

# Track & Field<sup>®</sup>

Results  
Presentation

**1Q22**

May 13, 2022



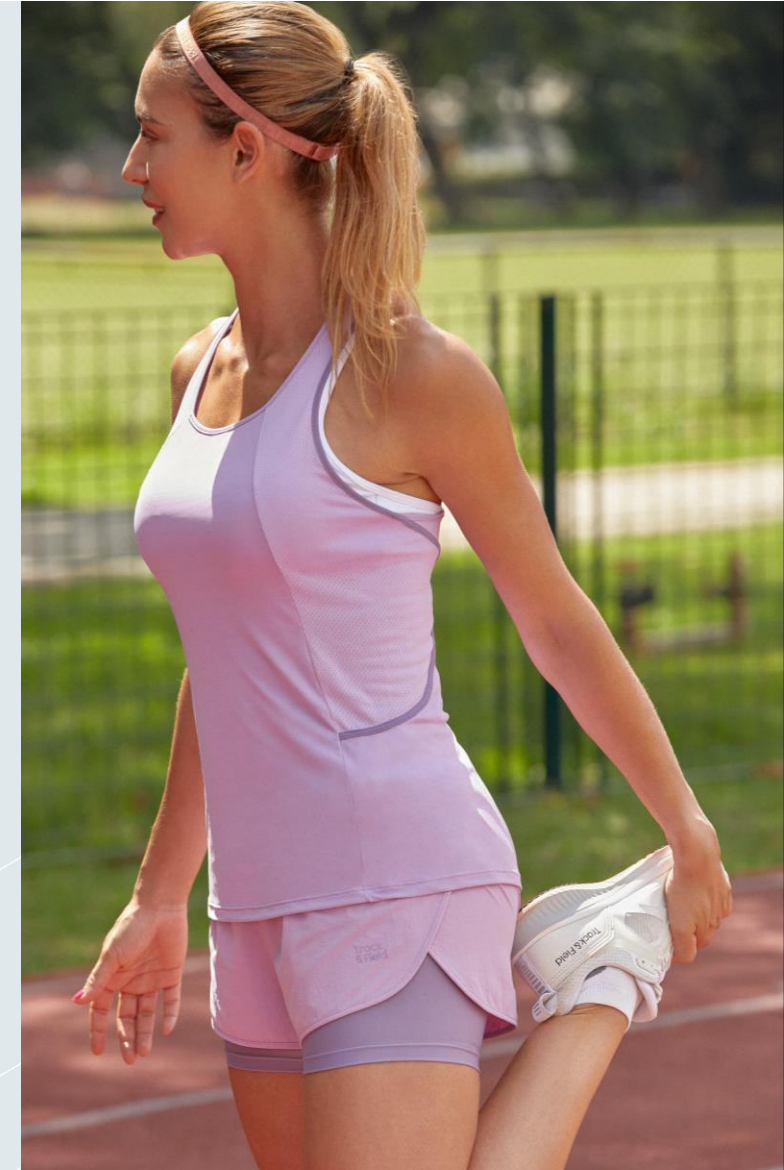


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## MESSAGE FROM MANAGEMENT





# SUMMARY

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4 More than a retail company, we are one of the leaders in the **wellness** segment in Brazil, with the **mission** of **connecting people** to an **active and healthy lifestyle** through our **products** and **services**

**SALES GROWTH.** Once again, we recorded a strong sales growth YoY and versus the pre-pandemic period, positively reflecting the expansion of our addressable market, social selling evolution (34% of Sell Out), roll out of omnichannel, new product lines and physical growth of the network;

**OMNI PROJECT.** In 1Q22, 252 of the 300 stores in our chain already feature the *ship from store* and *pick up in store* service. In 1Q22, 50.3% of e-commerce sales were in ship from store mode. We also closed the quarter with 13 comprehensive sellers, which are stores operating as Omnichannel Hubs, nationwide delivery capability and inventory available in the e-commerce storefront;

**TFSPORTS.** Our TFSports app has been showing steady growth in the number of registered users and connected trainers, in addition to free classes in the *Continue em Movimento* (Keep Moving) program;

**EVENTS.** We resumed in 2022 the presential events, one of the most relevant fronts of our business. Santander Track&Field Run Series resumed in January after almost two years of break and 88 races are already scheduled throughout Brazil (27 races were held so far);

**EXPANSION.** During the quarter, 3 new stores were opened and we ended the quarter with 300 (in May, we will have 303 stores). We continue with the perspective of expanding the number of stores in 2022;

