



# ASSAÍ

# ATACADISTA

**EARNINGS RELEASE**

**2<sup>nd</sup> QUARTER 2023**

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

# CUSTOMERS FLOW INCREASES 25% AND HIGHEST MARKET SHARE WITH GAINS OF +3.6 p.p.



Fast maturation of conversions and well-succeed expansion led to an EBITDA Margin of 7.0%

## CONVERSIONS PROJECT: ~90% CONCLUDED

- **60 stores in 12 months: +34% in sales area**
- **57 conversions (out of 66) inaugurated until now:**
  - **8 converted stores in 1H23**  
5 stores in 2Q23
- **More than 20 stores under construction**



Conversion: Mooca (SP)

## ○ SALES: Sales growth boosted by conversions performance

R\$ 17.6 bn  
+21%  
+R\$ 3.0 bn  
vs. 2Q22

→

Record flow:  
70 million  
tickets

=

+23.2 p.p  
(Expansion)

## ○ CONSISTENT RESULTS: Gross margin virtually stable and EBITDA evolution even with 35% of stores in maturation phase; Net income affected by high interest rates

**Gross Mg: 16.0%**  
(vs. 16.1% in 2Q22)

**Adjusted EBITDA**  
R\$ 1.1bn, +14%

**Net Income**  
R\$ 156 M

**Margin: 7.0%**  
(vs. 7.4% in 2Q22)

**Margin: 1.0%**

## ○ LEVERAGE: Reduction of 0.2x vs. 1Q23, despite high investments

**Working  
Capital  
Management**



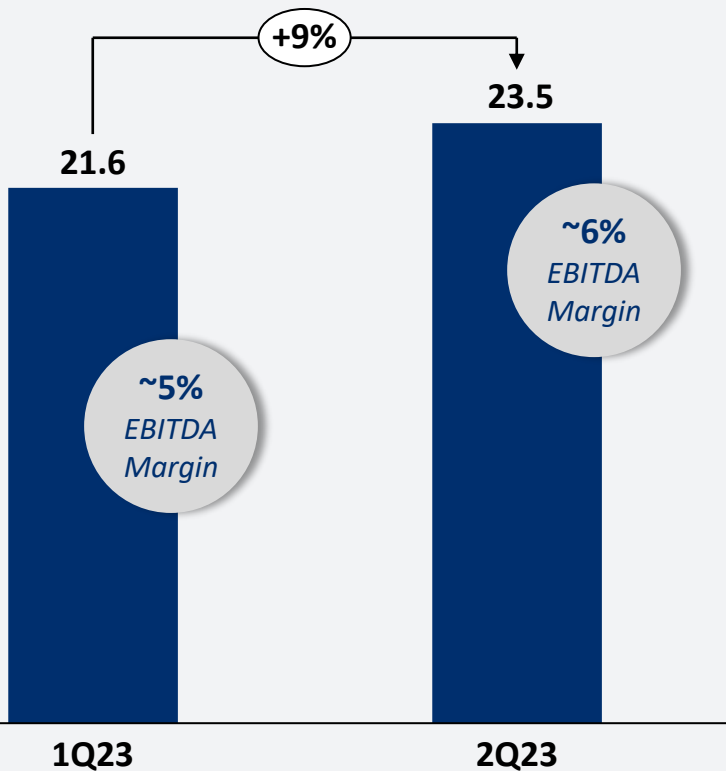
**Net Debt/EBITDA**  
**2.6x**  
(vs. 2.8x in 1Q23)



