

GRUPO SBF

3Q21

**EARNINGS
RELEASE**

EARNINGS RELEASE

3Q21

São Paulo, November 11, 2021

Grupo SBF S.A. (B3: SBFG3) announces its results for the 3rd Quarter of 2021 (3Q21). Quarterly financial information of Centauro and Fisia for the quarter ended September 30, 2021 and 2020 include the parent company Grupo SBF S.A. and its subsidiaries. It is worth highlighting that the consolidated financial statements were prepared according to accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), while the parent company's individual financial statements were prepared according to accounting practices adopted in Brazil (BR GAAP).



Conference Call



November 12, 2021

11:00 a.m. (Brasília Time zone)

09:00 a.m. (NY Time zone)



Portuguese Webcast



English Webcast

SBFG

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GRUPO SBF HIGHLIGHTS



Grupo SBF's Gross Revenue reached R\$ 1.9 billion in 3Q21, accounting for a growth of 157.2% vs 3Q20 and 139.6% vs 3Q19



Grupo SBF's adjusted EBITDA reached R\$ 251.3 million in 3Q21, record level in a quarter and growth of 119.2% vs. 3Q19



Grupo SBF's adjusted Net Income increased 208.4% over 3Q19, reaching R\$ 109.8 million with a margin of 7.4% (+1.6 pp over 3Q19)



Fisia's Gross Revenue reached R\$ 1.0 billion in 3Q21, accounting for an increase of 43.6% compared to 2Q21. DTC sales this quarter accounted for 36% of Fisia's total revenue (including stores and digital platform)



Centauro's Gross Margin reached 50.2% in 3Q21, accounting for an increase of +0.8p.p. compared to 3Q19



Compared to 3Q20, Centauro's Gross Revenue grew 33% with total SSS of 23.3%. Compared to 3Q19, Revenue growth was 24%, with total SSS of 16.1%



10 openings and 1 renovation of Centauro stores to the G5 model in the quarter, totaling 47% of G5 area and 227.3 sqm of total sales area



MESSAGE FROM THE MANAGEMENT

With the reduction of government restrictions caused by the pandemic in the last quarter, this was the first quarter since 2019 where the Company could observe practically normalized results and see the impact of all the initiatives carried out in this period. When we analyze said results and compare them with those of the pre-pandemic period, we are very proud of what Grupo SBF has built over the last two years: a company that reached another level; a company that more than doubled its revenue in this period, reaching a gross revenue of R\$ 1.9 billion in the quarter, 2.4 times higher than the amount of R\$ 777.3 million recorded in 3Q19; a company that reached R\$ 251.3 million in adjusted EBITDA, 2.2 times 3Q19; a company that reached adjusted Net Income of R\$ 109.8 million, 3.1x times the same period in 2019; a company that continues relentlessly searching for ways to expand its growth streams.

Since we started to run the operation of Fisia at the end of last year, we had the levers that would make it grow profitably well mapped and a realistic plan for how we would develop each one of them. Our excellent team has been delivering this plan quarter after quarter, very competently and faster than we imagined. As a result, we have been delivering healthy results, exceeding our expectations. Fisia's revenue was over R\$ 1 billion this quarter, 43.6% higher than in 2Q21 and, based on our estimates, 54% higher than in 3Q19.

The Nike.com.br channel continues to grow rapidly, mainly due to the marketing investment strategy that continues proving successful. When we took over this operation, the current marketing strategy was to rely on an annual budget that did not vary with revenue. One of the first actions we implemented was to change this model to a ROI dynamic. With this approach, we managed to combine Fisia's unique branding capability with the knowledge of digital performance marketing that we already had in Grupo SBF. We launched Nike.com.br Birthday, Father's Day and Nike Members Day campaigns this quarter, which implemented in the correct channels helped to attract new clients to the website. It is also worth highlighting the work that has been done to develop the Sneakers market in Brazil, which today already accounts for 15% of the website's sales.

Nike Factory Stores, nowadays Fisia's only brick-and-mortar store format in Brazil, has also recorded healthy results with increasingly better margins. The 40-year experience of Grupo SBF in operating Centauro's brick-and-mortar stores was fundamental for us to implement operational improvements in this channel, which contributed to reducing expenses and increasing sales. Another important initiative that has contributed to margin growth is the change in the product mix in this channel. The main products historically sold in these stores are close-outs, the remaining products from the in season collection that were not sold through retailers and Nike.com.br. To complete the assortment, the stores also sell rebuys, products made especially for these stores. We have gradually changed the vocation of these stores from just an outlet channel to an entry channel for the brand's consumers; that is, increasing the assortment of rebuys, which has also contributed to a margin improvement.



MESSAGE FROM THE MANAGEMENT

Centauro's brick-and-mortar stores, the channel that had been most impacted by the pandemic restrictions, recorded encouraging results this quarter with healthy margins. During all the months of the quarter, our store's SSS was positive compared to the same period of 2019, reaching 4.6% in the consolidated. After a period of slower expansion, also due to the pandemic, we opened 10 new G5 stores in the quarter, reaching 224 stores in total, increasing Centauro's sales area by 8,600 sqm and reaching 47% of the store portfolio already in the new G5 model. Compared to 2019, Centauro's digital platform recorded a consistent growth of 68.7% in its GMV.

More importantly, after a long period of a disorganized market with above-normal discounts, we delivered a gross margin above the same period of 2019 this quarter. Our team has been doing an excellent job of rebuilding margins, thanks to an increasingly assertive demand planning and an ever-greater rationalization of discounts at the store level. The fact that global brands continue with their market segmentation strategy and that Centauro stores deliver the experience desired by brands to consumers constantly contributes to Centauro increasingly becoming the main destination for consumers of sporting goods.

Grupo SBF's online channels generated over R\$ 410 million in revenue in the quarter, accounting for a growth of 214.6% over 2019. This new level of digital channel also allows us to obtain important gains of scale. A relevant change we made this year was the internalization of our performance marketing team. Instead of engaging external agencies to do this work, we currently have a dedicated in-house team. With this we improved, for example, Centauro's indexing on search engines, improving our position in organic search results and consequently increasing organic traffic on the website. These evolutions directly contribute to improve Centauro's CAC.

