



FY 2022 Investor Presentation

March 2023

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



26+ million
loyal customers



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



109%
explosive growth
of online sales
(in 2022)



600+ stores
serve as online
fulfillment centers



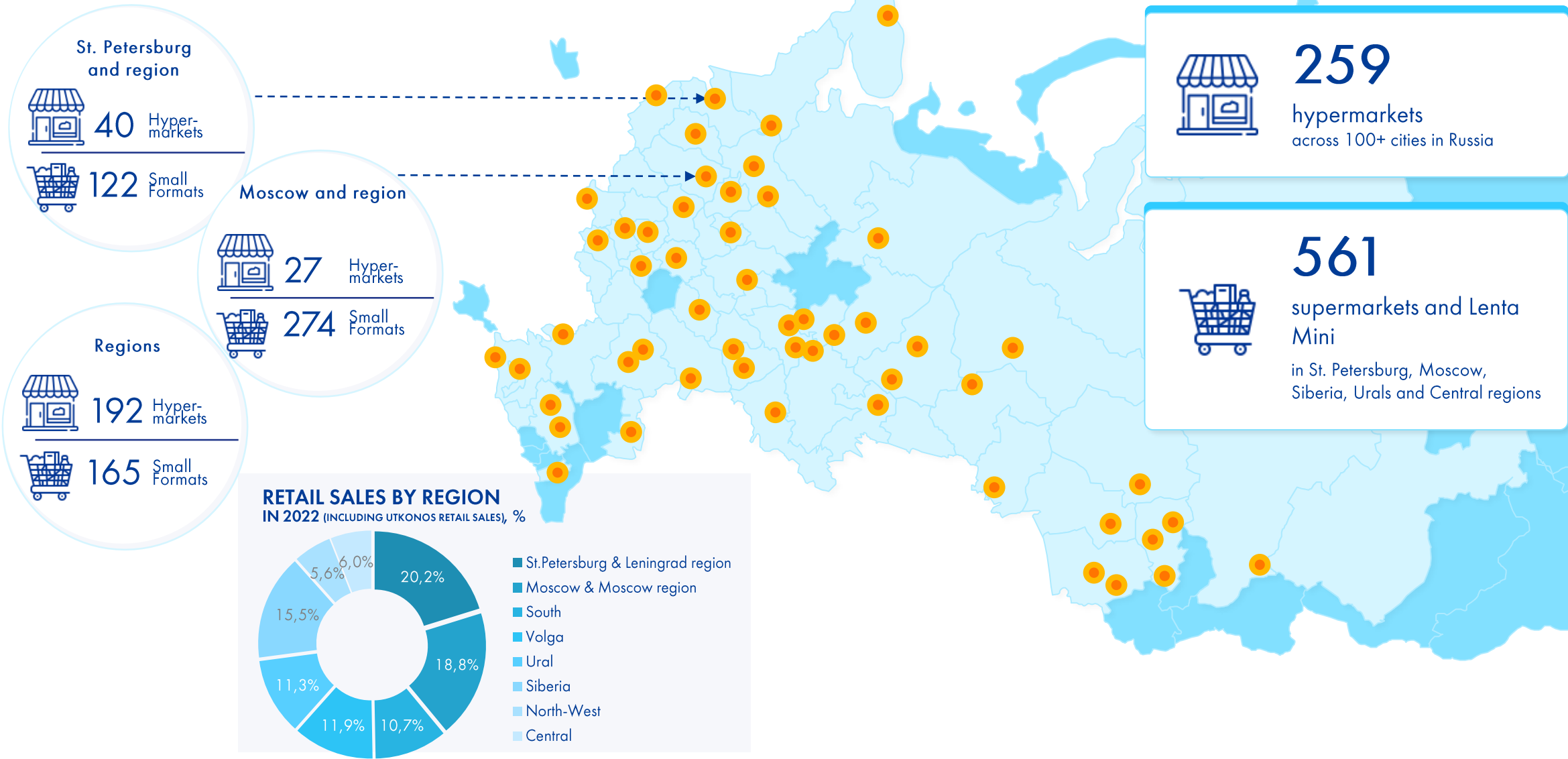
11.6 million
Lenta.App
users²



15
Online Partners



BUSINESS GEOGRAPHY



OUR STRATEGY



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

X2 2020 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

+ RUB 550 BN 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

Shopping missions									
	Big planned purchase for a short time	Small purchases: Dry & Fresh	Purchase of fresh to eat right after (snack)	Purchase of missing fresh in nearby store	Big planned purchase for a long time	Quick/spontaneous purchase of dry (bring home)	Quick/spontaneous purchase of dry (eat right after)	Planned non-food purchase (durables)	Planned non-food purchase (near food)
HM	✓	✓	✓	✓	✓	✓	✓	✓	✓
SM	✓	✓	✓	✓	✓	✓	✓	✓	
Proximity	✓	✓	✓	✓		✓	✓		
Online	✓	✓	✓	✓	✓			✓	✓
<div> <div>✓</div> <div>Primary focus mission</div> </div> <div> <div>✓</div> <div>Secondary focus mission</div> </div>									

HYPERMARKET

Number of Stores	259
Key Parameters ¹	
Average selling space, sqm	5,500
Number of SKUs	15k – 30k
Owned selling space	77.5%
Share of Non-food in Sales	22.2%
Share of Private Label	17.5%

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	341
Key Parameters ¹	
Average selling space, sqm	850
Number of SKUs	4.6k – 12k
Owned selling space ²	20.8%
Share of Non-food in Sales ²	9.0%
Share of Private Label ²	13.1%

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 220

Key Parameters¹

Average selling space, sqm 450

Number of SKUs 3.5k – 6.8k

Owned selling space² 4.9 %

Share of Non-food in Sales² 10.6%

Share of Private Label² 18.6%

Focus Missions



Small purchases:
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)



