

# INSTITUTIONAL PRESENTATION

November 2021





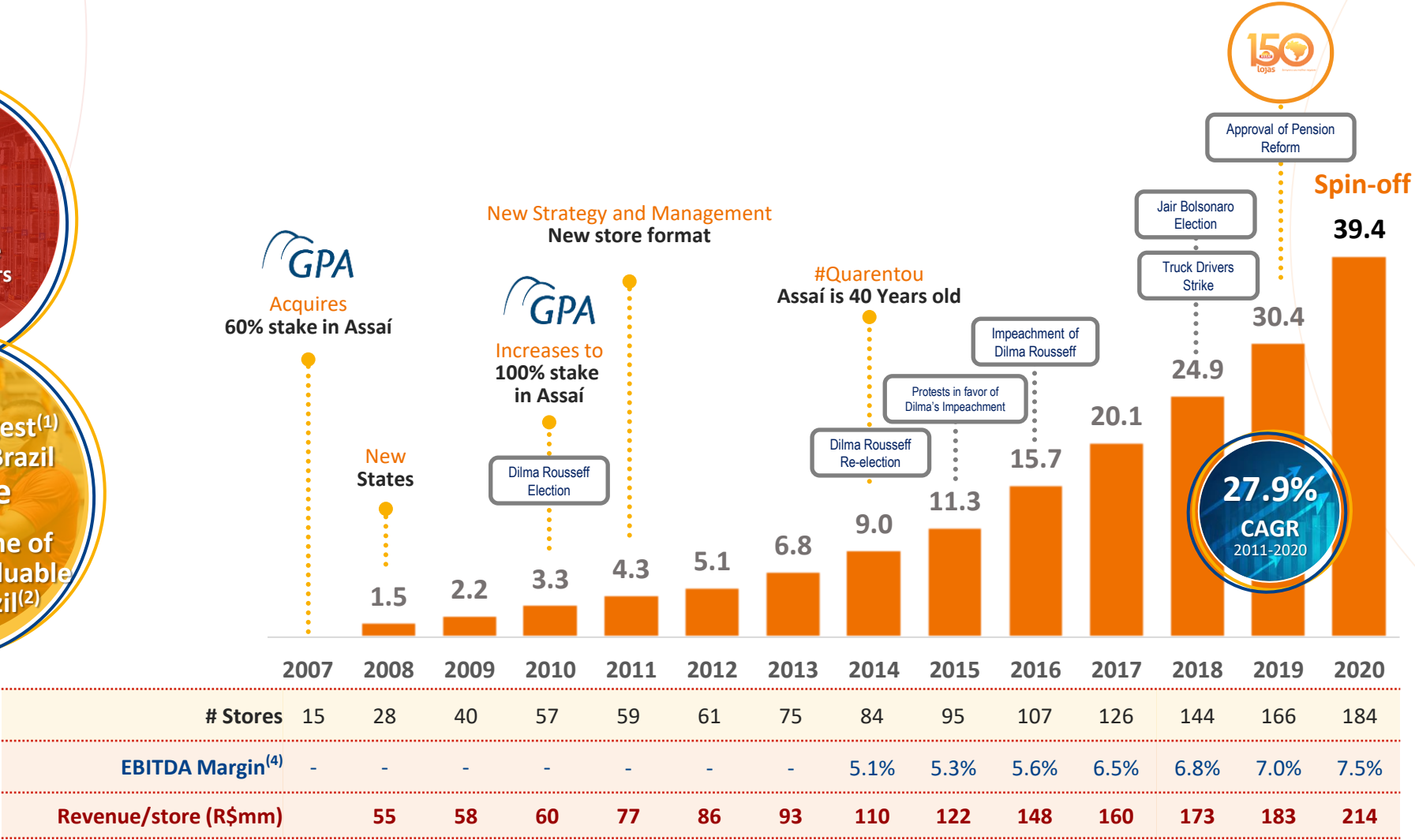
Retail Leadership  
**2nd largest**  
retailer in Brazil

**+8pp**  
of market share  
in the last 6 years

National Footprint  
**195**  
Stores  
23 states<sup>(3)</sup>

One of the Largest<sup>(1)</sup>  
Companies in Brazil  
**17<sup>th</sup>** Place

The brand is one of  
the 20<sup>th</sup> most valuable  
brands in Brazil<sup>(2)</sup>



Notes: (1) Considering sales in 2019, according to Exame; (2) 2020 Interbrand Ranking; (3) In October 2021; (4) Adjusted EBITDA – after IRFS 16



2012

**61** stores  
**182k** sqm of sales área  
**10k** employees  
**6** states

October  
2021

**+17**  
states

**+8pp**  
Market share <sup>(1)</sup>

**+134**  
stores

**195** stores   
**868k** sqm of sales area  
**52k** employees  
**23** states  
**10** distribution centers   
**11** regional offices with autonomy 

