



3i Capital Markets Seminar

18 March 2021

///ACTION



Action story enhanced by 2020 performance



✓ Discount retail sector has proven resilient during the pandemic

- Increasing customer acceptance of discount retailing
- Evergreen attraction of low price focused SKU model

✓ Customer value proposition has strengthened

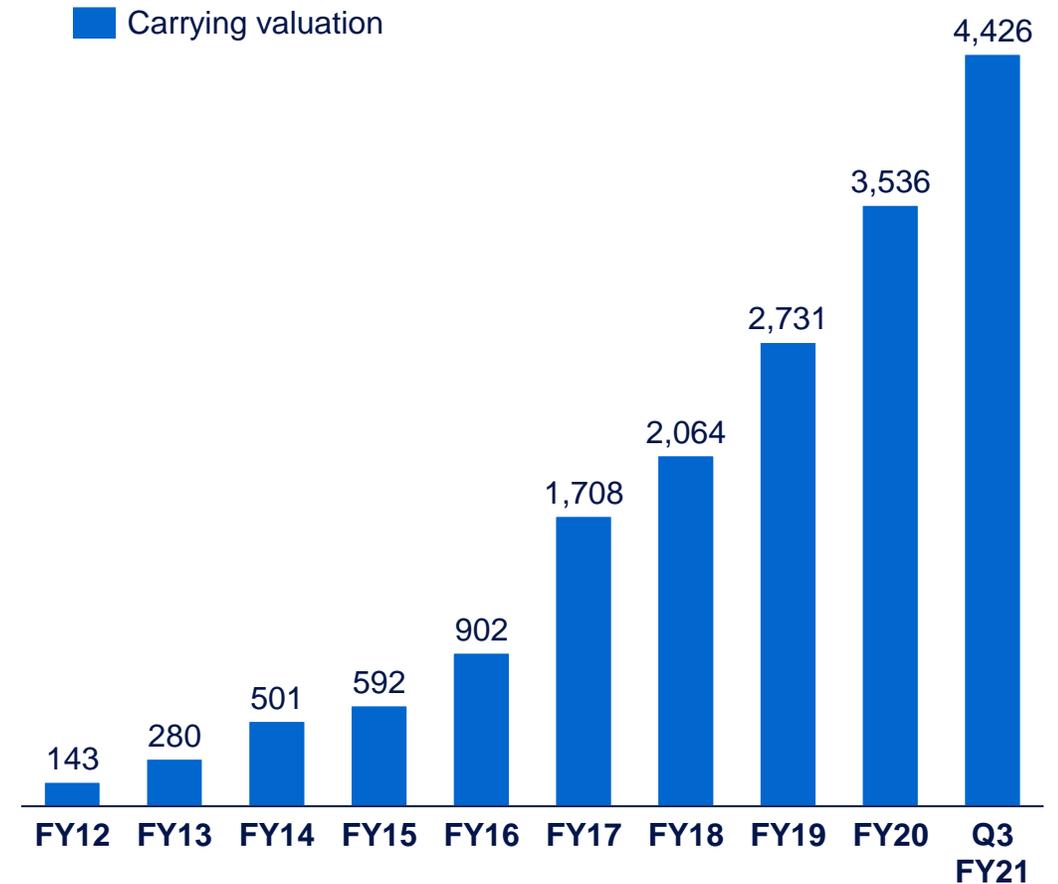
- Core essentials range underpins Action's importance in customers' day to day lives
- Maintenance of high sales volumes and superior sales densities
- ASR and digital journey accretive to proposition

✓ Outstanding depth of performance across geographies

- Successful scaling of Germany and Poland complements continued strength in Netherlands and France
- White space opportunity remains significant

✓ Conviction in enduring compounding benefit to 3i

Action – 3i carrying value, £m¹



(1) 3i financial years

Submitting questions

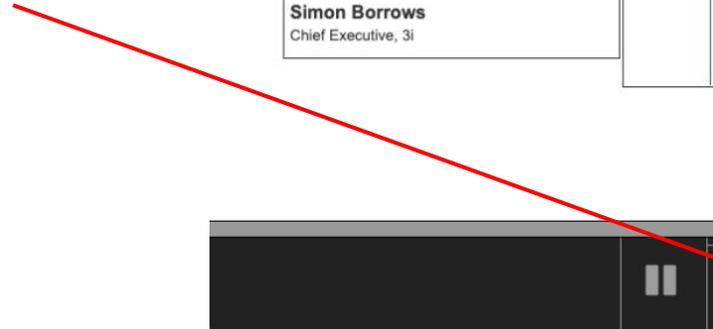


 3i Group plc
Capital Markets Seminar



The video player shows a seminar slide with the 3i logo in the top right corner. The slide title is "3i Capital Markets Seminar" and the date is "18 March 2021". Below the title, there is a large "ACTION" logo and a photograph of a pharmacy counter with a staff member and a customer. On the left side of the video player, there is a smaller video window showing a portrait of Simon Borrows, Chief Executive of 3i. The video player controls at the bottom show a play button, a "Submit Question" button (circled in red), an "Additional Info" button, and a "Take Notes" button.

Click here



Today's presenters



Sander van der Laan
Chief Executive Officer

- /// Joined in October 2015
- /// 30 years of Consumer & Retail experience
- /// Various positions at Ahold (1998 – 2015)
 - CEO Albert Heijn (2011 – 2015)
 - COO Ahold Europe
 - General Manager Albert Heijn
 - CEO Giant Food Stores (Ahold USA)
 - EVP Marketing & Merchandising Albert Heijn
 - General Manager Gall & Gall



Joost Sliepenbeek
Chief Financial Officer

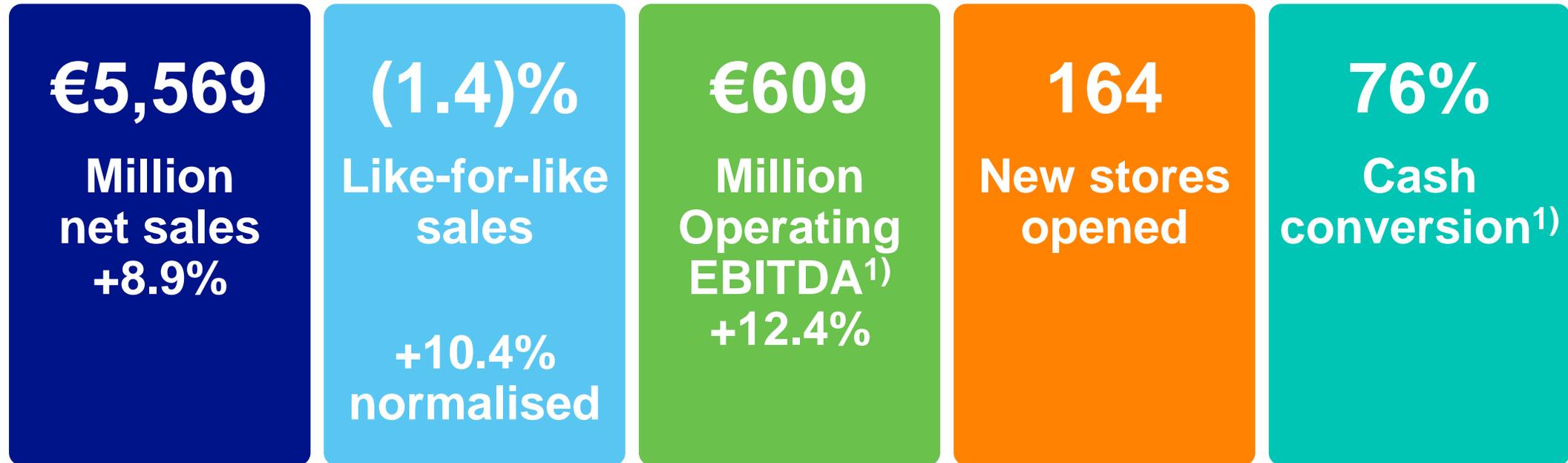
- /// Joined in November 2018
- /// 20 years of Consumer & Retail experience
- /// 33 years experience in finance, 21 years as CFO
 - CFO Vion (2015 – 2018)
 - CFO Van Ganswinkel (2013 – 2015)
 - CFO C1000 (2009 – 2012)
 - CFO HEMA (2007 – 2009)
 - CFO Albert Heijn (1999 – 2003)
 - Various positions at Ahold (1994 – 2007)

Agenda



- | | |
|--------------------------------------|----------------------------|
| 1. Introduction | Simon Borrows |
| 2. Business performance 2020 | Sander van der Laan |
| 3. Strategy update | Sander van der Laan |
| 4. Financial performance 2020 | Joost Sliepenbeek |
| 5. Trading update | Sander van der Laan |
| 6. Wrap Up | Simon Borrows |

Despite the pandemic, 2020 was another year of strong performance and continued investment for the future

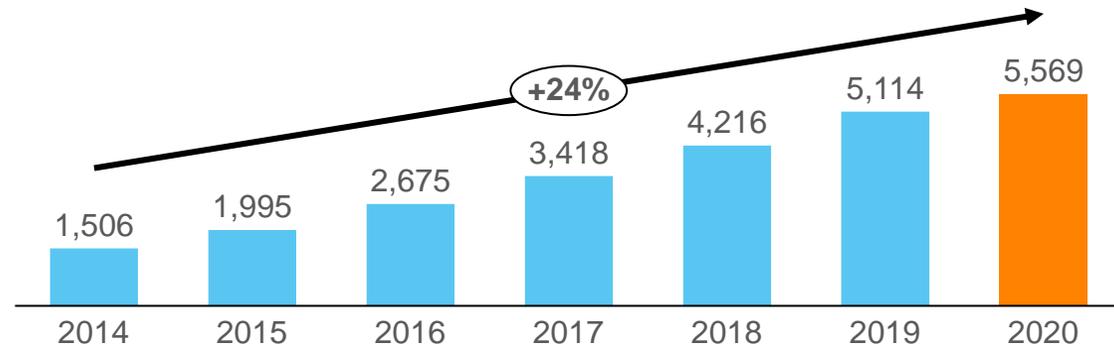


Significant growth and investment in future achieved despite disruption from the pandemic

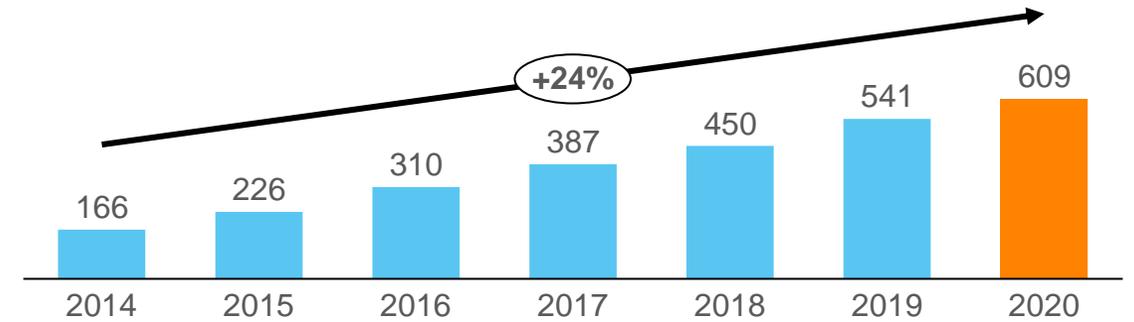
Our high growth track record continues



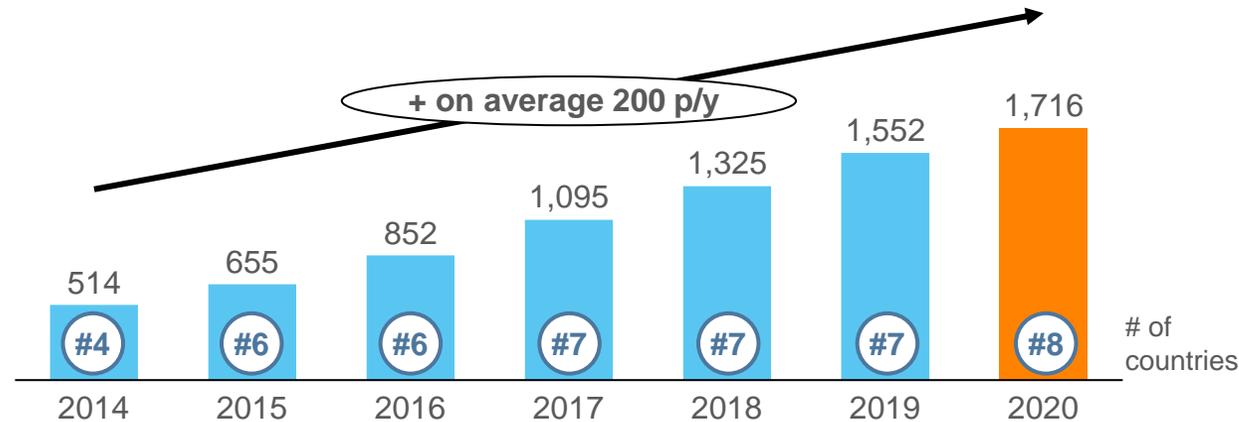
Net sales (€m)



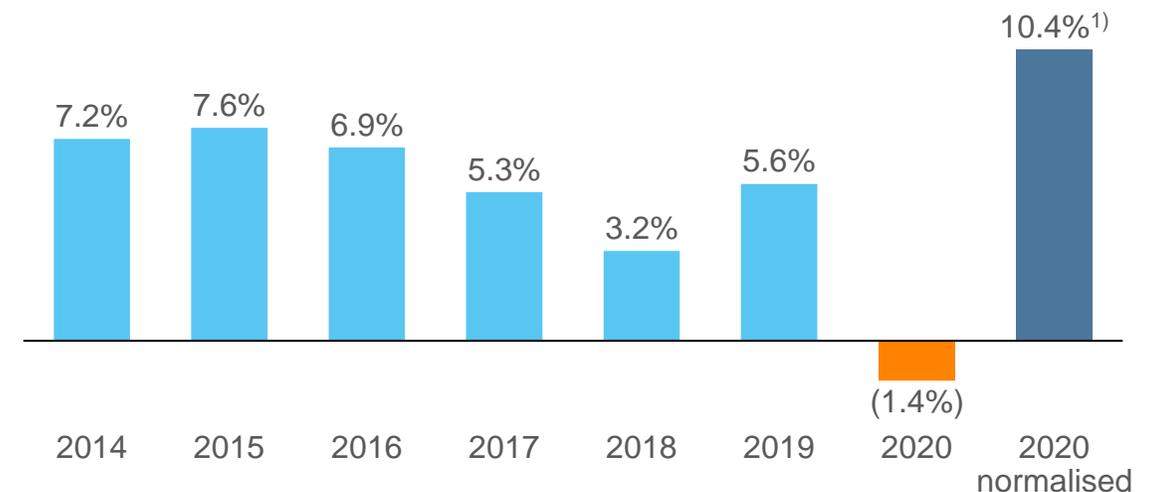
Operating EBITDA (€m)



