

2Q22 Grupo Exito Results Conference call

Operator (**Maria Fernanda Moreno**): Welcome to Grupo Éxito's second quarter 2022 results conference call. Please note that this conference is being recorded. At this time, all participants have been placed on mute to prevent any background noise and I am pleased to present our CEO, Mr Carlos Mario Giraldo and our CFO Mr Ruy Souza.

Please move now to slide #3 to see the agenda. We will cover Grupo Exito's financial and operating highlights performance by country and consolidated financial results for the second quarter 2022 for operations in Colombia, Uruguay and Argentina.

We will conclude with the Q&S session, in which all participants can raise their hands to ask questions or send them through the chat available at the bottom of the screen. In any case, please indicate your full name and company's name.

Thank you for your attention. I will now turn the call over to Mr Carlos Mario Giraldo.

Carlos Mario Giraldo, good morning to all of you and welcome to this call of our Q2 results of 2022.

If we move to **slide #4**, I will highlight a very strong result coming from an expansion of top line as we had not seen in many, many years, also with volume expansion in the three countries in which we operate and with a very solid performance in all the geographies. We see consolidated sales growing by a same store sales number of 27.9%.

That innovation in formats continue to gain share within the sales of the company, especially in Colombia where they now have a share between 35 and 36% of total sales.

The omnichannel sales in the three countries reached a share of 9.9% with a 12.4% share in Colombia, where it has been more developed. A recurrent EBITDA growing by 30 points, 7% when we adjust it by excluding property sales in both periods and growing by 21% without this adjustment with a margin of 7.9%.

This EBITDA we saw is the result of a top line expansion, of the very good recurrent real estate result, and of course of strict expense control where we continue to comply with a principle that we set ourselves and it is that the expense growth be below the growth of sales. Our net income grew by 22.7%. And I would make a synthesis. If we look at the result for the complete first semester, our sales grew by 25%, this means that we are adding this semester 1/4 of the size of the company to Grupo Exito, and that is adding in sales against our baseline, \$420 million, which is a very important number to look at.

If we go to **slide #5**, We are very consistent in our ESG contribution, our sustainability contribution. From all the pillars you see there, I would highlight four elements, one is the contribution to nutrition of children between zero and five years. 36,000 children were benefited during the period, and we continue with the goal of achieving as a country, working with government, zero malnutrition, zero chronic malnutrition by 2030.

Our program of Trees, of planting trees and redemption of trees by our customers directly in the cashiers or online has arrived now, in a couple months, to 300 thousand trees, which is a part of a plan that we have in one year to arrive to 1,000,000 trees in alliance with Celsia which is operating the program to assure that these trees go to very important forests and rivers sites in our country.

We reduced our carbon footprint against the same period of last year by 16% when we account for scope one and scope 2.

And we also contributed to Valle del Cauca, the region where we are starting to operate La 14 stores by a registry of 53 of the suppliers that were left behind by the non-operation of La 14. This is saving more than 2,000 jobs and one of our purposes has been to protect the production, which is the great importance for this small and medium size suppliers located in the region of Valle del Cauca and taking many of them to the national distribution.

If we go to **slide #6**, here we speak about the results of sales in Colombia, a record growth in Colombia, 29.9% growth in same store sales and for the first half 27.2% growth. Here it is important to note that in this quarter we had a non-VAT Day promotion which is very important in sales, and it accounts for six points of the total growth of the period. That is, if we discount these six points, the total growth in Colombia for the period would also be a very important 24% same store sales growth.

This is confirmed by the fact that we had a volume expansion of 7%, which shows that we are clearly outpacing the impact of inflation in food. Omnichannel sales grew also by 26.7%.

If we go to slide #7, here we will see our expansion, growth by banners and by segments of our sales in Colombia. All formats, all brands had a positive performance. The main highlights are Éxito brand, with same store sales growth of 34.8%. It was imposed by the WOW conversions.

By the impact also of the unbeatable price products in basic consumer goods, which are very important for the consumer today, when there's a big concern for inflation in food.

And also, by the contribution of the non-VAT Day, especially in high ticket items.

In Carulla, we had our same store sales growth of 21.4%, coming mainly by the Carulla Fresh Market innovation, but also by the last Mile Turbo project that we have in exclusive alliance with Rappi. It is important to say that today the Omnichannel share of Carulla is the highest within the group, and it accounts for 17.7% of the total sale of Carulla.

