



## LENTA REPORTS TOTAL SALES GROWTH OF 20.3% AND ONLINE SALES GROWTH OF 159.0% IN H1 2022

**25 July 2022**  
**St. Petersburg,**  
**Russia**

Lenta IPJSC (LSE: LNTA, MOEX: LENT), one of the largest multi-format retail chains in Russia, today announces its operational results and key financial results for the second quarter and the first six months of 2022 as well as its auditor-reviewed IFRS financial results for the first six months of 2022.

### H1 2022 Highlights<sup>1,2</sup>

- Total Sales increased by 20.3% y-o-y to RUB 262.5 billion.
- Retail Sales reached RUB 259.3 billion, representing 20.7% y-o-y growth.
- Like-for-Like (LFL) Sales increased by 5.2%, driven by 9.0% LFL Average Ticket growth.
- Online Sales grew by 159.0% y-o-y to RUB 20.4 billion.
- The Company opened 62 small-format stores on a gross basis.
- Total Selling Space increased by 16.3%, reaching 1,778.7 thousand sq. m.
- Gross Profit increased by 26.4% y-o-y to RUB 62.8 billion. Gross Margin increased by 114 bps and stood at 23.9%.
- EBITDA was RUB 15.4 billion with a 5.9% EBITDA Margin.
- Capex stood at RUB 7.2 billion, up 43.3%.
- The Net Debt to EBITDA (LTM) ratio stood at 1.9x vs. 1.4x as of 31 December 2021.

1. Including Utikonos results starting from 1 February 2022

2. Please note that all Financial Highlights are based upon pre-IFRS 16 figures

**Vladimir  
Sorokin,**  
Chief Executive Officer



*In Q2 2022, we continued adapting Lenta's business to the new environment to ensure that we were able to fulfill our primary objective – providing customers with quality food products and basic essentials – without interruption.*

*Thanks to the concerted efforts of our personnel, we dealt with emerging challenges while maintaining the sustainability and viability of Lenta's business. By the end of Q2 2022, the quality of our relations with suppliers was closer to where it was in January; in addition, we built new supply chains and established a process for settlements with foreign counterparties. Moreover, we managed to put new products on our stores' shelves and to expand Lenta's supplier base considerably. In the first half of 2022, we added 314 local producers to our suppliers.*

*In Q2 2022, we completed the integration of Billa: all of the retailer's stores are already operating under the Lenta brand, and they have been fully integrated into our platforms, product matrixes and IT solutions. In the second half of 2022, we will continue to integrate the Semya chain and the online business Utkonos.*

*A few words about our formats. In Q2 2022, like-for-like sales at our hypermarkets increased by 2.5%. At the moment, the priority for us is to develop an offer that will bring traffic back to our stores, including by developing our product mix and promotions as well as expanding our own private labels. In terms of our small-format stores, we note the positive dynamics and the return on our efforts to develop them. Our Q2 2022 results are clear evidence of this: we achieved 2.9% growth in LFL sales, and we were able to stabilize inventories, which enabled us to improve our EBITDA margin. Our online business continues to increase its share in Lenta's total sales and is showing strong results. Online sales in Q2 2022 increased by 135%.*

*Responding to customer requests remains our top priority. We are undertaking comprehensive efforts to ensure that we can update our product mix and pricing quickly in response to changing external market conditions. The company's operating and financial results demonstrate that we are successfully adapting and quickly learning to work in the new environment.*



## Q2 & H1 2022 OPERATING RESULTS, y-o-y

### Sales<sup>3</sup>

	Q2'22	Q2'21	Change	% Change	H1'22	H1'21	Change	% Change
<b>Total Sales (RUB million)</b>	<b>130,089</b>	<b>110,776</b>	<b>19,313</b>	<b>17.4%</b>	<b>262,459</b>	<b>218,088</b>	<b>44,371</b>	<b>20.3%</b>
<b>Retail Sales</b>	<b>128,737</b>	<b>109,027</b>	<b>19,710</b>	<b>18.1%</b>	<b>259,294</b>	<b>214,908</b>	<b>44,386</b>	<b>20.7%</b>
Hypermarkets	101,868	99,473	2,395	2.4%	206,574	195,664	10,911	5.6%
Small Formats	24,310	9,554	14,757	154.5%	47,966	19,245	28,722	149.2%
Utkonos <sup>4</sup>	2,559	0	-	-	4,754	0	-	-
<b>Wholesale<sup>5</sup></b>	<b>1,352</b>	<b>1,749</b>	<b>-397</b>	<b>-22.7%</b>	<b>3,165</b>	<b>3,179</b>	<b>-14</b>	<b>-0.5%</b>
<b>Average Ticket (RUB)</b>	<b>1,023</b>	<b>1,085</b>	<b>-61</b>	<b>-5.7%</b>	<b>1,050</b>	<b>1,105</b>	<b>-54</b>	<b>-4.9%</b>
Hypermarkets	1,325	1,211	114	9.4%	1,347	1,229	118	9.6%
Small Formats	503	520	-17	-3.3%	519	544	-26	-4.7%
Utkonos	4,383	0	-	-	4,336	0	-	-
<b>Number of Tickets (millions)</b>	<b>126</b>	<b>101</b>	<b>25</b>	<b>25.2%</b>	<b>247</b>	<b>195</b>	<b>52</b>	<b>26.9%</b>
Hypermarkets	77	82	-5	-6.4%	153	159	-6	-3.7%
Small Formats	48	18	30	163.2%	92	35	57	161.6%
Utkonos	0.6	0	-	-	1.1	0	-	-

