# Sustained commercial activity
# Strong growth of +29% in recurring operating income

- **Sustained commercial activity in Q2: +6.3% on a like-for-like (LFL) basis despite lockdown measures**
  - Good momentum in May/June (+9.4% LFL) after the lockdown phase in April (+0.3% LFL)
  - Brazil (+14.9% LFL) and Spain (+9.8% LFL) benefited from a competitive model and flawless execution
  - In France (+0.7% LFL), hypermarkets, penalized in April during the lockdown, have seen their performance improve since May; good performance in supermarkets and convenience
  - Strong growth of more than +100% in food e-commerce in Q2
- **Strong growth in recurring operating income (ROI) and free cash flow**
  - Strong rise in ROI: +29% at constant exchange rates, to 718 million euros
  - Further improvement in net free cash flow restated for exceptional items: +95 million euros
- **Solid performance reflecting the relevance of the strategic initiatives implemented since 2018 within the Carrefour 2022 transformation plan**
  - Resilience of the multi-format and omnichannel model throughout the crisis
  - Marked improvement in NPS® (+3 points in H1), reflecting priority given to customer satisfaction
  - Commercial activity driven by investments in price and non-price competitiveness
  - Further strong cost-reduction momentum (€480m in H1)
- **Cost-savings plan raised to €3.0bn (vs. €2.8bn) on an annual basis by the end of 2020. Heightened ambitions to reduce greenhouse gas emissions. All the other objectives of the Carrefour 2022 plan are confirmed**

**Alexandre Bompard, Chairman and CEO, declared:** *"Our first-half performance is very solid: It proves the resilience of our model, its dynamism and its profitability. It owes a lot to the responsiveness and exceptional commitment of our teams, who overcame difficult operational conditions to provide our customers with the support and solutions they expected from us.*

*The crisis confirms the relevance of our multi-format and omnichannel strategy, as well as the strength of our commercial assets, resulting from three years of a demanding and rapid transformation. It is also rich in lessons. It encourages us to step up our environmental commitments, in the service of the food transition for all. And above all, it sheds light on the need for proximity to our customers, which, when it is a constant priority, is immediately reflected in performance.*

*To draw all the operational implications, I renewed the management team and united it around a clear mandate: Operational excellence to better serve customers. This is the reason behind the managerial changes made in France, Spain, Italy and Poland. Now that solid foundations have been laid in recent years in these countries, they bring new energy to amplify our commercial gains.*

*The further improvement in our results this half, the growing satisfaction of our customers, our ability to seize opportunities to create value - all these achievements further strengthen my confidence in the success of our Group. We reaffirm or enhance the objectives that we have set for ourselves, both financial and extra-financial."*

# H1 2020 KEY FIGURES

| (€m) | H1 2019 | H1 2020 | Variation |
|---|---|---|---|
| **Sales inc. VAT** | 38,849 | **38,079** | **+7.0% LFL** |
| **Recurring operating income (ROI)**[1] | 624 | **718** | **+29.1%, +€181m (at constant exchange rate)** |
| *Recurring operating margin* | *1.8%* | ***2.1%*** | *+31bps* |
| **Adjusted net income, Group share** | 155 | **253** | +63% / +€98m |
| **Net free cash flow restated for exceptional items** | (1,934) | **(1,839)** | +€95m |
| **Net financial debt** | (5,958) | **(5,218)** | +€935m (at constant exchange rate) |

# SECOND QUARTER: ATYPICAL ACTIVITY, MARKED BY THE SANITARY CRISIS

## Exceptional mobilization in the face of the crisis

Faced with the COVID-19 pandemic, Carrefour's teams have shown exceptional responsiveness to ensure the continuity of food distribution and then meet new consumer expectations in a complex and fast-changing environment.

The Group immediately implemented strong measures to protect the health of employees and customers, by anticipating and going beyond health rules recommended by public authorities in each country.

Carrefour has taken social responsibility measures and implemented concrete solidarity actions, such as the creation of dedicated services for priority customers (in particular the elderly and medical staff), donations from the Carrefour Foundation or actions to support local producers.

## Resilience of the multi-format and omnichannel model

The resilience of the multi-format and omnichannel model is confirmed, with each store format meeting the needs of consumers during the different phases of the crisis. The Group's food e-commerce offer met with strong success throughout the crisis.

| | April LFL | May/June LFL | Q2 LFL |
|---|---|---|---|
| **Group** | **+0.3%** | **+9.4%** | **+6.3%** |
| o/w hypermarkets | -4.6% | +8.0% | +3.9% |
| o/w supermarkets | +8.3% | +5.5% | +6.4% |
| o/w convenience | +19.0% | +8.9% | +12.2% |

| | April LFL | May/June LFL | Q2 LFL |
|---|---|---|---|
| **Group** | **+0.3%** | **+9.4%** | **+6.3%** |
| Food | +1.6% | +7.5% | +5.5% |
| Non-food | -7.9% | +19.9% | +11.0 % |

[1] H1 2020 ROI includes income and expenses related to COVID-19 effects. Exceptional bonuses and similar benefits to Group employees (€128m in H1 2020) are accounted for under other non-current income and expenses (see page 21 of this press release)

### April: A month marked by lockdown

April was characterized by a lockdown situation in most of the Group's countries. Quite similar purchasing behavior was observed in the various countries, and particularly in Europe.

Consumers favored convenience (+19.0% LFL) and supermarkets (+8.3% LFL), which were more accessible, at the expense of hypermarkets (-4.6% LFL). Across all formats, the number of store visits was lower, while the average basket increased significantly. Food e-commerce maintained the strong momentum observed in March.

The non-food market was penalized (-7.9%), in particular certain categories such as apparel, which were deemed non-essential. In several Group countries (notably in Spain and in Italy), authorities also mandated the closure of certain non-food departments.

Market players momentarily reduced promotional activity, notably due to the suspension of catalogues during lockdown.

### May and June: Good post-lockdown momentum

Gradually from May, European countries began to ease lockdown. In Brazil, health policy is different from state to state, with a local approach to lockdown, while Argentina remains confined to this day.

