

RESULTS

4th Quarter of 2020

February 24, 2021





Results

Jorge Façal

Chief Executive Officer of GPA

Guillaume Gras

Vice President of Finance of GPA



GPA Consolidated



GPA Brazil (Multivarejo)



Grupo Éxito

We are the largest food retailer in South America

Gross Revenue: R\$ 55.7 Billion
+12.7% pro forma

EBITDA of R\$ 3.9 Billion
margin of 7.8%

Online Sales: +R\$ 3.3 Bi
(Leader in Latin America)



PORTFOLIO
1,502 stores

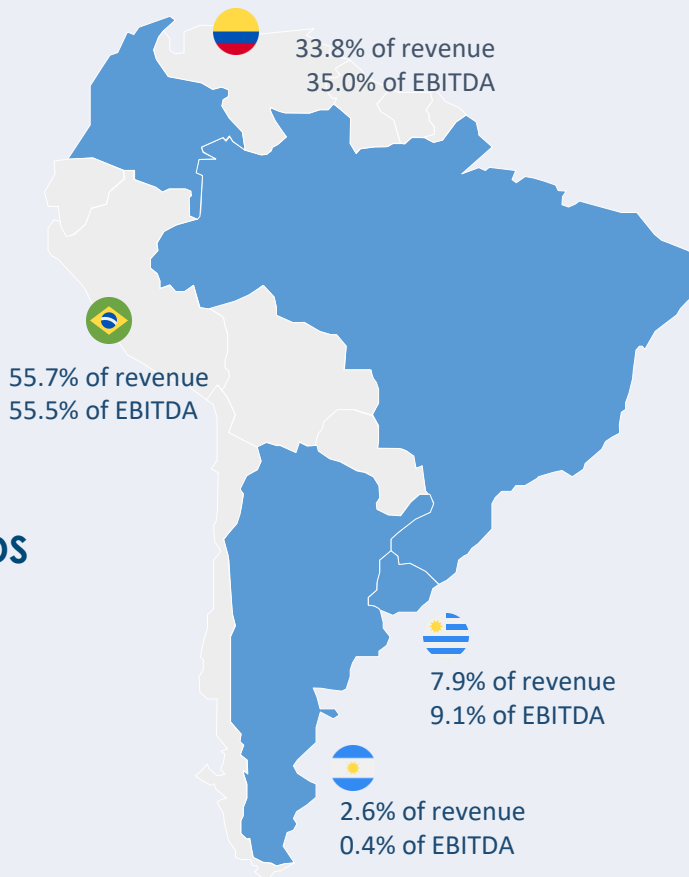
Leading brand in Brazil, Colombia, Uruguay and Argentina.

Balance between formats and models adhering to customer demand



PRIVATE-LABEL BRANDS

Attractiveness in **quality and price** for the client and positive effect in rentability, with **high penetration in Brazil and Colombia**



DIGITAL PLATFORM



R\$ 3.3 Billion in sales, evolution in all countries

Leader in **food e-commerce** in Brazil and Colombia

ROBUST CUSTOMER DATABASE



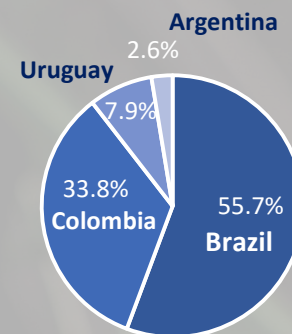
Recurrence through the **Loyalty Programs** and **Coalition Stix and Puntos Colombia**

CONSOLIDATED RESULT

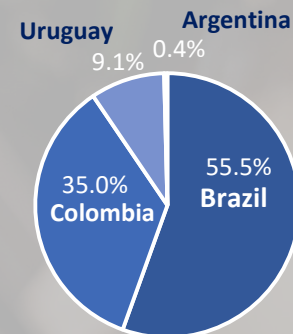
Robust operational growth and profitable evolution

