

# RIACHUELO

3Q24 Results

Guararapes

Midway

CASA  
RIACHUELO

FAN<sup>ES</sup>

carter's



## Important

This presentation contains forward-looking statements regarding the business prospects, estimates of operating and financial results, and the growth prospects of Guararapes-Riachuelo. These are mere projections and, as such, are based exclusively on the expectations of Guararapes-Riachuelo's management regarding the future of the business and its continued access to capital to finance the Company's business plan.

Such forward-looking statements depend substantially on changes in market conditions, government rules, competitors' pressure, the performance of the sector and the Brazilian economy, among other factors, in addition to the risks presented in the disclosure documents filed by Guararapes-Riachuelo and are, therefore subject to change without notice.

01

INITIAL  
CONSIDERATIONS



# Strategic Priorities: focus on strengthening core business

Integrated Business Model: Industry, Retail, and Finance

## 01

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### Product Obsession

- Focus on core categories
- Better structuring of collections
- Push and pull logistics model and SKU supply

## 02

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### Democratizing access to fashion

- Store clustering
- Strengthening the strategy of the main entry products

## 03

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### Our assets must be worth more

- Better use of our industrial plant
- Boosting of Midway
- E-commerce acceleration

## 04

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### Operational Efficiency

- Discipline in capital allocation
- Decrease in inventory levels
- Increased profitability
- Cash generation and deleverage

# HIGHLIGHTS

**Consolidated EBITDA record  
for the 3rd quarter: R\$350 million,  
90.5% higher than 3Q23**



**+11.5%**

Net Revenue of Retail

+10.0% SSS in 3Q24

Volume grew 14% in 3Q24 and 17% in 9M24, following the trend since 3Q23



**5.6x**

Midway Financeira EBITDA  
compared to 3Q23

More effective portfolio management and delinquency rate reduction



**+4.0 p.p.**

Gross Apparel Margin

54.8% in 3Q24

Fourth consecutive quarter of margin expansion



**R\$45 MM**

Net Income

Reversal of a R\$71 MM loss in 3Q23



**+90.5%**

Consolidated Adjusted EBITDA

R\$350.2 MM in 3Q24

R\$922 million in 9M24,  
+ 80.7% compared to 9M23



**R\$425 MM**

Free Cash Flow Generation in 9M24

An increase of 59.8% compared to 9M23



**+50.9%**

Adjusted Retail EBITDA

R\$214.9 MM in 3Q24

Adjusted EBITDA Margin  
of 12.6%, +3.3 p.p. compared to 3Q23



**49.4%**

Net Debt Reduction  
compared to 3Q23

Another quarter with leverage  
reduction to 0.6x

02

**CONSOLIDATED  
OPERATIONAL  
PERFORMANCE**



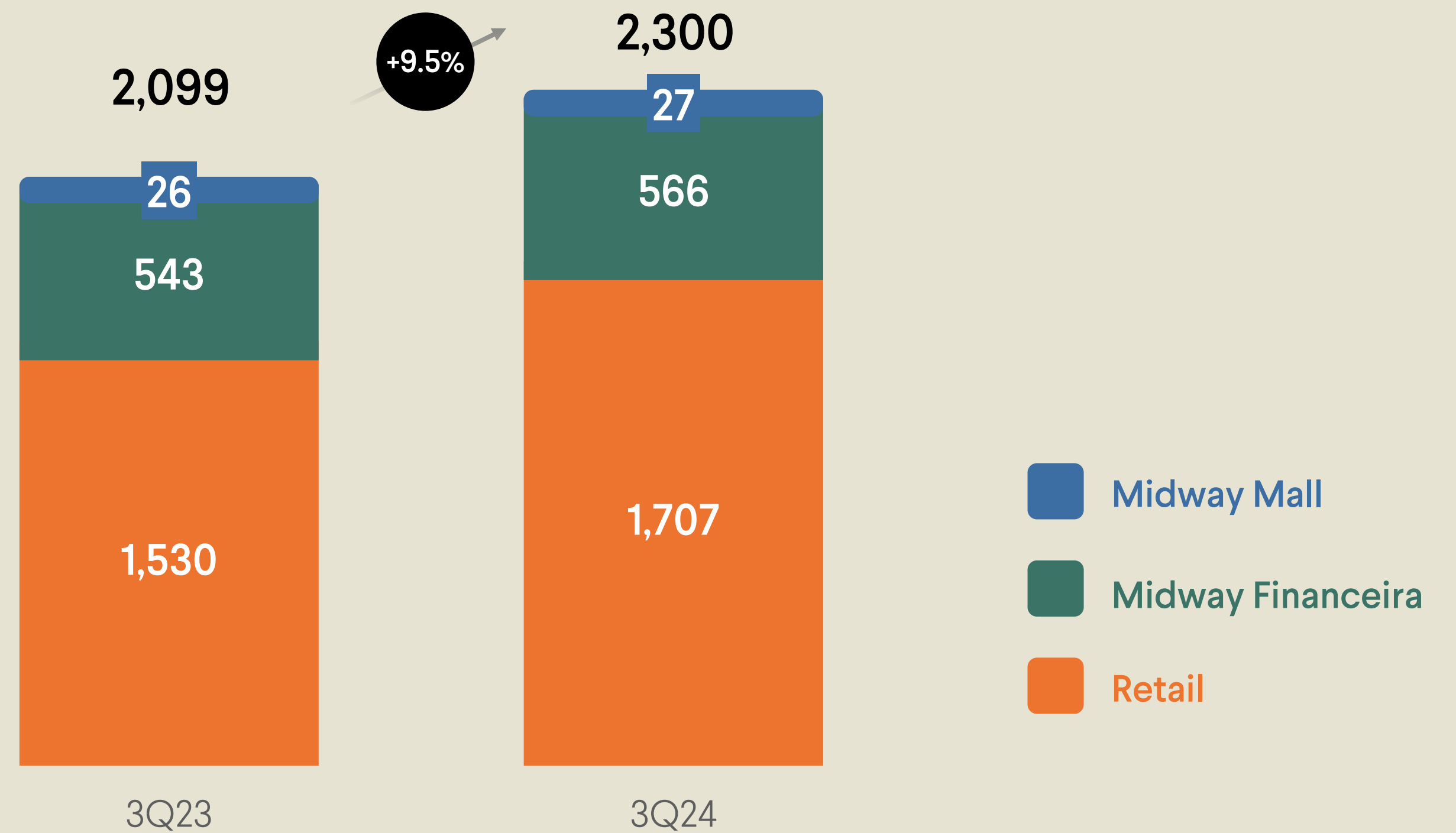


# Consolidated Operational Performance

Sales growth reflects the attractiveness of our value proposition in retail and efficient management of the credit portfolio

