

Hypera Pharma reports sell-out¹ growth of 6.3% and Cash Flow from Operations expansion of 8.0%, with Net Debt reduction in 2Q24

São Paulo, July 25, 2024 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 2nd quarter of 2024. Financial data disclosed here are taken from the consolidated financial statements of Hypera S.A., prepared in accordance with the Brazilian Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2Q24 Highlights

- 6.3% sell-out¹ growth versus 2Q23
- Highest ever recorded Cash Flow from Operations for a second quarter of R\$624.2 million, up 8.0% versus 2Q23
- Reduction of 49 inventories days in the quarter, when compared to 2Q23
- Net Debt reduction of R\$164.7 million in 2Q24, when compared to 1Q24
- Interest on Equity approval of R\$184.9 million (R\$0.29/share) during 2Q24

Table 1

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,549.6	114.3%	2,551.4	116.6%	0.1%	4,489.8	114.3%	4,638.1	115.5%	3.3%
Net Revenue	2,231.1	100.0%	2,188.9	100.0%	-1.9%	3,929.3	100.0%	4,015.6	100.0%	2.2%
Gross Profit	1,409.2	63.2%	1,333.5	60.9%	-5.4%	2,495.3	63.5%	2,448.8	61.0%	-1.9%
SG&A (excl. Marketing and R&D)	(291.8)	-13.1%	(305.6)	-14.0%	4.7%	(540.9)	-13.8%	(552.2)	-13.8%	2.1%
Research & Development	(42.5)	-1.9%	(45.6)	-2.1%	7.2%	(83.6)	-2.1%	(85.3)	-2.1%	2.0%
Marketing	(354.2)	-15.9%	(333.6)	-15.2%	-5.8%	(622.5)	-15.8%	(595.8)	-14.8%	-4.3%
EBITDA from Continuing Operations	790.7	35.4%	755.1	34.5%	-4.5%	1,378.2	35.1%	1,402.9	34.9%	1.8%
Net Income from Continuing Operations	504.4	22.6%	491.8	22.5%	-2.5%	843.8	21.5%	883.3	22.0%	4.7%
Cash Flow from Operations	578.1	25.9%	624.2	28.5%	8.0%	879.6	22.4%	1,103.3	27.5%	25.4%

EARNINGS CONFERENCE CALL – PORTUGUESE: 07/26/2024, 11am (Brasília) / 10am (New York)

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Webcast: [click here](#) / **Phone:** +1 (720) 707-2699 **ID:** 899 0643 6233 **Passcode:** 559812

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Note: (1) Sell-out PPP (Pharmacy Purchase Price), as reported by IQVIA, considers the average purchase price by pharmacies and chains

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Operating Scenario

Hypera Pharma's sell-out¹ grew by 6.3% in 2Q24 and was once again driven by the positive performance of chronic and preventive treatments, that continue to increase their share in the total sales and currently account for most of the Company's innovation pipeline, which currently has approximately 500 products to be launched over the next few years.

The sell-out growth was 3.9 percentage points lower than the market² growth in the quarter, due exclusively to the performance in the categories related to Flu, Respiratory, Pain and Fever, which are more relevant to Hypera Pharma's sell-out than to the pharmaceutical retail total sales, which fell by 1% compared to 2Q23, while for the pharmaceutical retail, the reduction was by 2%. **On the other hand, the Company's sell-out growth in the other categories was 12%, in line with the pharmaceutical retail growth, with highlights being the performance in Cardiology, Nausea, Women's Health, Gastroenterology and Vitamins.**

The sell-out growth helped the Company to achieve Net Revenue of R\$2,188.9 million in this quarter. Compared to the same quarter last year, Net Revenue was 1.9% lower, mainly due to the 17.7% growth recorded in 2Q23 over 2Q22, a period in which sell-out grew by 8.6%. **When comparing 2Q24 to 2Q22, Net Revenue growth was 15.5%, close to the 15.4% growth in sell-out in the same period.**

EBITDA from Continuing Operations reached R\$755.1 million, with margin of 34.5%, or 0.9 percentage point lower than 2Q23, mainly due to the reduction in Gross Margin in the period. In 1H24, the EBITDA Margin was 34.9%, in line with both 1H23 and the level implicit in the financial projections established by the Company for 2024.

Net Income from Continuing Operations was R\$491.8 million, or 2.5% lower than in 2Q23, with a Net Margin of 22.5%, in line with the Net Margin presented in the same quarter of the previous year. The Net Income from Continuing Operations reduction in a lower level than the EBITDA from Continuing Operations reduction in this quarter was mainly due to the 17.3% decrease in Net Financial Expenses.

Cash Flow from Operations grew by 8.0% to R\$624.2 million, the highest level ever recorded in a second quarter, benefiting from lower investments in working capital mainly due to the Inventories reduction, in line with Hypera Pharma's strategy of boosting the conversion of EBITDA from Continuing Operations into Cash Flow from Operations to support investments in innovation and in the expansion of production capacity.

The Company also declared Interest on Equity of R\$184.9 million during 2Q24, or R\$0.29/share, and published its 2023 Integrated Annual Report in May, which presents its main highlights and initiatives in the environmental, social and economic subjects.

