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# 4Q23 EARNINGS VIDEOCONFERENCE

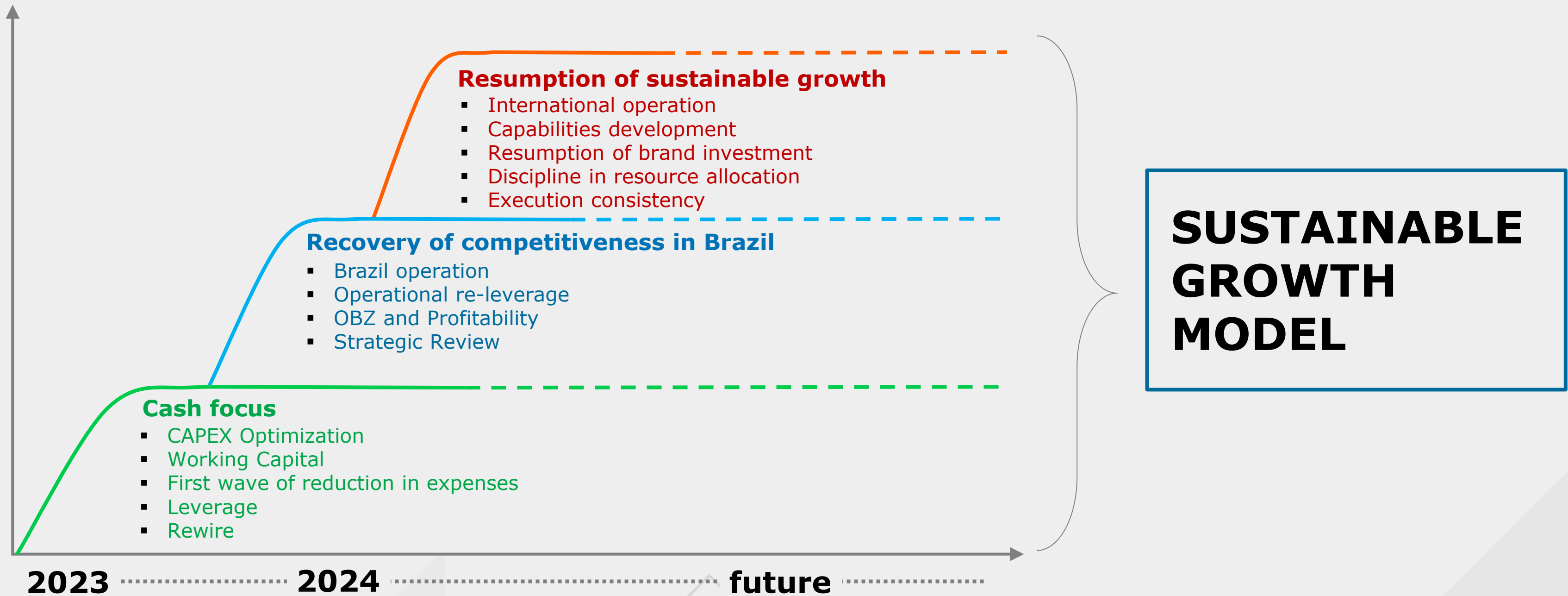


# DISCLAIMER

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.

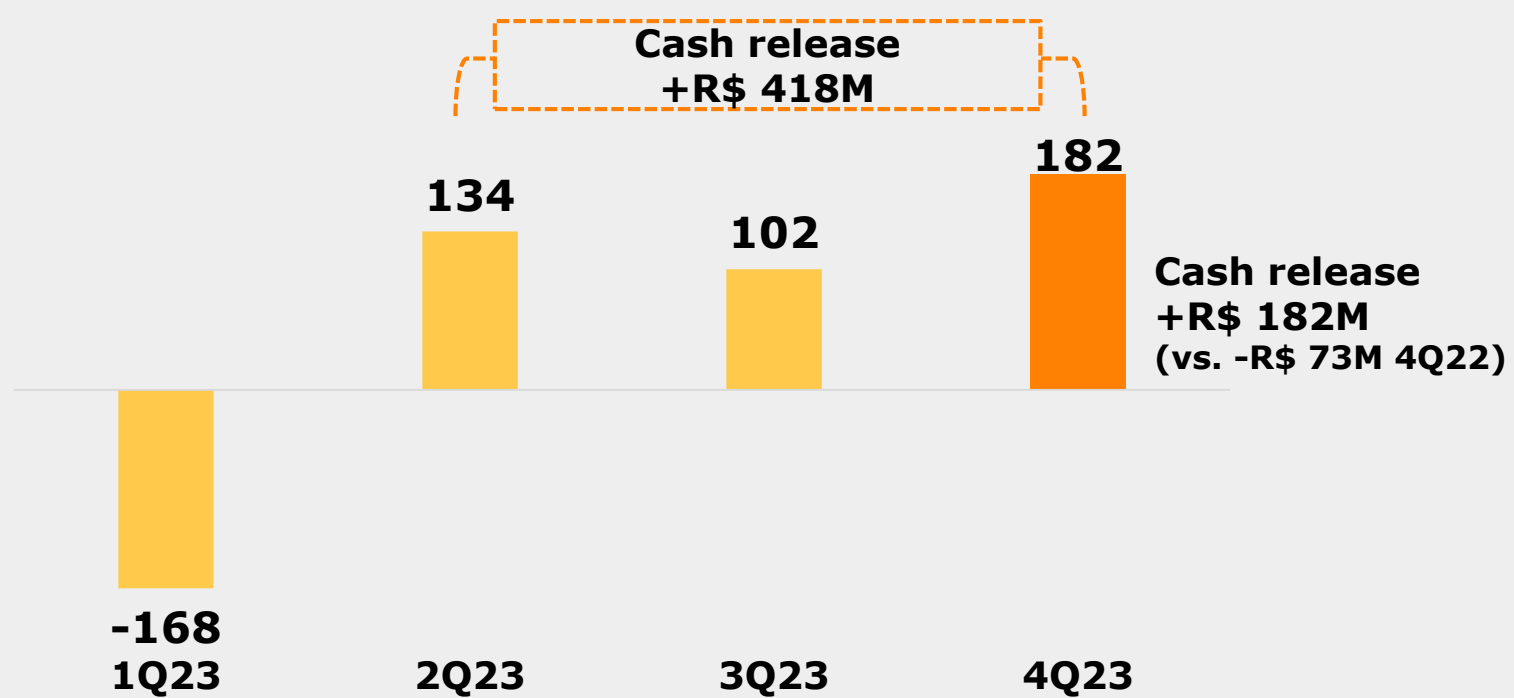
The words believes, may, will, estimates, continues, anticipates, intends, expects and similar words are intended to identify forward-looking statements. Alpargatas undertakes no obligations to update publicly or revise any forward-looking statements because of new information, future events or other 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.

