

4Q & FY2021 Conference Call- Grupo Éxito

Operator: Welcome to Grupo Éxito's fourth quarter 2021 results conference call. My name is Sylvia, and I'll be your operator for today's call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session. During the question-and-answer session, if you have a question, please press star (*) then one (1) on your touchtone phone. Please note that this conference is being recorded.

I would like to invite all participants to submit your questions first in the Q&A box in the webcast presentation in order to ask questions on the phone conference at the end of the call. Please include full name and company name. Only these questions will be taken into consideration for the live Q&A session accordingly. Your questions can also be read by us if instructed by you.

I will now turn the call over to Maria Fernanda Moreno, Investor Relations Manager. Mrs. Moreno, you may begin.

Maria Fernanda Moreno: Thank you, Sylvia. Good morning to everyone and thank you for joining us today for Grupo Éxito's fourth quarter call. At this time, I'm pleased to present our Chief Executive Officer, Mr. Carlos Mario Giraldo, and Chief Financial Officer, Mr. Ruy Souza.

Please now move to slide number three to see the agenda. We will cover Grupo Éxito's financial and operating highlights, performance by country and consolidated financial results for the fourth quarter and full year operations in Colombia, Uruguay and Argentina. We will also review the outcome versus outlook in 2021 and will provide the outlook for 2022. The call will conclude with a Q&A session. Thank you for your attention. I will now turn the call over to Mr. Carlos Mario Giraldo.

Carlos Mario Giraldo: Thank you, Maria Fernanda, and to you all for being here for this call for the year results. I am pleased to present historical good results in commercial activity, financial soundness, and strategic consistency. I would describe the results in that way.

If we go to slide number four and we look at the financial and operational highlights, first we are presenting a net income for the year 2.1 times the one we had in 2020.

Number two, we're having a recurrent EBITDA margin of 9.1%, improving 99 basis points. For the year, our same-store sales increased 7.8% and for the fourth quarter, a high 16% increase in same-store sales and omni-channel for the consolidated results maintained a 9.9 share of sales and in Colombia, 11.9%. That is a top level at LatAm region, especially for a company to which 70% of sales are coming from consumer goods.

Sales were boosted by our omni-channel strategy, our innovation in formats and initiatives, our customer traffic and confidence monetization and, of course, the very positive

economic dynamics in Colombia in the second half of the year. EBITDA grew by 20.7% from a very strict expense control and of course, from the commercial dynamics.

If we go to our capital investment, our CapEx was COP 550,000 million and USD 138 million.

We ended the year announcing the operation of five of the most important stores of La 14 in Cali and starting this year we announced a sixth one, which creates a great strength in Valle del Cauca region and Cali city.

Innovative formats now account for one third of the share of the Colombian sales, something that we started four years ago with the Wow, with the Fresh, now with the Vecino for Super Inter and with the cash and carry, now one third of the total sales of the company becoming clearly material.

If we go to slide number five, we see our ESG, our environmental, social and governance strategy, in six pillars. I'll leave it to you so that you can study them.

I would go directly to slide number six, where we speak about the advance in these six pillars. We believe that we speak about three circles. The first circle is the company and its group of interest, stakeholders. The second one is the society community in which we work. And the third one is the planet, our environment, and we are working at the three levels.

The first pillar for us, it has been historically important for Éxito, is zero malnutrition. That is, we contribute for a vision of zero malnutrition in 2030 for Colombia, working with the government, and with the NGOs. This year, we benefited directly more than 70,000 children with a nutritional complement.

In My Planet pillar, Carulla Fresh Market as the format of innovation became the first retail in Latin America to be carbon neutral certified by Icontec in Colombia, and we made a recycling of near to 21,000 tons of carton and plastics. That is the main recycler in Colombia, and that is equivalent to the garbage that the country produces in one day, which is really very material.

In sustainable trade, 90% of our food, vegetable and meat and also of our textiles are bought in Colombia or purchased locally, and in our apparel, we work with 80 local workshops.

In our governance and integrity pillar, Éxito is within the ten most sustainable food retailers in the Dow Jones Sustainable Index. That is the global index and it's, of course, the only one in Colombia, and Éxito was also recognized as a company committed with integrity at 100% by the Anti-Corruption Institute with compliance of the ISO 37001 standard.

