

Earnings

3Q23



3Q23 Highlights

+12.6%

Net Revenue from Apparel
vs. 3Q22

54.1%

Gross Margin from Apparel +2.3p.p.
compared to vs. 3Q22

+0.8%

Operating expenses¹
down 3 p.p. as a
percentage of net
revenue vs. 3Q22

+40%

Adjusted EBITDA²
(post IFRS16) vs. 3Q22 and
Adjusted EBITDA margin
of 12.7%

R\$ 46.8M

**Investments
in CAPEX**
in 3Q23

47.6%

**Reduction in
covenant net debt³**
vs. 3Q22



1- Expenses consider 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, Depreciation of Right of Use (Lease), credit loss expense, net and other (expense) operating revenues

2 - Adjustments include: (i) other income (expenses); (ii) financial income from suppliers; and (iii) recovery of tax credits

3- According to the table on page 13 of the earnings release

Operational performance management

Customer experience

Versatile collections with high perception of value

Efficient distribution and replenishment

Inventory efficiency

Operating cash generation



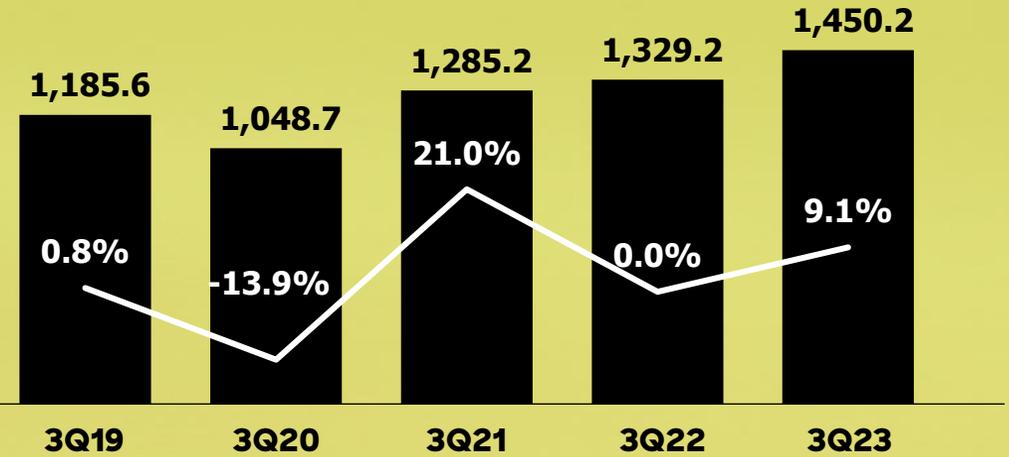
Solid growth in revenue from merchandise sales

