



3Q21 & 9M21 RESULTS

Videoconference – October 29, 2021

10:30 a.m. (Brasília time)

Simultaneous translation in English

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melissa

GRENDA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ



NOTICE

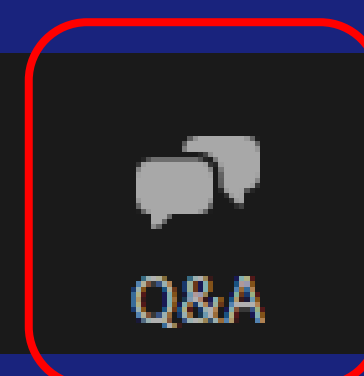
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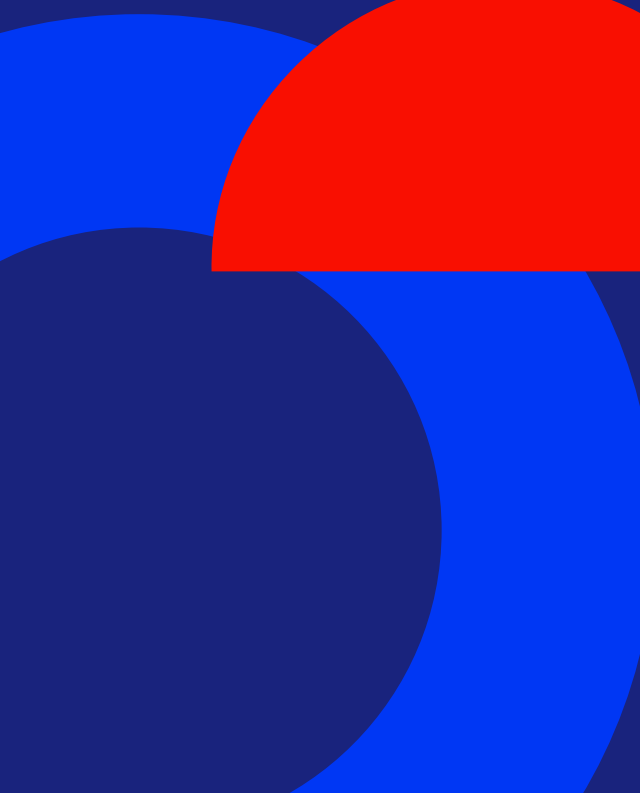
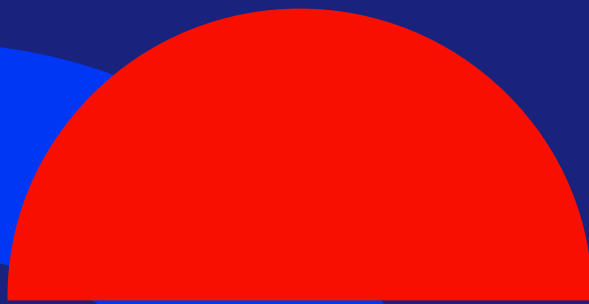
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Ask your question



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The global footwear market: US\$ 300 billion (in 2019*)

Allying the excellence of Grendene with the culture and management of 3G

Grendene has industrial excellence;
3G has a track record of distribution, global brands and M&A

Be a platform for global consolidation

– in a large and fragmented sector

Expand international investments

Focus on people, brands and distribution platforms, especially digital

Seek accelerated volume growth

– in markets significantly larger than Brazil where Grendene still has low penetration

Bring Grendene closer to the final consumer

A better buying experience, and building of loyalty to our brands

Creating value for stockholders

– by increasing volumes and margins, and by generating greater geographical and currency diversification

Phase 1: United States, Canada, China and Hong Kong
~40% global footwear market

* Source: Euromonitor.

NEW PLANT

Also in September, Grendene announced construction of a new manufacturing plant in 2022, in the city of Crato in Ceará State.

