



Q1 2022 Investor Presentation

April 2022

DISCLAIMER

This presentation 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 Lenta'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 Lenta speak only as of the date of this announcement. Except as required by any applicable laws or regulations, Lenta 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.



LENTA'S STRENGTHS TODAY

"LENTA IS PERFECTLY POSITIONED TO BE A GROWTH LEADER IN THE NEXT STAGE OF RUSSIAN FOOD RETAIL"



Largest
hypermarket
chain in Russia¹



Nationwide
coverage in
200+ localities



+98%
of transactions
made with
loyalty cards



~6.8 million
Lenta.App
users²



Massive
purchasing power



+540 stores
serve as online
fulfillment centers



98% of Sales
are made with
Lenta's loyalty
card



Sector-leading
EBITDA Margin
of **8.1%**³



BUSINESS GEOGRAPHY

St. Petersburg and region

40 Hypermarkets

108 Small Formats

Moscow and region

27 Hypermarkets

279 Small Formats

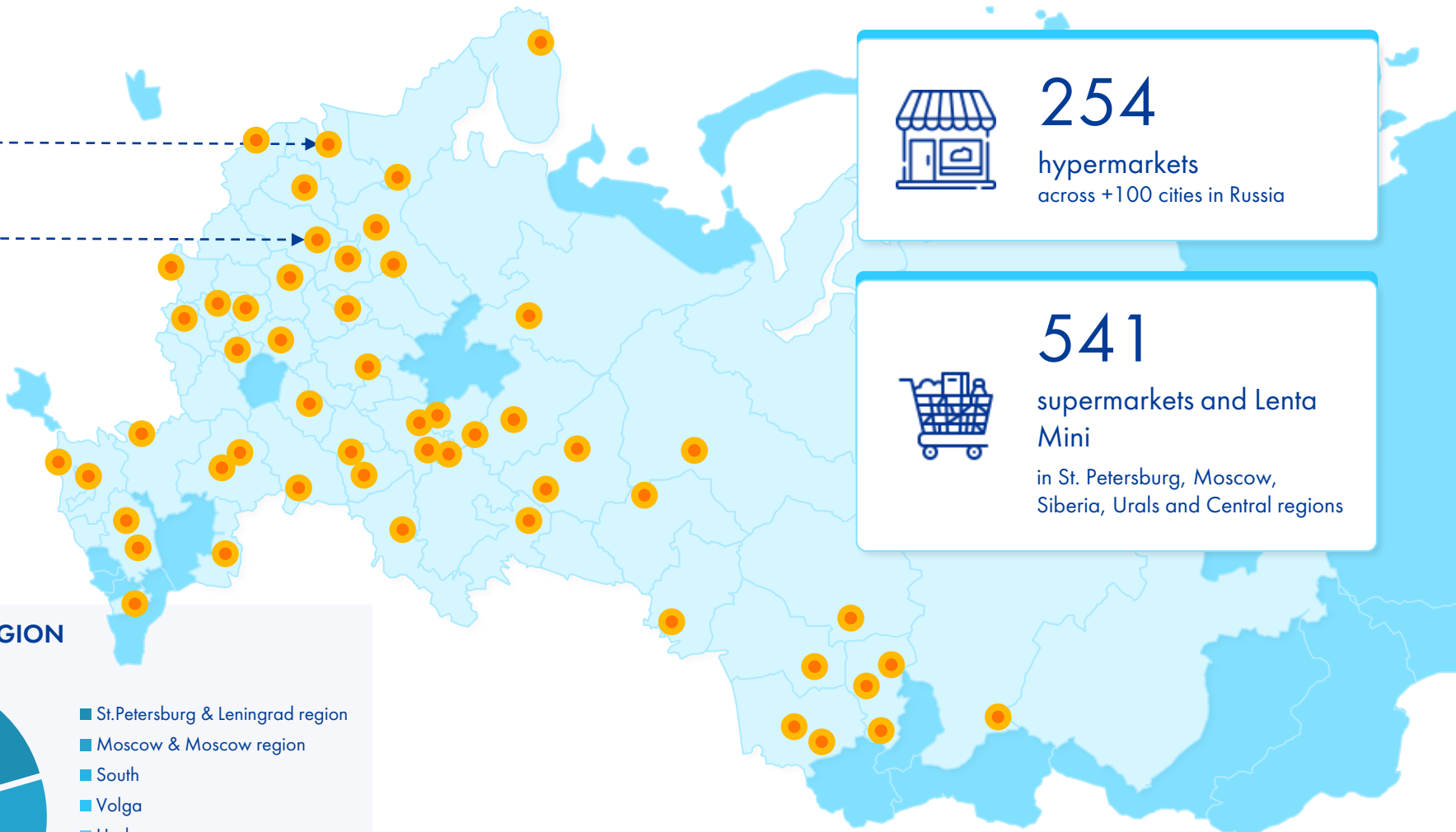
Regions

187 Hypermarkets

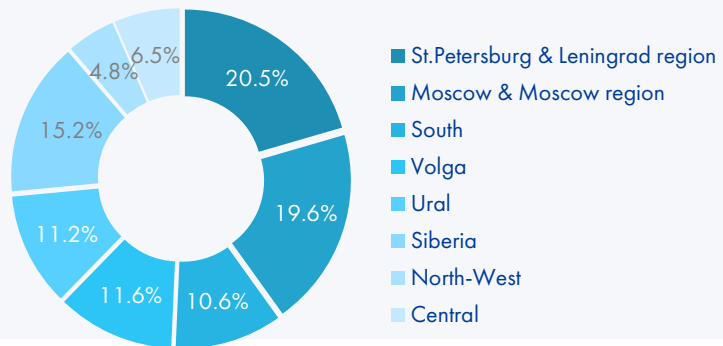
154 Small Formats

254 hypermarkets across +100 cities in Russia

541 supermarkets and Lenta Mini in St. Petersburg, Moscow, Siberia, Urals and Central regions



RETAIL SALES BY REGION IN Q1'22, %



OUR STRATEGY



OUR 2025 STRATEGY IS SIMPLE: X2 GROWTH WITH HIGHEST PROFITABILITY ON THE MARKET

X2 REVENUE BY 2025 BY BECOMING CLOSER TO OUR CUSTOMERS

01



Core business - HM

- LFL above the inflation via improving offering, experience and personalization
- Growing market share
- Potential conversion of some HMs into hybrid / dark stores

