



MARISA LOJAS

1Q23 Results

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May 16, 2023 | 1 pm (ET) / 2 pm (BR)**

Access

Webinar ID: 894 4476 3056

- Retail Net Revenue + 1.3% in 1Q23 vs. 1Q22, driven by the physical stores' performance and average ticket increase; +6.5% SSS from physical stores in the quarter

- **Retail Gross Margin grew to 49.5% (vs. 47.4% in 1Q22)** – a result of the effort aimed at preserving profitability, despite the impact of *markdowns* on inventories at stores being closed

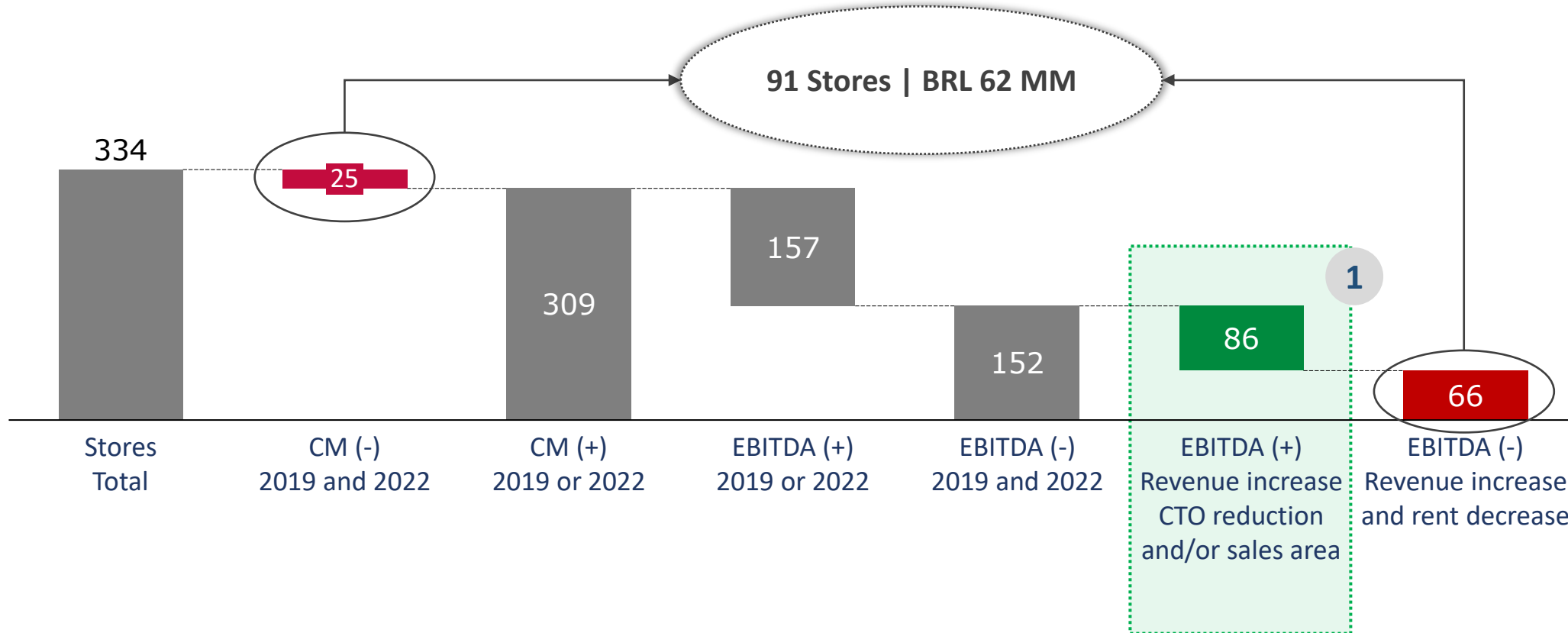
- **First signs of the positive impacts from the Operational Efficiency Plan are beginning to appear:**
 - The Retail Adjusted EBITDA improved from (R\$65.1) million in 1Q22 to (R\$36.1) million in 1Q23

- **MBank on Apr/23:**
 - restructuring plan approved by the Brazilian Central Bank
 - capital increase of R\$ 90 million by the controlling shareholders was completed
 - more selective credit concessions, due to the increased delinquency risk in the market

Operational Efficiency Plan



Reviewing the Number of Stores

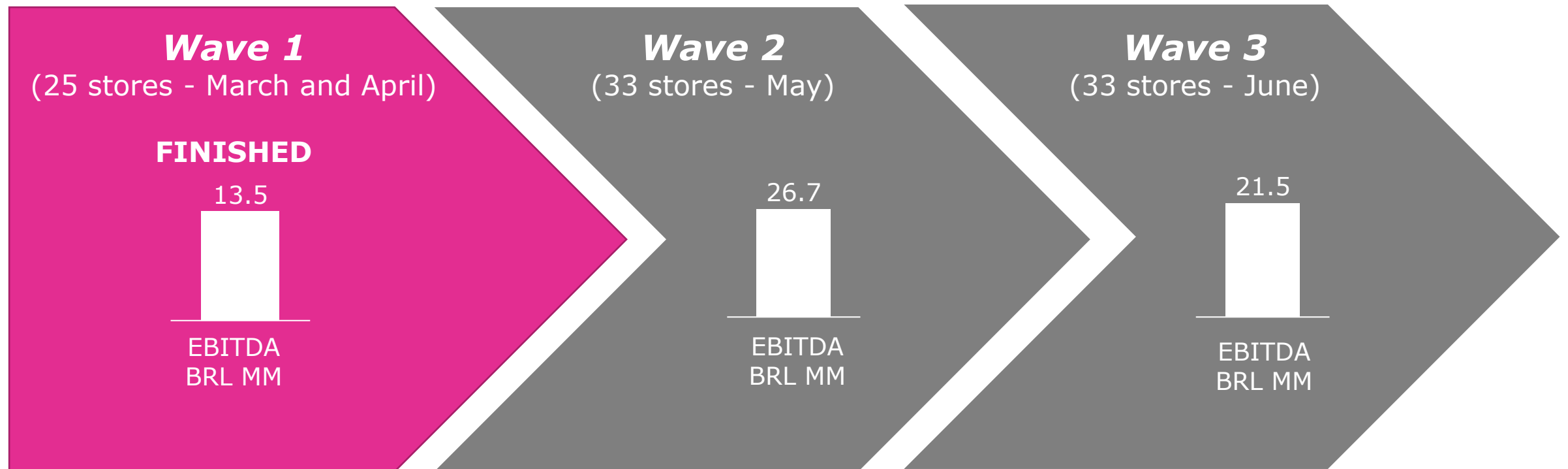


1 **Assumptions:**
 Gross Revenue: + 6%
 CTO: -5%
 Minimum sales area returned: **75 sqm**