The 2023 Integrated Annual Report, aligned with the UN Sustainable Development Goals (SDGs) and assured by an independent third party, once again followed the structure of the International Integrated Reporting Council (IIRC) and the GRI guidelines, and considered the global frameworks of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Still in this quarter, the Company was once again selected to be part of the London Stock Exchange's FTSE4Good Index Series, one of the most important international sustainability indexes created by the Financial Times Stock Exchange (FTSE).

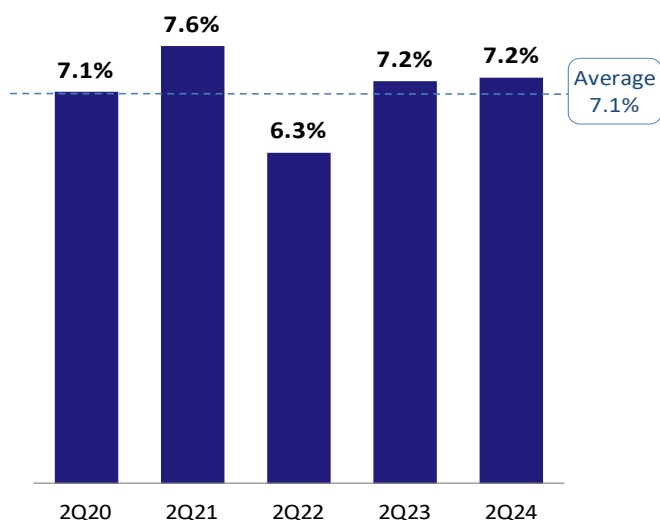
The relevant positioning in all segments of the pharmaceutical retail, the strength and resilience of the leading brands and the robustness of the innovation pipeline make Hypera Pharma the best prepared pharmaceutical industry to capture the various growth opportunities in the Brazilian pharmaceutical market.

Note: (1) Sell-out PPP (Pharmacy Purchase Price), as reported by IQVIA, includes the average purchase price by pharmacies and chains; (2) according to IQVIA, excludes Therapeutic Class Z, Infant Formulas and MECE Diagnostic Tests Market

Innovation & Launches

Graph 1

LTM R&D Investments (% of Net Revenue)¹



Total investments in R&D, including the amount capitalized as an intangible asset, represented 7.2% of Net Revenue in the last 12 months, a similar level to the same period of the previous year. In 2Q24, these investments amounted to R\$136.9 million.

The Freshness Index, which corresponds to the percentage of Net Revenue coming from products launched in the last five years, including the brands acquired from Takeda, Sanofi and Boehringer Ingelheim, was 26% in 2Q24, compared to 23% in 2Q23.

Hypera Pharma strengthened its product portfolio with important launches in 2Q24, especially the brand extensions in Skincare and Consumer Health, and the launches in Vitamins, Endocrinology, Respiratory, Cardiology and Gastroenterology.

The Company has an innovation pipeline of more than 500 products to be launched over the next few years, focusing mainly on categories related to chronic and preventive treatments, whose growth estimated by IQVIA for the next 5

years is higher than the average growth expected for the pharmaceutical retail market.

Note: (1) Considers the R&D expenses and the amount capitalized as intangible assets. Excludes the effect of the Lei do Bem and the R&D amortization.

Earnings Discussion

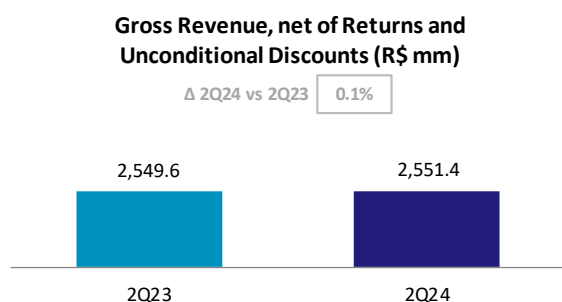
Income Statement

Table 2

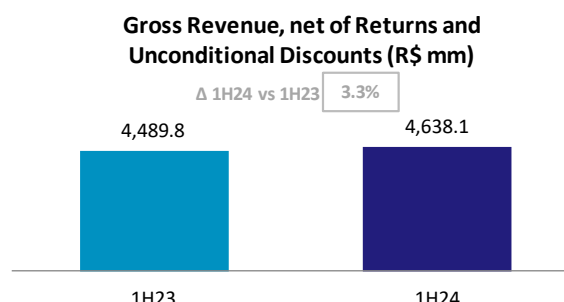
(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
Net Revenue	2,231.1	100.0%	2,188.9	100.0%	-1.9%	3,929.3	100.0%	4,015.6	100.0%	2.2%
Gross Profit	1,409.2	63.2%	1,333.5	60.9%	-5.4%	2,495.3	63.5%	2,448.8	61.0%	-1.9%
Marketing Expenses	(354.2)	-15.9%	(333.6)	-15.2%	-5.8%	(622.5)	-15.8%	(595.8)	-14.8%	-4.3%
Selling Expenses	(244.3)	-11.0%	(254.5)	-11.6%	4.2%	(453.7)	-11.5%	(469.7)	-11.7%	3.5%
General and Administrative Expenses	(90.0)	-4.0%	(96.7)	-4.4%	7.4%	(170.7)	-4.3%	(167.8)	-4.2%	-1.7%
Other Operating Revenues (Expenses)	18.0	0.8%	40.6	1.9%	125.9%	25.2	0.6%	55.7	1.4%	121.1%
Equity in Subsidiaries	(4.5)	-0.2%	(2.2)	-0.1%	-51.9%	(3.6)	-0.1%	(4.7)	-0.1%	30.5%
EBIT from Continuing Operations	734.1	32.9%	687.2	31.4%	-6.4%	1,269.9	32.3%	1,266.6	31.5%	-0.3%
Net Financial Expenses	(262.3)	-11.8%	(217.0)	-9.9%	-17.3%	(528.1)	-13.4%	(422.6)	-10.5%	-20.0%
Income Tax and CSLL	32.5	1.5%	21.6	1.0%	-33.5%	101.9	2.6%	39.4	1.0%	-61.4%
Net Income from Continuing Operations	504.4	22.6%	491.8	22.5%	-2.5%	843.8	21.5%	883.3	22.0%	4.7%
Net Income from Discontinued Operations	(0.5)	0.0%	0.7	0.0%	-	(0.6)	0.0%	(2.0)	0.0%	203.1%
Net Income	503.9	22.6%	492.5	22.5%	-2.3%	843.2	21.5%	881.4	21.9%	4.5%
EBITDA from Continuing Operations	790.7	35.4%	755.1	34.5%	-4.5%	1,378.2	35.1%	1,402.9	34.9%	1.8%

