

# 4Q22 EARNINGS CONFERENCE CALL



BIG  
**NUMBERS**

# 2022 FULL YEAR RESULTS

- **R\$ 5.2BI** GROSS REVENUE (+43% VS 2021)
- **R\$ 4.2BI** NET REVENUE (+45% VS 2021)
- **R\$ 2.3BI** GROSS PROFIT (+48% VS 2021)
- **R\$ 657M** ADJUSTED EBITDA (+43% VS 2021)
- **R\$ 386M** ADJUSTED NET INCOME (+44% VS 2021)

## MAIN HIGHLIGHTS

- **33%** CORE BRAND GROWTH IN BRAZIL VS 2021
- **R\$1,2BI** IN AR&CO GROSS REVENUE (+56% VS 2021)
- **R\$490M** IN US OPERATION GROSS REVENUE (+41% VS 2021)
- **53,9%** IN GROSS MARGIN (+110BPS VS 2021)
- **28,4%** ADJUSTED ROIC IN THE PERIOD

# 4Q22 RESULTS

- **R\$ 1.6BI** GROSS REVENUE (+20% VS 2021)
- **R\$ 1.3BI** NET REVENUE (+20% VS 2021)
- **R\$ 705M** GROSS PROFIT (+19% VS 2021)
- **R\$ 191M** ADJUSTED EBITDA (+3% VS 2021)
- **R\$ 103M** ADJUSTED NET INCOME (-7% VS 2021)

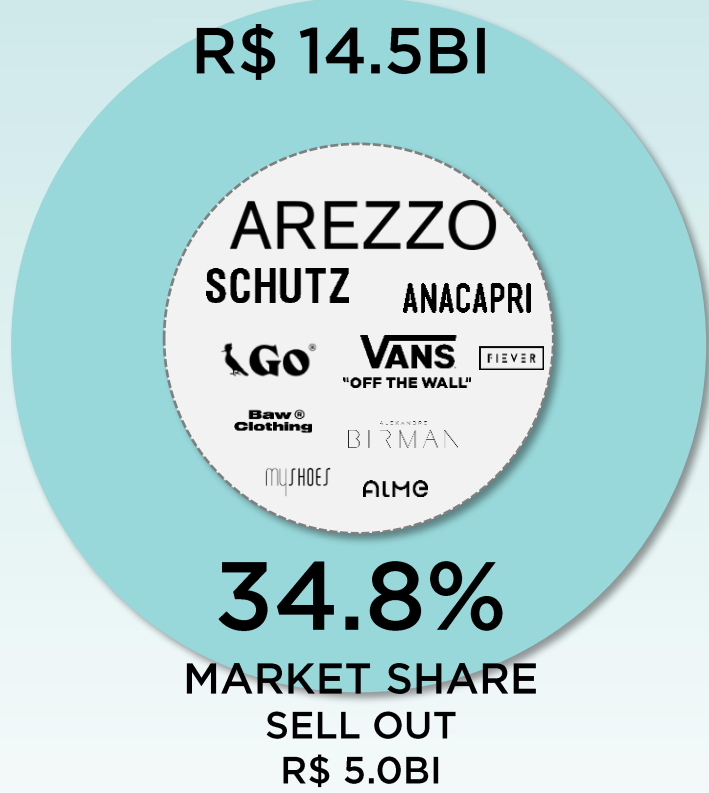
## MAIN HIGHLIGHTS

- NET OPENING OF **50** STORES - **34** OWNED STORES AND **16** FRANCHISES - MAINLY CONCENTRATED IN THE AR&CO, ANACAPRI, AREZZO, VANS AND CAROL BASSI BRANDS
- **10.1MM** OF PRODUCTS SOLD, 7,2M HIGHER THAN 4Q21 (GROWTH OF **7%**): **6.6MM** OF PAIRS OF SHOES, **2.8MM** OF PIECES OF CLOTHES AND **798K** OF HANDBAGS
- **53.8%** IN GROSS MARGIN (FLAT VS 4T21)
- CONTINUOUS GROWTH OF MULTIBRAND CHANNEL: **R\$ 376M** (+25% VS 4T21)
- SOLIDITY OF ECOMMERCE: **R\$ 350M** (+27% VS 4T21)

