

Hypera Pharma reports Net Revenue growth of 5.0% and reaches the highest ever recorded EBITDA from Continuing Operations of R\$797.2 million in 3Q23

São Paulo, October 26, 2023 – 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 3rd quarter of 2023. 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).

3Q23 Highlights

- Net Revenue of R\$2,138.5 million, up 5.0% versus 3Q22
- Highest ever recorded EBITDA from Continuing Operations (excl. Others) of R\$774.1 million, up 7.0% vs. 3Q22
- Growth of 63.8%¹ in Non-Retail revenues when compared to 3Q22
- Cash Flow From Operations of R\$724.4 million, highest level ever recorded in a quarter
- Interest on Equity approval of R\$194.8 million

Table 1

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,341.4	115.0%	2,485.7	116.2%	6.2%	6,205.5	114.4%	6,975.5	115.0%	12.4%
Net Revenue	2,035.8	100.0%	2,138.5	100.0%	5.0%	5,425.0	100.0%	6,067.7	100.0%	11.8%
Gross Profit	1,292.4	63.5%	1,353.8	63.3%	4.8%	3,439.6	63.4%	3,849.1	63.4%	11.9%
SG&A (excl. Marketing and R&D)	(259.3)	-12.7%	(280.5)	-13.1%	8.2%	(691.3)	-12.7%	(821.4)	-13.5%	18.8%
Research & Development	(28.9)	-1.4%	(45.1)	-2.1%	56.1%	(105.3)	-1.9%	(128.7)	-2.1%	22.2%
Marketing	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
EBITDA from Continuing Operations (excl. Others)	723.6	35.5%	774.1	36.2%	7.0%	1,897.7	35.0%	2,127.2	35.1%	12.1%
EBITDA from Continuing Operations	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%
Net Income from Continuing Operations	469.7	23.1%	499.5	23.4%	6.3%	1,274.7	23.5%	1,343.3	22.1%	5.4%
Cash Flow from Operations	677.5	33.3%	724.4	33.9%	6.9%	1,524.3	28.1%	1,604.0	26.4%	5.2%

EARNINGS CONFERENCE CALL – PORTUGUESE: 10/27/2023, 11am (Brasília) / 10am (New York)

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Note: (1) Does not include the non-recurring revenue from Immunoglobulin recorded in 3Q22.

Operating Scenario

Hypera Pharma's Net Revenue grew 5.0% in the third quarter when compared to 3Q22, reaching R\$2,138.5 million. The performance of Net Revenue in 3Q23 is a consequence of: (i) the recent sell-out growth in drugstores and distributors; (ii) the increase in e-commerce platforms, supermarkets, Simple Organic and Bioage sales, not considered in the sell-out measured by IQVIA; and (iii) the growth in the Non-Retail sales.

The sell-out growth for the quarter was 4.2%¹ and was negatively impacted by the performance in Flu, Respiratory, Pain and Fever categories that concentrate important Power Brands² for the Company. The pharmaceutical retail market grew 8.8%³ in the quarter, decelerating from the around 12% growth in 1H23.

The performance observed in these categories, which represented 37% of Hypera Pharma's sell-out and 12% of the total pharmaceutical retail market in the quarter, is mainly the result of the approximately 30% decrease in the total number of flu cases⁴ recorded in Brazil in 3Q23, which led to a 10% reduction⁵ in the volume of medicines sold in these categories in the period, mainly as a result of the totally atypical winter with the country's highest temperatures in the last 60 years⁶. It is important to mention that the Company kept its market-share in the categories in which it operates.

Hypera Pharma's growth in categories more related to off-patent chronic and preventive treatments, such as Cardiology, Central Nervous System, Ophthalmology and Women's Health, was higher than the market growth in 3Q23. It is worth highlighting that the Company has several projects in its innovation pipeline to strengthen its operations in these categories, whose growth estimated by IQVIA for the next 5 years is higher than the average growth expected for the pharmaceutical retail market.

Non-Retail contributed with R\$119.3 million to Net Revenue, up 18.3% versus 3Q22, 63.8% when excluding the revenue from the non-recurring sale of Immunoglobulin recorded in the same period of the previous year, with EBITDA Margin expanding once again. This growth, higher than the Company's initial expectations for the period, is a consequence of the recently implemented initiatives aimed at boosting the growth of the current product portfolio, the recent launches, the increase in the sales teams and the higher product availability.

The growth in Net Revenue and a greater discipline in managing variable costs and expenses related to the Flu, Respiratory, Pain and Fever categories helped Hypera Pharma to achieve EBITDA from Continuing Operations, when excluding the contribution from Other Operating Revenues, of R\$774.1 million, with margin of 36.2%, or 0.7 percentage point higher than 3Q22, and record Cash Flow From Operations of R\$724.4 million, the highest level ever recorded in a quarter.

Also in 3Q23, the Company declared Interest on Equity of R\$194.8 million (R\$0.31/share), and was recognized once again for its medium and long-term sustainable practices and commitments.

