

**AREZZO  
&CO**

**1Q22  
EARNINGS  
VIDEO  
CONFERENCE**

AREZZO SCHUTZ ANACAPRI ALEXANDRE BIRMAN FIEVER ALME VANS "OFF THE WALL" ZZ'MALL Reserva! myshoes Baw® TROC CAROL BASSI

# CALL AGENDA

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

# OPENING REMARKS



# OPENING REMARKS

- TRANSFORMATION'S CONSOLIDATION - WE ARE AT A NEW ERA;
- RECORD-SETTING NUMBERS IN 2021 - START OF 2022 FOLLOWING THE SAME TREND;
- EXTREMELY ASSERTIVE WINTER COLLECTIONS FOCUSED ON PRODUCTS AND ENGAGING CAMPAIGNS;
- SOLID STRATEGY COVERING EVERY BUSINESS AREA, SHOWING HIGH EXPERTISE FROM R&D TO PHYSICAL, ONLINE AND CONSUMER RELATION OPERATIONS;
- HISTORIC MILESTONE IN 1Q22 - LAUNCH OF SCHUTZ FULL LOOK, WITH STRONG RESULTS, ABOVE AREZZO&CO'S EXPECTATIONS;
- CONSISTENT GROWTH ON EVERY CHANNEL - PHYSICAL AND ONLINE - DEMONSTRATING THE SUSTENTABILITY OF THE BUSINESS;
- MILESTONE OF OVER R\$ 1 BILLION IN REVENUES RECORDED IN FIRST QUARTER -LEVEL ACHIEVED IN THE FOURTH QUARTER OF 2021 AND 2020;
- +7MM PRODUCTS SOLD IN 1Q22: 4.7MM PAIRS OF SHOES, 1.5MM PIECES OF CLOTHES AND 730K HANDBAGS;
- THE US OPERATION MAINTAINED ITS STRONG SALES EXPANSION TREND, REACHING R\$ 110 MILLION IN REVENUES, UP 104% VS 2021;
- THE BEGINNING OF THE SECOND QUARTER WITH VERY POSITIVE PERSPECTIVE - EXCELLENT NUMBERS POSTED IN APRIL.

# STRONG PERFORMANCE IN 1Q22

**R\$1.042BI**

CONSOLIDATED  
GROSS REVENUE

+64% vs 2021  
+125% vs 2019

**53.4%**

GROSS MARGIN

+340bps vs 2021  
+770bps vs 2019

**R\$134MM**

ADJUSTED EBITDA

+107% vs 2021  
+145% vs 2019

**16.0%**

ADJUSTED  
EBITDA MARGIN

+290bps vs 2021  
+140bps vs 2019

**R\$194MM**

EBITDA

+200% vs 2021  
+255% vs 2019

**R\$57.5MM**

ADJUSTED  
NET INCOME

+94% vs 2021  
+149% vs 2019

# STRONG PERFORMANCE IN 1Q22

MORE THAN **7MM** ITEMS SOLD IN 1Q22

**+4.7M**

PAIRS OF SHOES  
SOLD

**68%**

SHARE OF SHOES  
IN THE MIX

**+40%**

GROWTH  
VS 1Q21

**+1.5M**

PIECES OF CLOTHES  
SOLD

**10%**

SHARE OF  
APPAREL IN THE MIX

**+116%**

GROWTH  
VS 1Q21

**+730K**

HANDBAGS SOLD

**22%**

SHARE OF HANDBAGS  
IN THE MIX

**+83%**

GROWTH  
VS 1Q21

# OMNI CHANNEL

# OMNICHANNEL HIGHLIGHTS IN 1Q22

## WEB COMMERCE SALES

- REVENUES: **R\$223M** (+**41%** VS 1Q21 +439% VS 1Q19)
- TOTAL TRAFFIC: **70M** (+**42%** VS 1Q21)
- TOTAL APP DOWNLOADS: **2.1 M** (+**238%** VS 1Q21)
- % APP SHARE OF REVENUES: **28%**
- WEB COMMERCE TICKETS: +**11.5%** VS 1Q21

**THE WEB COMMERCE  
CHANNEL GREW 41% VS  
1Q21, EVEN ON STRONG  
COMPARISON BASES**

**HAD A 24% SHARE OF TOTAL  
SALES FROM 10% IN 2019**



# OMNICHANNEL HIGHLIGHTS IN 1Q22

## OMNICHANNEL SALES

- % DIGITAL-TO-PHYSICAL STORES SELL OUT: **42%**

- STORE PICKUP AND DELIVERY: **+91%** VS 1Q21

- **6.0 MILLION** CONTACTS MADE IN 1Q21  
(INFLUENCED REVENUES)

