



Earnings Release

4Q23

Results Videoconference:

Portuguese/English

Date: 02/29/2024

Brasília: 11:00 h

New York: 09:00 h

London: 3:00 p.m.

Webcast: ri.cea.com.br

CEAB
B3 LISTED NM
SMLL B3

IGCT B3
IBRA B3

IGC-NM B3
ITAG B3

IGC B3
ICON B3

ISE B3
IGPTWB3

Highlights

4Q23

Apparel sales up 18.8% in 4Q23, with a solid increase in gross margin and 37.7% increase in Adjusted EBITDA post-IFRS 16.

Same store apparel sales increased **18.5%** compared to 4Q22.

Apparel gross margin was **56.5%**, a **1.2 p.p.** increase over 4Q22.

Operating Expenses³ as a percentage of net revenue decreased **2.5 p.p.** compared to 4Q22.

Adjusted EBITDA margin (post-IFRS 16) was **21.9%**, a **3.2 p.p.** increase compared to 4Q22.

R\$ 144.9 adjusted net income⁴ in 4Q23, 98.2% higher than 4Q22.

Financial leverage improved to 1.5x total net debt⁵/adjusted EBITDA pre-IFRS 16.

Indicators (R\$ million)	4Q23	4Q22	Δ	2023	2022	Δ
Total net revenue (R\$ Mn)	2,293.1	1,948.7	17.7%	6,719.3	6,183.6	8.7%
Apparel Net Revenue (R\$ Mn)	1,957.6	1,647.5	18.8%	5,551.6	5,021.1	10.6%
Apparel same store sales (SSS) ¹ (%)	18.5%	1.3%	17.2p.p.	9.9%	16.1%	-6.2p.p.
Same Store Sales (SSS) ¹ (%)	15.8%	1.0%	14.8p.p.	6.7%	15.9%	-9.2p.p.
Total Gross Margin (%)	53.3%	51.7%	1.6p.p.	52.4%	50.2%	2.2p.p.
Apparel Gross Margin (%)	56.5%	55.3%	1.2p.p.	55.3%	53.9%	1.4p.p.
Gross Merchandise Margin (%)	53.2%	51.2%	2.0p.p.	51.3%	49.1%	2.2p.p.
Operating Expenses ² (R\$ Mn)	(667.9)	(616.5)	8.3%	(2,262.2)	(2,301.0)	-1.7%
Adjusted EBITDA (post-IFRS16) ³ (R\$ Mn)	501.5	364.3	37.7%	1,047.9	750.1	39.7%
Adjusted EBITDA margin (post-IFRS16) (%)	21.9%	18.7%	3.2p.p.	15.6%	12.1%	3.5p.p.
Net income (loss) (R\$ Mn)	168.7	212.9	-20.8%	2.3	0.8	187.5%
Adjusted net income (loss) ⁴	144.9	73.1	98.2%	(44.8)	(184.7)	-75.7%
Investments (R\$ Mn)	63.0	110.8	-43.1%	215.3	373.4	-42.3%

(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) Excludes depreciation and amortization, including right-of-use (lease) depreciation, PDD and other operating revenue (expenses) to facilitate the analysis.

(3) Adjustments include: (i) other net operating revenue (expenses), (ii) trade financial revenue, and (iii) Recovery of tax credits.

(4) Excludes the effect of tax credits recognized in the appropriate periods.

(5) Includes commitment with Bradescard

Message from Management

C&A posted another strong sales performance in the fourth quarter of 2023, with all operational metrics improving. This demonstrates the relevance of our strategic choices and the execution capacity of our team. The 18.8% increase in net revenue plus better apparel gross margin - 56.5%, an all-time record, and streamlined expenses in 4Q23 led to a 37.7% increase in Adjusted EBITDA (post-IFRS 16), which reached R\$ 501.5 million, while our margin increased 3.2 p.p. to 21.9%.

Apparel sales increase in the last quarter of the year was driven by our commercial strategy, linked to our reading of the market, centered on versatile collections that contributed to positive reception by our clients. Apparel gross margin increased by 1.2 p.p. compared to 4Q22 (eighth consecutive quarter of gross margin increase compared to same period of last year), this is the result of initiatives taken and structuring projects in our product allocation, distribution, replenishment, and pricing processes, which are consolidated and integrated into our Commercial Intelligence Hub.

Our focus when selecting and prioritizing projects, supported by rigorous financial discipline, led to a 43.1% reduction in Capex. Our investments were focused on technology, process digitization and data analysis, in particular projects to improve the relationship between sales levels, gross margin, and inventory efficiency.

Solid operating cash generation, driven by good apparel performance and measures to optimize working capital, allowed us to end the quarter with a financial leverage drop to 1.5x net debt/ Adjusted EBITDA pre-IFRS16, including the commitment with Bradescard. Thus, we ended the quarter with R\$ 1.2 billion in cash, enough to meet all our 2024 commitments.

In 4Q23, C&A Pay reached its second anniversary with 5.0 million digital cards issued, for use exclusively in our C&A channels. In the quarter, these cards accounted for 25% of sales and is presenting better financial and loss indicators than the initial plan.

We believe that consumer credit is another important loyalty tool that contributes to purchasing frequency and recurrence. It is also a powerful generator of behavioral data to improve collection development and the client journey. At the same time, we continue to pay close attention on the efficiency of the processes used to grant, maintain, and recover credit due to the current level of household debt.

2023 was an important year for C&A. We made significant progress in client perception of our fashion collections by focusing on offering more flexible items and on expanding our assortment with regional proposals for the different store profiles, which proved to be a winning strategy. Furthermore, a more reactive supply chain allowed us to reduce development and launch lead time of collections, allowing us to better connect with the client behaviors, desires and needs at each moment of the year.

Message from Management

This drove our very solid, we were able to deliver consistent operating performance, with apparel same-store sale annual growth of 9.9%, in addition apparel gross margin expanded of 1.4 p.p. and EBITDA margin 3.5 p.p. higher. We efficiently controlled our expenses and working capital, which resulted a sharp reduction of financial leverage.

It is important to highlight that this performance was the result of focusing on our sharpened focus on our core apparel business and on the structural projects we have implemented since the IPO in 2019 and that are now coming to maturity.

In the ESG area, we made significant advances in the last quarter of the year. We became part of the B3 Corporate Sustainability Index portfolio (ISE) and scored the highest among Brazilian companies in the Fashion Revolution Fashion Transparency Index. We were also the best positioned fashion retailer in the GPTW (Great Place to Work) Ranking.

