

3Q23 EARNINGS

PRESENTATION

October 31th, 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



3Q23

HIGHLIGHTS

Marcelo Pimentel, CEO

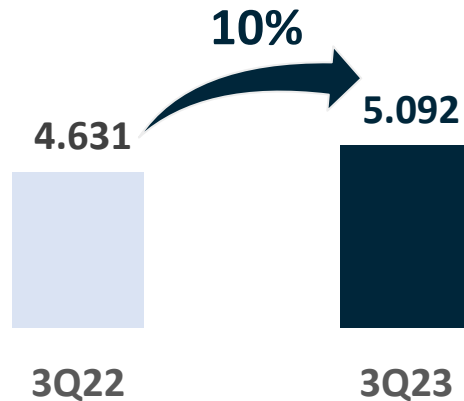
3Q23 HIGHLIGHTS

Operational consistency with strong growth, *market share capture* and margin evolution

- **Gross Revenue** reached R\$ 5.1 billion, showing an increase of **10%**
 - Pão de Açúcar banner grew **11.6%** and **proximity 21.7%**
 - E-commerce with a **strong growth of 15%**;
- **Same Store Sales increased by 6.6%**
 - Pão de Açúcar banner grew **7.2%** and **proximity 7.7%**;
- **Market share grew 0.6 p.p.** vs. self-service market, completing four consecutive quarters of gains;
- **Gross Profit** reached R\$ 1.2 billion with **25.1% margin**, 1.3 p.p.;
- **Adjusted EBITDA⁽²⁾** totaled R\$ 333 million, with **7.0% margin**, 1.2 p.p.;
- **Operational cash generation of GPA Brazil⁽³⁾** increased by R\$ 296 million;
- **Net debt** with a reduction of R\$ 0.5 billion and **deleverage by 0.5x**. Cash position of R\$ 3.0 billion, equivalent to **2.1x the company's short debt**

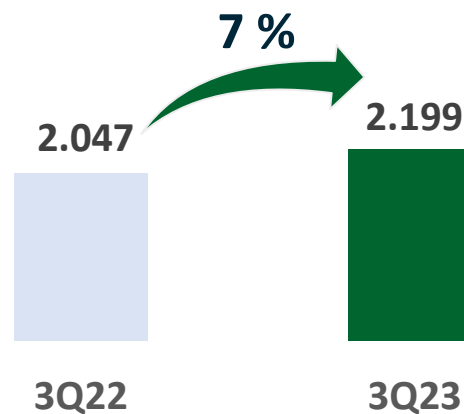
Gross Revenue

Strong growth of new GPA Brazil



Pão de Açúcar banner (SSS)⁽¹⁾

Kept its sequential growth since 1Q22



3Q23 MAIN PILLARS HIGHLIGHTS

TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS



01 TOP LINE

- **Strong growth in same-store sales**, driven by volume growth, offsetting the strong deflation in the period.
- **Consistent gains of market share⁽¹⁾ across all formats, evolution by the fourth consecutive quarter**
 - +0.6 p.p. in self-service market
 - +2.2 p.p. in proximity format vs. small supermarkets in metropolitan region of SP
- **Stockout**, once more, reach a **historical level** of just **5.8%⁽²⁾**
- Highlight to the **growth of perishables** category in the Pão de Açúcar and Extra Mercado banners

02 NPS

Evolution of 10 pts. vs. 3Q22 and 6 pts. vs. 2Q23.

- Highlight to: (i) Improvement of service level in stores, supported by personnel training at all banners; (ii) reduction of time in checkout lines with the implementation of self-checkouts; (iii) improvement in price perception
- Pão de Açúcar banner with an improvement of 10.6% in Premium & Valuable customers

03 DIGITAL

Revenue growth of 15% reaching R\$ 470 million

- Double digit growth in 1P such as in 3P Partnerships with leadership on Ifood, Rappi and Mercado Livre Platforms
- Migration of 100% of sales from the Distribution Center to the stores: **profitability gains with full integration between e-commerce and stores operation**, with an **incremental sale in the same asset and relevant reduction of expenses**

