



# Earnings Release

## 1Q24

**Tijucas, May 13, 2024.** PBG SA (B3: PTBL3), "PBG" or "Company", the ceramic tile company in Brazil, announces its results for the first quarter of 2024. The data reported herein is derived from PBG S.A.'s consolidated Quarterly Financial Information, prepared in accordance with the standards issued by the Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS), whose comparisons are based on the same periods of 2023 and/or prior years, as indicated.

## Main Highlights 1Q24

- **Net Revenue** totaled R\$ 525.5 million in the consolidated Group, 7.7% higher than 1Q23, with a market share gain and growth in all business units.
- **Gross Profit** of R\$ 195.8 million in 1Q24, 1.9% higher than 1Q23, with a gross margin of 37.3%.
- **Retail:** SSS growth of 1.5% vs. 1Q23, with a gross margin of 48.7% in 1Q24. NPS reached 88.8%.
- **Adjusted and Recurring Operating Expenses** ended 1Q24 at R\$ 158.0 million, 30.1% in relation to Net Operating Revenue, accounting for a decrease of 5.4 p.p. vs. 1Q23.
- The **Adjusted and Recurring EBITDA** was R\$ 81.7 million, up 66.0% over 1Q23, with an EBITDA margin of 15.5%, 5.4 pp above the same period of the previous year.
- **Adjusted and Recurring Net Result** in 1Q24 was a loss of R\$ 20.6 million vs. a loss of -R\$ 17.7 million in 1Q23, impacted by the increase in financial and tax expenses despite the improvement in operating results.
- **Capex Investments** in 1Q24 totaled R\$ 45.1 million, vs. R\$ 81.2 million in 1Q23, accounting for a decrease of 44%, focused on the PBA unit plant in the USA and Portobello Shop with the opening of own stores and investments in the Digital area.
- **Decrease in Net Indebtedness**, ending 1Q24 at R\$ 963 million. The net leverage, Net Debt/EBITDA ratio, ended at 3.2x, down 0.1x vs. 4Q23.
- PTBL3 shares ended 1Q24 quoted at R\$ 6.95. Market cap: R\$ 979.9 million (US\$ 167 million). Number of shares: 140,986,886, without treasury shares. Free Float: 38.8%.

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## Message from Management

The Portobello Group presented positive performance in 1Q24, recording market share gain, revenue growth in all units and a leverage reduction, despite the continued challenging macroeconomic and industry scenario. We have witnessed a scenario pressured by inflation and rising interest rates in the world's major economies, directly impacting the construction sector, restraining demand and deteriorating consumption.

In the Brazilian market, despite the challenging scenario, we observed the recovery of the ceramic tiles market, with a growth of 3.8%<sup>1</sup> in the first quarter compared with 1Q23 and consistent evolution of sales volume throughout the months, reaffirming the direction towards demand recovery, albeit gradually. In this context, Portobello Group reached a 15.4% growth in volumes sold in 1Q24 vs. 1Q23, recording a performance above the market, which ended the quarter with a 0.5 p.p. gain in consolidated market share, with a 1.3 p.p. gain in the dry process.

The retail operation, through the Portobello Shop Unit, recorded a 3.0% growth in Net Revenue in 1Q24 vs. 1Q23, accounting for 41.6% of the Group's billing, and presented a gross margin of 48.7%, (+3.4 p.p. vs. 1Q23). This result was achieved through the qualification of our sales mix, due to the success of our launches. We ended the quarter with 156 operations, with 28 own stores and 128 franchises, increasingly driven by Digital actions and the evolution of the network of specifiers, delivering a high level of customer satisfaction, with an NPS of 88.8 in 1Q24.

In March, another edition of ExpoRevestir, the largest fair in the ceramic tile sector in Brazil, was held, where PBG was once again highlighted with a conceptual and sustainable booth whose architectural design was designed by architect Giovanni Bonetti, and the interior designed by architect Ana Tofano. On the first day of ExpoRevestir, we celebrated two Best in Show awards, with **V-Stone** winning first place in the Ceramic Tiles category; and **The Edge**, which was awarded the Best Porcelain Tile.

In the North American market, the macroeconomic scenario resulted in a reduction in the main indicator that measures new launches of real estate developments (Housing Starts), which ended 1Q24 below the average of the last 12 months (-7.5%). We observed greater resilience in the sales volumes delivered by local producers, reinforcing the fundamentals of our expansion strategy in the USA. The new Portobello America plant, which started its operations in late 2023, supported the growth of the unit's Net Revenue, with a +46.0% increase in dollar revenue in 1Q24 vs. 1Q23 (+33.1% in Reais), where we highlight the evolution of sales to local distributors (+52.5% vs. 1Q23 in US\$). The unit is focused on ramping up production volumes and quality to reach its ideal productivity level. In this quarter, the business margin was impacted by one-off events and by the decrease in price in the domestic market and higher costs from the plant, still in this initial stage of operation maturation and the initial phase of the new action plan implemented to stabilize the processes.

Despite the adverse market conditions, the Company has been demonstrating superior results compared to the market and solidifying its strategy of Internationalization and Expansion of Specialized Retail, with a sequential decrease in the financial leverage. Furthermore, we published our Annual Sustainability Report in March, reinforcing our commitment with the business Sustainability to our shareholders, employees and suppliers, confident that 2024 will be a year of major strategic advances and financial deleveraging for the group.

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<sup>1</sup> Source: Anfacer: Brazilian Association of Ceramic Tiles Manufacturers, Sanitary Ware and Related Products