Minimum limit:
 Up to -2% in EBITDA

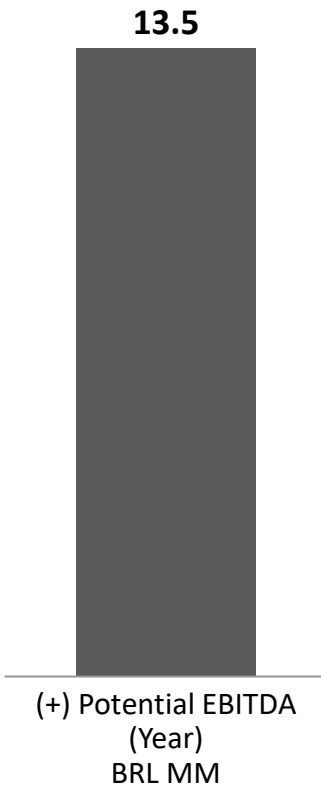
Prioritization and Schedule of Stores Closings

- *Stores with earning potential or "earnings = costs" at closing*
- *Stores with low closing costs or incentivized negotiations*
- *Stores with high operating costs*

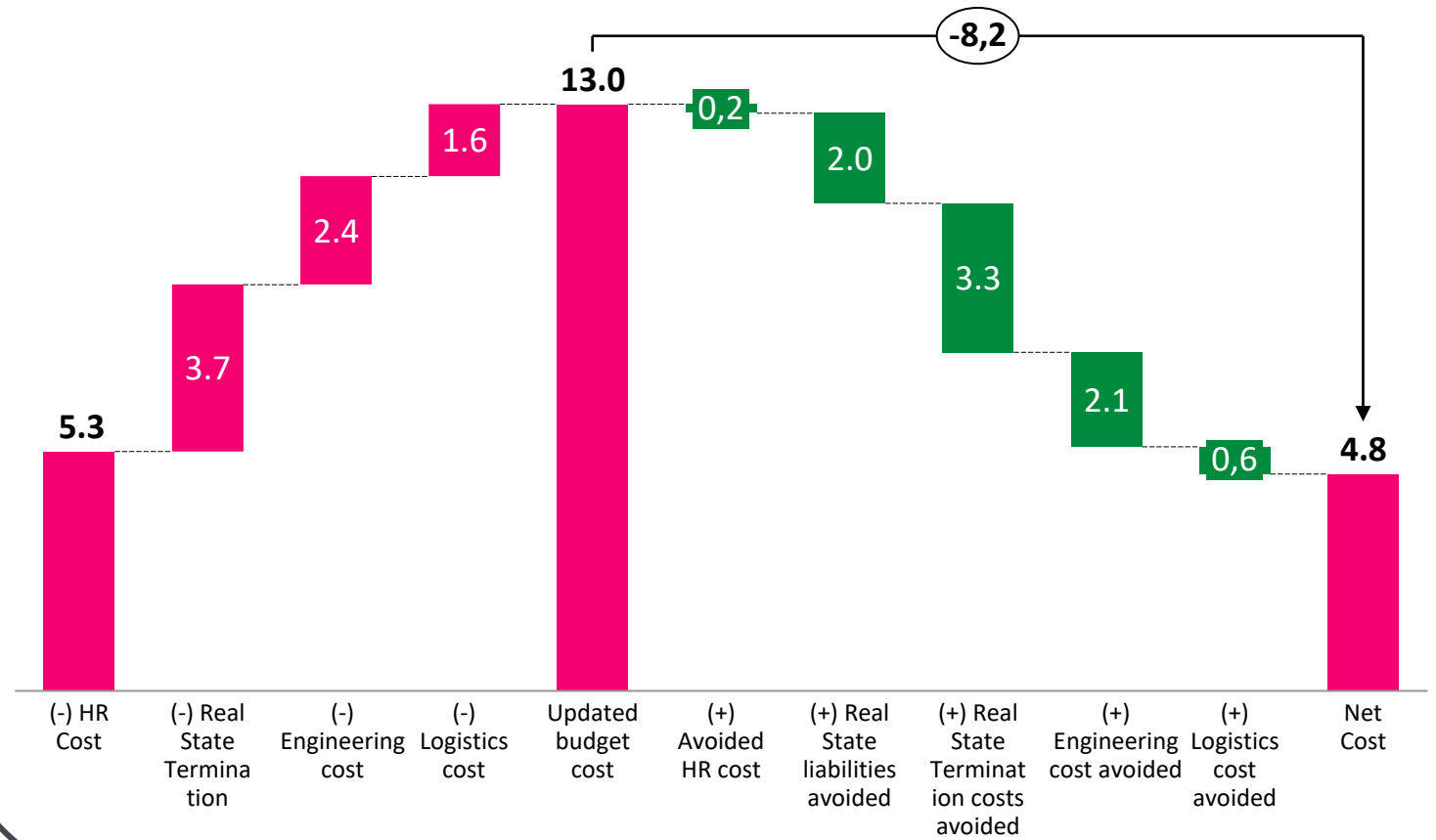


Stores being Closed – WAVE 1 (as of May, 8th)

EBITDA potential (BRL MM)

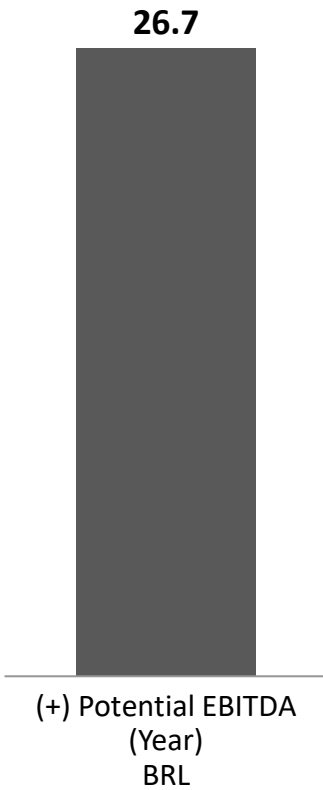


Costs (BRL MM)