# PHASES OF THE TURNAROUND PROCESS

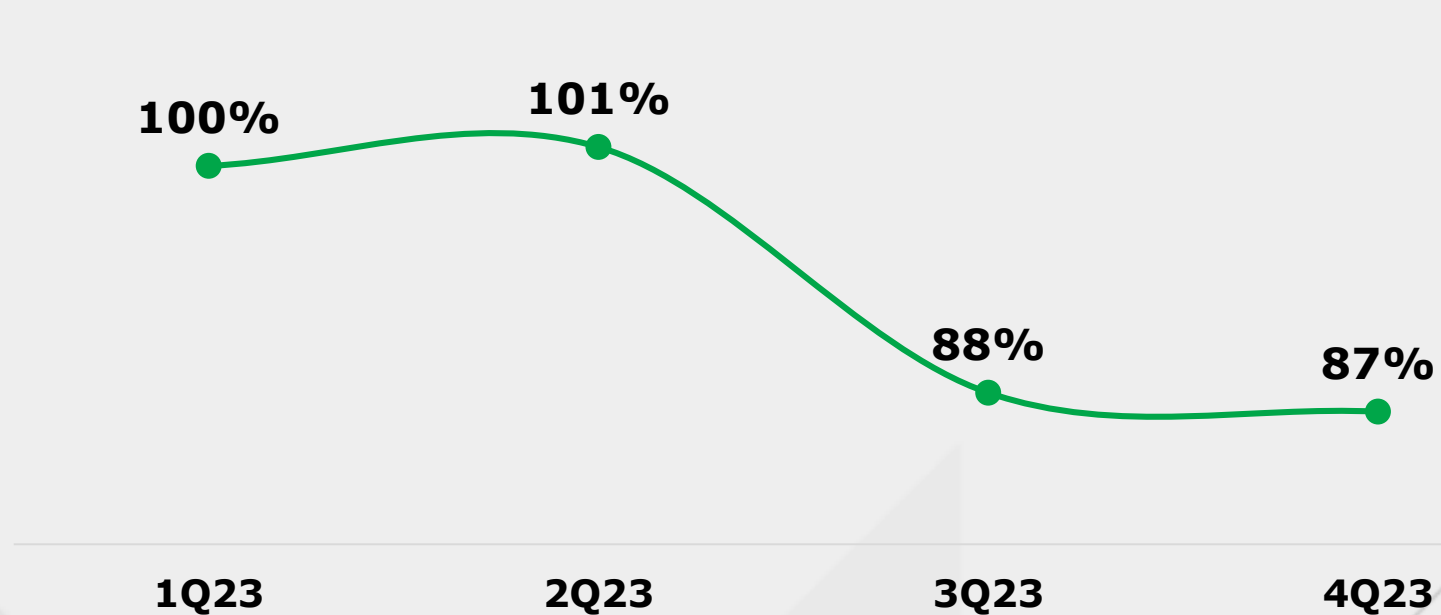


# ALPARGATAS – ROUTE ADJUSTMENT: CASH MAINTENANCE

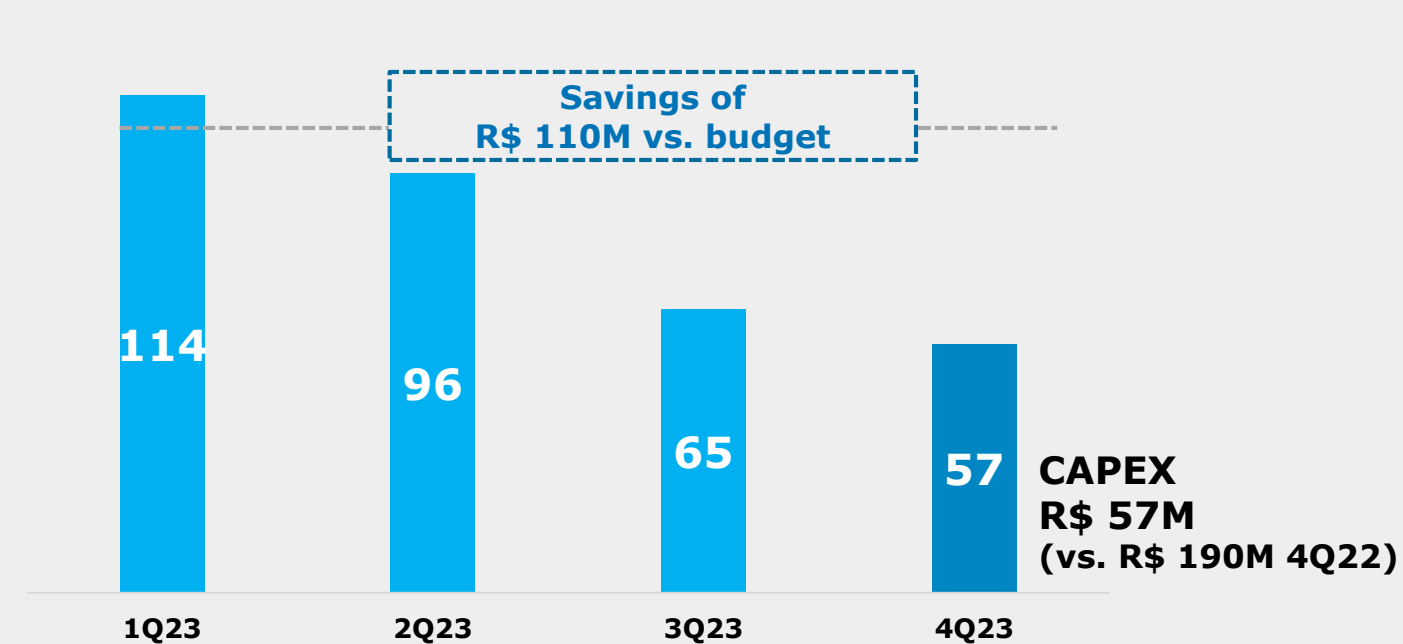
## WORKING CAPITAL CASH RELEASE



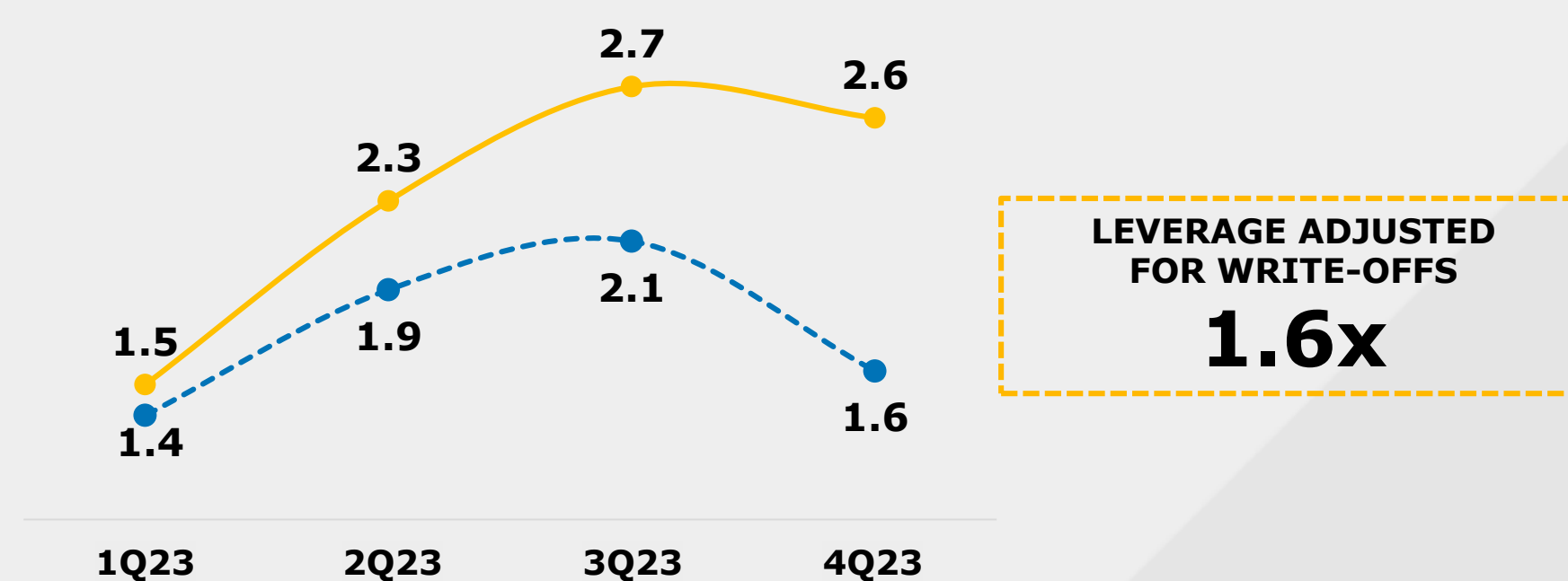
## ZBB EXPENSES



## CAPEX



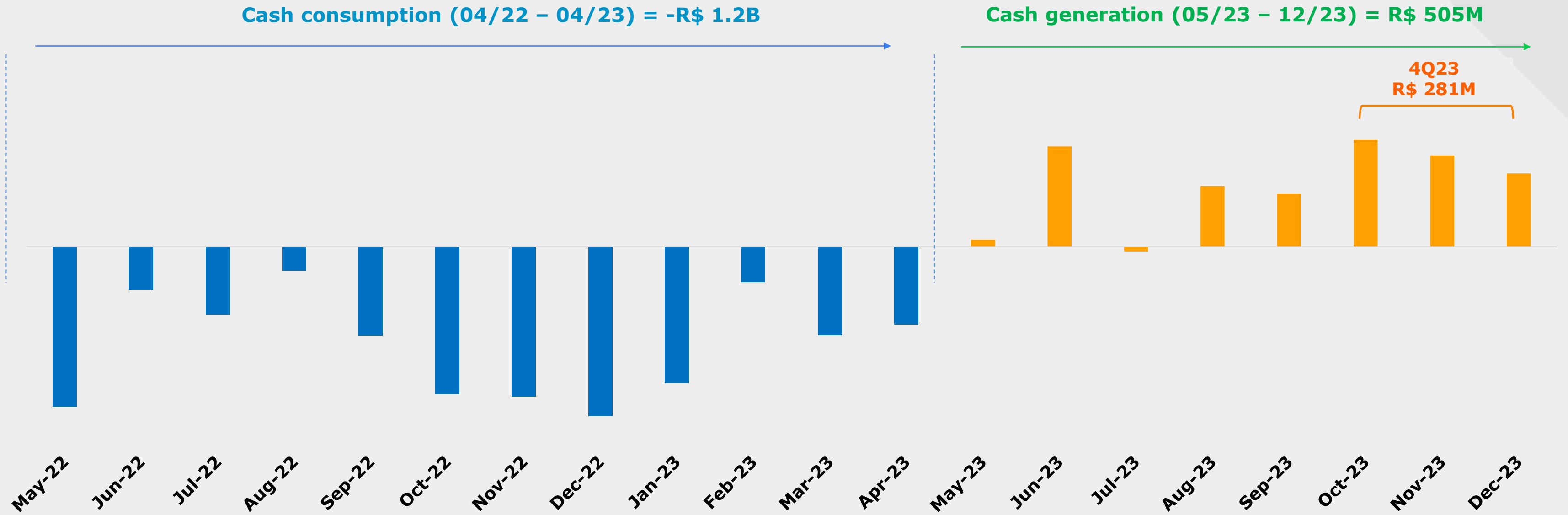
## LEVERAGE



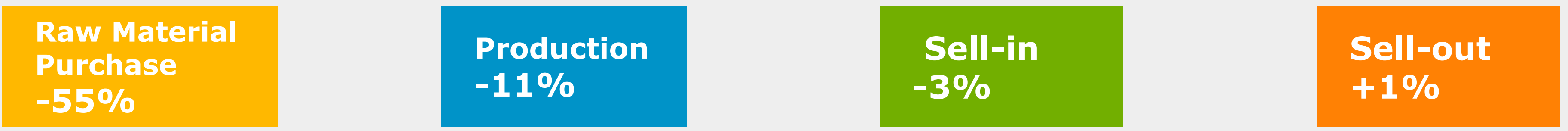
# ALPARGATAS – CASH GENERATION

## NET OPERATING CASH

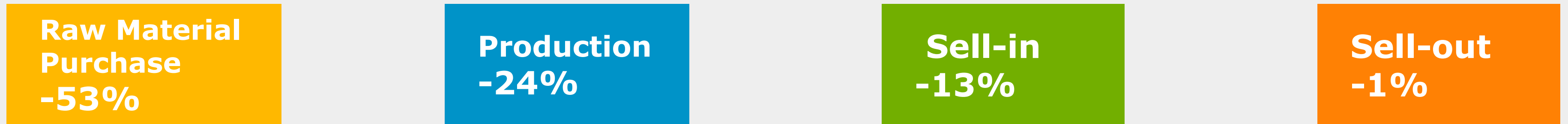
(R\$ MILION)



