

X5 Group continues expansion, with Q1 2023 net sales increasing **15.3%**

Q1 2023 HIGHLIGHTS

+15.3% y-o-y



Total net sales increased by RUB **92.3** billion

6.5% y-o-y increase in like-for-like (LFL¹) sales

8.8% contribution to sales growth from a **7.9%** increase in selling space

+437 new stores



X5 net new stores in Q1 2023

Including **385** proximity stores, **74** hard discounters, **2** joint dark stores, **2** dark kitchens and **1** Slatka store

15 supermarkets and **12** hypermarkets were closed

5x y-o-y



Chizhik net sales increased by RUB **14.6** billion, totaling RUB **18.7** billion in Q1 2023

Chizhik opened **74** stores in Q1 2023

+11.3% y-o-y



Net offline retail sales for Pyaterochka increased by RUB **54.5** billion, reaching RUB **537.9** billion

+2.7% y-o-y



Net offline retail sales for Perekrestok increased by RUB **2.5** billion, reaching RUB **93.7** billion

35.9% y-o-y



Digital business net sales² increased by RUB **6.8** billion, totaling RUB **25.6** billion

3.7% of total net sales

+0.7 p.p. of consolidated revenue growth rate

Amsterdam

18 April 2023

X5 Retail Group N.V. (“X5” or the “Company”, LSE and MOEX ticker: “FIVE”), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Chizhik retail chains, today announces its preliminary consolidated net retail sales and operational results for Q1 2023³.

1. LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in LFL calculations starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period. Sales of express delivery service from stores and dark stores that have operated for less than 12 full months are also included in LFL calculations.

2. Vprok.ru, express delivery, 5Post and Mnogo Lososya.

3. Numbers in this press release are preliminary and have not been reviewed or audited by the Company's auditor.

NET SALES PERFORMANCE

Sales of offline and digital businesses⁴

RUB MLN	Q1 2023	Q1 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	537,943	483,409	11.3
Perekrestok	93,744	91,290	2.7
Karusel	631	5,430	(88.4)
Chizhik	18,744	4,099	5x
Offline net sales ⁵	669,764	584,228	14.6
Digital businesses' net sales	25,603	18,837	35.9
Total net sales	695,367	603,065	15.3

Net retail sales⁶ by format

Including express delivery, excluding Vprok.ru and 5Post sales

RUB MLN	Q1 2023	Q1 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	548,912	489,193	12.2
Perekrestok	101,442	96,565	5.1
Karusel	631	5,430	(88.4)
Chizhik	18,744	4,099	5x
Net retail sales⁷	689,179	595,767	15.7

4. In the tables and text of this press release, immaterial deviations in the calculation of % change, subtotals and totals are due to rounding.

5. Including Krasny Yar and Slata.

6. Net retail sales represent revenue from operations of X5-managed stores net of VAT. This number differs from revenue, which also includes proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of X5's Q1 2023 financial results.

7. Including Mnogo Lososya, Krasny Yar and Slata.

Q1 2023 LFL store performance by format

% change y-o-y

	SALES	TRAFFIC	BASKET
Pyaterochka	7.0	3.9	3.0
Perekrestok	4.1	1.3	2.7
X5 Group ⁸	6.5	3.6	2.8

Q1 2023 monthly net retail sales (RUB) by format

change y-o-y, % or multiple

	JANUARY 2023	FEBRUARY 2023	MARCH 2023
Pyaterochka	15.3	14.3	5.5
Perekrestok	5.4	5.2	(1.6)
Karusel	(73.6)	(90.2)	n/a
Chizhik	6x	5x	4x
Offline business total	15.2	14.6	5.8
Digital business total	38.7	35.3	34.1
Total	19.0	18.5	9.6