R\$ million and %



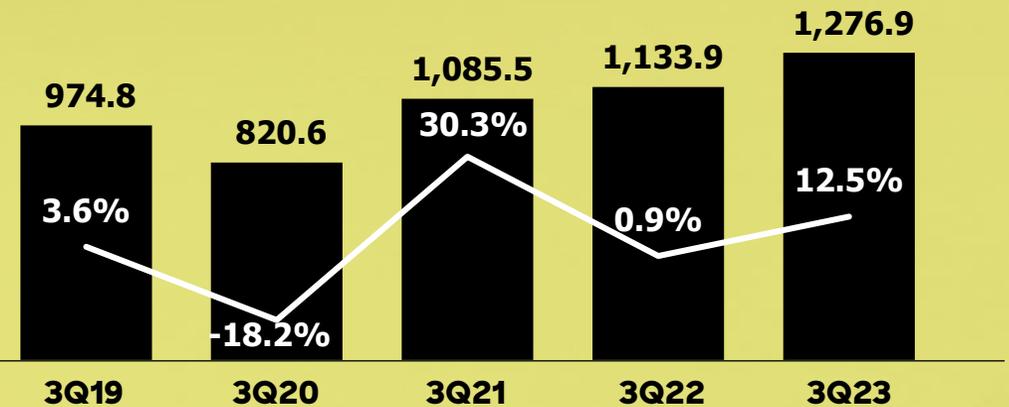
Merchandise

+9.1% vs 3Q22



Apparel

+12.6% vs 3Q22



■ Net revenue — Same store sales

Revenue growth driven by the good performance of apparel

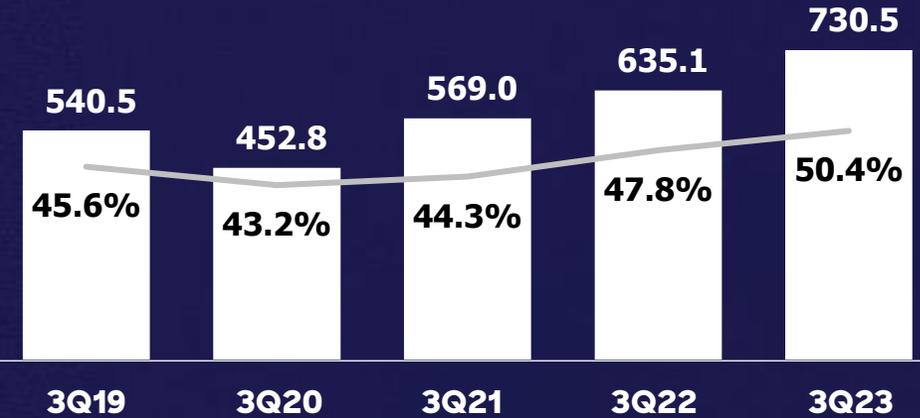
Another quarter of growth gross margin from merchandise

R\$ Million and %



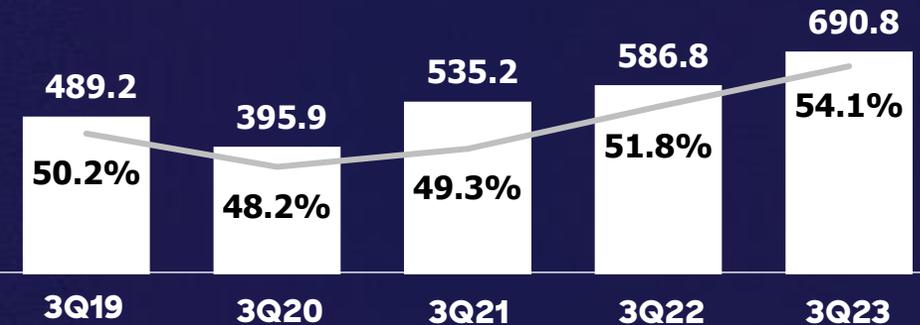
Merchandise

+2.6 p.p. vs 3Q22



Apparel

+2.3 p.p. vs 3Q22

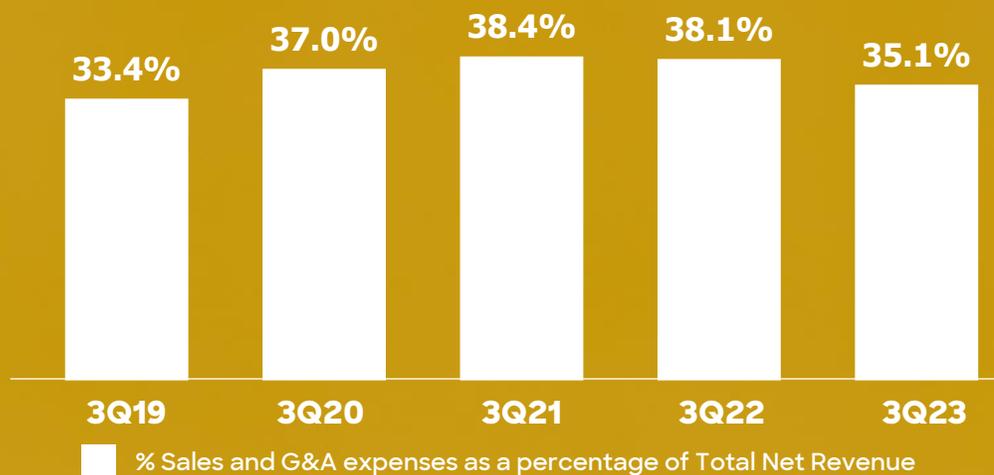


■ Gross Profit — Gross Margin

Seven consecutive quarters of increasing gross margin in our apparel segment, driven by push-pull distribution, positive reception of our collection and dynamic pricing

