

ALPARGATAS REPORTS 2Q21 EARNINGS

Alpargatas accelerates growth in Brazil and in the international market driven by Havaianas

(+57% volume; +71% net revenue; +163% recurring EBITDA vs. 2Q20) (+14% volume; +46% net revenue; +73% recurring EBITDA vs. 2Q19)

Highlights in 2Q21 versus 2Q20:

- Havaianas International: +63% of net revenue: +132% of EBITDA
- Havaianas Brazil: +72% net revenue: +20% of EBITDA
- **Havaianas**:+68% of net revenue; +91% of EBITDA
- Alpargatas:
 - Gross operating margin: +0.3pp
 - o Recurring EBITDA of R\$197M and 18% EBITDA margin
 - Recurring net income of R\$111M (+229% vs. 2Q20)
 - o Positive net financial position of R\$637M (+38% vs. 4Q20)

ALPARGATAS

R\$1,095M (+71% vs. 2Q20)

56% (+0.3pp vs. 2Q20)

RECURRENT EBITDA

R\$197M

18% OF NET REVENUE

(+6.3pp vs. 2Q20)

RECURRENT NET INCOME R\$111M (+229% vs. 2Q20)

NFP **R\$637M** (+38% vs. 4Q20)



Alpargatas' CEO, Beto Funari, highlights that in the second quarter of 2021, Havaianas' growth was leveraged by three main factors: advances in international markets, online channel acceleration and portfolio expansion through product innovations. We continue to notice a strong demand for the brand, which aligned with the casual fashion trend prioritizing comfort and the fact that users are migrating to digital experiences, strengthens Havaianas globally. "We are well positioned and confident with the recovery in commerce and services, focused on delivering consistent long-term results", reinforces Funari.

Julian Garrido, CFO at Alpargatas, points out that the 2Q21 results reflect advances in the global expansion strategy, the disciplined execution and consistency in delivery. The implementation of the Revenue Growth Management (RGM) and Zero-Based Budget (OBZ) areas of excellence are noteworthy as they accelerate Alpa's growth and profitability, mitigating industry increases in raw material prices. "The results reflect a cash generation of R\$176 million in 1H21, ending the quarter with a net financial position of R\$637 million."



Strategic Pillars

Our strategic pillars prioritize highly potential markets and segments: global expansion of the Havaianas brandprioritizing the Brazil, Europe, USA, and China markets, which are our Big Bets; digital acceleration at Alpargatas, with continuous growth in online sales across the DTC and B2B channels; expansion into new segments through scale innovation; and developing sustainability solutions. Our focus on margin expansion is structured around three areas of excellence: Revenue Growth Management (RGM), Zero Base Budget (OBZ) and Value Improvement Program (VIP100%).

Global

HAVAIANAS



R\$1,036M **NET REVENUE 50% INTERNATIONAL MARKETS**

56% GROSS MARGIN -0.9pp vs. 2Q20 +1pp vs. 2Q19

20% **EBITDA MARGIN** ~+3pp vs. 2Q20 ~+2pp vs. 2Q19

BIG BETS

2Q21 vs. 2Q20









except where indicated	BRAZIL	EUROPE	USA	CHINA**
VOLUME	+55 % vs. 2Q20	+38 % vs. 2Q20	+52 % vs. 2Q20	+53 % vs. 2Q20
	+14 % vs. 2Q19	+17 % vs. 2Q19	+41 % vs. 2Q19	NA
NET REVENUE	+72%	+ 50% (c\$* +41%)	+46% (c\$* +48%)	+58% (c\$* +61%)
GROSS MARGIN	38%	77%	76%	81%
	(-5pp)	(+4pp)	(+0.4pp)	(+1pp)
EBITDA	+20%	+103%	+600%	-12%
ONLINE SALES	-18% vs. 2Q20	-4 % vs. 2Q20	+21 % vs. 2Q20	+10 % vs. 2Q20
	+206 % vs. 2Q19	+127 % vs. 2Q19	+292 % vs. 2Q19	NA

^{*} constant currency in reais

^{**}China: first year of our own operation

Digital





2Q21

~R\$220M

ONLINE SALES HAVAIANAS AND OSKLEN

~**3**x vs. 2Q19

+**7**% vs. 2Q20

1H21

~R\$320M

ONLINE SALES HAVAIANAS AND OSKLEN

+27% vs. 1H20

HAVAIANAS

TOTAL ONLINE CHANNELS (DTC+B2B)

+208% +6% +24% (vs. 2Q19) (vs. 1H20)

Online sales reached R\$220 million in 2Q21, 3x higher than in 2Q19, representing 20% total

sales and 38% international sales. In 2Q21, we

completed the integration of 100% of the stores

in the Omnichannel environment.

OMNICHANNEL
~10%
DTC IN 2Q21

OMNICHANNEL

HAVAIANAS

CUSTOMER SERVICES BY WHATSAPP

INCREASE OF

+51%

NUMBER OF SERVICES PROVIDED (vs 1Q21)

CENTRALIZED SERVICES
AVAILABLE IN
100%

OF THE BRAZILIAN TERRITORY

OSKLEN

OMNICHANNEL

OMNICHANNEL ~20%
DTC IN 2Q21

CUSTOMER SERVICES BY WHATSAPP

RECEPTIVE WHATSAPP

10X INCREASE IN CONVERSION

ACTIVE WHATSAPP GENERATING

49%

MORE SALES THAN E-MAIL MARKETING

OSKLEN

TOTAL ONLINE CHANNELS (DTC+B2B)

+309% +18% +49% (vs. 2Q19) (vs. 1H20)

SHARE

40% 45%
OF TOTAL OF TOTAL
BRAND BRAND
REVENUE REVENUE
IN 2Q21 IN 1H21

OSLKEN APP

LAUNCH IN JULY/21

TOTAL INTEGRATION OF DTC'S INVENTORY

SCAN&GO:

