



Q4 2023

Investor Presentation

March 2024



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Lenta is a Federal Player with Potential for Explosive Growth

Q4 2023

 #1 Hypermarket chain in Russia	 > 650 Cities and towns	 2,800+ stores	 >75 k employees
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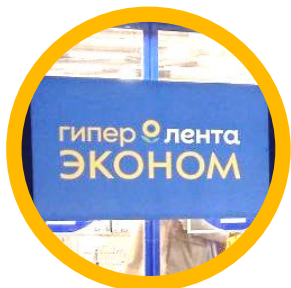
Key Results

+50.4% Sales growth, y-o-y	+13.3% Lenta LFL sales growth, y-o-y	+30.0% Selling space growth, y-o-y	2,143 Store openings (net) ¹	+58.1% Online sales growth, y-o-y
+58.6% Gross Profit growth, y-o-y	+116 bps Gross Margin expansion, y-o-y	+84.7% EBITDA growth, y-o-y	+149 bps EBITDA Margin expansion, y-o-y	

¹ Including acquired Moneika'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



July

Opening of Lenta FRESH self-service restaurant



July

Opening of a hypermarket in Surgut



June

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



October

Acquisition of Monetka



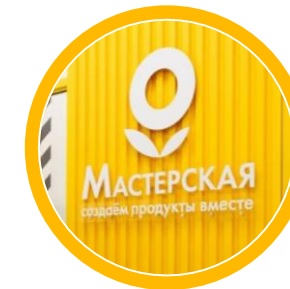
October

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 2023¹,
+72% vs 2020

2.3 million sq m

selling space as at the end of 2023²,
+53% vs 2020

~29% market share

in the hypermarket segment³,
+3.3 pp vs 2020

~7.5% market share

in the online segment⁴,
+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

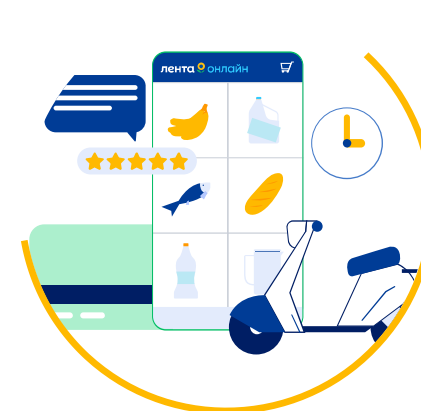
while maintaining leadership in LFL growth and efficiency in home regions



ONLINE BUSINESS

Improve customer proposition and operating model

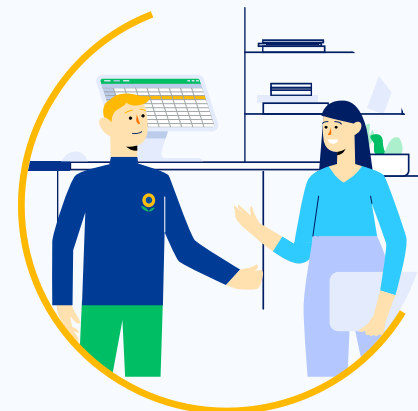
to ensure effective growth



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

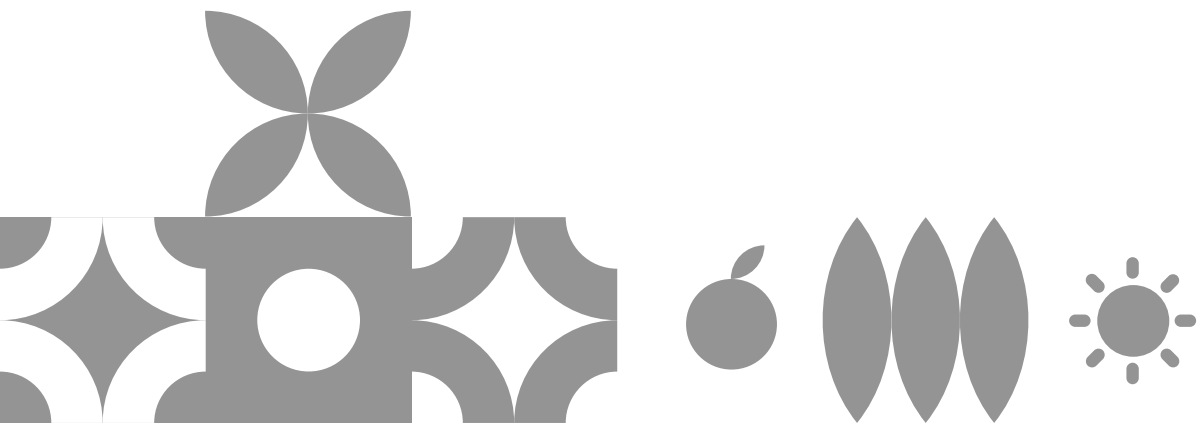
despite increased spending on expansion and logistics infrastructure

Potential to commence dividends¹

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



Lenta is ...





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



Extensive geographic coverage

> 650 cities and towns¹

Proximity to customers

> 2,800 retail stores²

> 2,300 convenience stores

246 supermarkets

261 hypermarkets

Logistics infrastructure

19 distribution centres³ and
over 1,000 owned trucks

Team

> 75,000 employees⁴

Customer base

> 645 million tickets in FY 2023

> 12 million MAU⁵ of Lenta's digital
platforms⁶ in 1H 2023

¹ Combined total for Lenta and Monетка as at 31 December 2023 | ² Number of Lenta Mini stores, Lenta supermarkets, Lenta hypermarkets and Monетка stores as at 31 December 2023 | ³ Combined total for Lenta and Monетка as at 31 December 2023, excluding Utkonos distribution centres | ⁴ Combined headcount for Lenta and Monетка as at 31 December 2023 | ⁵ MAU stands for monthly active users | ⁶ Including Lenta, Lenta Online, Utkonos apps and Lenta.com and Utkonos.ru websites



