



# A MODEL OF LEADERSHIP



*2018 Annual Report*

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## CHAIRMAN'S STATEMENT



**Roberto Tojeiro Rodríguez**  
Chairman and CEO of IFA Retail, S.A.

After a very special 2017, which was marked by the celebrations of Grupo IFA's 50th Anniversary, the financial year 2018 has allowed for **the legacy of a growing company, which has always been true to its original principles and values**, to continue expanding while addressing the new challenges facing the market today.

**Regional distribution in Spain continues to be at the forefront** and is shaping an industry profile that, unfortunately, is rather unusual both in Europe and the international scene. The co-existence of both national and international operators with its regional counterparts has turned the Spanish market – for the benefit of consumers – into **one of the most competitive markets in Europe**.

Once more, it is by keeping true to our permanent identity (proximity,

fresh produce and choice) that all the companies that form part of **Grupo IFA have made good progress over the year** despite enduring an ever more complex market where growing competition and costs are having a **serious impact on our business model**.

Our excellent results in 2018 are again good proof of the stren-

*“Regional distribution in Spain continues to be at the forefront and is shaping an industry profile that is rather unusual both in Europe and the international scene*

gth of our business model today, in the past and in the future to come, and it encourages us **to dream of flying high, keeping notwithstanding our feet in the ground**.

Today, more than ever before, we are regarded by our manufacturers – specially brand manufacturers – **as their most reliable channel for sustainability and growth over time**. Numbers and facts, not only words, support this claim. We believe that mutual trust and collaboration will provide continuity to our growth as advocates of value creation for all our stakeholders in our sector.

Undoubtedly, the year 2018 will be marked by an unprecedented milestone in the history of our group. **The international expansion of the Group has been strengthened by our entry into the Italian market** hand in hand with **Gruppo VEGÉ**, a pioneering company that

*“Our international expansion has been strengthened by our entry into the Italian market hand in hand with Grupo VEGÉ, a pioneering company that shares our history, principles and values*

shares our history, principles and values, and which represents **our commitment with a coherent and responsible growth**.

Thanks to this recent alliance, **our Group stands as the leading distribution company in the South of Europe**. This is the result of an ongoing development strategy that has created over the years a network of more than 10,000 stores

throughout Spain, Italy and Portugal, and that aims to **provide the consumer with greater choice by fostering a brand** based business model which stands against its European alternatives.

Throughout the year 2018, we have witnessed unquestionable evidence that **demographic changes, digitalization and new ways of life** will have an impact on the future of many companies and industries.

Progress made with regards to the implementation of our **2020 Strategic Plan** is enabling us to accelerate the necessary changes towards the consolidation of our leadership in terms of proximity in its broader sense. We are determined to carry out a joint and collaborative effort to boost both our success and our excellence, as we are convinced that together we are definitely better.



- # 1
- 1.1. OUR HISTORY
  - 1.2. OUR FIGURES
  - 1.3. GLOBAL TRENDS AHEAD
  - 1.4. RESPONSIVENESS AS OUR BUSINESS MODEL





## OUR HISTORY

**1967**

IFA ESPAÑOLA, S.A. is founded on Friday 2 June 1967 with a company capital of 2,800,000 pesetas.

**1968**

Grupo IFA opens the first Cash and Carry in Spain through its associate, Almacenes Paquer (Tarrasa).

**1972**

The Cash and Carry Network opens its fiftieth outlet.

**1976**

Launching of CIBON and BAJEL own brands labels for food products and canned fish respectively.

**1978**

Grupo IFA started the concept of CHAIN OUTLETS in Spain with an expansion plan to develop its retail channel by opening supermarkets.

Cabrero e Hijos opened its first "discount supermarket" in Spain under the ALDI brand.

**1980**

Grupo IFA receives the "European Food leader of the year" award.

**1984**

Grupo IFA is defined as the image for both brand and communication purposes.

**1987**

As IFA develops its own-brand, the number of stores reaches 1,000.

**1990**

Grupo IFA is once more pioneering the implementation of Electronic Data Exchange (EDI) in Spanish distribution. Broad presence in advertising and the media thanks to sponsorships such as "La Vuelta Ciclista a España" and the Spanish Basketball league (ACB).

**1992**

The number of associates grows some 50% with the addition of the PENTA purchasing center.

**1994**

Grupo IFA structure transformation to meet current market demands takes a decisive step with the integration of the UNAGRAS and CMD purchasing centers.

**1998**

Grupo IFA's turnover exceeds one trillion pesetas.

**2005**

Start of NAOR Program, which we joined through the Spanish Agency for Food Safety and Nutrition (AESAN) to commit to healthy and natural foods.

**2012**

IFA is awarded the Trade Merit Plaque by the Ministry of Economy and Competitiveness through the Secretary of State for Trade. The companies in the Group total 60,000 employees.

**2013**

Launch of the Group's new 2013-2016 Strategic Plan, as part of the vision to turn the Grupo IFA into the best distribution group in Spain.

Launch of IFA's Own Brand Project and development of the first 1,000 items under the ELIGES, UNNIA and SABE brands.

**2015**

Unide joins Grupo IFA resulting in a significant increase in the store network. An alliance with the Gasol Foundation signed to develop healthy habits among the Spanish population.

**2016**

Sonae MC joins Grupo IFA to start the Group's internationalization plan. Turnover reaches 16 billion euros.

**2017**

Grupo IFA celebrates its 50th Anniversary with its associates, suppliers and employees. The internationalization plan continues its expansion with the search for new associates with similar vision and values. The 2020 Strategic Plan is approved.

**2018**

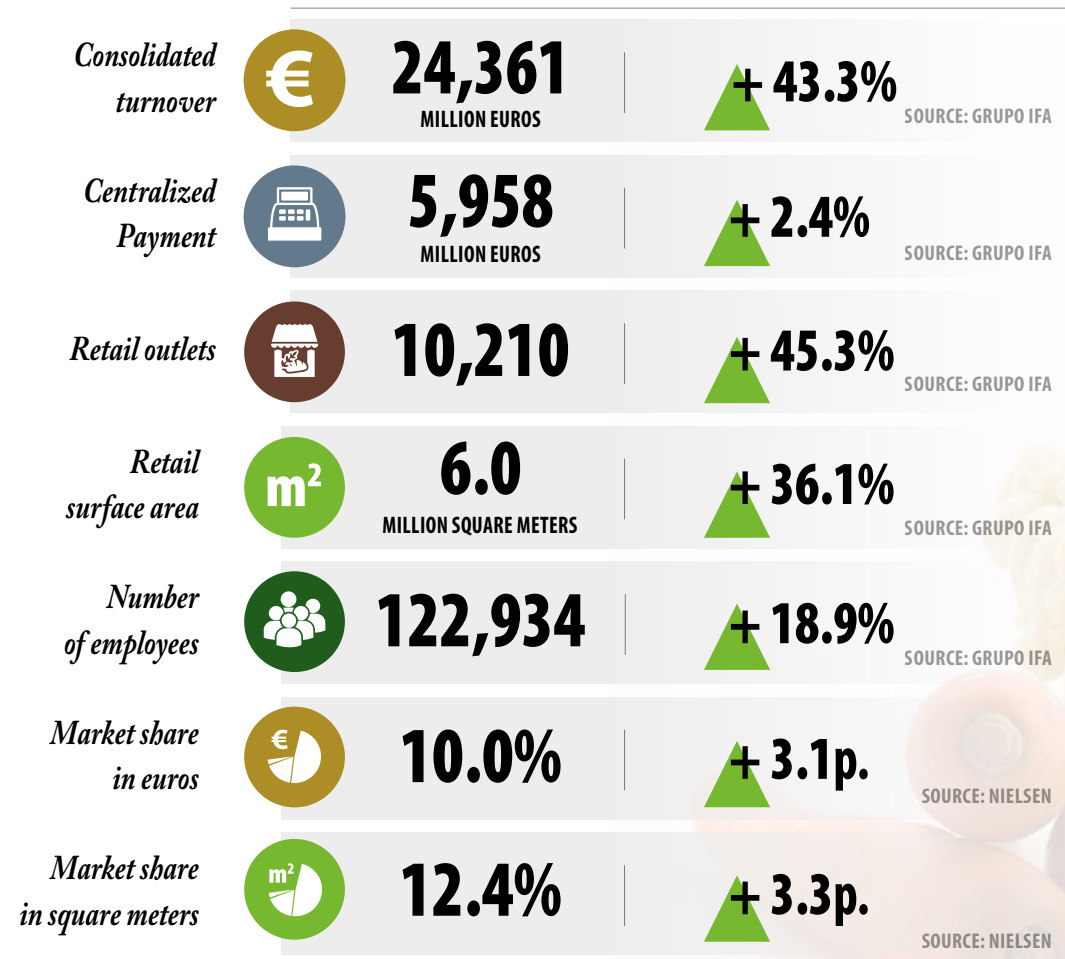


The Italian Gruppo VéGé joins the international purchasing center.

The Group's turnover will double in just three years and will operate as a distribution cluster for the South of Europe, similar to the manufacturers'.

