



4Q19 Results

B3: LREN3; USOTC:LRENY

CONFERENCE CALL ON RESULTS

February 07, 2020

1:00 p.m. (Brazil) / 11 a.m. (US-EST))

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The Conference Call will be held in Portuguese only with simultaneous translation in English.

Customer Single-View

Transforming data in actions



CUSTOMER INTERACTIONS

- Big data
- Identification of unknown customers
- Personalized communication
 - Personalized shopping experience

Data Driven Decision on Product Lifecycle

Apply technology in collections



PRODUCT DEVELOPMENT

- Artificial Intelligence
 - Algorithms
 - Prediction
- Agility on decisions
- Assortment / Distribution
 - Lower inventories

Omni Transformation

Create a single shopping experience



CHANNELS INTEGRATION

- Use of stores' inventory
 - Faster deliveries
- Equalization of sales channels
- Convenience, mobility and flexibility
- Fluid and enchanting sales experience

Initiatives Status



- Data Lake with unified information
- Business areas exploring information
- Beginning of usage of unified information for the development of marketing campaigns
- Customer service center using customers information on a single platform
- Omni recommendation engine available on store's mobile devices, using profile of customers – 2S20



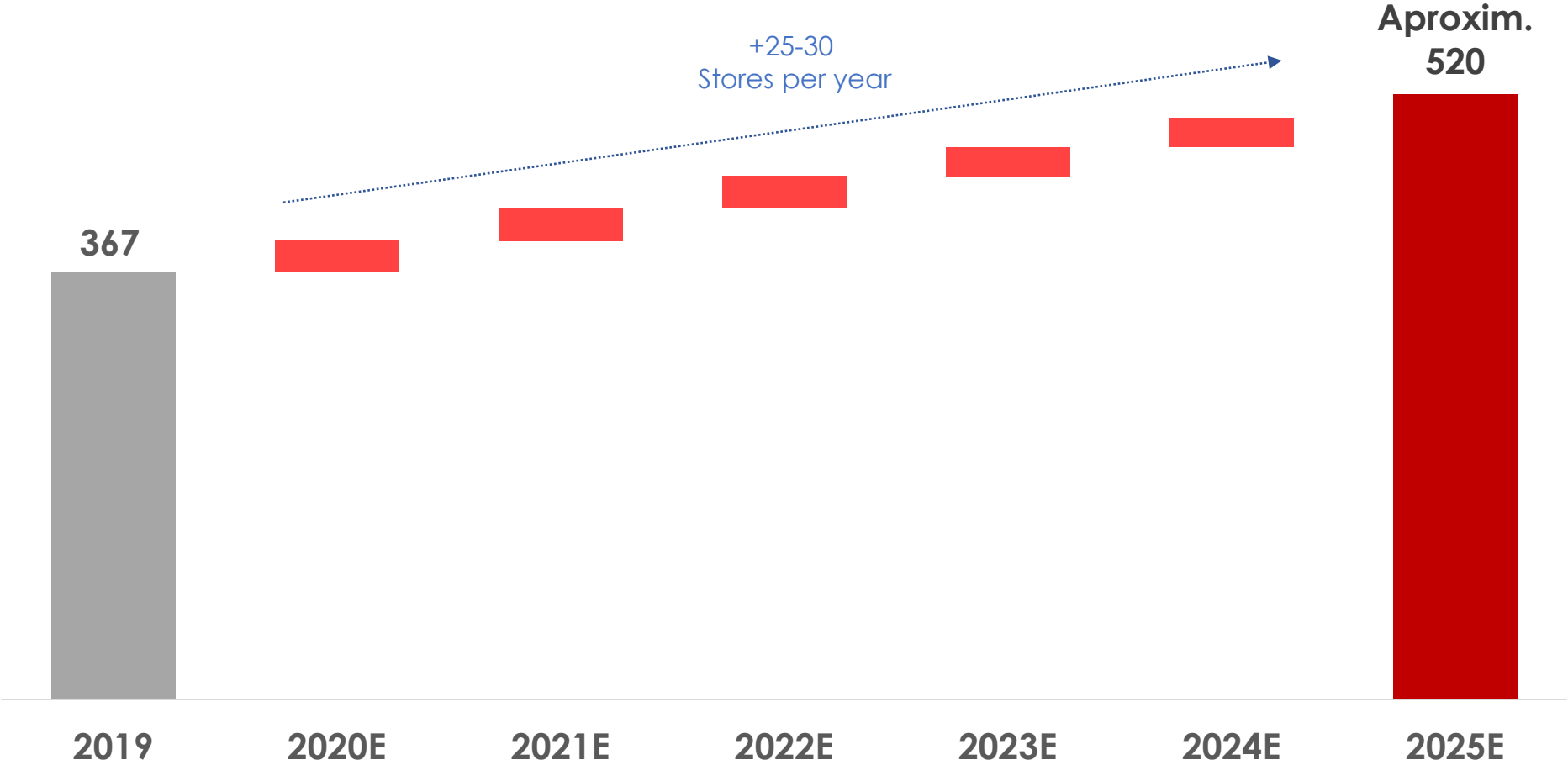
- More than one thousand items allocated by AI, with no human intervention
- +8% of total sales – gradual improvement throughout 2020
- Incremental sales of 12%, with reduction of 18% of inventory needs for these items
- Utilization of AI for prediction of sales
- Piloting the capture of fashion trends through AI



