2Q23 RESULTS

LOJAS RENNER S.A.

RENNER CAMICADO YOUCOM realize repassa

Results Video Conference
August 4, 2023
11:00 a.m. (BRT) | 10:00 a.m. (US-EST)
Access the webcast here or through the QR code

Highlights

A quarter of important structural adjustments: a more competitive Lojas Renner, prepared for growth with profitability

- A challenging first semester, the result of a difficult macroeconomic environment, unusually high temperatures, and a strong, atypical comparative base, more especially in 2Q22.
- However, during the course of 2Q23, some important adjustments were made to the operations, some of the results of which already becoming apparent in June and continuing through to the present. The price factor lost its significance as an NPS detractor in the customer journey, a reflection of better execution. This improved perception is expected to evolve further with the launch of the new collection, with a greater offering of affordable products, as well as a revision in the prices of leading seasonal items. These factors together with a balanced inventory, should inject a greater degree of competitiveness into the new collections, also benefiting the dynamics of gross margin.
- We enter the second half of the year more competitive and agile. We have already surpassed pre-pandemic levels of reactivity as well as have a greater portion of the collection being developed and purchased in season, thus giving the Company more flexibility to meet customer demand, as well as with an increasingly strengthened and agile supply chain.
- Some important structural adjustments were also made to expenses and despite additional expenditures made at the outset, have already engendered operational leverage in June. Once more, our digital channel recorded increased efficiency, gaining 4.1pp in leverage in the quarter thanks to improved management and a better level of service.
- As for the DC in São Paulo, the ramp-up continued as planned, being essential for us to reach new levels of productivity, accuracy and level of service in our operations.
- All these initiatives, combined with the key strategic investments in progress, have already been reflected in performance for June and ensuing weeks, fostering an encouraging outlook for a second half of greater competitivity, growth and profitability.

Robust cash position of R$ 2.9 billion, with net cash of R$ 575 MM, ~R$ 200MM greater than 1Q23

Greater digital efficiency: reduction of 4.1p.p. in digital selling expenses, in particular the CAC

Camicado: physical store SSS +3.8%, with a gain of 1.6p.p. in total gross margin, the sixth consecutive growth and a reduction of 26% in inventories

Digitalization of stores: Check out totems represented 35% of the sales of stores where these devices are installed (+14p.p.)

Improvement in price perception on the part of the customer according to the NPS

Participation of deliveries within 2 days in Brazil rose 4p.p., reaching 51%

June reported higher sales in relation to the preceding months with growth in pieces compared with June 2022

Expenses in equilibrium: leverage in June and stable vs 2Q22, excl. additional expenditures in 2Q23 (DC + adjustment of structures)

Stores in popular locations with performance evolution in June versus the others

Generation of FCF 3.1x greater than 2Q22

Stability of inventory in pieces vs 2Q22, at adequate levels for intake of the new collection

Increase of 20% in the participation of organic traffic and of 60% in visits via social networks

Approval of IoC of R$ 172.2 MM

Reference in
fashion and lifestyle

PRODUCT

- In terms of reactivity, the Renner brand already overcame pre-pandemic levels, as a result of initiatives employed along the supply chain. Additionally, new actions are being taken to increase reactivity, with approximately 30% of the collection being developed and purchased in season, which will bring greater flexibility and accuracy to the customer demands, as well as speed up the decision-making process for collections over the coming quarters.
- In addition, adjustments were made to the representativeness of items with more affordable prices, through negotiation with suppliers and also by the reduction in costs and exchange rates, as well as the price points review in relevant items from the consumer's perspective, leading to a more competitive offer of products, especially in jeans and knitwear. This leaves the Company well positioned for the launch of upcoming collections, with good perspectives for the Fathers' Day event.
- The Company has also created instruments for detecting fashion trends using data, permitting the monitoring of both the domestic and international markets. Consequently, based on the use of algorithms, inputs are generated allowing the styling teams to obtain a better insight of products to be developed. This creates greater assertiveness in the collections and contributes to a better understanding of positioning, of the customer and the market.




Reference in
responsible fashion

ENVIRONMENTAL

- In the quarter, the Company signed the Position Letter for the Carbon Market with the Brazilian Business Council for Sustainable Development (CEBDS) in conjunction with other Brazilian companies, the aim being to create a regulated carbon market in Brazil. In this context, Lojas Renner was also the first fashion retailer in the country to sign up to the CEBDS commitment for protecting the biodiversity.
- In addition, the Company organized the Climate Week for the formation and training of product suppliers and teams in climate change and CO2 emissions inventory, with the aim of improving supply chain engagement.

GOVERNANCE

- In April 2023, the Company held its Annual General Meeting 2023 (AGM 2023), in a partially digital format, recommending participation through the Remate Voting Ballot or through the electronic system for remote participation. The 2023 AGM had the participation of 64.7% of the capital stock, all items on the agenda being approved. At the same time, the Annual Report for 2022 was published including Renner's sustainability strategy and targets to be met by 2030.

Reference in enchanting experiences

OMNICANALITY

- The digitalization of the customer journey has continued, notably in the customer checkout area, with the expansion of self-service cash desks. At the end of the quarter, more than 180 units were using this technology against 47 in 2Q22. Transactions conducted via this checkout technology represented about 35% of the sales in these stores, a growth of 14 p.p. versus 2Q22. This initiative together with the other methods of digital checkout such as Mobile Sale and Pague Digital, represented more than 26% of total sales (+9 p.p.). Again, the digital journey of instore employees progressed reaching 100% of all processes now totally digitalized. Youcom also reported developments in the omnichannel experience with the implementation of the showrooming modality, which allows physical stores to sell products from the e-commerce inventory and that represented approximately 8% of digital sales during the quarter.
- On the logistics front, at the end of the quarter, the ramp-up process of apparel operations at the new Omni DC in the city of Cabreúva-SP had reached about 50% of volumes transacted through the physical stores. Progress was also recorded in performance indicators: at Renner, deliveries in up to 2 days (Brazil) reached 51% of all online orders, a 4 p.p. improvement in relation to 2Q22. In the São Paulo and Rio de Janeiro regions, deliveries within 1 day (same day/next day) represented 50% of all orders, 2p.p. better than 2Q22. Deliveries within 2 days in the São Paulo and Rio de Janeiro regions reached 75% of total online orders.

FINANCIAL SOLUTIONS – REALIZE CFI

- Realize CFI has reinforced its connection with the ecosystem, encouraging the use of its financial solutions focused on enchanting and creating a positive impact on the lives of its customers, suppliers and sellers and in an increasingly digital way. Realize saw an evolution in omnicanality, reporting 93% customer digitalization.
- As to financial products, Meu Cartão retained its relevance in the customers' day to day activities with an average of 426 thousand prime customers monthly and an increase of 4% year-on-year. In the development of the Orbi Bank digital account, it expanded its operations and is present in 256 Renner stores, driving the increase in the number of accounts opened. Finally, revenues from services recorded growth of 28% versus 2Q22, reaching more than 27% participation on total revenue.

