Q2 2024
Investor Presentation

July 2024

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Lenta is a Federal Player with Potential for Explosive Growth

Q2 2024

#1 Hypermarket chain in Russia

> 650 Cities and towns

3,100+ stores

>75 k employees

Key Results

+59.7% Sales growth, y-o-y

+308.2% Lenta LFL sales growth, y-o-y

+14.6% Selling space growth, y-o-y

+198 Store openings (net)[1]

+29.7% Online sales growth, y-o-y

+68.1% Gross Profit growth, y-o-y

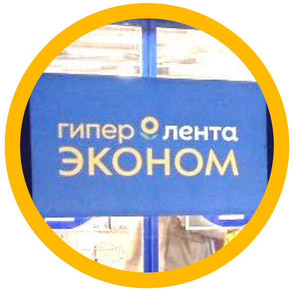
+110 bps Gross Margin expansion, y-o-y

+178.2% EBITDA growth, y-o-y

+337 bps EBITDA Margin expansion, y-o-y

[1] Including acquired Monetka's stores | Please note that all Financial Highlights are based upon pre–IFRS 16 figures

Key 2023 events



February

Launch of the pilot format Hyper Discounter in St. Petersburg

March

Opening of 10 Pet Stores

May

Opening of a distribution center in Voronezh

June

Opening of a hypermarket in Voronezh

June

Launching payment for purchases through a mobile app (Lenta Pay)

July

Opening of a hypermarket in Surgut

July

Opening of Lenta FRESH self-service restaurant

October

Acquisition of Monetka

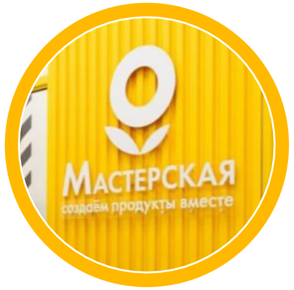
1 RUB trln

October

Strategic Update

December

Opening of a Hyper Discounter in Ryazan



December

Opening of the second private label test center in Ivanovo

On Track to Achieve our 2025 Goals

Increase Sales to RUB 1 trillion	Get closer to customers through expansion	Maintain leadership in the hypermarket segment	Develop Online business	Remain the most profitable retailer
2023 Interim results				
RUB 767 billion unconsolidated total revenue in 2023[1], **+72% vs 2020**	**2.3 million sq m** selling space as at the end of 2023[2], **+53% vs 2020**	**~29% market share** in the hypermarket segment[3], **+3.3 pp vs 2020**	**~7.5% market share** in the online segment[4], **+3 pp vs 2020** with positive unit economics	**8.0% EBITDA Margin** in Q4 2023, +1.5 pp vs Q4 2022

Pre-IFRS 16 financials

[1] Lenta and Monetka FY 2023 unconsolidated total revenue; Lenta starts consolidating Monetka in its financial results starting from Q4 2023 | [2] Lenta and Monetka total selling space as at 31 December 2023 | [3] INFOLine's FY 2023 forecast, channel sales and Lenta's sales include online sales via hypermarkets | [4] The share is based on Data Insight's forecast for 2023, which includes sales forecasts for Lenta's own and partner services

We Reaffirm Our Ambition to Achieve RUB 1 Trillion of Revenue in 2025

HYPERMARKETS

Grow market share in the hypermarket segment and improve performance

by improving customer proposition and optimising costs

SUPERMARKETS

Enhance supermarket model efficiency

to prepare for accelerated organic growth

CONVENIENCE STORES

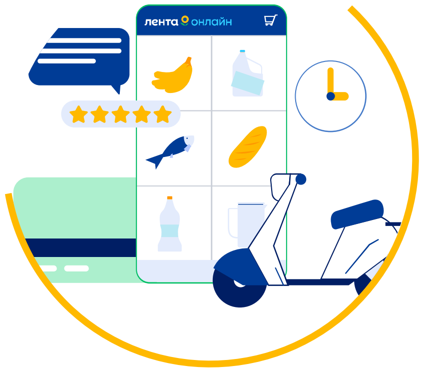
Open 500+ stores annually

while maintaining leadership in LFL growth and efficiency in home regions

ONLINE BUSINESS

Improve customer proposition and operating model

to ensure effective growth



CORPORATE CENTRE

Strive to become our best self every year

by embracing a culture of continuous improvement

We want to become the champion of Russian retail

« Our goal is

to create a store that will be better than its competitors in terms of a set of parameters, so that the benefits that we create for customers are so significant that they, without hesitation, go shopping at Lenta »

Lenta CEO
Vladimir Sorokin

Key Financial Priorities Through 2025

Revenue growth at CAGR of > 20% in 2022–2025 to RUB 1 trillion

EBITDA Margin growth to > 7% in 2025

with ~9% for mature business and assuming investments in expanding small formats and the online business

Capex at no more than 5% of Company revenue

excluding potential M&As, with stringent control over returns on all development projects

Net Debt / EBITDA ratio reduction to 1.5x in 2025

despite increased spending on expansion and logistics infrastructure

Potential to commence dividends[1]

potential dividend payouts in the mid-term in line with the Company's dividend policy

Pre-IFRS 16 financials

[1] A decision to pay dividends is made by the General Meeting of Shareholders based on a recommendation of the Board of Directors of Lenta IPJSC

Lenta is ...