The two most relevant costs of an online channel are typically marketing and shipping. With the improvement of CAC, we have reduced Centauro's marketing cost per transaction. With ongoing optimizations in the omnichannel algorithm, we have also managed to reduce the shipping cost per transaction. With these initiatives, Centauro's online channel has been delivering a higher contribution margin than brick-and-mortar stores, which makes us very excited as this is the fastest growing channel.

A factor in our operation that has always been questioned by our investors refers to tax incentives. In October, with the approval of the Complementary Bill (PLP) 5/2021 that amends Complementary Law 160/2017, the benefits were extended until 2032, which minimizes the risk of having any short-term impact on our margins coming from the removal of such incentives. Another highlight regarding incentives is that with the integration of Fisia's ERP systems with the group, we will also be able to take advantage of all incentives in Fisia's operation. Moreover, we are already capturing the incentives in the nike.com.br operation since July. Our estimate is that this will happen as of mid-2022.

We are now starting the most important quarter of the year, focused on delivering a great Black Friday and a great Christmas. We are aware of the global logistics problems but confident that we will manage to mitigate the impacts on our operation.

Grupo SBF has reached a new level in these two years and we continue to persistently pursue ways to accelerate our growth and keep advancing in the years ahead. The sport ecosystem has just started to be assembled and we see a huge value in what we are creating.

THE MANAGEMENT

Grupo SBF

GROSS REVENUE AND OPERATING INDICATORS



For the years of 2020 and 2019, Grupo SBF's Results include only Centauro.

CENTAURO R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Gross Revenue¹	965,877	724,281	777,335	33.4%	24.3%	2,344,012	1,676,536	2,127,376	39.8%	10.2%
B&M Stores	756,288	453,259	646,879	66.9%	16.9%	1,727,853	1,031,905	1,748,541	67.4%	-1.2%
Digital Platform	209,589	271,022	130,456	-22.7%	60.7%	616,159	644,631	378,835	-4.4%	62.6%
Omnichannel Sales	137,342	117,429	88,490	17.0%	55.2%	353,809	280,101	226,980	26.3%	55.9%
Omnichannel – as % of 1P Sales	14.7%	16.7%	11.7%	-2.0 p.p.	+3.0 p.p.	15.6%	17.2%	10.9%	-1.5 p.p.	+4.7 p.p.
Total Number of Stores – Centauro	224	209	196	7.2%	14.3%	224	209	196	7.2%	14.3%
Number of G5 Stores	86	57	27	50.9%	218.5%	86	57	27	50.9%	218.5%
Sales Area - Centauro (m²)	227,286	211,831	194,272	7.3%	17.0%	227,286	211,831	194,272	7.3%	17.0%
G5 Total Area (m²)	106,537	72,606	31,917	46.7%	233.8%	106,537	72,606	31,917	46.7%	233.8%
FISIA R\$ thousand	3Q21					9M21				
Gross Revenue¹	1,046,321					2,267,584				
Wholesale	668,624					1,391,050				
Digital Platform	200,784					480,355				
Outlet	176,913					396,180				
GRUPO SBF R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Total Gross Revenue¹	1,862,618	724,281	777,335	157.2%	139.6%	4,274,790	1,676,536	2,127,376	155.0%	100.9%
Centauro Gross Revenue ¹	965,877	724,281	777,335	33.4%	24.3%	2,344,012	1,676,536	2,127,376	39.8%	10.2%
Fisia Gross Revenue ¹	1,046,321					2,267,585				
(+) Intercompany elimination	-149,580					-336,807				

SSS | 21x20 and 21x19

CENTAURO R\$ thousand	3Q21	3Q20	Δ(%)	9M21	9M20	Δ(%)
SSS (stores + digital)²	23.3%	-5.9%	+29.2 p.p.	30.5%	-17.5%	+48.1 p.p.
SSS B&M Stores	55.6%	-33.9%	+89.5 p.p.	56.7%	-42.0%	+98.7 p.p.
GMV Digital (1P + 3P) ³	-23.7%	120.3%	-144.1 p.p.	-5.7%	82.5%	-88.2 p.p.
GMV as % of Total Sales	23.4%	40.1%	-16.8 p.p.	28.2%	41.2%	-12.9 p.p.
CENTAURO R\$ thousand	3Q21	3Q19	Δ(%)	9M21	9M19	Δ(%)
SSS (stores + digital)²	16.1%	7.7%	+8.4 p.p.	5.4%	7.2%	-1.8 p.p.
SSS B&M Stores	4.6%	4.9%	-0.3 p.p.	-10.5%	3.6%	-14.1 p.p.
GMV Digital (1P + 3P) ³	68.7%	22.2%	+46.5 p.p.	73.7%	25.4%	+48.3 p.p.
GMV as % of Total Sales	23.4%	17.5%	+5.9 p.p.	28.2%	18.4%	+9.9 p.p.

1. Gross revenue, excluding return of goods

2. SSS or Same Store Sales means the change in our revenue disregarding the revenue of stores that were closed for renovation or had not been opened in the equivalent months of the two periods analyzed. **Our methodology does not exclude stores closed due to the pandemic from the base.**

3. GMV or Gross Merchandise Value: revenue from the sale of goods from the digital channel, including the marketplace

MAIN FINANCIAL INDICATORS



For the years of 2020 and 2019, Grupo SBF's Results include only Centauro. The **adjusted** results presented in this report disregard the non-recurring effects, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