**R\$810M**

WEB SELL OUT (LTM)

**R\$957M**

IN DIGITAL REVENUES (LTM)

**R\$1.8B**

WEB SELL OUT + DIGITAL  
REVENUES (LTM)

# BRANDS AND CHANNELS

# BRANDS AND CHANNELS HIGHLIGHTS

## AREZZO

- BRAZIL REVENUES: **R\$ 306.7M**
- GROWTH: **+37.4%** FROM 1Q21
- % WEB-TO-SELL OUT (DTC): **19.7%**
- % OMNI-TO-WEB: **20.5%**

## AR&CO

- BRAZIL REVENUES: **R\$ 197.1M**
- GROWTH: **+118.3%** FROM 1Q21
- % WEB-TO-SELL OUT (DTC): **28.7%**
- % OMNI-TO-WEB: **50.8%**

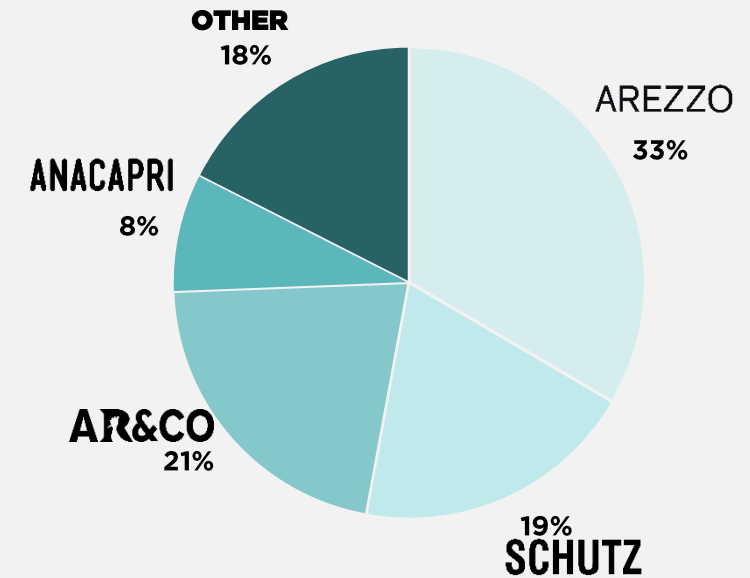
## SCHUTZ

- GLOBAL REVENUES: **R\$ 264.9M**
- GROWTH: **+55.2%** FROM 1Q21
- BRAZIL REVENUES: **R\$ 178.4M**
- % WEB-TO-SELL OUT (DTC): **43.0%**
- % OMNI-TO-WEB: **13.2%**

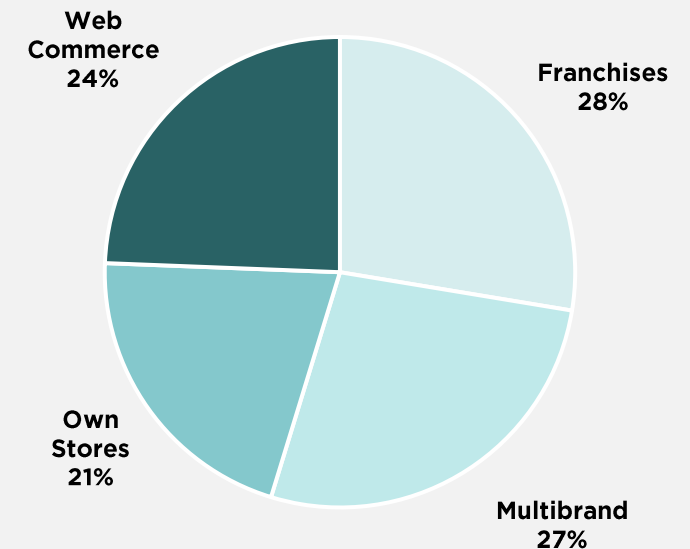
## ANACAPRI

- BRAZIL REVENUES: **R\$ 74.3M**
- GROWTH: **+26.3%** FROM 1Q21
- % WEB-TO-SELL OUT (DTC): **20.0%**
- % OMNI-TO-WEB: **15.7%**

