

Earnings

4Q20



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# C&A Fashion Tech.





# highlights and recognitions.

2020 was remarkable...

...Significant progress in digital transformation and omnichannel

...Impressive growth in online sales

...Distinctive merchandise margin management

...Strong austerity in expenses and focus on the cash situation

...Committed to people



For the second time C&A was elected one of the Great Places to Work (GPTW) in retail

One of the top 3 iBest Academy Jury selections in Fashion e-Commerce

The best score in Fashion Revolution's 2020 Fashion Transparency Index

According to a survey by the Croma Group, ours was one of the 3 brands most closely associated with diversity in Brazil.

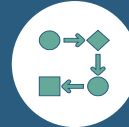


# Deliveries in the 4Q20 Growth Plan.



## New stores and formats:

- **6 new stores** opened in 4Q20
- Total of 295 stores
- **CVP\* Concept:** Total of 209 CVP stores
- **Mini Stores:**
  - 3 mini stores in SP



## Modernized Supply Chain operating model:

- Progress in all 3 fronts: i) distribution network; ii) omnichannel operations and iii) technology
- Gains in reducing lead times and cost, increasing sales and improving inventory efficiency



## Digital Transformation:

- Total increase in GMV\*\* of **278%**, totaling **R\$206 million**
- **App:** the main channel, with ~**60%** of online sales and over **3.4 million** monthly active users
  - **most frequently downloaded** of all apparel apps in 2020, with **12.4 million** new downloads



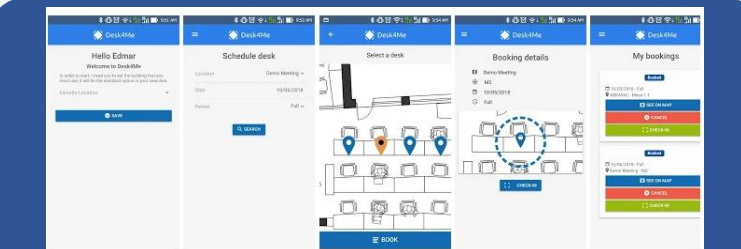
## Increased credit offering:

- Intense agenda of negotiations with the partner
- Development of digital solutions to improve the customer experience

\* CVP – Customer Value Proposition

\*\* Gross Merchandise Volume

# digital transformation: we continue advancing.

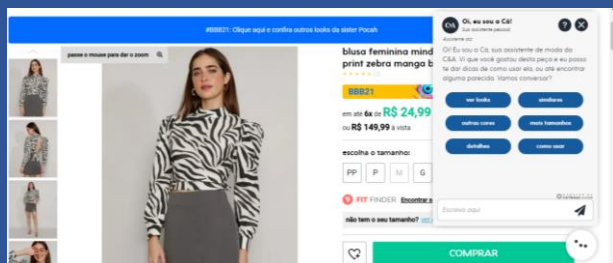


- **New office:** partial home-office adopted indefinitely, ~20% reduction in office-space, check-in system to book a desk

- **Reinforce and modernize technology:** setup tech architecture to digital (API manager, WAF and others), 31 processes automated (RPAs)



- **Innovation:** virtual assistant for Mindese7 and BBB holographic fashion show



BBB21: Brothers ganham desfile virtual exclusivo - Reprodução TV Globo

- **Galeria C&A:** Over 200 sellers focusing on fashion and footwear in December 2020



- **New channels: Minha C&A [My C&A] Pilot**



- **Customers: C&A &VC (C&A & You) relationship program with over 14 million customers and >140% growth in new customers**



- **Omnichannel Initiatives: 100% of stores**
  - Ship-from-Store
  - Click-and-Collect in 3 hours or less
  - WhatsApp sales
  - Endless Aisles



# zoom on modernizing the supply chain.

Risks mitigated by developing a road-map, creating an experienced team, contracting robust partners and using agile methodology to immediately capture benefits

## distribution Network:

- Imports and receiving via the Santa Catarina DC
- Optimization: sorter in operation, second sorter to start up in 1H2021 and the third in 2H21



## omnichannel operations:

- Improved store transportation matrix: 3-fold increase in D+2 deliveries since 1Q20 (start of the pandemic)
- 14 hub stores to ship-from-store (up to 1,000 orders a day)

