



# 4Q22 RESULTS

## LOJAS RENNER S.A.



CMICADO

yoUcom

realize

repassa

# Highlights of the quarter

February 16, 2023 – Lojas Renner S.A. (B3: LREN3; USOTC: LRENY), the largest fashion retailer in Brazil, announces its results for the fourth quarter of 2022 (4Q22). For the sake of comparability with the market and in line with the Financial Statements, as from 4Q21, the Company has now begun to report information on EBITDA on a post-IFRS 16 basis excluding Depreciation and Interest on leasing.



Youcom is the highlight in sales performance with +12.3% vs 4Q21  
2023: YTD sales in line with expectations



Growth of 6.1% in Digital GMV and penetration of 11.7%.  
Marketplace reaches 9.6% of Digital GMV and ~860 active sellers



Total EBITDA (post-IFRS16) of R\$ 918.6 MM, +18% vs 4Q21 and  
Net Income of R\$ 481.8 MM, +16% vs 4Q21



ROIC of 12.8% (+6.1 p.p. vs 2021):  
improved profitability and advances in the capital structure



Robust free cash flow  
generation of R\$ 309.7 MM,  
2.3x greater than 4Q21



Payout of 50% and distribution of  
R\$ 648 MM in interest on capital



Start of gradual migration of  
apparel to the new Cabreúva  
DC



D+2 delivery: BR +11p.p. (48%) and  
Rio de Janeiro e São Paulo +14p.p.  
(75%); Reduction of 1.4p.p. in  
freight expenses over online sales  
vs 2021



Acceleration in the production of  
content with more than 800  
influencer activations and traffic  
originating from these actions  
6.4x greater.  
CAC/Sales decrease 2.1p.p.



Levels of markdowns at the  
lowest levels of recent years



Enchantment: record of very  
satisfied customers: 93.7%

## Videoconferência de Results

February 17, 2023  
11:00 a.m. (BRT) | 09:00 a.m. (US-EST)

The video conference will be held in Portuguese with a simultaneous translation to English. To access, [click here](#) or use the QR Code below:



## 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.



# Consolidated Information

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
Net Revenue from Retailing <sup>1</sup>	3,554.9	3,560.5	-0.2%	11,575.8	9,555.4	21.1%
Same Store Sales	-2.5%	18.9%	-	18.5%	40.1%	-
Digital GMV	551.6	520.1	6.1%	2,046.4	1,644.4	24.5%
Penetration of Digital Sales	11.7%	11.0%	0.7p.p.	13.5%	13.1%	0.4p.p.

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
Gross Profit from Retailing	1,981.6	1,959.8	1.1%	6,399.5	5,178.8	23.6%
Gross Margin from Retailing	55.7%	55.0%	0.7p.p.	55.3%	54.2%	1.1p.p.
Operational Expenses (SG&A) <sup>2</sup>	(1,131.8)	(1,076.3)	5.2%	(4,125.3)	(3,529.8)	16.9%
% SG&A / Net Revenue from Retailing	31.8%	30.2%	1.6p.p.	35.6%	36.9%	-1.3p.p.

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
EBITDA from the Adjusted Retailing Operation <sup>3</sup>	953.3	724.0	31.7%	2,381.5	1,474.5	61.5%
EBITDA Margin from the Adjusted Retailing Operation <sup>3</sup>	26.8%	20.3%	6.5p.p.	20.6%	15.4%	5.2p.p.
Financial Services Result	(34.6)	51.6	NA	81.5	247.6	-67.1%
Total Adjusted EBITDA (Post IFRS 16) <sup>3</sup>	918.6	775.6	18.4%	2,463.0	1,722.1	43.0%
Total Adjusted EBITDA Margin (Post IFRS 16) <sup>3</sup>	25.8%	21.8%	4.0p.p.	21.3%	18.0%	3.3p.p.

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
Net Profit	481.8	415.8	15.9%	1,291.7	633.1	104.0%
Net Margin	13.6%	11.7%	1.9p.p.	11.2%	6.6%	4.6p.p.
Earnings per share	0.49	0.42	15.6%	1.30	0.64	103.5%
ROIC <sup>LTM</sup>	12.8%	6.7%	6.1p.p.	12.8%	6.7%	6.1p.p.

<sup>1</sup> The Retailing Operation includes revenues from merchandise sales as well as revenues net of services and costs related to retailing

<sup>2</sup> Operating Expenses (SG&A) do not include Depreciation and Amortization expenses.

<sup>3</sup> Total Adjusted EBITDA (post-IFRS 16), without depreciation and financial expenses relating to leasing.





# FINANCIAL PERFORMANCE

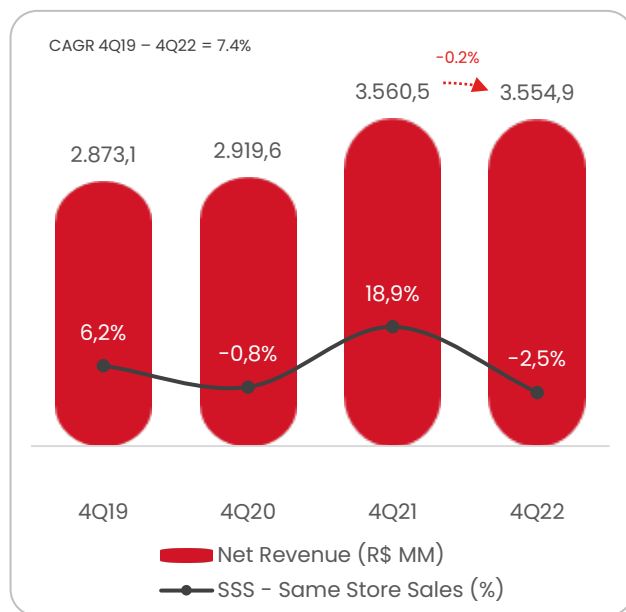
LOJAS RENNER S.A.



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# Net Revenue from the Retailing

- The fourth quarter 2022 was characterized by certain atypical events which had an impact on retail sales performance. Such events range from temperatures lower than usual early on in the quarter to reduced footfall due to the general elections and the FIFA World Cup Championship. In addition, a more difficult macroeconomic scenario with inflationary pressures and greater household debt has affected purchasing power and consumer habits.
- Despite this conjuncture, December showed some evolution during the course of the month, the Christmas and post-Christmas periods being line with Company forecasts. A combination of these factors resulted in a 4Q22 similar to the same quarter in 2021 and if compared with 4Q19, there was a growth in net revenue of 23.2%.
- Important to mention that the comparative base of 4Q21 was a high one (+22.0% 4Q21 vs 4Q20), a period in which the Company turned in a strong improvement relative to the market, thus in 4Q22 leading to a performance relatively in line with the IBGE's Monthly Retailing Survey for Apparel.