### GROSS REVENUE BY BRAND



### GROSS REVENUE BY CHANNEL



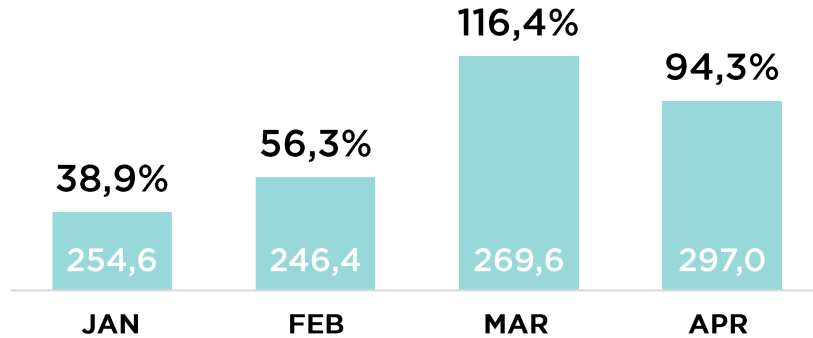
# EXPRESSIVE SELL OUT GROWTH

AREZZO  
& CO

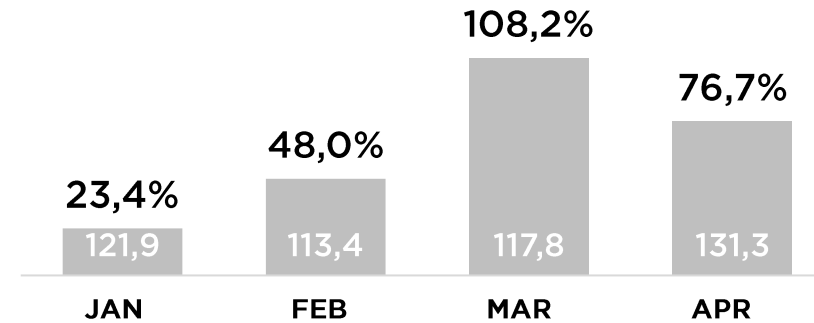
PHYSICAL STORES + WEB COMMERCE

VS 2021

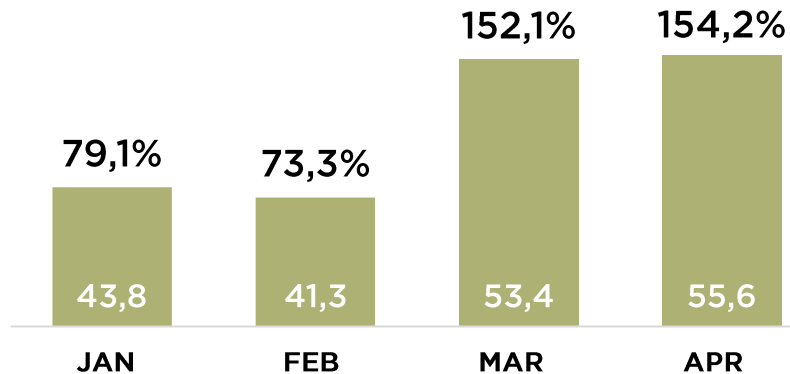
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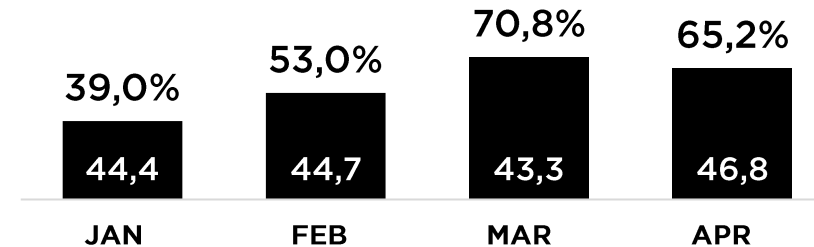
AREZZO



Reserva



SCHUTZ



**+66%**

GROWTH IN  
1Q22 VS 1Q21

**R\$771M**

DTC SELL OUT  
IN 1Q22

**+51%**

GROWTH IN  
1Q22 VS 1Q19

**+94%**

GROWTH IN  
APRIL/22 VS  
APRIL/21

# INTERNATIONAL BUSINESS

# INTERNATIONAL BUSINESS

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

EXPRESSIVE GROWTH IN GROSS  
REVENUE AND MAINTENANCE OF  
EBITDA BREAK-EVEN

1Q22 GROSS REVENUES OF **R\$ 110M**, **+104%** VS  
1Q21;