Throughout the year, the company's senior leadership was also strengthened, with executives with extensive experience in fashion and retail joining the company, notably Laurence Beltrão Gomes as CFO and IRO, Maria Carolina Borghesi as Vice-president of People, Culture, and ESG and Bruno Ferreira promoted to IT and Digital Transformation Director.

The current competitive environment and the macroeconomic context encourage us to strengthen our skills and get closer to our clients, improving our offer, the shopping experience and boosting the strength of our brand.

Our operations continued to advance during the year, especially in the fourth quarter, reinforce our confidence that we will continue gain in competitiveness throughout 2024, through intelligent processes and attractive value proposition for our clients.

Finally, we are immensely grateful for the engagement of our associates, the trust and attention of our client, the partnership with our suppliers and the support of our shareholders.

The Management of C&A Modas S.A.

Financial Performance

Net Revenue

In 4Q23 total net revenue was R\$ 2,293.1 million, 17.7% higher than in 4Q22. Net revenue from merchandise sales was R\$ 2,179.9 million, a 16.0% increase, representing 95.1% of the total. Revenue from financial products and services was R\$ 103.3 million, a 64.5% increase.

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Apparel net revenue	1,957.6	1,647.5	18.8%	5,551.6	5,021.1	10.6%
Revenue from Fashiontronics and Beauty	222.3	232.1	-4.2%	785.1	883.4	-11.1%
Revenue from merchandise sales	2,179.9	1,879.6	16.0%	6,336.7	5,904.5	7.3%
Other revenue	9.9	6.3	57.1%	26.0	21.7	19.8%
Revenue from financial services	103.3	62.8	64.5%	356.6	257.4	38.5%
Total Net Revenue	2,293.1	1,948.7	17.7%	6,719.3	6,183.6	8.7%

Same Store Sales (%)	4Q23	4Q22	Δ	2023	2022	Δ
Apparel Same Store Sales	18.5%	1.3%	17.2 p.p.	9.9%	16.1%	-6.2 p.p.
Fashiontronics and Beauty Same Store Sales	-3.7%	-1.3%	-2.4 p.p.	-11.1%	14.4%	-25.5 p.p.
Same Store Sales (SSS) ¹ (%)	15.8%	1.0%	14.8 p.p.	6.7%	15.9%	-9.2 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 increased 18.8%, and Same-Store Sales were up 18.5% in 4Q23.

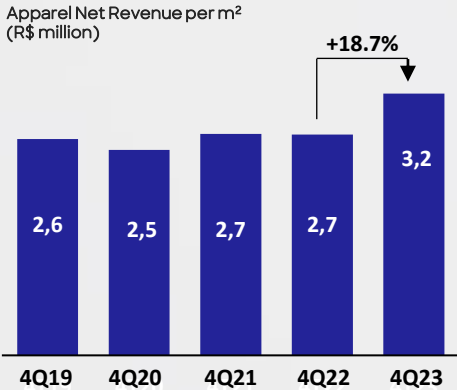
The positive reception of our high summer collections, combined with efficient management of assortment, supply, and replenishment of the store network contributed to this performance. The growth of the women's and men's divisions was a highlight.

Sales increased more in stores located in areas with a larger number of class AB consumers, reflecting the company's strategy to launch versatile items with a greater value perception, and benefitting from intelligent store displays.

Apparel revenue increased 10.6% in the year, and Same-Store Sales were up 9.9%.

+18.8%

increase in apparel net revenue compared to 4Q22



Electronics

This category is primarily comprised of cell phones, smartphones, watches and accessories. Revenue from this category was down 11.8% compared to 4Q22. Demand for cell phones and smartphones remains low in Brazil's weak consumption environment. And the company has concentrated its attention and focus on the Apparel and Beauty categories, reducing its exposure in this segment. By December 2023, 27 kiosks had closed.

Beauty

Beauty products were introduced in late 2019, and the focus now is to improve their share of the category. Beauty revenue increased 32.3% in 4Q22.

Net revenue from merchandise sales

Net revenue from merchandise sales was 16.0% higher than in 4Q22, or R\$ 2,179.9 million. This increase was the result of increased apparel sales in the quarter. In 2023, net revenue from goods increased 7.3% compared to 2022. Same-store sales increased 15.8% in 4Q23, and 6.7% in the year.

Other Revenue

Other revenue increased 57.1% in 4Q23, to R\$ 9.9 million, mostly driven by an increase in e-commerce shipping costs.

Net revenue from financial services

Revenue from financial services in the quarter amounted to R\$ 103.3 million, a 64.5% increase, primarily due to the growth of C&A Pay operations.

Digital

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Total gross digital revenue (GMV ¹ 1P+3P)	395.6	396.7	-0.3%	1,464.6	1,170.7	25.1%
Digital net revenue	292.7	296.9	-1.4%	1,077.5	872.4	23.5%
Digital net revenue as a percentage of Revenue from merchandise sales	13.4%	15.8%	-2.4p.p.	17.0%	14.8%	2.2p.p.

(1) GMV – Gross Merchandise Value: 1P – first-party relationship or direct C&A sales, 3P – third-party relationship or marketplace sales

Our digital gross revenue, or online GMV, which includes sales via our website, app, direct sales (including WhatsApp), and marketplace partner (sellers) sales was stable at R\$ 395.6 million.

Digital net revenue in 4Q23 was R\$ 292.7 million, a 1.4% drop. It accounted for 13.4% of total sales in the fourth quarter, and 17.0% in the full year.



Gross Profit and Gross Margin

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Gross Profit from Apparel	1,105.2	911.2	21.3%	3,071.3	2,705.7	13.5%
Gross Profit from Fashiontronics and Beauty	55.4	51.6	7.4%	181.8	193.9	-6.2%
Gross Profit from Merchandise	1,160.6	962.8	20.5%	3,253.1	2,899.6	12.2%
Other Gross Profit	(42.5)	(16.9)	151.5%	(86.3)	(49.4)	74.7%
Gross Profit from Financial Services	103.0	62.5	64.8%	355.5	255.8	39.0%
Total Gross Profit	1,221.2	1,008.4	21.1%	3,522.3	3,106.1	13.4%

%	4Q23	4Q22	Δ	2023	2022	Δ
Gross Margin from Apparel	56.5%	55.3%	1.2 p.p.	55.3%	53.9%	1.4 p.p.
Gross Margin from Fashiontronics and Beauty	24.9%	22.2%	2.7 p.p.	23.2%	21.9%	1.3 p.p.
Gross Margin from merchandise	53.2%	51.2%	2.0 p.p.	51.3%	49.1%	2.2 p.p.
Total Gross Margin	53.3%	51.7%	1.6 p.p.	52.4%	50.2%	2.2 p.p.

