

3Q21 EARNINGS VIDEO CONFERENCE

AREZZO

SCHUTZ

ANACAPRI

ALLFANTASIE
BIRMAN

FIEVER

ALME

VANS
"OFF THE WALL"

Reserva

TROC

ZZ'MALL

Baw®

mySHOES

CALL AGENDA

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

OPENING REMARKS

OPENING REMARKS

- **CONSOLIDATION OF A WELL-STRUCTURED STRATEGIC PLANNING AND BUSINESS MODEL WITH THE CUSTOMER AT ITS CORE;**
- **VERTICALIZED MANAGEMENT OF PRODUCT AND VALUE CHAIN – ESSENTIAL FACTOR IN OVERCOMING THE ADVERSITIES OF THE PANDEMIC;**
- **FIRST QUARTER WITHOUT COVID 19 RESTRICTIONS IN PLACE BROUGHT ROBUST RESULTS;**
- **RESILIENT ONLINE CHANNEL PERFORMANCE CONSIDERING STRONG COMPARISON BASE IN 2020 (+36% VS 3Q20 AND +271% VS 3Q19);**
- **THE YEAR’S TARGETS SUBSTANTIALLY EXCEEDED – PAYMENT OF RESULTS BONUS ALREADY PROVISIONED;**
- **AREZZO&CO’S HIGH CAPACITY IN BUILDING A STRONG TEAM;**
- **RECORD REVENUE IN THE MONTH OF OCTOBER/21 – R\$ 393 MILLION IN A SINGLE MONTH;**
- **INDEPENDENT OF MACROECONOMIC ADVERSITIES. AREZZO&CO IS VERY PREPARED TO CONSOLIDATE ITS MARKET SHARE IN THE PREMIUM FASHION SEGMENT IN BRAZIL.**

STRONG PERFORMANCE IN 3Q21

R\$954MM

CONSOLIDATED GROSS
REVENUE

+740bps

GROSS MARGIN

R\$125MM

RECORD ADJUSTED
EBITDA

16,1%

MARGEM EBITDA
AJUSTADO

R\$82MM

ADJUSTED
NET INCOME

R\$707MM

SELLOUT DTC
(FRANCHISES, OWNED STORES
AND WEB)

R\$195MM

GROSS REVENUE FROM
AR&CO

R\$206MM

GROSS REVENUE FROM
WEB COMMERCE

24%

SHARE OF
WEB COMMERCE

STRONG PERFORMANCE IN 3Q21

+5MM

PAIRS OF SHOES SOLD
(3Q21)

75%

REPRESENTATION OF
FOOTWEAR IN THE MIX

+1MM

CLOTHING ITEMS
SOLD(3Q21)

18%

REPRESENTATION OF
APPAREL IN THE MIX

+484K

BAGS SOLD
(3Q21)

7%

REPRESENTATION OF
BAGS IN THE MIX

DIGITAL CHANNEL

3Q21 OMNICHANNEL HIGHLIGHTS

E-COMMERCE SALES

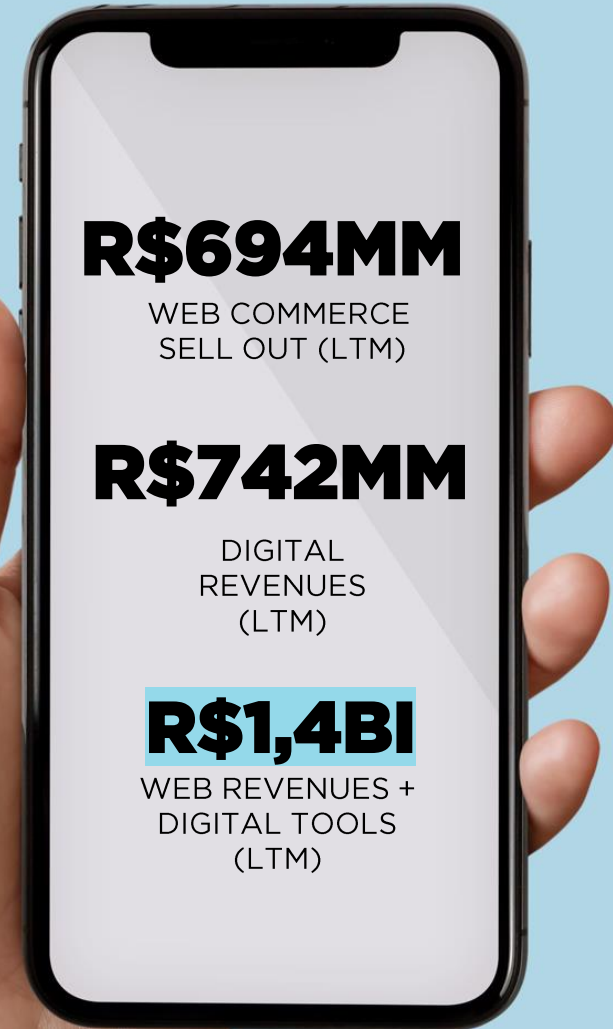
- REVENUES : **R\$206MM** (+**36%** VS 3Q20 +271% VS 3Q19)
- TOTAL TRAFFIC: **57MM** (+**1,7%** VS 3Q20)
- AREZZO AND SCHUTZ APP DOWNLOADS: **827 MIL** (+**99%** VS 3Q20)
- % APPS SHARE: **22.5%** (+**376BPS** VS 3Q20)
- OTD (ON TIME DELIVERY): **97%**
- CONVERSION: **1.3%**



