

AREZZO &CO

INSTITUTIONAL PRESENTATION
2Q20

COMPANY OVERVIEW

SECTION 1

COMPANY OVERVIEW



R\$ 2.1 BILLIONS
GROSS REVENUE IN 2019



+ 200%
GROWTH IN STOCK PRICE SINCE THE IPO (2011)



R\$ 214.6 MILLIONS
WEB COMMERCE GROSS REVENUE IN 2019



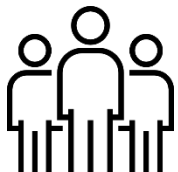
R\$ 4,4 BILLIONS
MARKET CAP VALUE (06/30/2020)



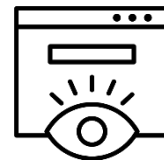
741 STORES
53 OWNED STORES E 688 FRANCHISES (2T20)



+ 10 MILLIONS
CUSTOMERS REGISTERED IN THE CRM BASE



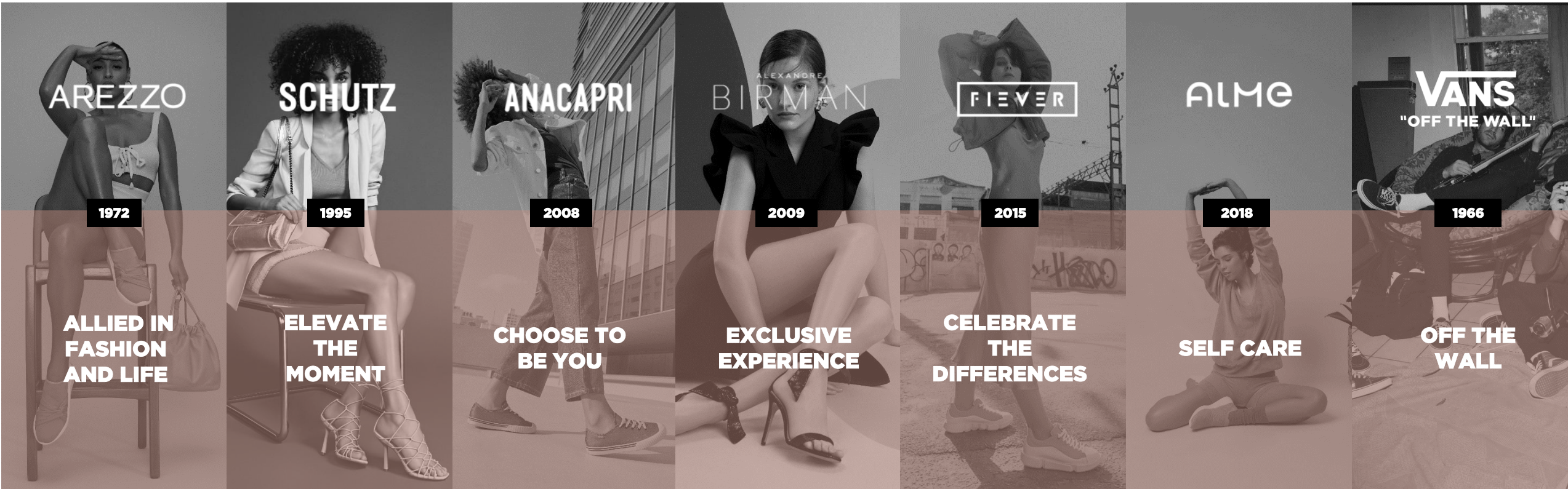
2,0 THOUSAND
EMPLOYEES (2Q20)



+ 74 MILLIONS
OF VISITS ON BRANDS WEBSITES IN 2019

STRONG PLATAFORM OF BRANDS

AREZZO&CO IS A LEADING COMPANY IN THE WOMEN'S FOOTWEAR, HANDBAGS AND ACCESSORIES SEGMENT THROUGH ITS PLATFORM OF REFERENCE BRANDS



COMPANY OVERVIEW

**AREZZO&CO IS THE REFERENCE IN THE BRAZILIAN RETAIL SECTOR AND HAS A UNIQUE POSITIONING
COMBINING GROWTH WITH CASH GENERATION**

LEADING COMPANY IN
THE FOOTWEAR AND
ACCESSORIES INDUSTRY
WITH PRESENCE IN ALL
BRAZILIAN STATES

CONTROLLING
SHAREHOLDERS ARE
REFERENCE IN THE
SECTOR

DEVELOPMENT OF
COLLECTIONS WITH
EFFICIENT SUPPLY
CHAIN

ASSET LIGHT: HIGH
OPERATIONAL
EFFICIENCY

STRONG CASH
GENERATION AND HIGH
GROWTH

14.5 MILLION PAIRS OF SHOES
(1)

1.8 MILLION HANDBAGS (1)

MORE THAN 3,000 POINTS OF
SALE

~25% MARKET SHARE ON AB
CLASSES (2)

MORE THAN 47 YEARS OF
EXPERIENCE IN THE SECTOR

WIDE RECOGNITION

~11,500 MODELS CREATED
PER YEAR

AVERAGE LEAD TIME OF 40
DAYS

MORE THAN 18 LAUNCHES
PER YEAR

90,9% OUTSOURCED
PRODUCTION

ROIC OF 25.1% IN 4Q19 (3)

2,465 EMPLOYEES

NET REVENUES CAGR:
10.6% (2015 - 2019)

NET PROFIT CAGR: 7.9% (2015
- 2019)

INCREASED OPERATING
LEVERAGE

NOTAS:

(1) AS OF 2019

(2) REFERS TO THE BRAZILIAN WOMEN FOOTWEAR, HANDBAGS, MEN'S AND WOMEN'S SNEAKERS MARKET (SOURCE: COMPANY ESTIMATES). AS OF 2019.

SUCCESSFUL TRACK RECORD OF ENTREPRENEURSHIP

THE RIGHT CHANGES AT THE RIGHT TIME ACCELERATED THE COMPANY'S DEVELOPMENT

FOUNDATION AND STRUCTURING	INDUSTRIAL ERA	RETAIL ERA	CORPORATE ERA	INDUSTRY REFERENCE
<ul style="list-style-type: none">FOUNDED IN 1972FOCUSED ON BRAND AND PRODUCTFIRST STORE	<ul style="list-style-type: none">CONSOLIDATION OF INDUSTRIAL BUSINESS MODEL LOCATED IN MINAS GERAIS1.5 MM PAIRS PER YEAR AND 2,000 EMPLOYEES	<ul style="list-style-type: none">FOCUS ON RETAILR&D AND PRODUCTION OUTSOURCING ON VALE DOS SINOS - RSFRANCHISES EXPANSIONCOMMERCIAL OPERATIONS CENTRALIZED IN SÃO PAULOFAST FASHION CONCEPT	<ul style="list-style-type: none">SPECIFIC BRANDS FOR EACH SEGMENTEXPANSION OF DISTRIBUTION CHANNELSEFFICIENT SUPPLY CHAININITIAL PUBLIC OFFER (IPO): FEV/2011	<ul style="list-style-type: none">CONSOLIDATE LEADERSHIP POSITION

1972

70's

80's

90's

FIRST DECADE OF 2000

2011-2020

2154

FIRST MALE SHOE FACTORY



OPENING OF THE FLAGSHIP STORE AT OSCAR FREIRE



SCHUTZ LAUCH



LAUNCH OF THE FIRST DESIGN WITH NATIONAL SUCCESS



MERGER
2007

AREZZO SCHUTZ

STRATEGIC PARTNERSHIP
2007

TARPON
INVESTIMENTOS

LAUNCH OF NEW BRANDS
2008 2009

ANACAPRI BIRMAN

INTERNATIONAL EXPANSION
2012

SCHUTZ BIRMAN

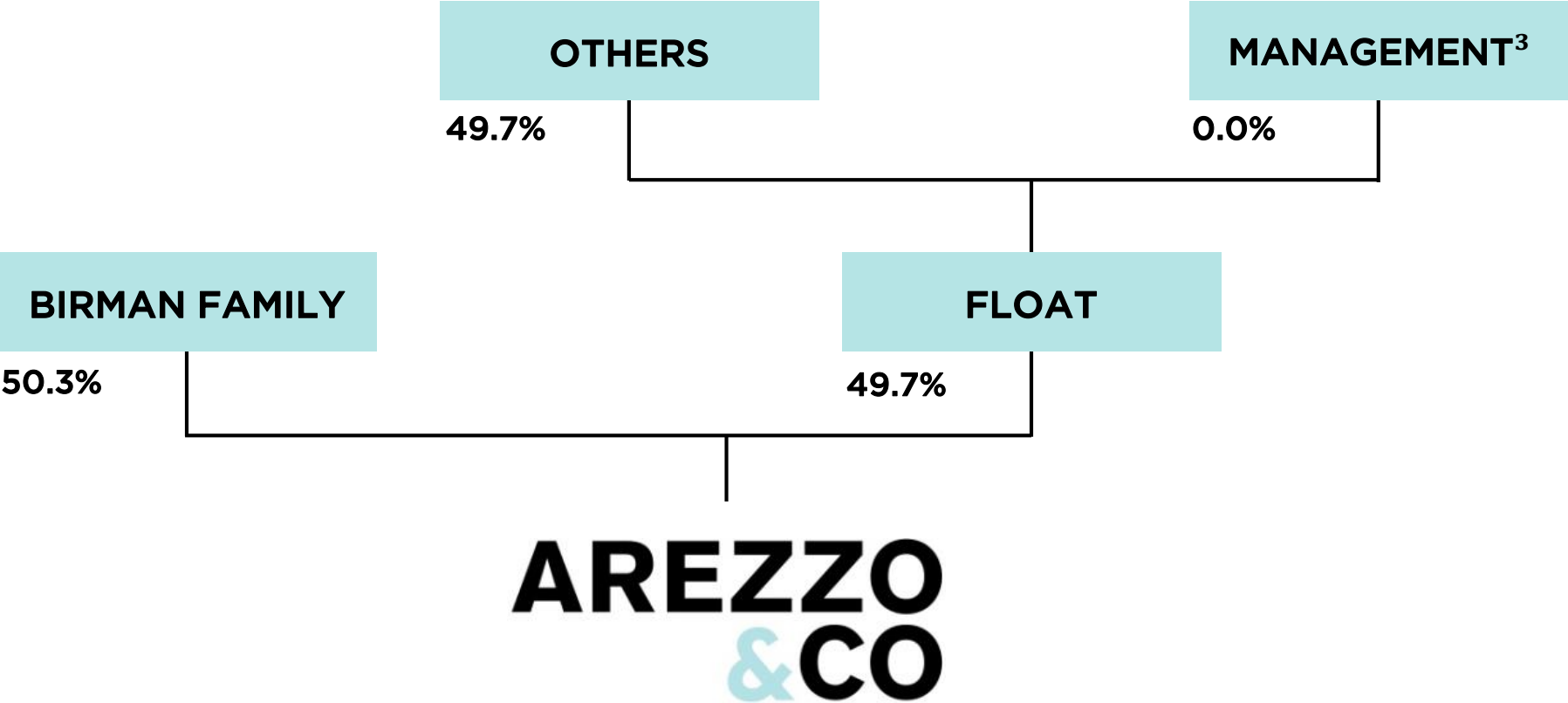
LAUNCH OF NEW BRANDS
2015 2018

FIEVER ALME

EXCLUSIVE DISTRIBUTOR
2019

VANS
"OFF THE WALL"

SHAREHOLDER STRUCTURE



NOTES
1- AREZZO&CO CAPITAL STOCK IS COMPOSED OF 90.954.280 COMMON SHARES, ALL NOMINATIVE, BOOK-ENTRY SHARES WITH NO PAR VALUE
2- SHAREHOLDER STRUCTURE AS OF JUNE 30, 2020
3- INCLUDES LTI PLAN



AREZZO

— 1972 —

TRENDY
NEW
EASY TO USE
ECLETIC

16 - 60 YEARS

CHANNEL AND % REVENUE

O	F	MM	EX
#9	#428	#1,228	#89
8%	59%	13%	1%

WEB GROSS REVENUE
R\$ 152.0 MM (19%)

RETAIL PRICE POINT
R\$ 240.00 / PAIR

GROSS REVENUE
R\$ 804.1 MM (44.5%)



5.6 MILLIONS FOLLOWERS





SCHUTZ

— 1995 —

FASHION
UP TO DATE
BOLD
PROVOCATIVE

18 - 40 YEARS

CHANNELS AND % REVENUE

O	F	MM	EX	USA
#16	#68	#1.106	#101	#3
15%	15%	23%	3%	24%

WEB GROSS REVENUE
R\$ 111.2 MM (20%)

RETAIL PRICE POINT
R\$ 380.00 / PAIR

GROSS REVENUE
R\$ 560.4 MM (31.0%)



4.4 MILLIONS FOLLOWERS





ANACAPRI

— 2008 —

POP
FLAT SHOES
AFFORDABLE
COLORFUL

12 - 60 YEARS

CHANNELS AND % REVENUE

O	F	MM	EX
#3	#179	#1.696	#85
4%	49%	33%	0%

WEB GROSS REVENUE
R\$ 30.6 MM (14%)

RETAIL PRICE POINT
R\$ 140.00 / PAIR

GROSS REVENUE
R\$ 222.7 MM (12.3%)



1.3 MILLION FOLLOWERS





ALEXANDRE
BIRMAN

— 2009 —

DESIGN
EXCLUSIVITY
IDENTITY
SEDUCTION

20 - 45 YEARS

CHANNEL AND % REVENUE

O	MM	EX	USA
#6	#28	#17	#2
26%	4%	9%	54%

WEB GROSS REVENUE
R\$ 6.2 MM (7%)

RETAIL PRICE POINT
R\$ 1,500.00 / PAIR

GROSS REVENUE
R\$ 94.4 MM (5.2%)



335K FOLLOWERS





F I E V E R

— 2015 —

**CASUAL
YOUNG
URBAN
MODERN**

15 - 30 YEARS

CHANNELS AND % REVENUE

O	F	MM	EX
#5	#1	#499	#22
33%	1%	41%	0%

WEB GROSS REVENUE
R\$ 6.4 MM (25%)

RETAIL PRICE POINT
R\$ 320.00 / PAIR

GROSS REVENUE
R\$ 26.4 MM (1.5%)



231K FOLLOWERS





ALME

— 2018 —

CONFORTO
WELLNES
BEAUTY
SELF CARE

30 - 60 YEARS

CHANNELS AND % REVENUE

O	F	MM	EX
#3	#3	#287	#68
27%	9%	40%	0%

WEB GROSS REVENUE
R\$ 3.4 MM (24%)

RETAIL PRICE POINT
R\$ 230.00 / PAIR

GROSS REVENUE
R\$ 14,2 MM (0.8%)



70K FOLLOWERS





VANS

"OFF THE WALL"

— 1966 —

OFF THE WALL
ACTION SPORTS
LIFESTYLE
STREET CULTURE

16 - 24 YEARS

CHANNELS AND % REVENUE

O	F	MM
#6	#3	#1,279
8%	59%	13%

WEB GROSS REVENUE
R\$ 26.4 MM (32%)

RETAIL PRICE POINT
R\$ 290.00 / PIECE

GROSS REVENUE
R\$ 83.6 MM (4.6%)