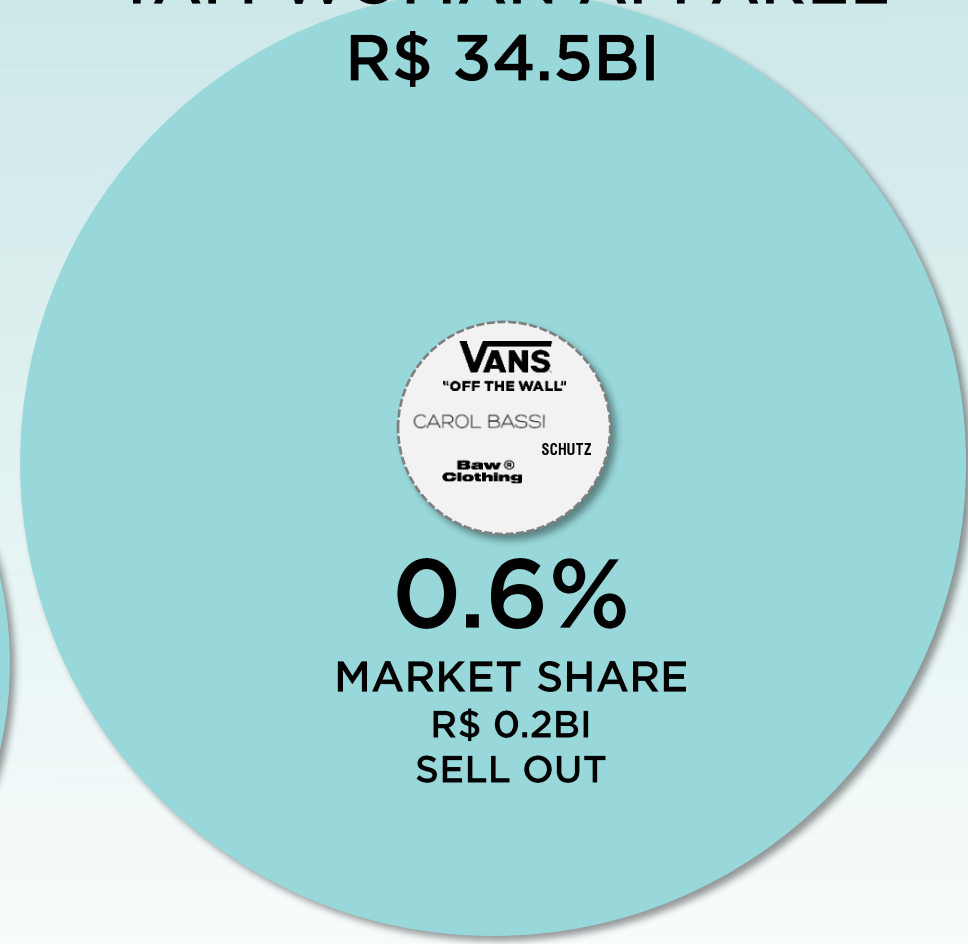
BRANDS AND  
CHANNELS  
**HIGHLIGHTS**

# MARKET SHARE AREZZO&CO

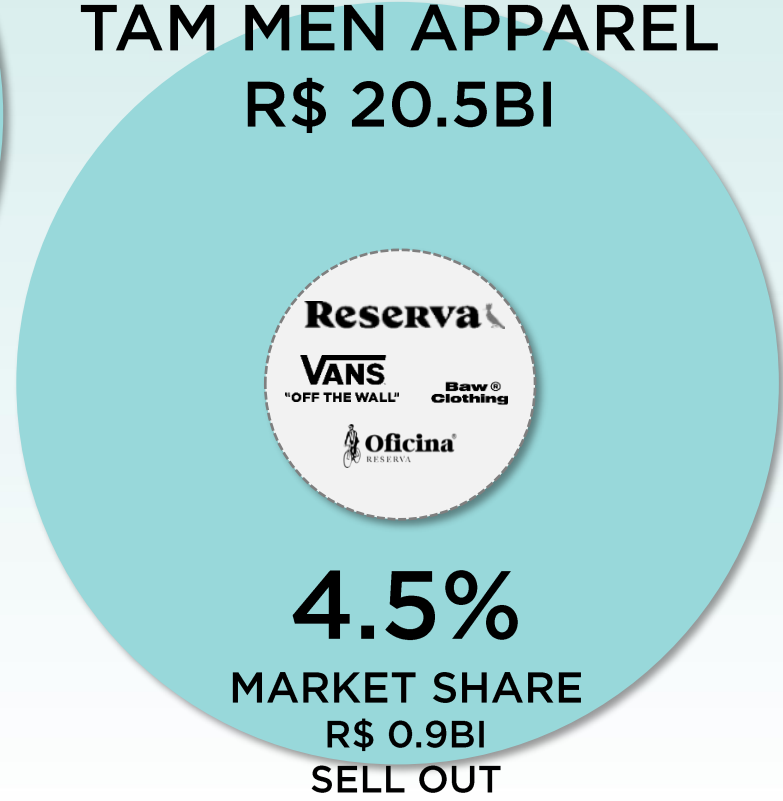
TAM FOOTWEAR&BAGS  
R\$ 14.5BI



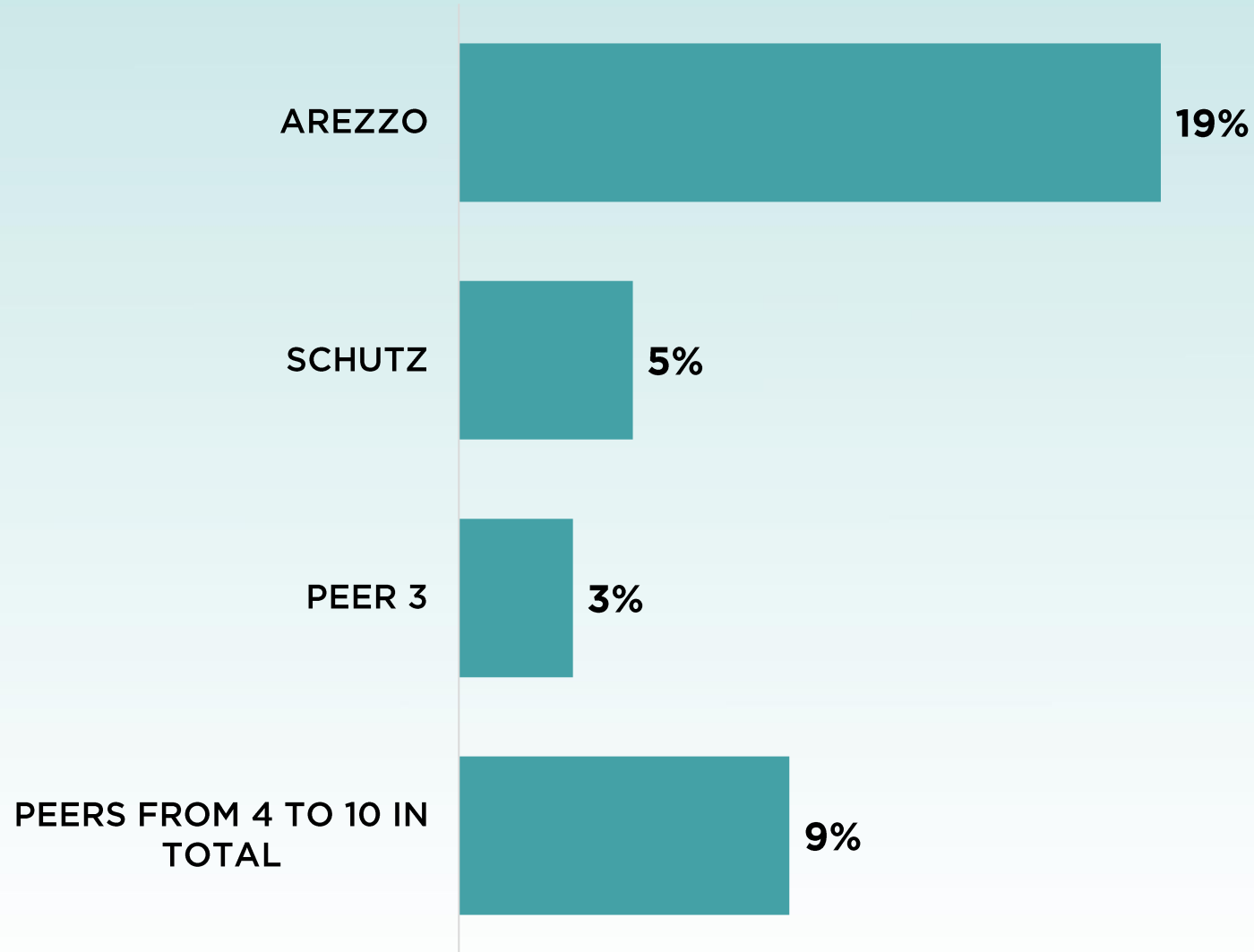
TAM WOMAN APPAREL  
R\$ 34.5BI



TAM MEN APPAREL  
R\$ 20.5BI



# TOP OF MIND



BRANDS MENTIONED  
SPONTANEOUSLY, WITHOUT ANY  
STIMULATION

19%

TOP OF MIND OF AREZZO

AREZZO STANDS OUT AS THE MOST  
REMEMBERED BRAND AMONG ALL  
WOMEN'S FOOTWEAR



# BRANDS AND CHANNELS HIGHLIGHTS

## AREZZO

4Q22	2022
- REVENUE: <b>R\$382M</b>	<b>R\$ 1,4B</b>
- GROWTH: <b>+1.7%</b>	<b>+29.6%</b>
- % WEB / SELL OUT: <b>15.9%</b>	<b>18.0%</b>
- % OMNI / WEB: <b>17.3%</b>	<b>20.0%</b>

