



Earnings
Conference Call

4Q23

March 22, 2024



DISCLAIMER

Statements contained in this presentation that are related to business prospects and projections about operating and financial performance are internal beliefs and estimates based on the Company's administration expectation of future results. These expectations are subject to uncertainties, therefore, they may or may not occur especially when considering the effects of the domestic economy, the challenges faced by the sector, among other risk factors that could substantially influence our actual results.

The purpose of these statements is to reflect our expectations for expansion and the strategic actions that guide our decisions. So, it should not be considered as guarantees of future performance

AGENDA

1 HIGHLIGHTS

2 OPERATING AND FINANCIAL INDICATORS

3 Q&A SESSION

AGENDA

 **1** HIGHLIGHTS

 **2** OPERATING AND FINANCIAL INDICATORS

 **3** Q&A SESSION

ECOSSISTEMA DA ALLIED

Strategic positioning as a market enabler to provide flexibility to players in the segment

Digital Retail & Strategic Partnerships



B&M Retail 122 POSs



Distribution Brazil and LatAm



8%
smartphones
marketshare¹



23%
videogames
marketshare¹



8%
laptops
marketshare¹

Notes: (1) Period from January to December 2023.

2023 HIGHLIGHTS | DISCIPLINE IN CAPITAL ALLOCATION

Focus on profitability and value creation

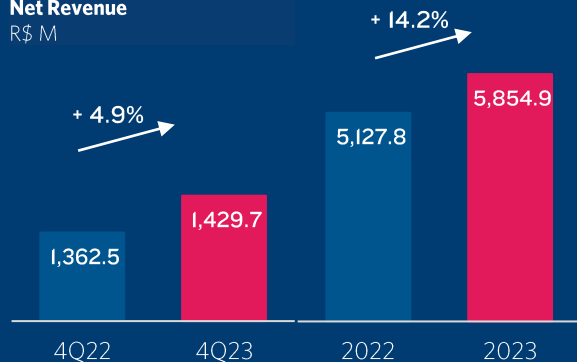
- Net Debt of R\$ 12.6M, or **0.1x EBITDA**;
- Dividend yield of **12,9% in 2023**;
- Strong Adjusted Net Income¹ generation, mainly in 3Q23 and 4Q23;
- Operating Cash Flow generation of R\$ 783.1 million in 2023.

Interest on Equity approved by the Board:

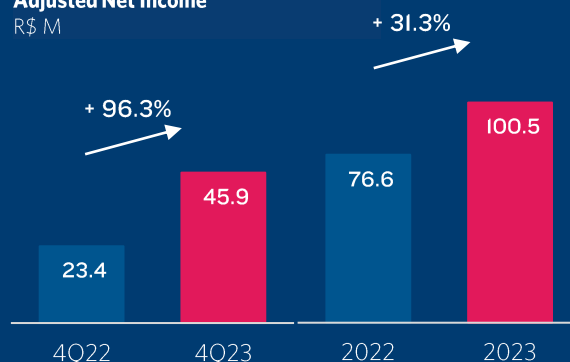
R\$ 90.0 million (2023 FY)

R\$ 100.0 million (previous years)

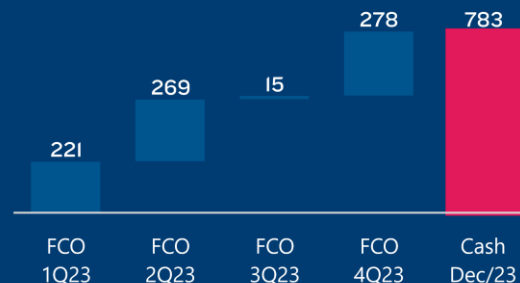
Net Revenue
R\$ M



Adjusted Net Income¹
R\$ M



Operating Cash Flow Generation | Managerial
R\$ M



Notes: (1) Adjusted result disregards (a) In 2022: operating revenue related to the reimbursement for losses from agreements with public agencies; (b) In 2022: expenses with the Company's operational restructuring; (c) In 2023: DIFAL gains between January and March/22; and (d) In 2023: gains from the exclusion of ICMS-ST tax from the 2023 and 2022 PIS and COFINS calculation basis. Further details can be found on the "Financial Performance - Operating Expenses" section of the 4Q23 Management Report

