Q1 2024 Results

GRUPO CARREFOUR BRASIL

Improving operating momentum and stronger balance sheet

Consolidated Results		
	Gross Sales: R$ 27.8 bn	**Adj EBITDA: R$ 1.4 bn**
	Total YoY Growth: +2.5%	*Mg: 5.7% (+145 bps Y/Y)*
	LfL (ex-calendar): +1.2%	Adj. Net Income: R$ 52 MM
	GMV: R$ 2.4 bn (+52%)	ND/EBITDA: 2.24x (-0.2x Y/Y)

Atacadão (69% of Sales)

- **Gross Sales: R$ 19.3 bn**
- *Total YoY Growth: +6.6%*
- *LfL (ex-calendar): +1.8%*
- # of Stores: 366
- **Adj EBITDA: R$ 1.1 bn**
- *Adj EBITDA Mg: 6.6% (+95 bps Y/Y)*

Carrefour (25% of Sales)

- **Gross Sales: R$ 6.9 bn**
- *Total YoY Growth: -10.7%*
- *LfL (ex-calendar): -1.5%*
- # of Hypermarkets: 123
- **Adj EBITDA: R$ 136 MM**
- *Adj EBITDA Mg: 2.2% (+11 bps Y/Y)*

sam's club (6% of Sales)

- **Gross Sales: R$ 1.6 bn**
- *Total YoY Growth: +21.5%*
- LfL (ex-calendar): 6.9%
- # of Stores: 51
- **Adj EBITDA: R$ 79 MM**
- *Adj EBITDA Mg: 5.4% (+110 bps Y/Y)*

Carrefour banco

- **Billings: R$ 15.9 bn**
- *Total YoY Growth: +15.6%*
- Credit portfolio: R$ 25 bn
- *Total YoY Growth: 22.3%*
- **Adj EBITDA: R$ 204 MM *(4.6x Q1 23 EBITDA)***
- Deliquency: Over30: 15.0% (-170 bps Y/Y); Over90: 11.9% (-130 bps Y/Y)

Q1 24 Highlights - CEO Message:

“ *The first quarter of 2024 is showing very encouraging trends and results, with strong commitment and quality of execution of our plans for 2024. We have made important strides in the store network optimization initiatives, with store closure program already concluded and 14 out of the 20 store conversions planned for the year underway or completed. During this quarter, we have also approached our R$ 2 billion annualized run-rate synergy target from BIG's acquisition. We will continue to work on extracting value from our converted stores, which are ramping-up at a fast pace. The significant rebound in our profitability levels has reflected this better operating momentum and the assertiveness of our strategy plan execution. We are well positioned to seize market opportunities in a more stabilized consumption and macroeconomic environment and confident 2024 will be a strong inflection year for Grupo Carrefour Brasil. We remain focused on expanding both physical and digital operations, to exceed customers expectations and to deliver the best value to our shareholders, in a sustainable way through our recognized ESG initiatives.* ”

Consolidated Results

In R$ million	Consolidated			Cash & Carry			Retail			Club			Banco Carrefour		
	Q1 24	Q1 23	Δ%	Q1 24	Q1 23	Δ%	Q1 24	Q1 23	Δ%	Q1 24	Q1 23	Δ%	Q1 24	Q1 23	Δ%
Gross sales	27,788	27,121	2.5%	19,280	18,078	6.6%	6,864	7,690	-10.7%	1,644	1,353	21.5%			
Net sales	**24,830**	**24,385**	**1.8%**	**17,161**	**16,274**	**5.4%**	**6,219**	**6,917**	**-10.1%**	**1,450**	**1,194**	**21.5%**			
Other revenues (1)	1,521	1,408	8.0%	61	51	19.3%	180	219	-17.6%	34	20	74.6%	1,254	1,124	11.6%
Total revenues	**26,351**	**25,793**	**2.2%**	**17,222**	**16,326**	**5.5%**	**6,399**	**7,135**	**-10.3%**	**1,485**	**1,214**	**22.3%**	**1,254**	**1,124**	**11.6%**
Gross profit	**5,047**	**4,804**	**5.1%**	**2,746**	**2,499**	**9.9%**	**1,471**	**1,690**	**-12.9%**	**321**	**237**	**35.2%**	**518**	**384**	**34.9%**
Gross margin	*20.3%*	*19.7%*	*63 bps*	*16.0%*	*15.4%*	*65 bps*	*23.7%*	*24.4%*	*-77 bps*	*22.1%*	*19.9%*	*225 bps*			
SG&A expenses (2)	**(3,649)**	**(3,790)**	**-3.7%**	**(1,621)**	**(1,588)**	**2.1%**	**(1,350)**	**(1,565)**	**-13.7%**	**(244)**	**(187)**	**30.7%**	**(314)**	**(340)**	**-7.6%**
SG&A of net sales	*14.7%*	*15.5%*	*-85 bps*	*9.4%*	*9.8%*	*-31 bps*	*21.7%*	*22.6%*	*-92 bps*	*16.8%*	*15.6%*	*119 bps*			
Adj. EBITDA (1) (2)	**1,418**	**1,038**	**36.6%**	**1,130**	**916**	**23.3%**	**136**	**143**	**-5.1%**	**79**	**52**	**52.4%**	**204**	**44**	**363.6%**
Adj. EBITDA margin	*5.7%*	*4.3%*	*145 bps*	*6.6%*	*5.6%*	*95 bps*	*2.2%*	*2.1%*	*11 bps*	*5.4%*	*4.3%*	*110 bps*			
Adj. EBITDA Pre IFRS16 (1) (2)	**1,188**	**818**	**45.1%**												
Adj. EBITDA Pre IFRS16 margin	*4.8%*	*3.4%*	*143 bps*												
Net income, group share	**39**	**(113)**	**n.m.**												
Net income margin	*0.2%*	*-0.5%*	*62 bps*												
Adj. net income, group share	**52**	**(375)**	**n.m.**												
Adj. net income margin	*0.2%*	*-1.5%*	*175 bps*												