Big planned
purchase for a short
time

Primary focus mission

Secondary focus mission

FY 2022 RESULTS



FY 2022 HIGHLIGHTS



105

Stores added
(gross)



1.9%

Selling space
growth y-o-y*



11.1%

Sales growth
y-o-y**



11.4%

Retail Sales
growth
y-o-y**



56.7%

Small-format
stores Sales
growth
y-o-y



2.3%

LFL Total Retail
Sales growth
y-o-y*



109%

Total Online
Sales growth
y-o-y**



72%

Total Online
Orders growth
y-o-y**



* LFL results include the results of Billa stores starting from September 2022 and the results of Semya stores starting from October 2022
** Including Utikonos results from the date of consolidation (1 February 2022)

FY 2022 OPERATING RESULTS

Number of Stores

259

Hypermarkets
(1 HM opened in 2022)

561

Small-format stores
(62 stores added,
net in 2022)

Selling Space

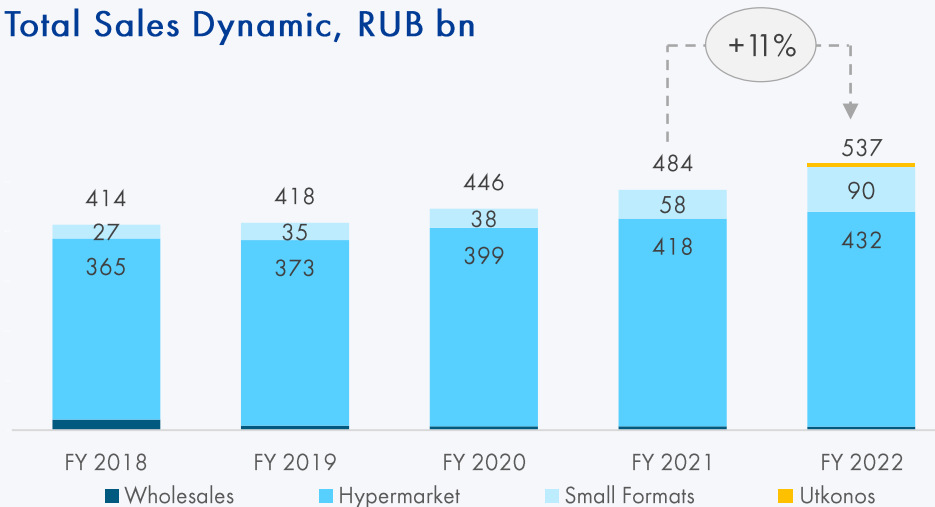
1,416 k sqm

Hypermarkets
(0,4% growth y-o-y)

372 k sqm

Small-format stores
(8.1% growth y-o-y)

Total Sales Dynamic, RUB bn



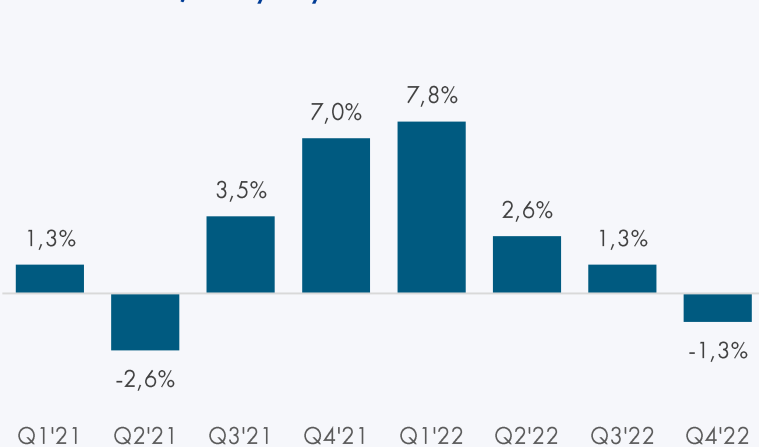
-3.8%

Average Ticket
decrease
y-o-y

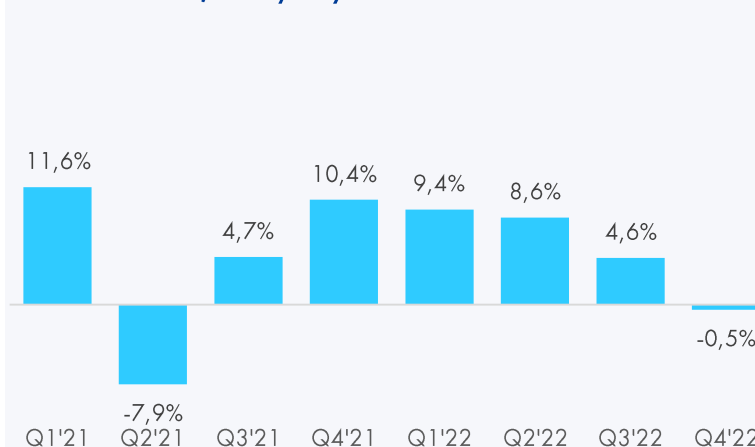
15.8%

Number of Tickets
growth
y-o-y

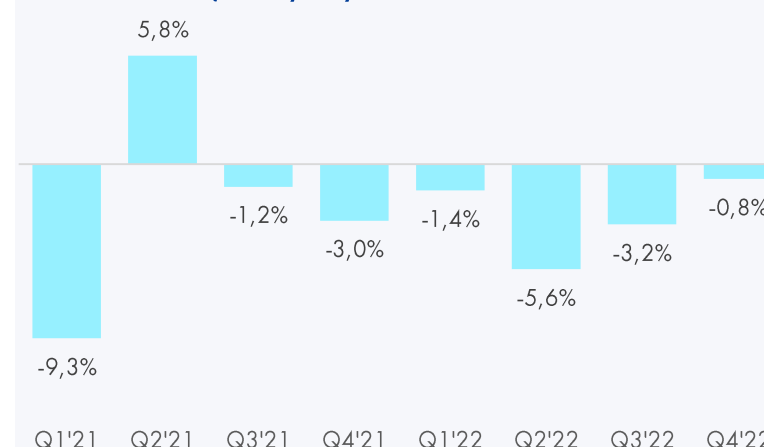
LFL sales*, Δ% y-o-y



LFL Ticket*, Δ% y-o-y



LFL Traffic*, Δ% y-o-y



* Billa stores' results are included partially in LFL sales (only September results). Semya stores are not included in LFL

