

# Earnings Presentation

1Q25

**AZZAS**  
2154



- 1.** Message from the CEO
- 2.** Highlights
- 3.** Business Units
- 4.** Financials Results
- 5.** Q&A

## Key messages

- 1 **Significant progress in integration /Agility in consolidating 1Q25 results/  
Synergy capture**
- 2 **Structured governance /Solid results / Implementation of corporate restructuring**
- 3 **Management efficiency/Operational leverage/Expense and CAPEX cuts**
- 4 **Desired brands /Consistent growth /Market leadership**
- 5 **Versatile supply chain /Winter launch /Collections with diverse assortment**

## Key messages

**6** Multichannel distribution/Dominance in e-commerce/Geographic capillarity

**7** Continuous innovation/New projects/Agility to adapt

**Clear priorities**

**I. Desired brands**

**II. Continuous growth**

**III. Operational leverage**

**IV. Efficient capital allocation**

**8** V. Solid governance

# 1Q25 Highlights

## Gross Revenue

Continued Brands

**R\$ 3.3 Bn**

**+16.1%** vs. 1Q24

## Gross Margin

**54.8%**

**+30 bps** vs. 1Q24

## SG&A/Net Revenue

**39.3%**

**-90 bps** vs. 1Q24

## EBITDA

**R\$ 427.7 Mn**

(post IFRS-16)

**+23.3%** vs. 1Q24

**R\$ 359.0 Mn**

(pre IFRS-16)

**+28.2%** vs. 1Q24

## EBITDA Margin

**15.9%**

(post IFRS-16)

**+120 bps** vs. 1Q24

**13.3%**

(pre IFRS-16)

**+150 bps** vs. 1Q24

## Net Income

**R\$ 117.7 Mi**

**+15.6%** vs. 1Q24

**R\$ 181.6 Mi**

(ex. Law 14.789/23)

**+20.3%** vs. 1Q24

## Footwear and Accessories

1Q25 Gross Revenue (continued brands)

**R\$ 1.0 Bn** +4.8% vs. 1Q24

- Gross revenue growth of 4.8% vs. 1Q24, with notable results in Anacapri and Vans.
- Own stores channel grew 12.9% vs. 1Q24, even on the strong comparison base (+13.5%) of 1Q24.
- Owned stores' SSS stood out (+9.0%), mainly due to Arezzo brand.
- The franchise channel was the biggest offender of the BU 's growth in the period. For the Arezzo brand, we have structured a franchising project.
- Growth in the international market of 29.3%, reflecting the good performance of the three brands (Arezzo, Schutz and Alexandre Birman) and the expansion of multi-brand channel in the United States.



AREZZO

AREZZO

SCHUTZ

ANACAPRI

ALEXANDRE  
BIRMAN

Vicenza)

VANS  
"OFF THE WALL"

# Women's Apparel

1Q25 Gross Revenue

**R\$ 1.2 Bn** +27.1% vs. 1Q24

- Growth driven by multi-brand channel, which increased by 56.8% vs. 1Q24. It is important mentioning that Farm's Winter sales were more concentrated in 1Q than 2Q compared to 2024, as well as there was an increase in the number of NV showrooms.
- Sell-out channels grew 19.8% vs. 1Q24. Highlights include the own stores channel (+23.2%) and SSS growth of 17.5%.
- In relation to the Brands, Farm was the main growth highlight in Brazil, growing 46.7% vs. 1Q24.
- Also, Animale brand achieved a double-digit revenue growth compared to 1Q24, an important milestone for the brand.



ANIMALE  
CRIS BARROS

FARM RIO  
CAROL BASSI

nv  
#fabula

MARIA  
FILÓ  
OFF PREMIUM

# Democratic Apparel

1Q25 Gross Revenue (continued brands)

**R\$ 616 Mn** +19.4% vs. 1Q24

- Strong growth in sell-out channels: the e-commerce channel grew 41.4%, reaching a 17.2% share of revenue, and own stores grew 27.0%.
- For the sell-in channels, the multi-brand revenue grew 13.8% vs. 1Q24, reflecting the implementation of the channel's new GTM, and franchise revenue was up 9.0%.
- Hering reached 54 mega stores. There were 19 openings in the last 12 months. Megas stores strengthen the brand's perception of value, providing a space of experience and desire, while delivering better commercial and financial performance.
- Highlight to the new architectural project that has already been implemented in three new stores: the Ibirapuera Mall unit (São Paulo), Iguatemi Mall (Campinas); and Bourbon Mall (São Paulo)



**HERING HERINGKIDS**  
**HERINGINTIMATES HERINGSPORTS**

# Men's Apperal

1Q25 Gross Revenue (continued brands)

**R\$ 361 Mn** +12.6% vs. 1Q24

- Continued solid growth in revenue and SSS of 9.8% vs. 1Q24, despite prioritizing profitability.
- Owned stores grew by 17.2%, reflecting a good SSS performance combined with the expansion of the store network (+19 stores vs. 1Q24).
- E-commerce grew by 9.6%, in line with the strategy of prioritizing increased full-price sales in stores, and adjusting the volume of promotions and investments in digital marketing.
- For the sell-in channels, multi-brands and franchises grew by 10.0% and 2.7%, respectively. Franchises continue to have a healthy SSS level of 9.0% in the sell-out.