# CONVERSIONS MATURATION ADVANCES WITH SALES UPLIFT OF 2.5x

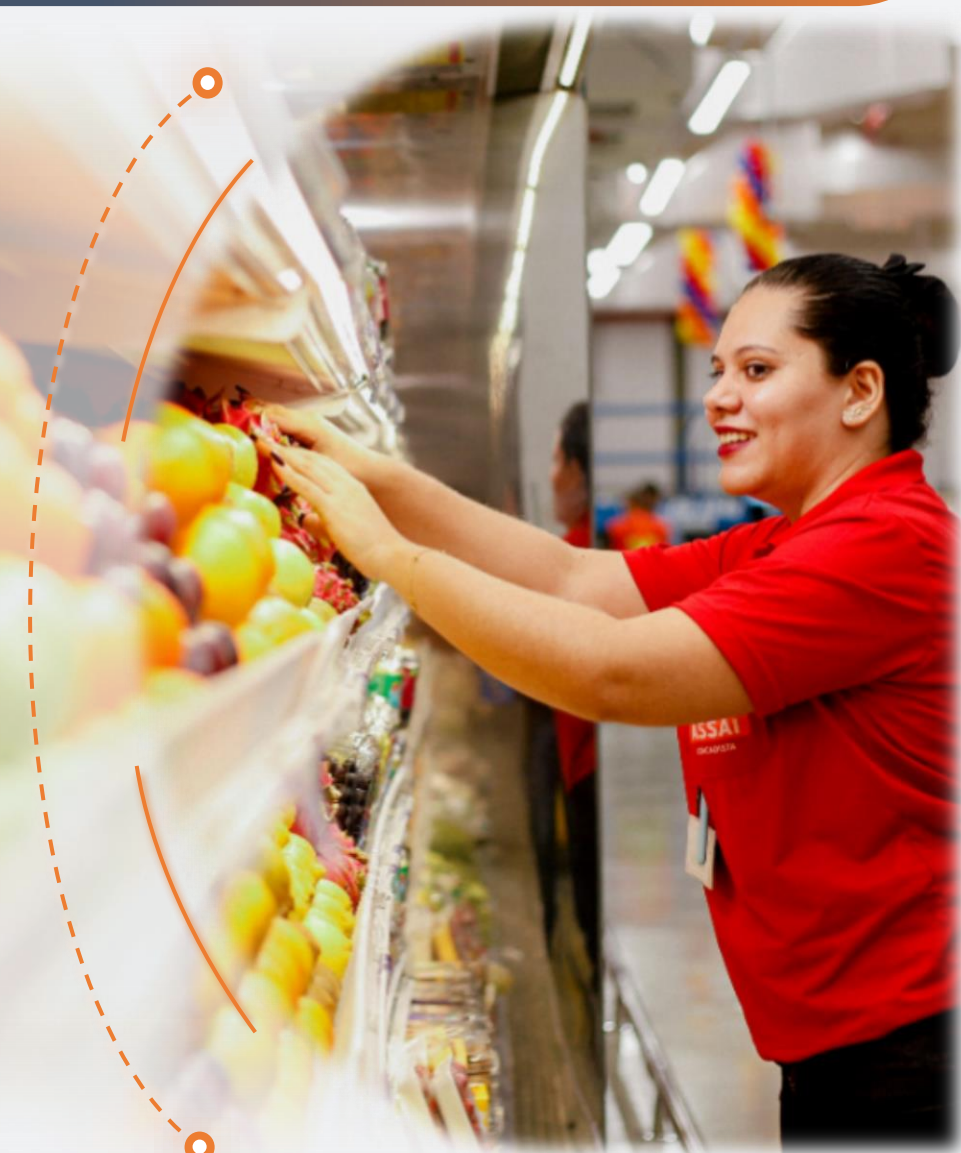
Conversions' sales exceeds the Company's average, with an EBITDA margin of ~6%, with only 8 months of operation

Average Monthly Sales per store  
(R\$ Million)



2.5x Sales Uplift  
(vs. hyper)

