



AREZZO & CO

EARNINGS
VIDEOCONFERENCE
3Q20

AREZZO SCHUTZ ANACAPRI ALEXANDRE BIRMAN

FEVER

ALME

VANS
"OFF THE WALL"

AGENDA FOR THE CALL

1. OPENING REMARKS
2. ZZ DIGITAL
3. SELL OUT RECOVERY AND NETWORK EXPANSION
4. STRONG INVESTMENT IN MARKETING
5. NORTH-AMERICAN MARKET
6. FINANCIAL HIGHLIGHTS
7. HIGHLIGHTS IN OCTOBER
8. INCORPORATION OF RESERVA GROUP
9. Q&A
10. CLOSING REMARKS

OPENING REMARKS

**ALEXANDRE
BIRMAN**

2020

A MILESTONE YEAR IN THE HISTORY OF AREZZO&CO

PILLARS - CHECK LIST BAIN

1. PROTECT EMPLOYEES AND CUSTOMERS
2. STRESS TEST AND LIQUIDITY
3. ACTIONS TO PROTECT SALES
4. ADJUSTING OPERATIONS TO THE NEW NORMAL
5. PLAN COST REDUCTIONS

6. PLAY OFFENSE

**MARCH 09 -
APRIL 14**

ORGANIZATION AND CRISIS
MANAGEMENT

**APRIL 15 -
MAY 10**

ACCELERATION OF DIGITAL
CHANNELS AND FOCUS ON
MOTHER'S DAY

**MAY 11 -
MAY 31**

BUSINESS
STABILIZATION FOR A NEW
NORMAL

**JUNE 01 -
JUNE 30**

RESUMPTION OF
STRATEGIC PLANNING

**JULY 01
ONWARDS**

START IF THE "2ND HALF":
FLEXIBILITY AND
ADAPTATION TO
WIN

RETAIL INDUSTRY AND MARKET SHARE

AREZZO&CO CONTINUES TO OUTPERFORM THE MARKET, WHICH TRANSLATES INTO
SIGNIFICANT MARKET SHARE GAINS

CIELO ICVA INDUSTRY PERFORMANCE

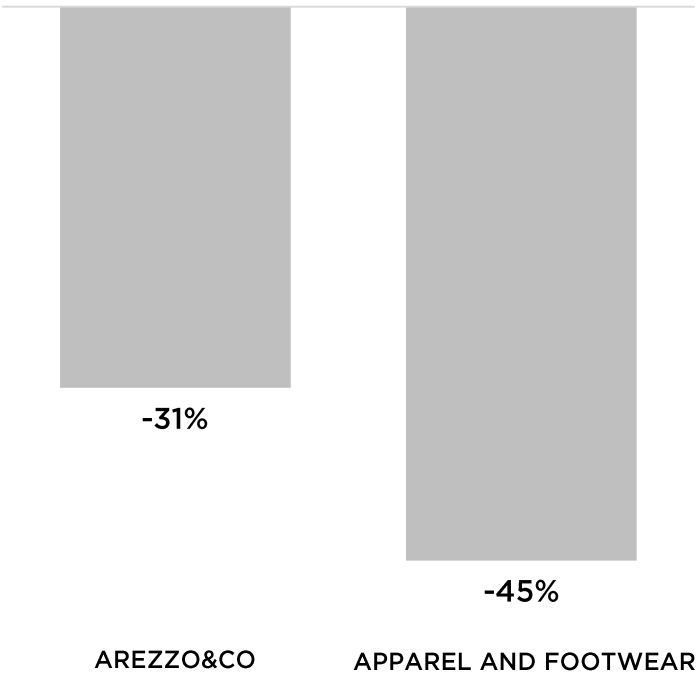


IMAGE KEY:

MAR 01 - OCT 24

MARKET SHARE - CIELO ICVA TARGET MARKET AND SHARE OF AREZZO&CO

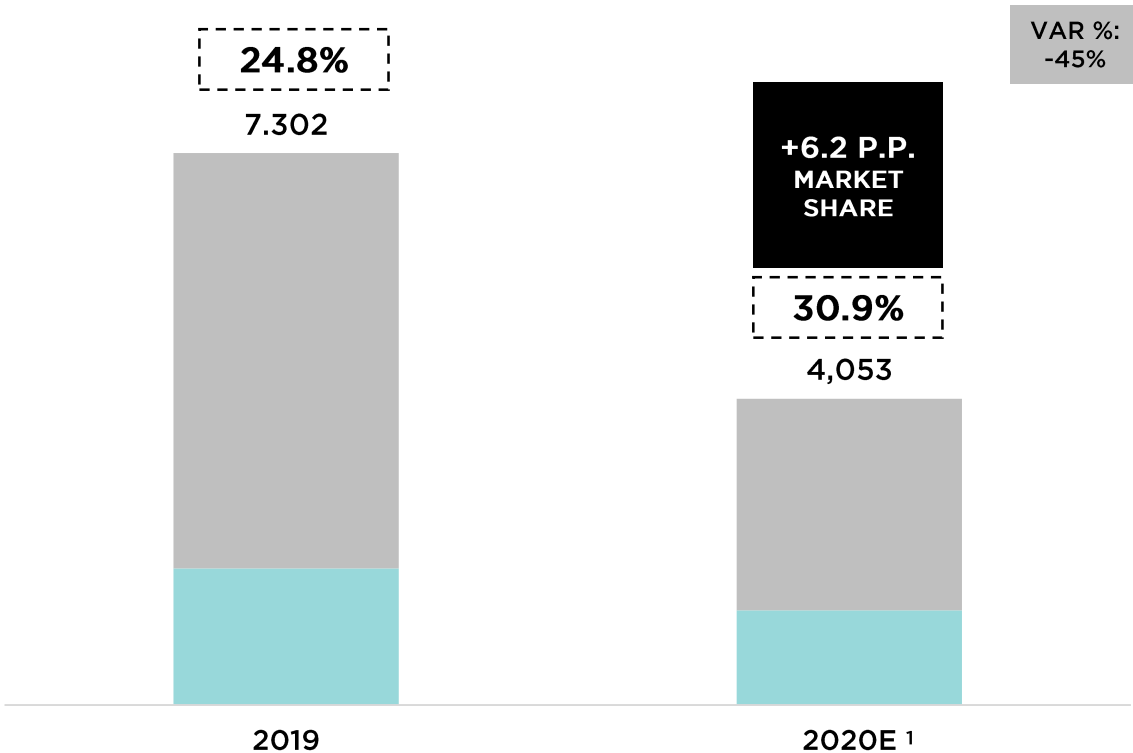


IMAGE KEY:

TARGET MARKET

AREZZO&CO

MARKET SHARE

PERIOD: MARCH - OCTOBER

¹ ADDRESSABLE MARKET: FASHIONABLE SHOES, HANDBAGS AND CASUAL SNEAKERS FOR THE A/B CLASSES (EXCLUDING RUBBER FLIP FLOPS AND SPORTS SHOES)

STRATEGIC MAP – PILLARS AND LEVERAGES

OUR 7 PILLARS OF OPERATION HAVE REMAINED THE SAME AFTER THE PANDEMIC, WITH INTENSIFICATION OF THE FRONTS HIGHLIGHTED IN BLUE



CORE GROWTH / EXPANSION OF EXISTING BRANDS

AREZZO **FIEVER**

CASUAL &
DEMOCRATIC

SCHUTZ ALEXANDRE
BIRMAN

FASHION & LUXURY

ANACAPRI **ALME**

COMFORT & FLATS

VANS
"OFF THE WALL"

ACTION SPORTS



TRANSFORMATION OF THE BUSINESS MODEL

EVOLUTION OF MERCHANDISING AND SUPPLY

SOURCING AND LOGISTICS 2.0

CUSTOMER'S OMNICHANNEL EXPERIENCE

SUSTAINABILITY AS A RULE



ENGINE 2: BUSINESS DIGITALIZATION

MARKETPLACE - OWN BRANDS AND 3P

CONTENT AND SERVICES

CIRCULAR ECONOMY

E-COMMERCE ACCELERATION



PEOPLE AND CULTURE

GOVERNANCE

CULTURE

EMPOWERMENT OF THE
FRONT LINE



DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY



NEW BRANDS BRAZIL

**CONSOLIDATION OF THE FASHION MARKET FOR THE
A/B CLASSES**

INSURGENT BRANDS



EXPORT MARKET

NORTH-AMERICAN MARKET

ZZ DIGITAL

ZZ' DIGITAL

MAIN INITIATIVES

**OMNICHANNEL
AND FUTURE OF
RETAIL**

**BIG DATA
AND ANALYTICS**

MARKETPLACE

PILLAR BIG DATA AND ANALYTICS

A QUARTER WITH MANY RELEVANT DELIVERIES TO THE BUSINESS AND MARKET RECOGNITION ON THE BENCHMARK WORK PERFORMED BY THE BIG DATA AND ANALYTICS TEAM



1st PLACE NATIONWIDE

Wholesale and Retail Trade Category as the most innovative in the use of IT in 2020. The case that guaranteed us this award was SmartBuyer, launched by ZZDigital's BigData department in partnership with Strategic Projects in Merchandising, IT Operations, Digital Transformation and Images.

