

**Report of Sales Growth Q4 & FY 2020**

Lenta Reports Retail Sales Growth of 5.7% in Q4 and 7.3% in FY 2020

Attachment:

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**Non Regulated**

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## Lenta Reports Retail Sales Growth of 5.7% in Q4 and 7.3% in FY 2020

### FY 2020 Highlights

- In FY 2020, Retail Sales increased by 7.3% to RUB 438 billion despite changing customer behavior. This increase was mainly driven by an 11.6% rise in Average Ticket for both Hypermarkets and Supermarkets and partially offset by a 3.9% decrease in the Number of Tickets
- LFL Sales growth remained strong at 5.4% in FY 2020 with Average Ticket growth of 11.6% and customer Traffic decline of 5.5%
- Lenta continued developing its online services, and by the end of 2020, the company's online services were available in 88 Russian cities compared to 27 cities a year earlier. As a result, Online Sales and Online Orders grew by 566% and 716% respectively, to RUB 6.3 billion and 3.2 million orders
- In 2020, Lenta added 13 stores on a net basis, bringing the total number of retail stores to 393 and Total Selling Space to 1.52 million square meters as of 31 December 2020

### Q4 2020 Highlights

- Retail Sales rose by 5.7% year-over-year to RUB 122 billion in Q4 2020, driven by a 12.4% increase in Average Ticket and partially offset by a 5.9% decrease in the Number of Tickets
- LFL Sales continued a steady growth of 4.0% in Q4 2020. A 13.2% increase in Average Ticket was partially offset by an 8.1% decline in Traffic, as customers choose to visit stores less and buy more per visit
- In Q4 2020, Lenta continued to expand the presence of its online services to new cities. As a result, Total Online Sales totaled RUB 3.1 billion in Q4, up 933% year-over-year, while orders grew more than tenfold
- Lenta added 8 stores on a net basis in Q4 2020, bringing the total number of retail stores to 393 and Total Selling Space to 1.52 million square meters as of 31 December 2020
- In October, Lenta opened its thirteenth distribution center in the Leningrad region to supply the company's stores in St. Petersburg and the Northwest

*St. Petersburg, Russia, 25 January 2021:* Lenta PLC (MOEX & LSE: LNTA), one of the largest retail chains in Russia, today announces its operational results for Q4 and FY 2020. A conference call with management to discuss these results is scheduled for today (see below for dial-in details).

### **Vladimir Sorokin, Chief Executive Officer:**

“Lenta closed the year on a strong footing, with solid Retail Sales growth across our Hypermarket, Supermarket and Online formats. I'm proud that we managed to achieve these results while maintaining our unwavering commitment to the safety and well-being of our customers and employees.

The second wave of the COVID-19 pandemic continued to impact customer behavior during the fourth quarter of 2020, as customers preferred to make less frequent visits to stores. Lenta's Retail Sales in Q4 2020 increased by 5.7% compared to Q4 2019. This was driven by a 12.4% growth in the Average Ticket size, supported by an increase in the number of items per receipt and a noticeable trend of trading up, but this was partially offset by a 5.9% decrease in customer Traffic. Hypermarket performance remained resilient in the current environment, thanks to our competitive range of products, attractive pricing, and safer stores; while the further development of Lenta's online sales played an important role in supporting growth. By the end of 2020, we had expanded our online presence to all 88 cities in which we have big-box stores in Russia.

December sales were traditionally strong as seasonal shopping drew customers into Lenta stores ahead of the extended January holidays, which many of our customers spent at home. In addition, our freshly revamped loyalty program and successful seasonal promo activities provided strong momentum into the new year.

Following the approval of Lenta's new charter at the EGM in November, Lenta's re-domiciliation in Russia remains on track, and we aim to complete the process in the first quarter of 2021.”

4th Quarter – LFL RESULTS		Q4	Q4	Q4
		Sales	Average Ticket	Traffic
	<b>Total Retail</b>	<b>4.0%</b>	<b>13.2%</b>	<b>-8.1%</b>
	Hypermarkets	4.3%	12.6%	-7.4%
	Supermarkets	0.6%	13.7%	-11.6%

