

EARNINGS VIDEO CONFERENCE 4Q20

AREZZO
&CO



AREZZO

SCHUTZ

ANACAPRI

ALEXANDRE
BIRMAN

FEVER

ALME

VANS
"OFF THE WALL"

Reserva

TROC

AGENDA

FOR THE CALL

- 1. MESSAGE FROM CEO**
- 2. COMPANY TRANSFORMATION**
- 3. OPERATIONAL RESULTS**
- 4. BUSINESS DIGITALIZATION AND
OMNICHANNEL**
- 5. RESERVA INTEGRATION**
- 6. TROC ACQUISITION**
- 7. NORTH-AMERICAN MARKET**
- 8. 2021 PRIORITIES**
- 9. Q&A WITH ANALYSTS**

YEAR
2020

**FULL
TRANSFORMATION
OF THE
COMPANY**

GÊNESE

The background of the image is a deep space scene. It features a dark blue to black void filled with numerous small, bright white stars. There are also larger, diffuse clouds of gas and dust, known as nebulae, in shades of orange, red, and yellow, primarily located in the upper right and lower right areas. A bright, glowing blue nebula is centered behind the text, creating a halo effect.

**OUTSTANDING
GROWTH
IN 4Q20**

+40%

**CONSOLIDATED GROSS REVENUE
(R\$802 MILLION)**

**OUTSTANDING
GROWTH
IN 4Q20**

+61%

**ADJUSTED EBITDA
(R\$122 MILLION)**

**OUTSTANDING
GROWTH
IN 4Q20**

+78%

**ADJUSTED NET INCOME
(R\$83.2 MILLION)**

**OUTSTANDING
GROWTH
IN 4Q20**

+139%

**WEB COMMERCE
GROSS REVENUE
(R\$162 MILLION)**

**OUTSTANDING
GROWTH
IN 4Q20**

R\$90.3MM

**GROSS REVENUE DEC/20
RESERVA GROUP**

R\$

162MM

WEB COMMERCE
GROSS REVENUE

+240bps
GROSS MARGIN

R\$

122MM

QJUL EBITDA

R\$

30.2MM

CONSOLIDATED
GROSS REVENUE

R\$

179MM

MULTIBRAND
GROSS REVENUE

R\$

82MM

NET INCOME

22%

WEB COMMERCE
SHARE

GROSS REVENUE DEC/20
RESERVA GROUP

**ACCELERATED
GROWTH
IN 4Q20**

R\$

162MM

**WEB COMMERCE
GROSS REVENUE**

**+240bps
GROSS MARGIN**

R\$

122MM

ADJUSTED EBITDA

R\$

90MM

**GROSS REVENUE DEC/20
RESERVA GROUP**

R\$

802MM

**CONSOLIDATED
GROSS REVENUE**

R\$

179MM

**MULTIBRAND
GROSS REVENUE**

R\$

82MM

NET INCOME

22%

**WEB COMMERCE
SHARE**

SELLOUT RESULT

SUMMER AND END OF YEAR HOLIDAYS

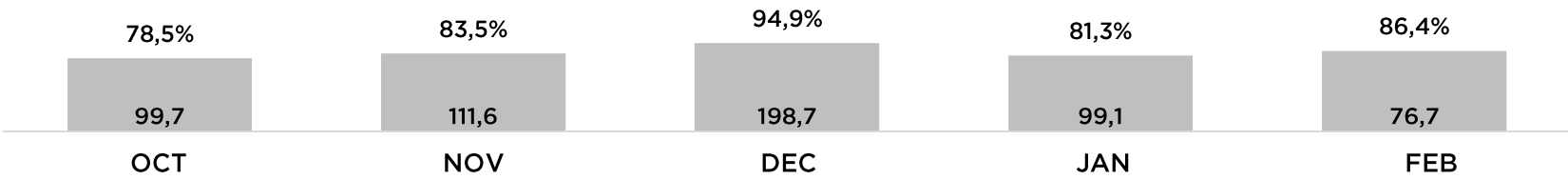
BOLSTERED OMNI SELLOUT PERFORMANCE

OPEN AND CLOSED STORES + WEB COMMERCE

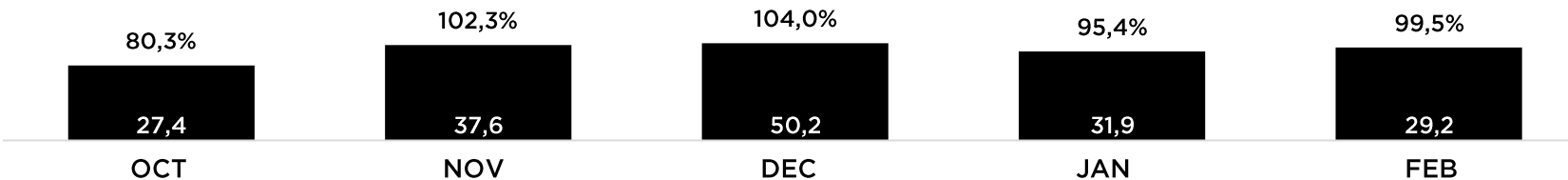
PERFORMANCE IN
DECEMBER VS. 2019

+99.6%

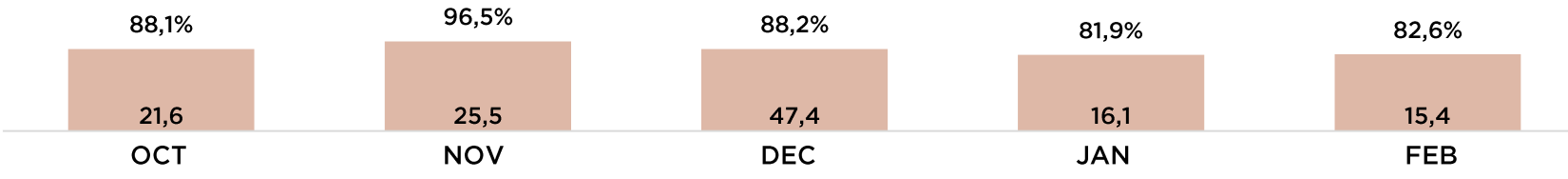
AREZZO



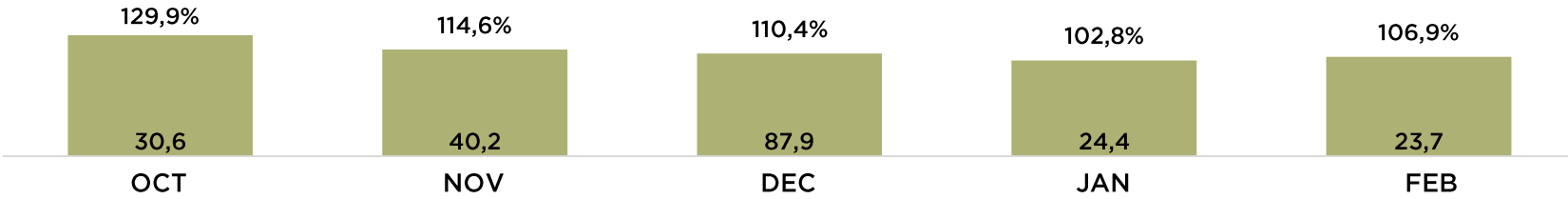
SCHUTZ



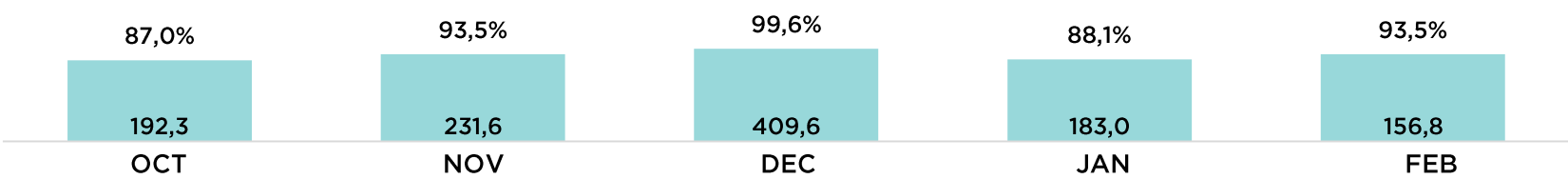
ANACAPRI



Reserva



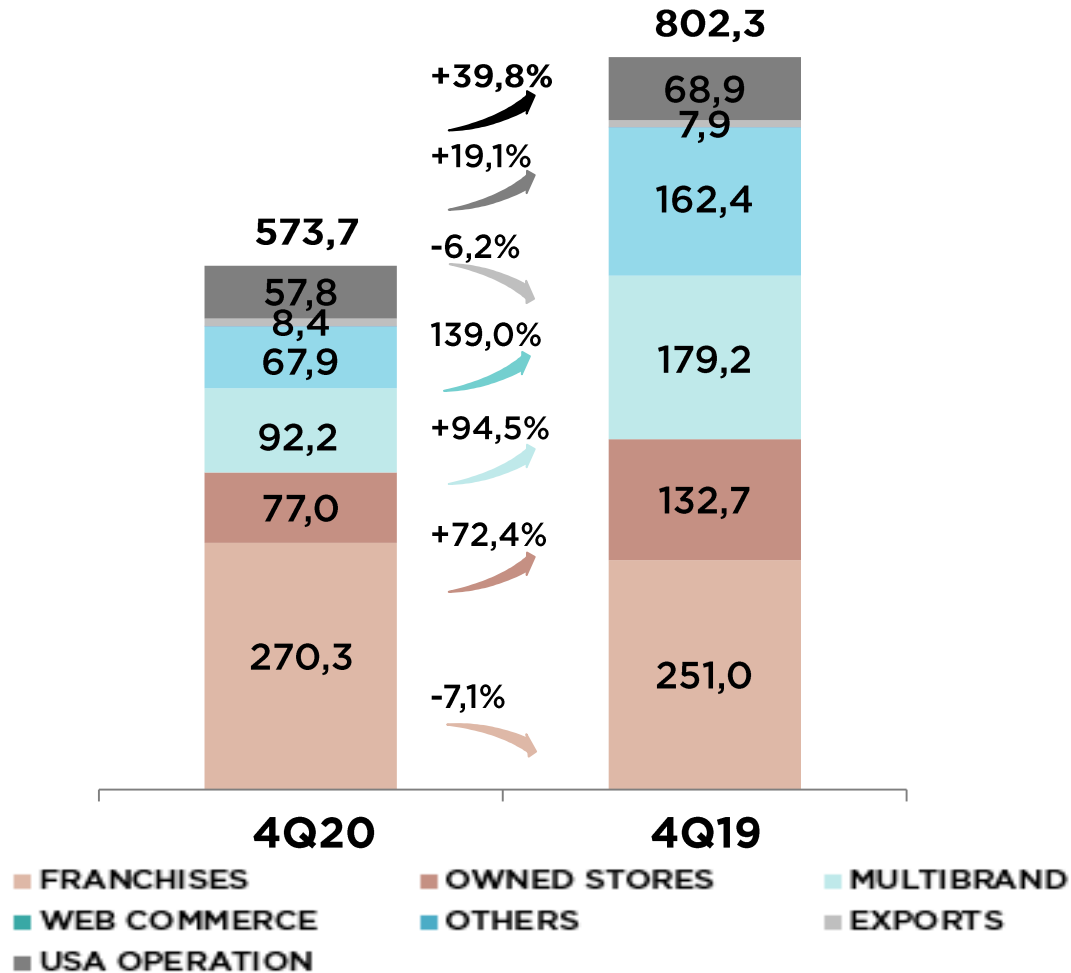
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&CO



