



DIA

FY16

Results

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01

Highlights

DELICIOUS
una DELICIA para cada DIA

Dia 



Full delivery of 2016 financial targets

+10.2%

+8.7% LFL

Gross Sales Under Banner*

+29%

EUR207m

Cash From Operations**

+8.6%

Iberia: +1.4%
EM: +41.9%

adj. EBITDA*

EUR254.1m

Net debt reduction

**Ex-currency*

***Defined as adjusted EBITDA – Non-recurring cash items – Capex; on organic basis*

Strong performance despite demanding environment

Excellent business performance...

- / Positive LFL in all countries.
- / Financial targets achieved.
- / Improvement in customer and franchise satisfaction.
- / Significant net debt reduction.

... in difficult market places

- / Food market volume decline:
 - Spain: -1.6%*
 - Argentina: -4%*
 - Brazil: -4%**

*Kantar

**Nielsen

Customer and franchisee at the centre of our decisions

Spain customer satisfaction
(Net Promoter Score)*

+7pp

**Retailer with highest NPS
increase in 2016**

of franchise stores

+272 stores

**Improvement in franchisee
satisfaction***

+9pp

Net Promoter Score (NPS) as metric for assessing customer satisfaction

Franchisee satisfaction measured as satisfied less non-satisfied

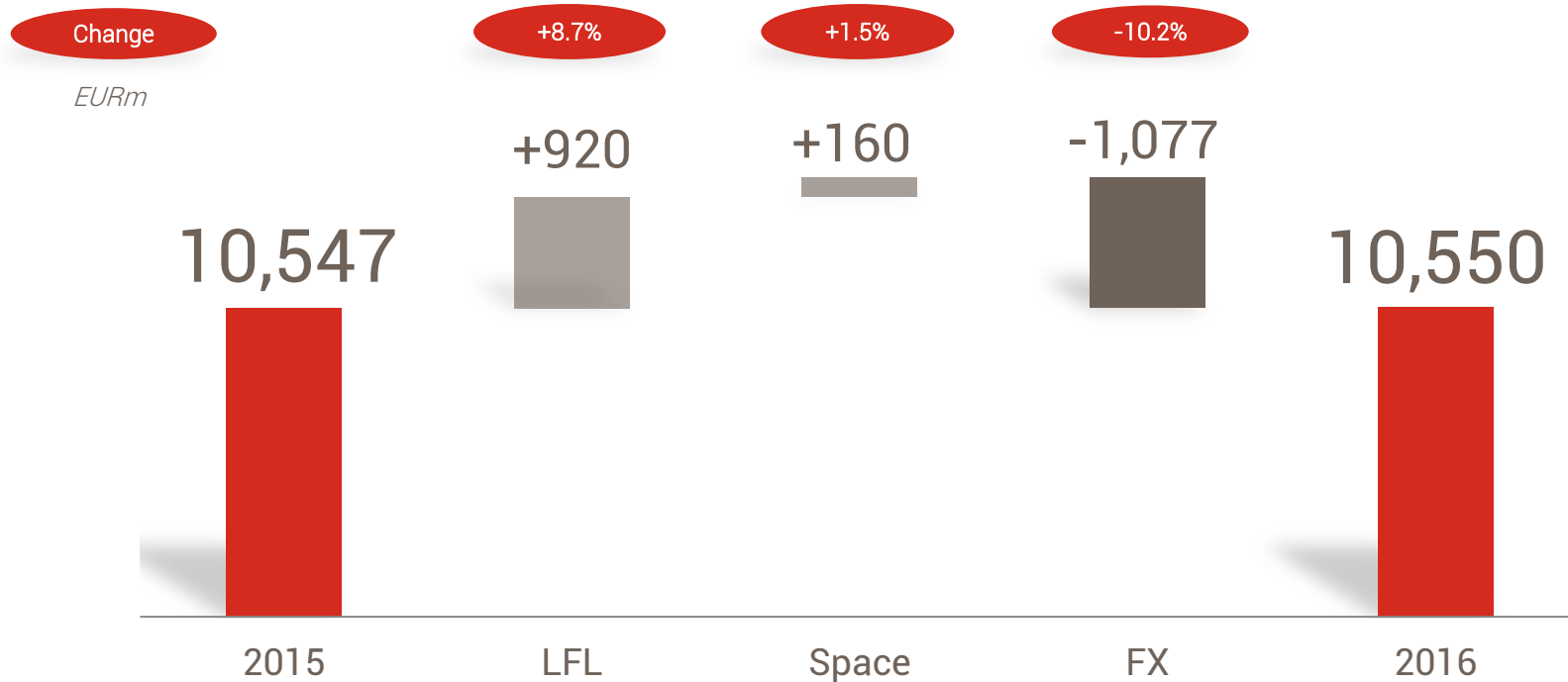
**Nielsen*

02

Financial review



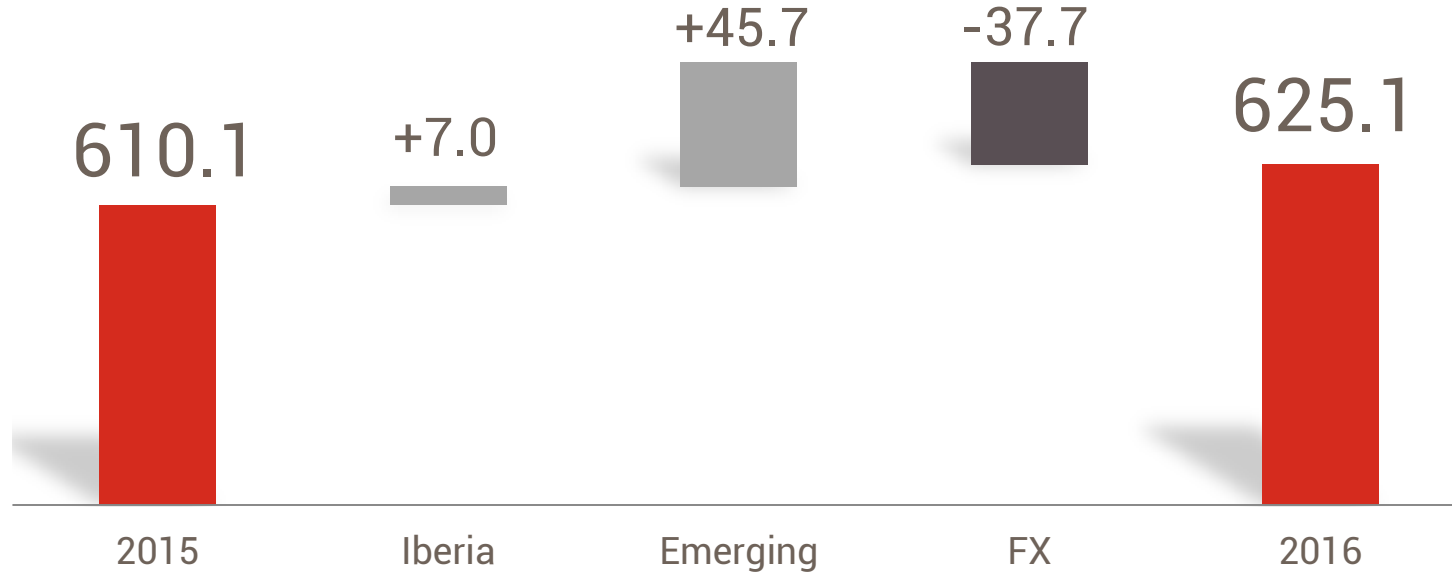
10.2%* increase of Gross Sales Under Banner



