



3Q23 EARNINGS VIDEOCONFERENCE



DISCLAIMER

This presentation includes forward-looking statements or statements about events or circumstances that 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.



WHAT WE SAID...

Beginning of sell-out resumption



Inventory in the chain would normalize



Sell-in would get closer to the sell-out



Finished goods inventory would begin to decrease



Raw material inventory would keep decreasing



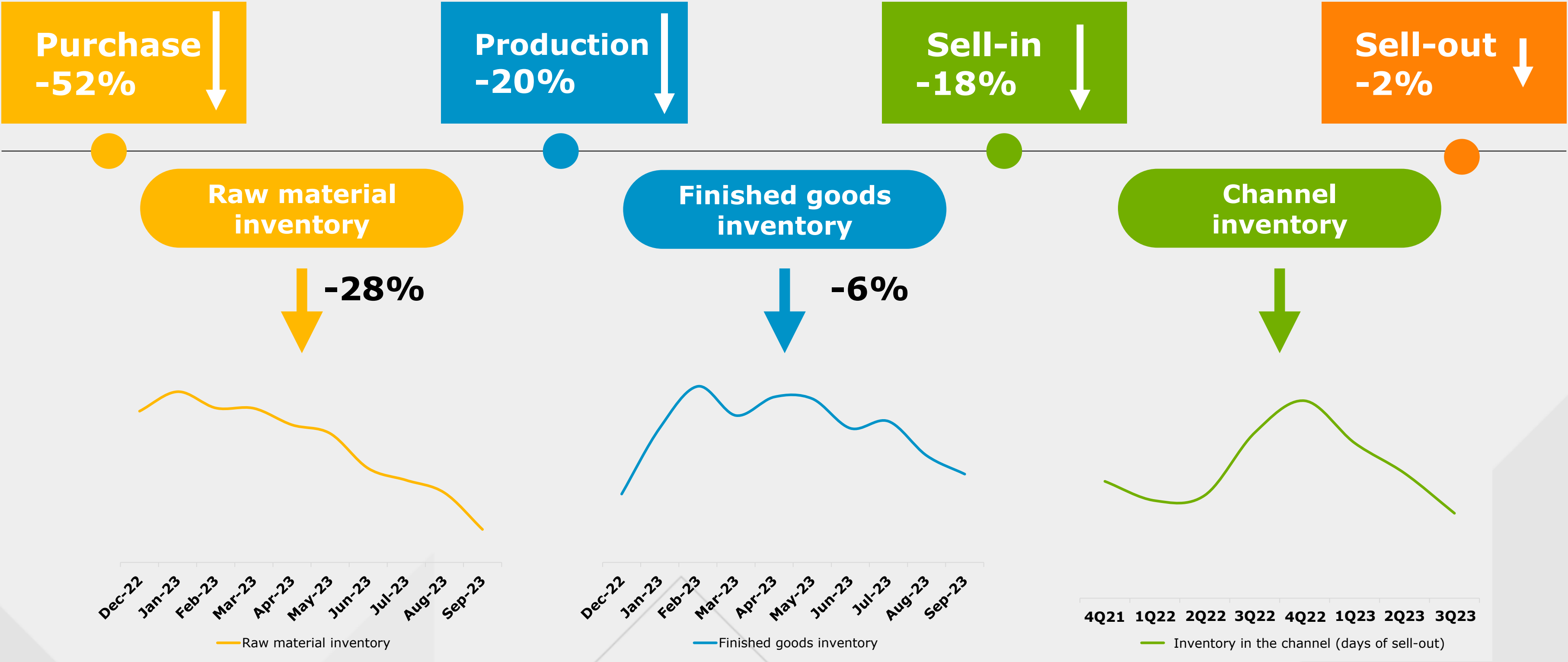
Expenses would begin to decrease



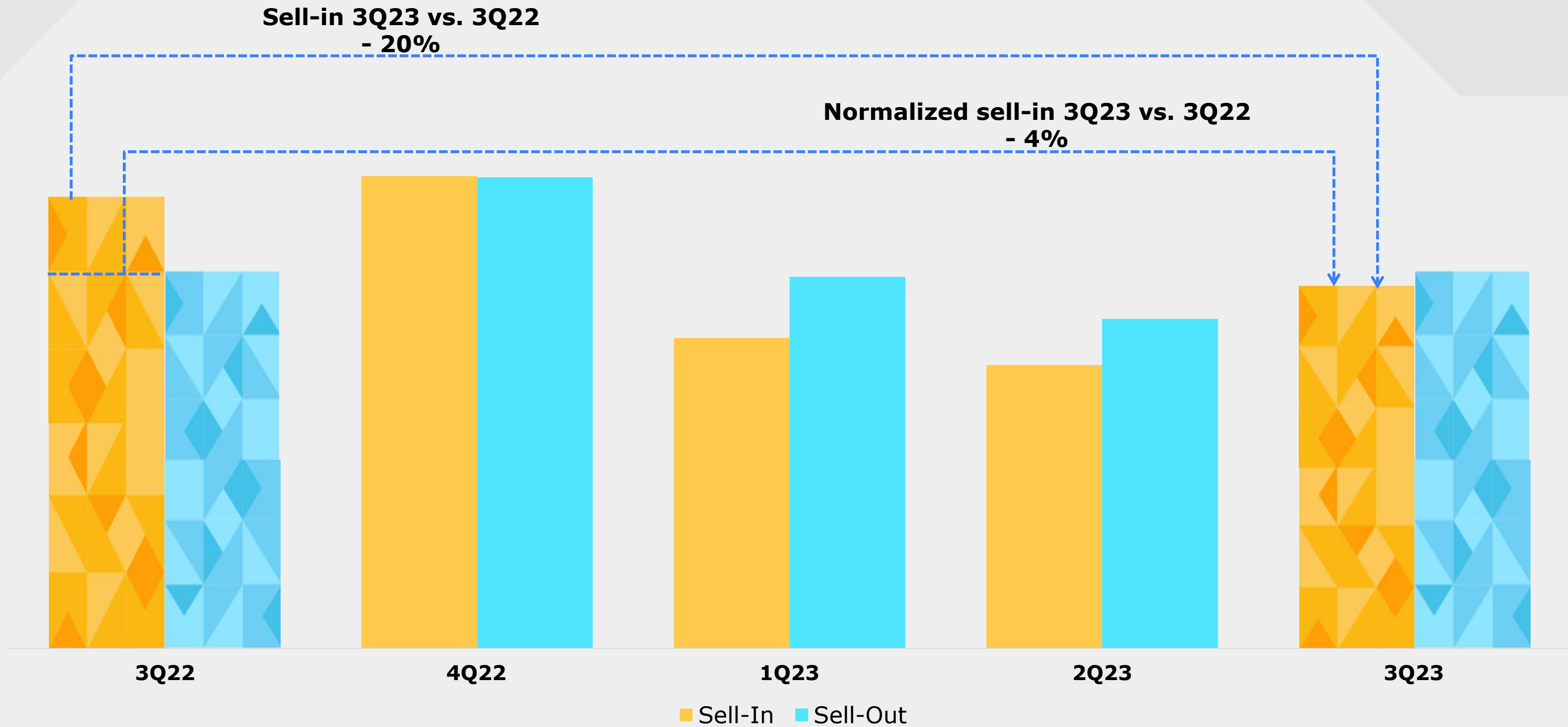
Cash burn control



HAVAIANAS BRAZIL – BUSINESS CYCLE - YTD



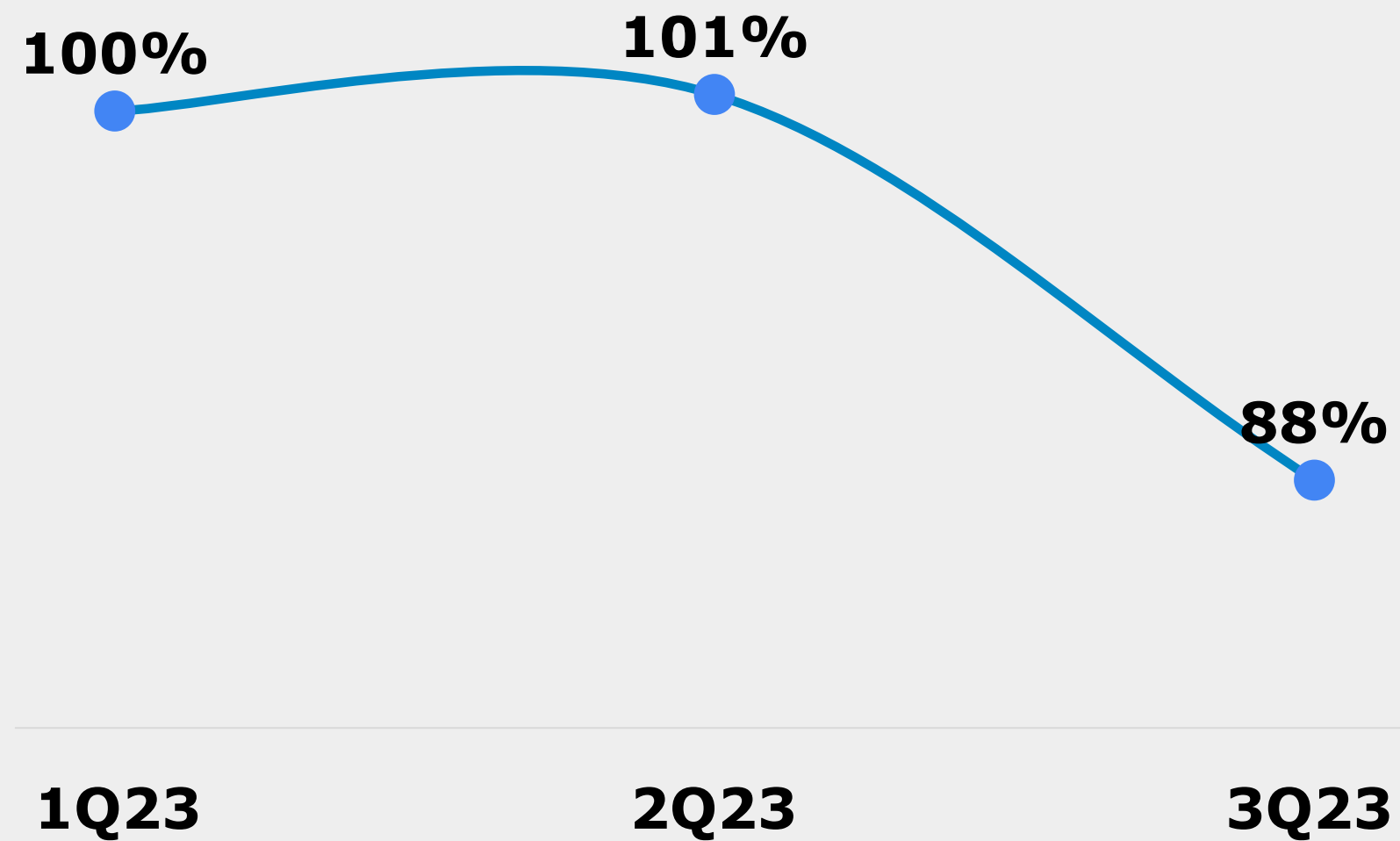
HAVAIANAS BRAZIL – SELL-IN x SELL-OUT



ALPARGATAS – ZBB EXPENSES

ZBB EXPENSES

(% of reduction as of 1Q23)

