

# Jerónimo Martins SGPS, S.A.

## 2016 Preliminary Sales

Lisbon, 12 January 2017

**Strong Q4 to close a remarkable year with Group top-line reaching €14.6 billion, 6.5% more than in previous year. At constant exchange rates sales would have increased 9.8% surpassing the €15 billion.**

The focus on growing LFL sales across Biedronka, Pingo Doce and Recheio drove market share increases for the banners which have strengthened their relevance for the consumers.

The reinforced offer of Biedronka together with sharper commercial actions allowed the banner to maximise the benefits from a positive consumer environment, delivering a 9.5% LFL growth in the year. Q4 LFL was particularly strong (+11.9%), reflecting in part the success of some key campaigns executed in the period. Total sales were up by 6.3% (+10.8% at constant exchange rate) to reach €9.8 billion.

Hebe was also able to capture the opportunities in the polish health and beauty market and posted a 22.1% growth (27.4% at constant exchange rate).

Pingo Doce delivered a solid sales growth of 4.4%, with LFL, excluding fuel, reaching 1.2% (+1.3% in Q4), despite the maturity and increased capacity of the market.

Recheio was well prepared to take advantage of the improving conditions in the HoReCa market and delivered sales of €878 million, 5.9% ahead of the previous year supported by a LFL growth of 5.0% (+6.7% in Q4).

Ara maintained a strong commercial dynamic across the regions with total sales reaching €236 million, more than doubling sales in local currency. The banner closed the year with 221 stores.

(Million Euros)	2016	2015	Δ% (Euro)	Δ% (w/o F/X)
<b>Net Sales</b>	14,621	13,728	+6.5	+9.8
<b>Biedronka</b>	9,781	9,206	+6.3	+10.8
<b>Pingo Doce</b>	3,558	3,407	+4.4	
<b>Recheio</b>	878	829	+5.9	
<b>Ara</b>	236	122	+92.5	+110.2
<b>Hebe</b>	122	100	+22.1	+27.4
<b>Others</b>	46	63	n.a.	

### FINANCIAL CALENDAR

**FY 2016 Results:** 22 February 2017

**General Shareholders Meeting:** 6 April 2017

**Q1 2017 Results:** 20 April 2017

**H1 2017 Results:** 26 July 2017

**9M 2017 Results:** 25 October 2017

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## Sales Performance

(Million Euro)	2016		2015		Δ %		Q4 16		Q4 15		Δ %	
	% total		% total	w/o F/X	Euro		% total		% total	w/o F/X	Euro	
Biedronka	9,781	66.9%	9,206	67.1%	10.8%	6.3%	2,618	67.4%	2,370	66.7%	13.4%	10.5%
Pingo Doce	3,558	24.3%	3,407	24.8%		4.4%	930	23.9%	896	25.2%		3.7%
Recheio	878	6.0%	829 *	6.0%		5.9%	215	5.5%	201	5.7%		7.1%
Ara	236	1.6%	122	0.9%	110.2%	92.5%	73	1.9%	39	1.1%	79.8%	86.5%
Hebe	122	0.8%	100	0.7%	27.4%	22.1%	37	1.0%	28	0.8%	35.7%	31.9%
Others & Cons. Adjustments	46	0.3%	63	0.5%		n.a.	9	0.2%	19	0.5%		n.a.
<b>Total JM</b>	<b>14,621</b>	<b>100%</b>	<b>13,728</b>	<b>100%</b>		<b>6.5%</b>	<b>3,883</b>	<b>100%</b>	<b>3,553</b>	<b>100%</b>		<b>9.3%</b>

\* Restated figure from 832 published in 2015 FY.

Our main banners - Biedronka, Pingo Doce and Recheio - started the year of 2016 with a reinforced focus on competitiveness and on LFL growth. This led to consistent strong delivery, quarter after quarter, in both Poland and Portugal, materialising in LFL sales growth of 7.2% for the Group (+9.0% in Q4). We achieved LFL growth, total sales growth and market share gains across the board.

In **Poland** the competitive landscape remained promotionally driven while the positive consumer environment has been providing interesting opportunities for the food basket development in a context in which food inflation in the country was at 0.7% in the first 11 months of the year.

**Biedronka** defined as a priority for the year the consolidation of the changes in the offer initiated in 2015, promoting a more integrated and therefore more agile approach to fit the consumer needs and aspirations.

The food in&outs campaigns were a key feature to deliver more value to the consumer and led to a positive basket evolution while Biedronka continued to operate with slightly negative basket inflation.

In the year, LFL sales growth was at 9.5%, mainly driven by the average basket. In Q4 the LFL accelerated to 11.9%, on the back of a consistent good sales performance coupled with the success of the campaign surrounding the launch of the loyalty card.