In Our People pillar, I would highlight that we contributed to make a rapid vaccination of our people by buying 16,000 vaccines to complement the program of the government, and in the Healthy Lifestyle, we completed now a portfolio of more than 7,000 healthy products, especially under our healthy brand Taeg.

If we go to slide number seven, in Colombian sales, we had a very strong quarter in Colombia, with 15% same-store sales growth, a combination of a sound economy and internal commercial consistency. Yearly sales came to near to COP 12.3 billion, growing same-store sales 6.8%.

If you look our sales against the period before pandemia in 2019, the growth is 11.4%. That means that as Colombia ended its economy above the pre-pandemia, Éxito is also clearly above pre-pandemia, even discounting the inflation that the country has had for two years.

The quarter had clear same-store sales market share gains. Very positive economic dynamics in our country. Innovation results for the country and the result of the consistency in our digital progression.

If we go to slide number eight, we speak about results by segment. Here, the highlight is to say that our growth was very balanced in the three segments, that is, premium, mid-market with our hypermarkets, and low-cost brands.

If we look against 2019, Éxito sales are growing 12.3% against the pre-pandemia. Carulla sales are growing 14.8% and the low cost is also growing at 5.3%. It's impressive to say that low cost has gained a lot of acceleration in the last months, and it is beginning a very good year into 2022. And we had a positive trend, for example, for Surtimayorista, our cash and carry, with like-for-like sales growing 24% for the full year.

Going to slide number nine, we have always highlighted what's happening with innovation, which is in the center of the strategy of differentiation of this company and working for customer experience and for our stores to be a destination for the full family, especially in the hypermarkets and the Carulla Fresh Markets.

If we go first to the Éxito Wow, which is a very, very unique innovation proposition for hypermarkets, not only in LatAm, but in the world, now Éxito Wow hypermarkets represent near to 30% of the total banner sales, with a 31% ROI, the top ROI in the company. And with sales of those stores with more than 24 months growing 42%, which compares against 10% for the rest of the stores with the Éxito banner. This clearly shows the high impact that innovation and experience is having on our customers.

It's always good to create value by adding experience and not only by discounting prices. Of course, we have a very strong price proposition in the portfolio of the basic basket products, but our strategy is to create value both in food and in non-food.

In Carulla Fresh Market premium, it is all about fresh and sustainable. And it now represents 45% of the total banner sales at 10% ROI and sales of those stores with more than 24 months growing 30% against 16% of the rest of the stores with the banner.

Going to slide number ten, we speak about our low-cost banners, that is, Surtimayorista, Super Inter, Surtimax, and our Aliados strategy. It is gaining importance. The share is 15.6%

of the total company sales, and we are giving visibility to two main initiatives, our cash and carry, as you have known in the last years, and the Vecino innovation format for Super Inter. In the cash and carry Surtimayorista, our 36 stores had a sales growth of near to 43% in the fourth quarter, and like-for-like 24% for the full year.

We have to underline the importance of Club del Comerciante. That is a club for our professional customers, a loyalty program for professional customers, and the launch of a special directed credit card from Tuya for this kind of professional customers.

Super Inter Vecino now represents 47% of the total banner sales. It has had a very rapid renovation given the good results that the banner is having, and it is having 14% sales growth above the rest of Super Inter.

Going to slide number 11, we come back to our omni-channel strategy, which is material, consistent, even in a year like 2021, where during most of the year, the complete store portfolio of the company and the country were open, with no restrictions. Omni-channel now represents USD 374 million in sales and 11.9% share, 1.5 billion in sales for Éxito, and 7.8 million deliveries given to households directly or through the alliance that we have with Rappi.

Sales in food in omni-channelity account for 11%, which is a top level not only in LatAm, but for many retailers in the world, and our omni-channel total sales today are 2.4 times what they were in 2019, which means that they are here to stay and we expect them to continue having a participation, a share in the company, of double digit.

It's important to highlight the importance of our click-and-collect, where we use the portfolio of our stores to make very efficient deliveries to our customers and very convenient. They account for 23.5% of the total omni-channel sales, and our marketplace GMV today is 25% of the total share, being one of the big focuses that we have in the future given the importance that in the digital world, in commercial standards, the marketplace is acquiring for not only pure players but also omni-channel players like Éxito.

