

Brazil Retail — Remessa Conforme Tracker

Mild Sequential Growth in July 2025

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Net/Net: July 2025 Remessa Conforme (RCP) data confirms cross-border sales are stabilizing around R\$1.3bn/month, down 14% YoY owed to tougher comps but up 5% MoM, another data point that confirms to a gradual recovery post-tax hike, though still below mid-2024 levels. For listed retailers, the domestic environment remains healthier, with no evidence of renewed pressure from cross-border fast-fashion, a positive read-through for C&A, Renner, and Guararapes.

What's New? Today, Brazil's Federal Revenue Service released Remessa Conforme Program figures for July 2025. During the month, RCP cross-border imports reached R\$1.36 billion, down 14% YoY, likely affected by a hard comps base driven by demand anticipation in July 2024 ahead of new taxes, but up 5% MoM. The number of parcels registered under the program in July 2025 fell -24% YoY (offset by a 12% increase in avg. ticket), while on a MoM basis, volume rose by +12% vs. June 2025, while average ticket dropped ~7% MoM.

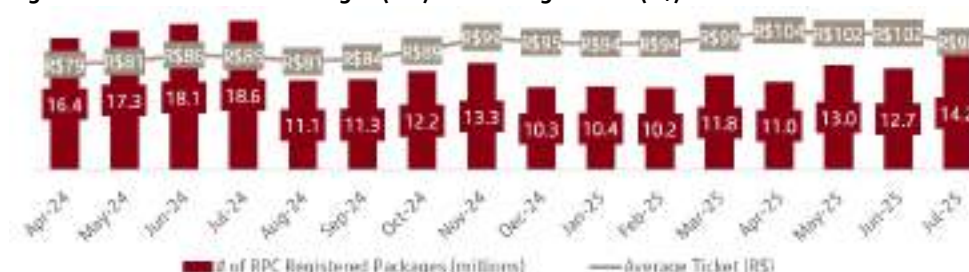
Our View: RCP trends show that higher taxation continues to curb cross-border purchases, but recent months suggest a recovery in demand. Volumes remain below those seen before the August 2024 tax change, yet the stabilization at ~R\$1.3bn signals limited incremental risk to local retailers. With no signs of exponential growth in imports, we see the competitive backdrop improving, particularly for fast-fashion players. The potential policy debate on further import tax adjustments remains the main variable to monitor.

Figure 1 - RCP (R\$ million) - YoY and MoM (%) Evolution



Source: Brazil IRS

Figure 2 - Number of RCP Packages (Mn) and Average Ticket (R\$)



Source: Brazil IRS

Related Santander Reports:

