

# grupo panvel

## Earnings Release | 3Q24

Earnings Call: Thursday, November 14th

09:30 (BRT) / 08:30 (US EDT)

[Clique Aqui](#)



**Dimed S.A. Distribuidora de Medicamentos** (B3 S.A. - BRASIL, BOLSA, BALCÃO: PNVL3), one of the leading pharmaceutical retailers and distributors in the country, announces its results for the third quarter of 2024 (3Q24). The Company's financial statements are prepared in Brazilian Reais (R\$) in accordance with Brazilian corporate legislation and International Financial Reporting Standards (IFRS). The 3Q24 results comparisons are based on 3Q23, except when otherwise indicated. For comparability with previous periods, the figures in this report are presented in accordance with IAS 17/CPC 06. The financial values mentioned refer to amounts in Brazilian Reais (R\$).



**Legal Disclaimer:** The statements contained in this document regarding business outlook, projections of operational and financial results, and growth expectations for the PanVel Group are merely projections and, as such, are based exclusively on Management's expectations about the future of the business. These expectations depend substantially on market conditions, legislation, the performance of the Brazilian economy, the sector, and international markets, and are therefore subject to change without prior notice.

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## Highlights 3Q24

After a second quarter impacted by floods in Rio Grande do Sul, Panvel has resumed accelerating its sales growth, accompanied by a strong expansion in profit margin, market share gain, and a record share of Digital sales for the year.



### Retail Gross Revenue

R\$ 1.289M  
(+ 17,0% vs 3Q23)



### Adjusted EBITDA

R\$ 71.8M (26.8% vs 3Q23)  
5.4% Margin (+0.7 p.p. vs 3Q23)



### Group Net Income

R\$ 37.3M (+37.1% vs 3Q23)  
2.8% Margin (+0,6 p.p. vs 3Q23)



### MSSS / SSS

11.4% / 14.1% (Inflation LTM 4.4%)  
Gains exceeding inflation



### Market Share

+ 0.4 p.p. in the South Region vs. 3Q23



### Digital

21.2% share of Retail sales in 3Q24

Description	3Q23	4Q23	1Q24	2Q24	3Q24	9M23	9M24
No. of Stores	585	600	606	601	612	585	612
No. of Employees	9,666	10,284	9,944	9,921	10,145	9,666	10,145
<b>In R\$ thousands</b>							
TT Gross Revenue	1,216,126	1,315,106	1,322,900	1,223,685	1,327,869	3,161,152	3,874,454
TT Gross Margin	342,805	376,901	394,010	363,411	390,041	1,000,306	1,147,462
% of Gross Revenue	28,2%	28,7%	29,8%	29,7%	29,4%	28,7%	29,2%
Gross Revenue - Retail	1,102,043	1,205,413	1,166,528	1,177,913	1,289,157	3,161,152	3,633,598
Gross Margin - Retail	330,432	359,203	344,592	354,717	385,988	958,569	1,085,297
% of Retail Gross Revenue	30,0%	29,8%	29,4%	30,1%	29,9%	30,3%	29,8%
Adjusted EBITDA LTM	56,595	68,657	60,317	49,044	71,778	163,710	181,140
% of Gross Revenue	4,7%	5,2%	4,6%	4,0%	5,4%	4,7%	4,7%
Adjusted Net Income LTM	27,175	33,047	26,558	20,063	37,261	75,905	83,882
% of Gross Revenue	2.2%	2.5%	2.0%	1.6%	2.8%	2.2%	2.2%
Free Cash Flow	12,212	(6,144)	38,514	(58,830)	(72,478)		
Indebtness	0.75x	0.78x	0.59x	0.86x	1.15x		

\* Group consolidated data includes not only Retail and Wholesale operations but also data from other controlled subsidiaries

# A Message from Management

Following a second quarter in which we faced the largest climate crisis in the history of Rio Grande do Sul, we once again demonstrated our ability to respond to adversities. Combined with a high level of employee engagement, this enabled us to start 3Q24 with our operations fully normalized and exceeding our own expectations. The resilience of Grupo Panvel's operations was put to the test and rose to the challenge, achieving significant sales and performance gains during the period.

**Panvel's sales grows 17.0% vs 3Q23, with solid SSS and MSSS performance (+14.1% and +11.4%, respectively).**

A Panvel's Gross Revenue grew 17.0% in the period, driven by an excellent SSS performance (14.1% vs. 3Q23) and MSSS (11.4% vs. 3Q23). It is worth noting the **opening of 14 new stores in 3Q24**, resuming the expansion pace seen in quarters prior to the flood period. This robust sales growth translated into the eighteenth consecutive quarter of **market share gains across all Southern Region**

states, reaching a market share of 12.5% in 3Q24—a strong 0.4 p.p. increase over the same period in 2023. This sales performance reflects the Company's focus on **increasing medication sales in its physical and digital stores**, which has led to more investments in technologies to reduce customer service friction and training for our staff to provide even greater care, especially for chronic and continuous-use clients. The Hygiene and Beauty categories, particularly Panvel Products, remain essential competitive differentiators.

**Digital** was also a major highlight for Panvel, reaching a **record share of 21.2%** of the network's total sales for the quarter, with a 19.6% growth over last year. Throughout the third quarter of 2024, the highlight was the growth of the App, which showed a 35% increase compared to 3Q23. We continue to advance in social commerce tools, which enhance our capacity to impact clients and drive new digital sales.

**Panvel's Digital reaches record participation of 21.2% of retail's sales, carried by App growth (+35% vs 3T23),**

**Adjusted EBITDA grows 26.8%, with 5.4% margin (+0.7 p.p vs 3T23)**

**Sales growth was accompanied by EBITDA margin expansion.** On one hand, as previously mentioned, the growth in medication sales and digital channels put additional pressure on Retail Gross Margin, which reached 29.9% in 3Q24 (a 0.1 p.p. decrease compared to 3Q23). On the other hand, the lower share of Wholesale in the Group's Revenue composition resulted in a positive business mix effect, expanding the

Group's Gross Margin to 29.4% of Revenue in 3Q24—a 1.2 p.p. increase vs. 3Q23. This effect, combined with strong operating leverage from Retail sales, allowed **Adjusted EBITDA Margin to represent 5.4% of Gross Revenue, with a growth of 26.8% over the prior year, reaching R\$ 71.8 million for the quarter.**

Similarly, Adjusted Net Income for 3Q24 was R\$ 37.3 million, equivalent to a net margin of 2.8% of the Group's Gross Revenue (+0.6 p.p. vs. 3Q23), with a growth of 36.9%. The Company's Net Income, before adjustments, showed an even greater growth of 41.7% compared to 3Q23.

