

EARNINGS

1ST QUARTER 2019

May 9th, 2019



minuto
Pão de Açúcar



extra



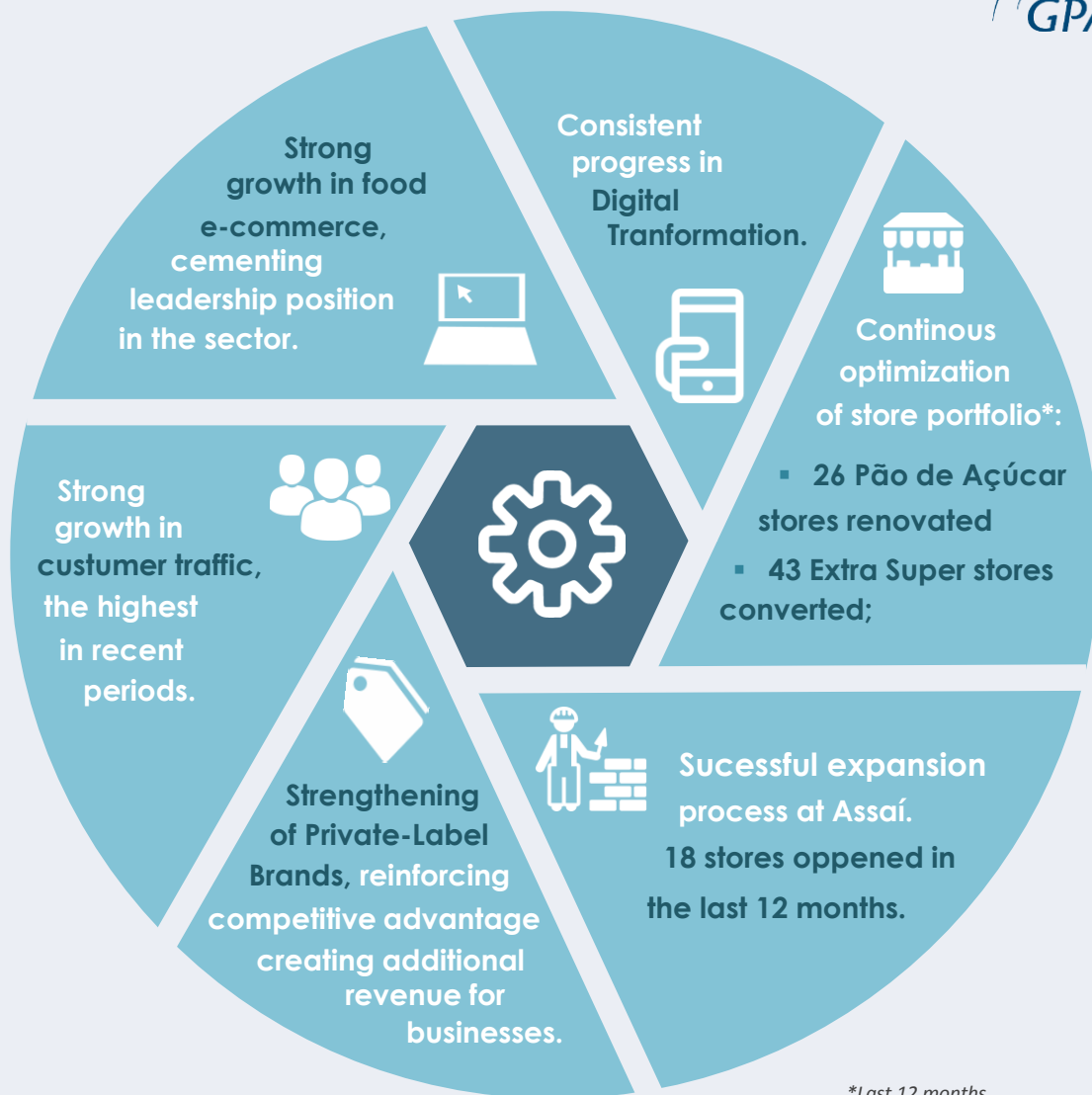
1Q19

HIGHLIGHTS



R\$13.8 billion
revenue, with growth
above the sector

Successful strategy of
multichannel, multi-
format and multi-region

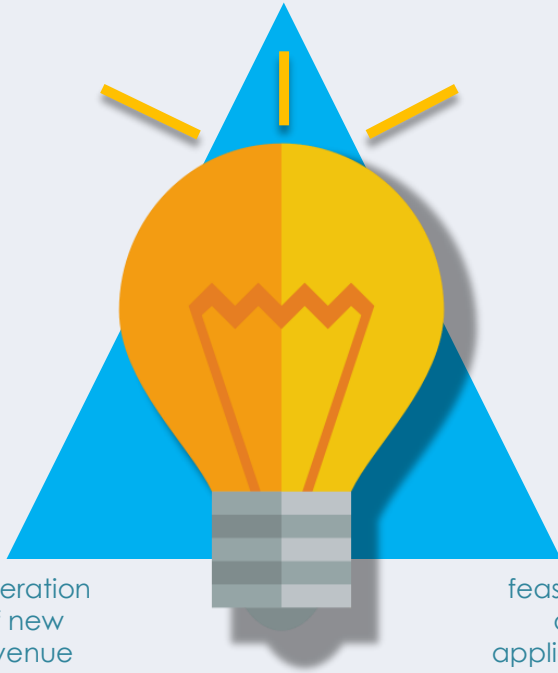


*Last 12 months.

DIGITAL TRANSFORMATION

Pioneering actions and consistent progress

improvement
in shopping
experience of
customers



generation
of new
revenue

feasibility
of
application



- Launch of operations in SP in April
- Expansion to 10 cities by year-end



- Rollout of strategic partnership with Cheftime to 28 stores
- Plan to reach more than 100 stores in 2Q19



- +8.3 MM downloads
- 18.5 MM loyal customers
- Progression above 70%
- Strong growth in penetration



- Start of partnership with GetNinjas, LATAM's largest service hiring platform



- PdA AdegA: online sales in wine category doubled vs. 4Q18
- Click & Collect and Express growth of 32% : +76 stores



Initiatives to optimize our clients' time:

- Pre-scanning
- Scan & Go
