



# Acquisition of **Monetka**

October 2023



# Monetka Today is #10 Food Retailer in Russia<sup>1</sup> with an Attractive CVP and an Efficient Business Model

**2 120**

convenience stores<sup>2</sup>

**606** k sqm<sup>2</sup>

total selling space<sup>2</sup>

**+19,9%**

FY 2022 LFL sales growth  
y-o-y

**192** RUB bn

LTM Sales  
as of 30 June 2023

**>23** k

employees<sup>2</sup>

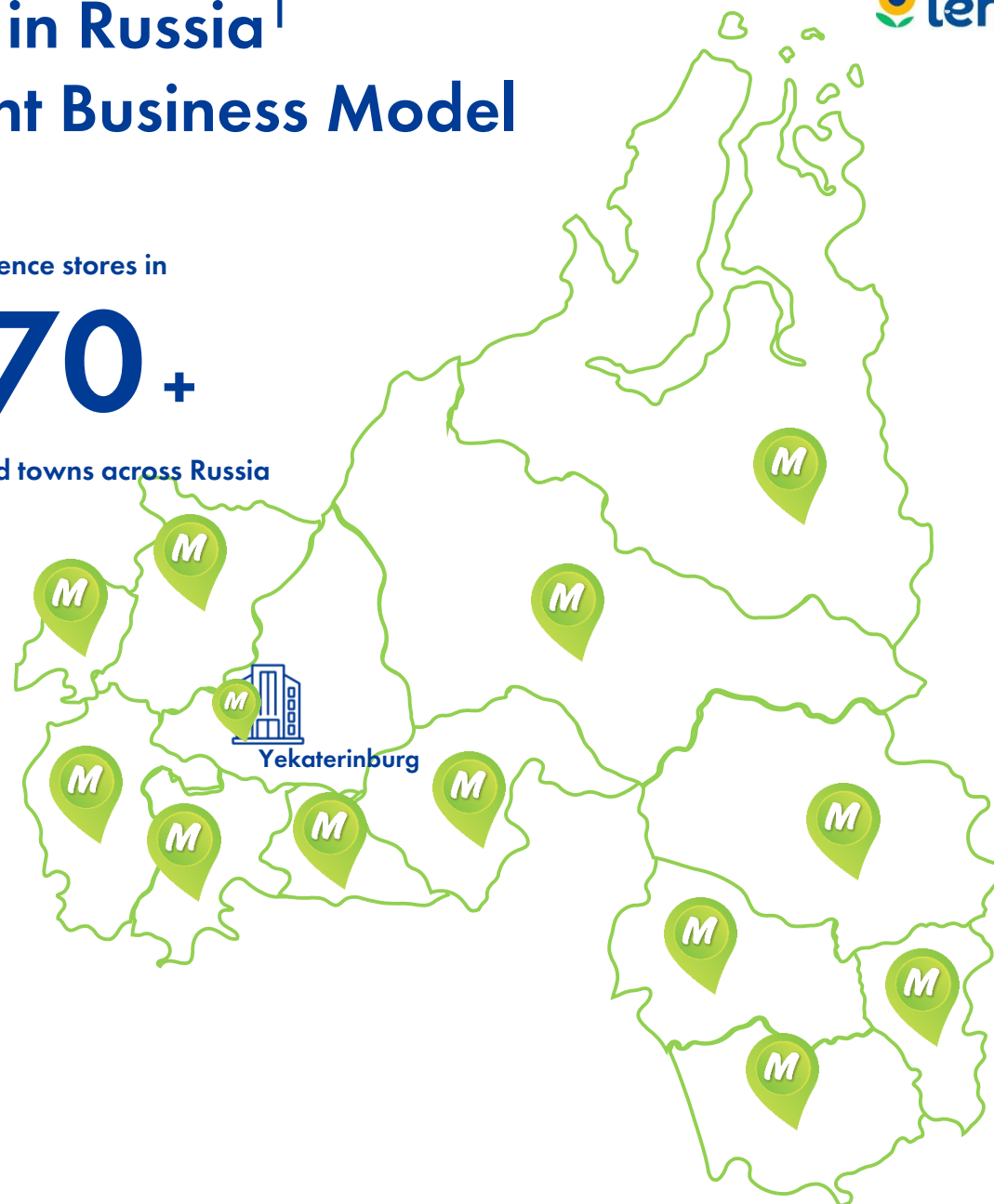
**>110** k sqm<sup>2</sup>

total space of  
5 Distribution Centers<sup>2</sup>

Convenience stores in

**470+**

cities and towns across Russia



# Why Monetka?

1

## Achieving Strategic Goals

The transaction is in line with Lenta's strategic goals of increasing revenue through expansion into the convenience store format. Thanks to the deal, the retail space of Lenta's small format stores will increase **2.4 times to 902 k sqm**

