

2Q20
PRESENTATION

Who makes Via

We recently conducted the Via Varejo Census, to get to know our employees better.



+ 41 thousand
Active employees

36 years
Middle Ages

5.4 anos
Average time on Via

47% women and **53%** men in general

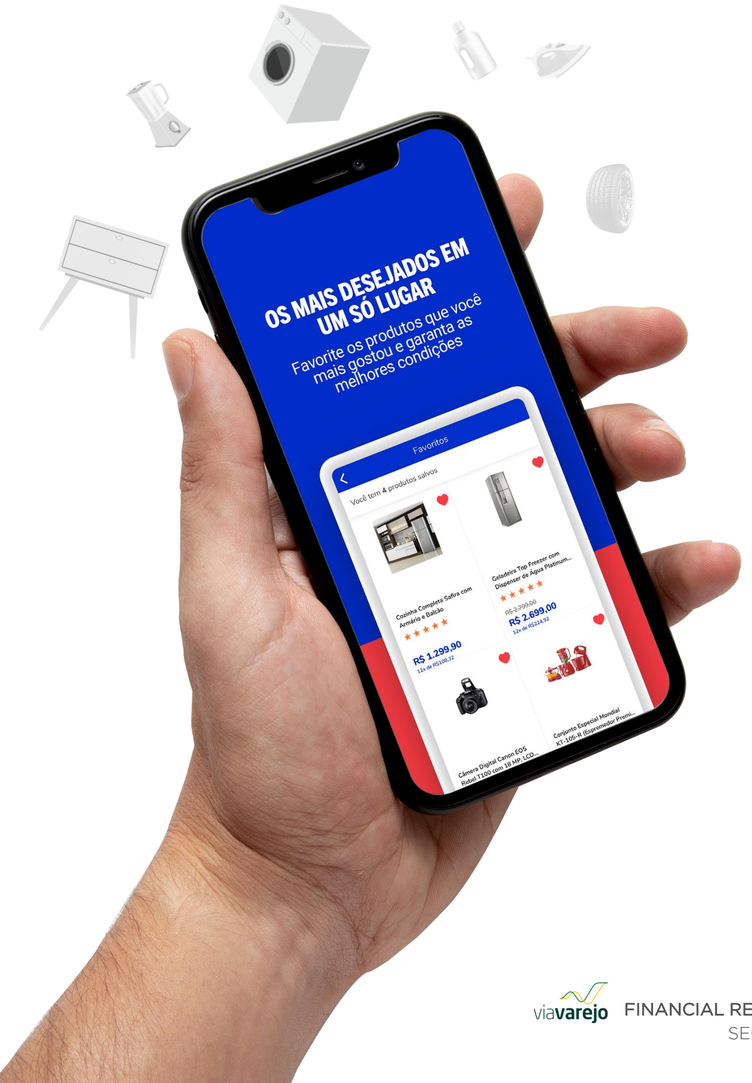
53% women in leadership

+2150

+1750
Apprentices

viavarejo

Via Varejo purchases all Brazilians wherever, whenever and however they want.



Digitally transforms and reaches R$ 7.3 billion of Total GMV and R$ 5.1 billion of GMV online.

R$ 5.1 bi
GMV ONLINE

R$ 7.3 bi
TOTAL GMV

Highlights 2Q20

ROBUST
GROWTH IN THE PERIOD

Total GMV of **R$7,3 billion, 70%** of which in the Online channel, with growth of **5146 bps** above 2Q19

Online make up for **100%** of lost sales of stores closed by the lockdown

Total GMV
R$ 7.3 bi



"Text me on WhatsApp" strong selling instrument

20% of online sales

Online

+280% in 2Q20 and **365%** in jun/20

1P - Growth
+311% in 2Q20 and **+422%** in jun/20

3P - Growth
+180% in 2Q20 and **+211%** in jun/20

Exponential growth of active users in apps,

1,5 milhões in 2Q19 to **15,0 milion** in 2Q20

(+900% of active users)

GMV online
R$ 5.1 bi

Digital transformation **at full speed**

Sustainable growth combined with profitability

Digital as % of total GMV	**18.5%** 2Q19	**70.0%** 2Q20
GMV 1P Growth	**-17.1%** 2Q19 vs 2Q18	**+311.2%** 2Q20 vs 2Q19
GMV 1P + 3P Growth	**-7.2%** 2Q19 vs 2Q18	**+280.0%** 2Q20 vs 2Q19
Gross Operating Margin	**27.3%** 2Q19	**30.7%** 2Q20
Monthly Active Users	**1.5 million** Jun-19	**15.0 million** 2Q20
Avg, monthly online visits	**73 million** 2Q19	**287 million** 2Q20
Registered marketplace sellers	**4.7 k** Jun-19	**6.0 k** Jun- 20