ARTIFICIAL INTELLIGENCE - MACHINE LEARNING

TOP 20 GLOBAL

The MOB-I Project: UX Optimized for mobile Business Analytics project was delivered by the Big Data team, providing a solution for the consumption of executive performance data for online sales for the Arezzo & Co brands

UX - DATA ANALYTICS - INNOVATION



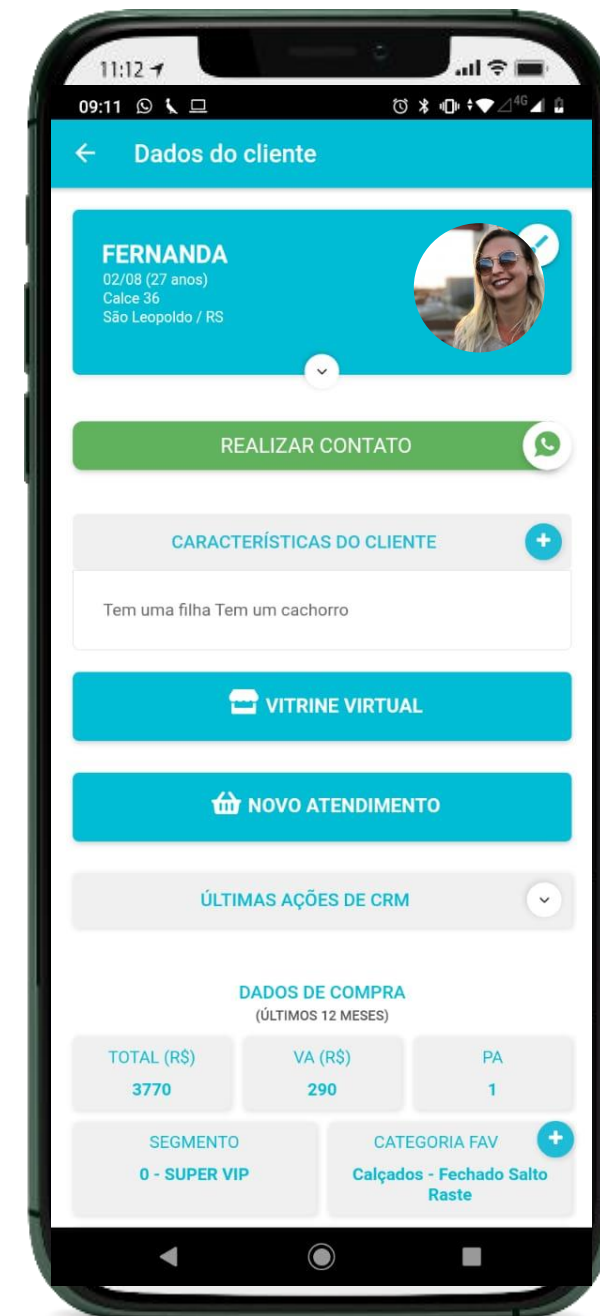
PILLAR OMNI AND FUTURE OF RETAIL

- ✓ **DIGITAL RELATIONSHIP**
- ✓ **INFINITE SHELF**
- ✓ **REMOTE SELL/ SALE BY LINK**
- ✓ **INDICATORS**
- ✓ **STOCK CONSULTATION**
- ✓ **VIRTUAL SHOWCASE**
- ✓ **CLICK N' COLLECT/ STORE SHIPPING**

**EVERYTHING THROUGH A SINGLE APP:
BETTER DIGITAL EXPERIENCE FOR OUR SALES FORCE!**

OMNI REPRESENTED
20% OF SELL OUT
IN OCTOBER

NEW HISTORIC RECORD
IN OCTOBER
R\$32,4MM



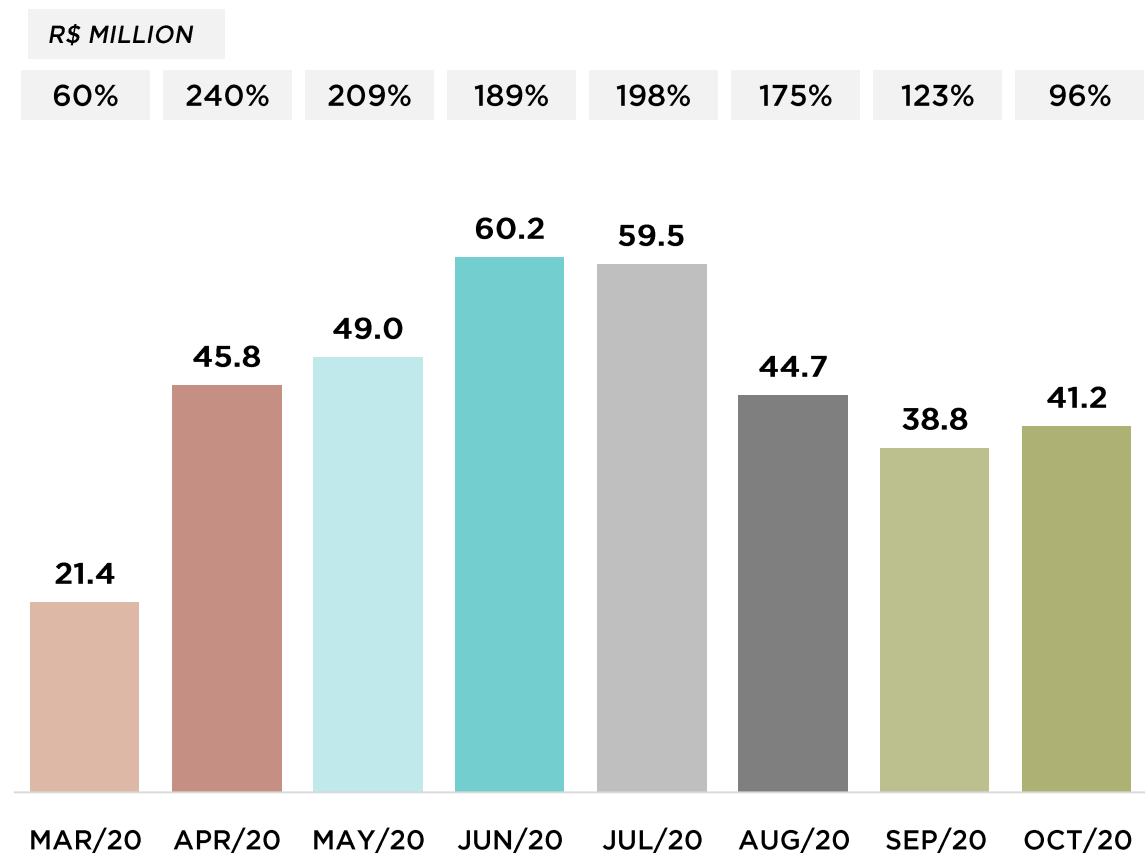
**IN 9M20, OUR BRANDS'
REVENUE WAS 70% HIGHER THAN IN
THE WHOLE OF 2019 FOR WEB COMMERCE
(R\$364 MILLION)**

RELEVANT GROWTH IN E-COMMERCE

DESPITE THE REOPENING OF PHYSICAL STORES

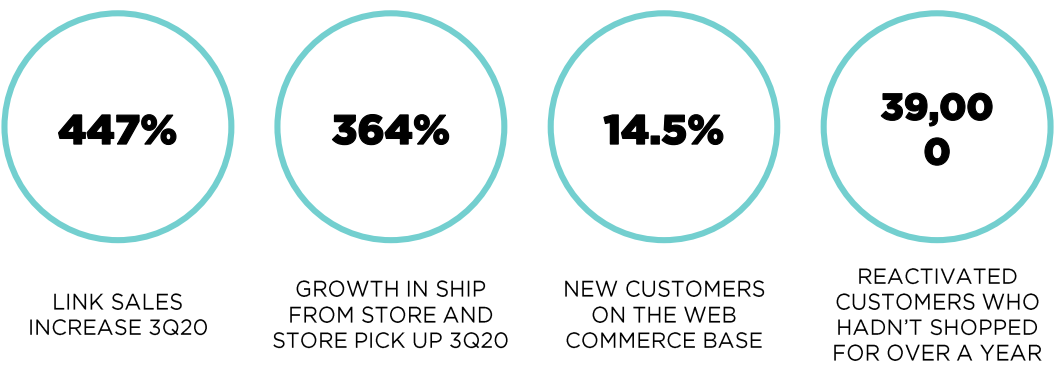
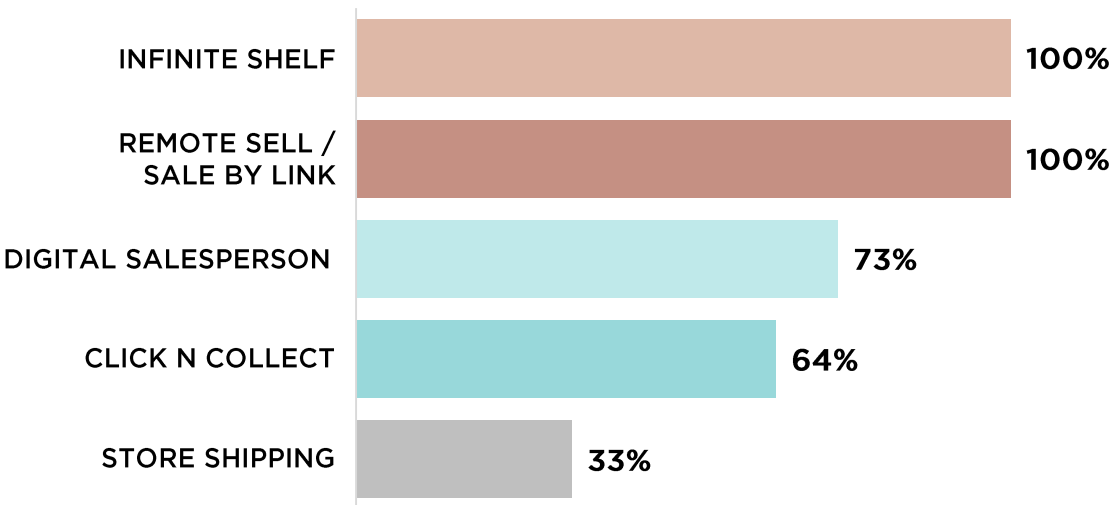
CHANNEL'S EVOLUTION

SSS FOR WEB COMMERCE ,INCLUDING VANS



STORES EQUIPPED WITH OMNI INITIATIVES

(% STORES)





MARKETPLACE

ZZ'MALL

**OFFICIAL LAUNCH
NOVEMBER 19th**

**AT THE WIRED CONFERENCE RETAIL 2020,
WITH ALEXANDRE BIRMAN
AND MAJOR NAMES IN RETAIL SUCH AS RONY MEISLER,
THIAGO NIGRO, NYCK SZUCKO AND MICHELLE EVANS
FOR THE ANNOUNCEMENT OF OUR NEW MARKETPLACE**

