

**Earnings**

4Q23







# 4Q23 highlights

**Solid evolution in the main operational and financial metrics**

**+18.5%**

**Apparel Same -  
Store Sales**  
vs. 4Q22

**56.5%**

**Apparel Gross  
Margin +1.2p.p.**  
vs. 4Q22

**2.5 p.p.**

**Operating Expenses<sup>1</sup>**  
drop as a % of  
net revenue vs. 4Q22.

**21.9%**

**Adjusted<sup>2</sup> EBITDA  
margin** (post-IFRS 16)  
**3.2 p.p.** higher vs 4Q22

**+98.2%**

Growth **Adjusted  
net income<sup>3</sup>** in  
4Q23

**1.5x**

**Total net debt  
/ Adjusted EBITDA** pre-  
IFRS 16 vs **3.9x** at end-2022

1- Expenses include the impact of the payment of the lease, according to the IFRS16 accounting standard. But it does not take into account depreciation and amortization expenses, Right of Use depreciation, credit loss expense, net and other operating income (expenses)

2 - EBITDA adjusted for (i) other net operating revenue (expenses); (ii) trade financial revenue; (iii) recovery of tax credits.

3- Excludes the effect of tax credits recognized in the appropriate periods.

4- Includes commitment with Bradescard



End of year -  
campaign



ISE B3  
and Fashion  
Revolution Fashion  
Transparency Index



GPTW  
Ranking



More intuitive  
journeys



Assortment



Push  
Pull



C&A Pay  
Facial recognition





# Main drivers of operating performance

Versatile collections with a high value perception

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Assortments with better fit for different store profiles

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Speed in launching collections

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Integrated and granular distribution

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Efficient inventory management

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Prudent and accurate credit offer

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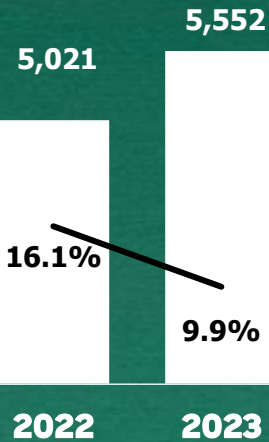
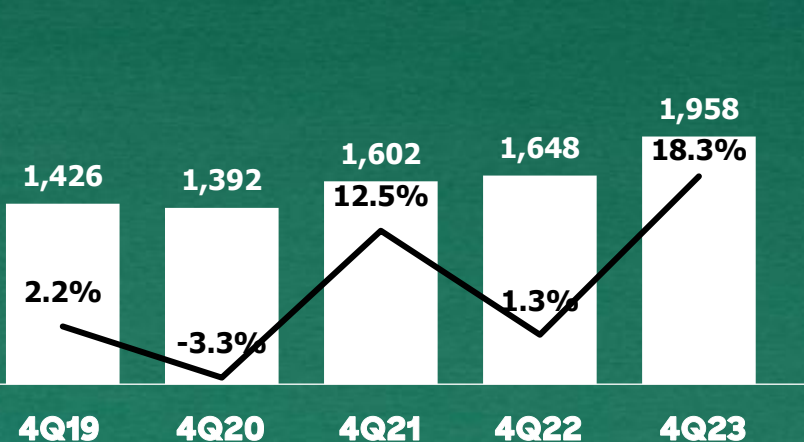
Commercial Intelligence Hub

# Solid growth in revenue from merchandise sales

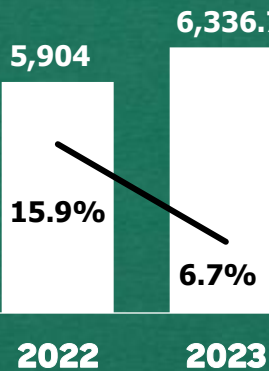
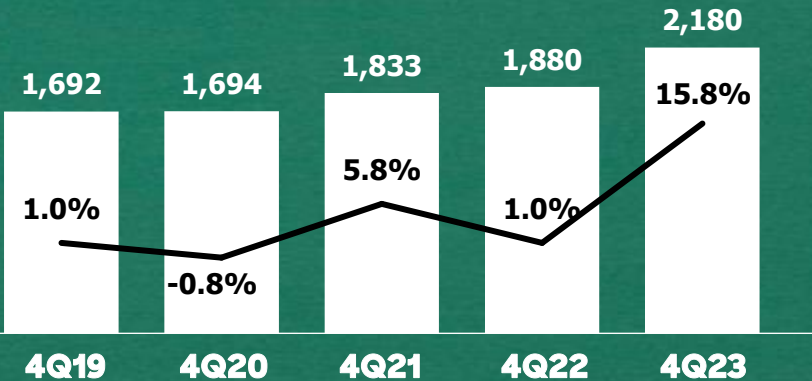
R\$ Million and %

