Jerónimo Martins

RELEASE

# FIRST HALF

## 2021

Lisbon, 28 July 2021

**FINANCIAL CALENDAR**

9M 2021 Results: 27 October 2021 (after the market close)

ADDITIONAL INFORMATION RELATING TO THE PERIOD [HERE]

**This release includes, in Appendix 1, for comparison purposes, the Financial Statements excluding the effect of the IFRS16.**


**INVESTOR RELATIONS OFFICE**
+351 21 752 61 05
investor.relations@jeronimo-martins.com

**Cláudia Falcão** claudia.falcao@jeronimo-martins.com
**Hugo Fernandes** hugo.fernandes@jeronimo-martins.com

**MEDIA RELATIONS OFFICE**
+351 21 752 61 80
comunicacao@jeronimo-martins.com

**Rita Fragoso** rita.fragoso@jeronimo-martins.pt
**Nuno Abreu** nuno.abreu@jeronimo-martins.com

Jerónimo Martins

## STRONG SALES PERFORMANCE DRIVING PROFITABILITY

### H1 I KEY FIGURES

**+6.3% SALES**
TO €9.9 BN
(+8.8% excl. FX)

**+12.6% EBITDA**
TO €715 MN
(+15.5% excl. FX)

**+78.9% NET PROFIT**
TO €186 MN
EPS AT €0.30

**CASH FLOW**
AT €82 MN

**NET DEBT**
AT €1.9 BN

## PERFORMANCE OVERVIEW & KEY DRIVERS

All our banners had a promising first half in 2021 which compares with a very challenging period in 2020, when performance was hampered by the pandemic outbreak, particularly in Q2. Notwithstanding, the dynamism and competitiveness of our business models drove strong sales performance and improved profitability in the first six months of this year.

**Biedronka increased sales growth** throughout the period, posting a **7.7% LFL in H1**. The reopening of the country and positive consumer demand increased the effectiveness of the commercial campaigns executed by the banner and allowed our main Company to protect its EBITDA margin.

With eased restrictions since April and less demanding comparable in 2020, **Pingo Doce and Recheio grew their sales in Q2. These banners** delivered **H1 LFL of 2.8% (excl. fuel) and -0.6%, respectively**.

**Ara's sales grew consistently** in the six months with a **12.6% LFL growth (+22.8% in Q2)** and **positive EBITDA (under IFRS16)**, despite the challenging socioeconomic backdrop.

**Group EBITDA margin improved from 6.8% to 7.2% in H1,** reflecting sound Group LFL at 6.6%, positive margin mix and good results obtained from the efficiency programmes implemented in all companies.

**Strong cash generation further reinforced the Group's Balance Sheet**. Net cash position by the end of the period stood at €407 mn (excl. capitalised operating leases), after the €181 mn dividend payment in May.

**We confirm the Outlook for 2021 as disclosed in our 2020FY Results release and reiterated in April 28, 2021.**

Despite ongoing uncertainty about the impact of the pandemic on the economies where we operate, our businesses are well prepared to deliver on their strategic priorities by guaranteeing their relevance and benefits to the consumers while constantly adapting to evolving market circumstances to preserve profitability.

## KEY UPDATES

**Committed to our teams**, we increased the number of permanent employee contracts in the Group by 6p.p. These contracts cover 70% of our workforce. We also increased by 3% (to €5.7 mn) our voluntary investment in employee support measures, including Health, Education and Family Welfare programmes.

In terms of our work **to improve the future of the world's forests**, we highlight in H1 the following measures: i. joining the Colombian Government's Voluntary Agreement to fight deforestation linked to the local palm oil production; ii. ensuring the plantation of over 58 thousand trees under the Serra do Açor Forest project, aimed at preserving and developing the landscape ravaged by the wildfires of 2017, and iii. the signature by Jerónimo Martins of an open letter to the European Commission, encouraging the adoption of more ambitious measures to curb deforestation.

## MESSAGE FROM THE CHAIRMAN AND CEO - PEDRO SOARES DOS SANTOS

'Our performance in the first half of the year reflects the strength and competitiveness of our business models in all countries where we operate.

Biedronka improved its ability to earn the preference of consumers. The Company showed that it can maintain *momentum* and create differentiating commercial opportunities both in difficult times – such as earlier this year when a new wave of Covid-19 infections hit Poland – and in easier times, such as in the second quarter of this year.

In Portugal, Pingo Doce and Recheio worked hard to recover sales and EBITDA, limiting the negative effects of the ongoing constraints that still hamper our operation and performance.

In an operating context that remained difficult in Q2, Ara was able to deliver solid performance on sales and EBITDA, improving its positioning in the Colombian market and confirming its ability to capture the potential we see in Colombia.

We will remain focused on pursuing profitable growth and on capturing market opportunities, while protecting our teams and clients, cooperating with our suppliers, and supporting the communities we serve.'

Jerónimo Martins

## OUTLOOK 2021

We reiterate the outlook provided in 3 March in our 2020FY results release for the full year 2021:

The macroeconomic prospects for the rest of 2021 continue to depend heavily on the evolution of the pandemic, including the spread of the more infectious delta variant, and on the success of the ongoing large-scale vaccination programmes.