(R\$ million)	Excluding exceptional items			Consolidated ⁽¹⁾		
	4Q20	4Q19	Δ	2020	2019	Δ
Gross Revenue	15,417	10,185	51.4%	55,732	31,165	78.8%
Net Revenue	13,936	9,327	49.4%	50,419	28,838	74.8%
Gross Profit	3,725	2,324	60.3%	12,915	7,613	69.6%
Gross Margin	26.7%	24.9%	180 bps	25.6%	26.4%	-80 bps
Selling, General and Adm. Expenses	(2,498)	(1,686)	48.2%	(9,326)	(5,698)	63.7%
% of Net Revenue	17.9%	18.1%	-20 bps	18.5%	19.8%	-130 bps
Adjusted EBITDA ⁽²⁾⁽³⁾	1,314	688	91.1%	3,920	2,040	92.1%
Adjusted EBITDA Margin ⁽²⁾⁽³⁾	9.4%	7.4%	200 bps	7.8%	7.1%	70 bps
Net Financial Revenue (Expenses)	(296)	(267)	10.8%	(1,264)	(871)	45.1%
% of Net Revenue	-2.1%	-2.9%	80 bps	-2.5%	-3.0%	50 bps
Net Income Controlling Shareholders - Consolidated	656	94	600.3%	1,237	792	56.1%
Net margin - Controlling Shareholders Consolidated	4.7%	1.0%	370 bps	2.5%	2.7%	-20 bps
Net Income - Controlling Shareholders - continuing operations	374	(86)	n.d.	151	(285)	n.d.
Net margin - Continuing operations	2.7%	-0.9%	360 bps	0.3%	-1.0%	130 bps

% Revenue



% EBITDA



GROSS REVENUE:

- 4Q20: R\$ 15.4 billion, strong growth of 51.4% and 12.9% pro forma. 'Same store' sales acceleration to 9.7%
- 2020: Evolution of 78.8% and 12.7% pro forma, surpassing R\$ 55.7 billion

ADJUSTED EBITDA:

- 4Q20: R\$ 1.3 billion and margin of 9.4%: robust margin increase in GPA Brazil to 9.0% and solid level in the Grupo Éxito with 10.6%
- 2020: R\$ 3.9 billion and margin of 7.8%: growth in all operations

NET INCOME:

- 4Q20: R\$ 656 million, of which R\$ 374 million from continuing operations
- 2020: R\$ 1.2 billion, of which R\$ 151 million from continuing operations

Results above does not include the exceptional items booked in 4Q20, which impacted net income in R\$ 941 million.

(1) Consolidated considers the results from the group in all countries (2) Earnings before interest, taxes, depreciation and amortization;