The Company is now present of the London Stock Exchange's FTSE4Good Index Series, one of the most important international sustainability indexes from the Financial Times Stock Exchange (FTSE), and B3's IDIVERSA, which awards companies that meet gender and race diversity criteria.

Considering the recent sell-out performance in Flu, Respiratory, Pain and Fever categories and the slowdown in the growth rate of the Brazilian pharmaceutical retail market, which went from 12% in 1H23 to 7% in September and October, according to the data and recent projections from IQVIA, the Company estimates Net Revenue growth of around 8% for 2023, reaching around 95% of the Net Revenue, EBITDA from Continuing Operations (ex-Others) and Net Income from Continuing Operations estimated for the year, in line with the guidance reported on February 16, 2023.

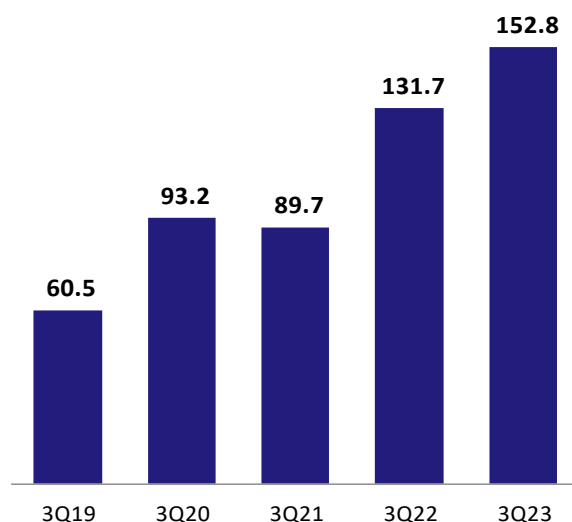
The operating performance expected for 2023 does not change the Company's vision of the many opportunities in the Brazilian pharmaceutical market, which is expected to grow between 8% and 11% over the next 5 years, according to IQVIA⁷, or its sustainable growth strategy based on the growth of its leading brands, new product launches and increased production capacity.

Note: (1) Sell-out PPP (Pharmacy Purchase Price), as reported by IQVIA, considers the average purchase price by pharmacies and chains; (2) Power Brands are brands with +R\$100 million sell-out; (3) according to IQVIA; (4) according to Fiocruz; (5) in units, according to IQVIA; (6) according to the National Institute of Meteorology; (7) IQVIA Latin America Market Review & Projections | 2nd Edition 2023.

Innovation & Launches

Graph 1

R&D Investments (R\$ million)



Total R&D investments, including the amount capitalized as intangible assets, totaled R\$152.8 million in 3Q23¹, or 16.0% higher than 3Q22, once again evidencing the Company's commitment to the constant innovation of its portfolio of products and additional investments in R&D to develop the innovation pipeline to support the growth in Non-Retail.

The Freshness Index, corresponding to the percentage of Net Revenue from products launched in the last five years, was 24% in the 3Q23, and the products launched in the last two years represented 241.5% of the Net Revenue added in the quarter when compared to 3Q22.

In 3Q23, the Company launched several new products such as **Descon**, a new brand for treating the common symptoms of flu, cold, rhinitis and sinusitis, **Addera Max Cal**, which combines vitamin D with a high concentration of calcium, and **Rinosoro XT Spray** with xylitol.

Also in this quarter, Hypera launched the first line extensions of Nebacetin and Cepacol, brands recently acquired from Takeda and Sanofi, with the new **Nebacetin Baby** line, for the prevention and treatment of diaper rash in babies and children, and the new **Cepacol**

Menta Ice and **Cepacol Nitrus Fusion** mouthwashes.

In Skincare, the Company expanded its line of **Ivy** and **Epidrat** brands, and in Similar and Generics, it launched the hypertensive **Levanlopidine Besylate** and the new combination of **Ezetimibe with Simvastatin**, which acts against high cholesterol and triglyceride levels. In Non-Retail, the highlights were the launches of the antibiotics **Azithromycin** and **Clarithromycin**.



