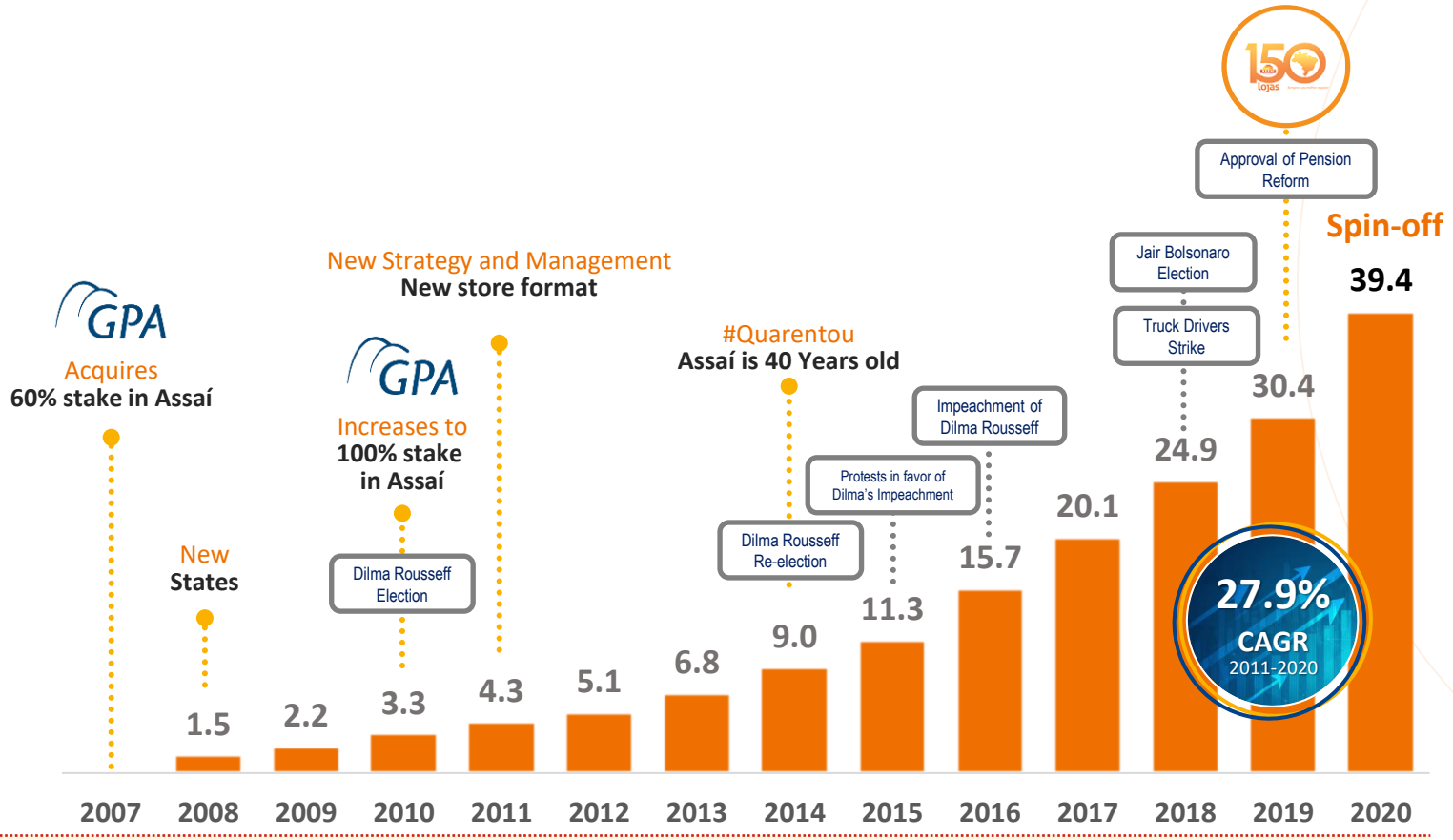
INSTITUTIONAL PRESENTATION

September 2021



LARGEST PURE PLAYER CASH & CARRY WITH CONSISTENT GROWTH



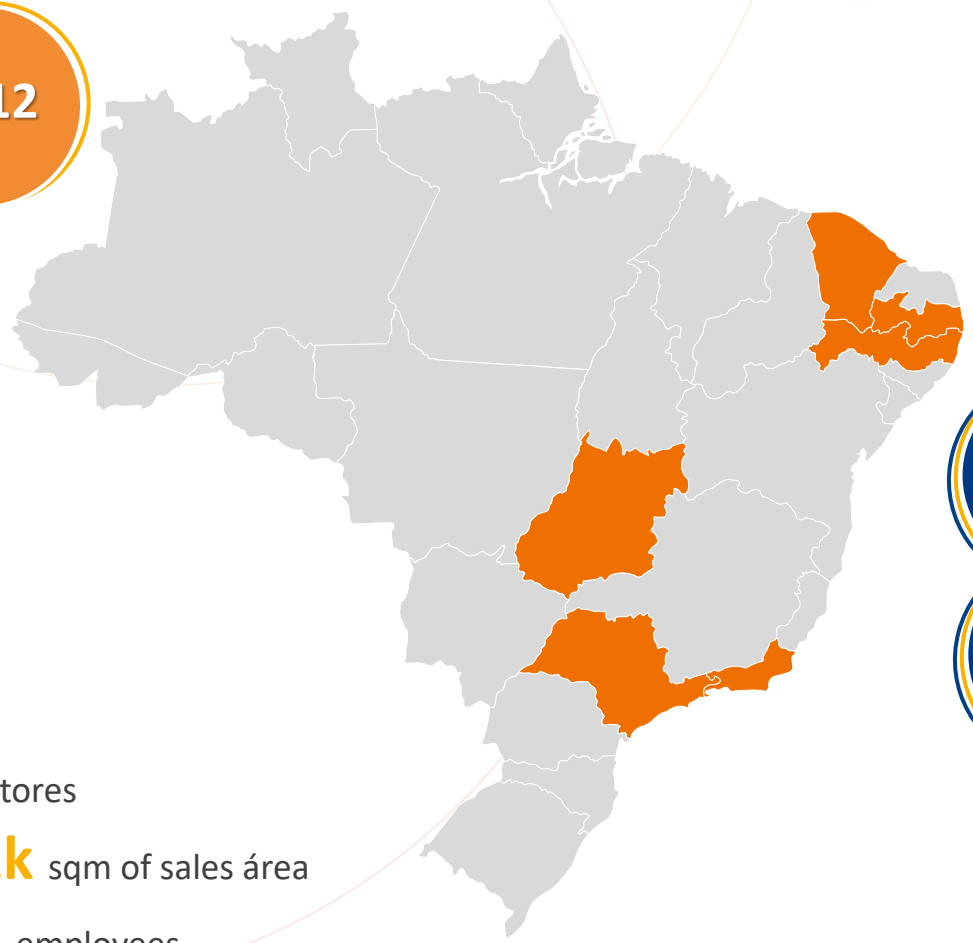


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
# Stores	15	28	40	57	59	61	75	84	95	107	126	144	166	184
EBITDA Margin(4)	-	-	-	-	-	-	-	5.1%	5.3%	5.6%	6.5%	6.8%	7.0%	7.5%
Revenue/store (R$mm)		55	58	60	77	86	93	110	122	148	160	173	183	214

