

## CARREFOUR - Unit Economics & Pro Forma Sensitivities

€m millions; 2022 calendar year (base) + simplifying adjustments; Source: Public Information

### Key Figures - Group

Stores	2018	2022	Delta
France	5,365	5,945	580
Latin America	1,025	1,575	550
Europe	4,788	6,117	1,329
Asia	474	6	(468)
<b>Total Stores</b>	<b>12,111</b>	<b>14,348</b>	<b>2,237</b>

Carrefour exited from Asia in '22

### Unit Economics

Revenue per Store	2017	2022	Delta
France	€6.261	€6.341	1%
Europe	€4.486	€3.695	(18%)
Latin America	€15.719	€13.389	(15%)
<b>Group (excl. Asia)</b>	<b>€8.181</b>	<b>€7.808</b>	<b>(5%)</b>

Operating Profit per Store	2017	2022	Delta
France	€0.121	€0.140	16%
Europe	€0.144	€0.099	(31%)
Latin America	€0.705	€0.580	(18%)
<b>Group (excl. Asia)</b>	<b>€0.325</b>	<b>€0.273</b>	<b>(16%)</b>

### Key figures - France

Stores	% Franchised	2018	2022	Delta
Hypermarket	34%	247	253	6
Supermarket	75%	1,056	1,039	(17)
Convenience	97%	3,918	4,472	554
Cash & Carry	n.a.	144	148	4
<b>Total Stores</b>	<b>87%</b>	<b>5,365</b>	<b>5,945</b>	<b>580</b>

### Unit Economics

	Revenue		Op. Profit
	Per store	Per store	Margin
Hypermarket	€53.008	(€0.866)	(1.6%)
Supermarket	€21.924	€0.216	1.0%
Convenience	€0.184	€0.100	54.4%
<b>France</b>	<b>€6.341</b>	<b>€0.140</b>	<b>2.2%</b>

### Financials

Income Statement	2018	2022	Delta
Revenue	€80,392	€83,089	3%
COGS	(€58,012)	(€66,776)	
% margin	72.2%	80.4%	821
Gross Profit	€22,380	€16,313	
SG&A	(€14,216)	(€13,936)	
% margin	17.7%	16.8%	(91)
Operating Income	€823	€2,463	
% margin	1.0%	3.0%	194
Incremental margin	n.a.	60.8%	
Finance costs % other	(€258)	(€490)	
Taxes	(€529)	(€408)	
<b>Net Income</b>	<b>€36</b>	<b>€1,565</b>	
Diluted shares	775	747	(28)
<b>EPS</b>	<b>€0.05</b>	<b>€2.10</b>	<b>4413%</b>
Stock price	€14.91	€15.64	5%

### Revenue '22 Split

Net sales	€81,385
Loyalty program costs	(€842)
Other revenue	€2,546
<b>Total Revenue</b>	<b>€83,089</b>
Other revenue % sales	3.1%
w/ financing fees & com.	€1,404
w/ franchise & lease mgmt. fees	€402
w/ rental revenue	€173
w/ revenue from sub-leases	€23
w/ property dev. revenue	€13
<b>w/ other revenue<sup>(1)</sup></b>	<b>€530</b>
EPS impact	(€0.57)
Street EPS '23	€1.63
<b>Adjusted EPS '23</b>	<b>€1.06</b>
vs. Street EPS '23	(35%)

### Comments

#### \*\*Mgmt. Strategic Plan 2026

- #1 > 90% of store openings under franchise in Europe
- #2 International development +10 market by 2026
- #3 Convenience store opening: +2,400 stores / globally 600 stores p.a.
- #4 Cost savings '23-'26: €4,000m

#### \*\*Unit Economics

- #1 Over LSY performance at half-mast
  - High mkt share but low revenue per store = Cannibalization effect
- #2 Hypermarket underperformance offsets by convenience store
  - Convenience store cash machine w/ 54% OM but 97% franchised
  - If unfair conditions to franchisees are proven - risk shift to peer?
- #3 Closing stores - melting-ice cube business lapping?
  - Implied '17-'22 avg. closed stores represented ~600 p.a. vs. 600 openings
  - If unfair conditions franchises proven - surge in closing stores?
- #4 Arbitration takes btw 1/2 years - closing effect to come in '24-'25?
  - Do provisions consider such risks? Low vs. peer

#### \*\*Opex

- #1 Does cost-saving plan will offset COGS endless climb?
  - Employees transfer through franchise model - mainly reduce SG&A by 100 bps?
- #2 COGS +820 bps - inflation or unfair condition w/ supply contract?
  - Franchisee supply contract w/ loyalty rate 70/75% to central purchase
  - Carrefour supply costs > peer = ~30%/40%?
- #3 End of an alliance = power towards suppliers vanish?
  - Solo rider w/ Eureka - impact on COGS to anticipate?
  - End of purchasing alliance w/ Delhaize (Feb-23), w/ Systeme U (Dec-22)
  - Did unfavorable franchisee treatment push the peer to end the relationship?

#### \*\*EPS Impact

- Doubt on accounting: 1) Other Revenue opacity, 2) Minority stake conso.
- #1 Other revenue opacity
  - Suppliers forced to pay fictitious fees? Excessive maintenance fees vs. peer?
  - Assuming after-operating income €424m w/ -€0.57 EPS impact
  - Street EPS '23 €1.63 - €0.57 = €1.06 (-34%)
- #2 Minority stake w/26% - subsidiary shenanigans?
  - Franchisee auditor restriction - white smoke?
- #3 Sharebuyback: EPS '21-'22 boosted primarily by share buyback?