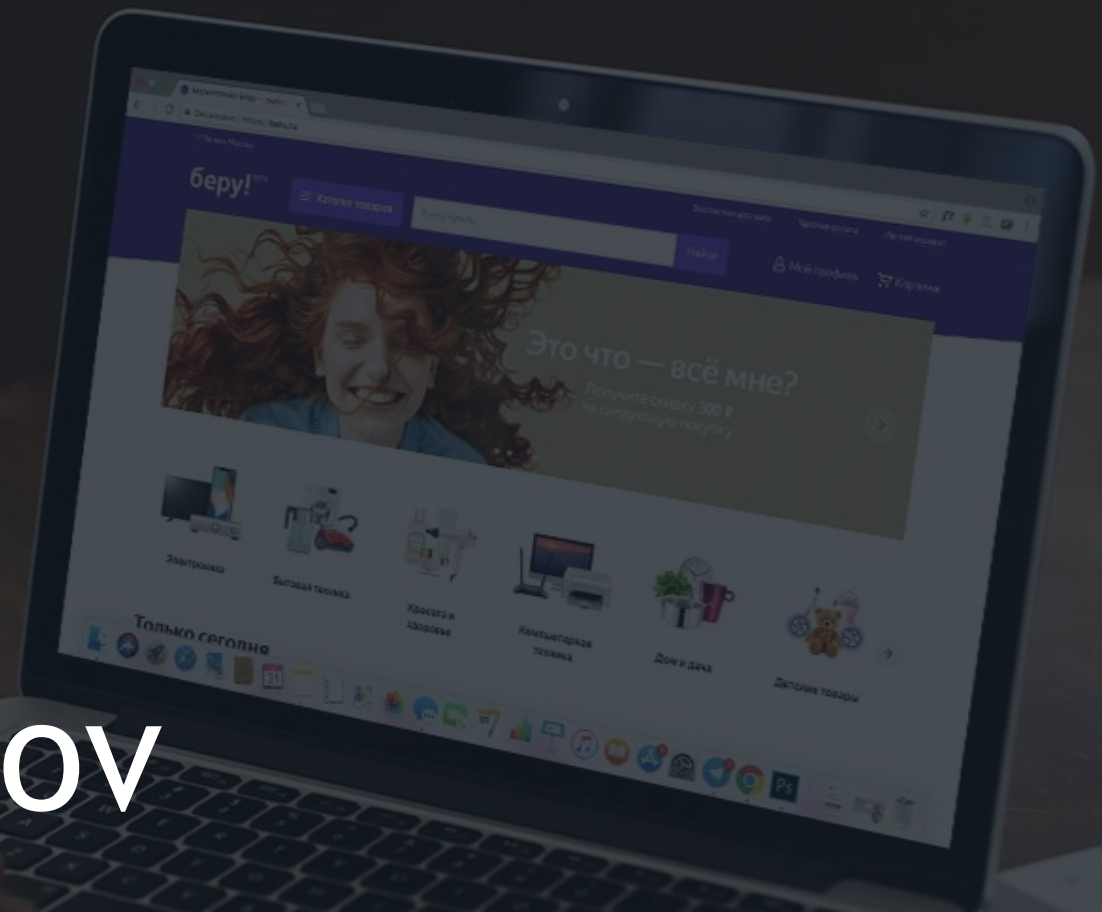# Maxim Grishakov

➢ Yandex Market

What is the Russian e-commerce market in 2019?

~**390**ₘ
orders

~**4 000** RUB
AOV[1]

~**1.57**
RUBTn
Russian e-commerce market

1 Average order value

SOURCE: Data Insight, Euromonitor

E-commerce market boom expected to continue, closing the gap in e-com penetration

Forecasted growth of e-commerce market in Russia1
RUBtn

XX CAGR[2]

+16 %

+18%

2014	2015	2016	2017	2018	2019П	2020П	2021F	2022F	2023F
0,72	0,78	0,94	1,09	1,29	1.57	1,87	2.20	2,60	3,00

1 On a FX-neutral basis, calculated based on average USD/RUB rate for 2018
2 Excludes departments not covered by Euromonitor (Auto, Sports, Pharma)

