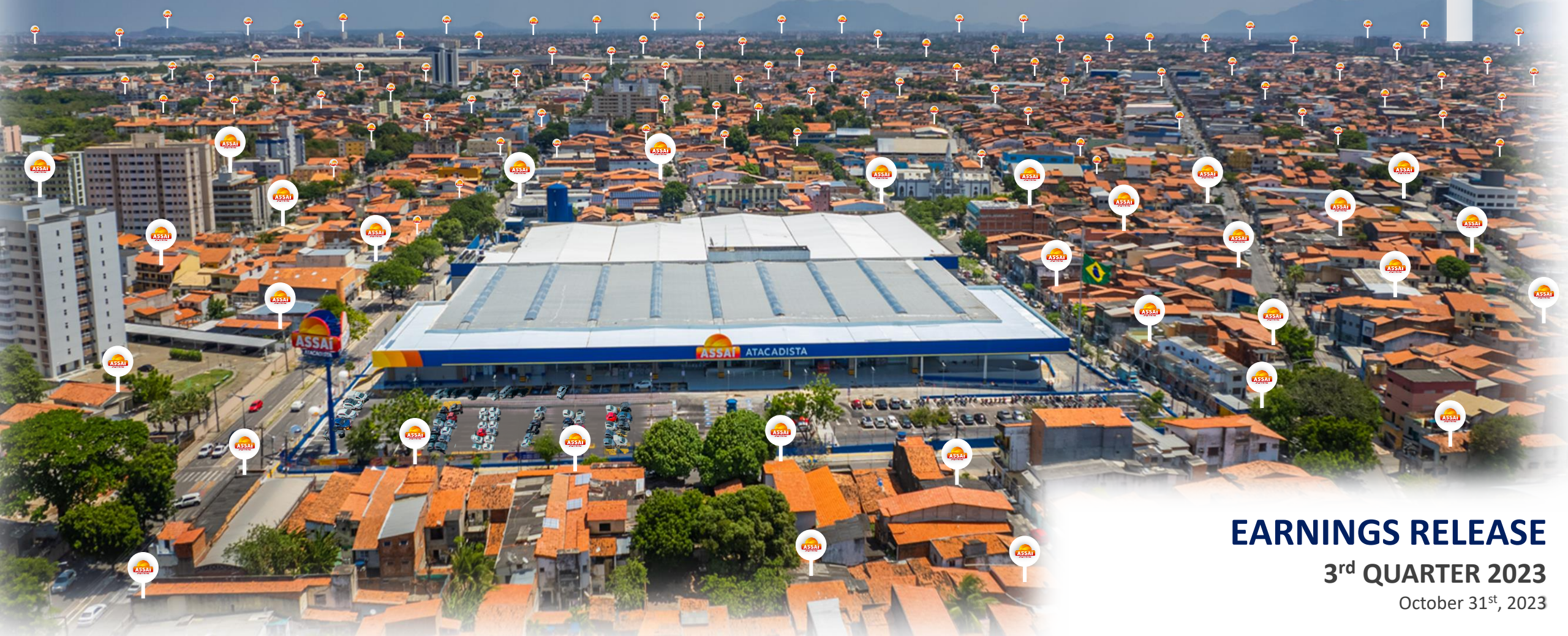


# Assaí: highest penetration in Brazilian households 1 in 4 households buy at Assaí

NielsenIQ Homescan Survey 2023



**EARNINGS RELEASE**

**3<sup>rd</sup> QUARTER 2023**

October 31<sup>st</sup>, 2023



# HIGHEST EBITDA MARGIN LEVEL OF THE YEAR: 7.1% POST-IFRS16; 5.4% PRE-IFRS16

Accelerated maturation of converted stores and differentiated value proposition

## EXPANSION:

- **52 stores in 12 months:**
  - +29% added to sales area in 3Q23
- In 3Q23: 4 conversions and 3 organic
- **60 conversions in operation (of 66 acquired)**