ZZ'MALL

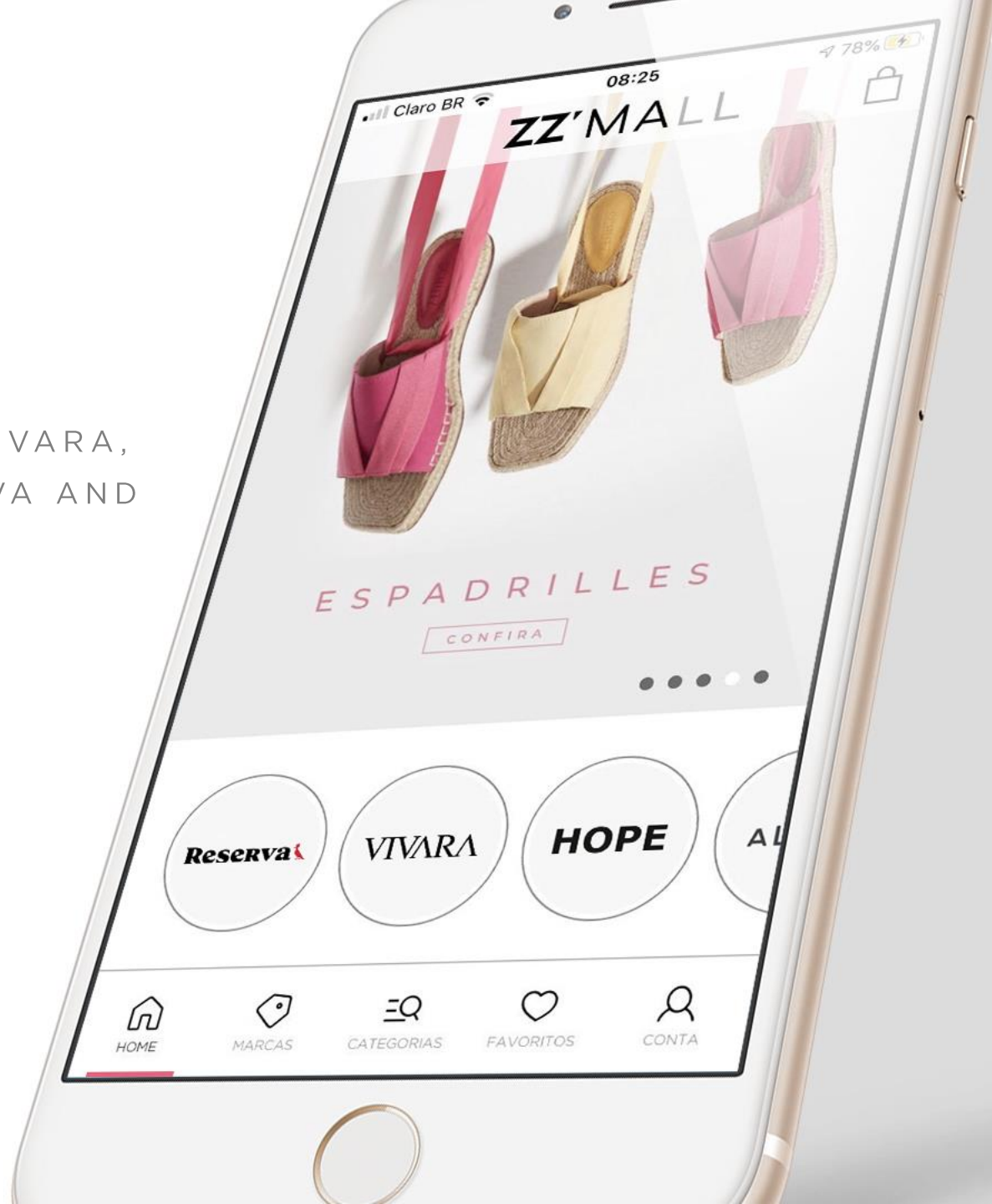
OVER 30 BRANDS

SELECTED FOR THE LAUNCH SUCH AS VIVARA, TVZ, MOB, HOPE, ZAPALLA, LIVO, RESERVA AND EVA.

MAGAZZINE:

SELF-GENERATED CONTENT IN THE SCOPES OF TRENDS AND USAGE

IN 2021, ZZ' MALL WILL ALSO OFFER SERVICES: CIRCULAR ECONOMY (RESALE) AND LEARNING



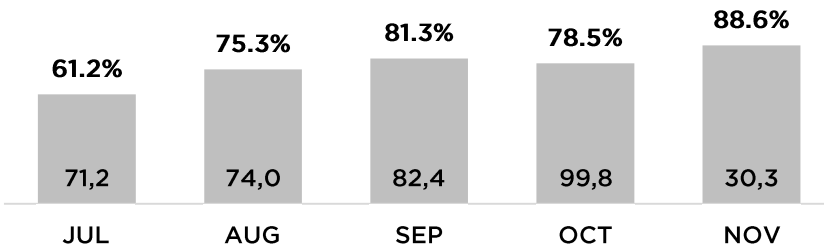
**SELL OUT
RECOVERY**

**AND NETWORK
EXPANSION**

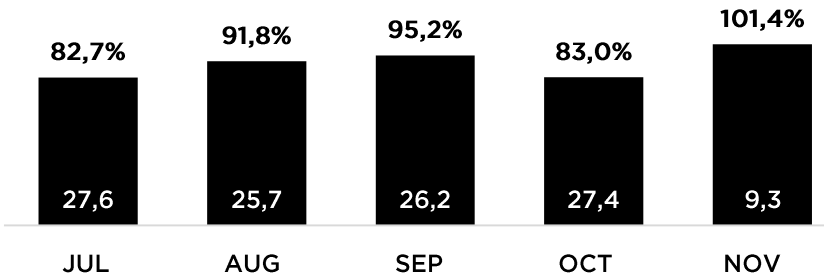
ACCELERATION OF SELL OUT PERFORMANCE

AREZZO

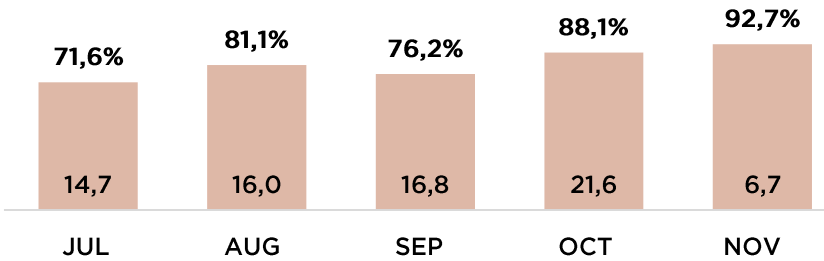
SELL OUT BY BRAND: PHYSICAL STORES +



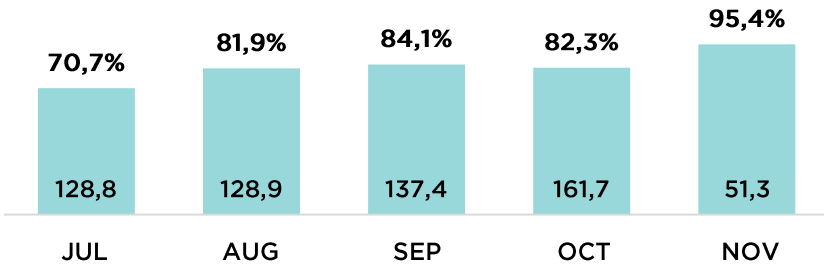
SCHUTZ



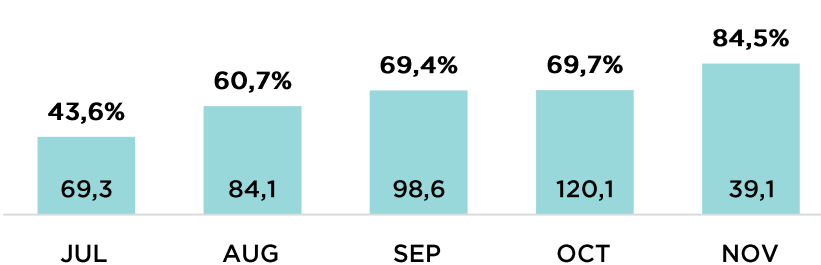
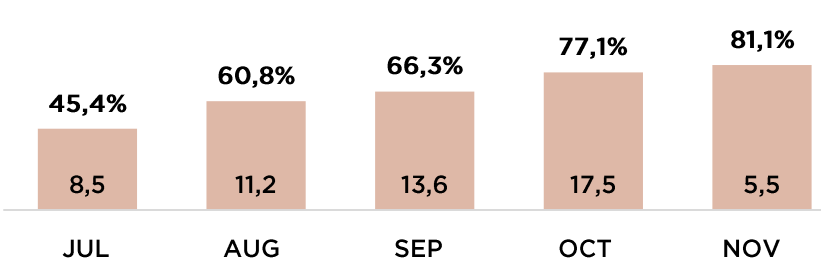
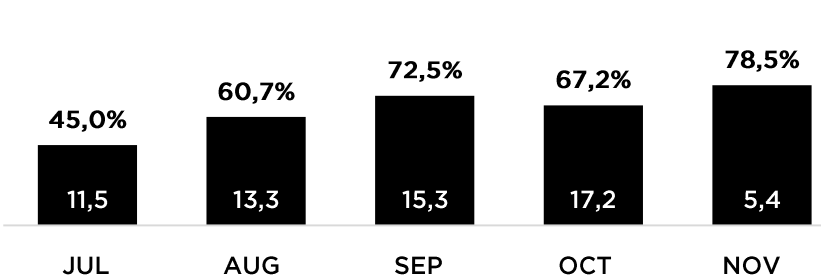
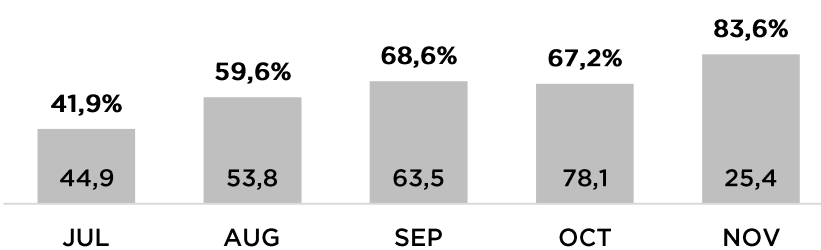
ANACAPRI



