



GRUPO  
CARREFOUR  
BRASIL

Results

< Q1 2023 >

May 3, 2023



GRUPO  
CARREFOUR  
BRASIL



Executive Summary





## Expansion

- > **R\$ 27.1 billion gross revenue** Q1 23  
growth of +30.7% y/y
- > **Market share gains of +180 bps**  
in Q1 23
- > **Maxxi store conversions completed**  
23 conversions of Grupo BIG stores in Q1 23
- > **3 new organic Atacadão stores** in Q1 23  
out of 10 – 15 stores planned for 2023



Inauguração Atacadão Pampulha – MG



## Digitalization

- > **R\$ 1.6 billion of total GMV**  
Q1 23 (+43.0% vs. 1Q22)
- > **+65% GMV food growth**  
vs. 1Q22 and **+24% non-food GMV growth** vs. 1Q22
- > **+83.0% growth 1P Food** Carrefour has  
been gaining strength
- > **29.4% digital channel penetration**  
in customer acquisition at the Bank

- Team strengthening
- Continuous improvement of the customer experience



## Responsibility

- > **Grupo Carrefour com ELLAS:** second  
group with 750 women in the development  
program
- > **PODER: 500+ black employees**  
**connected**, forming a powerful support network
- > **Partnership with Universidade Zumbi**  
**dos Palmares** scholarships for 90 employees  
in higher education
- > **Employment Generation:** Pioneer  
partnership with the Ministry of Social  
Development



**P.O.D.E.R.**



# Grupo BIG integration advancing at a rapid pace

Expected completion six months ahead of schedule

## Key Integration Work Streams

### STORE CONVERSIONS

Maxxi Stores	✓ Completed
BIG Hypermarket Stores	On-going - ahead of initial schedule
Sale of Remedies	✓ Completed <sup>(1)</sup>
Financing Business - Capturing Clients of Converted Stores	On-going - according to initial schedule

### PROCUREMENT

Direct - Harmonization in terms and conditions	✓ Completed
Indirect - Harmonization in terms and conditions	✓ Completed and above target

### LOGISTICS




DC Integration	✓ Completed and above target
DC Optimization	On-going - ahead of initial schedule

### IT SYSTEMS

Front Office Integration	✓ Completed
Back Office Integration	On-going - ahead of initial schedule

### CORPORATE OVERHEAD

Integration of leadership teams	✓ Completed - since day 1
Optimization of corporate structure	On-going - according to initial schedule

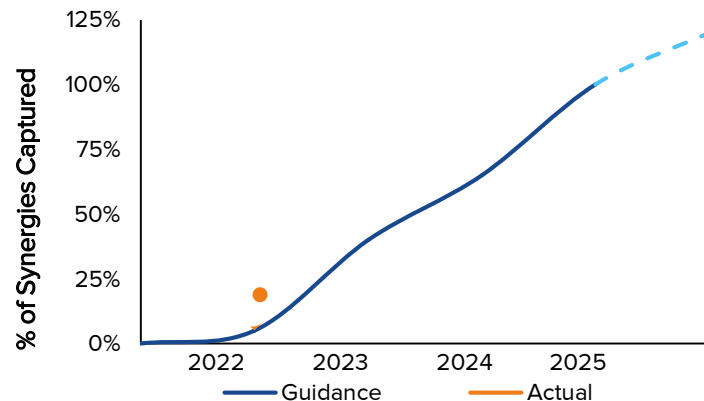
Stores converted into	Initial Plan	Converted in 2022	Converted in 1T23	Planned for 2Q23	Adjusted Plan
	70	38	23	13	74
	47	20	-	27	47
	7	1	-	2	3
<b>Total</b>	<b>124</b>	<b>59</b>	<b>23</b>	<b>42</b>	<b>124</b>

4 Note (1): 12 out of 14 stores already closed, the last 2 to be delivered by mid-May (already signed and approved by Cade)

Capture of synergies as expected: R\$146 million in Q1 23

## Expected synergy capture curve

(not including capex and one-off expenses)