Organic: Serra (ES)  
August, 3<sup>rd</sup>



Entry in new state  
(Espírito Santo)  
Presence in 24 + Federal  
District



## GROSS SALES: Sales increase with significant market share gains



## OPERATIONAL EFFICIENCY: Gross margin and expenses at stable levels, despite food deflation, high volume of stores maturation and pre-operational expenses



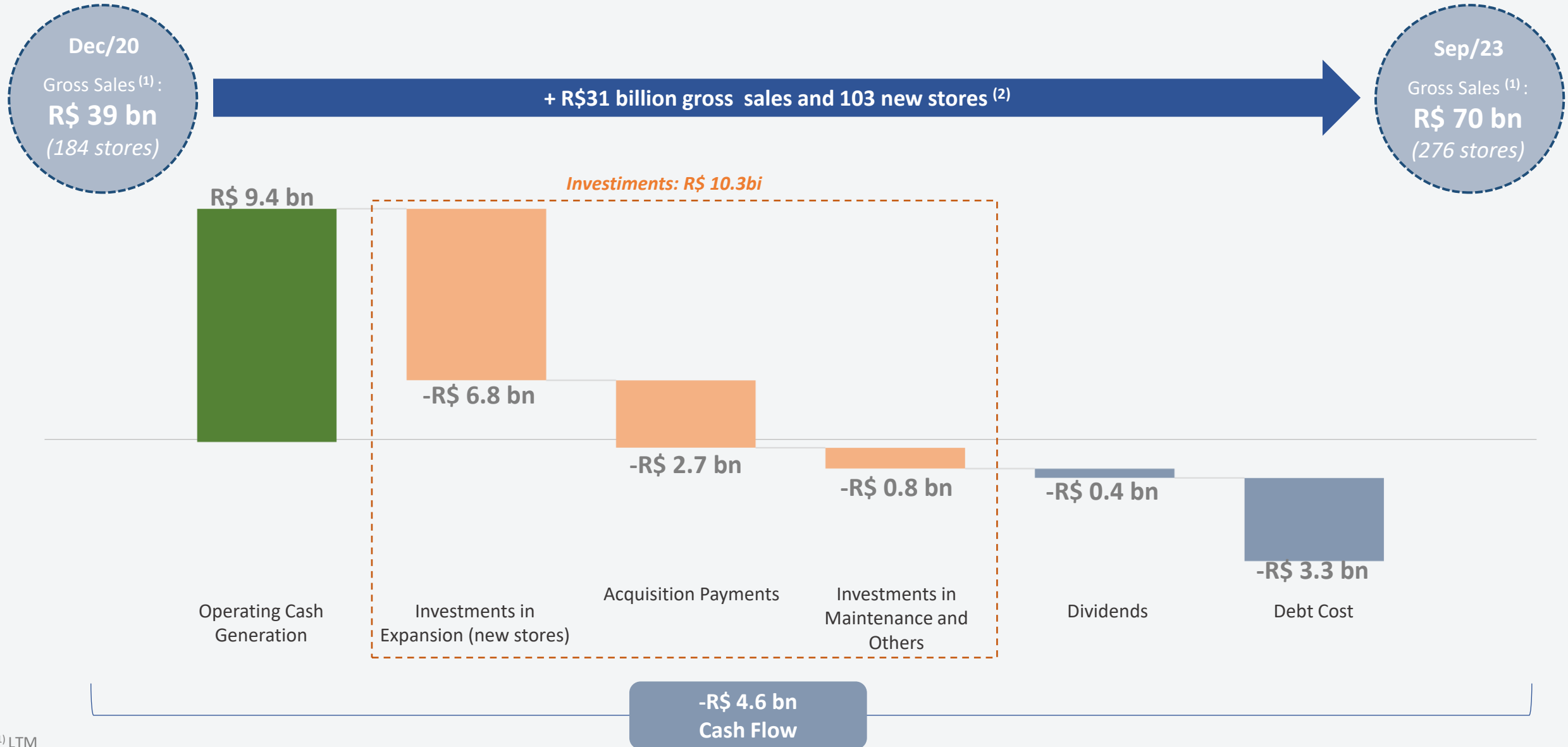
## OPERATING CASH GENERATION: Sustains investments of R\$4.7 billion in the last 12 months