(3) Adjusted for Other Operating Income and Expenses

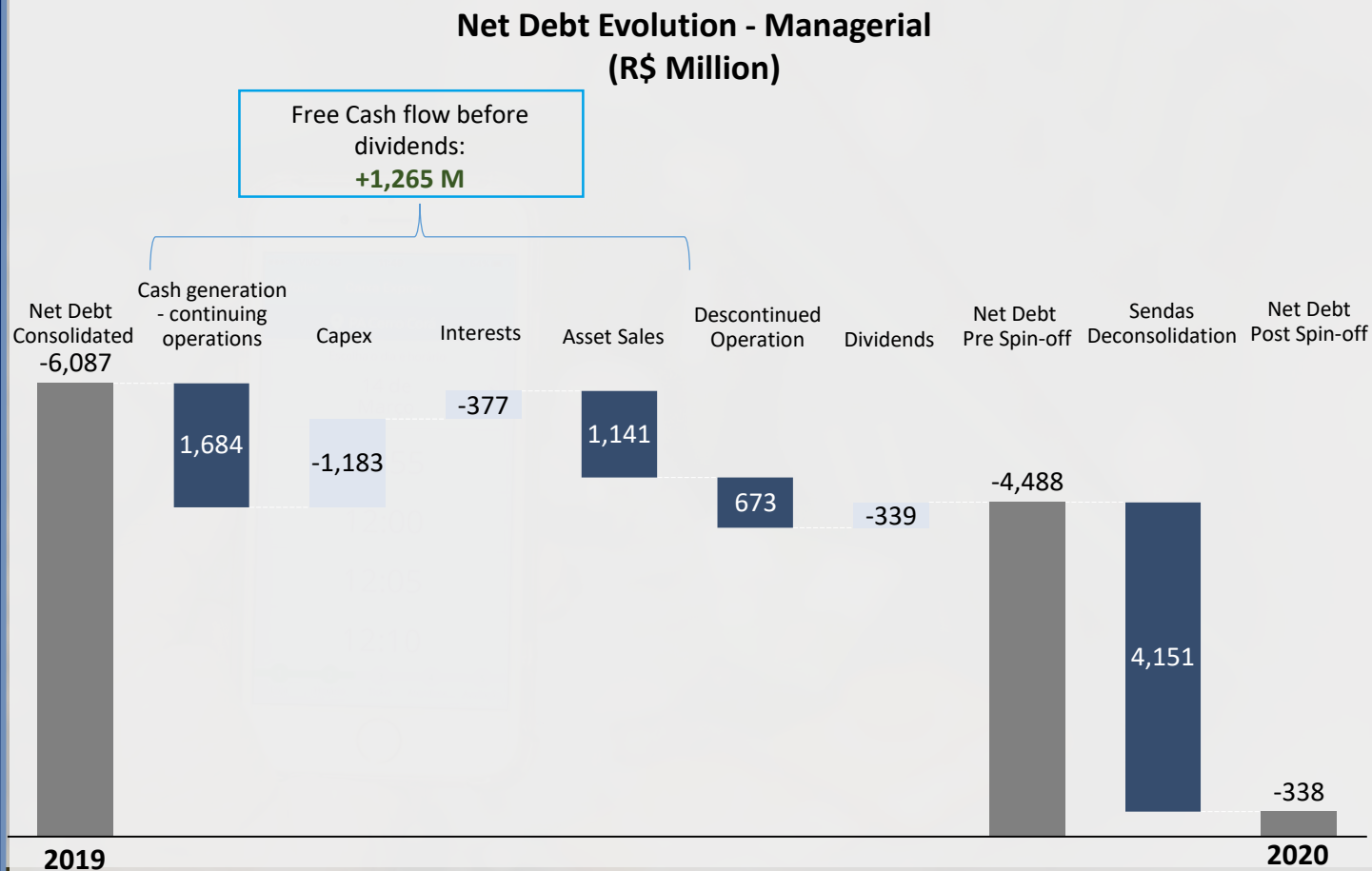
SOLID FINANCIAL POSITION

- **Solid cash position Dec/20: R\$ 8.7 billion**, addition of R\$ 757 million when compared to Dec/19

LOW LEVEL OF LEVERAGE

- **Ratio of net cash to EBITDA⁽¹⁾ of -0.1x at the end of 2020;**
- **Maintenance of capex levels for the coming years, sustained by operational cash generation.**

Low level of leverage: Net debt/EBITDA⁽¹⁾ of -0.1x in 2020



(1) Adjusted EBITDA Pre-IFRS 16, accumulated in the last 12 months.
The Company does not consider lease liabilities related to IFRS 16 in the debt calculation



GPA Consolidated



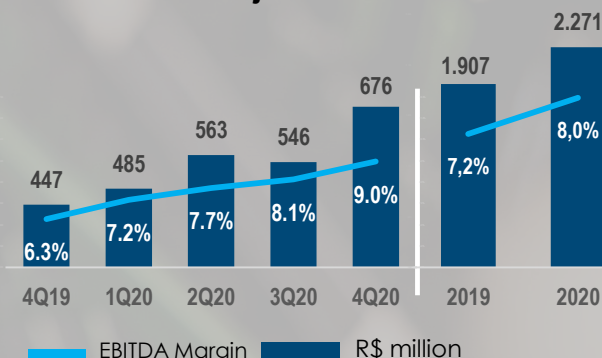
GPA Brazil (Multivarejo)



Grupo Éxito

4Q20: Best level of adjusted EBITDA margin in recent years

(R\$ million)	GPA Brazil (Multivarejo) ⁽¹⁾					
	4Q20	4Q19	Δ	2020	2019	Δ
Gross Revenue	8,255	7,746	6.6%	31,004	28,723	7.9%
Net Revenue	7,544	7,145	5.6%	28,336	26,654	6.3%
Gross Profit	2,046	1,716	19.3%	7,385	7,006	5.4%
Gross Margin	27.1%	24.0%	310 bps	26.1%	26.3%	-20 bps
Selling, General and Adm. Expenses	(1,428)	(1,333)	7.2%	(5,358)	(5,324)	0.6%
% of Net Revenue	18.9%	18.7%	20 bps	18.9%	20.0%	-110 bps
Adjusted EBITDA ⁽²⁾⁽³⁾	676	447	51.3%	2,271	1,907	19.0%
Adjusted EBITDA Margin ⁽²⁾⁽³⁾	9.0%	6.3%	270 bps	8.0%	7.2%	80 bps

