3Q 2017

Results Presentation

STRATEGIC OUTLOOK

Evolution from Wholesale into Retail

WHOLESALE + FRANCHISE

- Independent Trade is still growing, but sales are moving from smallest stores to small supermarkets
- Flat C&C on declining market, focus on cost efficiency
- Growing wholesale delivery to small supermarkets
- Franchise systems to support clients

TESTS IN RETAIL

- Investments in differentiation points improving competitiveness of small retailers
- Partnership approach

M&A IN RETAIL

- Acquisition of retail chains to accelerate development of franchise systems

INTEGRATION

- Integration of Logistics and HQ
- Joint operations for franchised and own stores

STRONG RETAIL BRAND

- Objective is to create country-wide supermarket chain based on own and franchised stores

- Short term profitability affected by investments in growth and increasing labour costs

3Q 2017 OPERATIONAL HIGHLIGHTS

Sales	❑ Sales growth driven by M&A and Projects, organic sales negatively affected by weak season
EBITDA	❑ Lower profitability in Cash&Carry and Tobacco
Cash-Flow	❑ Strong operational cash flow at 212% EBITDA level in 3Q 2017
Retail	❑ Integration of EKO – store remodelling with positive test results and logistic integration
Projects	❑ Fresh Project with strong sales growth, still Projects negatively impacting profitability

3Q 2017 FINANCIAL SUMMARY

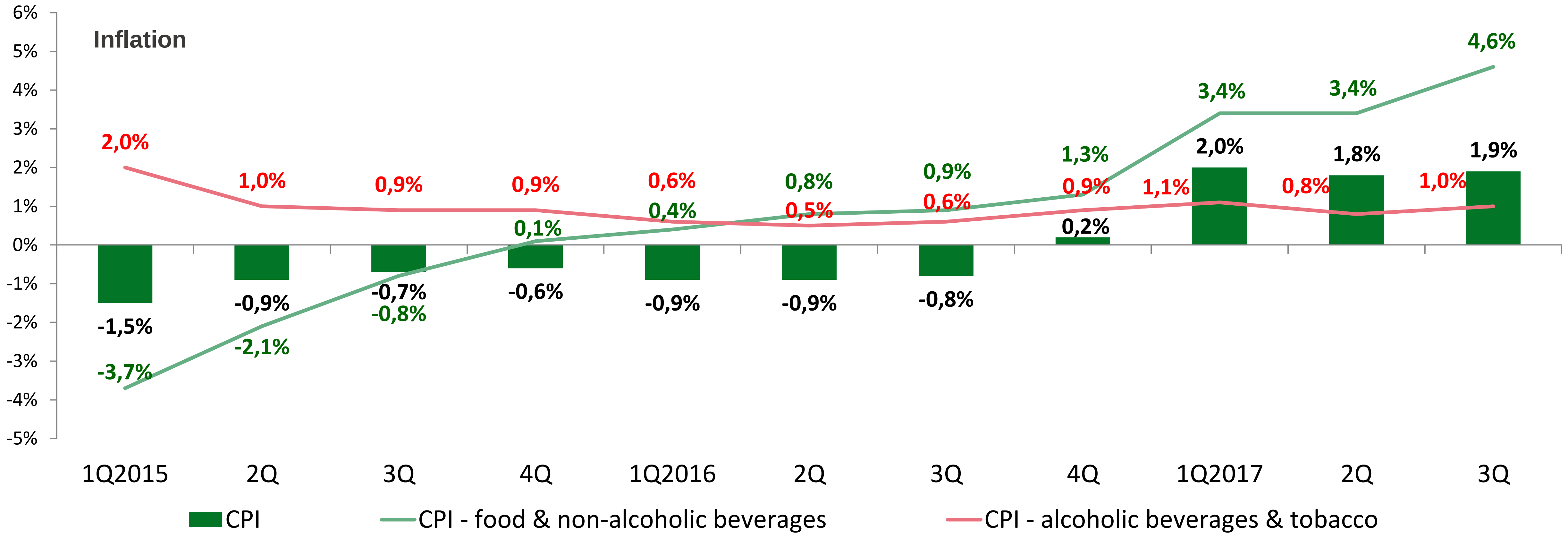
Retail M&A driving Gross Margin, EBITDA impacted by Independent Wholesale results

PLN m	3Q 2016	3Q 2017	% of Sales 3Q 2016	% of Sales 3Q 2017	Y/Y Change
Net sales	5 761 →	**6 188**			7%
Gross profit	570 →	**654**	9,9%	**10,6%**	15%
EBITDA	123 →	**101**	2,1%	**1,6%**	-18%
EBIT	81	**58**	1,4%	**0,9%**	-28%
Profit before tax	76	**49**	1,3%	**0,8%**	-35%
Net profit	62 →	**37**	1,1%	**0,6%**	-39%

- Sales driven by M&A and Projects
- Gross Margin growth driven by mix (M&A of retail business)
- EBITDA impacted by lower profitability in Cash&Carry and Tobacco Distribution
- Net Profit affected by higher interest costs due to increased leverage