- Shop and Go
- Self check-out

1Q19 RESULTS - GPA FOOD

(R\$ million)	Consolidated			Food Business		
	1Q19 Pre IFRS 16	1Q18 Pre IFRS 16	Δ	1Q19 Pre IFRS 16	1Q18 Pre IFRS 16	Δ
Gross Revenue	13,827	12,300	12.4%	13,827	12,300	12.4%
Net Revenue	12,709	11,343	12.0%	12,709	11,343	12.0%
Gross Profit	2,788	2,547	9.5%	2,788	2,547	9.5%
Gross Margin	21.9%	22.5%	-60 bps	21.9%	22.5%	-60 bps
Selling, General and Adm. Expenses	(2,142)	(1,980)	8.2%	(2,141)	(1,980)	8.1%
% of Net Revenue	16.9%	17.5%	-60 bps	16.8%	17.5%	-70 bps
Adjusted EBITDA ⁽¹⁾⁽²⁾	642	546	17.5%	680	591	15.2%
Adjusted EBITDA Margin	5.1%	4.8%	30 bps	5.4%	5.2%	20 bps
Net Income - Controlling Shareholders - continuing operations	178	108	64.2%	216	153	41.7%
Net Margin- continuing operations	1.4%	1.0%	40 bps	1.7%	1.3%	40 bps

- **Strong gross sales revenue growth**, with significant increase in customer traffic;
- **Significant growth of adjusted EBITDA**, despite unfavorable Easter calendar;
- **Net income growth with better margin**, mainly reflecting the operational growth of Assaí and Multivarejo;

