

VIVARA

EARNINGS

1Q24 • RELEASE

COMMENTS ON PERFORMANCE

to watch,
[click here](#)

Q&A SESSION

Tuesday, May 7
11 am (BRT) | 10 am (US ET)
[click here](#)



Vivara Participações S.A. (B3: VIVA3), Latin America's largest jewelry chain, announces its results for the first quarter of 2024.

In 1Q24, Vivara reached revenue of R\$574.9 million, up 17.9%, driven by the year-on-year growth of 14.1% in the Jewelry category and 22.6% in the Life category, corresponding to 35.9% of total sales (vs. 34.5% in 1Q23). Although the quarter was affected by the significant increase in revenue deductions, the business model once again proved consistent, delivering healthy Gross Margin of 68.2% and Adjusted EBITDA of R\$57.2 million.

New store openings during the period was a record for a first quarter - 18 new points of sale were opened (4 Vivara stores and 14 Life stores).

The Company registered free cash generation of R\$110.2 million (after Capex), an increase of R\$146.2 million, compared to cash burn of R\$ -36.0 million in 1Q23.

1Q24 HIGHLIGHTS

- Gross Revenue (net of returns) of R\$574.9 million | + 17.9% vs. 1Q23
- 18 new stores in 1Q24 (4 Vivara and 14 Life) vs. 7 new stores in 1Q23, totaling 406 points of sale at the end of 1Q24
- Same-Store Sales (SSS) increased 9.4% in relation to 1Q23
- Revenue of R\$206.2 million in the Life category | +22.6% vs. 1Q23
- 2.0 million active customers, +16.2% vs. previous year
- Gross Profit of R\$303.0 million (+11.2% vs. 1Q23), with Gross Margin of 68.2%
- Adjusted EBITDA of R\$57.2 million, with EBITDA Margin of 12.9%.
- Optimization of cash cycle, driven by the reduction in the inventory cycle, longer supplier payment terms and better use of tax credits.
- Free cash generation of R\$110.2 million.



Life
VIVARA

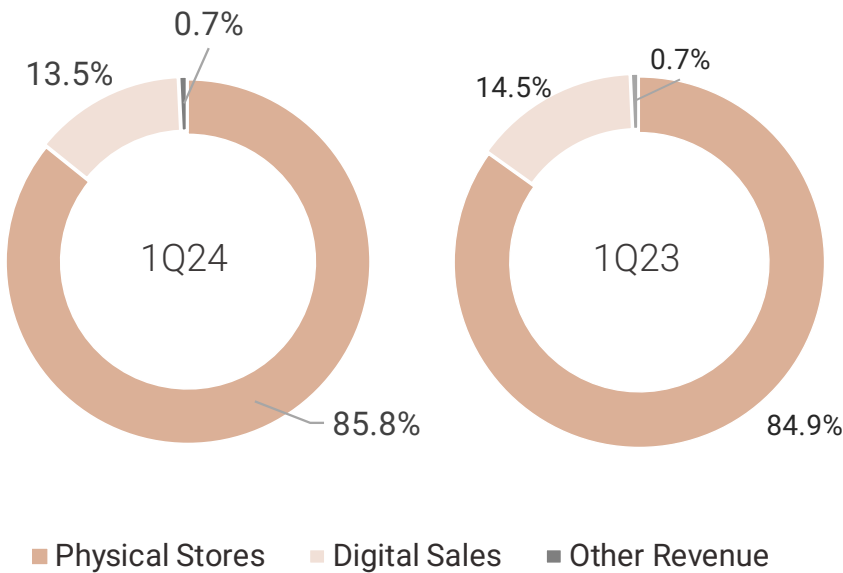


Gross Revenue, net of returns, reached R\$574.9 million in 1Q24, up 17.9% versus 1Q23, due to (i) the 19.3% increase in sales area in the last 12 months, reflecting the addition of 63 new stores; and (ii) the 9.4% growth in same-store sales (SSS), including digital sales.

Net Revenue was R\$444.6 million in the quarter, up 13.5% from 1Q23.

This quarter, sales growth was once again driven by the volume of pieces sold, which increased 11.4% in relation to 1Q23. The 5.9% increase in the Company's average price reflects the effectiveness of the product strategy and the adequate pricing policy.

Revenue per chanel (R\$, 000)	1Q24	1Q23	Δ% 24vs23	SSS
Gross Revenue (net of returns)	574,859	487,500	17.9%	9.4%
Physical Stores	493,074	413,735	19.2%	9.6%
Vivara Stores	385,214	342,251	12.6%	7.7%
Life Stores	103,104	64,650	59.5%	16.5%
Kioks	4,756	6,834	-30.4%	9.2%
Digital Sales	77,571	70,476	10.1%	8.5%
Others	4,215	3,289	28.1%	na
Deductions	(130,268)	(95,872)	35.9%	na
Net Revenue	444,590	391,628	13.5%	na
SSS (physical stores)	9.6%	7.4%	na	na
SSS (physical stores + digital)	9.4%	11.4%	na	na



This quarter, it is important to highlight once again the 35.9% increase in Revenue Deductions, whose ratio of Net Gross Revenue from Returns increased 300 bps. This increase is due to: (i) the reclassification, in 2Q23, of two taxes earlier booked as “Taxes and Duties,” under Selling Expenses, to Revenue Deductions; (ii) the lower presumed credit on account of the strategy to optimize inventories; and (iii) the start of payment of PIS (Contribution to the Social Integration Program) and COFINS (Social Contribution on Billing) on subsidy revenue, in accordance with the new law 14.789/23 (previous Provisional Presidential Decree – MP - 1,185). These combined effects resulted in an increase in the line, broken down as follows:

- R\$3.4 million state tax linked to the Manaus Free Trade Zone compensation plan, which includes the allocation of 1.0% of Gross Revenue from industry, through the subsidiary Conipa, to the Amazonas State University (UEA), pursuant to Law 2,826/2003;
- R\$4.4 million related to the difference in the ICMS tax rate (*DIFAL* – Tax Rate Difference);
- Lower effect from presumed credit, deducted from ICMS (VAT on Sales and Services) expenses, which corresponded to 7.2% of Gross Revenue, down 140 bps from 1Q23;
- Payment of PIS (Contribution to the Social Integration Program) and COFINS (Social Contribution on Billing), at the rate of 9.25% on subsidy revenue, which increased 24.3% from 1Q23.

In the quarter, the combination of the effects led to a difference of 440 bps in Gross Revenue growth versus Net Revenue growth.