LOGISTIC CAPABILITIES



14

Distribution Centers (DC)



453k sq m

Distribution Centers space



81%

Own DC's space



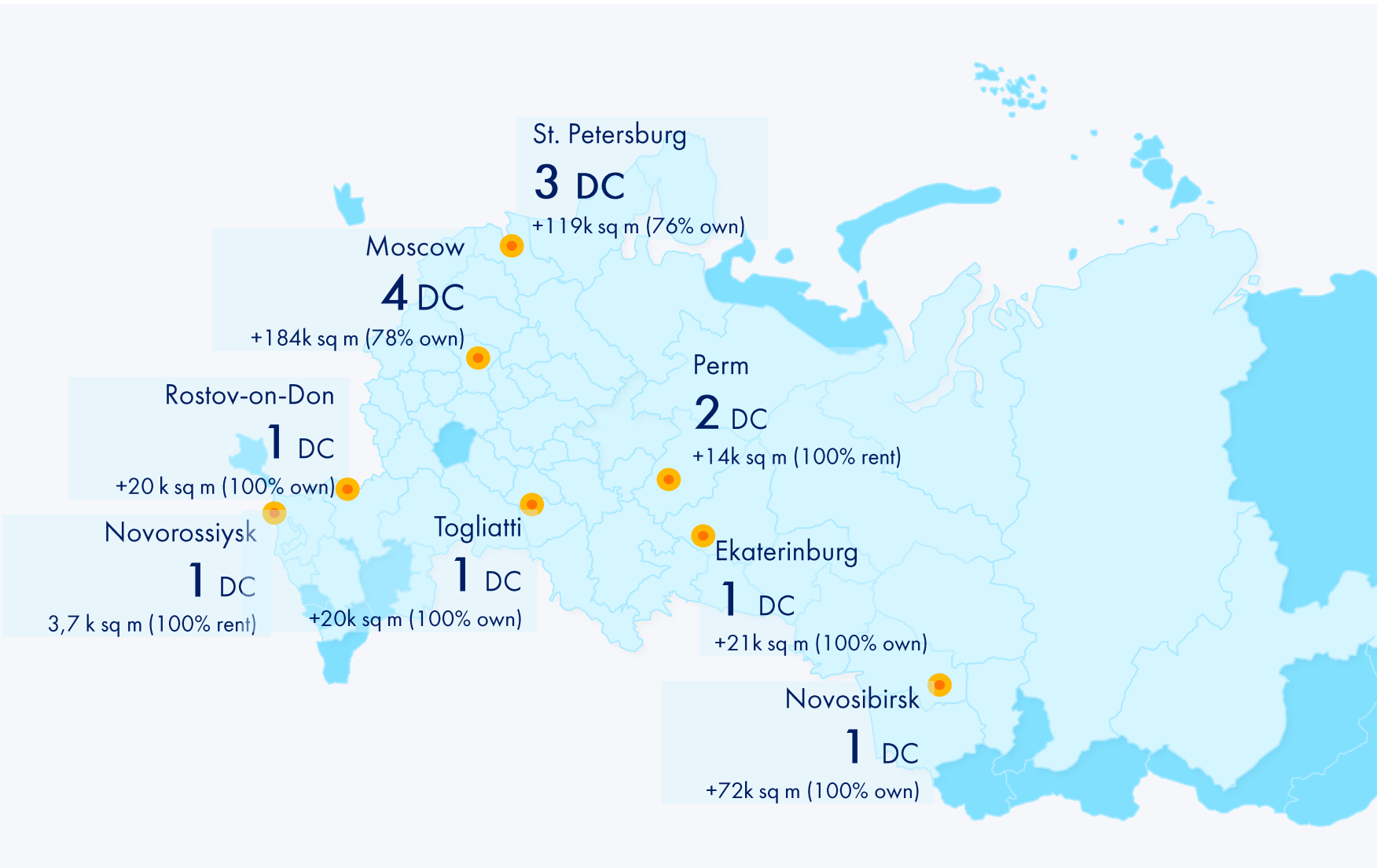
415

Own Trucks



71.4%

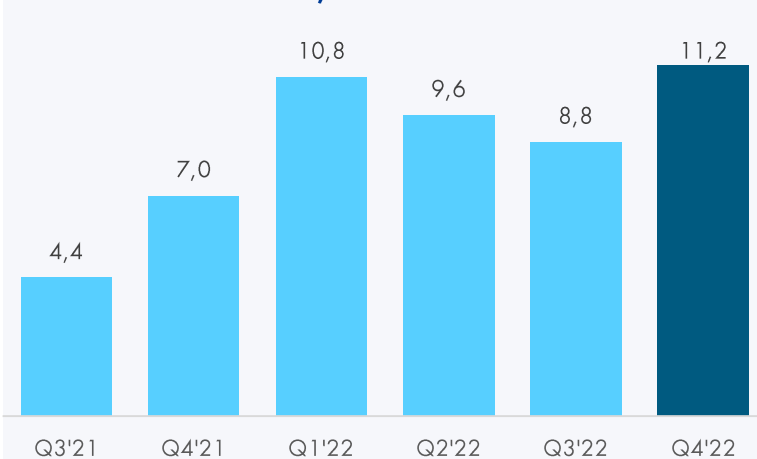
Centralization ratio



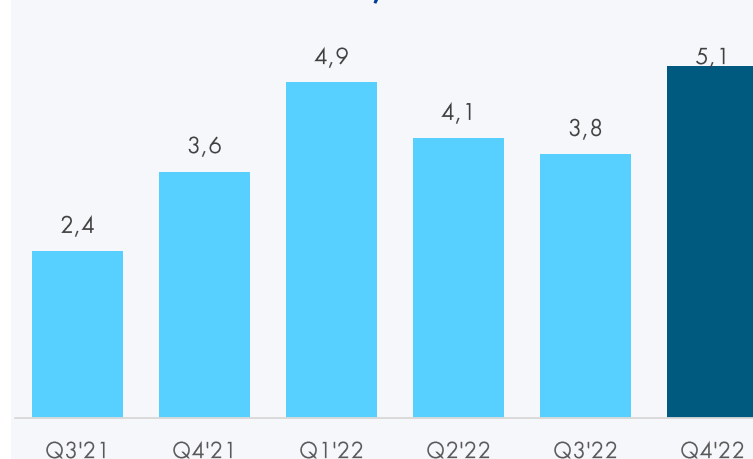
* Excluding trucks which are used by Utikonos service

ONLINE OPERATING RESULTS¹

Total Online Sales, RUB bn



Total Online Orders, mn



Lenta Online Average Ticket, RUB



Online Sales Split²

30%

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