Although health situations and timetables vary from country to country, some trends stand out:

- In May and June, food markets were generally buoyant, benefiting in particular from repressed demand for out-of-home consumption
- The attractiveness of convenience and supermarket formats was confirmed (+8.9% LFL in Group convenience and +5.5% LFL in Group supermarkets in May/June). Carrefour continued expansion in convenience: With 1,563 new convenience stores since the start of the transformation plan (+521 in H1), the Group is on track to reach its target of 2,700 openings by 2022
- Hypermarkets, which were again fully accessible, experienced sustained activity (Group hypermarkets LFL at +8.0% in May/June). They played their role after lockdown (price, social distancing, promotion), even if they were penalized in some countries by a slow recovery in shopping mall traffic. Carrefour continued to invest in customer satisfaction and purchasing power
- Non-food departments, reopened in all countries, have regained attractiveness

### Other activities

The COVID-19 crisis has had an impact on several other Group activities:

- <u>Financial services</u>: Faced with an uncertain macroeconomic environment, Carrefour very quickly increased the selectivity of its credit granting policy, as well as its recovery procedures. The Group has also taken cost-saving measures. The cost of risk has increased in a context of economic crisis
- <u>Other services (travel, ticketing, rentals, etc.)</u>: Qualified as "non-essential," these services were forced to close during lockdown
- <u>BtoB (HoReCa)</u>: These activities suffered from the closure of restaurants, bars, hotels and collective catering sites. In Atacadão stores in Brazil, the decline in business with professionals was offset by a marked increase in sales to individuals
- <u>Petrol</u>: Petrol sales were penalized by traffic restrictions (volume effect) as well as the marked drop in oil prices (price effect)

# THE GROUP IS ACCELERATING, SUPPORTED BY THE ACHIEVEMENTS OF THE CARREFOUR 2022 PLAN

In the first half of 2020, the solid commercial (+7.0% LFL growth) and operational (+29.1% increase in recurring operating income at constant exchange rates) performance demonstrates that Carrefour is fully benefiting from the initiatives of its strategic plan and from its responsiveness to the crisis. The current period thus confirms the relevance of the choices made in January 2018 and strengthens the Group's confidence in the success of its transformation plan.

## Customer satisfaction: Further three-point increase in NPS®

The priority given by Carrefour to customer satisfaction, based on the "5/5/5" method, resulted in the first half in further improvement in NPS® (+3 points at the end of June 2020 vs. December 2019).

This method is based on the individual and collective commitment of employees, at headquarters and in stores, around a common priority - customer satisfaction - through 15 commitments divided into three categories (trust, service, proximity).

Since 2018, this method has contributed to commercial success in the countries where it has already been implemented (e.g. Argentina, Spain, Taiwan, Poland).

In 2019, Carrefour initiated the Group-wide deployment of the "5/5/5" method, making it possible to meet customer expectations in a very concrete way. This deployment accelerated in H1 2020 despite health constraints.

## Food e-commerce: Growth of above +100% in Q2 2020 (c. +70% in H1)

The sanitary crisis is leading to unprecedented growth in food e-commerce, which posted marked progression in all of the Group's geographies in H1 2020. During the crisis, Carrefour attracted 850,000 new customers worldwide, of which more than 500,000 in France.

The progress Carrefour has made in recent years has enabled it to take full advantage of this trend, with adapted logistics and services (overhaul of digital platforms, increase in order preparation and distribution capabilities).

During the first half of the year, Carrefour demonstrated strong responsiveness to meet the surge in demand:

- New services: "Essentials" baskets, launch of food marketplaces in France and Brazil (Atacadão), new voiced-based food shopping experience with Google in France
- Opening of new in-store order preparation areas and acceleration of warehouses mechanization
- Increase in distribution capacities: Accelerated deployment of a network of drives and pedestrian drives (2,033 units at end June 2020, including +337 in H1) and new partnerships (UberEats in Belgium, Taiwan and France - with exclusivity in regions; Glovo in Poland and Food Panda in Taiwan)

The Group is thus establishing itself as a leading player in food e-commerce and intends to accelerate further on this segment.

## Price competitiveness: Continued price investments

Carrefour has been making significant investments in the competitiveness of its offer since 2018. Good levels of price competitiveness have been achieved in many countries, particularly in Latin America, Spain and Eastern Europe.

These investments contributed to the strong commercial momentum in the first half. The Group intends to continue strengthening its competitiveness, notably in France.

In H1, the Group invested notably:

- In France: Launch of the "Market Loyalty Rewards" in supermarkets in January (10% discount every day on fresh products) and "Committed Prices" (repositioning of 150 core Carrefour-branded products) at the end of May
- In Belgium: New price cuts on 1,000 products initiated at the end of May

Particular attention is paid to Carrefour-branded products, which offer excellent value for money and whose penetration was up by +2 points in H1 2020 (vs H1 2019) to 29% of sales.

### Organic and local: Organic sales up by c. 25% in H1 2020

In the first half of the year, the Group strongly accelerated the development of organic product ranges (growth of c. +25% in H1 2020, i.e. sales of €1.4 billion) and local sourcing.

In France, Carrefour supports a growing number of local producers on a daily basis in their conversion to organic farming. The number of new support contracts since 2018, whose initial target of 500 had already been reached one year ahead of plan, stood at 682 at the end of June 2020 (+142 in H1).

Investments in organic products also materialized through the acceleration of the development of the SoBio banner. Its store network reached 18 points of sale at the end of June 2020 (+6 openings in H1) against 8 when initially acquired. The Group's ambition is to continue the expansion of this banner.

### Cost-reduction momentum and financial discipline: Cost-savings plan raised to €3.0bn

Since the launch of the Carrefour 2022 plan, the Group has adhered to unfailing financial discipline. With a strong cost-reduction momentum, Carrefour benefited in the half from the culture of operational efficiency implemented over the past three years (purchasing alliances, negotiation protocols, etc.).

In H1 2020, the Group thus achieved further savings of €480m (i.e. €2,440m since the start of the plan). This momentum now makes it possible to raise the savings target to €3.0bn (vs. €2.8bn) by the end of 2020. It will continue beyond 2020.

Carrefour is also vigilant with regard to the selectivity and productivity of its investments, whose budget should be contained below €1.5bn in 2020.

As part of its objective of additional disposals of non-strategic real estate assets (€300m by 2022), Carrefour concluded several transactions for a total amount of around €40m at the end of June.

### Consolidation strategy through targeted acquisitions: First achievements in Brazil and Taiwan

On the strength of its balance sheet, its enhanced know-how and its solid market positions, Carrefour is positioned as a natural consolidator in the regions in which it is present. The Group is more attentive than ever to acquisition opportunities of moderate size, offering perfect complementarity with its existing activities. The acquisitions of Makro in Brazil and Wellcome in Taiwan, carried out under attractive financial conditions, are a perfect illustration of this strategy.

- In Q1, Carrefour Brazil signed an agreement with Makro Atacadista SA for the acquisition of 30 Cash & Carry stores, for a price of 1.95bn Brazilian Reais. The review process by the Brazilian competition authority is progressing as expected. Closing is expected in Q4 2020
- In Q2, Carrefour entered into an agreement with Dairy Farm to acquire Wellcome Taiwan and accelerate its expansion with the acquisition of 224 convenience stores, thereby consolidating its position as the main multi-format food retailer in this market. The transaction is subject to the approval of the Taiwanese competition authority. Closing is expected by the end of 2020

# CARREFOUR, A COMMITTED COMPANY

In the half, Carrefour took several steps in pursuit of a model of sustainable value creation for all its stakeholders.

## Leader of the food transition for all: On track to achieve the 2020 objectives of the "CSR and Food Transition" index

Since the launch of its transformation plan, Carrefour set itself the ambition of being the leader in the food transition for all. This ambition was enshrined in the Group's bylaws as its "raison d'être" on the occasion of the 2019 Annual General Meeting.