02



Expansion

- ~1.5 mln sq.m primarily in SMs and proximity

How:

- Organic expansion in regions with high market share & brand loyalty
- Sizeable consolidation deals in other regions

03



Online

- >10% market share in 2025
- Federal presence
- Cover all customer missions
- Consider partnerships with marketplace

04



EBITDA

- We defined a plan for constant improvement of operational efficiency

+ 550 B RUB to FY 2020 SALES

>8%



LENTA 2025 VISION



Improve our current offer
in core business



Become closer to
customer



CHAMPION
OFFER



GREAT
EXPERIENCE



BEST
INDIVIDUALIZATION



EXPANSION IN LENTA
SM & LENTA MINI



ONLINE DEVELOPMENT

CONTINUOUS IMPROVEMENT



LENTA'S STRATEGIC GOALS THROUGH 2025

Growth



Double Sales
to RUB 1 trillion

Profitability



Remain the most
profitable Russian
food retailer

Competitiveness



#1-2 player in
the arenas where
we choose to compete

Returns



Total Shareholder Return
amongst
industry leaders

STRATEGIC UPDATE



VIA EXPANSION IN PROXIMITY & ONLINE WE GET HIGHER SHARE IN CUSTOMER WALLETS



HM	✓	✓	✓	✓	✓	✓	✓	✓	✓
SM	✓	✓	✓	✓	✓	✓	✓	✓	✓
Proximity	✓	✓	✓	✓	✓	✓	✓	✓	✓
Online	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Primary focus mission

✓ Secondary focus mission



HYPERMARKET

Number of Stores	254
Key Parameters¹	
Selling space, sqm	2 500 – 9 000
Number of SKUs	15k – 30k
Owned selling space	78.0%
Share of Non-food in Sales	22.4%
Share of Private Label	15.4%

Focus Missions



Big planned purchase for a short time



Big planned purchase for a long time



Planned non-food purchase (durables)



Planned non-food purchase (near food)

- Small purchase: dry & fresh
- Purchase of fresh to eat right after (snack)
- Purchase of missing fresh in nearby store
- Quick/spontaneous purchase of dry (bring home)
- Quick/spontaneous purchase of dry (eat right after)

Primary focus mission

Secondary focus mission

SUPERMARKET

Number of Stores	353
Key Parameters¹	
Selling space, sqm	700 – 1,500
Number of SKUs	4.6k – 12k
Owned selling space ²	20.8%
Share of Non-food in Sales ²	9.3%
Share of Private Label ²	10.5%

Focus Missions



Small purchases:
Dry & Fresh



Big planned
purchase for a short
time



Big planned
purchase for a long
time

- Purchase of fresh to eat right after (snack)
- Purchase of missing fresh in nearby store
- Quick/spontaneous purchase of dry (bring home)
- Quick/spontaneous purchase of dry (eat right after)
- Planned non-food purchase (durables)







Primary focus mission

Secondary focus mission



Number of Stores	188
Key Parameters¹	
Selling space, sqm	200 - 850
Number of SKUs	3.5k – 6.8k
Owned selling space ²	5.9%
Share of Non-food in Sales ²	11.5%
Share of Private Label ²	16.9%

Focus Missions

 <p>Small purchases: Dry & Fresh</p>	 <p>Purchase of fresh to eat right after (snack)</p>	 <p>Purchase of missing fresh in nearby store</p>
 <p>Quick/spontaneous purchase of dry (bring home)</p>	 <p>Quick/spontaneous purchase of dry (eat right after)</p>	 <p>Big planned purchase for a short time</p>

Primary focus mission
 Secondary focus mission



1. Based on Q1 2022 results
 2. Based on Lenta's Mini (not including Semya's convenience stores)

Q1 2022 RESULTS



Q1 2022 HIGHLIGHTS



44

Stores added
(gross)



16.4%

Selling space
growth y-o-y*



23.3%

Retail Sales
growth y-o-y



7.8%

LFL Total Retail
Sales growth
y-o-y**



184%

Total Online
Sales growth y-o-y



127%

Total Online
Orders growth y-o-y



5.2%

EBITDA Margin
IAS 17



1.8x

Net Debt to
EBITDA (LTM)
IAS 17



* Including organic and inorganic growth
** Billa and Semya stores are not included in LFL.

Q1 2022 OPERATING RESULTS

Number of Stores

254

Hypermarkets

541

Supermarkets
(38 stores added, net* in Q1 2022)

Selling Space

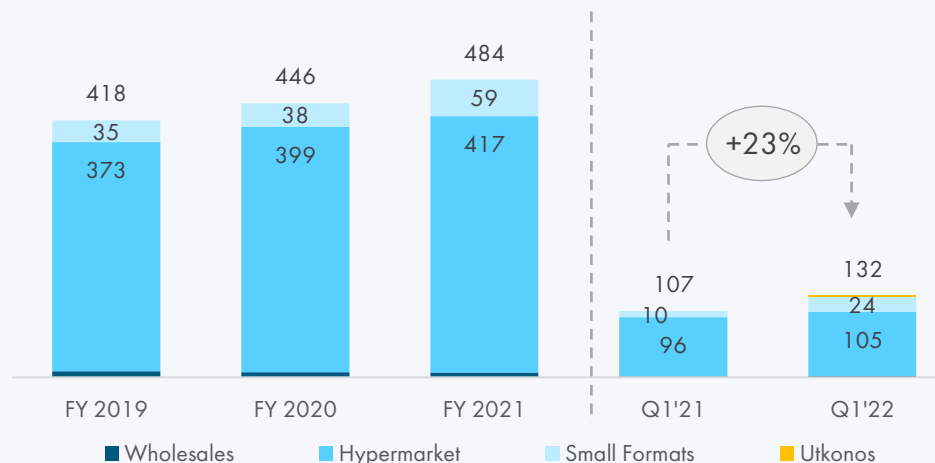
1 401 k sqm

Hypermarkets

371 k sqm

Supermarkets
(213% growth y-o-y*)