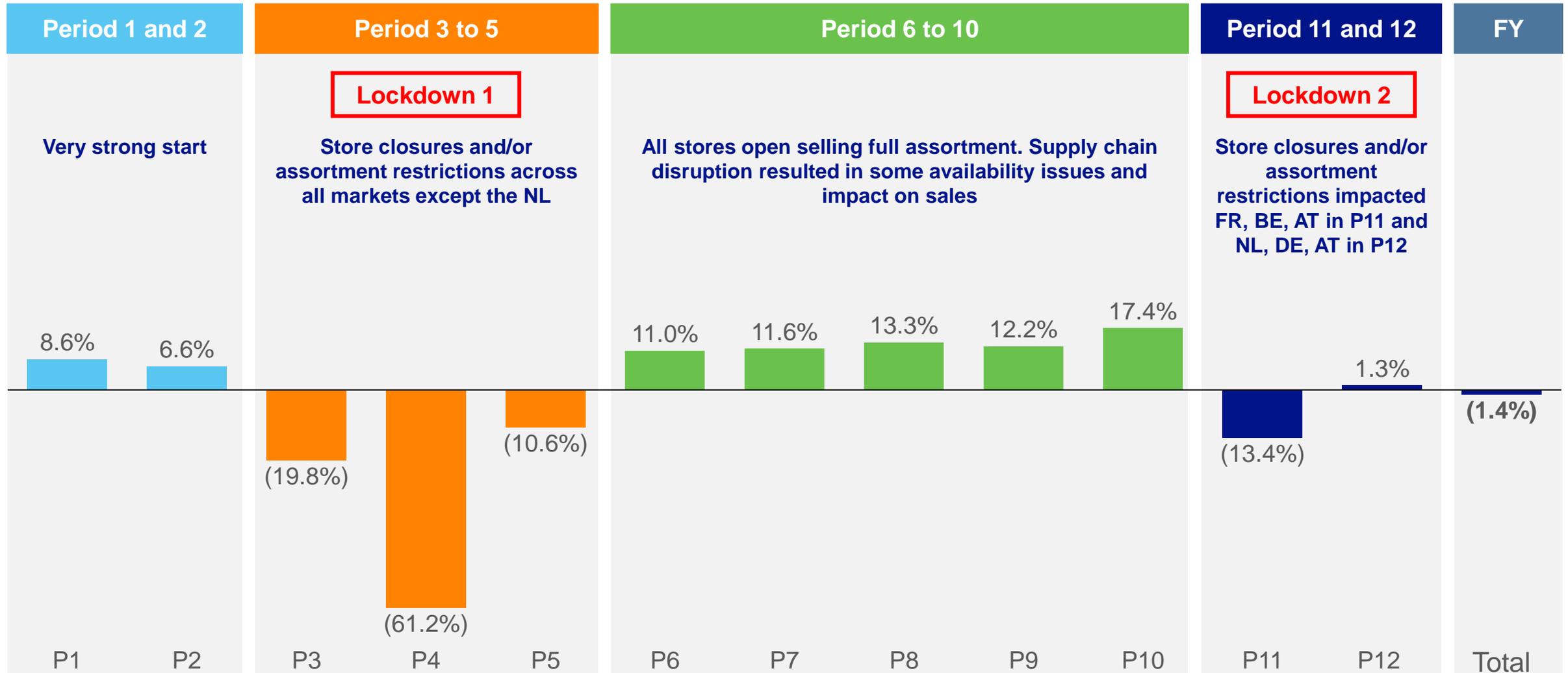
Store expansion (numbers) & # countries



LfL sales growth (%)



LfL throughout 2020 – strong underlying performance



Covid-19 dominated the year

First priority: safety of our customers and employees

/// **ACTION**

- /// Implemented door policy to control customer inflow
- /// Additional store labour and cleaning costs
- /// Strict protocols and measures in place (screens, face masks, safety vests, sprays, hand gels etc.)
- /// Working from home policy in place for all offices
- /// Only essential travel allowed



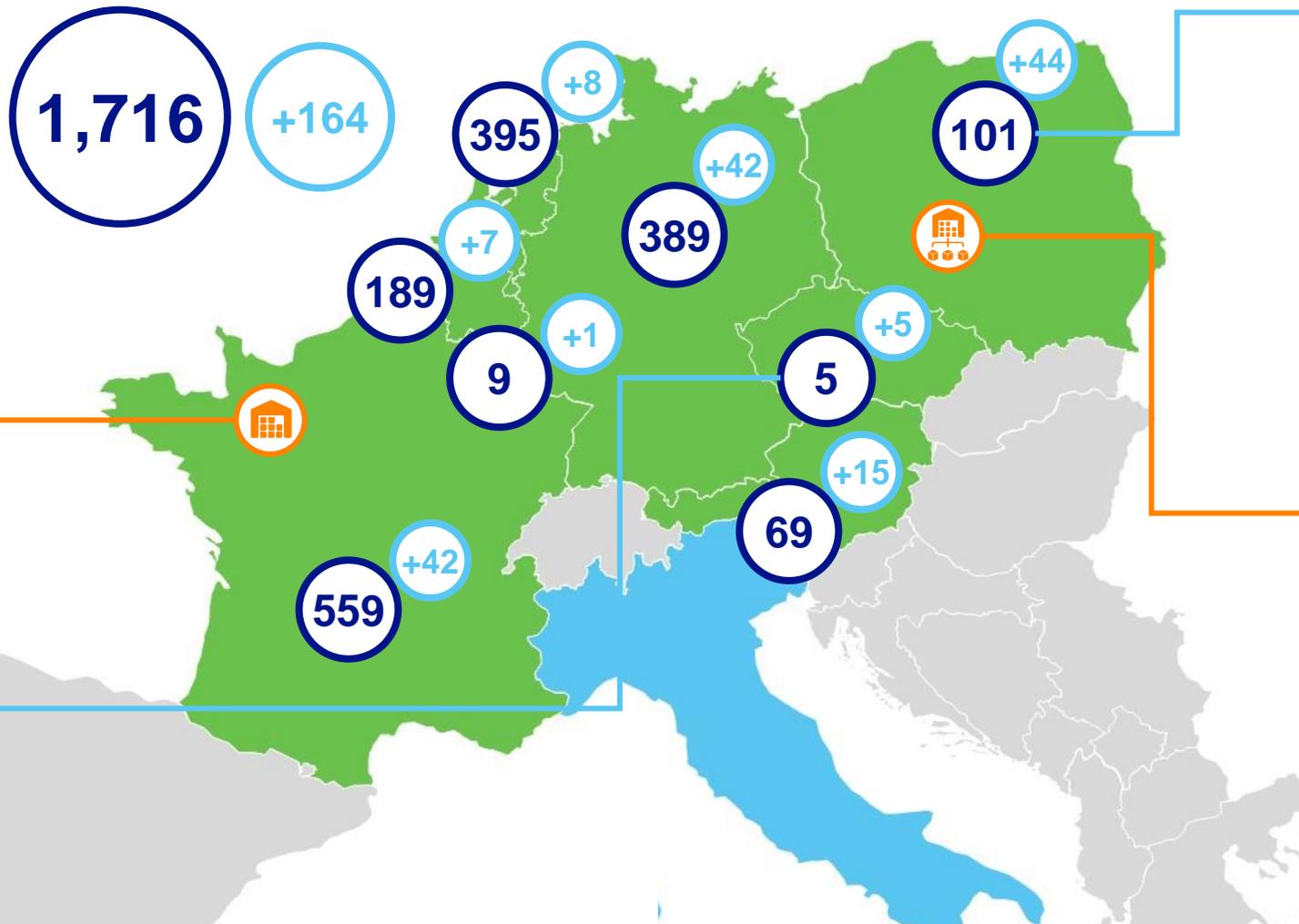
Covid-19 interrupted our operations, however business plan not at risk



- /// Scaling down supply chain temporarily interrupted service levels and product availability
- /// Store expansion and new countries slowed down in first half
- /// Strong focus on cash management
- /// Financial performance remained strong
- /// 2023 business plan not at risk



In 2020 we successfully opened 164 new stores, entered the Czech Republic and added a new DC and a new hub



Strengthened our unique customer proposition



Extra large store pilot in Paris Genevieve des Bois



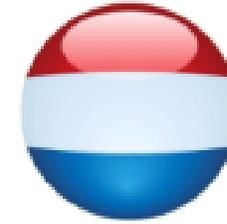
- /// Same articles, same prices and same promotions
- /// Larger floor plan of 1,600m²
- /// Top sales per week ~€400k

Self check-outs well received in NL and BE

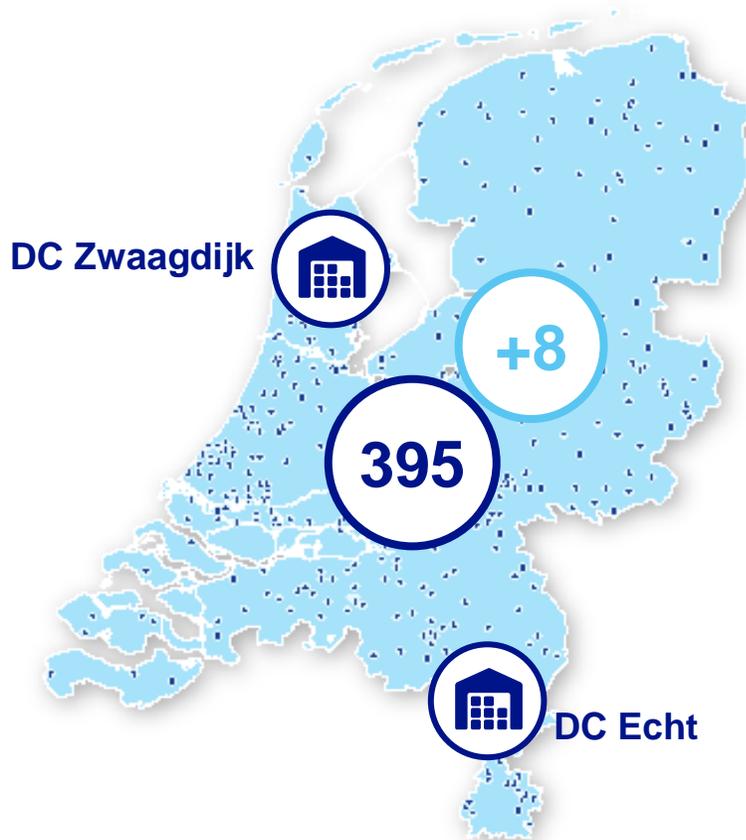


- /// ~50% of transactions shift to self check-out in first 4 weeks
- /// Further improvement in the store operating model

Very strong performance in the Netherlands



/// **ACTION**



/// Strong LfL P1-P11 of 8.4% (lockdown in second half P12)

/// Strong brand with 97% awareness and 64% penetration¹⁾

/// Upgraded store network

→ 8 new stores added

→ 28 refurbishments

→ 5 enlargements

→ 8 relocations

/// Total of 107 stores with self-check outs

Really, Action is the store that the Netherlands misses the most

Of all stores that are currently closed due to the lockdown, consumers miss Action the most. This is evident from a survey by research organisation Q&A of more than 4,500 Dutch people

Het Parool 12 February 2021, 20:35 (original in Dutch and translated in English)

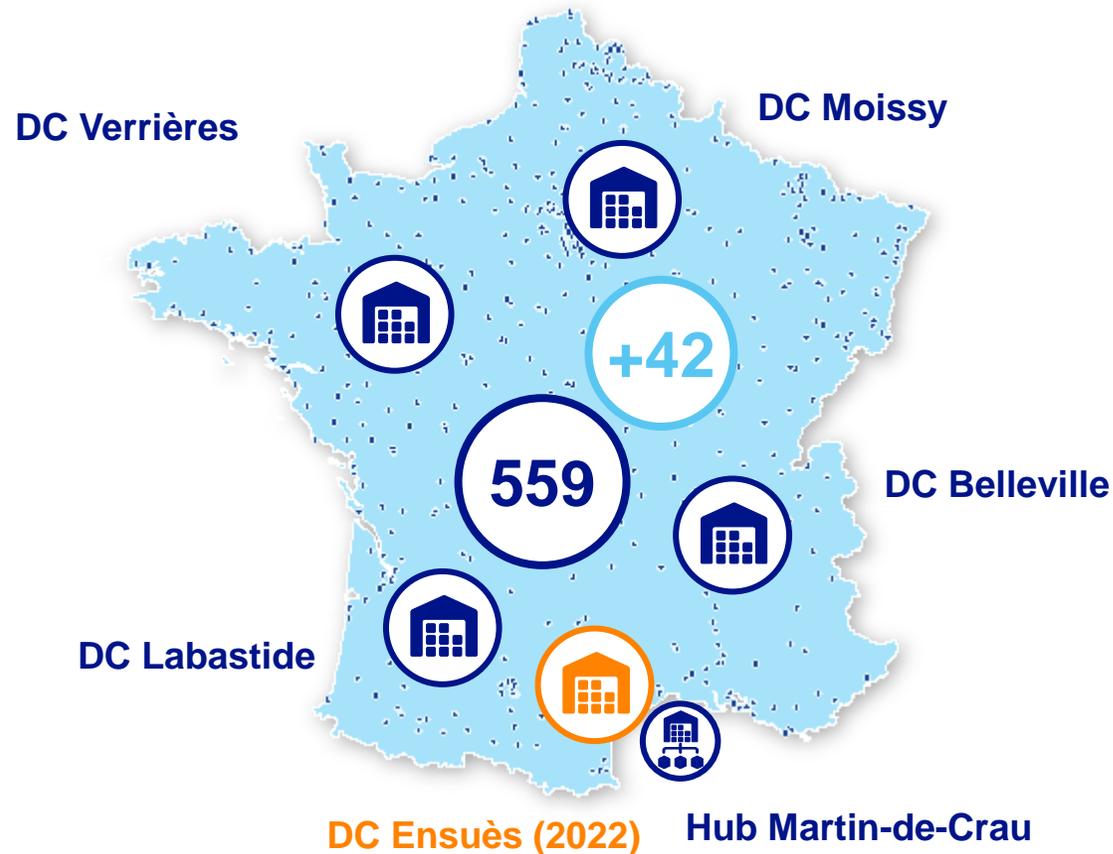
xx # of stores 2020

xx New stores opened in 2020

France is our biggest market with ample remaining growth potential



///ACTION



/// Strong LfL of 8.1% in P1-P2 and of 13.1% in P6-P10

/// #1 market in sales, store numbers and sales growth

/// ~16,500 employees and ~2.7m customers per week

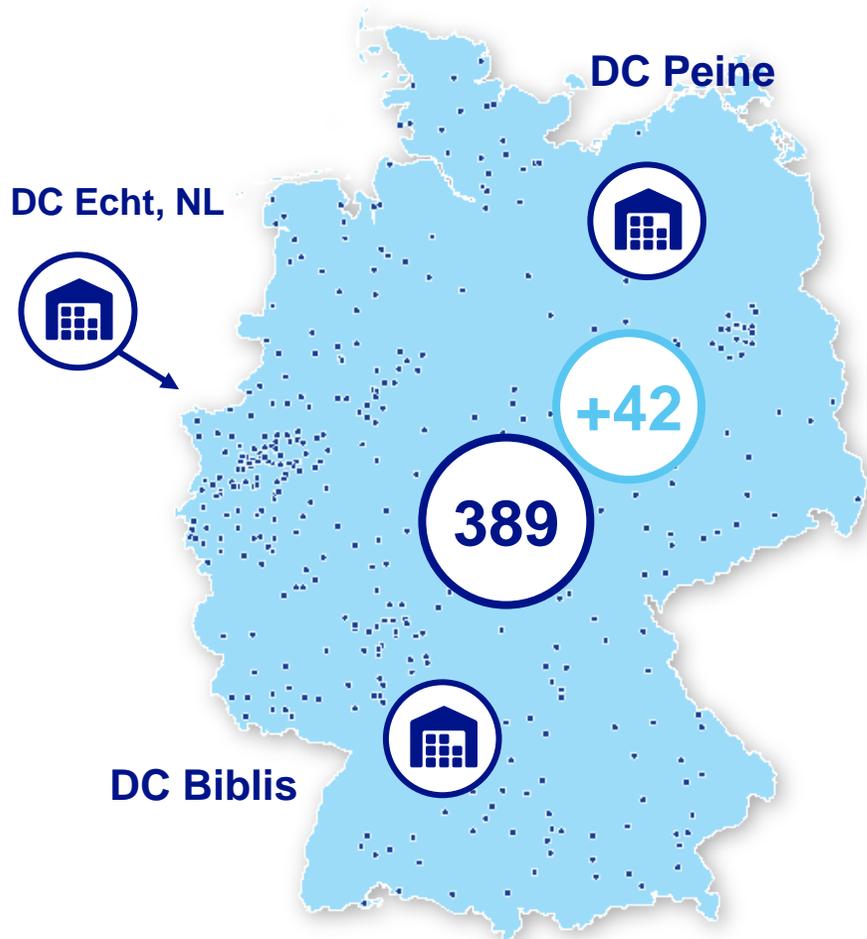
/// Total sales driven by expansion and LfL ticket size growth of 12.4%

xx # of stores 2020 **xx** New stores opened in 2020

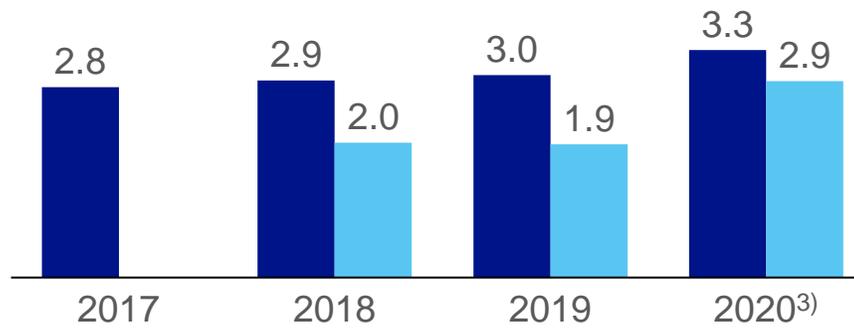
Germany has made great progress in growth and profit