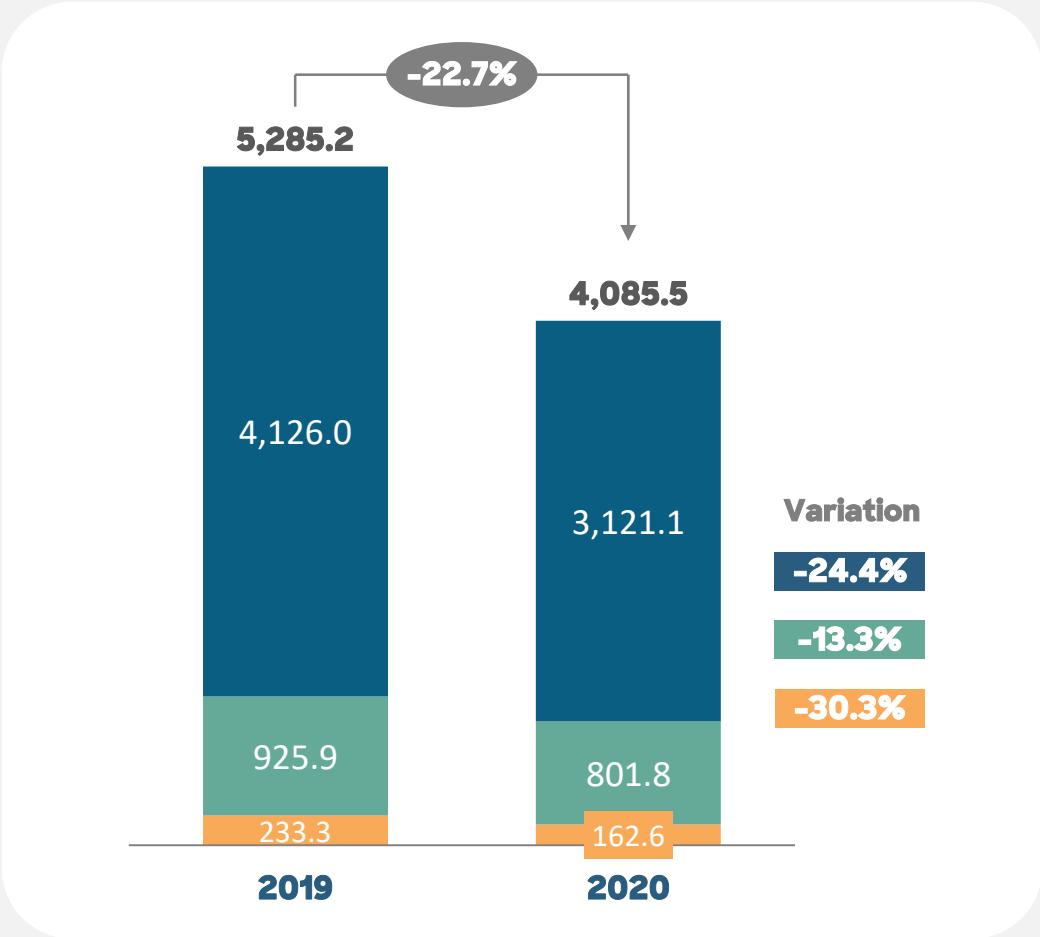
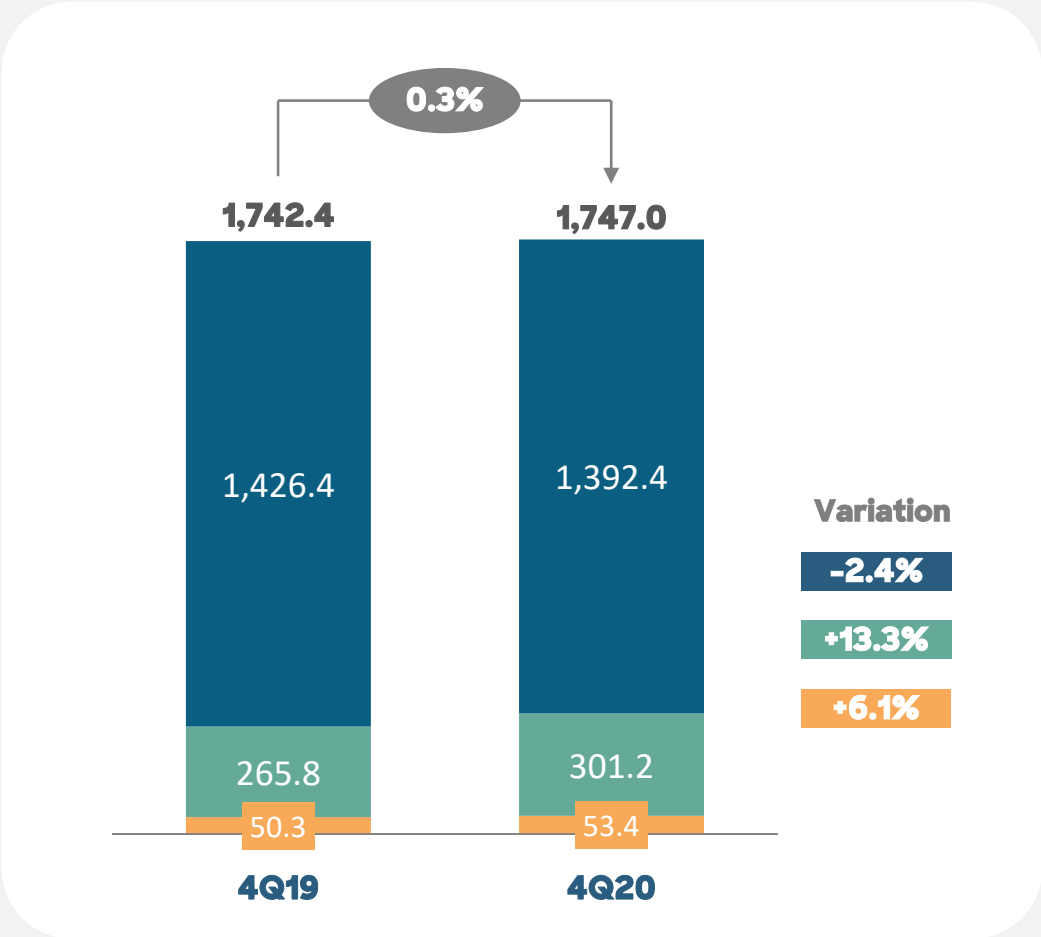


