MARKET RELEASE

# 2023

# ANNUAL RESULTS

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

**Financial Calendar:**
General Shareholders Meeting: 18 April
Q1 Results: 26 April
H1 Results: 24 July*
9M Results: 30 October*

* to be published after the closing of the market

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## YEAR 2023 | KEY FIGURES

**OUR DETERMINATION TO KEEP PRICES LOW LED TO OUTPERFORM ALL MARKETS, WITH STRONG SALES GROWTH PROTECTING THE GROUP'S PROFITABILITY**

- **Sales** grew 20.6% to €30.6 BN (+18.1% excluding FX). In Q4, sales increased 16.7% to €8.2 BN (+9.9% excluding FX).
- **EBITDA** increased 17% to €2.2 BN (+13.7% excluding FX), with the EBITDA margin at 7.1% (7.3% in 2022). In Q4, EBITDA grew 14.1% to €578 MN (+7.1% excluding FX), translating into an EBITDA margin of 7.1% (7.2% in Q4 22).
- **Net Earnings** reached €756 MN, corresponding to an EPS of €1.2.
- **Cash Flow** in 2023 was €345 MN.
- **Net Debt** stood at €2.1 BN. Excluding IFRS16, the Group posted a net cash position of €1.2 BN by the end of 2023.

## PERFORMANCE OVERVIEW & KEY DRIVERS

We maintained our focus on price competitiveness throughout the year in a challenging environment, with consumers increasingly sensitive to price and saving opportunities.

The firm execution of our strategy led all banners to post solid sales growth, driving Group LFL growth to 12.8%. At the same time, all our Companies continued to implement ambitious expansion and remodelling programmes to strengthen the presence, quality, and efficiency of their store networks in the markets in which they operate.

Our strong sales performance, both in value and in volume, reinforced our market positions and protected our profitability, driving **Group EBITDA** to grow by 17%. EBITDA margin fell 22b.p. versus 2022, reflecting the impacts of price investment and high cost inflation.

The balance sheet remains solid. At the end of the year, the Group's **net cash position** (excluding IFRS16) was 1.2 billion euros.

The Group **Pre-Tax ROIC** was 26.8% (27.0% in 2022), reflecting the focus of all Companies on protecting profitability through sales growth in the context of falling food inflation and higher cost inflation.

In alignment with the defined policy, the Board of Directors will propose a **dividend** payment of 0.655 euros per share (gross amount) to the AGM, representing an increase of 19.1% versus the previous year.

The Group continues to make significant progress on **corporate responsibility** and maintains its long-term vision.

Our CDP (Disclosure Insight Action) top score ('A') in fighting against climate change (Climate Change program) and leadership level ('A-') achieved, both in managing water as a critical resource (Water Security program) and in managing the commodities most associated with deforestation risks (Forests program), such as palm oil, paper/wood, beef, and soy, has placed us as the food retailer with the best overall performance in the world, for the fourth consecutive year.

Emphasis should be placed on the total removal of flavour enhancers and artificial colourings in all Pingo Doce's private brand products, during the year. This initiative is a clear example of our commitment to promoting health through food and of our brands' instrumental role in achieving this purpose. Pingo Doce is the only retailer in Portugal, and one of the few worldwide, that made this decision.

We also continue to work and invest to reduce our carbon footprint. At the end of 2023, c.780 stores and distribution centres had installed photovoltaic panels. Our largest Companies were highlighted in the Lean & Green initiative, with Biedronka maintaining its star and Pingo Doce receiving four stars, making it the first Portuguese and fourth European company to achieve this recognition.

Internally, we invested 312 million euros in recognition measures attributed to our employees that add to the 44.2 million euros allocated to internal social responsibility programmes and wellbeing initiatives.

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

'We started 2023 anticipating that interest rates would remain high and food prices would continue to rise, with lower food inflation in the second half of the year, particularly in the last quarter. As such, we further invested to keep prices low and to offer relevant promotions to the consumers who choose our stores. We made this investment while steadily making progress in our expansion programme – both in terms of store openings and logistical infrastructure improvements – and with the continuous enhancement of our banners' shopping experience.

With a consumer-centric approach to decision making, we reinforced our value propositions in all dimensions – price, assortment, quality, and store network differentiation – which led us to outperform the markets in which we operate.

I thank each and every one of my colleagues, in all the teams across all our companies, for another year of commitment, competitiveness, and delivery, which added more than 5 billion euros to Group sales and allowed to surpass the 30 billion euros top-line milestone. This outstanding performance strengthened the foundations on which we continue to build sustainable growth.

As we enter 2024, we know that the food deflation expected for the first half of the year will be our biggest challenge. This deflation will lead all retail players to prioritize growth in volumes, resulting in increasing competition in the markets where we operate.

In a context of extreme uncertainty linked to increasing geopolitical tensions and further pressure on our businesses coming from the dangerous combination of very low food inflation and high cost inflation, we will leverage the strength of our market positions to maintain our strategic focus. Our teams will continue to prioritize sales volume growth by offering quality at the best prices and maximizing efficiencies in our operational processes as tools to protect profitability in all countries.

On our side, we assume our responsibility to guarantee our teams fair and competitive remuneration packages, reflecting the evolution of the cost of living. We will also continue to do our part in responding to the environmental and social challenges that mark our times and reporting on progress and difficulties on this path towards greater sustainability for our businesses.