## Consolidated Net Revenue

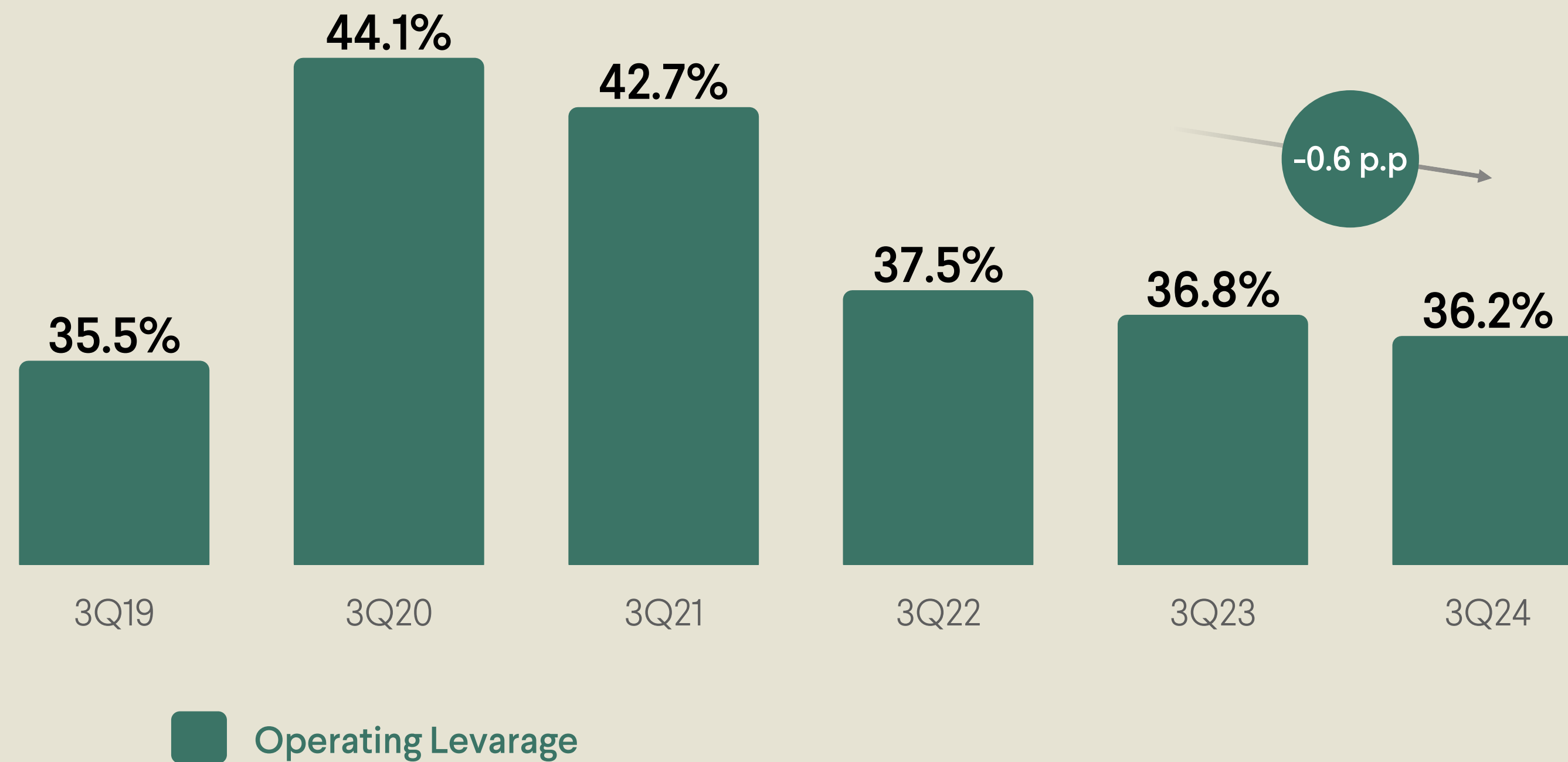
(R\$ MM)



# Consolidated Operational Performance

Discipline and control over spending led to a gain in operating leverage in the quarter and year to date

## Operating Expenses (% Net Revenue)



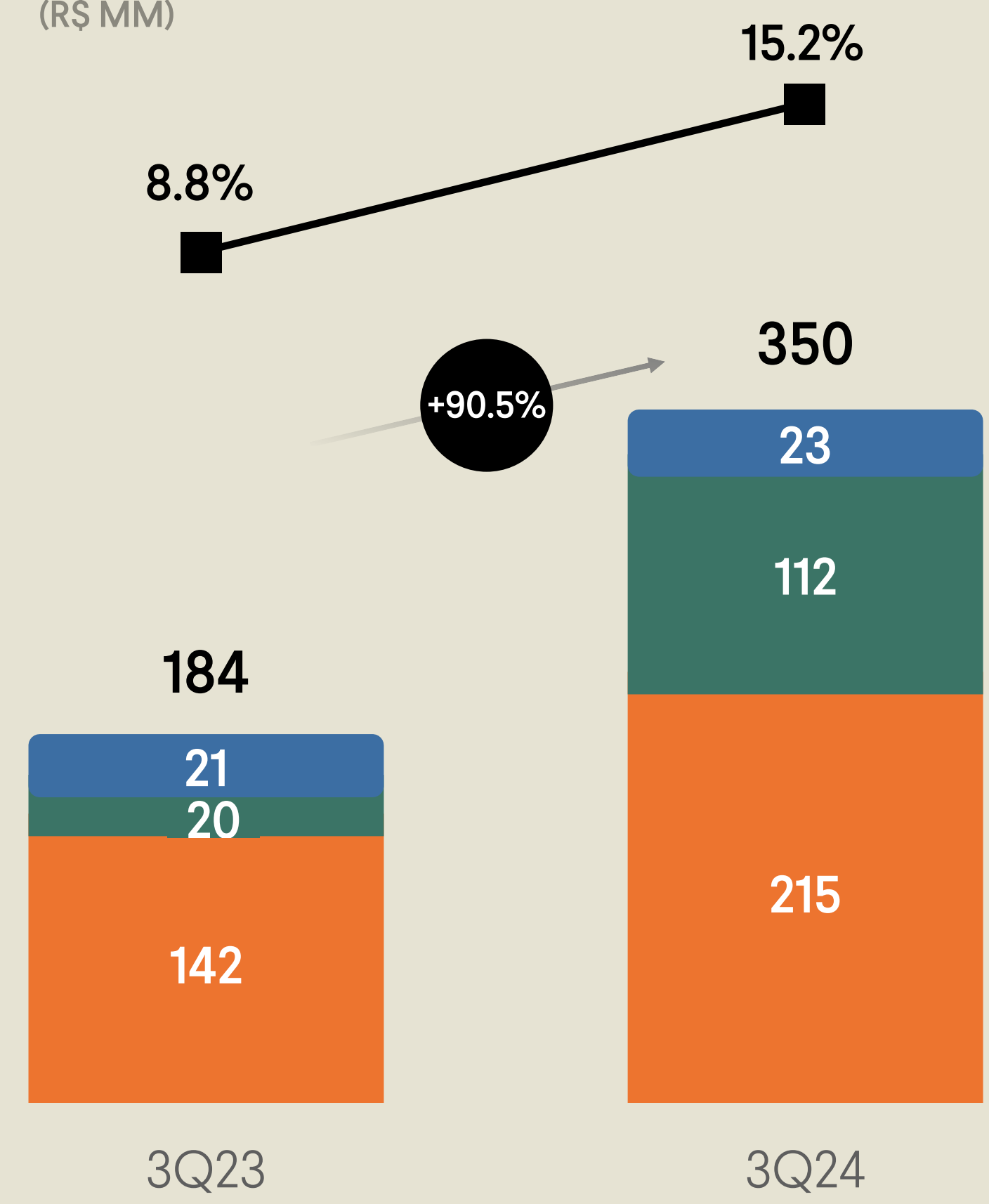
# Consolidated Operational Performance


Record EBITDA for a 3rd quarter and R\$922 million in 9M24 (+80.7% vs. 9M23)



## Adjusted EBITDA

(R\$ MM)