### Stores and Selling Space

	Q2'22	Q2'21	Change	% Change	H1'22	H1'21	Change	% Change
<b>Total Retail Stores (eop)</b>	<b>809</b>	<b>406</b>	<b>403</b>	<b>99.3%</b>	<b>809</b>	<b>406</b>	<b>403</b>	<b>99.3%</b>
<b>Hypermarkets</b>	<b>254</b>	<b>255</b>	<b>-1</b>	<b>-0.4%</b>	<b>254</b>	<b>255</b>	<b>-1</b>	<b>-0.4%</b>
Openings	0	2	-2	-	0	3	-3	-
Closing	0	1	-1	-	0	2	-2	-
<b>Small Formats</b>	<b>555</b>	<b>151</b>	<b>404</b>	<b>267.5%</b>	<b>555</b>	<b>151</b>	<b>404</b>	<b>267.5%</b>
Openings	18	11	7	63.6%	62	13	49	376.9%
Closing	4	0	4	-	10	1	9	900.0%
<b>New Selling Space (sqm, eop)</b>	<b>6,286</b>	<b>7,078</b>	<b>-792</b>	<b>-11.2%</b>	<b>23,719</b>	<b>10,577</b>	<b>13,142</b>	<b>124.3%</b>
Hypermarkets	0	2,829	-	-	0	5,728	-	-
Small Formats	6,286	4,249	2,037	47.9%	23,719	4,849	18,870	389.2%
<b>Total Selling Space (sqm, eop)</b>	<b>1,778,702</b>	<b>1,529,175</b>	<b>249,527</b>	<b>16.3%</b>	<b>1,778,702</b>	<b>1,529,175</b>	<b>249,527</b>	<b>16.3%</b>
Hypermarkets	1,401,291	1,406,516	-5,225	-0.4%	1,401,291	1,406,516	-5,225	-0.4%
Small Formats	377,411	122,659	254,752	207.7%	377,411	122,659	254,752	207.7%

### LFL Results

	Q2'22			H1'22		
	Sales	Average Ticket	Traffic	Sales	Average Ticket	Traffic
<b>Total Retail</b>	<b>2.6%</b>	<b>8.6%</b>	<b>-5.5%</b>	<b>5.2%</b>	<b>9.0%</b>	<b>-3.6%</b>
Hypermarkets	2.5%	9.2%	-6.1%	5.5%	9.5%	-3.6%
Small Formats	2.9%	6.1%	-3.0%	1.4%	4.9%	-3.3%

### Online Sales

	Q2'22	Q2'21	Change	% Change	H1'22	H1'21	Change	% Change
<b>Total Online Sales (RUB million)</b>	<b>9,603</b>	<b>4,079</b>	<b>5,524</b>	<b>135.4%</b>	<b>20,439</b>	<b>7,892</b>	<b>12,547</b>	<b>159.0%</b>
Online Partners	2,158	2,227	-69	-3.1%	5,690	4,486	1,205	26.9%
Lenta Online <sup>6</sup>	4,949	1,852	3,097	167.2%	9,996	3,407	6,589	193.4%
Utkonos <sup>7</sup>	2,495	0	-	-	4,754	0	-	-
<b>Average Online Ticket (RUB)</b>	<b>2,354</b>	<b>1,799</b>	<b>555</b>	<b>30.9%</b>	<b>2,278</b>	<b>1,786</b>	<b>493</b>	<b>27.6%</b>
Online Partners	1,896	1,778	118	6.7%	1,892	1,812	80	4.4%
Lenta Online <sup>6</sup>	2,100	1,825	275	15.0%	2,056	1,752	304	17.3%
Utkonos <sup>7</sup>	4,274	0	-	-	4,314	0	-	-
<b>Total Online Orders (thousands)</b>	<b>4,079</b>	<b>2,267</b>	<b>1,811</b>	<b>79.9%</b>	<b>8,971</b>	<b>4,419</b>	<b>4,552</b>	<b>103.0%</b>
Online Partners	1,138	1,253	-115	-9.2%	3,007	2,475	532	21.5%
Lenta Online <sup>6</sup>	2,357	1,015	1,342	132.3%	4,862	1,944	2,918	150.1%
Utkonos <sup>7</sup>	584	0	-	-	1,102	0	-	-

For Q2 2022 monthly operating results, please refer to Appendix 1

3. Including Utkonos results from the date of consolidation (1 February 2022)

4. Includes only Utkonos Retail Sales (B2C)

5. Wholesales includes Utkonos wholesales (B2B)

6. Lenta Online includes Click & Collect

7. Includes both Utkonos retail sales (B2C) and wholesales (B2B)

## Q2 2022 OPERATING RESULTS

### +17.4%

Total Sales,  
y-o-y

In Q2 2022, Total Sales increased by 17.4% to RUB 130.1 billion. Lenta's Retail Sales in Q2 2022 increased by 18.1% to RUB 128.7 billion, compared to RUB 109.0 billion in Q2 2021, driven by 2.6% LFL Retail Sales growth and 16.3% Total Selling Space expansion, both organically and inorganically. Overall Sales Density in Q2 2022 improved by 3.5% year-over-year.