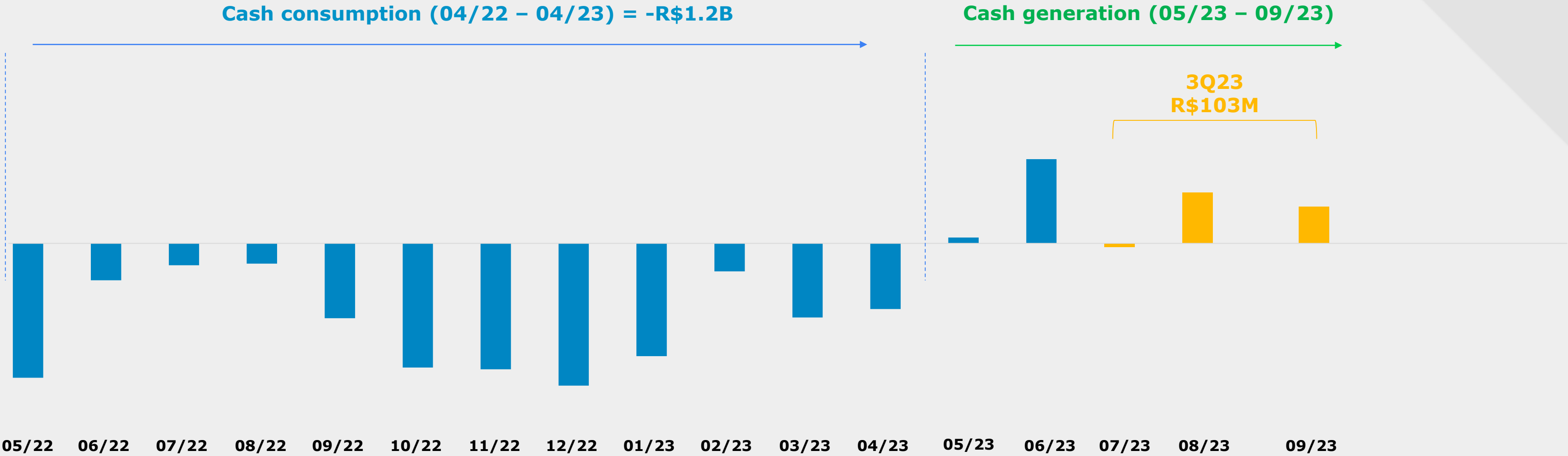


In parallel with the deepening of possible opportunities for simplification and efficiency gains, we have been implementing over the last two quarters some immediate measures with part of the results reflected in this quarter.

ALPARGATAS – CASH BURN CONTROL

NET OPERATING CASH

(R\$ MILION)