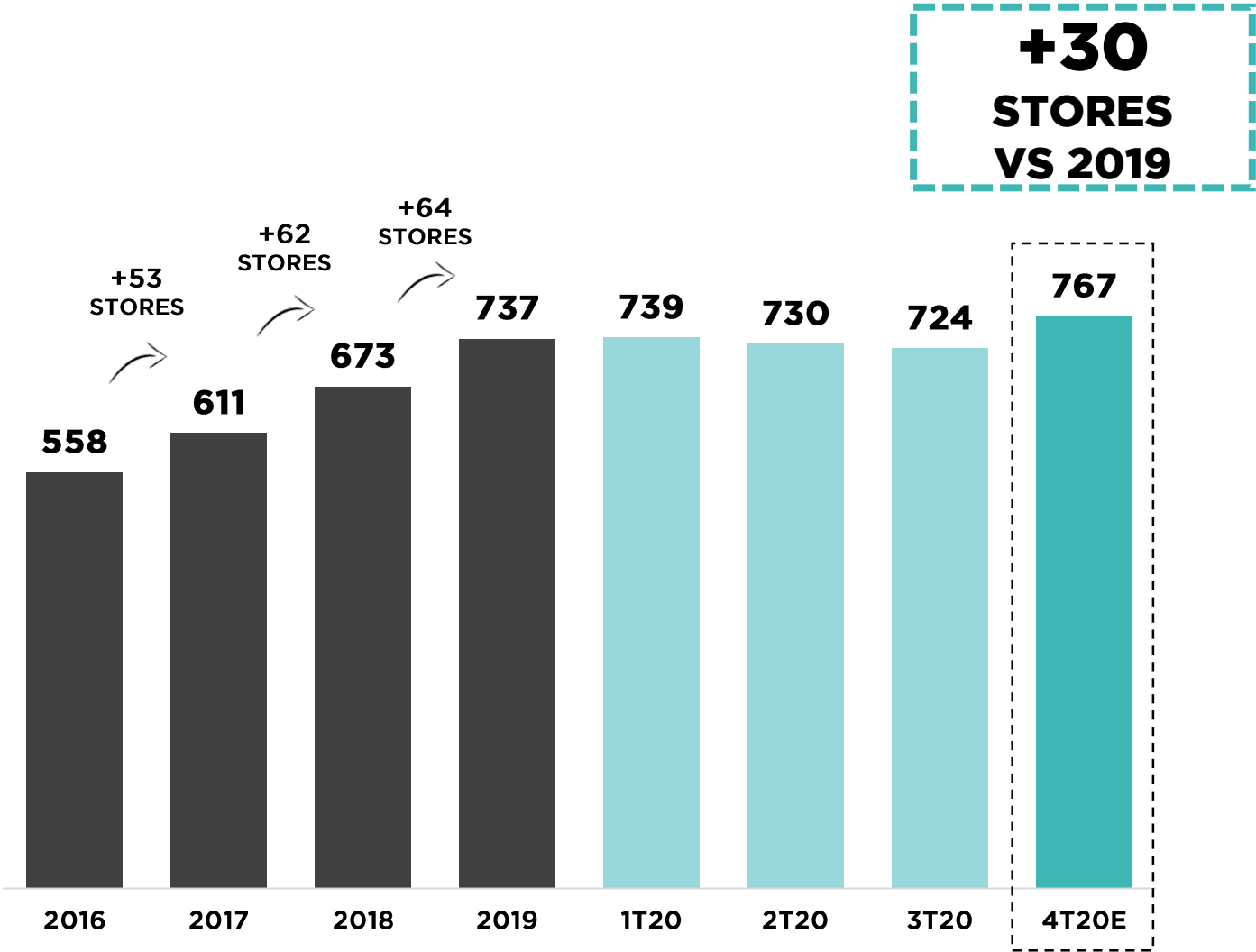
AREZZO
&CO



SELL OUT BY BRAND: PHYSICAL STORES



EXPANSION OF THE MONOBRAND NETWORK IN BRAZIL



EVEN WITH THE PANDEMIC IMPACTS, AREZZO&CO WILL BE CAPABLE OF DELIVERING A NET NUMBER OF APPROXIMATELY 30 STORES

FEATURING THE NEW VANS® STORES, BRIZZA KIOSKS AND REVERSION OF STORE CLOSURE HELD IN THE MOST CRITICAL MONTHS OF 2020

STRONG INVESTIMENT IN MARKETING

B R I Z Z A
AREZZO





AREZZO

ELEGANCE
CONFIDENCE
CONTEMPORARY



BRIZA

ATTITUDE
COMPLICITY
AUTHORAL



BRUNA
MARQUEZINE

DISRUPTIVE
INTERNATIONAL
AUTHENTIC



MORE THAN A NEW PRODUCT

A NEW SALES CHANNEL

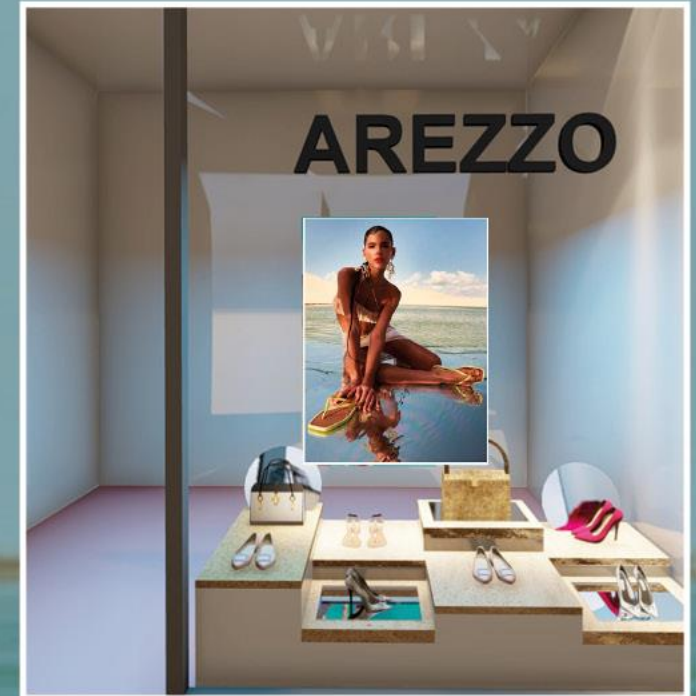
POP-UP



KIOSK



STORE



A woman with dark hair pulled back, wearing a gold chain necklace and large gold earrings, holds a pair of bright green flip-flops. She is looking directly at the camera. The background is a bright blue sky and ocean.


AREZZO'S NEW CATEGORY TARGETING A NEW ADDRESSABLE MARKET

BEACH SANDALS AND FLIP FLOPS

**84 MODELS OF SHOES AND
HANDBAGS**

**AVERAGE TICKET OF R\$79.90
(BETWEEN R\$49.90 AND R\$149,90)**

**NEW ADDRESSABLE MARKET (FULL
PLASTIC): +R\$5.0 BN**

A woman with dark hair and large earrings is in the ocean, holding two yellow flip-flops. Several other flip-flops in pink, orange, and purple are floating in the water around her. The background is a calm sea under a clear sky.

**BRUNA MARQUEZINE AS
THE CAMPAIGN'S STAR AND
CREATIVE DIRECTOR**

**LAUNCHED ON NOVEMBER
5 TO STRENGTHEN
AREZZO'S GIFT CATEGORY**

**OPENING OF 35 DEDICATED
KIOSKS**

**55,000 PRODUCTS SOLD WITHIN 7 DAYS
550,000 PAIRS IN SELL IN (FRANCHISES AND MB) |
RECORD SALES VOLUME, HIGHER THAN EXPECTED
SCHEDULED RESTOCKING OF 300,000 PAIRS**

**PRIME-TIME TV
COMMERCIAL
BROADCASTING
NATIONWIDE (REDE
GLOBO)**

**INCREASE OF 2,200%
IN GOOGLE SEARCHES
FOR AREZZO**

**TRENDING TOPICS ON
TWITTER ON NOV 04
(SURPASSING THE US
ELECTIONS)**

+ 2,800 WEB SALES

**+10,000 NEW
FOLLOWERS ON
INSTAGRAM IN THE
LAST WEEK**

**+390,000 COMMENTS
ON POSTS ABOUT
BRIZZA ON AREZZO'S
INSTAGRAM**

exame.

Arezzo lança chinelo de borracha para brigar com Havaianas



Bruna Marquezine; direção criativa, estratégia e campanha para BrizZa (Nicole Heiniger/Divulgação)

A **Arezzo&Co** anda tendo um fim de ano agitado. Depois da compra da Reserva, na negociação mais badalada do ano no segmento de moda, a Arezzo, marca de calçados, bolsas e acessórios do grupo, está lançando hoje uma nova categoria de **chinelos e sandálias** de borracha chamada BrizZa.

ISTOE
Dinheiro

Arezzo lança coleção de chinelos com Bruna Marquezine



No total, são 84 modelos, contando todos os produtos da coleção, entre calçados e bolsas (Crédito: Divulgação / Arezzo)

Da redação

03/11/20 - 19h28



A marca de calçados Arezzo divulga sua nova linha de chinelos e sandálias de borracha intitulada BrizZa. Em parceria com a atriz Bruna Marquezine, a coleção conta com os chamados flip flops e beach sandals.



GLAMOUR



CELEBRIDADES

Bruna Marquezine muda de nome no Instagram

Atriz adotou mais um Z no sobrenome

1 min de leitura



Redação Glamour

03 Nov 2020 - 22h36 | Atualizado em 03 Nov 2020 - 22h43



Bruna Marquezine surpreendeu os fãs nesta terça-feira (3). A atriz mudou seu nome no Instagram e adotou mais um z. Agora ela assina Bruna Marquazzine.