Total Sales Dynamic, RUB bn



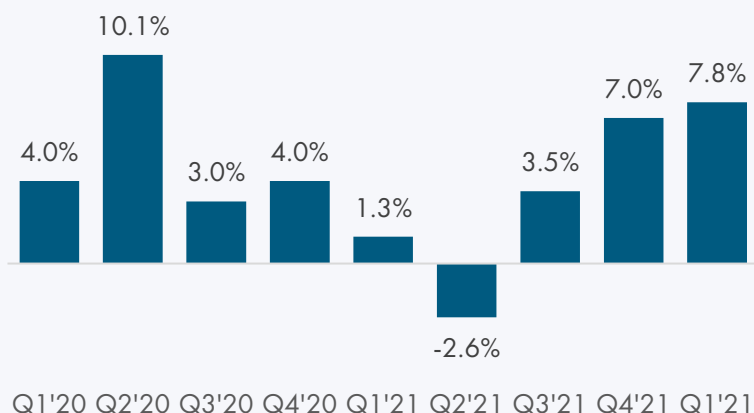
-4.3%

Average Ticket
decrease
y-o-y

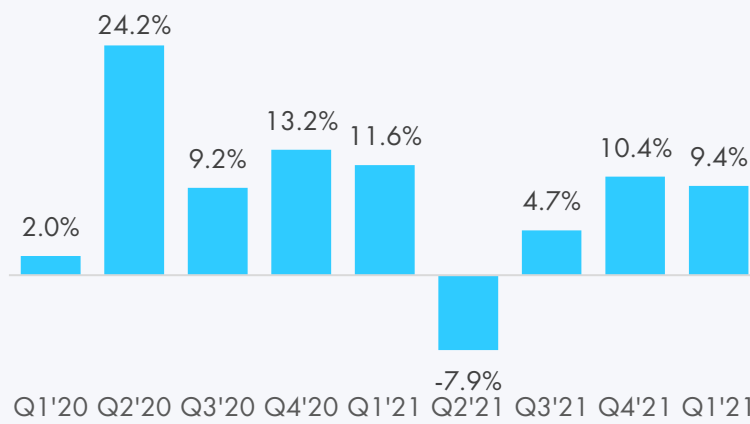
28.8%

Number of Tickets
growth
y-o-y

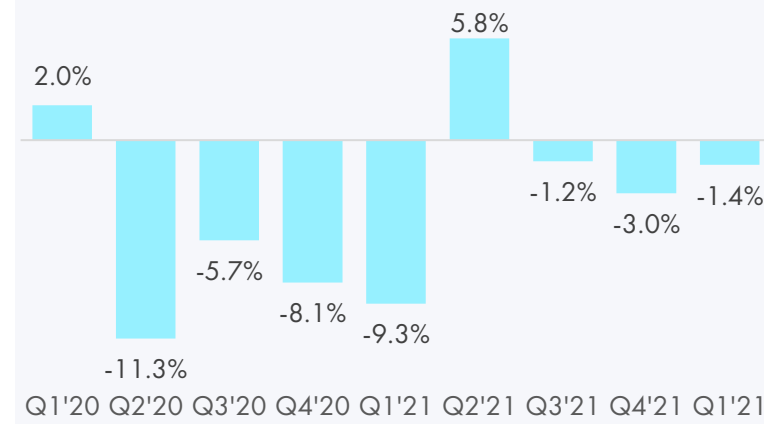
LFL sales*, Δ% y-o-y



LFL Ticket*, Δ% y-o-y










LFL Traffic**, Δ% y-o-y



* Including Billa and Semya stores acquired in Q3 2021

** Billa and Semya stores are not included in LFL.

Q1 2022: FORMAT DETAILS

	Hypermarkets	Small formats
 Number of stores	254	541 ^{**}
 Selling space, sq.m.	1,401,291	371,125
 Owned selling space, %	78.0%	17.4%
 Sales density, k RUB/sq.m [*]	302.6	285.9
 Retail sales split	80.2%	19.8%
 Average ticket, RUB	1,370	536
 Average # of SKU ^{***}	24,436	7,106



* Retail sales for the last four quarters divided by the average selling space over the last five quarters

** Including Lenta Mini

*** Based on Lenta's and ex-Billa integrated stores

LOGISTIC CAPABILITIES



14

Distribution Centers (DC)



