



# viveo

## Results

4Q24

The ecosystem of solutions for the whole of Brazil's healthcare chain – born with a mission to simplify the market

# Opening Remarks

CEO: Leonardo Byrro

A healthcare ecosystem  
for Brazil

GRUPO VIVO

# viveo

## Hospitals and clinics

# Mafra

Expanding the reach of healthcare in the whole of Brazil through cutting-edge materials and medicines, accelerating the sector's development.

-  Medications
-  Materials
-  Nutrition
-  Public

## Laboratories & Vaccines

 **prevena** 

Benchmark in reliability and quality in the market for vaccines and solutions for laboratories from pre-analytics to examinations and post-analytics, with cutting-edge service.

-  Vaccines
-  Reagents
-  Materials






## Retail

GRUPO  
**FW**  
Lenços umedecidos

  
*Daviso*

**Cremer**  **Flexicotton**




More than 85 years as a benchmark in quality and innovation for hospital and retail products. Specialists in:

-  Textiles
-  Adhesives
-  Plastics
-  Wipes
-  Private label

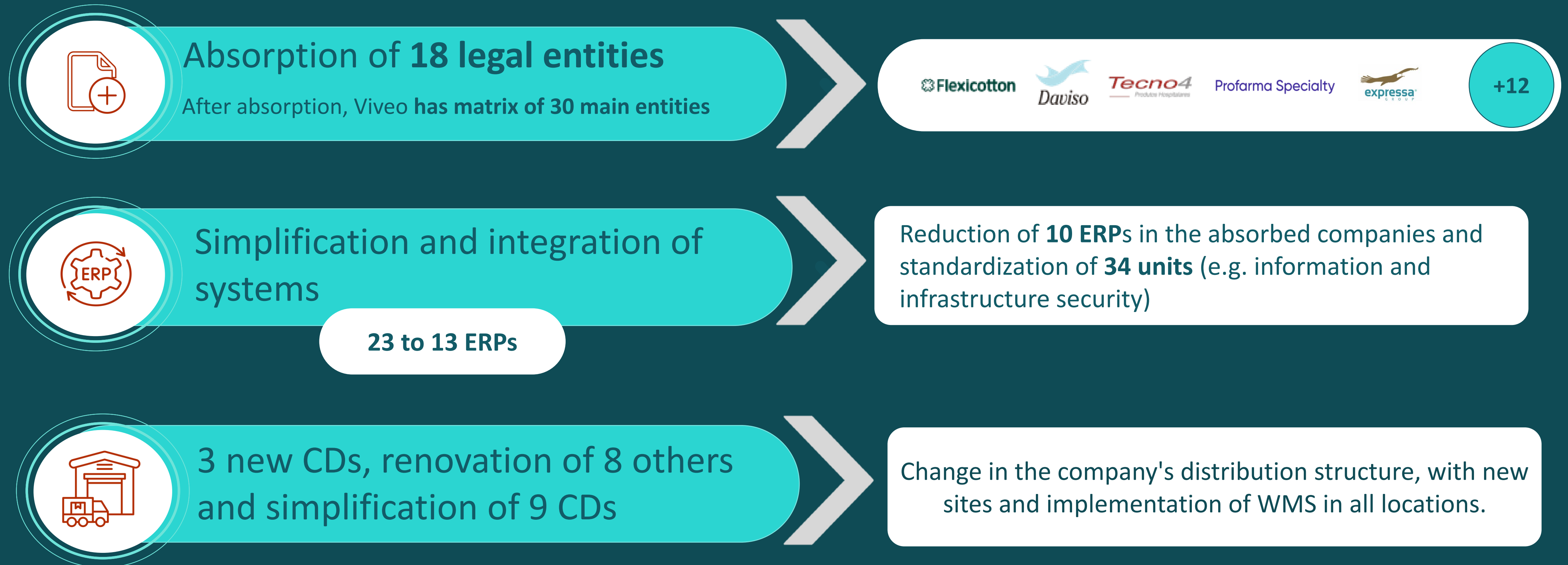
## Services and D2P

 **insuma**  **humânia**  **mafra**  
especialidades

Patient service platform, plus services and logistics solutions platform for the healthcare chain.

-  Compounding pharmacies
-  Patient support
-  Inventory management and specialized logistics

# After a cycle of accelerated growth and 25 acquisitions, Viveo began the integration of assets





# Challenges 2023/2024

## EXTERNAL

- Tax changes, such as DIFAL and Agreement 162 (ICMS exemption for some oncological medications)
- Pressure from payers and consequently from our clients (deadlines)
- Aftereffects from the pandemic

## INTERNAL

- Complexity: many companies, systems, and accelerated organic growth
- Need to evolve in visibility of indicators, inventories, and service level guarantee
- Many acquisitions and changes in distribution centers happening in parallel

# Strategic Projects

Since the end of 2023, Viveo began a journey of mapping the causes of the challenges faced, designing, and executing action plans.

For this activity, consultancies were hired, and the senior internal team was involved, with the goal of recovering profitability and realigning working capital.



## Operations

- Planning and Inventory
- New DCs
- Evolution of Freight Model
- Industrial Consolidation

## Commercial

- Contract review and termination
- Significant reduction in lead times
- Growth of better ROIC (Ex Insuma)
- Category management

## Governance

- New additions to the Board
- More centralized management model
- C-Level evolution and CEO reports

## Expenses

- CSC and reduction of fixed expenses
- Freight cost reduction
- Closure of operations like Farme and Boxifarma

## Working Capital

- $CP > Inventory$
- Reduction of excess inventory
- New policies and controls
- Efforts to drive changes with the pharmaceutical industry
- Focus on accounts receivable

# Viveo Corporate Structure – 2025



Strategic Evolution: New management model and additions to the team



Leonardo Byrro  
CEO



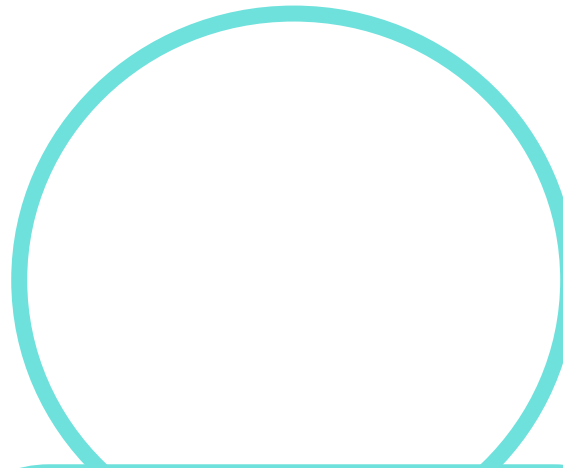
Frederico Oldani  
VP Financial  
Administration



