

2Q22 EARNINGS CONFERENCE CALL

AREZZO
& CO



AREZZO SCHUTZ ANACAPRI BIRMAN FEVER ALME VANS "OFF THE WALL" ZZ'MALL Reserva MYSHOES Baw® TROC CAROL BASSI

CALL AGENDA

- 1. OPENING REMARKS**
- 2. BRANDS**
- 3. BRANDS AND CHANNELS HIGHLIGHTS**
- 4. OMNICHANNEL**
- 5. INTERNATIONAL BUSINESS**
- 6. STRATEGY**
- 7. FINANCIAL HIGHLIGHTS**
- 8. Q&A**
- 9. ATTACHMENTS**

OPENING REMARKS

**THANKS TO OUR FAMILY COMPOSED OF 6,580 SPECIAL
PEOPLE, WHO TOGETHER WE DELIVER THE BEST RESULT IN
OUR HISTORY!!!**

OPENING REMARKS

- HIGHLY COMMITMENT AND ENGAGEMENT OF THE WHOLE ECOSYSTEM;
- ASSERTIVITY OF SYNCHRONY BETWEEN PRODUCT, COMMUNICATION AND MARKETING;
- EXCELLENCE IN ECOMMERCE MANAGEMENT - CONSUMER ACQUISITION, UX, DELIVERIES, AFTER SALES, ETC;
- ABSOLUTE CONTROL OF THE SUPPLY CHAIN;
- HIGH CREATION OF PERCEIVED BRAND VALUE GENERATING GREAT LOYALTY;
- ABILITY TO INTERPRET TRENDS AND GENERATE DESIRE;
- ATTENTION AND BEWARE OF SUSTAINABILITY WITH OUR PEOPLE, AND WITH OUR VALUE CHAIN.

STRONG PERFORMANCE IN 2Q22

R\$1.2B

CONSOLIDATED
GROSS REVENUE

+65% vs 2021
+138% vs 2019

56.0%

GROSS
MARGIN

+210bps vs 2021
+920bps vs 2019

R\$162M

ADJUSTED
EBITDA

+93% vs 2021
+165% vs 2019

17.2%

ADJUSTED
EBITDA MARGIN

+200bps vs 2021
+160bps vs 2019

R\$157M

EBITDA

+26% vs 2021
+128% vs 2019

R\$123M

ADJUSTED
NET INCOME

+160% vs 2021
+247% vs 2019

STRONG PERFORMANCE IN 2Q22

OVER **6.5M** PRODUCTS SOLD IN 2Q22, **+43%** VS 2T22

+4.3M

PAIRS OF SHOES
SOLD

65%

SHARE OF SHOES
IN THE MIX

+31%

GROWTH
VS 2Q21

+1.6M

PIECES OF
CLOTHES SOLD

24%

SHARE OF APPAREL
IN THE MIX

+66%

GROWTH
VS 2Q21

+686K

HANDBAGS SOLD

11%

SHARE OF HANDBAGS
IN THE MIX

+89%

GROWTH
VS 1Q21

BRANDS

BRANDS



AREZZO

EXCELLENT RESULTS IN 2Q22

R\$ 312 M

GROSS REVENUE

+64% VS 2Q21

BEST MOTHERS' DAY ON RECORD FOR THE BRAND!