IFRS16 EFFECTS

Food Business (R\$ million)	1Q19			1Q18			Δ	
	Pre-IFRS 16	Change	Post-IFRS 16	Pre-IFRS 16	Change	Post-IFRS 16	Pre-IFRS 16	Post-IFRS 16
Net Revenue	12,709	0	12,709	11,343	0	11,343	12.0%	12.0%
Gross Profit	2,788	8	2,796	2,547	13	2,560	9.5%	9.2%
Gross Margin	21.9%	10 bps	22.0%	22.5%	10 bps	22.6%	-60 bps	-60 bps
Selling, General and Adm. Expenses	(2,141)	201	(1,939)	(1,980)	183	(1,798)	8.1%	7.9%
% of Net Revenue	16.8%	-150 bps	15.3%	17.5%	-160 bps	15.9%	-70 bps	-60 bps
Adjusted EBITDA ⁽¹⁾⁽²⁾	680	234	915	591	214	804	15.2%	13.7%
Adjusted EBITDA Margin	5.4%	180 bps	7.2%	5.2%	190 bps	7.1%	20 bps	10 bps
Net Financial Revenue (Expenses)	(142)	(147)	(289)	(132)	(142)	(274)	8.2%	5.7%
% of Net Revenue	1.1%	120 bps	2.3%	1.2%	120 bps	2.4%	-10 bps	-10 bps
Net Income - Controlling Shareholders - continuing operations	216	(27)	189	153	(29)	124	41.7%	52.8%
Net Margin- continuing operations	1.7%	-20 bps	1.5%	1.3%	-20 bps	1.1%	40 bps	40 bps
Net Income (Loss) -continuing and discontinued operations	193	(27)	166	142	(29)	113	36.1%	46.9%
Net margin-continuing and discontinued operations	1.5%	-20 bps	1.3%	1.3%	-30 bps	1.0%	20 bps	30 bps

- The adoption of IFRS 16 impacted the expansion of 1Q19 EBITDA margin vs 1Q18 by -10 bps;
- The adoption of IFRS 16 impacted the expansion of 1Q19 net margin vs 1Q18 by +10 bps;

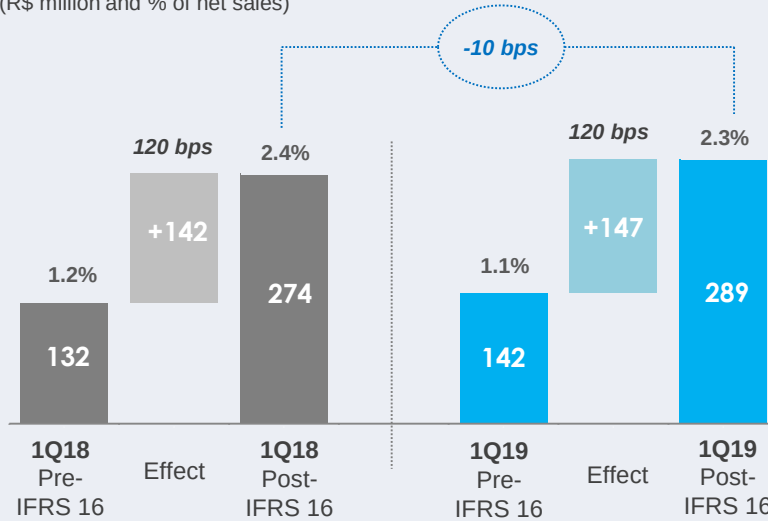
(1) Earnings before interest, tax, depreciation and amortization. (2) Adjusted by Other Operating Income and Expenses.

FINANCIAL RESULT AND DEBT

Improved financial result and maintenance of low leverage

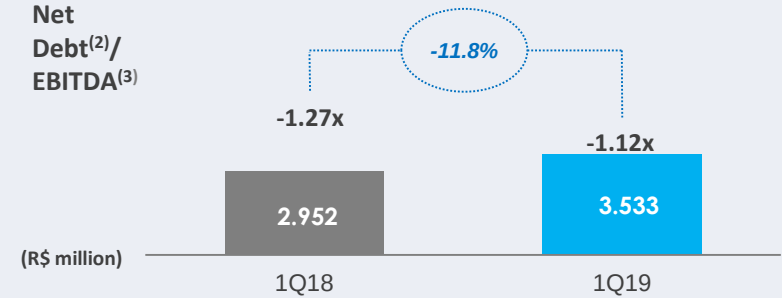
FINANCIAL RESULT

(R\$ million and % of net sales)



NET DEBT⁽¹⁾

Net Debt⁽²⁾/
EBITDA⁽³⁾



⁽¹⁾ Doesn't consider IFRS 16 adjustments on debt and EBITDA ⁽²⁾ Includes unsold credit card receivables
⁽³⁾ EBITDA in the last 12 months.

