

# X5 Group Q3 2023 net sales increase **22.7%** Digital business net sales up **97.9%**

## Q3 2023 HIGHLIGHTS

**+22.7%** y-o-y



Total net sales increased by RUB **147.1** billion driven by a **10.2%** y-o-y increase in like-for-like (LFL<sup>1</sup>) sales and selling space expansion

**+784** new stores



X5 net new stores in Q3 2023 including **513** proximity stores, **262** hard discounters, **5** dark kitchens, and **5** Krasny Yar and Slata stores  
**One** Perekrestok supermarket (net) was closed.

**3x** y-o-y



Chizhik net sales increased by RUB **21.6** billion, totalling RUB **31.4** billion in Q3 2023

Chizhik opened **262** stores in Q3 2023

**+18.7%** y-o-y



Net retail sales for Pyaterochka<sup>2</sup> increased by RUB **100.7** billion, reaching RUB **639.5** billion

**+9.1%** y-o-y



Net retail sales for Perekrestok increased by RUB **8.2** billion, reaching RUB **97.3** billion

**97.9%** y-o-y



Digital business net sales<sup>3</sup> increased by RUB **14.4** billion, totalling RUB **29.2** billion

**3.7%** of total net sales

**+1.7 p.p.** of the consolidated revenue growth rate

Amsterdam  
17 October 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 the third quarter (Q3) and nine months (9M) ended 30 September 2023.<sup>4</sup>

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 the express delivery service from stores and dark stores that have operated for less than 12 full months are also included in LFL calculations.

2. Including Pokupochka, Pokupalko, Victoria, Deshevo, CASH

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

4. 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 businesses<sup>5</sup>

RUB MLN	Q3 2023	Q3 2022	CHANGE Y-O-Y, % OR MULTIPLE	9M 2023	9M 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	625,287	534,474	17.0	1,768,071	1,548,119	14.2
Perekrestok	89,293	84,980	5.1	275,462	267,318	3.0
Chizhik	31,386	9,742	3x	76,685	20,659	4x
Offline net sales <sup>6</sup>	765,327	632,641	21.0	2,178,740	1,849,434	17.8
Digital businesses' net sales	29,182	14,749	97.9	81,806	48,295	69.4
<b>Total net sales</b>	<b>794,509</b>	<b>647,390</b>	<b>22.7</b>	<b>2,260,546</b>	<b>1,897,729</b>	<b>19.1</b>

### Net retail sales<sup>7</sup> by format

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

RUB MLN	Q3 2023	Q3 2022	CHANGE Y-O-Y, % OR MULTIPLE	9M 2023	9M 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	639,516	538,842	18.7	1,805,414	1,562,353	15.6
Perekrestok	97,335	89,185	9.1	299,178	281,095	6.4
Chizhik	31,435	9,742	3x	76,765	20,659	4x
<b>Net retail sales<sup>8</sup></b>	<b>788,492</b>	<b>641,778</b>	<b>22.9</b>	<b>2,242,251</b>	<b>1,879,011</b>	<b>19.3</b>

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

6. Including Krasny Yar and Slata. Including Karusel for Q3 2022 and 9M 2022.

7. 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 Q3 2023 financial results.

8. Including Mnogo Lososya, Krasny Yar and Slata. Including Karusel for Q3 2022 and 9M 2022.

## Q3 and 9M 2023 LFL store performance by format

% change y-o-y

	Q3 2023			9M 2023		
	SALES	TRAFFIC	BASKET	SALES	TRAFFIC	BASKET
Pyaterochka	10.4	6.1	4.1	8.7	5.8	2.7
Perekrestok	9.5	2.2	7.2	6.0	1.9	4.0
X5 Group <sup>9</sup>	10.2	5.7	4.3	8.2	5.4	2.7

## Q3 2023 monthly net retail sales (RUB) by format

change y-o-y, % or multiple

	JULY 2023	AUGUST 2023	SEPTEMBER 2023
Pyaterochka	14.1	17.2	19.8
Perekrestok	3.6	6.4	5.2
Chizhik	4x	3x	3x
Offline business total	18.4	21.3	23.4
Digital business total	99.5	100.7	93.9
<b>Total</b>	<b>20.0</b>	<b>23.0</b>	<b>25.3</b>