+50%
SELL-OUT
GROWTH

1.6M
PAIRS
SOLD

+76%
FRANCHISE
REVENUES

17%
ONLINE
SHARE

SCHUTZ

R\$ 275M

GLOBAL GROSS
REVENUE

+52%

VS 2Q21

520K

APP DOWNLOADS
IN 2Q22

**SCHUTZ IS BIGGER THAN EVER
SCHUTZ IS NOW FULL LOOK!**

R\$ 182M

DOMESTIC
GROSS REVENUE

30%

SHARE OF
BAGS IN
SELL OUT



Reserva

KEEPING UP THE FAST PACE OF
GROWTH IN THE QUARTER

R\$ 251 M

2Q22 AR&CO GROSS REVENUE

+75% VS 2Q21

+87%
SELL OUT
GROWTH

1.4 M
PIECES OF
CLOTHES

+64%
INFLUENCED
REVENUES

39%
SHARE OF
OMNI SALES

INTRODUCTION OF REVERSA (WOMEN'S)
ON VALENTINE'S DAY



ANACAPRI

R\$ 76M

GROSS REVENUE

+26% VS 2Q21

**SUMMER 2023 WILL
PRESENT A NEW
ANACAPRI!**

+61%

FRANCHISE
REVENUES

48%

SELL OUT
GROWTH

R\$ 12M

WEB COMMERCE
REVENUES



**BRANDS AND
CHANNELS
HIGHLIGHTS**

BRANDS AND CHANNELS HIGHLIGHTS

AREZZO

- BRAZIL REVENUES: **R\$ 312.5M**
- GROWTH: **+63.9%** VS 2Q21
- % WEB-TO-SELL OUT (DTC): **16.9%**
- % OMNI-TO-WEB: **24.9%**

AR&CO

- BRAZIL REVENUES: **R\$ 251.1M**
- GROWTH: **+75.5%** VS 2Q21
- % WEB-TO-SELL OUT (DTC): **27.7%**
- % OMNI-TO-WEB: **38.7%**

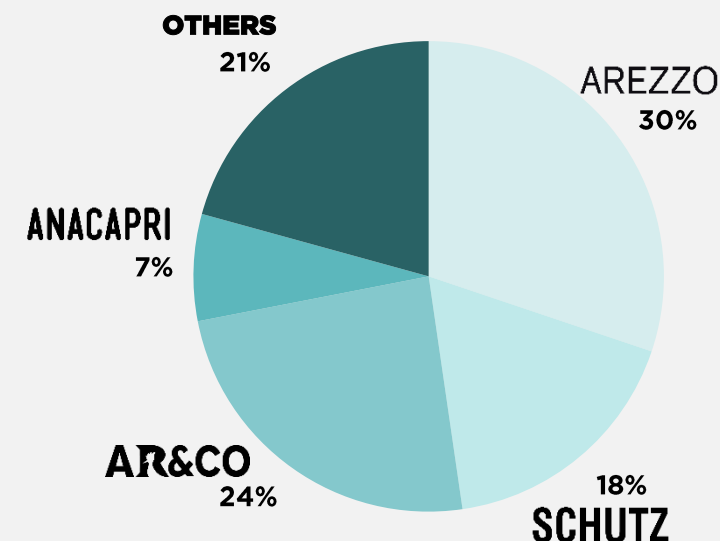
SCHUTZ

- GLOBAL REVENUES: **R\$ 274.8M**
- GROWTH: **+51.5%** VS 2Q21
- BRAZIL REVENUES: **R\$ 181.6M**
- % WEB-TO-SELL OUT (DTC): **34.2%**
- % OMNI-TO-WEB: **12.9%**

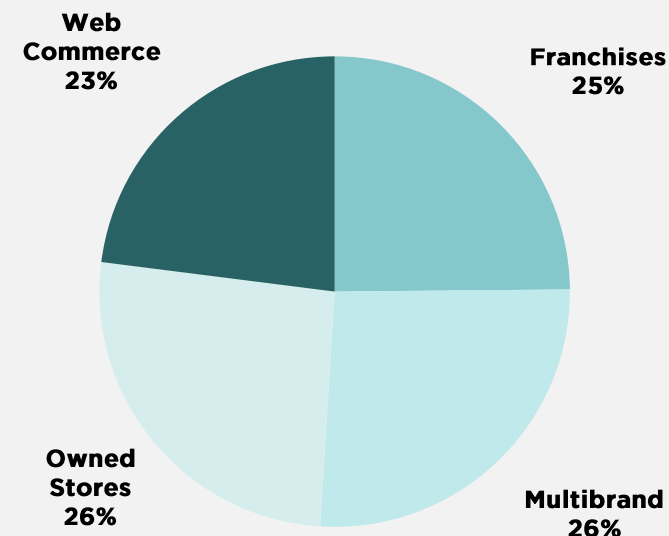
ANACAPRI

- BRAZIL REVENUES: **R\$ 76.0M**
- GROWTH: **+26.0%** VS 2Q21
- % WEB-TO-SELL OUT (DTC): **15.1%**
- % OMNI-TO-WEB: **16.9%**