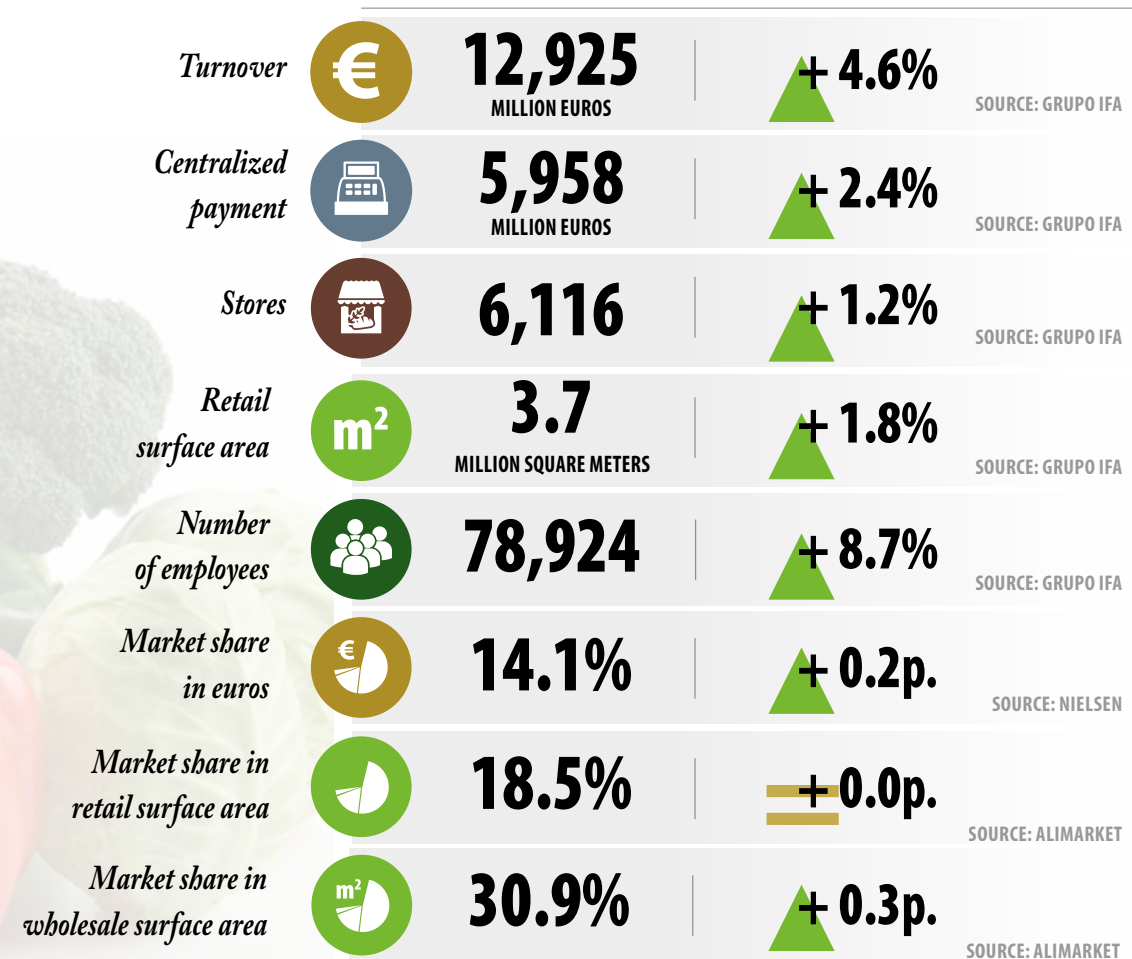
## OVERALL FIGURES

*2018 Grupo IFA overall figures in Spain, Portugal and Italy*



## GROUP FIGURES IN SPAIN

*2018 Grupo IFA overall figures in Spain*

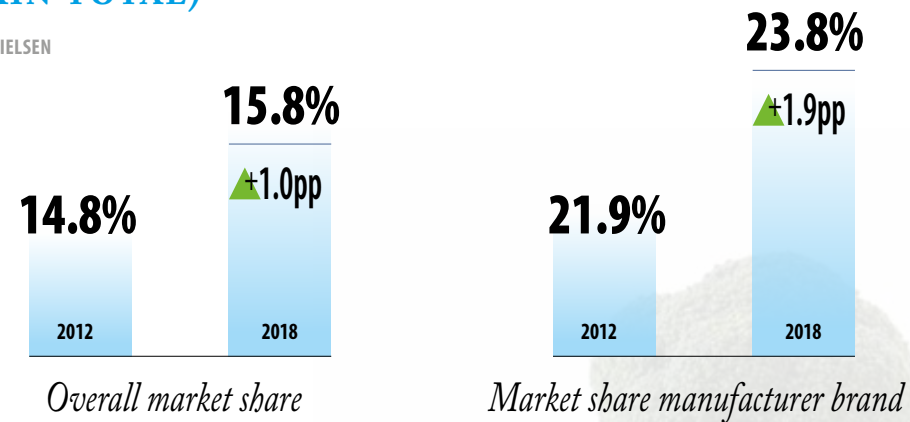


## THE KEY TO A MODEL OF LEADERSHIP

*“We are consistently leading the sector and the supermarket channel in alliance with the manufacturer brand”*

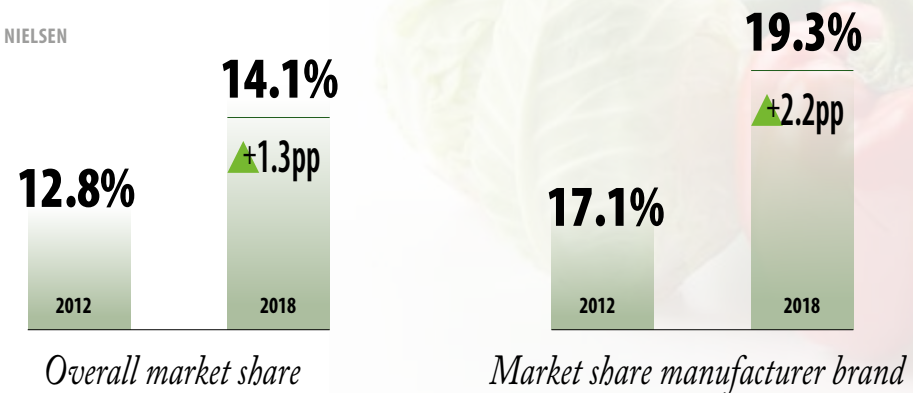
### MARKET SHARE INCREASE (SPAIN TOTAL)

SOURCE: NIELSEN



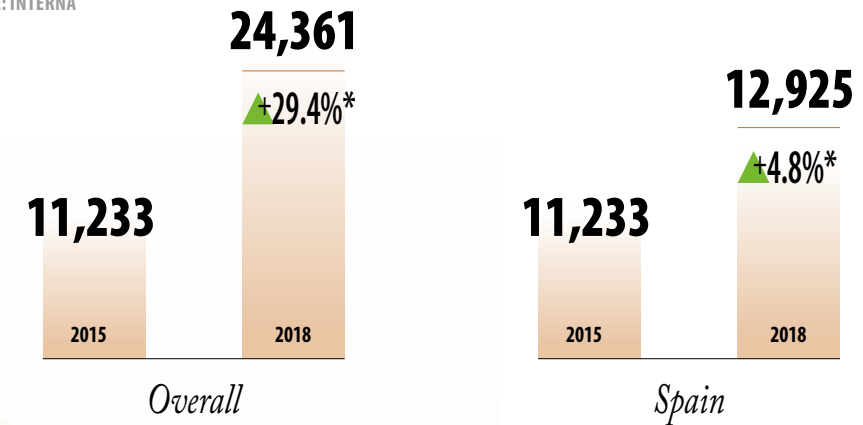
### INCREASE OF MARKET SHARE IN RETAIL CHANNELS (SPAIN TOTAL)

SOURCE: NIELSEN



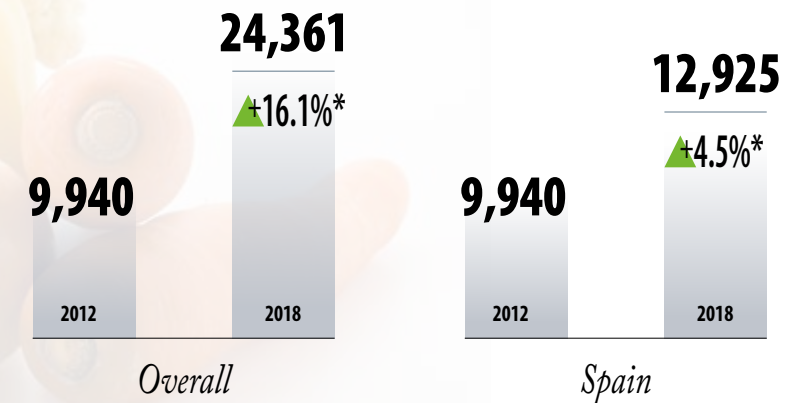
### CONSOLIDATED SALES (IN MILLIONS)

SOURCE: INTERNA  
\*CAGR



### CONSOLIDATED SALES OF ASSOCIATES (IN MILLIONS)

SOURCE: INTERNA  
\*CAGR



*“We have grown by some 145% globally and by 30% in the Spanish market over the last six years”*



## GLOBAL TRENDS SHAPING THE FUTURE

Our sector continues to face an intense period of changes. Despite not having a drastic impact on the course of our development, these changes will shape the future of the company in the coming years, even earlier than it may be predicted.

Our fifty-year history is rife with examples of how Grupo IFA has been able to anticipate and respond to the emerging trends by successfully pioneering both the emergence of wholesale outlets in Spain and the supermarket phenomenon.

The future ahead will be highly defined by three main megatrends - both global and regional - characterized by **demographic changes and sustainability, new consumer habits and ways of life**, and the impact of digitalization. These trends will shape the future of the companies within our sector. Those companies unable to embrace new challenges will clearly fail,

*“Our 50-year history is rife with examples of how Grupo IFA has anticipated and responded to emerging trends*

and the success of their business models will not prevail in the long term.