**Adjusted Net Income grows 36.9% vs. 3Q23, reaching a net margin of 2.8% (+0.6 p.p.).**

## Stores Portfolio

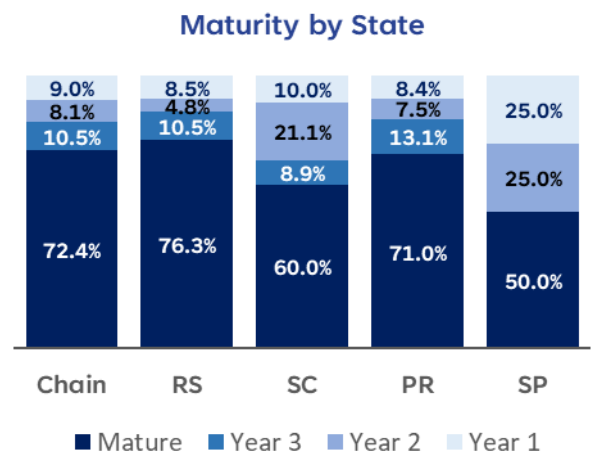
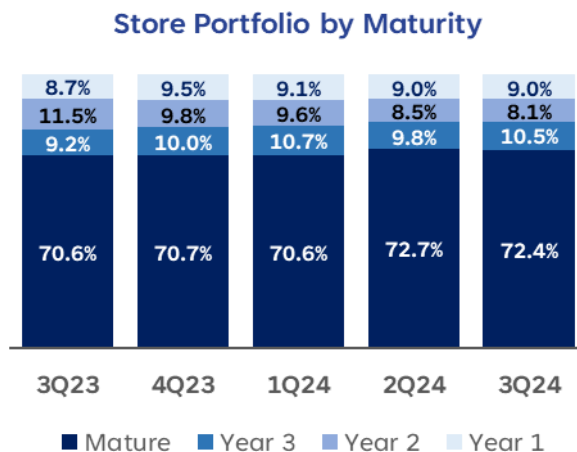
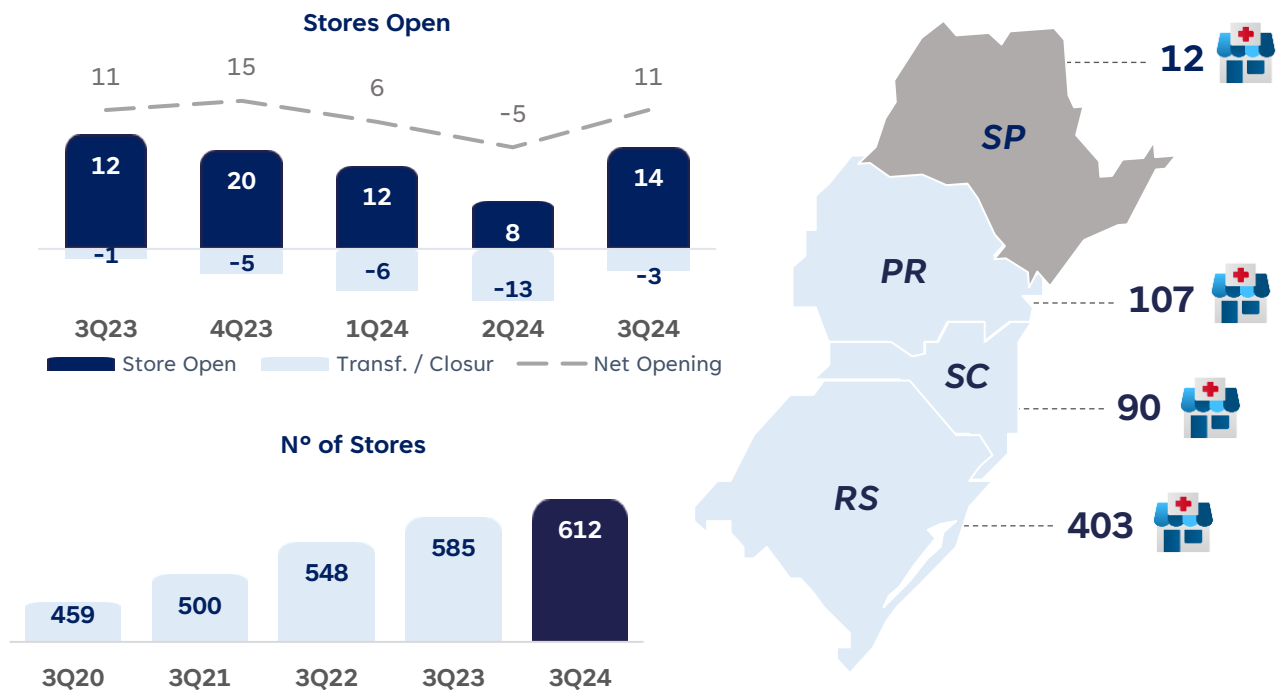
In 3Q24, we advanced in resuming our expansion, aiming to meet the guidance of 60 new stores in 2024. Accordingly, we inaugurated 14 stores: 7 units in Rio Grande do Sul, 2 in Santa Catarina, 4 in Paraná, and 1 in São Paulo capital, reaching a total of 612 stores in operation.

**In a quarter marked by expansion resumption, we delivered the highest net openings of the year.**

During the period, we closed 1 branch, in line with our strategy to optimize the store network by maintaining only those that meet the Company's current performance criteria. Additionally, we relocated 2 mature branches to locations with greater potential for results generation.

The Company resumed its expansion pace in the third quarter, remaining confident in its commitment to open 60 stores this year, with a focus on increasing density in the Southern Region, particularly outside the capital cities.

At the end of 3Q24, the Company had 72.4% of stores considered mature and 27.6% in the maturation process.



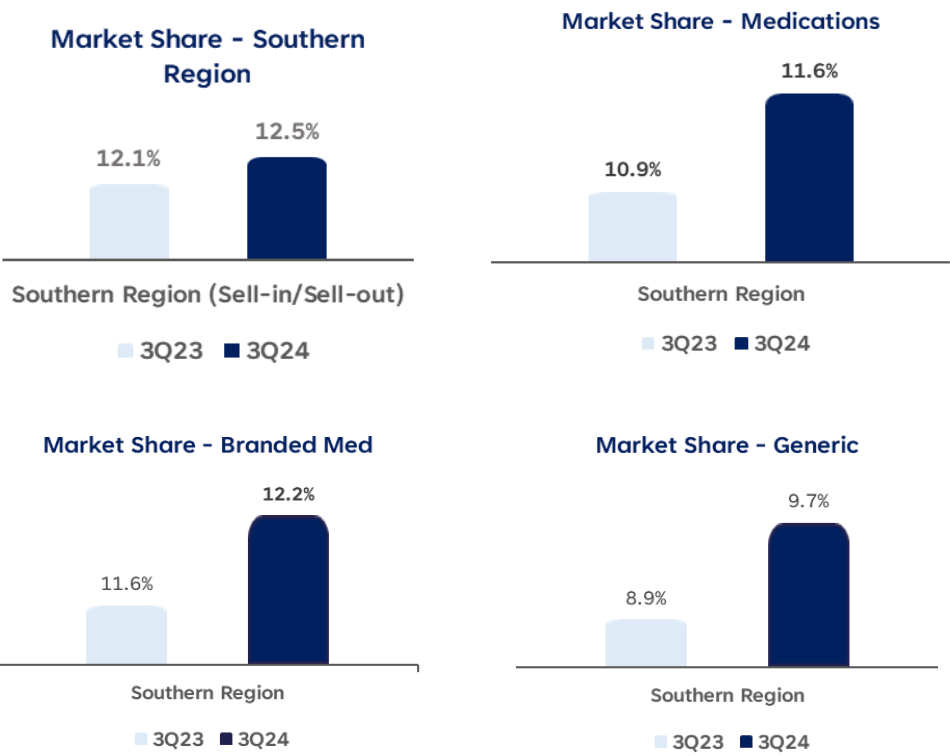
# Market Share

In 3Q24, the Company achieved its eighteenth consecutive quarter of market share growth in the Southern Region.

During the period, Panvel reached a market share of 12.5% in the Southern Region, a 0.4 p.p. increase over the same period last year, with gains across all states. The highlight was the State of Santa Catarina, where we gained +0.7 p.p. vs. 3Q23, **reaching a 6.8% share**. In Paraná, we achieved a gain of +0.4 p.p., **reaching a 6.5% share**, besides a +0.2 p.p gain in Rio Grande do Sul, **reaching a 21.2% share**. Notably, the Medication category performed exceptionally well, with a 0.7 p.p. gain compared to 3Q23, driven by Branded and Generic Medications.

The Company continues to see significant opportunities in the Southern Region, particularly in the interior areas of these states. These opportunities will continue to be pursued over the coming periods.

Panvel gains market share in the south region, with growth across all states.



Source: IQVIA – Sell-in/Sell-out Concept = distributor sales combined with retail sales



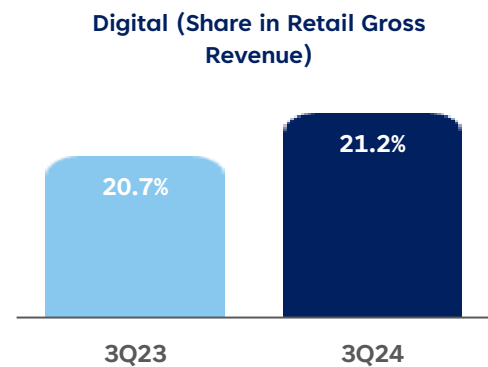
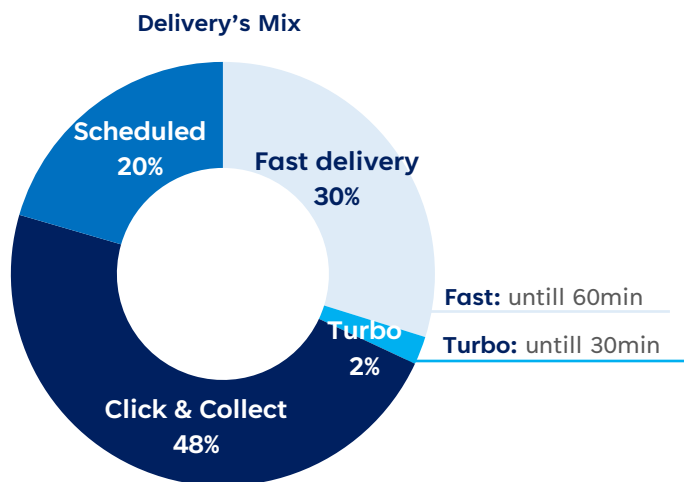
## E-commerce and Digital Initiaves

Panvel's digital channels continue to grow and evolve in terms of frequency and appeal, consolidating our position as a benchmark in Brazilian pharmaceutical retail with the highest share of digital channels in sector transactions

With Panvel's operations normalized by July, we saw digital channels accelerate throughout the quarter, ending the period with a **record 21.2%** share of retail sales in 3Q24, marking a 19.6% growth over 3Q23.

