



Q1 2021 Financial Results

X5 RETAIL GROUP

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I. HIGHLIGHTS

STRATEGIC HIGHLIGHTS



- **Market leader** in Russian food retail, **12.8% market share in 12M 2020**
- **Strategy is aimed at maintaining leadership**



- X5 is a **multi-format** retailer with focus on two largest segments of the Russian food retail - proximity and supermarkets
- **Balanced approach to expansion**
- **Fast growth of online supermarket**; express delivery in pilot stage



- Constant adaptation of **value proposition** to Russian consumers' changing needs and current macro environment, including expansion of fresh assortment, widening local assortment, development of loyalty programmes



- Significant **investments in logistics and transport**: in the last 3 years X5 opened **12 DCs** and currently operates **41 DCs**
- adding new links in the value chain and operating a fleet of **4,014 owned trucks** as of 31 March 2021



- Development and implementation of the **Big Data** strategy based on loyalty cards information
- Focus on **innovation, digitalization and automation** of business processes



- **Dividend policy** since September 2017
- 2020 dividend **RUB 50.0 bln / RUB 184.13 per GDR**, which represents **127.6% of net profit under IAS 17**

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KEY RESULTS Q1 2021



- **8.1%** revenue growth at in Q1 2021 (8.0% net retail sales growth in Q1 2021)



- **8.3%** YoY selling space growth in Q1 2021 (**+252** new stores added, net)



- **2.1%** LFL sales growth in Q1 2021



- **17%** of X5 stores operate in new concept as of Q1 2021 (new CVP launched in 2019)



- **7.0%** adj. EBITDA margin in Q1 2021



- **+9.9%** YoY loyal customers; **47.4 mln** active loyalty card users as of 31 Mar 2020, across formats

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- **1.60x** Net debt / EBITDA as of 31 March 2020



- **96%** of net store additions in Q1 2021 was **organic growth**
- **97%** of net store additions in lease

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- **58.6 thousand daily online** orders in Q1 2021, up **8.1 times** YoY

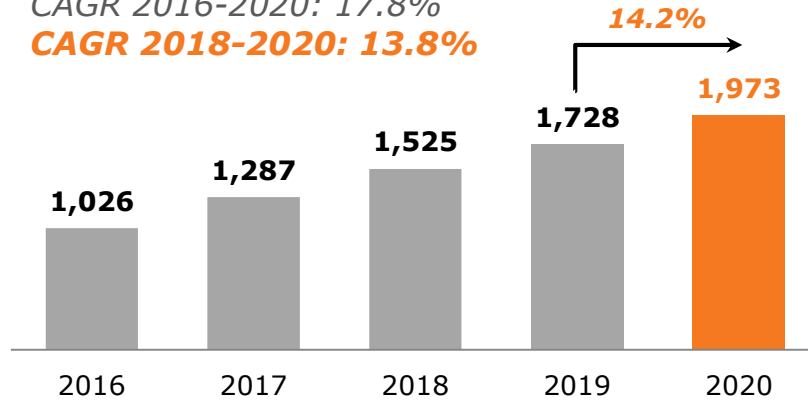


- **+363.5%** digital sales in Q1 2021, contributed 2.1% to net sales and 1.7 p.p. to sales growth rate

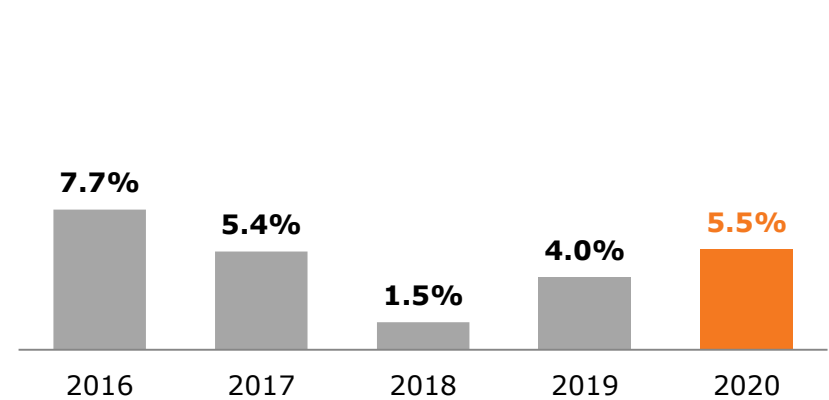
OPERATIONAL HIGHLIGHTS (ANNUAL)

Net retail sales dynamics, RUB bn

CAGR 2016-2020: 17.8%
CAGR 2018-2020: 13.8%

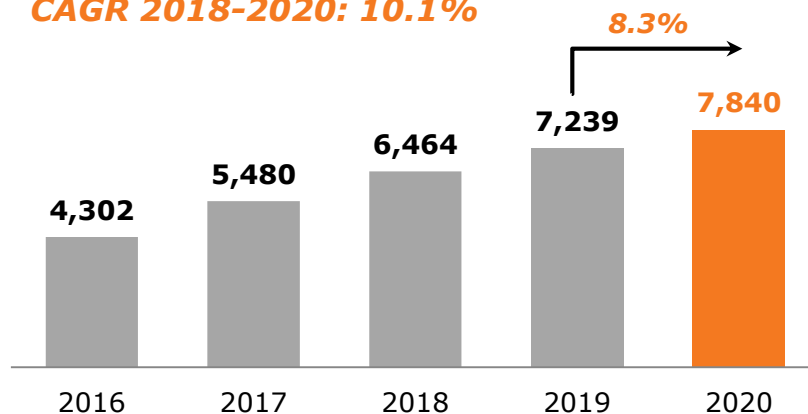


LFL sales, % y-o-y growth



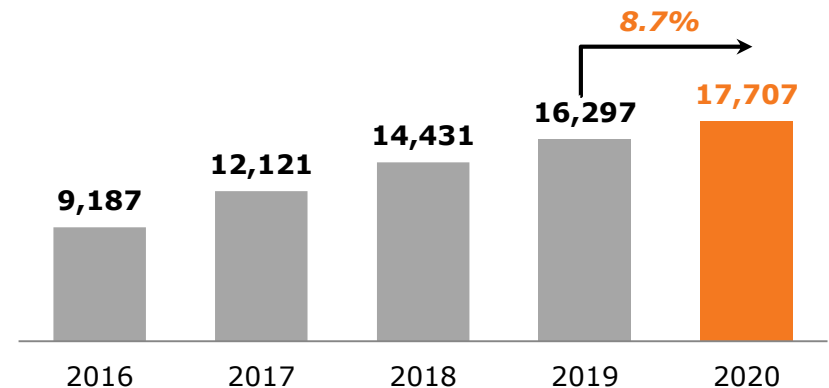
Selling space, th. sq. m

CAGR 2016-2020: 16.2%
CAGR 2018-2020: 10.1%



Number of stores, end of period

CAGR 2016-2020: 17.8%
CAGR 2018-2020: 10.8%



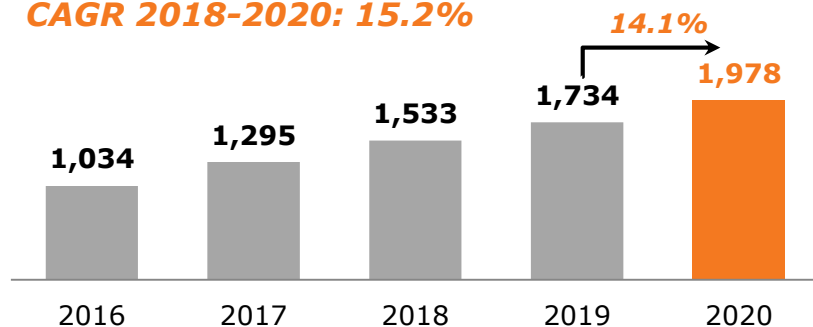
Source: X5 data

FINANCIAL HIGHLIGHTS (ANNUAL)

Revenue dynamics, RUB bn

CAGR 2016-2020: 17.6%

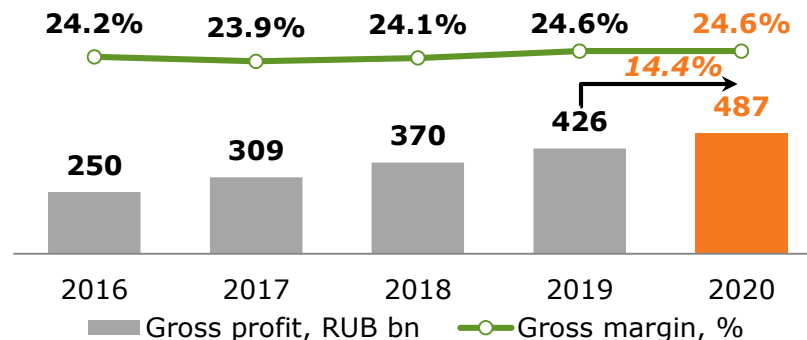
CAGR 2018-2020: 15.2%



Gross profit & gross margin

CAGR 2016-2020: 18.2%

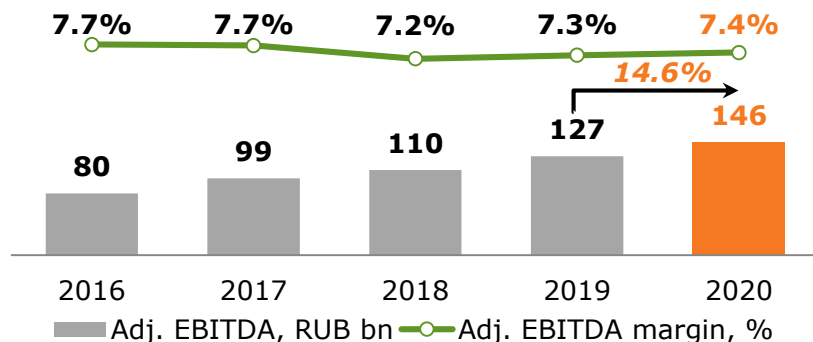
CAGR 2018-2020: 14.8%



Adj. EBITDA & adj. EBITDA margin^[1]

CAGR 2016-2020: 16.4%

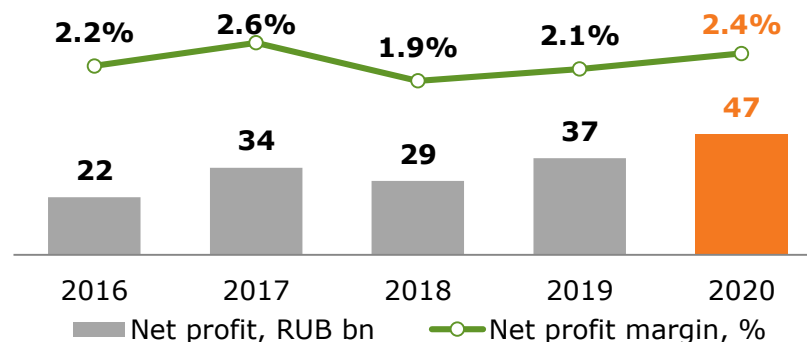
CAGR 2018-2020: 15.3%



Adj. Net profit and adj. net profit margin^[2]

