



EARNINGS RELEASE

4TH QUARTER AND FULL YEAR 2020

February 23, 2021

YEAR OF CHALLENGES OVERCOME, AGILITY AND RESILIENCE
TO THE NEW SCENARIO IMPOSED BY THE PANDEMIC

R\$39.4 BILLION

sales revenue in 2020

+30% vs. 2019



BRAZIL'S TENTH LARGEST EMPLOYER

- Over 5,000 new jobs, 50,000 employees

NATIONWIDE FOOTPRINT WITH REGIONAL STRATEGY

- 9 Regional Offices
- 10 Distribution Centers

ACCELERATED GROWTH FINANCED BY OPERATIONS

- Strong pace of expansion despite a challenging year: 9 new stores in 4Q20 and 19 new stores in 2020 in 10 different states, 2 of them new: Maranhão and Roraima
- Investments of R\$1.3 billion in 2020
- Strong cash conversion, creating a virtuous investment cycle

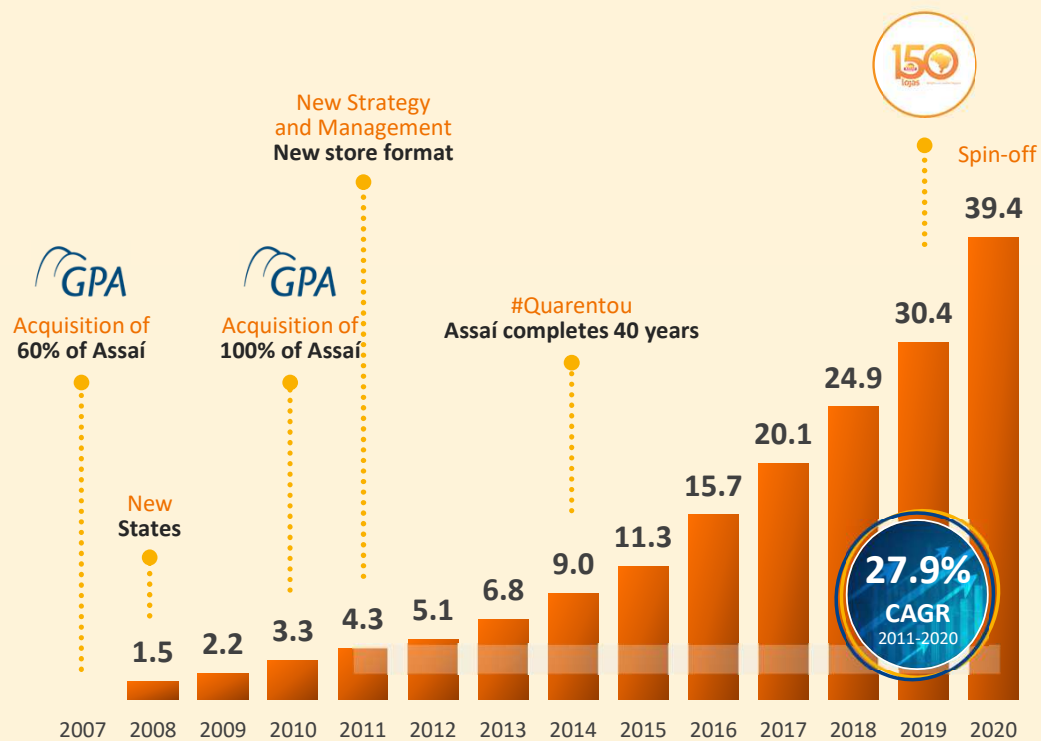
ONE OF BRAZIL'S LARGEST COMPANIES⁽¹⁾

- Recognized in "Empresa Mais Estadão" ranking in three categories:
 - Efficiency in Retail Sector (1st place)
 - Greatest Economic Impact (2nd place)
 - Outstanding Company in Southeastern Region (2nd place)
- Among the country's 25 most valuable brands



Note: (1) Considering sales in 2019, according to data from Exame.