Our banners entered 2021 with clear strategic priorities and are delivering on their targets: i) to grow sales by focusing on consumers and their needs; ii) to invest in their value proposition to defend and further build competitive advantages; iii) to protect profitability through cost discipline and continuous improvements in operational processes, and iv) to maintain a long-term perspective that ensures we will continue to follow a responsible path with our consumers, our people, our suppliers, and the communities of the countries where we operate.

As in 2020, amongst our geographies, **Poland** is expected to be the one with the strongest domestic private consumption.

**Biedronka** will remain focused on guaranteeing, on a day-to-day basis, the preference of consumers, combining price leadership with the evolution of its offer. The efficiency projects under way and the agility developed to respond to the pandemic will continue to help protect profitability in 2021, limiting the impacts of the expected low food inflation and of the implementation of the retail tax in January.

**Hebe** will continue to consolidate its store network and focus its growth strategy on the development of its online operation that is expected to continue to gain momentum, allowing Hebe to enter new markets in the near term.

In **Portugal,** the recovery in 2021 is still highly dependent on the evolution of the health crisis, the vaccination programme, and its impacts on the domestic market and the tourism flow.

For **Pingo Doce and Recheio,** restrictions on the circulation of people, on the number of customers inside stores, and on the operation of restaurants and hotels represent particularly challenging conditions given the high-traffic nature of these businesses. Anytime these restrictions ease we see an immediate positive impact on our businesses.

**Pingo Doce** is investing to defend its performance in face of current restrictions, maintaining its vision on the central role of Fresh, Take Away and Restaurants as part of its differentiation and growth strategy.

**Recheio** expects a slow recovery of the HoReCa channel. The Company will look for opportunities to continue to grow in the Traditional Retail segment.

In **Colombia**, the reopening of the economy is expected to lead to a recovery in 2021, despite the fragile consumer demand.

**Ara** entered 2021 well prepared to improve its growth performance. The Company benefits from a renewed cost structure that will allow it to continue to improve its EBITDA.

If restrictions implemented in our markets do not impact execution, the **capex programme** is expected to reach c.€700 mn of which c.60% are devoted to Biedronka.

This programme includes the addition of c.100 locations (net) to the Biedronka network (c.50% in the smaller format), and the remodelling of 250-300 stores. In Portugal, Pingo Doce expects to open c.10 stores and remodel c.15 locations. Ara expects to add more than 100 new locations to its store network.

Supported by the up-to-date solid performance and by the strength of our balance sheet, we entered the second half of 2021 with well-defined strategic priorities, aware of the challenges, and with an unwavering focus on cash generation as a guarantee of our ability to invest in strengthening our competitive positions. At the same time, we maintain the flexibility to take advantage of growth opportunities consistent with our strategic vision.

## Q2 UPDATE ON COVID-19 IMPACT

In **Poland**, a phased plan to reopen the country after the lockdown imposed in Q1 was implemented throughout Q2.

Schools progressively reopened starting at the end of April.

Shopping malls, which had been closed first in January and then after March 20, reopened in May. Restaurants, which were closed in the first quarter, started reopening in mid-May.

The limit of people inside retail stores was eased by the end of June, from one person per 15 sqm (stores ahead of 100 sqm) to one person per 10 sqm.

In **Portugal**, the progressive reopening of the country started in April.

Retail store traffic continued to be limited to a maximum of five people per 100 sqm. At times of increased risk, various municipalities imposed limits on closing hours.

Restrictions on opening hours were also imposed on restaurants and coffee shops. Bars and night clubs remained closed.

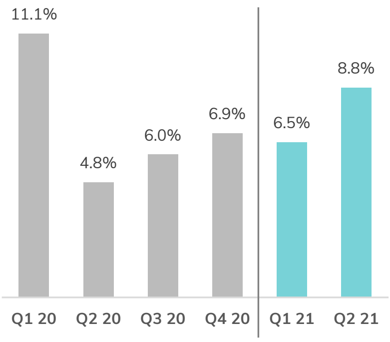
In **Colombia**, with the number of infections rising since mid-March, restrictions to circulation in Q2 became more frequent and impacted more regions. Nevertheless, the confinement measures were not as strict as in 2020.

## PERFOMANCE ANALYSIS BY BANNER

### POLAND

In Poland, the consumer environment has been resilient since the beginning of the year and improved in Q2.

**Biedronka LFL**




Against a backdrop of a more controlled pandemic situation and an easing of restrictive measures, the number of store visits increased. Biedronka profited from the higher number of opportunities to interact with consumers. This positive trend, reinforced by favourable weather, allowed Biedronka to further pursue dynamic and innovative commercial actions.

Food inflation in the country increased from 0.6% in Q1 to 1.6% in Q2. Biedronka's basket inflation was lower than that of the market, with the banner continuing to operate with deflation in the second quarter.

In the first six months, sales grew 9.8% in local currency, including a LFL of 7.7%. In euro terms, sales reached €7.0 bn, 6.8% ahead of H1 20.

