

CONFERENCE CALL

2Q22 RESULTS



ALPARGATAS

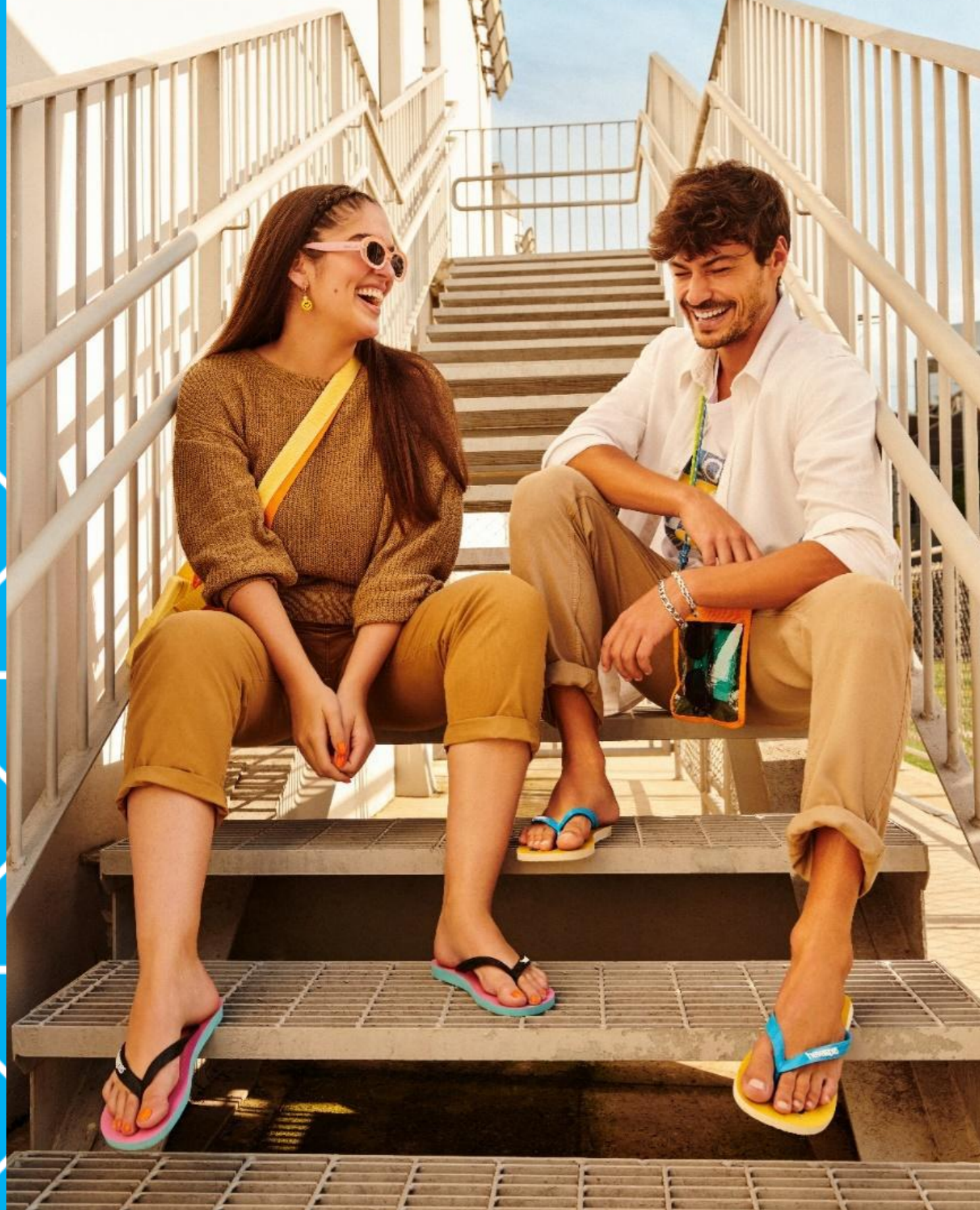
BETO FUNARI  CEO
JULIAN GARRIDO  CFO



DISCLAIMER

This presentation includes forward-looking statements or statements about events or circumstances which have not occurred. Alpargatas has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the business and its future financial performance. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things: general economic, political and business conditions, in Brazil and in other markets where the Company is present.

The words believes, may, will, estimates, continues, anticipates, intends, expects and similar words are intended to identify forward-looking statements. Alpargatas undertakes no obligations to update publicly or revise any forward-looking statements because of new information, future events or other factors. In light of these risks and uncertainties, the forward-looking events and circumstances discussed on this conference call might not occur. The Company's actual results could differ substantially from those anticipated in the forward-looking statements.



BETO FUNARI



ALPARGATAS REACHES NET REVENUE OF R\$1.1B IN 2Q22, +10% IN CONSTANT CURRENCY VS. 2Q21

▲ R\$1.1B^{NET REVENUE}

▲ 52%^{GROSS MARGIN}

▲ R\$178M^{RECURRING EBITDA}
17% of net revenue

▲ R\$48M^{NET INCOME CONTINUED OP.}

▲ R\$114M^{RECURRING NET INCOME HAVAIANAS}



HIGHLIGHTS HAVAIANAS AND ROTHY'S

2Q22 vs. 2Q21



HAVAIANAS Brazil: growth and profitability revamp

+19%
NET REVENUE

+2pp
GROSS MARGIN

+63%
RECURRING EBITDA

+4pp
EBITDA MARGIN



HAVAIANAS International: USA and China (Covid-19) adverse scenario

-2% (in CC)
NET REVENUE

-3pp (in CC)
GROSS MARGIN

-10pp (in CC)
RECURRING EBITDA



ROTHY'S: net revenue growth

+82%
NET REVENUE

+3pp
BRAND AWARENESS

2.6M
CUSTOMERS



HAVAIANAS BRAZIL – 2Q22 vs. 2Q21

Recurring EBITDA increases +63% and margin +4pp

46M
VOLUME
-2%

havaianas®

R\$617M
NET REVENUE
+19%

SHARE GAIN

GROCERY CHANNEL

+1pp
VOLUME

+2pp
VALUE

SPECIALIZED

+5%
VOLUME

40%
GROSS MARGIN
(+2pp)