CASH & EQUIVALENTS

- Cash position in Mar/19: R\$2.4 billion and unsold receivables totaling R\$546 million
- R\$1.8 billion in pre-approved/confirmed credit lines

CAPEX

- R\$463 million in 1Q19, +40.2% vs. 1Q18

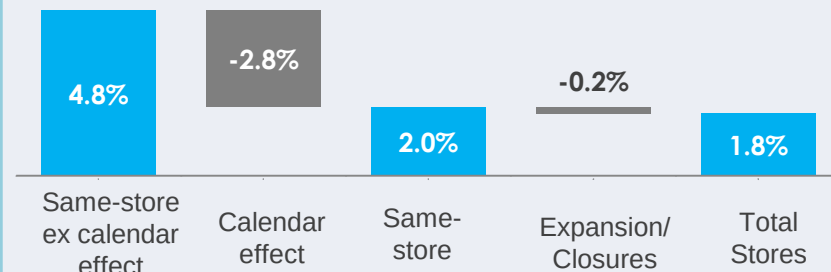


MULTIVAREJO

Consistent performance and operating expenses under control

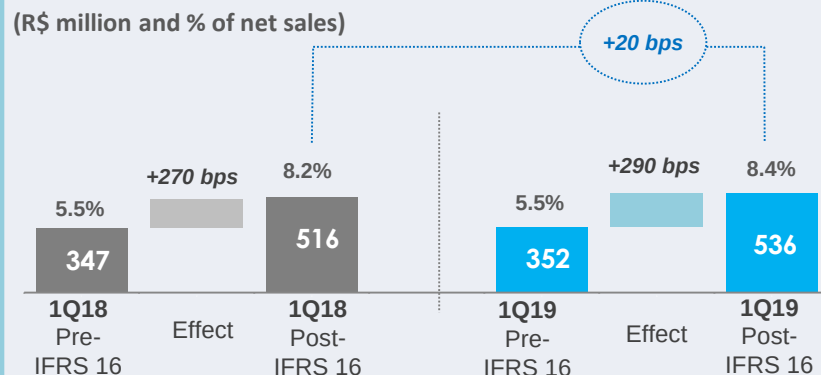
GROSS SALES

(Growth vs. 1Q18)



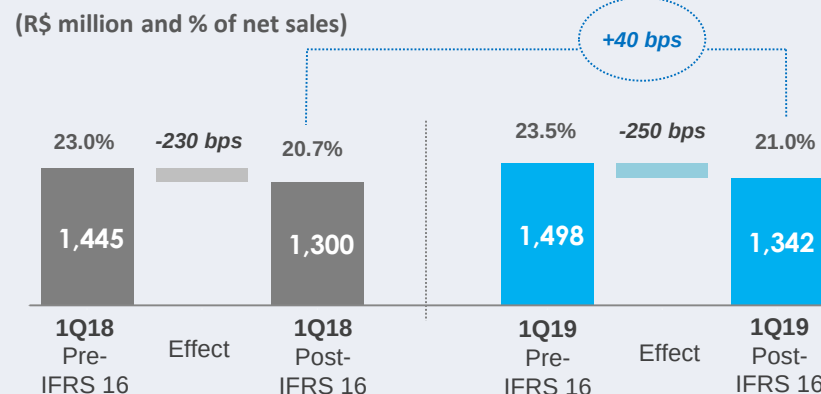
EBITDA^{(1) (2)}

(R\$ million and % of net sales)



SG&A

(R\$ million and % of net sales)



HIGHLIGHTS

- **Gross sales revenue** of R\$6.9 billion in 1Q19: market share gains; growth in food e-commerce sales and greater penetration of private-label brands (12%);
- **SG&A**: growth significantly below inflation, especially personnel and store operation expenses;
- **EBITDA^{(1) (2)}**: consistent performance despite seasonal event (Easter)

⁽¹⁾ Earnings before interest, tax, depreciation and amortization. ⁽²⁾ Adjusted by Other Operating Income and Expenses.