Lenta is Now Evolving Into a Multi-Brand Platform to Foster Business Growth

лента

монетка

UTKONOS

Extensive geographic coverage

> 650 cities and towns[1]

Proximity to customers

> 3,100 retail stores

> 2,500 convenience stores

319 supermarkets

262 hypermarkets

Logistics infrastructure

19 distribution centres and over 1,000 owned trucks

Team

> 75,000 employees

Customer base

> 645 million tickets in FY 2023

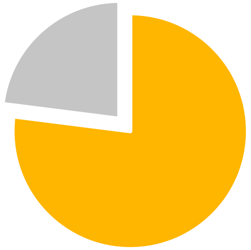
> 12 million MAU[2] of Lenta's digital platforms[3]

[1] Combined total as at 30 June 2024 | [2] MAU stands for monthly active users | [3] Lenta's online services and platforms

Lenta Solidifies Leadership in the Hypermarket Segment

262
hypermarkets

1,400
k sq m selling space



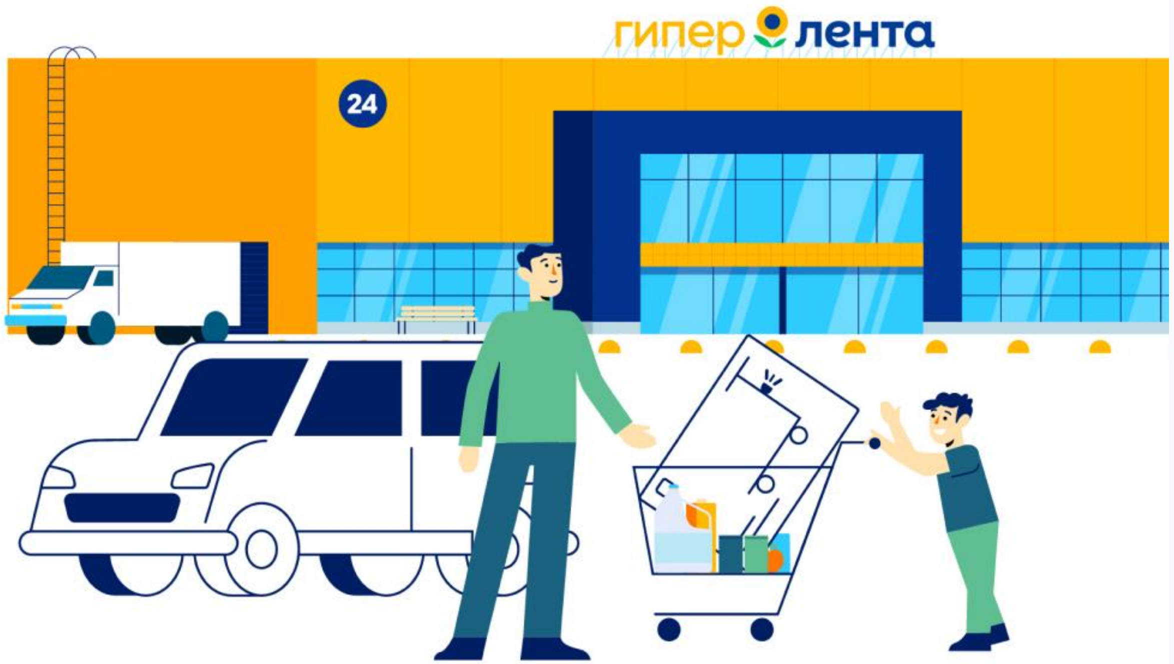
77%
share of owned selling space

57.8%
share in Lenta's retail sales[1]

5,340 sq m
average selling space

25,000+
SKUs on shelfs

21,0%
share of private label in Sales[1]



Shopping missions

- shopping for versatile items
- large weekly family shopping
- stocking up for a special occasion or a party
- seasonal non-food shopping
- procurement by B2B customers

[1] in Q2'24, including online sales

Lenta Supermarkets: Wide Product Selection at the Best Prices

319
supermarkets

240
k sq m selling space

22%
share of owned selling space

10.1%
share in Lenta's retail sales[1]

750 sq m
average selling space

7.5k+
target number of SKUs on shelves

15.1%
share of private label in Sales[1]

Shopping missions

- fresh grocery shopping
- shopping for daily meal essentials
- small-scale stocking up
- shopping for indulgent treats
- buying ready-to-eat food