## Technology:

- End of the pilot, **RFID** now used in **9 stores** for the **entire** assortment, plus the Mmindse7 category and suppliers
- New **WMS** system already being implemented

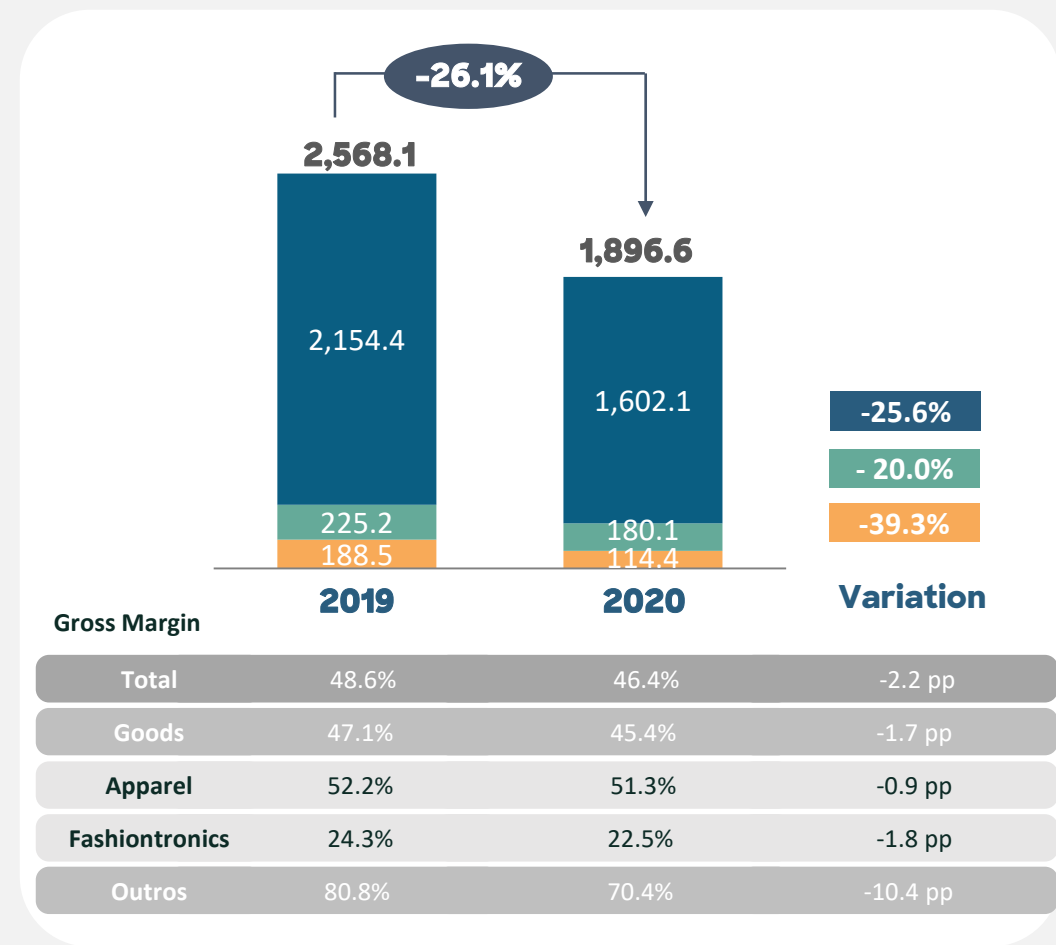
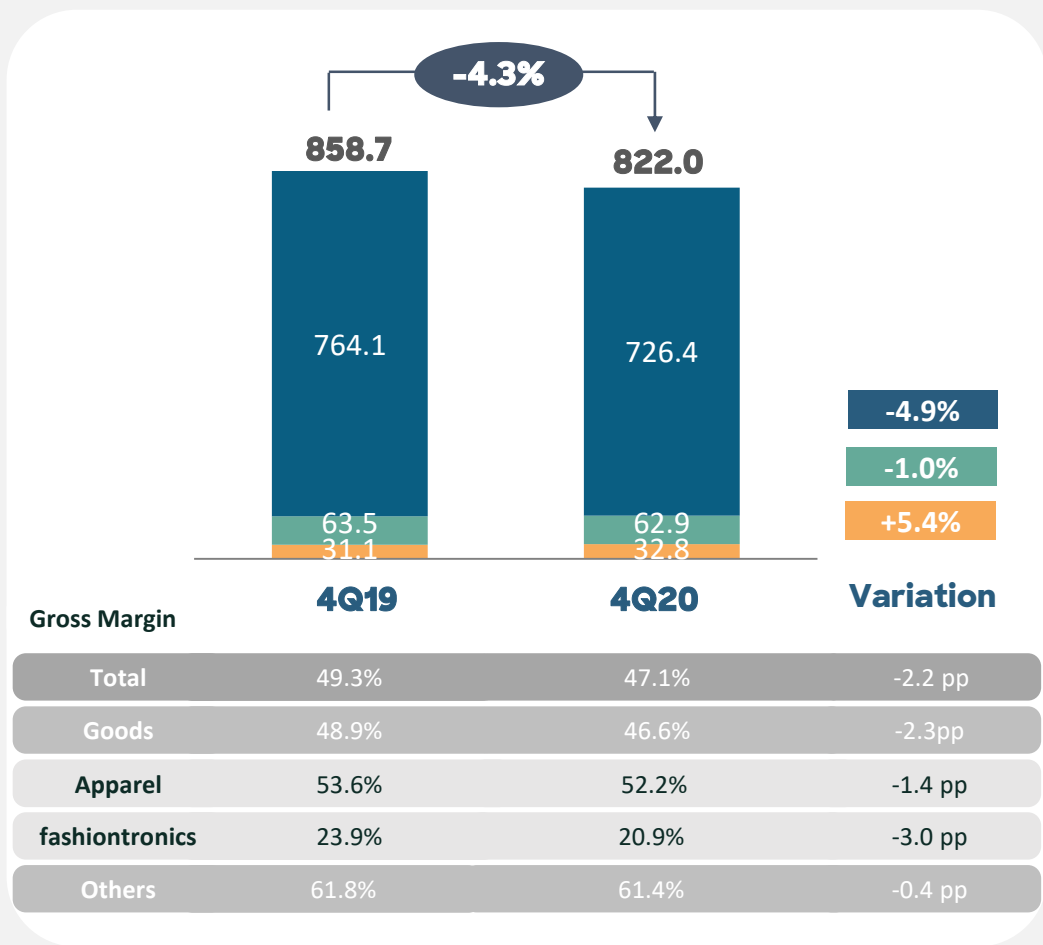


# Net Revenue. (R\$ million)



Apparel Fashiontronics Other (including financial services)