+63%
RECURRING
EBITDA

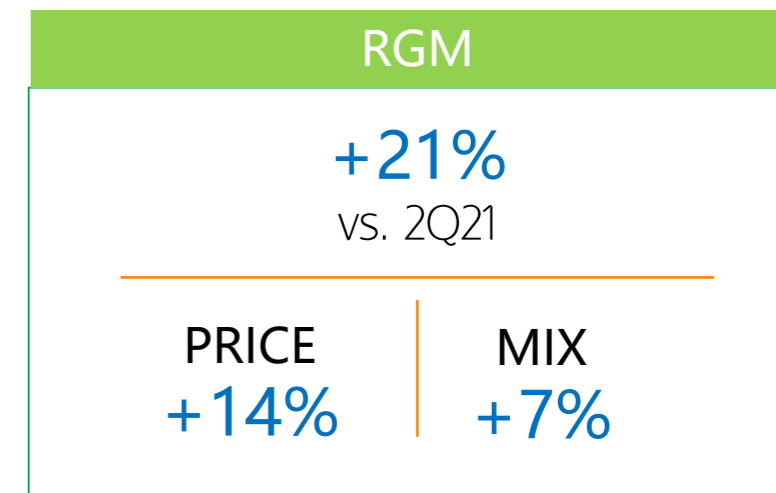
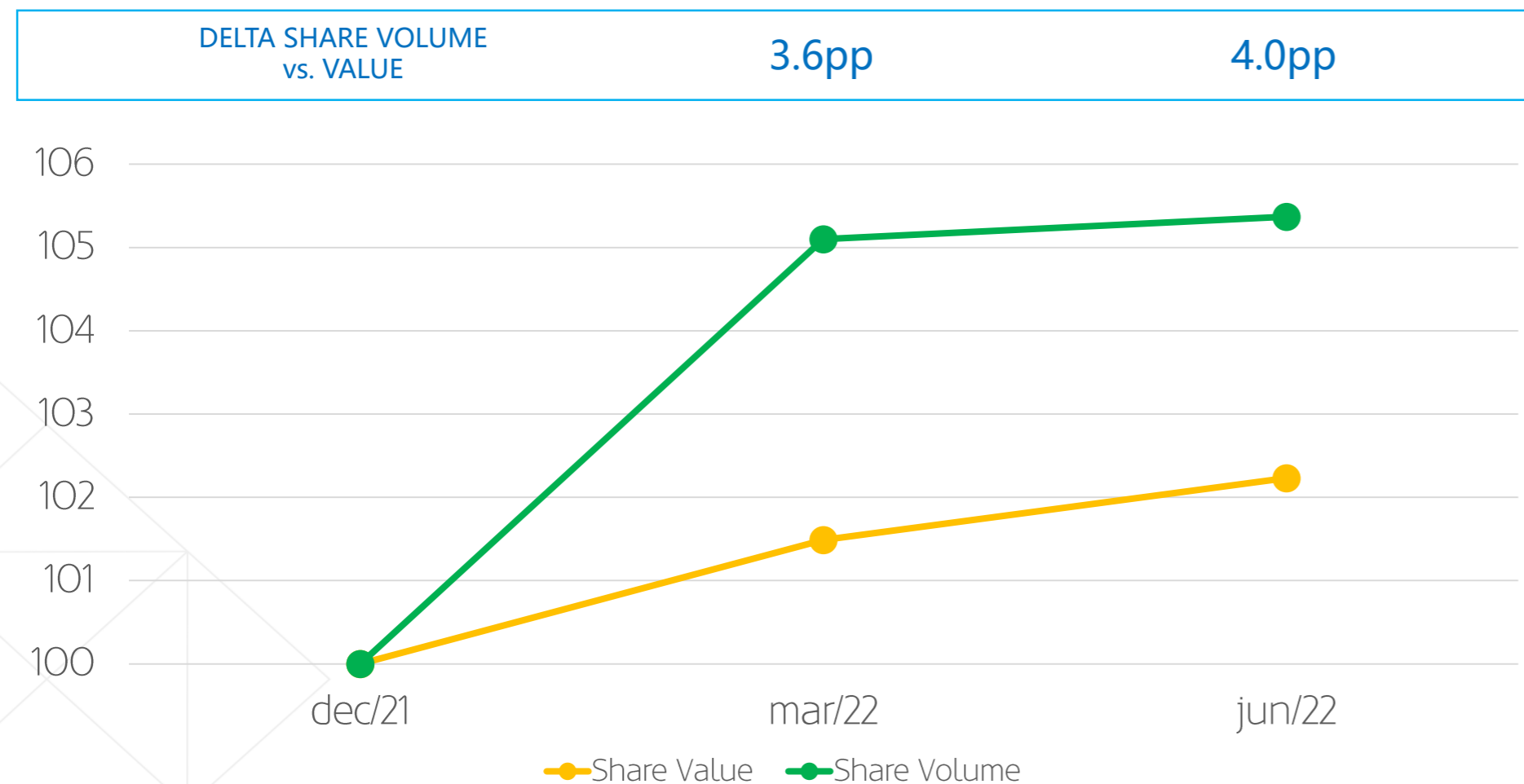
15%
EBITDA MARGIN
(+4pp)