[1] in Q2'24, including online sales

Monetka: a Fast-Growing Convenience Network

2,574
convenience stores

718
k sq m selling space

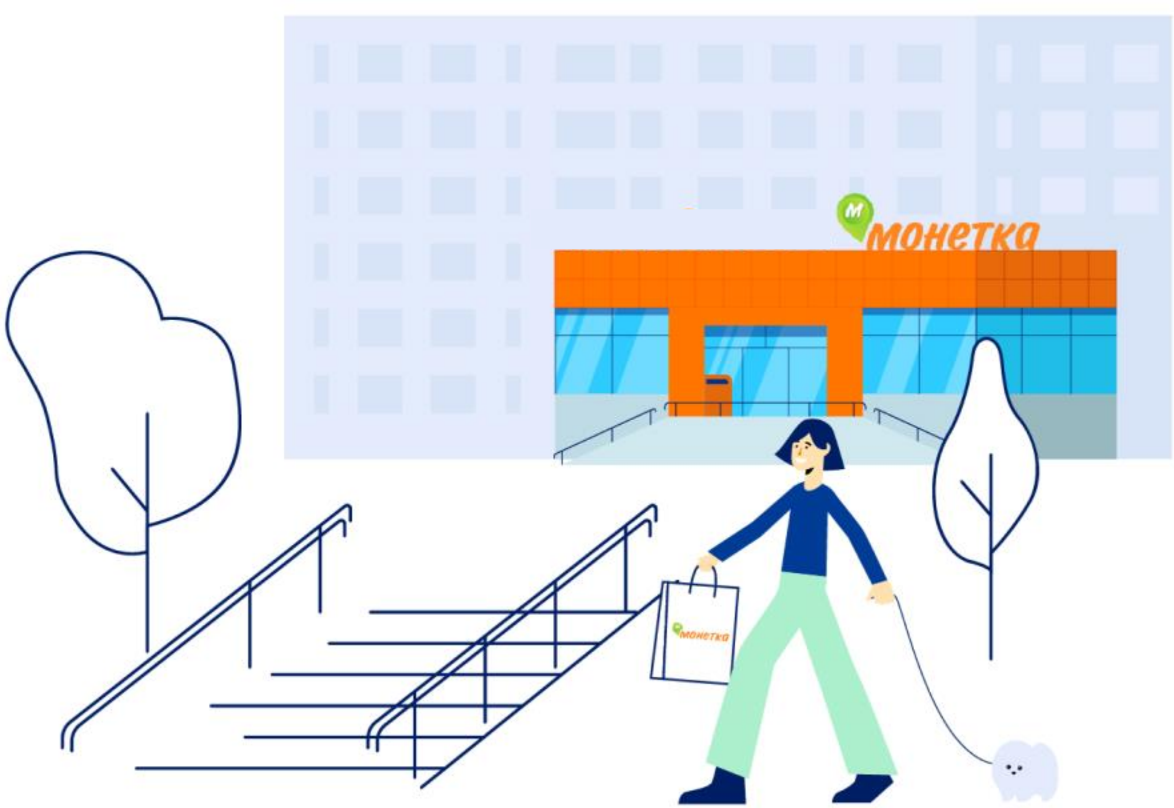
99%
Monetka's selling space in leased

31.3%
share in Lenta's retail sales[1]

280 sq m
average selling space

3.6 k
SKUs on shelfs

10.9%
share of private label in sales



Shopping missions

fresh grocery shopping

shopping for daily meal essentials

small-scale stocking up

[1] in Q2'24

Online Services: Continued Sales and Revenue Share Growth

600+
stores covered by delivery services

10
online-partners

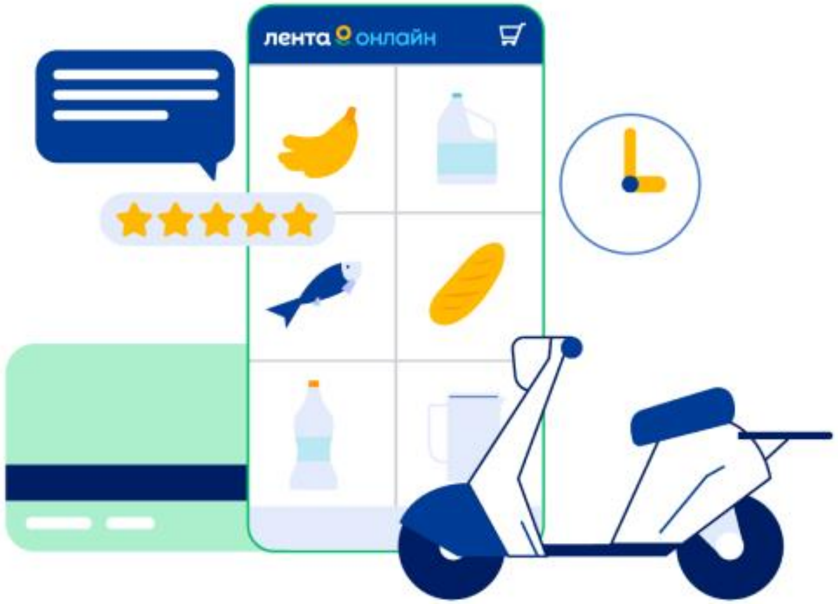
57%
share of own Lenta Online service in total online sales[1]

7.3%
share in Lenta's total sales[1]

2,544 RUB
average ticket[1]

25k+
SKU available for online delivery

Positive
unit economics



Shopping missions

- large weekly family shopping
- stocking up for a special occasion or a party
- procurement by B2B customers
- seasonal non-food shopping
- small basket top-up shopping
- non-food purchases through marketplaces