In slide number 12, digital is growing and omni-channel is growing because it has initiatives which are out of the pack. I would say first our Turbo initiative in a long-term alliance with Rappi, with exclusive portfolio of Carulla. This is the only service in Colombia that offers deliveries in less than 10 minutes, with an outstanding average of 8.7 minutes in deliveries. It now has one year. It now has 64 dark stores. It had sales in the first year of USD 16 million, and it is one of the high potential growth pillars that we have.

WhatsApp service with a chatbot. WhatsApp is very important in Colombia. It has penetration of two thirds of the Colombian population, and we have made it massive and targeted to each store and now it accounts for 22% of our omni-channel food sales and it's available and connected to 320 stores of the organization, with sales of around USD 70 million.

And clearly unique in Éxito is Clickam, a digital referral marketing model. It started with our own employees. It now sold USD 24 million, where our employees can refer other customers and receive a commission for doing so. Now it is being extended in the digital world to other communities, and it has a high potential of growth.

In slide number 13, we speak about real estate. Real estate had an outstanding year. It continues to be a core contributor to profitable growth. It has fully recovered from the pandemic situation. Revenue was up 54%. But even if we discount non-recurring income, the recurrent rentals and administrative fees had a growth of 38% and occupancy came close to normal at 93%.

In our Viva malls, we have two key differentiators. The first one is Viva online. It is the first shopping mall brand that offers online services to all the tenants to profit from the alliances that we have for this kind of deliveries. The second one is the integration and the offer to our tenants of the ecosystem of Éxito, that is, working with our credit card, working with Puntos Colombia, and also being part of our ESG strategy, mainly in the recycling of materials in the shopping malls.

Going to slide number 14, we speak about monetization of our traffic and of our data. This is not new. It is something that has been consistent in Éxito for many years and which is in the center of our business model.

I would speak about two of the businesses that make this monetization, the first one because of its current importance, and the second one because of its high potential. The first one is the financial retail, our Tuya company, in alliance with Bancolombia. Today, it has issued 2.8 million cards in stock. That is the first card in Colombia by number of cards. It has launched Tuya Pay, which has more than 800,000 users, and it is the only digital wallet launched by a traditional retailer. And now it is looking at something which is of high potential and it is banking as a service. Given the entrance of fintechs, we have found a very interesting business in giving as a service banking to other businesses and other companies. For example, Alkosto, which is a competitor, Tuya is managing the credit card of Alkosto; Viva Air, one of the main airlines in Colombia; Transmilenio, the main public service of transportation in Bogota, only to mention three very interesting and big businesses.

And Puntos Colombia has a huge potential as a second currency for Colombia. Today, it has 5.5 million active customers, that is, customers that use it currently, customers of Bancolombia and Éxito, growing by 17% in 2021, and it is an ecosystem which has now 134 other allied companies, going from gasoline to other apparel stores, restaurants, fast food, telcos, etc., and this is very important because it becomes a system in which points are issued and redeemed within all the system, of course, being Éxito the number one destination of redemption of these points.

I will now hand it to Ruy Souza to go on through the financial results of the company, and then I will come back with the conclusions.

Ruy Souza: Thank you, Carlos Mario. Good morning, everyone. Thank you again for being with us.

Let's move on to slide 15, where we will review the financial performance in Colombia, where top line grew 16% during the Q4 and 7% during the year, which is a growth above inflation, leading the EBITDA margin for the year to be around 9.4%, 136 basis points higher than 2020.

In Colombia, first talking about the Q4, the performance was again boosted by the innovative formats' performance, by the contribution of omni-channel, and also by the contribution coming from the complementary businesses. All three together drove net revenues to grow 16%, gross margin to improve 32 basis points, and also expenses to dilute 68 basis points. That led recurring EBITDA to grow for the Q4 23.2% and reach 11.2% of margin, 66 basis points above Q4 2020.

In terms of annual figures, talking about sales, we see a growth of 5.5% to COP 12.3 billion. Other revenues grew 38.7% thanks to both Tuya profitability reactivation and also the real estate recurring revenues. The real estate recurring revenues, as we saw, grew 38% versus last year, already above pre-pandemic levels.