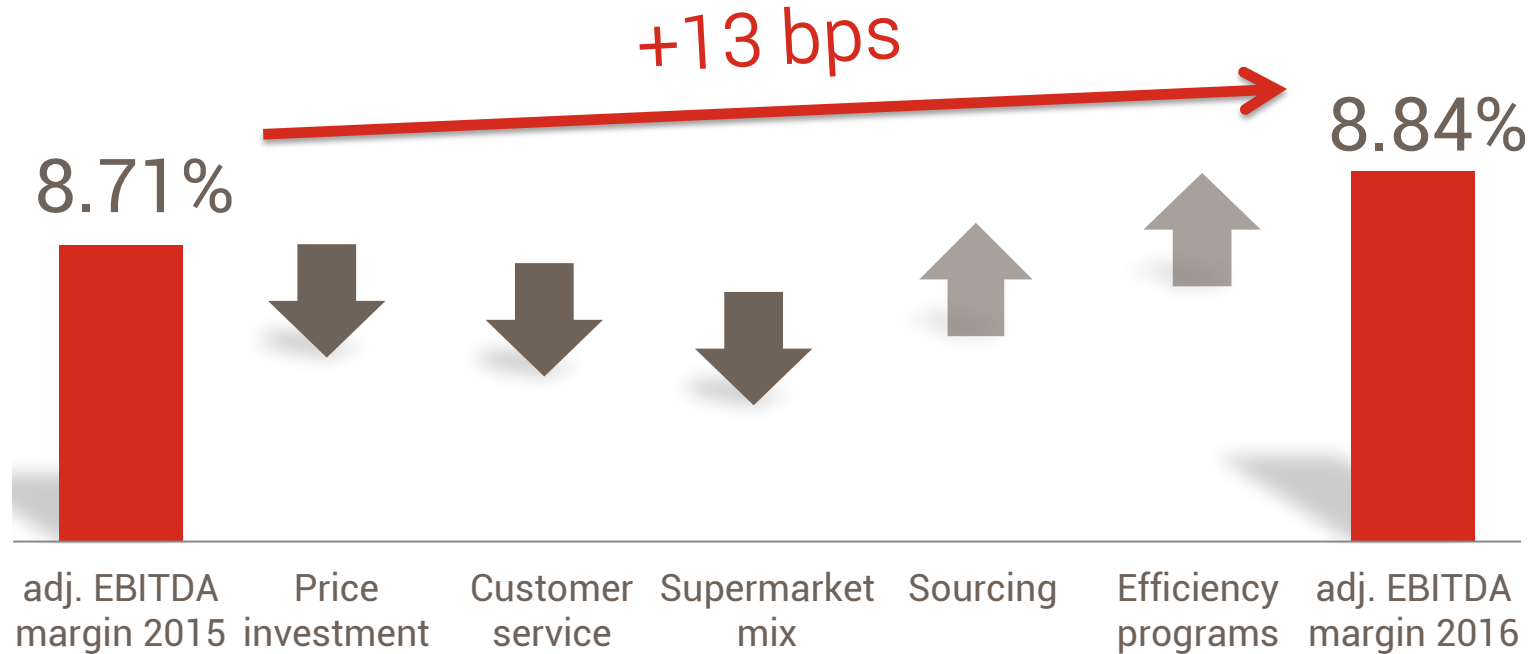
*Ex-currency

8.6%* adjusted EBITDA growth

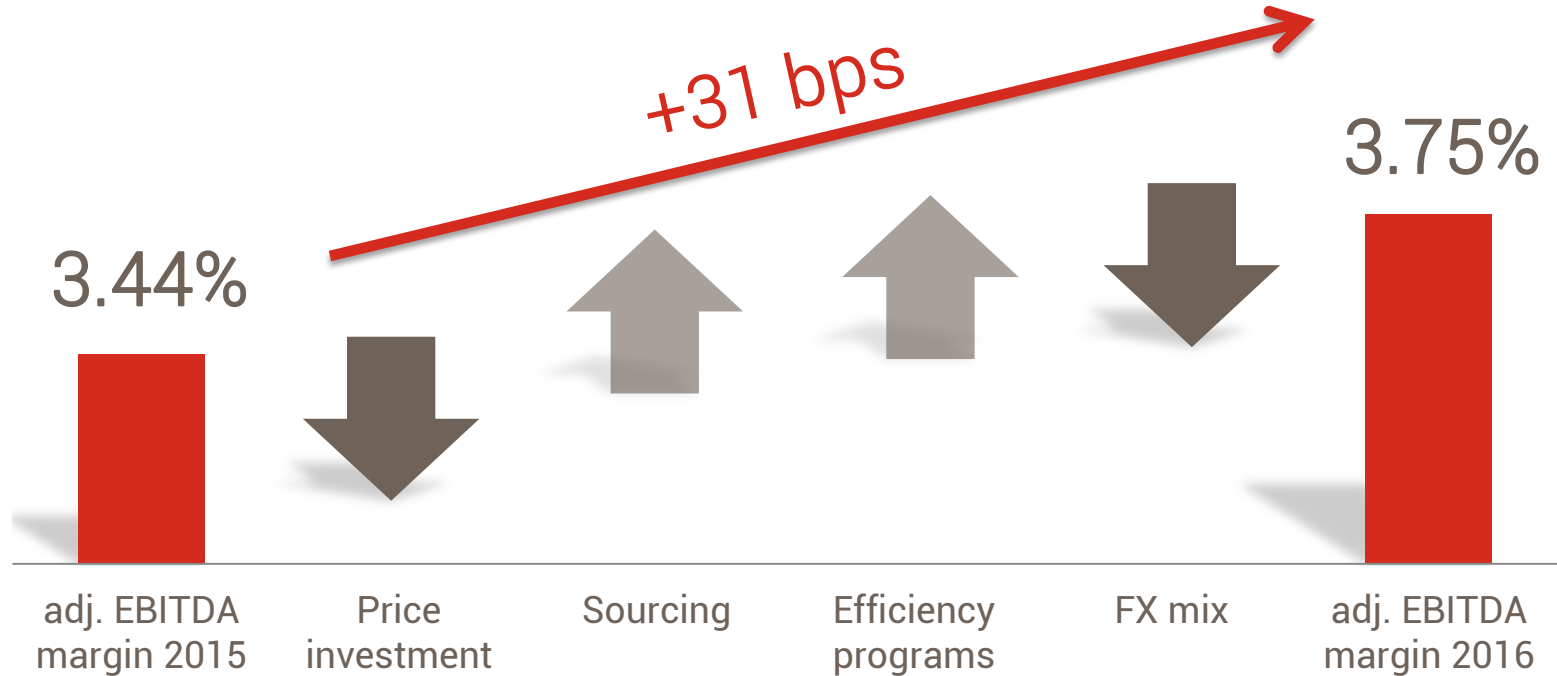
EURm



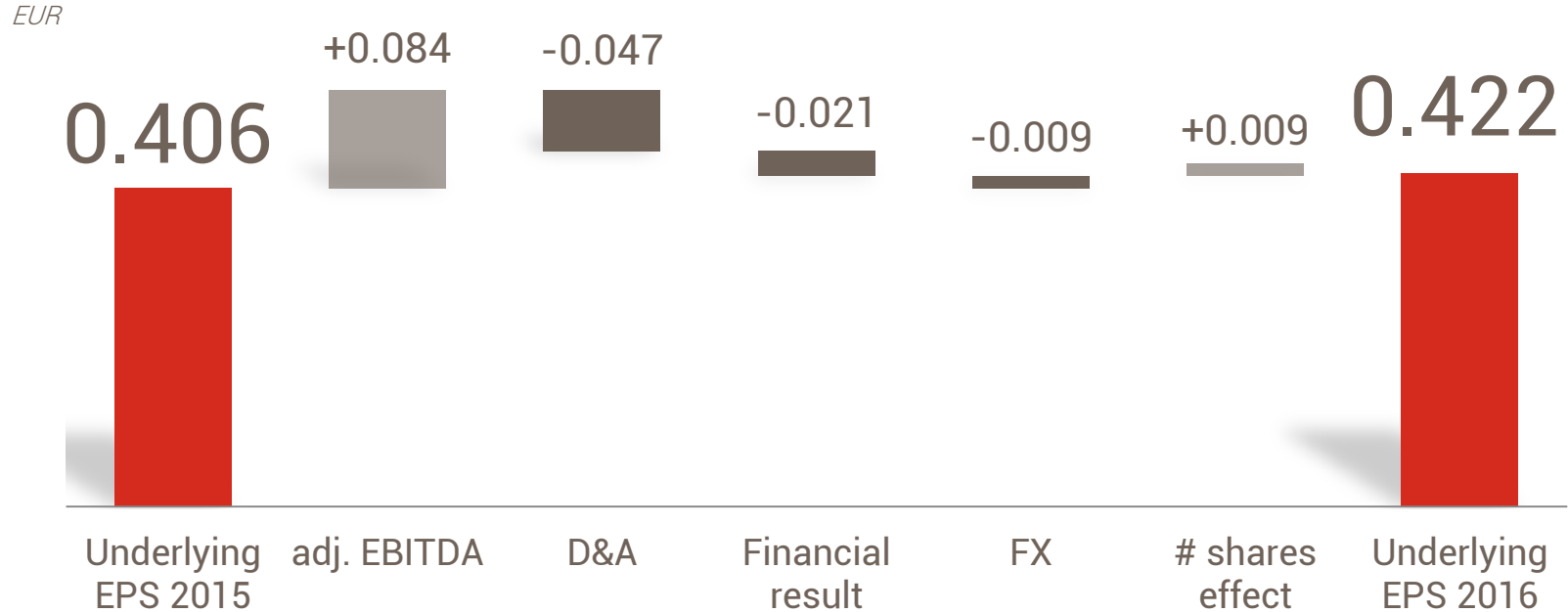
Stable adjusted EBITDA margin in Iberia



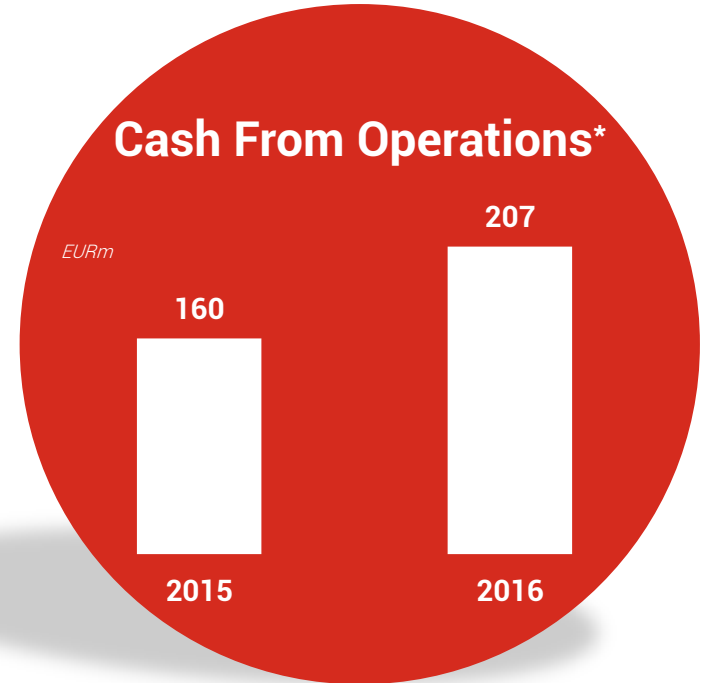
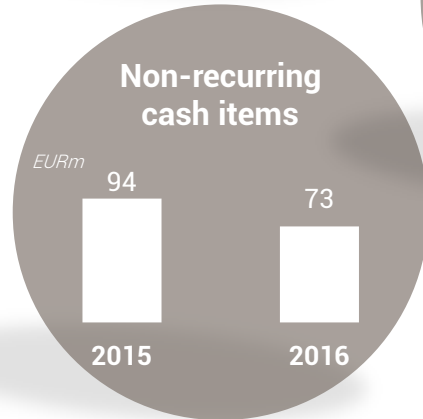
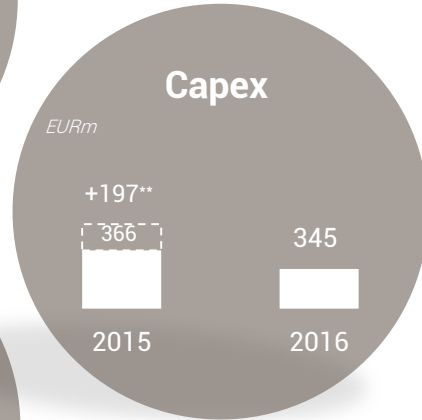
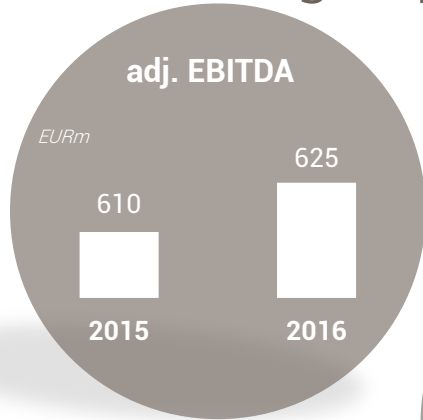
Emerging markets: delivering further margin expansion



Increased profitability driving 3.9% underlying EPS growth



Outstanding improvement in Cash From Operations



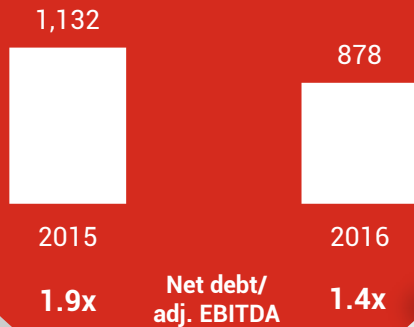
*Defined as adjusted EBITDA – Non-recurring cash items – Capex; on organic basis

**Acquisitions

Debt reduction , best-in-class returns and growing dividend

Solid balance sheet

EURm



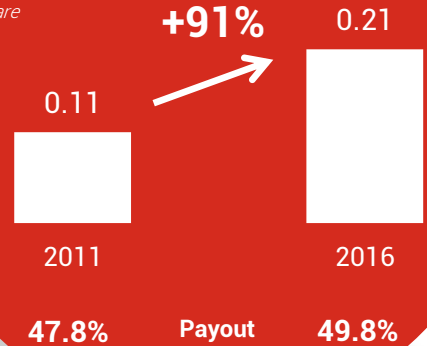
Industry-leading returns

ROI



Growing dividend

EUR/share



List of ROI peers (2015 data): Carrefour, Casino, Jeronimo Martins,, Metro, Morrison, Sainsbury, Sonae & Tesco

ROI as adj. operating income (EBITDAR) / Avg. invested capital

Avg. invested capital = Avg total assets exc cash + Avg D&A - Avg account payables - Avg accrued liabilities + x5 Rent adjustment

Financial outlook

- / Mid-single-digit growth in gross sales under banner (in local currency) in 2017.
 - Falling store selling area in Spain.
 - Lower inflation in Emerging Markets.
- / Adj. EBITDA growth and margin stability for 2017.
- / Capex to continue declining in 2017.
- / 2016-18 period target reiterated:
 - EUR750m of cumulated Cash From Operations.
 - 7% organic sales CAGR (ex-currency).



