



**GRUPO
CARREFOUR
BRASIL**

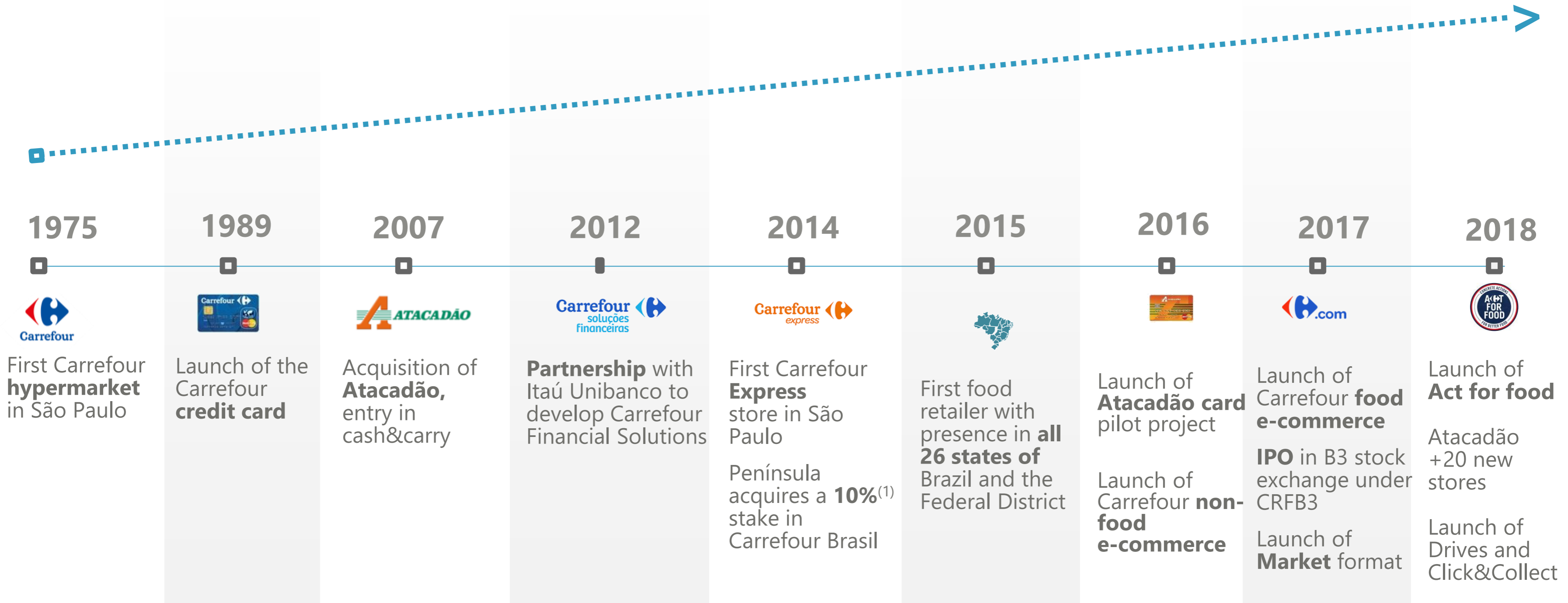


**Institutional
Presentation
March, 2019**



CARREFOUR BRASIL

A LONG TRACK RECORD OF GROWTH IN BRAZIL

















Note: (1) Península acquired an additional stake of 2% in 2015

GRUPO CARREFOUR: MULTIFORMAT AND OMNICHANNEL

TO ADDRESS ALL CONSUMER NEEDS

MULTIFORMAT AND OMNICHANNEL

Cash&Carry	Hipermarket	Supermarket	Compact Super	Express	Gas Station and Drugstore	E-Commerce
						
						
Every day low price EDLP	Everything under one roof at the right price	Weekly replenishment and replacement purchases	Weekly or daily replacement purchases	Daily and emergency purchases	Complementary services	The broadest assortment any time, any place and on any device

Stores
12M18

166

100

39

10

120

Gas Stations: 74
Drugstores: 124

SKUs

Up to 8,600

Up to 41,000

Up to 18,000

Up to 7,000

Up to 4,500

Up to 1,000,000

Average
sales area

6,400 m²

7,000 m²

1,600 m²

500 m²

190 m²



Carrefour
soluções
financeiras



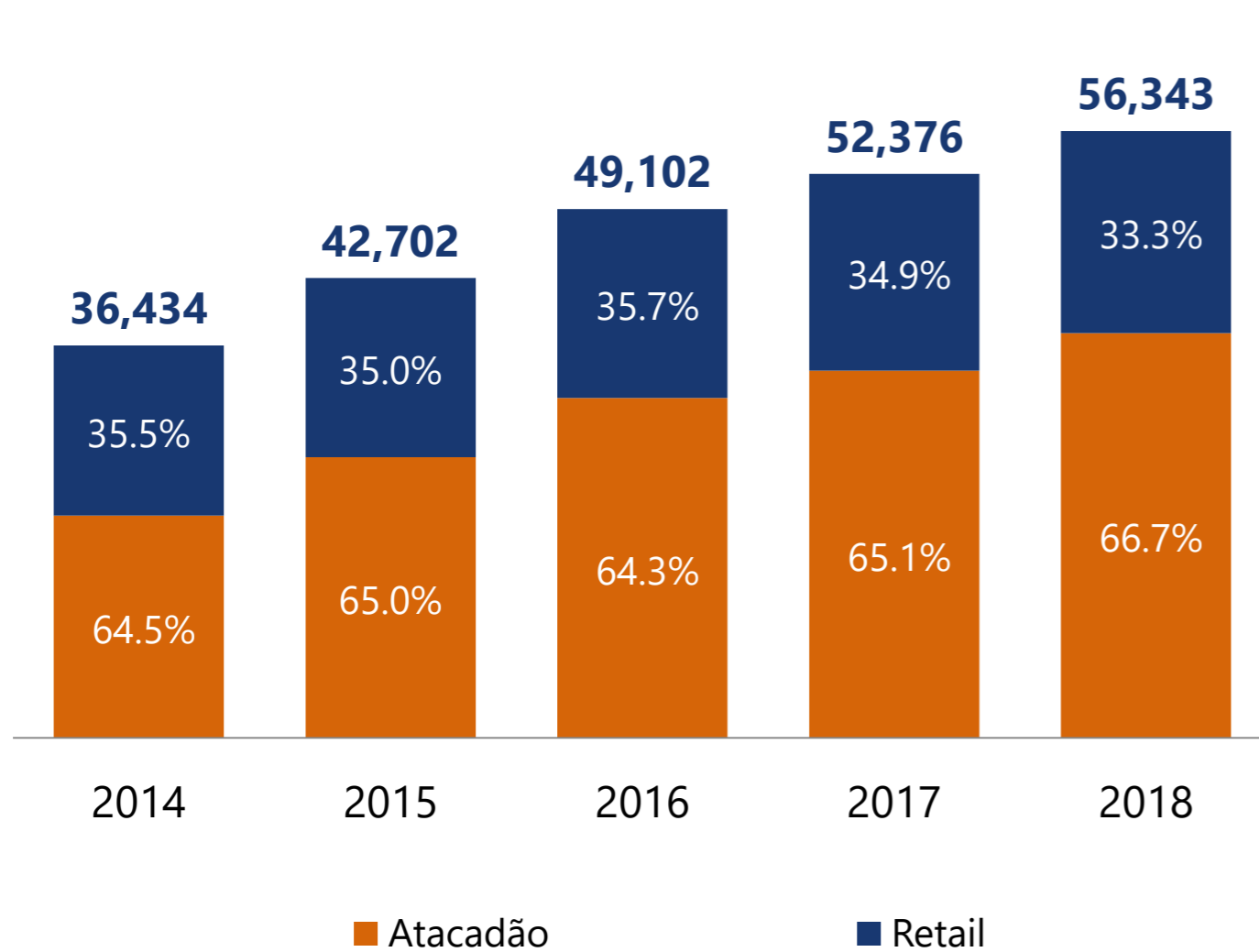
Carrefour

STRONG SALES AND EBITDA TRACK RECORD

PROFITABLE GROWTH

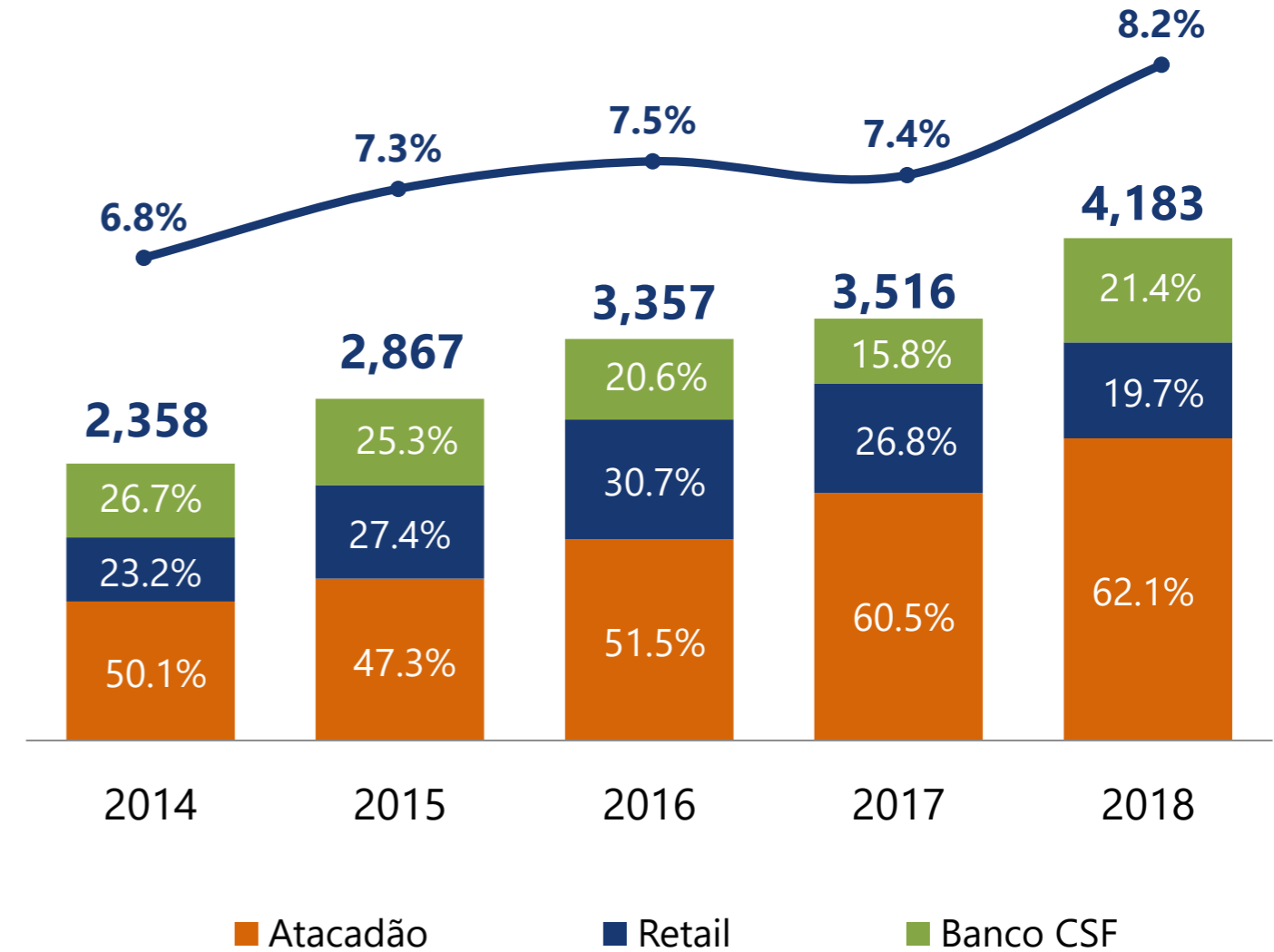
GROSS SALES (R\$ million)

CARG: 12%
2014-2018



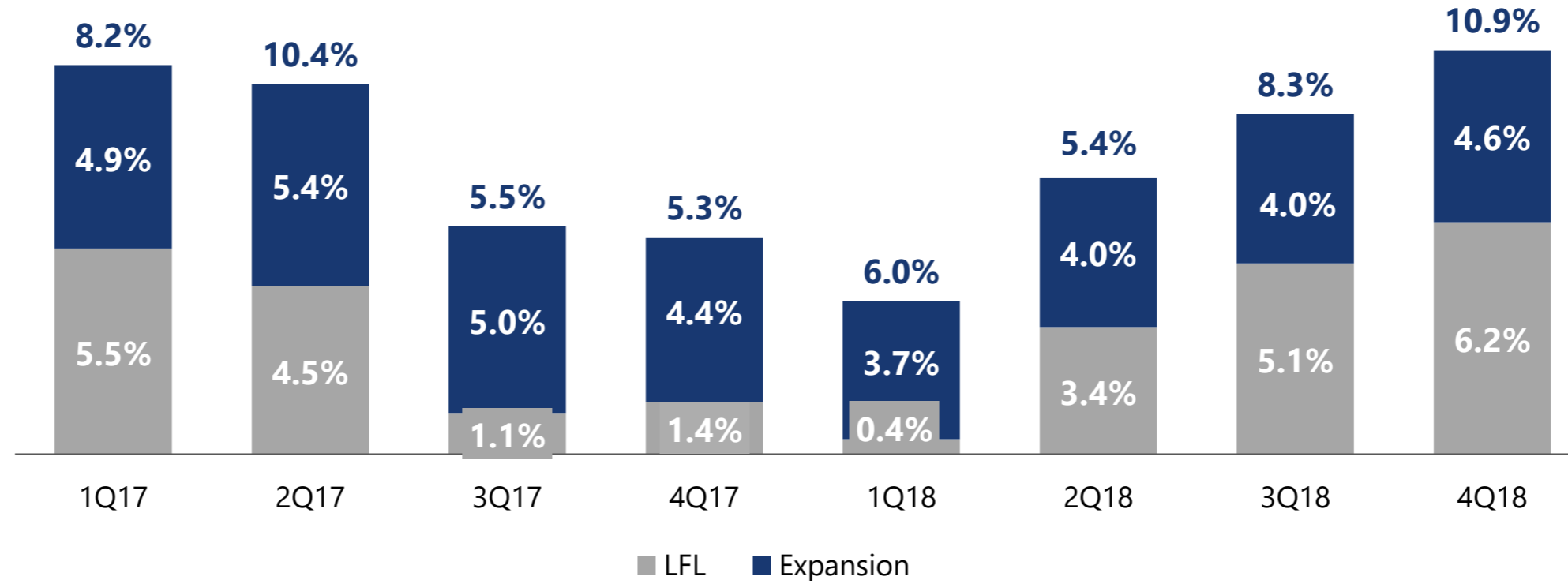
ADJUSTED EBITDA (R\$ million and % of net sales)