Consolidated R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Gross Revenue	1,862,618	724,281	777,335	157.2%	139.6%	4,274,790	1,676,536	2,127,376	155.0%	100.9%
Net revenue	1,491,316	569,038	621,003	162.1%	140.1%	3,426,998	1,314,025	1,693,713	160.8%	102.3%
Gross Profit	670,078	247,923	306,987	170.3%	118.3%	1,541,783	577,817	848,258	166.8%	81.8%
Gross Margin	44.9%	43.6%	49.4%	1.4 p.p	-4.5 p.p	45.0%	44.0%	50.1%	1 p.p	-5.1 p.p
EBITDA	252,168	31,004	117,076	713.3%	115.4%	454,713	30,110	374,041	1410.2%	21.6%
EBITDA Margin	16.9%	5.4%	18.9%	11.5 p.p	-1.9 p.p	13.3%	2.3%	22.1%	11 p.p	-8.8 p.p
Net Profit	221,440	-33,251	38,413	n.a	476.5%	209,354	-127,398	146,099	n.a	43.3%
Net Margin	14.8%	-5.8%	6.2%	20.7 p.p	8.7 p.p	6.1%	-9.7%	8.6%	15.8 p.p	-2.5 p.p
Adjusted Net revenue	1,491,316	569,038	621,003	162.1%	140.1%	3,418,972	1,314,025	1,693,713	160.2%	101.9%
Adjusted Gross Profit	670,020	247,923	306,987	170.3%	118.3%	1,539,160	577,817	848,258	166.4%	81.4%
Adjusted Gross Margin	44.9%	43.6%	49.4%	1.4 p.p	-4.5 p.p	45.0%	44.0%	50.1%	1 p.p	-5.1 p.p
Adjusted EBITDA	251,341	48,468	114,640	418.6%	119.2%	438,179	54,438	295,269	704.9%	48.4%
Adjusted EBITDA Margin	16.9%	8.5%	18.5%	8.3 p.p	-1.6 p.p	12.8%	4.1%	17.4%	8.7 p.p	-4.6 p.p
Adjusted Net Profit	109,812	-21,697	35,605	n.a	208.4%	123,258	-116,618	65,340	n.a	88.6%
Adjusted Net Profit Margin	7.4%	-3.8%	5.7%	11.2 p.p	1.6 p.p	3.6%	-8.9%	3.9%	12.5 p.p	-0.3 p.p
Adjusted EBITDA (ex-IFRS)	192,416	1,430	78,114	n.a	146.3%	272,541	-78,286	189,844	n.a	43.6%
Adjusted EBITDA Margin (ex-IFRS)	12.9%	0.3%	12.6%	12.7 p.p	0.3 p.p	8.0%	-6.0%	11.2%	13.9 p.p	-3.2 p.p
Adjusted Net Profit (ex-IFRS)	125,077	-15,226	43,946	n.a	184.6%	158,688	-94,044	87,187	n.a	82.0%
Adjusted Net Profit Margin (ex-IFRS)	8.4%	-2.7%	7.1%	11.1 p.p	1.3 p.p	4.6%	-7.2%	5.1%	11.8 p.p	-0.5 p.p
Business Unit R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
CENTAURO Gross Revenue	965,877	724,281	777,335	33.4%	24.3%	2,344,012	1,676,536	2,127,376	39.8%	10.2%
Adjusted Net revenue	782,914	569,038	621,003	37.6%	26.1%	1,888,917	1,314,025	1,693,713	43.8%	11.5%
Adjusted Gross Profit	392,999	247,923	306,987	58.5%	28.0%	924,700	577,817	848,258	60.0%	9.0%
Gross Margin	50.2%	43.6%	49.4%	6.6 p.p	0.8 p.p	49.0%	44.0%	50.1%	5 p.p	-1.1 p.p
FISIA Gross Revenue	1,046,321					2,267,584				
Net revenue	824,857					1,790,436				
Gross Profit	290,660					644,891				
Gross Margin	35.2%					36.0%				

NON-RECURRING ADJUSTMENTS



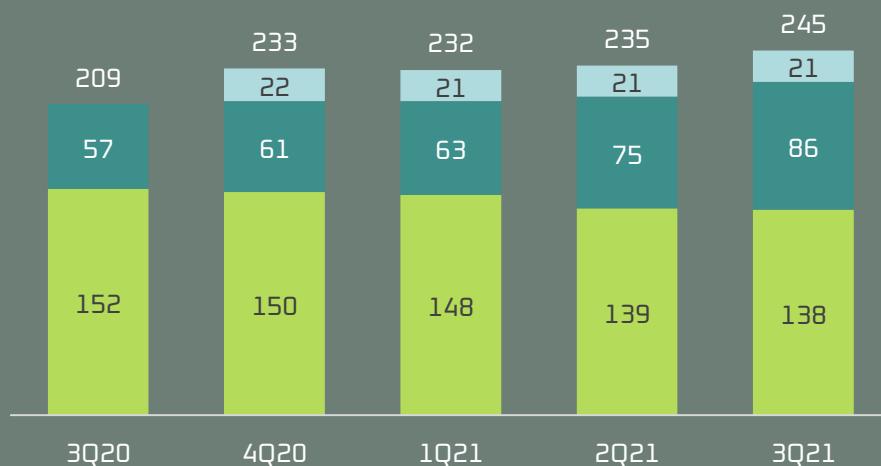
The **adjusted** results presented in this report disregard the non-recurring effects, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

GRUPO SBF R\$ thousand	3Q21	9M21
EBITDA	252,168	454,713
Stock Option Plan / Non-cash	5,027	15,805
Accounting effects of acquisition - Expenses	1,752	-8,242
Accounting effects of acquisition - Cost of Sales	-58	5,403
Extemporaneous tax credits and debits	-7,548	-18,687
Inventory adjustment - Previous periods	0	-2,786
Extemporaneous tax debits (impact on deductions)	0	-8,026
Impact of non-recurring effects on EBITDA	-827	-16,534
Adjusted EBITDA	251,341	438,179
Net Profit	221,440	209,354
Accounting effects of acquisition - Depreciation and Amortization	0	9,343
Interest on extemporaneous tax credits and debts	-13,985	14,521
IRPJ Selic - Previous periods	-102,428	-102,428
Income Tax and Social Contribution	5,612	9,001
Impact of non-recurring effects on Net Profit	-111,628	-86,097
Adjusted Net Profit	109,812	123,258