8. Excluding Krasny Yar and Slata, Vprok.ru and Mnogo Lososya; including Chizhik and Karusel.

AVERAGE TICKET AND NUMBER OF CUSTOMER VISITS

Q1 2023 average ticket and customer visits by offline format

AVERAGE TICKET, RUB	Q1 2023	Q1 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	465.4	452.4	2.9
Perekrestok	722.2	700.5	3.1
Karusel	1,098.9	1,095.9	0.3
Chizhik	586.0	702.5	(16.6)
X5 Group ⁹	494.3	483.9	2.1
NUMBER OF CUSTOMER VISITS, MLN			
Pyaterochka	1,351.7	1,241.3	8.9
Perekrestok	160.4	157.7	1.7
Karusel	0.7	5.7	(88.3)
Chizhik	36.4	6.6	5x
X5 Group ⁹	1,595.0	1,411.4	13.0

Q1 2023 average monthly ticket and customer visits by offline format

change y-o-y, % or multiple

AVERAGE TICKET	JANUARY 2023	FEBRUARY 2023	MARCH 2023
Pyaterochka	4.7	4.0	0.4
Perekrestok	3.5	4.8	1.3
Karusel	0.1	11.9	n/a
Chizhik	(6.4)	(12.7)	(23.6)
X5 Group ⁹	3.8	3.4	(0.3)
NUMBER OF CUSTOMER VISITS			
Pyaterochka	11.4	10.8	5.2
Perekrestok	3.9	2.5	(0.8)
Karusel	(73.6)	(91.1)	n/a
Chizhik	6x	6x	5x
X5 Group ⁹	15.3	15.0	9.5

9. Including Krasny Yar and Slata.

EXPANSION DYNAMICS

Selling space and number of stores by format

SELLING SPACE, SQUARE METRES (SQ. M)	AS AT 31-MAR-23	AS AT 31-DEC-22	CHANGE VS 31-DEC-22, % OR MULTIPLE	AS AT 31-MAR-22	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	7,634,733	7,497,056	1.8	7,183,452	6.3
Perekrestok	1,068,031	1,085,496	(1.6)	1,094,674	(2.4)
Karusel	-	49,225	n/a	108,982	n/a
Chizhik	174,368	152,370	14.4	25,361	7x
Joint dark stores	10,258	8,087	26.8	1,469	7x
X5 Group¹⁰	9,203,045	9,107,479	1.0	8,528,416	7.9
NUMBER OF STORES					
Pyaterochka	19,549	19,164	2.0	18,320	6.7
Perekrestok	956	971	(1.5)	982	(2.6)
Karusel	-	12	n/a	28	n/a
Chizhik	591	517	14.3	89	7x
Joint dark stores	9	7	28.6	1	9x
X5 Group¹⁰	21,760	21,323	2.0	19,479	11.7

Selling space and number of stores added by format

SELLING SPACE, SQUARE METRES (SQ. M)	NET ADDED Q1 2023	NET ADDED Q1 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	137,677	134,964	2.0
Perekrestok	(17,466)	(4,232)	n/a
Karusel	(49,225)	(19,081)	n/a
Chizhik	21,998	5,034	4x
Joint dark stores	2,171	1,469	47.8
X5 Group¹⁰	95,566	118,659	(19.5)
NET NUMBER OF STORES			
Pyaterochka	385	348	10.6
Perekrestok	(15)	(8)	n/a
Karusel	(12)	(5)	n/a
Chizhik	74	17	4x
Joint dark stores	2	1	2x
X5 Group¹⁰	437	358	22.1

10. Including Vprok.ru dark stores, Mnogo Lososya dark kitchens, Krasny Yar and Slata stores.

DIGITAL BUSINESS PERFORMANCE

	Q1 2023	Q1 2022	CHANGE Y-O-Y, % OR MULTIPLE
VPROK.RU			
GMV, ¹¹ RUB mln	6,036	7,764	(22.3)
Number of orders, ths	1,150	1,643	(30.0)
Average ticket, RUB	5,097	4,534	12.4
EXPRESS DELIVERY			
GMV, ¹¹ RUB mln	21,844	12,961	68.5
Number of orders, ths	13,430	7,255	85.1
Average ticket, RUB	1,596	1,729	(7.7)
5POST			
Number of parcels, ths	5,973	8,379	(28.7)
MNOGO LOSOSYA			
GMV, ¹² RUB mln	1,517	767	97.9
Number of orders, ths	426	344	23.6
Average ticket, RUB	2,109	1,608	31.2

