

## Hypera Pharma reports Net Revenue of R\$1,915.9 million in 3Q24, with 11% growth in sell-out<sup>1</sup> and 23.2% growth in Free Cash Flow

São Paulo, November 13, 2024 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNORO; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 3<sup>rd</sup> 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).

### 3Q24 Highlights

- 11% sell-out<sup>1</sup> growth over 3Q23
- Demand normalization for Flu, Respiratory, Pain and Fever products
- Free Cash Flow of R\$551.8 million, 23.2% higher than 3Q23
- Interest on Equity approval of R\$185.4 million (R\$0.29/share) during 3Q24
- 10% increase in the Dow Jones Sustainability Index score

**Table 1**

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,485.7	116.2%	2,297.7	119.9%	-7.6%	6,975.5	115.0%	6,935.7	116.9%	-0.6%
Net Revenue	2,138.5	100.0%	1,915.9	100.0%	-10.4%	6,067.7	100.0%	5,931.5	100.0%	-2.2%
Gross Profit	1,353.8	63.3%	1,145.7	59.8%	-15.4%	3,849.1	63.4%	3,594.6	60.6%	-6.6%
SG&A (excl. Marketing and R&D)	(280.5)	-13.1%	(309.6)	-16.2%	10.4%	(821.4)	-13.5%	(861.8)	-14.5%	4.9%
Research & Development	(45.1)	-2.1%	(38.0)	-2.0%	-15.8%	(128.7)	-2.1%	(123.3)	-2.1%	-4.2%
Marketing	(327.8)	-15.3%	(347.1)	-18.1%	5.9%	(950.3)	-15.7%	(942.9)	-15.9%	-0.8%
EBITDA from Continuing Operations	797.2	37.3%	561.2	29.3%	-29.6%	2,175.4	35.9%	1,964.1	33.1%	-9.7%
Net Income from Continuing Operations	499.5	23.4%	370.1	19.3%	-25.9%	1,343.3	22.1%	1,253.5	21.1%	-6.7%
Free Cash Flow	447.8	20.9%	551.8	28.8%	23.2%	885.2	14.6%	1,329.5	22.4%	50.2%

**EARNINGS CONFERENCE CALL – PORTUGUESE: 11/14/2024, 11am (Brasília) / 9am (New York)**

**Webcast:** [click here](#) / **Phone:** +55 (11) 4700-9668 **ID:** 847 9665 8398 **Passcode:** 559812

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**EARNINGS CONFERENCE CALL – ENGLISH: (Simultaneous translation): 11/14/2024, 11am (Brasília) / 9am (New York)**

**Webcast:** [click here](#) / **Phone:** +1 (720) 707-2699 **ID:** 847 9665 8398 **Passcode:** 559812

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*Note: (1) Sell-out PMB/FMB 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-out<sup>1</sup> grew by 11% in 3Q24 when compared to the same period last year and was mainly driven by (i) the launches of new products in recent years, highlighting launches in chronic and preventive treatments; and (ii) the demand normalization for products related to Flu, Respiratory, Pain and Fever, which the Company is a leader with major position.

**The demand normalization for products related to Flu, Respiratory, Pain and Fever, which are more relevant to Hypera Pharma's sales than to the pharmaceutical retail sales, allowed the Company to increase sell-out growth in 3Q24, when compared to 2Q24, a quarter in which the sell-out growth had been of 6% over 2Q23. In this quarter, the sell-out growth in the Flu, Respiratory, Pain and Fever categories was 11%, while in 2Q24, sell-out in these categories had fallen by 1% compared to 2Q23.**

It should be noted that the demand normalization for products related to Flu, Respiratory, Pain and Fever is also benefiting the sell-out performance in 4Q24. October's sell-out growth reached 13%, according to preliminary data from IQVIA, resulting in a 9% accumulated year-on-year growth between January and October 2024. The year-to-date sell-out growth is in line with the Company's expectations and has not been affected by the beginning of the working capital optimization process announced on October 18, which negatively affects the growth of Net Revenue, EBITDA and Net Income in the short term.

**The working capital optimization seeks to increase cash generation in R\$2.5 billion by 2028, and in R\$7.5 billion over the next 10 years, mainly due to: (i) the reduction in inventories at clients and the consequent reduction in days of accounts receivable; and (ii) the expected increase in the Company's profitability, mainly due to the reduction in returns, discounts and discards.**

The beginning of the working capital optimization process in 3Q24 took into account the several operational advances observed over the last few years, such as: (i) the reduction in the lead time for the delivery of products to clients by 30% since 2022; (ii) the inauguration of the new optimized distribution center with more efficient logistical picking; (iii) the improvement in demand predictability of around 20% over the last 3 years; (iv) the more stable demand for acute medicines; and (v) the pilot projects carried out with smaller customers over the last 12 months.

In addition, over the last years, it has also been possible to observe an increase in the number of distribution centers by the Company's clients, which has reduced the lead time for delivery of products to the points of sale, as well as the supply of raw material normalization, with a significant reduction in delivery times by suppliers after the end of the Covid-19 pandemic.

