



4Q18 and 2018 Results
February 21, 2019



2018: Highlights

OPTIMIZATION OF STORE PORTFOLIO

- 15 Pão de Açúcar stores renovated into the new model
- 23 Extra Super to Mercado Extra
- 13 conversions to Compre Bem



DIGITAL TRANSFORMATION

- Creation of the Digital Transformation Executive Area
- Partnership with Cheftime
- Acquisition of James Delivery
- Strong growth in food e-commerce
- Launch of Pão de Açúcar Adega
- “My Discount” app: + 7.5 million downloads



EXPANSION

- 18 Assaí stores inaugurated in 2018



PRIVATE-LABEL BRANDS

- Portfolio repositioning
- +500 products launched
- Better quality and price competitiveness
- Complete revision of assortment



GPA

R\$53.6 billion

revenue, market share gains in all segments

R\$1.3 billion

net income, more than double vs. 2017

Product and service offering better aligned with consumer market needs

INVESTMENTS

- Over 1.7 billion in 2018
- Confidence in execution of strategy and recovery of economic scenario



GPA Food: better operating performance across all segments resulted in solid net margin expansion

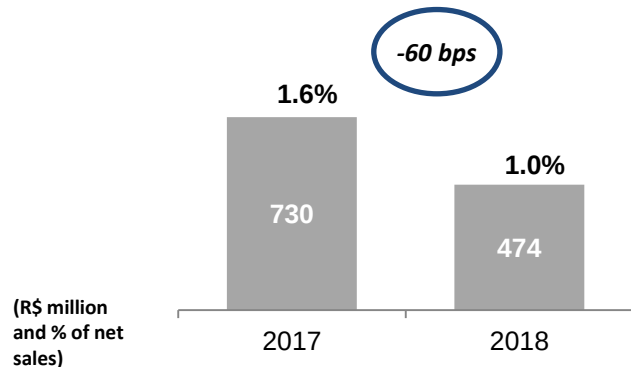
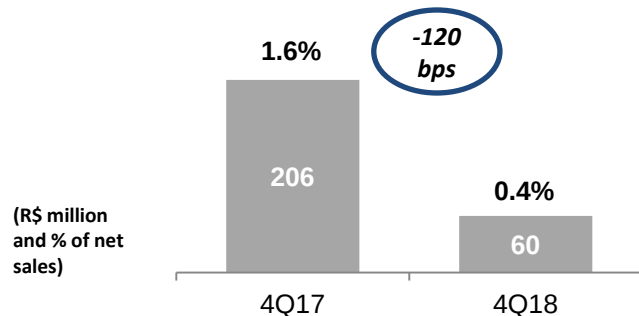
Food Business - R\$ million	4Q18	4Q17	Δ %	2018	2017	Δ %
Gross Sales	15,237	13,595	+12.1%	53,616	48,440	+10.7%
Gross Profit	3,050	2,843	+7.3%	11,073	10,286	+7.6%
Gross Margin	21.8%	22.7%	-90bps	22.4%	23.0%	-60bps
SG&A	-2,288	-2,245	+1.9%	-8,354	-8,061	+3.6%
SG&A (% net sales)	16.3%	18.0%	-170bps	16.9%	18.1%	-120bps
Adjusted EBITDA ^{(1)(2)(*)}	801	619	+29.4%	2,846	2,327	+22.3%
Adjusted EBITDA Margin	5.7%	5.0%	70bps	5.8%	5.2%	60bps
Net Income - Controlling Shareholders - continuing operations	471	250	88.1%	1,300	591	120.1%
Net Margin- continuing operations	3.4%	2.0%	140bps	2.6%	1.3%	130bps

- **Store portfolio better adapted to demands of consumer market:** real sales growth above the market, with improved results;
- **Strong growth in gross sales revenue:** continuity of solid performance by Assaí and consistent improvement in Multivarejo;
- **Significant dilution of operating expenses:** rigorous control of expenses at Multivarejo and Assaí;
- **Growth of Adjusted EBITDA:** expansion in line with guidance at Multivarejo and above expectations at Assaí;
- **Net income growth** resulted in higher net margin, which doubled in the year.