- RFID implemented in 100% of the stores
- 100% of stores inventory count done with RFID
- Testing the Ship from Store
- Click & Collect in 100% of the stores, representing 36% of e-commerce sales in December
- Click & Collect using store's inventory in 75 units – complete rollout to be concluded in March/20
- Mobile Sales through the mobile device in 100% of the stores
- Digital Sale of the E-commerce in 100% of the stores
- Self-checkouts
- Digital Payment – checkout using customers mobile
- Lockers in stores
- Same Day Delivery (RJ) e Next Day Delivery (SP)

Renner Stores Brazil 2025 New Target

Number of Renner stores in Brazil



Highlights of the Period

Consolidated Information (R\$ MM)	4Q19	4Q18	Var.	4Q19 Proforma	Var.	2019	2018	Var.	2019 Proforma	Var.
Net Revenue from Merchandise Sales	2,873.1	2,595.1	10.7%	2,873.1	10.7%	8,474.7	7,485.4	13.2%	8,474.7	13.2%
Growth in Same Store Sales	6.2%	12.0%	-	6.2%	-	8.7%	7.4%	-	8.7%	-
Gross Profit from Merchandise Sales	1,666.0	1,490.5	11.8%	1,666.0	11.8%	4,767.4	4,228.0	12.8%	4,767.4	12.8%
Gross Margin from Retailing Operation	58.0%	57.4%	0.6p.p.	58.0%	0.6p.p.	56.3%	56.5%	-0.2p.p.	56.3%	-0.2p.p.
Operating Expenses (SG&A) ¹	(759.7)	(787.9)	-3.6%	(875.0)	11.0%	(2,701.1)	(2,775.0)	-2.7%	(3,112.3)	12.2%
SG&A as a % of Net Revenue from Merchandise Sales	26.4%	30.4%	-4.0p.p.	30.5%	0.1p.p.	31.9%	37.1%	-5.2p.p.	36.7%	-0.4p.p.
Ajusted EBITDA from Retailing Operation	760.2	663.9	14.5%	761.9	14.8%	1,586.6	1,423.9	11.4%	1,621.8	13.9%
Ajusted EBITDA Margin from Retailing Operation	26.5%	25.6%	0.9p.p.	26.5%	0.9p.p.	18.7%	19.0%	-0.3p.p.	19.1%	0.1p.p.
Financial Products Result	99.4	78.7	26.3%	99.4	26.3%	391.5	349.4	12.0%	391.5	12.0%
Ajusted Total EBITDA (Retail + Financial Products)	859.6	742.7	15.7%	861.3	16.0%	1,978.1	1,773.3	11.5%	2,013.3	13.5%
Ajusted Total EBITDA Margin	29.9%	28.6%	1.3p.p.	30.0%	1.4p.p.	23.3%	23.7%	-0.4p.p.	23.8%	0.1p.p.
Net Income	513.1	439.8	16.7%	514.2	16.9%	1,099.1	1,020.1	7.7%	1,122.3	10.0%
Net Margin	17.9%	16.9%	1.0p.p.	17.9%	1.0p.p.	13.0%	13.6%	-0.6p.p.	13.2%	-0.4p.p.
ROIC LTM	21.4%	23.0%	-1.6p.p.	22.2%	-0.8p.p.	21.4%	23.0%	-1.6p.p.	22.2%	-0.8p.p.

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