3Q21 OMNICHANNEL HIGHLIGHTS

OMNICHANNEL SALES

- SHARE OF DIGITAL OF PHYSICAL STORES' SELL OUT: **39.5%**
- REVENUES FROM STORE PICK UP AND DELIVERY: **+77%** VS 1Q21
- DIGITAL SHOPPERS: **+207K** VS 3Q20
- **141MM** DIGITAL-INFLUENCED SALES

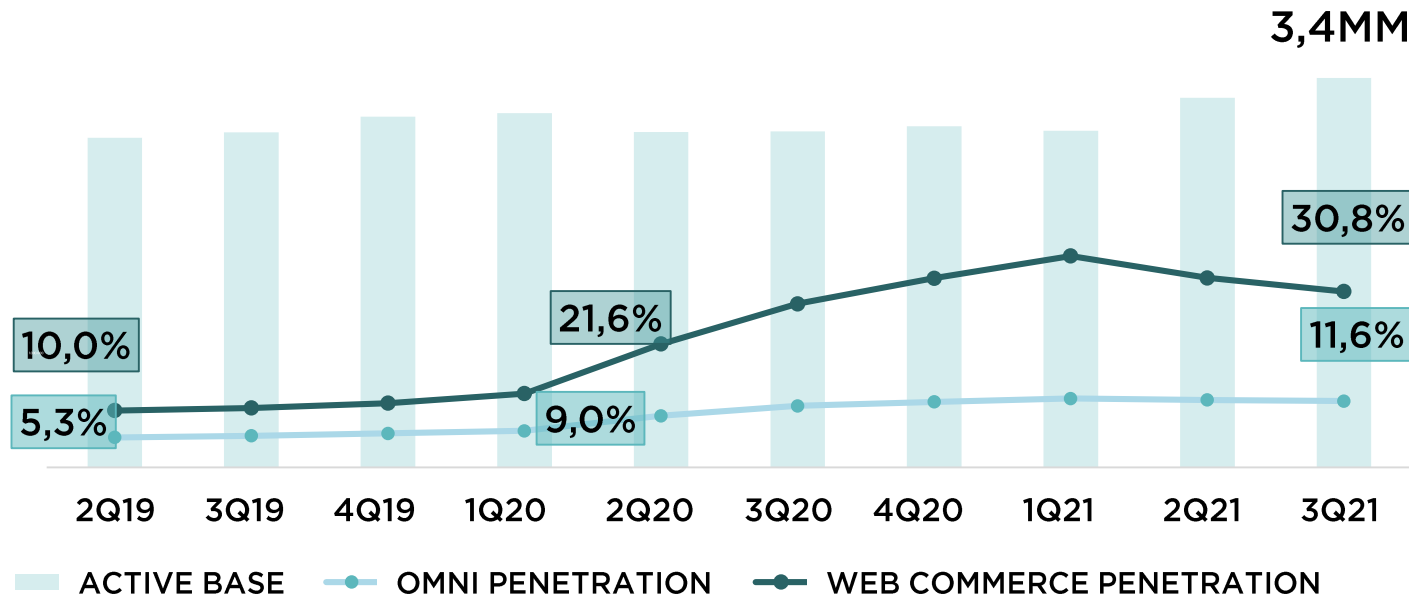


3Q21 OMNICHANNEL HIGHLIGHTS

ACTIVE CUSTOMER BASE (RECORD VOLUME) – 3.4MM;

30,8% OF AREZZO&CO'S CUSTOMERS BUY THROUGH THE ONLINE CHANNEL;

11,6% OF ARE OMNICHANNEL CUSTOMERS (BUY THROUGH THE BRICKS-AND-MORTAR STORES AND ONLINE).