FINANCIAL HIGHLIGHTS 4Q20

GROSS REVENUE 4Q20

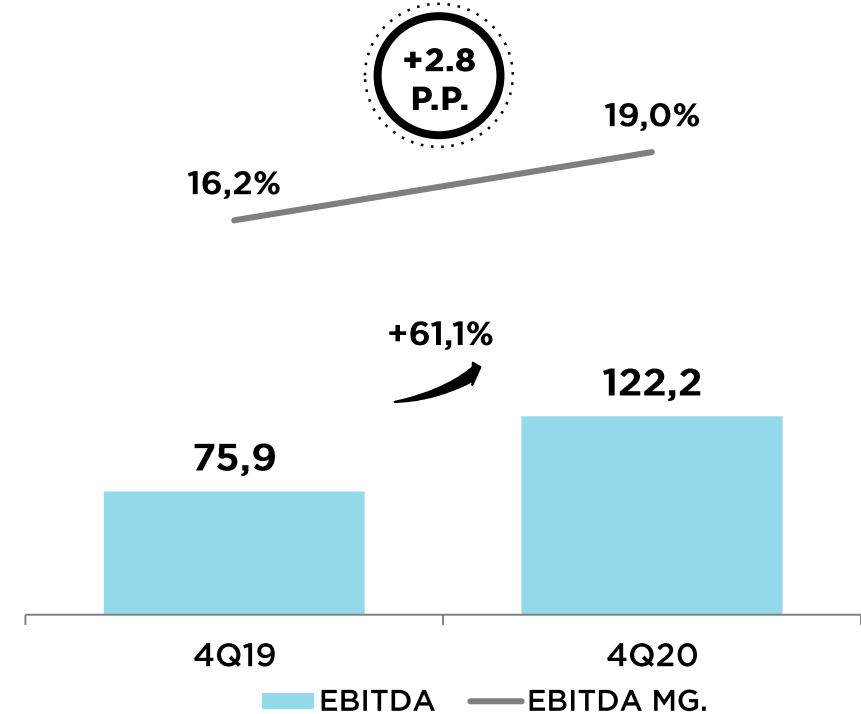
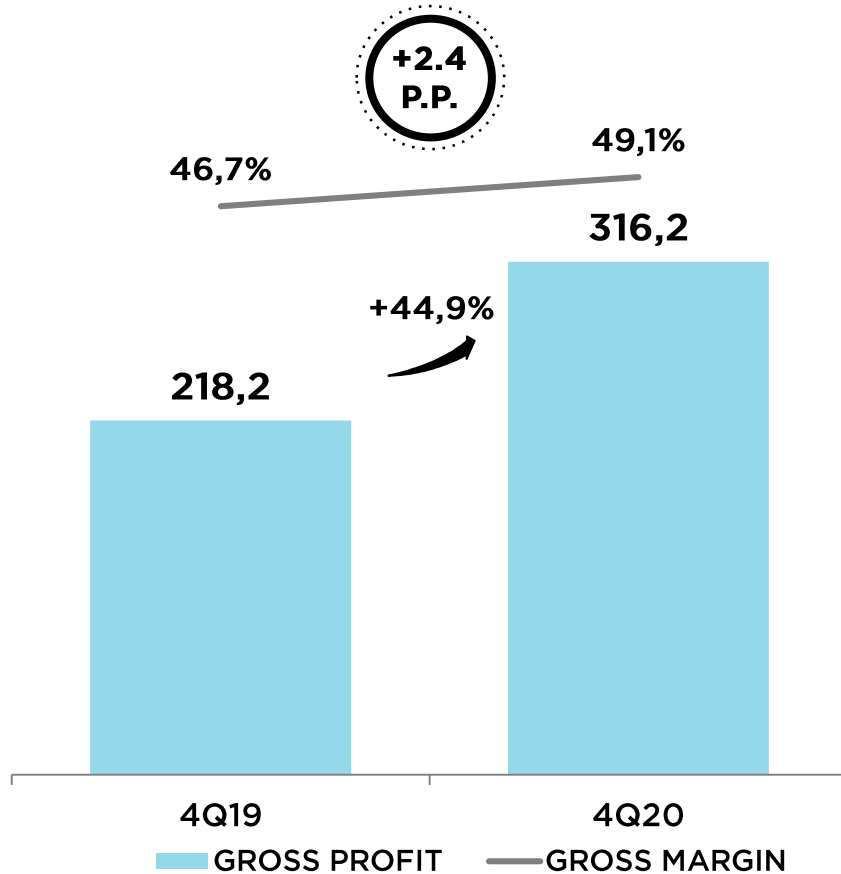
BY CHANNEL - DOMESTIC AND FOREIGN MARKET (R\$ MILLION)



HIGHLIGHTS

- GROSS REVENUE IN 4Q20 GREW BY 39.8% IN RELATION TO PREVIOUS YEAR, TO R\$802 MILLION
- EXCLUDING RESERVA SALES, GROSS REVENUE IN THE DOMESTIC MARKET GREW BY 25.2%
- WEB COMMERCE GREW 139.0%, ANOTHER QUARTERLY RECORD SALES: R\$ 162.4 MILLION
- RESERVA GROUP POSTED GROSS REVENUE OF R\$90.3 MILLION IN DECEMBER
- +94.5% GROWTH IN MULTIBRAND CHANNEL, WITH A POSITIVE IMPACT FROM THE VANS BRAND

GROSS PROFIT AND ADJUSTED EBITDA 4Q20



- STRENGTHS:** (I) INCLUSION OF RESERVA GROUP, (II) GREATER SHARE OF WEB COMMERCE IN THE MIX;
- WEAKNESSES:** (I) GREATER SHARE OF MULTIBRAND AND LOWER SHARE FROM OWNED STORES AND (II) SMALLER CONSOLIDATED MARGIN IN THE USA, DUE TO THE MIX OF CHANNELS, SCHUTZ NEW PRICING POSITIONING AND RESIDUAL MARK-UP/MARK-DOWN OF OLD INVENTORIES.

- POSITIVE IMPACT DUE TO HIGH-SUMMER CAMPAIGN ASSERTIVENESS AND SG&A INCREASE LOWER THAN REVENUE GROWTH;
- POSITIVE IMPACT OF (I) INCORPORATION OF RESERVA GROUP TOTALING R\$27.9 MILLION AND (II) THE NORTH AMERICAN OPERATION, WHICH REACHED AN EBITDA OF R\$ 6.7 MILLION IN THE PERIOD, WITH A MARGIN OF 11.6%.

MAIN FINANCIAL INDICATORS 4Q20

Key financial indicators	4Q20 Adjusted	4Q19 Adjusted	Δ (%) 20 x 19
Gross Revenues	802.283	573.729	39,8%
Net Revenues	644.615	467.652	37,8%
COGS	(328.421)	(249.435)	31,7%
Depreciation and amortization (cost)	(821)	(664)	23,6%
Gross Profit	316.194	218.217	44,9%
<i>Gross margin</i>	49,1%	46,7%	2,4 p.p
SG&A	(212.057)	(160.138)	32,4%
<i>% of net revenues</i>	(32,9%)	(34,2%)	1,3 p.p
Selling expenses	(145.598)	(108.582)	34,1%
Owned stores and web commerce	(61.317)	(33.064)	85,4%
Selling, logistics and supply	(84.281)	(75.518)	11,6%
General and administrative expenses	(49.037)	(35.462)	38,3%
Other operating revenues (expenses)	(131)	1.034	(112,6%)
Depreciation and amortization (expenses)	(17.291)	(17.128)	1,0%
EBITDA	122.249	75.871	61,1%
<i>EBITDA Margin</i>	19,0%	16,2%	2,8 p.p
Net Income	83.208	46.803	77,8%
<i>Net Margin</i>	12,9%	10,0%	2,9 p.p

ONGOING EFFORT TO PRESERVE CASH, REDUCE EXPENSES AND INCREASE MARKET SHARE

FIXED EXPENSES WILL REMAIN AT LOWER LEVELS THAN THOSE REPORTED IN THE LAST QUARTERS.

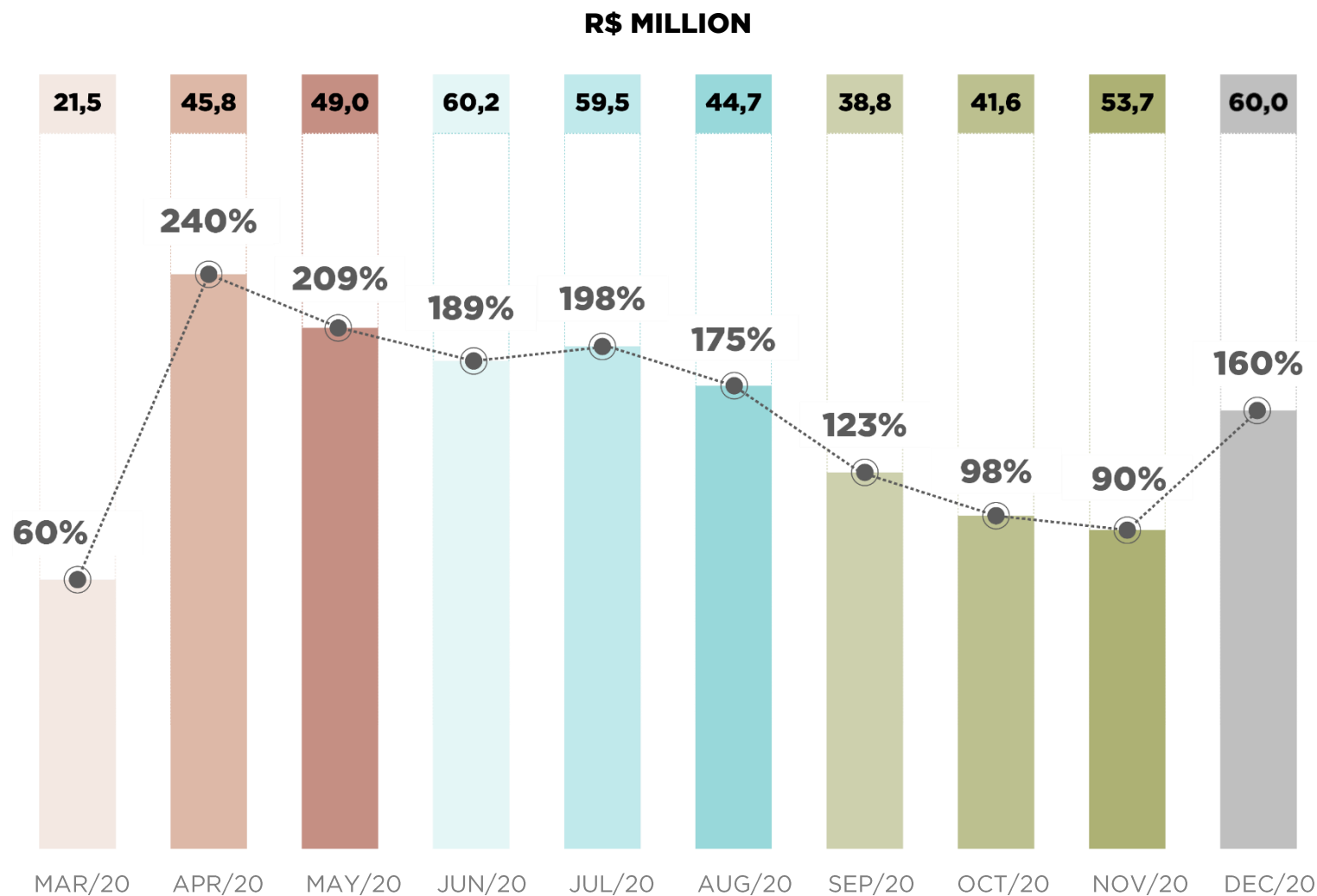
- SALES, LOGISTICS AND SUPPLY EXPENSES:
 - REDUCTION OF 27.1% IN THE NORTH-AMERICAN OPERATION (R\$6.0 MILLION)
 - REDUCTION OF 15.5% IN THE ORGANIC BRAZILIAN OPERATION EXCLUDING SOLID MARKETING INVESTMENTS IN THE QUARTER
- GENERAL AND ADMINISTRATIVE EXPENSES
 - REDUCTION OF R\$35.3 MILLION (-26.8%) EXCLUDING THE VANS BRAND AND MERGER OF GRUPO RESERVA
- SELLING EXPENSES INCREASED ONLY 3.6% IN 4Q20, EXCLUDING THE VANS BRAND AND GRUPO RESERVA.