Reference in **enchanting experiences**

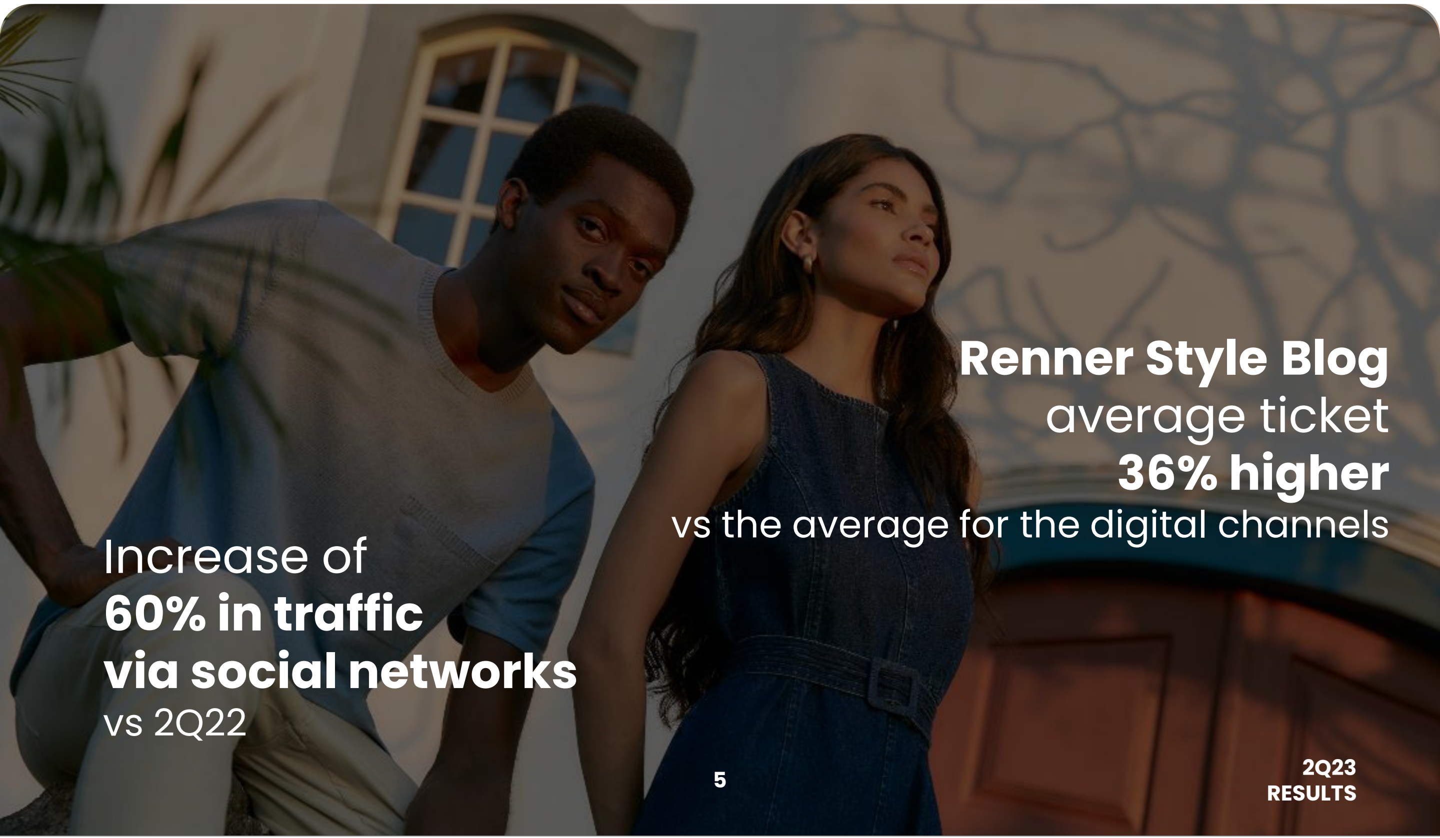
CRM & LOYALTY

- The key CRM driver is the creation of linkage and complicity through a strategy of communication based on the orchestration of knowledge of behavior and stage of the customer's life cycle with each one of the brands. Direct CRM initiatives were responsible for an average of 13% of total e-commerce revenue – a result which tends to gain even greater significance as communications become increasingly more customized.
- The Estilo Orbi loyalty program ended 2Q23 activated at 78 units of Renner, presenting important results, with a higher average ticket and frequency 1.3x greater when compared with customers not registered with the program, and thus generating incremental revenue.

18.3MM ACTIVE CUSTOMERS	**31%** OMNI CUSTOMER PARTICIPATION ON SALES	**3X MORE** SPENDING OF THE OMNI CUSTOMER	**78%** IDENTIFIED TRANSACTIONS	**85%** IDENTIFIED SALES

CONTENT AND BRANDING

- Since 2H22, the focus of the content front has been on fomenting organic traffic flows through the digital channels through the generation of desires, information on fashion and lifestyle trends and customer-brand connection. Since the second half of 2022, the participation of organic traffic through the site/app has grown more than 20% in addition to visits via social networks, which increased nearly 60% year-on-year.
- In the quarter, lives were produced with a focus on commercial dates. Also, Renner continued to vigorously pursue its influencer marketing strategy with more than a thousand paid and organic activations in the quarter, preserving the continuous growth rate of customer engagement (+38% vs. 2Q22) and traffic to the site/app (+80% vs. 2Q22). The Renner Style blog also proved an important vector in this process with an increase of 15% in visits relative to 2Q22 and a significant growth in volume of customers that continue the journey via site/app culminating in a purchase, generating an average ticket 36% higher versus the average for the digital channels.



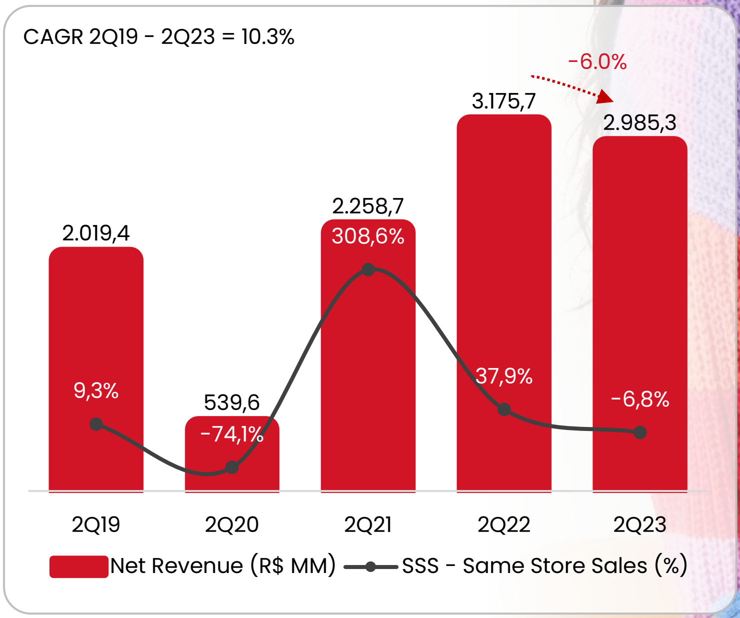
FINANCIAL PERFORMANCE

Consolidated information

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Revenue from Retailing[1]	2,985.3	3,175.7	-6.0%	5,263.3	5,405.4	-2.6%
Same Store Sales	-6.8%	37.9%	-	-3.6%	46.1%	-
Digital GMV	595.8	556.3	7.1%	1,043.9	998.1	4.6%
Penetration of Digital Sales	14.9%	13.3%	1.6p.p.	15.0%	14.1%	0.9p.p.
(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Profit from Retailing	1,609.4	1,781.7	-9.7%	2,842.9	3,009.6	-5.5%
Gross Margin from Retailing	53.9%	56.1%	-2.2p.p.	54.0%	55.7%	-1.7p.p.
Operational Expenses (SG&A)[2]	(1,093.0)	(1,057.5)	3.4%	(2,102.5)	(1,985.5)	5.9%
% SG&A / Net Revenue from Retailing	36.6%	33.3%	3.3p.p.	39.9%	36.7%	3.2p.p.
(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Adjusted EBITDA from the Retailing Operation[3]	535.3	689.7	-22.4%	797.4	987.7	-19.3%
Adjusted EBITDA Margin from the Retailing Operation[3]	17.9%	21.7%	-3.8p.p.	15.2%	18.3%	-3.1p.p.
Financial Services Result	(53.7)	11.9	NA	-64.0	97.1	NA
Total Adjusted EBITDA[3]	481.6	701.6	-31.4%	733.4	1,084.9	-32.4%
Total Adjusted EBITDA Margin[3]	16.1%	22.1%	-6.0p.p.	13.9%	20.1%	-6.2p.p.
(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Profit	229.7	360.4	-36.3%	276.5	552.0	-49.9%
Net Margin	7.7%	11.3%	-3.6p.p.	5.3%	10.2%	-4.9p.p.
Earnings per share	0.24	0.36	-34.0%	0.29	0.56	-48.2%
$ROIC^{LTM}$	10.7%	10.6%	0.1p.p.	10.7%	10.6%	0.1p.p.

[1] The Retailing Operation includes revenue from merchandise sales as well as revenue net of services and costs relating to retailing.
[2] Operating Expenses (SG&A) not including Depreciation and Amortization expenses.
[3] Total Adjusted EBITDA (post-IFRS 16), without depreciation and financial expenses relating to leasing.

Net Revenue from Retailing



The Retailing Operations includes revenue from the sale of merchandise as well as net revenue from services related to retailing.
Ashua's sales revenues and Repassa's service revenues are consolidated in Renner.

- During the second quarter 2023, the scenario for sales was a more challenging one most notably in the months of April and May. The Mothers' Day event proved similar to the general dynamic for the quarter with customers seeking lower ticket products and purchasing fewer items per shopping bag. However, June reported an upturn in performance with year-on-year growth in the number of items sold.
- The macroeconomic context remains a demanding one when set against a background of accumulating inflation, high interest rates and rising credit delinquency all continuing to affect purchasing power and customer behavior overall. This impact was more pronounced in the case of stores catering for a more popular market and exposed to more price-sensitive consumers. In the light of this, initiatives were adopted to improve price perception through modifications in visual merchandising and execution, prioritizing display of products at lower price ranges as well as improving the supply of more price accessible items. As a result, June saw an improvement in price perception among customers with the closing of the performance gap between stores in more popular locations and the other formats, a tendency which has continued to the present.
- In addition, important to highlight the strong comparative base in 2Q22 and characterized by significant growth in volumes during that period (+40.6% vs. 2Q21), due to a combination of pent up post pandemic demand and climate conditions favorable for the sale of the winter collection - different from this year's dynamic. In the 2Q22, the Company reported sales well above the IBGE's Monthly Retailing Survey Index for Apparel and Footwear, and which had an impact on performance up to May of 2023. Worthy of mention is that compared with 2019, Company's sales growth was 47.8%, a sequential increase in relation to 1Q23 (31.0%) thanks to improvements undertaken.