Apparel performance as a driver of growth

**Apparel**  
+18.8% vs 4Q22



**Merchandise**  
+16.0% vs 4Q22



Net revenue

Same-store sales

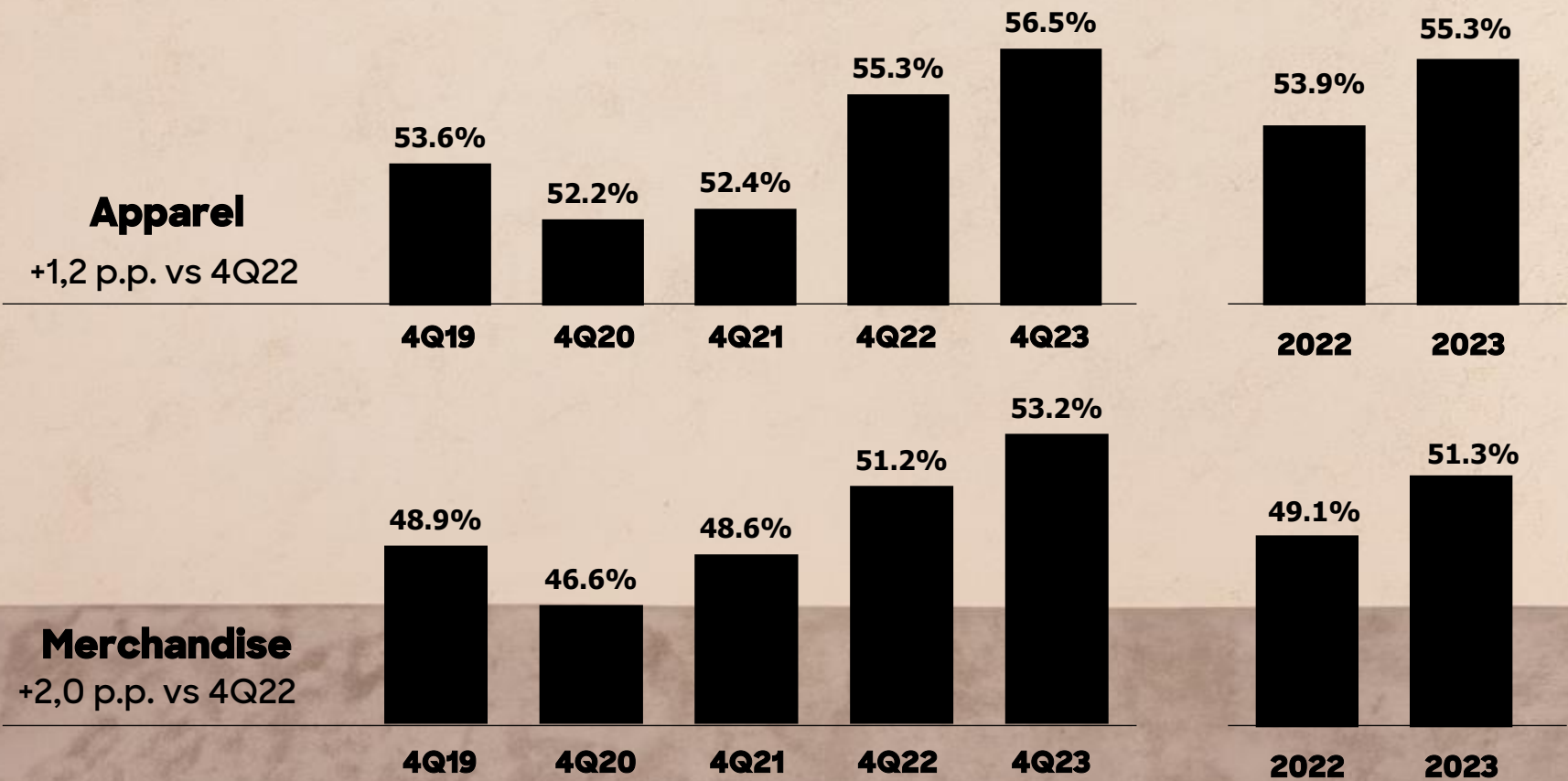
resultados 4T23



# Eighth consecutive quarter of growth in apparel gross margin

R\$ Million and %

Apparel gross margin growth driven by positive reception of our collection, dynamic pricing and push-pull distribution,