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

CONTINUOUS EXPANSION OF NATIONAL FOOTPRINT

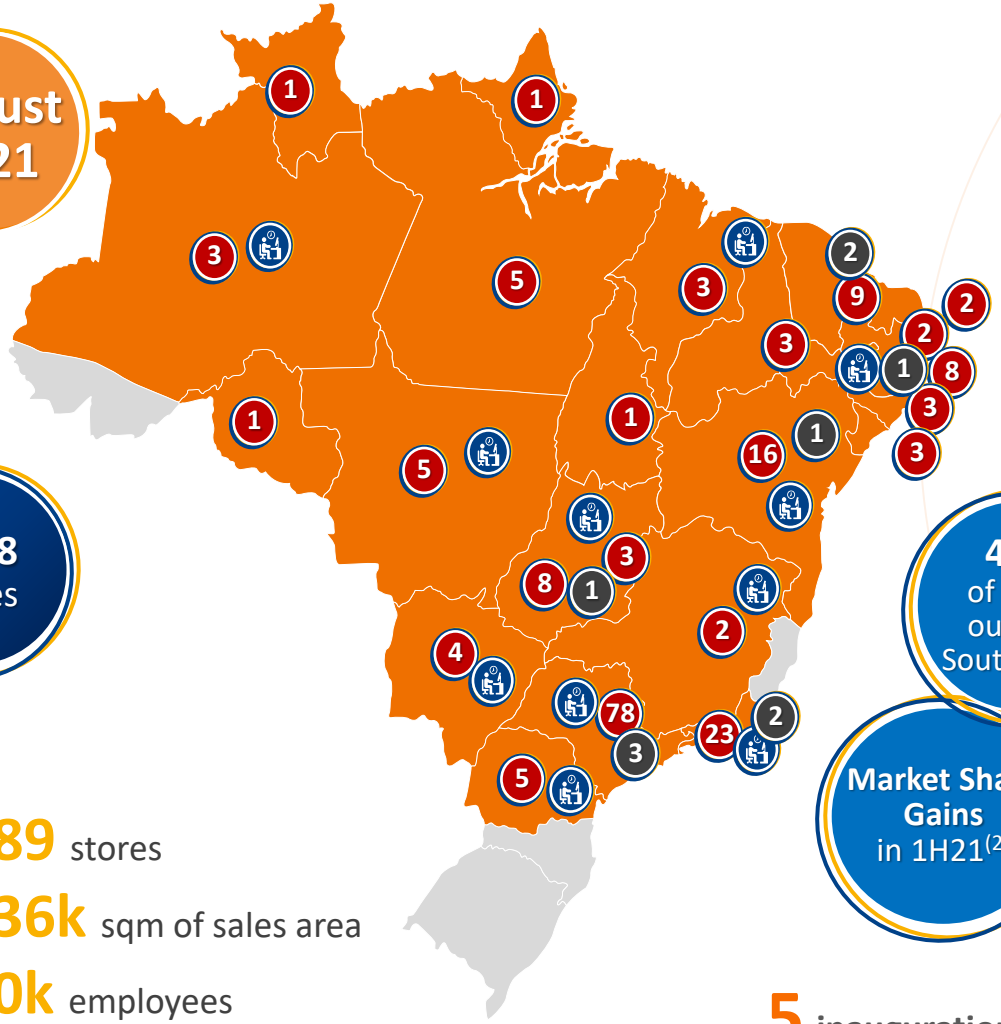
2012



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

+17 states
+128 stores
+8pp Market share (1)

August 2021



189 stores
836k sqm of sales area
50k employees
23 states
10 distribution centers
11 regional offices with autonomy

44% of sales outside Southeast(3)

Market Share Gains in 1H21(2)