Revenue Deductions	1Q24	1Q23	Δ% 24vs23
Gross Revenue (net of returns)	574,859	487,500	17.9%
ICMS (VAT on Sales and Services)	(109,016)	(93,152)	17.0%
% Gross Revenue (net of returns)	-19.0%	-19.1%	0.1 p.p.
Subvention Revenue (ICMS)	41,155	41,781	-1.5%
% Gross Revenue (net of returns)	7.2%	8.6%	(1.4 p.p.)
COFINS (Social Contribution on Billing)	(41,862)	(33,681)	24.3%
% Gross Revenue (net of returns)	-7.3%	-6.9%	(0.4 p.p.)
PIS (Contribution to the Social Integration Program)	(9,088)	(7,312)	24.3%
% Gross Revenue (net of returns)	-1.6%	-1.5%	(0.1 p.p.)
F.T.I. (Fund for Fostering Tourism, Infrastructure, Amazon Development Services and Internalization)	(3,502)	(3,389)	3.3%
% Gross Revenue (net of returns)	-0.6%	-0.7%	0.1 p.p.
ISS (Municipal Service Tax)	(118)	(120)	-1.9%
% Gross Revenue (net of returns)	0.0%	0.0%	0.0 p.p.
UEA (Amazonas State University)	(3,442)	-	na
% Gross Revenue (net of returns)	-0.6%	0.0%	(0.6 p.p.)
ICMS DIFAL EC 87 (ICMS – Rate differential – Constitutional amendment 87 of 2015)	(4,397)	-	na
% Gross Revenue (net of returns)	-0.8%	0.0%	(0.8 p.p.)
Net Revenue	444,590	391,628	13.5%

DIGITAL Sales

Digital sales came to R\$77.6 million, up 10.1% from 1Q23, accounting for 13.5% of total sales, reducing their share by 100 bps from the same quarter last year. This result primarily reflects the normalization of the growth curve and the maturation of the digital channel, as well as the higher share of Life segment in the channel, reducing average ticket.

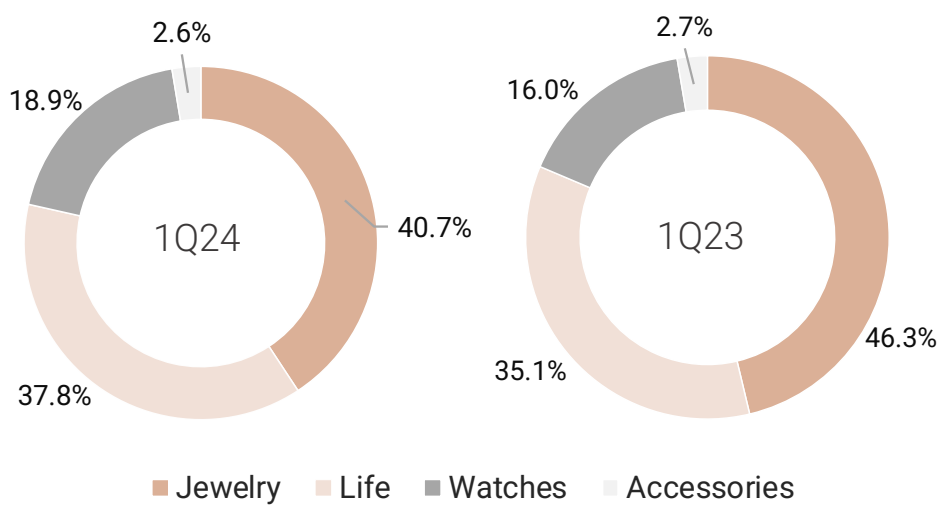
OMS sales, i.e., sales through e-commerce and invoiced by stores, accounted for 22.7% of digital sales last quarter, up 480 bps from 1Q23, reflecting the Company's investments to enable the stores function as hubs, thus offering customers greater convenience while increasing upsell opportunities by integrating the journeys.

In 1Q24, revenue from the "Joias em Ação" assisted sales program decreased 28.4% year on year, accounting for 21.2% of total digital sales. The decline in this format was caused by the scaledown in campaigns / actions involving discounts using coupons, which primarily affected sales in the jewelry category in the assisted sales program during the quarter.

Organic digital sales increased 24.7% in 1Q24 vs. 1Q23, attesting to the strong demand for online sales linked to our diligent logistics operation.

In 1Q24, the Watches category was the highlight in digital sales, growing its share by 290 bps, followed by the Life category, which grew 270 bps, mainly due to the broader product assortment, as well as the higher digital presence and successful communication and marketing strategy.

The Jewelry segment continues to account for the largest share of digital sales (40.7%), followed by Life, with 37.8% share of digital sales.



1Q24 | GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

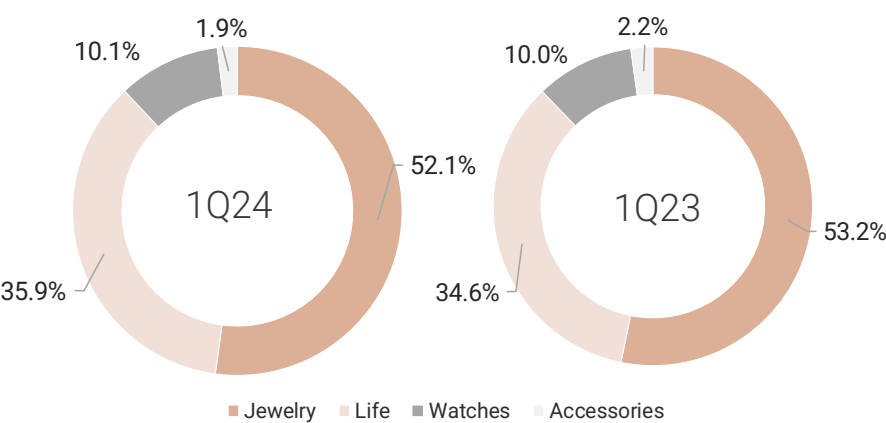
Physical Stores

In 1Q24, the Company registered revenue of R\$493.1 million at physical stores, an increase of 19.2% year on year. Same-Store Sales (SSS) at physical stores alone increased 9.6%, driven by stand-alone Life stores, with SSS of 16.5%, and Vivara stores which, despite the maturity of the channel, registered SSS growth of 7.7%.

Breakdown by Business (R\$, 000)		1Q24	1Q23	Δ% 24vs23
Vivara	Number of stores	261	245	16
	Store rollouts	4	2	2
	Sales area (m²)	24,108	22,385	7.7%
	Gross revenue (net of return)	385,214	342,251	12.6%
	Sales per m²	15,978	15,289	4.5%
Life	Number of stores	131	77	54
	Store rollouts	14	5	9
	Sales area (m²)	9,624	5,823	65.3%
	Gross revenue (net of return)	103,104	64,650	59.5%
	Sales per m²	10,713	11,103	-3.5%
Kiosk	Number of kiosks	14	21	-7
	Store rollouts	-2	0	-2
	Sales area (m²)	86	137	-37.2%
	Gross revenue (net of return)	4,756	6,834	-30.4%
	Sales per m²	55,297	49,880	10.9%
Total	Points of sales	406	343	63
	Store rollouts	16	7	9
	Sales area (m²)	33,818	28,344	19.3%
	Gross revenue (net of return)	493,074	413,735	19.2%
	Sales per m²	14,580	14,597	-0.1%

Sales by category – Physical Stores

As for sales by category at Physical Stores in the quarter, the Life brand's share of sales increased 130 bps, directly reflecting the expansion of Life stores in the last 12 months, with an 70% increase in number of stores. The Jewelry category decreased 110 bps, due to the significant increase of Life stores in the store mix versus Vivara stores. By the end of 1Q24, Vivara stores accounted for 64% of our points of sale, versus 71% in 1Q23.