HAVAIANAS BRAZIL – ELASTICITY

Volume share gain over value share gain

MARKET SHARE VALUE VS VOLUME (BASE 100)



Source: Nielsen Retail Index| Havaianas – T. Brasil INA+C&C – Market Share Volume e Valor

HAVAIANAS INTERNATIONAL – 2Q22 vs. 2Q21

2Q22 vs. 2Q21 (in CC)			EXPLANATION
VOLUME	11M PAIRS/PIECES	-5%	Adverse impact on the USA and Covid-19 restrictions in China
NET REVENUE	R\$433M	-2%	Net revenue per pair +3% in CC
GROSS MARGIN	70%	-3pp	Increase in raw material prices Lead time higher than Havaianas Brazil
EBITDA MARGIN	20%	-10pp	Gross margin drop (-3pp) Increase in SG&A <ul style="list-style-type: none"> • Increase in distribution expenses (-5pp) • Marketing investment (-1pp)

HAVAIANAS EMEA

Focus on 2022

1st SEMESTER



One-off supply chain impact
Sell-out volume > sell-in (+10%)
Net revenue per pair +5% (in CC)



IMPACTS - 2H22

Replenishment - 3Q
Sell-out acceleration
Positive RGM



Cost pressure and SG&A



Inflation of raw materials, logistics and transport expenses



Operating expense



Marketing investments
Expense mitigation plan

HAVAIANAS USA

Actions to unlock sustainable growth in 2023

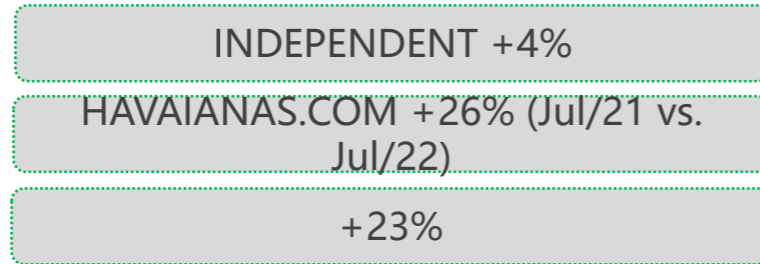
GAP ASSESSMENT

POSITIVE

Specialized retail (Independent)

DTC + Launch Havaianas.com

RGM effect



NEGATIVE

~85%
of the volume
drop 1H22

AMAZON

OFF PRICE

TRANSITION - 2H22

Changing the business model with Amazon: from 1P to 3P

Reduction of volumes through strategic customer segmentation

PRIORITIES

PORTFOLIO

- Segment portfolio into more price ranges
- Expand Slides, Sandals, and Kids & Baby
- Strengthen the retail calendar and commercial dates

GTM

- Accelerate Flagship sales
- Finalize transition on Amazon
- Scale off-price

EBITDA

- Transfer price – 2H
- Review trade policies
- Team strengthen
- Performance marketing
- Logistics expenses

ROTHY'S – 2Q22 vs. 2Q21

Net revenue growth of +82%

FINANCIAL METRICS

NET REVENUE
US\$59M
(+82% vs. 2Q21)

INVESTMENTS¹
US\$25M
(2Q22)

EBITDA
-US\$6M
(2Q22)

NET INCOME
-US\$9M
(2Q22)

1- Expenses with marketing and operation of physical stores

OPERATIONAL METRICS

CUSTOMER
ACQUISITION
+103%
(vs. 2Q21)

RECURRING CUSTOMERS'
CONTRIBUTION TO
REVENUE
57%
(2Q22)

13
STORES
(YTD)

+58%
SSS

CONTRIBUTION OF
PHYSICAL STORES TO
NET REVENUE OF
9%
(2Q22)

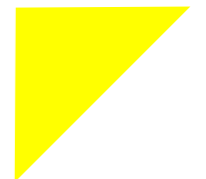
EBITDA MARGIN

+17pp
(2Q22 vs. 1Q22)