Reserva

foxton

ReservaGo

Oficina

Reserva  
mini

INK

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	R\$ Mn	Recurring 1Q24 (pro forma)	Recurring 1Q25	Recurring Δ (%) 1Q25 vs. 1Q24
<b>1</b>	<b>Gross Revenue</b>	2,894.1	3,311.8	14.4%
	<b>Net Revenue</b>	2,367.1	2,696.5	13.9%
	<b>COGS</b>	(1,077.6)	(1,219.7)	13.2%
	COGS (ex. D&A)	(1,068.0)	(1,209.2)	13.2%
	D&A	(9.6)	(10.5)	9.4%
<b>2</b>	<b>Gross Profit</b>	1,289.5	1,476.8	14.5%
	<i>Gross Margin</i>	54.5%	54.8%	0.3 p.p.
	<b>SG&amp;A</b>	(1,068.5)	(1,200.8)	12.4%
	SG&A (ex. D&A)	(952.1)	(1,059.6)	11.3%
	<i>(%) Net Revenue</i>	40.2%	39.3%	-0.9 p.p.
	D&A	(116.4)	(141.2)	21.3%
	<b>EBITDA</b>	347.0	427.7	23.3%
	<i>EBITDA Margin</i>	14.7%	15.9%	1.2 p.p.
<b>3</b>	<b>EBITDA (ex. IFRS-16)</b>	280.1	359.0	28.2%
	<i>EBITDA Margin (ex. IFRS-16)</i>	11.8%	13.3%	1.5 p.p.
	<b>EBIT</b>	221.0	276.0	24.9%
	Financial Result	(143.8)	(157.7)	9.7%
	<b>EBT</b>	77.2	118.3	53.2%
	Income Taxes	24.6	(0.6)	-
	<b>Net Income</b>	101.8	117.7	15.6%
	<i>Net Margin</i>	4.3%	4.4%	0.1 p.p.
	<b>Net Income (ex. 14.789/23 Law)</b>	151.0	181.6	20.3%

### 1 14.4% growth in Gross Revenue

Women's Apparel (+27.1%), driven by the Farm brand in Brazil, and Democratic Apparel (+19.4%) stood out.

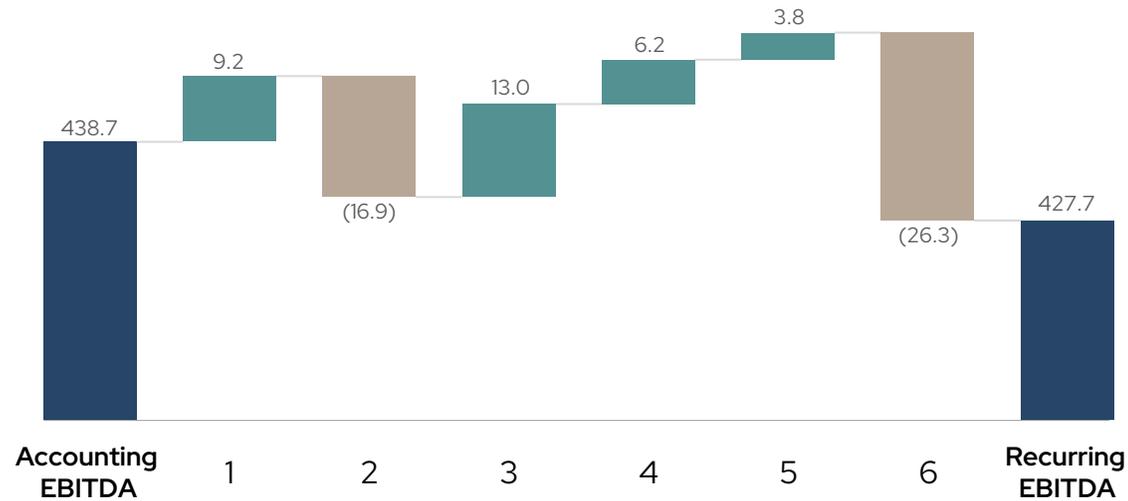
### 2 14.5% growth in recurring gross profit and +30 bps in gross margin

- (1) dilution of fixed costs due to strong revenue growth and
- (2) greater share of sell-out channels in gross revenue in 1Q25 vs. 1Q24.

### 3 28.2% growth in recurring EBITDA (pre IFRS-16) and +150 bps EBITDA margin

- (1) dilution of fixed expenses, due to the strong growth in net revenue; and
- (2) reduction in contingent expenses, reflecting the rationalization of expenses.

## EBITDA Reconciliation



1 - **ILP**: long-term incentive program (ILP)

2 - **Portfolio Optimization** reversal of a provision made in 4Q24, related to portfolio optimization (Alexandre Birman store - Bal Harbour).