VIVARA Stores



With 261 points of sale, Vivara stores registered revenue of R\$385.2 million in 1Q24, up 12.6% from 1Q23, with SSS of 7.7%. Note that sales at Vivara stores are impacted by omnichannel initiatives and the allocation of revenue from assisted sales to digital sales. Also worth highlighting is the significant contribution made by the marketing strategy focused on reinforcing the brand's connection with important celebrations in the lives of customers.

The cannibalization resulting from the addition of new stand-alone Life stores remains at healthy levels. We have continuously worked on Vivara stores at malls where we also opened Life stores, to increase sales and reduce the cannibalization effect by adjusting the mix and display of Life brand products inside Vivara stores. Since the third quarter of 2023, cannibalization levels have been decreasing. In 1Q24, sales of Life products within the 117 Vivara stores at malls where the Company has both channels declined 350 bps in relation to 1Q23.

LIFE Stores

With the strong expansion of stand-alone Life stores in recent years, the share of Life in revenue from physical stores increased significantly, currently accounting for 20.9%, up 530 bps from 1Q23. Revenue from Life stores came to R\$103.1 million in 1Q24, an increase of 59.5%, resulting from: (i) the opening of 54 new stand-alone Life stores in the last 12 months, which increased sales area by 65.3%; (ii) the increase in SSS of 16.5% in the quarter; (iii) the diversification of portfolio, increasing the assortment and bringing fashion trends to the brand's products; (iv) the effective communication and marketing strategy focused on increasing awareness.

In 1Q24, Life stores accounted for 50.0% of sales in the Life category, up 1,160 bps year on year.

At the end of the quarter, we had 35 mature Life stores, whose sales increased 13.9% in relation to 1Q23, with average revenue of R\$6.2 million (LTM).



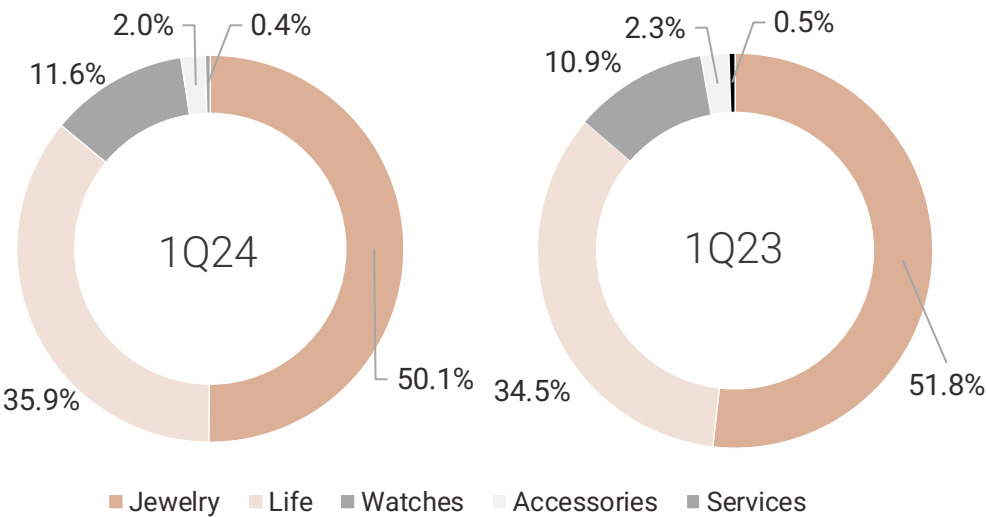
1Q24 | GROSS REVENUE BY CATEGORY (Net of Returns)

VIVARA

As for sales mix, the quarterly highlight continues to be the Life brand, with sales of R\$206.2 million, up 22.6% from 1Q23, and increasing its share of total sales by 140 bps. This performance is mainly due to the addition of 54 new stand-alone Life stores in the last 12 months.

In 1Q24, the Vivara brand, which makes up the bulk of the Jewelry category, increased 14.1% from the first quarter of 2023 (higher than the 11.2% growth in 1Q23 vs. 1Q22).

Revenue per product (R\$, 000)	1Q24	1Q23	Δ% 24vs23
Gross Revenue (net of return)	574,859	487,500	17.9%
Jewelry	288,194	252,542	14.1%
Life	206,237	168,176	22.6%
Watches	66,426	53,256	24.7%
Accessories	11,649	11,139	4.6%
Services	2,353	2,385	-1.4%
Revenue Deductions	(130,268)	(95,872)	35.9%
Net Revenue	444,590	391,628	13.5%



VIVARA



Gross Profit (R\$, 000) and Gross Margin (%)	1Q24	1Q23	Δ% 24vs23
Gross Revenue (net of returns)	574,859	487,500	17.9%
Net Revenue	444,590	391,628	13.5%
Total costs	(141,601)	(119,042)	19.0%
% Gross Revenue	-24.6%	-24.4%	-21 bps
% Net Revenue	-31.8%	-30.4%	-145 bps
Acquisition of input, raw materials and products	(120,993)	(101,802)	18.9%
% Gross Revenue	-21.0%	-20.9%	-17 bps
% Net Revenue	-27.2%	-26.0%	-122 bps
Factory Expenses	(20,607)	(17,240)	19.5%
% Gross Revenue	-3.6%	-3.5%	-5 bps
% Net Revenue	-4.6%	-4.4%	-23 bps
Personal	(15,938)	(13,800)	15.5%
Factory expenses	(1,538)	(1,814)	-15.2%
Depreciation	(3,132)	(1,626)	92.6%
Gross profit	302,990	272,586	11.2%
Gross margin (% Net Revenue)	68.2%	69.6%	-145 bps

Gross Profit in 1Q24 totaled R\$303.0 million, up 11.2% year on year, with Gross Margin of 68.2%.

