



Earnings


3Q21



muito eu



# 3Q21 Highlights

- Increased **mobility** as restrictions are lifted and more people are **vaccinated**
- Operations are resuming, as **stores are open** during normal hours, plus our omnichannel functionalities
- **Sales are up** compared to pre-pandemic times: **online sales increased by two-digits compared 3Q20, and apparel by two-digits compared to 3Q19**
- We have made significant deliveries in our growth plan, in particular the announcement of  **pay**
- Development of C&A Fashion Tech, **our first Fashion Devs program**
- ESG:



- ✓ Environmental: more sustainable collection (Disney Cycles, Mindese7 Sport, Denim Week) and circularity initiatives;
- ✓ Social: we resumed the initiatives of our volunteer program and **launched AfroLab Fashion**, together with Instituto C&A
- ✓ Governance: **CDP** - Carbon Disclosure Project questionnaire



3Q21 Highlights

# 3Q21 Growth Plan Deliveries (1/4)



## New stores and formats:

- 4 new stores opened in 3Q21
- Total of **308** stores



- Pilot of a **new format** - with specific spaces identified at the store entrance **with ACE**, our **sportswear brand**

# 3Q21 Growth Plan Deliveries

(2/4)



## Digital Transformation:

- 18.4% increase in online GMV\*, reaching **R\$ 253.2 million**
- **WhatsApp sales:** account for over **45%** of our online sales, with over 900 dedicated associates, each with over 100 contacts a day. Conversion rate above 7% and average tickets almost twice as large.
- **Minha C&A** with **13 thousand** registered consultants.
- **Galeria C&A** now has **471 sellers**
- **C&A & VC** has over **18.2 million** customers.
- **Total active customer base** (last 12 months) increased **36%**, **multichannel customers** increased **57%**.
- **App:** over **2.8 Mn** monthly active users
- **Culture and People:**
  - **Observability** is broadly used to monitor tech and business indicators;
  - **Tech Team: 711 professionals** with technical profiles related to data: security, data science, architects and agile.



# 3Q21 Growth Plan Deliveries

(3/4)



## Modernized Supply Chain operating model:

### Store Distribution

- Pilot Push Pull distribution model enabled by:
  - Three sorters in operation - distribution by SKU rather than packages;
  - - We are in the final stages of implementing our new **Warehouse Management System (WMS)** at our distribution center.
  - This quarter we started to implement a tool that will manage our new push-pull store distribution system: SIA from End To End Analytics/Accenture.
  - RFID Roll-out: 185 stores and 130 suppliers

### Customer Deliveries

- Automation (KNAPP OSR Shuttle) integrated into the new WMS of the eCommerce CD, online since November, in time for Black Friday
  - **Average time to assemble orders is now some 5 minutes**
  - **Stockouts and order mistakes down 80%**
- Average delivery time of 3 days\*





# 3Q21 Growth Plan Deliveries

(4/4)



## Developments in our Relationship with Bradesco

- **Bought back the right to offer financial products and services, valued at R\$ 415 million, to be settled in January 23, corrected at 112.5% of the CDI as of January, 2022**
- **Both cards (C&A and C&A Pay) will coexist for 2 years, with operational metrics agreed contractually by the parties for this period. The existing rules for the legacy portfolio will remain in place.**
- **DEC/21: Start of the transition to C&A Pay**

# C&A PAY

it's a card, it's digital, it's all good



WHAT IS  
C&A PAY?



# Experienced and qualified structure of professionals and partners

## Financial Services Team

**Fernando Brossi**  
Vice-President of  
Financial Services and Operations

**Levi Fonseca**  
Financial Services Director

**Murilo Sian**  
Products

**Zeina Bakri**  
Marketing

**Filipe Matzenbacher**  
Credit and  
Operations

















**Leandro Furlan**  
Financial  
Planning

**Thyago Pompeo**  
Operations

A dedicated organization of 70 people working in credit, planning, collection, product and services, among others