Luiz Silva  
VP Operations



Ricardo Romano  
Director of Category  
Strategy and Pricing



VAGO  
VP HR e ESG



Vilson Schwartzman  
VP Distribution



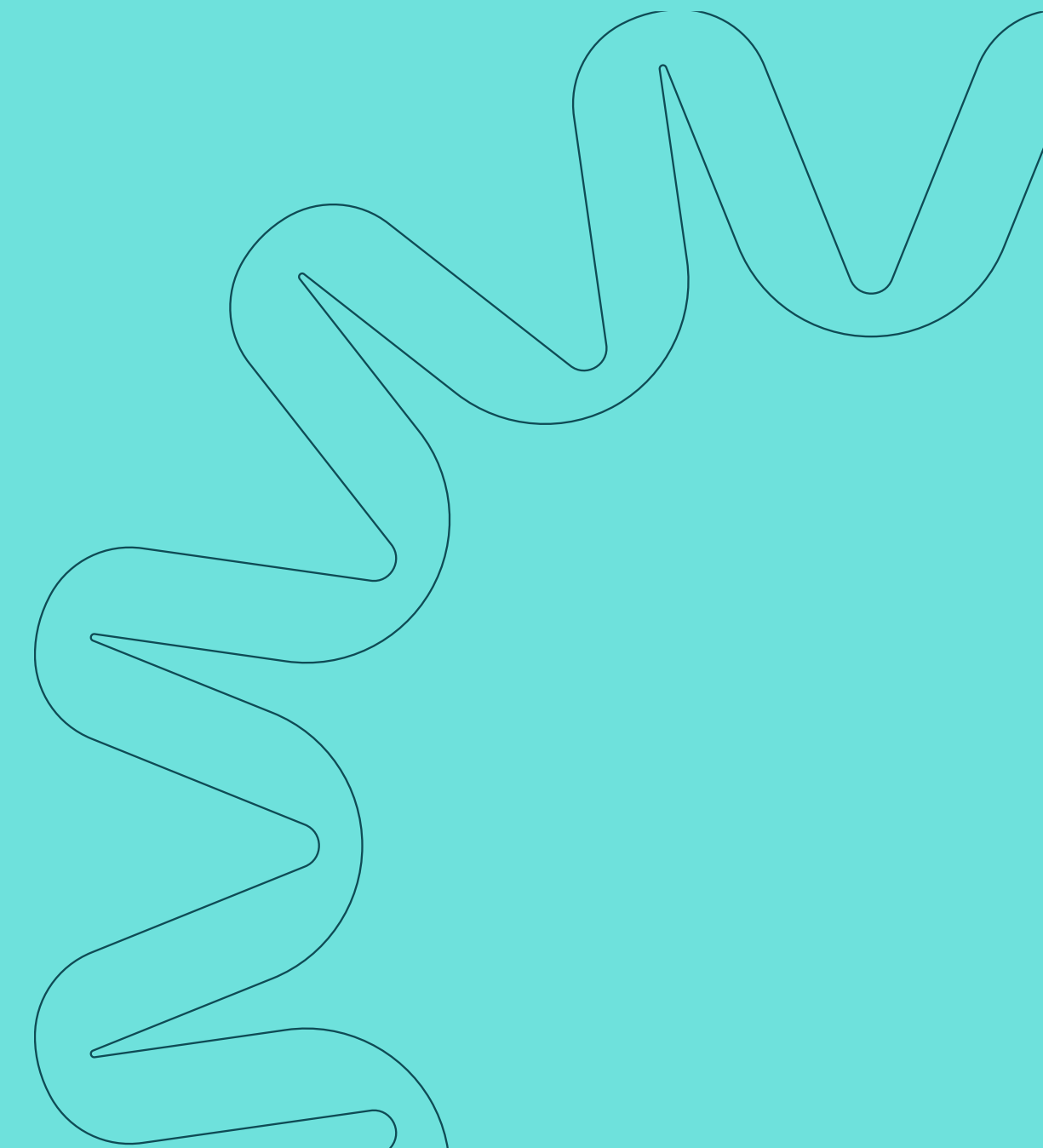
Nelson Pestana  
VP Insuma



Renan Hervalha  
Dir. Retail

**viveo**

**2024/2025**





# Initial results

## Free Cash Generation

Cash consumption of R\$892.5 million in 2023. In 2024 we have **cash generation of R\$206.2 million**

Focus: operating cash generation and deleveraging

## Cash cycle

Reduction of 11 days compared to 4Q23.

Inventories financed by suppliers

## EBITDA

Reduction of general and administrative expenses by 12.5% (restructuring)

Improvement in 4Q24  
Sequential EBITDA up 11.8%  
(4Q24 x 3Q24)

**Renegotiation of the covenants of our debentures, with no increase in the rate, guaranteeing the stability needed to carry out the projects in 2025.**

# Financial Performance

Financial and Administrative VP: Fred Oldani

# Non recurring



Non-recurring (R\$ Thousand)	4Q24	2024
M&As/ Reconciliations (non-recurring)	348,307	367,626
DIFAL	389,909	431,838
Provision and write-off of OLs	264,351	264,351
Provision for inventory losses	-	108,254
PDD	-	110,150
Usual adjustments (M&As and others)	19,200	107,265
Total	1,021,767	1,389,484

For a better understanding of the results for 4Q24 and 2024, explanations for the same period in 2023 will be made based on the adjusted result, that is, excluding the non-recurring items above.



# 4Q24 and 2024 Financial Highlights

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Maintenance of sequential Gross Mg and increase in Adjusted EBITDA and margin (vs. 3Q24).

