Retail sales decline 12.6% in January 2021, according to ICVA

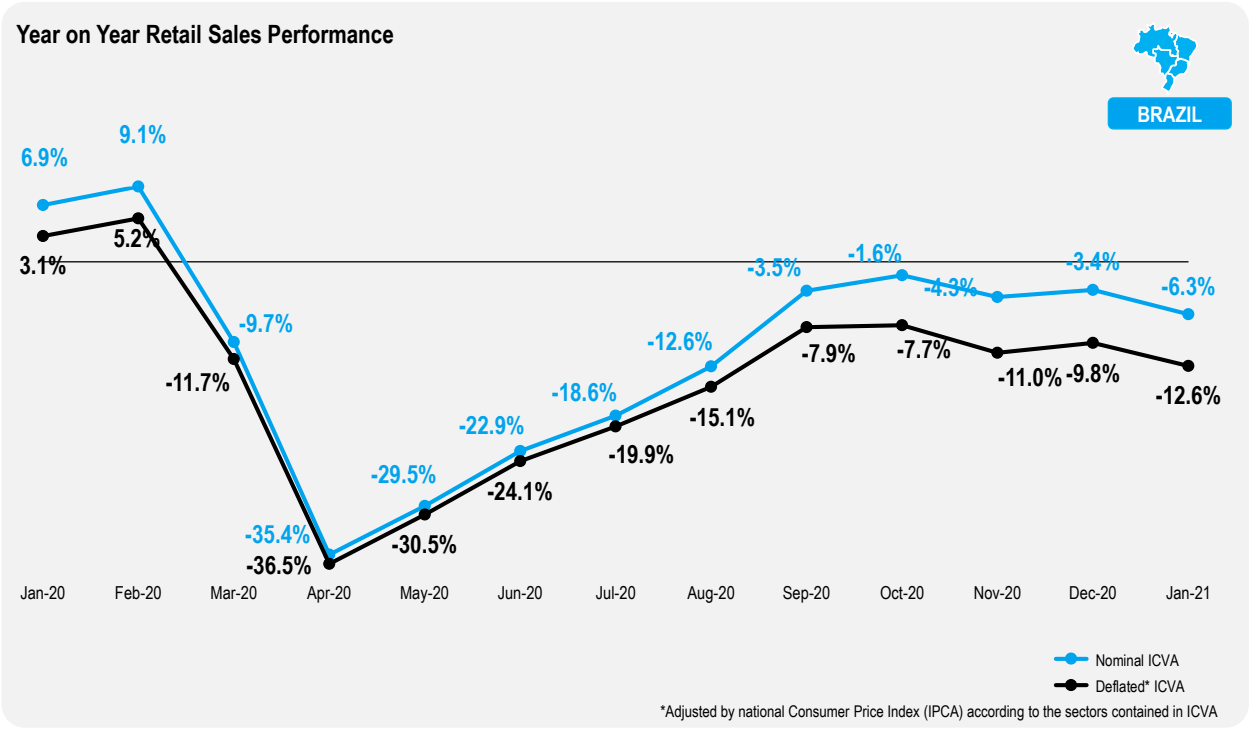
Intensification of the pandemic impacted the result

Brazilian retail sales fell 12.6%, excluding inflation, in January compared to the same month of 2020. In nominal terms, which reflect sales revenue received by retailers, the ICVA fell 6.3%.