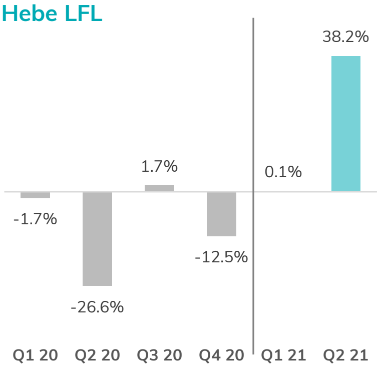
In Q2, sales in local currency increased 10.4% with LFL of 8.8%. In euro terms, sales were €3.6 bn, 9.8% growth over Q2 20.

EBITDA reached €624 mn, an increase of 6.0% vs. H1 20 (+9.0% at constant exchange rate).

The EBITDA margin was 8.9% versus 9.0% in H1 20. Strong LFL sales performance, effective margin-mix management, and increased efficiency and cost discipline allowed Biedronka to mitigate the pressure from the retail tax introduced in January 2021.

The Company remains on track in executing its investment programme for the year. Biedronka opened 53 stores (39 net additions) and remodelled 153 locations during the first six months of the year.

Hebe LFL




Hebe registered, in H1, sales growth of 10.4% in local currency. Excluding the pharma business closed in July 2020, sales increased 23.4% with a LFL of 17.7% (the LFL includes online sales).

In Q2, with the country easing restrictions to retail activity, consumer demand began to show some positive signs. Relative to the beginning of the pandemic in Q2 20, Hebe sales increased by 30.5% (+44.2% excluding the pharma business) with a LFL of 38.2%.

In euro terms, H1 sales reached €123 mn, 7.3% ahead of H1 20. In Q2, sales were €66 mn, 30.4% more than in Q2 20.

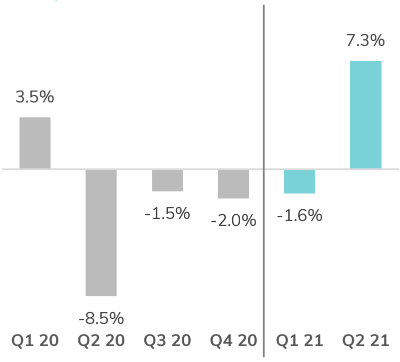
Online sales were a relevant contributor to top-line performance, reaching 14% of sales in the first six months of the year. The banner is already testing the use of its e-commerce platform to enter new markets.

Hebe's EBITDA was €5.4 mn versus €4.0 mn in H1 20. EBITDA margin was 4.4% versus 3.4% in H1 20.

## PORTUGAL

In Portugal, consumer demand remained depressed and impacted by lack of tourists. Food inflation decreased from +0.9% in Q1 to -0.1% in Q2.

Pingo Doce LFL (excl. fuel)




The number of visits to Pingo Doce was affected by the limit on the number of people inside stores, the restrictions imposed on restaurants and coffee shops, and low circulation in city centres. Nonetheless, the banner maintained its strong commercial activity.

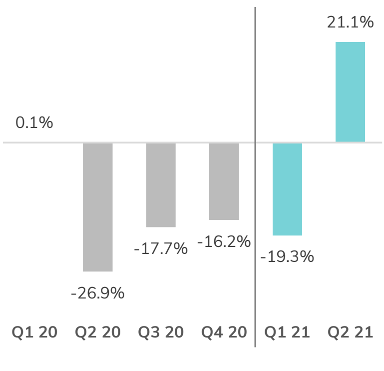
Sales reached €1.9 bn, growing 4.6% over H1 20 including a LFL (excl. fuel) of 2.8%. This performance incorporates the impact of negative basket inflation.

In Q2, sales reached €993 mn, +10.1% than in Q2 20 with LFL (excl. fuel) at 7.3%, helped by a low comparison base in Q2 20.

With top line growth driving improved operational leverage, EBITDA reached €112 mn, 19.2% ahead of H1 20 and EBITDA margin improved 70 basis points vs the same period last year.

The banner opened three new locations and carried out seven renovations.

Recheio LFL




Recheio's sales were €398 mn, broadly in line with H1 20 with LFL at -0.6%.

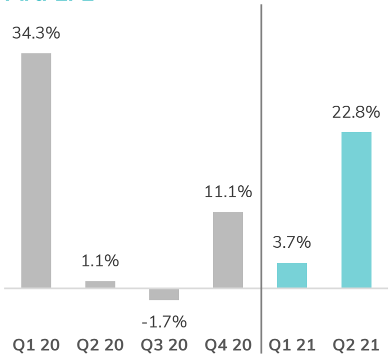
Despite prevailing limitations to HoReCa activities, in Q2, the reopening of restaurants, a soft recovery in tourism and a low comparison base in Q2 20 drove sales to grow 21.1% and reach €224 mn.

EBITDA for the six months reached €15 mn, 16.4% ahead of the same period in 2020. The EBITDA margin was 3.7% (3.1% in H1 20), benefiting from the sales performance.

## COLOMBIA

In Colombia, the operating environment was increasingly challenging from April on as restrictions to control the pandemic became more frequent, although less severe than in 2020. In May, social protests added further pressures to the functioning of the retail market, particularly in certain regions of the country.