(*) Excluding tax credits. (1) Earnings before interest, tax, depreciation and amortization. (2) Adjusted for Other Operating Income and Expenses.

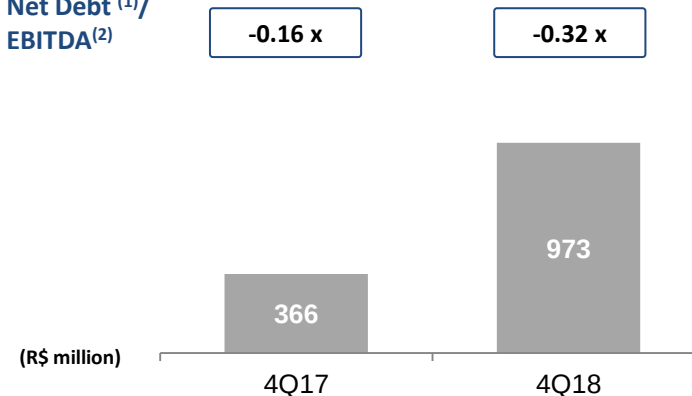
Financial result improves to 1% of net revenue, with low leverage

Financial Result



Net Debt⁽¹⁾

Net Debt ⁽¹⁾/
EBITDA ⁽²⁾



⁽¹⁾Includes unsold credit card receivables. ⁽²⁾EBITDA in last 12 months.

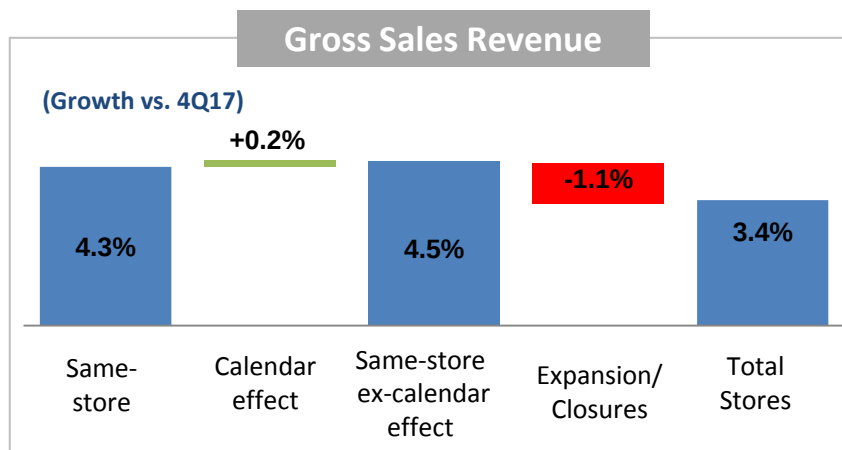
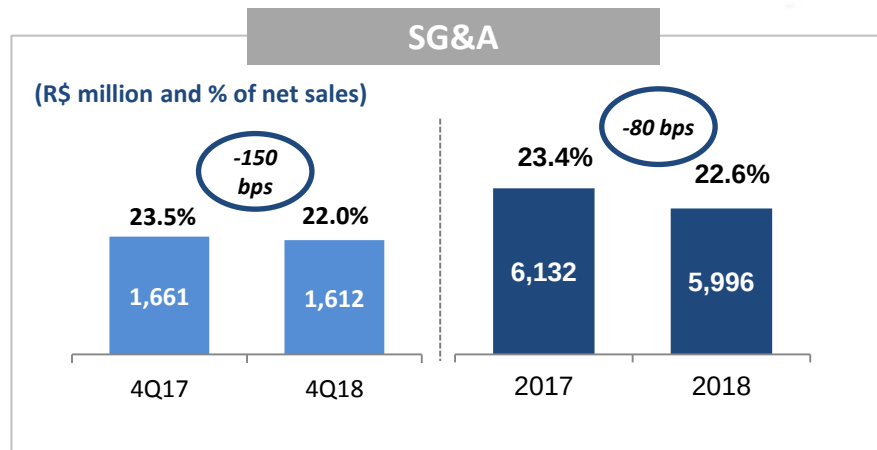
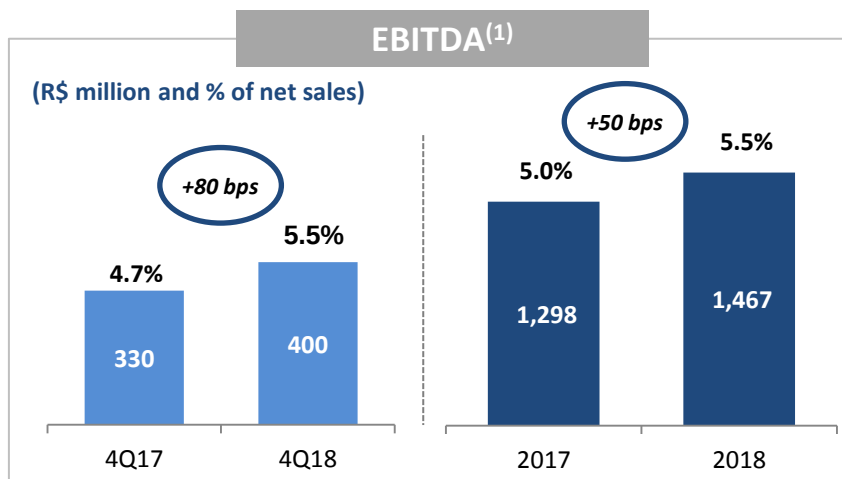
Cash &
Equivalents