 646K FOLLOWERS

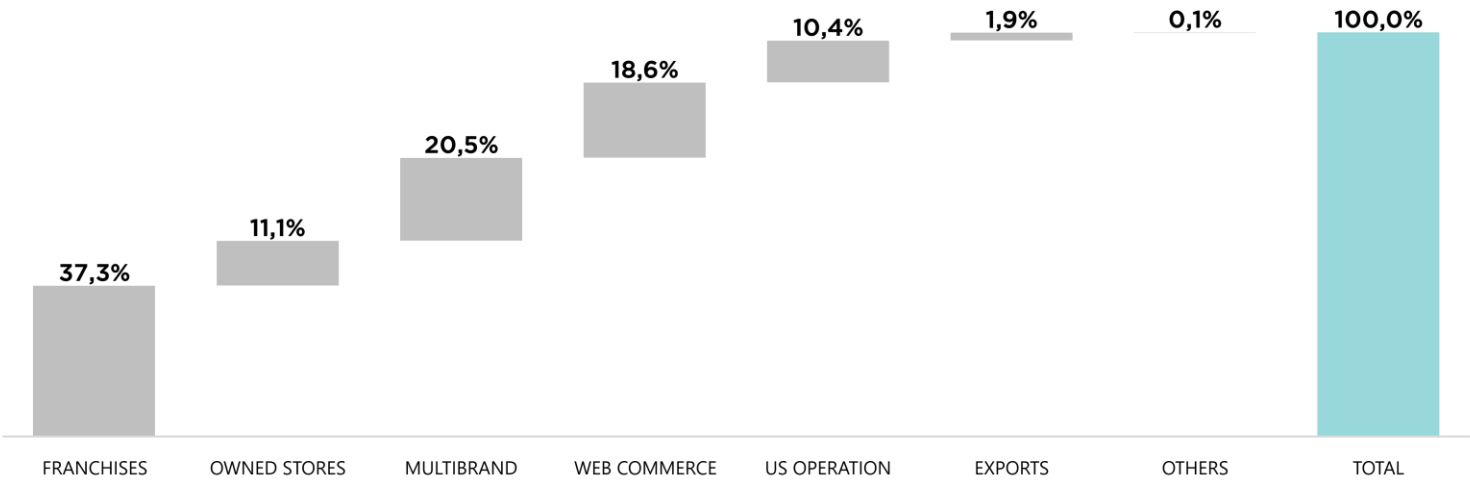


MULTIPLE DISTRIBUTION CHANNELS

FLEXIBLE PLATFORM THROUGH DIFFERENT DISTRIBUTION CHANNELS WITH DIFFERENTIATED STRATEGIES, MAXIMIZING THE RETURN TO THE COMPANY



GROSS REVENUE BREAKDOWN BY CHANNEL



1. WITHOUT STORE OVERLAP BETWEEN BRANDS.
2. LTM
3. DOMESTIC MARKET – MULTIBRAND WITHOUT OVERLAP.

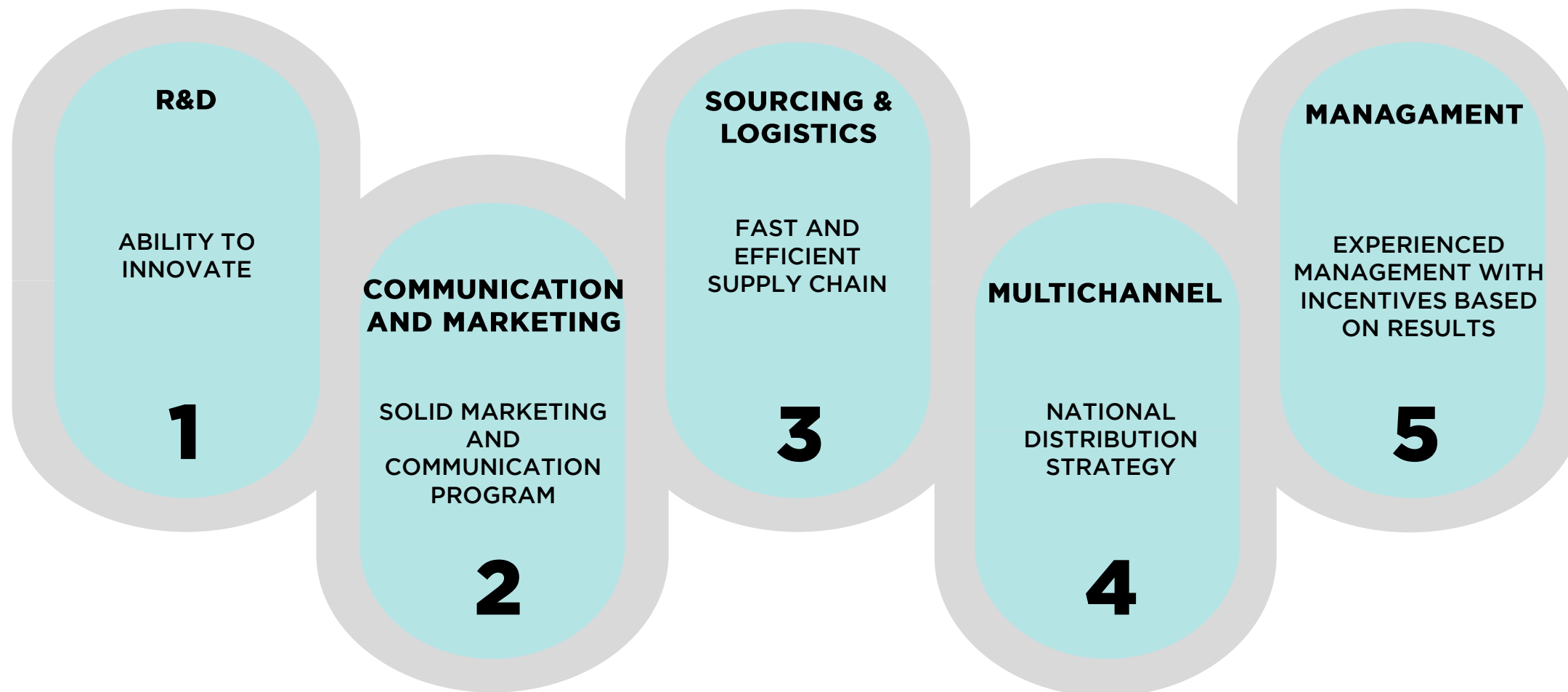
	FRANCHISES	OWEND STORES	MULTIBRAND
AREZZO	428	9	1,228
SCHUTZ	68	16	1,106
ANACAPRI	179	3	1,696
ALEXANDRE BIRMAN	-	6	28
FEVER	1	5	499
ALME	3	3	287
VANS "OFF THE WALL"	3	6	1,279

BUSINESS MODEL

SECTION 2

UNIQUE BUSINESS MODEL IN BRAZIL

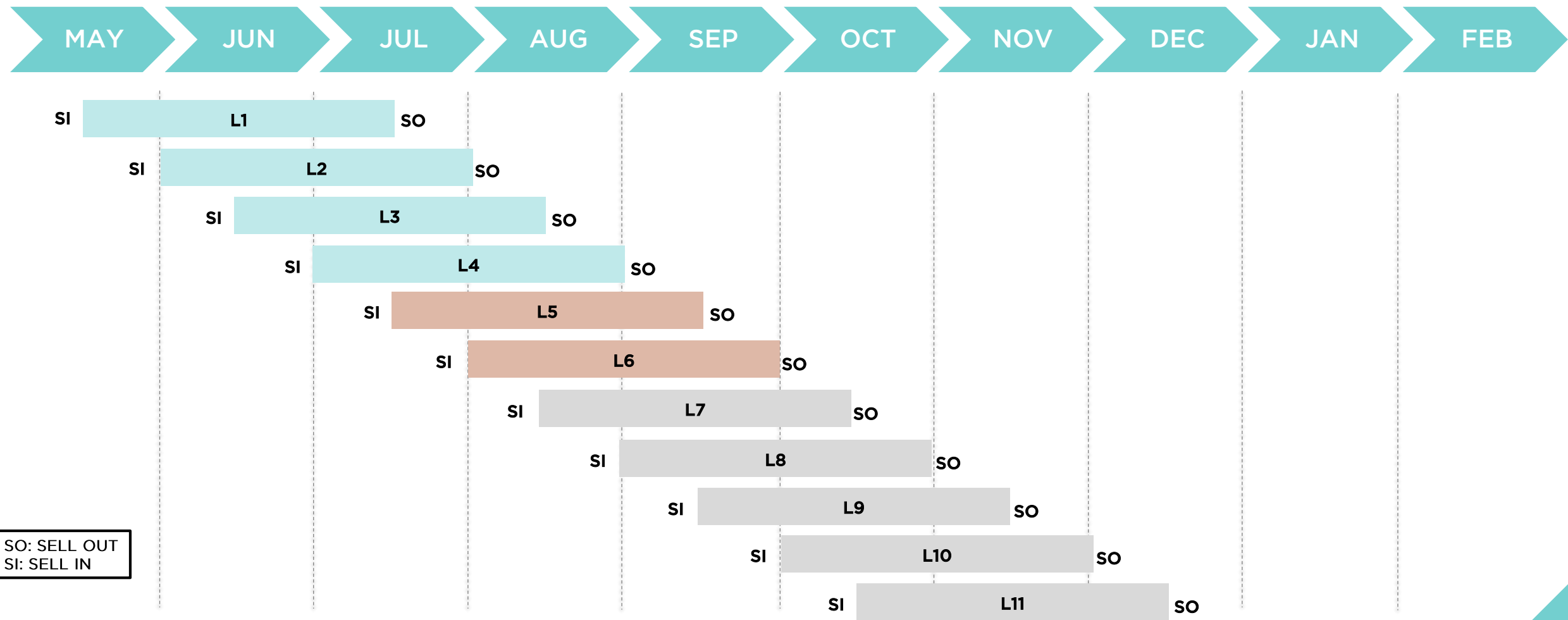
FOCUS ON THE CUSTOMER: WE SEEK TO ANTICIPATE THE CONSUMPTION DESIRE OF BRAZILIAN WOMEN



BRANDS OS REFERENCE

CALENDAR OF SUMMER LAUNCHES THROUGH BY WEEKLY CICLES, WITH STRONG CREATION OF BEST SELLERS

EVERY TWO WEEKS WE MAKE THE ORDERS OS A LAUNCH (“ CAPSULE COLLECTION”), THAT WILL BE ACTIVATED ON THE DIGITAL CHANNELS AND STORES.

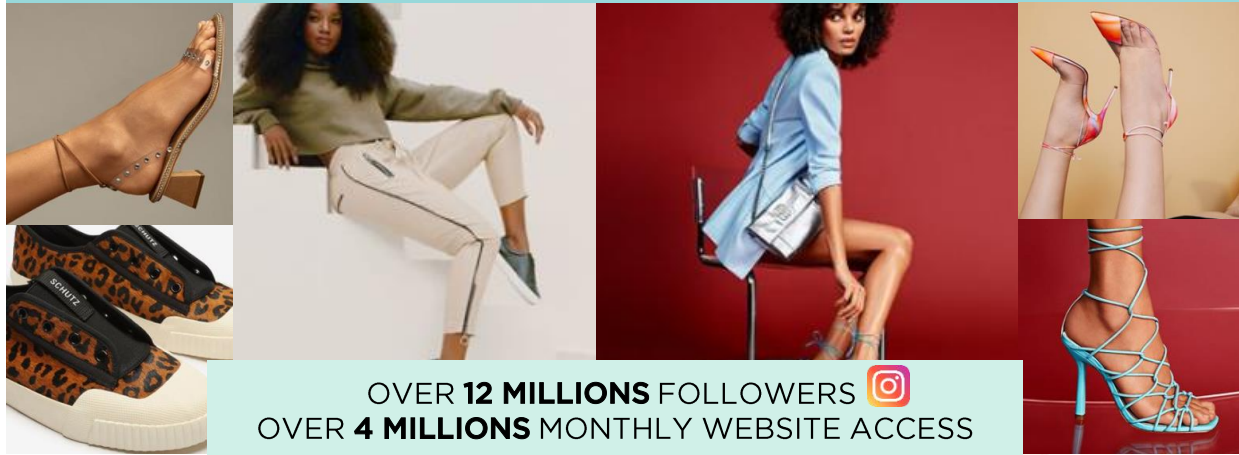


COMMUNICATION AND MARKETING PLAN

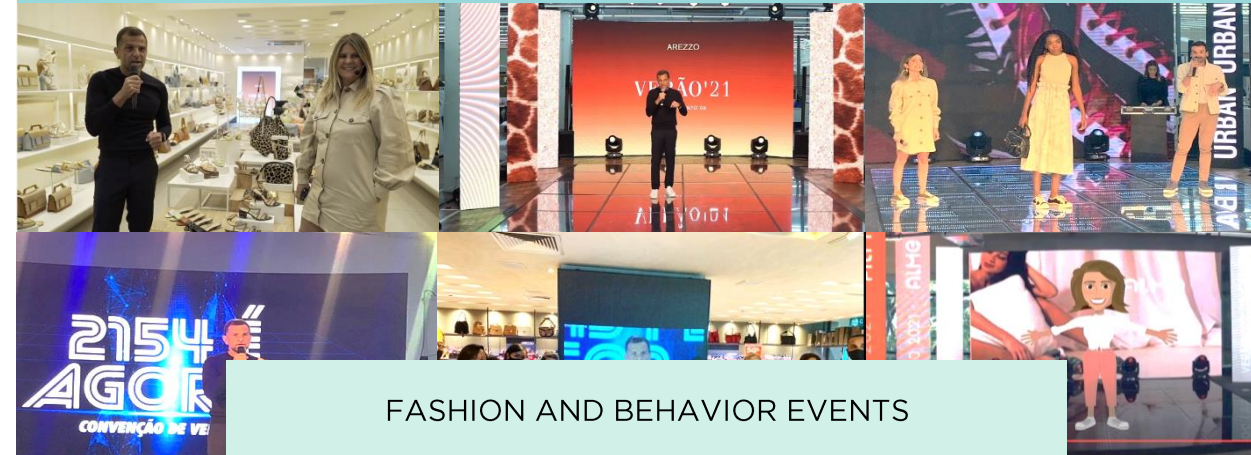
**AREZZO
& CO**

EACH BRAND HAS AN INTEGRATED AND EXPRESSIVE COMMUNICATION STRATEGY, FROM THE CREATION OF CAMPAIGNS TO THE POINT OF SALES

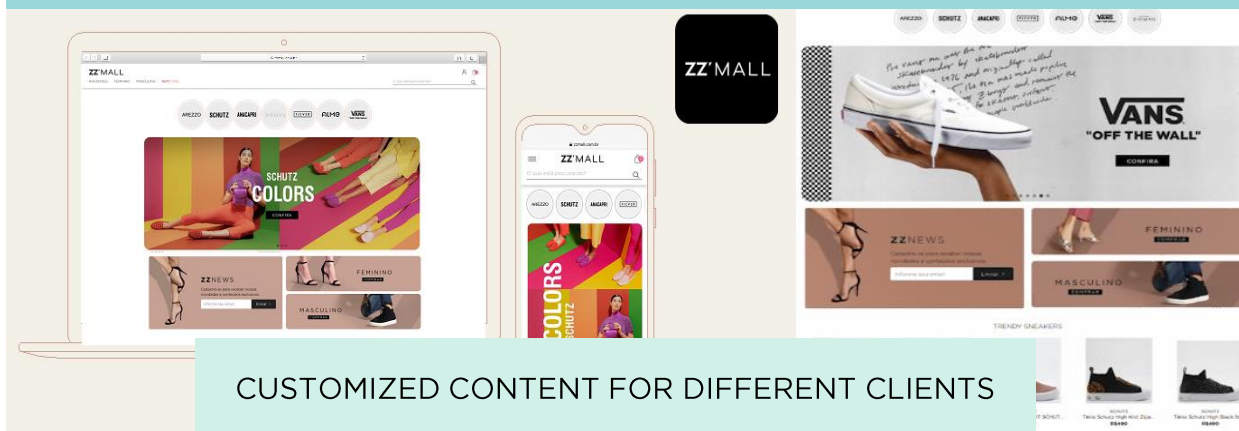
STRONG PRESENCE IN SOCIAL, DIGITAL, AND PRINT MEDIA



LIVE MARKETING AND EXPERIENCE AT POINT OF SALE



DIGITAL COMMUNICATION



PUBLIC RELATIONS



COMMUNICATION & MARKETING REFLECTED IN EVERY ASPECT OF THE STORES

AREZZO
&CO

STORES ARE CONSTANTLY CHANGED TO INCORPORATE THE CONCEPT OF EACH NEW COLLECTION, RESULTING IN A HIGHER LEVEL OF DESIRE-DRIVEN PURCHASES