MAKES IT POSSIBLE TO SCAN THE LABEL IN THE STORE AND PAY, AVOIDING CHECKOUT QUEUS ON HIGH DEMAND DAYS FOR PHYSICAL RETAIL

+208% +6% +24%

(13. 2013)

OMNI ROLL-OUT

BRAZIL:

100% OF THE STORES

INTEGRATED IN AN
OMNI ECOSYSTEM WITH
SHIP FROM AND PICKUP FROM STORE
SERVICES

EUROPE:

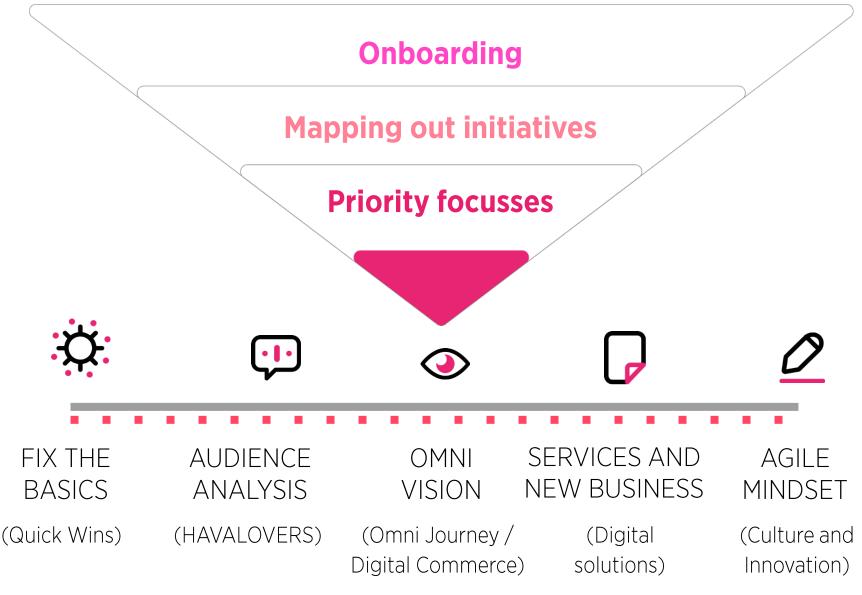
100% STORES WITH CLICK AND COLLECT

Digital

Strengthening our differential as a platform of **hyper connected** and **desired** brands

On May 7, 2021, Alpargatas completed the loasys acquisition, an important step for digital transformation focused on user experience.





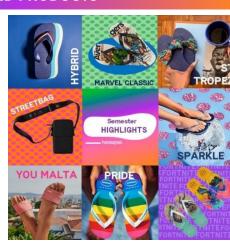
By humans. For humans.

ioasys

Innovation

Havaianas is one of the three brands that Brazilians most love. "The brands that conquered Brazil" study carried out by Ecglobal, assesses the emotional connection between brands and consumers. Also, in Fashion & Beauty, it is the #1 brand! The company develops the ranking based on the Net Love Score (NLS), which assesses loyalty, preference, love power, amplitude, loyalty score, and intensity.

MOST DESIRED PRODUCTS PRIDE PRIDE



HIGHLIGHTS | CORE BUSINESS



PRIDE

Models in this product line occupy two positions among the Top 5 best selling models at the *online* store.

Sell in: +230% vs 2Q20



MARVEL

Top Marvel Classic is the fourth best-selling model at the *online* store.

The Marvel family is #1 in store sales.



ISAAC SILVA

It ranked fourth in sales during the first week of sales.

Positive Sentiment 98%

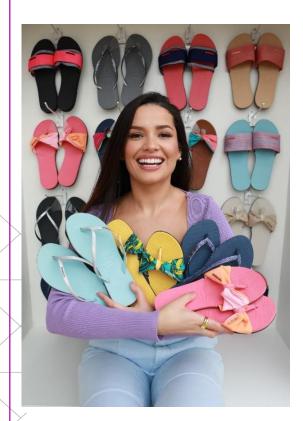


OLYMPICS

The Brazil Logo model was the most mentioned product on Havaianas social channels and it is also the **best-selling model on the** *online* store.

HIGHLIGHTS | BEYOND THE CORE - BTC

Volume and revenue grew 2x versus 2Q20



In order to increase BTC's awareness, we launched the Head, Shoulder, Knee, and Foot challenge on TikTok (#DesafioCOJP) in May 2021, a campaign that already has more than 2.7 billion views (a record) on the platform. In addition, at the beginning of June, we opened the +Havaianas pilot store in Morumbi Shopping so that consumers can get to know the brand's full portfolio and have a better understanding of the brand lifestyle.

Juliette Freire was announced as a Havaianas ambassador, which resulted in high levels of engagement in the digital environment, bringing +45,000 new followers to Instagram, +5,000 new followers on Twitter, organically placing the brand on the trending topics. The positive sentiment reached 94% and comments celebrating the partnership are highlights on social media.

EXPANDING THE HAVAIANAS LIFESTYLE

We launched the Havaianas casual sneakers, which will be available for sales on the DTC channel in August 2021.

The sneakers product line will feature four models that are produced with certified cotton/canvas and recycled netting. The shoe's recycling composition is between 40% and 50%. Its sole is made with 60% recycled material or renewable sources and it includes rice hulls in its composition.

This is an important move because it addresses each pillar in our strategy. It's going to be global, it's designed for digital, it was born with an innovative line providing ultra comfort and it's sustainable. The strategy for the launch is focused on the Havaianas lifestyle expansion, with comfort and freedom.