In terms of net revenues, the growth for the year was 7% and the total amount COP 13 billion for the accumulated period.

In terms of gross margin, we see a positive evolution of 114 bps. It was boosted also by both of the segments. The retail segment showed an improvement of 20 basis points, and the growth of complementary businesses contributed for the other 90 basis points of gross margin evolution.

For SG&A, the growth was 5.2%, below inflation and also below sales evolution, and this led to an improvement in terms of rate of 31 basis points.

The Colombia perimeter as a whole for 2021 showed an EBITDA growing 25% versus 2020 and 21% versus 2019, reaching COP 1.2 billion and 9.4% margin versus 8% last year and 8.6% for 2019.

The additional EBITDA in terms of cash is COP 245,000 million. It was reached through a positive contribution coming from retail of COP 27,000 million, being COP 101 on the second semester, showing a good reactivation and aligned also with the economic dynamics, and the other COP 219 million coming from the complementary businesses.

Moving on to the next slide, number 16, here we will review the performance in Uruguay, where efficiency gains and yearly consumption trends favored the high level of 10.2% EBITDA margin being double digit and the most profitable operation in the company.

In the Q4, the operation in Uruguay presented a very positive performance, with a recurring EBITDA margin at 10.6%, 15 basis points above Q4 2020, thanks to the same-store sales in

local currency growing 5.8%, boosted by a gradual recovery of the touristic season, being above 2020 but still below 2019, and expenses growing below inflation with an improvement in terms of rate amounting to 115 basis points.

For the annual figures, same-store sales in local currency grew 0.7% to COP 2.7 billion, with positive performances in omni-channel activities, which grew 9.8%, and non-food segment, which grew 5.4% and fresh market stores growing 7.5 points above the non-converted stores.

The gross margin improvement for the year was 41 basis points and we saw a negative evolution of 71 basis points in terms of rates for the expenses despite having a growth below inflation, of course, related to the low economic activity, mainly before the touristic season.

The Uruguayan perimeter in terms of the EBITDA showed a decrease of 2% versus 2020, but a growth of 14% versus 2019, reaching COP 272,000 million and being 10.2% in terms of margin, compared to 10.3 in 2020 and 9.2 in 2019.

Moving on to slide number 17, for Argentina we saw an EBITDA margin improvement of 156 basis points thanks to better commercial dynamics, thanks to real estate reactivation and also to productivity gains. As we can see, the EBITDA margin for the year in Argentina recovered to the 2019 levels, 3.4 versus 3.5, which is good news.

In the Q4, the commercial activity reactivation with same-store sales in local currency growing above inflation and the real estate occupation levels being above 90% drove the EBITDA margin to 7.7%.

In terms of annual figures, the net revenues grew to 39.4% to COP 1.1 billion, boosted by the fresh market stores' evolution and also by the real estate reactivation.

In terms of gross margin, the improvement was 148 bps and it was benefited by the lower share of promotional events and also by the reactivation of the business of real estate.

In expenses, the improvement was 10 bps and in terms of EBITDA margin, the operation landed, as I was mentioning, at 3.4% versus 1.8 last year and 3.5 in 2019.

To review now our consolidated results, let's move forward to slide number 18. The main highlight here is obviously the EBITDA margin evolution of 100 bps from a consistent customer-centered strategy focused, as we saw, on innovation, omni-channel, and traffic monetization.

In the consolidated perimeter, during the Q4, sales grew almost 20%, with other revenues growing 43.5% and net revenues reaching COP 5.2 billion, 20.7% above Q4 of 2020.

During the Q4, also, gross margin improved 34 basis points and expenses in terms of rate improved 25 basis points, and EBITDA reached 10.8%, improving 25 basis points from last year.

Also, in terms of net group share results, there was a very positive evolution of 74 basis points in terms of margin for the Q4.

In terms of annual figures, the sales growth was 6.4% to COP 16.1 billion. Other revenues grew 37% to COP 817,000 million, both leading net revenues to grow 7.5%, reaching almost COP 17 billion for the total year.

