



# Grupo Carrefour Brasil

## Q4 2019 and FY 2019 results

February 21, 2020

# NEW ADVANCES IN OUR ECOSYSTEM IN 2019

**2019**

- +28 stores
- +20 Atacadão
- +5 Express
- +3 Market
- +12 side stores e-commerce



EXPANSION

## OMNICHANNEL



54



110



**+405% GMV**  
food e-commerce  
(including last mile delivery)

Healthy food aisles in **82 hypermarkets**

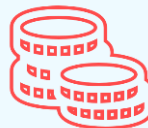
~**3,100** organic and healthy product SKUs

**+2,600** private label SKUs (**13%** of total net sales in Q4 19)



FOOD TRANSITION

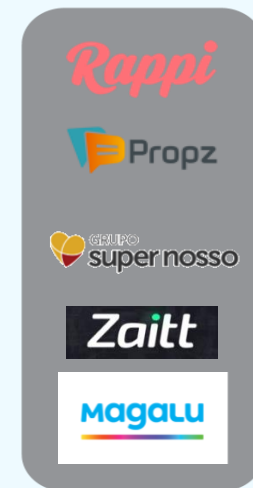
## FINANCIAL SERVICES



**New value proposition** for Carrefour Card

**+15 point** improvement in NPS

**+28%** in total billings (vs. 2018)



PARTNERSHIPS

## ACQUISITIONS



**makro**  
30 stores



49% stake



100% stake



• **Business units update**

# PROFITABLE GROWTH IN Q4 AND 2019

	LfL EX PETROL	GROSS SALES INC. PETROL	ADJUSTED EBITDA	ADJ. NET INCOME GROUP SHARE
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Q4 2019

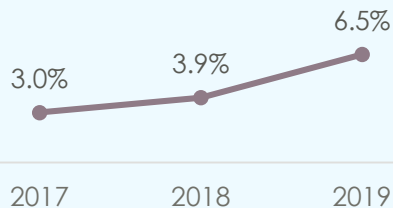
7.6%	R\$17.6 bn +11.5% yoy	R\$1.4 bn +11.0%* yoy 8.7% margin	R\$ 695 mn +6.3%* yoy 4.3% margin
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2019

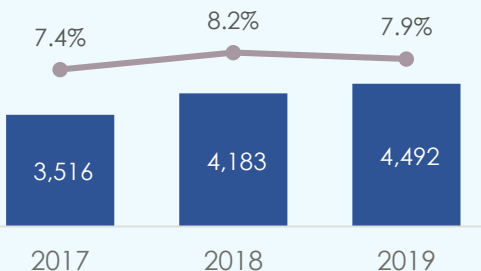
6.5%	R\$62.2 bn +10.4% yoy	R\$4.5 bn +7.4% yoy 7.9% margin	R\$1.97 bn +5.1% yoy 3.5% margin
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- ✓ Positive growth trend thanks to strong commercial initiatives across channels
- ✓ Cost dilution and efficiency efforts resulting in strong EBITDA and EBITDA margin
- ✓ Robust growth at Atacadão, multi-format Retail and Banco Carrefour, enabling investments in our food e-commerce strategy

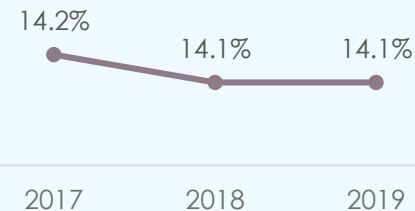
Consolidated LfL evolution (ex-petrol)



Adjusted EBITDA evolution



SG&A as % of net sales evolution

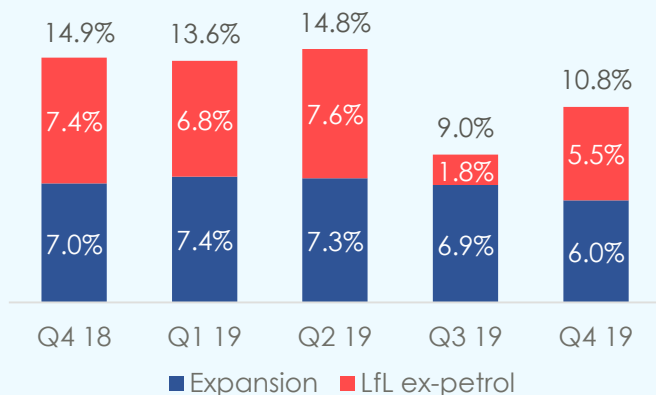


\* In order to make both years comparable, Q4 18 Gross Profit and EBITDA have been adjusted downwards for 9M months of ICMS-ST tax credits booked in Q4 and related to 9M 18. For Atacadão the adjustment of such tax credit was a decrease of R\$ 158 million in gross profit and EBITDA.

