

X5 Group Q1 2024 net sales increase **26.9%**

Digital business net sales up **81.7%**

Q1 2024 (PRELIMINARY) HIGHLIGHTS

+26.9% y-o-y



Total net sales growth was driven by a **14.8%** y-o-y increase in like-for-like (LFL¹) sales and selling space expansion

+412 new stores



X5 net new stores in Q1 2024

Including **285** proximity stores, **6** supermarkets, **116** hard discounters, **3** dark kitchens, and **2** discounters of the Krasny Yar and Slata chains

143.5% y-o-y



Chizhik net sales totalled RUB **45.6** billion in Q1 2024

Chizhik opened **116** stores in Q1 2024

+25.1% y-o-y



Net retail sales for Pyaterochka² totalled RUB **686.5** billion

+18.9% y-o-y



Net retail sales for Perekrestok totalled RUB **120.6** billion

+81.7% y-o-y



Digital business net sales³ totalled RUB **46.5** billion

5.3% of total net sales
+2.1 p.p. of the consolidated revenue growth rate

Amsterdam

16 April 2024

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 2024⁴.

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, Kvartal, Deshevo and CASH.

3. Including 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 businesses⁵

RUB MLN		Q1 2023	CHANGE Y-O-Y, %
Pyaterochka	660,943	537,943	22.9
Perekrestok	107,705	93,744	14.9
Chizhik	45,392	18,740	142.2
Offline net sales ⁶	835,699	669,761	24.8
Digital businesses' net sales	46,525	25,606	81.7
Total net sales	882,224	695,367	26.9

Net retail sales⁷ by format

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

RUB MLN	Q1 2024	Q1 2023	CHANGE Y-O-Y, %
Pyaterochka	686,513	548,912	25.1
Perekrestok	120,638	101,442	18.9
Chizhik	45,640	18,744	143.5
Net retail sales⁸	875,536	689,179	27.0

Q1 2024 LFL store performance by format

% change y-o-y

	SALES	TRAFFIC	BASKET
Pyaterochka	14.6	3.0	11.2
Perekrestok	16.8	3.4	13.0
X5 Group⁹	14.8	2.9	11.6

Q1 2024 monthly net retail sales by format

% change y-o-y

	JANUARY 2024	FEBRUARY 2024	MARCH 2024
Pyaterochka	19.7	25.5	23.3
Perekrestok	13.2	16.7	14.7
Chizhik	149.6	142.7	136.5
Offline business total	21.5	27.4	25.4
Digital business total	76.4	84.8	83.6
Total	23.5	29.6	27.5

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, as well as Mnogo Lososya cafe points in Auchan. Including Karusel for Q1 2023.

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 Q1 2024 financial results.

8. Including Mnogo Lososya, Krasny Yar and Slata. Including Karusel for Q1 2023.

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

AVERAGE TICKET AND NUMBER OF CUSTOMER VISITS

Q1 2024 average ticket and customer visits by offline format

AVERAGE TICKET, RUB	Q1 2024	Q1 2023	CHANGE Y-O-Y, %
Pyaterochka	517.6	465.4	11.2
Perekrestok	815.1	722.2	12.9
Chizhik	615.9	586.0	5.1
X5 Group ¹⁰	549.9	494.3	11.3
NUMBER OF CUSTOMER VISITS, MLN			
Pyaterochka	1,521.0	1,351.7	12.5
Perekrestok	168.9	160.4	5.3
Chizhik	84.2	36.4	131.4
X5 Group ¹⁰	1,821.3	1,595.0	14.2

Q1 2024 average monthly ticket and customer visits by offline format

% change y-o-y

AVERAGE TICKET	JANUARY 2024	FEBRUARY 2024	MARCH 2024
Pyaterochka	11.0	10.7	11.9
Perekrestok	14.1	11.6	12.9
Chizhik	2.8	4.6	7.3
X5 Group ¹⁰	11.0	10.7	11.9
NUMBER OF CUSTOMER VISITS			
Pyaterochka	9.6	15.7	12.5
Perekrestok	2.8	8.2	5.0
Chizhik	143.9	133.1	121.2
X5 Group ¹⁰	11.3	17.3	14.1