453k sq m

Distribution Centers space



81%

Own DC's space



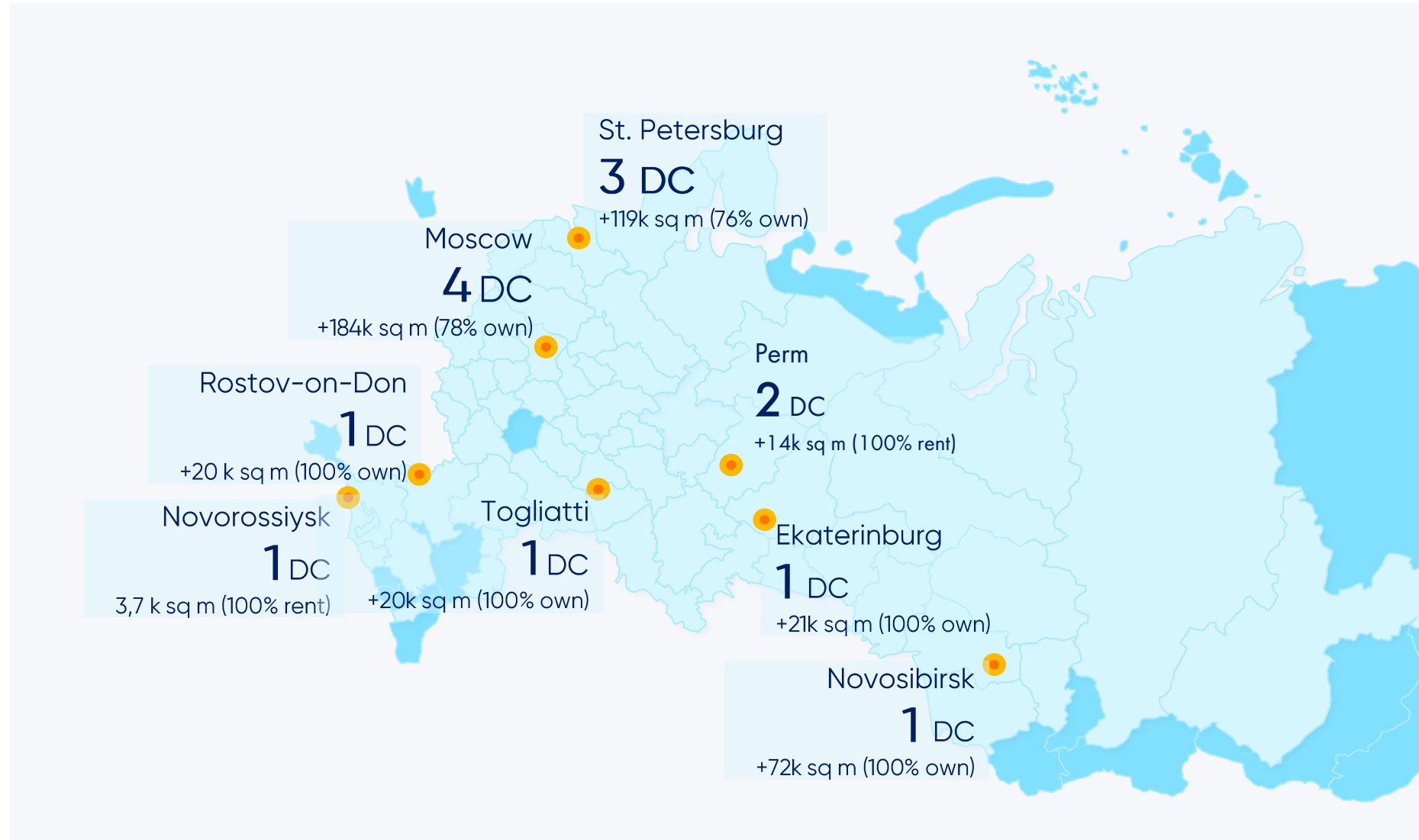
330

Own Trucks



70.6%

Centralization ratio



Q1 2022 ONLINE OPERATING RESULTS



Online Sales Split

32%

Share of **Online Partners** in Total Online Sales

47%

Share of **Lenta Online and C&C** in Total Online Sales

21%

Share of **Utkonos** in Total Online Sales

Unique Set of Assets to Become a Champion in Online



Wide Geographical Coverage of HM

254 HMs

Convertible to hybrid / darkstores



Strong Commercial Terms

- Wide range with strong purchase power
- Great choice of 35+ SKUs
- Unique offer of best in class PL



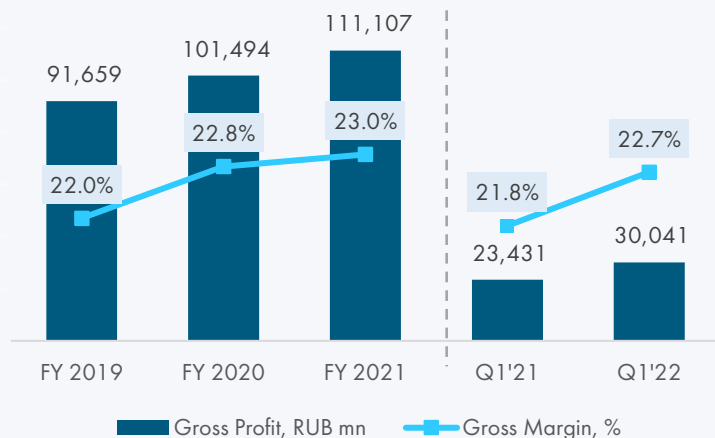
Significant Online Customer Traffic¹

- 95% Brand awareness
- 64 mn citizens in catchment area
- 21 mn loyalty card holders

