



Warsaw

We serve more than four million consumers every day in Portugal, Poland and Colombia.



Lisbon



Bogota

## Profile and Structure

This Annual Report of the Jerónimo Martins Group covers the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2016, and includes the areas of Distribution in Portugal (also Agro Business), Poland and Colombia, describing the results of the entities directly held by the Group.

# 1.

## 1.1. Identity and Responsibilities

### Asset Portfolio

Jerónimo Martins is a Group that has assets in the Food area, mostly in Distribution, with market leadership positions in Poland and Portugal. In 2016, it achieved sales of 14.6 billion euros (67% in Poland) and an EBITDA of 862 million euros (82% in Poland). The Group has a total of 96,233 employees and ended the year with a market capitalisation of 9.3 billion euros on the Euronext Lisbon.



In Poland, **Biedronka**, a chain of food stores with a positioning that combines the quality of its assortment, store environment and proximity locations with the most competitive prices in the market, is the Food Retail sales leader, operating 2,722 stores spread across the entire country. At the end of 2016, the Company reached 9.8 billion euros of sales, recording around 1.4 billion customer tickets.



Also in Poland, since May 2011, the Group has a chain in the drugstore sector, under the **Hebe** banner, which has 153 stores. This business concept is based on the offer of a Health and Beauty assortment with high quality advice, at very competitive prices.



In Colombia, **Ara** currently operates in three regions of the country: the Coffee Growing Region, the Caribbean Coast and, since September 2016, Bogota. It is a chain of proximity food stores, mostly set up in residential neighbourhoods, with a positioning of quality at the best price, combining competitiveness with promotional opportunities in key categories for the Colombian consumer. At the end of the year, Ara was operating in 221 locations.



In Portugal, the Jerónimo Martins Group holds a leading position in Food Distribution, having reached a combined turnover of 4.4 billion euros in 2016. It operates with the banners **Pingo Doce** (413 supermarkets, including four Pingo Doce & Go) and **Recheio** (38 Cash & Carry and four platforms, three of them related to Food Service), which are leaders in the Supermarket and Cash & Carry segments, respectively.

Also in Portugal, through Pingo Doce, Jerónimo Martins has invested in developing projects that are complementary to the Food Retail business, namely **Refeições no Sítio do Costume** Restaurants, **Bem-Estar** Stores, Petrol Stations, as well as Clothing (for adults and children) and Shoes and Accessories, through the **New Code** and **Spot** banners, respectively. These last two are developed within the scope of partnerships with specialised operators.



The main objective of **Jerónimo Martins Agro-Alimentar (JMA)** is to safeguard the Group's Companies ability to have a supply of some strategic products. It currently operates in the areas of Dairy Products, Livestock (Angus beef) and Aquaculture (sea bass and sea bream).



**Jerónimo Martins Restauração e Serviços** is engaged in developing projects in the Restaurants sector and at the end of 2016, was operating the Jeronymo chain of kiosks and coffee shops with 19 points of sales.