## NET REVENUE

**R\$ 2,936.8 million in 4Q24**  
(+x1.1% vs 4Q23)

**R\$ 11,583.4 million in 2024**  
(+4.5% vs 2023)

## GROSS PROFIT

**R\$ 386.4 million in 4Q24**  
(-8.2% vs 4Q23), margin 13.2%

**R\$ 1,569.8 million in 2024**  
(-9.5% vs 2023), margin 13.6%

## EBITDA

Adjusted<sup>1</sup>

**R\$ 164.1 million in 4Q24**  
(-19.0% vs 4Q23), margin 5.6%

**R\$ 652.1 million in 2024**  
(-29.7% vs 2023), margin 5.6%

## FREE CASH FLOW

**(R\$ 442.7) million in 4Q24 –(R\$ 137.4MM) without assignment**  
(vs (R\$ 506.8) million in 4Q23)

**R\$ 206.2 million in 2024**  
(vs R\$ 892.5 million burn in 2023)

## CASH CYCLE

**52 days in 4Q24**  
11 days better vs 4Q23 and 2 days  
higher vs 3Q24

## ROIC<sup>2</sup>

**10.9%**



# Net Revenue

## Hospitals and Clinics

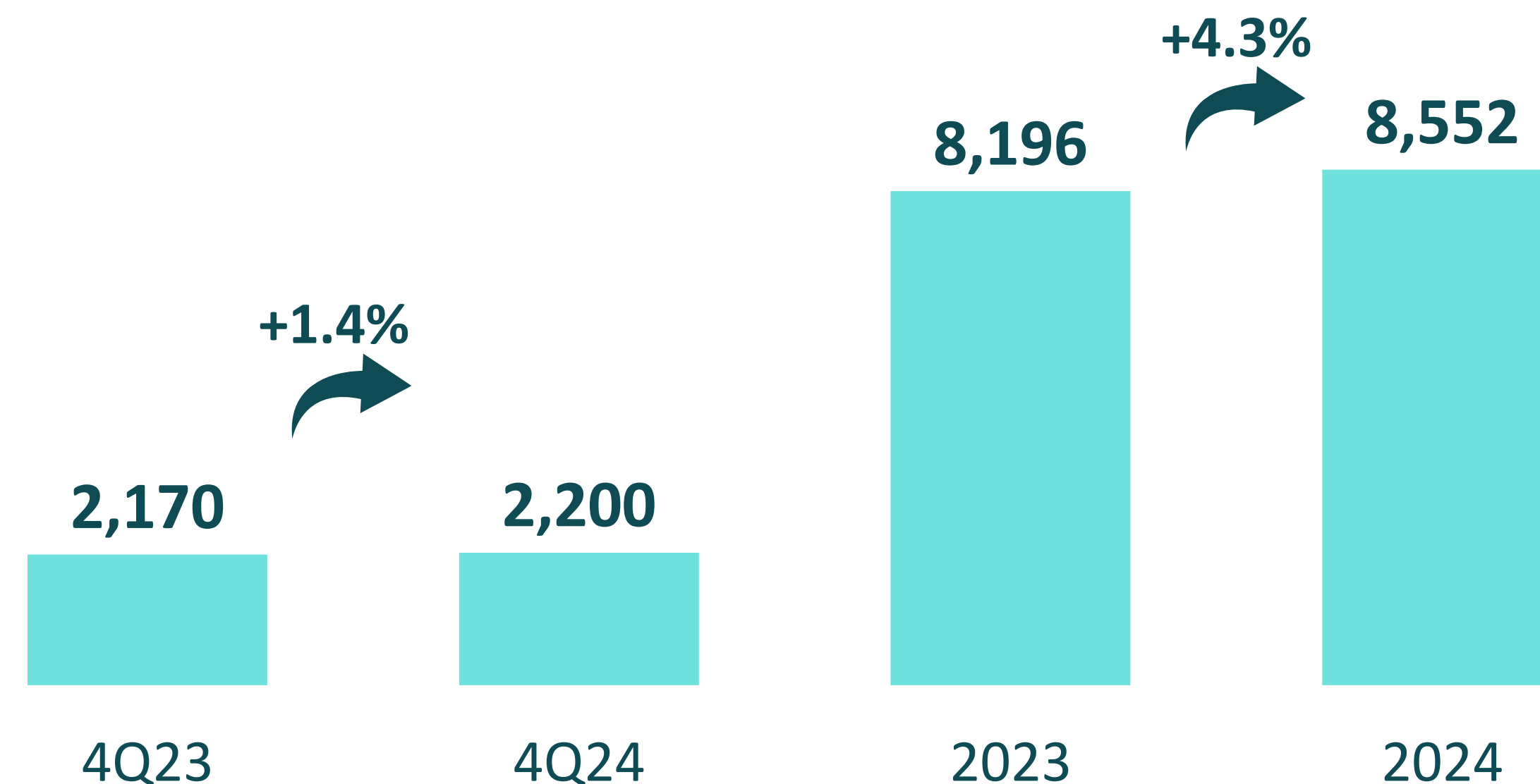
- Increased sales of high-cost drugs, specialties (corrective dermatology), due to the new distribution contract with a major global player
- Lower sales in pharmaceuticals
- Focus on improving profitability and prioritizing cash generation

## Laboratories and Vaccines

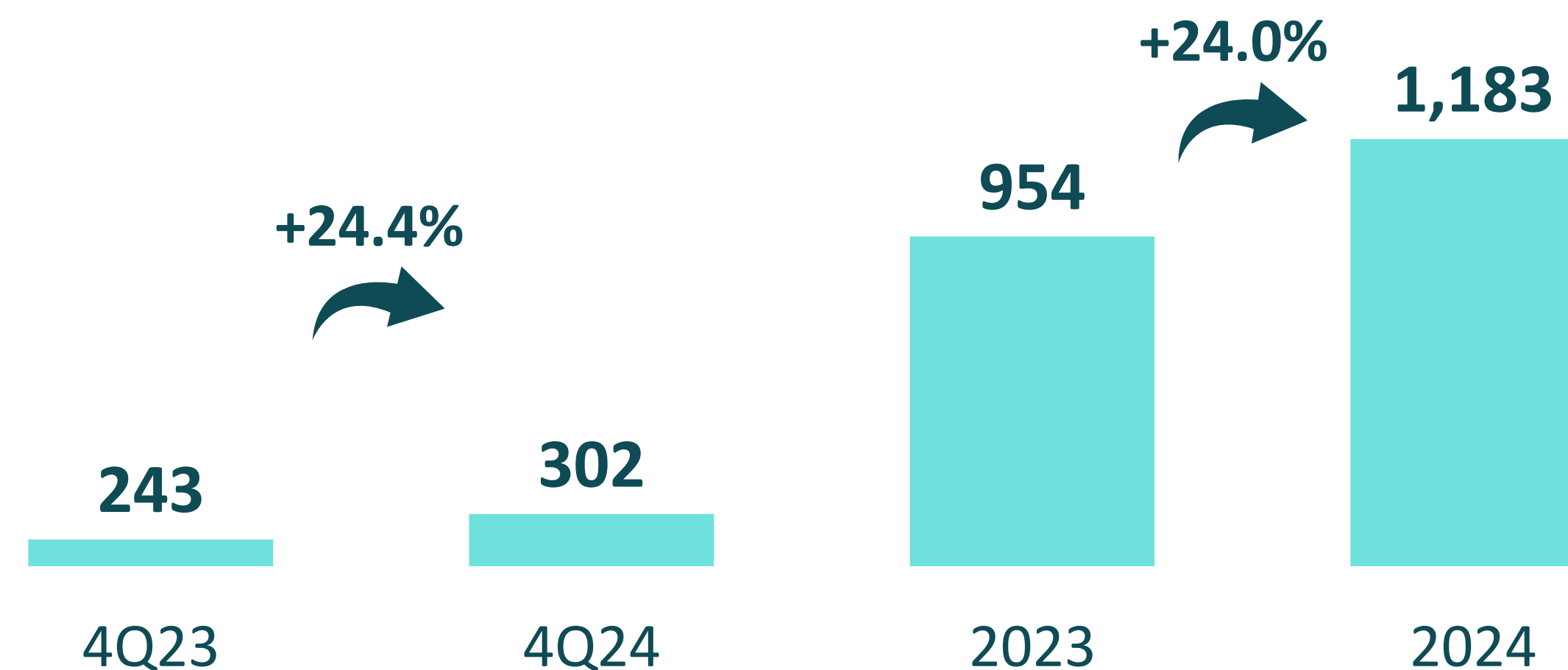
- Growth of vaccines (pneumo 15, bronchiolitis and dengue)
- Increased average ticket in the analytical segment and in the pre-analytical