FINANCIAL AND OPERATING PERFORMANCE

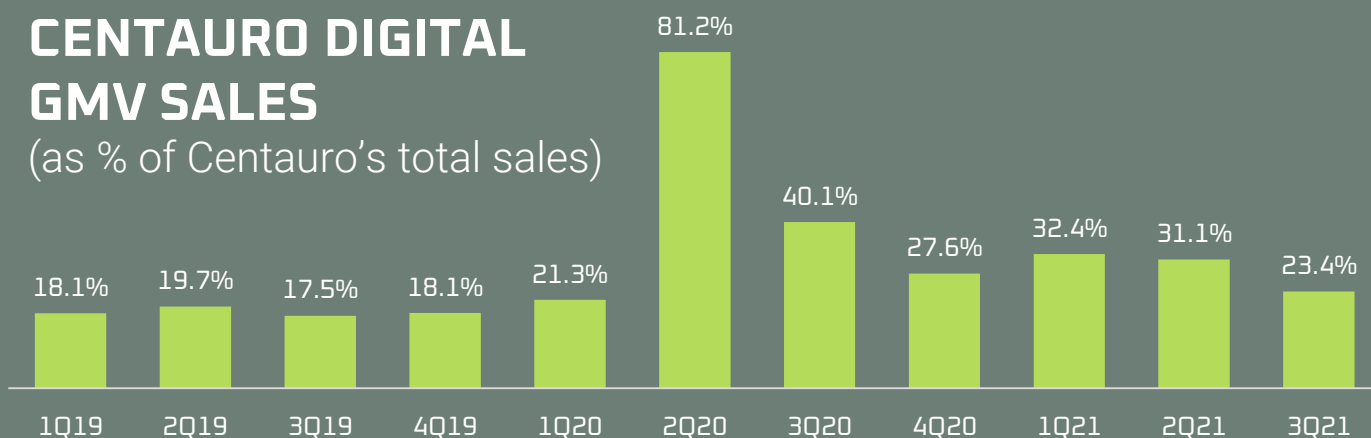


STORE MODELS

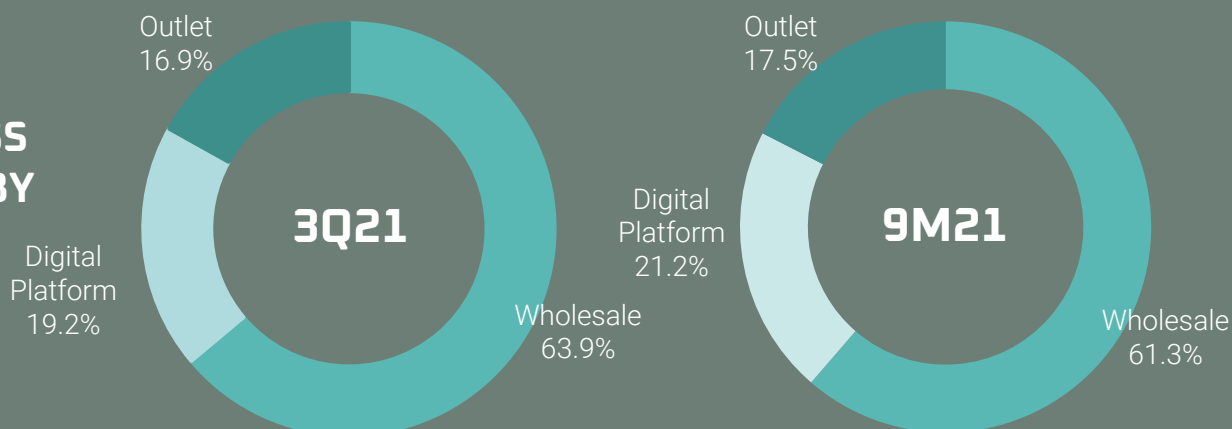


CENTAURO DIGITAL GMV SALES

(as % of Centauro's total sales)



FISIA GROSS REVENUE BY CHANNEL



FINANCIAL PERFORMANCE



- > The **adjusted** results presented in this report disregard the non-recurring effects listed on page 7. For the years 2020 and 2019, the effects are presented in our 3Q20 and 3Q19 earnings release.
- > The results for 2020 and 2019 consider only the amounts already released for Centauro.
- > The tables for Net Revenue and Gross Income are presented by business unit. The other tables are presented in the consolidated view of Grupo SBF.

NET REVENUE

R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
CENTAURO	782,914	569,038	621,003	37.6%	26.1%	1,888,917	1,314,025	1,693,713	43.8%	11.5%
B&M Stores	610,290	359,504	518,725	69.8%	17.7%	1,388,889	812,081	1,396,635	71.0%	-0.6%
Digital Platform	172,624	209,535	102,278	-17.6%	68.8%	508,054	501,944	297,078	1.2%	71.0%
FISIA	824,857					1,790,436				
Wholesale	540,595					1,137,342				
Digital Platform	149,946					354,472				
Outlet	134,316					298,622				
(+) Intercompany elimination	(116,455)					(260,382)				
GRUPO SBF	1,491,316	569,038	621,003	162.1%	140.1%	3,418,972	1,314,025	1,693,713	160.2%	101.9%

CENTAURO

Centauro stores recorded net revenue of R\$ 610.3 million in 3Q21, accounting for an increase of 69.8% compared to 3Q20 and 17.7% compared to 3Q19. With the evolution of vaccination in the country and the reopening of the shopping malls, stores resumed positive SSS in the quarter, reaching 4.6% over 3Q19. Furthermore, the expansion of the network with G5 stores, the optimization of product purchase and allocation and the 95.3% growth (over 3Q19) in sales via endless aisle contributed to the channel's growth.

Digital platform, compared to 3Q19, grew 68.8%, as a result of investments in technology and marketing that have been and continue to be made.