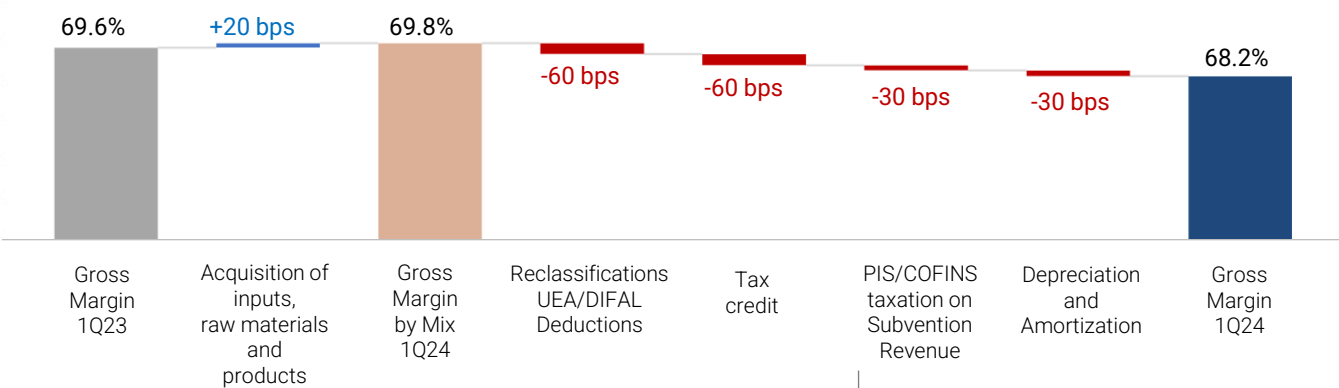
This quarter, Gross Profit was affected by the increase in Revenue Deductions, whose combined effects pressured Gross Margin by 150 bps, affecting comparison between the periods analyzed, as detailed below:

- i. The reclassification of Tax Expenses (Amazonas State University and DIFAL – Tax Rate Difference), previously booked under “Taxes and Duties” under Selling Expenses, and which, since 2Q23, are booked under Revenue Deductions, affecting margin in the analyzed periods by 60 bps;
- ii. Lower Presumed Credits, impacting the comparison between the periods by 60 bps, a natural effect of the normalization of inventory flows after temporary distortions in 2023 due to the plant migration, and the shorter inventory cycle;
- iii. Start of payment of PIS (Contribution to the Social Integration Program) and COFINS (Social Contribution on Billing), at 9.25% on subsidy revenue, in compliance with Law 14,789, affecting comparison by 30 bps;
- iv. Effect of higher depreciation, which reduced Gross Margin by 30 bps, due to the recently completed investments at the new Manaus plant.

Also note that Gross Margin in 1Q23 benefited by 100 bps from the inventory loss line due to the insourcing of metal purification process.

1Q24 is the period of the year most affected by deductions, since starting from 2Q24 the comparison base ceases to be affected by reclassifications. Excluding all of the above-mentioned impacts, Gross Margin in the quarter would have increased 20 bps, reflecting the increase in the share of Life segment in the sales mix.

As part of the strategy to neutralize fiscal pressures inherent to the year 2024, the Company adopted compensatory measures related to pricing, portfolio optimization and insourcing of Life production, which should increase profitability over the coming quarters.



Operating Expenses (R\$, 000)	1Q24	1Q23	Δ% 24vs23
Operating Expenses (SG&A)	(221,800)	(193,404)	14.7%
% Gross Revenue	-38.6%	-39.7%	109 bps
% Net Revenue	-49.9%	-49.4%	-50 bps
Selling Expenses ¹	(175,007)	(135,062)	29.6%
% Gross Revenue	-30.4%	-27.7%	-274 bps
% Net Revenue	-39.4%	-34.5%	-488 bps
General and Administrative Expenses ¹	(46,793)	(58,342)	-19.8%
% Gross Revenue	-8.1%	-12.0%	383 bps
% Net Revenue	-10.5%	-14.9%	437 bps
Other Operating Expenses	(4,192)	(689)	508.6%
Total Operating Expenses¹	(225,992)	(194,093)	16.4%

1. Excluding Depreciation and Amortization (D&A).

To eliminate the impact of the increase in Revenue Deductions while analyzing the Company's operational efficiency in managing expenses, the following analysis will be based on expenses as a percentage of Gross Revenue (net of returns).

Operating Expenses (SG&A) in the quarter totaled R\$221.8 million, equivalent to 38.6% of Gross Revenue (net of returns), improving 110 bps compared to 1Q23.

Selling Expenses increased 29.6%, up 270 bps from the same period last year, mainly due to: (i) the reclassification of expenses previously booked as General and Administrative Expenses which, due to their direct relation to the sales operation, were booked under selling expenses in the amount of R\$7.3 million; (ii) the addition of 63 stores in the last 12 months, as well as stores under maturation; (iii) the increase in payroll expenses, after the increase in transportation and meal vouchers, as well as in the fixed salary of stockists in October 2023; and (iv) the increase in termination of employment contracts due to the reduction in the structure of the commercial area after the implementation of a technological project for remote inspections of stores.

Personnel Expenses booked under Selling Expenses are broken down as follows:

Personnel Expenses (Selling)	1Q24	1Q23	Δ% 24vs23
Gross Revenue (net of returns)	574,859	487,500	17.9%
Net Revenue	444,590	391,628	13.5%
Personnel Expenses (Selling)	(92,474)	(61,793)	49.7%
% Gross Revenue	-16.1%	-12.7%	(3.4 p.p.)
% Net Revenue	-20.8%	-15.8%	(5.0 p.p.)
New Stores	(5,811)	-	na
G&A/Sales Reclassifications	(7,283)	-	na
Termination of Employment Contracts	(1,623)	(483)	na
Comparable Personnel Expenses (Selling)	(77,757)	(61,310)	26.8%
% Gross Revenue	-13.5%	-12.6%	(0.9 p.p.)
% Net Revenue	-17.5%	-15.7%	(1.8 p.p.)

General and Administrative Expenses (G&A) registered a dilution of 380 bps as a ratio of Gross Revenue (net of returns), compared to 1Q23. Note that the above reclassifications do not affect operating indicators and better reflect the nature of each of these expenses.

Other Operating Expenses in 1Q24 totaled R\$4.2 million, compared to R\$689 thousand in 1Q23, with the increase caused by tax and labor provisions set aside during the period.

