



Earnings release

2Q24

Earnings Call

Date: 08/08/2024 (Portuguese/English)

Brasília: 11am | New York: 10am | London: 3pm

webcast: ri.cea.com.br



CEAB
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IGC B3
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Key Highlights

2Q24

Apparel net revenue grows 13.1% in 2Q24 and Adjusted EBITDA reaches R\$359.5 million, 28.8% higher than 2Q23

Apparel same store sales increased by **13%** in 2Q24

Apparel gross margin was **57.7%**, **1.3 pp** higher than 2Q23

Post-IFRS16 adjusted **EBITDA margin expanded** by **2.6 pp** to **19.6%**

Operational expenses² had a **slight reduction of 0.2 pp** as a % of net revenue vs 2Q23

Adjusted net income totaled R\$58.1 million, an important growth vs same period last year

Leverage decreased to 1.4x in 2Q24 from 3.8x in 2Q23⁵

KPI's (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Consolidated net revenue	1,831.6	1,643.0	11.5%	3,284.6	2,883.5	13.9%
Apparel net revenue	1,528.6	1,351.0	13.1%	2,709.3	2,317.0	16.9%
Same store sales - apparel (SSS) ¹ (%)	13.0%	0.7%	12.3 p.p.	16.7%	2.2%	14.5 p.p.
Same store sales - merchandise (SSS) ¹ (%)	10.1%	-2.2%	12.3 p.p.	12.2%	-0.7%	12.9 p.p.
Consolidated gross profit	1,025.8	879.3	16.7%	1,796.2	1,503.9	19.4%
Consolidated gross margin (%)	56.0%	53.5%	2.5 p.p.	54.7%	52.2%	2.5 p.p.
Apparel gross margin (%)	57.7%	56.4%	1.3 p.p.	56.1%	55.0%	1.1 p.p.
Gross merchandise margin (%)	54.4%	52.0%	2.4 p.p.	52.8%	50.3%	2.4 p.p.
Operating expenses ²	(607.4)	(548.7)	10.7%	(1,173.1)	(1,053.5)	11.4%
Adjusted EBITDA ³ (post-IFRS16)	359.5	279.0	28.8%	540.0	359.2	50.4%
Adjusted EBITDA margin (post-IFRS16) (%)	19.6%	17.0%	2.6 p.p.	16.4%	12.5%	4.0 p.p.
Net income (loss)	83.9	4.2	1884.4%	154.7	(122.1)	-
Adjusted net income (loss) ⁴	58.1	3.2	1701.1%	(3.2)	(124.5)	-97.4%
Investments	57.2	55.7	2.7%	90.9	105.5	-13.8%

(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes e-commerce and all types of sales and deliveries (100% online, direct sales, ship-from-store, and click-and pick-up).

(2) For analysis purposes, considers sales, general and administrative expenses only.

(3 & 4) Adjustments include: (i) other net operating revenue (expenses), (ii) trade financial revenue, (iii) recovery of tax credits and (iv) long-term incentives for employees.

(5) Includes commitment with Bradescard



Message from Management

In 2Q24, we consistently delivered solid operational performance, with a 13.1% increase in Apparel sales, driven primarily by volume. We achieved gross margin expansion for the 10th consecutive quarter, which, combined with the dilution of operating expenses, resulted in significant growth in both EBITDA and net income.

This quarter, despite higher-than-average temperatures for this time of year, we were able to quickly react and effectively adapted to consumer demand for year-round or mid-season products. We swiftly adjusted our supply chain, allocation and distribution systems, visual merchandising strategy, and store operations. Additionally, we modified our Mother's Day and the Brazilian Valentine's Day commercial campaigns to better align with customer preferences. As a result, these campaigns saw double-digit sales growth. The responsiveness of our supply chain, coupled with the agility and creativity of our commercial teams and solid operational execution, were key factors for this result. During this period, we observed an expansion of our customer base, improvements in NPS indicators, and increased conversion rates, indicating the consistency of the Company's operational performance.

We made progress in executing the C&A Energy Strategy, focusing on three priorities: Product, Omni Journey, and Customer Relationship Management. Various initiatives entered the rollout phase after testing in both physical and online stores. Highlights of the period include the revamping of our jeans section, which showed strong commercial performance in pilot stores, and the Dispersão Project, with the launch of wave 1, featuring customized actions in 25 stores aimed at increasing sales per square meter. Another significant advancement was strengthening our team with new leadership in the areas of Commercial Planning and E-commerce.

C&A Pay, our 100% digital credit and payment instrument, reached six million digital cards issued. This proprietary tool stands out for its flexible technological platform, designed to provide a seamless and frictionless credit and payment experience. The increasing penetration of C&A Pay in sales is in line with the original plan and continues to be supported by a robust credit granting and recovery governance structure.

This quarter, we continued the process of deleveraging the Company with a net debt amortization of R\$422 million, achieving a total net debt to EBITDA ratio of 1.4 times. We maintained strong financial discipline in capital allocation, reducing the cash conversion cycle and prioritizing Capex investments.

On the ESG front, we achieved the recertification of Cradle to Cradle Gold level (C2C). C&A is the first fashion retailer in Brazil to offer pieces with this certification. In May, we launched the new collection Cycles, certified C2C, ensuring a responsible production process from cotton cultivation, through water resource management in the production chain, to the recycling process of fashion products.

For the second half of 2024, we believe there are growth opportunities with the transition to the spring-summer collection, featuring updated and versatile fashion products, and by capturing the initial benefits of the C&A Energy Strategy.

C&A Modas S.A. Management



Financial Performance

Net revenue

In 2Q24, consolidated net revenue reached R\$1,831.6 million, up by 11.5% yoy. Merchandise net revenue was R\$1,705.5 million, a 10.1% increase and representing 93% of consolidated revenue. Retail financial services revenue grew by 33.6% over 2Q23, to R\$117.6 million.

Net revenue (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Apparel	1,528.6	1,351.0	13.1%	2,709.3	2,317.0	16.9%
Electronics and Beauty	176.9	198.3	-10.8%	327.4	389.5	-15.9%
Merchandise net revenue	1,705.5	1,549.3	10.1%	3,036.7	2,706.6	12.2%
Other revenues	8.5	5.7	50.7%	16.4	9.8	67.8%
Financial services revenues	117.6	88.0	33.6%	231.4	167.1	38.5%
Consolidated net revenue	1,831.6	1,643.0	11.5%	3,284.6	2,883.5	13.9%
Same store sales performance ¹ (%)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Apparel	13.0%	0.7%	12.3 p.p.	16.7%	2.2%	14.5 p.p.
Electronics and Beauty	-9.6%	-17.9%	8.3 p.p.	-15.1%	-15.0%	-0.1 p.p.
Same store sales - merchandise (SSS)¹ (%)	10.1%	-2.2%	12.3 p.p.	12.2%	-0.7%	12.9 p.p.

(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes e-commerce and all types of sales and deliveries (100% online, direct sales, ship-from-store, and click-and pick-up).