**Over 1,800 dedicated associates in our stores**

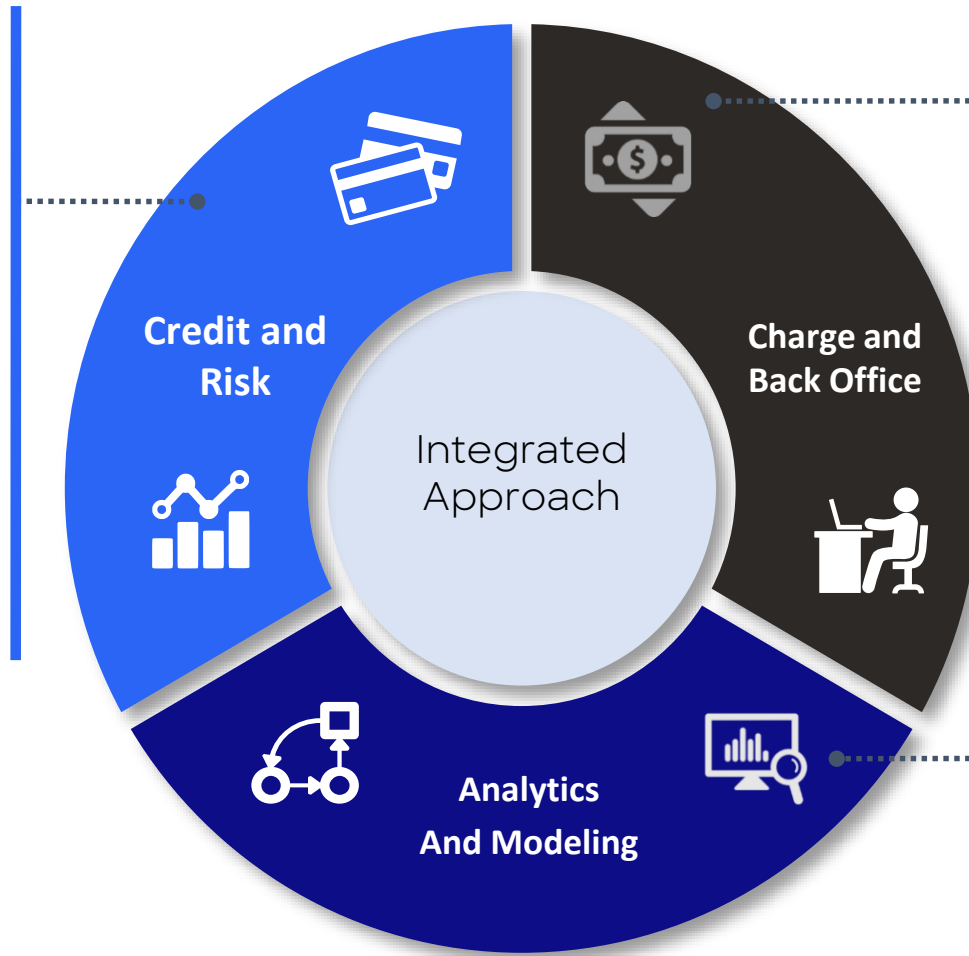
## Partners

Design	Structuring	Operation		
				
				
				
				

Embedded partners from the conception of the business and development of the business plan



- Management of policy of credit granting and limits clustered
- Use of **lifetime value** to determine optimal point of risk/return and cash flow
- Use of **multiple bureaus** to validate information and improve models
- Adoption of **secure authentication methods** for transaction: transactional password



- Management of call center and billing offices
- Massive use of **virtual agents and digital channels** to increase performance and reduce costs
- Database creation **unifying** card and relationship information
- **Development** of credit behavior and product propensity models
- Creating Score models using machine learning

Clear governance established for the operation and in the decision strategy: creation of Risk and Credit Committees composed of experienced professionals