Following the abnormal retail sales hike in March 2022, when customers stockpiled household chemicals, hygiene products, dry food, and other durables, Lenta faced a traffic decline in Q2 2022. Cold weather in May and June also affected sales of summer non-food goods.

### +25.2%

Number of Tickets,  
y-o-y

In Q2 2022, the total Number of Tickets increased by 25.2% thanks to the above-mentioned expansion, while the Average Ticket size decreased by 5.7% primarily due to the increasing share of small-format stores' sales in total Retail Sales.

Wholesale Sales, which now includes Utkonos B2B sales from the date of consolidation, represented 1.0% of Total Sales and decreased by 22.7% compared to the corresponding period of the previous year.

### +2.6%

LFL Sales,  
y-o-y

In H1 2022, the Average Ticket was the driver of LFL Sales growth. LFL Sales growth decelerated to 2.6% in Q2 2022. Total Retail LFL Traffic stood at a negative 5.5%. The Total Retail LFL Average Ticket increased by 8.6%, offsetting negative LFL Traffic.

In Q2 2022, Lenta continued to improve its loyalty program and actively worked on promo recovery. In Q2 2022, 1.7 million new loyalty cards were activated, with the total number of loyalty cards issued reaching to 23.0 million. Transactions using loyalty cards accounted for 95.9% of total Retail Sales, excluding Utkonos.

### +2.4%

HM Sales,  
y-o-y

Hypermarket Sales represented 79.1% of total Retail Sales in Q2 2022. Hypermarkets delivered 2.4% Sales growth, positive LFL Sales growth of 2.5%, and an increase of 9.2% in the LFL Average Ticket, driven primarily by inflation. Lenta continues to improve the efficiency of in-store operations, which led to a sales density improvement of 5.8% year-over-year.

### +154.5%

Small Formats' Sales,  
y-o-y

In Q2 2022, Lenta put on hold a significant number of store openings due to the macroeconomic conditions and market uncertainties. During Q2 2022, 18 new small-format stores were opened. Lenta also closed four underperforming stores to optimize operations, bringing the total number of small-format stores to 555 as of the end of Q2. In the reporting period, small-format stores demonstrated significant year-over-year Sales Growth of 154.5%, primarily driven by acquisitions made in 2021. Small-format stores' LFL Sales grew by 2.9%, compared to a 0.1% decrease in Q1 2022. The LFL Average Ticket increased by 6.1%, while LFL Traffic stood at a negative 3.0%.

### +135.4%

Online Sales,  
y-o-y

In Q2 2022, Lenta's Online channel continued to demonstrate very strong sales growth. Total Online Sales including Utkonos sales during the period amounted to RUB 9.6 billion, an increase of 135.4% year-over-year, while Total Online Orders were up 79.9% and amounted to 4.1 million. The Average Ticket for Lenta Online was RUB 2,100, an increase of 15.0% year-over-year. The share of online sales via Partners decreased significantly following Partners' revision of their approach to the development of their online offering, while there was no significant change in Lenta's share of sales in Partner services. Lenta Online demonstrated considerable sales growth thanks to increases in the Average Ticket, the size of the customer base and the number of orders. In addition, Lenta Online incorporated technologies for the simultaneous picking and delivery of multiple online orders, which will improve the business's operational efficiency. In Q2 2022, Online Sales constituted 7.4% of Lenta's Total Sales, compared to 3.7% in the corresponding period of the previous year.