03

Business overview



Strong commitment to franchisees and employees drives customer satisfaction

More DiA entrepreneurs

+272 franchise stores

Improvement in franchisee satisfaction*

+9pp

Engaged employees**

94% commitment

6pp
above retail average

Franchisee satisfaction measured as satisfied less non-satisfied

**Nielsen*

***Tower Watson, internal employee survey*

Significant improvement of franchise satisfaction

Satisfaction

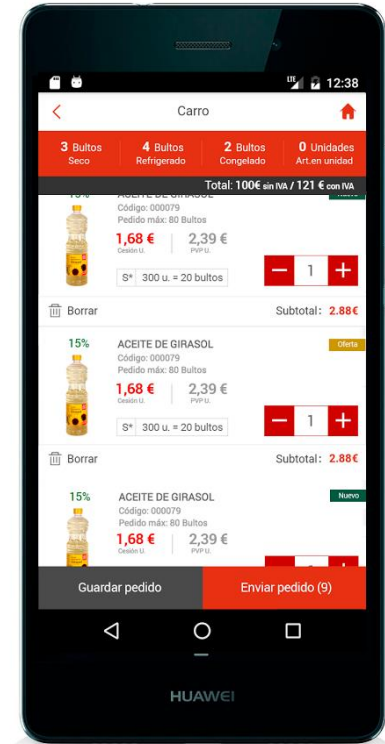
+9pp General satisfaction*

+7pp Opening new store or keeping existing one**

+10pp Profitability***

Most improved

- Digital tools
- Profitability
- Communication
- Logistics service



*Measured as satisfied less non-satisfied

**Measured as % of answers

***Measured as in-line or better than expected less worse than expected

Improvement of customer experience in Spain

Out-of-Stock

-15%



Spain customer satisfaction
(Net Promoter Score)*

+7 points

Better offer

>2,000 fresh
counters in
close to 1,000
stores



Net Promoter Score (NPS) as metric for assessing customer satisfaction

**Kantar*

Making the most of our diverse portfolio of private label brands



Continuous private label development

Participation*
 > 52% Iberia
 > 34% Latam

>730.000
 Quality analysis

Strong development of DIA Delicious brand



>200 SKU's

+40% sales

Launch in Spain of DIA Vital brand



70 SKU's

+7% sales

Sales refer to gross sales under banner

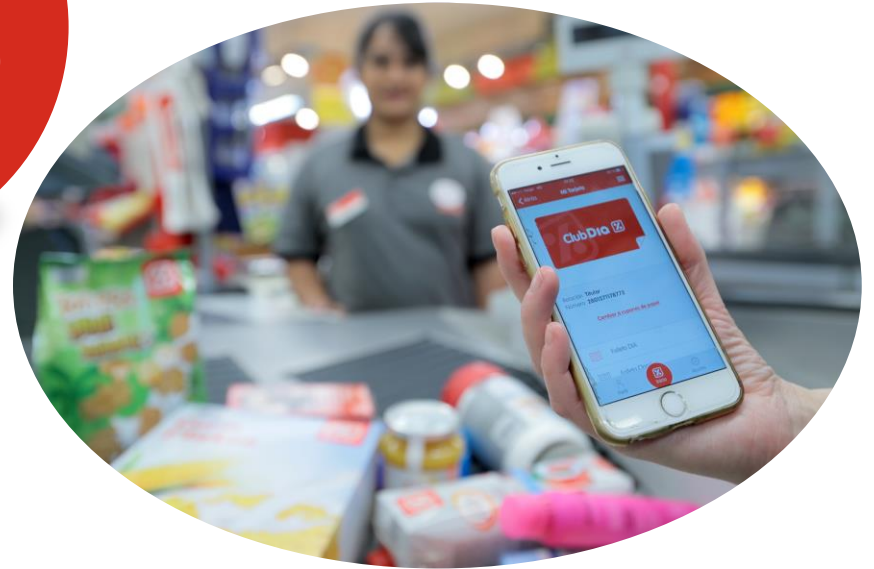
*FMCG+Eggs

DIA Club: much more than a loyalty programme

More than **19.5**
million **active**
members

> 700,000
“**digital**” users
of the **DIA Club**
app in Spain

More than **5.6**
million **new**
members in
2016



Fast online growth today, huge opportunities tomorrow

Online sales

x3

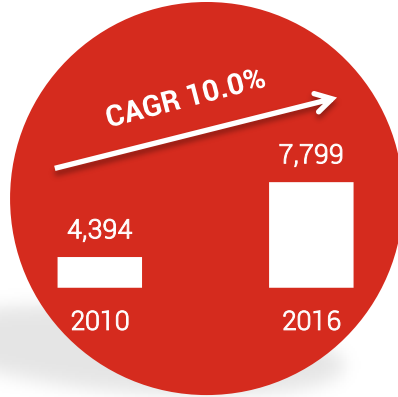
in Q4 2016
vs
Q4 2015

≈ 50% of Spanish
population already
covered with DIA
Online

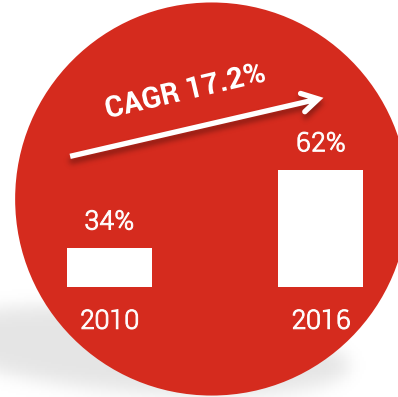
More than 3,000
Click & Collect
points in Spain



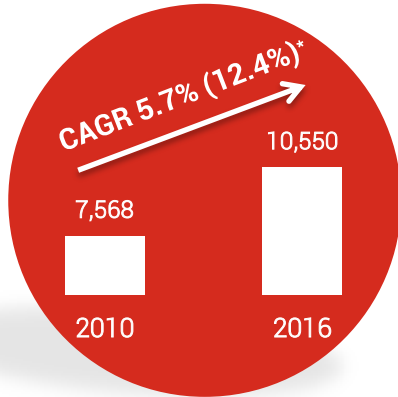
A story of consistent profitable growth in food retail



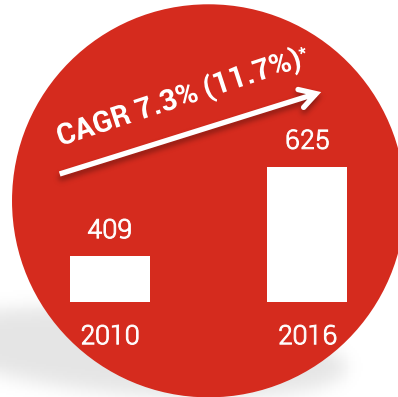
of stores



DIA banner franchised stores



Gross Sales Under Banner



adj. EBITDA

Excluding France and Turkey

**Ex-currency*



SAVE THE DATE

3rd DIA CAPITAL MARKETS DAY

London, Wednesday 21 June 2017

Madrid, Thursday 22 June 2017

04

Q&A



Payesito

0,45 €

Pan
sin sal

0,65 €

Hogaza
Multigran

2,15 €

Coca
Artesana

1,65 €

Bocata
Semillado

0,75 €

2 BAKKA
MADRILEÑAS

1,50 €

0,52 €

0,52 €

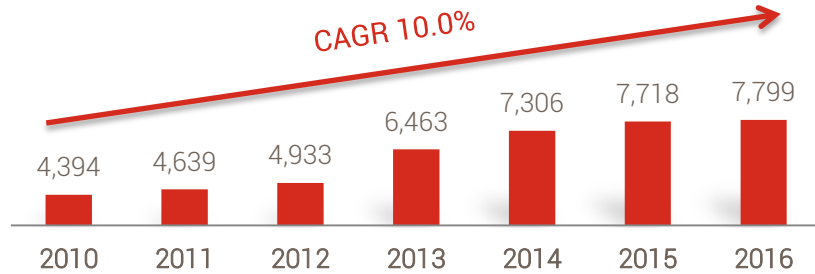
04

Appendix

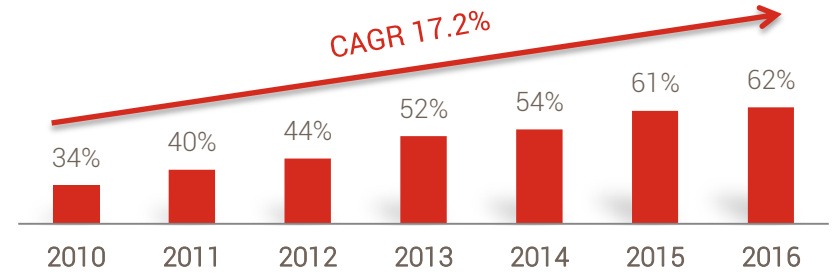


A story of consistent, profitable growth in food retail

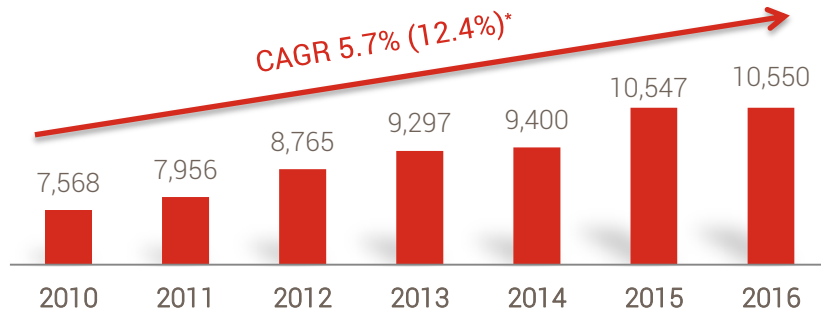
of stores



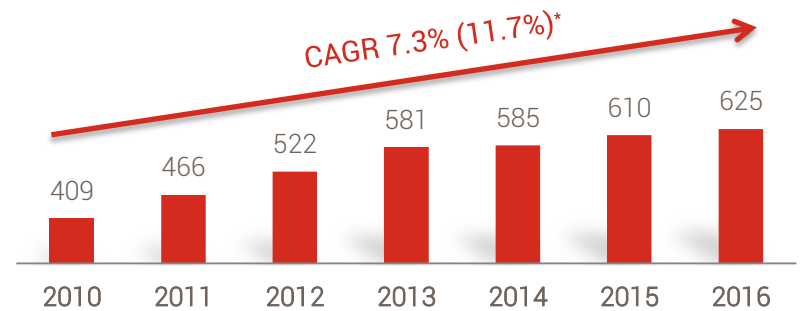
DIA banner franchised stores



Gross Sales Under Banner



adj. EBITDA



*Ex-currency, excluding France and Turkey

A long track-record of guidance delivery

Outlook 2011

- ✓ +3% Net sales
- ✓ EUR540m EBITDA
- ✓ 6,800 stores
- ✓ <1.1x ND/EBITDA



Outlook 2012

- ✓ +4% GSUB
- ✓ EUR595m EBITDA
- ✓ EUR315m EBIT
- ✓ 225 openings



Outlook 2013

- ✓ Double-digit underlying EPS CAGR 2012-15



Outlook 2014

- ✓ EUR360m capex
- ✓ Double-digit underlying EPS CAGR 2012-15



Outlook 2015

- ✓ Double-digit top-line growth
- ✓ Adjusted EBITDA growth
- ✓ Double-digit underlying EPS CAGR 2012-15

