

X5 Group Q1 2022 net sales increase 19.0%

Q1 2022 HIGHLIGHTS

+19.0% y-o-y 

Total net sales increased by RUB **96.4** billion
 11.7% y-o-y increase in like-for-like (LFL¹) sales
 7.3% contribution to sales growth from a
 7.4% increase in selling space

+358 new stores 

X5 net new stores in Q1 2022
 147 proximity stores and five supermarkets were refurbished in line with the new concepts, which continue to show a positive customer response

89 

Chizhik stores as of March 2022
 The new hard discounter format, Chizhik, demonstrated positive results, with sales density² at RUB 589 thousand per square metre, which is 117% higher than that of the proximity format

+19.8% y-o-y 

Net offline retail sales for Pyaterochka

+10.2% y-o-y 

Net offline retail sales for Perekrestok

18.8 RUB BLN 

Digital business net sales³

Express delivery services⁴ and Vprok.ru Perekrestok's revenue rose by 101.4% and 45.5%, respectively
 +1.3 p.p. to the consolidated revenue growth rate

Amsterdam

19 April 2022

X5 Retail Group N.V. ("X5" or the "Company", LSE and MOEX ticker: FIVE), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Chizhik retail chains, today announces the Company's preliminary consolidated net retail sales and operational results for Q1 2022.⁴

1. LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in LFL calculations starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

2. Calculated as net retail sales over the last 12 months divided by the average selling space at the end of each quarter starting at the beginning of the period.

3. Vprok.ru Perekrestok, express delivery, 5Post and Mnogo Lososya.

4. Numbers in this press release are preliminary and have not been reviewed or audited by the Company's auditor.

NET SALES PERFORMANCE

Sales of offline and digital businesses⁵

RUB MLN	Q1 2022	Q1 2021	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	483,435	403,488	19.8
Perekrestok	91,294	82,836	10.2
Karusel	5,430	9,744	(44.3)
Chizhik	4,099	118	35x
Offline net sales	584,258	496,186	17.7
Vprok.ru Perekrestok ⁶	6,519	4,481	45.5
Express delivery	11,029	5,476	101.4
5Post (e-comm last mile)	779	431	80.6
Mnogo Lososya	480	68	7x
Digital business net sales	18,807	10,456	79.9
Total net sales	603,065	506,642	19.0

Net retail sales⁷ by format

Including express delivery, but excluding Vprok.ru Perekrestok and 5Post sales

RUB MLN	Q1 2022	Q1 2021	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	489,193	406,710	20.3
Perekrestok	96,565	85,085	13.5
Karusel	5,430	9,749	(44.3)
Chizhik	4,099	118	35x
Mnogo Lososya	480	68	7x
X5 Group	595,767	501,730	18.7

5. In the tables and text of this press release, immaterial deviations in the calculation of % change, subtotals and totals are due to rounding.

6. Excluding other revenue (marketing).

7. Net retail sales represent revenue from operations of X5-managed stores net of VAT. This number differs from revenue, which also includes proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of X5's Q1 2022 financial results.

Q1 2022 LFL store performance by format

% change y-o-y⁸

	SALES	TRAFFIC	BASKET
Pyaterochka	12.6	4.2	8.1
Perekrestok	8.0	0.4	7.5
Karusel	(4.4)	(13.7)	10.7
X5 Group	11.7	3.7	7.8

Q1 2022 monthly net RUB retail sales by format

% or multiple change y-o-y

	JANUARY 2022	FEBRUARY 2022	MARCH 2022
Pyaterochka	15.6	16.8	26.3
Perekrestok	7.7	6.1	16.2
Karusel	(47.8)	(47.2)	(37.7)
Chizhik	32x	32x	38x
Offline business total	13.5	14.4	24.6
Vprok.ru Perekrestok	42.1	38.8	54.1
Express delivery	119.5	97.4	90.9
5Post (e-comm last mile)	140.5	85.6	30.4
Digital business total	91.6	76.6	73.5
Total	14.9	15.8	25.7