[1] In Q2'24

Logistics facilities

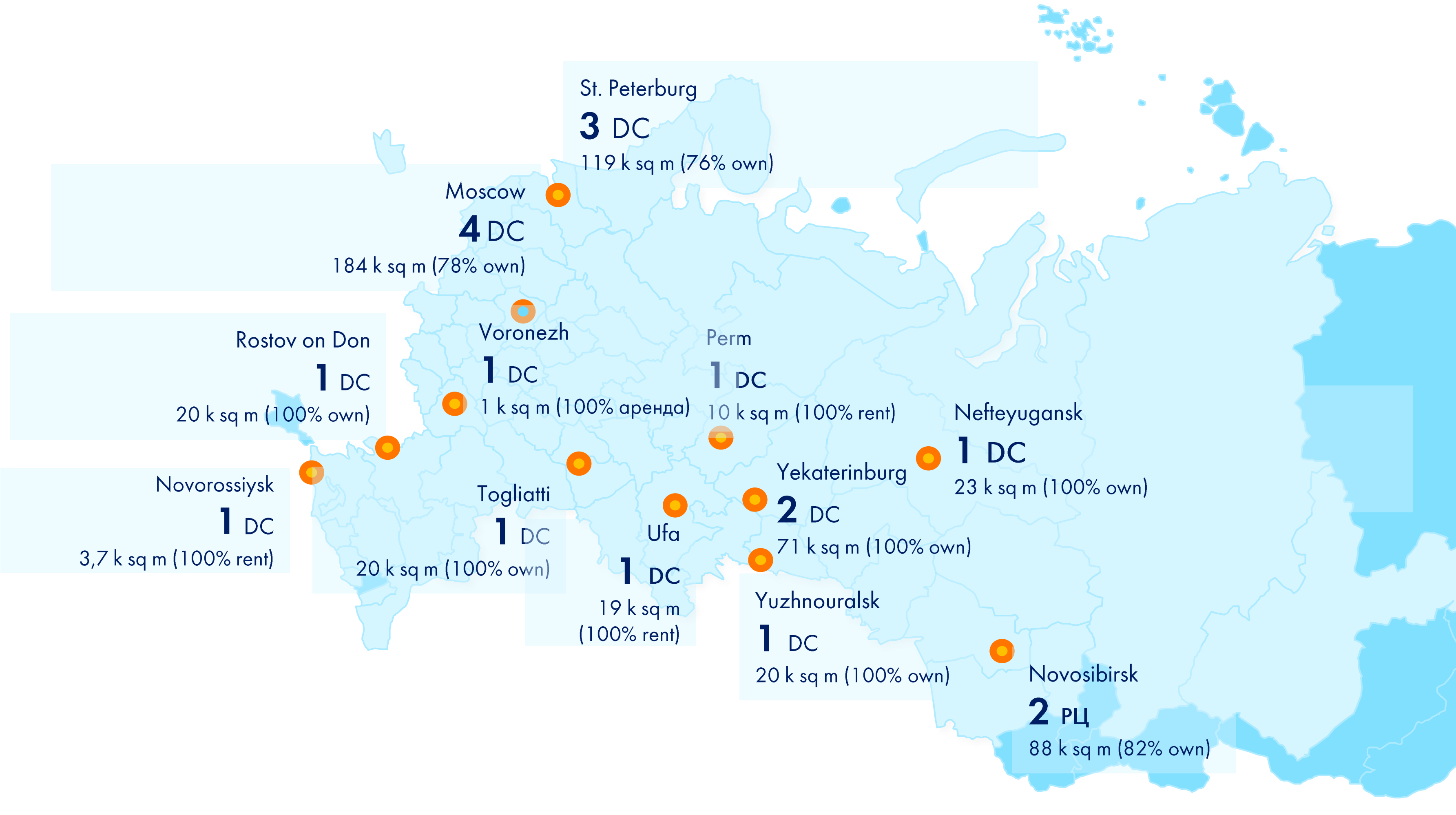
19
distribution centers (DC)

577 k sq m
distribution centers space

76%
share of own DC's space

1,000+
own trucks

74%
centralization ratio[1]



[1] In Q1'24, excluding Monetka

Q2’24 Operating results

Number of stores

262
Hypermarkets
(1 store opened (net))

319
Supermarkets
(3 stores opened (net))

2,566
Convenience stores
(194 stores opened (net))