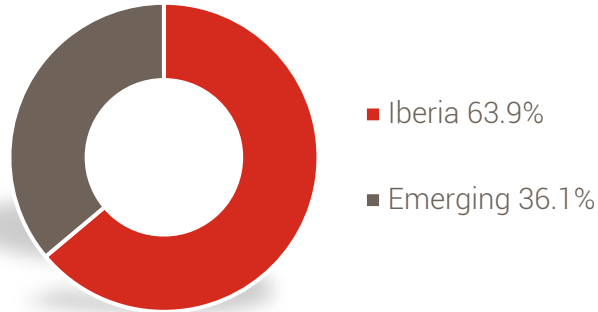


Guidance 2016

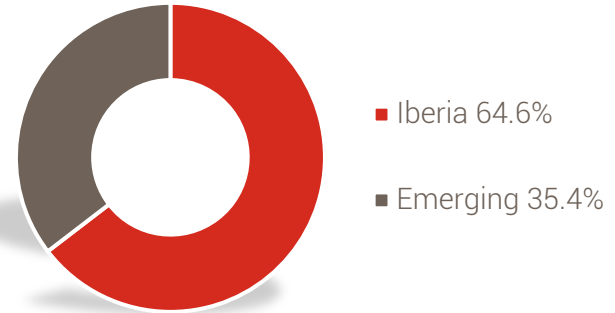
2016 targets	FY 2016	Status
Gross sales under banner growth (ex-currency) at high-single digit	+10.2%	✓
Adjusted EBITDA growth (ex-currency) in Iberia and Emerging markets	+1.4% +41.9%	✓
Stable adjusted EBITDA margin	+21bps	✓
Cash from operations	+EUR207m	✓
2016-2018 targets	Status	
+7% CAGR Organic sales	On track	
€750m Cash from Operations	On track	

Gross Sales Under Banner & adjusted EBITDA by segment

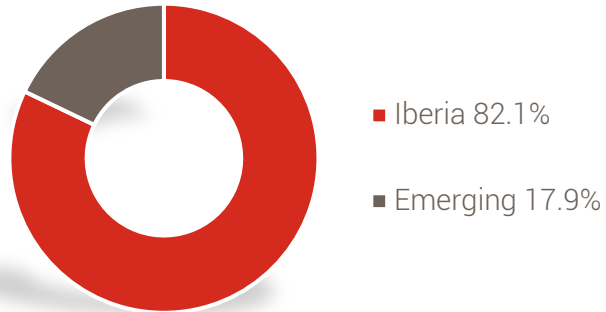
FY 2015 Gross sales under banner



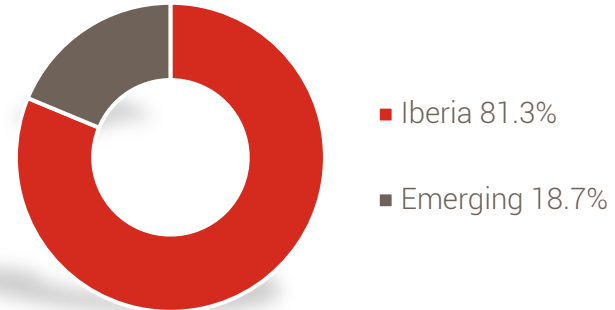
FY 2016 Gross sales under banner



FY 2015 adj. EBITDA



FY 2016 adj. EBITDA



Sales performance

(EURm)

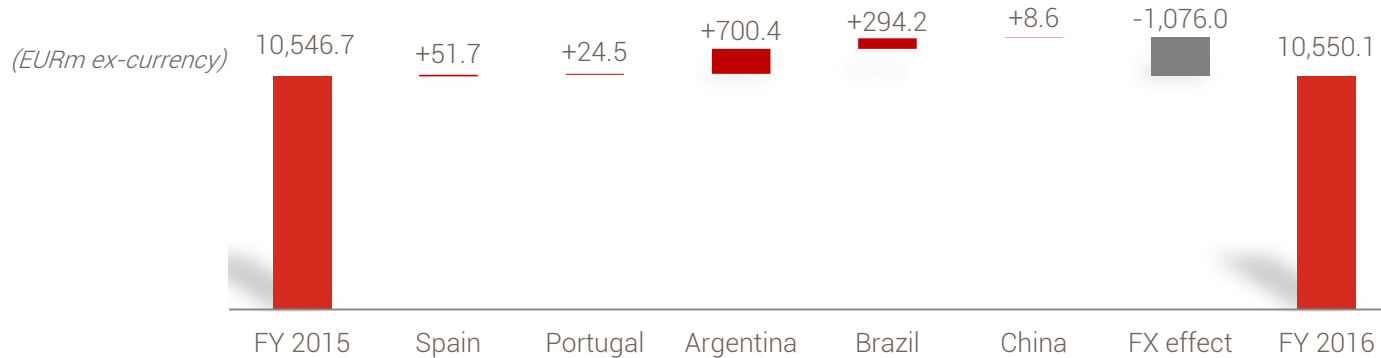
	2016	% change ex-FX	% change	Q4 2016	% change ex-FX	% change
Gross Sales Under Banner	10,550.1	10.2%	0.0%	2,750.2	7.6%	1.7%
Net sales	8,867.6	9.0%	-0.6%	2,304.0	6.1%	1.0%

LFL

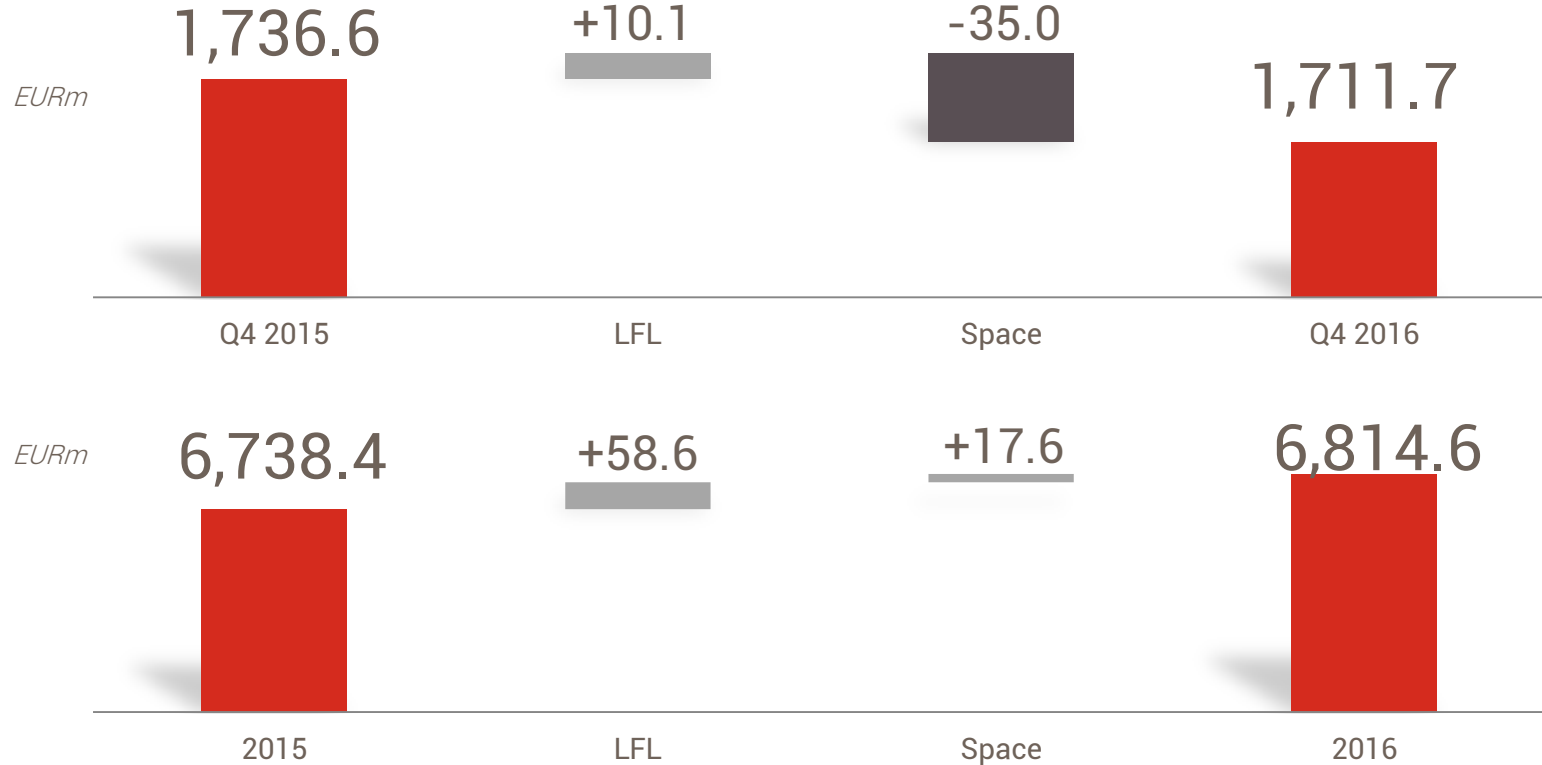
Iberia
Emerging Markets

8.7%
1.0%
19.1%

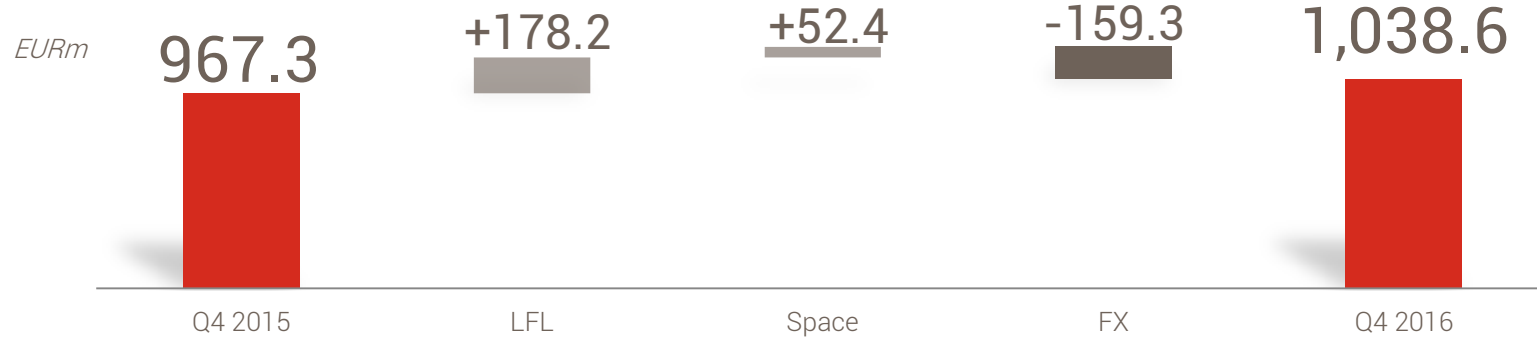
7.9%
1.1%
18.1%



Iberia: Gross Sales Under Banner



Emerging markets: Gross Sales Under Banner



Operating performance

<i>(EURm)</i>	2016	% change ex-FX	% change	Q4 2016	% change ex-FX	% change
Adjusted EBITDA	625.1	8.6%	2.4%	196.0	13.9%	7.2%
<i>Adjusted EBITDA margin</i>	<i>7.0%</i>	<i>-2 bps</i>	<i>21bps</i>	<i>8.5%</i>	<i>59 bps</i>	<i>49 bps</i>
Adjusted EBIT	392.7	5.8%	-0.9%	138.3	18.3%	9.2%
<i>Adjusted EBIT margin</i>	<i>4.4%</i>	<i>-13 bps</i>	<i>-1 bps</i>	<i>6.0%</i>	<i>64 bps</i>	<i>45 bps</i>