Lenta Solidifies Leadership in the Hypermarket Segment

261

hypermarkets

61.8%

share in Lenta's retail sales¹

5,500 sq m

average selling space

25,000+

SKUs on shelves

18,2%

share of private label in Sales¹

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

1,427

k sq m selling space

77%

share of owned selling space



¹ in Q4'23, including online sales



Lenta Supermarkets: Wide Product Selection at the Best Prices

246

supermarkets

213

k sq m selling space

25%

share of owned selling space

8,7%

share in Lenta's retail sales¹

7,5+ k

target number of SKUs on shelves

860 sq m

average selling space

15,7%

share of private label in Sales¹



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 Q4'23, including online sales



Monetka: a Fast-Growing Convenience Network

2,153

convenience stores

28,7%

share in Lenta's retail sales¹

300 sq m

average selling space

3,6 k

SKUs on shelves

17%

share of private label in sales

685

k sq m selling space

100%

Monetka's selling space
in leased



Shopping missions



fresh grocery shopping



shopping for daily meal
essentials



small-scale stocking up

¹ in Q4'23



Online Services: Continued Sales and Revenue Share Growth

460+

stores covered by delivery services

7,9%

share in Lenta's total sales¹

2,355 RUB

average ticket¹

25+k

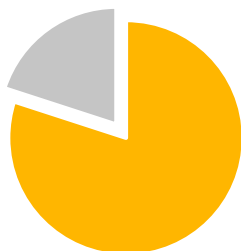
SKU available for online delivery

Positive

unit economics

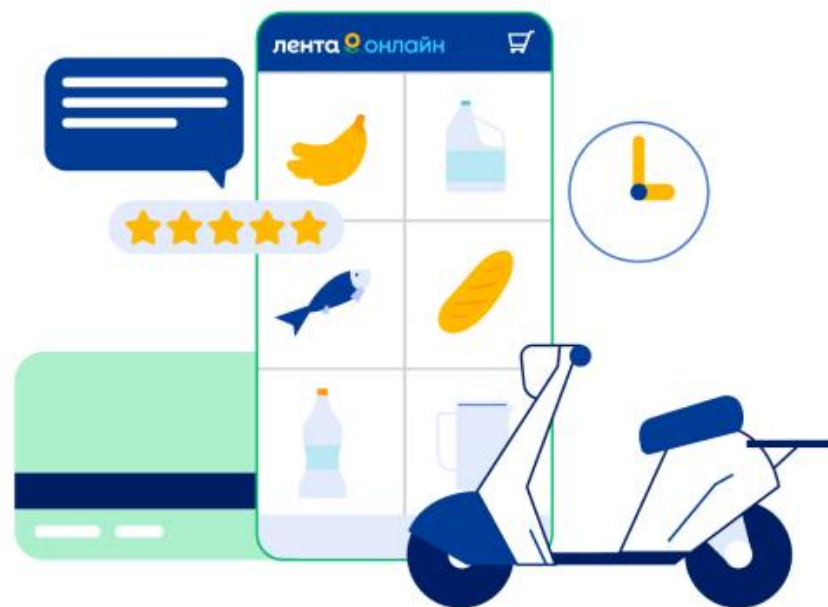
12

online-partners



56%

share of own Lenta Online service in total online sales¹



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 Q4'23



Logistics facilities



19

distribution centers (DC)



