3Q 2020 Results Presentation

11TH NOVEMBER 2020

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Agenda

- 3Q 2020 Key Highlights
- 9M 2020 Financial Review
- Closing Remarks

- **Continued positive topline and Adjusted EBITDA performance** supported by ongoing group wide business transformation and **improved financial position**
- **Strategic roadmap on track** including rollout of updated and mutually beneficial franchise model well advanced in Spain and Portugal
- **DIA ready to serve our customers** during Covid-19 second wave thanks to expansion of online and express delivery

3Q 2020
Key Highlights

Continued focus on transformation roadmap initiatives

ASSORTMENT & STORE LAYOUT

- **Spain:** optimized assortment and store layout in 1,200 stores by year end. Ready-to-eat and new private label products now in store.
- **Portugal:** service frequency improved in 450 stores and on-going implementation of optimized assortment and light refurbishments.
- **Brazil:** stores clustering testing launched. Over 400 new private label products by year end. Sale of underperforming operations in Rio Grande Do Sul Region driven by strategic focus on sustainable growth and profitability in the state of Sao Paulo – southeast Brazil.
- **Argentina:** New assortment implemented in over 65% of the stores.

ONLINE / E-COMMERCE

- **Spain:** ongoing expansion on express delivery to 440 stores covering 90% of population in main cities (cities over 50,000 inhabitants).
- **Portugal:** online delivery covering Greater Lisbon and express delivery available in 78 stores with partnerships in different regions.
- **Argentina:** on-going expansion with over 240 pick-up stores and 180 stores with last-mile service.

Transformation Update

DIA Franchise 2020 - New mutually beneficial model launched in Spain

FRANCHISE 2020

- Improved Freshness
- Better Labelling and promotions
- Better run stores and faster Maintenance
- Better Operated stores with no queues
- Better customer Service
- Reduced Stock out

1. STOCK ALWAYS AVAILABLE, SUPPORT AND PAYMENT FACILITIES

- DIA finances 50% of store's stock interest free, other 50% is assumed by franchisee.
- Strong franchise team composed of a newly created regional management team and franchise managers responsible for ongoing support.

2. NEW MERCHANDISE PAYMENT METHOD

- Franchisees only pay for merchandise when sold, boosting store liquidity.

3. SALES INCENTIVE SYSTEM

- DIA financially rewards franchisees for increases in turnover.

4. PROFITABILITY AND SIMPLIFICATION OF COSTS

- DIA has doubled franchisees' profitability.
- Franchisees pay an agreed percentage of monthly turnover to cover the majority of operating costs, facilitating the forecasting monthly expenses and simplifying liquidity management.

Strong revenue and gross profit growth driving positive cash flow generation

[€ million]	Q3 2020	Q3 2019[1]	Change (%)
Net Sales	1,679.2	1,638.3	2.5%
Gross Profit	365.9	343.9	6.4%
EBITDA	81.1	81.8	-0.8%
Adjusted EBITDA[2]	31.5	15.9	98.1%
Net Profit	(58.2)	(85.6)	-32.1%