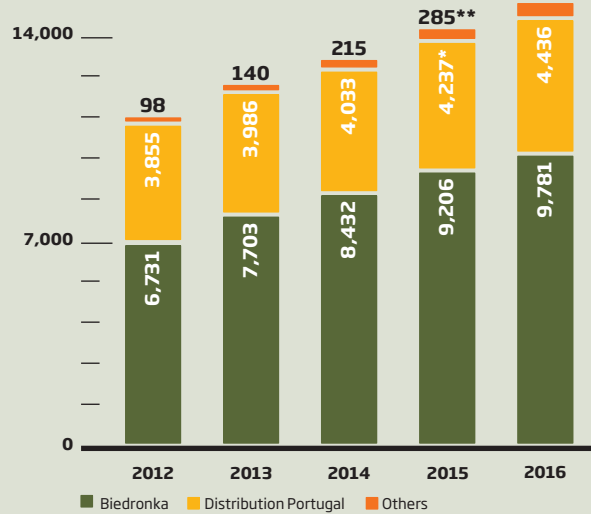


**Hussel**, a Specialised Retail chain selling chocolates and confectionery, had 24 stores at the end of 2016.

## 1.2. Operating and Financial Indicators

### Sales & Services

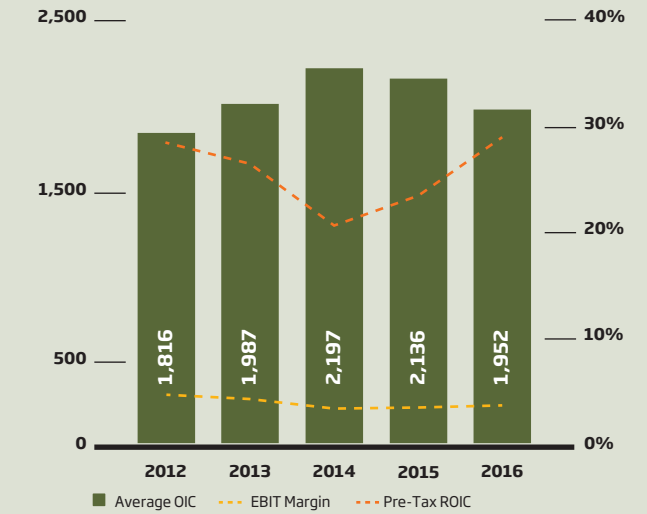
€'000,000



\* Restated figure from 4,240 published in 2015.  
\*\* Restated figure from 283 published in 2015.