## SCHUTZ

4Q22	2022
- REVENUE: <b>R\$ 326M</b>	<b>R\$ 1,2B</b>
- GROWTH: <b>+8.5%</b>	<b>+34.2%</b>
- BRAZIL REVENUE: <b>R\$ 214M</b>	<b>R\$ 805M</b>
- % WEB / SELL OUT: <b>34.9%</b>	<b>38.4%</b>
- % OMNI / WEB: <b>13.0%</b>	<b>12.5%</b>

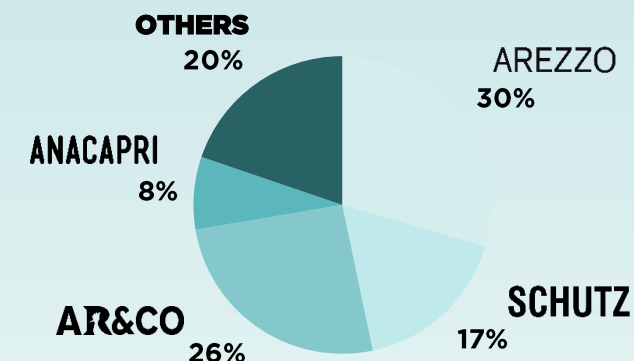
## AR&CO

4Q22	2022
- REVENUE: <b>R\$455M</b>	<b>R\$ 1,2B</b>
- GROWTH: <b>+32.9%</b>	<b>+55.7%</b>
- % WEB / SELL OUT: <b>33.9%</b>	<b>30.9%</b>
- % OMNI / WEB: <b>67.4%</b>	<b>62.4%</b>

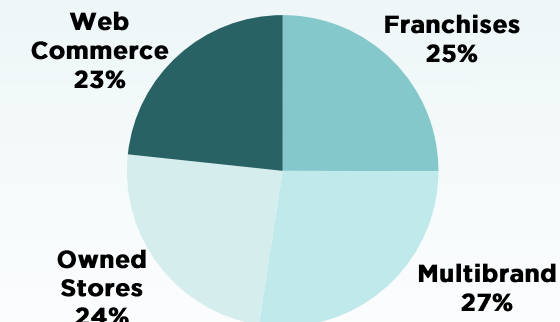
## ANACAPRI

4Q22	2022
- REVENUE: <b>R\$122M</b>	<b>R\$369M</b>
- GROWTH: <b>+23.4%</b>	<b>+26.3%</b>
- % WEB / SELL OUT: <b>12.1%</b>	<b>15.5%</b>
- % OMNI / WEB: <b>19.8%</b>	<b>17.0%</b>