Apparel

Apparel net revenue reached R\$1,528.6 million, an increase of 13.1% compared to 2Q23. Same-store sales (SSS) also showed solid growth of 13%. Additionally, the Company continued to see accelerated sales performance in high-end and concept stores.

During the quarter, the temperatures were atypical for the period, resulting in very mild winter. However, C&A demonstrated strong agility in adjusting its product assortment and its visual merchandising strategy, as well as store operations and customer communication, ensuring that customers would find the products they were looking for.

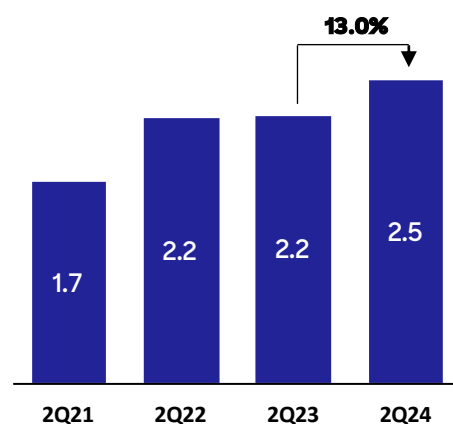
Therefore, despite unfavorable weather conditions compared to commercial planning, the Company showed resilience in the performance of all its divisions, with Women's division recording an 18% increase in sales compared to 2Q23, mainly driven by year-round products.

Additionally, greater efficiency generated by operational processes, such as Push & Pull and dynamic pricing, continued to produce significant results and contributed to the performance in the quarter.

+13.1%

increase in Apparel net revenue over 2Q23

Net revenue per square meter (R\$ 000)



Electronics and Beauty

As a result of closing 128 Electronics sales kiosks in the first half of the year, net revenue from the category decreased 26% in relation to same period last year.

The Beauty products category, launched at the end of 2019, achieved substantial revenue growth of 59% compared to 2Q23, partially offsetting the decline in electronics.

Overall, these categories totaled a net revenue of R\$176.9 million in 2Q24, a decrease of 10.8% compared to 2Q23.

Merchandise net revenue

Merchandise net revenue was 10.1% higher than in 2Q23, totaling R\$1,705.5 million. The decline in electronics sales was more than offset by the growth in Apparel and Beauty product sales.

Merchandise Same-store sales (SSS) increased by 10.1% in 2Q24 compared to 2Q23.

Other revenue

The line item "Other Revenue" increased by 50.7% in 2Q24, reaching R\$8.5 million. This growth was mainly driven by shipping fees from e-commerce sales, insurance, and mobile credit top-ups, among other sources.

Retail financial services

Net revenue from retail financial services in the quarter, excluding the commission fee that C&A Pay receives from C&A Modas, was R\$117.6 million, a 33.6% increase, primarily due to the growth of the C&A Pay operation, which accounted for 88% of the total retail financial services revenue and 26.9% of retail sales in the quarter.

Site & App

Site & App (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Net revenue (site + app)	88.5	76.8	15.1%	156.3	130.5	19.8%
Net revenue (site + app) / merchandise net revenue (%)	5.2%	5.0%	0.2 p.p.	5.1%	4.8%	0.3 p.p.

Since 1Q24, to simplify and clarify its results, the Company has classified as online only those sales through its website or app.

Therefore, in 2Q24, net revenue from sales via the C&A app and website grew by 15.1% compared to 2Q23, reaching R\$88.5 million, with Apparel sales standing out, increasing by 35% in the period.

As part of the C&A Energy strategy, the review of the Omni Journey is a priority. As a result, the refactoring of the App and improvements to the digital platform infrastructure have begun, along with the hiring of a new director to lead the operation.

Gross profit & gross margin

Gross profit & gross margin (R\$ Million & %)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Apparel	882.1	762.5	15.7%	1,520.6	1,275.3	19.2%
<i>Gross margin (%)</i>	<i>57.7%</i>	<i>56.4%</i>	<i>1.3 p.p.</i>	<i>56.1%</i>	<i>55.0%</i>	<i>1.1 p.p.</i>
Electronics and Beauty	45.9	43.1	6.5%	81.5	86.7	-5.9%
<i>Gross margin (%)</i>	<i>26.0%</i>	<i>21.7%</i>	<i>4.2 p.p.</i>	<i>24.9%</i>	<i>22.2%</i>	<i>2.7 p.p.</i>
Merchandise gross profit	928.1	805.6	15.2%	1,602.2	1,362.0	17.6%
<i>Merchandise gross margin (%)</i>	<i>54.4%</i>	<i>52.0%</i>	<i>2.4 p.p.</i>	<i>52.8%</i>	<i>50.3%</i>	<i>2.4 p.p.</i>
Other	(19.7)	(14.0)	40.3%	(37.2)	(24.7)	50.6%
Financial services	117.4	87.7	33.8%	231.1	166.6	38.8%
Consolidated gross profit	1,025.8	879.3	16.7%	1,796.2	1,503.9	19.4%
<i>Consolidated gross margin (%)</i>	<i>56.0%</i>	<i>53.5%</i>	<i>2.5 p.p.</i>	<i>54.7%</i>	<i>52.2%</i>	<i>2.5 p.p.</i>

In 2Q24, **Apparel** gross profit was R\$ 882.1 million, a 15.7% increase compared to 2Q23, with gross margin expanding by 1.3 pp, reaching 57.7%. This result is due to the company's ability to react and adapt quickly to consumer demand for year-round or mid-season products, price adjustments through dynamic pricing, and a higher volume of full-price sales during the period, particularly for year-round products.

In the **Electronics and Beauty** categories, gross profit totaled R\$45.9 million, a 6.5% increase compared to 2Q23. Gross margin for these categories rose by 4.2 pp, to 26%.

As a result, **Merchandise gross profit** was R\$928.1 million, with gross margin expanding by 2.4 pp to 54.4%. **Consolidated gross profit** was R\$1,025.8 million, a 16.7% increase compared to 2Q23, with a consolidated gross margin of 56%, expanding by 2.5 pp during the period.

C&A's performance in Apparel and the lower contribution of Electronics sales during the quarter contributed to this improvement.

+2.4 pp
in merchandise gross margin vs 2Q23

Operating expenses

Operating expenses (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Selling expenses	(462.0)	(413.8)	11.6%	(885.7)	(807.1)	9.7%
General and administrative expenses	(145.4)	(134.9)	7.8%	(287.4)	(246.4)	16.7%
Operating expenses¹	(607.4)	(548.7)	10.7%	(1,173.1)	(1,053.5)	11.4%
Other operating income (expenses)	39.5	5.7	596.1%	103.8	11.3	821.7%
Total operating expenses²	(567.9)	(543.1)	4.6%	(1,069.3)	(1,042.2)	2.6%
%	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Selling expenses / consolidated net revenue	25.2%	25.2%	0.0 p.p.	27.0%	28.0%	-1.0 p.p.
General and administrative expenses / net revenue	7.9%	8.2%	-0.3 p.p.	8.8%	8.5%	0.2 p.p.
Operating expenses³ / consolidated net revenue	33.2%	33.4%	-0.2 p.p.	35.7%	36.5%	-0.8 p.p.