**R\$ 4.9 bn**  
+54%

Variations presented are vs. 3Q22

# OPERATING CASH FLOW OF R\$ 9.4 BN SUSTAINED 91% OF INVESTMENTS SINCE 2021

Gross sales reached R\$ 70bn in the last 12 months, +R\$ 31 bn and 103 new stores



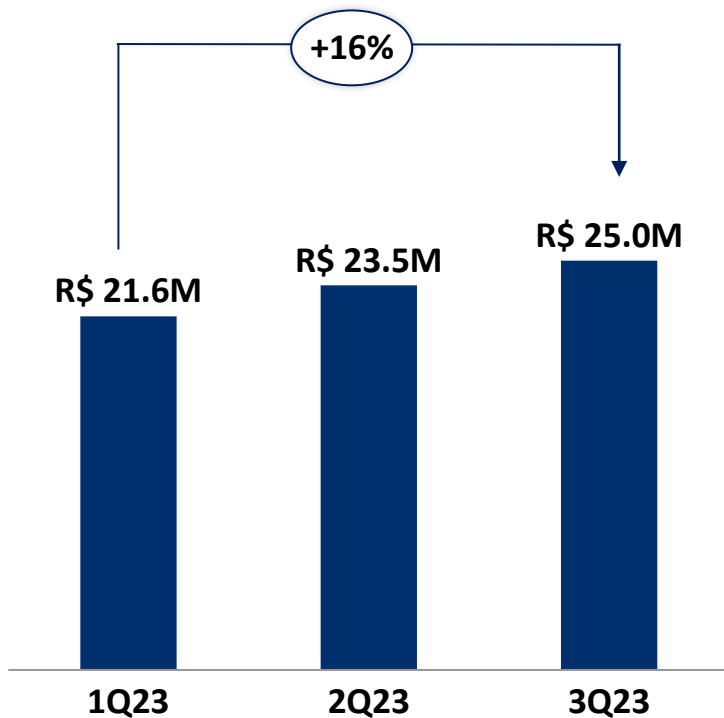
<sup>(1)</sup> LTM

<sup>(2)</sup> Excluding closings

# CONVERSIONS' PERFORMANCE REFLECTS DIFFERENTIATED VALUE PROPOSITION

Operating for approx. 10 months on average, conversions reached sales uplift >2.7x and EBITDA margin<sup>(1)</sup> in line with Company's average