Grupo IFA is bearing the fruits of a long-term effort and therefore, is currently enjoying a competitive advantage in the market. We offer our customers a **unique network of stores in Spain that deliver proximity, closeness, variety and choice, fresh produce qua-**

**lity and service as well as greater sustainability** as a result of providing our customers with an environmentally friendly shopping alternative.

Our stores will have **to embrace different shopping purposes and customer segments** in order to respond to the demographic changes that are to come, and which will bring both senior and millennial buyers into our premises at the same time. Purchase and payment experiences will have to be enhanced in order to become omnichannel in the near future. Furthermore, convenience is and will grow to be ever more relevant in the short term, so our ability to become multi-purpose and multichannel will be key to our success. We are convinced we will get there.

Digitalization is here to stay. It is the “new normal” that is both transforming our lives and having an impact on our lifestyle and sho-

pping habits. We must embrace it and make the most of the opportunities it brings.

Emerging trends depict a more senior consumer which is better informed, cares about the environment and local produce and leads a healthier lifestyle. This represents a great opportunity for our Group, as we have reached a privileged position within a very competitive industry. And we shall continue to lead the

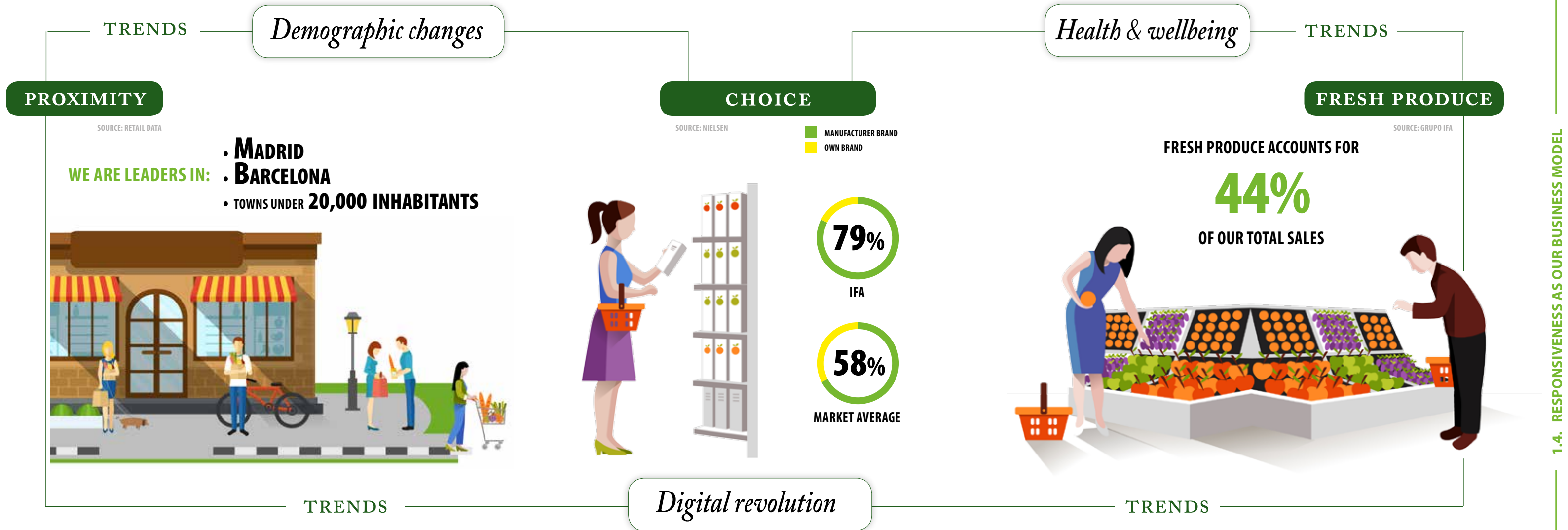
*“Purchase and payment experiences must be enhanced in order to become omnichannel*

industry in the future, as we have done in the past.

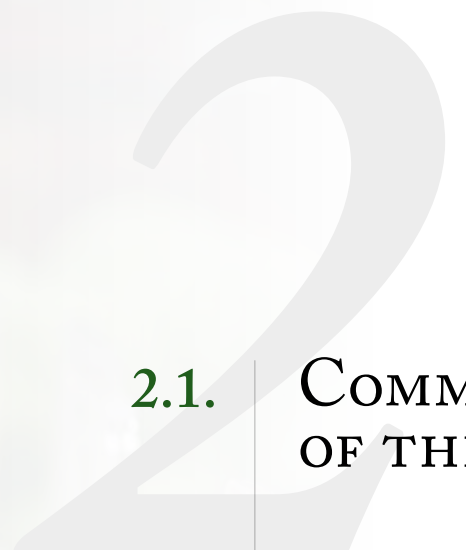
Thanks to having become the leading retail group in the South of Europe, both in big cities and in smaller towns, we are now in a position **to provide our consumers with the convenience, proximity and sustainability they need through the 10,000 different retail outlets that we have opened in Spain, Italy and Portugal.**







# RESPONSIVENESS AS OUR BUSINESS MODEL

- 
- 2.1. COMMERCIAL MANAGEMENT  
OF THE MANUFACTURER BRAND
  - 2.2. OWN BRAND STRATEGY
  - 2.3. INTERNATIONAL DEVELOPMENT

650 commercial campaigns in collaboration with 190 suppliers

Over 500 suppliers



## A NEW COMMERCIAL DEPARTMENT

### TO STRENGTHEN OUR ALLIANCE WITH MANUFACTURERS

In the year 2018 we have created a new commercial department that integrates both manufacturer and own brand activities. This allows for **a more comprehensive approach to categories with our affiliates**. More vertical actions with leading manufacturers can be undertaken should a specific requirement or opportunity be identified for a particular category area.

These levers offer our suppliers **the greatest retail platform for the manufacturer brand** in our country. We support their growth in a decisive way by boosting their key commercial launches. We also support the implementation of their innovation programs and jointly deploy promotional initiatives focused on consumer preferences.

With our affiliates in mind, we have developed a set of management and Business Intelligence tools which enable us to analyze consumer trends and respond to them in a more agile and accurate way. We continue to improve product segmentation by gradually incorporating Big Data as well as new technologies into our business. **This allows for customized sales**

## MARKET KNOWLEDGE & INTEGRATED MANAGEMENT OF SUPPLIERS

SOURCE: NIELSE

**and communication channels for our customers**, as we must get to understand them better every day in order for our category management team to build valua-

ble commercial propositions for. From this new department a great effort will be made in order to continue offering the variety that best appeals to both current consumer

habits and customer preferences. By doing this, we aim to ensure the continuous improvement and profitability of our affiliates' participation in the market.



Market share by packaged goods

15.4%



Market share by manufacturer brand packaged goods

23.8%



## THE BEST COMPLEMENT TO MANUFACTURER BRANDS

The year 2018 marks the 5th anniversary of our Own Brand. It was conceived as a mean to improve the competitive stance of our affiliates by offering greater choice to consumers, thus becoming the perfect ally to existing leading manufacturer brands.

In order to provide greater choice to our customers, 2018 has seen the launch of new products that have contributed to complement the manufacturer range in our affiliates' shelves. The best example of this is **KADŌ**, a new personal care and cosmetic range which was implemented in May 2018. This brand has helped boost a category in a segment where IFA did not have a presence yet.

*“Our Iberian partnership continues with Sonae MC, which is now enhanced by the opportunity that our new alliance with the Italian Gruppo VéGé represents*

Internationalization continues to be key to IFA's own brand project. In Portugal we continue to further advance in our business model for the Spanish and Portuguese regions with Sonae MC, and another opportunity arises in alliance with the Italian Gruppo VéGé. The entry into the Italian market promotes enhanced negotiations as well as the incorporation of new families to the project.

Our own-brand department has continued to expand its resources over the course of 2018, reinforcing both its Sales and Quality departments in an effort to improve the quality and competitiveness of our products. Apolo, a comprehensive Brand operating system

which involves suppliers, affiliates and head office is designed to manage our own labels throughout the product's cycle life and to ensure a centralized quality control and monitoring procedure.

Our team is actively involved in the most important **forums and associations which advocate for environmental sustainability and food safety matters**. This is evidenced by our participation in different initiatives, such as **Ecoembes' industry prevention program or the AECOSAN 2017-2020 food and beverage composition enhancement project**.

### OWN BRAND IN 2018

€ *Volume of purchases:* **550** MILLION EUROS

🛒 *Product range close to:* **2,000** ITEMS



## ENTRY INTO THE ITALIAN MARKET CONSOLIDATES OUR INTERNATIONAL EXPANSION

Our international expansion, which began with the integration of Portugal's leading distributor, **Sonae MC into the Group**, has **continued strengthening its position in 2018 thanks to the recent partnership with the Italian Gruppo Végé**. This new addition to the International Purchasing Committee reinforces the path laid out by our Executive Board in our 2020 Strategic Plan.

Our international expansion program in 2018 represents an opportunity to any supplier that may wish to expand their scope in a cluster for the South of Europe, which upholds a regional business model as a distinguishing element.

New international suppliers with whom we aim to work more closely through joint initiatives designed **to ensure the sustainable growth of their brands are being incorporated into our in-**

### VALUES OF OUR INTERNATIONAL PARTNERS

 *Customer knowledge and responsiveness*

 *Support and development of innovation driven manufacturer brands*

 *Defense of a local model*

**ternational program.** We aim to enhance the competitiveness and differentiation of our associates as well as the benefit and satisfaction of our customers.