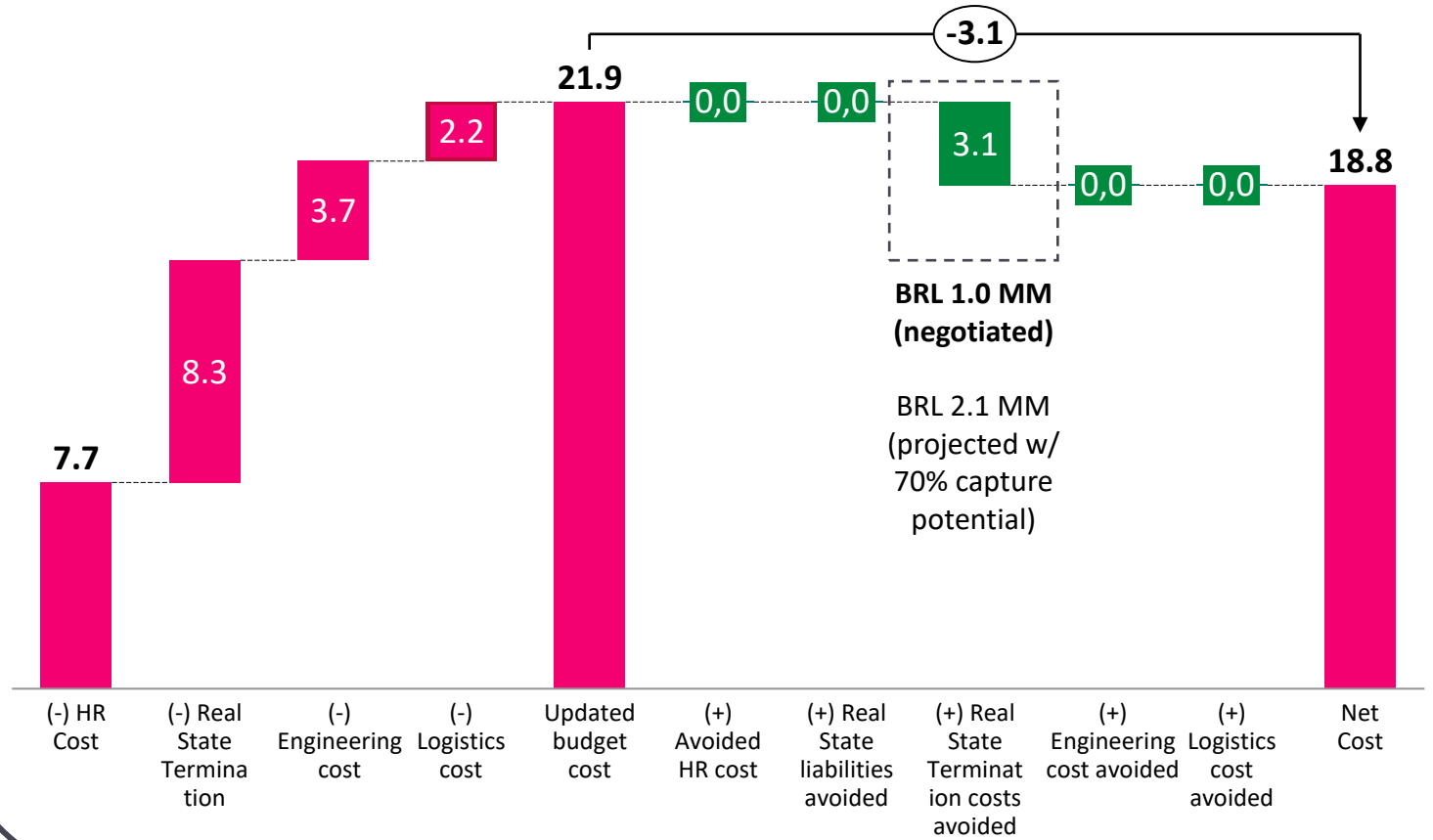


Stores being Closed – WAVE 2 (as of May 8th)

EBITDA potential (BRL MM)

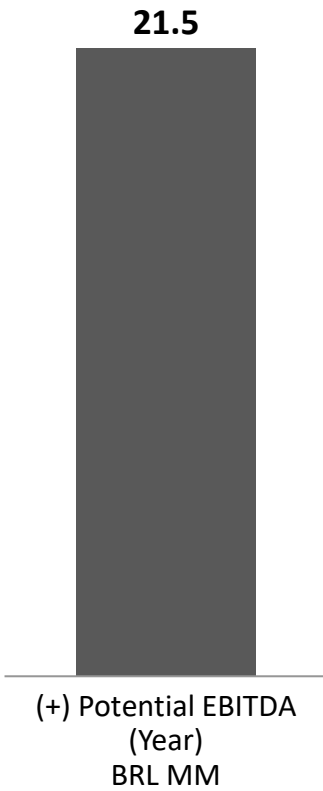


Costs (BRL MM)