In the low-cost segment, we have to highlight the increase again in sales in this quarter of cash and carry same store sales growth of 30% and now cash and carry accounts for 5.3% share of total group sales in Colombia.

If we go to slide #8, I would like you to look very carefully at this slide even after the conference, because it shows how the company has, year after year, developed brands and innovation in formats which assure us a profitable growth for the next years.

Starting with Exito, the Exito wow innovation for the hypermarket. Now is placed in 20 stores, which are obviously the 20 most important stores of the brand by size and by sales.

They account for 30% of the total sales of the EXITO brand. That growth is of those stores that were open more than two years ago in the accumulated period which has been 30 percentage points above the rest of the brand.

The expansion plan that we have for innovation and transformation into the WOW is of 31 full size stores that is big size hypermarkets and 99 economic or mid size stores and that takes us to a total of 130 stores that we think we will perform into WOW in the following five years.

We also add, we will take some of the stores that were the first generation of WOW into a second generation of WOW that we called Wow, 5.0. That's the internal code. And next year, we will take two of our most important stores, the two big sellers and best in margin in the country in Bogota, to this second horizon, second stage of innovation, to take a full high level of experience to our customers. Exito Wow stores as a whole as a ROI of 52%.

Carulla Fresh Market today we have converted into Fresh Market 22 stores, which account for 46% of the total sales of the brand. That growth of those stores opened more than two years ago in the accumulated period is 13 percentage points more than the average of the brand. That potential that we have for Fresh Market between full size and middle sized is 58 stores.

Finally, I would refer to Surtimayorista or cash and carry. Today we have 42 stores. They now account to 5.3% of the group sales. These stores that were converted have a multiple of sales of 2.2 times what they sold under a previous brand. We have a potential, especially through new openings between 70 and 80 cash and carries to be opened in the next five years. Clearly is going to be the brand that we are going to privilege in expansion because it has a huge potential in middle size cities of Colombia where we are not present.

And it has the highest sale per square meter in the complete organization and a very low cost, I would say probably the lowest cost of any retailer in Colombia is in one of its brands, which is below 10%, which is very similar to what we can see in the cash and carry proposition in Brazil. The ROI for Surtimayorista is 21%.

Moving to **slide number 9**, our second quarter omnichannel sales, were very strong, they grew by 27% and the orders grew by 46%. That is, we have a lower size ticket, but a higher frequency in our omnichannel and this is very interesting because as a whole we arrived to three-point one million orders. Most of them come from last mile dispatches, but also the other deliveries done directly by the company. That share of Omnichannel in the quarter was 12.4%. When we compared this against the base before the pandemia, it compares against 4.7% share in 2019. That sharing food is 10.4% and in non-food is 16.4%.

If we go to **slide number 10**, We see the results for the first half of the omnichannel strategy. Sales growing by 17% orders by 36%. A total of 5.7 million orders. If this trend continues by the end of the year, we will be arriving at more than 11 million orders, which gives us a very important share in the market of omnichannality.

Specially in food and consumer goods where clearly Exito has today a very important leading share.

Click and collect which is key for us because it is good for customers and it is good for Exito because of its profitability, it is now 26% of the total omnichannel sales.

What's up sales, the strategy now arrives to 18% share and it comes to a total 400 thousand and 13,000 orders and marketplace is now 23% of the total non food omnichannel sales.

Going to **slide number 11**, I want to make emphasis on the monetization of traffic and assets, which is a consistent unique identification strategy of Exito in the last years. I would refer to two of the businesses. One is the credit business Tuya arriving to 2.6 million cards leading the market in Colombia in number of plastics with a total loan portfolio of 4.4 billion Colombian pesos and growing by 48%.

The key levers for the future we see is, first, the Exito pay. The name is Tuya Pay, but it's being changed in the following weeks to Exito pay to profit from the Exito brand recognition. And now it's arriving to near to 900,000 cards. Excuse me, digital wallet units and we believe that in the following three years, it can arrive as much as 3 million digital wallets.

And the second in interesting strategy of TUYA is banking as a service. It started with a competitor which is Alkosto, where Tuya manages its credit card. It's private credit card and now it is being done with Viva air, with Transmilenio, public transportation system in Bogota and recently we are starting with Claro, the main telco in Colombia.