**44%**  
of sales outside  
Southeast<sup>(3)</sup>

**Market Share  
Gains  
in 1H21<sup>(2)</sup>**

**11** inaugurations<sup>(4)</sup>

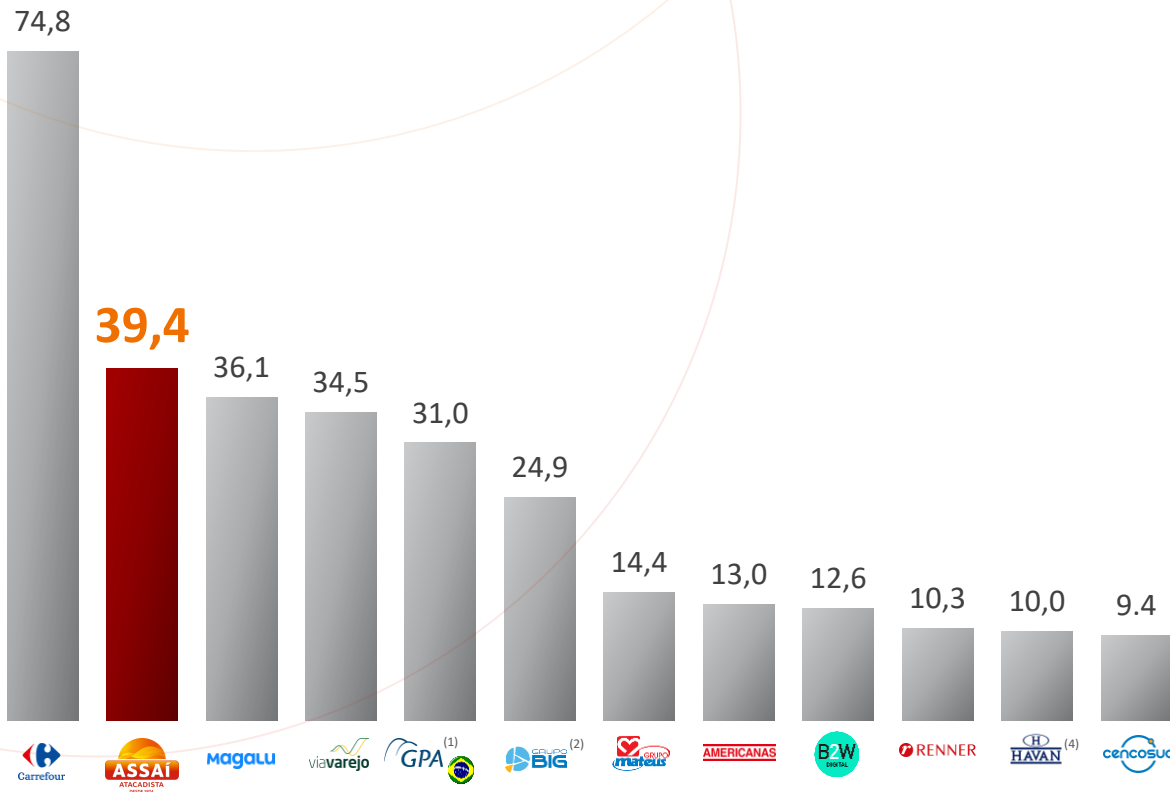
+

**25** stores under  
construction



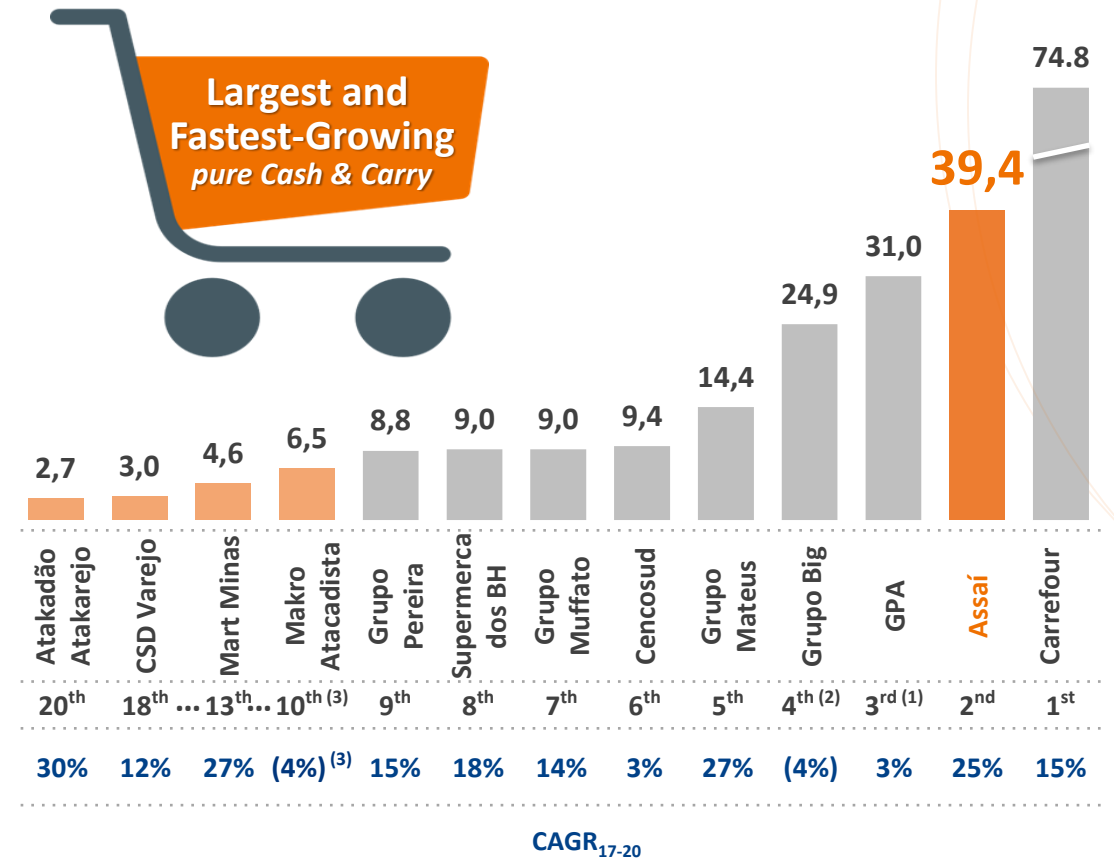
## Retail Ranking

Gross Revenues (2020) - R\$ bn

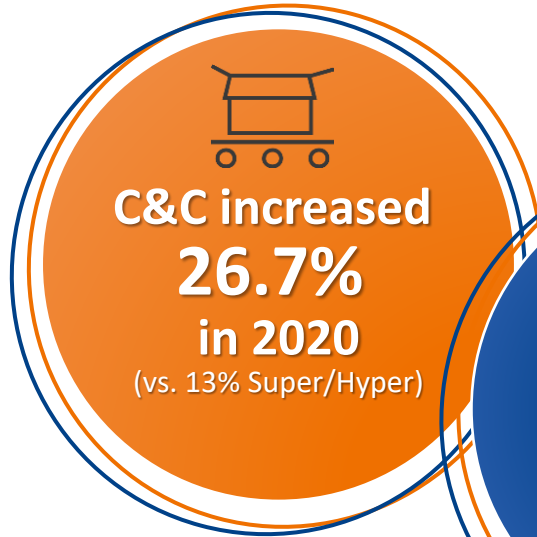


## Food Retail Ranking

Gross Revenues (2020) - R\$ bn



Largest segment...