BUSINESS DIGITALIZATION & OMNICHANNEL

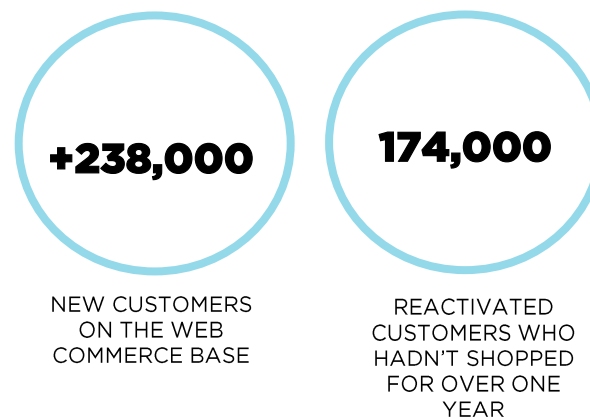
DIGITALIZATION OF BUSINESS & OPERATIONS

SIGNIFICANT GROWTH OF E-COMMERCE

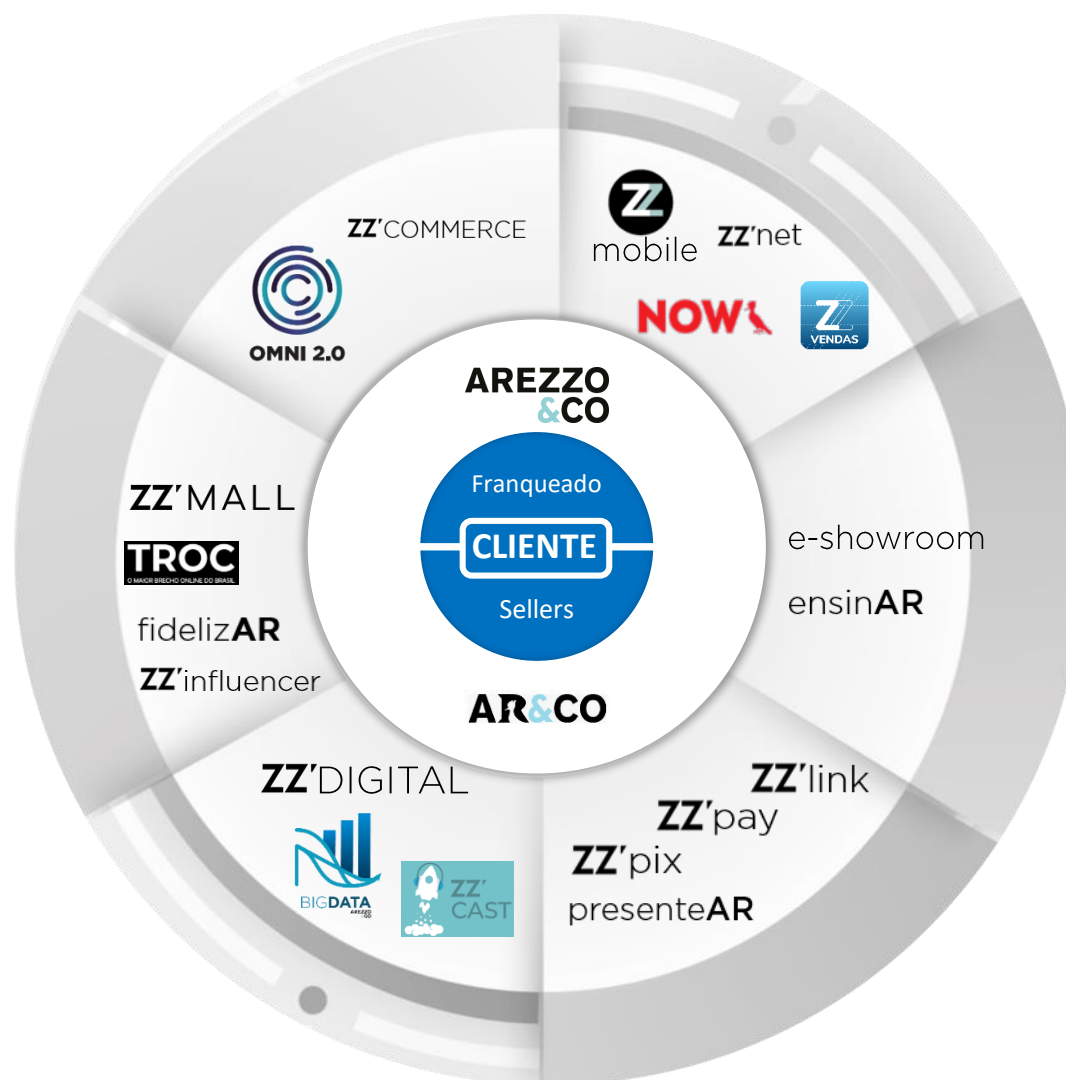
SSS FOR WEB COMMERCE INCLUDING THE VANS BRAND



IN 2020, OUR BRANDS
RECORDED **+145.3%**
IN SALES VS. 2019 ON
THE WEB CHANNEL
R\$526.4 MILLION
*INCLUDING VANS AND RESERVA
BRANDS

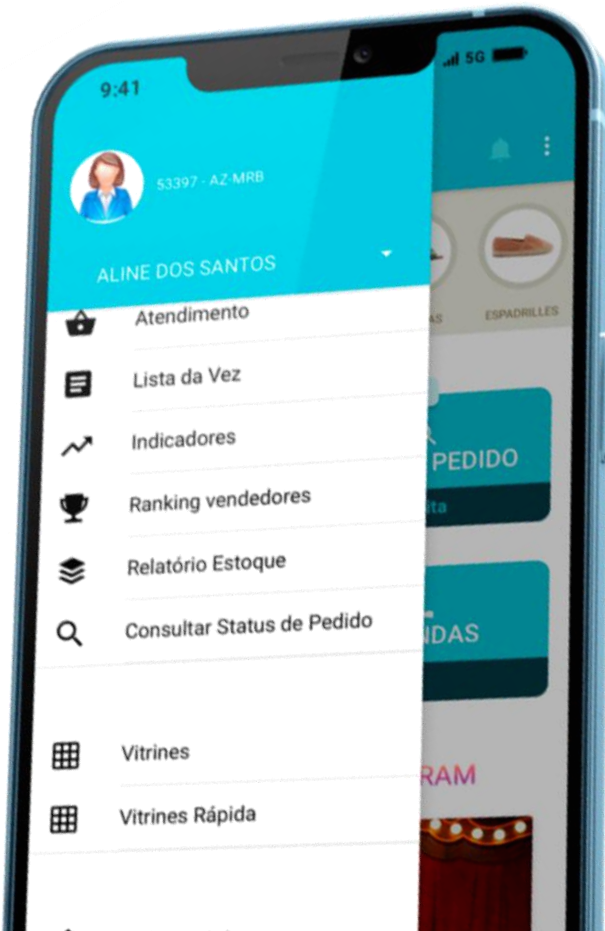


AREZZO&CO ECOSYSTEM



ONLINE TOOLS

OMNICHANNEL ARSENAL



ONLINE
RELATIONSHIP



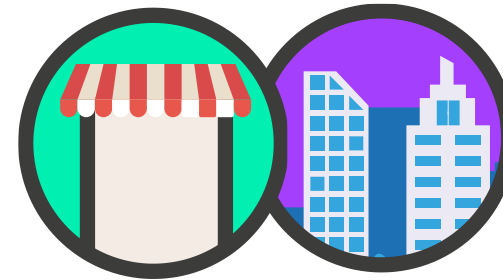
ZZLINK



VIRTUAL
SHOWCASE



INFINITY SHELF
+ SOCIAL SELLING



CLICK N' COLLECT &
STORE SHIPPING



REMOTE SELL/
SALE BY LINK

ONLINE PRODUCTS

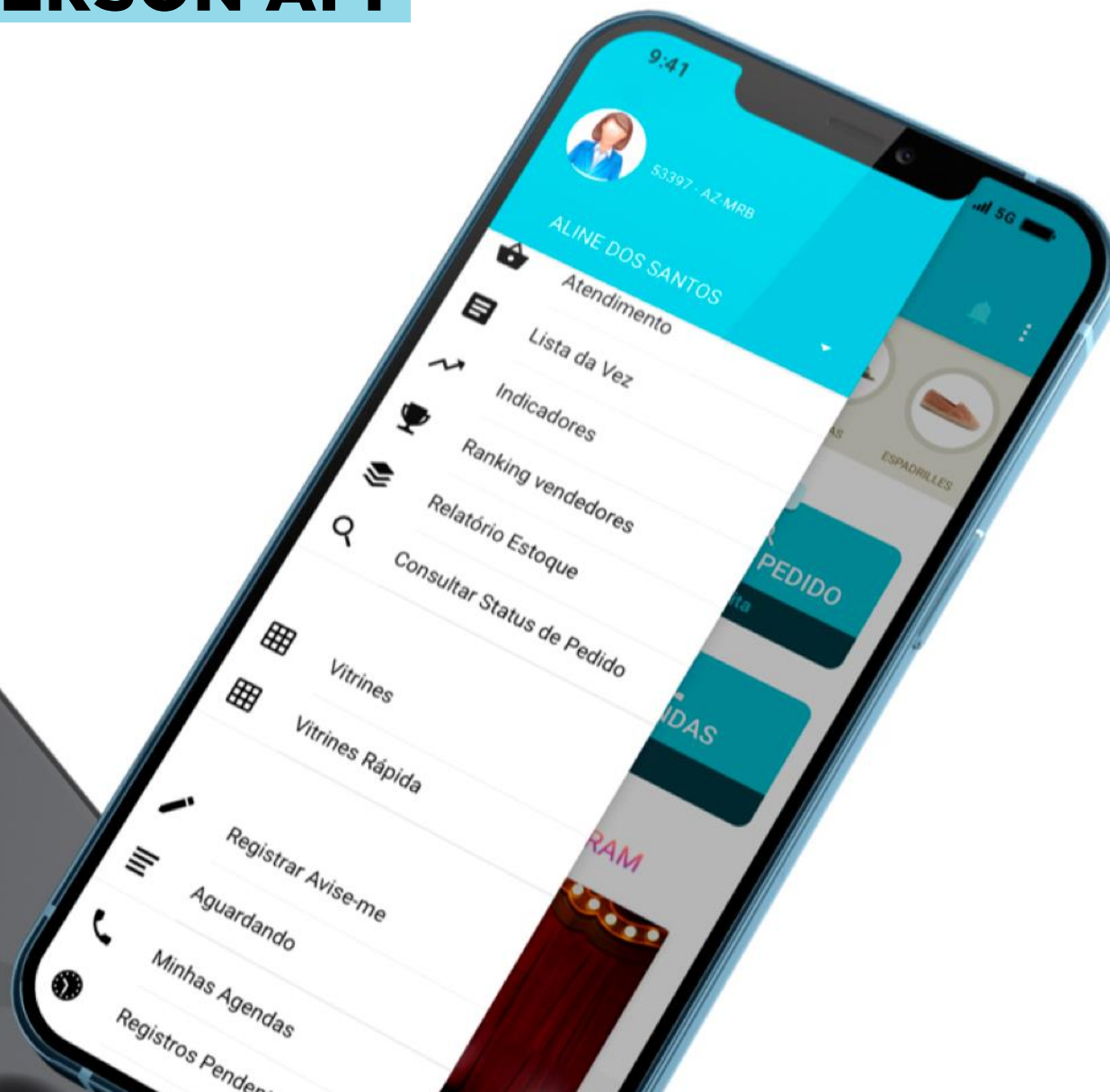
SALES PERSON APP

**AREZZO
&CO**

WHAT IS IT?

THE SALES PERSON APP, ANY SALES PERSON CAN OBTAIN THE MOST RELEVANT INFORMATION ON PRODUCTS, COLLECTIONS AND CUSTOMERS.

WITH IT, IT IS POSSIBLE TO COMPLETE REMOTE SALES, SEND SUGGESTIONS TO CUSTOMERS, CONSULT INVENTORIES, PRODUCT DETAILS, SALES-PERSON ORDER LIST, VIRTUAL SHOWCASE AND CONSULT ORDERS.



CONSUMER JOURNEY HAS CHANGED!

**AREZZO
&CO**

ENGAGE AND GIVE SUPPORT
TO THE STORE TEAM

USE VIRTUAL
SHOWCASE

EXECUTE THE
CONTACT LIST WITH
CUSTOMIZATION
AND PHONE CALLS
EVERYDAY

ACCEPT AND ORGANIZE
ORDERS OF CLICK N'
COLLECT & STORE
SHIPPING

DO NOT LEAVE ANY
CUSTOMER
UNANSWERED ON
WHATSAPP OR
INSTAGRAM



FROM SALES PEOPLE TO

**ONLINE
CONSULTANTS**

POST-SALE
AFTER ORDER IS
ACCEPTED, CONTACT
WITH CUSTOMER, ISSUE
INVOICE

PROMOTE VOUCHERS
ACROSS ALL SOCIAL
MEDIA PLATFORMS

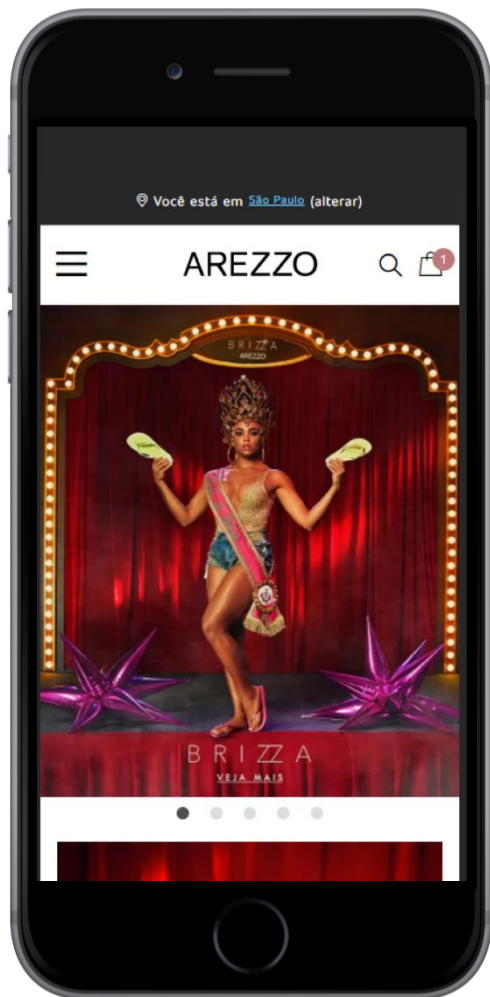
CREATE NUMERIC
AND MOTIVATIONAL
GOALS FOR ONLINE
TOOLS



ONLINE PRODUCTS

CLICK N'COLLECT & STORE SHIPPING

AREZZO
&CO



AREZZO

PRECISA DE AJUDA?