Similarly, by the end of 2018, IFA's structure has been reinforced by the creation of a new International Department which reports to our Director General. It represents a new step towards the commitment of the company to the international expansion program whose main goal is to **encourage a business model that stands against its more restrictive alternatives in terms of product lineup, variety an innovation.**

We aim **to become the best alternative for our suppliers** by meeting the demands of today's market, where competitiveness is key to face globalization and the constant economic, social and environmental challenges that lay ahead.



### A CLUSTER FOR THE SOUTH OF EUROPE

*Consolidated turnover*



**24,361**  
MILLION EUROS

SOURCE: GRUPO IFA

*Stores*



**10,210**

SOURCE: GRUPO IFA

*Retail Surface*



**6** MILLION SQUARE METERS

SOURCE: GRUPO IFA

*Ranking*



**TOP 14**  
IN EUROPE

IN-HOUSE COMPILATION. SOURCE: DELOITTE GLOBAL POWERS OF RETAILING (FEBRUARY 2018)



- 3.1. EFFICIENCY IMPROVEMENT  
AND COST MANAGEMENT SERVICES
- 3.2. DIGITAL TRANSFORMATION
- 3.3. CENTRALIZED PAYMENT MODEL
- 3.4. OUR ECONOMIC PERFORMANCE IN 2018
- 3.5. IMPLEMENTING OUR 2020  
STRATEGIC PLAN
- 3.6. CORPORATE SOCIAL RESPONSIBILITY



## OUR COMMITMENT TO AN EFFICIENCY DRIVEN SUSTAINABILITY

At Grupo IFA we pursue the greatest possible competitiveness for our affiliates by centralizing value creation and committing to sustainability in all fields of work. This effort results in **97% of our associates adhering to the purchase agreements negotiated by IFA**, making 2018 the year with the greatest level of collaboration.

2018 has been especially complicated in terms of energy prices. Market volatility and uncertainty together with the convergence commitments in terms of sustainability has resulted in constant price increases. However, despite the complex scenario, a joint effort with our energy task force has been made to explore more developed purchasing formulas to secure other alternatives that may mini-



Agreement signed with Nissan.

mize the impact of cost increases. To this end, we have had conversations with the Secretary of State for Energy to build a permanent cooperation framework to look into innovative solutions.

On another note, at the end of the year we closed an agreement with car manufacturer Nissan to develop sustainable mobility and energy efficiency among our associates. This agreement will allow for the implementation of universal public charging points for electric vehicles at our retail outlets parking areas.

Likewise, regarding logistics, **a task force comprised of seven of our affiliates has been developed for the optimization of transport costs** between suppliers and the warehouses of our Group associates. Thanks both to the effort of our suppliers and associates to carry out an analysis of costs by sharing their data and information in a clear and transparent way, we have

### OPERATION AREA MAIN FIGURES:



*Low-rotation logistics platform:*

**+20%** OVER EXPECTED VOLUME



*Purchasing center:*

OVER **350** ACTIVE ITEMS ACCOUNTING FOR A **12%** INCREASE



*Equipment and supplies:*

**42** NEW AGREEMENTS DELIVERING NEXT TO **1,5** MILLION EUROS TO OUR AFFILIATES.

been able to conclude that the savings increase is based on our logistics efficiency improvement.

We continue working on **new developments that will allow us to anticipate the necessary pro-**

**gress of sustainable materials** and the different ways of conducting processes. On this note, **we are collaborating extensively in work and regulatory forums, such as the ones hosted by AE-COC, ASEDAS and Ecoembes.**



## SUPPORTING THE DIGITALIZATION PROCESS OF OUR ASSOCIATES

Business digitalization, specially in the retail sector has enhanced the consumer's shopping experience. Nowadays, interaction with our customers has no barriers. It begins at the store and continues after, as

the onmichannel experience has broken down the physical and online barriers for customers to be placed at the forefront of our business, regardless the shopping channel they decide on.

The relationship with our suppliers has also enjoyed some favorable changes. Information can now be shared throughout the whole of the supply chain thanks to the new technology available. This has led

to a series of operational improvements resulting in leaner processes, error reduction and more agile decision-making processes.

Each of the associates of the Group carry out their digital transformation process according to their very own identity. This provides a distinctive character to the service ultimately received by consumers. In this process, customized support is given to our affiliates to join forces for the implementation of joint initiatives.

During the year 2018, a **Basic Digital Structure** has been developed together with all of our associates. It is intended as a framework for the design of more than forty initiatives to be included in a service portfolio, which echoes the transformation process of our associates. This tool has been used to plan and analyze a process which is difficult to embrace and which **involves a wide range of different aspects that**

### BASIC DIGITAL STRUCTURE:

*Customizable and aligned with the transformation process of associates*

*Service portfolio of over 40 initiatives*

*New Cybersecurity project delivering 9 different services*

affect the development of each company. With the Basic Digital Structure, all projects and initiatives can be identified for each partner in a fully customizable way.

As a result of the work carried out by the Basic Digital Structure, we have endeavored to develop an **ambitious Cybersecurity project** which delivers up to nine different new services for our associates to choose according to their preferences and potential needs.

Cybersecurity requires a very high level of involvement, knowledge and proactivity. This project provides the entire group of associates with the best technical and human resources capabilities to safeguard the operation of companies, their online reputation and the protection of their technological assets, including the process of data handling that is used to deliver the best service to customer and suppliers.



# A TRANSPARENT AND COST-EFFICIENT MANAGEMENT

The management of our centralized payment system is key to the execution of IFA Retail operational processes in an efficient and successful manner, bringing savings to both our affiliates and suppliers. Through a centralized mechanism for the reception, validation and processing of invoices, **IFA Retail guarantees suppliers a single payment for all the purchases carried out by the different member companies.** It also establishes payment deadlines in compliance with regulations, as well as an efficient, reliable and homogeneous management of invoice settlement, charges, payments or potential faults.

Throughout the year 2018, IFA has continued developing different projects to streamline our administrative process by **standardizing the exchange of information with our**

## HEAD OFFICE ADMINISTRATIVE MANAGEMENT



*4.2 million of  
handled invoices*



*Payments totalling  
5,958 million euros*



*650 promotional  
initiatives with  
over 190 suppliers*



*Additional  
discounts on 4,694  
promotional items*

**associates and suppliers and by improving the digitalization and automatization standards of the IT tools** used for the management of our business. This way, our head office aims to avoid mistakes and to streamline everyday operations, responsiveness and costs.

At the same time, our finance and IT departments have worked together on projects aimed at improving the quality, updates and amount of information **comprising our business catalogue in order to transform it** into a useful tool for the analysis of the company's growth.

Being able to have access to greater amounts of information and of a better quality, has allowed IFA Retail to **develop a business intelligence platform** which will improve decision making by combining data from different sources.



With regards to the communication channels with our associates, improvement and maintenance measures have been implemented on the Affiliates' site. Through a secure access to the site, **associates enjoy a web-based repository of infor-**

**mation that collects all necessary documents** and reports regarding their operational activity exchange with the Head Office and with the centralized suppliers. As for the collections and payments to suppliers, the Group has made good

progress in the implementation of an automatization program for the settlement of each year's promotional plan. Avoiding manual data entry contributes both to speed up each financial settlement cycle and to reduce adjustments.



## OUR ECONOMIC PERFORMANCE

### REVEALS THE LEADERSHIP OF OUR BUSINESS MODEL

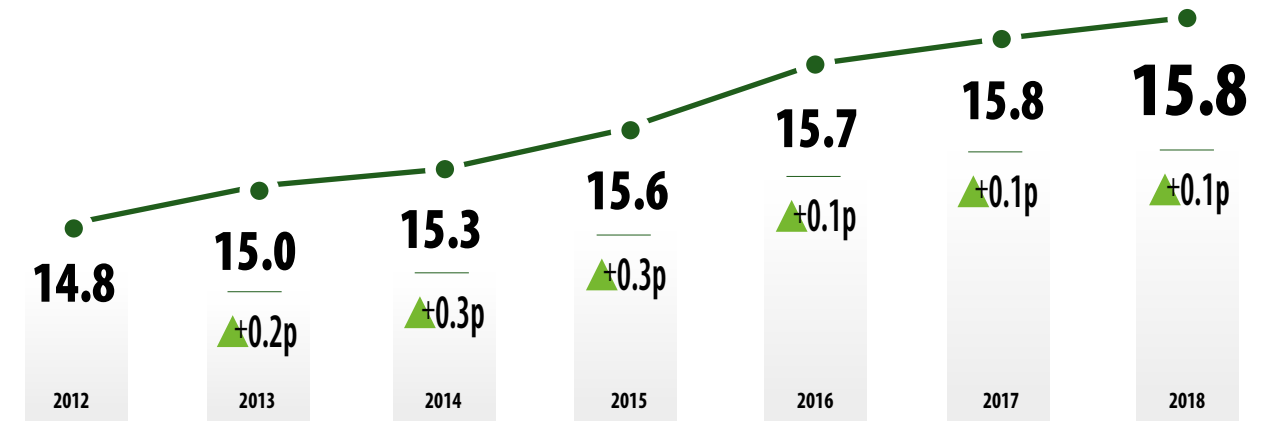
In 2018, IFA Retail has consolidated its upward trend both from a commercial and financial point of view. The company has successfully attained a market share increase by investing in a distinctive commercial model that continues to gain weight in a highly competitive environment. A consistent economic performance marked by growth and profitability has been achieved.