**EXPERIENCE STORE.** Positive results from the new concepts applied to the Shopping Iguatemi store, which grew by 71% in 1Q22 vs. 1Q21, even though it is a mature store with the highest sales per square meter in the chain. Due to the success of that new store concept, the rollout for other stores will start in 2022;

**PROFITABILITY.** Adjusted Net Income in the quarter of R\$21.1 million, with growth rates of 194.4% vs. 1Q21;

**NPS.**NPS (Net Promoter Score) remained at a high level, scoring 77 points in the quarter.



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**1Q22 RESULTS**





## Highlights in the Quarter



**3 new stores** in the quarter totaling 300 stores

**300 stores**  
(41 owned stores and 259 franchises)



**R\$ 209.4 mm**  
Total **Sell out** in **1Q22**

**+68.1%**  
vs. **1Q21**



**R\$ 112.5 mm**  
**Net Revenue** in **1Q22**

**+76.6%**  
vs. **1Q21**



**R\$ 27.7 mm**  
**Adjusted EBITDA**  
+217.7% vs. **1Q21**

**24.6%**  
**Margin**  
(+10.9 pp YoY)



**R\$ 21.1 mm**  
**Adjusted Net Income**  
+194.4% vs. **1Q21**

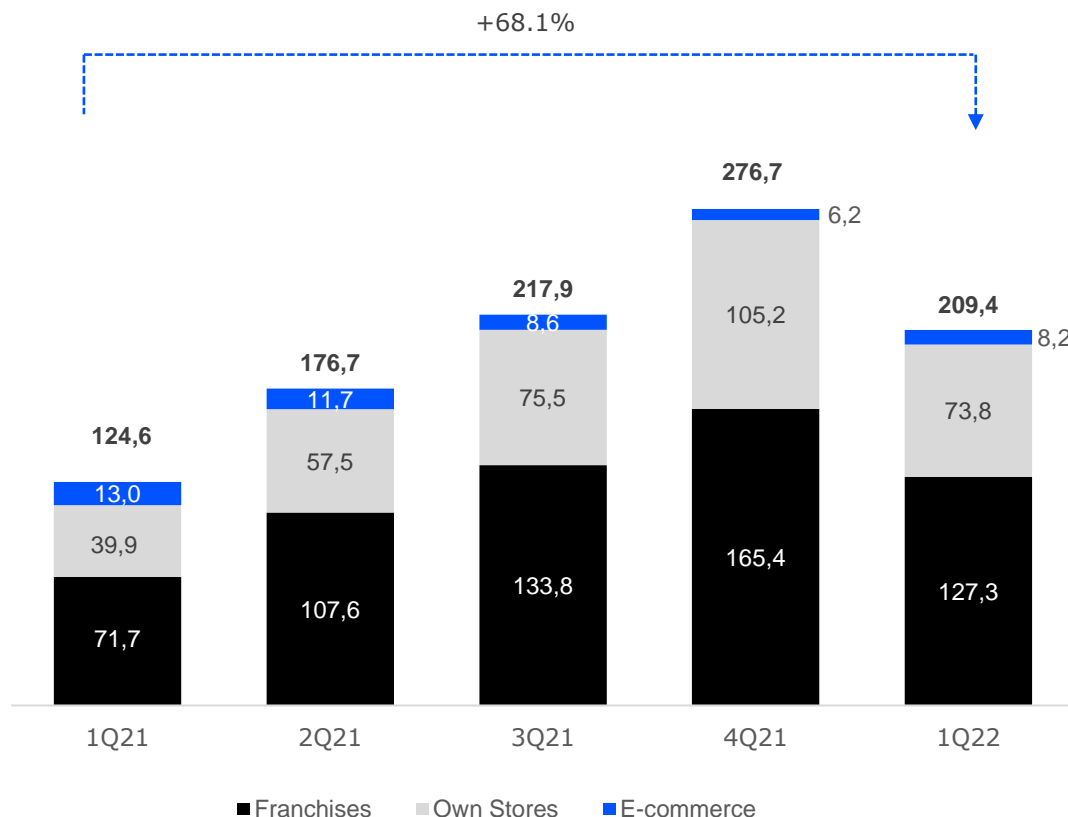
**18.7%**  
**Margin**  
(+7.5 pp YoY)