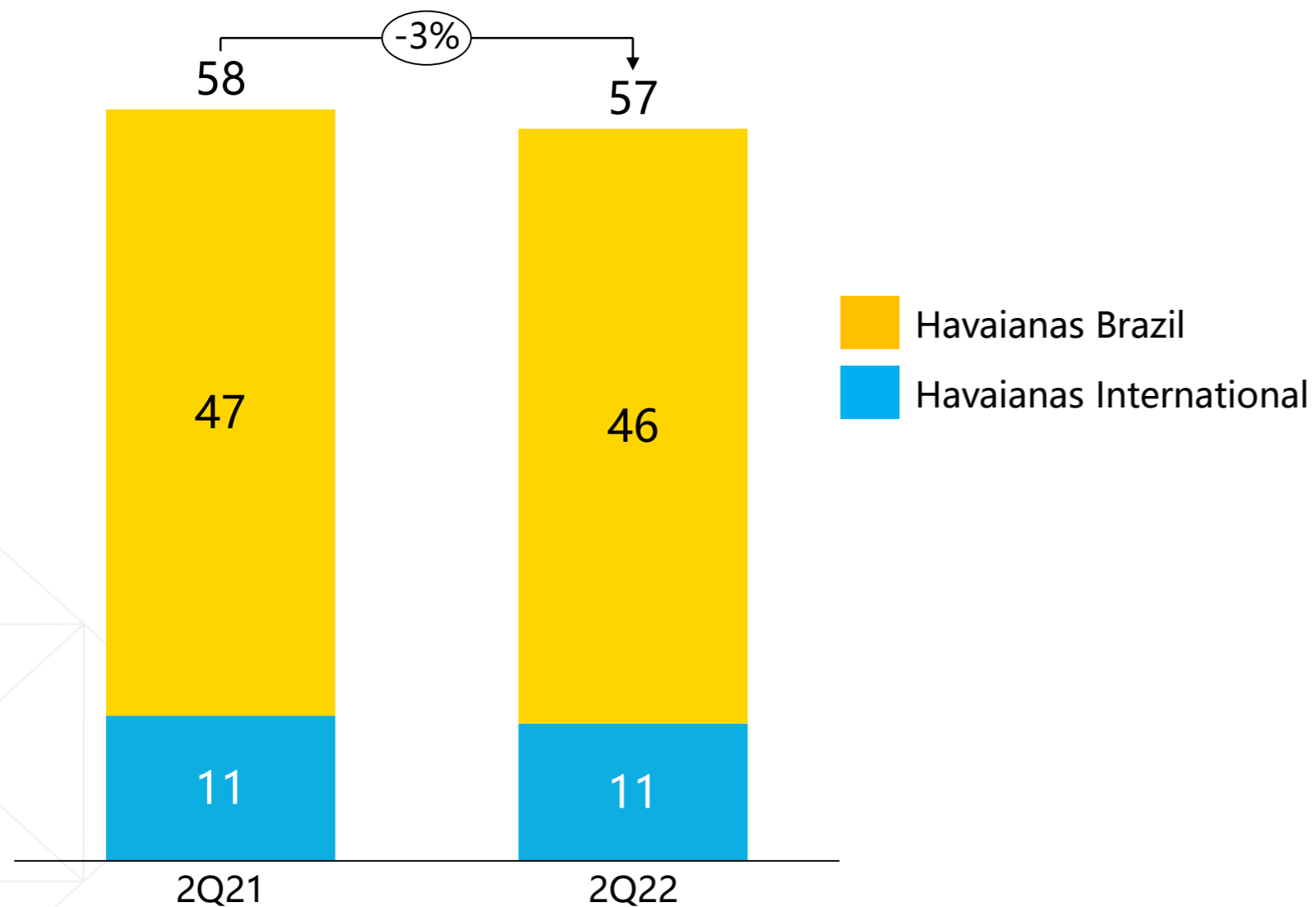


JULIAN
GARRIDO

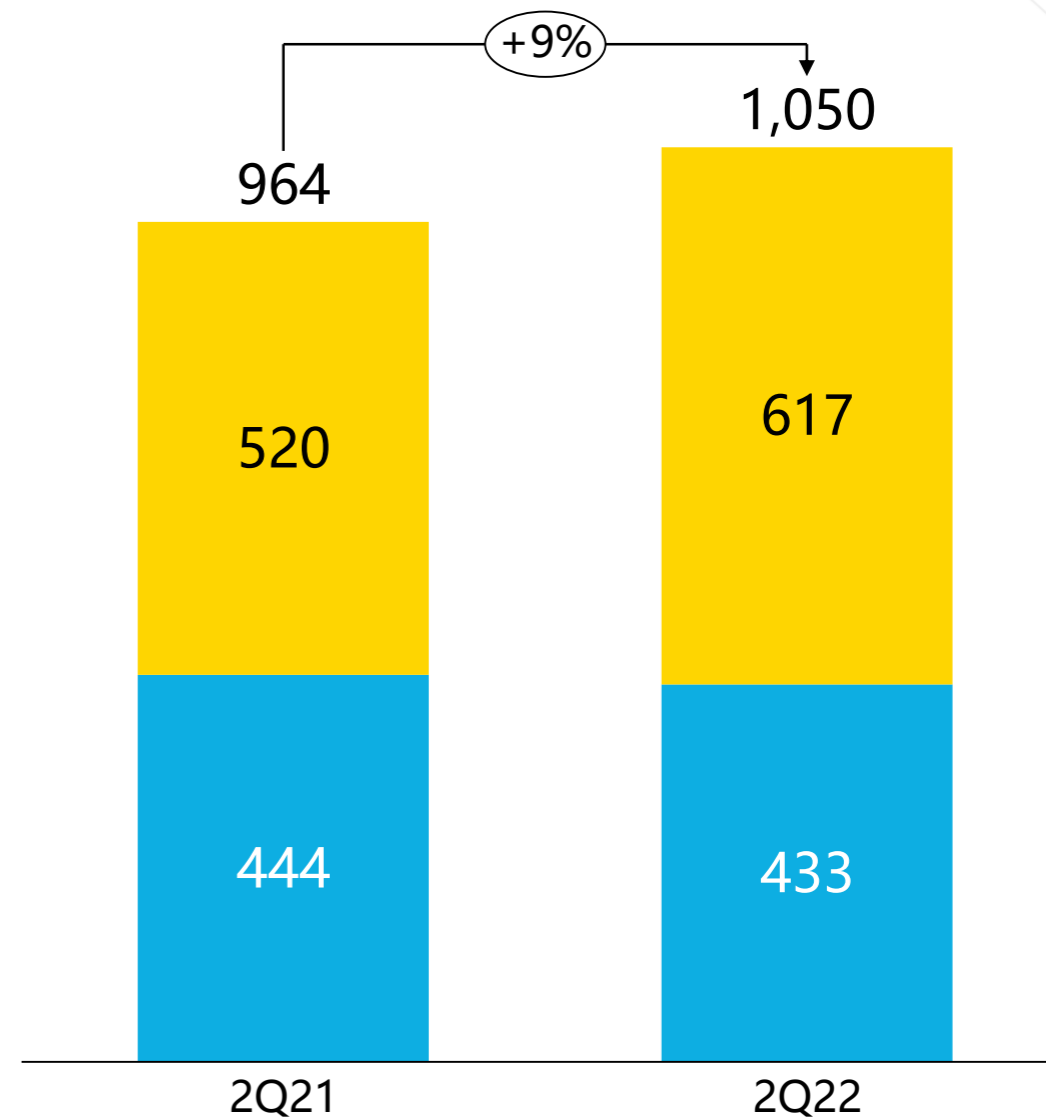


FINANCIAL HIGHLIGHTS | HAVAIANAS TOTAL

VOLUME (MILLION)