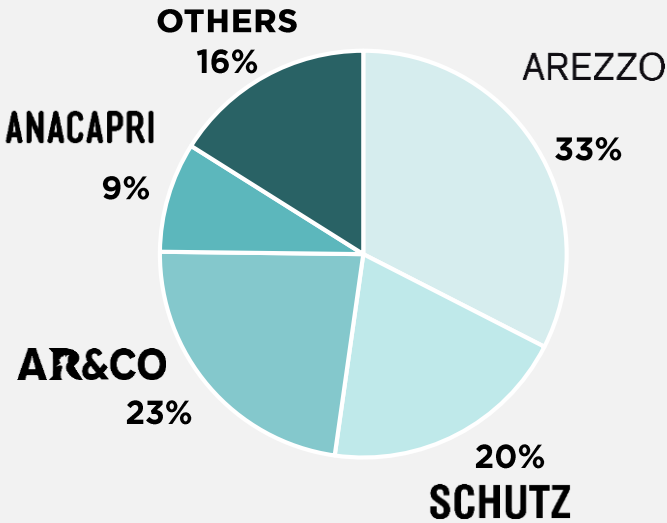


- THE OMNI CUSTOMERS HAD A **128%** HIGHER PURCHASE FREQUENCY
- **41%** OF THE BUYING CUSTOMER BASE WERE REACTIVATED IN 9M21 VS 9M20;
- CONSTANT IMPROVEMENT IN THE CUSTOMER REACTIVATION RATE;
- INCREASE OF **33%** IN THE HEAVY USER CUSTOMER BASE, REVENUES OF WHICH REPRESENTED A GROWTH OF 49% IN REVENUES VS 3Q20;
- STRONG INCREASE IN CUSTOMER FREQUENCY YTD VS. 2020 **(+5.9%)**.

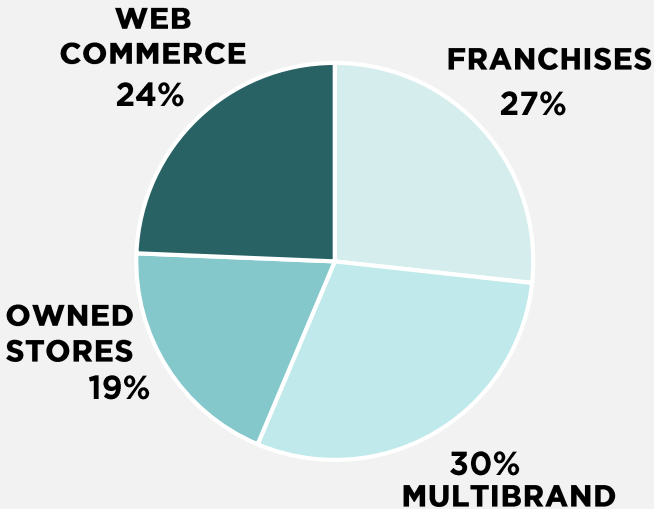
BRANDS AND CHANNELS

BRANDS AND CHANNELS HIGHLIGHTS

GROSS REVENUE BY BRANDS



GROSS REVENUE BY CHANNELS



AREZZO

- BRAZIL REVENUE: **R\$ 276,0MM**
- GROWTH: **+10,2%** VS O 3T19
- WEB-TO-SELL OUT (DTC) RATIO: **19,8%**
- OMNI-TO-WEB RATIO: **19,8%**

SCHUTZ

- RECEITA GLOBAL: **R\$ 240,4MM**
- GROWTH : **+43,0%** VS O 3T19
- BRAZIL REVENUE: **R\$ 167,4MM**
- WEB-TO-SELL OUT (DTC) RATIO : **40,8%**
- PERCENTUAL OMNI SOBRE WEB: **14,9%**

AR&CO

- BRAZIL REVENUE: **R\$ 194,7MM**
- GROWTH : **+85,3%** VS O 3T19
- WEB-TO-SELL OUT (DTC) RATIO: **25,9%**
- OMNI-TO-WEB RATIO: **50,2%**