GRUPO  
CARREFOUR  
BRASIL



Consolidated Results  
Q1 23

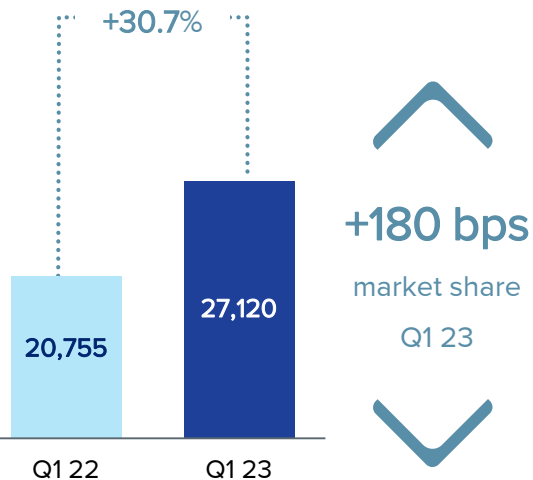


# Solid performance across all businesses

Strong market share gains

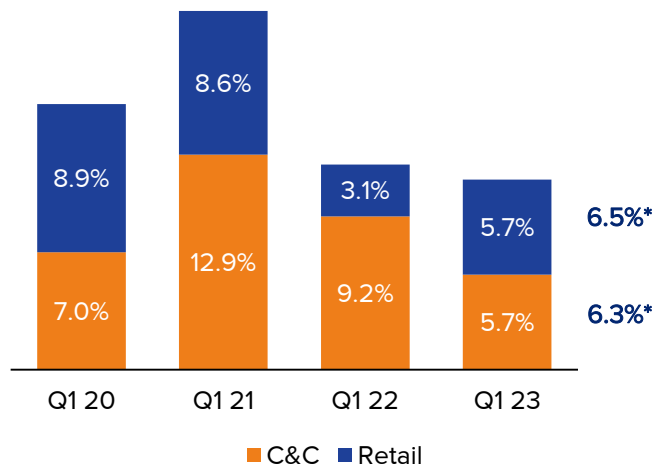
## Gross Sales

Including petrol (R\$ Million)



## LFL evolution per BU

(Ex-petrol)