Biedronka opened 83 new stores in the year, below the targeted 100, resulting in 55 net additions to the network. The 2017 programme will include these stores that were delayed.

Biedronka's total sales increased 6.3% in the year (+10.8% in local currency) to €9,781 million. In Q4, Biedronka sales grew by 10.5% (+13.4% in local currency).

**Hebe** also showed good top-line evolution throughout the year and closed 2016 with sales of €122 million, a growth of 22.1% over 2015 (+27.4% at constant currency). Total network counted with 153 locations, 19 more than in 2015.

In **Portugal**, food inflation in the country was at 0.5% and food retail environment remained extremely competitive throughout the year, with promotions playing a key role.

**Pingo Doce** maintained an intense promotional dynamic while guaranteeing the quality and innovation in its private brand offer. The Company kept executing its store revamping programme aiming at continuously improving the overall shopping experience.

Over the challenging comparison base from 2015, LFL sales (excl. fuel) increased 1.2% in 2016, a growth of 1.3% in the last quarter of the year. Total sales grew 4.4%, to reach €3,558 million.

**Recheio's** sales grew 5.9% to reach €878 million. The Company, supported by its sound competitive position, fully benefitted from the improvement registered in HoReCa on the back of strong tourist activity in Portugal. LFL growth was 5.0% in the year (+6.7% in Q4).

**Ara** ended the year with 221 stores in three regions in the country. Our sales performance validated the acceptance of the value proposition by the Colombian consumers across the regions. Total sales reached €236 million in 2016, more than doubling the sales in local currency.

**2016 was marked by a sound top-line growth, benefitting from an extraordinary progression of Biedronka sales.**

**In Portugal, Pingo Doce and Recheio grew LFL sales, gaining more relevance for consumers and reinforcing their market positioning.**

**In Colombia, Ara's performance gives us confidence and encourages us to accelerate the investment in the market.**

**Our performance in 2016 confirms the adequacy of our strategy to focus on consumer through competitive prices and reinforced attractiveness of our basket and of our shopping experience. This strategic positioning proved it can maximise the capture of the growth opportunities we see in each market where we operate.**

## Appendix

### SALES GROWTH

	Total Sales Growth							LFL Sales Growth						
	Q1 16	Q2 16	H1 16	Q3 16	9M 16	Q4 16	2016	Q1 16	Q2 16	H1 16	Q3 16	9M 16	Q4 16	2016
Biedronka														
Euro	5.1%	3.0%	4.0%	6.3%	4.8%	10.5%	6.3%							
PLN	9.3%	10.2%	9.8%	10.2%	9.9%	13.4%	10.8%	7.6%	9.9%	8.8%	8.5%	8.7%	11.9%	9.5%
Pingo Doce	5.8%	2.2%	3.9%	6.0%	4.7%	3.7%	4.4%	1.9%	-1.5%	0.1%	2.4%	0.9%	1.4%	1.0%
Ex-Fuel	6.3%	2.5%	4.3%	6.3%	5.0%	3.8%	4.7%	2.1%	-1.4%	0.3%	2.6%	1.1%	1.3%	1.2%
Recheio	4.4%*	4.1%	4.2%	7.6%	5.5%	7.1%	5.9%	3.8%	3.4%	3.6%	5.9%	4.4%	6.7%	5.0%

\* Restated figure from 4.3% published in Q1 16.

### STORE NETWORK

Number of Stores	2015	Openings				Closings 2016	2016
		Q1 16	Q2 16	Q3 16	Q4 16		
Biedronka	2,667	26	14	10	33	28	2,722
Pingo Doce	399	3	2	1	8	0	413
Recheio	41	0	1	0	0	0	42
Ara	142	8	11	22	38	0	221
Hebe	134	1	5	6	14	7	153

Sales Area (sqm)	2015	Openings				Closings/ Remodellings 2016	2016
		Q1 16	Q2 16	Q3 16	Q4 16		
Biedronka	1,721,897*	19,329	10,743	6,077	21,551	11,303	1,768,293
Pingo Doce	479,113	3,500	1,850	1,489	7,137	-1	493,089
Recheio	128,141	0	2,696	0	0	240	130,597
Ara	43,891	2,732	3,683	7,404	12,959	0	70,669
Hebe	30,955	225	1,282	1,219	3,773	1,974	35,479

\* Restated figure from 1,717,944 published in 2015 FY.

### NOTES

#### 1. Definitions

Like For Like (LFL) sales: sales made by stores that operated under the same conditions in the two periods. Excludes stores opened or closed in one of the two periods. Sales of stores that underwent profound remodelling are excluded for the remodelling period (store closure).