Login

Entrega

Pagamento

Etapa 2 de 3

Selecione a forma de entrega



Tênis ZZ Play Colorido Lona Ombré

Quantidade: 1

Tamanho: 36

R\$ 159,90

Receber em casa

☐ Entrega pela Loja

Em até 2 dias úteis

R\$ 12,90

☐ Expresso

Em até 3 dias úteis

R\$ 19,90

☐ Econômico

Em até 6 dias úteis

R\$ 11,90

Retirar na loja

GRÁTIS


☒ Shopping Eldorado

0,32km

A partir de 1 dia útil

Ver outras lojas

Selecionar pagamento



Tênis ZZ Play Colorido Lona Ombré

R\$159,90

2x de R\$79,95 sem juros

33 34 35 36 37 38 39 40

COMPRAR

Compre pelo Whatsapp

Adicionar à sacola

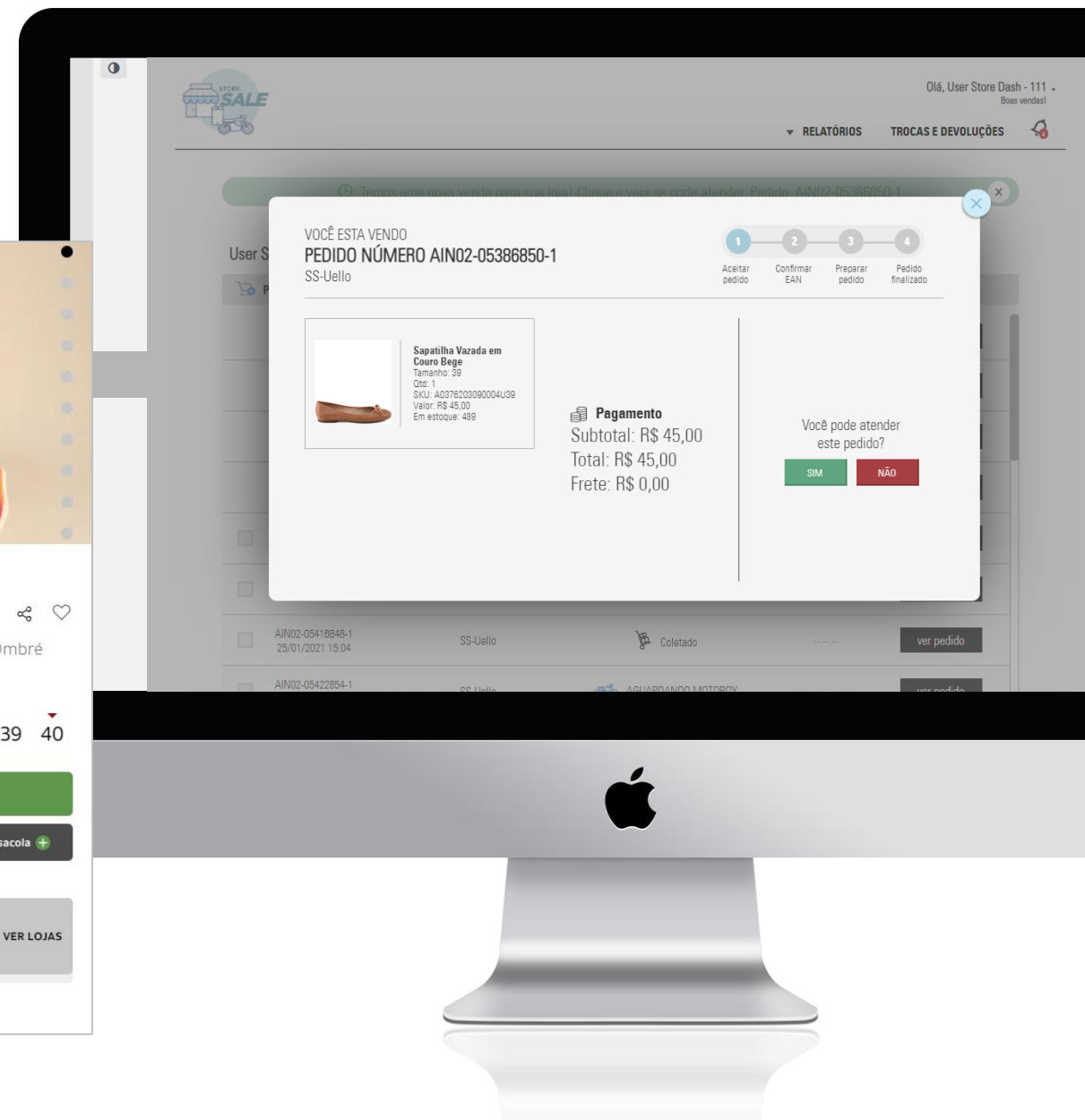
RETIRE NA LOJA

Grátis

Encontramos 05 loja(s) próxima(s) de você

VER LOJAS

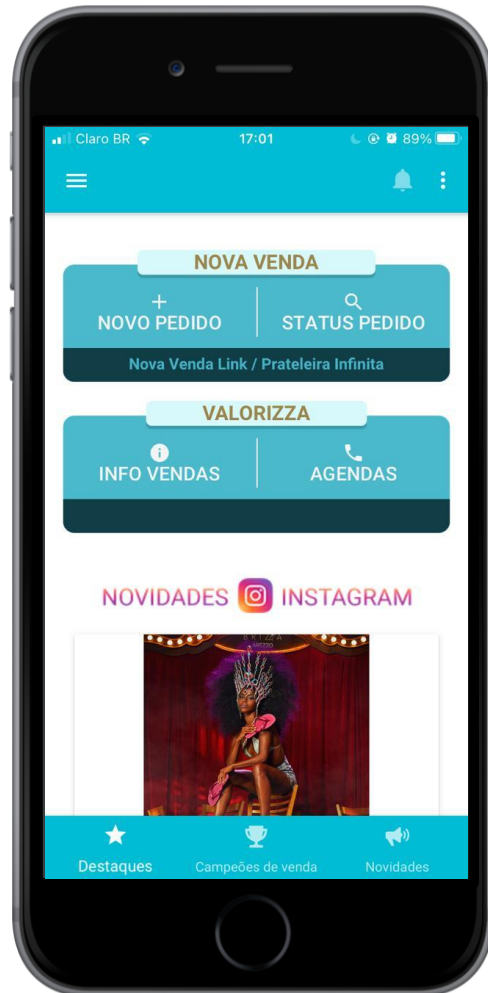
MAIS CORES



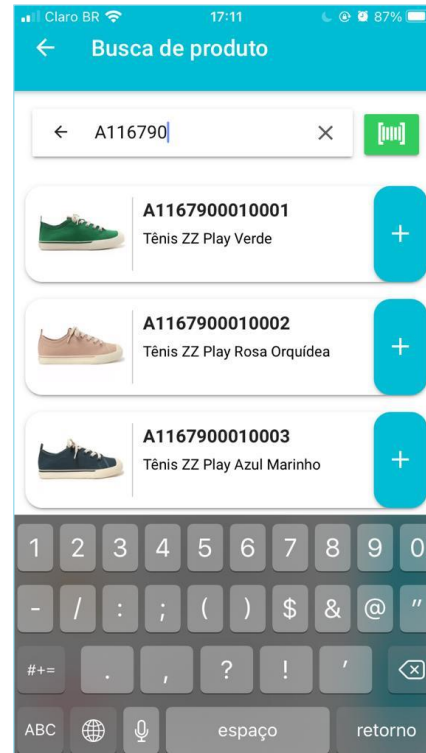


ONLINE PRODUCTS INFINITY SHELF

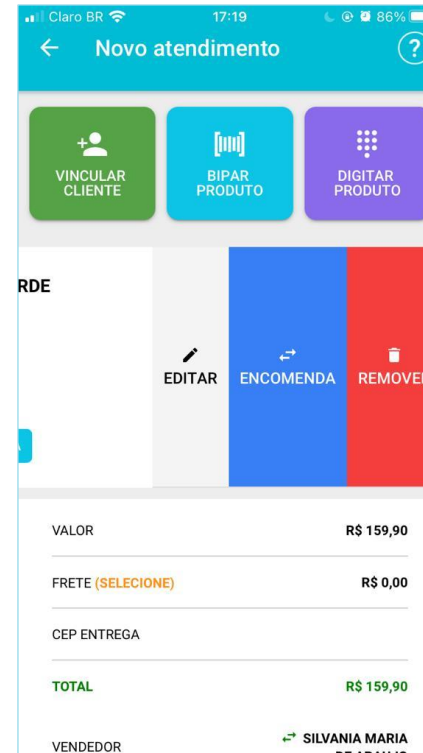
AREZZO
&CO



SALES AT A CLICK



QUICK SEARCH
FOR STORE SKUs



EXCLUSIVE ORDERS
FROM STORE OR
OMNI



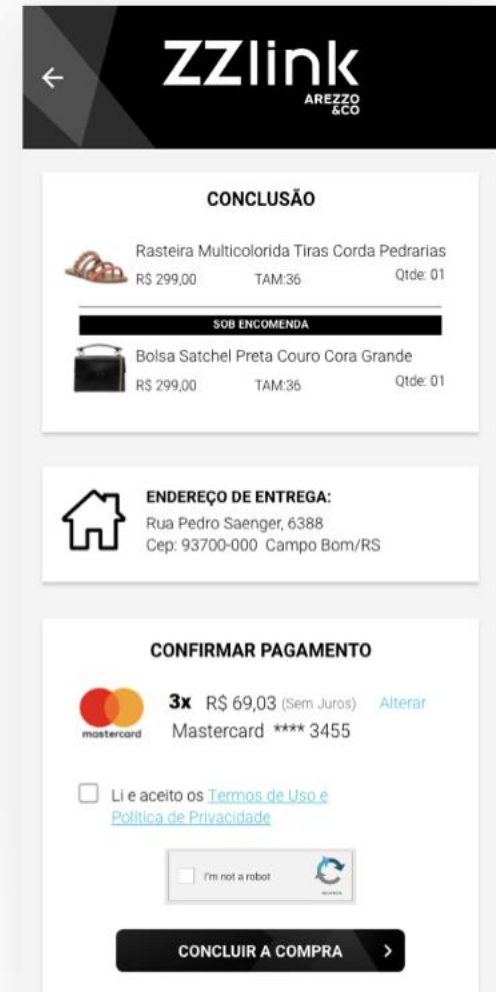
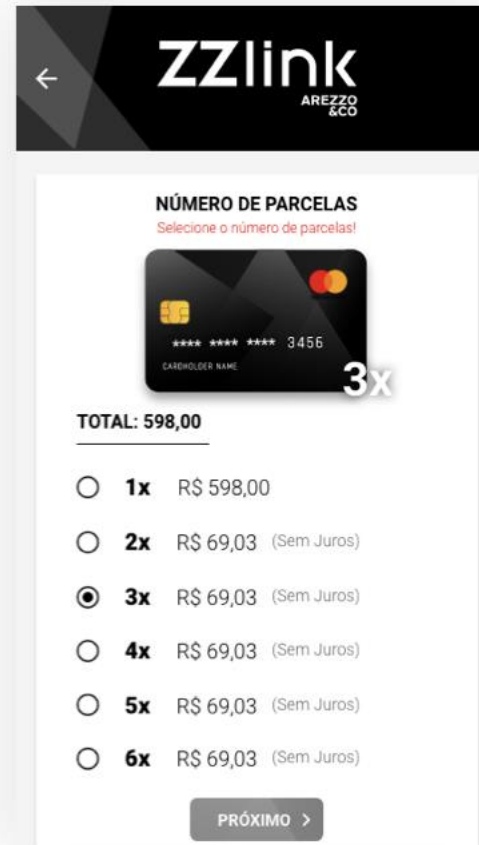
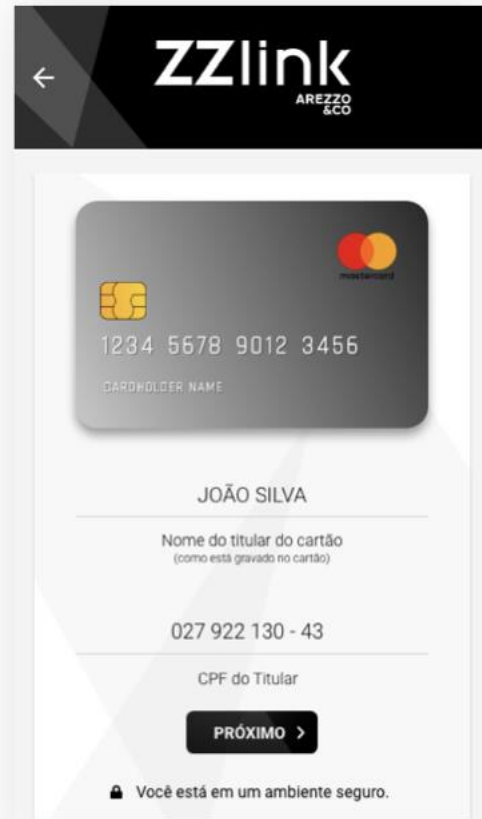
EASY MANAGEMENT
FOR ORDERS



ONLINE PRODUCTS

ZZ LINK FOR REMOTE SALES

AREZZO
&CO



CUSTOMER VISION

ONLINE PRODUCTS**ZZ SALES: ONLINE RESELLERS****WHAT IS IT?**

THIS MODEL ALLOWS AN AUTONOMOUS RESELLER TO SELL ONLINE THROUGH CUSTOMIZED VIRTUAL SHOWCASES.