The highlight of the quarter was the performance of the App, which maintained an accelerated sales growth rate (+35.3% vs. 3Q23), in line with Panvel's customer digitalization strategy.

Sales through the app expanded their share in digital sales, with 35.3% growth compared to 3Q23.



Regarding our regional strategy for digital channels, 3Q24 marked another quarter of balanced Digital participation across the Southern Region states, with share growth in all states. In São Paulo, Panvel continues its strategy for the region, aiming to provide the best online experience with the fastest delivery in Brazilian pharma retail, without compromising operational profitability. **As a result, we saw digital channel sales grow by 38.6% in São Paulo, 33.9% in Santa Catarina, and 24.6% in Paraná.**

### Digital Structure 3Q24



Click & Collect:  
612 stores



3Q24 Deliveries:  
640,000



Service level:  
97%



Delivery Stores:  
212



Mini DC/Darkstore  
9 units



Fast Delivery up to 1h / Turbo Delivery up to 30min / Scheduled Delivery, received during the preferred time slot

## Tecnology and Inovation

Panvel remains steadfast in its innovation strategy. The Company is increasingly reaping the rewards of its investments in AI-driven solutions, finding more opportunities for applications and benefits through tools like Sofia (Pharmaceutical Guidance Service with Generative AI – **Serviço de Orientação Farmacêutico com Inteligência Artificial**, in portuguese).

Developed in-house and trained with ANVISA's public database, alongside specific information about medications and regulatory standards, Sofia is now available in 543 Panvel locations, representing 89% of the Group's store network, with over 12,500 interactions per month and an 81% positive feedback rate.

In addition to assisting store teams by providing guidance on medication interactions and regulatory standards, Sofia's scope of application continues to expand, now being tested as a post-sales tool focused on CRM to monitor treatments for customers with ongoing medication needs.



### Others Generative AI Aplications

Beyond Sofia, we are making significant strides with various generative AI applications, led by a dedicated Artificial Intelligence and Data Science team, focusing on four core pillars:

- **Pricing:** using AI, we identify the price elasticity (positive or negative) of products to adjust prices and develop strategies that enhance profitability. This allows us to maintain sales volume for items that can support a price increase and gain market share by applying discounts to products that generate higher returns in sales.
- **Mix:** Generative AI applications for product mix use POS data to identify sought-after but unavailable items, cross-referenced with IQVIA market data. This analysis allows AI to recommend the addition of new products, optimizing the mix and better meeting customer demand.
- **In-Store Productivity:** we monitor service times based on POS events, cross-referenced with store productivity algorithms.
- **Stock Outages:** automated stock parameter adjustment algorithms help the commercial team reduce the risk of stockouts.

The Company also sees opportunities in **other areas**, such as HR (recruitment and turnover prediction) and fraud prevention.



# Healthcare Ecosystem

Panvel maintains its position as a reference in health services in the Southern Region of Brazil, consolidating its presence with a substantial market share in the provision of services, including tests, vaccines and other essential services that make up our portfolio.

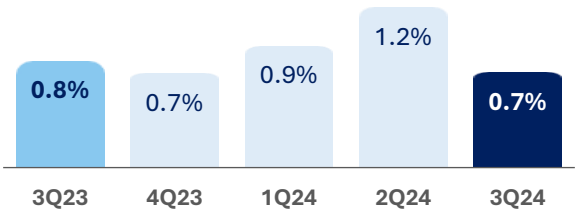
During 3Q24, the Company achieved a relevant market share of 44.9% in vaccination in the South Region, according to IQVIA data. This fact has increasingly led consumers to identify Panvel stores as a trusted place to address and resolve a wide variety of health-related issues. It is worth noting that Panvel was awarded the chain with the **highest vaccination productivity per store in Brazil** during the first half of 2024, according to a survey by ClinicaRX in its report on efficiency per store of pharmaceutical chains.

## Panvel Clinic

Through Panvel Clinic, Panvel solidifies its role as a true Health Hub, upholding the highest standards of service and innovation in providing healthcare services to the communities where it operates.

Panvel Clinic	Vaccination Rooms	Services Provided
<b>386 stores</b>	<b>96</b>	<b>+ 113k</b>
(+27 rooms vs 3Q23)	(+5 rooms vs 3Q23)	(+39,0% vs 3Q24)

Services (Share in Retail Gross Revenue)



Over the past few years, the Services pillar has shown that the pharmacy has come to be understood by the customer as a place to carry out tests, vaccines and other health services. In the quarter, the Services pillar represented 0.7% of Gross Retail Revenue, a performance in line with the Company's expectations in the period, with emphasis on the vaccination operation in which Panvel is the leader in productivity/store, as well as continuing to maintain its leadership in vaccination market share in the Region.

Another key role of this pillar has been the increase in recurrence. **Customers who use a service have a**

**frequency 3x higher than a customer who does not use services.** In addition, these customers also consume a greater number of items per invoice, which strengthens the strategic role of services in pharmacies as a vector of recurrence and loyalty.

Currently, our network covers more than 380 rooms dedicated to carrying out services, and this structure also includes 96 vaccination rooms, covering the entire South Region and the city of São Paulo/SP.

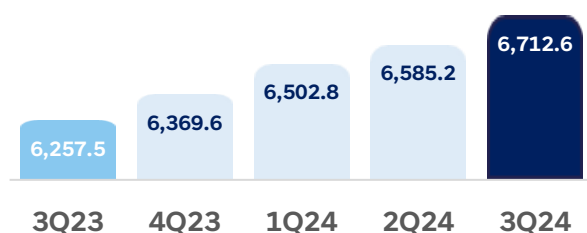
Among the tests offered are those related to pregnancy, fertility, thyroid, hepatitis, cholesterol, glycated hemoglobin and dengue. We expanded our portfolio with important items, such as the dengue vaccine, HPV9 vaccine and pneumo-15 vaccine, in addition to the PCR test, demonstrating our commitment to expanding and diversifying the services offered.

## CRM

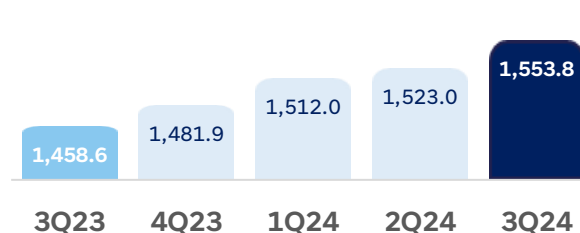
In 3Q24, the Bem Panvel Program continued its mission of attracting new customers, reaching a total of 24.6 million registered clients. This increase reflects Panvel's physical expansion over recent years, as well as the success of its communication, partnership, and membership strategies.

Within this customer base, we identified a total of 6.7 million Active Clients, a group that grew by 7.0% over the past 12 months (+450,000 new customers). Representing 27% of our total base, this segment is critical to Panvel's loyalty strategy and recurrence growth, marking the beginning of converting new clients and reactivating inactive ones.

Active Customer's Evolution (thousands)



Loyal Customer (thousands)

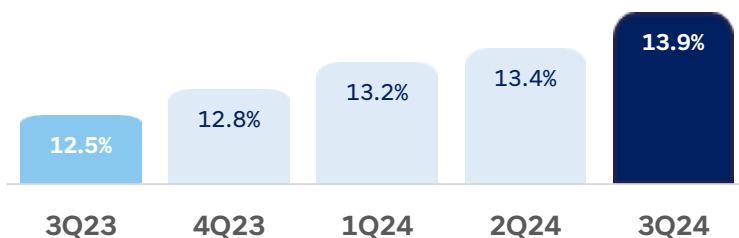


*Active Customer = made at least one purchase in the past 12 months / Loyal Customer = customer who visits/purchases every*

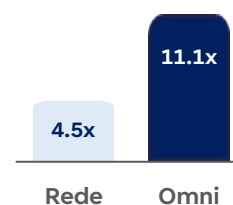
Continuing the journey, Panvel's loyalty strategy has yielded positive results, with the number of Loyal Customers growing by 6.5% in the same period, surpassing 1.5 million customers. This progress underscores Panvel's competitive advantages, such as high service levels, quality customer care, and a diverse product mix, along with a truly omnichannel, personalized experience. These factors are crucial for Panvel, as they enable the company to look inward from a solid and engaged customer base, identifying even further growth potential.

In line with this, we continue advancing loyalty strategies, particularly targeting customers who rely on chronic and continuous-use medications. These customers are five times more valuable than others due to their four times greater visit frequency and 1.3 times higher spending per visit. The Company expects this growth lever to contribute increasingly to store productivity, especially in boosting average sales per store.