SOURCE: Euromonitor

E-com penetration by country in 2018[2]
Percent

Country	
🇬🇧	17,0%
🇩🇪	11,0%
🇫🇷	8,8%
🇧🇷	7,2%
🇵🇱	6,7%
🇷🇺	5,0%
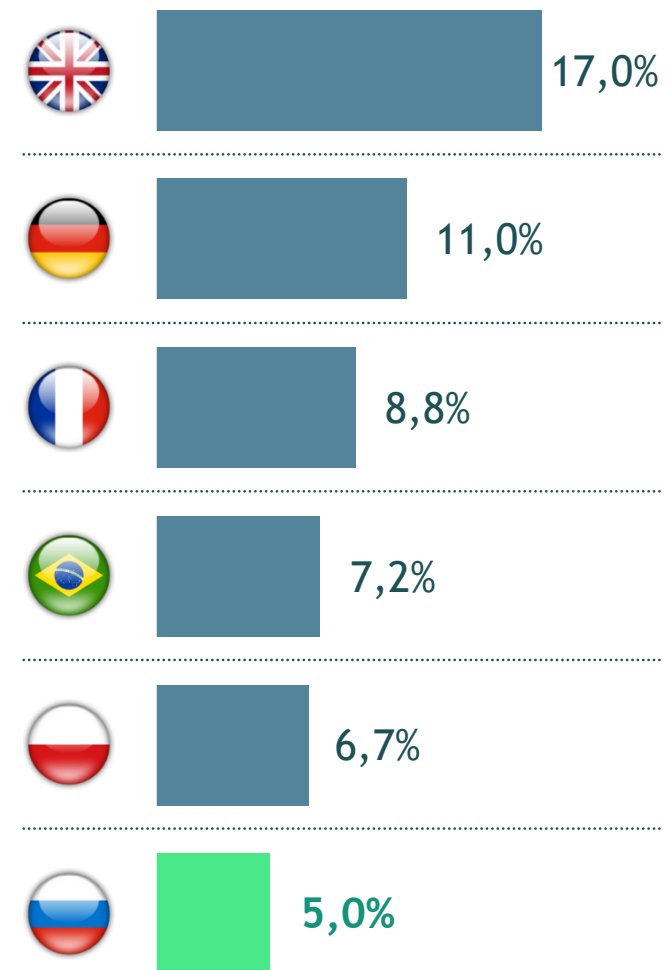
Yandex Market Group is an e-commerce ecosystem supported by Yandex and Sberbank

SOURCE: Yandex Market Group Strategy Team

Since the launch of the Yandex – Sberbank JV we are rapidly undertaking new initiatives

April 2018

Deal closure

October 2018

Beru launch

March 2019

Yandex.Delivery relaunched

June 2019

Superchek beta

November 2019

Sof'ino warehouse opening

May 2018

Beru beta

December 2019

Rostov-on-Don warehouse opened

May 2019

▪ Own lockers launch
▪ Moscow Region warehouses open

July 2019

Sberbank consumer loans & Sberbank ID Login

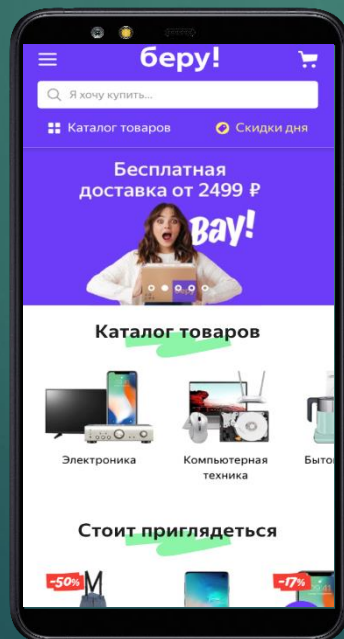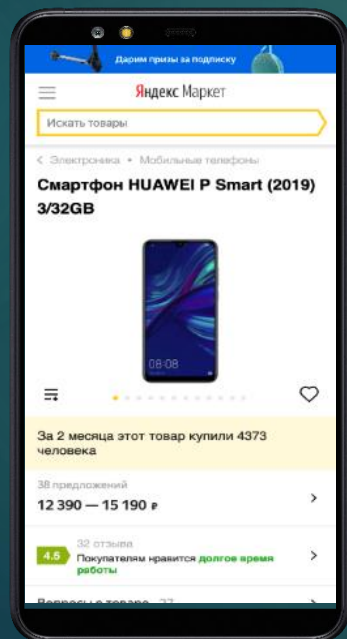# Today, emerging experiments support our core business offering