GROSS REVENUES GROWTH IN USD OF  
**117%** VS 1Q21

POSITIVE **R\$ 4.2M** EBITDA IN 1Q22

**83%** GROWTH OF THE WHOLESALE CHANNEL  
WITH SIGNIFICANT INCREASE IN SELL-IN OF THE  
SPRING AND SUMMER COLLECTIONS

## WEB COMMERCE

**+141%**

BRAZILIAN REAIS vs  
1Q21

**+153%**

USD vs 1Q21

**+85%**

WEBSITE TRAFFIC

**1.6%**

CONVERSION RATE

**+122%**

NUMBER OF  
ORDERS FROM  
1Q21

**+115%**

NUMBER OF PAIRS  
SOLD FROM 1Q21

**41.4 THOUSAND**

BUYING CUSTOMERS IN THE QUARTER,

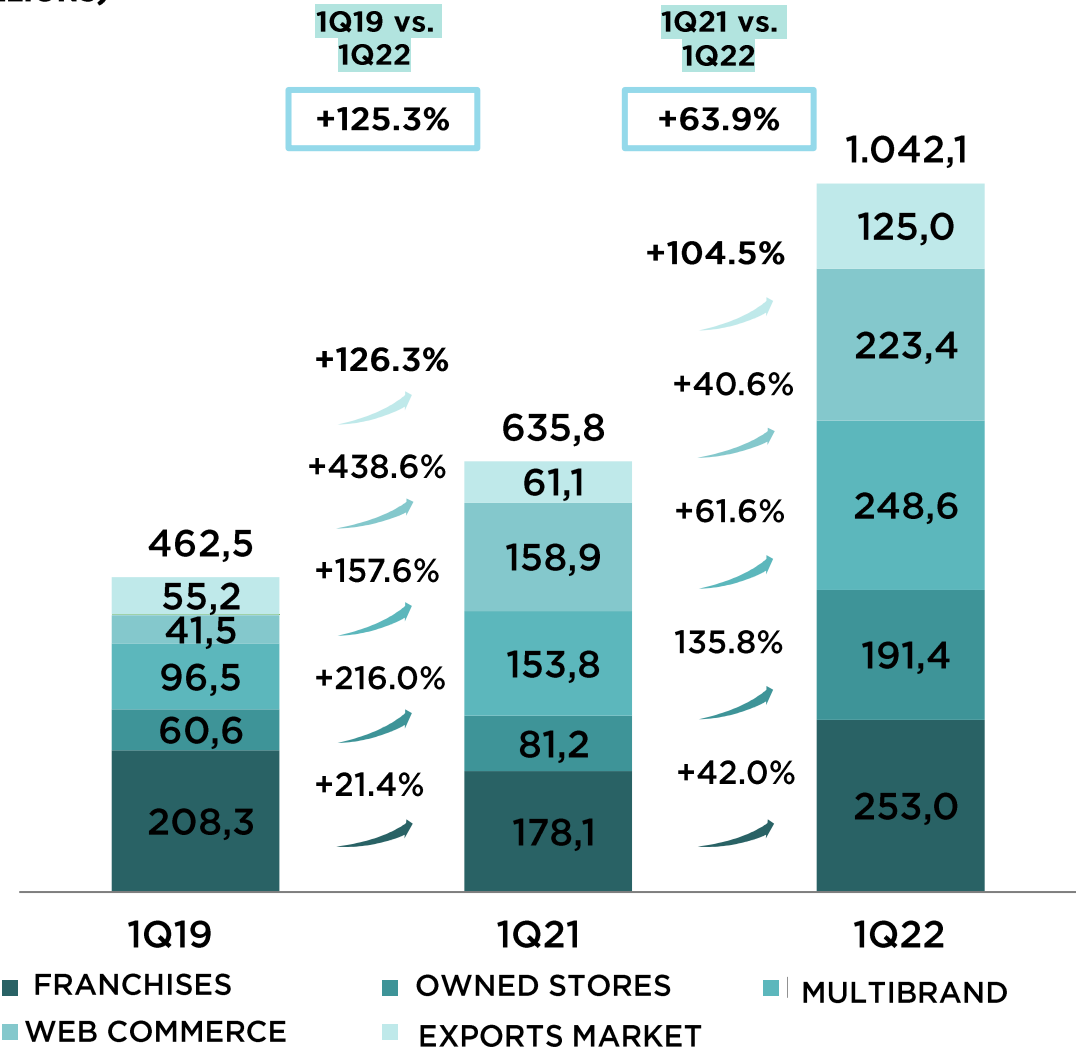
**67%** WERE NEW CUSTOMERS



# FINANCIAL HIGHLIGHTS

# GROSS REVENUES 1Q22

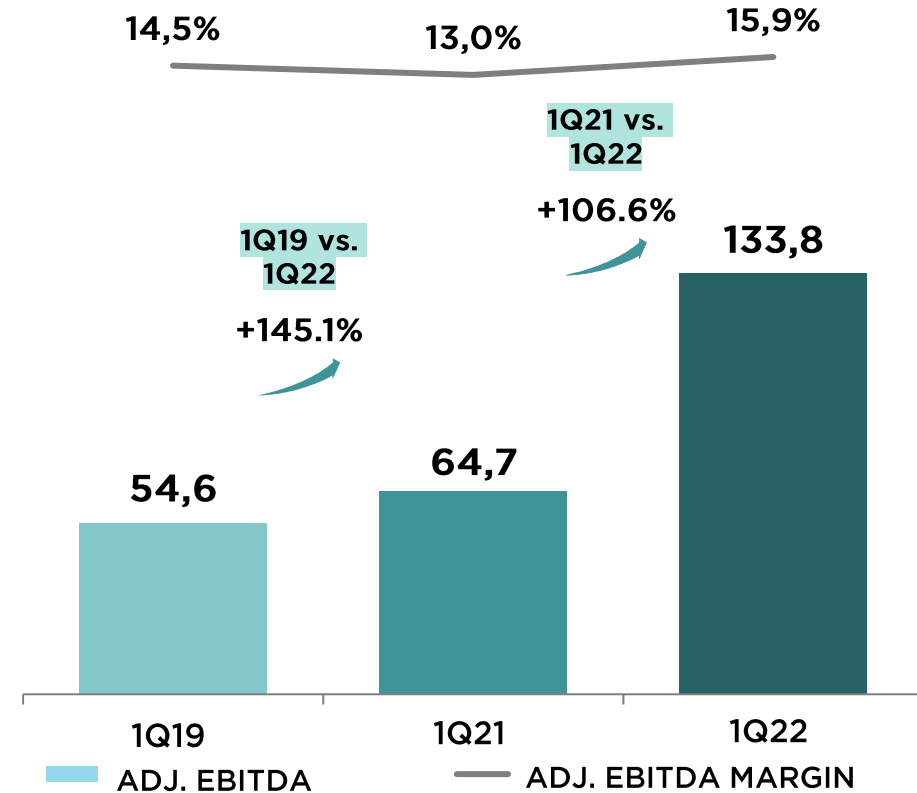