Operating expenses¹ under control

R\$ Million



Improvement in
our operating
leverage

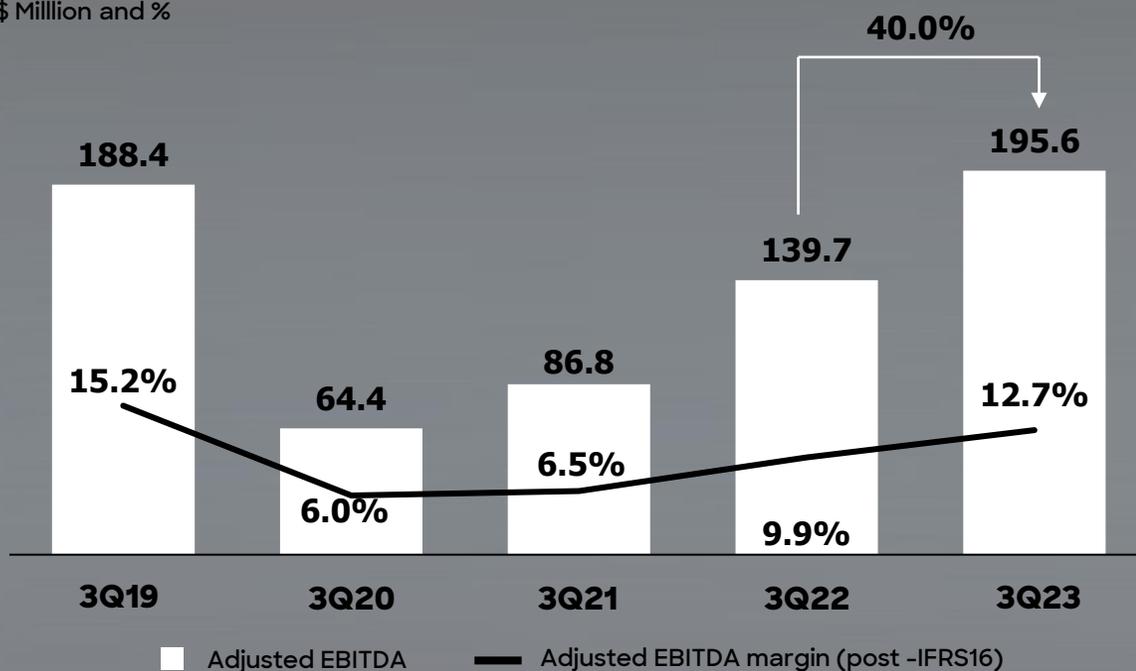
	3Q19	3Q20	3Q21	3Q22	3Q23	3Q23 x 3Q22
Operating Expenses:						
Selling and General & Administrative Expenses	(415.2)	(394.3)	(514.6)	(536.3)	(540.8)	0.8%



1) Expenses include the payment of leases, as per accounting standard IFRS16. However, they exclude Depreciation, Amortization, and Right of Use (lease) Depreciation, as well as net credit loss expenses and Other operating income (expenses)

Improvement in adjusted EBITDA¹ post-IFRS16

R\$ Million and %



Operational recovery resulting in improved Adjusted EBITDA



1- EBITDA considers the impact of the payment of leases, as per accounting standard IFRS16, and is adjusted for: (i) for other net operating revenue (expenses); (ii) supplier financial revenue; and (iii) recovered tax credits