With banners that are well recognized and appreciated by consumers, efficient business models and a solid balance sheet supporting our strategic choices, we are well prepared for the more intense competitive landscape we have been feeling since the beginning of the year. We will continue to give consumers every reason to choose our banners.'

## OUTLOOK 2024

Since the end of last year, our food retail businesses have been operating with deflation in their main categories – commodities, meat, dairy, fruits and vegetables. As we enter 2024, the Group faces a period in which we see the combination, with unprecedented severity, of rapid decrease in consumer food prices and high cost inflation increasing our costs. This combination will further pressure our margins.

On top of increasingly competitive and challenging contexts, particularly in Poland, we will have the contrast with previous year, which presents very demanding comparatives, particularly in the first two quarters, due to our banners' excellent performance and significant price increases registered in those periods.

The high cost inflation results mostly and immediately from the increase in salaries and rents in the countries where we operate, and, to a lesser extent, from specific circumstances in each country, affecting other cost lines.

Even so, the strength and differentiation of our value propositions reinforce our confidence that we are well equipped to meet the challenge.

In the current geopolitical context, marked by instability and complexity, the European Union has lost influence and competitiveness. Its increasingly intricate and heavy regulatory framework is hampering European companies' ability to compete in the global arena against their Asian or North American counterparts. In addition to the elections for the European Parliament, all attention lays on the US presidential elections, whose outcome is, for now, uncertain and could be a game-changer in geopolitical terms. It is, therefore, difficult and premature, at this stage, to anticipate how the world's leading economies will perform and how that will influence the markets in which we operate.

In this context, the evolution of consumer behaviour will be decisive for business performance and competitive dynamics.

In **Poland**, in addition to other social support measures, the minimum wage increased by 17.8% in the beginning of the year, with a new increase of 1.4% in July. Surprisingly, in January, the volumes in the food retail sector continued to decline. Nonetheless, it is expected that, throughout the year, consumption may benefit from a recovery in purchasing power.

In a competitive context that has become more intense and in which price has become more than ever a decisive factor, **Biedronka** will maintain price leadership and will prioritize sales growth, leveraging its commercial strength to create even more relevant saving opportunities for the polish consumers.

With a strengthened value proposition, Biedronka will work to convert favourable demand conditions into higher volumes and a better margin mix, as a way to limit the extreme pressure arising from the rapidly falling food inflation combined with high cost inflation.

Nevertheless, considering also the Company's decision to continue to invest in increasing its teams' wages, we do not exclude that the EBITDA margin may suffer more pressure than in 2023.

Our main banner will keep strengthening its position in the market and, benefiting from a significant degree of flexibility to adapt its format to market opportunities, it plans to add 130 to 150 locations (net) to the store network. Alongside the expansion, the refurbishment programme will cover more than 300 stores.

**Hebe** will continue to focus its growth strategy on the e-commerce channel, which is also the base of its internationalization strategy. In Poland, the reinforcement of the store network foresees the opening of c.30 new locations.

In **Portugal**, we keep seeing signs of pressure on families from high interest rates. As such, consumption in 2024 is expected to remain subdued.

**Pingo Doce** will maintain its strong and recognized commercial dynamic and will continue to implement the new store concept that highlights the brand's differentiation in meal solutions and fresh products and offers innovative service solutions valued by customers.

The Company expects to renovate 60 to 80 stores and to open c.10 new locations.

**Recheio** will remain focused on ensuring that the value propositions designed for each customer segment will continue to gain the market. The progressive stores' refurbishment aims to strengthen a renewed value proposition for the HoReCa channel. Also, the Amanhecer retail stores partnership, which already has more than 600 partners, will continue to grow.

In **Colombia**, consumer demand is expected to remain subdued, although with lower pressure on consumers than in 2023.

**Ara** will remain focused on protecting price leadership and consumer preference while executing its expansion programme.

The efficiency of operations will continue to be at the centre of its agenda, contributing to the improvement in profitability foreseen for 2024.

The banner expects to open c.150 new stores while investing in further logistic capacity for 2024 and 2025, having already opened a new distribution centre this year.

All in all, we started 2024 confident of the competitive positions that we have consistently strengthened in recent years. This is of utmost importance when we recognize the increased difficulties that come with the imbalance generated by simultaneous low food inflation and high cost inflation. In this challenging context, we will remain focused on sales performance while working to enhance cost discipline and operational efficiency to protect profitability.

Our long-term vision remains unchanged, and we reiterate our commitment to our **capex programme** that, in 2024, should be in line with 2023, reaching 1.2 billion euros. Beyond expansion and remodelling of the store networks, the programme also includes the reinforcement of the logistic infrastructure in Poland, Portugal and Colombia and the initial investment to launch operations in Slovakia, with the first stores expected to open by the end of this year.

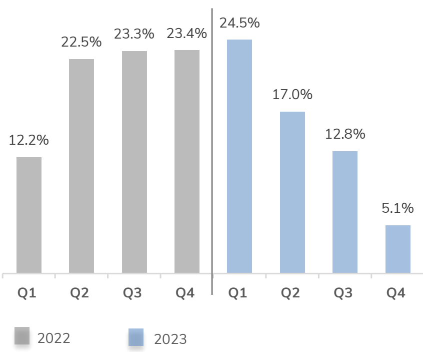
We also foresee an increased investment in working capital. In a deflationary scenario, we must add the growth slowdown, the high interest rates and credit constraints. These factors will continue to also exert pressure on our local commercial partners, particularly in private brand and fresh categories, which could lead us to shorten payment periods.