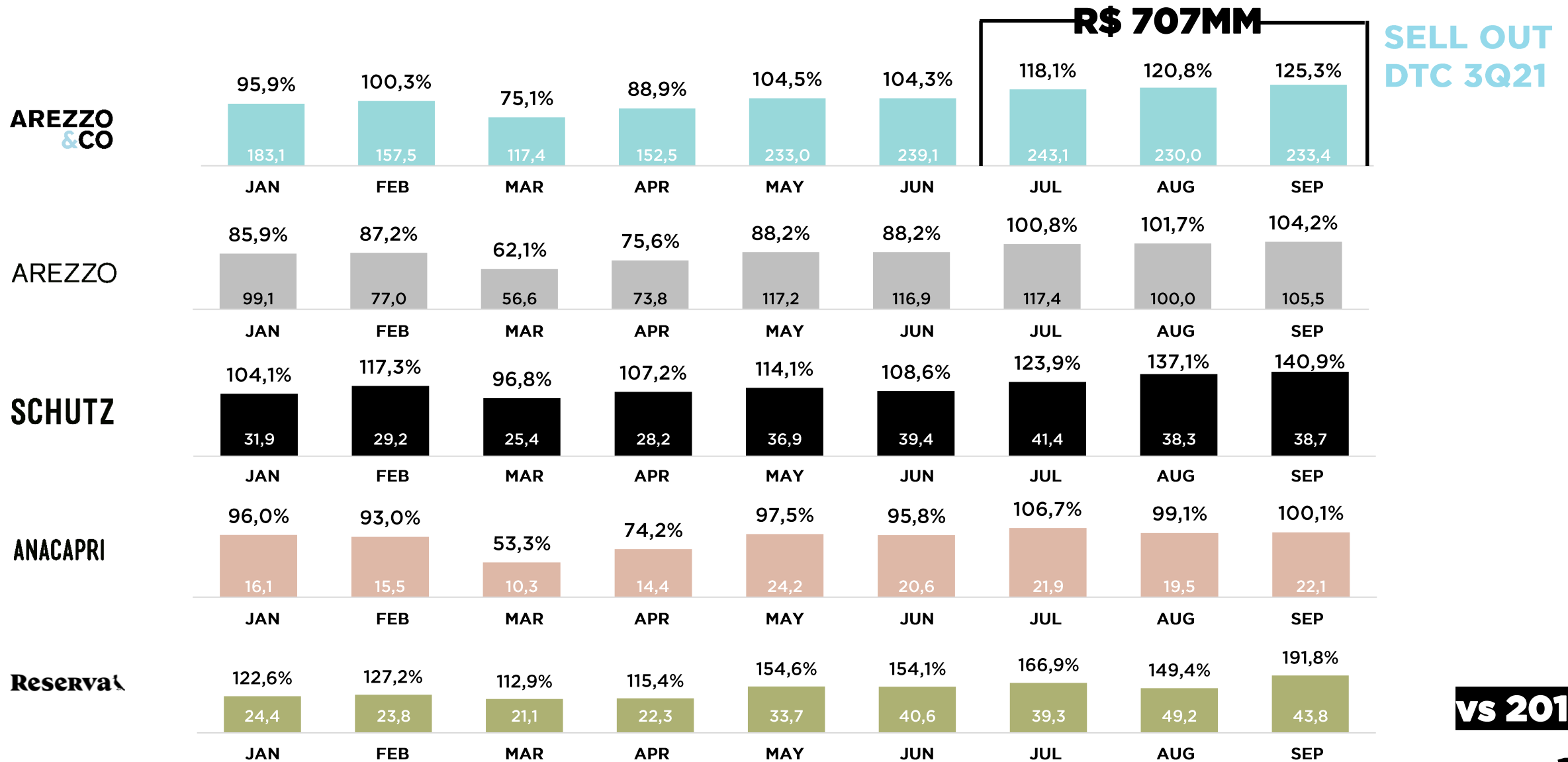
ANACAPRI

- BRAZIL REVENUE: **R\$ 74,2MM**
- GROWTH : **+3,4%** VS O 3T19
- WEB-TO-SELL OUT (DTC) RATIO: **18,4%**
- OMNI-TO-WEB RATIO: **18,7%**

ACCELERATION IN SELLOUT PERFORMANCE

AREZZO
&CO

PHYSICAL STORES + WEB



MULTIBRAND

GROWTH CONSISTS OF THE MULTI-BRAND CHANNEL WITH AN INCREASE IN SHARE OF WALLET AND SALES POINTS

- ASSERTIVENESS IN THE COLLECTIONS, AGILITY IN REPLACEMENTS AND THE STRENGTH OF AREZZO&CO'S CLASSIC AND BEST-SELLING PRODUCTS;
- SIGNIFICANT INCREASE OF THE BRANDS RESERVA GROUP AND VANS IN THE CHANNEL;
- CHANNEL BENEFITED BY CHANGING THE PRESENTIAL SHOWROOM STRUCTURE (FAIRS) TO 100% ONLINE;
- THE VOLUME OF SALES INCREASED DUE TO SMALLER STORES THAT DID NOT BUY IN PERSON BEFORE THE PANDEMIC.

