



Investor Presentation

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X5 is a leading Russian food retailer

H1 2023 Highlights

#1 Russian food retailer by revenue

13.2% market share¹

vs 9.5% in 2017

22,682 stores

in 72 Russian regions
+14.7% y-o-y

>358 ths

employees

Loyal customer base

72.5 mln

active loyalty card users
>60% of adult population

21.4 mln

MAUs of X5 digital services in Q2 2023
+33.4% y-o-y

>19 mln

average daily purchases

New and digital businesses

+83.7% y-o-y

digital businesses' sales growth to **RUB 27.0 bln**

>174 ths

average number of daily online orders

>3,000

hard discounters in the next three years

Strong financials

17.3%

revenue growth y-o-y

6.8%

EBITDA margin (pre-IFRS 16)

+1.1 p.p.

adj. ROIC² growth y-o-y

1. FY 2022 numbers

2. ROIC = NOPAT / average (equity + net debt, including short-term financial investment), adjusted for impact from Karusel transformation, tax on investments and tax accrual related to X5's reorganisation in previous periods

X5 businesses

X5Клуб
Loyalty programme

Перекрёсток
956 Supermarkets

Пятёрочка
20,248 Proximity stores

Слата
Красный Яр
гастрономы нашего города
596 Stores

Много лосося
64 Dark kitchens (incl. 3 franchisees)

Express delivery
6,509 Stores
45 Dark stores

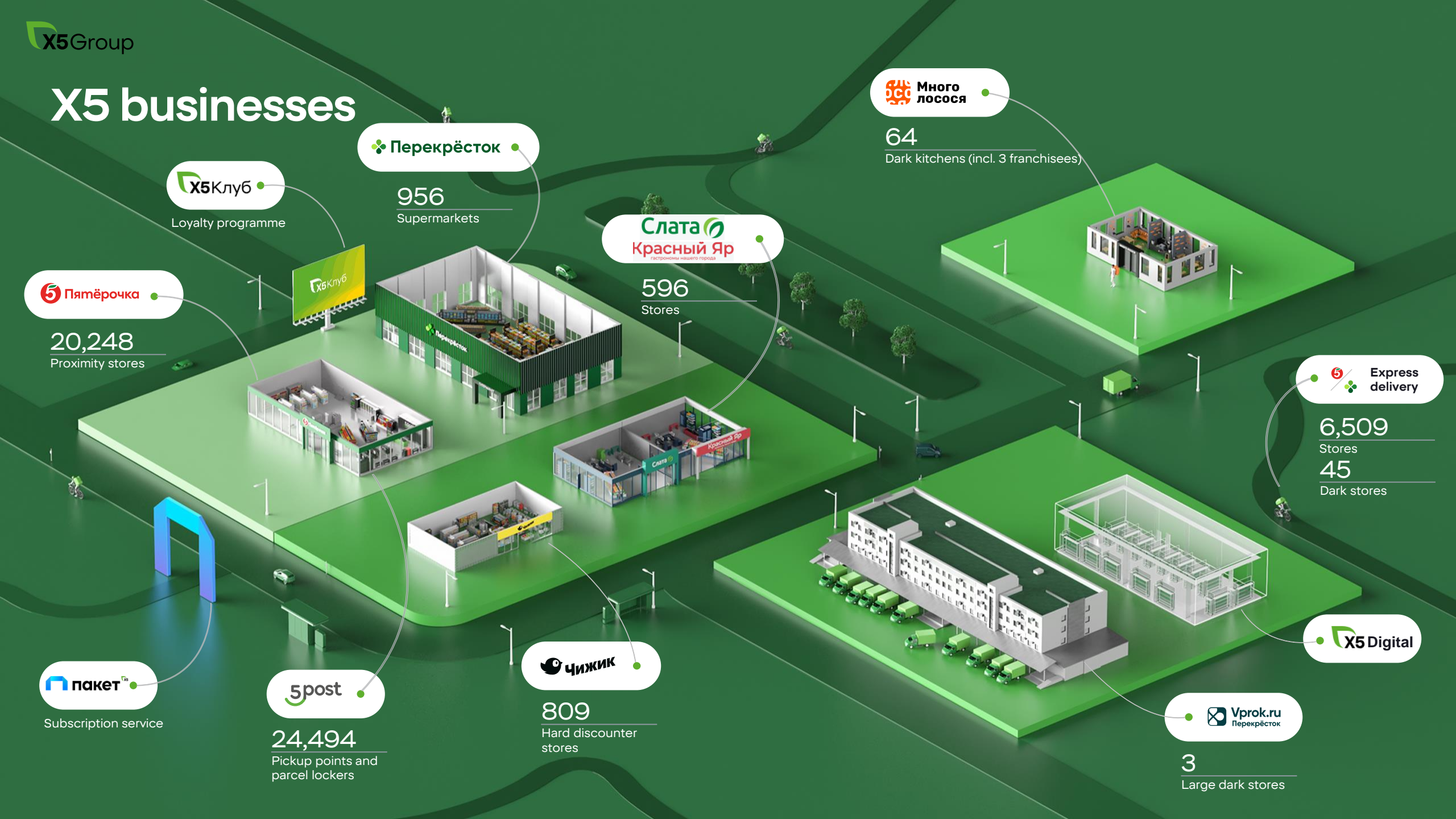
пакет
Subscription service

5post
24,494 Pickup points and parcel lockers

ЧИЖИК
809 Hard discounter stores

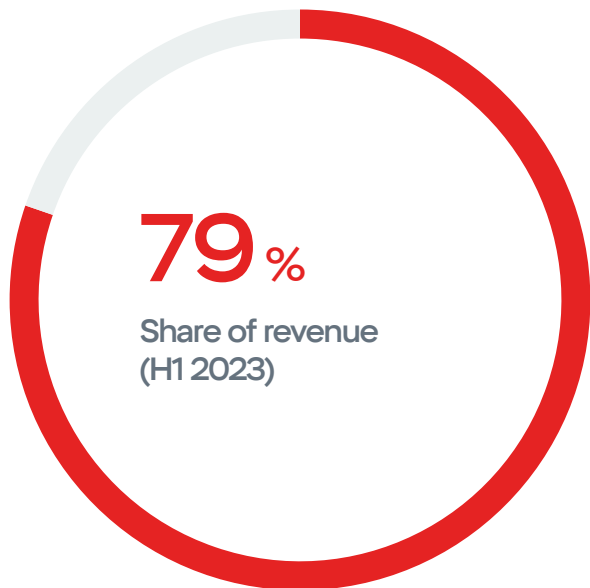
X5 Digital

Vprok.ru
Перекрёсток
3 Large dark stores



Pyaterochka 5

Proximity stores



20,248

Stores



>4 THS

SKUs

390 SQM

Average selling space

Perekrestok

Supermarkets

14%

Share of revenue
(H1 2023)



956

Stores

8-15 THS

SKUs

1,116 SQM

Average selling space

Chizhik

Hard discounter stores

3%

Share of revenue
(H1 2023)



809

Stores

750–800

SKUs

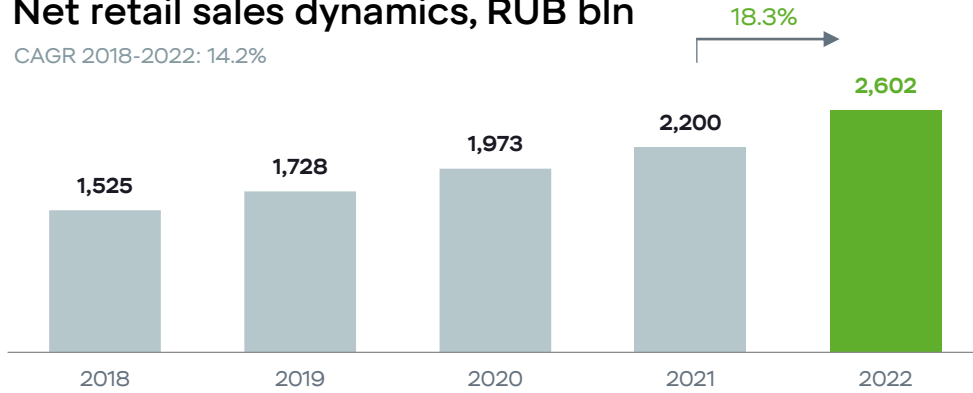
296 SQM

Average selling space

Track record of strong operational performance...