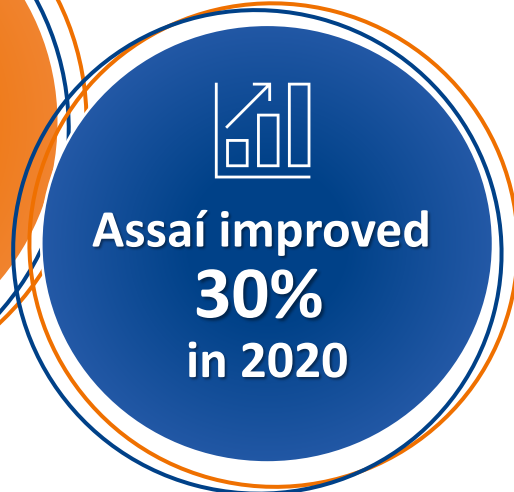
... share ...



... preference...

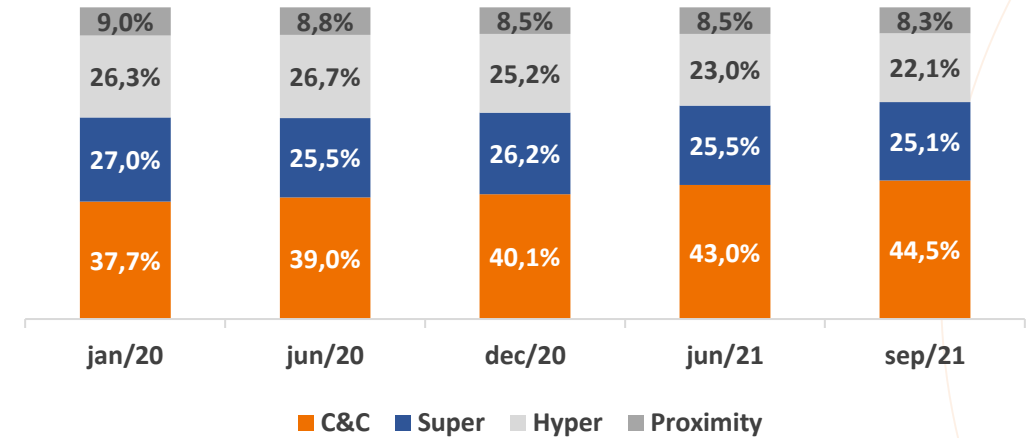


... growth

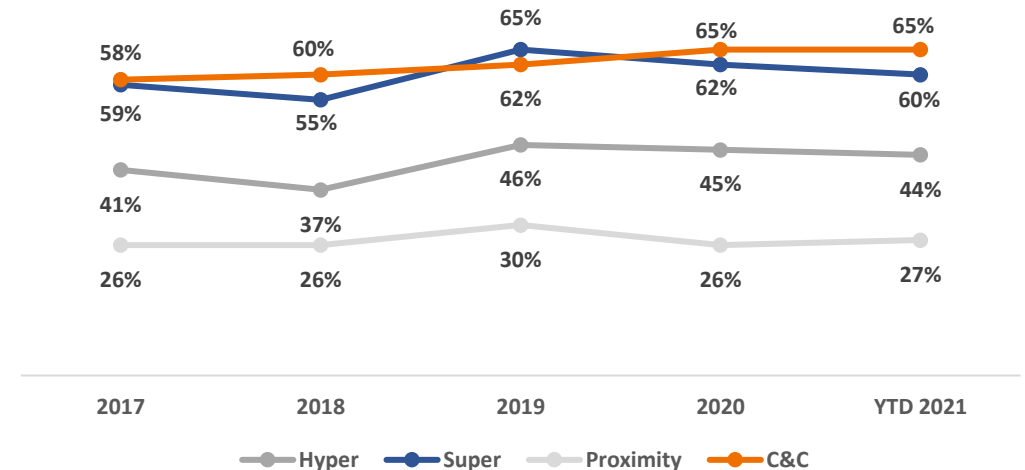


CASH & CARRY SEGMENT INCREASES RELEVANCE WHEN COMPARED TO FOOD RETAIL

## Cash & Carry Relevance in Food Retail



## Penetration by Channel in Brazilian Homes





Store: Hortolândia (SP)



Store: Petrópolis (RJ)



End Customers



Groceries



Schools



Hotels



Restaurants



Coffee Shop



Bars and Pubs



Pizzeria



Hot Dog Stand



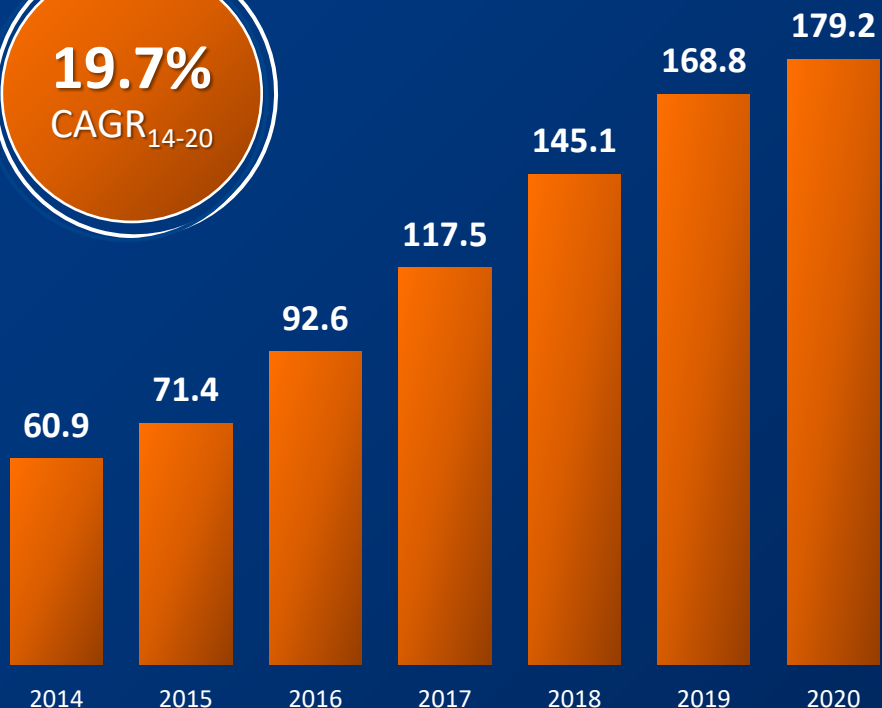
Bakeries

# Assaí's Total Number of Tickets

(# million tickets)