Sustainable

HAVAIANAS ADVANCES WITH THE EXPANSION OF ITS REVERSE LOGISTICS PILOT PROJECT IN BRAZIL



In the Sustainability strategic pillar, Havaianas expanded its Reverse Logistics program, called Havaianas ReCiclo, and launched the initiative internationally. In Europe, there are already almost 80 collection points in 5 countries.

While taking another step towards the circular economy agenda, the brand also announced a partnership with Repassa, a conscious fashion startup and the largest online thrift store in Brazil, which encourages the audience to practice conscious fashion, donating and buying second-hand items. At Havaianas' own stores, consumers will be able to pick up the "Sacola do Bem", cobranded by Repassa and Havaianas, for free, and take it home to select which items will be donated.

In the social responsibility pillar, through the Alpargatas Institute, we donated more than 30,000 pairs of Havaianas and Dupé to vulnerable communities and 3,000 basic food baskets. In early April, we joined the *Brasil Sem Fome* program, promoted by *Ação da Cidadania*, donating R\$5 million, which represented 5 million meals, according to the NGO.

We renewed partnerships with Instituto Alpargatas to carry out the Education through Culture and Education through Sports programs. In addition, we trained more than 200 students with professional training courses during the quarter.









ALPARGATAS



CONSOLIDATED PERFORMANCE 2Q21

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Volume (thousand pairs/pieces)	58,998	37,555	57.1%	116,973	86,991	34.5%
Brazil	47,760	31,086	53.6%	97,776	74,597	31.1%
International	11,238	6,469	73.7%	19,197	12,394	54.9%
Net Revenue	1,095.3	639.1	71.4%	1,996.6	1,318.3	51.5%
Brazil	578.9	323.1	79.2%	1,162.4	804.9	44.4%
International	516.4	316.0	63.4%	834.2	513.4	62.5%
Gross Profit	612.2	355.3	72.3%	1,084.9	691.1	57.0%
Gross margin	55.9%	55.6%	0.3 pp	54.3%	52.4%	1.9 pp
Brazil	234.1	136.5	71.5%	489.9	356.4	37.5%
Gross margin	40.4%	42.2%	-1.8 pp	42.1%	44.3%	-2.1 pp
International	378.1	218.8	72.8%	595.0	334.7	77.8%
Gross margin	73.2%	69.2%	4 pp	71.3%	65.2%	6.1 pp
Operating expenses	428.8	254.5	68.5%	764.4	629.9	21.4%
EBITDA	221.6	142.2	55.9%	396.9	140.9	181.7%
EBITDA margin	20.2%	22.2%	-2 pp	19.9%	10.7%	9.2 pp
Recurring EBITDA	196.7	74.8	163.0%	355.4	154.6	129.8%
Recurring EBITDA margin	18.0%	11.7%	6.3 pp	17.8%	11.7%	6.1 pp
Brazil	40.6	7.3	452.0%	122.7	70.9	73.1%
EBITDA margin	7.0%	2.3%	4.7 pp	10.6%	8.8%	1.7 pp
International	156.1	67.5	131.5%	232.7	83.7	177.9%
EBITDA margin	30.2%	21.3%	8.9 pp	27.9%	16.3%	11.6 pp
Net income	105.6	44.5	137.3%	231.8	67.8	241.9%
Recurring net income	111.4	33.9	228.7%	246.4	111.7	120.6%
Net income attributable to the parent company	107.5	54.3	97.9%	239.1	80.7	196.2%
Recurring net income attributable to the parent company	115.3	43.0	168.3%	255.6	123.7	106.6%

ALPARGATAS



BRASIL

(thousand pairs/pieces)	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Total volume	47,760	31,086	53.6%	97,776	74,597	31.1%
Havaianas (sandals & brand extension)	46,912	30,290	54.9%	95,695	72,293	32.4%
Osklen (footwear, apparel & accessories)	352	122	189.4%	750	457	64.0%
Other*	496	675	-26.5%	1,331	1,847	-27.9%
(R\$ million)	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Net revenue	578.9	323.1	79.2%	1,162.4	804.9	44.4%
Havaianas (sandals & brand extension)	520.0	302.3	72.0%	1,047.7	723.6	44.8%
Osklen (footwear, apparel & accessories)	54.1	16.2	234.0%	104.9	66.9	56.8%
Other*	4.8	4.6	4.9%	9.7	14.3	-32.1%
Gross profit	234.1	136.5	71.5%	489.9	356.4	37.5%
Gross margin (%)	40.4%	42.2%	-1.8 pp	42.1%	44.3%	-2.1 pp
Havaianas (sandals & brand extension)	198.8	130.8	52.0%	421.7	314.5	34.1%
Osklen (footwear, apparel & accessories)	33.2	8.8	278.5%	64.3	42.4	51.6%
Other*	2.1	-3.1	168.9%	3.9	-0.6	774.4%
Recurring EBITDA	40.6	7.3	452.0%	122.7	70.9	73.1%
EBITDA margin (%)	7.0%	2.3%	4.7 pp	10.6%	8.8%	1.7 pp
Havaianas (sandals & brand extension)	47.0	39.0	20.4%	141.7	112.2	26.3%
Osklen (footwear, apparel & accessories)	-6.2	-19.8	68.9%	-18.1	-28.6	36.7%
Other*	-0.2	-11.8	97.9%	-0.8	-12.7	93.5%

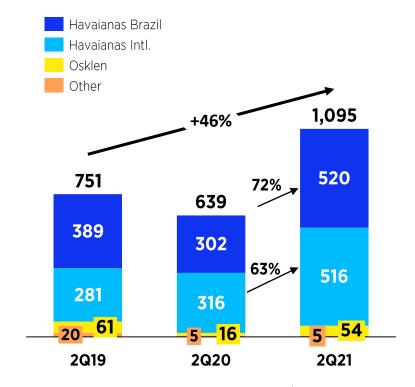
^{*}Others include Dupé operations, production and sale of non-core items and corporate items