4th Quarter - OPERATING RESULTS (Year-over-Year)				
	Q4 2020	Q4 2019	Change	% Change
<b>Total Sales (RUB millions)</b>	<b>124,172</b>	<b>117,893</b>	<b>6,280</b>	<b>5.3%</b>
<b>Retail Sales</b>	<b>121,786</b>	<b>115,180</b>	<b>6,606</b>	<b>5.7%</b>
Hypermarkets	111,700	105,419	6,281	6.0%
Supermarkets	10,086	9,761	325	3.3%
<b>Wholesale</b>	<b>2,386</b>	<b>2,713</b>	<b>-327</b>	<b>-12.0%</b>
<b>Average Ticket (RUB)</b>	<b>1,201</b>	<b>1,068</b>	<b>133</b>	<b>12.4%</b>
Hypermarkets	1,336	1,188	148	12.4%
Supermarkets	567	512	55	10.8%
<b>Number of Tickets (millions)</b>	<b>101</b>	<b>108</b>	<b>-6</b>	<b>-5.9%</b>
Hypermarkets	84	89	-5	-5.8%
Supermarkets	18	19	-1	-6.8%
<b>Total Retail Stores (eop)</b>	<b>393</b>	<b>380</b>	<b>13</b>	
<b>Hypermarkets</b>	<b>254</b>	<b>249</b>	<b>5</b>	
Openings	4	4		
Closing	0	1		
<b>Supermarkets</b>	<b>139</b>	<b>131</b>	<b>8</b>	
Openings	6	2		
Closing	2	0		
<b>New Selling Space (sqm, eop)</b>	<b>24,347</b>	<b>17,490</b>	<b>6,857</b>	
Hypermarkets	21,554	16,179	5,375	
Supermarkets	2,793	1,311	1,482	
<b>Total Selling Space (sqm, eop)</b>	<b>1,518,598</b>	<b>1,489,229</b>	<b>29,369</b>	<b>2.0%</b>
Hypermarkets	1,400,788	1,378,569	22,219	1.6%
Supermarkets	117,810	110,660	7,150	6.5%
<b>Total Online Sales (RUB, millions)</b>	<b>3,088</b>	<b>299</b>	<b>2,789</b>	<b>933%</b>
<b>Total Online Orders (thousands)</b>	<b>1,673</b>	<b>129</b>	<b>1,544</b>	<b>1,198%</b>
<b>Cities of Online Operation</b>				
Online Partners	88	27	61	226%
Lentochka	80	1	79	
Click & Collect	88	0	88	

Full Year - LFL RESULTS		FY	FY	FY
		Sales	Average Ticket	Traffic
<b>Total Retail</b>		<b>5.4%</b>	<b>11.6%</b>	<b>-5.5%</b>
Hypermarkets		5.1%	11.6%	-5.8%
Supermarkets		9.5%	14.0%	-3.9%

Full Year - OPERATING RESULTS (Year-To-Date)				
	FY 2020	FY 2019	Change	% Change
<b>Total Sales (RUB millions)</b>	<b>445,544</b>	<b>417,500</b>	<b>28,044</b>	<b>6.7%</b>
<b>Retail Sales</b>	<b>437,493</b>	<b>407,761</b>	<b>29,731</b>	<b>7.3%</b>
Hypermarkets	399,262	372,787	26,475	7.1%
Supermarkets	38,231	34,974	3,256	9.3%
<b>Wholesale</b>	<b>8,051</b>	<b>9,739</b>	<b>-1,688</b>	<b>-17.3%</b>
<b>Average Ticket (RUB)</b>	<b>1,115</b>	<b>999</b>	<b>116</b>	<b>11.6%</b>
Hypermarkets	1,238	1,109	129	11.6%
Supermarkets	549	486	62	12.8%
<b>Number of Tickets (millions)</b>	<b>392</b>	<b>408</b>	<b>-16</b>	<b>-3.9%</b>
Hypermarkets	323	336	-14	-4.0%
Supermarkets	70	72	-2	-3.1%
<b>Total Retail Stores (eop)</b>	<b>393</b>	<b>380</b>	<b>13</b>	
<b>Hypermarkets</b>	<b>254</b>	<b>249</b>	<b>5</b>	
Openings	6	8		
Closing	1	3		
<b>Supermarkets</b>	<b>139</b>	<b>131</b>	<b>8</b>	
Openings	14	3		
Closing	6	7		
<b>New Selling Space (sqm, eop)</b>	<b>29,369</b>	<b>23,395</b>	<b>5,974</b>	
Hypermarkets	22,219	25,104	-2,885	
Supermarkets	7,150	-1,709	8,859	
<b>Total Selling Space (sqm, eop)</b>	<b>1,518,598</b>	<b>1,489,229</b>	<b>29,369</b>	<b>2.0%</b>
Hypermarkets	1,400,788	1,378,569	22,219	1.6%
Supermarkets	117,810	110,660	7,150	6.5%
<b>Total Online Sales (RUB, millions)</b>	<b>6,269</b>	<b>942</b>	<b>5,328</b>	<b>566%</b>
<b>Total Online Orders (thousands)</b>	<b>3,249</b>	<b>398</b>	<b>2,850</b>	<b>716%</b>
<b>Cities of Online Operation</b>				
Online Partners	88	27	61	226%
Lentochka	80	1	79	
Click & Collect	88	0	88	