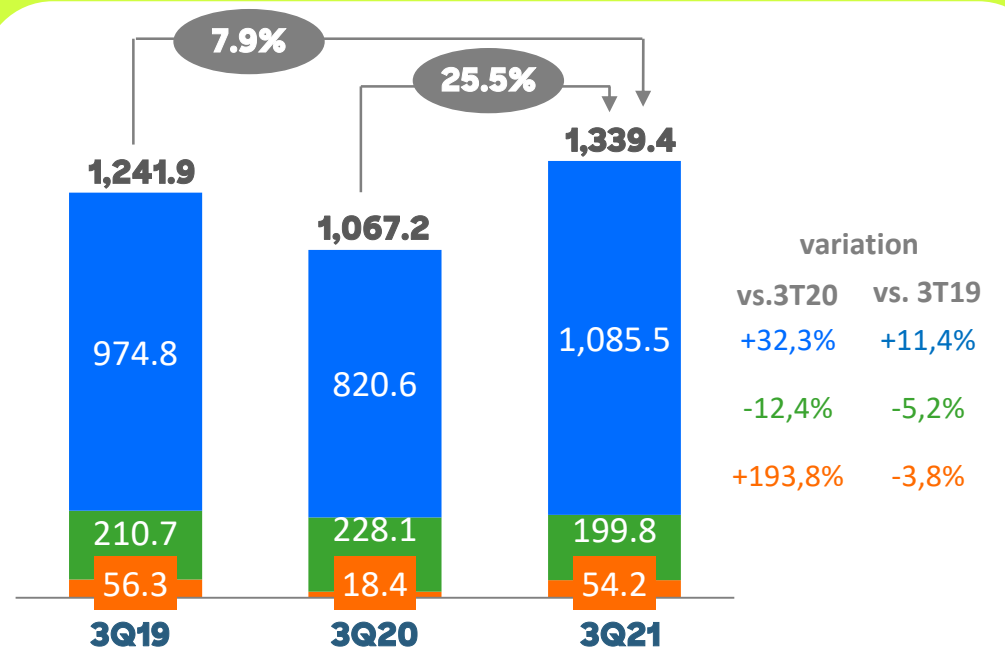
# Perspectives



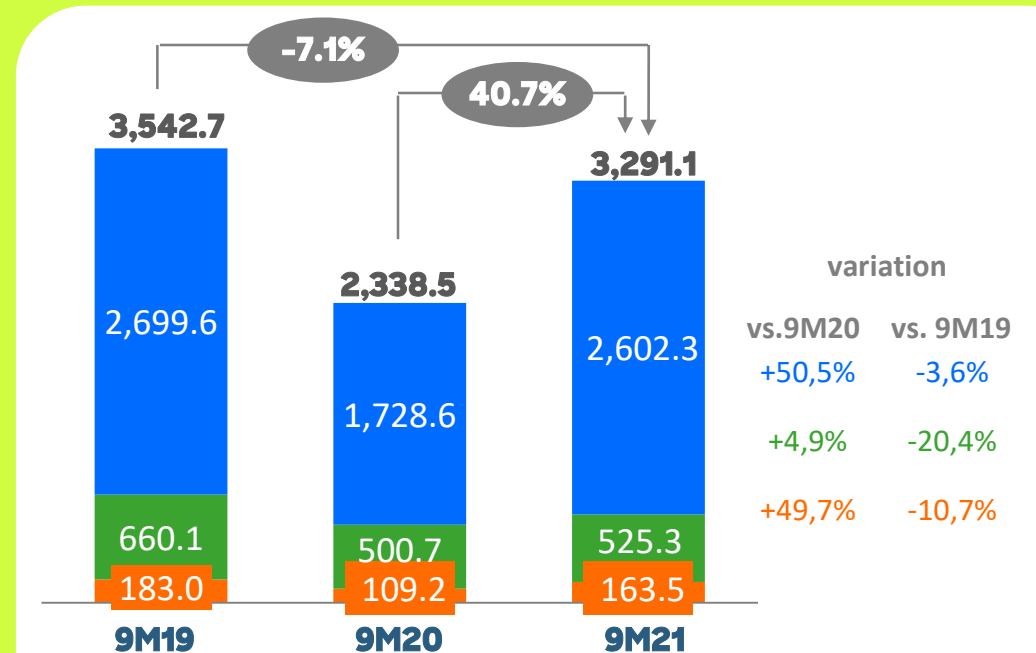
- 3 to 5 years to reach the sector level (~40%) of penetration of own credit as % of sales
- Increased by about 2x the current approval rate
- C&A&VC with more than 18 million registered customers – potential pre-approved credit on C&A Pay for more than half of them
- Margin contribution similar to peers
- C&A Pay operation break-even in the second year of operation

# Net Revenue and Same Store Sale

(R\$ million)



SSS	3Q20	3Q21	Δ	SSS 3Q21 vs. 3Q19
Total	-13.9%	21.0%	34.9p.p.	2.2%
Apparel	-18.2%	30.3%	48.5p.p.	4.4%
Others - Fashiontronics	6.2%	-12.5%	-18.7p.p.	-8.1%