## PERFORMANCE ANALYSIS BY BANNER

## POLAND

In Poland, food inflation fell throughout 2023, reaching 15.1% in the year. Despite this downward trend, food inflation remained high most of the year, driving consumers to become progressively more price sensitive and promotions driven in a market that lost volumes.

Biedronka LFL




Biedronka led the promotional activity in the Polish market, continuously increasing the gap between its basket inflation and the country's food inflation. This determination to absorb part of the pressure of price increases and continuous improvements to the offer and shopping experience enabled a notable increase in market share.

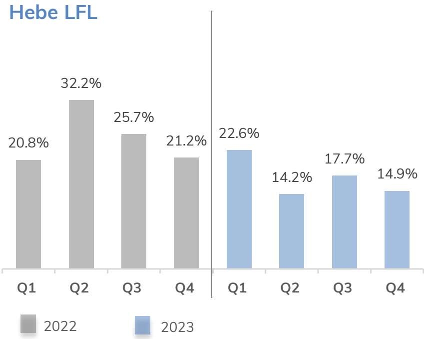
This year, sales grew by 18.2% in local currency, with LFL at 14.2%. In euros, sales reached 21.5 billion, 22.3% above 2022. Growth in volumes was positive throughout 2023, contrasting with the volume decline registered in the polish food retail sector.

This significant sales growth drove EBITDA to increase by 19.4% (+15.4% in local currency). The respective margin was 8.5% (8.8% in 2022), with the evolution reflecting the investment in price combined with cost inflation.

In Q4, the EBITDA margin was 8.5% versus 8.7% in Q4 22. Despite investment in price and high cost inflation having impacted margin evolution, Biedronka, in Q4, as in Q3, benefited year-on-year from a favourable comparison in the price of energy and the normalization of supply chains.

The banner ended another year of remarkable performance, with 174 more stores than in 2022 (203 openings and 29 closures), having renovated 375 locations.

Hebe LFL




Hebe recorded sales growth, in local currency, of 26.6%, with LFL standing at 17%. In euros, sales totalled 469 million, 30.9% above 2022.

Online sales grew by 47.6%, representing c.17% of total sales for the year (c.14% in 2022).

EBITDA grew 31.5% (+27.2% in local currency), with the respective margin reaching 9.1% (9.0% in 2022).

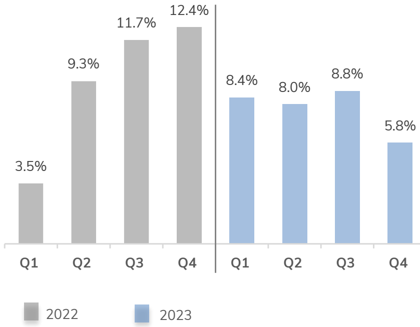
Hebe opened 32 stores in Poland (28 net additions) and two flagship stores in Czechia, where the e-commerce operation will be the primary growth driver.

## PORTUGAL

In **Portugal**, food inflation, which stood at 10% for the year, also recorded a substantial deceleration throughout all months of 2023. Nonetheless, consumer demand remained fragile, reflecting the pressure on household income.

The expansion of the cash & carry sector was primarily fuelled by the increase in tourism.

Pingo Doce LFL (excl. fuel)

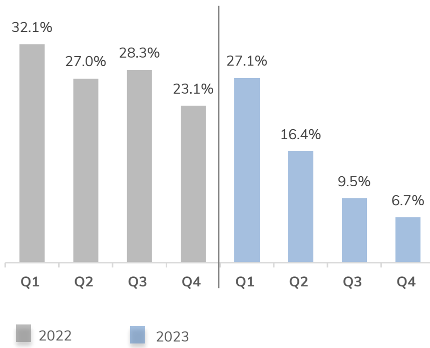



**Pingo Doce** posted solid sales growth, reinforcing the banner's competitiveness and volume performance, because of its assertive pricing and promotions policy together with the contribution of the meal solutions area and the differentiating store layout being implemented through the renovations programme.

In 2023, sales grew 7.9% to reach 4.9 billion euros, with LFL at 7.7% (excluding fuel).

In addition to carrying out 60 store renovations, Pingo Doce opened 11 new locations, having closed one.

Recheio LFL




**Recheio** delivered strong sales growth, leveraging its value propositions designed for each customer segment.

Sales grew by 15.1% to 1.3 billion euros, with LFL at 14%.

**Distribution Portugal's** EBITDA reached 355 million euros, 9.7% ahead of the previous year. The respective margin was at 5.7%, broadly in line with 2022.

At Pingo Doce, the EBITDA margin was 5.8% versus 5.9% in 2022, with sales growth limiting the impact of price investment and the trading down effects on the margin mix.

