viavarejo

NA LOJA
NO SITE
NO CELULAR

2Q19 Results

August, 15th, 2019

CASAS BAHIA pontofrio bartira extra .com.br

Recent years events overview and new moment

Recent years events overview and new moment

2009/12 | 2013/14 | 2015 | 2016 | 2017 | 2018 | 2019 | *06/14/2019 Stock Auction*

Searching for synergies in integration;
- ***Corporate Disputes;***
- ***"on-off" separation;***

Low attention to CORE;
- ***No growth/no market share gains;***
- ***Failed "on-off" separation;***

Company put for sale;
- ***Controlling Shareholder starts:***
  - ✓ ***Administrative Separation;***
  - ✓ ***"on-off" integration;***

- ***Controlling shareholder's shares diluted in the market;***
- ***Via Varejo is no longer a subsidiary and becomes the largest nationally controlled company...***
- ***Has it Command in Brazil***
- ***New Executives named***

"Making retail" . . . Our FOCUS

JOINT MANAGEMENT 2009-2012:

- 2010 Via Varejo is born;
- B&M: merging Operations of Pontofrio and Casas Bahia;
- e-commerce: separated operation with brands pontofrio.com; extra.com and casasbahia.com;
- Change of controller of Via Varejo's controller: June 2012

New Controlling Shareholder management 2013-2019:

- Controlling Shareholder guidelines:
  - ✓ Corporate agenda / bureaucracy / centralized decisions;
  - ✓ Synergy and dependency relationships with full administrative integration with the controllers;
  - ✓ Outsourcing and whole-area divestments;
- High turnover in management:
  - ✓ 5 different CEO's between 2013 and 2019.

Fonte: Via Varejo

Change in high leadership and New Directors Named

"Making retail" . . . Our FOCUS

DIGITAL AND B&M EXPERIENCE | **SENIOR TEAM "ALREADY PLAYING"** | **RIGHT PERSON IN THE RIGHT PLACE** | **FOCUS ON DELIVERING RESULTS**



Roberto Fulcherberguer

Board member and CEO

He was commercial vice president of Casas Bahia and Via Varejo, where he worked for 16 years and, until then, was a member of the Company's Board of Directors. Roberto has been working for over 3 years, having worked for companies such as the former Arapuã and GPA.



Abel Ornelas

Commercial and Operations Vice President

He previously worked at Via Varejo as executive director of store operations from 2010 to 2013. Abel has 34 years of retail experience in the Commercial, Store Operations, Supply Chain, Marketing, Strategic Planning and E-commerce areas, also worked at Magalu, GPA, Walmart and Pernambucanas



Orivaldo Padilha

Finance and Investor Relations Vice President

He worked as CFO of Via Varejo from 2009 to 2012, and was also responsible for the integration of Pontofrio and Casas Bahia. Padilha has been in retail for over 38 years and has worked for major companies such as St. Marche Group, Carrefour, Walmart and GPA.



Sergio Leme

Administrative Vice President

With over 25 years of experience, he has served as Managing Director of Patria Investments and as president of Whirlpool Mexico, a company in which he served for seven years, as well as Commercial Vice President, also accumulating positions at Bain & Co. and Alcoa.



Helisson Lemos

Digital Innovation and HR Vice Presidente

With a career in the digital market, Helisson Lemos has worked for 17 years at Mercado Livre Brazil, being in the last seven years as CEO. In 2017, he assumed the position of COO at Móvile, a company that invests and operates mobile apps such as iFood MovilePay, among others.

Fonte: Via Varejo

Change in high leadership and New Directors Named

“Making retail” . . . Our FOCUS

Executive Board of Operations and B&M

Executive Board of E-commerce & Marketplace

Executive Board of Electronic

Executive Board of White line and Furniture

DIGITAL AND B&M EXPERIENCE

Executive Board of Supply-chain & logistics

Executive Board of HR

Executive Board of Commercial Planning

SENIOR TEAM “ALREADY PLAYING”