51%

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

19%

Share of **Utkonos** in Total Online Sales

Unique Set of Assets to Become a Champion in Online



Wide Geographical Coverage of HM

259 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 Traffic³

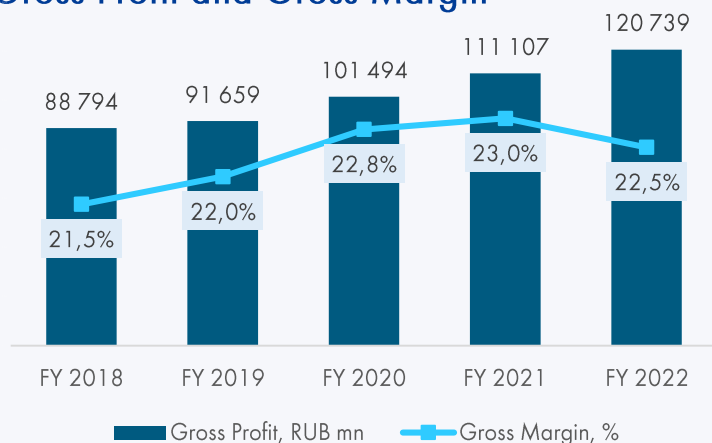
- 64 mn citizens in catchment area
- 26 mn loyalty card holders



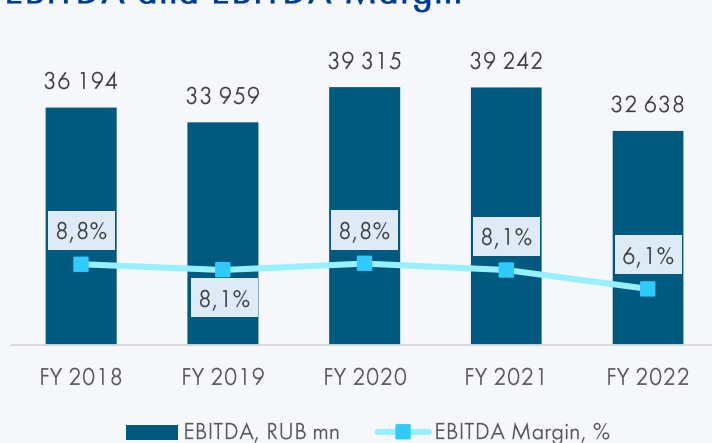
1. Including Utkonos results from the date of consolidation (1 February 2022)
 2. Based on FY 2022 sales
 3. As of December 31, 2022