2023 HIGHLIGHTS | INTERNATIONAL EXPANSION

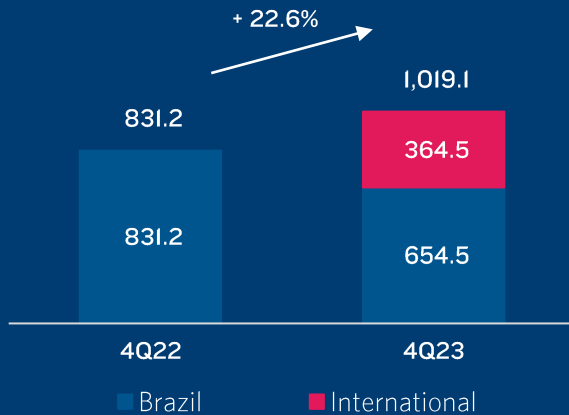
22 clients and 16 countries reached in Latin America by 2023

- **R\$ 1.8** billion in gross revenue during the first year of operation. Result consistent with the guidance released to the market;
- **Favorable cash cycle** operation;
- Portfolio includes the brands Apple, Google and Motorola, as well as a pilot with memories and video game accessories.



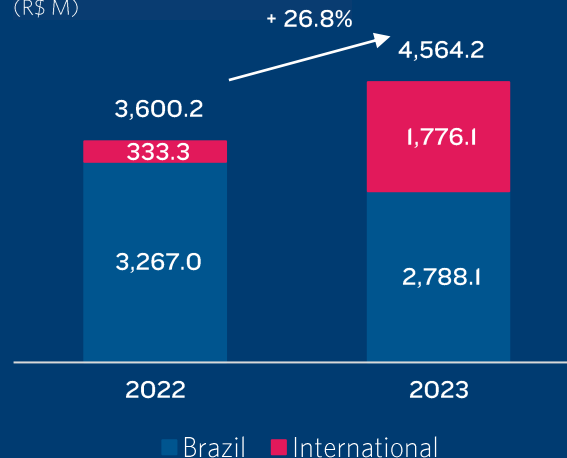
Net Revenue

(R\$ M)



Net Revenue

(R\$ M)



2023 HIGHLIGHTS | DIGITAL RETAIL

We are a relevant partner for brands. We provide marketplaces with agility and a strong portfolio.

B2C STRATEGIC PARTNERSHIPS



iPhone pra Sempre Program:

- Sales of AirPods: **higher than expected conversion rate.**
- **Outstanding NPS** at Banco Itaú: Metric evaluates the non-financial products offered to the bank's clients;
- **Premium products** are the most demanded in the program;
- Greater availability of products at launch (iPhone 15).

MARKETPLACE

MOB
COM

- Beginning of **FULL** operations;
Advantages: More visibility, faster delivery, relevance on the platform;
- We strengthened **strategic partnerships** with relevant marketplaces;
- **Increased portfolio** of products (printers, notebooks and ink cartridges).



2023 HIGHLIGHTS | B&M RETAIL OPTIMIZATION

B&M Retail optimization initiatives carried out in 2023:

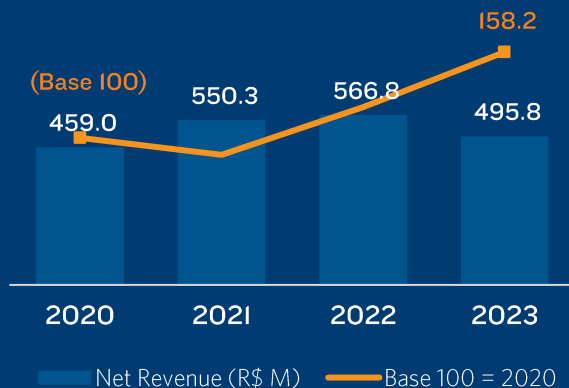
- Punctual closure of less profitable POSs;
- Optimization of processes and reduction of operating expenses.

Results:

- **30.9% increase** in average revenue per point of sale between 2022 and 2023;
- Reduction of 18 pp in operating expenses as a percentage of the channel's net revenue between 2021 and 2023.