Executive Board of Legal, Compliance & Governmental Relations

Executive Board of Finance & Treasury

Executive Board of Communication & Institutional Relations

RIGHT PERSON IN THE RIGHT PLACE

All other boards are kept

FOCUS ON DELIVERING RESULTS

Fonte: Via Varejo

Via Varejo – Who we really are



1 Leader in electronics and appliances retail in Brazil

- ✓ *+R$ 30 billion in gross sales, equivalent to the sales of the #2, #3 and #4 players combined*
- ✓ *Global Relevance: TOP 5 "Global" from leading manufacturers*

2 Top of mind brands in the Brazilian market - Casas Bahia and Pontofrio

- ✓ *Meets all spectrum of client income levels in the country*
- ✓ *Largest retailer of electro, white goods and telephony;*
- ✓ *Largest furniture retailer;*
- ✓ *Credibility - side by side with all Brazilians and all "Brazils";*

3 Unmatched Omni channel platform in Brazil

- ✓ *On – Off → Totally integrated since July 1st.: legal, tax, systemic and inventoriess;*
- ✓ *Over 1,050 physical stores, integrated with apps and ecommerce;*
- ✓ *Click n' Collect at 100% of stores and over 7,000 pick-up points at post offices and gas stations;*
- ✓ *Over 4,500 sellers and over 2,000,000 of SKUs in marketplace;*

4 Credit Business (Payment book, credit card and digital) and financial services:

- ✓ **Payment Book:** *+ 5.000.000 active customers with portfolio of R$3,5 billion and R$10,0 billion pre approved;*
- ✓ **Co-Branded Card:** *portfolio of R$6,0 billion + R$11,0 billion pre approved;*
- ✓ **Digital:** *banQi, digital bank focused on unbanked population, highly promising;*
- ✓ **Financial Services:** *Strategic Partners;*

5 Brazil's largest logistic network

- ✓ *26 distribution centers and 63 mini-hubs – 1,000,000m² storage area;*
- ✓ *2 deliveries per second and 58% of orders are delivered within 72h;*
- ✓ *We are able to be the "faster and cheaper delivery" of Brazil;*

Brief history

pontofrio

- *1950 – foundation (RJ);*
- *1996 – IPO Globex;*
- *1999 – pontofrio.com*
- *2000 – Mega Store;*
- *Leader until 2001*

CASAS BAHIA

- *1957 – foundation (SP);*
- *1972 – expansion SP;*
- *1978 – Bartira;*
- *1990 – National Territory;*
- *Leader since 2001*

