

2Q23 EARNINGS

# PRESENTATION

July 27<sup>th</sup>, 2023





## DISCLAIMER

Statements contained in this release regarding the Company's business outlook, projections of operating / financial profit and loss, the Company's growth potential, and related to market and macroeconomic estimates constitute mere forecasts and were based on the beliefs, intentions, and expectations of the Management regarding the future of the Company. These estimates are highly dependent on changes in the market, the general economic performance of Brazil, the industry, and international markets and, therefore, are subject to change



**2Q23**

**HIGHLIGHTS**

Marcelo Pimentel, CEO

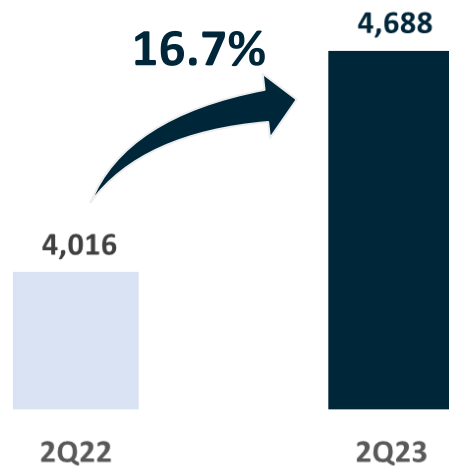




## 2Q23 HIGHLIGHTS

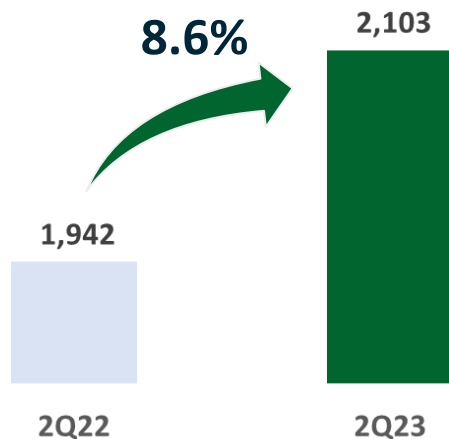
### Gross Revenue (ex gas stations)