■ Gross Profit

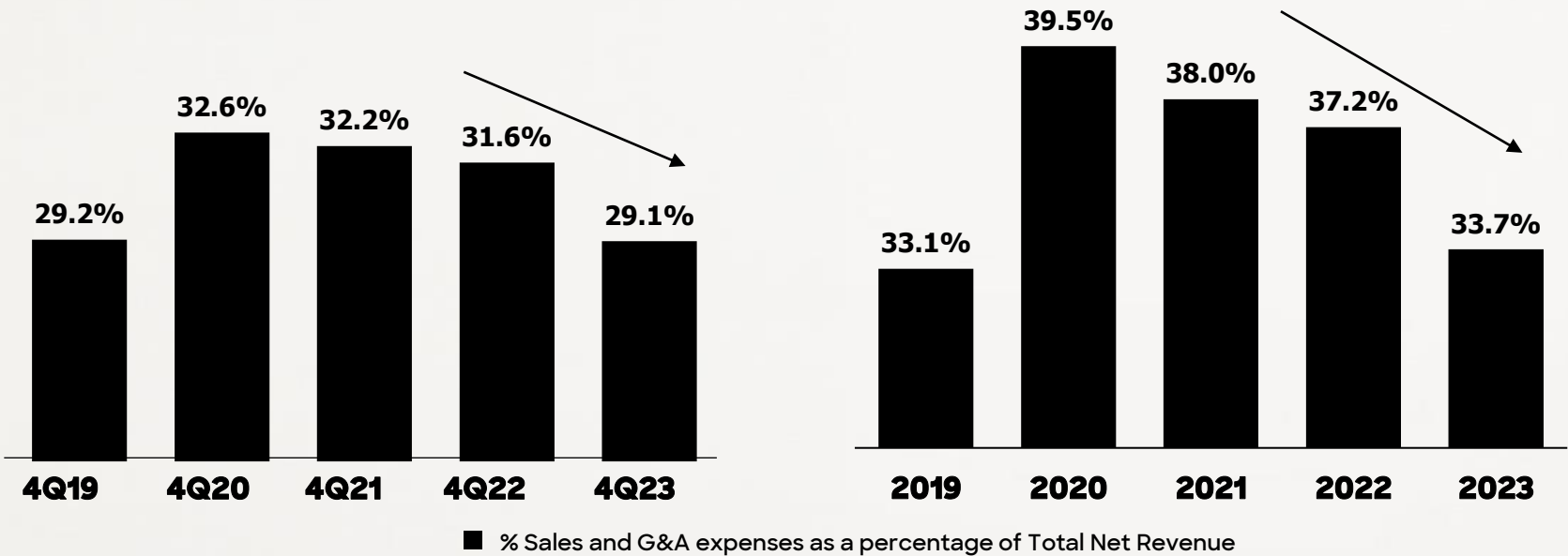




# Operating expenses<sup>1</sup> under control

R\$ Million and %

Strict expense control



## Operating Expenses

4Q19	4Q20	4Q21	4Q22	4Q23	Var.
(507.9)	(568.8)	(599.0)	(616.5)	(667.9)	8.3%

## Operating Expenses

2019	2020	2021	2022	2023	Var.
(1,752)	(1,615)	(1,959)	(2,301)	(2,262)	-1.7%