1. LFL Results do not include 29-Feb-2020

**4Q Monthly - OPERATING RESULTS**

	October	YoY	November	YoY	December	YoY
<b>Total Sales (RUB millions)</b>	<b>34,297</b>	<b>8.2%</b>	<b>34,517</b>	<b>1.6%</b>	<b>55,358</b>	<b>6.0%</b>
<b>Retail Sales</b>	<b>33,485</b>	<b>8.5%</b>	<b>33,832</b>	<b>2.0%</b>	<b>54,468</b>	<b>6.5%</b>
Hypermarkets	30,456	8.7%	30,825	2.0%	50,419	6.8%
Supermarkets	3,030	6.4%	3,007	1.3%	4,050	2.7%
<b>Wholesale</b>	<b>812</b>	<b>-1.9%</b>	<b>685</b>	<b>-12.9%</b>	<b>889</b>	<b>-19.1%</b>
<b>Average Ticket (RUB)</b>	<b>1,055</b>	<b>11.2%</b>	<b>1,100</b>	<b>10.1%</b>	<b>1,400</b>	<b>15.1%</b>
Hypermarkets	1,176	11.3%	1,224	10.3%	1,548	14.9%
Supermarkets	517	9.7%	539	9.2%	638	13.5%
<b>Number of Tickets (millions)</b>	<b>32</b>	<b>-2.5%</b>	<b>31</b>	<b>-7.4%</b>	<b>39</b>	<b>-7.4%</b>
Hypermarkets	26	-2.4%	25	-7.5%	33	-7.0%
Supermarkets	6	-3.0%	6	-7.3%	6	-9.5%
<b>Total Retail Stores (eop)</b>	<b>385</b>		<b>389</b>		<b>393</b>	
<b>Hypermarkets</b>	<b>250</b>		<b>253</b>		<b>254</b>	
Openings	0		3		1	
Closing	0		0		0	
<b>Supermarkets</b>	<b>135</b>		<b>136</b>		<b>139</b>	
Openings	2		1		3	
Closing	2		0		0	
<b>New Selling Space (sqm, eop)</b>	<b>-1,150</b>		<b>16,942</b>		<b>8,555</b>	
Hypermarkets	0		16,288		5,266	
Supermarkets	-1,150		654		3,289	
<b>Total Selling Space (sqm, eop)</b>	<b>1,493,101</b>	<b>1.0%</b>	<b>1,510,043</b>	<b>1.6%</b>	<b>1,518,598</b>	<b>2.0%</b>
Hypermarkets	1,379,234	0.8%	1,395,522	1.5%	1,400,788	1.6%
Supermarkets	113,867	2.9%	114,521	3.5%	117,810	6.5%
<b>Total Online Sales (RUB, millions)</b>	<b>752</b>	<b>744%</b>	<b>967</b>	<b>957%</b>	<b>1,370</b>	<b>1,055%</b>
<b>Total Online Orders (thousands)</b>	<b>425</b>	<b>998%</b>	<b>532</b>	<b>1,238%</b>	<b>716</b>	<b>1,321%</b>
<b>Cities of Online Operation</b>						
Online Partners	88	226%	88	226%	88	226%
Lentochka	55		70		80	
Click & Collect	52		88		88	

## Operating Results Commentary

Lenta's Retail Sales in Q4 2020 increased by 5.7% compared to Q4 2019. This increase was driven by a 12.4% growth in Average Ticket size during Q4, which was partially offset by a 5.9% decrease in customer Traffic. Lenta stores, especially Hypermarkets, continued to show good performance in Q4 2020, amid the second wave of pandemic, further proving the resilience of the Hypermarket format in current environment. The Hypermarket format delivered 6.0% growth in Retail Sales, as a result of a 12.4% increase in the Average Ticket size, which was partially offset by a 5.8% decrease in customer Traffic. Our Supermarket format posted 3.3% growth in Retail Sales, reflecting an increase in the Average Ticket size of 10.8% and a decrease in customer Traffic of 6.8%.