Omni Customer Evolution



Semiannual Frequency (Omni Customer)



One of the main tools for our loyalty process is the digital engagement of our customers. In this regard, we closely monitor our progress and have once again increased the share of Omni customers (those purchasing through both physical and digital channels) within our total customer base, reaching a 13.9% share, a significant leap compared to the third quarter of last year.

## Quality of Service

Panvel continues to provide its customers with a unique journey of satisfaction, quality, and experience, regardless of the channel through which the purchase occurs. For this reason, Panvel is recognized by consumers for delivering the best experience in pharmaceutical retail, as evidenced by the indicators below:



Panvel's NPS remained high in 3Q24, reaching 78 points, according to Bain & Company's methodology. Panvel continues to stand out in Brazilian pharmaceutical retail with a strong digital presence, fast delivery, and excellent NPS.

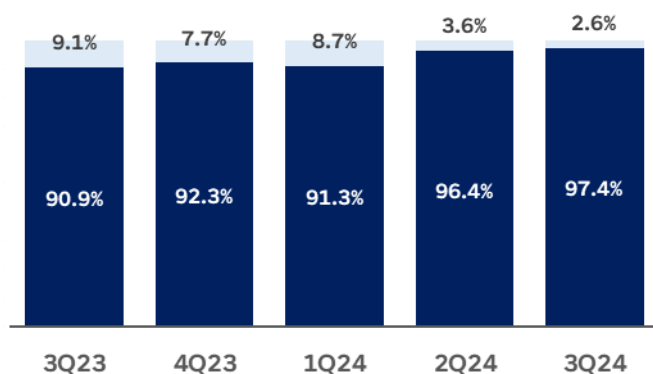
## Consolidated Gross Revenue

The consolidated gross revenue (which includes sales from retail, wholesale, and other business units of the Company) reached R\$ 1,327.9 million in 3Q24, representing a growth of 9.2% compared to 3Q23.

It is important to highlight that the reduction in the Wholesale operation, initiated due to the flooding in 2Q24, will affect the Group's sales growth outlook for a few quarters.



### Wholesale's Share in Business

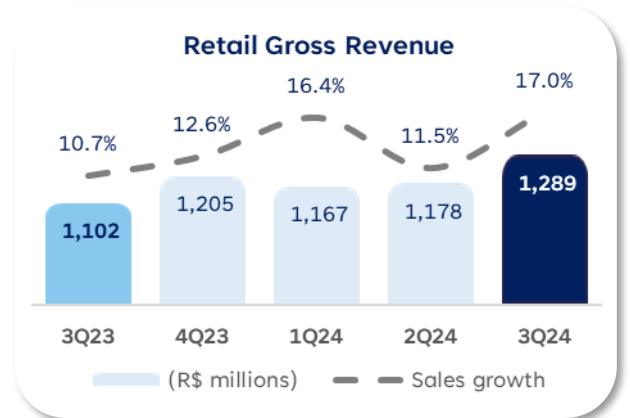


Starting from 3Q24, the Wholesale operation adopted a new format, prioritizing sales and deliveries with a lower impact on logistics costs. As a result, we will see a reduced share in the composition of the Group's gross revenue, a shift that will positively impact the Company's margin. However, in the short term, it will lead to consolidated revenue growth that is lower than the retail performance.

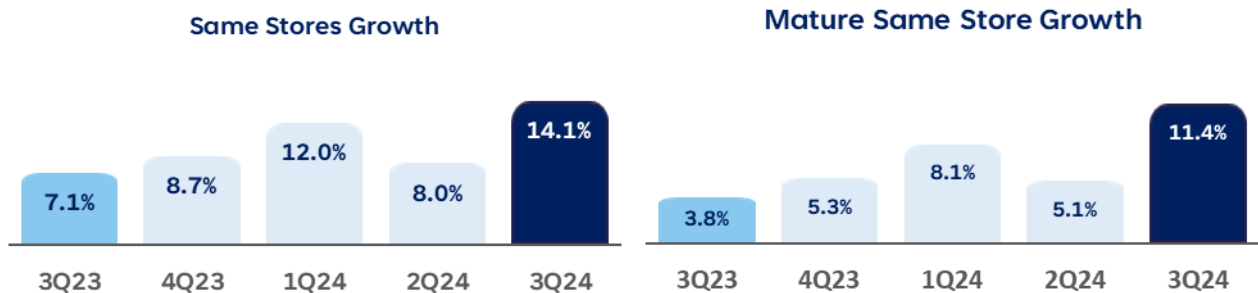
## Retail

In 3Q24, Panvel reported a 17.0% growth in Retail Gross Revenue compared to 3Q23, a result that demonstrates the resilience of the Company's operations after the challenges faced in the second quarter of the year.

Throughout this period, we saw sales accelerate month by month, starting with a 15.2% growth in July, 16.2% in August, and 19.7% in September. This performance is directly linked to the Company's strategy of focusing on the sale of medications, particularly those for chronic and continuous use. We believe there are still many opportunities to capture from chronic and continuous medication customers, who typically have higher ticket purchases and more frequent buying patterns—key drivers for continued productivity gains (especially in the indicator of average sales per store).



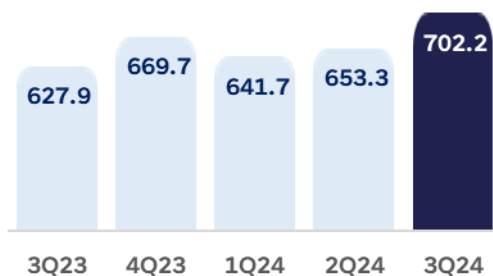
Same Store Sales (SSS) showed a robust growth of 14.1% in 3Q24 compared to 3Q23. Similarly, Mature Same Store Sales (MSSS) showed strong growth of 11.4% compared to 3Q23, significantly outperforming the inflation rate for the period.



## Average Sales

**Average Sales per Store in 3Q24 Exceeds R\$ 700 thousand, with an 11.8% Growth Compared to 3Q23.**

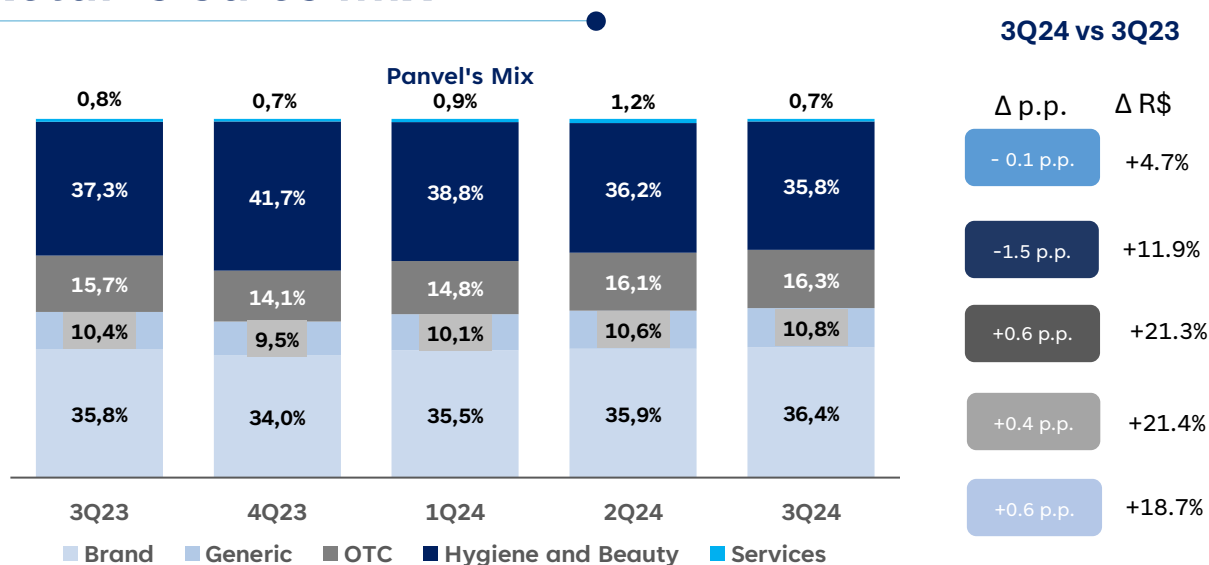
Average store sale (R\$ thousands)



Continuing the trend of constant evolution, in 3Q24, the Average Sales per Store reached a new record. We closed the quarter with an average of R\$ 702.2 thousand per store/month. Among all productivity indicators, we believe this is the key metric to be pursued.

Considering that Panvel currently has a large volume of stores in maturation, especially in the states of Santa Catarina and Paraná, we understand that the average sales results delivered by our operations demonstrate the efficiency of our expansion project and the productivity gains from the existing store base.