Core businesses

Яндекс.Маркет
Product discovery platform

беру!
Retail B2C marketplace

+

Experiments
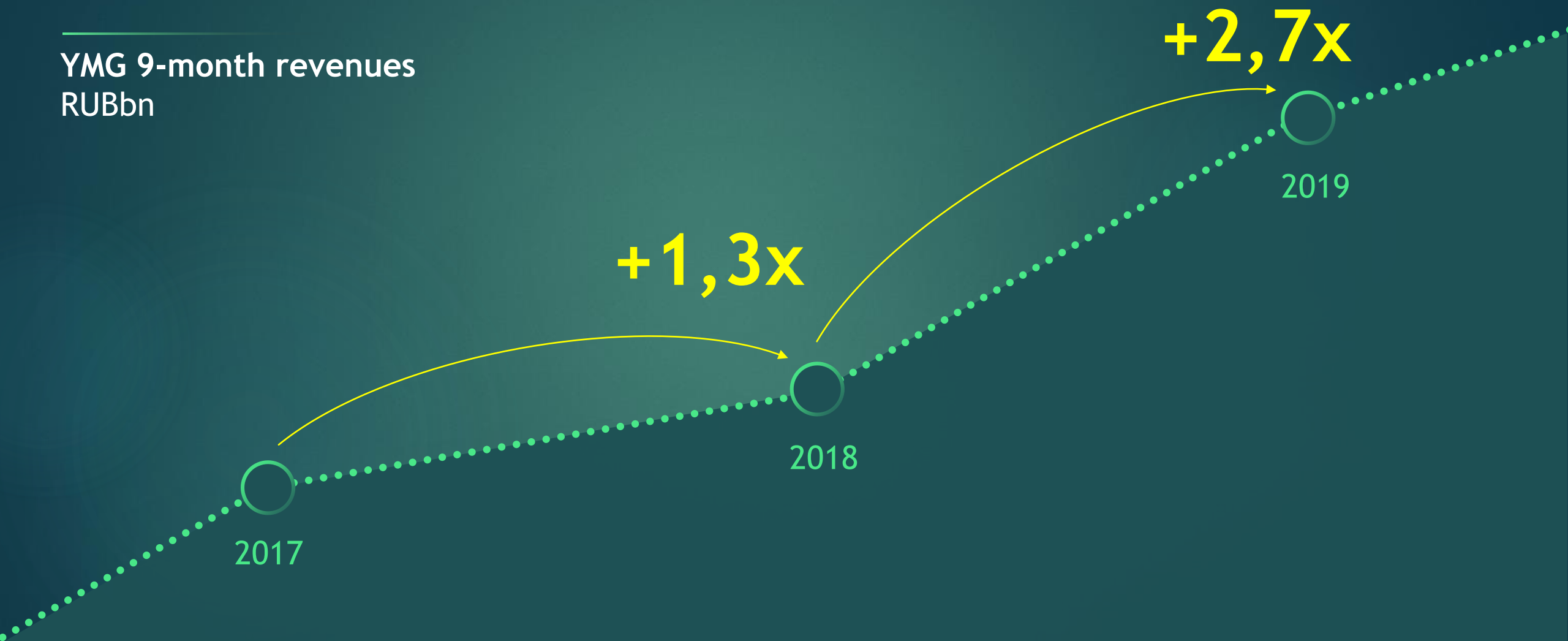
Яндекс.Маркет Аналитика

Яндекс Доставка

суперчек

Yandex Market Group revenues grow 2.7x in 9 month of 2019

YMG 9-month revenues
RUBbn

+2,7x

+1,3x

2019

2018

2017

Яндекс .Маркет

Product discovery platform

Яндекс.Маркет

Product discovery platform

200+ RUB bn
GMV[1]

26 mn
Orders

3,5+ mn
DAU[2]

1 Gross merchandise value
2 Daily Active Users
3 User generated content

2019 Highlights

01 | >200 million offers to choose from

02 | By >20,000 merchants

03 | Expanded product discovery model with enhanced UGC[3] and Q&A merchants and community support