# Sell Out

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## Total Sell Out

R\$ million



## R\$ 209.4 million in 1Q22

+68.1% vs. 1Q21



Growth of **55.8% in SSS** in 1Q22 (excluding the opening of new stores). Growth of **44.6% after excluding existing stores** in 1Q21 **but closed** due to the pandemic. In comparison to the pre-pandemic period of 1Q19, the total growth was 108.8% in 1Q22;



**Brand Strength** and expansion of the addressable market;



**Omnichannel:** rollout of ship from store/pick up in store project, integrating the entire chain of stores with e-commerce;

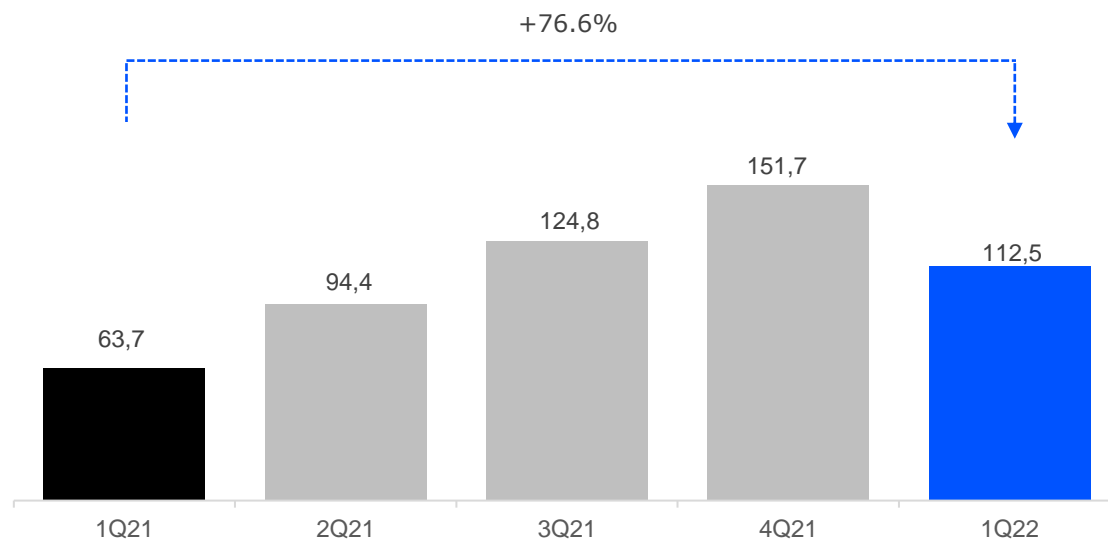


**Social Selling:** during the quarter, social selling representation remained at high level, accounting for 34% of the total amount sold.

# Net Revenue

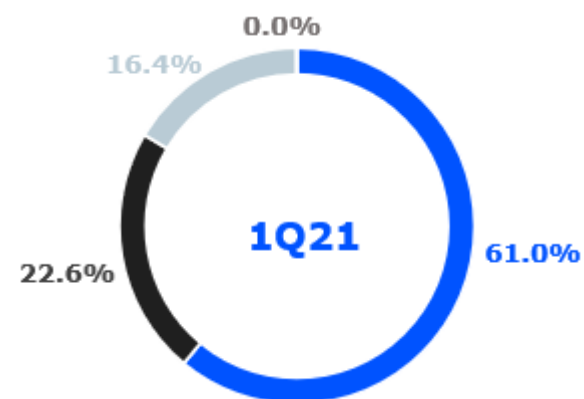
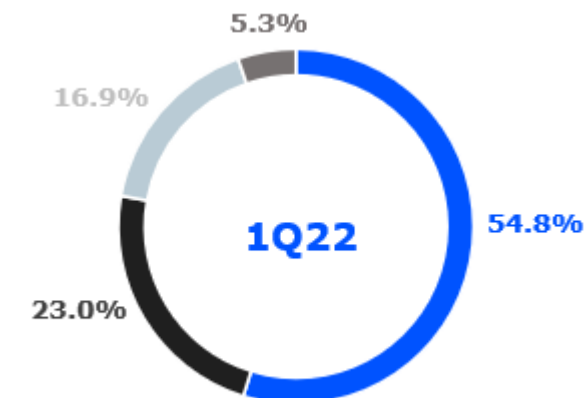
## Net Revenue

R\$ million



- **+76.6% vs. 1Q21** reflects sell out increase in the own network and the effects of the growth in sales of franchises on the sale of goods and royalties;
- **Business mix:** higher share of owned store retail in 1Q21 due to the temporary closure of stores due to the pandemic; **return of revenue from sports events in 2022.**