Net Revenue

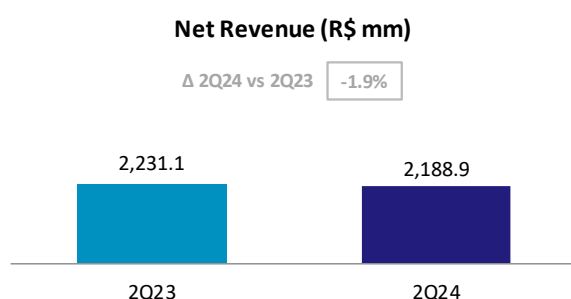
Graph 2



Graph 3



Graph 4



Graph 5

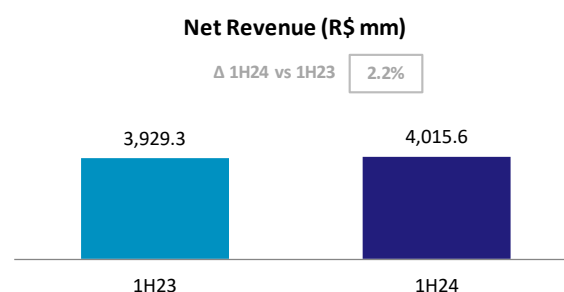


Table 3

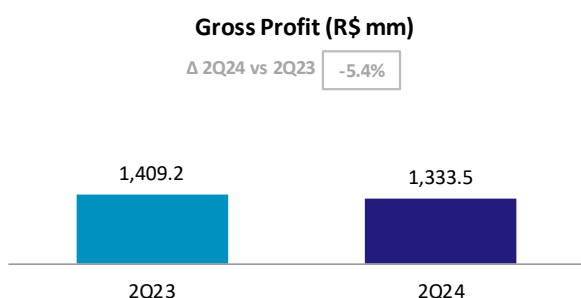
(R\$ million)	2Q23	2Q24	Δ %	1H23	1H24	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,549.6	2,551.4	0.1%	4,489.8	4,638.1	3.3%
Promotional Discounts	(143.0)	(186.8)	30.7%	(245.5)	(295.5)	20.4%
Taxes	(175.6)	(175.7)	0.1%	(315.1)	(327.0)	3.8%
Net Revenue	2,231.1	2,188.9	-1.9%	3,929.3	4,015.6	2.2%

Net Revenue totaled R\$2,188.9 million and benefited from the sell-out growth in the pharmaceutical retail in this quarter. Compared to the same quarter last year, Net Revenue was 1.9% lower, mainly due to the 17.7% growth recorded in 2Q23 over 2Q22, a period in which sell-out grew by 8.6%. **When comparing 2Q24 to 2Q22, Net Revenue growth was 15.5%, close to the 15.4% growth in sell-out in the same period.**

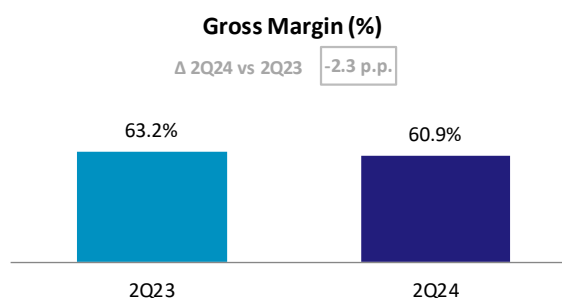
Gross Revenue, net of Returns and Unconditional Discounts, reached R\$2,551.4 million, a similar level to 2Q23. In 2Q24, the performance of Net Revenue was lower than that of Gross Revenue, net of Returns and Unconditional Discounts, due to the increase in Promotional Discounts, mainly because of the change in the mix of products sold and the increase of investments in points of sale and distribution channels to boost sell-out growth.