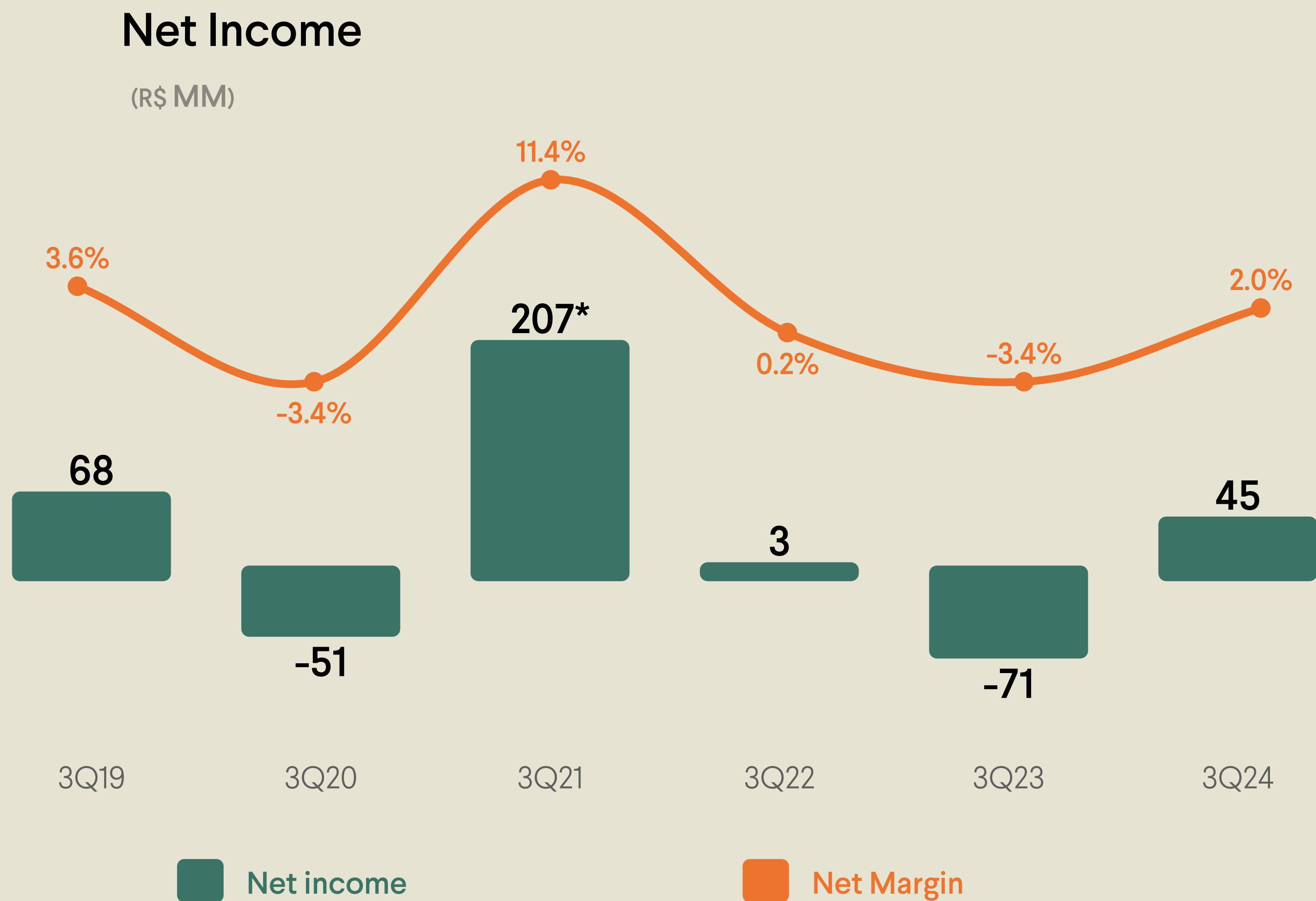


  
**+6.4pp**  
 of EBITDA Margin

- Midway Mall
- Midway Financeira
- Retail

# Consolidated Operational Performance

Reversal of a R\$71 MM loss in 3Q23



\* Net Income includes non-recurring effect of R\$199 million in 3Q21 MM)



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3Q24 Results

03

OPERATIONAL  
PERFORMANCE  
RETAIL

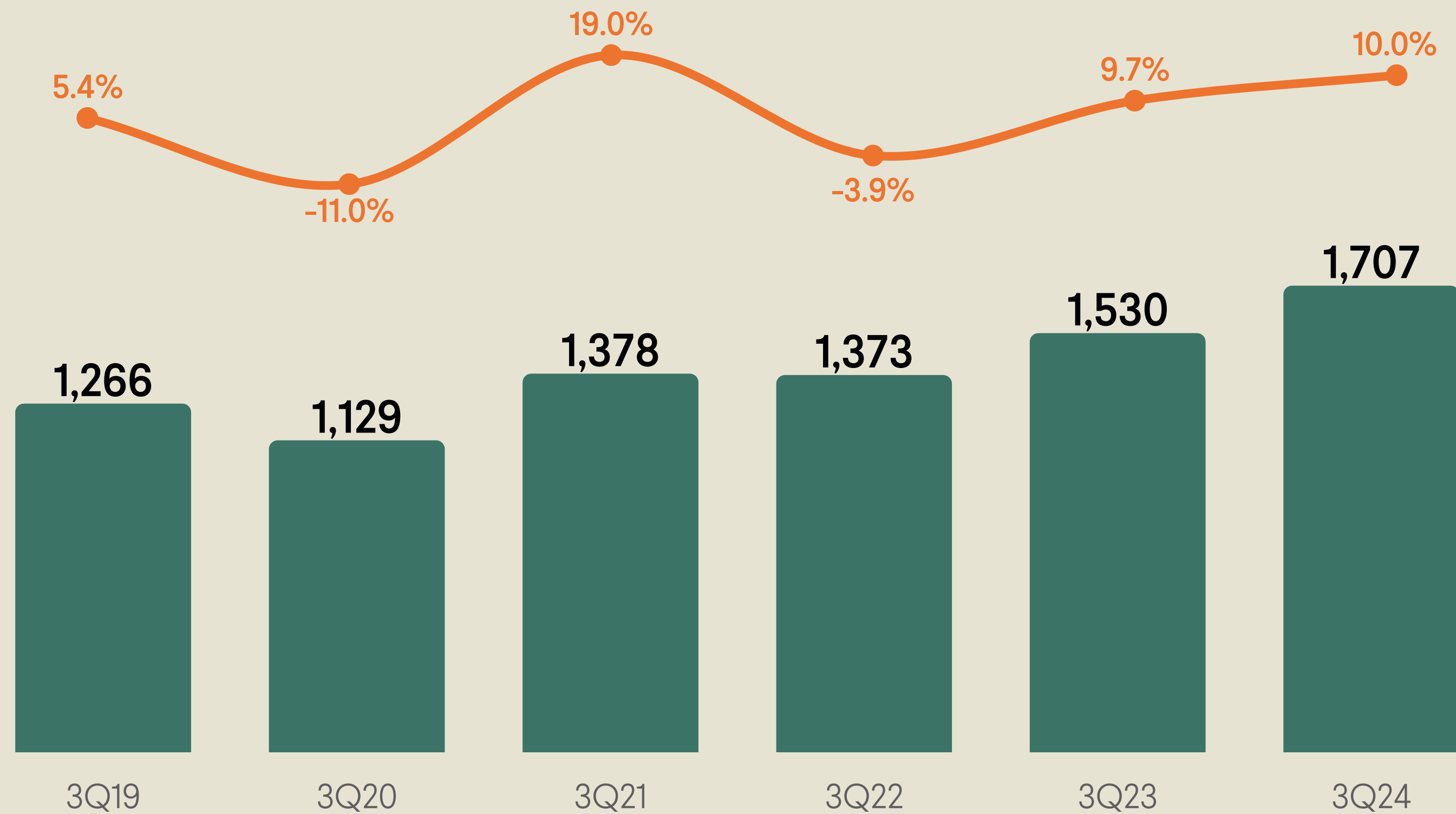



# Retail Segment Performance

6th consecutive quarter of sales outperforming the Clothing PMC (IBGE)

## Net Revenue from Retail

(R\$ MM)



  
**+14%**  
volume vs. 3Q23  
(+17% in 9M24)

 Net Revenue from Retail

 Same-store sales (% YoY)