CARG: 15%
2014-2018

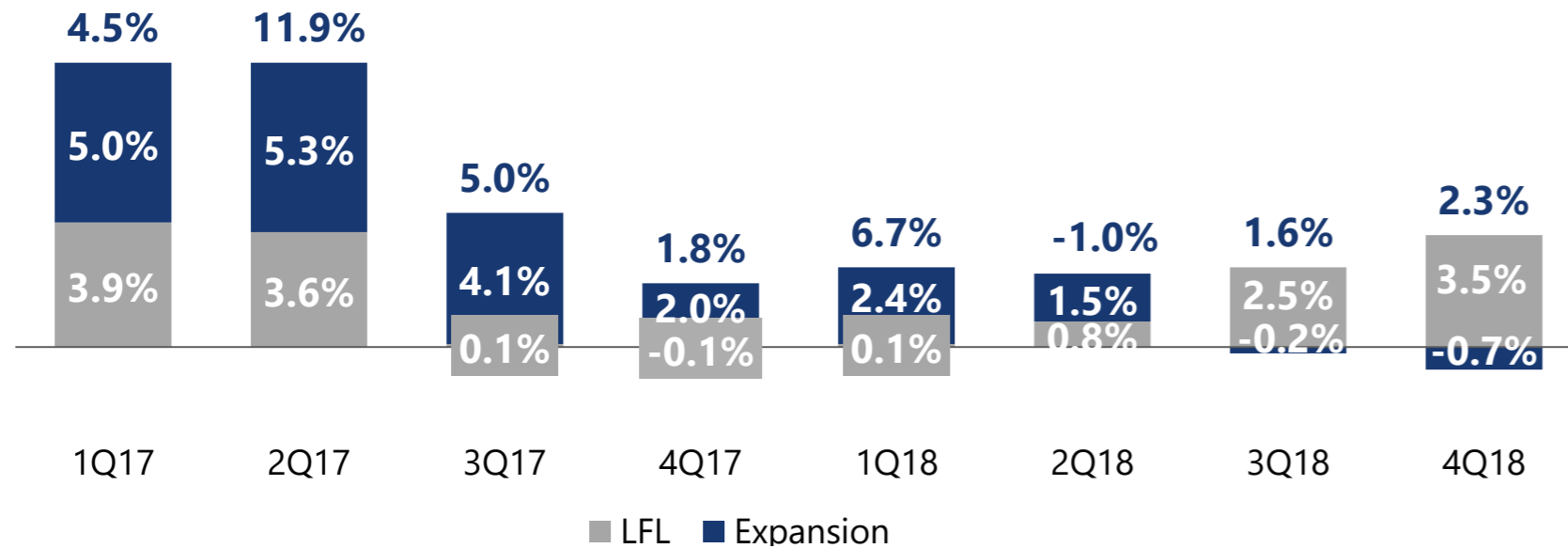


GRUPO CARREFOUR BRAZIL ¹

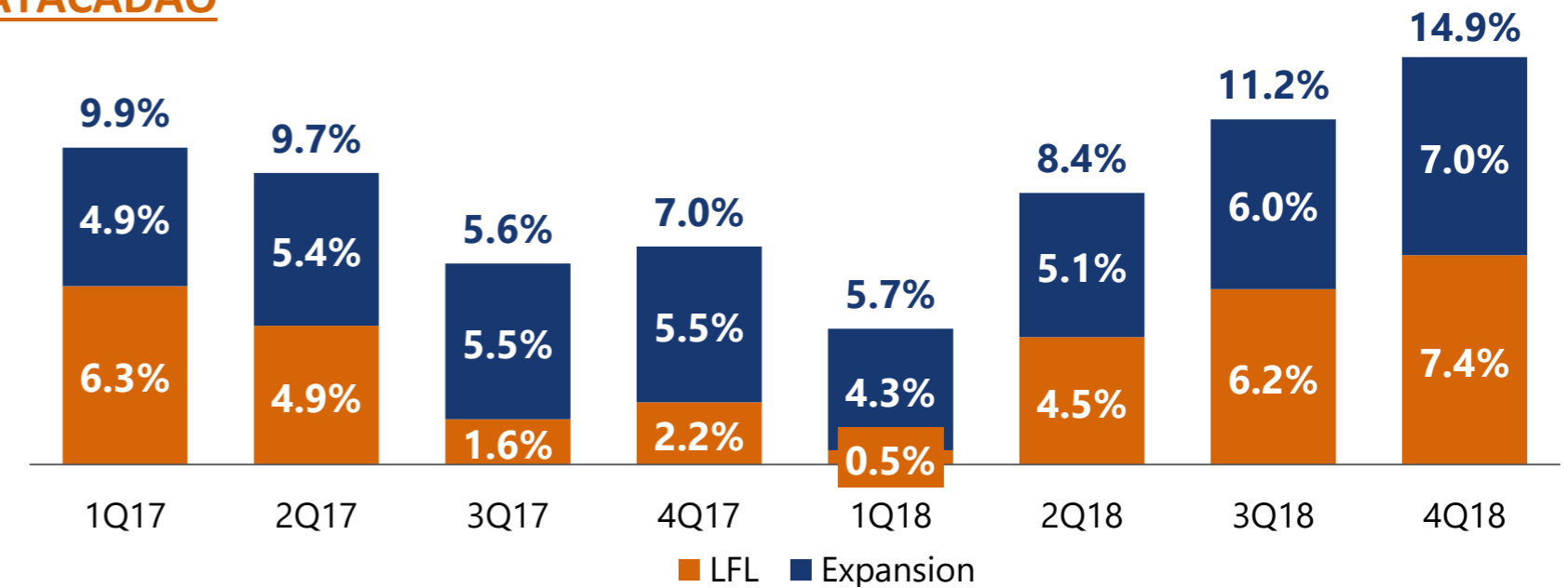
Sales GRP CRF Excl. Petrol



CARREFOUR RETAIL



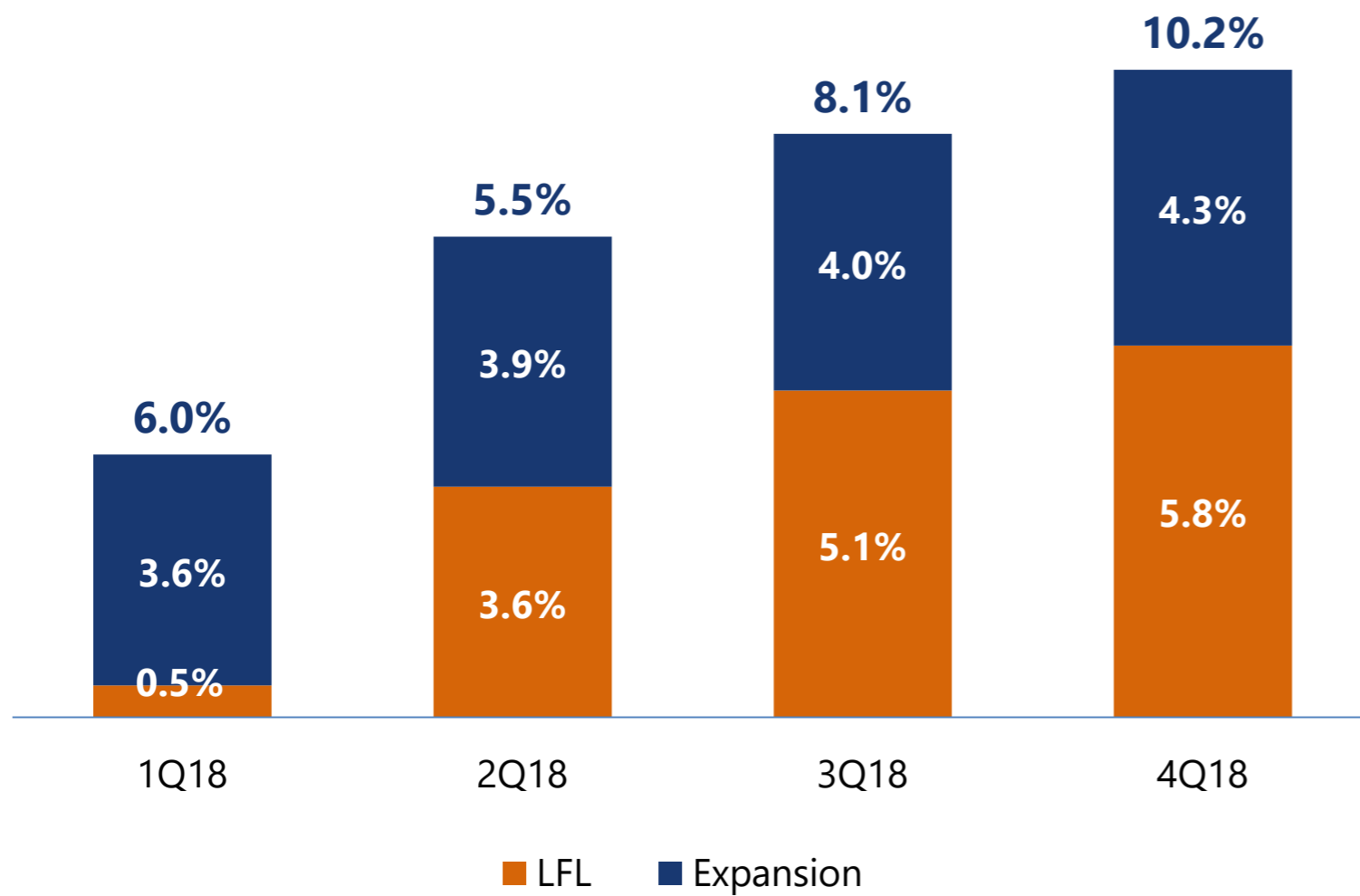
ATACADÃO



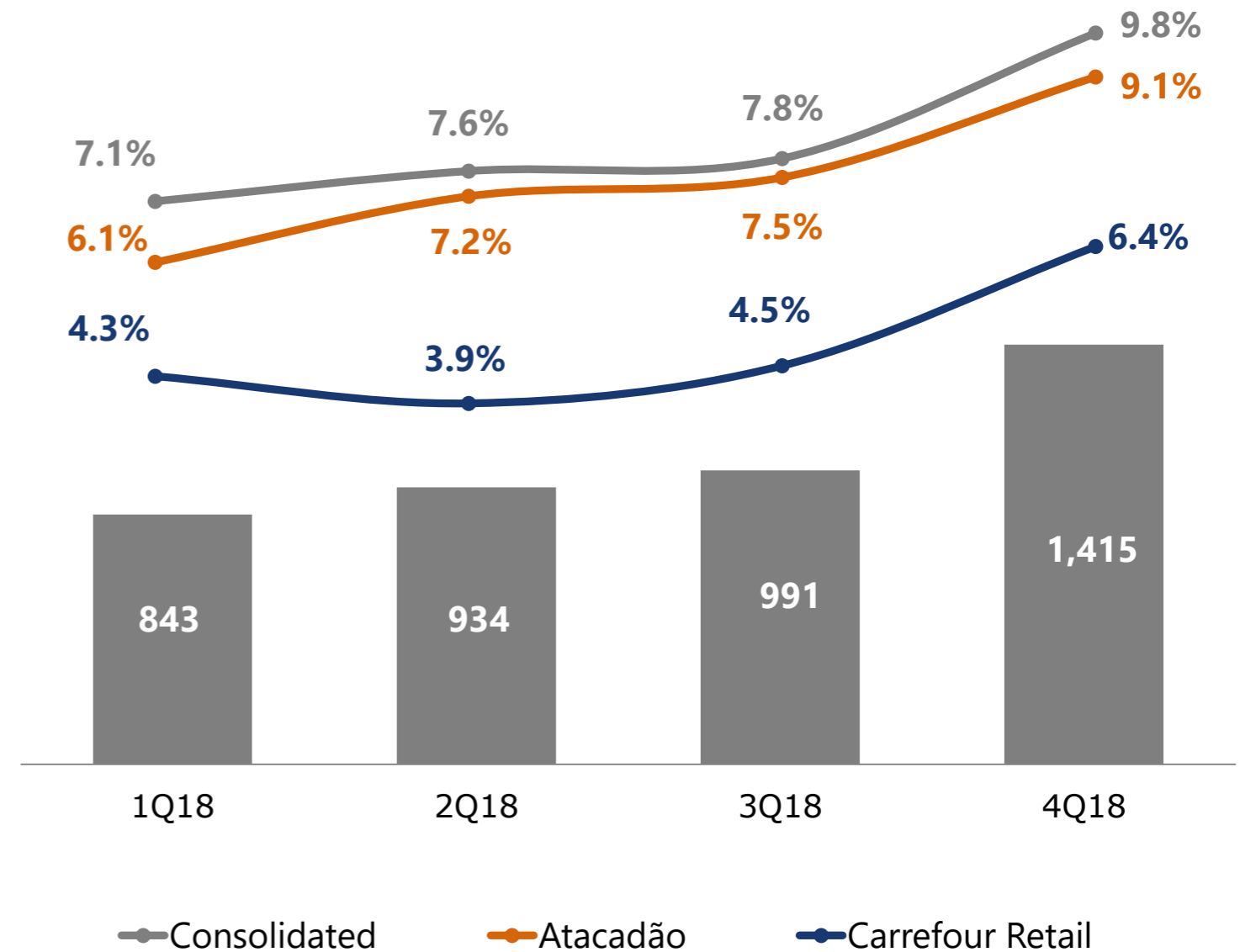
1 – Sum difference is due to calendar and maintenance effect;

CONSISTENT ACCELERATION IN SALES AND EBITDA THROUGHOUT THE YEAR

SALES GROWTH¹ (R\$bn)



ADJUSTED EBITDA² (R\$ million and % of net sales)

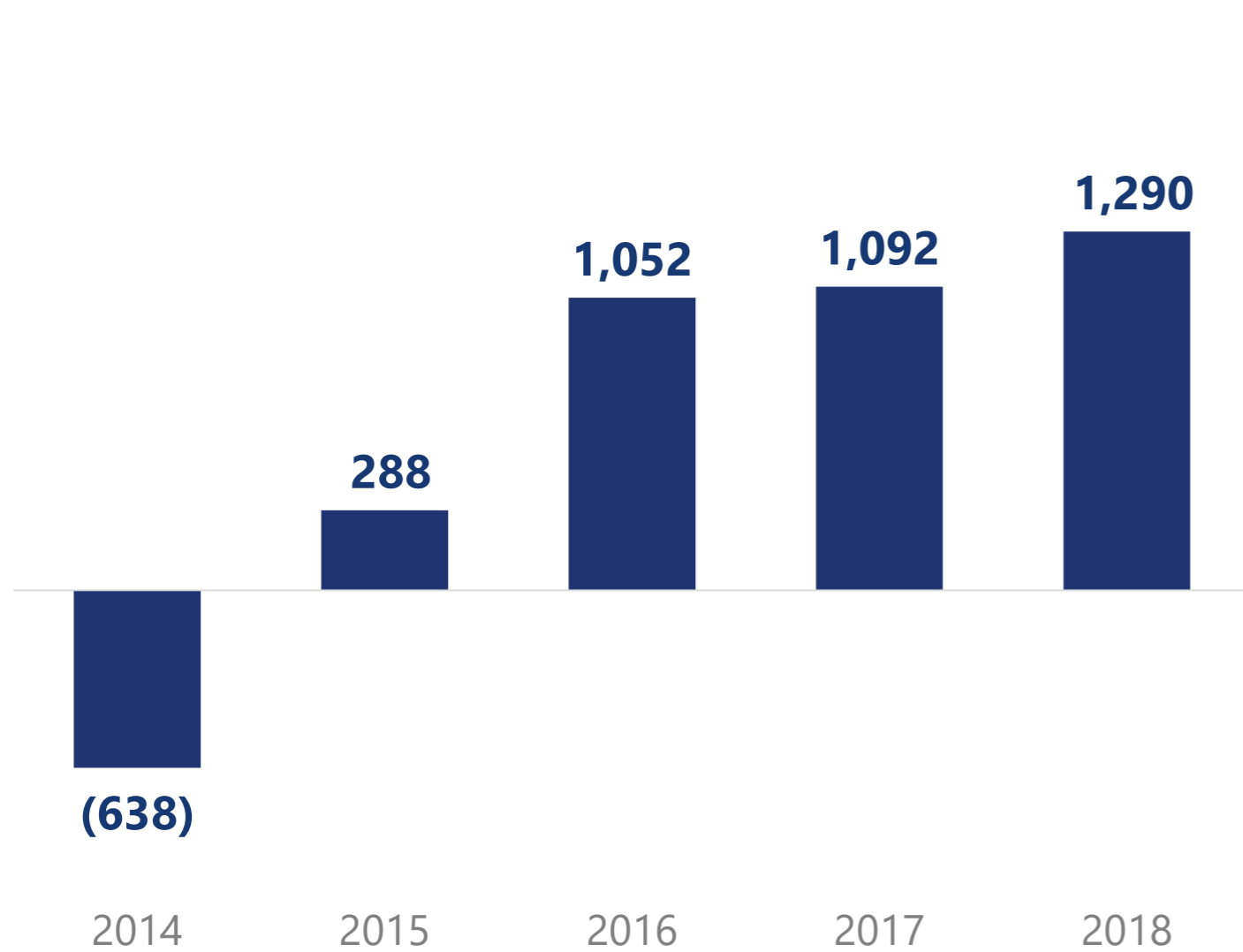


1 – Sum difference is due to calendar and maintenance effect;

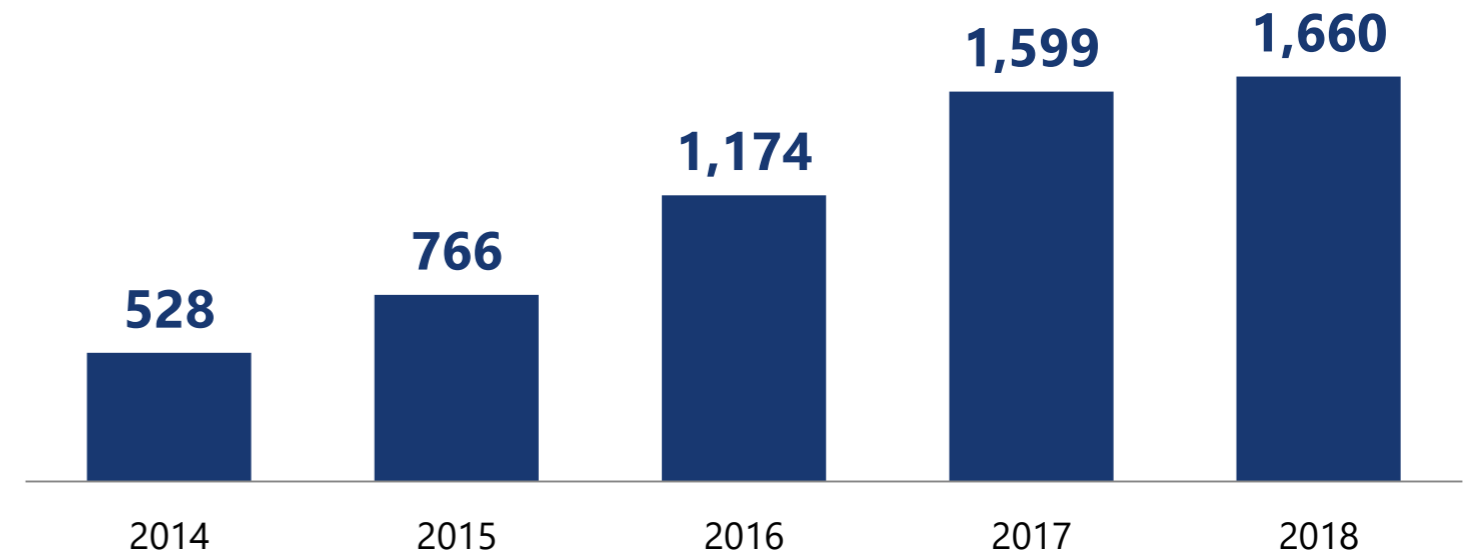
2 – In order to make both years comparable, Q3 2017 Gross Profit and EBITDA have been adjusted downwards for 6-months ICMS-ST tax credits booked in Q3 and related to H1 2017. For Carrefour the adjustment of such tax credits was a decrease of R\$ 22 million in gross profit and EBITDA, respectively, while for Atacadão the reduction was of R\$ 75 million in the same lines. These credits relate to the STF decision regarding presumed margin at the end of 2016 and recognized for the first time in September 2017, retroactively to January 1st. Accumulated 9 months numbers are fully comparable. In Q4 and FY2018 Adjusted EBITDA includes ICMS-ST tax credits of R\$210 million for states other than São Paulo at Atacadão

SOLID FREE CASH FLOW GENERATION AND NET INCOME GROWTH

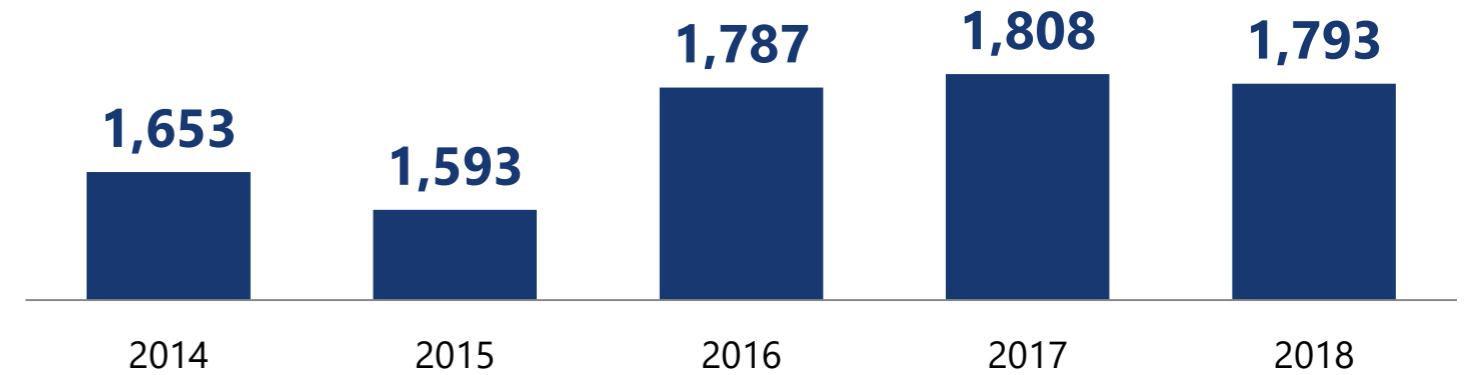
FREE CASH FLOW (R\$mm)