+86.5%

**Increase in C&A Pay revenue¹
to R\$81.3 M**

R\$725M

portfolio by the end of 3Q23

4.2 M

issued by late 3Q23

R\$806

Average limit

22.9%

>90 past due accounts

96.0%

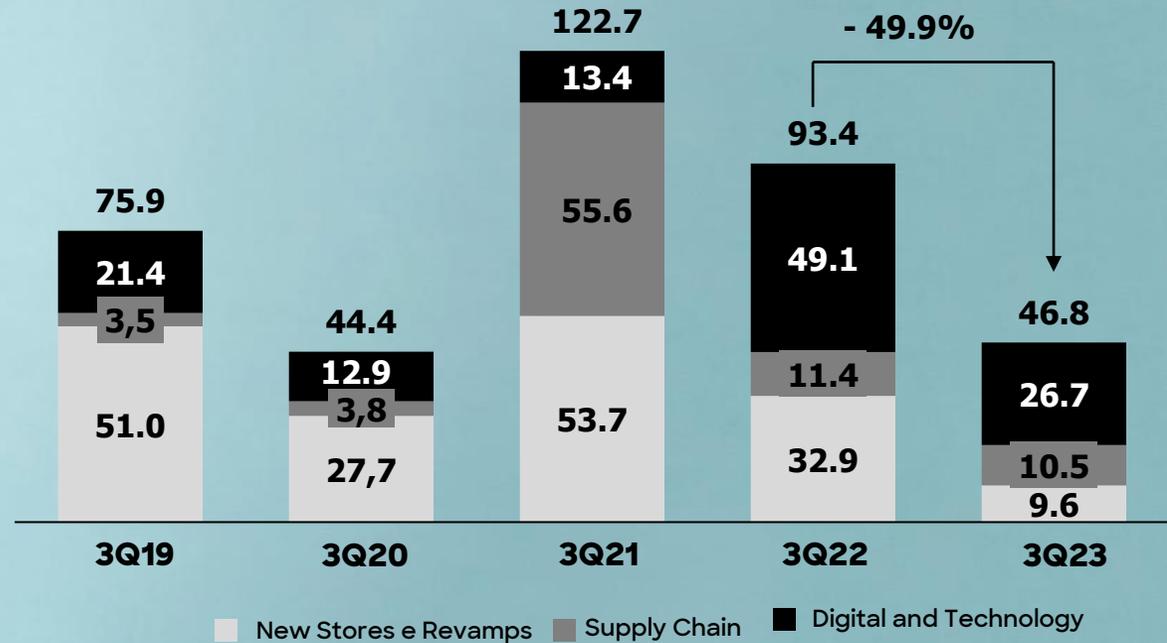
over 90 coverage

Growth of financial indicators in line with initial plan



Investment Plan

R\$ Million

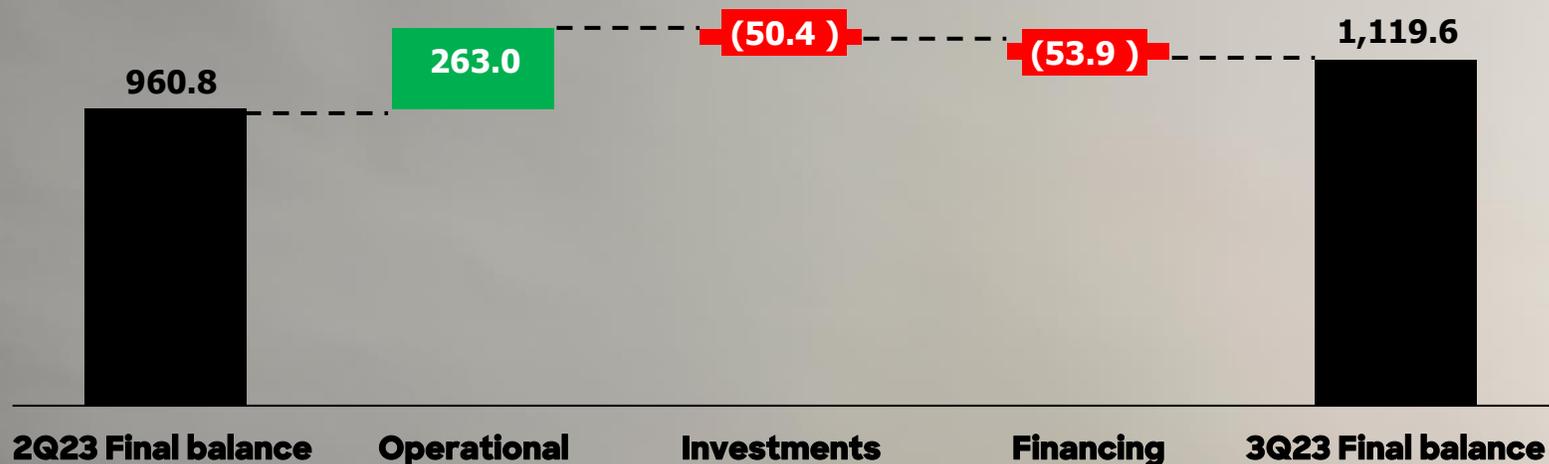


Reduced investments reflect the rigorous evaluation of project returns



Cash generation

R\$ Million



Operating activities generated **R\$ 263.0 million** in cash. Excluding the effects of prepayment of receivables, operating cash generation would have been R\$ 313.0 million

The cash conversion cycle in 3Q23 was 41 days versus 65 days in 3Q22, a **decrease of 32.8%**

Controlled inventory grew 2.3% compared to 3Q22

Indebtedness

R\$ million	9M23	9M22	Δ
Gross Debt	1,720.6	2,382.7	-27.8%
(-) Cash and Short-Term Investments	1,119.6	1,236.7	-9.5%
Net Debt	(601.0)	(1,146.0)	-47.6%
Covenant-Adjusted EBITDA ¹ pre-IFRS16 (LTM)	601.5	357.7	68.2%
Covenant Net Debt/Covenant-Adjusted EBITDA ¹ pre-IFRS16 (LTM)	1.0x	3.2x	n/a
Total Net Debt ² / EBITDA Adjusted for covenants ¹ (LTM)	2.2x	4.5x	n/a



1- Adjusted EBITDA for debt covenant purposes

2- Includes commitment with Bradescard and excludes prepayment of receivables

Questions and 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

3Q23



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