Over the last twelve months, the market share among **all our associates increased by 10 basis points and accounted for 15.8% for the supermarket channel**, according to research carried out by the independent consultancy firm Nielsen. The improvement of our competitive stance proves the success of our

*In 2018, we have consolidated our position as one of the main national employers. Employment creation stands at 6,317 new jobs at the year-end date and our consolidated workforce amounts to 78,924 employees*

business model, which is organized around our determination to uphold manufacturer brands, boost innovation and deliver a commercial proposition for the final consumer based on proximity, fresh product, variety of choice, quality as well as a customized customer service.

On this note, the market share in the supermarket channel by manufacturer brand – which is one of our distinctive identity features - **has raised by 23.8% and accounts for a 30-basis point increase in the 2018 January-December period**. It is worth emphasizing the consistency of the manufacturer brand sales volume, which has seen an increase of 1.4 points over the last five years. This has allowed



*Increase of market share by Supermarket channel (Spain)*

SOURCE: NIELSEN

for the Group to consolidate its position as the best ally to manufacturers for the development of their brands in Spain. For this reason, **we have focused on developing emergent categories through product innovation and joint initiatives with manufacturers**. We are in turn working together with our suppliers to better adjust their product range to current consumer trends.

Besides, Grupo IFA has continued to work on the geographical expansion of its store network. At the year-end date, our national market comprised **a network of 6,116 stores over a retail surface area of 3.7 million square meters**, which accounts for a year on year growth in the range of 1% - 2%. Thus, we are positioned as the main market player both by retail surface area, which accounts for

18.5% of the market share, and by number of store openings throughout the year.

The consistency of our commercial status is reflected by **a consolidated income of €12.9bn, which involves a 4.6% year on year growth owing to a 2.8% increase on like for like retail sales**.

It must be pointed out that this growth has not affected profitabi-

lity, as it has been sustained thanks to efficiency led projects, which under the umbrella of our logistics platform for low-rotation products has been able to capture synergies having to do mainly with the supply of consumer goods and auxiliary related materials. The same for our logistics expenditure through the good progress of our platform for the consolidation of low rotation, items what has contributed to the stability of our operational margins.

The expansion of our business in 2018 consolidates our position as one of the main national employers. **We have created over 6,317 new jobs at the year-end date** and our consolidated workforce amounts to **78,924 employees**.

With regards to results for IFA’s Purchasing and Service Center, the company has arranged payments to

*Grupo IFA stands as the main market player in Spain both by retail surface area, with a market share of 18.5%, and by number of store openings throughout the year 2018*

suppliers for a total amount of 5,958 million euros, which accounts for a 2.4% increase on last year’s figures.

Lastly, thanks to the effective entry of leading Italian distributor, Gruppo VéGé, IFA Retail has taken an additional step towards the fulfillment of our international objective to develop a framework for the growth and development of manufacturers.

After this new entry, which complements last year’s addition of leading Portuguese retailer, Sonae MC, IFA has managed to build a unique platform for growth in the South of Europe. It comprises a trade surface area of 6 million square meters over its 10,200 stores throughout Spain, Portugal and Italy and has achieved an overall gross turnover in excess of 24,360 million euros, which accounts for a year on year growth of 5.0% on a like for like basis.

### Market share by surface area (in square meters)

SOURCE: RETAIL DATA

Key regional market shares by surface area for the organized distribution sector (food product related) as of December 31st, 2018



# FINANCIAL RESULTS 2018

## SALES BY CHANNEL

<i>Retail channel</i>		<b>11,029</b> MILLION EUROS	<b>10,501</b> MILLION EUROS IN 2017	<b>+5.0%</b>	<b>85.3%</b> % OF TOTAL
<i>Whole sale channel</i>		<b>1,896</b> MILLION EUROS	<b>1,854</b> MILLION EUROS IN 2017	<b>+2.3%</b>	<b>14.7%</b> % OF TOTAL

SOURCE: GRUPO IFA

## CONSOLIDATED TURNOVER

<i>Spain</i>		<b>12,925</b> MILLION EUROS	<b>12,355</b> MILLION EUROS IN 2017	<b>+4.6%</b>
<i>Iberian península + Italy</i>		<b>24,361</b> MILLION EUROS	<b>17,001</b> MILLION EUROS IN 2017	<b>+43.3%</b>





SOURCE: GRUPO IFA

## IFA RETAIL

<i>Centralized payments</i>		<b>5,958</b> MILLION EUROS	<b>5,817</b> MILLION EUROS IN 2017	<b>+2.4%</b>
<i>Net turnover</i>		<b>765</b> MILLION EUROS	<b>732</b> MILLION EUROS IN 2017	<b>+4.6%</b>

SOURCE: GRUPO IFA

## MARKET SHARE IN SPAIN (SUPERMARKET CHANNEL)

<i>Total</i>		<b>14.1%</b>	<b>+0.2p</b>
<i>Fresh produce</i>		<b>15.6%</b>	<b>+0.0p</b>
<i>Packaged goods</i>		<b>13.6%</b>	<b>+0.2p</b>
<i>Manufacturer brand</i>		<b>19.3%</b>	<b>+0.5p</b>

SOURCE: NIELSEN



## IMPLEMENTING OUR 2020 STRATEGIC PLAN

The year 2018 has seen the implementation of the first stage of our 2020 Strategic Plan after being approved in 2017 coinciding with the celebrations of the Group's 50 Year Anniversary. As last year, our aim was to become the manufacturers' first choice, where we may not yet be, and to **create value through boosting the competitiveness of our companies whilst providing the best customer experience.**

Thanks to our Strategic Plan, **the Group has achieved greater verticality in the sector.** Throughout the year, numerous initiatives have been developed in conjunction with our manufacturers to promote category growth both in terms of volume and value. Many leading manufacturers have shown their full conviction and commitment to this aspiration the moment they have been able to **experience first-hand the level of verticality achieved by joint quality initiatives.**

*In 2018, numerous initiatives have been developed in conjunction with our manufacturers to promote category growth both in terms of volume and value*

Successful progress has been achieved in the field of logistics thanks to the implementation of projects built both upon **joint alliances and verticality in the operational areas where our masterplan and the low rotation platforms involved** are keeping their own steady pace. Furthermore, development of projects based on the purchase of consumable goods, energy and supply amongst others, have significantly started to gather pace.

**Betting on the cost efficiency of our affiliates throughout initiatives** which lead to lower purchasing costs and higher levels of optimization regarding logistics are both a priority, as increasing cost efficiency is not merely advisable but rather compulsory for the future of our sector.

Undoubtedly, amidst a **full digital transformation phenomenon**, it would not be reasonable for Gruppo IFA to not encompass it. In order to seize this opportunity together



with our associates, joint initiatives are being implemented as a means to **create a digitalization competence center** for the development and design of new projects over the next few months.

Lastly, we cannot fail to emphasize the unprecedented event in the history of our Group that the

creation of a **leading distribution cluster for the South of Europe** in alliance with our new Italian partner, Gruppo VEGé represents. This new alliance, that allows for the Group to widen its international borders, **accounts for a consolidated turnover of 24 million euros**, which is expected to double in just

*We aim to uphold brands and ensure greater choice to consumers, differentiating ourselves from other business models in Europe*

three years and, and for a store network for manufacturers in excess of 10,000 retail outlets. Thus, we are consolidating our internationalization strategy in an effort to uphold brands and **ensure greater choice to consumers**, differentiating ourselves from other business models in Europe.



## OUR BRANDS AND COMMUNICATION WITH CONSUMERS

During the year 2018, our communication with consumers has been marked by two important milestones. **The campaign “MuybienEstar”** was launched in the months of May and November. A total of 20,000 health, amusement and wellbeing reward experiences were given away and draw 100 trips for two people with access to the most renowned performances and shows was organized.

At a time when society in gene-

ral struggles to make ends meet, providing “amusement and entertainment opportunities” reveals **our commitment to customer proximity and closeness.**

Furthermore, **we have continued making progress with our on-line initiatives** to reinforce our customer relations. Followers of our social media channel increase daily, as we make a big effort to meet their information demands. It is through our different social

media profiles that we can respond to queries and comments from our customers in a more agile way.

Furthermore, our website [www.haycosasmuynuestras.com](http://www.haycosasmuynuestras.com) offers content of interest for the consumer, such as food related matters, recipes to make the most of ingredients and other curiosities. We also use these channels to keep the consumers up to date with our promotional campaigns.

## OUR COMMITMENT TO SOCIETY

At Grupo IFA we are convinced that **A BETTER WORLD IS POSSIBLE** and that we can do our bit to make it happen. The foundations of our Social Responsibility Strategy are built upon this motto.

Our position as a distribution leader along with the capillarity of our retail network in the social fabric gives us ready access to Spanish families. This allows for our tips on **healthy habits to reach our customers’ households more effectively.**



*We have renewed  
our partnership  
with the Gasol  
Foundation  
in 2018*

**For this reason, we have renewed our partnership with the Gasol Foundation** to develop educational and training habits by promoting and nurturing a healthy lifestyle through eating, sports and psychological wellbeing.

Around this context **we re-launched the Super Healthy initiative for kids, hosting a set of superheroes** who “combat” and “disable” bad eating practices through a se-

ries of **playful recommendations on healthy eating habits.** The promotional campaign was run at our stores during September and October, and consumers could collect the stuffed superheroes as well as stickers, notes with tips and an album to hold the collection. **A total of 52,405 albums, 125,364 superheroes and 14,270,000 have been given away in 2018.**

It is owing to our clear stance and foundations that we are entitled to give recommendations leading to







healthier habits and life style. And to this end, we make the most of our **6,000 stores to reach out to Spanish families**. It is worth noting that half of the Spanish households are IFA customers.