Strong double-digit growth of new GPA Brazil<sup>1</sup>



### Pão de Açúcar banner<sup>2</sup>

Consecutive growth for the 5<sup>th</sup> quarter in Same Stores Sales

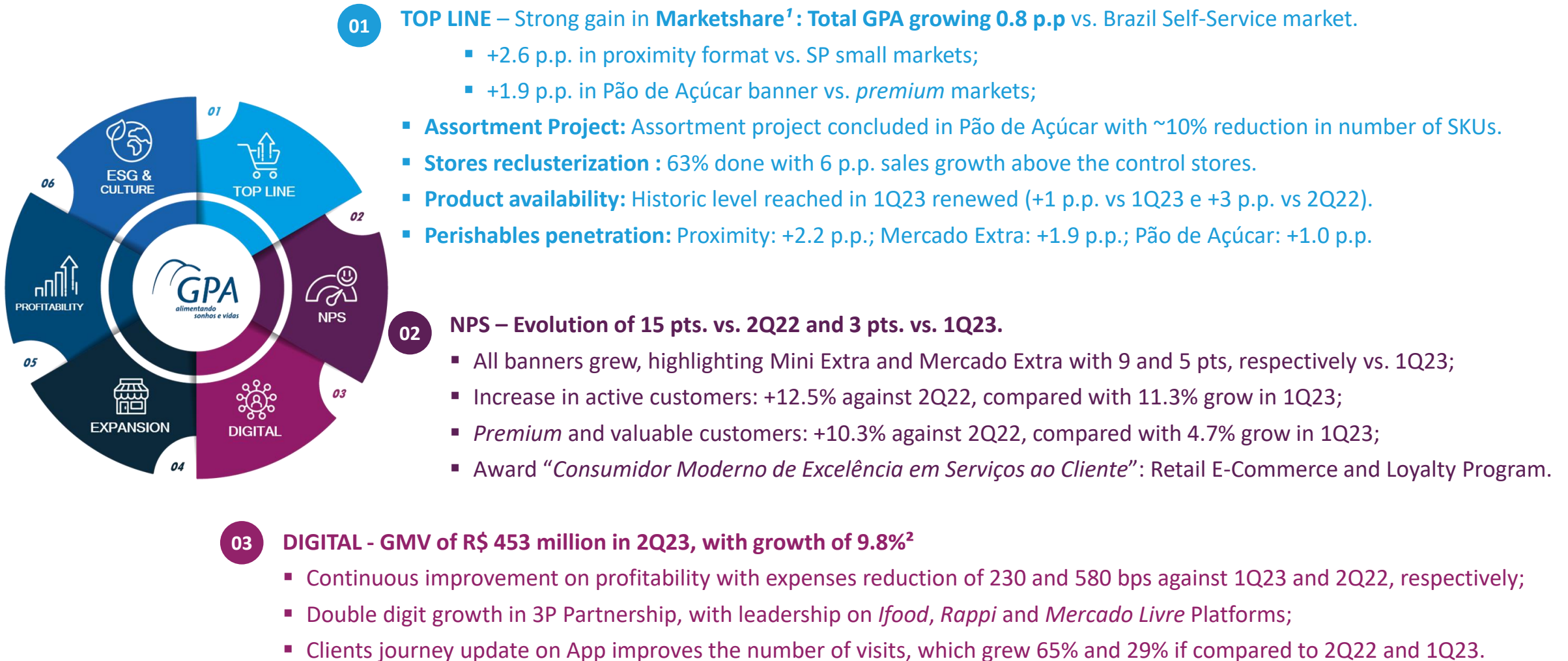


- **Gross Revenue** reached R\$ 5.1 billion, showing an increase of 14.7%;
- **Gross Revenue (ex gas stations)** totaled R\$ 4.7 billion, an increase of 16.7%;
- **Same Store Sales (ex gas stations)** increased by 6.4%, highlighting Pão de Açúcar banner which grew 8.6%, an improvement by the 5<sup>th</sup> consecutive quarter;
- **Consistent improvement of marketshare** since sep/22 with acceleration in mar/23, growing 0.8 p.p.;
- **Gross Profit** reached R\$ 1.2 billion with 24.8% margin, 0.4 p.p. higher than 1Q23;
- **Adjusted EBITDA<sup>3</sup>** totaled R\$ 299 million, with 6.3% margin, 0.3 p.p. above 1Q23.

(1) Excluding gas stations; (2) Same Stores; (3) Adjusted Earnings before interest, taxes, depreciation and amortization by other operating revenues and expenses, excluding impacts from international perimeter (Cnova)

# 2Q23 MAIN PILLARS HIGHLIGHTS

## TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS



(1) Internal analysis based on Nielsen disclosed data (2) Not considering sales from hypermarkets in 2Q22

# 2Q23 MAIN PILLARS HIGHLIGHTS

TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS



## 04 EXPANSION

In 2Q23: 23 stores opened

- 20 new Minuto Pão de Açúcar stores;
- 3 new Mini Extra stores;

In 6M23: 29 new stores

- 101 new stores since 2022 with R\$ 1.7 Billion in incremental sales, being R\$ 509 Million in 2Q23, with a contribution of 10 p.p. in sales increase;
- + 81 stores in the expansion pipeline.

## 05 Profitability

Gross Margin reaches 24.8% showing continuous improvement

- Improvement of 0.4 p.p and 2.2 p.p. against 1Q23 and 4Q22 respectively.

SG&A dilution of 0.6 p.p. vs. 2Q22

- 7.5% reduction of G&A against 2Q22 after headquarter adjustments.