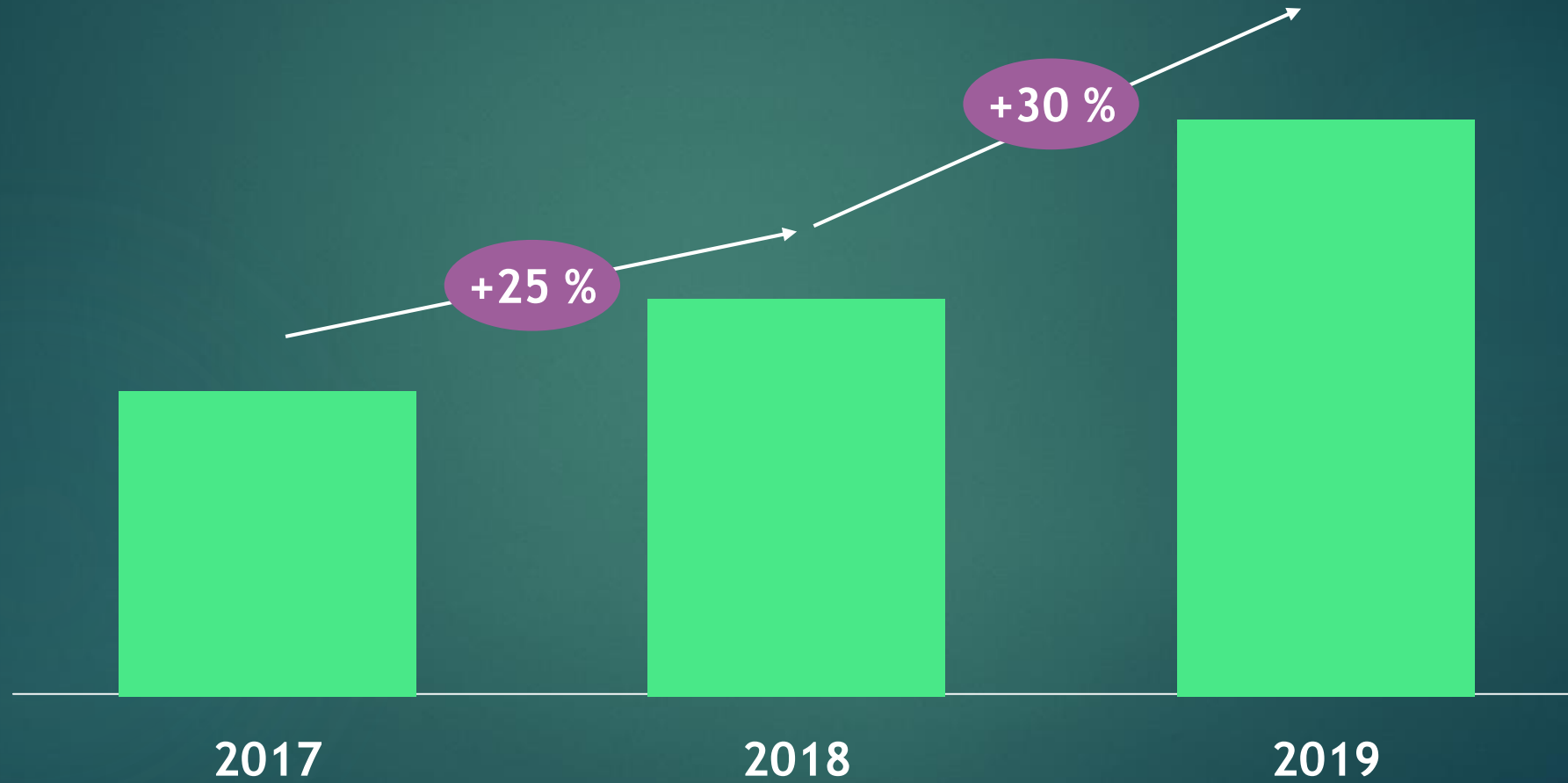**04** | Offline FMCG product & price comparison through Supercheck

Yandex Market saw a 30% revenue growth in 2019

9 month figures

Yandex Market: Core Metric Evolution

	2018		2019
GMV[1] RUBbn	170+	+20%	200+
Average DAU[2] Mn	2,8	+25%	3,5
Total orders Mn	20+	+30%	26+
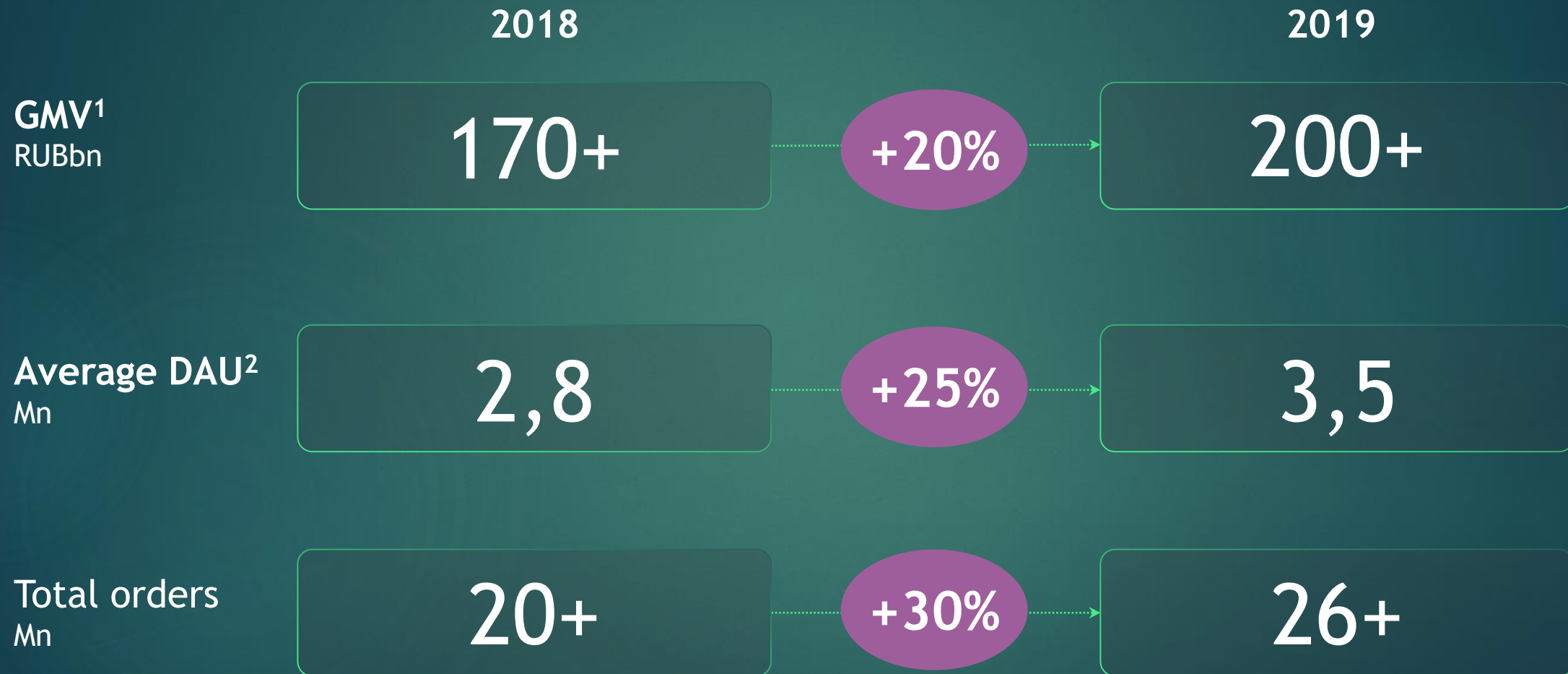
1 Gross merchandise value
2 Daily Active Users
SOURCE: YMG Strategy Team