Ara LFL




Ara had a strong performance in the six months with sales growing in local currency by 20.9%, including LFL of 12.6%.

In Q2, sales denominated in local currency grew 32.8% with LFL at 22.8% also reflecting the impact of Covid-19 in Q2 20.

In euro terms, H1 sales reached €473 mn, 11.9% ahead of H1 20. In Q2 sales were €237 mn, 26.1% ahead of Q2 20.

EBITDA reached €+6 mn in H1 21 versus €-19 mn in H1 20. This very positive evolution was driven by top line performance and the restructuring and cost optimization undertaken in 2020.

In the first six months of the year, Ara opened 41 stores, delivering on its expansion target.

## CONSOLIDATED FINANCIAL HEADINGS

At Group level, top line grew 6.3% (+8.8% excl. FX). The sound sales performance was a common element to all banners and drove consolidated EBTIDA to increase by 12.6% (+15.5% excl. FX). The EBITDA figure includes Covid-19 related costs of €10 mn (€29 mn in H1 20).

Net financial costs were at €-74 mn in H1 21 (€-96 mn in H1 20), incorporating exchange translation gains of €+3 mn related to value adjustments in the capitalization of operating leases in Poland denominated in euros that in H1 20 were a loss of €-14 mn.

Our capex programme (excluding right of use assets acquired in accordance with IFRS16) was €200 mn, 60% of which was allocated to Biedronka.

All in all, this was a period with strong cash flow generation (€82 mn) that improved further the Group's Balance Sheet. Good management of working capital flows that in H1 20, as flagged at the time, were impacted by lower sales growth and an unfavourable calendar effect, also contributed to this performance.

# KEY PERFOMANCE FIGURES

## CONSOLIDATED RESULTS

| (Million Euro) | H1 21 | | H1 20 | | Δ | Q2 21 | | Q2 20 | | Δ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales and Services** | **9,902** | | **9,317** | | **6.3%** | **5,116** | | **4,601** | | **11.2%** |
| Gross Profit | 2,133 | 21.5% | 2,032 | 21.8% | 5.0% | 1,104 | 21.6% | 991 | 21.5% | 11.4% |
| Operating Costs | -1,419 | -14.3% | -1,397 | -15.0% | 1.6% | -711 | -13.9% | -666 | -14.5% | 6.8% |
| **EBITDA** | **715** | **7.2%** | **635** | **6.8%** | **12.6%** | **393** | **7.7%** | **325** | **7.1%** | **20.7%** |
| Depreciation | -371 | -3.7% | -362 | -3.9% | 2.7% | -186 | -3.6% | -179 | -3.9% | 4.3% |
| **EBIT** | **343** | **3.5%** | **273** | **2.9%** | **25.7%** | **206** | **4.0%** | **147** | **3.2%** | **40.9%** |
| Net Financial Costs | -74 | -0.7% | -96 | -1.0% | -22.3% | -30 | -0.6% | -33 | -0.7% | -10.3% |
| Gains in Joint Ventures and Associates | 0 | 0.0% | 0 | 0.0% | n.a. | 0 | 0.0% | 0 | 0.0% | n.a. |
| Other Profits/Losses | -6 | -0.1% | -20 | -0.2% | n.a. | -3 | -0.1% | -16 | -0.3% | n.a. |
| **EBT** | **264** | **2.7%** | **157** | **1.7%** | **67.7%** | **174** | **3.4%** | **98** | **2.1%** | **77.5%** |
| Income Tax | -70 | -0.7% | -54 | -0.6% | 29.2% | -41 | -0.8% | -32 | -0.7% | 29.3% |
| **Net Profit** | **194** | **2.0%** | **103** | **1.1%** | **87.9%** | **133** | **2.6%** | **66** | **1.4%** | **100.8%** |
| Non-Controlling Interests | -8 | -0.1% | 1 | 0.0% | n.a. | -4 | -0.1% | 3 | 0.1% | n.a. |
| **Net Profit Attributable to JM** | **186** | **1.9%** | **104** | **1.1%** | **78.9%** | **129** | **2.5%** | **69** | **1.5%** | **85.3%** |
| | | | | | | | | | | |
| EPS (€) | 0.30 | | 0.17 | | 78.9% | 0.20 | | 0.11 | | 85.3% |
| EPS without Other Profits/Losses (€) | 0.30 | | 0.19 | | 59.5% | 0.21 | | 0.13 | | 60.6% |

## BALANCE SHEET

| (Million Euro) | H1 21 | 2020 | H1 20 |
|---|---|---|---|
| Net Goodwill | 623 | 620 | 627 |
| Net Fixed Assets | 3,943 | 3,967 | 3,914 |
| Net Rights of Use (RoU) | 2,176 | 2,154 | 2,167 |
| Total Working Capital | -2,770 | -2,864 | -2,416 |
| Others | 178 | 133 | 7 |
| **Invested Capital** | **4,149** | **4,010** | **4,299** |
| Total Borrowings | 507 | 524 | 734 |
| Financial Leases | 19 | 11 | 14 |
| Capitalised Operating Leases | 2,299 | 2,262 | 2,249 |
| Accrued Interest | 0 | -3 | 1 |
| Cash and Cash Equivalents | -933 | -1,041 | -848 |
| **Net Debt** | **1,892** | **1,752** | **2,150** |
| Non-Controlling Interests | 240 | 249 | 238 |
| Share Capital | 629 | 629 | 629 |
| Reserves and Retained Earnings | 1,388 | 1,379 | 1,283 |
| **Shareholders Funds** | **2,257** | **2,257** | **2,150** |