As part of this commitment, we are also involved with Fundal, a well-known sport foundation based in the district of Alcobendas, where our head office is located in Madrid. **Together, we develop sport and educational initiatives, such as the Healthy Eating workshop for local schools** that takes place in Autumn.

Another example of the joint **initiatives carried out with Fundal**

**is the one that takes place in sports schools in Alcobendas together with the Gasol Foundation** from which we make the most of their training expertise. **Basketball player, Felipe Reyes, attended the November and December sessions** as a prescriber of the guidelines on healthy habits of the Group.

We are also very aware of the fact that a healthy life style is intrinsically related to exercise. For this reason, we sponsor sport events involving citizens' participation.

Besides this significant endeavor, which saw the light in 2015 and

will be further developed in the coming years, we continue to focus on other areas which are of the upmost importance to us, such as the promotion of **stable employment**. Increasing the number of jobs we offer is one of our main objectives, and so is the quality and stability they must provide. **Our 79,000 employees are much more than a number to us**. To ensure a personalized customer service and a close approach to consumers, our stores require large numbers of staff with levels of training beyond average.

On the other hand, our presence in towns and cities throughout



Spain compels us to be involved in local and regional cultural and sports related activities through our member compa-



nies. We are committed to the many communities in which we operate and through our contribution we want to give them

back part of what they offer to us. For this reason, we foster a long-term cooperation with reputable charitable organizations such as Unicef, the Red Cross, food banks, Oxfam, Feafes, FAO amongst others.

Finally, we continue to make progress in our commitment with the environment. **We have signed a collaboration agreement with car manufacturer, Nissan to promote sustainable mobility and energy efficiency programs amongst our affiliates.**

## INSTITUTIONAL PRESENCE

*We are engaged in the following organizations and institutions, among others:*



CEOE Executive Committee (representing ASEDAS)



AECOC Managing Board




ASEDAS Vicepresidency



Advisory Board Instituto Internacional San Telmo



- 
- 4.1. MISSION, VISION AND VALUES
  - 4.2. GOVERNING BODIES
  - 4.3. EXECUTIVE TEAM
  - 4.4. COMMITTED TO  
GOOD GOVERNANCE
  - 4.5. AFFILIATES' DIRECTORY
  - 4.6. FINANCIAL FIGURES IFA RETAIL, SA
  - 4.7. AUDIT REPORT



## MISSION

### *Three features that underpin our character*

We are committed to achieving **EXCELLENCE**, because this is the only way of ensuring that our customers will rely on us, more and more, day by day.

We are also firmly committed to **INNOVATION** throughout the whole value chain, with freedom of choice at the forefront of our priorities. Our conciliatory spirit always seeks **BALANCE** between the independence of our members and our common goals, fostering a happy co-existence between our regional and national suppliers.

### *Our aim*

The objective of Grupo IFA is **to become the best distribution group in Spain** made up of Affiliate companies, all of which are leaders in their respective regions, and supported by a Head Office that provides services development, innovation and added value for every element of the chain.

We have embarked on an ambitious road that will turn the purchasing center into a true retail and wholesale group which operates in areas where, together, we can offer the greatest value, without losing sight of those features that **make each company within the Group unique**.

Our ultimate goal is to become a true agent for change within a sector that requires impetus and balance, setting our sights on **creating value and working to ensure growth and employment** in our market.

## VISION

## VALUES

### PROXIMITY

Our stores all over Spain are a good reflection of this value, and the true significance of this is complemented by our **in-depth understanding of our consumers** as well as of their needs and desires. It is also revealed by IFA's agreements with local suppliers, especially with regards to **fresh produce**.



The Group's consistency entitles us to balance the autonomy and independent management of our affiliates within a **cohesive framework** that is beneficial for all. We also know how to keep the **balance between our local and national suppliers** to offer our consumers the greatest choice in their shopping experience.

### BALANCE

We have been working hard for almost 50 years to meet the demands of the market. This is why we choose the **suppliers that best meet the quality standards that our customers demand**. Our stores mainly showcase fresh produce, guaranteeing top-quality raw ingredients which come from intense negotiations with the best fish markets to ensure the freshest of fish, with local markets to obtain recently-harvested fruit and vegetables, and with leading livestock farms in each region.

### QUALITY

### VARIETY

We are committed to responding to every need, so we offer a **universal range of products**, manufacturers and prices, representing everything from the most innovative of products to major brands and our own-brand.

We do this because we know that not all tastes and needs are the same, and we firmly believe that free choice is key for **ensuring the highest level of satisfaction in our customers' shopping experience**.

### TRUST

This is one of the values that underpins the most genuine and lasting of relationships, and we work hard to encourage it every day through our friendly nature and the **quality of the products available**, which ensures our suppliers and affiliates' trust in **IFA's model of leadership**.



Our points of sale come in all sizes. **We can be found both in large cities and in small towns**. We have international, national and local suppliers because what defines us is not where we come from nor does our size, but rather **a shared way of being and understanding** of the nature of our work.

### VERSATILITY

Innovation has always been part of the DNA of Grupo IFA. We were **the first to develop the multiple chain and cash & carry concepts** in Spain, as well as pioneering the use of bar code readers and implementation of the EDI system.

Since the outset we have supported product launches and the work of suppliers in a bid to add value within the various categories, and we are working to **develop a distribution model** that will meet the expectations of current and future generations

### INNOVATION



# BOARD OF DIRECTORS

AS OF DECEMBER 2018

**Mr. Alejandro Fernández González**  
DIRECTOR OF THE BOARD,  
ALIMERKA S. A.



**Ms. Manuela Bella Díaz Orta**  
DIRECTOR OF THE BOARD,  
CASH LEPE S. L.



**Mr. José Abraham Domínguez Santana**  
DIRECTOR OF THE BOARD,  
DINOSOL SUPERMERCADOS S. L.



**Mr. Joan Font i Fabregó**  
DIRECTOR OF THE BOARD,  
BON PREU S. A. U.



**Ms. María Pilar Condal Bargos**  
DIRECTOR OF THE BOARD,  
CONDIS SUPERMERCATS, S.A.



**Mr. Jerónimo Martín Rodríguez**  
DIRECTOR OF THE BOARD,  
GRUPO HERMANOS MARTÍN S. A.



*The Board of Directors comprises 14 Directors and a Secretary, who is not a Director. It also includes a Chairman and a Vice-chairman - who are also CEO's - and CEO.*



**Mr. Roberto Tojeiro Rodríguez**  
CHAIRMAN AND CEO,  
GADISA RETAIL, S.L.U.



**Mr. Ángel Fernández de Barrena Villagarcía**  
VICE-PRESIDENT AND CEO,  
UNIALCO S. L.



**Mr. Eduardo Serrano Vallejo**  
CEO,  
AHORRAMAS S. A.

**Mr. Francisco Javier de Asís y Garrote**  
SECRETARY OF THE BOARD  
OF DIRECTORS  
(NON-VOTING MEMBER)

**Mr. Josep Saperas Vergara**  
CEO,  
HD COVALCO S. L.



**Mr. Luis Mesquita Soares Moutinho**  
CEO,  
MODELO CONTINENTE HIPERMERCADOS, S.A.



**Mr. Juan Antonio Gómez Pérez**  
CEO,  
UNAGRAS S. A.



**Mr. Gregorio Gilarranz Sánchez**  
CEO,  
HIPER USERA, S.L.



**Mr. Rafael Ruíz Alonso**  
CEO,  
TEÓGENES RUÍZ S. L.



## CENTRALIZED PURCHASING COMMITTEE

A 31 DE DICIEMBRE DE 2018

**Mr. Miguel Rodríguez López**  
AHORRAMAS S. A.



**Mr. Álvaro Fernández - Fournier**  
ALIMERKA S. A.



**Mr. Joan Sabartes i Pardo**  
BON PREU S. A. U.



**Mr. Manel Romero Romagosa**  
CONDIS SUPERMERCATS S. A.



**Mr. Juan Carlos Gago Conlledo**  
DINOSOL SUPERMERCADOS S. L.



**Mr. Santiago Codesido Barreiro**  
GADISA RETAIL S.L.U.



**Mr. Alfonso Martínez Carnero**  
GRUPO HERMANOS MARTÍN S. A.



**Mr. Francisco José Sánchez del Arco**  
HIPER USERA S. L.



**Mr. Pere Kaiser Cozar**  
HD COVALCO S. L.



**Mr. Juan Manuel Morales Alonso**  
IFA RETAIL S. A.



**Mr. Víctor Pérez Díez**  
IFA RETAIL, S.A.



**Mr. Jaime Femenias Dols**  
UNAGRAS, S.A.  
(HIPER MANACOR, S.A.)



**Ms. M<sup>a</sup> Paz Fernández Vega**  
UNIALCO S. L.



*The Centralized Purchasing Committee is made up of affiliates and Head Office managers. It carries out market research an analysis and has decision-making power. It also provides information and makes recommendations to the Board of Directors about measures to be taken for which the Board must give final approval.*