560 k sq m

distribution centers space



78%

share of own DC's space



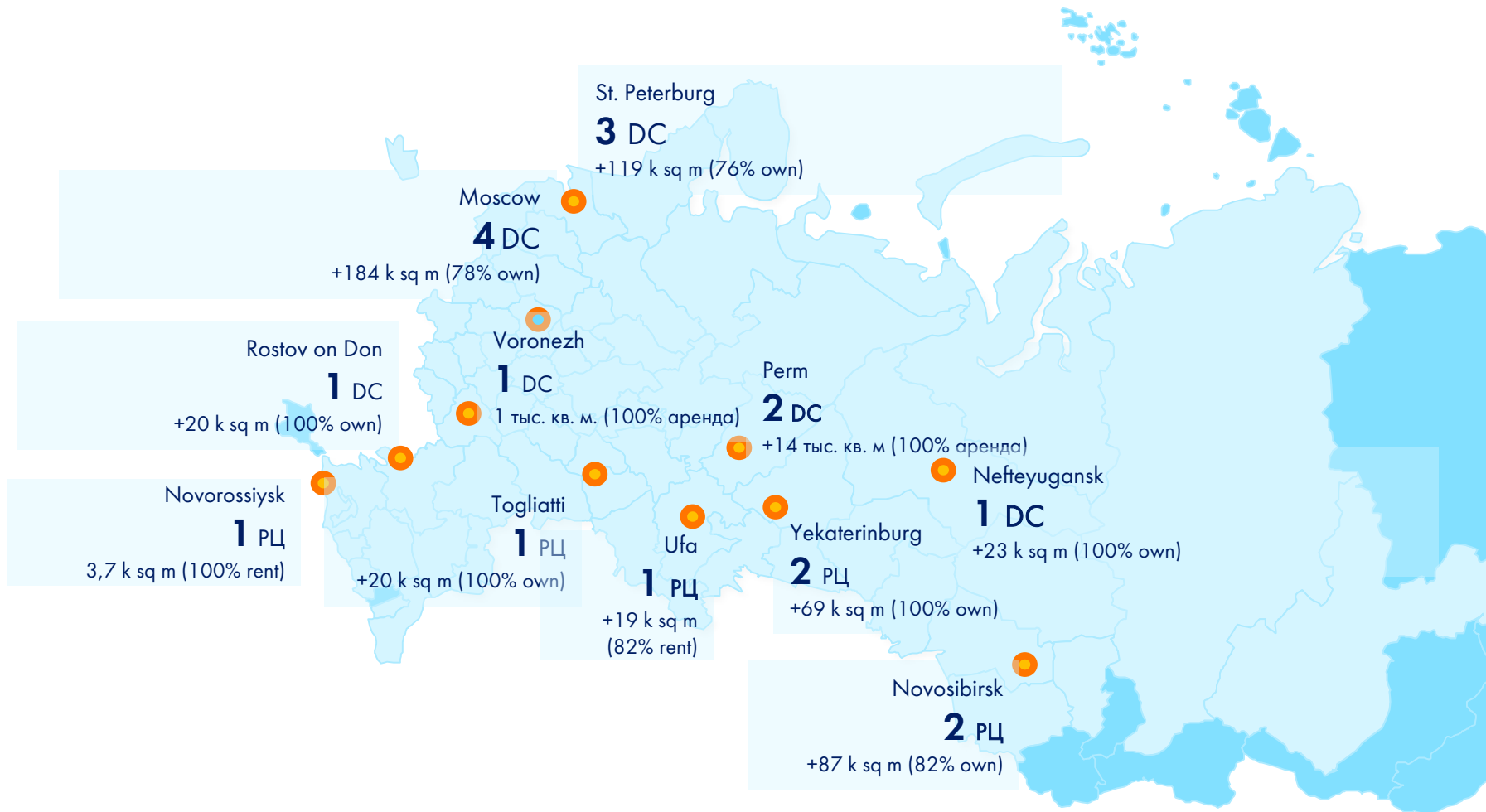
1,000+

own trucks



75,0%

centralization ratio¹



¹ In Q4'23, excluding Monetka



Q4'23 Operating results

Number of stores

261

Hypermarkets

246

Supermarkets
(10 stores closed (Net))

2,312

Convenience stores
(2,153 stores opened (Net))