\*Including calendar effect

## Total growth

Including petrol



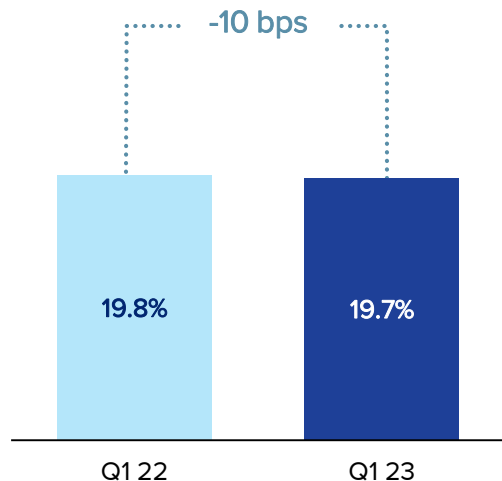


# Resilient margins even with BIG integration

SG&A impacted by store conversions and Grupo BIG integration

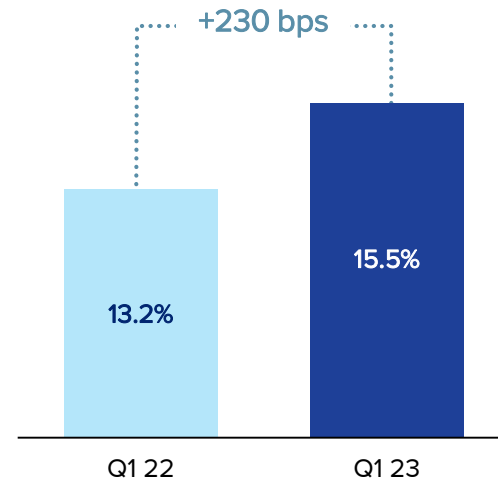
## Gross Margin

as % of Net Sales



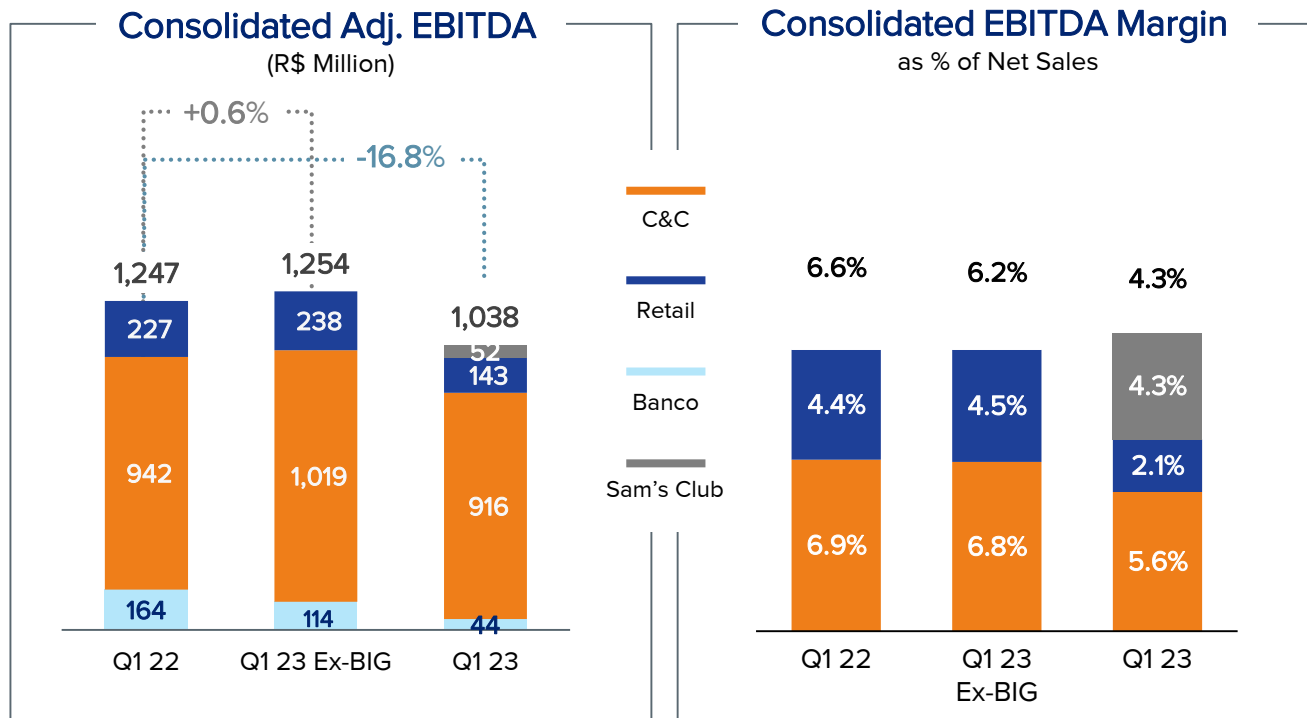
## SG&A

as % of Net Sales



# Adj. EBITDA Margin Impacted by BIG stores in Q1 23

Margins pressured by store conversions



Inauguration of the Atacadão São Bernardo do Campo store - SP

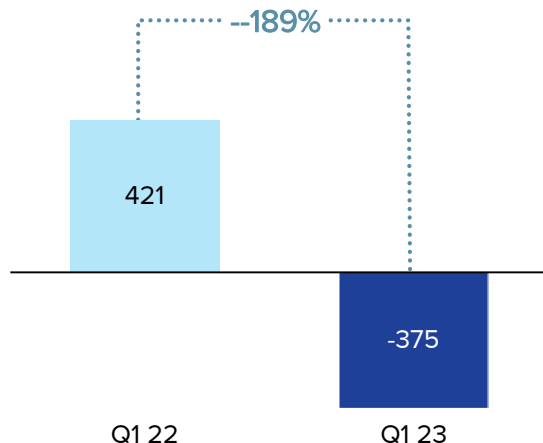


# Net income reflecting higher debt and interest rates

Solid operating cash generation

## Adjusted Net Income, Group Share

(in R\$ million)



## Operating Cash Flow

(in R\$ million)

In R\$ million - including Grupo BIG	LTM March 23	LTM March 22	Δ%
Gross cash flow from operating activities	6,146	5,740	7,1%
Change in Net Working Capital	-2,352	609	-486,2%
<b>Net cash generated by operating activities</b>	<b>3,016</b>	<b>4,981</b>	<b>-39,5%</b>
<b>Net cash generated by operating investments</b>	<b>-3,478</b>	<b>-2,587</b>	<b>34,5%</b>
<b>Free Cash Flow</b>	<b>-462</b>	<b>2,394</b>	<b>-119,3%</b>
Equity Free Cash Flow	-2,925	1,540	-290,0%

Strong level of operating cash generation  
FCF impacted by the integration of the BIG Group

# Leverage in line with Q3 22

Indebtedness reflecting Grupo BIG acquisition and fast-paced store conversions

## Net Debt (ex-lease and receivables)\*

< **R\$ 13,8 billion** >

Store conversion plan acceleration  
of Grupo BIG

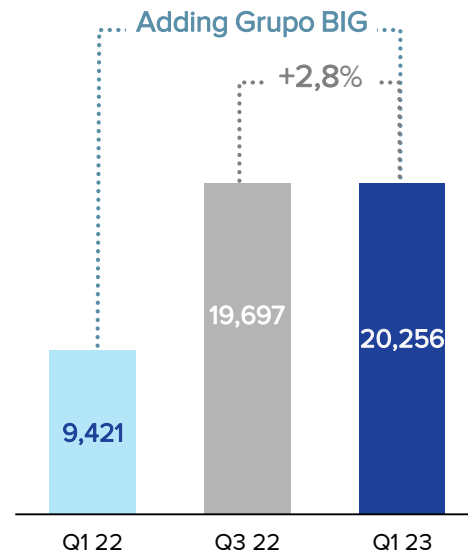
Does not consider receivables  
discount

**\*\*R\$ 6.3 billion** in a revolving credit facility renewed  
with Carrefour France Group.

\*Does not include R\$1.8 billion receivables discount and R\$4.6 billion lease in Q1 23.

\*\*As of April 2023

## Net debt (including lease and receivables) (in R\$ million)



\*Including receivables, ex-lease.