GROSS REVENUES BY BRAND



GROSS REVENUES BY CHANNEL

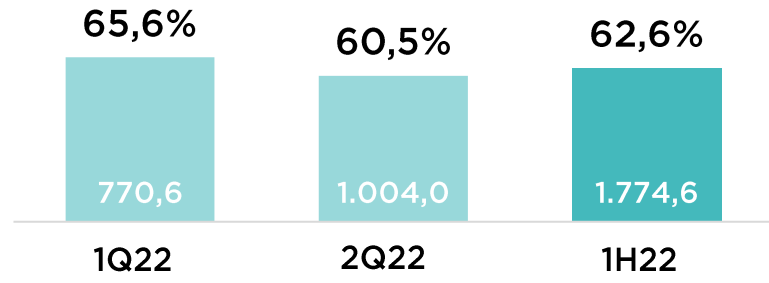


SIGNIFICANT SELL OUT GROWTH

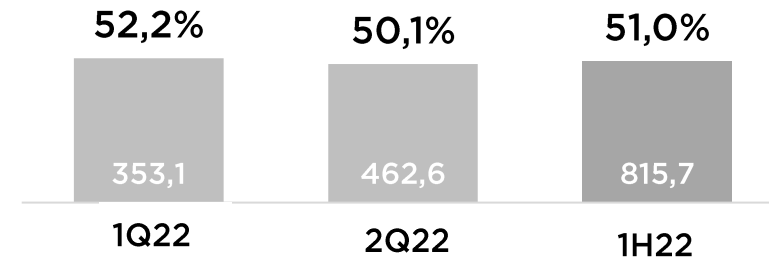
PHYSICAL STORES + WEB COMMERCE

VS 2021

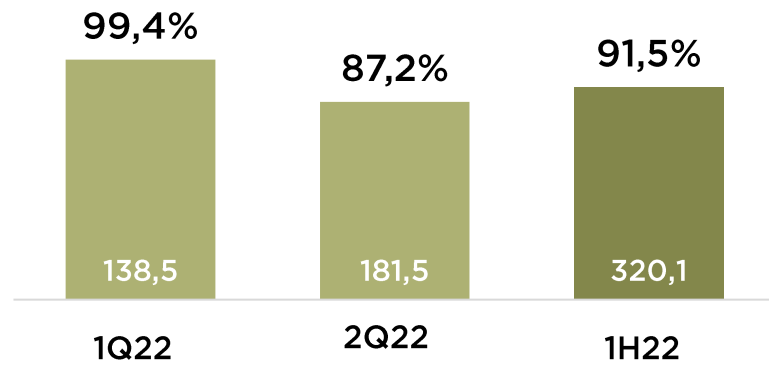
AREZZO
&CO



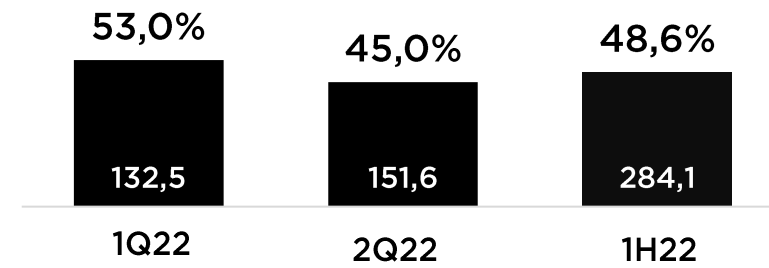
AREZZO



Reserva



SCHUTZ



+60%

GROWTH IN 2Q22
VS 2Q21

R\$1.0B

DTC SELL OUT
IN 2Q22

+61%

GROWTH IN 2Q22
VS 2Q19

+48%

GROWTH IN JUL/22
VS JUL/21

OMNI CHANNEL

OMNICHANNEL HIGHLIGHTS IN 2Q22

WEB COMMERCE SALES

- REVENUES: **R\$238M** (+**36%** VS 2Q21, +380% VS 2Q19)