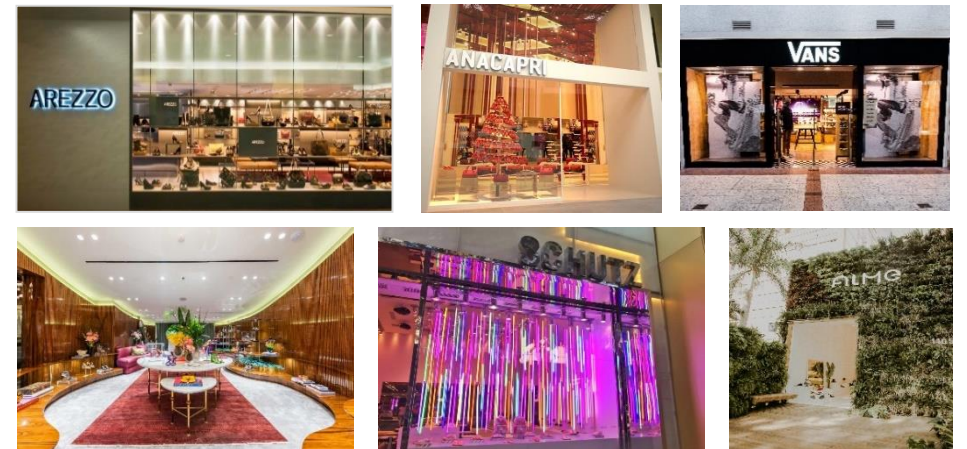
CAMPAINGS



STORES LAYOUT & VISUAL MERCHANDISING



FLAGSHIP STORES



FLEXIBLE PRODUCTION PROCESS

**AGILITY, FLEXIBILITY AND SCALABILITY OF PRODUCTION ENSURE THE GROWTH EXPECTED
BY AREZZO&CO**

FLEXIBLE SOURCING MODEL

OWNED FACTORY WITH CAPACITY TO PRODUCE 1,1MM PAIRS PER YEAR AND A STRONG RELATIONSHIP WITH VALE DOS SINOS PRODUCTION CLUSTER - THE MAIN OUTSOURCING REGION

CERTIFICATION AND AUDITING OF SUPPLIERS

IN-HOUSE CERTIFICATION AND AUDITING ENSURE QUALITY AND PUNCTUALITY (ISO 9001 CERTIFICATION IN 2008)

NEW DISTRIBUTION CENTER - ESPIRITO SANTO STATE



GAINS OF SCALE

AREZZO'S SCALE AND STRUCTURE GIVES FLEXIBILITY TO SOURCE A LARGE NUMBER OF SKU'S FROM VARIOUS FACTORIES ON A SHORT TIME WITH COMPETITIVE PRICES

JOINT PURCHASES

COORDINATION OF RAW MATERIAL NEGOTIATION WITH SUPPLIERS

CONSOLIDATION AND SIMULTANEOUS DISTRIBUTION IN NATIONAL SCALE

RECEPTION:
100.000
UNITS/ DAY

STORAGE:
100.000
UNITS/ DAY

PICKING:
150.000 UNITS/
DAY

BILLING AND
LABELING:
200.000 UNITS/
DAY

**OUTSOURCING: 90% OF PRODUCTION OUTSOURCED AND
10% IN AREZZO&CO FACTORIES**

FLAGSHIP STORES IN KEY BRAZILIAN LOCATIONS

**AREZZO
& CO**

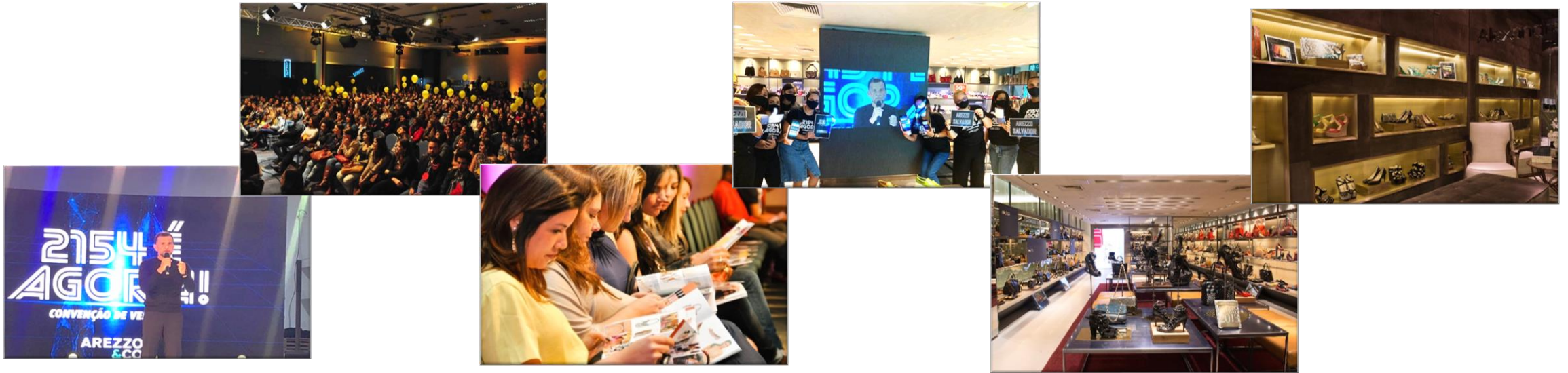
OWNED STORES ARE ESSENTIAL TO DEVELOP RETAIL KNOW-HOW AND INCREASE BRANDS' VISIBILITY IN REGIONS LIKE SÃO PAULO



TRAINING AND MOTIVATIONAL

**AREZZO
&CO**

**STRUCTURE APPLIED TO RETAIL IN ORDER TO ACHIEVE BETTER SALES AND MARGIN RESULTS
AS WELL AS TO INTEGRATE AND CONNECT ALL MONOBRAND STORES' BACK OFFICE**



STRONG FOCUS ON FRANCHISE AND OWNED STORE PERFORMANCE

- ALL SALES TEAM (4,000+ PEOPLE) GET CONNECTED THROUGH A NATIONAL BROADCAST FOR THREE SALES CONVENTIONS PER YEAR, CREATING AN ALIGNED SALES PITCH AND A GREAT SENSE OF MOTIVATION BEFORE EACH SEASON
- LARGE SERVICE PROGRAM TO ASSIST FRANCHISEES ON SALES AND PROFITABILITY GOALS
- RECURRING TRAINING PROGRAMS IN PRODUCTS, FASHION TRENDS, SALES TECHNIQUES, STORE MANAGEMENT, IT, AMONG OTHERS
- STRONG VISUAL MERCHANDISING, TRADE MARKETING, AMBIANCE INVESTMENTS AND TRAINING

EFFICIENT MANAGEMENT OF THE FRANCHISE NETWORK

MODEL ALLOWS FAST EXPANSION WITH LOW INVESTED CAPITAL

SUCCESSFUL PARTNERSHIP: “WIN – WIN”

- INTENSE RETAIL TRAINING
- ONGOING SUPPORT: AVERAGE OF 6 STORES/ CONSULTANT AND AVERAGE OF 22 VISITS PER STORE/ YEAR
- STRONG RELATIONSHIP WITH AND ONGOING SUPPORT TO FRANCHISEE
- IT INTEGRATION WITH OUR FRANCHISES AMOUNTS TO 100%
- AS MONO-BRAND STORES, FRANCHISES REINFORCE BRANDING IN EACH CITY THEY ARE LOCATED

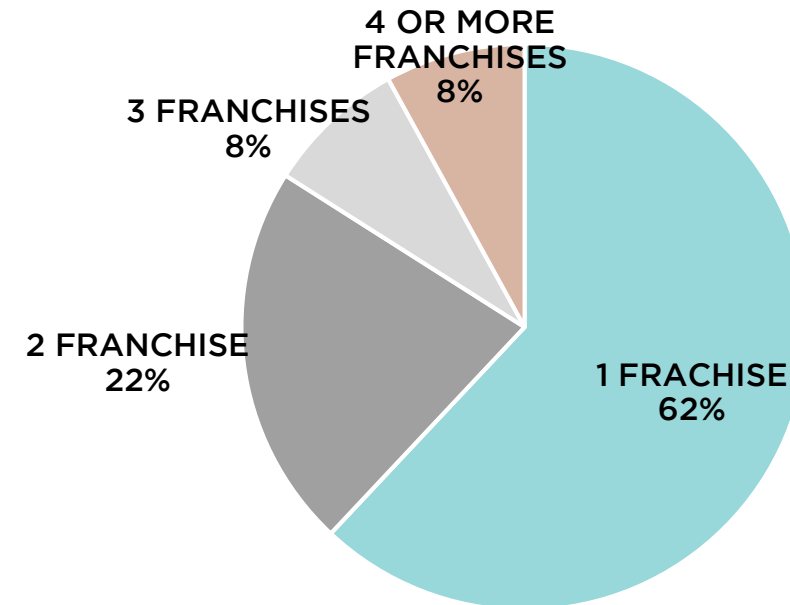
SEAL OF EXCELLENCE FROM ABF (BRAZILIAN ASSOCIATION OF FRANCHISING)

96% SATISFACTION OF FRANCHISEES (1)

5-YEAR CONTRACT AND AVERAGE PAYBACK OF 36-48 MONTHS (2)

FRANCHISE CONCENTRATION PER OPERATOR

(NUMBER OF OPERATORS PER NUMBER OF FRANCHISES HELD)



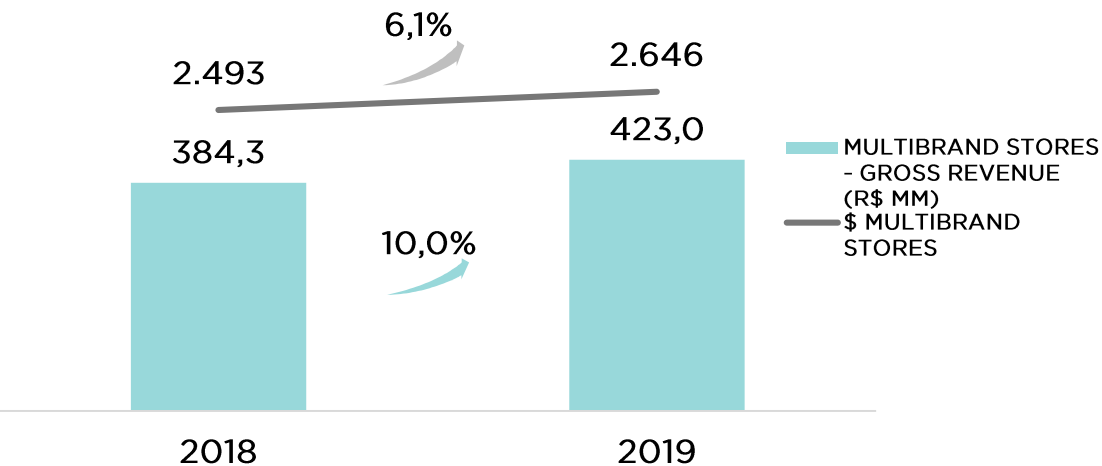
NOTES:

1. 96% OF THE CURRENT FRANCHISEES INDICATED THEY WOULD BE INTERESTED IN OPENING A FRANCHISE IF THEY DID NOT ALREADY HAVE ONE
2. FOR A REGULAR AREZZO BRAND STORE, WITH EXPECTED ANNUAL SALES OF R\$ 2,2 MILLION, THE AVERAGE INVESTMENT IS APPROXIMATELY R\$ 670 THOUSAND, INCLUDING STORE CAPEX, FRANCHISE FEE, WC AND INITIAL INVENTORY)

MULTIBRAND STORES AS TOOL FOR INCREASED CAPILARITY

MULTIBRAND STORES WIDEN THE DISTRIBUTION NETWORK AND THE BRANDS' VISIBILITY,
RESULTING IN A STRONGER RETAIL FOOTPRINT

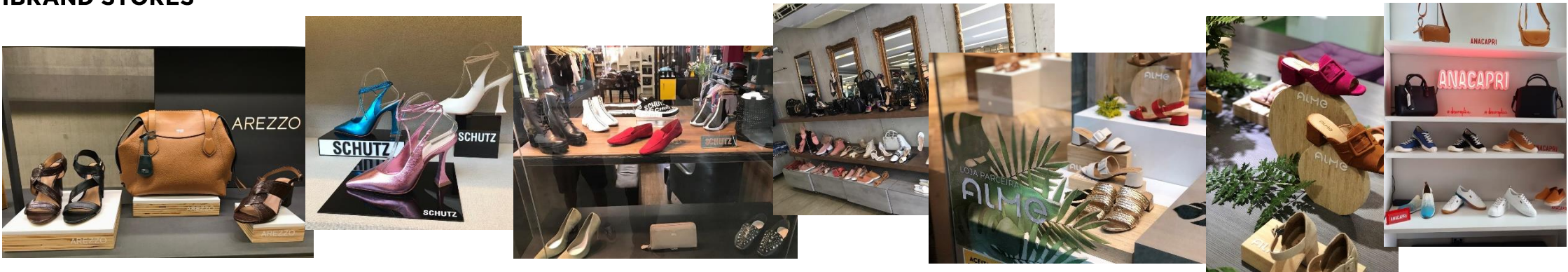
MULTIBRAND STORES' GROSS REVENUE¹ (R\$ MILLIONS)



IMPROVED DISTRIBUTION AND BRAND VISIBILITY

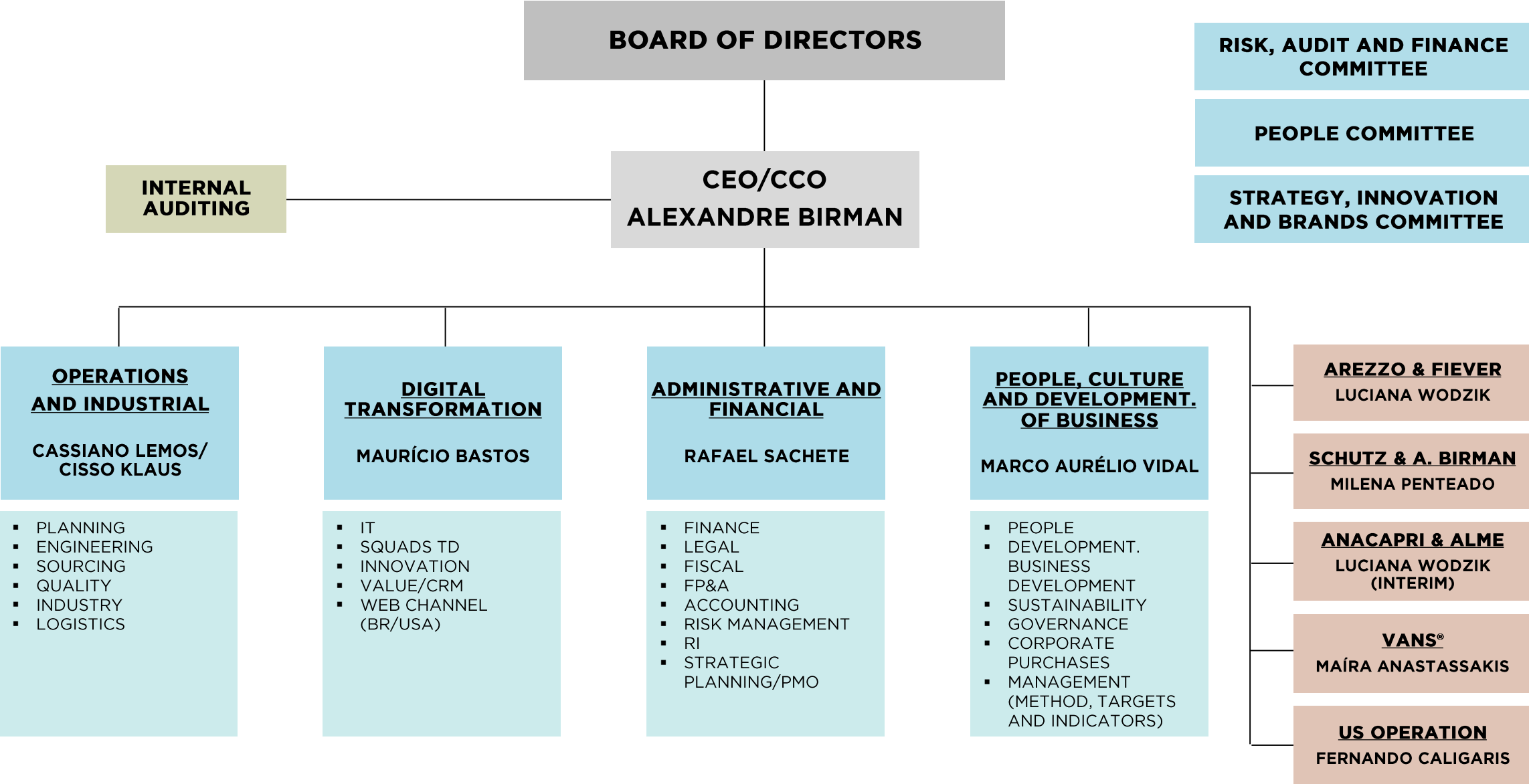
- GREATER BRAND DISTRIBUTION NETWORK
- PRESENCE IN OVER 2,590 CITIES
- FAST EXPANSION AT LOW INVESTMENT AND RISK
- MAIN FOCUS: INCREASE SHARE OF WALLET, THROUGH THE SALE OF MORE BRANDS AT THE SAME POS AND ALSO HANDBAGS AS PART OF THE MIX
- IMPORTANT SALES CHANNEL FOR SMALLER CITIES AND THE BRAZILIAN COUNTRYSIDE
- SALES TEAM OPTIMIZATION: INTERNAL TEAM AND COMMISSIONED SALES REPRESENTATIVES