Gross Profit

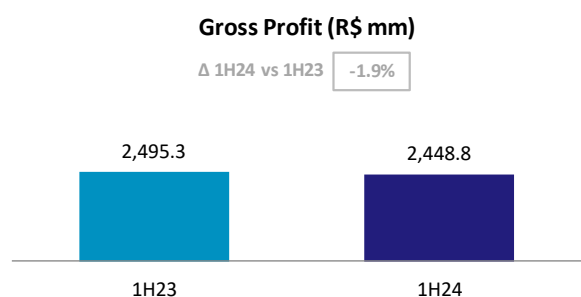
Graph 6



Graph 7



Graph 8



Graph 9

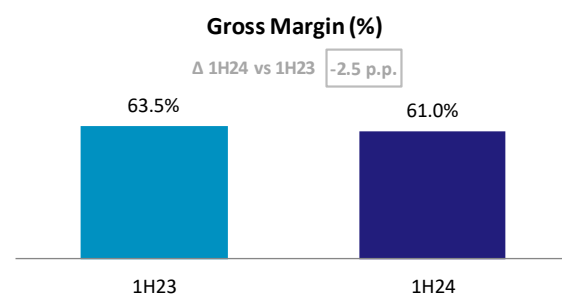


Table 4

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	Δ p.p.	1H23	% NR	1H24	% NR	Δ %	Δ p.p.
Gross Profit	1,409.2	63.2%	1,333.5	60.9%	-5.4%	-2.3 p.p.	2,495.3	63.5%	2,448.8	61.0%	-1.9%	-2.5 p.p.

Gross Profit was R\$1,333.5 million in the quarter, with a margin of 60.9%, or 2.3 percentage points lower than in 2Q23. The reduction in Gross Margin is mainly the result of: (i) the negative impact of the mix of products sold in the quarter; (ii) the increase in Promotional Discounts; and (iii) the lower dilution of fixed costs due to the reduction in the pace of production because of the Company's initiative to reduce Inventories throughout the year.

Marketing Expenses

Table 5

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
Marketing Expenses	(354.2)	-15.9%	(333.6)	-15.2%	-5.8%	(622.5)	-15.8%	(595.8)	-14.8%	-4.3%
Advertisement and Consumer Promotion	(103.6)	-4.6%	(95.8)	-4.4%	-7.5%	(177.7)	-4.5%	(171.4)	-4.3%	-3.5%
Trade Deals	(52.0)	-2.3%	(45.1)	-2.1%	-13.3%	(78.6)	-2.0%	(84.3)	-2.1%	7.3%
Medical Visits, Promotions and Others	(198.6)	-8.9%	(192.6)	-8.8%	-3.0%	(366.3)	-9.3%	(340.1)	-8.5%	-7.1%

Marketing Expenses represented 15.2% of Net Revenue in 2Q24, a decrease of 0.7 percentage point over the same period of the previous year, mainly due to: (i) the change in the mix of products sold, which resulted in greater dilution with Advertising and Consumer Promotion Expenses, in contrast to the increase in Promotional Discounts; and (ii) the optimization of expenses with free samples, promotional materials and events, considered in Medical Visits, Promotions and Others.

Selling Expenses

Table 6

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
Selling Expenses	(244.3)	-11.0%	(254.5)	-11.6%	4.2%	(453.7)	-11.5%	(469.7)	-11.7%	3.5%
Commercial Expenses	(150.4)	-6.7%	(157.1)	-7.2%	4.5%	(276.2)	-7.0%	(287.6)	-7.2%	4.1%
Freight and Logistics Expenses	(51.4)	-2.3%	(51.8)	-2.4%	0.8%	(93.9)	-2.4%	(96.8)	-2.4%	3.1%
Research & Development	(42.5)	-1.9%	(45.6)	-2.1%	7.2%	(83.6)	-2.1%	(85.3)	-2.1%	2.0%

Selling Expenses represented 11.6% of Net Revenue in the quarter, compared to 11.0% in 2Q23. In 1H24, Selling Expenses grew by 3.5%, 0.2 percentage point higher than the growth in Gross Revenue, net of Returns and Unconditional Discounts.

The higher share of Selling Expenses over Net Revenue in the quarter is mainly the result of the 4.5% growth in Commercial Expenses, a consequence of the increase in personnel costs related to sales teams, which was in line with the last 12 months inflation.

General and Administrative Expenses & Other Operating Revenues / Expenses, Net

Table 7

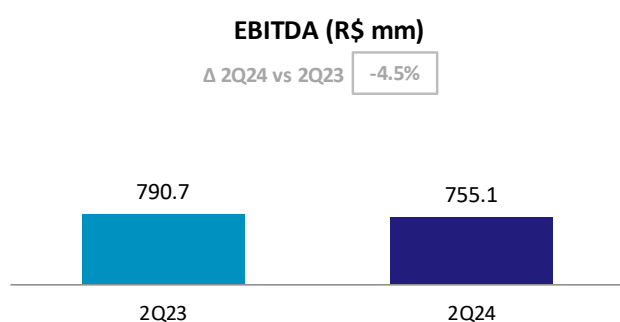
(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
General & Administrative Expenses	(90.0)	-4.0%	(96.7)	-4.4%	7.4%	(170.7)	-4.3%	(167.8)	-4.2%	-1.7%
Other Operating Revenues (Expenses)	18.0	0.8%	40.6	1.9%	125.9%	25.2	0.6%	55.7	1.4%	121.1%

General and Administrative Expenses represented 4.4% of Net Revenue in 2Q24, an increase of 0.4 percentage point over 2Q23. In 1H24, General and Administrative Expenses reduced their share of Net Revenue by 0.1 percentage point, benefiting mainly from the lower level of personnel expenses related to administrative teams.