1) Excludes depreciation and amortization, including right-of-use (lease) depreciation, PDD and other operating revenue (expenses) to facilitate the analysis. This information, excluding IFRS16, is available in the fundamentals spreadsheet on C&A's IR site – <https://ri.cea.com.br>.

2) Includes other operating income (expenses)

3) Excludes depreciation and amortization, including right-of-use (lease) depreciation, net credit losses and other operating income (expenses).

In 2Q24, operating expenses, excluding depreciation and net credit losses, amounted to R\$607.4 million, a 10.7% increase compared to 2Q23, but a slight decrease of 0.2 pp as a percentage of net revenue in the period.

Selling expenses grew by 11.6% compared to 2Q23, with an increase in marketing investments under the C&A Energy Strategy. As a percentage of net revenue, selling expenses remained stable, reaching R\$462 million.

General and administrative expenses were R\$145.4 million, up by 7.8% from 2Q23, but saw a slight reduction of 0.3 pp as a percentage of net revenue.

The line item "Other Operating Income (Expenses)" was positive at R\$39.5 million, primarily due to a reversal of a provision related to a tax dispute on the incidence of ICMS on TUSD/TUST electricity tariffs, amounting to approximately R\$30 million. This reversal followed the publication of a court ruling on the matter at the end of May 2024.

Financial services

Retail Financial Services Results

R\$ Million	Partnership			C&A Pay			Financial Services		
	2Q24	2Q23	Δ%	2Q24	2Q23	Δ%	2Q24	2Q23	Δ%
Net revenue¹	15.3	8.2	86.1%	114.8	79.9	43.7%	130.1	88.1	47.6%
Cost of service provided	(0.2)	(0.2)	-33.4%	(7.2)	0.0	-	(7.4)	(0.2)	2889.4%
Gross profit	15.1	8.0	89.8%	107.6	79.9	34.6%	122.7	87.9	39.6%
Selling expenses	(4.9)	(6.5)	-25.1%	(40.7)	(39.0)	4.5%	(45.6)	(45.5)	0.3%
General & administrative expenses	0.0	(0.1)	-	(3.9)	(4.9)	-20.1%	(3.9)	(5.0)	-21.4%
Credit losses, net	0.0	0.0	-	(69.1)	(59.0)	17.1%	(69.1)	(59.0)	17.1%
Other operating income (expenses)	0.0	0.0	-	0.0	(0.2)	-	0.0	(0.2)	-
Financial services results	10.2	1.4	637.0%	(6.1)	(23.1)	-73.7%	4.2	(21.7)	-
Depreciation and amortization	(0.6)	(0.3)	67.6%	(2.2)	(3.9)	-42.8%	(2.8)	(4.3)	-33.9%

1) Considers the fee C&A Pay receives from C&A Modas.

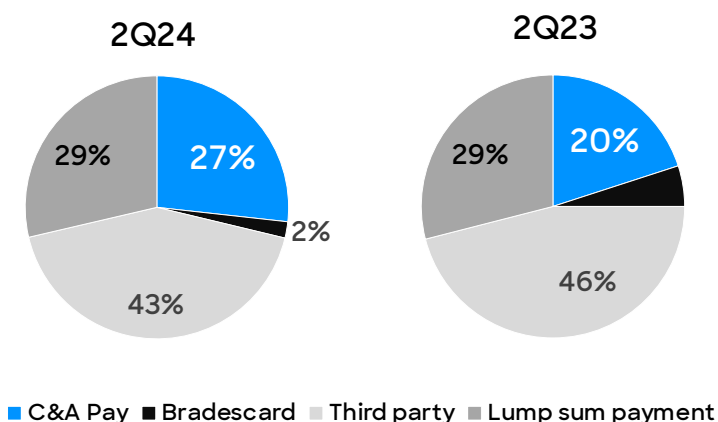
Net revenue from financial services for the quarter was R\$130.1 million, 47.6% higher than in 2Q23. Revenue from C&A Pay accounted for 88% of this total, growing by 43.7% during the period.

Sales expenses for C&A Pay totaled R\$40.7 million, covering personnel, credit & collections, and customer service expenses. General and administrative expenses posted a reduction of 20.1% compared to 2Q23. Net credit losses, which include the provision for losses, totaled R\$69.1 million, a 17.1% increase year-over-year.

The C&A Pay operation's result was a negative R\$6.1 million due to the higher level of provisioning for the portfolio, which has a natural increase resulting from a higher sales volume achieved in December 2023. In the first half of the year, the result of C&A Pay was R\$11.5 million positive.

It is worth noting that the active portfolio grew by 45.2% during the period, from R\$702.5 million to R\$1,020.3 million. For comparability purposes, considering the active portfolio up to 360 days, the growth was 30%.

Payment methods



Financial services

Operational performance

C&A Pay	2Q24	2Q23	Δ%
Active portfolio (million)	1,020.3	702.5	45.2%
Shae of retail sales	26.9%	20.0%	6.9 p.p.
New cards (thousand)	583.6	608.7	-4.1%
Issued cards (thousand)	6,092.0	3,597.6	69.3%
Losses net of recoveries over avg portfolio (%)			
Over avg. portfolio - 360 days	7.9%	9.1%	-1.2 p.p.
Over avg. portfolio - 720 days	7.2%	n/a	-
Net revenue over avg. portfolio (%)	12.0%	12.6%	-0.6 p.p.

In the quarter, C&A Pay issued 583.6 thousand new digital cards, reaching a total of 6.1 million cards issued, and accounted for approximately 26.9% of the Company's retail sales, an increase of 6.9 pp compared to 2Q23. This represents a sustainable growth, capturing market share from third-party cards and Bradescard, without extending the installment average term.

The portfolio showed stable indicators in the second quarter, with a slight reduction in Over 90 (0.3% compared to 2023). Additionally, the greater debt collection efficiency of C&A Pay has resulted in monthly improvements in rollovers, especially in stages over 180 days.