Net Revenue from Retailing (continuation)

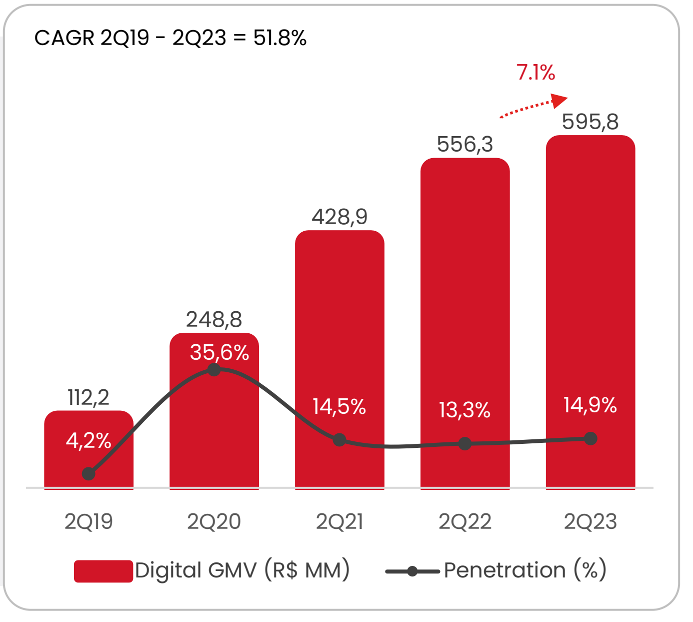
BREAKDOWN BY BUSINESSS

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Consolidated	**2,985.3**	**3,175.7**	**-6.0%**	**5,263.3**	**5,405.4**	**-2.6%**
(+) Apparel	2,872.9	3,045.5	-5.7%	5,032.5	5,136.5	-2.0%
Renner	2,775.3	2,941.9	-5.7%	4,857.9	4,961.9	-2.1%
Youcom	97.6	103.6	-5.8%	174.6	174.6	0.0%
(+) Camicado	112.4	130.2	-13.7%	230.8	268.9	-14.2%

- At Youcom, issues relating to the comparative base, both with respect to the post-pandemic recovery as well as more beneficial temperatures in 2Q22, and as already commented above, were also critical challenges at play during the quarter, more especially up to May. In June, performance was better, a tendency which has continued to the present. It is worth recording that Youcom grew 67% year-on-year in 2Q22, well above the segment as a whole for the period, the stores in this format being heavily concentrated in the regions of the country with a cooler climate. Digital channel sales rose 21% versus 2Q22, driven by the app, which contributed to an increase in the active customer base as well as a reduction in CAC.
- In turn, Camicado posted a reduction in revenue, mainly with respect to digital sales due to the strategy of prioritizing the efficiency of the operation and measured in terms of gross margin performance, further commented. From the point of view of operations at the physical units, there was an increase of 3.8% in same store sales, this performance being still greater in June and continuing through to the following month. Mention should also be made of the increase in revenue accruing from the new sales channels, mainly Whatsapp, representing 10% of the total, and the marketplace platform, which reported a growth of 30%. Additionally, the proprietary brand Home Style posted an increase of 4.7 p.p. participation in sales versus 2Q22, offering exclusive products to customers.

DIGITAL SALES

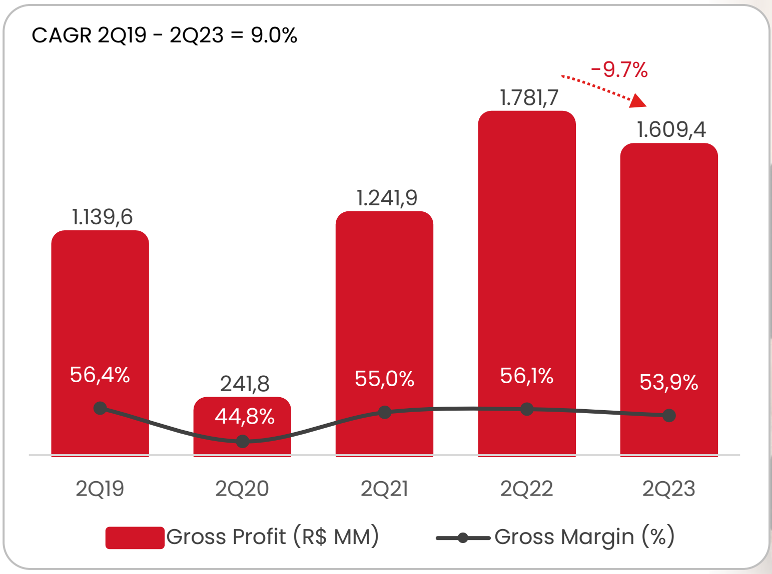
- Sales originating through the digital channels reported an increase in relation to 2Q22, with growth both in the traditional channels as well as the new ones, such as *Favoritos* and Whatsapp.
- And once more, the Renner app continued to lead the market in terms of its installed base, downloads and MAU among the domestic fashion players.



Renner App

INSTALLED BASE	5.3 MM	PARTICIPATION ON DIGITAL SALES	~63%
MONTHLY ACTIVE USERS	7.2 MM	ONLINE FLOW (VISITS)	125.9 MM

Gross Margin from Retailing



The Retailing Operations includes revenue from the sale of merchandise as well as net revenue from services related to retailing.
Ashua's sales revenues and Repassa's service revenues are consolidated in Renner.

- The lower gross margin from retailing largely reflected the greater need for markdowns due to lower sales volumes. Important to note that in 2Q22, markdown levels were significantly below the historic average, this benefiting gross margin during that period (already close to the level recorded in 2019), when a good part of the collection was sold at full price.

- The intensification of markdowns during the quarter was important for adjusting inventory at the stores to make way for the spring-summer collection as well as the appropriate ramp-up process at the new DC. At the end of June, the Company reported inventory stability in terms of pieces versus 2Q22, well adjusted to ensure the good execution during the third quarter.

- Again, the higher temperatures in the quarter resulted in a limited demand for winter apparel and thus also contributing to the reduced margin.

- Worthy of mention is that the combination of a reduction in costs and an adequately calibrated inventory will bring an improved competitive edge with healthy levels of gross margin.

BREAKDOWN BY BUSINESS

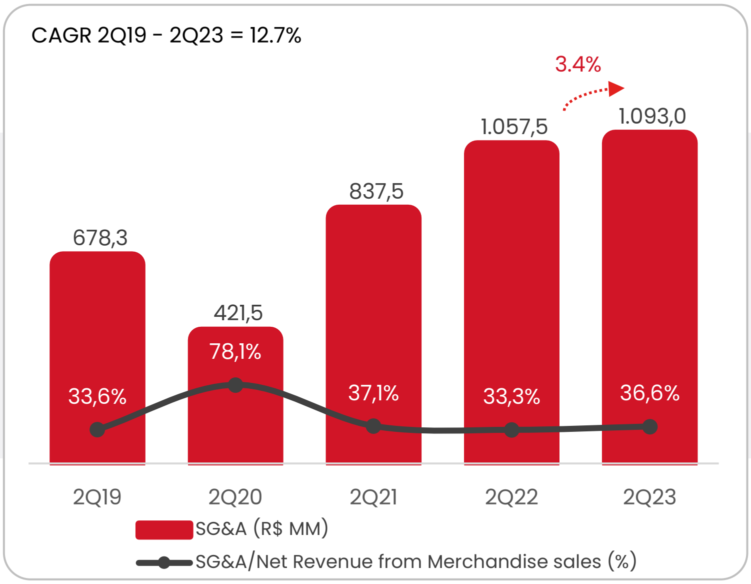
(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Consolidated	**53.9%**	**56.1%**	**-2.2p.p.**	**54.0%**	**55.7%**	**-1.7p.p.**
Renner	53.6%	56.0%	-2.4p.p.	53.8%	55.8%	-2.0p.p.
Camicado	54.6%	53.0%	1.6p.p.	52.4%	50.7%	1.7p.p.
Youcom	62.2%	62.5%	-0.3p.p.	61.3%	60.9%	0.4p.p.

- Camicado recorded for the sixth consecutive quarter improvements in gross margin. This is fruit of a continuing improvement in the operational and commercial execution of the business as well as more efficient management of inventory, resulting in a reduction of approximately 26% against 2Q22. Important to highlight progress made on the digital front, contributing to an increase in profitability as well as the greater participation of the proprietary brand in sales where margins are higher.
- Finally, the gross margin at Youcom remained relatively stable, despite higher temperatures that resulted in a lower level of sales of winter goods.

