

Grupo Casas Bahia Q1'25 Results

Renato Franklin – CEO

Intro

Hello! Welcome to the Q1'25 earnings presentation of Grupo Casas Bahia.

Highlights

Grupo Casas Bahia delivered solid results in Q1'25, marking yet another step forward in the execution of the Company's Transformation Plan.

This marks the sixth consecutive quarter of operational margin improvement, reinforcing our commitment to profitability and business sustainability.

Consolidated GMV grew by R\$1 billion, driven by the third consecutive quarter of growth in B&M Stores, with a strong 17.7% SSS increase, and by the second consecutive quarter of e-commerce expansion. The marketplace continues on an upward trajectory, with a 15% increase in 3P GMV and a take rate of 12.7%, ensuring higher monetization and operational efficiency.

Key highlights include revenue growth, sequential improvement in operational margins for the sixth consecutive quarter, growth in B&M Stores with 1.6 p.p. market share gain, e-commerce expansion, and greater penetration of services.

BNPL

We are a benchmark in retail credit in Brazil through our BNPL offering, backed by deep knowledge of our customer base. We remain focused on credit risk quality, taking a more conservative approach given the current macroeconomic environment. This strategy enables sustainable credit issuance, with delinquency levels under control. As a result, we increased BNPL origination by 15% and reduced net loss by 0.4 p.p. compared to the previous quarter. With that, we continue to hold the largest BNPL portfolio in Brazil, exceeding R\$6 billion, a relevant and profitable competitive advantage for the Company.

I now turn it over to Elcio for the financial highlights.

Elcio Ito

Results

Thank you, Renato. Hello everyone.

This was another quarter defined by disciplined execution of our Transformation Plan. As we have emphasized, our plan is focused on key categories, with emphasis on B&M Stores, and the expansion of BNPL and services, always with the objective of increasing profitability and strengthening cash generation.

We began the quarter with strong net revenue growth of 10% y/y. The nearly R\$1 billion increase in GMV reflects the effectiveness of our commercial strategies, which led to an 18% growth in SSS. Additionally, we saw a 0.4 p.p. increase in the 3P take rate, reaching 12.7%, along with a 15% expansion in the BNPL portfolio and greater penetration of services. Gross profit reached R\$2.1 billion, up 11%, with a 0.2 p.p. improvement in gross margin, even with higher revenue and a slightly negative impact from the product mix.

Expenses rose 2.6% during the period, below the 10% increase in revenue, leading to a 1.7 p.p. reduction in SG&A as a % of net revenue, reaching 23.1%. This performance highlights our operational leverage. We expect this trend to continue in the coming quarters as we prioritize profitable growth.

Adjusted EBITDA reached R\$570 million, a 47% increase compared to Q1'24. EBITDA margin reached 8.2%, up 2.1 p.p. y/y and 0.2 p.p. q/q. This was our sixth consecutive quarter of EBITDA margin improvement.

On the financial result, we recorded an expense of R\$922 million, mainly impacted by the Selic rate increase and non-cash effects related to debt reprofiling.

As a result, EBT was negative R\$635 million and the net loss was R\$408 million.

Cash Flow and Liquidity

In the quarter, free cash flow was negative R\$322 million, mainly due to working capital consumption, especially from the strategic replenishment of inventory. The monetization of tax credits and the reduction of legal claims continued to contribute positively to cash flow.

It is important to highlight that Q4 and Q1 are strongly correlated due to seasonality. All Black Friday and Christmas sales from Q4 impact cash in the same quarter, while supplier payments occur in Q1. From this perspective, the accumulated free cash flow over the last six months was positive R\$917 million - the best result in the past five years. This underscores the strength of our operational recovery and disciplined resource management.

We maintain a solid debt profile, with 90% of our debt being long-term, and nearly 80% maturing in 2029 and 2030. I would also like to highlight that Series 2 of our 10th debenture issuance, amounting to R\$1.5 billion, becomes convertible into shares starting in October this year, based on the 90-day average share price prior to conversion, with a 20% discount. According to the 10th issuance methodology, our financial leverage ended the quarter at 1.2x, well below the 3.0x covenant limit.

Conclusion

We remain committed to disciplined execution of our plan initiatives, even in a challenging macro environment. We continue working on multiple

fronts to grow revenue, improve efficiency, and capture greater profitability.

Thank you all. Back to you, Renato.

Renato Franklin

Thank you, Elcio.

We started 2025 continuing the path we set in motion back in 2023, with disciplined execution of our Transformation Plan and a strong focus on profitability and cash generation. Our operations remain supported by solid pillars: our BNPL, which continues to grow consistently with controlled delinquency and remains a key competitive advantage; our B&M Stores, the main driver of profitability, which continue to evolve with a focus on experience and productivity; and our digital channel, advancing with greater efficiency, driven by integration with BNPL, 3P growth, and a profitable core category mix.

At the same time, we continue to strengthen operational efficiency, with increasing gains from the use of artificial intelligence, CRM, and dynamic pricing. The combination of these elements reinforces our confidence in a sustainable cycle of growth and value creation, even amid a challenging macroeconomic environment with high interest rates.

We begin 2025 with more sales, more margin, more cash, and more strength. We remain firmly committed to our Transformation Plan, with a focus on execution, profitability, and sustainable growth.

I want to thank our customers, employees, suppliers, financial institutions, and all stakeholders. We are confident that we are on the right path toward a new cycle of sustainable growth. We remain Totally Dedicated to You! Thank you all very much.