What to expect in 2020

USERS

- Influencer-driven customer inspiration model

- Themed communities and enhanced UGC content tools

- Upgraded mobile app for the social commerce experience of the future
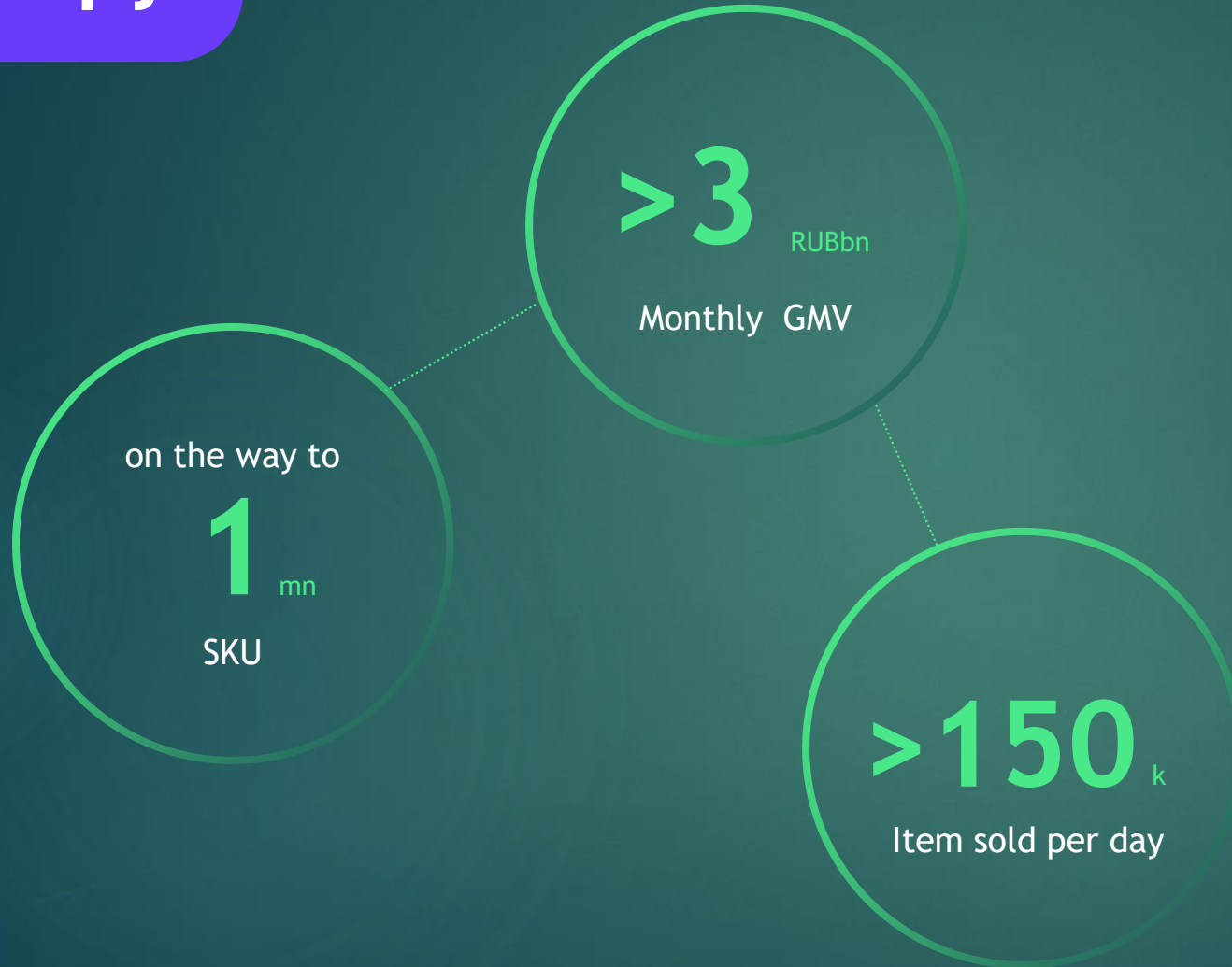
SELLERS