CAGR 2016-2020: 20.4%

CAGR 2018-2020: 27.8%



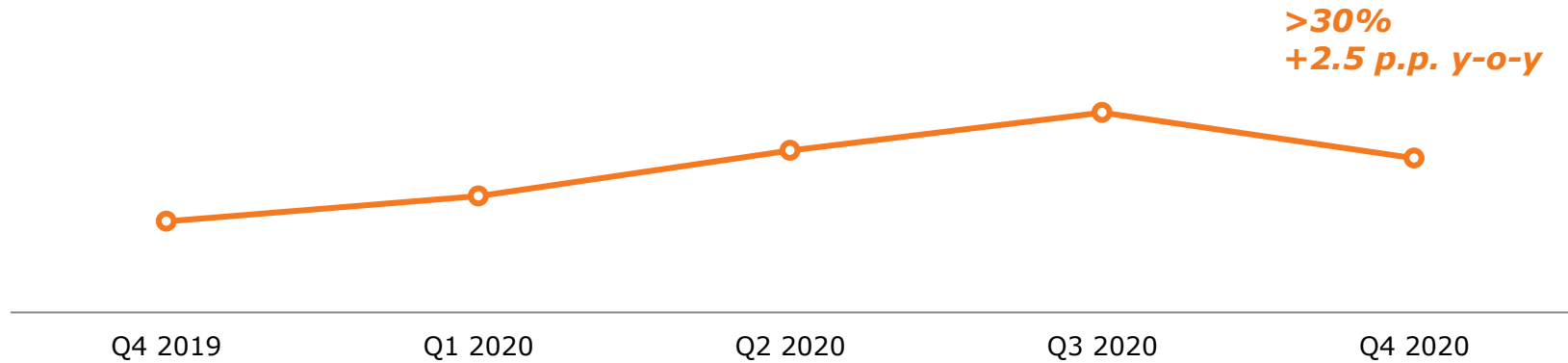
Source: X5 data

[1] – Adjusted for LTI, exit share-based payments and other one-off remuneration payments

[2] – Adjusted net profit is net profit before one-off impacts from Karusel transformation and tax accrual due to X5 reorganisation in previous periods.

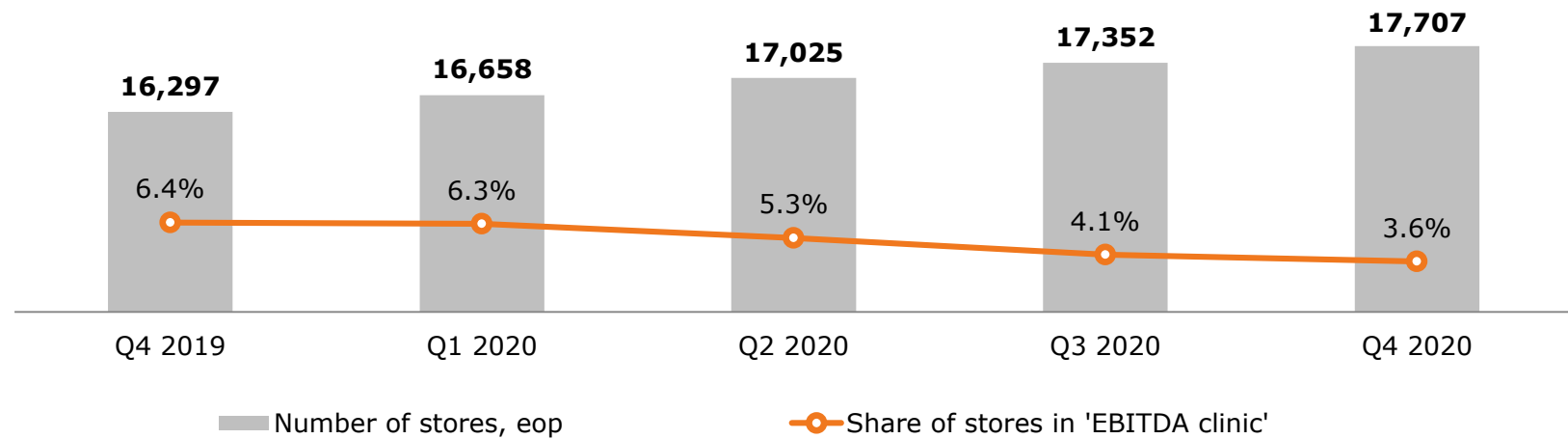
QUALITY OF NEW OPENINGS

Cash return on new store opened



Note: Opened 12-36 months ago

Share of stores in 'clinic'



Source: X5 data

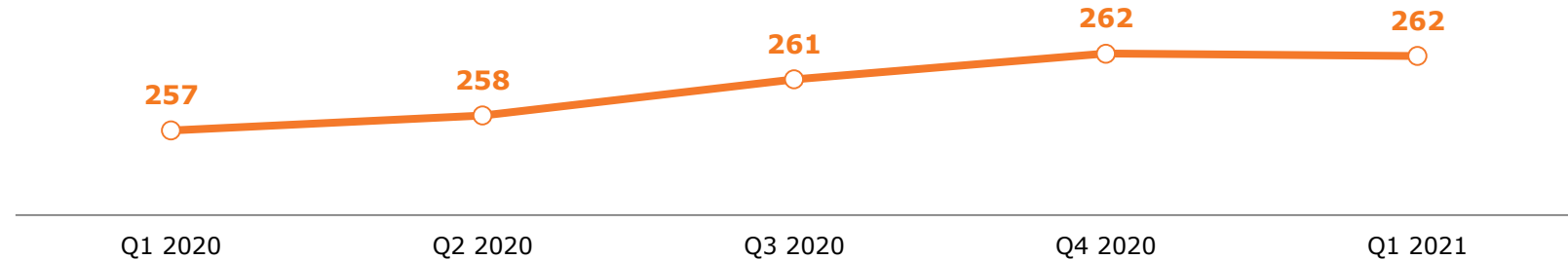


SALES DENSITY STABILISATION

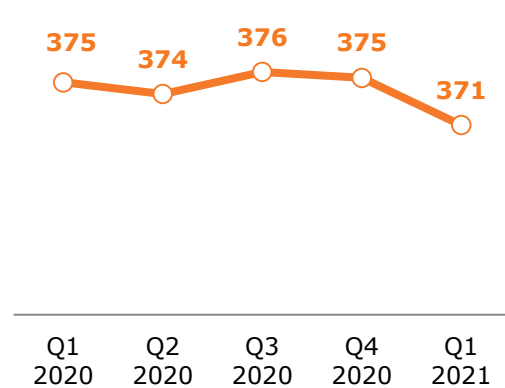
IMPACT OF REGIONAL MIX

Unit: '000 RUB/m² (annualised)

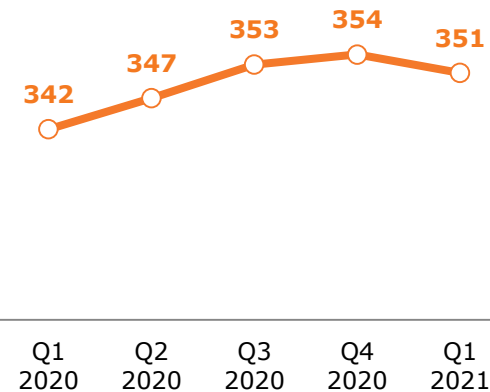
Overall



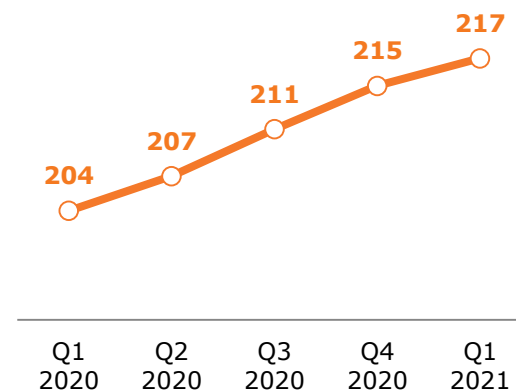
Moscow & Moscow region



St Petersburg & Leningrad region



Rest of Russia



Source: X5 data

Sales densities are consistently improving during 2020.

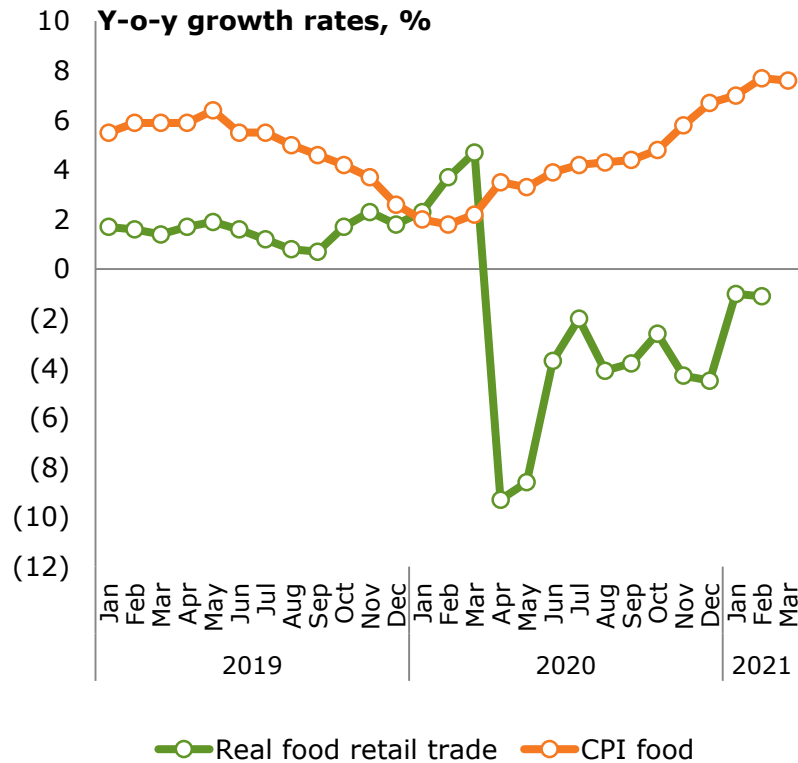




II. MARKET OVERVIEW

MACRO ENVIRONMENT (1/2)