# HAVAIANAS BRAZIL – BUSINESS CYCLE – 4Q23



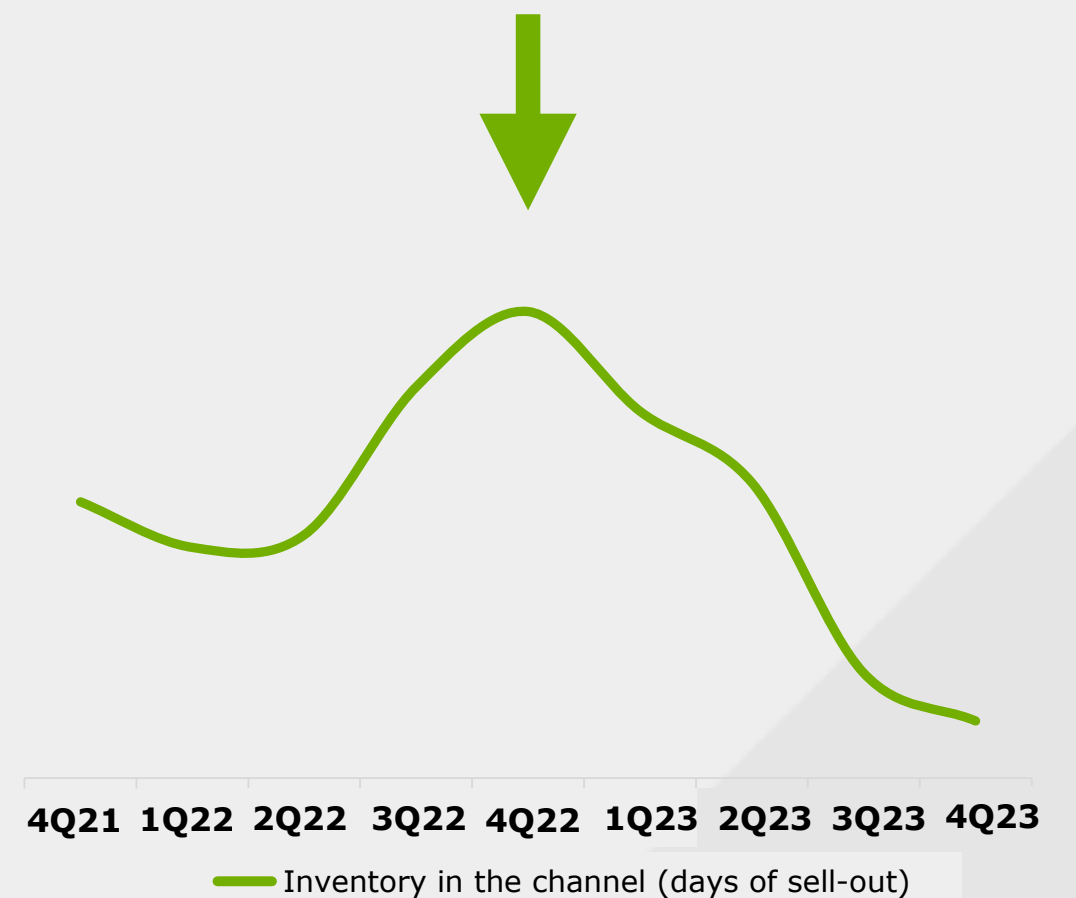
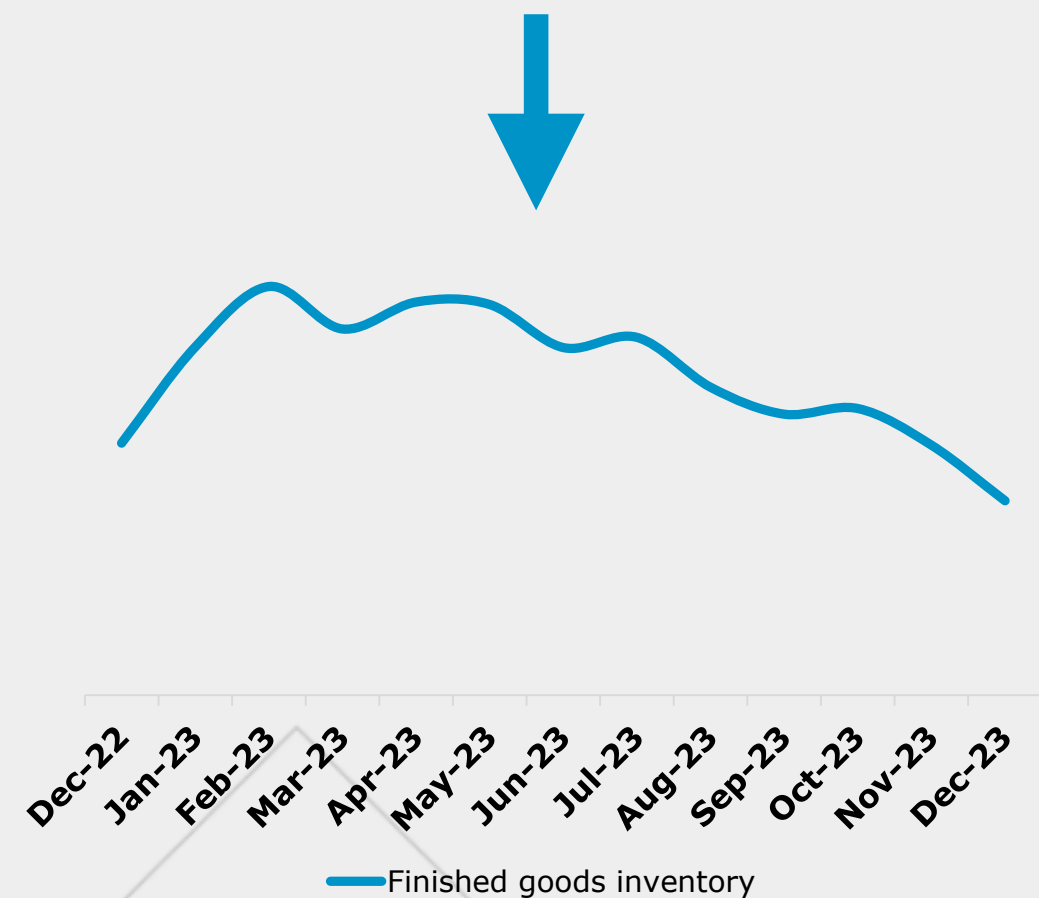
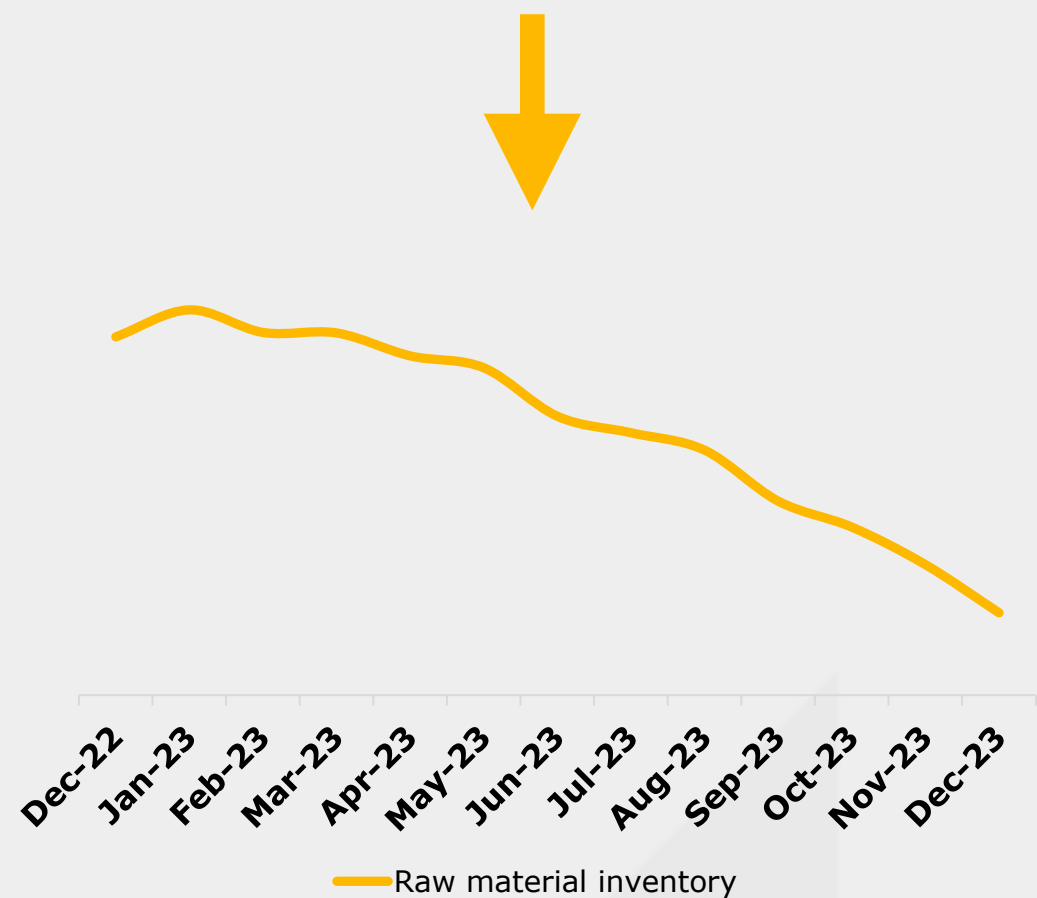
# HAVAIANAS BRAZIL – BUSINESS CYCLE – 2023