**2.44x\***  
Net debt/ LTM  
EBITDA



GRUPO  
CARREFOUR  
BRASIL



Cash & Carry  
Q1 23



# Maxxi store conversions completed and organic expansion

3 organic stores in Q1 out of 10-15 stores expected to open in 2023

+ 26 C&C stores in Q1 23

< 346 > Atacadão Cash & Carry

33 wholesale in Q1 23

Q1 23

< +3 >

Q1 23

< +21 >

Converted  
Maxxi  
stores

< +2 >

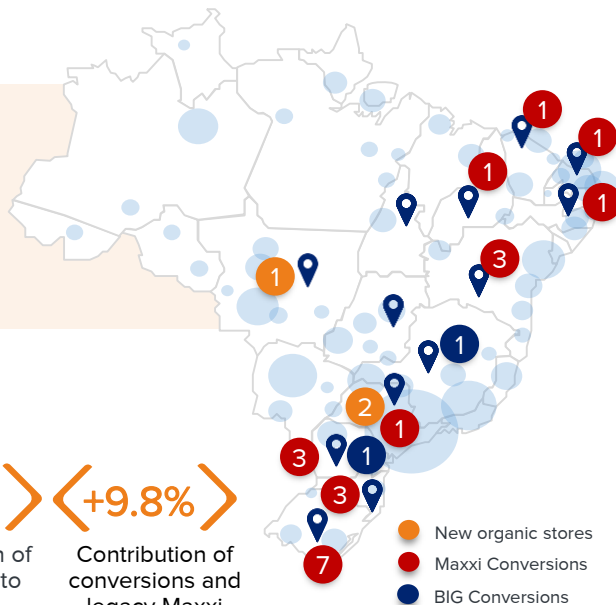
Converted  
BIG stores

< +3.9% >

Contribution of  
expansion to  
growth

< +9.8% >

Contribution of  
conversions and  
legacy Maxxi  
stores to growth



New organic stores

Maxxi Conversions

BIG Conversions



Inauguration of the Atacadão São Caetano do Sul – SP

Stores

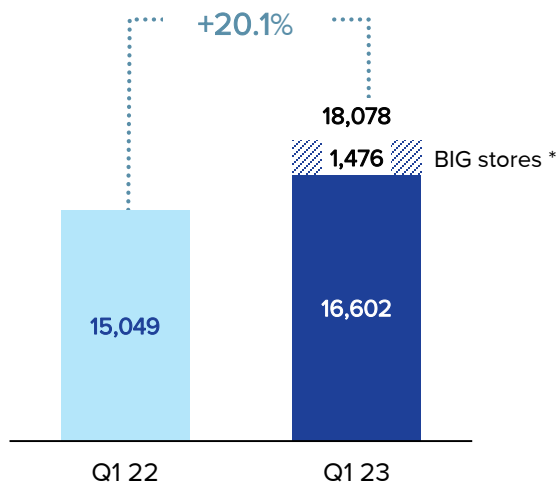
Growth

# Strong sales performance in Q1 23

10% organic growth despite challenging environment

## Gross Sales

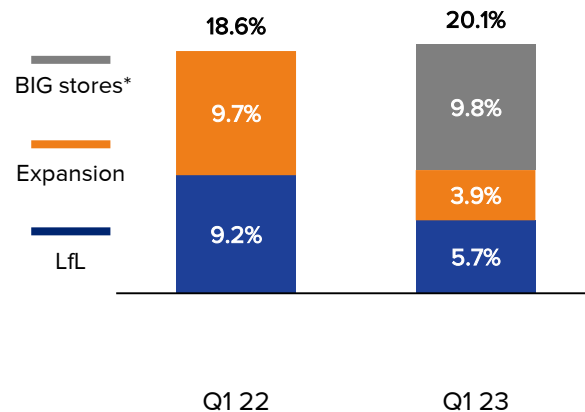
(R\$ Million)



Digital channel already represents **2.7% of total sales**

\*Converted stores + Maxxi legacy

## Expansion and LfL Contribution



**+27% LfL converted stores in Q1 23**

# Resilient margins amid integration process

Robust profitability with sustained margins at historic levels

## Gross Margin

(% of net sales)

Absorbing the effects of organic expansion and conversions

**15.4%** in Q1 23

(-10 bps vs. Q1 22)

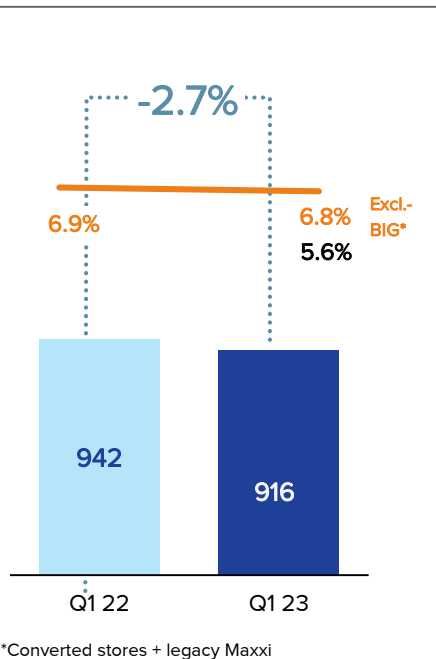
## SG&A expenses

(% of net sales)

SG&A expenses reflecting accelerated expansion

**9.8%** in Q1 23

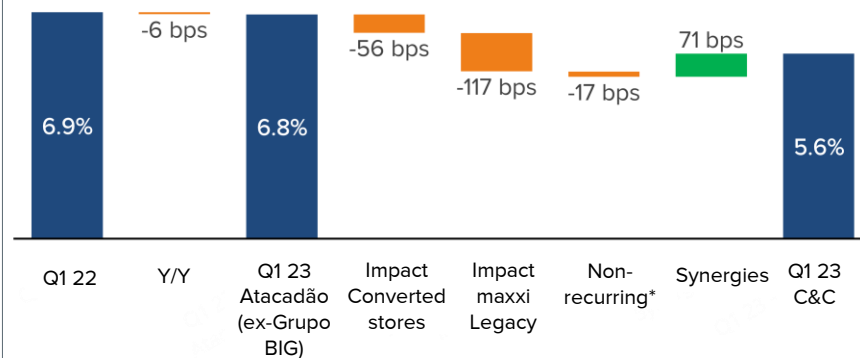
(+116 bps vs. Q1 22)



## Adj. EBITDA and margin

(in R\$ million and in % of net sales)