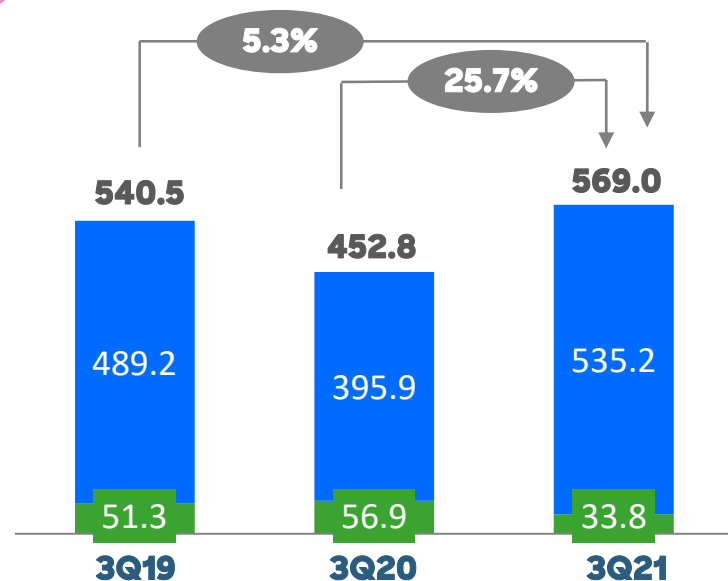
SSS	9M20	9M21	Δ	SSS 9M21 vs. 3T19
Total	-35.2%	39.2%	74.4p.p.	-11.4%
Apparel	-37.7%	49.2%	86.9p.p.	-8.7%
Others - Fashiontronics	-25.3%	5.0%	-30.3p.p.	-22.4%

Apparel Others - Fashiontronics Other (including financial services)



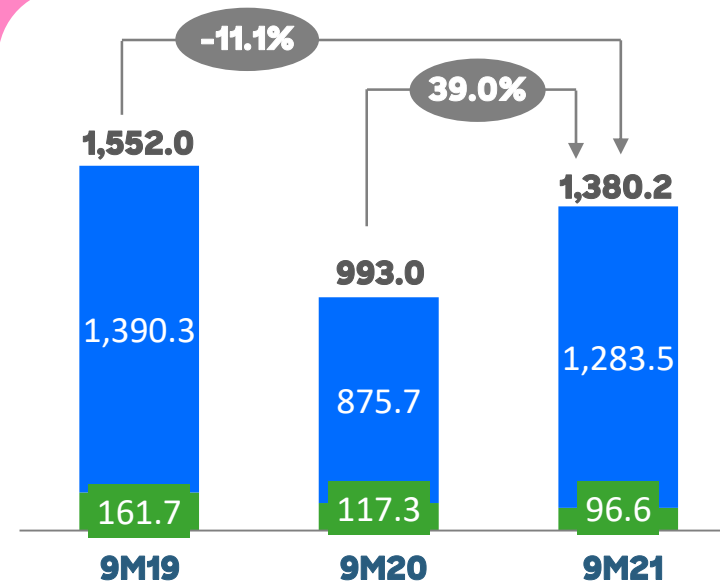
# Gross Profit from Merchandise Sales and Gross Merchandise Margin

(R\$ million and %)



Variation  
vs. 3Q20    vs. 3Q19  
+35.2%    +9.4%  
-40.6%    -34.1%

Gross Profit	3Q19	3Q20	3Q21	Var.3Q20	Var.3Q19
Merchandise	45.6%	43.2%	44.3%	+1.1p.p.	-1.3p.p.
Apparel	50.2%	48.2%	49.3%	+1.1p.p.	-0.9p.p.
Others - Fashiontronics	24.4%	25.0%	16.9%	-8.0p.p.	-7.4p.p.