Sales uplift of 3.5x  
considering only the food  
perimeter

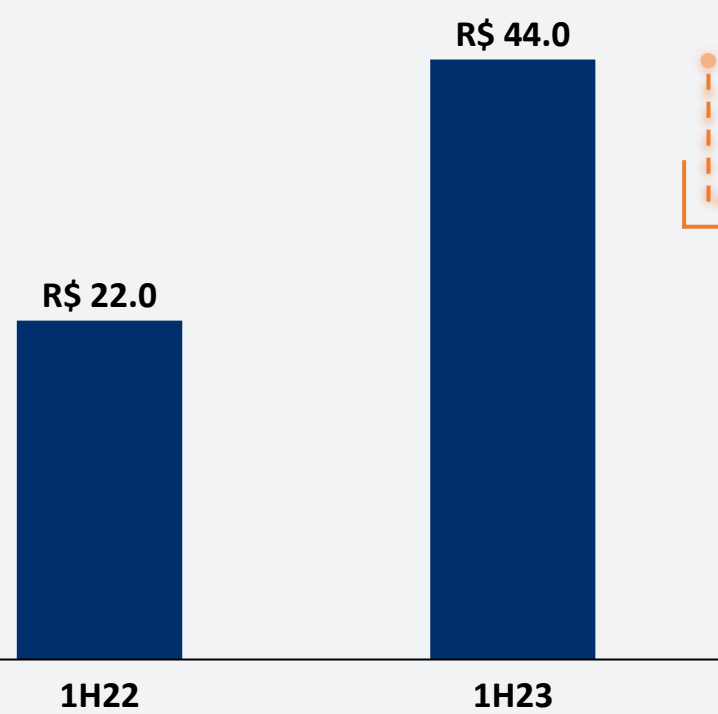


# COMMERCIAL GALLERIES WILL CONTRIBUTE FOR THE CONVERSIONS MATURATION



Increase in Customer traffic, dilution on rental expenses and occupancy costs

Revenues  
(R\$ Million)



