

Grupo Casas Bahia Q4'25 Results

Renato Franklin – CEO

Hello, everyone. Welcome to the presentation of Grupo Casas Bahia's Q4 and full-year 2025 results.

We closed 2025 with two major structural milestones for Grupo Casas Bahia: the conclusion of the capital structure transformation and the 9th consecutive quarter of EBITDA margin expansion.

Regarding the Capital Structure, on December, 31, we completed a significant transaction that reduced the 10th debenture issuance by approximately R\$ 3 Bn, structurally lowering liquidity and refinancing risks and opening the way for a new chapter for Grupo Casas Bahia.

From an operational standpoint, we delivered 9 consecutive quarters of EBITDA margin improvement, reaching 9.8% in Q4'25 — an increase of 1.8 p.p. versus Q4'24 and 1.3 p.p. versus Q3'25.

Both results reflect our discipline in executing the Plan and clearly show that the Company today is structurally stronger than it was two years ago. Even amid this transformation phase, we have demonstrated the strength of our brand and our competitive advantages — particularly our commercial scale, logistics infrastructure, and consumer credit solutions. Proof of this is that we delivered a record GMV of R\$ 13.1 Bn in the quarter, up 8.7%, maintaining focus on core categories and profitability. In the online channel, GMV grew 21.7%, marking the 5th consecutive quarter of growth, along with significant market share gains in TVs and White Goods. The 3P business continued to expand in categories complementary to core, up 16.1%. Meanwhile, 1P grew 25.6%, a solid performance that gained even more traction with the start of the partnership with Mercado Livre in November, strengthening our digital presence and omnichannel strategy.

In B&M stores, same-store sales grew 2.6% despite a strong comparison base from Q4'24, and we increased market share for the year, reinforcing our position as a specialist in electronics and furniture.

We continue to advance with high quality in credit origination. We closed the year with R\$ 6.6 Bn BNPL portfolio, keeping delinquency indicators under control — even in a tougher market environment. Our credit model remains a relevant competitive advantage and an important driver of profitability and customer loyalty.

I would also like to highlight our strong cash generation: R\$ 1.8 Bn in Free Cash Flow to Firm in the quarter and R\$ 2.2 Bn for the year, with a liquidity position of R\$ 3.4 Bn at year-end.

I will now hand it over to Elcio, who will go over the financial results and the conclusion of our capital structure transformation.

Elcio Ito – CFO

Thank you, Renato. Hello, everyone.

The fourth quarter brought several positive highlights, but without a doubt the most significant was the decisive step in transforming the Company's capital structure.

On December 31, we completed a transaction that resulted in a R\$ 3 Bn debt reduction on the balance sheet. As a result — combined with the strong quarterly performance — net debt dropped 75%, from R\$ 4.5 Bn to R\$ 1.1 Bn. Consequently, financial net debt fell from 1.9x to 0.4x EBITDA.

This move structurally transforms the Company's balance sheet, creating a much stronger foundation for the next stage of our evolution: achieving consistent net income generation.

In parallel with the balance sheet transformation, we delivered our 9th consecutive quarter of operating margin expansion. We also grew the BNPL portfolio by 7%, while keeping delinquency indicators under control. In the quarter, Free Cash Flow to Firm reached R\$ 1.8 Bn, leading to a liquidity position of R\$ 3.4 Bn at year-end.

Net revenue totaled R\$ 8.5 Bn, up 6.1% versus Q4'24, reflecting consistent GMV growth, which reached a new historical record.

Gross profit was R\$ 2.7 Bn, with a gross margin of 31.5%, a 0.7 p.p. improvement year over year.

Operating expenses remained practically stable in nominal terms, even with 6.1% revenue growth and approximately 4.3% inflation in the period. As a result, SG&A as a percentage of revenue fell 1.3 p.p., demonstrating operating leverage and disciplined expense control.

Adjusted EBITDA reached R\$ 826 MM, a 29% increase over the previous year, with a margin of 9.8%.

It is worth noting that we benefited from DIFAL, while also navigating the gradual shift of the market toward online channels, which structurally operate at lower margins than B&M stores.

In financial results, we observed a positive and non-recurring effect from the transaction that transformed the balance sheet. Since the transaction occurred on the last day of the year, we have not yet captured the recurring benefit of lower interest expenses, which will materialize throughout 2026.

In the income tax line, we recorded a negative R\$ 1.45 Bn impact related to deferred income tax.

In our base-case scenario, the realization of these tax credits occurs within a period of less than 10 years, consistent with the Company's taxable income generation.