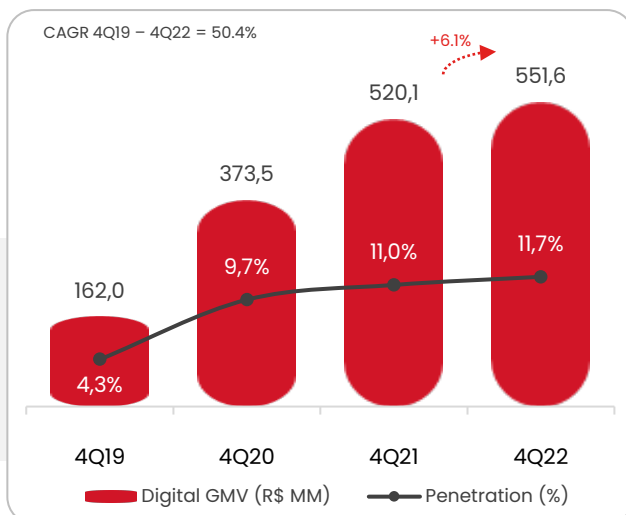
## BREAKDOWN BY BUSINESS

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
<b>Consolidated</b>	<b>3,554.9</b>	<b>3,560.5</b>	<b>-0.2%</b>	<b>11,575.8</b>	<b>9,555.4</b>	<b>21.1%</b>
Renner	3,240.8	3,212.0	0.9%	10,602.9	8,613.9	23.1%
Camicado	170.9	221.1	-22.7%	567.1	650.4	-12.8%
Youcom	143.2	127.4	12.4%	405.8	291.1	39.4%

- Camicado continued to present interesting developments, both in the marketplace with the inclusion of new sellers and assortment as well as new channels with a positive performance for sales via WhatsApp. Notwithstanding, the Home & Décor segment continued to confront a challenging scenario, a situation intensified by the effects of the general elections, the World Cup and purchasing power restrictions, already mentioned. In this context Camicado's sales performance was lower than for the same quarter in the preceding year.
- Conversely, Youcom once again reported a good performance in sales, and considerably above the segment as a whole. Particularly important was the greater productivity in pieces and increased customer adherence to instore mobile sales, in addition to continuous advances in the digital journey, driven mainly by the activations of influencers in Social Commerce.

## DIGITAL SALES

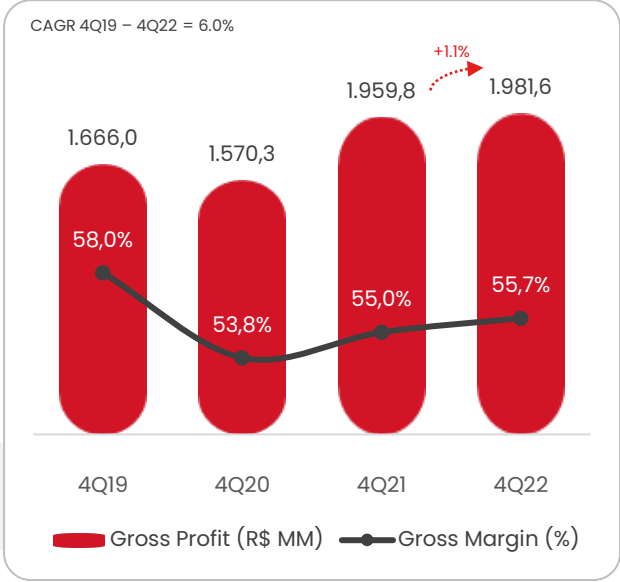
- Performance of sales originating in the digital channels reported growth versus the same quarter of 2021 with an increase in penetration. The marketplace performance were the highlight, representing 9.6% of the Digital GMV.



Notes  
 The Retailing Operation includes net revenue from merchandise sales as well as net revenues from retail-related services.  
 Sales revenue from Ashua and services revenue from Repassa are consolidated in Renner.

# Gross Profit from the Retailing Operation

- Gross margin from the retailing operation reported evolution compared with the same quarter in 2021 and in line with the trajectory of recuperation recorded over the year.
- While sales volumes were lower than expected, customer acceptance of the collection as well as the efficiency of sales management saw markdowns at their historically lowest levels.
- Quarter-end inventory remained stable in days versus 4Q21 and with good composition and age.
- Finally, gradual price readjustments due to the effects of cost inflation also contributed to this performance.



## BREAKDOWN BY BUSINESS

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
<b>Consolidated</b>	<b>55.7%</b>	<b>55.0%</b>	<b>0.7p.p.</b>	<b>55.3%</b>	<b>54.2%</b>	<b>1.1p.p.</b>
Renner	55.6%	55.7%	-0.1p.p.	55.3%	54.6%	0.7p.p.
Camicado	53.3%	41.6%	11.7p.p.	51.4%	46.3%	5.1p.p.
Youcom	61.4%	61.4%	0.0p.p.	61.2%	60.4%	0.8p.p.

- Gross margin at Camicado posted a strong year-on-year recovery, resulting from the continuous readjustments in operating and commercial management. Gross margin at Youcom remained stable at high levels.