///ACTION



- /// Strong P6-P10 LfL of 19.9%
- /// #3 market in sales and store numbers today
- /// 83 million inhabitants provide huge potential for continued expansion
- /// Strengthened management team
- /// Higher quality of new locations, more focus on urban centres and large cities



■ Average sales per store¹⁾
 ■ Average sales per new store²⁾

xx # of stores 2020 xx New stores opened in 2020

1) 136 stores opened <2017
 2) First FY sales of stores opened in the previous year
 3) Normalised for impact of lockdown and assortment restrictions

Promising start of click & collect



Successfully piloted  in multiple markets

/// Customer selects store and products on our website

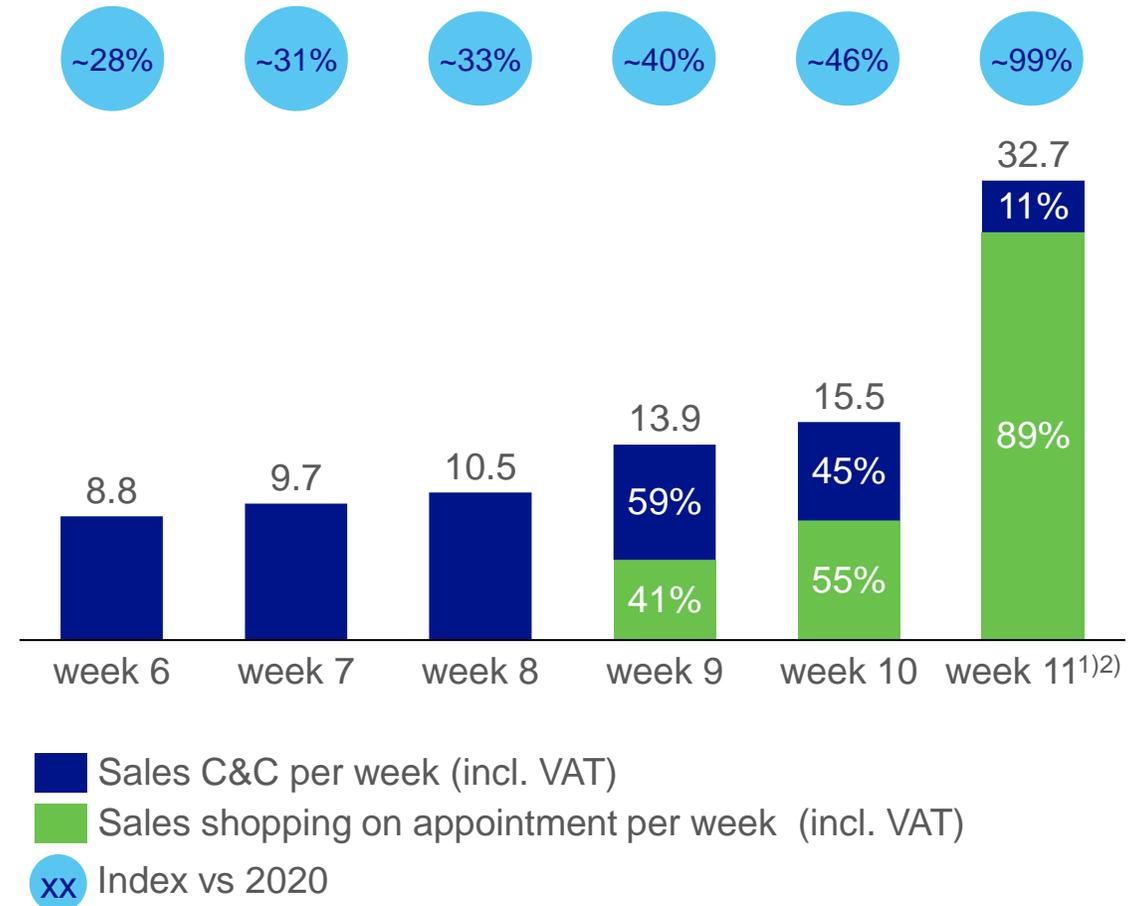
/// Chooses a pick up time-slot

/// Order picked instore by Action employee

/// Pick up from service counter or outside



Sales development in 2021, NL (€m)



1) Expected sales week 11 in line with budget 2021 and sales split based on performance 16 March 2021
 2) From 16 March: max 50 customers per 20 minute timeslot. Initially, only maximum of 8 customers per hour allowed

Other notable successes in 2020



Further strengthened our digital customer interface



Symphony - expanded functionality of planning software to improve availability



KRONOS - 100 % roll out of our workforce management system



Further development of private label portfolio



Developed a new opening marketing campaign



ESG strengthened including supporting local healthcare providers



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Sustainability is an integral part of Action's strategy



- I** Strengthen our unique customer value proposition
- II** International geographic expansion
- III** Build a simple, efficient and scalable operating model
- IV** Make sustainability accessible
- V** Organisation, people and values

Action's winning customer proposition and brand appeals **///ACTION** to everyone and is supported by a strong business model...

Brand promise – More than you expect for less than you imagine



6,000 SKUs in 14 categories

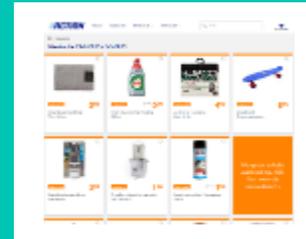


150-200 new articles per week

Surprising assortment



Every day the lowest price



Weekly promotions



Easy shopping



Quality and Action Social Responsibility ('ASR')

Non food discounter
Simple – Efficient – Cost conscious

...with a sustainable advantage and best-in-class unit economics



Action continues to reinvest in the customer value proposition through even lower prices, quality and continuous surprise

Customer value proposition

Action's increasing scale enhances profitability and builds a competitive advantage through sheer size, purchasing power and scale efficiencies

Store roll-out & growth



Competitive advantage

Action's attractive customer value proposition led by low prices, quality and surprise drives top line growth

Unbeatable financial model

Action's operating model delivers exceptionally compelling economics and cash generation to support store expansion

Strengthen our unique customer value proposition

As a non-food discounter Action offers a surprising range of c. 6,000 SKUs across 14 categories



Number of SKUs per category ranges between ~100 and ~900

	Sport		Personal care		Garden & outdoor
	Decoration		DIY		Pets
	Laundry & cleaning		Toys & entertainment		Multimedia
	Stationery & hobby		Linen		Clothing
	Household		Food & drink		

Product innovation and quality demonstrated by numerous awards

	Spectrum zijdeglans houtlak 750 ml wit	Superfinn ontvetter 750 ml	Palazzo koffiepads Regular 36 stuks
	6⁹⁹ €9,32/l	1³⁹ €1,85/l	1⁸⁹ €7,56/kg
	Spargo vochtige huishouddoekjes 80 stuks	Teddy Care babydoekjes 90 stuks	Freija Deluxe kattenbrokken 750 gram zalm en rijst
	0⁹⁹	0⁹⁹	1⁶⁹ €2,25/kg

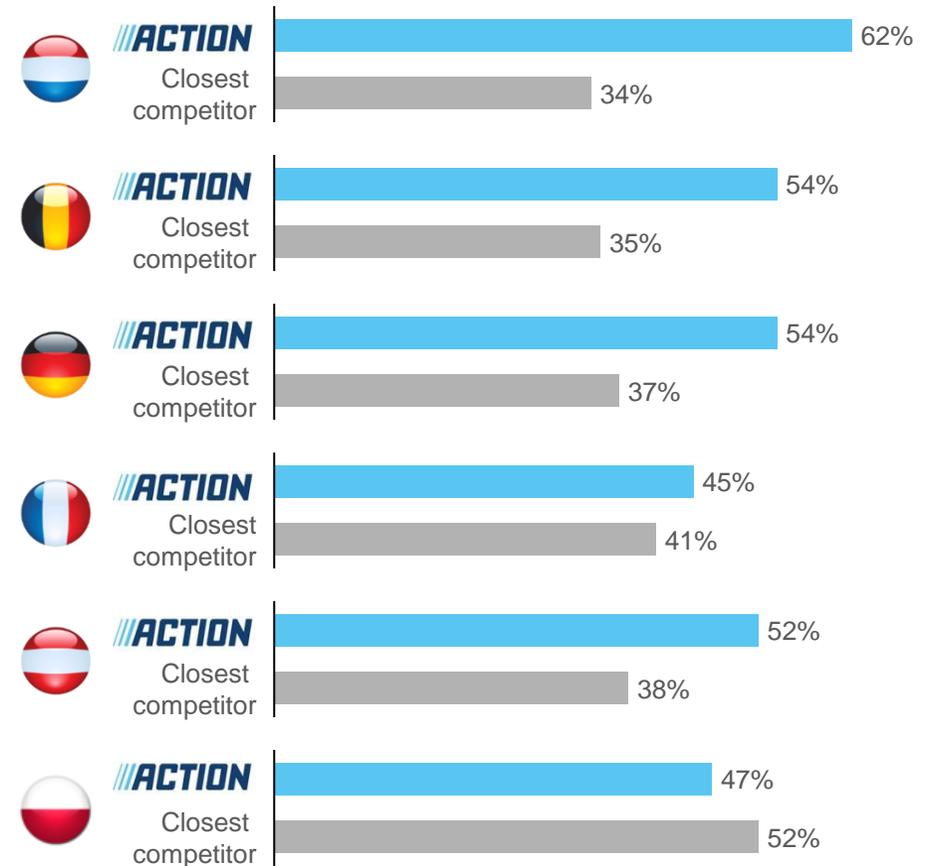
With a surprising assortment we are able to quickly meet changing customer demand



Action offers 150-200 new articles per week



Does Action have a surprising assortment?



Unbeatable prices are the core element of our customer proposition



Product types

A-brands



€1.75



€1.49



€1.79

Supplier brands



€2.59



€4.99



€3.99

Private labels



€10.99

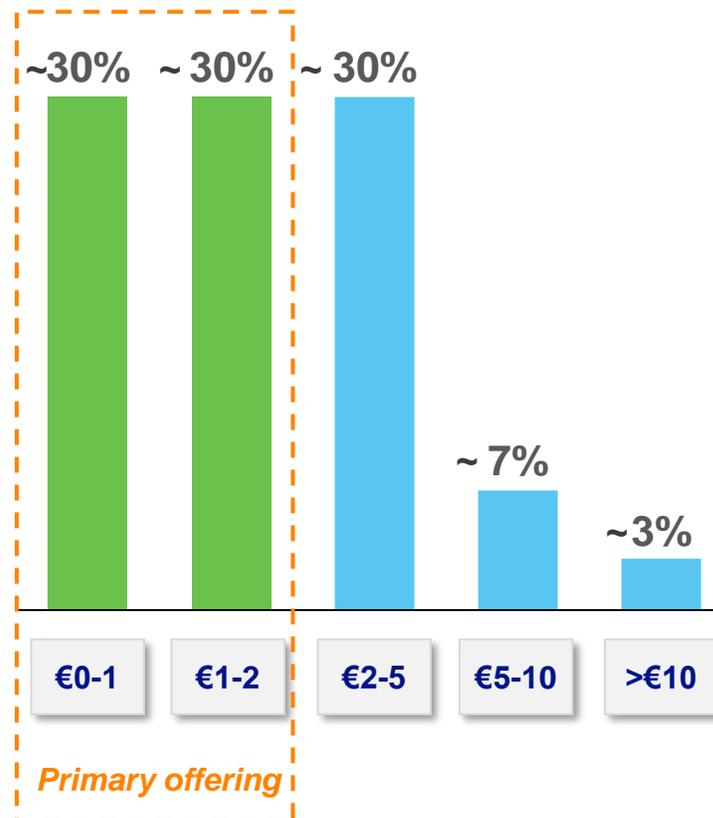


€14.79

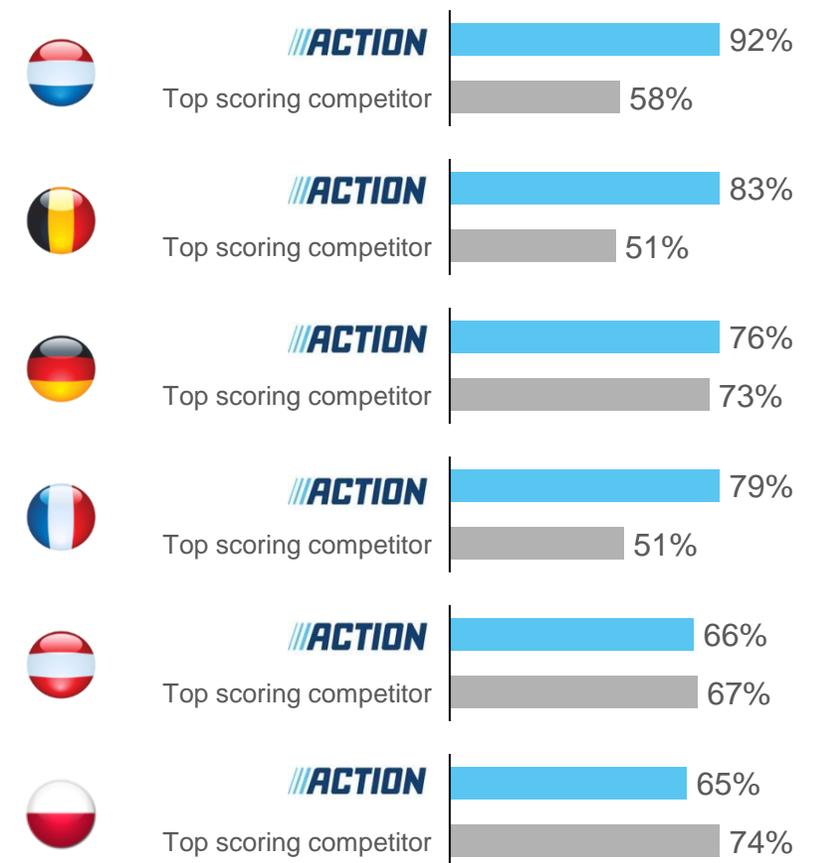


€1.89

60% of SKUs below €2



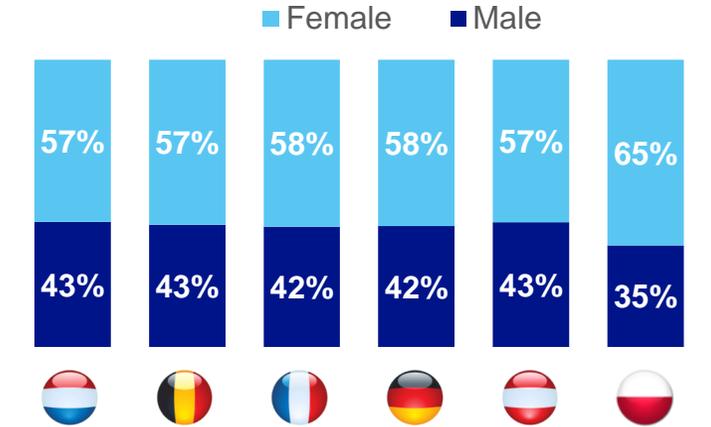
Known for low prices¹⁾



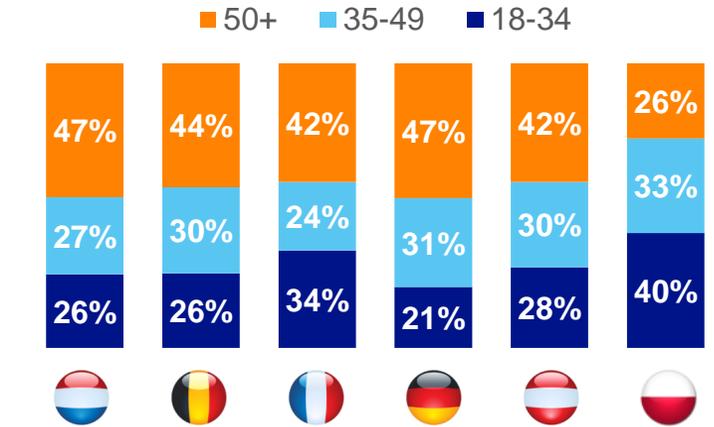
Action brand and format appeals to everyone