### Adj. EBITDA margin bridge





GRUPO  
CARREFOUR  
BRASIL



Retail  
Q1 23



# Solid non-food growth and record private label penetration

Commitment to the customer



**8.3% LfL converted stores**

Above retail average



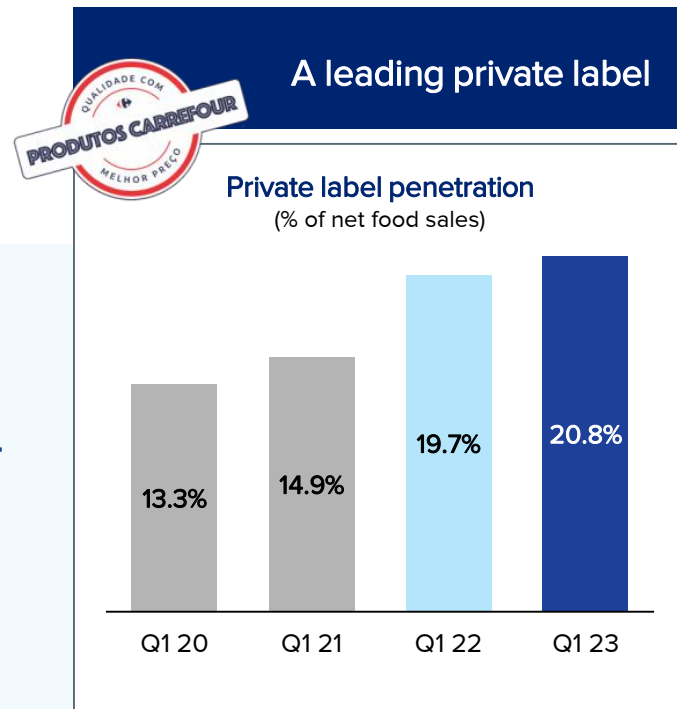
**83% food 1P growth**

Significant gain vs. last-mile operators



**9.3% non-food LfL**

12.3% LfL home appliances



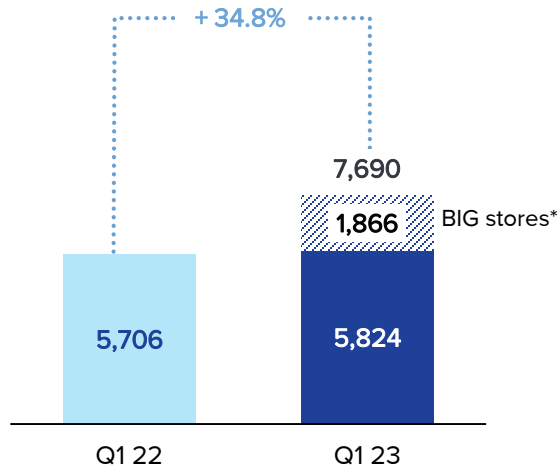


# Robust sales growth

Non-food segment sales maintaining the strong trend seen in 3Q and 4Q 22

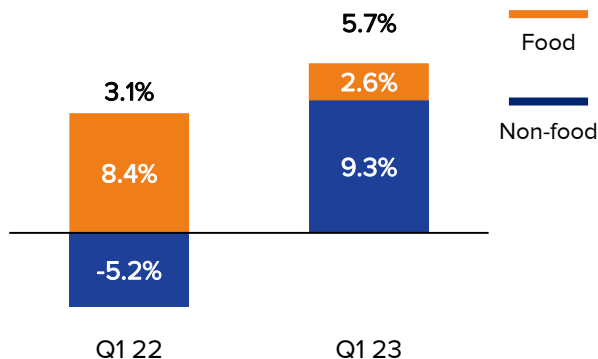
## Gross Sales

(R\$ Million)



## LfL evolution by Category

(Evolution a/a)



## LfL Q1 23 vs. Q1 22

< 6.3% LfL with calendar effect ex. petrol >

< 8.3% LfL converted stores >

\*Converted Stores + BIG Legacy

# Solid profitability at Carrefour Retail

Strong sales and cost-optimization enable stable SG&A at Carrefour Retail

## Gross Margin

(% of net sales)

Strong performance in all categories and 3P acceleration leading to **24.4%** in Q1 23 (+188 bps vs. Q1 22)

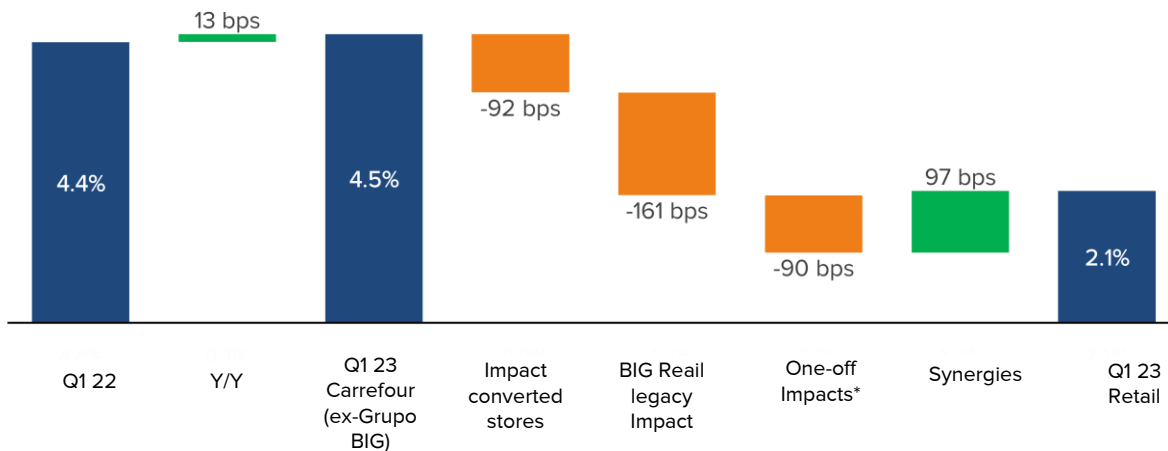
## SG&A expenses

(% of net sales)