Continuous evolution of profitability:
Adjusted EBITDA

GROSS PROFIT:

- **4Q20: Evolution of 19.3% and 310 bps increase** in gross margin, due to better level of shrinkage, comercial activations segmented by client profile and lower impact of stores renovations vs 4Q19
- **2020: growth of 5.4% and 26.1% of margin**

SG&A:

- **4Q20:** lower dilution vs 4Q19 due to the updating of labor contingences, development of the GPA Marketplace and store remodeling
- **2020:** 110 bps decrease as % of revenue due to the **continuous control of expenses and better operational productivity**

ADJUSTED AJUSTADO:

- **4Q20:** expressive increase of 51.3%, with **another quarter of margin evolution to 9.0%** (+270 bps)
- **2020: addition of R\$ 364 million and margin growth to 8.0% (+80 bps)**, capturing the effects from the continuous evolution throughout the year

(1) GPA Brazil results do not include the result of Other businesses. (Stix Fidelidade, James Delivery and Cheftime) (2) Earnings before interest, tax, depreciation and amortization. (3) Adjusted by Other Operating Income and Expenses. Note: Results above do not include the exceptional items booked in 4Q20 as described in the earnings release

Strong sales growth boosted by remodeled portfolio and e-commerce evolution



Greater balance between formats



Pão de Açúcar

26% share in sales(*)

- 46 G7 model stores presented sales growth of +9% in 4Q20;
- Online sales represents 12% of food sales in the banner;
- Rollout process of G7's successful initiatives to other stores
- Organic expansion plan nearing completion



Proximity

6% share in sales(*)

- +33.5% of 'Same Stores' sales in 4Q20;
- 10 following quarters with double digit growth: successful seasonal dynamics in Minuto Pão de Açúcar and Mini Extra formats;
- More than 1,000 partnership in 'Aliados' program



Mercado Extra and Compre Bem

17% share in sales(*)

- 33 stores converted in 4Q20, totaling 169 stores (141 Mercado Extra and 28 Compre Bem), remaining only 6 stores to be converted;
- +11.8% of Mercado Extra growth in 4Q20;
- +31.6% of Compre Bem growth in 4Q20



Extra Hiper

43% share in sales(*)

- +10.3% of 'Same Store' sales increase in 4Q20;
- 23 stores repositioned to the new concept, strengthening the format's value proposition;
- Increase of ~20% of sales in the repositioned stores

Loyalty and improvement in competitiveness



20% penetration in the food category (+110 bps)



Launch of products: 190 itens;
Focus on the categories of beauty, personal care and ready to eat products
Total of 5,200 SKU's



Qualitá: 1st promotion of private-label brand in Brazil, with distribution of R\$ 500K in prizes, more than 400 thousand participants and 1.2 MM tickets



Taeq: portfolio expansion, consolidation as a **brand of healthy products,** with more than 500 products



High customer penetration: 80% (8 out of 10 customers purchased a product from Private-Label brands)



Nous: entry into a new segment (hygiene and personal care) with 70 items in the portfolio

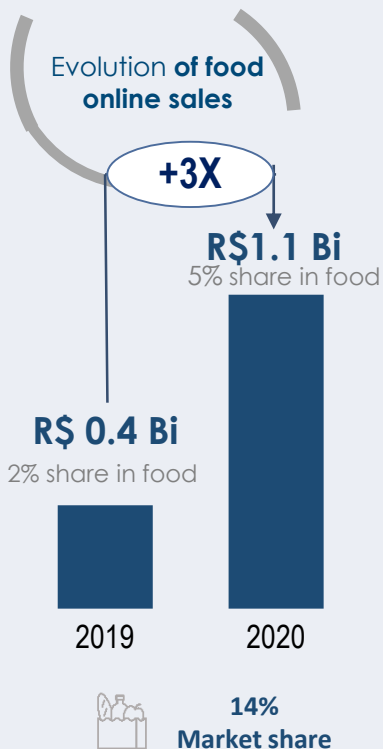


Chefftime: expansion in the Production Center, reaching 300 stores with the presence of the brand; 13 Dark Kitchens