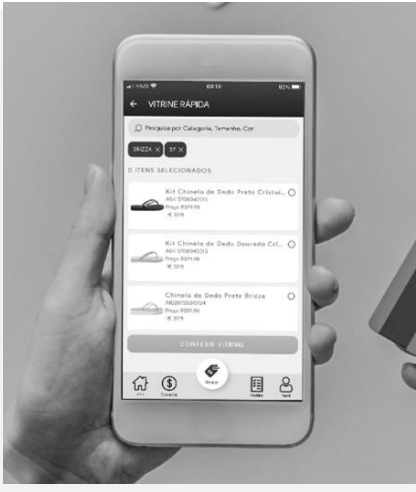
WHEN A CUSTOMER IS INTERESTED IN A PRODUCT, THE RESELLER CREATES A PAYMENT LINK, AND VIA PHYSICAL STORE OR WEB, THE PRODUCT IS DELIVERED AT THE CUSTOMER'S HOME. THE RESELLER RECEIVES A COMMISSION FOR EACH SALE MADE.



ONLINE PRODUCTS OMNICHANNEL ARSENAL

SALES PERSON APP

- MAIN WORK TOOL
- VIRTUAL SHOWCASE;
- CONTACTING CLIENTS VIA WHATSAPP;
- REVENUE INFLUENCED BY WHATSAPP ALREADY ACCOUNTS FOR 20% OF STORES RESULTS;



CLICK N' COLLECT & STORE SHIPPING

- 29% SHARE OF WEB SELLOUT IN SÃO PAULO (4Q)
- PROJECT TO EXPAND INVENTORIES;
- OVER 100,000 ORDERS IN 2020;
- 6.3% SHARE OF WEB SELLOUT IN BRAZIL (4Q)



INFINITY SHELF+ SOCIAL SELLING

- 32MM TRANSACTED, ACCOUNTING FOR 6% OF WEB SELLOUT.
- SALES PERSON VOUCHERS;
- IMPROVED SALESFORCE EXPERIENCE.



SALE BY LINK

- 119MM REVENUE IN STORES INFLUENCED BY SALES PEOPLE CONTACTS VIA WHATSAPP IN 4Q
- 15% OF REVENUE IN STORE INFLUENCED BY ONLINE RELATIONSHIP IN 2020.



DIGITAL PRODUCTS

AREZZO&CO AND AR&CO'S ONLINE REVENUE (EX-WEB)

AREZZO&CO

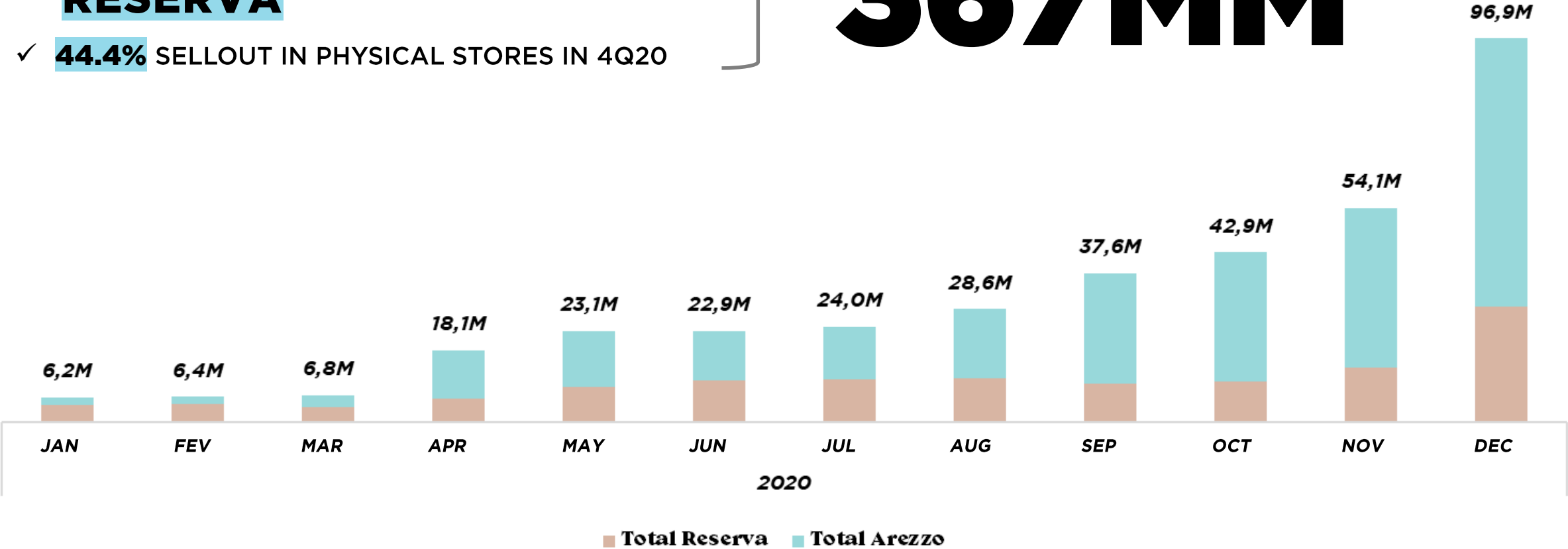
✓ **26.5%** SELLOUT IN PHYSICAL STORES IN 4Q20

RESERVA

✓ **44.4%** SELLOUT IN PHYSICAL STORES IN 4Q20

REVENUE FOR ONLINE TOOLS IN 2020

367MM





DIGITAL POWER

935MM

WEB REVENUE + TECHNOLOGIES 2020

**AREZZO
&CO + AR&CO**

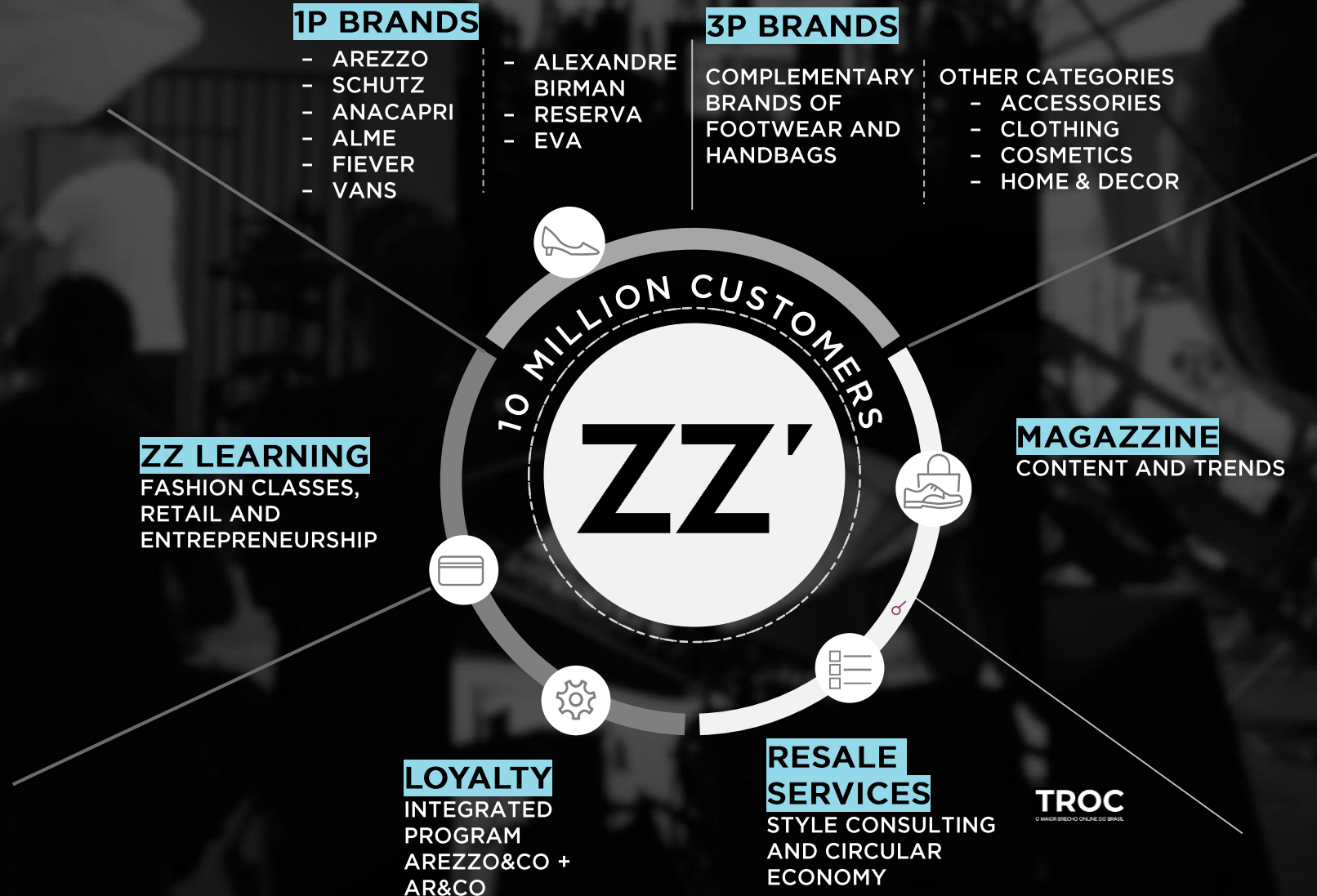
ZZ'MALL



NEW DIGITAL BUSINESSES

AREZZO&CO FASHION PLATFORM

ZZ MALL IS MORE THAN A SIMPLE MARKETPLACE, COMBINING CURATORSHIP, SERVICES AND CONTENT.



NEW DIGITAL BUSINESSES

ZZ MALL: AN APP WITH A BRAND'S EXPERIENCE

AREZZO
&CO

ZZ'MALL

17%

OF SHOPPERS IN
THE LAST 30 DAYS
ARE AREZZO&CO'S
NEW CUSTOMERS

174,000

DOWNLOADS SINCE THE
PLATFORM'S LAUNCH

83/100

NET PROMOTER
SCORE OF THE
PLATFORM, IN LINE
WITH AREZZO&CO
BRANDS

30%

OF TRANSACTIONS IN
ZZ MALL ARE
ORIGINATED IN THE APP



NEW DIGITAL BUSINESSES

41 BRANDS

AREZZO
& CO

CLOTHING

Reserva  EVA SPEZZATO LALIBELA 
 Reserva **mini** TVZ MOB  LE MOLLETON
 JOULIK newbeach OLYMPIAH STANCE 
 LAUF SPORTS HOPE  HAIGHT. DSNTA
 ZINZANE TRIYA alto giro
 BARTHELEMY **Baw** HOPE RESORT BEACHWEAR & FITNESS
 LENNY NIEMEYER SPEZZATO **'I'EEN**
 Zapalla  FLOR DE CACTO

FOOTWEAR

AREZZO SCHUTZ
 ALME  FEVER
 ANACAPRI ALEXANDRE BIRMAN
 VANS
 OFF THE WALL"

ACCESSORIES

VIVARA LIVO 
 CLAUDIA ARBEX ISLA 
 ALÉM  VICTORINOX
 WENGER JACK VARTANIAN

NEW DIGITAL BUSINESSES
WINTER CAMPAIGN

P L U R A L ' 2 1

**AREZZO
& CO**

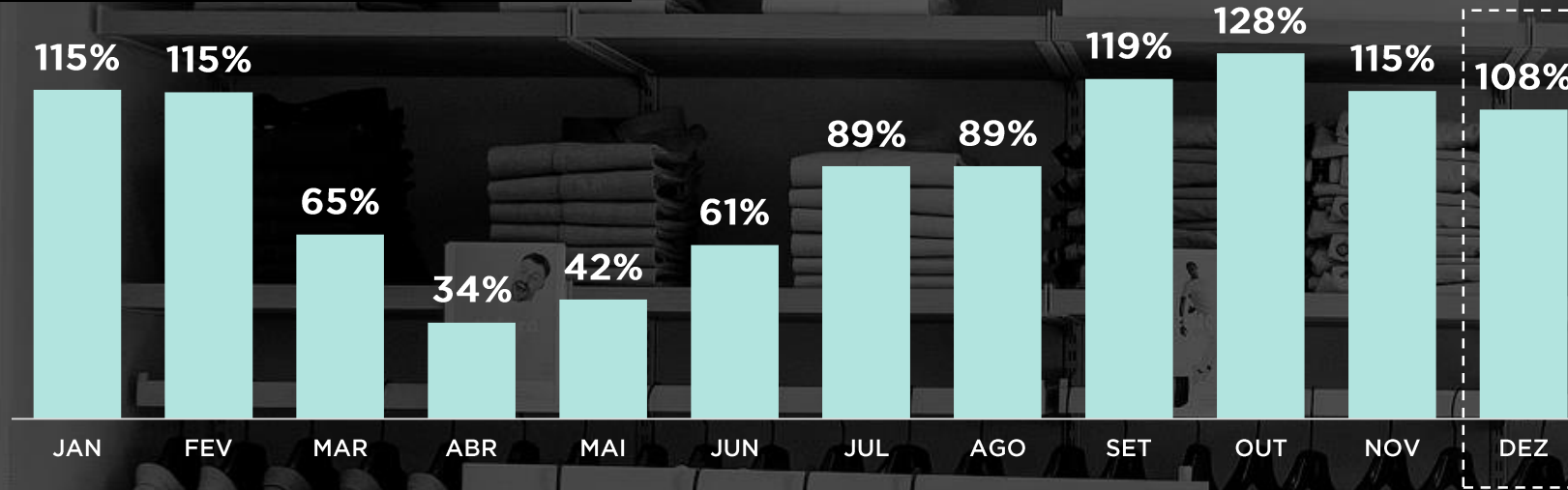


BRANDS REPRESENTED IN THE PHOTO: Alexandre Birman, Arezzo, Baw, Eva, Fiever, Jack Vartanian, Lalibela, Le Molleton, Lenny Niemeyer, Oficina Reserva, Olympiah, Reserva, Schutz, Triya, TVZ, Vivara, Zapalla, Zinzane