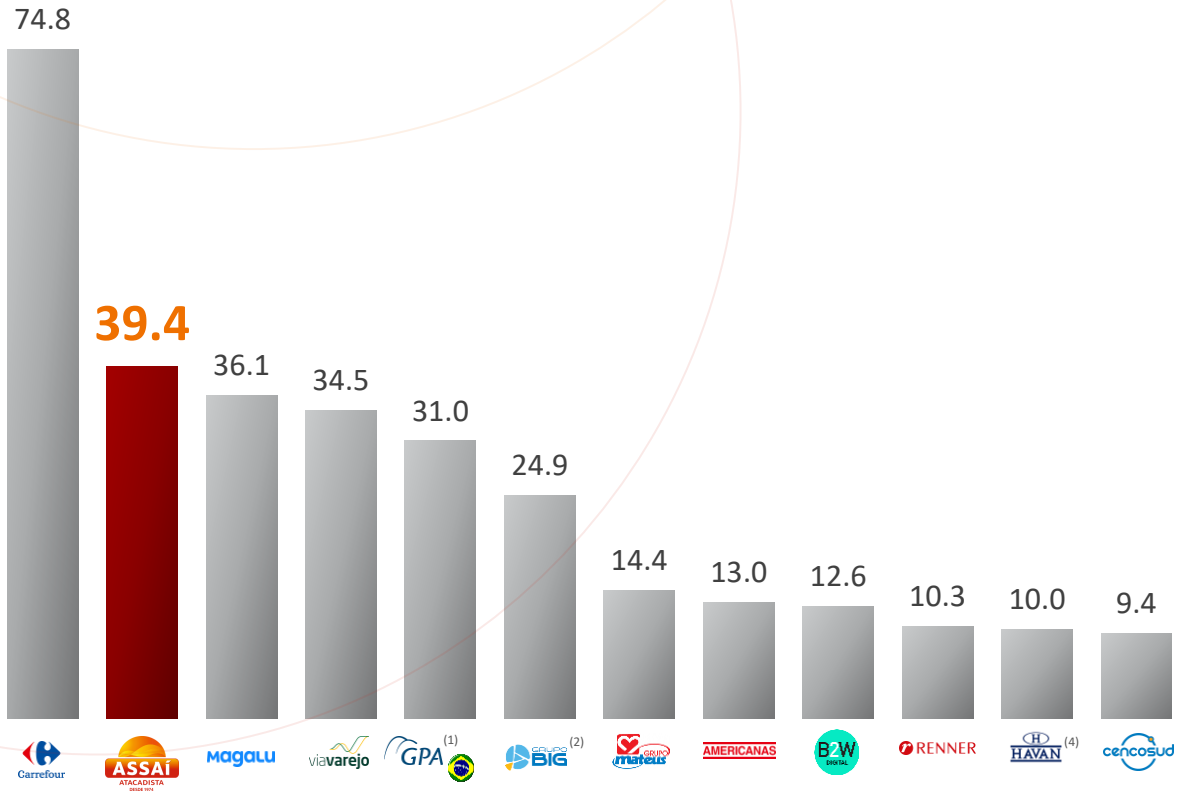
5 inaugurations(4)
+
23 stores **under construction**

Source: Nielsen
Notes: (1) National Market Share according to Nielsen between 2014 to 2019; (2) According to Nielsen; (3) in 2020; (4) until August/2021