R\$ Million

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R\$ Million

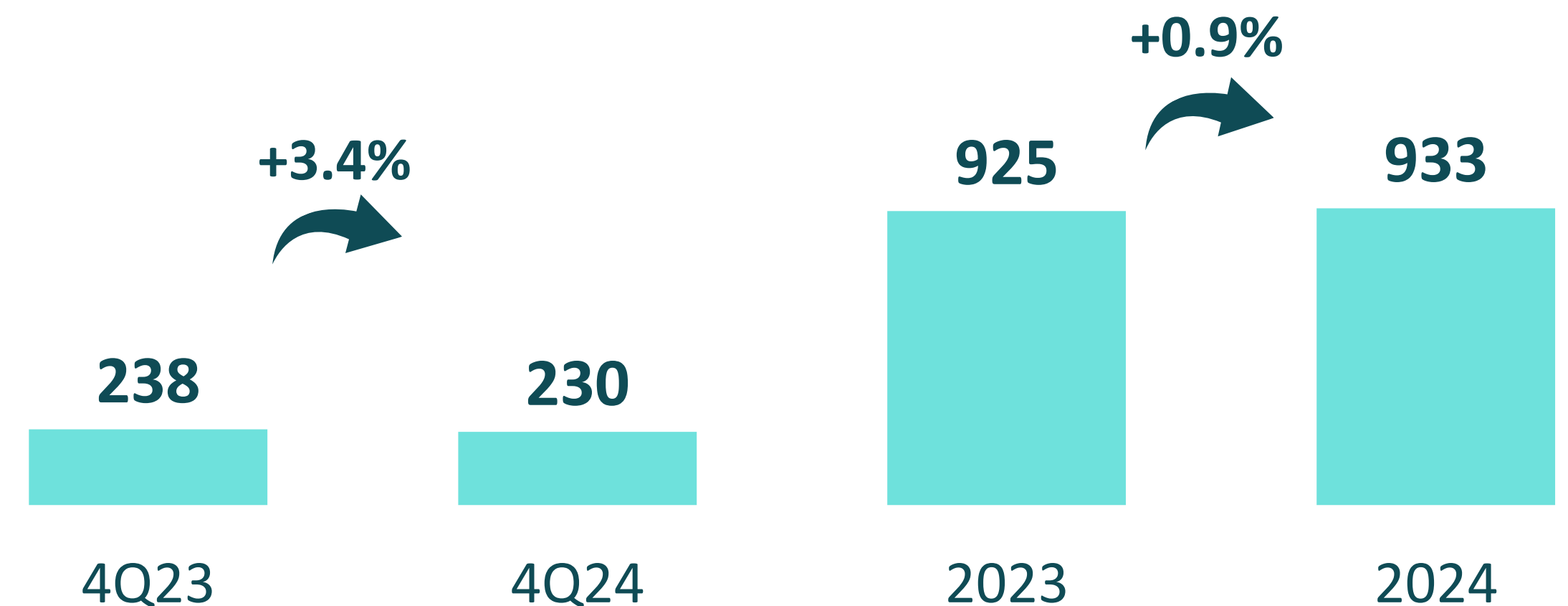


# Net Revenue

## Retail

- Reduction in sales in some categories, mainly in B2B.
- Growth in new categories, such as tissues, expansion of the portfolio of more economical brands.
- Greater focus on own brands and gaining mkt share, especially in dressings, wet wipes and cotton.

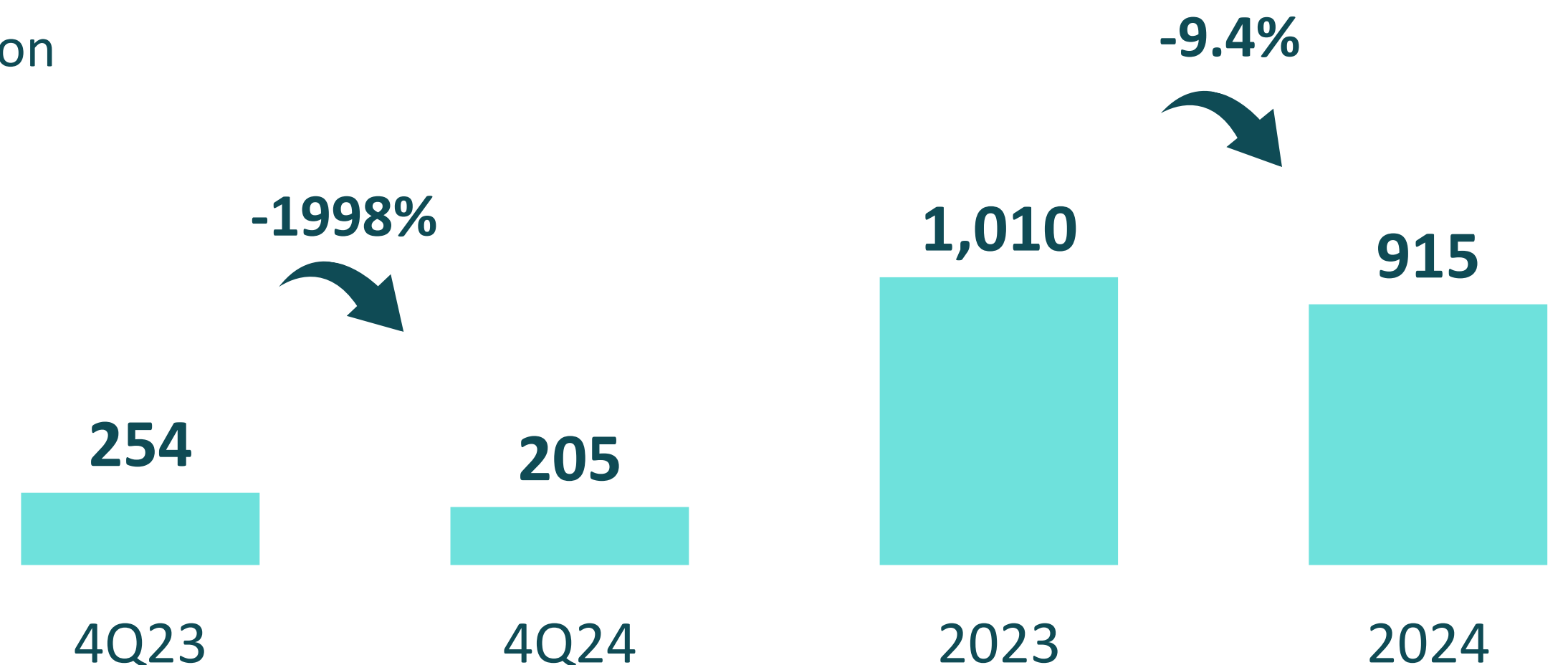
R\$ Million



## Services

- Internalization of handling services and the departure of some clients, as well as the impact of the floods in Rio Grande do Sul, which reduced production capacity throughout the year.
- Action plan for new clients and partnerships, new VP focused on handlers.
- Discontinuation of Far.me's activities