## Composition of Net Revenue



■ Retail - Own Network ■ Goods for Franchises  
 ■ Royalties ■ Events/Others

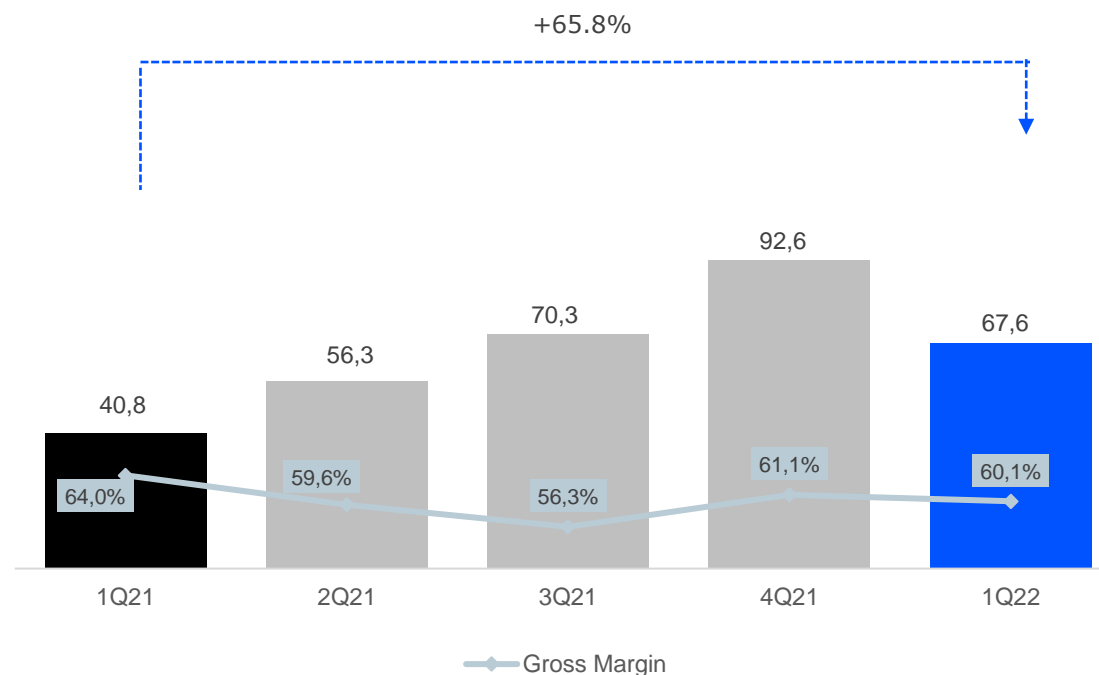


# Gross Profit

- Gross Profit in 1Q22 amounted to **R\$ 67.6 million, an increase of 65.8% compared to 1Q21**;
- Better negotiations with suppliers and **pricing that enabled us to absorb cost pressures**, maintaining the competitiveness of our prices against the competition;
- **Gross Margin reached 60.1%** in 1Q22, however with a drop of 3.9 pp (vs. 1Q21), explained by the business mix, with higher representativeness of owned stores and e-commerce in 1Q21, reflecting a period of closed stores or with operating restrictions;
- In 1Q22, we had the **resumption of events** (lower margin), increased representativeness of outlets and the **collection launch** occurring in 1Q22 versus 2Q21 - resulting into a higher share of goods for franchises in 1Q22 versus 1Q21.

## Gross Profit and Margin

R\$ million



# Operating Expenses

<u>Operating Expenses (R\$ thousand)</u>	<u>1Q22</u>	<u>1Q21</u>	<u>Chg. 1Q22/ 1Q21</u>
Sales	24,527	18,059	35.8%
General and Administrative	17,517	13,482	29.9%
Other operating revenues (expenses), net	-2,803	701	-499.9%
<b>Total Operating Expenses</b>	<b>39,241</b>	<b>32,242</b>	<b>21.7%</b>

- The highlight in the quarter was the **operating leverage** vs. 2021 in virtue of sales growth. Operating Expenses in 1Q22 represented 34.9% of net sales, 15.7 pp lower than in 1Q21;
- **Variable expenses recorded a drop over net revenue, reflecting the dilution of store personnel**, marketing and other expenses associated with the digital operation (platform and freight);
- **The administrative expenses, which also recorded a drop in the margin over net revenue**, neutralizing the increase in the corporate structure that is related to the company's structuring process, which began at the end of 2018, in line with the expected growth.