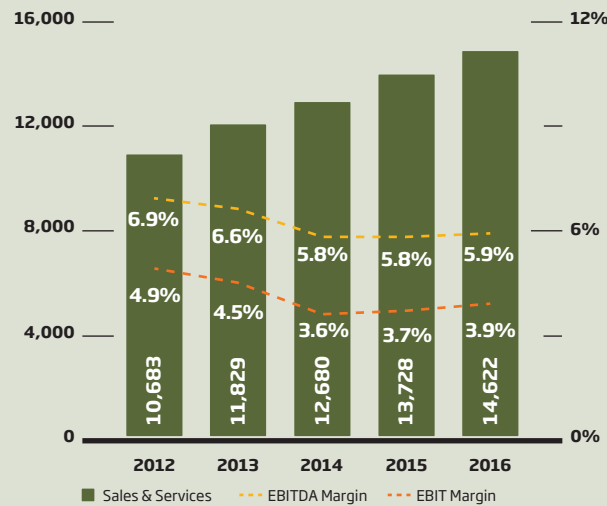
### Pre-Tax ROIC

€'000,000



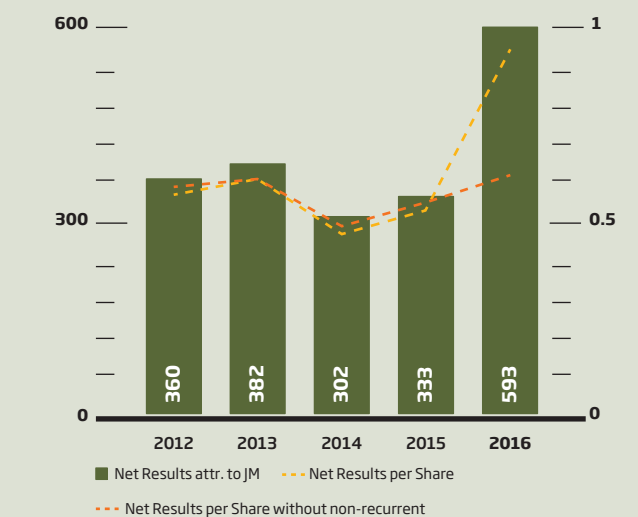
### Sales, EBITDA Margin & EBIT Margin

€'000,000

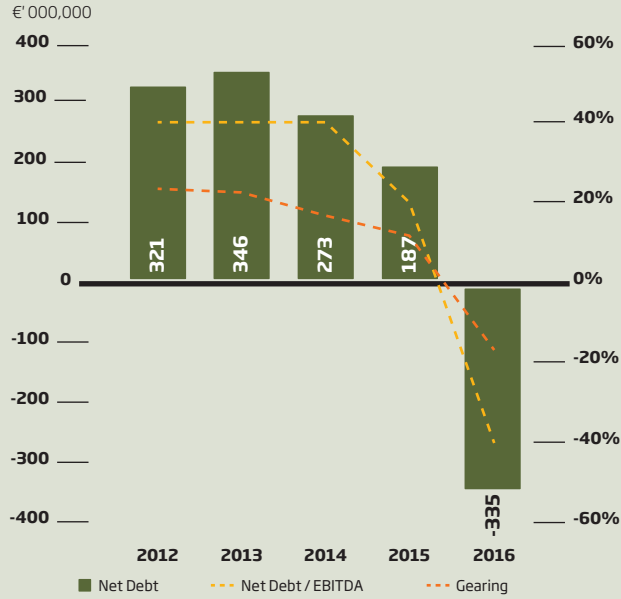


### Net Results and Net Results per Share

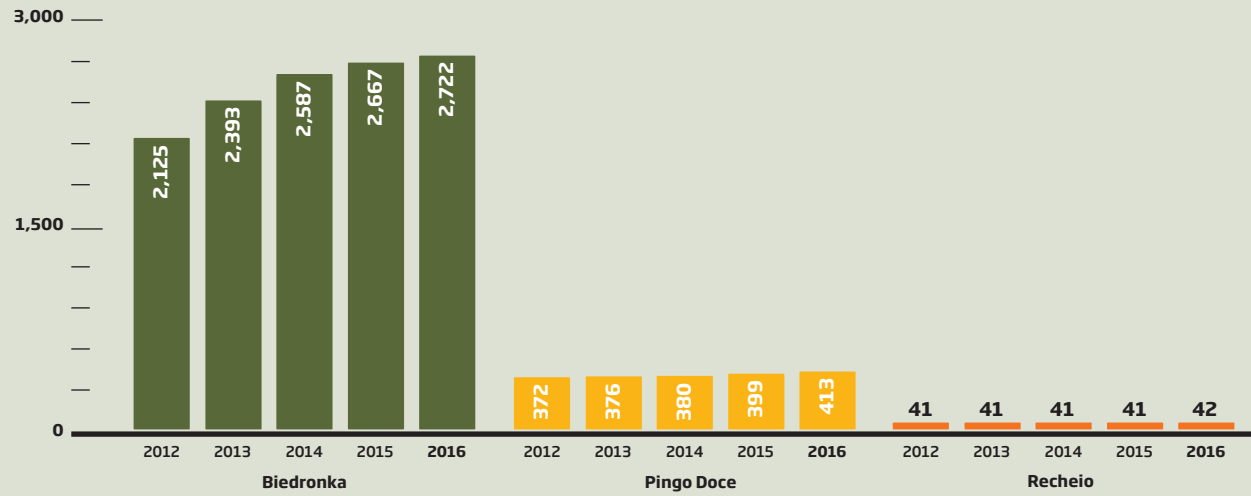