**Based on these important advances, Hypera Pharma will bring the inventories of its products at clients to a similar level to what is currently practiced by the pharmaceutical industry in Brazil, without compromising the sell-out growth estimated for the coming years. It should also be noted that the optimization of working capital does not alter Hypera Pharma's commitment to the remuneration of its shareholders or the planned investments in marketing, innovation and increased production capacity.**

Also in this quarter, the Board of Directors approved the distribution of Interest on Equity of R\$185.4 million (R\$0.29/share), and the Company was once again highlighted in the Corporate Sustainability Assessment of **S&P Global (DJSI)**, with a 10% increase in its score in the **Dow Jones Sustainability Index**.

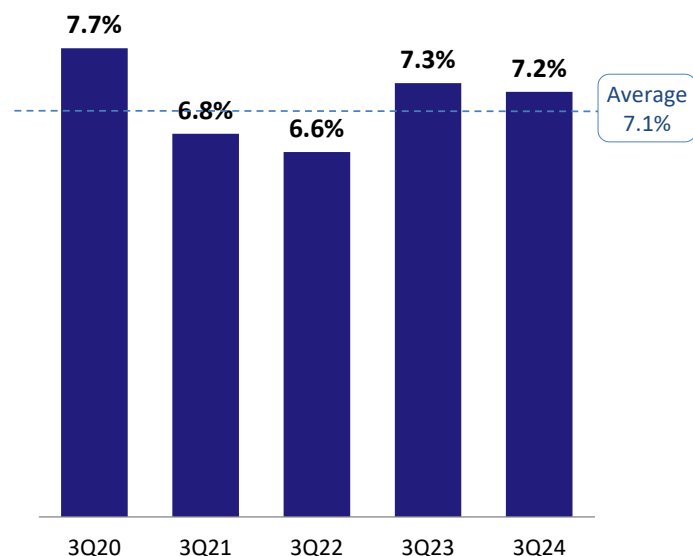
Finally, it is worth highlighting the important progress made in the Company's corporate governance. The Regulations of the Board of Directors and Advisory Committees were recently revised and published on the Investor Relations website <https://ri.hypera.com.br/en> on November 13, 2024. This work, coordinated throughout the year by the Governance and Sustainability Committee and approved by the Board of Directors, further strengthens efficiency among the Company's governance bodies and transparency in decision-making processes.

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

## Innovation & Launches

**Graph 1**

LTM R&D Investments (% of Net Revenue)<sup>1</sup>



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 3Q23. In 3Q24, these investments amounted to R\$138.6 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 24% in 3Q24, same level as in 3Q23.

**Hypera Pharma strengthened its product portfolio with important launches in 3Q24, especially the line extensions in Skincare and Consumer Health, and the launches in Endocrinology, Central Nervous System, Cardiology and Gastroenterology.**

**It should also be noted that Hypera Pharma was the pharmaceutical industry that approved the highest number of new medicines at ANVISA in 2024.**

The Company has an innovation pipeline of more than 500 products to be launched in the coming years, focusing 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.

*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)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
<b>Net Revenue</b>	<b>2,138.5</b>	<b>100.0%</b>	<b>1,915.9</b>	<b>100.0%</b>	<b>-10.4%</b>	<b>6,067.7</b>	<b>100.0%</b>	<b>5,931.5</b>	<b>100.0%</b>	<b>-2.2%</b>
<b>Gross Profit</b>	<b>1,353.8</b>	<b>63.3%</b>	<b>1,145.7</b>	<b>59.8%</b>	<b>-15.4%</b>	<b>3,849.1</b>	<b>63.4%</b>	<b>3,594.6</b>	<b>60.6%</b>	<b>-6.6%</b>
Marketing Expenses	(327.8)	-15.3%	(347.1)	-18.1%	5.9%	(950.3)	-15.7%	(942.9)	-15.9%	-0.8%
Selling Expenses	(236.4)	-11.1%	(249.3)	-13.0%	5.4%	(690.2)	-11.4%	(719.0)	-12.1%	4.2%
General and Administrative Expenses	(89.2)	-4.2%	(98.3)	-5.1%	10.2%	(259.9)	-4.3%	(266.1)	-4.5%	2.4%
Other Operating Revenues (Expenses)	23.0	1.1%	22.2	1.2%	-3.6%	48.2	0.8%	77.9	1.3%	61.6%
Equity in Subsidiaries	12.4	0.6%	18.1	0.9%	45.2%	8.8	0.1%	13.4	0.2%	51.2%
<b>EBIT from Continuing Operations</b>	<b>735.8</b>	<b>34.4%</b>	<b>491.3</b>	<b>25.6%</b>	<b>-33.2%</b>	<b>2,005.8</b>	<b>33.1%</b>	<b>1,757.9</b>	<b>29.6%</b>	<b>-12.4%</b>
Net Financial Expenses	(261.5)	-12.2%	(196.6)	-10.3%	-24.8%	(789.6)	-13.0%	(619.2)	-10.4%	-21.6%
Income Tax and CSLL	25.1	1.2%	75.4	3.9%	200.2%	127.1	2.1%	114.8	1.9%	-9.7%
<b>Net Income from Continuing Operations</b>	<b>499.5</b>	<b>23.4%</b>	<b>370.1</b>	<b>19.3%</b>	<b>-25.9%</b>	<b>1,343.3</b>	<b>22.1%</b>	<b>1,253.5</b>	<b>21.1%</b>	<b>-6.7%</b>
Net Income from Discontinued Operations	(0.2)	0.0%	0.4	0.0%	-	(0.8)	0.0%	(1.6)	0.0%	86.6%
<b>Net Income</b>	<b>499.3</b>	<b>23.3%</b>	<b>370.5</b>	<b>19.3%</b>	<b>-25.8%</b>	<b>1,342.4</b>	<b>22.1%</b>	<b>1,251.9</b>	<b>21.1%</b>	<b>-6.7%</b>
<b>EBITDA from Continuing Operations</b>	<b>797.2</b>	<b>37.3%</b>	<b>561.2</b>	<b>29.3%</b>	<b>-29.6%</b>	<b>2,175.4</b>	<b>35.9%</b>	<b>1,964.1</b>	<b>33.1%</b>	<b>-9.7%</b>