In Puntos Colombia, at the right side, you know this is a very interesting high potential business in alliance with Bancolombia putting together that database of customers of both companies.

They clearly, I would say the most important and complete and and reliable database of customers in Colombia.

Colombia is little by little turning into the second currency of Colombia because every time more, people can trade points into many, many products and services in many alternatives for our customers in Colombia. Today we have 5.9 million active customers increasing by 19%. Active customers mean customers that are frequently using Puntos Colombia and customers that have given the authorization of Habeas data so that their data can be responsibly used and really, we are growing the ecosystem of issuance and we redemption of Puntos Colombia and today it has two partners, Bancolombia and Exito and it has 135 allied companies. That is, companies that issue and or redeem points within the system and offer services as a gas stations or donations or all kinds of non-food in retail, and only to speak about some of the services that are offered today, Puntos Colombia has arrived to single the EBITDA margin.

I would hand now the floor to Ruy and then I will come back at the end with some conclusions.

Ruy: Thank you Carlos, Mario. Thank you everyone for for being here with us. As you know, since last quarter, we have been disclosing this, this important business unit for the group, which is the real estate business unit, I'd like to mention and go on the performance of the first half.

And on the recent achievements, as you know the whole business unit is composed by a property sales and development activities plus commercial galleries within the hypermarket stores and the 18 assets, shopping malls that we are operating under the Viva Malls Vehicle. So, when we see that the whole business, you need to know that we have 765,000 square meters of GLA. It has been increasing when we compare to the last quarters. This is something that is important because we are reactivating the projects, the pipeline for the upcoming quarters and years. The occupancy rate is 93.1%, improving 120 basis points from last year and the revenues from rentals and administrative fees presented also a huge increase at 37% for the quarter and 35% for the first half when we see the Viva Malls perimeter, we think that the real estate business unit is composed by 18 shopping malls as I mentioned, 568 thousand square metres of GLA and for the first half it accounted for almost 40% of the company consolidated other revenues and a little bit more than 12% of their recurring EBITDA at consolidated level as well.

When we see the performance for the first half, we see that revenues grew by more than 25% and the currently EBITDA reached almost 88 thousand million Colombian pesos growing by almost 29%. It has been accretive for the company on the last couple of years we have as I mentioned a project to be implemented on the upcoming quarters and semesters.

Slide #13: Moving now to Colombia, to review the performance in terms of financial indicators, it is important to highlight the solid top line growth above 26% for the quarter. And the recurrent EBITDA grew 17% but a strong 29% when we adjust for the for the real estate development activity, we had a sale of property last year and this is something that we didn't have this quarter.

But this is resuming as I mentioned because of the of the pipeline of projects and when we compare this quarter the results adjusted for this activity, the EBITDA growth was 29%, very positive.

In terms of of sales, Carlos Mario mentioned that the main contributors were the performance of the innovative formats that are representing now 35% 2 percentage points more in terms of penetration, when we compared to the first quarter and obviously the performance of the Omnichannel activity and also volume gains of 7% for the for the second quarter of this year intervals.

In terms of gross margin, as you can see, we have a reduction in terms of rate of almost 130 bps, this can be explained by main 3 factors: the sale of property that we had last year and we didn't have this year which accounts for 35 basis points of the 50 deviation.

We have a billion coming from the contribution of Tuya of around 60 basis points. This is related to the temporary effect of provisions increase due to the long portfolio increase. This does not have imply a risk determination, it is mainly a volume effect and we had within the retail perimeter a reduction of around 30 basis points of gross margin. That was more than compensated by operational leverage in terms of expenses. And when we see internally the retail P&L actually the EBITDA margin increased when you compare to the second quarter of 2021.

For the first half, we see that Net Revenue grew 22.5%, the EBITDA grew 12.9% to COP\$ 551 thousand million. When we split the contribution of the EBITDA evolution by business, we see that the retail segment contributed with the positive increase of COP\$101 K million.

The complementary businesses, ordinary activities contributed with a positive COP\$17 K million and we see how EBITDA in terms of real estate development activity impacted the result with COP\$55K million.

It is important also to see the recurring EBITDA margin evolution compared to 2019 and 2020. When we compare the evolution throughout the last three years the annual rate of growth has been 11.2% for the first half and margin came from 7.2% in 2019 to 7.8% for the first half of this year.

