Preliminary Sales 2019

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In 2019 the highly successful execution of our strategies in the three markets where we operate added 1.3 billion euros to the Group' sales, strengthening the competitive positions of our banners. Consolidated sales increased by 7.5% (+8.4% at constant exchange rates) reaching 18.6 billion euros.

SALES FIGURES

Million Euros	2019	2018	Δ% (Euro)	Δ% (w/o FX)
Net Sales	18,638	17,337	+7.5	+8.4
Biedronka	12,621	11,691	+7.9	+8.8
Pingo Doce	3,945	3,835	+2.9	-
Recheio	1,007	980	+2.7	-
Ara	784	599	+30.8	+37.9
Hebe	259	207	+24.9	+25.9
Others	23	24	-0.7	-

Biedronka sales in local currency grew 8.8% (+10.3% in Q4) with LFL of 5.8% (+7.7% in Q4), despite 13 fewer days of trading versus 2018.

Hebe increased sales by 25.9% in local currency (+24.6% in Q4) with LFL of 7.4% (+6.0% in Q4).

Pingo Doce sales grew 2.9% (+2.6% in Q4) with a LFL growth (excl. fuel) of 2.5% (+2.7% in Q4).

Recheio registered sales growth of 2.7% (+3.2% in Q4) with a LFL increase of 3.2% (+2.4% in Q4).

Ara grew its sales, in local currency, by 37.9% (+46.1% in Q4) with LFL of 17.6% (+27.9% in Q4).

Biedronka, Pingo Doce and Recheio leveraged their competitive strengths to outperform in Poland and Portugal respectively.

Hebe reinforced its value proposition with the launch, in July, of its online operations and performed well in a year with 13 fewer trading days.

In Colombia, Ara's revised pricing policy and commercial strategy led to strong sales growth and strengthened the banner´s competitive positioning.

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SALES PERFORMANCE

(Million Euro)	2019		2018		Δ %		Q4 19		Q4 18		Δ %	
		% total		% total	excl. FX	Euro		% total		% total	excl. FX	Euro
Biedronka	12,621	67.7%	11,691	67.4%	8.8%	7.9%	3,384	68.0%	3,059	67.4%	10.3%	10.6%
Pingo Doce	3,945	21.2%	3,835	22.1%		2.9%	1,033	20.8%	1,006	22.2%		2.6%
Recheio	1,007	5.4%	980	5.7%		2.7%	249	5.0%	242	5.3%		3.2%
Ara	784	4.2%	599	3.5%	37.9%	30.8%	224	4.5%	160	3.5%	46.1%	39.6%
Hebe	259	1.4%	207	1.2%	25.9%	24.9%	79	1.6%	64	1.4%	24.6%	24.6%
Others & Cons. Adjustments	23	0.1%	24	0.1%		-0.7%	6	0.1%	6	0.1%		2.6%
Total JM	**18,638**	**100%**	**17,337**	**100%**	**8.4%**	**7.5%**	**4,976**	**100%**	**4,537**	**100%**	**9.7%**	**9.7%**

Group sales totalled €18.6 bn in 2019, 7.5% above the previous year (+8.4% at constant exchange rates), with LFL at 5.3% (+6.9% in Q4).

In **Poland,** consumer demand remained healthy and continued to promote trading up in the food basket.

Food inflation in the country, higher than initially expected for the year, was c.4.9%[1] (c.6.5%[1] in Q4).

The retail sector continued to adapt to the gradual implementation of the Sunday trading ban which reflected in 13 fewer trading days on top of the 21 already lost in 2018.

In this context, **Biedronka** leveraged the strong commercial dynamics from the previous year and delivered remarkable sales' growth and market share increase.

Sales in the year grew 7.9% (+10.6% in Q4) to €12.6 bn. In local currency, the increase was 8.8% (+10.3% in Q4).

LFL growth was at 5.8% (+7.7% in Q4), reflecting the continuous improvement of the offer and of the shopping experience. This together with the assertiveness of the pricing strategy based on a strong combination of every day low prices (EDLP) and attractive promotional mechanics. The basket inflation at c.2.5% in the year, has also contributed to the performance.

Biedronka closed 2019 with a total network of 3,002 locations, having opened in the year 33 smaller-format stores and 95 regular stores (a total of 102 net additions). Over the period the Company remodelled 252 stores.

Despite the incremental 13 days of ban versus 2018, **Hebe** performed strongly and grew sales by 25.9% (+24.6% in Q4). In euros, sales increased by 24.9% (+24.6% in Q4) to €259 mn. Taking advantage of the growth potential in its market, Hebe maintained a consistent performance throughout the year, which, together with the reinforced omnichannel approach, reinforced its competitive position.

Hebe opened 46 new stores (43 net additions) and ended the year with a total network of 273 locations: 28 stand-alone pharmacies and 245 drugstores (21 of which include a pharmacy).

In **Portugal** the consumer environment was favourable during the year while food inflation remained low at 0.3% (0.3% in Q4).

Pingo Doce maintained a good commercial dynamic and delivered a positive performance in the year fuelled also by innovation in the offer and improvements introduced in the shopping experience.