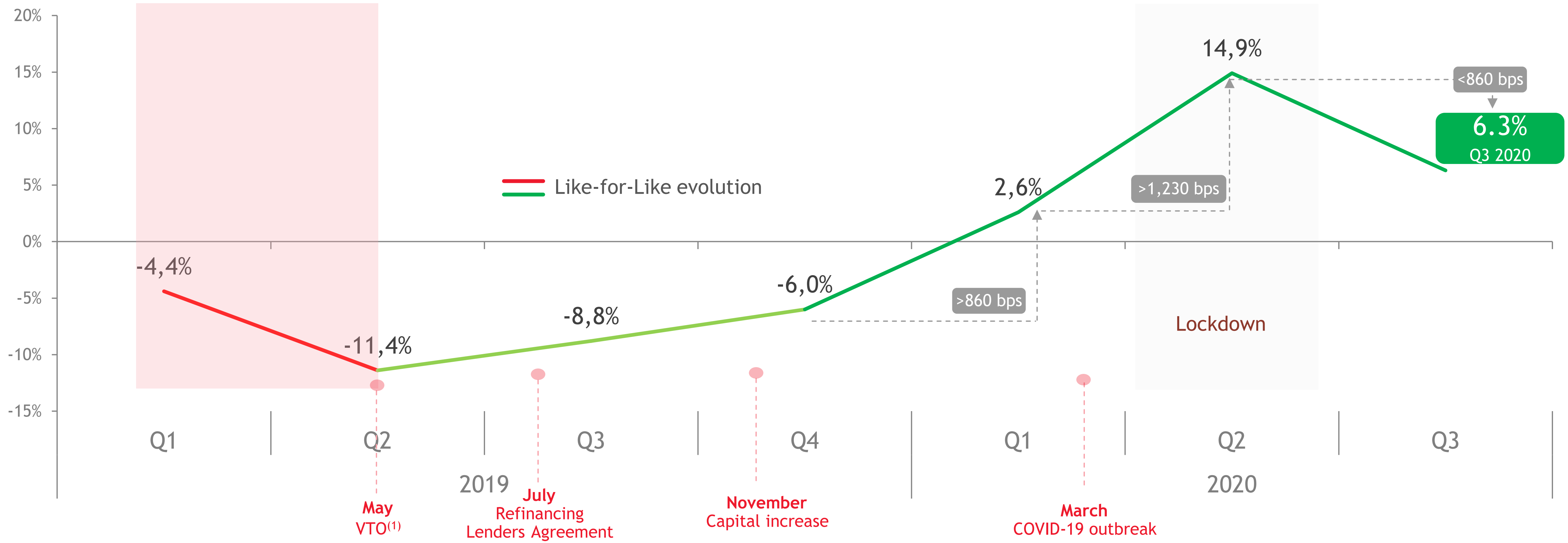
	9M 2020	FY 2019	Change
Trade Working Capital	644.4	608.0	36.4 inflow
Net Financial Debt[3]	1,250.1	1,322.2	-5.5%

1. 3Q 2019 restated to present the cost of logistics platforms according to their nature.
2. See APMs for definition.
3. Excluding IFRS16.

Key Highlights

- **Net Sales** up 2.5% thanks to ongoing transformation efforts, despite smaller store network and currency effects.
- **Gross Profit** up 80bps as percentage of sales on increased sales volumes and positive operational improvements.
- **EBITDA** flat due to increased Opex from store defranchising process in preparation of the strategic roll out of new franchise model, as well as Restructuring Costs linked to discontinuation of Rio Grande do Sul (Brazil) operations and LTIP costs (€8.9m).
- **Adj. EBITDA** up significantly due to increased sales volume and improved gross margin supported by continued cost discipline.
- **Trade Working Capital** inflow thanks to Net Sales increase and improvement in Inventories.
- **Positive cash flow from operations** and reduced net debt.

Continuing positive Like-for-Like evolution as transformation progresses



- Group Like-for-Like growth driven over 25% increase in average basket size, more than offsetting 15% decrease in number of tickets during 3Q20.
- 9M20 Group Like-for-Like +7.9% incorporating both pre-COVID period and post-lockdown.

1. Voluntary Tender Offer

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Positive Net Sales and Like-for-Like growth thanks to business transformation

[€ million]	Net Sales Q3 2020	Net Sales Q3 2019	Net Sales Change (%)	Like-for-Like[(1)] vs 3Q 2019
Spain	1,101.5	1,050.2	4.9%	7.6%
Portugal	163.1	156.6	4.2%	1.1%
Brazil	233.3	277.0	-15.8%	17.5%
Argentina[(2)]	181.3	154.5	17.3%	-3.5%
Total Group	**1,679.2**	**1,638.3**	**2.5%**	**6.3%**
Total Stores[(3)]	**6,207**	**6,720**	**-7.6%**	

Key Highlights

- **Spain** maintained positive trend despite 8% fewer stores and less tourists in the peak holiday season.
- **Portugal** showed positive Like-for-Like levels on the back of transformation measures, more than offsetting lower tourism levels in main cities.
- **Brazil** Net Sales up 20% in local currency[(4)] despite 12% fewer stores following sale of underperforming locations. Strong Like-for-Like since March 2020.
- **Argentina** Net Sales up strongly on the back of improved operational performance in a challenging macroeconomic environment[(5)]. Like-for-Like volume impacted by low consumer confidence and consumption.