Selling space

1,427 k sq m

Hypermarkets

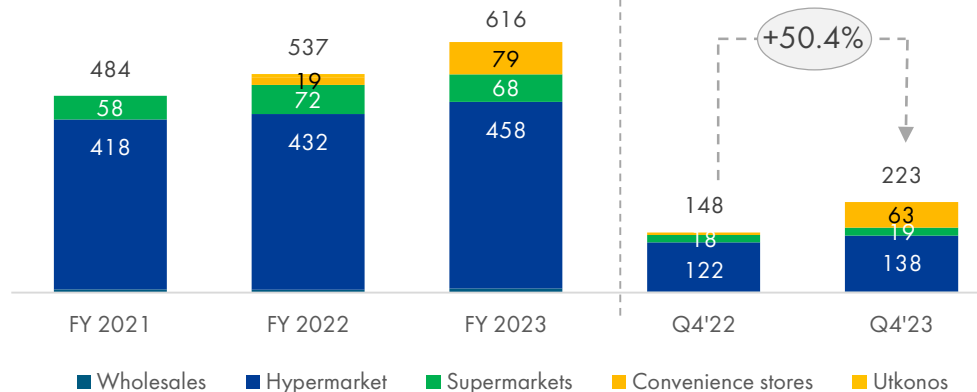
213 k sq m

Supermarkets

685 k sq m

Convenience stores

Sales dynamic, RUB billion



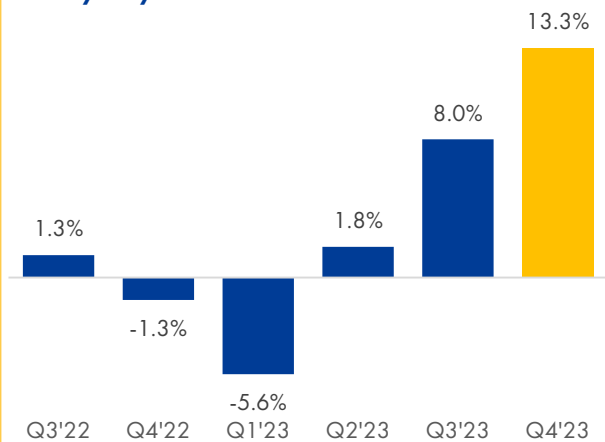
-26.7%

Average ticket, y-o-y

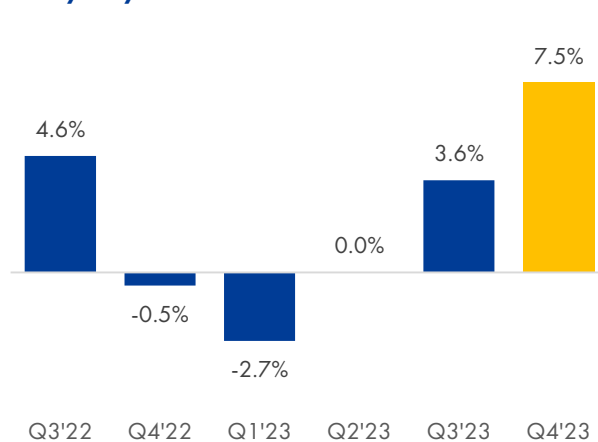
+105.8%

Number of tickets growth, y-o-y

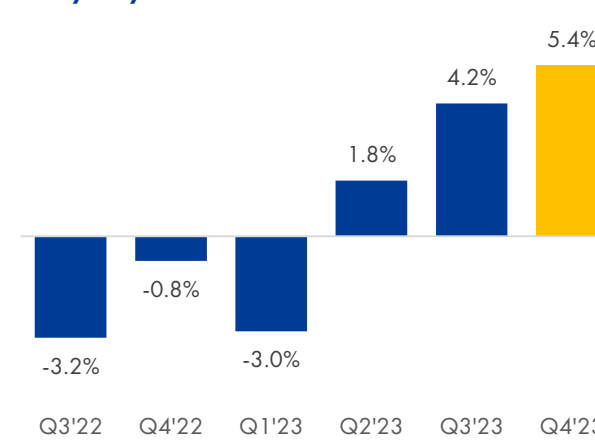
LFL Sales¹, Δ% y-o-y



LFL Ticket¹, Δ% y-o-y



LFL Traffic¹, Δ% y-o-y



+58.1%

Online sales growth, y-o-y

+52.0%

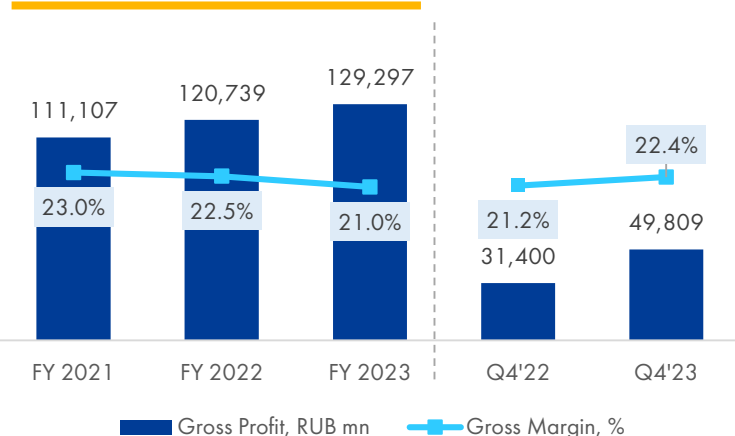
Number of online orders growth, y-o-y

¹ LFL Sales don't include Monetka results

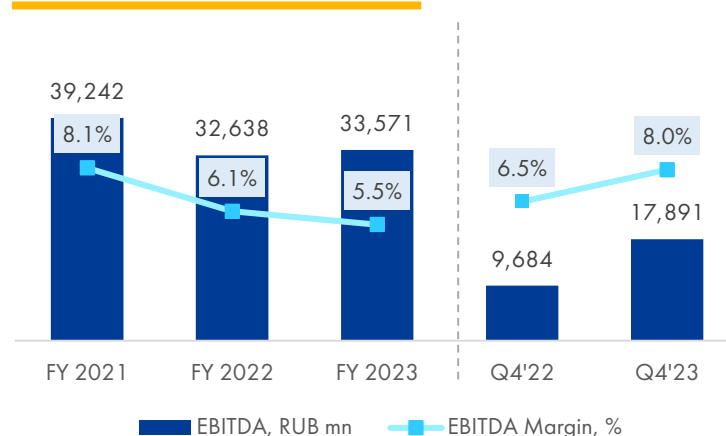


Q4'23 Financial Results, pre-IFRS16

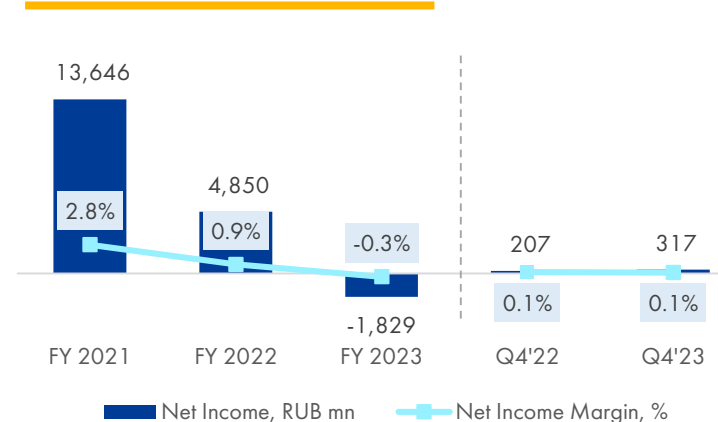
Gross Margin



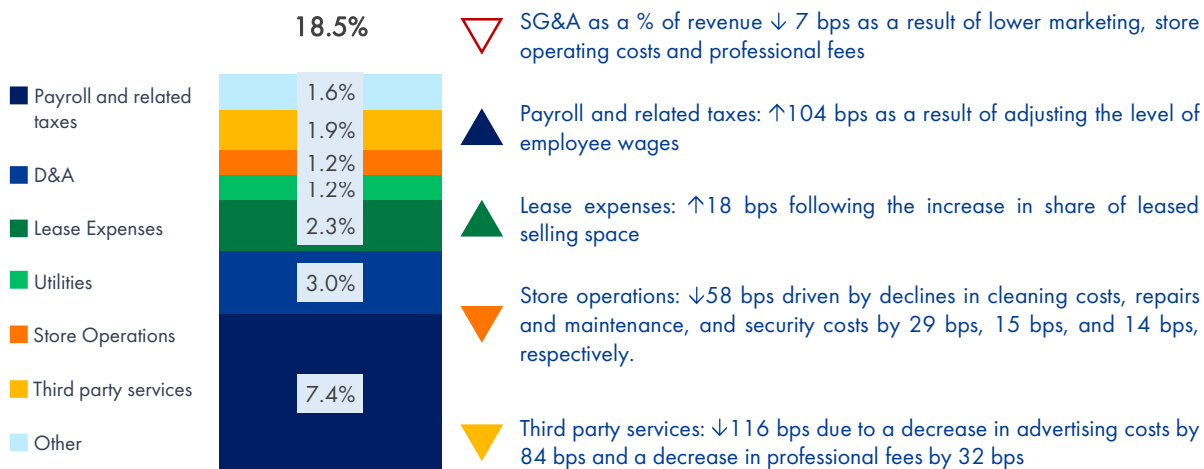
EBITDA



Net Profit



SG&A as % of Total Sales



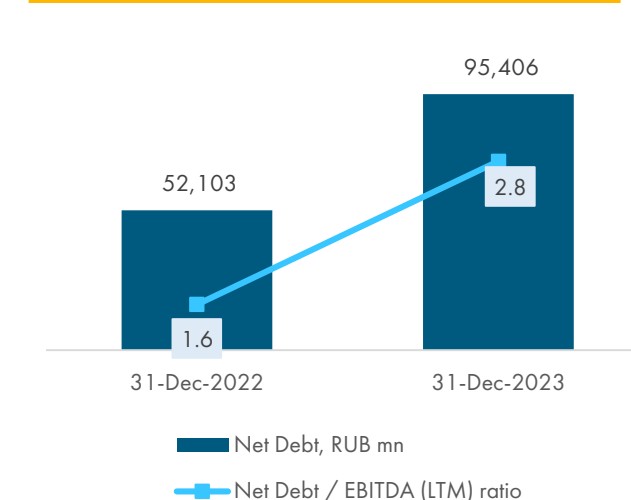
CapEx

5,5 RUB billion

199,8% y-o-y

Mainly due to the opening of new Monetka convenience stores and the reformatting of Lenta Mini stores into Monetka

