



Earnings

1Q23



Clear progress in our operating metrics and returns

- **3.6%** increase in total **net revenue**
- **6.1%** increase in net revenue from **apparel**
- **Total gross margin** of 50.3%, up **2.9 p.p.**
- 48.1% **Gross Margin from Merchandise**, a **3.1 p.p.** increase
- **Adjusted EBITDA¹** (post -IFRS16) of **R\$76.9 million**
- **Adjusted EBITDA margin¹** (post -IFRS16) of **6.2%**
- **3 p.p.** increase in **credit penetration** in sales. **C&A Pay** already accounts for **18% of sales**
- The compensation of **all company leaders** now includes **ESG target**
- **2022 Annual Integrated Report** Published



➤ Efficient and austere cash management

- Disciplined **inventory management**
- **Payment** and **receiving** cycles maintained

➤ Constant operational improvement

- **Gross Margin** progression
- **WhatsApp** sales as a key tool for **relationship and assistance** in the buying process
- Focus on increased **productivity** of the **existing assets**
- Continued growth of **C&A pay** with a **sustainable credit portfolio**

➤ Customer Proximity

- **Analytical management** of **customer base**
- Focus on **loyalty** and generating **recurrent sales**

Efficient and austere cash management



- **2.3% change in inventory levels compared to 1Q22, with no concern regarding quality**
- **5% newer inventory compared to 1Q22**
