

3Q22 EARNINGS CONFERENCE CALL

AREZZO
& CO



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

CALL AGENDA

- 1. OPENING REMARKS**
- 2. BRANDS AND CHANNELS HIGHLIGHTS**
- 3. OMNICHANNEL**
- 4. FINANCIAL HIGHLIGHTS**
- 5. Q&A**
- 6. APPENDIX**

OPENING REMARKS

OPENING REMARKS

- CONSOLIDATION OF OUR RESULTS, DEMONSTRATING THE ASSERTIVITY OF OUR STRATEGY, OUR BUSINESS MODEL, OUR TEAM AND, ESPECIALLY, OUR CULTURE;
- EXECUTION CULTURE, OF PEOPLE WHO GET THINGS DONE! DON'T WAIT TO MAKE IT HAPPEN. AND THE RESULTS ARISE AS A CONSEQUENCE;
- MULTIBRAND, MULTICHANNEL AND NOW MULTICATEGORY MODEL - STRONG GROWTH ON ALL OF THESE FRONTS (WITH VOLUME INCREASE AND NOT JUST PRICE);
- CONSTANT GAIN OF SHARE IN THE WARDROBE OF MEN AND WOMEN;
- BUSINESS TRANSFORMATION WITH THE COVID-19 PANDEMIC;
- CONSOLIDATION OF OUR ACQUISITION AND INTEGRATION CAPACITY.

OPENING REMARKS

- RECORD-SETTING AREZZO&CO MILESTONE - R\$ 5.0 BILLION IN GROSS REVENUE IN THE LAST 12 MONTHS;
- EXTREMELY ASSERTIVE SUMMER COLLECTIONS FOCUSING ON ENGAGING PRODUCTS AND CAMPAIGNS THAT LED TO R\$ 1.4 BILLION IN SALES IN THE QUARTER;
- 9 MILLION PRODUCTS SOLD IN THE QUARTER, INCLUDING 6 MILLION PAIRS OF SHOES, 2.2 MILLION PIECES OF CLOTHES AND 826 THOUSAND HANDBAGS;
- SOLID AND CONSISTENT GROWTH FOR ALL BRANDS AND ON ALL SALES CHANNELS, SHOWING BUSINESS SUSTAINABILITY;
- RESILIENT PERFORMANCE OF THE ONLINE CHANNEL CONSIDERING THE HIGH 2021 BASIS OF COMPARISON (35% VS. 2021 AND 400% VS. 2019).

STRONG PERFORMANCE IN 3Q22

R\$1.4B

CONSOLIDATED
GROSS REVENUE

47% vs 2021
161% vs 2019

52.8%

GROSS
MARGIN

60 bps vs 2021
730 bps vs 2019

R\$170M

ADJUSTED
EBITDA

36% vs 2021
120% vs 2019

14.9%

ADJUSTED
EBITDA MARGIN

-120 bps vs 2021
-260 bps vs 2019

28.9%

SSS
SELL OUT

-1,450 bps vs 2021
+2,780 bps vs 2019

R\$103M

ADJUSTED
NET INCOME

26% vs 2021
190% vs 2019

STRONG PERFORMANCE IN 3Q22

OVER **8.8M** PRODUCTS SOLD IN 3Q22, GROWTH OF **31%** VS 3Q21

+5.8M

PAIRS OF SHOES
SOLD

65%

SHARE OF SHOES
IN THE MIX

14%

GROWTH
VS 3Q21

+2.2M

PIECES OF
CLOTHES SOLD

25%

SHARE OF APPAREL
IN THE MIX

81%

GROWTH
VS 3Q21

+826K

HANDBAGS SOLD

9%

SHARE OF HANDBAGS
IN THE MIX

71%

GROWTH
VS 3Q21

STRONG PERFORMANCE IN 9M22

R\$3.6B

CONSOLIDATED
GROSS REVENUE

57% vs 2021
142% vs 2019

54.0%

GROSS
MARGIN

190 bps vs 2021
800 bps vs 2019

R\$466M

ADJUSTED
EBITDA

70% vs 2021
149% vs 2019

16.0%

ADJUSTED
EBITDA MARGIN

100 bps vs 2021
50 bps vs 2019

45.2%

SSS
SELL OUT

+1,150 bps vs 2021
+4,420 bps vs 2019

R\$284M

ADJUSTED
NET INCOME

79% vs 2021
201% vs 2019

THE COMPANY POSTED RECORD-SETTING GROSS REVENUE

R\$ 5.0 BI

OVER THE LAST 12 MONTHS

WITH 29 MILLION PRODUCTS SOLD

ACUMULATED EBITDA TOTALED

R\$ 652M

OVER THE LAST 12 MONTHS

WITH 16,2% EBITDA MARGIN

BRANDS AND CHANNELS HIGHLIGHTS

BRANDS AND CHANNELS HIGHLIGHTS

AREZZO

- BRAZIL REVENUES: **R\$ 380.2M**
- GROWTH: **37.7%** VS. 3Q21
- % WEB-TO-SELL OUT (DTC): **20.6%**
- % OMNI-TO-WEB: **18.4%**