€'000,000



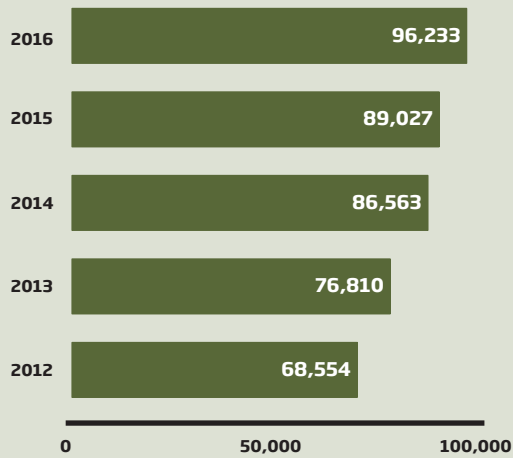
### Net Debt



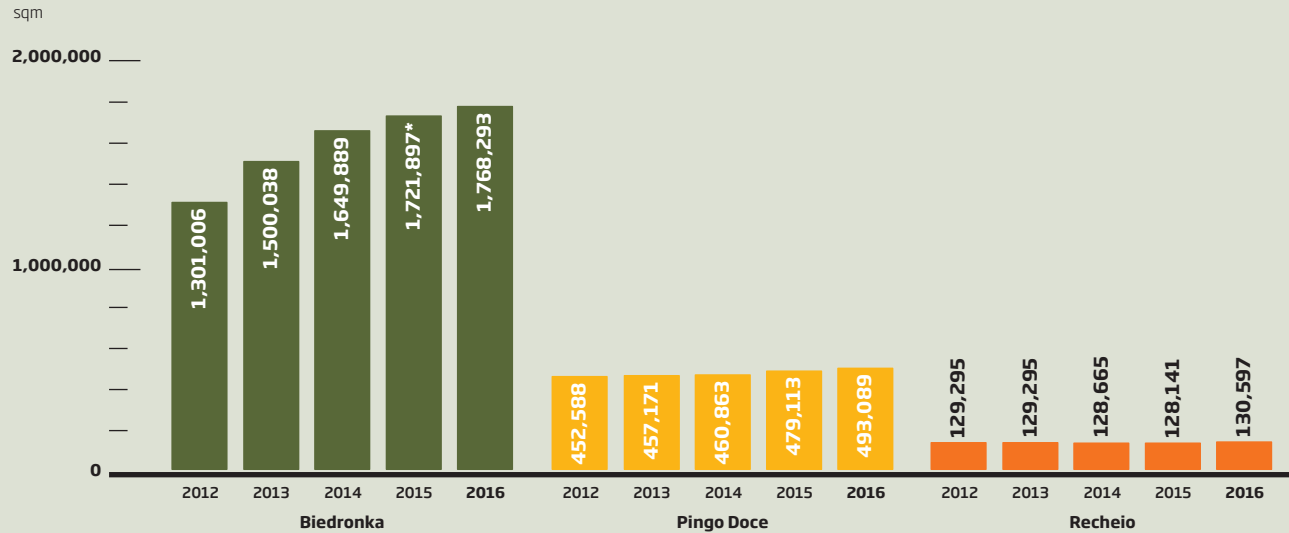
### Number of Stores



### Employees



### Sales Area

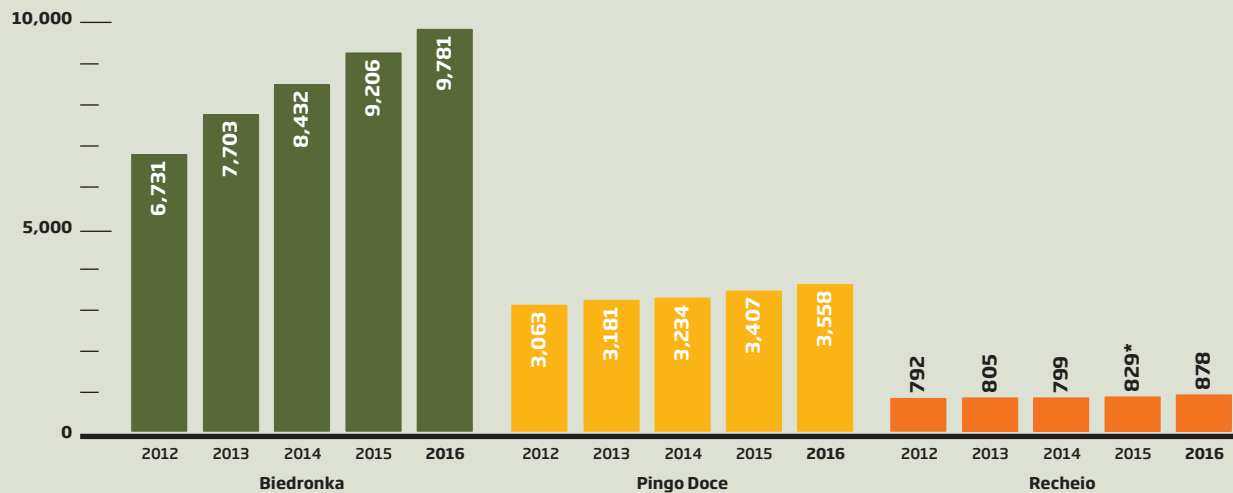


\* Restated figure from 1,717,944 published in 2015 FY.