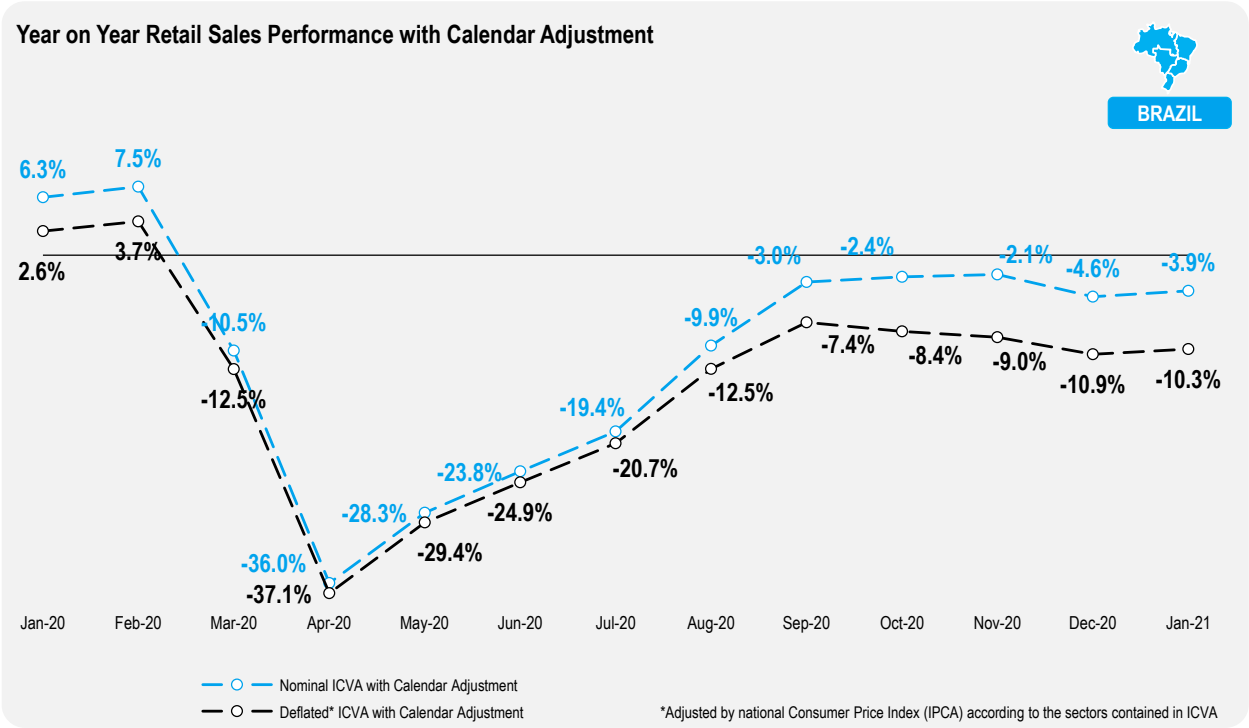
This drop would be lower if we excluded the calendar effects, which had a negative impact on the retail result in the month. Without such effects, the index for the month declined 10.3%, excluding inflation. In nominal terms, with the calendar adjustments, the ICVA decreased 3.9%.

The worst-performing sectors were Bookshops & Stationery Stores and Supermarkets & Hypermarkets. Drugstores & Pharmacies and Tourism & Transport, on the other hand, accelerated in relation to the pace reported in January 2020.

“The intensification of the COVID-19 pandemic led to a decline in revenue from com-merce. The January result was in line with that of the previous month. The Bars & Res-taurants segment stands out among the most heavily hit,” said Gabriel Mariotto, Cielo's Business Analytics Director.



For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453



INFLATION

The Broad Consumer Price Index (IPCA), calculated by the IBGE, moved up 4.56% in the last 12 months, dropping 0.25% in January. Housing was the group that contributed the most to this decline, although Food & Beverages picked up speed in the same period.

Considering the IPCA weighted by sector and ICVA weights, broad retail inflation to-taled 7.1%, decelerating in relation to the index registered in the previous month.

SECTORS

After discounting inflation and with calendar adjustments, the Non-Durable Goods and Services macro sectors slowed down. Meanwhile, Durable Goods and Semi-Durable Goods improved in January.

In the Non-Durable Goods macro sector, Drugstores & Pharmacies was one of the sec-tors that recorded growth. In Services, the positive highlight was Tourism & Transport.

In Durable Goods, Apparel was one of the sectors that slowed down.