## BRANDS GROSS REVENUE 2022



## CHANNELS GROSS REVENUE 2022

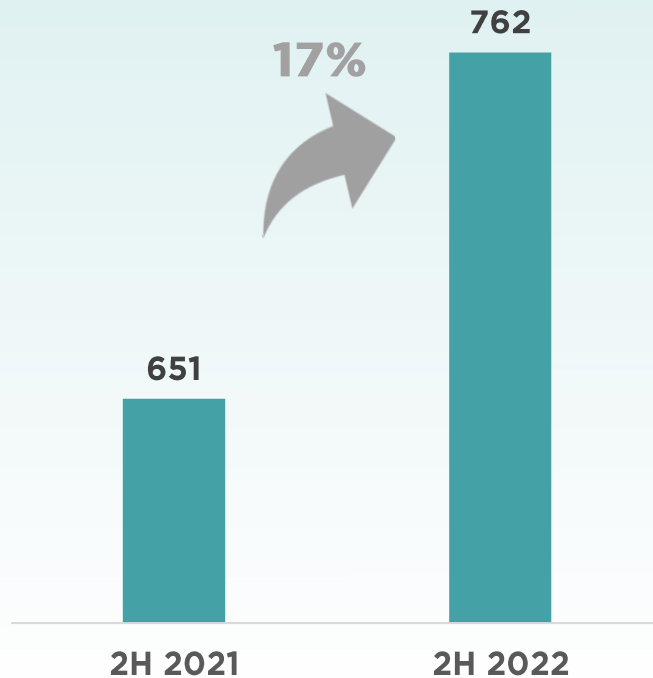




# AREZZO BRAND DELIVERS CONSISTENCY AND GROWTH

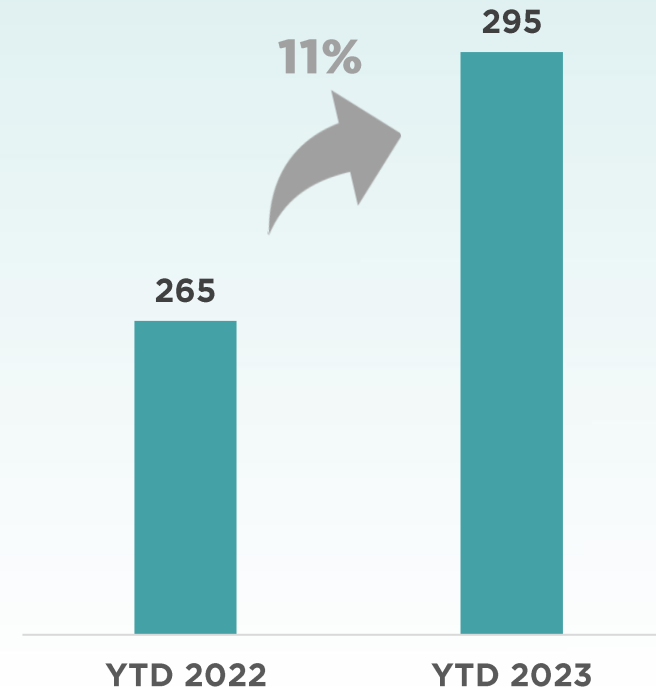
- THE **BRAND HAS DOUBLED ITS SALES IN THE LAST 10 YEARS**, THE GROSS REVENUE GREW FROM ~R\$680MM TO ~R\$1.4BN IN 2022
- EXCLUDING THE EFFECT FROM THE COLLECTION SALES SCHEDULE VARIATION IN THE YEARS OF 2022 AND 2021, **AREZZO'S GROSS REVENUE GREW BY 17% IN THE 2H22 COMPARED TO THE 2H21**

## GROSS REVENUE AREZZO 2H22 X 2H21 (BRL MN)



## SELL OUT AREZZO YTD 23 X 22 (BRL MN)

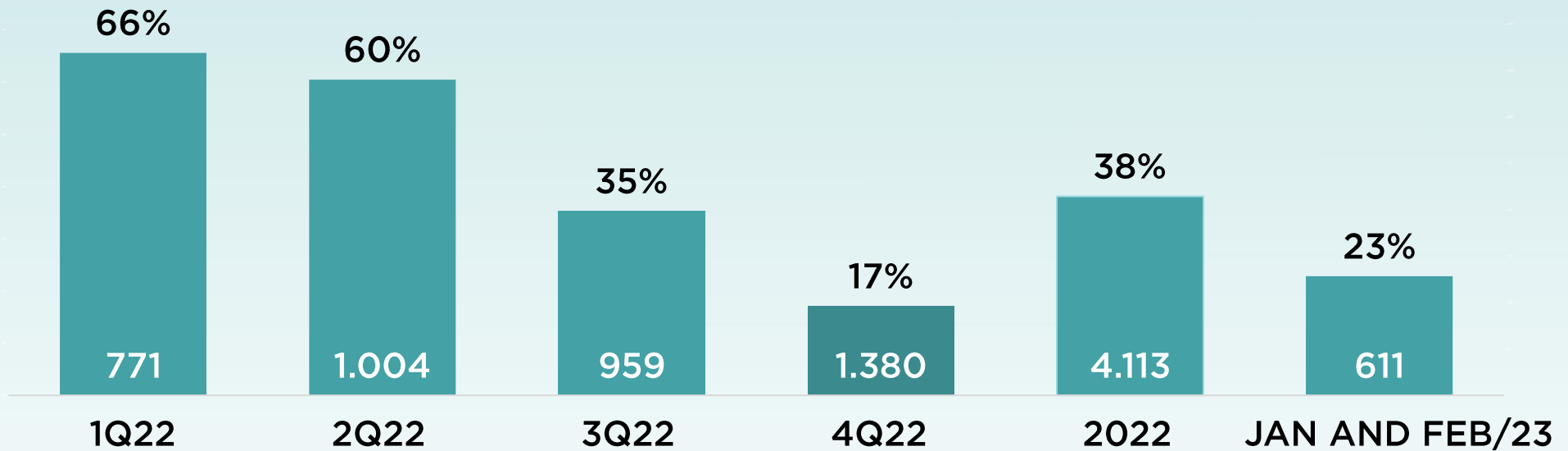
(FRANCHISE, OWNED STORE AND WEB)



# EXPRESSIVE SELL OUT GROWTH

## PHYSICAL STORES + WEB COMMERCE

VS 2021



**17%**  
GROWTH IN 4Q22  
VS 4Q21

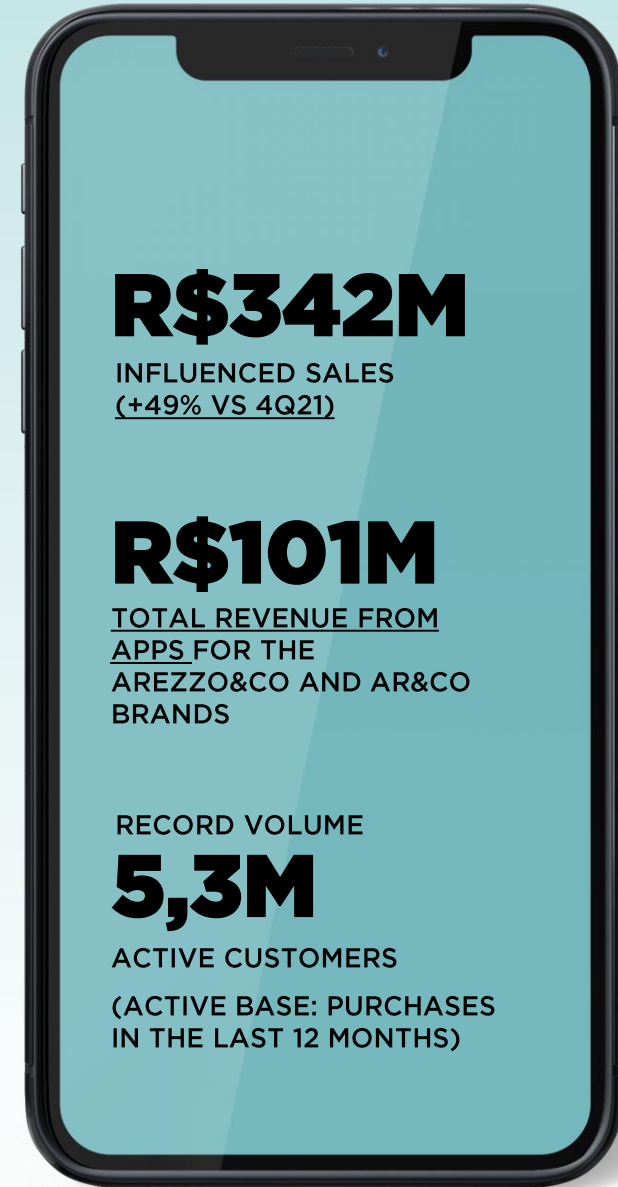
**R\$4.1B**  
SELL OUT DTC  
2022

**23%**  
SELL OUT GROWTH  
IN JANUARY AND  
FEBRUARY 2023

\*IN THE FIRST WEEK OF MARCH, AREZZO&CO REGISTERED A 30% SELL OUT GROWTH.