In 4Q23, total gross profit was R\$ 1,221.2 million, 21.1% higher than in 4Q22. Total gross margin in the quarter was 53.3%, a 1.6 p.p. improvement over the previous year. Dynamic pricing of apparel prices and a smaller share of electronics in our total sales were contributing factors. Gross profit in the year increased 13.4% to R\$ 3,522.3 million, while total gross margin was 52.4%, 2.2 p.p. higher than in the same period in 2022.

Gross margin from Apparel was 56.5%, a 1.2 p.p. increase driven by the positive reception of the collection, higher inventory turnover and our proprietary commercial margin management model. This model ranges from testing and market surveys until faster price corrections based on dynamic pricing algorithms. The continued capture of the benefit of push-pull distribution also drove gross margin expansion. In 2023 our Gross Margin increased 1.4 p.p, to 55.3%.

Our Fashiontronics and Beauty margin in 4Q23 increased 2.7 p.p. to 24.9% thanks to an increased share of beauty goods in the category, which accounted for 25% of the segment. In the year it increased 1.3 p.p. to 23.2%.

Gross margin from merchandise was 53.2%, a 2.0 p.p. increase over 4Q22. This is primarily the result of improved gross margin in Apparel, Fashiontronics, and Beauty. In 2023 our Goss Margin increased 2.2 p.p, to 51.3%.

+2.0 p.p.
gross margin
compared to 4Q22

Operating expenses

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Selling Expenses	(507.9)	(476.9)	6.5%	(1,726.4)	(1,815.4)	-4.9%
General and administrative expenses	(160.1)	(139.7)	14.6%	(535.8)	(485.6)	10.3%
Operating Expenses¹	(667.9)	(616.5)	8.3%	(2,262.2)	(2,301.0)	-1.7%
Other operating income (expenses)	40.2	119.5	-66.4%	66.1	169.3	-61.0%
Total Operating Expenses²	(627.8)	(497.1)	26.3%	(2,196.1)	(2,131.8)	3.0%

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)

%	4Q23	4Q22	Δ	2023	2022	Δ
Selling Expenses / Total Net Revenue	22.1%	24.5%	-2.4 p.p.	25.7%	29.4%	-3.7 p.p.
G&A Expenses/Total Net Revenue (R\$ Mn)	7.0%	7.2%	-0.2 p.p.	8.0%	7.9%	0.1 p.p.
Operating Expenses¹/Total Net Revenue	29.1%	31.6%	-2.5 p.p.	33.7%	37.2%	-3.5 p.p.

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

In the fourth quarter, our total operating expenses, excluding depreciation and net credit losses, amounted to R\$ 627.8 million, 26.3% more than in 4Q22, primarily due to lower other operating revenue (expenses). Selling, general, and administrative expenses increased 8.3% compared to 4Q22, with improved operating leverage of 2.5 p.p. versus the same period last year. In 2023, dilution was 3.5 p.p..

Selling expenses added up to R\$ 507.9 million, 6.5% higher than in 4Q22, with a 2.4 p.p. dilution. This increase is the result of higher expenses with third party services as a result of increased sales in the period, technology and digitization projects, and increased investments in marketing campaigns.

General and administrative expenses increased 14.6%, to R\$ 160.1 million due to an increase in our personnel line, and higher expenses with third party labor, reflecting the larger number of SKUs handled at our distribution centers. Our expenses with technology and digitization also increased.

Other Operating Revenue (expenses) were revenue of R\$ 40.2 million, a 66.4% drop due to the higher comparable base 4Q22 resulting from the recognition of tax credits in 2022 related to the final unappealable ruling of the STJ (Supreme Court) in a case regarding an exemption from PIS and COFINS taxes on retail sales of smartphones made in Brazil, as per Law 11.196/2005 (as the "Law for Good" or "Lei do Bem").

Financial services

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Bradescard Partnership	10.9	10.7	1.9%	41.9	123.2	-66.0%
C&A Pay (Private Label)	92.4	52.2	77.0%	314.7	134.1	134.7%
Net revenue from Taxes	103.3	62.8	64.5%	356.6	257.3	38.6%
Gross Profit	103.0	62.5	64.8%	355.5	255.8	39.0%
(-) Losses Net of Recoveries (C&A Pay)	(56.6)	(30.0)	88.7%	(223.9)	(64.3)	248.2%
(-) Total Expenses¹	(56.3)	(62.2)	-9.5%	(212.0)	(211.4)	0.3%
(=) Financial Services Results	(9.9)	(29.7)	-66.7%	(80.4)	(19.9)	304.0%

(1) Excludes depreciation and amortization

Net revenue from financial services was R\$ 103.3 million in 4Q23, 64.5% above 4Q22 due to the good performance of C&A pay. Gross Revenue from Financial Services was R\$ 356.6 million in 2023, a 38.6% increase.

Provisions for losses from the C&A Pay operation in the quarter were R\$ 56.6 million, reflecting its evolving portfolio. Total expenses amounted to R\$ 56.3 million, 9.5% lower than 4Q22. C&A Pay completed its second full year of operations in December 2023 and is still in the process of creating cohorts. Our financial services operating expenses are available in the fundamentals spreadsheet on the company’s IR site – <https://ri.cea.com.br>.

C&A Pay Indicators	4Q23	4Q22	Δ	2023	2022	Δ
Active Portfolio (million)	963.0	562.6	71.0%	963.0	562.6	71.0%
Share of retail sales	25%	16%	9 p.p.	22%	13%	8 p.p.
Number of new cards (thousand)	830	608.0	36.4%	2,447	2,165.0	13.0%
Number of cards issued (mil)	5,012	2,567.0	95.3%	5,012	2,567.0	95.3%
Losses net of recoveries over portfolio for the period (%)	6.7%	6.3%	0.4 p.p.	29.3%	19.5%	9.8 p.p.

In 4Q23, C&A Pay issued over 830,000 new digital cards, for a total of 5.0 million cards issued. The card now accounts for 25% of sales, a 9 p.p increase. In 2023, C&A pay cards accounted for 22% of sales. It is important to point out that the evolution of credit-granting models points to a significantly better performance of the new cohorts, which has generated security in relation to the quality of the portfolio and the expectation of the level of future defaults levels.

