

Dia Group puts together four consecutive positive quarters in like-for-like sales growth

First quarter 2023 Trading Update:

- The **Group's net sales** was 1,781.3 million euros, up 10% from the same period in 2022.
- The **Group's like-for-like sales** increased by 7%.
- In **Spain**, Gross Sales Under Banner increased by 10.2%, to 1,324.6 million euros, with like-for-like sales growth of 13% excluding the stores sold to Alcampo and the Clarel deal, allowing Dia to gain market share in the country.
- In **Argentina**, net sales rose 19% to 340.7 million euros, driven by like-for-like growth of 0.7% (measured in number of units), and showing a recovery in consumption that had slowed in the fourth quarter of 2022.
- In **Brazil**, net sales contracted by 7.5%, to 182.7 million euros, affected by the change in the assortment strategy that is being implemented in the country, reducing the weight of commodities, to align it with the customer value proposition we are developing, coupled with the 2% reduction in the store network.
- In **Portugal**, like-for-like sales for the quarter grew by 8.3%, with strong performance in like-for-like sales and 140.5 million euros in net sales (+3.2% versus Q1 22), offsetting the 7% reduction in the store network and the drop in volume recorded in this market.
- The **number of tickets has increased by 7.5%** in the period, underlining the positive trend of the previous quarters, with a 0.5% reduction in the size of the average shopping basket.

TRADING UPDATE Q1 2023

(in millions of euros)	GSUB ¹			Net Sales ²			Like-for-Like ³ Sales
	1Q23	1Q22	Var. (%)	1Q23	1Q22	Var. (%)	1Q23 vs. 1Q22 (%)
Spain	1,324.6	1,202.5	10.2%	1,117.4	1,000.2	11.7%	12.4%
<i>Excl. Stores under disposal⁵</i>	<i>1,191.7</i>	<i>1,073.5</i>	<i>11.0%</i>	<i>996.5</i>	<i>883.9</i>	<i>12.7%</i>	<i>12.7%</i>
<i>Excl. Clarel sale</i>	<i>1,244.4</i>	<i>1,128.4</i>	<i>10.3%</i>	<i>1,052.2</i>	<i>940.3</i>	<i>11.9%</i>	<i>12.6%</i>
<i>Excl. Stores under disposal⁵ and Clarel</i>	<i>1,111.5</i>	<i>999.5</i>	<i>11.2%</i>	<i>931.2</i>	<i>823.9</i>	<i>13.0%</i>	<i>13.0%</i>
Portugal	192.0	184.2	4.2%	140.5	136.1	3.2%	8.3%
Brazil	225.3	217.2	3.7%	182.7	197.4	-7.5%	-2.8%
Argentina	447.1	724.8	-38.3%	340.7	286.2	19.0%	0.7%
Group Total	2,189.1	2,328.7	-6.0%	1,781.3	1,620.0	10.0%	7.0%
<i>Group Total Excl Stores under disposal⁵ and Clarel</i>	<i>1,976.0</i>	<i>2,125.7</i>	<i>-7.0%</i>	<i>1,595.1</i>	<i>1,443.7</i>	<i>10.5%</i>	<i>6.8%</i>
Total Number of stores⁴	5,587	5,752	-2.9%				
<i>Excl. Stores under disposal⁵</i>	<i>5,445</i>	<i>5,528</i>	<i>-1.5%</i>				
<i>Excl. Stores under disposal⁵ and Clarel</i>	<i>4,434</i>	<i>4,499</i>	<i>-1.4%</i>				

Operational evolution in Q1 2023

Of the Group's 5,587 stores at the close of the first quarter, 2,654 are already operating under the new model, 48% of our network led by Spain (75%) and Argentina (63%). In the period, 252 stores have been refurbished and 26 stores have been opened. By country, Spain has 1,861 stores operating under the new model; Argentina has 627 and Portugal 113, all showing positive and sustainable performance in a challenging environment such as today's.

The number of tickets remains positive, with an increase of 7.5% between January and March at Group level, with a reduction of 0.5% in the size of the average shopping basket. The commitment to the proximity⁶ store model, combined with a full assortment and high-quality Dia products at affordable prices, has allowed the company to reinforce its strategy at a complex economic time when households are opting for smaller, albeit more frequent purchases.

In the first quarter of the year, the transformation of the private label in Spain has also progressed. At the end of March, the company had over 80% of products already renewed and 93 new references. This New Quality has made Dia products become recognised and valued by customers, increasing their share of the shopping basket to 53%.

Corporate transactions update

In 2022, the company announced two significant corporate transactions for the store network in Spain with the aim of advancing its strategy focused on proximity food retail. The sale of a large-format group of stores to Alcampo and the sale of Clarel, the business unit devoted to personal and home care.

On 3 March, the Spanish National Markets and Competition Commission (CNMC) authorised the sale operation to Alcampo and, to date, 82 out of the finally agreed 224 stores sale have been transferred.

The closing of the Clarel deal is still pending antitrust approval and is expected to be received during 2023.

Assessment by Martin Tolcachir, Global CEO of Dia Group:

"In the first months of the year, still engulfed by a complex macroeconomic environment marked by cost pressure and high inflation, we have increased net sales at Group level, with particularly good performance in like-for-like sales in Spain and Portugal. This momentum has allowed us to put together a positive fourth consecutive quarter in net and like-for-like sales growth, data that shows the value of the work done to build this New Dia and brings us closer to the end of the company's turnaround.

Our strategy puts the customer at the centre with the ambition of being their favourite online and neighbourhood store. Moving forward, the objectives are clear: complete the transformation of the store network and our Dia products, advance new solutions that deliver value to the customer and accelerate and consolidate the company's growth with the support of our franchisee partners.

I want to thank our great team and our franchisee network for their daily effort to achieve our goal: be closer every day so we can deliver great quality within everyone's reach."

NOTES:

1. Gross Sales Under Banner (GSUB) as defined in the Consolidated Management Report for the first half of 2022. Total value of the turnover obtained in the stores at the current exchange rate, including all indirect taxes (cash ticket value) and in all the Company's stores, both owned and franchised. In the case of Argentina, Gross Sales Under Banner are penalised twice over, since the inflation between the two periods is not considered, but the devaluation effect is taken into account.
2. Net sales expressed at current exchange rates and applying IAS 29 "Financial reporting in hyperinflationary economies" in Argentina.
3. Represents the growth rate of Gross Sales Under Banner (GSUB) at a constant exchange rate of those stores that have operated for a period greater than twelve months and one day under similar business conditions. The figures corresponding to Like-for-Like sales in Argentina have been adjusted to reflect the variation in volume (units), avoiding erroneous calculations due to the effect of hyperinflation.
4. At the end of the period.
5. Excluding the sale of the 224 stores of the asset sale agreement reached with Alcampo, announced by the company on 2 August 2022.
6. Excluding Maxi (Spain and Portugal), La Plaza and Clarel stores.

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