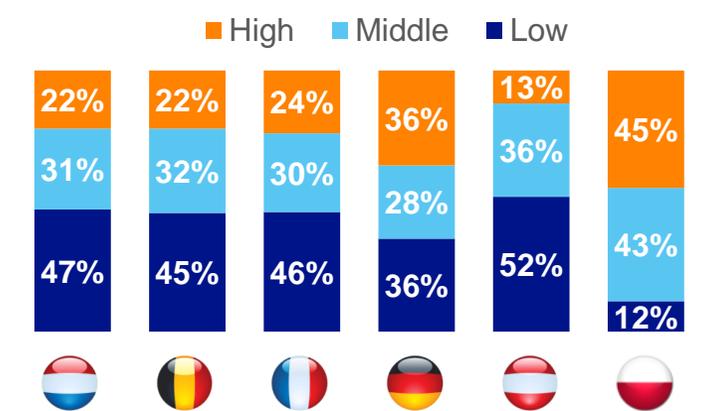
Gender



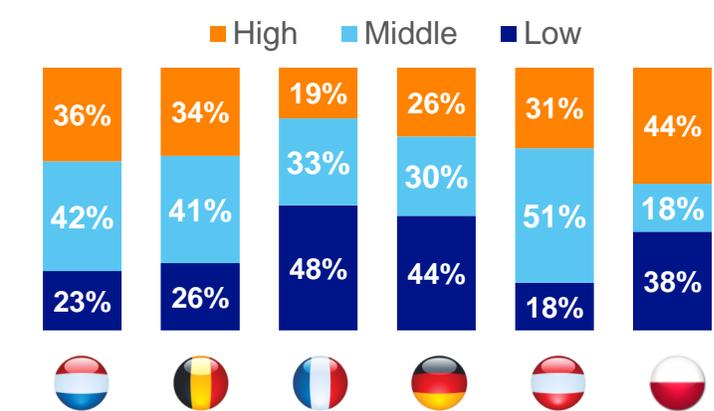
Age



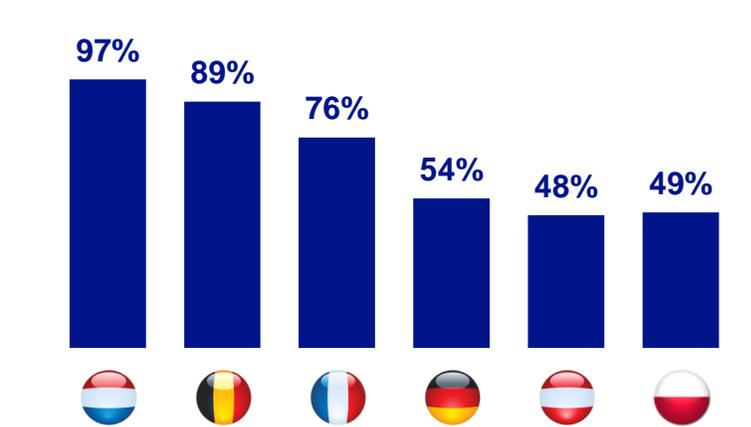
Income



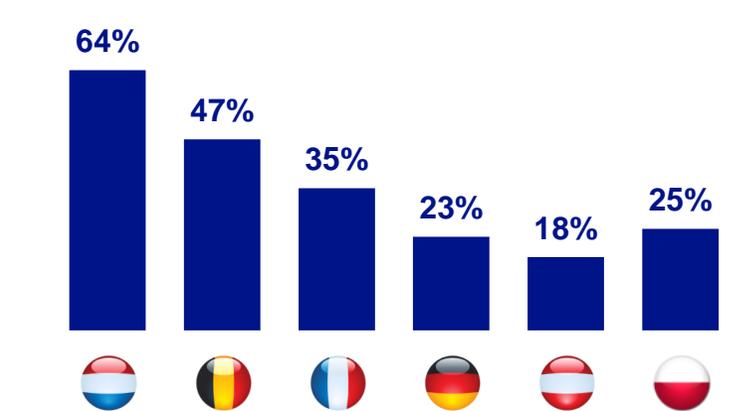
Education



Brand awareness¹⁾



Penetration¹⁾²⁾



1) For DE, AT, PL the % only applies within catchment area and not national
 2) % clients that purchased one or more products at Action in the previous six months

...which generates high sales volumes and density



Examples of high volume items

Variety of face masks
(1 – 50 pieces)

Price (NL) **€1.29 – €4.95**



Volume 2020 **~76.3m**

Aluminium foil

€0.99



>6.3m

Kitchen paper

Price (NL) **€1.68**



Volume 2020 **>7.9m**

Disposable gloves

€0.99



>1.5m

Average sales density (sales / m²) vs. competitors¹⁾²⁾



ACTION

Avg. competitors

2.8x



ACTION

Avg. competitors

2.7x



ACTION

Avg. competitors

2.6x



ACTION

Avg. competitors

3.7x

1) Action floor productivity based on a 'mature' set of stores opened before 2017

2) Competitors' floor productivity based on 2018 public figures combined with total sales surface area figures from Locatus (NL, BE) and Euromonitor/IGD (FR, DE). Competitor floor productivity on 'mature' store set was not possible

Further strengthening of multiple digital customer touchpoints



Social media followers

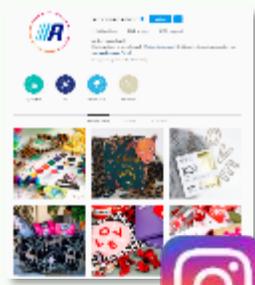
+21%¹⁾

2.3m
Facebook fans




+50%¹⁾

1.8m
Instagram followers




Emails and website

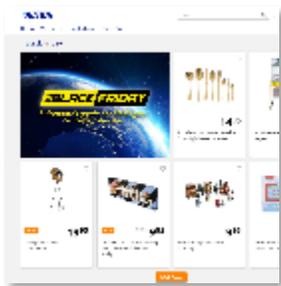
+19%¹⁾

5m
email subscrib.

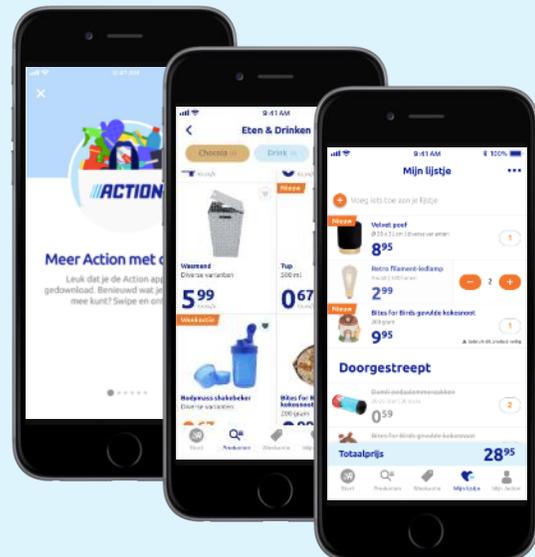



+38%¹⁾

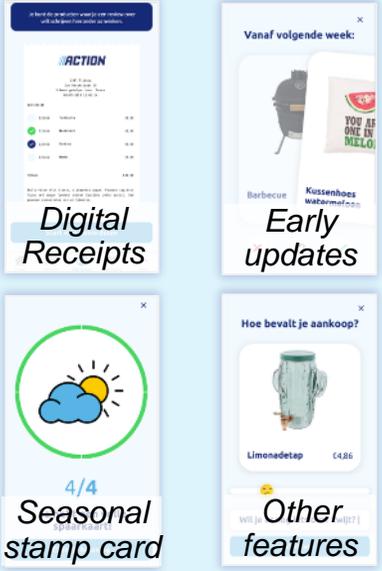
272m
web sessions



Launch App first in NL... ...and launch loyalty programme later



*Supports in-store experience
(e.g. product catalogue & shopping list)*



*Drive customers to store with loyalty-based engagement
(e.g. stamp card, digital receipts)*

Make sustainability accessible

During the pandemic we have been able to support our customers with much needed essentials

///ACTION

Nous sommes tous solidaires pour garantir la sécurité de nos magasins

Nous vous remercions pour votre compréhension et votre confiance. À l'heure actuelle, l'hygiène est très importante pour votre santé personnelle et celle des personnes qui vous entourent. Chaque jour, nous mettons à votre disposition un large assortiment de produits d'hygiène et de nettoyage. Pour vous, nos employés travaillent d'arrache-pied pour rendre nos magasins aussi agréables que possible. Nous en sommes fiers. Leur sécurité et la vôtre sont une priorité. Nous adhérons aux directives et sommes ravis de la participation et de la confiance de tous. Par ailleurs, nous mettons à votre disposition une gamme de produits quotidiens essentiels pendant cette période difficile à venir. Bien entendu, pour les mêmes prix avantageux que nos magasins vous offrent habituellement.

750 ml
249
3,32 / l

savon pour les mains antibactérien Sanicur

masques
à usage unique
CE et EN14683, 3 plis
lot de 10
299

visière
contient 4 visières
et 2 arceaux ajustable
6 pièces
599

nettoie-Tout Dettol
complete clean
1 litre
187
1,87 / l

lingettes hygiéniques Blue Wonder
action de désinfection
lot de 80
199

mouchoirs doux Pure Soft
4 plis
lot de 10
079

thermomètre Medisana
numérique
149

essuie-tout XL
extra résistant et ultra absorbant
100 feuilles, 3 plis
178

gel désinfectant pour mains
sèche très rapidement
contient 70 % d'alcool
250 ml
295
1,180 / l

savon pour les mains ocean
1 litre
099
0,99 / l

gel pour les mains Sanicur
500 ml
279
5,58 / l

Example of an Action ad in national newspapers in NL, BE and DE in 2020

Action is already delivering on its ASR strategy



Progress made in plastics



Outdoor planting plastic accessories with recycled plastic saving 1,900 tonnes of virgin plastic



Replaced single use plastics

Sustainable cotton



Action's sustainable cotton confirmed at **76%** for 2020



HOTEL ROYAL
Private Label



ZIKI
Private Label

Sustainable timber



Action's sustainable timber confirmed at **60%** for 2020



MINI MATTERS
Private Label



OFFICE
ESSENTIALS
Private Label

Our sustainability strategy focuses on four UN sustainable development goals

///ACTION



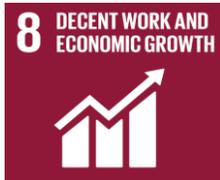
..... Product pillar of our ASR strategy

- Safety** We ensure all our products are safe and responsibly sourced
- Social compliance** We strive for 100% supply chain transparency
- Product & manufacturing** We strive to minimise our impact through manufacturing and raw material use
- Packaging** We aim to optimise our approach to packaging waste reduction



... Environmental pillar of our ASR strategy ...

- Waste management** We commit to mitigating our waste to minimise our footprint
- Environmental footprint** We commit to reducing our environmental footprint throughout our operations
- Energy & emissions** We commit to reducing our energy usage and emissions



..... People pillar of our ASR strategy

- Health & safety** We prioritise the safety and well-being of our employees
- Diversity** We embrace diversity and we make sure everyone is included
- Culture** We protect and embed our business culture whilst embracing cultural expansion
- Development** We encourage and support development opportunities throughout the business



... Good citizenship pillar of our ASR strategy ...

- Charity** We support charitable organisations financially and through strategic partnerships
- Country specific initiatives** We empower our country offices to support local priority causes
- Stores** Our stores consider and improve their surrounding areas
- Distribution centres** Our distribution centres consider and improve their surrounding areas

Product – achieve 100% supply chain transparency



Safety

We ensure all our products are safe and responsibly sourced

- /// Technical file transparency/compliance for full assortment by end 2025 (Product IP)



Social compliance

We strive for 100% supply chain transparency

- /// 100% transparency of entire assortment by end 2025¹⁾
- /// Full visibility already in place for direct import



Product & manufacturing

We strive to minimise our impact through manufacturing and raw material use

- /// Commit to 100% sustainable timber & cotton by 2025
- /// Deliver category specific Circularity plans for entire business by the end of 2022



Packaging

We aim to optimise our approach to packaging waste reduction

- /// Publish Packaging policy and best practice guidelines to total supply base
- /// Deliver 100% recyclable packaging for entire assortment by end 2025¹⁾



Environment - minimise our environmental impact across the supply chain



Waste management

We commit to mitigating our waste to minimise our footprint

- /// Plastic stretch wrap usage on containers reduced by 30%
- /// Ban on use and sale of single use plastics and disposables replaced by bamboo, cardboard, paper/wooden alternatives



Environmental footprint

We commit to reducing our environmental footprint throughout our operations

- /// All new DCs rated in the top category by BREEAM or equivalent standards



Energy & emissions

We commit to reducing our energy usage and emissions

- /// Reduce energy usage per m2 within our buildings by 15% by end of 2024
- /// Ensure 50% of our total energy used is renewable by 2025
- /// Achieve zero gas stores
- /// Actively contribute to reduction of carbon emissions of third-party operated transport
- /// Reduce carbon emissions of vehicles (e.g. with alternative fuels for Action fleet)



International geographic expansion

New store roll-out is the engine behind Action's growth story



The reason is simple...

One single and successful format

Proven to travel across borders

First class store opening teams & processes

Massive white space opportunity

... and the economics are extremely attractive

1

1 year average historical payback on new store CAPEX

2

All stores opened before 2020 are profitable⁽¹⁾

3

Store expansion self-funding

4

Increasing operating leverage through size and scale

Principle of one format across all countries remains unchanged

///ACTION

1

brand

- /// Action name resonates in all languages
- /// Marketing and packaging is consistent and standardised across all countries

International expansion of the brand is seamless

1

store format

- /// All stores look the same
- /// Stores between 700 to 1,100m²
- /// Over 90% of assortment is the same across all stores and countries

Focus on simplicity enables rapid new store roll-out

1

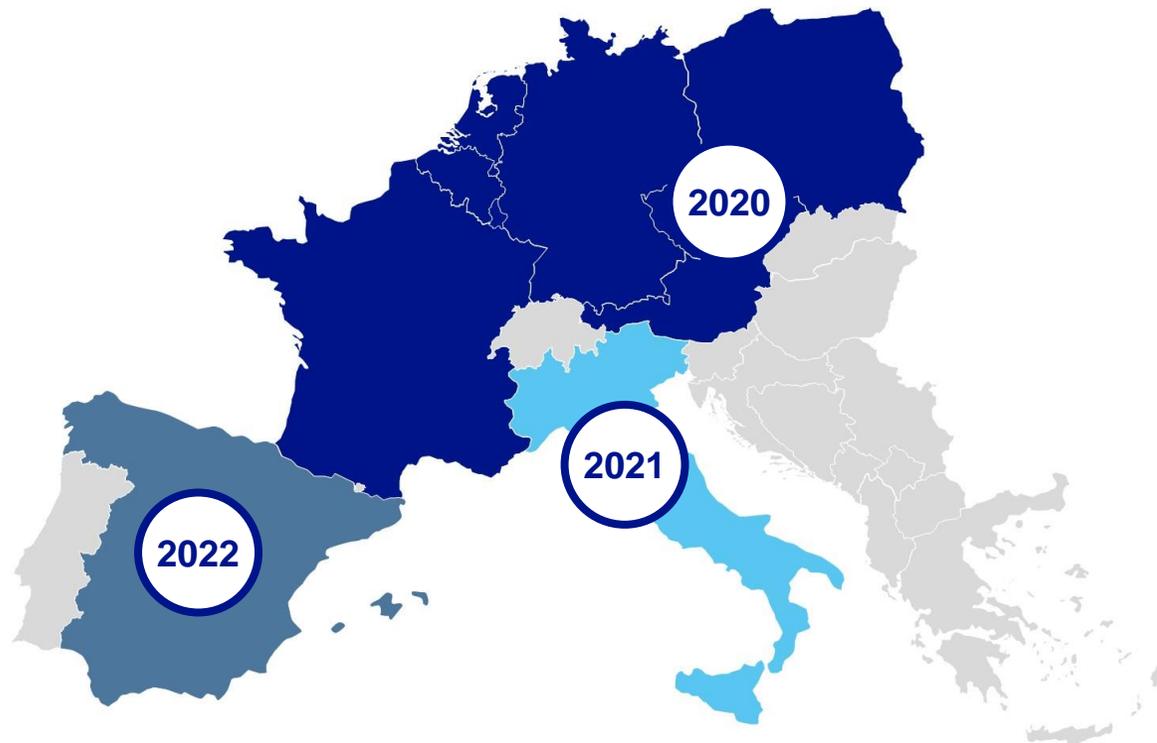
store operating model

- /// Same policies
- /// Same ordering systems
- /// Same processes
- /// Same employee training
- /// Same management structure