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

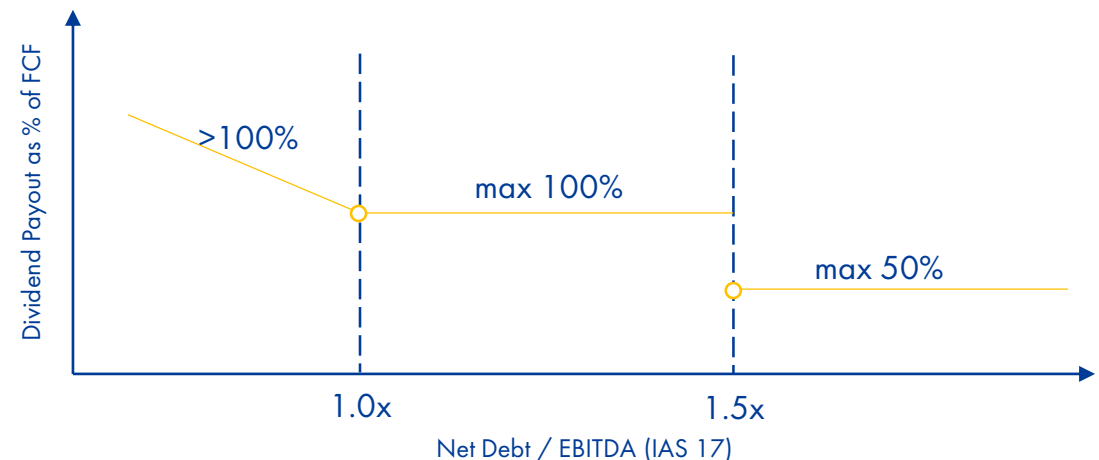
Invest into profitable growth of sales in existing stores, organic and inorganic growth

- Existing stores renovation
- New stores opening and online channel development
- Industry consolidation (M&A)