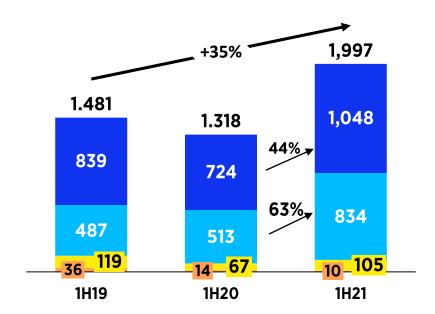
INTERNATIONAL

(thousand pairs/pieces)	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Total volume	11,238	6,469	73.7%	19,197	12,394	54.9%
(R\$ million)	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Net revenue	516.4	316.0	63.4%	834.2	513.4	62.5%
Gross profit	378.1	218.8	72.8%	595.0	334.7	77.8%
Gross margin (%)	73.2%	69.2%	4 pp	71.3%	65.2%	6.1 pp
Recurring EBITDA	156.1	67.5	131.5%	232.7	83.7	177.9%
EBITDA margin (%)	30.2%	21.3%	8.9 pp	27.9%	16.3%	11.6 pp



R\$ million





- Net revenue in 2Q21 was R\$1,095 million, +71% compared to 2Q20, with growth in all operations.
- Havaianas Brazil's net revenue grew +72% vs. 2Q20 and +33% vs. 2Q19, confirming the trend and surpassing pre-pandemic levels.
- Highlight for *RGM* in Brazil: volume +55% in 2Q21; and price/*mix* +11%.

Volume (million pair / pieces)	2Q21	2Q20	Δ (%) '20	1H21	1H20	Δ (%) '20
Havaianas Brasil	46,9	30,3	54,9%	95,7	72,3	32,4%
Havaianas Internacional	11,2	6,5	73,7%	19,2	12,4	54,9%
Net revenue (R\$ million)*	1.036,4	616,7	68,1%	1.882,4	1.287,6	46,2%
Havaianas Brasil	520,0	302,3	72,0%	1.047,7	723,6	44,8%
Havaianas Internacional	516,4	316,0	63,4%	834,4	565,6	47,5%
Big Bets	407,3	285,4	42,7%	652,3	480,0	35,9%
Europe (Eur)	320,4	227,7	40,7%	515,4	382,0	34,9%
USA (USD)	69,8	47,1	48,3%	114,5	86,8	31,9%
China (USD)	17,1	10,6	60,6%	22,1	11,2	96,7%

^{*}Constant currency: USD/BRL@5.3/Euros/BRL@6.4

- At Havaianas International, revenue grew for all Big Bets and distributors markets.
- Net revenue in constant currency was R\$516 million, ~+63% vs. 2Q20
- In the Big Bets markets, the highlight was EMEA, where volume increased +38% and revenue in constant currency grew ~+41% impacted by the *RGM* deployment.
- Highlight for volume (+52% vs. 2Q20) and profitability (+600% of EBITDA vs. 2Q20) in the US, a result of the restructuring of the DTC stores and a focus on *online* sales (DTC and B2B).

GROSS PROFIT

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Gross Profit	612.2	355.3	72.3%	1,084.9	691.1	57.0%
Gross margin	55.9%	55.6%	0.3 pp	54.3%	52.4%	1.9 pp
Gross margin/per pair (BRL)	10.4	9.5	9.7%	9.3	7.9	16.7%
Brazil	234.1	136.5	71.5%	489.9	356.4	37.5%
Gross margin	40.4%	42.2%	-1.8 pp	42.1%	44.3%	-2.1 pp
Gross margin/per pair (BRL)	4.9	4.4	11.6%	5.0	4.8	4.9%
Havaianas International	378.1	218.8	72.8%	595.0	334.7	77.8%
Gross margin	73.2%	69.2%	4 pp	71.3%	65.2%	6.1 pp
Gross margin/per pair (BRL)	33.6	33.8	-0.5%	31.0	27.0	14.8%

In 2Q21, gross profit grew 72%, due to the increase in volume, price/mix at Havaianas International, which reached a gross margin of 73%. The Brazil growth related to gross margin / pair remains healthy despite the immediate impact on costs from the increase in raw material prices due to the high turnover of inventories in Brazil.

Havaianas International's gross margin grew 4pp, driven by the improved country mix, RGM initiatives, mainly in the EMEA region and the positive effect of the average cost of inventories and exchange rate. In Brazil, gross margin was negatively impacted by 2pp by the 28% yoy increase in raw material costs, partially offset by RGM efforts.

It is important to note that to maintain healthy margins growth, there will be intensification of RGM initiatives in 2H21. The impact observed in 2Q21 on the margins of Havaianas Brazil and Havaianas International will vary in the short term due to fluctuations in raw material prices and the replenishment of new inventories in Havaianas International.

Osklen's gross margin dropped 1.4pp, mainly due to the channel's mix.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
Operating expenses	428.8	254.5	68.5%	764.4	629.9	21.4%
Selling	367.2	263.1	39.6%	643.0	497.3	29.3%
> Advertising	106.3	55.6	91.0%	164.1	101.5	61.6%
General and administrative	41.8	30.4	37.3%	78.3	63.9	22.6%
Management fees	4.8	2.0	139.0%	9.0	5.6	61.0%
Amortization of intangible charges	7.1	6.8	5.6%	14.1	13.7	3.4%
Other operating Income (expenses)	7.8	-47.8	-116.3%	19.9	49.4	-59.8%
G&A (expenses)/ Net Revenue (%)	39.1%	39.8%	-0.7 pp	38.3%	47.8%	-9.5 pp
Advertising (expenses)/ Net Revenue (%)	9.7%	8.7%	1 pp	8.2%	7.7%	0.5 pp

In 2Q21, operating expenses totaled R\$429 million, equivalent to 39% of the net revenue, 0.7pp lower than in 2Q20. This reduction was driven by the Zero-Based Budget program, improvement in logistical efficiencies and adjustment of the provision for doubtful debt. In the quarter, selling expenses represented 34% of net revenue versus 41% in 2Q20, down 7.6pp.