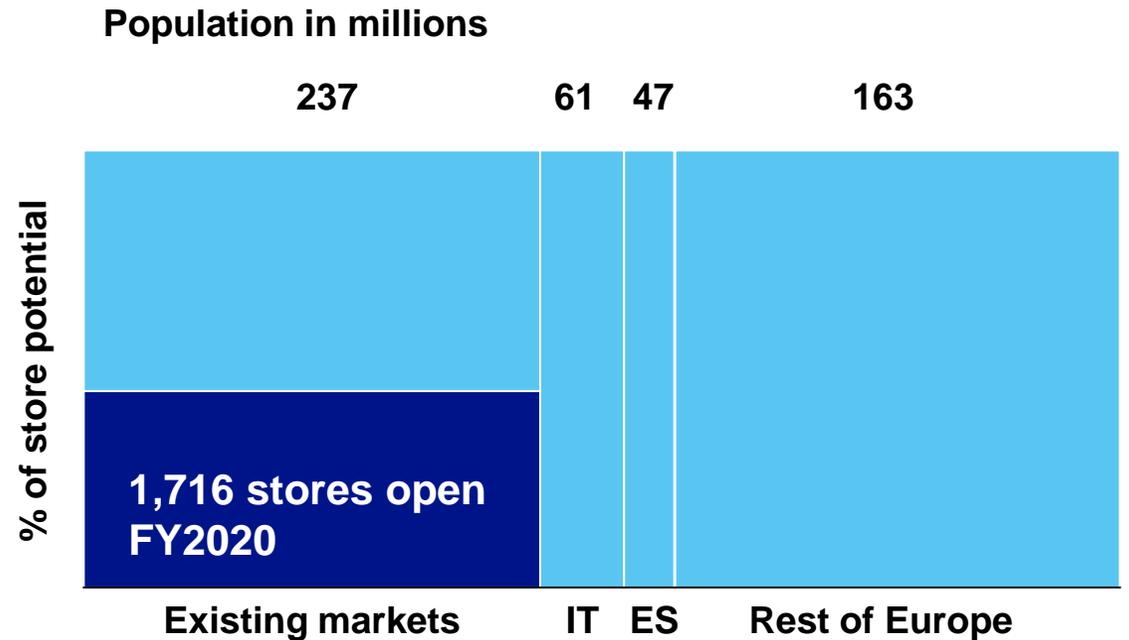
Same proven formula applied to every new store

A simple, repeatable and scalable business model

Continued rapid store roll-out in current markets and entry in new markets



Rapid expansion in FR, DE, PL, AT and CZ

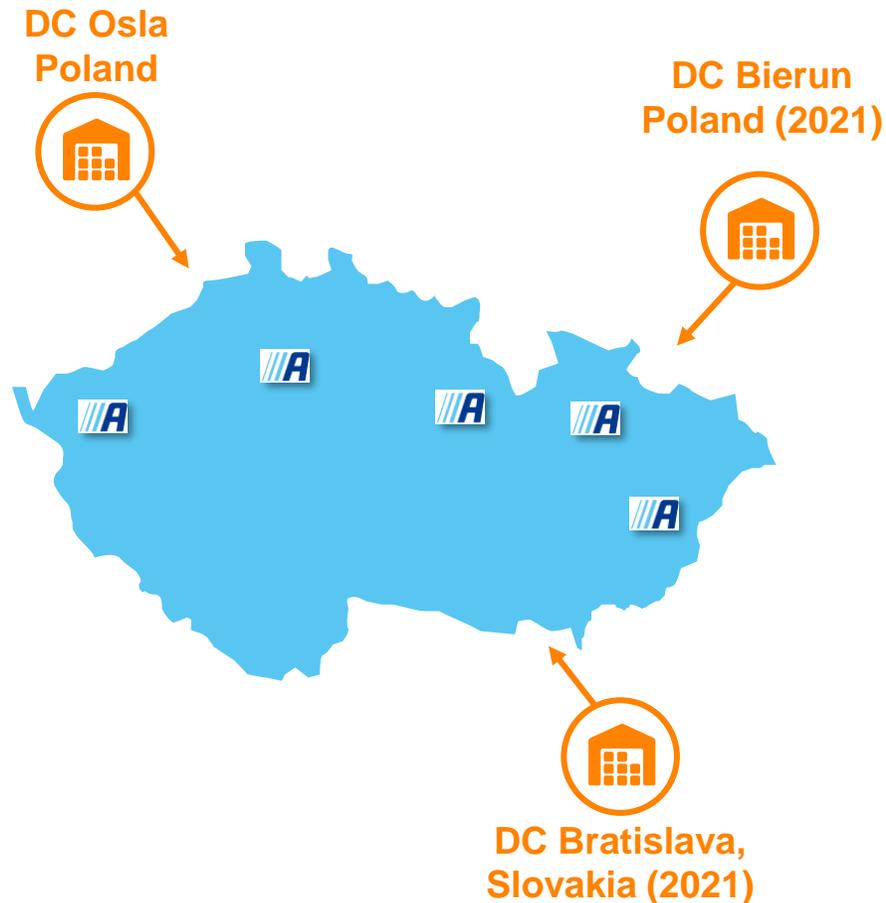


Conservative estimate of white space potential in new and existing markets (in scope) is ~4,800 stores

Czech Republic – roll-out after successful pilot



///ACTION



- /// Strong start of our 5 pilots stores
- /// Sales growth Czech Republic on average ~30% better than in Poland¹⁾
- /// Population of 11 million allows for at least 150 stores
- /// Expect to open at least 12 new stores in 2021
- /// No additional supply chain CAPEX



1) Based on performance 2020 in weeks since start of pilot in Q3 2020 without restrictions

Opening 5-7 pilot stores in North of Italy in 2021



ACTION



DC Belleville, France



**Lombardy
(3 stores)**

**Piedmont
(4 stores)**

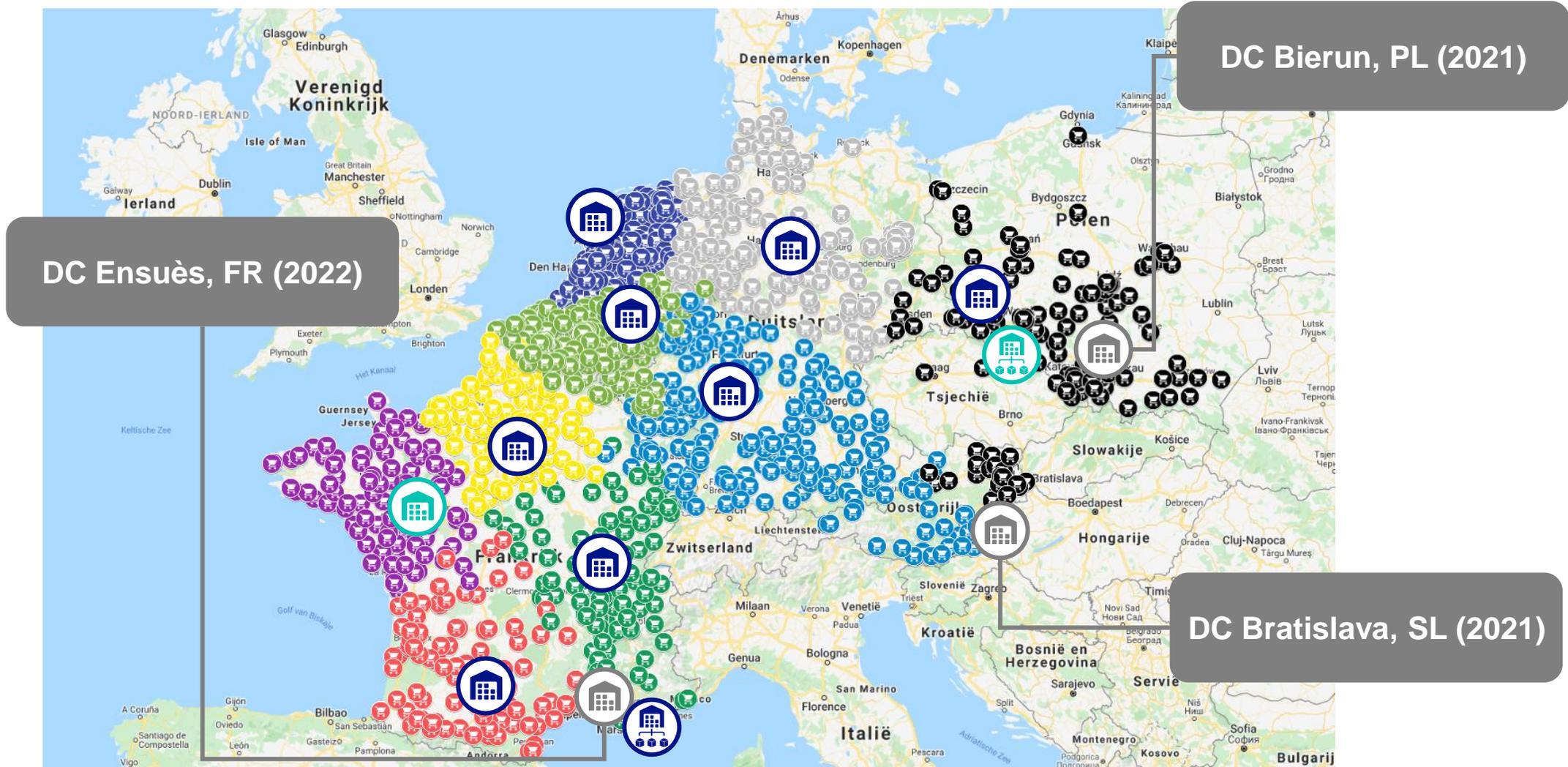
**First store Vanzaghello
under construction**



- /// First store planned in Vanzaghello in Q2
- /// Population of 60 million, initial focus on North of Italy with 28 million people
- /// Start up delivered from France, first DC location identified
- /// Local management team in place, GM hired
- /// Store teams recruited and currently in training

A simple, efficient, responsible and scalable operating model

Action continues to grow its DC network to enable its store expansion



Development of Hubs to improve availability and reduce inventory levels across the chain

///ACTION

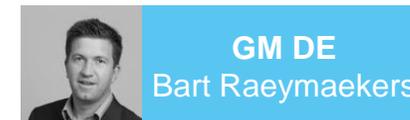


- /// A hub enables direct sourcing of containers from Far East
- /// Hubs receive and palletise inventory and supply DCs
- /// Benefits: improve availability and lower inventory levels
- /// Hub I is a multi-site location and Hub II is a stand-alone location both operated by our logistical service provider Katoen Natie
- /// Direct sourcing expected to increase from ~13% of sales in 2020 to at least 20% in 3-4 years



Organisation, people & values

Further strengthened our management team to support our ambitions



Roll-out of values across the organisation ensures we preserve our Action DNA

/// **ACTION**

/// **BE ACTIONABLE**

we can count on each other



our values

1. customer focus
2. teamwork
3. simplicity
4. discipline
5. cost consciousness
6. respect

/// **BE ACTIONABLE**

our goal is their smile



customer focus

1 customer focus

"every customer deserves big smiles and small prices"

At Action, the customer comes first in everything we do. We provide a meaningful assortment of good quality products at the best possible price. We have the perspective and interest of the customer in mind to bring you value as possible to ensure customer's voluntary benefit from even better prices. We treat our customers with the utmost respect.

Customer focus should guide everyone within Action, not just in the stores, but also in all other parts of the organisation, where customer focus is found by respecting the stores, also here we keep things simple: our primary focus is to help and facilitate the stores.

/// **BE ACTIONABLE**

on time for sure



discipline

4 discipline

"keep your promises"

Discipline is a core element of Action values. Being disciplined is respectful towards others when we are on time and prepared for meetings and this also enhances teamwork. We are cost conscious and keep things simple when we think to the value and future for a predictable reason. And most importantly, keeping the promises of the customer to which everything we do is the best use of Action's Action Discipline.

As leaders, we are also expected to be disciplined when it comes to our own promises. We do not give ourselves privileges that we do not give to others and we are all of them held accountable of our own. We identify and immediately correct the mistakes we make. Discipline is a value we by nature embrace in our daily life. It is a responsibility, a commitment, an undisciplined behaviour makes us instinctively feel uncomfortable and creates an urgent need for justification.

/// **BE ACTIONABLE**

I can't but we can



teamwork

2 teamwork

"don't ask what we can do for you, ask what you can do for us"

We generally believe that teamwork provides the best results. The notion of teamwork is widely based on the intention to work together and working together implies a relationship. A relationship requires an all give and take (we are not only taking). Within Action, we offer to help each other and only consider our own interests, because we know that together we achieve more. As a team, we share knowledge and learn common goals. We believe in our ideas. We share resources and support each other team members. Issues within the team are addressed immediately by transparent and respectful ways.

Within Action, we function operates in isolation. Teamwork therefore goes well beyond our "local" functional view - demonstrating teamwork across functions as a daily basis.

/// **BE ACTIONABLE**

not wasting money is the best way to save money



cost consciousness

5 cost consciousness

"every cent counts"

This value is the cornerstone of Action's business model. Cost consciousness is not about not spending money. It is about spending money efficiently, in the interest of Action's customers. We consider a cost an investment that should generate an acceptable return. Applying this value requires leadership and making choices to also avoid being pessimistic and avoid health. And even more importantly, this is the way that guides us in making better. At Action, the interest of the customer comes first, not our own individual interest. This means that we apply an "ethic right" in everything we do.

Demotivating cost consciousness is allowing wastefulness for the agent and further reduce their specific financial impact of this value. If we start becoming careless about given moral costs because "It does not really matter", we sometimes provide the evidence that we are no longer cost conscious and that we have essentially lost this value.

/// **BE ACTIONABLE**

simplicity always fits



simplicity

3 simplicity

"K.I.S.S. - Keep It Simple, Stupid"

In a rapidly growing organization being simple, one of Action's key traditional strengths, is a big risk. As they grow, many large organizations tend to become political, complex and bureaucratic and to lose the ability they once had. Maintaining simplicity as the value does not mean eliminating everything in the lack of structure. Quite the contrary: the way of working to bring parts of all business functions clear structure and control to help us make and keep things simple.

In reality, simplicity is all about streamlining behaviors, making choices and empowering good working values.

/// **BE ACTIONABLE**

everybody likes a little compliment



respect

6 respect

"I treat others like I want to be treated myself"

Respect is what we see each other as human beings. At Action, we are very clear about the importance of this value when it comes to customers and colleagues. In a working environment, respect combines especially well with other values and contributes to a positive atmosphere of listening and understanding. This also means clearly acknowledging others when they are to avoid unnecessary surprises at later stages. Providing feedback is essential and at Action we encourage a culture in which giving and receiving constructive feedback is always considered to be a sign of respect.

Listening and acknowledging the opinion and contributions of others also is a crucial element of respectful behavior, especially when interacting with people from different cultures and backgrounds.