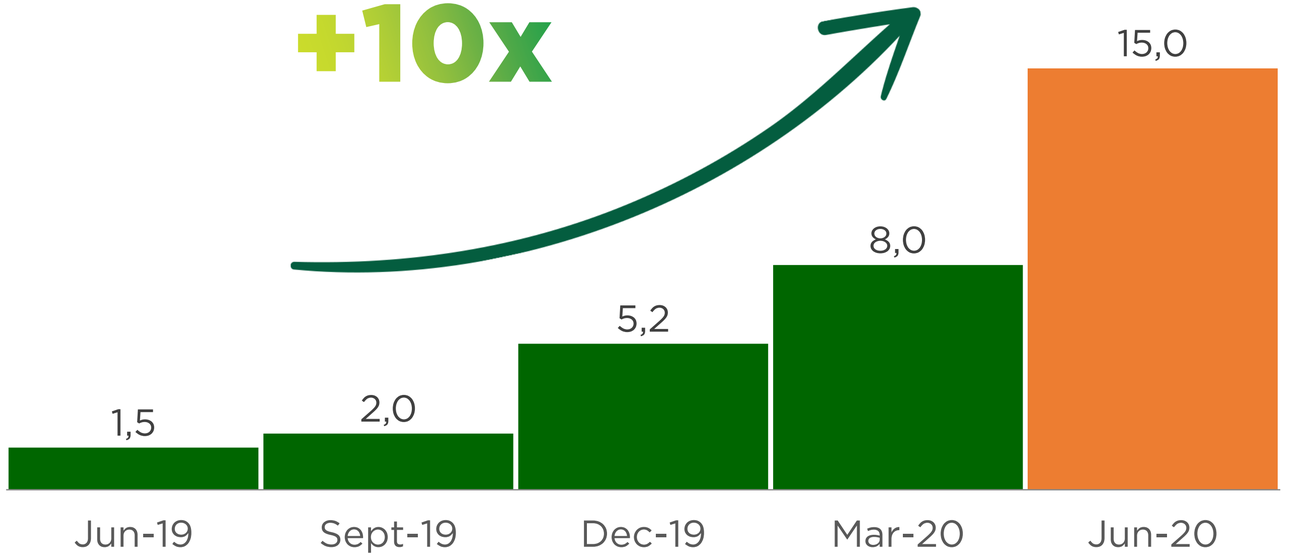
app usage

Exponential **Growth**

1.5 milllion:
monthly active users apps in Jun-19

15.0 million in Jun-20





32% Of online app GMV sales in 2Q20 (vs, 12% in 2Q19)

34% of GMV sales online by m-site in 2Q20 (vs. 34% in 2Q19)