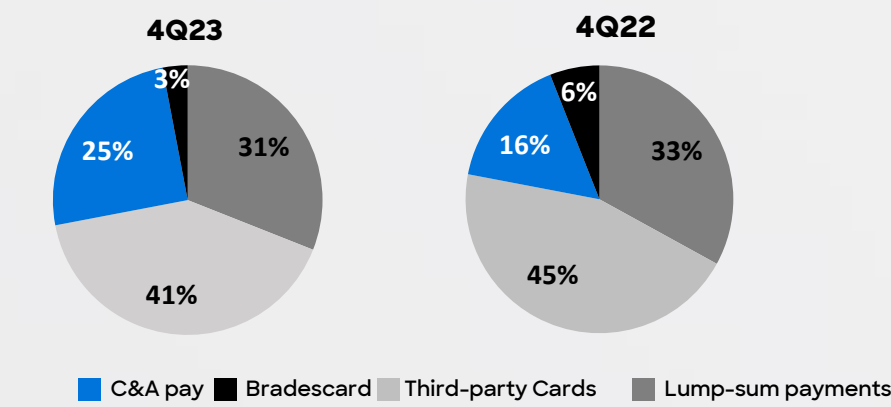
In the Bradescard partnership, 28,000 new cards were issued, and Bradescard credit as a percentage of sales was 3%, down 3 p.p. Indicators for the Bradescard Partnership can be found in the appendix.

28% of 4Q23 sales used credit, either via our Bradescard partnership or C&A Pay. 26% of all sales in the year were paid for with credit.

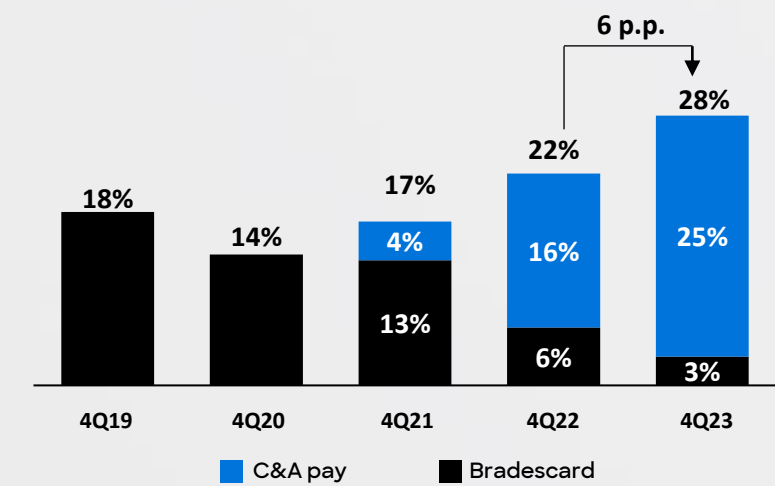
Financial services

Payment methods

In payment methods, we highlight the increase share of C&A Pay, reflecting a relevant offer and good execution.



Increase in C&A pay as a percentage of total sales.



Portfolio Maturity

C&A Pay - Private Label (R\$ thousand)	Coming due	past due
Up to 30 days	236,208	18,514
31 – 60 days	158,185	15,665
61 – 90 days	117,484	21,336
91 – 180 days	158,440	66,174
180 – 360 days	56.237	114,777
Total	726,554	236,466

Coverage Index (longer than 90 days pas due):

101.9%

Financial services

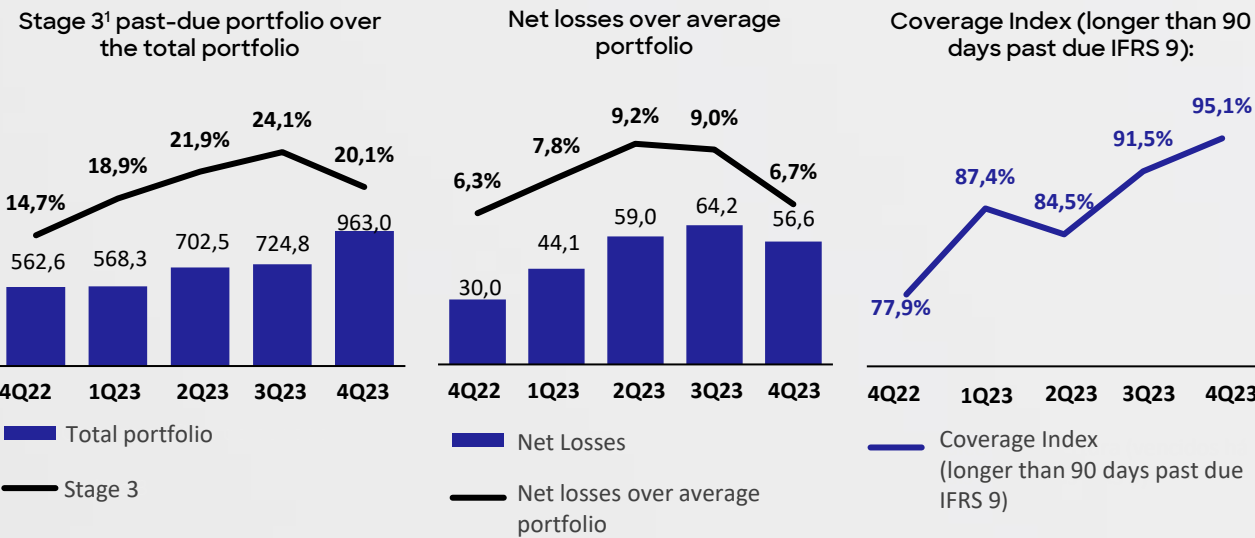
Coverage over credit portfolio

C&A Pay (R\$ thousand)	Portfolio	DPD	Percent Coverage
On-balance portfolio	963,020	184,232	19.1%
Stage 1	721,415	18,582	2.6%
Stage 2	47,684	5,321	11.2%
Stage 3 ¹	193,921	160,329	82.7%
Off balance ² (Balance of limits granted but not used)	748,247	147	0.02%
Grand Total	1,711,267	184,379	10.8%
Coverage index (IFRS 9):			19.1%
Coverage Index (longer than 90 days past due IFRS 9):			95.1%

1) More than 91 days past due
2) Includes limits granted but not used

Since the beginning of 4Q23, all roll rates have shown signs of improvement in all ranges of delayed payments, indicating a prospective improvement in default rates. In addition, net losses over average portfolio for the period dropped 2.3 p.p. compared to 3Q23, and the coverage rate was 95.1%, 3.6 p.p. better than 3Q23. The average term (duration) of the C&A Pay portfolio is 4.5 months.

The stage 3 (more than 91 day past due) past-due portfolio amounted to 20.1% of the total portfolio, an improvement of 4.0 p.p. compared to 3Q23. C&A Pay completed its second full year of operations in December 2023 and is still in the process of creating baskets.