HAVAIANAS – 3Q23 vs. 3Q22

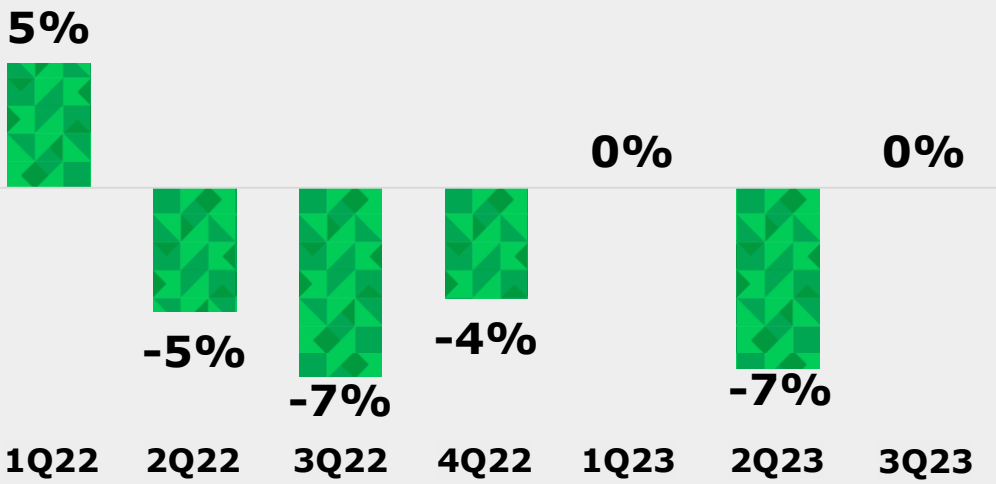
havaianas®

BRAZIL

**-20%
VOLUME**

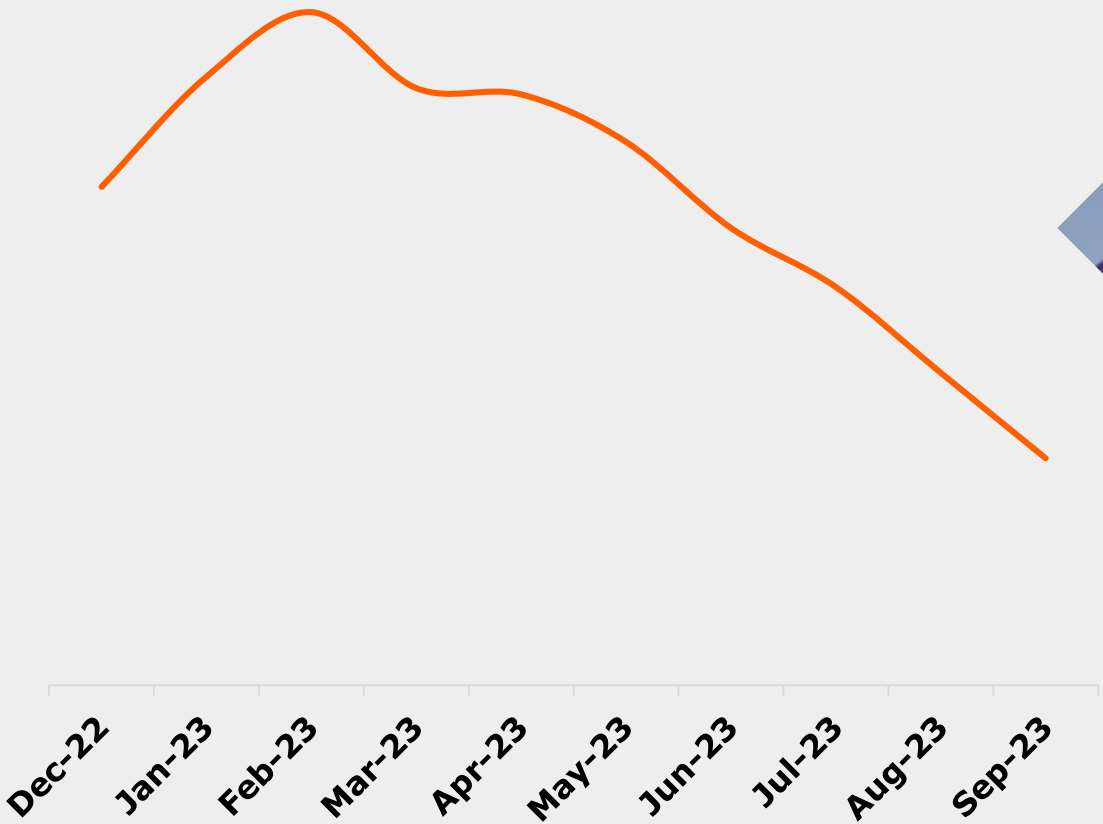
**-15%
NET SALES**

**VOLUME HAVAIANAS
SELL-OUT***
(Quarterly evolution – var. YoY)



*sell-out/sell-through internal dashboard – NEOGRID/Scan Track

Alpargatas inventory evolution



HAVAIANAS – 3Q23 vs. 3Q22

havaianas®

INTERNATIONAL

-40%
VOLUME

-24%
NET SALES*

EMEA

-35%
VOLUME

-17%
NET SALES*

NA&C

+9%
VOLUME

+26%
NET SALES*

DISTRIBUTORS

-48%
VOLUME

-50%
NET SALES*

*in constant currency (CC)