## CASH FLOW

| (Million Euro) | H1 21 | H1 20 |
|---|---|---|
| EBITDA | 715 | 635 |
| Capitalised Operating Leases Payment | -138 | -136 |
| Interest Payment | -75 | -77 |
| Other Financial Items | 0 | 0 |
| Income Tax | -110 | -97 |
| **Funds From Operations** | **392** | **325** |
| Capex Payment | -252 | -289 |
| Change in Working Capital | -53 | -137 |
| Others | -4 | -17 |
| **Cash Flow** | **82** | **-118** |

## DISCLAIMER

Statements in this release that are forward-looking are based on current expectations of future events and are subject to risks and uncertainties that can cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties, which have increased as a result of the Covid-19 pandemic, relate to factors that are beyond Jerónimo Martins' ability to control or estimate precisely, and include but are not limited to, general economic conditions, actions taken by governmental authorities to address Covid-19 effects and their impacts over the economy, competition, industry trends, credit markets, foreign exchange fluctuations and regulatory developments.

Except as required by any applicable law or regulation, Jerónimo Martins assumes no obligation to update the information contained in this release or to notify a reader in the event that any matter stated herein changes or becomes inaccurate.

# APPENDIX

## 1. Financial Statements

### INCOME STATEMENT BY FUNCTIONS

| (Million Euro) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | H1 21 | H1 20 | H1 21 | H1 20 |
| **Net Sales and Services** | **9,902** | **9,317** | **9,902** | **9,317** |
| Cost of Sales | -7,769 | -7,285 | -7,769 | -7,285 |
| **Gross Profit** | **2,133** | **2,032** | **2,133** | **2,032** |
| Distribution Costs | -1,617 | -1,587 | -1,661 | -1,630 |
| Administrative Costs | -173 | -171 | -174 | -172 |
| Other Operating Profits/Losses | -6 | -20 | -6 | -20 |
| **Operating Profit** | **338** | **253** | **293** | **210** |
| Net Financial Costs | -74 | -96 | -13 | -18 |
| Gains in Joint Ventures and Associates | 0 | 0 | 0 | 0 |
| **Profit Before Taxes** | **264** | **157** | **280** | **192** |
| Income Tax | -70 | -54 | -72 | -60 |
| **Profit Before Non Controlling Interests** | **194** | **103** | **208** | **132** |
| Non-Controlling Interests | -8 | 1 | -9 | 0 |
| **Net Profit Attributable to JM** | **186** | **104** | **199** | **132** |

### INCOME STATEMENT (Management View)

| (Million Euro) | (Excl. IFRS16) | | | | | (Excl. IFRS16) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | H1 21 | | H1 20 | | Δ | Q2 21 | | Q2 20 | | Δ |
| **Net Sales and Services** | **9,902** | | **9,317** | | **6.3%** | **5,116** | | **4,601** | | **11.2%** |
| Gross Profit | 2,133 | 21.5% | 2,032 | 21.8% | 5.0% | 1,104 | 21.6% | 991 | 21.5% | 11.4% |
| Operating Costs | -1,621 | -16.4% | -1,597 | -17.1% | 1.5% | -813 | -15.9% | -764 | -16.6% | 6.4% |
| **EBITDA** | **513** | **5.2%** | **435** | **4.7%** | **17.8%** | **291** | **5.7%** | **227** | **4.9%** | **28.4%** |
| Depreciation | -214 | -2.2% | -205 | -2.2% | 4.3% | -108 | -2.1% | -102 | -2.2% | 6.0% |
| **EBIT** | **299** | **3.0%** | **230** | **2.5%** | **29.8%** | **184** | **3.6%** | **125** | **2.7%** | **46.5%** |
| Net Financial Costs | -13 | -0.1% | -18 | -0.2% | -28.9% | -6 | -0.1% | -9 | -0.2% | -26.6% |
| Gains in Joint Ventures and Associates | 0 | 0.0% | 0 | 0.0% | n.a. | 0 | 0.0% | 0 | 0.0% | n.a. |
| Other Profits/Losses | -6 | -0.1% | -20 | -0.2% | n.a. | -3 | -0.1% | -16 | -0.3% | n.a. |
| **EBT** | **280** | **2.8%** | **192** | **2.1%** | **46.2%** | **174** | **3.4%** | **101** | **2.2%** | **72.6%** |
| Income Tax | -72 | -0.7% | -60 | -0.6% | 21.4% | -41 | -0.8% | -33 | -0.7% | 27.3% |
| **Net Profit** | **208** | **2.1%** | **132** | **1.4%** | **57.4%** | **133** | **2.6%** | **68** | **1.5%** | **94.2%** |
| Non-Controlling Interests | -9 | -0.1% | 0 | 0.0% | n.a. | -5 | -0.1% | 3 | 0.1% | n.a. |
| **Net Profit Attributable to JM** | **199** | **2.0%** | **132** | **1.4%** | **51.2%** | **128** | **2.5%** | **71** | **1.5%** | **80.3%** |
| | | | | | | | | | | |
| EPS (€) | 0.32 | | 0.21 | | 51.2% | 0.20 | | 0.11 | | 80.3% |
| EPS without Other Profits/Losses (€) | 0.32 | | 0.23 | | 38.2% | 0.21 | | 0.13 | | 56.9% |