Average Monthly Sales per store



**Sales uplift higher than 2.7x**  
*(3.7x considering only the food perimeter)*

**Average monthly sales of conversions are 13% higher than mature organic stores**

**47 Conversions (inaugurated in 2022):**  
**Pre-IFRS EBITDA Mg. 5.4% in 3Q23**

Post-IFRS16 EBITDA Mg. <sup>(1)</sup>	1Q23	2Q23	3Q23
	~5%	~6%	>7%



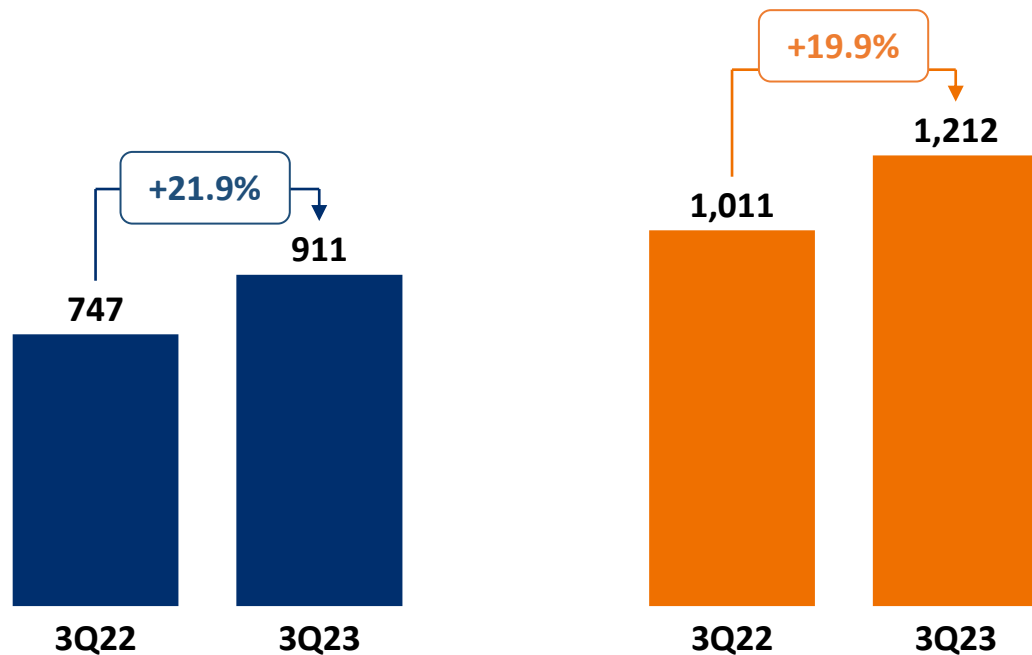
<sup>(1)</sup> Post – IFRS 16



# PRE-IFRS16 EBITDA MARGIN STABLE ATTESTS TO THE QUALITY OF EXPANSION

Rapid maturation of conversions contributes to Pre-IFRS16 EBITDA margin advance of +30bps vs. 2Q23

## Adjusted EBITDA (R\$ Million)



EBITDA Mg. <sup>(1)</sup>

5.4%

5.4%

Stability in  
Pre-IFRS16  
view

7.3%

7.1%

Highest level since  
beginning of  
conversions

Adjusted EBITDA (Post-IFRS 16)

Adjusted EBITDA (Pre-IFRS 16)



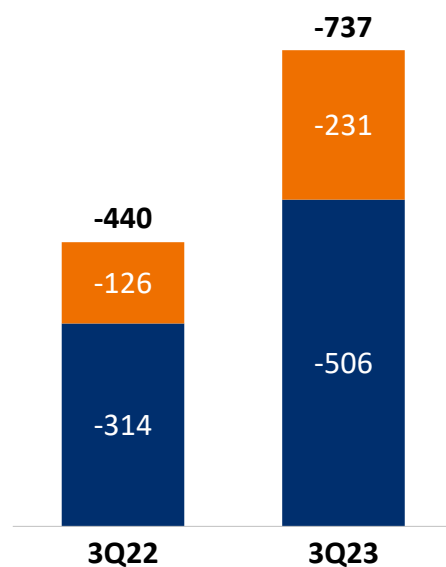
Organic: Mossoró (RN)  
September, 29<sup>th</sup>

# OPERATING CASH GENERATION OF R\$ 4.9BN, UP +54%, SUPPORTING INVESTMENTS



Financial Result impacted by high interest rates

## Financial Result (R\$ Million)



Financial Res.  
Pre-IFRS16 <sup>(1)</sup>

-3.2%

-4.3%

■ Net Financial Result (Pre-IFRS16)

■ Interest on lease liabilities

## Cash Generation (LTM)

	Net Debt <sup>(2)</sup>	ND <sup>(2)</sup> /EBITDA <sup>(3)</sup>	ND + Receivables + Acquisition Payables/EBITDA <sup>(3)</sup>
30.09.2022	R\$ 7.3 bn	-2.62x	-4.67x
Operating Cash Generation	R\$ 4.9 bn		
CAPEX	-R\$ 3.4 bn		
Payment of Extra Stores	-R\$ 1.3 bn		
Cost of Debt and Others	-R\$ 1.4 bn		
Dividends	-R\$ 0.1 bn		
30.09.2023	R\$ 8.6 bn	-2.71x	-4.44x