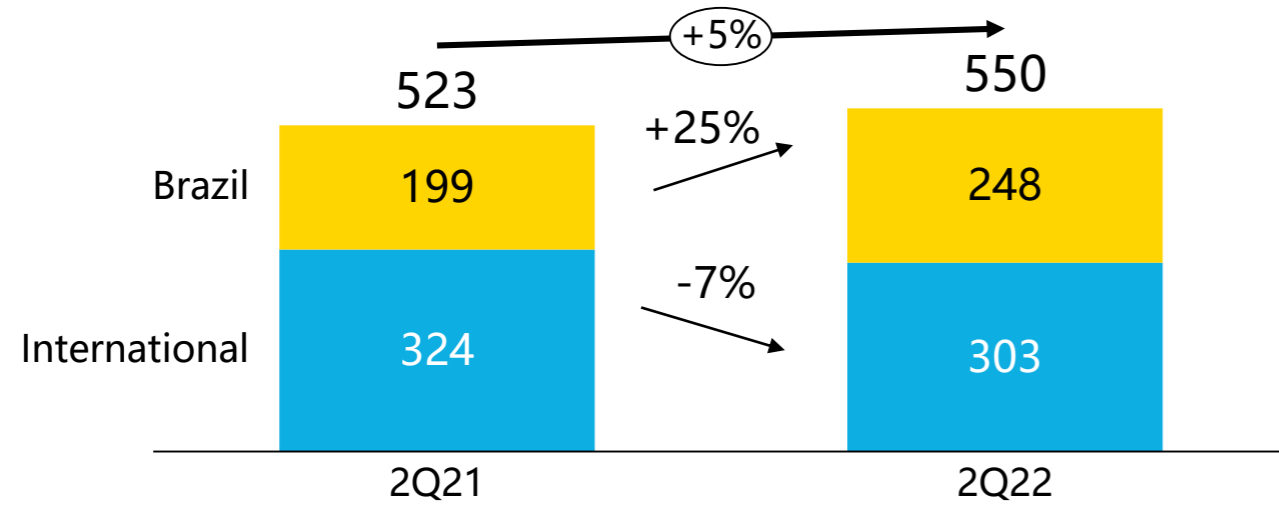
NET REVENUE (IN CC - MILLION)



FINANCIAL HIGHLIGHTS | HAVAIANAS TOTAL

GROSS PROFIT

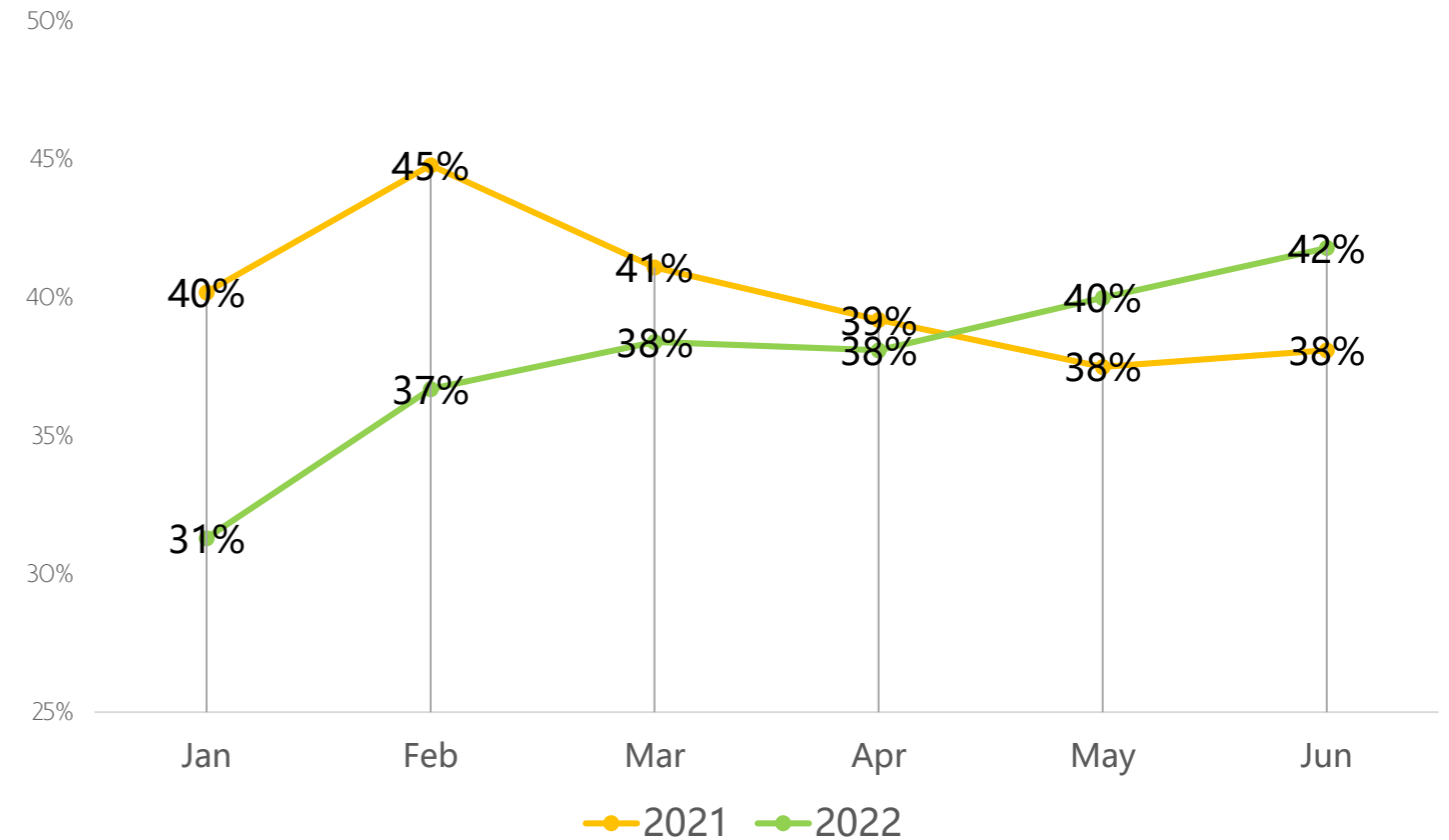
(IN CC - MILLION)