- Cash position in Dec/18: R\$4.4 billion and unsold receivables totaling R\$96 million
- R\$1.8 billion in pre-approved/confirmed credit lines

CAPEX

- R\$598 million in 4Q18, +68.7% vs. 4Q17
- R\$1.7 billion in 2018, +28.8% vs. 2017

Multivarejo: sales performance combined with greater operating efficiency resulted in significant increase in profitability



- ### Highlights
- **Gross sales revenue of R\$7.9 billion in 4Q18:** SSS of 4.5%, maintaining the level around mid-single since March.
 - **Reduction in SG&A:** significant decline of 3.0% and strong dilution, due to lower personnel expenses and rigorous control of general expenses.
 - **EBITDA growth⁽¹⁾:** +21.2%, with increase in EBITDA margin to 5.5%
 - **Net Income:** expansion to R\$120 million, with margin of 1.6% .

⁽¹⁾ EBITDA adjusted for Other Operating Income and Expenses

Multivarejo: successful commercial actions, digital transformation initiatives and repositioning of private-label brands



EXTRA HIPER 112 Stores



- **Consistent market share gain (*)** and consolidation of **SSS** at mid-single digit
- **Commercial activation:** Successful campaigns, especially for seasonal dates
- **Outlook:** strong calendar activation; focus on quality and assortment of perishables; improvement in occupancy cost; profitability growth

EXTRA SUPER 150 stores MERCADO EXTRA 23 stores



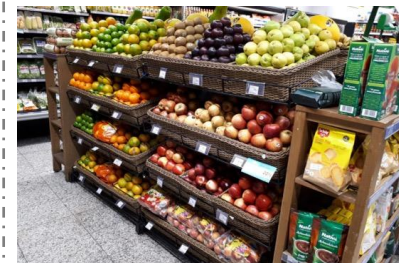
- **Extra Super:** acceleration in the performance due to revitalization of stores
 - **Mercado Extra:** 23 stores inaugurated in the year
 - Sales growth after conversion: ~30%
- **Outlook:** continue the store revitalization projects

PÃO DE AÇÚCAR 186 Stores



- **Acceleration of sales** over the quarter, with consistent **market share gain**
- **20 stores were renovated based on next recent generation concept (G7):** significant growth in relation to unrenovated stores
- **Outlook:** projects focused on innovation and differentiation, consolidating the leadership in the high-value segment

PROXIMITY 235 Stores (*)