NET INCOME – GROUP SHARE (R\$mm)

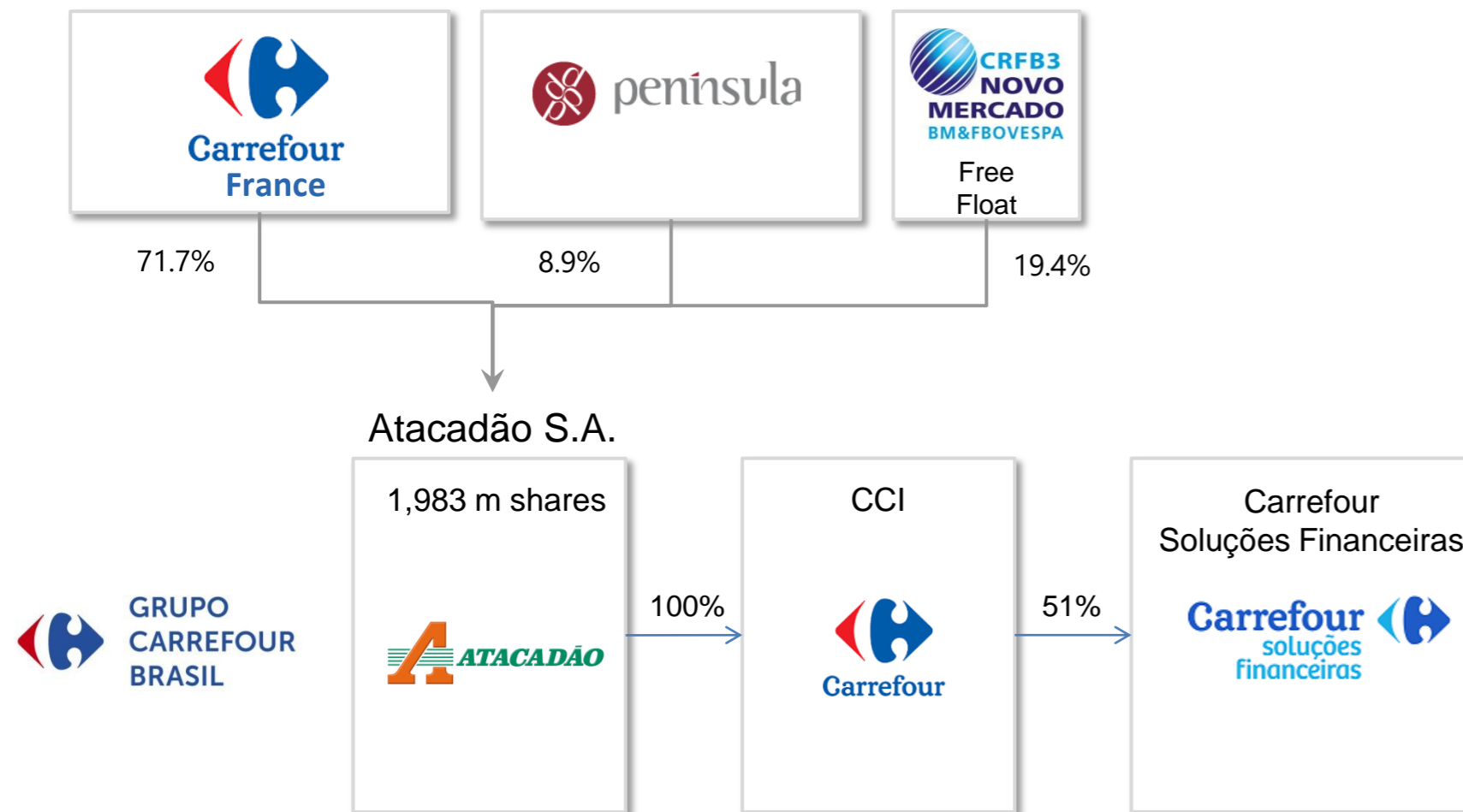


CAPEX (R\$mm)



ONE OF THE BIGGEST IPOs OF BRAZIL IN THE LAST YEARS

Shareholder Structure



Grupo Carrefour Brasil raised up to R\$ 5.1 billion⁽¹⁾ on July 20 at R\$15.00 per share. This was one of the biggest IPOs in Brazil since 2013.

Grupo Carrefour Brasil is among Brazil's top 20 market caps on B3.

The proceeds from the IPO strengthened Grupo Carrefour Brazil's balance sheet, providing greater financial flexibility.

Carrefour Group remains Grupo Carrefour Brazil's majority shareholder with about 72% participation.

Peninsula sold 2.55% via blocktrade on B3 at R\$15.94 in November, 2018 reducing their stake to 8.9%.

"CARREFOUR 2022" - TRANSFORMATION PLAN



Deploy a simplified and open organization

- ✓ Improve HQ efficiency
- ✓ Partnerships with specialists and sector leaders
- ✓ Attract and develop talents



Achieve productivity and competitiveness gains

- ✓ Improve in-store productivity across formats, including the use of new technologies
- ✓ Supply chain efficiency
- ✓ Improvement of direct and indirect purchases negotiation
- ✓ Optimize asset portfolio



Create an omnichannel universe of reference

- ✓ Hypermarket price repositioning
- ✓ Food e-commerce development aiming to be national leader
- ✓ Roll out of non-food e-commerce with the ambition of being among the Top 5 players in Brazil
- ✓ Leverage CRM data and analytics
- ✓ Digital and store integration
- ✓ Open 20 Atacadão stores per year to consolidate leading market share
- ✓ Reach 2 million Atacadão cards by year end 2018



Overhaul the offer to promote food quality

- ✓ Be a reference in fresh products
- ✓ Private label target to reach 15% of FMCG and 28% of fresh product sales
- ✓ Local products share increase
- ✓ Grow share of local products

What is Carrefour doing in **Food Transition**

Sabor & Qualidade

New brand of sustainable, socially responsible and traceable products.

Assortment

1,700 health and organic products on the same space

Private Label

Review of the ingredients of more than 400 items to improve the nutritional content

Fruits and Vegetables

Retailer with the highest recommended rate on right use of agricultural pesticides

Calves

Support to 450 producers for sustainable production

Eggs

Sale of eggs from 100% cageless hens by 2028

Fish

Partnership with SeaFood Watch in the study of endangered species in Brazil



BUSINESS UNITS

1

CASH AND CARRY



2

RETAIL



3

E-COMMERCE



4

BANCO CSF



5

PROPERTY



BUSINESS UNITS

1

CASH AND CARRY



2

RETAIL



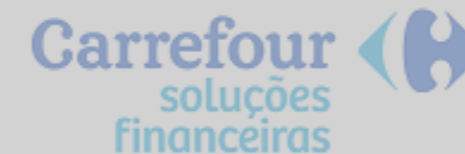
3

E-COMMERCE



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PROPERTY



ATACADÃO - BUSINESS MODEL

LOW PRICE, LOW COST AND EFFICIENT OPERATION



WINNING MODEL

- **Spot negotiations** with suppliers, no contracts
- Focus on **basic products**, no specific loyalty to brands
- **Strong commercial** business model

LOW COST

- **Lean and efficient** operations
- **Rapid and organized** execution
- **Simple and objective** way of doing business

COMPETITIVENESS

- Lowest **price everyday (EDLP)**
- High **sales volume**
- **Focused, efficient and pleasant** shopping experience

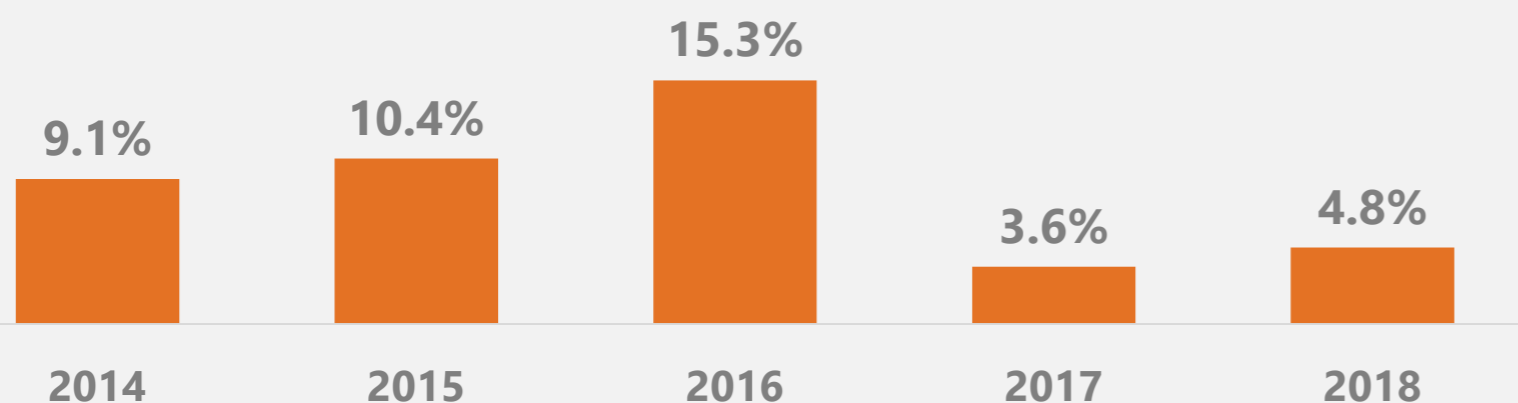
SIMPLE, FOCUS ON EXECUTION AND CLOSE RELATIONSHIPS

- **Lean** organization
- Culture of **responsibility** among employees
- Dissemination of **low-cost mentality**

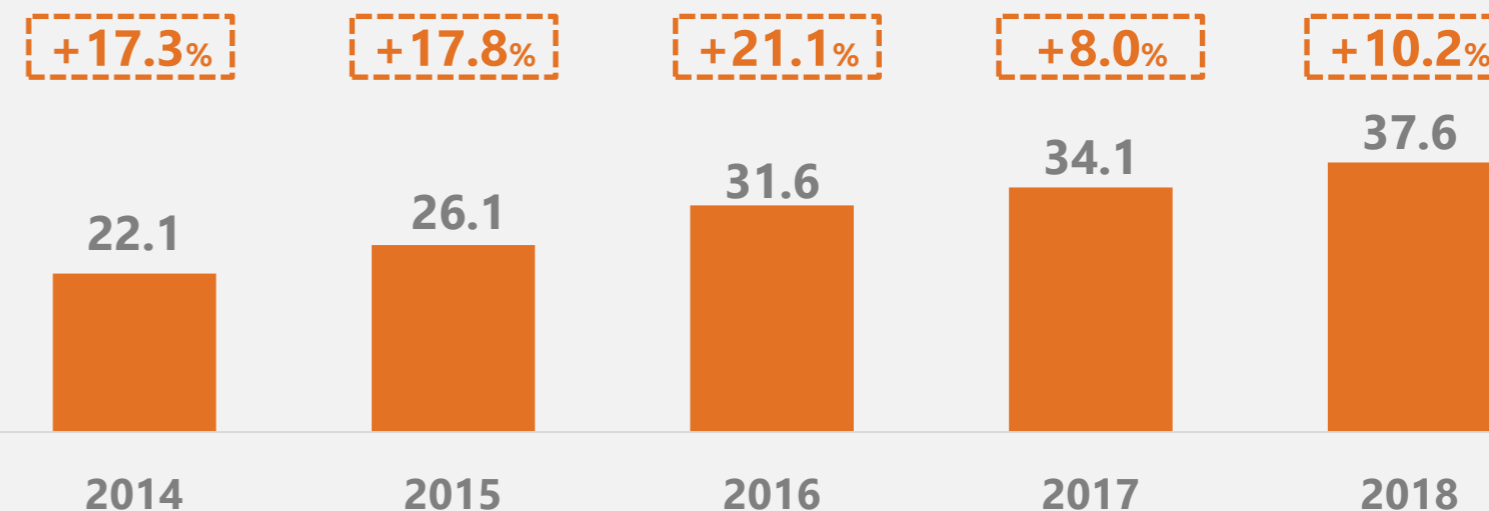
ATACADÃO - SOLID SALES PERFORMANCE AND PROFITABLE GROWTH

DRIVEN BY STRONG EXPANSION AND LIKE-FOR-LIKE

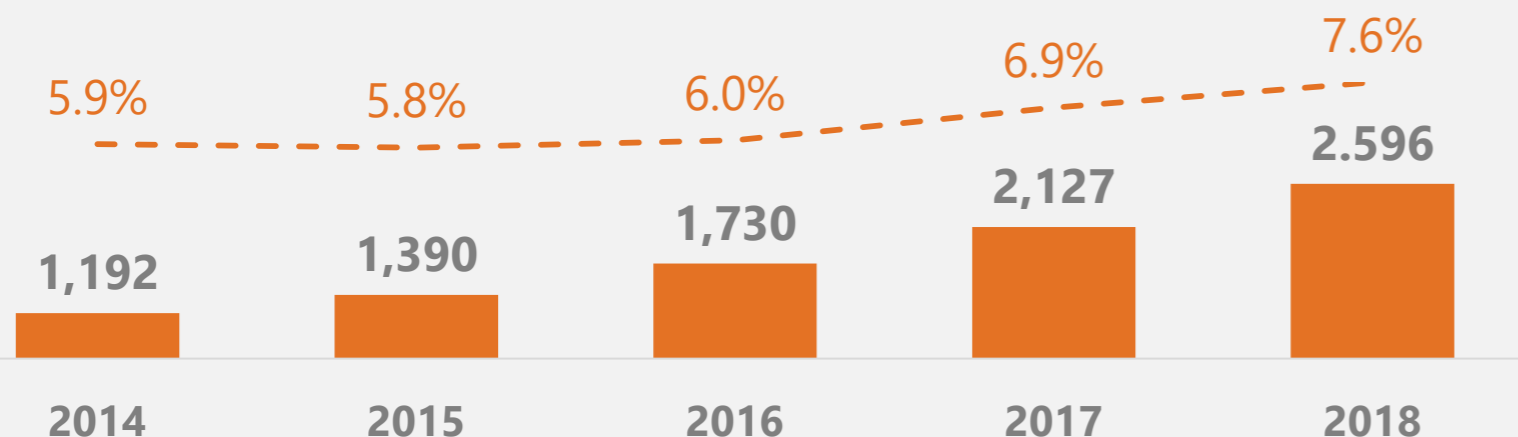
Like-for-like growth (%)



Gross sales (R\$ million)



Adjusted Ebitda¹ (R\$ million and % of net sales)



- Continuous volume gains, LFL growth above food inflation
- LFL started to recover in 2018 as deflation ended in June
- Acceleration to 20 stores from 2018 onwards
- EBITDA doubled to R\$2.6 bn in 4 years
 - ~6% historical EBITDA margin is now above 7.5% on recurring tax credits

¹ In Q4 and FY2018 Adjusted EBITDA includes ICMS-ST tax credits of R\$210 million for states other than São Paulo at Atacadão

STRATEGIC PILLARS TO SOLID GROWTH AHEAD



1

**Accelerate
organic
expansion**
(+20 stores p.y.)

2

**Leverage
Atacadão
credit card**

3

**Maintain the
commercial
model - EDLP**

4

**Solid financial
performance**

BUSINESS UNITS

1

CASH AND CARRY



2

RETAIL



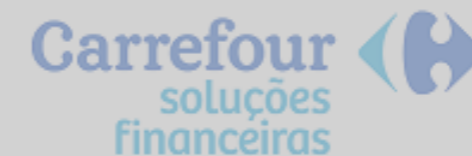
3

E-COMMERCE



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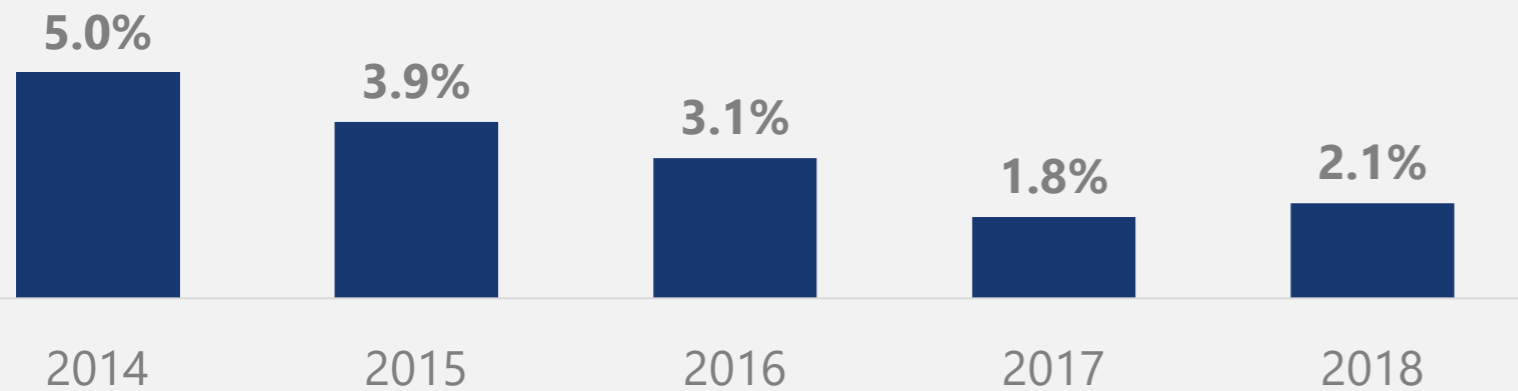
PROPERTY