SCHUTZ

- GLOBAL REVENUES: **R\$ 332.2M**
- GROWTH: **38.3%** VS. 3Q21
- BRAZIL REVENUES: **R\$ 230.3M**
- % WEB-TO-SELL OUT (DTC): **42.8%**
- % OMNI-TO-WEB: **11.0%**

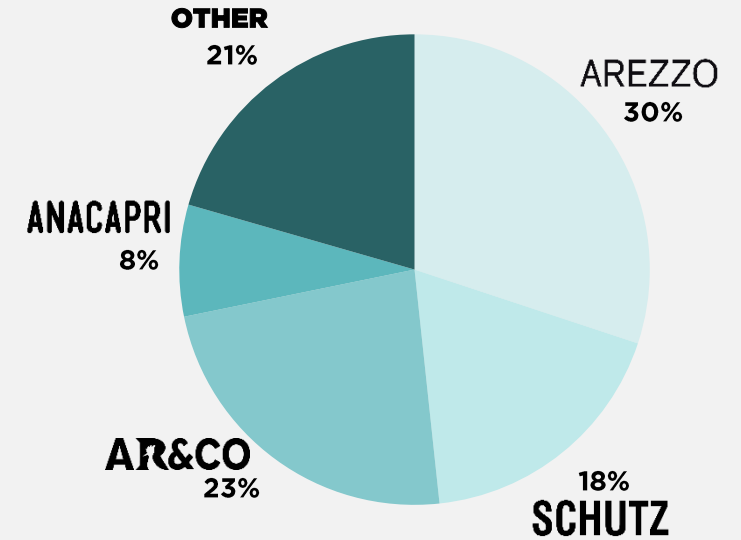
AR&CO

- BRAZIL REVENUES: **R\$ 296.8M**
- GROWTH: **52.4%** VS. 3Q21
- % WEB-TO-SELL OUT (DTC): **30.4%**
- % OMNI-TO-WEB: **58.7%**

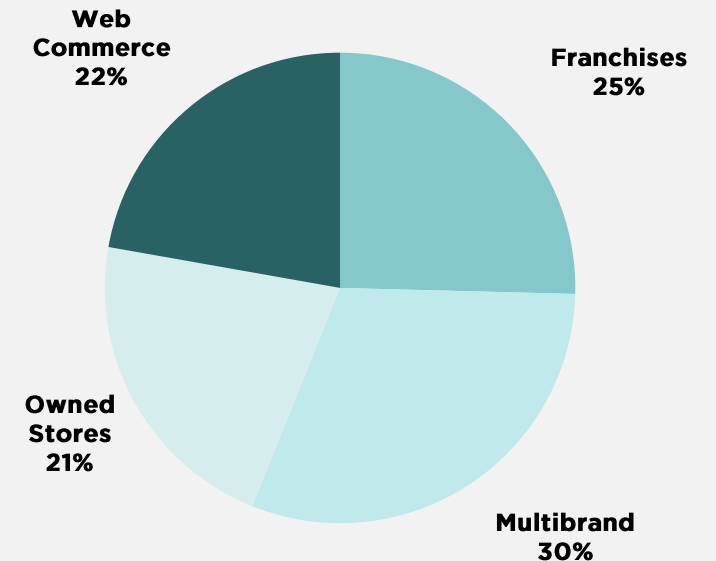
ANACAPRI

- BRAZIL REVENUES: **R\$ 96.9M**
- GROWTH: **30.6%** VS. 3Q21
- % WEB-TO-SELL OUT (DTC): **18.1%**
- % OMNI-TO-WEB: **15.2%**