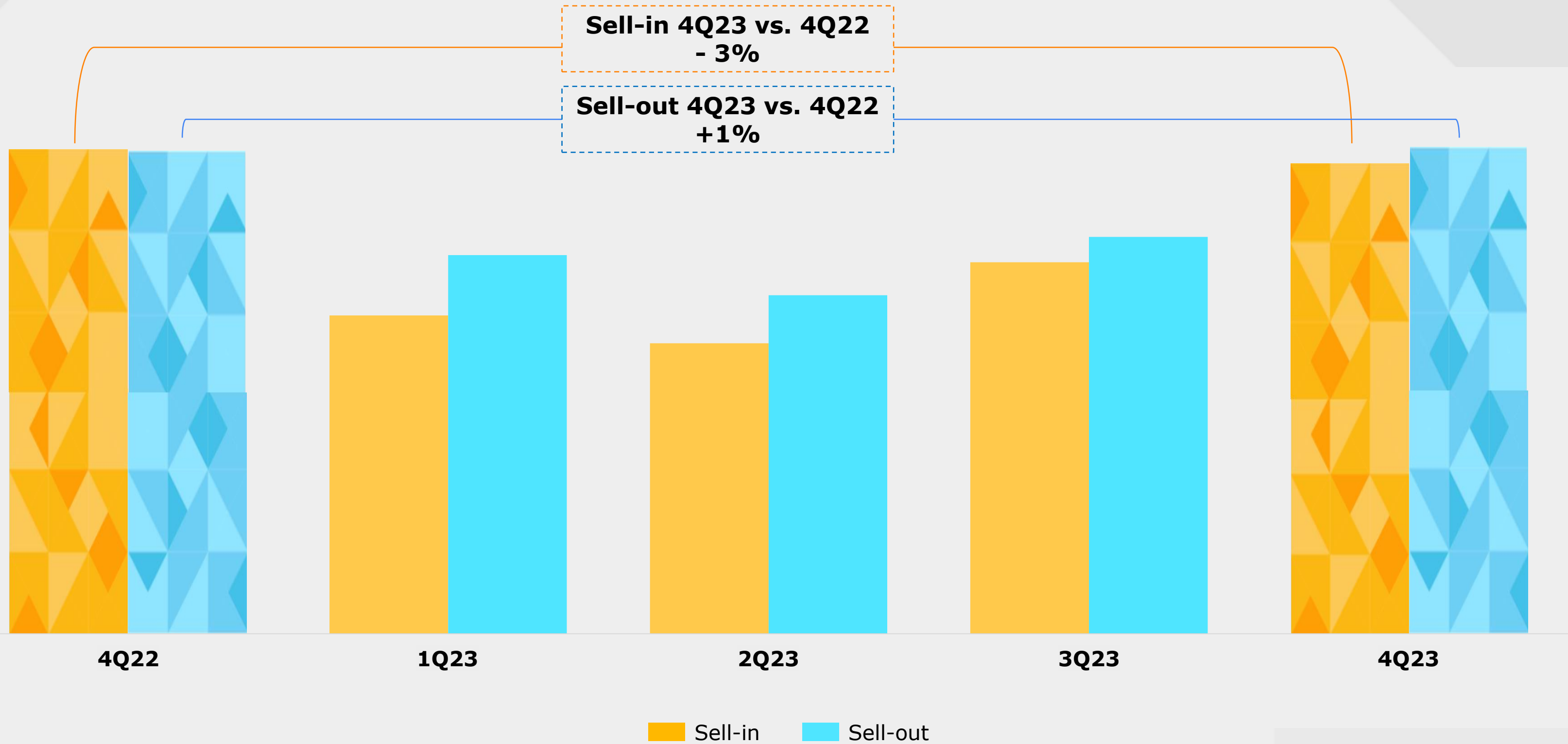
Raw material inventory

Finished goods inventory

Channel inventory

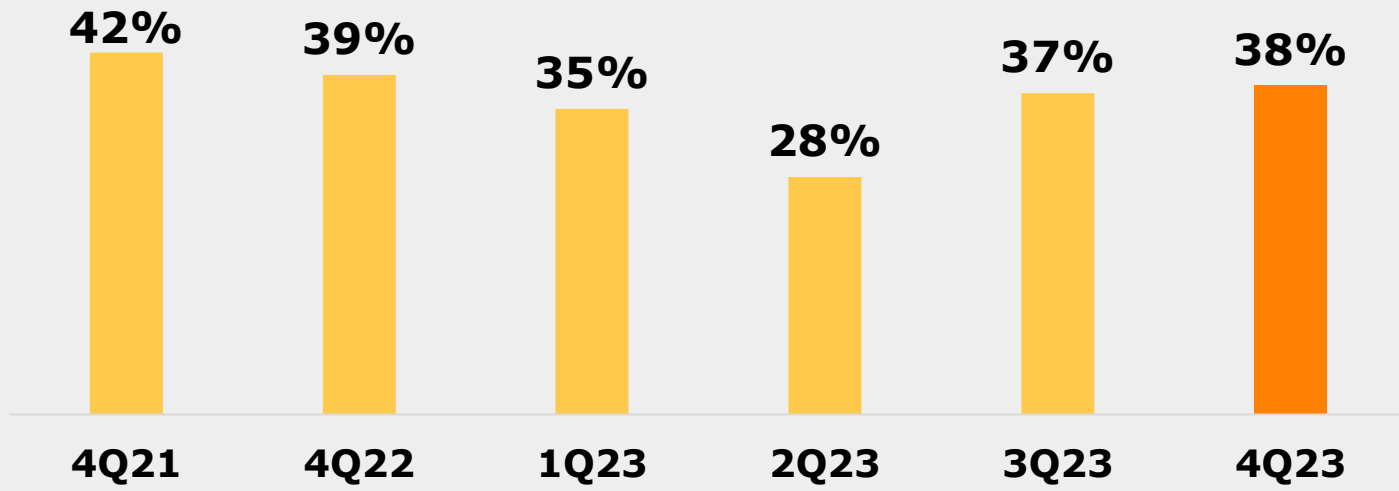


# HAVAIANAS BRAZIL – SELL-IN x SELL-OUT

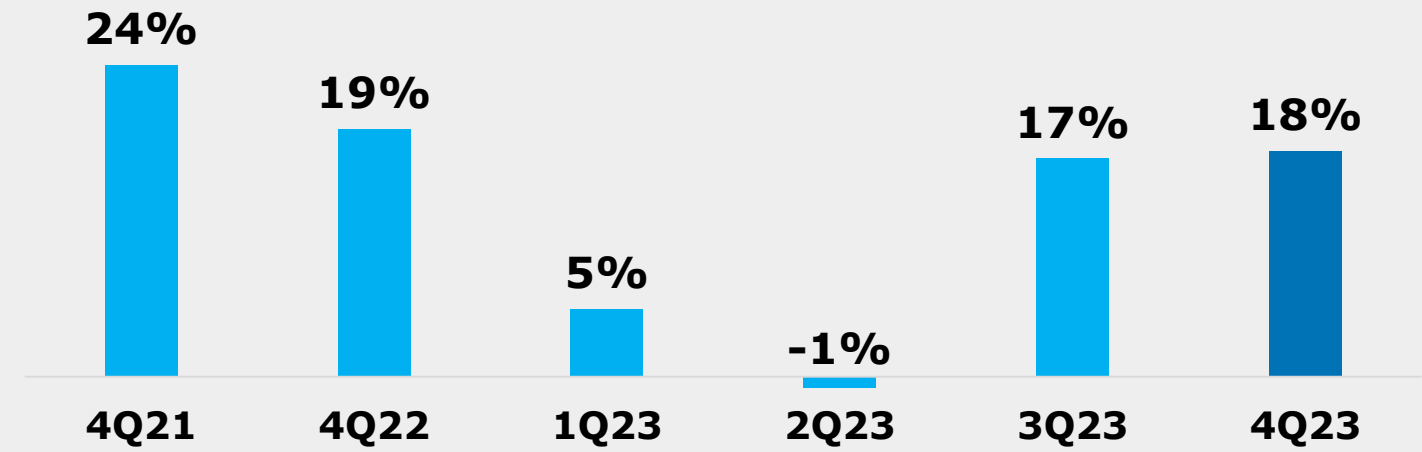


# HAVAIANAS BRAZIL – GROSS MARGIN AND EBITDA MARGIN

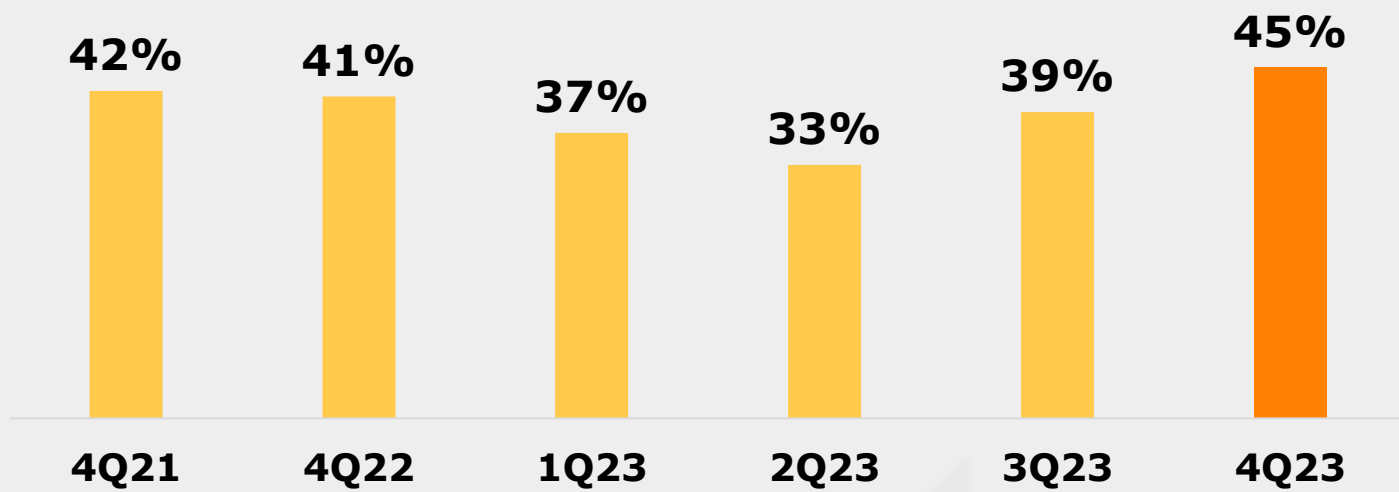
## GROSS MARGIN



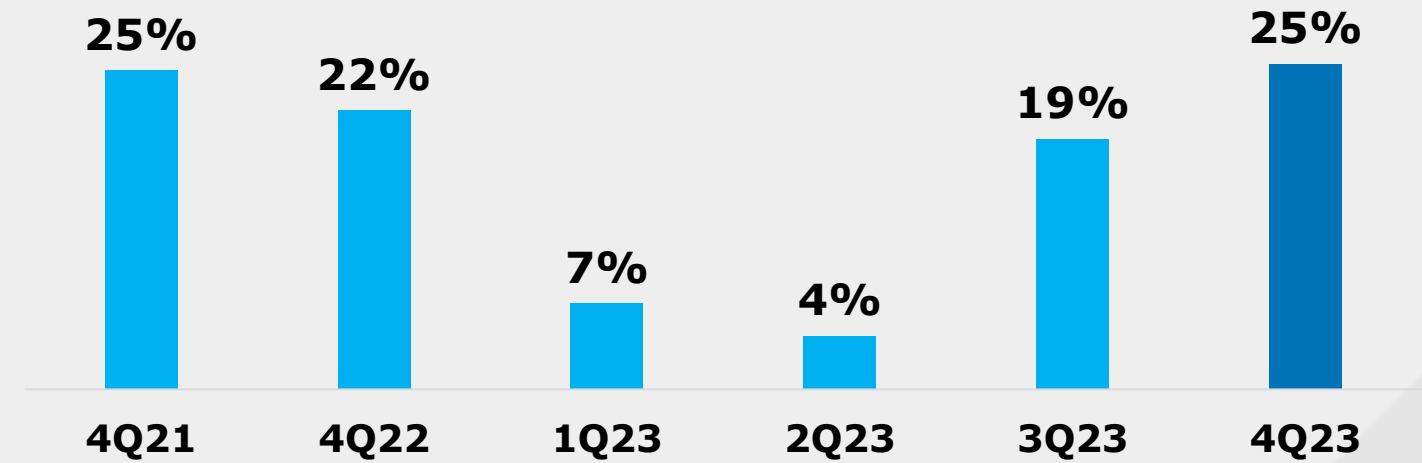
## EBITDA MARGIN



## GROSS MARGIN ADJUSTED FOR WRITE-OFFS

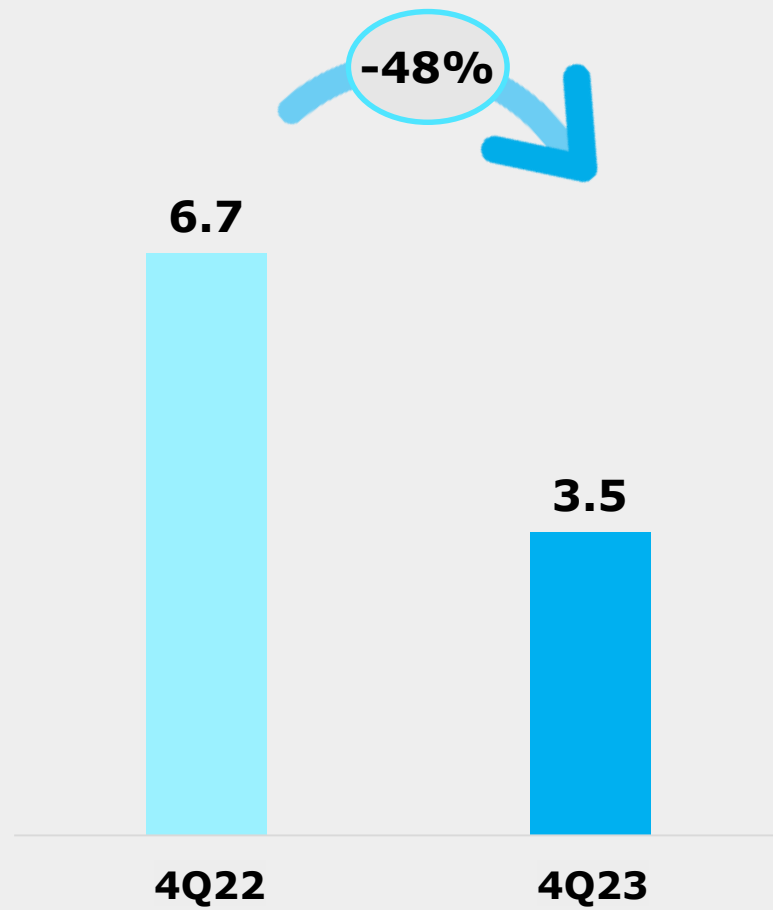


## EBITDA MARGIN ADJUSTED FOR WRITE-OFFS

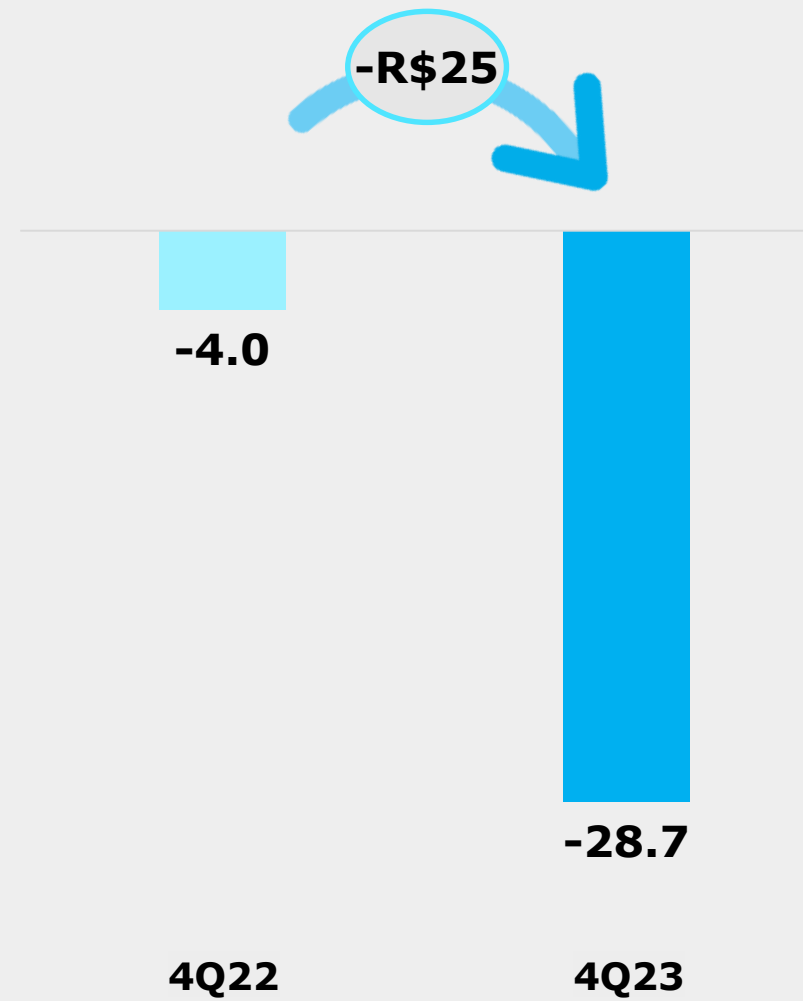


# HAVAIANAS INTERNATIONAL – 4Q23 vs. 4Q22

**VOLUME**  
(Million pairs)



**EBITDA/PAIR**  
(R\$/pair)



**Margins pressured by significant diseconomies of scale:**

- Unfavorable seasonality in 4Q
- Destocking movement in APAC

**Δ EBITDA/pair (4Q23 vs. 4Q22)**

- Scale effect 64%
- Inefficiency effect 28%
- Write-offs increase 8%

## ALPARGATAS – EXTRAORDINARY ITEMS

### Extraordinary Items adjusted in EBITDA: R\$ 1.2 billion

- Simplification Expenses – R\$2.1 million
- Goodwill impairment – systems – R\$20.8 million
- Other Expenses/Revenues – R\$46.6 million
- Goodwill impairment – Ioasys – R\$ 112.0 million
- Goodwill impairment – Rothy's – R\$ 1.1 billion