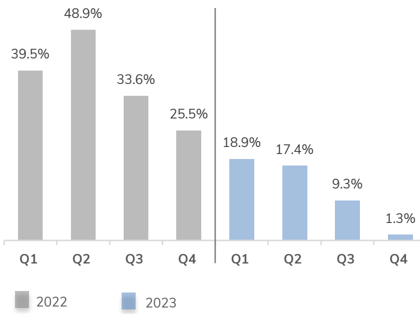
At Recheio, sales growth allowed a solid EBITDA margin recovery from 5.1% in 2022 to 5.4% in 2023.

In Q4, the EBITDA margin of Distribution Portugal was 5.3%, in line with the same period in 2022.

## COLOMBIA

In **Colombia**, food inflation fell throughout 2023, reaching 14.8% in the year. However, the persistence of very high prices further pressured household's disposable income. The deterioration in consumption over the quarters was notable, with families showing limited capacity to react to price opportunities and focusing on the basic food basket. This context resulted in a drop of volumes in the market.

Ara LFL




**Ara** reinforced its price positioning, consistently and assertively investing to meet the needs of Colombian families.

In the year, sales in local currency grew 42.7%, with LFL at 10.9%. Sales reached 2.4 billion in euros, 37.7% above 2022.

The good execution of the expansion programme led Ara to open 200 new locations, ending the year with 1,290 stores.

EBITDA was at 45 million euros (60 million euros in 2022). EBITDA margin stood at 1.9% (3.4% in 2022). The strong margin pressure reflects the effects of significant price investment, the negative impact of trading down on the margin mix, and the low maturity of many stores.

## CONSOLIDATED FINANCIAL HEADINGS

**Net Financial Costs** amounted to -174 million euros. These costs include currency translation gains relating to value adjustments in capitalizing operating lease liabilities in Poland denominated in euros in the amount of 26 million euros.

**Other Profits and Losses** were -79 million euros, which includes indemnities, write-offs, and increased provisions for contingencies, as well as the payment of 24.4 million euros relating to bonuses granted, on an exceptional basis, to operational teams in Poland and Portugal, for their commitment and dedication in a year marked by a significant increase in the cost of living.

The **Investment Programme** reached 1.2 billion euros, including the acceleration in Biedronka openings and Pingo Doce renovations and the anticipation of investment in logistics in Colombia to respond to expansion in the coming years.

The **Cash Flow** generated in 2023 was 345 million euros. The reduction versus 2022 reflects the more extensive capex programme and lower working capital inflow for the year. The working capital movement results from the fact that working capital at the end of 2022 benefitted from a positive treasury calendar effect and from the inflation trend, as well as from some adjustments, in 2023, to payment terms for critical suppliers in a context of high interest rates and difficult access to credit.

## DIVIDEND DISTRIBUTION PROPOSAL

Considering the consolidated net earnings for 2023, the Board of Directors will propose the distribution of 411.6 million euros of dividends to the Annual General Shareholder Meeting, in line with the defined policy.

This proposal corresponds to a gross dividend of 0.655 euros per share (excluding the 859.000 shares in the portfolio), representing a payout of c.50% of ordinary consolidated net earnings, excluding the effects of IFRS16 (or c.54% of the consolidated net earnings).

The proposed dividend distribution preserves the Group’s flexibility to continue investing in accordance with its expansion plans and to take advantage of potential inorganic growth opportunities while maintaining the strength of the balance sheet.

# KEY PERFORMANCE FIGURES

## CONSOLIDATED RESULTS

| (€ Million) | 2023 | | 2022 | | Δ | Q4 23 | | Q4 22 | | Δ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales and Services** | **30,608** | | **25,385** | | **20.6%** | **8,157** | | **6,992** | | **16.7%** |
| Gross Profit | 6,251 | 20.4% | 5,332 | 21.0% | 17.2% | 1,651 | 20.2% | 1,445 | 20.7% | 14.2% |
| Operating Costs | -4,083 | -13.3% | -3,479 | -13.7% | 17.4% | -1,073 | -13.2% | -939 | -13.4% | 14.3% |
| **EBITDA** | **2,168** | **7.1%** | **1,854** | **7.3%** | **17.0%** | **578** | **7.1%** | **506** | **7.2%** | **14.1%** |
| Depreciation | -902 | -2.9% | -782 | -3.1% | 15.3% | -242 | -3.0% | -201 | -2.9% | 20.3% |
| **EBIT** | **1,266** | **4.1%** | **1,071** | **4.2%** | **18.2%** | **335** | **4.1%** | **305** | **4.4%** | **10.0%** |
| Net Financial Costs | -174 | -0.6% | -162 | -0.6% | 7.2% | -32 | -0.4% | -27 | -0.4% | 17.2% |
| Gains/Losses in Joint Ventures and Associates | -1 | 0.0% | 0 | 0.0% | n.a. | 0 | 0.0% | 0 | 0.0% | n.a. |
| Other Profits/Losses | -79 | -0.3% | -95 | -0.4% | n.a. | -44 | -0.5% | -39 | -0.6% | n.a. |
| **EBT** | **1,012** | **3.3%** | **814** | **3.2%** | **24.3%** | **259** | **3.2%** | **238** | **3.4%** | **8.9%** |
| Income Tax | -239 | -0.8% | -207 | -0.8% | 15.5% | -57 | -0.7% | -69 | -1.0% | -17.2% |
| **Net Profit** | **773** | **2.5%** | **607** | **2.4%** | **27.4%** | **202** | **2.5%** | **169** | **2.4%** | **19.5%** |
| Non-Controlling Interests | -16 | -0.1% | -17 | -0.1% | -2.2% | -4 | 0.0% | 2 | 0.0% | n.a. |
| **Net Profit Attributable to JM** | **756** | **2.5%** | **590** | **2.3%** | **28.2%** | **198** | **2.4%** | **171** | **2.4%** | **15.8%** |
| EPS (€) | 1.20 | | 0.94 | | 28.2% | 0.32 | | 0.27 | | 15.8% |
| EPS without Other Profits/Losses (€) | 1.29 | | 1.06 | | 22.5% | 0.37 | | 0.32 | | 15.4% |