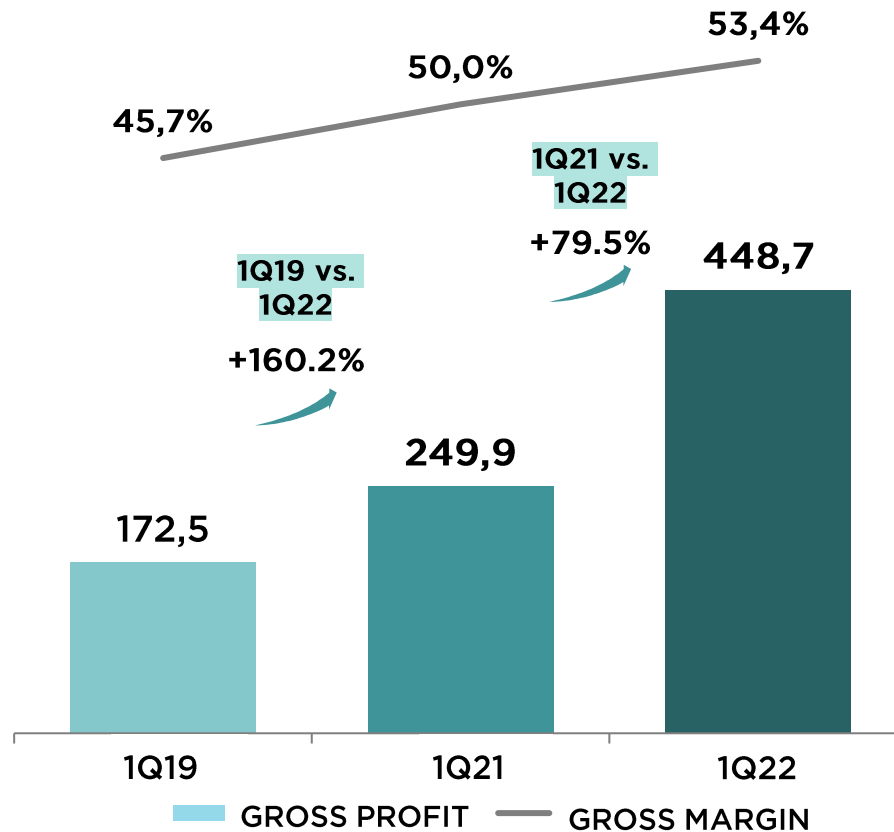
**BY CHANNEL - DOMESTIC AND INTERNATIONAL MARKETS**  
(R\$ MILLIONS)



## HIGHLIGHTS

- GROSS REVENUES OF R\$ 1.042B, +63.9% VS 1Q21 AND +125.2% VS 1Q19, WITH GROWTH IN ALL OF THE AREZZO&CO'S BRANDS
- 39.0% GROWTH OF ORGANIC BRANDS VS 1Q21 AND 45.6% VS 4Q19
- WEB COMMERCE GROWTH OF 40.6% VS 1Q21 AND 438.6% VS 1Q19, MAINTAINING HIGH LEVEL OF REVENUES IN THE QUARTER OF R\$ 223.4M
- FRANCHISE CHANNEL GROWTH OF 42.0% VS 1Q21 AND 21.4% VS 1Q19, WITH R\$ 253.0M IN REVENUES FOR THE QUARTER, SHOWING STRONG RECOVERY