EXPANSION DYNAMICS

Selling space and number of stores by format

SELLING SPACE, SQUARE METRES (SQ. M)	AS AT 31-MAR-24	AS AT 31-DEC-23	CHANGE VS 31-DEC-23, %	AS AT 31-MAR-23	CHANGE Y-O-Y, %
Pyaterochka	8,438,777	8,339,205	1.2	7,634,733	10.5
Perekrestok	1,087,760	1,084,913	0.3	1,068,031	1.8
Chizhik	476,222	442,110	7.7	174,368	173.1
Joint dark stores	10,258	10,258	-	10,258	-
X5 Group¹¹	10,335,915	10,206,011	1.3	9,203,045	12.3
NUMBER OF STORES					
Pyaterochka	21,593	21,308	1.3	19,549	10.5
Perekrestok	978	972	0.6	956	2.3
Chizhik	1,616	1,500	7.7	591	173.4
Joint dark stores	9	9	-	9	-
X5 Group¹¹	24,884	24,472	1.7	21,760	14.4

Selling space and number of stores added by format

SELLING SPACE, SQUARE METRES (SQ. M)	NET ADDED Q1 2024	NET ADDED Q1 2023	CHANGE Y-O-Y, %
Pyaterochka	99,572	137,677	(27.7)
Perekrestok	2,847	(17,466)	n/a
Chizhik	34,112	21,998	55.1
Joint dark stores	-	2,171	n/a
X5 Group¹¹	129,904	95,566	35.9
NET NUMBER OF STORES			
Pyaterochka	285	385	(26.0)
Perekrestok	6	(15)	n/a
Chizhik	116	74	56.8
Joint dark stores	-	2	n/a
X5 Group¹¹	412	437	(5.7)

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

DIGITAL BUSINESS PERFORMANCE

X5 DIGITAL	Q1 2024	Q1 2023	CHANGE Y-O-Y, %
GMV, ¹² RUB mln	50,615	27,879	81.6
Number of orders, ths	27,164	14,585	86.3
Average ticket, RUB (Vprok.ru)	4,629	5,097	(9.2)
Average ticket, RUB (express delivery)	1,699	1,595	6.5
5POST			
Number of parcels, ths	11,723	5,973	96.3
MNOGO LOSOSYA			
GMV, ¹³ RUB mln	2,184	1,517	44.0
Number of orders, ths	539	426	26.8
Average ticket, RUB	2,384	2,109	13.0

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 and Auchan stores. Sales at cafe points (incl. VAT) totalled RUB 824 mln in Q1 2024 and RUB 571 mln in Q1 2023.

KEY DRIVERS OF Q1 2024 RESULTS

External environment

- Food inflation in Q1 2024 totalled 7.5% year-on-year (vs 7.1% year-on-year in Q4 2023).
- In physical terms, the food market continued to grow, driven by rising real incomes and demonstrating a 8.6% year-on-year increase for January-February 2024.
- Real wage growth remains stable despite accelerating inflation. Nominal wages continue to grow steadily by an average of 16-17% year-on-year (according to Rosstat) amid labor shortages.
- The labour market remains strong. Unemployment declined to a record 2.8% in February, on the back of greater involvement of the population in economic activity. The number of employed individuals amounted to 73.4 million people.
- The Bank of Russia left the key rate unchanged at 16.0% in Q1 2024.