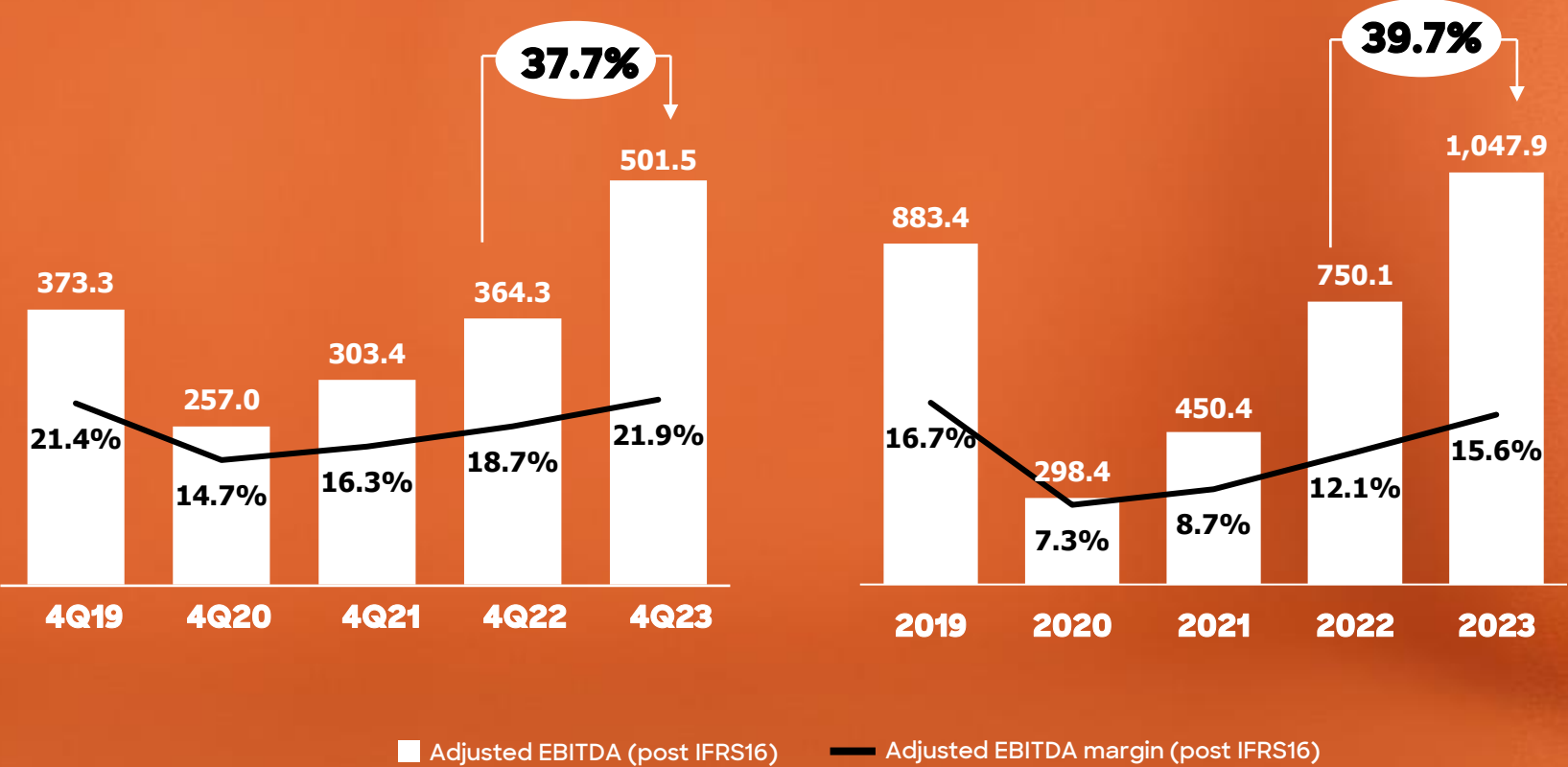


1- Expenses consider the impact of the payment of the lease, according to the IFRS16 accounting standard. However, it does not take into account the expenses of Depreciation and Amortization and the Depreciation of Right of Use (Lease), in addition to the expenses with credit losses, net and other (expenses) operating revenues