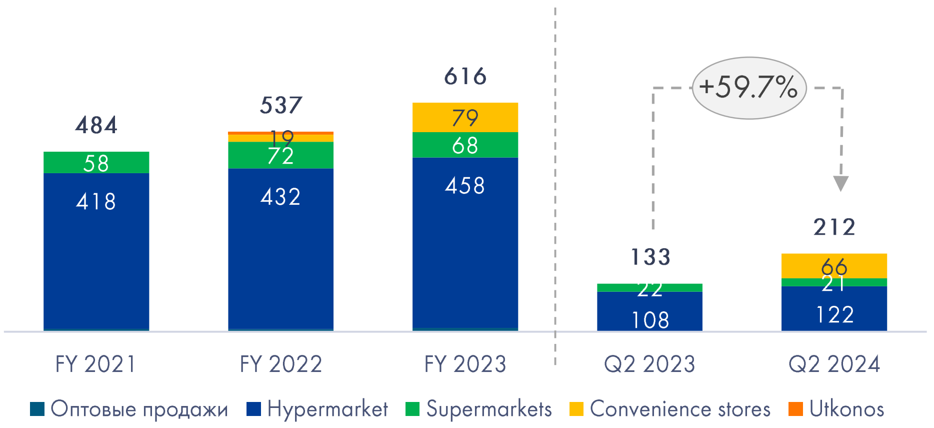
Selling space

1,400 k sq m
Hypermarkets

240 k sq m
Supermarkets

717 k sq m
Convenience stores

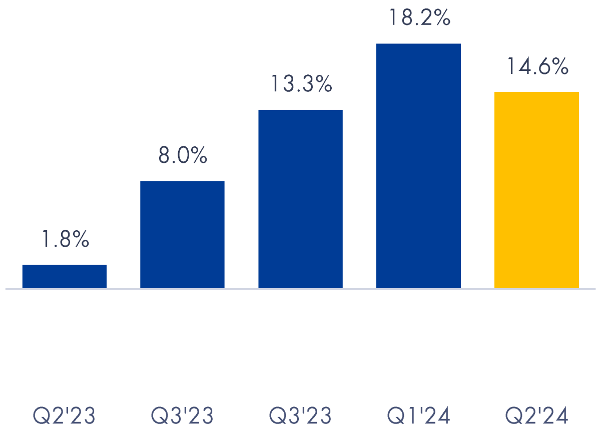
Sales dynamic, RUB billion



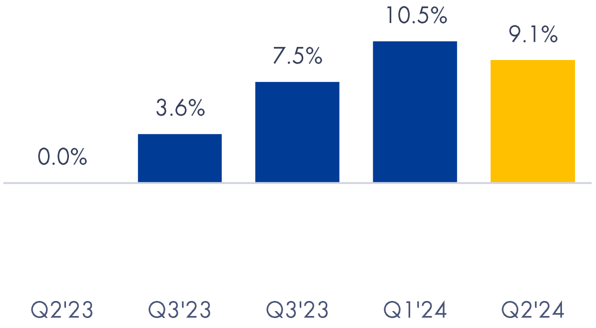
-26.9%
Average ticket, y-o-y

+121.8%
Number of tickets growth, y-o-y

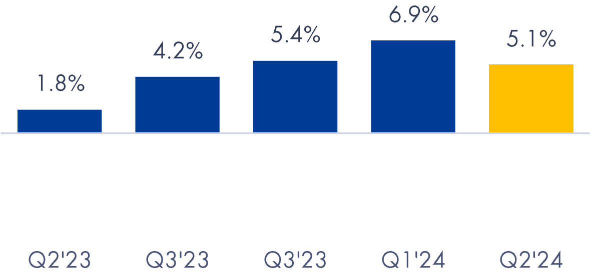
LFL Sales[1], Δ% y-o-y



LFL Ticket[1], Δ% y-o-y



LFL Traffic[1], Δ% y-o-y



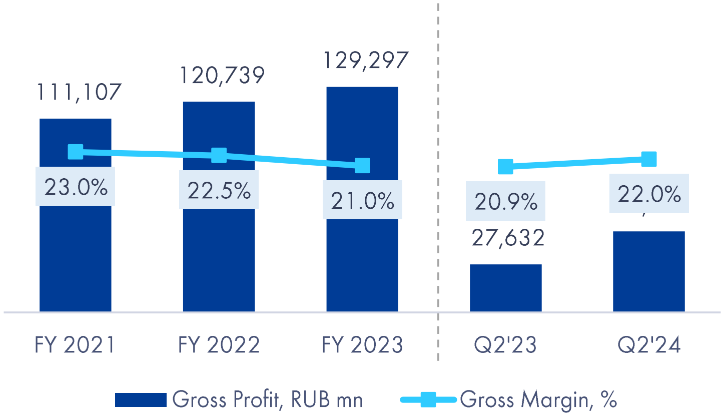
+29.7%
Online sales growth, y-o-y

+24.2%
Number of online orders growth, y-o-y

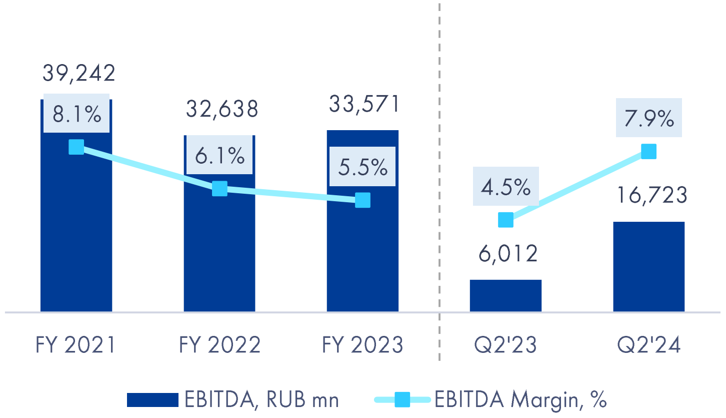
[1] LFL Sales don’t include Monetka results

Q2’24 Financial Results, pre-IFRS16

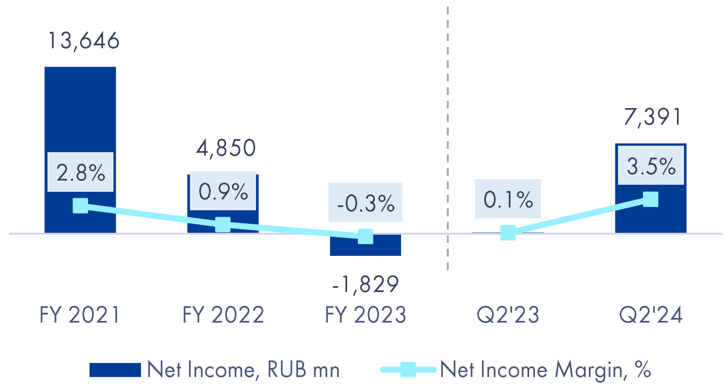
Gross Margin



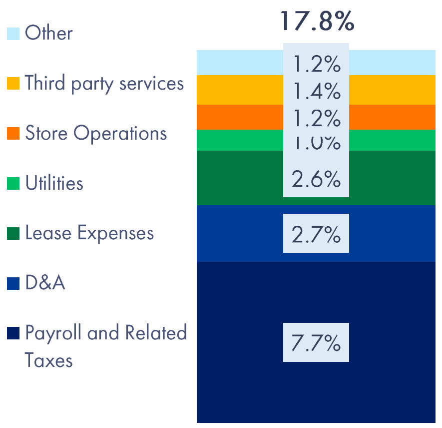
EBITDA



Net Profit



SG&A as % of Total Sales



SG&A expenses amounted to 18.9%, decreasing by 274 bps driven by a decrease in store operating costs, advertising costs and personnel costs.

Payroll and related taxes: ↓ 38 bps due to the consolidation of Monetka, as well as increased productivity in online business.

Lease expenses: ↑ 33 bps following the increase in share of leased selling space.

Store operations: ↓71 bps due to a decrease in cleaning, repairs and maintenance, and security costs.