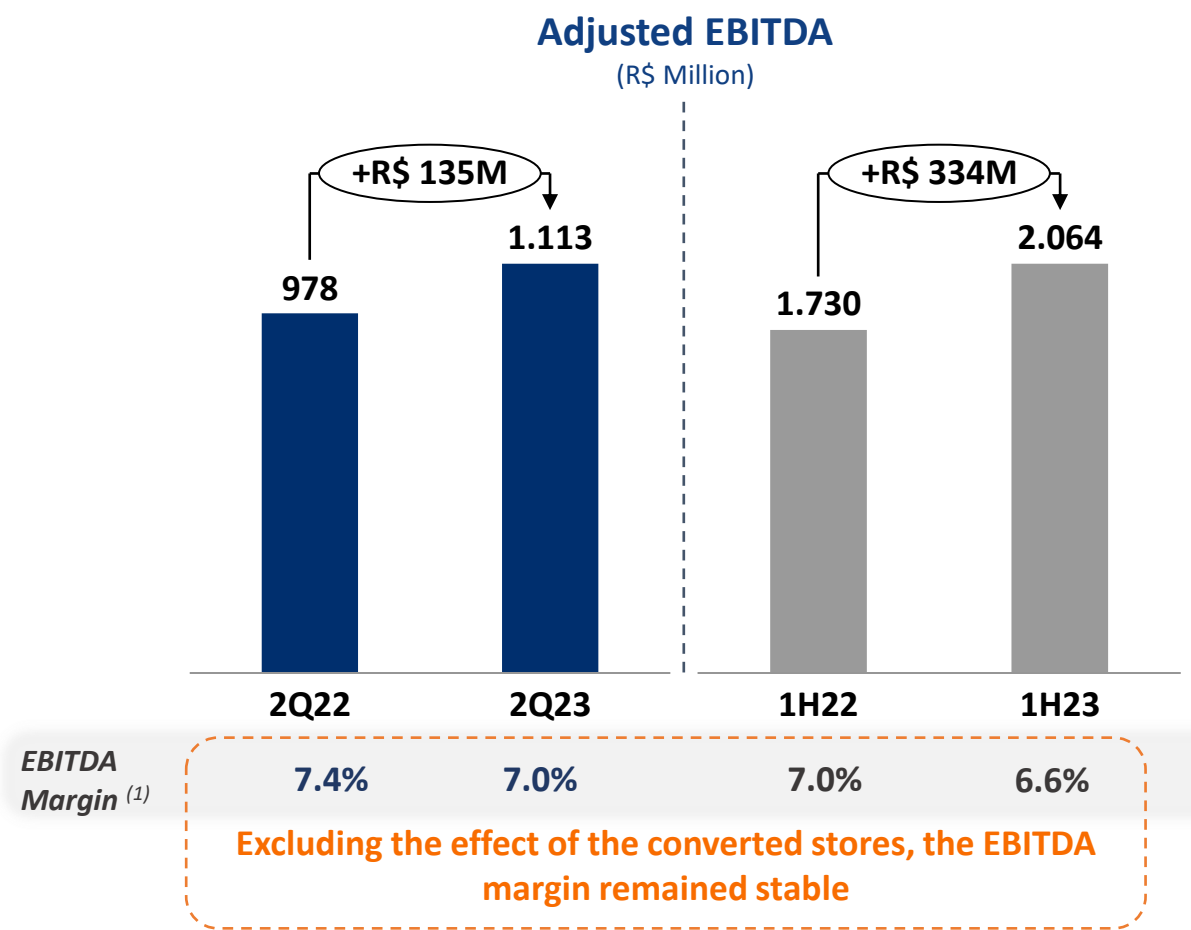


# PROFITABILITY SUPPORTED BY CONVERSIONS MATURATION AND COMMERCIAL DYNAMICS

Adjusted EBITDA reached R\$ 1.1 billion with margin of 7.0%, even with 35% of the store network in maturation



Conversion: Praia Grande (SP)



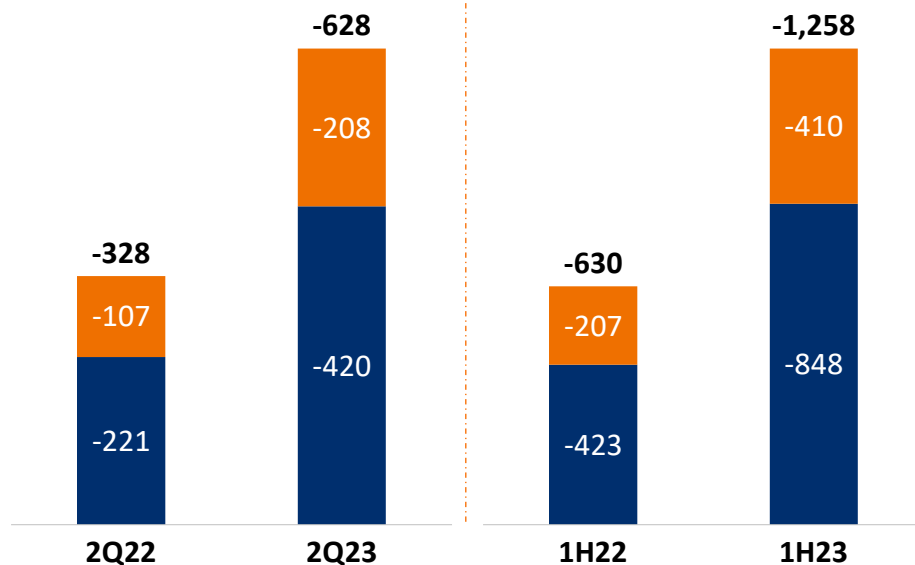
<sup>(1)</sup> % Net Revenues

# EFFICIENT WORKING CAPITAL MANAGEMENT RESULTS IN R\$ 5.4Bn OF CASH GENERATION

Financial Result affected by high interest rates and higher volume of debt to support expansion

## Financial Result

(R\$ Million)



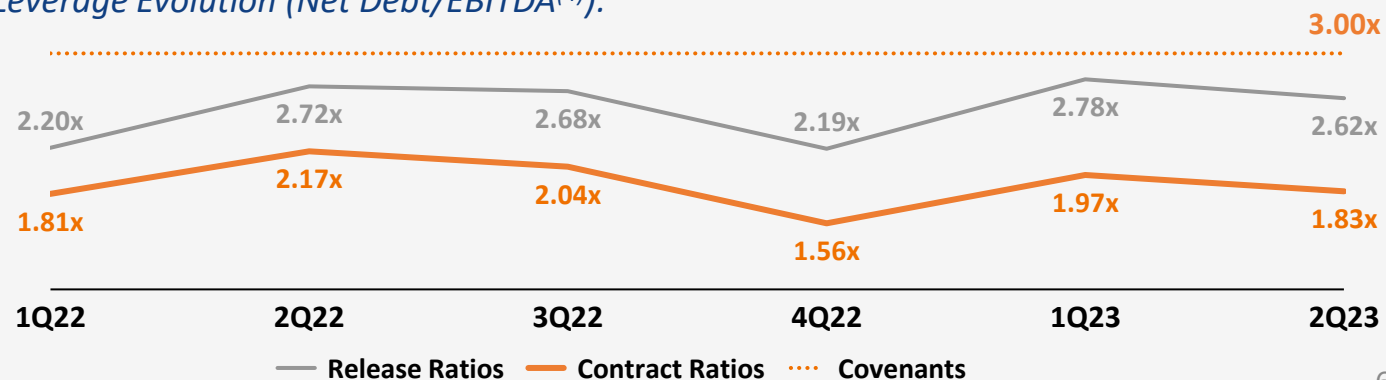
Financial Result Pre-IFRS16 <sup>(1)</sup>	2Q22	2Q23	1H22	1H23
	-1.7%	-2.6%	-1.7%	-2.7%