- **Push Pull contributing to bring down inventory and increase service levels**
- **Entire supplier base has migrated to new payment terms and conditions maintained to current negotiations**
- **Minimum payment in credit purchases maintained**

Constant operational improvement



- **6.8 p.p. increase in omni share of sales, which reached 20.8%**
- **Experience with the concept of assisted sales using the available technology tools to capture customer loyalty**
- **Structural progress in apparel gross margin**
- **Use of machine learning to constantly improve the dynamic pricing algorithm**
- **Focus on costs and expenses to contribute to operational leverage**
- **Focused team to increase sales per m²**
- **C&A Pay as an increasingly relevant contributor to sales and expanding to adjacent services (insurance, ...)**





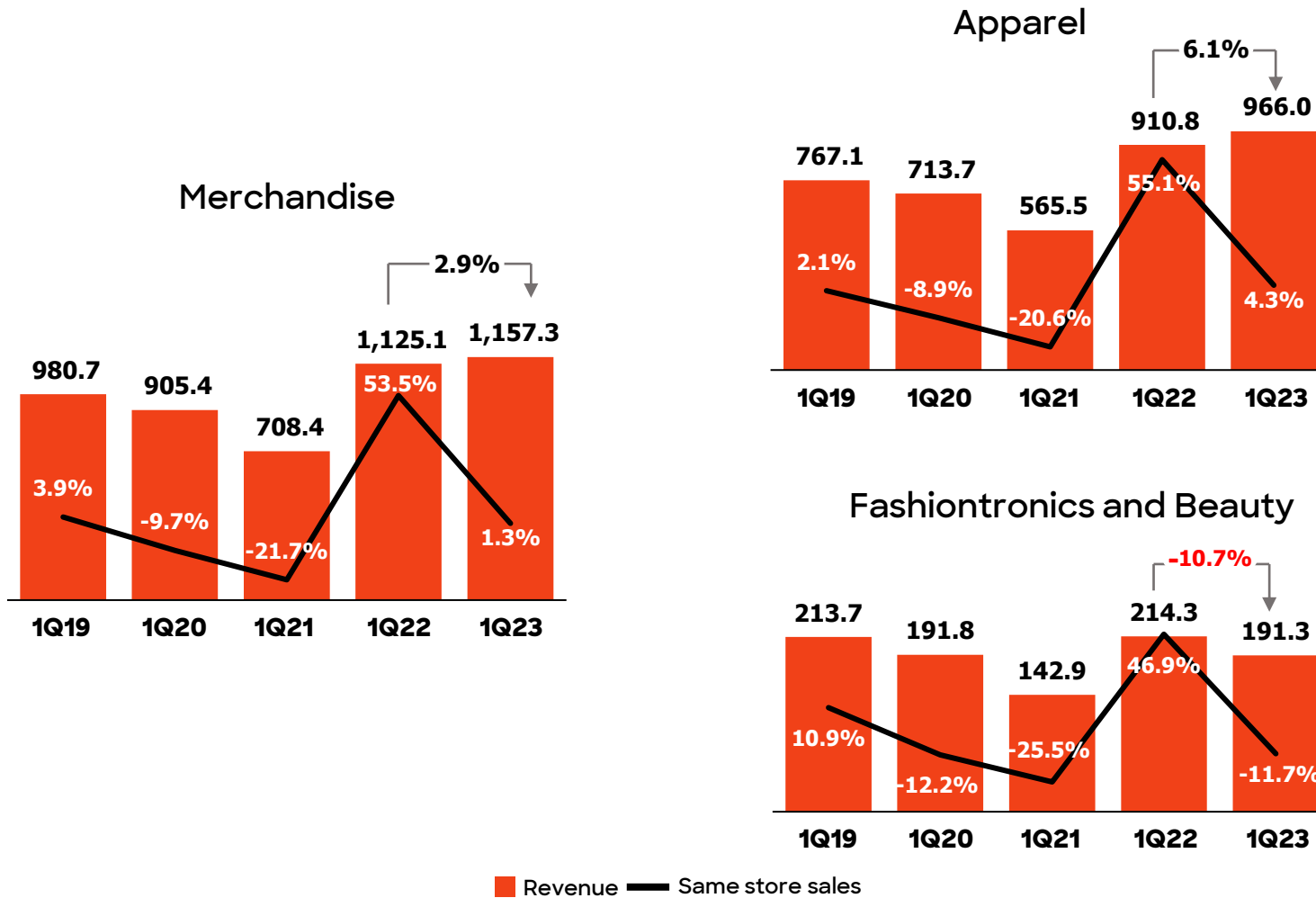
- **Increased importance of perceived value - Apparel as an Investment: Quality and Flexibility**
- **Customers expect some sort of advantage to consider a purchase successful**
- **More humanized buying journey, thanks to assisted sales and QR Codes**
- **Closer relationship and increased communication with the base of over 16 million active customers**
- **Segmentation of stores by type of customer, defining the most appropriate assortment and product presentation**