### BALANCE SHEET

| (Million Euro) | (Excl. IFRS16) | | |
|---|---|---|---|
| | H1 21 | 2020 | H1 20 |
| Net Goodwill | 623 | 620 | 627 |
| Net Fixed Assets | 3,943 | 3,967 | 3,914 |
| Total Working Capital | -2,765 | -2,861 | -2,411 |
| Others | 157 | 115 | -7 |
| **Invested Capital** | **1,958** | **1,842** | **2,123** |
| Total Borrowings | 507 | 524 | 734 |
| Financial Leases | 19 | 11 | 14 |
| Accrued Interest | 0 | -3 | 1 |
| Cash and Cash Equivalents | -933 | -1,041 | -848 |
| **Net Debt** | **-407** | **-509** | **-99** |
| Non-Controlling Interests | 247 | 255 | 242 |
| Share Capital | 629 | 629 | 629 |
| Reserves and Retained Earnings | 1,488 | 1,467 | 1,351 |
| **Shareholders Funds** | **2,365** | **2,351** | **2,222** |

## CASH FLOW

| (Million Euro) | (Excl. IFRS16) H1 21 | H1 20 |
|---|---|---|
| EBITDA | 513 | 435 |
| Interest Payment | -11 | -14 |
| Other Financial Items | 0 | 0 |
| Income Tax | -110 | -97 |
| **Funds From Operations** | **392** | **325** |
| Capex Payment | -252 | -289 |
| Change in Working Capital | -54 | -137 |
| Others | -3 | -17 |
| **Cash Flow** | **82** | **-118** |

## EBITDA BREAKDOWN

| (Million Euro) | IFRS16 | | | | Excl. IFRS16 | | | |
|---|---|---|---|---|---|---|---|---|
| | H1 21 | Mg | H1 20 | Mg | H1 21 | Mg | H1 20 | Mg |
| Biedronka | 624 | 8.9% | 589 | 9.0% | 486 | 7.0% | 453 | 6.9% |
| Pingo Doce | 112 | 5.8% | 94 | 5.1% | 79 | 4.1% | 62 | 3.4% |
| Recheio | 15 | 3.7% | 13 | 3.1% | 12 | 3.0% | 10 | 2.5% |
| Ara | 6 | 1.3% | -19 | n.a. | -11 | n.a. | -36 | n.a. |
| Hebe | 5 | 4.4% | 4 | 3.4% | -6 | n.a. | -7 | n.a. |
| Others & Cons. Adjustments | -47 | n.a. | -46 | n.a. | -49 | n.a. | -47 | n.a. |
| **JM Consolidated** | **715** | **7.2%** | **635** | **6.8%** | **513** | **5.2%** | **435** | **4.7%** |

## FINANCIAL RESULTS

| (Million Euro) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | H1 21 | H1 20 | H1 21 | H1 20 |
| Net Interest | -8 | -11 | -8 | -11 |
| Interests on Capitalised Operating Leases | -64 | -63 | - | - |
| Exchange Differences | 1 | -19 | -2 | -4 |
| Others | -2 | -3 | -2 | -3 |
| **Financial Results** | **-74** | **-96** | **-13** | **-18** |

## SALES BREAKDOWN

| (Million Euro) | H1 21 | | H1 20 | | Δ % | | Q2 21 | | Q2 20 | | Δ % | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % total | | % total | excl. FX | Euro | | % total | | % total | excl. FX | Euro |
| Biedronka | 6,981 | 70.5% | 6,536 | 70.2% | 9.8% | 6.8% | 3,594 | 70.2% | 3,274 | 71.1% | 10.4% | 9.8% |
| Pingo Doce | 1,922 | 19.4% | 1,838 | 19.7% | | 4.6% | 993 | 19.4% | 902 | 19.6% | | 10.1% |
| Recheio | 398 | 4.0% | 400 | 4.3% | | -0.4% | 224 | 4.4% | 185 | 4.0% | | 21.1% |
| Ara | 473 | 4.8% | 423 | 4.5% | 20.9% | 11.9% | 237 | 4.6% | 188 | 4.1% | 32.8% | 26.1% |
| Hebe | 123 | 1.2% | 115 | 1.2% | 10.4% | 7.3% | 66 | 1.3% | 51 | 1.1% | 30.5% | 30.4% |
| Others & Cons. Adjustments | 4 | 0.0% | 6 | 0.1% | | -21.7% | 2 | 0.0% | 2 | 0.0% | | 8.2% |
| **Total JM** | **9,902** | **100%** | **9,317** | **100%** | **8.8%** | **6.3%** | **5,116** | **100%** | **4,601** | **100%** | **12.0%** | **11.2%** |