INFLATION

4.6% Food inflation in 3Q YoY, while 1.0% inflation on alcohol & tobacco

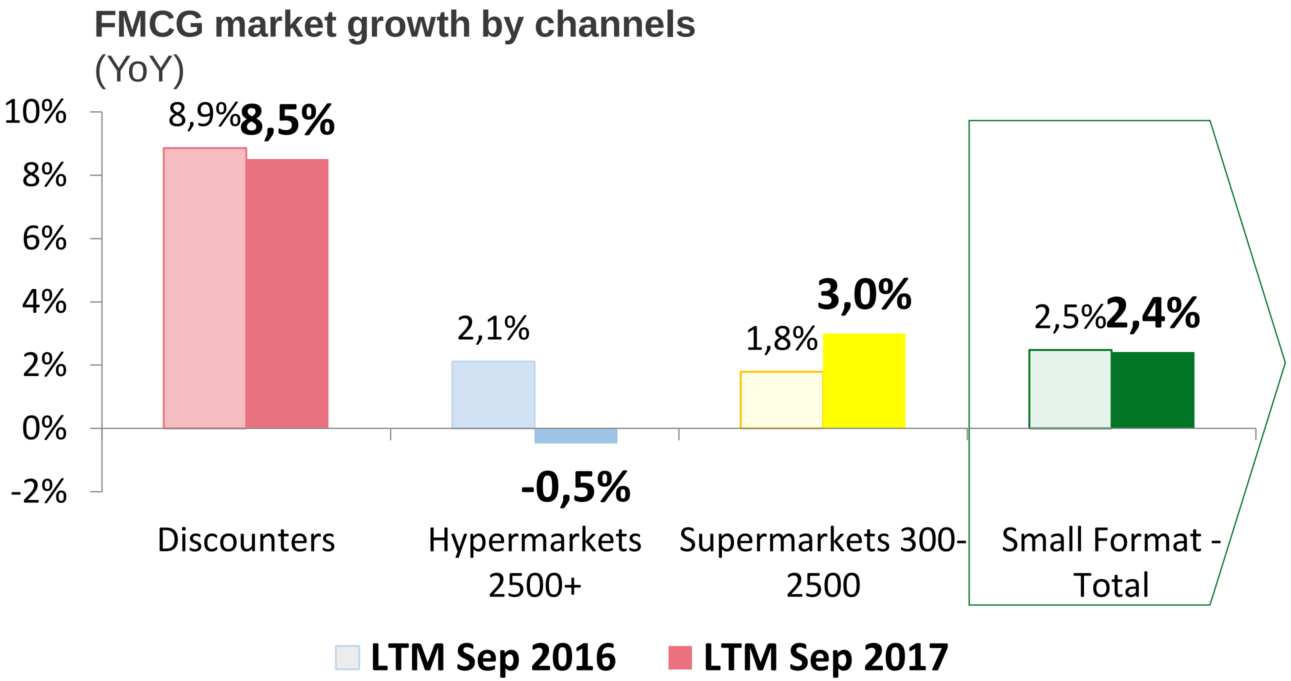


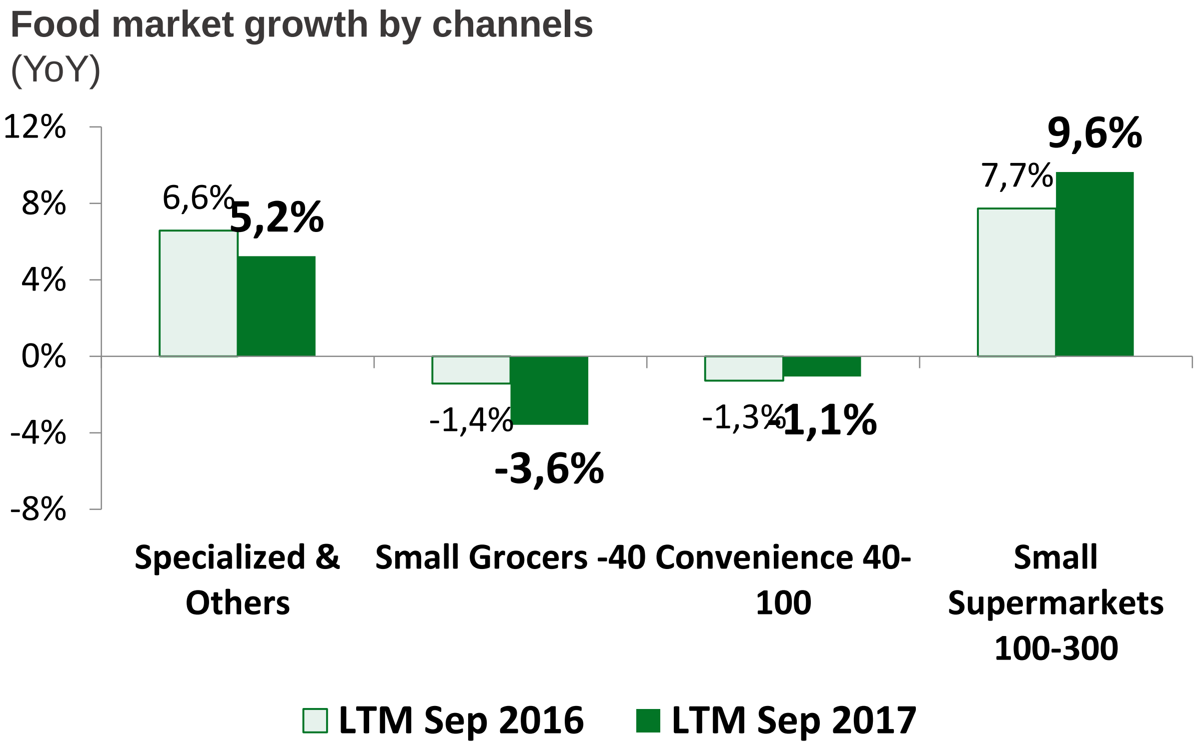
CPI in 3Q 2017 driven by food & beverages (+4.6% YoY)