GROSS REVENUE BY BRAND



GROSS REVENUE BY CHANNEL

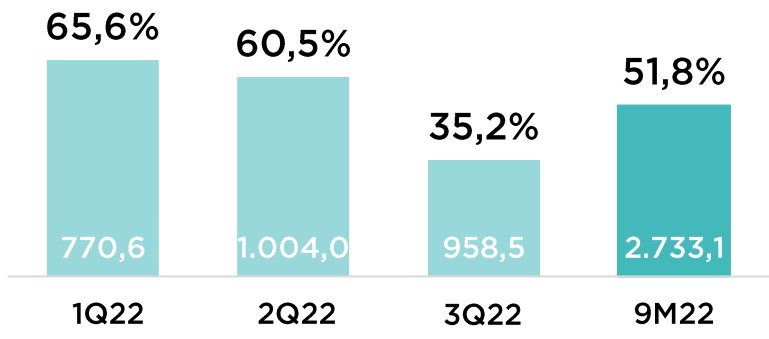


EXPRESSIVE SELL OUT GROWTH

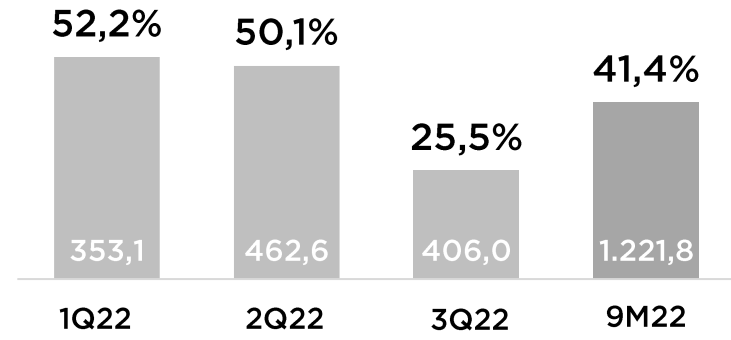
PHYSICAL STORES + WEB COMMERCE

VS. 2021

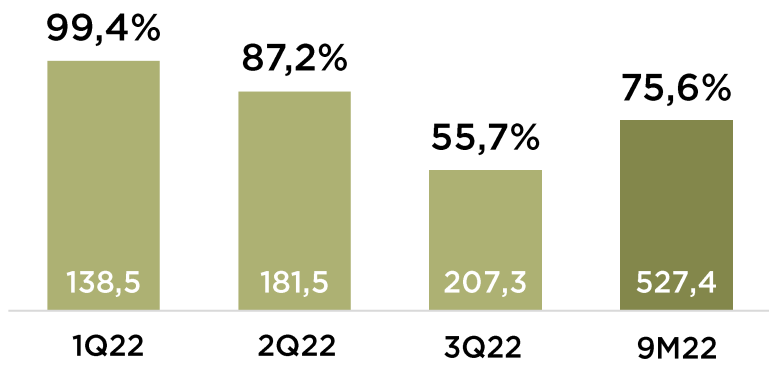
AREZZO & CO



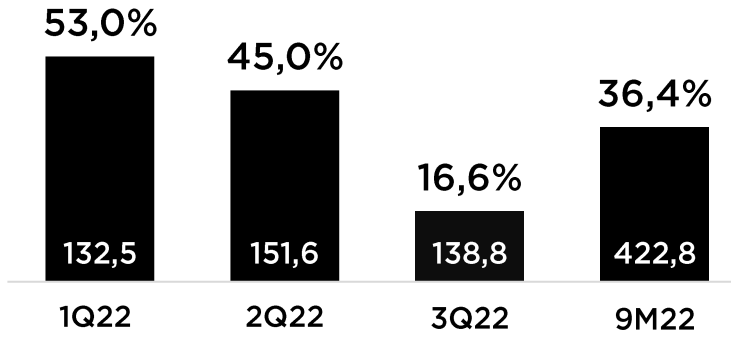
AREZZO



Reserva



SCHUTZ



35%

GROWTH IN 3Q22 VS 3Q21

R\$959M

DTC SELL OUT IN 3Q22

65%

GROWTH IN 3Q22 VS 3Q19

OMNI CHANNEL

OMNICHANNEL HIGHLIGHTS IN 3Q22

WEB COMMERCE SALES

35% WEB COMMERCE GROWTH, DESPITE A STRONG
BASE OF COMPARISON

RECORD-SETTING TOTAL REVENUES FROM APPS **R\$122M**

28% WEB COMMERCE TICKET GROWTH VS. 3Q21

76M TOTAL TRAFFIC IN 3Q22

R\$953M

WEB SELL OUT (LTM)

R\$1.2B

DIGITAL REVENUES (LTM)