(1) Includes intragroup elimination of R$ 9 million and R$ 6 million between Bank and Retail in Q1 24 and Q1 23, respectively; (2) Includes global functions expenses of R$ 121 million and R$ 111 million in Q1 24 and Q1 23, respectively

Sales Performance

	Q1 23	Q1 24				
	LfL	**Gross Sales** R$MM	**LfL ex. Calendar**	**LfL with Calendar and Works**	**Expansion**	**Total Growth**
Cash and Carry(1)	5.7%	19,279	1.8%	2.1%	4.5%	6.6%
Retail (ex-petrol)(2)	5.7%	6,050	-1.4%	1.2%	-13.3%	-12.1%
Petrol	-15.2%	815	-2.2%	-2.2%	2.7%	0.5%
Retail (inc petrol)(2)	2.5%	6,864	-1.5%	0.8%	-11.5%	-10.7%
Club	-	1,644	6.9%	8.8%	12.8%	21.5%
Consolidated (ex-petrol)	**5.7%**	**26,973**	**1.3%**	**2.3%**	**0.3%**	**2.5%**
Consolidated (inc petrol)	**4.8%**	**27,788**	**1.2%**	**2.1%**	**0.3%**	**2.5%**
Banco Carrefour Billings	*n.a.*	*15,867*	*n.a.*	*n.a.*	*n.a.*	*15.6%*

(1) Includes former Grupo BIG stores converted into Atacadão. In the LfL growth calculation, all former Maxxi stores and BIG hypermarkets not impacted by conversion works in Q1 23 were included; (2) Includes legacy Carrefour Retail, former Grupo BIG stores converted into Carrefour Hypermarkets and Nacional, TodoDia and Bompreço banners. In the LfL growth calculation, all former Grupo BIG stores were included, with the exception of stores impacted by conversion works in Q1 23

Grupo Carrefour Brasil consolidated sales totaled R$ 27.8 billion in Q1 24, +2.5% vs. Q1 23, with LfL sales growth of +1.8% at Atacadão, +6.9% at Sam's Club and -1.4% ex-petrol at Carrefour Retail. Food inflation y/y averaged +1.6% in the quarter and ended the period at +2.5% y/y in March (source: IBGE), leading to recovery in prices and better volume dynamics with B2B clients, which returned to a more normalized purchase pattern.

E-commerce GMV reached R$ 2.4 billion in Q1 24 (9.0% of sales), increasing by 52% vs. the same period last year, driven by a strong growth in 1P food sales that reached R$ 1.2 billion during the quarter (+117.5% y/y).

Gross profit was R$ 5.0 billion in Q1 24, +5.1% y/y, representing a gross margin of 20.3%, +63 bps higher than in Q1 23. We experienced better gross margin dynamics in all of our businesses except Retail, where we adjusted pricing strategy to enhance the format's competitiveness.

SG&A expenses totaled R$ 3.6 billion in Q1 24, -3.7% y/y, as a result of our cost cutting initiatives and synergies capture from Grupo BIG integration. SG&A expenses represented 14.7% of net sales, -85 bps vs Q1 23.

Adj. EBITDA amounted to R$ 1.4 billion in Q1 24, +36.6% y/y, representing a 5.7% margin, +145 bps higher than in Q1 23, as cost synergies materialize and converted stores continue to ramp-up.

Synergies captured in Q1 24 amounted to R$ 499 million, almost reaching R$ 2.0 billion on an annualized basis. Most of the synergies captured so far came from cost savings (COGS and SG&A), which have exceeded initial expectations of approx. R$ 1.3 billion per year in cost savings (link to BIG acquisition closing presentation). As converted stores ramp-up, revenue synergies have started to materialize this quarter and we expect them to gradually increase towards our announced goal.

Asset portfolio optimization initiatives by the end of Mar-24, Carrefour Brasil had concluded the closure of 123 Retail stores as part of its asset portfolio optimization initiatives, announced at November 2023 Investor Morning . Out of this 123 stores, 46 were sold, raising R$ 552 million (cash in in Q1 24 of R$ 66 million).

The Company has also made important progress in the process of converting Retail stores into higher growth formats Atacadão and Sam's Club. By the end of Mar-24, 5 conversions were concluded and 9 other were underway out of the 20 conversions planned for 2024 (total of 40 conversions planned for 2024-2026).

Highlights by Business Segment

ATACADÃO (Cash & Carry – 69% of Sales)

In R$ million	Cash & Carry		
	Q1 24	Q1 23	Δ%
Gross sales	19,280	18,078	6.6%
Net sales	**17,161**	**16,274**	**5.4%**
Total revenues	**17,222**	**16,326**	**5.5%**
Gross profit	**2,746**	**2,499**	**9.9%**
Gross margin	*16.0%*	*15.4%*	*65 bps*
SG&A expenses	**(1,621)**	**(1,588)**	**2.1%**
SG&A of net sales	*9.4%*	*9.8%*	*-31 bps*
Adj. EBITDA	**1,130**	**916**	**23.3%**
Adj. EBITDA margin	*6.6%*	*5.6%*	*95 bps*

Sales amounted to R$ 19.3 billion, +6.6% higher than in Q1 23, driven by LfL sales growth of +1.8% y/y and +4.5% growth from Atacadão's expansion, with the addition of 20 new Cash & Carry stores in the last 12 months. As a subset of our LfL performance, former Grupo BIG stores converted into Atacadão stores, which account for 10.5% of the segment's sales, delivered solid +20.9% LfL growth during the quarter, maturing as expected.

Our sales in the quarter reflected an improved volume dynamics, especially from B2B customers, whose volume recovered in face of more normal inflationary environment. B2C traffic in our stores also increased, benefiting from the addition of B2C focused services (bakery, butchery and cold cuts deli meats) to 58 of our stores (vs. 19 in Dec-23). The plan is to continue to roll these services out to approximately 120 stores by year end. Stores with services outperformed the average portfolio performance by approximately +120 bps in term of LfL growth in the quarter.