Adjusted EBITDA

(post-IFRS 16)

R\$ million, except margins	4Q23	4Q22	Δ	2023	2022	Δ
Net income (loss) for the period	168.7	212.9	-20.8%	2.3	0.8	187.5%
(+) Income taxes	76.7	93.6	-18.1%	(36.6)	(44.1)	-17.0%
(+/-) Net financial results	112.2	45.7	145.5%	428.7	311.5	37.6%
(+) Depreciation and amortization	179.3	129.0	39.0%	707.8	641.9	10.3%
(=) EBITDA (post-IFRS 16)	536.8	481.3	11.5%	1,102.3	910.1	21.1%
(+/-) Other operating and net income (expenses),	6.0	13.4	-55.2%	10.2	31.1	-67.2%
(+) Financial income from suppliers	4.8	2.5	92.0%	11.7	9.2	27.2%
(-) Tax credit recovery	(46.2)	(132.9)	-65.2%	(76.3)	(200.4)	-61.9%
(=) Adjusted EBITDA (post-IFRS 16)¹	501.5	364.3	37.7%	1,047.9	750.1	39.7%
Adjusted EBITDA Margin (post-IFRS 16) ¹ over Net Revenue	21.9%	18.7%	3.2p.p.	15.6%	12.1%	3.5p.p.

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

Adjusted EBITDA (post-IFRS 16) in 4Q23 was R\$ 501.5 million, a 37.7% increase compared to 4Q22. Adjusted EBITDA margin (post-IFRS 16) was 21.9% up from 18.7% in the year-ago period. In the year, Adjusted EBITDA (post-IFRS 16) was R\$ 1,047.9 million, with a 15.6% margin.

Adjusted EBITDA
(post-IFRS16)
37.7%
higher than in 4Q22.

R\$ million, except margins	4Q23	4Q22	Δ	2023	2022	Δ
Financial Services Results	9.9	29.7	-66.7%	80.4	19.9	304.0%
Adjusted EBITDA (Post-IFRS 16)¹ for the Retail Operation	511.4	394.0	29.8%	1,128.3	770.0	46.5%
Adjusted EBITDA (Post-IFRS 16)¹ for the Retail Operation	22.3%	20.2%	2.1p.p.	16.8%	12.5%	4.3 p.p.

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

Adjusted EBITDA from Retail Operations (post-IFRS 16) was R\$ 511.4 million in 4Q23, with a 22.3% margin, improving by 2.1 p.p.. Adjusted EBITDA from Retail Operations (post-IFRS 16) was R\$ 1,128.3 million in 4Q23, with a margin of 16.8% margin, a 4.3 p.p. improvement

Finance results

R\$ million, except margins	4Q23	4Q22	Δ	2023	2022	Δ
Exchange variation	0.8	0.3	166.7%	2.0	0.3	566.7%
Total Finance Expenses	(154.8)	(171.9)	-9.9%	(636.5)	(601.3)	5.9%
Interest on loans	(57.6)	(81.4)	-29.2%	(255.4)	(272.4)	-6.2%
Interest on leases	(41.9)	(40.2)	4.2%	(160.1)	(156.5)	2.3%
Trade receivable finance expenses – APV	(31.5)	(25.8)	22.1%	(116.3)	(88.6)	31.3%
Interest from trade receivables – Bradescard	(17.0)	(16.3)	4.3%	(70.6)	(54.3)	30.0%
Interest on taxes and contingencies	(5.5)	(6.1)	-9.8%	(22.2)	(21.7)	2.3%
Early receivables charges	0.0	(1.5)	-100.0%	(4.1)	(1.5)	173.3%
Other finance expenses	(1.2)	(0.5)	140.0%	(7.8)	(6.2)	25.8%
Total finance income	37.8	125.9	-70.0%	198.7	289.6	-31.4%
Revenue from interest	10.5	84.2	-87.5%	82.0	168.6	-51.4%
Interest on short-term investments	22.4	39.1	-42.7%	105.0	111.7	-6.0%
Supplier Financial Revenue	4.8	2.5	92.0%	11.7	9.2	27.2%
Other Finance Income	0.0	0.0	-	0.0	0.0	-
Earnings from Bonds and Securities	4.0	0.0	-	7.1	0.0	-
Finance results	(112.2)	(45.7)	145.5%	(428.7)	(311.5)	37.6%

In 4Q23, finance results were an expense of R\$ 112.2 million, 145.5% higher than in the same period of the previous year. This is primarily driven by a drop in financial revenue, which in 4Q22 had benefitted from recognizing interest on tax credits, mostly related to an exemption from PIS and COFINS taxes on the sale of smartphones made in Brazil, as per Law 11.196/2005 (known as the “Law for Good” or “Lei do Bem”), in the amount of some R\$ 40 million.

Net Income

R\$ million, except margins	4Q23	4Q22	Δ	2023	2022	Δ
Net profit (loss)	168.7	212.9	-20.8%	2.3	0.8	187.5%
Net Margin	7.4%	10.9%	-3.5p.p.	0.0%	0.0%	0.0p.p.
Adjusted net profit (loss)¹	144.9	73.1	98.2%	(44.8)	(184.7)	-75.7%
Adjusted net margin	6.3%	3.8%	2.5p.p.	-0.7%	-3.0%	2.3p.p.

1) Excludes the effect of tax credits recognized in the appropriate periods.

In 4Q23, net income was R\$ 168.7 million. Adjusted net income, which primarily excludes the effect of tax credits recognized in the appropriate periods, increased 98.2%. In 2023, net income was R\$ 2.3 million.

Free cash flow

Adjusted Free Cash Flow

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Pre IFRS16 income (losses) before Income Tax and Social Contribution	248.1	310.3	-20.0%	(13.6)	10.1	-234.7%
Depreciation and amortization	95.9	47.4	102.3%	367.7	295.1	24.6%
(+/-) Other	155.8	(8.4)	-1954.8%	542.5	223.5	142.7%
Adjustments with no impact on cash	251.6	39.0	545.1%	910.1	518.5	75.5%
Income Tax and Social Contribution paid	(2.5)	(7.9)	-68.4%	(27.5)	(19.8)	38.9%
Working Capital	(122.3)	502.6	-124.3%	(236.2)	92.6	-355.1%
Trade receivables	(837.9)	(207.3)	304.2%	(725.9)	(206.9)	250.8%
Inventory	95.8	100.1	-4.3%	(106.0)	(65.9)	60.8%
Suppliers	325.3	414.3	-21.5%	248.5	145.5	70.8%
Other	294.5	195.5	50.6%	347.3	219.9	57.9%
Cash from operating activities	375.0	844.0	-55.6%	632.8	601.5	5.2%
(-) CAPEX (Investments)	(53.4)	(83.0)	-35.7%	(234.4)	(471.6)	-50.3%
(=) Adjusted Free Cash Flow	321.5	760.9	-57.7%	398.4	129.9	206.7%