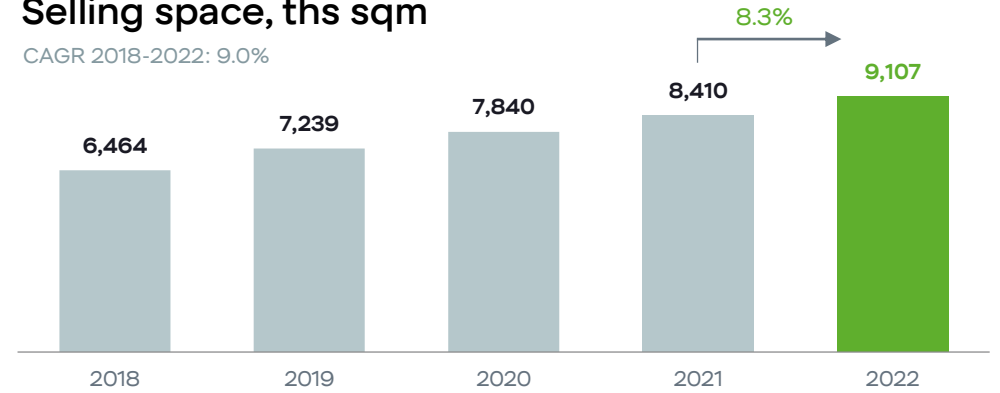
Net retail sales dynamics, RUB bln

CAGR 2018-2022: 14.2%

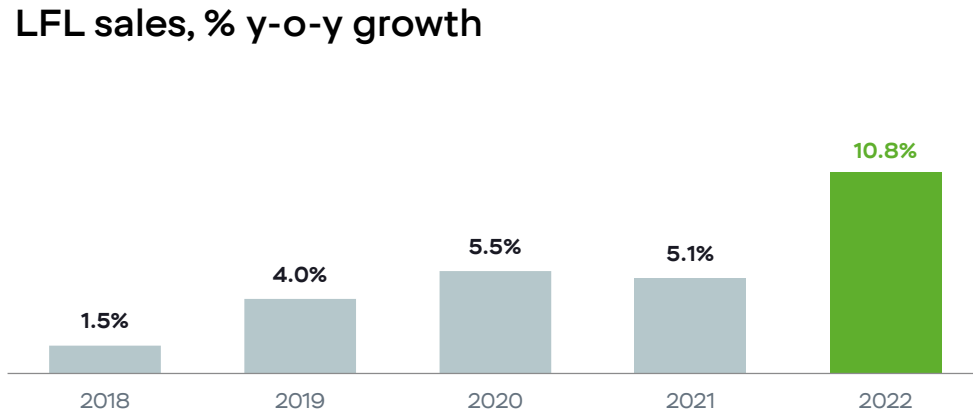


Selling space, ths sqm

CAGR 2018-2022: 9.0%

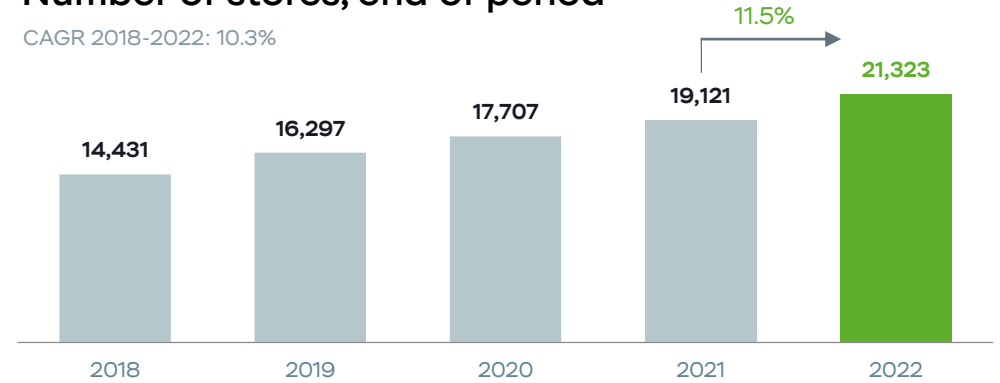


LFL sales, % y-o-y growth



Number of stores, end of period

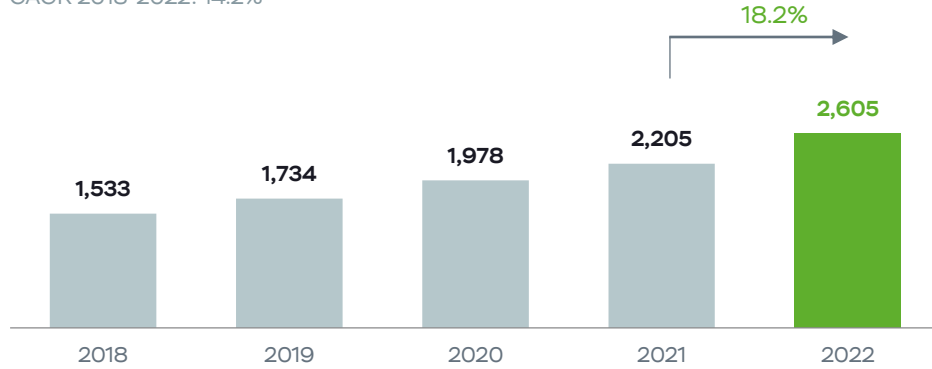
CAGR 2018-2022: 10.3%



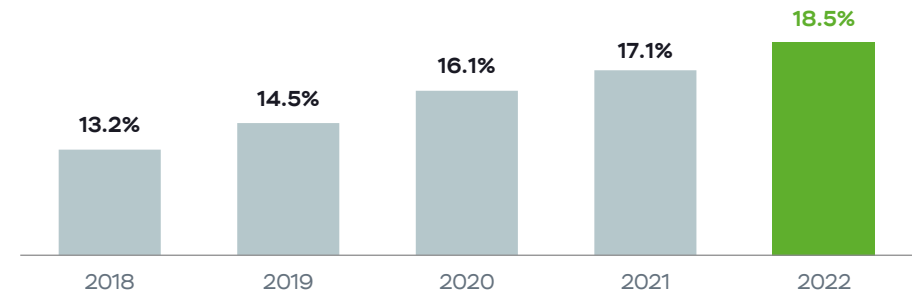
...supported by robust profitability

Revenue CAGR exceeding 14% in 2018-22

CAGR 2018-2022: 14.2%

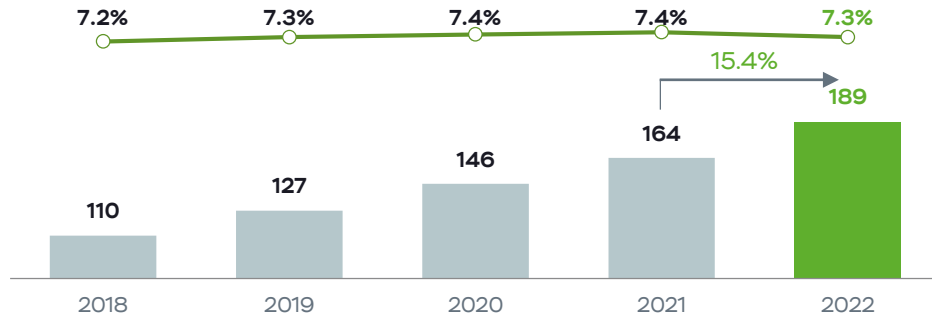


Adj. ROIC² has increased by 5 p.p. since 2018

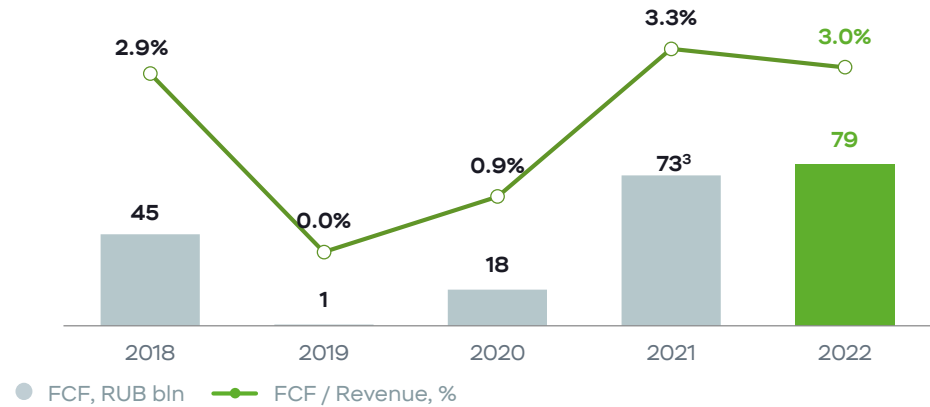


Adj. EBITDA margin¹ consistently above 7%

CAGR 2018-2022: 13.4%



FCF at record high level



● Adj. EBITDA,¹ RUB bln ● Adj. EBITDA margin, %

● FCF, RUB bln ● FCF / Revenue, %

Source: X5 data

- Adjusted for LTI, exit share-based payments and other one-off remuneration payments
- ROIC = NOPAT / average (equity + net debt, including short-term financial investment), adjusted for impact from Karusel transformation, tax on investments and tax accrual related to X5's reorganisation in previous periods
- Adjusted for short-term financial investments

X5 uses its core strengths to create upside potential...