Europe

- Logistics partner migration

USA

- Growth driven by B2B, mainly in key accounts and off-price channels

Distributors

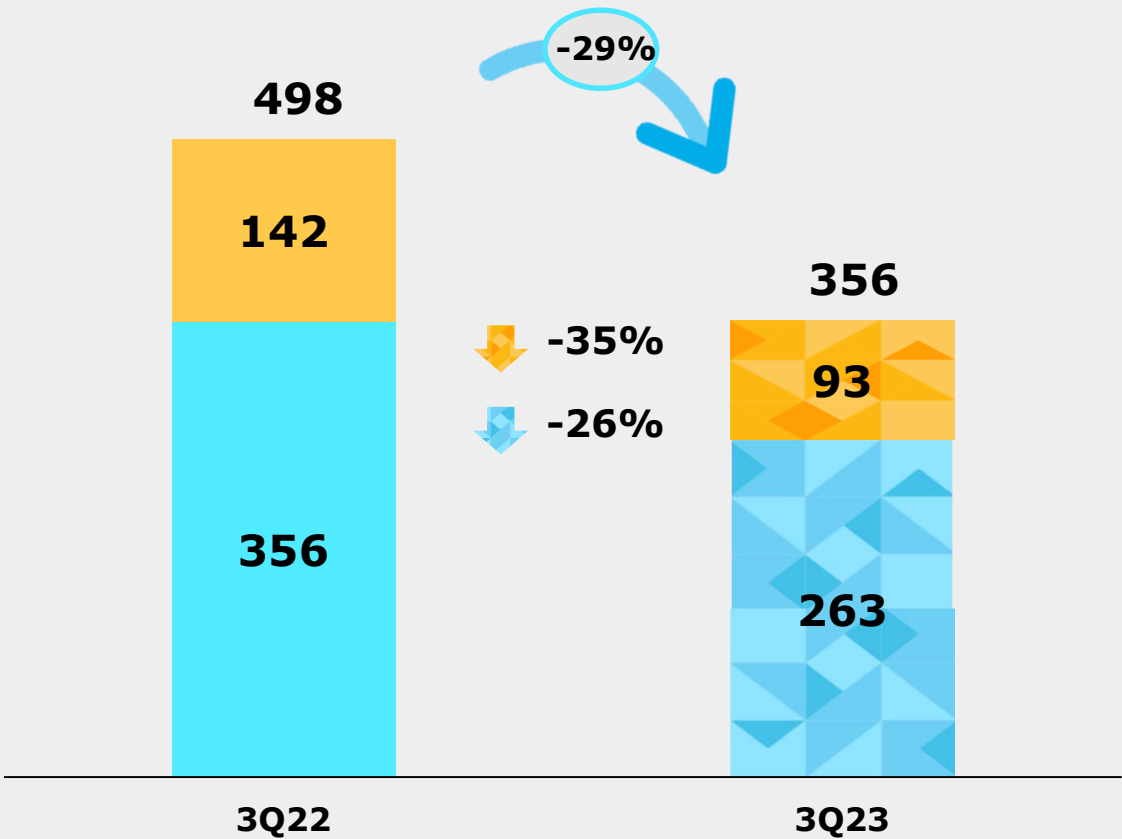
- Inventor levels normalization process



FINANCIAL HIGHLIGHTS | TOTAL HAVAIANAS

GROSS PROFIT*

(IN CC - MILLION)



Havaianas Brazil

- Sequential improvement (+9.7p.p. vs. 2Q23)
- Manufacturing optimization
- Raw material cost reduction

Additional costs of R\$10.4M (-1.1p.p.):

- write-offs of R\$9.4M
- third party warehouses of R\$1.0M

Havaianas International:

- Operational deleverage
- 2H22 production cost impact

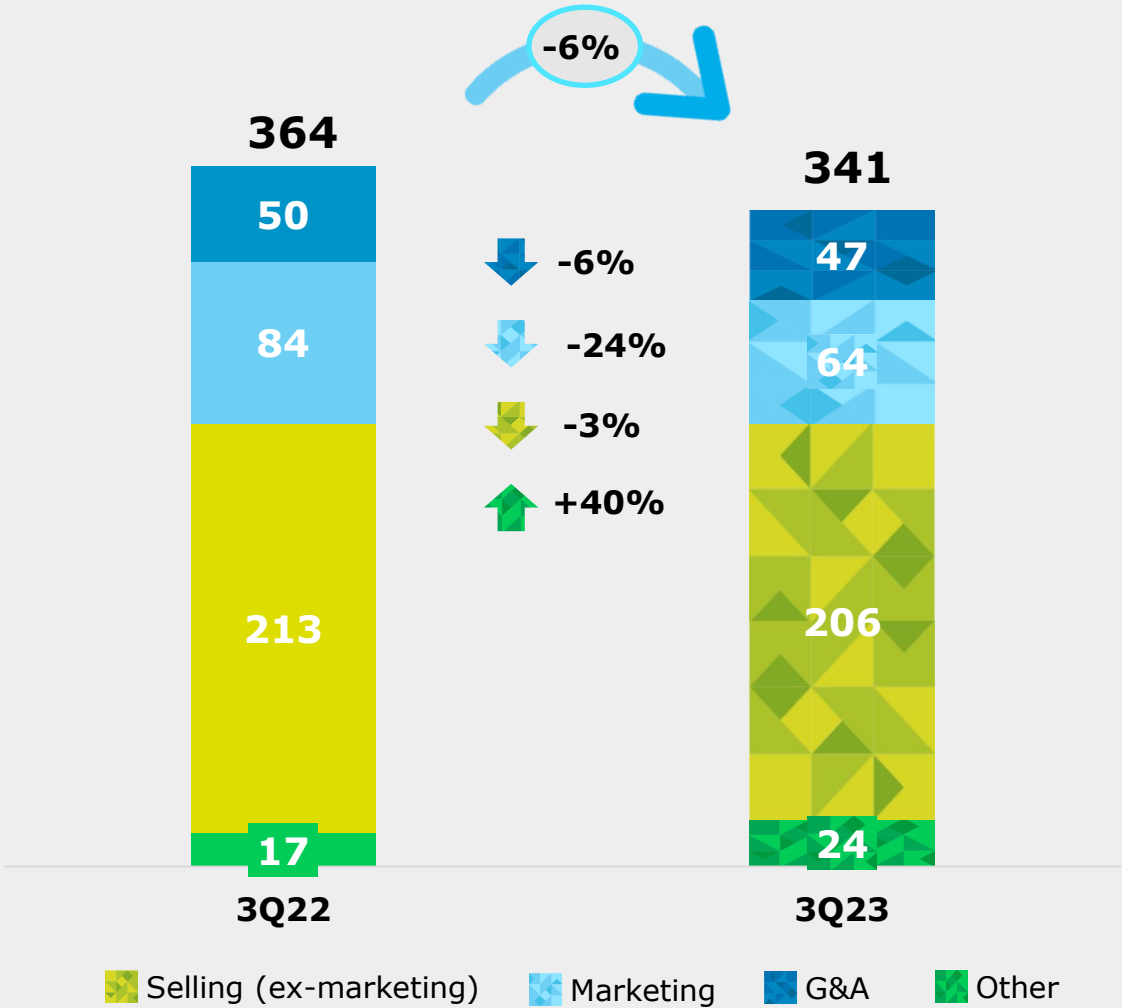
Gross margin	3Q22	3Q23	Var.
Havaianas Brazil	42.7%	37.2%	-5.5pp
Havaianas International*	60.5%	52.3%	-8.2pp
Total Havaianas*	46.6%	40.3%	-6.3pp

*in CC

FINANCIAL HIGHLIGHTS | TOTAL HAVAIANAS

EXPENSES

(R\$ MILLION)



Selling Expenses (ex-Marketing)

- personnel expenses reduction of 8% yoy
- distribution expenses increase of ~R\$ 4M
- additional cost of R\$ 3M related to bad debt