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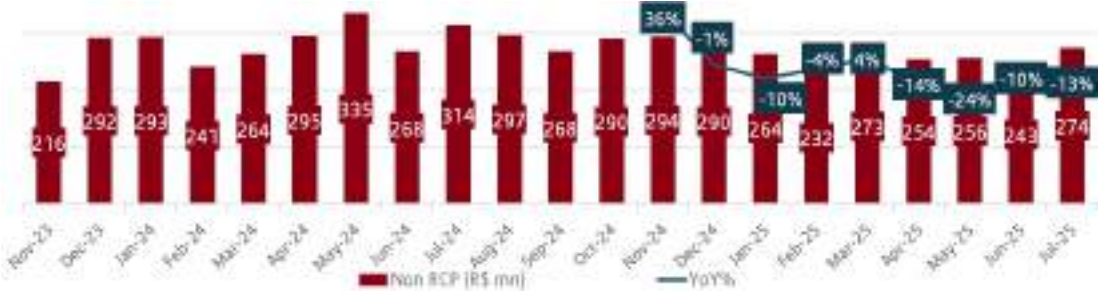
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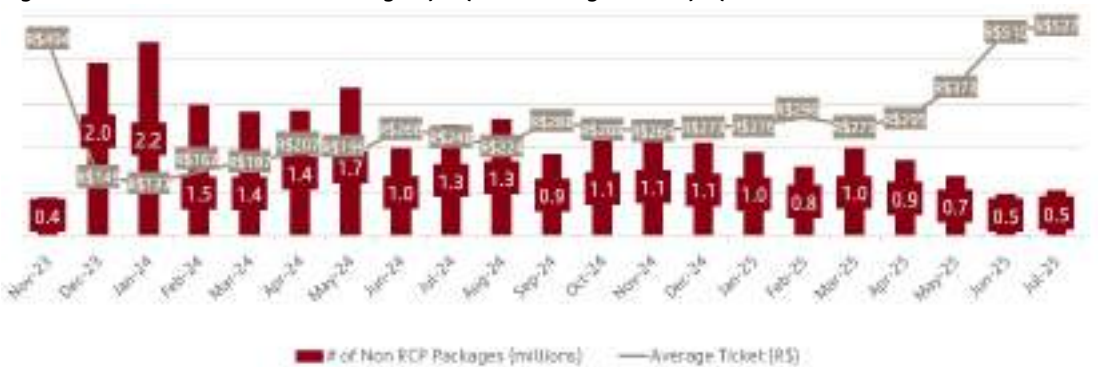
Differences between RCP and non-RCP imports: The Brazilian IRS shares import data is based on the Declaração de Importação de Remessa (DIR), which is a customs document used to register information about international shipments and indicates whether they are purchases from e-commerce sites or gifts to the recipient. Within the RCP, DIRs are registered before the shipments arrive in Brazil, allowing for pre-clearance by customs and prioritized processing by the postal service and courier companies. RCP DIRs represent the majority of registered declarations, highlighting the program's role in facilitating international trade. In contrast, non-RCP DIRs pertain to shipments not participating in the program and are processed through conventional methods. The Brazilian IRS publishes this data separately to provide a clear view of the RCP's impact and efficiency compared to traditional import methods.

Figure 3 - Non Remessa Conforme Program (R\$ Mn) & Growth YoY



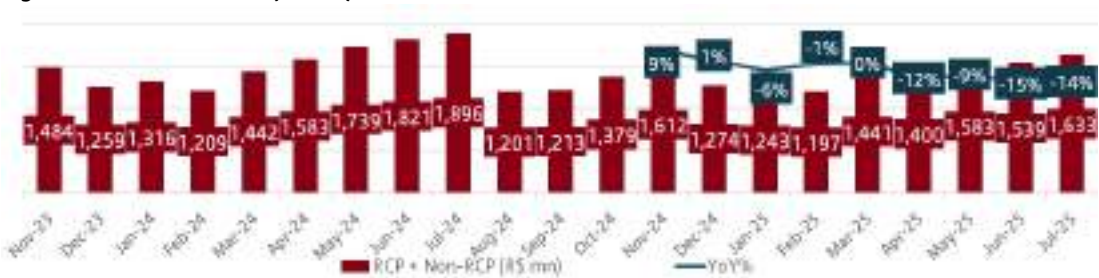
Source: Brazil IRS

Figure 4 - Number of Non-RCP Packages (Mn) And Average Ticket (R\$)



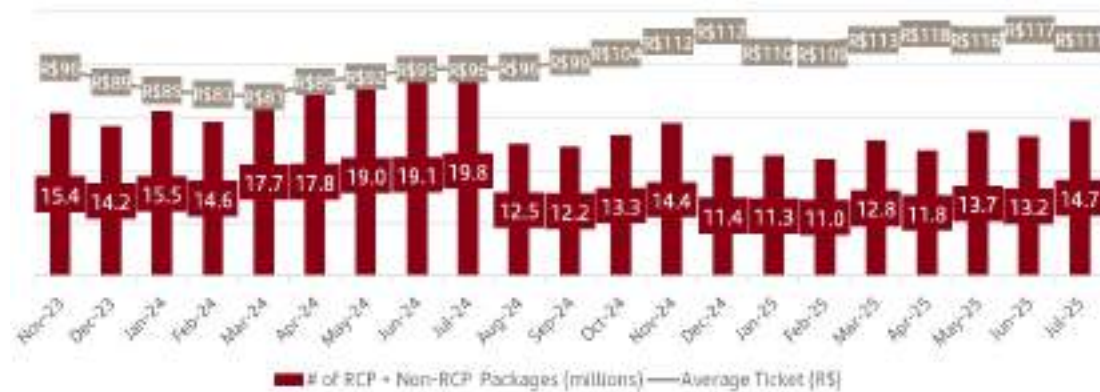
Source: Brazil IRS

Figure 5 - RCP + Non-RCP (R\$ Mn) & Growth YoY



Source: Brazil IRS

Figure 6 - Number of RCP + Non-RCP Packages (Mn) and Average Ticket (R\$)