## Retail's Sales Mix



In 3Q24, the main growth highlights came from the pharmaceutical segment, which showed a 19.8% increase, aligning with the Company's commercial strategy to expand and further retain consumers seeking the most complete product mix to address all their health-related needs.

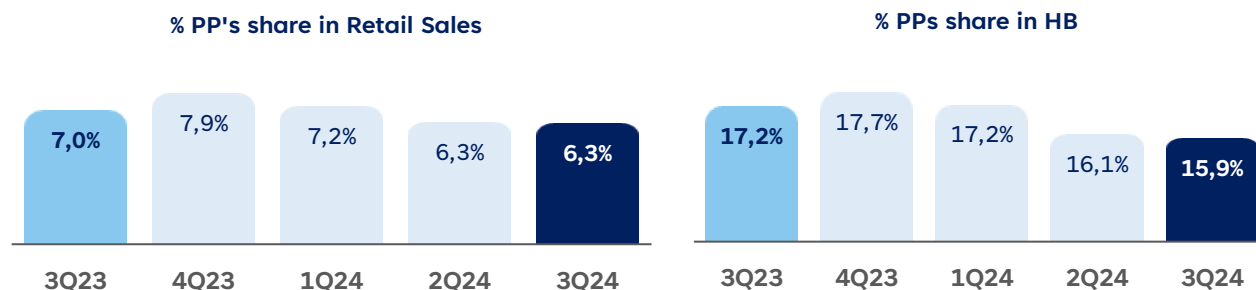
The **Prescription Medication (RX)** category was one of the key performers, growing 18.7% compared to 3Q23, and increasing its share in the product mix by 0.6 percentage points. This movement aligns with the Company's strategy to increasingly meet the needs of chronic and continuous medication users.

The **Over-the-Counter (OTC)** category expanded by 0.6 percentage points compared to 3Q23, growing 21.3%, mainly driven by the following groups: Cold & Flu (+44.3%), Vitamins & Supplements (+32.1%), Diabetes (+28.6%), and Skin & Mucous Membranes (+27.0%).

The **Generic Medications** category saw a 21.4% increase compared to 3Q23, expanding its share in the mix by 0.4 percentage points in 3Q24. This category plays a vital role in driving foot traffic to stores and serves as a key lever for maintaining a healthy gross margin.

The **Hygiene & Beauty (HB)** category grew 11.9% compared to 3Q23, but experienced a 1.5 percentage point reduction in its share of the mix. Among HB subcategories, the strongest performers were: First Aid (+21.3%), Hair Care (+21.9%), Food (+18.6%), Adult Nutrition (+15.8%), and Body Products (+14.4%).

## Panvel Products



The sales of Panvel-branded products were directly impacted during the quarter by the flooding events that affected the Lifar Laboratory, a company owned by the Panvel Group, which produces one-third of all products under the Panvel brand. In addition to halting production for an extended period, a significant portion of its finished product inventory was damaged during the floods and had to be discarded. This led to a high level of stockouts of Panvel-branded products throughout both the second and third quarters.

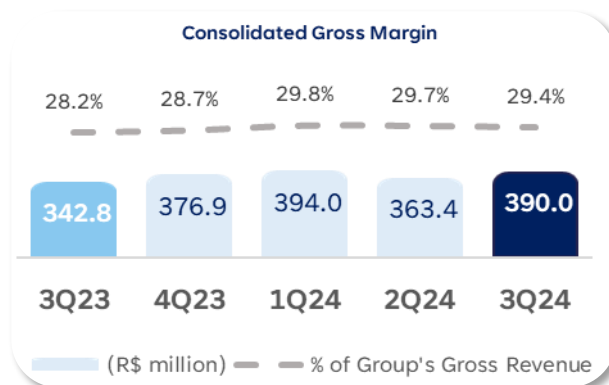
In this context, Panvel-branded products grew 5.0% compared to 3Q23, representing 6.3% of total Retail sales and 15.9% of the Personal Care & Beauty category sales at Panvel, maintaining its position as a benchmark in the Brazilian pharmaceutical retail sector.

When analyzing the other Exclusive Brands of the Panvel Group (a category that includes brands such as Lifar, Sanitas, and Vivaz), they accounted for 0.5% of Retail Gross Revenue in the period. Combined with the share of Panvel-branded products, these brands contributed to a total share of 6.8% of overall retail sales.

We believe that the main challenges caused by the flooding were limited to the second quarter, and that with the resumption of production at Lifar and the normalization of stockouts in stores, the share of Panvel-branded products and Exclusive Brands will return to historical levels in the upcoming quarters.

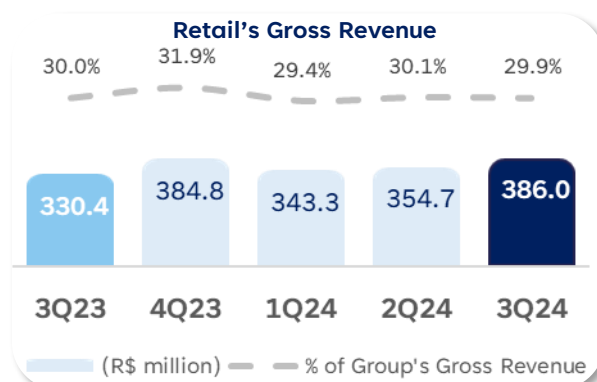
## Gross Margin

The Company reported a Consolidated Gross Margin (including retail, wholesale, and other business units) of R\$ 390.0 million in 3Q24 (+13.8% vs 3Q23), representing 29.4% of the gross revenue for the period, an increase of 1.2 percentage points compared to the same period last year. It is important to highlight that this growth in the Consolidated Gross Margin is driven by the strong growth in Retail sales over Wholesale sales during the period, indicating a sales mix effect.



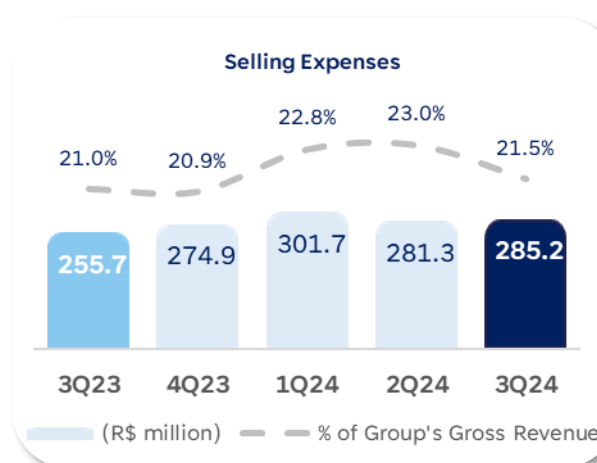


The Retail Gross Margin was R\$ 386 million, representing 29.9% of the Gross Revenue in 3Q24, a growth of 16.8%, with a 0.1 percentage point pressure compared to 3Q23. The performance of this indicator is directly related to the stronger growth of medications within the sales mix, particularly branded drugs, as well as the increased penetration of digital channels in sales

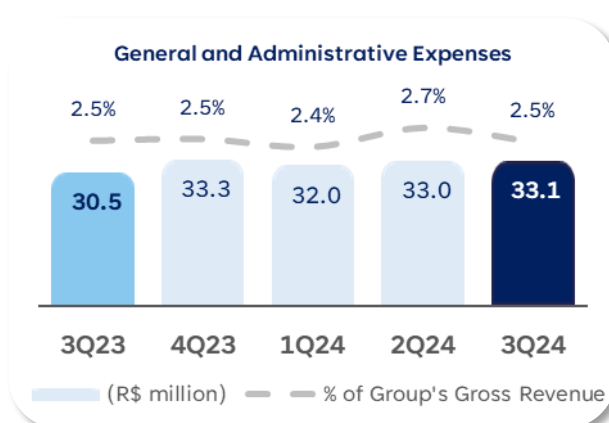


## Selling Expenses

In 3Q24, total Selling Expenses amounted to R\$ 285.2 million, representing 21.5% of Gross Revenue. Selling expenses grew 11.5% during the quarter, below the Retail Sales growth (17.0%), with notable performance in the Personnel and Rent groups. Operational leverage in Retail and the consequent expense dilution are not reflected in the third-quarter indicator due to the significant reduction in Wholesale sales across the Company. This effect is more than offset by the 1.2 pp increase in Gross Margin, as previously discussed, driven by the same sales mix effect across the Panvel Group's operations.