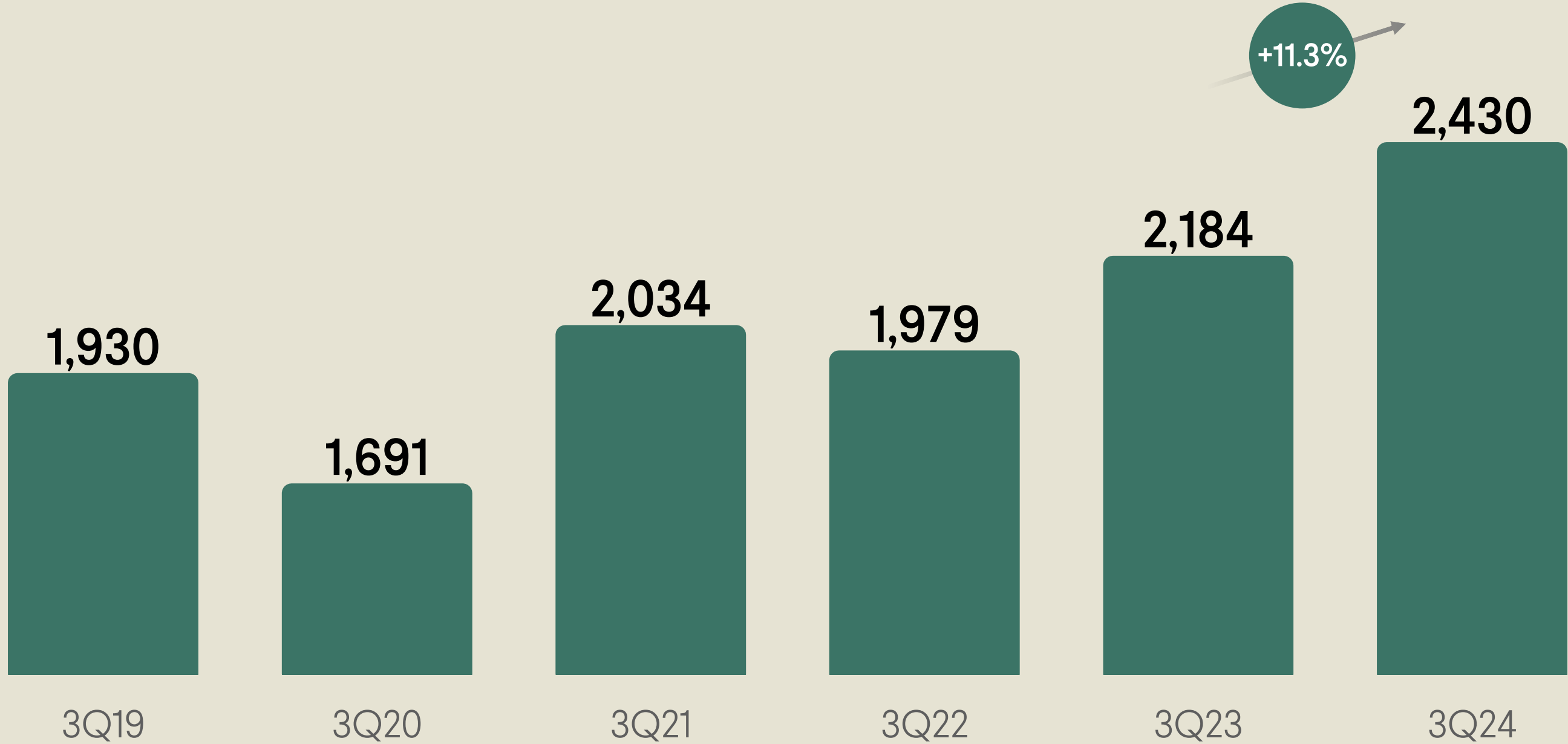
# Growth in sales per sqm

Revenue growth per sqm for the fifth consecutive quarter, reflecting the strength of our value proposition

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## Net Revenue per sqm

(R\$ per sqm)



Net Revenue per sqm

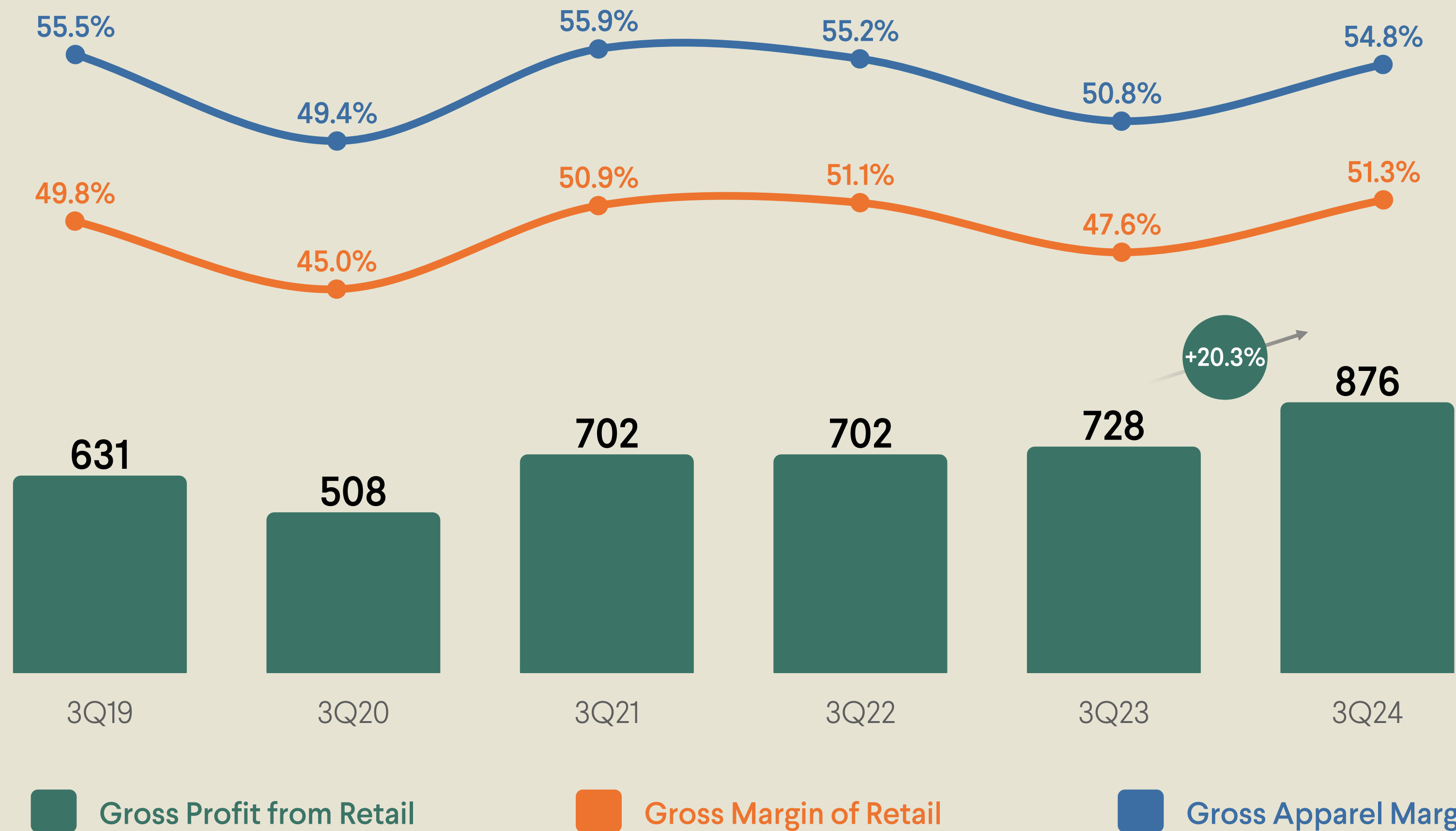
3Q24 Results

# Retail Gross Profit

Fourth consecutive quarter of margin expansion driven by the strengthening of our integrated chain

## Gross Profit from Retail

(R\$ MM)

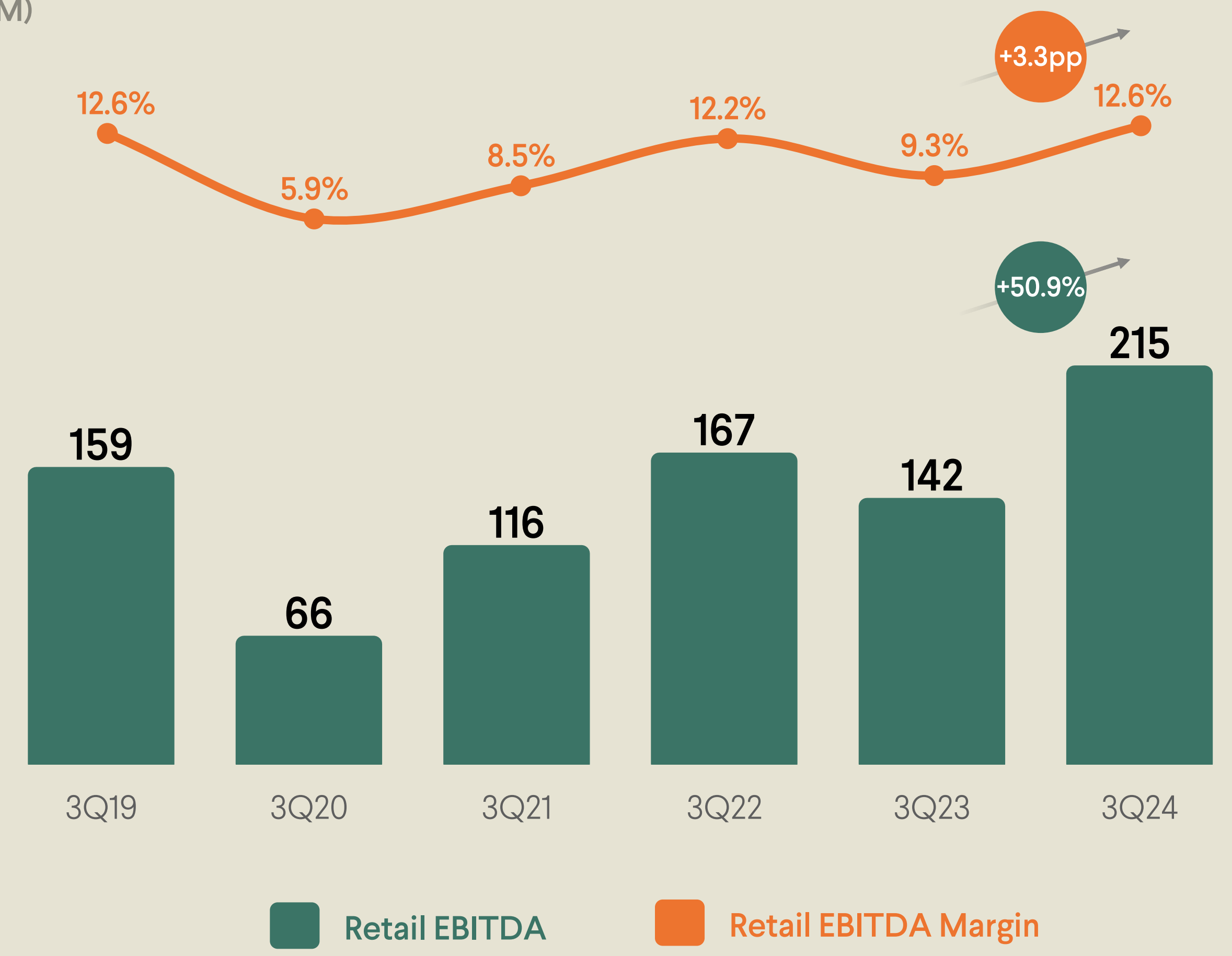


  
**+4.0pp**  
Gross margin  
of apparel

# Adjusted Retail EBITDA

Strong expansion reflects revenue growth and gross margin gains

(R\$ MM)