R\$2.1B

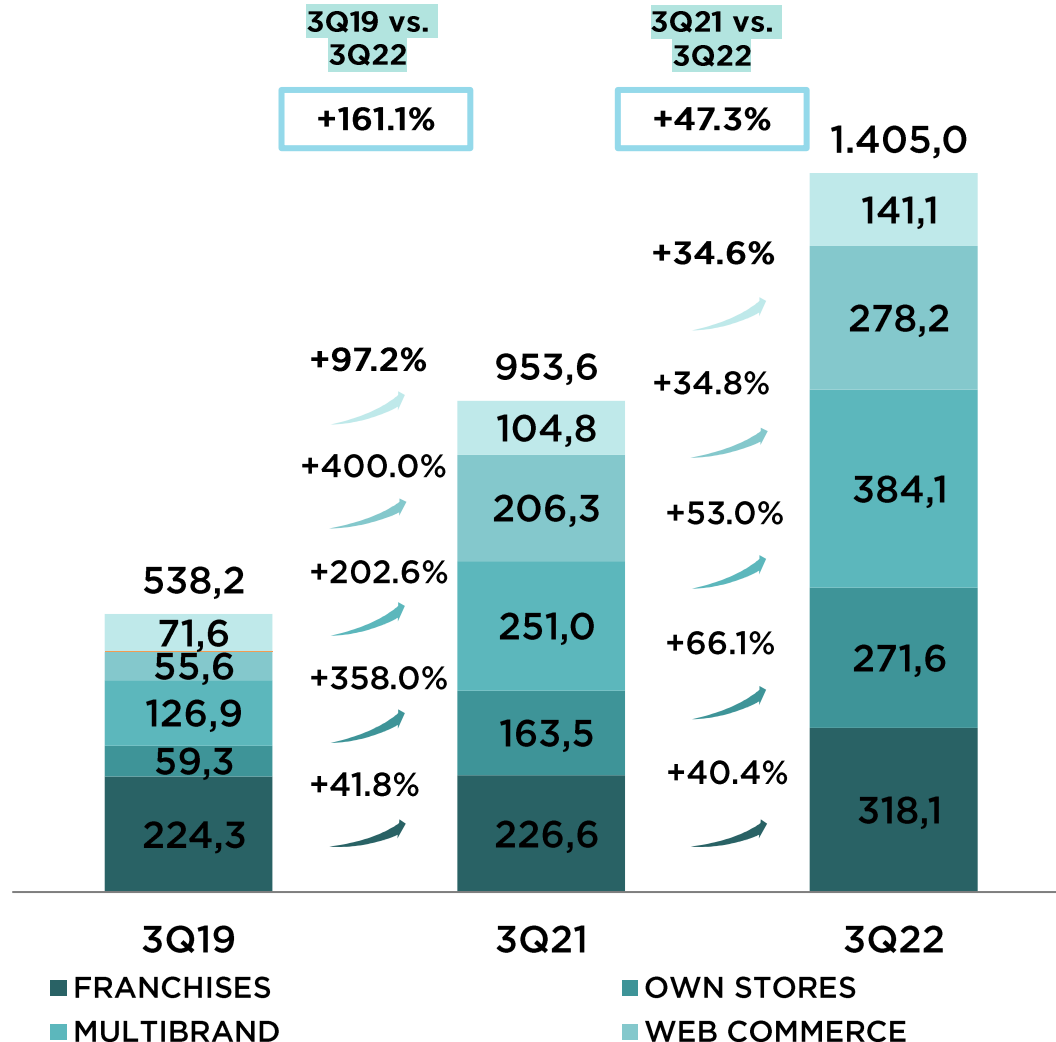
WEB SELL OUT + DIGITAL
REVENUES (LTM)

FINANCIAL HIGHLIGHTS

3Q22 GROSS REVENUE

BY CHANNEL - DOMESTIC AND INTERNATIONAL MARKETS

(R\$ MILLION)