MULTIVAREJO

Portfolio adapted to meet customers' needs



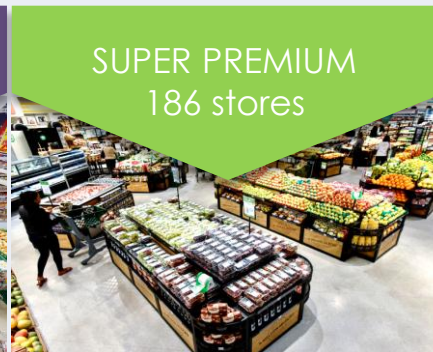
HYPER
112 stores

- **Market share^(*) gains** in the hypermarkets segment
- Notable growth of **perishables** and **non-food categories**
- **Efficiency gain:** increase the profitability of areas at stores through partnerships
- **Clube Extra:** over 5.3 million downloads
- Relaunch of food e-commerce: **www.clubeextra.com**
- Acceleration of **Omnichannel**



SUPER
186 stores

- **Extra Super:** continuous acceleration of performance due to revitalization of stores:
 - 7 stores converted to **Mercado Extra** in 1Q19
 - Strong **double-digit growth of stores converted into Mercado Extra** (30 stores) and **Compre Bem** (13 stores)
- Focus on **better shopping experience for customers** to **accelerate profitability**



SUPER PREMIUM
186 stores

- **Sequential growth of 'same store' sales** of 2.2% in 4Q18 to 4.6% in 1Q19
- Brand positioning: differentiated assortment, service level quality and operational excellence
- Performance driven by renovated stores
- Solid e-commerce growth
- Strengthening of omnichannel initiatives



PROXIMITY
235 stores^(**)

- **Sales growth and market share^(*) gains:**
 - Synergy of commercial initiatives between banners
 - Loyalty building in fruits and vegetables, bakery and private label products category
- Omnichannel: Adegas and Scan&Go
- Resumption of expansion: 20 new stores in 2019

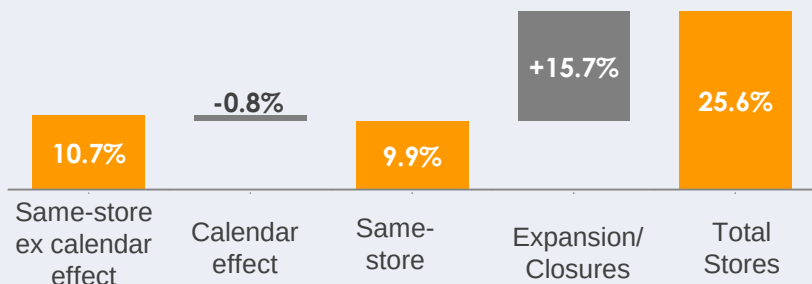


(*) Market share gain for Jan. and Feb. Source: Nielsen.

(**) Excluding the 124 drugstores and 71 gas stations

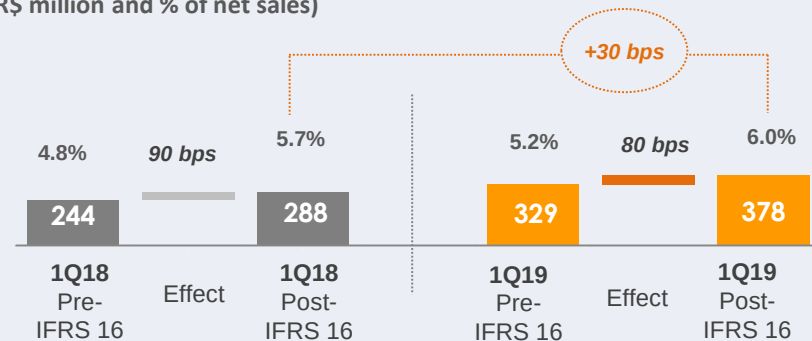
GROSS SALES

(Growth vs. 1Q18)



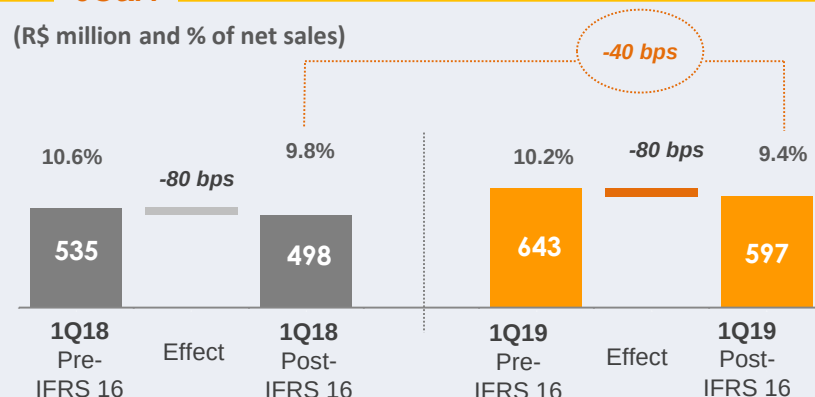
EBITDA^{(1) (2)}

(R\$ million and % of net sales)