ASSAÍ IS THE SECOND LARGEST RETAIL PLAYER IN BRAZIL AND THE FASTEST-GROWING PURE CASH & CARRY PLAYER

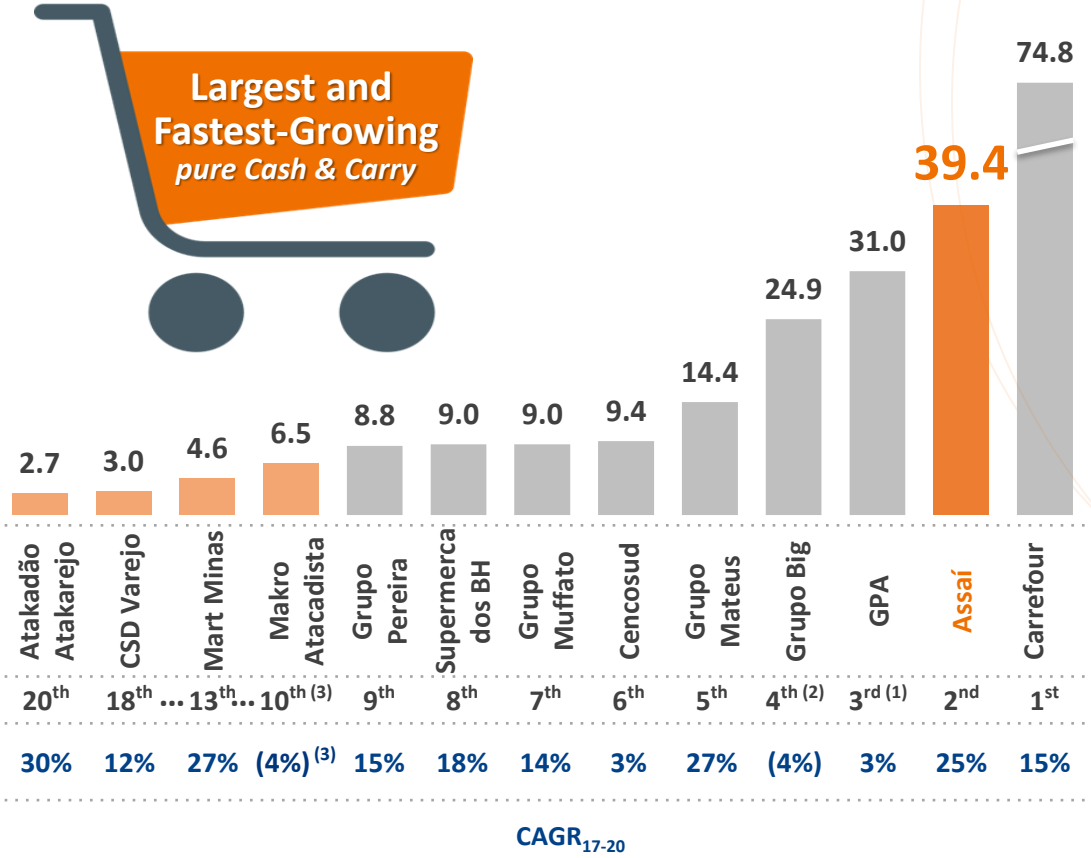
Retail **Ranking**

Gross Revenues (2020) - R$ bn



Food Retail **Ranking**

Gross Revenues (2020) - R$ bn



Source: Companies' data and ABRAS.

Notes: (1) Ex-Assaí and Éxito; (2) Considers information disclosed in Material Fact by the Carrefour Group; (3) Revenues in 2019; (4) Revenues in 2020 released to the public in a press release format. The audited Financial Statements have not been published.

CASH & CARRY SEGMENT INCREASES RELEVANCE WHEN COMPARED TO FOOD RETAIL

Largest segment...

C&C increased 26.7% in 2020
(vs. 13% Super/Hyper)

... share ...

+611 C&C stores in the last 4 years
(vs. 314 in the last 15 years)

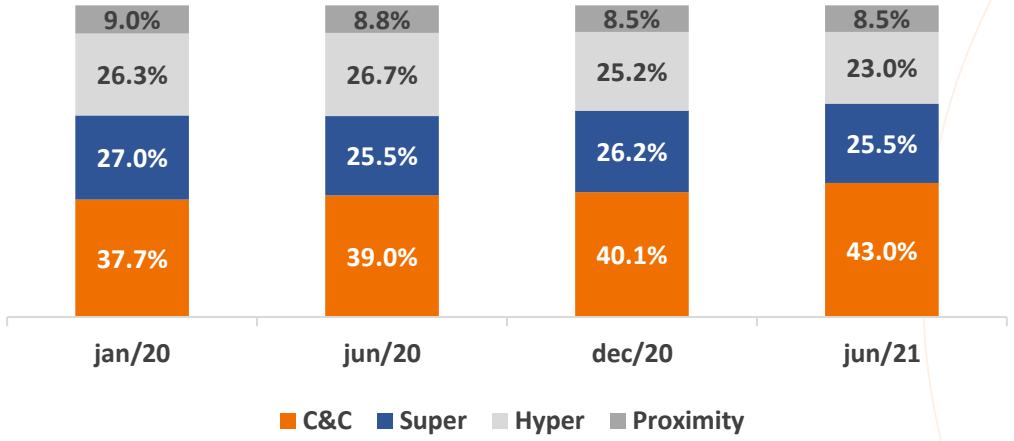
... preference...

65% of Brazilian households shop in C&C

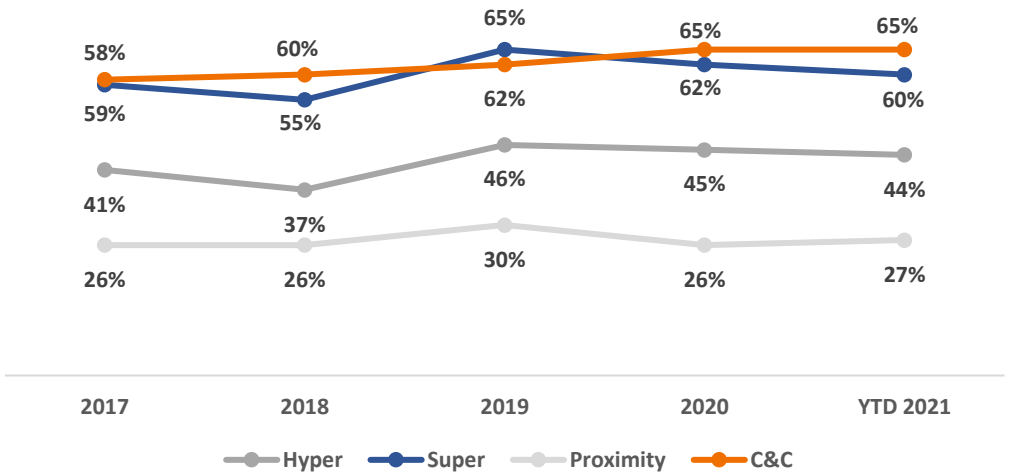
... growth

Assaí improved 30% in 2020

Cash & Carry Relevance in Food Retail



Penetration by Channel in Brazilian Homes



Source: NielsenIQ – August 2021

ASSAÍ FUNCTIONS AS A HUB FOR THE LOCAL ECONOMY



Store: Hortolândia (SP)



Store: Petrópolis (RJ)