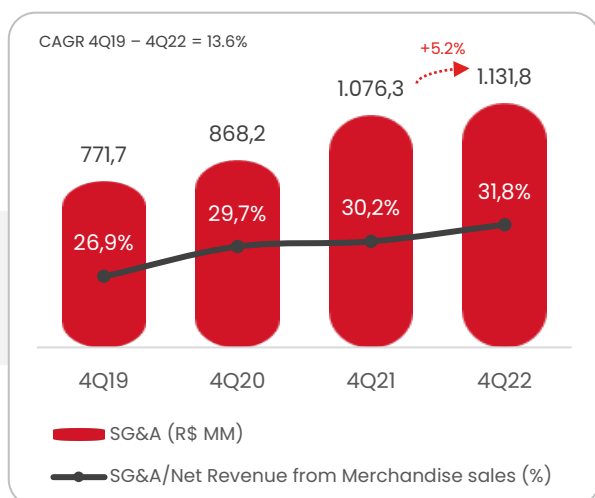




# Operating Expenses

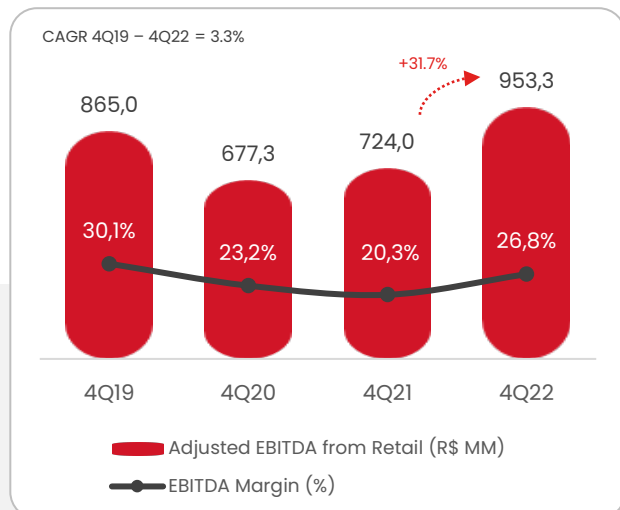
(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
<b>Operating Expenses (SG&amp;A)(post-IFRS 16)</b>	<b>(1,131.8)</b>	<b>(1,076.3)</b>	<b>5.2%</b>	<b>(4,125.3)</b>	<b>(3,529.8)</b>	<b>16.9%</b>
<i>% of Net Revenue from the Retailing Operation</i>	<i>31.8%</i>	<i>30.2%</i>	<i>1.6p.p.</i>	<i>35.6%</i>	<i>36.9%</i>	<i>-1.3p.p.</i>
Sales	(794.5)	(776.5)	2.3%	(2,829.4)	(2,545.1)	11.2%
<i>% of Net Revenue from the Retailing Operation</i>	<i>22.3%</i>	<i>21.8%</i>	<i>0.5p.p.</i>	<i>24.4%</i>	<i>26.6%</i>	<i>-2.2p.p.</i>
General and Administrative	(337.3)	(299.8)	12.5%	(1,295.8)	(984.7)	31.6%
<i>% of Net Revenue from the Retailing Operation</i>	<i>9.5%</i>	<i>8.4%</i>	<i>1.1p.p.</i>	<i>11.2%</i>	<i>10.3%</i>	<i>0.9p.p.</i>
<b>Other Operating Results</b>	<b>102.9</b>	<b>(159.9)</b>	<b>NA</b>	<b>105.0</b>	<b>(176.3)</b>	<b>NA</b>
Profit Sharing Program	44.1	(147.8)	NA	(13.6)	(217.3)	-93.7%
Recovery of Tax Credits	46.8	4.4	963.8%	110.1	79.1	39.1%
Other Operating Revenues/Expenses	12.0	(16.5)	NA	8.6	(38.1)	NA
<b>Total Operating Expenses, Net</b>	<b>(1,028.9)</b>	<b>(1,236.2)</b>	<b>-16.8%</b>	<b>(4,020.2)</b>	<b>(3,706.1)</b>	<b>8.5%</b>
<i>% of Net Revenue from the Retailing Operation</i>	<i>28.9%</i>	<i>34.7%</i>	<i>-5.8p.p.</i>	<i>34.7%</i>	<i>38.8%</i>	<i>-4.1p.p.</i>

- The increased participation of Operating Expenses as a percentage of Net Revenue from the Retailing Operation compared to 4Q21, is mainly related to General and Administrative Expenses. These reflected additional expenditures linked to the operational ramp-up of the new Cabreúva DC as well as the carry-over of investments for the development of the fashion and lifestyle ecosystem, these being made more intensively in 2021.
- Lower sales volumes in the period also had an effect on expenses resulting in reduced operational leverage.
- On the other hand, although Selling Expenses posted a year-on-year increase, this was lower than the inflation rates for the period, indicative of greater efficiency in the control of expenses, more particularly those relating to freight and publicity through the digital channel.
- Finally, Other Operating Results were higher in the quarter due to the reversal of a provision for expenses related to the employee Profit Sharing Program based on the performance achieved. It is worth pointing out that, in 2021, the Company distributed Profit Sharing at record levels and, on a nonrecurring basis.
- In addition, Recoveries of Tax Credits, the result of the Company's ongoing tax review work of monitoring legal decisions and case law also boosted this account.



Note  
Operating Expenses (SG&A) exclude Depreciation and Amortization Expenses.

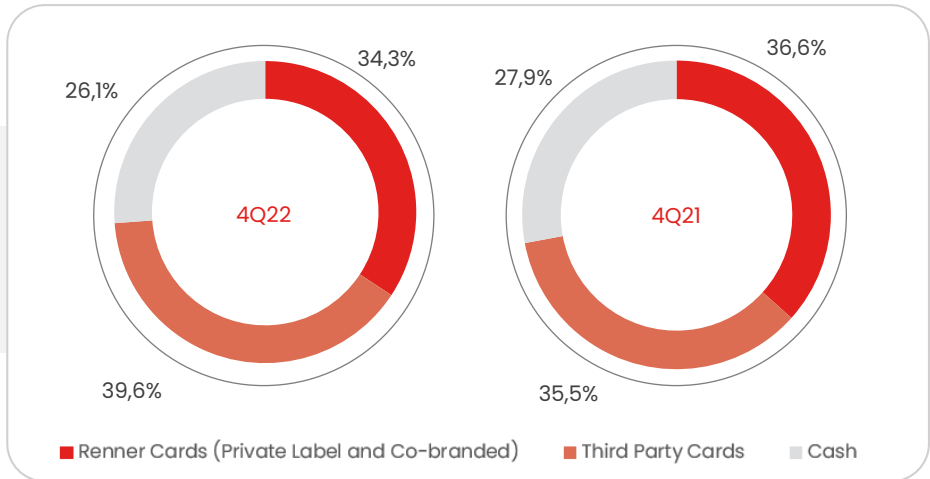
# Adjusted EBITDA from Retail (post IFRS 16)



- Adjusted EBITDA from the Retailing Operation reported growth over 4Q21, reflecting an increase in gross profit and a better net result for operating expenses.



# Payment Conditions



- In 4Q22, the Company recorded a total of 5.8 million active cards accounting for 34.3% of retail sales, a decrease of 2.3 p.p. The reduction versus 4Q21 is due mainly to more intense competitiveness in the credit segment.

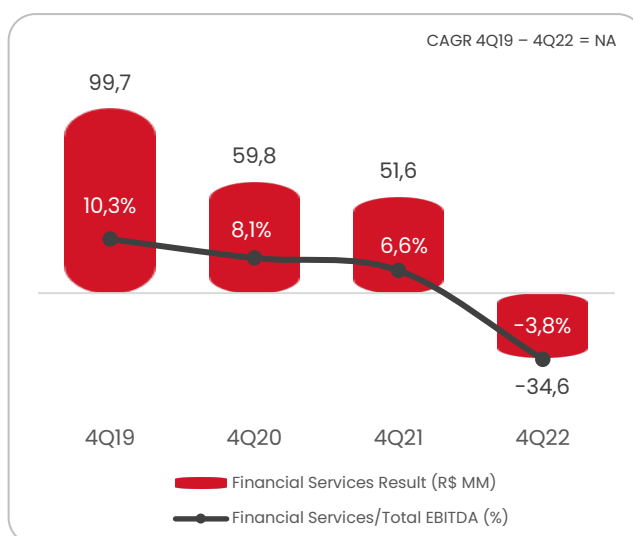


# Financial Services Result

(R\$ MM)