FISIA

Fisia's revenue reached R\$ 824.8 million this quarter, an increase of 43.5% when compared to 2Q21 and accounting for a share of 47.5% of Grupo SBF's total Net Revenue. The 3 channels showed robust growth over 2Q21. For the digital platform, in addition to continuing the optimization of the initiatives already adopted in recent quarters, the digital first strategy for receiving and selling products on the website nike.com.br, new seasonal marketing campaigns with emphasis on Father's Day, and the heated sales of Sneakers also contributed to the result. Sales in the Outlet channel were positively impacted by the resumption of physical retail and the result in the wholesale channel already reflects part of the purchases for the fourth quarter of 2021.

GROSS INCOME



R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
CENTAURO										
Gross Profit	392,999	247,923	306,987	58.5%	28.0%	924,700	577,817	848,258	60.0%	9.0%
Gross Margin	50.2%	43.6%	49.4%	6.6 p.p	0.8 p.p	49.0%	44.0%	50.1%	5 p.p	-1.1 p.p
FISIA										
Gross Profit	290,660					644,891				
Gross Margin	35.2%					36.0%				
(+) Intercompany elimination	(13,640)					(30,431)				
GRUPO SBF										
Gross Profit	670,020	247,923	306,987	170.3%	118.3%	1,539,160	577,817	848,258	166.4%	81.4%
Gross Margin	44.9%	43.6%	49.4%	1.4 p.p	-4.5 p.p	45.0%	44.0%	50.1%	1 p.p	-5.1 p.p

CENTAURO

In 3Q21, Centauro's gross margin reached a level of 50.2%, a recovery of +6 p.p. compared to 3Q20, when the high mark-down level and the higher share of the digital platform negatively impacted the margin.

Compared to 3Q19, we recorded an increase of +0.8 p.p. despite the higher share of the digital platform, which has a lower margin than the stores channel. The more assertive portfolio assortment and purchase, as well as the better inventory allocation between stores and DCs favored sales of in-season products without the need for mark-downs.

FISIA

The expected decrease in Fisia's gross margin due to the effect of inventory acquired at lower cost as a subsidiary was partially offset by the impact of the price adjustment carried out in June due to the exchange rate depreciation and the adjustment in the portfolio of outlet stores that allowed us to practice prices with a lower mark-down level.

OPERATING EXPENSES



R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
GRUPO SBF										
Operating Expenses	-418,679	-199,455	-192,347	109.9%	117.7%	-1,100,981	-523,379	-552,989	110.4%	99.1%
SG&A	-417,442	-201,511	-199,937	107.2%	108.8%	-1,105,954	-531,199	-568,856	108.2%	94.4%
Other net operating expenses	-1,237	2,056	7,590	-160.2%	-116.3%	4,973	7,820	15,867	-36.4%	-68.7%
SG&A as % of Net Revenue	28.0%	35.4%	32.2%	-7.4 p.p	-4.2 p.p	32.3%	40.4%	33.6%	-8.1 p.p	-1.2 p.p
Operating Expenses as % of Net Revenue	28.1%	35.1%	31.0%	-7 p.p	-2.9 p.p	32.2%	39.8%	32.6%	-7.6 p.p	-0.4 p.p



*Operating expenses are presented net of Depreciation and Amortization Expenses.

Grupo SBF recorded -R\$418.7 million of Operating Expenses in 3Q21, an increase of 109.9% compared to 3Q20. In the first nine months of the year, it totaled -R\$1.1 billion, a variation of 110.4% compared to 9M20.

SG&A EXPENSES

The increase in SG&A expenses is due to the merger of Fisia's operations in the company's financial statements. Such expenses did not exist in 2020.

When compared to 3Q19, in addition to the merger of Fisia, the inflationary pressure on expenses and the investment in new business areas needed to implement our ecosystem vision, such as logistics, CRM, Technology and Strategy, also had a negative contribution.

Despite the pressures on the aforementioned expenses, Grupo SBF's SG&A expenses as % of Revenue was 28.0%, compared to 32.2% in 3Q19. Such dilution is explained by the operational leverage caused by revenue growth, back-office and logistics synergies obtained with the integration of operations and the incorporation of Fisia's wholesale channel, which, due to the nature of its operations, has a lower percentage of expenses than other channels.

EBITDA

R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
GRUPO SBF										
Net Income	109,812	-21,697	35,605	n.a	208.4%	123,258	-116,618	65,340	205.7%	88.6%
(+) Income tax and social contribution	-15,444	18,234	-7,159	-184.7%	115.7%	30,405	77,621	15,628	-60.8%	94.6%
(+) Net financial result	-44,747	-31,113	-15,718	43.8%	184.7%	-125,375	-80,771	-83,507	55.2%	50.1%
(+) Depreciation and amortization	-81,338	-57,286	-56,158	42.0%	44.8%	-219,951	-167,905	-162,050	31.0%	35.7%
(=) EBITDA	251,341	48,468	114,640	418.6%	119.2%	438,179	54,438	295,269	704.9%	48.4%
EBITDA Margin	16.9%	8.5%	18.5%	8.3 p.p	-1.6 p.p	12.8%	4.1%	17.4%	8.7 p.p	-4.6 p.p
EBITDA (ex-IFRS)	192,416	1,430	78,114	n.a	146.3%	272,541	-78,286	189,844	n.a	43.6%
EBITDA Margin	12.9%	0.3%	12.6%	12.7 p.p	0.3 p.p	8.0%	-6.0%	11.2%	13.9 p.p	-3.2 p.p

Grupo SBF's EBITDA reached R\$ 251.3 million in 3Q21, with an EBITDA margin of 16.9%, recovering 8.3 pp of margin compared to the result for 3Q20. Compared to 3Q19, the company's EBITDA grew 119.2%, with a margin deviation of -1.6 percentage points. The main factors that contributed to the margin recovery were the improvement in the gross margin of Centauro, the operational leverage caused by the revenue growth and the synergies obtained with the integration of Fisia's and Centauro's operations.