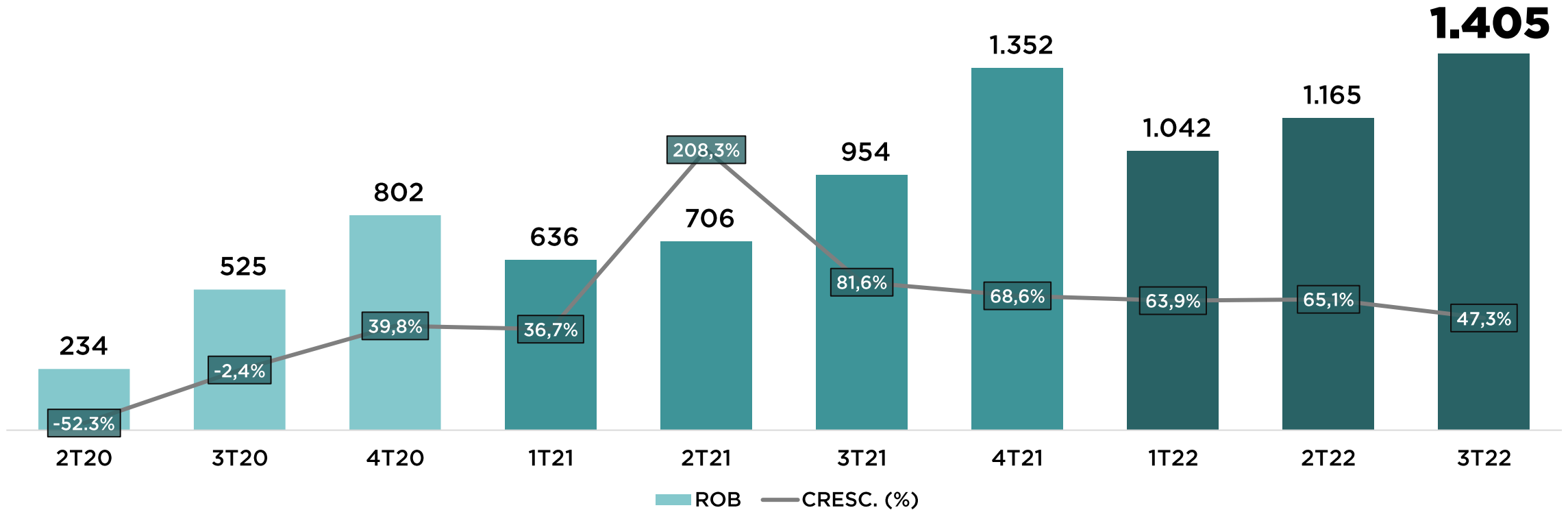


HIGHLIGHTS

- R\$ 1.4B IN GROSS REVENUE, +47.3% VS. 3Q21 E +161.1% VS. 3Q19, WITH GROWTH FOR ALL OF THE GROUP'S BRANDS
- 43.4% ORGANIC BRANDS GROWTH VS. 3Q21 E 66.1% VS. 3Q19
- 34.8% WEB COMMERCE GROWTH VS. 3Q21 AND 400.0% VS. 3Q19, KEEPING UP HIGH QUARTER REVENUES LEVEL, AT R\$ 278.1M
- 40.4% FRANCHISE CHANNEL GROWTH VS. 3Q21 AND 41.8% VS. 3Q19, WITH QUARTER REVENUES OF R\$ 318.1M

GROSS REVENUE EVOLUTION

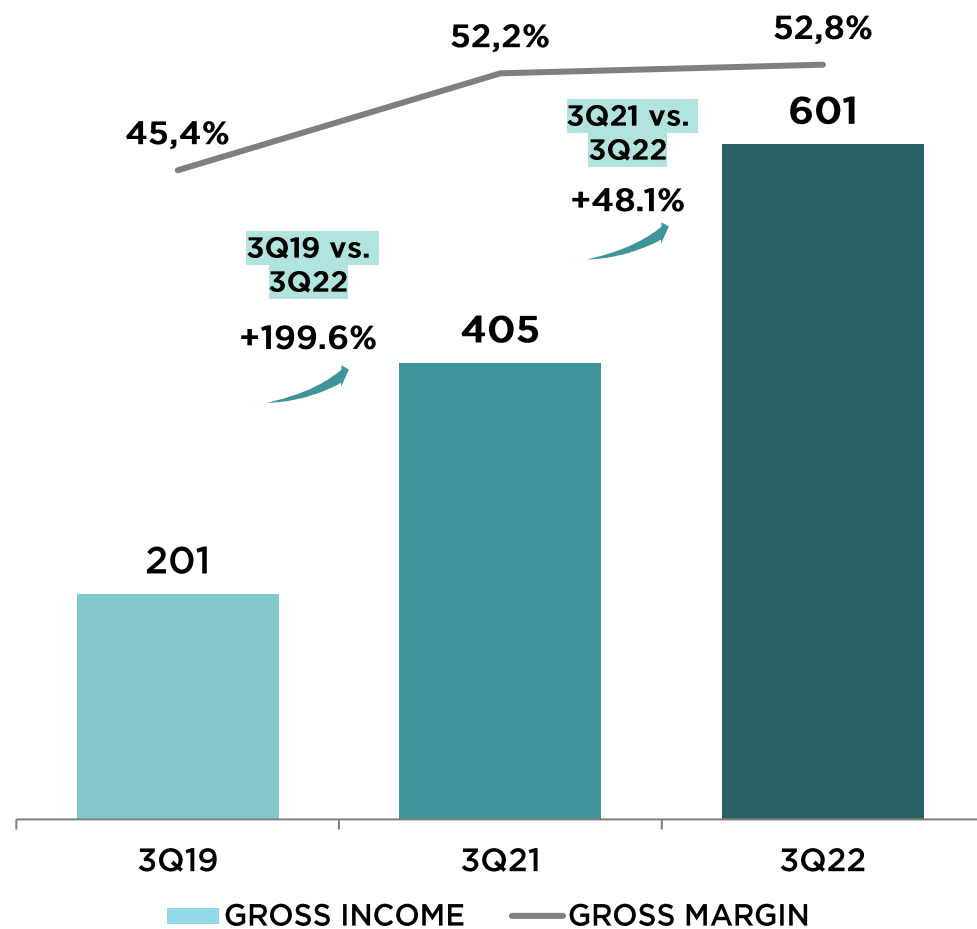
(R\$ MILLION)



SOLID AND CONSISTENT GROSS REVENUE GROWTH IN RECENT PERIODS!