## Economic and Financial Performance - Consolidated

R\$ Million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
<b>Net Revenue</b>	<b>525.5</b>	<b>487.8</b>	<b>7.7%</b>	<b>37.7</b>	<b>556.2</b>	<b>-5.5%</b>	<b>(30.8)</b>
<b>Gross Profit</b>	<b>195.8</b>	<b>192.2</b>	<b>1.9%</b>	<b>3.6</b>	<b>207.7</b>	<b>-5.7%</b>	<b>(11.9)</b>
Gross Margin	37.3%	39.4%	-2.1 p.p.		37.3%	-0.1 p.p.	
<b>Adjusted and Recurring Gross Profit</b>	<b>195.8</b>	<b>192.2</b>	<b>1.9%</b>	<b>3.6</b>	<b>221.3</b>	<b>-11.5%</b>	<b>(25.5)</b>
Adjusted and Recurring Gross Margin	37.3%	39.4%	-2.1 p.p.		39.8%	-2.5 p.p.	
<b>EBIT</b>	<b>37.7</b>	<b>19.8</b>	<b>90.3%</b>	<b>17.9</b>	<b>28.7</b>	<b>31.2%</b>	<b>9.0</b>
Ebit Margin	7.2%	4.1%	3.1 p.p.		5.2%	2 p.p.	
<b>Net income (loss)</b>	<b>(20.7)</b>	<b>(15.1)</b>	<b>37.1%</b>	<b>(5.6)</b>	<b>14.3</b>	<b>-245.0%</b>	<b>(35.0)</b>
Net Margin	-3.9%	-3.1%	-0.8 p.p.		2.6%	-6.5 p.p.	
<b>Adjusted and Recurring Net Income</b>	<b>(20.6)</b>	<b>(17.8)</b>	<b>15.5%</b>	<b>(2.8)</b>	<b>27.4</b>	<b>-175.1%</b>	<b>(47.9)</b>
Adjusted and Recurring Net Margin	-3.9%	-3.6%	-0.3 p.p.		4.9%	-8.8 p.p.	
<b>EBITDA</b>	<b>81.4</b>	<b>50.0</b>	<b>62.8%</b>	<b>31.4</b>	<b>65.4</b>	<b>24.6%</b>	<b>16.1</b>
EBITDA Margin	15.5%	10.3%	5.2 p.p.		11.7%	3.7 p.p.	
<b>Adjusted and Recurring EBITDA</b>	<b>81.6</b>	<b>49.2</b>	<b>65.8%</b>	<b>32.4</b>	<b>78.5</b>	<b>4.0%</b>	<b>3.1</b>
Adjusted and Recurring EBITDA Margin	15.5%	10.1%	5.4 p.p.		14.1%	1.4 p.p.	
<b>Working Capital (R\$)</b>	<b>276.3</b>	<b>351.4</b>	<b>-21.4%</b>	<b>(75.1)</b>	<b>192.8</b>	<b>43.3%</b>	<b>83.5</b>
<b>Cash Conversion Cycle (days)</b>	<b>59</b>	<b>67</b>	<b>-12.5%</b>	<b>(8.4)</b>	<b>48</b>	<b>22.4%</b>	<b>11</b>
<b>Net Debt</b>	<b>963.3</b>	<b>737.7</b>	<b>30.6%</b>	<b>225.6</b>	<b>895.2</b>	<b>7.6%</b>	<b>68</b>
Net debt/EBITDA	3.2	2.2	44.6%	1.0	3.3	-3.4%	(0.1)
<b>Adjusted and Recurring Net Debt/EBITDA</b>	<b>3.0</b>	<b>2.3</b>	<b>34.3%</b>	<b>0.8</b>	<b>3.1</b>	<b>-3.3%</b>	<b>(0.1)</b>
Share Price	6.95	6.02	15.4%	0.9	7.46	-6.8%	(0.5)
Market Value	979.9	848.7	15.5%	131.2	1.051.8	-6.8%	(71.9)
Average Trading Volume (12 Months)	140.5	169.5	-17.1%	(29.0)	144.7	-2.9%	(4)
Average daily trading volume (ADTV)	4.2	5.6	-25.0%	(1.4)	5.6	-25.0%	(1.4)



## Business Unit Operating Performance

### Portobello

R\$ million	1Q24	1Q23	▲%	▲ Abs	4Q23	▲%	▲ Abs
<b>Net Revenue</b>	<b>228.8</b>	<b>216.6</b>	<b>5.6%</b>	<b>12.2</b>	<b>239.9</b>	<b>-4.7%</b>	<b>(11.2)</b>
(-) COGS	143.4	134.5	6.6%	8.9	148.1	-3.2%	(4.7)
<b>Gross Profit</b>	<b>85.4</b>	<b>82.1</b>	<b>4.0%</b>	<b>3.3</b>	<b>91.8</b>	<b>-7.0%</b>	<b>(6.4)</b>
Gross Margin	37.3%	37.9%	-0.6 p.p.		38.3%	-0.9 p.p.	

Net Revenue of UN Portobello was R\$ 229 million in the quarter, up 5.6% compared to the same period of the previous year, with a 1.2 p.p. increase in market share in the Brazilian domestic market and a 10.2% growth in export volume. In the same period, Portobello Unit presented results driven by the multichannel strategy, constant qualification of the product mix, with good performance of the launchings, and development of new international markets.

The BU gross margin was 37.3% in the quarter, in line with 1Q23, pressured by the decrease in export margins. Said impacts were offset by the -9.6% decrease in production costs compared to 1Q23.

In the Brazilian domestic market, the unit recorded revenue growth in all channels compared to 1Q23. It is worth highlighting the 16.9% increase in the Engineering channel and the 7.6% growth in reselling. Gross Profit recorded significant growth, with improvement in all channels, due to higher volume and price maintenance via an optimized mix in the resale channel and growth in the engineering channel, with a positive effect of cost reduction at the Tijucas plant.

In the foreign market, the unit increased its share in Brazilian exports by 3.3 p.p., but revenue decreased -10.9% compared to the same period of last year. The revenue decrease is mainly due to the contraction in average price with lower sales volumes to Argentina compared to the same period of last year. However, the Company expanded its share in new markets in Central America, Europe, the Middle East and Africa, reflecting the evolution of the Company's internationalization strategy and the gradual evolution of the sales mix.

The use of production capacity at the Portobello BU plant in the quarter was 88.6%, 23.0 p.p. above the market, which was 65.6% according to data from Anfacer.

### Portobello shop

R\$ million	1Q24	1Q23	▲%	▲ Abs	4Q23	▲%	▲ Abs
<b>Net Revenue</b>	<b>217.3</b>	<b>211.0</b>	<b>3.0%</b>	<b>6.3</b>	<b>226.8</b>	<b>-4.2%</b>	<b>(9.5)</b>
(-) COGS	111.4	115.4	-3.4%	(4.0)	116.7	-4.5%	(5.3)
<b>Gross Profit</b>	<b>105.8</b>	<b>95.6</b>	<b>10.7%</b>	<b>10.3</b>	<b>110.1</b>	<b>-3.9%</b>	<b>(4.3)</b>
Gross Margin	48.7%	45.3%	3.4 p.p.		48.5%	0.2 p.p.	

In 1Q24, Portobello Shop totaled net revenue of R\$ 217.3 million, up 3.0% vs. 1Q23. Own stores totaled R\$ 104.1 million in net revenue, accounting for 47% of the billing and 49% of the gross profit of the unit. The organic sales growth, that is, the result of stores that were already operating in the same period of the previous year, measured by the SSS (Same Store Sales) indicator, recorded a positive change of 1.5%.

The growth in the share of own stores continues to drive the absorption of synergies from the integrated chain and starts to offset the expenses with investments made in 2023. The Portobello Shop ended 1Q24 with 156 stores, 28 of which are company-owned stores and 128 are franchises.

An important highlight in the Portobello Shop Unit is the sequential evolution in the gross margin, reaching 48.7% in 1Q24, up 3.4 p.p. vs. 1Q23. This evolution reflects the assertive customer centricity strategy, data-driven management, identifying opportunities and providing the best experience throughout the entire journey. Another highlight is the NPS indicator, which measures customer satisfaction with our own stores, reaching 88.8 in 1Q24, with a 0.7% increase compared to 1Q23.