30mm  
Unique clients<sup>(1)</sup>

19.7%  
CAGR<sub>14-20</sub>

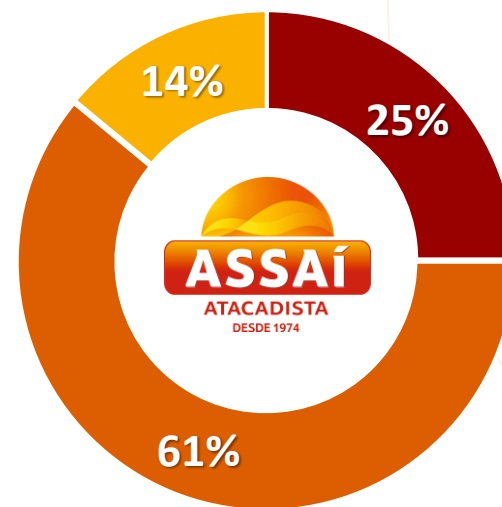
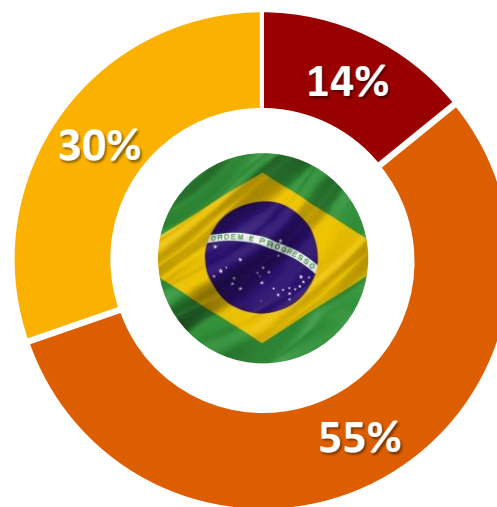


WIDE REACH ACROSS BRAZILIAN DEMOGRAPHIC

## Our Stores are built for all Brazilians!

According to FGV Social and company, as of 2018

Assaí's Clients per Social Class vs Brazilian Average (%)