Operating Expenses

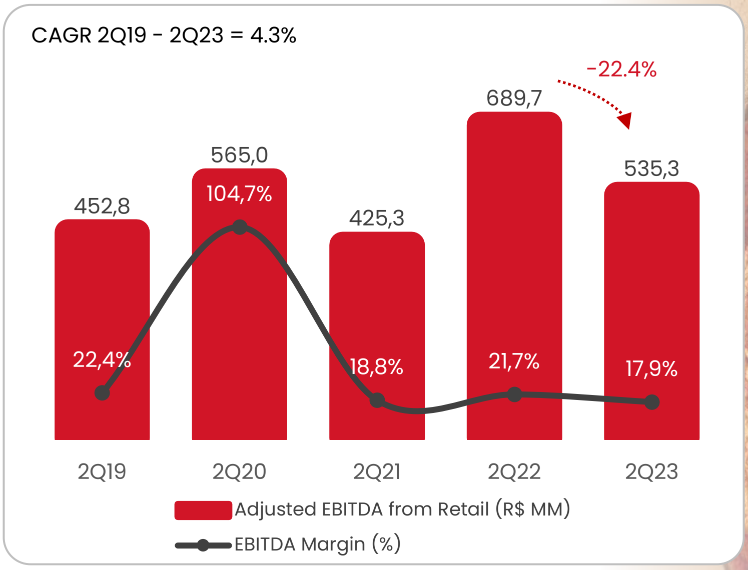
(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Sales, General and Administrative	**(1,093.0)**	**(1,057.5)**	**3.4%**	**(2,102.5)**	**(1,985.5)**	**5.9%**
% of Net Revenue from Retailing	*36.6%*	*33.3%*	*3.3p.p.*	*39.9%*	*36.7%*	3.2p.p.
Sales	(738.9)	(729.7)	1.3%	(1,412.9)	(1,359.5)	3.9%
% of Net Revenue from Retailing	*24.8%*	*23.0%*	*1.8p.p.*	*26.8%*	*25.1%*	*1.7p.p.*
General and Administrative	(354.1)	(327.8)	8.0%	(689.5)	(626.0)	10.1%
% of Net Revenue from Retailing	*11.9%*	*10.3%*	*1.6p.p.*	*13.1%*	*11.6%*	*1.5p.p.*
Other Operating Results	**18.3**	**(35.1)**	**NA**	**55.6**	**(37.4)**	**NA**
Profit Sharing Program	0.6	(40.3)	NA	(1.4)	(57.2)	-97.6%
Recovery of Tax Credits	10.0	4.9	105.0%	46.0	19.4	136.8%
Other revenues/operating expenses	7.8	0.3	NA	11.0	0.4	NA
Total Operating Expenses, Net	**(1,074.7)**	**(1,092.6)**	**-1.6%**	**(2,046.8)**	**(2,022.9)**	**1.2%**
% of Net Revenue from Retailing	*36.0%*	*34.4%*	*1.6p.p.*	*38.9%*	*37.4%*	1.5p.p.

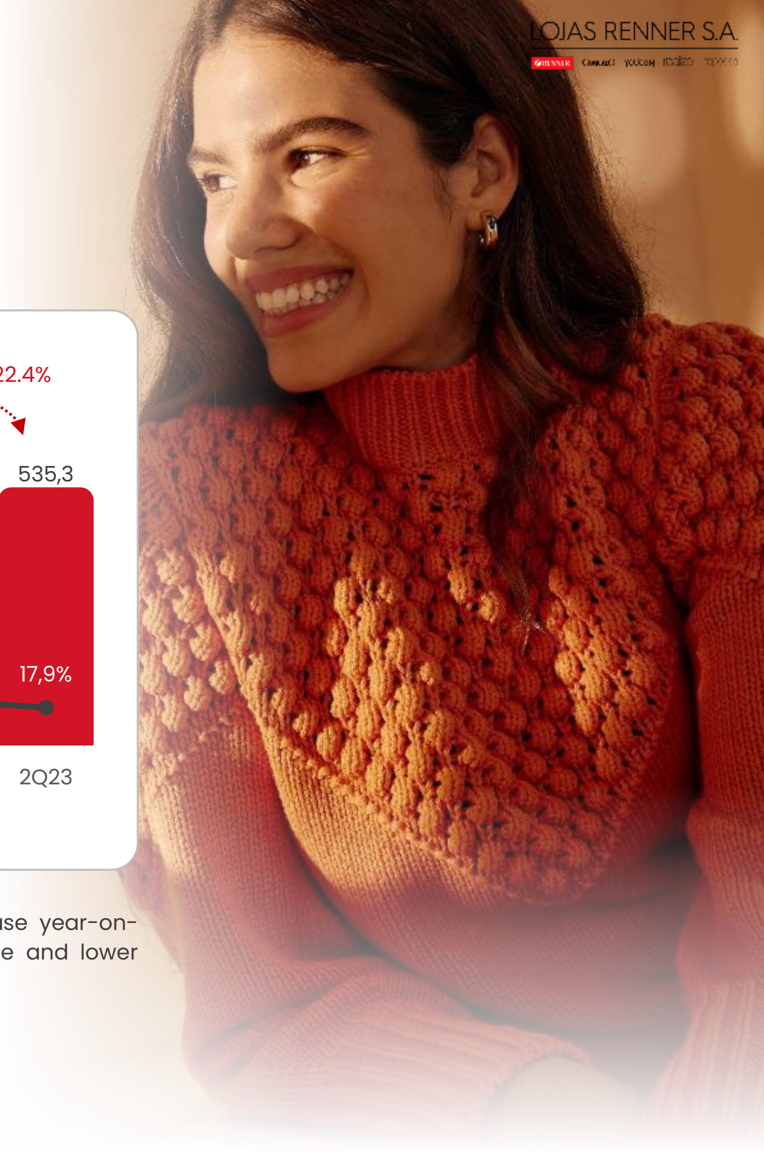
- Sales, General and Administrative Expenses as a percentage of Net Revenue from Retailing rose in relation to 2Q22, largely due to lower sales volume. An analysis of the result for June when volumes rose, shows an improvement in the SG&A/Net Revenue ratio from Retailing, a tendency which has persisted to the present.
- The increase in General and Administrative Expenses reflected additional expenditures in relation to the new Cabreúva DC which impacted around 5% of this line and administrative and structural adjustments, which added a further R$ 17 million of expenses in 2Q23. The benefits of both will be reflected in future periods. Excluding these effects, expenses would have been stable compared with the same quarter in 2022.
- The digital channel continued to report greater efficiency with a reduction of 4.1 p.p. in expenses as a percentage of online revenue generated from Renner business versus 2Q22, of particular note being the reduction in advertising.
- Finally, Other Operating Results were higher in relation to the same period in 2022 due mainly to lower provisions covering the Profit Sharing Program (PPR), a reflection of performance reported.



Operating Expenses (SG&A) do not consider Depreciation and Amortization expenses.

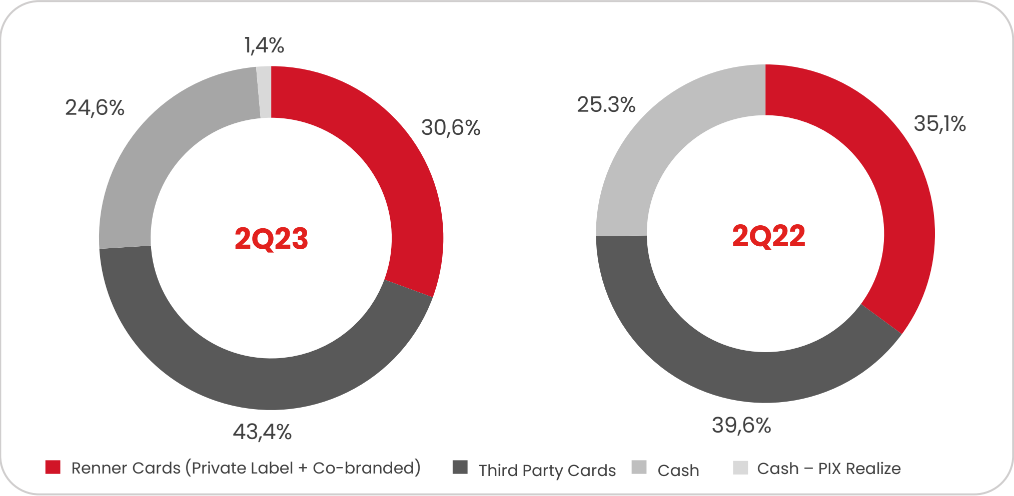
Adjusted EBITDA from Retailing





- Adjusted EBITDA from Retailing presented a decrease year-on-year, basically due to reduced operational leverage and lower gross margin.

Payment Conditions



- In the second quarter 2023, the Company registered 5.4 million active cards, representing 30.6% of retail sales and a 4.5 p.p. drop in relation to the second quarter 2022. This reduction was largely due to greater competitivity in the credit segment in addition to increased restrictions on concession and origination.