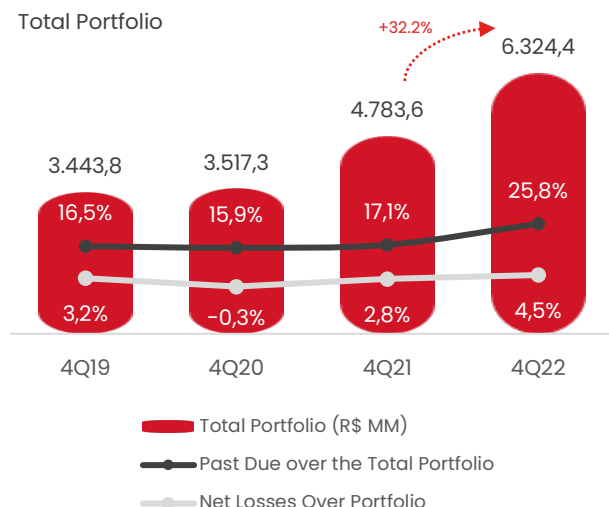
	4Q22	4Q21	Var.	2022	2021	Var.
<b>Revenues, net of cost of funding</b>	<b>427.5</b>	<b>301.6</b>	<b>41.7%</b>	<b>1,585.3</b>	<b>993.6</b>	<b>59.5%</b>
Renner Card	13.9	41.8	-66.7%	129.6	172.0	-24.7%
% portfolio Renner Card	1.4%	3.8%	-2.4p.p.	13.5%	15.6%	-2.1p.p.
Co-Branded Card	401.6	258.7	55.2%	1,437.9	820.3	75.3%
% portfolio Meu Cartão	7.5%	7.0%	0.5p.p.	26.8%	22.3%	4.5p.p.
Other operating revenues	11.9	1.1	NA	17.8	1.4	NA
<b>Credit losses, net of recoveries</b>	<b>(305.9)</b>	<b>(135.5)</b>	<b>125.7%</b>	<b>(991.7)</b>	<b>(339.8)</b>	<b>191.9%</b>
Renner Card	0.4	(17.2)	NA	(71.3)	(41.5)	71.9%
% portfolio Renner Card	0.0%	1.6%	-1.6p.p.	7.4%	3.8%	3.6p.p.
Co-Branded Card	(306.3)	(118.3)	158.8%	(920.4)	(298.3)	208.5%
% portfolio Meu Cartão	5.7%	3.2%	2.5p.p.	17.2%	8.1%	9.1p.p.
<b>Operating expenses</b>	<b>(156.2)</b>	<b>(114.6)</b>	<b>36.4%</b>	<b>(512.0)</b>	<b>(406.3)</b>	<b>26.0%</b>
% total portfolio	-2.5%	-2.4%	-0.1p.p.	-8.1%	-8.5%	0.4p.p.
<b>Financial services result</b>	<b>(34.6)</b>	<b>51.6</b>	<b>NA</b>	<b>81.5</b>	<b>247.6</b>	<b>-67.1%</b>
% total portfolio	-0.5%	1.1%	-1.6p.p.	1.3%	5.2%	-3.9p.p.
% Total Adjusted EBITDA (Post IFRS 16)	-3.8%	6.6%	-10.4p.p.	3.3%	14.4%	-11.1p.p.

- In the quarter, Revenues reported growth relative to 4Q21, due to a larger Meu Cartão portfolio although at levels below forecast. Lower overall consumption set a against a more challenging scenario, particularly during Black Friday and Christmas, had an impact on the evolution of the up-to-date portfolio.
- In addition, lower than expected origination also had an effect on revenue, reflecting a reduced customer base disposed to consume (without restrictions).
- In the case of the Renner Card, revenues fell due to factors mentioned above, lower selling volumes as well as expenses relating to discounts on renegotiation.
- Net Losses continued to be significantly impacted by a more difficult macroeconomic scenario with higher levels of household debt significant and resulting in greater provisioning for losses and credit recoveries below forecast.
- Again, during 4Q22, Realize CFI assigned credits from its written-off portfolio (maturities of more than 360 days), in the amount of R\$ 19.8 million. More details can be found in Explanatory Note 7.3.2.
- And finally, Operating Expenses remained practically stable in relation to the levels of the active portfolio.

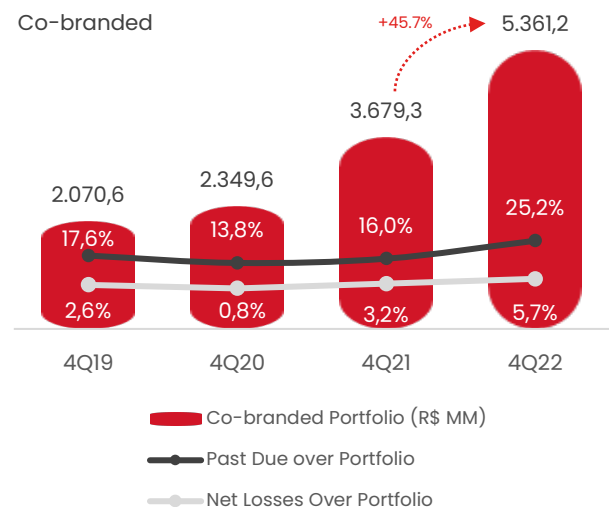


# Credit Portfolio

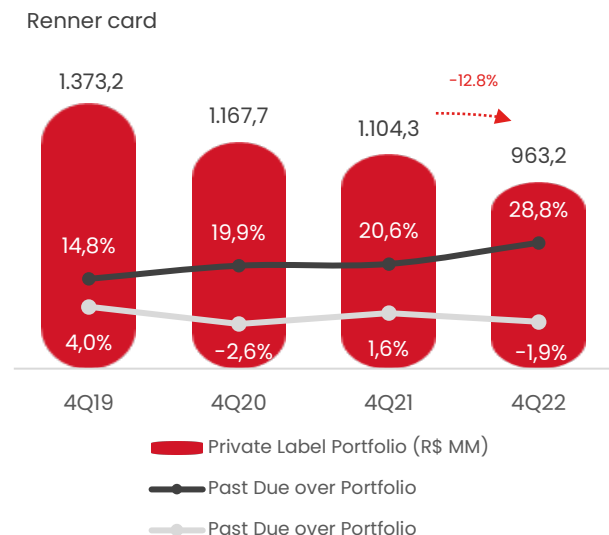
Total Portfolio



Co-branded



Renner card



- The total portfolio posted a growth in the quarter compared with the same quarter in 2021 of 32.2% basically due higher Meu Cartão transactional volumes. Analyzing only the up-to-date portfolio, growth was approximately 18%.
- Total overdues increased versus the preceding quarter, reflecting a scenario of market delinquency, a situation which continued to deteriorate. Past dues over 90 days remained steady in relation to 3Q22 as a proportion of the portfolio, largely a consequence of the evolution of volumes of new credits lower than expected.
- Worthy of note is that the new cohorts have proved to be of good quality albeit in reduced volumes.
- Lower on and off us consumption in the period, mentioned previously, in addition to a more conservative credit policy and a reduced client base disposed to consume (without restrictions), translated into less oxygenation of the portfolio.
- Higher net losses are a reflection of greater provisioning for the past due portfolio, guaranteeing the necessary coverage for possible credit losses as well as higher effective losses and lower levels of recoveries. Total portfolio coverage reached 17.8%, +5.6p.p. versus 4Q21 and +0.2p.p. more than 3Q22.