GROSS MARGIN	2Q 22	2Q 21	VAR.	1Q 22	VAR.
CONSOLIDATED	52.2%	55.7%	-3.5pp	47.6%	4.6 pp
HAVAIANAS TOTAL*	52.4%	54.2%	-1.8pp	47.1%	5.3 pp
HAVAIANAS BRAZIL	40.2%	38.2%	-1.9pp	36.3%	3.9 pp
HAVAIANAS INTERNATIONAL*	69.8%	73.0%	-3.1pp	66.0%	3.8 pp

*in CC

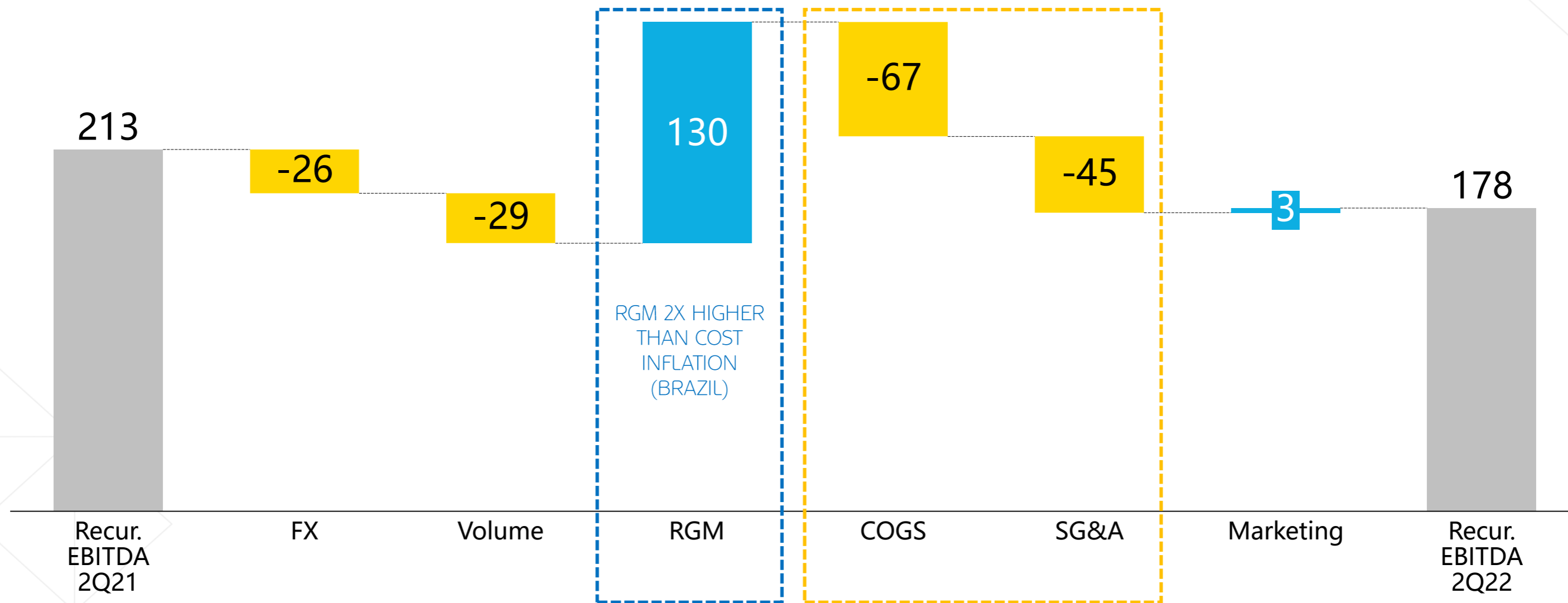
HAVAIANAS BRAZIL – GROSS MARGIN
Sequential recovery