MULTIBRAND STORES



NOTES:
1. DOMESTIC MARKET ONLY

ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE



THE BOARD IS COMPRISED OF 7 MEMBERS, OF WHICH 5 ARE INDEPENDENT, AND HAS A VERY LARGE ENGAGEMENT ON THE STRATEGIC PLANNING OF AREZZO&CO

BOARD OF DIRECTORS

ALESSANDRO CALUCCI CHAIRMAN OF THE BOARD	NATURA'S DEO FOR OVER A DECADE AND FORMER BOARD MEMBER OF LOJAS RENNER, REDECARD, ALCOA LATAM AND ITAÚ-UNIBANCO.	ALEXANDRE BIRMAN MEMBER	CURRENT CEO OF AREZZO&CO AND PART OF THE CONTROLLING GROUP. FOUNDER OF SCHUTZ BRAND, WITH OVER 18 YEAR OF EXPERIENCE ON THE FOOTWEAR INDUSTRY.
JOSÉ BOLONHA VICE CHAIRMAN OF THE BOARD	FOUNDER AND CEO OF "ETHOS DESENVOLVIMENTO HUMANO E ORGANIZACIONAL"; BOARD MEMBER OF THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL (UN, WHO)	JULIANA ROZENBAUM INDEPENDENT MEMBER	OVER 13 YEARS OF EXPERIENCE AS SELL SIDE EQUITY RESEARCH ANALYST, FOCUSED ON RETAIL AND CONSUMER SECTOR
LUIZA TRAJANO INDEPENDENT MEMBER	CHAIRMAN OF THE BOARD OF MAGAZINE LUIZA AND LUIZACRED AND FORMER MEMBER OF SADIA S.A. BOARD	LUIZ FERNANDO GIORGI INDEPENDENT MEMBER	28 YEARS OF EXPERIENCE IN MANAGEMENT AND LEADERSHIP. CURRENT MEMBER OF PEOPLE COMMITTEES FOR SANTANDER, SUL AMÉRICA AND GRUPO MARTINS
GUILHERME A. FERREIRA INDEPENDENT MEMBER	CEO OF BAHEMA PARTICIPAÇÕES, CURRENT BOARD MEMBER OF PETROBRAS, VALID, SUL AMÉRICA, GAFISA AND T4F		

COMMITTEES

RISKS, AUDIT AND FINANCE

GUILHERME A. FERREIRA (COORDINATOR)
MEMBERS: ALESSANDRO CARLUCCI, GUILHERME A. FERREIRA AND EDWARD RUIZ

STRATEGY, INNOVATION AND BRANDS COMMITTEE






JULIANA ROZENBAUM (COORDINATOR)
MEMBERS: ALEXANDRE BIRMAN, LUIZA TRAJANO, JULIANA ROZENBAUM E SILVIO MEIRA

PEOPLE COMMITTEE

JOSÉ BOLONHA (COORDINATOR)
MEMBERS: LUIZ FERNANDO GIORGI, JOSÉ BOLONHA E CLAUDIA FALCÃO

MULTIBRAND AND MULTICHANNEL STRATEGY

ORGANIC GROWTH LEVERAGED BY MULTI-BRAND AND MULTI-CHANNEL STRATEGY IN FOOTWEAR AND BAGS

	AREZZO	SCHUTZ	ANACAPRI	ALEXANDRE BIRMAN	FEVER	ALME	VANS "OFF THE WALL"	GROSS REVENUE LTM ^{1,2}
 FRANCHISES	FOCUS ON SSS HANDBAGS OMNI SEGMENTATION	NEW CATEGORIES FOCUS ON SSS AND LIFESTYLE	ROLL-OUT OF FRANCHISES IN BRAZIL	NOT A CURRENT FOCUS	FRANCHISE OPENINGS IN BRAZIL	FRANCHISE OPENINGS IN BRAZIL	FRANCHISE OPENINGS IN BRAZIL	37.3% R\$ 674.4 MM
 MULTIBRANDS	CROSS-SELL OF BAGS ACTIVATION MKT PDV	INCREASE OF SHARE OF WALLET IN PDV'S	INCREASE CAPILLARITY	SALE IN SELECTED POINTS AND ALIGNED WITH BRANDING	EXPANSION TO NEW POINT OF SALES	EXPANSION TO NEW POINT OF SALES	RETENTION OF CURRENT BASE AND EXPANSION TO NEW CUSTOMERS	20.5% R\$ 371.0 MM
 OWNED STORES	FOCUS ON THE FLAGSHIPS SSS	FOCUS ON THE SSS OF FLAGSHIPS	FOCUS ON THE SSS OF FLAGSHIPS	FOCUS ON SSS AND THE UNIQUE SHOPPING EXPERIENCE	FOCUS ON THE SSS OF FLAGSHIPS	FOCUS ON THE SSS OF FLAGSHIPS	FLAGSHIPS OPENINGS FOCUSING ON THE SHOPPING EXPERIENCE	11.1% R\$ 200.4 MM
 WEB COMMERCE	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	GROWTH DRIVEN BY OMNI INITIATIVES	18.6% R\$ 336.2 MM
 FOREIGN	NOT A CURRENT FOCUS	OPERATION USA WITH FOCUS ON DIGITAL/OMNI	NOT A CURRENT FOCUS	OPERATION USA WITH FOCUS ON DIGITAL/OMNI	NOT A CURRENT FOCUS	NOT A CURRENT FOCUS	LICENSE RESTRICTED TO BRAZIL	12.4% R\$ 223.1 MM
PARTICIPATION BY BRAND (LTM) ²	44.5% R\$ 804.1 MM	31.0% R\$ 560.4 MM	12.3% R\$ 222.7 MM	5.2% R\$ 94.4 MM	1.5% R\$ 26.4 MM	0.8% R\$ 14.2 MM	4.6% R\$ 183.6 MM ³	100% R\$ 1.8 BI

NOTES:

1. % GROSS REVENUE (LTM) DOESN'T INCLUDE THE OTHER REVENUES (NOT PRODUCED BY THE 6 BRANDS)
2. GROSS LTM REVENUE FROM BRANDS: INCLUDES EXTERNAL MARKET; DOESN'T INCLUDE OTHER REVENUES (NOT FROM THE 7 BRANDS). BASE: LTM
3. CONSIDERS THE 1ST HALF OF 2020.

STRATEGY AND DIGITALIZATION

SECTION 3

STRATEGIC MAP - PILLARS AND LEVERS

OUR 7 PILLARS OF OPERATION WILL REMAIN THE SAME AFTER THE PANDEMIC, WITH THE ADDITION OR STRENGTHENING OF SOME FRONTS



CORE GROWTH / EXPANSION OF CURRENT BRANDS

AREZZO FIEVER

CASUAL &
DEMOCRATIC

SCHUTZ ALEXANDRE
BIRMAN

FASHION & LUXURY

ANACAPRI ALME

COMFORT & FLATS

VANS
"OFF THE WALL"

ACTION SPORTS



PEOPLE AND CULTURE

GOVERNANCE

CULTURE

FRONT-LINE

EMPOWERMENT



TRANSFORMATION OF THE BUSINESS MODEL

MERCHANDISING AND SUPPLY EVOLUTION

SOURCING AND LOGISTICS 2.0

CUSTOMER'S OMNICHANNEL EXPERIENCE

SUSTAINABILITY AS A NORM



ENGINE 2: BUSINESS DIGITALIZATION

MARKETPLACE - OWN BRANDS AND 3P

CONTENT AND SERVICES

DIGITAL RESELLERS

CIRCULAR ECONOMY

E-COMMERCE ACCELERATION



DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY



NEW BRANDS BRAZIL

CONSOLIDATION OF THE FASHION MARKET (AB)

INSURGENT BRANDS

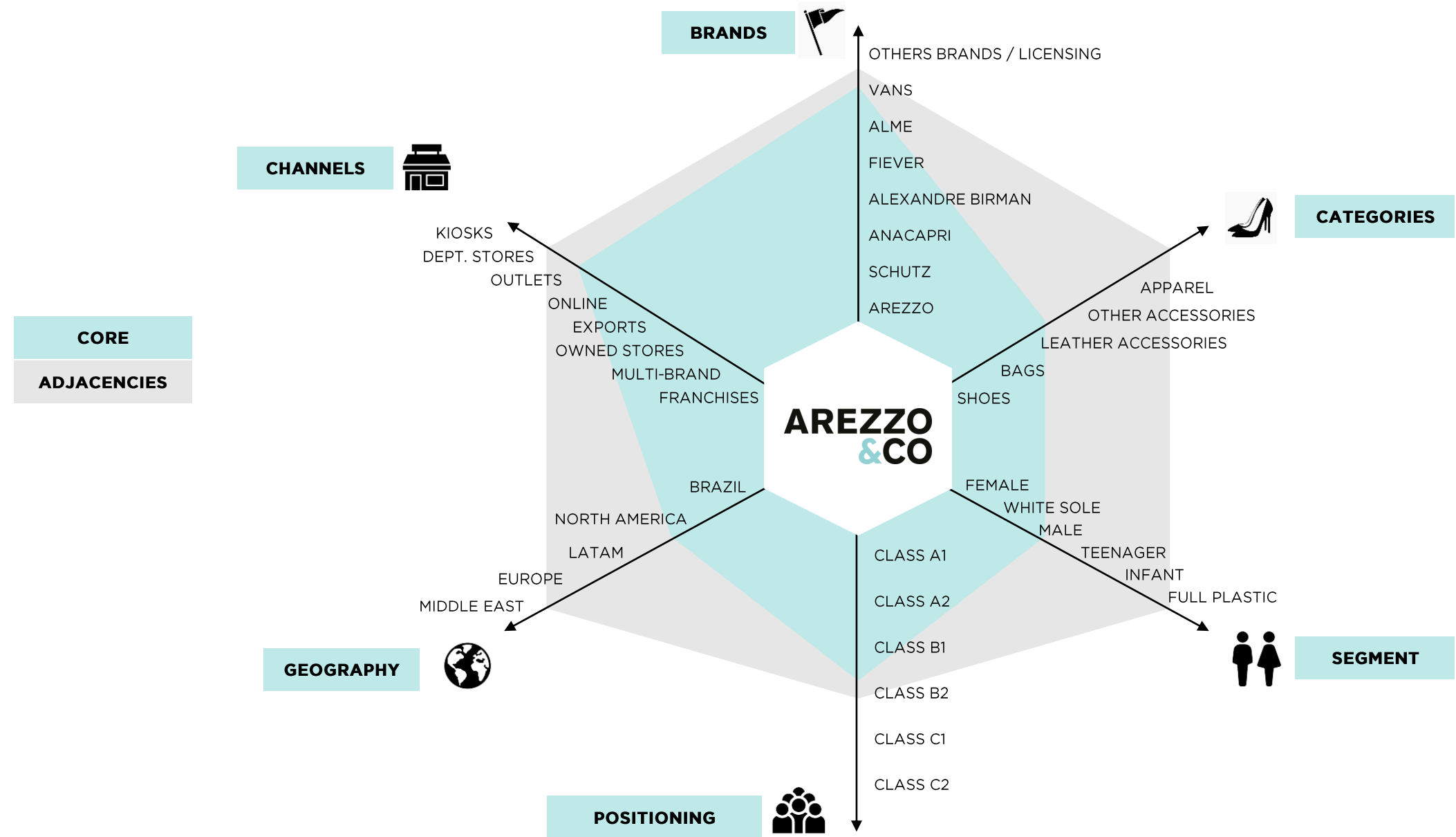


INTERNATIONAL MARKET

USA MARKET

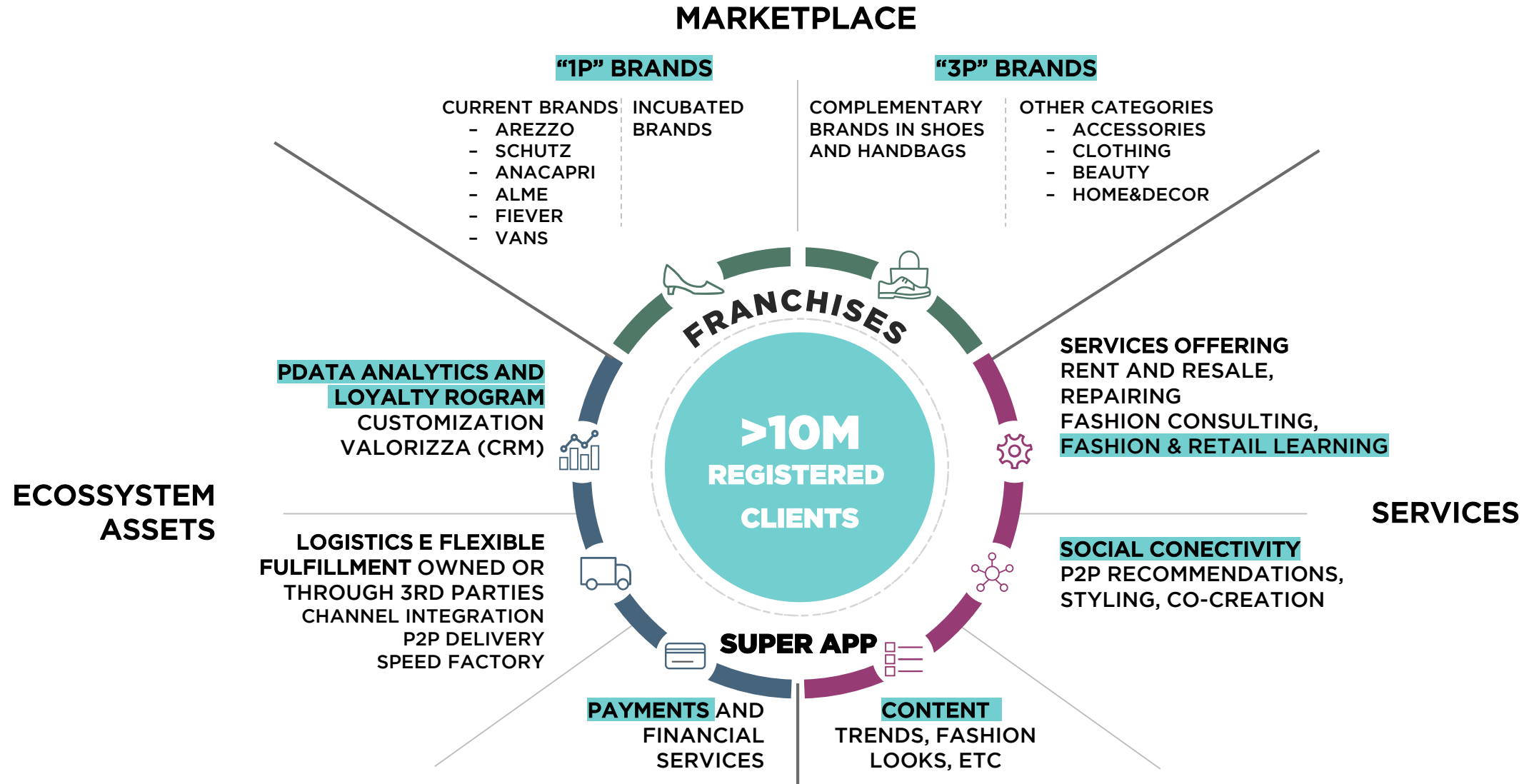
STRATEGY

BUSINESS MODEL ALLOWS MULTIPLE GROWTH OPTIONS



A TRUE FASHION BRANDS PLATFORM: AREZZO&CO

MARKETPLACE WITH THE BEST CURATORSHIP, WITH CONTENT AND SERVICES AS PART OF THE ECOSYSTEM



ACCELERATION OF DIGITAL CHANNELS

RELEVANT GROWTH IN THE WEBCOMMERCE CHANNEL

CONSISTENT GROWTH DESPITE THE OPENING OF MOST PHYSICAL STORES DURING THE CRISIS

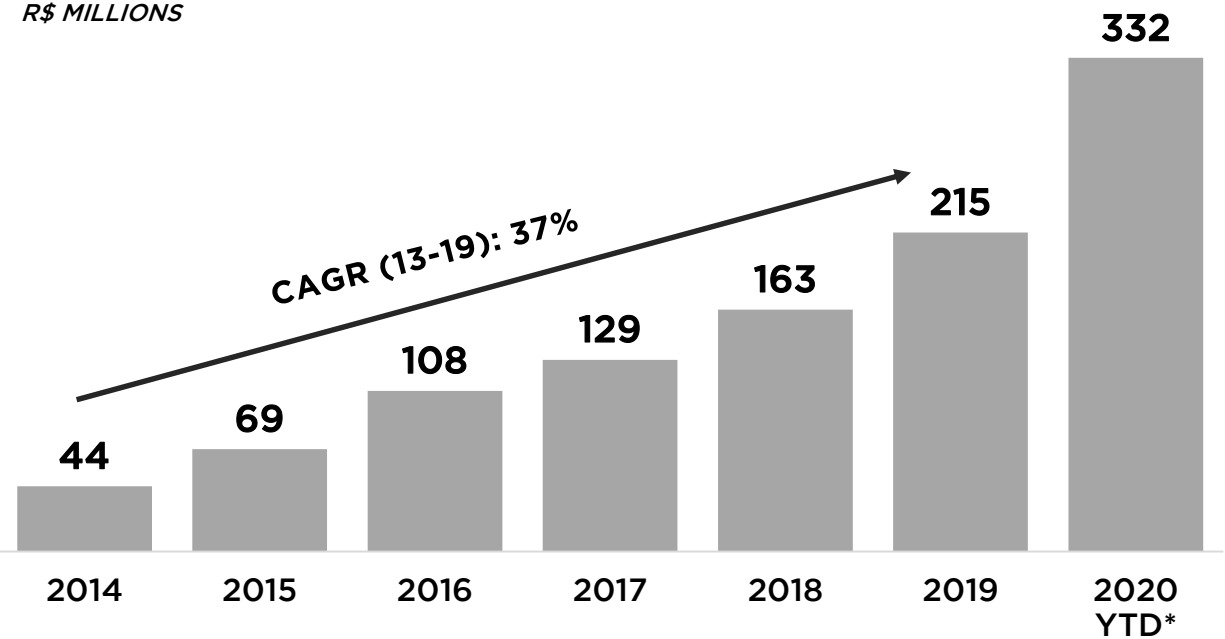
ANNUAL EVOLUTION OF THE CHANNEL

*2020 YTD: VALUES UNTIL 08/2020

PART. % DOMESTIC MARKET

3%	5%	8%	8%	10%	12%
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R\$ MILLIONS