# Total Adjusted EBITDA (post IFRS 16)

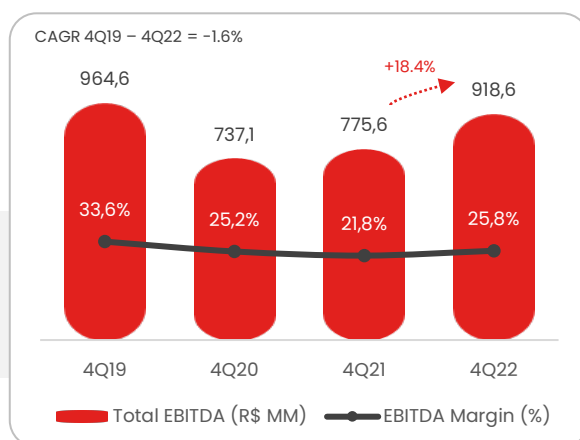
(R\$ MM)

	4Q22	4Q21	Var.	2022	2021	Var.
<b>Net Income for the Period</b>	<b>481.8</b>	<b>415.8</b>	<b>15.9%</b>	<b>1,291.7</b>	<b>633.1</b>	<b>104.0%</b>
Income Tax and Social Contribution	109.6	77.0	42.3%	92.6	6.7	>1000%
Financial Result, Net	36.5	26.2	39.5%	23.1	174.1	-86.7%
Depreciation and Amortization	256.6	237.0	8.3%	993.9	877.0	13.3%
<b>Total EBITDA</b>	<b>884.5</b>	<b>756.0</b>	<b>17.0%</b>	<b>2,401.3</b>	<b>1,691.0</b>	<b>42.0%</b>
Stock Option Plan	4.5	3.9	13.4%	21.8	15.4	42.0%
Statutory Participations	2.3	6.8	-66.2%	2.3	6.8	-66.2%
Result of Disposal or Write-off of Fixed Assets	27.4	8.9	206.8%	37.7	9.0	319.2%
<b>Total Adjusted EBITDA (Post IFRS 16)</b>	<b>918.6</b>	<b>775.6</b>	<b>18.4%</b>	<b>2,463.0</b>	<b>1,722.1</b>	<b>43.0%</b>

- Total Adjusted EBITDA reported growth in relation to the same period in 2021 due to an improvement in the Retailing segment.

Pursuant to Article 4. of CVM Instruction 527, the Company has opted to show the Adjusted EBITDA as in the above table in order to provide information which best reflects gross operational cash generation from its activities.

Total Adjusted EBITDA (post-IFRS 16) without depreciation and financial expenses of leasing operations.



## Net Financial Result

(R\$ MM)

	4Q22	4Q21	Var.	2022	2021	Var.
<b>Financial Revenue</b>	<b>109.5</b>	<b>102.0</b>	<b>7.4%</b>	<b>559.1</b>	<b>223.0</b>	<b>150.7%</b>
Income from cash equivalents and financial investments	99.2	93.5	6.1%	488.9	196.2	149.2%
Selic interest on tax credits	10.3	8.5	21.2%	70.2	26.8	161.9%
<b>Financial Expenses</b>	<b>(125.0)</b>	<b>(125.0)</b>	<b>0.0%</b>	<b>(543.1)</b>	<b>(371.7)</b>	<b>46.1%</b>
Interest on loans, financing and debentures	(63.2)	(68.5)	-7.7%	(316.0)	(169.9)	86.0%
Interest on leasing	(61.8)	(56.5)	9.4%	(227.1)	(201.8)	12.5%
<b>Foreign exchange and monetary restatement liabilities, Net</b>	<b>(28.1)</b>	<b>6.6</b>	<b>NA</b>	<b>(42.4)</b>	<b>(5.0)</b>	<b>748.0%</b>
<b>Other revenues and expenses, Net</b>	<b>7.1</b>	<b>(9.8)</b>	<b>NA</b>	<b>3.3</b>	<b>(20.4)</b>	<b>NA</b>
<b>Financial Result, Net</b>	<b>(36.5)</b>	<b>(26.2)</b>	<b>-39.3%</b>	<b>(23.1)</b>	<b>(174.1)</b>	<b>86.7%</b>

- The Net Financial Result was R\$ 36.5 million negative versus R\$ 26.2 million, also negative in 4Q21, the main reason for which being the effects of monetary restatement, assets and liabilities, mainly related to the effects of inflation on the Financial Statements of the Argentine subsidiary.

# Free Cash Flow

(R\$ MM)	4Q22	4Q21	Var.	2022	2021	Var.
<b>Total Adjusted EBITDA (post-IFRS 16)</b>	<b>918.6</b>	<b>775.6</b>	<b>143.0</b>	<b>2,463.0</b>	<b>1,722.1</b>	<b>741.0</b>
(+/-) Income and Social Contribution Taxes/ Financial Revenues	85.0	71.3	13.7	405.0	125.0	280.0
<b>Operating Cash Flow</b>	<b>1,003.6</b>	<b>846.9</b>	<b>156.8</b>	<b>2,868.0</b>	<b>1,847.1</b>	<b>1,021.0</b>
<b>(+/-) Variation in Working Capital</b>	<b>(263.5)</b>	<b>(462.1)</b>	<b>198.6</b>	<b>(1,481.2)</b>	<b>(1,083.5)</b>	<b>(397.8)</b>
Accounts Receivable	(1,035.2)	(1,529.1)	493.9	(1,112.0)	(1,601.2)	489.3
Obligations with Card Administrators	320.4	399.7	(79.3)	629.8	641.7	(11.9)
Inventory	210.1	86.5	123.6	(227.4)	(227.9)	0.5
Suppliers	250.2	265.9	(15.6)	(5.6)	195.3	(200.9)
Taxes	209.3	303.9	(94.6)	133.0	225.3	(92.3)
Other Accounts Receivable/Payable	(218.4)	11.0	(229.3)	(899.0)	(316.7)	(582.4)
<b>(-) Capex</b>	<b>(430.4)</b>	<b>(252.8)</b>	<b>(177.6)</b>	<b>(1,105.3)</b>	<b>(934.0)</b>	<b>(171.3)</b>
<b>(-) Investments in subsidiaries</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>(98.8)</b>	<b>(96.3)</b>	<b>(2.5)</b>
<b>(=) Free Cash Flow</b>	<b>309.7</b>	<b>131.9</b>	<b>177.8</b>	<b>182.8</b>	<b>(266.6)</b>	<b>449.4</b>

- Better free cash flow generation in 4Q22 versus 2021 is due largely to greater operating cash generation. During the period there was also an important allocation of Capex, more than compensating for the reduced working capital requirements in the period in the light of lower sales volume, benefiting the Accounts Receivable line.