Iberia: operating performance

<i>(EURm)</i>	2016	% change	Q4 2016	% change
Adjusted EBITDA	508.0	1.4%	147.1	2.8%
<i>Margin</i>	<i>8.8%</i>	<i>13 bps</i>	<i>10.2%</i>	<i>56 bps</i>
Adjusted EBIT	329.6	-2.0%	104.6	5.7%
<i>Margin</i>	<i>5.7%</i>	<i>-11 bps</i>	<i>7.3%</i>	<i>58 bps</i>

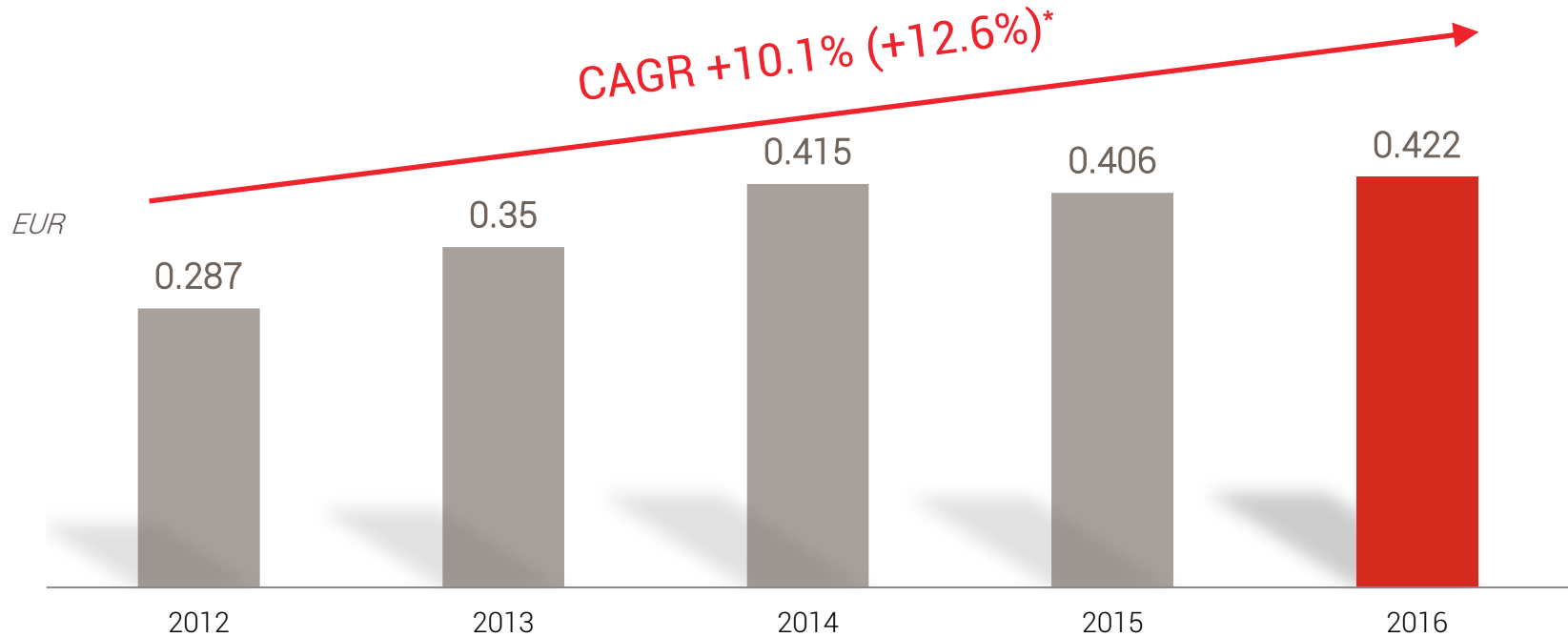
Emerging markets: operating performance

<i>(EURm)</i>	2016	% change ex-FX	% change	Q4 2016	% change ex-FX	% change
Adjusted EBITDA	117.1	41.9%	7.3%	48.9	53.4%	22.7%
<i>Margin</i>	<i>3.8%</i>	<i>44 bps</i>	<i>31 bps</i>	<i>5.7%</i>	<i>125 bps</i>	<i>68 bps</i>
Adjusted EBIT	63.1	49.7%	5.6%	33.7	63.4%	22.0%
<i>Margin</i>	<i>2.0%</i>	<i>36 bps</i>	<i>14 bps</i>	<i>3.9%</i>	<i>115 bps</i>	<i>45 bps</i>

Attributable & Underlying Net Profit

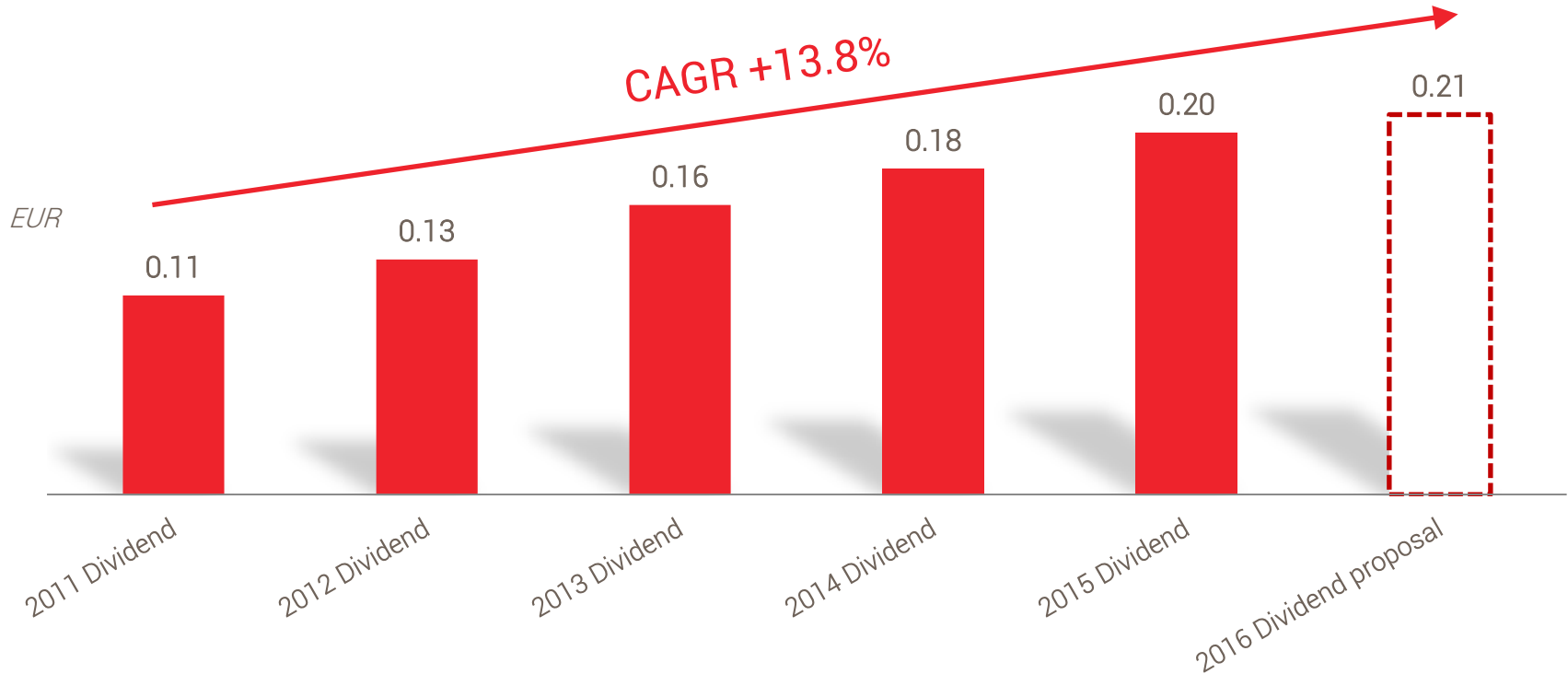
<i>(EURm)</i>	2015	2016	% change	% change ex-FX
Adjusted EBIT	396.1	392.7	-0.9%	5.8%
Non-recurring items	(122.0)	(97.7)	-19.9%	-16.1%
<i>of which cash items</i>	<i>(94.2)</i>	<i>(73.0)</i>	<i>-22.6%</i>	
EBIT	274.1	295.1	7.6%	15.5%
<i>Net financial expenses</i>	<i>(56.0)</i>	<i>(52.0)</i>	<i>-7.1%</i>	<i>26.2%</i>
<i>Income taxes</i>	<i>82.6</i>	<i>(69.1)</i>	<i>-183.7%</i>	<i>-185.6%</i>
Net attributable profit	299.2	174.0	-41.8%	-41.4%
Underlying net profit	254.1	258.6	1.8%	3.9%

Underlying EPS +3.9% in 2016 (+6.1% ex-currency)



/ FX and acquisitions impact in 2015 and 2016.

Circa EUR1bn distributed to shareholders since listing



/ EUR0.21/share dividend distribution 2016 profits implies 49.8% pay-out

Cash-Flow

(EURm)

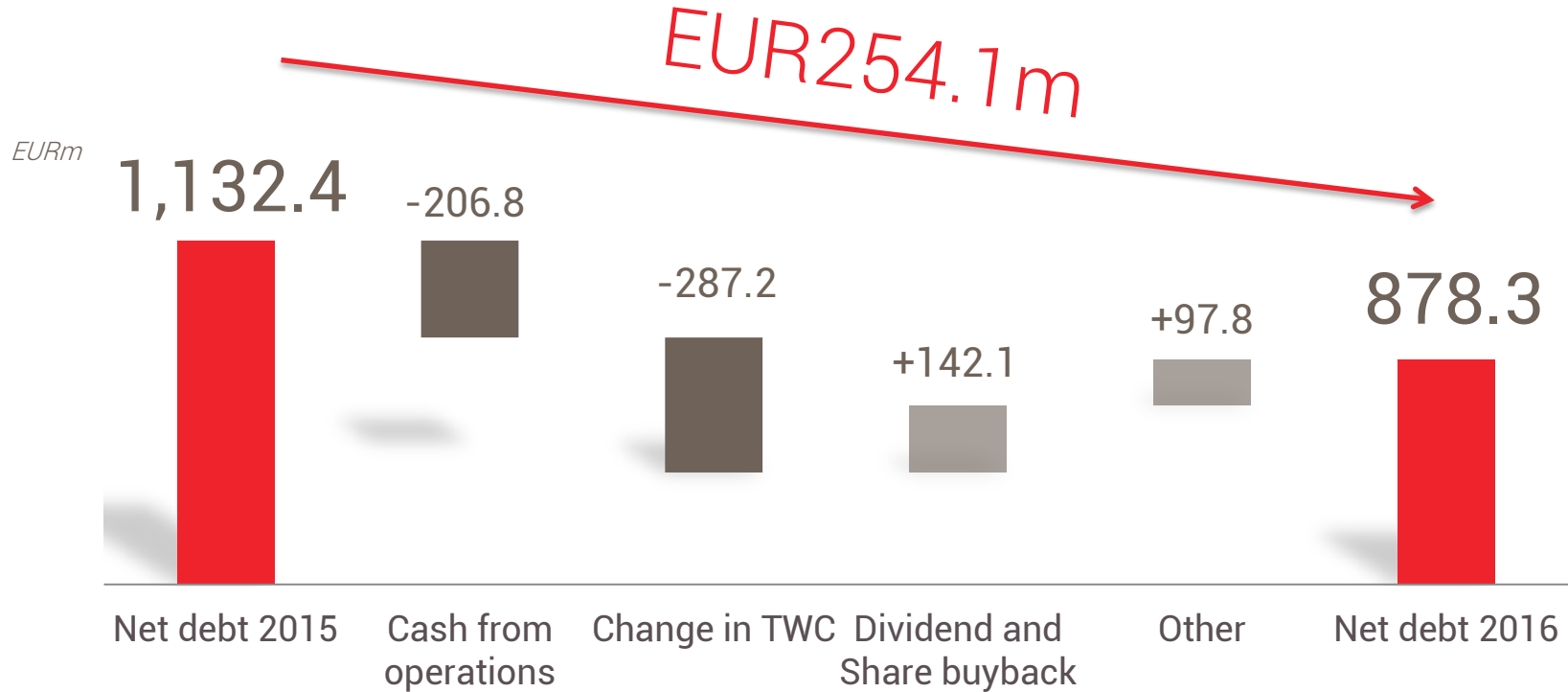
	2015	2016
Adjusted EBITDA	610.1	625.1
Non-Recurring cash items	(94.2)	(73.0)
Capex	(563.3)	(345.4)
CASH FROM OPERATIONS	(47.4)*	206.8
Income tax paid	(57.2)	(6.1)
Change in Trade Working Capital	(160.2)	287.1
Financial investments	(14.0)	(33.3)
Capex suppliers change	18.2	0.0
Acquisitions and divestments	2.9	38.5
Other Working Capital change	(41.0)	(5.9)
FREE CASH FLOW	(298.7)	487.1
Financial results	(56.0)	(52.0)
Dividends	(112.6)	(122.2)
Share Buy-Back	(200.1)	(19.9)
FX effect and other	68.4	(38.8)
NET DEBT CHANGE	(599.0)	254.1
NET DEBT AT THE END OF THE PERIOD	1,132.4	878.3