Mobile **First**

Growth

Key levers

Marketplace

R$901 M GMV 3P 2Q20

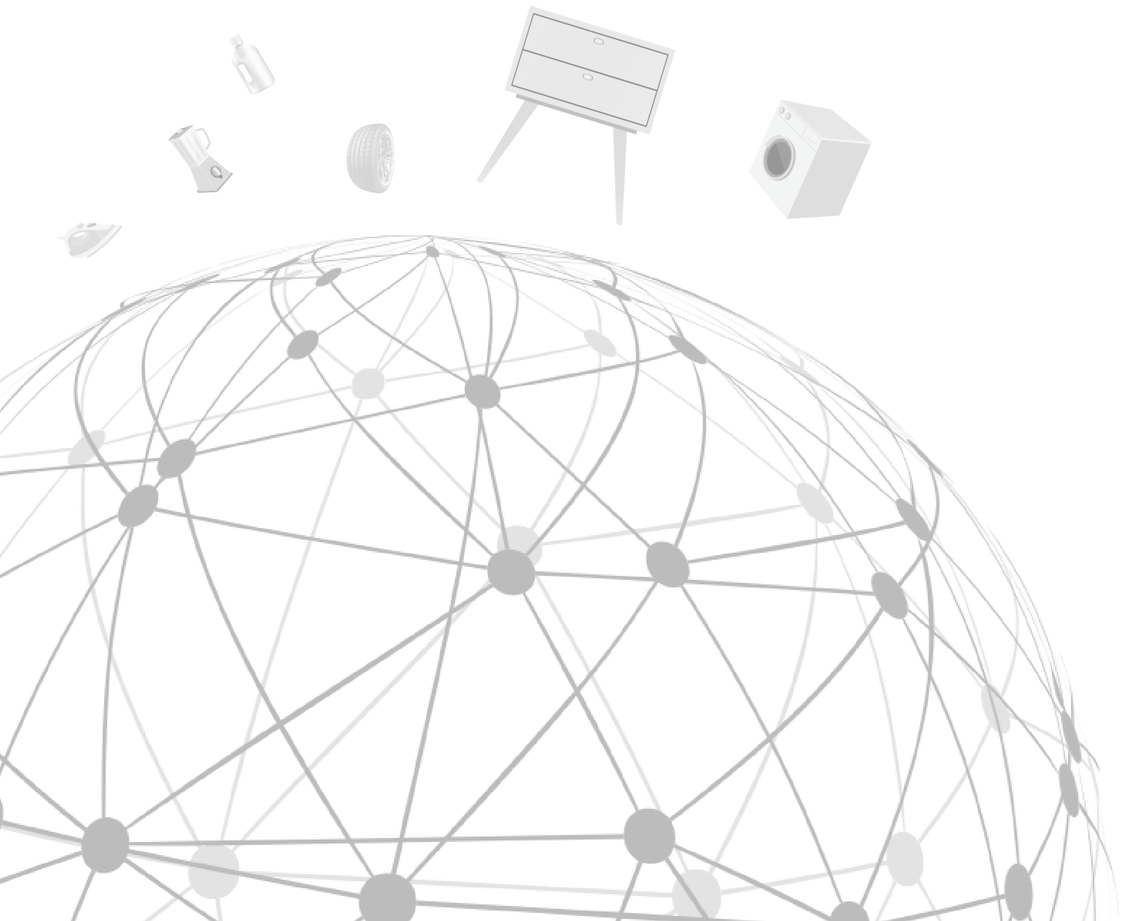
(+180% vs.2Q19)+211%

GMV 3P in jun-20



Hightlights 2Q20

MARGIN AND INVENTORY



Renewed inventories

Omnichannel Integration

Better execution of the commercial and pricing strategy, with significant evolution of product margins in both channels and in all categories.

Payment Book



At the reopening, we observed a recovery in sales penetration with strong production of new contracts / booklets. Significant improvement in receipts during May, June (July and August are still strong), which confirms the resilience of credit in times of crisis.

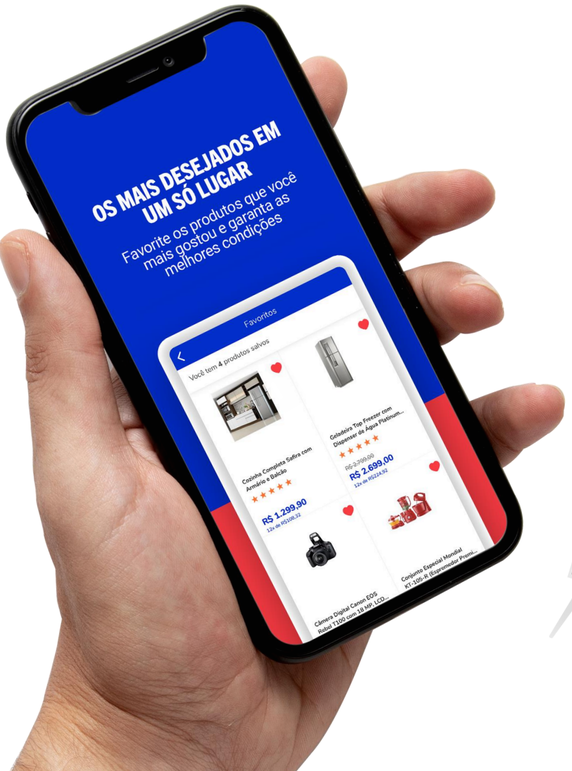
DIGITALIZATION

- Digitization of the installment plan (digital CDC launch) and the collection process;
- Digital CDC already has a portfolio of R $ 116 million and is open to pre-approved customers;
- We increased the base of pre-approved clients, new scoring models, reviewed the parameters of the credit engine and included the options panel;
- In 2Q20, approximately + 90% of credit decisions made through an automated system.
- Excellent sales tool