RESERVA INTEGRATION

RESERVA IN 2020

% B2C SALES 2020 VS. 2019

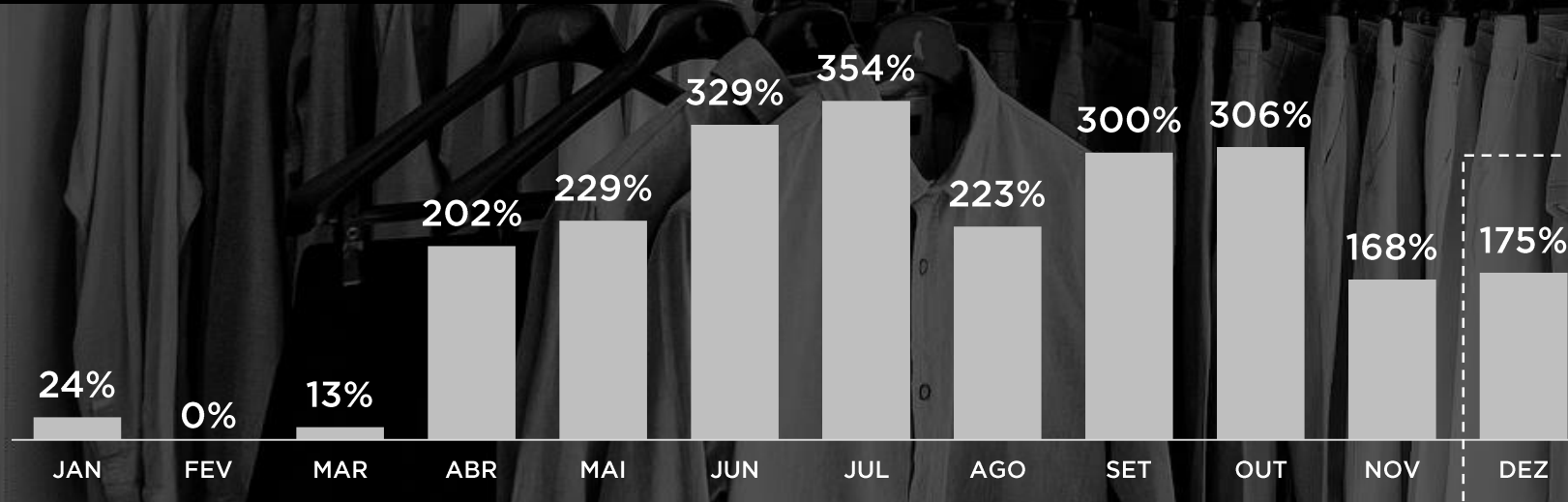


- % SALES SHARE OF 94% IN 2020 VS. 2019

- 189% GROWTH OF ONLINE SALES IN 2020 VS. 2019

- FOCUS ON THE USE OF NOW 100% ONLINE – OVER 600 EMPLOYEES

% CHG. ONLINE SALES VS. 2019



- DESPITE STORES REOPENING, THE ONLINE CHANNEL UPHOLDS SOLID PERFORMANCE

INTEGRATION PROCESS AT FULL SPEED

OPERATIONAL INTEGRATION

RAFAEL SACHETE/
JAYME NIGRI

- TRANSITION OF BACK OFFICE TO AREZZO&CO CSC
- FIRST WAVE OF OPERATIONAL SYNERGY GAINS
- INVOICING VIA ESPÍRITO SANTO DC (FOOTWEAR)

PRODUCT, SUPPLY & STORE

RONY MEISLER/
CASSIANO LEMOS

- INTERNALIZATION OF RESERVA FOOTWEAR
- REVIEW OF COLLECTIONS CALENDAR
- NEW SELL-IN MODEL, VIA E-SHOWROOM
- RESERVA WOMEN'S PROJECT

FULL POTENTIAL

RONY MEISLER/
CASSIANO LEMOS

- NEW ARCHITECTURAL STORE PROJECT
- EXPANSION PLAN
- STORES REVAMP PLAN
- PIPELINE OF NEW FRANCHISEES

I.T. & SYSTEMS

MAURÍCIO BASTOS/
JOSÉ ALBERTO

- SUCCESSFUL FIRST INTEGRATION (FOOTWEAR)
- FIRST SELL-IN EVENT VIA E-SHOWROOM ON 03/11
- MAPPING OF SYSTEMS ARCHITECTURE AND PLANNING OF INTEGRATION

PEOPLE & MANAGEMENT MODEL

MARCO VIDAL/
JAYME NIGRI

- ORGANIZATIONAL STRUCTURE
- GOVERNANCE AND AR&CO MANAGEMENT RITUALS
- ALIGNMENT OF TARGETS
- ENGAGEMENT OF CONSULTORIA FALCONI (2ND SEMESTER)

INTEGRATION PROCESS AT FULL SPEED: PRODUCT, SUPPLY AND STORE

IMMERSION IN SANTA CATARINA – VALE DO
ITAJAÍ - FEB/21

11 PLANTS VISITED IN 5 CITIES

GOALS

- INCREASE KNOW-HOW ON THE CLOTHING PRODUCTION CHAIN;
- ENHANCE CONNECTION WITH OUR MAIN PARTNERS;
- MAP **IMPROVEMENT OPPORTUNITIES**, ESPECIALLY **LEAD-TIME REDUCTION**.

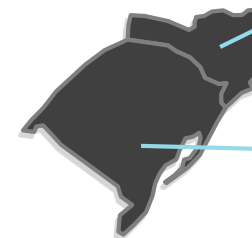
CONCLUSIONS

- HAVING A PRODUCTION CLUSTER IN A LARGE INTERNAL MARKET = HUGE OPPORTUNITY
- THE SAME WAY WE CREATED A “FOOTWEAR SOFTWARE PLANT” IN VALE DOS SINOS, COORDINATING THE PRODUCTION CHAIN TO RAPIDLY MEET THE NEEDS OF CONSUMERS, **NOW AR&CO WILL CREATE A “FABRIC SOFTWARE PLANT” AT VALE DO ITAJAÍ (SC);**
- CURRENT STANDARD OF NEW LAUNCHES WILL CHANGE TO **SMALLER AND MORE FREQUENT EVENTS, WITH ONLINE SELL IN AND QUICK DELIVERY;**
- OPPORTUNITY **TO DEVELOP A QUICK ANSWER PROGRAM FOR BASIC ITEMS** BASED ON DEMAND



VALE DO ITAJAÍ (SC)

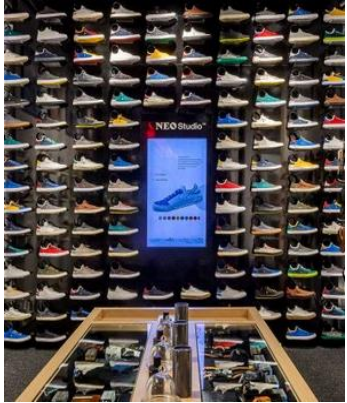
CLUSTER OF FABRIC
PRODUCTION (RESERVA'S
CORE)



VALE DOS SINOS (RS)

CLUSTER OF FOOTWEAR
PRODUCTION

INTEGRATION PROCESS AT FULL SPEED: EXPANSION AND NEW STORE FORMATS



2021

- NEW ARCHITECTURAL MODEL FOR STORES
- 40-45 OPENINGS
- 20-25 STORE REMODELINGS
- STORES SIGNIFICANTLY PERFORM BETTER AFTER REMODELING



SYNERGIES

**AREZZO
&CO**

NPV FINANCIAL SYNERGIES EXCEED

R\$150 MILLION

**BESIDES SYNERGIES RELATING TO
RESERVA GO**



Reserva & Go®

RESERVA GO

ONE OF MAIN SOURCES OF TRANSACTION SYNERGIES

- SECOND BEST-SELLING CATEGORY IN THE WEB-COMMERCE
- STRONG POTENTIAL IN MULTIBRAND CHANNEL
- OPENING OF STAND-ALONE FOOTWEAR STORES
- INTERNALIZATION OF FOOTWEAR DEVELOPMENT, AND PRODUCTION AND DISTRIBUTION (VS. PREVIOUS LICENSING)
- NEW COLLECTION CALENDAR AND SELL-IN MODEL
- LAUNCH OF WOMEN SNEAKER LINE
- INTERNALIZED REVENUE OF NEARLY 45MM OF SALES IN 2019
- FOOTWEAR SALES GREW BY 25% AT OWNED STORES AND 30% AT WEB-COMMERCE IN 4Q20 (AND 46% IN 2020)

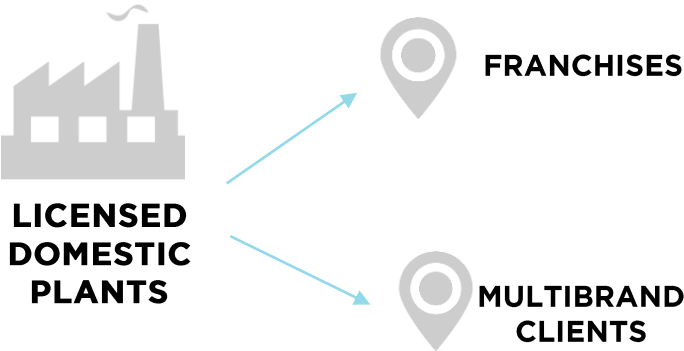
AREZZO
&CO



NEW FOOTWEAR OPERATION MODEL

**PRODUCTS ARE NOW DISTRIBUTED FROM AREZZO&CO'S DC IN ESPÍRITO SANTO
OPERATION IS NO LONGER LICENSED – INVOICING IS INTERNALIZED AND MARGINS ARE IMPROVED**

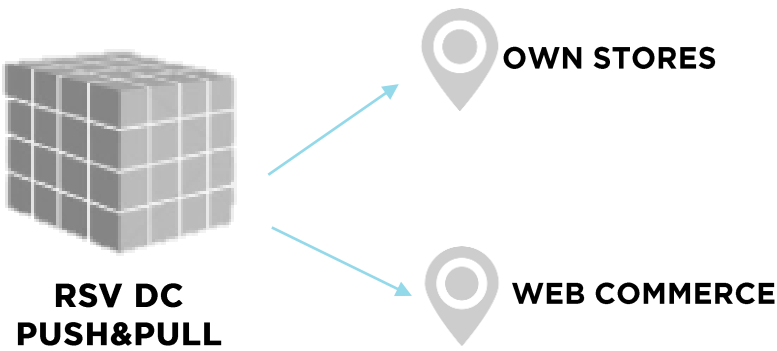
MULTIBRAND/FRANCHISES



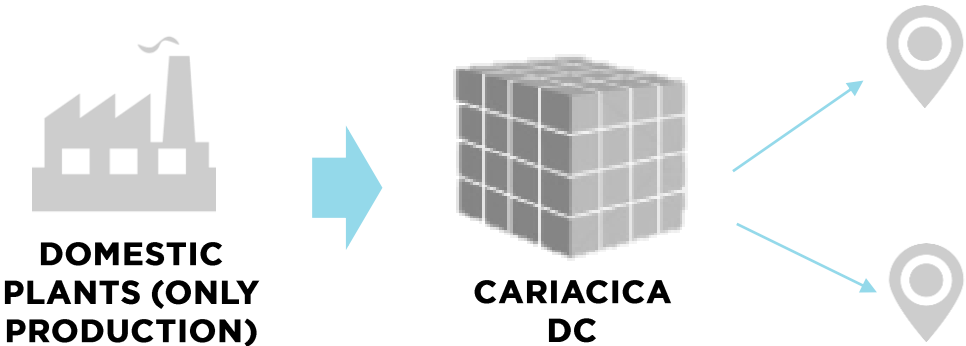
PREVIOUS MODEL



WEB/OWN STORES



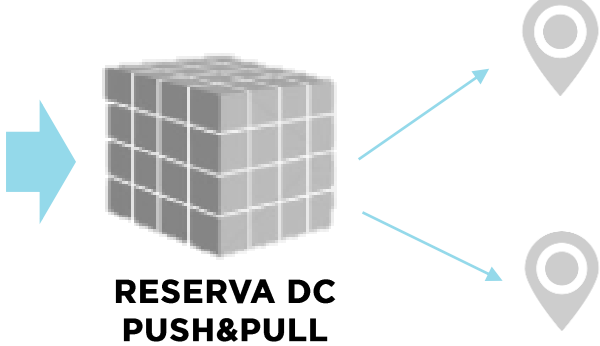
MULTIBRAND/FRANCHISES



**NEW OPERATION MODEL
DIRECT INVOICING AS OF MARCH 1ST**



WEB/OWNED STORES



RESERVA TESTIMONY

AREZZO
&CO



RONY MEISLER

AR&CO CEO



JAYME NIGRI

AR&CO COO



NANDO SIGAL

**AR&CO PRODUCT
DIRECTOR**

TROC ACQUISITION

TROC

AREZZO
&CO

+24 pps

50%

26%

TAKE RATE

MARKET
PLAYER

TAKE RATE

TROC

+ ADDED VALUE

+ CONVENIENCE

= + RECURRENCE!