SCHUTZ X GINGER

DIGITAL NATIVE BRAND

**SUCCESS IN SALES DURING THE PANDEMIC
PERIOD THROUGH SOCIAL MEDIA**

SCHUTZ X GINGER

SCHUTZ WILL LAUNCH AN EXCLUSIVE COLLECTION IN
COLLABORATION WITH GINGER, A NEW BRAND FOR WOMEN;

BRAZILIAN ACTRESS MARINA RUY BARBOSA (37.5 MM
FOLLOWERS ON INSTAGRAM) IS THE BRAND'S FOUNDER AND
CREATIVE DIRECTOR;

GINGER STANDS FOR IMPORTANT CAUSES LIKE CONSCIENTIOUS
CONSUMPTION AND WOMEN'S ENTREPRENEURSHIP.



SCHUTZ X GINGER

FOR THIS SCHUTZ X GINGER COLLAB, MARINA WAS INVOLVED IN THE ENTIRE CREATIVE PROCESS;

THE JOURNEY OF BUILDING THIS PARTNERSHIP WAS RECORDED AS A REALITY SHOW WITH 7 EPISODES, WHICH WILL AIR EVERY WEEK UNTIL THE COLLECTION'S OFFICIAL LAUNCH.

THE GOAL OF THE REALITY SHOW IS TO TELL THE STORY BEHIND THE DEVELOPMENT OF PRODUCTS, CREATING A SENSE OF ENCHANTMENT AND DESIRE;

THE COLLECTION COMPRISES 11 SHOE MODELS, 4 HANDBAGS AND 4 CLOTHING ITEMS.





MANU GAVASSI IN

SUMMER STORIES

**ON NOVEMBER 4, ANACAPRI LAUNCHED ITS
NEW SUMMER COLLECTION, WITH CO-
CREATION AND COLLABORATION BY THE
YOUNG BRAZILIAN ACTRESS AND SINGER
MANU GAVASSI (15.9 MM FOLLOWERS ON
INSTAGRAM)**

GLAMOUR

EDIÇÃO DIGITAL
BELÍZA
MODA
CELEBRIDADES
LIFESTYLE
SUSTENTABILIDADE

FILTRO

Celebridades

Manu Gavassi surge ruiva em bastidores de campanha

Sua BBB apresenta poderes e influência em rede

1 min de leitura

REDUÇÃO DE ANÚNCIO
da publicação, pois o conteúdo não é relevante para você

Manu Gavassi surgiu com o cabelo ruivo nesta quarta-feira (04), nos bastidores de uma campanha publicitária.

Publicidade

Anúncio fechado pelo **criteo**.

Denunciar este anúncio

Ad choice:

A ex-BBB foi fotografada para a Anacapri, onde assina a direção criativa de uma nova coleção de sapatos, e surgiu poderosa com um visual diferente inspirado pelos pêssegos, fruta que foi o ponto de partida para criar a estética dos novos produtos e da campanha.

ENTREVISTA | CINE | MÚSICA | CULTURA | PROGRAMAS

UOL

Busca | Minha Conta | Meu Perfil | Meu Histórico

PRODUTOS NOTÍCIAS ELEIÇÕES CARROS ECONOMIA FÓDIA ESPORTE SPLASH TV E FAMOSOS UNIVERSA VÍDEOS TBT ECOA NOSSA CANAIS

Manu Gavassi exibe novo cabelo em 'tons de pêssego'

Colaboração para o UOL, em São Paulo
(04/11/2018 - 11h43)

Manu Gavassi deixou o platinado de lado e apostou em um novo tom para seus cabelos. Exibindo várias fotos no Instagram com o novo visual, a ex-**BBB** agora com os fios em 'tons de pêssego', comentou sobre a mudança capilar:

"Minhas histórias de verão, em tons de pêssego...", escreveu a cantora ao citar o cabelo ousado que combina com sua nova campanha publicitária.

manu.gavassi
15.9 mil seguidores
 [Ver perfil](#)

FOTOM
Entre Digital
Perceções

CAPA NOTÍCIAS POLÍCIA EMPREGO FAMOSOS TV E LAZER ESPORTES

Mulher Cabelos

COMO ECONOMIZAR Compra de material escolar na Black Friday ajuda :

04/11/20 13:48 04/11/20 14:56

Like Counter 0/0 Tweetar

MANU GAVASSI ABANDONA PLATINADO E TINGE CABELO DE PÊSSEGO; COMPARE ANTES E DEPOIS

LEIA MAIS

▶ MALU Gavassi? Manu Gavassi surge com cabelo platinado e muda nome no Instagram.

▶ NOVO visual? Jéssica Elton posta foto com a cabeça raspada e confunde seguidores.

▶ MC LOMA responde: ao novo visual e recebe elogios da fãs; compare antes e depois.

Tamanho do texto A A A

Depois de cânter por meses com o cabelo platinado, Manu Gavassi mudou o visual. Nesta quarta-feira, a ex-BBB publicou no Instagram as primeiras imagens com o cabelo em um tom rosa-alaranjado, também conhecido como bionange. "Resolvi homenagear minha fruta favorita desta estação: o pêssego", escreveu a cantora.

Manu também anunciou uma parceria com uma marca de acessórios. Além da modelo da campanha, a artista ficou responsável pela direção criativa da propaganda. "A cara da campanha é também a diretora criativa. Sim! A criação é minha e meu cérebro é louco (e lúcido). Então com vocês: minhas histórias da verão, em tons de pêssego... Preparados? Porque meu cabelo já tá", comentou a ex-participante do "Big brother Brasil 20".

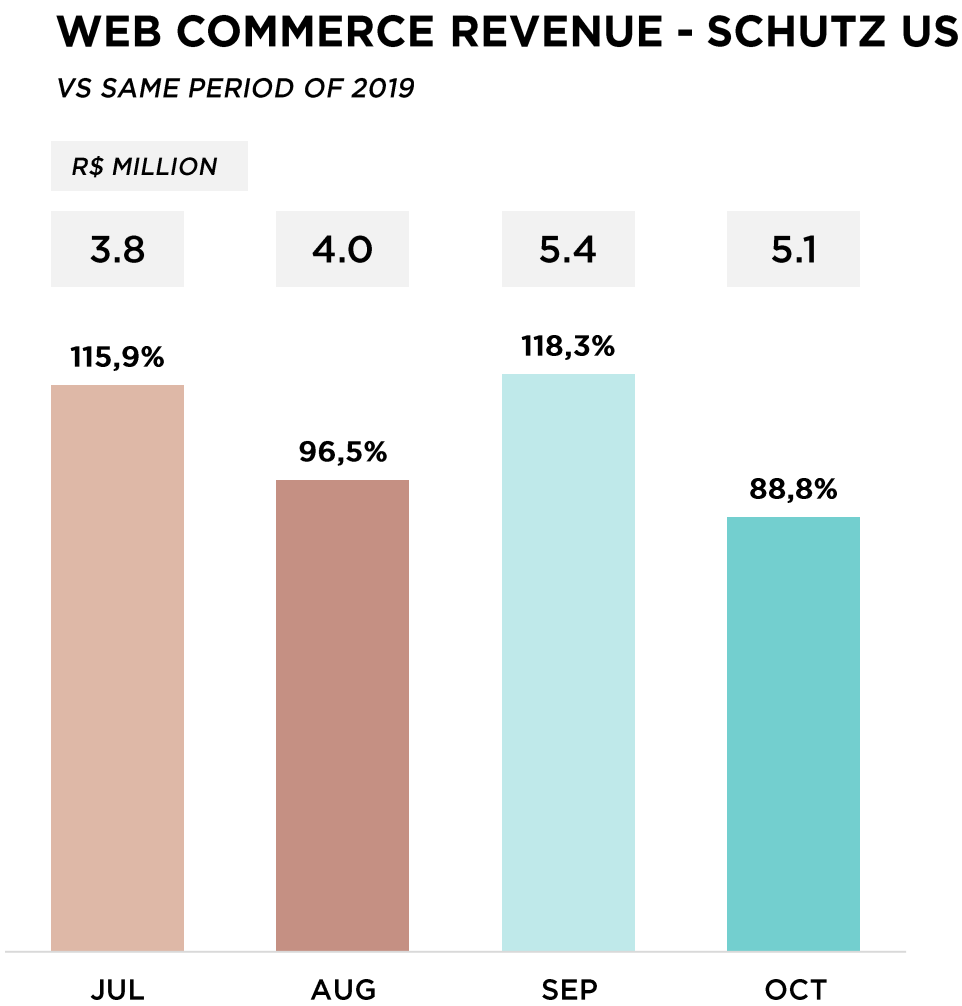
NORTH-AMERICAN MARKET

**ALEXANDRE
BIRMAN**

STRUCTURAL CHANGES TO ENABLE CONSISTENT BREAKEVEN

R\$6.0 MM EBITDA IN 3Q20 (IFRS 16)

- 4.0% INCREASE IN GROSS REVENUE IN BRL, WITH GROWTH OF 20.4% IN THE OPERATION IN OCTOBER;
- NEW POSITIONING OF THE SCHUTZ BRAND – VERY POSITIVE PERCEPTIONS
 - + 109.9% IN WEB COMMERCE (56.7% IN BRL);
 - + 44.0% (IN USD) IN NORDSTROM’S SELL IN BETWEEN AUGUST AND OCTOBER;
 - + 103.0% IN WEB COMMERCE TRAFFIC IN THE QUARTER.
- CONTINUED EVOLUTION
 - VOLUME 105% HIGHER THAN IN 2019 ON THE SCHUTZ WEB COMMERCE, AN INCREASE OF 54% VS. 2019.
 - FULL-PRICE SALES VOLUME WAS 78.0%;
 - IN WHOLESALE, NORDSTROM RECORDED AN INCREASE OF 20.0% IN THE SELL OUT THE BRAND’S PRODUCTS (STRONG TURNOVER OF THE COLLECTION SOLD IN THE QUARTER IMMEDIATELY PRIOR).