The highlight was the 91% growth versus 2Q20 in marketing investments, a critical factor to help boost growth and strengthen the Havaianas brand.

The drop in other (income) and operating expenses is mainly due to the definite write-off of the investment in ASAIC and from winning lawsuits related to taxes, PIS/COFINS in 2Q20.

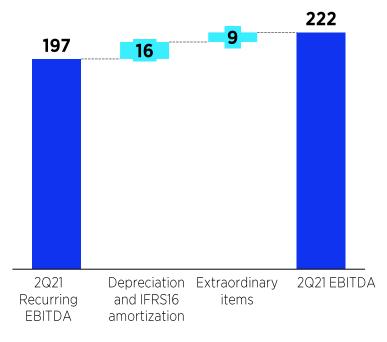


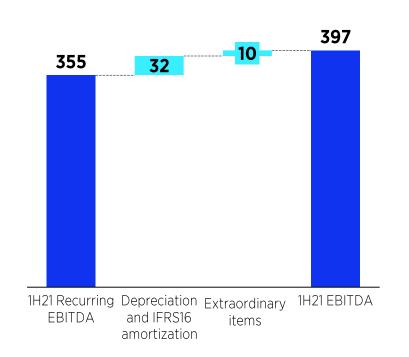
EBITDA in 2Q21 was R\$222 million, an increase of 56% compared to 2Q20. This performance is due to the implementation of strategic pillars with advances in *Revenue Growth Management*, boosting net revenue growth, expanding the gross margin and controlling operating expenses carried out in recent years based on the Zero Base Budget methodology.

Havaianas International's EBITDA margin reached 30% in 2Q21, a ~9pp expansion compared to 2Q20. Havaianas Brazil and Havaianas International registered positive EBITDA for the second consecutive quarter.

EBITDA RECONCILIATION - 2Q21





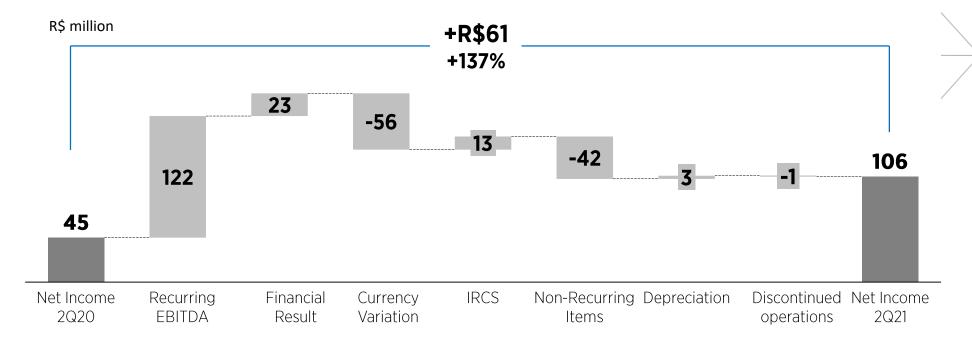


R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
(=) Consolidated net income	119.7	57.6	108%	254.5	85.4	198%
Income tax and social contribution taxes	19.1	32.3	-41%	52.6	-4.4	-1308%
Financial result	44.6	10.9	310%	13.4	-19.8	-168%
Depreciation and amortization	25.5	22.0	16%	50.3	43.6	16%
IFRS16 amortization	12.7	19.4	-34%	26.1	36.1	-28%
(=) EBITDA	221.6	142.2	56%	396.9	140.9	182%
Expenses with restructuring and others	-15.9	-22.0	-28%	-31.9	-41.3	-23%
Extraordinary items	-9.0	-45.3	-80%	-9.6	55.0	-117%
Result on ASAIC sale	-	-	n.a.	0.0	71.0	n.a.
Covid expenses	-10.8	-99.8	-89%	-10.8	-99.8	-89%
IFRS 16 rental expenses	0.0	31.3	n.a.	0.0	41.6	n.a.
Restructuring and other expenses	1.7	23.2	-93%	1.2	42.2	-97%
(=) Recurring EBITDA	196.7	74.8	163%	355.4	154.6	130%



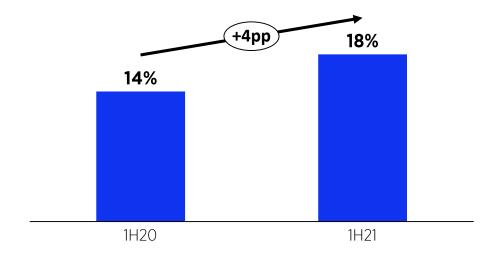
NET INCOME

Consolidated Net Income in 2Q21 was R\$106 million (vs. BRL 45 million in 2Q20). The R\$61 million growth is explained mainly by the increase in operating income (EBITDA). There is also a reduction in non-recurring items compared to the previous year.



RETURN ON CAPITAL EMPLOYED (ROCE)

ROCE* reached 18% in 1S21, an increase of 4pp compared to 1S20.



*Calculation method:

Reported Net Income, excluding:

- (i) Gains related to PIS / COFINS; and
- (ii) impairment of intangibles and M&A divided by the average capital employed in the last 12 months.