Portfolio Composition and Estimated Losses by Stage

R\$ million	2Q24			Estimated Loss	% Coverage
	Falling due	Overdue	Total		
Stage 1	634.0	22.4	656.5	20.0	3.04%
up to date	593.4	-	593.4	16.8	
up to 30 days	40.6	22.4	63.0	3.2	
Stage 2	15.2	44.9	60.1	7.7	12.72%
31 - 60 days	9.8	15.7	25.5	3.1	
61 - 90 days	5.4	29.2	34.6	4.5	
Stage 3 - up to 360 days	10.8	187.0	197.8	167.1	84.48%
91 - 120 days	3.1	24.6	27.6	20.3	
121 - 150 days	1.8	27.4	29.2	22.8	
151 - 180 days	1.1	29.0	30.0	24.5	
181 - 360 days	4.8	106.1	110.9	99.6	
Stage 3 - over 360 days	-	105.8	105.8	99.8	94.35%
Stage 3 - over 360 days	-	105.8	105.8	99.8	
On balance portfolio	660.1	360.2	1,020.3	294.6	28.87%
Off balance	-	-	519.1	0.1	0.02%
Total	660.1	360.2	1,539.3	294.7	19.14%
Coverage index - 360 days	-	-	-	-	21.30%
Coverage index - 720 days	-	-	-	-	28.87%
Stage 3 past-due portfolio over the total portfolio					
up to 360 days					21.63%
up to 720 days					29.76%

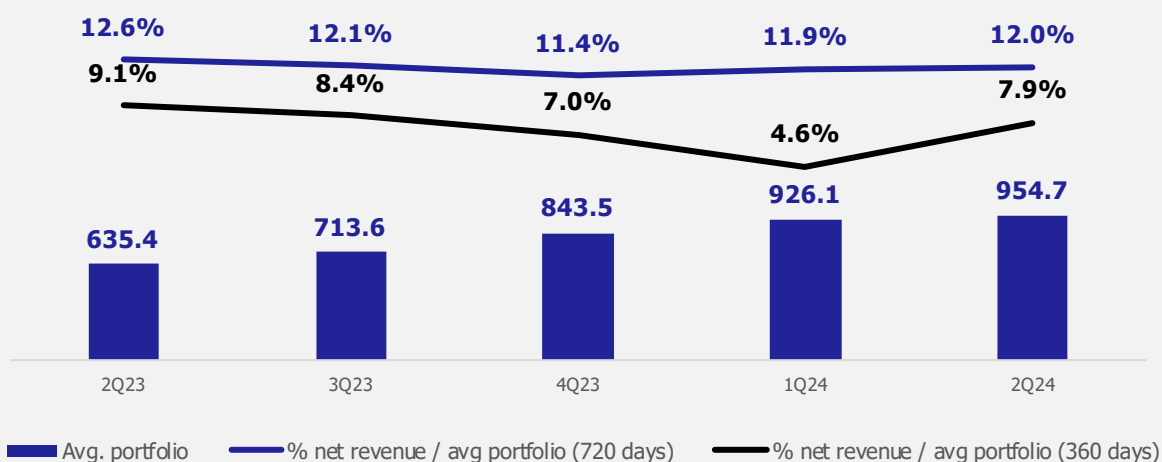


Financial services

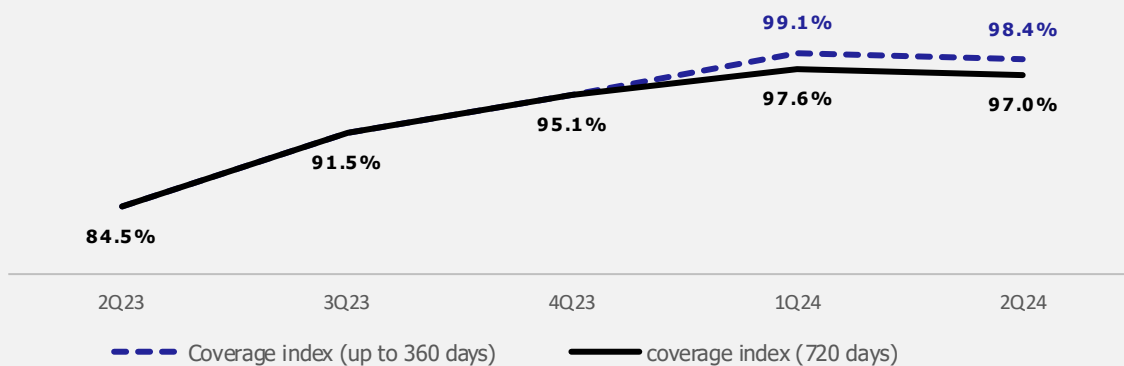
Credit Management

From December 2023, C&A Pay has adopted IFRS-9 accounting standards. Based on its track record of recovering overdue balances between 360 and 720 days at rates between 6% and 8%, the Company now includes overdue balances up to 720 days in its active portfolio. However, the provision for losses on balances over 360 days is set at 94.35%.

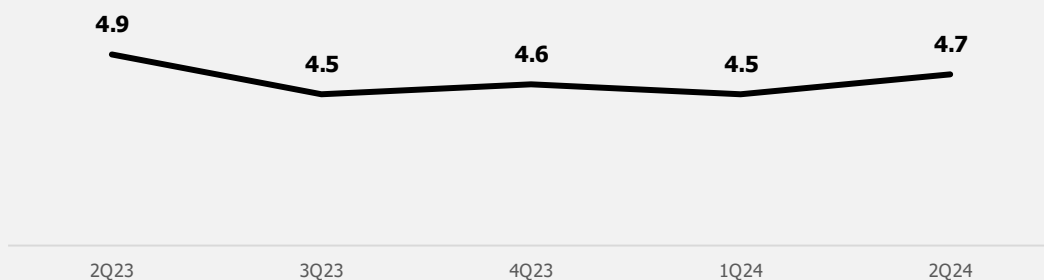
Net revenue and net losses over average portfolio



Over90 coverage index



Installments average term (monthly)



Adjusted EBITDA (Pós-IFRS 16)

R\$ Million & %	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Net income (losses)	83.9	4.2	1884.4%	154.7	(122.1)	-
(+) Income taxes	35.1	(6.9)	-	16.3	(74.7)	-
(+/-) Financial results, net	101.5	104.6	-3.0%	105.4	205.6	-48.7%
(+) Depreciation & amortization	168.3	175.4	-4.0%	340.4	349.8	-2.7%
EBITDA (post-IFRS 16)	388.8	277.3	40.2%	616.8	358.6	72.0%
(+) Other operating income (expenses)	(26.0)	1.0	-	(28.9)	2.0	-
(+) Financial income from suppliers	4.2	2.3	80.9%	7.9	3.5	125.0%
(-) Recovery of tax credits	(13.5)	(6.7)	102.0%	(74.9)	(13.3)	464.1%
(+) Long term incentive	5.9	5.0	17.6%	19.0	8.3	128.5%
Adjusted EBITDA (post-IFRS 16)	359.5	279.0	28.8%	540.0	359.2	50.4%
Adjusted EBITDA margin (post-IFRS 16) (%)	19.6%	17.0%	2.6 p.p.	16.4%	12.5%	4.0 p.p.

In 2Q24, adjusted EBITDA post-IFRS 16 was R\$359.5 million, a significant increase of 28.8% compared to 2Q23. This figure excludes, among other amounts detailed in the table, the effect of a provision reversal related to a tax dispute on the incidence of ICMS on TUSD/TUST electricity tariffs, of approximately R\$30 million, recorded under other operating income (expenses).

The adjusted EBITDA margin post-IFRS 16 was 19.6%, 2.6 pp higher than 2Q23.