# Strong growth in adjusted EBITDA<sup>1</sup> post-IFRS16

R\$ Million and %

Evolution in all operational indicators in the quarter



1- EBITDA considers the impact of the lease payment, in accordance with IFRS16 accounting standard and is adjusted by: (i) other net operating income (expenses); (ii) financial income from suppliers; and (iii) recovery of tax credits





## Credit as a relationship channel in a fluid digital experience

**+77.0%**

Net revenue to R\$92.4 M

**R\$963M**

portfolio in the end of 4Q23

**5.0 M**

digital cards issued

**25%**

Share of retail sales

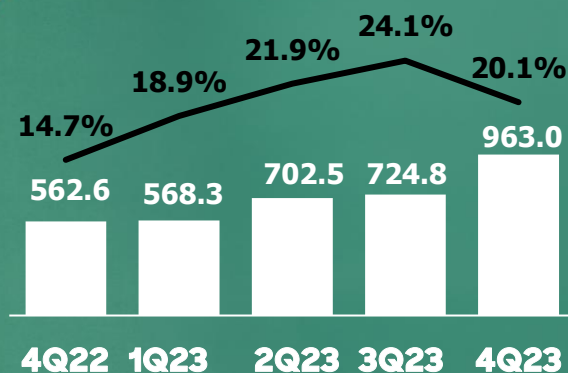
Growth of financial indicators in line with initial plan



# Disciplined credit management

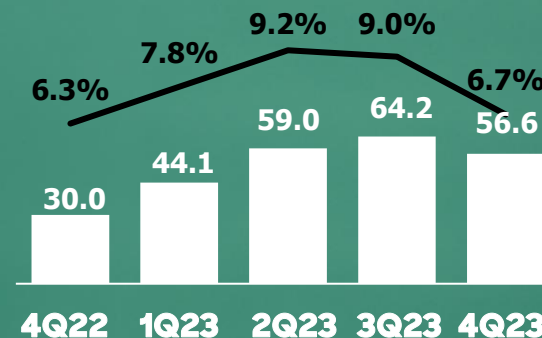
R\$ Million and %

Portfolio due at stage 3<sup>1</sup> over total portfolio



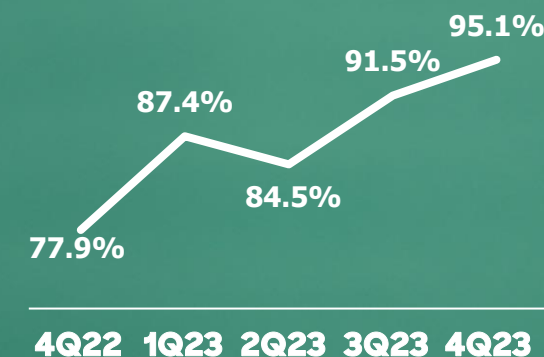
■ Total portfolio  
— Stage 3

Net losses on average portfolio



■ Net Losses  
— Net losses over average portfolio

Coverage Ratio (more than 90 days past due IFRS 9)



— Coverage Ratio (more than 90 days past due IFRS 9)