## POINTER

R\$ million	1Q24	1Q23	▲%	▲Abs	4Q23	▲%	▲Abs
<b>Net Revenue</b>	<b>47.9</b>	<b>43.4</b>	<b>10.5%</b>	<b>4.5</b>	<b>56.8</b>	<b>-15.7%</b>	<b>(8.9)</b>
(-) COGS	43.8	37.1	17.9%	6.6	50.2	-12.8%	(6.4)
<b>Gross Profit</b>	<b>4.1</b>	<b>6.3</b>	<b>-33.6%</b>	<b>(2.1)</b>	<b>6.7</b>	<b>-37.8%</b>	<b>(2.5)</b>
Gross Margin	8.7%	14.4%	-5.8 p.p.		11.7%	-3.1 p.p.	

Pointer, the democratic design brand of Portobello Group, recorded good sales results in the first quarter of 2024, presenting growth in volumes sold both in the Brazilian market (+14.5% vs. 1Q23) and in exports (+160.4% vs. 1Q23). The unit faced a challenge with a 5.8 p.p. decrease in gross margin compared to 1Q23, mainly due to a total plant shutdown for 20 days in March, carried out for maintenance of the state gas distribution network. Disregarding this effect, the unit's gross margin would have closed at 12.9%, -2.2p.p. compared to 1Q23, with said decrease being explained by a more competitive market in the region.

In the Brazilian domestic market, Pointer achieved a gain of 1.1 p.p. in market share in the north and northeast regions of Brazil in the dry route, according to data from Anfacer. The strategy of advancing in the region with design and quality through a democratic portfolio has been supported by commercial expansion strategies (7.5% vs. 1Q23) of the active client base in the portfolio. In the Engineering channel, we highlight the growth of 28.5% vs. 1Q23 and of 3.4% in resale vs. 1Q23.

Exports revenues recorded growth of 125.2% in US dollars vs. 1Q23, revenues from international markets accounted for 12.5% of the unit's revenue in the quarter, vs. 6.7% in 1Q23.

The use of production capacity at the Pointer BU plant in the quarter was 79.2%, vs. a market average of 65.6%, according to data from Anfacer.

Portobello  
America

R\$ million	1Q24	1Q23	▲%	▲ Abs	4Q23	▲%	▲ Abs
<b>Net Revenue</b>	<b>55.6</b>	<b>41.8</b>	<b>33.1%</b>	<b>13.8</b>	<b>56.0</b>	<b>-0.7%</b>	<b>(0.4)</b>
(-) COGS	55.2	32.0	72.7%	23.2	43.5	26.9%	11.7
<b>Gross Profit</b>	<b>0.4</b>	<b>9.8</b>	<b>-95.7%</b>	<b>(9.4)</b>	<b>12.5</b>	<b>-96.6%</b>	<b>(12.1)</b>
Gross Margin	0.8%	23.5%	-22.7 p.p.		22.3%	-21.6 p.p.	

At Portobello America, we continue advancing in our strategy, with short-term adjustments made to the production ramp-up at our plant in the United States. We faced operational challenges related to the start of plant operations, which led us to the initial phase of a new action plan to accelerate the stabilization of processes.

This review involves the following pillars: i) building the team and culture and ii) simplifying the portfolio of products produced, with an impact on the sales plan and unit costs. Confident in the same strategy, we have reviewed the short-term plan with the purpose of ensuring proper stabilization of processes, people and equipment, aiming to guarantee the maximum quality of our products and design.

In 1Q24, Portobello America's net revenue grew 33.1% compared to 1Q23, with advances in volumes sold by the existing operation of imports of Brazilian products, but also with the entry of volumes from the new plant. In turn, the gross margin recorded a reduction, mainly due to this initial production ramp-up phase, in which it was not yet possible to properly dilute the existing fixed costs and transfer them to the price in its products. Moreover, there was the one-off commercial effect of around R\$ 1.4 million that impacted the profitability of the plant operation this quarter. Operating margins will be normalized within the next few months, returning to Portobello America's original strategic plan. Eliminating this one-off impact, the gross margin of the unit would close at 0.8% of NOR.

## Consolidated Performance

### Net Revenue

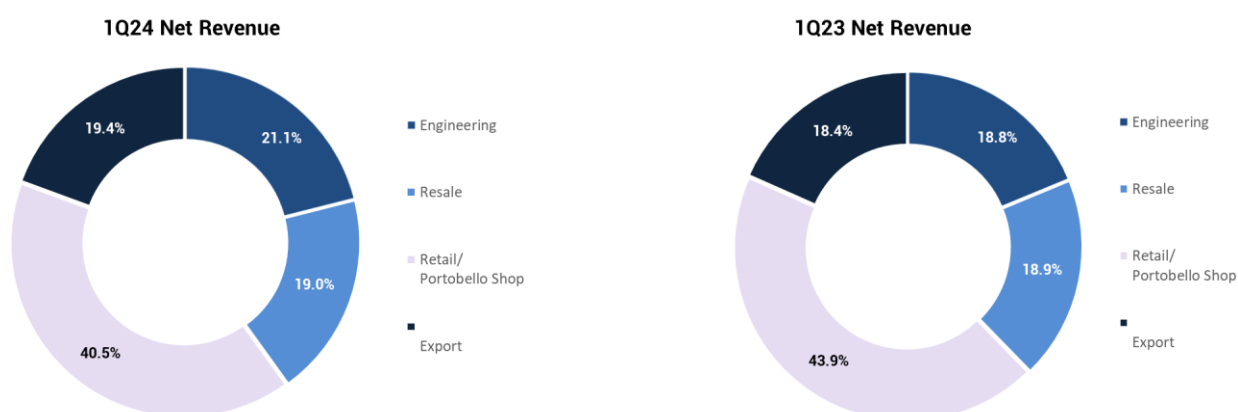
R\$ Million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
<b>Net Revenue</b>	<b>525.5</b>	<b>487.8</b>	<b>7.7%</b>	<b>37.7</b>	<b>556.2</b>	<b>-5.5%</b>	<b>(30.8)</b>
Domestic Market (BR)	421.5	393.6	7.1%	27.9	449.5	-6.2%	(28.1)
International Market	104.0	94.2	10.4%	9.8	106.7	-2.6%	(2.7)
US\$ million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
International Market	19.9	17.4	14.4%	2.5	20.2	-1.3%	(0.3)

From a corporate perspective, Portobello Group reported net revenue of R\$ 525.5 million in this quarter, up 7.7% vs. 1Q23, with 7.1% in the Brazilian domestic market and 10.4% in international markets. The effects of financial instruments for currency hedging on the total result amounted to +R\$ 2.5 million in 1Q24 and +R\$ 5.5 million in 1Q23, arising from the positions settled in the quarter, whose contracting occurred over the months prior to their settlement (see Note 7 - Interim Financial Information).