+79%
VS 3Q20

+98%
VS 3Q19

+38%
VS 3Q19
(EX-AR&CO AND VANS)

+9%
VS 3Q19
(EX-AR&CO AND VANS)

5.217
BRAZIL POINTS
OF SALE

+23%
POINTS OF SALE
VS 3Q20

INTERNATIONAL BUSINESS

INTERNATIONAL BUSINESS

CONSOLIDATION OF THE STRONG STRATEGY FOR POSITIONING THE BRANDS AND DISTRIBUTION CHANNELS, TRANSLATING INTO STRONG RESULTS

THE OPERATION RECORDED REVENUES

GROSS REVENUES FOR 3Q21 OF **R\$ 94.2 MM**
+73.1% VS 2019

GROWTH OF **91.3%** EXCLUDING THE PHYSICAL STORES CHANNEL

EBITDA BREAK-EVEN MAINTAINED WITH A POSITIVE RESULT OF **R\$ 12.3 MM** IN 3Q21

37.6% GROWTH IN REVENUES FOR THE WHOLESALE CHANNEL IN THE QUARTER

WEB COMMERCE

+344.5%
BRL

+238.5%
USD

648K
ACCESSES IN THE SITE

1.9%
CONVERSION RATE

+62%
NUMBER OF
ORDERS

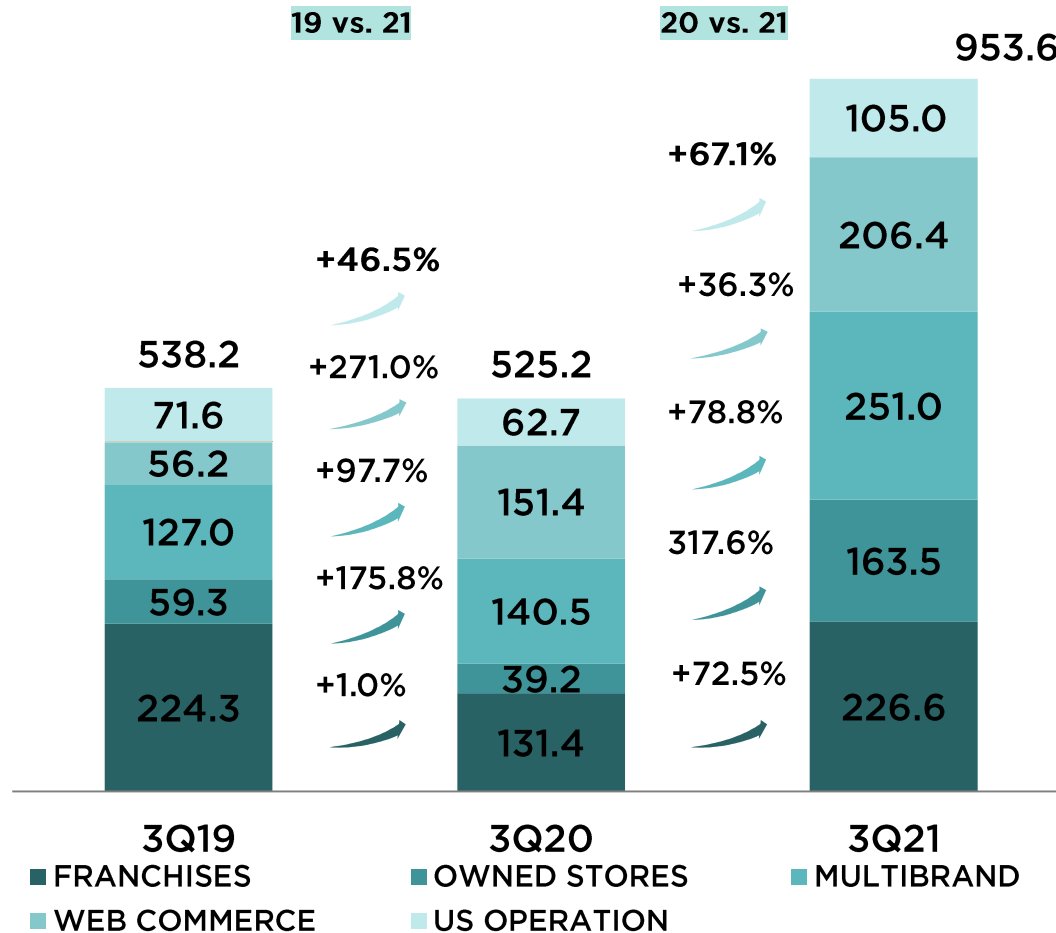
+52%
NUMBER OF PAIRS
SOLD

1,5K
CUSTOMERS THAT BOUGHT IN THE
MONTH, **70%** BEING FIRST TIME
CUSTOMERS

FINANCIAL HIGHLIGHTS

GROSS REVENUES 3Q21

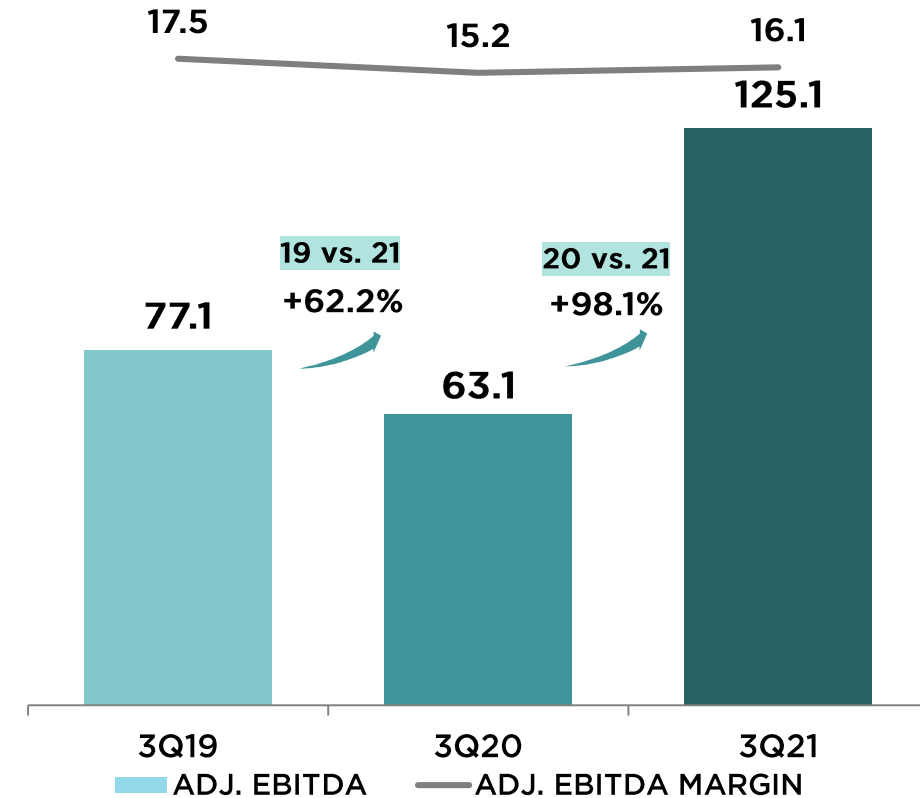
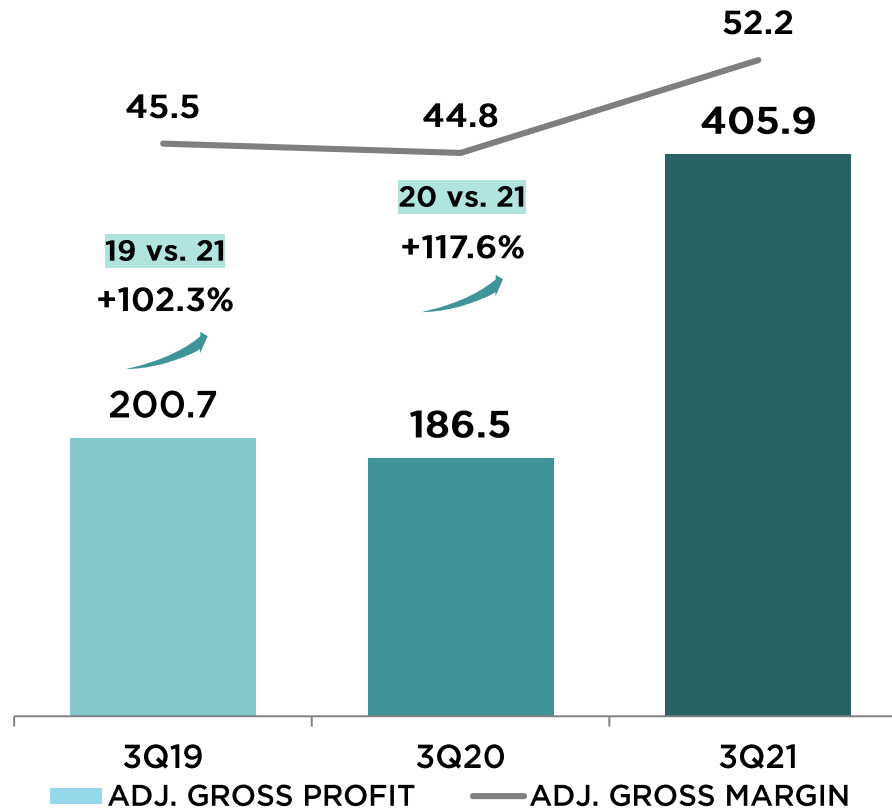
BY CHANNEL - DOMESTIC AND OVERSEAS MARKET
(R\$ MM)