8. Excluding Vprok.ru Perekrestok.

AVERAGE TICKET AND NUMBER OF CUSTOMER VISITS⁹

Q1 2022 average ticket and customer visits by offline format

AVERAGE TICKET, RUB	Q1 2022	Q1 2021	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	452.4	418.5	8.1
Perekrestok	700.5	653.5	7.2
Karusel	1,095.9	939.3	16.7
Chizhik	702.5	478.0	47.0
X5 Group	484.2	450.7	7.4
NUMBER OF CUSTOMERS, MLN			
Pyaterochka	1,241.3	1,114.8	11.3
Perekrestok	157.7	148.5	6.2
Karusel	5.7	11.9	(52.2)
Chizhik	6.6	0.3	24x
X5 Group	1,411.7	1,275.5	10.7

Q1 2022 average monthly ticket and customer visits by offline format

% or multiple change y-o-y

AVERAGE TICKET, RUB	JANUARY 2022	FEBRUARY 2022	MARCH 2022
Pyaterochka	6.7	6.0	11.2
Perekrestok	4.7	4.9	11.5
Karusel	12.7	15.6	21.7
Chizhik	36.9	39.7	56.9
X5 Group	5.8	5.2	10.8
NUMBER OF CUSTOMERS, MLN			
Pyaterochka	8.6	10.2	14.8
Perekrestok	6.4	4.5	7.5
Karusel	(53.2)	(54.6)	(48.7)
Chizhik	23x	23x	24x
X5 Group	8.1	9.4	14.0

9. Excluding Vprok.ru Perekrestok.

EXPANSION DYNAMICS

Selling space and number of stores by format

SELLING SPACE, SQUARE METRES (SQ. M)	AS AT 31-MAR-22	AS AT 31-DEC-21	CHANGE VS 31-DEC-20, %	AS AT 31-MAR-21	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	7,183,452	7,048,488	1.9	6,656,879	7.9
Perekrestok	1,096,143	1,098,905	(0.3)	1,019,854	7.5
Karusel	108,982	128,063	(14.9)	196,134	(44.4)
Chizhik	25,361	20,327	24.8	1,238	20x
Mnogo Lososya	5,495	4,992	10.1	2,313	137.6
X5 Group¹⁰	8,528,416	8,409,757	1.4	7,937,892	7.4
NUMBER OF STORES					
Pyaterochka	18,320	17,972	1.9	16,960	8.0
Perekrestok	983	990	(0.7)	940	4.6
Karusel	28	33	(15.2)	49	(42.9)
Chizhik	89	72	23.6	5	18x
Mnogo Lososya	53	48	10.4	24	120.8
X5 Group¹⁰	19,479	19,121	1.9	17,983	8.3

Selling space and number of stores added by format

SELLING SPACE, SQUARE METRES (SQ. M)	NET ADDED Q1 2022	NET ADDED Q1 2021	CHANGE Y-O-Y, % OR MULTIPLE
Pyaterochka	134,964	115,257	17.1
Perekrestok	(2,763)	5,994	n/a
Karusel	(19,081)	(25,985)	(26.6)
Chizhik	5,034	258	20x
Mnogo Lososya	503	2,313	(78.2)
X5 Group¹⁰	118,659	97,836	21.3
NET NUMBER OF STORES			
Pyaterochka	348	251	38.6
Perekrestok	(7)	7	n/a
Karusel	(5)	(7)	(28.6)
Chizhik	17	1	17x
Mnogo Lososya	5	24	(79.2)
X5 Group¹⁰	358	276	29.7

10. Including Vprok.ru Perekrestok dark stores.

DIGITAL BUSINESSES' PERFORMANCE

	Q1 2022	Q1 2021	CHANGE Y-O-Y, % OR MULTIPLE
VPROK.RU PEREKRESTOK			
GMV, ¹¹ RUB mln	7,764	5,261	47.6
Number of orders, ths	1,643	1,170	40.4
Average ticket, RUB	4,534	4,355	4.1
EXPRESS DELIVERY			
GMV, ¹¹ RUB mln	12,961	6,479	100.1
Number of orders, ths	7,255	4,103	76.8
Average ticket, RUB	1,729	1,518	13.9
5POST			
Net sales, RUB mln	779	431	80.6
Number of parcels, ths	8,379	3,980	110.6
MNOGO LOSOSYA			
Net sales, RUB mln	480	68	7x
Number of orders, ths	344	50	7x
Average ticket, RUB	1,608	1,527	5.3