REGIONS

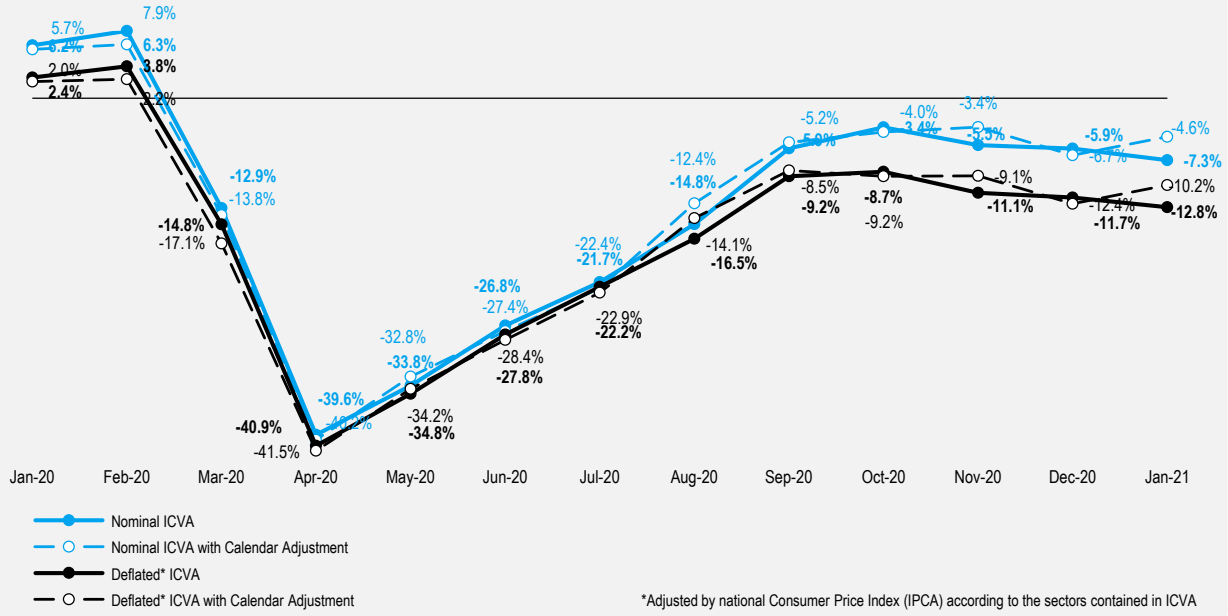
All regions of the country decelerated in the month according to the deflated ICVA and with calendar adjustment. In the Northeast region, the decline was 13.1%, followed by the South (-10.8%), Southeast (-10.2%), Midwest (-6.7%) and North (-6.1%) regions.

According to the nominal ICVA – which does not discount inflation –, the highlight was the North region, which increased 1.2%, followed by the Midwest (0.4%) The other regions decelerated as follows: Northeast (-6.1%), Southeast (-4.6%) and South (-3.5%).