*CFO ex-acquisitions of EUR160m

Balance sheet

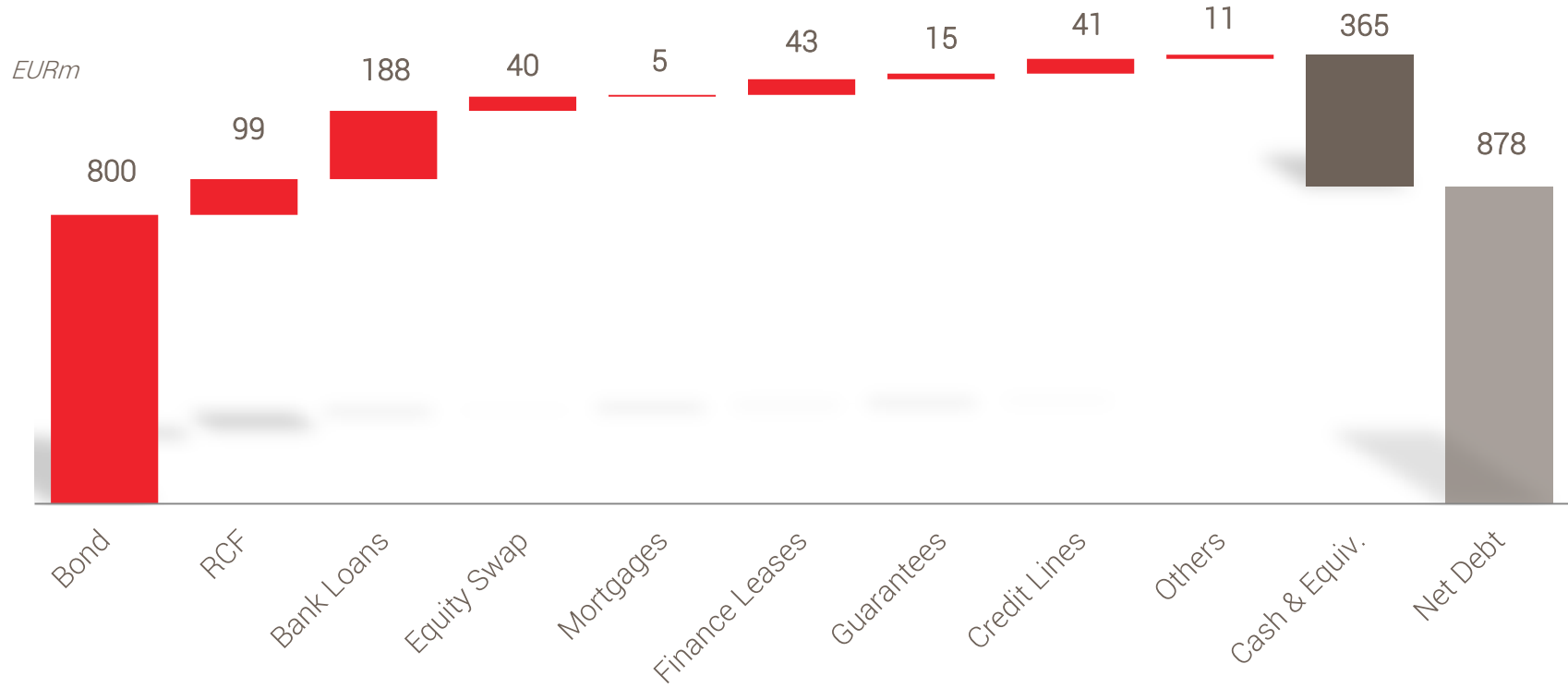
	31 December 2015	31 December 2016
Non-current assets	2,355.1	2,507.3
Inventories	562.5	669.6
Trade & Other receivables	221.2	260.9
Other current assets	141.0	113.9
Cash & Cash equivalents	162.8	364.7
TOTAL ASSETS	3,442.6	3,916.3
Total equity	313.2	392.1
Long-term debt	921.0	1,062.3
Short-term debt	374.3	180.7
Trade & Other payables	1,518.8	1,952.8
Provisions & Other current liabilities	315.3	328.4
TOTAL EQUITY & LIABILITIES	3,442.6	3,916.3

Net debt

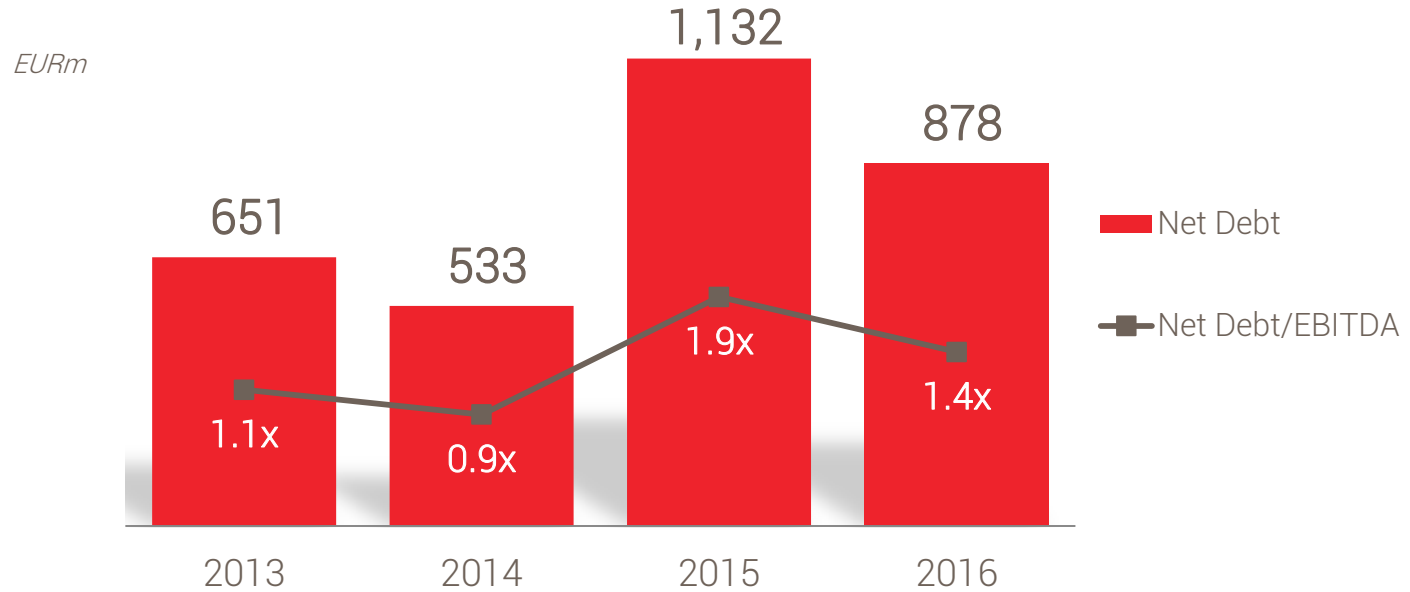


EUR38.5m related to divestments

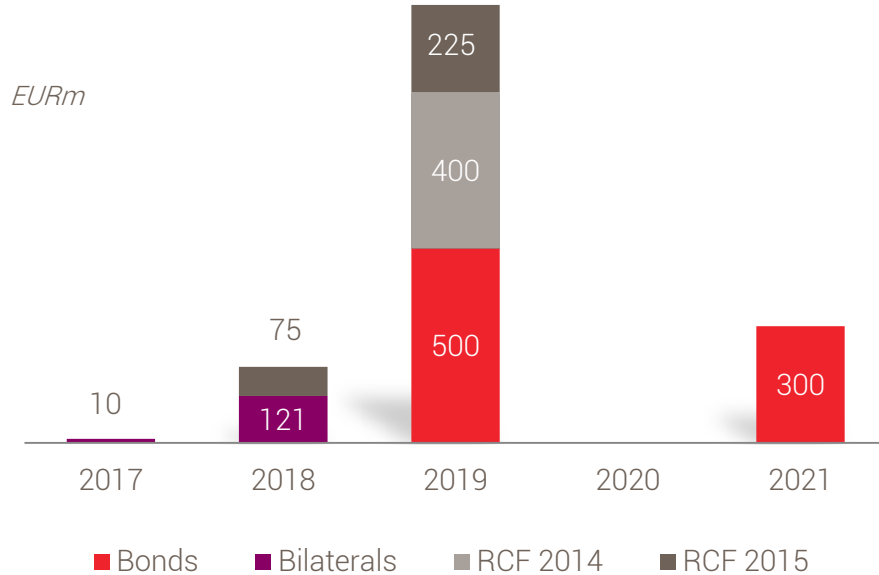
Debt structure as of 31 December 2016



Financial leverage



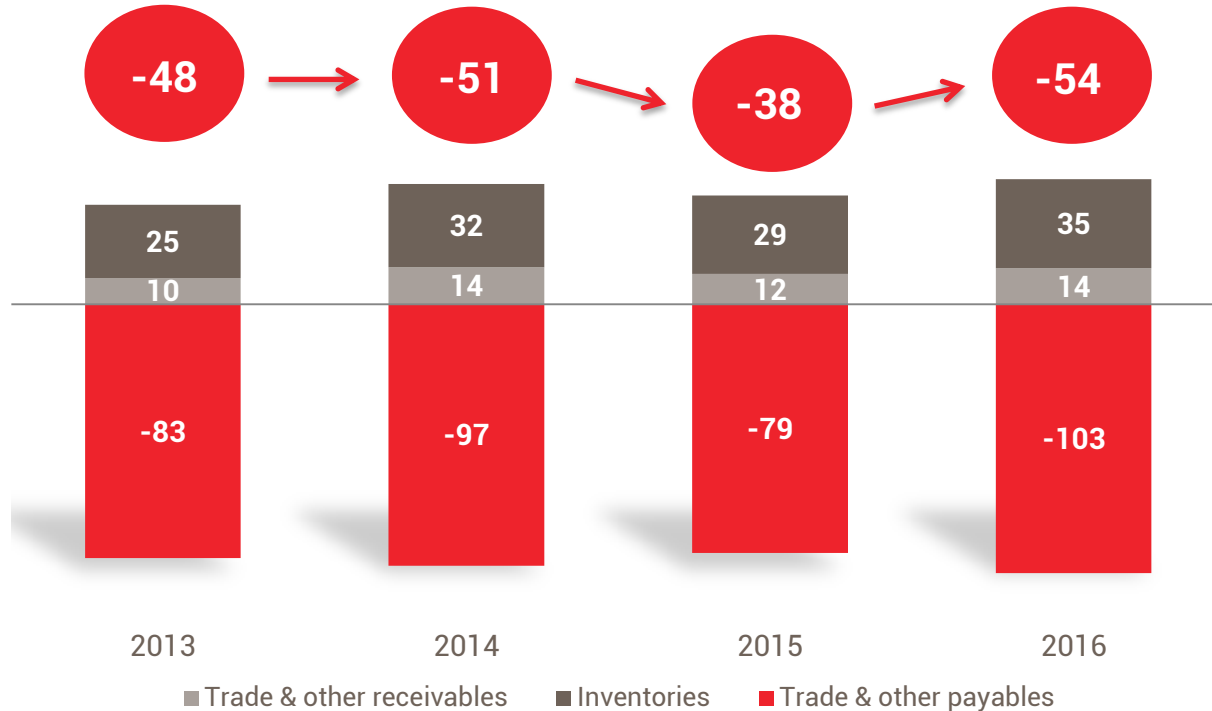
Debt maturity and liquidity as of 31 December 2016