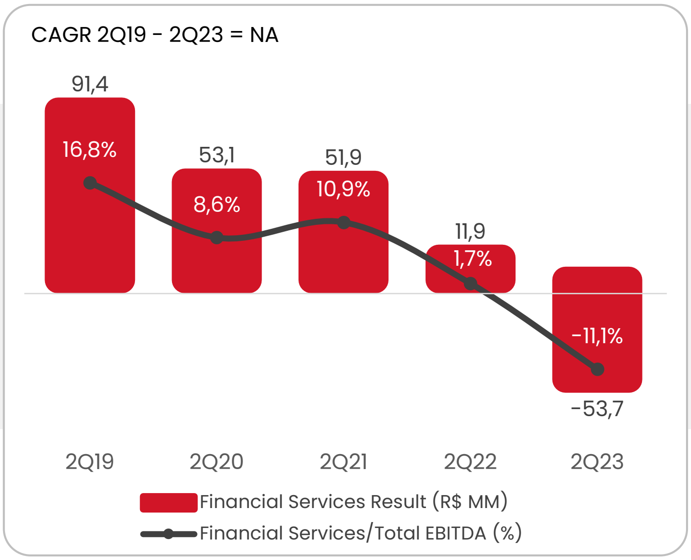
Financial Services Result

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Revenues, net of cost of funding	**488.4**	**423.2**	**15.4%**	**957.3**	**789.9**	**21.2%**
Renner Card	43.2	57.1	-24.4%	103.3	107.5	-3.9%
% of Renner Card portfolio	*5.4%*	*5.9%*	*-0.5p.p.*	*10.7%*	*9.7%*	*1.0p.p.*
Co-Branded Card	444.3	363.2	22.3%	852.9	678.2	25.8%
% of Meu Cartão portfolio	*8.3%*	*8.6%*	*-0.3p.p.*	*15.9%*	*18.4%*	*-2.5p.p.*
Other operating revenues	1.0	2.9	-66.6%	1.1	4.2	-73.1%
Credit losses, net of recoveries	**(396.1)**	**(281.5)**	**40.7%**	**(742.9)**	**(449.0)**	**65.5%**
Renner Card	(41.7)	(45.8)	-9.0%	(77.5)	(64.9)	19.5%
% of Renner Card portfolio	*5.3%*	*4.7%*	*0.6p.p.*	*8.0%*	*5.9%*	*2.1p.p.*
Co-Branded Card	(354.4)	(235.7)	50.4%	(665.4)	(384.1)	73.2%
% of Meu Cartão portfolio	*6.6%*	*5.6%*	*1.0p.p.*	*12.4%*	*10.4%*	*2.0p.p.*
Operating Expenses	**(146.0)**	**(129.7)**	**12.5%**	**(278.4)**	**(243.8)**	**14.2%**
% of total portfolio	*2.4%*	*2.4%*	*0.0p.p.*	*4.4%*	*5.1%*	*-0.7p.p.*
Financial services result	**(53.7)**	**11.9**	**NA**	**(64.0)**	**97.1**	**NA**
% of total portfolio	*-0.9%*	*0.2%*	*-1.1p.p.*	*-1.0%*	*2.0%*	*-3.0p.p.*
% of Total Adjusted EBITDA	*-11.1%*	*1.7%*	*-12.8p.p.*	*-8.7%*	*9.0%*	*-17.7p.p.*

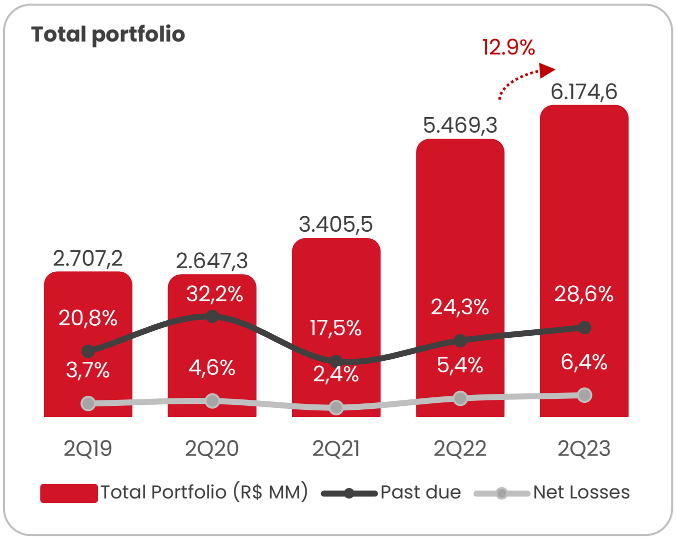
- Growth in revenue was superior to the credit portfolio, a reflection of improved portfolio management and adjustments in the pricing of risks.

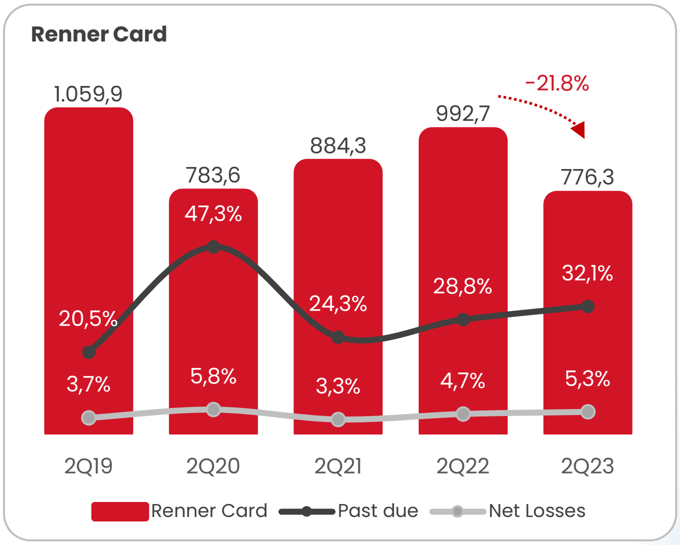
- Net Losses, in turn, continued to be impacted by the prevailing more difficult macroeconomic context and high levels of household debt, resulting in greater provisioning for past-due portfolio losses and ensuring the necessary coverage. This situation was more accentuated for cohorts in excess of 12 months while more recent cohorts continued to report a superior credit posture. Data published by Serasa Experian until May, revealed a sequential increase in the number of delinquent people in those months, from 70.7 million in 1Q23 to 71.9 million in May, an increase of 1.7%. In June, there was an improvement in this indicator, a tendency similarly being detected at Realize, most particularly in the formation of the outstanding balance over 90 days (NPL90 formation) being among the lowest levels for the past 15 months.

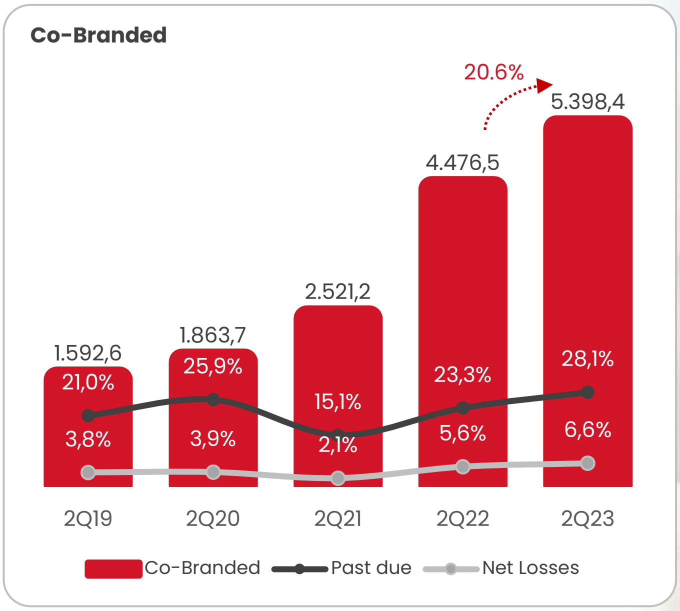
- Finally, operational expenses as a percentage of the total portfolio reported stability compared with 2022 and with nominal growth at below that of revenue, a reflection of the efforts to contain operating expenses as well as the adjustment in structures.



Credit portfolio





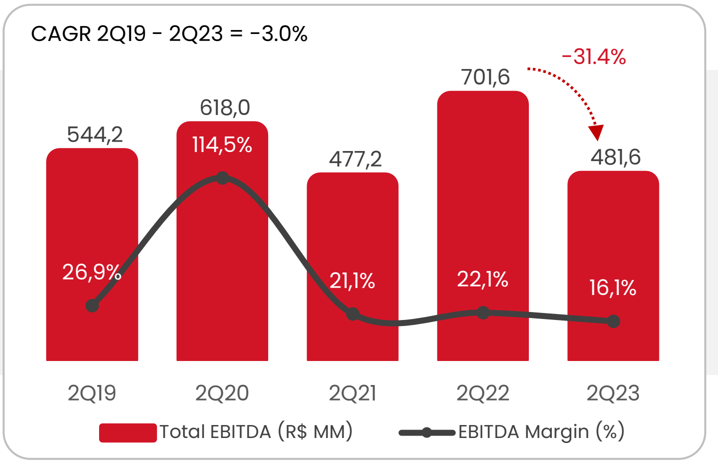


- The total portfolio grew in relation to 2Q22, driven by greater volumes transacted on Meu Cartão, in addition to the increase in the volume of past due for this product. Based only on the due portfolio, growth was 6.5% versus 2Q22.
- Total past due increased versus the same quarter in 2022 reflecting a scenario of continued and challenging market delinquency. Past due over 90 days as a portion of the portfolio increased 1.3 p.p. versus 1Q23, a consequence of lower volumes of new credits and a worsening in credit delinquency already mentioned. However, the NPL formation of more than 90 days overdue in June reported a deceleration compared with May.
- Also, the behavior of customers among the new cohorts continued to report good quality, albeit still with a low degree of representativity in relation to the total customer base.
- Reduced consumption in the period due to a more demanding macroeconomic scenario, a more conservative credit policy as well as a smaller card base able to buy, translated into a lower level of portfolio renewal.
- Higher net losses were reflected in increased provisioning of the overdue portfolio thus ensuring the necessary coverage against possible credit losses as well as higher levels of effective losses and reduced levels of recoveries. Total coverage reached 19.9%, +4.9 p.p. versus 2Q22 and +0.9 p.p. more than 1Q23.