SG&A

(R\$ million and % of net sales)



HIGHLIGHTS

- **Gross sales revenue:** significant growth, reflecting the maturation of stores opened in 2018 and strong 'same-store' growth;
- **Dilution of SG&A:** strong sales growth combined with rigorous control of expense
- **Expansion of EBITDA margin,** in line with the guidance for the year;
- **Net Income:** R\$158 million, up 44.6%, with net margin of 2.5%;

⁽¹⁾ Earnings before interest, tax, depreciation and amortization. ⁽²⁾ Adjusted by Other Operating Income and Expenses.

ASSAÍ
145 stores



- **Inauguration of 1 store** in North Zone of São Paulo city, totaling 145 stores
- **10 stores under construction**, as part of the aggressive expansion plan: around **20 new stores in 2019**
- Strong value proposition of Passaí card: +100,000 cards issued in the quarter, bringing total cards issued to +720,000.



APPENDIX



GPA FOOD OVERVIEW

Diverse formats to meet diverse consumer needs

MULTIVAREJO

ASSAÍ

Extra

Hypermarkets and Supermarkets

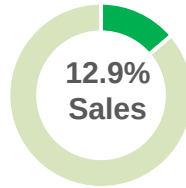


#Stores

Hypermarkets: 112
Supermarkets: 186

Pão de Açúcar

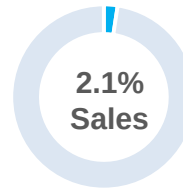
Premium Supermarkets



#Stores

Supermarkets: 186
Food Delivery

Proximity

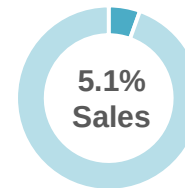


#Stores

Minuto: 81
Minimercado Extra: 154

Other Businesses

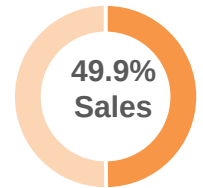
Commercial Centers, Drugstores & Gas Stations