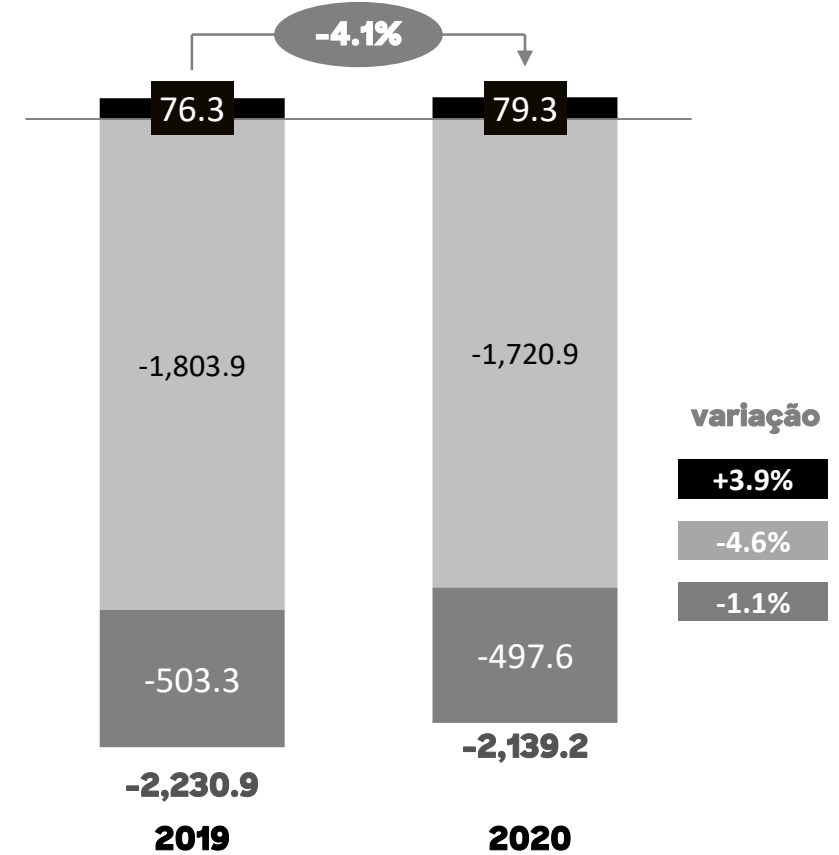
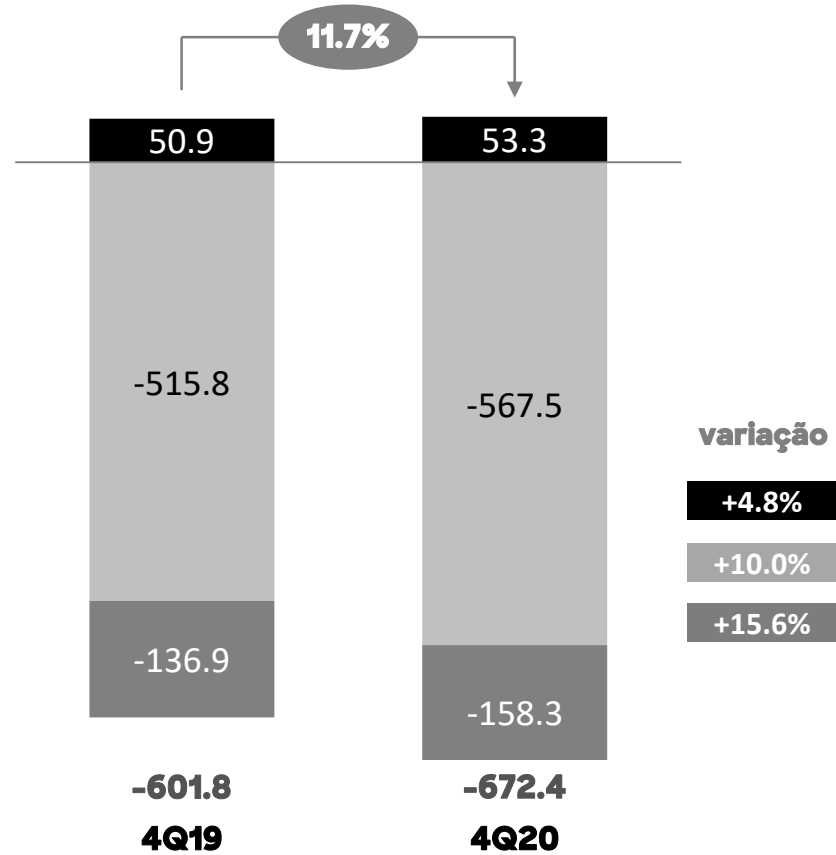
# Gross Profit and Margin. (R\$ million and %)



Apparel Fashiontronics Other (including financial services)