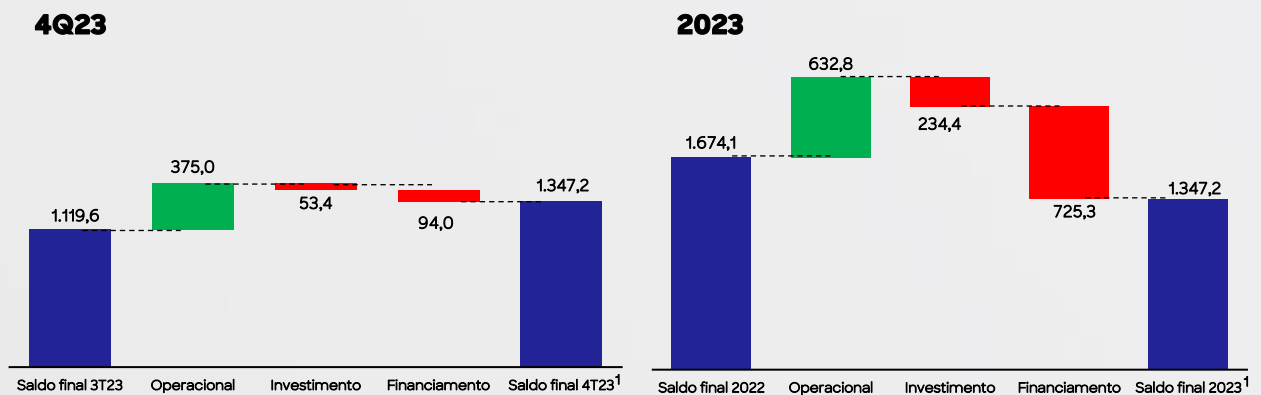
Adjusted free cash flow in 4Q23 was R\$ 321.5 million. It is important to highlight that working capital was positively impacted in 4Q22 by initiatives to extend the payment cycle with direct and indirect suppliers and shorten our receivables cycle with, among other measures, minimum instalments.

Due to the good operating result at the end of the year, there were no pre-paid receivables in 4Q23, unlike in 4Q22, when R\$260 million of receivables were anticipated.

Adjusted free cash flow in 2023 was R\$ 398.4 million.

Changes in Cash Position - 4Q23 and 2023

The final cash balance in 4Q23 increased by R\$ 227.6 million over end-September 2023. Operating activities generated R\$ 375.0 million in cash. We also offset previously unused tax credits in the amount of R\$ 52.7 million. Investments used R\$ 53.4 million, and financing activities another R\$ 94.0 million. Operating activities generated R\$ 632.8 million in cash.



1) Includes short term financial investments (Treasury Bonds)

Investments

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
New Stores	3.3	16.0	-79.4%	30.0	108.4	-72.3%
Revamps and Refurbishings	16.9	22.9	-26.2%	33.6	45.6	-26.3%
Supply Chain	2.7	11.6	-76.7%	18.3	37.8	-51.6%
Digital and Technology	40.1	60.3	-33.5%	133.4	181.6	-26.5%
Total Investments¹	63.0	110.8	-43.1%	215.3	373.4	-42.3%

(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.

Investments in the quarter totaled R\$ 63.0 million. Of this, Digital and Technology accounted for R\$ 40.1 million. Our investments are optimized based on prioritizing products and focusing on cash preservation.

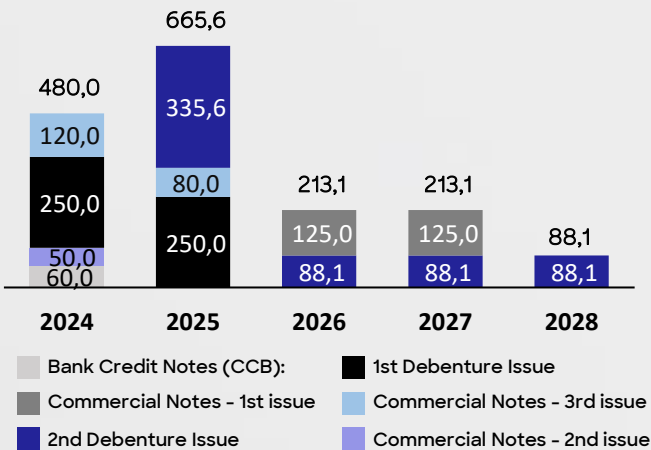
Indebtedness

R\$ million	2023	2022	Δ
Short-Term Debt	512.1	746.4	-31.4%
Long-Term Debt	1,176.4	1,404.8	-16.3%
Gross Debt	1,688.5	2,151.2	-21.5%
Buying back the right to offer credit products and financial services (Bradescard)	539.9	469.3	15.0%
Adjusted net debt	2,228.4	2,620.5	-15.0%
(-) Cash and Cash Equivalents and Short-Term Investments ¹	1,347.2	1,422.8	-5.3%
(=) Cash or (Net Debt)	(881.2)	(1,197.7)	-26.4%
Adjusted EBITDA pre-IFRS16	576.4	305.1	88.9%
Total net debt/ Adjusted EBITDA pre-IFRS16 ¹	1.5x	3.9x	n/a

1) Excludes the impact of pre-payment of receivables in December 2022

At year end, our net debt, including the commitment to pay Bradescard, was R\$ 881.2 million. Net debt/pre IFRS 16 Adjusted EBITDA was 1.5x, improving from 3.9x one year earlier.

Bank Debt Amortization Schedule (R\$ million)



In addition to the amounts in this schedule, in 2025 we will pay out R\$ 415 million of the Bradesco debt incurred when C&A bought back the right to offer credit products and financial services from Bradesco, recorded in the Statement of Financial Position under suppliers.