#Stores

Drugstores: 124
Gas stations: 71
GLA~260.000 million²

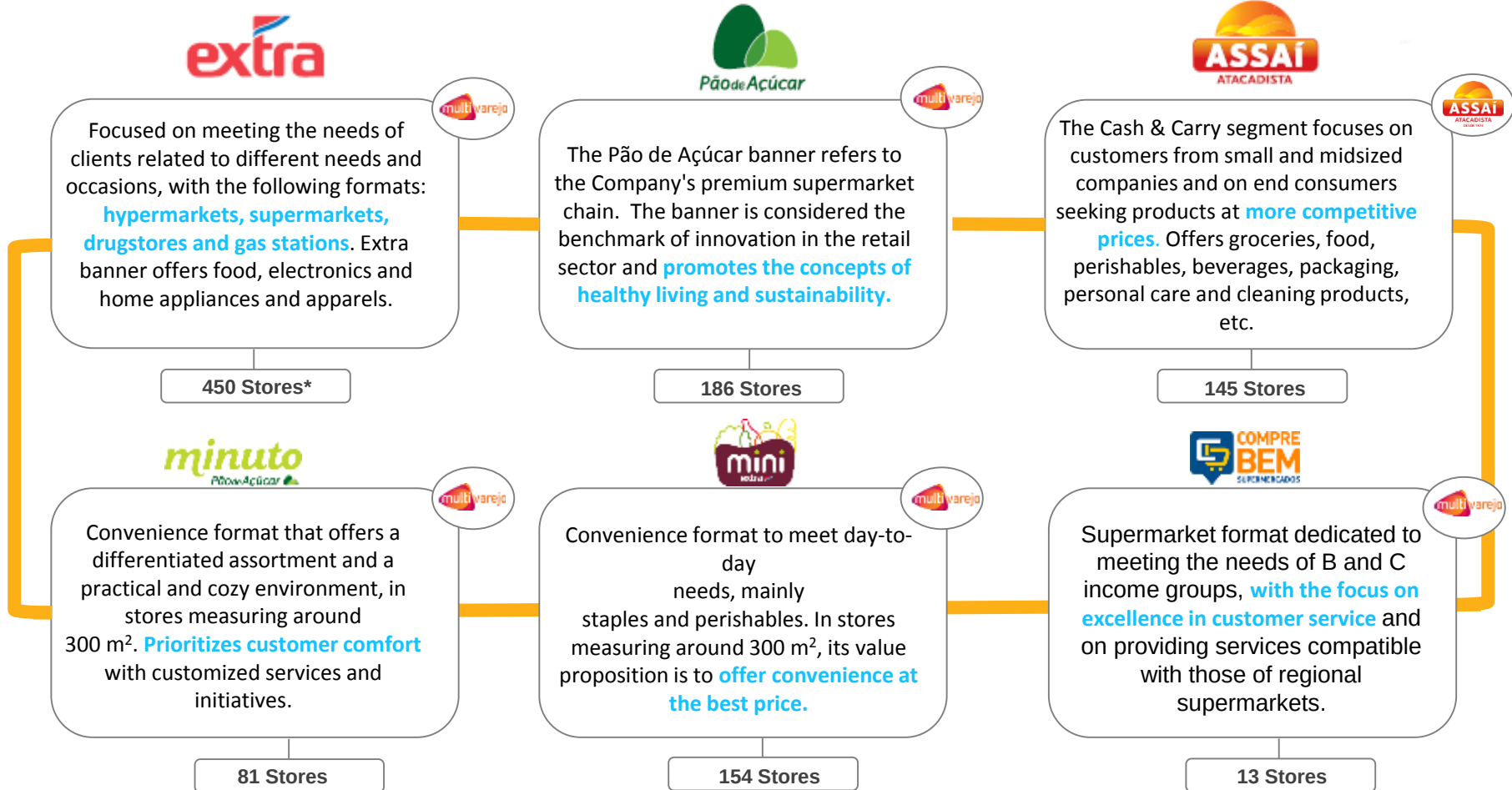
Cash & Carry



#Stores

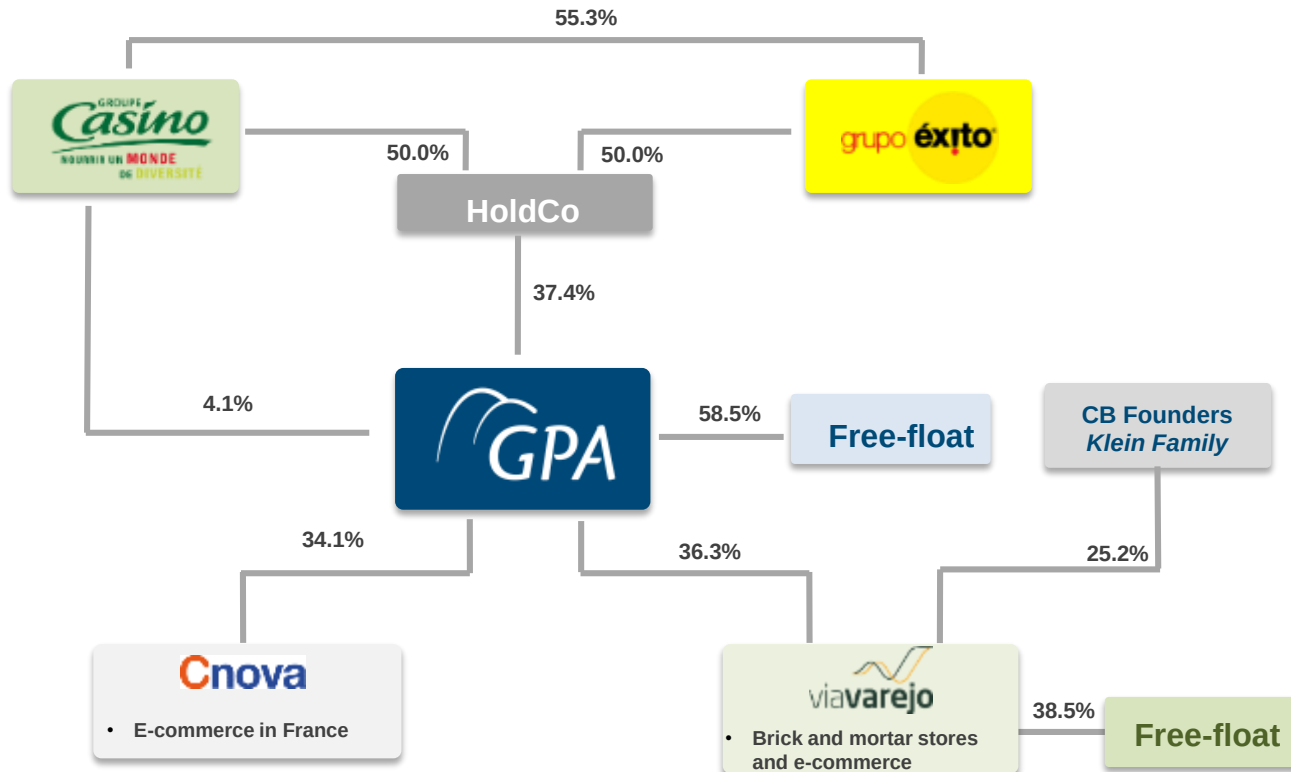
Assaí: 145

MULTI-FORMAT FOOD PLAYER



* Also operates 124 drugstores and 71 gas stations as of March 31, 2019

OWNERSHIP STRUCTURE



Food Segment: Represents the combined results of Multivarejo and Assaí, excluding equity income (loss) from Cdiscount, which is not included in the operating segments reported by the Company.

Discontinued Operations: Due to the ongoing divestment of the interest held by GPA in Via Varejo S.A., the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other profit or loss accounts were adjusted retrospectively, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Non-current assets held for sale and discontinued operations.

EBITDA: EBITDA is calculated in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

Adjusted EBITDA: Measure of profitability calculated by excluding Other Operating Income and Expenses from EBITDA. Management uses this measure in its analyses as it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

Compre Bem: Project involving the conversion of stores in order to enter a market niche currently occupied by regional supermarkets. The store model is better adapted to the needs of consumers in the regions where the stores are located. The service and assortment of the perishables category will be reinforced, while other categories will have a leaner assortment. Compre Bem is managed independently from the Extra Super banner, with the focus on streamlining operating costs, especially logistics and IT.

Mercado Extra: Project aims to renovate Extra Super by reinforcing the quality of perishables and customer service, with the focus on the B and C income groups. There will be no change in the operating model of the stores, which will continue to be managed under the Extra banner.

Cheftime: pioneering startup in the Foodtech segment, offering online subscription services and sales of gastronomic kits.

James Delivery (last miler): Multiservice platform for ordering and delivering in minutes of diverse products selected by our customers, including restaurants and integration with our supermarkets and drugstores.