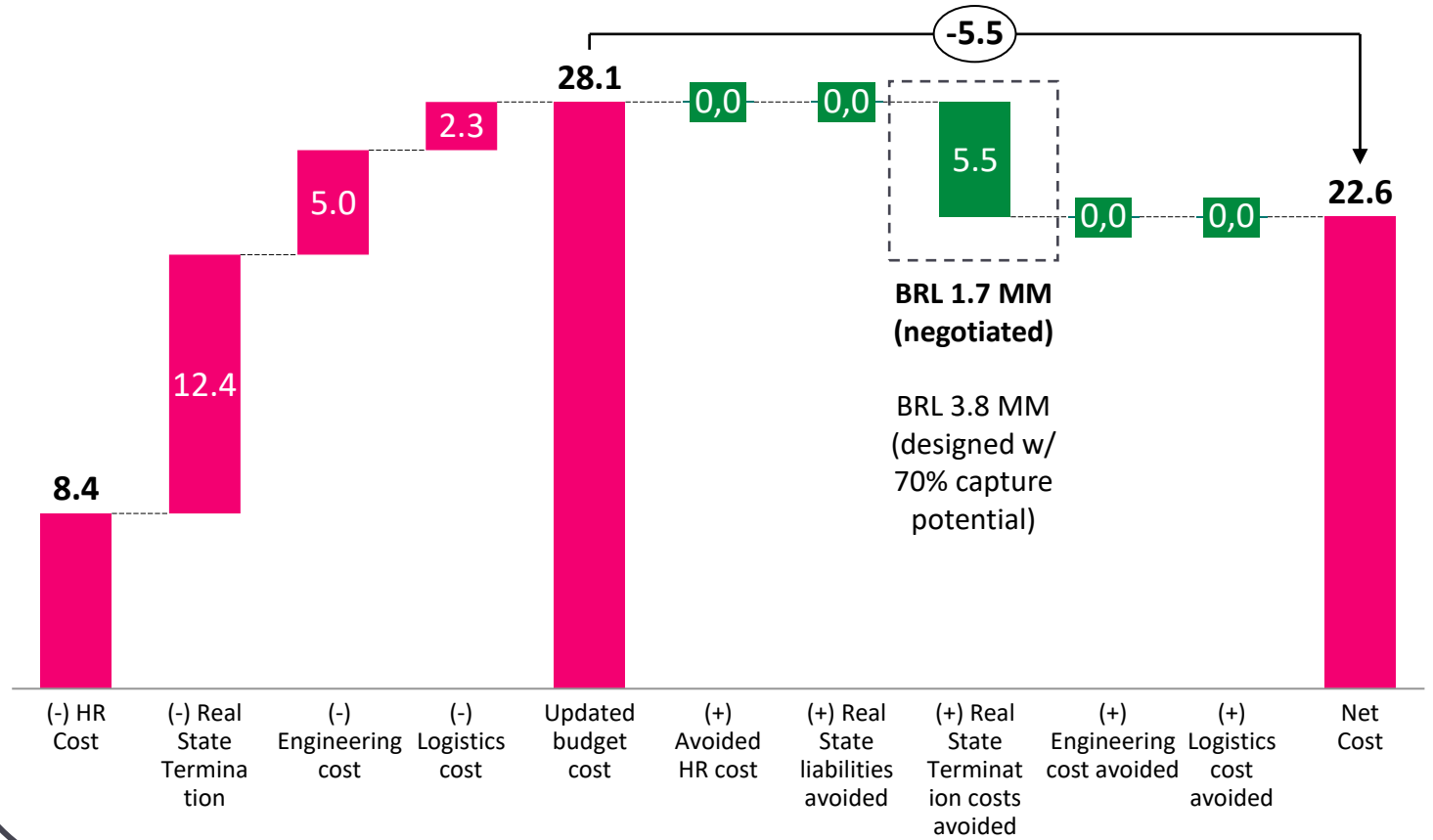


Stores being Closed – WAVE 3 (as of May 8th)

EBITDA potential (BRL MM)

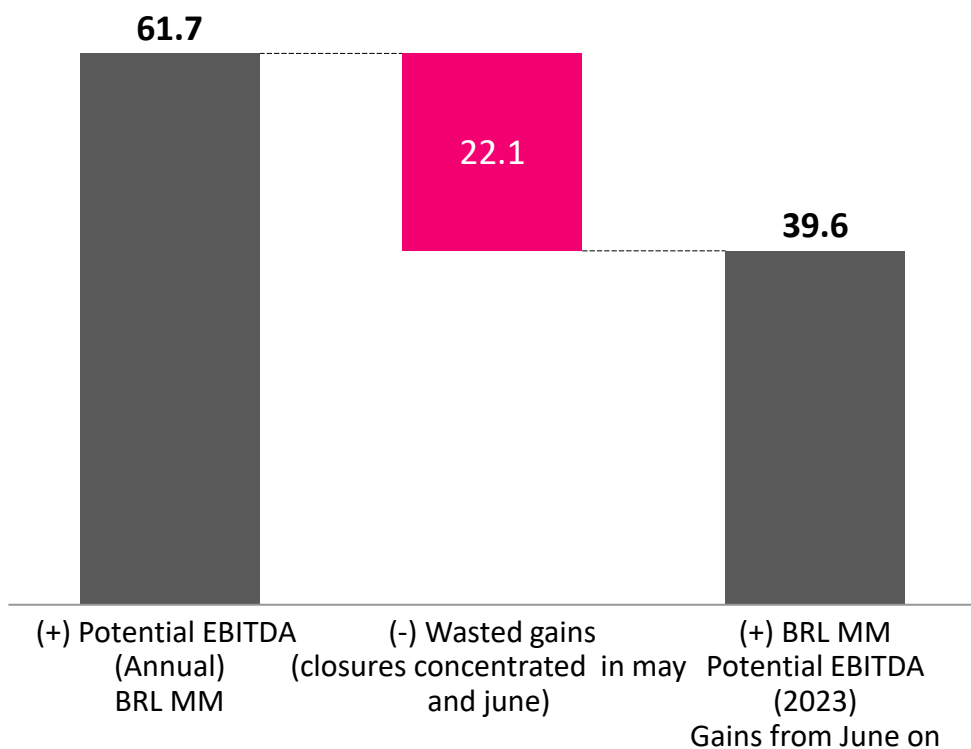


Costs (BRL MM)

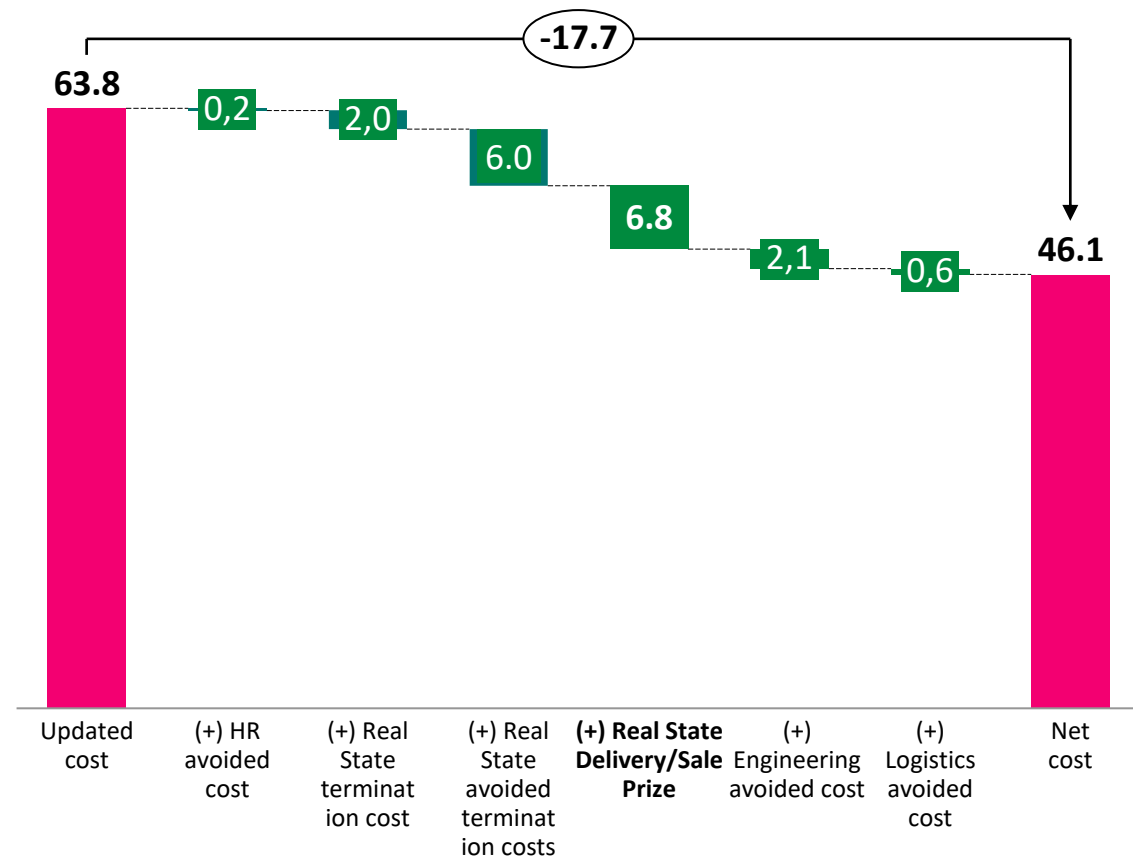


Stores being Closed (as of May 8th –negotiated only)

EBITDA potential (BRL MM)