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

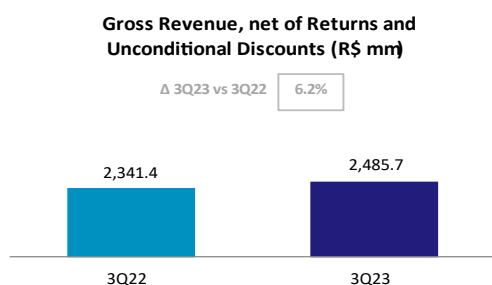
Income Statement

Table 2

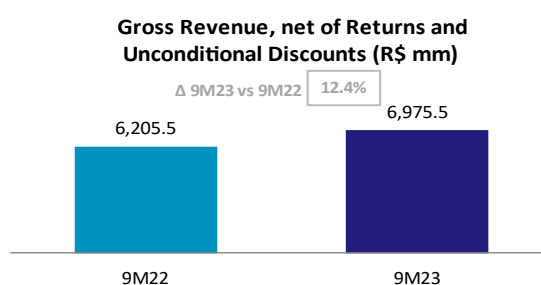
(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Net Revenue	2,035.8	100.0%	2,138.5	100.0%	5.0%	5,425.0	100.0%	6,067.7	100.0%	11.8%
Gross Profit	1,292.4	63.5%	1,353.8	63.3%	4.8%	3,439.6	63.4%	3,849.1	63.4%	11.9%
Marketing Expenses	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
Selling Expenses	(205.7)	-10.1%	(236.4)	-11.1%	15.0%	(578.1)	-10.7%	(690.2)	-11.4%	19.4%
General and Administrative Expenses	(82.5)	-4.1%	(89.2)	-4.2%	8.0%	(218.5)	-4.0%	(259.9)	-4.3%	18.9%
Other Operating Revenues (Expenses)	3.7	0.2%	23.0	1.1%	527.8%	18.5	0.3%	48.2	0.8%	160.8%
Equity in Subsidiaries	3.0	0.1%	12.4	0.6%	317.5%	6.7	0.1%	8.8	0.1%	32.0%
EBIT from Continuing Operations	684.0	33.6%	735.8	34.4%	7.6%	1,796.1	33.1%	2,005.8	33.1%	11.7%
Net Financial Expenses	(241.9)	-11.9%	(261.5)	-12.2%	8.1%	(625.9)	-11.5%	(789.6)	-13.0%	26.2%
Income Tax and CSLL	27.5	1.4%	25.1	1.2%	-8.8%	104.5	1.9%	127.1	2.1%	21.7%
Net Income (Loss) from Continuing Operations	469.7	23.1%	499.5	23.4%	6.3%	1,274.7	23.5%	1,343.3	22.1%	5.4%
Net Income from Discontinued Operations	(3.6)	-0.2%	(0.2)	0.0%	-94.6%	(5.9)	-0.1%	(0.8)	0.0%	-85.7%
Net Income (Loss)	466.0	22.9%	499.3	23.3%	7.1%	1,268.8	23.4%	1,342.4	22.1%	5.8%
EBITDA from Continuing Operations	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%

Net Revenue

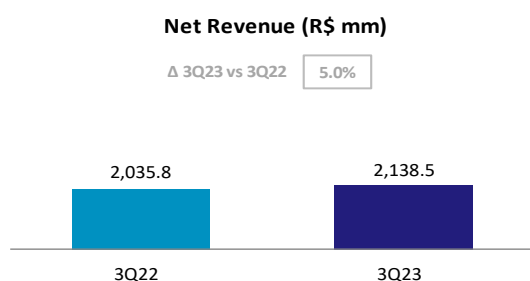
Graph 2



Graph 3



Graph 4



Graph 5

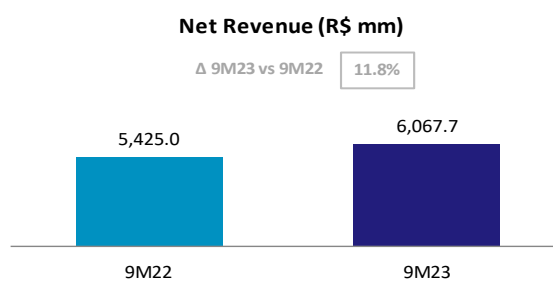


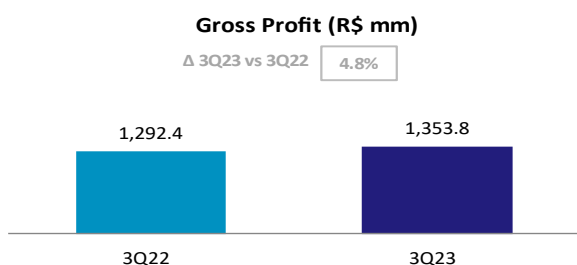
Table 3

(R\$ million)	3Q22	3Q23	Δ %	9M22	9M23	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,341.4	2,485.7	6.2%	6,205.5	6,975.5	12.4%
Promotional Discounts	(137.7)	(177.8)	29.1%	(337.6)	(423.3)	25.4%
Taxes	(168.0)	(169.4)	0.8%	(442.9)	(484.5)	9.4%
Net Revenue	2,035.8	2,138.5	5.0%	5,425.0	6,067.7	11.8%

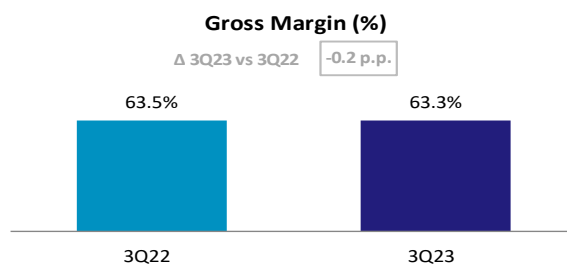
Net Revenue grew by 5.0% in 3Q23 and reached R\$2,138.5 million. The performance of Net Revenue in 3Q23 is a consequence of: (i) the recent sell-out growth in drugstores and distributors; (ii) the increase in e-commerce platforms, supermarkets, **Simple Organic** and **Bioage** sales, not considered in the sell-out measured by IQVIA; and (iii) **the 18.3% sales growth in the Non-Retail, or 63.8% when excluding the revenue from non-recurring sales of Immunoglobulin recorded in the same period of the previous year.**