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

<sup>(2)</sup> Including receivables not discounted

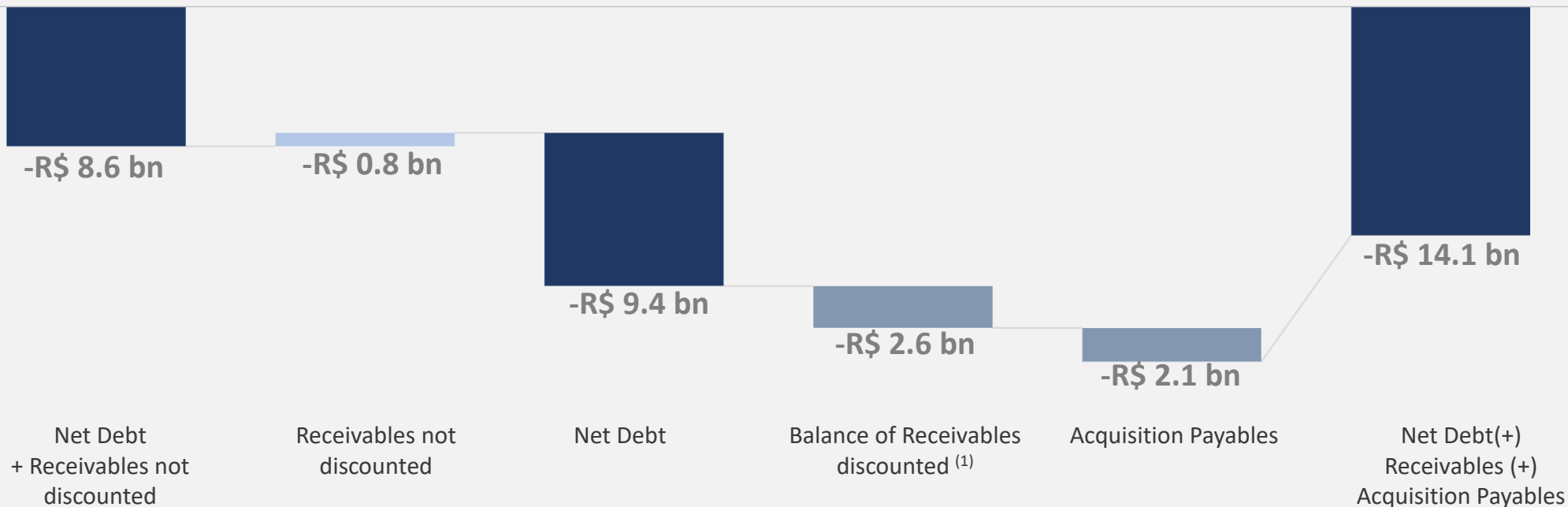
<sup>(3)</sup> Adjusted EBITDA Pre IFRS 16

# LEVERAGE REFLECTS THE INVESTMENTS IN EXPANSION

Index calculation considering net debt + discounted receivables + acquisition payables

*Receivables discount is an operation typical to the retail sector and Brazilian market*

3Q23:



Index  
( /Adjusted EBITDA  
Pre-IFRS16)