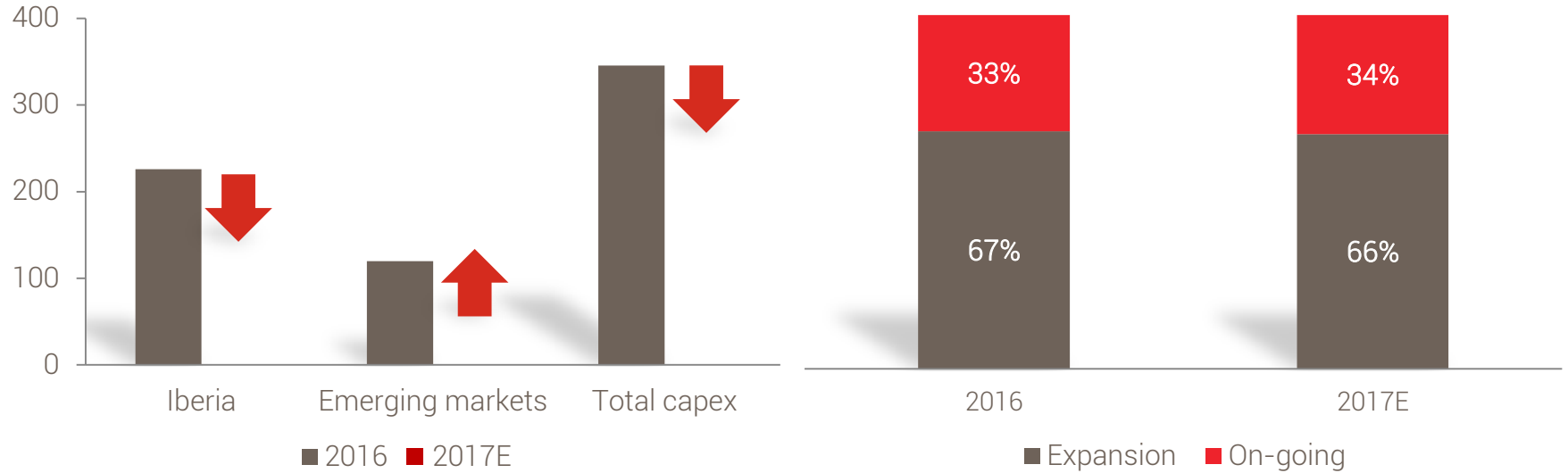
	Total	Drawn	Undrawn
RCF	700.0	99.0	601.0
Other Credit Lines	133.4	41.4	92.0
Commercial Paper	45.0	-	45.0
Cash & Equivalent	364.6		364.6
TOTAL	1,243.0	140.4	1,102.7

Trade Working Capital

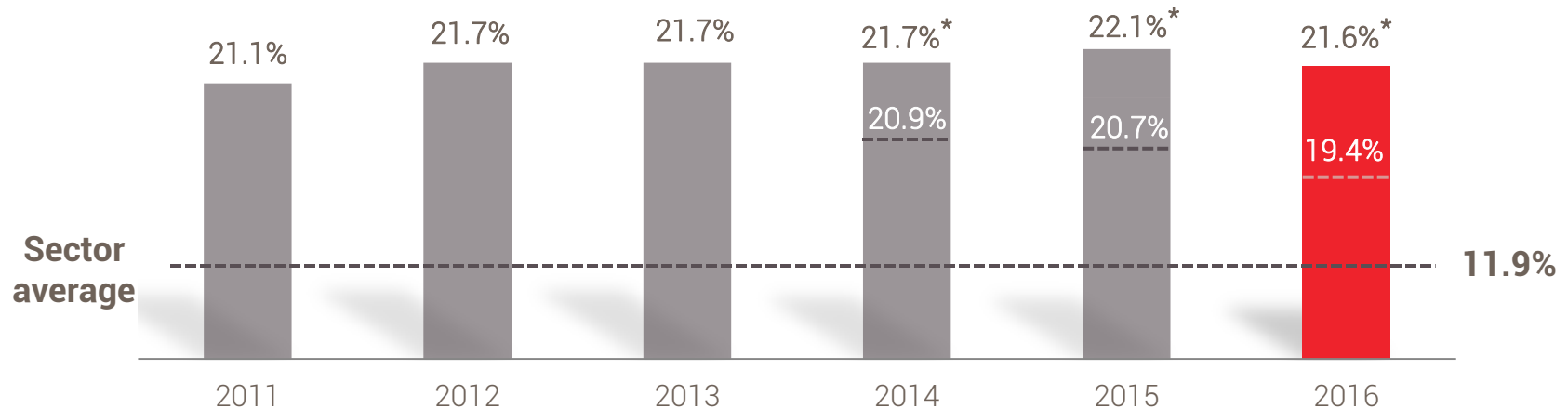
of days of Trade Working Capital
(over COGS, 365 base)



Capex outlook



Leading industry returns, well ahead of sector average



ROI = EBITDAR / Average invested capital.

Average invested capital = Equity + Net debt + Average D&A + 5x Rent adjustment

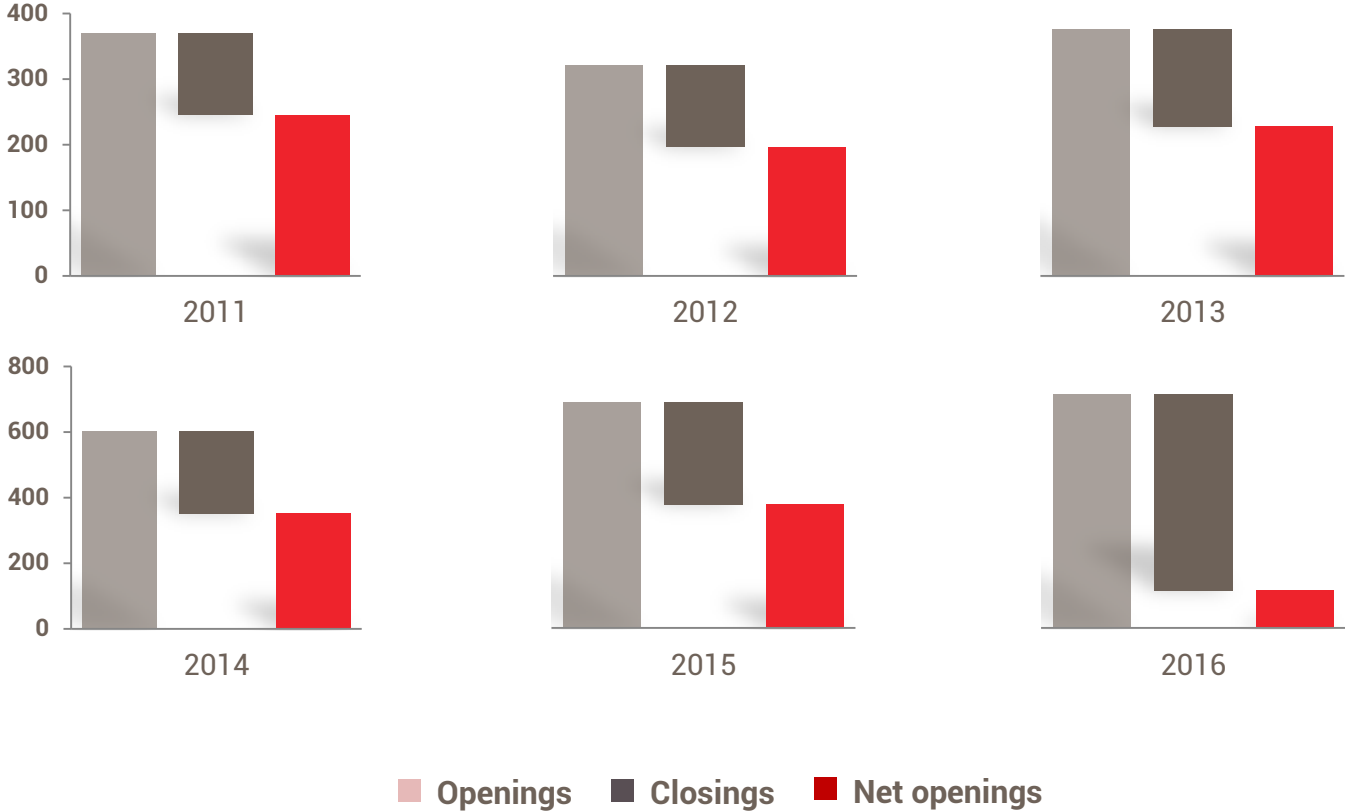
Market average defined as the average of Carrefour, Casino, Jeronimo Martins, Metro, Morrisons, Sainsbury, Sonae and Tesco