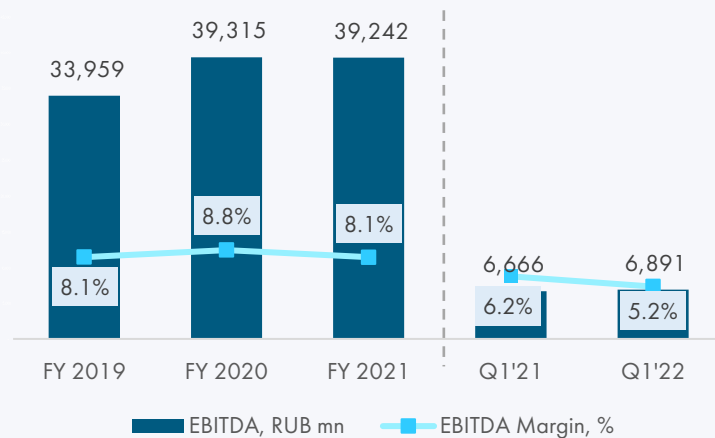


Q1 2022 FINANCIAL RESULTS IAS 17

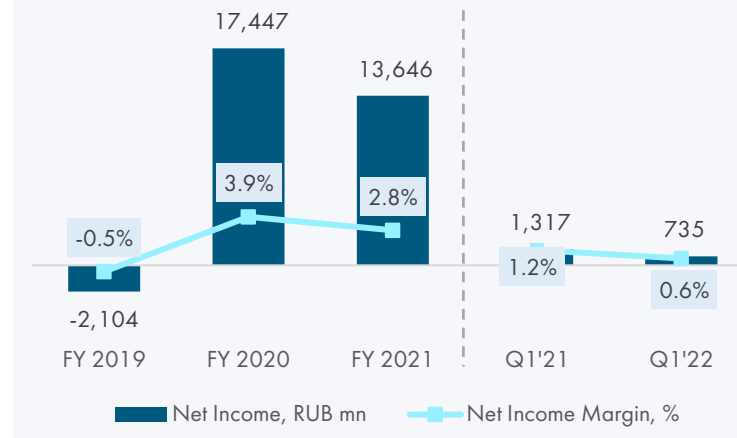
Gross Profit and Gross Margin



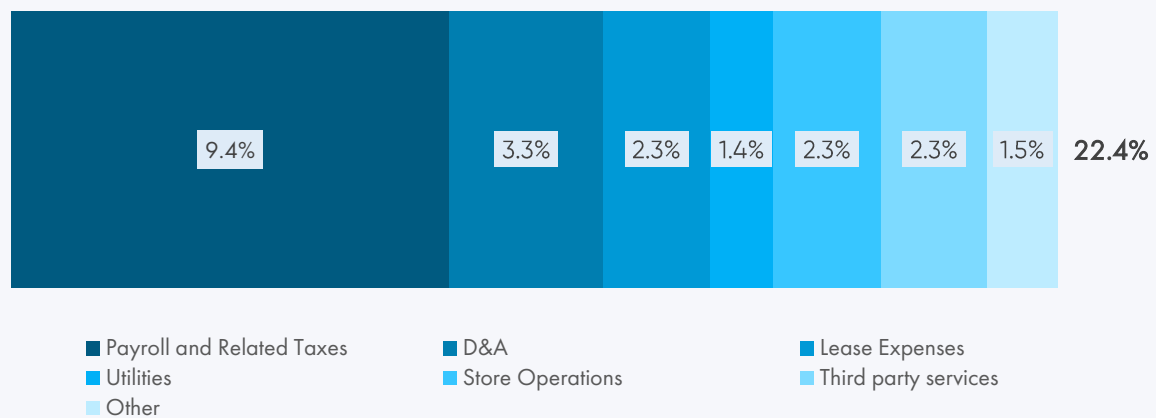
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



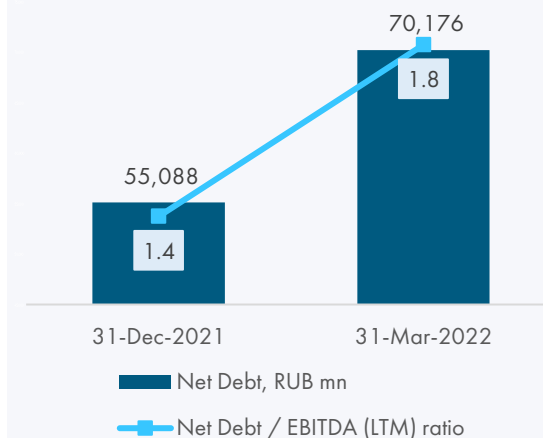
CapEx

RUB 4.0 bn

~25% y-o-y growth

Accelerated pace of new organic store openings, continuing IT development costs, and expenses related to the integration of Billa stores.

Debt Position and Leverage



LENTA DIVIDENDS

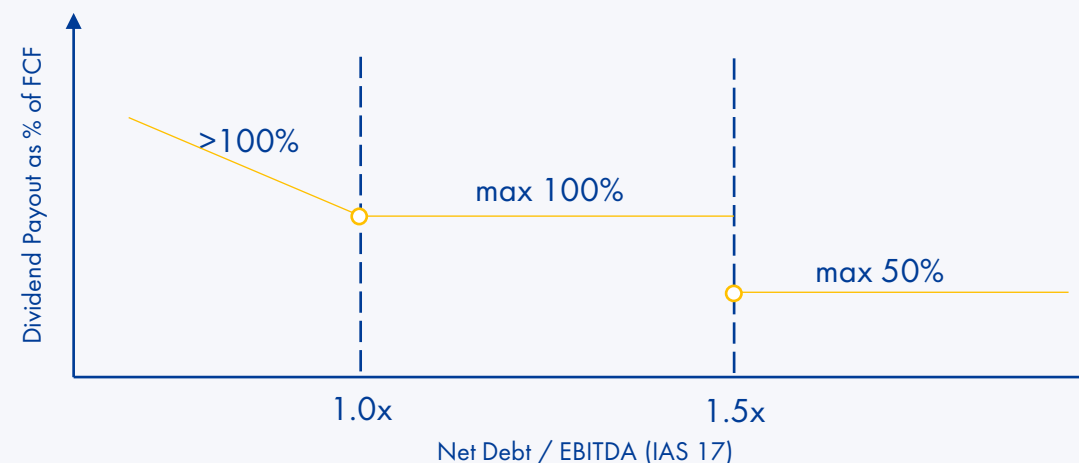
Dividend Policy

- Dividend Policy was approved by the Board in November 2021.
- Key Dividend Policy principals:
 - the Company intends to pay dividends on an annual basis. However, the Company may also pay interim dividends, provided that its current financial position is sustainable;
 - the dividend payout shall depend on the performance of the Company and its subsidiaries;
 - the average amount of dividends for a calendar year should not exceed 100% of FCF of the Company for the respective reporting period, provided that the Net Debt/EBITDA ratio based on figures in the Consolidated Financial Statements (IAS 17) is lower than 1.5x, and the Company is allowed to make an adjustment for seasonal fluctuations in working capital;
 - if the Net Debt/EBITDA ratio is lower than 1.0x, the amount of paid dividends can exceed 100% of FCF of the Company;
 - if the Net Debt/EBITDA ratio is higher than 1.5x, the Company may move to a policy, whereby an average annual amount of dividends shall not exceed 50% of FCF for the respective reporting period, until the Net Debt/EBITDA ratio returns to 1.5x or below.

Lenta's Strategic Priorities in Capital Allocation

- 01.** Maintain healthy Leverage: long-term target of 1.5x
- 02.** Invest into profitable growth of sales in existing stores, organic and inorganic growth
 - Existing stores renovation
 - New stores opening and online channel development
 - Industry consolidation
- 03.** Distribute dividends