Our strengths



Strong brands

X5 brands were among the top Russian brands* in 2021, with Pyaterochka in 1st place



Strong presence in growing market segments

X5 is the leader in the format that has seen the most growth – convenience (43% of the market in 2021) – and is entering the fastest-growing format – hard discounters (32% y-o-y growth)



Strong team

Experienced managers and entrepreneurs



Diverse and reliable supply base

- X5 successfully partners with the largest FMCG and grocery suppliers, relying upon a growing base of local suppliers including producers of private labels
- As the largest food retailer in Russia, X5 has the best possible purchasing terms with suppliers



Operational efficiency

Continuously strengthening operational efficiency and maintaining EBITDA at the level of 7%+ combined with aggressive geographical expansion

Upside potential



Driving LFL sales growth above food CPI level



Accelerated expansion in the fast-growing hard discounter segment



Adapting Pyaterochka's CVP to customer needs, to increase the proposition to the low-mid-income segment



Organisational model development to achieve more speed and greater flexibility



Growing efficiency of operating and capital expenses



Positive unit economics for digital businesses

Sustaining market leadership and strong financial performance

...and is committed to key strategic objectives

1 Leadership in the food market

- Focus on the largest and fastest-growing market segments: convenience and hard discounters
- Further improving the CVP to reflect changes in the market environment and customer trends by leveraging operational and capex efficiency
- Increasing sales density, growing LFL sales above CPI
- Expanding both organic and non-organic market share growth, incl. regional M&A opportunities

2 Digitalisation

- Focus on express delivery from stores and dark stores, the largest and fastest-growing segment of e-grocery
- Achieving positive unit economics of express delivery
- Digitalisation projects to improve operational efficiency in stores, logistics operations and the back office

3 Focus on efficiency

- Ensuring sourcing leverage and scalability of infrastructure
- Driving operational efficiency and synergies across all business units
- Increasing efficiency of capital investments and working capital optimisation

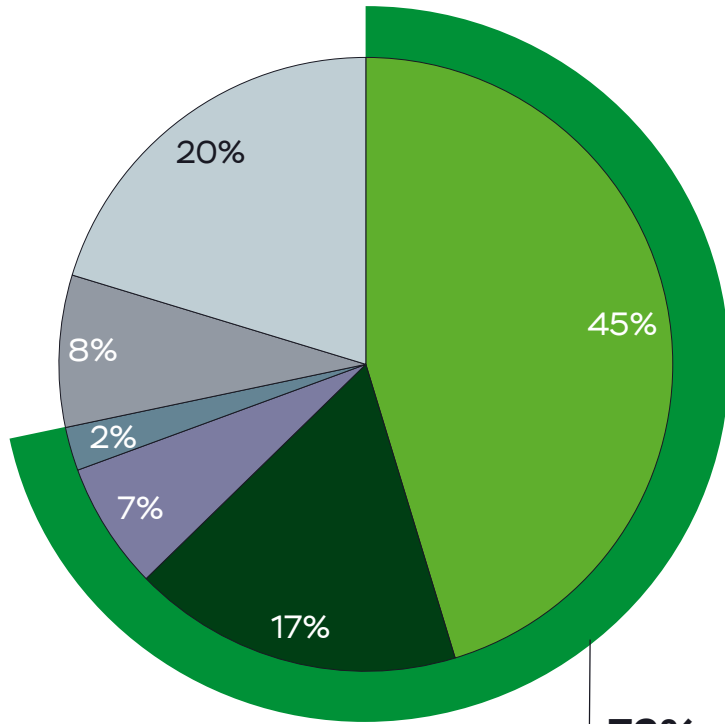
4 Care for the community

- Providing reliable food supply
- ESG targets are integrated into X5's business processes
- Regular ESG reporting under GRI standards

1 Focus on the fastest-growing market segment

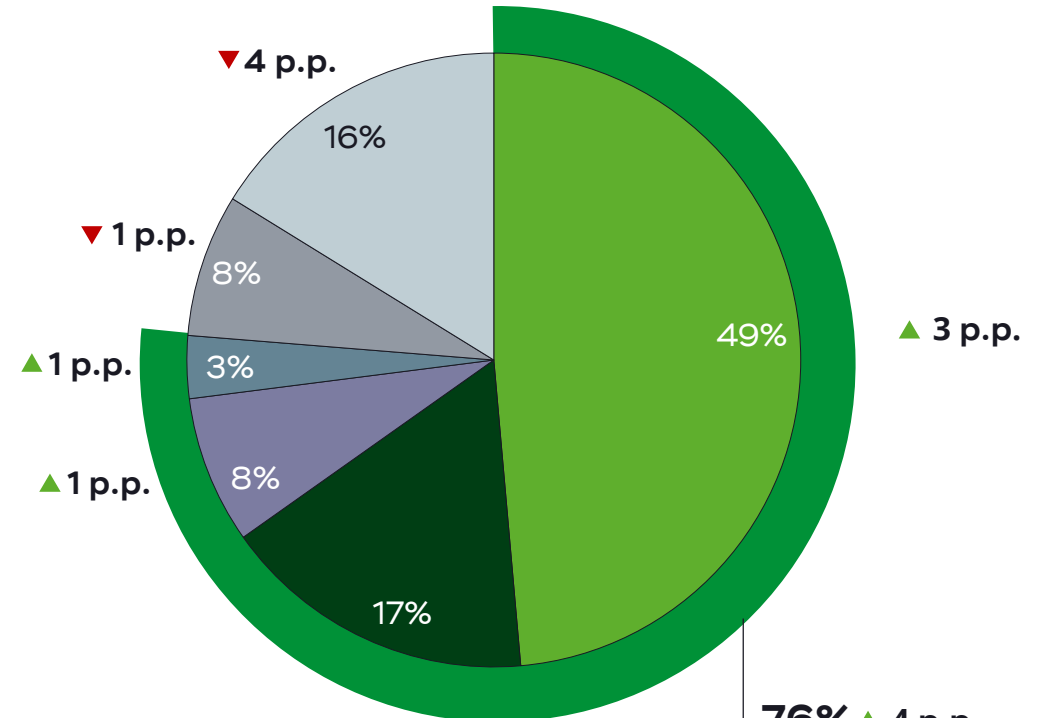
Diverse grocery business with growth potential across convenience, hard discounter and online segments