HISTORY OF CONSISTENT GROWTH



# Stores	15	28	40	57	59	61	75	84	95	107	126	144	166	184
EBITDA Margin ⁽¹⁾	-	-	-	-	-	-	-	5.1%	5.3%	5.6%	6.5%	6.8%	7.0%	7.5%

CONSISTENT EXPANSION THROUGH THE NATIONAL TERRITORY

2020

+19 New Stores

Strong National Presence



+103k m² sales area⁽³⁾

+5k employees⁽⁵⁾

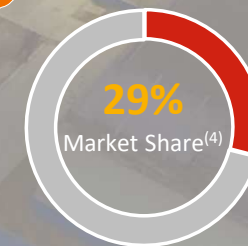
+2 new states

184 stores⁽¹⁾⁽²⁾

809k m² sales area⁽³⁾

50k employees⁽⁵⁾

23 states

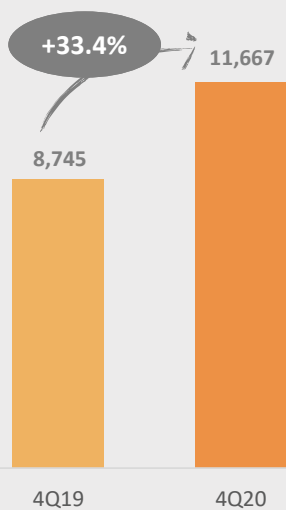


Source: Source: Nielsen
Note: (1) In December 2020; (2) 176 stores at the end of 3Q20; (3) Refers to 4Q20; (4) National market share according to Nielsen, between 2014 and 2019; (5) In 2020

OPERATIONAL PERFORMANCE 4Q20

GROSS SALES

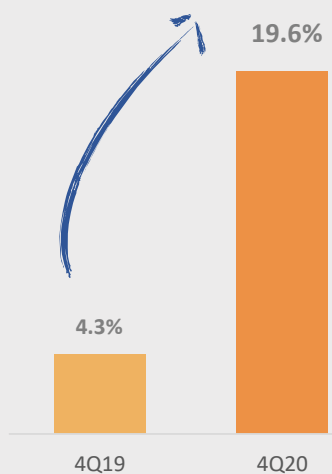
R\$ million



Driven by the **brisk and accurate pace of organic expansion (+13%)** and **consistent same-store performance (+20%)**

SAME-STORE SALES

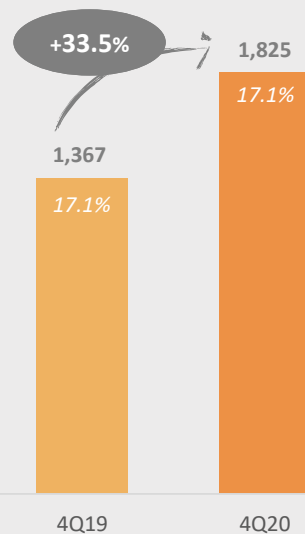
+15.3 p.p.



Gradual return of food service, continued growth of **the share of individual customers** and **food inflation**

GROSS PROFIT

R\$ million
% net sales

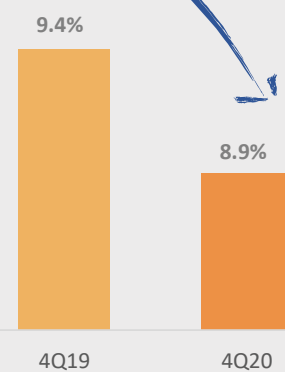


Maintenance of margin rate, reflecting the **maturation of new stores** and **adequate level of competitiveness**

SG&A

% net sales

-0.5 p.p.

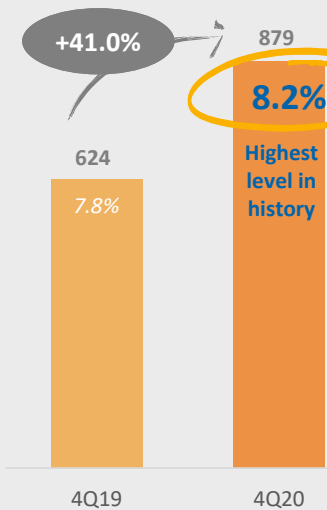


Strong sales growth in the quarter and **rigorous expenses control**

ADJUSTED EBITDA

R\$ million
% net sales

+0.4 p.p.