Total Adjusted EBITDA

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Income for the Period	**229.7**	**360.4**	**-36.3%**	**276.5**	**552.0**	**-49.9%**
Income Tax and Social Contribution	(33.9)	70.8	NA	(122.4)	40.0	NA
Financial Result, Net	28.7	3.5	725.3%	43.7	(13.,5)	NA
Depreciation and amortization	247.6	251.1	-1.4%	504.2	486.1	3.7%
Total EBITDA	**472.1**	**685.7**	**-31.2%**	**702.0**	**1,064.6**	**-34.1%**
Stock Option Plan	6.4	6.4	0.3%	12.3	10.8	13.4%
Result of Disposals or Write-Offs of Fixed Assets	3.076	9.5	-67.7%	19.1	9.5	101.2%
Total Adjusted EBITDA	**481.6**	**701.6**	**-31.4%**	**733.4**	**1,084.9**	**-32.4%**

- Total Adjusted EBITDA registered a decline year-on-year, largely a function of reduced performance on the part of the retailing and financial services segments.



Net Financial Result

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Financial Revenues	**75.8**	**143.1**	**-47.0%**	**164.4**	**279.9**	**-41.3%**
Income from cash equivalents and financial investments	72.4	129.6	-44.1%	150.6	254.1	-40.7%
Selic interest on tax credits	3.4	13.5	-74.5%	13.8	25.8	-46.5%
Financial Expenses	**(99.6)**	**(143.7)**	**-30.7%**	**(192.6)**	**(273.7)**	**-29.6%**
Interest on loans, financing and debentures	(39.7)	(85.3)	-53.4%	(80.5)	(165.1)	-51.2%
Interest on leasing	(59.9)	(58.4)	2.4%	(112.1)	(108.6)	3.2%
Variations in foreign exchange and monetary restatement, net	**(4.9)**	**(1.6)**	**198.6%**	**(12.7)**	**(1.2)**	**927.2%**
Other revenues and expenses, net	**0.0**	**(1.2)**	**NA**	**(2.7)**	**8.6**	**NA**
Financial Result, Net	**(28.7)**	**(3.5)**	**-725.3%**	**(43.7)**	**13.5**	**423.4%**

- The Net Financial Result was a negative R$ 28.7 million versus R$ 3.5 million also negative in 2Q22, the main reason being lower income from cash and financial investments in the light of lower average cash balances in the period.

Free Cash Flow

(R$ MM)	2Q23	2Q22	Var.	1H23	1H22	Var.
Total Adjusted EBITDA (Post IFRS 16)	**481.6**	**701.6**	**(220.0)**	**733.4**	**1,084.9**	**(351.5)**
(+/-) Income Tax, Social Contribution/Financial Revenue	59.1	113.6	(54.6)	122.8	202.1	(79.2)
Operating Cash Flow	**540.7**	**815.3**	**(274.6)**	**856.2**	**1,286.9**	**(430.7)**
(+/-) Variation in Working Capital	**(82.6)**	**(382.7)**	**300.0**	**(524.1)**	**(1,017.4)**	**493.3**
Accounts Receivable	(344.6)	(674.2)	329.7	390.2	(302.8)	692.9
Card Administrator Obligations	6.8	175.0	(168.2)	(103.4)	241.5	(344.9)
Inventory	236.6	109.5	127.1	(102.0)	(257.4)	155.4
Suppliers	(27.4)	135.8	(163.2)	(386.3)	(203.9)	(182.4)
Taxes	199.4	152.8	46.6	7.5	(30.7)	38.2
Other Accounts Receivable/Payable	(153.4)	(281.5)	128.1	(330.0)	(464.1)	134.1
(-) Capex	**(186.5)**	**(261.2)**	**74.7**	**(278.8)**	**(393.7)**	**114.8**
(-) Investments in subsidiaries	**(8.7)**	**(86.8)**	**78.1**	**(8.7)**	**(86.8)**	**78.1**
(=) Free Cash Flow	**262.9**	**84.6**	**178.2**	**44.7**	**(210.9)**	**255.6**

- Improved free cash flow generation in 2Q23 compared with 2022 was mainly a reflection of lower working capital need, essentially in the case of Accounts Receivable, a function of lower sales, in addition to reduced Capex and investments in subsidiaries during the period.

(Cash) Net Debt

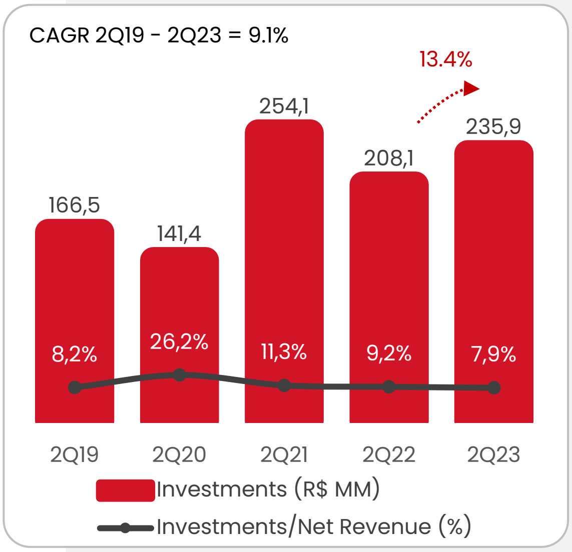
(R$ MM)	06/30/2023	06/30/2022
Loans and Financing	**1,165.9**	**2,388.5**
Current	619.3	1,335.1
Non-current	546.6	1,053.4
Financing of Customer Credit Operations	**1,160.7**	**1,053.9**
Current	512.5	971.3
Non-current	648.2	82.5
Gross Debt	**2,326.6**	**3,442.3**
Cash and Cash Equivalents and Financial Investments	**(2,901.4)**	**(4,720.3)**
Net (Cash) Debt	**(574.9)**	**(1,278.0)**
Net (Cash) Debt/Total Adjusted EBITDA (Post-IFRS 16) (LTM)	-0.27x	-0.56x
Net (Cash) Debt/Total Adjusted EBITDA (Ex-IFRS 16) (LTM)	-0.40x	-0.79x

- The Company again reported a net cash position notwithstanding the use of resources for payment of Interest on Capital and for executing the Share Buyback Program in the amount of R$ 288 million, terminating in March 2023.

Investments

(R$ MM)	2Q23	2Q22	1H23	1H22
New stores	49.4	72.2	66.5	110.2
Remodeling of installations and others	59.6	31.1	83.9	40.2
IT equipment and systems	122.0	77.6	158.8	126.3
Distribution centers and others	5.0	27.2	8.1	46.2
Total investments	**235.9**	**208.1**	**317.3**	**322.8**

- In 2Q23, investments were higher versus 2Q22, mainly due to the continued investment in technological fronts and the intensification of the store remodeling process, that will help improve store productivity, despite the lower logistics expenses related to the Cabreúva DC.
- Investments in new stores were lower as a function of the scheduled rollout of new stores, in 2022 this being concentrated in the first half of the year. During the quarter, 4 new Renner units were opened in addition to the opening of 4 new Youcom and 2 Ashua stores. These rollouts are in line with the expansion forecasted for the year, 15 to 20 stores in the Renner brand, 75% of them in new municipalities, 10 to 15 Youcom units and 5 Ashua stores.
- Depreciation and Amortization related to fixed and intangible assets totaled R$ 142.5 million in the quarter, 14.9% greater than 2Q22 and reflecting an increase in fixed assets. Depreciation of Right of Use assets (IFRS 16) amounted to R$ 105.2 million, a 17.2% decrease due to a reevaluation of rental lease agreements with shopping mall operators as well as the reduced inflationary effect on rentals.