## Q2 & H1 2022 FINANCIAL HIGHLIGHTS, pre-IFRS 16

### Key Financial Results, pre-IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
<b>Total Sales</b>	<b>130,089</b>	<b>110,776</b>	<b>17.4%</b>	<b>262,459</b>	<b>218,088</b>	<b>20.3%</b>
<b>Gross Profit</b>	<b>32,798</b>	<b>26,291</b>	<b>24.7%</b>	<b>62,839</b>	<b>49,722</b>	<b>26.4%</b>
<i>Gross Margin (%)</i>	<i>25.2%</i>	<i>23.7%</i>	<i>148 bps</i>	<i>23.9%</i>	<i>22.8%</i>	<i>114 bps</i>
<b>SG&amp;A</b>	<b>-30,839</b>	<b>-20,540</b>	<b>-50.1%</b>	<b>-60,504</b>	<b>-42,103</b>	<b>-43.7%</b>
<i>SG&amp;A as % of Total Sales</i>	<i>-23.7%</i>	<i>-18.5%</i>	<i>-516 bps</i>	<i>-23.1%</i>	<i>-19.3%</i>	<i>-375 bps</i>
<b>EBITDAR</b>	<b>11,490</b>	<b>12,516</b>	<b>-8.2%</b>	<b>21,397</b>	<b>20,841</b>	<b>2.7%</b>
<i>EBITDAR Margin</i>	<i>8.8%</i>	<i>11.3%</i>	<i>-247 bps</i>	<i>8.2%</i>	<i>9.6%</i>	<i>-140 bps</i>
<i>Rent as % of Total Sales</i>	<i>-2.3%</i>	<i>-1.5%</i>	<i>-74 bps</i>	<i>-2.3%</i>	<i>-1.5%</i>	<i>-74 bps</i>
<b>EBITDA</b>	<b>8,518</b>	<b>10,806</b>	<b>-21.2%</b>	<b>15,409</b>	<b>17,472</b>	<b>-11.8%</b>
<i>EBITDA Margin</i>	<i>6.5%</i>	<i>9.8%</i>	<i>-321 bps</i>	<i>5.9%</i>	<i>8.0%</i>	<i>-214 bps</i>
<b>Operating Profit before impairment</b>	<b>4,062</b>	<b>7,003</b>	<b>-42.0%</b>	<b>6,593</b>	<b>9,856</b>	<b>-33.1%</b>
<i>Operating Profit Margin before impairment</i>	<i>3.1%</i>	<i>6.3%</i>	<i>-320 bps</i>	<i>2.5%</i>	<i>4.5%</i>	<i>-201 bps</i>
Impairment	-	-	-	-	-9	-
<b>Operating Profit</b>	<b>4,062</b>	<b>7,003</b>	<b>-42.0%</b>	<b>6,593</b>	<b>9,847</b>	<b>-33.0%</b>
<i>Operating Profit Margin</i>	<i>3.1%</i>	<i>6.3%</i>	<i>320 bps</i>	<i>2.5%</i>	<i>4.5%</i>	<i>-200 bps</i>
Net Interest Expense	-1,400	-1,212	-15.5%	-2,455	-2,331	-5.3%
Net FX loss	388	-605	-	357	-610	-
Profit Before Income Tax	3,050	5,186	-41.2%	4,495	6,906	-34.9%
<b>Net Income</b>	<b>2,623</b>	<b>4,046</b>	<b>-35.2%</b>	<b>3,358</b>	<b>5,363</b>	<b>-37.4%</b>
<i>Net Income Margin</i>	<i>2.0%</i>	<i>3.7%</i>	<i>-164 bps</i>	<i>1.3%</i>	<i>2.5%</i>	<i>-118 bps</i>

For Q2 & H1 2022 financial highlights prepared in accordance with IFRS 16, please refer to Appendix 2

Total Sales demonstrated strong growth of 17.4% and amounted to RUB 130.1 billion, compared to RUB 110.8 billion in Q2 2021.

# +24.7%

Gross Profit, y-o-y

In Q2 2022, Gross Profit (pre-IFRS 16) rose by 24.7% year-over-year to RUB 32.8 billion. Gross Margin improved by 148 bps to 25.2% mainly due to a lower promo share. This growth was offset by an increased shrinkage as a percentage of Total Sales, which resulted from a higher share of new stores in the ramp-up stage.

# 6.5%

EBITDA Margin

Gross Profit growth was offset by a Total SG&A increase of 50.1%, leading to an EBITDA (pre-IFRS 16) decrease of 21.2% year-over-year. In Q2 2022, Lenta's EBITDA Margin stood at 6.5%. EBITDA Margin declined by 321 bps compared to the previous year, primarily due to the growth of SG&A as a percentage of Total Sales, which resulted from an increased share of stores in the ramp-up stage, the growing share of Lenta's own online and the Utkonos acquisition.

## Selling, General, and Administrative (SG&A) expenses, pre-IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
Payroll and related taxes	13,509	7,792	73.4%	25,936	16,284	59.3%
<i>as a % of Total Sales</i>	10.4%	7.0%	335 bps	9.9%	7.5%	242 bps
Depreciation and Amortization (D&A)	4,457	3,803	17.2%	8,817	7,616	15.8%
<i>as a % of Total Sales</i>	3.4%	3.4%	-1 bp	3.4%	3.5%	-13 bps
Lease Expenses	2,972	1,709	73.9%	5,988	3,369	77.7%
<i>as a % of Total Sales</i>	2.3%	1.5%	74 bps	2.3%	1.5%	74 bps
Utilities	1,738	1,251	38.9%	3,526	2,647	33.2%
<i>as a % of Total Sales</i>	1.3%	1.1%	21 bps	1.3%	1.2%	13 bps
Store Operations	2,980	2,404	24.0%	6,021	4,690	28.4%
<i>as a % of Total Sales</i>	2.3%	2.2%	12 bps	2.3%	2.2%	14 bps
Professional Fees	1,359	988	37.6%	2,733	2,100	30.1%
<i>as a % of Total Sales</i>	1.0%	0.9%	15 bps	1.0%	1.0%	8 bps
Advertising	1,826	1,122	62.7%	3,488	2,381	46.5%
<i>as a % of Total Sales</i>	1.4%	1.0%	39 bps	1.3%	1.1%	24 bps
Other	1,998	1,471	35.8%	3,995	3,016	32.5%
<i>as a % of Total Sales</i>	1.5%	1.3%	21 bps	1.5%	1.4%	14 bps
<b>Total SG&amp;A</b>	<b>30,839</b>	<b>20,540</b>	<b>50.1%</b>	<b>60,504</b>	<b>42,103</b>	<b>43.7%</b>
<i>as a % of Total Sales</i>	23.7%	18.5%	516 bps	23.1%	19.3%	375 bps
<b>SG&amp;A excluding D&amp;A</b>	<b>26,382</b>	<b>16,737</b>	<b>57.6%</b>	<b>51,687</b>	<b>34,487</b>	<b>49.9%</b>
<i>as a % of Total Sales</i>	20.3%	15.1%	517 bps	19.7%	15.8%	388 bps

For Q2 & H1 2022 SG&A expenses in accordance with IFRS 16, please refer to Appendix 2

### +516 bps

Total SG&A as % of Sales, y-o-y

In Q2 2022, Total Selling, General, and Administrative expenses (pre-IFRS 16) increased by 50.1% year-over-year to RUB 30.8 billion. SG&A as a percentage of Total Sales increased by 516 bps to 23.7%. This growth was mainly driven by higher payroll expenses, higher lease expenses, as well as increased utilities costs.