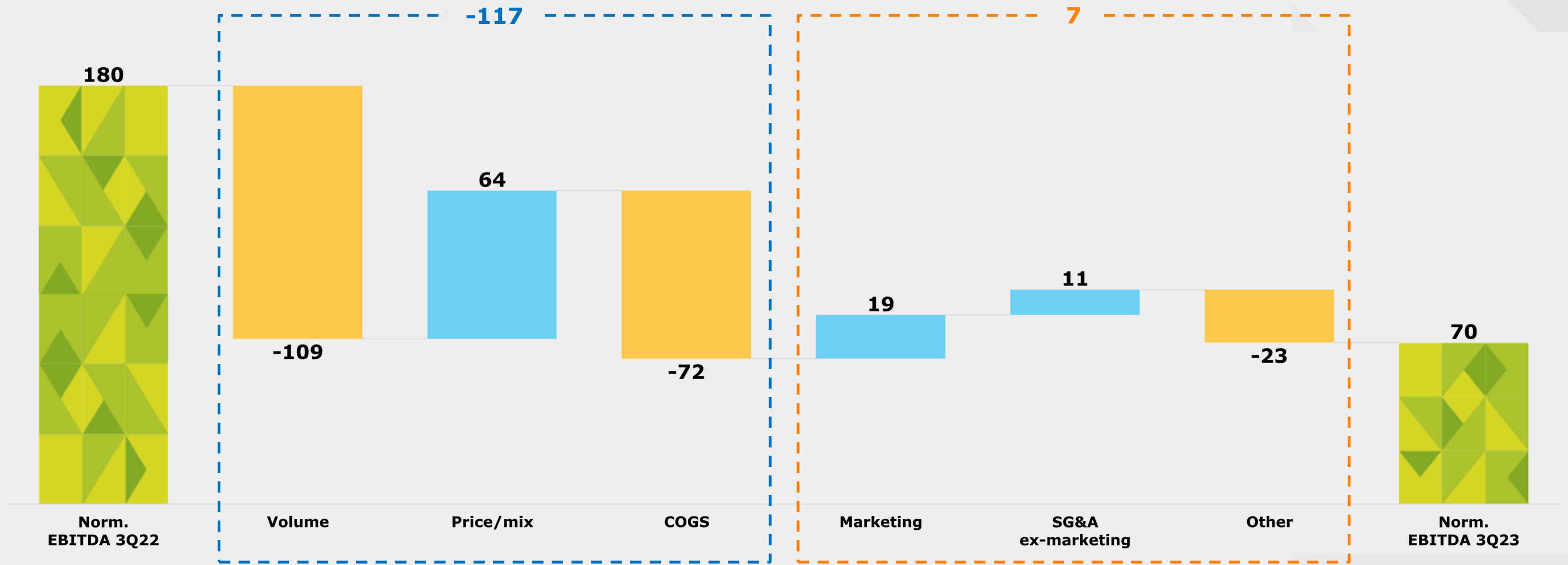
Marketing Expenses

- 24% drop yoy
- resumption of investments on 4Q

FINANCIAL HIGHLIGHTS | TOTAL HAVAIANAS

HAVAIANAS NORMALIZED EBITDA

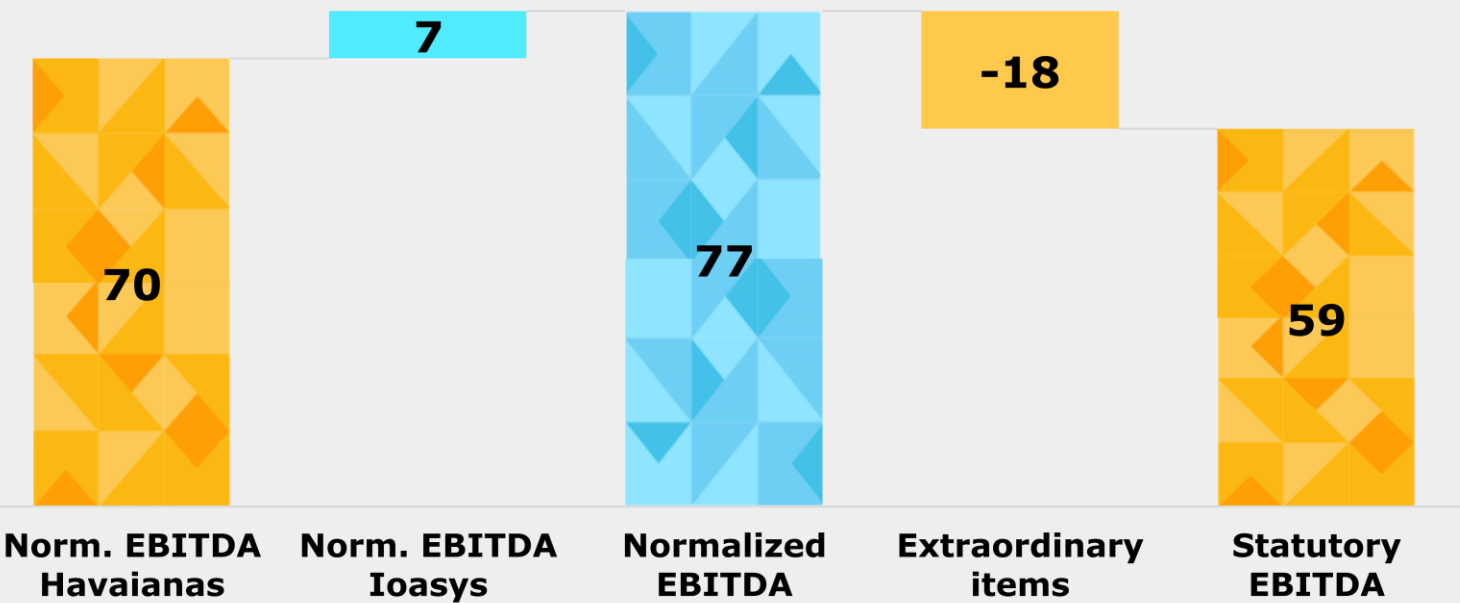
(R\$ MILLION)