R\$ 30 million

CAPEX

+500,000 pairs/month

EVA footwear items and components

+1,000

New jobs

10,800m²

Expansion of the unit



TAX INCENTIVES AT CEARÁ UNITS

Extension and increase of ICMS tax incentives from the State of Ceará under the state's Provin program, for a new period from October 1, 2021 to December 31, 2032. The program has been renamed 'PROADE'.

Crato / CE



Fortaleza / CE



Sobral / CE



DIGITAL TRANSFORMATION



DIRECT TO CONSUMER (BR) – 3Q21

GMV Brazil: up 27% from 2Q21 and 40% from 3Q20

E-commerce Melisa USA: up 128% from 3Q20

Clients: up 21,8% from 2Q21 – 85% of them first-time buyers

9.3 million online sessions (up 13% from 2Q21)

OMNI – 3Q21

190 **Melissa Clubs** with ship from store ordering system (up 167% from 2Q21)

Active **showrooming** in 100% of **Melissa Clubs**

Ship from store active in 280 stores

Pick up in store in testing phase

ROADMAP

Integration with marketplaces (*Magalu, Netshoes, Zattini, Mercado Livre e Dafiti*)

Pick up in store rollout mode

E-commerce Melissa Europe

+167%

Melissa Clubs with
ship from store ordering
system from 2Q21.

SUSTAINABILITY

INTERNATIONAL AUDIT

Excellent results in the **SMETA** audit (one of the world's most widely used social audit procedures, generating an open report to more than 55,000 members of the Sedex program in 180 countries).

BRAZILIAN CERTIFICATIONS

- Re-certification with the ABVTEX Gold Seal – (for ethics in business, employee health and safety conditions, and care for the environment).
- Award of Silver Seal by the Brazilian GHG Protocol Program (first publication of greenhouse gas inventory in the Public Registry of Greenhouse Gas Emissions).

RECOGNITION

Melissa received the “*Unis vers le beau responsable*” seal, launched in September by Printemps of France, which identifies brands concerned with creating products that value people, ethics, nature and the sustainable, circular economy.

Melissa is also featured in a space on the *7ème ciel*, a floor dedicated to the circular economy, inaugurated on September 21.

REVERSE LOGISTICS

Partnership between C&A and Ipanema for reverse logistics (30 stores selected for pilot project).

LOWER IMPACT PRODUCTS

Launch of **Melissa Free**, a Melissa footwear line with lower environmental impact:

- The brand's first monoblock product in EVA.
- Contains renewable-source or bio-based materials, originating from sugarcane.
- 20.7% less environmental impact than comparable footwear made from conventional raw materials.



DIVIDEND PROPOSED (R\$)

| Allocation of Net profit | | | | | R\$ | | |
|---|---------------|--------------|-----------------------|------------------|--|----------------|--------------------------|
| Net profit for the period | | | | | 370,396,478.99 | | |
| (-) Reserve for tax incentives | | | | | (126,102,781.24) | | |
| Basis for calculation of the legal reserve | | | | | 244,293,697.75 | | |
| (-) Legal reserve | | | | | (12,214,684.89) | | |
| Dividend amount referring to the result calculated up to September 30, 2021 / Minimum obligatory dividend calculation basis | | | | | 232,079,012.86 | | |
| (+) Allocation of part of the reserve for acquisition of shares | | | | | 17,000,000.00 | | |
| (+) Diverse allocation of tax incentive (1Q21) | | | | | 1,254,000.00 | | |
| (-) Distribution of interim dividends | | | | | (115,674,414.41) | | |
| Balance available for 3rd distribution of interim dividends | | | | | 134,658,598.45 | | |
| | | | | | Minimum obligatory dividend– 25% | | |
| | | | | | 58,019,753.22 | | |
| | | | | | Dividend in addition to the minimum mandatory amount | | |
| | | | | | 192,313,259.64 | | |
| | | | | | Sum | | |
| | | | | | 250,333,012.86 | | |
| Dividend | Date approved | Ex- date | Date of start payment | Gross amount R\$ | Gross amount per share R\$ | Net amount R\$ | Net amount per share R\$ |
| Dividend ¹ | Apr. 29, 2021 | May 11, 2021 | May 19, 2021 | 81,971,596.22 | 0.090861484 | 81,971,596.22 | 0.090861484 |
| Dividend ¹ | Jul. 29, 2021 | Aug. 6, 2021 | Aug. 18, 2021 | 33,702,818.19 | 0.037357917 | 33,702,818.19 | 0.037357917 |
| Dividend ¹ | Sep. 28, 2021 | Nov. 8, 2021 | Nov. 24, 2021 | 134,658,598.45 | 0.149262435 | 134,658,598.45 | 0.149262435 |
| Sum | | | | 250,333,012.85 | 0.277481836 | 250,333,012.85 | 0.277481836 |