However, given the current geopolitical scenario — which presents a high degree of uncertainty — we conducted stress tests. In these simulations, we considered more adverse macroeconomic conditions, in which realization would take longer.

Acting prudently and conservatively, the Company decided to make an accounting adjustment on a portion of this deferred tax asset.

It is important to highlight that this adjustment has no cash impact and does not affect the Company's economic generation; it is strictly an accounting adjustment.

As a result, the net loss for the quarter was R\$ 1.5 Bn. Excluding this specific deferred tax effect, the adjusted net loss would have been R\$ 79 MM.

Looking at the full year, net revenue grew 7.3%, supported by record GMV. Gross profit increased 6.4% year over year. Gross margin fell slightly by 0.3 p.p. to 30.5%, mainly reflecting category and channel mix effects.

This reduction was more than offset by nominal expense reduction and a 1.9 p.p. improvement in SG&A as a percentage of revenue.

As a result, adjusted EBITDA grew 30% to R\$ 2.6 Bn, with margin expansion from 7.2% to 8.8%.

Regarding cash generation, Free Cash Flow to Firm totaled R\$ 1.8 Bn in the quarter, an increase of R\$ 578 MM year over year.

For the full year, we reached R\$ 2.2 Bn — the Company's highest cash generation in recent years — an increase of R\$ 1.2 Bn.

Now, diving deeper into the balance sheet transformation: we completed the restructuring of the 10th debenture issuance, with a R\$ 3 Bn debt reduction composed of three elements:

R\$ 2 Bn in mandatory convertible debentures,

R\$ 610 MM in discounts in the conversion to new debentures, and

The remaining balance from the positive accounting effects of debt reprofiling (debt modification).

It is important to note that of the R\$ 2 Bn in mandatory convertible debentures, approximately R\$ 1 Bn has already been converted into shares and is already reflected in the Company's market cap.

The remaining approximately R\$ 1 Bn remains in the form of mandatory convertible debentures, with gradual conversion dates through April 2027.

For accounting purposes, however, this amount is already classified under shareholders' equity, since conversion is mandatory and the number of shares is fixed, with no uncertainty regarding dilution.

For market cap purposes, this remaining R\$ 1 Bn will appear gradually as conversions occur.

This operation, combined with the first conversion completed in August, transformed the Company's balance sheet in the second half. In total, we reduced net debt by R\$ 3.8 Bn, or 77% in the second half.

As a consequence, we estimate approximately R\$ 2.7 Bn in financial expense savings between 2026 and 2030, in addition to about R\$ 7.7 Bn in cash savings considering principal and interest.

We ended the year with 0.4x Net Debt/EBITDA, a structurally healthier level and very different from the situation previously faced.

This was a decisive milestone, and it is important to emphasize that improving the capital structure is a continuous process. We continue to work on other fronts to reduce and improve the terms of the remaining working-capital-related debt.

Renato, back to you for closing remarks.

Renato Franklin – Closing

Thank you, Elcio.

We ended 2025 with a strong sense of accomplishment regarding the CB25 Transformation Plan. We reduced debt, strengthened the balance sheet, improved margins for nine consecutive quarters, returned to growth with record GMV while prioritizing profitability, and consolidated consistent Free Cash Flow to Firm generation.

But we remain disciplined. The macro environment still requires resilience. We will stay focused on execution, operational efficiency, and monetizing our ecosystem.

We are now entering a new phase, and the Company is stronger than ever.

We completed the restructuring of the balance sheet and operations, and we now operate as a specialized consumption platform with multiple monetization levers: profitable B&M stores, a strong 1P digital business, a complementary and expanding marketplace, a robust BNPL offering, and growing financial and media services that enhance profitability.

GMV growth is no longer pursued at any cost. We prioritize margin, cash generation, and return on invested capital.

Execution risk has decreased substantially after nine consecutive quarters of consistent delivery. Leverage is normalized, operational cash generation is visible, and the quality of results has structurally improved.

Going forward, we will continue to evolve operational indicators, optimize financial expenses, improve working capital, and maximize monetization of our entire ecosystem — especially in high-ROIC businesses such as credit, services, and retail media.

We believe this new phase is not yet fully reflected in market perception. We see positive asymmetry as we continue delivering consistency quarter after quarter.

We remain confident in our position as Brazil's leading specialist retailer in electronics and furniture, powered by credit, a leader in physical stores, and with the ambition of becoming the largest 1P buyer and seller in the country.

I would like to thank our employees, partners, suppliers, and investors for their confidence throughout this journey.

We move forward with discipline, focus, and Totally Dedicated to You.

Thank you very much, and see you next time.