Real food retail trade started recovering in Q1 2021 but still remains negative



The decrease in real disposable income in 2020 was due to the transition to part-time employment and the placement of employees on unpaid leave



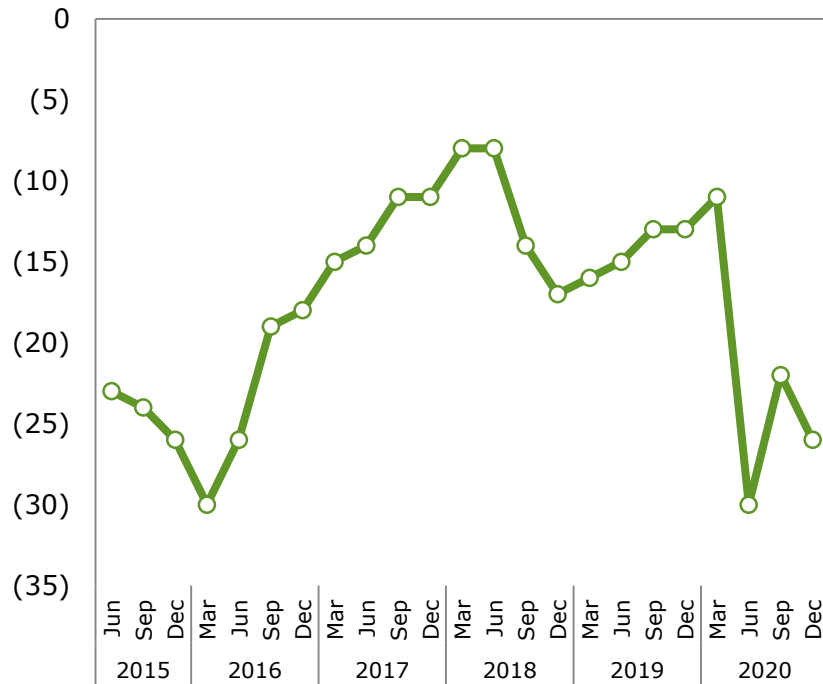
Source: Rosstat

12M 2020 food retail trade value was +1.8% (-2.6% in real terms) due to COVID-19 pandemic. Food inflation averaged 3.9% in 2020



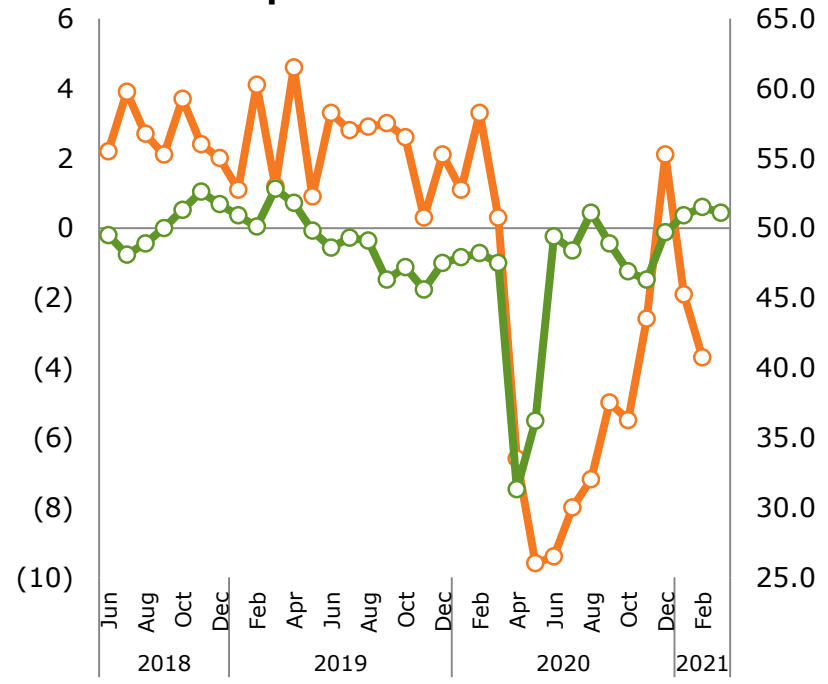
MACRO ENVIRONMENT (2/2)

Consumer sentiment deteriorated in Q2 2020 driven by the situation with COVID-19 and slightly improved in H2 due to the easing of pandemic related restrictions



—○— Consumer confidence index (Rosstat, %)

The main factor behind the decline in industrial production was the reduction in domestic and foreign demand, which began in late March, as well as restrictions on the work of enterprises in various fields



—○— Industrial production (y-o-y, %)

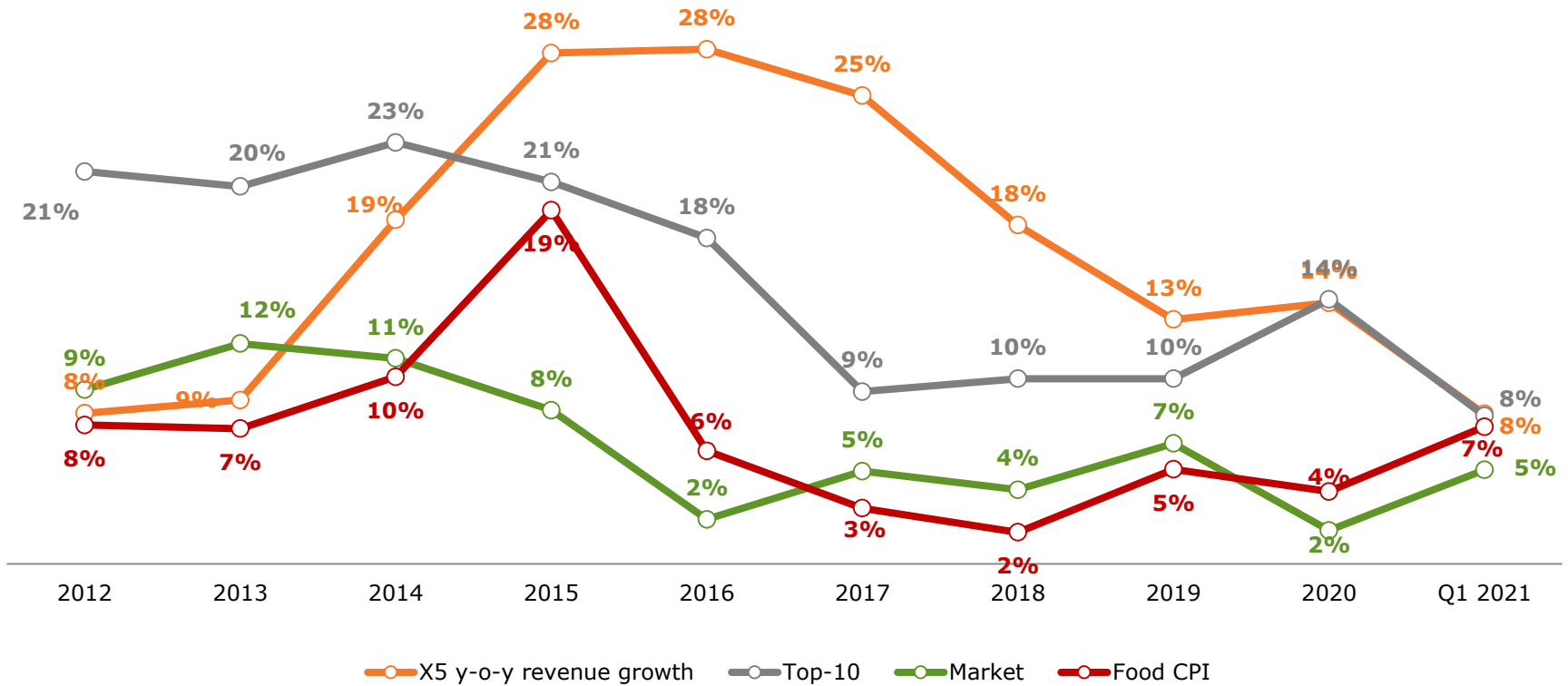
—○— IHS Markit Manufacturing PMI (SA, right scale)

Source: Rosstat, FOM



Key macro risk is weak consumer demand

X5 VS. RUSSIAN FOOD RETAIL IN TOP-LINE GROWTH













Source: Infoline, X5 analysis

Starting from 2015, X5 has constantly outperformed the market and competition



RUSSIAN RETAIL MARKET SNAPSHOT

Top 10 Russian food retailers

#	Company name		% market share 2020	% market share 2019
1	 X5	↑	12.8%	11.5%
2	 Magnit	↑	8.8%	7.6%
3	 DKBR	↑	6.6%	5.7%
4	 Lenta	↑	2.7%	2.5%
5	 Auchan	↔	1.5%	1.5%
6	 Светофор	↑	1.3%	0.7%
7	 Metro	↑	1.2%	1.1%
8	 O`KEY	↑	1.1%	1.0%
9	 Monetka	↑	0.8%	0.7%
10	 ВкусВилл	↑	0.8%	0.6%
Total Top 10		↑	37.4%	33.3%

Source: InfoLine

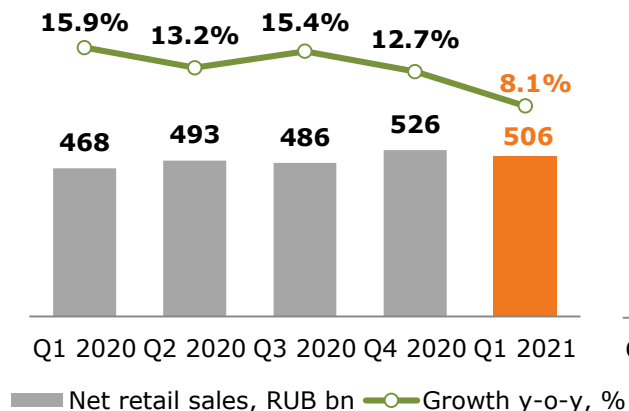
X5's market share in offline food retail increased from 11.5% in 2019 to 12.8% in 2020



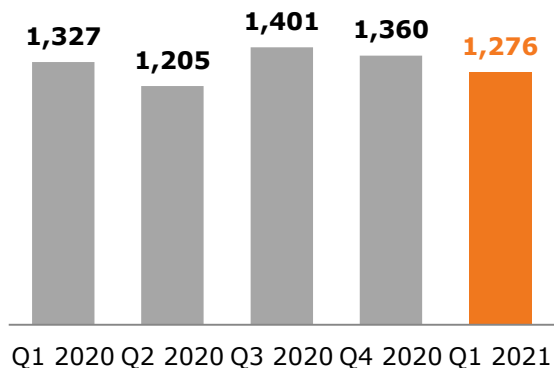
**III. OPERATIONAL RESULTS
Q1 2021**

X5 OPERATIONAL SUMMARY (QUARTERLY)