The gross margin presented a positive evolution and together with a stable expenses rate both contributed to the recurring EBITDA margin improvement of almost 100 basis points and to recurring EBITDA in cash reaching COP 1.5 billion, almost 21% above last year and when compared also to 2019, we see a growth in terms of EBITDA of 20% and an improvement in terms of margin of 70 basis points.

Finally, the net group share result doubled to COP 475,000 million and improved 134 basis points versus last year and on the next slide, we can see how this evolution happened. So, moving on to slide number 19, the evolution from the COP 231,000 million in 2020 to the COP 475,000 million this year is mainly explained by: first, the positive contribution from the operational results, which amounted to COP 134,000 million; second, the non-recurring expenses reduction of 52% versus 2020, but also 25% reduction versus 2019, something that we have been talking about during the last calls, and third, the financial expenses reduction of COP 50,000 million thanks both to debt conditions renegotiations that we performed during the year, and also thanks to lower level of indebtedness. And lastly, the negative impact that we see in terms of income tax, but obviously related to the improvements that I have just mentioned.

Finally, on slide number 20, regarding our cash and debt situation at holding level, I would like to mention the following: first, the net financial debt position improved by COP 224,000 million coming from a cash position increase of 94 and coming also from indebtedness level reduction of 13%. The cash flow generation to shareholders grew four times to almost COP 400,000 million, led by EBITDA growth and also by a positive working capital variation, both allowing also the reactivation of investment versus previous levels.

Now I'll turn the call back to Mr. Carlos Mario Giraldo to go on with our main conclusions for the quarter. Thank you.

Carlos Mario Giraldo: Thank you, Ruy. If we go to slide number 21, the conclusions which have been exposed during the presentation, Éxito had solid margins and net income, strong gains from a consistent customer-centered strategy, and I would make emphasis in this. It is a customer-centered strategy which is behind the results that the company has been showing in the last periods.

At our LatAm level, regional level, what I would say is a strong recovery trend across the three countries, mainly during the second half of the year, which is remaining in the first part of the quarter of 2022 as we speak.

A top line boosted by omni-channel innovation and traffic monetization, solid recurrent EBITDA margin gains of 99 basis points, and income growth of 2.1 times, cash flow generation to shareholders four times what it was before, at COP 397,000 million, CapEx at USD 138 million and clear advances, achievements and commitments at the six ESG strategic pillars.

In Colombia, revenue boosted by innovation, which now represents 33% of total sales. Omni-channel, which represents nearly 12% of total sales and real estate growth and strong EBITDA margin gains of 136 basis points.

In Uruguay, it remains with the highest EBITDA margin of 10.2%, regardless of the difficult consumption situation in Uruguay, mainly because of the difficult situation of the tourist season, which will change this year because tourist season is returning not to normal, but much better than in previous years.

In Argentina, real estate contribution and operation efficiencies in our retail business led EBITDA margin to 3.4%, with an improvement of 156 basis points and a stable cash position.

If we go to slide number 22, here we see the outlook we gave last year and the outcome against the outlook. I'm not going to go through the details. You can look at them, but they are all green, which means that fortunately the company could achieve revenues, expansion, profitability in the three countries the outlook that we announced before the year started.

If we go to 2022 outlook, what I would begin to say is that we are facing with optimism the year, that we are seeing a strong beginning of the year for the three countries, and we hope it continues this way. But I can speak as of what we are seeing by the end of February. For the outlook, what I would say is top line growth benefited by innovation, omni-channel, and complementary businesses. We believe in top line growth.

We believe that we can at least maintain the recurring EBITDA margin levels at the consolidated level and this is very important, considering as we are seeing worldwide, but especially in LatAm, the inflationary pressures on expenditure. So, it comes from top line, from productivity, from our complementary businesses, etc. the additional income that will permit us to maintain at least that EBITDA margin.

Omni-channel, which represents high single digit share on consolidated sales.

Expansion in Colombia between 60 and 70 stores, including new meters of around 35,000 square meters, including hypermarkets, Éxito, supermarkets Carulla, and some cash and carry stores.

Sustainable cash flow generation to shareholders.

And ESG efforts to continue focusing in the six pillars of which I would highlight the child nutrition initiative in our Fundación Éxito, and the sustainability of our procurement chain.

This would be the presentation that we have for you today. I would open it to Q&A and then probably some end remarks.