1Q24 | ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R\$, 000)	1Q24	1Q23	Δ% 24vs23
Net Income	35.809	38.571	-7,2%
<i>Net margin (%)</i>	<i>8,1%</i>	<i>9,8%</i>	<i>-179 bps</i>
(+) Income and Social Contribution Taxes	(9.963)	(3.952)	152,1%
(+) Financial Result	15.500	13.615	13,8%
(+) Depreciation and Amortization	38.783	31.885	21,6%
Total EBITDA	80.129	80.119	0,0%
(-) Rental expense (IFRS16)	(27.714)	(24.682)	12,3%
(+) Non-recurring effect	4.831	2.609	85,2%
Adjusted EBITDA	57.247	58.045	-1,4%
<i>Adjusted EBITDA Margin (%)</i>	<i>12,9%</i>	<i>14,8%</i>	<i>-195 bps</i>

Non-recurring effects in 1Q24: (i) R\$2.0 million in favorable outcomes obtained by lawyers; and (ii) R\$2.8 million related to the write-off of tax-deficiency notice of lawsuits filed by the State Government of Pernambuco (ICMS on stores). Non-recurring effects in 1Q23: (i) R\$2.6 million in favorable outcomes obtained by lawyers;

In 1Q24, the Company recorded Adjusted EBITDA of R\$57.2 million, with Adjusted EBITDA Margin of 12.9%. Quarterly EBITDA was adjusted by rental expense of agreements classified under IFRS/16, as well as non-recurring effects, as shown below: (i) R\$2.0 million in favorable outcomes obtained by lawyers; and (ii) R\$2.8 million related to the write-off of tax-deficiency notice of lawsuits filed by the State Government of Pernambuco (ICMS on stores).

The 190 bps decrease in Adjusted EBITDA Margin during the quarter was the direct result of the disparity between Gross Revenue growth and Net Revenue growth caused by the increase in Deductions. The pressure on Net Revenue caused a cascade effect that affected Gross Margin (ex-D&A) and operating expenses (ex-D&A) in the quarter.

The factors that affected operating margin in the period will lose strength over the course of 2024, such that the expansion in gross margin and operating leverage will absorb tax pressures and secure the Company's profitability.

1Q24 | NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R\$'000)	1Q24	1Q23	Δ% 24vs23
Adjusted EBITDA	57,247	58,045	-1.4%
<i>Adjusted EBITDA Margin (%)</i>	<i>12.9%</i>	<i>14.8%</i>	<i>-195 bps</i>
(-) Rental expense (IFRS16)	27,714	24,682	12.3%
(-) Non-recurring effects	(4,831)	(2,609)	85.2%
(+) Depreciation and Amortization	(38,783)	(31,885)	21.6%
(+) Financial Result	(15,500)	(13,615)	13.8%
(+) Income and Social Contribution Taxes	9,963	3,952	152.1%
Net Income	35,809	38,571	-7.2%
<i>Net Income Margin (%)</i>	<i>8.1%</i>	<i>9.8%</i>	<i>-179 bps</i>

The Company registered Net Income of R\$35.8 million in the quarter and Net Margin of 8.1%. Though benefited by higher deferred taxes, net result was affected by lower Financial Income and higher depreciation.

Investments (R\$, 000)	1Q24	1Q23	Δ% 24vs23
Total Capex	35,317	44,037	-19.8%
New Stores	19,076	15,428	23.6%
Reforms and Maintenance	3,519	11,885	-70.4%
Factory	3,747	9,104	-58.8%
Systems/IT	6,503	4,284	51.8%
Others	2,473	3,336	-25.9%
CAPEX/Net Revenue (%)	7.9%	11.2%	-330 bps

In 1Q24, investments totaled R\$35.3 million, down 19.8% from 1Q23, explained by: (i) lower investments in the factory, due to the end of construction of the new plant in December 2023; and (ii) fewer renovations in the quarter. The New Stores line increased 23.6%, due to the inauguration of 4 Vivara stores and 14 Life stores in the quarter, while the Systems/IT line increased 51.8%, due to investments in IT systems, primarily related to the second phase of the SAP4Hana implementation project.

1Q24 | DEBT

Net Debt (R\$, 000)	1Q24	2023	Δ %
Gross Debt	226,092	271,463	-16.7%
Short Term	126,092	111,463	13.1%
Long Term	100,000	160,000	-37.5%
Cash and cash equivalents and Securities	365,488	304,490	20.0%
Net Cash	139,396	33,026	322.1%
Adjusted EBITDA LTM (<i>last twelve months</i>)	478,671	479,598	-0.2%
Net Cash/Adjusted EBITDA	0.3x	0.1x	na

In 1Q24, Gross Debt decreased - 16.7% due to the repayment of R\$50.0 million in debt due in February 2024. Net cash totaled R\$139.4 million, driven by operational cash generation in the period.

1Q24 | CASH GENERATION

Cash Flow (R\$, 000)	1Q24	1Q23	Δ% 24vs23
Net Income	35,809	38,571	-7.2%
(+/-) Income and Social Contribution Taxes/Others	1,034	5,448	-81.0%
Adjusted Net Income	36,844	44,019	-16.3%
Working Capital	108,719	(35,979)	402.2%
Trade receivables	183,193	148,262	23.6%
Inventories	(59,235)	(93,235)	-36.5%
Trade payables	40,412	34,512	17.1%
Recoverable taxes	25,155	(3,467)	825.6%
Taxes payable	(44,239)	(65,451)	-32.4%
Other assets and liabilities	(36,567)	(56,600)	-35.4%
Cash from Management Operating Activities	145,563	8,040	1710.5%
Capex	(35,317)	(44,036)	-19.8%
Free Cash Generation	110,246	(35,996)	406.3%