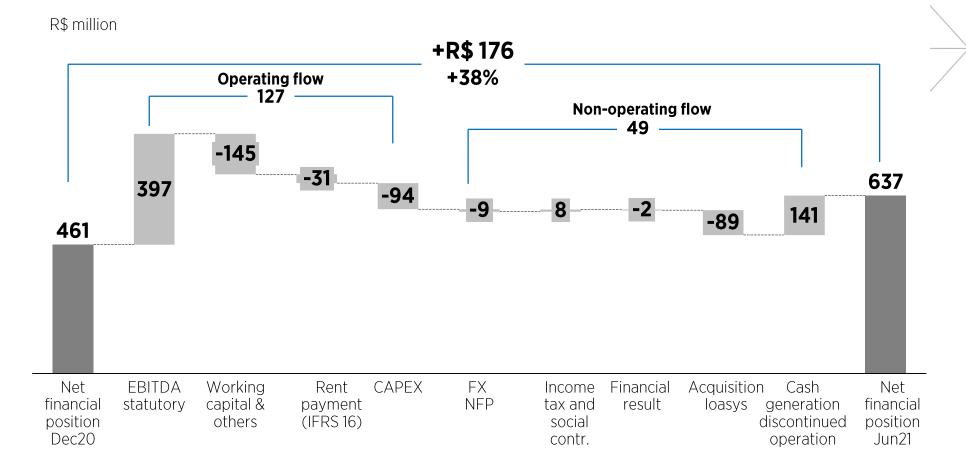
CAPEX

In 2Q21, we invested R\$55 million, with R\$43 million allocated to digital transformation and projects to increase manufacturing and *supply chain* efficiency and R\$12 million were invested in improving operational capacity and maintenance.



NET FINANCIAL POSITION

We ended 2Q21 with a net financial position of R\$637 million, representing an increase of R\$176 million over 4Q20, mainly explained by the operating cash generation (EBITDA) and receipt of receivables related to the sale of Mizuno products prior to the sale of the operation.





INDEPENDENT AUDITORS

Complying with CVM Instruction No. 381/03, Alpargatas SA hereby states that from April to June 2021, services unrelated to external audits were not hired with PWC, as they are our auditors for 2021.



MANAGEMENT'S STATEMENT

Pursuant to article 25, paragraph 1, item 5 of CVM Ruling 480/09, the Executive Board states that it has reviewed, discussed and agreed with the financial information for the period ended June 30, 2021 of Alpargatas S.A. and with the independent auditors' review report on the individual and consolidated financial statements.





ASSETS			LIABILITIES		
	06/30/21	03/31/21		06/30/21	03/31/21
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and banks	867,113	924,382	Suppliers	410,820	404,844
Cash investment	-	5,540	Risk withdrawn	176,010	216,891
	867,113	929,922	Loans and financing	174,350	168,717
		·	Leasing liabilities	50,187	50,884
				40,000	-
Trade accounts receivables	799,681	773,686	Salaries and social charges	162,718	140,827
			Provision for tax, civil and labor risks	6,560	13,717
	799,681	773,686	Provision for income tax		
			and social contribution payable	38,171	15,335
			Taxes to pay	29,177	31,529
			Dividends payable	846	1,920
Inventories	839,874	796,905	Other payable liabilities	201,469	184,117
Other receivables	52,534	38,724	Long Term Incentive Plan	13,462	8,964
Prepaid expenses	26,243	21,056		1,303,770	1,237,745
Assets available for sale	-	27,985			
Recoverable taxes	113,904	125,784			
	1,032,555	1,010,454			
		· ·	LONG-TERM LIABILITIES		
			Loans and financing	68,002	75,701
			Leasing liabilities	232,312	236,839
TOTAL CURRENT ASSETS	2,699,349	2,714,062	Accounts Payable for Acquisition of Controlled	69,371	•
	,,.	, ,	Provision for income and social contribuition taxes	52,351	51,453
			Reserve for contingencies	16,678	18,537
			Other payable	21,387	21,743
LONG-TERM ASSETS			Long Term Incentive Plan	72,214	67,310
				532,315	471,583
Trade accounts receivable	776	1,019			
Accounts receivable on sale of subsidiary	227,102	225,417			
Cash investment	12,159	12,066			
Recoverable taxes	319,556	306,398	SHAREHOLDERS' EQUITY		
Deferred income and social contribuition taxes	98,003	83,347	Capital	1,500,000	1,500,000
Escrow deposits	30,188	29,958	Capital reserves	204,564	198,485
Other receivables	6,784	8,242	Treasury shares	(62,846)	(63,358)
	694,568	666,447	Profit reserves	1,473,635	1,365,105
			Equity valuation adjustment	52,421	74,040
Investments	2,430	2,502			
Property, plant and equipment	760,937	764,161	Equity of controlling shareholders	3,167,774	3,074,272
Asset right of use IFRS 16	311,484	319,460			
Intangible assets	598,276	380,037			
intungible dosets			Minority interest	C3 40F	C3 0C0
	1,673,127	1,466,160	Minority interest	63,185	63,069
TOTAL NON-CURRENT ASSETS	2,367,695	2,132,607		3,230,959	3,137,341
	, , ,	. ,			
TOTAL ASSETS	5,067,044	4,846,669	TOTAL LIABILITIES	5,067,044	4,846,669
		-	Book value per share (R\$)	5.39	5.23

ALPARGATAS



CONSOLIDATED EARNINGS RELEASE (in thousands of R\$)