GPA Brazil Adjusted EBITDA reaches 6.3% vs 6.0% in 1Q23



# 2Q23 MAIN PILLARS HIGHLIGHTS

TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS

## 06 ESG & CULTURE

### Promotion of diversity and inclusion

**Women in leadership position reached 40%, accomplishing our target established for 2025**



By the second year GPA has been part of **Bloomberg Gender Equality Index (GEI)** being the only national retailer.

### Combating climate change

**Scope 1 and 2 emissions with more than 5.8% reduction** if compared to the same period of the previous year. In the same direction of our guidelines to avoid the atmospheric emissions of more than 29 thousand tons (scope 1 and 2) throughout 2023.



### Transformation in the value chain

New Qualita's product line of special meat with 100% traceability, securing quality and respect with social-environmental aspects



### Social impact and promotion of opportunities

**751 Thousand meals** was complemented by fruits and vegetables donations

**19 Thousand** pieces between blankets and collected clothes by **campanha do Agasalho** in partnership with **Exército da Salvação**.



# UNIFICATION OF MAINSTREAM'S VALUE PROPOSAL

IN-PROGRESS PLAN FOR PROFITABILITY GROWTH

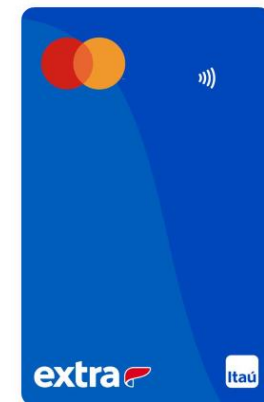
## Conversion of 30 Compre Bem stores into Extra Mercado

- Growth acceleration with **higher profitability**
- **Low investment cost**
- Conversion of 100% of the stores in **3Q23**



## Clients' better profitability and loyalty

- Assortment amplification with **Qualitá**
- Measurement and daily monitoring of the **NPS**
- **Extra Card** and its benefits
- **Clube Extra** App with exclusive offers
- Accumulation and redemption on **STIX** loyalty program
- New Internal and External visual communication
- New sales area layout