- TOTAL TRAFFIC: **70M** (+**29%** VS 2Q21)
- TOTAL APP REVENUES: **61 M** (+**37%** VS 2Q21)
- % APP SHARE OF REVENUES: **26%**
- WEB COMMERCE TICKETS: +**8%** VS 2Q21

**THE WEB COMMERCE
CHANNEL GREW 36% VS
2Q21, DESPITE STRONG
COMPARATIVE BASELINES**

**23% SHARE OF TOTAL
SALES VS 12% IN 2019**

OMNICHANNEL HIGHLIGHTS IN 2Q22

OMNICHANNEL SALES

- % SHARE OF DIGITAL IN PHYSICAL STORE SALES : **45%**

- STORE PICKUP AND DELIVERY: **+39%** FROM 2Q21

- **7.0 MILLION** CONTACTS MADE IN 2Q21 (INFLUENCED REVENUES)

R\$873M
WEB SELL OUT (LTM)

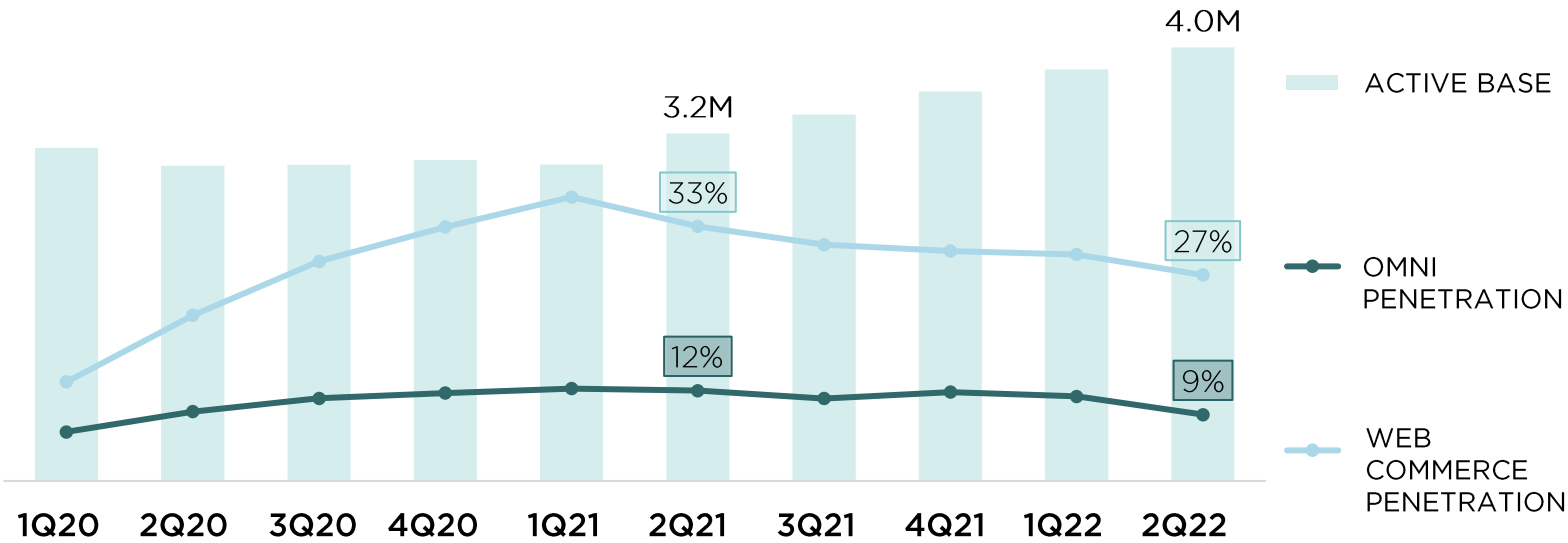
R\$1.1B
DIGITAL REVENUES (LTM)