FY 2022 FINANCIAL RESULTS IAS 17

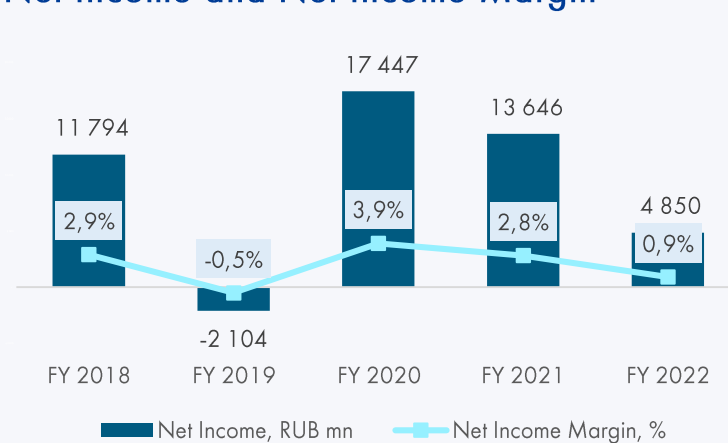
Gross Profit and Gross Margin



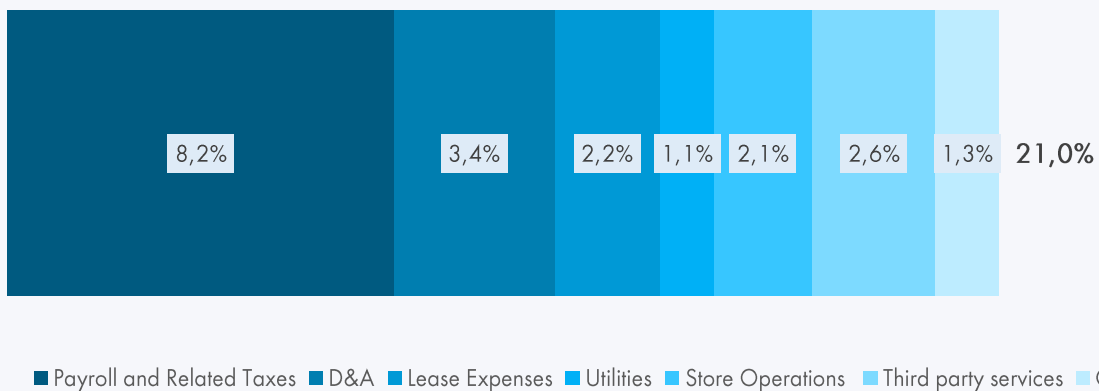
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



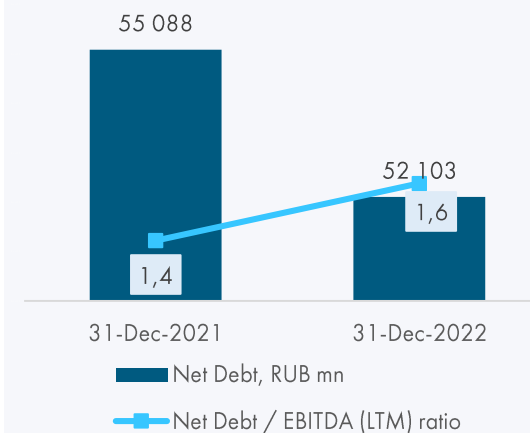
CapEx

RUB 11.0 bn

+17.8% y-o-y growth

Increased expenses related to the integration of Billa & Semya stores and Utkonos business as well as maintenance Capex.

Debt Position and Leverage



LENTA DIVIDENDS

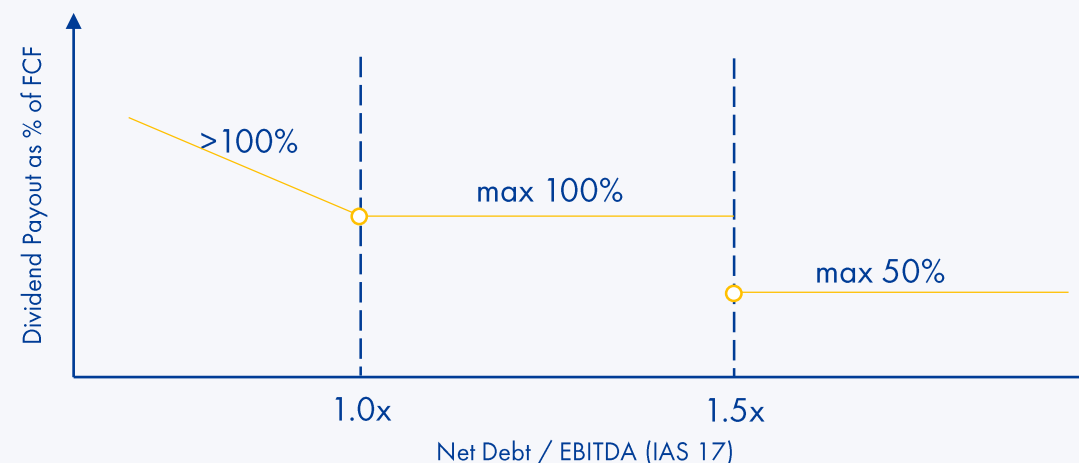
Dividend Policy

- 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'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22
Total sales, RUB bn	445.5	107.3	110.8	118.2	147.3	483.6	132.4	130.1	126.8	148.2	537.4
Retail sales	437.5	105.9	109.0	116.1	144.8	475.8	130.6	128.7	125.1	145.8	530.2
Hypermarkets	399.3	96.2	99.5	99.7	122.7	418.1	105.6	102.7	101.9	121.7	431.9
Small Formats	38.2	9.7	9.6	16.3	22.2	57.7	22.8	23.5	21.2	23.0	90.5
Utkonos	-	-	-	-	-	-	2.2	2.6	2.0	1.1	7.9
Wholesales	8.1	1.4	1.7	2.2	2.5	7.9	1.8	1.4	1.7	2.3	7.2
Number of stores	393	394	406	674	757	757	795	809	811	820	820
Hypermarkets	254	254	255	259	258	258	258	258	258	259	259
Small Formats	139	140	151	415	499	499	537	551	553	561	561
Selling space, k sqm	1,519	1,522	1,529	1,726	1,755	1,755	1,772	1,779	1,780	1,788	1,788
Hypermarkets	1,401	1,404	1,407	1,416	1,411	1,411	1,411	1,411	1,411	1,416	1,416
Small Formats	118	118,4	122	310	344	344	362	368	370	372	372
LFL retail sales growth	5.4%	1.3%	(2.6%)	3.5%	7.0%	2.4%	7.8%	2.6%	1.3%	(1.3%)	2.3%
Hypermarkets	5.1%	1.9%	(2.3%)	4.2%	7.9%	3.1%	8.6%	2.5%	2.3%	(0.4%)	3.0%
Small Formats	9.5%	(5.0%)	(5.7%)	(4.0%)	(2.8%)	(4.3%)	(0.1%)	2.9%	(6.8%)	(6.2%)	(3.6%)
LFL traffic growth	(5.5%)	(9.3%)	5.8%	(1.2%)	(3.0%)	(2.1%)	(1.4%)	(5.5%)	(8.1%)	(0.8%)	(2.6%)
Hypermarkets	(5.8%)	(8.1%)	5.4%	(0.4%)	(2.3%)	(1.5%)	(1.0%)	(6.1%)	(3.1%)	(0.1%)	(2.6%)
Small Formats	(3.9%)	(14.7%)	7.7%	(5.0%)	(6.3%)	(5.0%)	(3.6%)	(3.0%)	(3,7%)	(2.2%)	(2.8%)
LFL ticket growth	11.6%	11.6%	(7.9%)	4.7%	10.4%	4.7%	9.4%	8.6%	10.3%	(0.5%)	5.0%
Hypermarkets	11.6%	10.9%	(7.3%)	4.6%	10.5%	4.6%	9.7%	9.2%	5.6%	(0.4%)	5.7%
Small Formats	14.0%	11.3%	(12.4%)	1.1%	3.7%	0.8%	3.6%	6.1%	(3,2%)	(4.1%)	(0.8%)