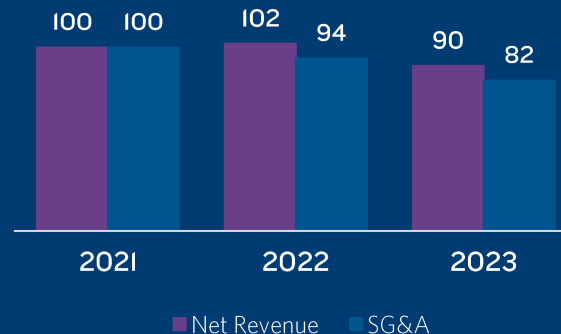
Net Revenue

(R\$ M); Average per POS base 100 = 2020



Net Revenue and SG&A

(2021 = Base 100)



2023 HIGHLIGHTS | ADDITIONAL GROWTH DRIVERS



- i. **Expansion of origination channels** for more than 210 Samsung POS all over Brazil;
- ii. Activation of the online store on the **Mercado Livre** and **Livelo** platforms;
- iii. **Diversified portfolio**, including Apple, Samsung and Motorola brands



Allied's financial branch

- i. **R\$ 69.6 million** credit portfolio, with **117 thousand active cards**;
- ii. **349 POSs**, including Samsung Stores and carrier stores;
- iii. **Partnership with C&A** for effective communication with C&A Pay customers. **Beginning of B2B platform licensing.**

Strategic Partnerships



- i. Launch of the online store on the **Mercado Livre** marketplace;
- ii. Management of the **brand's own online store**, aimed at the B2B market;
- iii. Allied is responsible for inventory control, invoicing, shipping, and delivery.

Strategic Partnerships



- i. Beginning of the rental program and customized services (B2B);
- ii. Allied is responsible for **commercial management and outreach** of the program

ALLIED IN BIG NUMBERS

We are the leading electronics distribution company in the country

2023 figures, except if indicated otherwise

R\$6.7bn

Gross
Revenue

R\$251M

Adjusted
EBITDA¹

R\$101M

Adjusted Net
Income¹

122

Points of Sale
(Dec/2023)

55%

Deliveries made
within 48 hours²

6.7M

Products
Sold

8%

Smartphone
market share

23%

Video Games
market Share

8%

Laptops
market share

Notes: (1) Adjusted result disregards (a) In 2023: DIFAL gains between January and March/22; and (b) In 2023: gains from the exclusion of ICMS-ST tax from the 2023 and 2022 PIS and COFINS calculation basis. Further details can be found on the "Financial Performance - Operating Expenses" section of the 4Q23 Management Report

2024 PRIORITIES

INTERNATIONAL

Geographic expansion
Portfolio expansion

trocafy

Geographic expansion
New product categories

soudi

Credit expansion
Increased profitability

B2B

Allied Empresas Platform
New products and services

B2C PARTNERSHIPS

Expertise to run strategic programs

AGENDA

1 HIGHLIGHTS

2 OPERATING AND FINANCIAL INDICATORS

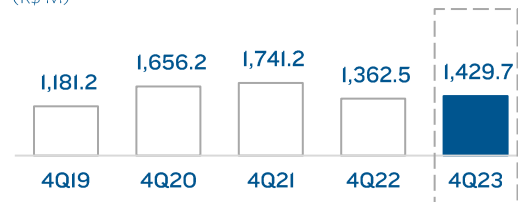
3 Q&A SESSION

FINANCIAL INDICATORS | CONSOLIDATED

2023: Highest Net Revenue in the Company's history

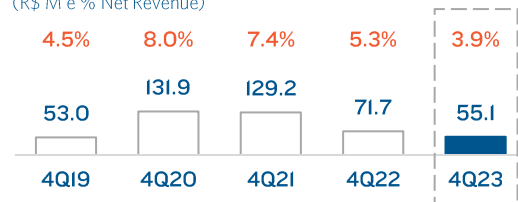
Net Revenue

(R\$ M)



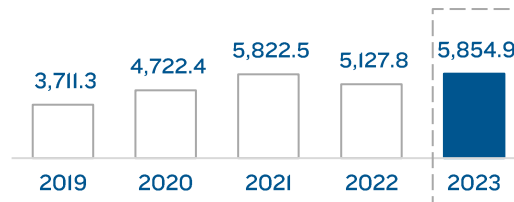
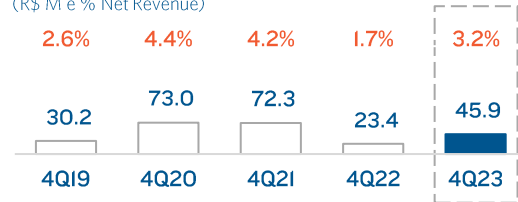
Adjusted EBITDA¹

(R\$ M e % Net Revenue)