VG&A reflecting the impact of store conversions **20.1\*** in Q1 23 (200 bps vs. Q1 22) or 22.6% with BIG

\*Note: without BIG

## Adj. EBITDA margin bridge



\*Includes one-off expenses and revenue impact related to the store conversion process.



GRUPO  
CARREFOUR  
BRASIL



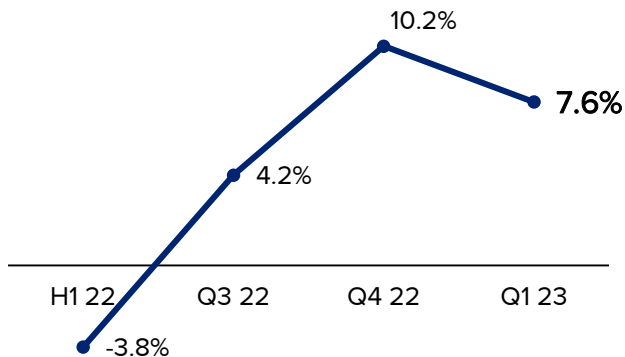
Sam's Club  
Q1 23



# Focus on creating long-term value

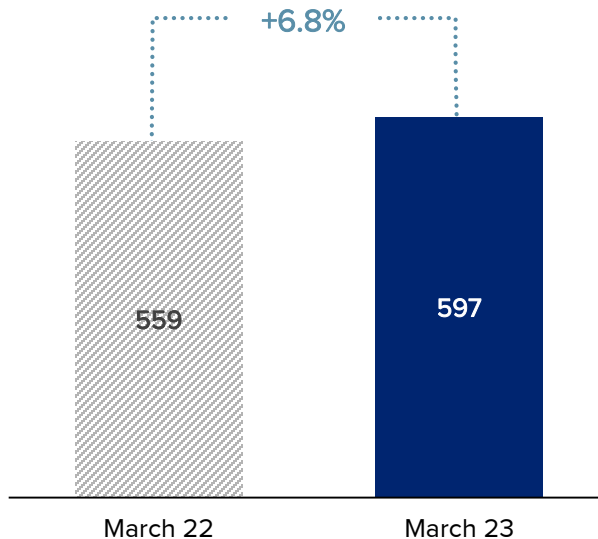
Consistent above-Group average LFL

## LfL Evolution y/y



## Active Club Members

(in thousands/month)



## Gross Margin

(% of net sales)

Improvement in price and assortment

19.9% in Q1 23

## SG&A Expenses

(% of net sales)

15.6% in Q1 23

## Adj. EBITDA Margin

(% of net sales)