HIGHLIGHTS

- GROSS REVENUES OF R\$ 953.6MM. +81.6% VS 3Q20 AND +77.2% VS 3Q19 WITH GROWTH ACROSS ALL GROUP BRANDS
- 20.0% GROWTH OF THE ORGANIC BRANDS
- GROWTH IN WEB COMMERCE OF 36.3% VS 3Q20 AND 271.0% VS 3Q19, MAINTAINING HIGH LEVEL OF REVENUES IN THE QUARTER: R\$ 206.4MM
- GROWTH IN MULTI-BRANDS OF 78.8% VS 3Q20 AND 97.7% VS 3Q19, MAINTAINING HIGH LEVEL OF REVENUES IN THE QUARTER: R\$ 251.0MM

GROSS PROFIT AND ADJUSTED EBITDA 3Q21



HIGHLIGHTS

- **INCLUSION OF AR&CO**, DUE TO MIX GIVEN THE GREATER PERCENTAGE OF BUSINESS FROM PROPRIETARY STORES (HIGHER GROSS MARGIN)
- GREATER SHARE OF THE **WEB COMMERCE BUSINESS IN THE CONSOLIDATED MIX** (11.9% IN 2019 VS. 24.3% IN 2020)
- POSITIVE BRAND PERFORMANCE DUE TO THE **ASSERTIVENESS OF THE COLLECTIONS AND STRONG MARKETING CAMPAIGNS**;
- POSITIVE IMPACT FROM THE (I) ADDITION OF AR&CO AND VANS BRAND AND (II) POSITIVE EBITDA OF THE **AMERICAN OPERATION**.

Income from operations	3Q21 Adjusted	3Q20	3Q19	Δ 21 x 20 (%)	Δ 21 x 19 (%)
EBIT (LTM)	303.708	73.343	198.182	314,1%	53,2%
+ IR e CS (LTM)	(47.587)	(21.827)	(35.598)	118,0%	33,7%
NOPAT (LTM)	256.121	51.516	162.584	397,2%	57,5%
Working Capital ¹	470.638	400.004	399.559	17,7%	17,8%
Accounts Receivable	605.881	406.902	415.431	48,9%	45,8%
Inventory	442.101	241.895	180.736	82,8%	144,6%
Suppliers	(457.912)	(226.053)	(148.756)	102,6%	207,8%
Others	(119.432)	(22.740)	(47.852)	425,2%	149,6%
Permanent assets	401.097	365.246	383.202	9,8%	4,7%
Other long-term assets ²	73.701	34.807	37.149	111,7%	98,4%
Invested capital	945.436	800.057	819.910	18,2%	15,3%
Average invested capital³	872.747	809.984		7,7%	
ROIC⁴	29,3%	6,4%			

(1) WORKING CAPITAL: CURRENT ASSETS LESS CASH, CASH EQUIVALENTS AND FINANCIAL INVESTMENTS SUBTRACTED FROM CURRENT LIABILITIES LESS LOANS AND FINANCING AND DIVIDENDS PAYABLE.

(2) DEDUCTED FROM DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION.

(3) AVERAGE CAPITAL EMPLOYED IN THE PERIOD AND IN THE SAME PERIOD OF THE PRECEDING YEAR.

(4) ROIC: NOPAT FOR THE LAST 12 MONTHS DIVIDED BY THE AVERAGE EMPLOYED CAPITAL.