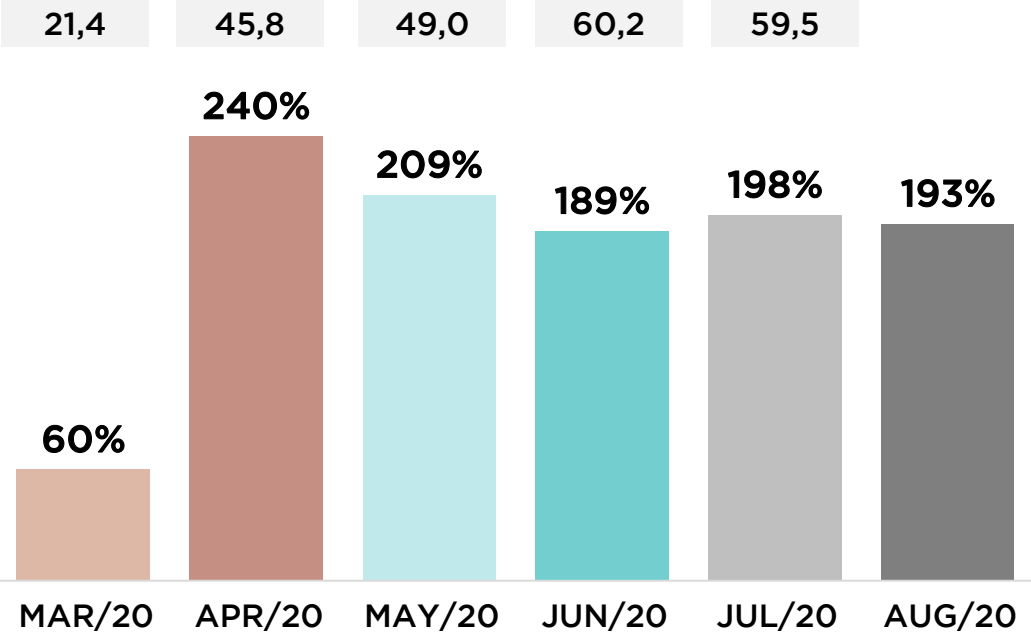


CHANNEL EVOLUTION IN 2020

REFERENCE DAY: 08/09/2020

*SSS OF THE WEB COMMERCE CHANNEL, INCLUDING THE VANS BRAND

R\$ MILLIONS



CHANNEL INTEGRATION INITIATIVES

STORE SHIPPING

INITIATIVE THAT INTEGRATES THE PHYSICAL STORES AND THE WEBCOMMERCE INVENTORIES. DURING THE ONLINE PURCHASE, THE CONSUMER CAN CHOOSE THE DELIVERY OPTION BY THE STORE - REDUCING THE DELIVERY TIME.



CLICK AND COLLECT

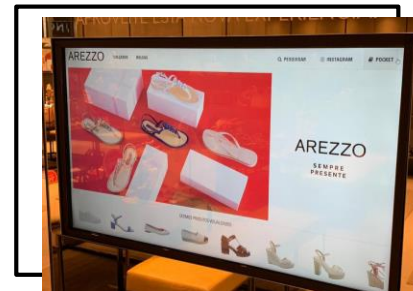
INITIATIVE THAT ALLOWS THE CONSUMER TO MAKE THE PURCHASE ONLINE AND PICK UP AT THE PHYSICAL STORE IN 1 BUSINESS DAY

REMOTE SELL / SALE BY LINK



INITIATIVE THAT ALLOWS THE CONSUMER TO MAKE THE PURCHASE DIRECTLY WITH THE SELLER BY WHATSAPP, THROUGH A 100% SAFE PAYMENT LINK

INFINITE SHELF



TOUCH SCREEN IN THE PHYSICAL STORE THAT ALLOWS THE CONSUMER, WITH THE HELP OF THE SALESPERSON, TO ACCESS THE WEBCOMMERCE INVENTORY, INCREASING THE AVAILABILITY OF PRODUCTS

DIGITAL SALESPERSON

JUNTOS1091 - Desconto - VICTORIA ×	
FRETE GRÁTIS	
Subtotal	R\$ 299,90
Desconto	R\$ 15,00
Total	R\$ 284,90

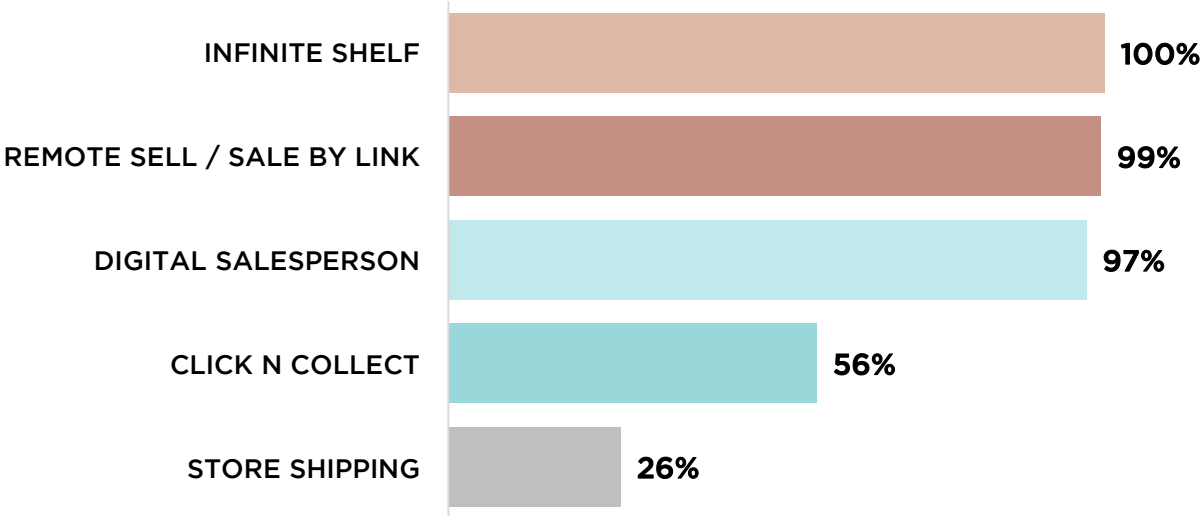
DURING THE COVID-19 PANDEMIC, THE INITIATIVE WAS IMPLEMENTED IN ORDER TO REPLACE THE COMMISSION IN STORE. THE CONSUMER HAD 5% EXTRA DISCOUNT ON THE WEBCOMMERCE BY APPLYING THE SELLER'S COUPON

ACCELERATION OF DIGITAL CHANNELS

STRONGER CHANNEL INTEGRATION

- ✓ ACCELERATION OF DIGITAL CHANNELS;
- ✓ LINK AND WHATSAPP SALE, SCHEDULED PICK-UP, STORE SHIPPING AND INFINITE SHELF;
- ✓ STRONG TRAINING OF FRANCHISEES AND SALESPEOPLE;
- ✓ MORETHANSALES – SALE BY EMPLOYEES WITH EXCELLENT ENGAGEMENT;
- ✓ LOGISTICS AND DC HAVE ADAPTED WELL TO SERVE END FINAL CUSTOMERS WITHIN THE PRE-ESTABLISHED DEADLINES;

STORES ENABLED WITH OMNI INITIATIVES (% STORES)



PRIORITIZED BATTLES

DIGITAL TRANSFORMATION FRONTS IN 5 MAIN BATTLES:

E-COMMERCE ACCELERATION



THE PANDEMIC HAS ACCELERATED THE DEMAND FOR THE DIGITAL PURCHASES AND REINFORCED THE CHANNEL'S RELEVANCE TO AREZZO&CO.

+ BUSINESS VISION

EARN EFFICIENCY AND BUILD IMPROVEMENTS NEEDED TO REACH A NEW LEVEL.

+ GOAL

CLIMBING BEYOND THE R\$500 MILLION MARK IN 2020.

DIGITAL RESELLER



THE POWER OF THE INFLUENCERS AND THE DIGITAL AS AN INCREASINGLY PRESENT WORK TOOL.

+ BUSINESS VISION

CREATE A NEW SALES CHANNEL WITH THE ABILITY TO QUICKLY SCALE, INCREASING BRAND VISIBILITY AND BOOSTING THE SELL OUT.

+ GOAL

PROVIDE PLATFORMS THAT ENABLE AUTONOMOUS PEOPLE TO SELL OUR BRANDS.

FASHION PLATFORM



MARKETPLACE AS THE MAIN LEVER FOR THE GROWTH OF E-COMMERCE IN THE COUNTRY AND GATEWAY TO NEW BRANDS.

+ BUSINESS VISION

CREATION OF A 1P + 3P PROPRIETARY PLATFORM OFFERING AN UNPRECEDENTED EXPERIENCE IN BRAZIL AND EXPANDING THE RANGE OF CATEGORIES.

+ GOAL

BE A REFERENCE PLATFORM IN FASHION, WITH STRONG PILLARS OF CONTENT, SERVICES AND OTHER DIGITAL DIFFERENTIALS.

CIRCULAR ECONOMY



THE SECONDHAND MARKET STAND ALONE SHOULD REACH A VALUE OF USD 51 BILLION BY 2023. RESALE OF USED PRODUCTS HAS GROWN 21X MORE THAN NEW CLOTHES IN THE LAST 3 YEARS.

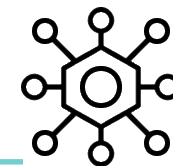
+ OBJECTIVE

USE SECOND HAND TO ENCOURAGE THE SALE OF NEW PRODUCTS, GENERATE POSITIVE IMPACT AND CAPTURE A NEW AVENUE OF SELL OUT.

+ GOAL

CREATE RECOMMERCE WEBSITES LINKED TO OUR BRANDS AND OUR PLATFORM. DOMINATE EXISTING TERRITORY.

OMNI AND FUTURE OF RETAIL



RETAIL HAS CHANGED. PHYSICAL AND DIGITAL ARE NO LONGER DISTINGUISHED. WE LIVE IN THE ERA OF EXPERIENCE WHERE THE FOCUS NEEDS TO BE ON THE RELATIONSHIP.

+ BUSINESS VISION

FAST CYCLES OF DEVELOPMENT OF NEW SOLUTIONS THAT SERVE OUR CLIENTS' JOURNEY FROM END TO END

+ GOAL

BUILDING AN INTEGRATED ECOSYSTEM OF CRM SOLUTIONS, DIGITAL RELATIONSHIP AND OMNICHANNEL TRANSACTIONS, STRENGTHENING THE UNIVERSE OF FRANCHISES AND EXPANDING OUR MARKET SHARE.

US OPERATION

SECTION 4

TIMELINE US OPERATIONS

**AREZZO
& CO**

SCHUTZ



- NY STORE LAUNCH
- ATTEMPTED TO WORK WITH DEPARTMENT STORES.