## BALANCE SHEET

| (€ Million) | 2023 | 2022 |
|---|---|---|
| Net Goodwill | 635 | 613 |
| Net Fixed Assets | 5,533 | 4,589 |
| Net Rights of Use (RoU) | 3,074 | 2,420 |
| Total Working Capital | -4,314 | -3,837 |
| Others | 235 | 161 |
| **Invested Capital** | **5,163** | **3,946** |
| Total Borrowings | 765 | 470 |
| Financial Leases | 102 | 82 |
| Capitalised Operating Leases | 3,280 | 2,597 |
| Accrued Interest | 22 | 14 |
| Cash and Cash Equivalents | -2,074 | -1,802 |
| **Net Debt** | **2,097** | **1,360** |
| Non-Controlling Interests | 252 | 254 |
| Share Capital | 629 | 629 |
| Reserves and Retained Earnings | 2,184 | 1,702 |
| **Shareholders Funds** | **3,066** | **2,585** |

## CASH FLOW

| (€ Million) | 2023 | 2022 |
|---|---|---|
| EBITDA | 2,168 | 1,854 |
| Capitalised Operating Leases Payment | -337 | -294 |
| Interest Payment | -192 | -157 |
| Other Financial Items | 1 | 0 |
| Income Tax | -254 | -208 |
| **Funds From Operations** | **1,386** | **1,195** |
| Capex Payment | -1,153 | -938 |
| Change in Working Capital | 176 | 535 |
| Others | -65 | -86 |
| **Cash Flow** | **345** | **706** |

## DISCLAIMER

This release's forward-looking statements are based on current expectations of future events. They 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 war in Ukraine and more recently the conflict in the Middle East, 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 and their impacts over the economy, competition, industry trends, credit markets, foreign exchange fluctuations, and regulatory developments.

The forward-looking statements herein refer only to this document and its publication date. Unless required by applicable law or regulation, Jerónimo Martins assumes no obligation to update the information contained in this release or notify a reader if any matter stated herein changes or becomes inaccurate.

# APPENDIX

## 1. Financial Statements

### INCOME STATEMENT BY FUNCTIONS

| (€ Million) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Net Sales and Services** | **30,608** | **25,385** | **30,608** | **25,385** |
| Cost of Sales | -24,357 | -20,053 | -24,357 | -20,053 |
| **Gross Profit** | **6,251** | **5,332** | **6,251** | **5,332** |
| Distribution Costs | -4,490 | -3,850 | -4,625 | -3,955 |
| Administrative Costs | -495 | -411 | -497 | -412 |
| Other Operating Profits/Losses | -80 | -95 | -80 | -95 |
| **Operating Profit** | **1,187** | **976** | **1,050** | **870** |
| Net Financial Costs | -174 | -162 | -23 | -19 |
| Gains/Losses in Other Investments | 0 | 0 | 0 | 0 |
| Gains/Losses in Joint Ventures and Associates | -1 | 0 | -1 | 0 |
| **Profit Before Taxes** | **1,012** | **814** | **1,026** | **852** |
| Income Tax | -239 | -207 | -241 | -213 |
| **Profit Before Non Controlling Interests** | **773** | **607** | **785** | **639** |
| Non-Controlling Interests | -16 | -17 | -19 | -19 |
| **Net Profit Attributable to JM** | **756** | **590** | **766** | **620** |