C&A Pay's average portfolio duration is 4.5 months

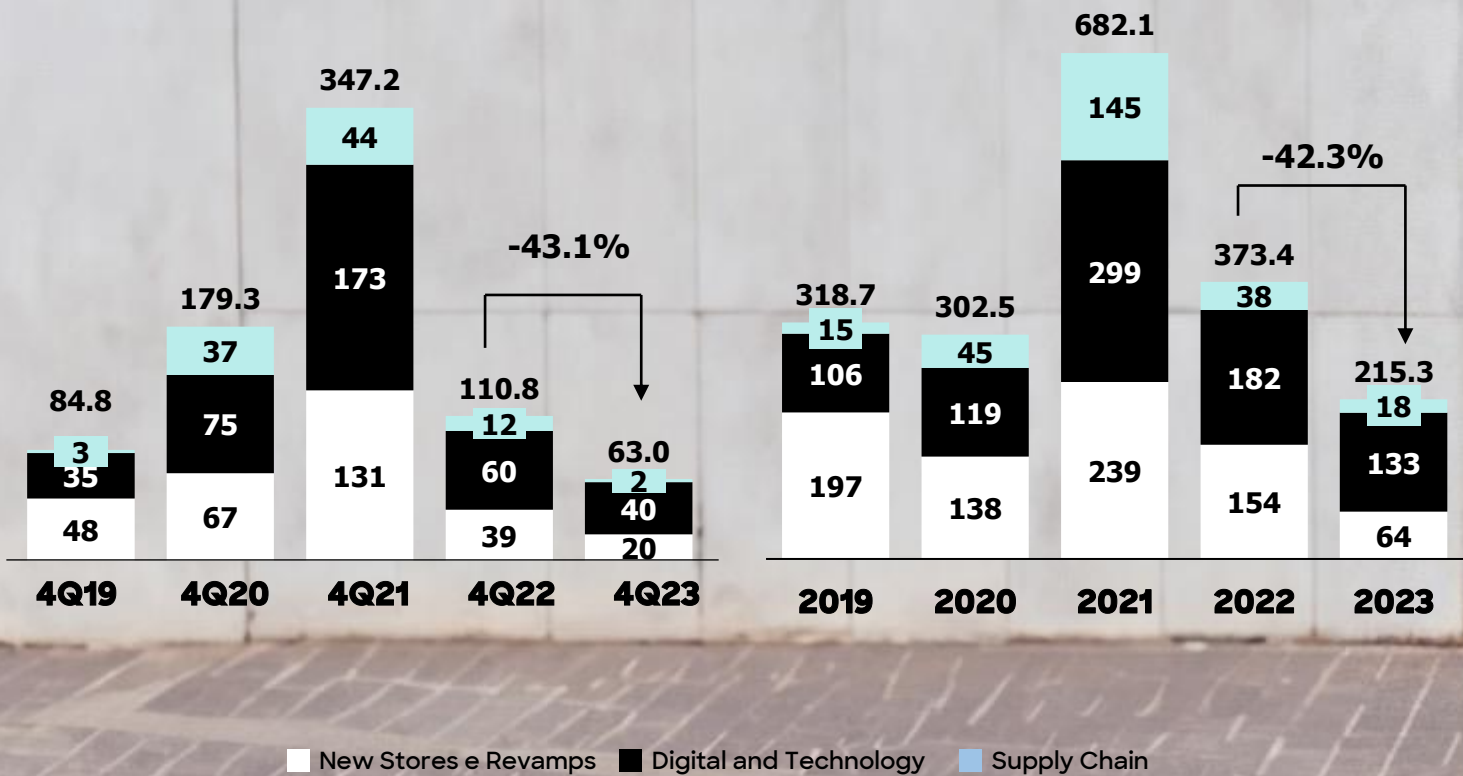
1) More than 91 days past due



# Selective and focused investment plan

R\$ Millions

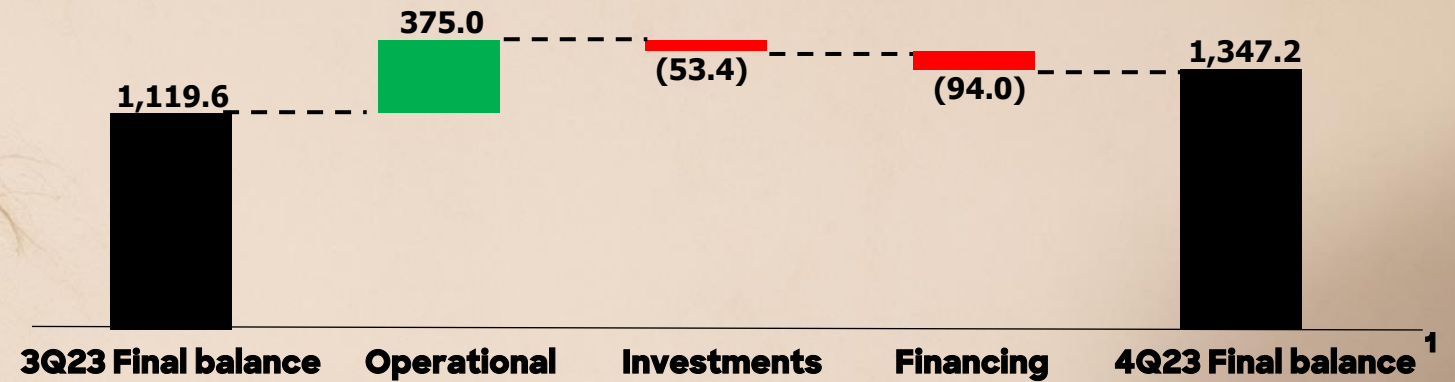
Focus on the effectiveness of investments reflects the rigorous evaluation of project returns