2022



72%
share of grocery market
addressable by X5

2023E

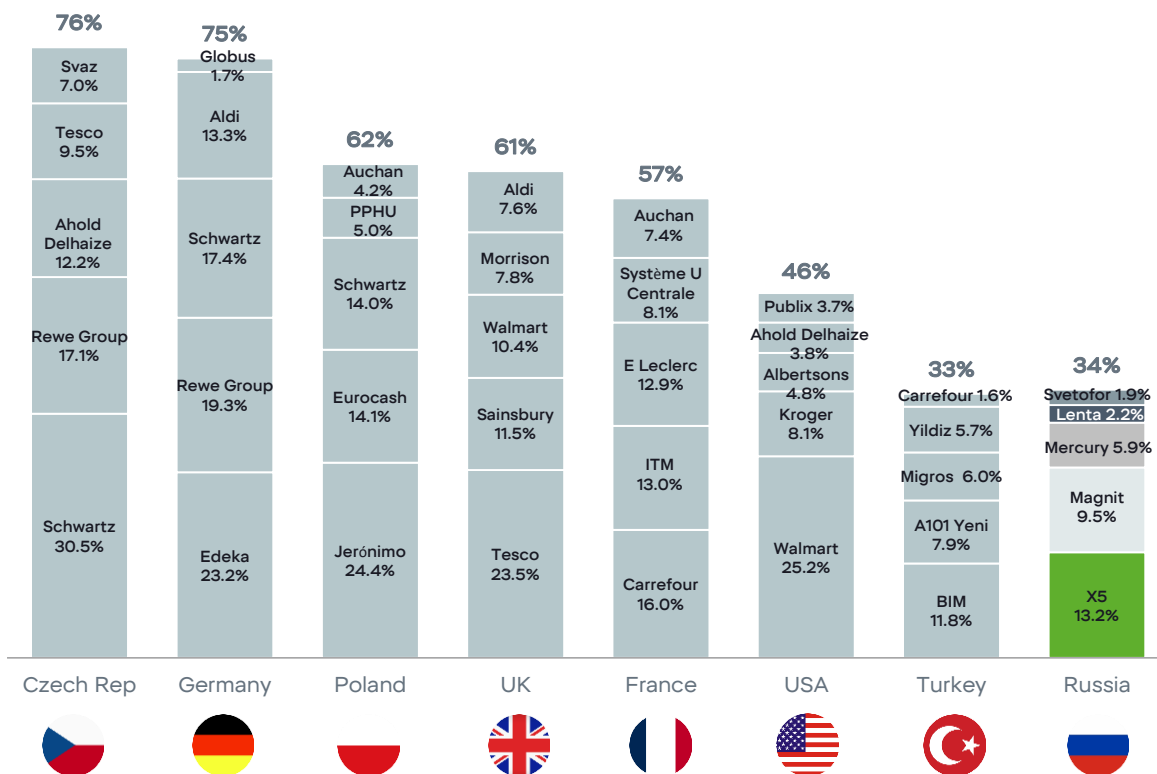


76% ▲ 4 p.p.
share of grocery market
addressable by X5

- Convenience
 - Supermarkets
 - Other (Hard Discounters, variety and other.)
 - Online (without aggregators)
 - Hypermarkets
 - Traditional trade
- ▲ x p.p. - y-o-y growth

1 Market consolidation is the key source of growth for the top players

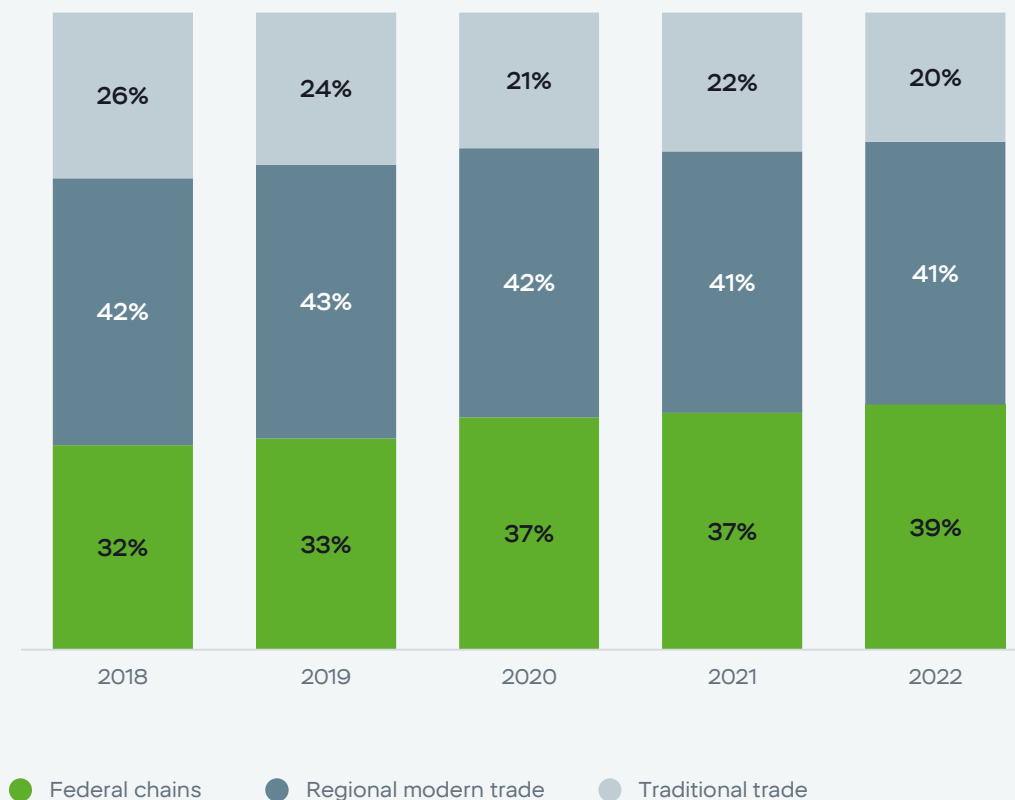
Potential for growth in the market shares of top-5 players*



Source: Euromonitor, Infoline (for Russian market only), Company reports, X5 analysis

* 2022 data for Russia, 2021 data for other countries

Continued shift to modern trade and the growing role of nationwide players

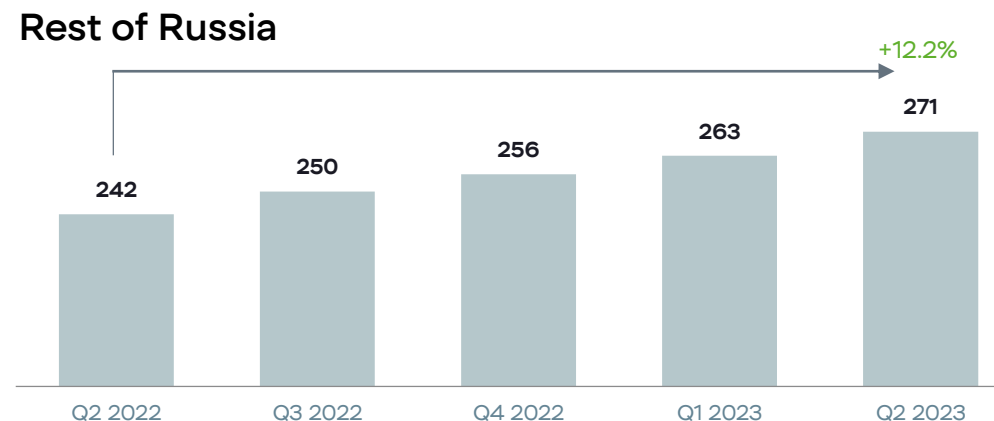
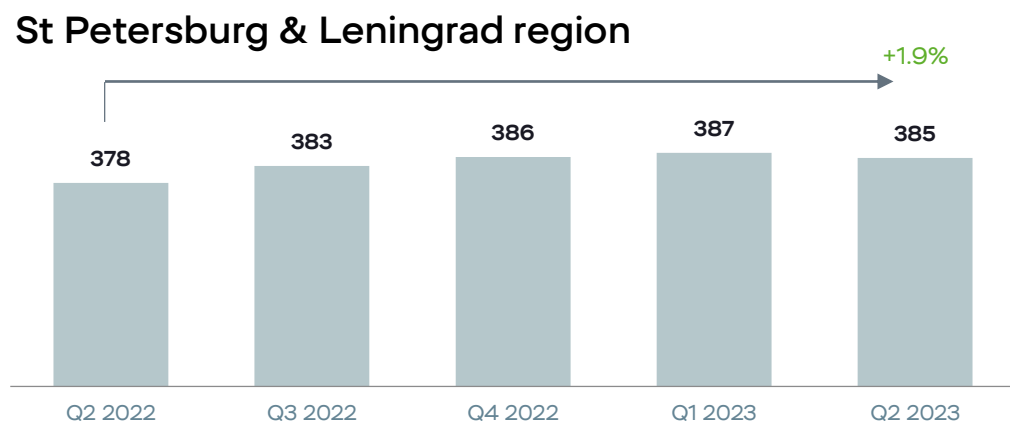
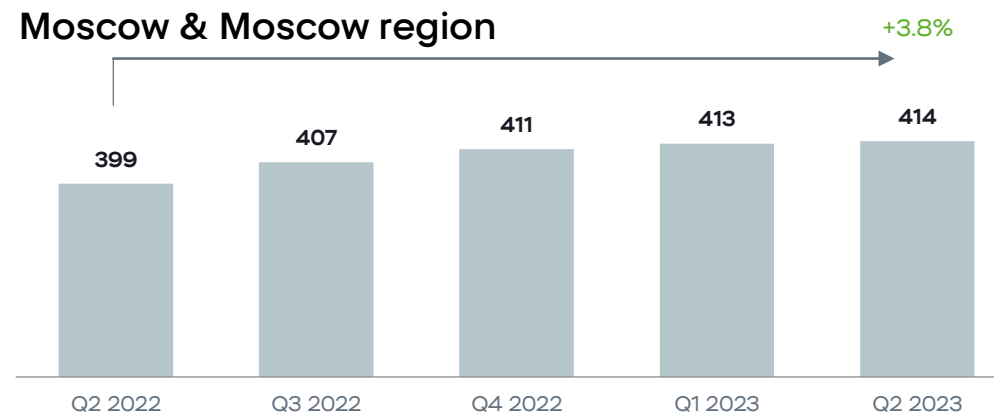
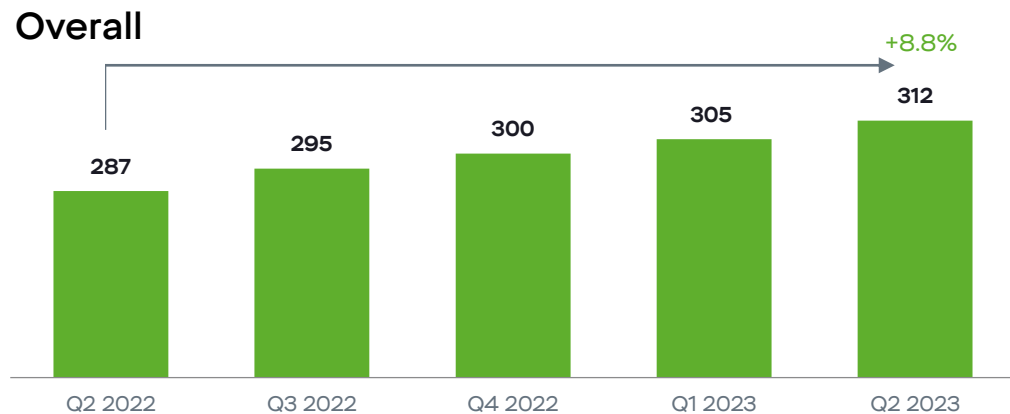