# (Cash) Net Debt

(R\$ MM)	12/31/2022	12/31/2021
<b>Loans and Financing</b>	<b>1,169.1</b>	<b>2,664.5</b>
Current	122.8	1,610.5
Non-current	1,046.3	1,054.0
<b>Financing of Credit Operations to the Customer</b>	<b>1,236.2</b>	<b>802.6</b>
Current	581.4	475.5
Non-current	654.9	327.1
<b>Gross Debt</b>	<b>2,405.4</b>	<b>3,467.1</b>
<b>Cash and Cash Equivalents and Financial Investments</b>	<b>(3,503.5)</b>	<b>(5,947.5)</b>
<b>Net (Cash) Debt</b>	<b>(1,098.1)</b>	<b>(2,480.4)</b>
Net (Cash) Debt/Total Adjusted EBITDA (post-IFRS 16) (LTM)	-0.45x	-1.44x
(Net (Cash) Debt/Total Adjusted EBITDA (ex- IFRS 16) (LTM)	-0.63x	-2.24x

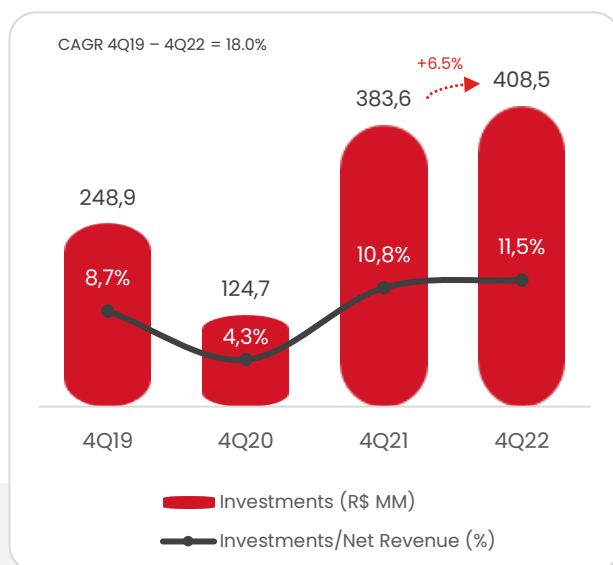
- On December 31, 2022, and 2021, the Company reported Net Cash, mainly due to the issuance of 102 million of new shares in 2Q21. The public offering was settled on May 4, 2021, and the resources are being used in the development of the fashion and lifestyle ecosystem, in accelerating the digital transformation as well as the expansion of the bricks-and-mortar stores. In relation to the same period of 2021, cash was consumed to execute the share buyback program and for the payment of Interest on shareholders' equity (ISE) approved during the course of 2022.



# Investments

(R\$ MM)	4Q22	4Q21	2022	2021
New stores	53.2	14.7	222.3	173.2
Remodeling of installations and others	86.5	36.3	178.8	91.2
IT equipment and systems	205.1	157.8	464.6	334.7
Distribution centers and others	63.8	174.8	129.4	489.0
<b>Total investments</b>	<b>408.5</b>	<b>383.6</b>	<b>995.1</b>	<b>1,088.1</b>

- In 4Q22, investments were higher in relation to 4Q21, basically a reflection of the acceleration in the Company's physical expansion plan and the remodeling of stores as well as the continuing investment in IT for developing the fashion and lifestyle ecosystem.
- Depreciation and Amortization with respect to fixed and intangible assets totaled R\$ 134.1 million in the quarter, 14.3% greater compared with 4Q21, mainly due to the increase in assets relative to IT systems and the continued implementation of the store expansion plan. Additionally, the Depreciation of the Right of Use (IFRS 16) assets totaled R\$ 122.5 million, an increase of 2.3% due to the larger number of stores in operation.



## BREAKDOWN BY BUSINESS

	Stores	4Q22	4Q21	Var.	2022	2021	Var.
<b>RENNER</b>	Number of Stores	435	413	22	435	413	22
	Store Openings, net	8	1	N/A	22	20	N/A
	Sales Area (000 m²)	734.8	713.8	3.0%	734.8	713.8	3.0%
<b>CMICADO</b>	Number of Stores	123	119	4	123	119	4
	Store Openings, net	0	0	N/A	4	6	N/A
	Sales Area (000 m²)	51.6	49.8	3.7%	51.6	49.8	3.7%
<b>YOUCOM</b>	Number of Stores	114	104	10	114	104	10
	Store Openings, net	1	0	N/A	10	4	N/A
	Sales Area (000 m²)	19.6	17.7	10.8%	19.6	17.7	10.8%

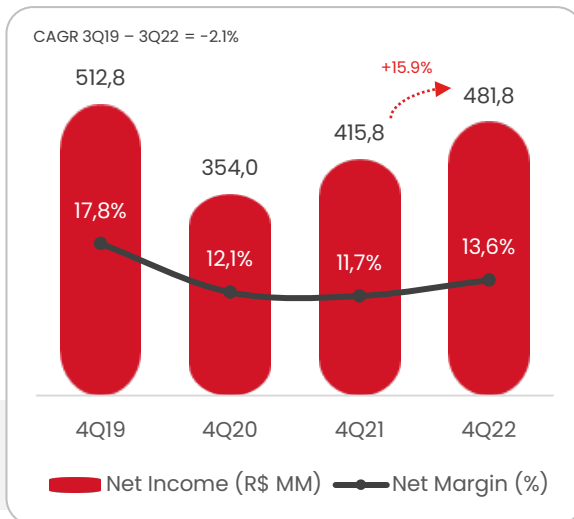
### Notes

The Ashua units are consolidated in the Renner brand.

Considers only sales area and excluding areas dedicated to inventory, backrooms and back office.

# Net Income and Corporate Actions

- Net Income for the quarter reported a year-on-year increase due to improved operational cash generation from the retailing segment despite a higher effective rate of Income Tax and Social Contribution and a lower net financial result.
- In 4Q22, Lojas Renner credited dividends to its shareholders in the form of Interest on Shareholders Equity (ISE) of R\$ 178.6 million, corresponding to R\$ 0.184049 per share, based on 970,384,841 common shares, from which treasury stock is excluded. The payment of ISE for 4Q22 was made as from January 6, 2023.