3Q22 GROSS INCOME

(R\$ MILLION)



HIGHLIGHTS

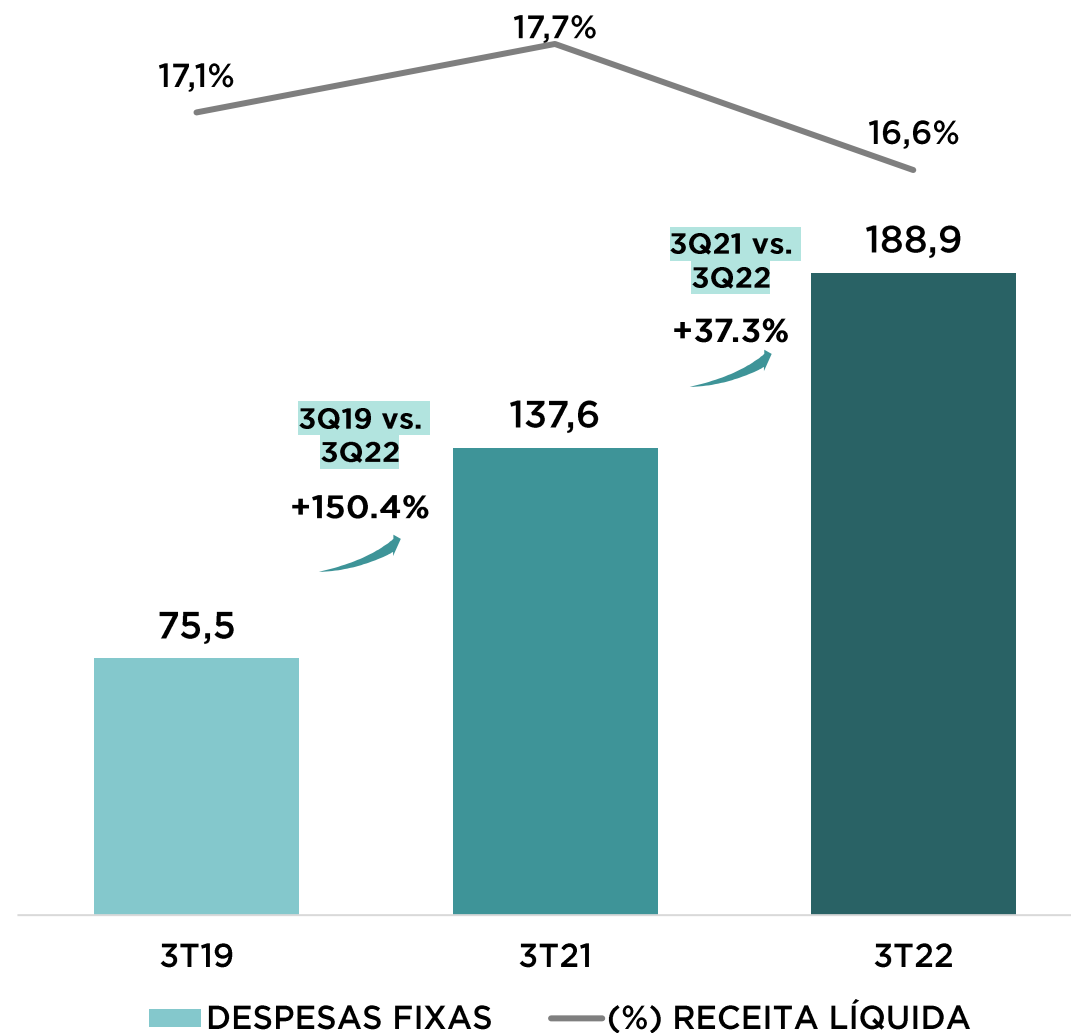
- 60 BPS GROSS MARGIN EVOLUTION IN 3Q22 VS. 3Q21;
- INCREASED OWNED STORES REPRESENTATIVENESS IN THE REVENUE MIX;
- OWNED STORES MARGIN EXPANSION DUE TO INCREASED FULL-PRICE SALES IN THE PERIOD;
- GROWTH ALSO ON THE FRANCHISE CHANNEL'S MARGIN, INFLUENCED BY INCREASED SALES OF THE APPAREL CATEGORY.