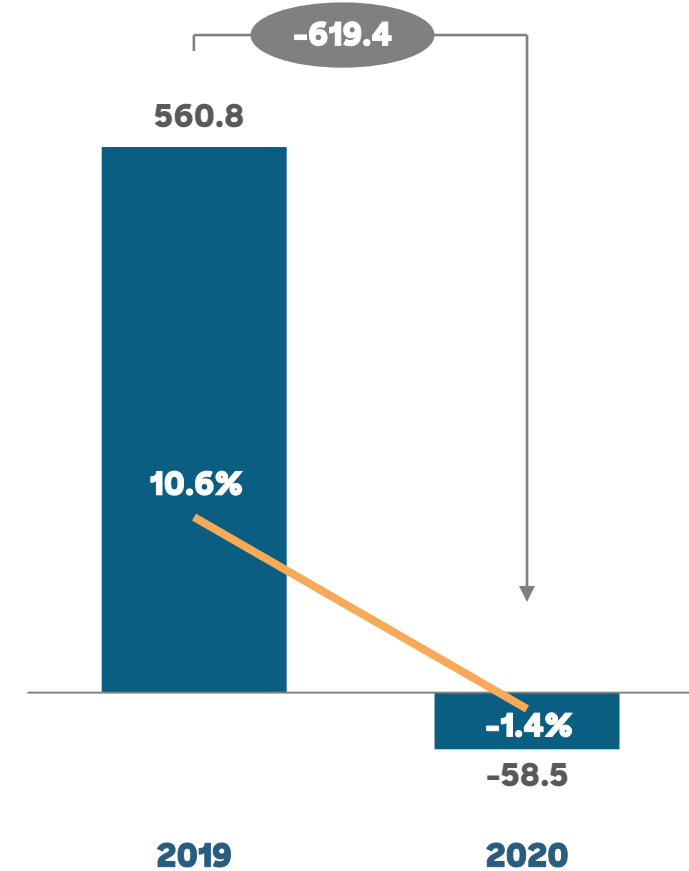
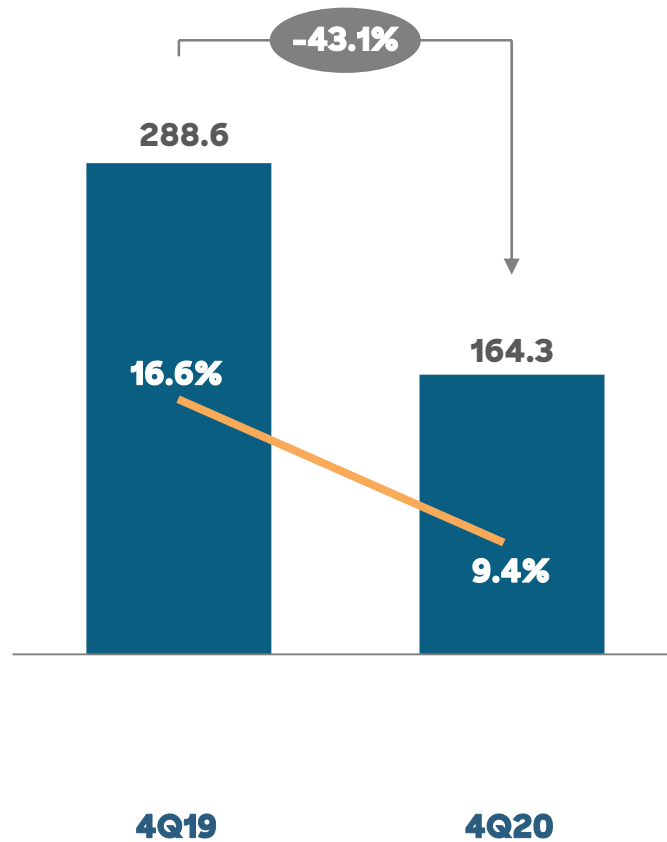