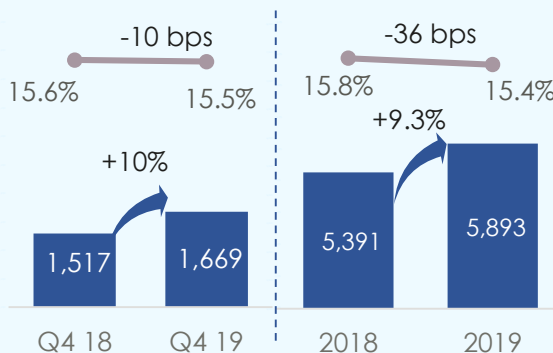
# ATACADÃO: CONTINUED GROWTH AND EXPANSION

- ✓ Price leadership strategy and ability to take advantage of volatile inflation trends generated impressive results in Q4:
  - ✓ Acceleration in sales: 5.5% LfL vs 1.8% in Q3
  - ✓ Gross margin broadly stable even in a more competitive environment
  - ✓ Strong EBITDA growth (12.6%) thanks to cost dilution despite investments in expansion
- ✓ 8 new stores in the quarter and 1 whole sales, achieving the target of 20 openings in 2019 + 1 whole sales

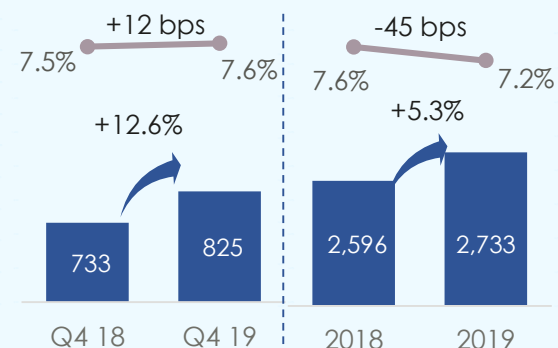
## Sales Performance



## Gross Profit\* (R\$ Mn and % of net sales)



## Adjusted EBITDA\* (R\$ Mn and % of net sales)



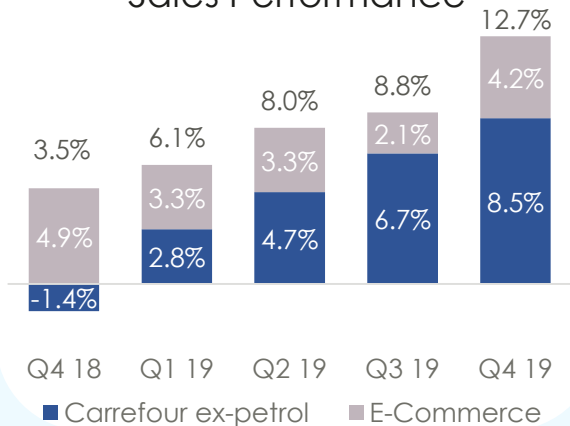
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# RETAIL: STRONG MULTI-FORMAT EBITDA ENABLES ACCELERATION OF OUR E-COMMERCE STRATEGY

- ✓ Highest quarterly increase in LfL in the last five years
- ✓ Strong sales momentum in multi-format (+9.6% LfL) translated into impressive 17% growth in EBITDA thanks to cost dilution
- ✓ E-commerce: Additional investments in Q4 to maintain strong growth in non-food GMV and boost the development of our food e-commerce offer (plus 4 side stores)