In 2018, Carrefour created the "CSR and Food Transition" index, which tracks the performance of this strategy and the concrete implementation of its "raison d'être." The Group achieved a score of 104% in 2018 and 114% in 2019 and is on track to achieve its 2020 targets.

In H1 2020:

- Sales of products from Carrefour Quality Lines (FQC) are up by +14%. Their penetration rate, which reached 7.2% in the fresh department, is in line with the objective of 10% in 2022
- In-store energy consumption was reduced by 4%, in line with targets
- The reduction in packaging should be equivalent to that achieved in 2019 (i.e. a reduction of 2,000 tons), notably thanks to the deployment of “zero plastic” in the fruit and vegetable departments

## Fight against climate change: Heightened ambitions to reduce greenhouse gas emissions

Carrefour was committed to reducing the carbon footprint linked to its stores by 40% by 2025 (vs. 2010). Having reached 39%, the objective was already almost achieved by 2019. Carrefour is therefore raising its ambitions for its stores (scopes 1 and 2) and supplementing its climate plan with new ambitious commitments for products sold in stores (scope 3). These new objectives[1] were approved by the Science Based Target initiative (SBTi) led by the CDP, the Global Compact, the World Resources Institute (WRI) and the WWF®, confirming Carrefour's commitment to the 2° C scenario developed by the IPCC.

The Group also obtained an A rating from the CDP Climate. It is thus recognized as the leading French distributor in this area and ranks among the top 2% of companies in the fight against climate change.

## Partnerships with suppliers: Major players associated with Carrefour's responsible approach

Carrefour is the first retailer to invite its largest suppliers to participate in its responsible approach. By signing the “Food Transition Pact” proposed by Carrefour, the latter subscribe to commitments on nutrition, controversial substances, packaging and climate. 24 large international companies have thus joined forces with Carrefour in order to pursue common initiatives on these themes.

Carrefour recently launched the “Forest Positive Coalition of Action” within the Consumer Goods Forum, which brings together more than 400 global retailers and manufacturers. The approach is led by Alexandre Bompard and Grant Reid, CEO of Mars.

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[1] See press release of June 5, 2020: “World Environment Day: Carrefour has set a new target to decarbonize its business and aims to reduce the CO2 emissions of the products sold in its stores by 20 megatons by 2030”

## Social and societal responsibility measures: Decisions in the context of the pandemic

In the exceptional context of the pandemic and in a responsible corporate approach, exceptional bonuses and similar benefits were paid to front-line employees.

At the same time, Alexandre Bompard informed the Board of Directors of his decision to give up 25% of his fixed compensation for a period of two months. In addition, the fixed remuneration of the members of the Executive Committee was frozen for all of 2020, and they were asked to forsake 10% of their fixed remuneration for a period of two months. Finally, the members of the Board of Directors have decided to reduce their directors’ fees by 25% for the current year.

The corresponding amounts will be used to finance solidarity actions for Group employees, in France and abroad.

In a gesture of social and societal responsibility linked to the particular context of the pandemic, the Board of Directors also decided to reduce the dividend proposed for the 2019 financial year by 50%, to 0.23 euro per share.

# SECOND-QUARTER 2020 SALES INC. VAT

As in the first quarter, second-quarter sales were strongly impacted by changes in consumer purchasing behavior, as well as by lockdown measures linked to the COVID-19 pandemic in all the Group's countries.

**On a like-for-like basis (LFL), second-quarter sales including VAT increased by +6.3%**. The Group's gross sales reached €18,710m pre-IAS 29, an increase of +0.3% at constant exchange rates. This increase includes an unfavorable petrol effect of -5.8% due to mobility restrictions linked to lockdown and the drop in oil prices. Taking into account an unfavorable exchange rate effect of -6.7%, mainly due to the depreciation of the Brazilian Real and the Argentine Peso, total sales variation at current exchange rates amounted to -6.3 %. The impact of the application of IAS 29 is - €66m.

In **France**, Q2 2020 sales were up +0.7% on a LFL basis.

- Hypermarkets (-3.6% LFL) have shown a marked improvement in performance since mid-May, after having particularly suffered during lockdown due to mobility restrictions
- Supermarkets (+4.3% LFL) posted a solid performance and continued to benefit from the repositioning initiated since 2018
- The excellent momentum in convenience (+11.4% LFL) was confirmed. Carrefour is continuing to expand in this growth format for the Group with +79 openings in H1 2020
- Promocash's activities were penalized by restaurant closures and lockdown

In **Europe**, LFL growth reached +4.7% over the quarter.

- In **Spain** (+9.8% LFL), in a market boosted by the shift away from eating out-of-home, Carrefour benefited from its increased attractiveness, including in hypermarkets, and confirmed its excellent momentum. Food e-commerce sales doubled. Constant attention to customer satisfaction continued to pay off
- In **Italy** (-7.4% LFL), the market entered negative territory in June[1]. Carrefour was penalized by its exposure to shopping centers, closed until May 18, and to tourist areas, which were particularly affected by the crisis
- In **Belgium** (+15.9% LFL), Carrefour continued the market share gains recorded in Q1[1]. In a dynamic market benefiting from the closure of borders, the Group capitalized on a well-adapted store network, notably medium-sized hypermarkets close to city centers. Carrefour also benefited from the price repositioning initiated in November 2019, reinforced in May by a second wave of investments in 1,000 products
- In **Poland** (-4.2% LFL) and **Romania** (-2.2% LFL), the Group was penalized in the quarter by its strong exposure to stores located in shopping centers, which have reopened only gradually since May

Strong commercial momentum continues in **Latin America** (+20.9% LFL).

- In **Brazil**, Q2 sales were up +15.4% at constant exchange rates, with like-for-like growth of +14.9%, a contribution from openings of +4.5% and a negative petrol effect of -2.9%. The currency effect was an unfavorable -29.5%
    - Carrefour Retail posted exceptional sales growth, up +30.3% LFL. This remarkable momentum is driven by both food and non-food. It reflects the repositioning of hypermarkets since 2018, allowing significant market share gains. Food e-commerce recorded record growth of more than +360%
    - Atacadão's sales are up +13.5% at constant exchange rates, with like-for-like growth of +8.6% and a contribution from openings of +6.3%. The banner continued its expansion, with the opening of a new store in Q2 and 5 in the first half
    - Financial services billings were broadly stable (+0.3%), given greater selectivity in granting credit since Q1

[1] Source: Nielsen

- In **Argentina** (+54.0% LFL), the good commercial momentum continued, with volumes increasing continuously. Strengthening price leadership and proximity to customers are differentiating assets

In Taiwan (**Asia**), sales increased by +2.2% at constant exchange rates and by -2.5% on a LFL basis in Q2. In a shrinking market, market share remained stable during the quarter[1]. Consumers postponed certain non-food purchases in view of the expected distribution of coupons by the government in July.