### +335 bps

Personnel expenses as % of Sales, y-o-y

In Q2 2022, Payroll expenses rose by 73.4% year-over-year, while personnel expenses as a percentage of Total Sales increased by 335 bps. This growth primarily resulted from the salary indexation that took place in Q4 2021, a higher share of stores in the ramp-up stage and the Utikonos acquisition.

D&A increased by 17.2% due to an increase in owned selling space of 2.4% year-over-year. D&A as a percentage of Total Sales decreased by 1 bp due to the declining share of owned selling space in Total Selling Space.

Lease expenses as a percentage of Total Sales rose by 74 bps, primarily due to the acquisitions of Billa and Semya, both of which have a higher percentage of leased versus owned stores in their portfolios. The share of leased selling space for Lenta overall was 35% as of 30 June 2022, compared to 26% a year ago.

Store Operations as percentage of Total Sales increased by 12 bps year-over-year, mainly driven by 10 bps increase in repairs and maintenance and a 5 bps increase in cleaning costs, while security costs decreased by 3 bps.

Advertising costs during Q2 2022 were up 62.7% year-over-year, due to investments in our growing online business as well as an increase in media related expenses as a result of organic growth (especially in the Moscow Region).

## Cash Flow Statement, pre-IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
<b>Profit before income tax</b>	<b>3,050</b>	<b>5,186</b>	<b>-41.2%</b>	<b>4,495</b>	<b>6,906</b>	<b>-34.9%</b>
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	5,753	5,755	-0.0%	11,328	10,740	5.5%
Movements in Working Capital	-3,448	-3,261	-5.7%	-17,897	-10,216	-75.2%
<b>Cash generated from / (used in) operating activities</b>	<b>5,355</b>	<b>7,680</b>	<b>-30.3%</b>	<b>-2,074</b>	<b>7,430</b>	<b>-</b>
Net Interest & Income Taxes Paid	-1,865	-1,323	-41.0%	-5,477	-3,323	-64.8%
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>3,490</b>	<b>6,357</b>	<b>-45.1%</b>	<b>-7,551</b>	<b>4,107</b>	<b>-</b>
Net cash used in Investing Activities	-3,361	-1,791	-87.7%	-7,359	-4,868	-51.2%
Net cash generated from / (used in) financing activities	-5,001	10,000	-	-5,051	9,427	-
Effect of exchange rates on cash and cash equivalents	-173	-605	71.4%	-138	-615	77.6%
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>-5,045</b>	<b>13,961</b>	<b>-</b>	<b>-20,099</b>	<b>8,051</b>	<b>-</b>

For the Q2 & H1 2022 cash flow statement prepared in accordance with IFRS 16, please refer to Appendix 2

# +72.3%

Capex, y-o-y

Capital Expenditures in Q2 2022 amounted to RUB 3.1 billion, an increase of 72.3% year-over-year. This increase resulted from the opening of new stores (18 store openings on a gross basis during Q2 2022 vs. 11 store openings during Q2 2021) and expenses related to the integration of Billa and Semya stores.

The Company's Profit Before Income Tax for Q2 2022 was RUB 3.1 billion, which was 41.2% lower than in Q2 2021. The decrease in Profit before income tax was mainly the result of a 42.0% year-over-year decline in Operating Profit as well as a 15.5% increase in Net Interest Expense.

In Q2 2022, Net Cash generated from Operating Activities (pre-IFRS 16) amounted to RUB 3.5 billion, compared to RUB 6.4 billion the previous year. These dynamics resulted from the decrease in Profit before income tax and higher Interest and Income Taxes Paid.

Net Cash used in Investing Activities increased by 87.7% to RUB 3.4 billion in Q2 2022, up from RUB 1.8 billion in Q2 2021.

In Q2 2022, Net Cash used in Financing Activities amounted to RUB 5.0 billion, compared to Net Cash generated from Financing Activities of RUB 10.0 billion in Q2 2021.

Free Cash Flow for Q2 2022 was RUB 0.1 billion, which was RUB 4.4 billion lower than in Q2 2021, mainly due to lower Net Cash generated from Operating Activities.