Adjusted EBITDA
(post-IFRS16)
+28.8%
over 2Q23

R\$ Million & %	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Adjusted EBITDA (post-IFRS 16)	359.5	279.0	28.8%	540.0	359.2	50.4%
(+/-) Financial services results ¹	(11.4)	21.5	-	(45.0)	41.9	-
Retail Adjusted EBITDA (post-IFRS 16)	348.1	300.5	15.8%	495.1	401.1	23.4%
Retail Adjusted EBITDA margin (post-IFRS 16)	20.4%	19.4%	1.0 p.p.	16.3%	14.8%	1.5 p.p.

(1) Excludes intercompany results.

In the quarter, adjusted EBITDA (post-IFRS 16) for the Retail operation was R\$348.1 million, with a margin of 20.4%, 1.0 pp higher than 2Q23.

Financial results, net

R\$ Million	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Exchange rate variation	(9.1)	2.3	-	(11.0)	1.6	-
Financial expenses	(128.1)	(151.7)	-15.5%	(272.9)	(320.6)	-14.9%
Interest expenses	(47.0)	(58.7)	-20.0%	(100.6)	(132.9)	-24.3%
Leasing interest expenses	(35.2)	(39.7)	-11.5%	(74.7)	(77.7)	-3.9%
PVA on suppliers	(23.5)	(27.4)	-14.0%	(51.6)	(55.3)	-6.7%
Interest expenses over suppliers - Bradescard	(16.4)	(17.3)	-5.2%	(32.8)	(35.2)	-6.8%
Interest expenses on taxes and contingencies	(4.6)	(5.4)	-14.5%	(10.6)	(11.6)	-8.7%
Early receivables charges	0.0	(1.5)	-	0.0	(3.1)	-
Other financial expenses	(1.5)	(1.6)	-8.5%	(2.6)	(4.8)	-45.4%
Financial income	33.7	43.7	-22.7%	175.6	112.3	56.4%
Interest income	13.1	24.4	-46.6%	123.2	49.1	150.9%
Interest on financial investments	16.5	16.9	-2.3%	44.4	59.7	-25.5%
Interest income over suppliers	4.2	2.3	80.9%	7.9	3.5	125.0%
Other financial income	0.0	0.0	-62.0%	0.0	0.0	-38.4%
Earnings from Bonds and Securities	2.0	1.2	68.6%	2.9	1.2	150.9%
Financial results, net	(101.5)	(104.6)	-3.0%	(105.4)	(205.6)	-48.7%

In 2Q24, the financial result was an expense of R\$101.5 million, representing a 3% reduction compared to 2Q23.

Financial expenses totaled R\$128.1 million, down 15.5% from 2Q23, with a notable reduction in interest expenses on loans, which decreased by 20% in the period, while financial income amounted to R\$33.7 million, impacted by a 46.6% reduction in interest income.

Net income (loss)

Net income (loss) (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Net income (loss)	83.9	4.2	1884.4%	154.7	(122.1)	-
Net margin (%)	4.6%	0.3%	4.3 p.p.	4.7%	-4.2%	-
Adjusted net income (loss)	58.1	3.2	1701.1%	(3.2)	(124.5)	-97.4%
Adjusted net margin (%)	3.2%	0.2%	3.0 p.p.	-0.1%	-4.3%	-97.7%

(1) Adjustments include: (i) other net operating revenue (expenses), (ii) trade financial revenue, (iii) recovery of tax credits and (iv) social charges from long-term incentives paid to employees.

In 2Q24, net income totaled R\$83.9 million, a significant increase compared to the R\$4.2 million recorded in 2Q23. The net margin grew by 4.3 pp, reaching 4.6%.

Excluding primarily the effect of the provision reversal related to a tax dispute on the incidence of ICMS on TUSD/TUST electricity tariffs, of approximately R\$30 million, recorded under other operating income (expenses), C&A reported an adjusted net income of R\$58.1 million. This represents a significant improvement over 2Q23, with an increase of 3.0 pp in the adjusted net margin, to 3.2%.

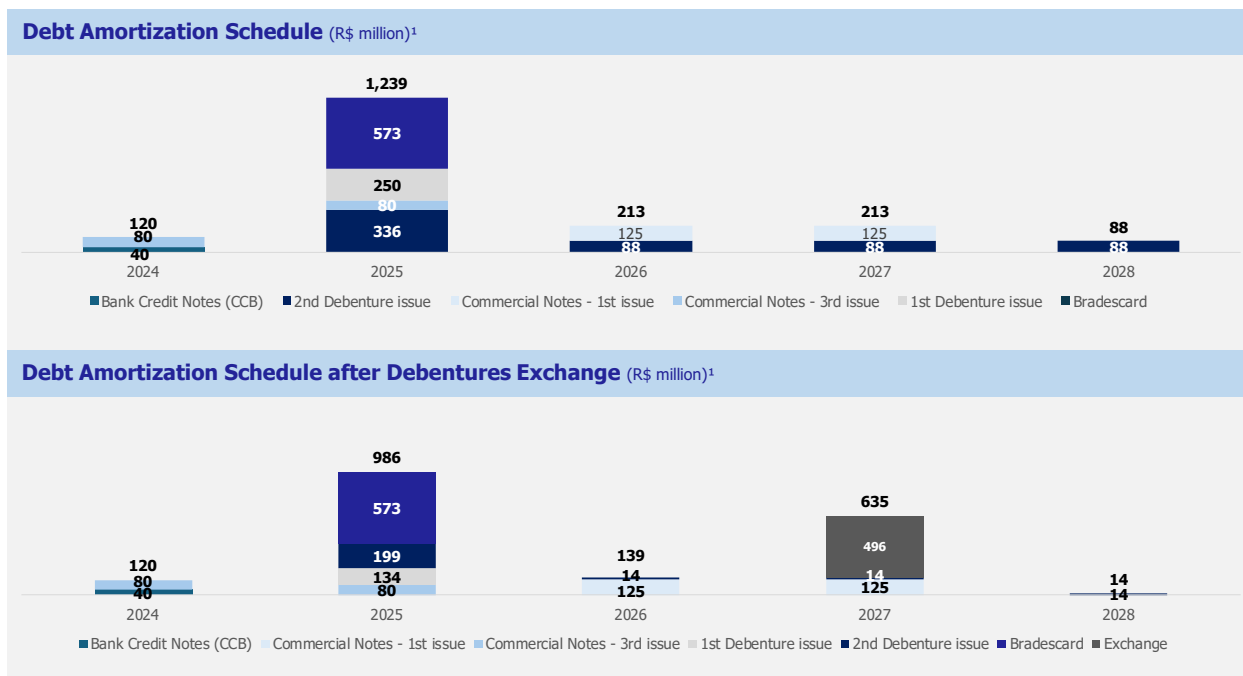
Indebtedness

R\$ Million	2Q24	2Q23	Δ%
Short-term debt	553.5	420.5	31.6%
Long-term debt	759.9	1,294.5	-41.3%
Gross debt	1,313.4	1,715.0	-23.4%
Buying back the right to offer credit products and financial services (Bradescard)	572.7	504.5	13.5%
Total gross debt	1,886.1	2,219.6	-15.0%
(-) Cash, cash equivalents & short-term investments¹	815.1	715.1	14.0%
(=) Net cash (debt)	(1,071.0)	(1,504.5)	-28.8%
LTM Adjusted EBITDA pre-IFRS16	789.4	399.1	97.8%
Leverage	1.4x	3.8x	-2.4x

(1) Excludes the effect of anticipation of receivables in the 2Q23. No such transactions were carried out in 2Q24.