3Q22 EXPENSES

(R\$ MILLION)

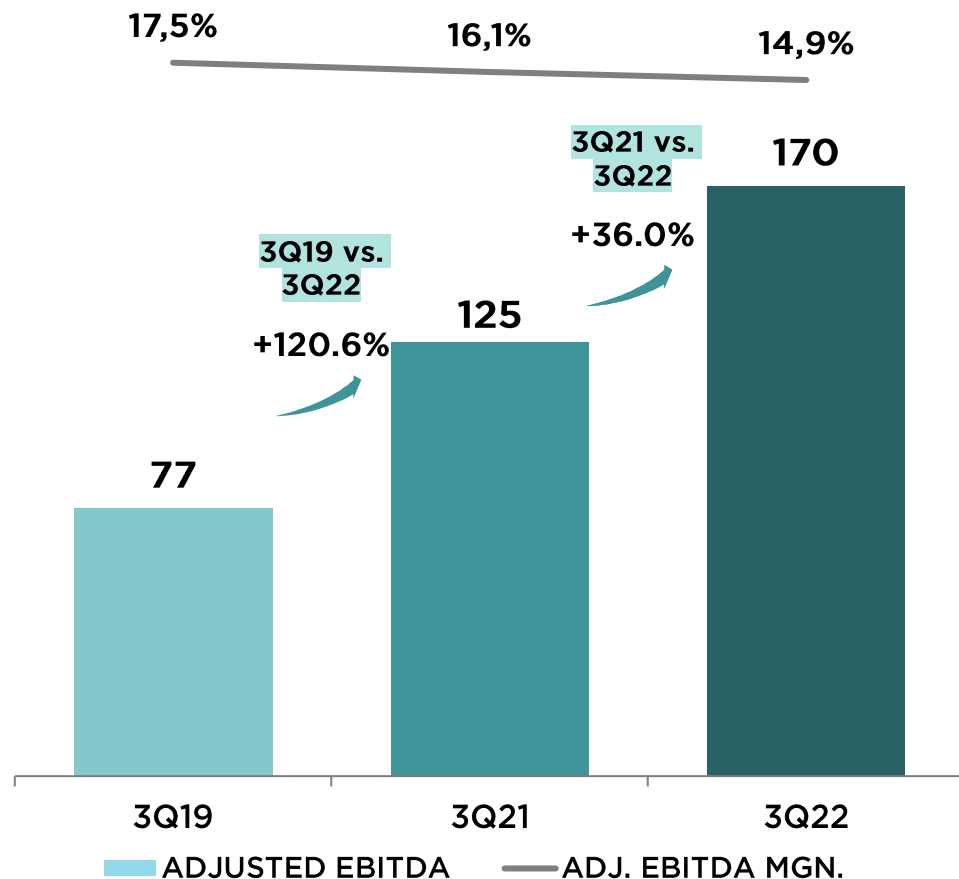
HIGHLIGHTS

- STRATEGIC INVESTMENT ALLOCATION TO BOOST EXPRESSIVE REVENUES GROWTH;
- EXTREME DILIGENCE TOWARDS FIXED AND OPERATING COSTS TO LEVERAGE EBITDA MARGIN;
- REDUCED REPRESENTATIVENESS OF FIXED EXPENSES RELATIVE TO THE PERIOD'S NET REVENUES.



3Q22 ADJUSTED EBITDA

(R\$ MILLION)



HIGHLIGHTS

- THE QUARTER'S EBITDA WAS R\$ 170 MILLION, +36.0% VS. 3Q21;
- EXPRESSIVE GROWTH ON ALL SALES CHANNELS, DESPITE THE STRONG BASIS OF COMPARISON;
- IN A CHALLENGING QUARTER IN THE U.S. OPERATION, AREZZO&CO STRENGTHENED INVESTMENTS IN CUSTOMER ACQUISITION AND MARKETING COST, ENABLING REVENUE GROWTH, BUT WITH IMPACT ON EBITDA MARGIN. IT IS WORTH HIGHLIGHTING THAT THE BRAZIL OPERATION MARGIN EXPANDS 40BPS VS 2021.

RESULTADO OPERACIONAL	3Q22 CONTÁBIL	3Q22 AJUSTADO	3Q21	3Q19	Δ 22 X 21 (%)	Δ 22 X 19 (%)
EBIT (LTM)	556.299	517.422	418.276	198.182	23.7%	161.1%
+ IR E CS (LTM)	(72.372)	(65.026)	(40.399)	(35.598)	61.0%	82.7%
NOPAT (LTM)	483.927	452.396	377.877	162.584	19.7%	178.3%
CAPITAL DE GIRO¹	709.669	789.663	396.752	399.559	99.0%	97.6%
CONTAS A RECEBER	722.016	722.016	605.881	415.431	19.2%	73.8%
ESTOQUES	755.060	755.060	448.212	180.736	68.5%	317.8%
FORNECEDORES	(637.508)	(637.508)	(457.912)	(148.756)	39.2%	328.6%
OUTROS	(129.899)	(49.905)	(199.429)	(47.852)	(75.0%)	4.3%
ATIVO PERMANENTE	1.837.381	863.646	1.345.839	383.202	(35.8%)	125.4%
OUTROS ATIVOS DE LONGO PRAZO²	209.642	209.642	200.135	37.149	4.8%	464.3%
CAPITAL EMPREGADO	2.756.692	1.862.951	1.942.726	819.910	(4.1%)	127.2%
MÉDIA DO CAPITAL EMPREGADO³	2.349.709	1.520.895	1.371.392		10.9%	
ROIC⁴	20.6%	29.7%	27.6%			