4.3% in Q1 23

Potential for expansion as long-term value creation initiatives mature



GRUPO  
CARREFOUR  
BRASIL



E-commerce  
Q1 23

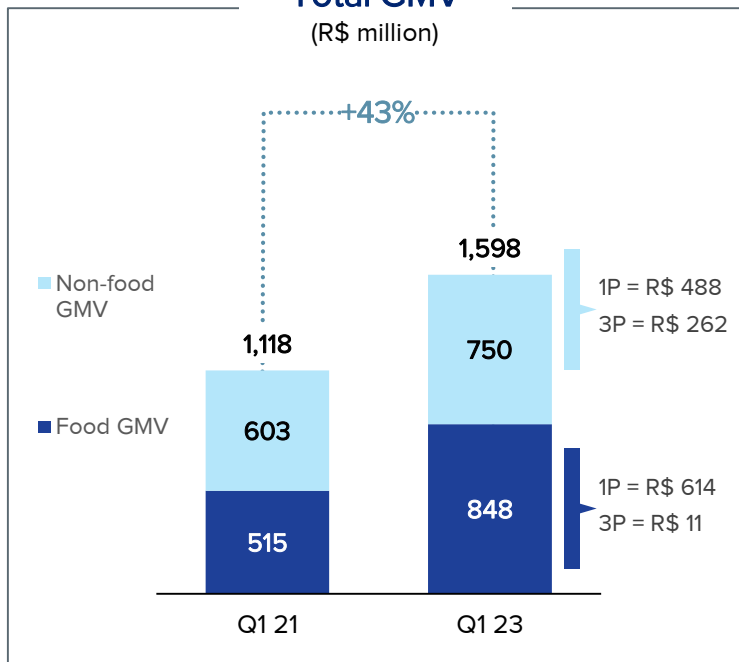


# Continuous focus on improving the customer experience

Good performance of the food and non-food segments

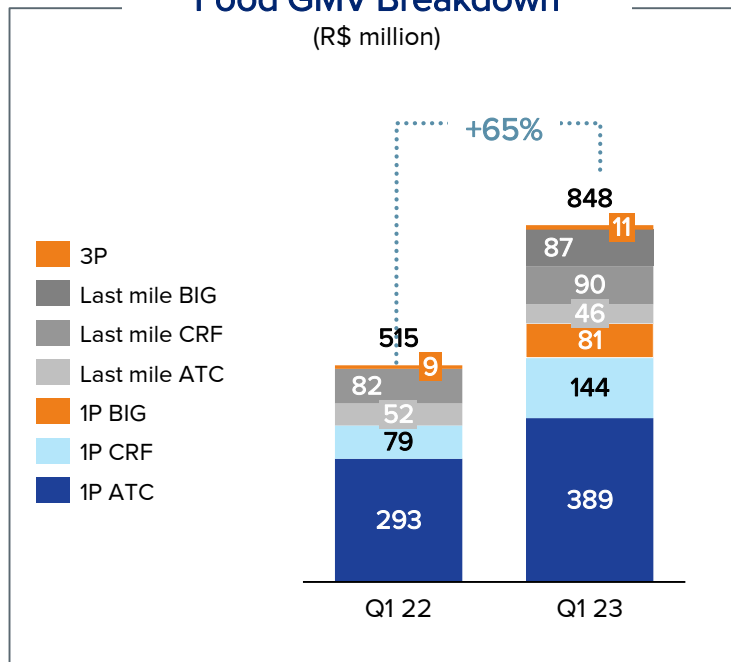
## Total GMV

(R\$ million)



## Food GMV Breakdown

(R\$ million)



**1P food**  
**+65%**

(1P Atacadão +  
1P Carrefour Food + 1P  
BIG)

**Non-food**  
**+24.4%**

(+17% 1P and  
+27% in 3P)