Source: Brazil IRS

Data can be found on: gov.br/receitafederal/pt-br/assuntos/aduana-e-comercio-exterior/manuais/remessas-postal-e-expressa/relatorios-bimestrais-prc

¹ Please refer to Metropoles article: Aliado de Motta apresenta projeto para derrubar “taxa das blusinhas”, from July 15, 2025

Companies Mentioned List

Lojas Renner (Ticker: LREN3, CP: R\$19.3, TP: 24.0, Outperform)

C&A Modas (Ticker: CEAB3, CP: R\$19.8, TP: 23.7, Outperform)

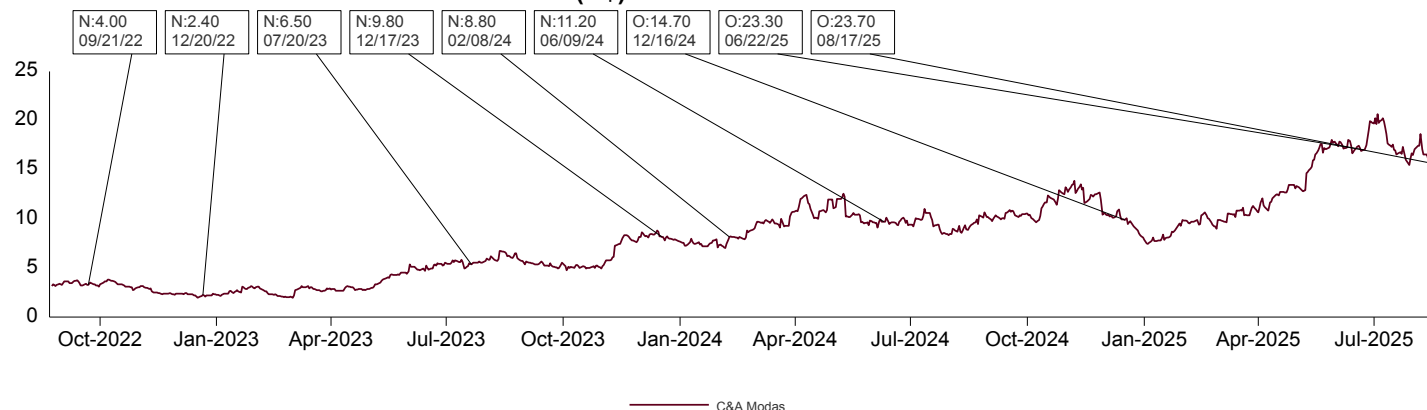
Guararapes (Riachuelo) (Ticker: GUAR3, CP: R\$8.4, TP: 10.0, Neutral)

Shein (Not Listed)

Source: Bloomberg

Share price data as of August 19, 2025

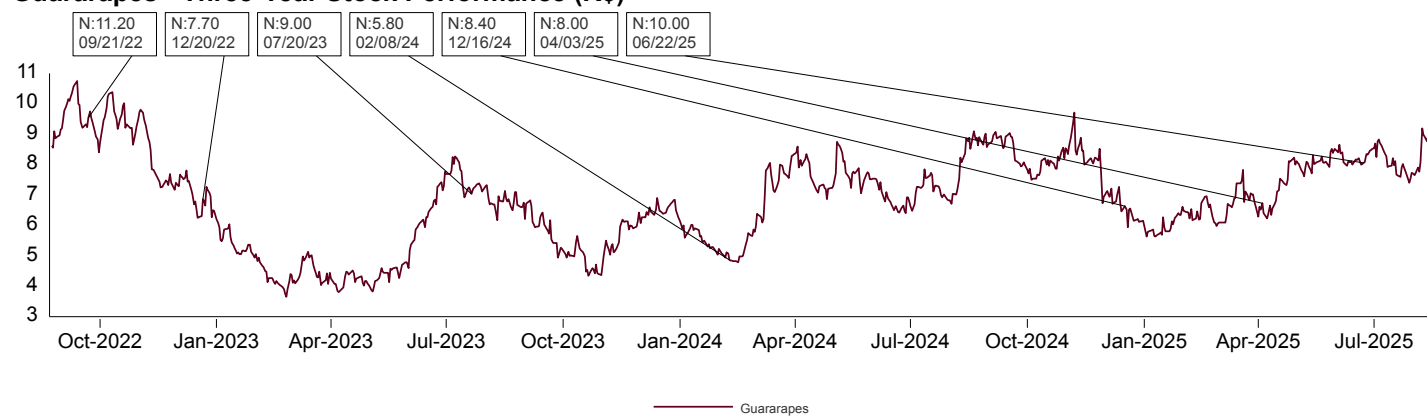
C&A Modas - Three-Year Stock Performance (R\$)