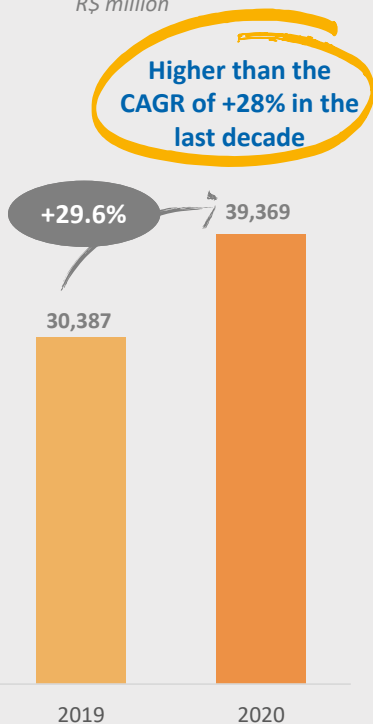


Solid business model and **assertive expansion** in recent years

OPERATIONAL PERFORMANCE 2020

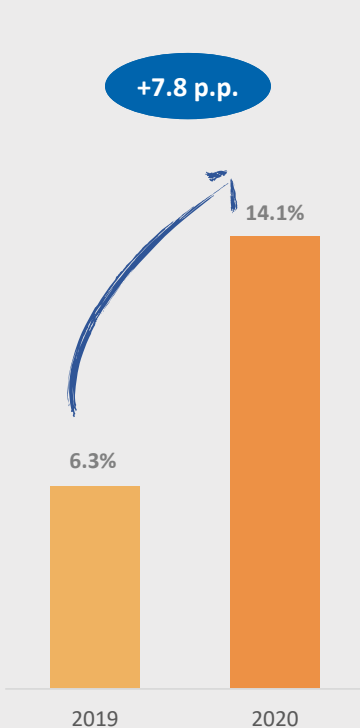
GROSS SALES

R\$ million



Accelerated pace of expansion in recent years, resulting in continued gains in market share during the period

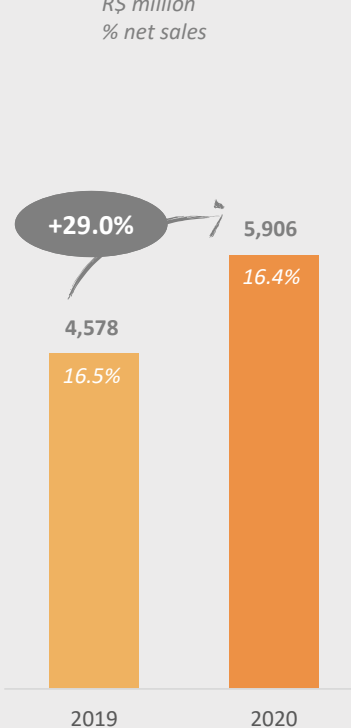
SAME-STORE SALES



Strong adherence of the business model to the market and capacity to rapidly adapt to different scenarios

GROSS PROFIT

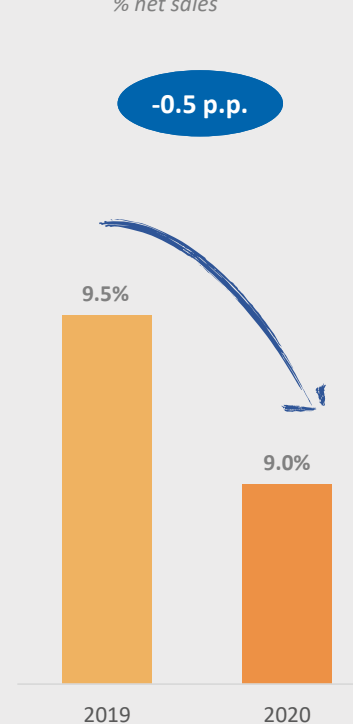
R\$ million
% net sales



Successful commercial policy, despite the numerous stores in maturation (41 stores opened in the last 24 months)

SG&A

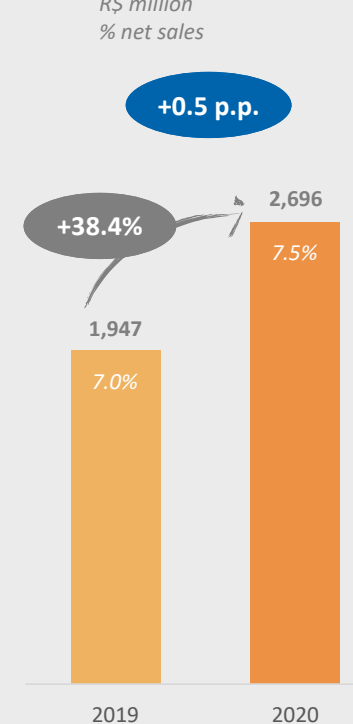
% net sales



Strong sales growth in the year largely due to inflation on commodities, combined with productivity gains.