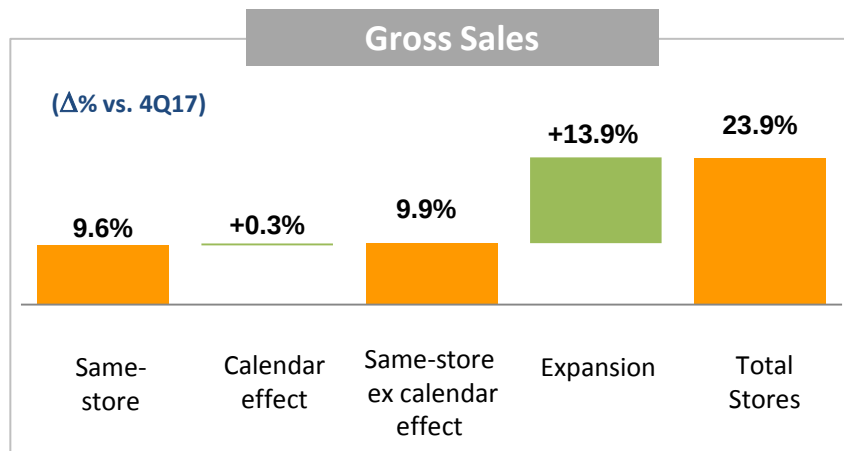
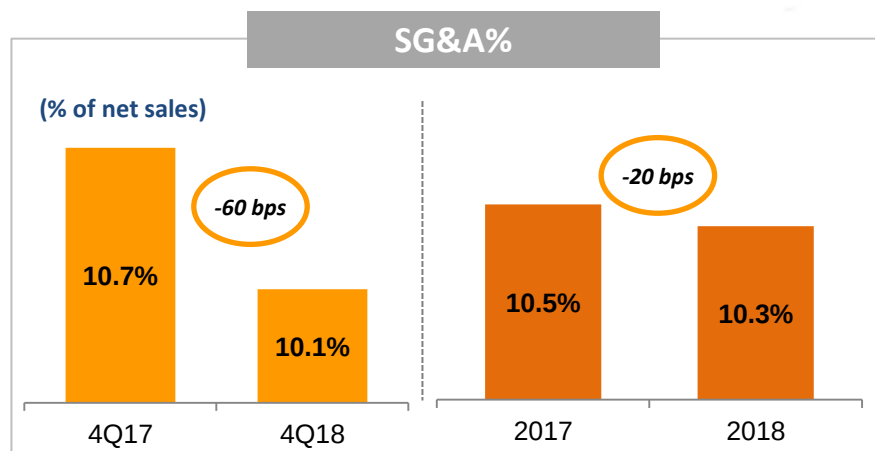
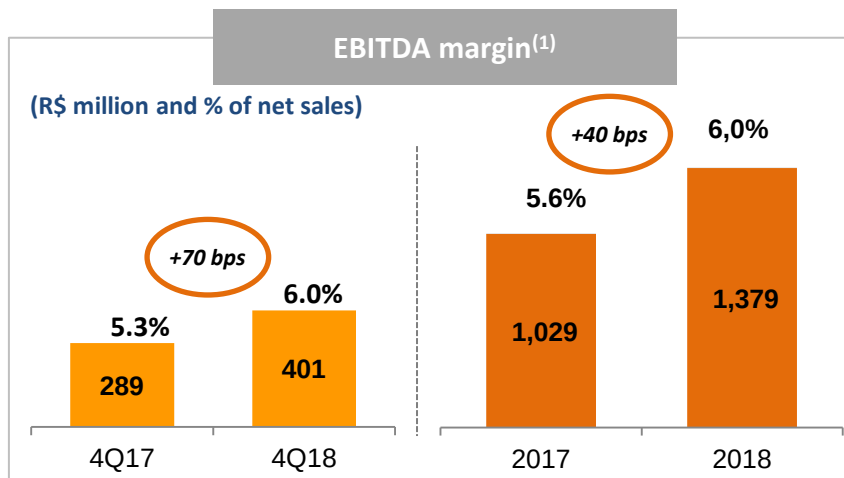


- **Significant double-digit sales growth since March, with market share gain:**
 - Commercial dynamics
 - Strengthening partnerships with suppliers
 - Synergy of marketing strategies among the banners
- **Outlook:** consolidate 2018 strategies; optimize store portfolio; and resume expansion of Minuto Pão de Açúcar

(*) Market share gain in the hypermarkets segment and AS Brasil, source Nielsen.