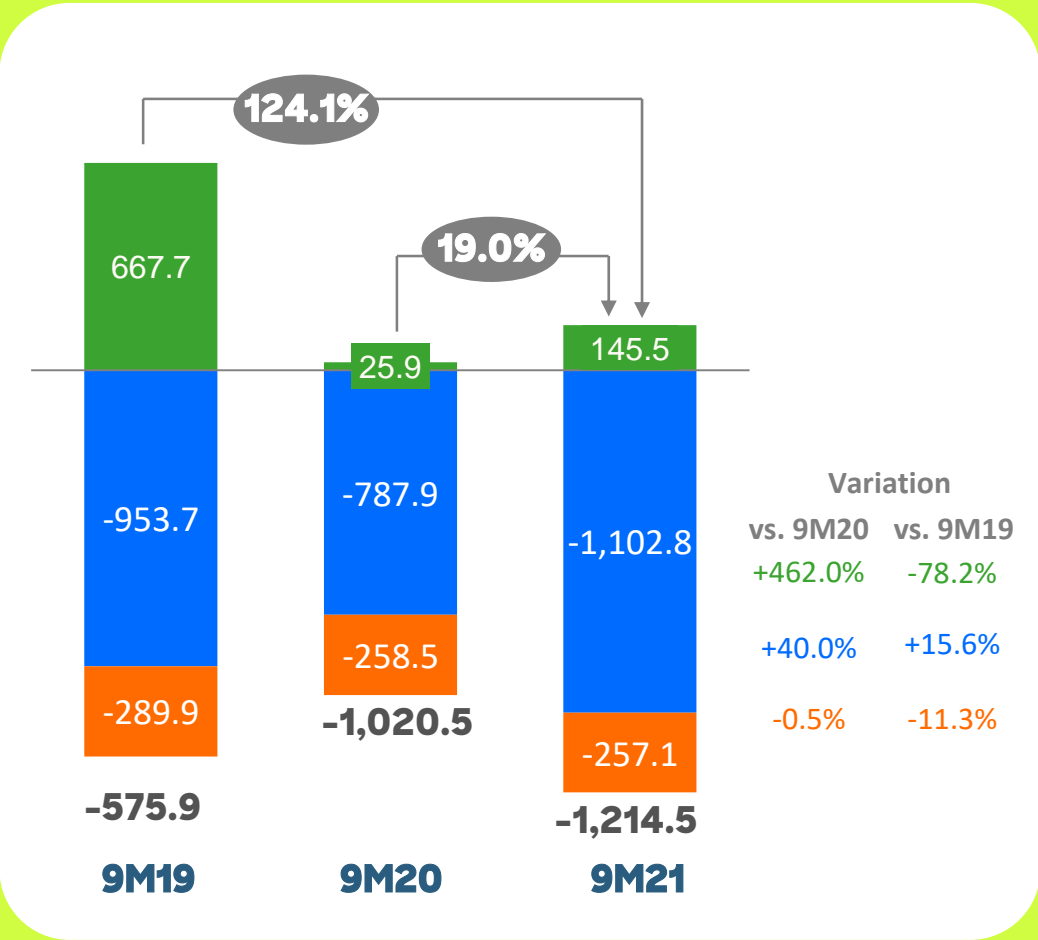
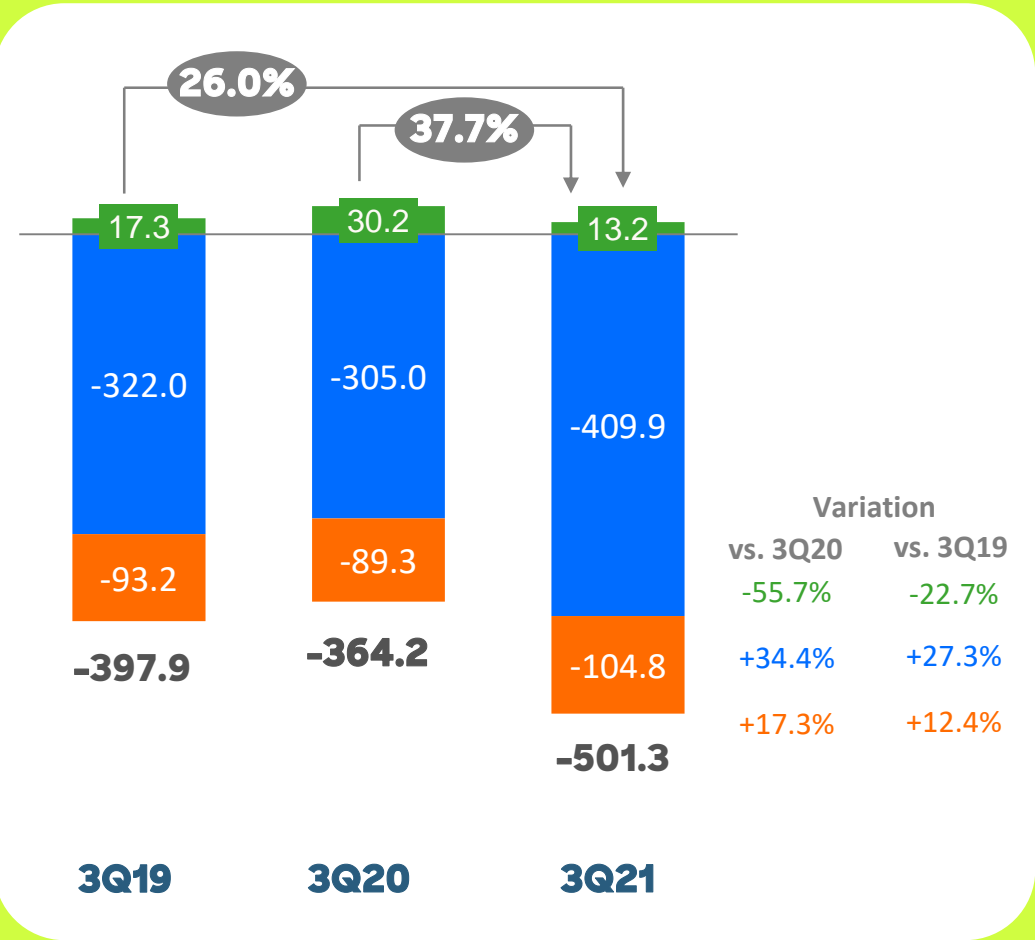
Variation  
vs. 9M20    vs. 9M19  
+46.6%    -7.7%  
-17.6%    -40.2%