Digital channel sales represented 5.9% of Atacadão's sales in Q1 24, a significant increase in penetration vs. last year (2.7% in Q1 23).

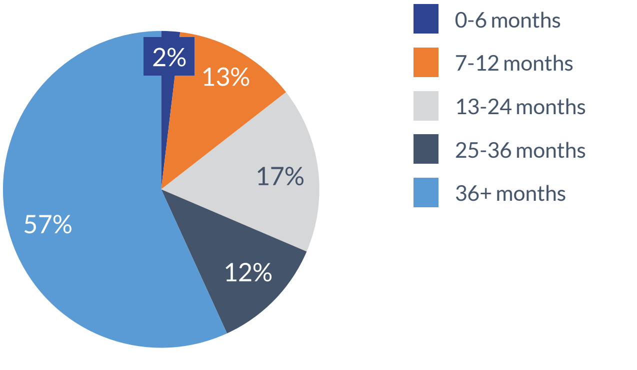
Store footprint in Q1 24, we opened 5 new Cash & Carry stores, 4 stores converted from Carrefour hypermarkets and 1 store converted from Bompreço supermarket. We expect to open 10 to 12 new Atacadão stores in 2024 (all of which conversions from Retail stores).

Gross profit reached R$ 2.7 billion in Q1 24 with a 16.0% gross margin, +65 bps higher than in Q1 23, benefiting from supplier negotiations and higher B2C share in sales.

SG&A expenses totaled R$ 1.6 billion in the quarter, 2.1% higher than in Q1 23, reflecting new stores opened in the last 12 months and cost inflation. However, SG&A represented 9.4% of net revenues, 31 bps lower vs. Q1 23, as new stores ramp-up and we focus on efficiency gains.

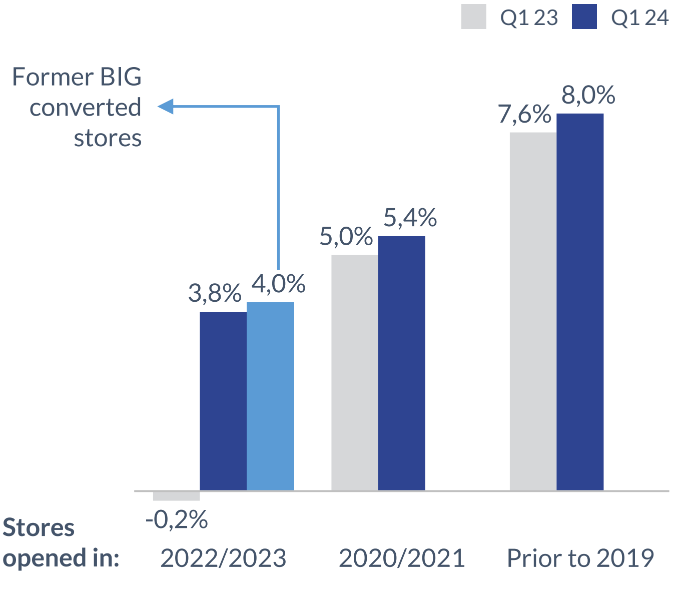
Adj. EBITDA was R$ 1.1 billion, representing a 6.6% of margin in Q1 24, +95 bps vs Q1 23, as converted stores mature. Stores converted from former Grupo BIG continued to ramp-up, achieving an EBITDA margin of 4.0 % during Q1 24. At the same time, profitability at mature stores remained strong, surpassing last year's result as we roll-out our B2C services, capture cost synergies and focus on efficiency and operational leverage.

Stores per vintage



Atacadão stores' profitability | EBITDA margin at store level by maturity

% of net sales



Highlights by Business Segment

Carrefour (Retail – 25% of Sales)

Sales stood at R$ 6.9 billion in Q1 24, -10.7% y/y, explained by (i) a 24% selling area reduction, as 25 Retail stores were converted into Atacadão stores and 140 Retail stores were closed in the last 12 months, and (ii) a -1.5% LfL growth (-1.4% ex-petrol), a combination of -3.3% LfL for food items and +2.4% LfL for non-food items. LfL showed signs of recovery during the quarter and delivered a sequential improvement vs. Q4 23, with a strong Easter campaign.

Store footprint by the end of Q2 14, we had concluded the closure of 123 Retail stores (16 hypermarkets and 107 supermarkets) as part of our announced portfolio adjustment. We also finalized the conversion of 5 stores (4 hypermarkets + 1 Bompreço) into Atacadão stores and have 9 more stores undergoing conversion work.

In R$ million	Retail		
	Q1 24	Q1 23	Δ%
Gross sales	6,864	7,690	-10.7%
Gross sales ex petrol	6,050	6,879	-12.1%
Net sales	**6,219**	**6,917**	**-10.1%**
Total revenues	**6,399**	**7,135**	**-10.3%**
Gross profit	**1,471**	**1,690**	**-12.9%**
Gross margin	*23.7%*	*24.4%*	*-77 bps*
SG&A expenses	**(1,350)**	**(1,565)**	**-13.7%**
SG&A of net sales	*21.7%*	*22.6%*	*-92 bps*
Adj. EBITDA	**136**	**143**	**-5.1%**
Adj. EBITDA margin	*2.2%*	*2.1%*	*11 bps*

Gross profit reached R$ 1.5 billion in Q1 24, representing a 23.7% gross margin, 77 bps lower than in Q1 23, as a result of adjusted pricing strategy to enhance the format's competitiveness and inventory markdowns in stores closed for conversion work.

SG&A expenses were R$ 1.3 billion, -13.7% y/y. As % of net sales, SG&A was 21.7% in Q4 23, 92 bps lower y/y, reflecting our efforts to streamline operations and reduce costs.