### Extraordinary Items Impacting Equity Income: R\$ 372.5 million

- Brand impairment – Rothy's – R\$ 372.5 million

**Impairments  
R\$ 1.6 billion**

**Rothy's – R\$ 1.5 billion**

**Ioasys – R\$ 112 million**

# HAVAIANAS – 4Q23 vs. 4Q22

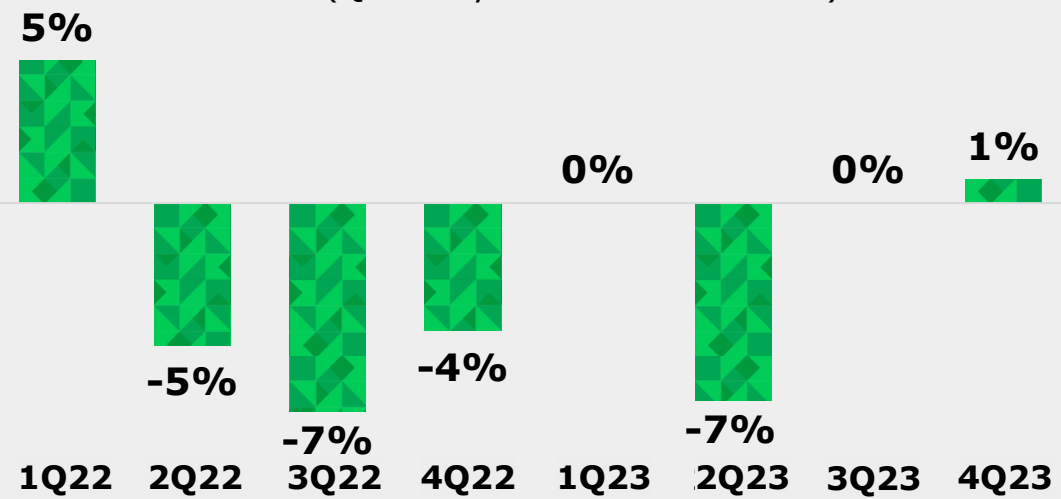
**havaianas®**

## BRAZIL

**-3%**  
VOLUME

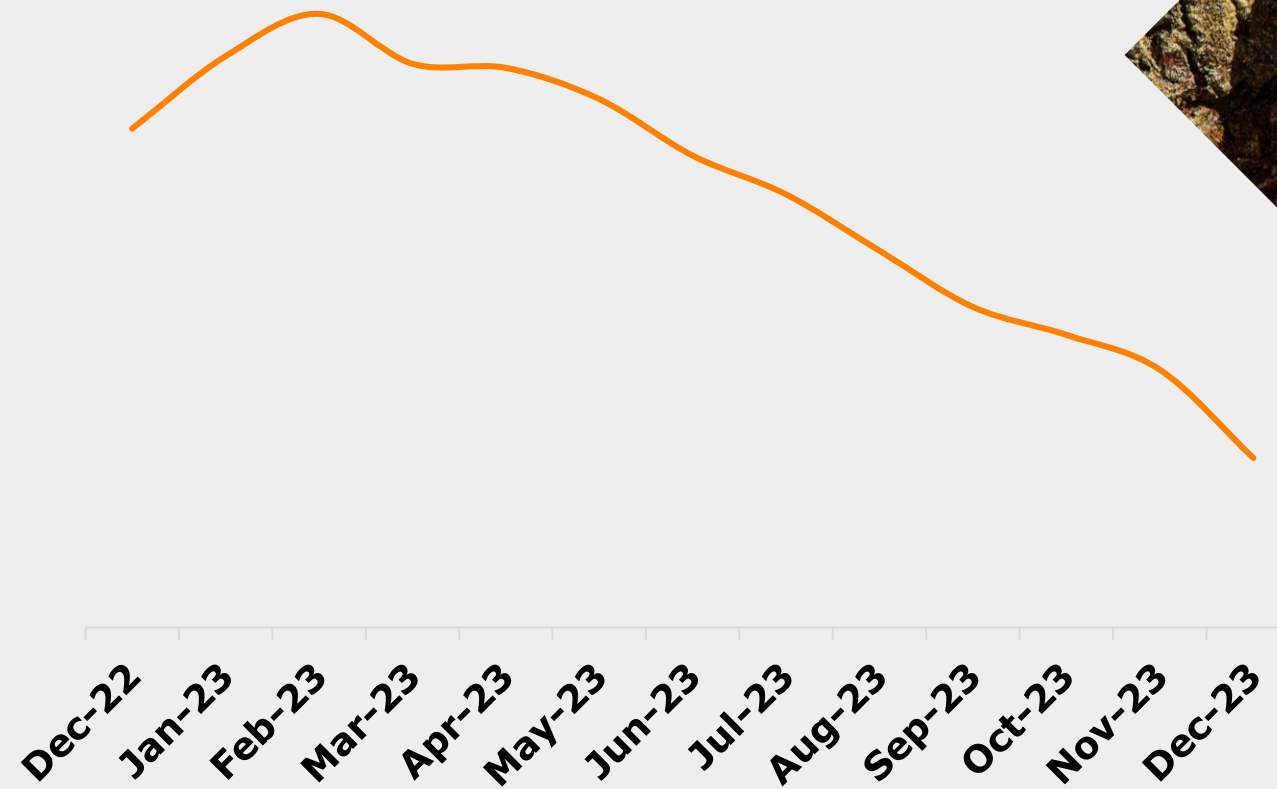
**-0.2%**  
NET SALES

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



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

### Alpargatas inventory evolution



# HAVAIANAS – 4Q23 vs. 4Q22

**havaianas®**

## INTERNATIONAL

**-48%**  
VOLUME

**-47%**  
NET SALES\*

**EMEA**

**-60%**  
VOLUME

**-53%**  
NET SALES\*

**NA&C**

**-27%**  
VOLUME

**-9%**  
NET SALES\*

**DISTRIBUTORS**

**-42%**  
VOLUME

**-51%**  
NET SALES\*

\*in constant currency (CC)

**Europe**

- Operational challenges impact
- 1H23 cancellations impact

**NAC**

- Drop of the B2B volume

**Distributors**

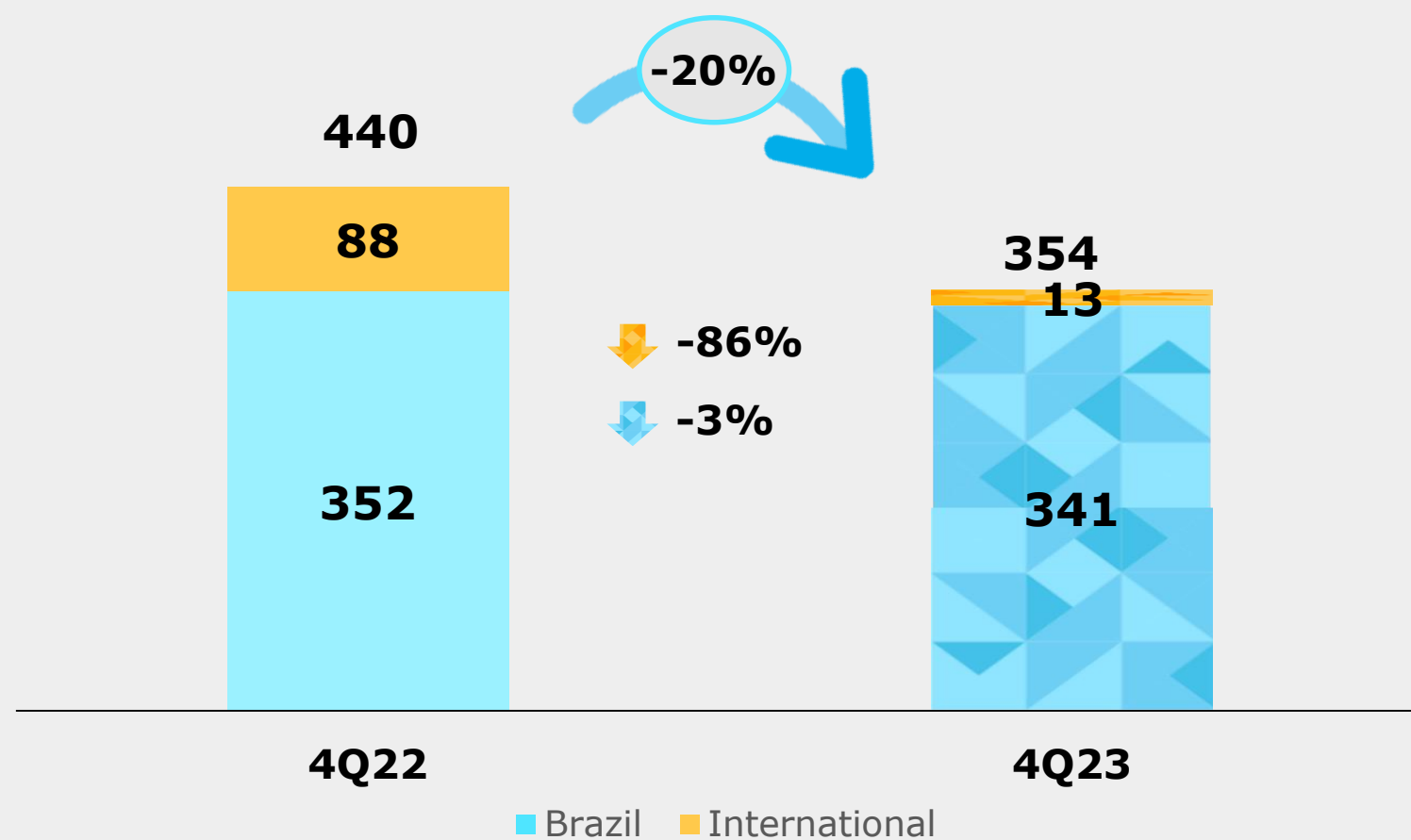
- Drop driven by APAC
- Inventory levels normalization process



# FINANCIAL HIGHLIGHTS | TOTAL HAVAIANAS

## GROSS PROFIT\*

(IN CC - MILLION)



Gross margin	4Q22	4Q23	Var.
Havaianas Brazil	39.3%	38.1%	-1.2pp
Havaianas International*	48.3%	13.2%	-35.1pp
Total Havaianas*	40.8%	35.7%	-5.1pp