Gross Profit	9M19	9M20	9M21	Var.9M20	Var.9M19
Merchandise	46.2%	44.5%	44.1%	-0.4p.p.	-2.1p.p.
Apparel	51.5%	50.7%	49.3%	-1.3p.p.	-2.2p.p.
Others - Fashiontronics	24.5%	23.4%	18.4%	-5.0p.p.	-6.1p.p.

Apparel    Others - Fashiontronics

# Operating Expenses\*

(R\$ million)

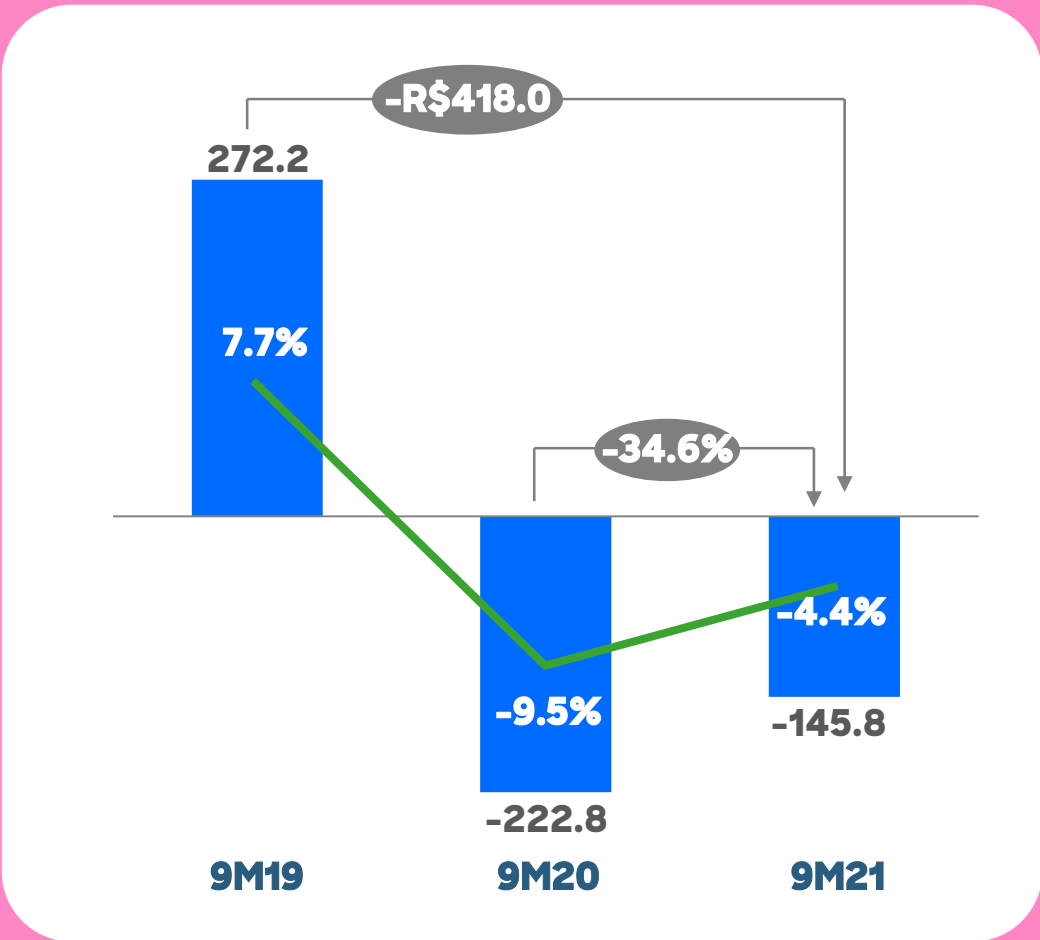
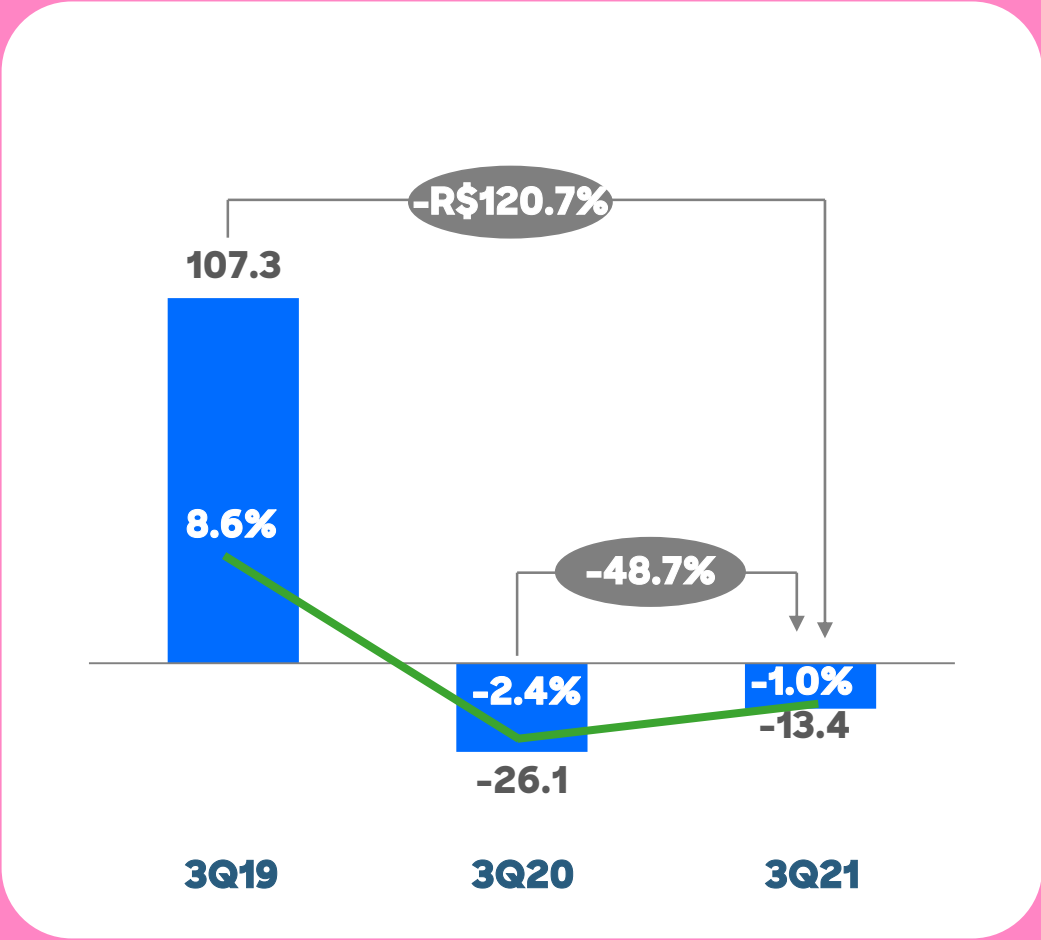