	2Q21	2Q20	ΔH(%)	1H21	1H20	ΔΗ(%)
Net sales	1,095,318	639,066	71.4%	1,996,615	1,318,316	51.5%
Cost of sales	(483,118)	(283,807)	70.2%	(911,684)	(627,199)	45.4%
Gross profit	612,200	355,259	72.3%	1,084,931	691,117	57.0%
gross margin	55.9%	<i>55.6%</i>	0.3 pp	54.3%	<i>52.4%</i>	1.9 pp
Operating income (Expenses)	(428,807)	(254,531)	68.5%	(764,385)	(629,887)	21.4%
Selling	(367,242)	(263,072)	39.6%	(643,038)	(497,321)	29.3%
General and administrative	(41,779)	(30,433)	37.3%	(78,314)	(63,877)	22.6%
Management fees	(4,842)	(2,026)	139.0%	(9,020)	(5,602)	61.0%
Amortization of intangible charges	(7,142)	(6,766)	5.6%	(14,125)	(13,654)	3.4%
Other operating Income (expenses), net	(7,802)	47,766	-116.3%	(19,888)	(49,433)	-59.8%
EBIT - Operating results	183,393	100,728	82.1%	320,546	61,230	423.5%
operating margin	16.7%	15.8%	1 pp	16.1%	4.6%	11.4 pp
Financial income	10,228	23,909	-57.2%	18,879	30,683	-38.5%
Financial expenses	(8,157)	(50,239)	-83.8%	(19,377)	(64,159)	-69.8%
Exchange variation	(41,631)	14,802	-381.3%	(13,054)	48,940	-126.7%
Derivative transactions	(5,062)	655	-873.0%	106	4,385	-97.6%
Operating income	138,771	89,855	54.4%	307,100	81,079	278.8%
Income and social contribution taxes	(19,085)	(32,274)	-40.9%	(52,564)	4,351	-1308.1%
Net income from continuing operations	119,686	57,581	107.9%	254,536	85,430	197.9%
Net result from discontinued operations	(14,077)	(13,057)	7.8%	(22,745)	(17,615)	29.1%
Consolidated net income	105,609	44,524	137.2%	231,791	67,815	241.8%
Net Income from controlling shareholder	107,456	54,343	97.7%	239,111	80,765	196.1%
Minority interest	(1,847)	(9,819)	-81.2%	(7,320)	(12,950)	-43.5%
EBITDA - R\$ million	221.6	142.2	55.9%	396.9	140.9	181.7%
EBITDA margin	20.2%	22.2%	-2 pp	19.9%	10.7%	9.2 pp



CASH FLOW FROM OPERATING ACTIVITIES	6/30/2021	6/30/2020
Cash from operating activities	525,086	102,030
Net income of continued operations for the period	254,536	85,430
Depreciation and amortization	47,048	37,413
Income (loss) from disposal/write-off of property, plant and equips.	1,551	580
Interest and monetary and foreign exchange variation	17,368	(12,932
Provisions for tax, civil contingencies and labor claims	6,577	10,450
Deferred income and social contribuition taxes	52,564	(4,351)
Provision for (reversal of) expected loss (Impairment)	1,553	39,924
Provision for (reversal of) inventory losses	(1,310)	12,861
Monetary restatement of judicial deposits and tax credits	(19,358)	(105,245)
Net cash generated / (used) in discontinued operations	102,862	(37,617)
Other provisions	3,487	2,022
Long-term incentive provision	15,031	18,697
Gain / loss at fair value of derivative financial investments	(106)	(4,385)
Granted stock options	6,780	686
Interest accruals/deferrals - IFRS 16	8,682	11,514
IFRS 16 depreciation of right of use	29,349	42,241
Extemporaneous tax credits	(623)	4,742
Provision for Impairment of property, plant and equipment/Intangible assets	(905)	-
Changes in assets and liabilities	(178,980)	(201,661)
Trade accounts receivable	(43,196)	134,441
Inventories	(154,221)	(98,936)
Prepaid expenses	(6,783)	177
Taxes recoverable	19,202	137
Trade accounts payable	46,126	(135,384)
Tax obligations	(2,542)	5,986
Labor-law and social security obligations,	46,750	(46,375)
Payment of income and social contribuition taxes	7,742	(2,869)
Payment (receipt) of derivatives	(1,289)	2,443
Payment of loan and financing charges	(3,658)	(32,994)
Contingencies	(14,285)	(9,818)
Risk drawn	(42,254)	(28,769)
Other	(30,572)	10,300
NET CASH - OPERATING ACTIVITIES	346,106	(99,631)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(93,668)	(48,755)
Short-term investments	(31,978)	(217,528)
Redemption of financial investments	36,959	22,189
Net cash consumed by discontinued operations	-	(1,435)
Sale of subsidiaries		
Receipt for sale of operation		
Investment acquisition		
Cash assumed on acquisition of Subsidiary (loasys)		
NET CASH - INVESTING ACTIVITIES	(137,752)	(174,527)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans and financing raised	62,239	2,209,072
Payment of loans and financing - principal	(59,127)	(11,336)
Payment of interest on equity and dividends	(14)	(30,187)
Leasing payment - IFRS 16	(22,715)	(30,336)
Leasing taxes payment - IFRS 16	(8,682)	(11,514)
Sale of treasury stock	3,206	_
NET CASH - FINANCING ACTIVITIES	(25,093)	2,125,699
Exchange gains (losses) on cash and cash equivalents	(9,151)	21,844
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	174,110	1,873,385
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	693,003	566,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	867,113	2,439,648

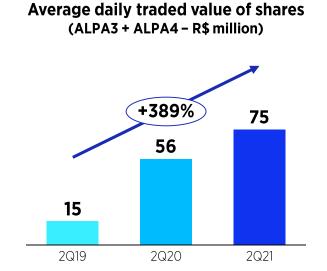


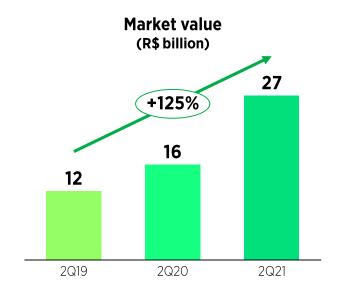
(unit)	2Q21	2Q20
Monobrand Stores - DTC (Direct to Consumer)	841	784
Havaianas Brazil	492	449
Franchises	486	444
Own stores	6	5
Havaianas Internacional	276	256
Franchises	240	189
Own stores	36	67
Osklen	73	79
Franchises	26	22
Own stores	47	57