- E-COMMERCE LAUNCH

- OUT FROM DEPARTMENT STORES

- RETURN TO ONLINE DEPARTMENT STORES



- LAUNCH OF THE LOS ANGELES STORE

- NEW SHOWROOM
- RETURN DEPARTMENT STORES
- INTEGRATED E-COMMERCE



- AVENTURA MALL STORE OPENING
- HOME DROPSHIP WITH WHOLESALE

- NEW PRICING STRATEGY IN THE OPERATION

2012

2013

- WHOLESALE START WITHOUT A SHOWROOM

2014

- SHOWROOM NY



2015

- LINE OPENING FOCUSED ON OWN FACTORY

2016

- DELIVERY IMPROVEMENT
- CLARITA LAUNCH



2017

- GROWTH DEPARTMENT STORES
- CLARITA BECOMES A STAR PRODUCT

2018

- OPENINGS OF MADISON AVENUE & BAL HARBOR STORES
- HOME DROPSHIP WITH WHOLESALE

2020

- ACHIEVEMENT OF BREAKEVEN IN 3Q20

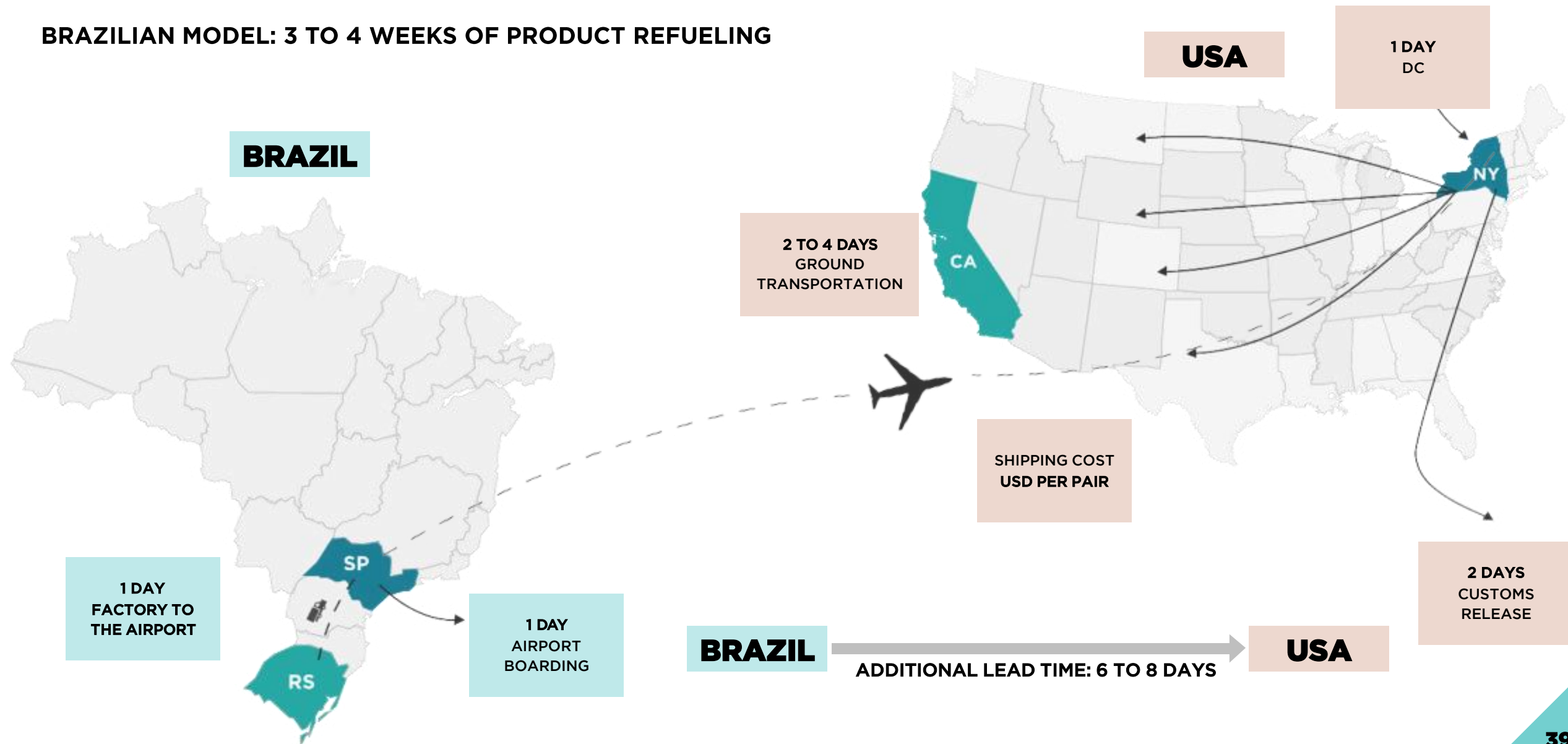


ALEXANDRE
BIRMAN

US OPERATIONS

LEADTIME AS OUR GREATEST COMPETITIVE ADVANTAGE

BRAZILIAN MODEL: 3 TO 4 WEEKS OF PRODUCT REFUELING

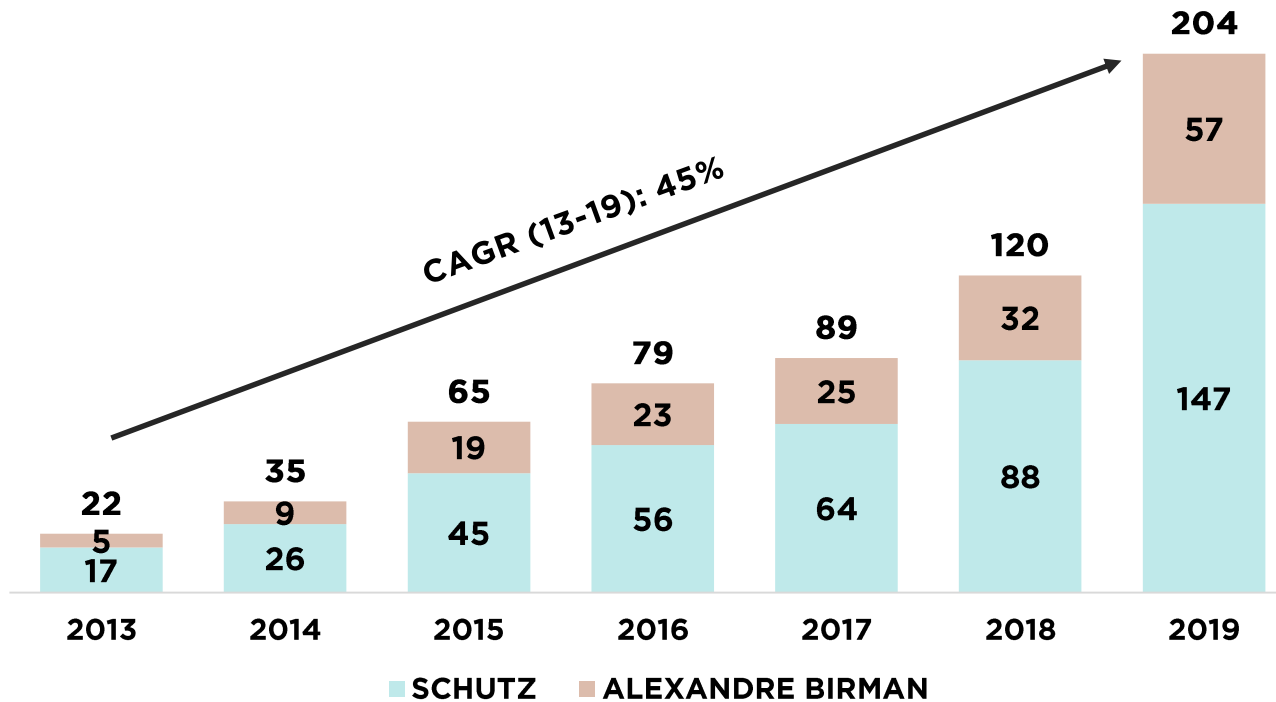


US OPERATIONS

GROSS REVENUE EVOLUTION

- CONSISTENCY IN REVENUE GROWTH: CAGR 13-19: 45%
- BRAND SCHUTZ REPRESENTS 72% AND ALEXANDRE BIRMAN 28%

GROSS REVENUE (R\$ MILLIONS)



**AREZZO
&CO**



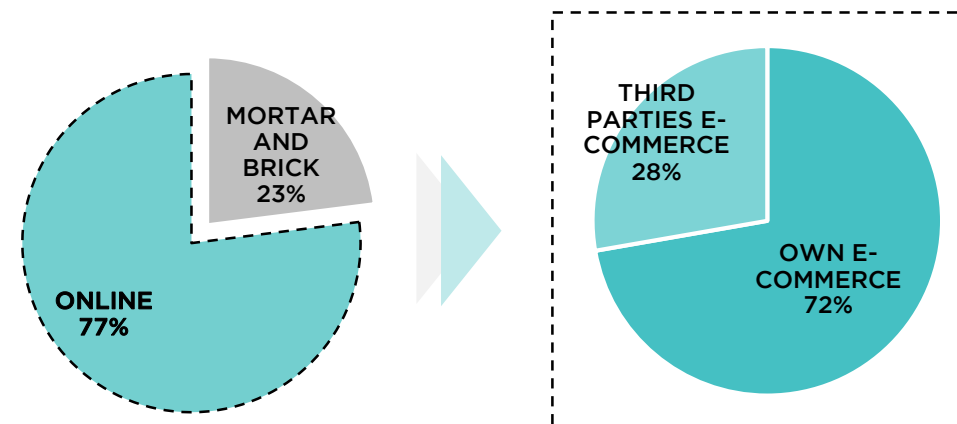
US OPERATIONS

STRUCTURAL CHANGES ENABLING BREAK-EVEN

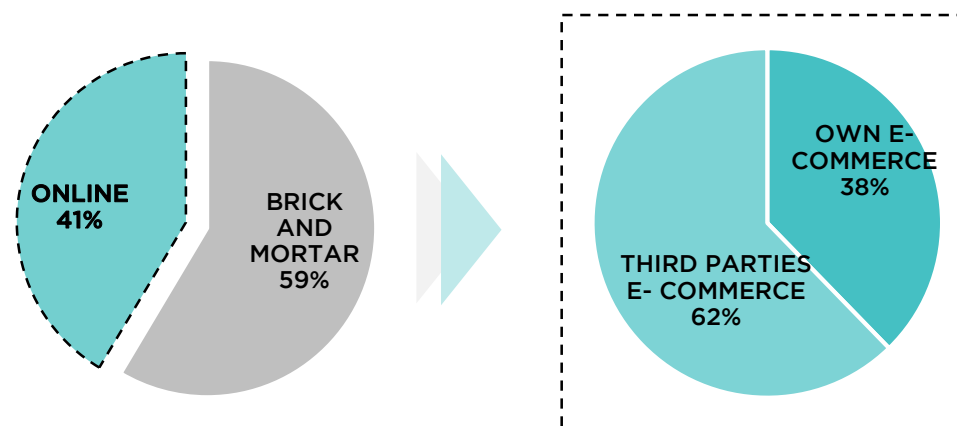
+41,3% BRL GROWTH IN JULY

- **GROWTH STRATEGY REVISITED** – INCREASINGLY FOCUSED ON THE DIGITAL CHANNEL (CLOSURE OF 5 STORES);
- **NEW POSITIONING FOR THE SCHUTZ BRAND** – ADDRESSABLE MARKET EXPANDED;
- **CORPORATE RESTRUCTURING** – LEADERSHIP UNIFICATION (BRAZIL/US), SIMPLIFICATION OF PROCESSES AND MIGRATION OF OPERATING POSITIONS TO BRAZIL;
- **SELL-IN CALENDAR REVISITED**, LEVERAGING THE BRAZILIAN STRUCTURE AND REDUCING LEAD TIME;
- **STRONG ADHERENCE OF DEPARTMENT STORES TO THE NEW PRICING PROPOSED**, WITH SIGNIFICANT INCREASE IN SELL-IN SALES WITH THE LARGEST CLIENTS IN THE WHOLESALE CHANNEL.

US OPERATIONS SHARE OF GROSS REVENUE 2Q20

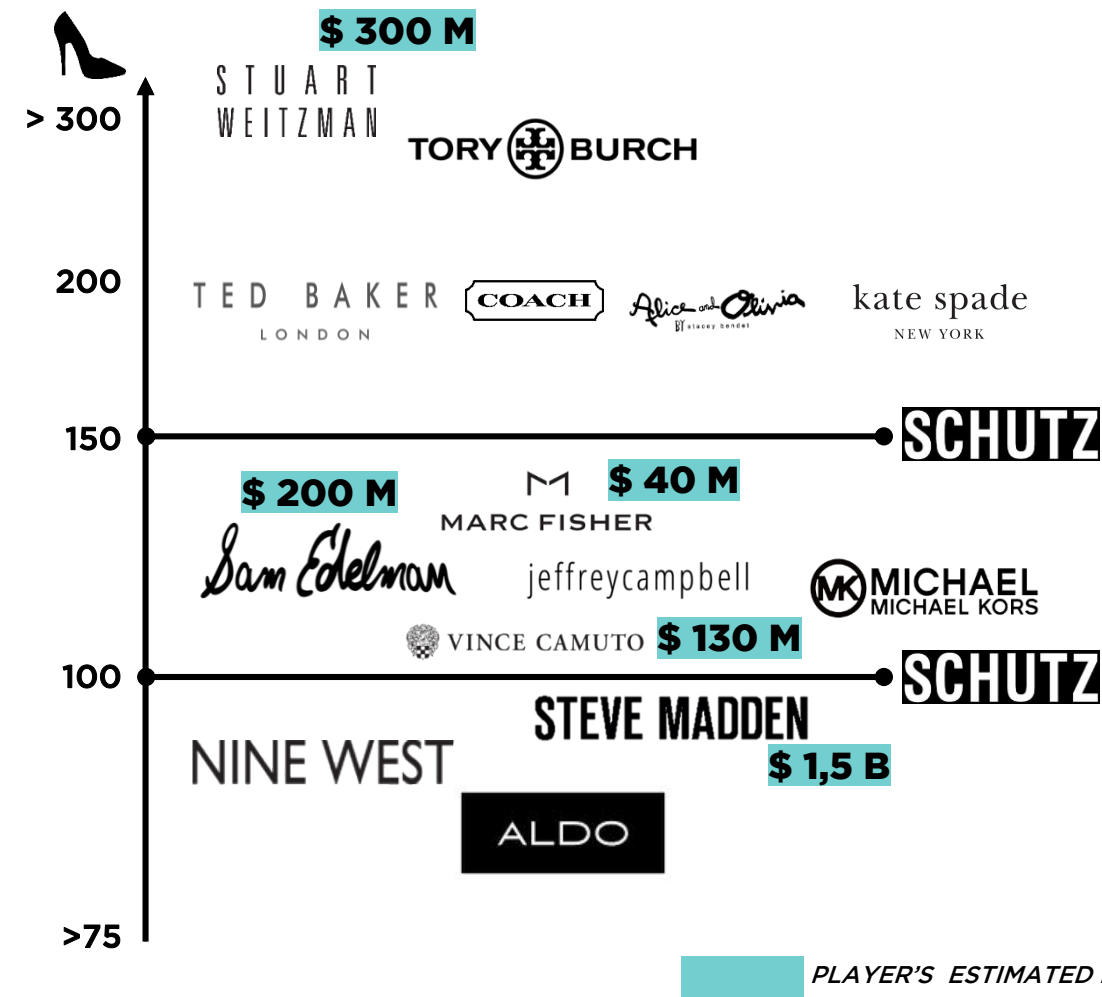


US OPERATIONS SHARE OF GROSS REVENUE 2019



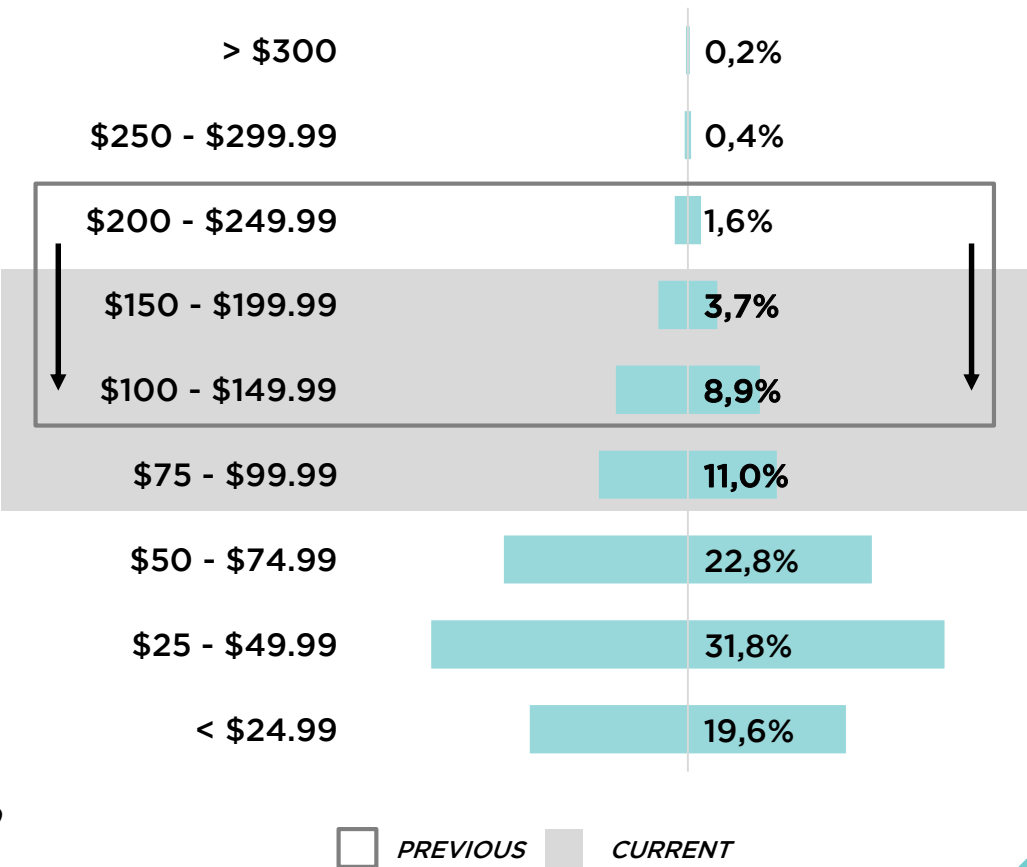
INCREASED EDGE AND EXPANSION OF ADDRESSABLE MARKET

AVERAGE PRICE



SALES VOLUME BY PRICE RANGE*

66.2% INCREASE IN ADDRESSABLE MARKET



*NPD GROUP RESEARCH

NEW PRICING STRATEGY

LINKED TO THE NEW SCHUTZ BRAND GLOBAL CAMPAIGN

SCHUTZ

NEW BOOTS SANDALS SNEAKERS PUMPS MULES FLATS FEATURED INSTAGRAM SALE

Q



SAME SCHUTZ, NEW PRICE

FROM DESIGNS TO PRICES, SCHUTZ FITS.