## INTERNATIONAL PURCHASING COMMITTEE

AS OF DECEMBER 2018

**Mr. Álvaro Fernández - Fournier**  
ALIMERKA S. A.  
MEMBER



**Mr. Tomás Lince Fernandes**  
MODELO CONTINENTE  
HIPERMERCADOS, S.A.  
MEMBER



**Mr. Manel Romero Romagosa**  
CONDIS SUPERMERCATS S. A.  
MEMBER



**Mr. Edoardo Gamboni**  
VÉGÉ RETAIL S.R.L. SOCIETÀ  
UNIPERSONALE  
MEMBER



*The Committee is made up of affiliate members in Spain, Portugal and Italy and Head Office managers. The Committee ensures the operational management involving decision making processes and tactical follows-up of the International Program. Furthermore, it is responsible for ensuring the compliance of the terms and conditions reached by any agreements being undertaken*

**Mr. Juan Manuel Morales Alonso**  
IFA RETAIL S. A.  
CHAIRMAN



**Ms. Raquel Beneítez Tejón**  
IFA RETAIL S. A.  
INTERNATIONAL DIRECTOR



**Mr. Víctor Pérez Díez**  
IFA RETAIL S. A.  
SECRETARY





## EXECUTIVE TEAM

AS OF DECEMBER 2018

**Mr. Juan Manuel Morales Alonso**  
MANAGING DIRECTOR



**Mr. Pablo Cegarra Bulnes**  
HEAD OF HUMAN RESOURCES



**Mr. Juan Ramón González Cristos**  
OPERATIONS MANAGER



**Ms. Raquel Beneítez Tejón**  
INTERNATIONAL DIRECTOR



**Mr. Diego Maus Lizariturry**  
CHIEF FINANCIAL OFFICER



**Mr. Víctor Pérez Díez**  
SALES AND MARKETING DIRECTOR



**Mr. José Javier Romero Esteban**  
IT MANAGER



## COMMITTED TO GOOD GOVERNANCE

At IFA Retail we are committed to the highest standards of legal compliance, including abidance to the rules of competition protection. In this sense, specialized external audits of **our operations are carried out from the perspective of the Competition Defense Law**. We also enjoy strict internal protocols to avoid “antitrust” risks, including a specific one about the treatment of confidential information between our partners. Through the application of these protocols, the Group always behaves as an independent third party which **safeguards the information received both by suppliers and member companies**. We have established the necessary organizational and technology related procedures to avoid access to confidential information from the competition.

Through the support and encouragement of the Board of Directors, the evolution and development of standards related to good gover-

*“A Criminal Risk Prevention Model has been implemented to encourage ethical behavior within the company as well as to prevent, detect and react to any illegal behavior patterns that may arise*

nance and regulatory compliance, particularly in Spain and the European Union are continuously monitored in order to adjust our **corporate governance model to the new legal requirements**, as well as to incorporate best practices into our internal decision-making processes.

In this context, **the Board of Directors has promoted a Criminal Risk Prevention Model** formally approved on November 20, 2018. In accordance with the requirements of the Penal Code, the objective of this Model is to promote an ethical and compliance culture within the company, as well as to prevent, detect and react to any illegal behavior patterns that may arise within the company. By this, IFA Retail aims to protect the corporate reputation of our Head Office. The implementation of this model is another step towards our commitment to an honest management of operations, generating trust in our relations-



hip with suppliers, customers and associates. **We thrive to achieve a transparent and continuous dialogue with all our stakeholders** to improve our contribution to their management objectives.

**This model, which applies to all members of the organization, revolves around the company's Code of Ethics** which has been

built upon the mission, vision, and values that inspire the performance of IFA and which are applicable to all employees. Compliance with the law, honesty in business activity, maintaining a good reputation in our relationship with the stakeholders, delivering an exemplary business behavior and promoting mutual respect, transparency and

integrity in the workplace are the basic principles that should inspire the performance of our workforce.

In this sense, the company has developed an Ethics Mailbox, [buzonetico@grupoifa.es](mailto:buzonetico@grupoifa.es) to respond to any questions on ethical behavior matters as well as to report any potential irregularities that may be detected.



# AFFILIATES' DIRECTORY

AS OF DECEMBER 2018



Ahorramas, S.A.



Alimentación Peninsular, S.A.



Alimerka S.A.



Bon Preu, S.A.U.



Cabrero e Hijos, S.A.



Cadena de Empresas detallistas, S.A.

## AFFILIATES:

- ALMACENES EGUREN, S.A.
- AYEBSA, S.L.
- D. Y P. MIGUEZ S.L.
- DROGUERÍA ALBIZU, S.L.
- EBRO DROPER, S.L.
- HERMANOS GAVIRA, S.L.
- HIJOS DE FIDEL GARCÍA, S.L.
- ORENCIO MATAS Y HNOS., S.L.
- PERFUMERÍA MIRALLS, S.L.
- SUPER BONILLA, S.A.
- S. SÁNCHEZ ROMERO, S.L.
- SUPERMERCADOS CODI, S.L.
- SUPERMERCADOS INPESCASA, S.L.
- UDATA, S.C.L.



Cafés Mora, S.L.



Cash Lepe, S.L.

## AFFILIATE:

- MANUEL VALLEJO, S.A.



Comercial Piedra Trujillo, S.L.U.



Compañía Nacional de Comercio, S.A.



Condis Supermercats, S.A.



Dinosol Supermercados, S.L.



Ecos Manchegos, S.A.



Franco-Mor, S.A.



Gadisa Retail, S.L.U.



Grupo Hermanos Martín, S.A.



HD Covalco, S.L.

## GROUP COMPANIES:

- 7 ALIMENTACIÓN 7, S.A.
- ALIMENTACIÓN ALCIRA, S.A.U.
- CARO RUIZ, S.A.
- COALIMENT ANDALUCÍA, S.L.
- COALIMENT ARAGÓN, S.A.U.
- COALIMENT CASTILLA, S.A.U.
- COALIMENT GRANOLLERS, S.A.U.
- COALIMENT MALLORCA, S.L.
- COALIMENT PENEDÉS, S.A.U.
- COALIMENT VALENCIA, S.A.U.
- DISTRIBUIDORA GENERAL ALAVESA, S.A.U.
- ETNIC FOODS, S.L.
- VALENCIANA DE SUPERMERCADOS, S.A.U.



Hermanos Ayala Sousa, S.L.U.



Hiper Usera, S.L.



Ibercudis, S.L.



Jose Bernabeu Pic, S.A.



Modelo Continente Hipermercados, S.A.



Moya Saus e Hijos, S.A.

## AFFILIATE:

- SUPERMERCADOS COP, S.A.



Román García Romo, S.A.



Sánchez Vázquez Hnos., S.A.U.



Scaber, S.C.

## GROUP COMPANIES:

- ACA, S.A.U.
- ALCANTADIS, S.L.
- ALMENDIS, S.L.
- ARANCEDIS, S.L.
- CARBADIS, S.L.
- CORI, S.A.U.
- EUROHIPER DISTRIBUCIÓN, S.L.
- MAJADADIS, S.L.
- MIRANDADIS, S.L.
- PAMPLONA DISTRIBUCIÓN, S.A.
- PINTODIS, S.L.
- PUERTOLLANODIS, S.L.
- SORIADIS, S.L.
- TORIODIS, S.L.
- TRUJILLODIS, S.L.
- VALDEMODIS, S.L.
- VITORIADIS, S.L.



Superficies de Alimentación, S.A.



Supermercados Bolaños, S.L.



Supermercados Dani, S.L.



Teógenes Ruiz, S.L.



Unagras, S.A.



Unialco, S.L.



Unión Detallistas Españoles, S.Coop.



Vicente Alonso, S.L.

MEMBER OF  
THE INTERNATIONAL  
PURCHASING COMMITTEE



VeGé Retail S.r.l. Società Unipersonale

“IFA Retail comprises 34 full-fledged member companies with identical shareholding structure, 29 of which are shareholders”



## BALANCE SHEET ANT 31 DECEMBER 2018

THOUSANDS OF EUROS

ASSETS	2018 FY	2017 FY	NET EQUITY AND LIABILITIES	2018 FY	2017 FY
<b>NON-CURRENT ASSETS:</b>	<b>3.918</b>	<b>4.396</b>	<b>NET EQUITY:</b>	<b>30.649</b>	<b>29.018</b>
Intangible fixed assets	685	554	<b>INTERNAL FUNDS-</b>	<b>30.649</b>	<b>29.018</b>
Tangible fixed assets	2.279	2.803	Capital	1.849	1.849
Investments in Group companies	62	62	Reserves-	25.517	25.876
Long-term financial investments	38	39	Legal and statutory	4.431	4.431
Tax-deferred assets	854	938	Other reserves	23.086	21.445
			Group shares	(1.591)	(1.591)
			Profit	2.874	2.884
			<b>NON-CURRENT LIABILITY:</b>	<b>500</b>	<b>700</b>
			Long-term debts-	<b>500</b>	<b>700</b>
			Debts with credit institutions	500	700
<b>CURRENT ASSETS:</b>	<b>820.573</b>	<b>783.803</b>	<b>CURREN LIABILITIES:</b>	<b>793.342</b>	<b>758.481</b>
Inventory-	26	29	Short-term provisions	1.763	2.210
Trade debtors and other accounts receivable-	819.937	781.035	Short-term debts-	103.466	28.705
Associate members	737.372	686.660	Debts with credit institutions	103.466	28.705
Accounts receivable	82.565	93.055	Short-term debt with Group companies	-	6
Personnel	-	1	Trade creditors and other accounts payable-	688.085	727.539
Other government credits	-	1.319	Debts from purchases or services	469.564	524.350
Short-term financial investments	1	1	Accounts payable to associate members for various reasons	214.532	201.450
Short-term financial investments with Group companies	48	-	Salaries outstanding	1.236	1.222
Short-term accruals	483	72	Current tax liabilities	29	133
Cash and cash equivalents-	78	2.666	Other government debts	2.724	384
Cash	78	2.666	Short-term accruals	28	21
<b>TOTAL ASSETS</b>	<b>824.491</b>	<b>788.199</b>	<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>824.491</b>	<b>788.199</b>