## General and Administrative

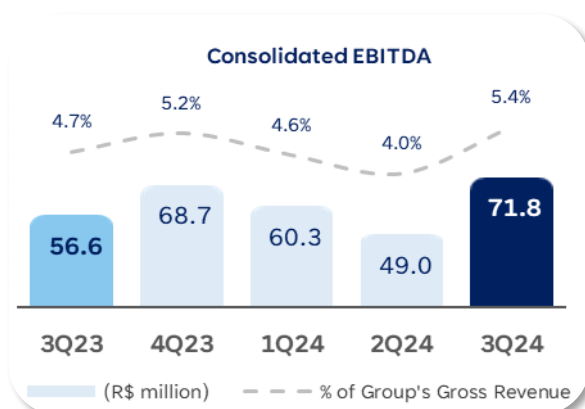


General and Administrative Expenses totaled R\$ 33.1 million in 3Q24, representing 2.5% of Gross Revenue, with an 8.4% increase compared to 3Q23. As previously mentioned, the growth in expenses was significantly lower than Retail Sales growth (17.0%) during the period, and the dilution effect is not reflected due to the substantial reduction in Wholesale sales across the Company. Therefore, we believe that the Panvel Group remains a benchmark in efficiency in controlling this indicator, with the lowest expenses in the sector.

## EBITDA

In 3Q24, we reported an adjusted EBITDA of R\$ 71.8 million, a 26.8% increase compared to 3Q23, with a margin of 5.4% of Gross Revenue (+0.7 p.p. vs 3Q23), marking the highest nominal EBITDA for a quarter in our historical series.

The significant EBITDA margin expansion during the period is a result of the productivity gains observed in our stores and is especially important after the challenges faced in the second quarter due to the floods in Rio Grande do Sul, demonstrating the Company's resilience. We remain optimistic about margin expansion for the last quarter of the year.



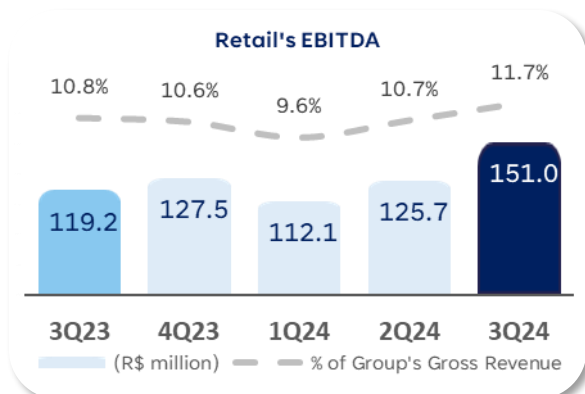
### Adjusted EBITDA reconciliation

EBITDA Reconciliation (R\$ millions)	3Q23	3Q24	Var. %
<b>Net Income</b>	<b>26.1</b>	<b>37.0</b>	<b>41.7%</b>
(+) Income Tax	1.2	6.5	419.5%
(+) Financial Result	6.3	6.4	1.7%
<b>EBIT</b>	<b>33.7</b>	<b>49.8</b>	<b>47.7%</b>
(+) Depreciation and Amortization	17.0	19.6	15.2%
<b>EBITDA</b>	<b>50.7</b>	<b>69.4</b>	<b>36.8%</b>
Participations/Distributions Asset Write-down/Provision for Write-downs	4.8	2.1	-
Other Adjustments	0.2	0.0	-
Other Adjustments (donations)	0.9	0.3	-
<b>Adjusted EBITDA</b>	<b>56.6</b>	<b>71.8</b>	<b>26.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>4.7%</b>	<b>5.4%</b>	<b>0.7 p.p.</b>

## Retail's EBITDA

Gross Retail Revenue (-) COGS/Taxes/Discounts/Returns = Retail Gross Margin (-) Store Operating Expenses (+) Store Depreciation = Retail EBITDA

In 3Q24, Retail EBITDA amounted to R\$ 151.0 million (+26.2% vs. 3Q23), with an expansion of 0.9 p.p. compared to 3Q23. The strong margin expansion is a direct result of the expense dilution across stores, with particular emphasis on the excellent performance of the mature store base, which offset the effects of the accelerated store openings.

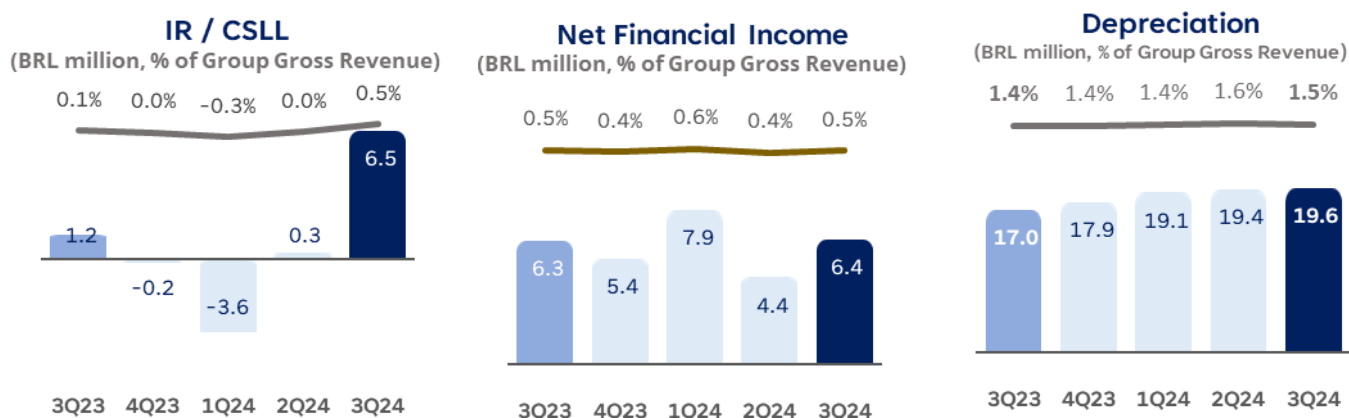


## Depreciation, Net Financial Result and IR/CSLL

Depreciation saw a slight quarterly increase of 0.1%, a natural result of the investments made in store expansion.

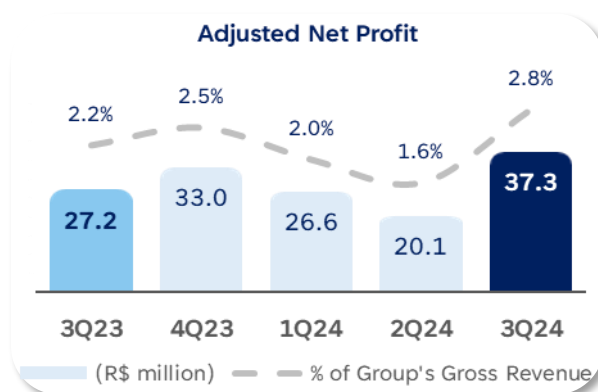
Net Financial Expenses remained stable, representing 0.5% of the Group's Gross Revenue, reflecting the Company's expected cash position for the period.

The Income Tax and Social Contribution (IR/CSLL) had a negative impact of 0.4 p.p. in the quarterly comparison, primarily due to the beginning of tax treatment of investment subsidies for IR/CSLL calculation. Additionally, 3Q24 faced a comparison base where the practice of quarterly Interest on Equity distribution was already in place, thus reducing the mitigation of the subsidy's impact by any potential IOE-related benefits.



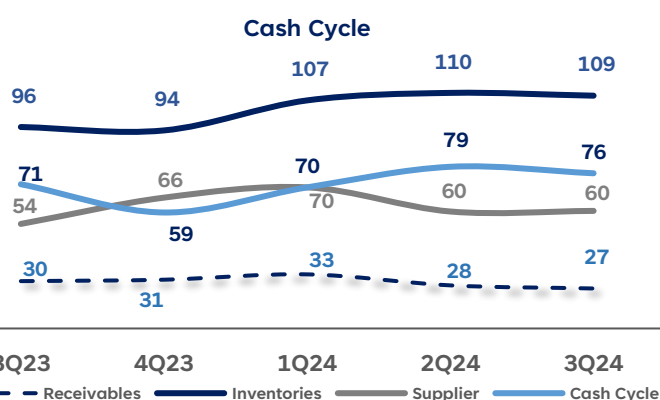
## Net Profit

The Adjusted Net Income in 3Q24 reached R\$ 37.3 million, equivalent to a net margin of 2.8%, representing an increase of 0.6 p.p. compared to 3Q23. This positive result is attributed to the aforementioned operational gains and efficient cash management, which prevented additional pressures on financial expenses. It is noteworthy that Net Income before adjustments showed an even greater increase of 41.7% compared to 3Q23.



Net Income Reconciliation	3T23	3T24	Var. %
(R\$ millions)			
Net Income	26.1	37.0	41.7%
Asset Write-offs	0.2	0.0	-
Other Adjustments	0.9	0.3	-
Adjusted Net Income	27.2	37.3	37.1%
Adjusted Net Margin	2.2%	2.8%	0.6 p.p.