Tech Culture

Talent attraction

Focus on technology has accelerated the attraction of talent



- **Talents dedicated** to technology
- **Robust tech** investments in 2020

29
Tribes

03
Tech Hubs

+120
Squads

+1,400
Developers

Platform Evolution and Digitization

Online Channels

New apps focused on usability and speed

Offline

Physical Stores in Digital

- **Via+** with recommendations and Marketplace
- **Infra:** new mobile POS
- **New Expirience :** Use of wifi , customized credit offer and new sales journey

Market**place**

Significant improvement for **Sellers**
Customer Improvemen



Logistic

380 Mini-Hubs

with reduction in delivery time and a 50% drop in the cost of the last mile

3P Sellers

will have the same price condition, freight cost and delivery time as Via Varejo

ASAP Log

Already active in 330 Mini-Hubs

Deliveries

+ 5.0 million deliveries

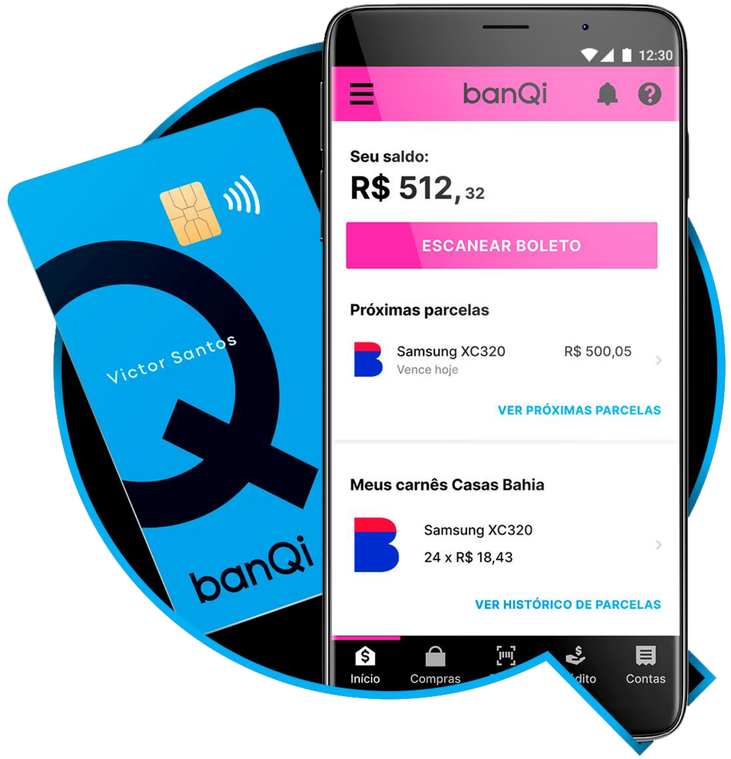
1,700,000
downloads!

DIGITAL WALLET

Working as Super App

National rollout already started

- **+83%** growth in account openings (2Q20 vs 1Q20) and **+93%** growth in july/20 in relation to 2Q20
- TPV growing **120%** in july/20 in relation to 2Q20
- **+ 106,000** CDCs added to banQi (only in July!)
- Reduction in CAC (client acquisition cost) by **75%** vs. July 2019



Highlights

2Q20
Financials

We ended the quarter **with cash, of R$ 7.4 billion including undiscounted credit card receivables**

Strengthening of the capital structure with R $ 10 billion in transactions:

R$ 4.4 bi of Follow On

R$ 1.5 bi NP rescue

R$ 1.5 bi New Debenture (up to 2 years) and R $ 2.5 billion CCB (up to 2 years)

Conclusion of AirFox and AsapLog acquisitions

Generation of R$ 246 million in cash (R$ 1.4 billion better than 2Q19)

Res Judicata of R$ 364 million PIS / COFINS lawsuit

What's next?

Already under execution...