# Total Adjusted EBITDA (pre-IFRS 16)

(R\$ MM)

	4Q22	4Q21	Var.	2022	2021	Var.
<b>Net Income in the Period</b>	<b>481.8</b>	<b>415.8</b>	<b>15.9%</b>	<b>1,291.7</b>	<b>633.1</b>	<b>104.0%</b>
Income Tax and Social Contribution	109,6	77,0	42,3%	92,6	6,7	>1000%
Financial Result, Net	36.5	26.2	39.5%	23.1	174.1	-86.7%
Depreciation and amortization	256.6	237.0	8.3%	993.9	877.0	13.3%
<b>Total EBITDA</b>	<b>884.5</b>	<b>756.0</b>	<b>17.0%</b>	<b>2,401.3</b>	<b>1,691.0</b>	<b>42.0%</b>
Stock Option Plan	4.5	3.9	13.4%	21.8	15.4	42.0%
Statutory Participations	2.3	6.8	-66.2%	2.3	6.8	-66.2%
Result of Disposal or Write-off of Fixed Asset	27.4	8.9	206.8%	37.7	9.0	319.2%
<b>Total Adjusted EBITDA (post-IFRS 16)</b>	<b>918.6</b>	<b>775.6</b>	<b>18.4%</b>	<b>2,463.0</b>	<b>1,722.1</b>	<b>43.0%</b>
<i>Total Adjusted EBITDA Margin (post-IFRS 16)</i>	<i>25.8%</i>	<i>21.8%</i>	<i>4.0p.p.</i>	<i>21.3%</i>	<i>18.0%</i>	<i>3.3p.p.</i>
Depreciation on Leasing (IFRS 16)	(122.5)	(119.7)	2.3%	(494.5)	(419.4)	17.9%
Financial Expenses on Leasing (IFRS 16)	(61.9)	(56.5)	9.4%	(227.1)	(201.8)	12.5%
Other adjustments	2.9	3.2	-9.8%	11.4	7.5	51.4%
<b>Total Adjusted EBITDA (ex-IFRS 16)</b>	<b>737.2</b>	<b>602.5</b>	<b>22.3%</b>	<b>1,752.9</b>	<b>1,108.4</b>	<b>58.2%</b>
<i>Total Adjusted EBITDA Margin (ex-IFRS 16)</i>	<i>20.7%</i>	<i>16.9%</i>	<i>3.8p.p.</i>	<i>15.1%</i>	<i>11.6%</i>	<i>3.5p.p.</i>

# Consolidated Income Statement

R\$000s

	4Q22	4Q21	Var	2022	2021	Var
<b>Net Operating Revenue</b>	<b>4,014,144</b>	<b>3,871,590</b>	<b>3.7%</b>	<b>13,271,137</b>	<b>10,571,566</b>	<b>25.5%</b>
Net Revenue from Retailing	3,539,457	3,556,539	-0.5%	11,529,896	9,547,440	20.8%
Net Revenue from Financial Services	474,687	315,051	50.7%	1,741,241	1,024,126	70.0%
<b>Cost of Sales and Services</b>	<b>(1,605,094)</b>	<b>(1,610,198)</b>	<b>-0.3%</b>	<b>(5,286,322)</b>	<b>(4,399,178)</b>	<b>20.2%</b>
Cost of Retailing	(1,564,567)	(1,599,088)	-2.2%	(5,156,589)	(4,374,886)	17.9%
Cost of Financial Services	(40,527)	(11,110)	264.8%	(129,733)	(24,292)	434.1%
<b>Gross Profit</b>	<b>2,409,050</b>	<b>2,261,392</b>	<b>6.5%</b>	<b>7,984,815</b>	<b>6,172,388</b>	<b>29.4%</b>
<b>Operating Expenses</b>	<b>(1,781,126)</b>	<b>(1,742,422)</b>	<b>2.2%</b>	<b>(6,577,414)</b>	<b>(5,358,434)</b>	<b>22.7%</b>
Sales	(794,501)	(776,488)	2.3%	(2,829,435)	(2,545,112)	11.2%
General and Administrative	(337,320)	(299,809)	12.5%	(1,295,836)	(984,659)	31.6%
Depreciation and Amortization	(256,589)	(237,007)	8.3%	(993,850)	(877,017)	13.3%
Losses on Receivables, Net	(305,880)	(135,497)	125.7%	(991,743)	(339,801)	191.9%
Other Operating Results	(86,836)	(293,621)	-70.4%	(466,550)	(611,845)	-23.7%
<b>Operating Profit before Financial Result</b>	<b>627,924</b>	<b>518,970</b>	<b>21.0%</b>	<b>1,407,401</b>	<b>813,954</b>	<b>72.9%</b>
Financial Result, Net	(36,498)	(26,155)	-39.5%	(23,116)	(174,091)	86.7%
Income Tax and Social Contribution	(109,603)	(77,019)	42.3%	(92,581)	(6,741)	NA
<b>Net Income for the Period</b>	<b>481,823</b>	<b>415,796</b>	<b>15.9%</b>	<b>1,291,704</b>	<b>633,122</b>	<b>104.0%</b>
Earnings per share - R\$	0.4861	0.4205	15.6%	1.3031	0.6624	96.7%
Number of shares outstanding at the end of the period (000s)	991,227	988,779		991,227	988,779	

# Consolidated Balance Sheets

R\$ 000s

12/31/2022

12/31/2021

<b>TOTAL ASSETS</b>	<b>21,148,892</b>	<b>21,411,985</b>
<b>Current Assets</b>	<b>13,053,770</b>	<b>13,984,780</b>
Cash and Cash Equivalents	2,848,351	5,489,417
Financial Investments	655,131	458,085
Trade Accounts Receivable	6,524,832	5,412,881
Inventories	1,836,947	1,609,560
Recoverable Taxes	1,003,849	849,389
Financial Derivatives	8,204	24,364
Other Assets	176,456	141,084
<b>Non-Current Assets</b>	<b>8,095,122</b>	<b>7,427,205</b>
Recoverable Taxes	234,726	551,243
Deferred Income Tax and Social Contribution	555,595	457,537
Other Assets	225,345	125,738
Fixed Assets	2,830,784	2,650,859
Right of Use Assets	2,609,505	2,434,188
Intangible	1,639,167	1,207,640
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>21,148,892</b>	<b>21,411,985</b>
<b>Current Liabilities</b>	<b>7,005,579</b>	<b>7,954,100</b>
Loans, Financing and Debentures	122,824	1,610,452
Financing – Financial Services Operations	581,351	475,522
Financial Leases Payable	719,829	666,100
Suppliers	1,624,082	1,707,489
Suppliers – Forfait	78,848	54,744
Obligations with Credit Card Administrators	2,464,968	1,835,143
Fiscal Obligations	566,891	516,678
Social and Labor Obligations	305,062	460,373
Statutory Obligations	160,966	353,522
Provision for Risks	85,079	66,613
Financial Derivatives	6,940	315
Other Obligations	288,739	207,149
<b>Non-Current Liabilities</b>	<b>4,055,798</b>	<b>3,651,264</b>
Loans, Financing and Debentures	1,046,319	1,054,027
Financing – Financial Services Operations	654,881	327,101
Financial Leases Payable	2,190,081	1,994,936
Deferred Income Tax and Social Contribution	3,618	3,392
Suppliers	17,304	58,992
Provision for Risks	49,245	86,122
Other Obligations	94,350	126,694
<b>Shareholders' Equity</b>	<b>10,087,515</b>	<b>9,806,621</b>
Capital Stock	9,022,277	8,978,349
Treasury Stock	(552,812)	(108,620)
Capital Reserves	119,375	85,966
Profit Reserves	1,382,939	739,901
Other Comprehensive Income	115,736	111,025