Higher Revenue from Merchandise Sales

(R\$ million)



Revenue growth mainly due to the good performance of apparel

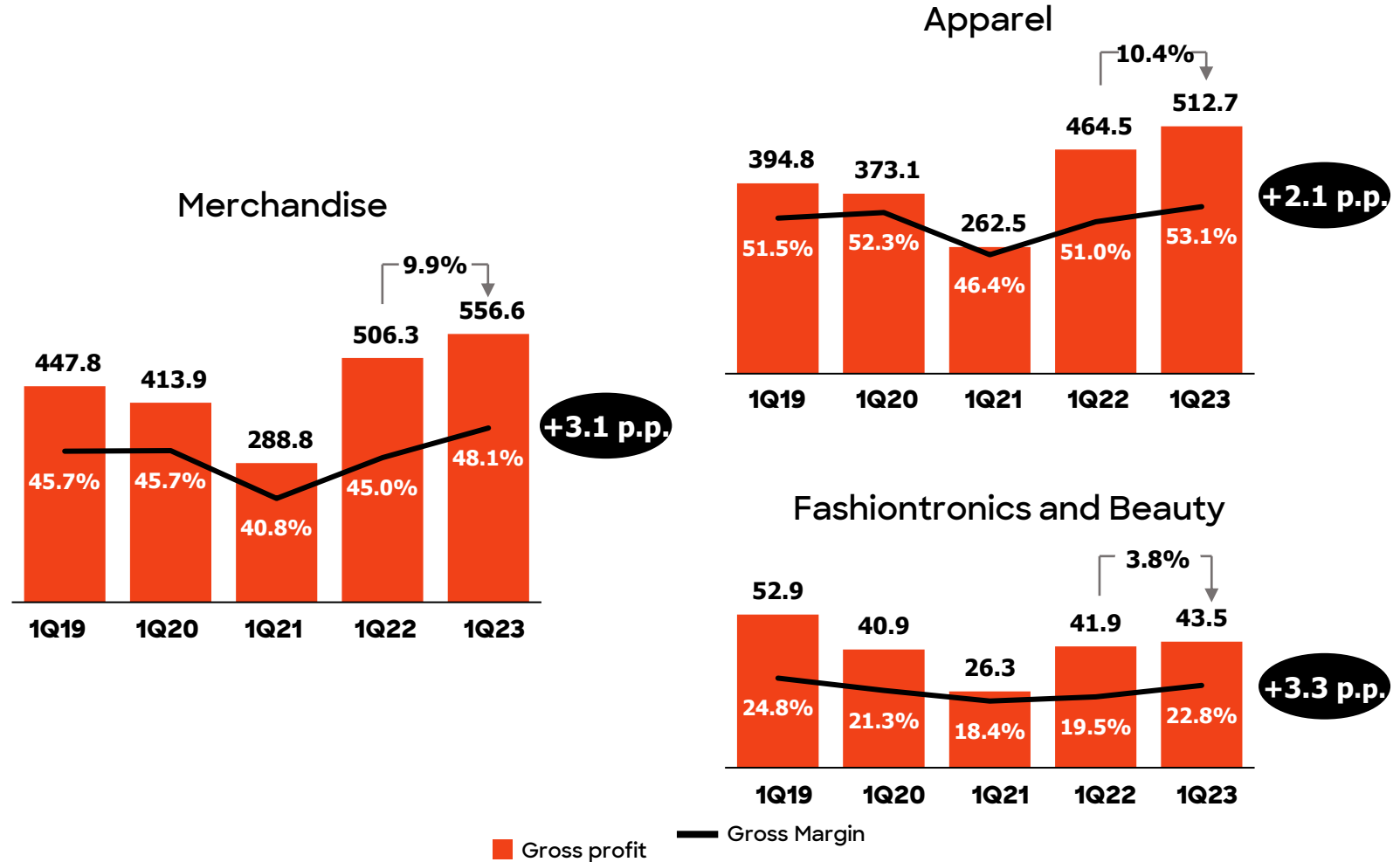


Improved Gross Margin From Merchandise

(R\$ million and %)



Five consecutive quarters of increasing gross margin from apparel with the implementation of dynamic pricing and push pull distribution

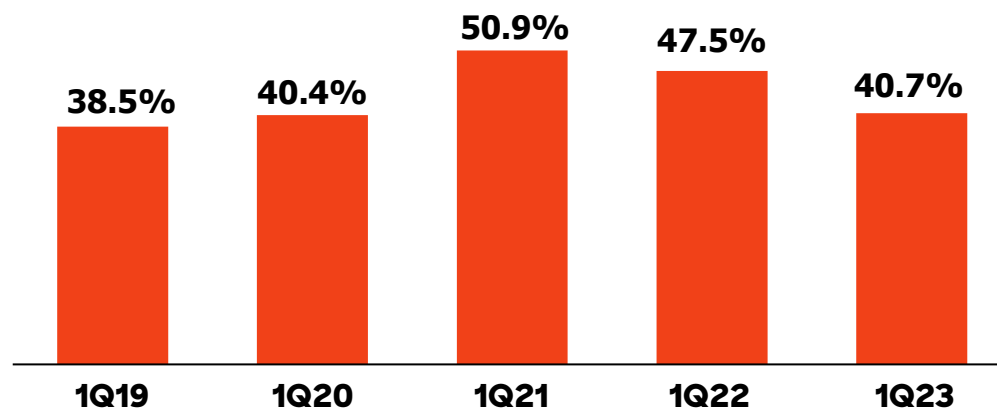


Operating Expenses¹ under control (%)