For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453

Year on Year Retail Sales Performance by Region

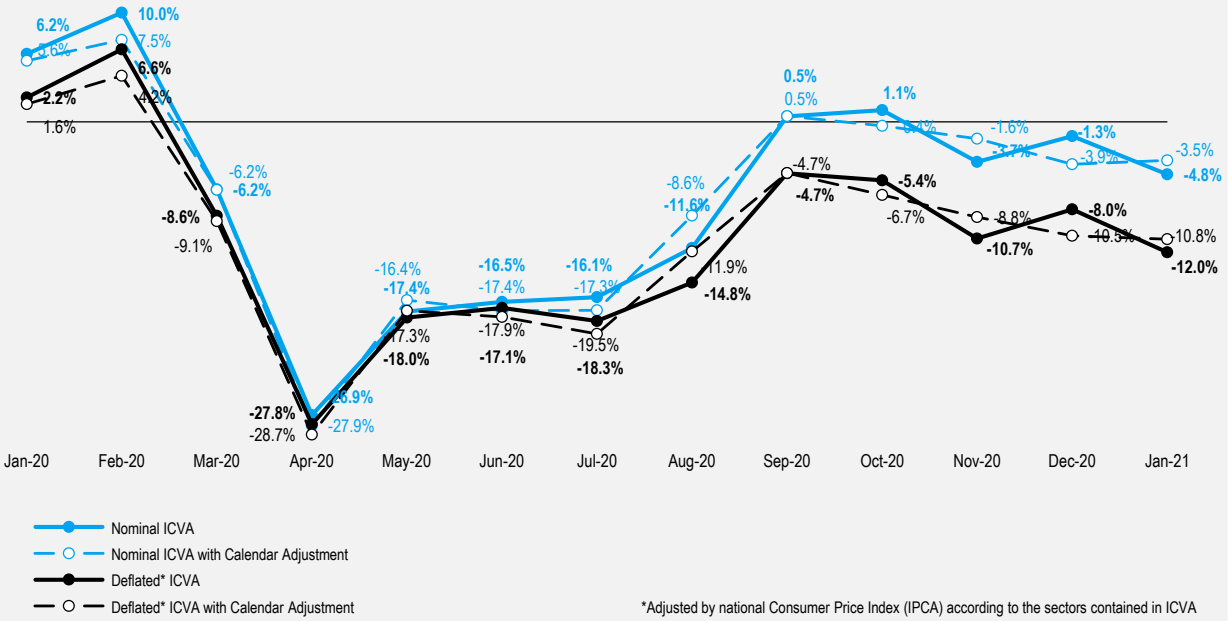
SOUTHEAST



*Adjusted by national Consumer Price Index (IPCA) according to the sectors contained in ICVA

Year on Year Retail Sales Performance by Region

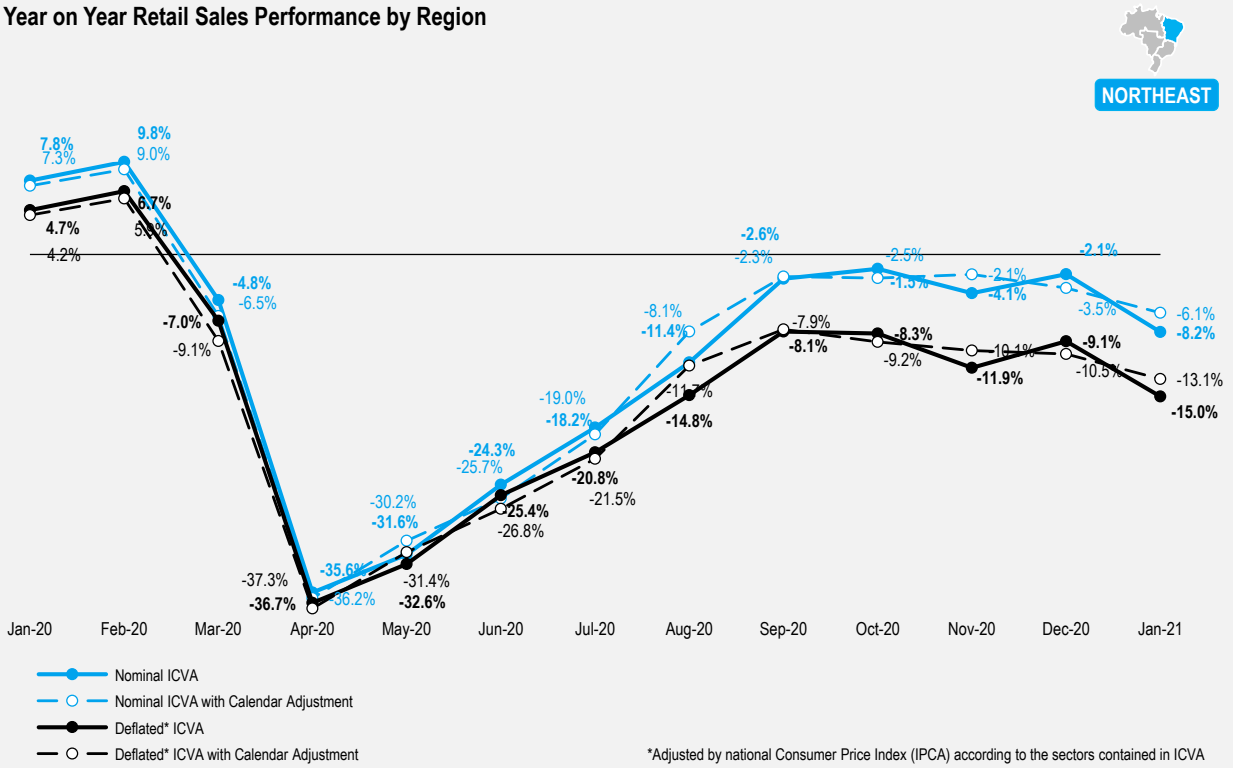
SOUTH



*Adjusted by national Consumer Price Index (IPCA) according to the sectors contained in ICVA