11. GMV is the value of delivered orders at their final prices (incl. VAT), gross of promo codes and bonuses applied.

12. GMV is the value of delivered orders at their final prices (incl. VAT), gross of promo codes and bonuses applied, and including delivery and cafe points in Perekrestok. Sales of cafe points (incl. VAT) totalled RUB 571 mln in Q1 2023 and RUB 135 mln in Q1 2022 and are accounted for in Perekrestok's revenue (excl. VAT).

KEY DRIVERS FOR Q1 2023 RESULTS

External environment

- Food inflation in Q1 2023 amounted to 7.2% year-on-year (vs. 11.2% year-on-year in Q4 2022). Food price growth decelerated relative to the high base of Q1 2022 and due to the strong supply of food products on the back of stable demand.
- The food market in physical terms continues to decline at a rate of 2-2.5% year-on-year.
- Real wage growth remains at a minimally positive level. Nominal wages continue to grow steadily at an average rate of 10-12%.
- The labour market remains strong. Unemployment declined to a record 3.5% in February, and the number of employed people is at a five-year high of 72.9 million.
- The Bank of Russia left the key rate unchanged at 7.5% in Q1 2023.

Offline business development

- Pyaterochka's offline net sales demonstrated strong growth of 11.3% year-on-year, with LFL sales increasing by 7.0% in Q1 2023. LFL traffic increased by 3.9% year-on-year, while the LFL basket increased by 3.0% year-on-year, driven by price investments and decelerating food inflation. Pyaterochka's network continued to expand, with 412 new stores added in Q1 2023 (on a gross basis).
- Perekrestok's offline net sales increased by 2.7% year-on-year in Q1 2023, with LFL sales growth of 4.1% in Q1 2023, reflecting the closure of 17 stores in Q1 2023.
- Chizhik's net sales increased 5-fold year-on-year in Q1 2023. The network opened 74 new stores during the period and had a total of 591 stores in 14 regions as of 31 March 2023. We expect a further acceleration of openings in the coming quarters.
- In Q1 2023, Karusel's offline net sales decreased by 88.4%, driven by the completion of the format's transformation. Over the past few years, the Company consistently reduced the chain's store count, with the last remaining Karusel-branded hypermarket closing in late February this year and the format completely shut down by early April.
- X5 continues to expand its private label portfolio, with the share of private labels in revenue increasing by 1.8 p.p. y-o-y to 24.4% in Q1 2023.
- The share of X5's direct imports increased by 0.6 p.p. y-o-y to 7.5% in Q1 2023. At the end of 2022, RVI (X5's importing legal entity) was Russia's number-one importer of spirits by volume.

Expansion and retail portfolio improvement

- X5 continues to focus on strengthening its positions in key regions of operation and expanding its presence and market share organically, as well as through selected tactical M&A opportunities.
- 412 gross new-concept Pyaterochka stores were opened in Q1 2023; in addition, 217 Pyaterochka stores were refurbished in line with the new concept. The total number of stores operating under the new concept reached 6,668, or 34.1% of the Pyaterochka store base, as of 31 March 2023.
- Two gross new-concept Perekrestok supermarkets were opened in Q1 2023. As of 31 March 2023, 261 supermarkets, or 27.3% of the Perekrestok store base, were operating under the new concept.
- In Q1 2023, as part of the Company's ongoing rationalisation programme, X5 closed 27 proximity stores, 17 supermarkets, 12 hypermarkets and 2 dark kitchens.
- In Q1 2023, X5 opened one new distribution centre in Khabarovsk (8.4 ths sq. m) to serve its Pyaterochka proximity format.
- Pyaterochka launched operations in the Russian Far East. In March, the retail chain opened four stores in Vladivostok and four stores in Khabarovsk.