Third party services: ↓ 96 bps due to a decrease in advertising costs by 70 bps and a decrease in professional fees by 26 bps

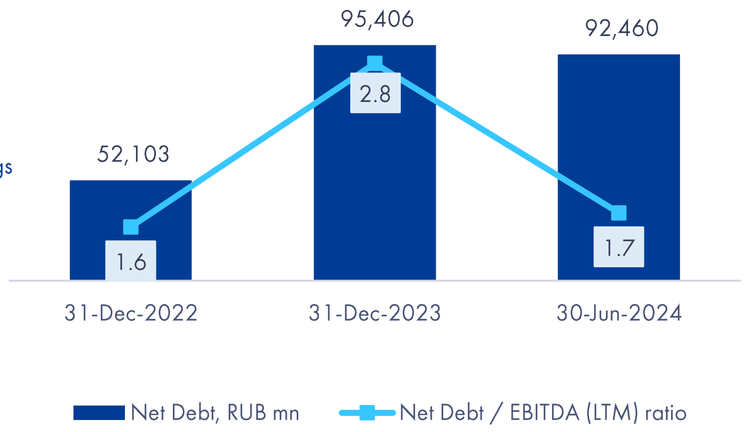
CapEx

6.8 RUB billion

3x y-o-y

Primarily related to an increased store openings in Q2 2024.

Debt Position and Leverage



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

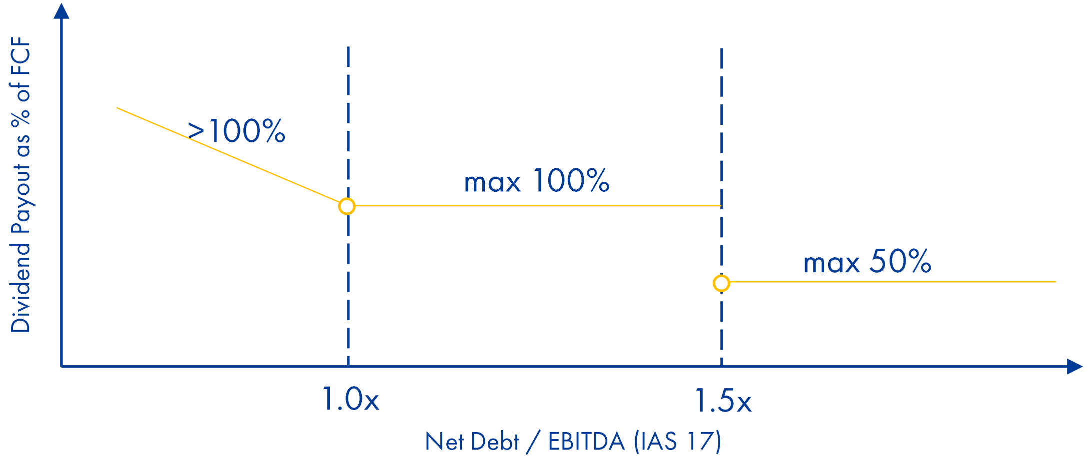
01 Maintain healthy Leverage: long-term target of 1.5x

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 (M&A)