R\$2.0B
WEB SELL OUT + DIGITAL
REVENUES (LTM)

OMNICHANNEL HIGHLIGHTS IN 2Q22

RECORD-SETTING ACTIVE CUSTOMER BASE

4.0M



- SHOPPING FREQUENCY **113%** HIGHER FOR OMNI CUSTOMERS;
- **24%** INCREASE IN THE AREZZO&CO. ACTIVE CUSTOMER BASE
- **+25%** NEW CUSTOMERS CAPTURED FROM 2Q21;
- **19%** OF THE CUSTOMER BASE REACTIVATED FROM 2Q21.

INTERNATIONAL BUSINESS

INTERNATIONAL BUSINESS

CONSOLIDATION OF THE STRONG BRANDS POSITIONING AND DISTRIBUTION CHANNELS STRATEGY, LEADING TO STRONG RESULTS

EXPRESSIVE GROSS REVENUE GROWTH AND MAINTAINED BREAK-EVEN EBITDA

2Q22 GROSS REVENUE OF **R\$ 120M**, **+64%** VS 2Q21

75% US DOLLAR-DENOMINATED REVENUES GROWTH VS 2Q21

POSITIVE **R\$ 5M** EBITDA IN 2Q22

39% GROWTH OF THE WHOLESALE CHANNEL, WHICH ANSWERED FOR **47%** OF THE US OPERATION'S TOTAL REVENUES IN 2Q22

WEB COMMERCE

+101%

BR REAIS VS 2Q21

+115%

US DOLLARS VS 2Q21

+83%

WEBSITE TRAFFIC

1.6%

CONVERSION RATE

+95%

NUMBER OF ORDERS VS 2Q21

+108%

NUMBER OF PAIRS SOLD VS 2Q21

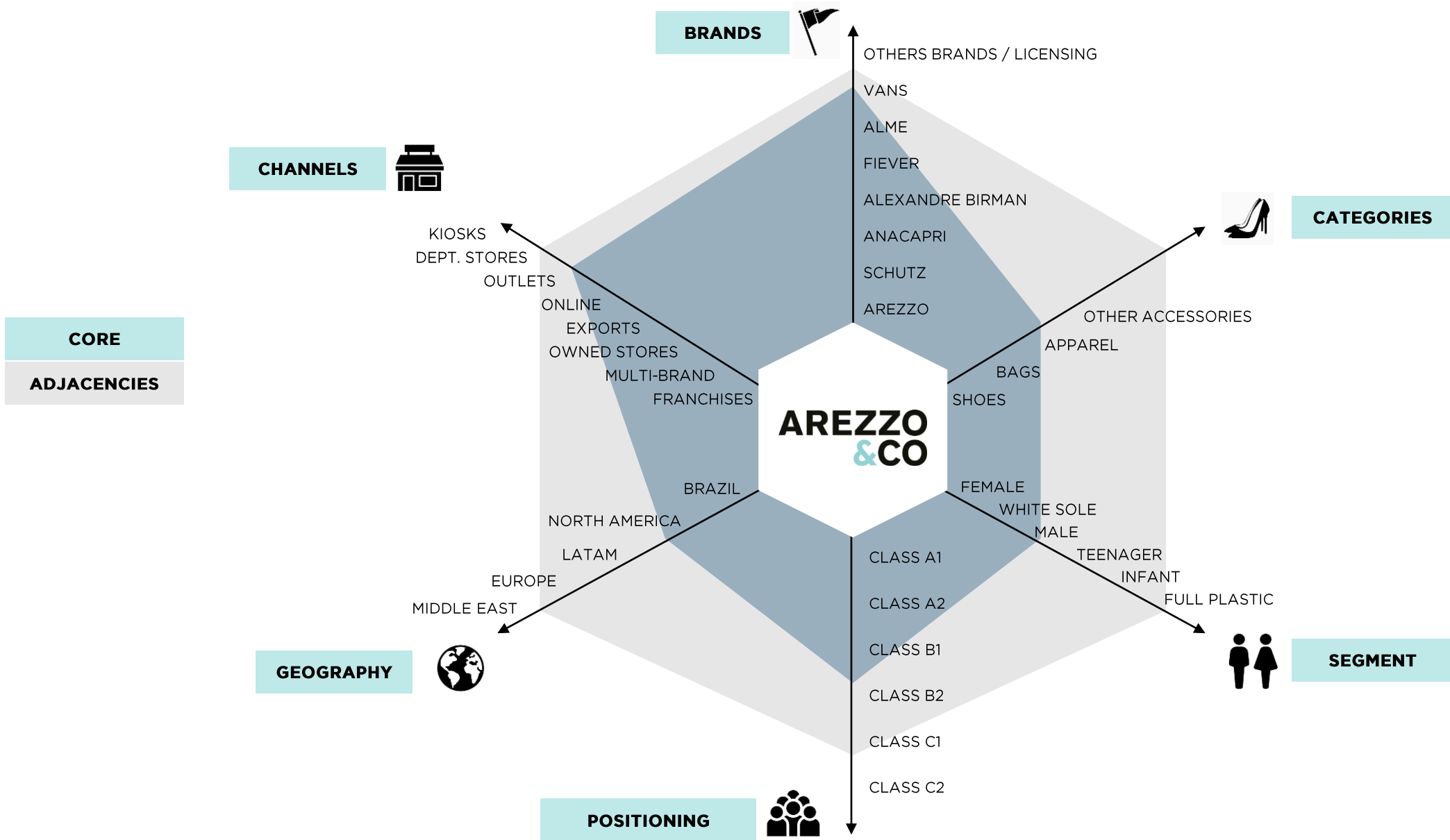
52K

CUSTOMERS SHOPPING IN THE QUARTER,