## FIRST-HALF 2020 INCOME STATEMENT

**On a like-for-like basis (LFL), first-half sales including VAT increased by +7.0%**. The Group's gross sales stood at €38,155m pre-IAS 29, an increase of +3.8% at constant exchange rates. This increase took into account an unfavorable -3.7% petrol effect. Including an unfavorable currency effect of -5.5%, the total sales variation at current exchange rates was -1.6%. The impact of the application of IAS 29 is -€76m.

**Net sales** stood at €34,265m.

**Goss margin** stood at 21.8% of net sales, down 21bps, taking into account price investments, the momentary increase in logistics costs and the evolution of the integrated/franchisee mix, partly offset by purchasing gains.

**Distribution costs** decreased to 16.6% of net sales, vs 17.2% in H1 2019. They benefited from the cost-savings plans and include costs related to store openings and new services offered to customers, notably in digital.

Group **EBITDA** reached €1,886m, representing a margin of 5.5%, up +43bps.

Group **recurring operating income** (ROI) rose to €718m, an increase of +€181m€ (+29.1%) at constant exchange rates (the currency effect is a negative -€86m, notably due to the depreciation of the Brazilian Real). Operating margin is up +31bps, to 2.1%.

The strong increase in ROI (+€181m at constant exchange rates) reflects:

- The good overall performance of retail activities
- The decrease of the contribution from financial services (c.-€70m at constant exchange rates/c.-€90m at current exchange rates) due to higher cost of risk
- The c.-€50m in total impact of lockdown on other services (e.g. travel, ticketing) and on BtoB sales (HoReCa) in Europe (inc. France)

- In **France**, recurring operating income amounted to €125m, compared to €120m in H1 2019. Operating margin increased by +5bps to 0.8%. This change reflects the good dynamics of distribution activities, despite the drop in hypermarket activity during lockdown. ROI in France was impacted by approximately -€70m by the increase in the cost of risk in financial services and the sharp slowdown in service activities and Promocash

- In **Europe** (ex-France), recurring operating income rose sharply by +59.0% (+€74m) at constant exchange rates, to €199m. Operating margin improved by +69bps to 1.9%. All countries saw an increase in ROI. Profitability in Europe benefited from a significant increase in activity as well as good cost-cutting dynamics across all geographies

- In **Latin America**, recurring operating income rose +27.5% at constant exchange rates, to €373m. Operating margin increased by +60bps to 5.7%, reflecting a commercial strategy promoting volume growth. The impact of the application of IAS 29 is -€11m

[1] Source: Nielsen

  - In Brazil, the strong growth in activity was combined with increased cost discipline and greater operational efficiency. ROI is therefore up sharply, by +20.3% at constant exchange rates
  - In Argentina, ROI increased significantly and turned positive in the first half for the first time since 2012

- In Taiwan (**Asia**), profitability improved again with ROI increasing to €49m vs €40m in H1 2019, i.e. an operating margin up to 4.5% compared to 4.1% in H1 2019. This increase reflects good expansion momentum and strict cost control

**Non-recurring income and expenses** stood at €(234)m vs €(610)m in H1 2019. It notably includes the payment of exceptional bonuses and similar benefits to Group employees for an amount of €(128)m. Restructuring expenses are down to €(42)m vs €(342)m in H1 2019.

**Net income, Group share** improved by a strong +€437m and stood at €(21)m, vs €(458)m in H1 2019. It includes the following items:

- **Net financial expenses** of €(173)m, quasi stable vs H1 2019
- An income tax charge of €(238)m, compared to €(192)m in H1 last year. This charge reflects the increase in pre-tax income and a **normative tax rate** of 32.1% (compared to 33.9% in H1 2019), excluding non-current income and taxes not assessed on pre-tax income
- **Net income from discontinued operations, Group share** of €3m

**Adjusted net income, Group share** improved by +€98m, to €253m vs €155m in H1 2019.

## CASH FLOW AND DEBT

In H1 2020, the Group posted an improvement of +€95m in **net free cash flow adjusted for exceptional items and discontinued operations**, going from €(1,934)m to €(1,839)m.

**Net free cash flow** amounted to €(2,193)m in H1 2020, up by +€197m compared to H1 2019.

- It primarily reflects the increase in **EBITDA** of +€116m
- It also includes the following items:
  - The payment of **exceptional bonuses** and similar benefits to Group employees (€128m)
  - A lower cash-out for **restructuring** costs of €184m (vs. €269m in H1 2019)
  - The absence of a dividend from Carmila (vs €73m in H1 2019)
  - A **change in working capital requirement** improving by +€57m reflecting:
    - Dynamic activity
    - A stable level of inventories vs June 2019
    - An unfavorable calendar effect on trade payables
    - Lower petrol sales
  - **Capex** down by -€179m to €449m in H1 2020, against €628m in H1 2019. They continue to benefit from selectivity and productivity measures and were reduced in the context of the crisis
  - A -€21m decrease in the **cost of net financial debt** thanks to better refinancing of bond issues

**Net financial debt** decreased by €935m at constant exchange rates to €5,218m at June 30, 2020 vs €5,958m at June 30, 2019, thanks to improved free cash flow and proceeds from disposals in H2 2019 (China and Cargo).

**Shareholder equity, Group share**, stood at €9,283m at June 30, 2020.

# DIVIDEND

Following the decision of the General Meeting of May 29, 2020, shareholders were offered the option of receiving the dividend of €0.23 per share in cash or in Group shares. At the end of the option period on June 23, 2020, the shareholders who chose the payment of the 2019 dividend in shares represented approximately 69% of the capital. Thus, of the total €183m in dividends, €57m were paid in cash on June 29, 2020 and €126m were paid in the form of 10,358,336 new shares (representing 1.28% of the capital as of May 31, 2020).

# ENHANCED LIQUIDITY AND SOLID BALANCE SHEET

Since 2018, Carrefour has demonstrated great financial discipline and has strengthened its balance sheet and liquidity. It has one of the **strongest balance sheets in the industry**.

At June 30, 2020, the Group was rated Baa1 with negative outlook by Moody’s and BBB with stable outlook by Standard & Poor’s.

The Group's **liquidity** was reinforced during the half by the bond issue carried out in March for an amount of €1bn, maturing in December 2027. The success of this operation, largely oversubscribed, attests to the great confidence of bond investors in the Carrefour signature.

In April, the Group redeemed a bond issue for an amount of €802m.

In addition, Carrefour Brazil obtained bank financing for 1.5 billion Brazilian Reais over two and three years.

Finally, the Group has two credit facilities totaling €3.9bn, which have not been drawn down to date. In June 2020, these two facilities were the subject of a one-year maturity extension agreement for 95% of the total amount, extending their maturity to June 2025

Carrefour's solid balance sheet is an important asset in the current context, marked by rapid changes in the food retail sector, the COVID-19 pandemic and an economic slowdown.

# STRATEGIC ORIENTATIONS AND OBJECTIVES CONFIRMED

The Group is continuously working on precisely assessing the impact of the COVID-19 pandemic, notably on the evolution of consumer purchasing behavior.

The Group reiterates the orientations of the Carrefour 2022 strategic plan, is raising its cost-reduction plan objective and confirms all of its other operational and financial objectives.