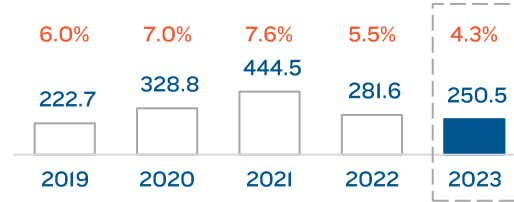


Adjusted Net Income¹

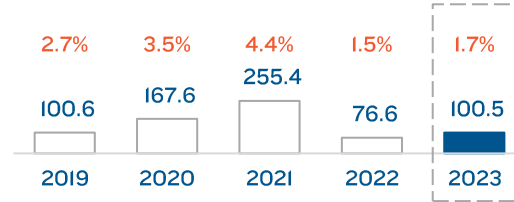
(R\$ M e % Net Revenue)



+12% CAGR
(2019 - 2023)



-1.2 p.p Adj. EBITDA Margin¹
Channel Mix
Decrease of SG&A



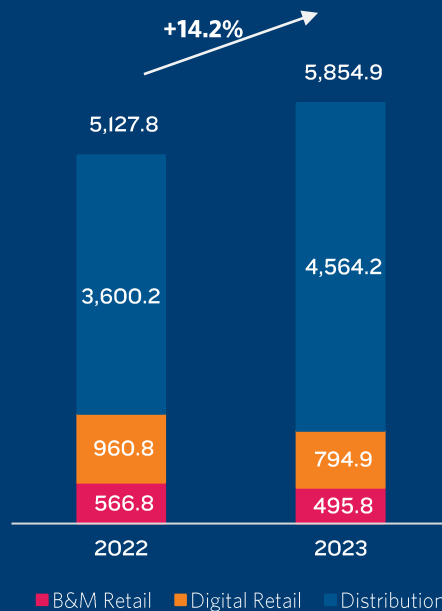
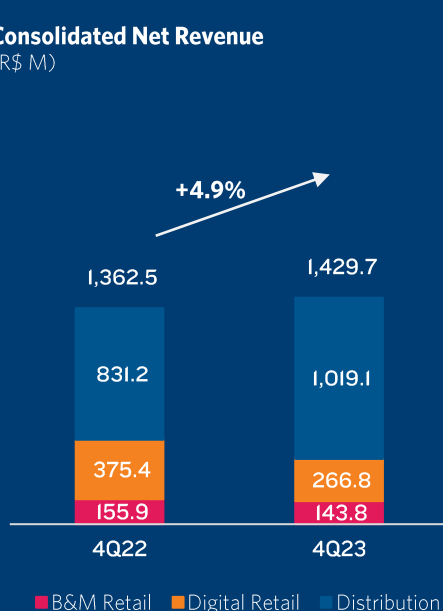
+ 31.3% Adjusted Net
Income¹

Notes: (1) Adjusted result disregards (a) In 2021: positive impact arising from the exclusion of ICMS tax from the calculation basis of PIS/COFINS between March/12 and February/17; (b) In 2021: Non-recurring accounting loss related to the understanding of the ICMS-DIFAL decision; (c) In 2022: operating revenue related to the reimbursement for losses from agreements with public agencies; (d) In 2022: expenses with the Company's operational restructuring; (e) In 2023: DIFAL gains between January and March/22; and (f) In 2023: gains from the exclusion of ICMS-ST tax from the 2023 and 2022 PIS and COFINS calculation basis. Further details can be found on the "Financial Performance - Operating Expenses" section of the 4Q23 Management Report

NET REVENUE AND GROSS MARGIN PER CHANNEL

2023: Profitability as a strategic guidance

Consolidated Net Revenue
(R\$ M)



2023: Normal levels of Gross Margin per channel

Gross Margin (% Net Revenue.)	4Q23	4Q22	2023	2022
Distribution - International	1.9%	-	2.1%	1.5%
Distribution - Brazil	7.2%	10.8%	9.2%	10.5%
Distribution - Consolidated	5.3%	10.8%	6.4%	9.7%
Retail (B&M + Digital)	29.5%	25.2%	29.8%	27.8%
Total	12.3%	16.4%	11.6%	15.1%

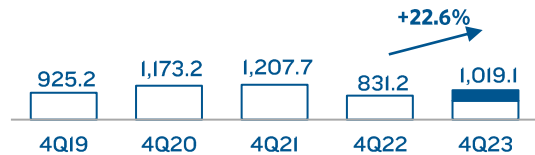
Gross Profit (R\$ M)

Distribution - International	6.8	-	38.0	4.8
Distribution - Brazil	47.4	89.5	255.5	343.1
Distribution - Consolidated	54.2	89.5	293.4	348.0
Retail (B&M + Digital)	121.1	134.1	384.8	424.6
Total	175.3	223.6	678.3	772.6