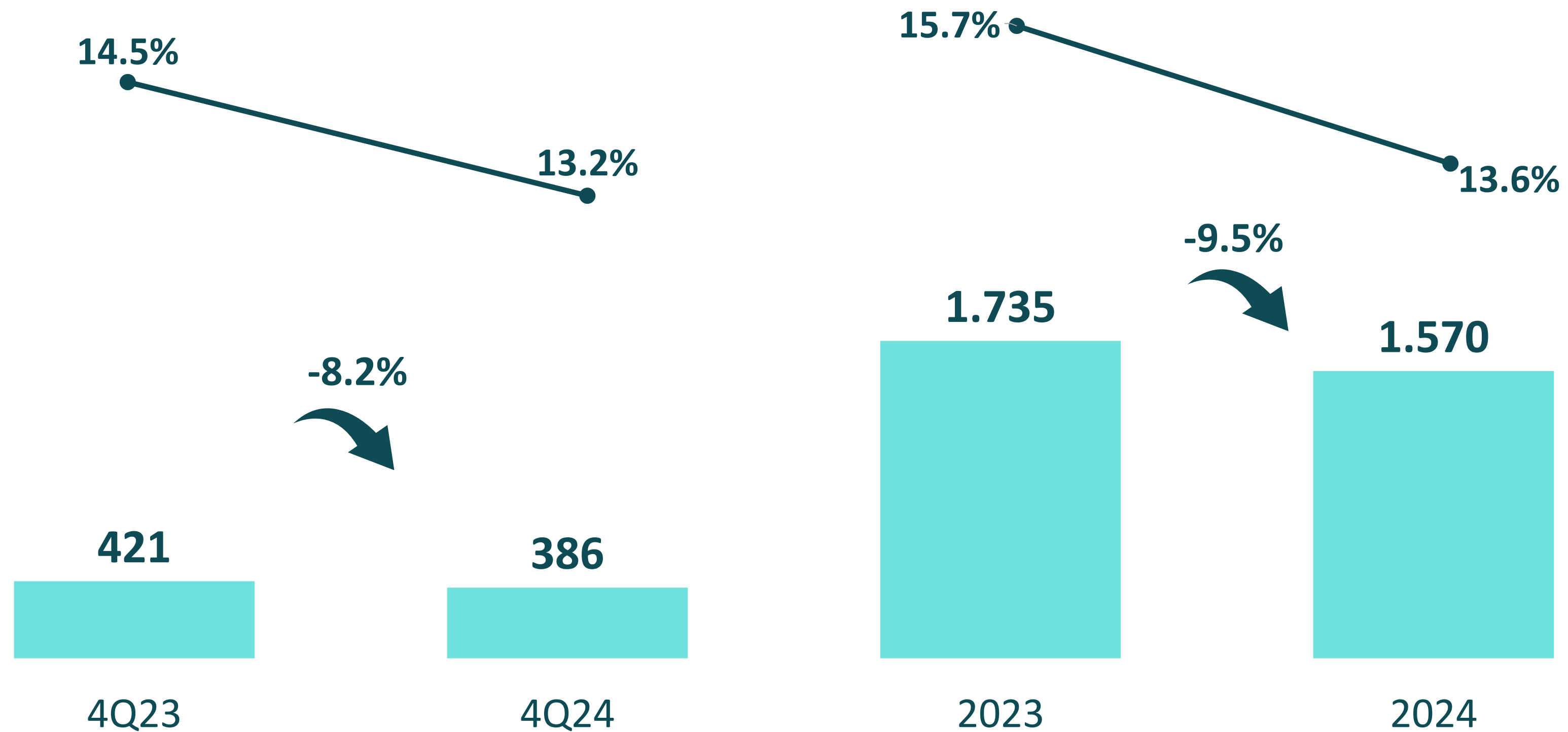
R\$ Million



# Gross Profit

R\$ million

Gross  
Margin (%)



Gross margin impacted by the following factors:

- Mix effect - growth in the distribution of high-cost drugs and vaccines, which have lower margins, and retraction in the retail (reduction in B2B sales) and services (loss of contracts) segments.
- Lower market margins than in the past, especially in pharmaceuticals and government.



# Adjusted Expenses

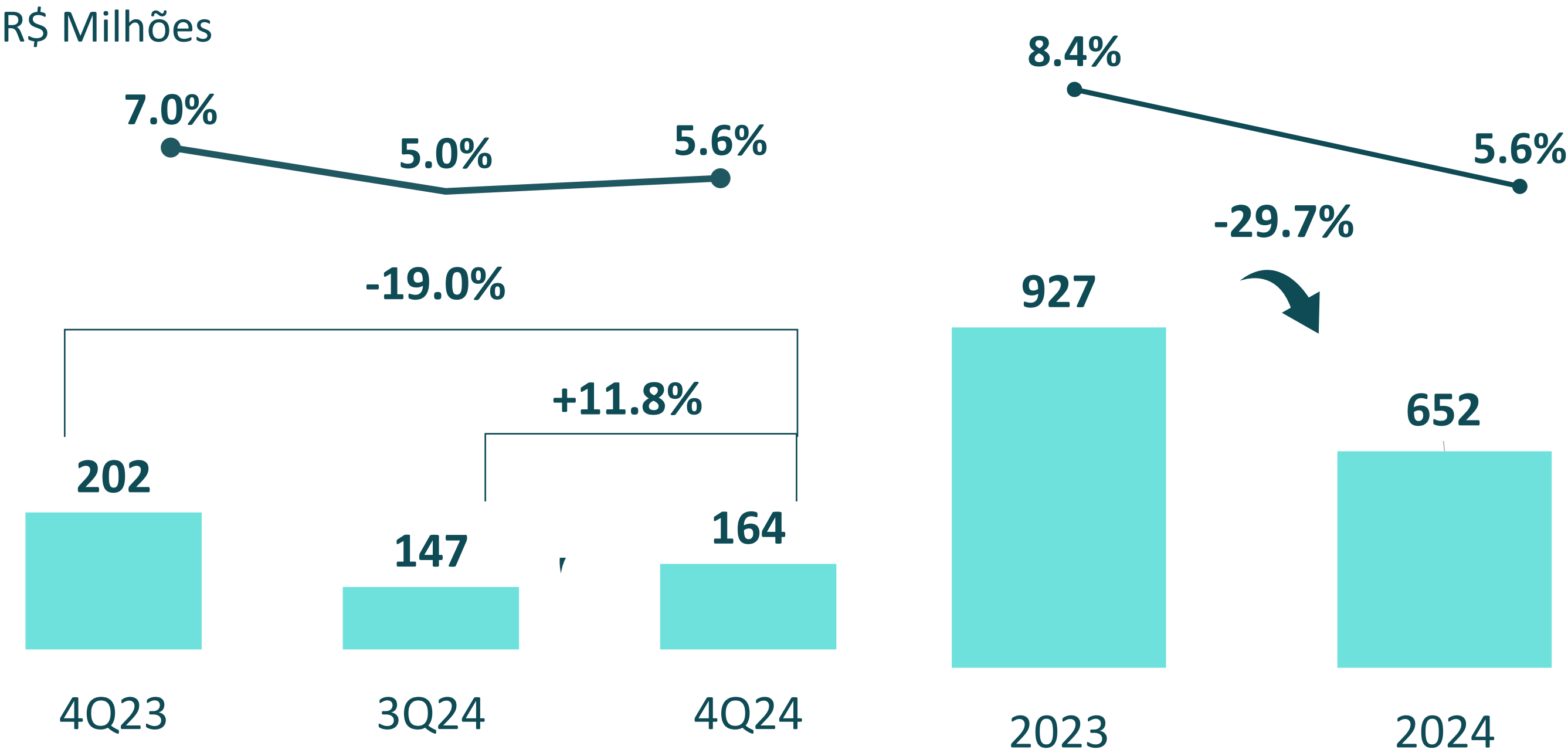
- Decrease of R\$ 19.2 million in SG&A
- Reflection of the corporate restructuring that took place in 3Q24
- Gains in 4Q23 that did not repeat in 4Q24
- Higher freight expenses