Gross Profit

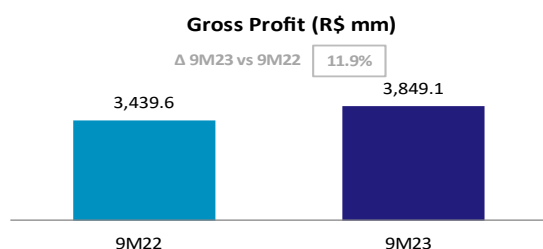
Graph 6



Graph 7



Graph 8



Graph 9

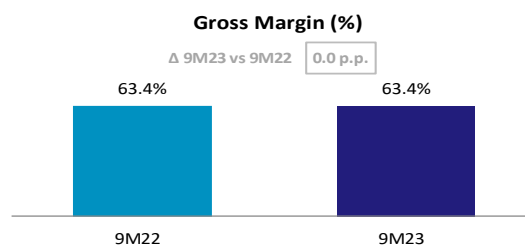


Table 4

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	Δ p.p.	9M22	% NR	9M23	% NR	Δ %	Δ p.p.
Gross Profit	1,292.4	63.5%	1,353.8	63.3%	4.8%	-0.2 p.p.	3,439.6	63.4%	3,849.1	63.4%	11.9%	0.0 p.p.

Gross Profit reached R\$1,353.8 million in 3Q23, with a Gross Margin of 63.3%, compared to 63.5% in 3Q22. The variation in Gross Margin is mainly due to the negative impact of the mix of products sold.

Marketing Expenses

Table 5

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Marketing Expenses	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
Advertisement and Consumer Promotion	(95.9)	-4.7%	(96.4)	-4.5%	0.5%	(262.1)	-4.8%	(274.1)	-4.5%	4.6%
Trade Deals	(48.2)	-2.4%	(79.6)	-3.7%	65.2%	(127.6)	-2.4%	(158.2)	-2.6%	23.9%
Medical Visits, Promotions and Others	(182.7)	-9.0%	(151.8)	-7.1%	-16.9%	(482.3)	-8.9%	(518.0)	-8.5%	7.4%

Marketing Expenses represented 15.3% of Net Revenue, compared to 16.1% in 3Q22. In the last 9 months, Marketing Expenses grew by 9.0% to R\$950.3 million.

The dilution in Marketing Expenses as a percentage of Net Revenue in the quarter is mainly the result of the lower Advertising and Consumer Promotion and Medical Visits, Promotions and Other related to the Flu, Respiratory, Pain and Fever categories, whose performance was negatively affected by the 30% decrease in the number of flu cases in Brazil, according to Fiocruz.

Selling Expenses

Table 6

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Selling Expenses	(205.7)	-10.1%	(236.4)	-11.1%	15.0%	(578.1)	-10.7%	(690.2)	-11.4%	19.4%
Commercial Expenses	(131.2)	-6.4%	(144.8)	-6.8%	10.4%	(354.7)	-6.5%	(421.0)	-6.9%	18.7%
Freight and Logistics Expenses	(45.6)	-2.2%	(46.5)	-2.2%	2.0%	(118.0)	-2.2%	(140.4)	-2.3%	19.0%
Research & Development	(28.9)	-1.4%	(45.1)	-2.1%	56.1%	(105.3)	-1.9%	(128.7)	-2.1%	22.2%

Selling Expenses increased its share of Net Revenue by 1.0 percentage point, mainly due to the 0.7 percentage point increase in the share of Research and Development expenses, as a result of investments in its innovation pipeline and the reduction in the benefit from Lei do Bem, which went from R\$21.6 million in 3Q22 to R\$6.5 million in 3Q23.

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

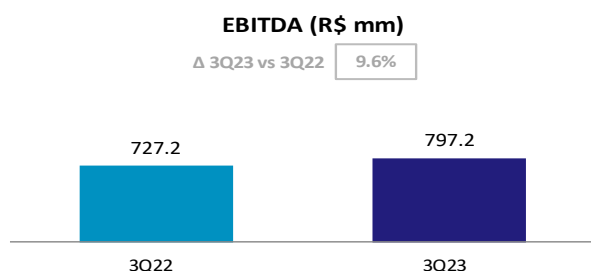
Table 7

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
General & Administrative Expenses	(82.5)	-4.1%	(89.2)	-4.2%	8.0%	(218.5)	-4.0%	(259.9)	-4.3%	18.9%
Other Operating Revenues (Expenses)	3.7	0.2%	23.0	1.1%	527.8%	18.5	0.3%	48.2	0.8%	160.8%

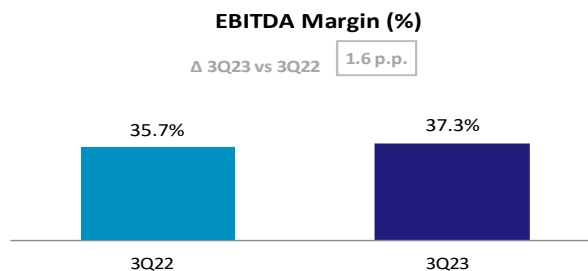
General and Administrative Expenses remained around the same level as in 3Q22, and increased its share of Net Revenue by 0.3 percentage point in the last 9 months, when compared to the same period of the previous year, mainly as a result of the increase in administrative teams and information technology and infrastructure expenses.