BALANCE SHEET (IFRS 16)

Assets, RUB mn	31 Dec 2022	31 Dec 2021	31 Dec 2020
Non-current assets			
PP&E	170,963	170,370	163 901
Right-of-use assets	50,667	59,720	33 771
Intangible assets	5,369	3,064	2 581
Other non-current assets	9,428	9,126	1 003
Total non-current assets	236,426	242,281	201 256
Current assets			
Inventories	57,681	51,353	42 072
Trade and other receivables	9,695	13,125	10 903
Advanced paid	6,607	2,903	1 754
Cash and cash equivalents	29,020	33,326	21 809
Other current assets	8,133	300	668
Total current assets	111,136	101,007	77 205
Total assets	347,562	343,288	278 461

Equity and Liabilities RUB mn	31 Dec 2022	31 Dec 2021	31 Dec 2020
Total Equity	130,005	106,961	94 481
Non-current liabilities			
Long-term borrowings	26,968	66,912	45 941
Long-term lease liabilities	47,019	54,150	31 327
Other non-current liabilities	3,161	7,989	6 523
Total non-current liabilities	77,148	129,051	83 791
Current liabilities			
Trade and other payables	74,447	74,031	61 466
Short-term borrowings and short-term portion of long-term borrowings	54,155	21,502	33 011
Short-term lease liabilities	6,131	6,398	3 114
Other non-current assets	5,676	5,345	2 598
Total current liabilities	140,409	107,276	100 189
Total liabilities	217,557	236,327	183 980
Total equity and liabilities	347,562	343,288	278 461



FY 2022 KEY FINANCIAL HIGHLIGHTS

RUB mn	IFRS 16			IAS 17		
	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Total Sales	537,401	483,641	11.1%	537,401	483,641	11.1%
Gross Profit	121,204	111,361	8.8%	120,739	111,107	8.7%
<i>Gross Margin (%)</i>	<i>22.6%</i>	<i>23.0%</i>	<i>-47 bps</i>	<i>22.5%</i>	<i>23.0%</i>	<i>-51 bps</i>
SG&A	-110,264	-91,447	20.6%	-112,987	-93,066	21.4%
<i>SG&A as % of Total Sales</i>	<i>-20.5%</i>	<i>-18.9%</i>	<i>-161 bps</i>	<i>-21.0%</i>	<i>-19.2%</i>	<i>-178 bps</i>
EBITDA	43,665	46,885	-6.9%	32,638	39,242	-16.8%
<i>EBITDA Margin</i>	<i>8.1%</i>	<i>9.7%</i>	<i>-157 bps</i>	<i>6.1%</i>	<i>8.1%</i>	<i>-204 bps</i>
Operating Profit	15,412	25,422	-39.4%	12,082	23,348	-48.3%
<i>Operating Profit Margin</i>	<i>2.9%</i>	<i>5.3%</i>	<i>-239 bps</i>	<i>2.2%</i>	<i>4.8%</i>	<i>-258 bps</i>
Net Interest Expenses	-10,017	-8,428	18.9%	-4,924	-4,923	0.0%
(Net FX Loss)	162	-524	-	-52	-497	-89.5%
Profit Before Income Tax	5,557	16,470	-66.3%	7,106	17,928	-60.4%
Net Income	3,611	12,480	-71.1%	4,850	13,646	-64.5%
<i>Net Income Margin</i>	<i>0.7%</i>	<i>2.6%</i>	<i>-191 bps</i>	<i>0.9%</i>	<i>2.8%</i>	<i>-192 bps</i>