### INCOME STATEMENT (Management View)

| (€ Million) | (Excl. IFRS16) | | | | | (Excl. IFRS16) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | Δ | Q4 23 | | Q4 22 | | Δ |
| **Net Sales and Services** | **30,608** | | **25,385** | | **20.6%** | **8,157** | | **6,992** | | **16.7%** |
| Gross Profit | 6,251 | 20.4% | 5,332 | 21.0% | 17.2% | 1,651 | 20.2% | 1,445 | 20.7% | 14.2% |
| Operating Costs | -4,596 | -15.0% | -3,913 | -15.4% | 17.5% | -1,209 | -14.8% | -1,049 | -15.0% | 15.2% |
| **EBITDA** | **1,655** | **5.4%** | **1,419** | **5.6%** | **16.6%** | **442** | **5.4%** | **397** | **5.7%** | **11.5%** |
| Depreciation | -525 | -1.7% | -454 | -1.8% | 15.6% | -143 | -1.7% | -119 | -1.7% | 19.7% |
| **EBIT** | **1,129** | **3.7%** | **965** | **3.8%** | **17.0%** | **299** | **3.7%** | **277** | **4.0%** | **8.0%** |
| Net Financial Costs | -23 | -0.1% | -19 | -0.1% | 26.1% | -5 | -0.1% | -3 | 0.0% | 110.7% |
| Gains/Losses in Joint Ventures and Associates | -1 | 0.0% | 0 | 0.0% | n.a. | 0 | 0.0% | 0 | 0.0% | n.a. |
| Other Profits/Losses | -79 | -0.3% | -95 | -0.4% | n.a. | -44 | -0.5% | -39 | -0.6% | n.a. |
| **EBT** | **1,026** | **3.4%** | **852** | **3.4%** | **20.5%** | **250** | **3.1%** | **235** | **3.4%** | **6.2%** |
| Income Tax | -241 | -0.8% | -213 | -0.8% | 13.2% | -55 | -0.7% | -68 | -1.0% | -19.0% |
| **Net Profit** | **785** | **2.6%** | **639** | **2.5%** | **22.9%** | **195** | **2.4%** | **167** | **2.4%** | **16.4%** |
| Non-Controlling Interests | -19 | -0.1% | -19 | -0.1% | -2.6% | -4 | -0.1% | 1 | 0.0% | n.a. |
| **Net Profit Attributable to JM** | **766** | **2.5%** | **620** | **2.4%** | **23.7%** | **190** | **2.3%** | **169** | **2.4%** | **12.8%** |
| EPS (€) | 1.22 | | 0.99 | | 23.7% | 0.30 | | 0.27 | | 12.8% |
| EPS without Other Profits/Losses (€) | 1.31 | | 1.10 | | 18.7% | 0.36 | | 0.32 | | 12.9% |

### BALANCE SHEET

| (€ Million) | (Excl. IFRS16) | |
|---|---|---|
| | 2023 | 2022 |
| Net Goodwill | 635 | 613 |
| Net Fixed Assets | 5,533 | 4,589 |
| Total Working Capital | -4,309 | -3,832 |
| Others | 203 | 132 |
| **Invested Capital** | **2,061** | **1,501** |
| Total Borrowings | 765 | 470 |
| Financial Leases | 102 | 82 |
| Accrued Interest | 22 | 14 |
| Cash and Cash Equivalents | -2,074 | -1,802 |
| **Net Debt** | **-1,184** | **-1,236** |
| Non-Controlling Interests | 265 | 265 |
| Share Capital | 629 | 629 |
| Reserves and Retained Earnings | 2,350 | 1,843 |
| **Shareholders Funds** | **3,245** | **2,737** |

## CASH FLOW

| (€ Million) | (Excl. IFRS16) | |
|---|---|---|
| | 2023 | 2022 |
| EBITDA | 1,655 | 1,419 |
| Interest Payment | -16 | -18 |
| Other Financial Items | 1 | 0 |
| Income Tax | -254 | -208 |
| **Funds From Operations** | **1,385** | **1,193** |
| Capex Payment | -1,153 | -938 |
| Change in Working Capital | 175 | 534 |
| Others | -63 | -84 |
| **Cash Flow** | **345** | **706** |

## EBITDA BREAKDOWN

| (€ Million) | IFRS16 | | | | Excl. IFRS16 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | Mg | 2022 | Mg | 2023 | Mg | 2022 | Mg |
| Biedronka | 1,838 | 8.5% | 1,540 | 8.8% | 1,489 | 6.9% | 1,246 | 7.1% |
| Hebe | 43 | 9.1% | 32 | 9.0% | 14 | 3.0% | 8 | 2.2% |
| Pingo Doce | 282 | 5.8% | 265 | 5.9% | 213 | 4.4% | 198 | 4.4% |
| Recheio | 73 | 5.4% | 59 | 5.1% | 67 | 5.0% | 53 | 4.6% |
| Ara | 45 | 1.9% | 60 | 3.4% | -12 | n.a. | 18 | 1.0% |
| Others & Cons. Adjustments | -112 | n.a. | -102 | n.a. | -116 | n.a. | -104 | n.a. |
| **JM Consolidated** | **2,168** | **7.1%** | **1,854** | **7.3%** | **1,655** | **5.4%** | **1,419** | **5.6%** |

## NET FINANCIAL COSTS

| (€ Million) | IFRS16 | | Excl. IFRS16 | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Net Interest | -12 | -11 | -12 | -11 |
| Interests on Capitalised Operating Leases | -176 | -138 | - | - |
| Exchange Differences | 25 | -4 | 0 | 1 |
| Others | -11 | -8 | -11 | -8 |
| **Net Financial Costs** | **-174** | **-162** | **-23** | **-19** |

## SALES BREAKDOWN

| (€ Million) | 2023 | | 2022 | | Δ % | | Q4 23 | | Q4 22 | | Δ % | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | % total | | % total | excl. FX | Euro | | % total | | % total | excl. FX | Euro |
| Biedronka | 21,500 | 70.2% | 17,582 | 69.3% | 18.2% | 22.3% | 5,690 | 69.8% | 4,856 | 69.5% | 9.4% | 17.2% |
| Hebe | 469 | 1.5% | 358 | 1.4% | 26.6% | 30.9% | 140 | 1.7% | 106 | 1.5% | 23.9% | 32.0% |
| Pingo Doce | 4,853 | 15.9% | 4,499 | 17.7% | | 7.9% | 1,306 | 16.0% | 1,240 | 17.7% | | 5.4% |
| Recheio | 1,332 | 4.4% | 1,158 | 4.6% | | 15.1% | 329 | 4.0% | 308 | 4.4% | | 6.8% |
| Ara | 2,435 | 8.0% | 1,768 | 7.0% | 42.7% | 37.7% | 685 | 8.4% | 477 | 6.8% | 28.2% | 43.8% |
| Others & Cons. Adjustments | 19 | 0.1% | 20 | 0.1% | | n.a. | 7 | 0.1% | 6 | 0.1% | | n.a. |
| **Total JM** | **30,608** | **100%** | **25,385** | **100%** | **18.1%** | **20.6%** | **8,157** | **100%** | **6,992** | **100%** | **9.9%** | **16.7%** |