## Net Revenue

**Graph 2**

**Gross Revenue, net of Returns and Unconditional Discounts (R\$ mm)**

Δ 3Q24 vs 3Q23 -7.6%



**Graph 3**

**Gross Revenue, net of Returns and Unconditional Discounts (R\$ mm)**

Δ 9M24 vs 9M23 -0.6%



**Graph 4**

**Net Revenue (R\$ mm)**

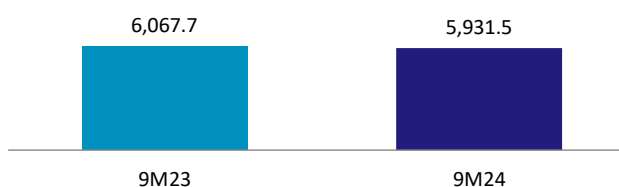
Δ 3Q24 vs 3Q23 -10.4%



**Graph 5**

**Net Revenue (R\$ mm)**

Δ 9M24 vs 9M23 -2.2%



**Table 3**

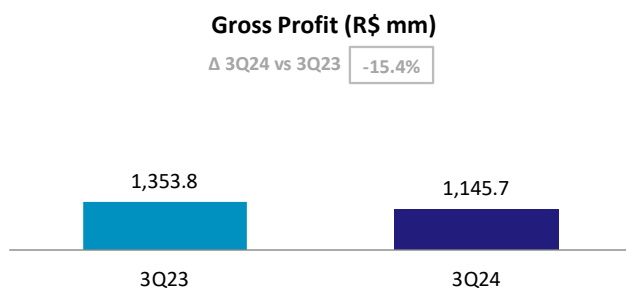
(R\$ million)	3Q23	3Q24	Δ %	9M23	9M24	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,485.7	2,297.7	-7.6%	6,975.5	6,935.7	-0.6%
Promotional Discounts	(177.8)	(209.9)	18.0%	(423.3)	(505.3)	19.4%
Taxes	(169.4)	(171.9)	1.5%	(484.5)	(498.9)	3.0%
Net Revenue	2,138.5	1,915.9	-10.4%	6,067.7	5,931.5	-2.2%

Net Revenue totaled R\$1,915.9 million in 3Q24, compared to R\$2,138.5 million in 3Q23. The reduction in Net Revenue compared to the same period last year is a consequence of the beginning of the working capital optimization process, which consists of reducing the inventory levels of the Company's products at its clients and, consequently, reducing the number of days of accounts receivable.

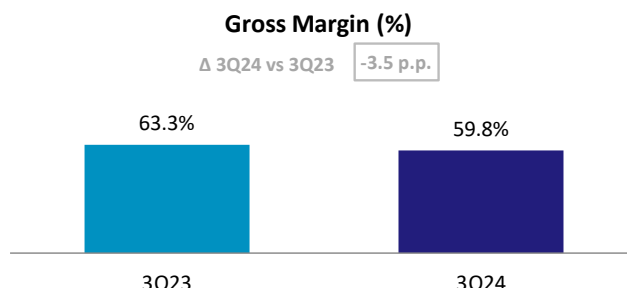
The working capital optimization seeks to increase the cash generation in R\$2.5 billion by 2028 and in R\$7.5 billion over the next 10 years, as well as to increase the Company's profitability, mainly due to the reduction in returns, discounts and discards.

## Gross Profit

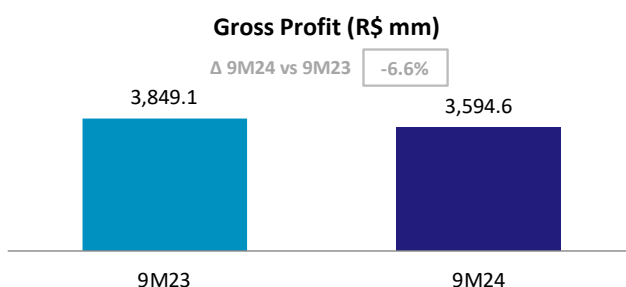
Graph 6



Graph 7



Graph 8



Graph 9

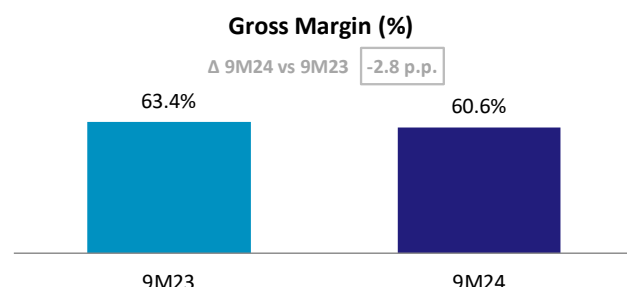


Table 4

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	Δ p.p.	9M23	% NR	9M24	% NR	Δ %	Δ p.p.
Gross Profit	1,353.8	63.3%	1,145.7	59.8%	-15.4%	-3.5 p.p.	3,849.1	63.4%	3,594.6	60.6%	-6.6%	-2.8 p.p.