Adj. EBITDA stood at R$ 136 million, representing a 2.2% margin. It is worth noting that, during part of the quarter, we still operated most of the unprofitable stores that were ultimately closed. Excluding those stores, adj. EBITDA margin would have been 2.7% margin, +50bps vs. reported segment's margin, with EBITDA totaling R$ 165 million in the quarter.

sam's club (Club – 6% of Sales)

Sales in Q1 24 reached R$1.6 billion, +21.5% vs. Q1 23, resulting from a combination of footprint expansion (+8 stores vs. Q1 23) and LfL growth of +6.9% y/y. Efforts to expand the active membership base, in place since H2 22, yielded a 33.5% y/y increase in number of active members in Mar-24. Private label gained relevance in terms of sales penetration in the quarter, posting y/y growth of +260 bps, reaching 20.4% of sales.

Digital sales at Sam's Club represented 5.6% of the format's total sales, in line with last year.

Store footprint in Q1 24, we had 51 Sam's Club stores. We plan to open 7 to 9 Sam's Club stores in 2024, all of which conversions from Retail stores or combo stores.

In R$ million	Club		
	Q1 24	Q1 23	Δ%
Gross sales	1,644	1,353	21.5%
Net sales	**1,450**	**1,194**	**21.5%**
Other revenues	34	20	74.6%
Total revenues	**1,485**	**1,214**	**22.3%**
Gross profit	**321**	**237**	**35.2%**
Gross margin	*22.1%*	*19.9%*	*225 bps*
SG&A expenses	**(244)**	**(187)**	**30.7%**
SG&A of net sales	*16.8%*	*15.6%*	*119 bps*
Adj. EBITDA	**79**	**52**	**52.4%**
Adj. EBITDA margin	*5.4%*	*4.3%*	*110 bps*

Gross profit reached R$ 321 million in Q1 24, representing a 22.1% gross margin, a strong +225 bps expansion vs Q1 23, mostly reflecting higher penetration of private label products and favorable mix of Easter products (chocolates, wine, olive oil, among others).

SG&A expenses were R$ 244 million, +30.7% y/y, as a result of footprint expansion (selling area increase of +15% y/y) with new stores that are ramping-up. As % of net sales, SG&A was 16.8% in Q1 24, 119 bps higher y/y, as new stores are maturing.

Adj. EBITDA stood at R$ 79 million, +52.4% y/y, representing a 5.4% margin, delivering a strong uplift of +110 bps y/y.

Highlights by Business Segment

GRUPO CARREFOUR BRASIL

Carrefour banco

In R$ million	Q1 24	Q1 23	Δ%
Billings Carrefour credit card	9,086	8,381	8.4%
Billings Atacadão credit card	5,896	4,912	20.1%
Billings Sam's Club credit card	440	150	192.6%
Other products (1)	445	286	55.8%
Total billings	**15,867**	**13,728**	**15.6%**
Total Credit portfolio	24,976	20,423	22.3%

(1) Other products include payroll loans ("consignado"), personal loans and payment of bills using the card.

Billings totaled R$ 15.9 billion in Q1 24, +15.6% y/y, driven by 20.1% growth in Atacadão credit card billings and 8.4% growth in Carrefour credit card billings. The ramp-up of the recently launched Sam's Club credit card continued at a rapid pace and reached R$ 440 million in billings in the quarter, +192.6% y/y. Both on-us and off-us sales grew in Q1 24, by 3.7% and 18.1% y/y respectively. Other products grew by 55.8% mainly driven by personal loans.

The total credit portfolio stood at R$ 25 billion (IFRS9), a +22.3% y/y growth reflecting our ability to capture new clients at recently converted stores.

Delinquency Since Q2 23, we experienced a continuous decrease in NPL ratios, resulting from a combination of our more strict credit concession strategy since Q2 22 and of improving credit quality trends in the overall market. The Over 30 (BACEN) ratio reached 15.0% in Q1 24, decreasing -170 bps y/y, but slightly higher (+20 bps) q/q, which is expected given seasonality effects. The Over 90 (BACEN) ratio also continued to improve, decreasing -130 bps y/y and -30 bps sequentially, reaching 11.9% in Q1 24.

In R$ million	Q1 24	Q1 23	Δ%
Net operating revenues	1,254	1,124	11.6%
Risk charges	(736)	(740)	-0.5%
Gross profit	**518**	**384**	**34.9%**
SG&A expenses	(314)	(340)	-7.6%
Adj. EBITDA	**204**	**44**	**363.6%**
Depreciation and amortization expenses	(23)	(18)	27.8%
Adj. EBIT	**181**	**26**	**596.2%**
Net income (100%)	**112**	**3**	**n..m.**

Risk charge totaled R$ 736 million in Q1 24, slightly decreasing vs. Q1 23 despite the fact that our credit portfolio grew 22.3% y/y, mostly due to improvement in NPL levels. New clients captured at converted stores were net financial margin contributors in the quarter.

SG&A expenses decreased 7.6% y/y to R$ 314 million in Q1 24, thanks to cost discipline. We continue to invest to capture new clients at converted stores (R$ 39.0 million in Q1 24 vs. R$ 26.8 million in Q1 23) and grow our portfolio. Banco Carrefour presents a best-in-class efficiency ratio of 29% (33% in Q1 23), lower than the largest banks and fintechs in Brazil.

Adj. EBITDA reached R$ 204 million in the quarter, 4.6x the result achieved in Q1 23, due to revenue growth, improving delinquency levels, maturation of new clients captured in the context of BIG integration and better SG&A control.

Net income stood at R$ 112 million in the quarter, delivering an annualized ROAE of 9.2%. We are strengthening our equity position to comply with capital requirements from new regulations, which will become effective by 2025 (e.g Resolution 4966).