FINANCIAL INCOME (LOSS)

R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Financial Income	35,737	16,874	9,245	111.8%	286.5%	125,073	74,544	27,474	67.8%	355.2%
Financial Expenses	-80,485	-47,987	-24,963	67.7%	222.4%	-250,449	-155,315	-110,981	61.3%	125.7%
Net financial income (expenses)	-44,747	-31,113	-15,718	43.8%	184.7%	-125,375	-80,771	-83,507	55.2%	50.1%

The Company recorded a Financial Result of -R\$ 44.7 million in 3Q21 and -R\$ 125.4 million in 9M21. There was an increase in financial expenses in the quarter due to the increase in interest rate and company's higher indebtedness, justified by the debt raised for the acquisition of Fisia and for the cash reinforcement due to the pandemic.

NET INCOME (LOSS)



R\$ thousand	3Q21 adjusted	3Q20 adjusted	3Q19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21 adjusted	9M20 adjusted	9M19 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Net Income (Loss)	109,812	-21,697	35,605	n.a	208.4%	123,258	-116,618	65,340	205.7%	88.6%
Net Margin	7.4%	-3.8%	5.7%	11.2 p.p	1.6 p.p	3.6%	-8.9%	3.9%	12.5 p.p	-0.3 p.p
Net Profit (ex-IFRS)	125,077	-15,226	43,946	n.a	184.6%	158,688	-94,044	87,187	268.7%	82.0%
Net Profit Margin (ex-IFRS)	8.4%	-2.7%	7.1%	11.1 p.p	1.3 p.p	4.6%	-7.2%	5.1%	11.8 p.p	-0.5 p.p

In 3Q21, Grupo SBF recorded a Net Income of R\$ 109.8 million, reversing the Net Loss of -R\$ 21.7 million in 3Q20 and exceeding the result of R\$ 35.6 million in 3Q19 by 208.4%. The 3Q21 result also contributed to a positive result in the 9-month period.

NET WORKING CAPITAL

R\$ thousand	09/30/2021	09/30/2020	09/30/2019	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Accounts receivable	1,095,655	421,166	452,277	160.1%	142.3%
Taxes and income tax to be offset	1,087,510	220,653	217,726	392.9%	399.5%
Inventories	1,185,955	418,014	423,397	183.7%	180.1%
Other accounts receivable	57,025	27,605	21,410	106.6%	166.3%
	3,426,145	1,087,438	1,114,810	215.1%	207.3%
Other accounts payable	530,223	56,460	22,752	n.a	n.a
Resale suppliers	848,444	611,881	492,862	38.7%	72.1%
Tax liabilities	183,994	29,221	51,577	n.a	256.7%
Lease payable	186,982	105,672	116,041	76.9%	61.1%
Labor liabilities	148,492	121,577	144,220	22.1%	3.0%
Other liabilities	19,446	0	0	n.a	n.a
	1,917,581	924,811	827,452	107.3%	131.7%
Net Working Capital	1,508,564	162,627	287,358	n.a	n.a

The Net Working Capital concept adopted is based on calculating the difference between Current Liabilities and Current Assets, excluding Cash, Debt and Installment Payment of Taxes and including Factoring of Receivables.

Grupo SBF recorded an increase in its Net Working Capital compared to 3Q20, from R\$ 162.6 million to R\$ 1,508.6 million. Said increase is mainly explained by the exceptionally low working capital level invested in 3Q20, due to the moment of depressed revenue from the pandemic; and by the merger of Fisia's balance sheet into Grupo SBF's balance sheet, which mainly impacted Accounts Receivable, Inventory, Recoverable Taxes and reseller Suppliers.

In 3Q21, there was a transfer of R\$ 312 million in recoverable taxes from long to short term, which generated an increase in this account in current assets.

Specifically regarding Fisia's tax credits, although they are presented on Grupo SBF's balance sheet, they are still mostly owned by Nike Global. The increase in Other accounts payable arises from Grupo SBF's obligation to transfer these credits as they are used..

MANAGEMENT CASH FLOW



R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
EBITDA	252,168	31,004	117,076	n.a	115.4%
Depreciation and Interest Rates IFRS 16	-81,338	-56,843	-44,836	43.1%	81.4%
Working Capital Variation ¹	-229,090	32,221	-16,803	n.a	n.a
Other	314,678	73,865	-14,714	326.0%	n.a
Operating Cash Flow	256,418	80,247	40,723	n.a	n.a
NWB Acquisition	0	0	0	n.a	n.a
Other	-75,676	-44,522	-42,306	70.0%	78.9%
Cash Flow from Investing Activities	-75,676	-44,522	-42,306	70.0%	78.9%
Net funding ²	0	0	-866	n.a	n.a
Bank Loan	-292	223,652	-2,931	-100.1%	-90.1%
Factoring of Receivables	0	-80,032	-61,078	n.a	n.a
Tax Installment Payment	-9,901	-14,129	9,789	-29.9%	-201.1%
Cash Flow from Financing	-10,193	129,491	-55,086	n.a.	-81.5%
Total Cash Variation	170,549	165,216	-56,669	3.2%	n.a

9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
454,713	30,110	374,041	n.a	21.6%
-229,294	-166,927	-127,243	37.4%	80.2%
-347,560	286,275	-161,656	-221.4%	115.0%
153,846	-104,376	-93,420	247.4%	264.7%
31,704	45,082	-8,278	-29.7%	n.a.
-48,555	0	0	n.a	n.a
-184,125	-101,525	-79,772	81.4%	130.8%
-232,680	-101,525	-79,772	n.a	n.a
297,211	859,977	652,474	-65.4%	-54.4%
-50,798	559,323	-349,505	-109.1%	-85.5%
-4,241	20,954	-412,609	-120.2%	-99.0%
5,483	-33,959	304	116.1%	n.a
247,655	1,406,295	-109,336	-82.4%	n.a.
46,680	1,349,852	-197,386	-96.5%	123.6%



(1) Advances of receivables and installment payment of taxes are classified as cash flow from financing.

(2) Net Funding: amount for the year 2021 referring to debentures; amount for the year 2020 referring to the Follow-on; amount for the year 2019 referring to IPO.

Operating Cash Flow was positive by R\$ 256.4 million in 3Q21. Considering the effects of IFRS, practically all EBITDA was converted into cash in the quarter. The impact observed in the variation of Net Working Capital and Other was mainly a transfer of recoverable taxes from Long Term to Short Term.