3Q23 MAIN PILLARS HIGHLIGHTS

TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS



04 EXPANSION

20 stores opened in 3Q23

- 18 Proximity stores: 17 Minuto Pão de Açúcar and 1 Mini Extra
- 2 stores of Pão de Açúcar banner: in cities of Atibaia (first store) and Sorocaba

05 Profitability

Gross Margin reaches 25.1% showing continuous improvement

- Improvement of 0.3 p.p and 1.3 p.p. vs. 2Q23 and 3Q22, respectively

SG&A dilution of 0.5 p.p. vs. 2Q23

- 5.9% reduction of sales expenses with the implementation of zero base budget methodology

GPA Brazil Adjusted EBITDA reaches 7.0%

- Growth of 0.7 p.p. and 1.2 p.p. vs. 2Q23 and 3Q22, respectively



3Q23 MAIN PILLARS HIGHLIGHTS

TOP LINE GROWTH AND IMPROVEMENTS IN IMPORTANT INDICATORS



06 ESG & CULTURE

Promotion of diversity and inclusion



Women in leadership position reached **41%** vs. 38% in 3Q22

Since the beginning of the year, 43 women were hired for leadership positions and 48 promotions of women who participated in development programs, confirming positive results

Combating climate change



reduction of 11% in scope 1 and 2 emissions compared to the same period of the previous year, as a result of “gas replacement” and “engine room retrofit” projects.

we were recognized with the Gold Seal by Programa Brasileiro GHG Protocol - which corresponds to the highest level of qualification granted to companies that demonstrate compliance with transparency criteria in publishing its greenhouse gas inventory.



Transformation in the value chain

We continue to advance our commitment to animal welfare

The Pão de Açúcar banner reached **65% of total egg sales being cage-free**, with a goal of reaching 100% by 2028 for all brands.

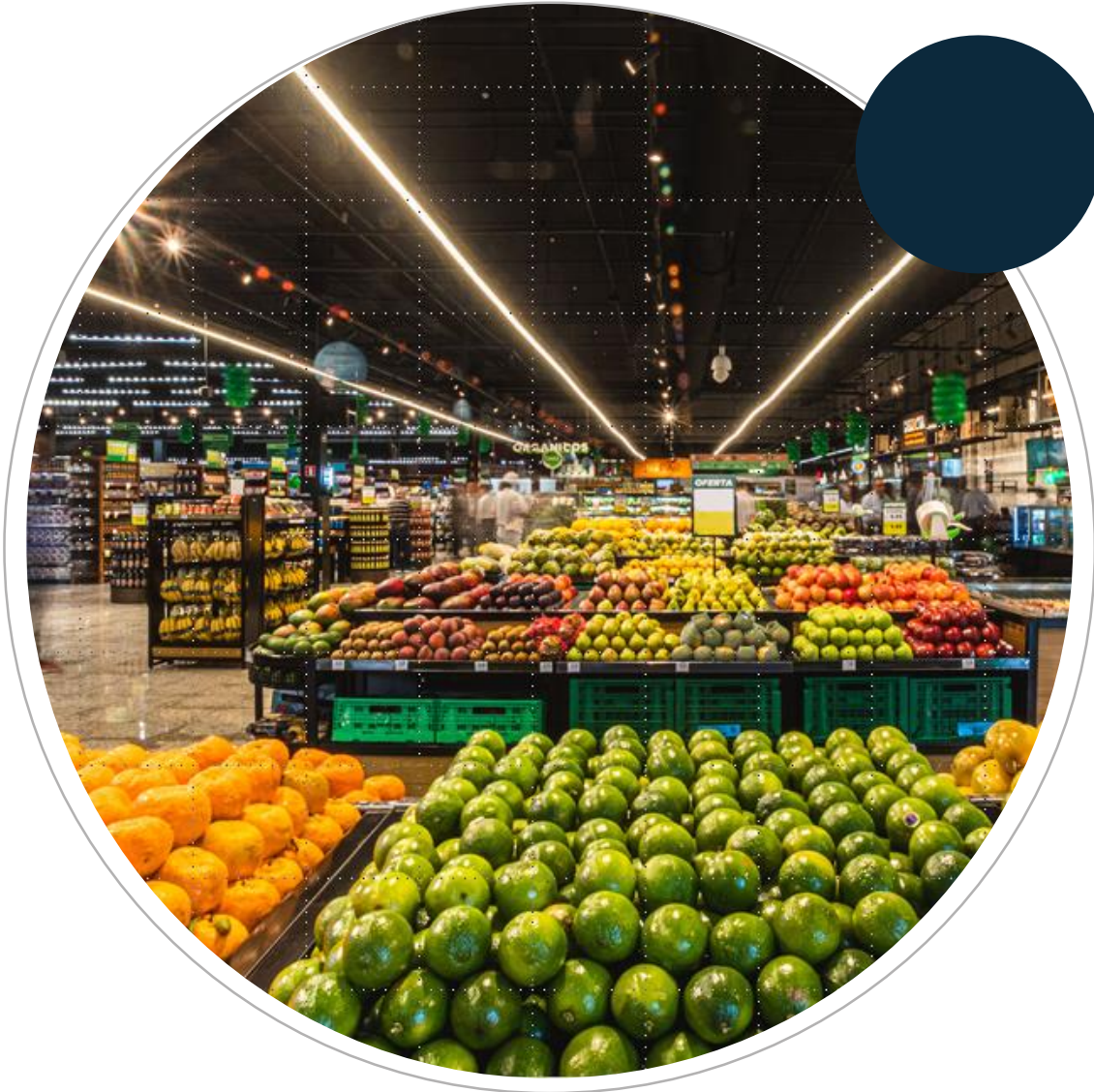
Social impact and promotion of opportunities