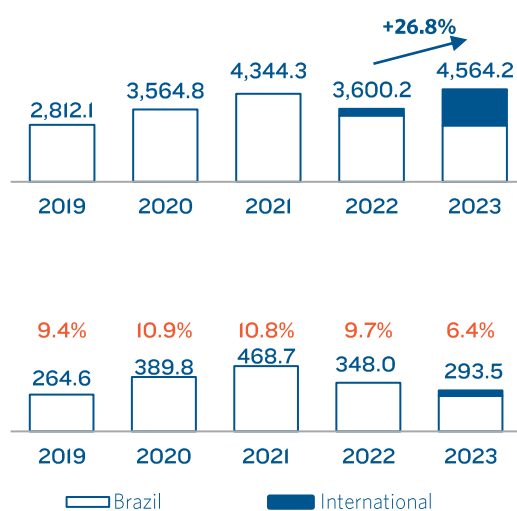
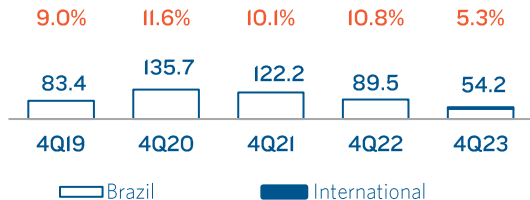
FINANCIAL INDICATORS | DISTRIBUTION

Double-digit revenue growth in 2023: strong growth in the average ticket and slight reduction in the volume of products sold

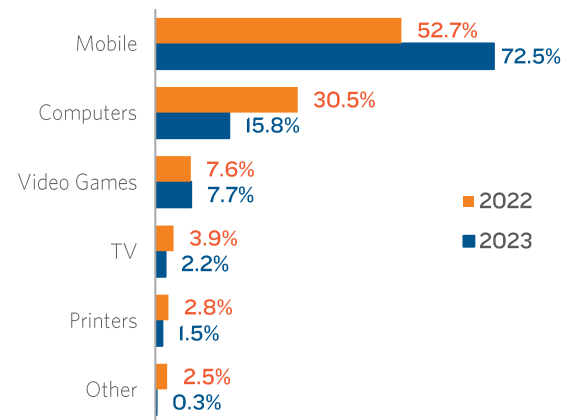
Net Revenue
(R\$ M)



Gross Profit
(R\$ M and % Net Revenue)



Mix of Products Sold
(% Net Revenue)



Distribution International:

- Gross Margin: normal levels. Low operating expenses do not have a significant impact on the result after assessing gross profit;
- Lower capital invested, representing a more favorable cash cycle for the Company.

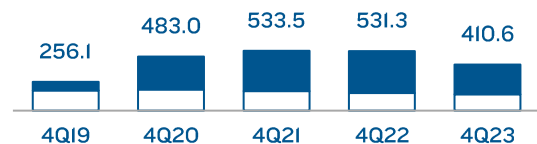
Distribution Brazil:

- Gross Margin result for the year at normal levels;
- Gross Margin in 4Q23 pressured by commercial negotiations focused on working capital optimization.

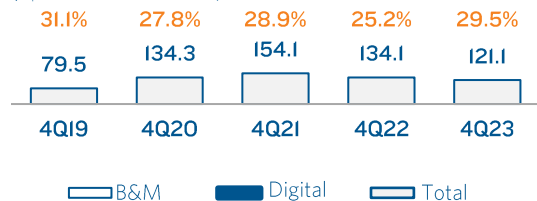
FINANCIAL INDICATORS | RETAIL

4Q23: Revenue impacted by the decrease in the smartphone market

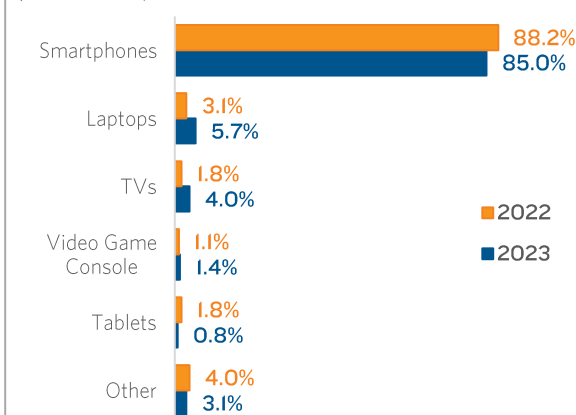
Net Revenue
(R\$ M)



Gross Profit
(R\$ M and % Net Revenue)



Mix of Products Sold | DIGITAL RETAIL
(% Net Revenue)



B&M Retail:

- Reduction of POS: 122 on Dec/23 (vs. 132 on Dec/22);
- 30.9% increase in Net Revenue per POS (2023 vs 2022).