# Consolidated Cash Flows

R\$ 000s

4Q22

4Q21

2022

2021

## Cash flows from operating activities

<b>Profit for the period</b>	<b>481,823</b>	<b>415,786</b>	<b>1,291,704</b>	<b>633,112</b>
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## Adjustments to reconcile net income with cash and cash equivalents generated by operational activity:

Depreciation and amortization	268,788	247,968	1,041,025	916,070
Interest and costs of structuring loans, financing and leasing	169,961	140,786	700,366	428,371
Income tax and social contribution	109,603	77,019	92,581	6,741
(Reversals) Estimated losses on assets, net	174,840	93,137	578,538	33,022
Exclusion of ICMS from the PIS and COFINS calculation base	-	(1,443)	-	-
Discounts – leases payable	-	(21,592)	(25,905)	(117,622)
Other adjustments to net income	59,492	34,472	186,878	81,164

<b>Other net income adjustments</b>	<b>1,264,507</b>	<b>986,133</b>	<b>3,865,187</b>	<b>1,980,858</b>
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## (Increase) Reduction in Assets

Trade accounts receivable	(1,205,779)	(1,648,983)	(1,688,112)	(1,659,394)
Inventory	193,578	93,586	(260,432)	(218,537)
Taxes recoverable	(34,008)	62,758	97,317	222,723
Other assets	(217)	397	(215,207)	(186,154)

## Increase (Decrease) in Liabilities

Suppliers	232,015	255,056	(55,968)	175,929
Obligations – forfait	-	-	24,104	(3,918)
Obligations with card issuers	320,428	399,816	629,825	641,975
Fiscal obligations	222,276	235,203	(18,521)	(14,382)
Other obligations	(40,042)	165,384	(138,604)	367,130
Income tax and social contribution payment	(1,270)	(22,470)	(114,987)	(72,223)
Interest paid on loans, financing and debentures	(92,931)	(46,781)	(391,319)	(165,666)

<b>Net cash used (applied) in operating activities before financial investments</b>	<b>858,557</b>	<b>480,099</b>	<b>1,733,283</b>	<b>1,068,341</b>
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Financial Investments	(189,023)	56,109	(197,046)	147,487
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<b>Net cash used (applied) in operating activities</b>	<b>669,534</b>	<b>536,208</b>	<b>1,536,237</b>	<b>1,215,828</b>
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## Cash flow from investment activities

Purchases of fixed and intangible assets	(430,400)	(252,770)	(1,105,271)	(933,963)
Proceeds from disposal of fixed assets	-	-	-	-
Capital paid-up in subsidiaries and acquisition of subsidiaries, net of cash acquired	-	-	(85,215)	(96,271)

<b>Net cash used from Investing activities</b>	<b>(430,400)</b>	<b>(252,770)</b>	<b>(1,190,486)</b>	<b>(1,030,234)</b>
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## Cash flows from financing activities

Capital increase net of issuance costs	20,889	4,319	43,928	3,916,730
Share buy-back	-	-	(453,943)	-
Borrowings and debentures amortization	(1,012,772)	63,584	(1,123,517)	37,024
Lease installment payable	(184,596)	(138,206)	(686,384)	(471,918)
Interest on equity and dividends paid	(150,293)	-	(764,480)	(243,846)

<b>Net cash (applied) generated by financing activities</b>	<b>(1,326,772)</b>	<b>(70,303)</b>	<b>(2,984,396)</b>	<b>3,237,990</b>
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<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4,219)</b>	<b>(243)</b>	<b>(2,421)</b>	<b>(948)</b>
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<b>Variation in cash and cash equivalents</b>	<b>(1,091,857)</b>	<b>212,892</b>	<b>(2,641,066)</b>	<b>3,422,636</b>
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Cash and cash equivalents at the beginning of the period	3,940,208	5,276,525	5,489,417	2,066,781
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<b>Cash and cash equivalents at the end of the period</b>	<b>2,848,351</b>	<b>5,489,417</b>	<b>2,848,351</b>	<b>5,489,417</b>
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# About Lojas Renner S.A.

The Company was incorporated in 1965 and has been listed since 1967. A pure, widely-held company since 2005 with a 100% free float, Lojas Renner was considered the first Brazilian corporation. Renner's equities are traded on B3 under the LREN3 symbol, on the Novo Mercado, the highest level of Corporate Governance and through an ADR program on the US OTC market under the LRENY symbol. On December 31, 2022, the closing price of the LREN3 share was R\$ 20.48, the Company reporting a market capitalization of R\$ 20.3 billion.

Lojas Renner is the largest omni retailer specialized in fashion and lifestyle in Brazil, on December 31, 2022 its ecosystem incorporating 435 Renner stores (including 10 stores in Uruguay, 4 in Argentina and 13 stores under the Ashua name), 123 Camicado and 114 Youcom units in addition to their online platforms.

Renner designs and sells quality apparel, footwear and underwear for women, men and children under 20 private labels in Lifestyle concepts, each one reflecting a style of being and dressing. In addition, Renner also has its own brands of accessories and cosmetics as well as offering specific items bearing third party labels.

In 2011, Renner acquired Camicado, a company in the Home & Decor segment and in 2013, launched Youcom, a youth fashion and lifestyle brand. The Company also owns Realize CFI, a financial institution which supports Renner's retail business through the management of the financial services offered. In 2021, Renner acquired Repassa, a fashion resale startup, aligned to the construction of its fashion and lifestyle ecosystem. In 2022, Uello, a native digital logtech startup, was acquired. Founded in 2017, Uello focuses on the optimization of corporate deliveries through partners and hubs.

The target customers of Renner and Camicado are women between the ages of 18 and 39 who are in the medium-high consumption groups in Brazil. Conversely, Youcom caters for the average income consumer but between the ages of 18 and 35.

Lojas Renner proposes to deliver the best omni experience in fashion with different styles, enchanting our customers with quality products and services at competitive prices, always innovating in a sustainable manner.

## Investor Relations and Corporate Governance

**CFO AND IRO – DANIEL MARTINS DOS SANTOS**

### **INVESTOR RELATIONS**

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Carla Sffair  
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### **CORPORATE GOVERNANCE**

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[acionistas@lojasrenner.com.br](mailto:acionistas@lojasrenner.com.br)

Diva Freire  
Eric Schweitzer  
Bruna Miranda



# Glossary

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

3P (third-party seller): 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 Rate of Annual Growth.

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-BRAND CUSTOMER: Customer who buys from more than one brand of the ecosystem.

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.

GUIDE SHOP: The guide shop model is a bricks-and-mortar commercial establishment with a display case, but with no stock (or with a small stock), in which consumers choose and try products, purchase them using totems or tablets, and receive the products at home.

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: Program for rewarding customers and encouraging repeat business.

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 the 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 profundness 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.



LOJAS RENNER S.A.

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