Operational objectives

- Improvement in the Group NPS® of +15 points over 2020-22 period, i.e. +23 points since the start of the plan
- Reduction of 350,000 sq. m of hypermarket sales area worldwide by 2022
- -15% reduction in assortments by 2020
- Carrefour-branded products accounting for one-third of sales in 2022
- 2,700 convenience store openings by 2022

Financial objectives

- €4.2bn in food e-commerce sales in 2022
- €4.8bn in sales of organic products in 2022
- Three-year cost-reduction plan raised to €3.0bn (vs €2.8bn previously) on an annual basis by end 2020. Continued cost-reduction momentum beyond 2020
- €300m in additional disposals of non-strategic real estate assets by 2022

| | End 2019 | End June 2020 | Objective |
|---|---|---|---|
| **Operational objectives** | | | |
| Improvement in the Group NPS® | +8 points | +11 points | **+23 points** by 2022 |
| Reduction of hypermarket sales area | 115,000 sq. m | 133,000 sq. m | **350 000 sq. m** by 2022 |
| Reduction in assortments | -10.1% | -10.3% | **-15%** by 2020 |
| Sales of Carrefour-branded products | 27% of sales<br>+2 points yoy | 29% of sales<br>+2 points yoy | **1/3** of sales by 2022 |
| Convenience store openings | +1,042 | +1,563 | **+2,700** by 2022 |
| **Financial objectives** | | | |
| Food e-commerce sales | €1.3bn | €1.1bn in H1 | **€4.2bn** in 2022 |
| Sales of organic products | €2.3bn | €1.4bn in H1 | **€4.8bn** in 2022 |
| Cost-reduction plan | €2.0bn | €2.4bn | **€3.0bn** by end 2020 |
| Disposals of non-strategic real estate assets | Initial objective of €500m achieved at end-2019 | €40m | **€300m additional** by 2022 |

*The Carrefour Board of Directors met on July 28, 2020 under the chairmanship of Alexandre Bompard and approved the condensed consolidated financial statements for the first half of 2020. These accounts were reviewed by the statutory auditors who expressed an unqualified conclusion.*

## CONTACTS

**Investor Relations**
Selma Bekhechi, Anthony Guglielmo and Antoine Parison Tel : +33 (0)1 64 50 79 81

**Shareholder Relations** Tel : 0 805 902 902 (toll-free in France)

**Group Communication** Tel : +33 (0)1 58 47 88 80

# APPENDIX

## Second-quarter 2020 sales inc. VAT

The Group's sales amounted to €18,710m pre-IAS 29. Foreign exchange had an unfavorable impact in the second quarter of -6.7%, largely due to the depreciation of the Brazilian Real and the Argentine Peso. Petrol had an unfavorable impact of -5.8%. The calendar effect was an unfavorable -0.4%. The effect of openings was a favorable +1.2%. The impact of the application of IAS 29 was -€66m.

| | Sales inc. VAT (€m) | Variation ex petrol ex calendar | | Total variation inc. petrol | |
|---|---|---|---|---|---|
| | | LFL | Organic | at current exchange rates | at constant exchange rates |
| **France** | **8,896** | **+0.7%** | **-0.0%** | **-8.4%** | **-8.4%** |
| Hypermarkets | 4,327 | -3.6% | -4.2% | -12.6% | -12.6% |
| Supermarkets | 3,052 | +4.3% | +2.9% | -6.3% | -6.3% |
| Convenience /other formats | 1,516 | +6.3% | +7.0% | +0.6% | +0.6% |
| **Other European countries** | **5,717** | **+4.7%** | **+4.5%** | **-0.1%** | **+0.5%** |
| Spain | 2,355 | +9.8% | +9.8% | +1.7% | +1.7% |
| Italy | 1,150 | -7.4% | -8.5% | -11.1% | -11.1% |
| Belgium | 1,193 | +15.9% | +15.9% | +16.0% | +16.0% |
| Poland | 479 | -4.2% | -4.5% | -10.3% | -5.6% |
| Romania | 540 | -2.2% | +0.2% | -1.7% | +0.1% |
| **Latin America** *(pre-IAS 29)* | **3,586** | **+20.9%** | **+24.2%** | **-11.8%** | **+20.9%** |
| Brazil | 2,982 | +14.9% | +19.0% | -14.1% | +15.4% |
| Argentina *(pre-IAS 29)* | 603 | +54.0% | +53.5% | +1.4% | +52.8% |
| **Asia** | **511** | **-2.5%** | **+1.6%** | **+8.7%** | **+2.2%** |
| Taiwan | 511 | -2.5% | +1.6% | +8.7% | +2.2% |
| **Group total** *(pre-IAS 29)* | **18,710** | **+6.3%** | **+6.6%** | **-6.3%** | **+0.3%** |
| IAS 29[1] | (66) | | | | |
| **Group total** *(post-IAS 29)* | **18,644** | | | | |

*Note: (1) hyperinflation and currencies*

# First-half 2020 sales inc. VAT

The Group's sales amounted to €38,155m pre-IAS 29. Foreign exchange had an unfavorable impact in the first half of -5.5%, largely due to the depreciation of the Brazilian Real and the Argentine Peso. Petrol had an unfavorable impact of -3.7%. The calendar effect was a favorable +0.2%. The effect of openings was a favorable +1.3%. The impact of the application of IAS 29 was -€76m.

| | Sales inc. VAT (€m) | Variation ex petrol ex calendar | | Total variation inc. petrol | |
|---|---|---|---|---|---|
| | | LFL | Organic | at current exchange rates | at constant exchange rates |
| **France** | **18,188** | **+2.4%** | **+1.6%** | **-3.0%** | **-3.0%** |
| Hypermarkets | 8,952 | -1.4% | -2.0% | -6.8% | -6.8% |
| Supermarkets | 6,235 | +6.2% | +4.5% | -0.4% | -0.4% |
| Convenience /other formats | 3,001 | +6.6% | +7.3% | +4.2% | +4.2% |
| **Other European countries** | **11,364** | **+5.4%** | **+5.1%** | **+2.6%** | **+3.0%** |
| Spain | 4,636 | +8.3% | +8.1% | +3.5% | +3.5% |
| Italy | 2,376 | -2.6% | -4.1% | -5.3% | -5.3% |
| Belgium | 2,247 | +11.2% | +11.1% | +11.5% | +11.5% |
| Poland | 1,005 | +2.0% | +1.7% | -2.2% | +0.5% |
| Romania | 1,101 | +3.5% | +6.0% | +4.8% | +6.4% |
| **Latin America** *(pre-IAS 29)* | **7,463** | **+19.0%** | **+22.2%** | **-6.1%** | **+20.7%** |
| Brazil | 6,224 | +11.4% | +15.3% | -8.2% | +13.8% |
| Argentina *(pre-IAS 29)* | 1,239 | +61.4% | +60.4% | +6.0% | +60.6% |
| **Asia** | **1,140** | **+2.1%** | **+7.0%** | **+12.1%** | **+6.0%** |
| Taiwan | 1,140 | +2.1% | +7.0% | +12.1% | +6.0% |
| **Group total** *(pre-IAS 29)* | **38,155** | **+7.0%** | **+7.3%** | **-1.6%** | **+3.8%** |
| IAS 29(1) | (76) | | | | |
| **Group total** *(post-IAS 29)* | **38,079** | | | | |