1. See APMs for definition.
2. Net Sales expressed at IAS29.
3. At end of period.
4. 30% devaluation of Brazilian Real in the period.
5. 34% devaluation of Argentinean Peso in the period.

9M 2020
Financial Review

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Nine months performance follows 2020 trend with improved Adjusted EBITDA

P&L Summary [€ million]	9M 2020	9M 2019	Change (%)
Net Sales	5,194.5	5,082.9	2.2%
Gross Profit	1,127.0	1,016.5	10.9%
EBITDA	258.0	95.2	171.1%
Adjusted EBITDA(1)	91.2	(39.7)	n/a
EBIT	(82.8)	(363.4)	-77.2%
Financial results	(159.8)	(124.9)	27.9%
Net attributable profit	(245.9)	(504.3)	-51.3%

Key Highlights

- **Net Sales** up despite 7.6% fewer stores and adverse currency effects.
- **Gross Profit** (as a % of Net Sales) up 1.7% to 21.7% despite increased logistic costs to support enhanced fresh offer.
- **EBITDA** benefitting from decrease in Restructuring Costs.
- **Adj. EBITDA** improved to 1.8% as a percentage of Net Sales, driven by increased Gross Profit and continued cost discipline.
- **Net Profit** primarily impacted by the depreciation of the Brazilian Real.

1. See APMs for definition

All countries contributing to improvement in Adjusted EBITDA

Adjusted EBITDA[1] [€ million]	9M 2020	9M 2019	Change (%)
Total Group	91.2	(39.7)	n/a
Spain	73.9	38.8	90.4%
Portugal	10.9	6.6	65.9%
Brazil	(9.8)	(96.3)	-89.8%
Argentina	16.2	11.2	44.5%

Key Highlights

- **Spain** increased 100bps (as % of Net Sales) offsetting increased Opex, Covid-19 related costs and legal contingency recognition.
- **Portugal** increased 80bps on the back of operational excellence measures implemented.
- **Brazil** recovered achieving a 9.8% improvement in margin but remains negative polluted by low performing regional activity.
- **Argentina** increased 80bps, supported by cost reduction plan and despite negative volume on sales and currency effect.

1. See APMs for definition

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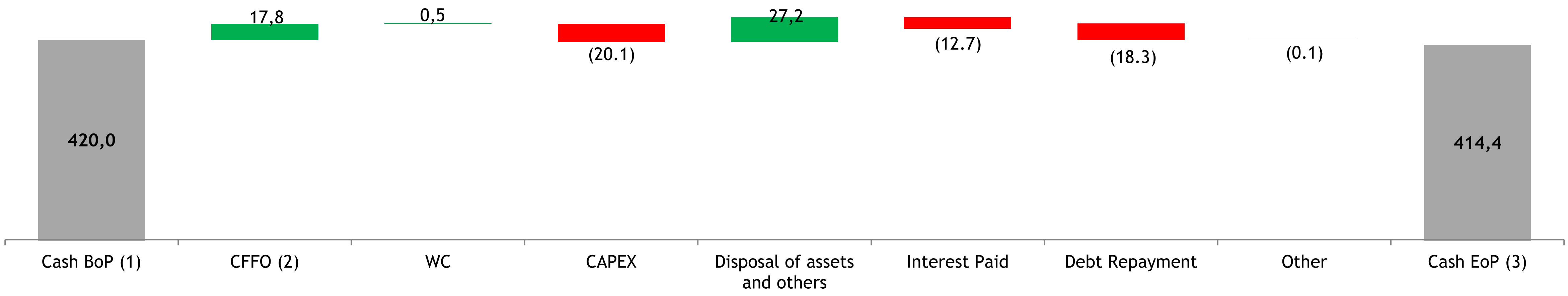
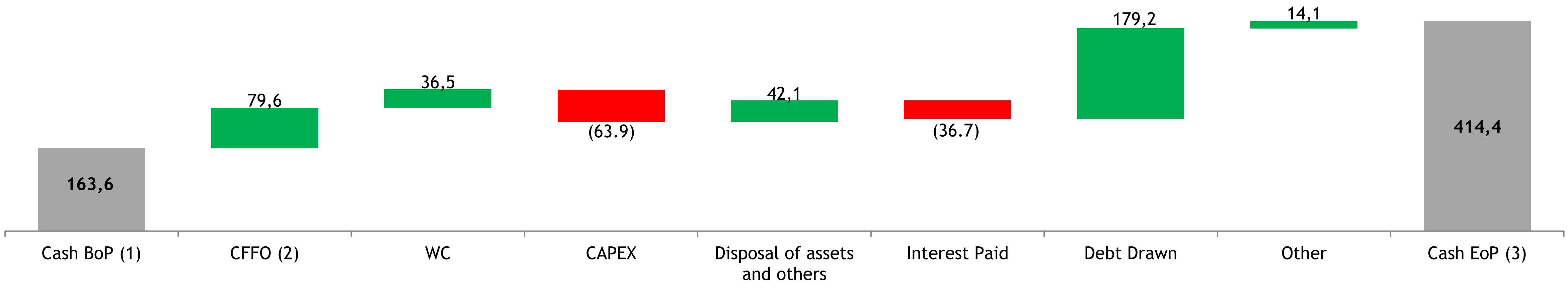
Positive Cash Flow from Operations and improved Trade Working Capital