**Data excluding acquisitions*

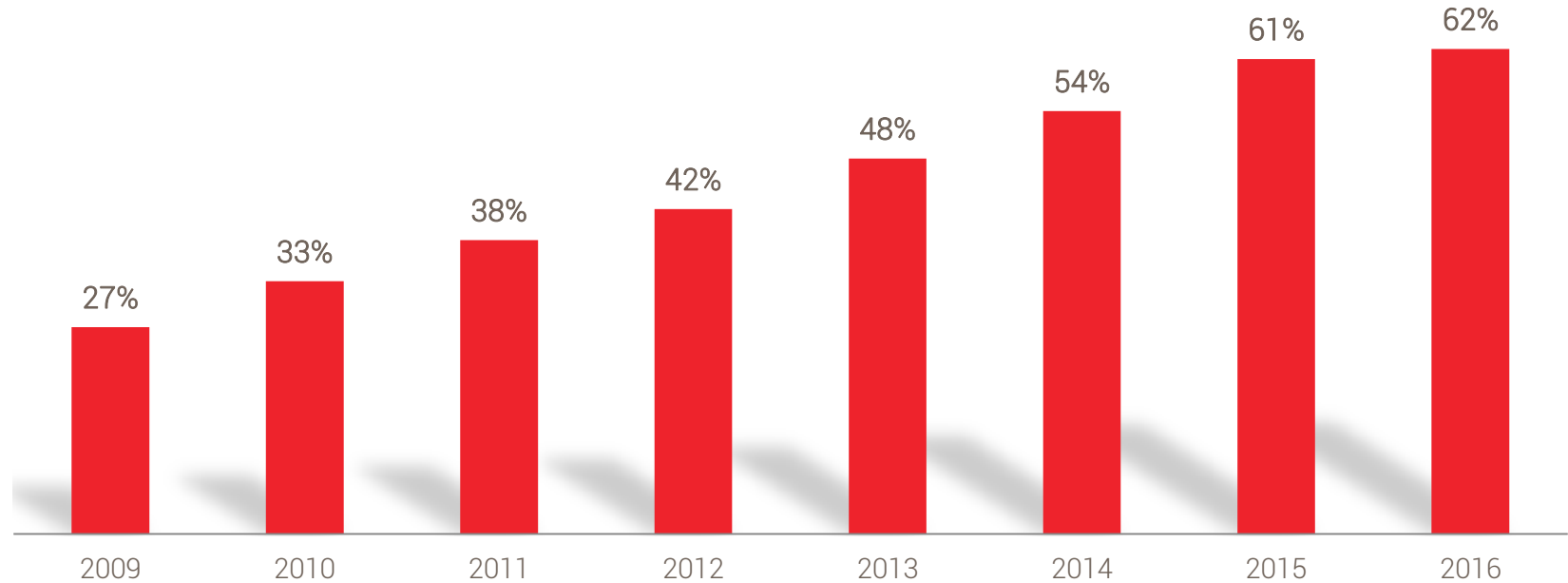
Stores by country and operational model as of 31/12/2016

	COCO	Franchise	TOTAL	Change	Change in sqm
Spain	2,728	2,147	4,875	-66	-3.3%
Portugal	367	256	623	2	0.5%
IBERIA	3,095	2,403	5,498	-64	-2.9%
Dia	1,614	2,296	3,910	63	2.3%
Market	938	1,935	2,873	77	
Maxi	676	101	777	14	
Cada DIA	0	260	260	-28	
Clarel	1,126	107	1,233	38	3.6%
El Arbol / La Plaza	355	0	355	-165	-27.6%
Argentina	296	576	872	26	3.4%
Brazil	379	671	1,050	121	14.4%
China	60	319	379	-2	-0.3%
EMERGING MARKETS	735	1,566	2,301	145	9.3%
TOTAL DIA	3,830	3,969	7,799	81	0.2%

Dia banner store evolution at DiA Group



Growing penetration of Dia banner franchised stores



Reported data

Business review: Iberia

	2015	2016	Change	
SPAIN	# stores	4,941	4,875	-66
	# franchised stores	1,954	2,147	193
	Total store selling area (sqm)	1,939,900	1,876,400	-3.3%
	Gross Sales Under Banner (EURm)	5,914.9	5,966.6	0.9%
	Net Sales (EURm)	5,076.7	5,064.0	-0.2%
	PORTUGAL	# stores	621	623
# franchised stores		260	256	-4
Total store selling area (sqm)		219,300	220,400	0.5%
Gross Sales Under Banner (EURm)		823.5	848.0	3.0%
Net Sales (EURm)		678.0	681.9	0.6%

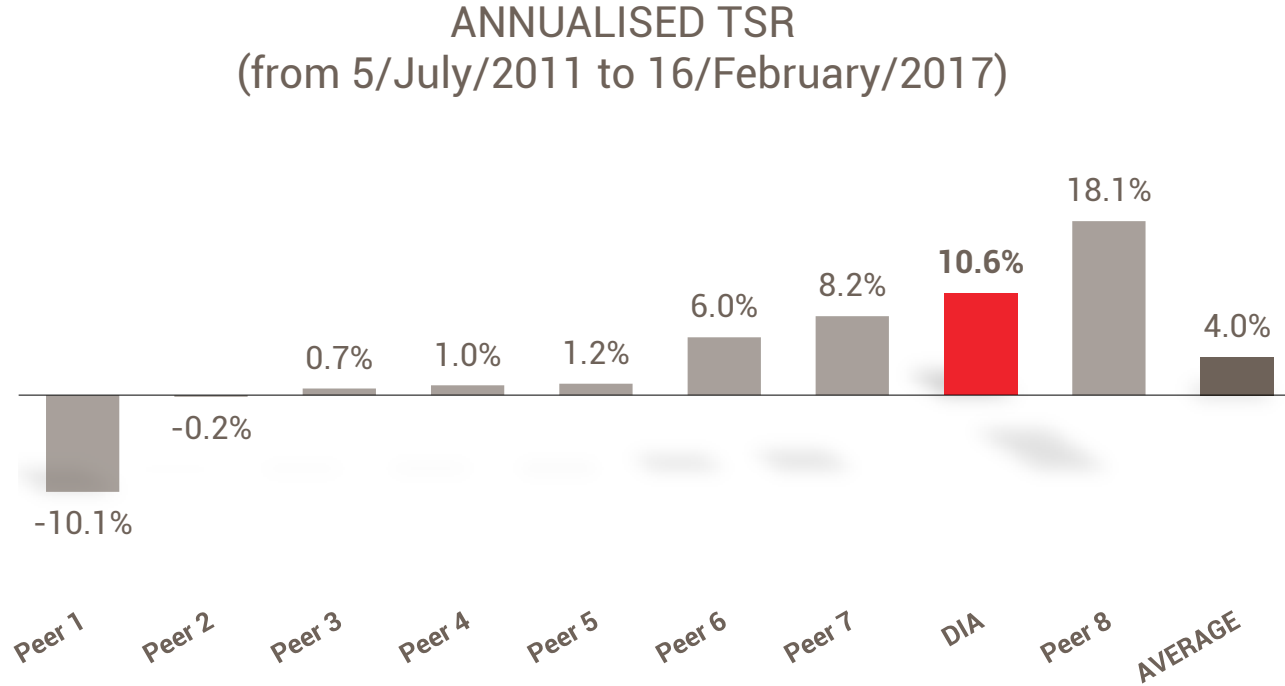
Business review: Emerging Markets

	2015	2016	Change	Change ex-FX	
ARGENTINA	# stores	846	872	26	
	# franchised stores	584	576	-8	
	Total store selling area (sqm)	230,800	238,700	3.4%	
	Gross Sales Under Banner (EURm)	1,922.1	1,642.6	-14.5%	36.4%
	Net Sales (EURm)	1,532.3	1,310.9	-14.4%	36.5%
BRAZIL	# stores	929	1,050	121	
	# franchised stores	621	671	50	
	Total store selling area (sqm)	420,400	480,800	14.4%	
	Gross Sales Under Banner (EURm)	1,645.4	1,856.5	12.8%	17.9%
	Net Sales (EURm)	1,435.6	1,611.9	12.3%	17.3%
CHINA	# stores	381	379	-2	
	# franchised stores	278	319	41	
	Total store selling area (sqm)	78,800	78,600	-0.3%	
	Gross Sales Under Banner (EURm)	240.8	236.5	-1.8%	3.6%
	Net Sales (EURm)	202.9	198.9	-2.0%	3.4%

DIA Club figures in 2016

	Spain	Portugal	Argentina	China	Brazil	TOTAL
Million of active card holders	8.05	1.69	4.34	1.5	4.05	19.63
Million of new members	1.06	0.14	0.99	0.19	3.29	5.67
% of sales	69%	68%	91%	86%	66%	76%

Total Shareholder Return



LTIP 2016-18

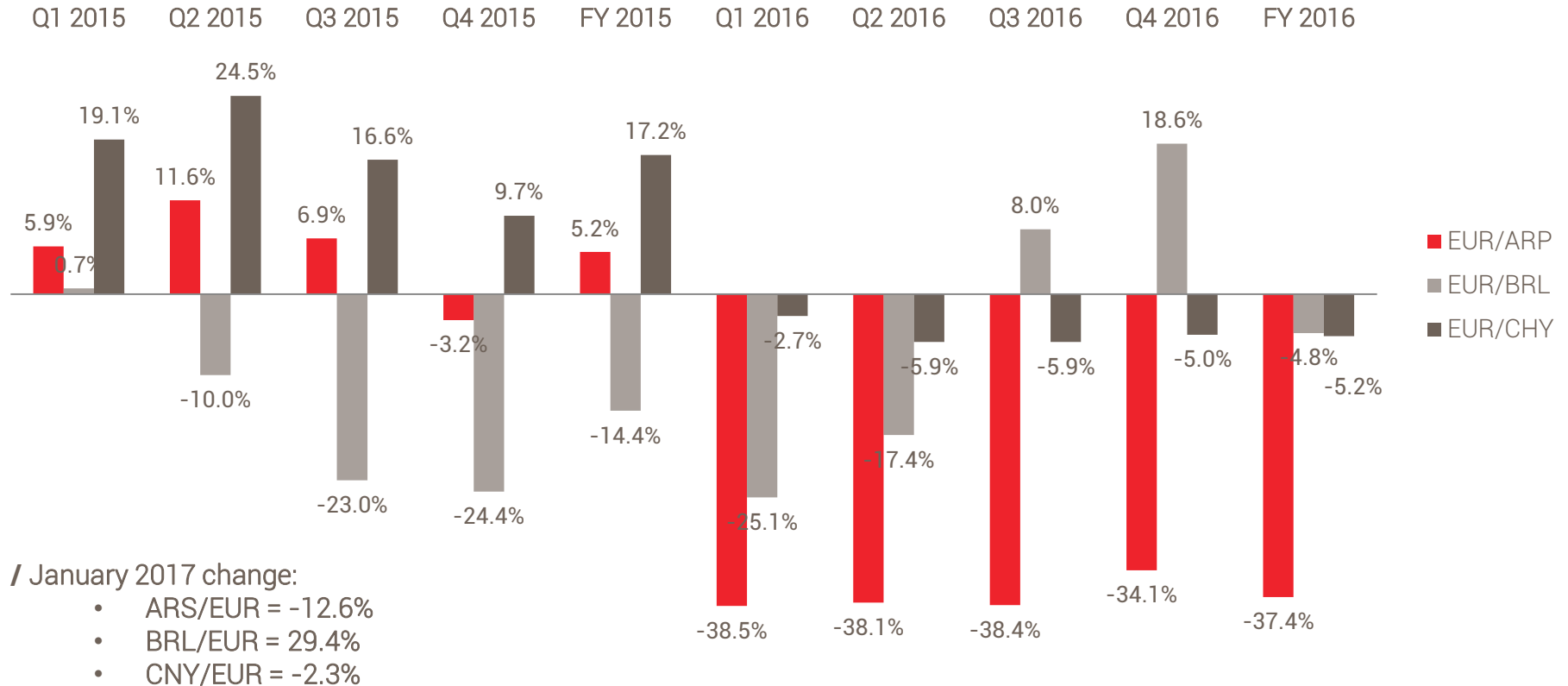
Minimum Operating Performance

- / **40% weight.** Cumulative Organic Cash From Operations (CFO).
Target EUR800m of cumulated CFO in the 2016-18 period.
 - Threshold = EUR700m
 - Target = EUR800m
 - Maximum = EUR900m
- / **20% weight.** Relative Organic Sales Average Growth (ROSAG).
No payment if growth is under the median of a group of 14 listed peers.

Total Shareholder Return

- / **40% weight.** Multiplier from 1x to 1.67x
 - $0 < \text{TSR} < 15\%$

Currency performance



Bloomberg average currency rates (a negative change in exchange rates implies a depreciation versus the Euro)



DÍA

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