ADJUSTED EBITDA

R\$ million
% net sales



Progressive operational improvement in recent years, despite accelerated store expansion.

NET DEBT AND CASH GENERATION

Adjusted EBITDA⁽¹⁾

2019

R\$1.7 bi

+36%

2020

R\$2.4 bi

Net Debt

R\$6.6 bi

-36%

R\$4.2 bi

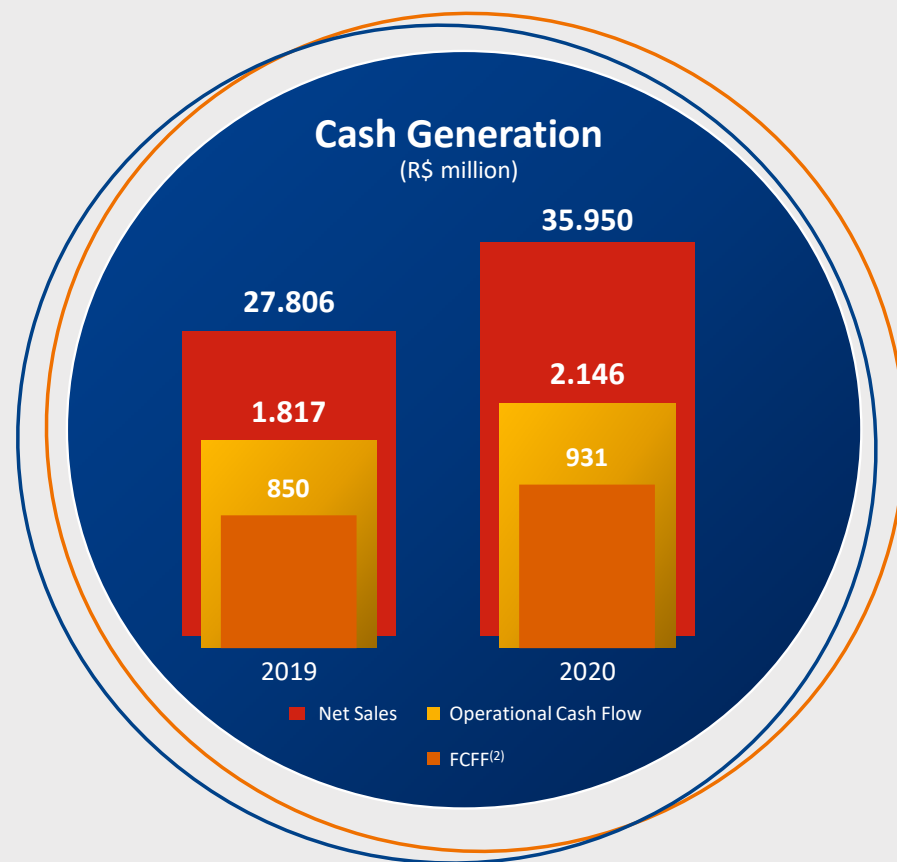
Net Debt/
Adjusted EBITDA⁽¹⁾

-3.77x

**Strong cash generation,
dividends received from Éxito
and SLB operations**

-1.76x

Cash Generation (R\$ million)



Note:

(1) Adjusted EBITDA pre-IFRS 16, accumulated for the last 12 months

(2) FCFF = Free Cash Flow to the Firm – Net Cash from Investment Activities excluding the Éxito operation, per the Financial Statements;

PRIORITIES FOR THE COMING YEARS



- In 2021, we will remain alert to the complex social and economic scenario unfolding in Brazil, further strengthening our efforts to **adapt our assortment, product offering and communication to each region.**
- **Maintenance of profitable growth.**
- **Opening of 28 new stores in 2021 and more than 25 stores per year until 2023.**
- **Offer the best shopping experience, as well as competitive prices.** Expansion of the butchery project (launched in 2020) to more units in all regions of the country over the coming months.

Thank you



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