NEW PRICING STRATEGY

“SAME SCHUTZ, NEW PRICE”

SCHUTZ

NEW BOOTS SANDALS SNEAKERS PUMPS MULES FLATS FEATURED INSTAGRAM SALE



SAME SCHUTZ, NEW PRICE

FROM DESIGNS TO PRICES, SCHUTZ FITS.

NEW PRICES STARTING AT:

SNEAKERS \$78

SANDALS \$98

BOOTS \$158




SHOP NOW



teenVOGUE

STYLE POLITICS CULTURE IDENTITY SUMMIT

SIGN IN NEWSLETTER






Shopping

Schutz's Latest Collection Starts at \$78

Valentina Sampaio stars in the brand's new campaign.

BY TESS GARCIA



Brazil-based footwear label Schutz is known for producing quality, high-fashion styles at more accessible price points. Now, the company is taking inclusivity to a new level, unveiling transgender model **Valentina Sampaio** as their new spokesperson and debuting their most affordable collection yet, with stunning sneakers, boots, and heels starting as low as \$78.

Schutz's latest campaign, Deep Truth, is all about living life as your most authentic self. That makes Valentina, who has shattered barriers by becoming the first trans model to work on some of the most coveted campaigns, the ideal candidate to serve as its star. Accompanying her in

FINANCIAL HIGHLIGHTS

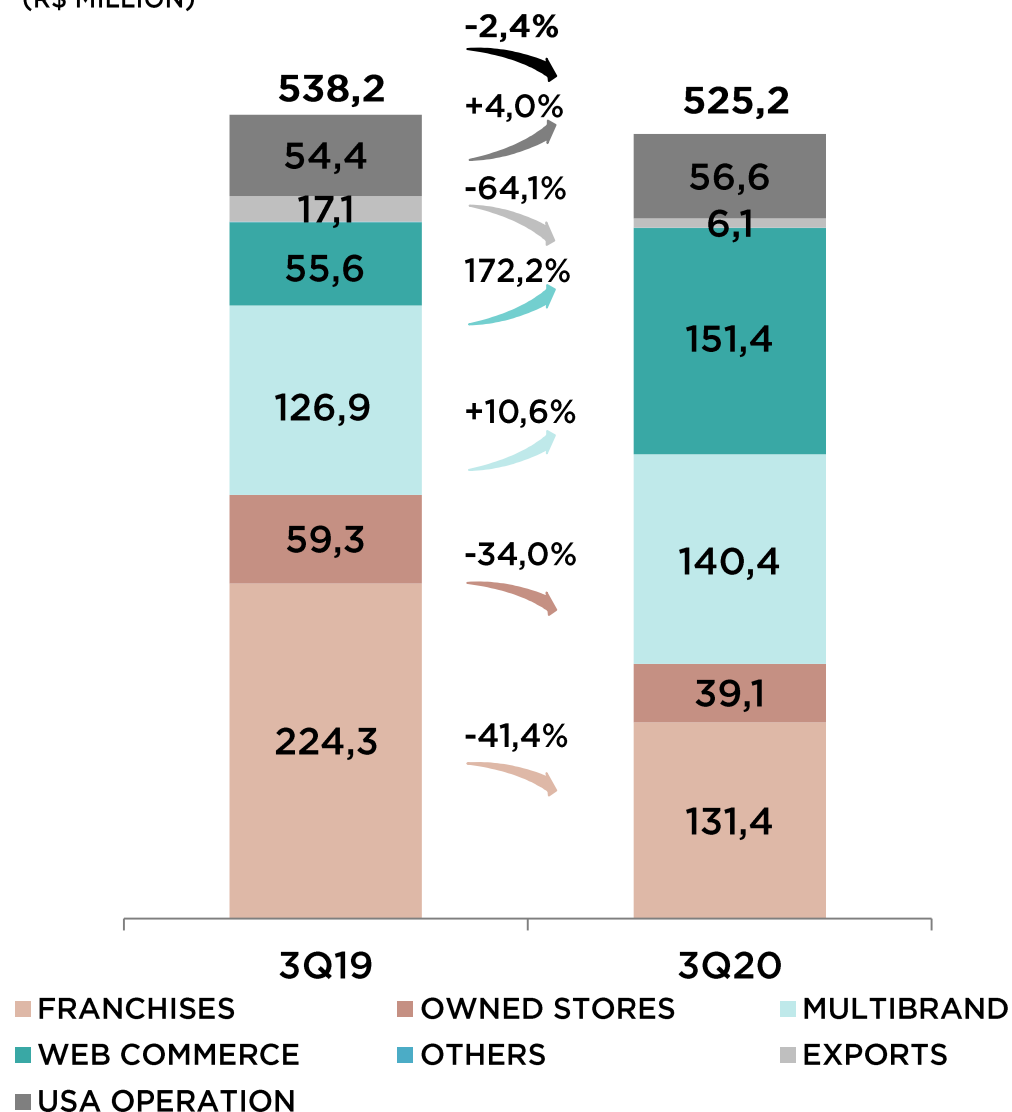
RAFAEL

SACHETE

GROSS REVENUE

BY CHANNEL - DOMESTIC AND EXPORT MARKET

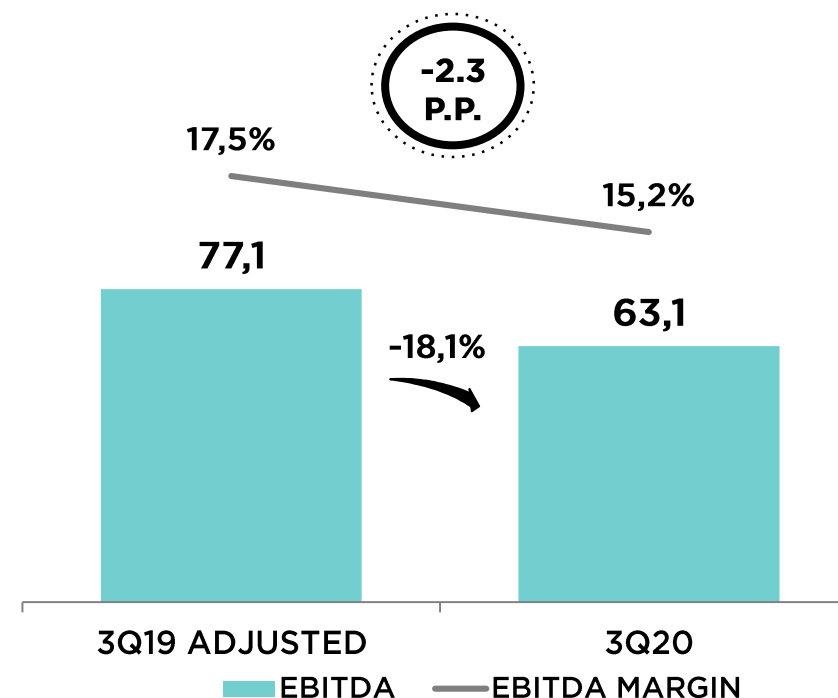
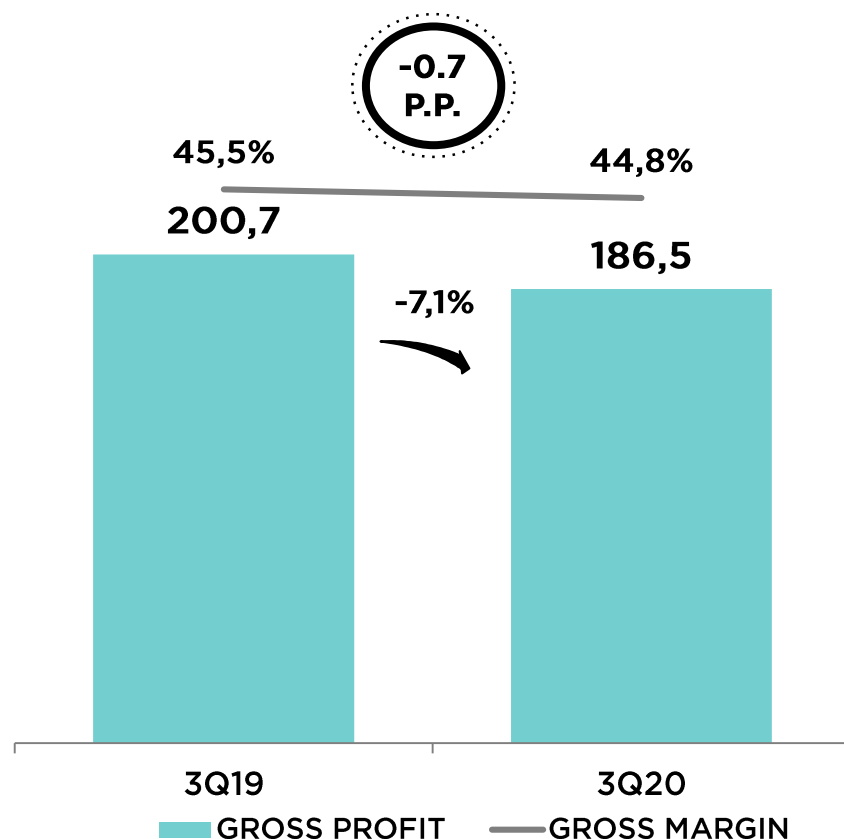
(R\$ MILLION)



HIGHLIGHTS

- GROSS REVENUE IN 3Q20 WAS R\$525.2 MILLION, SIMILAR TO 3Q19, WITH A SLIGHT DECREASE OF 2.4%;
- WEB COMMERCE GROWTH OF 172.2%, BREAKING THE RECORD FOR THE QUARTER: R\$151.4 MILLION
- RECOVERY OF THE FRANCHISE SELL IN
- GROWTH OF +10.6% IN THE MULTIBRAND CHANNEL, WITH POSITIVE IMPACT FROM THE VANS BRAND
- IN NOVEMBER, REVENUE FROM MONOBRAND STORES WAS, ON AVERAGE REVENUE, 85% IN RELATION TO 2019

GROSS PROFIT AND EBITDA 3Q20



- POSITIVE ASPECTS: HIGHER SHARE OF THE WEB COMMERCE CHANNEL IN THE MIX;
- NEGATIVE ASPECTS: (I) LONGER PERIOD FOR MARK-DOWNS/MARK-UPS IN THE WEB COMMERCE CHANNEL AND; (II) LOWER MARGIN IN THE NORTH-AMERICAN OPERATION

- POSITIVE IMPACT DUE TO A RESILIENT AND PROFITABLE PERFORMANCE OF THE WEB COMMERCE CHANNEL;
- IN ADDITION TO THE POSITIVE IMPACT FROM (I) THE NORTH-AMERICAN OPERATION, WHICH POSTED EBITDA OF R\$6.0 MILLION (II) AND THE VANS® BRAND, WITH R\$6.1 MILLION AND MARGIN OF 11.7%.