# OMNICHANNEL HIGHLIGHTS

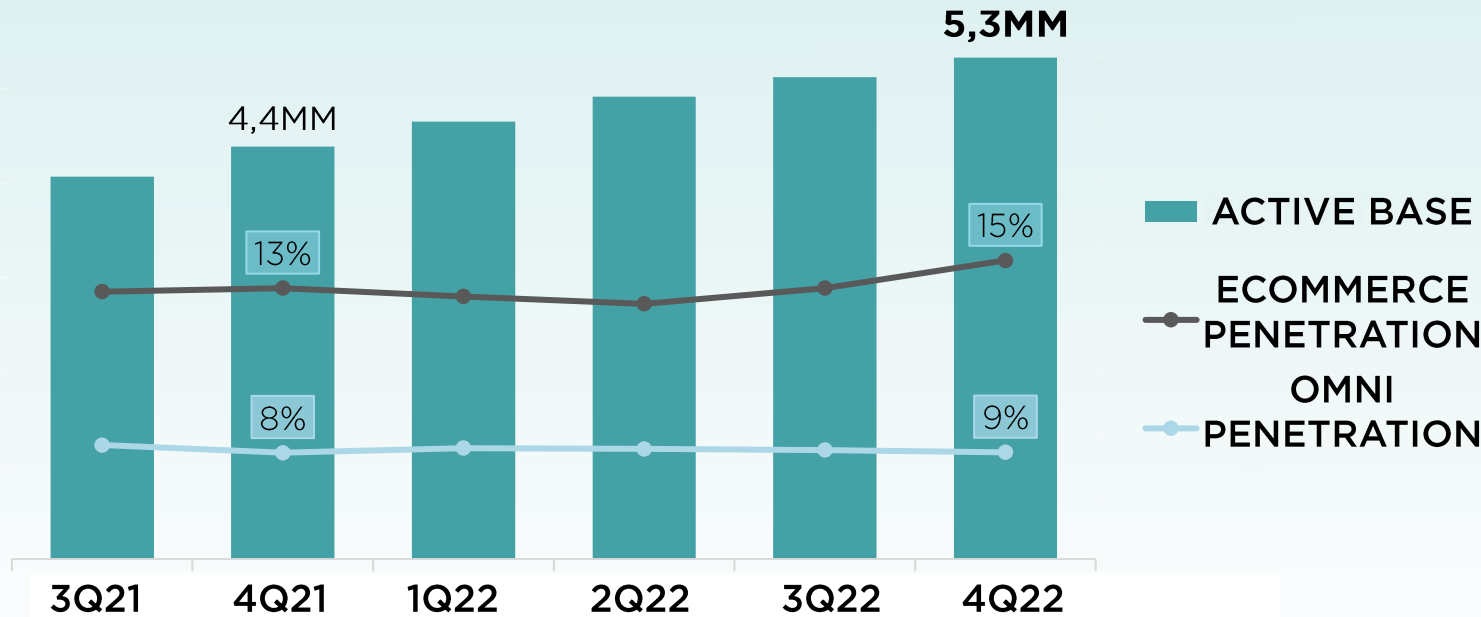
- WEB COMMERCE SALES
- TOTAL REVENUES: **R\$350M, +27%** VS 4Q21
- CAGR (2019-2022): **72%**
- TOTAL REVENUES FROM APPS: **R\$101M, +90%** VS 4Q21
- TOTAL APP SHARE OF REVENUES: **+30%**
- GROWTH OF **45%** IN WEB COMMERCE TICKETS VS 4Q21
- **89M** TOTAL TRAFFIC IN 4Q22



# CUSTOMERS

RECORD-SETTING OS CUSTOMERS IN THE ACTIVE  
BASE\* : **5,3M**;

**9% OF CUSTOMERS ARE OMNICHANNEL (BUY BOTH  
PHYSICALLY AND ONLINE)**



- **+22%** ACTIVE BASE EXPANSION;
- **+42%** ACTIVE ONLINE CUSTOMER BASE (E-COMMERCE);
- OMNI CUSTOMERS HAD A HIGH PURCHASE IN THE PERIOD, **2.1x** HIGHER THAN THE OVERALL;

# STRATEGIC GUIDELINES

# 2023 STRATEGIC GUIDELINES

- 1. SUSTAINABLE GROWTH AND CONTINUOUS INNOVATION OF CORE BRANDS;**
- 2. DILIGENT EXPANSION OF THE BRANDS PORTFOLIO, EXPANDING OUR ADDRESSABLE MARKET;**
- 3. CONTINUED EXPANSION OF AR&CO AND ITS SUB-LABELS, SOME AT AN ADVANCED STAGE SUCH AS RESERVA AND RESERVA GO, AND OTHERS AT AN EMBRYONIC STAGE;**
- 4. EXPANSION OF WOMEN'S APPAREL WITHIN THE GROUP'S PORTFOLIO THROUGH INVESTMENTS IN THE EXISTING BRANDS - CAROL BASSI, SCHUTZ AND REVERSA;**
- 5. START OF A NEW PATH OF GROWTH, JOINING AREZZO&CO'S KNOW-HOW IN FOOTWEAR BUSINESS MANAGEMENT, PRODUCT DEVELOPMENT, OMNI SALES, TO EMERGING INTERNATIONAL BRANDS IN FULL GROWTH.**