03

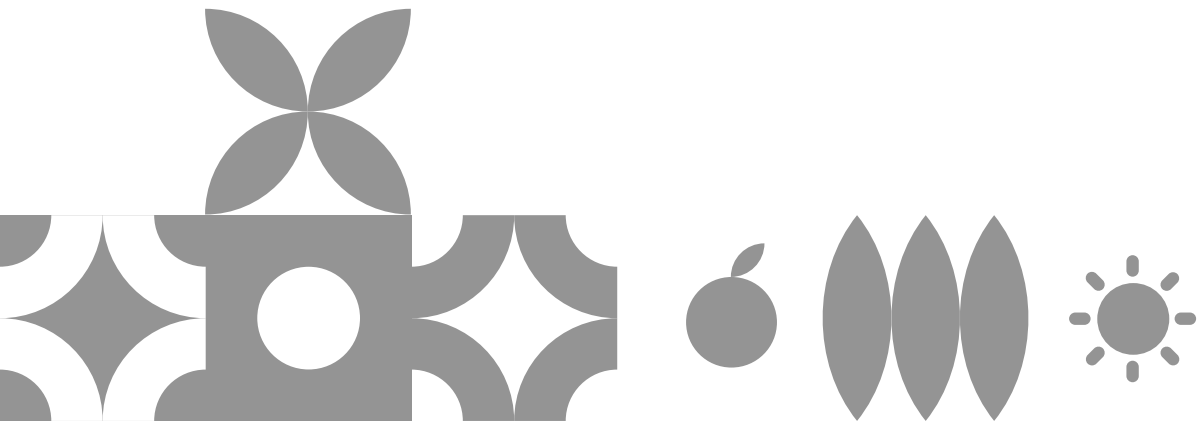
Distribute dividends

Dividend Payout Determination Principle





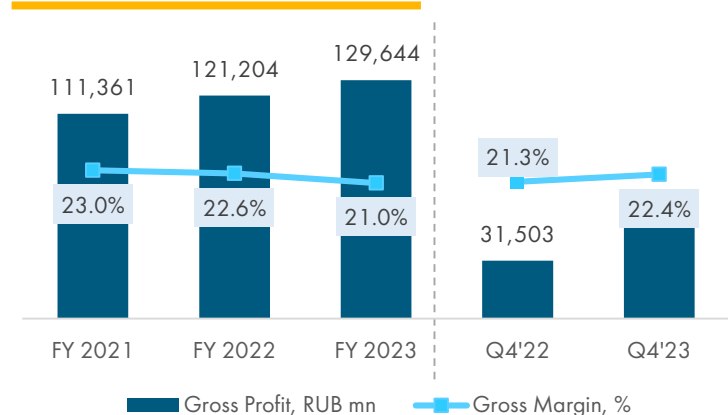
Appendices



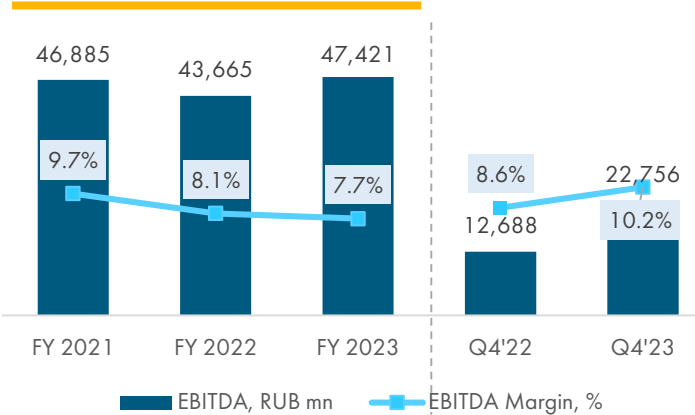


Q4'23 Financial Results, IFRS 16

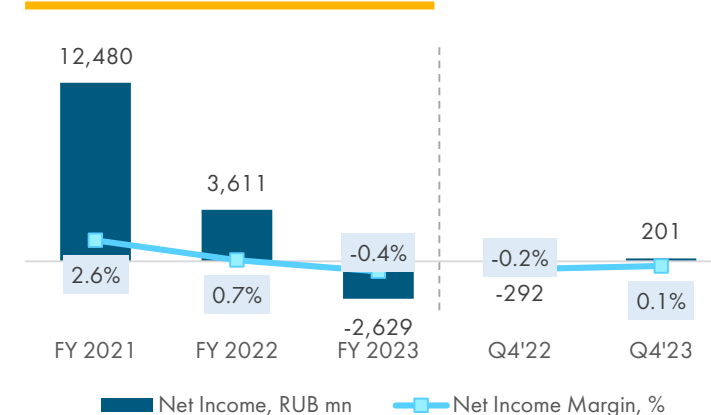
Gross Margin



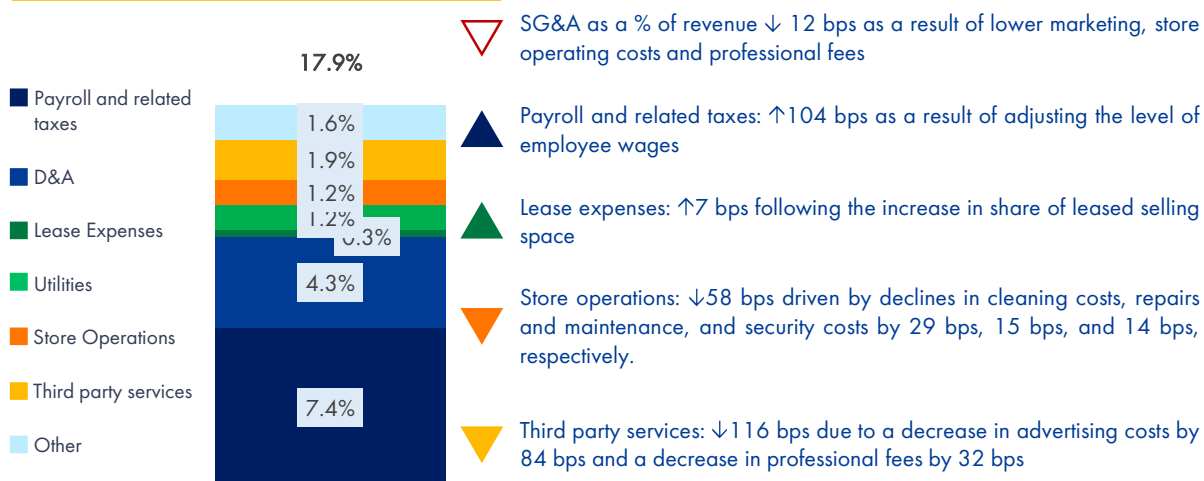
EBITDA



Net Profit



SG&A as % of Total Sales



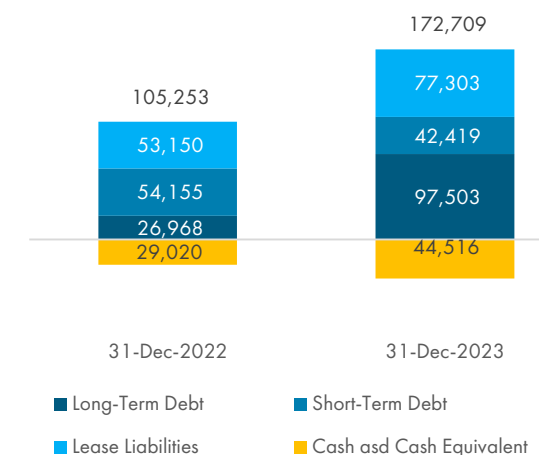
CapEx

5,4 RUB billion

45,8% y-o-y

Mainly due to the opening of new Monetka convenience stores and the reformatting of Lenta Mini stores into Monetka