MAIN FINANCIAL INDICATORS - 3Q20

MAIN FINANCIAL INDICATORS	3Q20	3Q19 ADJUSTED	Δ (%) 20 X 19
GROSS REVENUE	525,240	538,187	(2.4%)
NET REVENUE	416,463	440,874	(5.5%)
CMV	(229,976)	(240,204)	(4.3%)
DEPRECIATION AND AMORTIZATION - COST	(805)	(748)	7.6%
GROSS INCOME	186,487	200,670	(7.1%)
GROSS MARGIN	44.8%	45.5%	(0.7 P.P)
SG&A	(142,031)	(145,856)	(2.6%)
% REVENUE	(34.1%)	(33.1%)	(1.0 P.P)
SELLING EXPENSES	(95,150)	(92,052)	3.4%
OWN STORES AND WEB COMMERCE	(37,153)	(28,013)	32.6%
SELLING, LOGISTICS AND SUPPLIES	(57,997)	(64,039)	(9.4%)
GENERAL AND ADMINISTRATIVE EXPENSES	(27,713)	(35,132)	(21.1%)
OTHER (EXPENSES) AND REVENUES	(1,306)	2,869	(145.5%)
DEPRECIATION AND AMORTIZATION - EXPENSE	(17,862)	(21,540)	(17.1%)
EBITDA	63,123	77,102	(18.1%)
EBITDA MARGIN	15.2%	17.5%	(2.3 P.P)
NET INCOME	27,947	35,523	(21.3%)
NET MARGIN	6.7%	8.1%	(1.4 P.P)

ONGOING EFFORT TO PRESERVE CASH AND REDUCE EXPENSES

THE ACTIONS IMPLEMENTED CONTINUE TO **REDUCE SG&A: -15.7%** (EX-VANS AND IMPACT FROM THE ADVERTISING FUND)

- SELLING, LOGISTICS AND SUPPLY EXPENSES:
 - **DECREASE OF 53.6%** IN THE NORTH-AMERICAN OPERATION (EQUIVALENT TO R\$12.2 MILLIONS)
 - **DECREASE OF 21.7%** IN THE BRAZILIAN OPERATION, TOTALING R\$8.9 MILLION (EX-VANS AND IMPACT FROM THE ADVERTISING FUND)
- GENERAL AND ADMINISTRATIVE EXPENSES
 - DECREASE OF R\$7.4 MILLION **(-21.1%)**
- EXCLUDING THE VANS BRAND AND CONSIDERING ONLY FIXED EXPENSES, THE BRAZILIAN OPERATION WOULD HAVE A **DECREASE OF 18.7%**.

ONGOING EFFORT TO PRESERVE CASH CONTINUES TO BRING EXCELLENT RESULTS

**R\$19.0
MILLION**

NET CASH POSITION IN SEPTEMBER (3Q20)

- NET CASH/EBITDA 3Q20: 0.1X
- CASH POSITION 3Q20: R\$566.2 MILLION

116%

NON-DEFAULT RATE IN OCTOBER

- 116% OF THE AMOUNTS PROVISIONED IN THE CASH FLOW FOR OCTOBER WERE RECEIVED

**< CDI
+2%**

COST OF DEBT CONTRACTED BEFORE COVID-19

- AVERAGE INTEREST RATE BELOW CDI + 2% P.A., WITH AVERAGE TERM OF 18 MONTHS

HIGHLIGHTS

IN OCTOBER

PERFORMANCE RECOVERY VS. 2019

RESUMPTION OF REVENUE GROWTH IN OCTOBER

126%

OF THE CONSOLIDATED REVENUE FROM 2019 (R\$206 MM)

R\$19 MM

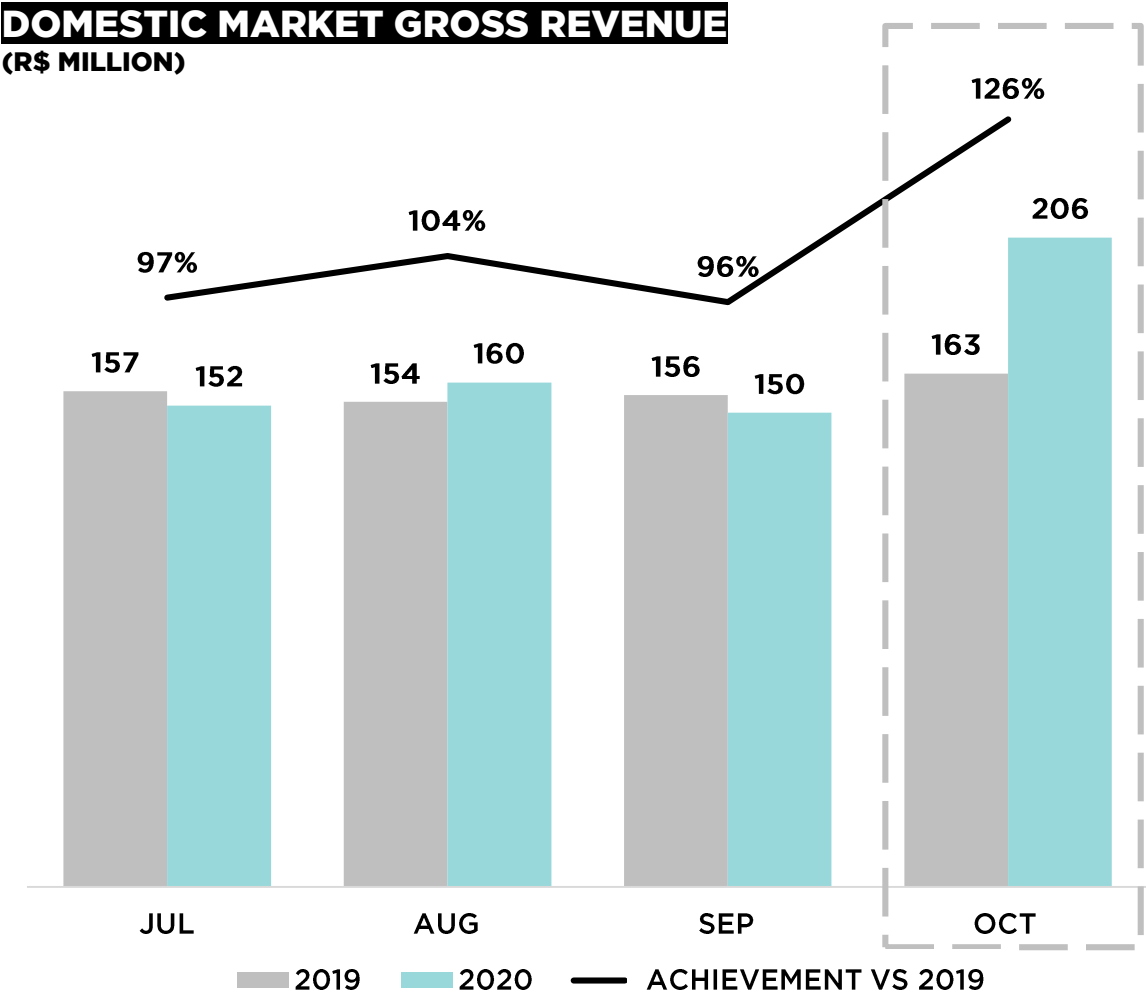
CASH GENERATION IN OCTOBER

+96%

WEB COMMERCE GROWTH

70%

OF THE REVENUE FROM PHYSICAL STORES OPEN



RESERVA INCORPORATION

**ALEXANDRE
BIRMAN**

1



VANS
"OFF THE WALL"

2



Reserva

...