# GROSS INCOME AND ADJUSTED EBITDA 1Q22



## HIGHLIGHTS

- STABILIZATION OF THE **FRANCHISE CHANNEL MARGIN** DUE TO THE EFFECTS OF THE PANDEMIC IN THE PREVIOUS PERIOD - 1Q21;
- INCREASED SHARE OF **FULL-PRICE SALES ON** SELL OUT CHANNELS IN THE PERIOD.
- ACCELERATING SALES ON PHYSICAL CHANNELS, WITH GROWTH ON BOTH **SELL OUT AND SELL IN**;
- MAINTAINANCE OF POSITIVE EBITDA LEVEL FOR THE US OPERATION.

INCOME FROM OPERATIONS	1Q22 REPORTED	1Q22 ADJUSTED	1Q21 ADJUSTED	1Q19	Δ 22 X 21 (%)	Δ 22 X 19 (%)
EBIT (LTM)	588.576	416.622	176.179	195.631	136,5%	113,0%
+ IR AND CS (LTM)	(100.885)	(74.647)	(14.575)	(29.206)	412,2%	155,6%
<b>NOPAT (LTM)</b>	<b>487.691</b>	<b>341.975</b>	<b>161.603</b>	<b>166.425</b>	<b>111,6%</b>	<b>105,5%</b>
<b>WORKING CAPITAL<sup>1</sup></b>	<b>421.327</b>	<b>521.327</b>	<b>336.333</b>	<b>374.410</b>	<b>55,0%</b>	<b>39,2%</b>
<b>ACCOUNTS RECEIVABLE</b>	631.278	631.278	477.929	394.770	32,1%	59,9%
<b>INVENTORY</b>	556.685	556.685	348.041	162.613	59,9%	242,3%
<b>SUPPLIERS</b>	(588.706)	(588.706)	(376.757)	(148.825)	56,3%	295,6%
<b>OTHERS</b>	(177.930)	(77.930)	(112.880)	(34.148)	(31,0%)	128,2%
<b>PERMANENT ASSETS</b>	<b>1.599.340</b>	<b>674.878</b>	<b>416.033</b>	<b>344.181</b>	<b>62,2%</b>	<b>96,1%</b>
<b>OTHER LONG-TERM ASSETS<sup>2</sup></b>	<b>231.600</b>	<b>231.599</b>	<b>48.188</b>	<b>39.990</b>	<b>380,6%</b>	<b>479,1%</b>
<b>INVESTED CAPITAL</b>	<b>2.252.267</b>	<b>1.427.804</b>	<b>800.555</b>	<b>758.581</b>	<b>78,4%</b>	<b>88,2%</b>
<b>AVERAGE INVESTED CAPITAL<sup>3</sup></b>	<b>1.908.355</b>	<b>1.114.179</b>	<b>874.621</b>		<b>27,4%</b>	
<b>ROIC<sup>4</sup></b>	<b>25,6%</b>	<b>30,7%</b>	<b>18,5%</b>			

(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.

- **ADJUSTED ROIC OF 30.7% IN THE QUARTER VS 18.5% IN 1Q21;**
- **IT IS WORTH NOTING THAT ROIC IS ONE OF THE MOST IMPORTANT KPIS ANALYZED BY AREZZO&CO;**
- **ONE OF THE MAIN FACTORS INVOLVED WAS THE 111.6% NOPAT GROWTH FROM 1Q21;**
- **ON THE OTHER HAND, WORKING CAPITAL AFFECTED BY THE MERGER OF AR&CO, IN DEC/20;**
- **THE ADJUSTED ROIC DOES NOT CONSIDER THE GOODWILL FROM AREZZO&CO'S LAST ACQUISITIONS, AS WELL AS EXTEMPORARY CREDITS AND NON-RECURRING ELEMENTS.**

Q&A

Q&A

# APPENDIX

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# APPENDIX

# BRANDS

- **STRONG SALES PERFORMANCE IN THE PERIOD**
- **GROSS REVENUES UP 39% ON THE FRANCHISE CHANNEL**
- **LAUNCH OF THE FIRST WINTER 2022 COLLECTIONS**
- **50TH ANNIVERSARY OF THE AREZZO BRAND, CELEBRATED WITH THE “#AREZZONEXT” CAMPAIGN**
- **AREZZO MOTHERS' DAY: SUCCESSFUL COLLAB WITH INFLUENCER SILVIA BRAZ**
- **“MOTHERS ALWAYS PRESENT“ COLLECTION, WITH PRODUCTS FOR EVERY GENERATION**