1. Who we are

Sales

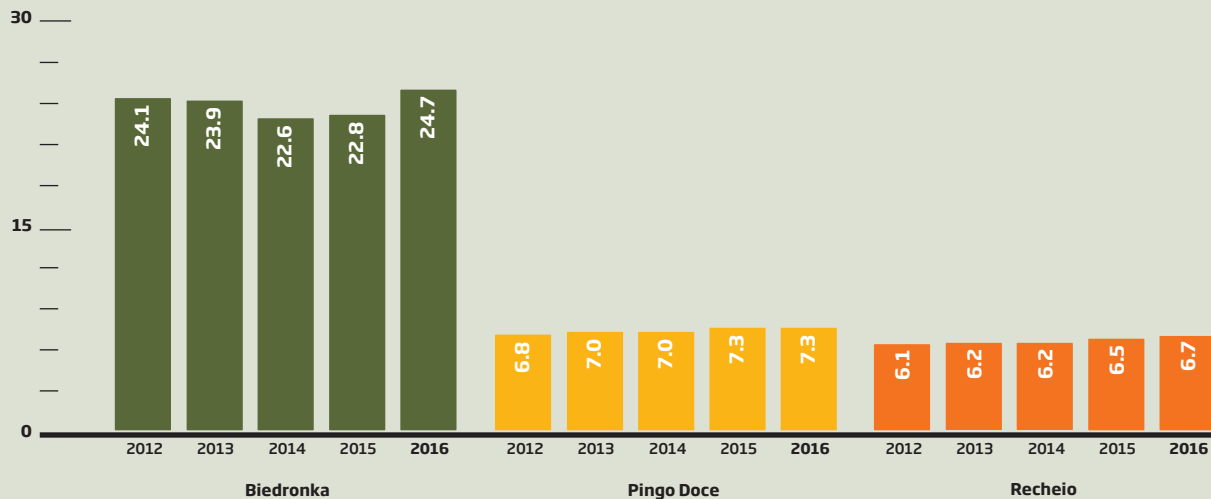
€'000,000



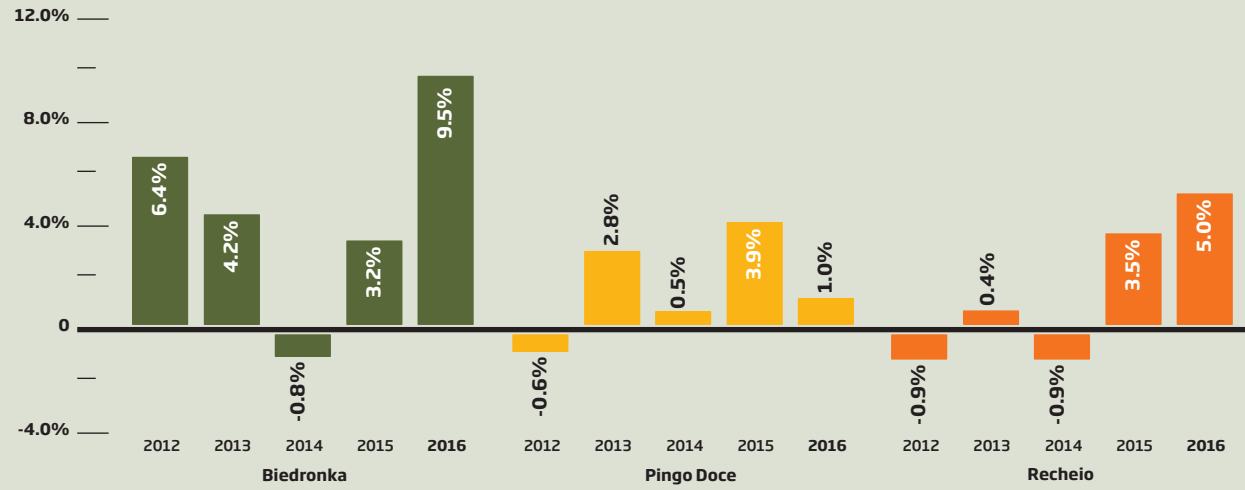
\* Restated figure from 832 published in 2015.