¹ Dividends approved “ad referendum” the AGM that considers the balance sheet and financial statements for 2021.

HIGHLIGHTS OF 3Q21 YOY

| VOLUMES | GROSS REVENUE | RECURRING EBIT | RECURRING NET PROFIT |
|--|--|--|---|
| 44,0 million pairs <div>↓ (17.1%)</div> | R\$ 818,3 million <div>↑ 5.9%</div> | R\$ 126,0 million <div>↓ (6.0%)</div> | R\$ 136,4 million <div>↑ 15.8%</div> |
| Domestic market 36.2 mn Export Market 7.8 mn | Domestic market R\$ 662.8 mn Export Market R\$ 155.5 mn | Recurring EBIT margin 18.8% | Recurring Net margin 20.3% |

CONSOLIDATED PROFIT AND LOSS ACCOUNT 3Q21

| R\$'000 | 3Q20 | % Net sales | 3Q21 | % Net sales | Change % | Change R\$ |
|---|------------------|----------------|------------------|----------------|----------------|-----------------|
| Gross revenue | 772,814 | | 818,311 | | 5.9% | 45,497 |
| Domestic Market | 655,243 | | 662,825 | | 1.2% | 7,582 |
| Export Market | 117,571 | | 155,486 | | 32.2% | 37,915 |
| Net sales revenue | 630,787 | 100.0% | 671,416 | 100.0% | 6.4% | 40,629 |
| COGS | (348,672) | (55.3%) | (374,976) | (55.8%) | 7.5% | (26,304) |
| Raw material | (164,056) | (26.0%) | (190,404) | (28.4%) | 16.1% | (26,348) |
| Labor | (117,144) | (18.6%) | (116,188) | (17.3%) | (0.8%) | 956 |
| Other manufacturing costs | (67,472) | (10.7%) | (68,384) | (10.2%) | 1.4% | (912) |
| Gross profit | 282,115 | 44.7% | 296,440 | 44.2% | 5.1% | 14,325 |
| Operational expenses | (156,460) | (24.8%) | (177,926) | (26.5%) | 13.7% | (21,466) |
| Selling expenses | (126,560) | (20.1%) | (151,868) | (22.6%) | 20.0% | (25,308) |
| General and Administrative expenses | (20,387) | (3.2%) | (23,679) | (3.5%) | 16.1% | (3,292) |
| Other operational revenues | 1,797 | 0.3% | 1,169 | 0.2% | (34.9%) | (628) |
| Other operational expenses | (11,310) | (1.8%) | (3,546) | (0.5%) | (68.6%) | 7,764 |
| Equity accounting | - | - | (2) | - | - | (2) |
| Operational profit (Accounting Ebit) | 125,655 | 19.9% | 118,514 | 17.7% | (5.7%) | (7,141) |
| Operational profit (Recurring Ebit) | 133,959 | 21.2% | 125,972 | 18.8% | (6.0%) | (7,987) |
| Net Financial Revenue (expenses) | 10,642 | 1.7% | 13,020 | 1.9% | 22.3% | 2,378 |
| Net profit for the period | 110,825 | 17.6% | 208,056 | 31.0% | 87.7% | 97,231 |
| Recurring Net profit for the period | 117,863 | 18.7% | 136,430 | 20.3% | 15.8% | 18,567 |
| Total volume (Thousand pairs) | 53,010 | 100.0% | 43,962 | 100.0% | (17.1%) | (9,048) |
| Domestic market (DM) | 43,918 | 82.8% | 36,155 | 82.2% | (17.7%) | (7,763) |
| Export Market | 9,092 | 17.2% | 7,807 | 17.8% | (14.1%) | (1,285) |