Debt Position





Quarterly Operational Data

	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'23
Total sales, RUB bn	483.6	132.4	130.1	126.8	148.2	537.4	124.6	132.5	136.0	222.7	615.5
Retail sales	475.8	130.6	128.7	125.1	145.8	530.2	122.5	129.5	132.7	219.9	604.7
Hypermarkets	418.1	105.6	102.7	101.9	121.7	431.9	100.8	107.5	111.8	137.7	457.8
Small Formats	57.7	22.8	23.5	21.2	23.0	90.5	21.7	22.0	20.9	19.1	67.9
Convenience stores	-	-	-	-	-	-	-	-	-	63.1	78.9
Utkonos	-	2.2	2.6	2.0	1.1	7.9	-	-	-	-	-
Wholesales	7.9	1.8	1.4	1.7	2.3	7.2	2.2	3.0	3.3	2.8	11.3
Number of stores	757	795	809	811	820	820	827	773	676	2,819	2 819
Hypermarkets	258	258	258	258	259	259	259	260	261	261	261
Small Formats	499	537	551	553	561	561	568	513	415	246	246
Convenience stores	-	-	-	-	-	-	-	-	-	2,312	2 312
Selling space, k sq m	1,755	1,772	1,779	1,780	1,788	1,788	1,789	1,768	1,722.8	2,324.7	2,324.7
Hypermarkets	1,411	1,411	1,411	1,411	1,416	1,416	1,416	1,421	1,427.0	1,427.0	1,427.0
Small Formats	344	362	368	370	372	372	373	347	295.9	212.8	212.8
Convenience stores	-	-	-	-	-	-	-	-	-	684.9	684.9
LFL sales	2.4%	7.8%	2.6%	1.3%	(1.3%)	2.3%	(5.6%)	1.8%	8.0%	13.3%	4.6%
Hypermarkets	3.1%	8.6%	2.5%	2.3%	(0.4%)	3.0%	(4.9%)	4.1%	8.7%	12.1%	5.2%
Small Formats	(4.3%)	(0.1%)	2.9%	(6.8%)	(6.2%)	(3.6%)	(8.7%)	(9.0%)	4.1%	22.0%	0.7%
Convenience stores	-	-	-	-	-	-	-	-	-	10.8%	9.0%
LFL traffic	(2.1%)	(1.4%)	(5.5%)	(8.1%)	(0.8%)	(2.6%)	(3.0%)	1.8%	4.2%	5.4%	2.0%
Hypermarkets	(1.5%)	(1.0%)	(6.1%)	(3.1%)	(0.1%)	(2.6%)	(3.2%)	3.2%	3.9%	2.5%	1.6%
Small Formats	(5.0%)	(3.6%)	(3.0%)	(3,7%)	(2.2%)	(2.8%)	(2.6%)	(0.7%)	4.9%	13.4%	2.9%
Convenience stores	-	-	-	-	-	-	-	-	-	0.1%	1.3%
LFL average ticket	4.7%	9.4%	8.6%	10.3%	(0.5%)	5.0%	(2.7%)	0.0%	3.6%	7.5%	2.6%
Hypermarkets	4.6%	9.7%	9.2%	5.6%	(0.4%)	5.7%	(1.8%)	0.9%	4.6%	9.4%	3.6%
Small Formats	0.8%	3.6%	6.1%	(3,2%)	(4.1%)	(0.8%)	(6.3%)	(8.4%)	(0.7%)	7.6%	(2.2%)
Convenience stores	-	-	-	-	-	-	-	-	-	10.7%	7.6%



Balance Sheet (IFRS 16)

Assets, RUB mn	31 Dec 2023	31 Dec 2022	31 Dec 2021	Equity and Liabilities RUB mn	31 Dec 2023	31 Dec 2022	31 Dec 2021
Non-current assets				Total Equity	126,845	130,005	106,961
PP&E	177,894	170,963	170,963	Non-current liabilities			
Right-of-use assets	73,553	50,667	50,667	Long-term borrowings	97,503	26,968	66,912
Intangible assets	17,275	5,369	5,369	Long-term lease liabilities	67,958	47,019	54,150
Other non-current assets	52,540	9,428	9,428	Other non-current liabilities	8,263	3,161	7,989
Total non-current assets	321,262	236,426	236,426	Total non-current liabilities	173,724	77,148	129,051
Current assets				Current liabilities			
Inventories	67,800	57,681	57,681	Trade and other payables	100,655	74,447	74,031
Trade and other receivables	12,561	9,695	9,695	Short-term borrowings and short-term portion of long-term borrowings	42,419	54,155	21,502
Advanced paid	6,349	6,607	6,607	Short-term lease liabilities	9,344	6,131	6,398
Cash and cash equivalents	44,516	29,020	29,020	Other non-current assets	9,181	5,676	5,345
Other current assets	9,679	8,133	8,133	Total current liabilities	161,560	140,409	107,276
Total current assets	140,906	111,136	111,136	Total liabilities	335,324	217,557	236,327
Total assets	462,169	347,562	347,562	Total equity and liabilities	462,169	347,562	343,288



FY 2022 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%
<i>Gross Margin (%)</i>	<i>21.0%</i>	<i>22.6%</i>	<i>-151 bps</i>	<i>21.0%</i>	<i>22.5%</i>	<i>-147 bps</i>
SG&A	-118,766	-110,264	7.7%	-122,660	-112,987	8.6%
<i>SG&A as % of Total Sales</i>	<i>-19.3%</i>	<i>-20.5%</i>	<i>124 bps</i>	<i>-19.9%</i>	<i>-21.0%</i>	<i>111 bps</i>
EBITDA	47,421	43,665	8.6%	33,571	32,638	2.9%
<i>EBITDA Margin</i>	<i>7.7%</i>	<i>8.1%</i>	<i>-43 bps</i>	<i>5.5%</i>	<i>6.1%</i>	<i>-62 bps</i>
Operating Profit	12,304	15,412	-20.2%	6,981	12,082	-42.2%
<i>Operating Profit Margin</i>	<i>2.0%</i>	<i>2.9%</i>	<i>-87 bps</i>	<i>1.1%</i>	<i>2.2%</i>	<i>-111 bps</i>
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	-
<i>Net Income Margin</i>	<i>-0.4%</i>	<i>0.7%</i>	-	<i>-0.3%</i>	<i>0.9%</i>	-



FY 2023 Cash Flow Statement

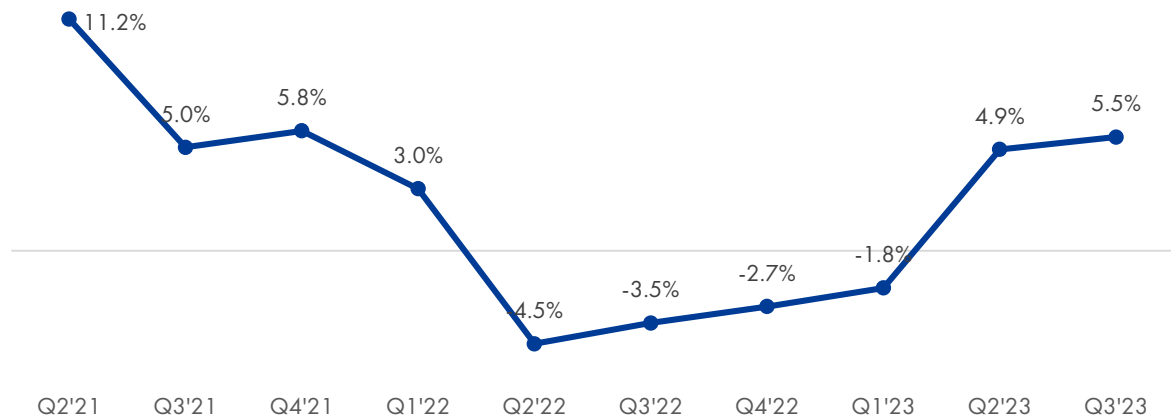
RUB mn	IFRS 16			Pre IFRS-16		
	FY 2023	FY 2022	Change	FY 2023	FY 2022	Change
(Loss) / Profit before Income Tax	-931	5,557	-	69	7,106	-
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	47,815	37,879	26.2%	34,168	25,445	34.3%
Movement in Working Capital	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	-



