



Para todos, de Sol a Sol.

RESULTS RELEASE

4TH QUARTER OF 2023

FEBRUARY 22ND, 2024

2023: EBITDA MARGIN STABILITY AND ACHIEVEMENT OF COMPANY'S GUIDANCE

Revenue surpassed R\$20 billion in 4Q23 with significant market share gains



EXPANSION: 27 openings in the year, of which 12 in 4Q23
288 stores in operation, +1.4M sqm in sales area



INVESTMENTS: R\$ 2.5 billion in expansion and R\$ 2.4 billion in payments of hypermarkets acquisition



GROSS SALES: sales and volumes growth in 'same-stores' view in 4Q23 and fast maturation of new stores

4Q23: R\$ 20.2 bn (+16%)

LfL Sales: +3%; LfL Volume: +1.2%

Tickets: 79M (+17%)

Market Share: +1.4 p.p.

2023: R\$ 72.8 bn (+22%)

LfL Volume: +1.6%

Tickets: 290M (+24%)

Market Share: +2.0 p.p.



EBITDA: Highest margin level since beginning of conversions project

Operational Leverage
Strict expenses control



4Q23: Pre-IFRS 16

R\$ 1.1 bn (+33%)

Mg.: 6.1% (+0.8 p.p.)

Post-IFRS 16

R\$ 1.4 bn (+23%)

Mg.: 7.8% (+0.5 p.p.)

2023:

Mg. 'Post': 7.1% (vs. 7.2%)

Mg. 'Pre': 5.3% (vs. 5.3%)



NET INCOME (PRE-IFRS 16): Business resilience in the face of high interest rates

4Q23:

R\$ 343M, Mg: 1.9%

2023

R\$ 776M, Mg: 1.2%

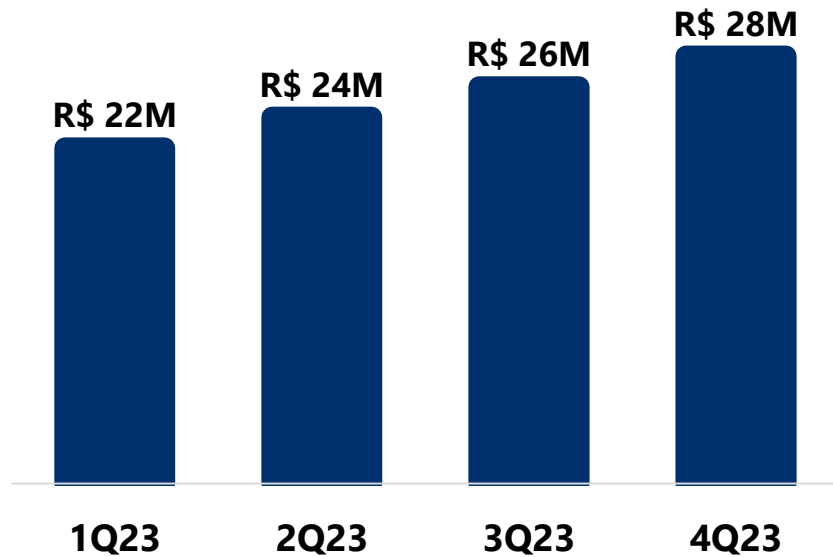
64 CONVERTED STORES IN OPERATION WITH SALES UPLIFT IN LINE WITH PROJECT'S OBJECTIVE OF 3x



47 stores converted in 2022: increase in sales average/store and EBITDA margin Pre of 5.6%

Average Monthly Revenue

(47 Conversions Opened in 2022)



Sales Uplift ~3x

Sale Uplift of +3.8x in food perimeter

EBITDA Mg. Pre-IFRS 16	1Q23	2Q23	3Q23	4Q23
	2.6%	3.7%	5.4%	5.6%



Store Conversion: Salvador Paralela (BA)