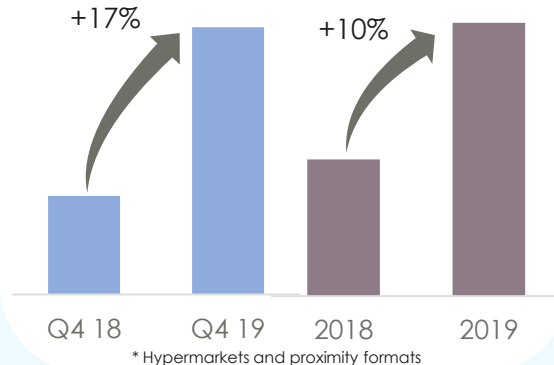
## CARREFOUR RETAIL

### Sales Performance



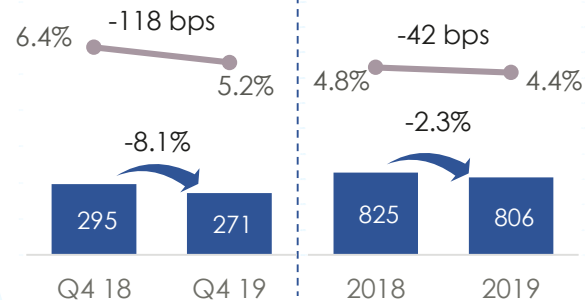
## CARREFOUR MULTI-FORMAT\*

### Adj. EBITDA



## CARREFOUR RETAIL

### Adjusted EBITDA (includes e-comm) (R\$ mn and % of net sales)

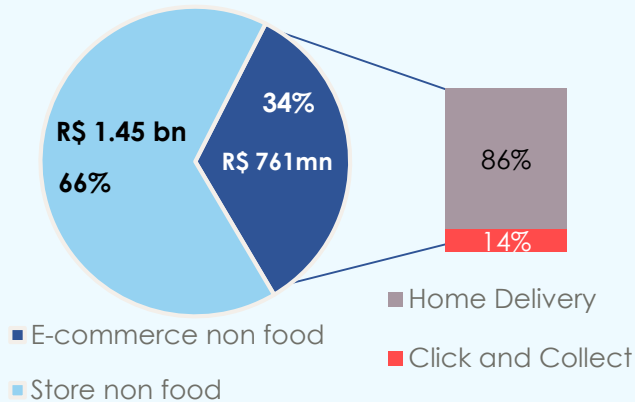


# STRONG MOMENTUM IN E-COMMERCE: INVESTING IN FUTURE GROWTH

## NON-FOOD

- ✓ GMV 2019: R\$ 2 billion (+49% growth)
- ✓ Marketplace accounted for 21%, with 92% growth in 2019
- ✓ E-commerce already represents 34% of total group sales

Non-food sales in Q4 19



### Building up capacities



Marketplace  
3,756 sellers  
~4 million SKUs

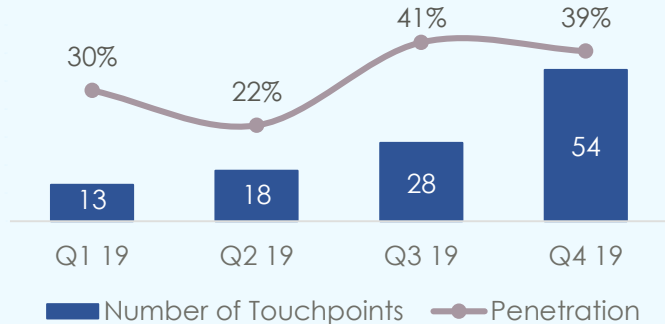


New Distribution Center in Cajamar

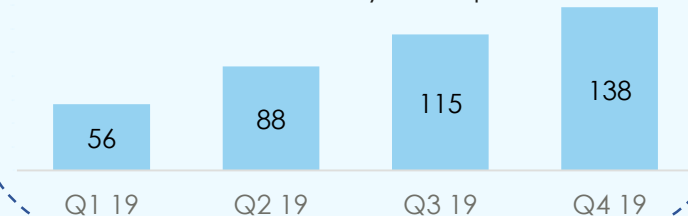
## FOOD

- ✓ GMV 2019: R\$209 million +398% growth

### Drive and Click & Collect Food



### Last-mile delivery touchpoints



# BANCO CARREFOUR: A RECORD-BREAKING YEAR

- ✓ Acceleration in growth of Atacadão card, which already contributes 28% of total billings
- ✓ Black Friday: +20% growth in transactions and +25% in average ticket
- ✓ +264.3% increase in accounts sold by digital channel
- ✓ +17.3% in active portfolio y/y



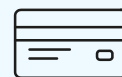
**34.8%\***  
efficiency



**+31.4%** in  
insurance sales



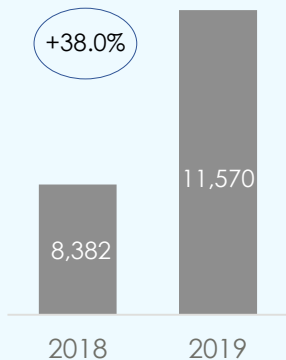
**+15** points at  
Carrefour



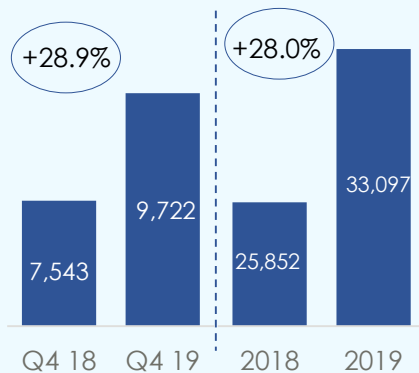
**+2.4** million new  
accounts

\* Total general expenses divided by financial margin. In 2018 the ratio was 36.7%