While customer behavior was uneven across Q4, we saw particularly strong results in December, supported in part by a successful “Moomin Trolls” Christmas promo and the launch of a new loyalty card as part of our newly revamped loyalty program, which is already delivering tangible results with the number of new enrollments significantly above expectations.

During Q4, LFL Retail Sales grew by 4.0% as the Average Ticket size increased by 13.2%. LFL customer Traffic decreased 8.1% during Q4, reflecting consumers' continuing preference to shop less frequently during the post-lockdown period amid the continued pandemic. The Hypermarket format delivered a particularly strong performance in Q4 with LFL Retail Sales up 4.3%, driven by a 12.6% increase in the Average Ticket size offset by a 7.4% decrease in customer Traffic. Lenta's Supermarkets posted Q4 LFL Retail Sales growth of 0.6% with the Average Ticket size up 13.7% and a decrease in customer Traffic of 11.6%. FY 2020 LFL Retail Sales growth of 5.4% was supported by an 11.6% increase in the Average Ticket size partially offset by a 5.5% decrease in customer Traffic.

Lenta opened four new hypermarkets and six new supermarkets during Q4 2020. Lenta also closed two supermarkets during the reporting period, bringing the total number of Lenta stores at the quarter end to 254 hypermarkets and 139 supermarkets.

Lenta made significant progress in developing its fast-growing online sales channels in Q4 2020. By the end of FY 2020, the company served online customers across all 88 cities where it operates, resulting in RUB 6.3 billion of Total Online Sales, which represented a 566% growth compared to FY 2019. Lenta continues to develop its own express delivery service, Lentochka, which at the end of the reporting period operated in 80 cities across Russia with more on the way. Lenta has also created partnerships with 36 delivery companies to fulfill online orders from its extensive store network. Lenta's new Click & Collect service operated in 88 cities covering its entire store network at the end of FY 2020. According to internal analysis, our online channels did not cannibalize offline store sales but, rather, added incremental and new revenues.

**COVID-19 Response:** As the second wave of the COVID-19 pandemic swept across Russia in Q4, Lenta's COVID-19 response team that was formed in March continued to monitor the situation closely to coordinate Lenta's response and ensure the safety and well-being of its customers and employees.

Lenta has worked closely with its suppliers throughout the pandemic to ensure its shelves remain sufficiently stocked with both food and non-food products to meet increased demand. Comprehensive health and safety measures that were introduced in March across Lenta's business remain in place to ensure the ongoing safety of our employees and customers in all of our stores. Additionally, Lenta continues to offer some important social

support initiatives, including discounts for “front-line” medical workers and easier store access and discounted prices for our elderly and vulnerable customers.

## **FY 2021 Outlook**

Lenta will provide detailed guidance projections for 2021 at the time of its publication of FY-2020 financial results on 20 February and at our Strategy Day on 18 March.

## **Q4 and FY 2020 Conference Call**

The Lenta Management Team will host an investor and analyst conference call at 17:00 Moscow time (14:00 London, 09:00 New York), on Monday, 25 January 2021. On the call will be Vladimir Sorokin (CEO), Rud Pedersen (CFO), and Tim Post (IRO).

To participate in the conference call, please use the following dial-in details:

### **Conference ID: 16-662-38 (“Lenta Q4 2020 Operational Results Conference Call”)**

Russian Federation: +7 495 646 9190 (local access)  
8 10 800 2867 5011 (toll-free)

United Kingdom: +44 (0)330 336 9411 (local access)  
0800 279 7204 (toll-free)

United States: +1 646-828-8193 (local access)  
888-394-8218 (toll-free)

Participants are encouraged to register approximately 5-10 minutes prior to the start of the call.

**For further information, please visit [www.lentainvestor.com](http://www.lentainvestor.com) or contact:**

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## **About Lenta**

Lenta is the largest hypermarket chain in the Russian Federation and the fourth largest food retailer. The Company was founded in 1993 in St. Petersburg and as of December 31, 2020 operated 254 hypermarkets and 139 supermarkets in 88 cities across Russia with more than 1.5 million square meters of Selling Space. The average Lenta hypermarket has approximately 5,500 square meters of selling space, while the Lenta supermarket averages 800 square meters. The company operates 13 distribution centers throughout Russia. Lenta is listed on both the London Stock Exchange and Moscow Exchange, trading under the ticker: 'LNTA'.

## **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.