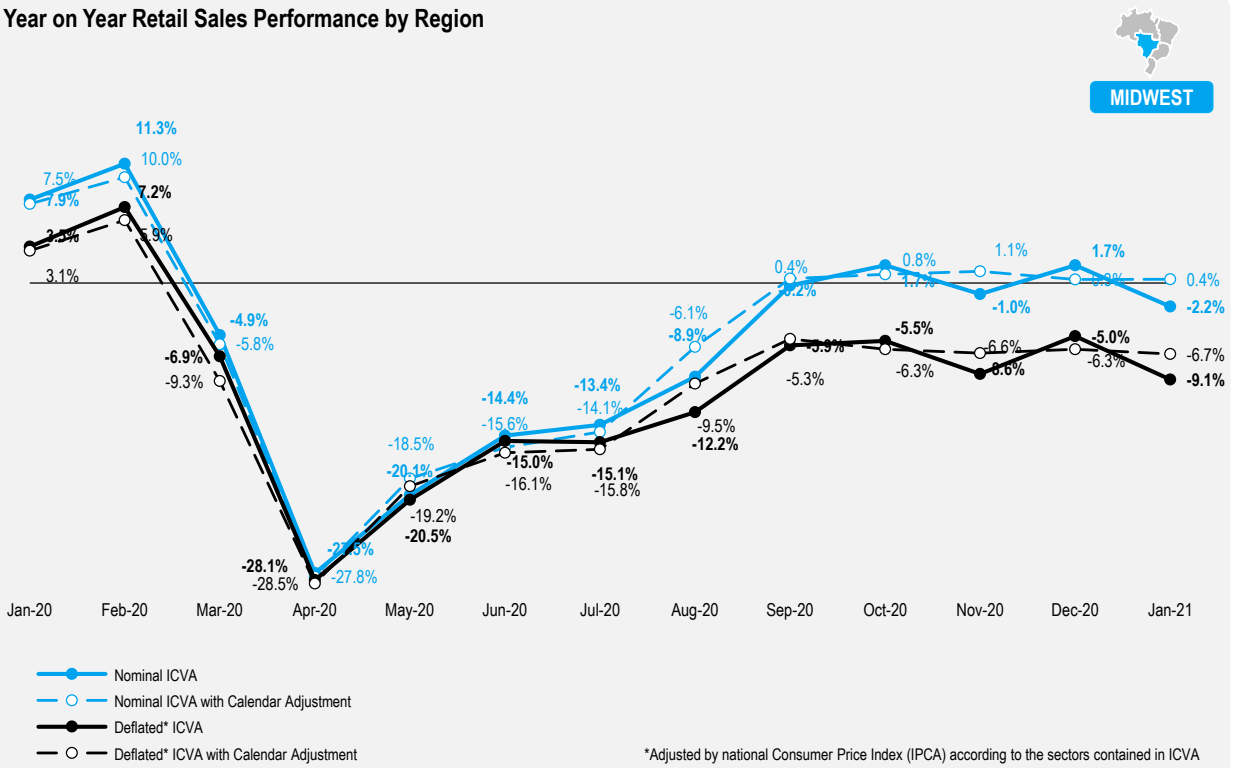
For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453