*Note: (1) hyperinflation and currencies*

# Geographic breakdown of H1 2020 net sales and recurring operating income

| *(in €m)* | Net sales | | | | Recurring operating income | | | |
|---|---|---|---|---|---|---|---|---|
| | H1 2019 | **H1 2020** | *Variation at constant exchange rates* | *Variation at current exchange rates* | H1 2019 | **H1 2020** | *Variation at constant exchange rates* | *Variation at current exchange rates* |
| France | 16,789 | 16,357 | *(2.6%)* | *(2.6%)* | 120 | 125 | *4.2%* | *4.2%* |
| Europe (ex France) | 9,988 | 10,246 | *3.0%* | *2.6%* | 126 | 199 | *59.0%* | *58.9%* |
| Latin America | 7,134 | 6,569 | *20.0%* | *(7.9%)* | 362 | 373 | *27.5%* | *2.9%* |
| Asia | 974 | 1,092 | *6.0%* | *12.1%* | 40 | 49 | *15.0%* | *21.6%* |
| Global functions | - | - | - | - | (25) | (28) | *(13.4%)* | *(12.7%)* |
| **TOTAL** | **34,885** | **34,265** | ***3.9%*** | ***(1.8%)*** | **624** | **718** | ***29.1%*** | ***15.2%*** |

# Consolidated income statement H1 2020 vs H1 2019

| *(in €m)* | H1 2019 | **H1 2020** | *Variation at constant exchange rates* | *Variation at current exchange rates* |
|---|---|---|---|---|
| **Net sales** | **34,885** | **34,265** | **3.9%** | **(1.8%)** |
| **Net sales, net of loyalty program costs** | **34,549** | **33,949** | **4.0%** | **(1.7%)** |
| Other revenue | 1,204 | 1,121 | 0.8% | (6.9%) |
| **Total revenue** | **35,752** | **35,070** | **3.9%** | **(1.9%)** |
| Cost of goods sold | (28,086) | (27,612) | 4.0% | (1.7%) |
| **Gross margin** | **7,667** | **7,457** | **3.3%** | **(2.7%)** |
| *As a % of net sales* | *22.0%* | *21.8%* | *(13pbs)* | *(21pbs)* |
| SG&A | (6,015) | (5,700) | 0.4% | (5.2%) |
| *As a % of net sales* | *17.2%* | *16.6%* | *(58pbs)* | *(61pbs)* |
| **Recurring operating income before D&A (EBITDA)[1]** | **1,770** | **1,886** | **13.4%** | **6.5%** |
| *EBITDA margin* | *5.1%* | *5.5%* | *47pbs* | *43pbs* |
| Depreciation and amortization | (1,029) | (1,039) | 4.2% | 1.0% |
| **Recurring operating income (ROI)** | **624** | **718** | **29.1%** | **15.2%** |
| *Recurring operating margin* | *1.8%* | *2.1%* | *43pbs* | *31pbs* |
| Income from associates and joint ventures | (1) | (2) | | |
| **Recurring operating income including income from associates and joint ventures** | **622** | **716** | | |
| Non-recurring income and expenses | (610) | (234) | | |
| Operating income | 12 | 482 | | |
| Financial result | (165) | (173) | | |
| Finance costs, net | (112) | (91) | | |
| Net interests related to leases commitment | (60) | (48) | | |
| Other financial income and expenses | 7 | (34) | | |
| Income before taxes | (153) | 308 | | |
| Income tax expense | (192) | (238) | | |
| **Net income from continuing operations** | **(345)** | **70** | | |
| Net income from discontinued operations | (45) | 3 | | |
| **Net income** | **(390)** | **73** | | |
| **of which Net income, Group share** | **(458)** | **(21)** | | |
| of which continuing operations | (415) | (23) | | |
| of which discontinued operations | (43) | 3 | | |
| **of which Net income, Non-controlling interests** | **68** | **94** | | |
| of which continuing operations | 70 | 94 | | |
| of which discontinued operations | (2) | - | | |
| **Net Income, Group share, adjusted for exceptional items** | **155** | **253** | | |
| Depreciation from supply chain (in COGS) | (118) | (129) | | |
| **Net Income, Group share, adjusted for exceptional items, per share** | **0.20** | **0.32** | | |
| Weighted average number of shares pre-dilution (in millions) | 781.6 | 801.3 | | |

Note: (1) Recurring Operating Income Before Depreciation and Amortization (EBITDA) also excludes depreciation and amortization from supply chain activities which is booked in cost of goods sold

# Consolidated balance sheet

| *(in €m)* | June 30, 2019 | **June 30, 2020** |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 9,410 | 9,300 |
| Tangible assets | 11,311 | 10,424 |
| Financial investments | 1,443 | 1,393 |
| Deferred tax assets | 770 | 770 |
| Investment properties | 312 | 277 |
| Right-of-use asset | 4,226 | 4,052 |
| Consumer credit from financial-service companies – Long-term | 2,406 | 2,070 |
| Other non-current assets | 1,755 | 1,621 |
| **Non-current assets** | **31,633** | **29,906** |
| Inventories | 5,848 | 5,555 |
| Trade receivables | 2,752 | 2,532 |
| Consumer credit from financial-service companies – Short-term | 4,163 | 3,179 |
| Tax receivables | 895 | 793 |
| Other assets | 884 | 957 |
| Current financial assets | 316 | 357 |
| Cash and cash equivalents | 1,522 | 2,750 |
| **Current assets** | **16,380** | **16,123** |
| **Assets held for sale** | **2,452** | **24** |
| **TOTAL** | **50,465** | **46,053** |
| **LIABILITIES** | | |
| Shareholders' equity, Group share | 8,277 | 9,283 |
| Minority interests in consolidated companies | 2,157 | 1,480 |
| **Shareholders' equity** | **10,434** | **10,763** |
| Deferred tax liabilities | 598 | 600 |
| Provision for contingencies[(1)] | 3,991 | 2,854 |
| Borrowings – Long-term | 6,215 | 6,379 |
| Lease liabilities – Long-term | 3,495 | 3,348 |
| Bank loans refinancing – Long-term | 1,878 | 1,298 |
| Tax payables – Long-term[(1)] | - | 314 |
| **Non-current liabilities** | **16,178** | **14,793** |
| Borrowings – Short-term | 1,624 | 1,909 |
| Lease liabilities – Short-term | 822 | 892 |
| Trade payables | 11,619 | 11,157 |
| Bank loans refinancing – Short-term | 3,975 | 3,275 |
| Tax payables – Short-term[(1)] | 996 | 1,030 |
| Other debts | 2,773 | 2,234 |
| **Current liabilities** | **21,808** | **20,496** |
| **Liabilities related to assets held for sale** | 2,046 | - |
| **TOTAL** | **50,465** | **46,053** |