FINANCIAL HIGHLIGHTS | ALPARGATAS



EBITDA (R\$ MILLION)



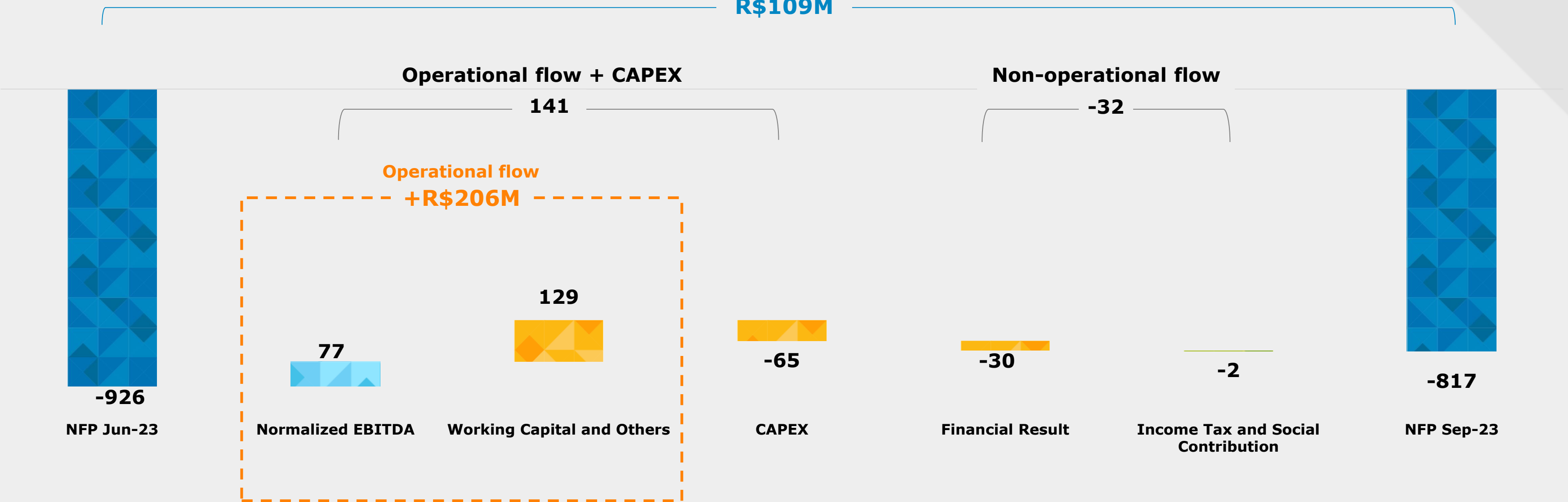
EXTRAORDINARY ITEMS (in R\$ million)		3Q23
Statutory EBITDA		58.6
(-) Extraordinary items		18.3
Simplification		15.5
Other		2.8
(=) Alpargatas Normalized EBITDA		76.9

FINANCIAL HIGHLIGHTS | ALPARGATAS

NET FINANCIAL POSITION

(R\$ MILLION)