Through GPA Institute, we launched the “Impulsiona+” Program, in partnership with Phomenta, that aim to support the development of social organizations, partners of GPA Institute.

Furthermore, our banner Extra Mercado is a sponsor of the project “XEPA: Favela, comida, e Sustentabilidade”, focusing in promote a **conscious consumption of healthy food and full use of food into the periphery communities in Brazil**





FINANCIAL PERFORMANCE

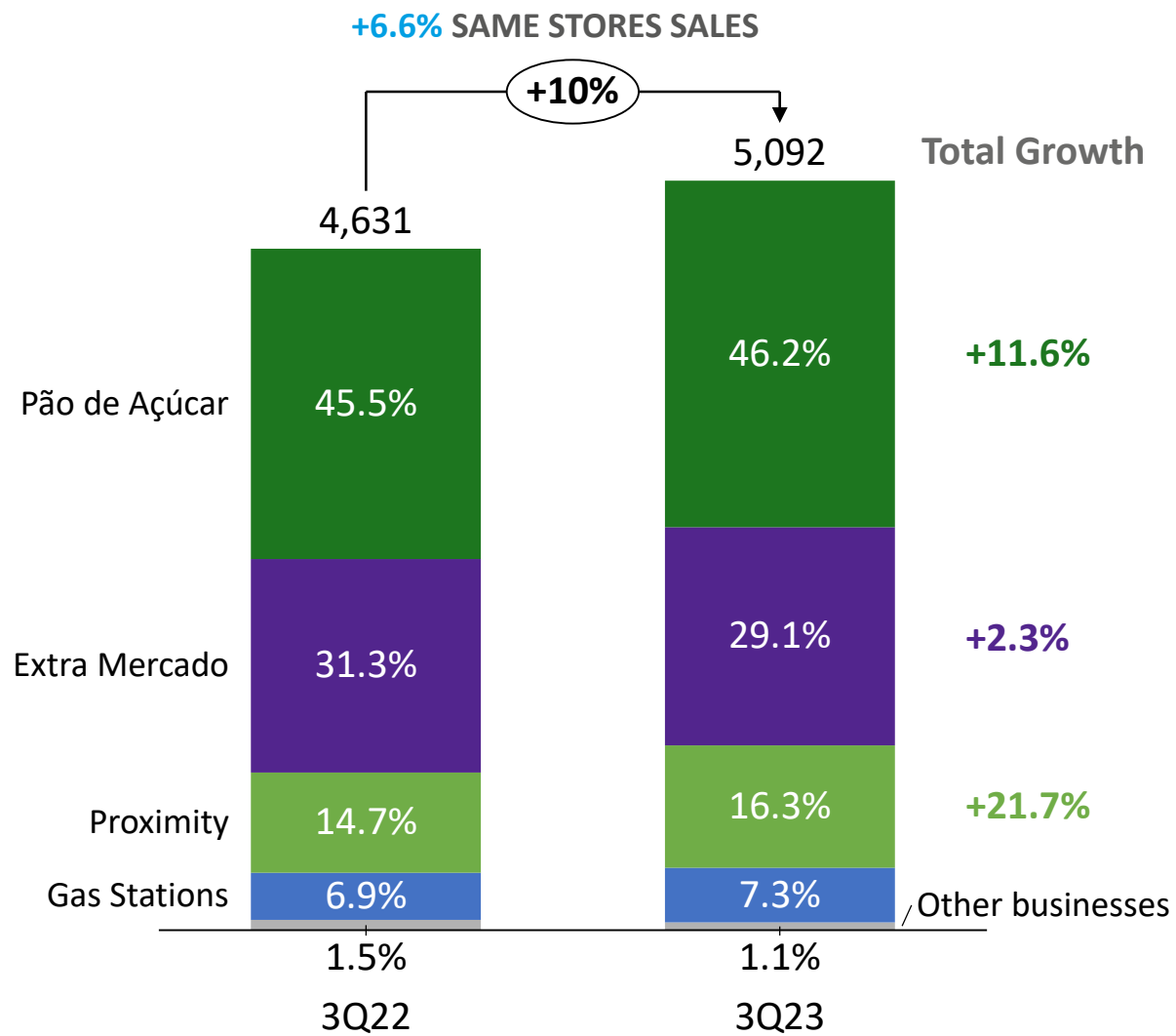
Rafael Russowsky, CFO

FINANCIAL PERFORMANCE

NEW GPA BRAZIL

TOTAL SALES

(R\$ million)



Total sales of New GPA Brazil totaled **R\$ 5.1 billion in 3Q23** with an increase of **10%** or **9.5%** excluding gas stations.

Same Store Sales growth of **6.6%** if compared to 3Q22 or **5.7%** excluding gas stations

In **e-commerce**, Gross Sales were **R\$ 470 million in 3Q23** (+15% vs. 3Q22) and **online penetration of 11.6%**

Same Stores Sales in 3Q23, highlighting the sequential improvement of Pão de Açúcar Banner:



+7.2% with a consistent improvement since 1Q22 and, in the same line of 2Q23, the banner's highlight was butchery and fruits & vegetables



+7.7% in **Proximity** format, a solid result, even when compared with a strong comp in 3Q22



+2.5% in line with the previous quarters, even with a higher sensibility to the deflation that occur.