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

## AVERAGE TICKET AND NUMBER OF CUSTOMER VISITS

### Q3 and 9M 2023 average ticket and customer visits by offline format

AVERAGE TICKET, RUB	Q3 2023	Q3 2022	CHANGE Y-O-Y, % OR MULTIPLE	9M 2023	9M 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	440.1	422.2	4.2	448.4	437.0	2.6
Perekrestok	662.0	614.9	7.7	685.2	656.1	4.4
Chizhik	555.3	600.2	(7.5)	563.3	646.4	(12.8)
X5 Group <sup>10</sup>	463.3	444.9	4.1	473.8	463.6	2.2
NUMBER OF CUSTOMER VISITS, MLN						
Pyaterochka	1,669.3	1,465.6	13.9	4,615.9	4,109.0	12.3
Perekrestok	168.3	165.5	1.7	499.0	490.5	1.7
Chizhik	64.3	18.5	3x	154.9	36.4	4x
X5 Group <sup>10</sup>	1,951.3	1,653.5	18.0	5,415.8	4,650.4	16.5

### Q3 2023 average monthly ticket and customer visits by offline format

change y-o-y, % or multiple

AVERAGE TICKET	JULY 2023	AUGUST 2023	SEPTEMBER 2023
Pyaterochka	3.3	5.8	3.6
Perekrestok	8.2	9.6	5.2
Chizhik	(11.6)	(6.3)	(5.6)
X5 Group <sup>10</sup>	3.4	5.8	3.2
NUMBER OF CUSTOMER VISITS			
Pyaterochka	11.9	12.5	17.6
Perekrestok	(0.3)	0.6	4.8
Chizhik	4x	3x	3x
X5 Group <sup>10</sup>	16.1	16.4	21.8

10. Including Krasny Yar and Slatá. Including Karusel for Q3 2022 and 9M 2022.

## EXPANSION DYNAMICS

### Selling space and number of stores by format

SELLING SPACE, SQUARE METRES (SQ. M)	AS AT 30-SEP-23	AS AT 31-DEC-22	CHANGE VS 31-DEC-22, % OR MULTIPLE	AS AT 30-SEP-22	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	8,139,969	7,497,056	8.6	7,385,832	10.2
Perekrestok	1,066,459	1,085,496	(1.8)	1,093,005	(2.4)
Chizhik	316,888	152,370	108.0	93,018	3x
Joint dark stores	10,258	8,087	26.8	5,358	91.5
<b>X5 Group<sup>11</sup></b>	<b>9,859,610</b>	<b>9,107,479</b>	<b>8.3</b>	<b>8,759,191</b>	<b>12.6</b>
NUMBER OF STORES					
Pyaterochka	20,761	19,164	8.3	18,865	10.1
Perekrestok	955	971	(1.6)	971	(1.6)
Chizhik	1,071	517	107.2	316	3x
Joint dark stores	9	7	28.6	4	125.0
<b>X5 Group<sup>11</sup></b>	<b>23,466</b>	<b>21,323</b>	<b>10.1</b>	<b>20,230</b>	<b>16.0</b>

### Selling space and number of stores added by format

SELLING SPACE, SQUARE METRES (SQ.M)	NET ADDED Q3 2023	NET ADDED Q3 2022	CHANGE Y-O-Y, % OR MULTIPLE	NET ADDED 9M 2023	NET ADDED 9M 2022	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	240,097	114,542	109.6	642,913	337,344	90.6
Perekrestok	(712)	(14,697)	n/a	(19,038)	(5,900)	n/a
Chizhik	77,330	48,889	2x	164,518	72,691	2x
Joint dark stores	-	-	n/a	2,171	5,358	(59.5)
<b>X5 Group<sup>11</sup></b>	<b>318,589</b>	<b>115,612</b>	<b>175.6</b>	<b>752,131</b>	<b>349,434</b>	<b>115.2</b>
NET NUMBER OF STORES						
Pyaterochka	513	307	67.1	1,597	893	78.8
Perekrestok	(1)	(14)	n/a	(16)	(19)	n/a
Chizhik	262	163	60.7	554	244	2x
Joint dark stores	-	-	n/a	2	4	(50.0)
<b>X5 Group<sup>11</sup></b>	<b>784</b>	<b>448</b>	<b>75.0</b>	<b>2,143</b>	<b>1,109</b>	<b>93.2</b>

11. Including Vprok.ru dark stores, Mnogo Lososya dark kitchens, Krasny Yar and Slata stores. Including Karusel for Q3 2022 and 9M 2022.