■ Net Financial Result - Pre-IFRS16 ■ Interest on lease liabilities

## Cash Generation – 12 months

	Net Debt <sup>(2)</sup>	ND/EBITDA <sup>(3)</sup>
Jun-22	R\$ 7.9 bn	-2.72x
<b>Operating Cash Generation</b>	<b>R\$ 5.4 bn</b>	
CAPEX	-R\$ 3.0 bn	
Cost of Debt and Others	-R\$ 1.3 bn	
Payment of Extra Stores	-R\$ 1.0 bn	
Dividends	-R\$ 0.1 bn	
Jun-23	R\$ 7.9 bn	-2.62x

### Leverage Evolution (Net Debt/EBITDA<sup>(4)</sup>):



<sup>(1)</sup> % Net Sales  
<sup>(2)</sup> Including credit card receivables  
<sup>(3)</sup> Adjusted EBITDA Pre-IFRS 16  
<sup>(4)</sup> Ratio calculation formulas are available on page 7 of the earnings release



# NET INCOME IMPROVED WHEN COMPARED TO 1Q23

Consistent operating performance affected by high interest rates



## Net Income 2Q23

(R\$ Million)

**R\$ 156 Million**

*Net Margin: 1.0%*



## Net Income 1H23

(R\$ Million)

**R\$ 228 Million**

*Net Margin: 0.7%*

### + OPERATIONAL PERFORMANCE

- Fast maturation of converted stores
- Well-succeed expansion
- Effective commercial dynamics
- Efficient WK management

### - IMPACT ON RESULTS

- High interest rates
- Food Deflation



# COMMITMENT TO DIVERSITY AND EQUALITY FOR ALL

Advances in the ESG strategy and continuity in building an inclusive society



- **-5.5% in emissions** of scope 1<sup>(1)</sup> e 2<sup>(2)</sup> vs. 2Q22
- **More than 20,000 submissions** of small entrepreneurs of the food segment for the *Academia Assaí Award*
- Through recycling, composting and reduction of product waste, **Assaí reused 44% of the waste, reducing disposal in landfills**
- **+75% in volume collected and donated** through the campaign “Winter Clothes We Share”: (over 42 tons of clothing, coats and blankets)
- Increased participation of women on the Board of Directors **with the election of 2 members**
- **Commitment to diversity and equal opportunities**
  - 25% of women in leadership positions
  - 43% of Black people in leadership positions

<sup>(1)</sup> Direct emissions from the company <sup>(2)</sup> Emissions from electricity consumption





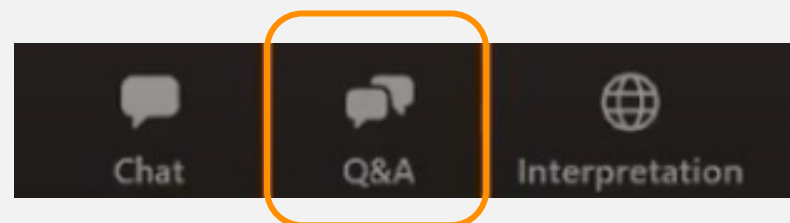
## Q&A

*To ask questions, please click on the Q&A icon on the bottom of the screen*

*Write your **NAME**, **COMPANY** and **LANGUAGE** of the question.*

*If announced, a request to activate your microphone will show up on your screen, then, you should enable your audio to ask your question.*

*We kindly ask you to make all questions at once.*





# THANK YOU

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