Source: Infoline

1 Growth and profitability supported by improving sales density

Maintain sales density leadership in proximity segment in key geographies (Moscow and St Petersburg)

Unit: '000 RUB/sqm (annualised)

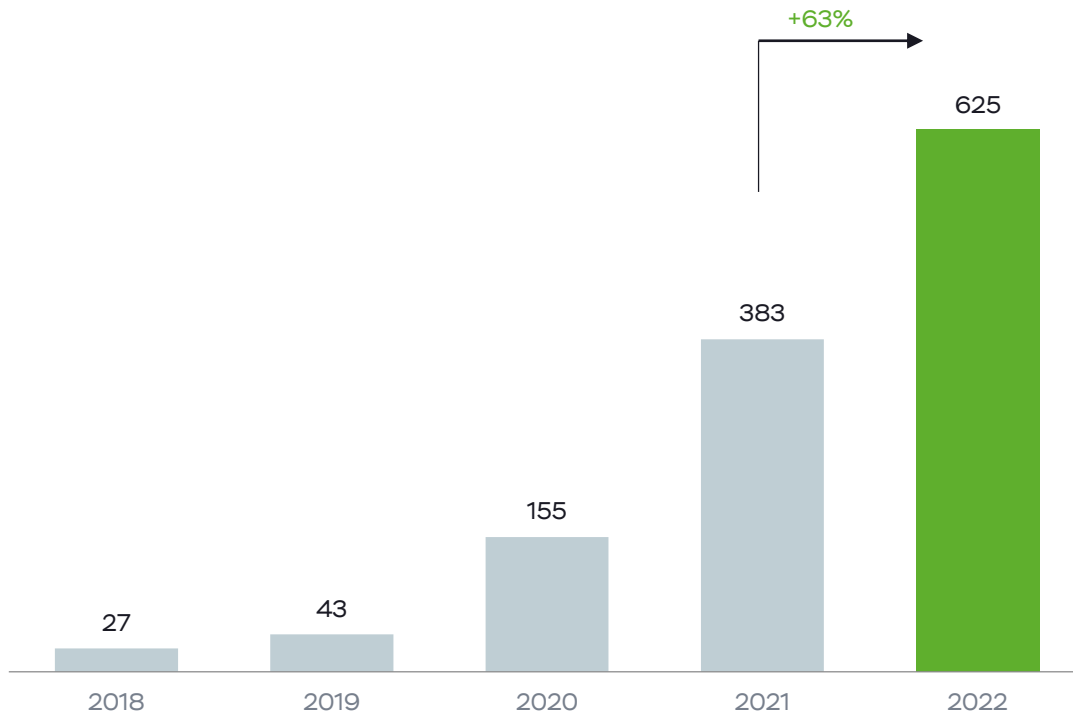


Source: X5 data

2 X5 is among the leaders in e-grocery

Fastest-growing food retail segment

RUB bln



Source: Infoline

- X5 Digital oversees express delivery technology platform, small dark-store of express delivery and large dark-store infrastructure under Vprok.ru brand
- Offering a range of e-grocery services: express delivery, click&collect and scheduled delivery
- Launched in 2020, express delivery service is available from 6,509 stores in 69 regions
- Successful pilot of multi-format dark stores (Pyaterochka and Perekrestok)
- Continuous improvement in unit economics on the back of scale and operational efficiency
- Partnered with SberMarket, Delivery Club and Yandex Eats in 2022 to expand its online delivery offering
- Delivered over 219 thousand on peak days in June 2023
- X5 digital services reached 21.4 million MAUs in Q2 2023

3 Focus on efficiency

Key EBITDA drivers

Private labels and direct import share growth

Delivering assortment differentiation and gross margin improvement through private label and direct import development

Regional growth contribution

EBITDA margin in new regions increase through DC and other costs utilisation

Driving commercial function efficiency

Automation of category management, personalised promo, pricing and customer value management using big data capabilities; using cross-format synergies in the commercial function

Operating costs optimisation

Leveraging the scale of the business, cross-format synergies and driving efficiency initiatives to deliver lean and efficient retail operations

Improving personnel efficiency

Driving productivity growth via process simplification and automation

Capex drivers

Continue ambitious space expansion

Focus on Pyaterochka proximity format and aggressive Chizhik rollout with 3,000+ stores in the next 3 years

Smart refurbishments

Extended store life cycle in terms of equipment renewal and repairs

Driving business efficiency

Key process digitalisation with high investment returns (IRR >100%)

Logistics development

Renewal of the truck park and opening of new DCs in line with expansion plans; increasing transport utilisation

New businesses

supporting and strengthening the core X5 formats

4 ESG is becoming a core element of X5's strategy – 2021 progress against strategic goals



Planet

-9%

GHG emissions (Scope 1 + Scope 2) per sqm of selling space 2021 vs 2019
2023 goal: -10%

48%

of private labels in sustainable packaging¹
2023 goal: >50%

85%

of recyclable waste from X5 operations was sent for recycling²
2023 goal: up to 95%

16%

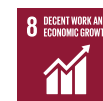
of non-expired food waste was sent for reprocessing²
2023 goal: up to 40%



Health

45.5%

Share of FRESH and F&V products³
2023 goal: up to 50%



Employees

82.5%

Employee engagement
2023 goal: >75%

99.8%

Healthy and safe work environment for employees
The respective standard is to be rolled out across the Company
2023 goal: 100%



Communities

100%

of Pyaterochka stores engage in the Help for Lost People programme
2023 goal: 100%

184k

Families received food aid as part of the Basket of Kindness project
2023 goal: 100% of families

70%

Share of SMEs among X5 suppliers created partnerships with 1,313 new Russian suppliers in 2021, including 189 sole proprietors and SMEs

¹ Sustainable packaging is the recommended packaging, which is recyclable or made of recycled feedstock, among other materials (e.g. PET, PP, glass, cardboard/paper, metal)