## DIGITAL BUSINESS PERFORMANCE

X5 DIGITAL	Q3 2023	Q3 2022	CHANGE Y-O-Y, %	9M 2023	9M 2022	CHANGE Y-O-Y, %
GMV, <sup>12</sup> RUB mln	31,871	15,861	100.9	88,870	52,508	69.3
Number of orders, ths	19,585	7,240	170.5	49,492	22,775	117.3
Average ticket, RUB (Vprok.ru)	5,926	4,698	26.1	5,726	4,647	23.2
Average ticket, RUB (express delivery)	1,368	1,651	(17.2)	1,487	1,717	(13.4)
<b>5POST</b>						
Number of parcels, ths	6,593	5,718	15.3	18,964	19,119	(0.8)
<b>MNOGO LOSOSYA</b>						
GMV, <sup>13</sup> RUB mln	1,927	564	3x	5,140	1,565	3x
Number of orders, ths	470	376	25.0	1,320	1,081	22.1
Average ticket, RUB	2,172	1,954	11.2	2,171	1,890	14.9

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

13. 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 stores. Sales at cafe points (incl. VAT) totalled RUB 853 mln in Q3 2023 and RUB 320 mln in Q3 2022 and are accounted for in Perekrestok's revenue (excl. VAT).

## KEY DRIVERS OF Q3 2023 RESULTS

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### External environment

- Food inflation in Q3 2023 totalled 3.6% year-on-year (vs 0.3% year-on-year deflation in Q2 2023).
- In physical terms, the food market continued to grow, driven by a good harvest and rising real incomes and demonstrating a 4.6% year-on-year increase for July-August 2023.
- Real wages growth is slowing down amid accelerating inflation. Nominal wages continue to grow steadily by an average of 12%-14% year-on-year in July-August (according to Rosstat) amid labor shortages.
- The labour market remains strong. Unemployment declined to a record 3.0% in August, on the back of greater involvement of the population in economic activity. The number of employed individuals amounted to 74.2 million people in August.
- The Bank of Russia raised the key rate three times from 7.5% to 13.0% in Q3 2023, signalling a tighter approach in response to the growth of pro-inflationary factors, especially from the budget, and the volatility of the rouble exchange rate.

### Offline business development

- Pyaterochka's offline net sales demonstrated strong growth of 17.0% year-on-year, with LFL sales increasing by 10.4% in Q3 2023. LFL traffic increased by 6.1% year-on-year, while the LFL basket increased by 4.1% year-on-year, driven by the high base effect from Q3 2022. Pyaterochka's network continued to expand, with 598 new stores added in Q3 2023 (on a gross basis).
- Perekrestok's offline net sales increased by 5.1% year-on-year in Q3 2023 with LFL sales growth of 9.5% in Q3 2023, driven predominantly by LFL basket growth.
- Chizhik's offline net sales increased threefold year-on-year in Q3 2023. The network opened 262 new stores during the period and had a total of 1,071 stores in 34 regions of Russia as of 30 September 2023. We expect a further acceleration of store openings in Q4 2023.
- The Store Director - Partner programme continues to deliver solid results. The transformation of the store director's role generates additional revenue in terms of LFL sales as well as EBITDAR. At the end of September 2023, the programme covered 25% of Pyaterochka stores and 100% of Perekrestok supermarkets.