# FINANCIAL PERFORMANCE

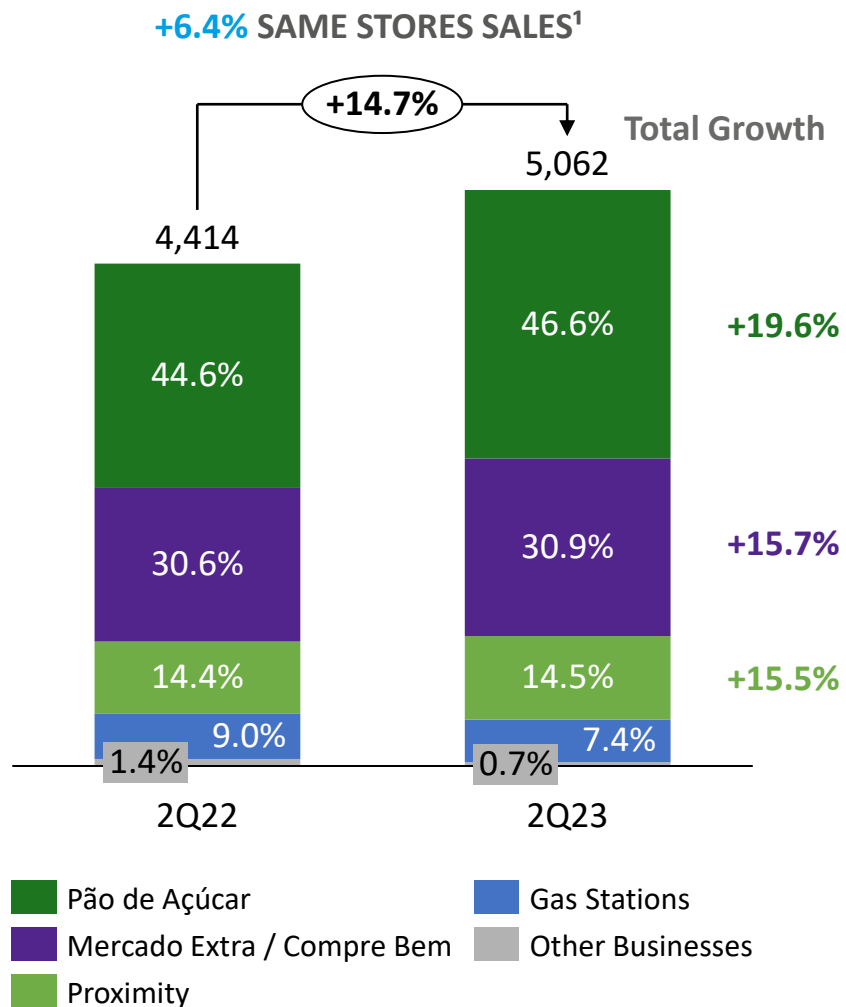
Guillaume Gras, CFO

# FINANCIAL PERFORMANCE

## NEW GPA BRAZIL

### TOTAL SALES

(R\$ million)



Total sales of New GPA Brazil totaled **R\$ 5.1 billion in 2Q23** with an increase of **14.7%** or **16.7%** excluding gas stations.

Same Store Sales growth of **6.4%** if compared to 2Q22, excluding gas stations

In e-commerce, GMV was **R\$ 453 million in 2Q23** (+9.8% vs. 2Q22)<sup>2</sup> and online penetration of **11.1%**

Same Stores Sales in 2Q23, highlighting the sequential improvement of Pão de Açúcar Banner:



**+8.6%** (vs. 7.5% in 1Q23) with a consistent improvement in the previous 5 quarters and a highlight for butchery and fruits & vegetables



**+5.8%** in **Proximity** format, with an expressive gain in marketshare and a strong growth of **2.2 p.p.** on perishables participation



**+3.5%** in **Mainstream** format, with a **7.1%** growth in **Mercado Extra**, offset by the commercial repositioning of Compre Bem

### Gas Station

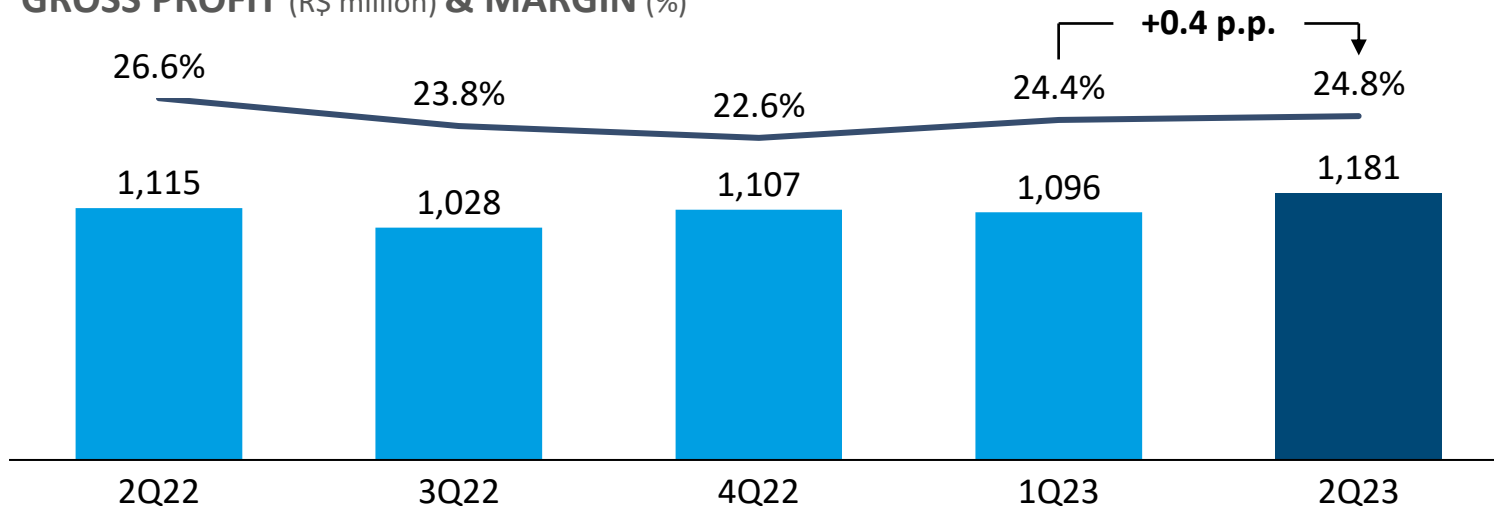
Same Store Volume **increased 25%** vs. **18%** in 1Q23. As a consequence of the fuel deflation of **24%** on the average price, the result was impact by **-3.5%**.