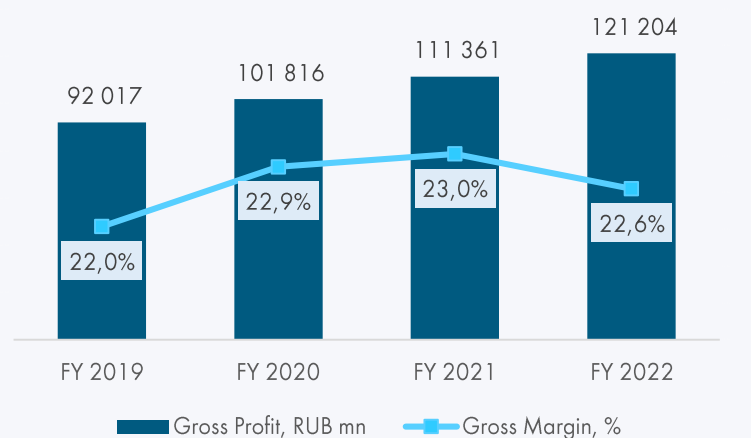


FY 2022 CASH FLOW STATEMENT

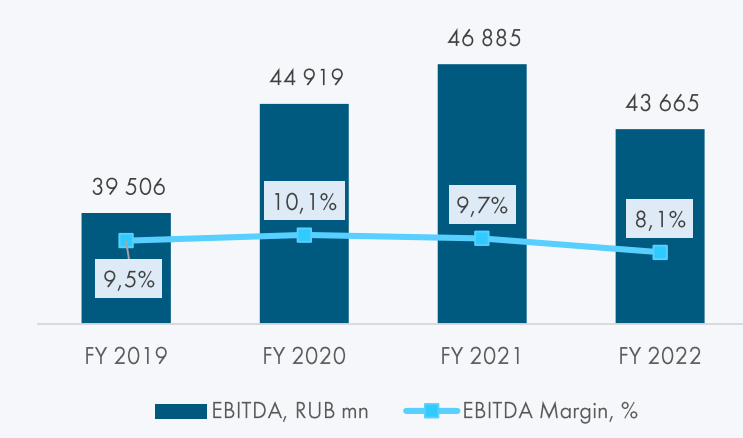
RUB mn	IFRS 16			IAS 17		
	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Profit before Income Tax	5,557	16,470	-66.3%	7,106	17,928	-60.4%
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	37,879	30,650	26.3%	25,445	21,572	18.0%
Movement in Working Capital	-2,736	2,319	-	-2,834	2,076	-
Cash Generated from Operating Activities	40,700	49,439	-17.7%	29,717	41,576	-28.5%
Net Interest & Income Tax Paid	-14,633	-11,560	26.6%	-9,511	-7,991	19.0%
Net Cash from Operating Activities	26,067	37,879	-31.2%	20,206	33,585	-39.8%
Net Cash Used in Investing Activities	-17,252	-30,779	-43.9%	-17,290	-30,815	-43.9%
Net Cash generated from / (used in) Financing Activities	-12,967	4,888	-365.3%	-7,068	9,218	-176.7%
Effect of exchange rate on cash and cash equivalents	-155	-471	-67.1%	-155	-471	-67.1%
Net Increase / (Decrease) in Cash and Cash Equivalents	-4,307	11,517	-137.4%	-4,307	11,517	-137.4%

FY 2022 FINANCIAL RESULTS IFRS 16

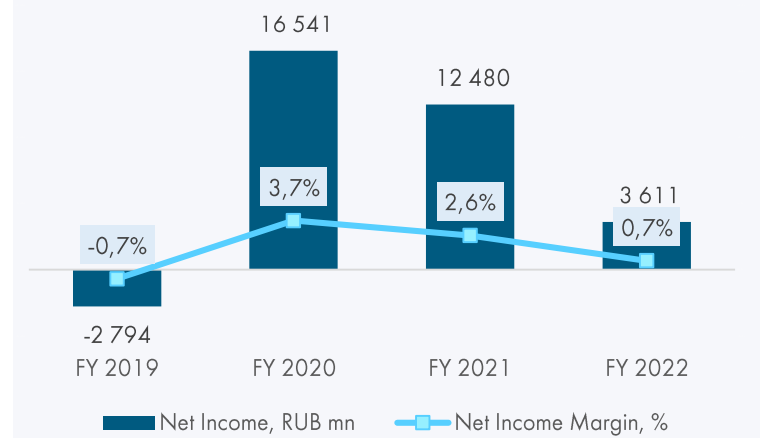
Gross Profit and Gross Margin



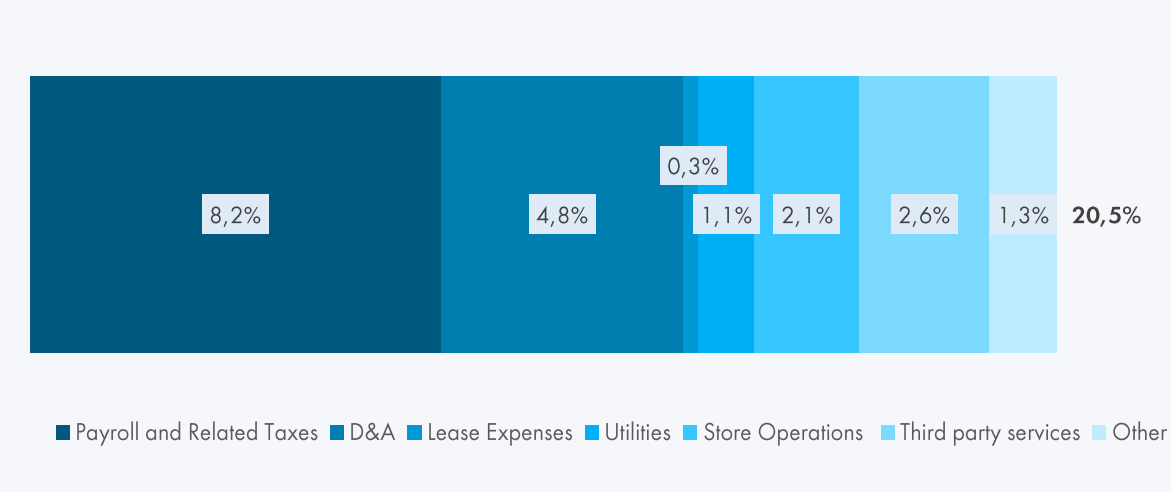
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



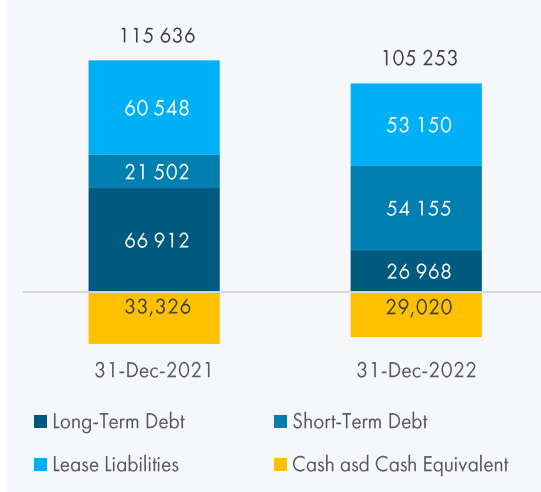
CapEx

RUB 10.8 bn

+15.8% y-o-y growth

Increased expenses related to the integration of Billa & Semya stores and Utkonos business as well as maintenance Capex.