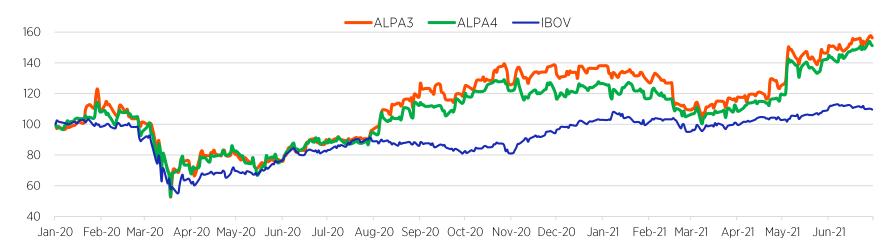
CAPITAL MARKET

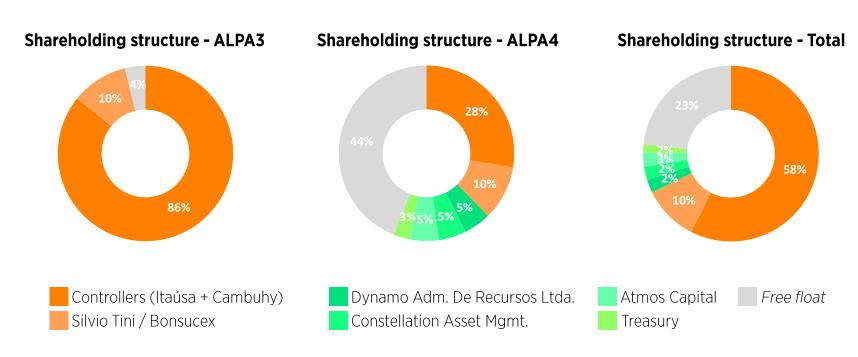
On June 30, 2021, preferred shares (ALPA4) were priced at R\$50.19 and common shares (ALPA3) at R\$43.10, 36.2% and 36.0% higher than on March 31, 2021, respectively. From April to June, Ibovespa had a 6.7% appreciation. At the end of 2Q21, Alpargatas' market value at B3 was BRL 27 billion.

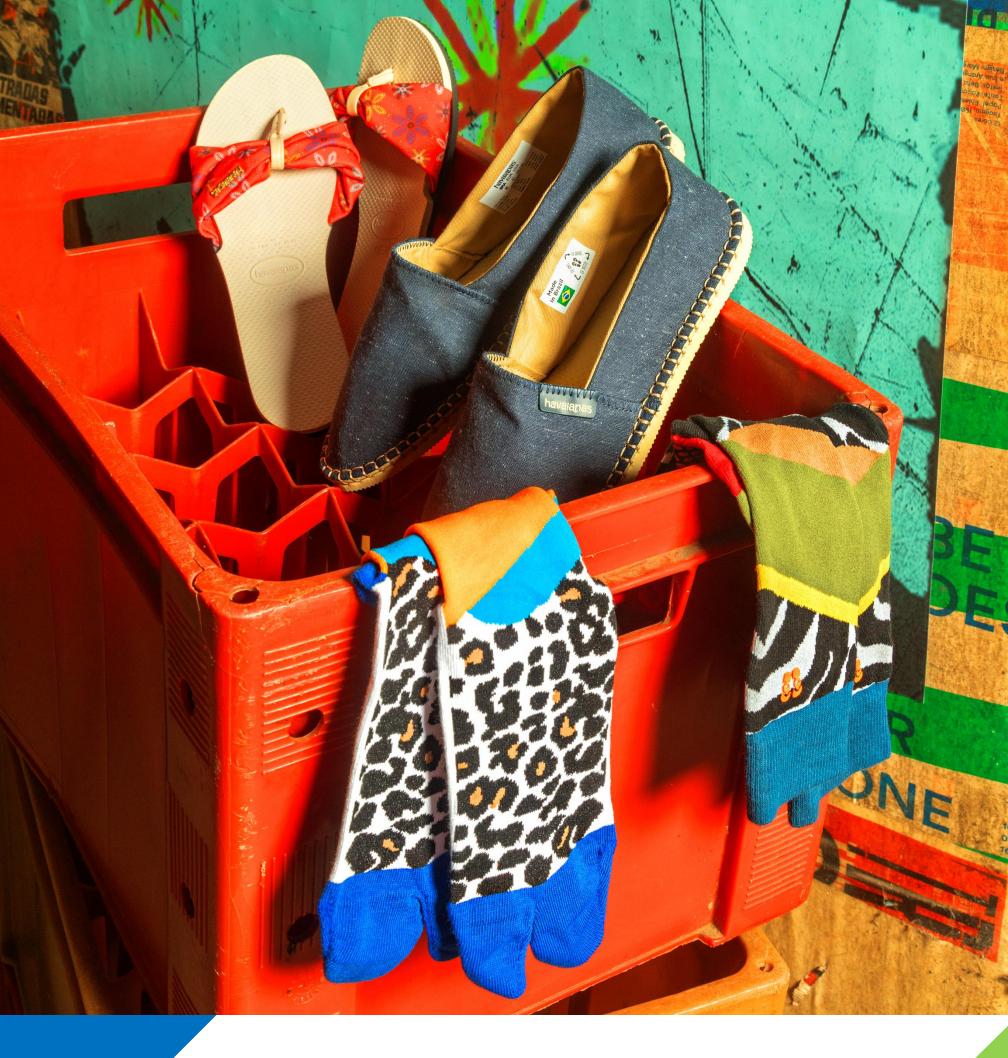




Alpargatas x Ibovespa (Jan/20 to Jun/21)







INVESTOR RELATIONS

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