FINANCIAL HIGHLIGHTS | HAVAIANAS TOTAL

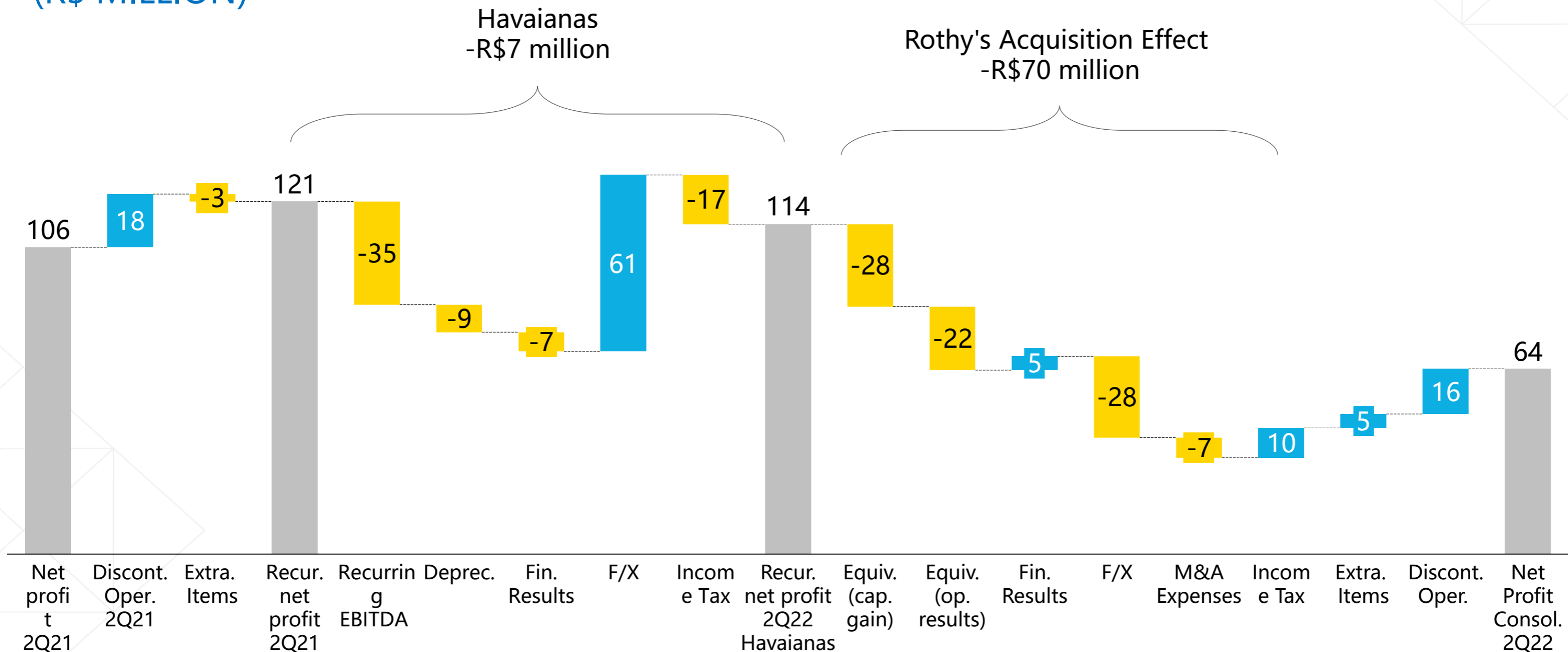
RECURRING EBITDA

(R\$ MILLION)



FINANCIAL HIGHLIGHTS | ALPARGATAS

NET INCOME
(R\$ MILLION)