Class A e B



Class C

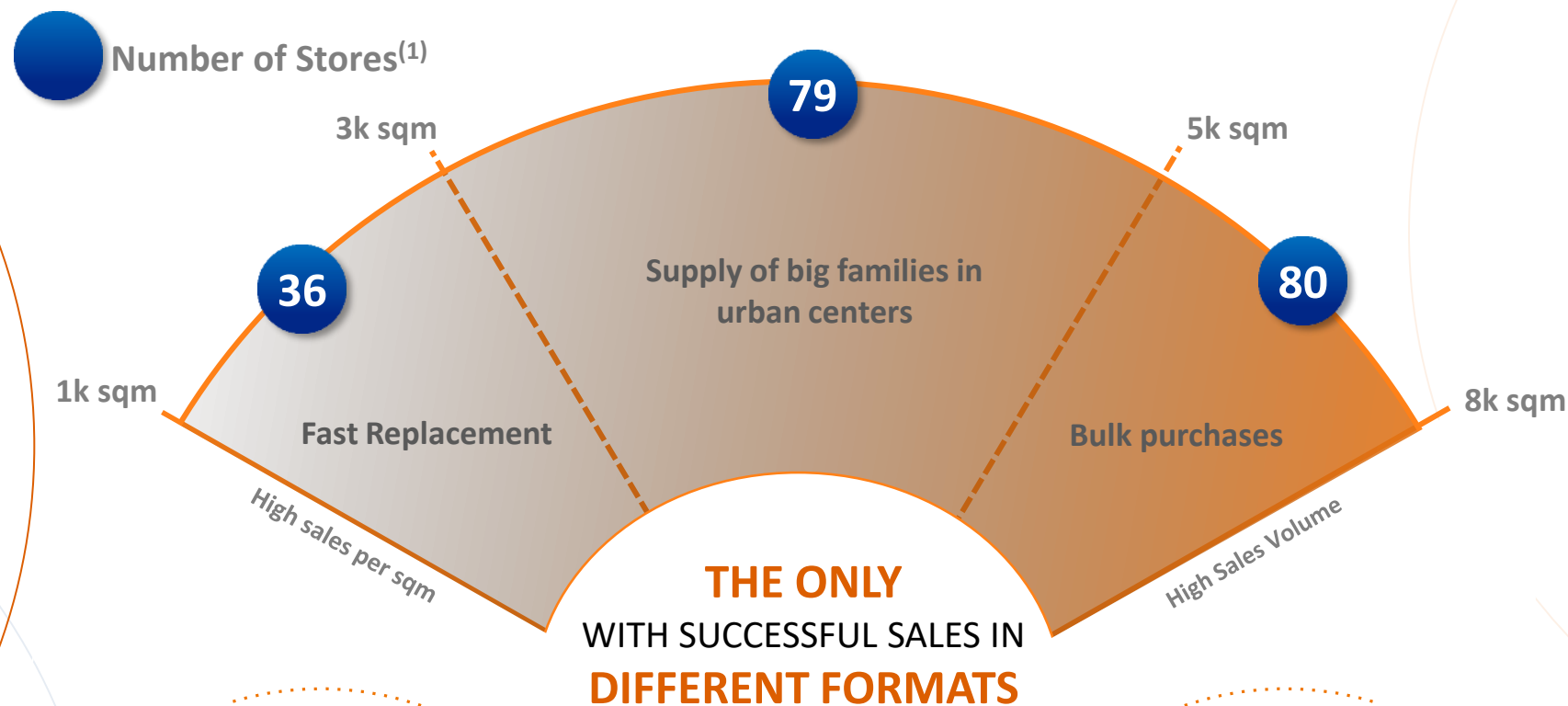


Class D and E

Notes: (1) Considers unique clients transit in stores

Source: Instituto Locomotiva, 2019 and FGV Social, 2018

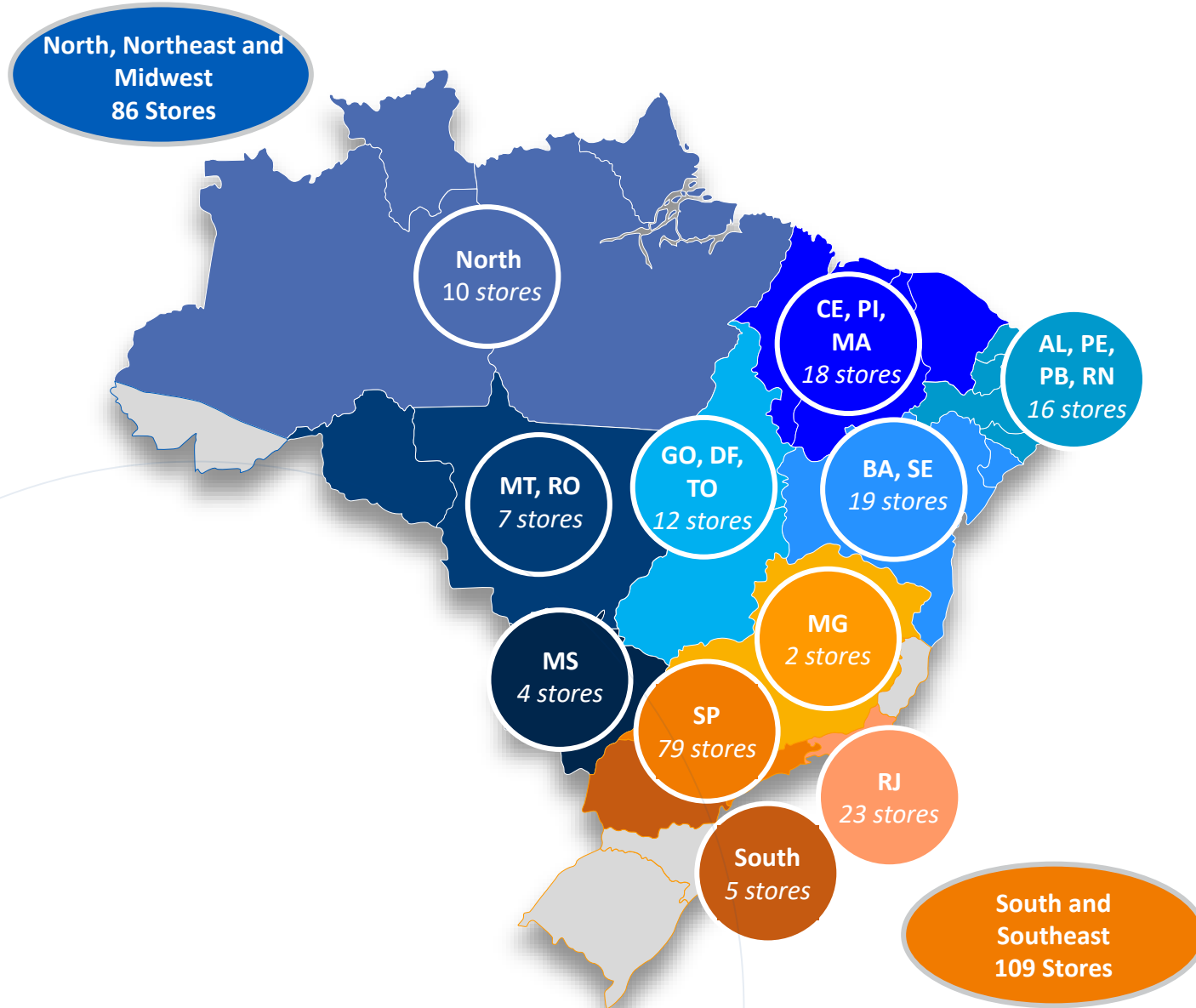
-  **FLEXIBLE MODEL**  
Suitability for different regions and publics
-  **REGIONALIZATION**  
Business accommodation to local practices and customs
-  **DECENTRALIZED LOGISTICS**  
Stock received in the stores
-  **EFFICIENCY AND PRODUCTIVITY**  
Low-cost structure
-  **FINANCIAL SERVICES**  
More than 1.6 million Passaí cards issued <sup>(2)</sup>  
Represents ~5% of gross sales



# 11 Regional Offices managed by Experienced Leaders



LOCAL KNOW-HOW



## Regional Management

Local leaders have freedom for decision making in all local units



## Unique Regional Assortment

Stores are adapted to offer services and products suitable to each region



## Tailored Communication Strategy

Regional marketing strategy and execution to approach local audiences



## Excellent Locations

Located near urban spaces to enable commuting



Efficient  
Lighting

Coffee  
Shop

Wi-Fi in  
every store



+8.000  
SKUs  
Best Shopping  
Experience

Fruits and  
Vegetables

Butchery <sup>(1)</sup>





Store: Petrópolis (RJ)



Store: Petrópolis (RJ)

Cashiers  
attending  
B2C and  
B2B

Special  
Attention  
to the  
Customer

Extended  
Parking



Store: Santa Cruz (RJ)

Automatization

Fast-pass

App  
Promotions



Store: Mussurunga (BA)