R\$ mil	4T24 (Ajustado)	4T23 (Ajustado)	Var. %	2024 Ajustado	2023 Ajustado	Var. %
Selling expenses	(98.532)	(85.248)	15,6%	(393.136)	(280.536)	40,1%
DG&A	(134.585)	(153.832)	-12,5%	(596.311)	(616.766)	-3,3%
PDD	1.110	(1.477)	-175,2%	214	8.457	-97,5%
Other revenues and expenses	(2.419)	12.034	-120,1%	25.815	41.010	-37,1%
Equity income	(358)	(475)	-24,6%	(1.778)	(1.677)	6,0%
<b>Total Expenses ex. non-recurring and D&amp;A</b>	<b>(234.784)</b>	<b>(228.998)</b>	<b>2,5%</b>	<b>(965.196)</b>	<b>(849.512)</b>	<b>13,6%</b>
<b>% NR</b>	<b>-8,0%</b>	<b>-7,9%</b>	<b>-0,1 p.p</b>	<b>-8,3%</b>	<b>-7,7%</b>	<b>-0,7 p.p</b>

# Adjusted EBITDA

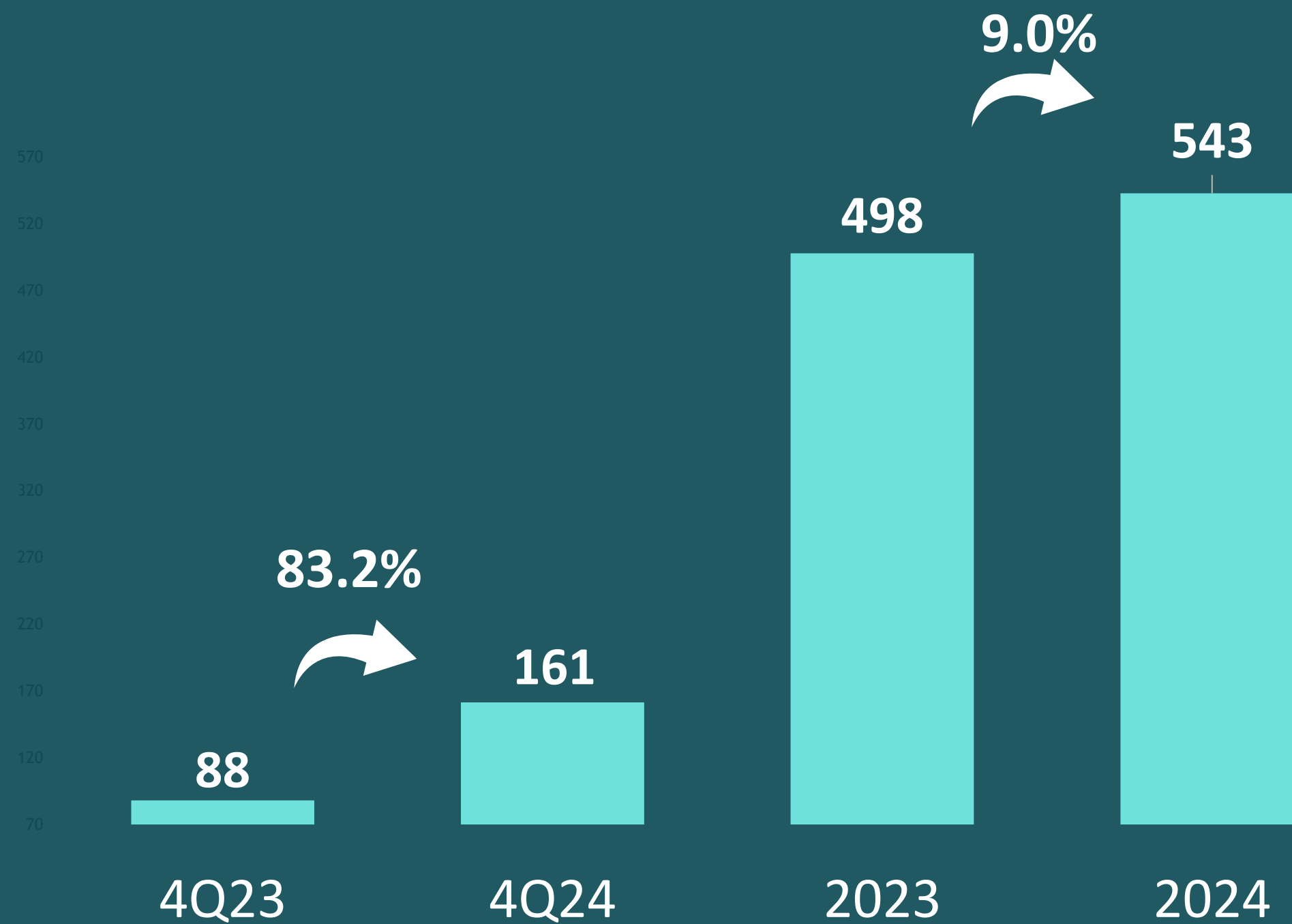
- Sequential improvement in Adjusted Ebitda Margin compared to 3Q24 in both absolute value and margin