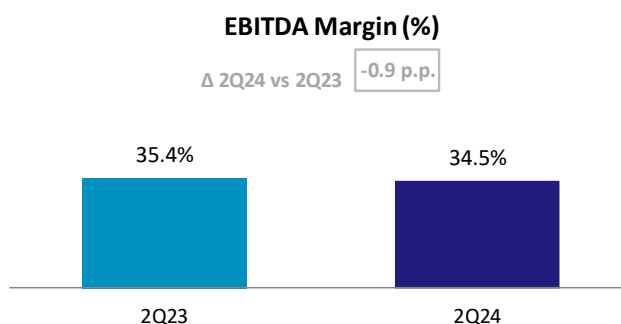
Other Operating Revenues (Expenses) increased their share of Net Revenue by 1.1 percentage point mainly as a result of higher tax credits booked this quarter, when compared to the same period last year.

EBITDA from Continuing Operations

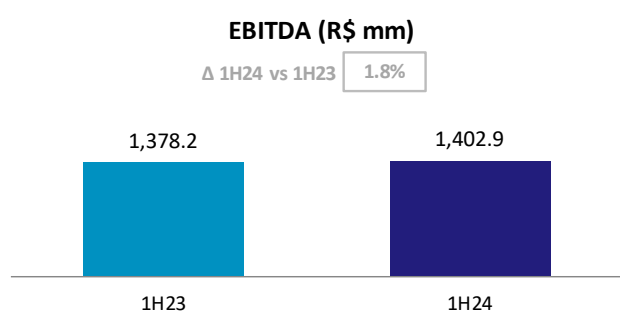
Graph 10



Graph 11



Graph 12



Graph 13

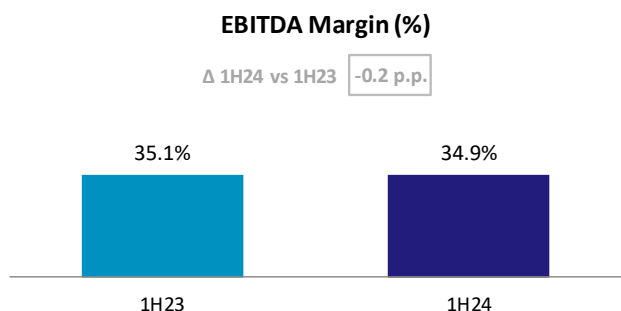


Table 8 – EBITDA from Continuing Operations

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
EBITDA from Continuing Operations	790.7	35.4%	755.1	34.5%	-4.5%	1,378.2	35.1%	1,402.9	34.9%	1.8%

EBITDA from Continuing Operations was R\$755.1 million, with a margin of 34.5%, compared to 35.4% in 2Q23. The difference in EBITDA from Continuing Operations Margin compared to 2Q23 is mainly due to Gross Margin reduction in the period.

In 1H24, the EBITDA Margin was 34.9%, 0.2 percentage point lower than in 1H23 and in line with the level implicit in the financial projections established by the Company for 2024.

Net Financial Expenses

Table 9

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ R\$	1H23	% NR	1H24	% NR	Δ R\$
Financial Result	(262.3)	-11.8%	(217.0)	-9.9%	45.3	(528.1)	-13.4%	(422.6)	-10.5%	105.5
Net Interest Expenses	(228.2)	-10.2%	(176.9)	-8.1%	51.3	(454.0)	-11.6%	(354.9)	-8.8%	99.1
Cost of Hedge and FX Gains (Losses)	(10.0)	-0.4%	(10.0)	-0.5%	0.1	(21.8)	-0.6%	(13.3)	-0.3%	8.5
Other	(24.0)	-1.1%	(30.1)	-1.4%	(6.1)	(52.3)	-1.3%	(54.4)	-1.4%	(2.1)

The Financial Result was negative by R\$217.0 million in 2Q24, R\$45.3 million less than in 2Q23. This variation is mainly the result of the interest expenses decrease in the period due to the lower Selic rate.

Net Income

Table 10

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
EBIT from Continuing Operations	734.1	32.9%	687.2	31.4%	-6.4%	1,269.9	32.3%	1,266.6	31.5%	-0.3%
(-) Net Financial Expenses	(262.3)	-11.8%	(217.0)	-9.9%	-17.3%	(528.1)	-13.4%	(422.6)	-10.5%	-20.0%
(-) Income Tax and Social Contribution	32.5	1.5%	21.6	1.0%	-33.5%	101.9	2.6%	39.4	1.0%	-61.4%
Net Income from Continuing Operations	504.4	22.6%	491.8	22.5%	-2.5%	843.8	21.5%	883.3	21.9%	4.7%
(+) Net Income from Discontinued Operations	(0.5)	0.0%	0.7	0.0%	-	(0.6)	0.0%	(2.0)	0.0%	203.1%
Net Income	503.9	22.6%	492.5	22.5%	-2.3%	843.2	21.5%	881.4	21.9%	4.5%
EPS	0.79	-	0.78	-	-1.9%	1.33	0.00	1.40	0.00	5.1%
EPS from Continuing Operations	0.80	-	0.78	-	-2.7%	1.33	0.00	1.40	0.00	5.0%

Net Income from Continuing Operations reached R\$491.8 million in the quarter, 2.5% lower than in 2Q23, mainly as a result of the 6.4% reduction in EBIT from Continuing Operations and the 17.3% reduction in Net Financial Expenses.