(**) Excluding 123 drugstores and 70 gas stations

Assaí: solid performance and continuous growth in profitability



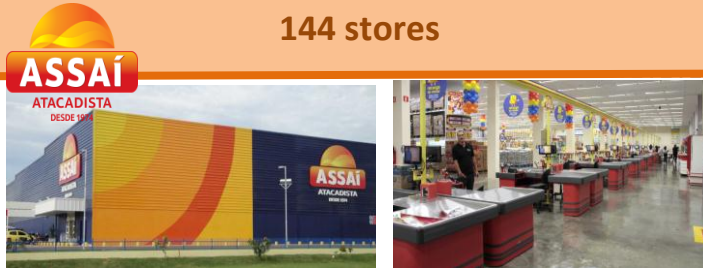
- ### Highlights
- **Gross sales revenue of R\$7.3 billion:** significant total and SSS growth, with market share gain.
 - **SG&A Dilution:** greater efficiency of expenses, despite the accelerated store expansion.
 - **Significant increase in EBITDA margin:** +70 bps to 6.0%
 - **Net income growth:** +37.9%, with net margin of 5.2%

⁽¹⁾ EBITDA adjusted for Other Operating Income and Expenses and excluding tax credits

⁽²⁾ Excluding tax credits

Assaí: Continued strong growth pace

ASSAÍ 144 stores



- **Expansion of nationwide footprint**, with maintenance of successful expansion
- **Opening of 10** stores in 6 different states, totaling 18 openings in 2018
- **Consistent growth for the next 3 years:** expansion of 15 to 20 stores per year

COMPRE BEM 13 stores



- **Conversions: 13 stores** in 2018
- **Significant sales growth after conversion:** above 50%
- **Next 3 years:** roll-out of Extra Super stores into Compre Bem



Net Sales:

- **Multivarejo:** same-store sales growth of around **100 bps** above IPCA inflation rate
- **Assaí:** same-store sales growth of around **200 bps** above inflation and **total sales over 20%**



EBITDA Margin :

- **Multivarejo:** growth of around **30 bps** from 2018
- **Assaí:** expansion of approximately **30-40 bps** vs. 2018



Other operating income and expenses:

- Maintenance of 2018 levels, of around **R\$ 200 million** p.a.



Capex:

- **R\$1.7 billion to R\$1.8 billion**, focus on higher-return projects related to expansion/optimization of formats



Digital Transformation: focus on innovation and acceleration of omnichannel strategy

- **Expand active client base**, increasing the relevance of users and expanding the share of industry;
- **Maintain leadership of food e-commerce** with significant growth
- **Cheftime:** continue the expansion of 30 Pão de Açúcar, 3 Minuto Pão stores and expand e-commerce sales
- **James Delivery:** launch of the platform in São Paulo in 2Q19 and expansion to 10 cities by the year-end
- **Wine Cellar “Adega”:** platform expansion, ensuring omnichannel experience.



Appendix

GPA Food Overview

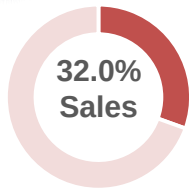
Wide range of formats to meet diverse needs of consumers

Multivarejo

Assaí

Extra

Hypermarkets and Supermarkets



#Stores

Hypermarkets: 112
Supermarkets: 186

Pão de Açúcar

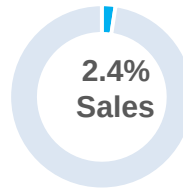
Premium Supermarkets



#Stores

Supermarkets: 186
Food Delivery

Proximity



#Stores

Minuto: 79
Mini Mercado Extra: 156

Other Businesses

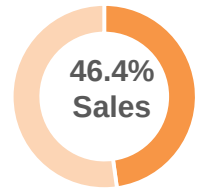
Commercial Centers, Drugstores & Gas Stations