69% OF WHICH WERE NEW CUSTOMERS

STRATEGY
STRATEGY

RADAR CHART



LATEST ACQUISITION

ACQUIRED BRAND	ACQUISITION DATE	ACQUISITION RATIONALE
	OCT/19	MIX OF FOOTWEAR, APPAREL AND ACCESSORIES FOR FEMALE AND MALE START OF APPAREL OPERATION BY AREZZO&CO ACTION SPORTS BRAND WITH STRONG PRESENCE ON LIFESTYLE
	OCT/20	AREZZO&CO FURTHER SUPPLEMENTS ITS BRAND PORTFOLIO WITH THE MARKETING OF MEN'S, WOMEN'S AND CHILDREN'S FASHION ITEMS, INCLUDING APPAREL AND ACCESSORIES
	NOV/20	CIRCULAR ECONOMY FASHION COMPANY ADDRESSING THE SUSTAINABILITY, TECHNOLOGY, DATA/ANALYTICS FRONTS
	JUN/21	CATEGORY OF FEMALE AND MEN'S APPAREL. STRENGTHENING AREZZO&CO'S PRESENCE IN THE FASHION SECTOR STREETWEAR
	JUL/21	ENTERING A CLASS B- AND C+ FASHION SEGMENT THAT REPRESENTS 44% OF THE NATIONAL CONSUMER MARKET
CAROL BASSI	NOV/21	FIRST OPERATION IN THE WOMEN'S CLOTHING SEGMENT STRENGTHENING ITS PRESENCE IN THE BRAZILIAN PREMIUM FASHION MARKET
	APR/22	AREZZO&CO DEEPENS ITS SUPPLY CHAIN MANAGEMENT, MAINLY IN THE SCHOLARSHIP CATEGORY AND IS FURTHER STRUCTURED TO EXPAND THE EXPORT CHANNEL