End Customers


Groceries

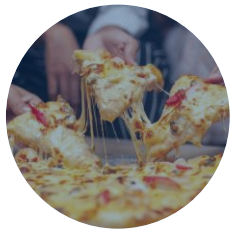

Schools

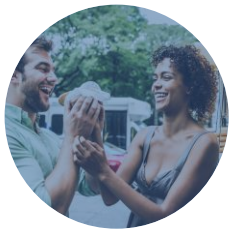

Hotels


Restaurants


Coffee Shop


Bars and Pubs


Pizzeria


Hot Dog Stand

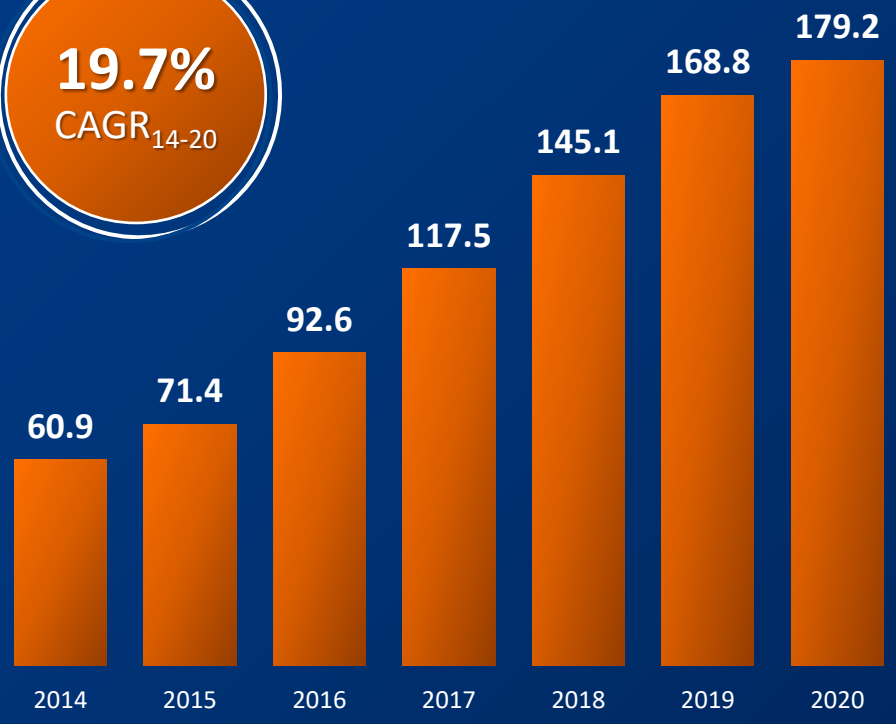

Bakeries

Assaí's Total Number of Tickets

(# million tickets)

30mm
Unique clients(1)

19.7%
$CAGR_{14-20}$



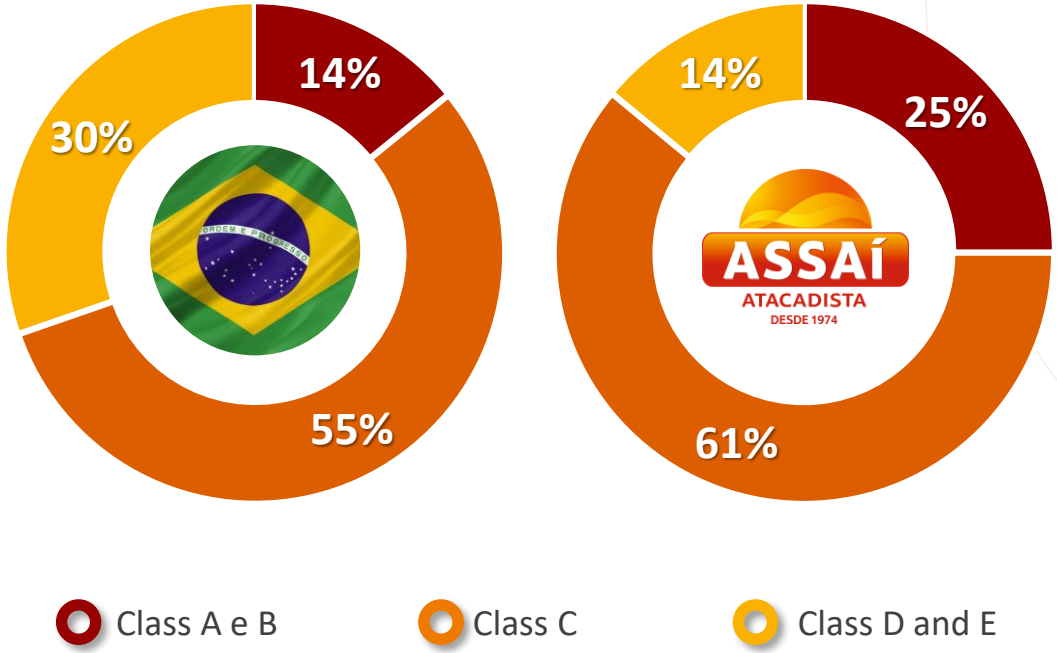
Notes: (1) Considers unique clients transit in stores

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 (%)



