

GPA

Pão de Açúcar

extra

ASSAÍ ATACADISTA DESDE 1974

minuto Pão de Açúcar

mini mercado extra

ALIADOS CompreBem

1Q17 Results

April 28, 2017

Highlights

R$ thousand	Food Business 1Q17	Food Business Change vs. 1Q16	Multivarejo 1Q17	Multivarejo Change vs. 1Q16	Assaí 1Q17	Assaí Change vs. 1Q16
Net sales	**10,552**	**+6.7%**	**6,513**	**-3.4%**	**4,039**	**+28.3%**
Gross profit	**2,361**	**+7.8%**	**1,780**	**+1.0%**	**581**	**+35.5%**
Gross margin	22.4%	+20bps	27.3%	+120bps	14.4%	+80bps
SG&A	**-1,884**	**+4.0%**	**-1,464**	**-1.3%**	**-421**	**+27.6%**
SG&A (% net sales)	17.9%	-40bps	22.5%	+50bps	10.4%	-10bps
EBITDA[(1)]	**506**	**21.7%**	**345**	**9.2%**	**162**	**61.0%**
EBITDA margin[(1)]	4.8%	+60bps	5.3%	+60bps	4.0%	+80bps
Adjusted net income (loss) - Controlling[(1)(2)]	**83**	**96.8%**	**15**	**72.2%**	**68**	**103.3%**
Net margin [(1)(2)]	0.8%	+40bps	0.2%	+10bps	1.7%	+60bps

(1) EBITDA and Net income (loss) adjusted for Other Operating Income and Expenses (2) Considering continuing operations only.

Sales

- **Net sales reached R$10.5 billion, an increase of 9.5%, adjusted for the calendar effect**
- Multivarejo: Growth in same-store sales at Extra Hiper of 5.4%, with recovery in market share
- Assaí: Net revenue reached R$4 billion, up 28.3%, solid same-store performance with growth of 12.9% and increase in customer traffic

Gross Margin

- **Margin of 22.4%, evolution of 20 bps**
- Multivarejo: 27.3%, in line with previous quarters, with maintenance of competitiveness initiatives
- Assaí: Gross margin growth of 80 bps, totaling 14.4%, due to maturation of stores

Operating Expenses

- **Corresponded to 17.9% of net sales, down 40 bps vs. 1Q16**
- Multivarejo: Nominal decrease of 1.3% due to efficiency and productivity projects
- Assaí: Dilution of 10 bps, despite expenses related to store expansion and conversion, and higher share of individuals in sales

Highlights

EBITDA[1]

- **Reached R$506 million, up 21.7%, with 60 bps increase in margin**
- Multivarejo: Growth of 9.2% despite the negative calendar effect. Margin increase of 60 bps to 5.3%
- Assaí: Margin reached 4.0%, increasing 80 bps, mainly due to maturation of stores

Net Income[1] [2]

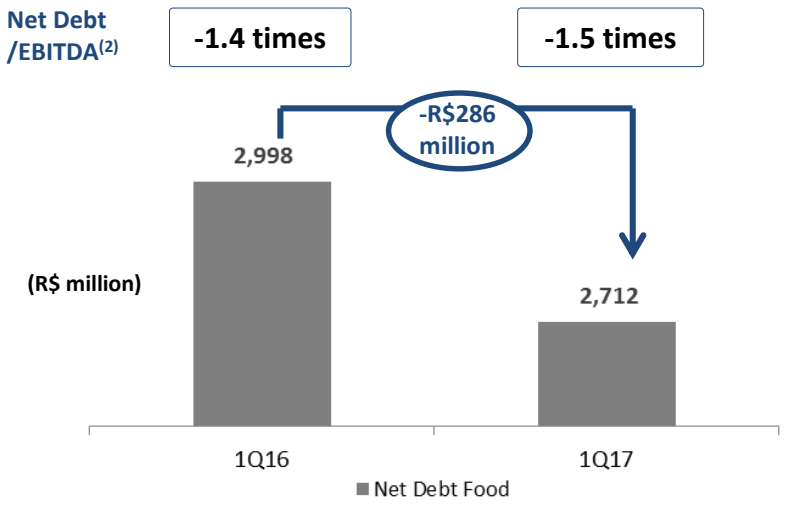
- **Food segment reached R$83 million, up 96.8% from 1Q16**
- Multivarejo: Growth up to 72.2%, to R$15 million
- Assaí: Achieved R$68 million in 1Q17, up 103.3%

(1) EBITDA and Net income controlling shareholders adjusted for Other Operating Income and Expenses (2) Considering continuing operations only.