At the end of 2Q24, the Company's total net debt, which includes the payment commitment with Bradescard, amounted to R\$1.071 million. The leverage ratio (net debt/Adjusted EBITDA pre-IFRS 16 for the last 12 months) was 1.4x, a substantial improvement compared to the previous year.

In July 2024, a Liability Management transaction to extend the debt profile was carried out, totaling R\$496 million. The Company completed the exchange of three debenture series, increasing the duration of these series from 1.4 to 2.1 years. With this operation, the Company reduced the amount to be amortized in 2025 by R\$252 million.



(1) The amortization schedule refers to the principal only, excluding interest.

Free cash flow

Adjusted free cash flow

R\$ Million	2Q24	2Q23	Δ%
Pre IFRS16 net income (losses) before Income Taxes and Social Contributio	121.3	1.7	6945.9%
Depreciation and amortization	86.0	90.1	-4.5%
(+/-) Other	117.5	133.8	-12.2%
Adjustments with no impact on cash	203.5	223.8	-9.1%
Income Tax and Social Contribution paid	(7.4)	(12.6)	-41.1%
Working capital	(208.1)	(80.5)	158.4%
Accounts receivable	(282.9)	(304.8)	-7.2%
Inventory	(63.5)	18.2	-
Suppliers	157.2	210.6	-25.4%
Other	(18.9)	(4.6)	311.7%
Cash from (used in) operating activities	109.2	132.4	-17.5%
Cash flow from investing activities	(45.5)	(56.4)	-19.3%
(=) Adjusted free cash flow	63.7	76.0	-16.1%

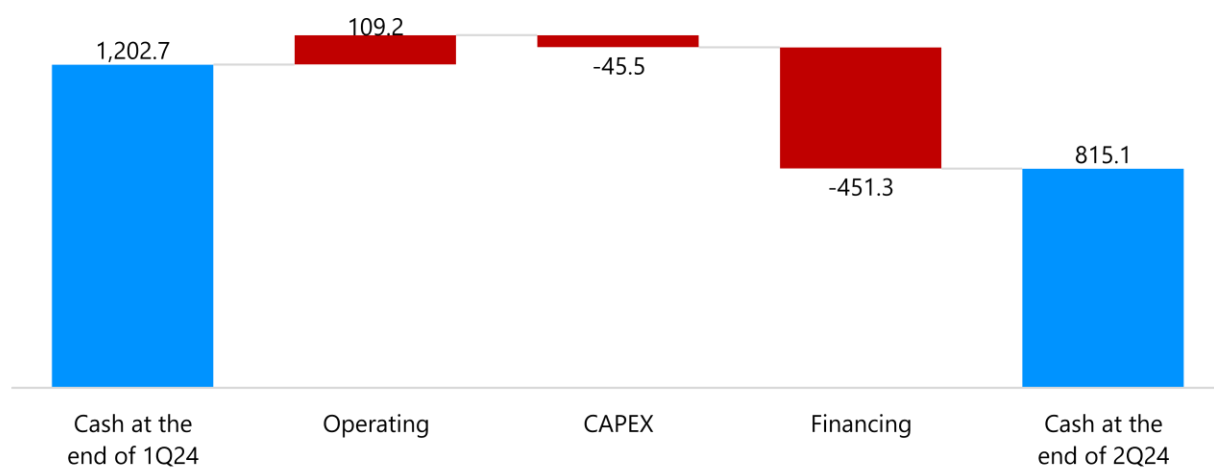
In 2Q24, C&A's operating activities generated R\$109.2 million in cash, a reduction of 17.5% compared to 2Q23, mainly due to an increase in inventories as a consequence of lower sales of winter products. Cash flow from investing activities totaled R\$45.5 million, a reduction of 19.3% compared to the same period last year.

As a result, adjusted free cash flow was R\$63.7 million, 16.1% lower than in 2Q23.

Changes in cash position (R\$ million)

At the end of the quarter, the cash and cash equivalents balance had decreased by R\$387.6 million compared to March 2024.

Operating activities generated R\$109.2 million in cash, while investments totaled R\$45.5 million, and financing activities consumed R\$451.3 million due to the payment of loans and financing and repurchase of shares to be held in treasury. As a result, C&A ended 2Q24 with a cash and cash equivalents balance of R\$815.1 million.



Investments

Investments (R\$ Million)	2Q24	2Q23	Δ%	6M24	6M23	Δ%
New stores	7.1	3.3	115.2%	12.1	9.7	24.3%
Revamps and remodeling	16.6	19.1	-13.0%	20.6	24.1	-14.6%
Supply chain	1.9	4.1	-54.2%	1.9	5.1	-63.2%
Digital and technology	31.6	29.2	8.3%	56.4	66.6	-15.3%
Total	57.2	55.7	2.7%	90.9	105.5	-13.8%

(1) Investments for the period include investments made but not necessarily paid. The amount paid (cash outlay) is included in the cash flow statement for investment activities.

In 2Q24, C&A invested R\$57.2 million. Of this amount, R\$31.6 million was allocated to digital and technology investments, R\$7.1 million was spent on new stores, and R\$16.6 million was used for revamps and remodels.

The investment level for the quarter does not yet fully reflect the CAPEX associated with C&A's Energy Strategy, due to the ongoing structuring/execution of projects and testing of initiatives. However, the company is expected to increase the investment volume in the second half of 2024 as it progresses with the execution of projects tied to the value levers of the C&A Energy Strategy.

Appendix

Adjusted EBITDA (pre-IFRS 16)

R\$ Million & %	2Q24	2Q23	Δ%	6M24	6M23	Δ%
Net income (losses)	85.0	7.0	1108.5%	164.5	(115.2)	-
(+/-) Income taxes	35.7	(5.5)	-	23.3	(71.2)	-
(+/-) Financial results, net	66.4	64.9	2.3%	30.7	127.9	-76.0%
(+) Depreciation & amortization	86.0	90.1	-4.5%	175.4	178.2	-1.6%
EBITDA (pré-IFRS 16)	273.0	156.5	74.5%	393.9	119.8	228.9%
(+) Other operating income (expenses)	(26.2)	4.1	-	(38.9)	6.2	-
(+) Financial income from suppliers	4.2	2.3	80.9%	7.9	3.5	125.0%
(-) Recovery of tax credits	(13.5)	(6.7)	102.0%	(74.9)	(13.3)	464.1%
(+) Long term incentives	5.9	5.0	17.6%	19.0	8.3	128.5%
Adjusted EBITDA (pré-IFRS 16)	243.5	161.3	51.0%	307.1	124.6	146.6%
Adjusted EBITDA margin (pré-IFRS 16) (%)	13.3%	9.8%	3.5 p.p.	9.4%	4.3%	5.0 p.p.