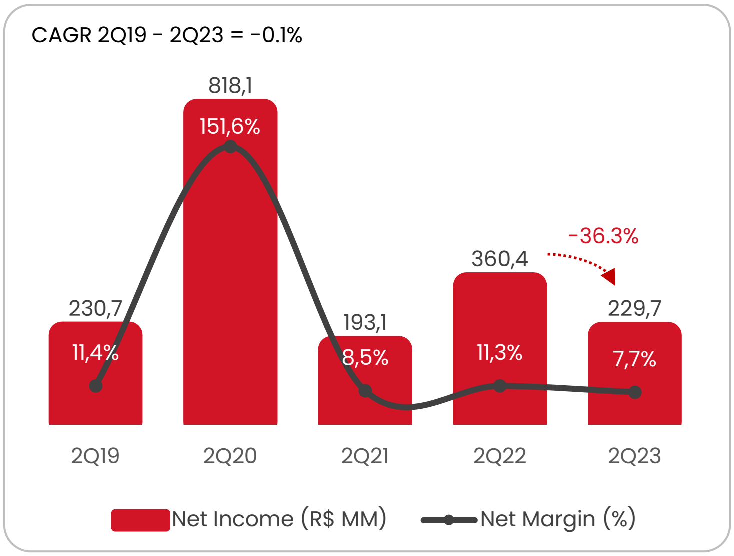
BREAKDOWN BY BUSINESS

		2Q23	2Q22	Var.	1H23	1H22	Var.
RENNER	Number of Stores	431	419	12	431	419	12
	Openings, net	0	5	N/A	-4	6	N/A
	Sales Area (000 m²)	728.1	720.9	1.0%	728.1	720.9	1.0%
CAMICADO	Number of Stores	109	120	-11	109	120	-11
	Openings, net	-1	0	N/A	-14	1	N/A
	Sales Area (000 m²)	46.9	50.3	-6.8%	46.9	50.3	-6.8%
YOUCOM	Number of Stores	115	112	3	115	112	3
	Openings, net	4	8	N/A	1	8	N/A
	Sales Area (000 m²)	19.5	19.3	1.3%	19.5	19.3	1.3%

Notes
The Ashua units are consolidated under the Renner brand.
Sales area do not consider inventories, back office and administrative functions areas.
Closure of 6 Renner and 1 Camicado in 2Q23.

Net Income

- The Company posted a lower Net Income for the quarter in relation to 2Q22 due to reduced operational generation from the retailing and financial service segments, despite the lower effective rate of Income Tax and Social Contribution with the recognition of tax incentives as a subvention for investments.
- In the quarter, Lojas Renner allocated shareholders interest on capital worth R$ 172.2 million, corresponding to R$ 0.180177 per share. Payment will be made until the 2024 Annual General Meeting.



Consolidated Results

R$ 000s	2Q23	2Q22	Var	1H23	1H22	Var
Net Operating Revenue	**3,504,083**	**3,626,338**	**-3.4%**	**6,279,375**	**6,239,362**	**0.6%**
Net Revenue from Retailing	2,967,423	3,163,017	-6.2%	5,232,647	5,387,656	-2.9%
Net Revenue from Services	536,660	463,321	15.8%	1,046,728	851,706	22.9%
Cost of Sales	**(1,406,297)**	**(1,421,416)**	**-1.1%**	**(2,479,124)**	**(2,439,800)**	**1.6%**
Cost of Retailing	(1,369,741)	(1,388,470)	-1.3%	(2,407,585)	(2,390,039)	0.7%
Cost of Services	(36,556)	(32,946)	11.0%	(71,539)	(49,761)	43.8%
Gross Profit	**2,097,786**	**2,204,922**	**-4.9%**	**3,800,251**	**3,799,562**	**0.0%**
Operating Expenses	**(1,873,356)**	**(1,770,282)**	**5.8%**	**(3,602,482)**	**(3,221,080)**	**11.8%**
Sales	(738,945)	(729,685)	1.3%	(1,412,940)	(1,359,453)	3.9%
General and Administrative	(354,084)	(327,798)	8.0%	(689,520)	(626,020)	10.1%
Depreciation and Amortization	(247,648)	(251,053)	-1.4%	(504,238)	(486,083)	3.7%
Credit Losses, Net	(396,108)	(281,521)	40.7%	(742,920)	(448,975)	65.5%
Other Operating Results	(136,571)	(180,225)	-24.2%	(252,864)	(300,549)	-15.9%
Operating Profit (Loss) before Financial Result	**224,430**	**434,640**	**-48.4%**	**197,769**	**578,482**	**-65.8%**
Financial Result, Net	(28,662)	(3,473)	-725.3%	(43,696)	13,512	423.4%
Income Tax and Social Contribution	33,932	(70,778)	-147.9%	122,393	(39,975)	-406.2%
Net Income for the Period	**229,700**	**360,389**	**-36.3%**	**276,466**	**552,019**	**-49.9%**
Net Income per share - R$	0.2404	0.3643	-34.0%	0.2893	0.5580	-48.2%
Number of shares outstanding at the end of the quarter (thousands)	955,591	968,462		955,591	968,462	

Consolidated Balance Sheets

R$ 000s	06/30/2023	12/31/2022
TOTAL ASSETS	**19,953,683**	**21,148,892**
Current Assets	**11,838,578**	**13,053,770**
Cash and Cash Equivalents	2,319,961	2,848,351
Financial Investments	581,479	655,131
Trade Accounts Receivable	6,134,588	6,524,832
Inventories	1,938,976	1,836,947
Recoverable Taxes	713,793	1,003,849
Financial Derivatives	15	8,204
Other Assets	149,766	176,456
Non-Current Assets	**8,115,105**	**8,095,122**
Recoverable Taxes	221,957	234,726
Deferred Income Tax and Social Contribution	698,845	555,595
Other Assets	202,662	225,345
Fixed Assets	2,793,931	2,830,784
Right-of-Use Assets	2,506,144	2,609,505
Intangible	1,691,566	1,639,167
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19,953,683**	**21,148,892**
Current Liabilities	**6,835,103**	**7,005,579**
Loans, Financing and Debentures	619,302	122,824
Financing – Financial Services Operations	512,490	581,351
Financial Leases Payable	731,470	719,829
Suppliers	1,351,875	1,624,082
Obligations - Forfait	7,443	78,848
Obligations with Card Administrators	2,361,588	2,464,968
Tax Obligations	257,764	566,891
Social and Labor Obligations	316,851	305,062
Statutory Obligations	306,046	160,966
Provision for Risks	86,673	85,079
Financial Derivatives	45,715	6,940
Other Obligations	237,886	288,739
Non-Current Liabilities	**3,406,100**	**4,055,798**
Loans, Financing and Debentures	546,567	1,046,319
Financing – Financial Services Operations	648,224	654,881
Financial Leases Payable	2,065,618	2,190,081
Deferred Income Tax and Social Contribution	4,782	3,618
Suppliers	24,446	17,304
Provision for Risks	55,990	49,245
Other Obligations	60,473	94,350
Shareholders' Equity	**9,712,480**	**10,087,515**
Capital Stock	9,022,277	9,022,277
Treasury Stock	(165,875)	(552,812)
Capital Reserves	110,107	119,375
Profit Reserves	740,301	1,382,939
Other Comprehensive Results	75,610	115,736
Accumulated Losses	(69,940)	-

Consolidated Cash Flows

In R$ thousands	2Q23	2Q22	1H23	1H22
Cash flows from operating activities				
Net profit for the period	**229,700**	**360,389**	**276,466**	**552,019**
Adjustments to reconcile the result to cash and cash equivalents generated by the operational activities:				
Depreciation and amortization	260,103	262,964	528,782	509,324
Interest and structuring costs on loans, financing and leasing	149,329	177,685	298,254	338,762
Income tax and social contribution	(33,932)	70,778	(122,393)	39,975
(Reversals) Losses estimated in assets, net	63,934	198,516	84,774	235,240
Discounts – leases payable	-	(12,055)	-	(25,905)
Other adjustments to net profit	59,450	58,733	60,873	91,884
Adjusted net income	**728,584**	**1,117,010**	**1,126,756**	**1,741,299**
(Increase) Reduction in the Assets				
Accounts receivable from customers	(428,077)	(876,194)	303,849	(543,053)
Inventories	231,722	99,254	(89,212)	(262,412)
Taxes recoverable	68,972	84,788	261,673	201,816
Other assets	21,029	(74,567)	41,760	(158,900)
Increase (Reduction) in Labilities				
Suppliers	(9,339)	138,450	(303,219)	(176,836)
Obligations - forfait	(21,790)	7,262	(72,126)	(14,459)
Obligations with card administrators	6,763	175,000	(103,380)	241,543
Fiscal obligations	138,690	81,405	(287,181)	(246,938)
Other obligations	(51,175)	(112,625)	(75,628)	(94,545)
Payment of income tax and social contribution	(13,556)	(27,769)	(27,693)	(85,087)
Interest paid on loans, financing and debentures	(62,644)	(91,741)	(149,259)	(153,783)
Cash flows from operational activities before financial investments	**609,179**	**520,273**	**626,340**	**448,645**
Financial investments	(27,755)	(10,320)	73,652	103,406
Cash flows from operational activities	**581,424**	**509,953**	**699,992**	**552,051**
Cash flows from investment activities				
Acquisitions of fixed and intangible assets	(186,488)	(261,185)	(278,815)	(393,650)
Capital paid-up in subsidiaries and acquisition of subsidiaries, net of cash acquired	-	(86,777)	(30)	(86,777)
Net cash consumed by investment activities	**(186,488)**	**(347,962)**	**(278,845)**	**(480,427)**
Cash flows from financing activities				
Capital increase net of issuance costs	-	9,411	-	9,411
Share buy-back	-	(334,265)	(288,180)	(453,943)
Borrowing and amortization of loans and debentures	(88,023)	(269,337)	(102,160)	(89,836)
Lease installment payable	(182,139)	(170,332)	(375,755)	(317,243)
Interest on equity and dividends payable	(14)	(346,316)	(157,502)	(346,316)
Cash flows from financing activities	**(270,176)**	**(1,110,839)**	**(923,597)**	**(1,197,927)**
Effect of exchange rate variation on balance of cash and cash equivalents	**(14,603)**	**1,576**	**(25,940)**	**2,503**
Variation in cash and cash equivalents	**110,157**	**(947,272)**	**(528,390)**	**(1,123,800)**
Cash and cash equivalents at the start of the period	2,209,804	5,312,889	2,848,351	5,489,417
Cash and cash equivalents at the end of the period	**2,319,961**	**4,365,617**	**2,319,961**	**4,365,617**