Digital Retail:

- Negative impact due to the decrease in digital retail's share of smartphone and video game sales (market);
- 2.6 pp increase in laptop revenues, which partially offset the negative effect of smartphone sales.

OPERATING PROFITABILITY

Efficiency gain: reduction of operating expenses in line with channel mix

Selling Expenses:

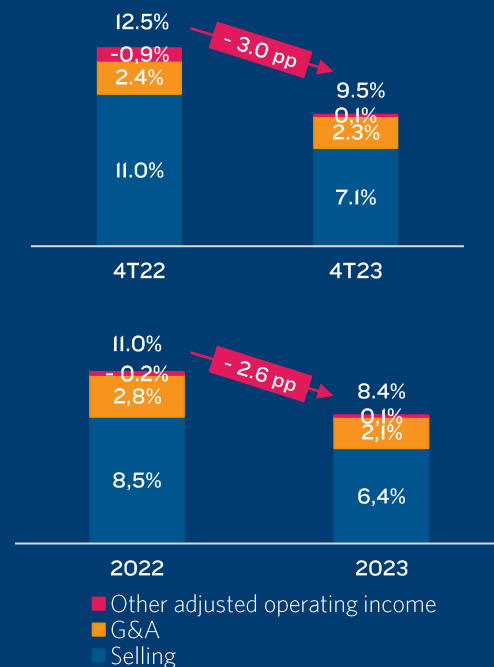
- i. Reduction of 32.0% (vs. 4Q22) and dilution of 3.9 pp as share of Net Revenue (vs. 4Q22);
- ii. 4Q23: Reduction in expenses with commissions, shipping and credit card fees;
- iii. 2023: Reduction in expenses with personnel, freight and commissions.

General and Administrative Expenses:

- i. 4Q23: Reduction in expenses with third-party services;
- ii. 2023: Reduction in expenses for personnel and third-party services.

OPERATING EXPENSES	4Q23	4Q22	Δ%	2023	2022	Δ%
Selling expenses	-101.9	-149.8	-32.0%	-372.9	-436.0	-14.5%
General and administrative expenses	-32.2	-32.6	-1.2%	-123.3	-141.3	-12.7%
Other adjusted operating income	-1.3	12.4	-110.3%	3.5	12.8	-72.9%
Adjusted¹ Operating Expenses	-135.3	-170.0	-20.4%	-492.7	-564.5	-12.7%

Adj.¹ Operating Expenses
(% Net Revenue)



Notes: (1) Adjusted result disregards (a) In 2022: operating revenue related to the reimbursement for losses from agreements with public agencies; (b) In 2022: expenses with the Company's operational restructuring; (c) In 2023: DIFAL gains between January and March/22; and (d) In 2023: gains from the exclusion of ICMS-ST tax from the 2023 and 2022 PIS and COFINS calculation basis. Further details can be found on the "Financial Performance - Operating Expenses" section of the 4Q23 Management Report

OPERATING PROFITABILITY

Operational and financial discipline: solid adjusted net income¹

- EBITDA
 - i. Reduction in gross margin due to the mix of sales channels;
 - ii. Positive impact of decreased operating expenses.
- Financial Result
 - i. Lower volume of working capital operations (anticipation of receivables and withdrawn operations with no financial cost)
 - ii. Lower correction index rates for financial transactions
- Non-recurring effects on the 2023 result:
 - i. DIFAL from January/22 to March/22
 - ii. Positive impact arising from the exclusion of ICMS tax from the calculation basis of PIS/COFINS (2013 - 2022)

R\$ MILLION	4Q23	4Q22	Δ%	2023	2022	Δ%
Adjusted¹ EBITDA	55.1	71.7	-23.2%	250.5	281.6	-11.0%
<i>Adjusted¹ EBITDA Margin</i>	<i>3.9%</i>	<i>5.3%</i>	<i>-1.4 pp</i>	<i>4.3%</i>	<i>5.5%</i>	<i>-1.2 pp</i>
D&A	-15.1	-18.1	-16.3%	-64.9	-73.5	-11.7%
Financial Result	-24.9	-53.2	-53.2%	-119.0	-155.1	-23.3%
Income tax and social contribution	30.9	23.0	34.5%	33.9	23.6	43.7%
Adjusted¹ Net Income	45.9	23.4	96.3%	100.5	76.6	31.3%
Adjusted¹ Net Income Margin	3.2%	1.7%	1.5 pp	1.7%	1.5%	0.2 pp
Non-recurring effects on Net Income ¹	23.8	-	-	22.0	-0.4	-
Net Income (Accounting)	69.7	23.4	198.1%	122.5	76.1	60.9%