2

## Successful CVP

Monetka is a neat and clean convenience store with polite staff, where the availability of high-quality goods of daily demand at constantly low prices is guaranteed

3

## Synergies

Lenta's revenue, including Monetka, will grow by more than 30%, which will significantly strengthen the purchasing power of the merged company

4

## Significant Growth in Market Share

Following the transaction, Company's market share<sup>1</sup> in the Russian Federation will increase by 37%. In the Tyumen, Sverdlovsk, Kemerovo regions, Yamalo-Nenets Autonomous Okrug, Khanty-Mansi Autonomous Okrug, Perm Territory, the Company's share will exceed 10%

5

## Foundation for Organic Growth

Further organic growth of the convenience store format will be driven by openings of stores under the Monetka brand.





# Deal Parameters



## Corporate & FAS Approvals Received

- Board of Directors approved the Transaction
- The FAS RF granted the request to approve the transaction while simultaneously issuing an order to take actions aimed at ensuring competition.
- Lenta will begin to consolidate the results of Monетка from October 2023



## Transaction Perimeter

- LTM Sales as of 30 June 2023 - 192 RUB bn
- 2 120 convenience stores
- 5 distribution centers
- 560+ tracs



## Transaction Financing

- To finance the transaction, the Company's used own available funds and also raised additional debt financing
- Lenta maintains its long-term goal of reducing its debt burden to 1.5x Net Debt / EBITDA (IAS 17)

# Monetka's store: key characteristics

**290** sqm

average store selling space

**3 600** SKU

average number of SKUs

**~340**

RUB k per sqm in year  
sales density

**~17%**

share of local assortment  
in sales

**30+**

own private brands

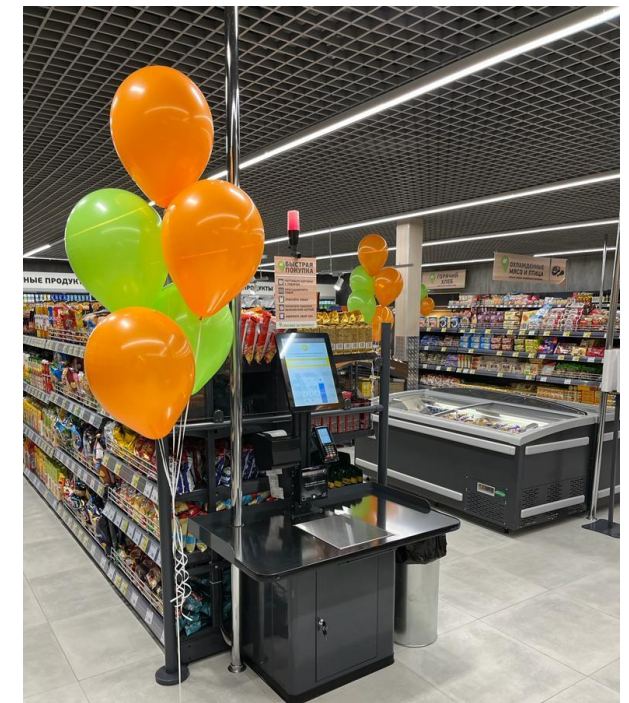
**349** RUB

average ticket\*

Pricing Approach

**«Every Day Low Prices»**

Every Day Low Price (EDLP) / Every Day Promo Price (EDPP)



# Main Focus of the Integration: Maintaining the Successful Operating Model of Monetka and Realizing Synergies

## Saving Operational Processes

- Preservation of the Monetka brand
- Saving operational processes of Monetka
- Organic expansion in regions of presence and “neighboring” regions
- Saving Monetka’s team. Launch of a top management retention program

## Getting Synergies

- Reducing purchase prices for the overlapping range of federal and local suppliers
- Strengthening positions in direct import and private labels
- Strengthening Lenta's expertise in local brands in the regions of Monetka's presence
- Two-way exchange of best practices
- Cross-synergy in IT, logistics, and other operational processes
- Finding possible ways to reduce SG&A

## Consolidation of Corporate Processes

- Consolidation of IFRS Reporting starting from October 2023
- Unification of decision-making processes related to strategy, investments, legal issues
- Unification of approaches to personnel management