04

OPERATIONAL  
PERFORMANCE  
MIDWAY

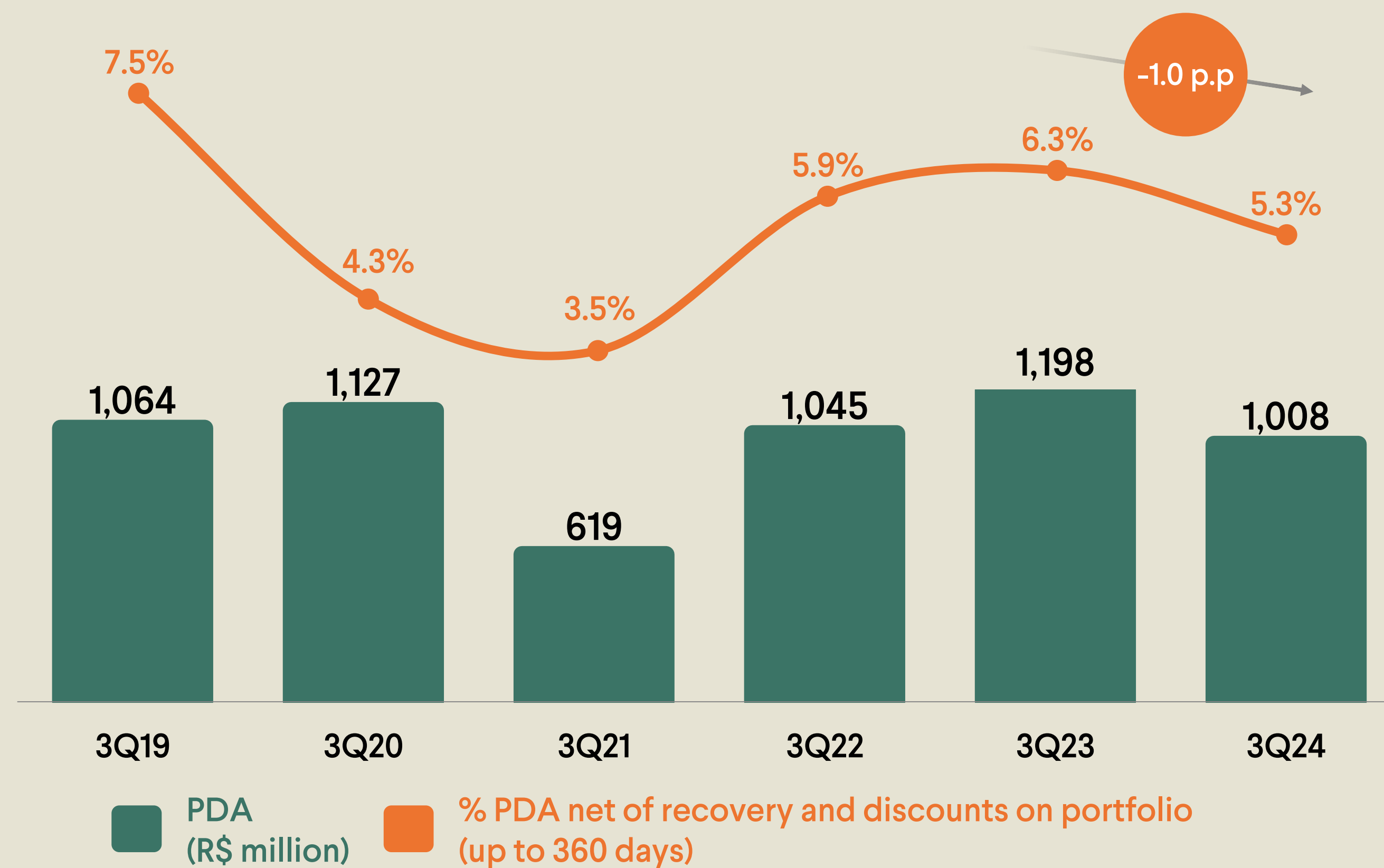




# Midway Financeira

Our optimized portfolio management enhances value generation

## Evolution of PDA and losses on the portfolio

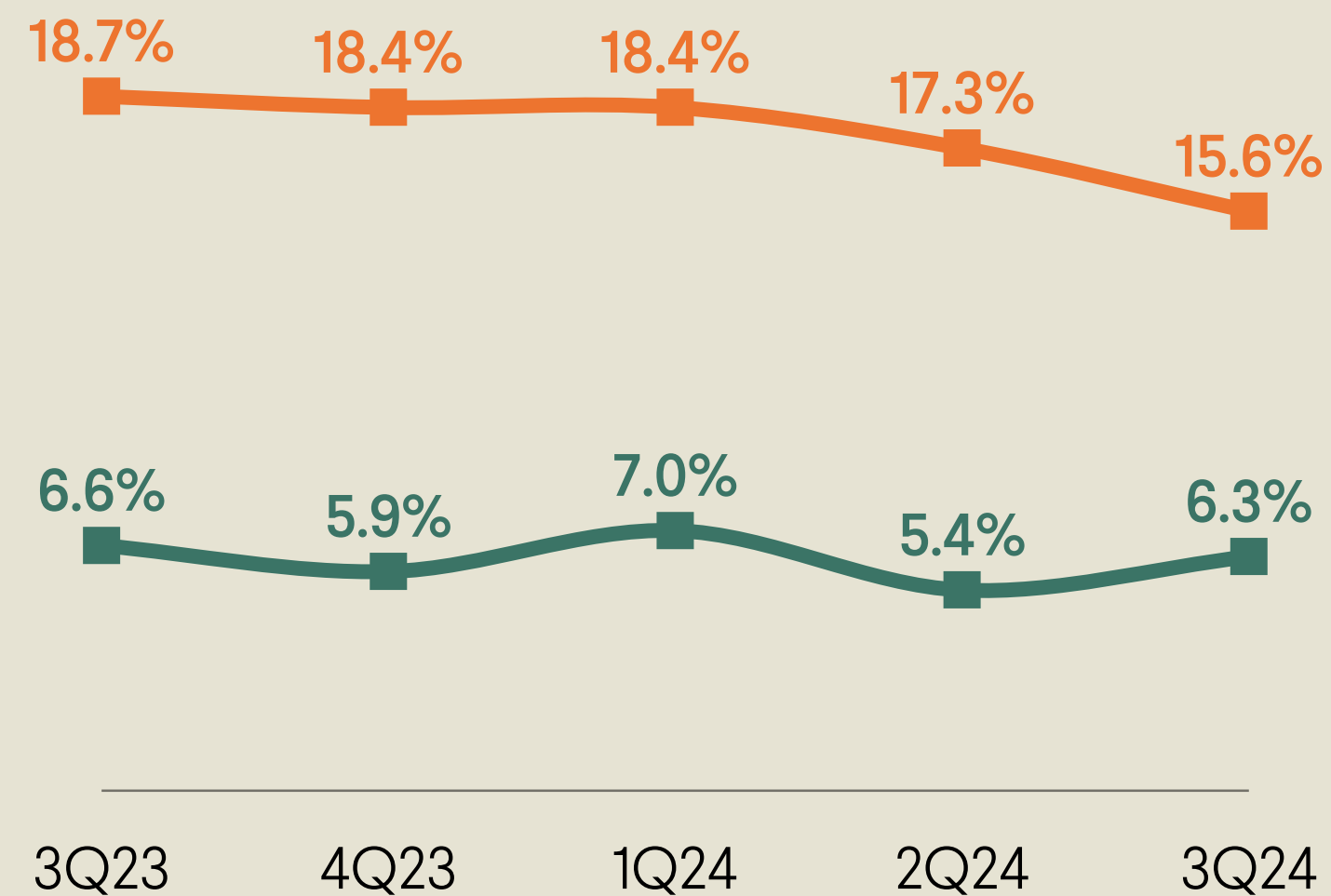


# Delinquency Rate

The delinquency rate indicators are under control, with a continuous reduction in rates above 90 days and lower formation of nominal NPL 90