3Q 2020 Cash Flow Evolution[€ million]



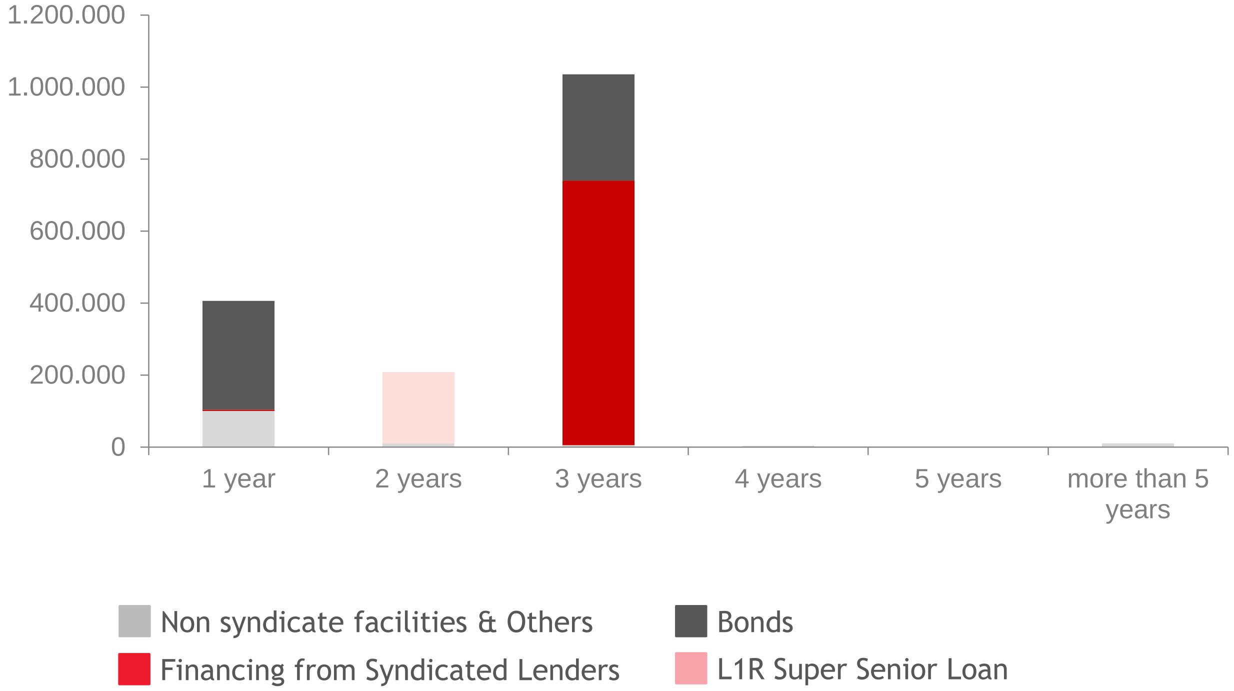
9M 2020 Cash Flow Evolution[€ million]