GRUPO  
CARREFOUR  
BRASIL

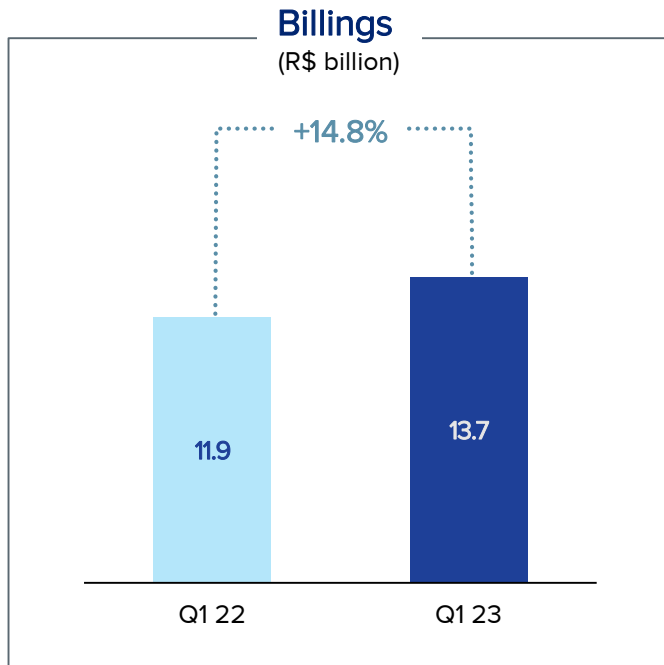


Banco Carrefour  
Q1 23



# Billings growth

Grupo BIG driven by customer migration



Solid results in off-us channel  
**+12.9% y/y**

Cross-sell and new products  
**+33.1% y/y**

Digital acquisition penetration  
**+29.4%**

**2.1x** TPV growth\* Apag

## Sam's Club credit card



**R\$ 150 million** billings  
in Q1 23 (+5.4x vs. Q4 22)

**5.4% penetration** in  
Club sales

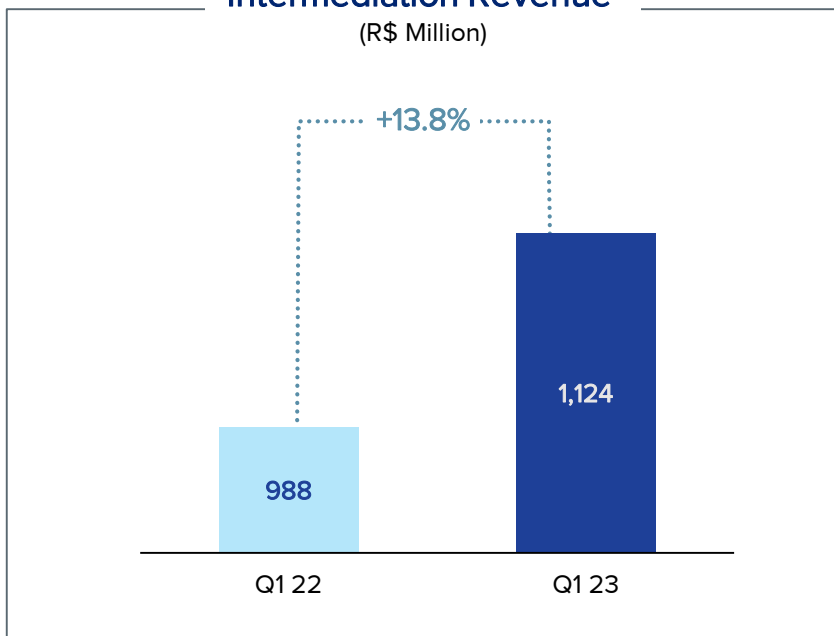


# Modest increase in bad debt due to seasonality

Credit portfolio remains healthy

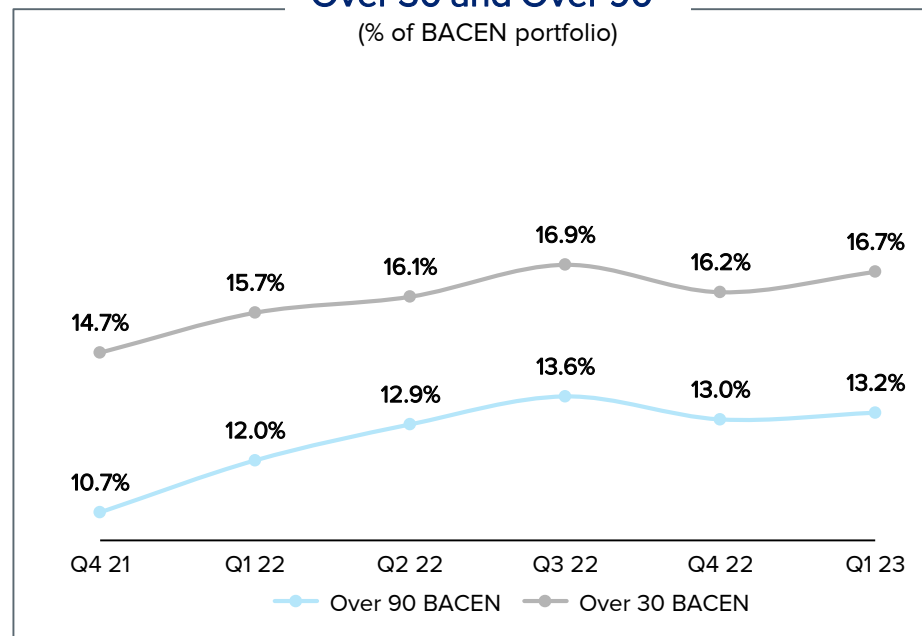
## Intermediation Revenue

(R\$ Million)



## Over 30 and Over 90\*

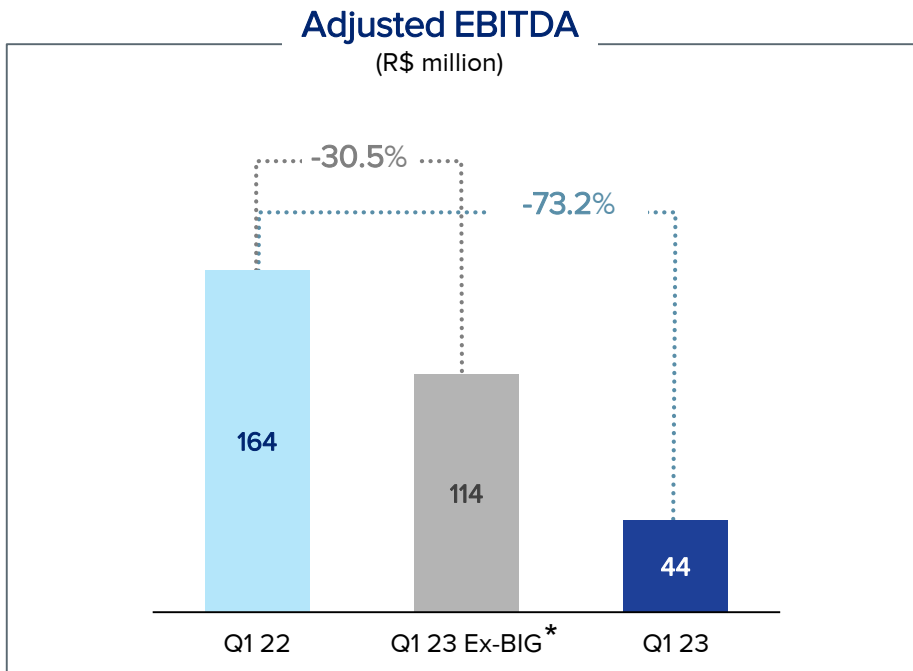
(% of BACEN portfolio)



\*BACEN methodology n° 2682/99

# Profitability Impacted by customer acquisition costs

Additional efforts to accelerate the migration of BIG customers



\*R\$70 million in expenses with risk charge and marketing and sales administrative sales expenses.





GRUPO  
CARREFOUR  
BRASIL



Conclusion





+ Agile  
+ Digital  
+ Responsible

----- Ready for a big  
integration -----



# Disclaimer

This document contains both historical and forward-looking statements on expectations and projections about operational and financial results of the Company. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantee of future performance. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the CVM (Brazilian Securities Commission) in particular the Reference Form. The Company does not assume any obligation to update or revise any of these forward-looking statements in the future.



IR Contacts

Eric Alencar  
CFO and IRO

Telephone: +55 11 3779-8500  
[ribrasil@carrefour.com](mailto:ribrasil@carrefour.com)  
[ri.grupocarrefourbrasil.com.br](http://ri.grupocarrefourbrasil.com.br)



# 1T 2023

## Results

May 3, 2023



GRUPO  
CARREFOUR  
BRASIL

## Questions & Answers