Improvement in our operational leverage

% Selling and G&A Expenses/ Total Net Revenue



■ Sales and G&A expenses as a percent of Total Net Revenue

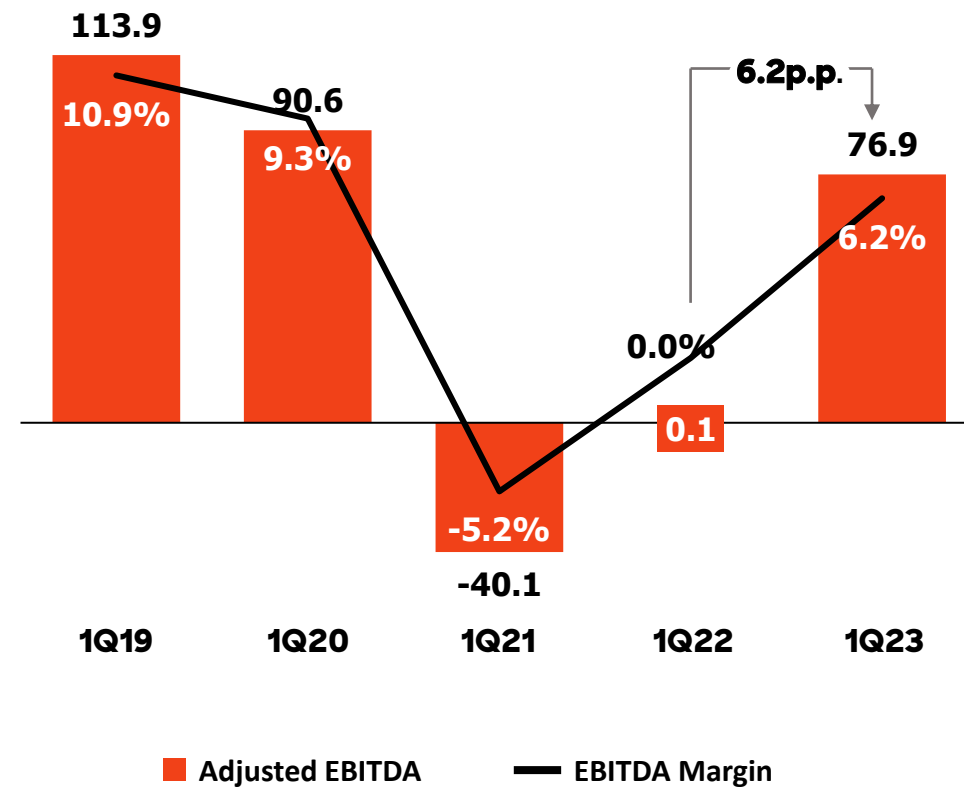
	1Q19	1Q20	1Q21	1Q22	1Q23	1Q23x1Q22
Selling Expenses	(298.8)	(310.1)	(344.3)	(446.5)	(393.3)	-11.9%
G&A Expenses	(102.1)	(84.3)	(50.4)	(122.3)	(111.5)	-8.8%
Total	(400.8)	(394.3)	(394.7)	(568.9)	(504.7)	-11.3%



Strong improvement in adjusted EBITDA¹ (post-IFRS16) and margin² (R\$ million and %)



Operational recovery resulting in improved EBITDA



Financial Services – C&A pay gaining traction



Focus on continuous growth of C&A pay, with financial indicators under control

599% increase in C&A Pay revenue¹, to for R\$ 69 million

R\$ 568.3 million portfolio by the end of 1Q23

~3 Mn cards issued by late 1Q23

Average limit of **R\$877**

>90 past due accounts **stand at 18.6%**, with **77.1% coverage**

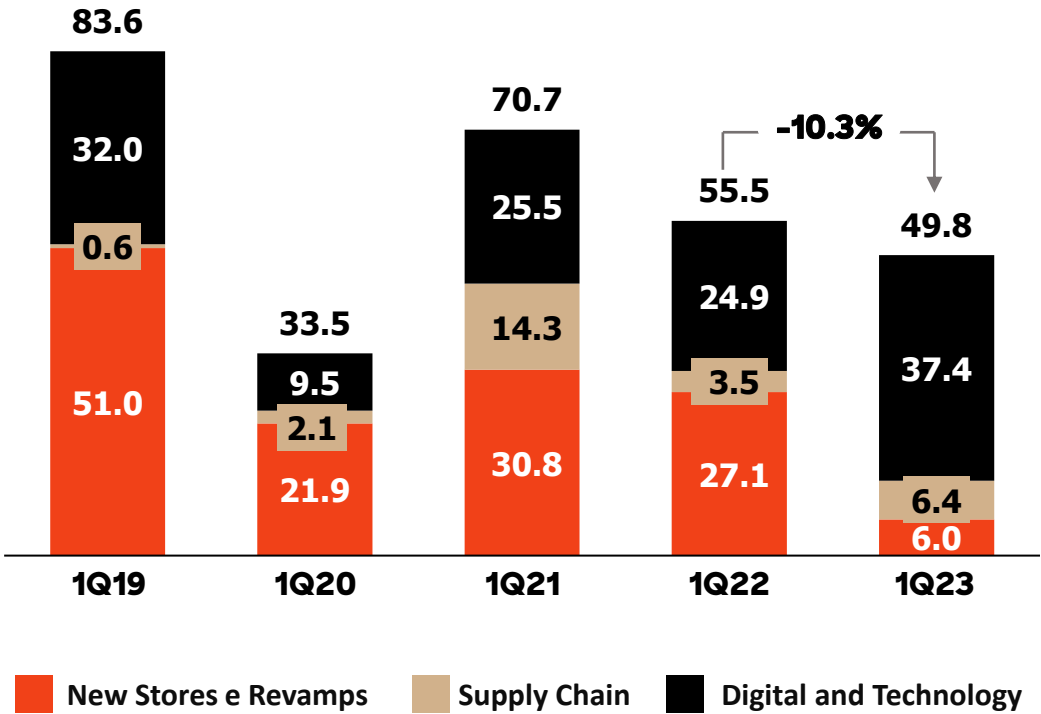


Selective Investment Plan

(R\$ million)