NEW PRICES STARTING AT:

SNEAKERS \$78

SANDALS \$98

BOOTS \$158

SHOP NOW

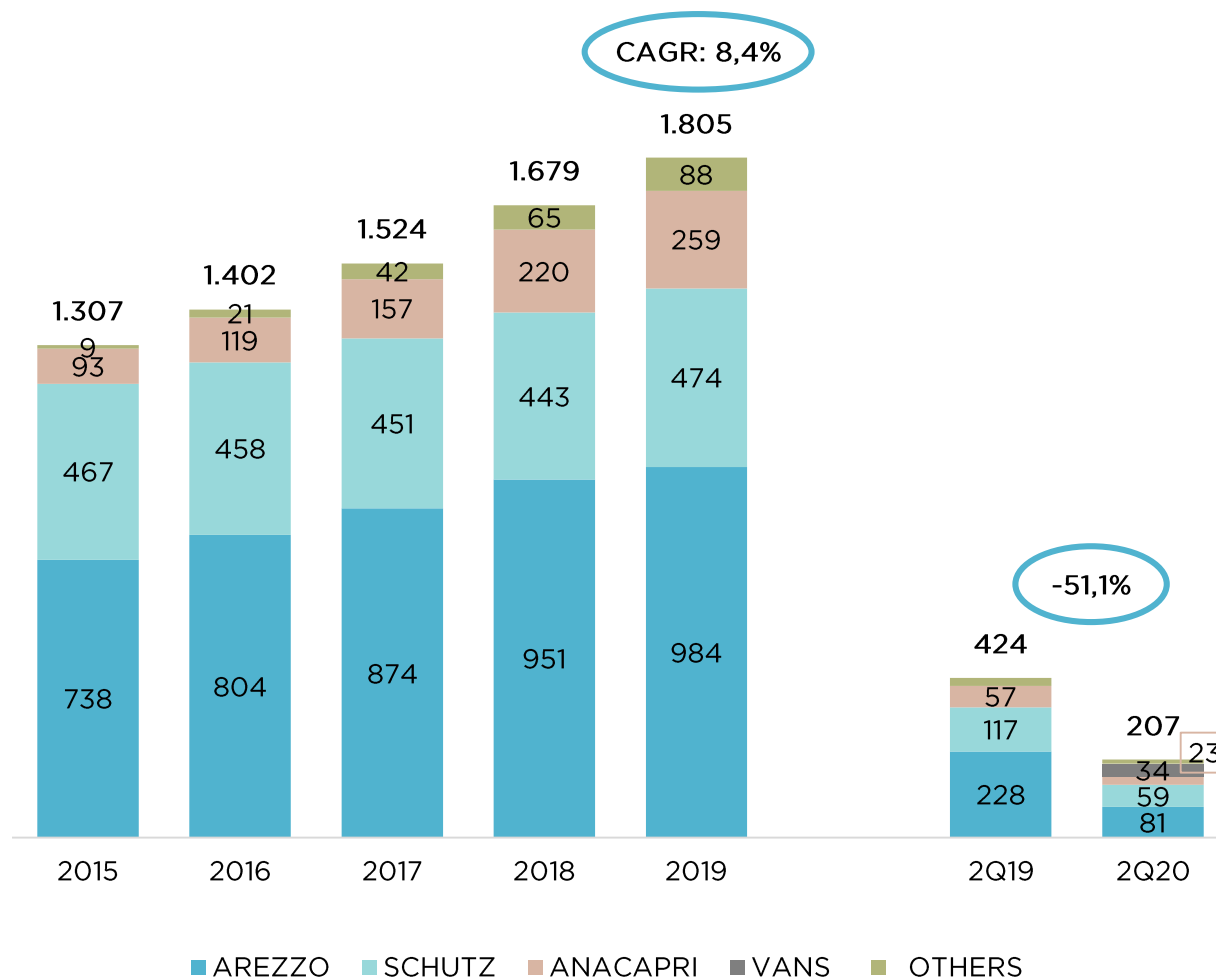


FINANCIAL HIGHLIGHTS

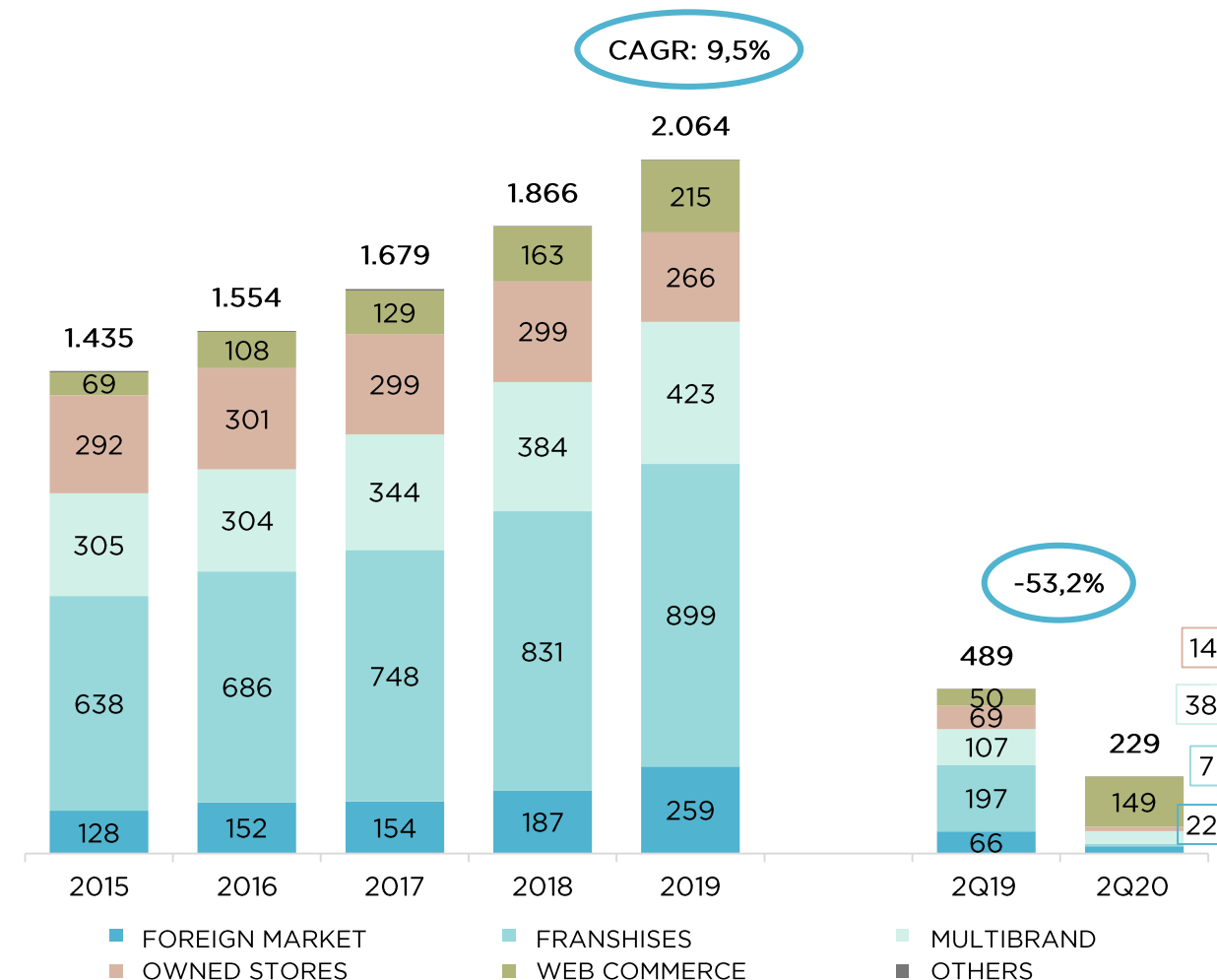
SECTION 5

FINANCIAL AND OPERATIONAL HIGHLIGHTS

GROSS REVENUE BREAKDOWN BY BRAND DOMESTIC MARKET (R\$ MILLION)



GROSS REVENUE BREAKDOWN BY CHANNEL DOMESTIC AND EXTERNAL MARKET (R\$ MILLION)

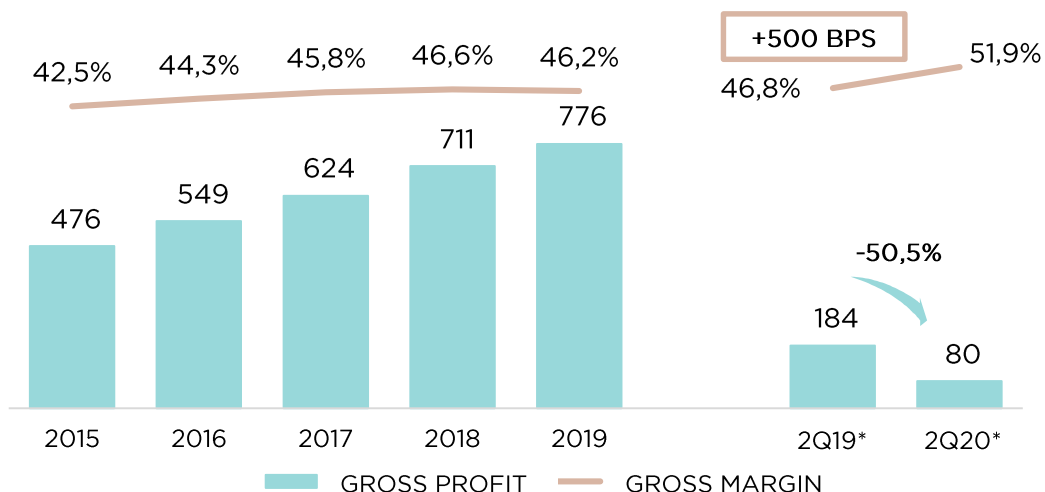


¹OTHER: INCLUDES A. BIRMAN, FIEVER AND ALME BRANDS ONLY IN THE INTERNAL MARKET AND OTHER NON-SPECIFIC BRAND REVENUE.

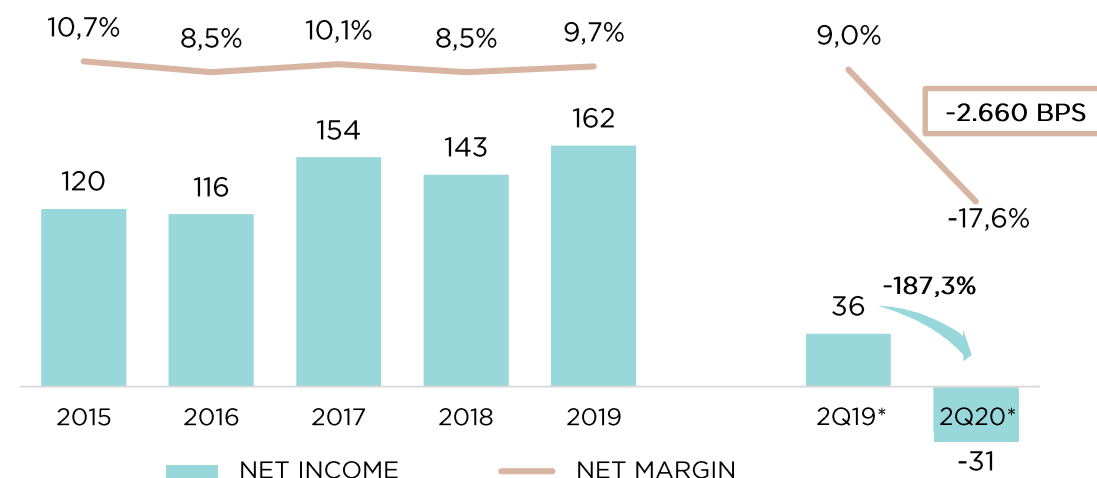
²OTHER: INCLUDES BRAND REVENUES THAT ARE NOT SPECIFIC TO DISTRIBUTION CHANNELS.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

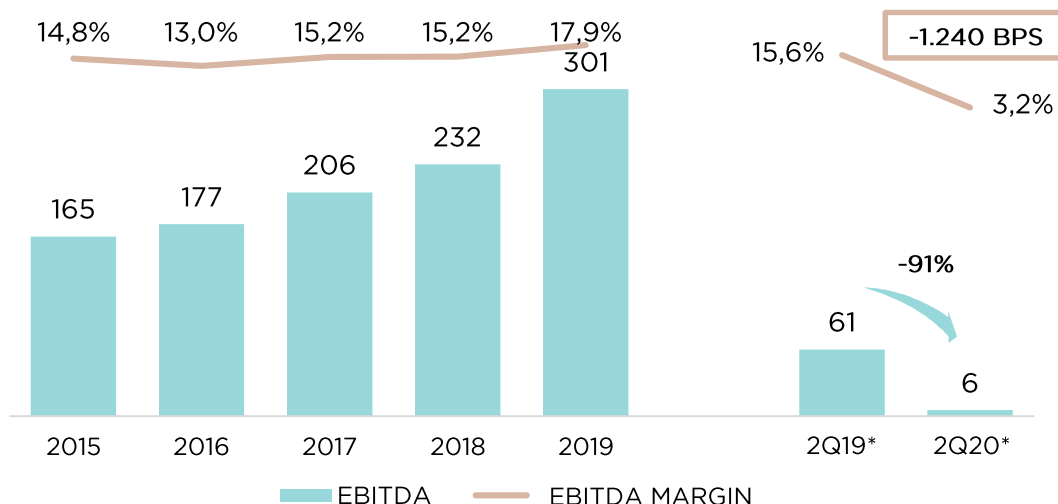
GROSS PROFIT EVOLUTION (R\$ MILLION) AND GROSS MARGIN (%)



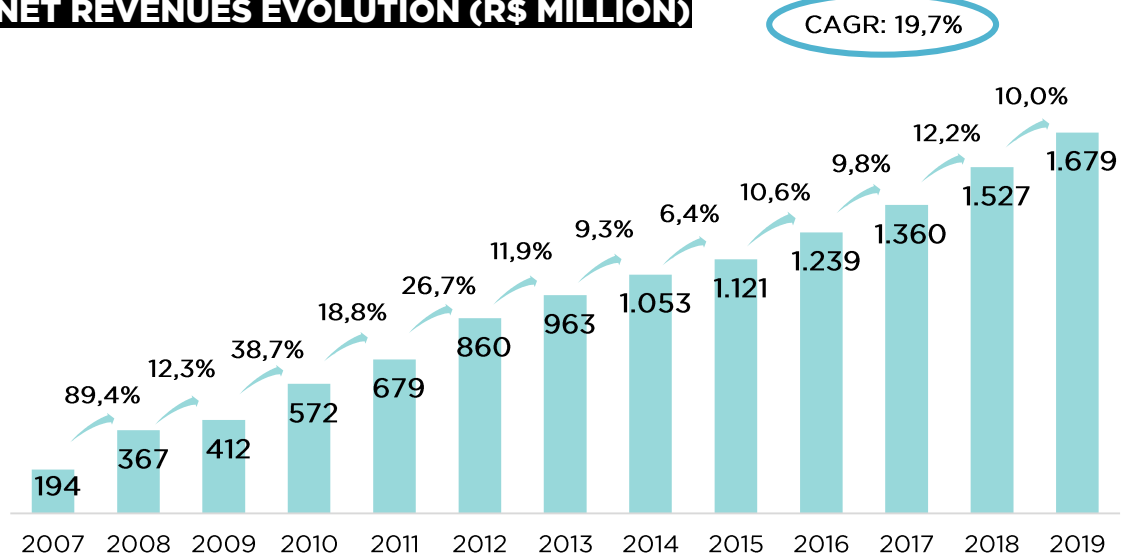
NET PROFIT EVOLUTION (R\$ MILLION) AND NET MARGIN (%)



EBITDA EVOLUTION (R\$ MILLION) AND EBITDA MARGIN (%)

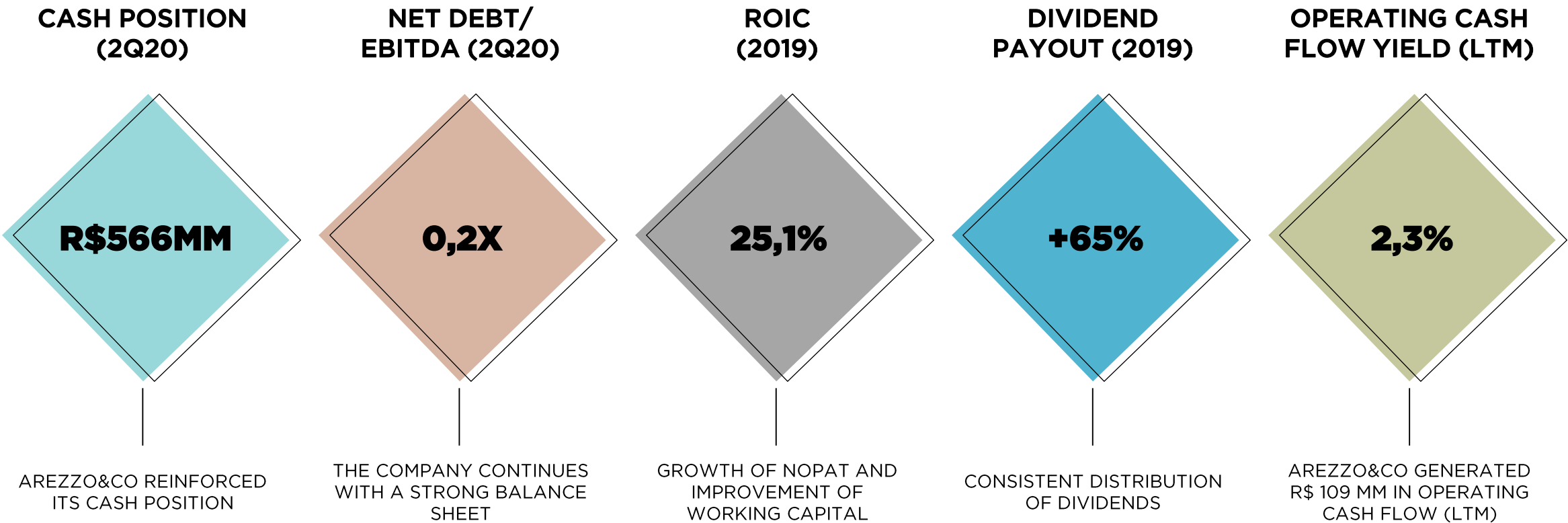


NET REVENUES EVOLUTION (R\$ MILLION)



FINANCIAL AND OPERATIONAL HIGHLIGHTS

AREZZO&CO HAS A SOLID BALANCE SHEET WITH A HEALTHY NET CASH POSITION, COUPLED WITH A STRONG ABILITY TO GENERATE OPERATING CASH FLOW AND DIVIDEND PAYMENTS



OPERATING CASH FLOW YIELD = LTM OPERATING CASH FLOW / FIRM VALUE. CONSIDERED FIRM VALUE OF R\$ 4,788 MM (AS THE AVERAGE FROM 07/01/2019 TO 06/30/2020).