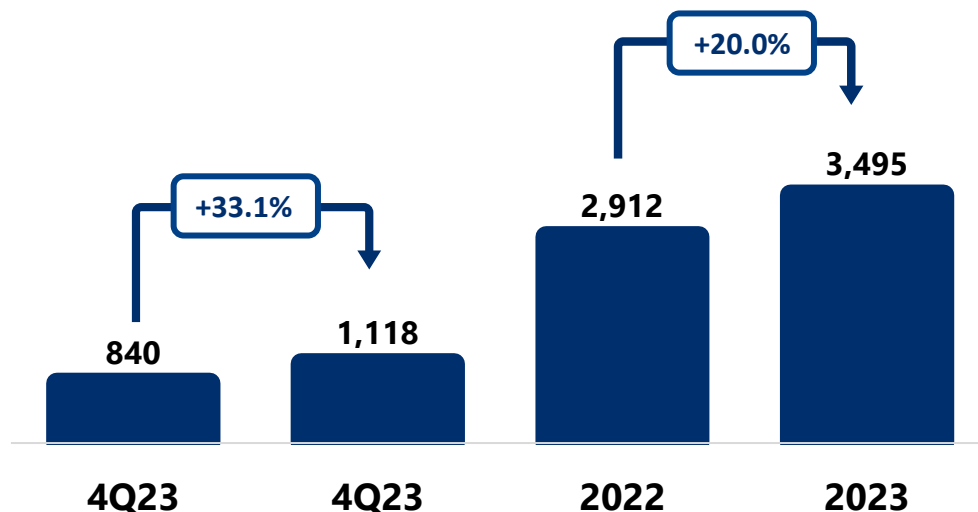
HIGHEST MARGIN SINCE BEGINNING OF THE PROJECT AND ACHIEVEMENT OF COMPANY'S GUIDANCE



Margin improvement confirms quality and accelerated maturation of hypermarket conversions

EBITDA Pre

(R\$ Million)



Mg. EBITDA⁽¹⁾

5.3%

6.1%

5.3%

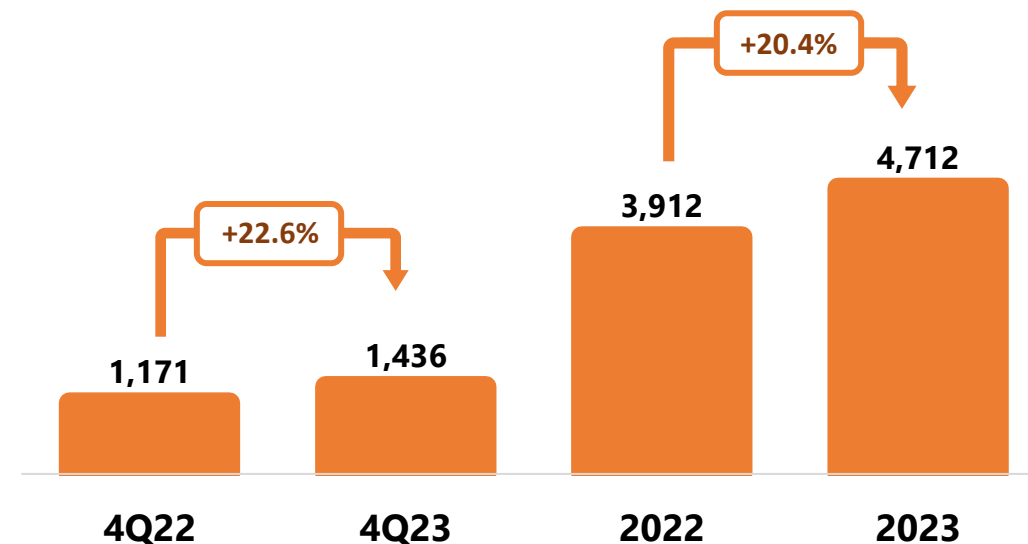
5.3%

+0.8 p.p
Progress confirms fast maturation of conversions

Margin stability despite 115 stores under maturation

EBITDA Post

(R\$ Million)