Glossary

1P (first party): Own inventory, the company buys and sells products directly to the customers.

3P (third-party): Third party inventory which is managed by the sellers.

B2B (Business-to-Business): A commercial transaction between companies.

BRANDING: Management strategy of the brand with the objective of rendering it more recognizable by its consuming public and present in the market.

CAC: Customer Acquisition Cost.

CAGR: Compound Annual Grouth Rate

CAPEX: Capital Expenditure allocated to the Company's investments. (Example: Fixed Assets and Intangible Assets).

CHURN: Rate of turnover. This is a metric used in customer management which shows the rate of consumers which a company has lost in a given period and the total revenue involved in this process.

MOBILE CHECKOUT: Process of concluding a purchase alternative to the traditional cashier's desk. The conclusion of the transaction may be made through *Mobile Sales*, made by the store employee using instore mobile devices; *Self-Checkout*, self-service totems; and through the *Pague Digital* (Digital Payment) whereby the customer concludes the purchase with his own smartphone using the Renner app.

CRM (Customer Relationship Management): Software which provides a complete management of the sales process, making the approach and contacts with the client more assertive.

CROSS SELL: Sale of complementary products or services based on customer interests within the Renner ecosystem.

EBITDA: Stands for "Earnings before interest, taxes, depreciation and amortization". Performance indicator of operating cash generation. The calculation of EBITDA may be adjusted for non-recurring items which contribute to the information on the potential for gross cash generation in the Company's operations. Adjusted EBITDA has no standardized meaning, and our definition may not be comparable with that used by other companies.

ESG (Environmental, Social and Governance): Environmental, social and governance practices.

FINTECH: Company using technology to offer financial products and services in an innovative manner.

FOLLOW ON: Subsequent offering of shares of a publicly held company.

FREE FLOAT: Is the percentage of a company's shares which are traded on the Stock Exchange.

GMV (Gross Merchandise Volume): Term used in online retailing to show the total monetary value of sales through this channel.

INFINITE AISLE: Availability of inventories of the physical stores in the e-commerce, where customers can buy products from the physical stores inventory through e-commerce.

INFLUENCER: Professionals who through content published in the social media, are able to influence and cause an effect on thousands of people in relation to a given product. Due to their followers and engagement, they are deemed to be credible and successful people in their métier.

IFRS: International Financial Reporting Standards correspond to international accounting norms.

LAST MILE: Is a concept which relates to the last stage in the delivery of the product, leaving a distribution center to the final recipient.

LIFETIME VALUE: Is a metric defining the value of the customer's life cycle. It represents the sum of all the values expended by a consumer while he is a customer of the brand.

LOYALTY: Loyalty Program for rewarding customers at Lojas Renner Ecosystem, called Estilo Orbi.

MARKETPLACE: An online sales platform which combines different companies selling products as if it were a virtual store window.

MAU (Monthly Active Users): The number of active users in a month, the metric related to the frequency and involvement of users in sites and apps.

OMNICHANNEL: A strategy which uses all a company's communication channels in an integrated and simultaneous fashion. The underlying objective is to narrow the relationship between on- and off-line and strengthen the relationship of the customer with the company, thus improving their experience.

DIGITAL PAYMENT: A purchase modality where the customer can pay for his purchases in the store with his own smartphone using the Renner app.

p.p: Percentage points.

ROIC LTM: Return On Invested Capital over the last twelve months.

SELLER: Is the name given to all those that sell their products in our marketplace.

SEO (Search Engine Optimization): set of strategies to enhance and improve the positioning of websites considering organic results.

SPENDING: Total customer expenditure in a given period.

SSS (Same Store Sales): Relation between the sales executed in the same stores (more than 12 months of operation) in the current period compared to sales in these selfsame stores in the same period of the previous year.

STAKEHOLDERS: Individuals or entities that have a relationship with the Company. In addition to the shareholders, the company's employees, customers, suppliers, creditors, governments and community are stakeholders.

STARTUP: Young or recently constituted companies which present major growth possibilities. Startups are characterized by being scalable businesses and growing in a much faster and efficient way compared with a traditional small and middle market company.

STICKINESS: This is the propensity of customers to return to a product or use it with greater frequency, the product itself having characteristics that enhance the profoundness of the relationship with the customer over time.

TPV (Total Payment Volume): It is the total amount that was made in transactions through payment methods such as cards, acquirers, sub-acquirers and other intermediaries.

UX (User Experience): User Experience is the combination of elements and factors relative to the interaction of the user with a given product, system, or service responsible for projecting experiences of enchantment to gain the loyalty and capture customers.

About Lojas Renner S.A.

The Company was incorporated in 1965 and has been listed since 1967, becoming a pure, widely held company in 2005, with a 100% free float, being considered the first Brazilian corporation. Renner's equities are traded on B3 under the LREN3 symbol in the Novo Mercado segment, the highest level of corporate governance, and through the intermediary of an ADR program on the United States OTC market under the LRENY code. **Lojas Renner S.A**. is a **fashion and lifestyle ecosystem** connected to its customers through digital channels and its physical stores in Brazil, Argentina and Uruguay. It is today the ecosystem leader in omnichannel fashion retailing in Brazil through the **Renner, Camicado, Youcom, Realize CFI** and **Repassa** businesses.

Renner's value proposition is to deliver the best omni experience in fashion and lifestyle to the medium/high end segment, enchanting its customers with quality products and services at competitive prices, always innovating in a sustainable way. Renner designs and sells quality apparel, footwear and underwear under private labels representing the lifestyle concept. In addition, Renner has its own brands of accessories and cosmetics while in parallel, offering merchandise in certain categories bearing third party labels in addition to providing an assortment of items available through its marketplace platform.

Acquired in 2011**, Camicado** is a store network with more than 35 years of specialization in the Home & Décor market. The company offers a wide selection of products for decoration, cooking and domestic utensils, small electrical household appliances, organization, bed, bath, and tableware. In addition, Camicado is a specialist in gift lists for commemorative events. It has everything needed to provide the customer complete conditions with quality and much style.

Youcom is a fashion brand with a lifestyle inspired by urban youth. It offers an omnichannel experience to the customers' purchases made via the website permitting pickup from a physical store. The brand continues to grow, fulfilling its proposition to enchant and connect people spearheading a youth lifestyle with fashion.

Ashua, its concept dating from 2016, is a plus size fashion brand inspiring female empowerment and celebrating diversity. Ashua offers collections with a plenitude of information on fashion, prioritizing cuts, comfort and style for each woman through an omnichannel shopping experience.

Realize is a financial institution supporting the loyalty and convenience of the customers of the ecosystem giving support to the Company's retailing operation. Offering a set of financial services, among them, the Renner Card and Meu Cartão (an international credit card), as well as credit lines to the Company's suppliers, the Saque Rápido facility and an insurance portfolio.

Company also has **Uello**, a domestic digital logtech focused on solutions for urban deliveries and **Repassa,** an online resale store for apparel, footwear and accessories.

Investor Relations and Corporate Governance

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Bruna Miranda

LREN3

B3 LISTED NM
USTOC: LRENY
Stock price: **R$ 20.00**
Market Cap: **R$ 19.3 bi**
on June, 30th, 2023

LEGAL NOTICE
The statements contained in this document relate to the prospects for the business, estimates for operating and financial results. and those related to growth prospects of Lojas Renner S.A. are merely projections and, as such, are based exclusively on the expectations of the Company's management with respect to the future of the business. Such forward-looking statements depend substantially on changes in market conditions, the performance of the Brazilian economy, the sector and the international markets and are therefore subject to change without prior notice.

All variations and totals as well as roundings presented herein are calculated on the basis of numbers in thousands of Reais.


LOJAS RENNER S.A.
RENNER
CAMICADO
YOUCOM
realize
repassa