In the Brazilian domestic market, the result was driven by the above-market sales performance in all units, even in a more competitive scenario, with a positive highlight for the advancement of the engineering channel (+17%.4 vs 1Q23). The finishing sector in the Brazilian market still faces challenges, according to data from ABRAMAT, the deflated billing for the period recorded an average decrease of 0.8% vs. 1Q23, but with sequential growth throughout the months, after a sequence of negative results in 2022.

The net revenue from international markets recorded growth of 14.4% in US dollars vs. 1Q23, with highlights on the growth of exported volume from Portobello unit (+10.2% vs. 1Q23) and Pointer (+125% vs. 1Q23), as well as revenue growth from Portobello America (+33.1% vs. 1Q23). According to ANFACER, Brazilian exports grew 5.1% in 1Q24 vs. 1Q23, while the Group's exports recorded a better result of 30.6% in the same period, accounting for a market share gain of 3.3 p.p.

The distribution of total revenues of the Portobello Group among its channels occurred as follows in 1Q24: i) Retail: 40.5% (-3.4 p.p. vs. 1Q23); ii) Engineering 21.1% (+2.3 p.p. vs. 1Q23); iii) Resales 19.0% (+0.2 p.p. vs. 1Q23); and iv) international markets accounted for 19.4% (+1.0 p.p. vs. 1Q23).





## Gross Profit

R\$ Million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
Net Operating Revenue	525.5	487.8	7.7%	37.7	556.2	-5.5%	(30.8)
Cost of Goods Sold (COGS)	(327.6)	(291.0)	-12.6%	(36.6)	(340.7)	3.8%	13.0
Idleness Costs	(2.0)	(4.6)	56.3%	2.6	(7.8)	74.4%	5.8
<b>Gross Operating Profit</b>	<b>195.8</b>	<b>192.2</b>	<b>1.9%</b>	<b>3.6</b>	<b>207.7</b>	<b>-5.7%</b>	<b>(11.9)</b>
Gross Margin	37.3%	39.4%	-2.1 p.p.		37.3%	-0.1 p.p.	(0.0)
<b>Non-Recurring Events:</b>	-	-	0.0%	<b>0.0</b>	<b>13.5</b>	-100.0%	<b>(13.5)</b>
2) Inventory Adjustment	-	-	0.0%	-	13.5	-100.0%	(13.5)
<b>Adjusted and Recurring Gross Profit</b>	<b>195.8</b>	<b>192.2</b>	<b>1.9%</b>	<b>3.6</b>	<b>221.3</b>	<b>-11.5%</b>	<b>(25.5)</b>
Adjusted and Recurring Gross Margin	37.3%	39.4%	-2.1 p.p.		39.8%	-2.5 p.p.	

The Gross Profit of Portobello Group in 1Q24 totaled R\$ 195.8 million, up 1.9% vs. 1Q23, but with a -2.1 p.p. decrease in Gross Margin, mainly impacted by the decrease in volume and simplification of the sales portfolio at Portobello America unit, the idleness of Pointer unit due to the maintenance of the gas distribution network, and increased competitiveness in the Brazilian domestic market. The idle cost for the quarter was R\$ 2 million, all of which was at Pointer, with an improvement of R\$ 2.6 million versus 1Q23.

## Operating Expenses

R\$ Million	1Q23	%RL	1Q23	%RL	▲ %	▲ Abs	4Q23	%RL	▲ %	▲ Abs
<b>Operating Expenses</b>										
Selling	(143.2)	27.3%	(138.9)	28.5%	3.1%	(4.3)	158.7	-28.5%	190.2%	(301.9)
General and Administrative	(18.3)	3.5%	(19.0)	3.9%	-3.7%	0.7	17.2	-3.1%	206.4%	(35.5)
Other Revenues (Expenses)	3.4	-0.6%	(14.5)	3.0%	-123.4%	17.9	3.0	-0.5%	-13.3%	0.4
<b>Operating Expenses</b>	<b>(158.1)</b>	<b>30.1%</b>	<b>(172.4)</b>	<b>35.3%</b>	<b>-8.3%</b>	<b>14.3</b>	<b>(179.0)</b>	<b>32.2%</b>	<b>-11.7%</b>	<b>20.9</b>
Non-Recurring Revenues	0.2	0.0%	(0.8)	0.2%	-119.3%	1.0	(0.4)	0.1%	-135.1%	0.6
<b>Adjusted Operating Expenses</b>	<b>158.0</b>	<b>-30.1%</b>	<b>(173.3)</b>	<b>35.5%</b>	<b>-191.2%</b>	<b>331.3</b>	<b>(179.4)</b>	<b>32.3%</b>	<b>-188.1%</b>	<b>337.4</b>

Operating Expenses totaled R\$ 158.1 million in 1Q24, 8.3% lower than 1Q23, with a 5.2 p.p. decrease in the representation of expenses in relation to net revenue, reaching 30.1% in the period. This significant decrease is the result of business management discipline and tax optimization results. A breakdown of expense captions in the management view is presented below.<sup>2</sup>

**Sales expenses:** totaled R\$ 143.2 million, accounting for 27.3% of the group's net revenue, down 1.2 p.p. vs. 1Q23. The Company offset inflationary impacts and higher variable costs through higher volumes sold with dilution of fixed costs.

**General and administrative expenses:** decrease of R\$ 0.7 million in administrative expenses, accounting for 3.5% of net revenue, -0.4 p.p. vs. 1T23.

<sup>2</sup> Management view includes only the sales expenses of the business units. Other corporate expenses are grouped under other revenues and expenses.

**Other revenues and expenses:** totaled R\$ 3.4 million, up R\$ 17.9 million vs. 1Q23, which had a negative result of R\$ 14.5 million; the main positive effect in this caption comes from opportunities with tax optimization of ICMS on the PIS/COFINS calculation basis.

## EBITDA and Adjusted EBITDA

R\$ Million	1Q24	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
<b>Net Income</b>	<b>(20.7)</b>	<b>(15.1)</b>	<b>-37.1%</b>	<b>(5.6)</b>	<b>14.3</b>	<b>-245.0%</b>	<b>(35.0)</b>
(+) Financial Expenses	52.4	36.7	42.8%	15.7	12.2	328.6%	40.2
(+) Depreciation and Amortization	43.7	30.2	44.8%	13.5	36.6	19.4%	7.1
(+) Income Taxes	6.0	(1.8)	433.3%	7.8	2.2	169.8%	3.8
<b>EBITDA</b>	<b>81.4</b>	<b>50.0</b>	<b>62.8%</b>	<b>31.4</b>	<b>65.4</b>	<b>24.6%</b>	<b>16.1</b>
<b>EBITDA Margin</b>	<b>15.5%</b>	<b>10.3%</b>	<b>5.2 p.p.</b>		<b>11.7%</b>	<b>3.7 p.p.</b>	
<b>Non-Recurring Events:</b>	<b>0.2</b>	<b>(0.8)</b>			<b>13.1</b>		
4) COFINS - Tax optimization	0.2	(1.6)			-		
6) Commissions	-	0.8			-		
7) Inventory Adjustment	-	-			13.1		
<b>Adjusted and Recurring EBITDA</b>	<b>81.6</b>	<b>49.2</b>	<b>65.8%</b>	<b>32.4</b>	<b>78.5</b>	<b>4.0%</b>	<b>3.1</b>
<b>Adjusted and Recurring EBITDA Margin</b>	<b>15.5%</b>	<b>10.1%</b>	<b>5.4 p.p.</b>		<b>14.1%</b>	<b>1.4 p.p.</b>	

The Adjusted and Recurring EBITDA for 1Q24 was R\$ 81.6 million, 66.0% higher than 1Q23, with an EBITDA Margin of 15.5%, +5.5 p.p. when compared to the same quarter of the previous year.