Consolidated Financial Results

(Below Adj. EBITDA)

Other operational income and expenses

In R$ million	Q1 24	Q1 23	Δ R$ million
Restructuring costs	(32)	(34)	2
Net gains or losses on asset or stake sale	10	(2)	12
Income and expenses related to litigations	29	406	(377)
Others	(9)	(14)	5
Other operational income and expenses	**(2)**	**356**	**(358)**

Other operational expenses totaled R$ 2 million in Q1 24, mainly explained by: (i) R$ 32 million expense related to restructuring costs, mostly severance packages, as we continue to streamline our operations, (ii) R$ 10 million of net positive impact from gains in the sale of investment stake at non-core asset partially offset by accounting (non-cash) losses related to revision of useful life of selected assets, and (iii) R$ 29 million gain related mostly to the reversal of tax provisions that reached the statute of limitations (in Q1 23 this line was impacted by the reversal of provisions related to: (a) reevaluation of risk of loss; (b) cases that were closed and (c) cases that reached the statute of limitations).

Net Financial Result

Net financial result was R$ (700) million, R$ 56 million lower y/y, mostly due to the decrease in net financial leverage and the impact of reversal of provisions.

In R$ million	Q1 24	Q1 23	Δ%
Cost of bank debt, gross (net of derivatives)	(572)	(555)	3.0%
Cost of discounted credit card receivables	(26)	(44)	-40.9%
Financial revenue	134	97	38.1%
Cost of Debt, Net (incl. discounted receivables)	**(464)**	**(502)**	**-7.5%**
Interest expenses on leases (IFRS 16)	(158)	(156)	1.3%
Cost of Debt, Net (incl. Lease debt and discounted receivables)	**(622)**	**(658)**	**-5.4%**
Net interests on provisions and judicial deposits and others	(78)	(98)	-20.4%
Net financial result	**(700)**	**(756)**	**-7.4%**

Income tax

Income and social contribution tax expenses were R$ 146 million (61% effective tax rate) in the quarter (vs. R$ 232 million tax expenses, representing a 193% effective tax rate, in Q1 23), due to the impacts of unrecognized deferred taxes mainly related to losses at BIG and CCI legal entities.

Net Income and Adjusted Net Income, Group Share

Adjusted net income provides a clearer view of recurring net income. It is calculated as net income less other operational income and expenses (non-recurring) and the corresponding financial and income tax effect. Q1 24 adjusted net income was R$ 52 million. The adjustment related to income tax on other expenses was R$ 17 million, related to non-operating expenses incurred at BIG's legal entity that are not recognized as deferred taxes.

In R$ million	Q1 24	Q1 23	Δ%
Net income, Group share	**39**	**(113)**	**n.m.**
(+/-) Other income (expenses)	2	(356)	n.m.
(+/-) Opex integration	0	105	n.m.
(+/-) Financial results (non recurring)	(6)	(4)	42.0%
(+/-) Income tax on other income (expenses) items	17	(7)	n.m.
(+/-) Equity income	0	0	n.m.
Adjusted net income, Group share	**52**	**(375)**	**n.m.**
Net margin	*0.2%*	*-1.5%*	*175 bps*

Cash Flow Highlights

Operating Working Capital

Our working capital before receivables represented a net resource of R$ 2.7 billion, or 12 days, 12 days less vs Q1 23, driven by a reduction in inventory levels and extended payment terms, resulting from a new supplier payment policy in place since July 2023. Accounts receivable totaled R$ 4.8 billion or 21 days in the quarter, +5 days y/y, mostly due to the fact we discounted less receivables and that Atacadão is offering longer payment terms to its clients.

	Q1 24		Q4 23		Q3 23		Q2 23		Q1 23	
	R$ million	Days	R$ million	Days	R$ million	Days	R$ million	Days	R$ million	Days
(+) Inventories	14,324	62	11,728	49	12,739	55	11,363	49	14,204	63
(-) Suppliers [1]	(17,066)	(74)	(19,216)	(81)	(14,399)	(62)	(11,971)	(52)	(14,152)	(63)
(=) Working Capital before receivables	**(2,742)**	**(12)**	**(7,488)**	**(32)**	**(1,660)**	**(7)**	**(608)**	**(3)**	**52**	**0**
(+) Accounts Receivable [2]	4,846	21	2,094	9	3,789	16	2,287	10	3,634	16
(=) Working Capital including receivables	**2,104**	**9**	**(5,394)**	**(23)**	**2,128**	**9**	**1,679**	**7**	**3,685**	**16**

Working capital ratios above are calculated using COGS; (1) Suppliers related to business, excluding suppliers of tangible and intangible assets, and net from discounts to be received from suppliers; (2) Commercial receivables excluding receivables from property and from suppliers net from suppliers debt

Investments

Total capex amounted to R$ 311 million. Expansion investments were R$ 148 million in Q1 24 and relate to store conversions and the roll out of services and self-checkouts at Atacadão stores. As announced, 2024 investments will be significantly lower than in 2023 (2023 capex as R$ 3.2 billion while 2024 guidance for capex is between R$ 2.3 to 2.6 billion) as last year's results, especially during the first half od 2023, were impacted by Grupo BIG integration efforts. Our growth strategy for 2024 is also more capex efficient, given the fact that we are focusing on conversions (vs. organic new openings).

In R$ million	Q1 24	Q1 23	Δ%
Expansion	148	579	-74.4%
Maintenance, IT and others	163	156	4.5%
Total capex	**311**	**735**	**-57.7%**

Free Cash Flow

In the last 12 months ended in March, 2024, Grupo Carrefour Brasil free cash flow was R$ 3.6 billion, R$ 4.8 billion higher than in LTM in Q1 23 from better operating margins, improved working capital dynamics and lower capex, with Grupo BIG integration efforts no longer demanding significant investments.