HOUSE OF BRANDS VALUE GENERATION

- CONTINUOUS ACQUISITION AND LICENSING PROCESS;
- SUPPLY CHAIN MANAGEMENT;
- UNDERSTANDING THE VALUE OF BRANDS, AND THE NEED FOR SPECIFIC TEAM FOR EACH BRAND AND MAINTENANCE OF THE “BRAND AND PRODUCT CULTURE”;
- SPEED AND QUALITY IN IMPLEMENTATION IN PHYSICAL RETAIL EXPANSION;
- ABILITY TO RAPID IMPLEMENTATION OF DIGITAL TOOLS AND OMNICHANALITY;
- RELEVANT EXPERIENCE IN B2B, MULTIBRAND AND FRANCHISE CHANNEL MANAGEMENT;
- TEAM 100% DEDICATED TO THE INTEGRATION PROCESS;
- INTEGRATED AND SCALABLE SYSTEMS FOR NEW BRANDS AND COMPANIES;
- IMPLEMENTATION OF THE MANAGEMENT MODEL AREZZO&CO.

FINANCIAL HIGHLIGHTS

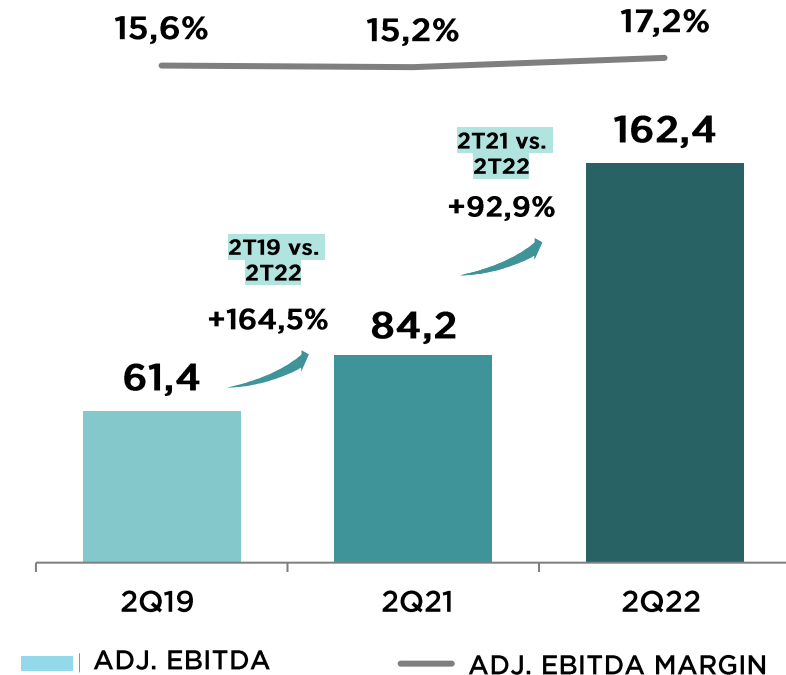
AREZZO&CO POSTED STRONG AND CONSISTENT RESULTS AT YET ANOTHER PERIOD

ALWAYS PRESERVING BUSINESS **PROFITABILITY**

FAITHFUL TO LONG TERM **STRATEGIC PLANNING**

DILIGENT REGARDING FIXED AND OPERATING COSTS

CONTINUOUS OBJECTIVE OF **LEVERAGING THE EBITDA MARGIN**



FINANCIAL HIGHLIGHTS 2Q22

ADJUSTED ROIC

34,5%

AT 2Q22

NOPAT GROWTH OF **34,3%** VS 2Q21

ONE OF THE **MOST IMPORTANT KPIs** OF
AREZZO&CO

TOTAL CASH

R\$ 715M

AT 2Q22

NET CASH OF **R\$ 360 M** AT THE
PERIOD

TOTAL DEBT **DECREASED 30,3%**

NET CASH/EBITDA OF 0,6X, VS -0,3X
AT 2Q21

Q&A

Q&A

ATTACHMENTS
ATTACHMENTS

ESG

ESG

ESG HIGHLIGHTS



• CERTIFIED FOR THE **THIRD CONSECUTIVE TIME AS A GREAT PLACE TO WORK** ACCORDING TO THE GPTW

• RECOGNIZED BY EXAME MAGAZINE AMONG THE **BEST IN ESG** IN THE FASHION AND CLOTHING CATEGORY

• LAUNCH OF PROTAGONIZZA+, AN **AFFIRMATIVE INTERNSHIPS PROGRAM FOR BLACK INDIVIDUALS ONLY**

• AREZZO&CO'S HEADCOUNT REACHED OVER **38% BLACK INDIVIDUALS**

• **NEUTRALIZATION OF 100% OF SCOPES 1 AND 2 GREENHOUSE GAS EMISSIONS** FOR FISCAL YEAR 2021