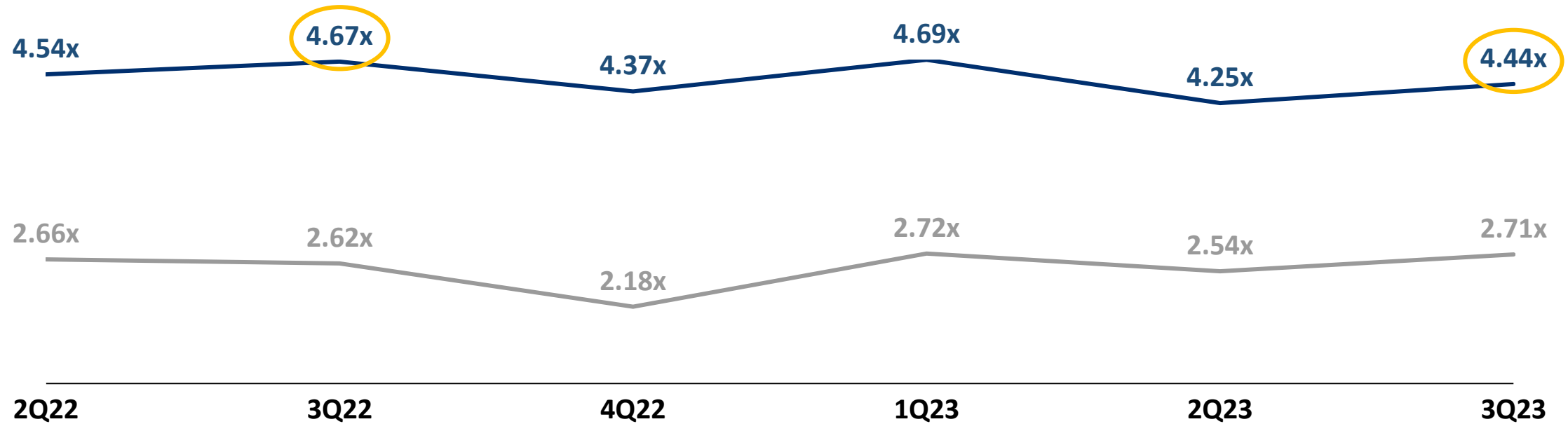
**-2.71x**

**-4.44x**

<sup>(1)</sup> 14 days average term

# LEVERAGE REFLECTS THE LARGEST EXPANSION PROJECT EXECUTED BY THE COMPANY

Net Debt + receivables + acquisition payables / EBITDA of 4.44x, -0.2x vs 3Q22



— Net Debt including receivable discounted and balance payable Acquisition of Extra Stores / Adjusted EBITDA

— Net Debt including receivable not discounted / Adjusted EBITDA

- Completion of conversions project
- Growing cash Generation given the maturation and quality of the expansion
- Readjustment in the level of Investment in new stores
- Lower cost of debt (decrease in interest rates)