In R$ million	LTM March 24	LTM March 23	Δ%
Gross cash flow from operating activities after taxes	5,095	5,427	-6.1%
Change in working capital [1]	614	(1,022)	n.m.
Net cash generated by operating activities	5,709	4,405	29.6%
Net cash generated by operating investments (incl. M&A) [2]	(491)	(7,556)	-93.5%
Unlevered free cash flow	**5,218**	**(3,151)**	**n.m.**
Debt addition (payments) [3]	(1,176)	2,770	n.m.
Capital raises (dividends)	(405)	(770)	-47.4%
Levered free cash flow	**3,637**	**(1,151)**	**n.m.**

(1) Includes R$ 1,581 million inflow from change in merchandise working capital, R$ 234 million outflow from changes in other assets and liabilities and R$ 729 million outflow from consumer credit business; (2) Includes R$ 2,770 million outflow from capex and R$ 2,279 million inflow from asset sales, including sale-lease backs and price adjustment from BIG acquisition; (3) includes debt issuances (amortizations), cash net interest expenses, lease expenses, dividends paid by Banco Carrefour to minority shareholders and dividends and interest on own capital paid by the Company

Net Debt

Gross financial debt net of derivatives for coverage stood at R$ 19.3 billion at the end of Q1 24, R$ 2.2 billion higher than last year, as the Company took advantage of favorable market conditions in January and secured its financing needs for the year ahead of the debt profile maturation. As a consequence, cash position also increased (+ R$ 3.7 billion y/y). Net debt reached R$ 13.5 billion or R$ 18.4 billion including lease and discounted receivables, -R$ 1.9 billion y/y, as we resume a more normal cash flow generation cycle post-integration of Grupo BIG. Net debt to Adjusted EBITDA (including receivables) was 2.24x, 0.2x lower than in Q1 23.

It is also important to note that, as per Notice to the Market published on April 7th, Grupo Carrefour Brasil was able to renegotiate the interest rates on its intercompany loans (i) from 14.25% p.a. to 10.25% p.a. on a R$ 1.9 billion revolving credit line due May 2025 and (ii) from 14.95% p.a. to 11.10% p.a. on a R$ 6.3 billion revolving credit line due April 2026. The terms of these renegotiations will start to gradually materialize as economies in Q2 24 (please refer to Schedule 1 in the aforementioned Notice to the Market), with full impact of economies being captured in 2025.

In R$ million	Mar. 24	Mar. 23	Δ
Gross financial debt (net of derivatives)	(19,333)	(17,156)	(2,177)
Cash and cash equivalents	6,094	2,457	3,637
Marketable securities - Banco Carrefour	937	861	76
(Net Debt) Net Cash	**(12,302)**	**(13,838)**	**1,536**
Discounted receivables	(1,244)	(1,806)	562
(Net Debt) Net Cash (incl. discounted receivables)	**(13,546)**	**(15,644)**	**2,098**
Lease debt (IFRS 16)	(4,857)	(4,612)	(245)
(Net Debt) Net Cash (incl. lease and discounted receivables)	**(18,403)**	**(20,256)**	**1,853**
(Net Debt) Net Cash (incl. discounted receivables)/Adj. EBITDA LTM	*-2.24x*	*-2.44x*	*0.20 x*
(Net Debt) Net Cash (incl. lease debt and discounted receivables)/Adj. EBITDA LTM	*-3.05x*	*-3.16x*	*0.11 x*

Advances in ESG

Grupo Carrefour Brasil, as of May 2024, became part of the Corporate Sustainability Index of the Brazilian Stock Exchange (ISE B3). For the first time the Company was selected to be part of the index that includes 79 companies with a recognized commitment to corporate sustainability, reaffirming the relevance of the ESG theme for the Group and the commitment in executing its strategy.

In April 2024 the Group published its 2023 Annual Sustainability report providing details about the Company's ESG strategy and advances last year.

Highlight of the ESG agenda in Q1 24 include:

Fight against hunger and inequalities: donation of 862 tons of food in Q1 24, equivalent to 3.4 million complementary meals, +6% vs Q1 23. Increase of 24% y/y in the number of stores that make food donations.

Floods in Rio Grande do Sul state: in early May, the state of Rio Grande do Sul was hit by heavy rains that caused flooding in several cities. At this critical time, we are providing full support to our more than 500 employees affected, and offering support to the community. We have decided to freeze prices of all products all our banners in the state until May 31st. In partnership with "Ação da Cidadania", 20 of the Group's stores in the state are receiving donations to help those affected.

Diversity and inclusion: (i) Gender equity: 36.6% of women in leadership positions (management and above) in Q1 24, +2.3 p.p. vs. Q1 23; (ii) Racial equity: 42.4% of black people in leadership positions (management and above) in Q1 24, +1.6 p.p. vs. Q1 23; (iii) People with disabilities: more than 5,300 people with disabilities among our employees, +600 more vs. Q1 23.

Protection of the planet and biodiversity: Grupo Carrefour Brasil signed the terms of adherence to the *Ambição Net Zero* (Net Zero Ambition) and *Conexão Circular* (Circular Connection) movements, of the United Nations (UN) Global Compact., reflecting public commitments made by the Group and the alignment with the UN 2030 Agenda.

Climate change and biodiversity: decarbonization strategy: 30% emissions reduction in scope 1 and 2 in Q1 24, - 6 p.p. vs. Q1 23; CDP - Carbon Disclosure Program: in 1Q 24, we received a Grade B in the questionnaire (CDP) in the Climate Change and Forests sections.

"Floresta Faz Bem" Program: in 2024 we launched the "Floresta Faz Bem" Program, which aims to make socio-biodiversity products available and connect small producers from traditional communities, such as *quilombolas* and indigenous people, to the market. By the end of Q1 24, there were 25 products from 12 suppliers available in 3 pilot stores (2 in São Paulo and 1 in Brasília). The Group aims to expand this project to 50 stores by the end of 2026.

Store Network

In Q1 24, we opened 5 new Cash & Carry stores (4 conversions from hypermarkets and 1 conversion from supermarket) in the states of São Paulo (3), Rio Grande do Sul (1) and Bahia (1). We also opened 2 new Carrefour Express stores in the state of São Paulo.