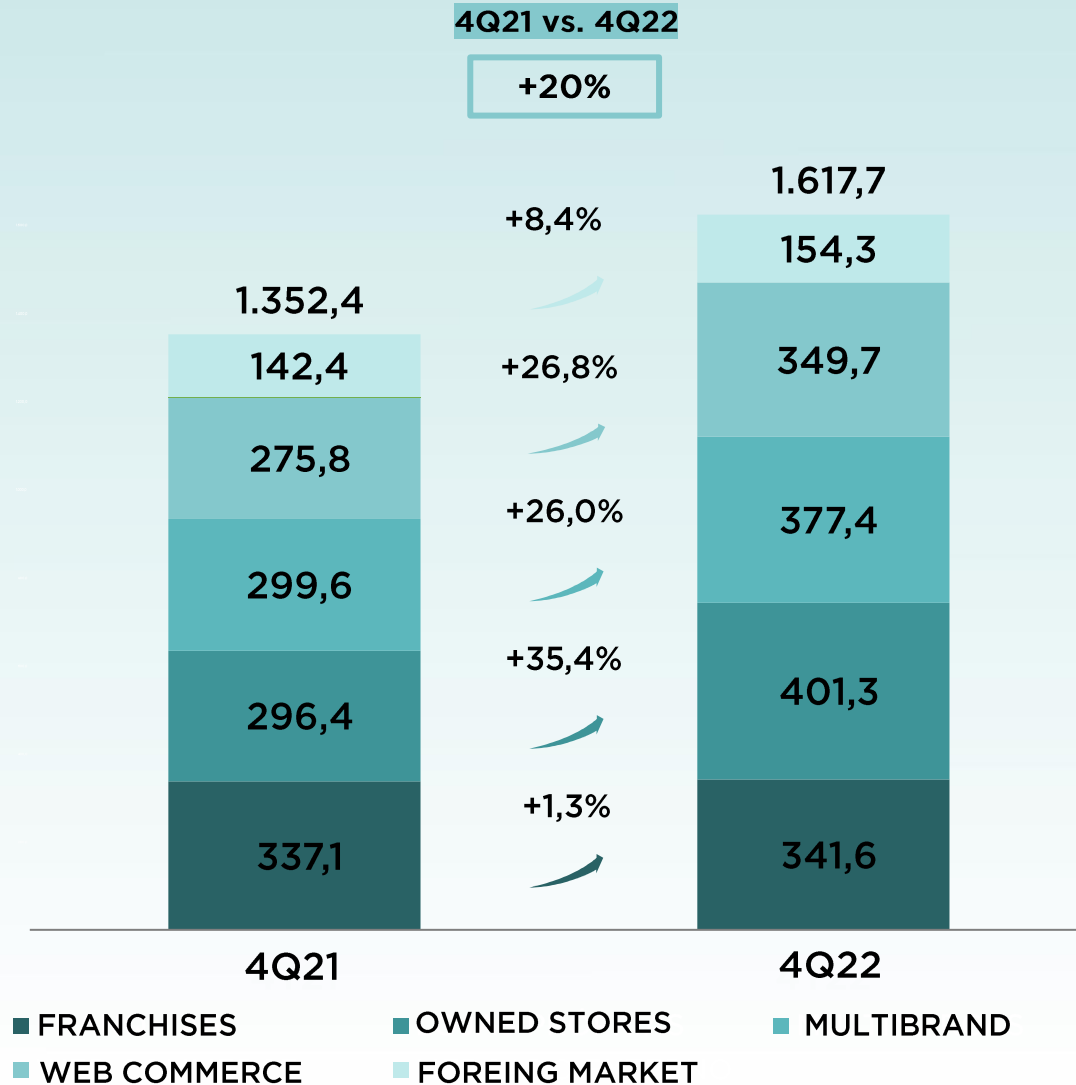
FINANCIAL  
**HIGHLIGHTS**



# 4Q22 GROSS REVENUE

BY CHANNEL - DOMESTIC AND INTERNATIONAL MARKETS

(R\$ MILLION)



## HIGHLIGHTS

- GROSS REVENUE OF R\$ 1.6BI, +20% VS WITH GROWTH IN ALL OF THE AREZZO&CO BRANDS
- 8% ORGANIC BRANDS GROWTH VS 4Q21
- 27% WEB COMMERCE GROWTH VS 4Q21, MAINTAINING A HIGH REVENUES LEVEL FOR THE QUARTER, AT R\$ 350M
- 35% GROWTH OF THE OWNED STORES CHANNEL VS 4Q21, WITH R\$ 401M IN REVENUES FOR THE QUARTER

# P&L 2022 AND 4Q22

Main Financial indicators	2022 Adjusted	2021 Adjusted	Δ (%) 22 x 21	4Q22 Adjusted	4Q21 Adjusted	Δ (%) 22 x 21
<b>Gross Revenues</b>	5.229.907	3.647.442	43,4%	1.617.670	1.352.404	19,6%
<b>Net Revenues</b>	4.233.726	2.923.827	44,8%	1.311.413	1.092.950	20,0%
<b>COGS</b>	(1.950.092)	(1.379.516)	41,4%	(606.428)	(502.252)	20,7%
<b>Depreciation and amortization (cost)</b>	(4.388)	(3.138)	39,8%	(1.225)	(876)	39,8%
<b>Gross Profit</b>	2.283.634	1.544.311	47,9%	704.985	590.698	19,3%
<b>Gross margin</b>	53,9%	52,8%	1,1 p.p	53,8%	54,0%	(0,2 p.p)
<b>SG&amp;A</b>	(1.788.195)	(1.188.559)	50,5%	(571.986)	(435.640)	31,3%
<b>% of net revenues</b>	(42,2%)	(40,7%)	(1,5 p.p)	(43,6%)	(39,9%)	(3,7 p.p)
<b>Selling expenses</b>	(1.332.493)	(796.814)	67,2%	(423.504)	(302.930)	39,8%
<b>Owned stores and web commerce</b>	(478.702)	(358.474)	33,5%	(183.696)	(160.501)	14,5%
<b>Selling, logistics and supply</b>	(853.790)	(438.341)	94,8%	(239.808)	(142.429)	68,4%
<b>General and administrative expenses</b>	(302.795)	(284.375)	6,5%	(93.244)	(100.241)	(7,0%)
<b>Other operating revenues (expenses)</b>	4.382	(7.027)	(162,4%)	1.414	(3.128)	145,2%
<b>Depreciation and amortization (expens</b>	(157.290)	(100.343)	56,8%	(56.653)	(29.341)	93,1%
<b>EBITDA</b>	657.117	459.233	43,1%	190.877	185.275	3,0%
<b>EBITDA Margin</b>	15,5%	15,7%	(0,2 p.p)	14,6%	17,0%	(2,4 p.p)
<b>Net Income</b>	386.444	269.290	43,5%	102.702	110.523	(7,1%)
<b>Net Margin</b>	9,1%	9,2%	(0,1 p.p)	7,8%	10,1%	(2,3 p.p)