² Calculation for X5 based on the results for 2 RC

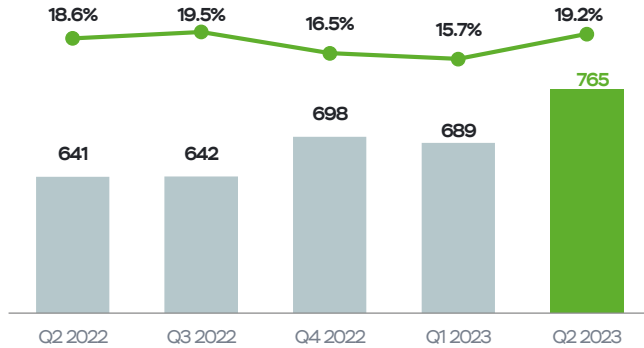
³ Calculation for X5 based on the results for 2 RC. The share is calculated from retail turnover

Q2 2023 Results



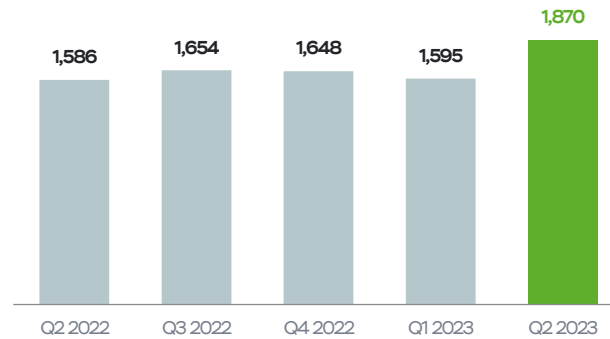
Double-digit top-line growth supported by strong LFL sales dynamics...

Net retail sales¹

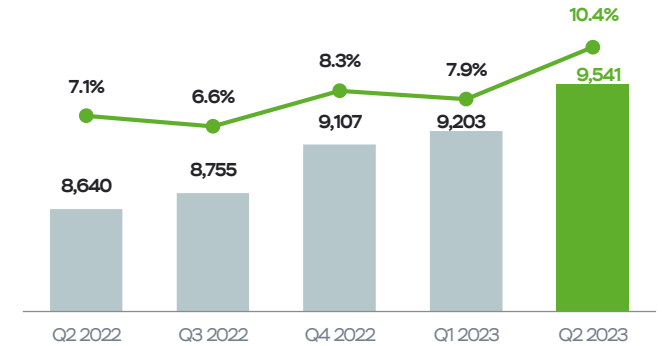


● Net retail sales, RUB bln ● Growth y-o-y, %

Traffic, mln customers

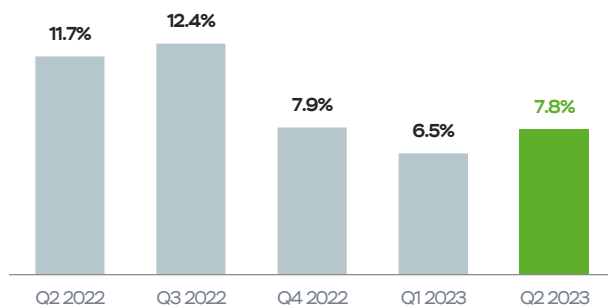


Net selling space (eop)