EBITDA from Continuing Operations

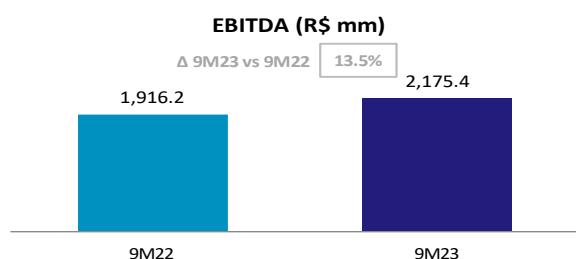
Graph 10



Graph 11



Graph 12



Graph 13

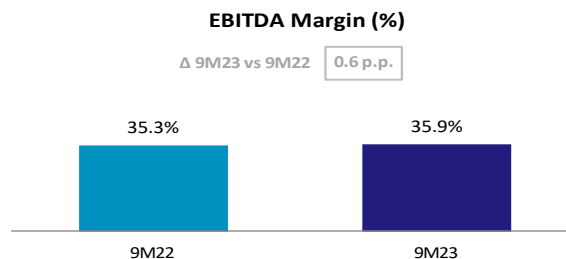


Table 8 – EBITDA from Continuing Operations

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
EBITDA from Continuing Operations	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%
EBITDA from Continuing Operations (excl. Others)	723.6	35.5%	774.1	36.2%	7.0%	1,897.7	35.0%	2,127.2	35.1%	12.1%

EBITDA from Continuing Operations was R\$797.2 million in 3Q23, with a margin of 37.3%. When excluding the contribution of Other Operating Revenues, the EBITDA Margin from Continuing Operations was 36.2% in 3Q23, compared to 35.5% in 3Q22, mainly reflecting the lower share of Marketing Expenses in Net Revenues.

In 9M23, the EBITDA Margin from Continuing Operations, when excluding the contribution of Other Operating Revenues, was 35.1%, compared to 35.0% in 9M22.

Net Financial Expenses

Table 9

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ R\$	9M22	% NR	9M23	% NR	Δ R\$
Financial Result	(241.9)	-11.9%	(261.5)	-12.2%	(19.6)	(625.9)	-11.5%	(789.6)	-13.0%	(163.7)
Net Interest Expenses	(195.9)	-9.6%	(235.4)	-11.0%	(39.5)	(515.3)	-9.5%	(689.4)	-11.4%	(174.0)
Cost of Hedge and FX Gains (Losses)	(14.1)	-0.7%	(5.2)	-0.2%	8.9	(38.4)	-0.7%	(27.0)	-0.4%	11.4
Other	(32.0)	-1.6%	(20.9)	-1.0%	11.0	(72.2)	-1.3%	(73.2)	-1.2%	(1.1)

The Financial Result presented a negative balance of R\$261.5 million in 3Q23, compared to R\$241.9 million in 3Q22. This variation is the result of the increase in interest expenses in the period due to the Company's higher gross debt.

Net Income

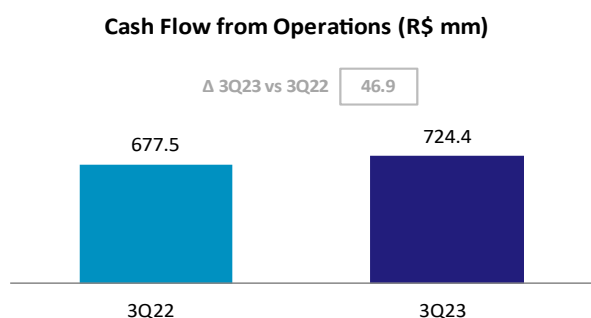
Table 10

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
EBIT from Continuing Operations	684.0	33.6%	735.8	34.4%	7.6%	1,796.1	33.1%	2,005.8	33.1%	11.7%
(-) Net Financial Expenses	(241.9)	-11.9%	(261.5)	-12.2%	8.1%	(625.9)	-11.5%	(789.6)	-13.0%	26.2%
(-) Income Tax and Social Contribution	27.5	1.4%	25.1	1.2%	-8.8%	104.5	1.9%	127.1	2.1%	21.7%
Net Income from Continuing Operations	469.7	23.1%	499.5	23.4%	6.3%	1,274.7	23.5%	1,343.3	22.1%	5.4%
(+) Net Income from Discontinued Operations	(3.6)	-0.2%	(0.2)	0.0%	-94.6%	(5.9)	-0.1%	(0.8)	0.0%	-85.7%
Net Income	466.0	22.9%	499.3	23.3%	7.1%	1,268.8	23.4%	1,342.4	22.1%	5.8%
EPS	0.73	0.00	0.79	0.0%	7.5%	2.01	0.00	2.12	0.0%	5.6%
EPS from Continuing Operations	0.74	0.0%	0.79	0.0%	6.4%	2.02	0.0%	2.12	0.0%	5.3%