## DESTAQUES

- **GROSS PROFIT: MARGIN INCREASE OF 110BPS IN THE YEAR AND STABLE LEVEL IN THE QUARTER. POSITIVE IMPACT OF INCREASE REPRESENTATION OF SELL OUT CHANNELS AND AR&CO GROWTH.**
- **EBITDA: FLAT MARGIN IN 2022 AND PRESSURE OF 240BPS IN THE QUARTER DUE TO STRATEGIC INVESTMENTS. SG&A HAD HIGHER INVESTMENTS IN OWNED STORES AND FOCUS ON BRAND DEVELOPMENT.**
- **NET INCOME: FLAT NET MARGIN ESTÁVEL IN 2022 AND IMPACT ON QUARTER FOR HIGHER INTEREST ON LEASE.**

INCOME FROM OPERATIONS	4Q22 REPORTED	4Q22 ADJUSTED	4Q21	Δ 22 X 21 (%)
EBIT (LTM)	550.127	495.360	468.524	5,7%
+ IR AND CS (LTM)	(50.333)	(41.311)	(60.134)	(31,3%)
<b>NOPAT (LTM)</b>	<b>499.794</b>	<b>454.049</b>	<b>408.390</b>	<b>11,2%</b>
WORKING CAPITAL <sup>1</sup>	737.847	737.847	416.694	77,1%
ACCOUNTS RECEIVABLE	867.582	867.582	790.302	9,8%
INVENTORY	772.060	772.060	450.487	71,4%
SUPPLIERS	(671.662)	(671.662)	(574.713)	16,9%
OTHERS	(230.133)	(230.133)	(249.382)	(7,7%)
PERMANENT ASSETS	1.958.156	976.712	1.421.648	(31,3%)
OTHER LONG-TERM ASSETS <sup>2</sup>	198.393	198.393	207.667	(4,5%)
<b>INVESTED CAPITAL</b>	<b>2.894.396</b>	<b>1.912.952</b>	<b>2.046.009</b>	<b>(6,5%)</b>
<b>AVERAGE INVESTED CAPITAL<sup>3</sup></b>	<b>2.470.203</b>	<b>1.597.537</b>	<b>1.782.411</b>	<b>(10,4%)</b>
<b>ROIC<sup>4</sup></b>	<b>20,2%</b>	<b>28,4%</b>	<b>22,9%</b>	

- **28.4% ADJUSTED ROIC IN THE QUARTER;**
- **ONE OF THE MOST IMPORTANT KPIS TRACKED BY AREZZO&CO'S MANAGEMENT;**
- **THE FACTORS RESPONSIBLE INCLUDE 22.4\$ NOPAT GROWTH 4Q21;**
- **24.8% DECREASE IN TOTAL DEBT VS 4Q21;**

(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.