# EXPONENTIAL GROWTH IN RECENT YEARS

**Assaí**  
**25.1%**  
CAGR  
2017 - 2020

Regional  
Food Retail <sup>(1)</sup>  
**14.9%**  
CAGR  
2017 - 2020

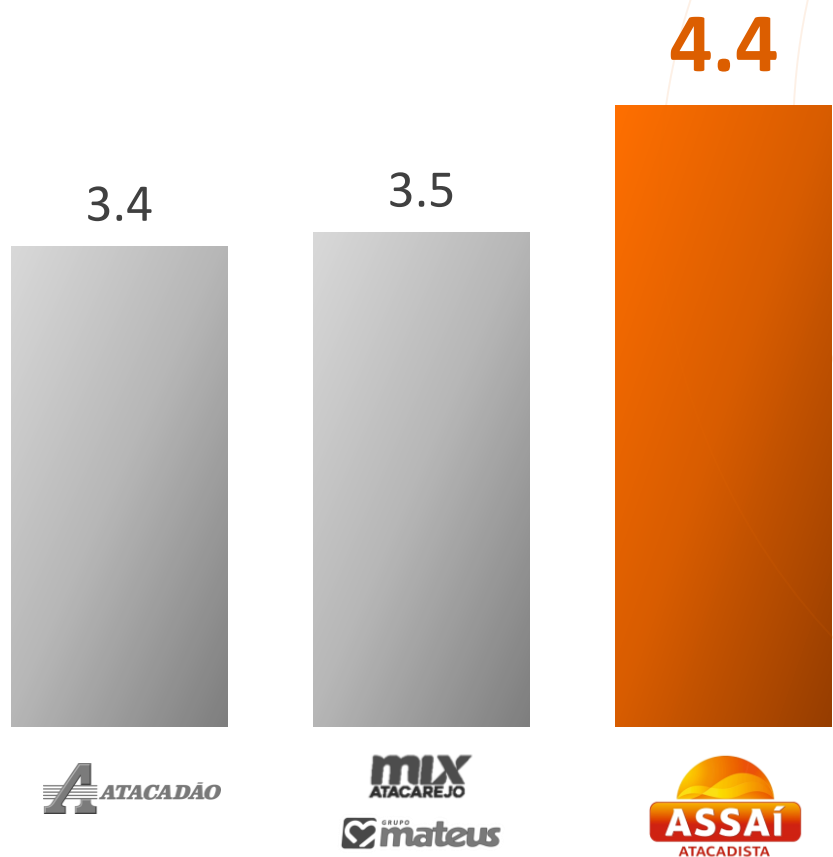
National  
Food Retail <sup>(2)</sup>  
**11.2%**  
CAGR  
2017 - 2020

Sector  
Average <sup>(3)</sup>  
**13.8%**  
CAGR  
2017 - 2020



BEST PRODUCTIVITY AMONG CASH & CARRY PLAYERS

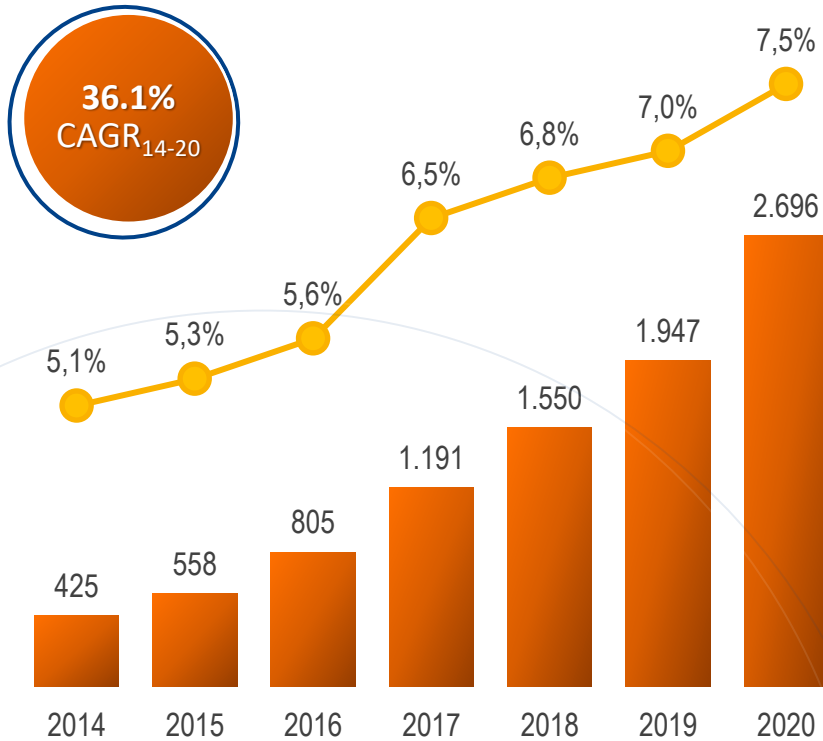
**Average Sales / sqm in 2020<sup>(4)</sup>**  
(R\$ '000s / m<sup>2</sup>)



**Notes:** (1) Considers Atacadão Atacadista, Mart Minas, CSD Varejo, Grupo Mateus, Grupo Muffato Grupo Pereira, Supermercados BH, Companhia Zaffari, EPA, Sonda, Savegnago Supermercados Líder, Angeloni and Supermercados Bahama; (2) Considers Assaí Atacadista, Atacadão, GPA, Cencosud, Grupo BIG and Carrefour; (3) Considers Carrefour, GPA, Grupo Mateus, Cencosud Makro, Atacadão, Super Muffato Grupo Pereira, Supermercados BH, Grupo Zaffari, Epa Supermercados, Sonda Supermercados, Mart Minas, Savegnago Supermercados, Supermercados Líder, Angeloni, Bahamas Supermercados and Companhia Sulamericana de Distribuição (4) Calculated as the average monthly revenue divided by the total area in 2020.