11. GMV is the value of delivered orders at their final prices (incl. VAT), gross of promo codes and bonuses applied.

KEY DRIVERS FOR Q1 2022 RESULTS

External environment

- Food inflation in Q1 2022 was 13.5% year-on-year (10.8% in Q4 2021). Limited supply and strong demand for non-perishable foods led to accelerated price growth in March on the back of a weakening rouble.
- In Q1 2022, the rouble weakened against the dollar by 14.3% quarter-on-quarter, losing 25% of its value in March month-on-month. The devaluation was a result of high demand for hard currency coupled with the freezing of CBR reserves by the US and EU.
- The CBR responded to the restrictions by imposing capital controls and raising the key rate from 9.5% to 20%.
- Real wages grew 1.9% year-on-year in January. The first two months of the year saw a strong labour market – demand for workers continued to exceed supply, and the unemployment rate reached an all-time low of 4.1% in February. The subsequent deterioration in the external macro environment in March led to a reduction in labour demand. According to the latest data from HH.ru, the competition index (the ratio of résumés to open positions) reached 5.0x in March vs 3.8x in February.
- Food turnover in real terms grew 3.5% year-on-year in January-February, compared with 2.5% year-on-year in Q4 2021. Growth in turnover was a consequence of higher incomes, in particular salaries.

Loyalty programmes

- X5 continued to develop its loyalty card programmes. In total, X5's three retail formats had 59.5 million active¹² loyalty card users in Q1 2022, up 3.1% year-on-year. Loyalty card penetration in sales in March reached 80% at Pyaterochka, 85% at Perekrestok and 93% at Karusel.
- In March, X5 began the transition to a new software system with processing based in Russia, with the functionality of the current system limited as a result.

Offline business development

- Pyaterochka's offline net sales increased by 19.8% year-on-year, with LFL sales growth at 12.6% in Q1 2022, supported by accelerated demand in March. LFL traffic increased by 4.2% year-on-year, while the LFL basket increased by 8.1% year-on-year in Q1 2022. The network continued to expand, with 384 new stores and 14 dark stores in Q1 2022 (on a gross basis).
- Perekrestok's offline net sales increased by 10.2% year-on-year in Q1 2022, with LFL sales growth at 8.0% in Q1 2022, affected by decreasing traffic in shopping malls (approximately half of Perekrestok supermarkets are located in shopping malls).
- In Q1 2022, Karusel's offline net sales decreased by 44.3%, driven by downsizing as part of the format's transformation programme, with LFL sales down by 4.4% mainly due to activities in some of the remaining Karusel stores preparing for closure.
- Chizhik's net sales increased by 35 times year-on-year in Q1 2022. The network opened 17 new stores during the period and reached 89 stores as of 31 March 2022.

Expansion and retail portfolio improvement

- 147 Pyaterochka stores were refurbished in line with the new concept in Q1 2022, in addition to 384 gross new-concept stores opened. The total number of stores operating under the new concept reached 5,028, or 27% of the Pyaterochka store base, as of 31 March 2022.
- Five Perekrestok supermarkets were opened following refurbishment in Q1 2022. As of 31 March 2022, 236 supermarkets, or 24% of the Perekrestok store base, were operating under the new concept.
- In Q1 2022, as part of the Company's ongoing rationalisation programme, X5 closed 50 proximity stores, 16 supermarkets and five hypermarkets.
- In March, the expansion and refurbishment programmes were paused in order to review the amount of capital investments planned for 2022.

¹² Customers who made at least one purchase during the last quarter.