Q&A

**Q&A**

APPENDIX  
**APPENDIX**

BRANDS  
**BRANDS**



**R\$ 1.4B**

GROSS REVENUES

**+30%** VS 2021

**R\$ 1.8B**

2022 SELL OUT DTC

**+27%** VS 2021

HIGHLIGHT FOR THE GROWTH  
IN SELL OUT CHANNELS

**+23%**

WEB COMMERCE  
VS 4Q21

**+18%**

OWNED STORES  
VS 4Q21



**SCHUTZ**

**R\$ 1.2B**

2022 GLOBAL  
SALES

**+34%** VS 4Q21

**+21%**

GROWTH IN GROSS  
REVENUE IN THE  
MULTIBRAND CHANNEL

**R\$ 214M**

DOMESTIC SALES

**+10%** VS 4Q21

**+21%**

GROWTH OF  
DOWNLOADS IN THE  
BRAND APP

**+11%**

WEB COMMERCE  
EXPANSION

**AREZZO  
& CO**





**AR&CO**

**AREZZO  
&CO**

**FOURTH QUARTER REVENUE  
HIGHTER THAN CONSOLIDATED  
YEAR 2019**

**R\$ 455M**

GROSS REVENUE AR&CO 4Q22

**+33% VS 4Q21**

HISTORICAL LEVEL OF GROSS  
REVENUE IN 2022 OF

**R\$ 1.2B**





# ANACAPRI

AREZZO  
& CO

**R\$ 369M**

GROSS REVENUE IN 2022

**+26%** VS 2021

**R\$ 122M**

GROSS REVENUE IN 4Q22

**+23%** VS 4Q21

**+26%**

FRANCHISE AND  
MULTIBRAND CHANNEL

19 NET OPENINGS IN 4Q22





**REVENUE EXPANSION ABOVE EXPECTED  
IN ALL SALES CHANNELS**

**HIGHLIGHT ON THE PERFORMANCE OF THE  
FRANCHISE CHANNELS AND OWNED STORES**

**OPENING OF FOUR NEW  
STORES IN 4Q21**

**RECIFE, VITÓRIA, SÃO CAETANO  
DO SUL AND SANTOS**



# VICENZA

**VICENZA HAS BEEN IN THE FOOTWEAR MARKET FOR 30 YEARS;**

**FOUNDED BY ARIOVALDO AND RAFAELA FURLANETTO - VAST EXPERTISE IN THE FOOTWEAR SEGMENT;**

**PRESENT IN MORE THAN 400 MULTIBRAND STORES IN BRAZIL;**

**OPPORTUNITY TO STRENGTHEN THE MULTIBRAND CHANNEL AND EXPANSION IN DTC (PHYSICAL STORES AND E-COMMERCE);**

**PACE OF GROWTH OF 30% IN THE LAST YEARS, WITH REVENUES OF BRL 80 MILLION IN 2022;**

**OPENING OF THE FIRST PHYSICAL STORE (POP-UP) AT SHOPPING JK IN SÃO PAULO ON MARCH 13.**

**AREZZO  
&CO**





# MY SHOES

## WEB COMMERCE REVENUE RECORD-SETTING

**+R\$ 1M**  
**ON BLACK FRIDAY**

1 YEAR OF MYSHOES RELAUNCH

HIGH POTENTIAL OF THE BRAND IN ITS  
ADDRESSABLE MARKET





**ALEXANDRE BIRMAN**

**AREZZO  
&CO**

**R\$ 68M**

GLOBAL GROSS REVENUE

**+35%** vs 4T21

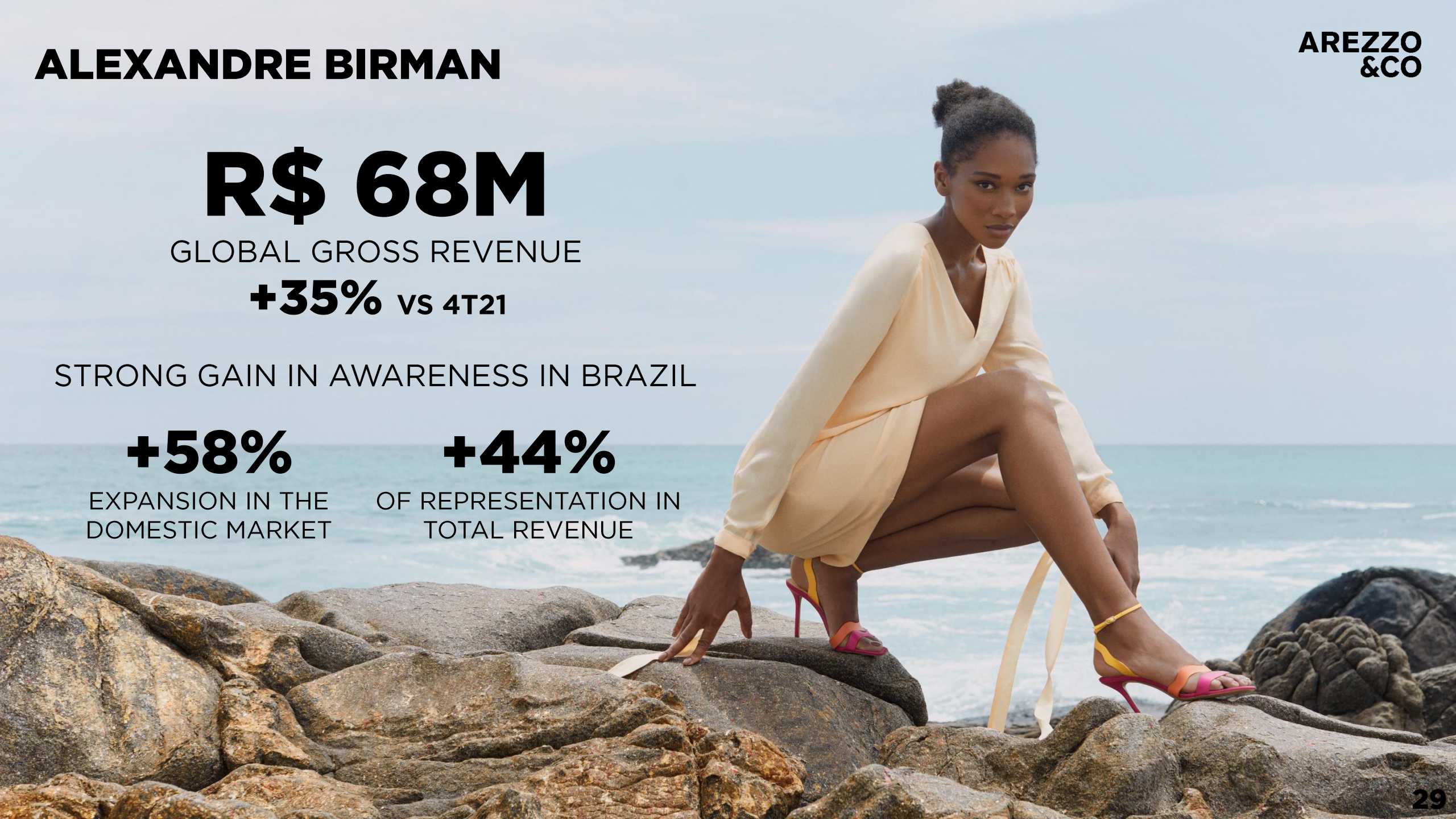
STRONG GAIN IN AWARENESS IN BRAZIL

**+58%**

EXPANSION IN THE  
DOMESTIC MARKET

**+44%**

OF REPRESENTATION IN  
TOTAL REVENUE





# CAROL BASSI

**STRONG GROWTH OF  
CHANNELS REVENUE**

**EXCELLENT RESULTS  
IN THE NEW WEB COMMERCE**

**R\$ 1MM**  
IN A SINGLE MONTH

**OPENING OF FOUR STORES IN THE  
QUARTER (2 POP UPS)**

HIGHLIGHT FOR THE STRONG PERFORMANCE OF THE  
BRAND'S FLAGSHIP - SHOPPING CIDADE JARDIM

**+75% vs 4Q21**



# **PARIS TEXAS**

**FIRST ACQUISITION OUTSIDE BRAZIL - ACCELERATION INTERNATIONALIZATION OF AREZZO&CO;**

**CREATION OF A GLOBAL PLATFORM FOR THE LUXURY FOOTWEAR MARKET;**

**ACQUISITION OF 65% OF THE CAPITAL - FOUNDERS REMAIN WITH 35% OF THE BUSINESS IN ADVANCE OF MANAGEMENT;**

**EXPANSION INTO THE NORTH AMERICAN MARKET, WHERE THE BRAND HAS GREAT AWARENESS BUT LOW PENETRATION;**

**OPENING OF DOORS FOR AREZZO&CO IN THE EUROPEAN MARKET;**

**GROWTH OF 65% IN 2022 WITH 15 MILLION EUROS IN GROSS REVENUE, AND EBITDA MARGIN OF 16.6%.**



THANK YOU!

**#TOWARDS2154**