## SALES GROWTH

| | Total Sales Growth | | | | | | | LFL Growth | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 23 | Q2 23 | H1 23 | Q3 23 | 9M 23 | Q4 23 | 2023 | Q1 23 | Q2 23 | H1 23 | Q3 23 | 9M 23 | Q4 23 | 2023 |
| Biedronka | | | | | | | | | | | | | | |
| Euro | 26.0% | 23.1% | 24.5% | 23.8% | 24.2% | 17.2% | 22.3% | | | | | | | |
| PLN | 28.3% | 20.4% | 24.0% | 17.4% | 21.7% | 9.4% | 18.2% | 24.5% | 17.0% | 20.5% | 12.8% | 17.8% | 5.1% | 14.2% |
| Hebe | | | | | | | | | | | | | | |
| Euro | 29.5% | 26.7% | 27.9% | 35.0% | 30.5% | 32.0% | 30.9% | | | | | | | |
| PLN | 31.9% | 24.0% | 27.5% | 28.2% | 27.8% | 23.9% | 26.6% | 22.6% | 14.2% | 17.9% | 17.7% | 17.9% | 14.9% | 17.0% |
| Pingo Doce | 9.4% | 7.8% | 8.6% | 9.3% | 8.8% | 5.4% | 7.9% | 8.0% | 7.2% | 7.6% | 8.4% | 7.9% | 5.5% | 7.2% |
| *Excl. Fuel* | 9.9% | 8.6% | 9.2% | 9.6% | 9.4% | 5.7% | 8.3% | 8.4% | 8.0% | 8.2% | 8.8% | 8.4% | 5.8% | 7.7% |
| Recheio | 29.2% | 18.3% | 23.2% | 10.3% | 18.1% | 6.8% | 15.1% | 27.1% | 16.4% | 21.2% | 9.5% | 16.7% | 6.7% | 14.0% |
| Ara | | | | | | | | | | | | | | |
| Euro | 29.4% | 33.4% | 31.6% | 42.5% | 35.5% | 43.8% | 37.7% | | | | | | | |
| COP | 50.8% | 53.9% | 52.4% | 42.4% | 48.7% | 28.2% | 42.7% | 18.9% | 17.4% | 18.1% | 9.3% | 14.8% | 1.3% | 10.9% |
| **Total JM** | | | | | | | | | | | | | | |
| Euro | 23.4% | 21.0% | 22.1% | 22.0% | 22.1% | 16.7% | 20.6% | | | | | | | |
| Excl. FX | 26.5% | 20.4% | 23.3% | 17.4% | 21.2% | 9.9% | 18.1% | 21.2% | 15.2% | 18.0% | 11.7% | 15.8% | 5.1% | 12.8% |

## STORE NETWORK

| Number of Stores | 2022 | Openings | | | | Closings | 2023 |
|---|---|---|---|---|---|---|---|
| | | Q1 23 | Q2 23 | Q3 23 | Q4 23 | 2023 | |
| Biedronka * | 3,395 | 17 | 33 | 42 | 111 | 29 | 3,569 |
| Hebe | 315 | 2 | 10 | 5 | 17 | 4 | 345 |
| Pingo Doce | 472 | 2 | 4 | 2 | 3 | 1 | 482 |
| Recheio | 43 | 0 | 0 | 0 | 0 | 0 | 43 |
| Ara | 1,093 | 64 | 46 | 41 | 49 | 3 | 1,290 |

| Sales Area (sqm) | 2022 | Openings | | | | Closings/ Remodellings | 2023 |
|---|---|---|---|---|---|---|---|
| | | Q1 23 | Q2 23 | Q3 23 | Q4 23 | 2023 | |
| Biedronka * | 2,373,630 | 12,323 | 23,827 | 27,655 | 74,423 | -13,539 | 2,525,397 |
| Hebe | 81,068 | 485 | 2,351 | 1,170 | 4,340 | 1,035 | 88,379 |
| Pingo Doce | 551,250 | 1,413 | 4,164 | 1,260 | 287 | -6,528 | 564,903 |
| Recheio | 139,381 | 0 | 0 | 0 | 0 | -5,888 | 145,269 |
| Ara | 376,242 | 21,672 | 15,996 | 15,856 | 17,775 | 1,048 | 446,493 |

* Excluding the stores and selling area related to 18 Micro Fulfilment Centres (MFC) to supply Biek's operation (ultra-fast delivery)

## CAPEX

| (€ Million) | 2023 | Weight | 2022 | Weight |
|---|---|---|---|---|
| Biedronka | 559 | 46% | 485 | 48% |
| Pingo Doce | 249 | 21% | 195 | 19% |
| Recheio | 35 | 3% | 48 | 5% |
| Ara | 258 | 21% | 156 | 15% |
| Others | 109 | 9% | 129 | 13% |
| **Total CAPEX** | **1,209** | **100%** | **1,013** | **100%** |