## Cash Conversion Cycle



The Company's Cash Conversion Cycle in 3Q24 faced a temporary pressure of 5 days compared to 3Q23, yet improved by 3 days over the previous quarter.

Due to the reduced share of Wholesale in the business mix, there was a significant improvement in the average collection period, reaching 27 days—down by 3 days from 3Q23 and by 1 day from 2Q24.

On the other hand, Inventory Days remained elevated (+13 days vs. 3Q23 and -1 day vs. 2Q24) due to two temporary factors: the

previously mentioned reduction in Wholesale sales, which worsens the indicator until inventory volumes in the distribution centers (DCs) stabilize; and the advance purchasing and dispatch of goods to our DCs and stores to prepare for the peak sales period, especially in November and December. The expectation is for a significant reduction in inventory days by the end of 4Q24.

Regarding supplier payment terms, the Company saw an increase of 6 days compared to 3Q23.

## Cash Flow

The Company posted a negative free cash flow of R\$ 72.5 million in 3Q24. Cash consumption in this period is linked to investment in inventories and store openings.

Cash Flow	3Q23	3Q24	Var. (%)	Acum 2023	Acum 2024	Var. (%)
Net Income for the Period	26,110	36,984	41.6%	70,877	76,489	7.9%
Corporate Income Tax (IRPJ) / Social Contribution on Net Profit (CSLL)	1,243	6,459	419.6%	3,568	2,475	-30.6%
Financial Result	6,364	6,369	0.1%	20,165	18,712	-7.2%
EBIT	33,717	49,812	47.7%	94,610	97,677	3.2%
Depreciation and Amortization	17,865	20,303	13.6%	51,051	58,739	15.1%
EBITDA	51,583	70,115	35.9%	145,660	156,416	7.4%
Cash Cycle	(8,874)	(63,871)	-	(86,528)	(168,388)	94.6%
Other Variations in Assets and Liabilities	(12,834)	(24,327)	89.6%	(29,671)	2,120	-107.1%
Operating Cash Flow	29,875	(18,083)	-	29,462	(9,853)	-133.4%
Investments	(36,019)	(54,395)	51.0%	(97,828)	(108,296)	10.7%
Free Cash Flow	(6,144)	(72,478)	-	(68,366)	(118,149)	72.8%
Interest on Equity (IOE)	(7,237)	(7,204)	-0.5%	(29,011)	(33,165)	14.3%
Treasury Shares	(10)	-	-	(715)	-	-100.0%
Matching Shares	-	48	-	2,075	1,932	-102.0%
Net Cash Used in Financing Activities	(13,391)	(79,634)	495%	(96,017)	(149,382)	55.6%

## Indebtness

Net Debt (in R\$ million)	3Q23	4Q23	1Q24	2Q24	3Q24
Short-Term Debt	128.9	102.5	188.9	227.4	171.0
Long-Term Debt	310.0	280.0	280.0	250.0	316.4
Gross Debt	438.9	382.5	468.9	477.4	487.3
(-) Cash, Equivalents, and Financial Investments	265.0	245.4	262.3	270.6	200.9
Net Debt / Cash	173.8	137.1	206.6	206.8	286.4
Net Debt / Adjusted LTM EBITDA	0.78x	0.59x	0.86x	0.89x	1.15x

The Company maintained a solid capital structure with low leverage (1.15x EBITDA LTM). We consider this low debt level a competitive advantage, which we expect to return to a downward trend over the coming periods.

Throughout 3Q24, the Company secured access to low-cost funding lines from FINEP (a 12-year term loan with a 3-year grace period) and BNDES (emergency credit for companies in Rio Grande do Sul, with a total term of 5 years and a 1-year grace period). These loans significantly enhance the Company's debt profile by improving the WACC with costs substantially lower than CDI and extending the average payment term.

## Investments

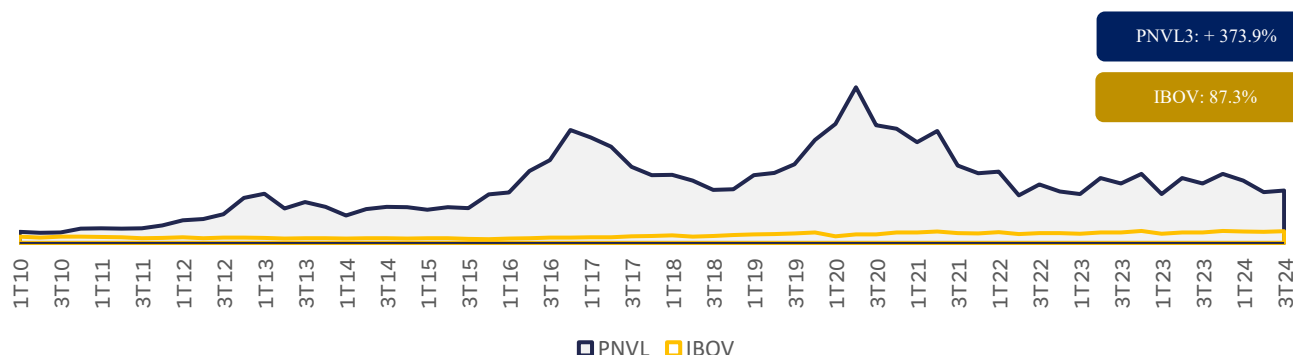
In 3Q24, we made investments totaling R\$ 54.4 million, an increase of 43.8% compared to 3Q23. The resumption of investment pace after the floods in the second quarter marks an important milestone, with an accelerated expansion and the opening of more stores, as planned for the second half of 2024. This normalization of investments underscores our commitment to the Company's sustainable growth.

(in R\$ thousands)	3Q23	3Q24	△	9M23	9M24	△
Store Openings	18,872	30,374	60.9%	53,247	55,675	4.6%
Store Renovations	4,447	4,329	(2.7%)	11,315	8,700	(23.1%)
IT	6,953	9,352	34.5%	18,213	26,113	43.4%
Logistics and Others	5,746	10,340	79.9%	14,899	17,791	19.4%
<b>Total</b>	<b>36,019</b>	<b>54,395</b>	<b>43.8%</b>	<b>97,675</b>	<b>108,278</b>	<b>10.9%</b>

## Capital Market and Return to Shareholders

Over the years, the Company's shares (PNVL3) have consistently outperformed the main index of the Brazilian stock exchange, the IBOV. Since 2010, the stock has generated a return of 373.9%. However, over the past 12 months, the Company's share price has experienced a 12.0% decline, amidst significant market volatility and following the broader trend of the small caps index.

The Company has been consistently working to enhance shareholder returns, focusing on tracking the evolution of its ROIC, which has shown an upward trend over the past three years. This trend comes after substantial investments made during the period, following the 2020 Follow-On.



## IFRS 16: impacts

The standard introduced by IFRS 16/CPC 06 (R2) establishes new procedures for accounting certain lease contracts. For those that fall under the new rule, accounting entries are made to recognize amounts in the Company's Assets (right-of-use assets) and Liabilities (future lease obligations), which alters the accounting records from rental expenses to depreciation and interest expenses.

To maintain historical comparability, the following values are presented using the previous methodology (IAS 17). Financial data and statements under IFRS 16 rules are available on the Company's website and the CVM.

DRE	IFRS	Adjustments	3Q24 IAS 17
(in thousands)			
Gross Revenue	1,327,869	-	1,327,869
Gross Profit	<b>390,041</b>	-	<b>390,041</b>
% of G.R.	29.4%	-	29.4%
Selling Expenses	(239,366)	(45,811)	(285,178)
Administrative Expenses	(33,085)	-	(33,085)
Total Expenses	<b>(272,451)</b>	<b>(45,811)</b>	<b>(318,263)</b>
% of G.R.	20.5%	(3.5%)	24.0%
Adjusted EBITDA	<b>117,590</b>	<b>(45,811)</b>	<b>71,778</b>
% of G.R.	8.9%	(3.5%)	5.4%
Depreciation and Amortization	(52,043)	32,456	(19,587)
Admin. Share/Profit Sharing	(1,613)	-	(1,613)
Other Adjustments	(767)	-	(767)
Financial Result	(21,430)	15,061	(6,369)
Income Tax/Social Contribution	(5,879)	(580)	(6,459)
Net Profit	<b>35,858</b>	<b>1,126</b>	<b>36,984</b>
% of G.R.	2.7%	0.1%	2.8%