BOOST
CONVERSION

- New Casas Bahia app - **delivered**.
- New PontoFrio and Extra.com Apps launched before Black Friday 2020
- New Pricing System

PROGRESS ON
MARKETPLACE

- On - board seller in real time
- Competitiveness of sellers (coupons)
- Shipping: Via Varejo network at the service of 3P
- Fullcommerce

OPTIMIZE
OFFLINE

- Via + (desk & mobile) with more features and variety 1P and 3P
- Ship growth - from- store (500 mini hubs in 3Q20)
- Wifi Engage – through geolocation we will encourage the use of our apps in stores

ENHANCE
TECH CULTURE

- Tech Hub revitalization in São Caetano
- STRONG home office and officeless policy
- Agile cross company methodology (Technology for the company)



BanQi

- MUCH more features (Super App)
- Integration with PIX and QR Code
- Agency and Account
- Legal Person Account

RESULTS

FINANCIAL RESULTS

2Q20



Highlights 2Q20

SALE / GMV ON / OFF / 1P / 3P

TOTAL BILLING (R$ million)	2Q20	2Q19	VAR #	VAR %	jun/20
Total GMV (ON & Stores)	7,260	7,226	+34	+0.5%	+39.0%
GMV ON	5,081	1,339	+3742	+279.6%	+365.0%
GMV 1P	4,180	1,017	+3163	+311.2%	+422.0%
GMV 3P	901	322	+579	+179.8%	+211.0%
Stores	2,179	5,887	-3708	-63.0%	-27.0%

%TOTAL GMV	2Q20	2Q19	VAR %
Online GMV	70.0%	18.5%	+5146bps
GMV 1P	57.6%	14.1%	+4351bps
GMV 3P	12.4%	4.5%	+795bps
Stores	30.0%	81.5%	(5,146bps)

Results

2Q 2020 RESULTS **Accounting x 2019 Accounting**

w/IFRS 16 (R$ million)	2Q20	2Q19	VAR #	VAR %
Total GMV (ON & Stores)	7,260	7,226	+34	+0.5%
Gross Revenue	6,461	7,006	-545	-7.8%
Net Revenue	5,280	6,024	+744	-12.4%
Gross Profit (%NR)	1,862 35.3%	1,680 27.9%	+182 +738bps	+10.8%
SG&A (%NR)	(1,365) -25.9%	(1,355) -22.5%	-10 (336bps)	+0.7%
Adjusted EBITDA (%NR)	555 10.5%	382 6.3%	+173 +417bps	+45.3%
Financial Income (%NR)	(200) -3.8%	(274) -4.5%	+74 +76bps	27.0%
Net Income (Loss)(%NR)	65 1.2%	(162) -2.7%	+227 +392bps	

Results

2Q 2020 RESULTS **Accounting to Operational**

w/ IFRS 16 (R$ million)	2Q20	Non recurring	2Q20	2Q19	Non recurring	2Q19
Total GMV (ON & Stores)	7,260	-	7,260	7,226	(51)	7,175
Gross Revenue	6,461	-	6,461	7,006	(51)	6,955
Net Revenue	5,280	-	5,280	6,024	(45)	5,979
Gross Profit (%NR)	1,862 35.3%	(241)	1,621 30.7%	1,680 27.9%	(45)	1,635 27.3%
SG&A (%NR)	(1,365) -25.9%	-	(1,365) -25.9%	(1,355) -22.5%	(157)	(1,512) -25.3%
Adjusted EBITDA (%NR)	555 10.5%	241	314 5.9%	382 6.3%	(203)	179 3.0%
Financial Income (%NR)	(200) -3.8%	(123)	(323) -3.8%	(274) -4.5%	-	(274) -4.5%
Net Income (Loss)(%NR)	65 1.2%	(241)	(176) -3.3%	(162) -2.7%	(134)	(296) -4.9%

1) PIS / COFINS unappealable credit, R $ 241 million of principal in CMV and R $ 123 million of monetary restatement in Financial Result, totaling R $ 364 million
2) Sales of Tax Credit
3) PIS/COFINS Credit

Results

2Q 2020 Results **Operational x 2019 Operational**

w/IFRS 16	2Q20	2Q19	VAR #	VAR %
Total GMV (ON & Stores)	7,260	7,175	+85	1.2%
Gross Revenue	6,461	6,955	-494	-7.1%
Net Revenue	5,280	5,979	-699	-11.7%
Gross Profit (%NR)	1,621 30.7%	1,635 27.3%	-14 +340bps	-0.8%
SG&A (%NR)	(1,365) -25.9%	(1,512) -25.3%	+147 (55bps)	-9.7%
Adjusted EBITDA (%NR)	314 5.9%	179 3.0%	+135 +294bps	75.1%
Financial Income (%NR)	(323) -3.8%	(274) -4.5%	-49 +76bps	-15.2%
Net Income (Loss)(%NR)	(176) -3.3%	(296) -4.9%	+120 +162bps	40.5%