03 Distribute dividends

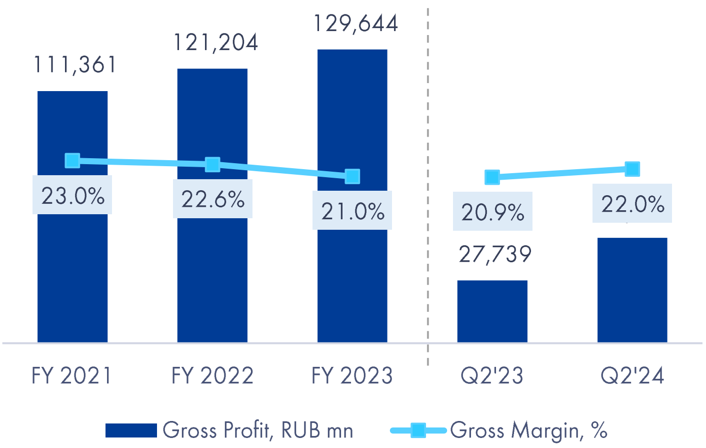
Dividend Payout Determination Principle



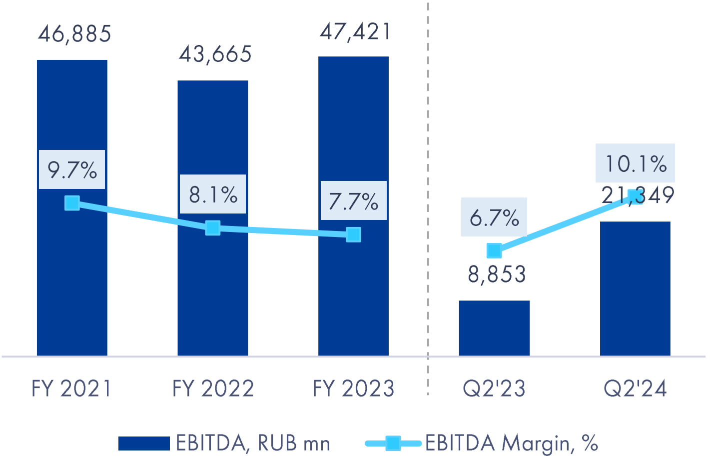
Appendices

Q2'24 Financial Results, IFRS 16

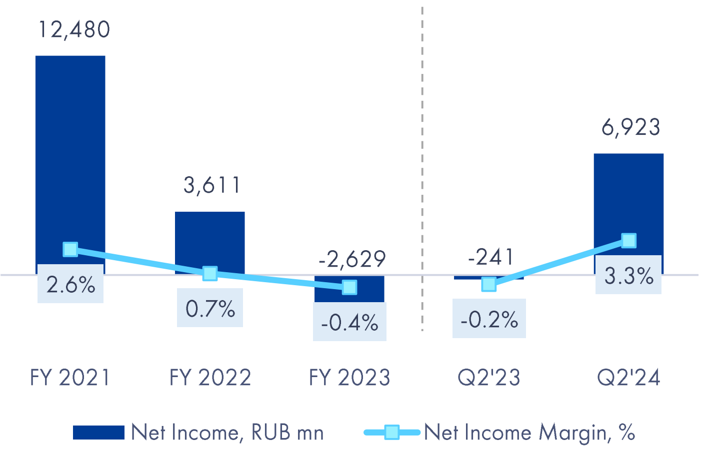
Gross Margin



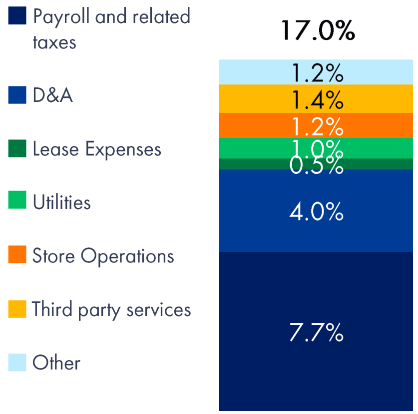
EBITDA



Net Profit



SG&A as % of Total Sales



SG&A as a % of revenue ↓ 288 bps as a result of lower marketing, store operating costs and professional fees.

Payroll and related taxes: ↓ 37 bps as a result of Monetka consolidation and increase in operational efficiency in online.

Store operations: ↓ 76 bps driven by declines in cleaning costs, repairs and maintenance, and security costs.

Third party services: ↓ 104 bps due to a decrease in advertising costs by 72 bps and a decrease in professional fees by 32 bps.

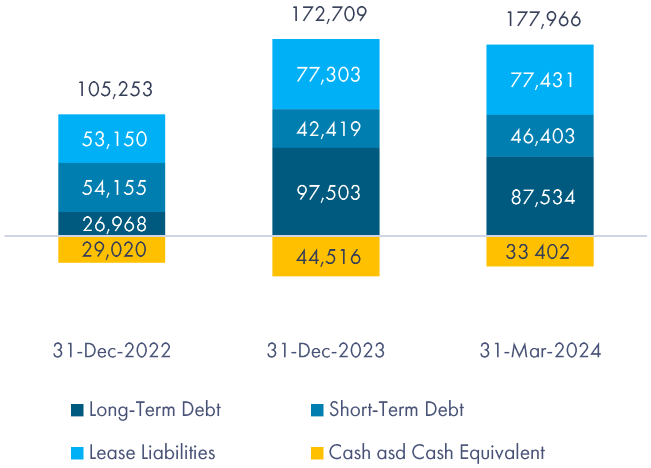
CapEx

6.8 RUB billion

3x y-o-y

Primarily related to an increased store openings in Q2 2024.

Debt Position



Quarterly Operational Data

	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24	Q2'24
Total sales, RUB bn	**132.4**	**130.1**	**126.8**	**148.2**	**537.4**	**124.6**	**132.5**	**136.0**	**222.7**	**615.5**	**202.0**	**211.6**
Retail sales	130.6	128.7	125.1	145.8	530.2	122.5	129.5	132.7	219.9	604.7	199.7	209.9
Hypermarkets	105.6	102.7	101.9	121.7	431.9	100.8	107.5	111.8	137.7	457.8	118.6	122.2
Supermarkets	22.8	23.5	21.2	23.0	90.5	21.7	22.0	20.9	19.1	67.9	21.1	21.3
Convenience stores	-	-	-	-	-	-	-	-	63.1	78.9	60.1	66.3
Utkonos	2.2	2.6	2.0	1.1	7.9	-	-	-	-	-	-	-
Wholesales	1.8	1.4	1.7	2.3	7.2	2.2	3.0	3.3	2.8	11.3	2.2	1.8
Number of stores	**795**	**809**	**811**	**820**	**820**	**827**	**773**	**676**	**2,819**	**2 819**	**2,957**	**3,155**
Hypermarkets	258	258	258	259	259	259	260	261	261	261	261	262
Supermarkets	537	551	553	561	561	568	513	415	246	246	316	319
Convenience stores	-	-	-	-	-	-	-	-	2,312	2 312	2,380	2,574
Selling space, k sq m	**1,772**	**1,779**	**1,780**	**1,788**	**1,788**	**1,789**	**1,768**	**1,722.8**	**2,324.7**	**2,324.7**	**2,311.8**	**2,357.9**
Hypermarkets	1,411	1,411	1,411	1,416	1,416	1,416	1,421	1,427.0	1,427.0	1,427.0	1,395.4	1,400.0
Supermarkets	362	368	370	372	372	373	347	295.9	212.8	212.8	239.9	240.0
Convenience stores									684.9	684.9	676.5	717.9
LFL sales	**7.8%**	**2.6%**	**1.3%**	**(1.3%)**	**2.3%**	**(5.6%)**	**1.8%**	**8.0%**	**13.3%**	**4.6%**	**18.2%**	**14.6%**
Hypermarkets	8.6%	2.5%	2.3%	(0.4%)	3.0%	(4.9%)	4.1%	8.7%	12.1%	5.2%	16.8%	12.8%
Supermarkets	(0.1%)	2.9%	(6.8%)	(6.2%)	(3.6%)	(8.7%)	(9.0%)	4.1%	22.0%	0.7%	26.8%	27.1%
Convenience stores	-	-	-	-	-	-	-	-	10.8%	9.0%	14.0%	11.2%
LFL traffic	**(1.4%)**	**(5.5%)**	**(8.1%)**	**(0.8%)**	**(2.6%)**	**(3.0%)**	**1.8%**	**4.2%**	**5.4%**	**2.0%**	**6.9%**	**5.1%**
Hypermarkets	(1.0%)	(6.1%)	(3.1%)	(0.1%)	(2.6%)	(3.2%)	3.2%	3.9%	2.5%	1.6%	4.4%	1.7%
Supermarkets	(3.6%)	(3.0%)	(3,7%)	(2.2%)	(2.8%)	(2.6%)	(0.7%)	4.9%	13.4%	2.9%	13.2%	13.3%
Convenience stores									0.1%	1.3%	1.4%	-1.4%
LFL average ticket	**9.4%**	**8.6%**	**10.3%**	**(0.5%)**	**5.0%**	**(2.7%)**	**0.0%**	**3.6%**	**7.5%**	**2.6%**	**10.6%**	**9.1%**
Hypermarkets	9.7%	9.2%	5.6%	(0.4%)	5.7%	(1.8%)	0.9%	4.6%	9.4%	3.6%	12.0%	10.8%
Supermarkets	3.6%	6.1%	(3,2%)	(4.1%)	(0.8%)	(6.3%)	(8.4%)	(0.7%)	7.6%	(2.2%)	11.9%	12.2%
Convenience stores	-	-	-	-	-	-	-	-	10.7%	7.6%	12.4%	12.8%