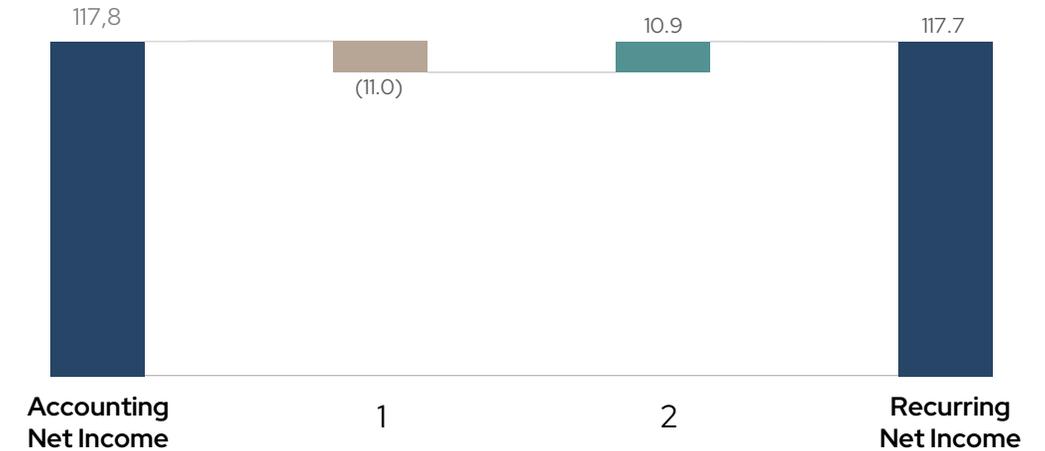
3 - **M&A expenses**: extraordinary expenses related to the merger of the Soma Group with Arezzo&Co.

4 - **Judicial contingencies**: provision for an indemnification claim (Hering franchise).

5 - **Retained earn-out installments**: for Carol Bassi and Reserva INK.

6 - **Extemporary Credits**: recognition of PIS and COFINS credits on DIFAL from the Footwear and Accessories BU in the last 5 years, making the Group's view consistent.

## Net Income Reconciliation



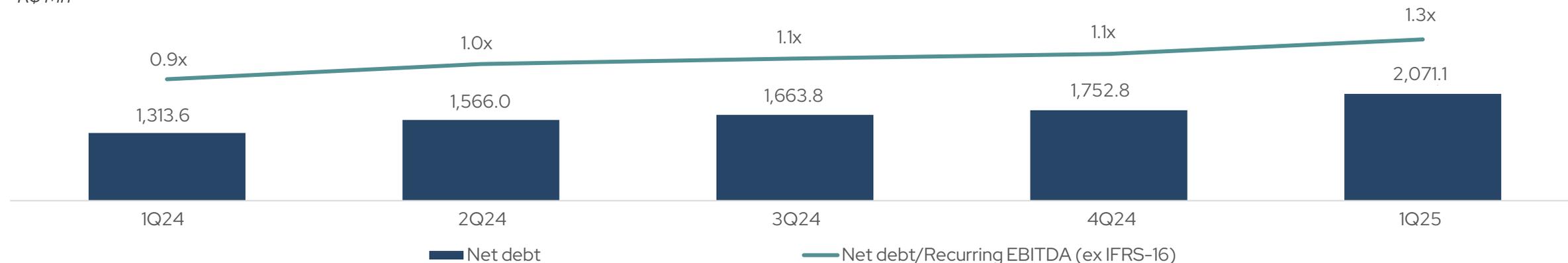
1 - **EBITDA Adjustments**: descriptions on the left side

2 - **D&A - Added Value Hering** : impact of fair values CPC15/IFRS3 - business combinations.

## Indebtedness

R\$ Mn	1Q24 (pro forma)	2Q24 (pro forma)	3Q24 (pro forma)	4Q24	1Q25
<b>Cash and Cash equivalents</b>	<b>1,363.7</b>	<b>1,310.8</b>	<b>766.4</b>	<b>774.5</b>	<b>1,103.4</b>
Swap Contracts <sup>(1)</sup>	(18.3)	(52.9)	28.7	127.4	65.4
<b>Total debt</b>	<b>2,659.0</b>	<b>2,823.9</b>	<b>2,458.9</b>	<b>2,654.7</b>	<b>3,239.9</b>
Short-term debt	1,123.8	1,222.8	903.1	1,476.5	1,904.1
% Total debt	42.3%	43.3%	36.7%	55.6%	58.8%
Long-term debt	1,535.2	1,601.1	1,555.8	1,178.2	1,335.8
% Total debt	57.7%	56.7%	63.3%	44.4%	41.2%
<b>Net debt</b>	<b>1,313.6</b>	<b>1,566.0</b>	<b>1,663.8</b>	<b>1,752.8</b>	<b>2,071.1</b>
Net debt / Recurring EBITDA (ex IFRS-16)	0.9x	1.0x	1.1x	1.1x	1.3x

Net Debt and Leverage  
R\$ Mn



Note: (1) Swap contracts (dollar x CDI) accounted for under Derivative Financial Instruments.

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**Everything we are building is the result of a collective spirit of people who are passionate about what they do and who work very hard.**

**Thanks to everyone who shares this dream!**



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FARM RIO