Dynamics of macroeconomic indicators

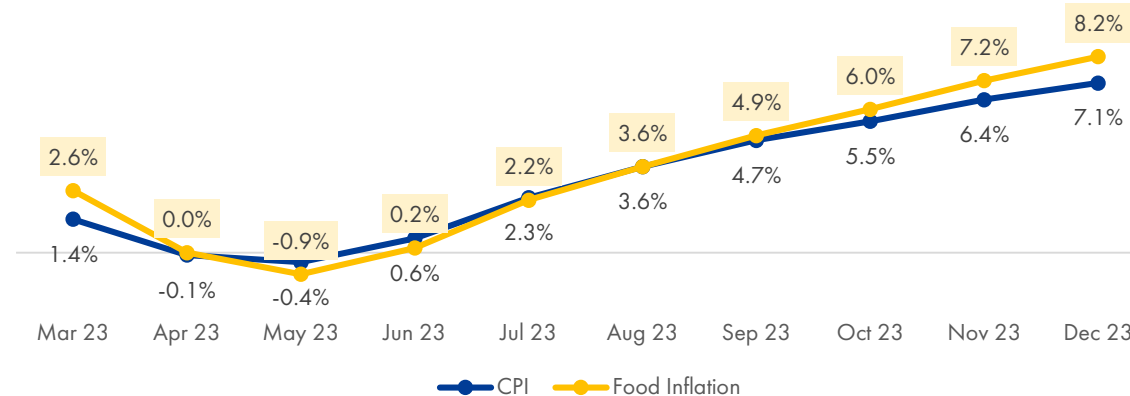
REAL GDP¹

Quarterly dynamics, y-o-y



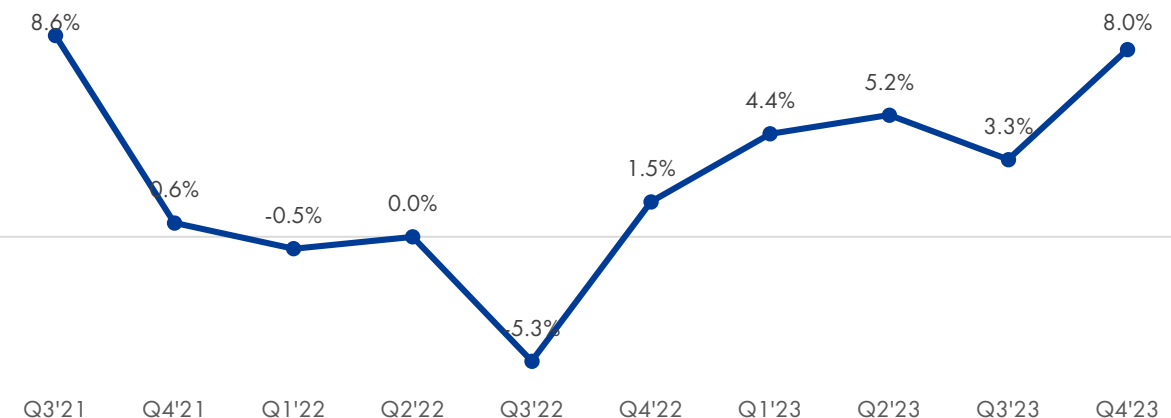
CPI AND FOOD INFLATION

Monthly dynamics, y-o-y



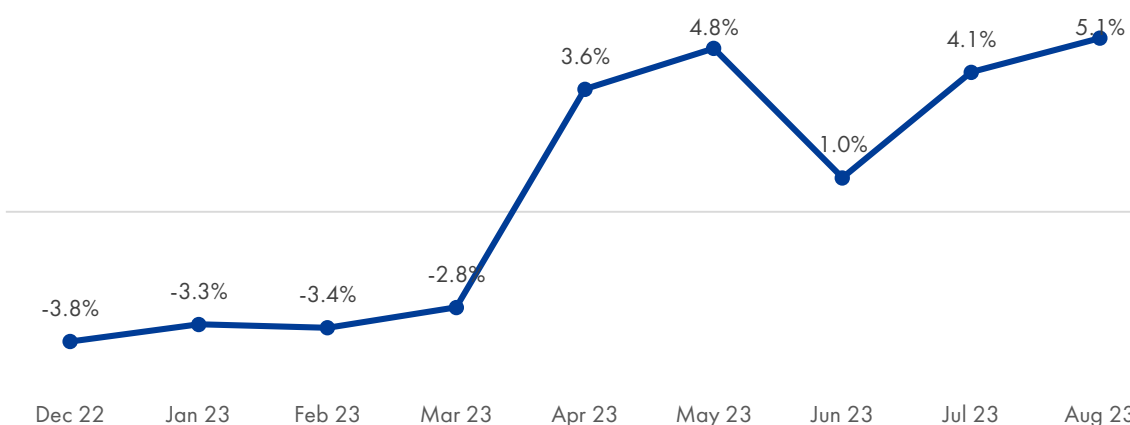
REAL DISPOSABLE INCOME

Quarterly dynamics, y-o-y



FOOD RETAIL SALES (IN THE MASS OF COMMODITIES)

Monthly dynamics, y-o-y



¹ Indices of the Physical Volume of the Gross Domestic Product



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