Sales / sqm

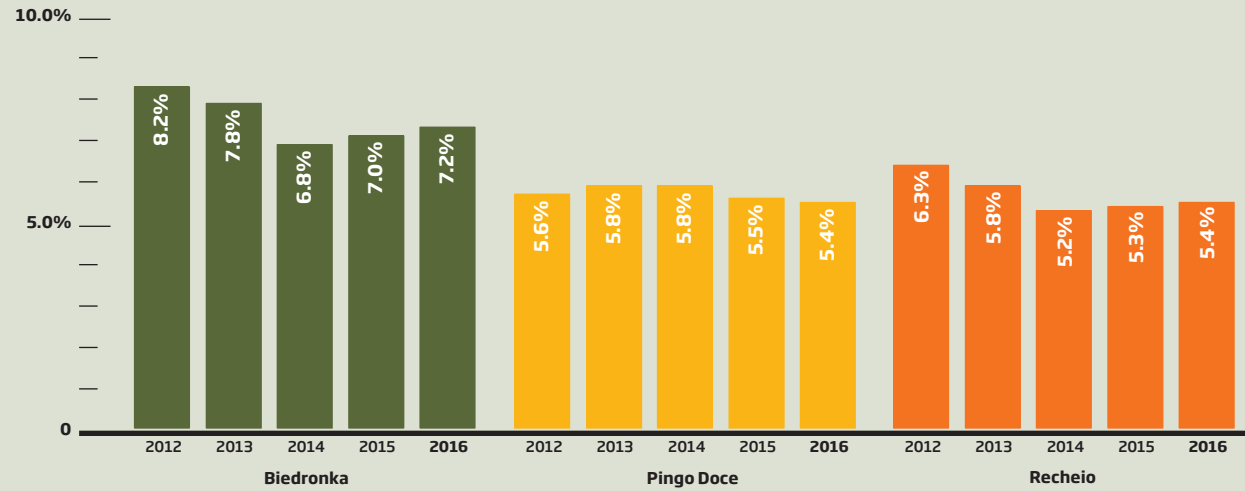
local currency ('000)



## LFL Sales Growth



## EBITDA Margin



## 1.3. Statutory Bodies and Structure

### 1.3.1. Statutory Bodies

**Election date:** 14<sup>th</sup> April, 2016

**Composition of the Board of Directors elected for the 2016-2018 term**



**Pedro Manuel de Castro Soares dos Santos**

Born on 7<sup>th</sup> March, 1960

- Chairman of the Board of Directors and Chief Executive Officer
- Chairman of the Board of Directors, since December 2013
- Chief Executive Officer of the Group, since April 2010
- Member of the Board of Directors, since March 1995



**Andrzej Szlezak**

Born on 7<sup>th</sup> July, 1954

- Member of the Board of Directors, since April 2013



**António Pedro de Carvalho Viana-Baptista**

Born on 19<sup>th</sup> December, 1957

- Member of the Board of Directors, since April 2010



**Artur Stefan Kirsten**

Born on 22<sup>nd</sup> February, 1961

- Member of the Board of Directors, since April 2015



**Clara Christina Streit**

Born on 18<sup>th</sup> December, 1968

- Member of the Board of Directors, since April 2015
- Member of the Audit Committee, since April 2016



**Francisco Manuel Seixas da Costa**

Born on 28<sup>th</sup> January, 1948

- Member of the Board of Directors, since April 2013



**Hans Eggerstedt**

Born on 12<sup>th</sup> March, 1938

- Member of the Board of Directors, since June 2001
- Member of the Audit Committee, since March 2007



**Henrique Soares dos Santos**

Born on 7<sup>th</sup> November, 1968

- Member of the Board of Directors, since April 2015



**Sérgio Tavares Rebelo**

Born on 29<sup>th</sup> October, 1959

- Member of the Board of Directors, since April 2013
- Chairman of the Audit Committee, since April 2016

**Statutory Auditor and External Auditor**

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.  
Palácio Sottomayor, Rua Sousa Martins, 1 – 3<sup>rd</sup> floor,  
1050-217 Lisbon

**Represented by:**

João Rui Fernandes Ramos (R.O.C. no. 1,333) or  
António Joaquim Brochado Correia (R.O.C. no. 1,076)

**Substitute:**

José Manuel Henriques Bernardo (R.O.C. no. 958)