# SCHUTZ FULL LOOK

- **HISTORIC MILESTONE: SCHUTZ *FULL LOOK* LAUNCH**
- **CREATION OF THE SCHUTZ BAND, WITH THE RELEASE OF THE “PERIGOSA” SINGLE**
- **SCHUTZ BAND STANDS FOR A MERGER OF FASHION&DESIRE + ENTERTAINMENT**
- **TWO TEMP STORES OPENED IN SÃO PAULO AND RIO DE JANEIRO**
- **FIRST COLLECTION HAD POSITIVE REVIEWS FROM THE MAIN FASHION MEDIA VEHICLES IN BRAZIL**
- **OVER R\$ 300 THOUSAND SOLD IN THE FIRST TWO DAYS**





- **REMARKABLE DTC SELL-OUT PERFORMANCE**
- **HIGH REVENUES GROWTH LEVEL, EVEN WITH A STRONG COMPARATIVE BASELINE**
- **THE VINTAGE ROCK-STYLED WINTER COLLECTION SOLD MORE THAN 35 THOUSAND ITEMS IN LESS THAN MONTH**
- **“YOU CAN’T BE PERFECT, BUT YOU CAN BE POSSIBLE” – RESERVA’S 2022 MOTHERS’ DAY CAMPAIGN, STARRING GIOVANNA ANTONELLI**



# RESERVA + FLAMENGO



- **SUCCESSFUL COLLAB: RESERVA + CLUBE DE REGATAS DO FLAMENGO**
- **FLAMENGO INVITED RESERVA TO DEVELOP THE SPORTS TEAM FIRST CASUAL FASHION COLLECTION**
- **THE LIMITED-EDITION ITEMS BRIDGE THE GAP BETWEEN THE ARENA AND THE OFFICE**
- **OVER 18 MILLION PEOPLE REACHED THROUGH COMMUNICATION ACTIONS**
- **A SALES HIT, WITH ALL ITEMS SOLD OUT IN A FEW HOURS**

# RESERVA NFTs



- **RESERVA'S FIRST NFTs COLLECTION: PistolBirds™**
- **MORE THAN 320 NFTs SOLD IN 50 MINUTE SON PRE-SALE**
- **IN ONE HOUR, NFT SALES WERE EQUIVALENT TO THE MONTHLY SALES OF THE AVERAGE RESERVA STORE**
- **PIONEERING USE OF BLOCKCHAIN TECHNOLOGY FOR BRANDED ASSETS AND DIGITAL PRODUCTS SALES**
- **RESERVA CREATED A RETAIL FASHION MARKET MILESTONE**



- REVENUES GROWTH ON EVERY CHANNEL IN THE PERIOD
- “HORROR” COLLAB IN PARTNERSHIP WITH WARNER BROS., WITH PRODUCTS ILLUSTRATED BASED ON CLASSIC HORROR MOVIES
- 56TH ANNIVERSARY OF THE FIRST VANS STORE, IN SAN DIEGO – CALIFORNIA
- TO CELEBRATE THE MILESTONE, 4 NEW MEMBERS JOINED THE “VANS FAMILY”, BRAZILIAN SURFBOARDING, SKATEBOARDING AND BIKE ATHLETES
- SPORTS AS AN IMPORTANT BRAND PILLAR



- **ACCELERATING BRAND RESULTS**
- **GROSS REVENUE UP 26% FROM 1Q21 AND 37% FROM 1Q19**
- **FRANCHISE CHANNEL SELL-OUT GROWTH OF 77% IN THE PERIOD**
- **“REINVENTING YOUR DAYS” WINTER COLLECTION FEATURING INFLUENCER ISA DOMINGUES AND SYNCHRONIZED SWIMMING DUO BIA AND BRANCA FERES**





# ALEXANDRE BIRMAN

AREZZO  
&CO

- **COLLABORATIVE COLLECTION WITH PAULA RAIA, A SALES HIT WITH SHOES RICH IN DETAILS, INTRODUCED DURING THE DESIGNER'S WINTER COLLECTION SHOW**
- **GLOBAL-LEVEL BRAND ACTIVATION: TRADITIONAL PRESS PRESENTATION – FALL 2022 HELD IN PARIS, DURING THE FASHION WEEK**
- **MOTHER'S DAY 22: A COLLECTION INSPIRED IN THE COMFORT OF MOTHERLY LOVE, WITH THE BRAND'S CLASSIC, TIMELESS AND COMFORTABLE MODELS THAT TRANSLATE THE QUALITIES OF THE ART OF MOTHERHOOD**