Offline business development

- Pyaterochka's offline net sales demonstrated strong growth of 22.9% year-on-year, with LFL sales (including express delivery) increasing by 14.6% in Q1 2024. LFL traffic increased by 3.0% year-on-year, while the LFL basket increased by 11.2% year-on-year, driven by accelerating inflation. Pyaterochka's network continued to expand, with 399 new stores added in Q1 2024 (on a gross basis).
- Perekrestok's offline net sales increased by 14.9% year-on-year in Q1 2024. LFL sales (including express delivery) increased by 16.8% in Q1 2024, primarily driven by LFL basket growth.
- Chizhik's offline net sales increased by 142.2% year-on-year in Q1 2024. The network opened 116 new stores during the period and had a total of 1,616 stores in 43 regions of Russia as of 31 March 2024.
- 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 March 2024, the programme covered 26% of Pyaterochka stores and, following the programme relaunch, 6% 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 Q1 2024, 399 gross new-concept Pyaterochka stores were opened; in addition, 450 Pyaterochka stores were refurbished in line with the new concept. The total number of stores operating under the new concept reached 9,532, or 44.1% of the Pyaterochka store base, as of 31 March 2024.
- 12 gross new-concept Perekrestok supermarkets were opened in Q1 2024; in addition, one Perekrestok supermarket was refurbished in line with the new concept. As of 31 March 2024, 304 supermarkets, or 31.1% of the Perekrestok store base, were operating under the new concept.
- In Q1 2024, as part of the Company's ongoing rationalisation programme, X5 closed 114 Pyaterochka proximity stores, six Perekrestok supermarkets and two KhlebSol stores.
- In February 2024, X5 Group acquired Forward-Market, a distributor operating in the Republic of Bashkortostan. X5 took over the ownership of distribution centres measuring a total of 28,000 square metres and a fleet of 47 vehicles.
- Pyaterochka launched operations in the Transbaikal Territory. In March, the retail chain opened ten Pyaterochka stores in the city of Chita.

Loyalty programme

- At the end of Q1 2024, X5's loyalty programme had 79 million active customers, while the programme's sales penetration reached 85.1%. Among the 3.1 million loyalty programme customers who chose favourite product categories, the average ticket was 8.2% higher than that of other loyalty programme customers.

Digital business development

- In Q1 2024, X5's digital services had a total of 33.6 million MAUs, an increase of 54.1% year-on-year.
- The GMV of X5 Digital in Q1 2024 reached RUB 50.6 billion, increasing by 81.6% year-on-year, including VAT and gross of promo codes and bonuses.
- Total digital business revenue (including X5 Digital, 5Post and Mnogo Lososya) grew 81.7% year-on-year in Q1 2024 and contributed 2.1 p.p. to the consolidated quarterly revenue growth rate of 26.9%. X5 Digital successfully fulfilled over 382 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 2024, express delivery was available from 8,394 stores (7,326 Pyaterochka stores, 908 Perekrestok supermarkets and 160 Chizhik hard discounters) as well as 35 dark stores in 70 regions, up from 5,709 stores and 46 dark stores in 69 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 Q1 2024, 5Post's e-commerce delivery service revenue increased by 126.5% 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 11.7 million orders in Q1 2024, with over 20 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 73 dark kitchens (including three franchisees) and 325 cafe points at Perekrestok supermarkets, as well as four cafe points at Auchan hypermarkets at the end of March. Mnogo Lososya's online net sales increased by 45.7% year-on-year in Q1 2024.

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, express delivery and Mnogo Lososya.

As of 31 March 2024, X5 had 24,884 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 21,593 Pyaterochka proximity stores, 978 Perekrestok supermarkets, 1,616 Chizhik hard discounters and 612 Krasny Yar and Slata stores. The Company operates 61 DCs and 5,504 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 378 thousand people.

For the full year 2023, revenue totalled RUB 3,145,859 million (USD 36,903 million*), EBITDA pre-IFRS 16 reached RUB 214,764 million (USD 2,519 million*), and net profit pre-IFRS 16 for the period amounted to RUB 90,284 million (USD 1,059 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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