7.3%

7.8%

7.2%

7.1%

⁽¹⁾ % Net Revenue

NET INCOME PROVES COMPANY'S OPERATIONAL RESILIENCE

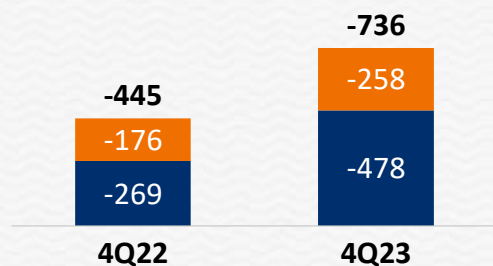
Higher gross debt and reduction in capitalized interests affect financial results



Financial result

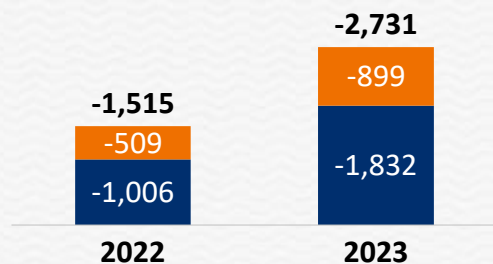
(R\$ Million)

Quarterly



Fin. Result Pre-IFRS 16 ⁽¹⁾ **-2.8%** (4Q22) **-4.0%** (4Q23)

Yearly



Fin. Result Pre-IFRS 16 ⁽¹⁾ **-2.8%** (2022) **-4.1%** (2023)

■ Net Financial Result (Pre-IFRS16)
■ Interests on Lease Liabilities

⁽¹⁾ % Net Revenue

Net Income

(Pre-IFRS 16)

4Q23

R\$ 343 Million

Net Margin: 1.9%

2023

R\$ 776 Million

Net Margin: 1.2%

+ OPERATIONAL LEVERAGE

- Expansion with fast maturation
- Strict control of expenses

+ HIGHER VOLUME OF GROSS DEBT
HIGH INTEREST

Organic Store: São Luiz Angelim (MA)

ACCELERATION OF DELEVERAGING CONFIRMS RAPID MATURATION OF NEW STORES

Solid cash generation and improvement in working capital intensify the drop in leverage in the period

Operating Cash Generation

(12 months)