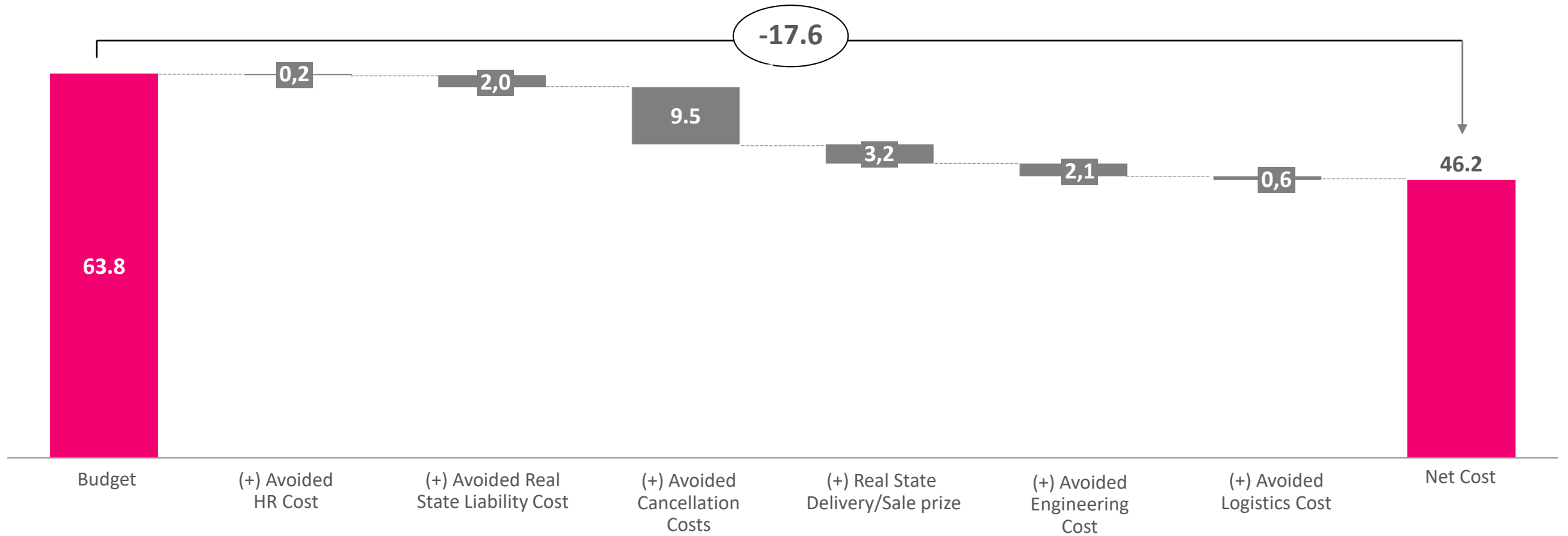


Cost Projection (BRL MM)



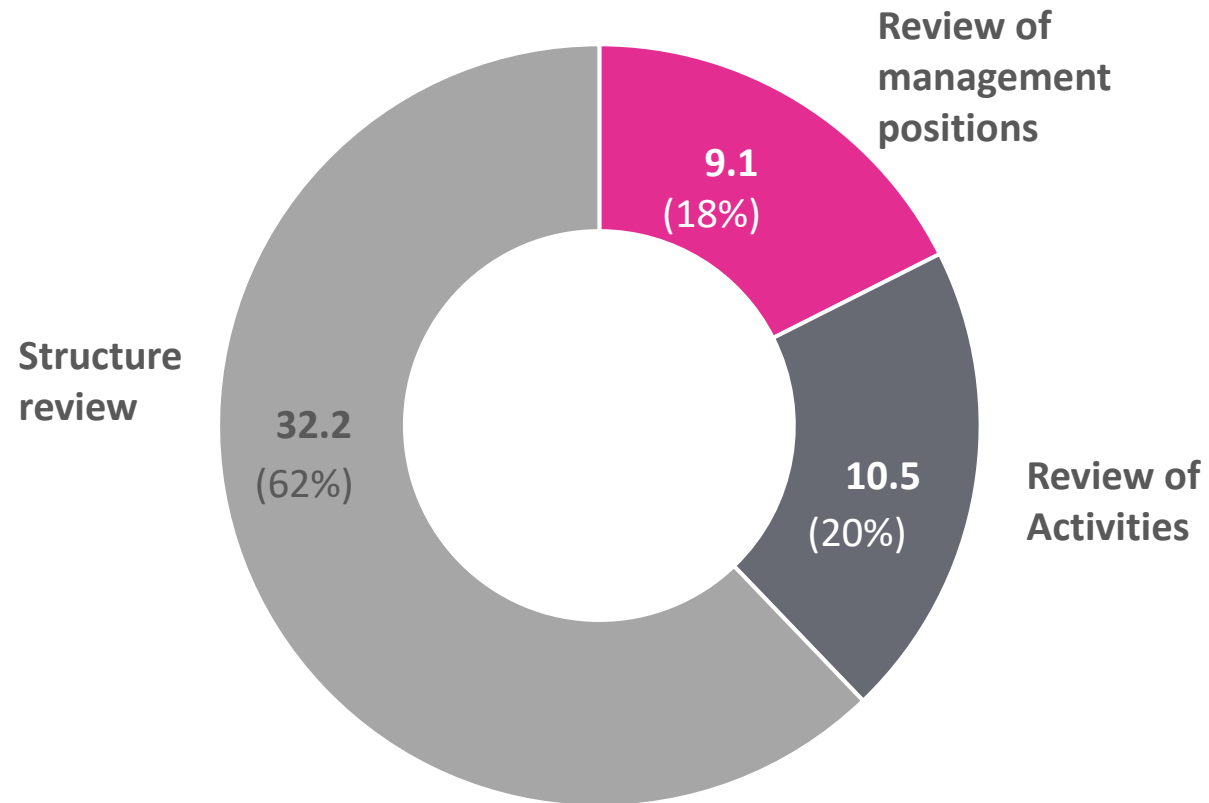
Impact from Stores being Closed (as of May 8th)

Net Cost of Stores being Closed (BRL MM)



SG&A- Structure Review Potential

SG&A reduction target (BRL MM and %)



Diversity and Inclusion

In 2022, we carried out a **census**, which allowed us to know who we are, **how we feel and how we see Marisa's environment** in terms of Diversity and Inclusion.

75% recommend Marisa as a company that values Diversity and Inclusion.