/// **BE ACTIONABLE**

Agenda



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Our repeatable financial model remains unchanged



1

Clear value drivers

- New store roll-out and country expansion
- LfL sales growth
- EBITDA margin

2

Superior store economics

- Low SKU count
- Consistent gross margin across categories
- All LfL stores profitable
- High sales density

3

Excellent cash generation

- Low capital intensity
- Negative working capital
- Fast payback

4

Strong economic model

- Proven
- Consistent
- Predictable
- Robust

Delivered with discipline and tight control

2020 performance explained

Action's repeatable financial model

- LfL growth
- Store expansion
- Operating leverage
- EBITDA margin
- CAPEX
- Cash conversion



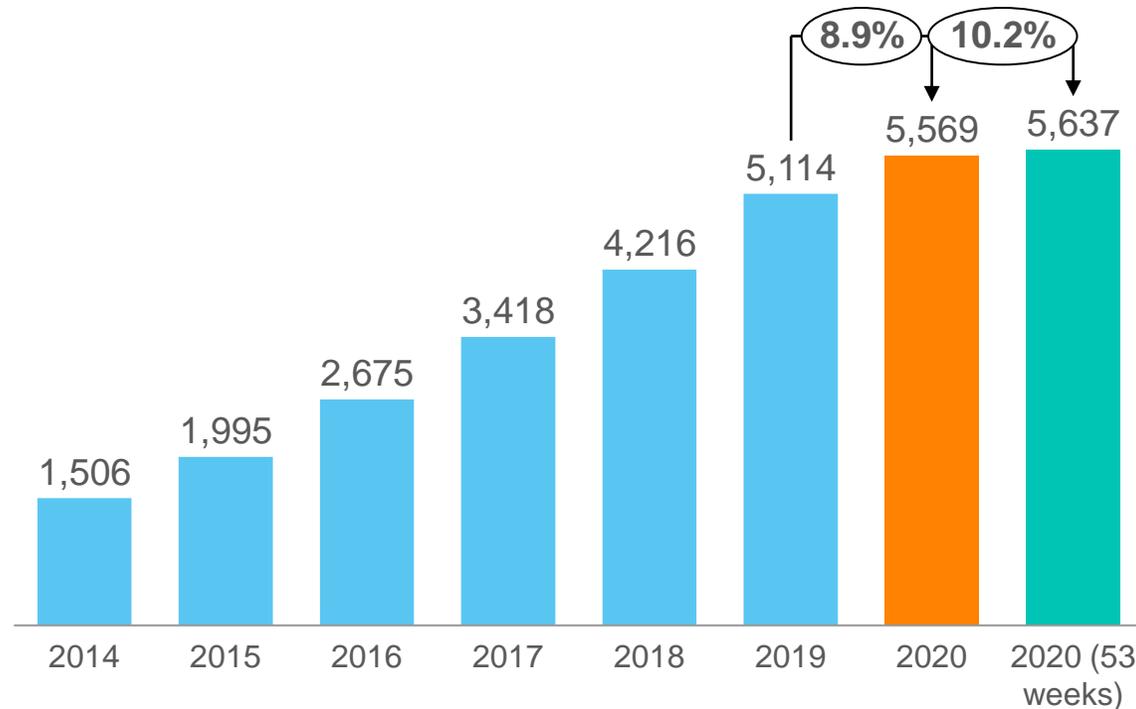
2020 additional drivers

- Impact of 53rd week
- LfL normalisation
- Covid-19/social distancing restrictions impact on OPEX
- Germany, Austria and Poland coming of age
- Cash management
- IFRS 16

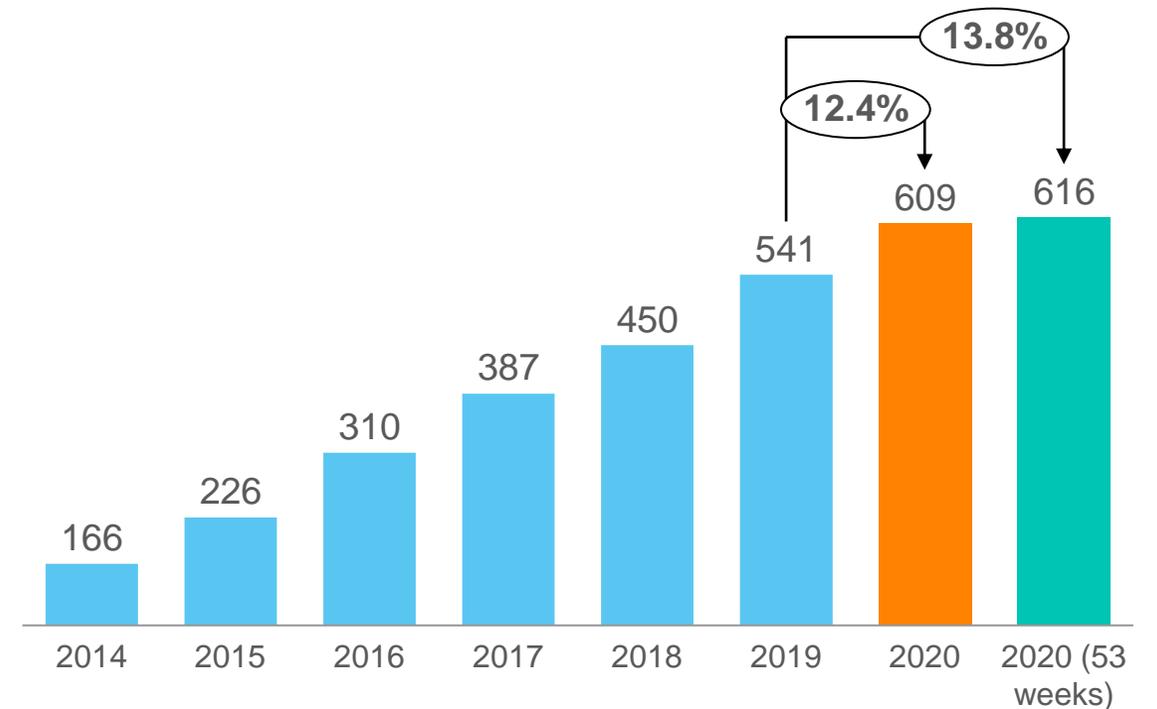
Continued strong sales and EBITDA growth in 2020 in spite of the Covid pandemic



Net sales (€m)



Operating EBITDA (€m)



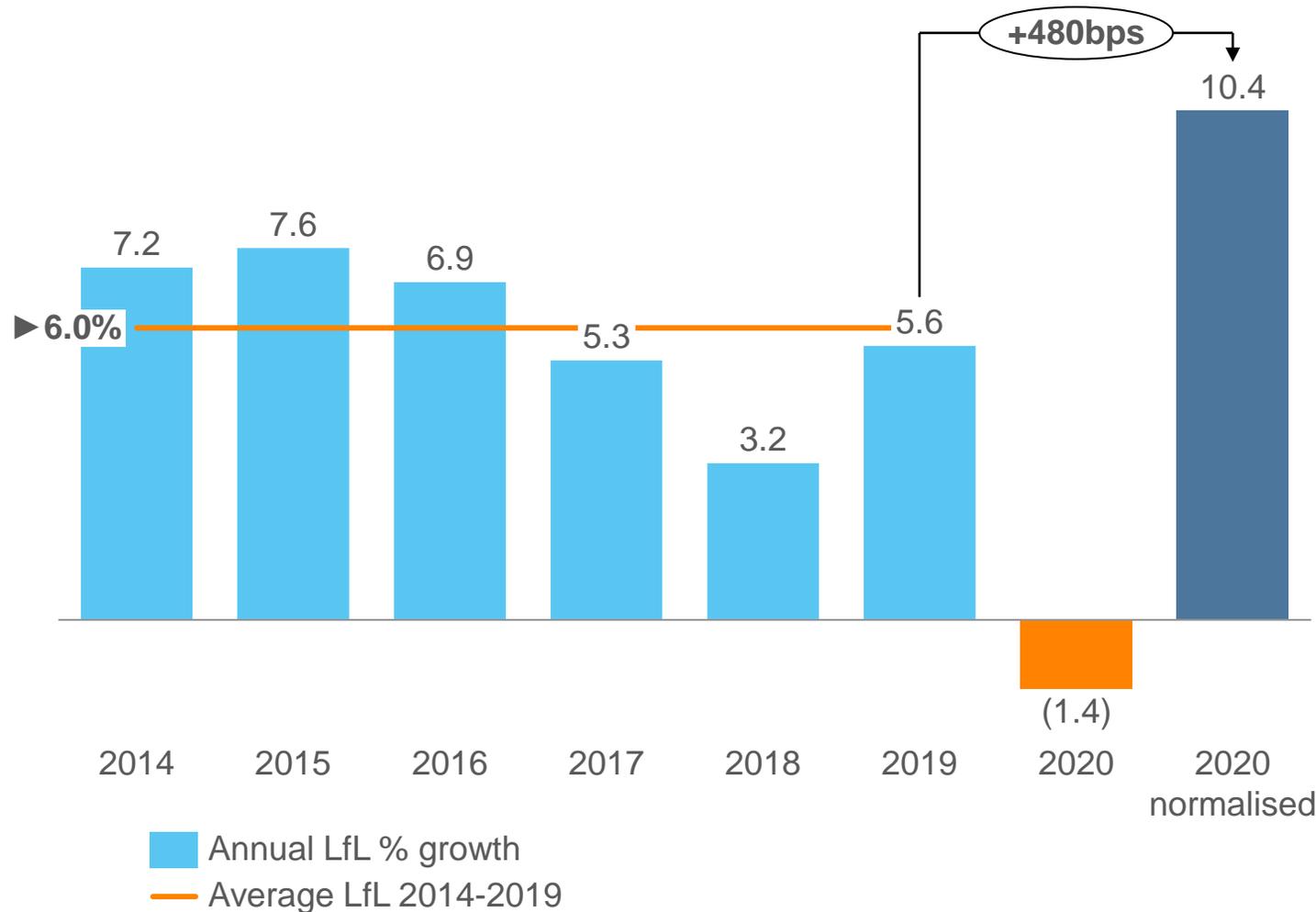
Operating EBITDA (%)



Run-rate EBITDA (€m)



Full year reported LfL impacted by lockdowns



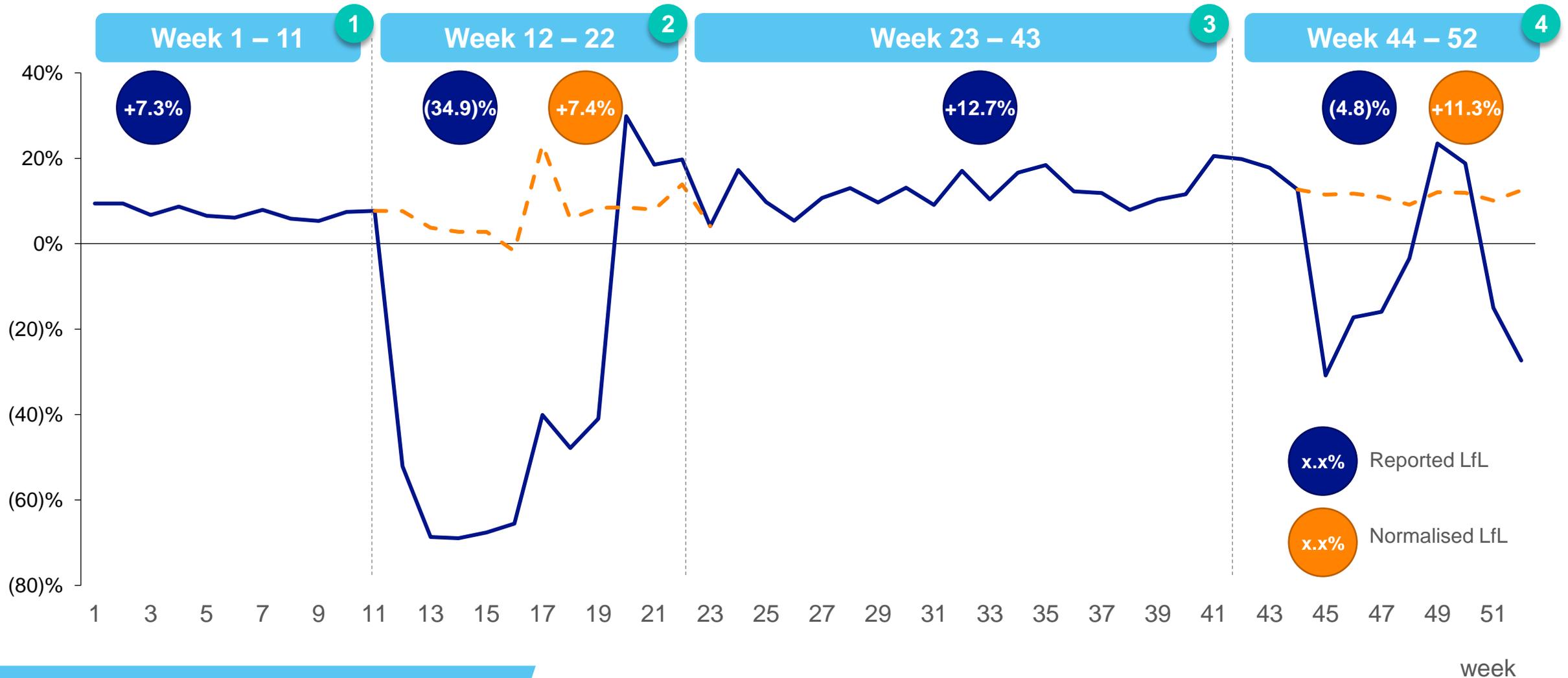
/// Normalisation for weeks 12 – 22

- Only applied for countries which were forced to close stores and/or remained open with limited assortment
- Includes normalisation for reopening effect
- Normalisation based on performance YTD week 11 2020

/// Normalisation for weeks 44 - 52

- Only applied for countries which were forced to close stores and/or remained open with limited assortment
- Includes normalisation for reopening effect
- Normalisation based on performance YTD Q3 2020

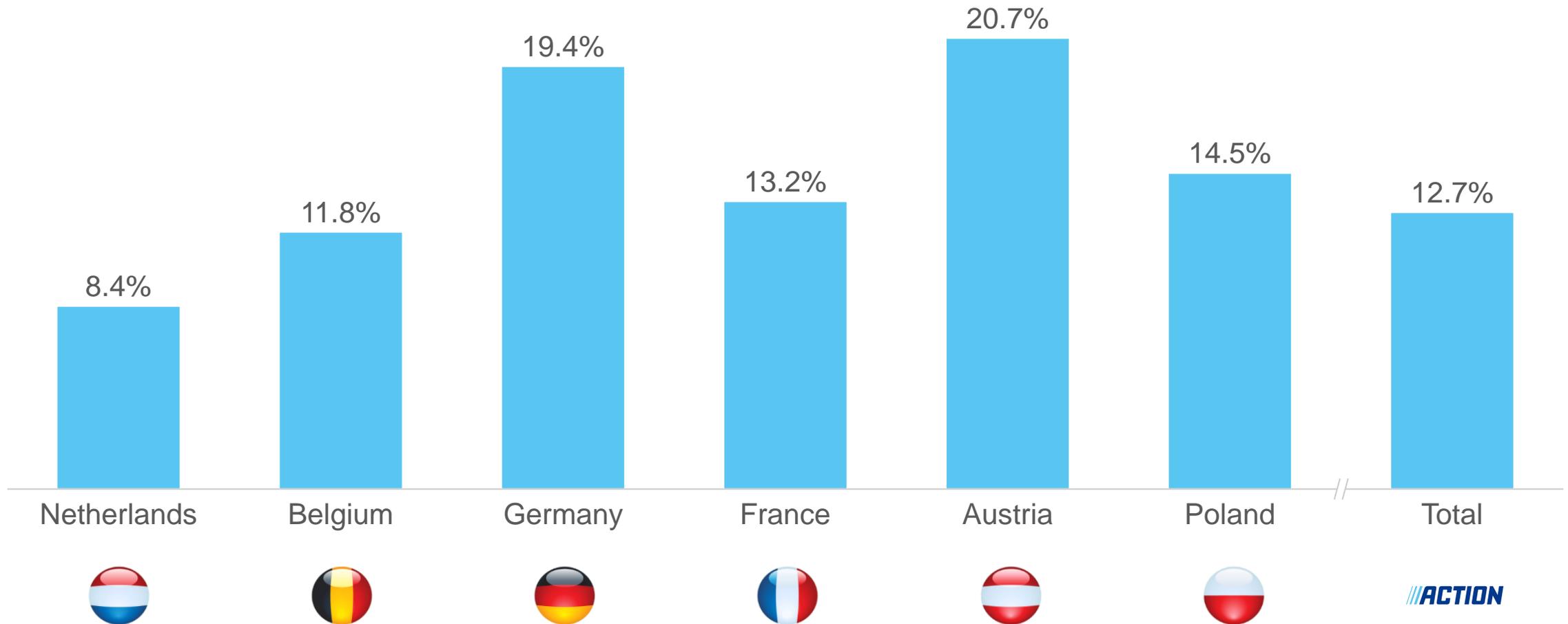
Normalised 2020 LfL growth +10.4% versus (1.4%) reported // **ACTION**