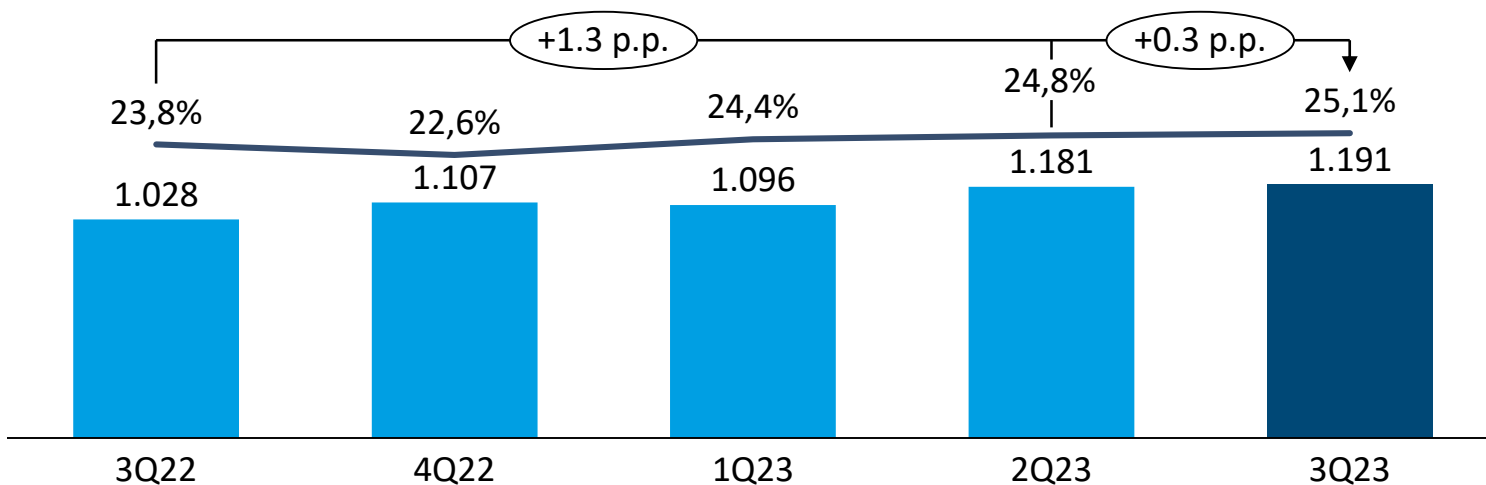
Gas Station

Same Store Volume **increased 21.2% vs. 3Q22**, driving nominal sales to a **growth of 18.2%**.

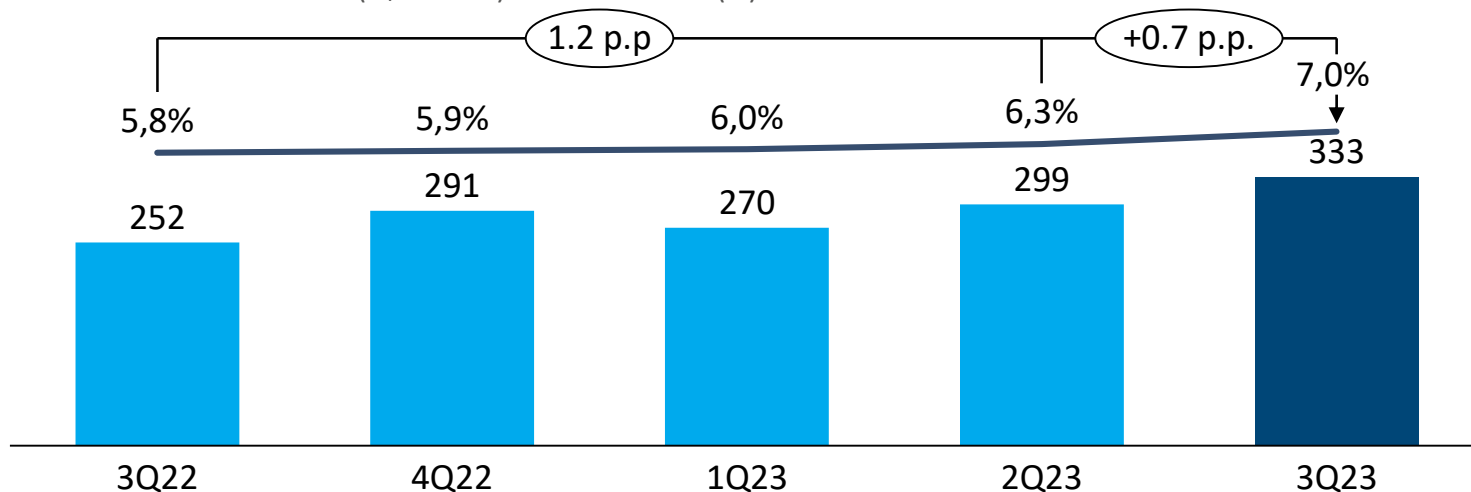
FINANCIAL PERFORMANCE

NEW GPA BRAZIL⁽¹⁾

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



ADJUSTED EBITDA² (R\$ million) & MARGIN (%)