## Balance Sheet

ATIVO	IFRS 16			Impactos IFRS		Norma Antiga (IAS 17)		
	3Q23	3Q24	Var. %			3Q23	3Q24	Var. %
(in thousands)								
Current Assets	1,736,558	921,768	10.7%	(449)	(512)	1,736,558	1,921,256	10.6%
Cash and Cash Equivalents	10,067	12,175	20.9%			10,067	12,175	20.9%
Financial Investments	254,964	188,690	-26.0%			254,964	188,690	-26.0%
Accounts Receivable	409,032	406,631	-0.6%	(449)	(512)	409,032	406,119	-0.7%
Inventory	931,111	1,158,230	24.4%			931,111	1,158,230	24.4%
Income Tax and Social Contribution Recoverable	22,219	10,566	-52.4%			22,219	10,566	-52.4%
Taxes Recoverable	11,612	29,452	153.6%			11,612	29,452	153.6%
Other Receivables	97,554	109,214	12.0%			97,554	109,214	12.0%
Financial Instruments	-	6,396	-			-	6,396	-
Properties Held for Sale	-	414	-			-	414	-
Non-Current Assets	614,496	1,310,951	113.3%	(607,124)	(611,563)	614,496	699,388	13.8%
Deferred Taxes	26,264	61,100	132.6%	(19,543)	(22,903)	26,264	38,197	45.4%
Taxes Recoverable	11,398	13,326	16.9%			11,398	13,326	16.9%
Judicial Deposits	2,453	2,375	-3.2%			2,453	2,375	-3.2%
Related Parties Receivables	1,330	-	-			1,330	-	-
Other Assets	264	8,435	-			264	8,435	-
Prepaid Expenses	4,752	5,692	19.8%			4,752	5,692	19.8%
Investments	4	-	-			4	-	-
Property, Plant, and Equipment	487,144	1,126,495	131.2%	(587,580)	(588,660)	487,144	537,835	10.4%
Intangible Assets	80,888	93,528	15.6%			80,888	93,528	15.6%
Total Assets	2,351,054	3,232,719	37.5%	(607,573)	(612,074)	2,351,054	2,620,645	11.5%
LIABILITIES	IFRS 16			IFRS 16 Impacts		Norma Antiga (IAS 17)		
	3Q23	3Q24	Var. %			3Q23	3Q24	Var. %
(em milhares)								
Current Liabilities	851,102	1,204,259	41.5%	(158,598)	(154,931)	851,102	1,049,328	23.3%
Suppliers	512,595	624,872	21.9%			512,595	624,872	21.9%
Loans and Financing	128,915	170,951	32.6%			128,915	170,951	32.6%
Financial Instruments	-	-	-			-	-	-
Leases - IFRS 16	-	154,931	-	(158,598)	(154,931)	-	(0)	-
Salaries and Social Charges	86,021	108,482	26.1%			86,021	108,482	26.1%
Profit Sharing Payable	-	-	-			-	-	-
Taxes and Contributions	35,311	48,804	38.2%			35,311	48,804	38.2%
Dividends and Interest on Equity	12,203	26,312	115.6%			12,203	26,312	115.6%
Other Liabilities	76,059	69,907	-8.1%			76,059	69,907	-8.1%
Non-Current Liabilities	319,794	832,894	160.4%	(486,911)	(501,602)	319,794	331,292	3.6%
Loans and Financing	310,000	316,358	2.1%			310,000	316,358	2.1%
Leases - IFRS 16	-	501,602	-	(486,911)	(501,602)	-	0	-
Other Obligations	7,087	7,559	100.0%			7,087	7,559	100.0%
Provisions for Tax, Social Security, Labor, and Civil Matters	2,707	7,375	172.4%			2,707	7,375	172.4%
Shareholders' Equity	1,180,156	1,195,566	1.3%	37,937	44,459	1,180,156	1,240,025	5.1%
Share Capital	970,116	996,221	2.7%			970,116	996,221	2.7%
Capital Transactions with Shareholders	(14,448)	(14,448)	0.0%			(14,448)	(14,448)	0.0%
Capital Reserve	(24,492)	(18,178)	-25.8%			(24,492)	(18,178)	-25.8%
Profit Reserve	163,892	193,232	17.9%			163,892	193,232	17.9%
Retained Earnings	85,088	38,739	-54.5%	37,937	44,459	85,088	83,198	-2.2%
Total Liabilities and Shareholders' Equity	2,351,054	3,232,719	37.5%	(607,573)	(612,074)	2,351,054	2,620,645	11.5%

# Income Statement

DRE TRIMESTRE	IFRS			Impactos IFRS		Norma Antiga (IAS 17)		
	3T23	3T24	Var. %	3T23	3T24	3T23	3T24	Var. %
(in thousands)								
Gross Revenue	1,216,126	1,327,869	9.2%			1,216,126	1,327,869	9.2%
Taxes and Returns	(85,977)	(91,804)	6.8%			(85,977)	(91,804)	6.8%
Net Revenue	1,130,149	1,236,065	9.4%			1,130,149	1,236,065	9.4%
Cost of Goods Sold	(787,344)	(846,024)	7.5%			(787,344)	(846,024)	7.5%
Gross Profit	342,805	390,041	13.8%			342,805	390,041	13.8%
Expenses	(300,203)	(326,874)	8.9%	(8,887)	(13,355)	(309,090)	(340,229)	10.1%
Selling Expenses	(269,779)	(302,012)	11.9%	(8,887)	(13,355)	(278,666)	(315,367)	13.2%
General and Administrative Expenses	(34,003)	(36,994)	8.8%			(34,003)	(36,994)	8.8%
Other Operating Income	3,579	12,132	-			3,579	12,132	-
Financial Results	(18,983)	(21,430)	12.9%	12,620	13,337	(6,363)	(6,369)	0.1%
Financial Expenses	(31,769)	(34,246)	7.8%	12,620	15,061	(19,149)	(19,185)	0.2%
Financial Income	12,786	12,816	0.2%			12,786	12,816	0.2%
Profit Before Income Tax, Social Contribution, and Profit Sharing	23,619	41,737	76.7%	3,722	1,706	27,352	43,443	58.8%
Income Tax and Social Contribution	26	(25,879)	-	(1,269)	(580)	(1,243)	(6,459)	-
Net Income for the Period	23,645	35,858	51.7%	2,464	1,126	26,109	36,984	41.7%

# Demonstração do Fluxo de Caixa

Fluxo de caixa das atividades operacionais	9M23	9M24	Var %
Net income for the period	63,891	74,538	16.7%
Adjustments for:			
Depreciation/amortization of fixed and intangible assets	149,458	155,512	4.1%
Provision for contingent liabilities	-6,304	744	-111.8%
Equity method result	-	-	
Cost of fixed and intangible assets written off	2,638	6,112	131.7%
Provision for doubtful accounts	700	1,079	54.1%
Provision for inventory losses	-273	-67	-75.5%
Stock option or share subscription	4,279	4,455	4.1%
Deferred income tax and social contribution	1,163	-8,215	-806.4%
Interest expense on loans and financing	75,894	86,253	13.6%
Current income tax and social contribution	-1,194	9,685	-911.1%
Interest income from financial investments	-22,216	-21,754	-2.1%
<b>Total adjustments</b>		<b>233,804</b>	
<b>Changes in assets and liabilities</b>			
Accounts receivable from customers	-9,157	44,303	-583.8%
Inventories	-34,303	-158,758	362.8%
Suppliers	-42,857	-54,891	28.1%
Taxes and social contributions payable	34,106	62,673	83.8%
Judicial deposits	671	-311	-146.3%
Recoverable taxes	4,322	-16,870	-490.3%
Other asset groups	-36,287	-14,707	-59.5%
Other liability groups	-12,542	-17,062	36.0%
Income tax and social contribution paid	-2,267	-5,129	126.2%
<b>Net cash generated (used) in operating activities</b>	<b>169,722</b>	<b>147,590</b>	<b>-13.0%</b>
<b>Cash flow from investing activities</b>			
Acquisition of fixed assets	-79,691	-82,209	3.2%
Acquisition of intangible assets	-18,137	-26,087	43.8%
Financial investments	-95,600	50,500	-152.8%
<b>Net cash used in investing activities</b>	<b>-193,428</b>	<b>-57,796</b>	<b>-70.1%</b>
<b>Cash flow from financing activities</b>			
Payment of dividends and interest on equity	-29,011	-33,165	14.3%
Purchase of treasury shares	-715	-	
Loan/financing proceeds (principal)	425,000	206,358	-51.4%
Payment of lease liabilities	-123,326	-134,607	9.1%
Repayment of loan principal	-231,418	-106,492	-54.0%
Amortization of loan interest	-29,036	-39,598	36.4%
Issuance of shares under the Matching Shares plan	2,075	1,932	-6.9%
<b>Net cash generated (used) in financing activities</b>	<b>13,569</b>	<b>-105,572</b>	<b>-878.0%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-10,137</b>	<b>-15,778</b>	<b>55.6%</b>
Cash and cash equivalents at the beginning of the period	25,715	27,953	8.7%
Cash and cash equivalents at the end of the period	15,578	12,175	-21.8%