- Vendor co-financing and promotion with native product placement

- Tools to onboard partners without an online check-out

- Enhanced website traffic optimization tools

Domestic B2C marketplace

Domestic B2C marketplace

бору!

on the way to
1 mn
SKU

>3 RUBbn
Monthly GMV

>150 k
Item sold per day

4x — GMV growth

>30% — of third party sales in GMV

25% — Operations CPO[1] reduction

+50% — Share of faster deliveries

>14 000 — Delivery pickup locations

До 1 млн — DAU[2]

1 Cost per order
2 Daily Active Users
SOURCE: YMG Strategy Team

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Order growth dynamics show accelerating growth
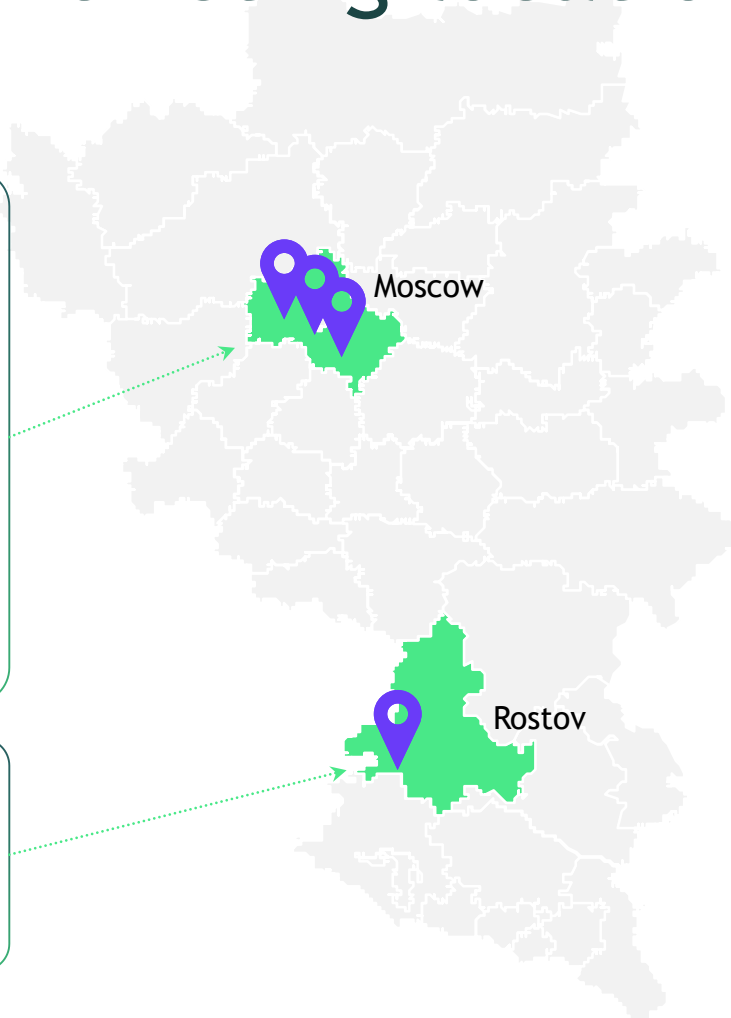
Number of delivered orders

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

Operations are supported by 80,000m² warehouse capacity potential through existing locations

Tomilino

- Launch date: May, 2019
- Type: Bulk
- Location: Moscow Suburbs-Lubertsy

Sof'ino

- Opening date: November, 2019
- Type: General
- Location: SE of Moscow on M5 (E30) highway

Rostov Regional Warehouse

- Opening date: December, 2018
- Type: General
- Location: Rostov Oblast

Moscow

Marshroute, 3PL Capacity

Tomilino, Beru Operate

Sofino, Beru Operated

Rostov

Regional WH, Beru operated

Moscow

Rostov

SOURCE: YMG Strategy Team

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беру!