Strong LfL growth in all countries between lockdowns



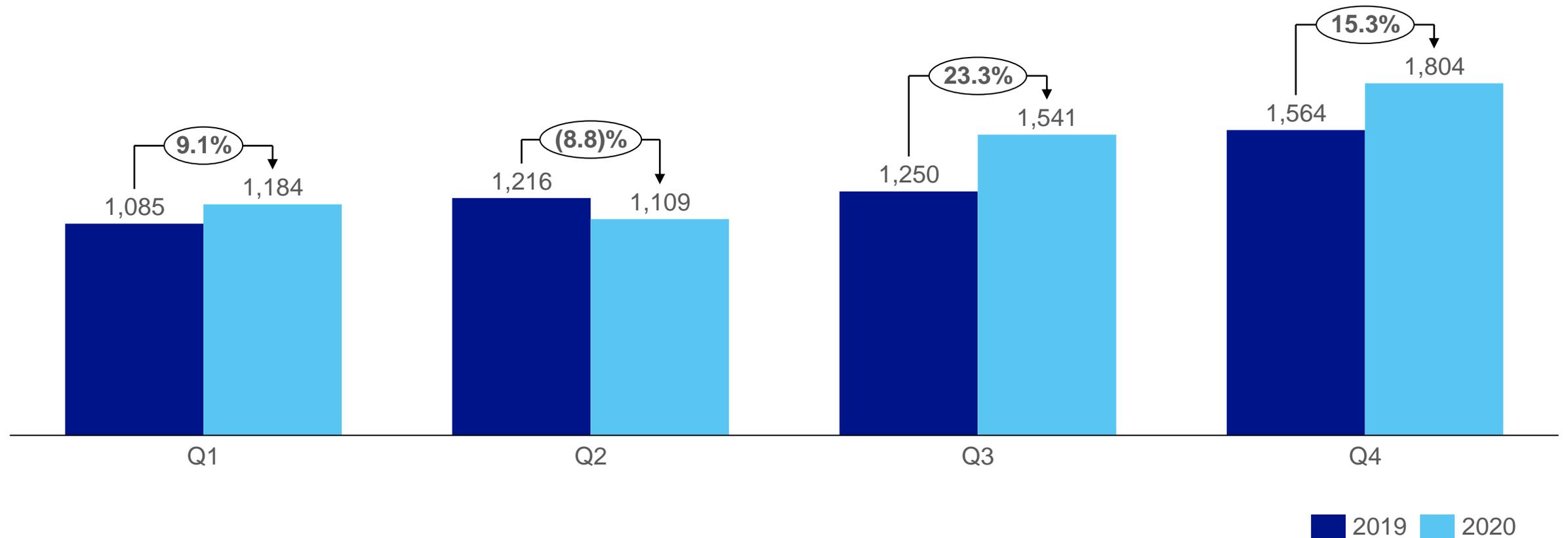
LfL sales growth by geography, week 23 – 43



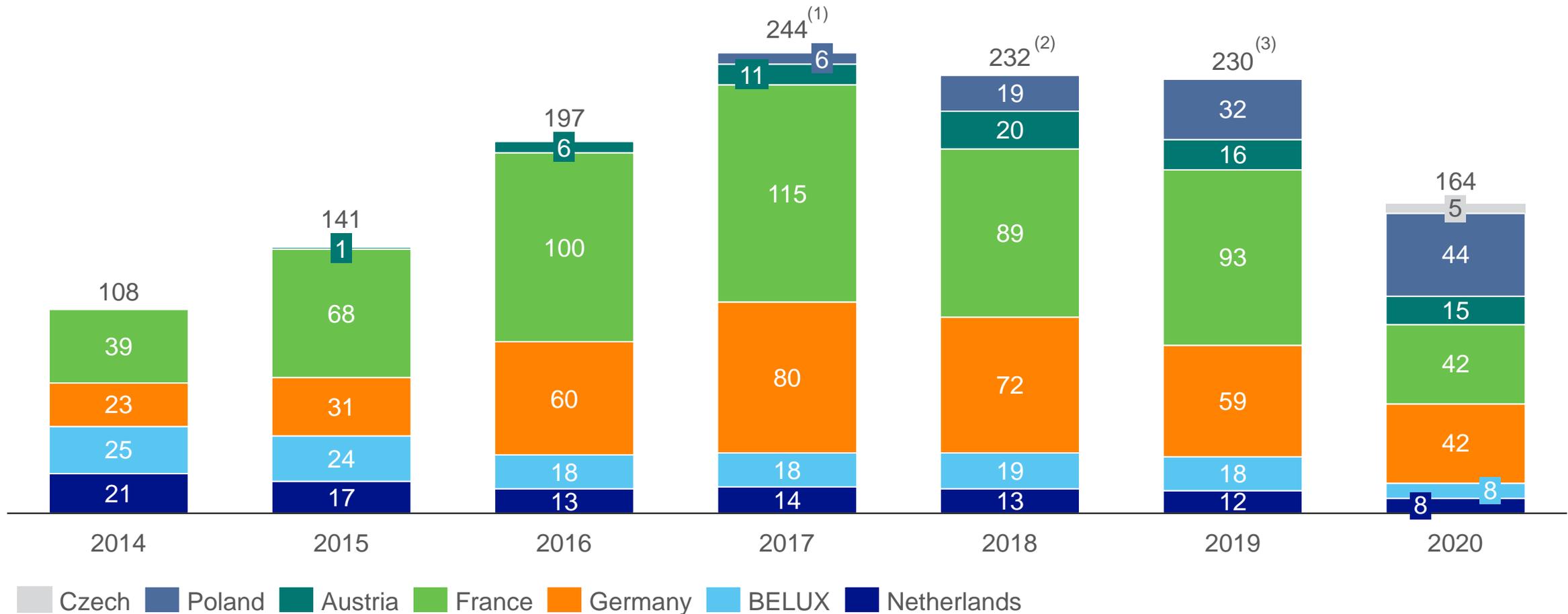
Store closures and assortment restrictions in quarters 1,2 and 4



Net sales per quarter (€m)



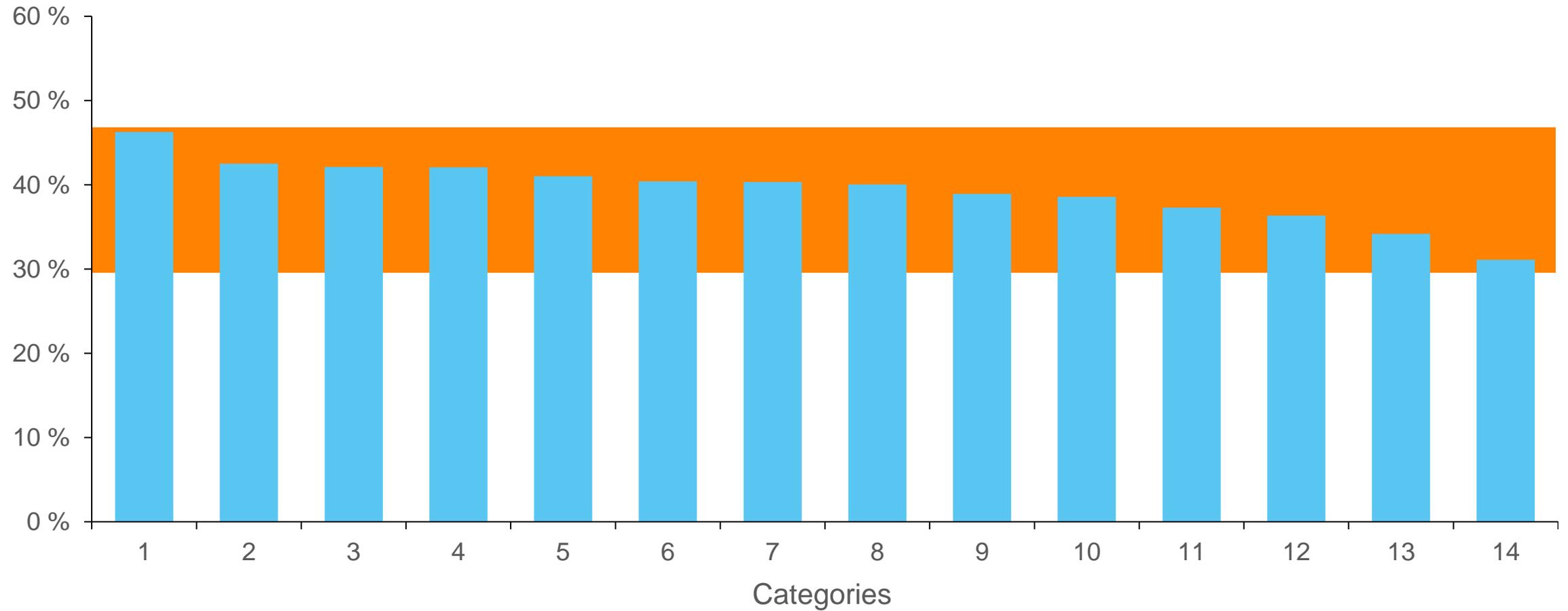
Store openings: programme delayed by pandemic, catch-up in 2021



(1) Net stores added was 243 as a result of one store closing in the Netherlands
 (2) Net stores added was 230 as a result of two store closings in the Netherlands
 (3) Net stores added was 227 as a result of three store closings in the Netherlands

Source: company information

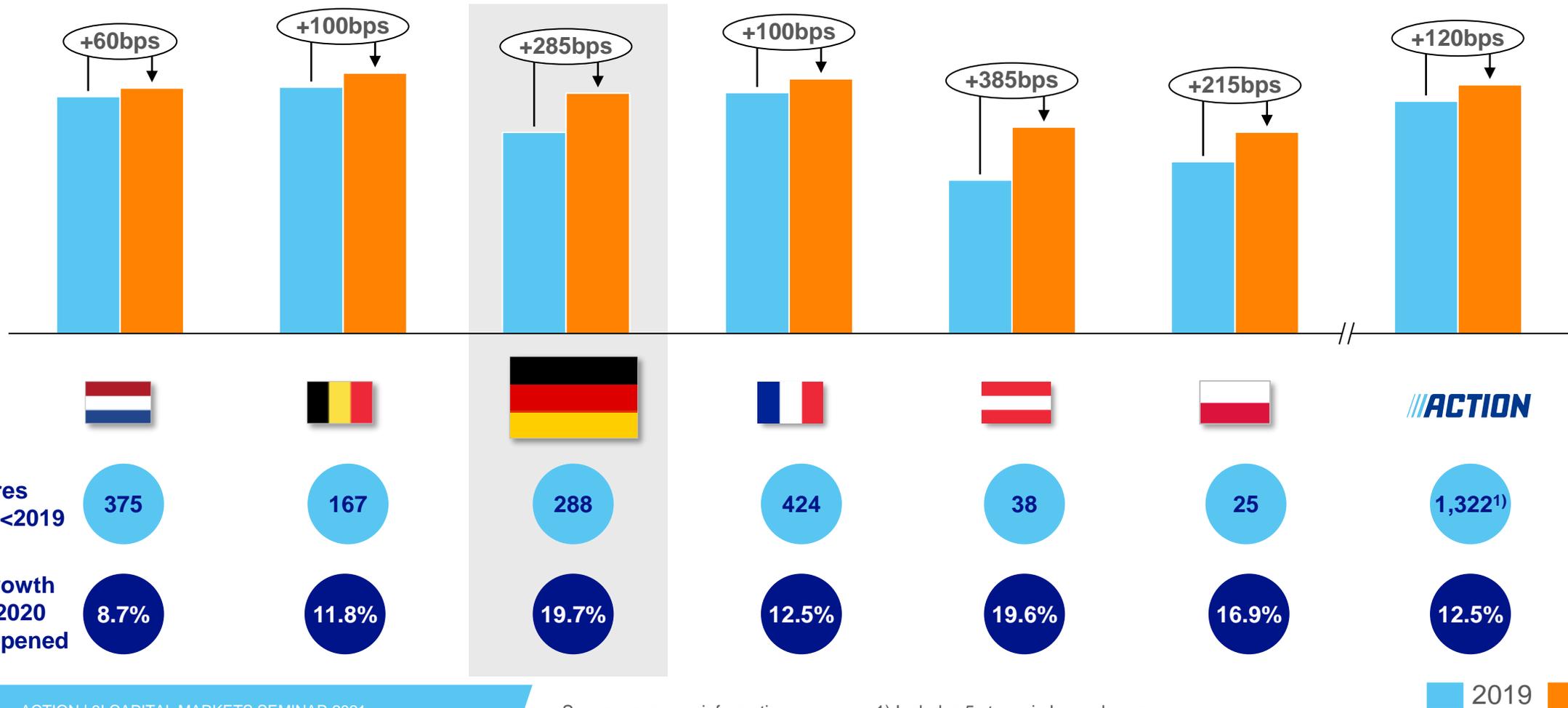
Consistent margins across all categories



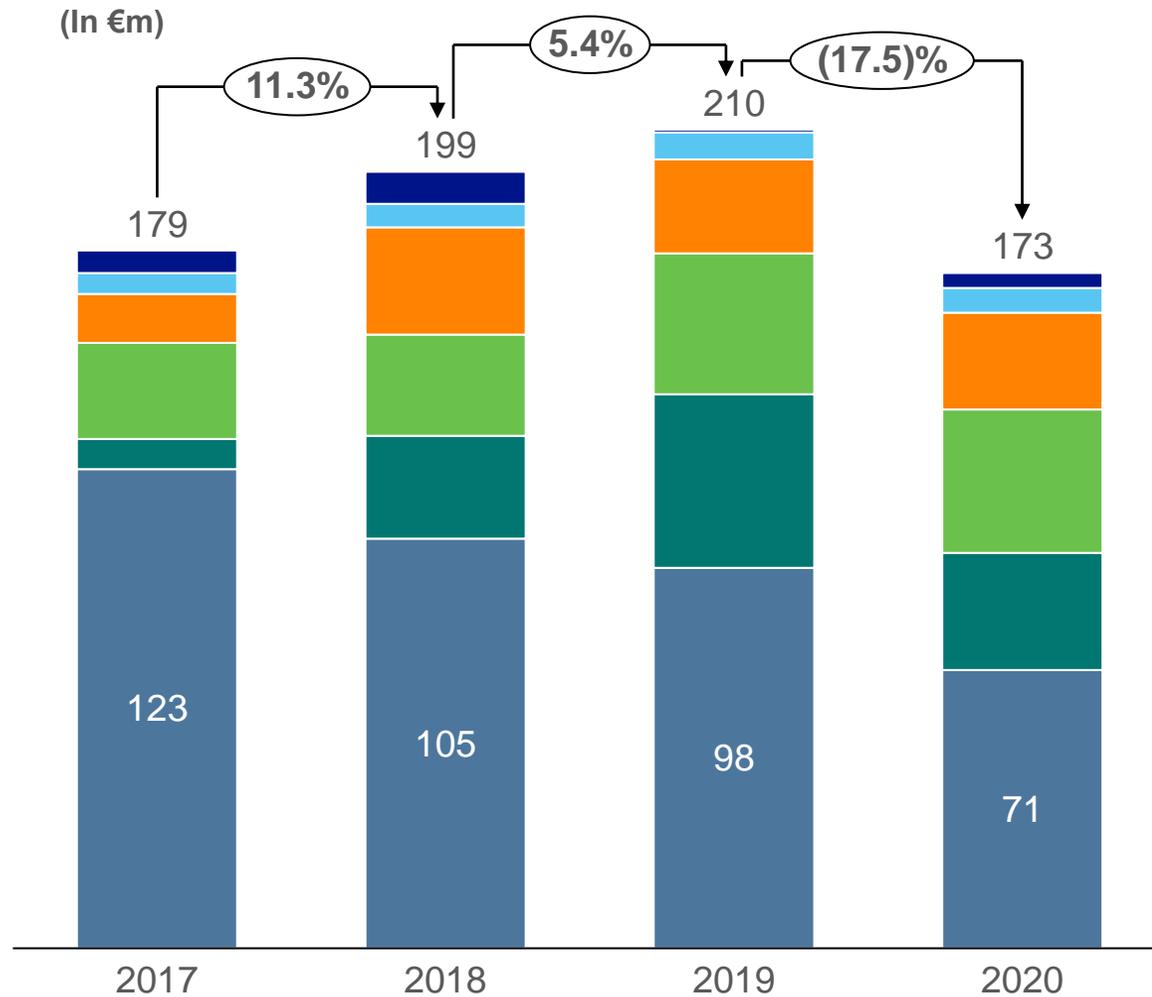
Operating leverage shows in all countries with Germany, Austria and Poland coming of age



Average store contribution margin by country P6 to P10 - stores opened before 2019