Source: CSO

FMCG MARKET GROWTH

Small Format growing 2.4% vs. FMCG market growth of 4.0% in LTM Sep 2017





Small Supermarkets outperform the market. Discounters, specialized and supermarkets also with growth of sales

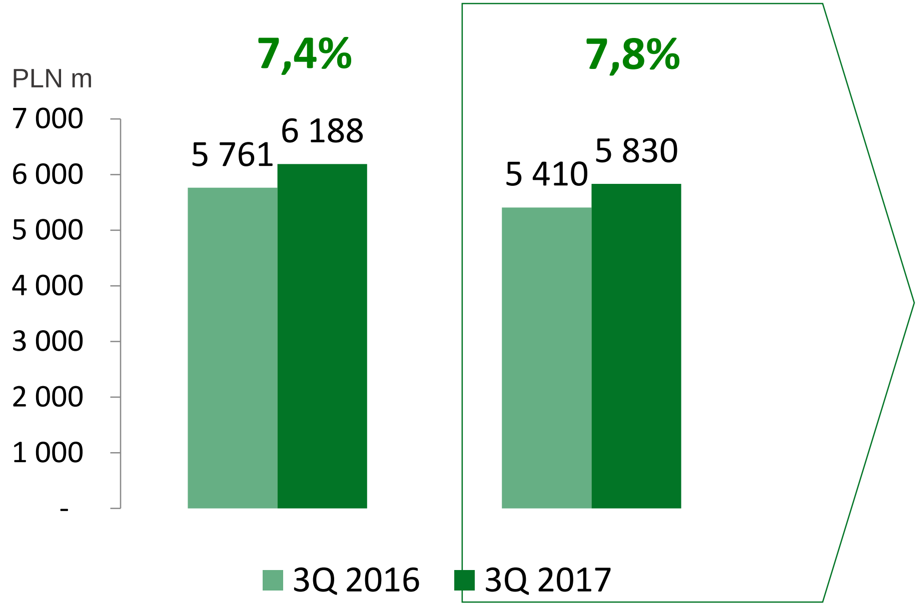
Source: Nielsen; *LTM – Last Twelve Month