Capital Market

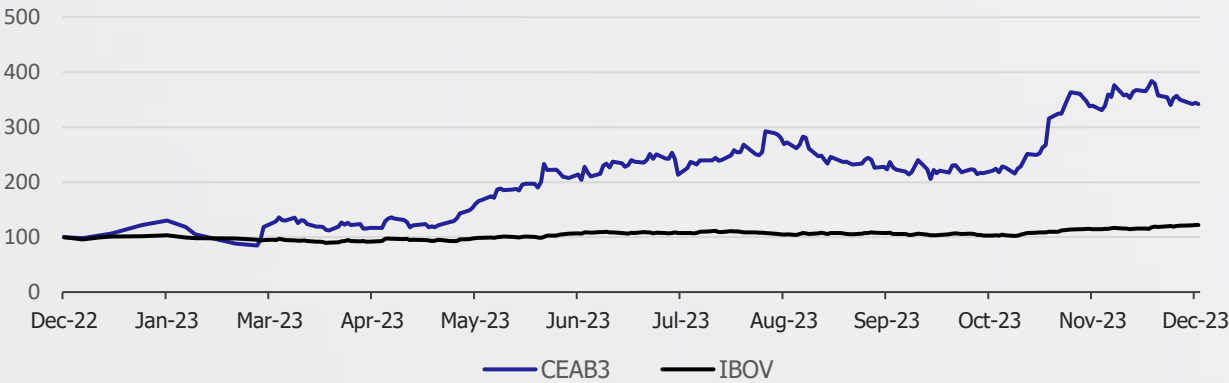
C&A joined the B3 "Novo Mercado" on 28 October 2019, at a starting share price of R\$ 16.50. Average daily trading in 4Q23 was R\$ 26 million, and the share price increased 42.7%. In 2023, the share price increased 241.9% and on 31 December 2023 the company's market cap was R\$ 2.4 billion.

CEAB3¹

Final Price (12/31/2023)	R\$ 7,83
Highest price in 4Q23	R\$ 8,79
Lowest price in 4Q23	R\$ 4,71
Valuation/Devaluation in 4Q23	42.7%
Total number of shares	308,245,068
Market Cap (12/31/2023)	R\$ 2.4 billion
Average daily liquidity in 4Q23	R\$ 26 million

(1) Source: *Enfoque*, base date 12/31/2023

CEAB3 x Ibovespa (12/31/2022- 12/31/2023)



The Company's capital stock is comprised of 308,245,068 common shares, with a 33.5% free-float. The Company's free-float and its main shareholders based on December 31, 2023 are described below:

Shareholding	# Of common shares (ON)	% of total
Controlling shareholder	201,319,336	65.3%
Officers	899,686	0.3%
Treasury	2,650,500	0.9%
Other	103,375,546	33.5%
Total	308,245,068	100.0%



Appendix

Total Adjusted EBITDA (pre-IFRS 16)

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Net Profit (Losses) for the Period	168.7	212.9	-20.8%	2.3	0.8	187.5%
(+) Income taxes	76.7	93.6	-18.1%	(36.6)	(44.1)	-17.0%
(+/-) Net financial results	112.2	45.7	145.5%	428.7	311.5	37.6%
(+) Depreciation and amortization	179.3	129.0	39.0%	707.8	641.9	10.3%
(=) EBITDA (post-IFRS 16)	536.8	481.3	11.5%	1,102.3	910.1	21.1%
(+/-) Other net operating income (expenses)	6.0	13.4	-55.2%	10.2	31.1	-67.2%
(+) Financial income from suppliers	4.8	2.5	92.0%	11.7	9.2	27.2%
(-) Tax credit recovery	(46.2)	(132.9)	-65.2%	(76.3)	(200.4)	-61.9%
(=) Adjusted EBITDA (post- IFRS 16)¹	501.5	364.3	37.7%	1,047.9	750.1	39.7%
(-) Lease liabilities	(118.6)	(116.2)	2.1%	(471.5)	(445.0)	6.0%
(=) Adjusted EBITDA¹(pre- IFRS16)	382.9	248.2	54.3%	576.4	305.1	88.9%
EBITDA Margin (pre-IFRS 16) ¹	16.7%	12.7%	4.0p.p.	8.6%	4.9%	3.7p.p.

¹)EBITDA adjusted for (i) other net operating revenue (expenses); (ii) trade financial revenue; (iii) recovery of tax credits. Adjusted EBITDA (before IFRS16) excludes the effects of accounting standard IFRS16.

Bradescard Partnership Indicators

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Bradescard Partnership (old model)						
Trade receivables (million)	2.3	2.6	-11.5%	2.4	2.8	-14.3%
Share of retail sales	2%	6%	-4 p.p.	4%	8%	-4 p.p.
Number of new cards (thousand)	-	93	-	99	365	-72.9%
Number of active cards (thousand)	1.6	2.1	-23.8%	1.6	2.3	-30.4%
Losses net of recoveries over average portfolio - period %	3.5%	4.9%	-1.4 p.p.	16.8%	12,3%	4.5 p.p.
Bradescard Partnership (new model)						
% of Sales	1%	-	-	-	-	-
Number of new cards (thousand)	28	-	-	151.7	-	-

Consolidated Income Statement 4Q23 and 2023

R\$ million	4Q23	4Q22	Δ	2023	2022	Δ
Net Operating Revenue	2,293.1	1,948.7	17.7%	6,719.3	6,183.6	8.7%
Apparel Revenue	1,957.6	1,647.5	18.8%	5,551.6	5,021.1	10.6%
Revenue from Fashiontronics and Beauty	222.3	232.1	-4.2%	785.1	883.4	-11.1%
Net revenue from goods	2,179.9	1,879.6	16.0%	6,336.7	5,904.5	7.3%
Other revenue	9.9	6.3	57.1%	26.0	21.7	19.8%
Financial Services	103.3	62.8	64.5%	356.6	257.4	38.5%
Cost of goods/services	(1,071.9)	(940.4)	14.0%	(3,197.0)	(3,077.4)	3.9%
Gross Profit	1,221.2	1,008.4	21.1%	3,522.3	3,106.1	13.4%
Gross Profit from Apparel	1,105.2	911.2	21.3%	3,071.3	2,705.7	13.5%
Gross Profit from Fashiontronics and Beauty	55.4	51.6	7.4%	181.8	193.9	-6.2%
Gross Profit From Merchandise	1,160.6	962.8	20.5%	3,253.1	2,899.6	12.2%
Other Gross Profit	(42.5)	(16.9)	151.5%	(86.3)	(49.4)	74.7%
Gross Profit from Financial Services	103.0	62.5	64.8%	355.5	255.8	39.0%
Operating (Expenses) and Revenue	(863.6)	(656.2)	31.6%	(3,127.8)	(2,837.9)	10.2%
General and administrative expenses	(160.1)	(139.7)	14.6%	(535.8)	(485.6)	10.3%
Selling expenses	(507.9)	(476.9)	6.5%	(1,726.4)	(1,815.4)	-4.9%
Net credit losses	(56.6)	(30.0)	88.7%	(223.9)	(64.3)	248.2%
Other net operating income (expenses)	40.2	119.5	-66.4%	66.1	169.3	-61.0%
Depreciation and amortization	(179.3)	(129.0)	39.0%	(707.8)	(641.9)	10.3%
Profit before Financial Revenue and Expenses	357.5	352.2	1.5%	394.4	268.2	47.1%
Finance Results	(112.2)	(45.7)	145.5%	(428.7)	(311.5)	37.6%
Exchange variation	0.8	0.3	166.7%	2.0	0.3	566.7%
Total Finance Expenses	(154.8)	(171.9)	-9.9%	(636.5)	(601.3)	5.9%
Total finance income	37.8	125.9	-70.0%	198.7	289.6	-31.4%
Earnings from Bonds and Securities	4.0	0.0	-	7.1	0.0	-
Profit before taxes	245.3	306.5	-20.0%	(34.2)	(43.3)	-21.0%
Income taxes	(76.7)	(93.6)	-18.1%	36.6	44.1	-17.0%
Net Profit (Losses) for the Period	168.7	212.9	-20.8%	2.3	0.8	187.5%