Jerónimo Martins

## SALES GROWTH

| | Total Sales Growth | | | LFL Growth | | |
|---|---|---|---|---|---|---|
| | Q1 21 | Q2 21 | H1 21 | Q1 21 | Q2 21 | H1 21 |
| Biedronka | | | | | | |
| Euro | 3.9% | 9.8% | 6.8% | | | |
| PLN | 9.2% | 10.4% | 9.8% | 6.5% | 8.8% | 7.7% |
| Hebe | | | | | | |
| Euro | -10.9% | 30.4% | 7.3% | | | |
| PLN | -6.3% | 30.5% | 10.4% | 0.1% | 38.2% | 17.7% |
| Pingo Doce | -0.8% | 10.1% | 4.6% | -2.7% | 8.1% | 2.6% |
| *Excl. Fuel* | 0.3% | 9.4% | 4.8% | -1.6% | 7.3% | 2.8% |
| Recheio | -19.0% | 21.1% | -0.4% | -19.3% | 21.1% | -0.6% |
| Ara | | | | | | |
| Euro | 0.6% | 26.1% | 11.9% | | | |
| COP | 10.5% | 32.8% | 20.9% | 3.7% | 22.8% | 12.6% |
| **Total JM** | | | | | | |
| Euro | 1.5% | 11.2% | 6.3% | | | |
| Excl. FX | 5.7% | 12.0% | 8.8% | 3.2% | 10.1% | 6.6% |

## STORE NETWORK

| Number of Stores | 2020 | Openings | | Closings | H1 21 | H1 20 |
|---|---|---|---|---|---|---|
| | | Q1 21 | Q2 21 | H1 21 | | |
| Biedronka | 3,115 | 21 | 32 | 14 | 3,154 | 3,031 |
| Hebe | 266 | 2 | 5 | 0 | 273 | 284 |
| Pingo Doce | 453 | 2 | 1 | 0 | 456 | 444 |
| Recheio | 42 | 0 | 0 | 0 | 42 | 42 |
| Ara | 663 | 26 | 15 | 0 | 704 | 631 |

| Sales Area (sqm) | 2020 | Openings | | Closings Remodellings | H1 21 | H1 20 |
|---|---|---|---|---|---|---|
| | | Q1 21 | Q2 21 | H1 21 | | |
| Biedronka | 2,120,337 | 15,233 | 22,566 | -1,926 | 2,160,062 | 2,046,559 |
| Hebe | 69,338 | 515 | 1,184 | 166 | 70,871 | 69,617 |
| Pingo Doce | 523,136 | 1,450 | 125 | -1,855 | 526,566 | 515,870 |
| Recheio | 133,928 | 0 | 0 | 0 | 133,928 | 133,826 |
| Ara | 223,818 | 8,470 | 5,260 | 0 | 237,548 | 212,718 |

## CAPEX

| (Million Euro) | H1 21 | Weight | H1 20 | Weight |
|---|---|---|---|---|
| Biedronka | 120 | 60% | 61 | 43% |
| Distribution Portugal | 43 | 21% | 45 | 32% |
| Ara | 19 | 9% | 9 | 6% |
| Others | 18 | 9% | 27 | 19% |
| **Total CAPEX** | **200** | **100%** | **142** | **100%** |

## WORKING CAPITAL

| (Million Euro) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | H1 21 | H1 20 | H1 21 | H1 20 |
| Inventories | 1,038 | 1,023 | 1,038 | 1,023 |
| in days of sales | 19 | 20 | 19 | 20 |
| Customers | 38 | 35 | 38 | 35 |
| in days of sales | 1 | 1 | 1 | 1 |
| Suppliers | -3,111 | -2,873 | -3,111 | -2,873 |
| in days of sales | -57 | -56 | -57 | -56 |
| Others | -735 | -601 | -730 | -597 |
| **Total Working Capital** | **-2,770** | **-2,416** | **-2,765** | **-2,411** |
| **in days of sales** | **-51** | **-47** | **-51** | **-47** |

### TOTAL BORROWINGS

| (Million Euro) | H1 21 | H1 20 |
|---|---|---|
| **Long Term Borrowings** | **349** | **211** |
| *as % of Total Borrowings* | *68.9%* | *28.8%* |
| *Average Maturity (years)* | *6.3* | *3.6* |
| **Short Term Borrowings** | **158** | **523** |
| *as % of Total Borrowings* | *31.1%* | *71.2%* |
| **Total Borrowings** | **507** | **734** |
| *Average Maturity (years)* | *4.6* | *1.7* |
| % Total Borrowings in Euros | 0.0% | 9.5% |
| % Total Borrowings in Zlotys | 43.3% | 46.4% |
| % Total Borrowings in Colombian Pesos | 56.7% | 44.1% |

## 2. Notes

Like For Like (LFL) sales: sales made by stores and e-commerce platforms 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).