Valuation & Risks

Our YE2026 target price is based on a DCF analysis for which we consider a WACC of 14.8% and a perpetuity growth rate of 4.0%. Main risks include: (i) execution risks associated with the new 100% company-operated consumer finance division; (ii) slower-than-expected recovery of merchandise gross margin, mainly hampered by the fashiontronics segment; and (iii) worsening macroeconomic environment in 2024, hindering the company's recovery from the pandemic.

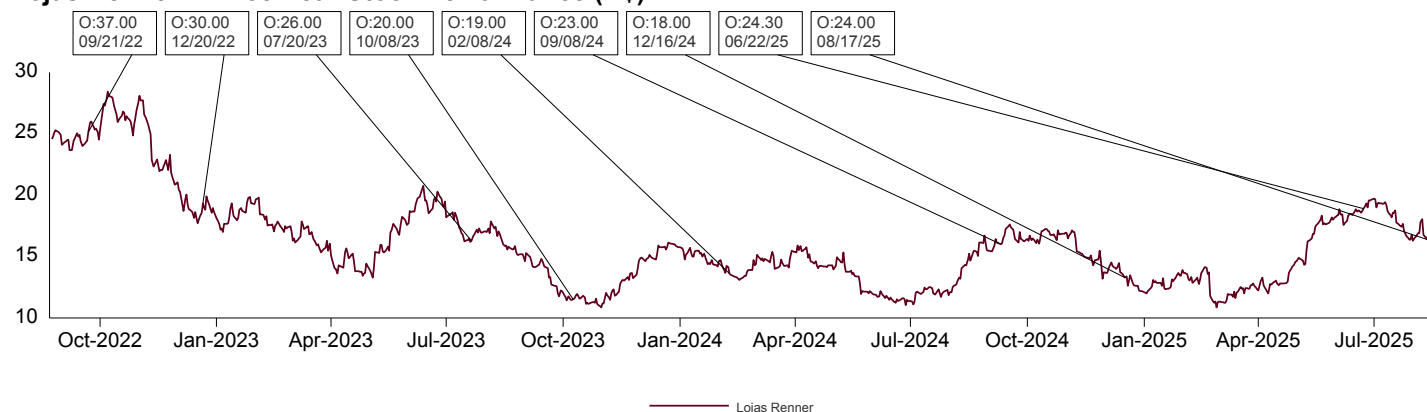
Guararapes - Three-Year Stock Performance (R\$)



Valuation & Risks

Our YE2026 target price is based on a DCF analysis for which we consider a WACC of 14.9% and a perpetuity growth rate of 4.0%. Main risks include: (i) slower than expected Selic rate cuts negatively affecting consumption; (ii) execution risks related to the ongoing initiatives on digitalization and consumer finance; and (iii) worsening in the overall consumer environment, leading to weaker than expected growth.

Lojas Renner - Three-Year Stock Performance (R\$)



Valuation & Risks

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Our YE2026 target price is based on a DCF analysis for which we consider a WACC of 13.7% and a perpetuity growth rate of 4.5%. Main risks include: (1) lower-than-expected SSS; (2) increased competition; (3) deterioration in the Consumer Finance business, with rising NPLs and delinquency rates; (4) disruptions in push & pull logistics, leading to possible wrong orders or stock-outs at the store level; and (5) FX depreciation weighing on imported goods.

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