**AREZZO
& CO**



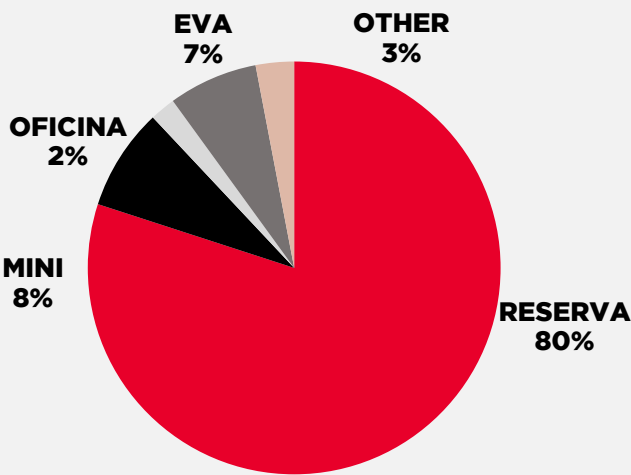
**NEW
BUSINESSES**

**ANOTHER IMPORTANT STEP TOWARDS
CONSOLIDATION OF THE A/B FASHION MARKET**

RESERVA OVERVIEW

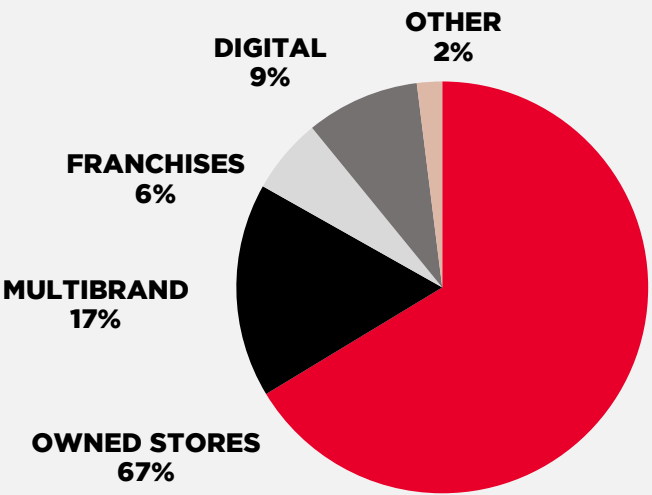
REVENUE BY BRAND*

6 BRANDS



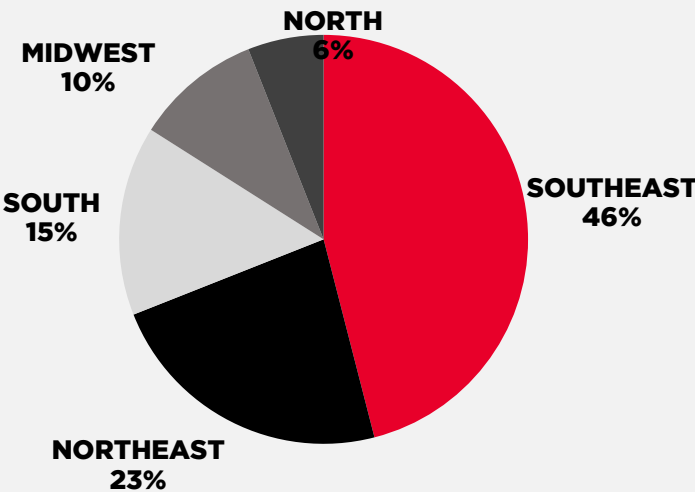
REVENUE BY CHANNEL*

78 OS, 33 FR, AND ~1,500 MB



REVENUE BY REGION*

NATIONAL PRESENCE



Reserva

mini

ReservaGo

Oficina
RESERVA

eva

INK

NOW

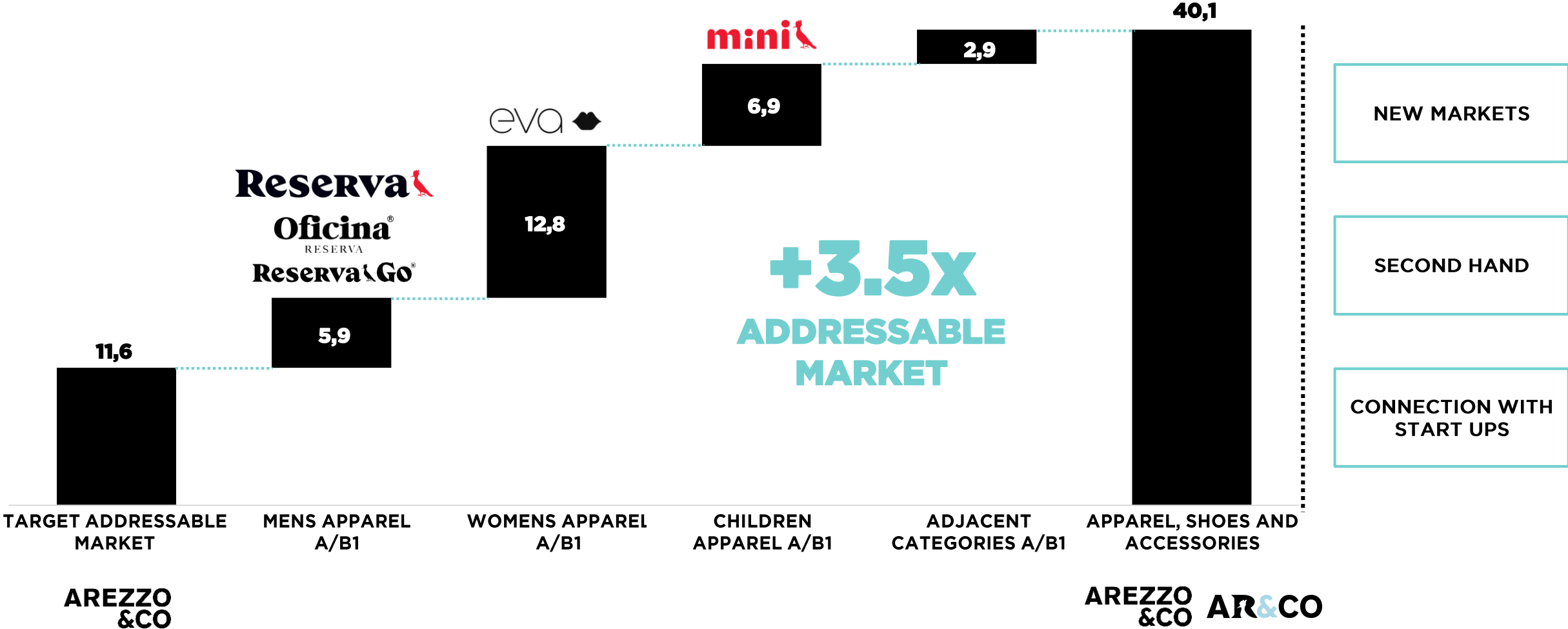
37%

OMNICHANNEL
(SEP/20)

*REFERENCE DATE: 2019

MULTIPLYING THE ADDRESSABLE MARKET

SIZE OF ADDRESSABLE MARKET (R\$ BN)



SOURCE: EUROMONITOR DATA AND STRATEGY ASSUMPTIONS BASED ON INFORMATION FROM POF / IBGE
NOTE 1: ADJACENT CATEGORIES: SUNGLASSES, WATCHES, MEN'S UNDERWEAR AND BACKPACKS.

TRANSACTION DETAILS

HIGHLIGHTS

ACQUISITION OF 100% OF THE SHARES OF GRUPO RESERVA

ENTERPRISE VALUE OF R\$715 MM

R\$457 MM IN AREZZO&CO SHARES (8.7%) AND R\$225 MM IN CASH

RONY MEISLER, FERNANDO SIGAL, JAYME NIGRI AND JOSÉ ALBERTO STAY IN THE OPERATION

REGISTERED OFFICE REMAINS IN RIO DE JANEIRO

2019 (PRE IFRS-16)	
REVENUE AFTER SYNERGIES ² (R\$ MM)	435
ADJUSTED EBITDA AFTER SYNERGIES ² (R\$ MM)	40-50
NET DEBT 1Q20 ¹ (R\$ MM)	33
MULTIPLES IMPLIED IN THE TRANSACTION	2019 (PRE IFRS-16)
EV OF RESERVA ¹ (R\$ MM)	715
EV/REVENUE AFTER SYNERGIES ¹ (X)	1.65X
EV/EBITDA AFTER SYNERGIES ¹ (X)	14.3X-17.9X
EV/EBITDA OF AREZZO&CO ⁴ (X)	19.0X

NEXT STEPS

PLANNING OF THE INTEGRATION PROCESS IN PROGRESS

ENGAGING WITH EXPERT CONSULTING FIRM

EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON NOV. 27

CADE APPROVAL BY DEC. 5

START OF THE 2021 BUDGETING PROCESS IN DECEMBER



NOTES:

1. EXCLUDING EFFECT OF IFRS-16

2. CONSIDERING THE PRELIMINARY ESTIMATE OF REVENUE SYNERGIES (IN-HOUSE SHOE PRODUCTION), COST REDUCTION AND CORPORATE EXPENSES

3. CONSIDERING 30-DAY VWAP OF R\$52.61 ON AUGUST 6, 2020 (SIGNING OF THE MEMORANDUM OF UNDERSTANDING)

4. DISCOUNT FOR AREZZO&CO MULTIPLE OF 6-25%. CONSIDERING ARZZ3 SHARE PRICE OF 54.18 ON OCTOBER 21, 2020 AND EBITDA 2019 REPORTED BY AREZZO&CO OF R\$262 MILLION. EXCLUDING TREASURY SHARES.

KEY MESSAGES

**AREZZO
&CO**

- 🦋 **MAJOR STEP TOWARDS CONSOLIDATION OF THE AREZZO&CO FASHION PLATFORM**
- 🦋 **ADDRESSABLE MARKET EXPANSION BY 3.5X**
- 🦋 **ADHERENCE TO THE STRATEGIC GUIDANCE, VISION AND VALUES OF AREZZO&CO**
- 🦋 **ACQUISITION OF A TALENT POOL**
- 🦋 **VALUE CREATION BY SHARING COMPETENCIES AND SYNERGIES**
- 🦋 **HUB TO ACQUIRE NEW APPAREL BRANDS**
- 🦋 **PLATFORM HIGHLY COMMITTED TO ESG**
- 🦋 **INCREASE IN DIGITAL COMPETENCIES**

Q&A

CLOSING REMARKS

CLOSING REMARKS

- ✓ POSITIVE PERFORMANCE IN 3Q20 AND 4Q20 EXPECTED TO BE EVEN BETTER;
- ✓ NORTH-AMERICAN MARKET WITH POSITIVE EBITDA AND SUCCESSFUL PRICING STRATEGY;
- ✓ LAUNCH OF ZZ MALL WITH STRONG MARKETING INVESTMENT AND A CELEBRITY AS CREATIVE DIRECTOR;
- ✓ LAUNCH OF BRIZZA AS A NEW PRODUCT CATEGORY AND EXCELLENT PERFORMANCE IN BOTH SELL IN AND SELL OUT WITHIN THE FIRST DAYS OF SALE;
- ✓ BEGINNING OF THE CONSOLIDATION OF THE A/B FASHION MARKET WITH THE MERGER OF RESERVA, THROUGH A SIGNIFICANT EXPANSION OF THE ADDRESSABLE MARKET.

MORE TO COME IN 2021 ...



THANK YOU!
#TOWARDS2154