3. Reconciliation notes

## INCOME SATEMENT

Following ESMA guidelines on Alternative Performance Measures from October 2015

| **Income Statement in this release** (Management View) | **Consolidated Income Statement by Functions** (in Consolidated Financial Statements) **First Half 2021 Results** |
|---|---|
| Net Sales and Services | Net sales and services |
| Gross Profit | Gross profit |
| Operating Costs | Includes headings of Distribution costs; Administrative costs and Other operating costs, excluding the amount of €-371.2 mn related with Depreciations and amortisations (note - Segments Reporting) |
| EBITDA | |
| Depreciation | Value reflected in the note - Segments Reporting |
| EBIT | |
| Net Financial Costs | Net financial costs |
| Gains in Joint Ventures and Associates | Gains (losses) in joint ventures and associates |
| Other Profits/Losses | Includes headings of Other operating profits/losses; Gains/Losses in disposal of business (when applicable) and Gains/Losses in other investments (when applicable) |
| EBT | Profit before taxes |
| Income Tax | Income tax |
| Net Profit | Profit before non-controlling interests |
| Non-Controlling Interests | Non-Controlling interests |
| Net Profit Attributable to JM | Net profit attributable to Jerónimo Martins Shareholders |

## BALANCE SHEET

Following ESMA guidelines on Alternative Performance Measures from October 2015

| Balance Sheet in this release | Consolidated Balance Sheet (in Consolidated Financial Statements) First Half 2021 Results |
|---|---|
| Net Goodwill | Amount reflected in the heading of Intangible assets |
| Net Fixed Assets | Includes the headings Tangible and Intangible assets (excluding the Net goodwill - €622.6 mn) and adding the Financial leases amount (€25.0 mn) |
| Net Rights of Use (RoU) | Includes the heading of Net rights of use excluding the Financial leases (€25.0 mn) |
| Total Working Capital | Includes the headings Current trade debtors, Accrued income and Deferred costs; Inventories; Biological assets; Trade creditors, Accrued costs and Deferred income; Employee benefits; and also, the value of €-15.0 mn related to 'Others' due to its operational nature.<br>Excludes the amount €-0.1 mn related with Interest accruals and deferrals heading (note - Net financial debt) and, when applicable, dividends attributable to non-controlling interests |
| Others | Includes the headings Investment property; Investments in joint ventures and associates; Other financial investments; Non-Current trade debtors, Accrued income and Deferred costs; Deferred tax assets and liabilities; Income tax receivable and payable; Provisions for risks and contingencies and, when applicable, dividends attributable to non-controlling interests.<br>Excludes the value of €-15.0 mn related to 'Others' due to its operational nature, as well as, when applicable, Collateral deposits associated with financial debt (note - Debtors, accruals and deferrals) |
| Invested Capital | |
| Total Borrowings | Includes the heading Borrowings current and non-current |
| Financial Leases | Includes the heading of Financial leases (2021: €19.2 mn; 2020: €11.5 mn) according with IAS 17 in place before IFRS16 adoption |
| Capitalised Operating Leases | Amount in the heading of Lease liabilities current and non-current, excluding Financial leases (note above) |
| Accrued Interest | Includes the heading Derivative financial instruments as well as the amount €-0.1 mn related with Interest accruals and deferrals (note - Net financial debt) |
| Cash and Cash Equivalents | Includes the heading Cash and cash equivalents, as well as, when applicable, Collateral deposits associated with financial debt (note - Debtors, accruals and deferrals) |
| Net Debt | |
| Non-Controlling Interests | Non-Controlling interests |
| Share Capital | Share capital |
| Reserves and Retained Earnings | Includes the heading Share premium, Own shares, Other reserves and Retained earnings |
| **Shareholders' Funds** | |

Jerónimo Martins

## CASH FLOW

Following ESMA guidelines on Alternative Performance Measures from October 2015

| Cash Flow in this release | Consolidated Cash Flow Statement (in Consolidated Financial Statements) First Half 2021 Results |
|---|---|
| EBITDA | Includes the headings Cash generated from operations before changes in working capital, including headings which did not generate cash flow, and excluding profit and losses that do not have operational nature (€3.8 mn) |
| Capitalised Operating Leases Payment | Included in the heading Leases paid, excluding the amount of €6.4 mn related with the payment of financial leases according with previous accounting standards |
| Interest Payment | Includes the headings of Loans interest paid, Leases interest paid and Interest received |
| Income Tax | Income tax paid |
| Funds from Operations | |
| Capex Payment | Includes the headings Disposal of tangible and intangible assets; Disposal of financial and investment property; Acquisition of tangible and intangible assets; Acquisition of financial investments and investment property. It also includes acquisitions of tangible assets classified as finance leases under previous accounting standards (€14.0 mn) |
| Change in Working Capital | Includes Changes in working capital added from headings which did not generated cash flow in the amount (€-0.1 mn) |
| Others | Includes the headings disposal of business (when applicable), profit and losses which generated cash flow, although not having operational nature, in the amount of €-3.8 mn |
| **Cash Flow** | Corresponds to the Net changes in cash and cash equivalents, deducted from Dividends paid and received, Net change in loans and change in Collateral deposits associated to financial debt. It also includes acquisitions of tangible assets classified as finance leases (€14.0 mn) and deducted from the payment of financial leases (€6.4 mn), both according with previous accounting standards |