Notes: (1) Adjusted result disregards (a) In 2022: operating revenue related to the reimbursement for losses from agreements with public agencies; (b) In 2022: expenses with the Company's operational restructuring; (c) In 2023: DIFAL gains between January and March/22; and (d) In 2023: gains from the exclusion of ICMS-ST tax from the 2023 and 2022 PIS and COFINS calculation basis. Further details can be found on the "Financial Performance - Operating Expenses" section of the 4Q23 Management Report

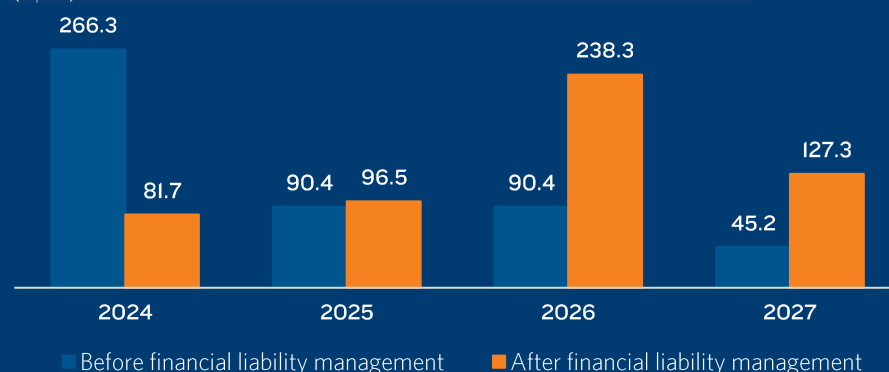
INDEBTEDNESS

Solid cash position and working capital management, resulting in significant reduction in net debt.

- The company reported **net debt of R\$12.6 million** at the end of 4Q23 (-97.5% vs. 4Q22);
- Optimization of the debt profile in 4Q23, through **the management of financial liabilities**:
 - Early settlement of the 4th debenture issue;
 - Partial amortization of the 5th debenture issue; and
 - 6th debenture issue.
- Cost of debt **of 14.5% p.y** (-0.2 pp vs. 3Q23).

R\$ MILLION	4Q23	4Q22	Δ%
Gross bank debt	543.7	629.6	-13.6%
Debt due to acquisition of companies	0.0	7.2	-100.0%
Taxes paid in installments	4.6	1.8	159.5%
Gross Debt	548.3	638.5	-14.1%
(-) Cash & Cash Equivalents	-535.6	-141.9	277.4%
(-) Net Debt	12.6	496.6	-97.5%
Adjusted ¹ EBITDA LTM	250.5	281.6	-11.1%
Net Debt/Adjusted¹ EBITDA	0.1x	1.8x	-1.7x

Bank debt amortization schedule
(R\$ M)