**Company Secretary**

Ana Luísa Abreu Coelho Virgínia

**Substitute:**

Carlos Miguel Martins Ferreira

**Chairman of the Shareholders' Meeting**

Abel Bernardino Teixeira Mesquita

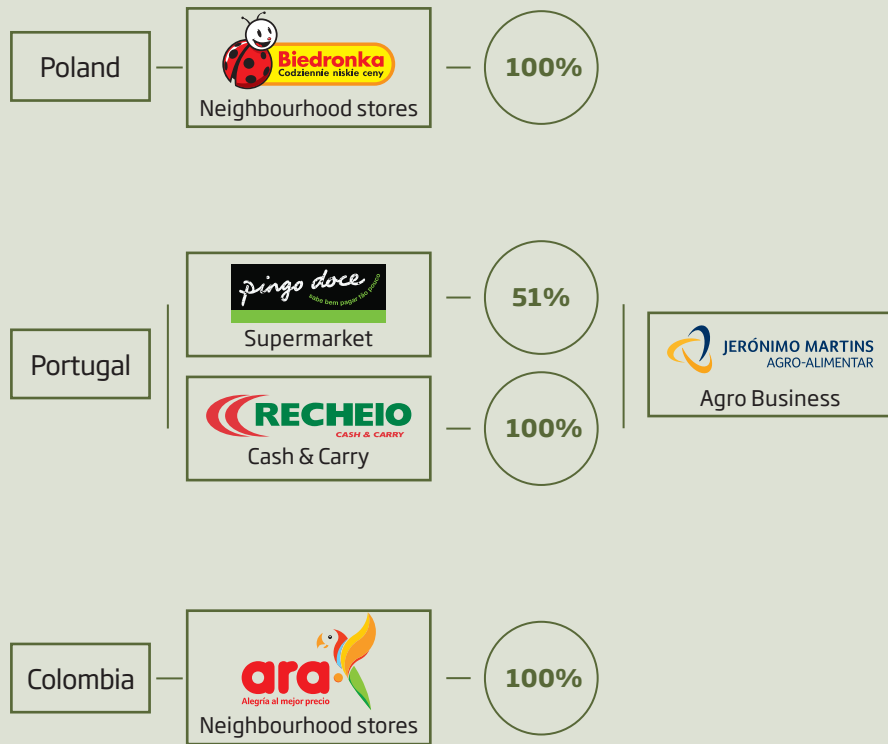
**Secretary of the Shareholders' Meeting**

Nuno de Deus Pinheiro



### 1.3.2. Business Structure

#### Food Distribution



#### Specialised Retail



## Financial Indicators

### Consolidated Sales

(million euros)

**14,622**

### EBITDA

(million euros)

**862**

### EBITDA Margin

**5.9%**

### Jerónimo Martins Share

(euros)

**14.74**

(31/12/2016)

### Share YTD

**+ 22.9%**

### Market Cap

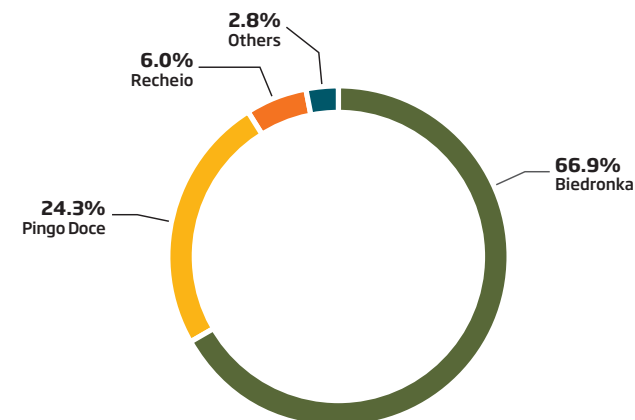
(million euros)

**9,300**

### Pre-tax ROIC

**29.1%**

### Sales by Business Area 2016



### EBITDA by Business Area 2016

(million euros)

	EBITDA	Total
Biedronka	707	82.1%
Pingo Doce	192	22.2%
Recheio	47	5.5%
Others	-84	-9.8%
<b>JM</b>	<b>862</b>	<b>100%</b>