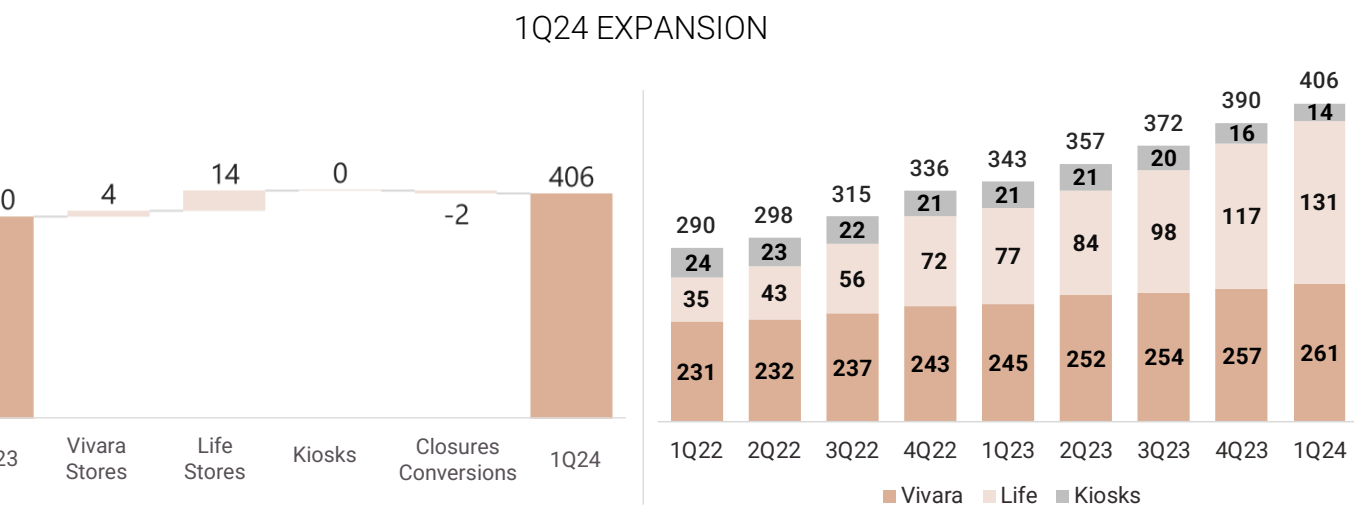
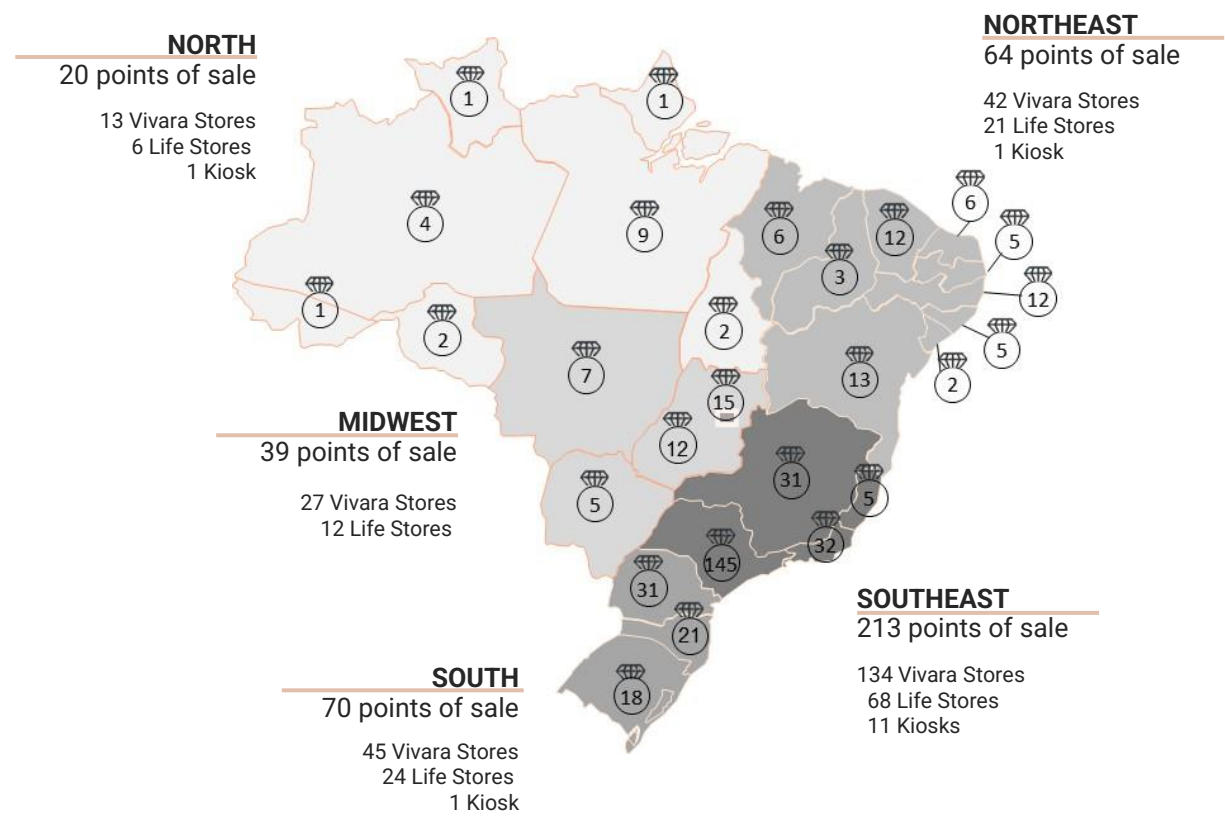
(1) This is a managerial, non-accounting measurement prepared by the Company, which does not come under the scope of independent audit.

In 1Q24, the Company generated operating cash of R\$145.6 million, 18 times more than in 1Q23. Free cash generation reached R\$110.2 million, mainly driven by lower allocation to inventories and the recovery of credits generated by the approval, in November, of the interdependence regime whereby Tellerina started using ICMS credits generated by Conipa in the state of São Paulo.

The Company ended March with 406 points of sale in operation, which included 261 Vivara stores, 131 Life stores and 14 kiosks, with total sales area of 33,818.12 square meters.

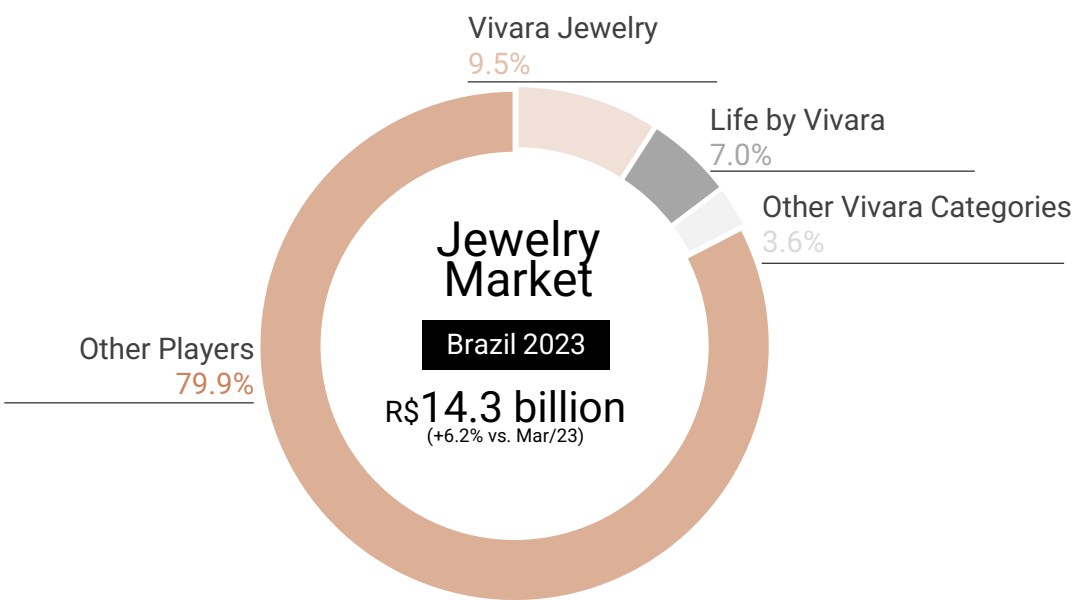
In the first quarter, the Company opened 18 new stores (4 Vivara and 14 Life), adding 1,372.05 square meters of sales area, maintaining its accelerated pace of expansion.