# Pro-forma operating expenses. (R\$ million)



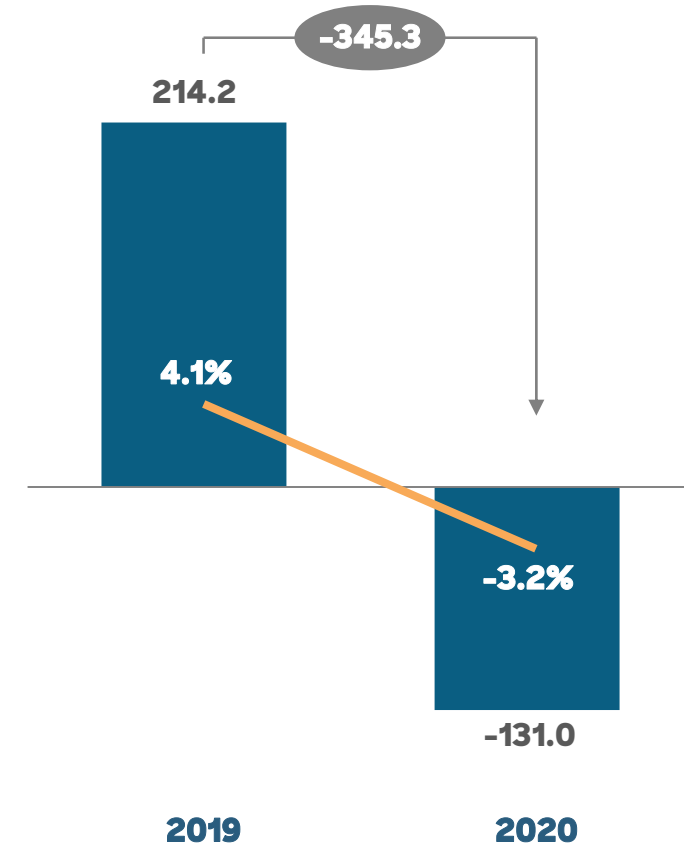
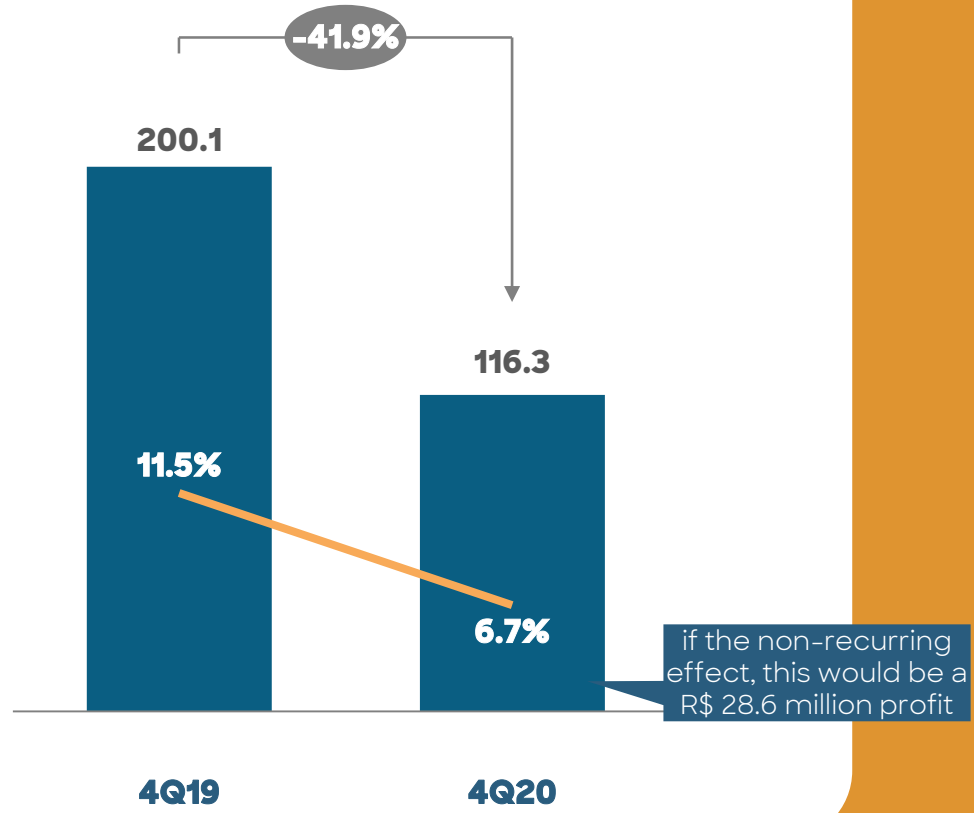
■ Sales ■ G&A ■ Other