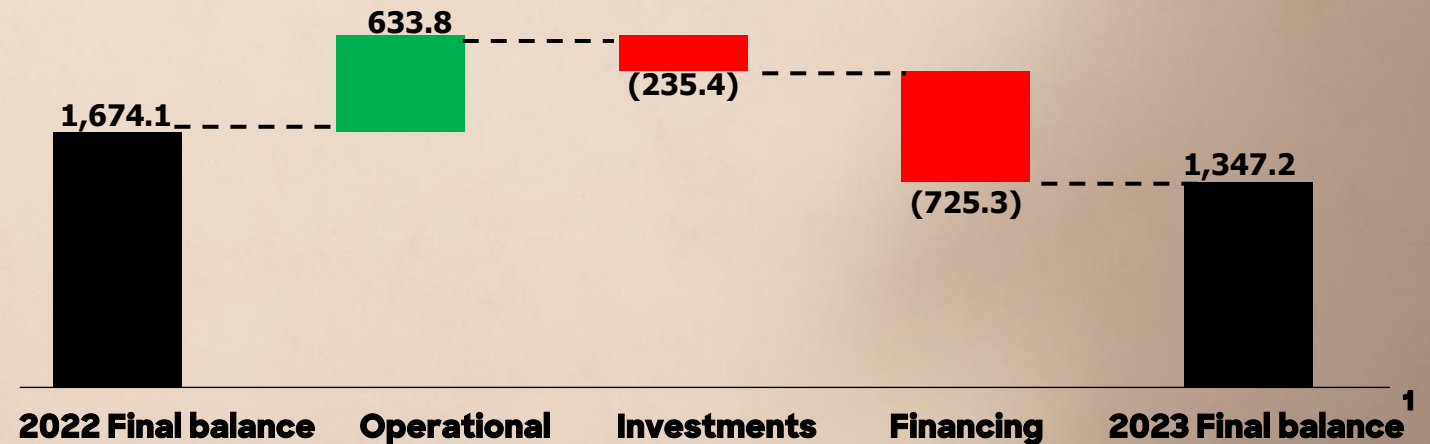
# Solid operating cash generation

R\$ Million

4Q23



2023



1) Includes short term financial investments (Treasury Bonds)



# Significant reduction in total net debt

R\$ million	2023	2022	Δ
Gross Debt	1,688.5	2,151.2	-21.5%
Buying back the right to offer credit (Bradescard)	539.9	469.3	15.0%
Adjusted gross debt	2,228.4	2,620.5	-15.0%
(-) Cash and Short-Term Investments <sup>1</sup>	1,347.2	1,422.8	-5.3%
(=) Net Debt	(881.2)	(1,197.7)	<b>-26.4%</b>
Adjusted EBITDA <sup>2</sup> pre-IFRS 16	576.4	305.1	88.9%
<b>Total Net Debt/Adjusted EBITDA pre-IFRS16</b>	<b>1.5x</b>	<b>3.9x</b>	<b>n/a</b>

**Cash discipline and working capital management, resulting in a significant reduction in a total net debt**

1- Excludes the effect of the anticipation of receivables carried out in December 2022

2- EBITDA excludes the impact of lease payments, in accordance with IFRS16 accounting standards, and is adjusted for: (i) other net operating income (expenses); (ii) financial income from suppliers; and (iii) recovery of tax credits



# 2024 priorities

Increase in sales per m2

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Proximity to our client base

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Improve the customer journey

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Progress in assortment management

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Increasingly accurate distribution

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Disciplined cash management

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# Questions & Answers

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.

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







## Earnings

# 4Q23

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