EUROCASH GROUP SALES GROWTH

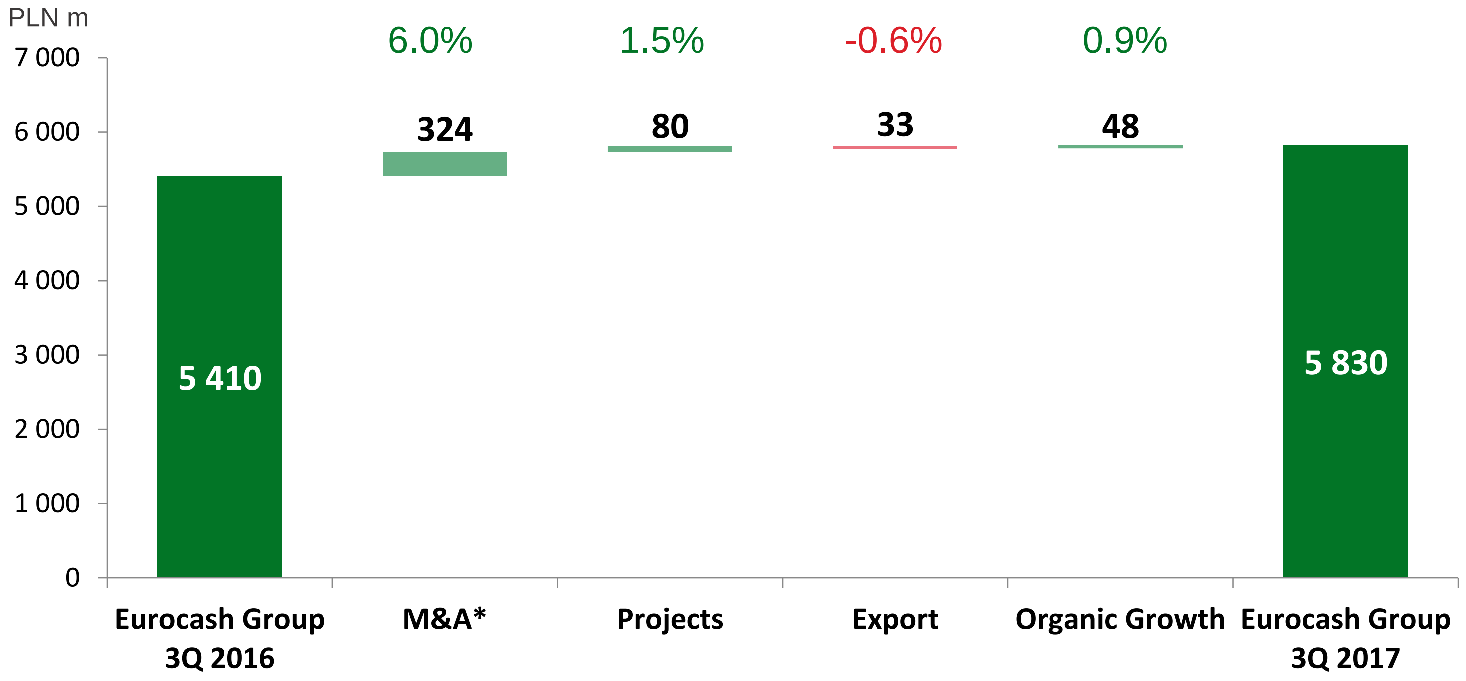
supported by M&A and New Projects

Sales development

Total sales vs. Sales of goods



Sales of goods development 3Q 2017 YoY

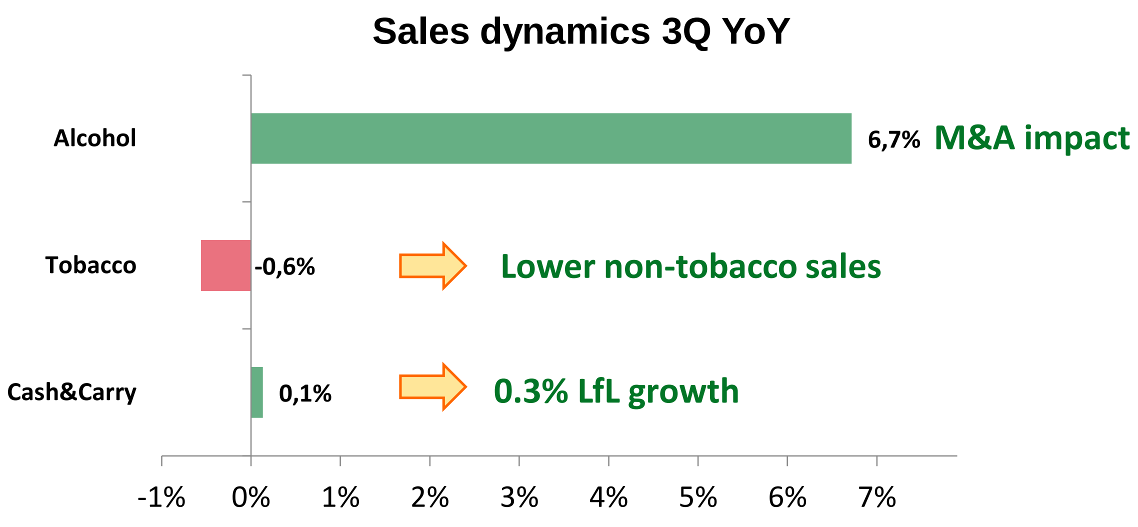


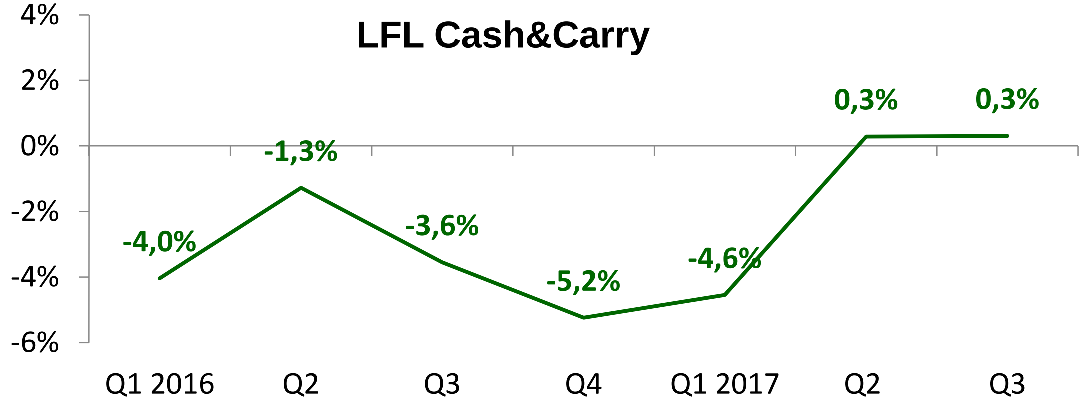
Growth driven by M&A at +6,0% level, supported by 1.5% growth from projects and 0.9% organic growth

