

Alternative Performance Indicators

Management believes that these indicators, which are not defined by IFRS standards, provide additional information that is useful to shareholders when analyzing the Group's underlying trends, performance, and financial position. These indicators are used by management for performance analysis. As they are not defined by IFRS standards, they are not directly comparable with indicators reported by other companies with similar names. They are not intended to replace the IFRS indicators presented in the financial statements or to be presented as more important.

This document has been prepared in accordance with Position No. 2015-12 issued by the French Financial Markets Authority (AMF) on alternative performance indicators.

Alternative performance indicators not presented in the financial statements

Changes in Accounting Methods and Restatement of Comparative Information as of 30 June 2022

From the second half of 2021, the Group applied the IFRS IC decision concerning the spreading of debt related to certain post-employment benefits. The retrospective application of this decision led the Group to restate the financial statements for the first half of 2022, as well as the decision of the IFRS IC regarding implementation, configuration, and customization costs of SaaS software.

Normalized Financial Income/(Expense)

Normalized financial income/(expense) corresponds to financial income/(expense) adjusted for changes in the fair value of equity derivatives and the effects of discounting Brazilian tax liabilities. This indicator is used by the Group to assess recurring financial income/(expense).

The table below reconciles normalized financial income/(expense) to the aggregates reported in the consolidated financial statements:

(Euros in millions)	30 June 2021 restated	30 June 2022
Cost of net financial debt	(224)	(252)
Other financial income	69	90
Other financial expenses	(243)	(323)
Plus/(minus):		
Intérêts sur dettes fiscales (GPA & Assai)	-	2
Normalized financial income/(expense)	(397)	(484)

**Normalized Net Profit,
Normalized Group Share Profit,
Normalized Minority Interests,
Normalized Earnings per Share**

Normalized net profit corresponds to the net profit from continuing operations adjusted for (i) the impact of other operating income and expenses as defined in the "Accounting Policies" section of the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, and (iii) tax income/expenses related to these adjustments and the application of IFRIC 23 "Uncertainty over Income Tax Treatments."

Non-recurring financial items are adjustments made to determine normalized financial income/(expense). Normalized minority interests represent the share of normalized net profit attributable to non-controlling interests.

Normalized minority interests correspond to the non-controlling interests' share of normalized net income; they therefore correspond to the non-controlling interests' share of net income from continuing operations, adjusted for the effects of non-controlling interests on other operating income and expenses and the effects of non-controlling interests on non-recurring financial items, as well as for tax income and expenses relating to these restatements and to the application of IFRIC 23 "Uncertainty of tax treatments".

Basic normalized earnings per share correspond to Group share of normalized net income for the period, divided by the weighted average number of shares outstanding during the period. Diluted normalized earnings per share is calculated by adjusting income attributable to equity holders and the weighted average number of shares outstanding to take into account the effects of all potentially dilutive instruments.

The Group uses these indicators to measure trends in recurring business income. The following table reconciles normalized net income with the aggregates of the consolidated financial statements:

(Euros in millions)	30 June 2021 restated	30 June 2022
Net profit from continuing operations	37	(272)
Plus/(minus):		
Other operating income and expenses	(10)	284
Other financial income and expenses ⁽¹⁾	0	2
Tax effects related to the above restatements and IFRIC 23	(10)	(86)
Normalized net profit	18	(72)
o/w attributable to non-controlling interests	93	30
o/w Group share	(75)	(102)

(1) See "normalized net financial income" indicator above.

Free Cash Flow (FCF) Excluding Group Disposals

This aggregate corresponds to the cash flows generated by operating activities as presented in the consolidated statement of cash flows, reduced by net CAPEX, lease payments under IFRS 16, and adjusted for the effects of the disposal plan.

This measure allows the Group to assess the cash generation or consumption resulting from its activities. Management believes that free cash flow provides investors with an important perspective on the liquidity available to shareholders, debt repayment, and acquisitions, after making the necessary investments in fixed assets to support ongoing business operations, remunerating financial debts, and creating long-term value. It uses free cash flow as a measure to evaluate the Group's performance and overall liquidity.

Free cash flow is also monitored by segment.

Free cash flow from continuing operations excluding Group disposals corresponds to the free cash flow as defined above, minus the free cash flow from discontinued operations.