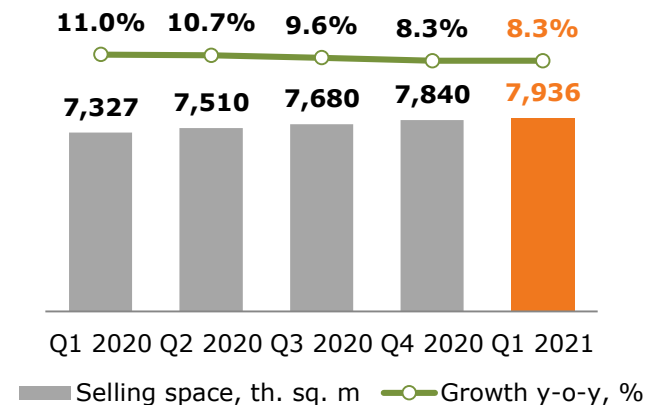
Net retail sales



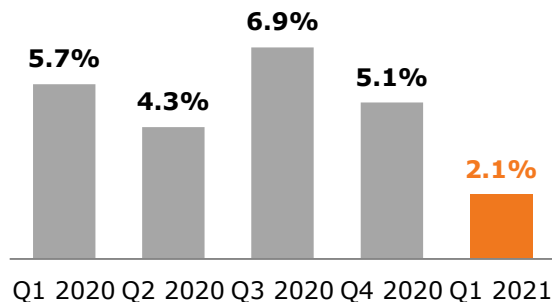
Traffic, mln customers



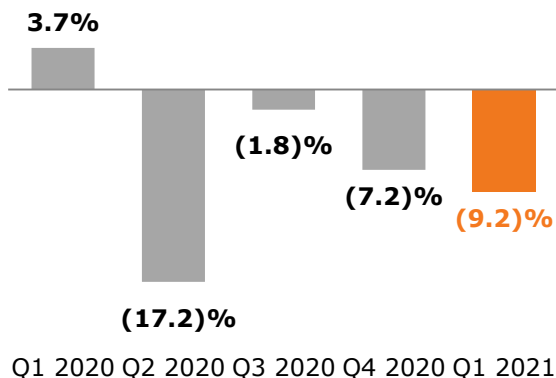
Net selling space (eop)



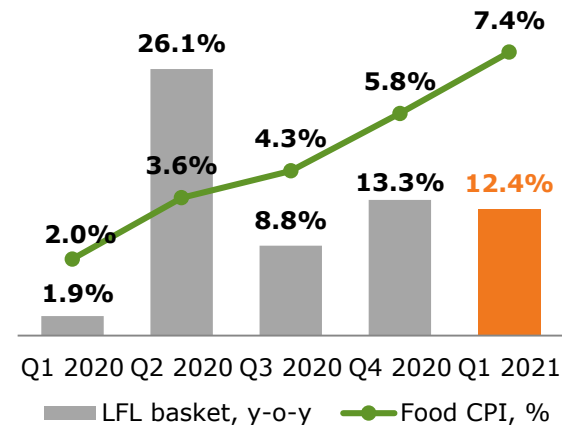
LFL sales, y-o-y



LFL traffic, y-o-y



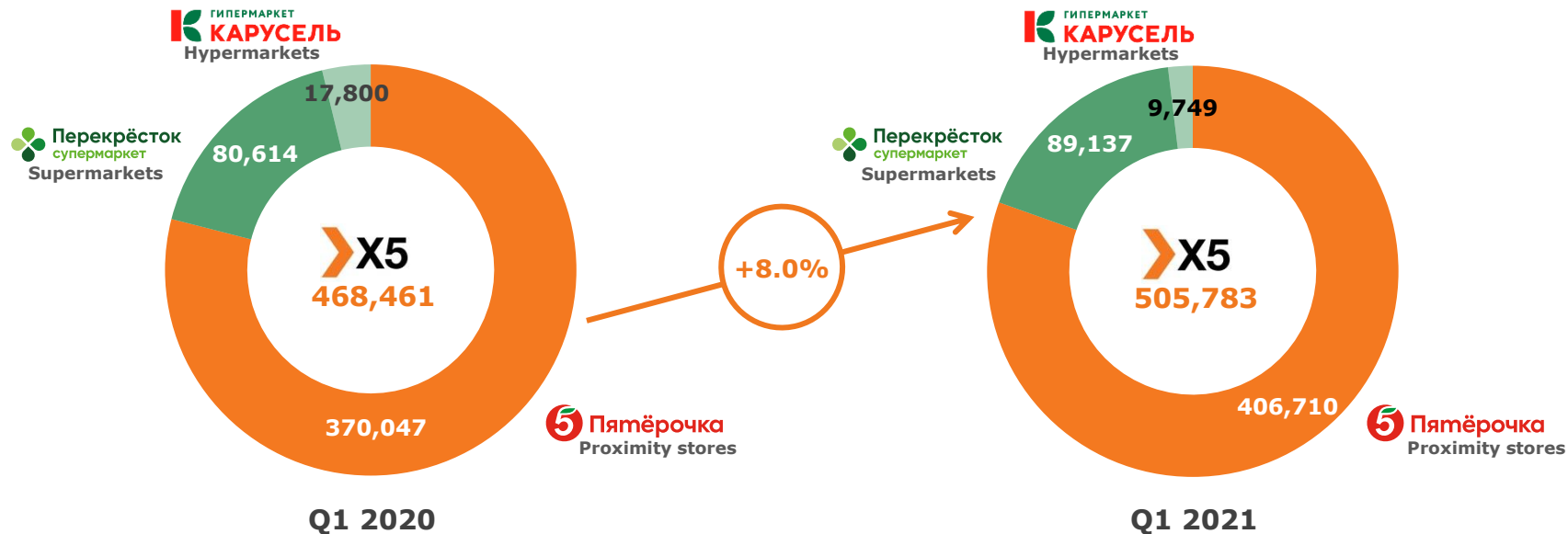
LFL basket, y-o-y



Source: X5 data

Q1 2021 RESULTS: X5 NET RETAIL SALES SUMMARY

Net retail sales breakdown by retail format, RUB mln



KEY DRIVERS

- Pyaterochka, which continues to meet customers' needs in a challenging macro environment, was the key driver for X5's growth thanks to:
 - Value proposition that is one of the best-adapted to Russian consumers' needs
 - Smart expansion programme



Source: X5 data

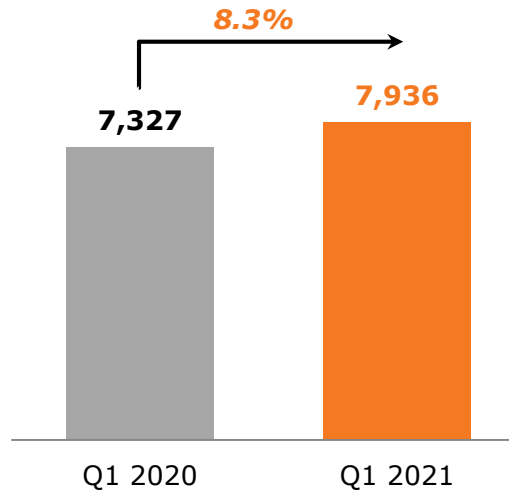
Net retail sales growth of 8.0% was driven by a 2.1% increase in like-for-like sales and a 5.9% sales growth contribution from a 8.3% rise in selling space



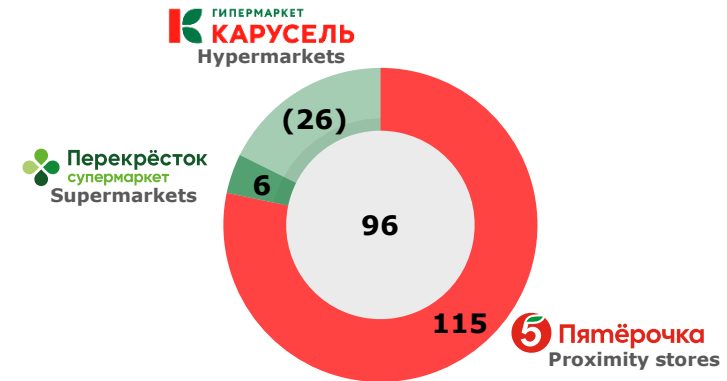
Q1 2021 RESULTS: EXPANSION SUMMARY

- Total store base increased to 17,959 stores as of 31 March 2021
- Pyaterochka was the main driver for the store base increase with a 115 th. sq. m selling space addition in Q1 2021

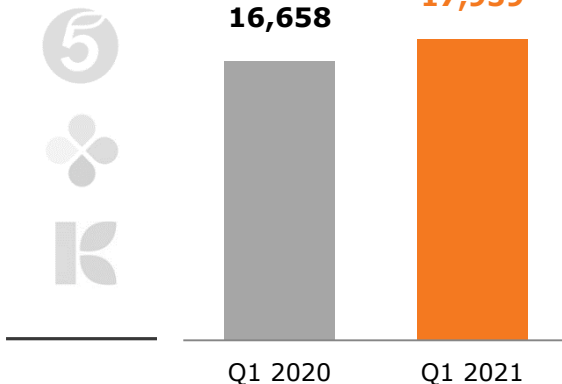
Net selling space, th. sq. m



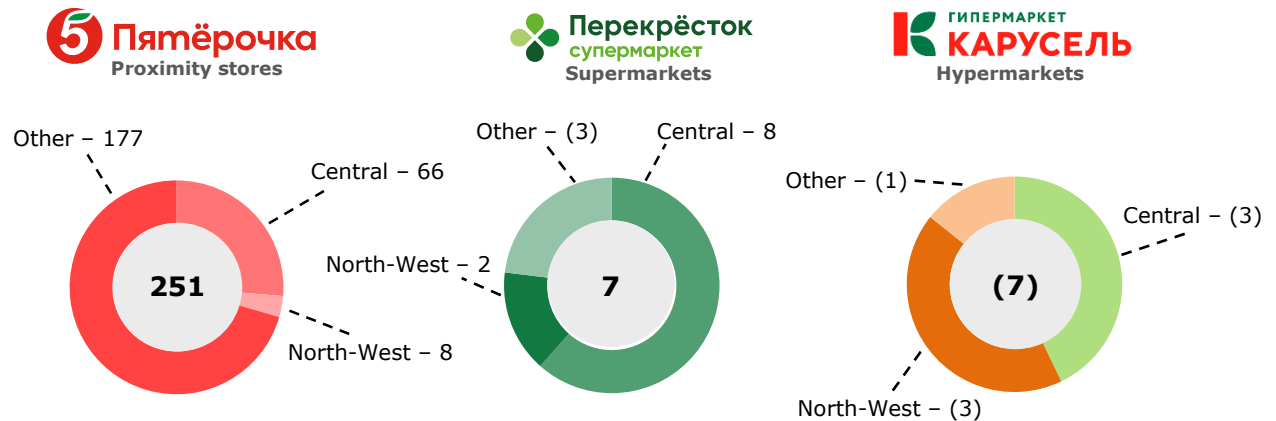
Net selling space added in Q1 2021, th. sq. m