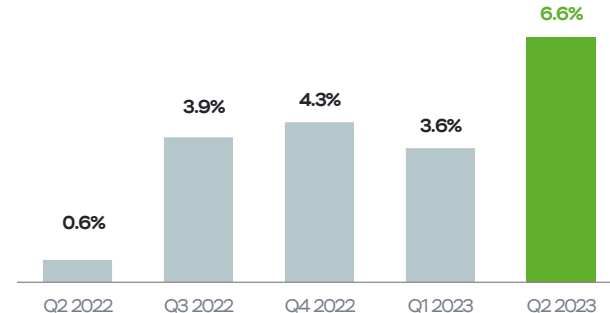


● Selling space, thsqm ● Growth y-o-y, %

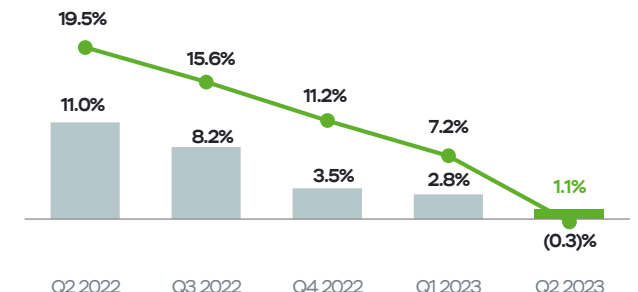
LFL sales, y-o-y



LFL traffic, y-o-y



LFL basket, y-o-y



● LFL basket, y-o-y ● Food CPI, %

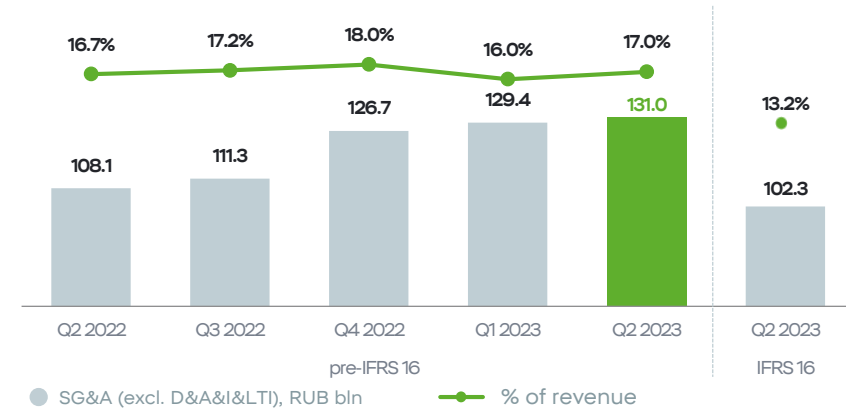
¹ Excluding Vprok.ru Perekrestok

...combined with stable profitability

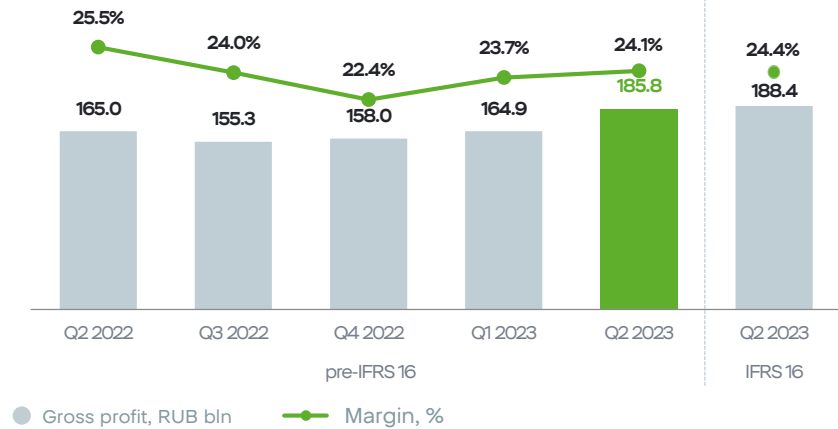
Revenue



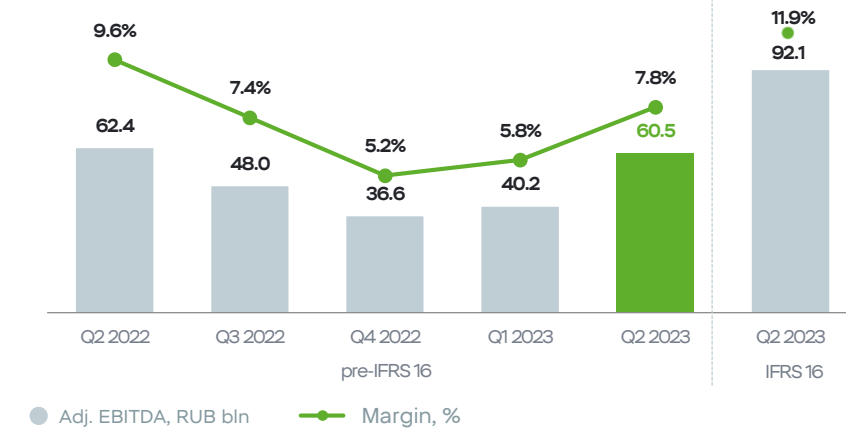
SG&A (excl. D&A&I<I)¹



Gross profit & gross margin



Adj. EBITDA & EBITDA margin²

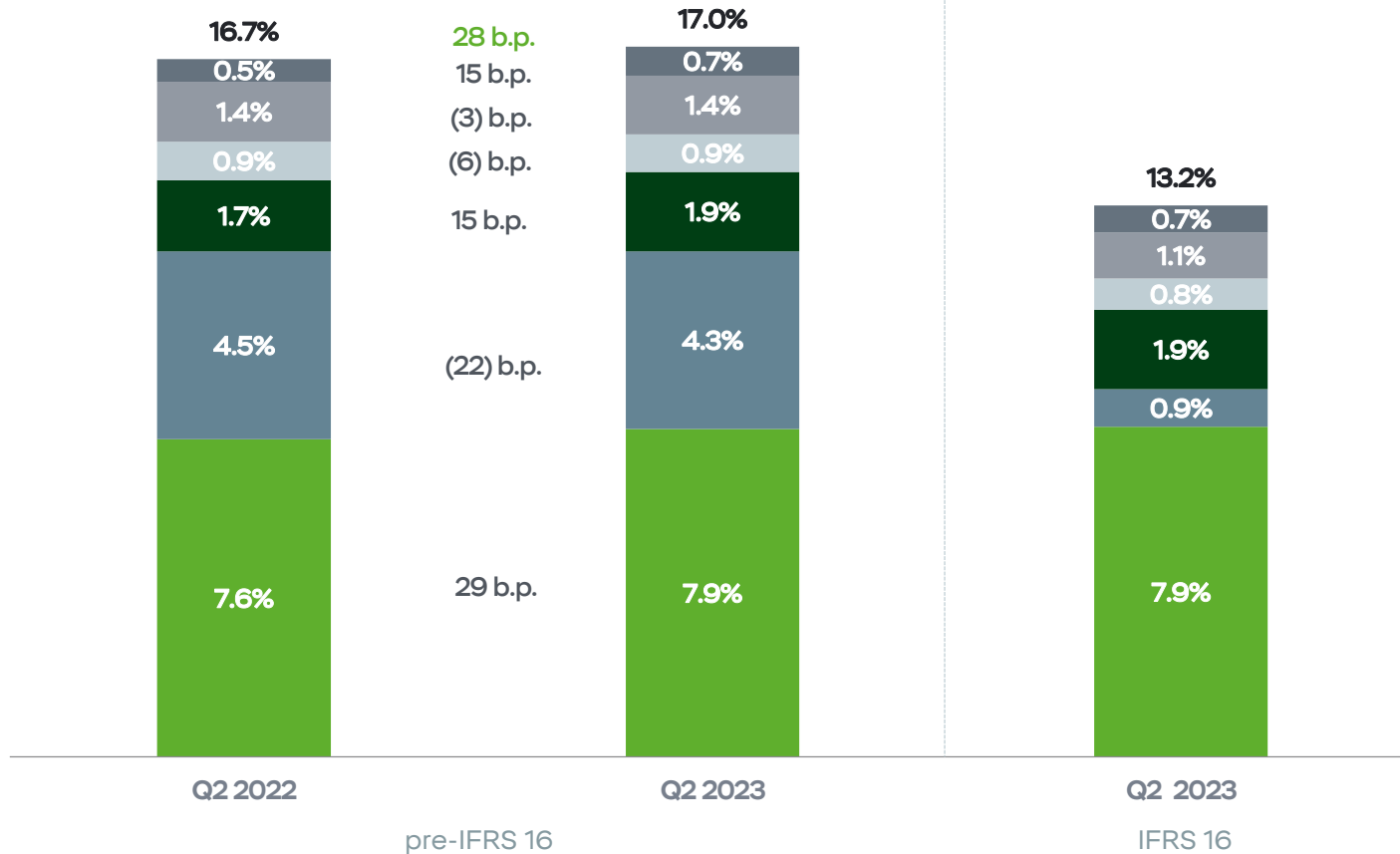


1. Adjusted for impact from Karusel transformation

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

Q2 2023: Adjusted SG&A¹ expense analysis

Q2 2023 analysis
as a percentage of revenue



Key Q2 2023 highlights

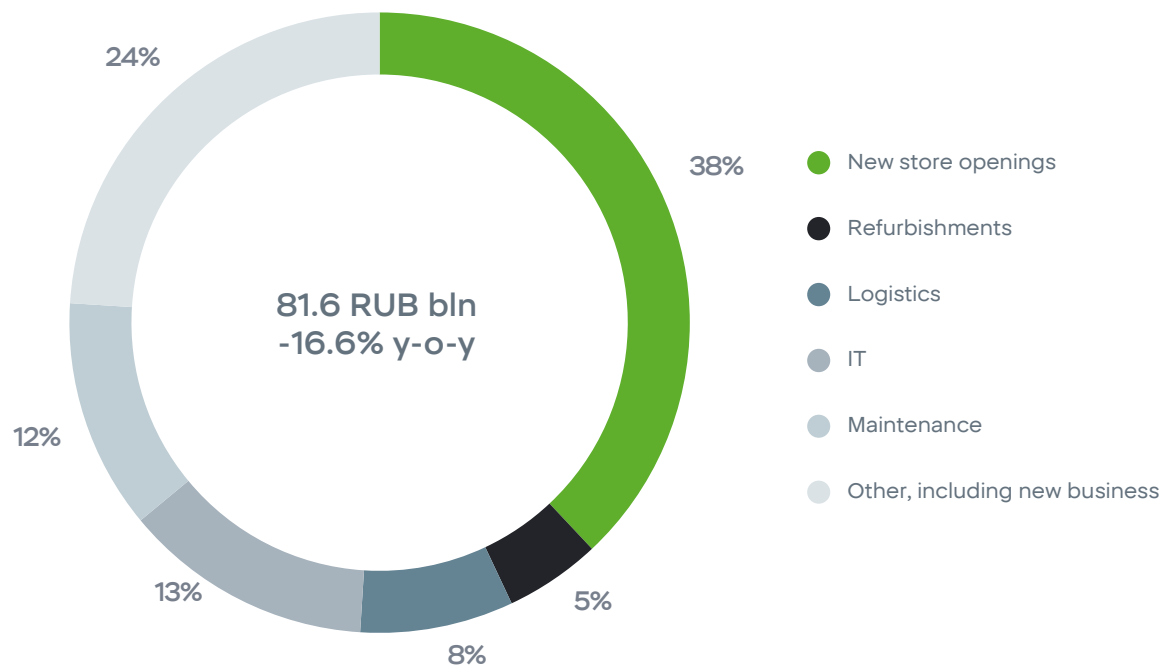
- ▲ **Staff costs (excluding LTI and share-based payments):** a negative operating leverage effect.
- ▼ **Lease expenses:** a positive operating leverage effect for fixed lease rates.
- ▲ **Utilities:** a negative operating leverage effect and increase in tariffs
- ▼ **Other store costs:** the optimisation of store security operations.
- ▲ **Third-party service expenses:** the normalisation of marketing expenses vs Q2 2022.
- ▼ **Other expenses:** the reversal of one-off provisions partially offset by the growing share of courier service costs for express delivery.

- Staff costs
- Lease expenses
- Utilities
- Other store costs
- Other expenses
- Third-party services

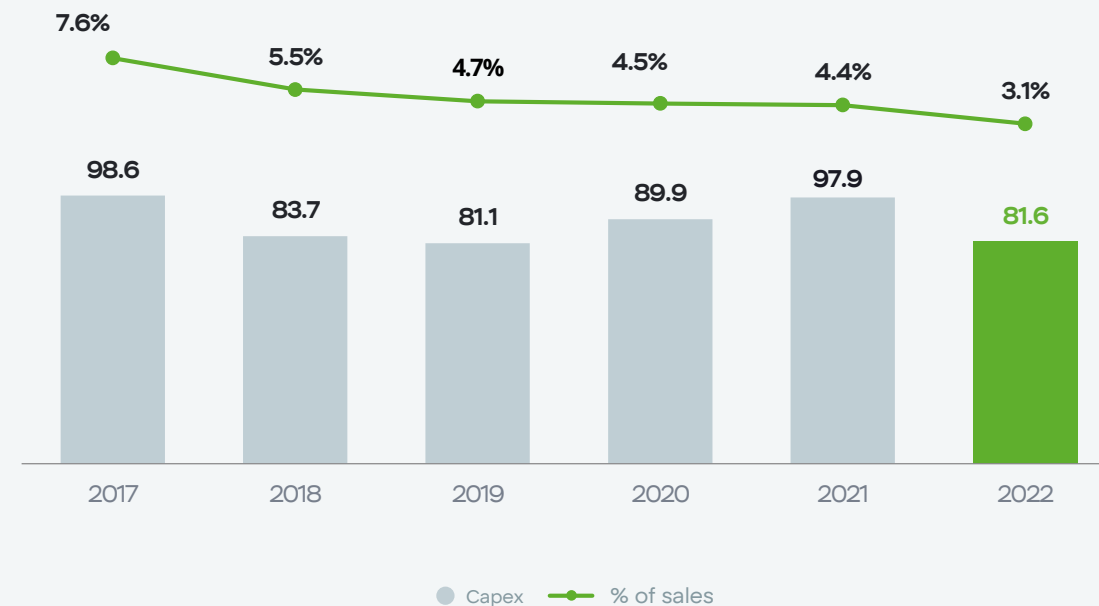
¹ Adjusted for D&A&I, LTI, exit share-based payments and impact from Karusel transformation