Moving on to the next one, **slide #14**, if you see in Uruguay the performance was boosted by the Fresh Market concept that we had in that country, a positive effect when we see Net revenues evolution in terms of Colombian pesos, we see a 23% increase, which is basically a 7% of increase in local currency and 15% of FX effect.

Nevertheless, in regards of Fresh Market stores, the performance was very good in terms of sales above the regular stores and are already contributing for more than 50% of sales in Uruguay. In terms of margin, the gross margin was above last year compensating the sales increase below local inflation.

To have a gross profit growing in line with inflation in terms of cash and we see also an increase in terms of EBITDA and in terms of rate to have a stable recurring EBITDA margin for the quarter and abiding margin growing and 43 basis points for the first half of the year landed at COP\$160 K million.

In slide #15, I would like to highlight that in Argentina, we had a very strong quarter in terms of sales growth with more than fifteen percentage points above local inflation, 78% of growth compared to 62% of inflation with a positive evolution in terms of gross margin, thanks to the real estate increase in terms of revenues, which was more than double than inflation, in local currency and also a very strong dilution in terms of expenses. EBITDA margin for Argentina was positive for the quarter 210 basis points above last year, which is basically the same pattern that we can see for the first half. The EBITDA coming from almost zero last year to COP\$14 thousand million Colombian pesos and 2.1% margin.

Moving on to the consolidated figures in **slide #16**. I'll focus here on the first half figures and after on the second quarter, sorry, we can see that the main indicators grew by more than 20%, mainly Net Revenues, recurring EBITDA and Net income also boosted by the operational performance. Both in retail and real estate in terms of the first half, we can see that net revenues grew 24% reaching COP\$1.8 billion Colombian pesos of new sales, which is the figure that Carlos Mario mentioned in dollars previously for \$120 million of additional sales for the first half. In terms of EBITDA grew 18.4% to COP\$726 thousand million which is explained by a positive contribution coming from the retail segment of COP\$135k positive contribution from the ordinary activity, the complementary businesses COP\$ 33 thousand million of additional contribution and reduction of COP\$55,000 million from the real estate development activity.

In terms of margin, it landed at 7.8% for the first half, which is 50 basis points above 2019 and 2020, and 37 basis points below last year, but with a strong growth in terms of cash. And finally in terms of Net Group share result for the first half is a strong COP\$127 thousand million, 6.6% less than

2Q21. We will review the main effects on the next slide and for the second quarter when the Net Income was COP\$62,000 million, 22.7% above 2Q21.

And on the next **slide, #17**, when we see the evolution of of the second quarter Net Income, we can see that the contribution from the operational leverages has been huge and contributed with additional COP\$ 56,000 million. We also had an improvement in terms of non-recurrent results, a reduction of non-recurring expenses and also a sale of an asset in Argentina with aggregated COP\$17,000 million puts together COP\$24,000 million in this line. We

Additional financial expenses, obviously related to the increase in interest rates and these accounted for COP\$17,000 million of additional financial expenses versus last year. And we had also in the financial result line an adjustment, an accounting adjustment related to IAS 29 hyperinflationary accounting adjustment in Argentina that presented a negative COP\$30 thousand. And this is a non-cash effect, but this is related to the to the increase in inflation in Argentina.

And last, obviously the impact that we have in taxes and minority interest due to the operational evolution both in retail and in real estate.

Moving on to the next one, **slide #18**, finally, to review our situation in terms of cash and at holding level, it is important to mention that when we see the net financial debt position, we see an increase, a more likely position by COP\$370,000 million. This is basically explained by a cash flow generation of COP\$370,000 million on the last 12 months by an effect of minus COP\$661 thousand million regarding payment of dividends and the results of the share buyback operation that was conducted a few months ago.

When you see that the shareholders cash flow generation for the last 12 months, as I was mentioning, it was COP\$370,000 million and also 80% above the last 12 months of last year's June.

This is all from the financial side, now turn the call back to Carlos Mario to go on with our conclusions. Thank you.

Carlos Mario: Thank you Ruy, conclusions for the Q2 results would be, at consolidated level, a historic growth in sales of 27.9%. A very strong growth in omnichannel sales of 24%, a recurring EBITDA growing by 30 points to 7% when we adjust it with property fees and sales and growing by 21% without that adjustment with a margin of 7.9%. Net income growing by 22.7% impulse by the operation and offsetting the impact from the IAS 29 of Argentina and impact of interest rates. Colombia with a very solid 29.9% same store sales growth and a volume expansion of 7%.