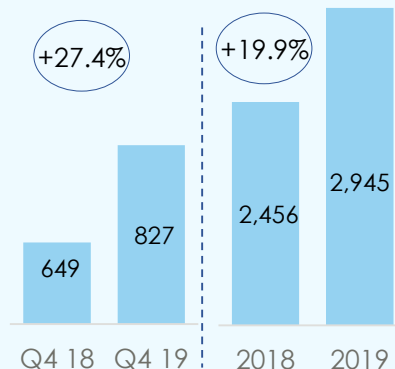
Total Credit Portfolio IFRS (in R\$ Mn)



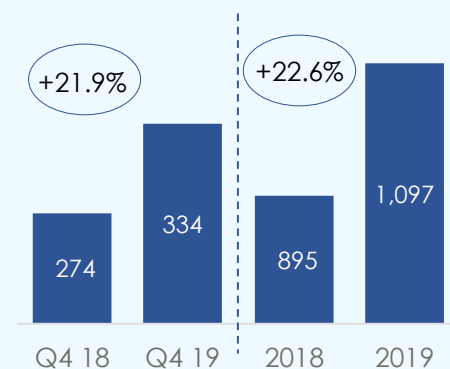
Total Billings (in R\$ Mn)



Total Revenues (in R\$ Mn)



Adjusted EBITDA (in R\$ Mn)





# HEALTHY BALANCE SHEET WHILE INVESTING

## NET DEBT AND LEVERAGE

**R\$2.8 bn**

0.58x net cash/ adj  
EBITDA LTM

**R\$ 253 mn**

Inc. discounted receivables  
0.1x net cash/ adj  
EBITDA LTM

**R\$482 million**  
**Dividends in 2019**  
(R\$470mn already paid)



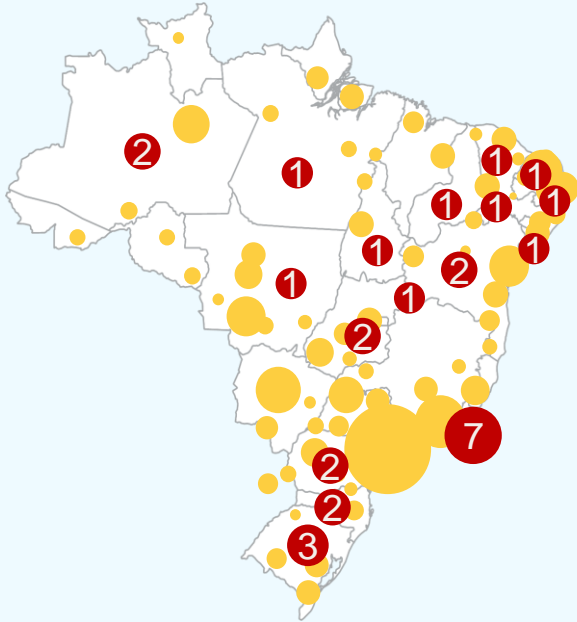
**S&P rating**  
**AAA**



**EUR450 million committed  
credit line as a guaranteed  
alternative to finance Makro  
acquisition at competitive  
cost**

# MAKRO: 1.5 YEARS OF EXPANSION IN PRIME LOCATIONS

Strong geographic complementarity



● Atacadão ● Acquired stores



**30 stores**

(22 fully-owned and 8 rented)



**14 gas stations**



**165,000 m<sup>2</sup>**  
of sales area

**+14%**  
of sales area



**186**

(Stores 2019)



**20**

2020 organic expansion



**makro**

**30\***

(Stores)



**236**

**+27%**  
Growth

**Transaction value of 1.95 billion Reais**

\* Subject to CADE's approval

# MAKRO: AN ACCRETIVE TRANSACTION

## makro STORES AS IS

## POST RAMP-UP

## ATACADÃO KPIs

### Gross sales

2.8 billion reais  
~R\$ 16,000/m<sup>2</sup>

+60% sale increase  
~R\$ 26,000/m<sup>2</sup>



~R\$ 36,000/m<sup>2</sup>

### Procurement Scale

68 stores  
(out of which we will acquire 30\*)

Benefit from economies of scale



187 stores  
28 wholesale

### SG&A

Lack of Optimization

Comparable to Atacadão



8.3% of net sales

### EBITDA

Improvement Opportunities

Comparable to Atacadão



7.2% of net sales  
6.5% of gross sales



• Closing Remarks

# DISCLAIMER

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