(1) - Excluding Gas Stations; (2) - Not considering sales from Hypermarkets in 2Q22

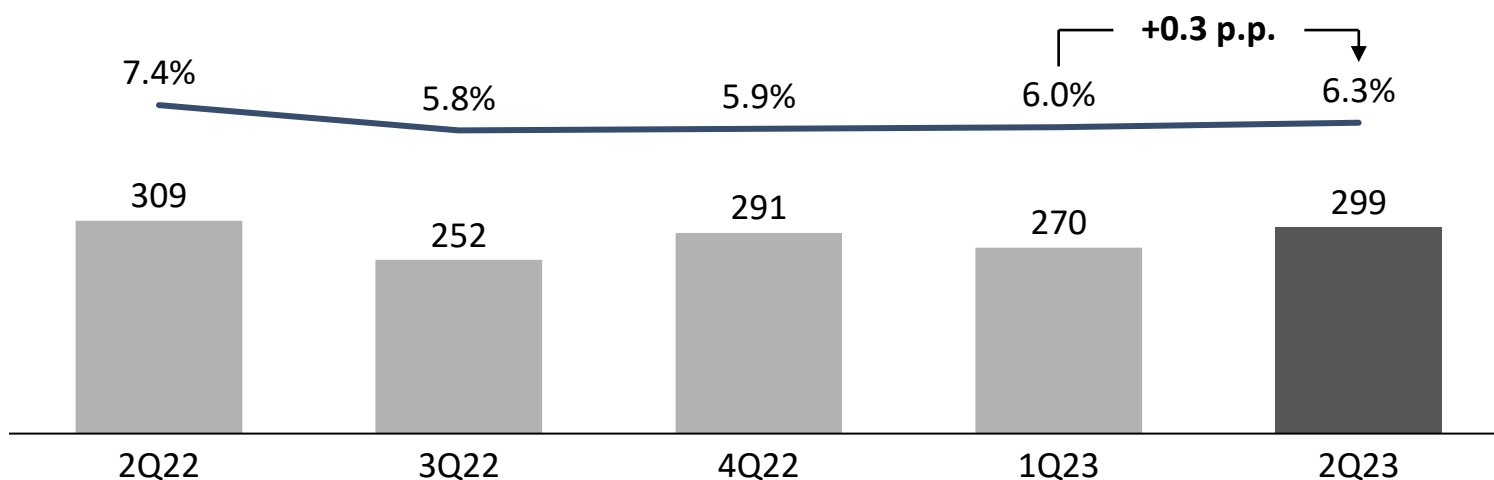
# FINANCIAL PERFORMANCE

## NEW GPA BRAZIL<sup>1</sup>

**GROSS PROFIT** (R\$ million) & **MARGIN** (%)



**ADJUSTED EBITDA<sup>2</sup>** (R\$ million) & **MARGIN** (%)



**Gross margin growth of 0.4 p.p. and 2.2 p.p vs. 1Q23 and 4Q22**, respectively, as a result of steps forward on strategic pillars, with *Premium* format recovery, commercial negotiation improvement, increase of perishables penetration and breakage reduction;