## Debt Position and Leverage

RUB million	IFRS 16		IAS 17	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
<b>Gross Debt</b>	<b>139,989</b>	<b>148,962</b>	<b>83,129</b>	<b>88,414</b>
Long-term Debt	25,975	66,912	25,975	66,912
Short-term Debt	57,154	21,502	57,154	21,502
Lease Liabilities (IFRS 16)	56,860	60,548	-	-
<b>Cash &amp; Cash Equivalents</b>	<b>13,228</b>	<b>33,326</b>	<b>13,228</b>	<b>33,326</b>
<b>Net Debt</b>	<b>126,761</b>	<b>115,636</b>	<b>69,901</b>	<b>55,088</b>
<b>Net Debt / EBITDA (LTM) ratio</b>			<b>1.9x</b>	<b>1.4x</b>

# 1.9x

Net Debt / EBITDA  
pre-IFRS 16 (LTM),  
as of 30 June 2022

Lenta's cash position at the end of Q2 2022 was RUB 13.2 billion. Gross Debt decreased by 6.0% compared to 31 December 2021 and stood at RUB 83.1 billion as of 30 June 2022. Net Debt (pre-IFRS 16) increased by RUB 14.8 billion compared to year-end 2021 and stood at RUB 69.9 billion.

All the Company's debt has fixed interest rates and is fully ruble-denominated, matching its revenue structure. The LTM weighted average effective interest rate for Lenta's debt portfolio for the period ended 30 June 2022 was 7.4%, compared to 6.9% for the twelve-month period ended 30 June 2021.

Lenta's Net Debt to EBITDA ratio was 1.9x as of 31 June 2022 vs. 1.4x as of 31 December 2021.

## FY'22 GUIDANCE

# +100 stores

on a gross basis

Lenta expects to add at least 100 stores in 2022. This guidance reflects the current macroeconomic uncertainty. In 2022, Lenta will continue to look for attractive growth opportunities and expansion in existing and new formats, as well as further development of our online business. The company reserves the right to revise guidance in the course of the year or when additional information regarding the effect of ongoing events becomes available.





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## About Lenta

Lenta IPJSC (LSE: LNTA, MOEX: LENT) is a leading Russian multi-format food and FMCG retailer. The company operates hypermarkets, supermarkets, and recently launched a new proximity store format under the brand Mini Lenta. It also provides customers the option to shop online via its own Lenta Online services, Online Partners and the Utkonos platform. Lenta is Russia's largest hypermarket operator and the fourth largest food retailer overall by Sales. The company was founded in 1993 in St. Petersburg and as of June 30, 2022, operated 254 hypermarkets and 555 supermarkets and Lenta Mini stores in over 200 cities and towns across Russia, with almost 1.78 million square meters of Selling Space. The average Lenta hypermarket has approximately 5,500 square meters of Selling Space, the average Lenta supermarket has 800 square meters, and the Mini Lenta format is 500 meters on average. The company operates 14 distribution centers to supply all its stores. 2021 Revenues were RUB 484 billion (approximately USD 6.5 billion).

## Forward-Looking Statements

This announcement 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.

## Q2 2022 MONTHLY OPERATING RESULTS

### Sales<sup>3</sup>

	April	YoY	May	YoY	June	YoY
<b>Total Sales (RUB million)</b>	<b>43,521</b>	<b>18.8%</b>	<b>43,903</b>	<b>17.4%</b>	<b>42,665</b>	<b>16.1%</b>
<b>Retail Sales</b>	43,156	19.8%	43,462	17.6%	42,118	16.8%
Hypermarkets	33,710	3.0%	34,370	1.9%	33,788	2.4%
Small Formats	8,463	157.5%	8,248	157.3%	7,600	148.2%
Utkonos <sup>4</sup>	984	-	844	-	731	-
<b>Wholesale<sup>5</sup></b>	364	-39.9%	441	-4.9%	547	-19.5%
<b>Average Ticket (RUB)</b>	<b>1,027</b>	<b>-5.6%</b>	<b>1,032</b>	<b>-5.2%</b>	<b>1,011</b>	<b>-6.2%</b>
Hypermarkets	1,327	9.3%	1,333	10.0%	1,315	9.0%
Small Formats	515	-3.6%	511	-2.4%	481	-4.3%
Utkonos	4,623	-	4,233	-	4,261	-
<b>Number of Tickets (millions)</b>	<b>42</b>	<b>26.9%</b>	<b>42</b>	<b>24.0%</b>	<b>42</b>	<b>24.6%</b>
Hypermarkets	25	-5.8%	26	-7.4%	26	-6.1%
Small Formats	16	167.0%	16	163.5%	16	159.3%
Utkonos	0	-	0.2	-	0.2	-

### Stores and Selling Space

	April	May	June
<b>Total Retail Stores (eop)</b>	<b>800</b>	<b>803</b>	<b>809</b>
<b>Hypermarkets</b>	254	254	254
Openings	0	0	0
Closing	0	0	0
<b>Small Formats</b>	546	549	555
Openings	6	5	7
Closing	1	2	1
<b>New Selling Space (sqm, eop)</b>	<b>2,005</b>	<b>849</b>	<b>3,432</b>
Hypermarkets	0	0	0
Small Formats	2,005	849	3,432
<b>Total Selling Space (sqm, eop)</b>	<b>1,774,421</b>	<b>1,775,270</b>	<b>1,778,702</b>
Hypermarkets	1,401,291	1,401,291	1,401,291
Small Formats	373,130	373,979	377,411