The banner grew total sales by 2.9% to €3.9 bn (+2.6% in Q4), including a LFL (excl. fuel) of 2.5% (+2.7% in Q4).

Pingo Doce opened 9 new stores in the year (4 of which under the convenience concept Pingo Doce & Go), having executed 30 in-depth refurbishments and 14 lighter ones.

[1] Estimate using preliminary data for December published by the Polish statistical office (GUS)

Recheio registered a good year. Sales reached the €1 bn mark, 2.7% up on the previous year (+3.2% in Q4). On a LFL basis, growth was 3.2% in the year and 2.4% in Q4, reflecting a strong value proposition oriented to its professional clients' needs.

In Colombia, consumer demand was stronger than in the previous year, which didn't smooth the food retail sector's sharp competition.

Ara increased sales density while continuing to improve the offer.

Sales, at constant currency, grew 37.9% (+46.1% in Q4), including a remarkable LFL of 17.6% (+27.9% in Q4). In euros sales jumped 30.8% (+39.6% in Q4) to reach €784 mn.

The well succeeded decentralization of the operations, with great autonomy given to the regions, together with the effectiveness of price investment drove to a swift acceleration in LFL sales. In face of this growth it became a priority to further validate the potential of each store, which led to the review of the banner's openings calendar. In 2019, Ara opened 85 stores and ended the year with a total network of 616 locations. In 2020 the pace of expansion will resume the defined ambition.

In Poland, Biedronka had a remarkable year, one in which it combined strong top line growth, reinforced leadership of the Polish food retail market and preservation of the fundamentals of its business model.

Hebe maintained a solid sales growth rate and launched its online operation, reinforcing its omnichannel strategy.

In Portugal, both Pingo Doce and Recheio had a good year, outperforming strong previous years' performance and reinforcing their respective competitive positions and consumer relevance.

In Colombia, Ara successfully implemented its strategy, strengthening and further developing – by means of price investment and a strong commercial dynamics – the capacity of each store to deliver its sales potential and start improving gross margin.

All in all, 2019 was a very good year that allowed us to strengthen our value propositions in the three countries where we operate, and fully benefit from the existing favourable consumer landscapes, particularly in Poland. As such, the Group starts 2020 with positive momentum and determined to continue growing.

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FINANCIAL CALENDAR

FY 2019 Results: 20 February 2020 (after the market close)

General Shareholders Meeting: 16 April 2020

Q1 2020 Results: 22 April 2020 (after the market close)

H1 2020 Results: 29 July 2020 (after the market close)

9M 2020 Results: 28 October 2020 (after the market close)

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 could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties relate to factors that are beyond Jerónimo Martins' ability to control or estimate precisely, such as general economic conditions, 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

SALES GROWTH

	Total Sales Growth							LFL Sales Growth						
	Q1 19	Q2 19	H1 19	Q3 19	9M 19	Q4 19	2019	Q1 19	Q2 19	H1 19	Q3 19	9M 19	Q4 19	2019
Biedronka														
Euro	-0.8%	11.5%	5.2%	10.5%	7.0%	10.6%	7.9%							
PLN	2.0%	12.1%	7.0%	10.9%	8.3%	10.3%	8.8%	-1.1%	8.6%	3.7%	7.8%	5.1%	7.7%	5.8%
Hebe														
Euro	19.8%	28.7%	24.3%	26.4%	25.0%	24.6%	24.9%							
PLN	23.3%	29.4%	26.4%	26.9%	26.6%	24.6%	25.9%	5.4%	10.3%	8.0%	8.1%	8.0%	6.0%	7.4%
Pingo Doce	2.6%	5.6%	4.1%	0.8%	2.9%	2.6%	2.9%	1.7%	4.9%	3.3%	0.3%	2.2%	2.3%	2.3%
Excl. Fuel	2.5%	5.8%	4.2%	1.1%	3.1%	3.1%	3.1%	1.6%	5.1%	3.4%	0.6%	2.4%	2.7%	2.5%
Recheio	1.9%	2.1%	2.0%	3.4%	2.5%	3.2%	2.7%	3.7%	3.2%	3.4%	3.4%	3.4%	2.4%	3.2%

STORE NETWORK

Number of Stores	2018	Openings				Closings	2019
		Q1 19	Q2 19	Q3 19	Q4 19	2019	
Biedronka	2,900	8	19	19	82	26	3,002
Hebe *	230	8	9	9	20	3	273
Pingo Doce	432	2	2	1	4	0	441
Recheio	42	0	0	0	0	0	42
Ara	532	9	16	21	39	1	616

* 2019: 273 stores: 28 pharmacies and 245 drugstores (21 of which include a pharmacy)

Sales Area (sqm)	2018	Openings				Closings/ Remodellings	2019
		Q1 19	Q2 19	Q3 19	Q4 19	2019	
Biedronka	1,933,104	5,783	14,182	13,651	55,755	1,130	2,021,345
Hebe	55,035	2,000	2,791	2,282	5,049	352	66,805
Pingo Doce	506,754	1,458	1,681	107	3,130	-142	513,272
Recheio	133,826	0	0	0	0	0	133,826
Ara	182,005	2,503	4,808	6,190	12,784	308	207,982

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).