Consolidated Statement of Financial Position

R\$ million	12/31/2023	12/31/2022
Total Assets	9,417.7	9,629.6
Current Assets	4,441.8	4,753.2
Cash and cash equivalents	1,155.6	1,674.1
Bonds and securities	191.6	8.7
Trade receivables	1,778.4	1,278.2
Derivatives	0.7	1.4
Related parties	0.1	0.1
Inventory	875.2	852.0
Taxes recoverable	388.5	899.4
Other Assets	51.8	39.3
Non-Current Assets	4,975.8	4,876.4
Taxes recoverable	1,197.8	937.4
Deferred taxes	536.0	423.0
Judicial deposits	47.7	61.3
Related parties	0.0	0.1
Other Assets	3.2	2.5
Investments	0.0	0.0
Properties and Equipment	763.4	865.5
Right-of-use assets - leases	1,462.9	1,565.4
Intangible assets	964.8	1,021.1
Total Liabilities and Shareholder's Equity	9,417.7	9,629.6
Current Liabilities	3,200.1	3,679.7
Lease liabilities	501.6	513.2
Suppliers	1,189.2	1,478.4
Direct and Indirect Suppliers	1,189.2	1,009.1
Suppliers Buying back the right to offer credit (Bradescard)	0.0	469.3
Drawee risk liabilities	364.7	386.3
Loans	511.4	746.0
Derivatives	1.4	1.8
Labor liabilities	231.4	198.7
Related parties	71.7	43.6
Taxes payable	287.2	248.0
Other liabilities	41.5	63.7
Non-Current Liabilities	3,204.8	2,949.7
Lease liabilities	1,209.8	1,276.0
Suppliers	551.2	12.6
Direct and Indirect Suppliers	11.4	12.6
Suppliers Buying back the right to offer credit (Bradescard)	539.9	0.0
Loans	1,176.4	1,404.8
Labor liabilities	18.7	7.4
Provisions for tax, civil, and labor risks	185.0	182.8
Taxes payable	12.4	15.9
Other liabilities	51.2	50.2
Shareholder's Equity	3,012.7	3,000.2
Share capital	1,847.2	1,847.2
Shares in Treasury	(8.5)	(6.8)
Capital reserve	49.9	37.6
Profit reserve	1,124.7	1,122.4
Other comprehensive income	(0.6)	(0.3)

Consolidated Cash Flow

R\$ million	2023	2022
Operating activities		
Income (loss) before income tax	(34.2)	(43.3)
Adjustments to reconcile income before income taxes to net cash flows:		
Allowance (reversal) for expected credit losses	233.5	68.5
Adjustment to present value of accounts receivables and suppliers	(3.8)	(0.5)
Expenses with stock-based compensation	12.2	9.8
Provisions for inventory losses	78.0	63.1
Gains/Recognition of tax claims, including monetary correction	(67.8)	(225.3)
Depreciation and amortization	367.7	295.1
Impairment (Reversal) of provisions for property and equipment, intangibles, and right-of-use assets	(3.8)	(6.1)
Losses from the sale or disposal of property and equipment and intangible assets	9.4	8.6
Right-of-use amortization	373.4	381.5
Lease liabilities	(2.6)	(6.6)
Interest on leases	173.1	165.7
Interest on loans	255.4	272.4
Amortization of the transaction costs on loans	5.2	4.2
Provisions (reversal) for tax, civil and labor risks	28.2	42.1
Update of judicial deposits	(9.6)	(11.0)
Yield from investments in bonds and securities	1.3	(1.0)
Variations in assets and liabilities:		
Trade receivables	(725.9)	(206.9)
Related parties	28.1	(15.0)
Inventory	(106.0)	(65.9)
Taxes recoverable	318.3	77.4
Other credits	(13.3)	(5.9)
Bonds and securities	(184.1)	0.0
Judicial deposits	15.6	0.8
Suppliers	270.0	135.5
Drawee risk liabilities	(21.6)	10.0
Labor liabilities	44.0	45.0
Other liabilities	(21.6)	44.4
Provisions for tax, civil and labor risks	(18.4)	(18.0)
Taxes payable	(13.0)	91.2
Income Tax and Social Contribution paid	(27.5)	(19.8)
Cash flow originating (invested in) operating activities	960.3	1,090.4
Investment activities		
Purchase of property and equipment	(74.2)	(193.2)
Purchase of intangible assets	(161.8)	(278.8)
Receivables from the sale of property and equipment	1.5	0.4
Cash flow used in investment activities	(234.4)	(471.6)
Financing activities		
New loans and debentures issued	381.4	1,291.2
Loan/debenture transaction costs	(5.0)	(7.6)
Repayment of loans (principal)	(745.4)	(590.0)
Interest paid on loans	(354.5)	(194.3)
Repayments and interest paid on leases	(519.0)	(488.8)
Share buy-back	(1.7)	(5.4)
Net cash flows originating from (used by) financing activities	(1,244.3)	5.1
Net increase (decrease) in cash and cash equivalents	(518.5)	623.8
Cash and cash equivalents at the start of thee period	1,674.1	1,050.3
Cash and cash equivalents at the end of thee period	1,155.6	1,674.1

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 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 December 31 2023 it had 334 stores, with a combined sales area of over 616 thousand 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 Fashiontronics with a wide array of cell phone and smartphones, along with the recently added beauty products. In December 2021 we launched C&A PAY, a direct credit offer for our customers.





Contacts:

Laurence Gomes, CFO and DRI

Carolina Martins
carolina.martins@cea.com.br

Leandra Baptista
leandra.baptista@cea.com.br

Earnings Release

4Q23