FY 2023 Key Financial Highlights

RUB mn	IFRS 16			Pre IFRS-16		
	FY 2023	FY 2022	Change	FY 2023	FY 2022	Change
Total Sales	**615,923**	**537,401**	**14.6%**	**615,923**	**537,401**	**14.6%**
Gross Profit	129,644	121,204	7.0%	129,297	120,739	7.1%
Gross Margin (%)	*21.0%*	*22.6%*	*-151 bps*	*21.0%*	*22.5%*	*-147 bps*
SG&A	-118,766	-110,264	7.7%	-122,660	-112,987	8.6%
SG&A as % of Total Sales	*-19.3%*	*-20.5%*	*124 bps*	*-19.9%*	*-21.0%*	*111 bps*
EBITDA	**47,421**	**43,665**	**8.6%**	**33,571**	**32,638**	**2.9%**
EBITDA Margin	*7.7%*	*8.1%*	*-43 bps*	*5.5%*	*6.1%*	*-62 bps*
Operating Profit	12,304	15,412	-20.2%	6,981	12,082	-42.2%
Operating Profit Margin	*2.0%*	*2.9%*	*-87 bps*	*1.1%*	*2.2%*	*-111 bps*
Net Interest Expenses	-12,484	-10,017	24.6%	-6,642	-4,924	34.9%
Net FX gain /(loss)	-751	162	-	-270	-52	419.2%
Profit Before Income Tax	**-931**	**5,557**	**-**	**69**	**7,106**	**-**
Net Income	**-2,629**	**3,611**	**-**	**-1,829**	**4,850**	**-**
Net Income Margin	*-0.4%*	*0.7%*	*-*	*-0.3%*	*0.9%*	*-*

FY 2023 Balance Sheet (IFRS 16)

Assets, RUB mn	31 Dec 2023	31 Dec 2022	31 Dec 2021
Non-current assets			
PP&E	177,894	170,963	170,963
Right-of-use assets	73,553	50,667	50,667
Intangible assets	17,275	5,369	5,369
Other non-current assets	52,540	9,428	9,428
Total non-current assets	**321,262**	236,426	236,426
Current assets			
Inventories	67,800	57,681	57,681
Trade and other receivables	12,561	9,695	9,695
Advanced paid	6,349	6,607	6,607
Cash and cash equivalents	44,516	29,020	29,020
Other current assets	9,679	8,133	8,133
Total current assets	**140,906**	111,136	111,136
Total assets	**462,169**	**347,562**	**347,562**

Equity and Liabilities RUB mn	31 Dec 2023	31 Dec 2022	31 Dec 2021
Total Equity	**126,845**	130,005	**106,961**
Non-current liabilities			
Long-term borrowings	97,503	26,968	66,912
Long-term lease liabilities	67,958	47,019	54,150
Other non-current liabilities	8,263	3,161	7,989
Total non-current liabilities	**173,724**	77,148	**129,051**
Current liabilities			
Trade and other payables	100,655	74,447	74,031
Short-term borrowings and short-term portion of long-term borrowings	42,419	54,155	21,502
Short-term lease liabilities	9,344	6,131	6,398
Other non-current assets	9,181	5,676	5,345
Total current liabilities	**161,560**	**140,409**	**107,276**
Total liabilities	**335,324**	**217,557**	**236,327**
Total equity and liabilities	**462,169**	**347,562**	**343,288**

FY 2023 Cash Flow Statement

RUB mn	IFRS 16			Pre IFRS-16		
	FY 2023	FY 2022	Change	FY 2023	FY 2022	Change
(Loss) / Profit before Income Tax	**-931**	**5,557**	**-**	**69**	**7,106**	**-**
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	47,815	37,879	26.2%	34,168	25,445	34.3%
Movement in Working Capital	16,406	-2,736	-	16,650	-2,834	-
Cash Generated from Operating Activities	**63,290**	**40,700**	**55.5%**	**50,887**	**29,717**	**71.2%**
Net Interest & Income Tax Paid	-15,082	-14,633	3.1%	-9,209	-9,511	-3.2%
Net Cash from Operating Activities	**48,208**	**26,067**	**84.9%**	**41,678**	**20,206**	**106.3%**
Net Cash Used in Investing Activities	-85,525	-17,252	389.9%	-84,638	-17,290	389.5%
Net Cash generated from / (used in) Financing Activities	51,806	-12,967	-	58,449	-7,068	-
Effect of exchange rate on cash and cash equivalents	8	-155	-	8	-155	-
Net Increase / (Decrease) in Cash and Cash Equivalents	**15,497**	**-4,307**	**-**	**15,497**	**-4,307**	**-**

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