viavarejo

- *2010 – merging*
- *Always Leader…*

Top of mind Brands

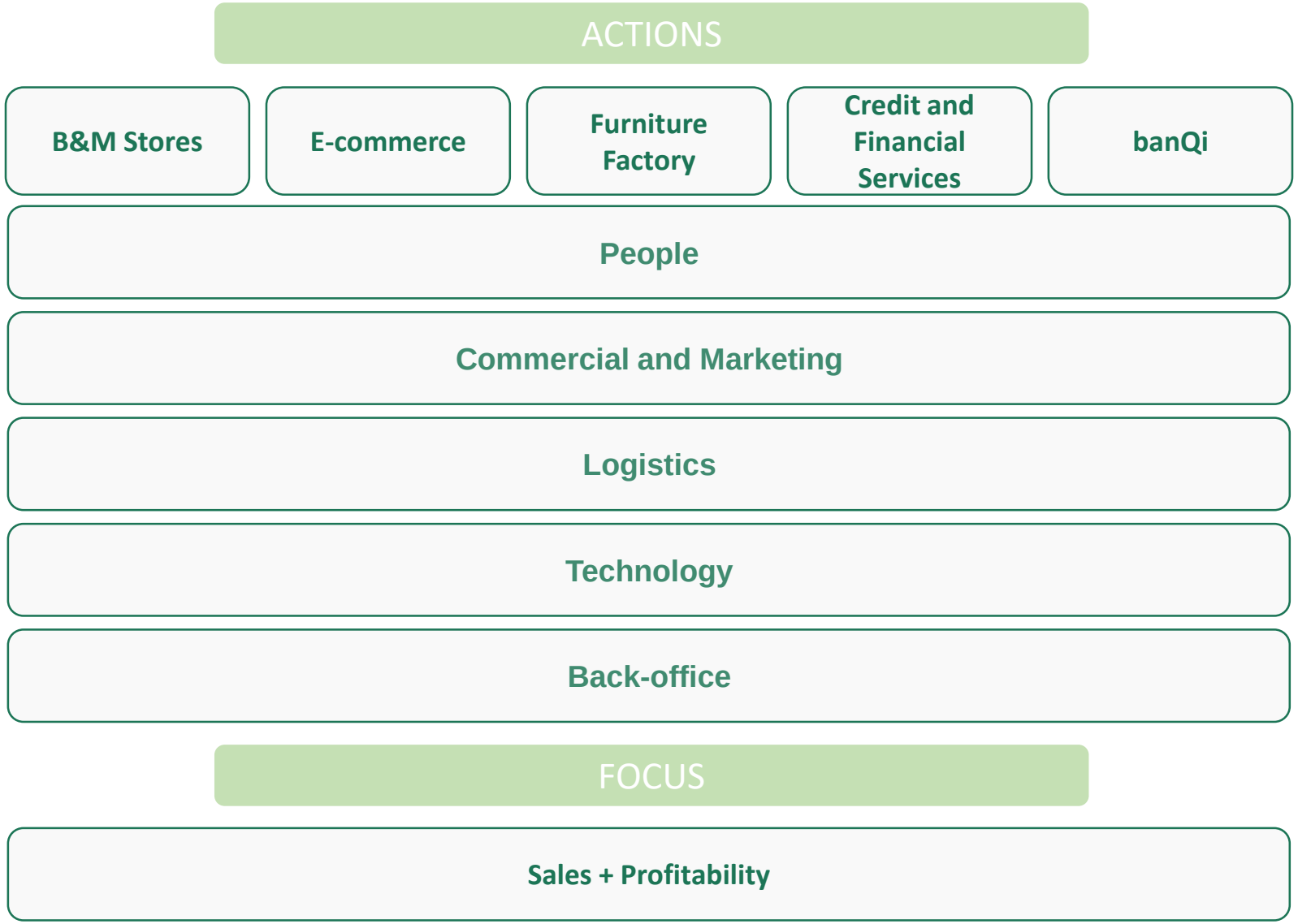
For the 13th consecutive time, Casas Bahia is considered the most remembered brand of furniture and appliances...

Are among the most valuable retail brands in Brazil

Fonte: Via Varejo

Value levers: first days and first actions

Value levers: first days and first actions



Fonte: Via Varejo

2Q19 Results

2Q19 HIGHLIGHTS

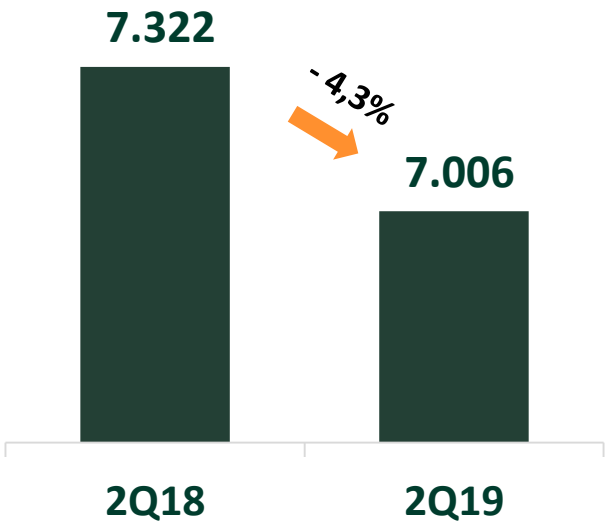
Gross Revenue	• R$ 7 billion (-4.3% vs 2Q18);
B&M Gross Revenue	• Growth of 1.9%, reaching R$ 5.7 billion • Stability in Same Store Sales (-0.7%)
Invoiced GMV	• Invoiced GMV of R$ 1.6 billion (-15%) • Click n' Collect reached 26.6% of Invoiced GMV (31.9% in 2Q18)
1P	• 1P: R$1.228 billion (-23%) • Almost 80% of penetration
Marketplace (3P)	• 3P: +49%, reaching R$322 million • 20.8% Penetration of Invoiced GMV (11.8% in 2Q18)
Gross Profit	• Gross Profit of R$1.7 billion, 11% lower vs 2T18 • Gross Margin reached 28%, fall of 1.6pp
Adjusted EBITDA	• EBITDA reached R$388 million, 38.7% below 2Q18 • Adjusted EBITDA Margin of 6,4% already impacted by IFRS 16
Net Loss	• Net Loss of R$154 million
Net Cash	• Net Cash of R$ 1.1 billion in 2Q19