Animal welfare: increased share of sale of eggs from cage-free hens (2020: 31.2% vs 2019: 25.1%)

Digital Ecosystem: Important growth lever



Shipment from Stores / Click & Collect

289 stores dec/20 vs 120 in dec/19, around 52% of online sales

Shipment from DCs

6 DC's by the country (4 new DC's in 4Q20) in order to support sales growth of 128% in 4Q20

Last Milers

355 stores in 32 cities (vs 55 stores in 18 cities in dec/19), +543% of GMV and +316% in number of orders

+ 21MM



Customers registered in the loyalty programs

+2.7 x



Average omnichannel customer spend vs B&M store customer



Biggest coalition of Brazil retail market



+60 MM of potential clientes with low level of overlap between GPA and RD



Launched in October/2020 and embraced by 1 million customers in the first 7 weeks



80% of activation and 30% of transversal use in coalition (clients navigation in both companies) in early stages of operation



New retail verticals planned for 2021

✓ GPA Marketplace growth

✓ Strengthening verticals in 1P

✓ Delivery radius expansion

Strengthening of GPA digital platform | IDP doubles the number of omnichannel clients, who spend an average 2.7x more than a b&m store customer



E-commerce 1P

Core Business

- Complete basket experience
- Personalized recommendations
- Continuous geographical expansion
- +4 DCs and +169 stores in 2020
- +New sales regions for 2021

+ COMPLETE ASSORTMENT IN FOCUS CATEGORIES



Grocery



Personal Care



Fresh



Cleaning



Craft Beers



Pet Care



Wines & Liquors



Baby Care



Auto Care



Home Care

E-commerce 3P IN

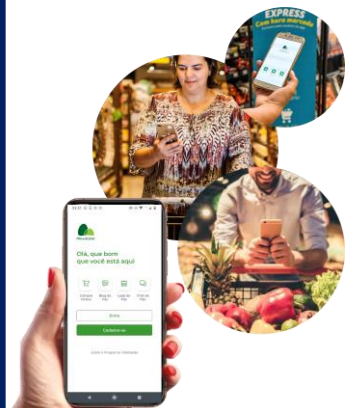
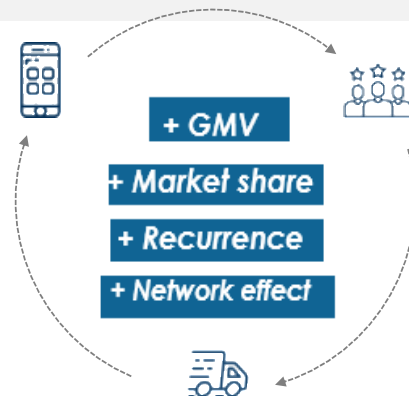
New Business

- Destination categories / complementary
- Target of 400k SKUs in 2021
- Accelerate Register Sellers / SKUs
- Strict control of Client Service
- Accelerate Media Performance

E-commerce 3P OUT

Change Business

- Collaborative Platform: Be wherever the customer is!
- Specialization as a Seller in other Market Places
- Multiples Last Milers





Focus on Executing Our Strategy
Strategically Directed Focus on Food Retail



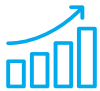
1 Food Retailer and Food E-commerce, Serving All Customer Profiles, Through Our Multiformat Strategy



Digital Platform Strategy
Integration of our Unique **Omnichannel Portfolio** with a Qualified and **High recurrence** Customer Base, Driving **Growth**



Improvement in all KPIs
Operational Excellence, Continuous Innovation and Strengthening of Value Proposition in Selected Formats



Multiple Growth Levers and **Low Leverage** to Seize Opportunities
Strong Organic Growth in Premium and Neighborhood Formats



Experienced and Engaged Team, with High ESG Standards





GPA Consolidated



GPA Brazil (Multivarejo)

