

Geography of operations

Leading the national expansion of modern food retail

Russia has a population of over 146 million people spread out across 11 time zones. Operating an effective federal network of proximity stores, supermarkets and hypermarkets requires robust backbone infrastructure and systems in order to ensure reliable and high-quality service at every store we operate every day.

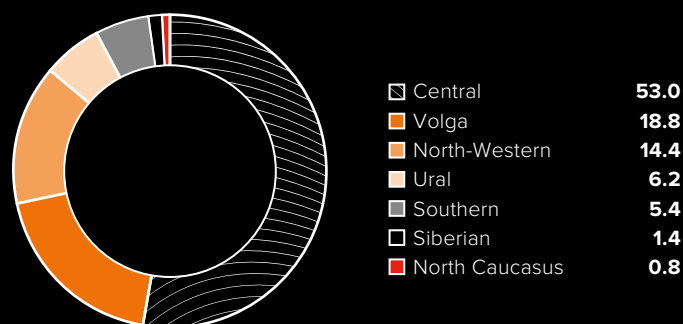
Evolving to meet local needs

Russia is an ethnically and economically diverse country, and we are developing our business model to address the needs of local customers depending on regional preferences and local demand. To better address this diversity, we are piloting clusters of stores that adapt their assortment to meet their customers' needs. We source products from local producers wherever possible, and we engage local suppliers with training programmes to help them reach our customers more effectively. In 2018, the share of local goods across all X5 stores reached 19%.

Smart expansion

We are evolving our approach to expansion in line with the changing food retail market landscape in Russia. After explosive expansion in a low-penetration environment, we will increasingly focus on quality growth. With a well-balanced growth policy, we aim to open fewer stores in order to focus on selecting better locations, which implies higher efficiency without hurting our return on invested capital.

Net retail sales by federal district in 2018, %



Store dynamics, number of stores at year-end

Number of stores at year-end	2018	2017	2016	2015	2014
Central	5,822	5,198	4,077	3,262	2,653
North-Western	1,668	1,416	1,095	845	720
Central and North-Western	7,490	6,614	5,172	4,107	3,373
Volga	3,820	3,169	2,468	1,848	1,368
Ural	1,168	999	764	551	405
Southern	1,222	874	606	418	276
North Caucasus	252	188	137	96	61
Siberian	479	277	40	–	–
TOTAL	14,431	12,121	9,187	7,020	5,483

Note: based on federal districts of the Russian Federation

Total stores

14,431

X5 today

Multi-format presence in seven federal districts



Number of stores and DCs

North Caucasus FD

Pyaterochka	242
Perekrestok	9
Karusel	1
Distribution centres	–

Southern FD

Pyaterochka	1,174
Perekrestok	43
Karusel	5
Distribution centres	4

Central FD

Pyaterochka	5,279
Perekrestok	449
Karusel	39
Distribution centres	17

Volga FD

Pyaterochka	3,676
Perekrestok	119
Karusel	25
Distribution centres	9

North Western FD

Pyaterochka	1,552
Perekrestok	98
Karusel	18
Distribution centres	5

Ural FD

Pyaterochka	1,120
Perekrestok	42
Karusel	6
Distribution centres	6

Siberian FD

Pyaterochka	479
Perekrestok	–
Karusel	–
Distribution centres	1