FINANCIAL AND OPERATIONAL HIGHLIGHTS

INDEBTEDNESS

CASH POSITION AND INDEBTEDNESS	2Q20	1Q20	2Q19
CASH	565.619	619.181	257.135
TOTAL DEBT	601.347	615.959	175.957
SHORT-TERM	292.424	307.081	153.533
% TOTAL DEBT	48,6%	49,9%	87,3%
LONG-TERM	308.923	308.878	22.424
% TOTAL DEBT	51,4%	50,1%	12,7%
NET DEBT	35.728	(3.222)	(81.178)
NET DEBT/EBITDA	0,2X	0,0X	-0,3X

- TOTAL INDEBTEDNESS OF R\$ 601.3 MILLION IN 2Q20 VS R\$ 176 MILLION IN 2Q19;
- 0.2X NET DEBT/EBITDA IN 2Q20 VS -0.3X IN 2Q19.

OPERATIONAL INDICATORS

OPERATING INDICATORS	2Q20	2Q19	Δ (%) 20 X 19
# OF PAIRS SOLD ('000)	1.079	3.185	-66,1%
# OF HANDBAGS SOLD ('000)	185	436	-57,5%
# OF EMPLOYEES	2.029	2.515	-19,3%
# OF STORES*	741	696	45
OWNED STORES	53	54	-1
FRANCHISES	688	642	46
OUTSOURCING (AS % OF TOTAL PRODUCTION)	90,9%	90,3%	0,6 P.P
SSS ² SELL IN (FRANCHISES)	-90,7%	1,3%	-92,0 P.P
SSS ² SELL OUT (OWNED STORES + FRANCHISES + WEB)	-50,5%	4,1%	-54,6 P.P

* INCLUDING STORES ABROAD

CAPEX

SUMMARY OF INVESTMENTS	2Q20	2Q19	Δ 20 X 19 (%)
TOTAL CAPEX	7.361	17.486	(57,9%)
STORES - EXPANSION AND REFURBISHING	955	2.209	(56,8%)
CORPORATE	5.831	4.280	36,2%
OTHER	575	10.997	(94,8%)

APPENDIX

SECTION 6

KEY FINANCIAL INDICATORS

KEY FINANCIAL INDICATORS	2Q20	NONRECURRENT ADJUSTMENT	2Q20 (ADJUSTED)	2Q19 (ADJUSTED)	Δ (%) 20 X 19 ADJ.
GROSS REVENUES	228.849	4.671	233.520	489.482	(52,3%)
NET REVENUES	154.443	21.547	175.990	393.546	(55,3%)
COGS	(74.283)	(10.396)	(84.679)	(209.215)	(59,5%)
DEPRECIATION AND AMORTIZATION (COST)	(817)		(817)	(743)	10,0%
GROSS PROFIT	80.160		91.311	184.331	(50,5%)
GROSS MARGIN	51,9%		51,9%	46,8%	5,1 P.P
SG&A	(171.328)	66.502	(104.826)	(142.801)	(26,6%)
% OF NET REVENUES	(110,9%)		(59,6%)	(36,3%)	(23,3 P.P)
SELLING EXPENSES	(118.765)	56.797	(61.968)	(84.011)	(26,2%)
OWNED STORES AND WEB COMMERCE	(31.401)	4.879	(26.522)	(29.009)	(8,6%)
SELLING, LOGISTICS AND SUPPLY	(87.364)	51.917	(35.447)	(55.002)	(35,6%)
GENERAL AND ADMINISTRATIVE EXPENSES	(33.793)	9.011	(24.782)	(37.842)	(34,5%)
OTHER OPERATING REVENUES (EXPENSES)	(514)	694	180	(1.822)	(109,9%)
DEPRECIATION AND AMORTIZATION (EXPENSES)	(18.256)		(18.256)	(19.125)	(4,5%)
EBITDA	(72.095)		5.558	61.398	(90,9%)
EBITDA MARGIN	-46,7%		3,2%	15,6%	(12,4 P.P)
NET INCOME	(82.299)		(31.048)	35.558	(187,3%)
NET MARGIN	(53,3%)		(17,6%)	9,0%	(26,6 P.P)

ADJUSTED RESULTS: EXCLUDE R\$77.7 MILLION IN 2Q20 RELATED TO ONE-OFFS (NON-RECURRING ELEMENTS), TO BE EXPLAINED AHEAD. ALSO EXCLUDE ONE-OFF EVENTS AND EFFECTS FROM EXTEMPORANEOUS CREDITS IN 1Q20 (R\$28.3 MILLION), 2Q19 (R\$7.6 MILLION) AND 1Q19 (R\$0.1 MILLION).

STORES HISTORY

STORE INFORMATION	2Q19	3Q19	4Q19	1Q20	2Q20
SALES AREA^{1,3} - TOTAL (M²)	44.322	44.835	45.925	46.265	45.544
SALES AREA - FRANCHISES (M ²)	37.768	38.739	39.752	39.794	39.302
SALES AREA - OWNED STORES ² (M ²)	6.553	6.096	6.173	6.472	6.242
TOTAL NUMBER OF DOMESTIC STORES	681	700	737	739	730
# OF FRANCHISES	636	658	693	693	682
AREZZO	406	419	432	432	428
SCHUTZ	73	73	72	70	68
ANACAPRI	157	165	185	184	179
FIEVER	-	-	1	1	1
ALME	-	1	3	3	3
VANS	-	-	-	3	3
# OF OWNED STORES	45	42	44	46	48
AREZZO	14	10	10	9	9
SCHUTZ	17	17	17	16	16
ALEXANDRE BIRMAN	4	4	6	6	6
ANACAPRI	3	3	3	3	3
FIEVER	5	5	5	5	5
ALME	2	3	3	3	3
VANS	-	-	-	4	6
TOTAL NUMBER OF INTERNATIONAL STORES	15	15	15	15	11
# OF FRANCHISES	6	6	6	6	6
# OF OWNED STORES⁴	9	9	9	9	5

(1) INCLUDES STORE AREA ABROAD

(2) INCLUDES ELEVEN OUTLET STORES WITH TOTAL AREA OF 2,450 SQUARE METERS

(3) INCLUDES EXPANDED STORE AREA

(4) INCLUDES 3 SCHUTZ STORES IN (I) NEW YORK AT MADISON AVENUE, (II) MIAMI AT SHOPPING AVENTURA, AND (III) LOS ANGELES AT BEVERLY DRIVE.
ALSO INCLUDES 2 ALEXANDRE BIRMAN STORES IN (I) NEW YORK AT MADISON AVENUE, AND (II) MIAMI AT SHOPPING BAL HARBOUR.

BALANCE SHEET - IFRS

ASSETS	2Q20	1Q20	2Q19
CURRENT ASSETS	1.276.801	1.416.747	877.448
CASH AND BANKS	12.965	7.597	7.842
FINANCIAL INVESTMENTS	552.654	611.584	249.293
TRADE ACCOUNTS RECEIVABLES	283.071	400.136	370.837
INVENTORY	271.321	253.412	163.368
TAXES RECOVERABLE	124.430	121.500	57.554
OTHER CREDITS	32.360	22.518	28.554
NON-CURRENT ASSETS	453.891	488.433	426.667
LONG-TERM RECEIVABLES	79.656	55.003	60.003
TRADE ACCOUNTS RECEIVABLES	8.416	9.377	10.948
DEFERRED INCOME AND SOCIAL CONTRIBUTION	42.011	16.356	20.811
OTHER CREDITS	29.229	29.270	28.244
INVESTMENTS PROPERTY	3.484	3.074	3.314
PROPERTY, PLANT AND EQUIPMENT	293.326	354.778	299.640
INTANGIBLE ASSETS	77.425	75.578	63.710
TOTAL ASSETS	1.730.692	1.905.180	1.304.115

LIABILITIES	2Q20	1Q20	2Q19
CURRENT LIABILITIES	576.827	628.035	420.301
LOANS AND FINANCING	292.424	307.081	153.533
LEASE	44.836	47.995	36.390
SUPPLIERS	128.762	178.376	111.810
OTHER LIABILITIES	110.805	94.583	118.568
NON-CURRENT LIABILITIES	484.398	521.650	204.966
LOANS AND FINANCING	308.923	308.878	22.424
RELATED PARTIES	2.040	1.937	1.428
OTHER LIABILITIES	10.000	9.607	9.715
LEASE	163.435	201.228	171.399
SHAREHOLDER'S EQUITY	669.467	755.495	678.848
CAPITAL	352.715	352.715	352.715
CAPITAL RESERVE	49.330	48.634	49.035
PROFIT RESERVES	122.118	122.118	90.033
TAX INCENTIVE RESERVE	213.880	213.880	136.443
OTHER COMPREHENSIVE INCOME	-12.165	-7.740	7.257
ACCUMULATED PROFIT	-56.411	25.888	43.365
TOTAL LIABILITIES AND EQUITY	1.730.692	1.905.180	1.304.115

INCOME STATEMENT - IFRS

INCOME STATEMENT - IFRS	2Q20	2Q19	VAR. %	1S20	1S19	VAR. %
NET OPERATING REVENUE	154.443	393.546	-60,8%	529.914	770.709	-31,2%
COST OF GOODS SOLD	(74.283)	(209.215)	-64,5%	(277.382)	(413.902)	-33,0%
GROSS PROFIT	80.160	184.331	-56,5%	252.532	356.807	-29,2%
OPERATING INCOME (EXPENSES):	(171.328)	(135.210)	26,7%	(299.682)	(270.999)	10,6%
SELLING	(132.379)	(97.908)	35,2%	(249.502)	(194.008)	28,6%
ADMINISTRATIVE AND GENERAL EXPENSES	(38.435)	(48.717)	-21,1%	(77.793)	(89.833)	-13,4%
OTHER OPERATING INCOME, NET	(514)	11.415	-104,5%	27.613	12.842	115,0%
INCOME BEFORE FINANCIAL RESULT	(91.168)	49.121	-285,6%	(47.150)	85.808	-154,9%
FINANCIAL INCOME	(9.075)	(4.403)	106,1%	(9.847)	(9.650)	2,0%
INCOME BEFORE INCOME TAXES	(100.243)	44.718	-324,2%	(56.997)	76.158	-174,8%
INCOME TAX AND SOCIAL CONTRIBUTION	17.944	(4.150)	-532,4%	586	(12.449)	-104,7%
CURRENT	(7.711)	(5.381)	43,3%	(25.743)	(17.450)	47,5%
DEFERRED	25.655	1.231	1984,1%	26.329	5.001	426,5%
NET INCOME FOR PERIOD	(82.299)	40.568	-302,9%	(56.411)	63.709	-188,5%

CASH FLOW STATEMENT - IFRS

CASH FLOW	2Q20	2Q19	1S20	1S19
OPERATING ACTIVITIES				
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(82.299)	40.568	(56.411)	63.709
ADJUSTMENTS TO RECONCILE NET INCOME WITH CASH FROM OPERATIONAL ACTIVITIES	37.764	24.683	128.054	56.463
DEPRECIATION AND AMORTIZATION	20.316	19.868	40.595	37.763
INCOME FROM FINANCIAL INVESTMENTS	(4.021)	(3.478)	(6.582)	(7.193)
PAYMENTS OF INTEREST ON LOANS	(3.949)	(190)	(5.367)	(1.007)
INTEREST AND EXCHANGE RATE	8.852	207	57.233	6.208
INCOME TAX AND SOCIAL CONTRIBUTION	(17.943)	4.150	(585)	12.449
OTHER	34.509	4.126	42.760	8.243
DECREASE (INCREASE) IN ASSETS				
TRADE ACCOUNTS RECEIVABLES	106.749	23.388	119.551	10.742
INVENTORY	(19.578)	(1.064)	(96.873)	(13.930)
RECOVERABLE TAXES	(16.306)	(14.305)	(47.117)	(7.579)
CHANGE IN OTHER CURRENT ASSETS	(15.566)	1.689	(41.510)	(6.561)
JUDICIAL DEPOSITS	(129)	466	(4.364)	(4.302)
(DECREASE) INCREASE IN LIABILITIES				
SUPPLIERS	(49.496)	(36.638)	(2.905)	5.308
LABOR LIABILITIES	(3.061)	6.528	(25.134)	(4.189)
FISCAL AND SOCIAL LIABILITIES	2.753	3.396	1.454	(1.067)
VARIATION IN OTHER LIABILITIES	23.185	6.782	27.969	6.923
PAYMENT OF INCOME TAX AND SOCIAL CONTRIBUTION	(1.118)	(14.309)	(14.000)	(21.414)
LEASE	-	-	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(17.102)	41.184	(11.286)	84.103

CASH FLOW STATEMENT - IFRS

CASH FLOW	2Q20	2Q19	1S20	1S19
INVESTING ACTIVITIES				
SALE OF FIXED AND INTANGIBLE ASSETS	656	987	338	987
ACQUISITION OF FIXED AND INTANGIBLE ASSETS	(7.361)	(17.486)	(21.436)	(26.120)
FINANCIAL INVESTMENTS	(250.324)	(243.012)	(1.029.143)	(530.109)
REDEMPTION OF FINANCIAL INVESTMENTS	312.690	290.187	746.004	513.814
NET CASH USED IN INVESTING ACTIVITIES	55.661	30.676	(304.237)	(41.428)
FINANCING ACTIVITIES WITH THIRD PARTIES				
INCREASE IN LOANS	50.000	6.358	455.241	79.965
PAYMENTS OF LOANS	(69.951)	(2.227)	(86.979)	(15.677)
INSTALMENT LEASE	(13.343)	(10.410)	(28.813)	(23.369)
NET CASH USED IN FINANCING ACTIVITIES WITH THIRD PARTIES	(33.294)	(6.279)	339.449	40.919
FINANCING ACTIVITIES WITH SHAREHOLDERS				
INTEREST ON EQUITY	-	(75.000)	(22.675)	(95.847)
RECEIVABLES (PAYABLES) WITH SHAREHOLDERS	103	(24)	538	(16)
REPURCHASE OF SHARES	-	-	(2.632)	-
NET CASH USED IN FINANCING ACTIVITIES	103	(63.382)	(24.769)	(84.221)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5.368	2.199	(843)	(627)
CASH AND CASH EQUIVALENTS				
FOREIGN EXCHANGE EFFECT ON CASH AND CASH EQUIVALENTS	-	(48)	-	(32)
CASH AND CASH EQUIVALENTS - INITIAL BALANCE	7.597	5.691	13.808	8.501
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	12.965	7.842	12.965	7.842
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5.368	2.199	(843)	(627)

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