Net Debt ⁽¹⁾ (Dez/22) **R\$ 12.6 bn**



Operating Cash Generation R\$ 4.6 bn



Capex -R\$ 3.2 bn



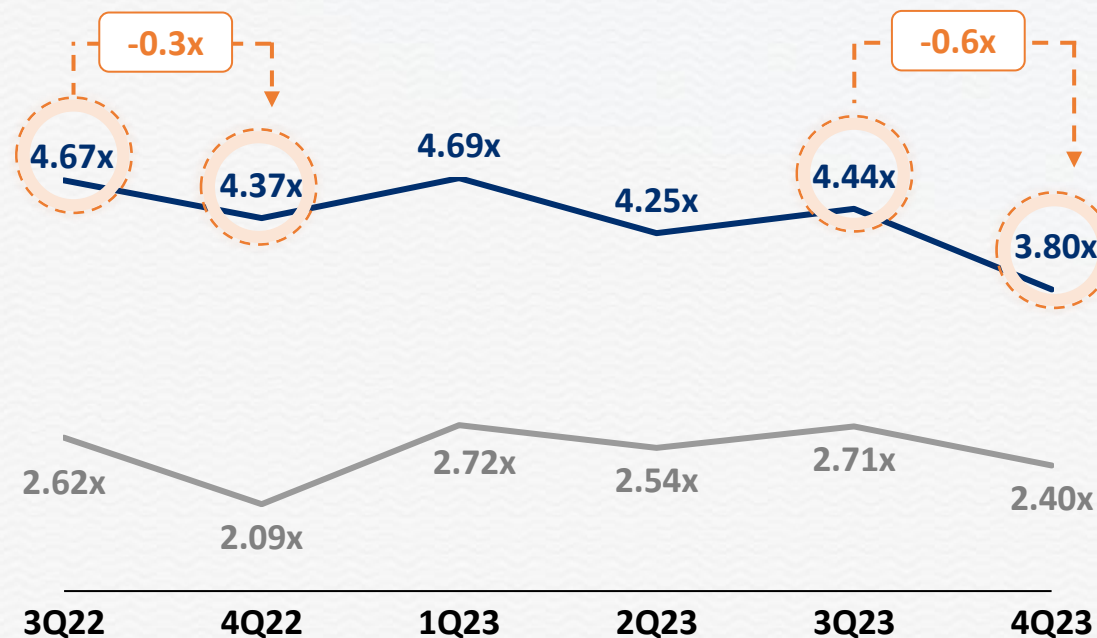
Cost of Debt -R\$ 1.8 bn



Dividendos -R\$ 0.1 bn

Net Debt ⁽¹⁾ (Dez/23) **R\$ 13.1 bn**

Leverage

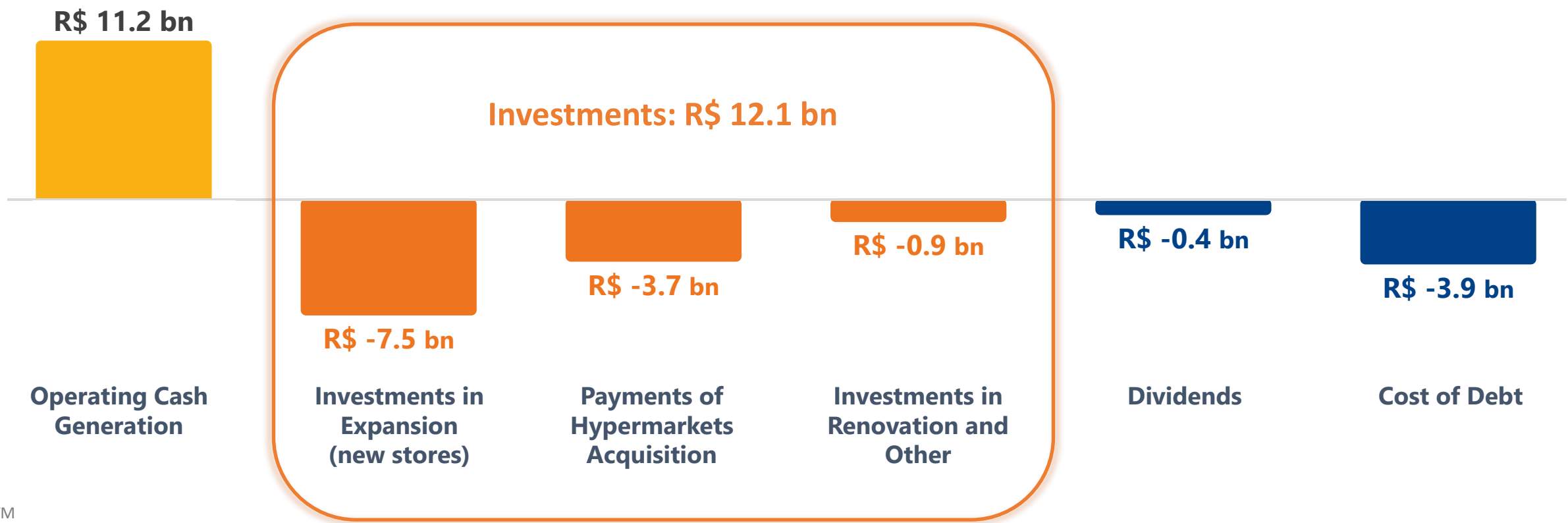
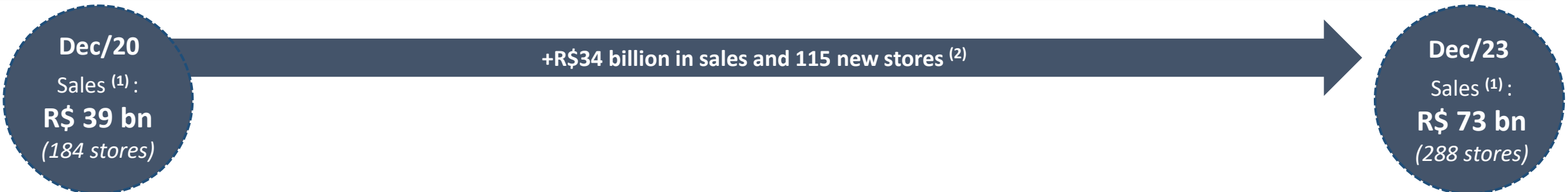