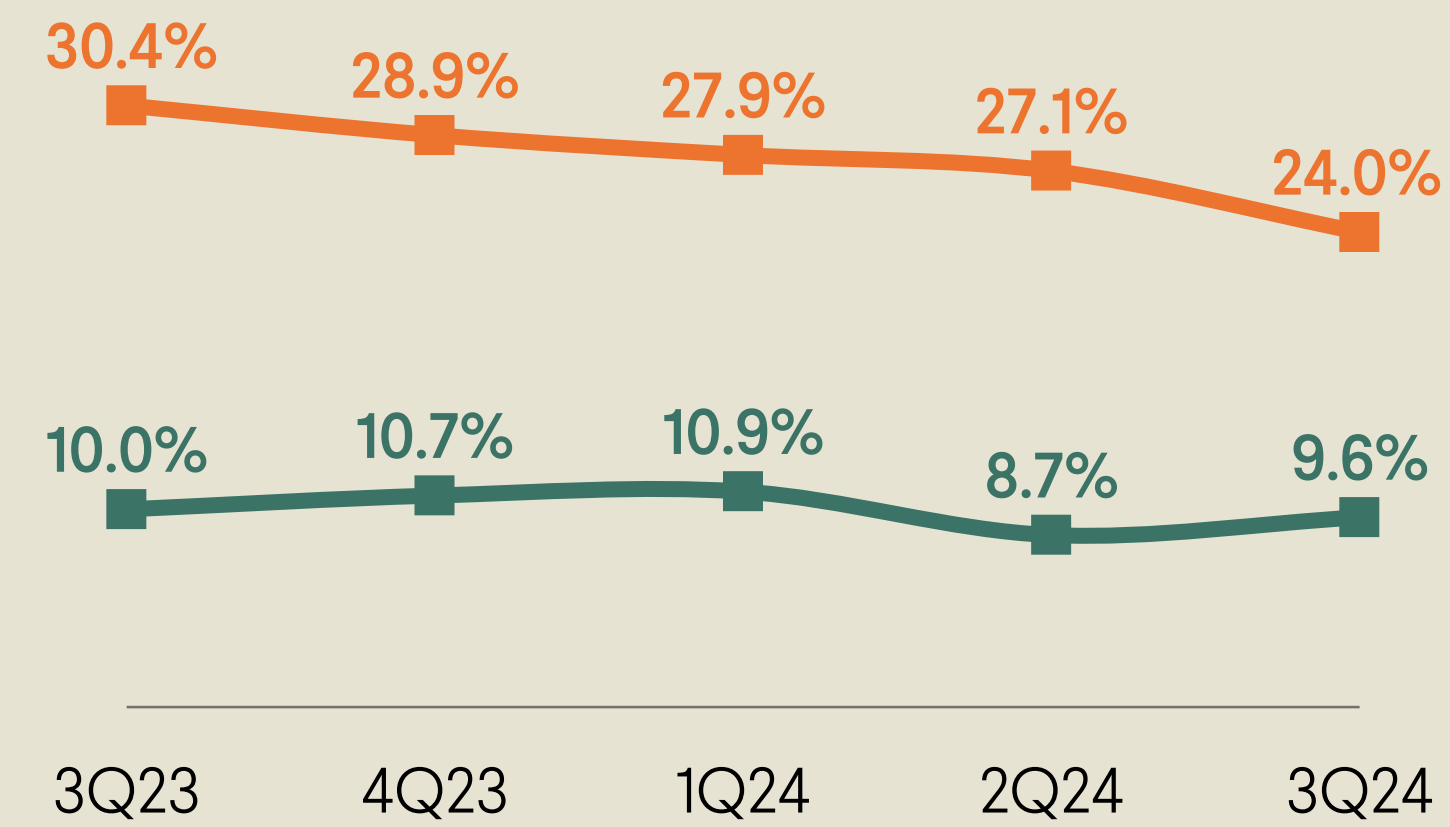
## Delinquency Rate

Cards



## Delinquency Rate

Personal Loan



Over 90 days

15 to 90 days

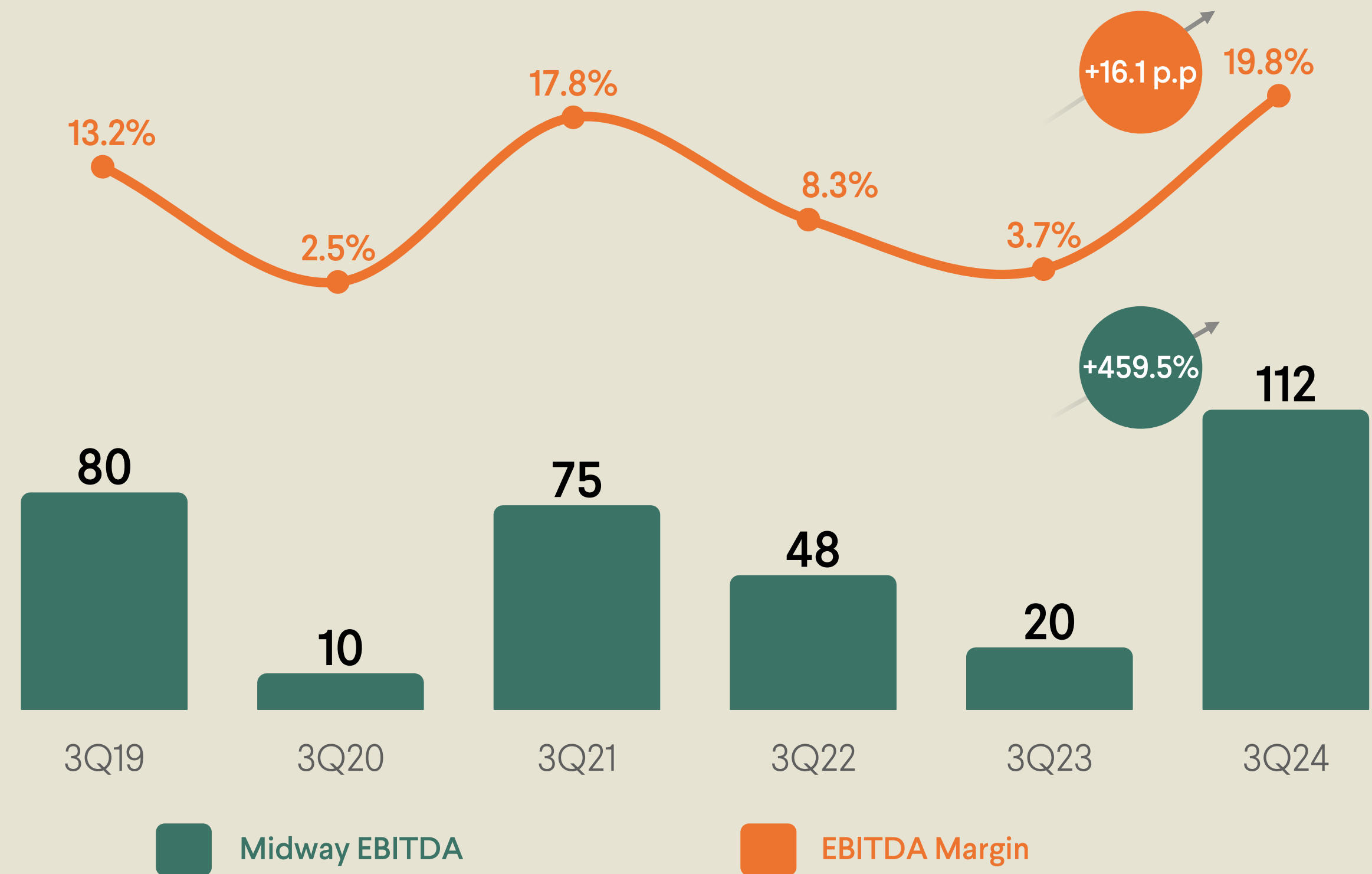




# Midway Financeira EBITDA

Performance 5.6x higher than 3Q23 reflects more effective portfolio management, lower delinquency rates, and an increase in the ratio of revenue to credit portfolio