Innovation in formats contributing with a 35.6% share of total sales, speaking of Wow and Fresh Market and the omnichannel growing by 27%.

In Uruguay, it continues having the best group margin with an expansion of two basis points and Argentina beating inflation by 15 points percentage point with an EBITDA expansion of 210 basis points and no cash requirement from Grupo EXITO.

This would be the conclusions and we now open it up for your questions and we are here available for that. Thanks a lot.

Maria Fernanda: I would like to remind all the participants that you need to raise your hands to ask questions or send them through the chat available at the bottom of the screen. If you are going to ask your question of loud, please remember to activate your microphone in your device, indicating that your what's your full name and your company's name. If you send your questions through the chat, please indicate your full name and company's name and I will proceed to read the questions.

So we have a a question coming from Nicolas Larrain.

Nicolas Larrain: Maria Fernanda, thank you. Carlos. Mario and Ruy, this is Nicolas Larrain from JP Morgan. Carlos Mario, I wanted to understand from you specifically in the slide where you mentioned on the potential for expansion. I understand that is the potential. I wanted to understand also what do you think you can achieve all over the next five years or is that an actual expansion plan for Exito over the next five years? That's my first question. The other one is the sort of an outlook to the second half of the year, Exito will face tougher comps. I wanted to understand how you're seeing trends into the second half. This from my side. Thank you guys.

Carlos Mario: Thank you very much for your question. What I would say is that in slide #8, the plan that we have is for five years that is to convert Exito stores into WOW formats at 130 stores. Carulla Freshmarket 58 stores and opening surtimayoristas between 70 and 80.

This does not include other expansion initiatives like SUPERINTER and SURTIMAX, but I only mentioned the big ones and some punctual acquisitions that we can do and the expansion with Viva, where we are just evaluating the potential we have and this does not include a new shopping malls.

Making an expansion of our Puerta del Norte shopping mall, we are already executing an expansion with the IKEA store of 17,000 square meters of Envigado shopping mall, which will make Envigado the first shopping mall in all Colombia.

And it does not include some projects that we are now in the process of development, a big project in Bogota and probably between one and two projects in Cartagena, only to mention those that we can see.

And then finally, what I can tell you is that of course this comes on top of the investment that we are doing every year in technology and logistics to be able to support our expansion strategy. That is our physical strategy and our digital strategy.

And about a perspective, but I can tell you is that we are still seeing a very good consumption in Colombia. We see that confidence of consumer index that Fedesarrollo publishes, which in the last month and for the first time in three years, was in positive grounds.

If we continue the develop of our CapEx, a promise of around \$120 million this year. That includes the conversion of at least five stores from La 14, the 6th one is going to be converted, probably the first quarter of next year. These would add around 23,000 square meters additional for the company from La 14 conversions during the last months of this year. Next week for example, we're

going to open a Jamundí store, located in the South of Cali, which is a very strong, powerful store for Exito wow.

We continue also seeing that the Colombian GDP is with a perspective between a growth of 5% and 6% and that is imposed by the benefits of petroleum prices, coal prices, aggro prices and exports. We continue seeing the omnichannel penetration and the high store traffic into our stores and frequency both, off and online.

Having said this, our comparatives for the second half are much stronger than they were for the first half. So, it's not feasible to speak about increases of sales of around 30%, of course. But what we are seeing in July is that we are still in grounds of double-digit growth in sales even against a strong comparative. And we have one challenge, and it is that we're going to have, one day without VAT tax that we had last year, and which was budgeted this year for December 3 and probably under the announcements of the new government, this will be eliminated. And so, we have two compensated by the sales of Black Friday plus Christmas plus last promotion of Exito that we have in the third quarter of the year.

This is what we are seeing to give you a synthesis, the market continues to be strong. We don't see figures deteriorated. And at the same time Exito and you can see it partly by our investment in margin also in prices to keep inflation our own inflation below.

That inflation input is what the consumers are receiving in the whole country, but this has been a very important period that we are profiting to invest also in price image, especially in formats like the Surtimayorista or the Exito popular stores.

Nicolas Larrain: Thank you, Carlos, Mario. And if I may, just as a small follow up, but it's especially on the Surtimayorista expansion you mentioned here those 71 stores over the next five years, are those new stores will be mostly conversions from, maybe other formats that you are using the bricks, what's the plan there because it's a substantial acceleration versus what we've seen over the past years.