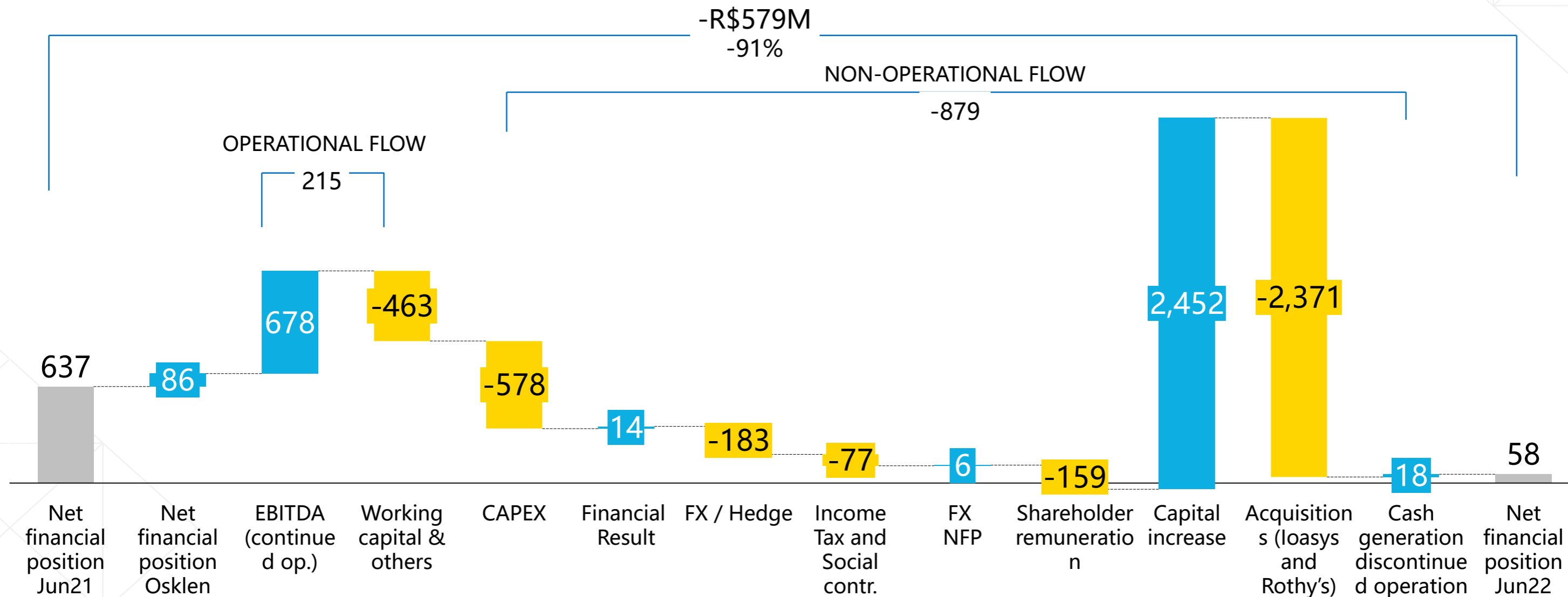


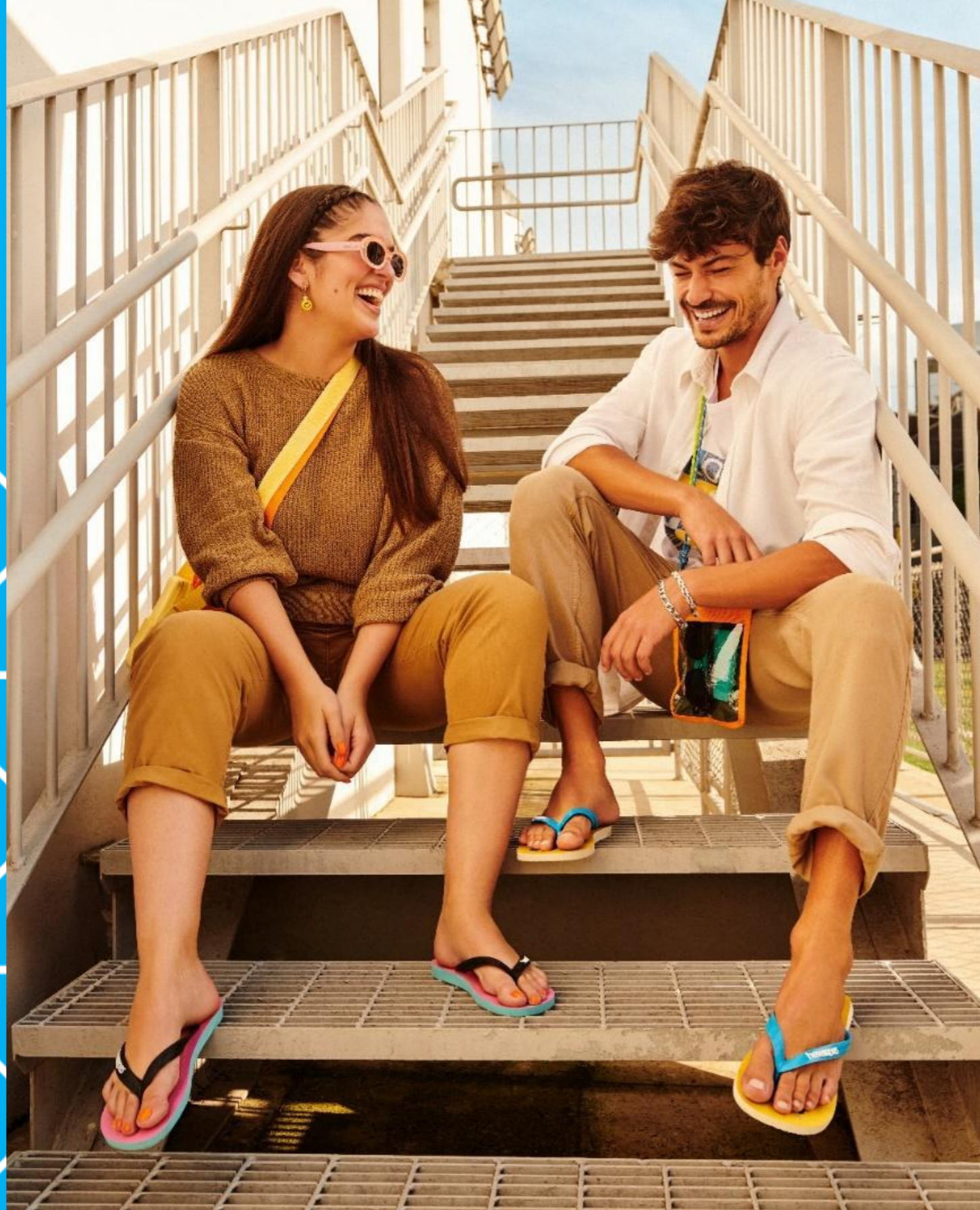
EFFECT OF ADDITIONAL VALUE REGARDING ROTHYS ON ALPARGATAS NET INCOME (USD THOUSAND)

USD thousands	goodwill	Alpa 49,9%	life	Amortization								
				1S22	2S22	Total 2022	2023	2024	2025	2026	2027on...	
Brand	218.800	-	NA	-	-	-	-	-	-	-	-	-
Inventory	20.574	10.266	6,2 months	10.041	226	10.266	-	-	-	-	-	-
IT, others	60.701	30.290	10-11 years	1.488	1.488	2.976	2.976	2.976	2.976	2.976	2.976	15.408
	300.075	40.556		11.529	1.714	13.243	2.976	2.976	2.976	2.976	2.976	15.408

R\$ 58,530

FINANCIAL HIGHLIGHTS | ALPARGATAS

NET FINANCIAL POSITION
(R\$ MILLION)



BETO FUNARI



ANNUAL SUSTAINABILITY REPORT



As important as the steps we take, are the footprints we leave.

ACCESS THE REPORT HERE!



REPUTATION CALIBER INDEX



havaianas®
conquista

1º

Lugar em
confiança
e admiração!

 ALPARGATAS

HAVAIANAS INNOVATION – NEW COLLECTION

CORE

SLIDE FAMILY



SQUARE FAMILY



TOP TIMES



ROTATE
❤️
havaianas



DAILY PAPER
X
havaianas

BEYOND CORE

SANDALS



ACCESSORIES



HAVAIANAS INNOVATION



Q&A 2Q22 RESULTS

FINAL MESSAGE

2022

- focus on volume: EMEA, APAC and LATAM
- focus on Brazil's revenue growth
- EBITDA margin protection driven by Havaianas Brazil and RGM
- raw material, logistics and transport cost inflation
- USA redesign to unlock growth in 2023 (impact on 2022)



Medium/long term thesis conviction: **Havaianas International and Rothy's growth** with margins expansion



Strength of the Havaianas brand as a major competitive advantage, combined with **Rothy's high potential** and path to profitability



havaianas



**há sessenta
anos,
por uma
vida mais livre**



ALPARGATAS