# Adjusted EBITDA and Proforma Margin. (R\$ million and %)



— Margin (%)      ■ Adjusted EBITDA

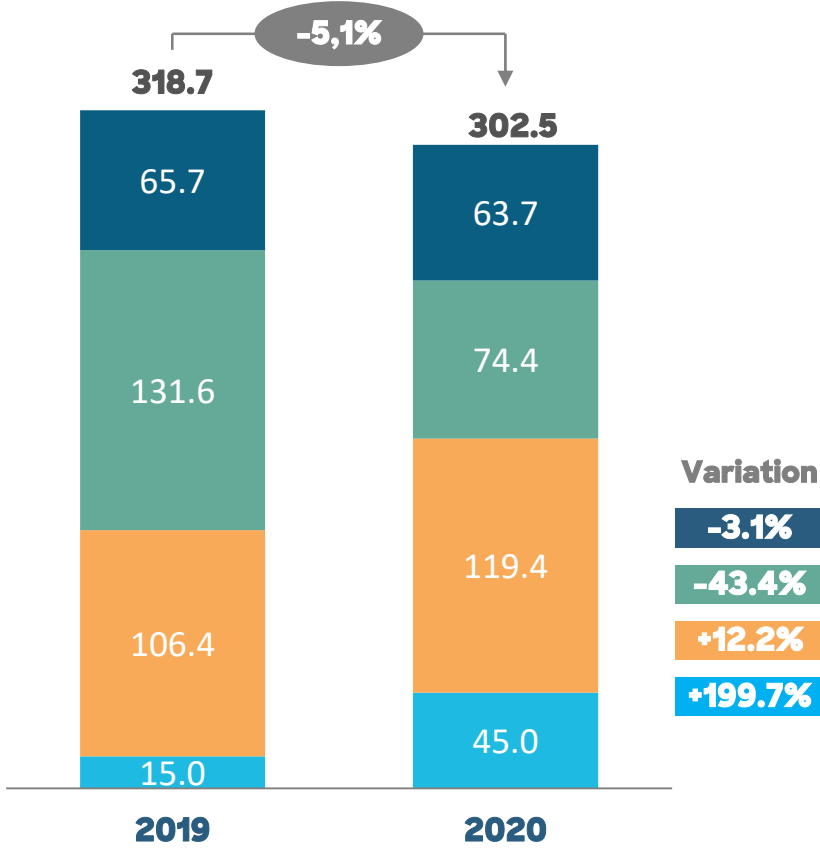
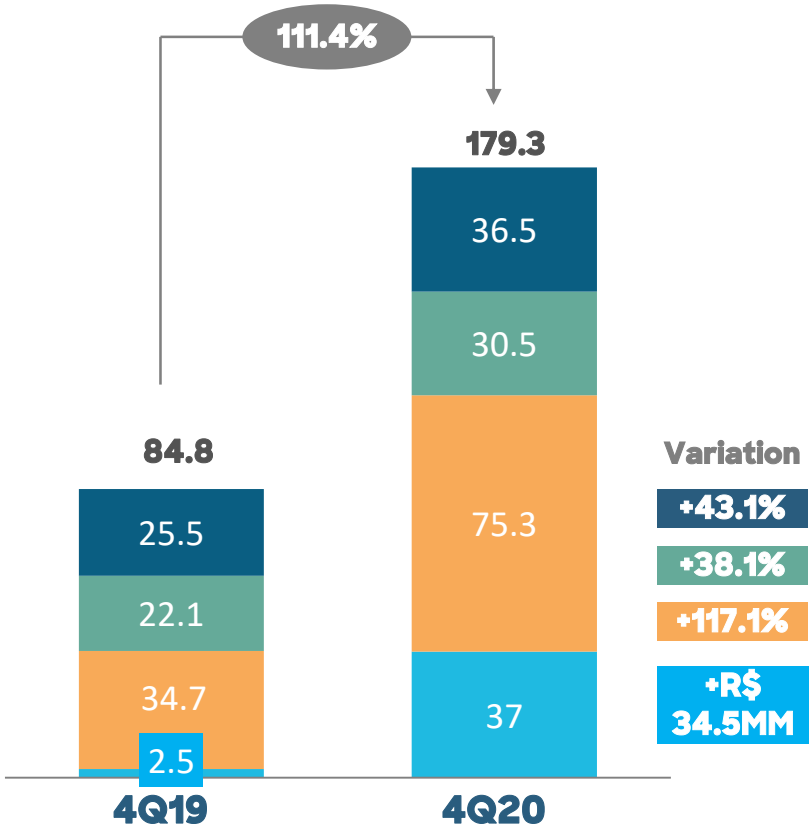
# Proforma Margin and Net Profit. (R\$ million and %)



Margin (%)

Proforma Net Profit

# Investments. (R\$ million)



■ New Stores ■ Revamps ■ Digital and Technology ■ Supply Chain





# Earnings 4Q20

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