We now operate 1,074 stores for total sales area of 3,179,672 sqm

Number of stores	Dec. 23	Openings	Closures	Mar. 24
Cash & Carry	361	5		366
Wholesale	33			33
Sam's Club	51			51
Hypermarkets	143		(20)	123
Supermarkets	207		(99)	108
Convenience Stores	174	2		176
Drugstores	119			119
Gas Stations	100		(2)	98
Group	**1,188**	**7**	**(121)**	**1,074**

Sales area (sqm)	Dec. 23	Mar. 24	Δ (%)
Cash & Carry	1,816,249	1,835,924	1.1%
Sam's Club	288,855	288,855	0.0%
Hypermarkets	919,334	814,447	-11.4%
Supermarkets	234,831	164,010	-30.2%
Convenience Stores	29,557	29,933	1.3%
Drugstores	7,690	7,690	0.0%
Gas Stations	39,449	38,811	-1.6%
Total sales area	**3,335,965**	**3,179,672**	**-4.7%**

Results Video Conference Information

Video Streaming

May 8, 2024
(Wednesday)

English

Portuguese

10:00 am – Brasília

09:00 am – New York

01:00 pm – London

02:00 pm – Paris

Investor relations information

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APPENDIX I

Consolidated Income Statement

In R$ Million	Q1 24	Q1 23	Δ%
Gross sales	27,788	27,121	2.5%
Net sales	24,830	24,385	1.8%
Other revenues	1,521	1,408	8.0%
Net operating revenue	**26,351**	**25,793**	**2.2%**
Cost of goods sold, service and financial operations	(21,304)	(20,989)	1.5%
Gross Profit	**5,047**	**4,804**	5.1%
Gross Margin	20.3%	19.7%	63 bps
SG&A expenses	(3,649)	(3,790)	-3.7%
Adjusted EBITDA	**1,418**	**1,038**	**36.6%**
Adjusted EBITDA Margin	5.7%	4.3%	145 bps
Depreciation and amortization	(456)	(494)	-7.7%
Net income from equity accounted company	(1)	-	n.a.
Other income (expenses)	(2)	356	-100.6%
EBITDA	**1,416**	**1,394**	**1.6%**
EBITDA Margin	5.7%	5.7%	-1 bps
EBIT	**939**	**876**	**7.2%**
Net financial expenses	(700)	(756)	-7.4%
Income before income tax and social contribution	239	120	99.2%
Income Tax	(146)	(232)	-37.1%
Net income	**93**	**(112)**	**-183.0%**
Net income, Group share	**39**	**(113)**	**-134.5%**
Net Income – Non-controlling interests (NCI)	54	1	5,300.0%

EBITDA Reconciliation

In R$ Million	Q1 24	Q1 23	Δ%
Net income	**93**	**(112)**	**-183.0%**
Income Tax	(146)	(232)	-37.1%
Net financial expenses	(700)	(756)	-7.4%
Depreciation and amortization	(456)	(494)	-7.7%
Depreciation and amortization in COGS	(20)	(24)	-16.7%
Net income from equity accounted company	(1)	-	n.a.
EBITDA	**1,416**	**1,394**	**1.6%**
Other income (expenses)	(2)	356	-100.6%
Adjusted EBITDA	**1,418**	**1,038**	**36.6%**

APPENDIX II

Consolidated Balance Sheet – Assets

In R$ Million	Mar. 24	Dec. 23
Assets		
Cash and cash equivalents	6,094	12,029
Marketable securities	236	272
Accounts receivable	5,748	2,534
Consumer credit granted by our financial solutions company	15,583	15,297
Inventories	14,324	11,728
Tax receivables	813	1,056
Income tax and social contribution recoverable	194	138
Upfront payment	513	220
Other accounts receivable	591	614
Assets held for sale	599	755
Current assets	**44,695**	**44,643**
Accounts receivable	7	8
Consumer credit granted by our financial solutions	991	1,005
Derivative financial instruments	4	0
Marketable securities	701	673
Tax receivables	4,644	4,278
Income tax receivables	142	139
Deferred tax assets	439	454
Prepaid expenses	145	141
Judicial deposits and collateral	2,935	2,882
Other accounts receivable	151	169
Inventories	300	300
Investment properties	586	589
Investments in equity accounted companies	29	31
Property and equipment	30,545	30,599
Intangible assets and goodwill	6,838	6,855
Non-current assets	**48,457**	**48,123**
Total assets	**93,152**	**92,766**

APPENDIX II

Consolidated Balance Sheet – Liabilities

In R$ Million	Mar. 24	Dec. 23
Liabilities		
Suppliers	17,992	20,058
Borrowings	11,769	11,358
Derivative financial instruments	80	153
Lease debt	220	259
Consumer credit financing	11,499	12,300
Tax payable	676	622
Income tax and social contribution payables	28	120
Payroll, vacation and related charges	1,386	1,327
Deferred income	310	266
Other accounts payable	819	968
Current liabilities	**44,779**	**47,431**
Borrowings	7,428	4,894
Derivative financial instruments	67	57
Lease debt	4,637	4,618
Consumer credit financing	1,908	1,577
Deferred tax liabilities	596	591
Provisions	12,667	12,629
Deferred income	37	40
Other accounts payable	69	102
Non-current liabilities	**27,409**	**24,508**
Share capital	9,960	9,960
Capital reserve	2,157	2,154
Income reserve	7,394	7,394
Net effect of acquisition of minority interest	(282)	(282)
Period result	39	-
Equity evaluation adjustment	33	(8)
Shareholders' equity, Group share	**19,301**	**19,218**
Non-controlling interests	**1,663**	**1,609**
Total liabilities and shareholders' equity	**93,152**	**92,766**

APPENDIX III

Banco Carrefour

Under local accounting standards (BACEN GAAP), provisioning methodology is purely based on the ageing of receivables and greater impacts in P&L are directly associated with higher delinquency ratios.