Results

MONTH-TO-MONTH OPERATING RESULT W/ IRFS 16

w/IFRS 16 (R$ million)	April	May	June	2Q20 Operational
Total GMV (ON & Stores)	1,871	2,521	2,867	7,260
Gross Revenue (%NR)	26.0%	30.8%	33.5%	30.7%
SG&A (%NR)	-29.8%	-25.1%	-24.0%	-25.8%
Gross Profit (%NR)	-2.7%	6.6%	10.7%	5.9%

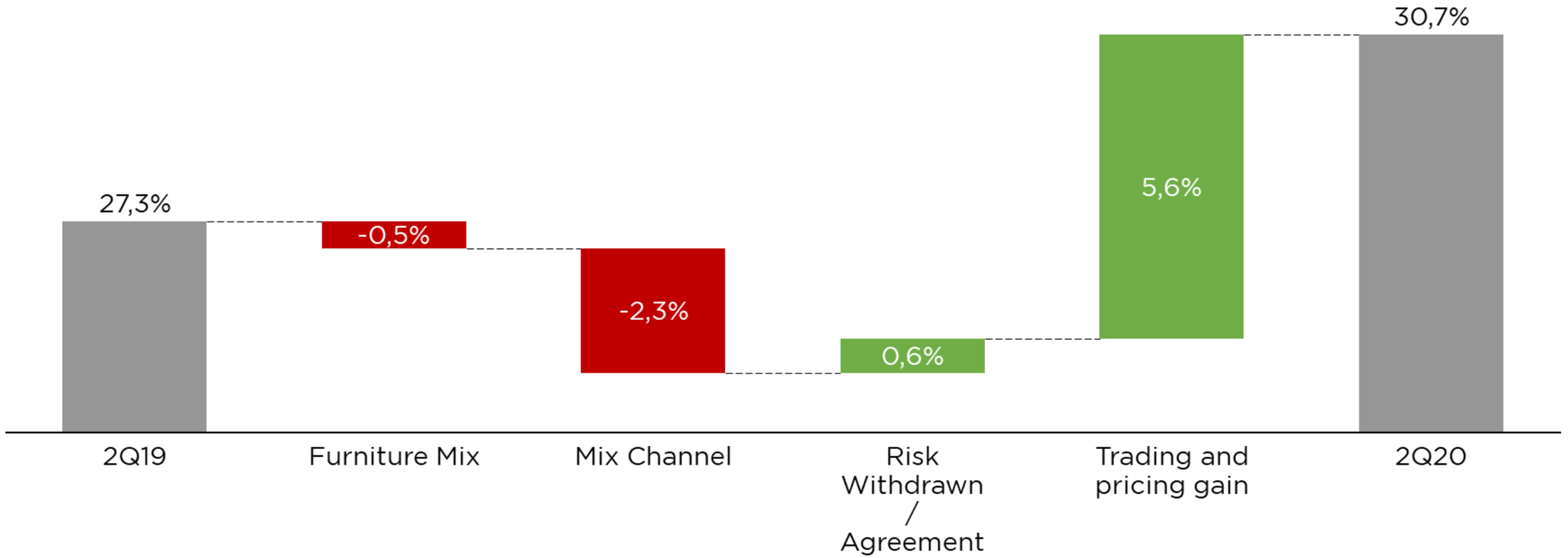
- Reopening of stores during the quarter (average 23% of stores opened).
- Significant gains in commercial margin.

We renegotiated several expenses, such as:

- Rental expenses of closed stores;
- Personnel: use of reduced working hours and suspension of employment contracts (MP 936);
- Third-party services: marketing expenses, store maintenance, travel, etc.