Total stores base



Stores added (net) in Q1 2021 by formats and by regions

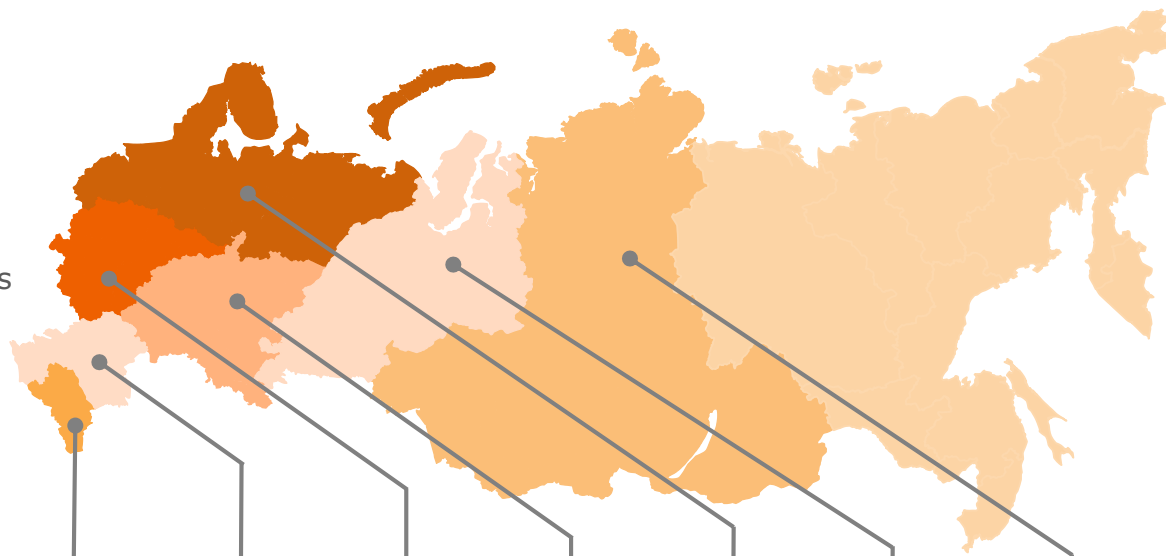






Source: X5 data

X5 REGIONAL PRESENCE

X5 today

- Multi-format presence in **seven** Federal Districts
- Total stores – 17,959, including:
 - 16,960 Pyaterochka stores
 - 940 Perekrестok supermarkets
 - 49 Karusel hypermarkets



Format	Unit	North Caucasus	Southern	Central	Volga	North Western	Ural	Siberian	Total
 Пятёрочка		328	1,694	6,213	4,523	1,780	1,503	919	16,960
 Перекрёсток супермаркет	Number of stores, #	9	57	527	140	131	76	-	940
 ГИПЕРМАРКЕТ КАРУСЕЛЬ		1	2	27	14	5	-	-	49
 X5 RETAIL GROUP	Net retail sales (Q1 2021), %	1.2%	6.9%	48.2%	19.0%	13.9%	7.5%	3.4%	100%

Source: X5 data

X5 DISTRIBUTION CAPABILITIES

Warehouse space as of 31 March 2021

Federal district	Space, th. sq. m	# of DCs
Central	540	14
North-Western	150	6
Volga	230	9
Ural	148	6
Southern	143	5
Siberian	37	1
Total	1,248	41

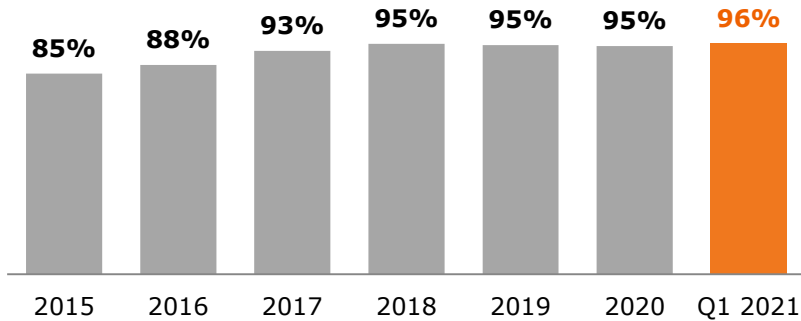


Centralisation levels

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3



Source: X5 data

Highlights for Q1 2021

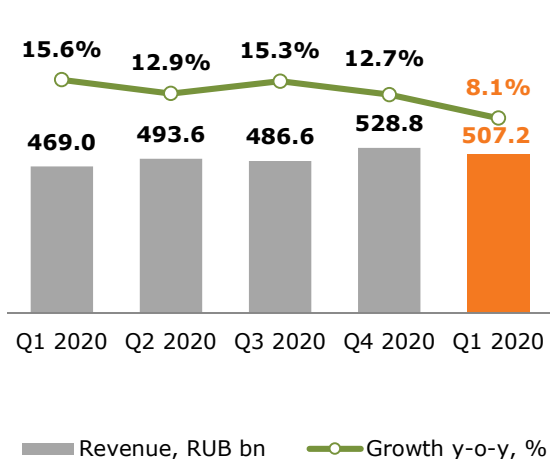
- X5 continued the implementation of the new Logistics and Transportation Strategy covering the period until 2025.
- As of 31 March 2021 the Company owned 4,014 trucks.



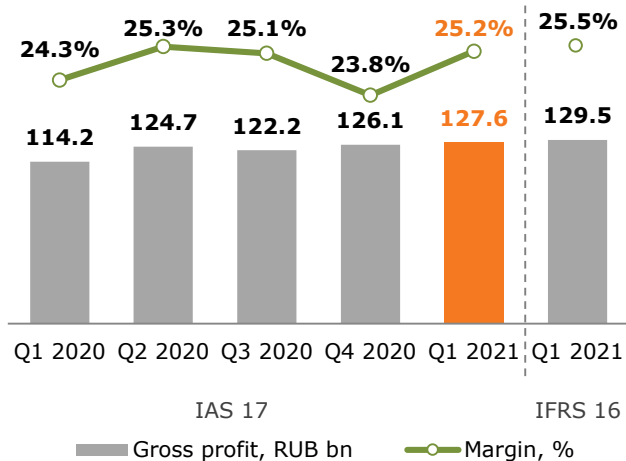
**IV. FINANCIAL RESULTS
Q1 2021**

X5 QUARTERLY FINANCIAL HIGHLIGHTS (QUARTERLY)

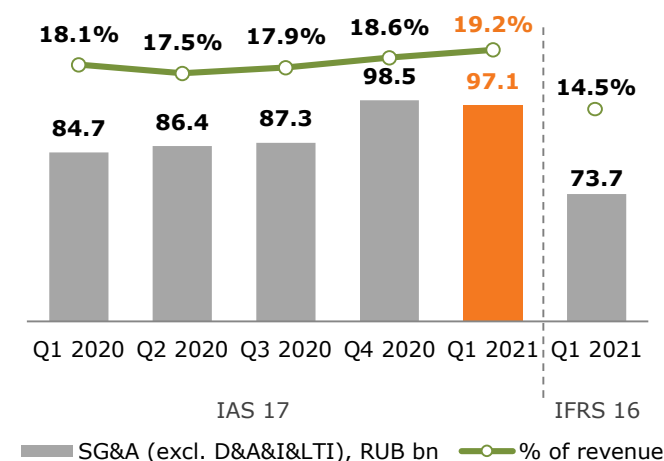
Revenue



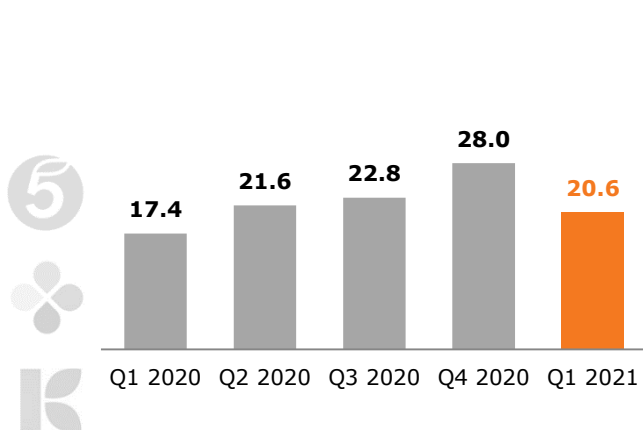
Gross profit & gross margin



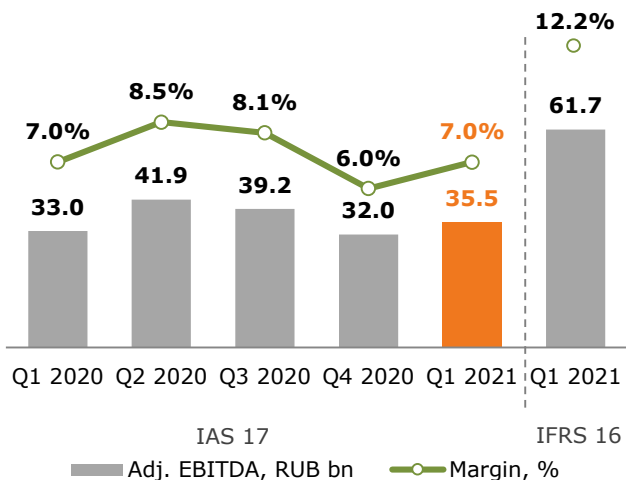
SG&A (excl. D&A&I<I)^[1]



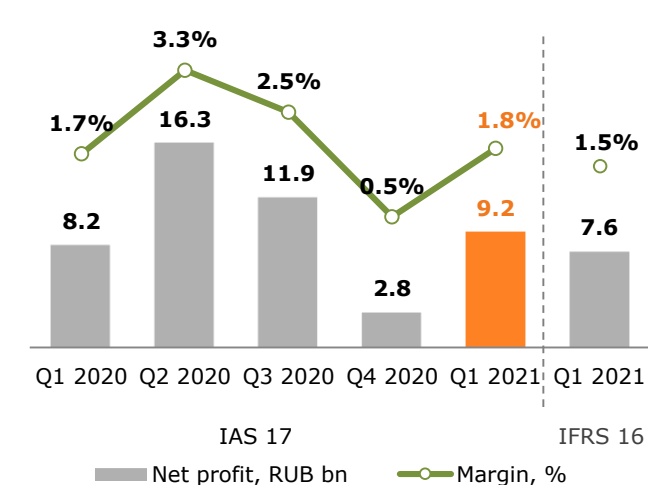
Capital expenditures, RUB bn



Adj. EBITDA & EBITDA margin^[2]