Fonte: Via Varejo

Financial Performance - Revenue

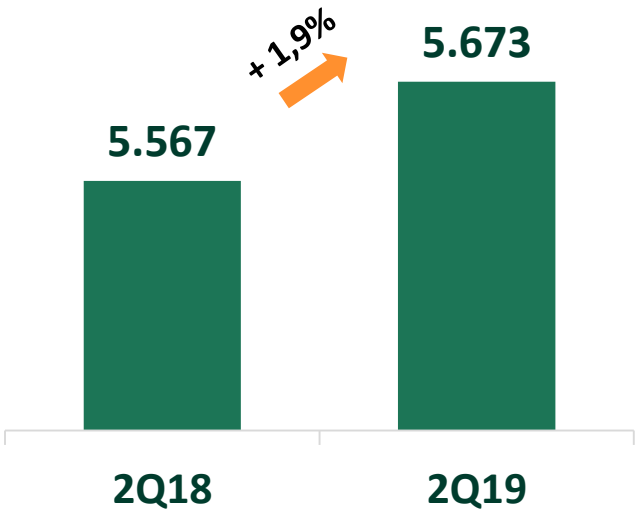
Consolidated Gross Revenue

(R$ million, %)



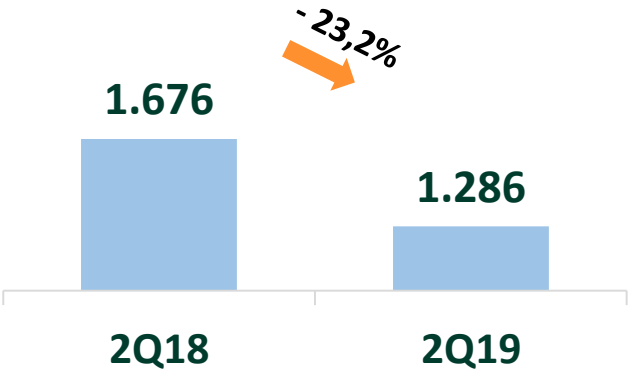
"B&M Stores" Gross Revenue

(R$ million, %)



Online Gross Revenue

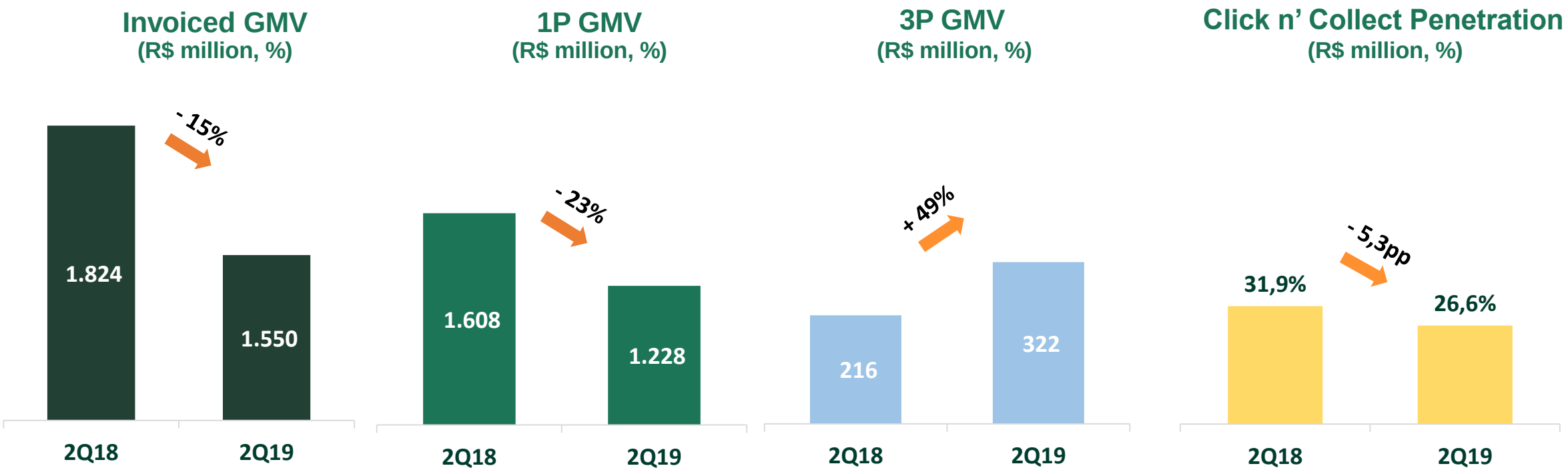
(R$ million, %)