Cash Flow (Continuing and Discontinued Operations)

Graph 14

Cash Flow from Operations (R\$ mm)

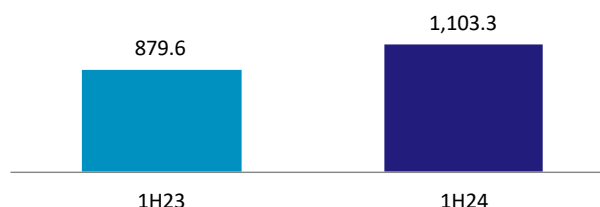
Δ 2Q24 vs 2Q23 46.1



Graph 15

Cash Flow from Operations (R\$ mm)

Δ 1H24 vs 1H23 223.7



Graph 16

Free Cash Flow (R\$ mm)

Δ 2Q24 vs 2Q23 114.0



Graph 17

Free Cash Flow (R\$ mm)

Δ 1H24 vs 1H23 340.2

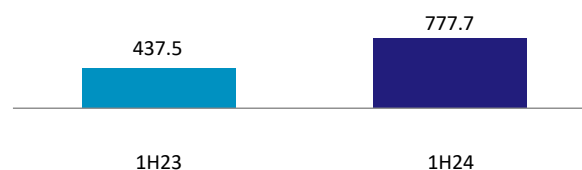


Table 11

(R\$ million)	2Q23	2Q24	1H23	1H24
Cash Flow from Operations	578.1	624.2	879.6	1,103.3
Capital increase in subsidiaries/associates	(2.4)	0.0	(6.6)	(0.5)
Purchase of Property, Plant and Equipment	(120.9)	(83.1)	(239.5)	(161.7)
Purchase of Intangible Assets	(92.6)	(77.4)	(177.8)	(159.2)
Acquisitions of Subsidiaries, Net of Cash Acquired	(16.2)	(5.3)	(16.4)	(5.3)
Sale of Property, Plant and Equipment	(1.1)	0.5	(1.9)	1.0
(=) Free Cash Flow	344.9	458.9	437.5	777.7

Cash Flow from Operations grew by 8.0% to R\$624.2 million, the highest level ever recorded in a second quarter, benefiting from lower investments in working capital mainly due to the Inventories reduction, in line with Hypera Pharma's strategy of boosting the conversion of EBITDA from Continuing Operations into Cash Flow from Operations to support investments in innovation and in the expansion of production capacity.

The growth in Cash Flow from Operations helped the Company to continue investing significantly in innovation and in expanding its production capacity, which led to a Free Cash Flow of R\$458.9 million in the quarter, R\$113.8 million higher than in 2Q23.

Net Debt

Table 12

(R\$ million)	1Q24	2Q24
Loans and Financing	(10,586.2)	(10,177.7)
Notes Payable	(24.4)	(19.3)
Gross Debt	(10,610.6)	(10,197.0)
Cash and Cash Equivalents	3,174.4	2,836.1
Net Cash / (Debt)	(7,436.1)	(7,360.9)
Unrealized Gain/Loss on Debt Hedge	11.1	100.5
Net Cash / (Debt) After Hedge	(7,425.0)	(7,260.3)

The Company ended 2Q24 with Net Debt after Hedge of R\$7,260.3 million, compared to R\$7,425.0 million recorded at the end of 1Q24, or 2.4x the EBITDA from Continuing Operations expected for 2024.

Other Information

Cash Conversion Cycle – Continuing Operations

Table 13

(Days)	2Q23	3Q23	4Q23	1Q24	2Q24
Receivables ⁽¹⁾	99	111	116	122	116
Inventories ⁽²⁾	252	253	282	265	203
Payables ⁽²⁾⁽³⁾	(117)	(110)	(108)	(93)	(80)
Cash Conversion Cycle	234	254	290	294	240

(R\$ million)	2Q23	3Q23	4Q23	1Q24	2Q24
Receivables	2,691	2,896	2,642	2,730	3,108
Inventories	2,302	2,207	2,192	2,095	1,931
Payables ⁽³⁾	(1,072)	(957)	(838)	(737)	(757)
Working Capital	3,921	4,146	3,996	4,088	4,282
% of Annualized Net Revenue ⁽⁴⁾	44%	48%	54%	56%	49%

(1) Calculated based on Continuing Operations Gross Revenue, Net of Discounts

(2) Calculated based on Continuing Operations COGS

(3) Includes Suppliers' Assignment of Receivables

(4) Annualized Net Revenue for the last 3 months

Tax Credits that offset Income Tax cash payment

i) **Federal Recoverable Taxes:** R\$350.0 million (please refer to Explanatory Note 13 of the Financial Statements)