### Online Sales

	April	YoY	May	YoY	June	YoY
<b>Total Online Sales (RUB million)</b>	<b>3,408</b>	<b>141.9%</b>	<b>3,222</b>	<b>137.1%</b>	<b>2,973</b>	<b>126.7%</b>
Online Partners	785	-0.7%	683	-7.4%	690	-1.2%
Lenta Online <sup>6</sup>	1,703	194.6%	1,695	193.3%	1,552	179.7%
Utkonos <sup>7</sup>	920	-	844	-	731	-
<b>Average Online Ticket (RUB)</b>	<b>2,331</b>	<b>31.3%</b>	<b>2,380</b>	<b>32.1%</b>	<b>2,354</b>	<b>29.2%</b>
Online Partners	1,842	4.1%	1,896	5.0%	1,963	11.6%
Lenta Online <sup>6</sup>	2,068	17.0%	2,134	20.4%	2,098	14.5%
Utkonos <sup>7</sup>	4,323	-	4,233	-	4,261	-
<b>Total Online Orders (thousands)</b>	<b>1,462</b>	<b>84.3%</b>	<b>1,354</b>	<b>79.5%</b>	<b>1,263</b>	<b>75.5%</b>
Online Partners	426	-4.6%	360	-11.8%	351	-11.5%
Lenta Online <sup>6</sup>	823	151.7%	794	143.7%	740	144.3%
Utkonos <sup>7</sup>	213	-	199	-	172	-

3. Including Utkonos results from the date of consolidation (1 February 2022)

4. Includes only Utkonos Retail Sales (B2C)

5. Wholesales includes Utkonos wholesales (B2B)

6. Lenta Online includes Click & Collect

7. Includes both Utkonos retail sales (B2C) and wholesales (B2B)

## Q2 & H1 2022 FINANCIAL HIGHLIGHTS, IFRS 16

### Key Financial Results, IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
<b>Total Sales</b>	<b>130,089</b>	<b>110,776</b>	<b>17.4%</b>	<b>262,459</b>	<b>218,088</b>	<b>20.3%</b>
<b>Gross Profit</b>	<b>33,003</b>	<b>26,314</b>	<b>25.4%</b>	<b>63,102</b>	<b>49,807</b>	<b>26.7%</b>
<i>Gross Margin (%)</i>	<i>25.4%</i>	<i>23.8%</i>	<i>162 bps</i>	<i>24.0%</i>	<i>22.8%</i>	<i>120 bps</i>
<b>SG&amp;A</b>	<b>-30,263</b>	<b>-20,115</b>	<b>-50.4%</b>	<b>-59,299</b>	<b>-41,325</b>	<b>-43.5%</b>
<i>SG&amp;A as % of Total Sales</i>	<i>-23.3%</i>	<i>-18.2%</i>	<i>-511 bps</i>	<i>-22.6%</i>	<i>-18.9%</i>	<i>-364 bps</i>
<b>EBITDAR</b>	<b>11,630</b>	<b>12,501</b>	<b>-7.0%</b>	<b>21,591</b>	<b>21,100</b>	<b>2.3%</b>
<i>EBITDAR Margin</i>	<i>8.9%</i>	<i>11.3%</i>	<i>-234 bps</i>	<i>8.2%</i>	<i>9.7%</i>	<i>-145 bps</i>
<i>Rent as % of Total Sales</i>	<i>-0.4%</i>	<i>-0.2%</i>	<i>-18 bps</i>	<i>-0.3%</i>	<i>-0.2%</i>	<i>-14 bps</i>
<b>EBITDA</b>	<b>11,156</b>	<b>12,300</b>	<b>-9.3%</b>	<b>20,686</b>	<b>20,647</b>	<b>0.2%</b>
<i>EBITDA Margin</i>	<i>8.6%</i>	<i>11.1%</i>	<i>-253 bps</i>	<i>7.9%</i>	<i>9.5%</i>	<i>-159 bps</i>
<b>Operating Profit before impairment</b>	<b>4,778</b>	<b>7,414</b>	<b>-35.6%</b>	<b>7,991</b>	<b>10,893</b>	<b>-26.6%</b>
<i>Operating Profit Margin before impairment</i>	<i>3.7%</i>	<i>6.7%</i>	<i>-302 bps</i>	<i>3.0%</i>	<i>5.0%</i>	<i>-195 bps</i>
Impairment	-	-	-	-	-9	-
<b>Operating Profit</b>	<b>4,778</b>	<b>7,414</b>	<b>-35.6%</b>	<b>7,991</b>	<b>10,884</b>	<b>-26.6%</b>
<i>Operating Profit Margin</i>	<i>3.7%</i>	<i>6.7%</i>	<i>-302 bps</i>	<i>3.0%</i>	<i>5.0%</i>	<i>-195 bps</i>
Net Interest Expense	-2,622	-1,924	-36.3%	-4,910	-3,711	-32.3%
Net FX loss	1,594	-562	-	1,253	-589	-
Profit Before Income Tax	3,750	4,928	-23.9%	4,334	6,584	-34.2%
<b>Net Income</b>	<b>3,185</b>	<b>3,840</b>	<b>-17.0%</b>	<b>3,230</b>	<b>5,105</b>	<b>-36.7%</b>
<i>Net Income Margin</i>	<i>2.4%</i>	<i>3.5%</i>	<i>-102 bps</i>	<i>1.2%</i>	<i>2.3%</i>	<i>-111 bps</i>