## Net Income

R\$ Million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
<b>EBITDA</b>	<b>81.4</b>	<b>50.0</b>	<b>62.8%</b>	<b>31.4</b>	<b>65.4</b>	<b>24.6%</b>	<b>16.1</b>
(-) Financial Expenses	(52.4)	(36.7)	-42.8%	-15.7	(12.2)	-328.6%	-40.2
(-) Depreciation and Amortization	(43.7)	(30.2)	-44.8%	-13.5	(36.6)	-19.4%	-7.1
(-) Income Taxes	(6.0)	1.8	-433.3%	-7.8	(2.2)	-169.8%	-3.8
<b>Net Income</b>	<b>(20.7)</b>	<b>(15.1)</b>	<b>-37.1%</b>	<b>-5.6</b>	<b>14.3</b>	<b>-245.0%</b>	<b>-35.0</b>
<b>Net Margin</b>	<b>-3.9%</b>	<b>-3.1%</b>	<b>-0.8 p.p.</b>		<b>2.6%</b>	<b>-6.5 p.p.</b>	
<b>Non-Recurring Events:</b>	<b>0.2</b>	<b>(2.7)</b>			<b>13.1</b>		
(7) COFINS - Tax optimization	0.2	(3.2)			-		
(8) Commissions	-	0.5			-		
(9) Inventory Adjustment	-	-			13.1		
<b>Adjusted and Recurring Net Income</b>	<b>(20.6)</b>	<b>(17.8)</b>	<b>-15.5%</b>	<b>-2.8</b>	<b>27.4</b>	<b>-175.1%</b>	<b>-47.9</b>
<b>Adjusted and Recurring Net Margin</b>	<b>-3.9%</b>	<b>-3.6%</b>	<b>-0.3 p.p.</b>		<b>4.9%</b>	<b>-8.8 p.p.</b>	

The Company's Net Income decreased by -15.5% in 1Q24 vs. 1Q23 mainly due to i) higher financial expenses, still reflecting the high interest rates and the current level of the Company's gross indebtedness, and ii) higher tax expenses, with lower levels of tax credits used in the period.

The Company continues acting on several fronts to ensure greater operating cash generation and prioritization of investments, thus reducing financial leverage and cost of financing.

## Cash Flow

R\$ Million	1Q23	1Q23	▲ %	▲ Abs	4Q23	▲ %	▲ Abs
<b>Activities</b>							
Operating	(62.7)	(11.8)	-431.1%	(50.9)	59.8	-204.8%	(71.6)
Investment	(30.8)	(85.2)	63.8%	54.4	(60.2)	48.8%	(25.0)
Financing	(68.0)	230.6	-129.5%	(298.6)	161.2	-142.2%	69.4
Changes in Cash	(161.5)	133.6	-220.9%	(295.1)	160.8	-200.4%	(27.2)
<b>Opening Balance</b>	<b>486.5</b>	<b>256.1</b>	<b>90.0%</b>	<b>230.4</b>	<b>325.7</b>	<b>49.4%</b>	<b>(69.6)</b>
<b>Closing Balance</b>	<b>325.0</b>	<b>389.7</b>	<b>-16.6%</b>	<b>(64.7)</b>	<b>486.5</b>	<b>-33.2%</b>	<b>(96.8)</b>

The balances and changes presented in the table above include the managerial view of the cash flow and the main lines are described below:

**Operating Activities:** include the cash generated from operations, plus changes in working capital balances, leases, taxes such as income tax and social contribution, as well as other non-cash effects generated in the operation. In 1Q24 this account recorded a cash consumption of R\$ 14.8 million, R\$ 3 million higher than 1Q23.

## Working Capital

	3Q23	4Q22	▲ %	▲ Abs	3Q23	▲ %	▲ Abs	
R\$ million	Accounts Receivable	166.6	222.0	-24.9%	(55.4)	152.3	9.4%	14.3
	Inventories	525.9	469.2	12.1%	56.7	489.0	7.5%	36.8
	Suppliers	(416.2)	(339.8)	22.5%	(76.4)	(448.6)	-7.2%	32.4
	<b>Working Capital</b>	<b>276.3</b>	<b>351.4</b>	<b>-21.4%</b>	<b>(75.1)</b>	<b>192.8</b>	<b>43.3%</b>	<b>83.5</b>
Days	Accounts Receivable	25	31	-18.6%	(6)	29	-12.9%	(4)
	Inventories	137	133	3.0%	4	131	4.5%	6
	Suppliers	(104)	(97)	6.9%	(7)	(112)	-7.6%	8
	<b>Cash Conversion Cycle (CCC)</b>	<b>59</b>	<b>67</b>	<b>-12.5%</b>	<b>(8)</b>	<b>48</b>	<b>22.4%</b>	<b>11</b>

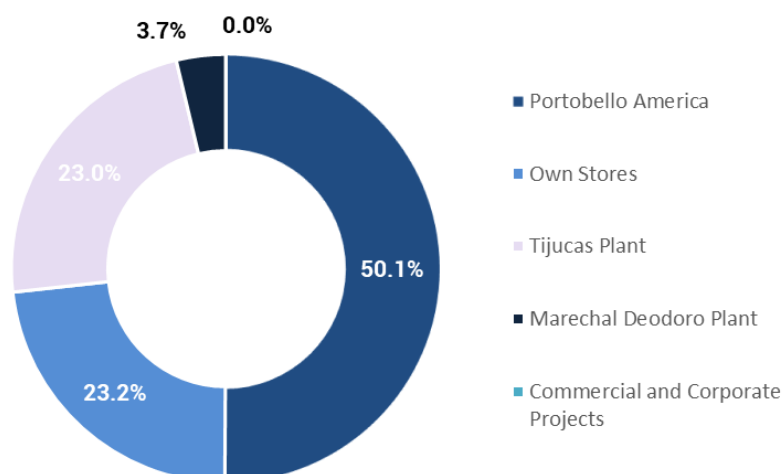
The Company's working capital decreased -21.4% in 1Q24 vs. 1Q23, totaling R\$ 276 million. The Cash Conversion Cycle in 1Q24 was 59 days, -8 days below 1Q23, reflecting the ongoing efforts to optimize the receivables and suppliers portfolio, offsetting the increase in inventory, due to the preparation for the new product launching season and ramp-up of the new plant in the USA.