*M&A growth adjusted by PLN 44.8m of Total Group sales to FHC-2

INDEPENDENT WHOLESALE

Segment facing saturation, but covers still attractive part of the market



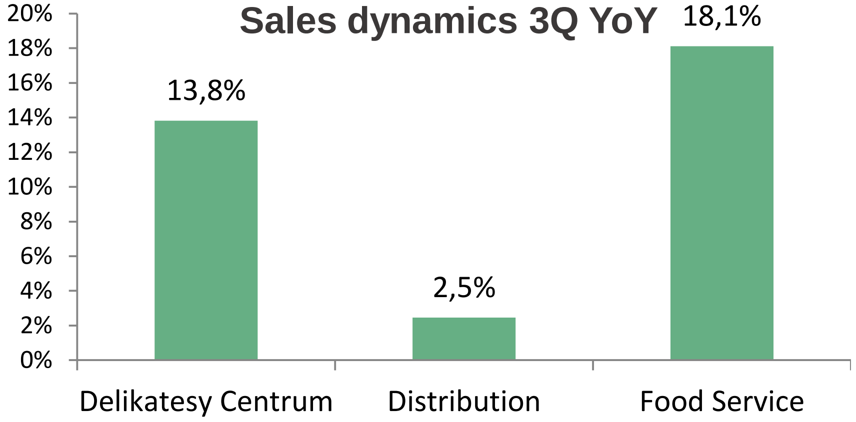


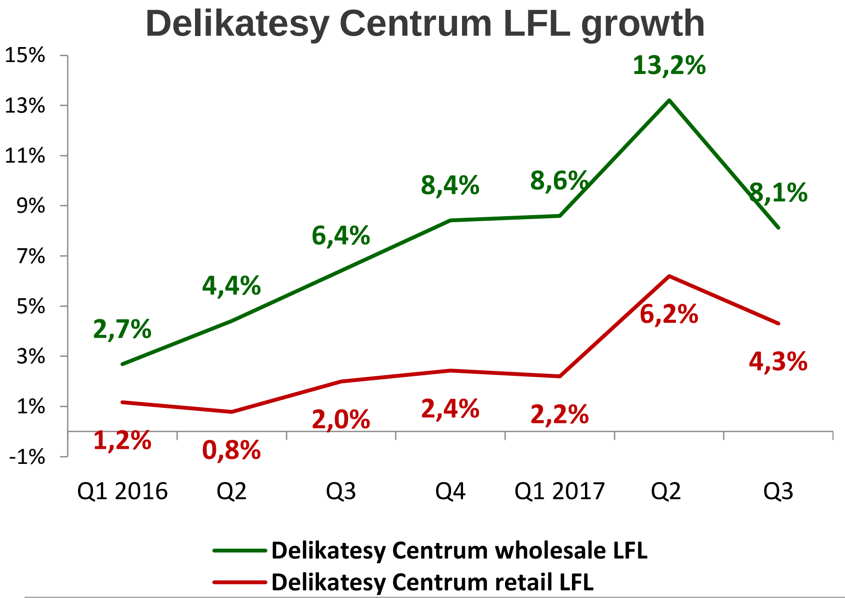
- Cash&Carry with flat sales
  - Weak season due to weather affecting sales of soft drinks and beer mainly in northern Poland,
  - Negotiations with key supplier affecting traffic building category
  - Positive LFL sales growth of 0.3%, with negative LFL in Northern Poland especially affected by weather impact
  - Margin investments
  - Chain restructuring: 2 store closures on 30 Sep 2017, in case of 3 stores closed in 1Q – sales retention at 78% in 3Q
- Tobacco distribution with lower costs efficiency
  - Lower sales and margin on impulse products
  - Additional costs of logistic reorganization
- Alcohol distribution format with additional sales from M&A

  (PLN 69m in 3Q and PLN 184m in 3Q YTD)

INTEGRATED WHOLESALE

Small supermarkets driving sales of the segment





Delikatesy Centrum performance:

- Positive Retail LFL - above inflation, driven by increase of avg. basket
- Wholesale LFL driven by Fresh Project (+PLN 75m, up to PLN 132m in 3Q 2017)
- Poor performance in terms of net openings (17 openings vs. 20 closures)

Eurocash Distribution:

- Good performance with sales to franchise clients increased by 7%
- Positive effects of CRM and eHurt application implementation

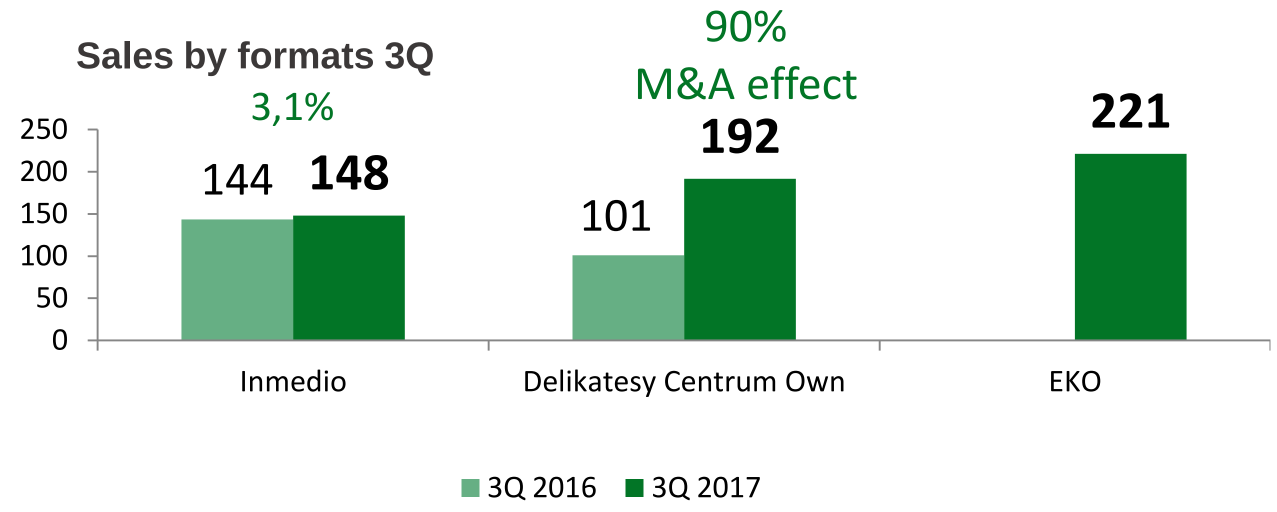
Food Service:

- Food Service driven by new contracts

*Adjustments: Fresh project movement to Projects segment, wholesale sales to own stores moved to Retail

RETAIL SEGMENT

Integration of EKO with Delikatesy Centrum



Retail LFL in Delikatesy Centrum chain by age of stores

Age	3Q 2017	3Q YTD 2017	% number of stores
1-2 years	19,7%	19,6%	10,2%
2-3 years	6,7%	6,8%	9,7%
>3 years	2,8%	2,7%	80,1%
TOTAL LFL	**4,3%**	**4,3%**	**100,0%**

EKO integration update:

- Positive LFL (2.2% in 3Q 2017)
- 28 stores under remodeling with positive results (on average +10% to +15% sales in test stores)
- 17 stores closed or transferred to franchisees
- Integration of logistics in 4Q 2017