Dividend Payout Determination Principle



Appendices



QUARTERLY OPERATIONAL DATA

	FY'19	1Q'20	2Q'20	3Q'20	4Q'20	FY'20	1Q'21	2Q'21	3Q'21	4Q'21	FY'21	1Q'21
Total sales, Rub bn	417.5	106.0	111.0	104.4	124.2	445.5	107.3	110.8	118.2	147.3	483.6	132.4
Retail sales	408.0	104.4	109.1	102.3	121.8	437.5	105.9	109.0	116.1	144.8	475.8	130.5
Hypermarkets	373.0	94.5	99.7	93.3	111.7	399.3	96.2	99.5	99.5	121.7	416.8	104.7
Small Formats	35.0	9.8	9.4	8.9	10.1	38.2	9.7	9.6	16.6	23.2	59.0	23.7
Utkonos	-	-	-	-	-	-	-	-	-	-	-	2.2
Wholesales	9.5	1.7	1.9	2.1	2.4	8.1	1.4	1.7	2.2	2.5	7.9	1.8
Number of stores	380	380	379	386	393	393	394	406	674	757	757	795
Hypermarkets	249	249	248	250	254	254	254	255	255	254	254	254
Small Formats	131	131	131	136	139	139	140	151	419	503	503	541
Selling space, k sqm	1,489	1,489	1,482	1,494	1,519	1,519	1,522	1,529	1,726	1,755	1,755	1,772
Hypermarkets	1,379	1,379	1,371	1,379	1,401	1,401	1,404	1,407	1,407	1,401	1,401	1,401
Small Formats	110,7	110,7	111,1	115	118	118	118,4	122	319	354	354	371
LFL retail sales growth	0.1%	4.0%	10.1%	3.0%	4.0%	5.4%	1.3%	(2.6%)	3.5%	7.0%	2.4%	7.8%
Hypermarkets	(0.7%)	3.2%	10.0%	2.7%	4.3%	5.1%	1.9%	(2.3%)	4.2%	7.9%	3.1%	8.6%
Small Formats	11.8%	12.4%	11.6%	5.6%	0.6%	9.5%	(5.0%)	(5.7%)	(4.0%)	(2.8%)	(4.3%)	(0.1%)
LFL traffic growth	0.0%	2.0%	(11.3%)	(5.7%)	(8.1%)	(5.5%)	(9.3%)	5.8%	(1.2%)	(3.0%)	(2.1%)	(1.4%)
Hypermarkets	(1.6%)	0.4%	(10.8%)	(5.6%)	(7.4%)	(5.8%)	(8.1%)	5.4%	(0.4%)	(2.3%)	(1.5%)	(1.0%)
Small Formats	10.0%	9.6%	(14.0%)	(5.9%)	(11.6%)	(3.9%)	(14.7%)	7.7%	(5.0%)	(6.3%)	(5.0%)	(3.6%)
LFL ticket growth	0.1%	2.0%	24.2%	9.2%	13.2%	11.6%	11.6%	(7.9%)	4.7%	10.4%	4.7%	9.4%
Hypermarkets	0.9%	2.8%	23.2%	8.8%	12.6%	11.6%	10.9%	(7.3%)	4.6%	10.5%	4.6%	9.7%
Small Formats	1.6%	2.6%	29.8%	12.3%	13.7%	14.0%	11.3%	(12.4%)	1.1%	3.7%	0.8%	3.6%



FY 2021 BALANCE SHEET (IFRS 16)

Assets	31 Dec 2021	30 Jun 2021	31 Dec 2020	Equity and Liabilities	31 Dec 2021	30 Jun 2021	31 Dec 2020
Non-current assets				Total Equity	106,961	99 587	94 481
PP&E	170,370	159 085	163 901	Non-current liabilities			
Right-of-use assets	59,720	34 081	33 771	Long-term borrowings	66,912	57 929	45 941
Intangible assets	3,064	2 513	2 581	Long-term lease liabilities	54,150	31 753	31 327
Other non-current assets	9,126	751	1 003	Other non-current liabilities	7,989	7 926	6 523
Total non-current assets	242,281	196 430	201 256	Total non-current liabilities	129,051	97 608	83 791
Current assets				Current liabilities			
Inventories	51,353	39 296	42 072	Trade and other payables	74,031	41 203	61 466
Trade and other receivables	13,125	8 006	10 903	Short-term borrowings and short-term portion of long-term borrowings	21,502	30 441	33 011
Advanced paid	2,903	1 962	1 754	Short-term lease liabilities	6,398	3 480	3 114
Cash and cash equivalents	33,326	29 861	21 809	Other non-current assets	5,345	3 861	2 598
Other current assets	300	625	668	Total current liabilities	107,276	78 985	100 189
Total current assets	101,007	79 750	77 205	Total liabilities	236,327	176 594	183 980
Total assets	343,288	276 180	278 461	Total equity and liabilities	343,288	276 180	278 461



FY 2021 KEY FINANCIAL HIGHLIGHTS

	IFRS 16			IAS 17		
	FY 2021	FY 2020	Change	FY 2021	FY 2020	Change
Total Sales	483,641	445,544	8.6%	483,641	445,544	8.6%
Gross Profit	111,361	101,816	9.4%	111,107	101,494	9.5%
<i>Gross Margin (%)</i>	<i>23.0%</i>	<i>22.9%</i>	<i>17 bps</i>	<i>23.0%</i>	<i>22.8%</i>	<i>19 bps</i>
SG&A	(91,447)	(80,114)	14.1%	(93,066)	(81,538)	14.1%
<i>SG&A as % of Total Sales</i>	<i>-18.9%</i>	<i>-18.0%</i>	<i>-93 bps</i>	<i>-19.2%</i>	<i>-18.3%</i>	<i>-94 bps</i>
EBITDA	46,885	44,919	4.4%	39,242	39,315	-0.2%
<i>EBITDA Margin</i>	<i>9.7%</i>	<i>10.1%</i>	<i>-39 bps</i>	<i>8.1%</i>	<i>8.8%</i>	<i>-71 bps</i>
Operating Profit	25,422	29,286	-13.2%	23,348	27,595	-15.4%
<i>Operating Profit Margin</i>	<i>5.26%</i>	<i>6.6%</i>	<i>-132 bps</i>	<i>4.8%</i>	<i>6.2%</i>	<i>-137 bps</i>
Net Interest Expenses	(8,428)	(8,902)	-5.3%	(4,923)	(6,217)	-20.8%
(Net FX Loss)	(524)	(386)	35.8%	(497)	(247)	101.2%
Profit Before Income Tax	16,470	19,998	-17.6%	17,928	21,131	-15.2%
Net Income	12,480	16,541	-24.6%	13,646	17,447	-21.8%
<i>Net Income Margin</i>	<i>2.6%</i>	<i>3.7%</i>	<i>-113 bps</i>	<i>2.8%</i>	<i>3.9%</i>	<i>-109 bps</i>