## Investments

**Investment Activities:** In 1Q24, investments totaled R\$ 45.1 million, -47% below 1Q23, mainly focused on Portobello America (50.4%), Portobello Shop (23.2%) with advances in digital transformation and own store structure, and Portobello BU (23.0%), with the maintenance and technological update of the industrial plant located in Tijucas-SC.

The investments made in Portobello America are mainly related to the acquisition of machinery and equipment for phase 1 of the new plant, which started operating in July 2023. Currently it is one of the most modern ceramic tile and flooring plants in the United States, with state-of-the-art technology in all its facilities.

## 1Q24 Investments



**Financing Activities:** include the borrowings, payments of principal, payment of financial expenses, and distribution of dividends, when applicable. In 1Q24, a negative change of R\$ 101 million in cash occurred due to higher levels of financial operation settlements, in line with the liability management plan, aiming at debt extension and cost reduction.

### Indebtedness and Capital Structure

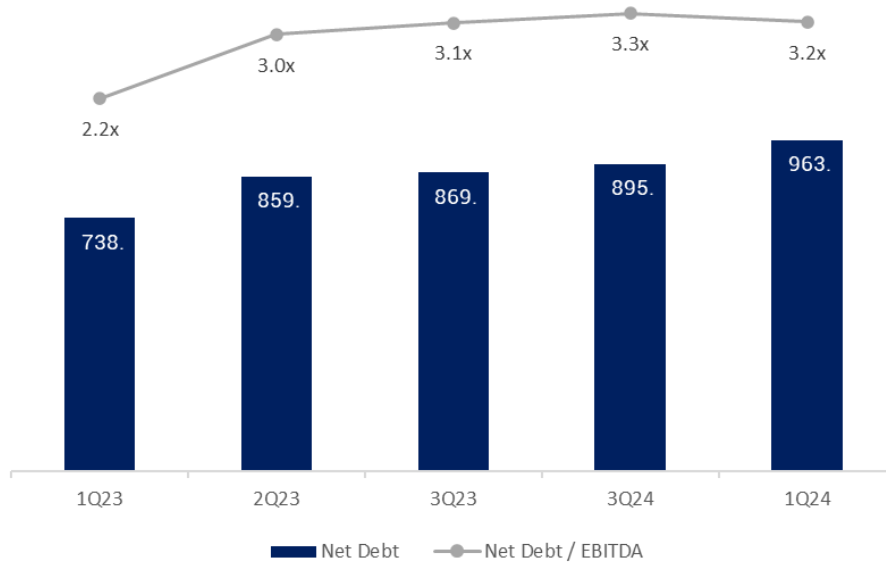
The Company's Net Debt ended 1Q24 at R\$ 963 million, up R\$ 68 million vs. 4Q23, but with a 0.1x decrease in leverage level, which is measured by the Net Debt / EBITDA ratio. Furthermore, through debt management actions, the Company extended the amortization schedule by 1.5 years and achieved a 0.8p.p. decrease in debt cost, ending with an average cost of 103.0% of CDI in 1Q24.

The EBITDA for the last 12 months recorded a positive change compared to 4Q23, returning to a level above R\$ 300 million. This important result, coupled with the renegotiation and debt extension actions with lower costs, made it possible to start the cycle of financial leverage reduction to the level of 3.2x. The Company expects that this indebtedness level will be reduced as EBITDA increases in the coming quarters replaces the lower results of previous quarters. Total cash and cash equivalents in 1Q24 reached R\$ 335.6 million, including R\$ 325.0 million of short-term cash and R\$ 10.6 million of cash equivalents with restricted use (see Note 5.2 and 5.3 - Interim Financial Information).

R\$ million	1Q24	4Q23	3Q23	2Q23	1Q23
<b>Gross Bank Debt<sup>1</sup></b>	<b>1.298.9</b>	<b>1.381.6</b>	<b>1.195.1</b>	<b>1.268.2</b>	<b>1.127.4</b>
Cash and Cash Equivalents	(335.6)	(486.5)	(325.7)	(409.0)	(389.7)
<b>Net Indebtedness</b>	<b>963.3</b>	<b>895.2</b>	<b>869.4</b>	<b>859.2</b>	<b>737.7</b>
EBITDA (LTM)	304.9	273.7	276.0	290.4	337.6
Adjusted and Recurring EBITDA (LTM)	316.5	284.3	266.5	276.7	325.4
Net Debt-to-EBITDA ratio	<b>3.2</b>	<b>3.3</b>	<b>3.1</b>	<b>3.0</b>	<b>2.2</b>
<b>Net Debt-to-Adjusted and Recurring EBITDA ratio</b>	<b>3.0</b>	<b>3.1</b>	<b>3.3</b>	<b>3.1</b>	<b>2.3</b>

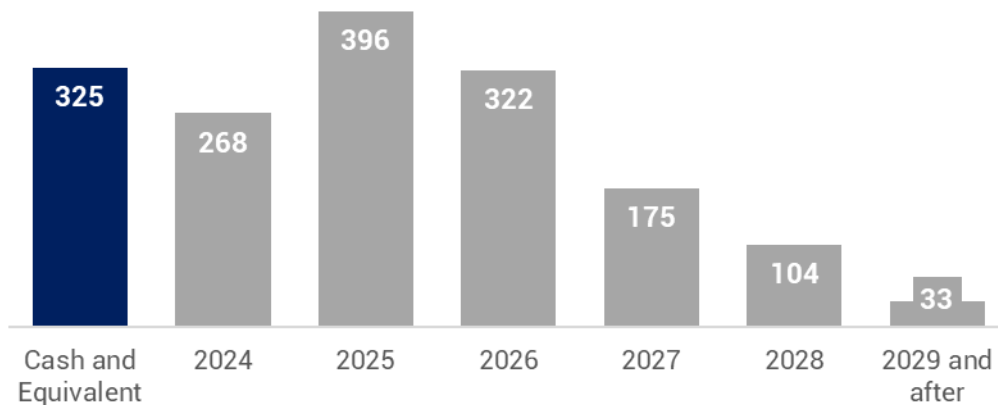


In 1Q24, fundraising totaling R\$ 173.3 million was carried out, with three operations approved by the Board of Directors and disclosed to the market in the respective minutes throughout the quarter. Export Credit Note (NCE) with Banco Alfa, in the amount of R\$ 50 million; with Banco Santander, in the amount of R\$ 81 million, and with Banco BBM Bank, in the amount of R\$ 34 million. In the quarter, a total of R\$ 222.4 million was amortized with settlements of principal.