Currently, 51% of Vivara stores are located in Southeast Brazil, though its units are present in all regions of the country. Life stores are present in all the regions of Brazil, though 52% are located in the Southeast region.



- 2024 – The Company starts the year facing the expected fiscal challenges which, combined with the effects of reclassifications, temporarily affected margins in the first quarter in line with initial expectations. Despite the concentration of these effects in 1Q24, the Company reiterates its positive outlook for the year and remains optimistic about the projects and operational levers to be delivered over the coming months (that will gradually reflect on earnings in the following quarters). We are confident about 2Q24, a period of important seasonal effects, thanks to well-prepared teams and well-replenished inventories for an excellent performance on Mother's Day and Brazilian Valentine's Day. The operation of the new industrial plant in Manaus enables us to project profitability gains that can neutralize the increase in taxes, and is our main operational optimization lever that will sustain continuous margin expansion during the short and medium terms. We continue to invest heavily in the scalability of our factory operations in order to expand the inhouse production of Life products, while at the same time developing products to optimize our portfolio across all brands and categories.
- Expansion – The Company opened 4 new Vivara stores and 14 new Life stores, underscoring its commitment to accelerating growth through organic expansion of the Vivara and Life brands. We expect the accelerated pace to continue throughout 2024 and surpass the number of inaugurations in 2023, with the opening of 70 to 80 stores by the end of the year.
- Market Share – The Company ended 1Q24 with 20.1% share of Brazil's jewelry market, with Vivara accounting for 9.5%, Life 7.0% and other categories 3.6%. This result reflects the strong expansion of physical stores and the right strategy of launches of collections and products combined with an efficient management of mix and price. For 2024, the Company remains confident in retaining and further expanding its market leadership by increasingly strengthening its infrastructure and growth projects.

MARKET SHARE



Source: Company. Considers Vivara's total revenue, not excluding watches and accessories. LTM March 2024.



Financial Statements (R\$,000)	1Q24	1Q23	Δ% 24vs23
Sales Gross Revenue	720,758	609,266	18.3%
Service Gross Revenue	2,353	2,385	-1.4%
Gross Revenue Deductions	(130,268)	(95,872)	35.9%
Exchange and Return	(148,252)	(124,151)	19.4%
Net Revenue	444,590	391,628	13.5%
(-) Cost of Sold Goods	(138,469)	(117,416)	17.9%
(-) Depreciation and Amortization	(3,132)	(1,626)	92.6%
(=) Gross Profit	302,990	272,586	11.2%
(-) Operating Expenses	(261,643)	(224,351)	16.6%
Sales	(175,007)	(135,062)	29.6%
Personal	(92,474)	(61,793)	49.7%
Rentals and common area maintenance fees	(17,784)	(15,030)	18.3%
Lease discounts	-	-	n.a
Freight	(7,557)	(7,228)	4.5%
Commission on credit cards	(11,192)	(9,546)	17.2%
Outsourced services	(7,654)	(4,536)	68.7%
Marketing/selling expenses	(23,369)	(20,585)	13.5%
Other selling expenses	(14,977)	(16,345)	-8.4%
General and Administratives	(46,793)	(58,342)	-19.8%
Personal	(22,977)	(28,401)	-19.1%
Rentals and common area maintenance fees	(444)	(197)	125.7%
Outsourced services	(13,451)	(17,892)	-24.8%
Other General and Administratives expenses	(9,921)	(11,852)	-16.3%
Depreciation and Amortization	(35,651)	(30,259)	17.8%
Share of profit (loss) of subsidiaries	-	-	n.a
Other Operating Expenses (Revenues)	(4,192)	(689)	508.6%
(=) Profit (Losses) Before Financial Results	41,346	48,234	-14.3%
(=) Financial Result	(15,500)	(13,615)	13.8%
Financial Income (Expenses), net	7,977	12,280	-35.0%
Finance costs, net	(23,477)	(25,895)	-9.3%
(=) Operating Income	25,846	34,619	-25.3%
Income and Social Contribution Taxes	9,963	3,952	152.1%
(=) Net Income	35,809	38,571	-7.2%

1Q24 | PRO FORMA INCOME STATEMENT

The Income Statement below shows the same reclassifications made since 2Q23, for the comparison period of 1Q23. The statement is not subject to independent audit and is disclosed merely for illustrative purposes, not representing any restatement of results already reported in previous periods.

Financial Statements (R\$,000)	1Q24	1Q23	Δ% 24vs23
Sales Gross Revenue	720,758	609,266	18.3%
Service Gross Revenue	2,353	2,385	-1.4%
Gross Revenue Deductions	(130,268)	(103,287)	26.1%
Exchange and Return	(148,252)	(124,151)	19.4%
Net Revenue	444,590	384,213	15.7%
(-) Cost of Sold Goods	(138,469)	(117,933)	17.4%
(-) Depreciation and Amortization	(3,132)	(1,626)	92.6%
(=) Gross Profit	302,990	264,654	14.5%
(-) Operating Expenses	(261,643)	(216,420)	20.9%
Sales	(175,007)	(131,404)	33.2%
Personal	(92,474)	(67,580)	36.8%
Rentals and common area maintenance fees	(17,784)	(15,030)	18.3%
Lease discounts	-	-	n.a
Freight	(7,557)	(7,228)	4.5%
Commission on credit cards	(11,192)	(9,546)	17.2%
Outsourced services	(7,654)	(6,642)	15.2%
Marketing/selling expenses	(23,369)	(16,452)	42.0%
Other selling expenses	(14,977)	(8,926)	67.8%
General and Administratives	(46,793)	(54,068)	-13.5%
Personal	(22,977)	(22,097)	4.0%
Rentals and common area maintenance fees	(444)	(197)	125.7%
Outsourced services	(13,451)	(15,786)	-14.8%
Other General and Administratives expenses	(9,921)	(15,988)	-38.0%
Depreciation and Amortization	(35,651)	(30,259)	17.8%
Share of profit (loss) of subsidiaries	-	-	n.a
Other Operating Expenses (Revenues)	(4,192)	(689)	508.6%
(=) Profit (Losses) Before Financial Results	41,346	48,234	-14.3%
(=) Financial Result	(15,500)	(13,615)	13.8%
Financial Income (Expenses), net	7,977	12,280	-35.0%
Finance costs, net	(23,477)	(25,895)	-9.3%
(=) Operating Income	25,846	34,619	-25.3%
Income and Social Contribution Taxes	9,963	3,952	152.1%
(=) Net Income	35,809	38,571	-7.2%