- **ADJUSTED RETURN ON INVESTED CAPITAL (ROIC) OF 29.3% IN THE QUARTER VS 6.4% AT 3Q20;**
- **IN ADDITION TO THE LOWER NOPAT , WORKING CAPITAL LINES WERE AFFECTED BY THE INCORPORATION OF AR&CO IN DECEMBER 2020;**
- **SIGNIFICANT INCREASE IN PP&A ASSOCIATED WITH THE INVESTMENT, WHICH INCLUDES ELEMENTS SUCH AS INTANGIBLE ASSETS AND GOODWILL TO BE AMORTIZED OVER THE COMING FISCAL YEARS.**

ESG
ESG

ESG HIGHLIGHTS

- SIGNATURE OF COMMITMENT WITH THE UN TO REDUCE GREENHOUSE GAS EMISSIONS - BUSINESS AMBITION FOR 1.5 CAMPAIGN
- ALME PROJECT (LAUNCH 11/11):
 - TRACEABILITY
 - RAW MATERIALS WITH LESS IMPACT
 - LIFE CYCLE ANALYSIS OF 100% OF THE PRODUCTS
 - 100% CARBON NEUTRAL
 - POST-CONSUMPTION REVERSE LOGISTICS
- OWN FACTORIES WITH GOLD SEAL CERTIFICATION AT ABVTEX
- FINAL PHASE OF B CORPORATIONS CERTIFICATION



Q&A

Q&A

THANK YOU!
#RUMOA2154

APPENDIX

BRANDS

**EXCELLENT RESULTS THROUGHTOUT THE
QUARTER (+67% IN JULY, +92% IN AUGUST AND
+47% IN SEPTEMBER)**

**CONTINUING STRONG TENDENCY IN OCTOBER –
100% GROWTH IN THE MONTH**

LAUNCH OF BIMONTHLY COLLECTIONS

ROLLOUT OF 4 STORES IN THE QUARTER

**OPENING OF THE NEW HEADQUARTERS IN
RIO DE JANEIRO IN NOVEMBER/21**



**SURPRISING RESULTS
- 4X VS 2019**

**RESERVAGO ALREADY ACCOUNTS FOR + 20% OF
THE BRAND'S SALES (VS. 12% IN 2020)**

**ANNUAL TARGET ALREADY REACHED IN
THE FIRST 5 MONTHS OF THE YEAR**

**CONTINUOUS PROGRESS IN EXPANSION AND STRENGTHENING
OF THE BUSINESS**

**PRESENT IN 1,440 MULTI-BRAND
POINTS OF SALE**

**LAUNCH OF 8 COLLECTIONS IN 2021
VS 2 COLLECTIONS IN 2019**



BEACH TENNIS CIRCUIT IN THE LEADING CAPITAL CITIES TO ACTIVATE SALES IN THE SUMMER OF 2021

+150 ATHLETES OF THE SPORT

SANDAL CUSTOMIZATION AREAS

VENDING MACHINES

BRAND EXPERIENCE AREAS

SUMMER STRATEGY FOR 2022

+ 900 THOUSAND PAIRS SOLD IN THE SELLIN
+ R\$ 50 MILLION

ACTIONS OVER THE NEW YEAR IN THE MAIN DESTINATIONS -TRANCOSO, MILAGRES AND NORONHA

ROLLOUT OF TEMPORARY KIOSKS



**SCHUTZ REPORTS STRONG GROWTH IN THE QUARTER
R\$ 240MM GLOBAL (+43% VS 2019)
R\$ 167MM BRAZIL (36% VS 2019)**

**STARRING MARINA RUY BARBOSA. SCHUTZ'S HIGH
SUMMER 2022 CAMPAIGN DISPLAYS A YOUTHFUL MOOD
REPLETE WITH FASHION TENDENCIES - PHOTOS SHOW
THE STAR BEING PURSUED BY A PAPARAZZI THROUGH
THE STREETS OF RIO DE JANEIRO**

**LAUNCH OF "SCHUTZCIETY" - SIGNATURE CLUB
OFFERING CUSTOMIZED PRODUCTS AND PRE-LAUNCH
DIGITAL EXPERIENCES TO SIGNATORIES**

**STRONG REVENUE GROWTH IN THE PERIOD, NOTABLY
IN THE ONLINE CHANNEL**

**ROLLOUT OF 3 STORES, INCLUDING THE FIRST BRAND
SHOWCASE STORE ON AVENIDA PAULISTA WITH 250M2.**

**IN THE FIRST MONTH, THE STORE SOLD R\$ 1.3MM WITH
AN ANNUAL SALES FORECAST OF R\$ 15MM.**