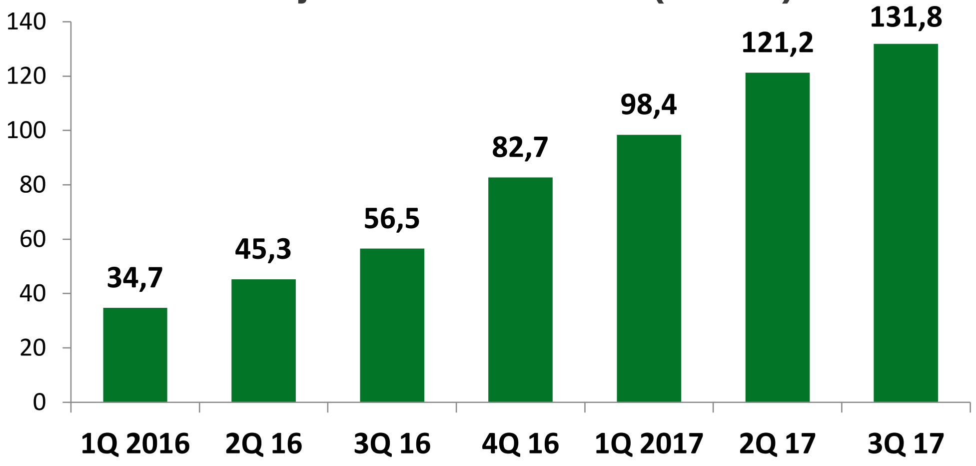
Own Delikatesy Centrum update:

- LFL of 3.2% in 3Q 2017
- 2 new stores opened

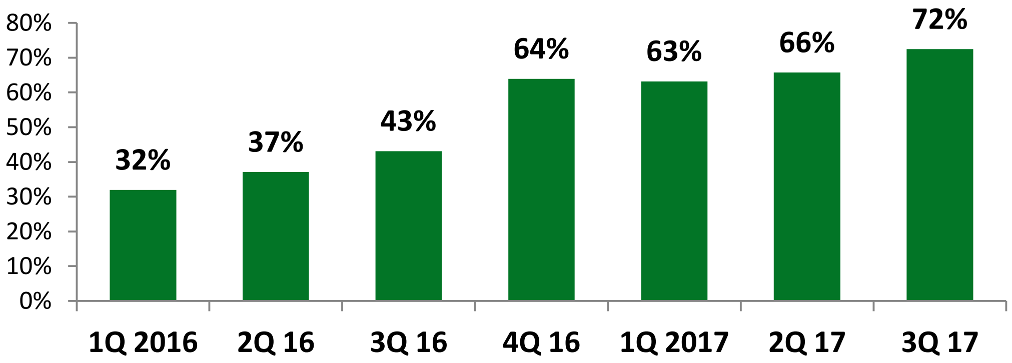
PROJECTS

Fresh Project results better than expectations

Fresh Project sales evolution (PLN m)



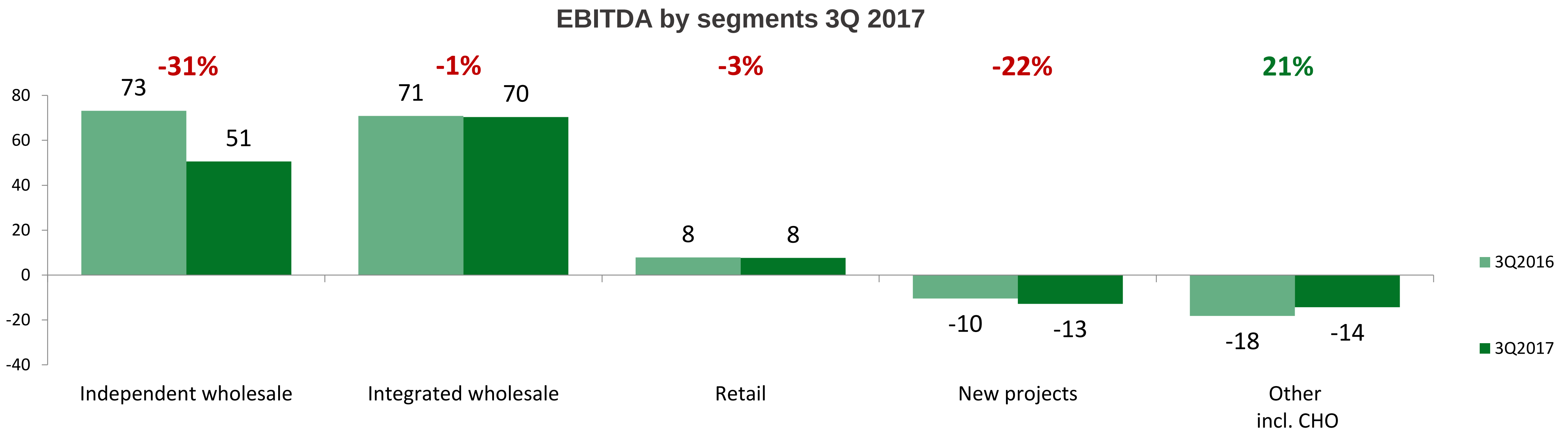
% of Delikatesy Centrum stores in Fresh Project



- Fresh Project with PLN 76m sales increase YoY and potential to generate app. PLN 500m sales in FY 2017
- Kontigo - 10 stores with 1 new test in Poznań. Test of online store (www.kontigo.com.pl).
- Duży Ben – 12 stores, incl. 2 tests outside Poznań
- abc on wheels – 14 stores
- 1 minute – 9 stores

EBITDA BY SEGMENTS

Independent wholesale affecting Group profitability



- Results impacted mainly by:
  - Lower results in C&C (investment in margin and labour costs)
  - Tobacco (lower sales of impulse products)
- Flat results in Integrated Wholesale and Retail
- New projects increasing negative contribution by PLN 3m