Carlos Mario: Yes, most of them are new stores. I would say only around 10% would be conversions of core current stores. We have converted those that have the necessary area and the location to be converted into Surtimayorista as you saw with very good results and multiplication of sales of 2.2 times, it's something very similar from what we see in Brazil.

Let me let me make a point on Surtimayorista. This brand today has an average area per store of around 1000 square meters. The costs of operating are below 10%. It's incredible that now in four years we arrived to this point and it is having an EBITDA between 5 and 6%. So, we believe that it's a very interesting development strategy. It has a very good ROI about 20%. So, we are very confident that it's going to be also a very important instrument to compete in the low cost market with a format that is profitable from the first year when these stores are opened.

Nicolas Larrain: Amazing. Thank you very much.

Carlos Mario: Thank you too.

Maria Fernanda: Now we have a question coming from Julian Ausique. Julian, please go ahead.

Julián Ausique- Davivienda Corredores : Thank you. Hi, everyone and thank you for having my question. I just would like to confirm the expansion plan, is during for the next five years. Is that OK? Is that alright?

Carlos Mario Giraldo: Yes, it's for the next five years and we are now adjusting what would be that expansion for next year and probably in a couple months we will announce it, but it's going to be even more aggressive than what we have invested this year.

Julián Ausique: OK, my question in fact, is that if you have been consider some disinvestment of assets in Argentina due to the economic situation right there or do you feel comfortable with your operation and the business in Argentina?

Carlos Mario Giraldo: We have no current plans to disinvest in Argentina given the difficulties that we would have to bring the money back under current circumstances of the exchange rules and the rules for hard currency in Argentina, but we don't exclude to think about that in the right moment. So we don't exclude it, but we have no current plans.

And I would add that at the right moment we are seeing positive results and we are seeing that we don't have to do additional investment or capital inflows into Argentina.

Julián Ausique: OK, that's perfect. And my last question is regarding the share. In the buyback plan you mentioned that you would like to in the meantime you would like to perform or help delinquency of the the stock in the Colombian market. There is anything on the table that we have to know about the plans of to expand the liquidity of the share.

Ruy Souza: Thanks. Thanks for the question. This is something that we always analyze. Perhaps this is not the most. The right moment to do so because of all the uncertainty that we can see in the market with the currency and so on. So this is something that we have been analyzing. We will always analyze and we'll speak about it when the time comes. Yeah, perhaps this is not the correct sign to do so, but this is something that is always on the table.

Julián Ausique: OK. Thank you.

Maria Fernanda Moreno: There are no further questions at this time. I will now turn the call over to Carlos Mario Giraldo for closing remarks.

Carlos Mario Giraldo: OK. Thank you very much, Maria Fernanda. And what I would say is that in the first half of the year, we're adding more than 1.8 billion pesos of sales increase to Grupo Exito with a very positive dynamic in the three countries where we operate.

The name of the game, I think, is consistency with our strategy of innovation, formats, omnichannel penetration and monetization of our customer traffic and of the footprint of the company.

Still, there are some businesses whose value is not reflected in the books of the company and less in the value of the share, like the value of a real estate business, the value of our credit business through Tuya and the big future and potential that we have with Puntos Colombia

Our competitive strategy continues to be focused on differentiation with Exito Wow and Carulla Fresh Market, the Super Inter Vecinos and our last mile expansion through projects like Turbo, which is an amazing project that serves our customers in less than 10 minutes.

In the low-cost segment, we're improving a lot and you can see it by the growth of our Surtimayorista cash and carry, which has had a consistent performance with more than 30% growth in same store sales.

Our unbeatable portfolio of products of basic food and consumer goods are more important than ever. What we call in the stores "productos Insuperables" we promise that in more than 250 SKU there's no better price for the consumer in any part of the local market where you can compare it and we will continue to focus on that because it is very important that today.

And the long-term vision of the company continues to be a customer centered working on the customer experience and investing both in the physical stores and in the online retail. We do not believe that the world will be all physical or all online, the correct mix between the two gives us a comparative advantage in the market. Having said this, I want to thank you for your presence, and I expect you to be in the following quarter results conference. Thanks a lot.

María Fernanda: This concludes today's conference. Thank you for participating.