1. Beginning of Period
2. CFFO calculated as *"Net Cash from Operations before changes in Working Capital"* less *"Payment of Financial Leases"*
3. End of Period

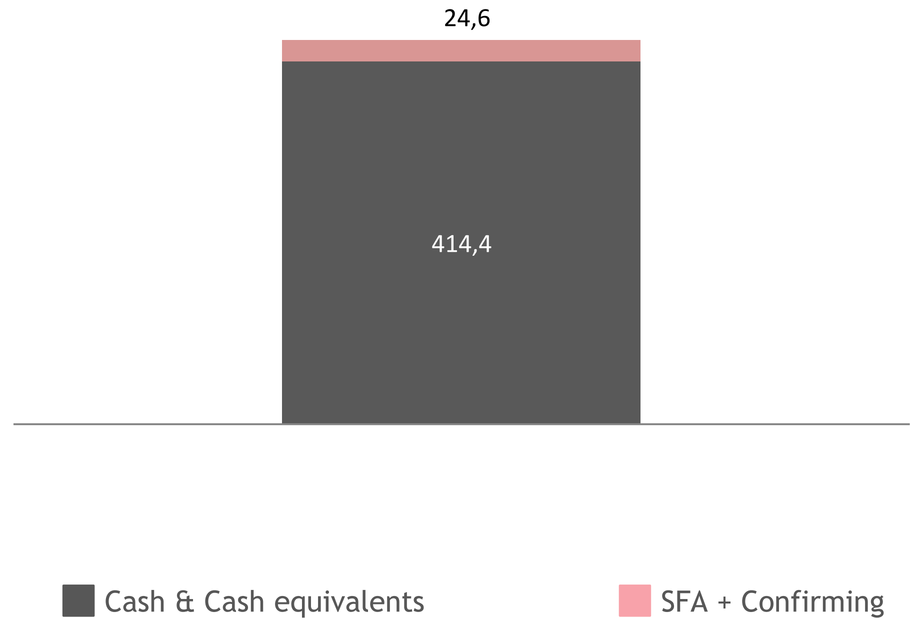
Net Financial Debt down and ample Liquidity levels

Debt Maturity Profile [€ million]



- Net financial debt of 1.25bn (which excludes 600.2m related to the application of IFRS16), down 72.1m compared to December 2019.
- Bonds tender offer completed; DEA Finance holding c.98% of 2021 Bonds and c.90% 2023 Bonds.

Available Liquidity [€ million]



- 439.0m vs. 420.8m as of 31st December 2019
- 94.4% in the form of Cash & Cash equivalents

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Balance Sheet - Improved Trade Working Capital

[€ million]	9M 2020	FY 2019
Non-current assets	2,111.6	2,448.2
Inventories	468.1	496.5
Trade & Other receivables	118.6	111.0
Other current assets	83.7	100.2
Cash & Cash equivalents	414.4	163.6
Total Assets	**3,196.5**	**3,319.4**
Total equity	(572.6)	(350.5)
Long-term debt	1,670.4	1,865.7
Short-term debt	594.4	325.5
Trade & Other payables	1,231.1	1,215.4
Provisions & Other liabilities	273.2	262.0
Liabilities associated with assets held for sale	-	1.3
Total Equity & Liabilities	**3,196.5**	**3,319.4**

Trade Working Capital [€ million]	9M 2020	FY 2019	Change
Non-recourse factoring	*0.0*	*14.1*	*(14.1)*
Inventories (A)	468.1	496.5	(28.4)
Trade & Other receivables (B)	118.6	111.0	7.6
Trade & Other payables (C)	1,231.1	1,215.4	15.7
Trade Working Capital [1]	**(644.4)**	**(608.0)**	**(36.4)**

Key Highlights

- **Trade Working Capital:** improved 36.4m thanks to Net Sales and improvement in inventories.
- **Shareholders' equity balance of Parent Company** amounted 194.6m (222.7m as of December 2019).