Net Debt



MARKET – INFLATION AND INCOME TRENDS

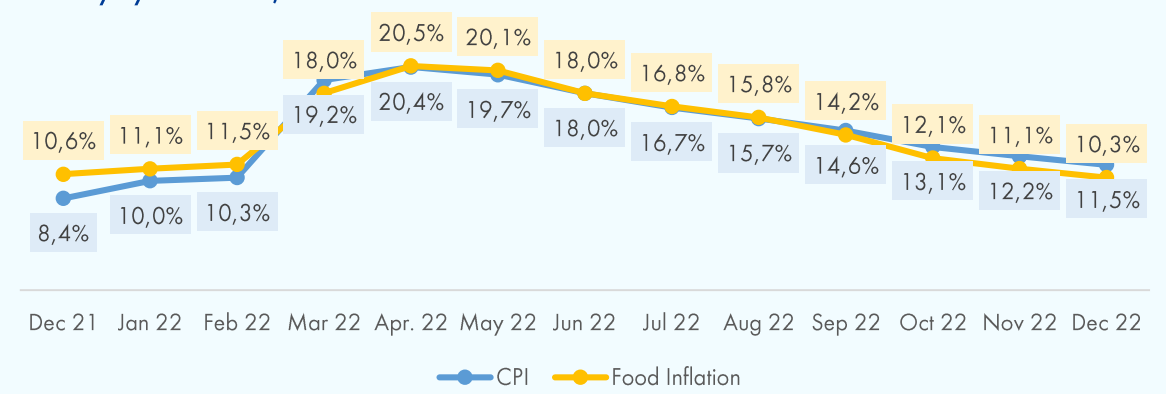
REAL GDP¹

Quarterly dynamics YoY, %



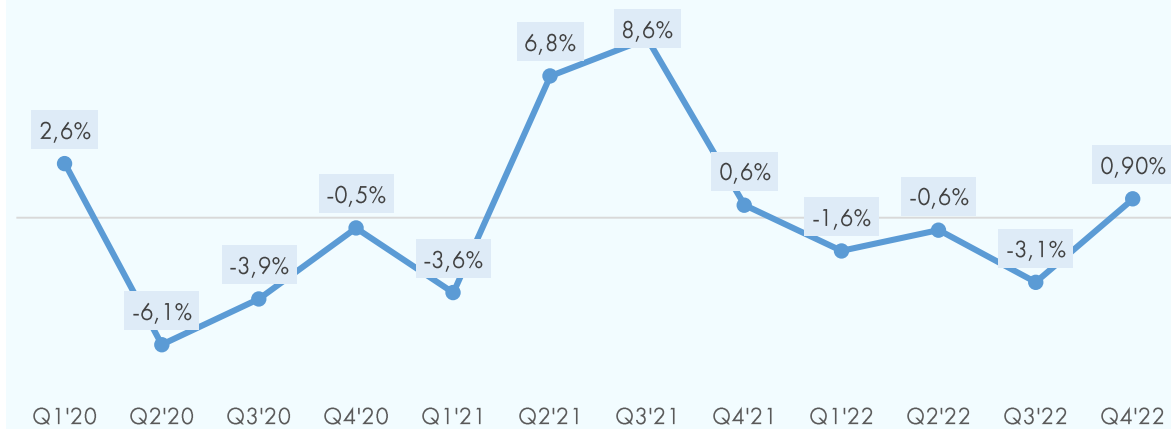
CPI AND FOOD INFLATION

Monthly dynamics YoY, %



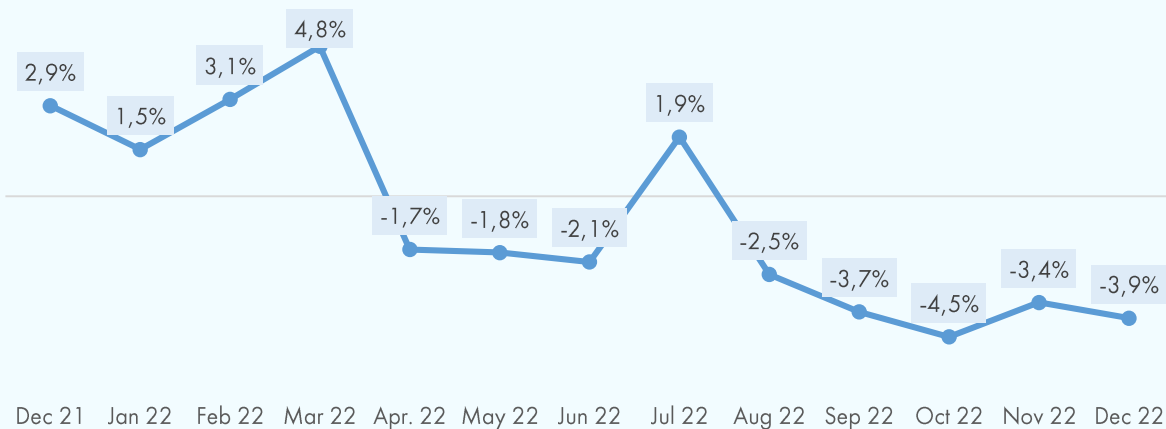
REAL DISPOSABLE INCOME

Quarterly dynamics YoY, %



FOOD RETAIL SALES (in the mass of commodities)

Monthly dynamics YoY, %





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