More than **80%** of employees are **between 29 and 42** years old

73% of employees are **women**

61% declare themselves **black**

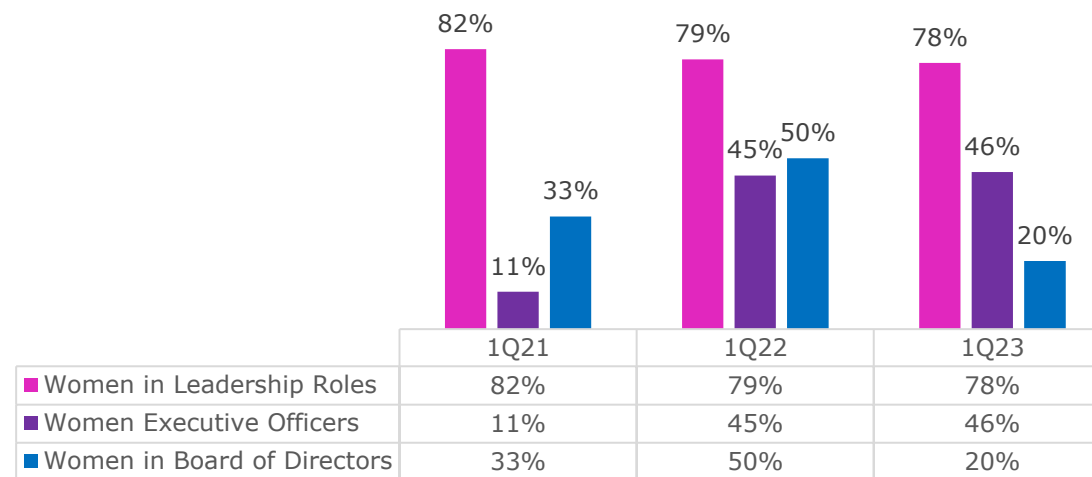
88% declare themselves **cisgender**, identifying with the gender assigned at birth



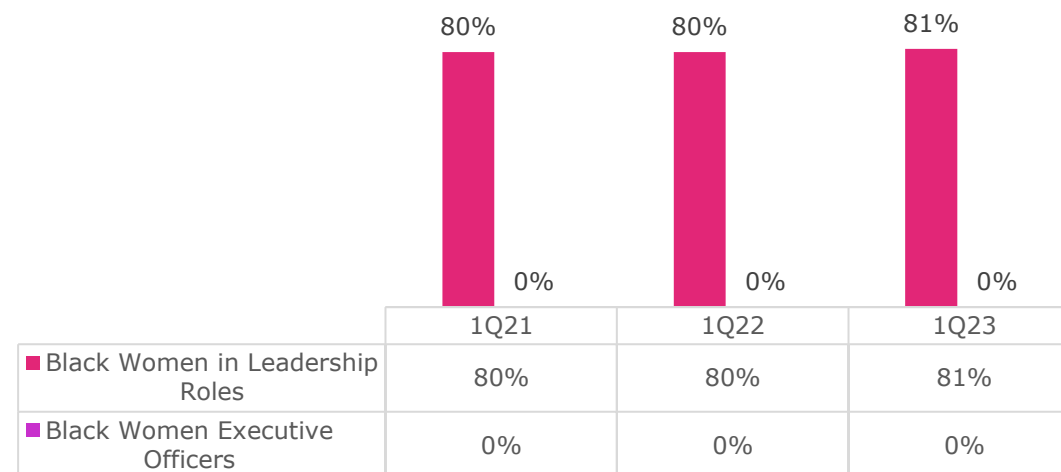
In 2022, we created our D&I strategy through 2025

In addition, we internally distributed our **first D&I Booklet**, which deals with topics such as **race, sexuality, generational differences, ableism**, among others.

Women in Leadership - Quarterly Comparison



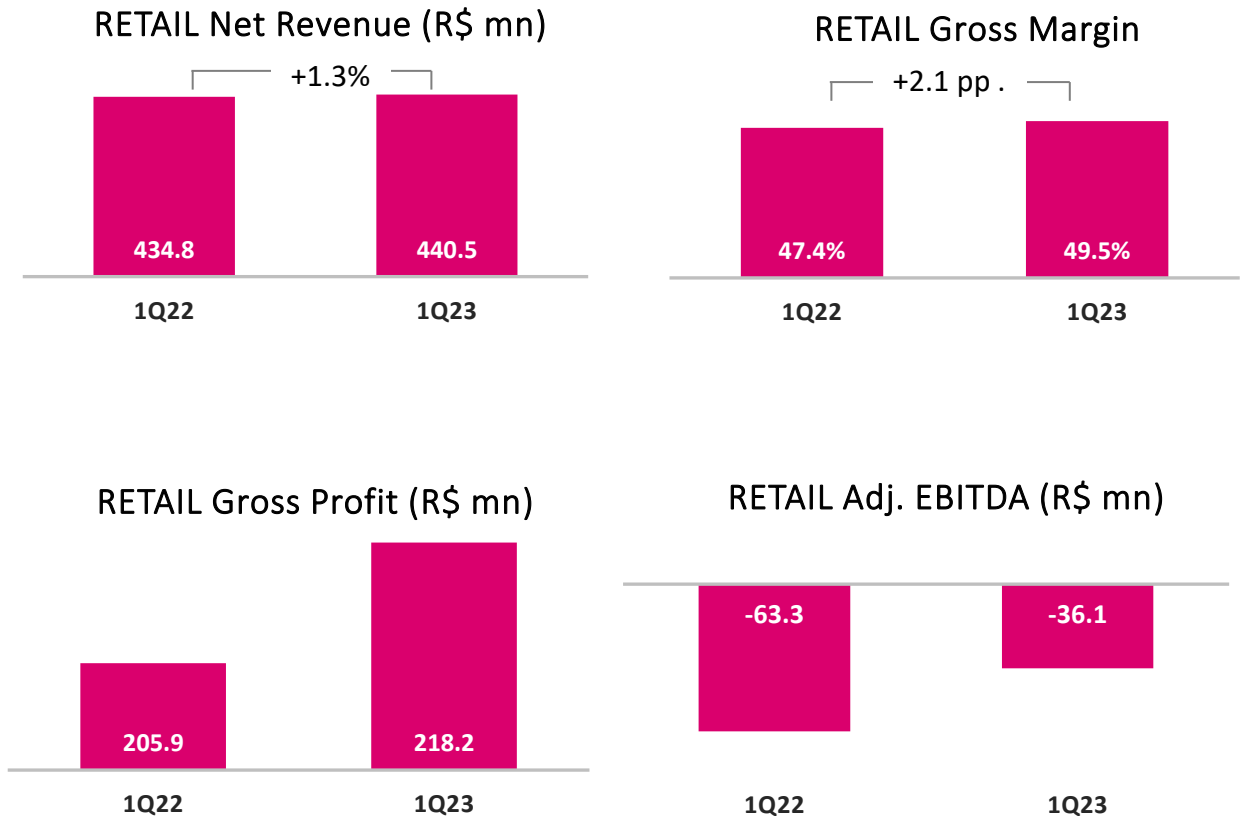
Black Women in Leadership - Quarterly Comparison