- Consolidated growth impacted by Online Channel with fall of 4.3%
- B&M Stores showing growth of 1.9% vs 2Q18 and improvement over 1Q19 (1.9% vs 0.3%)
- Online Revenue still impacted by system stabilization process and integration of Cnova

Fonte: Via Varejo

Financial Performance - Online



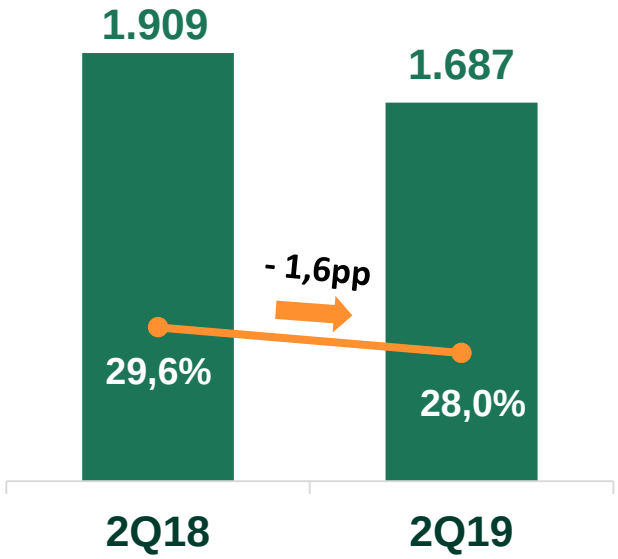
- 15% drop in Total Invoiced GMV;
- 23% drop in 1P GMV, as a result of Cnova's system stabilization and integration processes;
- Growth of 49% in 3P GMV, reaching R$ 322 million and penetration of 20.8% of GMV vs 11.8% in 2Q18;
- Click n' Collect reached 26.6% of GMV vs 31.9% in 2Q18, due to change in sales mix and *"freezing"* caused by integration;

Fonte: Via Varejo

Financial Performance – Operational Performance

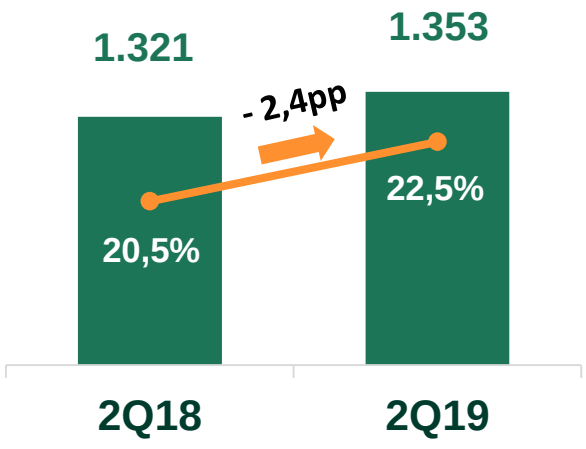
Gross Profit and Gross Margin

(R$ million, % of net rev.)



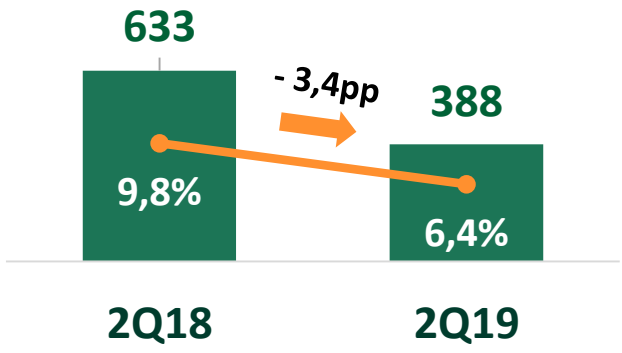
SG&A

(R$ million, % of net rev.)