- **29.7%** ADJUSTED ROIC IN THE QUARTER;
- ONE OF THE MOST IMPORTANT KPIs THAT AREZZO&CO'S MANAGEMENT TRACKS;
- ONE OF THE MAIN FACTORS LEADING TO THIS WAS THE **19.7%** NOPAT GROWTH VS. 3Q21;
- REDUCTION OF TOTAL DEBT OF **27.6%** VS. 3Q21;
- NET CASH OF **11.8%** WORKING CAPITAL-TO-NET REVENUES.

(1) WORKING CAPITAL: CURRENT ASSETS MINUS CASH AND CASH EQUIVALENTS, DEDUCTED FROM CURRENT LIABILITIES MINUS BANKS AND DIVIDENDS PAYABLE.

(2) MINUS DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION.

(3) AVERAGE CAPITAL EMPLOYED IN THE PERIOD AND IN THE SAME PERIOD IN THE PREVIOUS FISCAL YEAR.

(4) ROIC: NOPAT OF THE PAST 12 MONTHS DIVIDED BY AVERAGE CAPITAL EMPLOYED.

Q&A

Q&A

AREZZO
& CO
DAY

2022

HEADQUARTERS
CAMPO BOM | RS

IT'S TOMORROW!

APPENDIX

APPENDIX

BRANDS

BRANDS

AREZZO

**AREZZO
&CO**



R\$ 380M

GROSS REVENUES

+38% VS. 3Q21

**CELEBRATING THE BRAND'S
50TH ANNIVERSARY**

**EXPRESSIVE GROWTH ON SELL IN
CHANNELS**

+37% VS. 3Q21

R\$ 332M

GLOBAL GROSS
REVENUES

+38% VS. 3Q21

R\$ 230M

GROSS REVENUES
IN BRAZIL

+38% VS. 3Q21

+58%

GROSS REVENUES NO
GROWTH ON THE MULTI-
BRAND CHANNEL

+123%

INCREASE IN
DOWNLOADS OF THE
BRAND'S APP



ANACAPRI

**AREZZO
&CO**

R\$ 97M

GROSS REVENUES

+31% vs. 3Q21

**LAUNCH OF THE PLATFORMS – THE BRAND'S
FIRST HEELED SHOES**

+39%

**FRANCHISE
REVENUES**

+42%

**FRANCHISES
CHANNEL SHARE**

36%

**GROWTH SELL
OUT**



RESERVA

**AREZZO
&CO**

R\$ 297M

AR&CO GROSS REVENUES 3Q22

+52% vs. 3Q21

**EXPRESSIVE FRANCHISES
CHANNEL GROWTH**

+110% vs. 3Q21

+54%

**OWN STORES
REVENUES**

47%

**OWN STORES
REPRESENTATIVENESS**



VANS

**AREZZO
&CO**

STRONG REVENUES GROWTH ON ALL SALES CHANNELS

SPOTLIGHT ON THE OWN STORES CHANNEL'S PERFORMANCE IN THE PERIOD

LAUNCH OF GLOBAL-REACH COLLECTIONS IN BRAZIL

VANS + SAILOR MOON COLLAB: SALES HIT



MY SHOES

AREZZO
&CO

+1,000

ACTIVE CUSTOMERS ON THE
MULTIBRAND CHANNEL

STRONG CHANNEL RECEPTIVENESS FOR THE
PRODUCTS, EXCEEDING EXPECTATIONS

LAUNCH OF PROPRIETARY E-COMMERCE

PROMOTING THE BEST CONSUMER EXPERIENCE



CAROL BASSI

**STRONG REVENUES GROWTH ON
CHANNELS**

+45%

OWN STORES

+23%

MULTI-BRAND

LAUNCH OF PROPRIETARY E-COMMERCE

**TWO PHYSICAL STORES OPENING IN
NOVEMBER**

RIO DE JANEIRO AND BELO HORIZONTE

**AREZZO
&CO**



THANK YOU!
#RUMOA2154