Balance Sheet (R\$, 000)	1Q24	2023	Δ%
CURRENT ASSETS			
Cash and cash equivalents	270,203	221,495	22.0%
Securities	95,285	82,995	14.8%
Trade receivables	647,678	830,832	-22.0%
Inventories	841,015	782,706	7.4%
Recoverable taxes	129,256	118,353	9.2%
Prepaid expenses and other receivables	19,205	20,198	-4.9%
Total current assets	2,002,642	2,056,580	-2.6%
NONCURRENT ASSETS			
Securities	-	-	na
Escrow deposits	24,104	23,899	0.9%
contribution	251,474	222,152	13.2%
Derivatives	1,635	-	na
Prepaid expenses and other credits	920	-	na
Recoverable taxes	78,517	114,022	-31.1%
Property, plant and equipment	787,748	765,746	2.9%
Intangible assets	62,912	59,191	6.3%
Total noncurrent assets	1,207,310	1,185,010	1.9%
TOTAL ASSETS	3,209,952	3,241,590	-1.0%
CURRENT LIABILITIES			
Suppliers	76,323	73,629	3.7%
Suppliers Agreement	67,237	29,519	127.8%
Borrowings and financing	126,092	111,463	13.1%
Payroll and related taxes	96,175	117,859	-18.4%
Taxes payable	53,754	85,081	-36.8%
Leases payable	16,346	17,663	-7.5%
Derivatives	-	7,216	-100.0%
Leasing liabilities	67,474	70,059	-3.7%
Interest on capital	2	2	0.0%
Dividends payable	87,699	87,699	0.0%
Other payables	86,205	95,397	-9.6%
Total current liabilities	677,309	695,587	-2.6%
NONCURRENT LIABILITIES			
Derivatives	-	-	na
Borrowings and financing	100,000	160,000	-37.5%
Provision for civil, labor and tax risks	13,935	14,574	-4.4%
Leasing liabilities	441,975	432,625	2.2%
Other payables	6,791	5,082	33.6%
Total noncurrent liabilities	562,700	612,281	-8.1%
EQUITY			
Capital	1,105,381	1,105,381	0.0%
Legal reserve	932,426	896,618	4.0%
Treasury Stocks	(23,864)	(24,176)	-1.3%
Options Granted	9,041	8,940	1.1%
Retained earnings (accumulated losses)	(53,041)	(53,041)	0.0%
Total equity	1,969,943	1,933,722	1.9%
TOTAL LIABILITIES AND EQUITY	3,209,952	3,241,590	-1.0%

Cash Flow (R\$,000)	1Q24	1Q23	Δ% 24vs23
Net Income	35,809	38,572	-7.2%
Adjust of Net Income	54,435	49,204	10.6%
Adjusted profit for the year	90,245	87,776	2.8%
Increase (decrease) in operating assets and liabilities:			
Trade receivables	183,193	148,262	23.6%
Inventories	(59,235)	(93,235)	36.5%
Trade payables	40,412	34,512	17.1%
Recoverable taxes	25,155	(3,467)	825.6%
Taxes payable	(44,239)	(65,451)	32.4%
Other assets and liabilities	(36,567)	(56,600)	35.4%
Cash provided by operating activities	198,964	51,797	284.1%
Income tax and social contribution paid	(6,464)	(6,066)	-6.6%
Paid interest on borrowing and financing	(10,444)	(6,471)	-61.4%
Interest paid on leasing liabilities	(14,107)	(12,579)	-12.1%
Net cash provided by operating activities	167,950	26,681	529.5%
Treasury stocks	-	(6,117)	na
Property, plant and equipment	(29,131)	(40,002)	27.2%
Intangible assets	(6,187)	(4,034)	-53.4%
Others	(10,396)	7,447	-239.6%
Cash Flow from Investments	(45,713)	(42,706)	-7.0%
Interest on capital / Dividends paid	-	-	na
Borrowings and financings	(45,887)	(2,500)	-1735.5%
Righ-of-use leases	(22,387)	(18,641)	-20.1%
Others	(5,256)	(1,406)	-273.8%
Cash flow from financing activities	(73,529)	(22,547)	-226.1%
INCREASE (DECREASE) IN CASH AND CASH EQUIV.	48,708	(38,572)	226.3%
Opening balance of cash and cash equivalents	221,495	160,036	38.4%
Closing balance of cash and cash equivalents	270,203	121,464	122.5%

- **Adjusted EBITDA and Adjusted EBITDA Margin** - Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-accounting measure disclosed by the Company in compliance with CVM Instruction 527/12. The above calculation is adjusted to eliminate non-recurring effects from the result and, to improve comparison, the effects from the adoption of CPC 06/IFRS 16, which came into effect on January 1, 2019, are also excluded, resulting in Adjusted EBITDA. Non-recurring effects are characterized by one-time effects on the Company's result. Since these amounts are not a recurring portion of the result, the Company chooses to make the adjustment so that Adjusted EBITDA considers only recurring numbers. The Company uses Adjusted EBITDA as a measure of performance for managerial purposes and for comparisons with peers.
- **Net Debt** - The Net Debt shown here is the result of the sum of short- and long-term loans in Current Liabilities and Non-Current Liabilities of the Company, subtracted from the sum of Cash and Cash Equivalents and Securities under the Current Assets and Non-Current Assets of the Company.
- The Company believes that the **Net Debt/Adjusted EBITDA ratio** helps in assessing its leverage and liquidity. **LTM Adjusted EBITDA** is the sum of EBITDA in the last twelve months and is also an alternative to operational cash generation.
- **Adjusted EBITDA, Net Debt, Net Debt/LTM Adjusted EBITDA and Operational Cash Generation** presented in this release are not profitability measures as per the accounting practices adopted in Brazil and do not represent the cash flow during the periods and, hence, should not be considered alternative measures to results or cash flows.
- **Operating Cash Generation** shown here is a managerial measurement, resulting from the cash flow from operating activities presented in the Statement of Cash Flow (adjusted by "Lease of Right-of-Use Assets," which, after the adoption of CPC 06 / IFRS 16, is booked in the Statement of Cash Flow under financing activities.

DISCLAIMER

The statements contained in this release related to the business outlook, operating and financial projections and growth prospects of Vivara S.A. are merely projections and as such are based exclusively on the expectations of the Company's management concerning the future of the business. Such forward-looking statements depend substantially on changes in market conditions, the performance of the Brazilian economy, the industry and international markets and are, therefore, subject to change without prior notice.

All variations shown here are calculated based on numbers in thousands of reais, as well as rounded figures.

This report includes accounting and non-accounting data, such as pro forma operating and financial information and projections based on expectations of the Company's Management. Note that the non-accounting figures have not been reviewed by the Company's independent auditors.

INVESTOR RELATIONS

Otavio Lyra — Chief Executive and Chief Financial Officer

Melina Rodrigues — Investor Relations Officer

Caio Barbuto — Investor Relations Manager

Nicole Caputo — Investor Relations Specialist

Email: ri@vivara.com.br

VIVARA

ri@vivara.com.br
ri.vivara.com.br