## PROFIT AND LOSS STATEMENT 2018

THOUSANDS OF EUROS

	2018 FY	2017 FY
<b>Net turnover:</b>	<b>765.428</b>	<b>731.582</b>
Sales	727	749
Services rendered	764.701	730.833
<b>Raw materials and consumables:</b>	<b>(749.193)</b>	<b>(716.898)</b>
Consumption of goods	(688)	(702)
Other supplies	(748.505)	(716.196)
<b>Personnel expenses:</b>	<b>(7.214)</b>	<b>(6.004)</b>
Wages, salaries and similar	(6.176)	(5.086)
Social expenses	(1.038)	(918)
<b>Other operating expenses:</b>	<b>(4.404)</b>	<b>(4.154)</b>
External services	(4.350)	(4.116)
Taxes	(57)	(58)
Loss, impairment and change in provisions from commercial operations	3	20
<b>Amortization of fixed assets</b>	<b>(815)</b>	<b>(726)</b>
<b>OPERATING RESULT</b>	<b>3.802</b>	<b>3.800</b>
<b>Revenue:</b>	<b>217</b>	<b>205</b>
From marketable securities and other financial third-party instruments	217	205
<b>Financial expenses:</b>	<b>(200)</b>	<b>(156)</b>
From third-party debts	(200)	(156)
<b>FINANCIAL RESULTS</b>	<b>17</b>	<b>49</b>
<b>PRE-TAX RESULT</b>	<b>3.819</b>	<b>3.849</b>
Income tax	(945)	(965)
<b>RESULT FOR THE YEAR</b>	<b>2.874</b>	<b>2.884</b>

## STATEMENT OF CHANGES IN EQUITY FOR 2018 FY

THOUSANDS OF EUROS

### STATEMENT OF RECOGNIZED REVENUE AND EXPENSES

	2018 FY	2017 FY
<b>RESULT OF PROFIT AND LOSS STATEMENT</b>	<b>2.874</b>	<b>2.884</b>
Total revenue and expenses charged directly to net equity	-	-
Total transfers to profit and loss statement	-	-
<b>TOTAL RECOGNIZED REVENUE AND EXPENSES</b>	<b>2.874</b>	<b>2.884</b>

### COMPLETE STATEMENT OF CHANGES TO NET EQUITY

	CAPITAL	LEGAL RESERVE	STATUTORY RESERVE	OTHER RESERVES	GROUP SHARES	RESULT FOR THE YEAR	TOTAL
<b>BALANCE AT START OF 2017 FY</b>	<b>1.849</b>	<b>370</b>	<b>4.061</b>	<b>19.974</b>	<b>(1.591)</b>	<b>2.702</b>	<b>27.365</b>
Total recognized revenue and expenses	-	-	-	-	-	<b>2.884</b>	<b>2.884</b>
Application of funds	-	-	-	1.471	-	(1.471)	-
Operations with shareholders:							
Dividend payouts	-	-	-	-	-	(1.231)	(1.231)
<b>BALANCE AT THE END OF 2017 FY</b>	<b>1.849</b>	<b>370</b>	<b>4.061</b>	<b>21.445</b>	<b>(1.591)</b>	<b>2.884</b>	<b>29.018</b>
Total recognized revenue and expenses	-	-	-	-	-	<b>2.874</b>	<b>2.874</b>
Application of funds	-	-	-	1.641	-	(1.641)	-
Operations with shareholders:							
Dividend payouts	-	-	-	-	-	(1.243)	(1.243)
<b>BALANCE AT THE END OF 2018 FY</b>	<b>1.849</b>	<b>370</b>	<b>4.061</b>	<b>23.086</b>	<b>(1.591)</b>	<b>2.874</b>	<b>30.018</b>

## STATEMENT OF CASH FLOWS FOR 2018 FY

THOUSANDS OF EUROS

	2018 FY	2017 FY
<b>CASH FLOWS OPERATING ACTIVITIES:</b>	<b>75.431</b>	<b>28.652</b>
<b>Result for the year before taxes</b>	<b>3.819</b>	<b>3.849</b>
<b>Adjusted results-</b>	<b>795</b>	<b>657</b>
Amortization of fixed assets	815	726
Change in provisions	(3)	(20)
Revenue	(217)	(205)
Financial expenses	200	156
<b>Changes in current capital-</b>	<b>79.120</b>	<b>24.873</b>
Inventory	3	16
Debtors and other accounts receivable	(38.927)	(43.674)
Other current assets and liabilities	(848)	459
Creditors and accounts payable	(39.348)	68.072
<b>Other cash flows from operating activities-</b>	<b>(925)</b>	<b>(727)</b>
Interest payments	(200)	(156)
Collection of interest	217	205
Income tax revenue / (expense)	(942)	(776)
<b>CASH FLOWS FROM THE INVESTMENT ACTIVITIES:</b>	<b>(469)</b>	<b>(420)</b>
<b>Payments for investments-</b>	<b>(470)</b>	<b>(481)</b>
Intangible fixed assets	(67)	(197)
Tangible fixed assets	(355)	(284)
Group companies and associated companies	(48)	-
<b>Cobros por inversiones-</b>	<b>1</b>	<b>61</b>
Other financial assets	1	61
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	<b>73.312</b>	<b>(41.020)</b>
<b>Collections and payments for financial liability instruments-</b>	<b>74.555</b>	<b>(39.789)</b>
Debts with Group and associated companies	(6)	6
Debts with credit institutions	74.561	(39.795)
<b>Dividend payments and remunerations for other equity instruments-</b>	<b>(1.243)</b>	<b>(1.231)</b>
Dividends	(1.243)	(1.231)
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b>	<b>(2.588)</b>	<b>(12.788)</b>
Cash or cash equivalents at start of period	2.666	15.454
Cash or cash equivalents at end of period	78	2.666

# AUDIT REPORT ON ANNUAL ACCOUNTS



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## INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de IFA Retail, S.A.:

### Opinión

Hemos auditado las cuentas anuales de IFA Retail, S.A. (la Sociedad), que comprenden el balance a 31 de diciembre de 2018, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2018, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2.1 de la memoria) y, en particular, con los principios y criterios contables contenidos en el mismo.

### Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

### Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Deloitte, S.L. inscrita en el Registro Mercantil de Madrid, tomo 12.050, sección 34, folio 235, hoja B-54144, inscripción 561. C.I.F. B-16234462. Identificación sector: "Pape Pape Pape Pape". S. Torre Pabellón, 28002, Madrid.

## Reconocimiento de ingresos

Descripción	Procedimientos aplicados en la auditoría
Tal y como se indica en la nota 1, la actividad principal de la Sociedad es la prestación de servicios a fabricantes y distribuidores para la obtención de sinergias operativas, comerciales y financieras para sus miembros asociados mediante la gestión unificada de las plantillas de condiciones de compra y administración centralizada de los pagos a proveedores de bienes y servicios.	Nuestros procedimientos de auditoría incluyeron la comprobación de la eficacia de los controles del proceso de reconocimiento de ingresos y procedimientos sustantivos, tales como: comprobar el diseño e implementación así como la eficacia operativa de los controles relevantes (incluyendo los controles de sistemas de información) que soportan los ingresos, para lo que hemos involucrado a nuestros expertos internos en tecnología y sistemas; analizar si los ingresos se encuentran debidamente registrados teniendo en consideración los términos y obligaciones contractuales con los fabricantes y asociados; evaluar la razonabilidad de los volúmenes de ventas y márgenes del ejercicio 2018 respecto a las tendencias de los ejercicios anteriores, cotejando estos datos con la información proporcionada por fuentes internas de la Sociedad; y la realización de pruebas combinadas de carácter manual y asistidas por expertos en tecnología y sistemas para obtener y verificar los asientos registrados en las cuentas de ingresos y clientes.
El reconocimiento de estos ingresos, bajo las condiciones y términos normales de la Sociedad, implican una casuística específica asociada a las distintas condiciones firmadas con los fabricantes. Asimismo, el reconocimiento de ingresos entraña cierto grado de complejidad debido a la multitud y variedad de términos contractuales con los diferentes proveedores con los que opera la Sociedad. Estos hechos motivan que este aspecto sea un área de atención significativa para nuestra auditoría.	Las notas 4.8 y 13.1 de las cuentas anuales adjuntas, contienen los desgloses e información relativa a los ingresos por prestación de servicios de la Sociedad.

## Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2018, cuya formulación es responsabilidad de los administradores de la Sociedad y no forma parte integrante de las cuentas anuales.

Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas y sin incluir información distinta de la obtenida como evidencia durante la misma. Asimismo, nuestra responsabilidad consiste en evaluar e informar de si el contenido y presentación del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2018 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

## Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales, los administradores son responsables de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.


## Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad, pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.


En el Anexo I de este informe de auditoría se incluye una descripción más detallada de nuestras responsabilidades en relación con la auditoría de las cuentas anuales. Esta descripción es parte integrante de nuestro informe de auditoría.

DELOITTE, S.L.  
Inscrita en el R.O.A.C. nº 50692



Victoria López Téllez  
Inscrita en el R.O.A.C. nº 21238

26 de abril de 2019



AUDITORES  
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