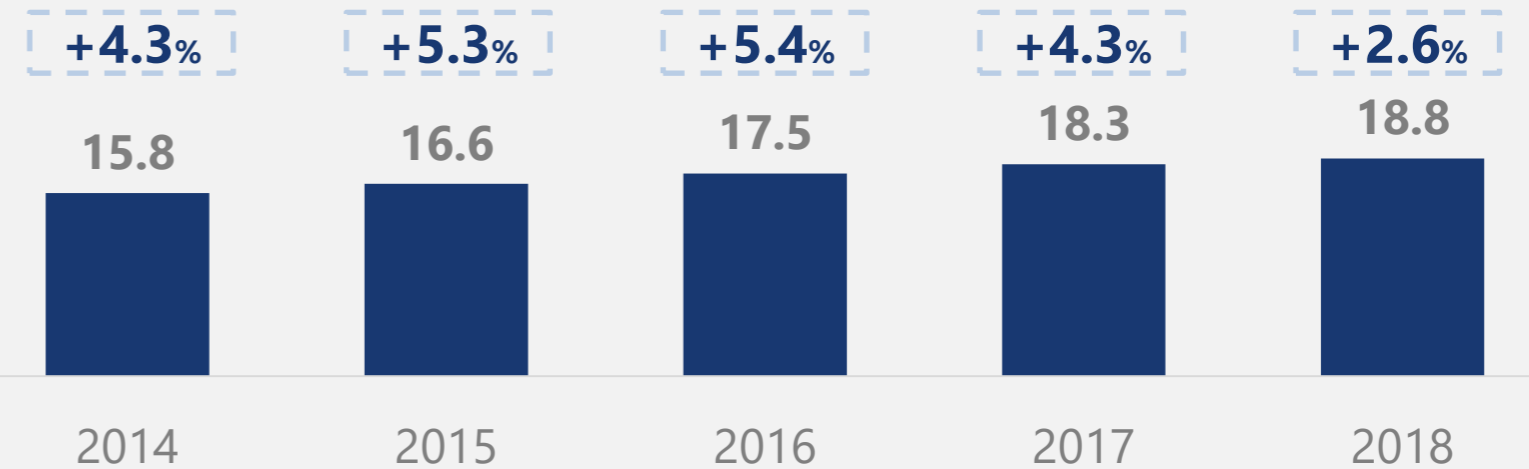
RETAIL - A ROBUST MODEL ACROSS THE CYCLE

DESPITE ECONOMIC SLOWDOWN AND STRONG FOOD DEFLATION

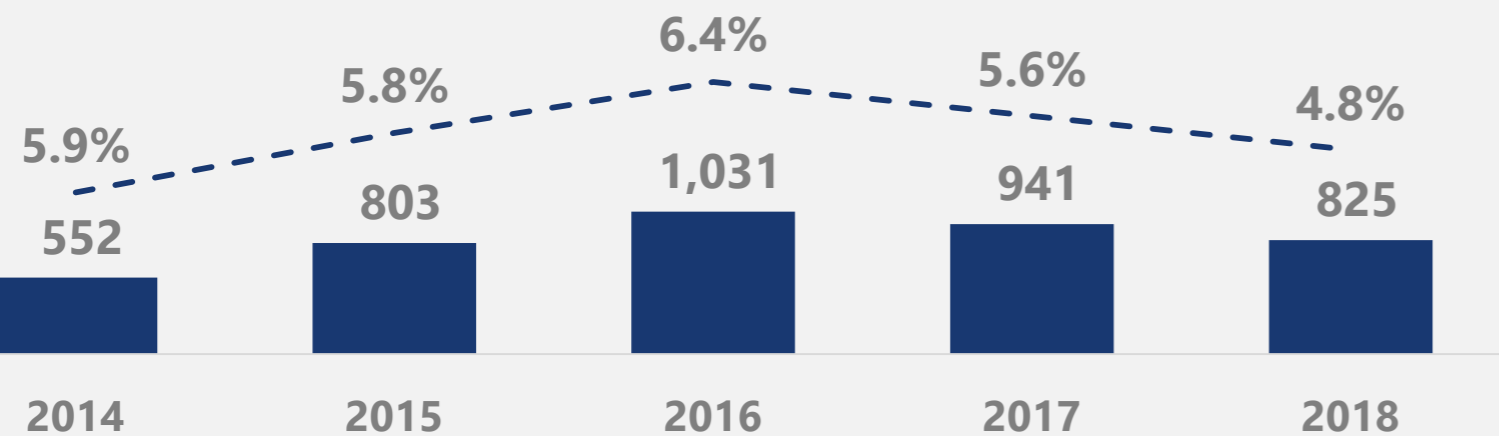
Like-for-like growth ¹(%)



Gross sales (R\$ billion)



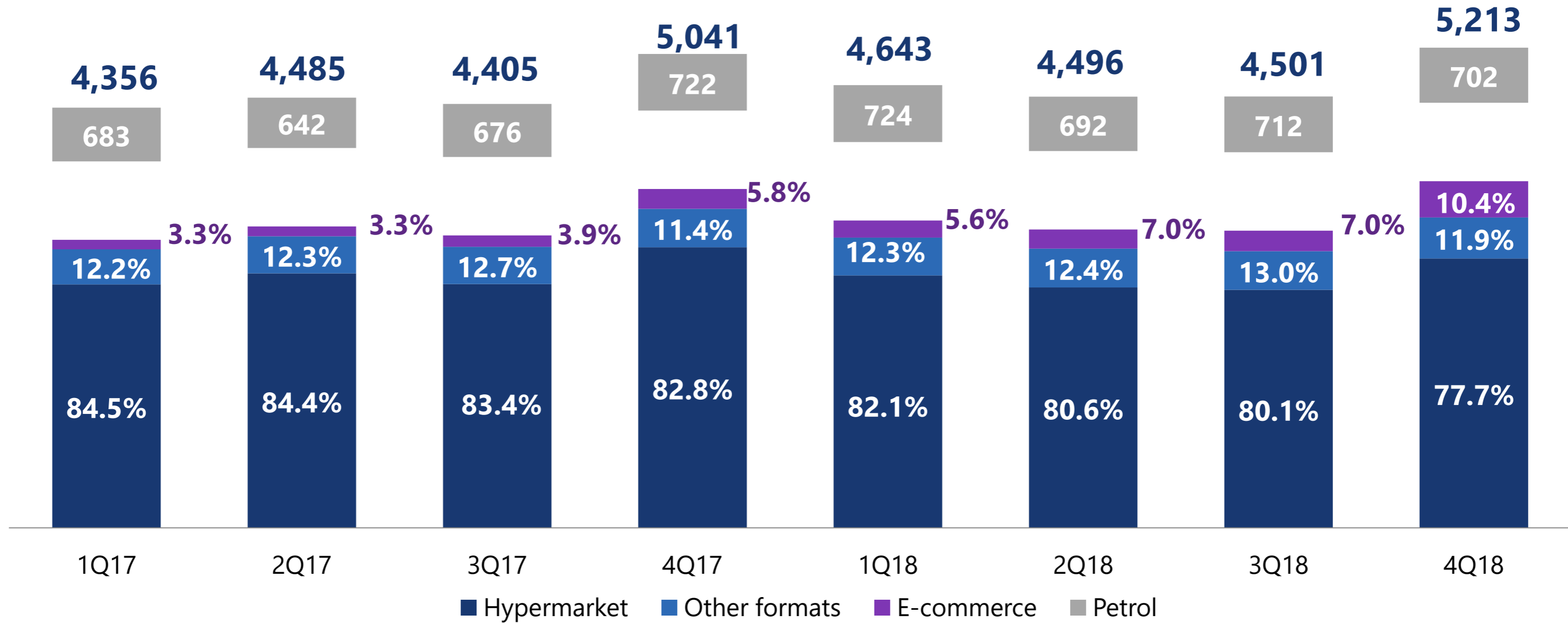
Adjusted Ebitda (R\$ million and % of net sales)



- Gross sales reflects **expansion** in proximity formats (Market and Express), end of food deflation and **e-commerce** performance which represented ~10% of Carrefour sales in Q4
- **EBITDA** and **EBITDA margin** temporarily impacted by e-commerce investments, World cup mix-effect, repositioning of SP hypermarkets and food deflation for half of the year

1 – Ex-petrol

RETAIL: E-COMMERCE FAST GROWTH IN TOTAL SALES



HYPERMARKET: COMERCIAL OFFER REPOSITIONING IN 23 STORES

Background:

- ✓ **Strong competitive environment in São Paulo**, situation got worse over the last 3 years as a result of economic scenario

Answer: **Adapt the hypermarket commercial proposition in São Paulo**, with

- ✓ **Adjustment of assortment**
- ✓ **Price reduction, with permanent decrease in prices** of very price sensitive categories in food sector
- ✓ Concentrated Project in 23 stores in São Paulo, with **intense communication in POS**



SUPERMARKETS: TRADITIONAL MODEL IN LARGE CONSUMPTION POLES



1

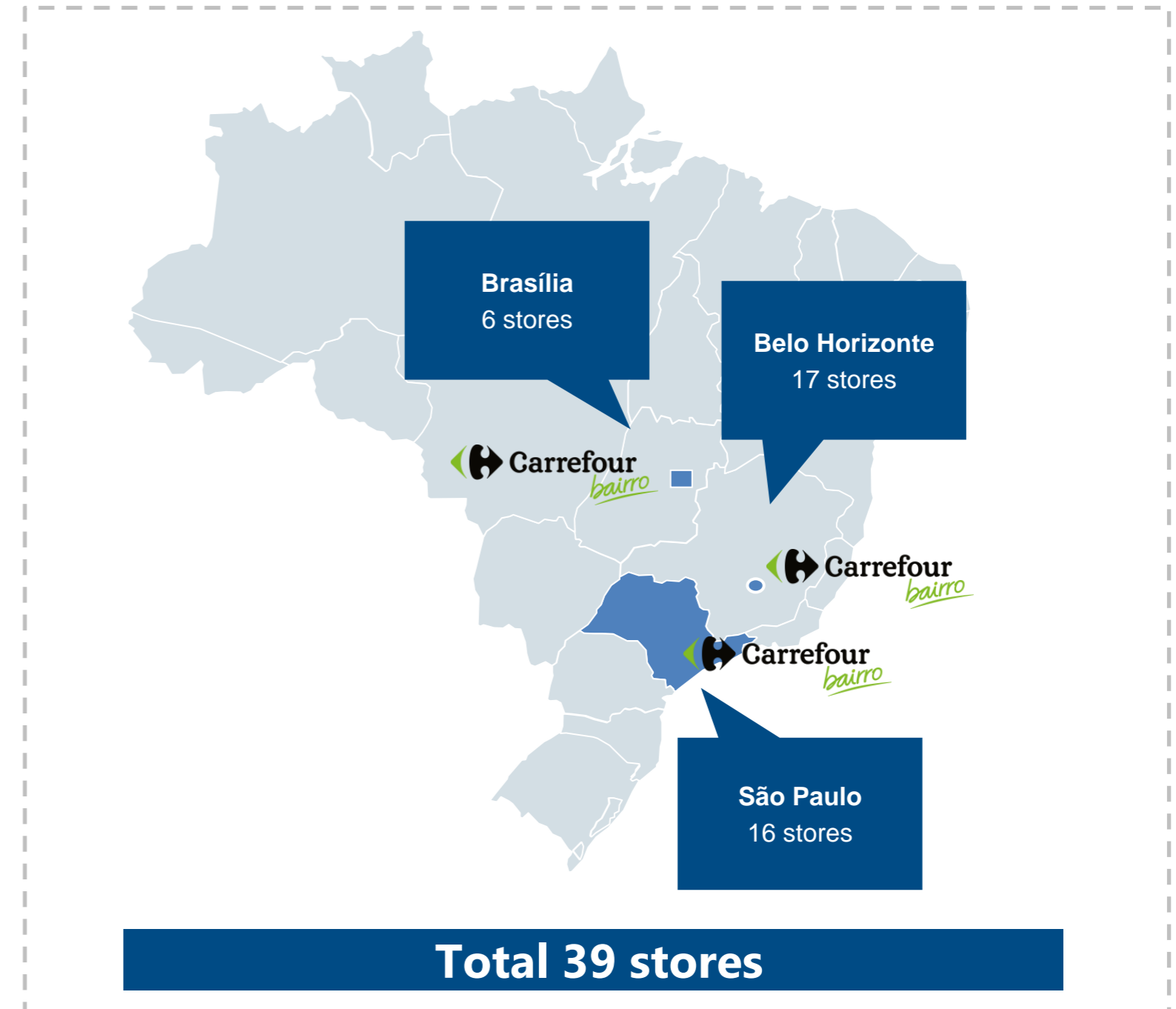
39 stores located in São Paulo, Belo Horizonte and Brasília

2

Complementary daily and weekly purchases focused in perishables and basic items

3

Stores located in high density residential neighborhoods



A NEW BRAND: MARKET

PROJECT HIGHLIGHT



- ✓ **Target customers:** A/B
- ✓ **Venue:** São Paulo city focus in residential verticalized neighborhood
- ✓ **Assortment:** ~7 thousand SKUs
- ✓ **Size:** 500 m²
- ✓ **First store:** Vila Olímpia, launched in December, 2017

Weekly and daily needs purchases, providing delightful experience, with service excellence and reasonable assortment, guaranteeing feasibility and fair price



Supermarket



Proximity



- ✓ Performance above expectations for Market
- ✓ LFL in proximity at double-digit in Q4 2018
- ✓ 9 openings in 2018

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DIGITAL TRANSFORMATION: NEW STRUCTURE



E-COMMERCE: FASTEST-GROWING SEGMENT WITHIN CARREFOUR RETAIL



	Carrefour GMV growth	+110%
	Market growth (E-BIT)	+13%
	Orders	+77%
	Visits	+76% ~44 million
	Average Ticket	+19%
	Marketplace SKUs	~2 million
	Marketplace Sellers	~1,500
	Marketplace Penetration	~20% of GMV

DIGITAL TRANSFORMATION INITIATIVES AT CARREFOUR

OMNICHANNEL



✓ **Click&Collect** represents ~10% of total 1P sales, cross-sell with 1/3 of customers

✓ **Drive service offered in 10 stores**, reaching 21% of food e-commerce orders

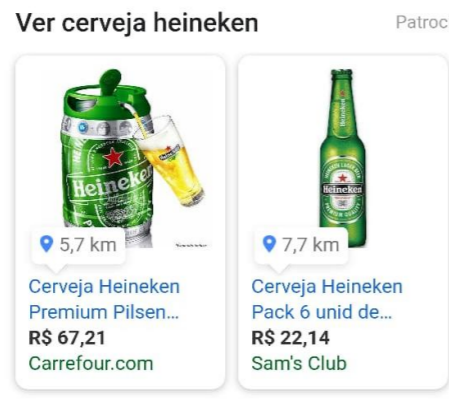


DIGITAL EXPERIENCE

✓ **Partnership with Google:** Pilot with **beacons** with in-store app push alerts for 196 stores



✓ **Expansion of LIA** to 18 stores – online view of store price and availability



PAYMENTS

✓ First pilot of **Scan and Go** in a Carrefour Express store with **good client acceptance** and **app rating**



✓ **QR code payment MVP** via our app in Carrefour stores



DATA AND ANALYTICS



✓ ~3.6 MM additional registered clients

✓ **App: 20% growth in active clients** in the 2nd half, reaching 21% of food e-commerce sales, with better look-and-feel



✓ 56% new clients in specific categories and 85% increase in spending in loyal segment in the food transition campaign

ONE CARREFOUR

✓ Launch of **Carina (chatbot and AI)** nov/18



✓ Unified social media monitoring

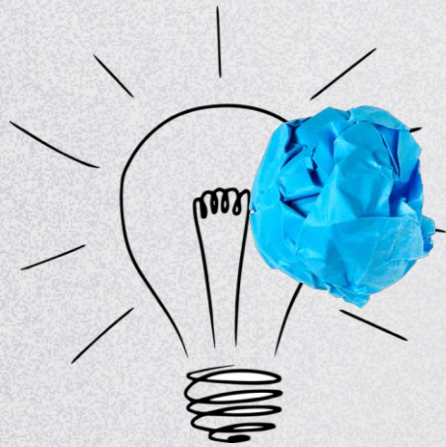


✓ **Google My Business** for store performance monitoring



2019 CeBB MAIN PRIORITIES

e-Business



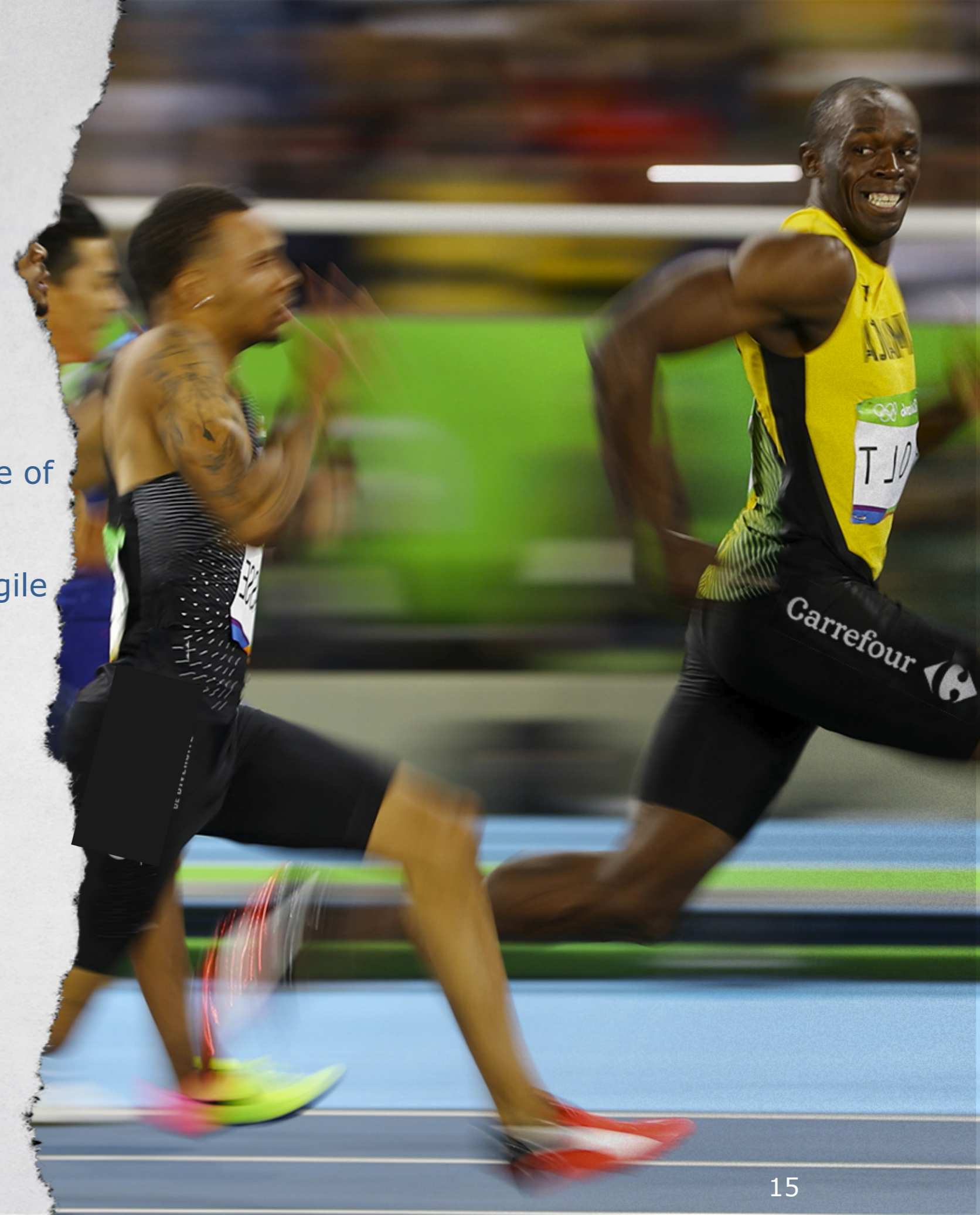
1. Take the lead in food e-commerce
2. Ecosystem – develop a Strong O2O platform (stores + online), accelerate with start-ups
3. Martech and data: leverage strongly the use of data and digital marketing
4. IT – Set up Carrefour lab with a light and agile infrastructure