Net profit & net profit margin



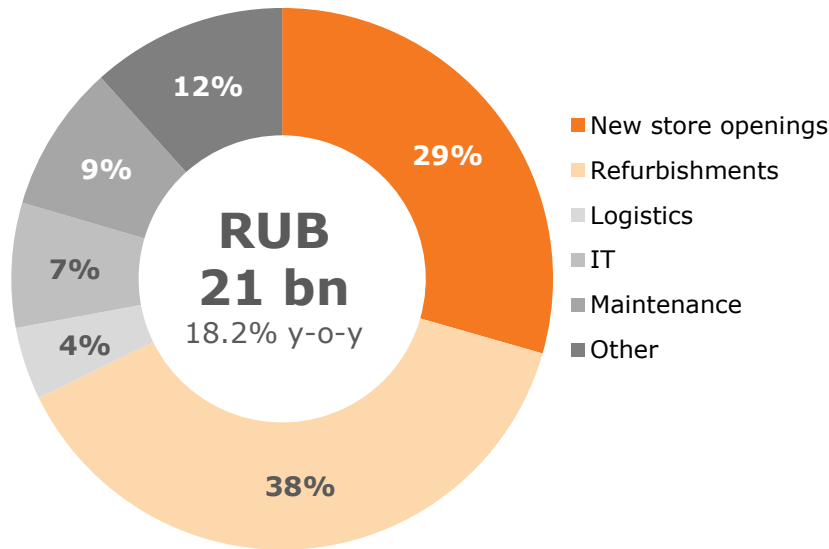
Source: X5 data

[1] - Adjusted for impact from Karusel transformation

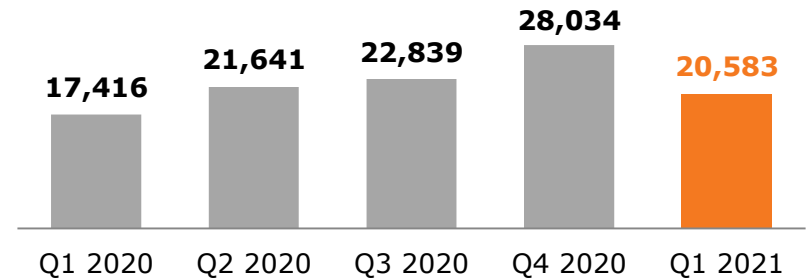
[2] - Adjusted for LTI, exit payments and share-based payments, other one-off remuneration payments and impact from Karusel transformation

X5 CAPITAL EXPENDITURES

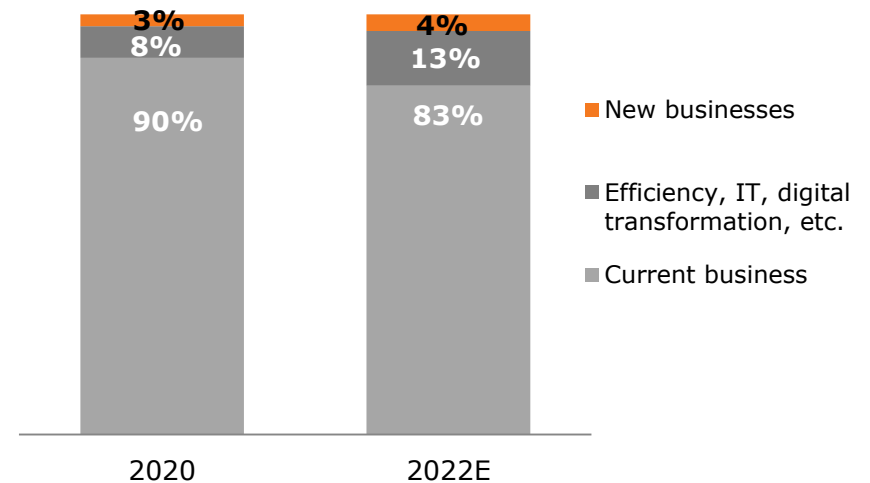
Capex breakdown, Q1 2021



Capex dynamics by quarter, RUB mln



Expected change in Capex structure



Source: X5 data (prepared under IAS 17)

In Q1 2021 the capex programme focused mainly on organic expansion, refurbishments and maintenance



X5 DEBT STRUCTURE

Debt profile

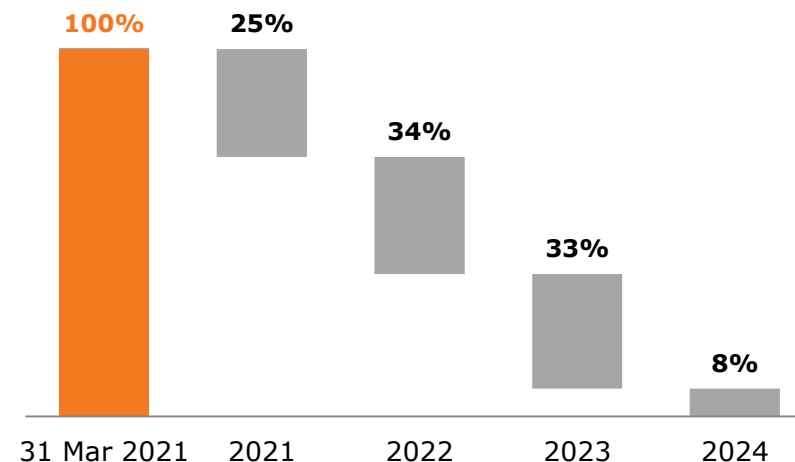
RUB mln	31 Mar 2021	31 Mar 2020
Total Debt	248,009	198,632
Short-Term Debt	78,081	66,410
% of total debt	31.5%	33.4%
Long-Term Debt	169,928	132,222
% of total debt	68.5%	56.6%
Net Debt	235,796	186,760

Covenants & liquidity update

Covenant metrics & liquidity sources	31 Mar 2021	31 Mar 2020
Net Debt / EBITDA (IAS 17)	1.60x	1.48x
Cash & cash equiv., RUB mln	12,213	11,872
Available credit limits, RUB mln	483,218	438,491

Source: X5 data

Debt portfolio maturity



Highlights

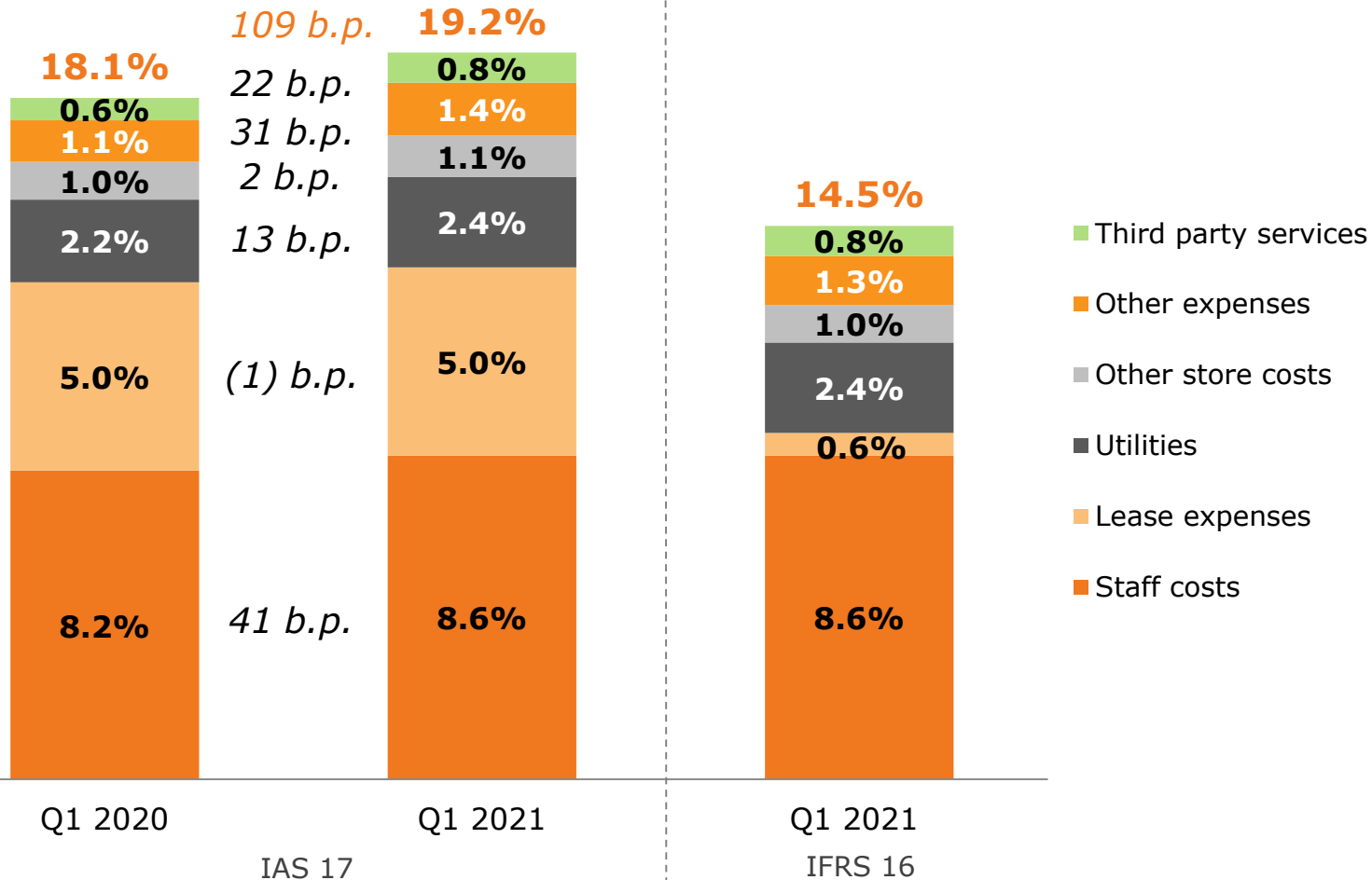
- X5's debt portfolio is 100% RUB-denominated
- The majority of the X5's loans and all bonds have fixed interest rates
- X5's available credit limits amounted to RUB 483.2 bln
- Record-low cost of debt
- Double achievement of the lowest new bonds issue coupon rate in the history of the entire Russian retail sector