Operator: Thank you. We will now begin the question-and-answer session.

As a reminder, we'll have questions via audio conference first and then the webcast questions. Please remember to submit your questions in the Q&A box throughout the presentation. If you have a question, please press star (*) then one (1) on your touchtone phone. If you wish to be removed from the queue, please press the pound sign or the hash key (#). If you are using a speakerphone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star (*) then one (1) on your touchtone phone.

And the first question comes from Nicolas Larrain, from JP Morgan.

Nicolas Larrain: Good morning, Carlos Mario, Ruy, and Maria Fernanda. Thank you for the call and thank you for taking my questions. I have two on this front. Carlos Mario, could you maybe give a bit more details in terms of store expansion? How should we see growth, especially in Colombia? I'm thinking here per banner, how many openings you maybe see in upcoming years or quarters.

And also, going back a bit to your comment on the recurring EBITDA margin, I understand that in Colombia, maybe you guys will face some higher pressures on the expense side coming from increased labor cost. So, how should we think about the recurring EBITDA margin for Colombia, specifically into 2022, understanding that you guys expect to maintain the consolidated margin, how should we think about just Colombia? Thank you very much.

Carlos Mario Giraldo: Thank you, Nicolas. So, I'll take the two. First, store expansion. We believe that we are going to do at least 35,000 square meters. That is, I would say, the most important expansion that we have done in the last four years. That is going to take part of the hypermarkets that we are going to operate from La 14. But it will also have an important expansion from the Surtimayoristas. We will have, between conversion and expansion, between eight and ten stores. In the rest, we will be consistent in going through with conversions of more Éxito stores into the Wow concept. You can see the ROI is very attractive and the growth that the Wow is having.

The new thing is that we are not doing only Wow stores at a high economic bracket level, but we are taking stores of medium size, Wow, Vecinos, which we had some pilots in Bucaramanga with excellent results, and at the popular aspirational Éxito hypermarkets, we

had Metropolitano in Barranquilla, also with excellent results, so we will continue in this route and that gives us a very important potential for the future of at least 100 Éxito stores that can be converted into Wow, including these three segments.

In Carulla Fresh Market, we are now going also with a pilot of Wow Carulla mid-size stores, and it has functioned very well. So, we will continue doing so and we will also do something which is important and it is a kind of Carulla city market, which is for those Carullas which are in places that do not permit it to go to fresh market and where we will do a premium proposition but with half the CapEx that we are doing today in Carulla, and we will continue doing a lot more with our Vecino and Super Inter, taking them to a new generation.

It's important also to add that it's not only about store expansion. One third of our CapEx is going to technology, it's going to logistics, it's going to assure our efficiency in the last mile, it's going to support the Turbo project, which permits us to get to different neighborhoods without having stores there. That is a proximity digital alternative, which is very interesting, and the rest of the CapEx is also going to promote our market share, where we have an alliance with the Octopia Project which is one of the main leaders in pure players in marketplaces in the world.

Going to your second question about expenses and the impact of inflation, yes, we're conscious about that. We're conscious that 10% minimum salary increase creates a pressure for everybody, especially for businesses where labor is important. We also have an impact on occupation costs, on utilities, only to speak about three of the main expenses. Our forecast is that through growth, through profitability, through complementary businesses, through innovation, and through omni-channel, the growth in which labor is very well controlled, we will be able to keep our margin levels in Colombia. That is the estimation that we have for the moment and if things continue as they are today in the commercial side, that will be the most probable outcome.

Nicolas Larrain: Perfect, Carlos Mario. And if I may ask a quick follow up, a bit on the competitive environment, we have seen Justo & Bueno is struggling in a restructuring operation, La 14, as you guys know, sold stores and it's in pretty bad shape as well. Could you comment a bit on how the competitive environment is, let's say, post-coronavirus? And if you see any more opportunities to acquire some stores, similar to what you did with La 14. Thank you.

Carlos Mario Giraldo: Thank you, Nicolas. About acquisitions, you know that you only announce an acquisition the day you do it so here I would have no comment. What I would say is that the competitive scenario is different in food and in non-food.