OMNICHANNEL ACCELERATION BREAKING THE WALLS

1. Structure teams
2. Governance, KPIs, business and customer indicators
3. New way of working, new results
4. Test culture, learn and scale, fast

OTHER KEY INVESTMENTS

1. Startups
2. Strategic Partnerships



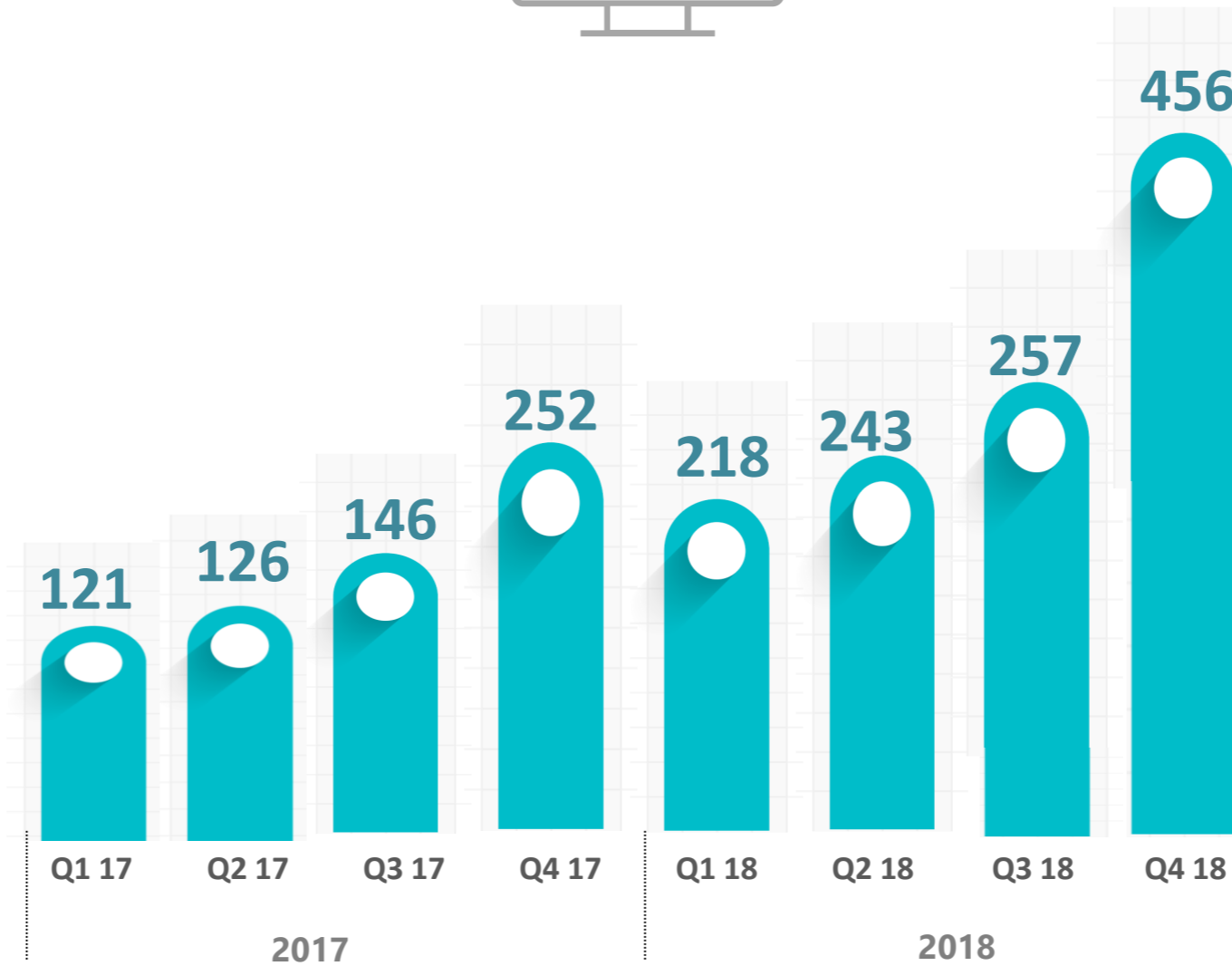
E-COMMERCE NON-FOOD HIGHLIGHTS

Analytical Data (1P + 3P)

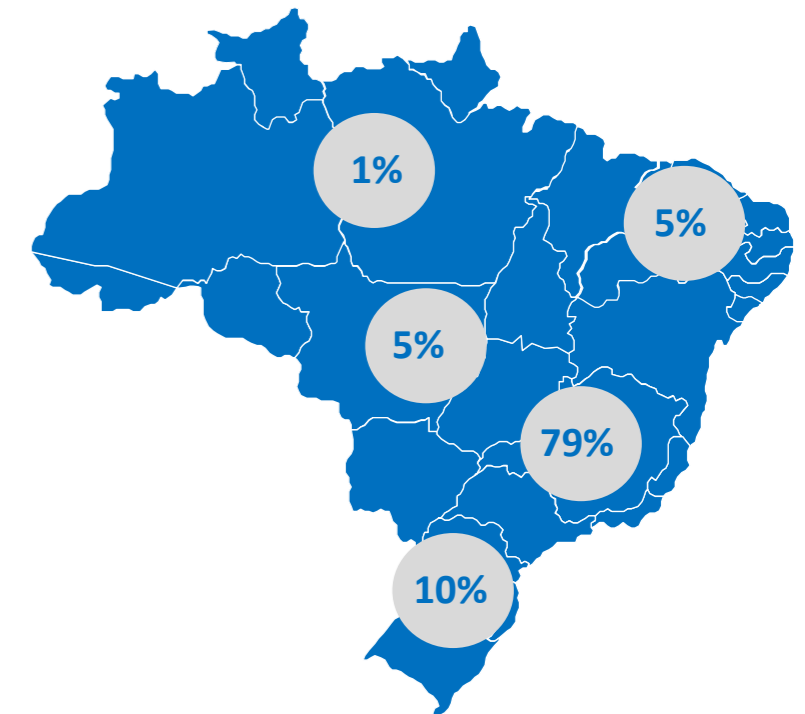


	2017	2018
Visits (million)	76	127
Conversion Rate	1.4%	1.6%
Orders (million)	1.1	2.0
GMV (BRL million)	671	1,412

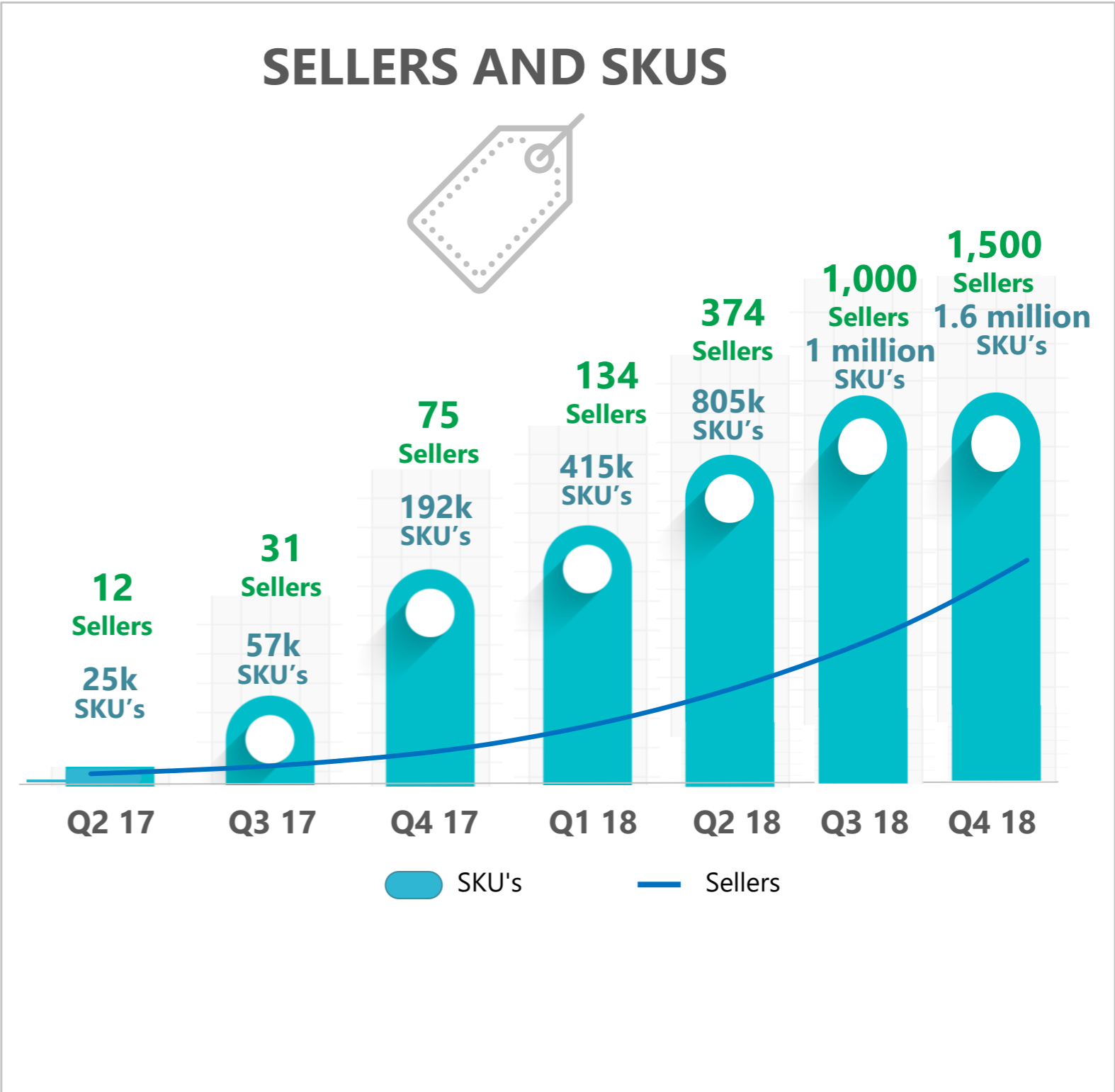
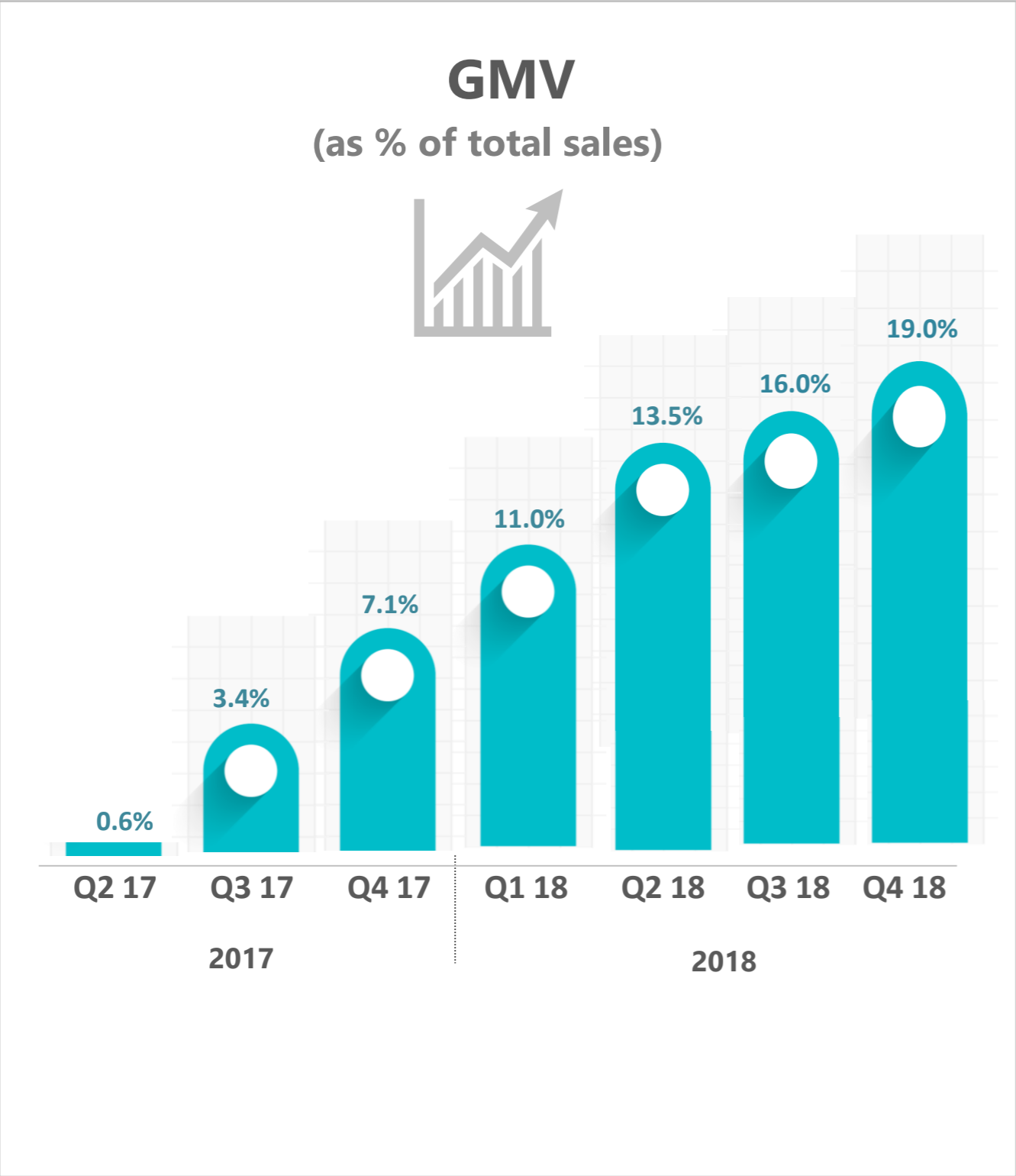
GMV E-Commerce Evolution (1P) in R\$ million



% Sales by region (12M 18')



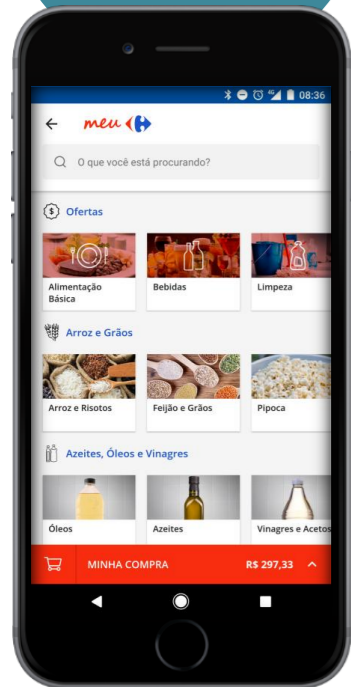
E-COMMERCE: MARKETPLACE HIGHLIGHTS (3P)



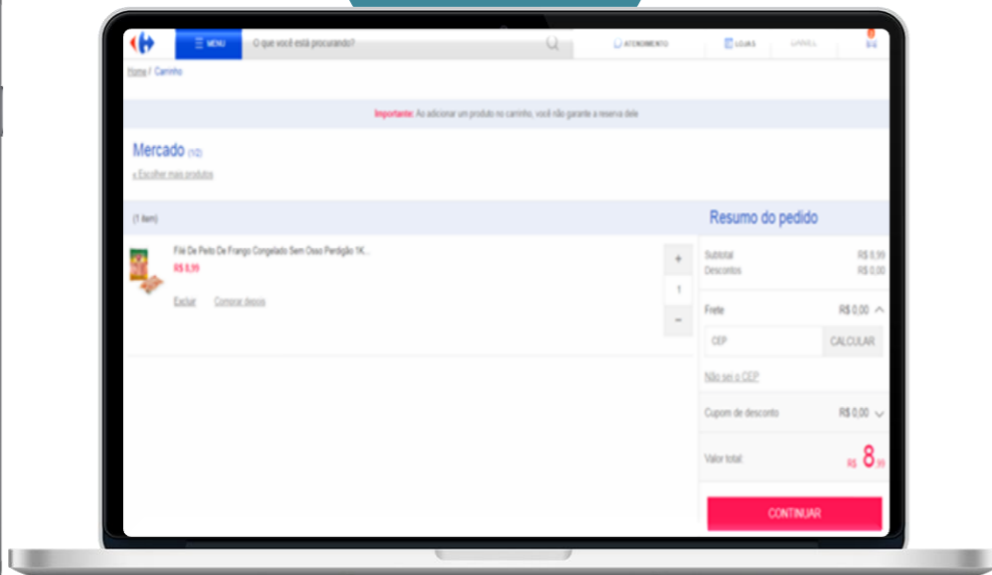
E-COMMERCE FOOD HIGHLIGHTS

CLIENT EXPERIENCE

APP
"Meu Carrefour"
(Oct/17)



WEBSITE
(Launch
02/15/18)



9x orders since February/18

ASSORTMENT

All food categories, but with online selected assortment.