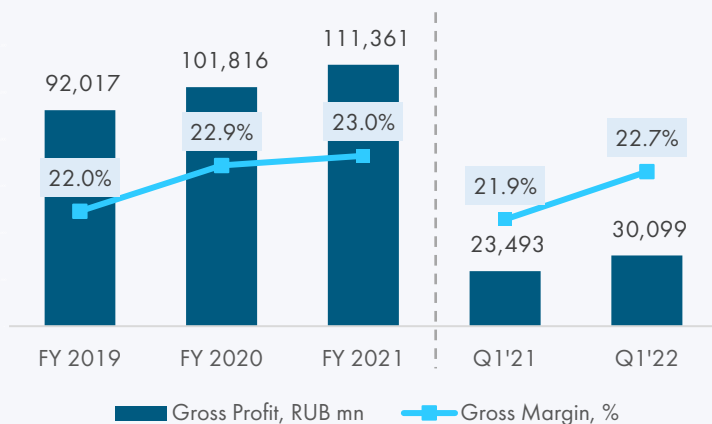


FY 2021 CASH FLOW STATEMENT

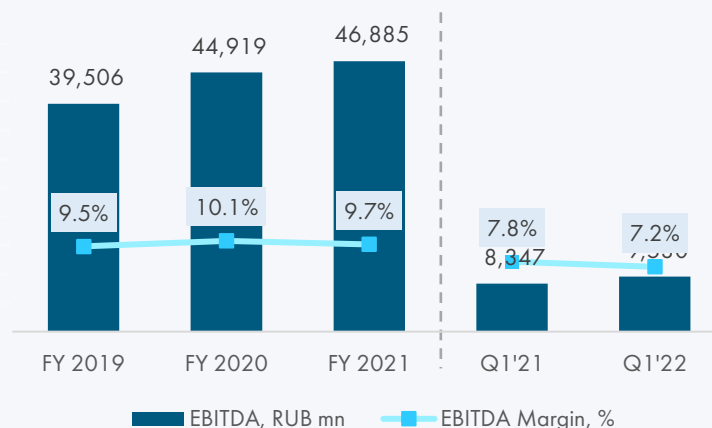
	IFRS 16			IAS 17		
	FY 2021	FY 2020	Change	FY 2021	FY 2020	Change
Profit before Income Tax	17,928	21,131	-15.2%	16,470	19,998	-17.6%
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	21,572	19,493	10.7%	30,650	26,190	17.0%
Movement in Working Capital	2,076	(2,370)	-	2,319	(2,437)	-
Cash Generated from Operating Activities	41,576	38,254	8.7%	49,439	43,751	13.0%
Net Interest & Income Tax Paid	(7,991)	(11,046)	27.7%	(11,560)	(13,763)	16.0%
Net Cash from Operating Activities	33,585	27,208	23.4%	37,879	29,988	26.3%
Net Cash Used in Investing Activities	(30,815)	(7,409)	-315.9%	(30,779)	(7,374)	317.4%
Net Cash generated from / (used in) Financing Activities	9,218	(71,447)	-	4,888	(74,262)	-
Effect of exchange rate on cash and cash equivalents	(471)	52	-	(471)	52	-
Net Increase / (Decrease) in Cash and Cash Equivalents	11,517	(51,596)	-	11,517	(51,596)	-

FY 2021 FINANCIAL RESULTS IFRS 16

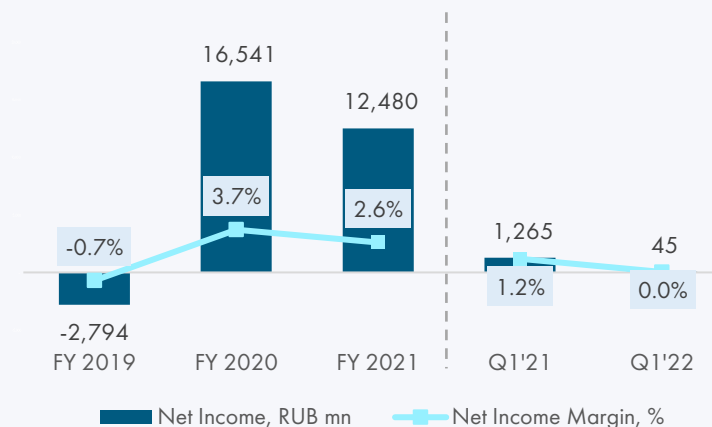
Gross Profit and Gross Margin



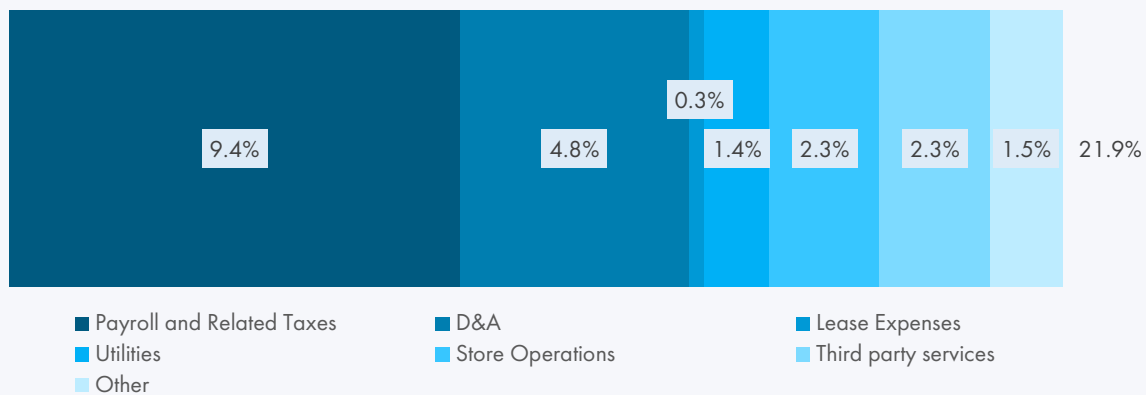
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



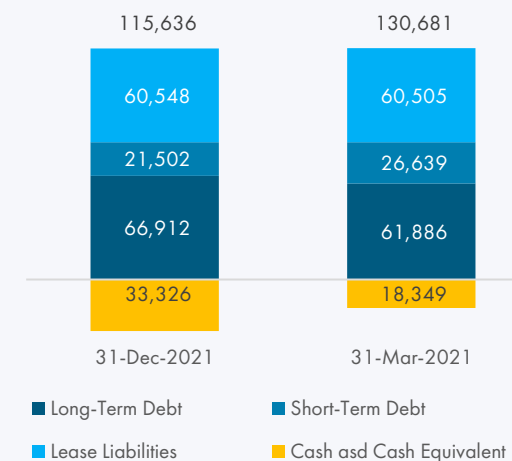
CapEx

RUB 4.0 bn

~25% y-o-y growth

Accelerated pace of new organic store openings, continuing IT development costs, and expenses related to the integration of Billa stores.