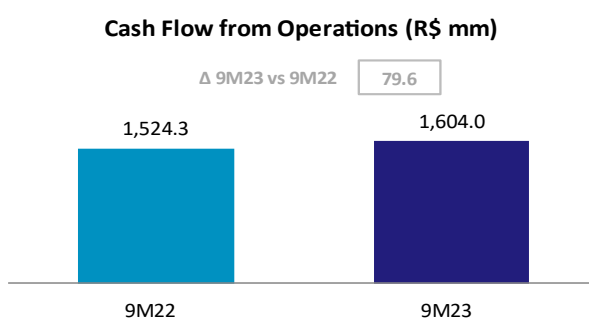
Net Income from Continuing Operations totaled R\$499.5 million in the quarter, or 6.3% more than in 3Q22. The variation in Net Income from Continuing Operations is mainly due to the 7.6% growth in EBIT from Continuing Operations and the 8.1% increase in Net Financial Expenses.

Cash Flow (Continuing and Discontinued Operations)

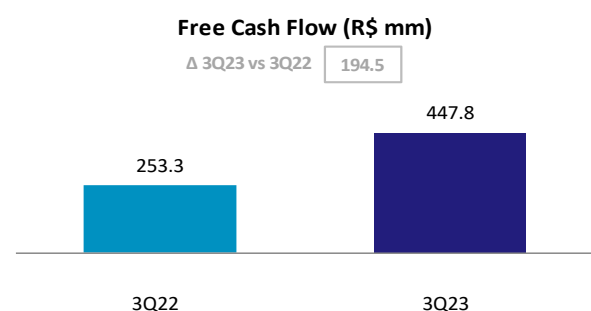
Graph 14



Graph 15



Graph 16



Graph 17

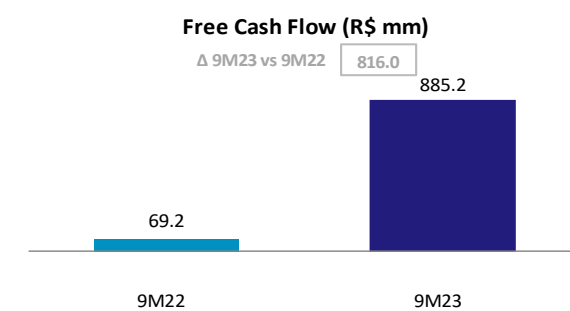


Table 11

(R\$ million)	3Q22	3Q23	9M22	9M23
Cash Flow from Operations	677.5	724.4	1,524.3	1,604.0
Capital increase in subsidiaries/associates	(4.6)	(0.5)	(10.8)	(7.1)
Purchase of Property, Plant and Equipment	(142.5)	(103.7)	(339.3)	(343.2)
Purchase of Intangible Assets	(86.6)	(79.6)	(900.3)	(257.3)
Acquisitions of Subsidiaries, Net of Cash Acquired	(198.5)	(94.0)	(208.5)	(110.4)
Sale of Property, Plant and Equipment	8.0	1.2	3.7	(0.7)
(=) Free Cash Flow	253.3	447.8	69.2	885.2

Cash Flow from Operations reached R\$724.4 million, the highest level ever recorded by the Company in a quarter, and Free Cash Flow grew 76.8%, amounting to R\$447.8 million.

The variation in Free Cash Flow is mainly due to: (i) the 6.9% growth in Operating Cash Flow; and (ii) the increase in investments for the purchase of PP&E, including the acquisition of the Boehringer Ingelheim facility in Itapequerica da Serra/SP to increase the Company's production capacity and internalize the production of part of the brands acquired in recent years.

Net Debt

Table 12

(R\$ million)	2Q23	3Q23
Loans and Financing	(9,826.3)	(9,839.3)
Notes Payable	(29.5)	(29.8)
Gross Debt	(9,855.8)	(9,869.2)
Cash and Cash Equivalents	2,139.5	2,218.4
Net Cash / (Debt)	(7,716.3)	(7,650.8)
Unrealized Gain/Loss on Debt Hedge	(38.8)	1.8
Net Cash / (Debt) After Hedge	(7,755.1)	(7,649.0)

The Company ended 3Q23 with Net Debt after Hedge of R\$7,649.0 million, compared to R\$7,755.1 million at the end of 2Q23, or 2.6x the EBITDA from Continuing Operations expected for 2023.