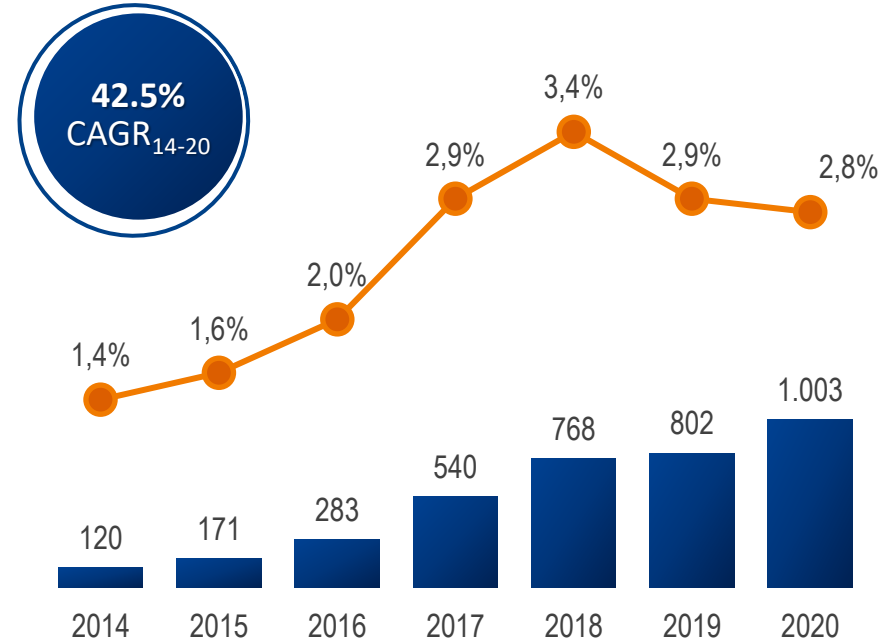
## Adjusted EBITDA & EBITDA Margin<sup>(1)</sup>

(R\$ mi, %)



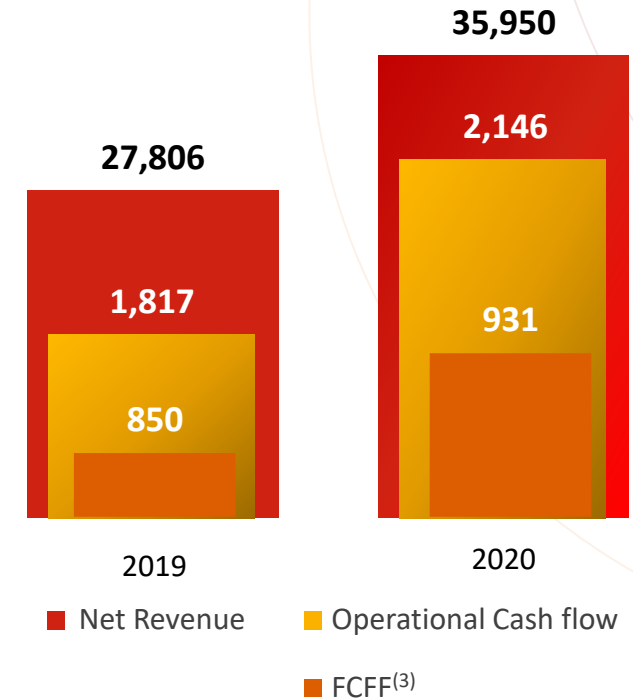
## Net Income & Net Margin<sup>(2)</sup>

(R\$ mi, %)



## Cash Flow Generation

(R\$ mi)



**Note:** (1) Post IFRS 16 and compatible for other non-recurring impacts; (2) Continued Cash and Carry Operations, excluding 6 Gas Stations and Grupo Éxito's operation. 2019 and 2020 numbers take into consideration financial liabilities associated to Grupo Éxito's acquisition; (3) FCFF = Net Cash of Operational Activities – Net Cash of Investment Activities, excluding Éxito operation and part of the SLB operation, according to Financial Statements

## Valuing our people

Be a reference in promoting diversity, ethics and sustainability through our employees and brands.  
**65.0%** of our employees declare themselves as black or brown

## Conscious consumption and supply

Expand the offer and raise awareness among consumers in choosing more sustainable products and behavior. **Reverse logistics programs** all over Brazil: more than **460 tons** of customer waste were collected and sent for recycling

## Transformation in the value chain

Co-build value chains committed to the environment, people and animal welfare.  
**Fighting deforestation and conserving biomes:** tracking and monitoring traded beef



## Environmental impact management

Combat climate change, innovating and improving the environmental management of our businesses; Rate of recyclable items increased to **41%** and solid waste sent to landfills decreased **-2p.p.** vs 2Q20

## Engagement with society

Be a mobilizing agent to promote more inclusive opportunities for all: **220 tons** of food donated in the first semester, benefiting 23 thousand families and resumption of the Solidarity Campaign: collection of **+240 tons** of first-need items

## Integrated management and transparency

Consolidate social, environmental and governance practices in our business model and ensure ethical and transparent relations with our stakeholders: Partnership with the **"Instituto Ethos de Empresas e Responsabilidade Social"**

**~18**

New Organic  
Stores in 2022

**~16**

New Organic  
Stores in 2023



## MAIN CONSIDERATIONS

- **4-5 years** ramp-up until revenue growth stabilizes and converges to inflation
- Long-term **gross margin** of **~16-17%**
- **CAPEX Per Store** : **~R\$ 65mm** and **~R\$ 1mm/year** for maintenance CAPEX
- IRR payback between **6-7 years**
- Long-term **IRR of 15-20%** and **ROIC above 25%**