HYPER A/B

CATEGORY

FRESH

(Cheeses, butters, milks, yogurts...)

GROCERIES

(Rice, Coffee, Pasta...)

PERISHABLES

(Sea food market, FLV...)

CLEANING

(Soap, softener,...)

COSMETIC

(Soap, Toilet paper...)

BEVERAGES

(Beers, Juices, Sodas)

PET

(Dog and Cat feed, Accessories...)

10 thousand SKU's

OPERATIONAL MODEL

DARK STORE + 3 SIDESTORES

Dedicated inventory

Located in Brooklin, São Paulo noble area (A/B client)

Internal Picking system

Former Brooklin store

Área de entrega: cidade de São Paulo

TRANSPORTATION

(3 deliveries Windows per day) 4 hours range
Pilot launching "Withdraw by Car"



Vans, Cars and Motorbikes

Drive

PACKAGING



BUSINESS UNITS

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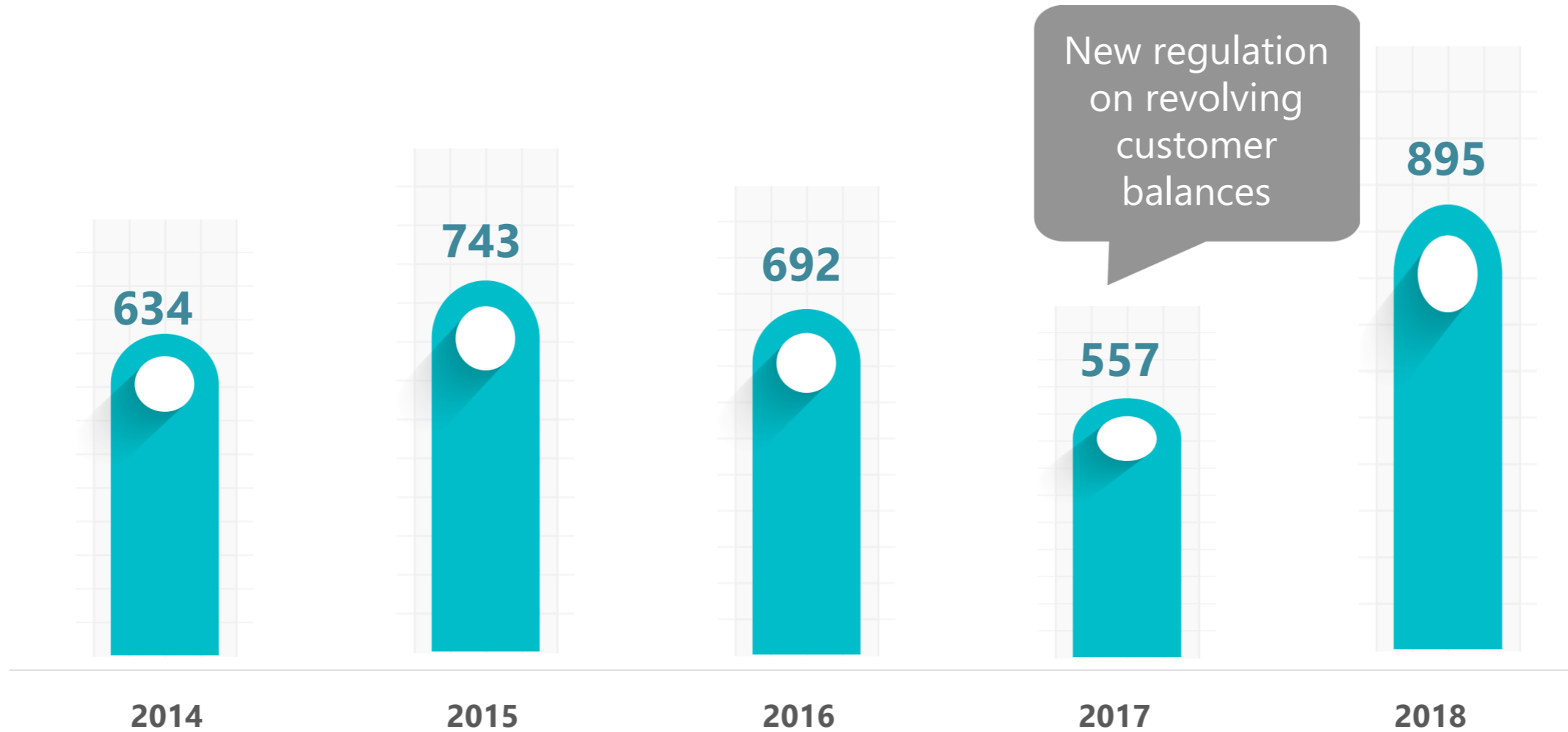
PROPERTY



BANK CSF'S PROFITABILITY BACK ON TRACK...

2018 RECORD EBITDA

ADJUSTED EBITDA (R\$MM)



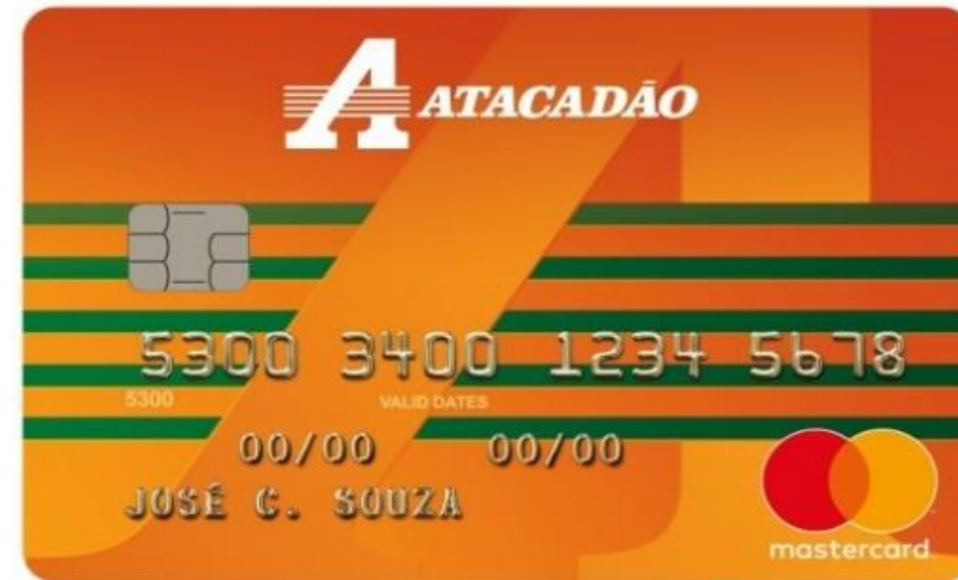
ATACADÃO CREDIT CARD

IMPORTANT GROWTH DRIVE FOR THE BUSINESS WITH DEMAND ABOVE EXPECTATIONS

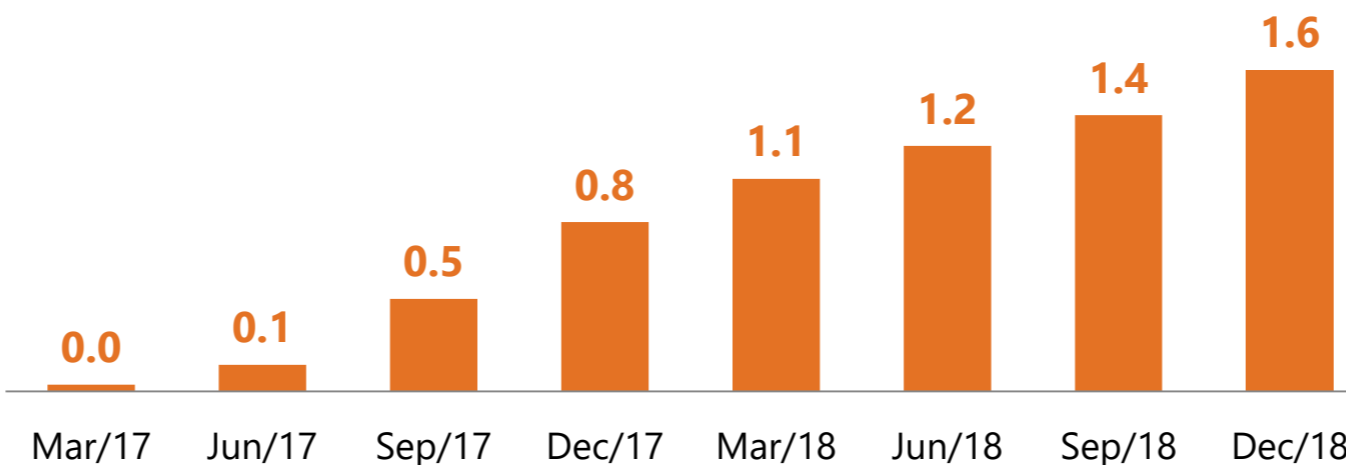


Why launch it?

- Be more **competitive**
- Sales **elasticity** (Average spending 40% higher with card)
- Collect **data** for **CRM**
- **Potential new customers** for Carrefour e-commerce (Non-Food)



Cards issued



Only credit card **accepted at Atacadão stores**



Atacadão credit card is currently focused on **individual** and **“mixed” clients**

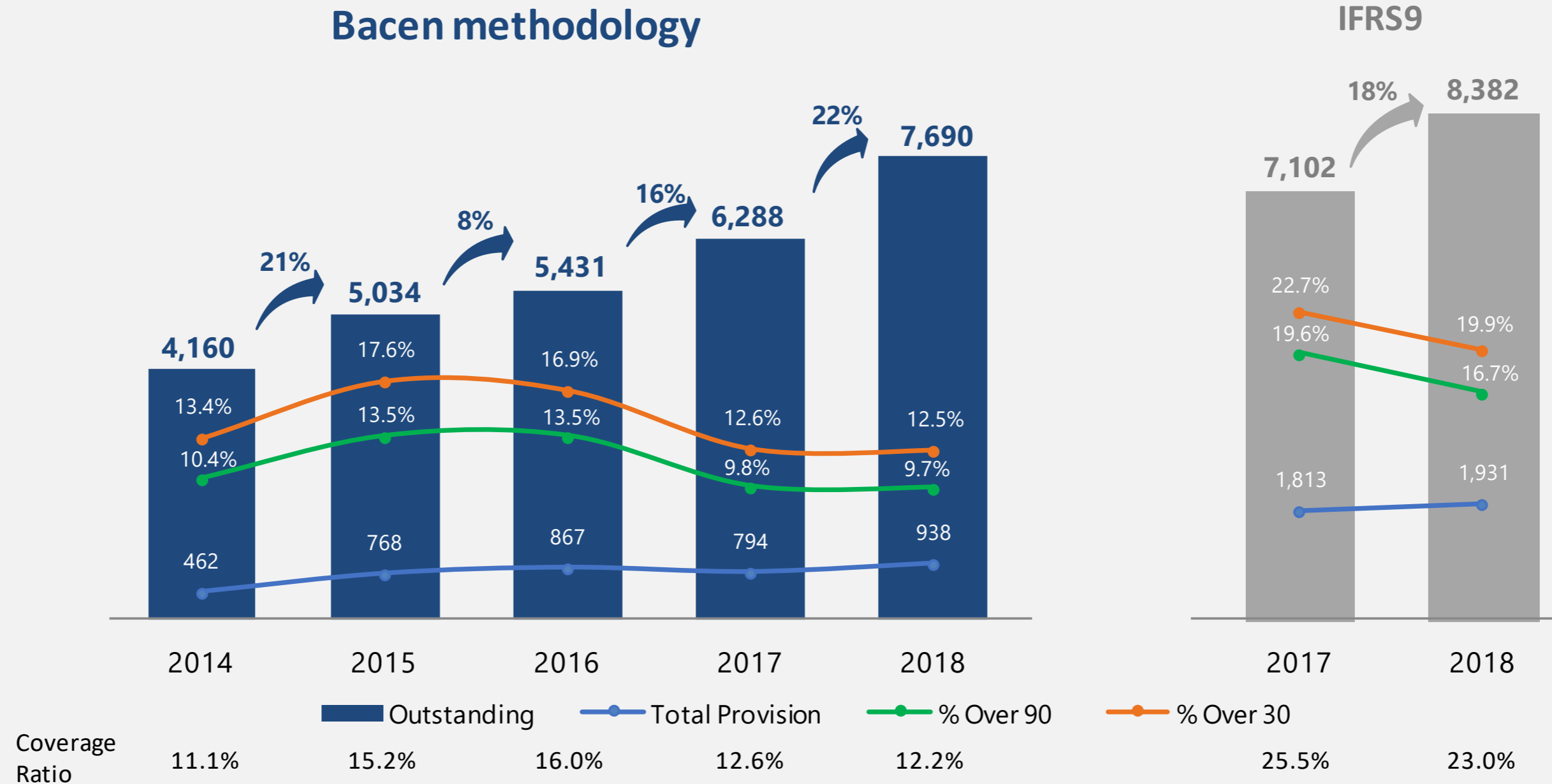


Lower intermediation fee (MDR) and short payment terms, **equivalent to a debit card**

CREDIT PORTFOLIO LEVERAGED BY ATACADÃO CARD

CREDIT PORTFOLIO (R\$mm)

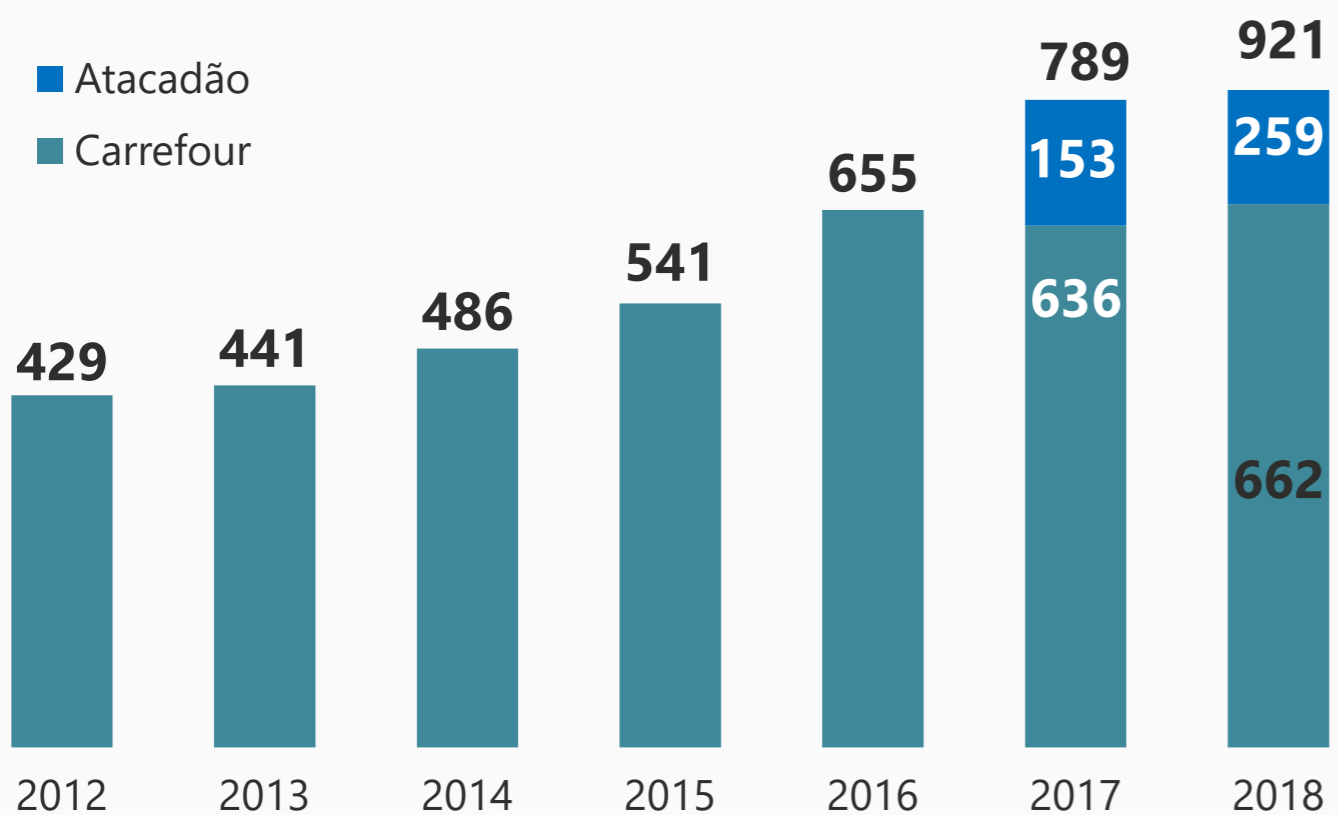
(R\$M)



EXPENSE CONTROL RESULTS IN GREATER EFFICIENCY

DESPITE ATACADÃO CREDIT CARD INVESTMENT

EXPENSES (R\$M)