# Financial Results

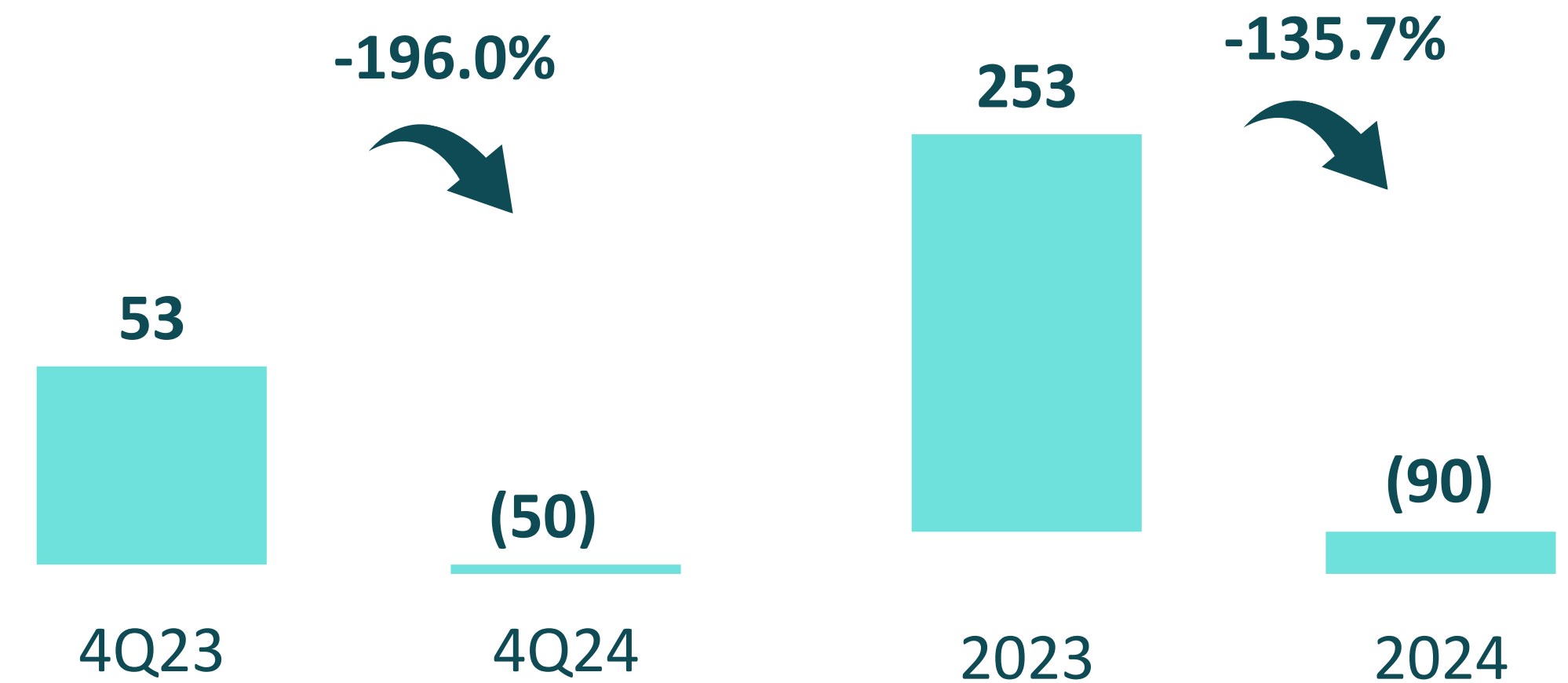
R\$ million



# Adjusted Net Profit

R\$ million

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# Cash Flow

Free cash generation of R\$ 206.2MM in 2024 vs. consumption of R\$ 892.5MM in 2023

R\$ Mil	4Q24	4Q23	2024	2023
<b>Accounting Ebitda</b>	<b>(705,675)</b>	<b>185,399</b>	<b>(551,860)</b>	<b>897.061</b>
<b>Items without cash effect</b>				
IFRS 16 – Rentals	1,010,121	9,201	1,251,434	(48.633)
Change in working capital	(30,689)	(17,485)	(88,302)	(66.687)
Accounts receivable	(648,506)	(530,775)	(195,818)	(1.298.460)
Inventories	(374,826)	(356,091)	170,321	(408.604)
Suppliers	(109,087)	(249,684)	(138,816)	(684.335)
Taxes	(255,739)	142,532	(397,776)	(55.488)
Salaries and salary-related obligations/provisions	62,606	(63,248)	108,998	(193.821)
Other	(38,712)	(17,463)	(27,811)	4.034
Income tax and Soc. Contr. tax paid	67,252	13,179	89,266	39.754
<b>Operations Cash Flow</b>	<b>(3,406)</b>	<b>(30,011)</b>	<b>(23,967)</b>	<b>(73.513)</b>
<b>Investments Cash Flow</b>	<b>(378,229)</b>	<b>(383,671)</b>	<b>391,487</b>	<b>(590.232)</b>
<b>Free Cash Flow</b>	<b>(64,441)</b>	<b>(123,173)</b>	<b>(185,288)</b>	<b>(302.271)</b>
	<b>(442,670)</b>	<b>(506,844)</b>	<b>206,199</b>	<b>(892.503)</b>