- **OPERATION CLOSE IN EARLY 2022**
- **PAST-PACED INTEGRATION**
- **RECORD-SETTING RESULTS FOR WINTER SELL-IN ON THE MULTIBRAND CHANNEL**
- **STRONG SELL-OUT GROWTH : CIDADE JARDIM-SP STORE POSTED 27% GROWTH IN 1Q22 VS 1Q21**
- **RELEASE OF THE BRAND'S FIRST FOOTWEAR LINE**
- **RELEASE OF THE "EVENING" LINE OF PARTY CLOTHES**
- **THE NEWS INTRODUCED IN THE PERIOD REPRESENT THE BRAND'S NEW GROWTH AVENUES**





# MY SHOES

- **RELEASE OF THE BRAND'S FIRST WINTER COLLECTION**
- **BEST-SELLING PRODUCTS WITH EXCELLENT TURNOVER RESULTS - AS HIGH AS 90% IN THE FIRST 15 DAYS ON SALE**
- **MOTHERS' DAY CAMPAIGN STARRING BRAND PARTNER SINGER SIMARIA AND HER MOTHER AND SISTER**



**ESG**  
**ESG**



# ESG HIGHLIGHTS

- DIVERSITY AND INCLUSIVENESS TRAINING FOR 100% OF OWNED AND FRANCHISE STORES RETAIL TEAM (2,800-PLUS INDIVIDUALS)
- DISCLOSURE OF THE DIVERSITY AND INCLUSIVENESS HANDBOOK TO ALL EMPLOYEES
- RELEASE OF THE 4TH INTEGRATED ANNUAL REPORT IN LINE WITH GRI AND SASB GUIDELINES AND THIRD-PARTY AUDITED
- INTEGRATED GREENHOUSE GAS EMISSIONS INVENTORY, INCLUDING SCOPE 3 AND THIRD-PARTY AUDITED



# STRATEGY

# STRATEGY

# ACQUISITION OF SUNSET AND HG

## STRATEGIC RATIONALE

### HG

**VERTICALIZATION** OF THE  
HANDBAGS R&D PROCESS

IMPLEMENTATION OF A **UNIQUE R&D  
PROCESS** FOR FOOTWEAR IN THE  
**HANDBAGS CATEGORY**

**MIX SHARE OF HANDBAGS** - SALES  
GROWTH OPPORTUNITY FOR AREZZO&CO

### SUNSET

INCREASE IN **SOURCING** AND  
**SUPPLY CAPABILITIES**

AGENCY SYNERGY GAINS

INCREASING DOMAIN IN **SOURCING**, IN A  
CHALLENGING TIME FOR THE BRAZILIAN  
FOOTWEAR AND HANDBAGS INDUSTRY

WITH A HISTORY OF LONG-TERM PARTNERSHIP TRACK RECORDS WITH AREZZO&CO, THE **ACQUISITION OF SUNSET AND HG** WILL DIRECTLY IMPACT THE PRODUCTION CHAIN - PARTICULARLY IN THE HANDBAGS CATEGORY - AND ENABLE **IMPROVED OPERATING EFFICIENCY AND INCREASED RETURNS.**

## ZZ HUB + ZZ VENTURES: INCUBATION PROGRAM CREATES INVESTMENT OPPORTUNITY IN GROWDEV – FIRST DEAL TO ORIGINATED FROM THE ZZ HUB

### WHAT IS IT?

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- EDTECH LOCATED IN VALE DOS SINOS (RS)
- FOCUSED ON CREATING AND DELIVERING TECHNOLOGY COURSES, WITH “ON THE JOB” EXPERIENCE, OUTSOURCING SERVICES AND SOFTWARE FACTORY.



### BENEFITS TO AREZZO&CO

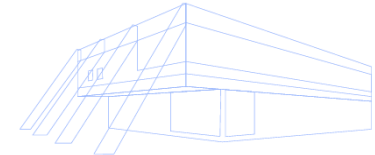
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- MEET THE GROWING DEMAND BY TECHNOLOGY PROFESSIONALS ON STRATEGIC DIGITAL TRANSFORMATION FRONTS;
- SIGNIFICANT DECREASE IN HIRING, TRAINING AND INDUCTION LEAD TIMES;
- ACCESS TO SKILLED PROFESSIONALS FAMILIAR WITH THE COMPANY SINCE ITS FORMATION;
- REDUCTION IN DEVELOPMENT COSTS.

### BENEFITS TO GROWDEV

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- EXPANDED CAPILLARITY AND COURSES OFFERED;
- STRUCTURING THE TEAM AND FACULTY;
- INVESTMENTS IN MARKETING TO ATTRACT STUDENTS;
- IMPROVEMENT IN GOVERNANCE.



**THANK YOU!**  
**#RUMOA2154**