Cash Flow from Investments of the quarter was impacted by the investments in technology, logistics and resumption of investments in Centauro's G5 store projects.

INDEBTEDNESS

R\$ thousand	09/30/2021 adjusted	09/30/2020 adjusted	09/30/2019 adjusted	Δ(%) 21 vs 20	Δ(%) 21 vs 19
(+) Loans and financing	885,011	604,372	35,039	46.4%	n.a
(-) Cash and cash equivalents	560,975	1,455,159	45,432	-61.4%	n.a
(=) Net Debt	324,036	-850,787	-10,393	138.1%	n.a
(+) Factoring of Receivables	0	31,859	13,302	-100.0%	-100.0%
(+) Tax Installment Payment	162,034	162,232	209,858	-0.1%	-22.8%
(=) Adjusted Net Debt	486,070	-656,696	212,767	174.0%	128.5%
Adj. Net Debt /Adj. EBITDA (LTM)	0.80x	-2.98x	0.55x	3.77x	-0.17x

The increase in the balance of loans and financing in the third quarter of 2021 compared to the same period in 2020 reflects the new debt raised to reinforce cash during the pandemic and to finance the operation with Fisia.

The decrease in the level of cash and equivalents is due to the acquisition of Fisia, whose disbursement was made in 4Q20.

The decrease in the balance of prepaid receivables is due to the factoring of receivables in March 2020 as part of the cash reinforcement strategy during the first lockdown, owing to the COVID-19 pandemic. Said strategy was not adopted in 2021.

INVESTMENTS - CAPEX

R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
New Stores	28,726	6,023	13,605	376.9%	111.1%	54,033	12,264	21,443	340.6%	152.0%
Stores Refurbishment	8,815	19,278	13,040	-54.3%	-32.4%	47,356	41,943	20,030	12.9%	136.4%
Technology	27,138	11,023	10,777	146.2%	151.8%	61,991	34,897	27,824	77.6%	122.8%
Others	10,997	8,198	4,883	34.1%	125.2%	20,745	12,422	10,475	67.0%	98.0%
Total Investments	75,676	44,522	42,305	70.0%	78.9%	184,125	101,526	79,772	81.4%	130.8%

CAPEX in 3Q21 increased 70.0% when compared to 3Q20, reflecting the acceleration of Centauro's G5 store projects and investments in structuring projects of logistics, technology and innovation for the entire ecosystem. As a result of the investments, we had one store renovated to the G5 model and 10 G5 stores were opened following our strategy of concentrating the opening of new stores in the second semester. We also accelerated the migration of Fisia's digital platform and SAP, in addition to investing in one new logistics hub in the city of Extrema (MG) to gain agility in distribution.

In the 9-month period, the growth of 81.4% and 130.8% compared to the 9M20 and 9M19 periods, respectively, also reflects the expansion of G5 stores and the investments in logistics, technology and innovation throughout 2021.

CONSOLIDATED BALANCE SHEET

R\$ thousand	09/30/2021	12/31/2020	12/31/2019
Assets	7,118,794	6,193,859	3,933,727
Current	3,905,057	3,289,039	1,560,576
Cash and cash equivalents	560,975	514,295	105,308
Accounts receivable	1,095,655	984,491	586,449
Recoverable taxes	967,887	712,763	362,388
Income tax and social contribution to be offset	37,560	40,037	54,890
Inventories	1,185,955	890,780	428,544
Other accounts receivable	57,025	146,673	22,997
Non-current	3,213,737	2,904,820	2,373,151
Accounts receivable	43	0	0
Financial investments	324	324	536
Taxes to be offset	54,132	347,871	336,229
Income tax and social contribution to be offset	82,063	0	0
Deferred tax assets	556,995	453,950	222,646
Judicial deposits	145,133	125,751	105,288
Other amounts receivable	72,235	626	625
Property and equipment	548,881	516,496	452,439
Intangible assets	386,805	305,631	117,585
Right of use	1,367,126	1,154,172	1,137,803
Liabilities	7,118,794	6,193,860	3,933,727
Current	2,246,384	1,852,278	1,093,629
Suppliers	848,444	654,813	661,010
Loans and financing	181,104	93,275	27,037
Debentures	85,863	0	0
Tax liabilities	183,994	223,770	66,228
Tax installment payment	61,836	54,775	60,420
Labor and social security liabilities	148,492	93,688	151,318
Lease payable	186,982	119,928	94,573
Other accounts payable	530,223	594,676	33,043
Other obligations	19,446	17,353	0
Non-current	2,682,058	2,390,896	1,671,434
Loans and financing	167,466	278,850	7,553
Debentures	450,578	226,762	0
Tax installment payment	100,198	101,776	135,771
Provisions for contingencies	548,192	547,135	499
Lease payable	1,272,589	1,081,641	472,364
Other obligations	143,035	154,732	1,055,247
Shareholders' equity	2,190,352	1,950,686	1,168,664
Capital stock	1,823,343	1,815,485	955,277
Capital reserves	210,082	194,460	171,444
Incentive reserves	15,509	15,509	43,079
Accumulated losses	141,418	-74,768	-1,136