The table below reconciles free cash flow excluding Group disposals with the aggregates reported in the consolidated financial statements:

(Euros in millions)	30 June 2021 retraité	30 June 2022
Cash flows generated by operating activities	(50)	(214)
Cash outflows on acquisitions of property, plant, equipment, and investment property	(494)	(833)
Proceeds from disposals of property, plant, equipment, and investment property	19	246
Repayment of lease liabilities and interest paid on lease liabilities	(471)	(475)
Other repayments	(13)	(16)
Adjustment for the effects of the disposal plan	(4)	(55)
Free cash flow excluding Group disposals	(1 013)	(1 347)
<i>o/w France (including Cdiscount), excluding GreenYellow</i>	(346)	(323)

Gross and Net CAPEX

Gross CAPEX corresponds to "Cash outflows related to acquisitions of property, plant, and equipment, intangible assets, and investment property," as presented in the consolidated statement of cash flows.

Net CAPEX corresponds to Gross CAPEX plus (i) "Proceeds from disposals of property, plant, equipment, intangible assets, and investment property," as presented in the consolidated statement of cash flows and excluding those related to the Strategic Disposal Plan, and (ii) proceeds from the disposal of business assets included in the "changes in scope" line as presented in the consolidated statement of cash flows.

Net Financial Investments in Continuing Operations

Net financial investments are derived from the cash flow statement and correspond to the sum of acquisitions of financial assets, changes in loans and advances granted, and the impact of changes in the scope of consolidation with change of control or in connection with joint ventures and associates, less disposals of financial assets. Adjustments are also made to isolate the effects of the disposal plan and the variation of escrow accounts.

This aggregate may also be used under the heading “Other financial investments”.

This indicator reflects investments that are not operational.

The table below reconciles net financial investments in continuing operations with the aggregates reported in the consolidated financial statements:

(Euros in millions)	30 June 2021 restated	30 June 2022
Cash outflows from acquisitions of financial assets	(3)	(35)
Cash inflows from sales of financial assets	158	397
Impact of changes in the scope of consolidation with change of control	(9)	(21)
Impact of changes in scope related to joint ventures and associates	(6)	300
Change in loans and advances	(16)	(6)
Variation of escrow accounts	(150)	(360)
Effects of the disposal plan	-	(304)
Net financial investments in continuing operations	(26)	(28)
<i>o/w France (including Cdiscount), excluding GreenYellow</i>	(5)	1

EBITDA After Lease Payments

EBITDA after lease payments is defined as operating income before non-recurring items (Operating Income Current - OIC), plus depreciation and amortization expense included in OIC, less repayments of lease liabilities and net interest paid on lease liabilities. This aggregate is used in the calculation of certain banking covenants to which Casino, Guichard-Perrachon is subject.

(Euro in millions)	30 June 2021 restated	30 June 2022
Operating income current (EBIT)	440	380
+ Depreciation and amortization included in EBIT	652	689
EBITDA	1,092	1,069
+ Repayments of lease liabilities from continuing operations	(321)	(314)
+ Interest paid on lease liabilities from continuing operations	(150)	(160)
EBITDA after lease payments	621	594
<i>o/w France retail excluding GreenYellow</i>	264	219

Adjusted Operating Cash Flow from Continuing Operations

Adjusted operating cash flow corresponds to the Group's total cash flow (see definition in "Non-GAAP financial indicators") less (i) pre-tax income from discontinued operations, (ii) income from disposals and restatements related to discontinued operations, (iii) repayment of lease liabilities, interest on lease liabilities, (iv) other repayments, and (v) other restatements (mainly effects of the disposal plan).

(Euros in millions)	30 June 2021 restated	30 June 2022
Operating cash flow	824	725
Pre-tax income from discontinued operations	209	11
Results of disposals and restatements related to discontinued operations	(90)	0
Repayment of lease liabilities from continuing operations	(321)	(314)
Interest paid on lease liabilities from continuing operations	(150)	(160)
Other repayments from continuing operations	(13)	(16)
Restatements related to the disposal plan	10	17
Adjusted operating cash flow from continuing operations	468	262
<i>o/w France (including Cdiscount) excluding GreenYellow</i>	118	51

The Group also tracks the "Cash flow less net CAPEX" aggregate, corresponding to cash flow less net CAPEX.