Q1 2021: ADJUSTED SG&A^[1] EXPENSES ANALYSIS

Q1 2021 analysis

as percentage of revenue



Source: X5 data

[1] – Adjusted for D&A&I, LTI, exit share-based payments and impact from Karusel transformation



FINANCIAL STATEMENTS (1/3)

PROFIT AND LOSS STATEMENT

RUB mln	IAS 17				IFRS 16
	Q1 2021	Q1 2020	+/(-)	+/(-), %	Q1 2021
Revenue	507,191	468,994	38,197	8.1%	507,191
Net retail sales	505,782	468,461	37,322	8.0%	505,782
COGS	(379,566)	(354,794)	(24,772)	7.0%	(377,650)
Gross profit	127,625	114,200	13,425	11.8%	129,541
<i>Gross profit margin</i>	25.2%	24.3%		81 b.p.	25.5%
SG&A	(115,756)	(101,156)	(14,600)	14.4%	(110,837)
EBITDA	35,046	32,485	2,561	7.9%	61,227
<i>EBITDA margin</i>	6.9%	6.9%		(2) b.p.	12.1%
Operating profit	16,868	16,525	343	2.1%	24,500
<i>Operating margin</i>	3.3%	3.5%		(20) b.p.	4.8%
Net profit	9,163	8,175	988	12.1%	7,638
<i>Net profit margin</i>	1.8%	1.7%		6 b.p.	1.5%

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Source: X5 data

FINANCIAL STATEMENTS (2/3)

BALANCE SHEET (IFRS 16)

RUB mln	31 Mar 2021	31 Mar 2020
Total current assets	192,936	158,303
Cash & cash equivalents	12,213	11,872
Inventories	141,458	119,589
Total non-current assets	973,027	902,245
Right-of-use assets	486,628	433,345
Net PP&E	322,753	315,486
Goodwill	104,917	102,055
Total assets	1,165,963	1,060,548
Total current liabilities	401,526	362,991
ST debt	78,081	66,410
ST finance lease payables	68,953	59,575
Trade accounts payable	160,410	152,836
Total non-current liabilities	661,921	577,089
LT debt	169,928	132,222
LT finance lease payable	486,862	434,892
Total liabilities	1,063,447	940,080
Total equity	102,516	120,468
Total liabilities & equity	1,165,963	1,060,548

Source: X5 data

FINANCIAL STATEMENTS (3/3)

CASH FLOW STATEMENT (IAS 17 AND IFRS 16)

RUB mln	IAS 17				IFRS 16
	Q1 2021	Q1 2020	+/(-)	+/(-), %	Q1 2021
Net cash generated from operating activities	24,413	40,041	(15,628)	(39.0)%	40,420
Net cash from operating activities before changes in working capital	35,023	31,786	3,237	10.2%	60,407
Change in Working Capital, incl.:	(5,035)	15,082	(20,117)	(133.4)%	(4,915)
Decrease/(increase) in trade and other AR	2,752	7,085	(4,333)	(61.2)%	2,745
Decrease/(increase) in inventories	2,935	7,873	(4,938)	(62.7)%	2,935
(Increase)/decrease in trade payable	(10,483)	(7,596)	(2,887)	38.0%	(10,483)
(Decrease)/increase in other AP	(239)	7,720	(7,959)	(103.1)%	(112)
Net interest and income tax paid	(5,575)	(6,827)	1,252	(18.3)%	(15,072)
Net cash used in investing activities	(18,704)	(17,294)	(1,410)	8.2%	(18,704)
Net cash generated from/(used in) financing activities	(13,504)	(29,440)	15,936	-	(29,511)
Effect of exchange rate changes on cash & cash equiv.	-	(37)	37	(100.0)%	-
Net increase/(decrease) in cash & cash equiv.	(7,795)	(6,730)	(1,065)	15.8%	(7,795)

Source: X5 data



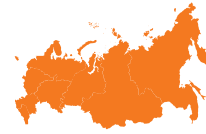
**APPENDIX
PERFORMANCE SUMMARY OF KEY
FORMATS**

PYATEROCHKA SUMMARY (1/3)

RUSSIA'S #1 PROXIMITY NETWORK BY REVENUE



16,960 stores as of
31 March 2021,
7.8% increase y-o-y



6,657 th. sq. m of selling space
as of 31 March 2021,
+8.5% y-o-y



**Q1 2021 net retail sales –
RUB 406.7 bn,**
9.9% increase y-o-y



1,115 mln of customer visits in
Q1 2021, -2.8% y-o-y



Pyaterochka as % of X5's Q1
2021 sales: **~80%**



Q1 2021 LFL Results

- Sales: **3.4%**
- Traffic: **(8.5)% - COVID**
- Basket: **13.1% - COVID**



Average Pyaterochka check
(offline):
RUB 419 (Q1 2021)
12.9% increase y-o-y



- Avg. net selling space: **393 sq. m.**
- **Pyaterochka sub-formats**
 - 250-330 sq. m.
 - 330-430 sq. m.
 - 430-620 sq. m.
 - 620-and more



Average number of SKUs:
4,500



Capex per leased Pyaterochka:
RUB 12-15 mln

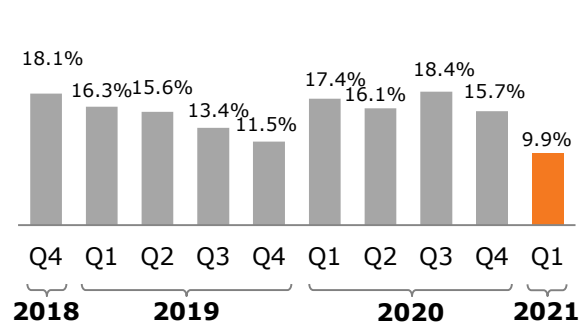


The proximity store for your daily shopping needs

PYATEROCHKA PROXIMITY STORES SUMMARY (2/3)

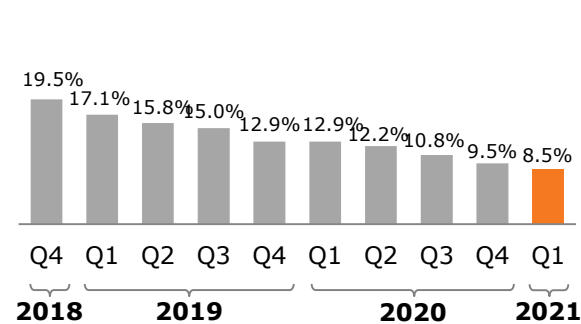
Q1 2021 net retail sales: 9.9% increase y-o-y

Net sales growth (% y-o-y)



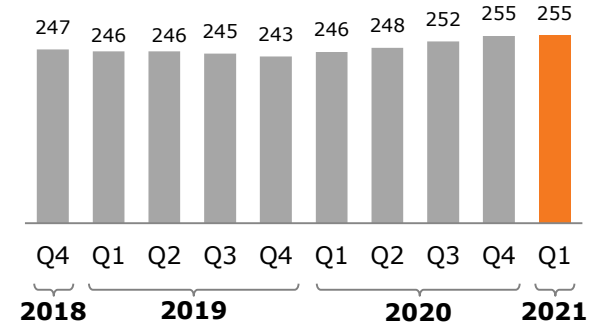
Q1 2021 selling space: 8.5% increase y-o-y

Net selling space growth (% y-o-y)



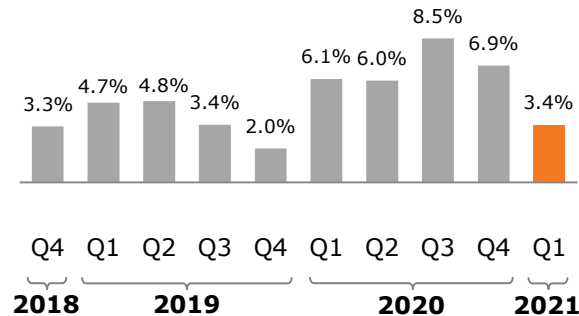
Q1 2021 sales densities: 3.8% increase y-o-y

Net sales densities (th. RUB/sq. m^[1])



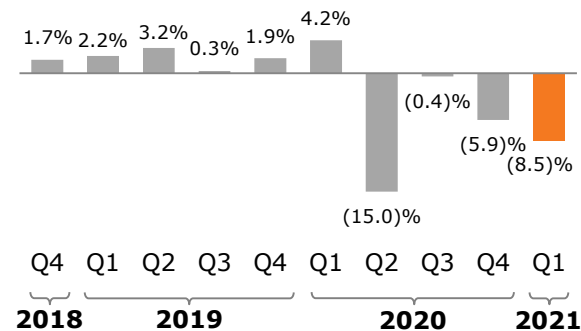
Q1 2021 LFL sales: 3.4% increase y-o-y

Total LFL sales growth (% y-o-y)



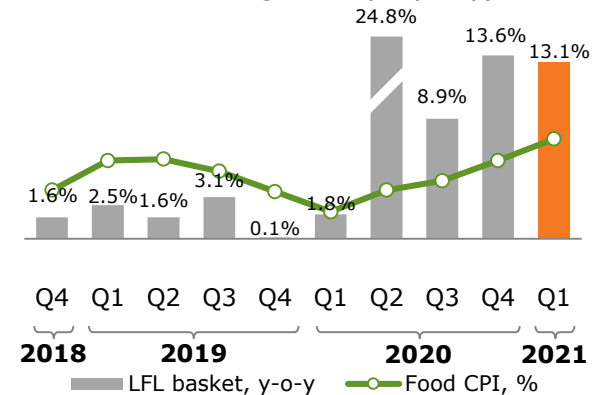
Q1 2021 LFL traffic: 8.5% decrease y-o-y

Total LFL traffic growth (% y-o-y)



Q1 2021 LFL basket: 13.1% increase y-o-y

Total LFL basket growth (% y-o-y)



Source: X5 data

[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters



PYATEROCHKA PROXIMITY STORES SUMMARY (3/3)

FORMAT STRATEGY HIGHLIGHTS

- **Increase number of loyal customers and maximise share of their wallet:**
 - New **CVP** and further adaptation of **assortment**
 - **Leadership in NPS** and service level
 - Better **personnel turnover and engagement**
 - Focus on **operational efficiency**, incl. shrinkage
 - Roll-out of **personalised promo**
- **Improve efficiency and reduce costs:**
 - **Further** improvements in purchasing terms and opex per store/in logistics
 - **Lean and agile** approach
 - Higher share of **direct import**
 - Higher share of **private label** to >20% during the next 3-5 years
 - Improve efficiency of **regional model**