3.7X

CAC/LTV

TAKE RATE 12M

TROC EXPERIENCE

- INTEGRATED LOGISTICS SYSTEM
- INDIVIDUAL ANALYSIS SYSTEM OF ITEMS AND INTELLIGENT PRICING
- PROPRIETARY AND SCALABLE OPERATIONAL SYSTEM
- AUTOMATED PHOTOGRAPHY SYSTEM, TREATMENT AND PHOTO UPLOAD

INDICATORS

OUTLOOK FOR 2021



GMV

GROWTH

230%



TRAFFIC

(USERS/YEAR)

+200%



TAKE RATE

APPROX.

50%



PROCESSED ITEMS

+900%



NUMBER OF SELLERS

+100

**AREZZO
&CO**

**WITH THE STRENGTH
OF AREZZO&CO
BRANDS, IT WILL BE
POSSIBLE TO
SIGNIFICANTLY
REDUCE TROC'S CAC,
AND INCREASE LTV.**

2021 MAPPED OPPORTUNITIES



RAAS “RESALE AS A SERVICE”

**PARTNERSHIPS WITH BIG BRANDS AS TO BE THE OFFICIAL
RESALE CHANNEL**

OVER 10 BRANDS ALREADY CONFIRMED



OVERSTOCK

**ACT AS A CHANNEL FOR OUTFLOW OF PAST COLLECTIONS STOCK
FOR MONO AND MULTIBRANDS PLAYERS**

START ON APRIL/21 WITH AREZZO&CO BRANDS



FISICAL STORES

CREATE POP-UP STORES IN SHOPPING MALLS

**ACT AS NA ADVANCED POST FOR COLLECTION OF 2ND
HAND ITEMS**

**CAPTURE NEW SELLERS AND BUYERS THROUGH
AWARENESS INCREASE**

**GRANT BENEFITS TO BRANDS AND STORES (CREDITS FOR
USE)**

**CONVERSATIONS INITIATED WITH
SHOPPING MALL OPERATORS**

ACTIVATIONS

SINCE SINCE THE ANNOUNCEMENT OF THE PARTNERSHIP WITH TROC, WE STRENGTHENED INVESTMENTS IN SOCIAL MEDIA AND ACTIVATIONS WITH INFLUENCERS



5.6 M



4.4 M



4.0 M



1.4 M



1.3 M

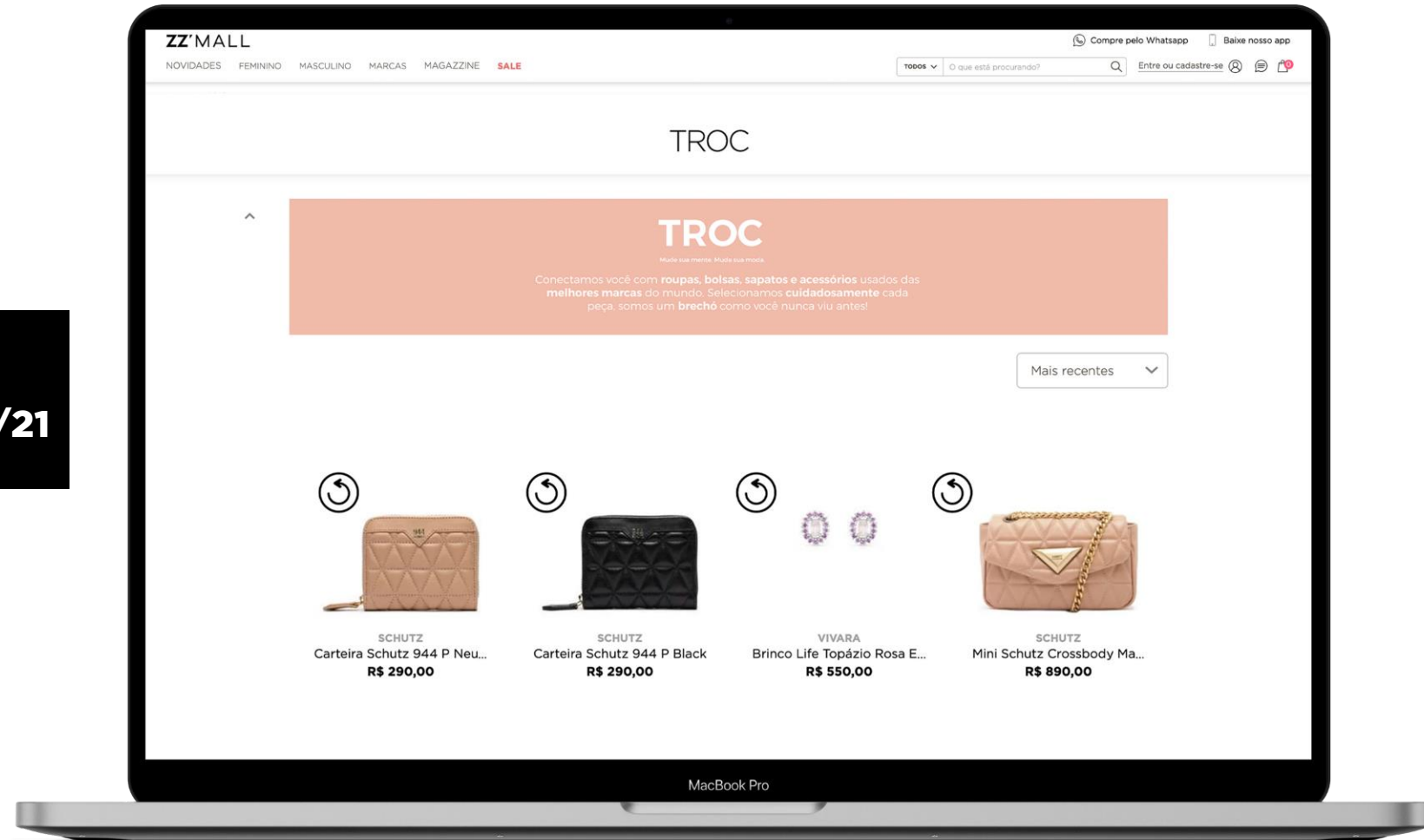
TROC + ZZMALL

TROC WILL COMPOSE ZZ MALL IN THE BRANDS
CATEGORY, GENERATING CIRCULAR ECONOMY
AND SUSTAINABILITY IN OUR FASHION
PLATFORM.

AREZZO
& CO

PARTIAL INTEGRATION: MAR/21
FULL INTEGRATION: 2ND SEMESTER/21

ZZ'



NORTH- AMERICAN MARKET

NORTH-AMERICAN OPERATION

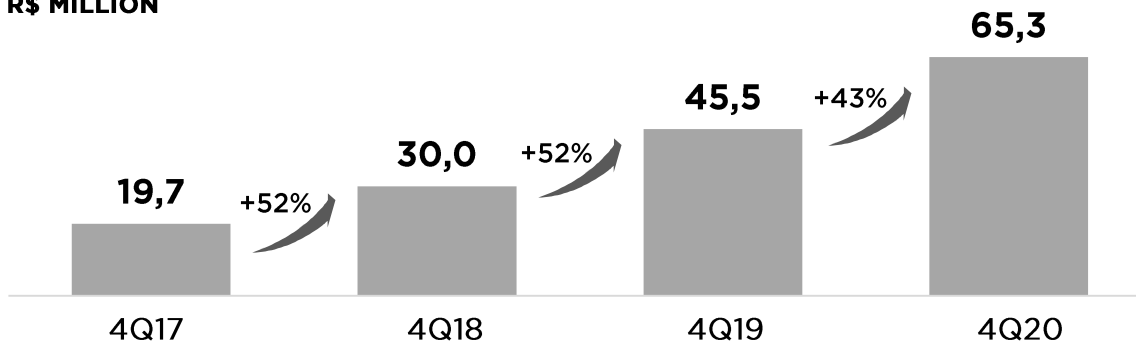
CHANGES MADE ENABLE CONSISTENT BREAK

R\$6.7MM EBITDA IN 4Q20 (IFRS 16)

4Q20 HIGHLIGHTS:

- RECOVERY OF REVENUE LEVEL OF 2019 WITH 19.1% GROSS REVENUE GROWTH IN BRL
- CONTINUED POSITIVE PERCEPTION ON THE SCHUTZ BRAND NEW PRICING POSITIONING
- +55% GROWTH OF OWN WEB COMMERCE SALES
- + 70% IN TRAFFIC
- + 33% SELL-IN GROWTH FOR WHOLESALE

NORTH-AMERICAN OPERATION GROSS REVENUE (EX-RETAIL CHANNEL)
R\$ MILLION

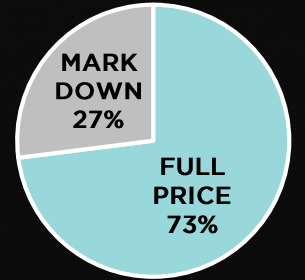


NEW PRICING STRATEGY

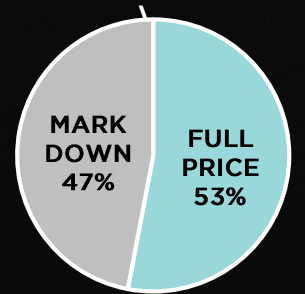
COMMUNICATION FOCUSED ON PRICE DIFFERENTIAL RAISED AWARENESS AND SUSTAINED DTC LEVEL OF SALES, MAXIMIZING PRODUCT TURNOVER AT FULL PRICE EVEN DURING CLEARANCE SALES



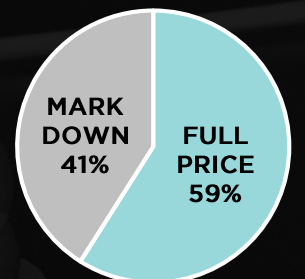
OCTOBER



NOVEMBER (BFCM)



DECEMBER



CHANGE IN INVESTMENTS

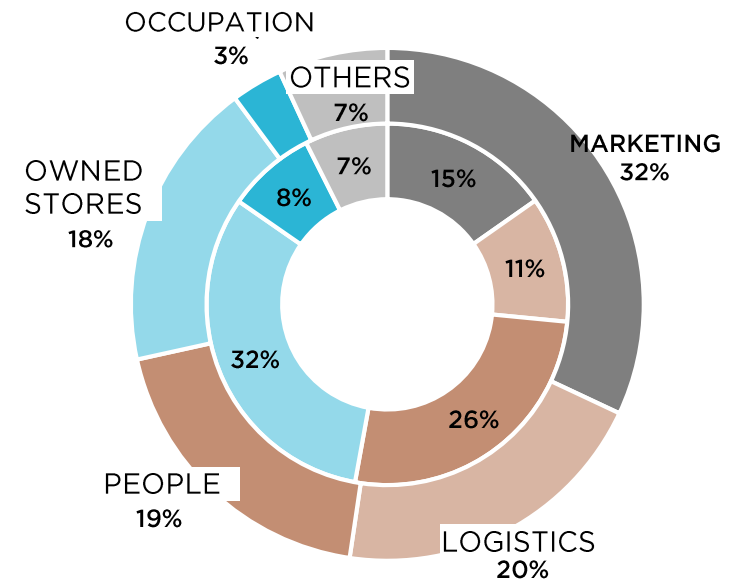
MINIMIZING FIXED EXPENSES

SG&A DECREASED 42% , WHILE MARKETING EXPENSES SURGED 21%

HIGHLIGHTS:

- **INCREASED MARKETING INVESTMENT AS % OF REVENUE (32% vs. 15%)**
- **HIGHER LOGISTICS EXPENSES AS % OF REVENUE (20% vs. 11%) DRIVEN BY GREATER SHARE OF DTC AND PRICE REDUCTION**
- **LOWER FIXED EXPENSES (GENERAL & ADMINISTRATIVE) FROM 73% TO 48%**