**Gross margin reduction of 1.8 p.p. vs. 2Q22**, explained, mainly, by adjustments on banners repositioning over the second semester of 2022, which began to show effective results in 1Q23;

**Selling, General and Administrative expenses**, in relation to net revenue, showed a **0.6 p.p. dilution vs. 2Q22**, with a G&A reduction of 7.5% vs. 2Q22;

**Adjusted EBITDA** totaled R\$ 299 million with **6.3% margin**, showing a **0.3 p.p. growth vs. 1Q23**. If compared to 2Q22, the margin is **1.1 p.p. lower**, with a SG&A efficiency gains mitigating part of the margin reduction.

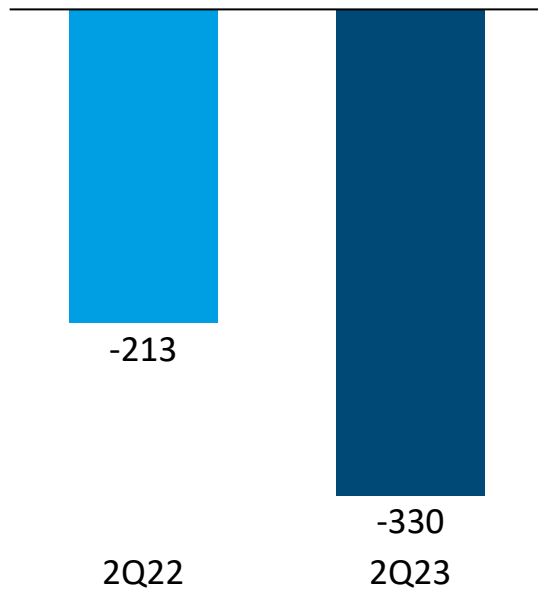
(1) New GPA Brazil does not include impacts from international perimeter (Cnova) (2) Adjusted Earnings before interest, taxes, depreciation and amortization by other operating revenues and expenses, excluding impacts from international perimeter (Cnova)

# FINANCIAL PERFORMANCE

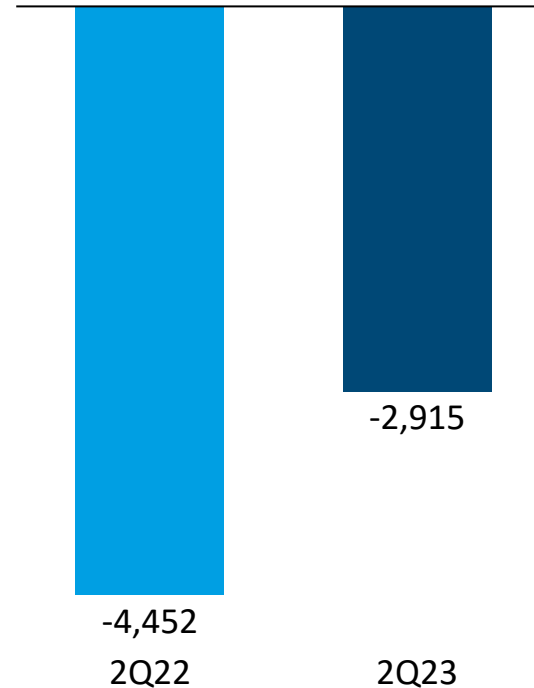
## CONSOLIDATED

### NET PROFIT

CONTINUED ACTIVITIES  
(R\$ million)