• **LEATHER TRACEABILITY PROJECT UNDERWAY**





THE MAJOR EVENT OF A FASHION GROUP AT BRAZIL

AN EXPERIENCE OF FASHION, ART, CONTENT AND INNOVATION

BRANDS

BRANDS

BRIZZA AREZZO

- **AREZZO-ENDORSED BRAND**
- **HAS SUFFERED IMPORTANT ADJUSTMENTS IN ITS STRATEGIC PLANNING**
- **POSITIONED TO BECOME THE GO-TO CHOICE IN THE SUN SANDALS AND FLIP FLOPS CATEGORIES IN THE NATIONAL MARKET**
- **“FROM BEACH TO PARTY”**
- **A/B PUBLIC**
- **OWN TEAM AND SPECIALIZED IN THE INJECTED AND RUBBERED FOOTWEAR SEGMENT**
- **BRAND’S PRODUCTION IS MOSTLY VERTICAL – FACTORY IN VERANÓPOLIS**



ALEXANDRE BIRMAN

AREZZO
&CO

- PRESENCE AT THE CANNES INTERNATIONAL CINEMA FESTIVAL
- CAPSULE COLLECTION “THE ALLURE CHAPTURE” DEVELOPED FOR THE MOMENT
- PARTICIPATION OF BRAZILIAN AND INTERNATIONAL CELEBRITIES IN THE BRAND INVITATION
- OPENING OF TWO NEW STORES IN STRATEGIC SQUARES – BELO HORIZONTE AND RIBEIRÃO PRETO

CAROL BASSI

AREZZO
&CO

- LAUNCH OF THE BRAND'S OFFICIAL WEB COMMERCE IN AUGUST/2022
- COLLAB WITH INFLUENCER MARIA RUDGE WILL BE LAUNCHED SIMULTANEOUSLY
- SECOND COLLABORATIVE COLLECTION, THE FIRST POSTED SUCCESSFUL RESULTS
- NEW OPENINGS OF THREE NEW PHYSICAL STORES IN THE SECOND HALF





- **STRONG GROWTH IN ALL SALES CHANNELS**
- **HIGHLIGHT FOR ACCELERATED PERFORMANCE OF PHYSICAL STORES**
- **OPENING OF THREE NEW STORES IN 2Q22**
- **ALL NEW POINTS OF SALES ACCORDING TO THE BRAND'S MOST CURRENT ARCHITECTURAL MODEL**
- **THE OFF THE WALL EXPERIENCE IS INCREASINGLY CLOSER TO YOUR CUSTOMERS**

MY SHOES

- **MORE THAN 1,000 CUSTOMERS IN THE MULTIBRAND CHANNEL**
- **STRONG GRIP IN YOUR NICHE**
- **LAUNCH OF THE BRAND'S OWN WEB COMMERCE IN AUGUST/22**
- **STRONG EXPECTATION OF RESULTS DELIVERY FROM THE NEW SALES CHANNEL**



THANK YOU!
#RUMOA2154