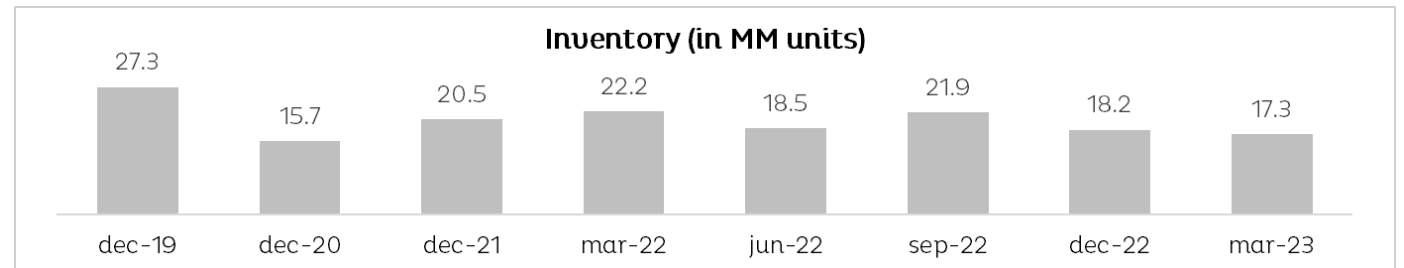
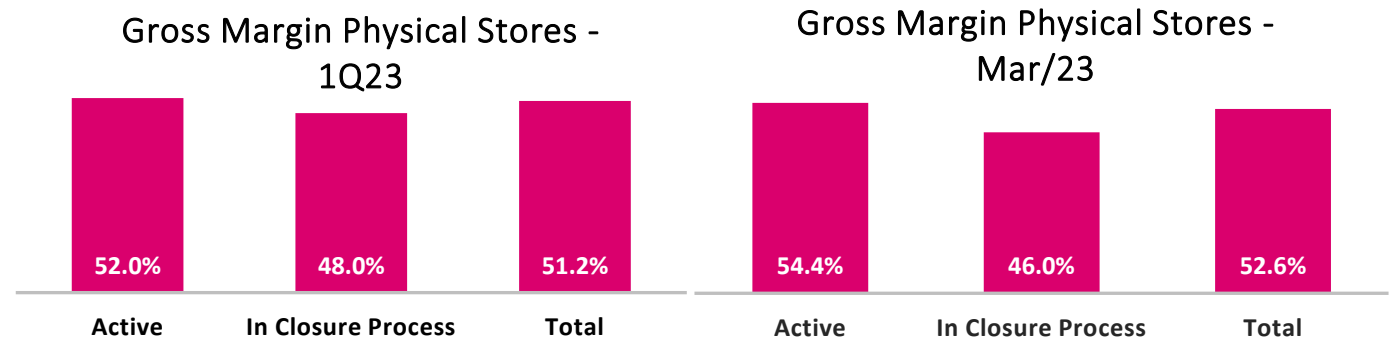
1Q23 Financial and Operational Results

RETAIL - HIGHLIGHTS 1Q23

- Net revenue 1.3% growth (+2.4 SSS) was driven by physical stores: SSS of Physical Stores specifically, +6.5% in the quarter
- The margin evolution was a result of (i) the implementation of Marisa's commercial value proposal, (ii) the assortment and product improvement plan; and (iii) the rationalization of promotional discounts
- Retail Adjusted EBITDA improved 42.9%
- Digital channel: improved EBITDA due to rationalization of the investment in marketing and revision of the freight policy
- APP reached 71.9% of Digital channel sales



- Gross margin reaches 54.4% in Mar/23 excluding the 91 stores being closed
- Lower inventory level, favoring profitability and cash generation
- Improvement of the quality of inventories, which increased the turnover by 8.4%



- Lower margin in all our financial products is due to:
 - Increased cost of funding;
 - lower purchasing power of our consumers;
 - store closures;
 - increase in NPL level;
 - more careful and selective credit granting policy

- End of the partnership agreement for the “co-branded” card, room for new agreements

| Mbank (R\$ mn) | 1Q22 | 1Q23 | Chg. (%) |
|---|-------------|---------------|----------------|
| Private Label Card | | | |
| Interest Revenues, net of Funding costs | 49.2 | 37.1 | (24.7%) |
| Financial Services Revenue | 27.3 | 24.2 | (11.6%) |
| Net Loss from Recovery | (42.9) | (36.6) | (14.7%) |
| Contribution Mg. - Private Label | 33.6 | 24.6 | (26.8%) |
| Personal Loans | | | |
| Interest Revenues, net of Funding costs | 37.7 | 24.0 | (36.5%) |
| Net Loss from Recovery | (15.5) | (13.5) | (13.1%) |
| Contribution Margin - Personal Loans | 22.2 | 10.5 | (52.8%) |
| Contribution Mg. - Co-Branded | 16.9 | 7.1 | (57.7%) |
| OpEx | (54.8) | (56.7) | 3.4% |
| Mbank EBITDA | 17.9 | (14.4) | n.m. |

| Managerial Income Statement | | | |
|------------------------------------|---------------|----------------|-------------|
| (R\$'millions) | 1Q22 | 1Q23 | AH% |
| Net Revenue | 582.6 | 570.3 | -2% |
| COGS | (329.4) | (342.7) | 4% |
| Net Profit | 253.2 | 227.7 | -10% |
| SG&A | (286.1) | (280.8) | -2% |
| Other Op. Expenses | (12.7) | (27.6) | 117% |
| Depreciation | (18.1) | (14.8) | -18% |
| Net Financial Expenses | (32.1) | (62.0) | 93% |
| Taxes | 5.1 | 8.6 | 69% |
| Net Profit | (90.7) | (149.0) | 64% |
| Adjustments for non-recurring eve | 1.0 | 42.2 | |
| Adjusted Net Profit | (89.7) | (106.8) | 19% |