X5 capital expenditures

Capex breakdown, 2022



Capex dynamics by year, RUB bln



Prioritising projects with highest return, consistent delivery of capex (as % of revenue) reduction

X5 debt structure

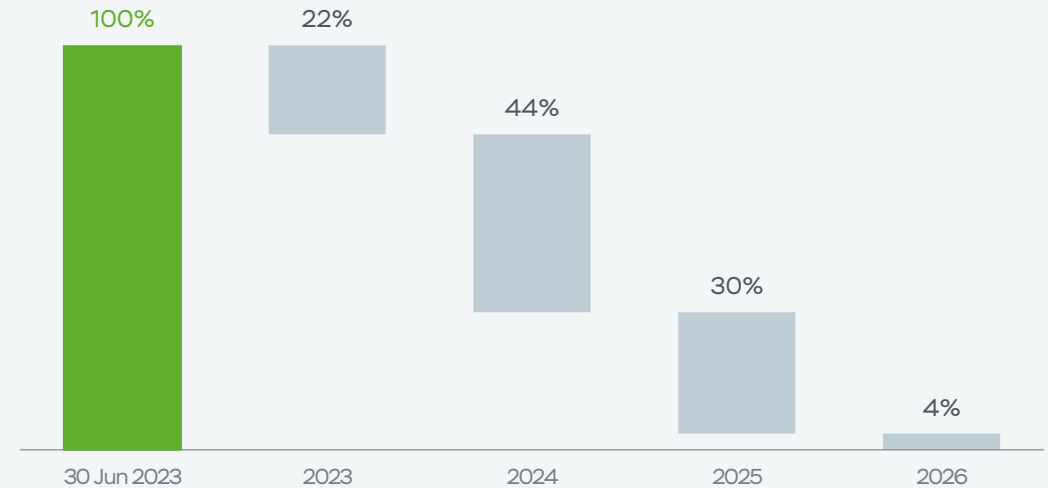
Debt profile

RUB mln	30 Jun 2023	30 Jun 2022
Total debt	228,985	243,928
Short-term debt	109,997	60,490
% of total debt	48.0%	24.8%
Long-term debt	118,988	183,438
% of total debt	52.0%	75.2%
Net debt (pre-IFRS 16)	201,569	205,412

Covenants & liquidity update

Covenant metrics & liquidity sources	30 Jun 2023	30 Jun 2022
Net debt / EBITDA (pre-IFRS 16)	1.10x	1.11x
Cash & cash equiv., RUB mln	27,416	38,516
Available credit limits, RUB mln	442,961	442,948

Debt portfolio maturity



Highlights

- X5's debt portfolio is 100% RUB-denominated
- 74% of X5's borrowings have fixed interest rates
- X5's available credit limits amounted to RUB 443 bln

Appendix



Pyaterochka – key format highlights (Q2 2023)

Key results

20,248 stores

+9.1% y-o-y

617 RUB bln

Net retail sales +15.5% y-o-y

8.0%

H1 2023 EBITDA margin (pre-IFRS 16)

Operating highlights

+8.5%

LFL sales

+7.2%

LFL traffic

+1.2%

LFL ticket

1,595 mln

customer visits
+13.8% y-o-y

443 RUB

average ticket +0.9% y-o-y

-7 b.p.

reduction in shrinkage in 2022

+18.5%

labour productivity growth in 2022

CVP

4,500

SKUs

390 sqm

average selling space

58%

loyalty card
penetration in traffic

75%

Loyalty card
penetration in sales

24%

private label share

+3.7 points

increase in NPS y-o-y

Perekrestok – key format highlights (Q2 2023)

Key results

956 stores

-2.9% y-o-y

100 RUB bln

Net retail sales +5.3% y-o-y

6.7%

H1 2023 EBITDA margin (pre-IFRS 16)

Operating highlights

+4.6%

LFL sales

+2.3%

LFL traffic

+2.3%

LFL ticket

170 mln

customer visits
+1.8% y-o-y

673 RUB

average ticket +2.8% y-o-y

+10.9%

labour productivity growth in 2022

CVP

8-15 ths

SKUs

1,116 sqm

average selling space

66%

loyalty card
penetration in traffic

81%

loyalty card
penetration in sales

18%

private label share

-2.7 points

increase in NPS y-o-y

Chizhik – key format highlights

250–300 sqm

of store selling space

8–10 RUB mln

net capex per store (excl. VAT)

750–800 SKU

in the assortment

EDLP

price strategy

7

employees per store

75%

target share of private label assortment

Q2 2023 results

809

5x

Stores

27 RUB bln

4x

Net retail sales

558 RUB

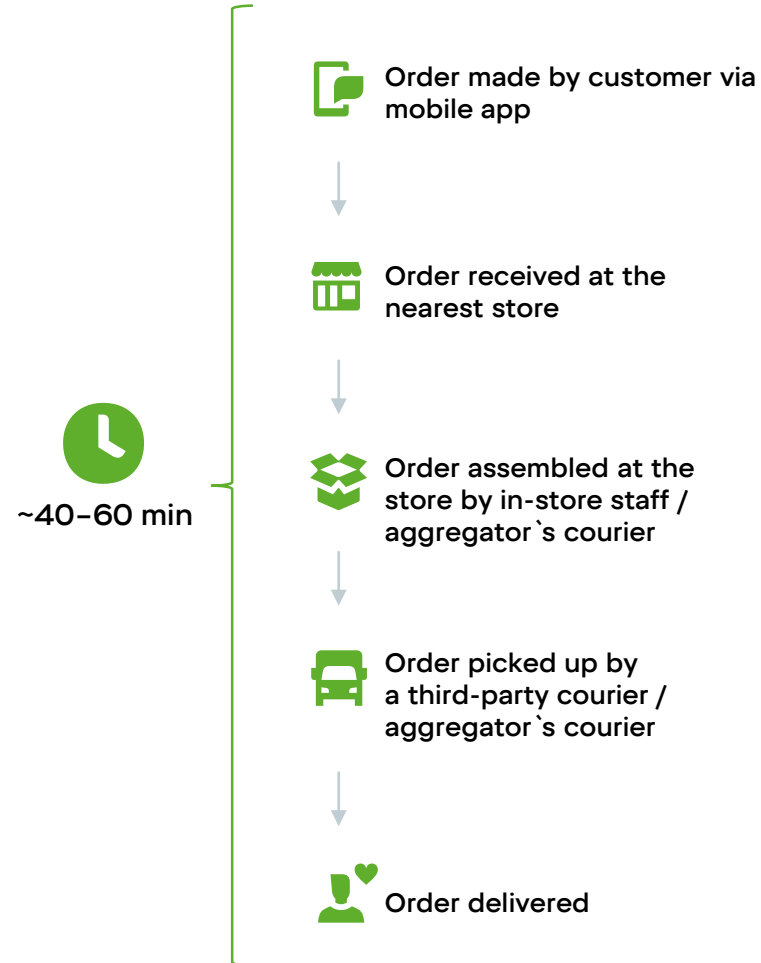
Average ticket

500 RUB / sqm

Sales density

Express delivery

Business model overview



Key operating metrics Q2 2023

GMV	RUB 23.3 bln
Orders per day	165.0 ths
Average ticket	RUB 1,526
Stores	6,509
Click to delivery	50-60 min
SKUs per order	12-14
Store assortment	>5,000 SKUs
Delivery charge	RUB 99 fixed (partially subsidised by X5) Free of charge for orders above RUB 1,700 in all regions except for Moscow and St Petersburg
Delivery aggregators	SberMarket , Delivery Club and Yandex Eats
Regions of operations	69



X5 Investor Relations

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