Source: Instituto Locomotiva, 2019 and FGV Social, 2018

Our Business Model

OPERATIONAL EXCELLENCE ACROSS FLEXIBLE FORMATS

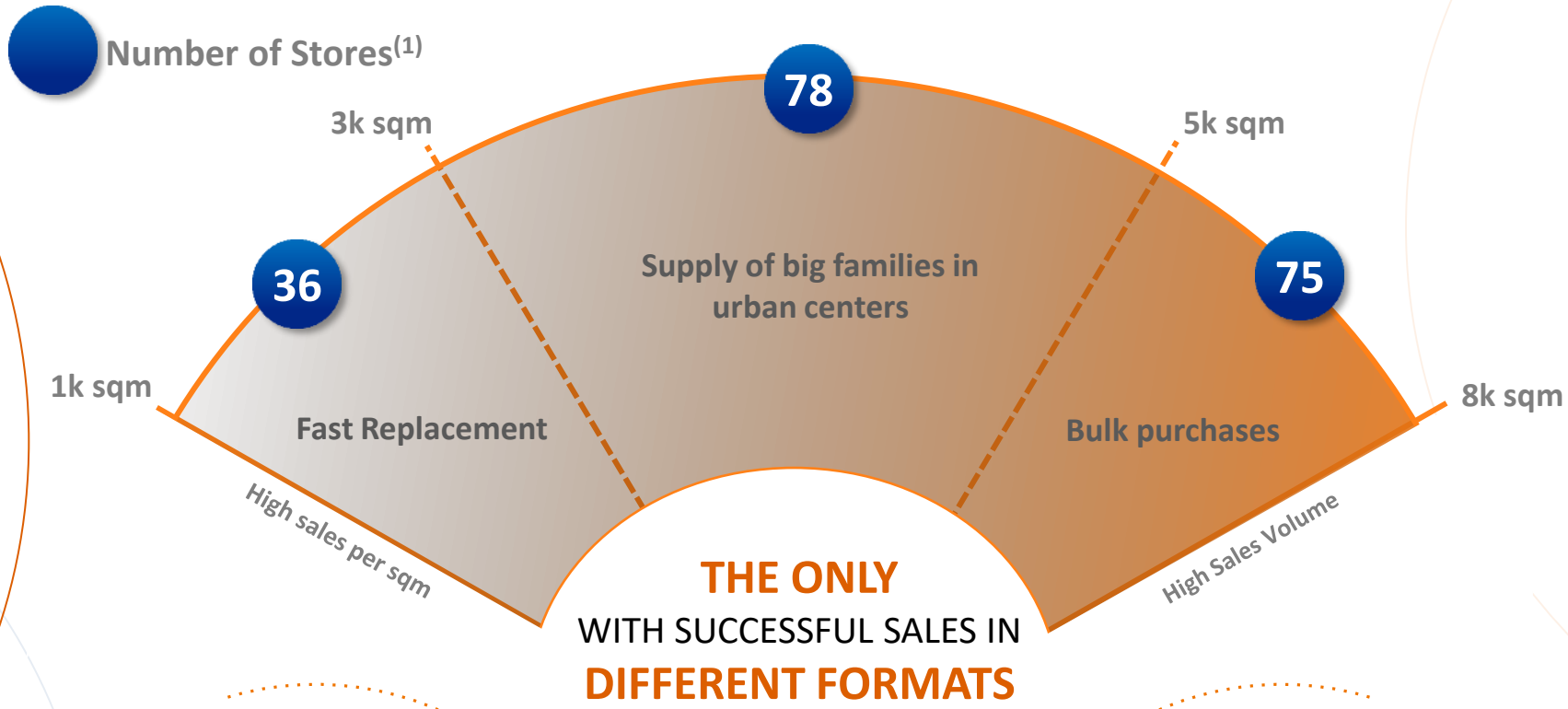
FLEXIBLE MODEL
Suitability for different regions and publics

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 1.4 million Passaí cards issued (2)
Represents ~5% of gross sales



THE ONLY
WITH SUCCESSFUL SALES IN
DIFFERENT FORMATS



Note: (1) Until August 2021;
(2) By the end of June 2021

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

CREATING A SEAMLESS SHOPPING EXPERIENCE



Efficient Lighting

Wi-Fi in every store

Coffee Shop



+8.000 SKUs
Best Shopping Experience

Fruits and Vegetables

Butchery (1)





Notes: (1) Implemented in 20 stores

CREATING A SEAMLESS SHOPPING EXPERIENCE



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

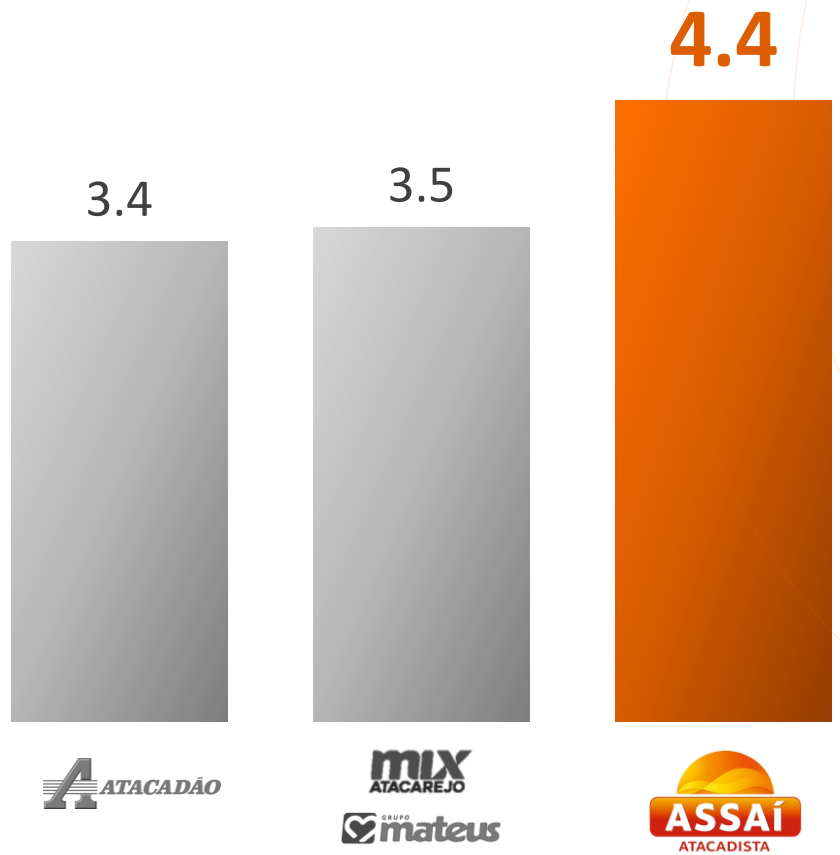
Regional Food Retail (1)
14.9%
CAGR
2017 - 2020