Let's go to food. In food, what I would say is that we have a strong expansion coming from the two remaining discounters, D1 and Jeronimo Martins, which are doing a good job, and we are addressing that with our private brands, with our price position in the main products of the basket for Colombians. I can comment that while inflation in Colombia by the end of

the year was near to 17%, our internal inflation to our customers was 10%, out of productivity and out of the purchasing capacity of the organization.

We will continue also promoting our unbeatable portfolio of products which assure the lowest price in the market within other strategies in our cash and carry, which clearly is our proximity Surtimayorista, a very well received alternative.

Second, I would say we have still strong traditional competitors like Olímpica, Alkosto and Cencosud. What we will continue doing here is promoting customer experience, promoting innovation, and promoting omni-channelity. This would be for food and for food what I can add is that nobody has the Turbo initiative that Éxito has, and what is impressive is that once a customer proves and takes home the Turbo alternative, at least two thirds of the customers repeat their purchase because it's unbeatable in terms of service conditions.

Going to non-food, in the non-food environment we believe that we are doing a great job in textiles, in apparel, gaining market share. The main challenge is in the electro business, where we have strong competitors like Alkosto, Mercado Libre and Amazon coming from other countries. But we feel that we have a great proposition which combines the best of the off and on alternative, and we have the highest capillarity of the country for the main core non-business in the apparel, for example. That growth continues to be very strong. We are now clearly above pre-pandemia levels. We are selling more than COP 1 billion in apparel. Our main private brands like Bronzini, Arkitect and People now account for more than half the sales of total apparel. They are within the most important textile apparel brands in Colombia, including all the pure players in textiles like Zara or other brands like Punto Blanco, Leonisa, etc. And now we came to produce near to 50 million units of apparel, which means one per each Colombian. That means that each Colombian in average has one clothing piece from Éxito. So, this would be the competitive environment. And we also believe that in the online business, we are clearly the leader in food and we are at the level of the best players in non-food.

Nicolas Larrain: Perfect. Thank you very much for the call, and congrats on the results.

Operator: And we have a few web questions from Juan Jiménez. "In the buyback, have you seen any opinion by the majority holders? Is there intention to participate? And after this buyback, is delisting the company an option?"

Carlos Mario Giraldo: What I can say about the share buyback I think it's great news for the shareholders of Éxito. To all the shareholders of Éxito. Of course, it's a free decision for all shareholders being the controlling shareholders or the rest of the shareholders of the company. It's an open operation.

The proposition has been approved by the board of directors by unanimity and will be taken to the general meeting of shareholders and it has some characteristics I would like to say. First, it is done in the exact same terms for all shareholders, a payment share and price.

Second, the price will be a reflection of the value of Éxito, and it will be done by an independent valuation, which will be defined by the board of directors who will do it. Third, it is going to be an important material buyback of near to COP 320,000 million. That is around USD 82 million, and we believe it creates value because it is reflecting the strength of the cash position, of the dividend position, and of the operational position of the company today. And it comes on top of a very strong dividend distribution, which this year is proposing dividends to grow 37% against the last year dividend.

Do we have a second question? Ok, you speak about delisting. I cannot speak about that. On my knowledge, there are no current plans for delisting the shares of the company. And let me say something. The buyback has no impact on delisting because it's done proportionally. It's done in the same percentage to all shareholders, so it does not have an impact on delisting.

Ruy Souza: We have a question coming from Joaquin, right?

Do I read it?

He's asking about our CapEx level outlook for 2022. So, we are forecasting 60 to 70 stores in the Colombian perimeter, around five stores as last year in the Uruguayan perimeter, which would be roughly 25% additional projects with similar average investment per store, as we have been having throughout the last two or three years.

Operator: Just a reminder, if you have a question, please press star one (*1) on your phone or submit your question using a Q&A box and once again, it's star one (*1) on your phone or the Q&A box on your screen.

Carlos Mario Giraldo: If there are no more questions, I will go to final remarks. In a short way, what I would say is results speak for themselves. We are seeing a balance between the short term and the long-term consistency. We are having a customer-centered strategy in a consistent way, which pays back and a strong cash generation and a very solid net result, which enables an attractive return to shareholders, which is going to come in a combination of dividends growing 37% and a stock buyout proposition which accounts to near USD 82 million. I thank you very much for your participation and hope to see you back with our Q1 results when they are published.

Operator: Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.