Loyalty programme

- At the end of Q1 2023, the number of active loyalty programme customers was 71.2 million, while the programme's sales penetration reached 78%. The average ticket of customers who select favorite categories is higher by 8% (the number of such customers is 1.6 million).

Digital business development

- In Q1 2023, X5's digital services had a total of 21.8 million MAUs, an increase of 14.9% year-on-year.
- The combined GMV of Vprok.ru and express delivery services in Q1 2023 reached RUB 27.9 billion, up 34.5% year-on-year, including VAT and gross of promo codes and bonuses, with express delivery GMV growing 68.6% year-on-year.
- Total digital business revenue (including Vprok.ru, express delivery, 5Post and Mnogo Lososya) grew 35.9% year-on-year in Q1 2023 and contributed 0.7 p.p. to the consolidated quarterly revenue growth rate of 15.3%. Vprok.ru and express delivery successfully fulfilled over 223 thousand orders on peak days in March.
- X5 continues the rapid expansion of express delivery services from Pyaterochka proximity stores and Perekrestok supermarkets. As of 31 March 2023, express delivery was available from 5,709 stores (4,859 Pyaterochka stores and 850 Perekrestok supermarkets) as well as 46 dark stores in 69 regions, compared with 1,722 stores and 45 dark stores in 52 regions a year earlier. X5 aims to continue to develop its express delivery services as well as its partnerships with aggregators to provide its customers with the convenience of the omnichannel shopping experience.
- In Q1 2023, the total number of Vprok.ru orders decreased by 30% year-on-year and reached 1.2 million in Q1 2023. In March 2023, X5 Group expanded its partnership with Yandex Eats and Delivery Club to offer deliveries from Vprok.ru in Moscow and St Petersburg.
- In Q1 2023, 5Post's e-commerce delivery service revenue decreased by 6.2% year-on-year due to a decreased number of parcels from international providers. At the same time, 5Post's financial performance significantly improved due to a growing share of the services' domestic partners. 5Post fulfilled 6.0 million orders in Q1 2023, with over 24 thousand pickup points in operation, including over 5 thousand multi-parcel lockers. 5Post is increasing the volume of deliveries it processes from existing partners and is accelerating its integration with new partners. Parcel lockers and pickup points in stores generate additional LFL traffic of up to 2%–3%.
- The Mnogo Lososya ready-to-eat digital service, which became part of X5 Group in late March 2021, was operating 60 dark kitchens (including four franchisees) and 257 café points in Perekrestok supermarkets at the end of March. Mnogo Lososya's online net sales increased by 55.4% y-o-y in Q1 2023.

NOTE TO EDITORS

X5 Retail Group N.V. (LSE and MOEX: FIVE; Expert RA – ruAAA; ACRA – AAA(RU)) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Chizhik hard discounters. X5 provides an omnichannel experience to its customers, integrating retail stores and e-commerce through its businesses Vprok.ru, 5Post and Mnogo Lososya.

As of 31 March 2023, X5 had 21,760 Company-operated stores. It has the leading market position in both Moscow and St Petersburg and a significant presence in the European part of Russia. Its store base includes 19,549 Pyaterochka proximity stores, 956 Perekrestok supermarkets, 591 Chizhik hard discounters and 596 Krasny Yar and Slatka stores. The Company operates 55 DCs and 4,490 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 345 thousand people.

For the full year 2022, revenue totalled RUB 2,605,232 million (USD 38,005 million*), EBITDA pre-IFRS 16 reached RUB 186,788 million (USD 2,725 million*), and net profit pre-IFRS 16 for the period amounted to RUB 52,248 million (USD 762 million*).

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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