#Stores

Drugstores: 123
Gas stations: 71
GLA~260.000 million²

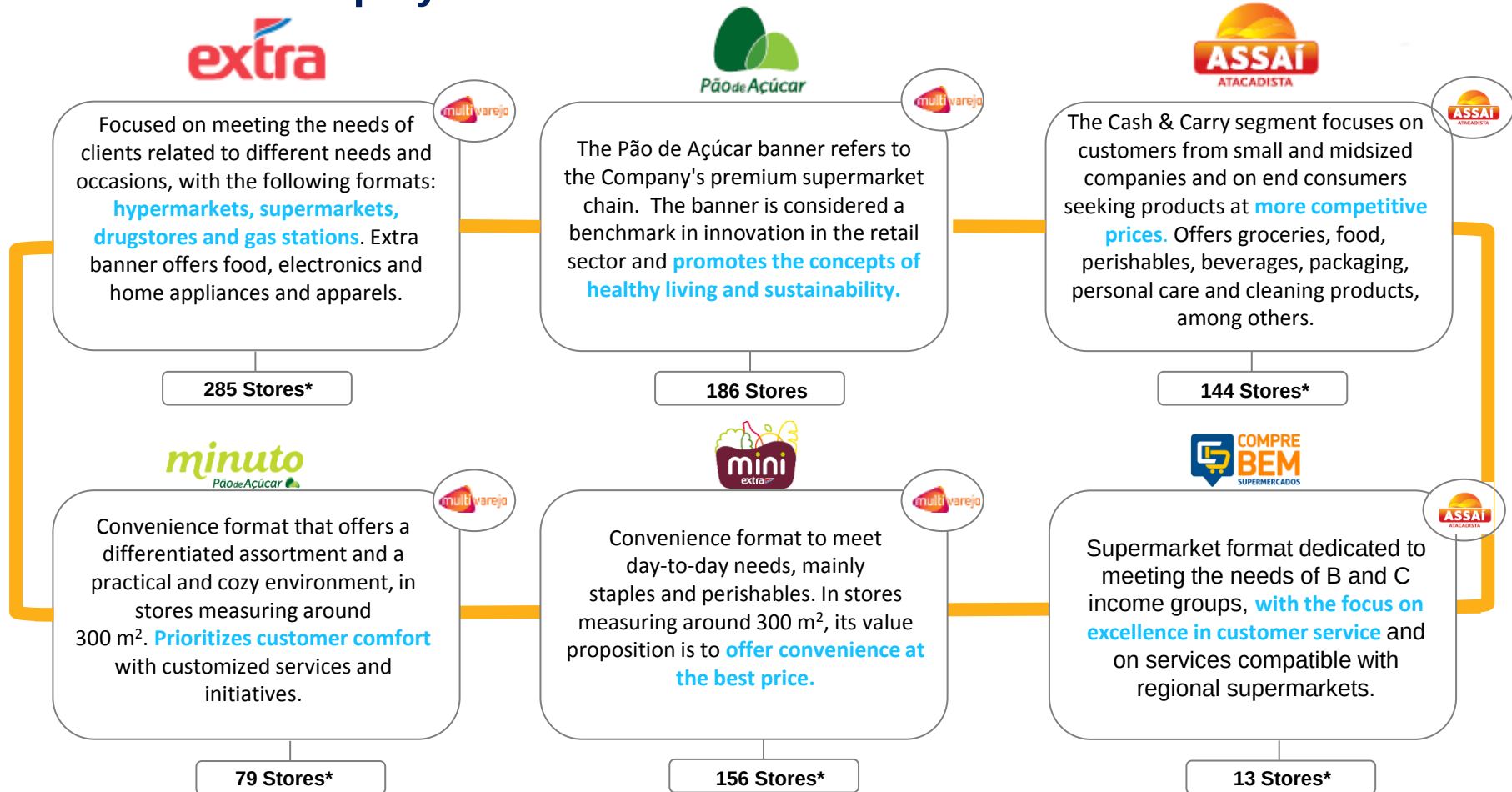
Cash & Carry



#Stores

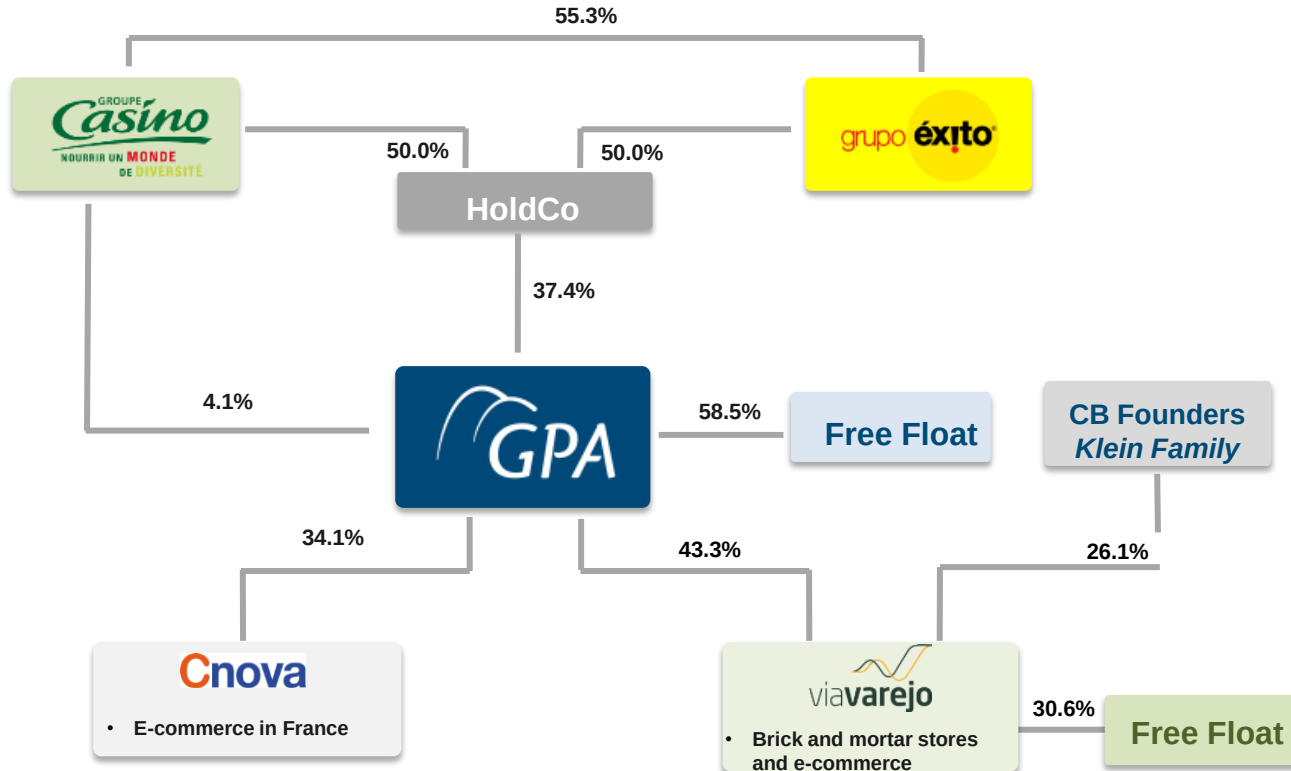
Assaí: 144

Multi-format food player



* Also operates 123 drugstores and 70 gas stations as of September 30, 2018 **First wave of Extra Super conversions to Compre Bem to be concluded by the end of 2018

Ownership Structure



Glossary

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.

Business Units of the Company: The Company's business is divided into two segments - Retail and Cash & Carry (Slide 10)

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

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. Includes retail and wholesale activities of products in general, including - but not limited to - food products, clothing, hygiene, medicines, fuels, furniture, consumer electronics and domestic utilities. These activities are carried out in both physical and virtual establishments.

Growth and changes: The growth and changes reported in this document refer to changes from the same period last year, except when stated otherwise.

Compre Bem Project: Pilot project involving the conversion of 20 stores in order to enter a market niche currently occupied by regional supermarkets. The store model will be 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 will be managed independently of the Extra Super banner and the focus will be on streamlining operating costs, especially logistics and IT.

Mercado Extra: Pilot project at 10 stores in order to revitalize Extra Super by improving the quality of perishables and customer service, with the focus on 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.



Investor Relations Team

Tel.: +55 (11) 3886-0421

gpa.ri@gpabr.com

www.gpari.com.br

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 significantly 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 general competitive factors at the regional, national or global levels.