Note: (1) The application of IFRIC 23 had an impact on the presentation of the Group's financial statements from December 31, 2019 (see Note 4 of the consolidated financial statements as of December 31, 2019). As a result, tax risks relating to income tax, classified under Provision for contingencies as of June 30, 2019, are shown under tax payables - long or short term as of June 30, 2020

# Consolidated cash-flow statement

| (in €m) | H1 2019 | **H1 2020** |
|---|---|---|
| **NET DEBT AT OPENING** | **(3,510)**[(1)] | **(2,615)** |
| Gross cash-flow (continuing operations) | 1,263 | 1,260 |
| Change in working capital | (2,159) | (2,102) |
| Impact of discontinued operations | (9) | (27) |
| **Cash-flow from operations** | **(904)** | **(869)** |
| Capital expenditure | (628) | (449)[(2)] |
| Change in net payables to fixed assets suppliers | (183) | (328) |
| Net asset disposals | 50 | 51 |
| Impact of discontinued operations | (23) | - |
| **Free cash-flow** | **(1,689)** | **(1,595)** |
| **Free cash-flow excluding exceptional items and discontinued operations** | **(1,350)** | **(1,241)** |
| Financial investments | (73) | (122) |
| Proceeds from disposals of subsidiaries | 74 | 14 |
| Others | (59) | (72) |
| Impact of discontinued operations | 1 | - |
| **Cash-flow after investments** | **(1,746)** | **(1,775)** |
| Capital increase | 45 | 1 |
| Dividends paid | (60) | (145) |
| Cost of net financial debt | (112) | (91) |
| Operating leases payment incl. interests | (496) | (525) |
| Others | (79) | (67) |
| **NET DEBT AT CLOSE** | **(5,958)** | **(5,218)** |

Notes : (1) Finance lease liabilities recognized in accordance with IAS 17 for €275m at December 31, 2018 were reclassified in lease commitments at January 1, 2019; (2) Restated for the downpayment made in respect of the acquisition of Makro

# EBITDA to free cash-flow bridge

| *(in €m)* | H1 2019 | **H1 2020** | Variation |
|---|---|---|---|
| **EBITDA** | **1,770** | **1,886** | **116** |
| Income tax paid | (231) | (227) | 4 |
| Financial result (excl. cost of debt and interest related to leases obligations) | 7 | (34) | (41) |
| Others (incl. cash impact of restructuring items) | (283) | (365) | (82) |
| **Gross cash-flow (excl. discontinued)** | **1,263** | **1,260** | **(3)** |
| Change in working capital | (2,159) | (2,102) | 57 |
| Discontinued operations | (9) | (27) | (18) |
| **Operating cash-flow (incl. exceptional items and discontinued)** | **(904)** | **(869)** | **35** |
| Capital expenditure | (628) | (449) (1) | 179 |
| Change in net payables to fixed asset suppliers | (183) | (328) | (145) |
| Net asset disposals (business-related) | 50 | 51 | 1 |
| Discontinued operations | (23) | - | 23 |
| **Free cash-flow** | **(1,689)** | **(1,595)** | **94** |
| **Free cash-flow from continuing operations, excl. exceptional items** | **(1,350)** | **(1,241)** | **109** |
| *Exceptional items and discontinued operations (2)* | *(339)* | *(354)* | *(15)* |
| Operating leases payment (incl. interests) (financial lease IAS 17) – Excl. China | (24) | (19) | 5 |
| Operating leases payment (incl. interests) net of financial sub-lease payment received – Excl. China | (448) | (488) | (40) |
| Operating leases payment (incl. interests) – China | (117) | - | 117 |
| Cost of debt | (112) | (91) | 21 |
| **Net free cash-flow** | **(2,390)** (3) | **(2,193)** | **197** |
| **Net free cash-flow from continuing operations, excl. exceptional items** | **(1,934)** | **(1,839)** | **95** |
| *Exceptional items and discontinued operations (4)* | *(456)* | *(354)* | *102* |

Notes : (1) Restated for the downpayment made in respect of the acquisition of Makro ; (2) Discontinued operations, restructuring (€184m in H1 2020 and €269m in H1 2019), payment of exceptional bonuses and similar benefits to Group employees (€128m in H1 2020), Cargo capex cashed out (€29m in H1 2019) and others ; (3) €(2,390)m = €(2,273)m [net free cash-flow published on June 30, 2019] + €(117)m [Operating leases payment (incl. interests) – China] ; (4) €(456)m = €(339)m [Exceptional items and discontinued operations(2)] + €(117)m [Operating leases payment (incl. interests) – China]

## Change in shareholders' equity

| *(in €m)* | Total shareholders' equity | Shareholders' equity, Group share | Minority interests |
|---|---|---|---|
| **At December 31, 2019** | **11,675** | **9,940** | **1,736** |
| Total comprehensive income over the period | (790) | (593) | (197) |
| Dividends | (130) | (57) | (73) |
| Impact of scope and others | 7 | (6) | 13 |
| **At June 30, 2020** | **10,763** | **9,283** | **1,480** |

## Net income, Group share, adjusted for exceptional items

| *(in €m)* | H1 2019 | H1 2020 |
|---|---|---|
| **Net income, Group share** | **(458)** | **(21)** |
| Restatement for non-recurring income and expenses (before tax) | 610 | 234 |
| Restatement for exceptional items in net financial expenses | 10 | 19 |
| Tax impact[1] | 16 | 29 |
| Restatement on share of income from companies consolidated by the equity method | - | - |
| Restatement on share of income from minorities | (67) | (7) |
| Restatement for net income of discontinued operations, Group share | 43 | (3) |
| **Adjusted net income, Group share** | **155** | **253** |

Note: (1) Tax impact of restated items (non-recurring income and expenses and financial expenses) and exceptional tax items

# Impact of the COVID-19 on the interim financial statements

**Impact in Income Statement:**

Income and expenses for first-half 2020 have been recorded and are presented using the same principles as those applied in the 2019 Consolidated Financial Statements. As a result, the effects of the COVID-19 crisis are reflected at all levels of the income statement. The costs incurred in connection with the COVID-19 health crisis were recognized in recurring operating income for first-half 2020, including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers. In accordance with the Group's accounting principles, exceptional bonuses and similar benefits have been recognized in non-current expenses for a total amount of €128m.

**Others:**

For further detail, please refer to note 3.1 of the Condensed Consolidated Financial statements.