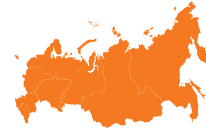
X5

PEREKRESTOK SUPERMARKETS SUMMARY (1/4)

RUSSIA'S #1 SUPERMARKET



933 stores as of 31 December 2020, 10.0% increase y-o-y



1,014 th. sq. m. of selling space as of 31 December 2020, 15.4% increase y-o-y



Q4 2020 net retail sales of RUB 91.9 bn, 16.7% increase y-o-y



154 mln customers in Q4 2020, -4.8% y-o-y



Perekrestok of X5's Q4 2020 sales: **~17%**



Q4 2020 LFL Results

- Sales: **(0.2%)**
- Traffic: **(15.2)% - COVID**
- Basket: **17.8% - COVID**



NPS 27 points in Q4 2020, 6 p.p. increase y-o-y



Average Perekrestok check (offline): **RUB 650** (Q4 2020), 15.9% increase y-o-y



Avg. net selling space: **1,087 sq. m.**



Average number of SKUs: **8,000 - 15,000**



Capex per leased Perekrestok: **RUB 50-60 mln**

5

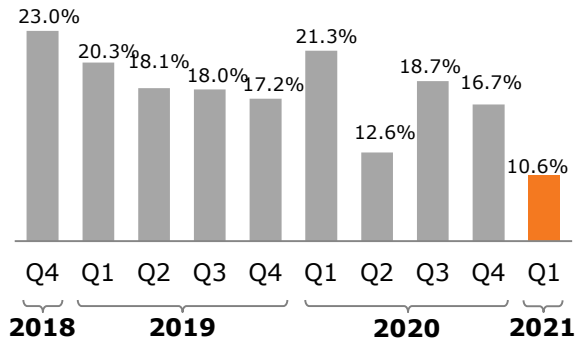


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PEREKRESTOK SUPERMARKETS SUMMARY (2/4)

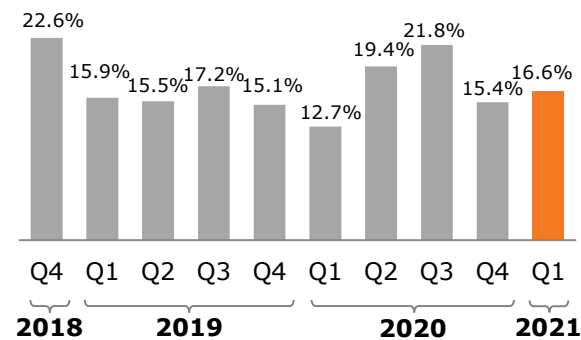
Q1 2021 net retail sales: 10.6% increase y-o-y

Net sales growth (% y-o-y)



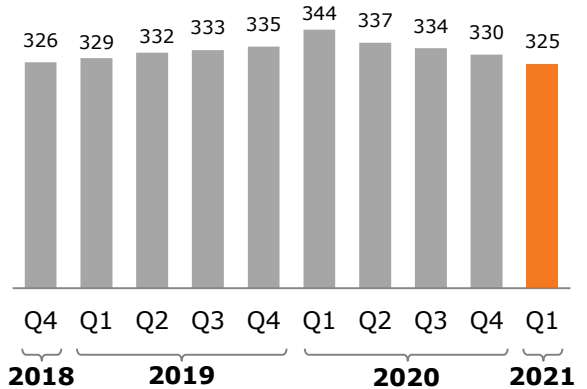
Q1 2021 selling space: 16.6% increase y-o-y

Net selling space growth (% y-o-y)



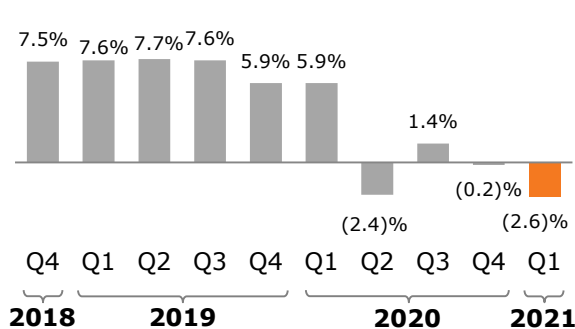
Q1 2021 sales densities: 5.5% decrease y-o-y

Net sales densities (th. RUB/sq. m^[1])



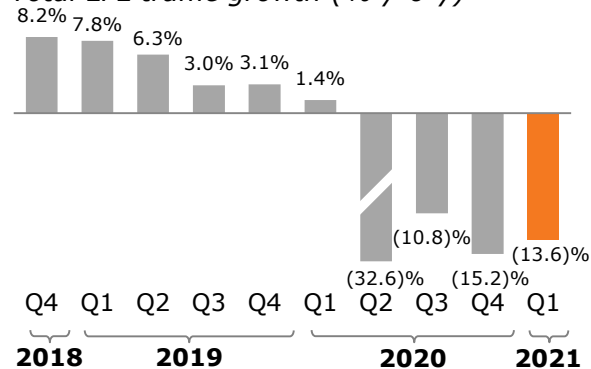
Q1 2021 LFL sales: 2.6% decrease y-o-y

Total LFL sales growth (% y-o-y)



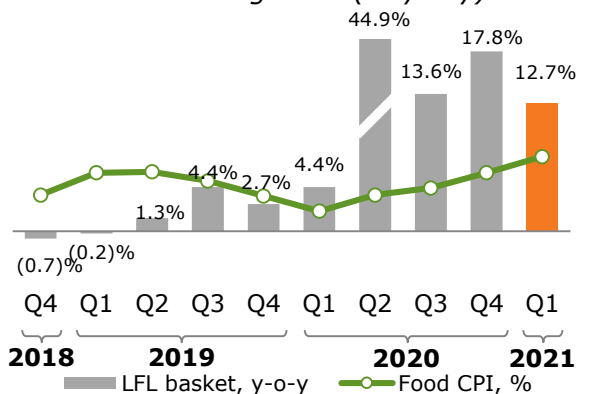
Q1 2021 LFL traffic: 13.6% decrease y-o-y

Total LFL traffic growth (% y-o-y)



Q1 2021 LFL basket: 12.7% increase y-o-y

Total LFL basket growth (% y-o-y)



Source: X5 data

[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters



PEREKRESTOK SUMMARY (3/4)

FORMAT STRATEGY HIGHLIGHTS

- **Value proposition and adapting to customer needs:**
 - Further adaptation of assortment with focus on **fresh, F&V, ready-to-eat**
 - **Omni-channel** development
 - Targeted **loyalty system** and **personalised** promo
 - **Best-in-class service**, further increase of NPS
 - **Comfort and positive emotions** from shopping
 - Chain expansion with aim of being **closer to the customer**
- **Improve efficiency and reduce costs:**
 - **Further** improvements in purchasing terms and opex
 - Increase the share of **private labels**
 - Increase the share of **direct import**
 - **Further improve logistics** (forecasting, stock replenishment system)



5



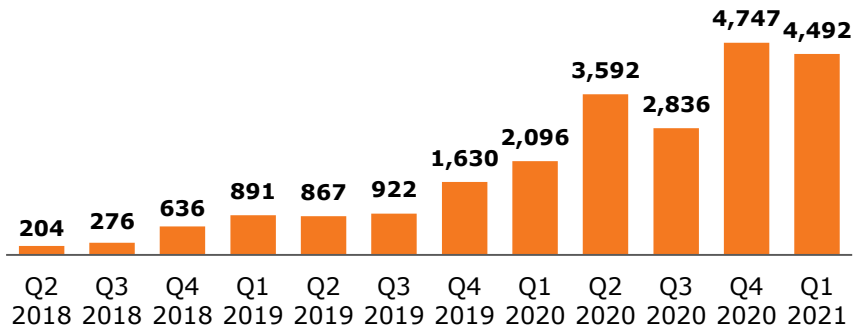
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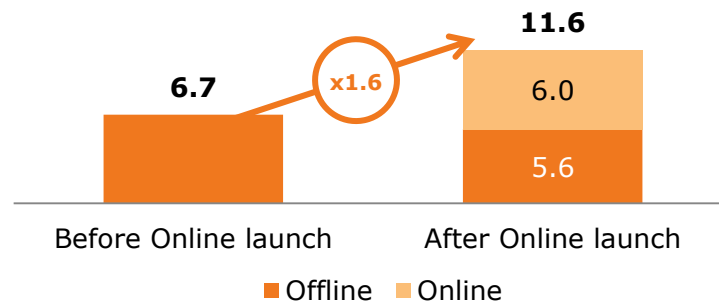
PEREKRESTOK SUMMARY (4/4)

ONLINE: ON TRACK TO BECOMING #1 IN RUSSIAN E-GROCERY

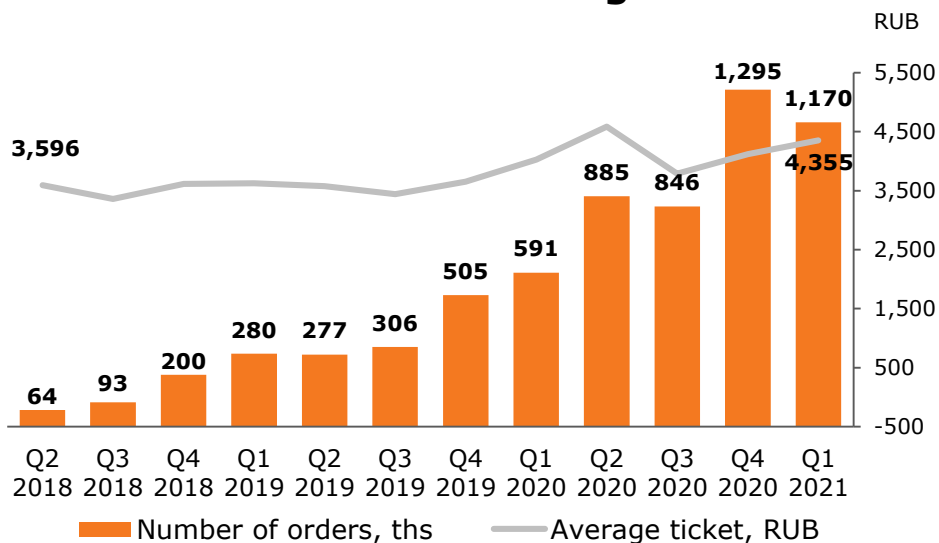
Net sales, RUB mln



Average customer spending per month, RUB ths



Number of orders and average ticket



X5 online targets

- Increase number of darkstores to 12 by 2022 (from 5 in Dec 2020)
- Increase assortment and develop sales on external marketplaces