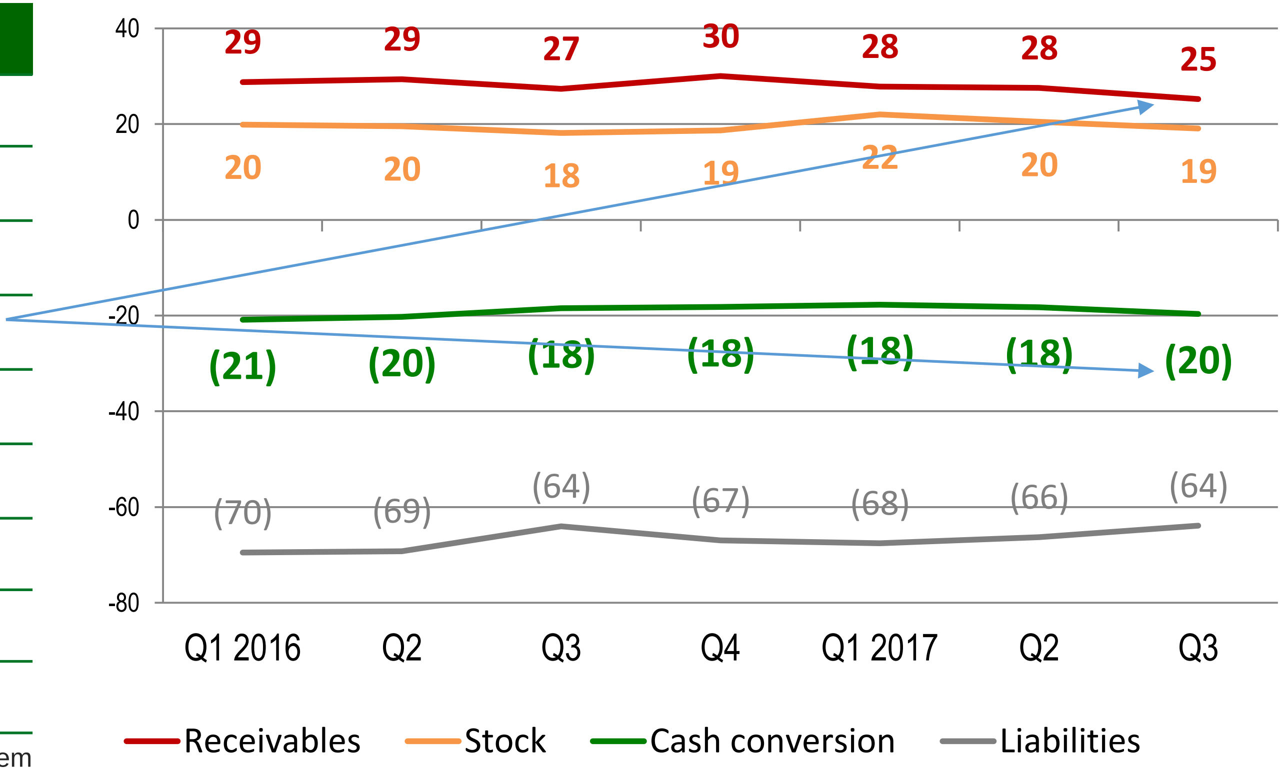
CASH FLOW

Operating CF at 212% EBITDA level

PLN m, Normalized Cash Florw*	3Q 2016	3Q 2017
Net operating cash flow (norm.)	**130**	**215**
Net profit (loss) before tax	*76*	*49*
Depreciation	*42*	*43*
Change in working capital (norm.)	*9*	*129*
Change in working capital (rep.)	*9*	*33*
Other	*4*	*(6)*
Net investment cash flow	**(32)**	**(81)**
Net financial cash flow	**(142)**	**(33)**
Total cash flow (norm.)	**(44)**	**101**