Net Debt



MARKET – INFLATION AND INCOME TRENDS

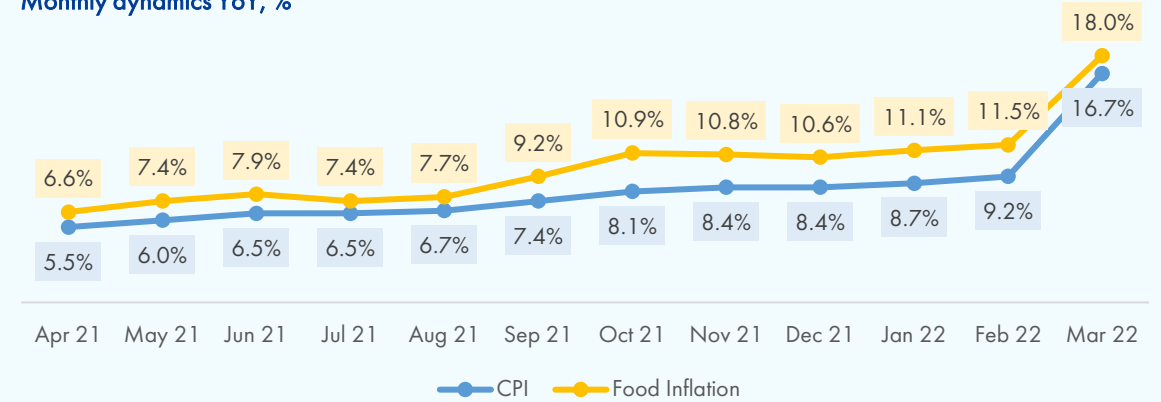
REAL GDP IN

Quarterly dynamics YoY, %



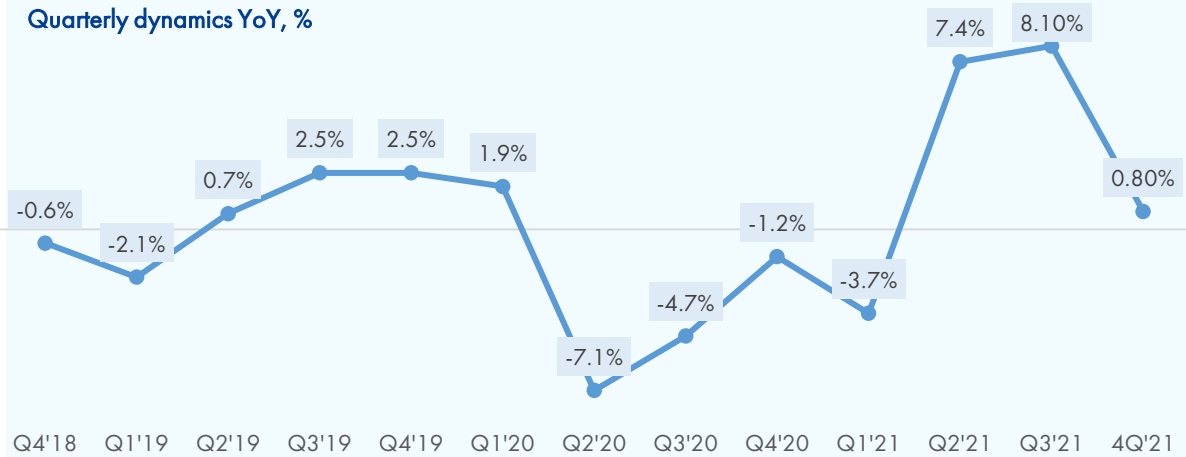
CPI AND FOOD INFLATION

Monthly dynamics YoY, %



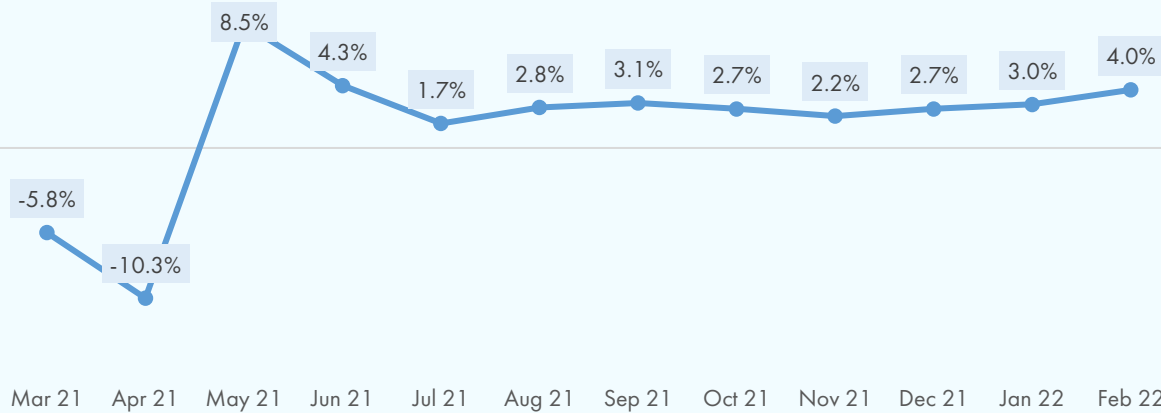
REAL DISPOSABLE INCOME

Quarterly dynamics YoY, %



FOOD RETAIL SALES (in the mass of commodities)

Monthly dynamics YoY, %





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