Growth and Changes: The growth and changes presented in this document refer to variations from the same period last year, except where stated otherwise.



INVESTOR RELATIONS TEAM

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About GPA: GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale as well as electronic channels. Established in 1948 in São Paulo, it has its head office in the city and operations in 18 Brazilian states and the Federal District. With a strategy of focusing its decisions on customers and better serving them based on their consumer profile in the wide variety of shopping experiences it offers, GPA adopts a multi-business and multi-channel platform with brick-and-mortar stores and e-commerce operations divided into three business units: Multivarejo, which operates the supermarket, hypermarket and Minimercado store formats, as well as gas stations and drugstores under the Pão de Açúcar and Extra banners; Assaí, which operates in the cash-and-carry wholesale segment; GPA Malls, which is responsible for managing the Group's real estate assets, expansion projects and new store openings; and Via Varejo's discontinued operations, with its bricks and mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners, and the e-commerce segment.

Disclaimer: The forward-looking statements in this presentation are based on the current assumptions and projections of the Company's management, which could differ materially from actual results and performance and future events. These projections include future results that could be influenced by historical results and investments. Actual results, performance and events may differ materially from those expressed or implied by these forward-looking statements due to numerous factors, such as general economic conditions in Brazil and other countries, changes in interest rates and exchange rates, future renegotiations or prepayments of obligations or loans in foreign currency, legal and regulatory changes, and competitive factors generally at the regional, national or global levels.