Other Information

Cash Conversion Cycle – Continuing Operations

Table 13

(Days)						(R\$ million)	3Q22	4Q22	1Q23	2Q23	3Q23
	3Q22	4Q22	1Q23	2Q23	3Q23						
Receivables ⁽¹⁾	90	98	112	99	111	Receivables	2,238	2,532	2,320	2,691	2,896
Inventories ⁽²⁾	243	247	352	252	253	Inventories	2,009	2,196	2,394	2,302	2,207
Payables ⁽²⁾⁽³⁾	(143)	(147)	(184)	(117)	(110)	Payables ⁽³⁾	(1,181)	(1,310)	(1,248)	(1,072)	(957)
Cash Conversion Cycle	190	198	281	234	254	Working Capital	3,066	3,418	3,466	3,921	4,146
						% of Annualized Net Revenue ⁽⁴⁾	38%	40%	51%	44%	48%

(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 to offset Income Tax payment

i) **Federal Recoverable Taxes:** R\$570.7 million (please refer to Explanatory Note 13 of the Financial Statements);

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward:** R\$3,021.2 million (please refer to Explanatory Note 21(a) of the Financial Statements).

iii) **Goodwill:** the Company has R\$2,070.9 million in goodwill to be amortized for tax purposes until August 2026, which will generate a reduction in cash disbursement for the payment of Income Taxes of R\$704.1 million.

Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations

Table 14

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Net Income	466.0	22.9%	499.3	23.3%	7.1%	1,268.8	23.4%	1,342.4	22.1%	5.8%
(+) Income Tax and CSLL	(29.8)	-1.5%	(27.1)	-1.3%	-8.8%	(108.2)	-2.0%	(129.4)	-2.1%	19.6%
(+) Net Interest Expenses	241.9	11.9%	261.5	12.2%	8.1%	625.9	11.5%	789.6	13.0%	26.2%
(+) Depreciations / Amortizations	43.2	2.1%	61.3	2.9%	42.0%	120.0	2.2%	169.6	2.8%	41.3%
EBITDA	721.3	35.4%	795.0	37.2%	10.2%	1,906.6	35.1%	2,172.2	35.8%	13.9%
(-) EBITDA from Discontinued Operations	5.9	0.3%	2.2	0.1%	-62.4%	9.6	0.2%	3.2	0.1%	-66.9%
Adjusted EBITDA (EBITDA from Continuing Operations)	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%

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, in order 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

	3Q22	3Q23	9M22	9M23
Net Revenue	2,035,775	2,138,461	5,424,961	6,067,733
Cost of Goods Sold	(743,411)	(784,650)	(1,985,390)	(2,218,611)
Gross Profit	1,292,364	1,353,811	3,439,571	3,849,122
Selling and Marketing Expenses	(532,455)	(564,269)	(1,450,075)	(1,640,493)
General and Administrative Expenses	(82,527)	(89,168)	(218,546)	(259,906)
Other Operating Revenues (Expenses)	3,667	23,020	18,490	48,225
Equity in Subsidiaries	2,981	12,445	6,688	8,829
Operating Income Before Equity Income and Financial Result	684,030	735,839	1,796,128	2,005,777
Net Financial Expenses	(241,897)	(261,503)	(625,863)	(789,581)
Financial Expenses	(310,562)	(323,687)	(804,735)	(973,943)
Financial Income	68,665	62,184	178,872	184,362
Profit Before Income Tax and Social Contribution	442,133	474,336	1,170,265	1,216,196
Income Tax and Social Contribution	27,543	25,131	104,452	127,077
Net Income from Continuing Operations	469,676	499,467	1,274,717	1,343,273
Net Income from Discontinued Operations	(3,649)	(198)	(5,869)	(842)
Income for the Period	466,027	499,269	1,268,848	1,342,431
Earnings per Share – R\$	0.73	0.79	2.01	2.12

Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2022	09/30/2023	Liabilities and Shareholders' Equity	12/31/2022	09/30/2023
Current Assets	8,530,120	8,101,972	Current Liabilities	5,225,194	4,285,240
Cash and Cash Equivalents	2,862,473	2,218,401	Suppliers	421,501	308,533
Accounts Receivables	2,531,789	2,896,189	Assignment of Receivables	888,150	648,446
Inventories	2,195,982	2,207,229	Loans, Financing and Debentures	2,230,678	1,812,767
Recoverable Taxes	532,564	514,541	Salaries Payable	378,933	449,065
Financial Derivatives	10,303	2,804	Income Tax and Social Contribution	6,389	3,335
Other Assets	391,058	262,808	Taxes Payable	70,861	101,266
Dividends and IOC receivables	5,951	0	Accounts Payable	431,239	383,421
			Dividends and IOC Payable	677,773	530,034
			Notes Payable	68,079	23,959
			Financial Derivatives	51,591	24,414
Non-Current Assets	15,225,513	16,168,115	Non-Current Liabilities	7,874,998	8,584,801
Long Term Assets	1,159,417	1,368,352	Loans, Financing and Debentures	7,376,881	8,026,581
Deferred Income Tax and Social Contribution	603,170	866,292	Deferred Income Tax and Social Contribution	206,378	200,530
Recoverable Taxes	344,013	255,925	Taxes Payable	4,179	3,088
Other Assets	188,109	209,810	Accounts Payable	128,966	181,340
Financial Derivatives	24,125	36,325	Provisions for Contingencies	153,256	135,091
			Notes Payable	5,331	5,860
			Financial Derivatives	7	32,311
Fixed Assets and Investments	14,066,096	14,799,763	Shareholders' Equity	10,655,441	11,400,046
Investments	131,717	115,301	Capital	4,478,126	4,478,126
Investment Properties	19,568	0	Capital Reserve	1,232,710	1,177,042
Biological Assets	4,799	17,771	Equity Valuation Adjustments	(244,191)	(259,251)
Property, Plants and Equipments	2,814,540	3,300,575	Profit Reserves	5,266,249	5,266,249
Intangible Assets	11,095,472	11,366,116	Treasury Stock	(87,134)	(30,332)
			Attributed to non-controlling shareholders	9,681	11,614
			Income for the Period	0	756,598
Total Assets	23,755,633	24,270,087	Total Liabilities and Shareholders' Equity	23,755,633	24,270,087

Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	3Q22	3Q23	9M22	9M23
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	436,255	472,125	1,160,660	1,213,016
Depreciation and Amortization	43,198	61,330	120,046	169,609
Asset Impairment	(10,967)	(2,988)	(11,562)	(2,988)
Gain on Permanent Asset Disposals	17,776	4,881	63,478	45,257
Equity Method	(2,793)	(13,147)	(6,305)	(9,531)
Foreign Exchange (Gains) Losses	14,013	5,198	38,312	26,967
Net Interest and Related Revenue/Expenses	227,854	256,305	587,521	762,614
Expenses Related to Share Based Remuneration	5,773	11,920	18,698	29,518
Provisions and Others	6,887	(61,798)	17,352	(72,249)
Adjusted Results	737,996	733,826	1,988,200	2,162,213
Decrease (Increase) in Assets	(333,698)	140,915	(918,513)	(176,791)
Trade Accounts Receivable	(70,056)	(211,293)	(177,860)	(381,722)
Inventories	(318,198)	89,412	(757,019)	(86,625)
Recoverable Taxes	12,920	67,292	75,333	129,322
Judicial Deposits and Others	(3,293)	5,289	(17,560)	7,294
Other Accounts Receivable	44,929	190,215	(41,407)	154,940
Increase (Decrease) in Liabilities	273,206	(150,370)	454,653	(381,447)
Suppliers	49,141	(84,749)	124,003	(93,548)
Assignment of Receivables	128,396	(51,750)	246,597	(224,630)
Financial Derivatives	(8,576)	(27,481)	(108,139)	(67,528)
Income Tax and Social Contribution Paid	(488)	(1,350)	(1,030)	(2,790)
Taxes Payable	4,491	9,452	4,923	30,822
Salaries and Payroll Charges	74,483	63,489	93,656	46,374
Accounts Payable	1,973	(80,375)	28,211	(83,266)
Operations Interest Paid	22,176	26,000	56,180	24,733
Other Accounts Payable	1,610	(3,606)	10,252	(11,614)
Net Cash Provided by Operating Activities	677,504	724,371	1,524,340	1,603,975
Cash Flows from Investing Activities				
Capital Increase/Decrease in Subsidiaries/Affiliates	(4,598)	(470)	(10,826)	(7,104)
Acquisitions of Subsidiaries, Net of Cash Acquired	(198,473)	(94,047)	(208,463)	(110,429)
Acquisitions of Property, Plant and Equipment	(142,520)	(103,652)	(339,261)	(343,156)
Intangible Assets	(86,606)	(79,581)	(900,290)	(257,339)
Proceeds from the Sale of Assets with Permanent Nature	7,950	1,175	3,746	(701)
Interest and Others	38,284	39,031	97,758	107,239
Investment Hedge	820	0	(148,629)	0
Net Cash From Investing Activities	(385,143)	(237,544)	(1,505,965)	(611,490)
Cash Flows from Financing Activities				
Inflow from Loans and Financing	750,000	6,000	1,657,674	1,356,000
Treasury Stock Purchase / Sale	(1)	1	35,772	(55,397)
Repayment of Loans - Principal	(26,716)	(125,175)	(372,309)	(1,211,547)
Repayment of Loans - Interest	(231,682)	(253,382)	(599,792)	(927,585)
Dividends and IOC Paid	(25,310)	(27,511)	(755,062)	(732,046)
Loan Derivatives	(38,852)	(7,847)	(52,815)	(65,982)
Net Cash From Financing Activities	427,439	(407,914)	(86,532)	(1,636,557)
Net Increase (Decrease) in Cash and Cash Equivalents	719,800	78,913	(68,157)	(644,072)
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	1,499,105	2,139,488	2,287,062	2,862,473
Cash and Cash Equivalents at the End of the Period	2,218,905	2,218,401	2,218,905	2,218,401
Change in Cash and Cash Equivalent	719,800	78,913	(68,157)	(644,072)