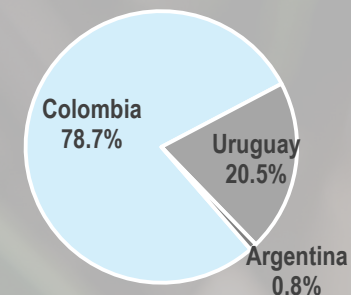


Grupo Éxito

Solid level of profitability, highlighting the retail operations

(R\$ million)	Grupo Éxito					
	4Q20	4Q19 (Pro forma ¹)	Δ	2020	2019 (Pro forma ¹)	Δ
Gross Revenue	7,148	5,874	21.7%	24,669	20,683	19.3%
Net Revenue	6,381	5,231	22.0%	22,034	18,388	19.8%
Gross Profit	1,673	1,419	17.8%	5,508	4,761	15.7%
Gross Margin	26.2%	27.1%	-90 bps	25.0%	25.9%	-90 bps
Selling, General and Adm. Expenses	(1,019)	(882)	15.5%	(3,821)	(3,290)	16.1%
% of Net Revenue	16.0%	16.9%	-90 bps	17.3%	17.9%	-60 bps
Adjusted EBITDA ⁽²⁾⁽³⁾	679	564	20.3%	1,822	1,545	17.9%
Adjusted EBITDA Margin ⁽²⁾⁽³⁾	10.6%	10.8%	-20 bps	8.3%	8.4%	-10 bps

EBITDA per country - 2020



GROSS PROFIT:

- 4Q20 and 2020: evolution of 17.8% and 15.7%, respectively. The gross margin reflects a lower contribution from complementary businesses due to the pandemic.

SG&A:

- 4Q20 and 2020: strict control of expenses, with growth below inflation in all countries, allowing a dilution of 90 bps in the quarter and 60 bps in the year.

ADJUSTED EBITDA:

- 4Q20 and 2020: increase of 20.3% and 17.9% respectively. The EBITDA margin reflects the solid performance in retail operation, while complementary businesses were negatively impacted by the pandemic.

⁽¹⁾ Pro forma for comparison purposes only ⁽²⁾ Earnings before interest, taxes, depreciation and amortization ⁽³⁾ Adjusted for Other Operating Income and Expenses.

Growth boosted by advancement of omnichannelity (+2.6x) and contribution of innovative formats



Innovative Formats



Éxito Wow

Improvement of sales up to **+17%** in 4Q20

+1,090 bps superior vs non converted

11 Stores
(21% of banner sales)



Carulla Fresh Market

Improvement of sales up to **+15%** in 4Q20

+710 bps superior vs non converted

14 stores
(28% of banner sales)