# EBITDA

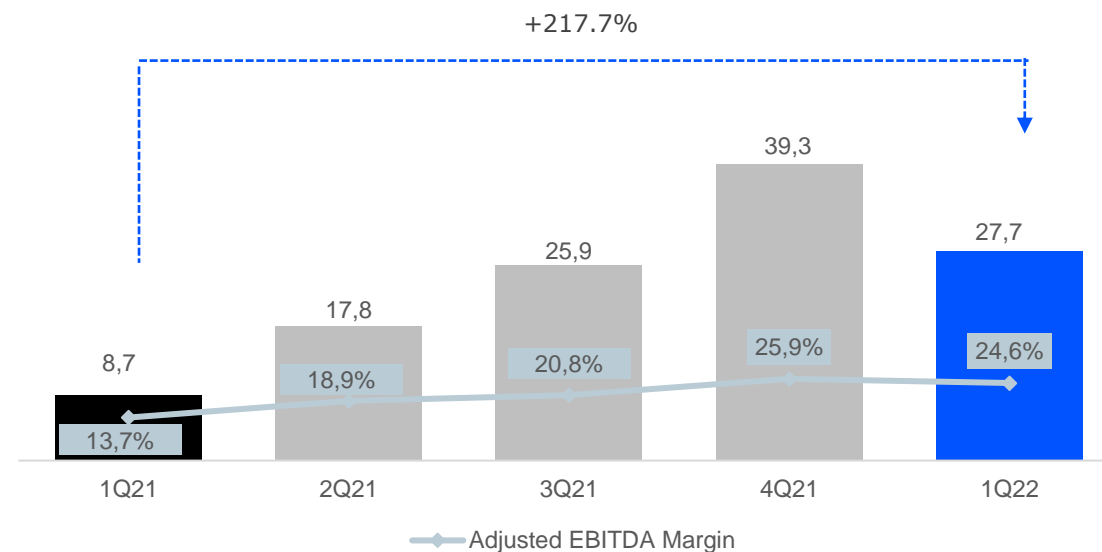
- EBITDA amounted to **R\$ 32.4 MM** in 1Q22 (28.8% margin), mainly driven by the **strong sales growth** over the period, with a trend of gross margin growth and efficiency gains in expenses;
- Adjusted EBITDA** amounted to **R\$ 27.7 MM in 1Q22** +217.7% vs. 1Q21, with **margin of 24.6%**.

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R\$ million	1Q21	1Q22
EBITDA	<b>11.0</b>	<b>32.4</b>
IFRS-16 Adjustment	-2.3	-3.9
Non-Recurring Adjustment	0	-0.7
<b>Adjusted EBITDA</b>	<b>8.7</b>	<b>27.7</b>