R\$109M

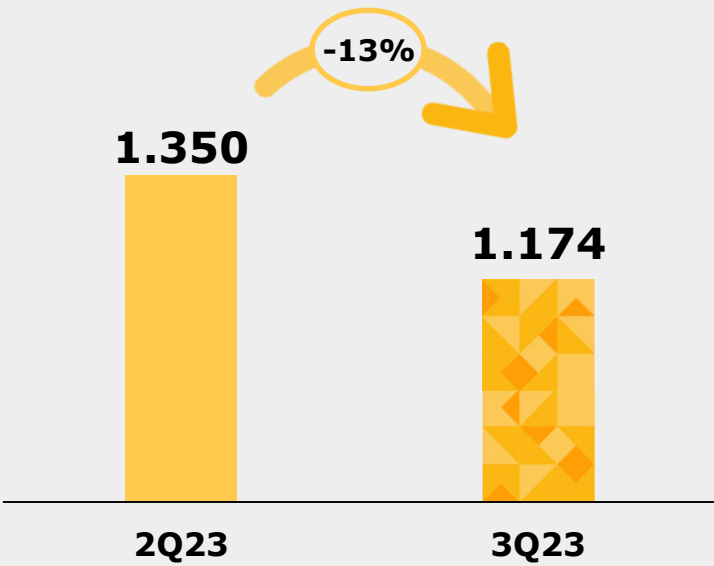


FINANCIAL HIGHLIGHTS | ALPARGATAS

WORKING CAPITAL

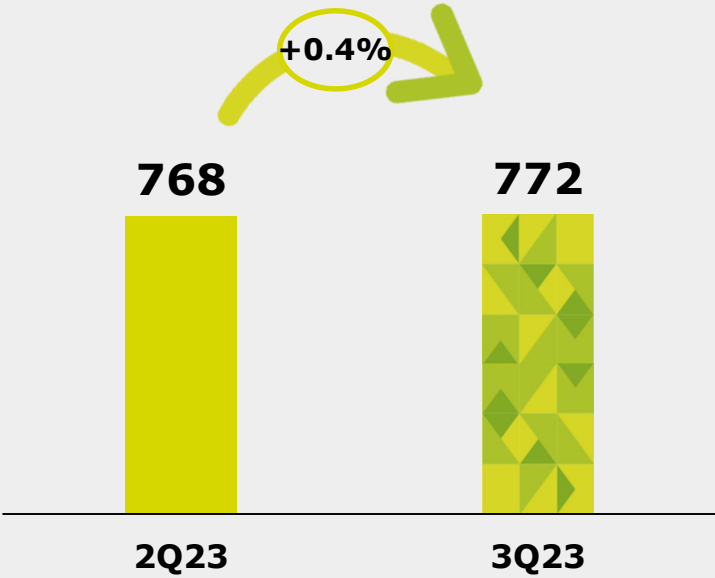
(R\$ MILLION)

INVENTORIES



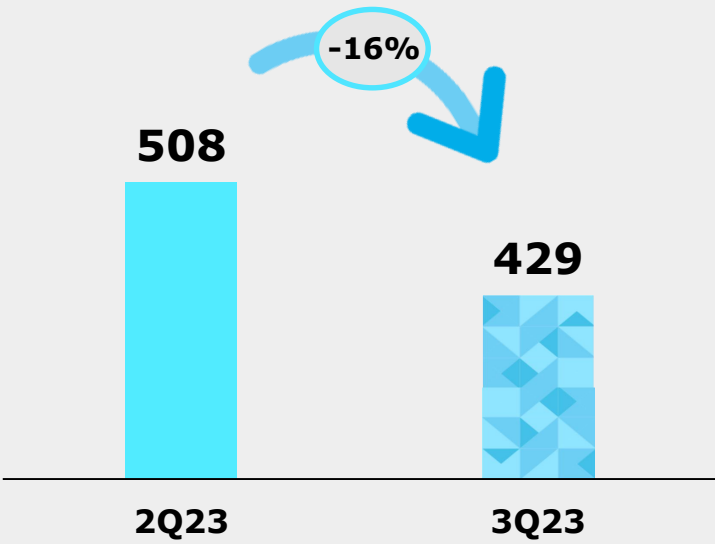
- Finished products: -R\$ 99M
- Raw material and other: -R\$ 75M
- Increase of 3 days of sales vs. 3Q22

RECEIVABLES



- Reduction of 12 days of sales vs. 3Q22

SUPPLIERS



- Drop of -R\$ 79M
- reduction in raw material purchases

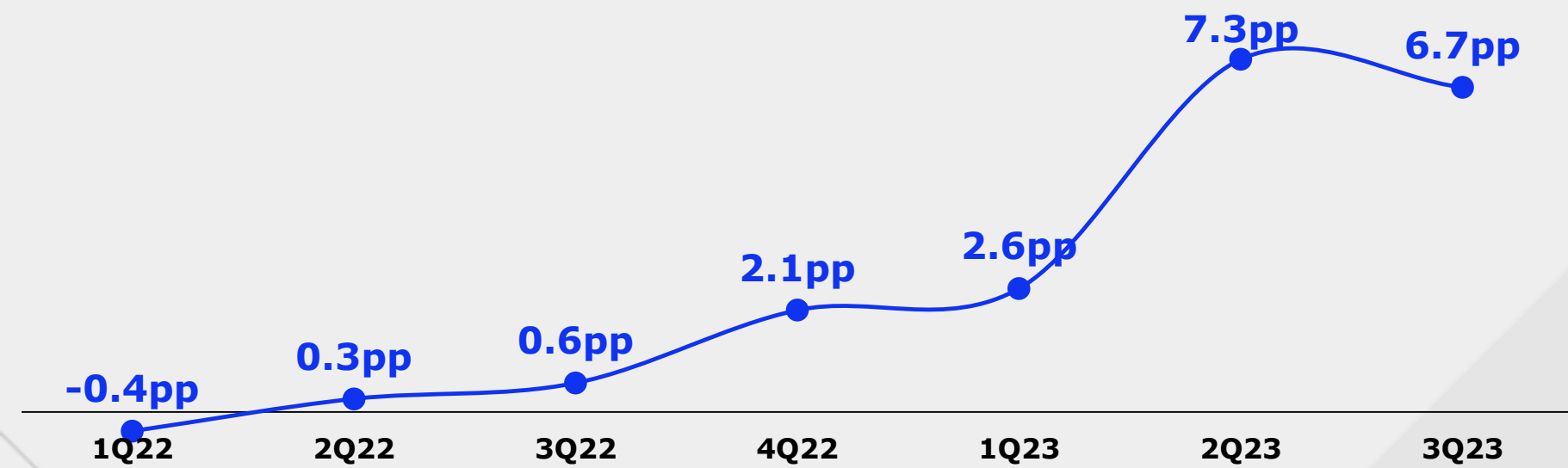
ROTHY'S

NET SALES
USD 30M
(-20% vs. 3Q22)

EBITDA
-USD 6M
(+USD 4.5M vs. 3Q22)

NET LOSS
-USD 7M
(+USD 5.2M vs. 3Q22)

GROSS MARGIN EVOLUTION (Var. YoY)



Q&A

INSPIRADOS PELAS PESSOAS
INSPIRADOS PELAS PESSOAS
INSPIRADOS PELAS PESSOAS



ALPARGATAS

INVESTOR RELATIONS
ri@alpargatas.com