What to expect in 2020

USERS

- >1 million SKUs to find anything you need

- Ongoing EDLP[1] to everyday savings

- Delivery time reductions across the European Russia

SELLERS

- Enhanced promotion and advertisement tools to drive sales

- Faster onboarding and full launch of 3P[2] drop-shipping and 3P[2] cross-docking partnership models

- Greater warehouse capacity and last mile locker capabilities to get products to customers

1 Every Day Low Price, EDLP
2 Third party

SOURCE: YMG Strategy Team

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Our key takeaways into 2020

You can never have enough logistics capacity with our growth rates

Rapid assortment increase impossible without new delivery models

NDD[1] and 2DD[2] service is becoming the new norm across larger parts of Russia

Group and partner ecosystem

Core benefits

- Services to compare assortment and in offline stores, seeing the available assortment and prices across >30 partners

- Order goods online, arrange pickup and pay directly in the store through the app

Personalized offers during item scanning

Lower personnel costs on staff

Points of interaction to bring in more customers

Shorter lines

Walkthrough capacity during peak times

Integration with native store app
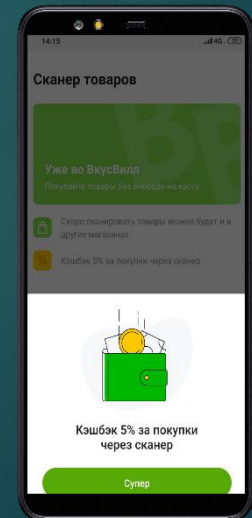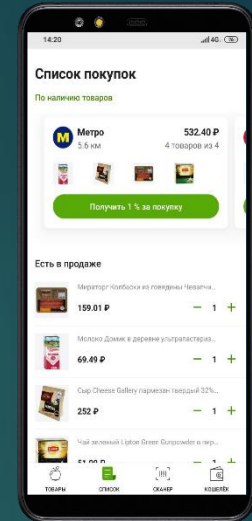
Yandex helps us pilot and integrate cutting edge technological innovation in online and offline
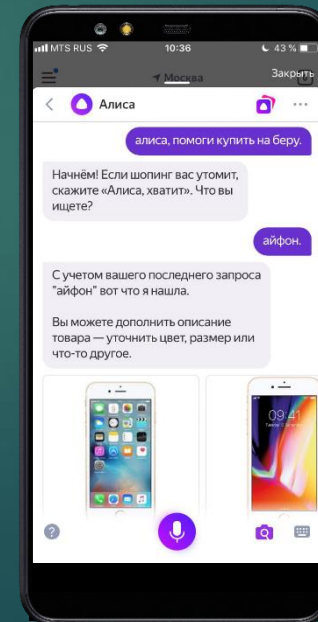
Yandex Rover Experiments

Voice assist shopping in:
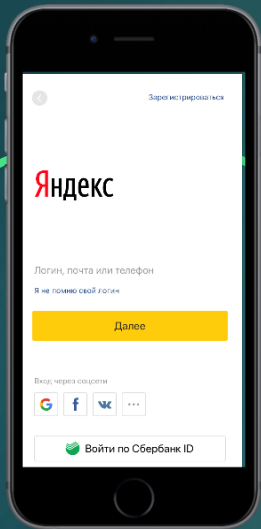- Yandex.Station
- Alisa search assistant app

Repeat purchases

"Alisa, order the usual..."
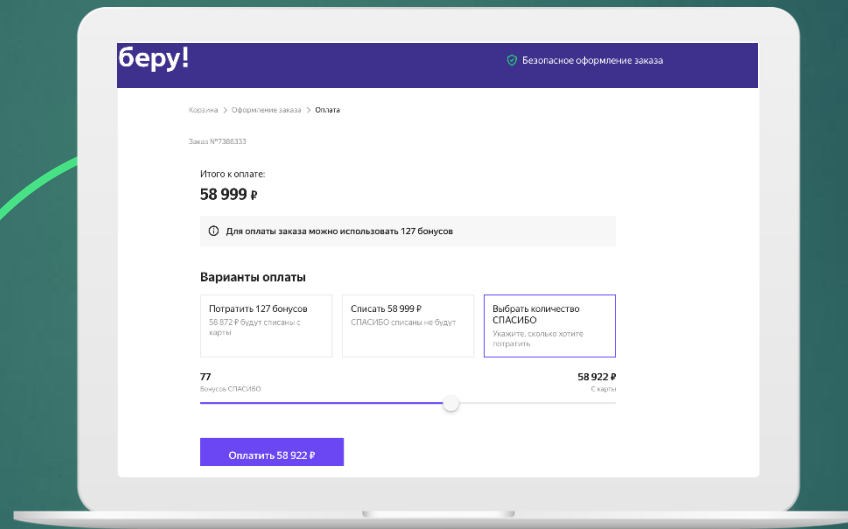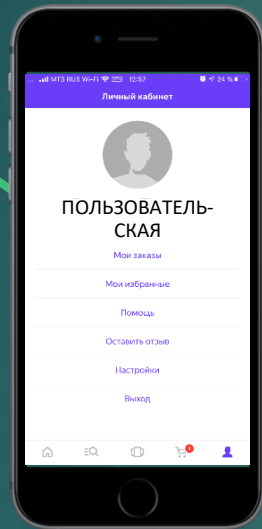
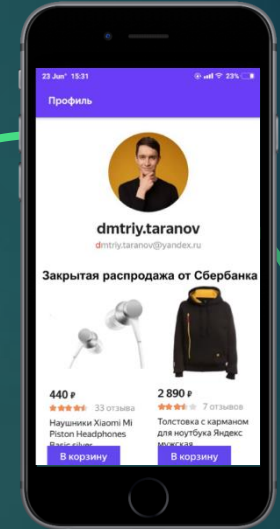**First time search**