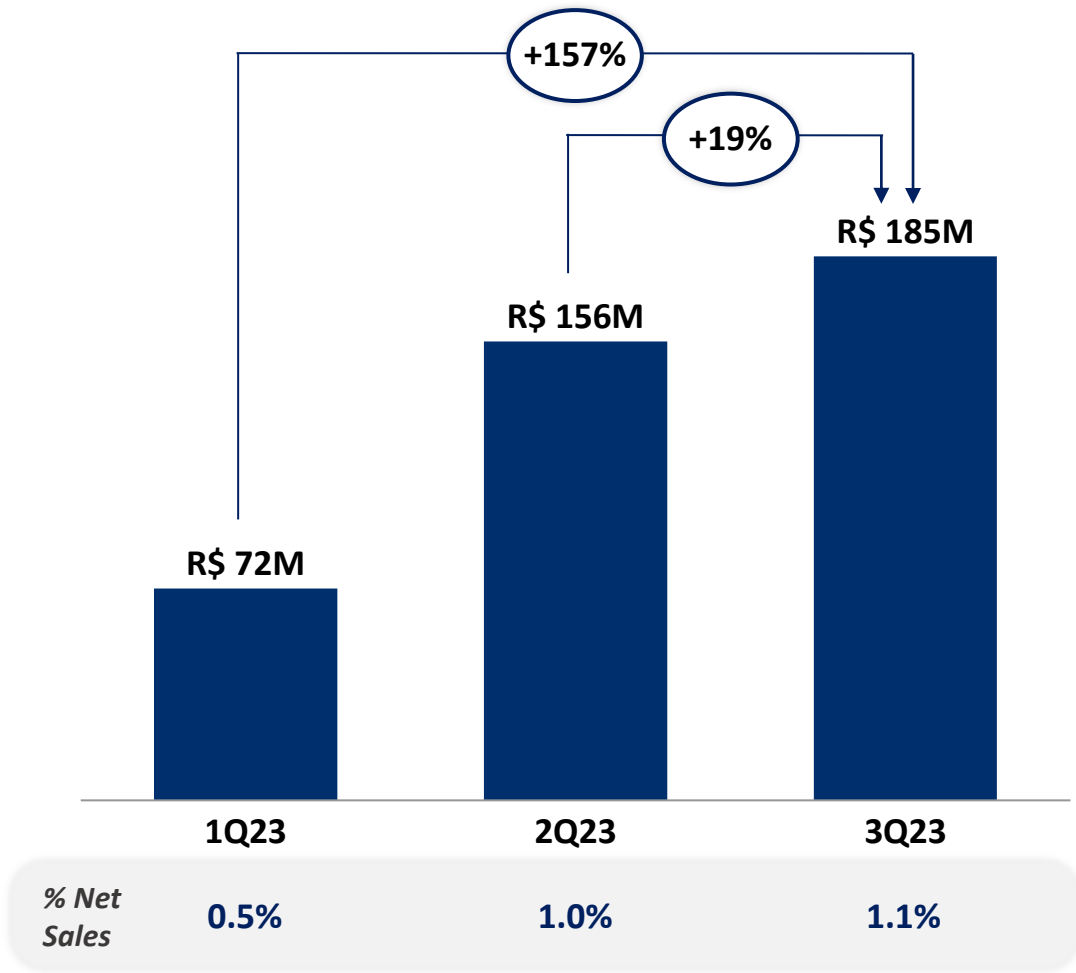
**Deleverage**



# NET INCOME EVOLUTION UNDERSCORES RESILIENCE OF ASSAÍ'S BUSINESS MODEL

High interest rates negatively impact the Company's net income

## Net Income



### + POSITIVE IMPACTS

- Resilience of the model
- R\$ 41 million related to the write-off of the renegotiated rental agreements (non-cash)\*



### - NEGATIVE IMPACTS

- High interest rates
- Large number of stores in maturation
- R\$ 4 million related to the waiver of debt contracts (cash effect of R\$ 44 million in the 3Q23)\*



\* Impacts of exit of controlling shareholder

### Foster a more responsible and inclusive society based on five strategic pillars



### 3Q23 HIGHLIGHTS

- **Inclusion in B3's IDiversa index**  
**Assaí is the only food retail company to join the ranking**
  - 24.5% of women in leadership positions (managers and above)
  - 43.0% of black people in leadership positions (managers and above)
- **Reduction of 1% in scope 1 <sup>(1)</sup> and 2 <sup>(2)</sup> emissions vs. 3Q22**
- **“Selo de Ouro”** in the Public Emissions Register of the Brazilian Program GHG Protocol
- **Reuse of 43% (+2.2 p.p. vs. 3Q22)** in waste, through recycling, composting and reducing food waste

### New launches by Assaí Institute:

- **Launch of Sports and Citizenship Program**, with 50 Civil Society Organizations, supported in pedagogical training and strengthening the social sports ecosystem
- **Launch of “Mais Escolha” project**, which will distribute meal vouchers to more than 2,000 families

<sup>(1)</sup> Direct emissions from the company

<sup>(2)</sup> Emissions from electricity consumption



## 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.*

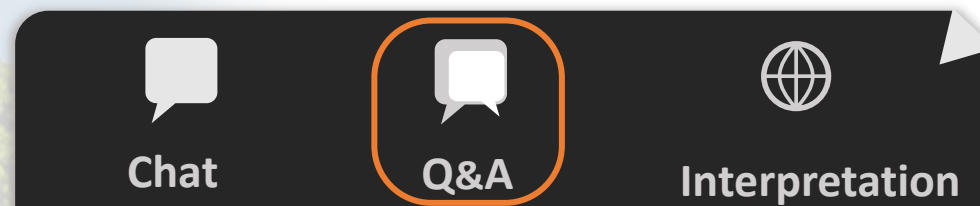
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*To ask questions, please click on the Q&A icon on the bottom of the screen*

*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

Investor Relations team

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