National Food Retail (2)
11.2%
CAGR
2017 - 2020

Sector Average (3)
13.8%
CAGR
2017 - 2020

BEST PRODUCTIVITY AMONG CASH & CARRY PLAYERS

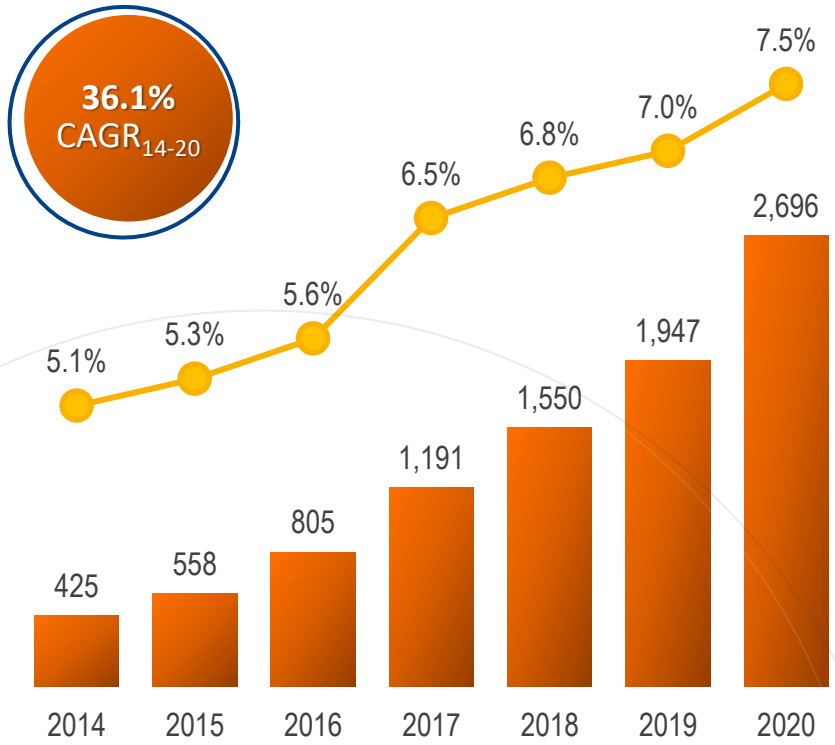
Average Sales / sqm in 2020(4)
(R$ '000s / m²)



Notes: (1) Considers Atakadão 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.

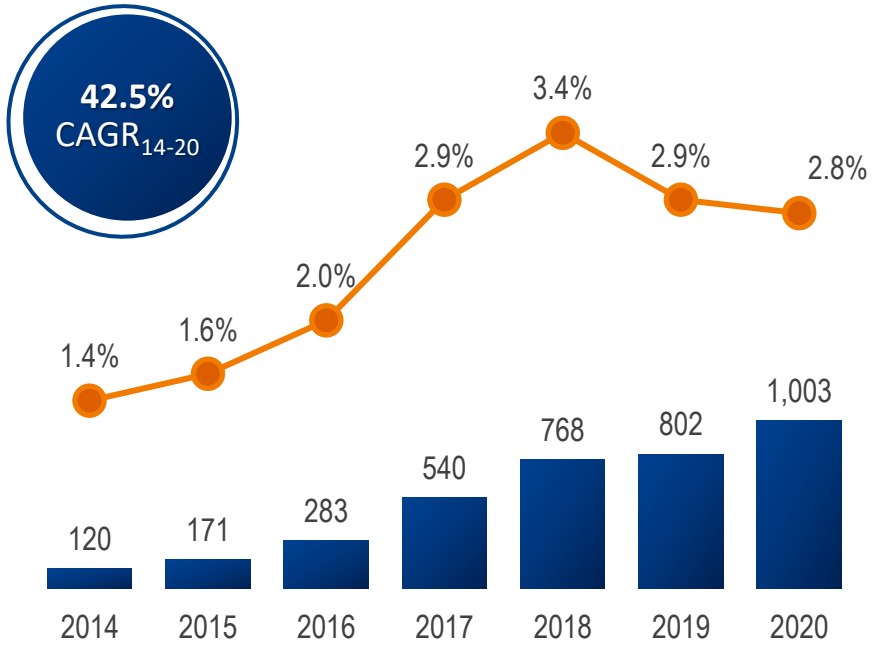
Adjusted EBITDA & EBITDA Margin(1)

(R$ mi, %)