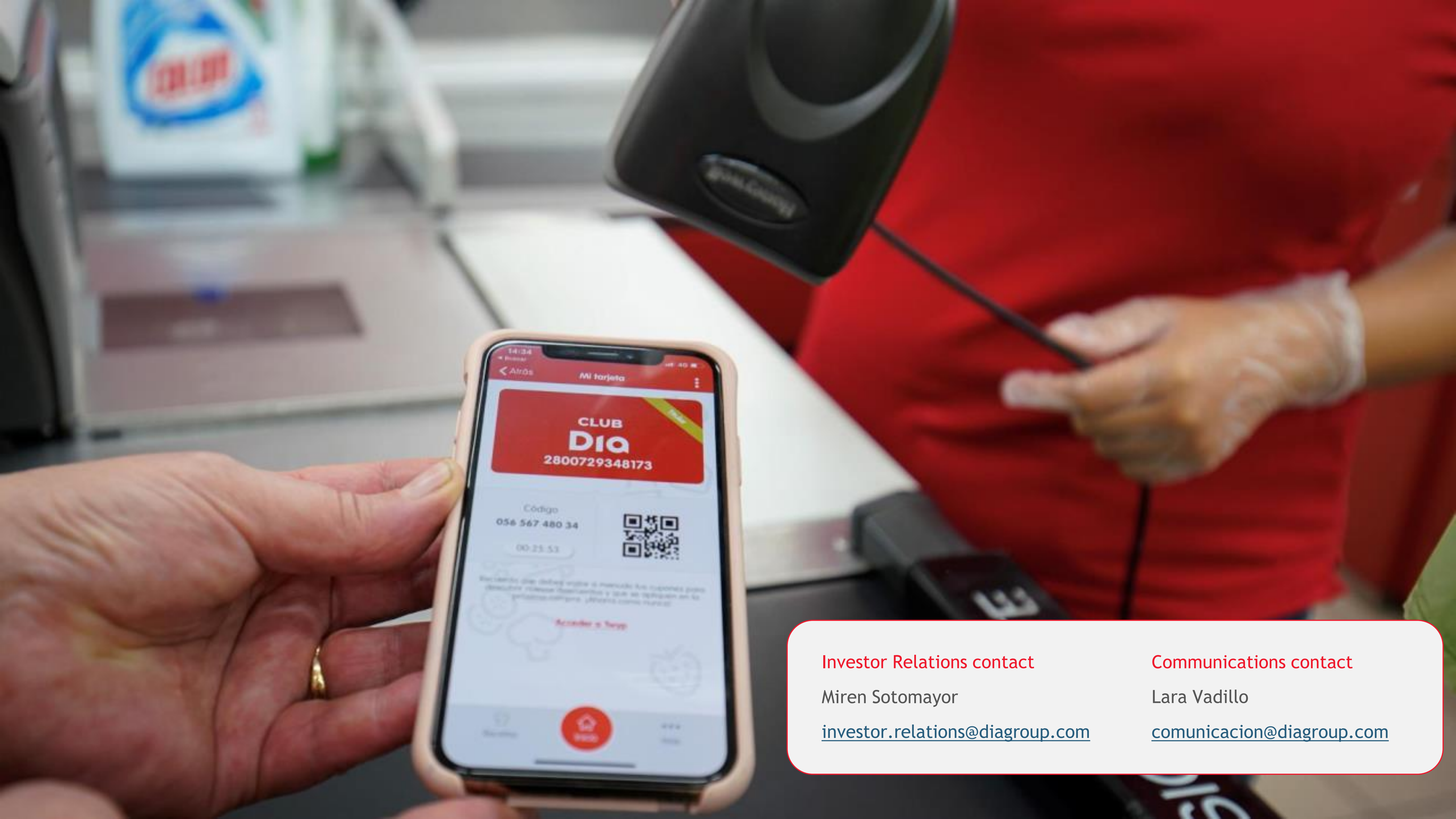
1. Trade working capital defined as (A+B-C)

Closing Remarks

DIA Closing Remarks

- **Continued positive progression of topline performance** demonstrating benefits of ongoing transformation
- **Improved financial metrics** allow to focus on key strategic pillars including improved in-store operations and experience with more fresh produce, delivering an attractive commercial value proposition
- **Well-prepared for the impact of new lockdown restrictions** benefitting from lessons learned and accelerated e-commerce and express delivery expansion ready to support our customers´ changing needs

"Cada DIA más cerca / Cada DIA mais próximo"
"DIA every day closer"



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