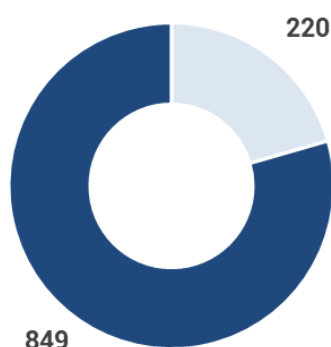
At the end of 1Q24, covenants related to the leverage ratio were met, which could lead to the early maturity of financing contracts and debentures if not complied with.

### Amortization schedule (Gross Banking Debt)



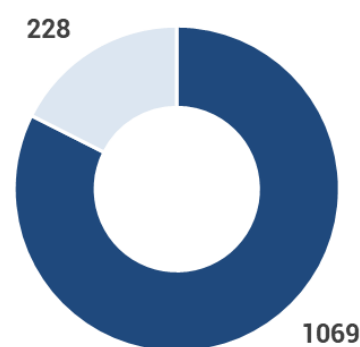
Gross Banking Debt maturing in the short term represents 33.6% of the total and the remainder debt matures in the long term, as shown in the amortization schedule above. The Gross Banking Debt is mostly in domestic currency (86.9%). The average total cost of Banking Debt is 13.0% per annum, a significant reduction of 0.8 p.p. vs. 1Q23 with advances also in the average term is 5.3 years (+1.5 year vs. 1Q23). Total cash and cash equivalents includes only short-term cash and cash equivalents (see Note 6 - Interim Financial Information).

**Bank Debt Term**



■ Short Term ■ Long Term

**Origin of Bank Debt**



■ Local Currency ■ Foreign Currency

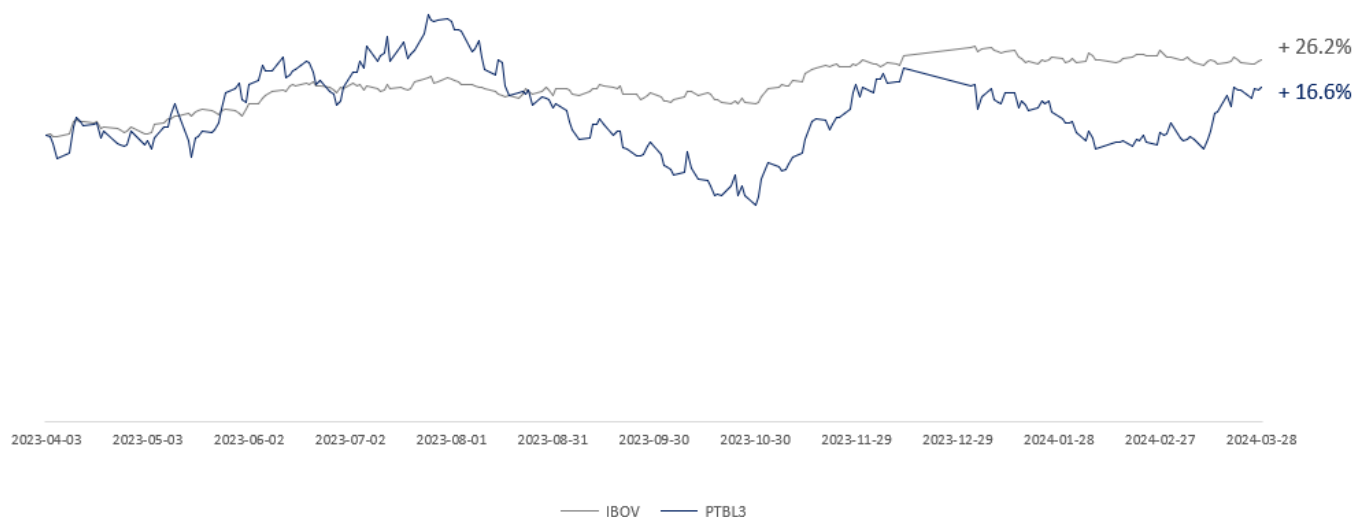
## Outlook

- The Company expects a gradual market recovery, both in Brazil and in the United States, as well as the evolution of results in line with seasonality, with a sequential evolution until the third quarter and a slight cooling in the fourth quarter.
- Regarding investments, the Portobello Group's focus is on the profitability of the investments already made in this 2022-2023 cycle, maintaining a perspective of making only the investments necessary for maintenance and continuity of operations in 2024.
- Perspective of continuous reduction throughout quarters of net leverage level (net debt and adjusted and recurring EBITDA ratio over the last 12 months).
- **Portobello Shop:** Evolution of Portobello Shop's results with advances in productivity and profitability of strategic investments, with an increase in Same Store Sales and growth of new B2B sales channels.
- **Portobello America:** Advancement of the new production stabilization and gradual operation profitability plan, with accelerated sales in distribution channels and home centers.
- **Portobello:** Focus on ongoing optimization of the product mix, market share gain in sales channels, and advances in exports, with the development of new markets and advanced hubs.
- **Pointer:** Market share gain through advances in small and medium retailers and strengthening of home centers. Higher utilization of installed capacity.

## PTBL3 Stock Performance

In 1Q24, PTBL3 shares closed at R\$ 6.95. When compared to the same period of 2023, we had a growth of 15.4%. The average daily financial volume traded (ADTV) in 1Q24 was R\$ 4.2 million. At the end of the quarter, the Company had a market value equivalent to R\$ 975.6 million.

PTBL3 x Ibovespa  
Base 100 – 2023/04/03 to 2024/03/28



## Independent Audit

The policy of the Company in relation to its independent auditors, with regard to the provision of services not related to the external audit of financial statements, is based on the principles that preserve professional independence. These principles assume that the auditor should not audit their own work, perform managerial functions, or act as a lawyer for their client.