— Net Debt + Discounted Receivables + Balance Payable from Hypermarket Acquisitions / Adjusted EBITDA Pre-IFRS 16

— Net Debt + Receivables Not Discounted / Adjusted EBITDA Pre-IFRS 16

⁽¹⁾ Net Debt + Discounted receivables (R\$ 2.8 bn in 2022 and R\$ 2.7 bn in 2023) + Balance payable for acquisition of hypermarkets (R\$ 3.2 bn in 2022 and R\$ 0.9 bn in 2023)

IN THE LAST 3 YEARS, OPERATING CASH GENERATION WAS R\$11.2 BILLION



(1) LTM
 (2) Excluding closures

STRATEGIC PILLARS

Drive prosperity for all with responsible and transparent operations and lower environmental impact



Efficient operations

- Reducing climate impact
- Ensuring more responsible supply chains



Development of people and communities

- Prosperity for all
- Growth opportunities for employees, entrepreneurs and communities in which we operate



Ethical and transparent management

- Ethical and transparent relationships based on good ESG practices

HIGHLIGHTS 4Q23

- Presence in the **Corporate Sustainability Index (ISE)** and the **Efficient Carbon Index (ICO2)** of B3
- **10% reduction in emissions*** from scopes 1 and 2 vs. 2022
- **Reuse of 44% (+3 p.p. vs. 2022)** of food waste
- **+480 tons** of food destined for 94 social organizations
- **Women on Board and Age Friendly** seals
- **Diversity Indicators:**
 - **43.5% blacks in leadership**
 - **25.0% women in leadership positions**
 - **5.4% of employees with disabilities**

⁽¹⁾ Own emissions from the company ⁽²⁾ Emissions from electricity consumption



LEVERAGE REDUCTION
< 3.5x by the end of 2024



CONTINUITY OF EXPANSION
~15 stores planned for 2024
Lower level of investments compared to previous years



PAYMENT OF THE LAST INSTALLMENT OF HYPERMARKETS ACQUISITION
~R\$ 900 million in January/24



GREATER CASH GENERATION
Fast maturation of new stores
Interest rate reduction



BETTER PERSPECTIVES FOR MACRO SCENARIO
Purchasing power recovery
Lower interest rates



MONETIZATION OF ASSETS
Adjustment of categories and roll-out of services
Commercial galleries contribute to improve customers flow and dilute operating costs
Marketing of advertising spaces



PHYGITAL STRATEGY CONTINUITY

Q&A

Para fazer perguntas, clique no ícone Q&A na parte inferior da tela.

*Escreva seu **NOME**, **EMPRESA** e **IDIOMA** da pergunta a ser feita.*

Ao ser anunciado, uma solicitação para ativar seu microfone aparecerá na tela e, então, você deve ativar o seu microfone para fazer perguntas.

Orientamos que as perguntas sejam feitas todas de uma única vez.

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.