Adjusted EBITDA

(R$ million, % of net rev.)



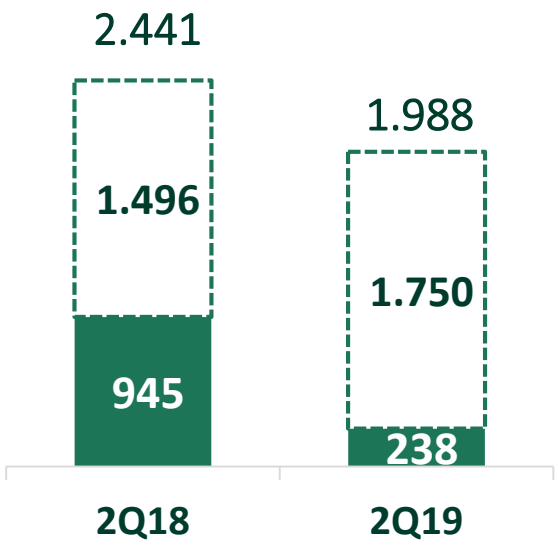
- Gross Profit of R$1,7 billion, 11.6% lower vs 2Q18 with Gross Margin reaching 28.0%
- SG&A as % of Net Revenue reached 22.5%, raise of 2.4pp over 2Q18, due to lower sales in the period;
- EBITDA reached R$388 million, 38.7% below 2Q18 with Adj. EBITDA Margin of 6.4%

Fonte: Via Varejo

Financial Performance – Debt and Net Cash

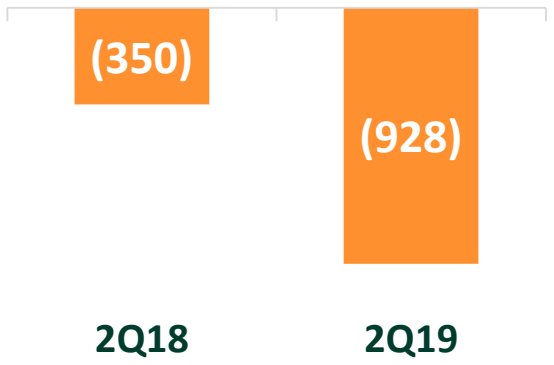
Cash and Equivalents

(R$ million)



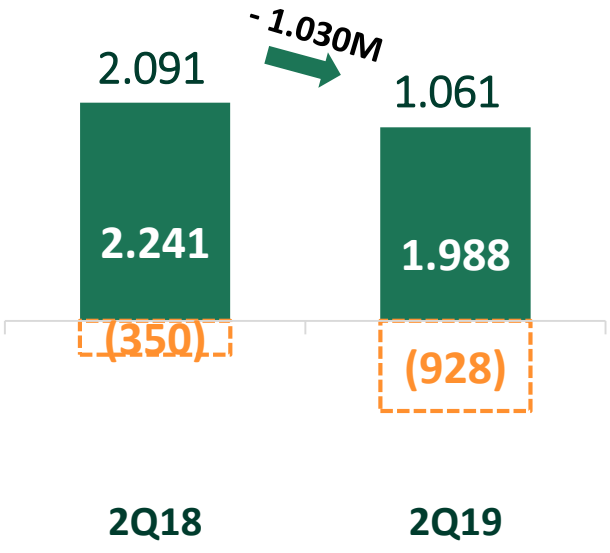
Gross debt

(R$ million)



Net Cash*

(R$ million)



- Net Cash of R$1,1 billion in 2Q19;
- Reduction due to lower sales in the period and reduction of the average payment term;

Fonte: Via Varejo

*Caixa Líquido ajustado incluindo Recebíveis de Cartão não descontados de Curto e Longo Prazo

2019 Perspectives

- **FIRST WEEKS OF NEW MANAGEMENT**
- **MAKE THE COMPANY “RETAIL AGAIN”**
- **STRATEGIC BUSINESS PLAN IN REVISION – GUIDANCE**

Fonte: Via Varejo

viavarejo

INVESTOR RELATIONS
ri@viavarejo.com.br

CASAS BAHIA pontofrio bartira extra .com.br