Gross Profit reached R\$1,145.7 million in the quarter, with a Gross Margin of 59.8%, or 3.5 percentage points lower than in 3Q23. The variation in Gross Margin compared to 3Q23 is mainly the result of the lower dilution of fixed costs due to the reduction in Net Revenue because of the beginning of the working capital optimization process.

## Marketing Expenses

Table 5

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
Marketing Expenses	(327.8)	-15.3%	(347.1)	-18.1%	5.9%	(950.3)	-15.7%	(942.9)	-15.9%	-0.8%
Advertisement and Consumer Promotion	(96.4)	-4.5%	(105.5)	-5.5%	9.4%	(274.1)	-4.5%	(276.9)	-4.7%	1.0%
Trade Deals	(79.6)	-3.7%	(65.2)	-3.4%	-18.1%	(158.2)	-2.6%	(149.6)	-2.5%	-5.4%
Medical Visits, Promotions and Others	(151.8)	-7.1%	(176.3)	-9.2%	16.2%	(518.0)	-8.5%	(516.4)	-8.7%	-0.3%

Marketing Expenses grew by 5.9% to R\$347.1 million in 3Q24, driven by higher expenses in Advertising and Consumer Promotion and Medical Visits, Promotions and Others, reflecting additional expenses with marketing campaigns, free samples and an increase in medical visitation teams with the aim of boosting the sell-out growth.

## Selling Expenses

Table 6

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
Selling Expenses	(236.4)	-11.1%	(249.3)	-13.0%	5.4%	(690.2)	-11.4%	(719.0)	-12.1%	4.2%
Commercial Expenses	(144.8)	-6.8%	(160.6)	-8.4%	10.9%	(421.0)	-6.9%	(448.2)	-7.6%	6.4%
Freight and Logistics Expenses	(46.5)	-2.2%	(50.7)	-2.6%	9.0%	(140.4)	-2.3%	(147.5)	-2.5%	5.0%
Research & Development	(45.1)	-2.1%	(38.0)	-2.0%	-15.8%	(128.7)	-2.1%	(123.3)	-2.1%	-4.2%

Selling Expenses grew by 5.4% in 3Q24, mainly reflecting the increase in expenses with the sales teams at a similar level to the wage increases in the period. Over the last 9 months, the sales expenses growth was 4.2%, lower than the sell-out growth in the same period.

Total investments in Research and Development (R&D), including the amount capitalized as intangible assets, represented 7.2% of Net Revenue in the quarter, evidencing the Company's commitment to the constant innovation of its product portfolio and the additional investments in R&D to develop the innovation pipeline to support the growth in the Non-Retail Market. In 3Q24, the benefit from the *Lei do Bem* was R\$12.5 million, compared to R\$6.5 million in 3Q23.

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

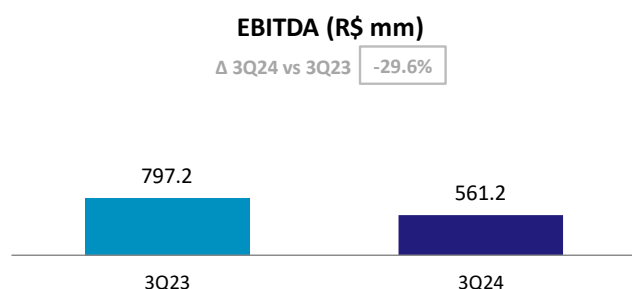
Table 7

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
General & Administrative Expenses	(89.2)	-4.2%	(98.3)	-5.1%	10.2%	(259.9)	-4.3%	(266.1)	-4.5%	2.4%
Other Operating Revenues (Expenses)	23.0	1.1%	22.2	1.2%	-3.6%	48.2	0.8%	77.9	1.3%	61.6%

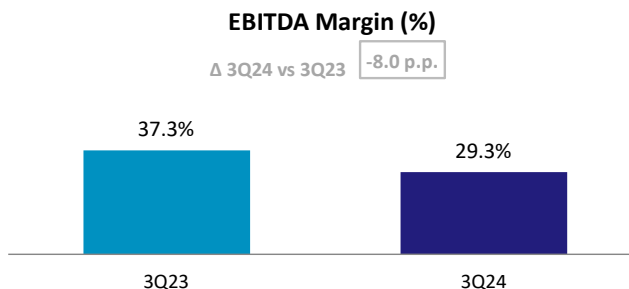
General and Administrative Expenses amounted to R\$98.3 million in the quarter, an increase of R\$9.1 million over the same period last year, mainly because of the higher level of personal expenses related to the administrative teams and advisory and consultancy services.