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward:** R\$3,694.4 million (please refer to Explanatory Note 21(a) of the Financial Statements)

iii) **Goodwill:** the Company has R\$1,421.4 million in goodwill to be amortized for tax purposes until 2030, which will generate a reduction in cash disbursement for the payment of Income Taxes of R\$483.3 million

Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations Calculation

Table 14

(R\$ million)	2Q23	% NR	2Q24	% NR	Δ %	1H23	% NR	1H24	% NR	Δ %
Net Income	503.9	22.6%	492.5	22.5%	-2.3%	843.2	21.5%	881.4	21.9%	4.5%
(+) Income Tax and CSLL	(32.8)	-1.5%	(21.4)	-1.0%	-34.9%	(102.3)	-2.6%	(40.5)	-1.0%	-60.4%
(+) Net Interest Expenses	262.3	11.8%	217.0	9.9%	-17.3%	528.1	13.4%	422.6	10.5%	-20.0%
(+) Depreciations / Amortizations	56.5	2.5%	68.0	3.1%	20.2%	108.3	2.8%	136.3	3.4%	25.9%
EBITDA	789.9	35.4%	756.1	34.5%	-4.3%	1,377.2	35.1%	1,399.8	34.9%	1.6%
(-) EBITDA from Discontinued Operations	0.7	0.0%	(1.0)	0.0%	-	1.0	0.0%	3.1	0.1%	216.4%
Adjusted EBITDA (EBITDA from Continuing Operations)	790.7	35.4%	755.1	34.5%	-4.5%	1,378.2	35.1%	1,402.9	34.9%	1.8%

EBITDA is a non-accounting measure prepared by the Company and it is calculated based on net income, added by income taxes, financial expenses net of financial income, depreciation and amortization. The Adjusted EBITDA, or EBITDA from Continuing Operations, represents the EBITDA, excluding the effects related to discontinued operations that affected the Company's EBITDA. The Company uses Adjusted EBITDA, or EBITDA from Continuing Operations, as a non-accounting measure, to present its performance in a way that better translates the operating cash generation potential of its business.

Disclaimer

This release contains forward-looking statements that are exclusively related to the prospects of the business, its operating and financial results, and prospects for growth. These data are merely projections and, as such, based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents, and are therefore subject to change without prior notice.

Additional unaudited information herein reflects management's interpretation of information taken from its financial information and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore, these additional data must also be analyzed and interpreted independently by shareholders and market agents, who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Our management is not responsible for compliance or accuracy of the management financial data discussed in this report, which must be considered as for informational purposes only, and should not override the analysis of our audited consolidated financial statements or our reviewed quarterly information for purposes of a decision to invest in our stock, or for any other purpose.

Consolidated Income Statement (R\$ thousand)

Table 15

	2Q23	2Q24	1H23	1H24
Net Revenue	2,231,077	2,188,909	3,929,272	4,015,569
Cost of Goods Sold	(821,875)	(855,377)	(1,433,961)	(1,566,724)
Gross Profit	1,409,202	1,333,532	2,495,311	2,448,845
Selling and Marketing Expenses	(598,553)	(588,098)	(1,076,224)	(1,065,501)
General and Administrative Expenses	(89,981)	(96,665)	(170,738)	(167,777)
Other Operating Revenues (Expenses)	17,958	40,572	25,205	55,737
Equity in Subsidiaries	(4,491)	(2,159)	(3,616)	(4,718)
Operating Income Before Equity Income and Financial Result	734,135	687,182	1,269,938	1,266,586
Net Financial Expenses	(262,293)	(217,016)	(528,078)	(422,613)
Financial Expenses	(319,746)	(281,494)	(650,256)	(567,676)
Financial Income	57,453	64,478	122,178	145,063
Profit Before Income Tax and Social Contribution	471,842	470,166	741,860	843,973
Income Tax and Social Contribution	32,547	21,633	101,946	39,373
Net Income from Continuing Operations	504,389	491,799	843,806	883,346
Net Income from Discontinued Operations	(483)	681	(644)	(1,952)
Income for the Period	503,906	492,480	843,162	881,394
Earnings per Share – R\$	0.79	0.78	1.33	1.40

Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2023	06/30/2024	Liabilities and Shareholders' Equity	12/31/2023	06/30/2024
Current Assets	8,077,766	8,589,645	Current Liabilities	4,644,236	4,556,819
Cash and Cash Equivalents	2,580,893	2,836,119	Suppliers	389,667	372,927
Accounts Receivables	2,642,146	3,108,204	Assignment of Receivables	448,307	383,594
Inventories	2,191,731	1,930,647	Loans, Financing and Debentures	2,120,539	1,884,201
Recoverable Taxes	446,514	393,722	Salaries Payable	442,286	326,866
Financial Derivatives	295	88,993	Income Tax and Social Contribution	3,759	6,079
Other Assets	211,392	231,960	Taxes Payable	86,565	123,976
Dividends and IOC receivables	4,795	0	Accounts Payable	418,705	456,817
			Dividends and IOC Payable	696,966	986,729
			Notes Payable	20,457	15,513
			Financial Derivatives	16,985	117
Non-Current Assets	16,430,985	16,780,896	Non-Current Liabilities	8,346,642	8,787,471
Long Term Assets	1,317,883	1,379,393	Loans, Financing and Debentures	7,817,240	8,293,452
Deferred Income Tax and Social Contribution	869,524	1,011,750	Deferred Income Tax and Social Contribution	175,752	156,731
Recoverable Taxes	222,666	133,074	Taxes Payable	2,805	37,186
Other Assets	213,845	218,742	Accounts Payable	180,905	168,440
Financial Derivatives	11,848	15,827	Provisions for Contingencies	127,553	127,858
			Notes Payable	3,600	3,804
			Financial Derivatives	38,787	0
Fixed Assets and Investments	15,113,102	15,401,503	Shareholders' Equity	11,517,873	12,026,251
Investments	120,639	120,322	Capital	4,478,126	9,705,886
Biological Assets	12,583	9,678	Capital Reserve	1,190,071	1,178,662
Property, Plants and Equipments	3,548,040	3,668,887	Equity Valuation Adjustments	(278,927)	(255,901)
Intangible Assets	11,431,840	11,602,616	Profit Reserves	6,135,131	907,371
			Treasury Stock	(20,277)	(36,701)
			Attributed to non-controlling shareholders	13,749	11,385
			Income for the Period	0	515,549
Total Assets	24,508,751	25,370,541	Total Liabilities and Shareholders' Equity	24,508,751	25,370,541

Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	2Q23	2Q24	1H23	1H24
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	471,110	471,125	740,891	840,907
Depreciation and Amortization	56,533	67,958	108,279	136,311
Asset Impairment	0	0	0	218
Gain on Permanent Asset Disposals	40,196	(510)	40,376	(1,604)
Equity Method	4,491	2,019	3,616	4,893
Foreign Exchange (Gains) Losses	10,017	9,952	21,769	13,269
Net Interest and Related Revenue/Expenses	252,276	207,064	506,309	409,344
Expenses Related to Share Based Remuneration	11,076	8,839	17,598	14,741
Provisions and Others	2,677	(102,464)	(10,451)	(67,510)
Adjusted Results	848,376	663,983	1,428,387	1,350,569
Decrease (Increase) in Assets	(156,799)	(180,473)	(317,706)	(154,342)
Trade Accounts Receivable	(368,382)	(402,205)	(170,429)	(498,550)
Inventories	54,454	114,360	(176,037)	188,466
Recoverable Taxes	25,231	89,170	62,030	187,607
Judicial Deposits and Others	3,195	1,559	2,005	(9,717)
Other Accounts Receivable	128,703	16,643	(35,275)	(22,148)
Increase (Decrease) in Liabilities	(113,490)	140,655	(231,077)	(92,896)
Suppliers	(21,737)	(17,338)	(8,799)	(38,603)
Assignment of Receivables	(128,488)	22,432	(172,880)	(64,714)
Financial Derivatives	(35,953)	(151)	(40,047)	(10,407)
Income Tax and Social Contribution Paid	(1,286)	(1,424)	(1,440)	(2,195)
Taxes Payable	16,749	9,176	21,370	71,073
Salaries and Payroll Charges	59,448	86,958	(17,115)	(69,247)
Accounts Payable	(8,848)	46,004	(2,891)	33,592
Operations Interest Paid	10,691	(14,190)	(1,267)	(17,139)
Other Accounts Payable	(4,066)	9,188	(8,008)	4,744
Net Cash Provided by Operating Activities	578,087	624,165	879,604	1,103,331
Cash Flows from Investing Activities				
Capital Increase/Decrease in Subsidiaries/Affiliates	(2,384)	1	(6,634)	(450)
Acquisitions of Subsidiaries, Net of Cash Acquired	(16,225)	(5,275)	(16,382)	(5,275)
Acquisitions of Property, Plant and Equipment	(120,949)	(83,059)	(239,504)	(161,664)
Intangible Assets	(92,603)	(77,418)	(177,758)	(159,241)
Proceeds from the Sale of Assets with Permanent Nature	(1,059)	501	(1,876)	991
Interest and Others	29,892	43,611	68,208	98,498
Net Cash From Investing Activities	(203,328)	(121,639)	(373,946)	(227,141)
Cash Flows from Financing Activities				
Inflow from Loans and Financing	1,100,000	1,735,000	1,350,000	2,341,000
Treasury Stock Purchase / Sale	(37,077)	(34,900)	(55,398)	(42,560)
Repayment of Loans - Principal	(44,020)	(2,116,251)	(1,086,372)	(2,170,177)
Repayment of Loans - Interest	(310,545)	(410,033)	(674,203)	(656,736)
Dividends and IOC Paid	(27,032)	(25,767)	(704,535)	(79,742)
Loan Derivatives	(3,984)	11,100	(58,135)	(12,749)
Net Cash From Financing Activities	677,342	(840,851)	(1,228,643)	(620,964)
Net Increase (Decrease) in Cash and Cash Equivalents	1,052,101	(338,325)	(722,985)	255,226
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	1,087,387	3,174,444	2,862,473	2,580,893
Cash and Cash Equivalents at the End of the Period	2,139,488	2,836,119	2,139,488	2,836,119
Change in Cash and Cash Equivalent	1,052,101	(338,325)	(722,985)	255,226