Year on Year Retail Sales Performance by Region



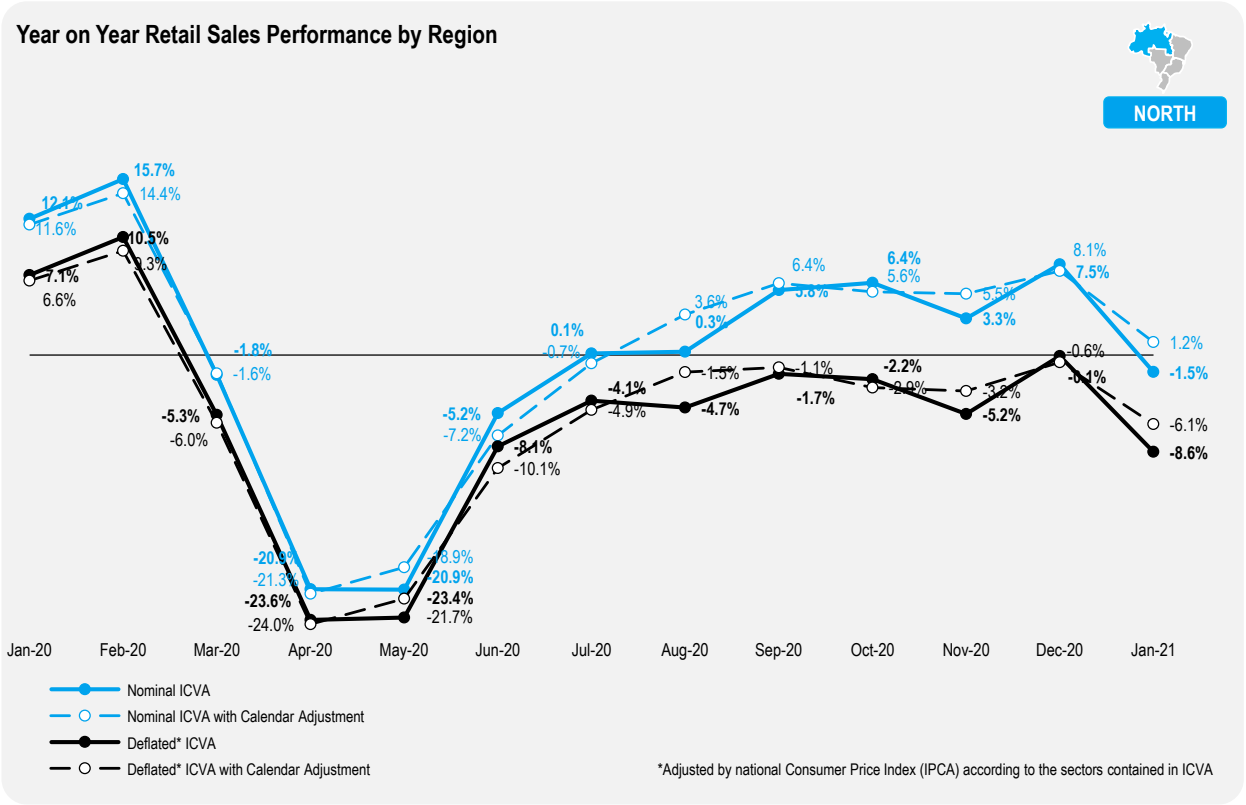
*Adjusted by national Consumer Price Index (IPCA) according to the sectors contained in ICVA

Year on Year Retail Sales Performance by Region



*Adjusted by national Consumer Price Index (IPCA) according to the sectors contained in ICVA

For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453



ABOUT THE ICVA

Cielo Broad Retail Index (ICVA) monitors the evolution of Brazil's retail on a monthly basis, according to sales in 18 segments mapped by Cielo, from small shopkeepers to large retailers. They account for 1.5 million retailers affiliated to the Company. The weight of each sector in the overall result of this indicator is defined by its monthly performance.

The ICVA was developed by Cielo's Intelligence Area with the goal of providing a monthly snapshot of the country's retail performance based on actual information.

HOW IT IS CALCULATED

Cielo's Business Analytics unit developed mathematical and statistical models, which were applied to the Company's database of the company with the purpose of isolating the effects of the competitive behavior of the acquiring market, such as market share variation, as well as excluding the effects of check and cash replacement for debit cards. Therefore, the index represents not only the retail consumption with cards but also the actual dynamics of the point-of-sale consumption.

The ICVA is in no way a preview of Cielo's financial results, which are impacted by several other factors related to both revenues and cost and expenses.

UNDERSTAND THE INDEX

Nominal ICVA - Indicates year-on-year growth in nominal sales revenue in broad retail in the period. It reflects what retailers actually see in their sales.

Deflated ICVA – Nominal ICVA discounting inflation. We use a deflator, which is calculated based on the Broad Consumer Price Index (IPCA), calculated by the IBGE, adjusted to the mix and weights of the sectors contained in the ICVA. It reflects real retail growth, excluding the contribution of price increases.

For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453

Nominal/deflated ICVA with calendar adjustment – ICVA without calendar effects that affects a certain month/period compared to the same month/period last year. It reflects the pace of growth, showing the acceleration and deceleration of the index.

Barueri, February 18, 2021.

Gustavo Henrique Santos de Sousa
Chief Financial and Investor Relations Officer

For further information, please contact the Investor Relations area:
ri@cielo.com.br
ir.cielo.com.br
Phone: +55 11 2596 8453