Development of digital businesses

- In Q1 2022, X5 digital services had a total of 19.0 million MAUs, an increase of 42% year-on-year.
- The external environment in the e-grocery segment continued to be very competitive, with many technology players promoting their services with significant marketing budgets.
- The combined GMV of Vprok.ru Perekrestok and express delivery services in Q1 2022 reached RUB 20.7 billion, up 77% year-on-year, including VAT and gross of promo codes and bonuses. Expansion of express delivery services contributed 72% of this growth, with 28% coming from the online hypermarket Vprok.ru Perekrestok.
- Total digital business revenue (including Vprok.ru Perekrestok, express delivery, 5Post and Mnogo Lososya) grew 79.9% year-on-year in Q1 2022 and contributed 1.3 p.p. to the consolidated quarterly revenue growth rate of 19.0%. Vprok.ru Perekrestok and express delivery successfully fulfilled more than 117 thousand orders on peak days in March.
- Digital business net sales as a share of X5's consolidated net sales saw the fastest growth in Moscow and the Moscow region, where the share of digital sales for Q1 2022 reached 5.9%, compared with an average 3.1% contribution to the total sales for X5 Group.
- X5 continues the rapid expansion of express delivery services from Pyaterochka proximity stores and Perekrestok supermarkets. In Q1 2022, total revenue of express delivery services doubled year-on-year. As of 31 March 2021, express delivery service was available from 1,722 stores (949 Pyaterochka stores, 728 Perekrestok supermarkets and 45 dark stores) in 52 regions, compared with 1,296 stores and 24 regions a year earlier. In Q1 2022, the number of orders for express delivery was 80.6 thousand per day (including Okolo), with a delivery time of c. 60 minutes and an average ticket of RUB 1,642 at Pyaterochka and RUB 1,850 at Perekrestok, up 15% and 10% year-on-year, respectively. The daily number of fulfilled orders during Q1 2022 peaked in March at 97 thousand on the busiest days.
- In Q1 2022, Vprok.ru Perekrestok's revenue increased by 45.5% year-on-year. The total number of Vprok.ru Perekrestok orders increased by 40% year-on-year and reached 1.6 million in Q1 2022. The average number of daily orders in Q1 2022 reached 18.3 thousand. The average Vprok.ru Perekrestok basket in Q1 2022 increased by 4.1% year-on-year, reflecting further expansion in the assortment to 78 thousand SKUs.
- In Q1 2022, 5Post's e-commerce delivery service revenue increased by 80.6% year-on-year. Orders fulfilled by 5Post reached 8.4 million in Q1 2022, with over 23 thousand pickup points in operation, including over 5 thousand multi-parcel lockers. Parcel lockers and pickup points in stores generate additional LFL traffic of up to 2%–3%.
- The Mnogo Lososya ready-to-eat digital service, which became part of X5 Group in late March 2021, continued expanding. As of the end of March, it was operating 53 dark kitchens (including three franchisees), compared with 50 dark kitchens at the end of December 2021. In Q1 2022, Mnogo Lososya's net sales reached RUB 480 million with an average ticket of RUB 1,608.

NOTE TO EDITORS

X5 Retail Group N.V. (LSE and MOEX: FIVE; RAEX, ruAA+) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Chizhik hard discounters. X5 provides an omnichannel experience to its customers, integrating retail stores and e-commerce through its businesses Vprok.ru Perekrestok, 5Post and Mnogo Lososya.

As of 31 March 2022, X5 had 19,479 Company-operated stores. It has the leading market position in both Moscow and St Petersburg and a significant presence in the European part of Russia. Its store base includes 18,320 Pyaterochka proximity stores, 983 Perekrestok supermarkets, 89 Chizhik hard discounters and 28 Karusel hypermarkets. The Company operates 47 DCs and 4,574 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 328 thousand people.

For the full year 2021, revenue totalled RUB 2,204,819 million (USD 29,935 million*), EBITDA pre-IFRS 16 reached RUB 161,024 million (USD 2,186 million*), and net profit pre-IFRS 16 for the period amounted to RUB 48,513 million (USD 659 million*).

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 X5 Group N.V.'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 X5 Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Group N.V. 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.

**For further details
please contact:**

Maria Yazeva
Investor Relations Officer

Tel.: +7 (495) 662-88-88 ext. 13-147
e-mail: Maria.Yazeva@x5.ru