(R\$ MM)



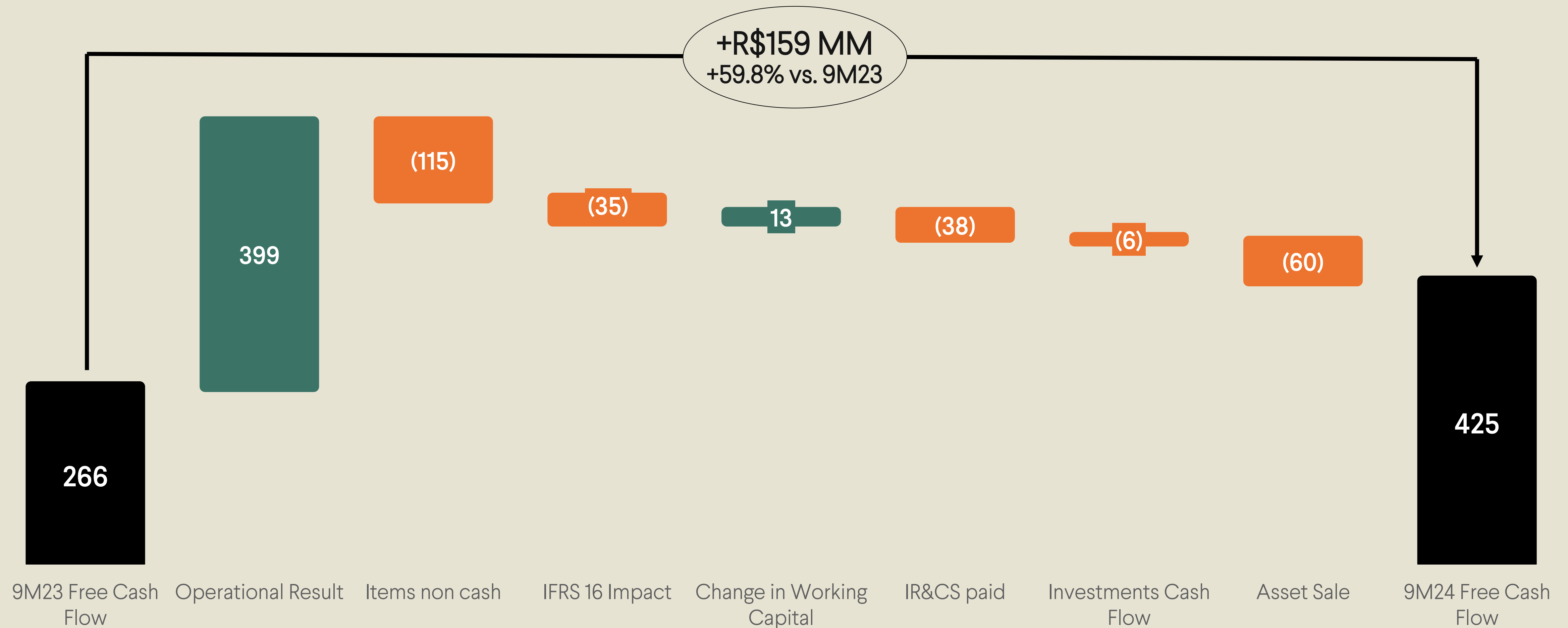
05

FINANCIAL  
PERFORMANCE



# Free Cash Flow Generation

Continuity of Cash Generation: R\$425 MM in 9M24, the highest in recent years for this period, mainly reflecting EBITDA growth



# Financial Leverage

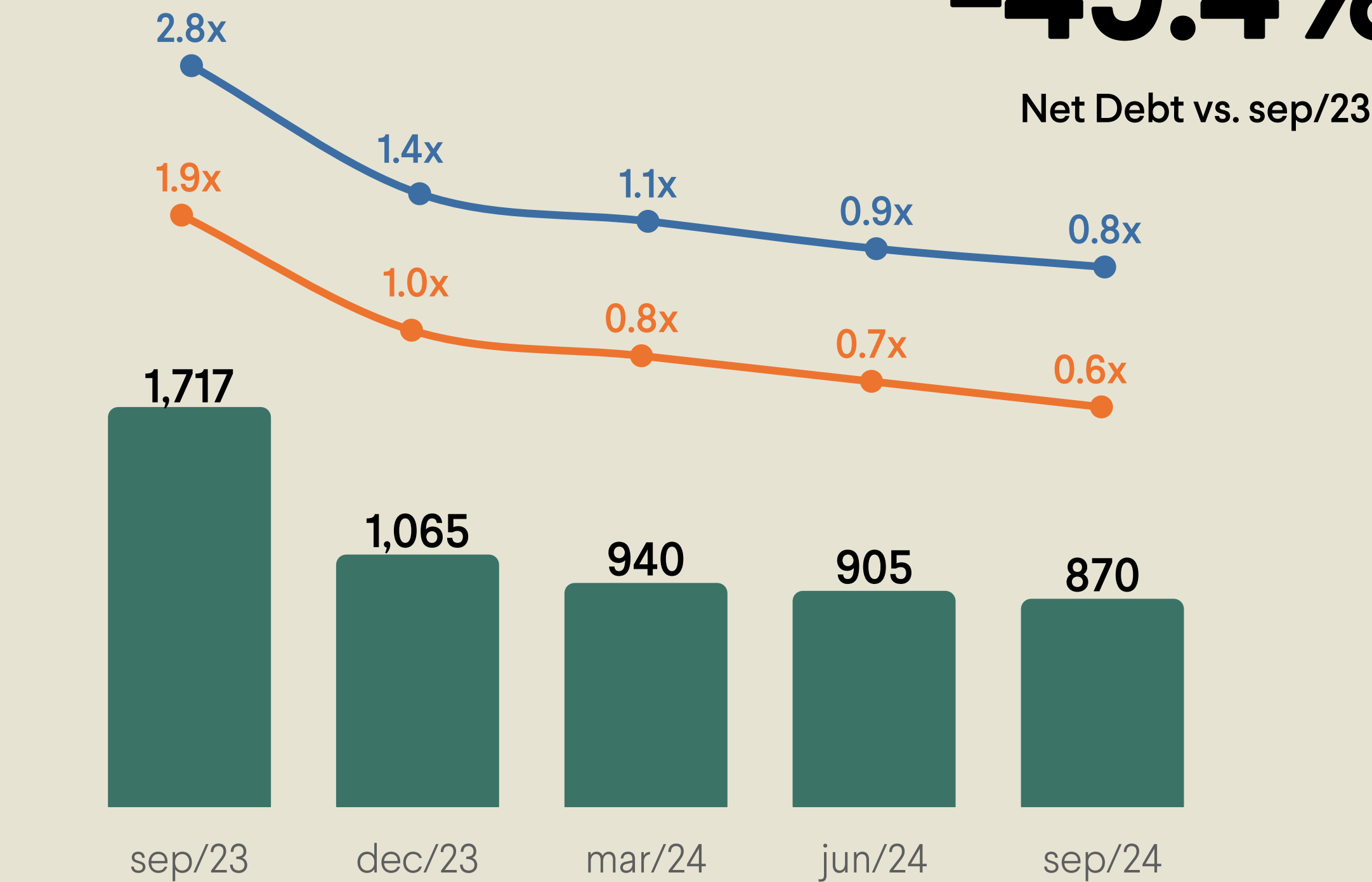
Reduction of R\$1.7 billion in gross debt in 12 months, with R\$1.2 billion in early settlement

## Net Debt and Leveraging

(R\$ MM)