Gross margin growth of 0.3 p.p. and 1.3 p.p. vs. 2Q23 and 3Q22, respectively, as a result of steps forward on strategic pillars, with (i) increase of 0,7 p.p. of Pão de Açúcar banner in total sales, (ii) commercial negotiation improvement, and (iii) shrinkage reduction;

Selling, General and Administrative expenses, in relation to net revenue, showed a **0.5 p.p. dilution** with a **5.9% reduction** of sales expenses vs. 2Q23, after the zero base budget implementation;

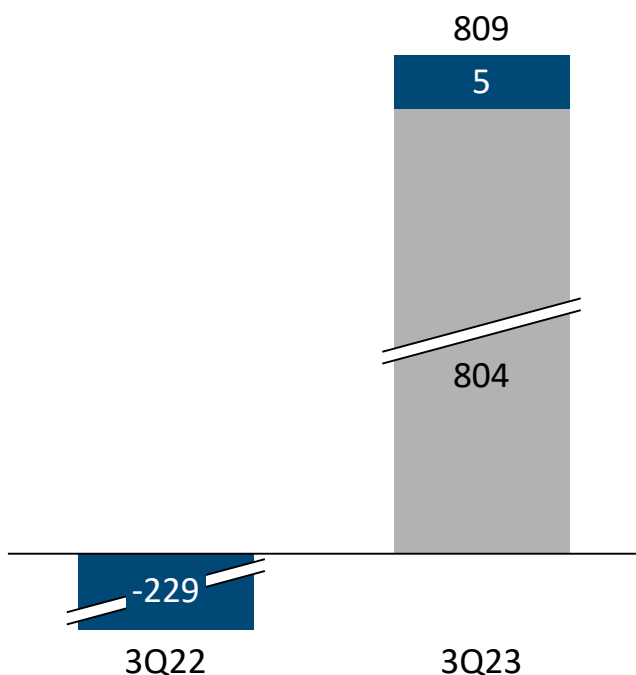
Adjusted EBITDA totaled R\$ 333 million with **7.0% margin**, showing a **0.7 p.p.** growth vs. 2Q23. If compared to 3Q22, there is a margin growth of **1.2 p.p.**, showing the efficiency of the turnaround plan.

(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

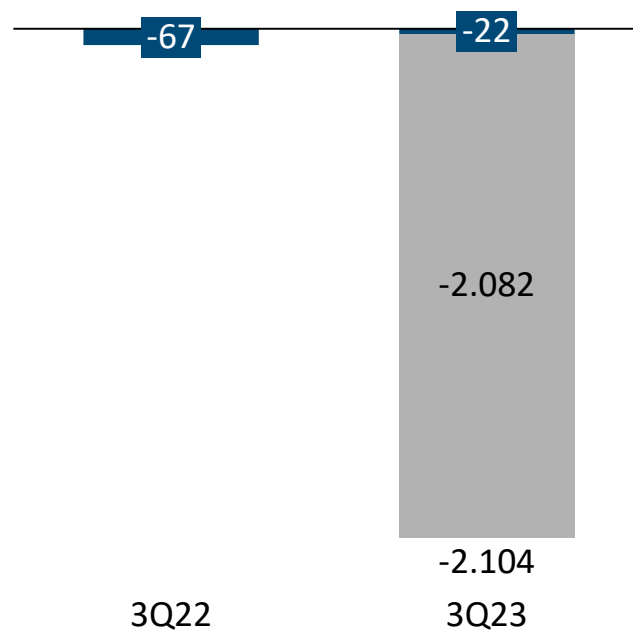
CONSOLIDATED

NET INCOME CONTINUED ACTIVITIES (R\$ million)



Continued Net Income
Cnova Adjustment

NET INCOME/LOSS DISCONTINUED ACTIVITIES (R\$ million)



Discontinued Net Income
Éxito Adjustment

After Cnova's adjustment of a non-cash effect, **net income from continued activities** reaches R\$ 5 million, **an increase of R\$ 234 million**;

After adjustments of the accounting effect of Éxito segregation process, **net loss from discontinued activities** reaches R\$ (22) million, an **improvement of R\$ 45 million**.