On the other hand, IFRS9 implies the constitution of provisions not only for past due loans, but it also adds material impacts according to the expected losses associated with the credit risk – even for loans with payments on time. As this calculation relies on many indicators and expectations, it might add greater volatility to the results and impacts in indicators and capital requirements.

Simplified P&L

BACEN Methodology

In R$ million,	Q1 24	Q1 23	Δ%
Net operating revenues	**1.290**	**1.145**	**12.7%**
Risk Charges	(672)	(718)	-6.4%
Gross profit	**618**	**427**	**44.7%**
SG&A expenses	(352)	(362)	-2.8%
Adjusted EBITDA	**266**	**65**	**309.2%**
Net income (100%)	**136**	**17**	**700.0%**

IFRS9 Methodology

In R$ million	Q1 24	Q1 23	Δ%
Net operating revenues	**1,254**	**1,124**	**11.6%**
Risk Charges	(736)	(740)	-0.5%
Gross profit	**518**	**384**	**34.9%**
SG&A expenses	(314)	(340)	-7.6%
Adjusted EBITDA	**204**	**44**	**363.6%**
Net income (100%)	**112**	**3**	**3,633.3%**

Overdue Portfolio Analysis

BACEN Methodology

In R$ million	March 2024		December 23		September 23		June 23		March 23	
Total Portfolio	19,066	100.0%	18,779	100.0%	17,394	100.0%	16,947	100.0%	16,326	100.0%
On time payments	16,056	84.2%	15,880	84.6%	14,412	82.9%	13,926	82.2%	13,447	82.4%
Over 30 days	2,868	15.0%	2,784	14.8%	2,842	16.3%	2,876	17.0%	2,730	16.7%
Over 90 days	2,262	11.9%	2,285	12.2%	2,354	13.5%	2,327	13.7%	2,154	13.2%
Provisions for loan losses	**2,951**	**15.5%**	**2,977**	**15.9%**	**2,902**	**16.7%**	**2,755**	**16.3%**	**2,551**	**15.6%**
Provisions for loan losses/over 90 days	**130.5%**		**130.3%**		**123.3%**		**118.4%**		**118.4%**	

IFRS 9

In R$ million	March 2024		December 23		September 23		June 23		March 23	
Total Portfolio	24,976	100.0%	24,219	100.0%	22,472	100.0%	21,529	100.0%	20,423	100.0%
On time payments	15,480	62.0%	15,393	63.6%	13,921	61.9%	13,434	62.4%	12,936	63.3%
Over 30 days	9,045	36.2%	8,450	34.9%	8,123	36.1%	7,670	35.6%	7,049	34.5%
Over 90 days	8,053	32.2%	7,649	31.6%	7,333	32.6%	6,809	31.6%	6,140	30.1%
Portfolio until 360 days										
Over 30 days	3,356	17.4%	3,227	17.0%	3,235	18.4%	3,260	19.0%	3,099	18.8%
Over 90 days	2,365	12.3%	2,426	12.8%	2,445	13.9%	2,400	14.0%	2,190	13.3%
Provisions for loan losses	**8,751**	**35.0%**	**8,244**	**34.0%**	**7.831**	**34.8%**	**7,366**	**34.2%**	**6,744**	**33.0%**
Provisions for loan losses/over 90 days		**108.7%**		**107.8%**		**106.8%**		**108.2%**		**109.8%**

Glossary

Adjusted EBITDA

EBITDA adjusted for the income statement line item "other income and expenses" (comprising losses on disposals of assets, restructuring costs, income & expenses related to litigations, tax credits recovered related to prior periods and other non-recurring income and expenses).

Adjusted EBITDA Margin

Adjusted EBITDA divided by net sales for the relevant period, expressed as a percentage.

Adjusted Net income

Net Income, excluding Other Income and Expenses and the corresponding financial and income tax effect.

Banco Carrefour Billings

Represents the total amount related to an operation transacted by credit card.

EBITDA

Net income (for the year or for the period) adjusted for "financial result, net", "income tax and social contribution", "equity income" and "depreciation and amortization". EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under Brazilian GAAP or IFRS, and should not be considered as alternatives to net income or as measures of operating performance, operating cash flows or liquidity. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin have no standardized meaning, and our definitions may not be comparable with those used by other companies.

Free Cash Flow

Net cash provided by our operating activities, plus cash used in changes in judicial deposits and judicial freeze of deposits (and opposite), less cash provided from the disposal of non-operational assets, less cash used in additions to property and equipment, less cash used in additions to intangible assets. Does not include divestment of remedy stores and Grupo BIG acquisition.

FMCG

Fast-moving consumer goods.

Global Functions

Central costs in relation to our central functions and headquarters. These comprise the activities of (i) the cost of our holding divisions, (ii) certain expenses incurred in relation to certain support functions of our parent company which are allocated to the various segments proportionately to their sales, and (iii) cost allocations from our parent company, which are not specific to any segment.

GMV

Gross Merchandise Volume refers to all online sales (own sales + marketplace sales) as well freight revenues. It excludes marketplace commissions, but includes sales taxes.

Gross Profit Margin

Gross profit divided by net sales for the relevant period, expressed as percentage.

Gross Sales

Total revenues from our customers at the Group's stores, gas stations, drugstores and on our e-commerce platform.

Like for Like

LfL sales compare gross sales in the relevant period with those in the immediately preceding period, based on gross sales provided by comparable stores, which are defined as stores that have been open and operating for a period of at least twelve consecutive months and that were not subject to closure or renovation within such period. As petrol sales are very sensitive to market prices, they are excluded from the LfL computation. Other retail companies may calculate LfL sales differently from us, and therefore, our historical and future LfL sales performance may not be comparable with other similar metrics used by other companies.

FMCG

Fast-moving consumer goods.

Global Functions

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