### 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.
- In Q3 2023, 477 gross new-concept Pyaterochka stores were opened; in addition, 201 Pyaterochka stores were refurbished in line with the new concept. The total number of stores operating under the new concept reached 7,962, or 38.4% of the Pyaterochka store base, as of 30 September 2023.
- Two gross new-concept Perekrestok supermarkets were opened in Q3 2023; in addition, four Perekrestok supermarkets were refurbished in line with the new concept. As of 30 September 2023, 271 supermarkets, or 28.4% of the Perekrestok store base, were operating under the new concept.
- In Q3 2023, as part of the Company's ongoing rationalisation programme, X5 closed 76 Pyaterochka proximity stores, eight Pokupochka stores, one Victoria store, three Perekrestok supermarkets and one Krasny Yar store.
- In Q3 2023, X5 opened a new distribution centre in Orenburg (32 ths sq. m) to serve its Pyaterochka proximity format, and opened a new distribution centre in Krasnodar (14 ths sq. m) to support the regional expansion of its Chizhik hard discounter format.
- In August 2023, X5 Group acquired Victoria Baltia, which operates Victoria stores in the Kaliningrad and Moscow regions, as well as Deshevo stores and the CASH hypermarket in the Kaliningrad region.

## Loyalty programme

- At the end of Q3 2023, X5's loyalty programme had 74.7 million active customers, while the programme's sales penetration reached 77.1%. The average ticket of the 1.98 million loyalty programme customers who selected favourite product categories was 6.3% higher than that of other loyalty programme customers.

## Digital business development

- In Q3 2023, X5's digital services had a total of 24.8 million MAUs, an increase of 35.8% year-on-year.
- The GMV of X5 Digital in Q3 2023 reached RUB 31.9 billion, doubling year-on-year, including VAT and gross of promo codes and bonuses.
- Total digital business revenue (including X5 Digital, 5Post and Mnogo Lososya) grew 97.9% year-on-year in Q3 2023 and contributed 1.7 p.p. to the consolidated quarterly revenue growth rate of 22.7%. X5 Digital successfully fulfilled over 262 thousand orders on peak days in September.
- X5 continues the rapid expansion of express delivery services from Pyaterochka proximity stores and Perekrestok supermarkets. As of 30 September 2023, express delivery was available from 7,828 stores (6,801 Pyaterochka stores, 866 Perekrestok supermarkets and 161 Chizhik hard discounters) as well as 44 dark stores in 69 regions, up from 2,633 stores and 45 dark stores in 60 regions a year earlier. X5 aims to continue to develop its express delivery services, as well as its partnerships with delivery aggregators, to provide its customers with the convenience of an omnichannel shopping experience.
- In Q3 2023, 5Post's e-commerce delivery service revenue increased by 48.6% year-on-year, driven by an increasing number of new partners. 5Post's financial performance significantly improved due to a growing share of the service's domestic partners and the introduction of advertising services for partners. 5Post fulfilled 6.6 million orders in Q3 2023, with over 25 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 was operating 69 dark kitchens (including three franchisees) and 302 cafe points at Perekrestok supermarkets at the end of September. Mnogo Lososya's online net sales increased by 50% year-on-year in Q3 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 30 September 2023, X5 had 23,466 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, as well as a growing presence in the Russian Far East. Its store base includes 20,761 Pyaterochka proximity stores, 955 Perekrestok supermarkets, 1,071 Chizhik hard discounters and 601 Krasny Yar and Slata stores. The Company operates 61 DCs and 4,745 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 364 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\*). In H1 2023, revenue totalled RUB 1,468,407 million (USD 19,095 million\*\*), adjusted EBITDA pre-IFRS 16 reached RUB 100,748 million (USD 1,310 million\*\*), and net profit pre-IFRS 16 amounted to RUB 41,661 million (USD 542 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.

**For further details  
please contact:**

**Polina Ugryumova**  
Head of Corporate Finance and IR

Tel.: +7 (495) 662-88-88 ext. 13-312  
e-mail: Polina.Ugryumova@x5.ru

**Maria Yazeva**  
Investor Relations Officer

Tel.: +7 (495) 662-88-88 ext. 13-147  
e-mail: Maria.Yazeva@x5.ru

\* FX rate: 68.5494 USD/RUB

\*\* FX rate: 76.8996 USD/RUB