**-49.4%**

Net Debt vs. sep/23



■ Net Debt    
 ■ Net Debt/EBITDA\*    
 ■ Pre-IFRS 16 Net Debt/EBITDA\*

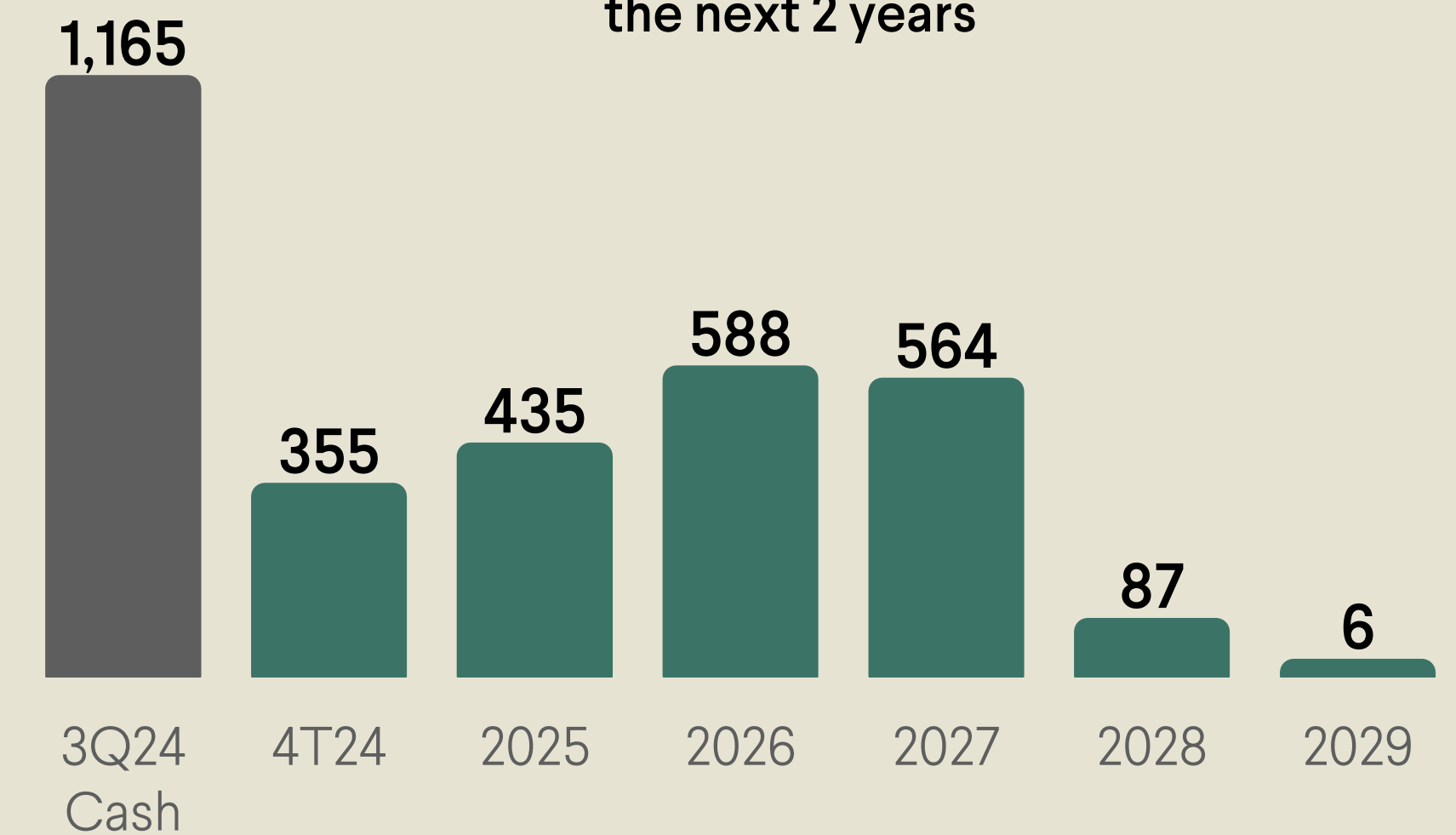
\* Last 12 months

## Debt Payment Schedule

(R\$ MM)

**115%**

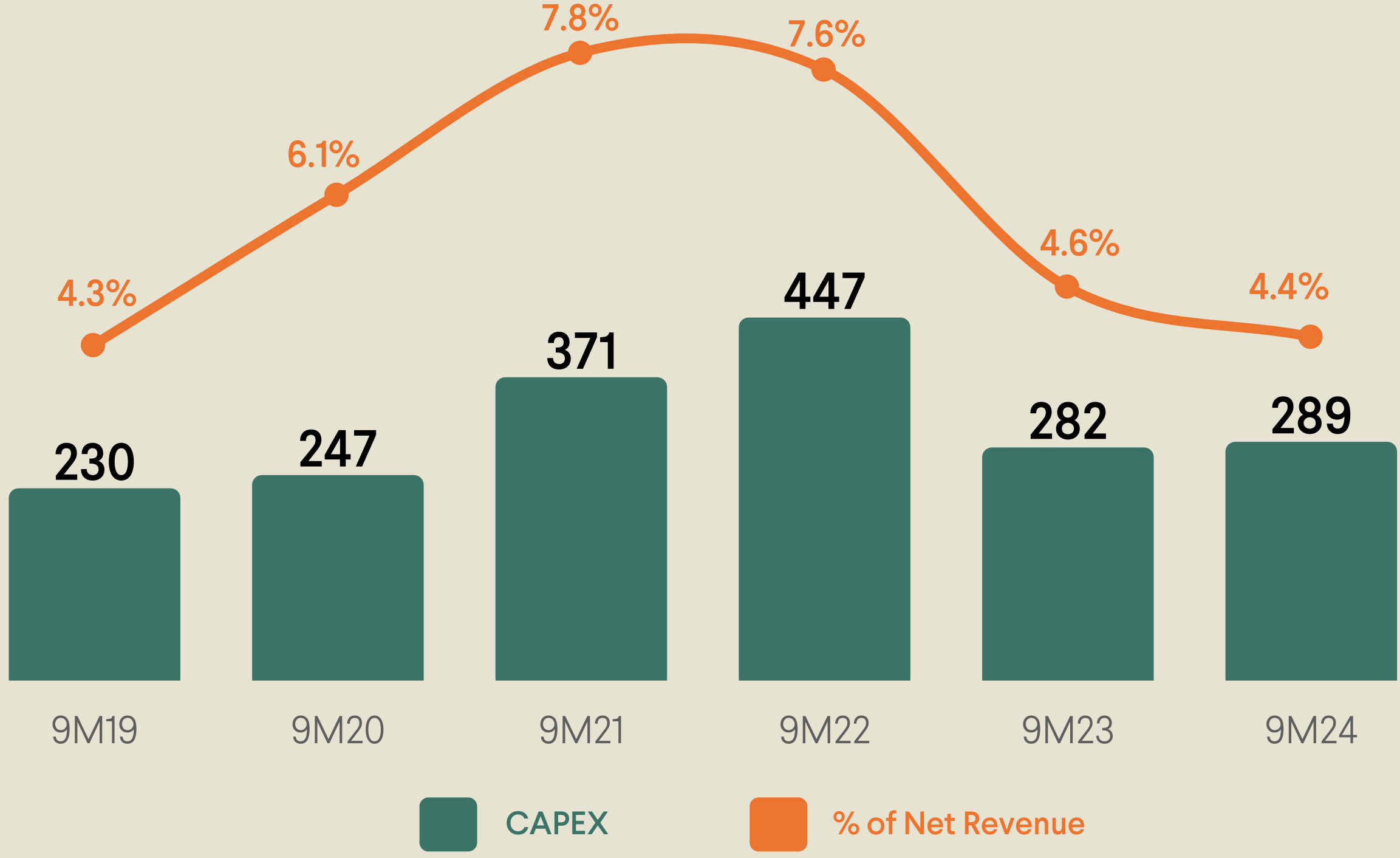
debt coverage for the next 2 years





# Consolidated Investments

Discipline in protecting cash flow and prioritizing essential projects

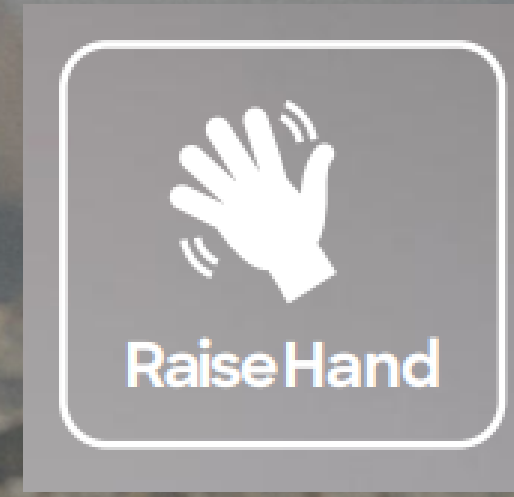


# Q&A



For live audio questions, please raise your hand to join the queue. Upon being announced, you will see a request to open your microphone on your screen. You must then open your microphone to ask your questions. We recommend that questions be asked all at once.

You can also write your question directly in the Q&A icon at the bottom of the screen.



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