Lower investments reflect cash protection program



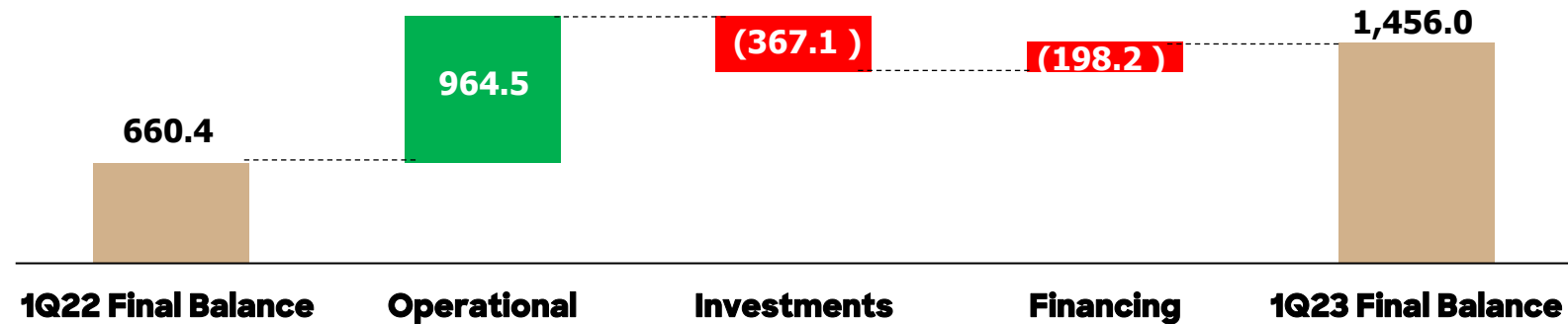
Cash consumption in line with retail seasonality

(R\$ million)

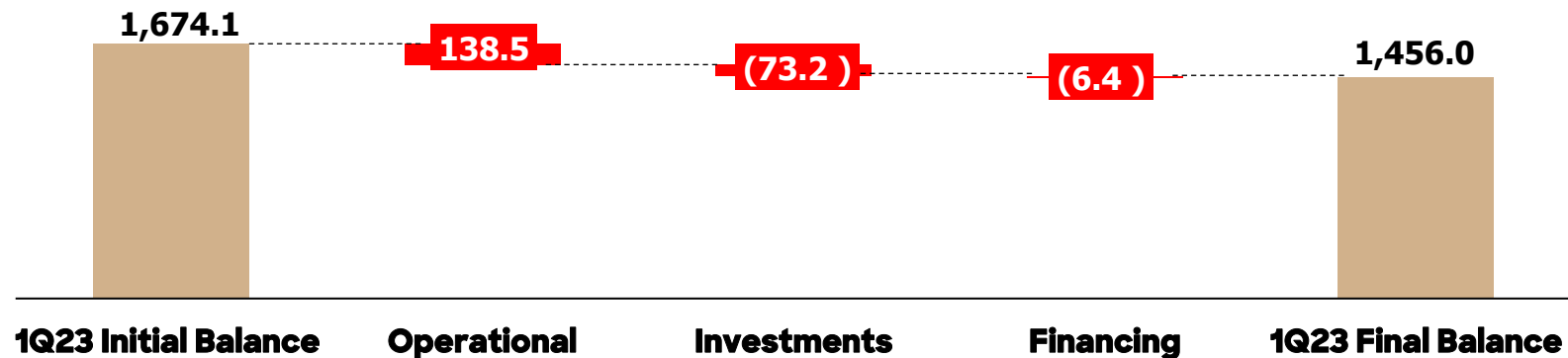


R\$ 218 million in cash consumed in the quarter, as per retail seasonality, closing with around R\$ 1.5 billion in cash.

Last 12 months



1Q23



Questions and Answers

C&A

C&A



If you want to ask a live question via audio, please raise your hand to join the queue. Once you are announced, a request to activate your mike will appear on your screen. Activate the mike to ask your question. Please ask all your questions at the same time.



RaiseHand

If you would prefer, write your question directly into the Q&A icon on the lower part of your screen.



Q&A



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