\*in constant currency (CC)

### Havaianas Brazil

- Sequential improvement (+1.1p.p. vs. 3Q23)
- Manufacturing optimization (+10% pairs per day per employee vs. 4Q22)
- Raw material cost reduction (-5% vs. 4Q22)

### Havaianas International:

- Operational deleverage

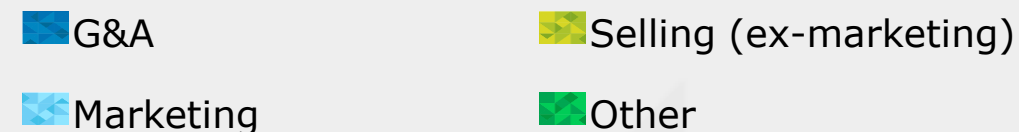
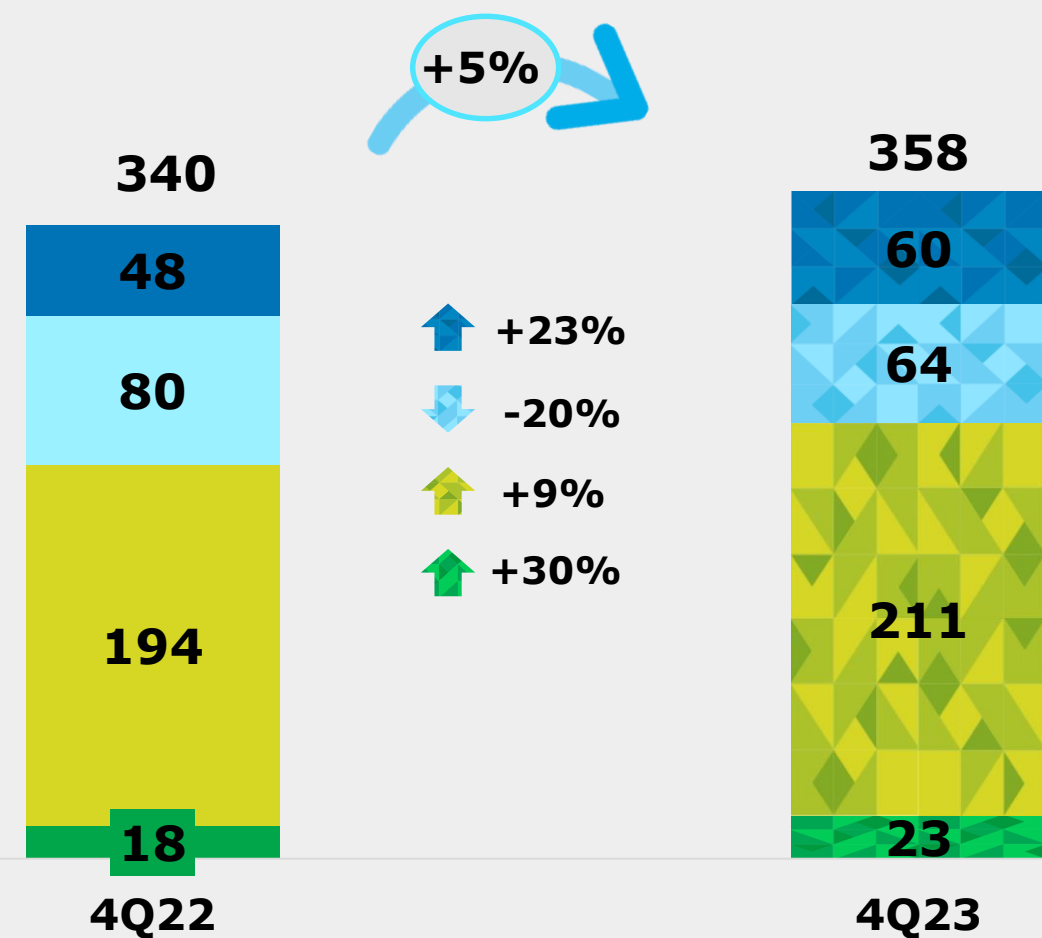
### Additional costs

- Write-offs of R\$77M

# FINANCIAL HIGHLIGHTS | TOTAL HAVAIANAS

## EXPENSES

(R\$ MILLION)



**Selling Expenses (ex-Marketing)**

- Simplification expenses of R\$ 2.9M
- Distribution expenses of +R\$ 5.4M vs. 4Q22
- ZBB packages down 1% vs. 4Q22 and 13% vs. 1Q23

**Marketing Expenses**

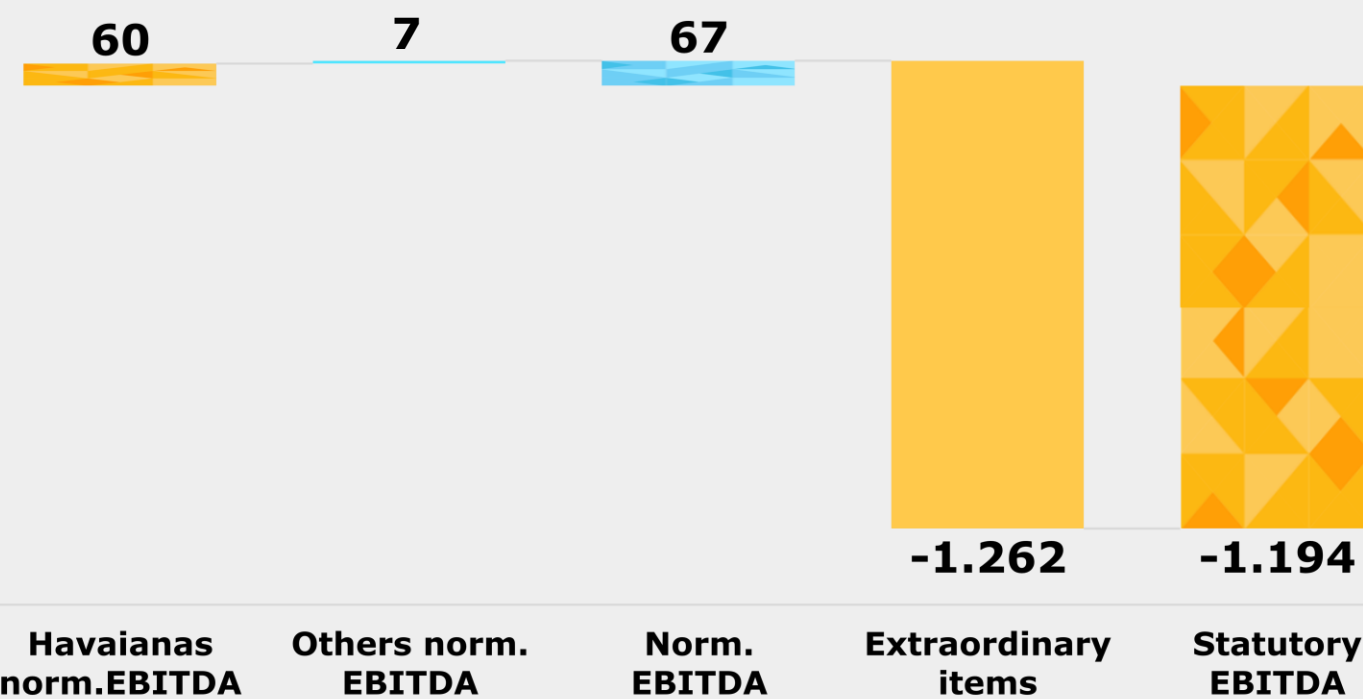
- 20% drop yoy driven by the reduction in the International operation

# FINANCIAL HIGHLIGHTS | ALPARGATAS



## EBITDA

(R\$ MILLION)



### EXTRAORDINARY ITEMS

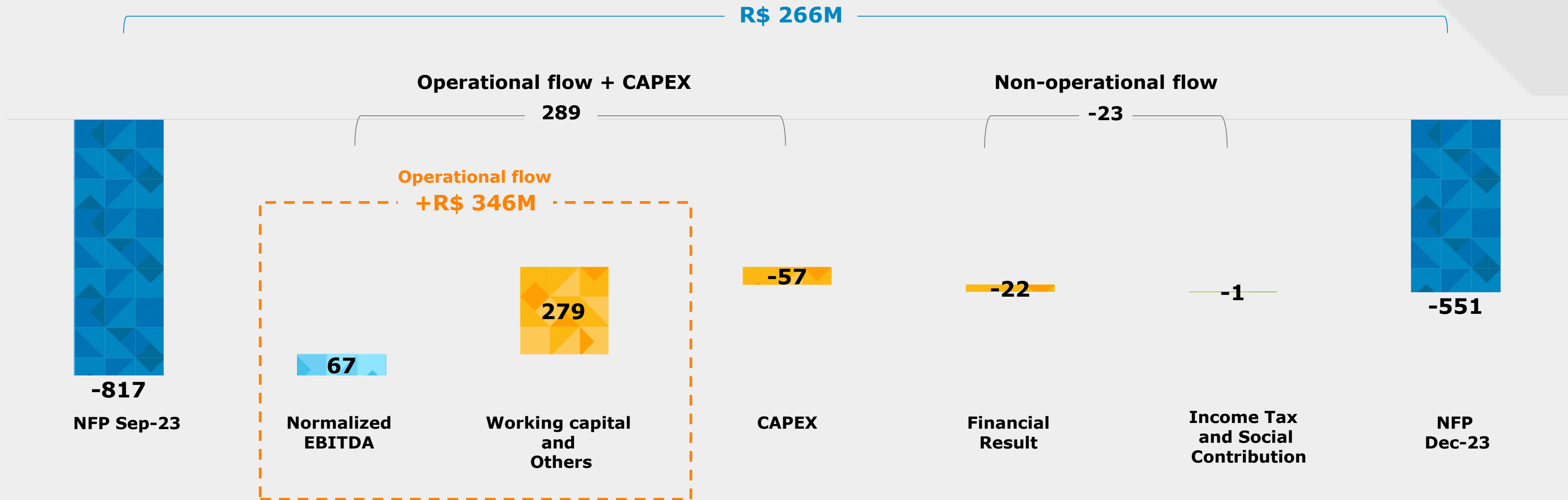
(in R\$ million)