## WORKING CAPITAL

| (€ Million) | IFRS16 2023 | IFRS16 2022 | Excl. IFRS16 2023 | Excl. IFRS16 2022 |
|---|---|---|---|---|
| Inventories | 1,816 | 1,511 | 1,816 | 1,511 |
| *in days of sales* | 22 | 22 | 22 | 22 |
| Customers | 55 | 51 | 55 | 51 |
| *in days of sales* | 1 | 1 | 1 | 1 |
| Suppliers | -4,752 | -4,191 | -4,752 | -4,191 |
| *in days of sales* | -57 | -60 | -57 | -60 |
| Others | -1,433 | -1,207 | -1,429 | -1,203 |
| **Total Working Capital** | **-4,314** | **-3,837** | **-4,309** | **-3,832** |
| ***in days of sales*** | **-51** | **-55** | **-51** | **-55** |

## TOTAL BORROWINGS AND FINANCIAL LEASES

| (€ Million) | 2023 | 2022 |
|---|---|---|
| **Long Term Borrowings / Financial leases** | **371** | **309** |
| *as % of Total* | 42.8% | 56.0% |
| *Average Maturity (years)* | 3.6 | 3.7 |
| **Short Term Borrowings / Financial leases** | **496** | **243** |
| *as % of Total* | 57.2% | 44.0% |
| **Total Borrowings / Financial leases** | **867** | **552** |
| *Average Maturity (years)* | 1.7 | 2.2 |
| % Total Borrowings / Financial leases in euros | 8.4% | 9.0% |
| % Total Borrowings / Financial leases in zlotys | 19.0% | 33.8% |
| % Total Borrowings / Financial leases in Colombian pesos | 72.6% | 57.2% |

## 2. Notes

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 during the period of the remodelling (store closure).

## 3. INCOME STATEMENT

Reconciliation notes

Following ESMA guidelines on Alternative Performance Measures from October 2015

| **Income Statement in this Release** (Management View) | **Consolidated Income Statement by Functions** (in Consolidated Annual Report) |
|---|---|
| Net Sales and Services | Net sales and services |
| Gross Profit | Gross profit |
| Operating Costs | Includes headings of Distribution costs; and Administrative costs, excluding €-902 million 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/Losses in Joint Ventures and Associates | Gains (losses) in joint ventures and associates |
| Other Profits/Losses | Includes headings of Other operating profits/losses; Gains (losses) on 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 Annual Report) |
|---|---|
| Net Goodwill | Amount reflected in note Intangible assets |
| Net Fixed Assets | Includes the headings Tangible and Intangible assets (excluding the Net goodwill of €635 million); and adding the Financial leases (€124 million) |
| Net Rights of Use (RoU) | Includes the heading of Net rights of use excluding the Financial leases (€124 million) |
| 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, €-47 million related to 'Others' due to its operational nature.<br>Excludes €135 million of short-term investments that do not qualify as cash equivalents (note - Debtors, accruals and deferrals); and €-10 million related with Interest accruals and deferrals heading (note - Net financial debt) |
| 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; and Provisions for risks and contingencies.<br>Excludes €-47 million related to 'Others' due to its operational nature |
| Invested Capital | |
| Total Borrowings | Includes the heading Borrowings current and non-current |
| Financial Leases | Includes the heading of Financial leases (2023: €102 million; 2022: €82 million) 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 (heading above) |
| Accrued Interest | Includes the headings Derivative financial instruments and €-10 million related with Interest accruals and deferrals (note - Net financial debt) |
| Cash and Cash Equivalents | Includes the heading Cash and cash equivalents; and €135 million of Short-term investments that do not qualify as cash equivalents (note - Debtors, accruals and deferrals) |
| Net Debt | |
| Non-Controlling Interests | Non-Controlling interests |
| Share Capital | Share capital |
| Reserves and Retained Earnings | Includes the headings Share premium; Own shares; Other reserves; and Retained earnings |
| **Shareholders' Funds** | |

## CASH FLOW

Following ESMA guidelines on Alternative Performance Measures from October 2015

| **Cash Flow in this Release** | **Consolidated Cash Flow Statement** (in Consolidated Annual Report) |
|---|---|
| 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 (€64 million) |
| Capitalised Operating Leases Payment | Included in the heading Leases paid, excluding €11 million 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 other financial investments and investment property; Acquisition of tangible and intangible assets; Acquisition of other financial investments and investment property; and Acquisition of businesses, net of cash acquired.<br>It also includes acquisitions of tangible assets classified as finance leases under previous accounting standards (€-28 million) |
| Change in Working Capital | Includes Changes in working capital |
| Others | Includes the headings Disposal of business (when applicable); and Profit and losses which generated cash flow, although not having operational nature (€-64 million) |
| **Cash Flow** | Corresponds to the Net change in cash and cash equivalents, deducted from Dividends paid and received; Net change in loans; and Net change in Short-term investments that do not qualify as cash. It also includes acquisitions of tangible assets classified as finance leases (€-28 million); and deducted from the payment of financial leases (€11 million), both according with previous accounting standards |

Jerónimo Martins