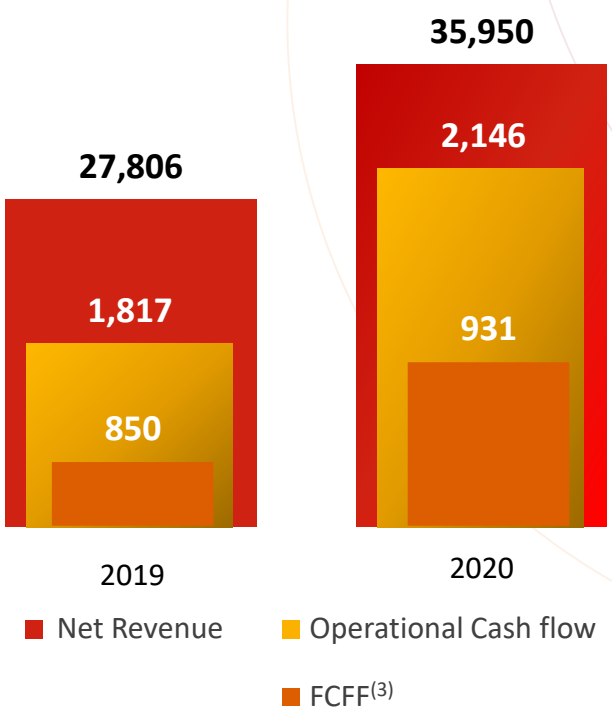
Net Income & Net Margin(2)

(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

ESG STRATEGY: OUR BUSINESS' COMMITMENT TO OUR SOCIETY

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*



Be an agent of change, improving and innovating our way of doing business in order to build a more responsible and inclusive society.

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

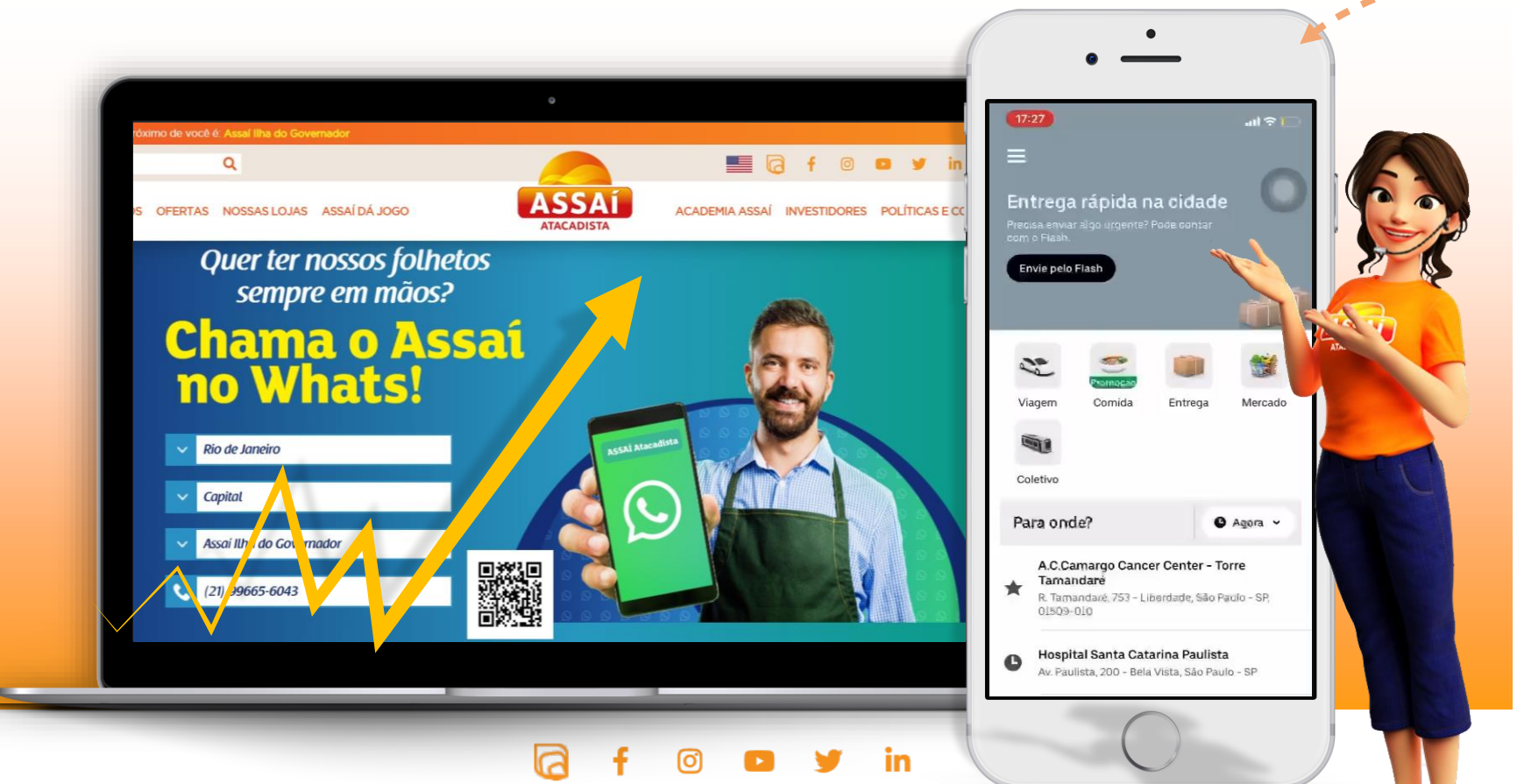
Consolidate social, environmental and governance practices in our business model and ensure ethical and transparent relations with our stakeholders: Partnership with the ***"Instituto Ethos de Empresas e Responsabilidade Social"***



MAIN CONSIDERATIONS

- **~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 between 35%-45%**

DIGITAL EXPERIENCE



Last mile delivery

1st partnership: **Cornershop**

New virtual assistent: **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

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

Upsides...



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

ASSAÍ ATACADISTA