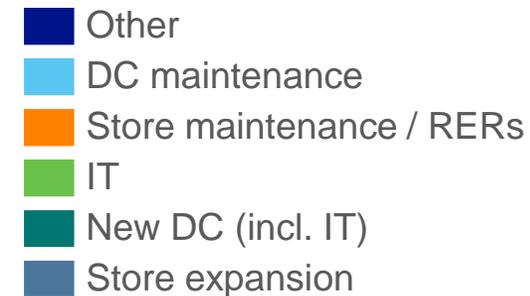
Total CAPEX development



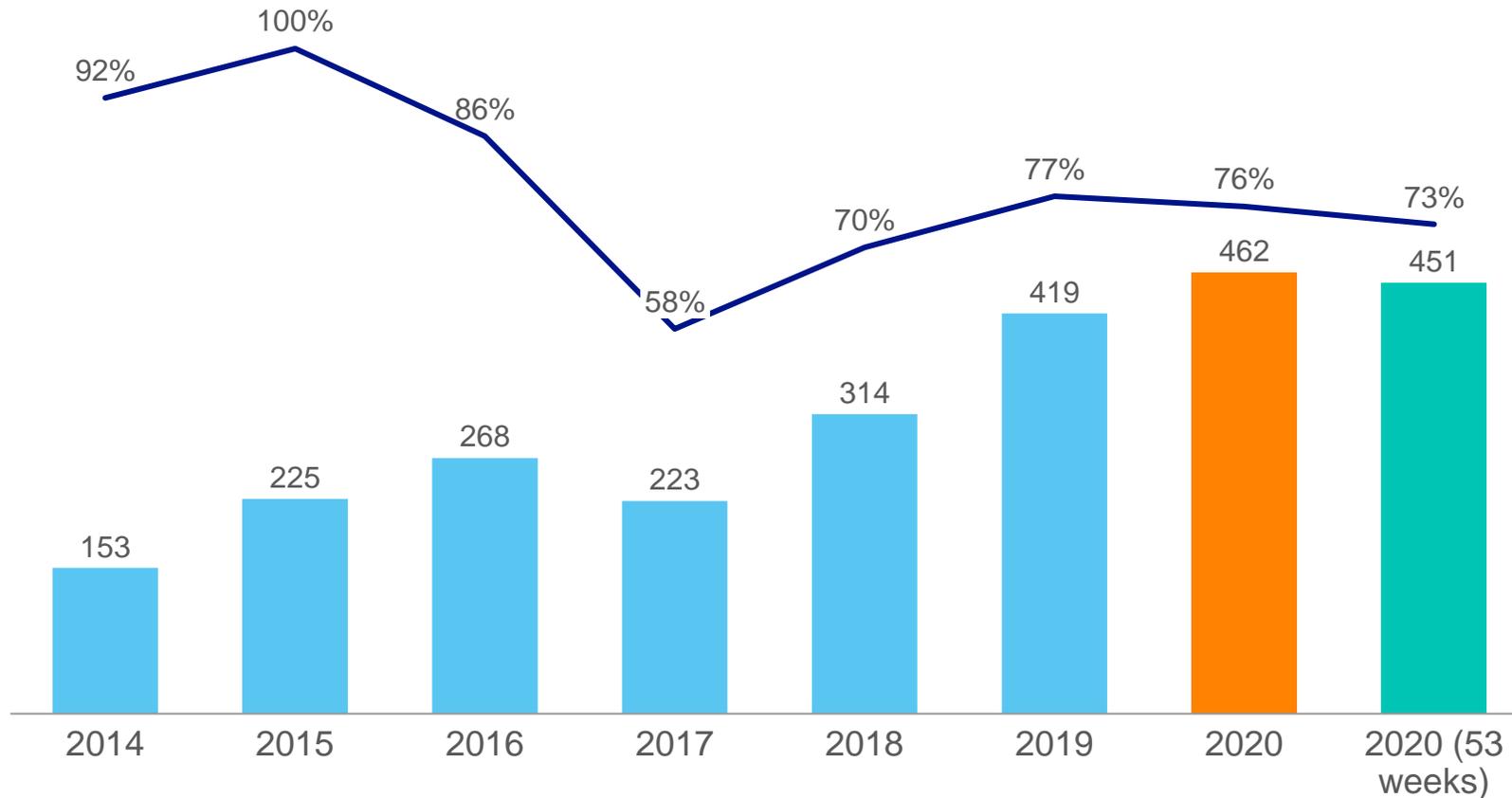
/// Lower CAPEX (€37m) versus last year as projects were paused and new store expansion temporarily halted during the first lockdown

/// Lower CAPEX spend per new stores reflects continuous efforts to reduce €/m2

/// Continued investment in IT



Strong cash flow: 2020 cash conversion of 76%



■ Operating cashflow (excl. CAPEX for new DCs)
— Cash conversion = Operational cashflow / Operating EBITDA

- /// Low capital intensity, negative working capital and fast payback for new stores lead to strong cashflow, notwithstanding Covid-19 impact on timing of sales and working capital and required cash management
- /// Cash and cash equivalents end of week 53 was €590m (excludes €100m unused revolving facility)

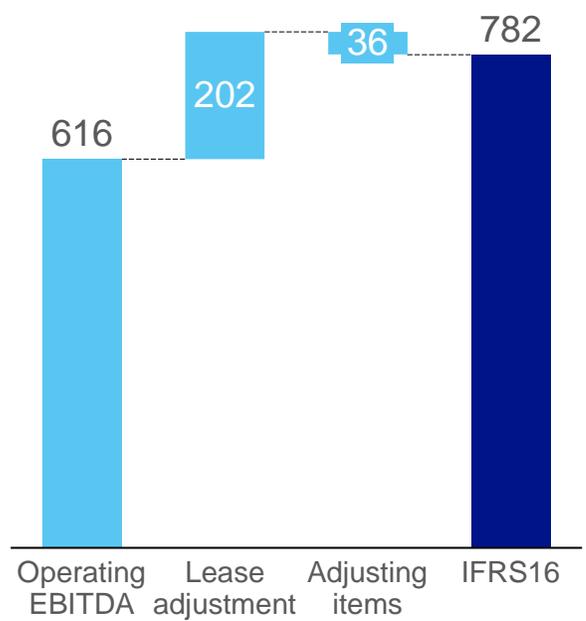
Overview of high-level financials



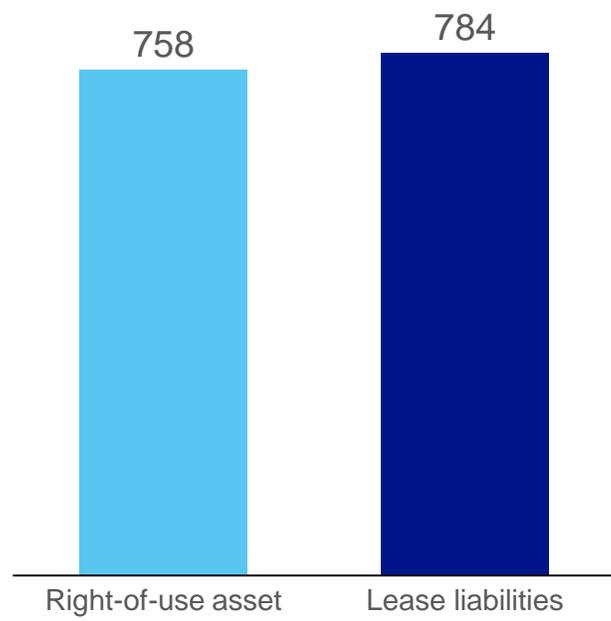
	2019	2020	Change (vs 2019)	2020 (53 weeks)	Change (vs 2019)
Net sales (€m)	5,114	5,569	+8.9%	5,637	+10.2%
LfL sales growth	5.6%	(1.4%)			
Operating EBITDA (€m)	541	609	+12.4%	616	+13.8%
EBITDA margin	10.6%	10.9%		10.9%	
Cash conversion	77%	76%		73%	
Number of stores (end of year)	1,552	1,716	+164	1,716	+164

Impact of IFRS16 on Action 2020 financials

EBITDA (€m)¹⁾



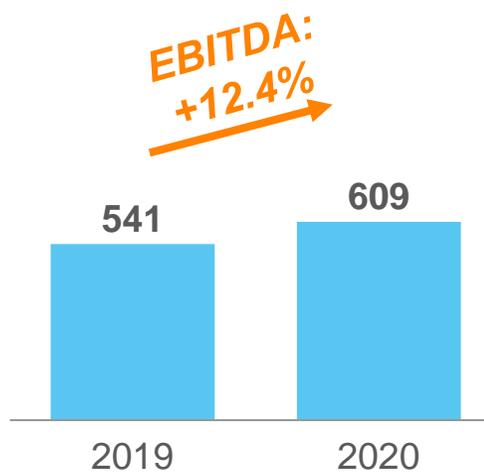
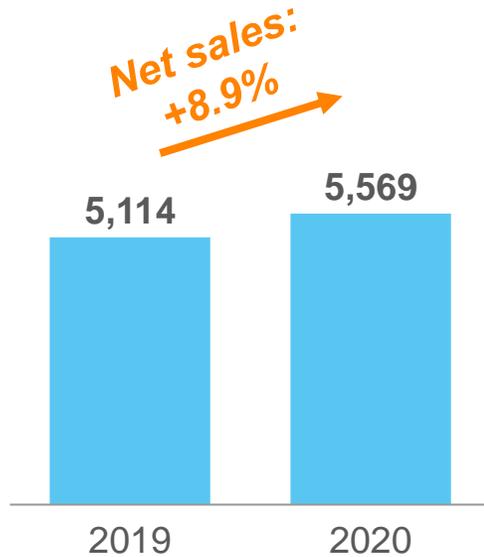
RIGHT-OF-USE ASSET AND LEASE LIABILITIES (€m)



- /// The average lease period of Action's store portfolio is 3.4 years but differs per country
 - Action is desired as a tenant by landlords as it drives traffic to the destination
 - At the end of a lease Action receives competitive pricing for renewals
- /// IFRS16 impact on other financials 2020:
 - Lease adjustment: €202m (2019: €179m)
 - Depreciation right-of-use asset: €190m (2019: €170m)
- /// Adjusting items mostly non-recurring cost for long-term incentive plans

1) 2020 based on a 53 week financial year

Summary 2020 financial performance



Strong LfL performance

Country EBITDA

Supply Chain



Very strong performance between lockdowns and continued investments to support growth

- Strong normalised LfL growth in all countries between lockdowns
- Product offering tailored to meet changing customer demand

- Strong LfL shows operating leverage in all countries
- Additional Covid-19 related opex

- Mitigated availability issues over the summer
- Covid-19 related complexity

- Store expansion and projects halted during the first lockdown
- Strong focus on cash management and stock levels
- Start-up costs of new DCs and investments in IT
- Incremental investments to strengthen capabilities in commercial, planning, digital, supply chain and support
- Expansion of Czech and Italian team

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Current trading 2021 – situation by country at 17/3/2021



Country	m2 per customer	Stores open	Click & Collect	Shopping by appointment	Assortment
NL 	25*	n/a*	Y	All*	Full
BE 	10	All	Y	N	Full
LU 	10	All	N	N	Full
DE 	10/20/40**	157 out of 391	N	214 stores	Full, 18 stores essentials only***
FR 	10	554 out of 572	N	N	Full
AT 	20	All	Y	N	Full
PL 	15	All	N	N	Full
CZ 	15	All	N	N	Essentials only (~53%)

* As of 16 March: max. 50 customers per 20 minute timeslot

** For fully open stores: first 800m2; 1 customer per 10m2 and above 800m2, 1 customer per 20m2. For Click & Meet stores: 1 customer per 40 m2

*** 2 stores closed

Current trading 2021



- /// Negative LfL sales P1 and P2, turned positive in P3
 - Netherlands, Germany and Czech Republic heavily impacted by store closures
 - YTD LfL week 10 of >25% in Belgium, France, Luxembourg and Poland
- /// Supply chain and DCs are operating well with good product availability
- /// 2021 store expansion plan on target with store openings above last year in Q1 so far
- /// Cash and liquidity currently €525m

Agenda

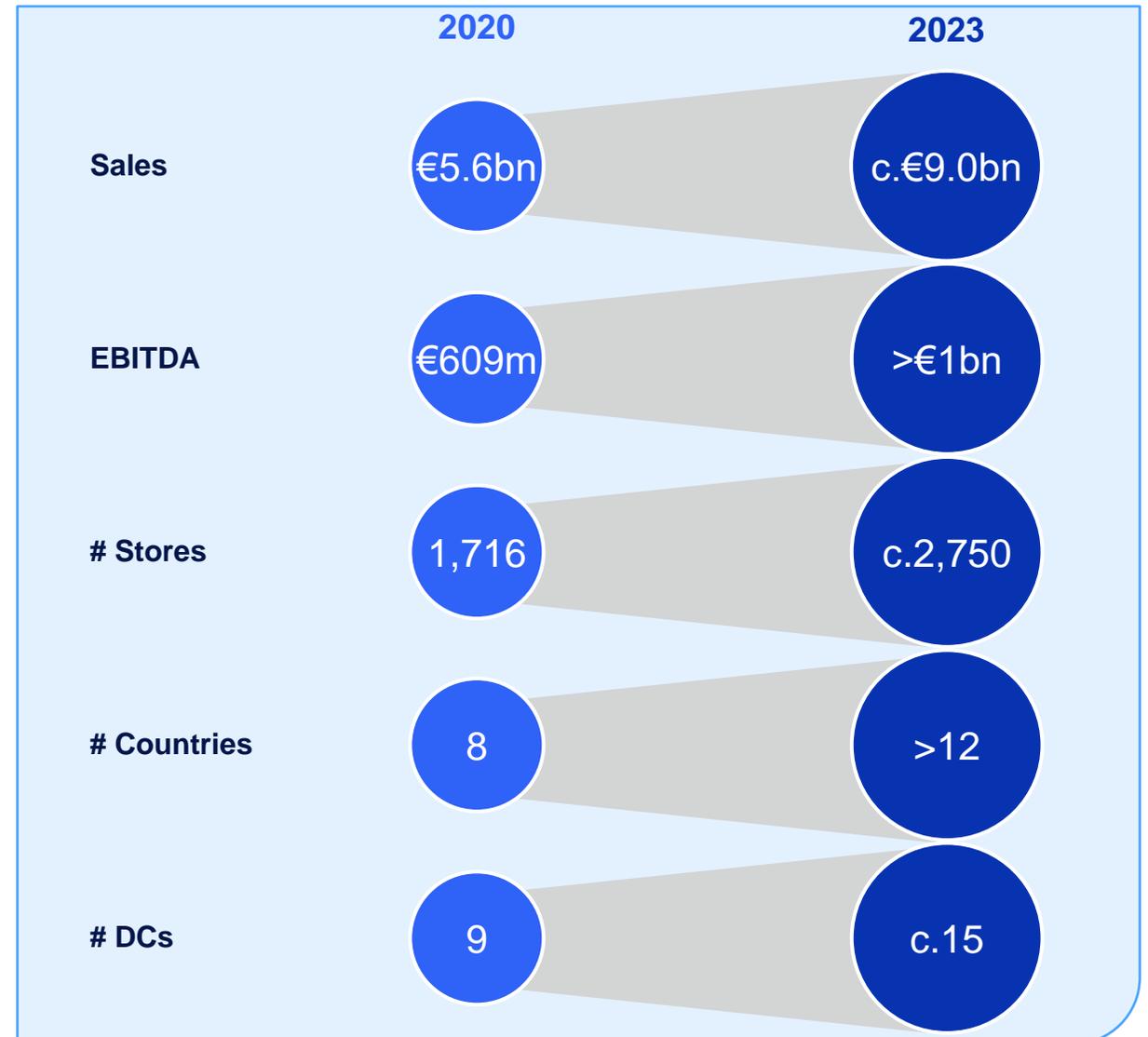


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Action is one of Europe's best retail growth stories...



- ✓ Action is one of the most successful retail growth stories in Europe
- ✓ Action story is stronger from the pandemic
- ✓ 2023 business plan targets are unchanged



3i provides long-term capital backing and strong governance

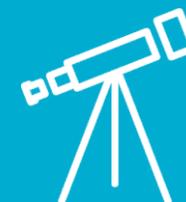


Governance



3i provides active and responsible governance with a focus on the ASR agenda

Long-term vision



3i brings an ambitious, growth-orientated long term mindset to Action

Investment



Prioritisation of investment in Action's infrastructure continues to drive value creation for all stakeholders

Values



3i leadership protects and supports Action's customer values and culture

Submitting questions



 3i Group plc
Capital Markets Seminar



The video player displays a seminar slide with the 3i logo in the top right corner. The slide title is "3i Capital Markets Seminar" and the date is "18 March 2021". Below the title, there is a large "ACTION" logo and a photograph of a pharmacy counter. On the left side of the video player, there is a smaller video window showing a portrait of Simon Borrows, Chief Executive of 3i. The video player controls at the bottom show a play button, a "Submit Question" button (circled in red), an "Additional Info" button, and a "Take Notes" button.

Click here



Thank you for your attention!

/// ACTION