Non-GAAP Indicators Published in the Financial Statements

The indicators presented below are included in the consolidated financial statements. Only the definitions of these indicators are provided. The corresponding reconciliation tables can be found in the notes to the financial statements.

EBIT (Earnings before Interest and Taxes)

Operating income recurring (EBIT) corresponds to operating income before items which, by their very nature, are not included in the assessment of the recurring operating performance of business units, such as disposals of non-current assets, impairment of non-current assets and the impact of changes in scope of consolidation (notably costs and fees relating to takeovers, results of loss of control, revaluations of previously-held equity interests) and major items occurring during the accounting period which are likely to distort the reading of the performance of the company's recurring business (these are income and expenses which are limited in number, unusual, abnormal or infrequent, and of significant amounts, such as restructuring costs (including reorganization and change-of-concept costs) and provisions and charges for litigation and risks (including the effect of discounting)).

Operating margin before non-recurring items corresponds to operating income before non-recurring items divided by sales.

EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization)

EBITDA is defined as EBIT plus recurring depreciation and amortization expense included in EBIT. EBITDA margin corresponds to EBITDA divided by sales.

Operating Cash Flow

Cash flow from operations as shown in the cash flow statement corresponds to cash generated (used) by operating activities before changes in working capital requirements and tax paid. It is calculated on the basis of pre-tax income, from which are deducted expenses and income which have no impact on cash or which are unrelated to operations (such as depreciation, amortization and provisions, excluding those relating to current assets, changes in fair value, expenses relating to share-based payments, gains and losses on disposals of fixed assets, etc.), losses/(gains) relating to changes in interests in subsidiaries with/without control or non-controlling interests) and is restated for the cost of debt, non-drawing costs, the cost of mobilizing non-recourse receivables and similar transactions, financial interest on leases and dividends received from associates and joint ventures.

Net Cash

Net cash corresponds to cash and cash equivalents less bank overdrafts.

Net debt excluding IFRS 5

Net financial debt (NFD) excluding IFRS 5 comprises borrowings, including fair value hedging derivatives and trade payables, less (i) cash and cash equivalents, (ii) cash management assets and financial investments, (iii) fair value hedging derivatives, and (iv) financial assets arising from the disposal of non-current assets.

NFD excluding IFRS 5 is also monitored by segment.

Net financial debt including IFRS 5

Net financial debt (NFD) including IFRS 5 comprises borrowings, including fair value hedging derivatives and trade payables, less (i) cash and cash equivalents, (ii) cash management assets and financial investments, (iii) fair value hedging derivatives, (iv) financial assets resulting from a significant disposal of non-current assets, and (v) the Group share of the selling subsidiary's net assets held for sale.

NFD including IFRS 5 is also monitored by segment.

Other definitions

Constant exchange rates

The term “constant exchange rate” refers to the application of the previous year's exchange rates to the current year, all other things being equal.

Comparable sales (or comparable sales)

Comparable sales include e-commerce sales and sales of merchandise excluding petrol in stores open for at least 12 months. It is expressed at constant exchange rates.

Organic sales (or organic sales)

Organic sales correspond to consolidated sales on a like-for-like basis.

Gross Merchandise Volume (GMV)

For e-commerce, GMV (“Gross Merchandise Volume”) corresponds to sales, including taxes, generated directly on the Cdiscount Group's websites and by independent sellers on marketplaces. For other retail activities (excluding petrol), it corresponds to sales generated by each banner for all its stores (integrated and franchised), excluding petrol.

Food sales

Food sales correspond to sales of convenience goods, industrial fresh produce and processed materials, excluding VAT.

Calendar effect

The calendar effect measures the theoretical impact on sales growth of calendar differences from one year to the next. It therefore includes :

- the impact generated by the variation in days of the week from one year to the next (number of days more or less vs. N-1 over a given period: month, quarter, year),
- the impact generated by the calendar shift of days with very strong upward or downward variations in sales (public holidays, school vacations, bridging periods, major promotions, sales, major festivals).

Customer traffic

Customer traffic corresponds to the number of checkouts.

Organic EBIT

Organic EBIT corresponds to consolidated EBIT on a like-for-like basis.