

# Our business model

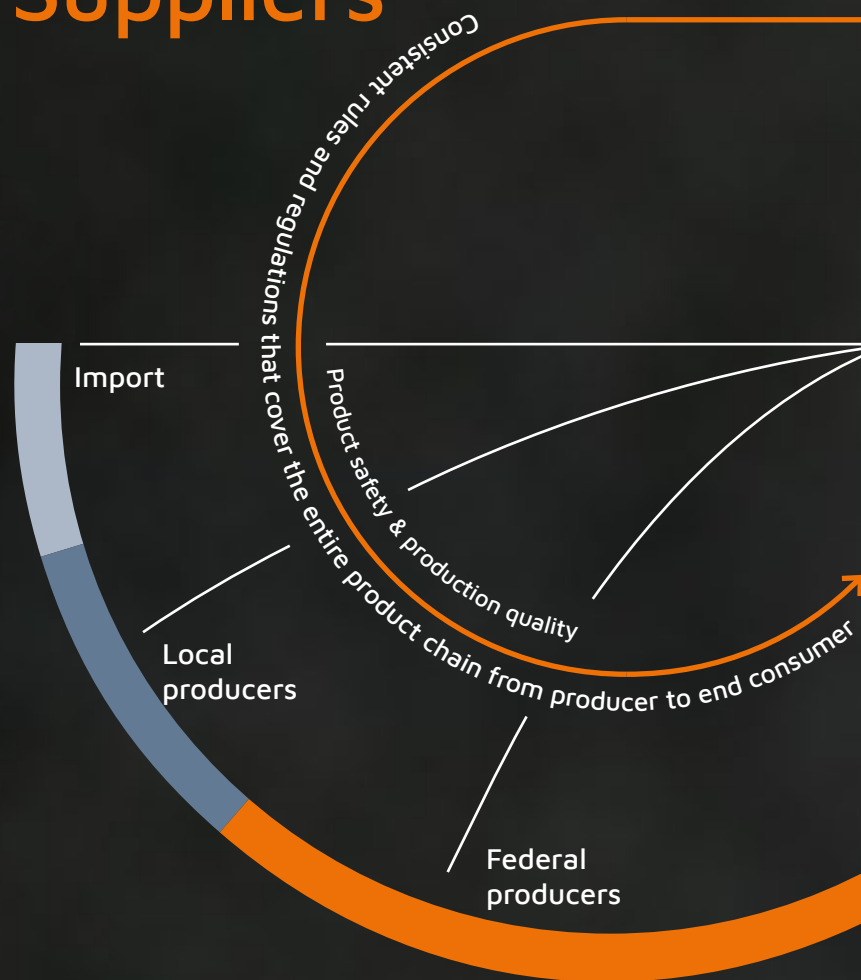
## > X5 RETAIL GROUP

X5 Retail Group is Russia's largest food retailer, with three national food retail formats: Pyaterochka, Perekrestok and Karusel. While each of the formats functions largely autonomously, the Corporate Centre centralises certain activities when coordination and pooling resources improves efficiency across the Company.

## Corporate Centre

The Corporate Centre provides strategic support to the retail formats and aims to create synergies that support efficient, sustainable growth. X5 Corporate Centre's key responsibilities include implementing big data analytics programmes, facilitating the development and launch of innovative projects (X5 LAB), business planning and control, promoting a unified corporate culture that is aligned with the Company's strategic goals, pooling of purchasing power, managing strategic partnerships with suppliers, and supporting the exchange of best practices within X5.

## Suppliers



## Supply chain infrastructure

### Logistics

**39 DCs**

as of 31 December 2017

### Transport

**3,144**

**owned trucks**

as of 31 December 2017

# Retail formats

Each of retail formats is largely autonomous, running its own operations, marketing, category management, logistics, distribution and expansion operations.



**Pyaterochka**  
proximity stores

**11,225**  
stores



**Perekrestok**  
supermarkets

**638**  
stores



**Karusel**  
hypermarkets

**93**  
stores

As of 31 December 2017

# Our brands

Each of our brands offers a unique CVP and targets key parts of the Russian consumer population. This multifaceted strategy enables X5 Retail Group to capture a significant portion of the growth that is forecast for each of the three largest segments of Russia's food retail market.

POTENTIAL TOTAL MARKET GROWTH  
RUB trillion **+2.8**

**17.2**

**14.4**



2017

2020F

Source: Rosstat, Infoline



## Pyaterochka

Pyaterochka is our largest retail format, with 11,225 proximity stores serving customers in convenient locations in around 2,500 cities and towns across Russia. The Pyaterochka CVP appeals to a wide swath of the Russian population, with a large assortment of fresh goods and a recently launched loyalty programme that offers personalised promos based on each individual customer's shopping behaviour.



## Perekrestok

The Perekrestok supermarket format is Russia's oldest and largest. Now undergoing a large-scale refurbishment and expansion programme, Perekrestok offers a wide assortment of high-quality goods, including a growing range of exclusive and private-label lines.



## Karusel

Karusel focusses on compact hypermarkets located within city limits that appeal to rational shoppers and customers looking to stock up their household in one shopping trip. With a significant offering of in-house production, private-label and non-food goods, every Karusel aims to meet a wide array of customer needs.

As of 31 December 2017 / In 2017

### Number of stores

11,225

638

93

### Selling space thousand sq m

4,427

637

385

### Net retail sales RUB bln

1,001

187

89

### Percentage of X5's net retail sales

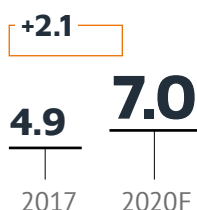
77.8%

14.5%

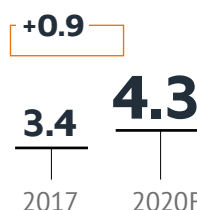
6.9%

### Potential market growth of segment RUB trn

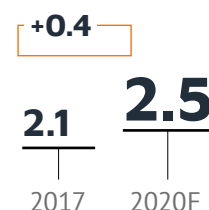
Proximity/discounters



Supermarkets



Hypermarkets



Source: X5 data, Rosstat, Infoline