Results

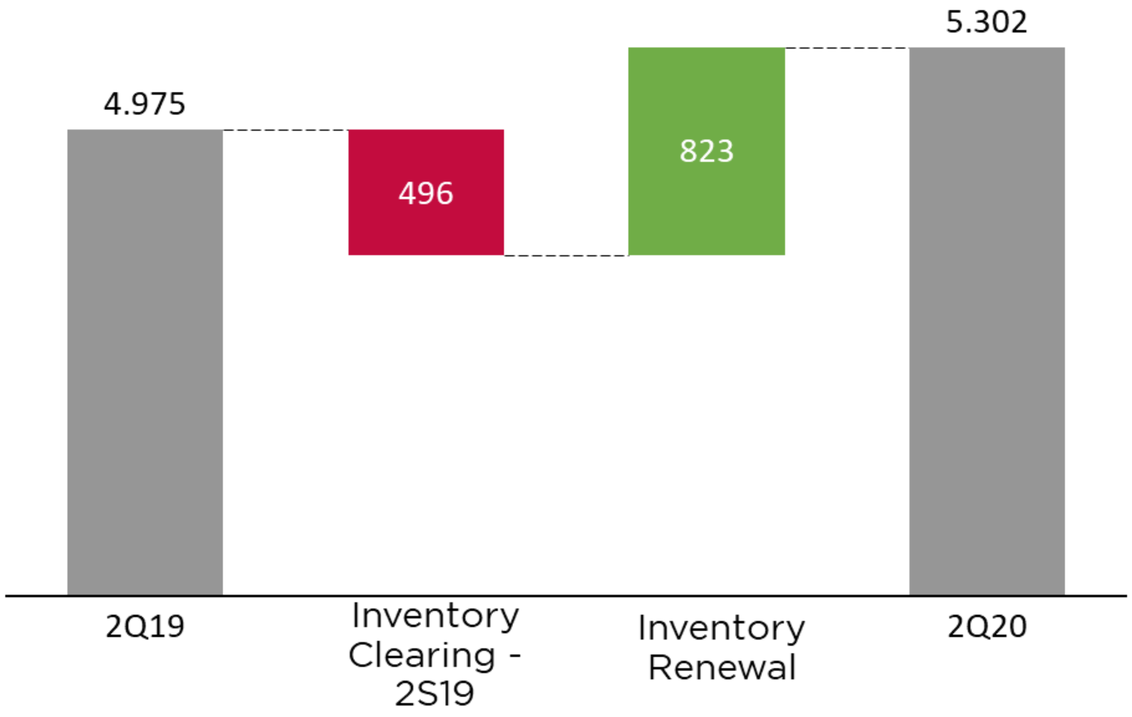
Gross Margin Evolution



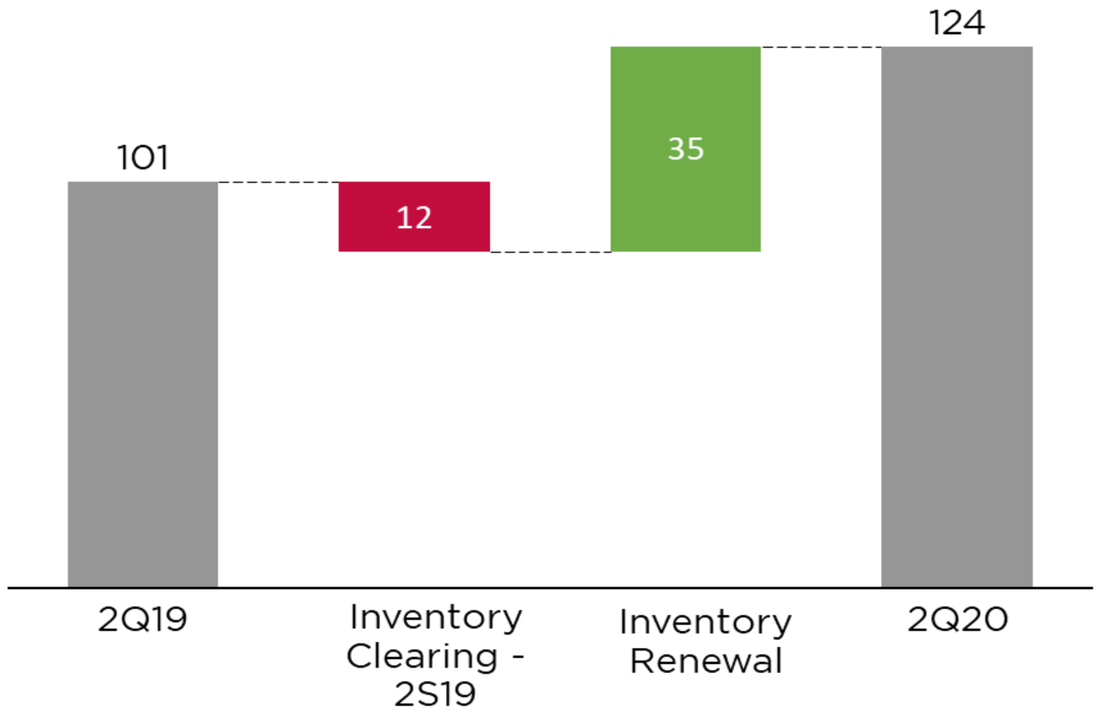
Results

Inventory Evolution 2Q19 vs. 2Q20

R$ million



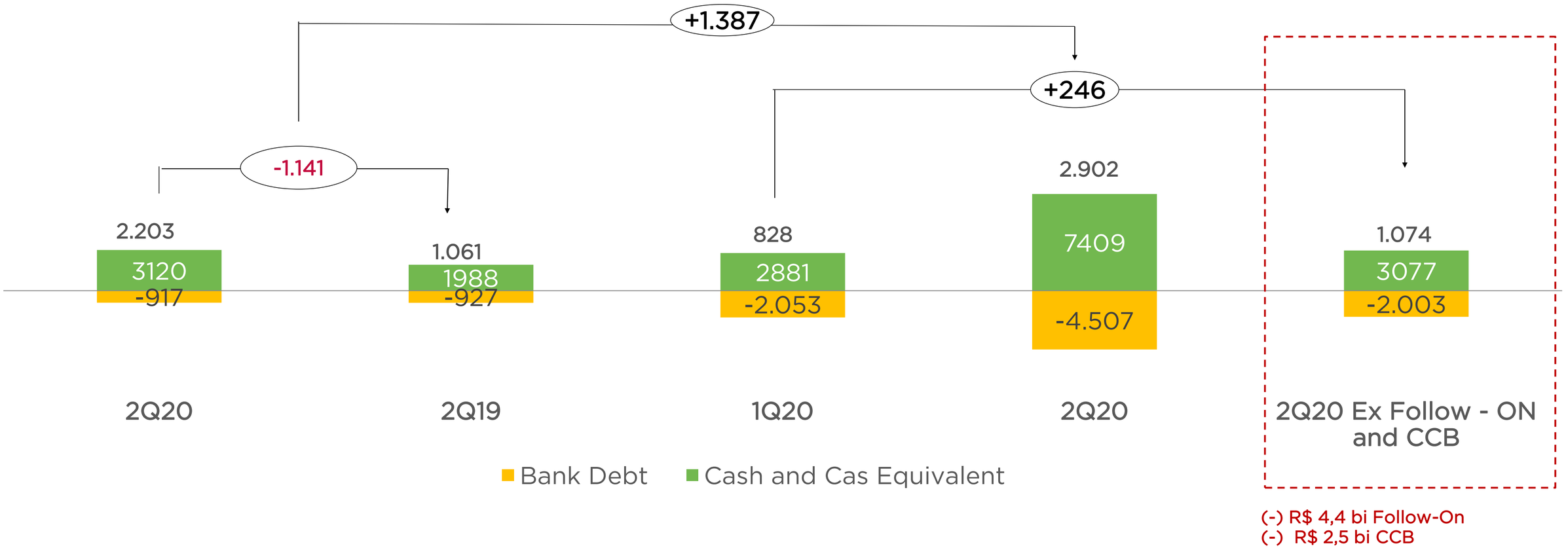
Days of COGs



Results

Cash and Cash Equivalents

Generation of R $ 1.4 billion in cash vs.2Q19, excluding the effects of Follow On and CCB



(-) R$ 4,4 bi Follow-On
(-) R$ 2,5 bi CCB

Results

CDCI Balance Sheet

ASSETz	1Q20	2Q20	LIABILITIES	1T20	2T20
Receivables short term	3,153	2,792	Payment Book (CDCI) short term	3,329	3,589
Receivables long term	396	323	Payment Book (CDCI) long term	427	332
Total receivable (1)(3)	**3,549**	**3,115**	**Total payable (2)**	**3,756**	**3,921**
Interest to be appropriated ST	-900	-714	Interest to be appropriated ST	-99	-82
Interest to be appropriated LT	-75	-62	Interest to be appropriated LT	-7	-6
Total Interests to be Appropriated	**-975**	**-776**	**Total Interests to be Appropriated**	**-105**	**-88**
Total receivable	**2,574**	**2,339**	**Total payable**	**3,652**	**3,834**
Payment book PCLD	**-409**	**-399**			

(1) Sales reduction due to closed stores

(2) Rollover with banks regularized in July and August

(3) Balance of accounts receivable written off (with a delay over 180 days) that remains active in our collection system, which totals R $ 1.4 billion

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