## EBITDA from Continuing Operations

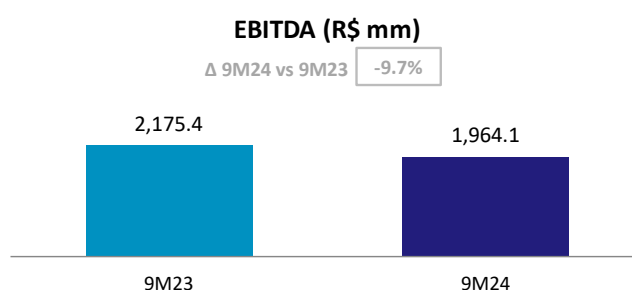
**Graph 10**



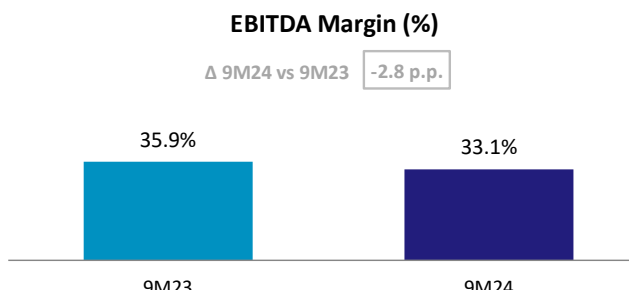
**Graph 11**



**Graph 12**



**Graph 13**



**Table 8 – EBITDA from Continuing Operations**

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
EBITDA from Continuing Operations	797.2	37.3%	561.2	29.3%	-29.6%	2,175.4	35.9%	1,964.1	33.1%	-9.7%

EBITDA from Continuing Operations was R\$561.2 million, with a margin of 29.3%, compared to 37.3% in 3Q23. In the last 9 months, the EBITDA from Continuing Operations Margin was 33.1%, or 2.8 percentage points lower than in 9M23.

The reduction in the EBITDA from Continuing Operations Margin, both in 3Q24 and in the last 9 months, is mainly the result of the lower dilution of fixed costs and expenses due to the reduction in Net Revenue in 3Q24, as a consequence of the beginning of the working capital optimization process.



## Net Financial Expenses

Table 9

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ R\$	9M23	% NR	9M24	% NR	Δ R\$
Financial Result	(261.5)	-12.2%	(196.6)	-10.3%	64.9	(789.6)	-13.0%	(619.2)	-10.4%	170.4
Net Interest Expenses	(235.4)	-11.0%	(174.6)	-9.1%	60.8	(689.4)	-11.4%	(529.5)	-8.9%	159.9
Cost of Hedge and FX Gains (Losses)	(5.2)	-0.2%	2.7	0.1%	7.9	(27.0)	-0.4%	(10.6)	-0.2%	16.4
Other	(20.9)	-1.0%	(24.7)	-1.3%	(3.8)	(73.2)	-1.2%	(79.1)	-1.3%	(5.9)

The Financial Result was negative by R\$196.6 million in 3Q24, which is R\$64.9 million lower than in 3Q23. This variation is the result of lower interest expenses in the period due to the lower interest rate (*Selic rate*).

## Net Income

Table 10

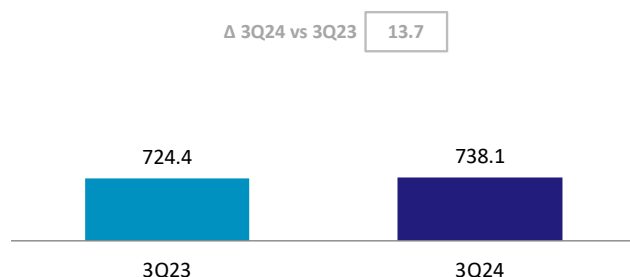
(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
EBIT from Continuing Operations	735.8	34.4%	491.3	25.6%	-33.2%	2,005.8	33.1%	1,757.9	29.6%	-12.4%
(-) Net Financial Expenses	(261.5)	-12.2%	(196.6)	-10.3%	-24.8%	(789.6)	-13.0%	(619.2)	-10.4%	-21.6%
(-) Income Tax and Social Contribution	25.1	1.2%	75.4	3.9%	200.2%	127.1	2.1%	114.8	1.9%	-9.7%
<b>Net Income from Continuing Operations</b>	<b>499.5</b>	<b>23.4%</b>	<b>370.1</b>	<b>19.3%</b>	<b>-25.9%</b>	<b>1,343.3</b>	<b>22.1%</b>	<b>1,253.5</b>	<b>21.1%</b>	<b>-6.7%</b>
(+) Net Income from Discontinued Operations	(0.2)	0.0%	0.4	0.0%	-	(0.8)	0.0%	(1.6)	0.0%	86.6%
<b>Net Income</b>	<b>499.3</b>	<b>23.3%</b>	<b>370.5</b>	<b>19.3%</b>	<b>-25.8%</b>	<b>1,342.4</b>	<b>22.1%</b>	<b>1,251.9</b>	<b>21.1%</b>	<b>-6.7%</b>
EPS	0.79	-	0.59	-	-24.6%	2.12	-	1.99	-	-6.0%
EPS from Continuing Operations	0.79	-	0.59	-	-24.7%	2.12	-	2.00	-	-6.0%

Net Income from Continuing Operations totaled R\$370.1 million in the quarter, 25.9% lower than in 3Q23. The variation in Net Income is mainly due to the decrease in EBIT from Continuing Operations, which was impacted by the reduction in Net Revenue due to the beginning of the working capital optimization process.