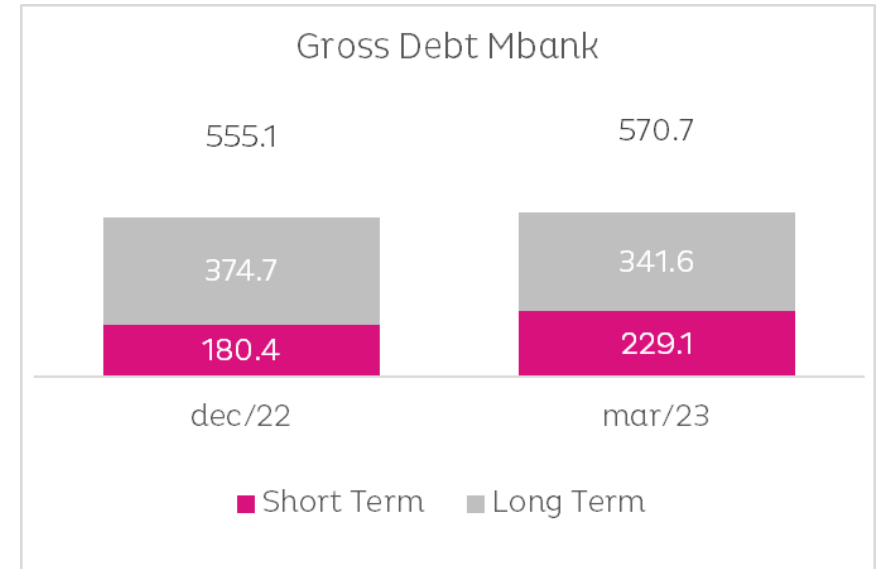
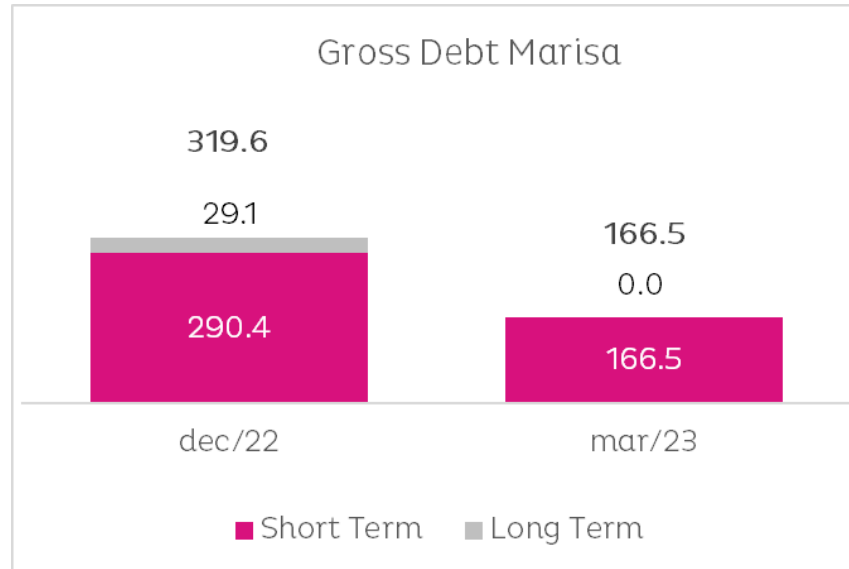
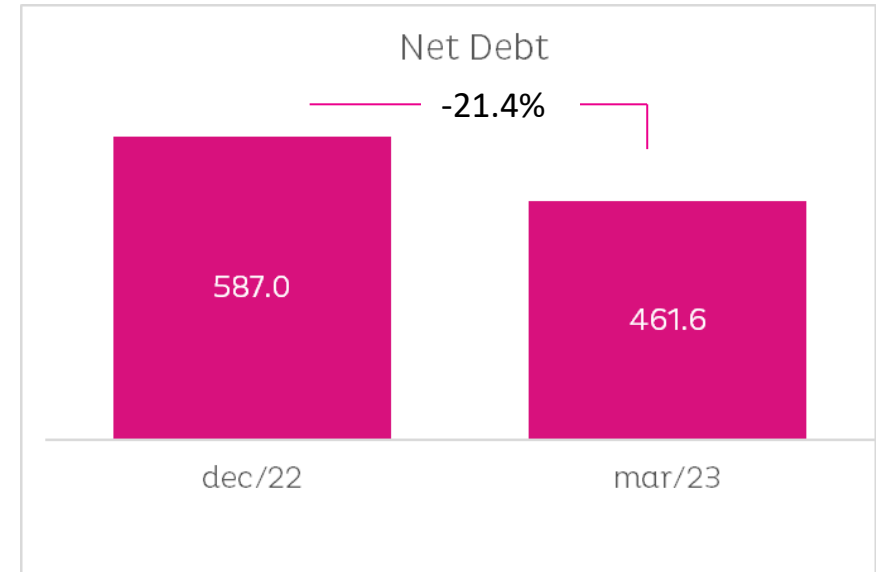
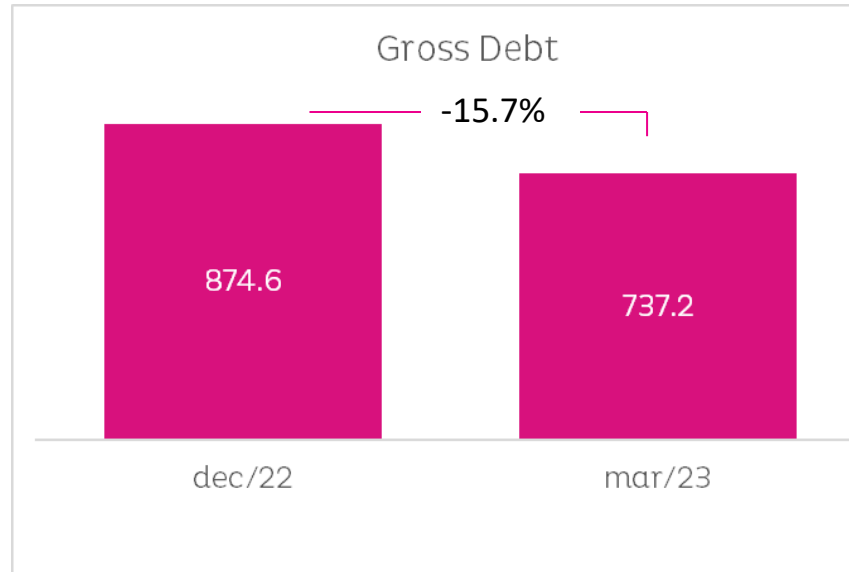
- Net loss was primarily due to the deteriorated scenario to the retail and financial products segments of the economic scenario in Brazil, both in terms of lower sales and higher risks

- Cash preservation in 1Q23 was driven by:
 - renegotiation of payment terms for suppliers and creditors
 - reduction of investment in product inventory
 - expenses cut

| CASH FLOW (R\$ thousand) | 1Q22 | 1Q23 Pro forma |
|------------------------------------|------------------|-------------------|
| Adjusted EBITDA Ex-IFRS 16 | (45,593) | (80,667) |
| - Income Tax and Others | (2,701) | (43,479) |
| Gross Cash Flow | (48,293) | (124,147) |
| Working Capital | (179,158) | 162,525 |
| Investments | (17,649) | (3,496) |
| Cash from Operations | (245,101) | 34,882 |
| Equity | 176,770 | 1,598 |
| Debt | (71,748) | (77,248) |
| Increase (decrease) in Cash | (140,079) | (40,769) |
| Initial Cash Balance | 261,975 | 241,233 |
| Final Cash Balance | 121,895 | 200,464 |



- Company's net debt -21% or R\$125 million between Dec/22 and Mar/23
- Short-term portion remains at 54% of the total
- Apr/23: Injection of R\$ 90 million in debentures into Marisa by the controlling shareholders (directed to Mpagamentos)



Q&A

marisa
DE MULHER PARA MULHER



LOJA



SITE



APP