*Adjusted for one-off item

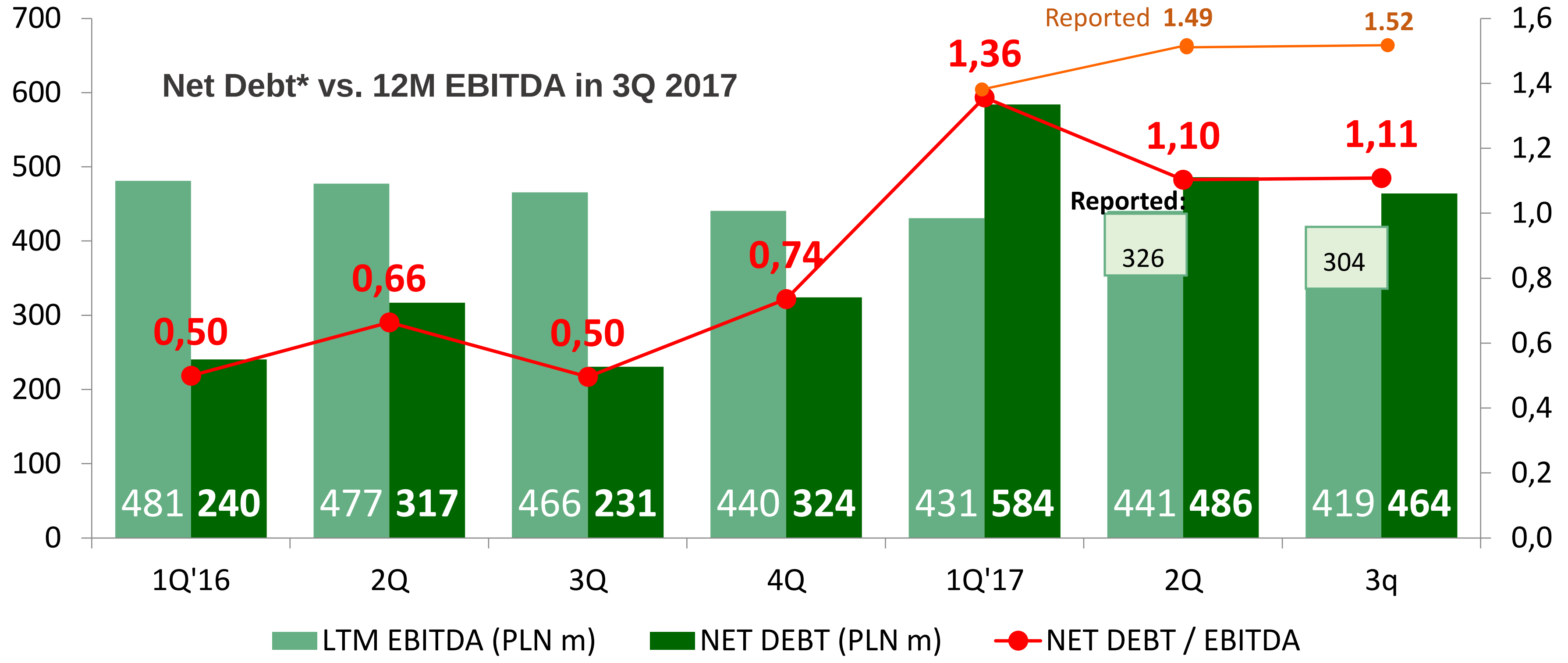
Cash conversion cycle



Operating Cash Flow driven by improved working capital effectiveness
Cash Conversion at long-term optimum level, supported by improved receivables and liabilities rotation

NET DEBT VS. NORMALIZED EBITDA

Strong Cash Flow off-setting payment for additional Vat, M&A and dividend



- Net Debt impacted by additional VAT payment
- Liquidity still at healthy level
- Impact of M&A and dividend payment for 2016

*NET DEBT - the sum of long and short term loans, borrowings and financial liabilities less cash and cash equivalents

3Q YTD 2017 NORMALIZED* FINANCIAL SUMMARY

Retail M&A driving Gross Margin, EBITDA impacted by Independent Wholesale results

PLN m (Normalized)*	3Q YTD 2016		3Q YTD 2017	% of Sales 3Q YTD 2016	% of Sales 3Q YTD 2017	Y/Y Change
Net sales	15 866	→	**17 465**			10%
Gross profit	1 582	→	**1 870**	10,0%	**10,7%**	18%
EBITDA	281	→	**259**	1,8%	**1,5%**	-8%
EBIT	158		**126**	1,0%	**0,7%**	-20%
Profit before tax	142		**100**	0,9%	**0,6%**	-30%
Net profit	117	→	**75**	0,7%	**0,4%**	-36%

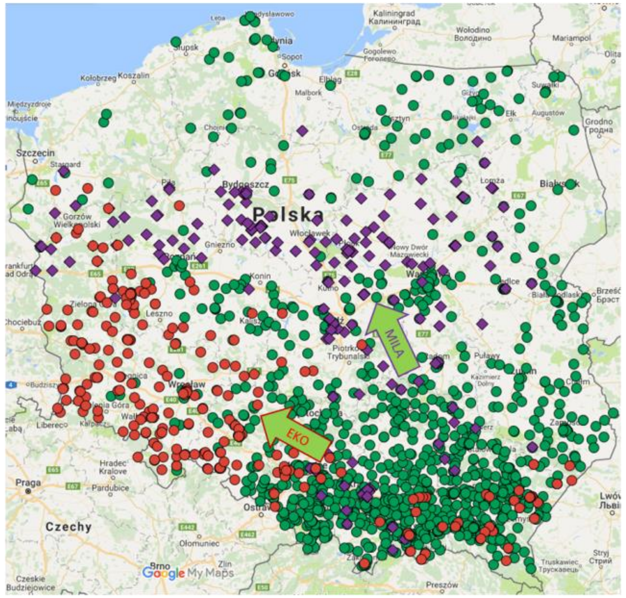
- Gross Margin growth driven by M&A of retail business
- EBITDA impacted by lower profitability in C&C and Tobacco
- Net Profit affected by additional depreciation (PLN 10m) and higher interests (PLN 11m) due to increased leverage

*Adjusted for one-off item

M&A UPDATE

Own retail chain improves our ability to support our Franchisees

Mila locations + EKO + Delikatesy Centrum



PLN bn, 2016	Retail sales *(est.)*	No. of Stores
Delikatesy Centrum **Franchised stores**	4.0	**981**
Delikatesy Centrum **own stores**	0.8	**118**
Stores EKO (owned)	0.9	**227**
MILA (owned - pending)	*1.5*	*188*
Total retail sales (owned + franchised)	**7.2**	**1 514**

- Mila transaction analysed by Antimonoply Office (UOKIK)
- 2nd phase analysis expected to start soon
- No issues so far, consent expected in 1Q 2018

LONG TERM VISION

Combined Retail and Wholesale Company

NEW RETAIL FORMATS

- Progress in tested formats - Duży Ben, 1minute, Kontigo

CATEGORY DEVELOPMENT

- Fresh distribution
- New marketing tools – Wine Factory, Beer shelf
- Private Label as complementary offer

TECHNOLOGY SUPPORT

OMNICHANNEL

- Innovative solutions that support retail store operations: CRM, eHurt, dedicated applications
- B2B and B2C omnichannel development

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