# Application of IAS 29 - Accounting treatment of hyperinflation for Argentina

The impact on Group sales is presented in the table below:

| Sales incl. VAT (€m) | 2019 pre-IAS 29[1] | LFL[2] | Calendar | Openings | Scope and others[3] | Petrol | 2020 at constant rates pre-IAS 29 | Forex | 2020 at current rates pre-IAS29 | IAS 29[4] | 2020 at current rates post-IAS 29 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Q1 | 18,819 | +7.8% | +0.9% | +1.3% | -0.8% | -1.5% | +7.5% | -4.2% | 19,445 | -10 | 19,435 |
| Q2 | 19,974 | +6.3% | -0.4% | +1.2% | -1.0% | -5.8% | +0.3% | -6.7% | 18,710 | -66 | 18,644 |
| H1 | 38,793 | +7.0% | +0.2% | +1.3% | -0.9% | -3.7% | +3.8% | -5.5% | 38,155 | -76 | 38,079 |

Notes: (1) restated for IFRS 5; (2) excluding petrol and calendar effects and at constant exchange rates; (3) including transfers; (4) hyperinflation and currencies

The impact of the application of IAS 29 on the main income statement aggregates for H1 2020 is presented in the table below:

| IAS 29 impact (€m) | H1 2020 |
|---|---|
| Recurring operating income (ROI) | (11) |
| Financial result | 12 |
| Net Income, Group share, adjusted for exceptional items | 2 |

# Application of IFRS 16 – Principles of accounting for leases

The impact of the application of the IFRS 16 standard on the main income statement aggregates for H1 2020 is presented in the table below:

| IFRS 16 impact (€m) | H1 2020 |
|---|---|
| Recurring operating income (ROI) | 33 |
| Recurring operating income before D&A (EBITDA) | 494 |
| Financial result | (53) |
| Net Income, Group share, adjusted for exceptional items | (14) |

## Expansion under banners – H1 2020

| Thousands of sq. m | Dec. 31 2019 | March 31 2020 | Openings/ Store enlargements | Acquisitions | Closures/ Store reductions | *Total Q2 2020 change* | June 30 2020 |
|---|---|---|---|---|---|---|---|
| France | 5,475 | 5,467 | +10 | - | -11 | -1 | 5,466 |
| Europe (ex Fr) | 5,596 | 5,793 | +312 | - | -23 | +290 | 6,082 |
| Latin America | 2,616 | 2,632 | +8 | - | - | +8 | 2,640 |
| Asia | 1,050 | 1,046 | - | - | -0 | -0 | 1,045 |
| Others[1] | 1,379 | 1,385 | +20 | - | -2 | +18 | 1,403 |
| **Group** | **16,116** | **16,322** | **+350** | **-** | **-35** | **+315** | **16,637** |

## Store network under banners – H1 2020

| N° of stores | Dec. 31 2019 | March 31 2020 | Openings | Acquisitions | Closures/ Disposals | Transfers | *Total Q2 2020 change* | June 30 2020 |
|---|---|---|---|---|---|---|---|---|
| **Hypermarkets** | **1,207** | **1,202** | **+5** | **-** | **-** | **-** | **+5** | **1,207** |
| France | 248 | 248 | - | - | - | - | - | 248 |
| Europe (ex France) | 455 | 453 | +2 | - | - | - | +2 | 455 |
| Latin America | 188 | 185 | - | - | - | - | - | 185 |
| Asia | 175 | 174 | - | - | - | - | - | 174 |
| Others[1] | 141 | 142 | +3 | - | - | - | +3 | 145 |
| **Supermarkets** | **3,344** | **3,360** | **+24** | **-** | **-9** | **0** | **+15** | **3,375** |
| France | 1,071 | 1,071 | +3 | - | -1 | - | +2 | 1,073 |
| Europe (ex France) | 1,798 | 1,815 | +15 | - | -7 | 0 | +8 | 1,823 |
| Latin America | 150 | 151 | - | - | - | - | - | 151 |
| Asia | 9 | 9 | - | - | - | - | - | 9 |
| Others[1] | 316 | 314 | +6 | - | -1 | - | +5 | 319 |
| **Convenience stores** | **7,261** | **7,629** | **+97** | **-** | **-61** | **0** | **+36** | **7,665** |
| France | 3,959 | 3,928 | +32 | - | -27 | - | +5 | 3,933 |
| Europe (ex France) | 2,646 | 3,047 | +64 | - | -33 | 0 | +31 | 3,078 |
| Latin America | 530 | 527 | +1 | - | - | - | +1 | 528 |
| Asia | 68 | 69 | - | - | - | - | - | 69 |
| Others[1] | 58 | 58 | - | - | -1 | - | -1 | 57 |
| **Cash & carry** | **413** | **421** | **+2** | **-** | **-1** | | **+1** | **422** |
| France | 146 | 147 | - | - | -1 | - | -1 | 146 |
| Europe (ex France) | 60 | 61 | +1 | - | - | - | +1 | 62 |
| Latin America | 193 | 199 | +1 | - | - | - | +1 | 200 |
| Asia | - | - | - | - | - | - | - | - |
| Others[1] | 14 | 14 | - | - | - | - | - | 14 |
| **Group** | **12,225** | **12,612** | **+128** | **-** | **-71** | **0** | **+57** | **12,669** |
| France | 5,424 | 5,394 | +35 | - | -29 | - | +6 | 5,400 |
| Europe (ex France) | 4,959 | 5,376 | +82 | - | -40 | 0 | +42 | 5,418 |
| Latin America | 1,061 | 1,062 | +2 | - | - | - | +2 | 1 064 |
| Asia | 252 | 252 | - | - | - | - | - | 252 |
| Others[1] | 529 | 528 | +9 | - | -2 | - | +7 | 535 |

[1] *Africa, Middle East and Dominican Republic.*

# DEFINITIONS

## Free cash-flow

Free cash flow corresponds to cash flow from operating activities before net finance costs and net interests related to lease commitment, after the change in working capital, less net cash from/(used in) investing activities.

## Net free cash-flow

Net free cash flow corresponds to free cash flow after net finance costs and net lease payments.

## Like for like sales growth (LFL)

Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects and excluding IAS 29 impact.

## Organic sales growth

Like for like sales growth plus net openings over the past twelve months, including temporary store closures, at constant exchange rates.

## Gross margin

Gross margin corresponds to the sum of net sales and other income, reduced by loyalty program costs and cost of goods sold. Cost of sales comprise purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange rate gains and losses on goods purchased.

## Recurring Operating Income (ROI)

Recurring Operating Income corresponds to the gross margin lowered by sales, general and administrative expenses, depreciation and amortization.

## Recurring Operating Income Before Depreciation and Amortization (EBITDA)

Recurring Operating Income Before Depreciation and Amortization (EBITDA) also excludes depreciation and amortization from supply chain activities which is booked in cost of goods sold.

## Operating Income (EBIT)

Operating Income (EBIT) corresponds to the recurring operating income after income from associates and joint ventures and non-recurring income and expenses. This latter classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment of non-current assets, gains and losses on sales of non-current assets, restructuring costs and provisions recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

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*This press release contains both historical and forward-looking statements. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such forward looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the Autorité des Marchés Financiers as part of the regulated information disclosure requirements and available on Carrefour's website (www.carrefour.com), and in particular the Annual Report (Document de Référence). These documents are also available in English on the company's website. Investors may obtain a copy of these documents from Carrefour free of charge. Carrefour does not assume any obligation to update or revise any of these forward-looking statements in the future.*