### Selling, General, and Administrative (SG&A) expenses, IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
<b>Payroll and related taxes</b>	<b>13,509</b>	<b>7,792</b>	<b>73.4%</b>	<b>25,936</b>	<b>16,284</b>	<b>59.3%</b>
<i>as a % of Total Sales</i>	<i>10.4%</i>	<i>7.0%</i>	<i>335 bps</i>	<i>9.9%</i>	<i>7.5%</i>	<i>242 bps</i>
<b>Depreciation and Amortization (D&amp;A)</b>	<b>6,378</b>	<b>4,886</b>	<b>30.5%</b>	<b>12,695</b>	<b>9,754</b>	<b>30.2%</b>
<i>as a % of Total Sales</i>	<i>4.9%</i>	<i>4.4%</i>	<i>49 bps</i>	<i>4.8%</i>	<i>4.5%</i>	<i>36 bps</i>
<b>Lease Expenses</b>	<b>474</b>	<b>201</b>	<b>135.8%</b>	<b>905</b>	<b>453</b>	<b>99.8%</b>
<i>as a % of Total Sales</i>	<i>0.4%</i>	<i>0.2%</i>	<i>18 bps</i>	<i>0.3%</i>	<i>0.2%</i>	<i>14 bps</i>
<b>Utilities</b>	<b>1,738</b>	<b>1,251</b>	<b>38.9%</b>	<b>3,526</b>	<b>2,647</b>	<b>33.2%</b>
<i>as a % of Total Sales</i>	<i>1.3%</i>	<i>1.1%</i>	<i>21 bps</i>	<i>1.3%</i>	<i>1.2%</i>	<i>13 bps</i>
<b>Store Operations</b>	<b>2,980</b>	<b>2,404</b>	<b>24.0%</b>	<b>6,021</b>	<b>4,690</b>	<b>28.4%</b>
<i>as a % of Total Sales</i>	<i>2.3%</i>	<i>2.2%</i>	<i>12 bps</i>	<i>2.3%</i>	<i>2.2%</i>	<i>14 bps</i>
<b>Professional Fees</b>	<b>1,359</b>	<b>988</b>	<b>37.6%</b>	<b>2,733</b>	<b>2,100</b>	<b>30.1%</b>
<i>as a % of Total Sales</i>	<i>1.0%</i>	<i>0.9%</i>	<i>15 bps</i>	<i>1.0%</i>	<i>1.0%</i>	<i>8 bps</i>
<b>Advertising</b>	<b>1,826</b>	<b>1,122</b>	<b>62.7%</b>	<b>3,488</b>	<b>2,381</b>	<b>46.5%</b>
<i>as a % of Total Sales</i>	<i>1.4%</i>	<i>1.0%</i>	<i>39 bps</i>	<i>1.3%</i>	<i>1.1%</i>	<i>24 bps</i>
<b>Other</b>	<b>1,999</b>	<b>1,471</b>	<b>35.9%</b>	<b>3,995</b>	<b>3,016</b>	<b>32.5%</b>
<i>as a % of Total Sales</i>	<i>1.5%</i>	<i>1.3%</i>	<i>21 bps</i>	<i>1.5%</i>	<i>1.4%</i>	<i>14 bps</i>
<b>Total SG&amp;A</b>	<b>30,263</b>	<b>20,115</b>	<b>50.4%</b>	<b>59,299</b>	<b>41,325</b>	<b>43.5%</b>
<i>as a % of Total Sales</i>	<i>23.3%</i>	<i>18.2%</i>	<i>511 bps</i>	<i>22.6%</i>	<i>18.9%</i>	<i>364 bps</i>
<b>SG&amp;A excluding D&amp;A</b>	<b>23,885</b>	<b>15,229</b>	<b>56.8%</b>	<b>46,604</b>	<b>31,571</b>	<b>47.6%</b>
<i>as a % of Total Sales</i>	<i>18.4%</i>	<i>13.7%</i>	<i>461 bps</i>	<i>17.8%</i>	<i>14.5%</i>	<i>328 bps</i>

## Cash Flow Statement, IFRS 16

RUB million	Q2'22	Q2'21	Change	H1'22	H1'21	Change
<b>Profit before income tax</b>	<b>3,750</b>	<b>4,928</b>	<b>-23.9%</b>	<b>4,334</b>	<b>6,584</b>	<b>-34.2%</b>
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	7,754	7,521	3.1%	16,834	14,216	18.4%
Movements in Working Capital	-3,433	-3,276	4.8%	-17,929	-10,353	73.2%
<b>Cash generated from / (used in) operating activities</b>	<b>8,071</b>	<b>9,173</b>	<b>-12.0%</b>	<b>3,239</b>	<b>10,447</b>	<b>-69.0%</b>
Net Interest & Income Taxes Paid	-3,099	-2,025	53.0%	-7,946	-4,704	68.9%
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>4,972</b>	<b>7,148</b>	<b>-30.4%</b>	<b>-4,707</b>	<b>5,743</b>	<b>*</b>
Net cash used in Investing Activities	-3,351	-1,782	88.0%	-7,340	-4,851	51.3%
Net cash generated from / (used in) financing activities	-6,493	9,200	-	-7,914	7,774	-
Effect of exchange rates on cash and cash equivalents	-173	-605	-71.4%	-138	-615	-77.6%
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>-5,045</b>	<b>13,961</b>	<b>-</b>	<b>-20,099</b>	<b>8,051</b>	<b>-</b>