Low Cost Segment Strategy

MAYORISTA Surtimayorista

Only low cost format profitable in the country
3.8% of sales from Colombia

34 stores
4 converted in 2020



Private labels 2020

16.6% of penetration in Food

36% in textile and home categories



Real Estate

92% of occupancy rate by dec/20

32% of market share

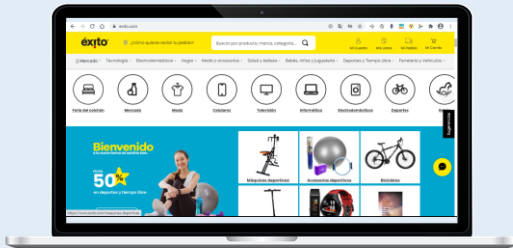
Digital Ecosystem: Strong growth lever

R\$2.0Bi

In omnichannel sales in 2020

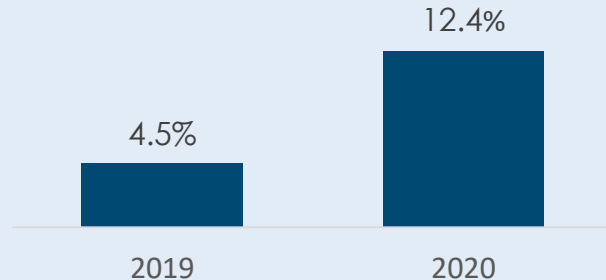
2.7x

sales growth compared to 2019



Omnichannel penetration

(%) share of sales



More than 8.5 million of orders
in 2020

164 million of visits in the website

in 2020 vs. 86 million in 2019



E-commerce

+1.9x growth in traffic



Marketplace

+ of 735 sellers



Digital Wallet

Launch of Tuya Pay
~200 thousand users in dec/20



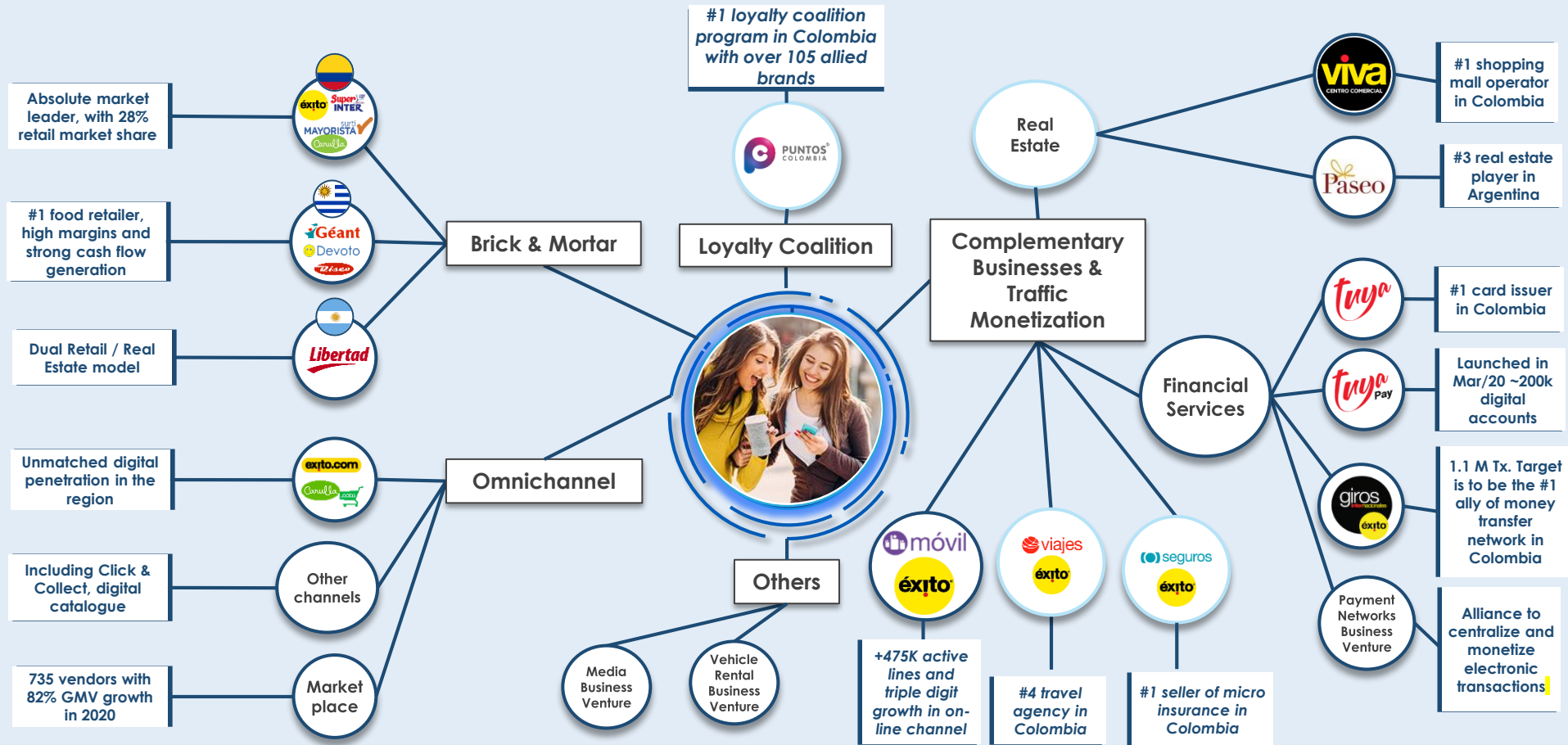
Last Mile & Delivery

+83% of total orders in 2020

Puntos Colombia

13.4 million of clients (tantamount to 1/3 of Colombia's population)

Innovation and integration of BU's in a broad Ecosystem, with strong synergy





Solid food retail leadership in Colombia and Uruguay, with robust operations and profitability



Continued **strong growth in omnichannel**



Expansion of formats Wow, FreshMarket and Surtimayorista



Pioneer in innovation, including hypermarket, fresh market and real estate



Robust ecosystem, with clear customer monetization opportunities



Stable profitability in 2020 with **strong retail contribution** and temporary negative effect on complementary businesses



Questions & Answers