Sales G&A Others

\*Expenses include the payment of leases, as per accounting standard IFRS16. Expenses also exclude depreciation and amortization, including right-of-use depreciation (leases) to facilitate the analysis.

# Adjusted\* EBITDA and Margin

(R\$ million and %)



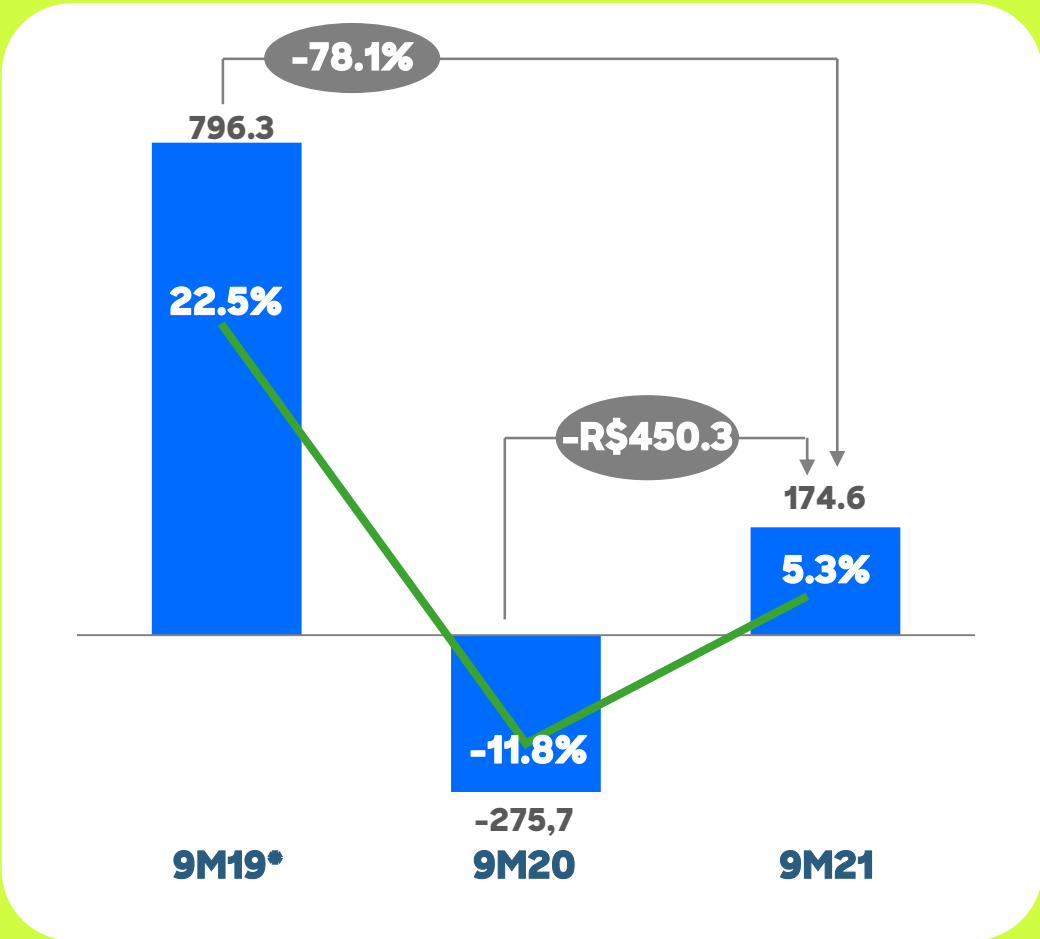
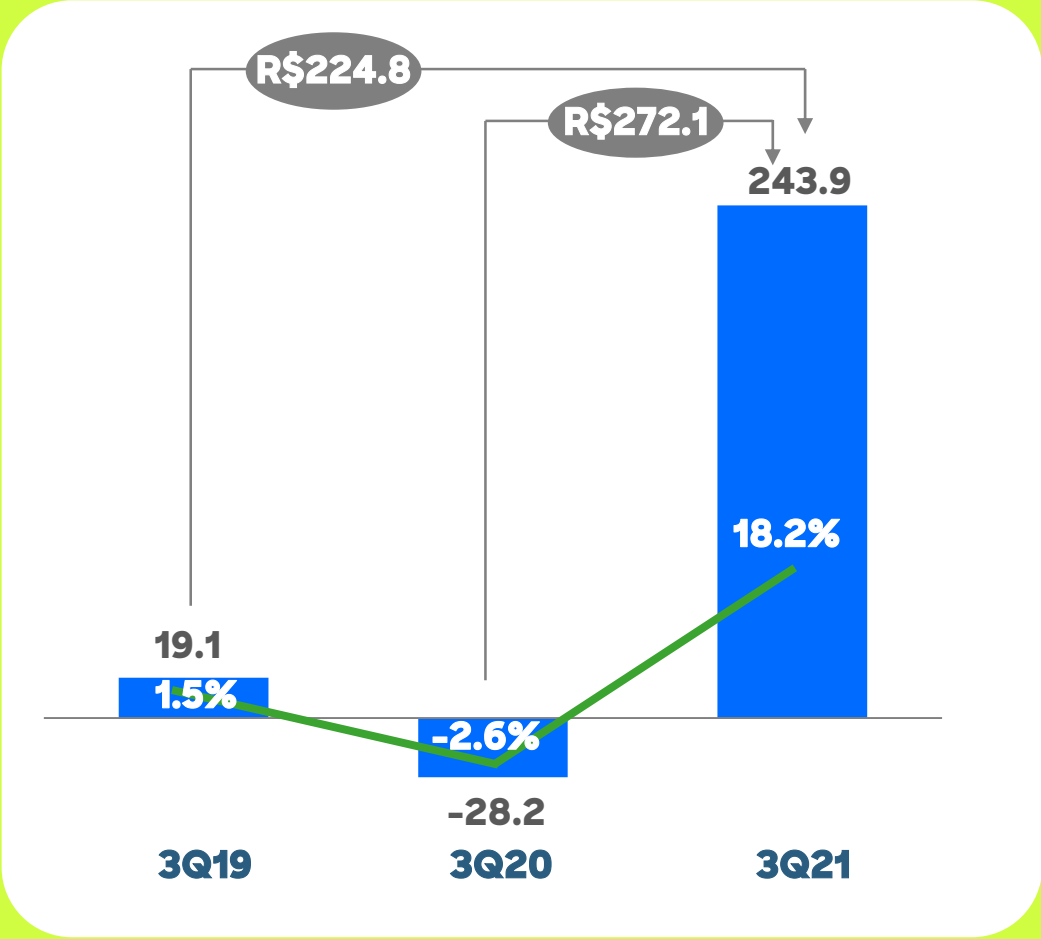
— Margin (%)      Adjusted EBITDA

\*Pursuant to Article 4, CVM Instruction 527, the Company has chosen to show Adjusted EBITDA as in the above table in order to provide information which best reflects the gross operational cash generation from its activities. The adjustments are: (i) Other net operating income (expenses); (ii) Financial Income of Supplier; (iii) Tax Credit Recovery; and (iv) Commercial Lease Payments (IFRS16).



# Net Income and Net Margin

(R\$ million and %)