## Financial Statements

## Balance Sheet

Assets	1Q24	AV %	4Q23	AV %	Var%
<b>Current assets</b>	<b>1.234.0</b>	<b>37.9%</b>	<b>1.331.7</b>	<b>40.4%</b>	<b>-7.3%</b>
Cash and cash equivalents	325.0	10.0%	486.5	14.8%	-33.2%
Trade Receivables	282.5	8.7%	269.0	8.2%	5.0%
Inventories	525.9	16.2%	489.0	14.8%	7.5%
Advanced to suppliers	11.3	0.3%	11.1	0.3%	1.8%
Other	89.3	2.7%	76.1	2.3%	17.3%
<b>Non-current assets</b>	<b>2.019.7</b>	<b>62.1%</b>	<b>1.964.3</b>	<b>59.6%</b>	<b>2.8%</b>
<b>Long-term assets</b>	<b>257.4</b>	<b>7.9%</b>	<b>256.6</b>	<b>7.8%</b>	<b>0.3%</b>
Judicial deposits	7.0	0.2%	7.1	0.2%	-1.4%
Judicial assets	115.6	3.6%	115.1	3.5%	0.4%
Guarantee deposit	15.2	0.5%	19.9	0.6%	-23.6%
Restricted financial investments	10.6	0.3%	10.3	0.3%	2.9%
Recoverable taxes and deferred tax	74.5	2.3%	69.6	2.1%	7.0%
Other non-current assets	34.5	1.1%	34.6	1.0%	-0.3%
<b>Fixed assets</b>	<b>1.762.3</b>	<b>54.2%</b>	<b>1.707.7</b>	<b>51.8%</b>	<b>3.2%</b>
PPE, Intangible Assets and Investments	1.141.5	35.1%	1141.7	34.6%	0.0%
Right of Use of Leased Assets	617.5	19.0%	562.7	17.1%	9.7%
Other investments	3.3	0.1%	3.3	0.1%	0.0%
<b>Total assets</b>	<b>3.253.7</b>	<b>100.0%</b>	<b>3.296.0</b>	<b>100.0%</b>	<b>-1.3%</b>
<b>Liabilities</b>	<b>1T24</b>	<b>AV %</b>	<b>4T23</b>	<b>AV %</b>	<b>Var%</b>
<b>Current liabilities</b>	<b>1.138.1</b>	<b>35.0%</b>	<b>1.321.2</b>	<b>40.1%</b>	<b>-13.9%</b>
Loans and Debentures	293.9	9.0%	456.0	13.8%	-35.5%
Trade Payables and Credit Assignment	427.5	13.1%	459.7	13.9%	-7.0%
Payables for investments	88.9	2.7%	89.4	2.7%	-0.6%
Lease obligations	42.3	1.3%	40.3	1.2%	5.0%
Tax liabilities	54.4	1.7%	48.8	1.5%	11.5%
Payroll and related taxes	81.0	2.5%	76.6	2.3%	5.7%
Advances from Customers	115.9	3.6%	116.7	3.5%	-0.7%
Other	34.2	1.1%	33.7	1.0%	1.5%
<b>Non-current liabilities</b>	<b>1.744.6</b>	<b>53.6%</b>	<b>1.588.9</b>	<b>48.2%</b>	<b>9.8%</b>
Loans and Debentures	1.002.9	30.8%	884.9	26.8%	13.3%
Payables for investments	128.0	3.9%	107.0	3.2%	19.6%
Debts with related parties	56.3	1.7%	56.3	1.7%	0.0%
Provisions	81.4	2.5%	80.0	2.4%	1.8%
Deferred tax	6.4	0.2%	6.4	0.2%	0.0%
Lease obligations	420.6	12.9%	404.3	12.3%	4.0%
Other Non Current Liabilites	49.0	1.5%	50.0	1.5%	-2.0%
<b>Equity</b>	<b>371.1</b>	<b>11.4%</b>	<b>385.9</b>	<b>11.7%</b>	<b>-3.8%</b>
Capital	250.0	7.7%	250.0	7.6%	0.0%
Earnings reserve	171.4	5.3%	191.8	5.8%	-10.6%
Other comprehensive income	(50.3)	-1.5%	(55.9)	-1.7%	-10.0%
<b>Total liabilities</b>	<b>3.253.8</b>	<b>100.0%</b>	<b>3.296.0</b>	<b>100.0%</b>	<b>-1.3%</b>



## Statement of Income

R\$ Million	1T24	1Q23
Net Sales Revenue	525.5	487.8
Cost of goods sold	(329.7)	(295.5)
<b>Gross Operating Profit</b>	<b>195.8</b>	<b>192.3</b>
<b>Operating Income (Expenses), Net</b>	<b>(158.1)</b>	<b>(172.4)</b>
Selling	(150.2)	(143.9)
General and Administrative	(30.9)	(23.8)
Other Operating Income (Expenses), Net	22.9	(4.7)
<b>Operating Profit before Financial Income</b>	<b>37.7</b>	<b>19.9</b>
<b>Financial Result</b>	<b>(52.4)</b>	<b>(36.7)</b>
Financial Revenues	6.0	8.0
Financial Expenses	(56.6)	(41.0)
Net exchange rate change	(1.8)	(3.7)
<b>Income (loss) before income taxes</b>	<b>(14.7)</b>	<b>(16.8)</b>
Income Tax and Social Contribution	(6.0)	1.8
<b>Net income (loss) for the Period</b>	<b>(20.7)</b>	<b>(15.1)</b>

*The statement of income considers the breakdown of operating expenses according to the corporate view.*

## Cash Flow

R\$ Million	1Q24	1Q23
<b>Net cash from operating activities</b>	<b>(62.7)</b>	<b>(11.8)</b>
Cash from operations	80.5	60.5
Changes in assets and liabilities	(96.9)	(34.7)
Interest paid and income taxes paid	(46.3)	(37.5)
<b>Net cash used in investment activities</b>	<b>(30.8)</b>	<b>(85.2)</b>
Acquisition of property, plant and equipment	(1.2)	(77.2)
Acquisition of intangible assets	(14.9)	(8.0)
	(14.7)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(68.0)</b>	<b>230.6</b>
Funding loans and financing	172.8	262.6
Payment of loans and financing	(222.1)	(19.9)
Rental amortization	(18.7)	(12.1)
<b>Increase/(Decrease) in Cash for the period/year</b>	<b>(161.5)</b>	<b>133.7</b>
<b>Opening Balance</b>	<b>486.5</b>	<b>256.1</b>
<b>Closing Balance</b>	<b>325.0</b>	<b>389.7</b>

*\*Indirect Cash Flow considers opening according to a corporate view.*

## Expenses accounting view

R\$ Million	1Q23	%RL	1Q23	%RL	▲ %	▲ Abs	4Q23	%RL	▲ %	▲ Abs
<b>Operating Expenses</b>										
Selling	(150.2)	28.6%	(143.9)	29.5%	4.4%	(6.3)	(163.2)	29.3%	-8.0%	13.0
General and Administrative	(30.9)	5.9%	(23.8)	4.9%	29.7%	(7.1)	(34.2)	6.1%	-9.8%	3.3
Other Revenues (Expenses)	22.9	-4.4%	(4.7)	1.0%	-587.6%	27.6	18.4	-3.3%	-24.6%	4.5
<b>Operating Expenses</b>	<b>(158)</b>	<b>30.1%</b>	<b>(172.4)</b>	<b>35.3%</b>	<b>-8.3%</b>	<b>14.3</b>	<b>(179.0)</b>	<b>32.2%</b>	<b>-11.7%</b>	<b>20.9</b>
Non-Recurring Revenues	0	0.0%	(0.8)	0.2%	-119.3%	1.0	(0.4)	0.1%	-135.1%	0.6
<b>Adjusted Operating Expenses</b>	<b>(158.0)</b>	<b>30.1%</b>	<b>(173.3)</b>	<b>35.5%</b>	<b>-8.9%</b>	<b>15.3</b>	<b>(179.4)</b>	<b>32.3%</b>	<b>-12.0%</b>	<b>21.5</b>

The breakdown of accounting operating expenses is different from management view. The administrative expenses of the CBC and PBtech entities are considered sales expenses in the management view. Furthermore, administrative expenses in Mineração and participation of non-minority shareholders are considered in other income (expenses) in the management view.