"Alisa, Help me buy..."
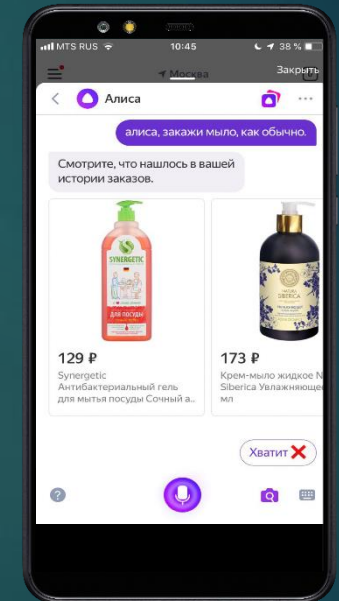
Sberbank supported activities and 'Spasibo' help us generate >15% of our GMV
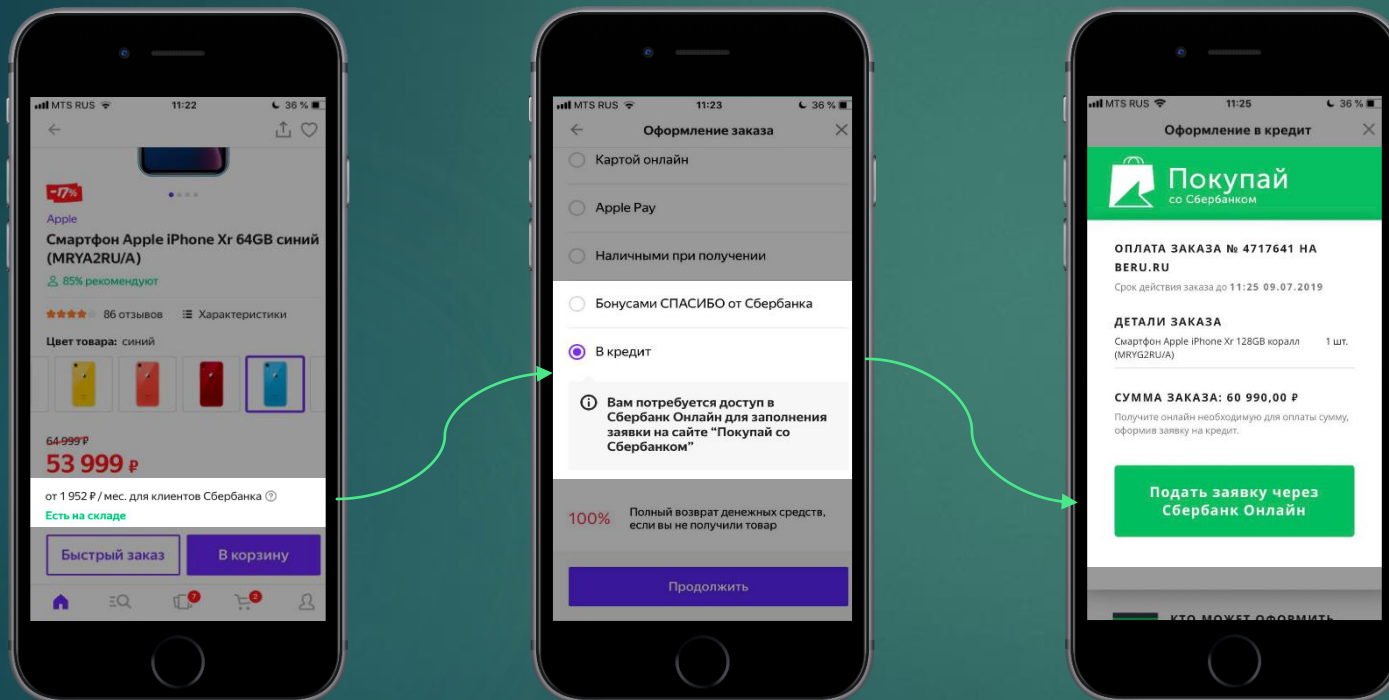

Sberbank ID login

Spasibo from Sberbank

Closed sales for Sberbank customers

We are actively leveraging our partners for effective integration into the Sberbank Ecosystem

Purchase on credit

Sberbank Logistics

- **Signed contract:** Federal courier services across Russia (Incl. Moscow & Moscow Region)

- Ongoing discussions on warehouses