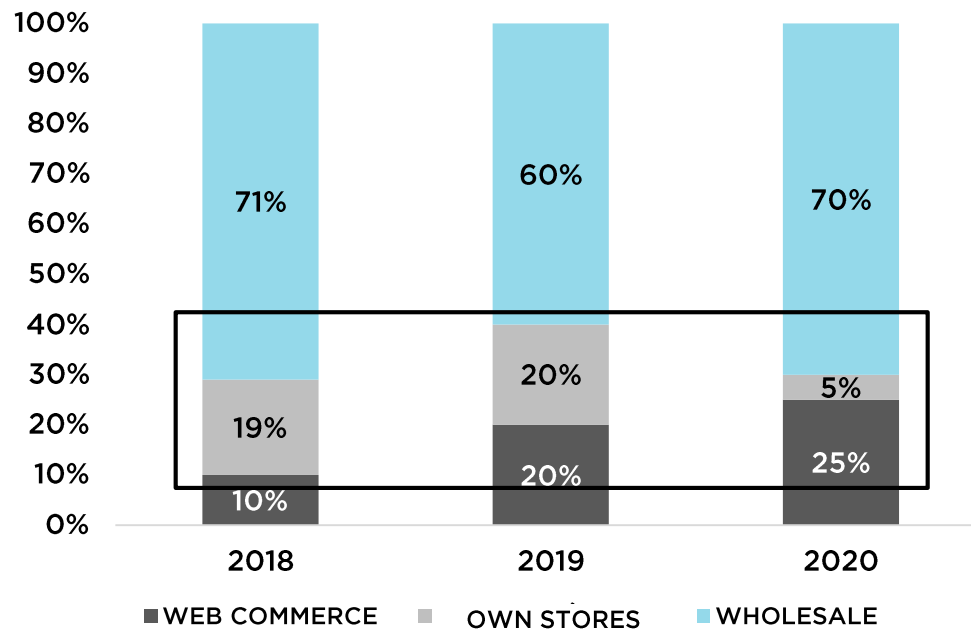
DISTRIBUTION OF EXPENSES 4Q20 AND 4Q19:



ACHIEVED RESULTS AND VISION FOR THE FUTURE

CONTINUED EFFORTS TO REDUCE FIXED EXPENSES AND INCREASE INVESTMENTS IN SALES AND MARKETING

- CHANGE IN LOGISTICS OPERATION TO REDUCE OPERATING EXPENSES
- MAINTENANCE OF BREAKEVEN
- LESS RELIANCE ON PHYSICAL RETAIL, WITH E-COMMERCE EXPANSION AND MAINTENANCE OF WHOLESALE



2021

PRIORITIES

GREAT PRIORITIES FOR 2021

**RESERVA
INTEGRATION**

**NEW
BRANDS &
NEW
BUSINESSES**

**ORGANIC
GROWTH
& MARKET SHARE**

**ONGOING
COMPANY
DIGITALIZATION**

**CONTINUED
INTERNATIONAL
EXPANSION**

**WE ASPIRE TO INTENSIFY OUR OPERATION IN THE
FOLLOWING SEGMENTS:**

1

Reserva 

**EXPAND TO NEW
CATEGORIES OF
PRODUCTS AND
TARGET PUBLIC**
EX: WOMEN'S CLOTHING

2

**CONSOLIDATE THE
SECTOR: INCREASE
MARKET SHARE,
SYNERGIES AND
SCALE**

3

Reserva 
TROC

**OBTAIN
NEW TECHNOLOGIES
OR EXPERTISES**

4


ZZ VENTURES

**INSURGENT BRANDS
AND NEW
BUSINESSES**

AFTER 2 MONTHS OF RESERVA INTEGRATION, WE FEEL CONFIDENT TO ADVANCE
OUR INORGANIC FRONT

ORGANIC GROWTH OPPORTUNITIES WERE ENHANCED

**AREZZO
&CO**

FRONTS UNDER DISCUSSION:

A vertical image of a space shuttle launching with bright flames and smoke from its engines.

CONTINUED EXPANSION OF ANACAPRI & VANS

- OPENING OF STORES (VIA FRANCHISES)
- INCREASE N° OF DOORS AND SHARE OF WALLET THROUGH MULTIBRAND

A vertical image of a young girl with a flower crown, wearing a dark patterned dress over a light tulle skirt.

BAMBINI AREZZO

- ENTER THE CHILDREN'S SEGMENT TAKING ADVANTAGE OF AREZZO'S FORMAT (REPLICATE BRIZZA STRATEGY)

A vertical image of a woman in a white sleeveless dress sitting on a wooden stool, resting her chin on her hand.

SCHUTZ CLOTHING

- SCHUTZ EVOLUTION TO A LIFESTYLE BRAND OFFERING THE FULL-LOOK

A vertical image of a retail store interior with shelves displaying various handbags and accessories.

ZZ STORES

- QUALIFIED MULTIBRAND STORES WITH A FULL MIX OF AREZZO&CO TO INCREASE SHARE IN SMALLER CITIES

A vertical image of a woman wearing large round glasses, a pearl necklace, and a black top.

LICENSING OF AREZZO&CO OWN BRANDS

- IN COMPLEMENTARY CATEGORIES (EX: GLASSES, PERFUMES, MAKEUP, HOUSEHOLD ITEMS)

A vertical image of a pair of hands holding a light-colored loafer shoe.

NEW BRANDS IN THE USA

- LAUNCH OF AREZZO AND ANACAPRI IN THE USA
- START OF THE WEB COMMERCE OPERATION
- ENTRY OF WHOLESALE CHANNEL IN A SECOND MOMENT

HIGHLIGHTS

2021 YTD

- **SIGNIFICANT GROWTH OF GROSS REVENUE (>45%)**
 - **TWO-DIGIT GROWTH OF NORTH-AMERICAN OPERATION WITH PROFITABILITY**
 - **SOLID PIPELINE OF STORE OPENINGS**
 - **PHYSICAL STORES INVENTORY CONSISTENT WITH SALES LEVEL**
- GROSS MARGIN GROWTH**



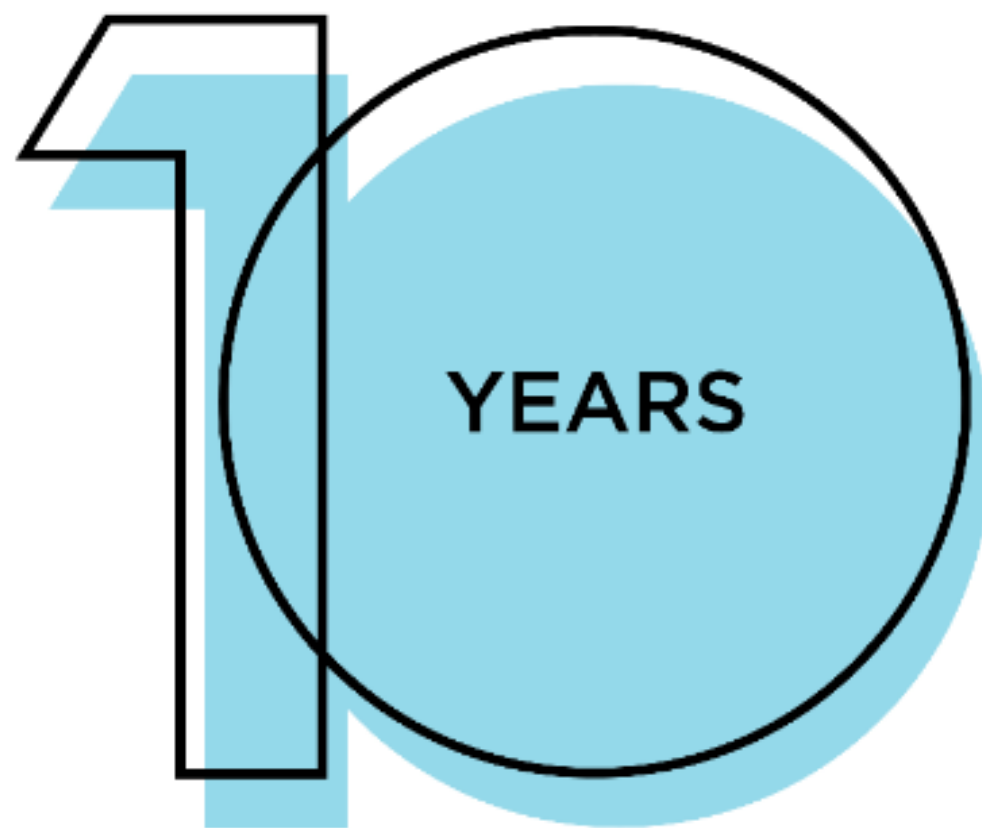
SUMMARY OF MEASURES PROTOCOL

HEALTH OF THE BUSINESS IS MAINTAINED DURING THE PANDEMIC

- **CARING FOR HEALTH OF OUR EMPLOYEES**
- **EXPONENTIAL GROWTH OF OMNI SALES** AND IMPLEMENTATION OF TOOLS ENABLING
TO OPERATE CLOSED STORES
- **BALANCE BETWEEN INVENTORY/SALES** AND INCREASE PRODUCT TURNOVER
- **HIGHER FREQUENCY OF COLLECTION LAUNCHES**
- **REDUCTION OF NON-ESSENTIAL FIXED EXPENSES**
- **MAINTENANCE OF VALUE CHAIN FINANCIAL HEALTH** (SUPPLIERS AND FRANCHISEES)

Q&A

Q&A



ANNIVERSARY
AREZZO&CO IPO



Pai,

Hoje completamos 10 anos do nosso IPO e você seus 67 anos de idade.

Motivo para agradecer e celebrar.

Imagino a emoção ao ver a construção do seu legado ao longo dessa jornada.

Para quem nasceu em Manhuaçu - MG e, aos 8 anos de idade, vendia "os ovos quentinhos da galinha da vovó" e, aos 18 anos, com seu irmão e seu pai, começou a fazer sapatos em uma garagem, criando uma marca e pesquisando nomes de cidades italianas, chegar até aqui não foi uma tarefa fácil.

Nossas conquistas são fruto de muito trabalho e de muita dedicação, regados de muita paixão que, baseados nos nossos inabaláveis princípios de envolvimento, transparência, paixão, união, flexibilidade, desafio e contando com a dedicação de um time aguerrido que não foge à luta, foi capaz de gerar resultados incríveis.

O valor que geramos vai muito além dos números. Imagine quantos passos femininos foram dados nos últimos 10 anos, nos mais de 150 milhões de pares vendidos. Quantos casamentos, batizados, viagens e passeios proporcionamos para as nossas fiéis clientes.

Desde a abertura do nosso capital na B3, a bolsa do Brasil, nossa ação ARZZ3 valorizou 325%, enquanto o IBOV valorizou 79,4%. Tivemos 37 trimestres de crescimento, passamos de 303 lojas monomarca para 808, ampliamos o canal multimarcas de 1.573 clientes para 5.527 clientes e, o melhor, tínhamos 705 acionistas e hoje temos 34 mil sócios.

Em 2020, nossa competência e resiliência foram colocadas em xeque e, mais uma vez, demonstramos nossa capacidade, além de resultados surpreendentes, a família cresceu. Agora, nossos sapatos e bolsas ganharam novos companheiros - camisetas, bermudas, calças - com o Pica-Pau mais charmoso do mundo e novas mentes brilhantes que têm, como base da motivação, a ambição de construir um mundo melhor. E iremos!

Meus parabéns por tudo o que você é e, em nome de todos, meu muito obrigado pelo seu exemplo e seus ensinamentos!

Aos nossos fornecedores, clientes, consumidores, colaboradores, investidores, analistas, nossa gratidão pela confiança ao longo dessa caminhada.

Que possamos, a cada dia, fortalecer nossas raízes para nunca esquecer nosso passado e crescer nossas asas (agora que temos um Pica-Pau kkkk) para voar ainda mais alto! Rumo a 2154!

Te amo, pai!

PS: meu muito obrigado à B3 por ser palco desse show e apoiar o empreendedorismo no Brasil!

AREZZO&CO'S IPO COMPLETES 10 YEARS

- R\$700 MILLION REVENUE (2010) TO R\$2 BILLION (2020);
- ARZZ3 CAGR P.A. +15.6% VS . IBOV CAGR OF +6.0% IN THE PERIOD;
- ARZZ3 UPSIDE IN 10 YEARS OF + 325% VS. 79.4% OF IBOV IN THE PERIOD;
- 40 EARNINGS RELEASED, OF WHICH 37 ANNOUNCED REVENUE GROWTH AND 32 ANNOUNCED EBITDA GROWTH;
- SHAREHOLDER BASE FROM 705 SHAREHOLDERS TO OVER 34,000 SHAREHOLDERS;
- +R\$840 MILLION PAID IN DIVIDENDS.

INVESTORS,
THANK YOU
VERY MUCH!

FINAL MESSAGE

FINAL MESSAGE

- 2021 SETS A TURNING POINT FOR THE COMPANY; UPSWING AFTER THE PANDEMIC
- SALES ACCELERATION IN 4Q20 AND 1Q21
- STRONG DIGITALIZATION OF BUSINESS AND VISION OF ECOSYSTEM
- RESERVA INTEGRATION AT FULL SPEED AND SALES PERFORMANCE ABOVE EXPECTATIONS
- APPETITE FOR NEW BRANDS AND BUSINESSES WITH A GOAL OF FULL LEADERSHIP IN THE BRAZILIAN FASHION MARKET

2154 IS NOW!!



THANK YOU!
#TOWARDS2154