# Cash Cycle

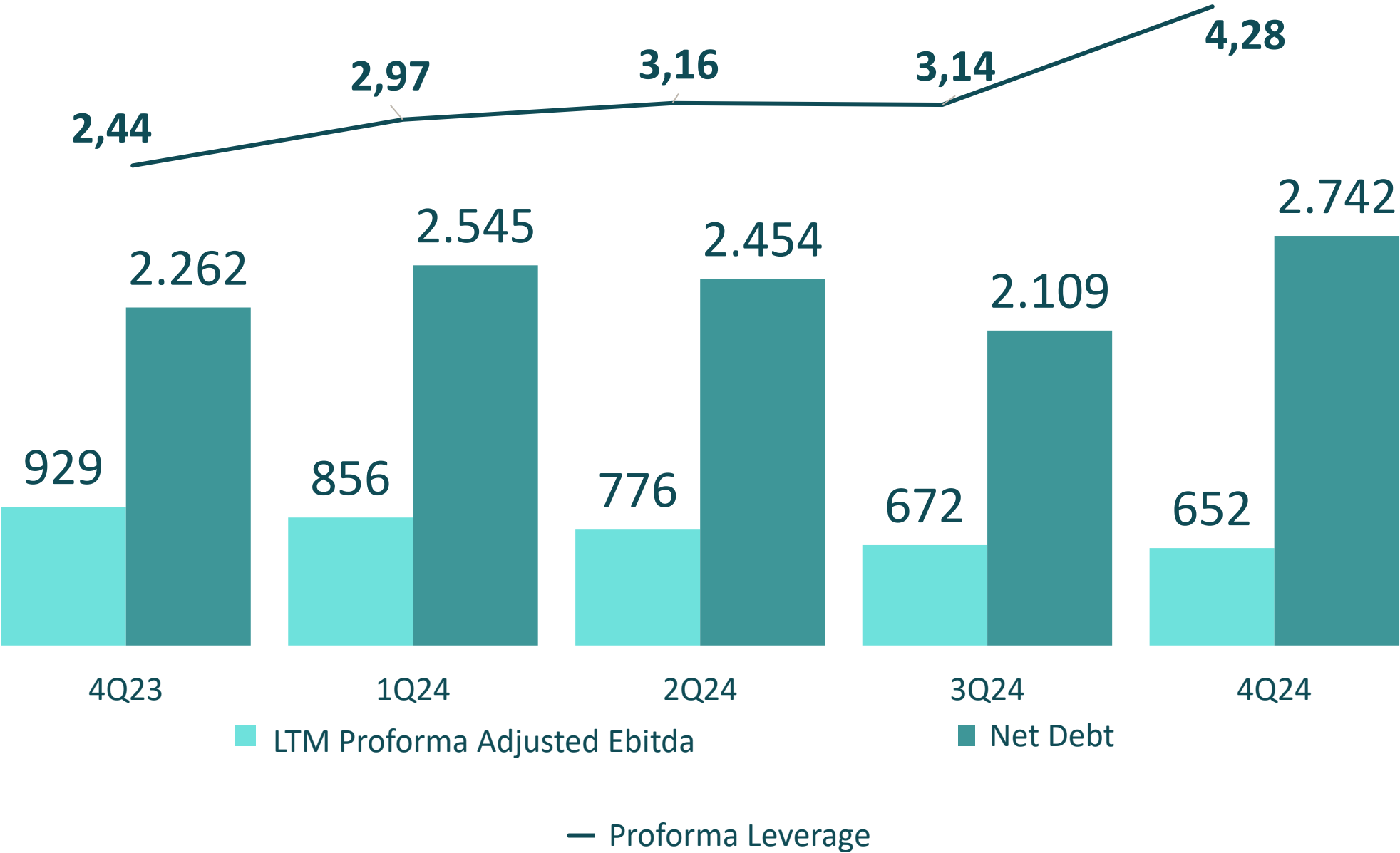
Inventories financed by suppliers and working capital as a % of NR at the lowest level

Excluding the anticipation of receivables, accounts receivable would have been 63 days in 4Q24 (57-day cycle) versus 64 days in 3Q24 (66-day cycle).

	4Q23	1Q24	2Q24	3Q24	4Q24
Accounts receivable cycle	66	71	66	51	59
Accounts payable cycle	75	68	70	68	67
Inventory days	72	67	73	67	61
Cash cycle	63	70	69	50	52
Working Capital/Net Revenue (%)	25.0%	26.9%	24.2%	18.1%	16.7%

Evolution of Financial Leverage – Ex M&As

(Adjusted EBITDA LTM Proforma - R\$ Million)



Debt Evolution (R\$million)

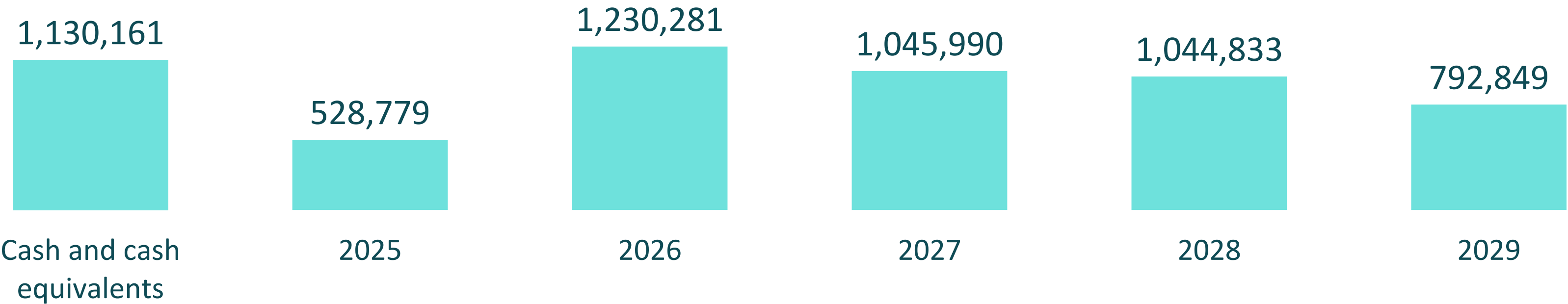
Loans and Financing (R\$ million)	12/31/23	6/30/24	9/30/24	31/12/24
Gross Debt <sup>1</sup>	(3,263.1)	(3,910.5)	(3,889.1)	(3.872,4)
Cash and cash equivalents <sup>2</sup>	1,001.5	1,456.6	1,790.0	1.130,2
Net Debt	(2,261.6)	(2,453.8)	(2,108.8)	(2.742,2)
Leverage (covenants)	2.44x	3.16x	3.14x	(46,9)
Leverage with M&As	3.24x	4.13x	4.22x	4,28x

<sup>1</sup> Consider derivatives and ex-M&A

<sup>2</sup> Considers financial investments

Amortization Schedule Debt and M&A

(R\$ Million)



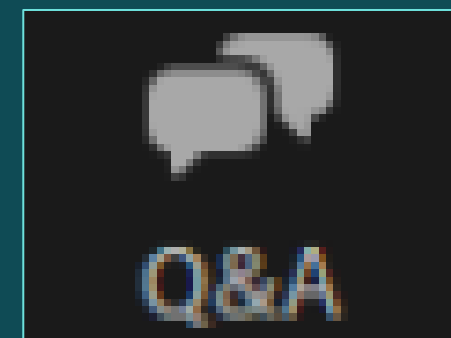
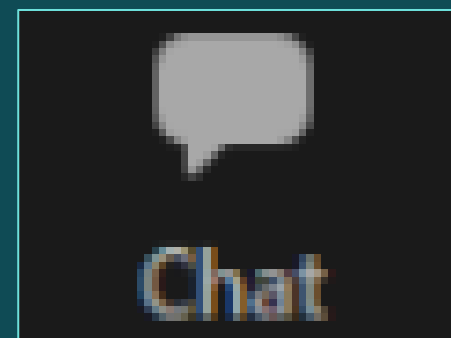
Cash and cash equivalents



# Q&A

## To ask questions:

Click the **Q&A** icon at the bottom of your screen and write your name and company to join the queue



## When announced

A request to activate your microphone will appear on the screen and then you must activate your microphone to ask questions.



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# Results

4Q24

**Contact RI**

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[www.viveo.com.br/ri](http://www.viveo.com.br/ri)