**Gross revenue/pair
+ 27.6%**

**Gross revenue/pair
DM: + 22.9%**

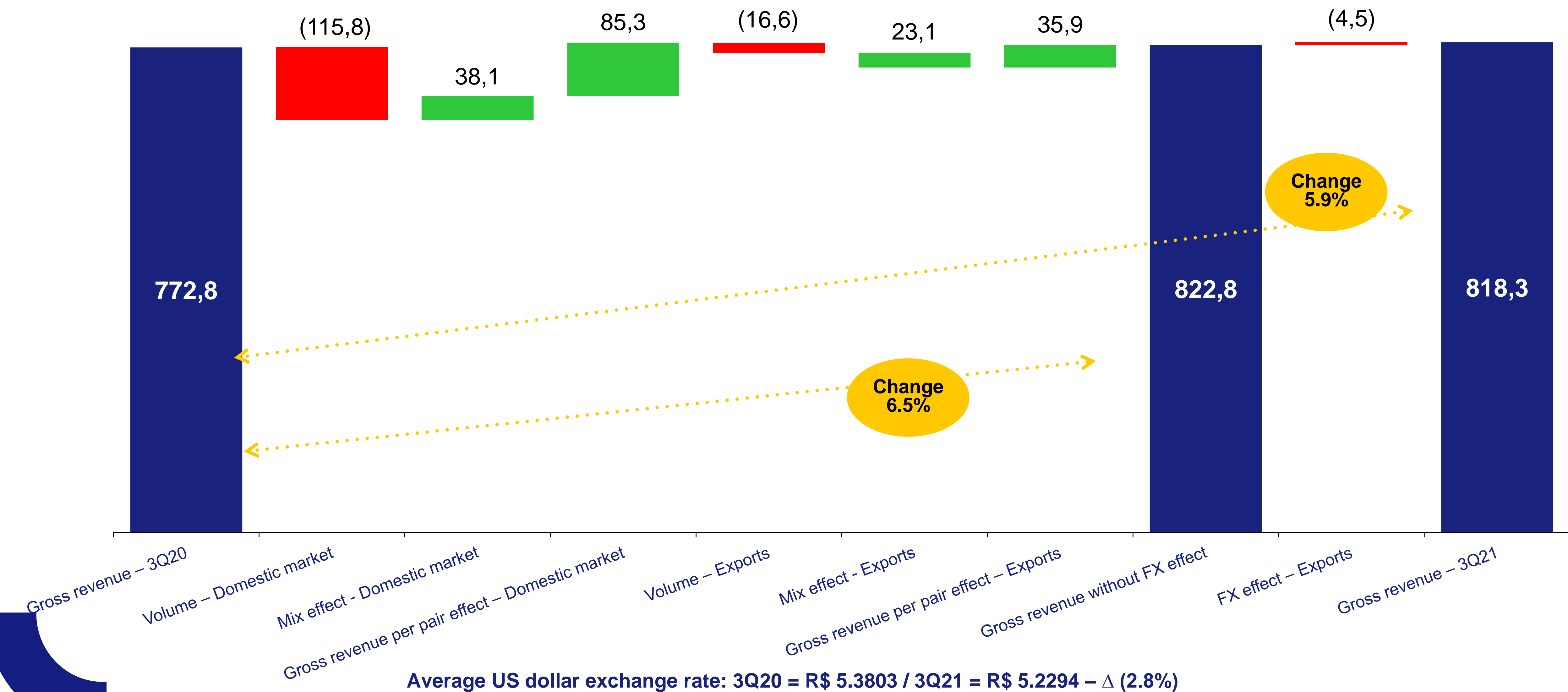
**Gross revenue/pair (R\$)
Export: + 54.1%**