## Cash Flow (Continuing and Discontinued Operations)

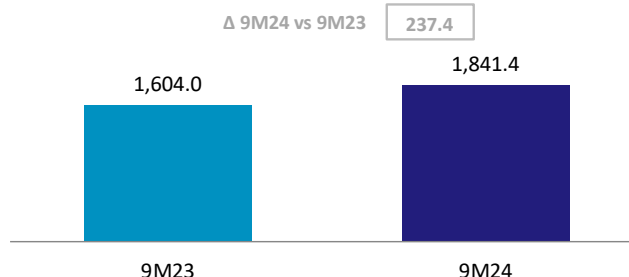
**Graph 14**

### Cash Flow from Operations (R\$ mm)



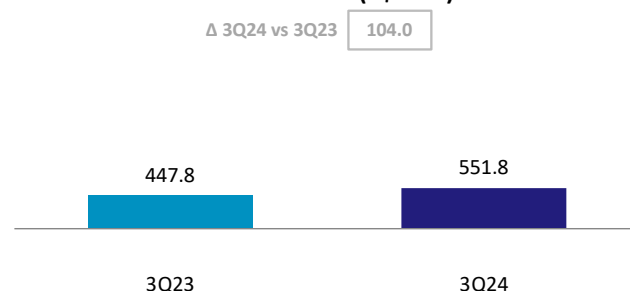
**Graph 15**

### Cash Flow from Operations (R\$ mm)



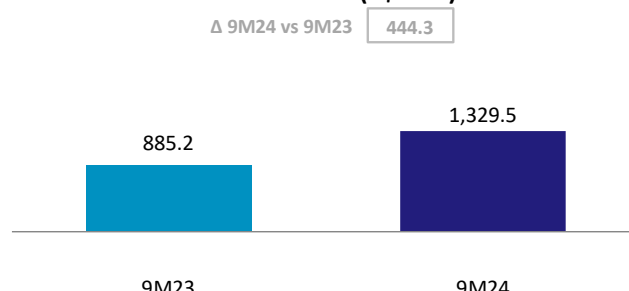
**Graph 16**

### Free Cash Flow (R\$ mm)



**Graph 17**

### Free Cash Flow (R\$ mm)



**Table 11**

(R\$ million)	3Q23	3Q24	9M23	9M24
Cash Flow from Operations	724.4	738.1	1,604.0	1,841.4
Capital increase in subsidiaries/associates	(0.5)	0.0	(7.1)	(0.5)
Purchase of Property, Plant and Equipment	(103.7)	(107.5)	(343.2)	(269.2)
Purchase of Intangible Assets	(79.6)	(79.5)	(257.3)	(238.7)
Acquisitions of Subsidiaries, Net of Cash Acquired	(94.0)	0.0	(110.4)	(5.3)
Sale of Property, Plant and Equipment	1.2	0.7	(0.7)	1.7
(=) Free Cash Flow	447.8	551.8	885.2	1,329.5

Cash Flow from Operations grew by 1.9% to R\$738.1 million, the highest level ever recorded in a third quarter, despite the reduction in EBITDA from Continuing Operations due to the beginning of the working capital optimization process, mainly because of the lower investment in working capital compared to 3Q23.

Free Cash Flow reached R\$551.8 million in the quarter, 23.2% higher than in 3Q23, reflecting mainly the payment made in 3Q23 for the acquisition of the Boehringer Ingelheim plant to increase the Company's production capacity and the internalization of the production of part of the brands acquired in recent years. Over the last 9 months, Free Cash Flow has grown by 50.2%.

## Net Debt

Table 12

(R\$ million)	2Q24	3Q24
Loans and Financing	(10,177.7)	(10,280.0)
Notes Payable	(19.3)	(19.6)
<b>Gross Debt</b>	<b>(10,197.0)</b>	<b>(10,299.6)</b>
Cash and Cash Equivalents	2,836.1	3,208.6
<b>Net Cash / (Debt)</b>	<b>(7,360.9)</b>	<b>(7,091.0)</b>
Unrealized Gain/Loss on Debt Hedge	100.5	93.2
<b>Net Cash / (Debt) After Hedge</b>	<b>(7,260.3)</b>	<b>(6,997.8)</b>

The Company ended 3Q24 with Net Debt after Hedge of R\$6,997.8 million, versus R\$7,260.3 million recorded at the end of 2Q24. The reduction in Net Debt after Hedge was driven by free cash generation of R\$551.8 million in the quarter.

## Other Information

### Cash Conversion Cycle – Continuing Operations

Table 13

(Days)	4Q23	1Q24	2Q24	3Q24	(R\$ million)	4Q23	1Q24	2Q24	3Q24
Receivables <sup>(1)</sup>	116	122	116	126	Receivables	2,642	2,730	3,108	2,993
Inventories <sup>(2)</sup>	282	265	203	226	Inventories	2,192	2,095	1,931	1,933
Payables <sup>(2) (3)</sup>	(108)	(93)	(80)	(95)	Payables <sup>(3)</sup>	(838)	(737)	(757)	(813)
<b>Cash Conversion Cycle</b>	<b>290</b>	<b>294</b>	<b>240</b>	<b>257</b>	<b>Working Capital</b>	<b>3,996</b>	<b>4,088</b>	<b>4,282</b>	<b>4,114</b>
					<b>% of Annualized Net Revenue <sup>(4)</sup></b>	<b>54%</b>	<b>56%</b>	<b>49%</b>	<b>54%</b>

(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\$307.0 million (please refer to Explanatory Note 13 of the Financial Statements)

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward:** R\$3,917.2 million (please refer to Explanatory Note 21(a) of the Financial Statements)

iii) **Goodwill:** the Company has R\$1,248.0 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\$424.3 million

### Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations Calculation

Table 14

(R\$ million)	3Q23	% NR	3Q24	% NR	Δ %	9M23	% NR	9M24	% NR	Δ %
Net Income	499.3	23.3%	370.5	19.3%	-25.8%	1,342.4	22.1%	1,251.9	21.1%	-6.7%
(+) Income Tax and CSLL	(27.1)	-1.3%	(75.7)	-4.0%	178.9%	(129.4)	-2.1%	(116.2)	-2.0%	-10.2%
(+) Net Interest Expenses	261.5	12.2%	196.6	10.3%	-24.8%	789.6	13.0%	619.2	10.4%	-21.6%
(+) Depreciations / Amortizations	61.3	2.9%	69.9	3.6%	13.9%	169.6	2.8%	206.2	3.5%	21.6%
<b>EBITDA</b>	<b>795.0</b>	<b>37.2%</b>	<b>561.3</b>	<b>29.3%</b>	<b>-29.4%</b>	<b>2,172.2</b>	<b>35.8%</b>	<b>1,961.1</b>	<b>33.1%</b>	<b>-9.7%</b>
(-) EBITDA from Discontinued Operations	2.2	0.1%	(0.1)	0.0%	-	3.2	0.1%	3.0	0.0%	-7.0%
<b>Adjusted EBITDA (EBITDA from Continuing Operations)</b>	<b>797.2</b>	<b>37.3%</b>	<b>561.2</b>	<b>29.3%</b>	<b>-29.6%</b>	<b>2,175.4</b>	<b>35.9%</b>	<b>1,964.1</b>	<b>33.1%</b>	<b>-9.7%</b>

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

	3Q23	3Q24	9M23	9M24
Net Revenue	2,138,461	1,915,906	6,067,733	5,931,475
Cost of Goods Sold	(784,650)	(770,192)	(2,218,611)	(2,336,916)
<b>Gross Profit</b>	<b>1,353,811</b>	<b>1,145,714</b>	<b>3,849,122</b>	<b>3,594,559</b>
Selling and Marketing Expenses	(564,269)	(596,366)	(1,640,493)	(1,661,867)
General and Administrative Expenses	(89,168)	(98,281)	(259,906)	(266,058)
Other Operating Revenues (Expenses)	23,020	22,188	48,225	77,925
Equity in Subsidiaries	12,445	18,071	8,829	13,353
<b>Operating Income Before Equity Income and Financial Result</b>	<b>735,839</b>	<b>491,326</b>	<b>2,005,777</b>	<b>1,757,912</b>
Net Financial Expenses	(261,503)	(196,618)	(789,581)	(619,231)
Financial Expenses	(323,687)	(266,689)	(973,943)	(834,365)
Financial Income	62,184	70,071	184,362	215,134
<b>Profit Before Income Tax and Social Contribution</b>	<b>474,336</b>	<b>294,708</b>	<b>1,216,196</b>	<b>1,138,681</b>
Income Tax and Social Contribution	25,131	75,434	127,077	114,807
<b>Net Income from Continuing Operations</b>	<b>499,467</b>	<b>370,142</b>	<b>1,343,273</b>	<b>1,253,488</b>
Net Income from Discontinued Operations	(198)	381	(842)	(1,571)
<b>Income for the Period</b>	<b>499,269</b>	<b>370,523</b>	<b>1,342,431</b>	<b>1,251,917</b>
<b>Earnings per Share – R\$</b>	<b>0.79</b>	<b>0.59</b>	<b>2.12</b>	<b>1.99</b>

## Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2023	09/30/2024	Liabilities and Shareholders' Equity	12/31/2023	09/30/2024
<b>Current Assets</b>	<b>8,077,766</b>	<b>8,788,709</b>	<b>Current Liabilities</b>	<b>4,644,236</b>	<b>4,847,407</b>
Cash and Cash Equivalents	2,580,893	3,208,625	Suppliers	389,667	374,888
Accounts Receivables	2,642,146	2,993,305	Assignment of Receivables	448,307	437,694
Inventories	2,191,731	1,933,365	Loans, Financing and Debentures	2,120,539	1,962,019
Recoverable Taxes	446,514	393,297	Salaries Payable	442,286	383,756
Financial Derivatives	295	75,761	Income Tax and Social Contribution	3,759	4,806
Other Assets	211,392	184,356	Taxes Payable	86,565	129,432
Dividends and IOC receivables	4,795	0	Accounts Payable	418,705	391,186
			Dividends and IOC Payable	696,966	1,147,641
			Notes Payable	20,457	15,646
			Financial Derivatives	16,985	339
<b>Non-Current Assets</b>	<b>16,430,985</b>	<b>17,085,517</b>	<b>Non-Current Liabilities</b>	<b>8,346,642</b>	<b>8,805,893</b>
<b>Long Term Assets</b>	<b>1,317,883</b>	<b>1,529,785</b>	Loans, Financing and Debentures	7,817,240	8,318,022
Deferred Income Tax and Social Contribution	869,524	1,165,482	Deferred Income Tax and Social Contribution	175,752	139,775
Recoverable Taxes	222,666	92,768	Taxes Payable	2,805	34,616
Other Assets	213,845	251,885	Accounts Payable	180,905	163,371
Financial Derivatives	11,848	19,650	Provisions for Contingencies	127,553	146,198
			Notes Payable	3,600	3,911
			Financial Derivatives	38,787	0
<b>Fixed Assets and Investments</b>	<b>15,113,102</b>	<b>15,555,732</b>	<b>Shareholders' Equity</b>	<b>11,517,873</b>	<b>12,220,926</b>
Investments	120,639	138,230	Capital	4,478,126	9,705,886
Biological Assets	12,583	8,673	Capital Reserve	1,190,071	1,174,187
Property, Plants and Equipments	3,548,040	3,730,764	Equity Valuation Adjustments	(278,927)	(255,901)
Intangible Assets	11,431,840	11,678,065	Profit Reserves	6,135,131	907,371
			Treasury Stock	(20,277)	(23,301)
			Attributed to non-controlling shareholders	13,749	6,136
			Income for the Period	0	706,548
<b>Total Assets</b>	<b>24,508,751</b>	<b>25,874,226</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>24,508,751</b>	<b>25,874,226</b>

## Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	3Q23	3Q24	9M23	9M24
<b>Cash Flows from Operating Activities</b>				
Income (Loss) Before Income Taxes including Discontinued Operations	472,125	294,816	1,213,016	1,135,723
Depreciation and Amortization	61,330	69,870	169,609	206,181
Asset Impairment	(2,988)	20,910	(2,988)	21,128
Gain on Permanent Asset Disposals	4,881	1,240	45,257	(364)
Equity Method	(13,147)	(18,782)	(9,531)	(13,889)
Foreign Exchange (Gains) Losses	5,198	(2,661)	26,967	10,608
Net Interest and Related Revenue/Expenses	256,305	199,279	762,614	608,623
Expenses Related to Share Based Remuneration	11,920	8,926	29,518	23,667
Provisions and Others	(61,798)	(58,268)	(72,249)	(125,778)
<b>Adjusted Results</b>	<b>733,826</b>	<b>515,330</b>	<b>2,162,213</b>	<b>1,865,899</b>
<b>Decrease (Increase) in Assets</b>	<b>140,915</b>	<b>181,109</b>	<b>(176,791)</b>	<b>26,767</b>
Trade Accounts Receivable	(211,293)	111,199	(381,722)	(387,351)
Inventories	89,412	(19,979)	(86,625)	168,487
Recoverable Taxes	67,292	50,241	129,322	237,848
Judicial Deposits and Others	5,289	(11,120)	7,294	(20,837)
Other Accounts Receivable	190,215	50,768	154,940	28,620
<b>Increase (Decrease) in Liabilities</b>	<b>(150,370)</b>	<b>41,631</b>	<b>(381,447)</b>	<b>(51,265)</b>
Suppliers	(84,749)	9,532	(93,548)	(29,071)
Assignment of Receivables	(51,750)	54,101	(224,630)	(10,613)
Financial Derivatives	(27,481)	982	(67,528)	(9,425)
Income Tax and Social Contribution Paid	(1,350)	(2,530)	(2,790)	(4,725)
Taxes Payable	9,452	4,137	30,822	75,210
Salaries and Payroll Charges	63,489	56,853	46,374	(12,394)
Accounts Payable	(80,375)	(59,749)	(83,266)	(26,157)
Operations Interest Paid	26,000	(19,771)	24,733	(36,910)
Other Accounts Payable	(3,606)	(1,924)	(11,614)	2,820
<b>Net Cash Provided by Operating Activities</b>	<b>724,371</b>	<b>738,070</b>	<b>1,603,975</b>	<b>1,841,401</b>
<b>Cash Flows from Investing Activities</b>				
Capital Increase/Decrease in Subsidiaries/Affiliates	(470)	0	(7,104)	(450)
Acquisitions of Subsidiaries, Net of Cash Acquired	(94,047)	0	(110,429)	(5,275)
Acquisitions of Property, Plant and Equipment	(103,652)	(107,490)	(343,156)	(269,154)
Intangible Assets	(79,581)	(79,484)	(257,339)	(238,725)
Proceeds from the Sale of Assets with Permanent Nature	1,175	708	(701)	1,699
Interest and Others	39,031	48,602	107,239	147,100
<b>Net Cash From Investing Activities</b>	<b>(237,544)</b>	<b>(137,664)</b>	<b>(611,490)</b>	<b>(364,805)</b>
<b>Cash Flows from Financing Activities</b>				
Inflow from Loans and Financing	6,000	10,000	1,356,000	2,351,000
Treasury Stock Purchase / Sale	1	(1)	(55,397)	(42,561)
Repayment of Loans - Principal	(125,175)	(41,989)	(1,211,547)	(2,212,166)
Repayment of Loans - Interest	(253,382)	(173,358)	(927,585)	(830,094)
Dividends and IOC Paid	(27,511)	(24,468)	(732,046)	(104,210)
Loan Derivatives	(7,847)	1,916	(65,982)	(10,833)
<b>Net Cash From Financing Activities</b>	<b>(407,914)</b>	<b>(227,900)</b>	<b>(1,636,557)</b>	<b>(848,864)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>78,913</b>	<b>372,506</b>	<b>(644,072)</b>	<b>627,732</b>
<b>Statement of Increase in Cash and Cash Equivalents, Net</b>				
Cash and Cash Equivalents at the Beginning of the Period	2,139,488	2,836,119	2,862,473	2,580,893
Cash and Cash Equivalents at the End of the Period	2,218,401	3,208,625	2,218,401	3,208,625
<b>Change in Cash and Cash Equivalent</b>	<b>78,913</b>	<b>372,506</b>	<b>(644,072)</b>	<b>627,732</b>