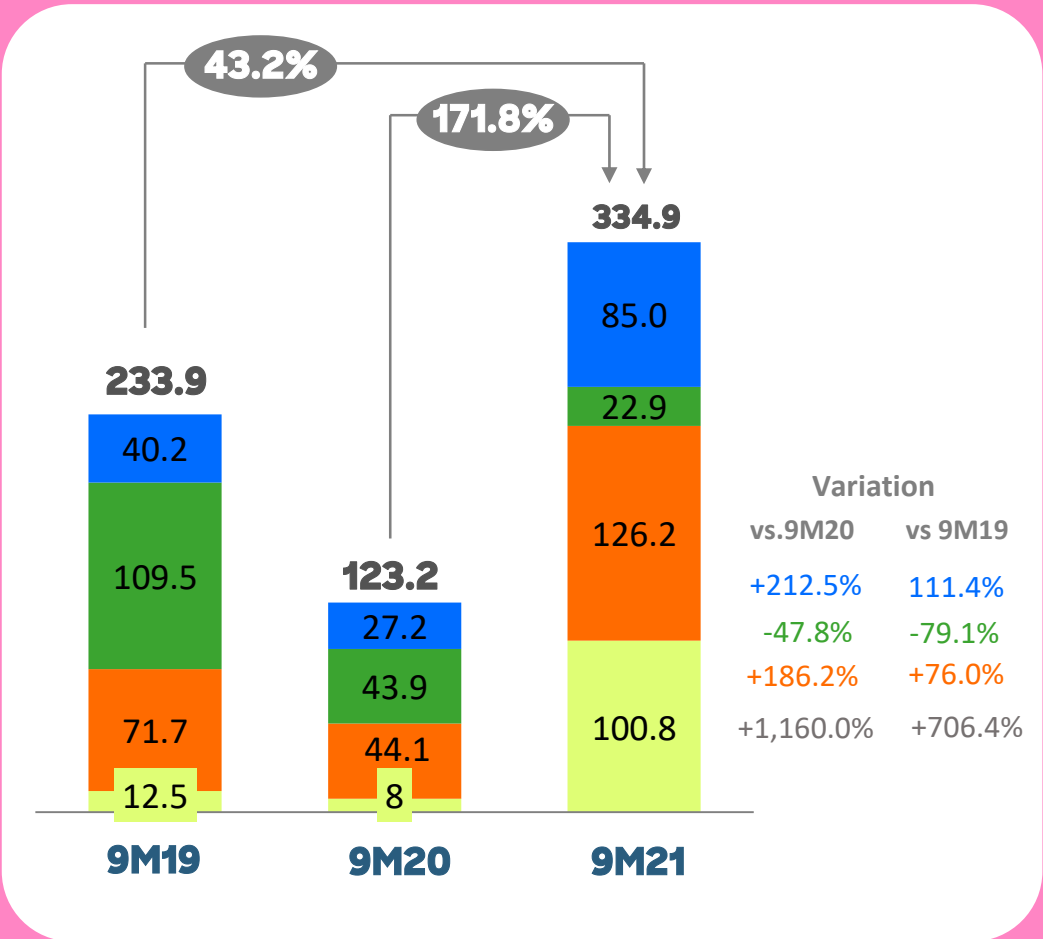
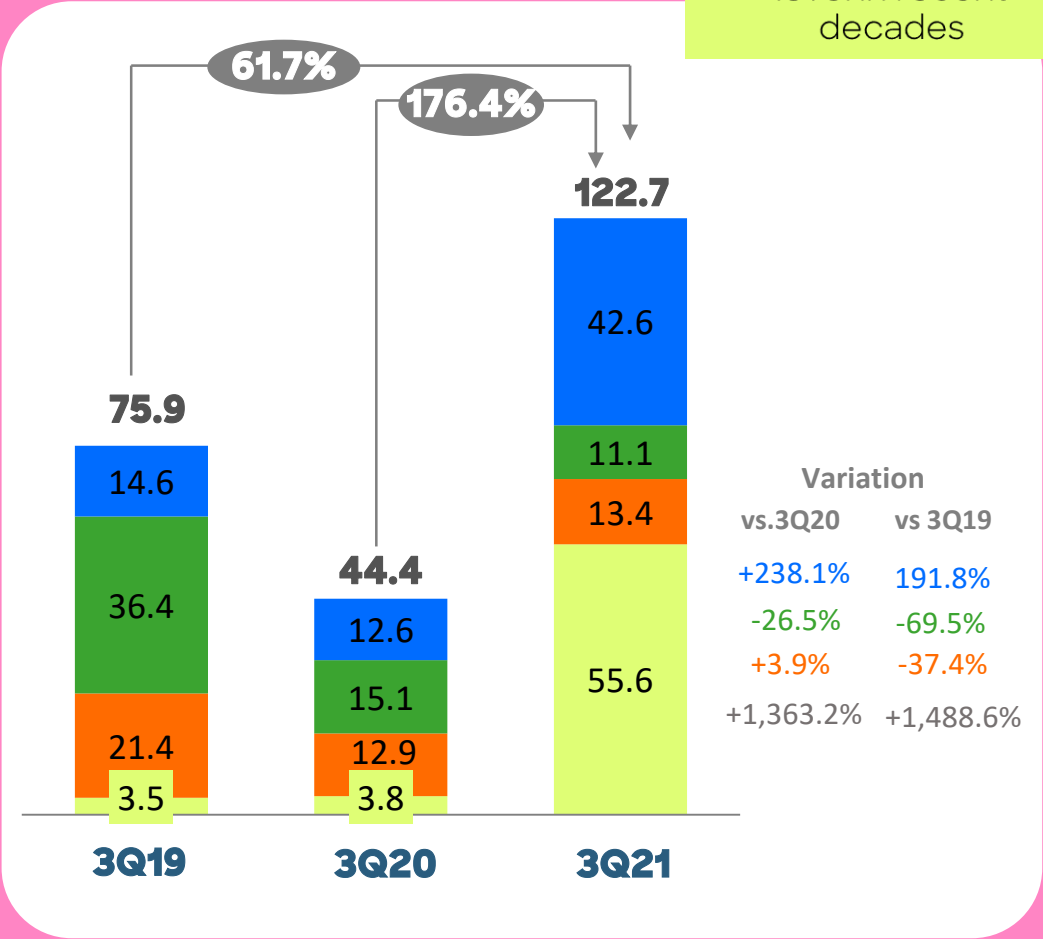
Margin (%) Net Income

\*As reported. It considers the impact of tax credit gains from excluding ICMS from the basis for calculating PIS/Cofins on 02/28/2019 in the amount of R\$658.7million and R\$586.2 million of interest and monetary correction

# Investments

(R\$ million)

Record investment  
level in recent  
decades







Earnings

# 3Q21

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