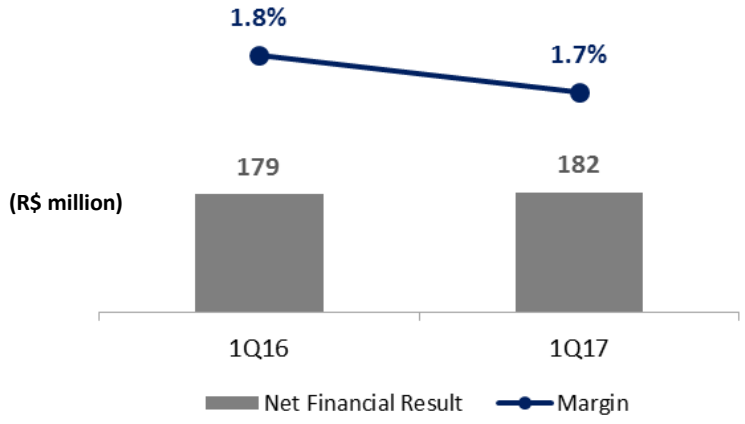


Net Debt and Financial Result

Net Debt[1]



Financial Result



Financial Result

- Reached R$182 million, remaining stable compared to the same period last year
- As a percentage of net sales, financial result stood at 1.7%, improving 10 bps from 1Q16
- Cost of receivables remained stable at 0.3% of revenue

Gross Debt

- Reduction of R$621 million in Gross Debt vs. 1Q16
- Successful issuance of 2nd CRA in the amount of R$1.08 billion, at 96.0% of CDI and term of 3 years

Available Resources

- Cash position reached R$1.7 billion, in addition to the balance of receivables not discounted of R$404 million, totaling R$2.1 billion in available resources
- R$1.3 billion in pre-approved/confirmed credit lines

(1) Includes credit card receivables not discounted (2) Accumulated EBITDA in the last 12 months

Multivarejo



Multivarejo:

- **Net sales of R$6.5 billion:**
  - **Same-store growth** of 2.0%[1], **market share gain** in the first two months of the year
- **EBITDA margin growth of 60 bps:**
  - **Gross margin:**
    i. Better level of shrinkage;
    ii. Maintenance of competitiveness, with more effective allocation of investments in promotions; and
    iii. Weaker comparison basis (Easter)
  - **SG&A:** Optimization of electricity and personnel with maintenance of service level

Extra:

- Continuous **improvement in same store sales** performance
- Recovery of **non-food category**: 6 consecutive months of positive growth
- **Market share gains** in volume at Hiper in the last 12 measurements

Pão de Açúcar:

- High level of profitability
- Maintenance of market share in its operating segment

Proximity:

- Continuous portfolio optimization process
- Aliados project reached 150 stores

[1] Adjusted for calendar effects

Assaí



Assaí:

- **Consistent sales performance:**
  - **Revenue of R$4.4 billion** and same-store sales **growth of 12.9%**(1)
  - Double-digit **growth in customer traffic**
  - Growth in share of food portfolio, **accounting for 38% of sales**
- **Profitability Growth:**
  - Gross margin increased by 80 bps, due to store maturation
  - Adjusted EBITDA margin reached 4%
  - Net Income reached R$ 68 million, up 103%
- **Solid expansion and conversion plan:**
  - Conversion of five more stores in process
  - The first two conversions **continue to deliver strong performance,** reaching a sales multiple of over 2.5 times

(1) Adjusted for calendar effects and conversions

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