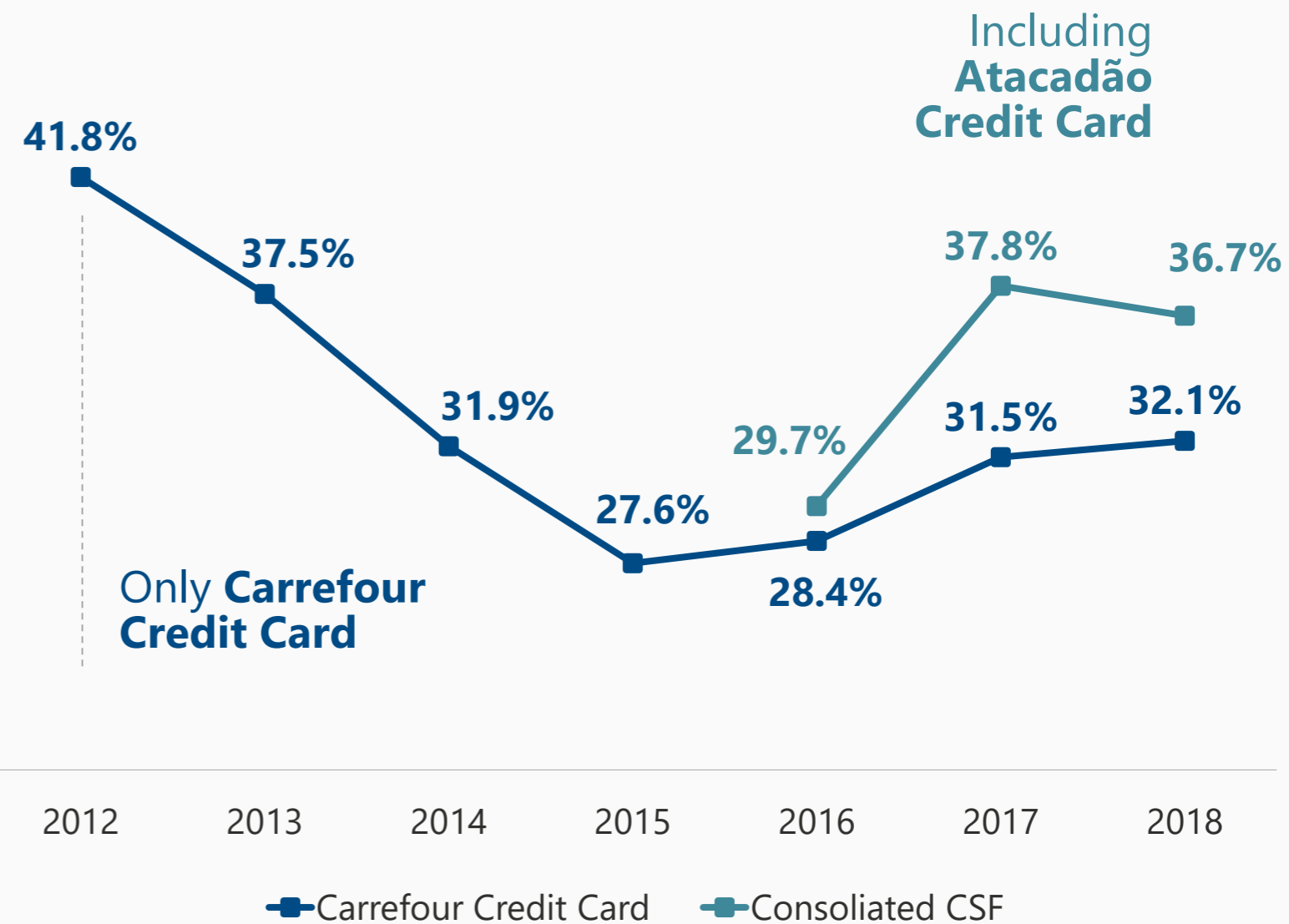


7.1% 6.4% 7.0% 9.8% 7.1% 4.2% 4.4%

Weighted inflation

CAGR = **14%**
2012-2018

EFFICIENCY INDEX



Atacadão



Carrefour

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DIVERSIFIED PORTFOLIO OF REAL ESTATE ASSETS



11.5mn m² (total area)



3 Shopping malls



150 Galleries



>300,000 m² GLA¹ under management



83% of GLA¹ under management is owned



~ 2,000 lessees



> 10 million customers/month

¹ Gross leasable area

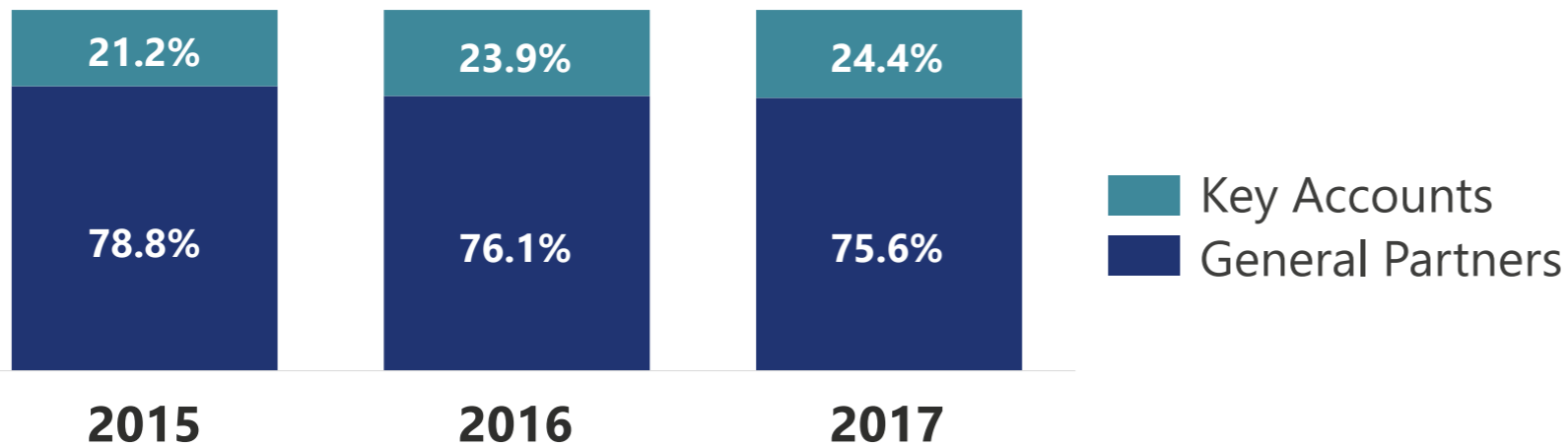
ENHANCE SITE ATTRACTIVENESS

BRINGING MORE STORES FROM KEY ACCOUNTS

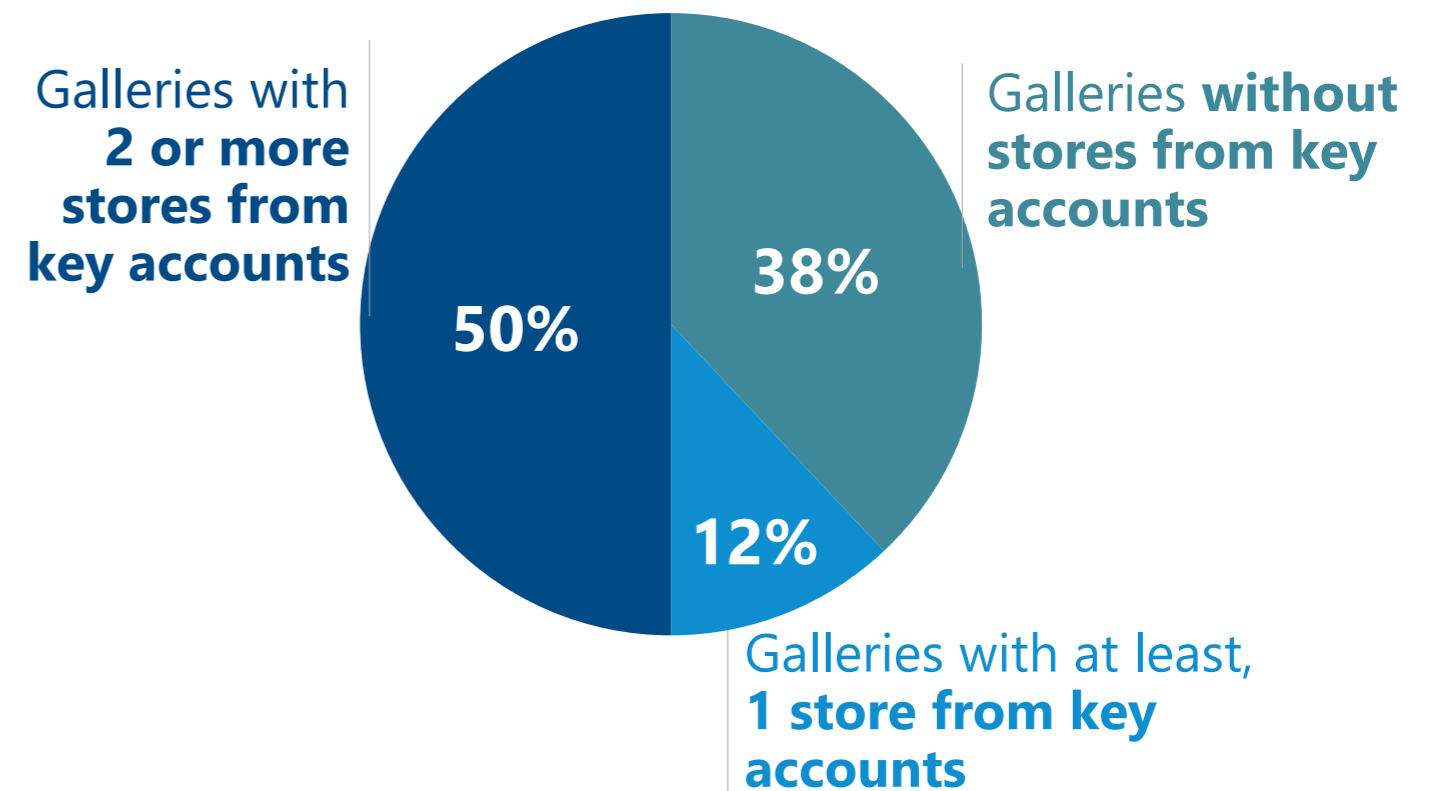
KEY ACCOUNTS PRESENCE IN OUR GALLERIES



QUANTITY OF CONTRACTS



NUMBER OF GALLERIES

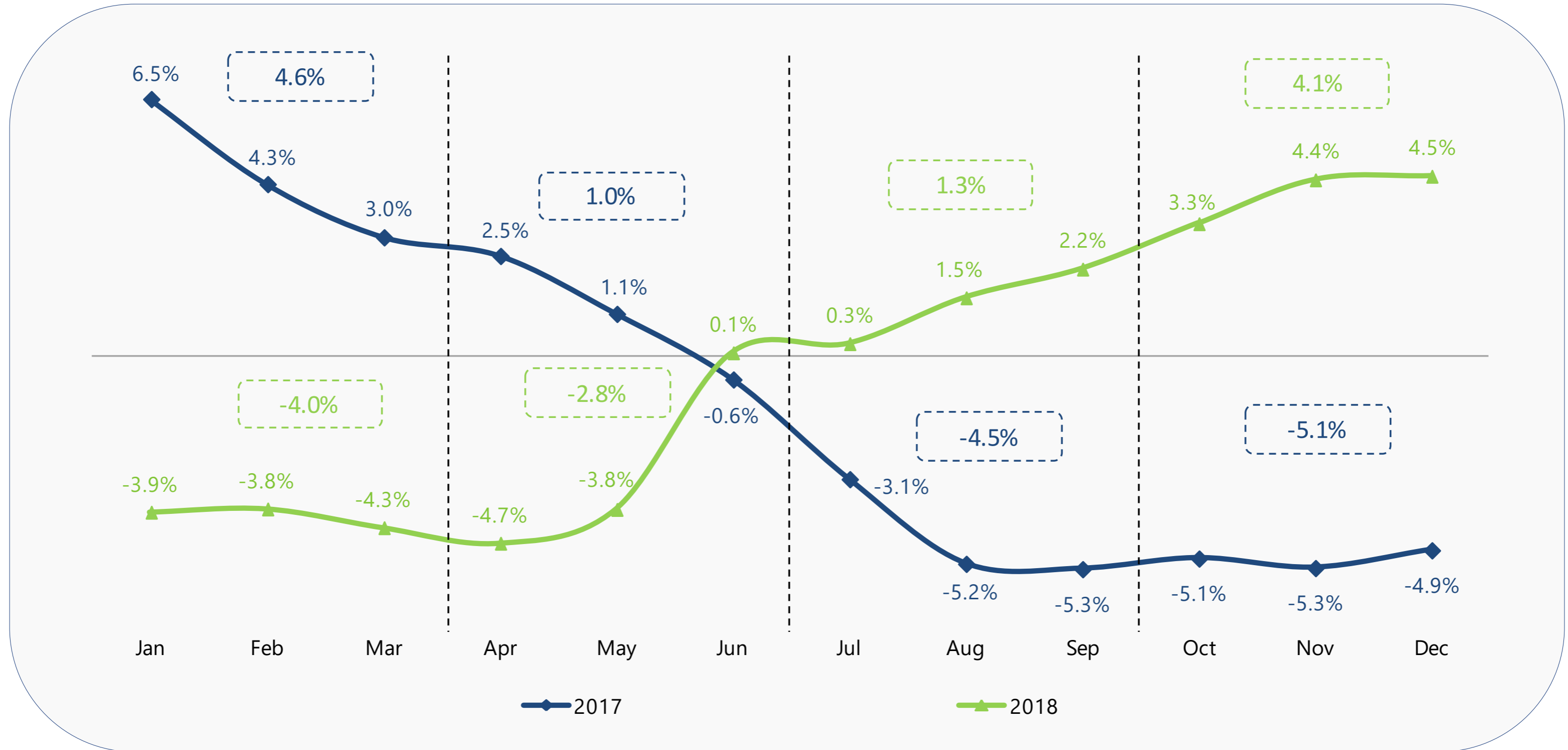


Aiming at increasing the **flow of customers, valuing the site** for retail and all merchants in the gallery



APPENDIX

IPCA FOOD AT HOME¹



1 – Source: IBGE

NET INCOME UP SHARPLY IN Q4 AND IN THE FULL YEAR ON SOLID OPERATING PERFORMANCE

	QUARTER			YEAR		
	Q4 18	Q4 17	Δ%	12M 18	12M 17	Δ%
<i>(in R\$ million)</i>						
Net Sales	14,375	13,053	10.1%	51,276	47,768	7.3%
Gross Profit	3,390	2,847	19.1%	11,381	10,257	11.0%
<i>Gross Margin</i>	<i>23.6%</i>	<i>21.8%</i>	<i>+178bps</i>	<i>22.2%</i>	<i>21.5%</i>	<i>+70bps</i>
SG&A Expenses	(1,980)	(1,735)	14.1%	(7,223)	(6,765)	6.8%
<i>SG&A of Net Sales</i>	<i>13.8%</i>	<i>13.3%</i>	<i>+49bps</i>	<i>14.1%</i>	<i>14.2%</i>	<i>-8bps</i>
Adjusted EBITDA	1,415	1,118	26.6%	4,183	3,516	19.0%
<i>Adj. EBITDA Margin</i>	<i>9.8%</i>	<i>8.6%</i>	<i>+125bps</i>	<i>8.2%</i>	<i>7.4%</i>	<i>+76bps</i>
Net Financial Result	(104)	(65)	60.2%	(362)	(660)	-45.2%
Adj. Net Income, Group Share	758	457	65.9%	1,879	1,289	48.1%
<i>Adj. Net Margin</i>	<i>5.3%</i>	<i>3.5%</i>	<i>+177bps</i>	<i>3.7%</i>	<i>2.7%</i>	<i>+101bps</i>

✓ Strong finish to 2018 with acceleration in total sales performance in H2: +10.1% in Q4 2018 (R\$14.4 billion), +7.3% in FY 2018 to R\$51.3 billion, maintaining leadership as Brazil's largest food retailer

✓ Adjusted gross profit +19.1% in Q4 2018 to R\$3.4 billion, resulting in consolidated gross margin of 23.6%, an increase of 178bps, mainly as a result of R\$210 million ICMS-ST tax credits for states other than São Paulo booked at Atacadão. In full-year 2018, gross profit was 11.0% higher at roughly R\$11.4 billion, for 22.2% gross margin.

✓ Adjusted Net income, Group share, up 65.9% to R\$758 million in Q4 (net margin of 5.3%, up 177bps) and up 48.1% in full-year 2018 to R\$1.9 billion (net margin of 3.7%, up 101bps).

SOLID OPERATING PERFORMANCE AND CASH FLOW GENERATION ALLOWS FOR HIGHER DIVIDENDS

2018 Net adjusted Income

R\$1.9 billion

+48% vs. 2017

Cash flow generation 2018

R\$1.3 billion

(vs. R\$1.1 billion 2017)

Payout : 25% of Adjusted Net Income



Total 2018 Dividends:

R\$ 470 million

R\$ 0.24 per share /
+48% vs. 2017



R\$380 million

IOE already paid in
December 2018

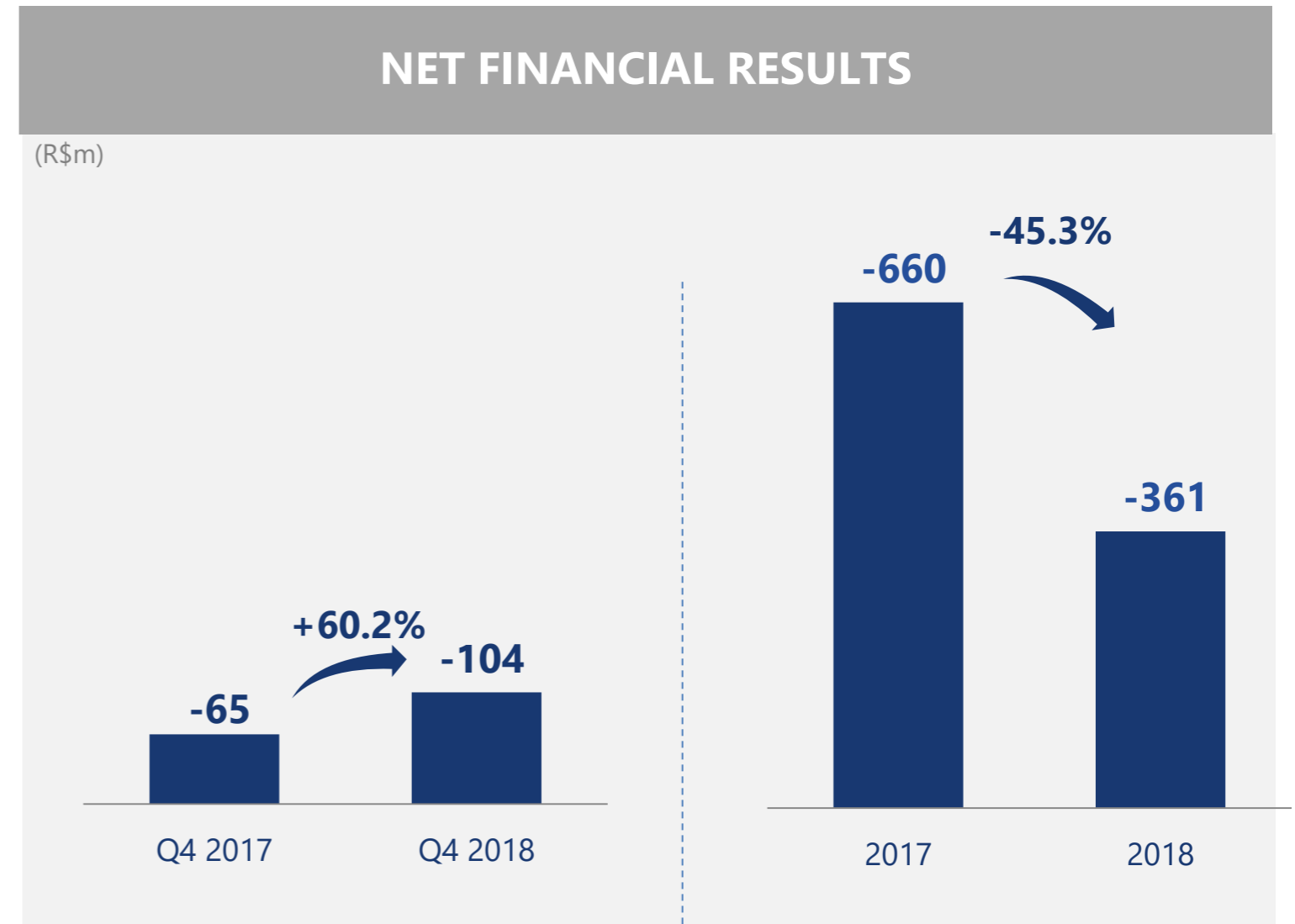
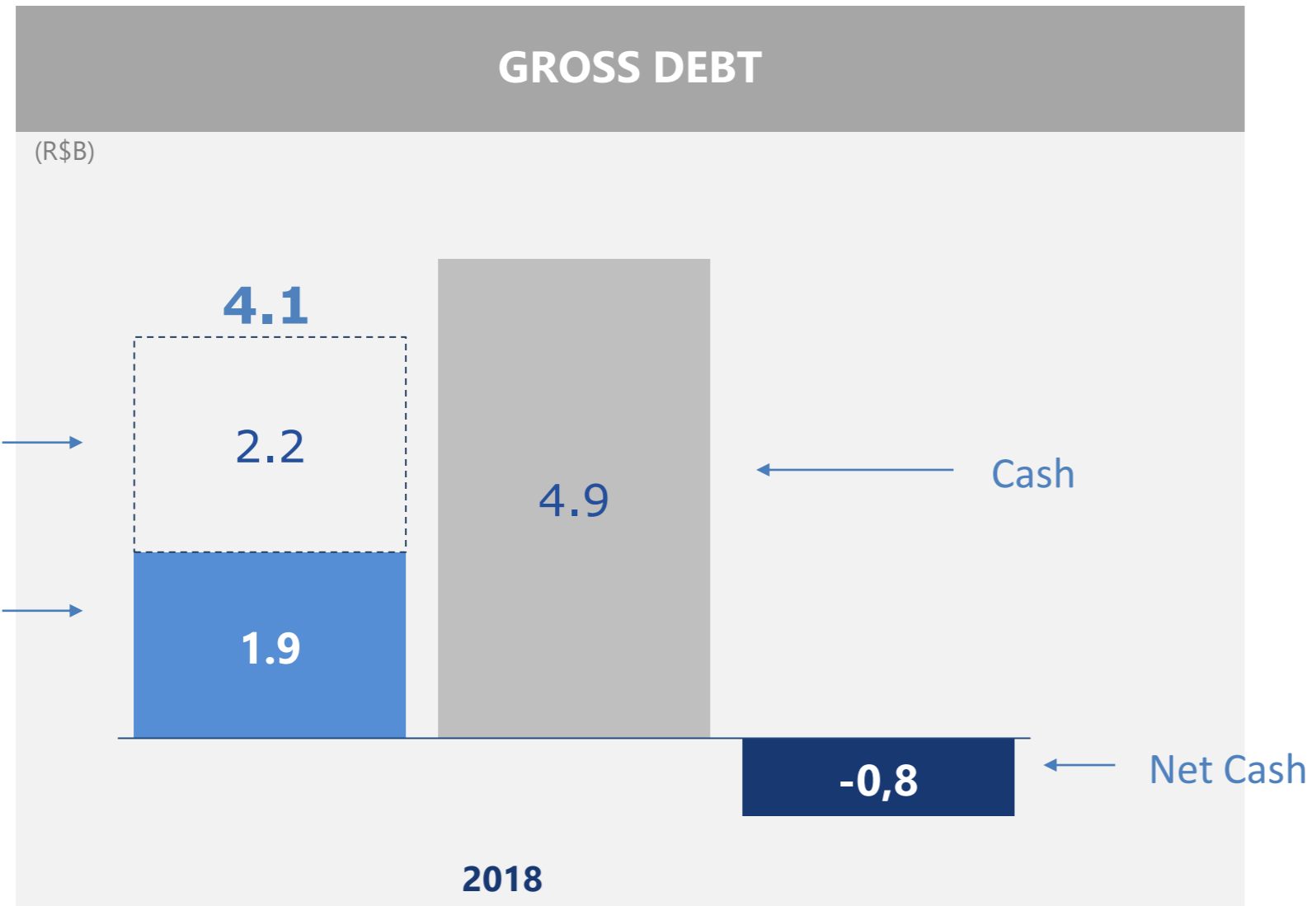


R\$90 million

Complement of IOE, to be
voted at next shareholders'
meeting

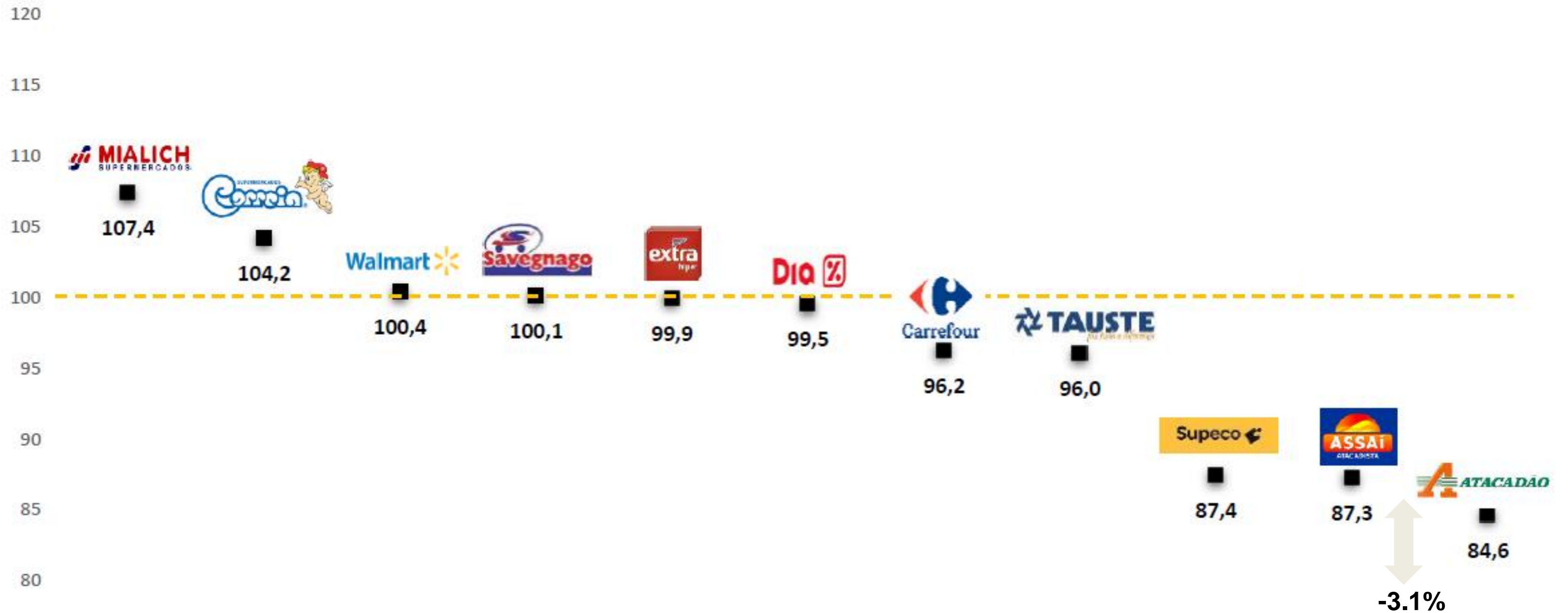
IOE = Interest on Equity

STRENGTHENED BALANCE SHEET AND SIGNIFICANTLY LOWER FINANCIAL EXPENSES



- **None** of our loans are subject to **financial covenants**. **All** of our debt are **in Reais**.
- **Standard & Poor's** credit rating: Brazilian national scale corporate credit rating of "**brAAA**", with stable outlook to Atacadão S.A and "**brAAA**", with stable outlook for Banco CSF

XP PRICE CHECK STUDY – SÃO PAULO CITY PRICE SURVEY FROM Q218

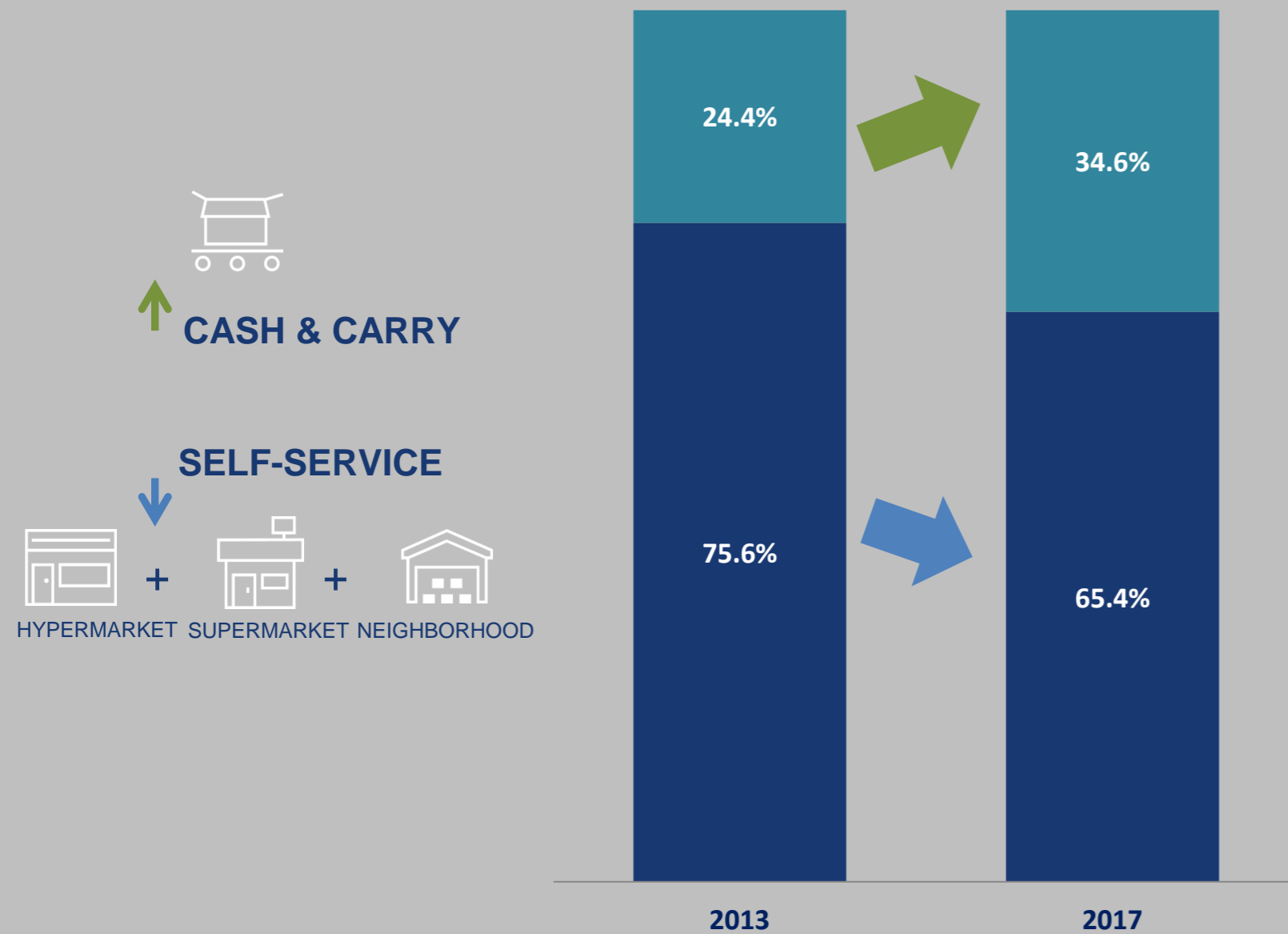


Fonte: XP Check; XP Investimentos

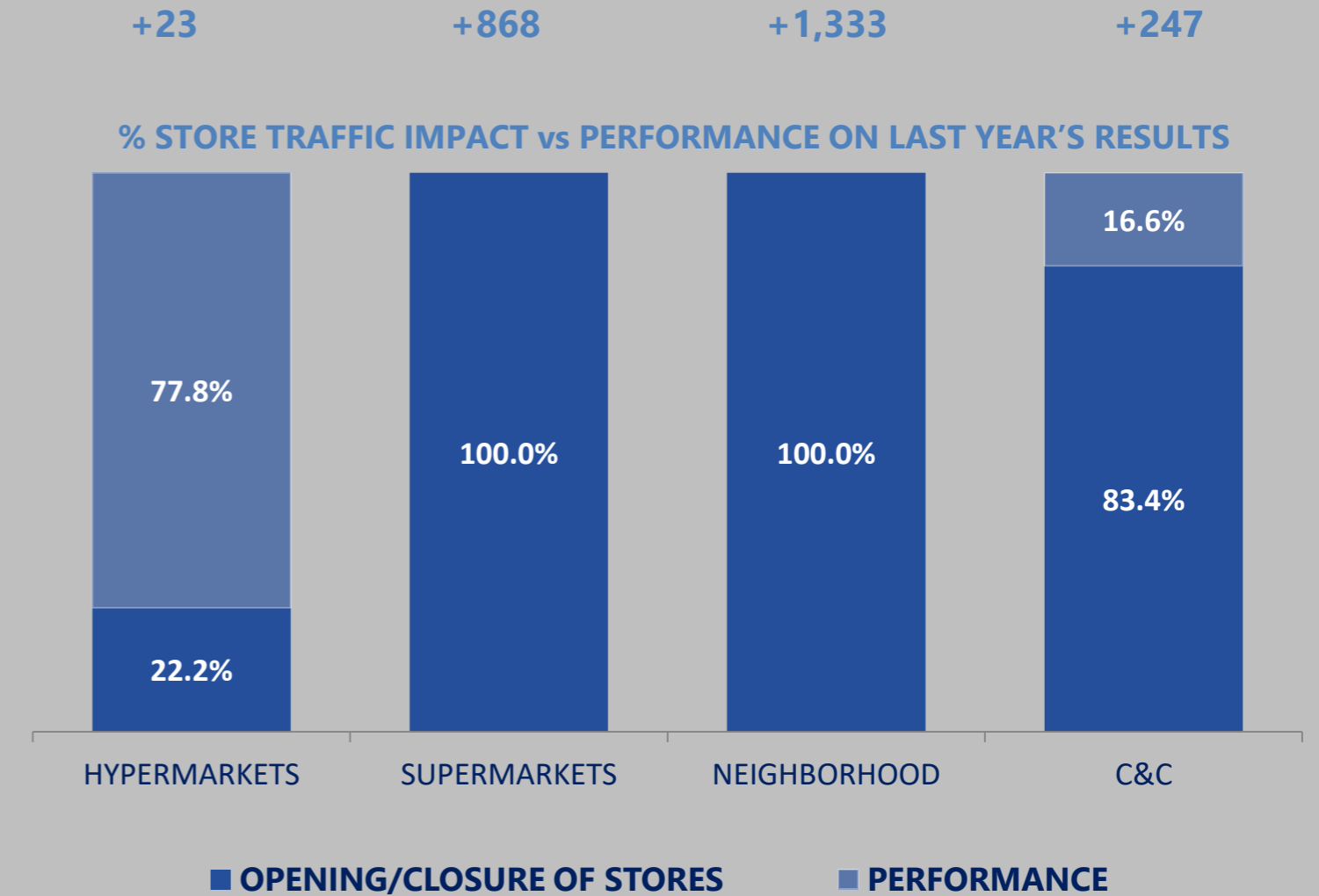
C&C GAINED IMPORTANCE IN BRAZILIAN FOOD RETAIL PIE

ECONOMIC SCENARIO BROUGHT STRUCTURAL CHANGES IN CHANNEL MIX

EVOLUTION OF CHANNELS RELEVANCE IN VALUE



OF STORES OPENED SINCE 2013



DISCLAIMER

This document contains both historical and forward-looking statements on expectations and projections about operational and financial results of the Company. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the CVM (Brazilian Securities Commission) in particular the Reference Form. The Company does not assume any obligation to update or revise any of these forward-looking statements in the future.

About Grupo Carrefour Brasil

Grupo Carrefour Brasil has been present in Brazil for over 40 years and is the market leader in food distribution and retail. By operating a multiformat and omnichannel platform, it combines retail and cash & carry operations, as well as financial solutions for its clients through Banco Carrefour. We also manage our real estate and portfolio of galleries and shopping centers through our real estate division - Carrefour Property. The Group is present in every state of Brazil, which allows us to meet the different needs of its millions of customers across the country. In 2017, we reinforced our e-commerce presence with the launch of a marketplace platform of and a proprietary e-commerce food operation via our website www.carrefour.com.br. In traditional retail, we operate with several formats of stores: Carrefour (hypermarket), Carrefour Bairro and Carrefour Market (supermarket), Carrefour Express (convenience store) and Atacadão (cash & carry and delivery wholesale) as well as Supeco (compact wholesale cash&carry). Additionally, we offer complementary services to our food distribution business with gas stations and drugstores services branded as Carrefour and Atacadão.

We are the largest retailer in Brazil and operate more than 638 points of sale. With gross sales of R\$ 52.4 billion in 2017 and more than 82,000 employees, the company is one of the largest private employers in the country and the largest retailer among the 20 largest listed companies at the B3 - Brazilian Stock Exchange.

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