	4Q23
<b>Statutory EBITDA</b>	<b>-1,194.4</b>
<b>(-) Extraordinary items</b>	<b>1,261.7</b>
<i>Simplification</i>	2.1
<i>Impairments</i>	1,213.0
<i>Other</i>	46.6
<b>(=) Alpargatas Normalized EBITDA</b>	<b>67.3</b>

# FINANCIAL HIGHLIGHTS | ALPARGATAS

## NET FINANCIAL POSITION

(R\$ MILLION)

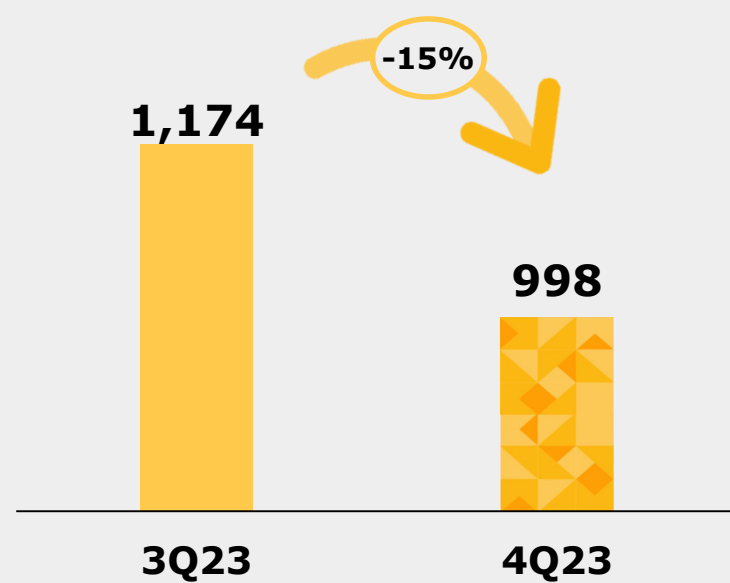


# FINANCIAL HIGHLIGHTS | ALPARGATAS

## WORKING CAPITAL

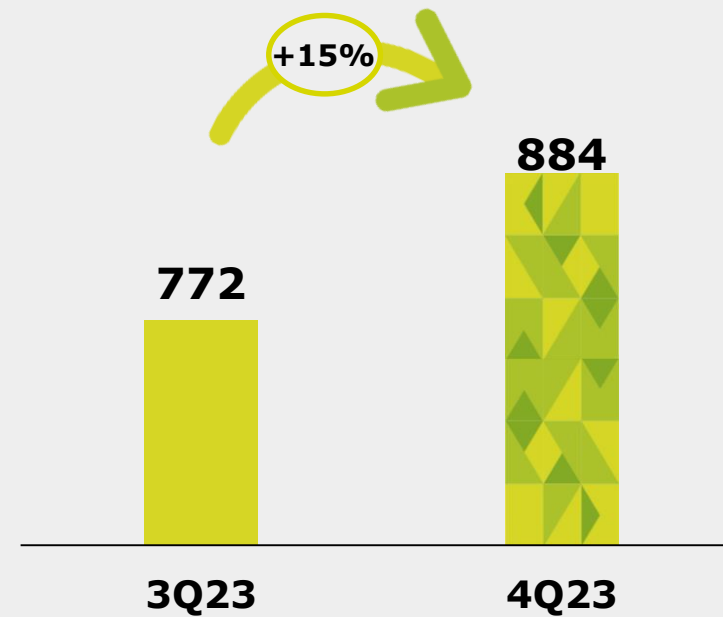
(R\$ MILLION)

### INVENTORIES



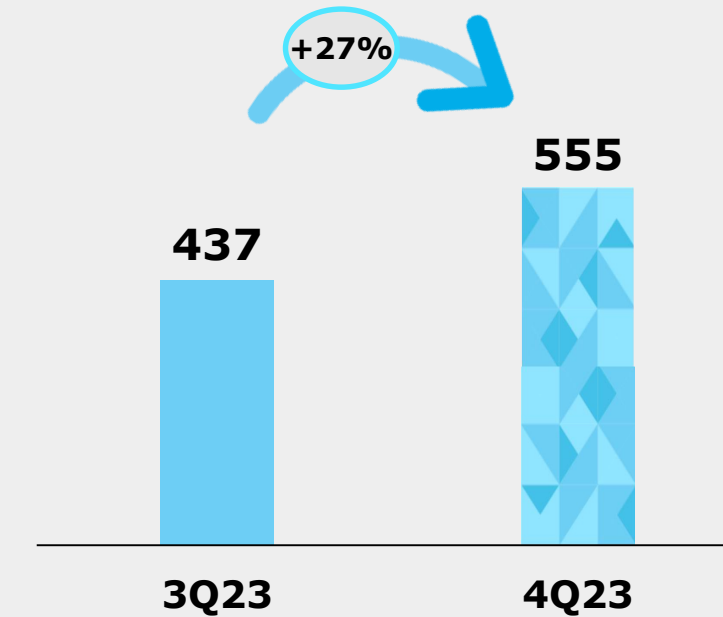
- Finished products: -R\$ 76M
- Raw material and other: -R\$ 94M
- Decrease of 23 days of sales vs. 4Q22

### RECEIVABLES



- Reduction of 11 days of sales vs. 4Q22

### SUPPLIERS



- Increase of R\$ 118M
- raw material purchases gradual resumption



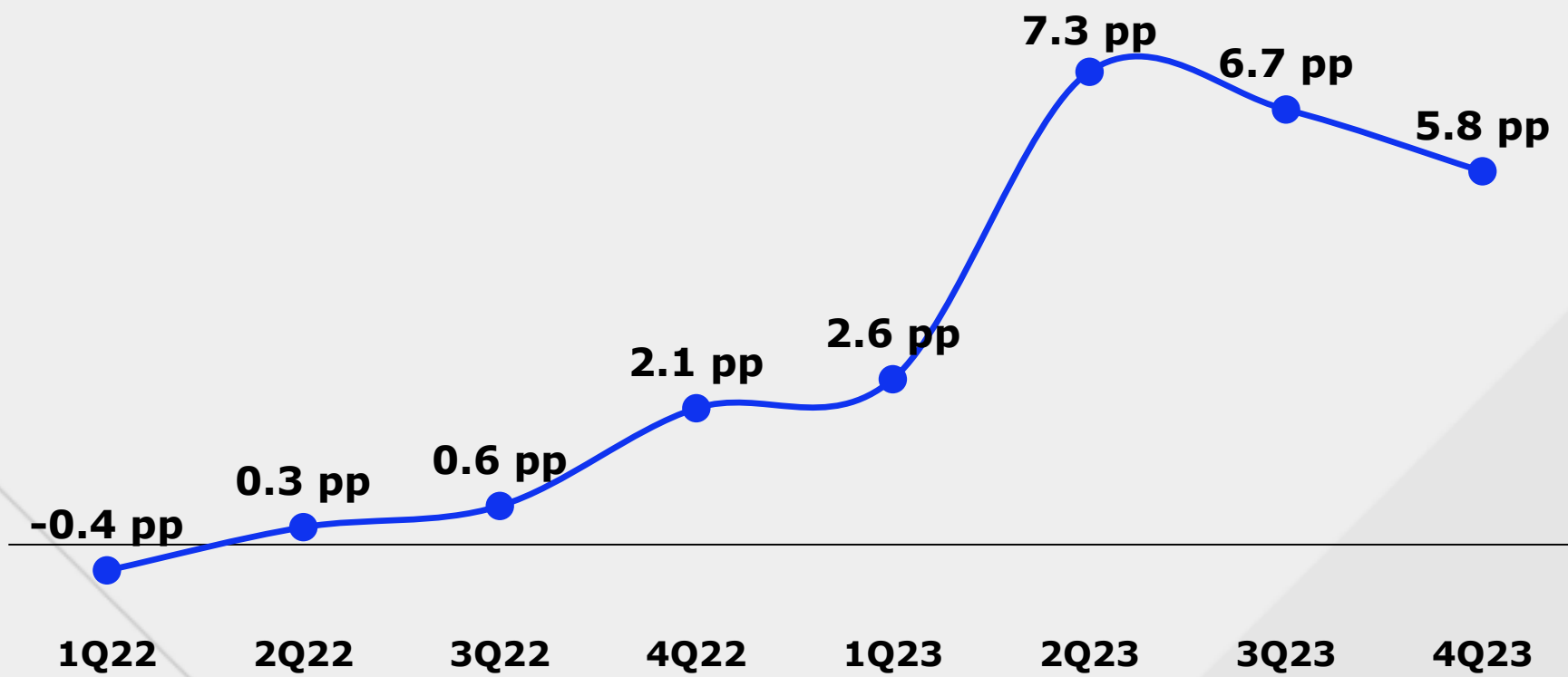
# ROTHY'S

**NET SALES**  
**USD 65M**  
 (+21% vs. 4Q22)

**EBITDA**  
**USD 5M**  
 (+USD 6.7M vs. 4Q22)  
 7% EBITDA margin

**NET PROFIT**  
**USD 6M**  
 (+USD 9.9M vs. 4Q22)

## GROSS MARGIN EVOLUTION (Var. YoY)



# Q&A

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# ALPARGATAS

**INVESTOR RELATIONS**  
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