Bradescard Partnership KPIs

Bradescard KPIs	2Q24	2Q23	Δ%
Avg trade receivables (million)	2,060.3	2,598.8	-20.7%
Share of retail sales	2.0%	5.0%	-3.0 p.p.
New cards (thousand)	0.3	27.6	-99.0%
Losses net of recoveries over avg portfolio (%)	2.0%	3.7%	-1.8 p.p.

Consolidated Balance Sheet

R\$ million	2Q24	4Q23
Total assets	8,612.8	9,417.7
Current assets	3,907.7	4,441.8
Cash and cash equivalents	610.1	1,155.6
Bonds and securities	205.0	191.6
Trade receivables	1,482.6	1,778.4
Inventory	1,088.7	875.2
Taxes recoverable	445.6	388.5
Derivatives	7.1	0.7
Related parties	0.1	0.1
Other Assets	68.5	51.8
Non-Current Assets	4,705.1	4,975.8
Taxes recoverable	1,165.0	1,197.8
Deferred taxes	517.3	536.0
Judicial deposits	39.2	47.7
Related parties	0.0	0.0
Other assets	2.4	3.2
Properties and equipment	717.5	763.4
Right-of-use assets - leases	1,343.3	1,462.9
Intangible assets	920.5	964.8
Total liabilities and shareholder's equity	8,612.8	9,417.7
Current liabilities	2,855.4	3,200.1
Lease liabilities	532.8	501.6
Suppliers	1,038.7	1,189.2
Drawee risk liabilities	286.5	364.7
Loans	560.6	511.4
Derivatives	0.0	1.4
Labor liabilities	210.4	231.4
Related parties	69.0	71.7
Taxes payable	109.3	287.2
Other liabilities	48.1	41.5
Non-current liabilities	2,615.0	3,204.8
Lease liabilities	1,067.9	1,209.8
Suppliers	0.4	11.4
Suppliers buying back the right to offer credit (Bradescard)	572.7	539.9
Loans	759.9	1,176.4
Labor liabilities	17.1	18.7
Provisions for tax, civil, and labor risks	127.6	185.0
Taxes payable	15.6	12.4
Other liabilities	53.9	51.2
Shareholder's equity	3,142.3	3,012.7
Share capital	1,847.2	1,847.2
Shares in Treasury	(31.3)	(8.5)
Capital reserve	42.8	49.9
Accumulated gains (losses)	154.7	0.0
Profit reserve	1,124.7	1,124.7
Other comprehensive income	4.2	(0.6)

Income Statements

R\$ Million	2Q24	2Q23	Δ%
Net operating revenue	1,831.6	1,643.0	11.5%
Apparel	1,528.6	1,351.0	13.1%
Fashiontronics and Beauty	176.9	198.3	-10.8%
Net revenue from goods	1,705.5	1,549.3	10.1%
Other revenue	8.5	5.7	50.7%
Retail revenue	1,714.0	1,555.0	10.2%
Financial services	117.6	88.0	33.6%
Cost of goods/services	(805.8)	(763.6)	5.5%
Gross profit	1,025.8	879.3	16.7%
Apparel	882.1	762.5	15.7%
Fashiontronics and Beauty	45.9	43.1	6.5%
Gross profit from goods	928.1	805.6	15.2%
Other gross profit	(19.7)	(14.0)	40.3%
Gross profit from retail	908.4	791.6	14.8%
Gross profit from financial services	117.4	87.7	33.8%
Operating (expenses) and revenue	(805.3)	(777.4)	3.6%
General and administrative	(145.4)	(134.9)	7.8%
Selling expenses	(462.0)	(413.8)	11.6%
Depreciation and amortization	(168.3)	(175.4)	-4.0%
Other net operating income (expenses)	39.5	5.7	596.1%
Net credit losses	(69.1)	(59.0)	17.1%
Profit before Financial Revenue and Expenses	220.5	101.9	116.3%
Finance results	(101.5)	(104.6)	-3.0%
Exchange variation	(9.1)	2.3	-496.7%
Finance expenses	(128.1)	(151.7)	-15.5%
Finance income	33.7	43.7	-22.7%
Earnings from bonds and securities	2.0	1.2	68.6%
Profit before taxes	119.0	(2.7)	-4561.9%
Income taxes	(35.1)	6.9	-609.8%
Net income (losses) for the period	83.9	4.2	1884.4%

Cash Flow Statements

R\$ Million	2Q24	2Q23
Operating activities		
Allowance (reversal) for expected credit losses	171.0	(196.8)
Adjustments to reconcile income before income taxes to net cash flows:		
Allowance (reversal) for expected credit losses	110.5	104.7
Adjustment to present value of accounts receivables and suppliers	0.1	(7.8)
Expenses with stock-based compensation	6.9	4.4
Provisions for inventory losses	41.1	34.3
Gains/Recognition of tax claims, including monetary correction	(178.9)	(39.4)
Depreciation and amortization	175.4	178.2
Impairment (Reversal) of provisions for property and equipment, intangibles, and right-of-use assets	15.8	(2.2)
Losses from the sale or disposal of property and equipment and intangible assets	0.3	5.3
Right-of-use amortization	181.1	188.4
Lease liabilities	(4.4)	(2.6)
Interest on leases	81.4	83.9
Interest on loans	100.6	132.9
Amortization of the transaction costs on loans	2.5	2.8
Provisions (reversal) for tax, civil and labor risks	(34.8)	25.1
Update of judicial deposits	5.3	(4.9)
Yield from investments in bonds and securities	(7.9)	(0.4)
Variations in assets and liabilities:		
Trade receivables	190.5	90.4
Related parties	(2.7)	(12.8)
Inventory	(253.9)	(146.2)
Taxes recoverable	154.6	123.8
Other credits	(15.8)	(27.5)
Bonds and securities	(5.5)	4.5
Judicial deposits	0.5	10.7
Suppliers	(125.8)	(31.3)
Drawee risk liabilities	(78.2)	(73.9)
Labor liabilities	(28.8)	(14.1)
Other liabilities	5.8	(18.1)
Provisions for tax, civil and labor risks	(20.0)	(8.8)
Taxes payable	(123.7)	(129.1)
Income Tax and Social Contribution paid	(52.4)	(21.2)
Cash flow originating (invested in) operating activities	310.5	252.2
Investment activities		
Purchase of property and equipment	(31.4)	(37.9)
Purchase of intangible assets	(68.4)	(92.0)
Receivables from the sale of property and equipment	0.1	0.4
Cash flow used in investment activities	(99.7)	(129.6)
Financing activities		
New loans and debentures issued	0.0	381.4
Loan/debenture transaction costs	(0.4)	(4.8)
Repayment of loans (principal)	(360.0)	(725.4)
Interest paid on loans	(110.1)	(226.9)
Repayments and interest paid on leases	(256.5)	(258.3)
Share buy-back	(29.3)	(1.7)
Net cash flows originating from (used by) financing activities	(756.3)	(835.8)
Net increase (decrease) in cash and cash equivalents	(545.5)	(713.2)