## Adjusted EBITDA

R\$ million

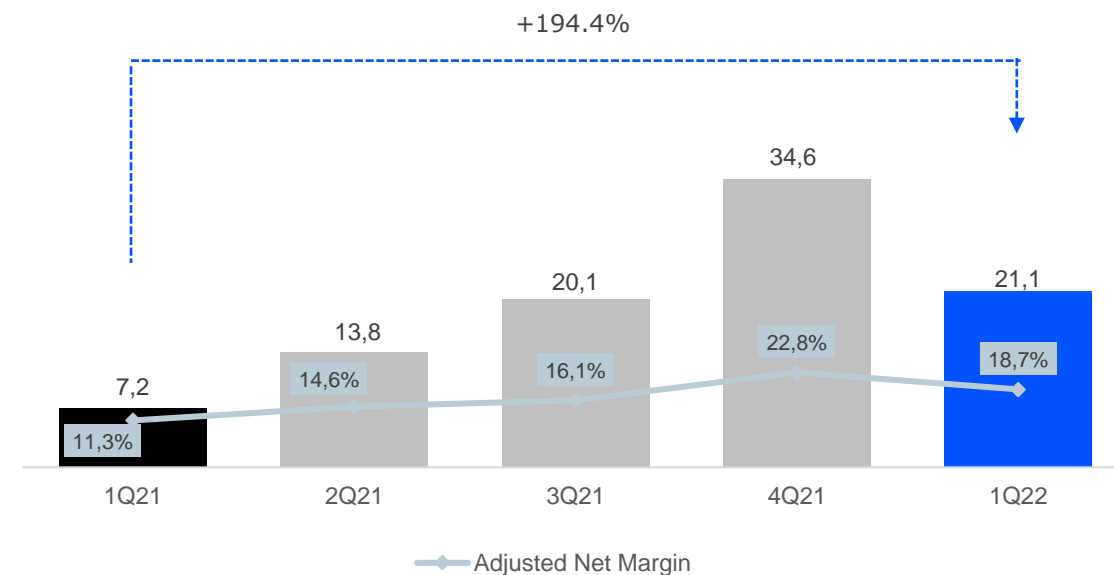


# Net Income

- Adjusted Net Income of R\$ 21.1 MM in 1Q22, +194.4% vs. 1Q21;
- Adjusted Net Margin reached 18.7% in 1Q22, +7.5 pp vs. 1Q21.

## Adjusted Net Income

R\$ million



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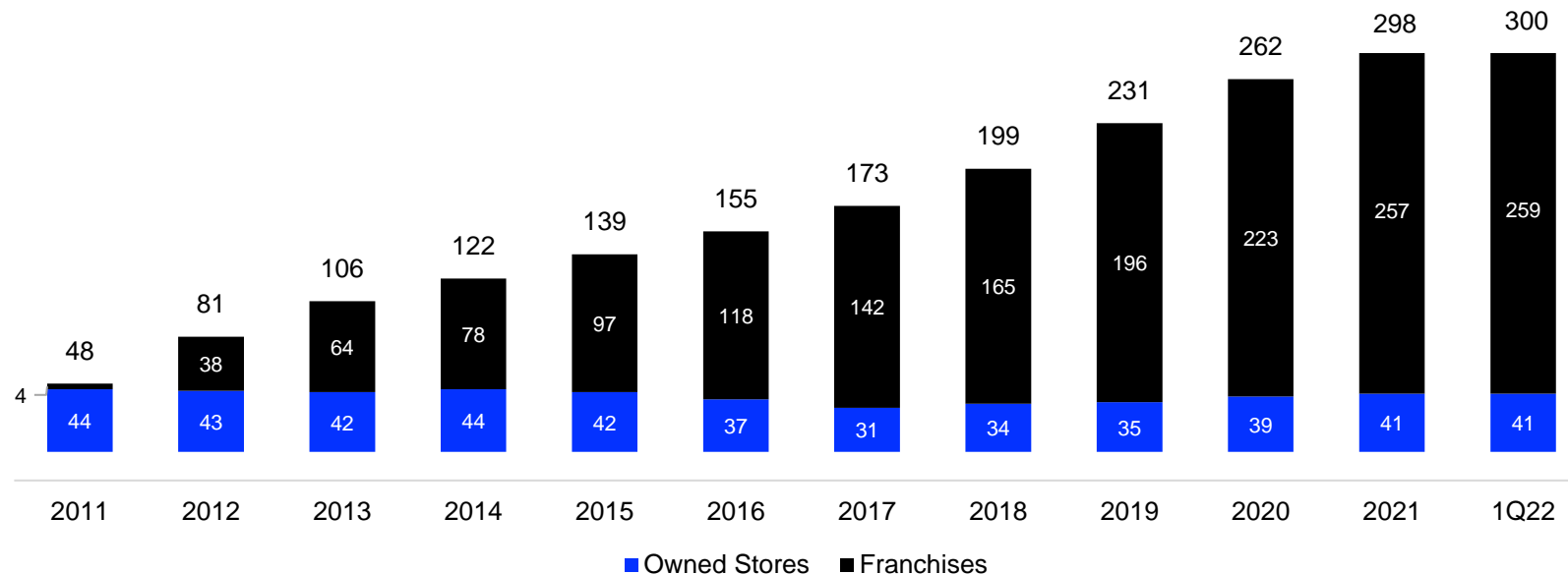
R\$ million	1Q21	1Q22
Net Income	7.2	20.0
IFRS-16 Adjustment	-0.1	0.6
Non-Recurring Adjustment	0	0.5
Adjusted Net Income	7.2	21.1



# Investments/Expansion

NUMBER OF  
STORES in 1Q22

## 300 Stores



Note: E-commerce considered as 01 owned store



**Opening of 3 new stores** in 1Q22, all of which are franchises. As of 05/12, the total number of stores opened was 303 stores;



This year, we will start the **remodeling of stores**, inspired by the Experience Store at Shopping Iguatemi;



In 1Q22, **252 of our stores** were operating with **pick up in store/ship from store** with **Super Express Delivery** (within 2 business days).

# Experience Store

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# Franchisee Store in the New Format

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