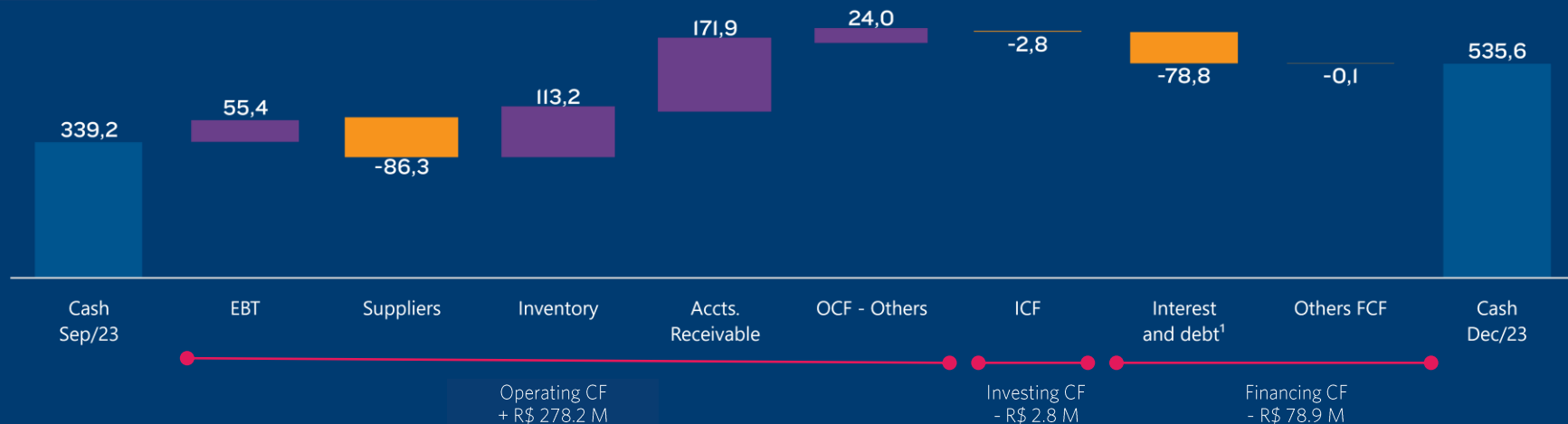


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CASH FLOW | 4Q23

Managerial Cash Flow | 4Q23 = R\$ 196.4 M

(R\$ M)



Cash flow - Managerial View

- Withdrawal risk transactions without financial cost: operational CF
- Withdrawal risk transactions with financial cost: financing CF

Main Impacts:

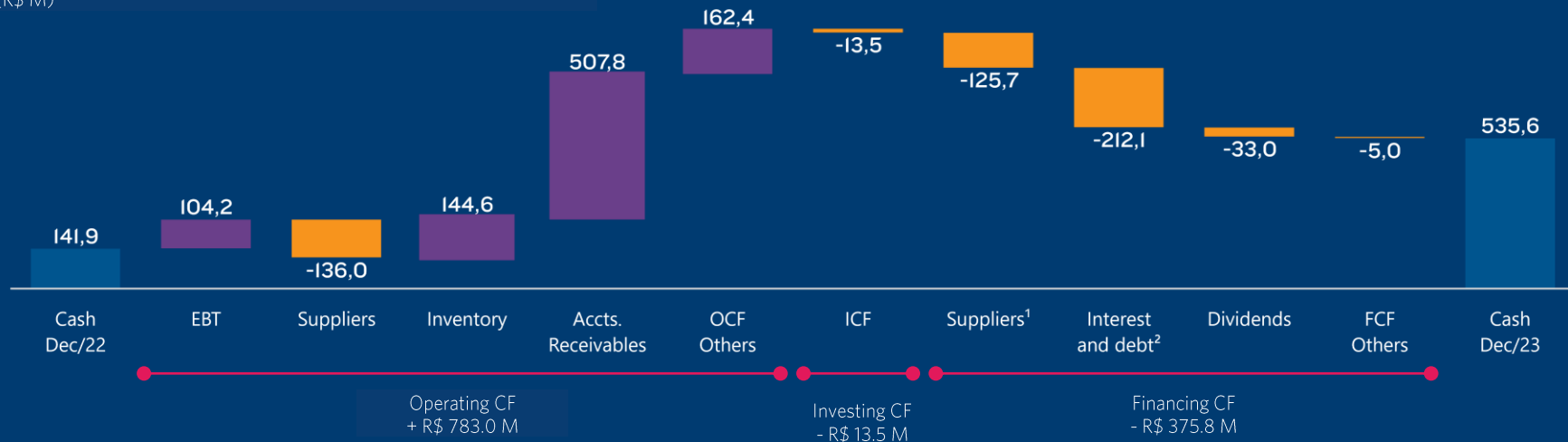
- Reduction in the average collection period from customers (commercial negotiations for the quarter with an emphasis on working capital);
- Favorable cash conversion cycle from the international operation;
- Reduction of inventories (Black Friday and Christmas); and
- Payment of principal and interest on bank debts (R\$78.8 million).

Notes: (1) Includes interest payment streams, amortizations, and new loan and financing commitments.

CASH FLOW | 2023

Managerial Cash Flow | 2023 = R\$ 393.7 M

(R\$ M)



Cash flow - Managerial View

- Withdrawal risk transactions without financial cost: operational CF
- Withdrawal risk transactions with financial cost: financing CF

Main Impacts:

- Efficient management of accounts receivable in commercial negotiations;
- Favorable cash conversion cycle from the international operation;
- Efficient inventory management throughout the year;
- Payment of short-term operations with suppliers and related financial costs; and
- Payment of R\$ 33.0 million to shareholders in interest on equity.

Notes: (1) Includes interest payment streams, amortizations, and new loan and financing commitments.

AGENDA

1 HIGHLIGHTS

2 OPERATING AND FINANCIAL INDICATORS

3 Q&A SESSION

THANK YOU!

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