Glossary of terms

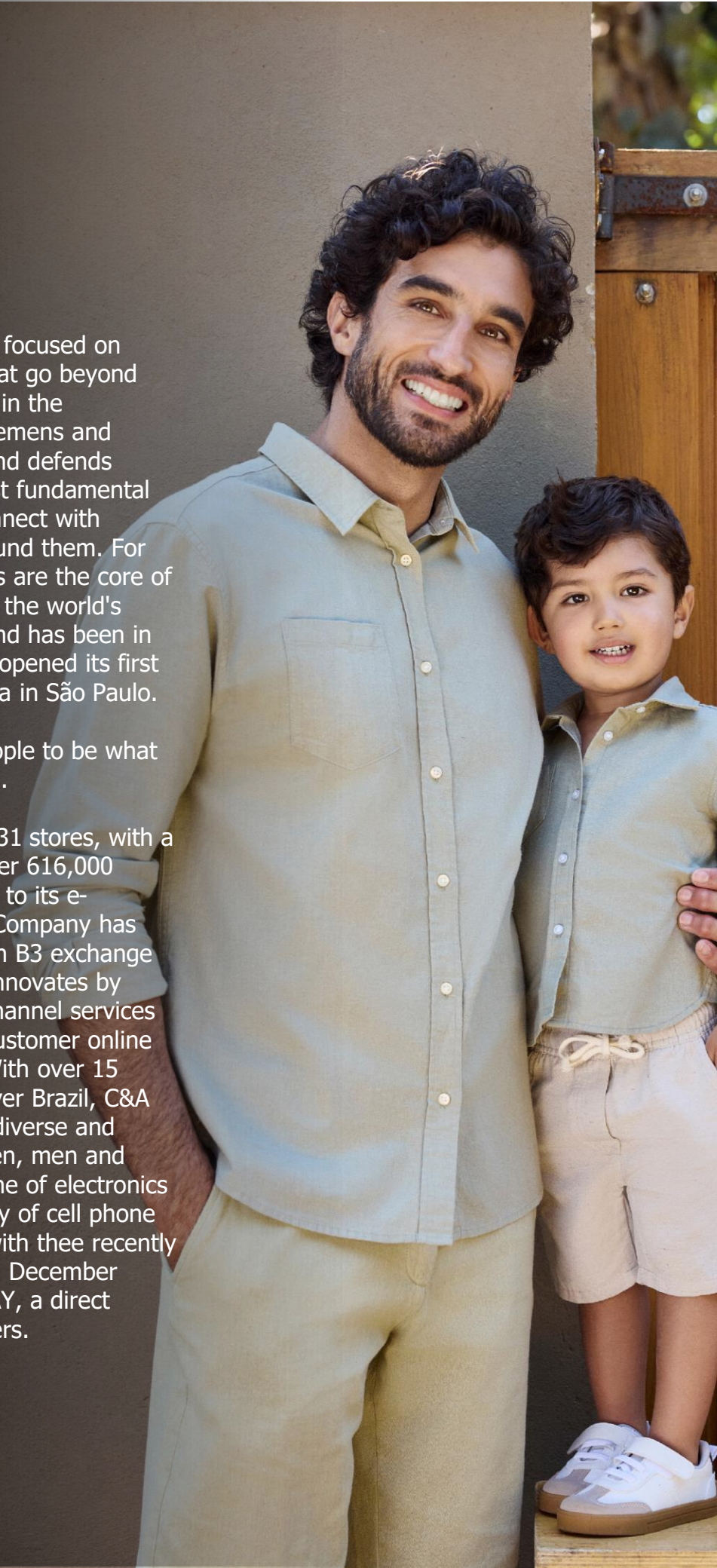
Expression	Meaning
1P	Merchandise in our own inventory marketed by our e-commerce.
3P	Third-party (seller) goods marketed by our e-commerce.
CAC:	Customer Acquisition Costs
Click and Pick-up	A solution whereby customers can buy online and pick-up their goods in one of our B&M stores.
Fashiontronics	Electronics and other related goods such as smartphones, tablets, watches and accessories. This includes earphones/pods and chargers. More recently beauty items and cosmetics were added to the category.
Galeria C&A:	C&A Marketplace.
GMV	Total transactions on our e-commerce site in Reals (R\$). Includes 1P and 3P.
Lead time:	This is the time it takes for raw materials or goods to be delivered to C&A from the supplier once they are ordered.
MAU	Monthly Active Users measures how many users used our app for any action in the past 30 days.
Mindse7	Launched in November 2018, Mindse7 is a digital native project that presents weekly collections inspired on the main conversations and trends on the streets and on social networks, using a co-creation model between a multidisciplinary team comprised of C&A and its suppliers. Focusing on versatile, timeless items aligned to the desires of Brazilian women, it has already launched some 200 collections, always focusing on innovative offerings of diverse and inclusive fashion for all styles, bodies and ages.
Push and pull:	A supply model that consists in replacing individual SKUs of different models, sizes and colors in our B&M stores according to demand, making service to the demand for our fashion items more efficient.
RFID:	RFID (Radio-Frequency Identification): enables identifying and locating each SKU in both stores and Distribution Centers.
Seller:	Partner sellers who offer their goods on our marketplace.
Ship from Store	transforms B&M stores into distribution centers, shipping goods purchased on our e-commerce directly to customers
SKU	Stock keeping unit
Social selling:	A process whereby relationships are developed. and sales made using social networks.
Sorter	Individual sorting/picking equipment.
SSS	Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes all forms of e-commerce sales and deliveries (100% online, ship-from-store and click-and pick-up).
Supply:	Supply chain
WhatsApp sales:	A type of online sale where C&A associates interact with customers using WhatsApp.
WMS	Warehouse management system, an inventory management tool

About C&A

C&A is a fashion company focused on suggesting experiences that go beyond what to wear. Established in the Netherlands in 1841 by Clemens and August, C&A believes in and defends Fashion as one of the most fundamental channels for people to connect with themselves and those around them. For this reason C&A customers are the core of its strategy. C&A is one of the world's leading fashion retailers and has been in Brazil since 1976, when it opened its first store in Shopping Ibirapuera in São Paulo.

C&A aims to empower people to be what they want through fashion.

On June 30, 2024 it had 331 stores, with a combined sales area of over 616,000 square meters, in addition to its e-commerce activities. The Company has been listed on the Brazilian B3 exchange since October 2019, and innovates by offering digital and omnichannel services and solutions to expand customer online and offline experiences. With over 15 thousand employees all over Brazil, C&A offers young, innovative, diverse and inclusive fashion for women, men and children. It also offers a line of electronics products, with a wide array of cell phone and smartphones, along with three recently added beauty products. In December 2021 we launched C&A PAY, a direct credit offer for its customers.





Earnings release

2Q24

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C&A

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