CASH FLOW

R\$ thousand	09/30/2021	09/30/2020	09/30/2019
Net profit (loss) of the period	209,354	-127,398	146,099
Adjusted by:			
Depreciation and amortization	239,720	175,310	175,270
Interest rates	181,830	99,364	68,421
Share-based payment	15,622	18,651	1,107
Residual cost in the write-off of property & equipment and intangible assets	15,939	9,395	407
Write-off of residual leases	1,815	-2,899	0
Provision for inventory obsolescence	13,346	11,892	15,348
Present value adjustment, Net	3,142	4,637	2,143
Net recording of provision for contingencies	35,979	14,493	14,734
Deferred income and social contribution taxes	-115,373	-261,178	-27,744
Lease discounts	-17,972	0	0
	583,403	-57,733	395,785
(Increase) decrease in Assets			
Accounts receivable	-93,455	180,847	-373,960
Inventory	-308,521	-1,362	-103,846
Derivatives	-8,301	0	0
Deferred taxes, income tax and social contribution to be offset	-28,645	213,019	-136,533
Other accounts receivable	18,039	-4,609	-7,029
Judicial deposits	-19,382	-2,913	10,576
Increase (decrease) in liabilities			
Suppliers	182,815	-44,551	-34,819
Tax liabilities	-72,568	139,222	37,571
Tax installment payment	-16,509	-39,960	-2,015
Contingencies paid	-34,922	-10,312	-19,913
Labor and social security liabilities	54,804	-29,741	3,493
Interest rate paid on financing	-13,316	-3,346	-13,765
Interest paid on Debentures	-6,779	0	0
Other accounts payable	-64,453	23,417	-4,612
Other obligations	-9,603	0	0
Income tax and social contribution paid	4,598	-178,004	-54,812
Chg. in assets and liabilities:	-416,198	241,707	-699,664
Net cash (used in) generated by operating activities	167,205	183,974	-303,879
Cash flow from investing activities			
Additions to property and equipment	-96,909	-85,856	-56,520
Additions to intangible assets	-129,270	-28,507	-30,125
Parent company acquisition, net of cash received	0	0	7
Goodwill on the Acquisition of NETWORK Participações	674	0	0
Net cash (used in) investing activities	-225,505	-114,363	-86,638
Cash flow from financing activities			
Loans and financing raised	17,625	359,706	19,031
Loans and financing paid	-48,328	-23,252	-354,771
Issue of debentures	297,211	226,215	0
Lease Paid	-169,386	-144,891	-113,400
Partes relacionadas	0	0	-10,203
Expenses with share issues	0	-45,117	-55,414
Payment of advances for future capital increase at the parent Company	545	638	0
Capital increase	7,313	906,941	707,888
Net cash (used in) financing activities	104,980	1,280,240	193,131
Decrease of cash and cash equivalents	46,680	1,349,851	-197,386
Cash and cash equivalents at the beginning of the year	514,295	105,308	242,818
Cash and cash equivalents at the end of the year	560,975	1,455,159	45,432

INCOME STATEMENT



R\$ thousand	3Q21	3Q20	3Q19	Δ(%) 21 vs 20	Δ(%) 21 vs 19	9M21	9M20	9M19	Δ(%) 21 vs 20	Δ(%) 21 vs 19
Net revenue	1,491,316	569,038	621,003	162.1%	140.1%	3,426,998	1,314,025	1,693,713	160.8%	102.3%
Cost of sales	-821,238	-321,115	-314,016	155.7%	161.5%	-1,885,215	-736,208	-845,455	156.1%	123.0%
Gross Profit	670,078	247,923	306,987	170.3%	118.3%	1,541,783	577,817	848,258	166.8%	81.8%
Operating expenses	-417,910	-216,919	-189,911	92.7%	120.1%	-1,087,070	-547,707	-474,217	98.5%	129.2%
Selling expenses	-371,720	-167,858	-171,643	121.4%	116.6%	-903,758	-442,882	-475,319	104.1%	90.1%
Administrative and general expenses	-47,068	-33,653	-25,858	39.9%	82.0%	-172,085	-88,317	-91,101	94.8%	88.9%
Other operating income (expenses), Net	877	-15,408	7,590	105.7%	-88.4%	-11,228	-16,508	92,203	-32.0%	-112.2%
Depreciation and amortization expenses	-81,338	-57,286	-56,158	42.0%	44.8%	-229,294	-167,905	-162,050	36.6%	41.5%
Operating Income (Loss)	170,830	-26,282	60,918	n.a	180.4%	225,419	-137,795	211,991	263.6%	6.3%
Financial income	55,609	16,874	11,064	229.6%	n.a	142,769	74,544	72,157	91.5%	97.9%
Financial expenses	-82,511	-48,029	-24,963	71.8%	230.5%	-278,805	-147,321	-110,981	89.3%	151.2%
Net financial income (expenses)	-26,902	-31,155	-13,899	-13.7%	93.6%	-136,036	-72,777	-38,824	86.9%	250.4%
Profit before taxes	143,928	-57,437	47,019	350.6%	206.1%	89,383	-210,572	173,167	142.4%	-48.4%
Income tax and social contribution	77,512	24,186	-8,606	220.5%	n.a	119,971	83,174	-27,068	44.2%	n.a
Net profit for the period	221,440	-33,251	38,413	n.a	n.a	209,354	-127,398	146,099	264.3%	43.3%



1,2. Amount presented without depreciation. The depreciated amount can be found in our Financial Statements or in our interactive sheet, available on our website.

GRUPO SBF



ABOUT GRUPO SBF

Grupo SBF is a sports company founded in 1981 and until 2020 operated in the Brazilian market with Centauro, the largest sporting goods retailer in Brazil and Latin America and the first omnichannel retailer in Brazil, with all operations involving the brick-and-mortar stores and the digital platform integrated since 2018. In December 2020, a new business unit started integrating Grupo SBF: FISIA, the sole holder of the rights to distribute Nike products and to operate Nike brick-and-mortar stores and e-commerce in Brazil. In February 2021, another business unit joined Grupo SBF to comprise the sports ecosystem in Brazil: NWB, the largest digital producer of sports content in Brazil. At Grupo SBF, we believe that sport transforms lives, and we wake up every day to boost sports in Brazil.



ri.gruposbf.com.br | ri@gruposbf.com.br



José Salazar



Daniel Regensteiner



Luna Romeu



Nicole Caputo

Disclaimer

The assumptions contained in this report relating to the business outlook, projections and results and the growth potential of the Company constitute mere forecasts and were based on management's expectations in relation to the future of the Company. These expectations are highly dependent on changes in the market and in the overall economic performance of the country, the industry and the international market; therefore, they are subject to changes.





GRUPO SBF

SMLLB3 | ICONB3 | IGC B3 | IGC-NMB3 | IGCTB3 | ITAG B3 | IBRA B3