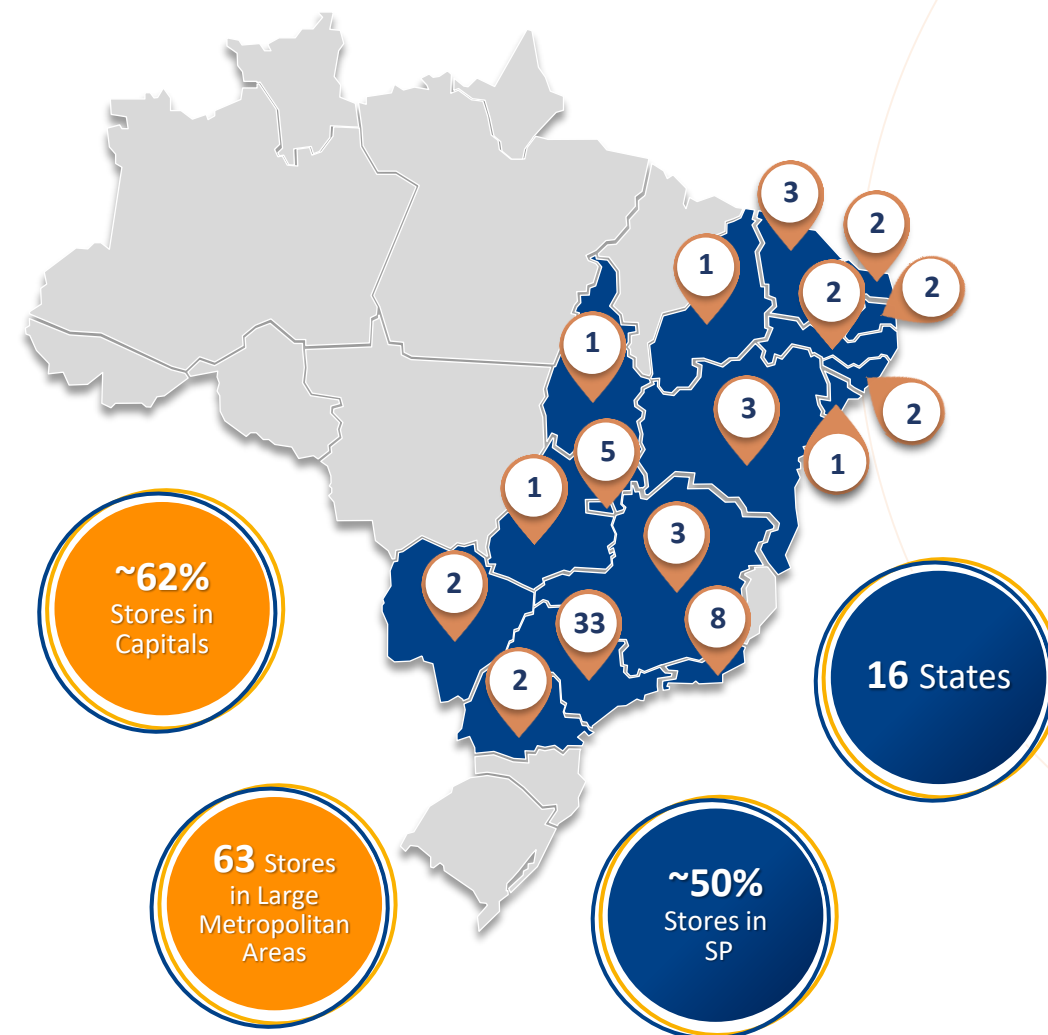
## IRREPLICABLE STORES IN PRIME LOCATIONS

- Well-known commercial points in exceptional locations
- Closer to B2B and B2C customers
- Rapid maturation
- Low cannibalization with Assaí current stores
- +420k sqm added to the sales area (+49.8% of the current area)

### 71 Conversions:

August/22: 40 stores

March/23: 31 stores





## Assaí Carapicuíba (SP)

14.374 sqm  
built area

8.033 sqm  
sales area

831  
parking spaces



Conversions  
Gross  
Revenue  
**+3x<sup>(1)</sup>**

**R\$ 4.7k**  
Monthly sale  
per sqm  
+5% above  
Assaí average

**6 months**  
To achieve full  
potential of  
sales

EBITDA  
Margin  
**+150bps<sup>(2)</sup>**

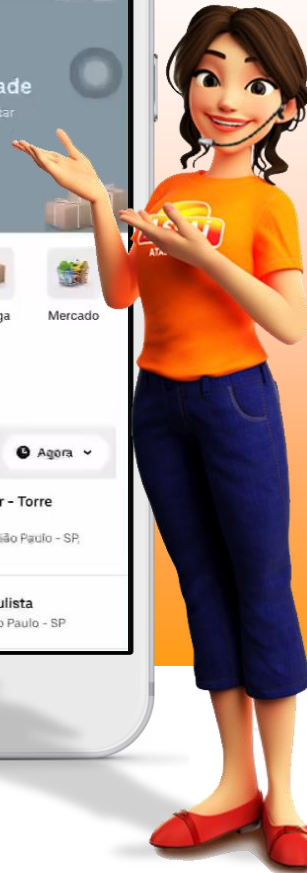
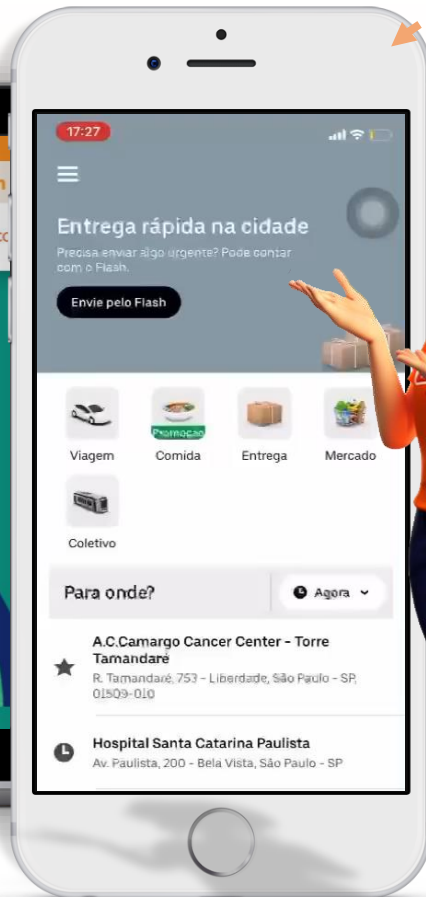
Conversions  
Breakeven  
**1<sup>st</sup> year**

Total  
Maturation  
**2<sup>nd</sup> year**

## NEXT STEPS



(1) Based on historical stores conversion performance  
(2) Compared to the Company average



*Last mile delivery*

1<sup>st</sup> partnership: **Cornershop**



New virtual assistant: **Sol**



Leaflets promotions received via **WhatsApp**



Exclusive services at **Assaí Clientes app**



**Academia Assaí:** Certified courses, podcasts, etc

# EXPANSION PLAN



WELL MAPPED GROWTH AVENUES AND UPSIDES

Upsides...

Plan in execution



Continued accelerated expansion in new stores across the country

Continuous cost control in the store, in line with a notable historical expansion



Enhancement of a digital distribution channel, creating a fully operational omnichannel platform

Partnership with companies already present in the digital ecosystem



Using the unique structure expertise in Cash & Carry to maximize presence in distribution wholesale



Financial services

Expansion of service offerings within stores

New categories of products and services