### NET DEBT (R\$ million)



**Net income from continued activities decreased by R\$ 117 million, impacted by the financial result**

**Net Debt reduction by R\$ 1.5 billion vs. 2Q22 and R\$ 100 million vs. 1Q23.**

**Cash position of BRL 3.2 Billion, equivalent to 2.0x the company's short-term debt**

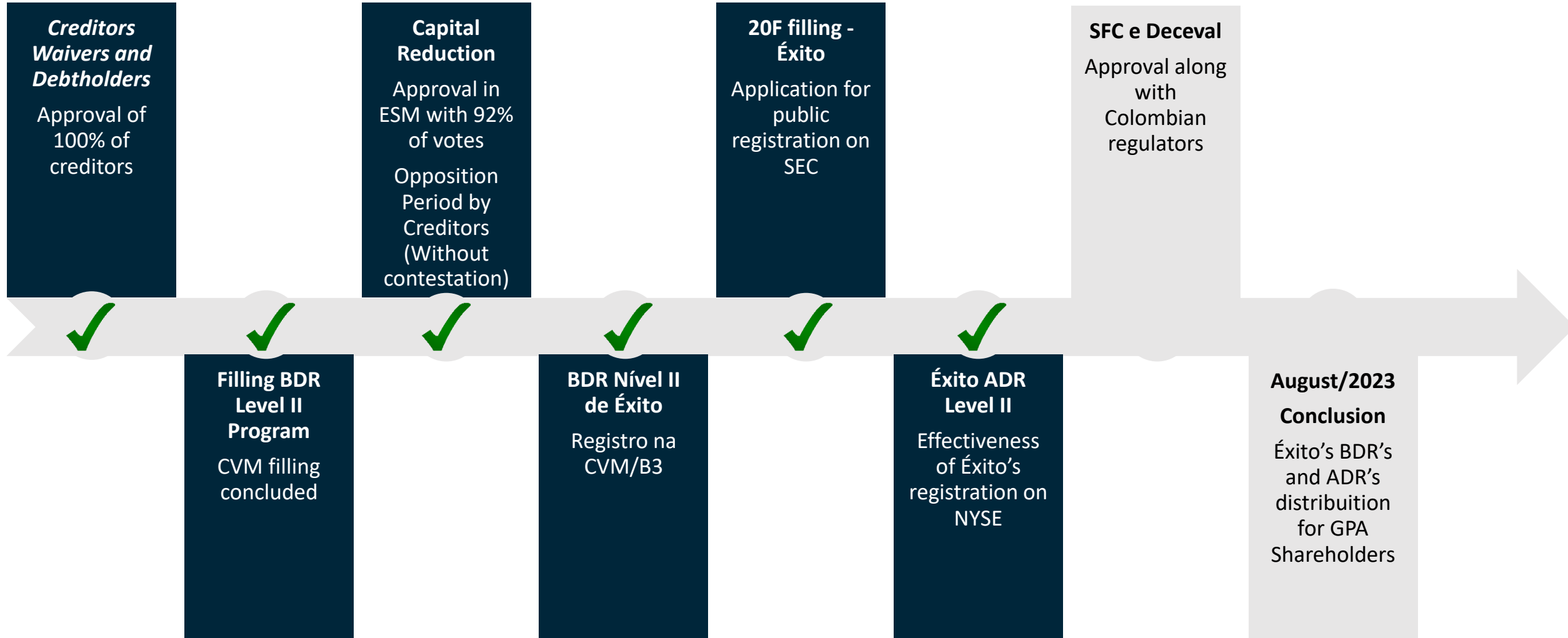
**Focus on the debt reduction and deleveraging plan** through the sale of non-core assets and progress of Grupo Éxito's segregation operation

(1) – Considers the equity result and IFRS16 adjustments



# SEGREGATION TRANSACTION ESTIMATED SCHEDULE

## GRUPO ÉXITO





## Q&A

[www.gpari.com.br](http://www.gpari.com.br)





# FINAL MESSAGES

Marcelo Pimentel, CEO



# FINAL MESSAGES

NEW GPA – STRATEGIC PILLARS