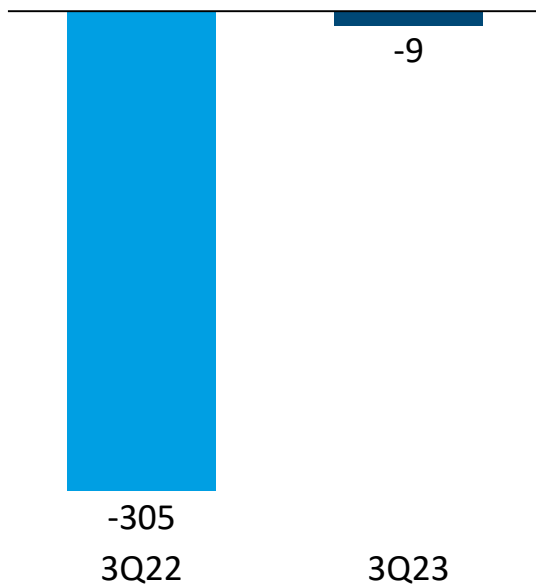
(1) – Considers the equity result and IFRS16 adjustments

FINANCIAL PERFORMANCE

GPA BRAZIL

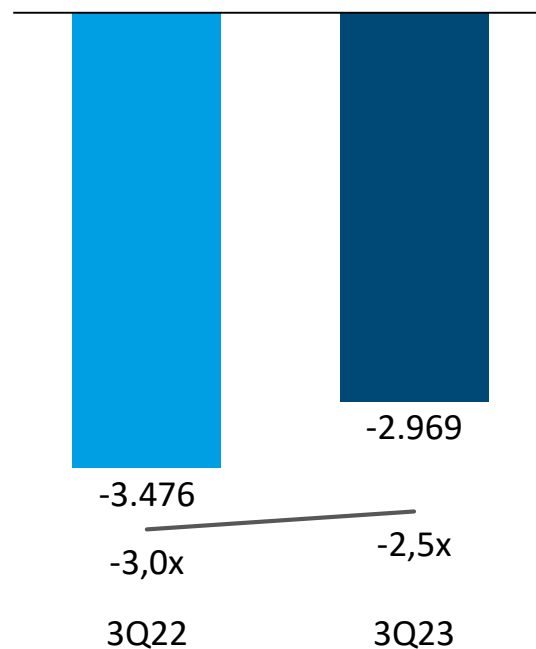
OPERATIONAL CASH FLOW⁽¹⁾

(R\$ million)



NET DEBT⁽²⁾

(R\$ million and x EBITDA)



Operational Cash Flow presented an increase of R\$ 296 million, impacted by the operational result growth and an improve of 8 days in suppliers and inventory

Net debt with a reduction of R\$ 507 million, and deleverage in 0.5x

Cash position of R\$ 3 billion, equivalent to **2.1x the company short debt**

Material advances in the non-core assets sales plan in 3Q23:

- Land (previous Extra Hiper) R\$ 247 million
- Other non-core assets R\$ 52 million
- Pre-aggrement of Éxito's sale⁽³⁾ R\$ 790 million

(1) Cash flow after EBITDA (including leasing expenses), income tax paid, working capital of goods variation and variation of other asset and liabilities; (2) Net Debt = Gross bank debt, minus cash and equivalent, minus credit card receivables not discounted. Leverage calculation considers GPA's Brazil Adjusted EBITDA, including IFRS-16, of last 12 months; (3) According to material fact disclosed in October 16th 2023. Considers USD/BRL Exchange rate for sale price of material fact's disclosure date.



Q&A

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FINAL MESSAGES

Marcelo Pimentel, CEO

FINAL MESSAGES

NEW GPA – STRATEGIC PILLARS