**Gross revenue/pair (US\$)
Export: + 58.8%**

**Recurring EBIT/pair
+ 13.4%**

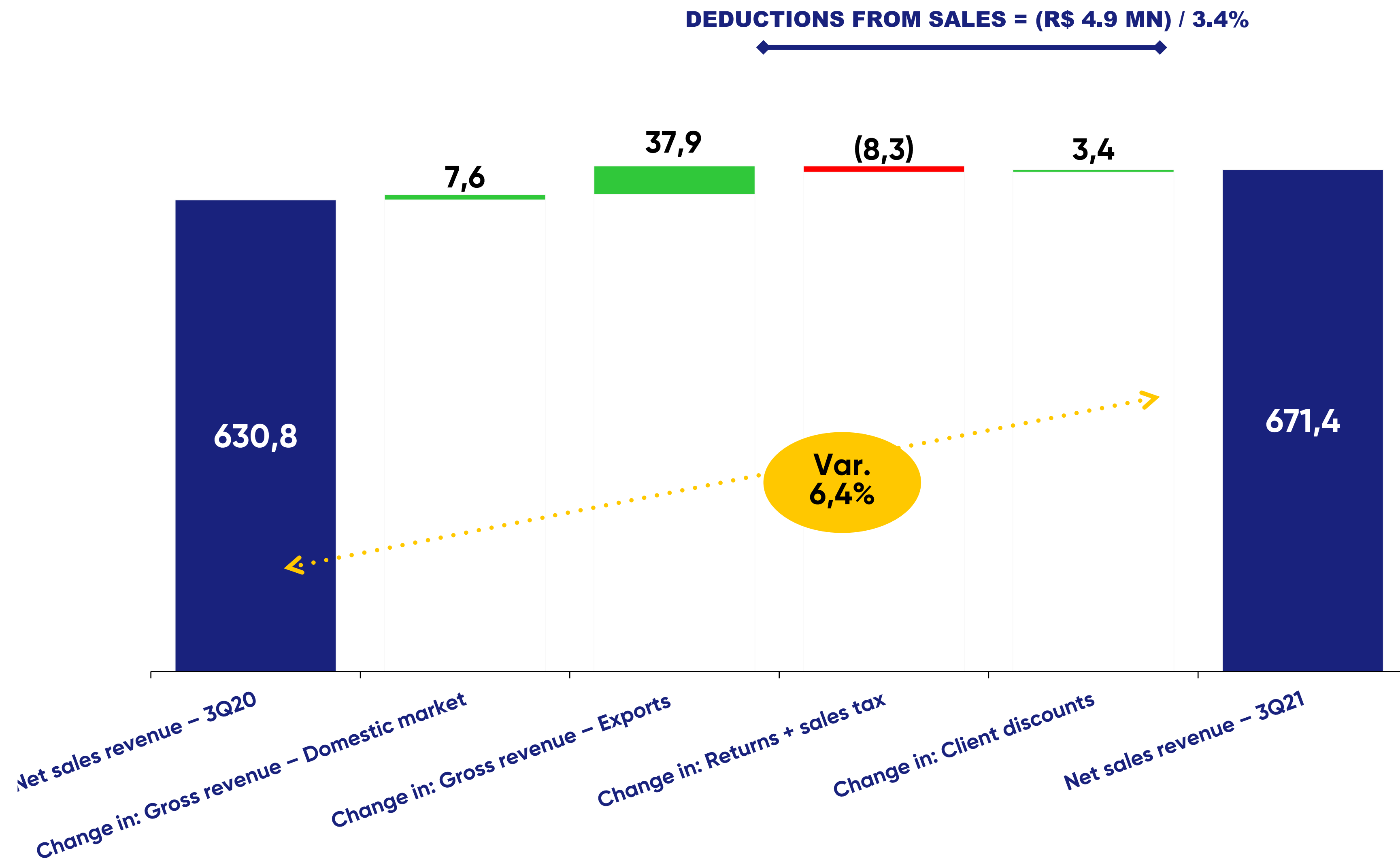
GROSS REVENUE DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix



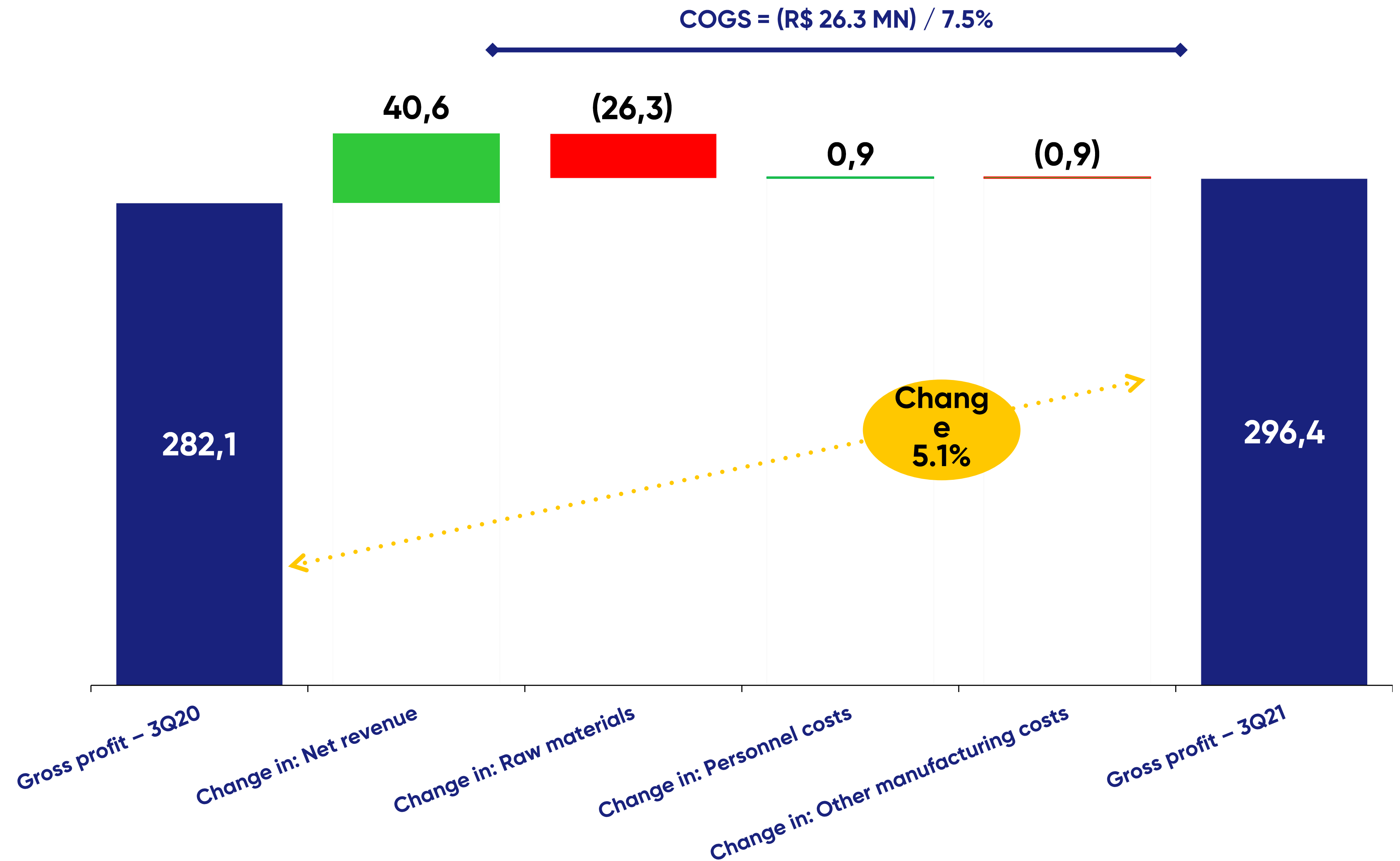
NET REVENUE CONSOLIDATED DATA

(R\$ MILLION)

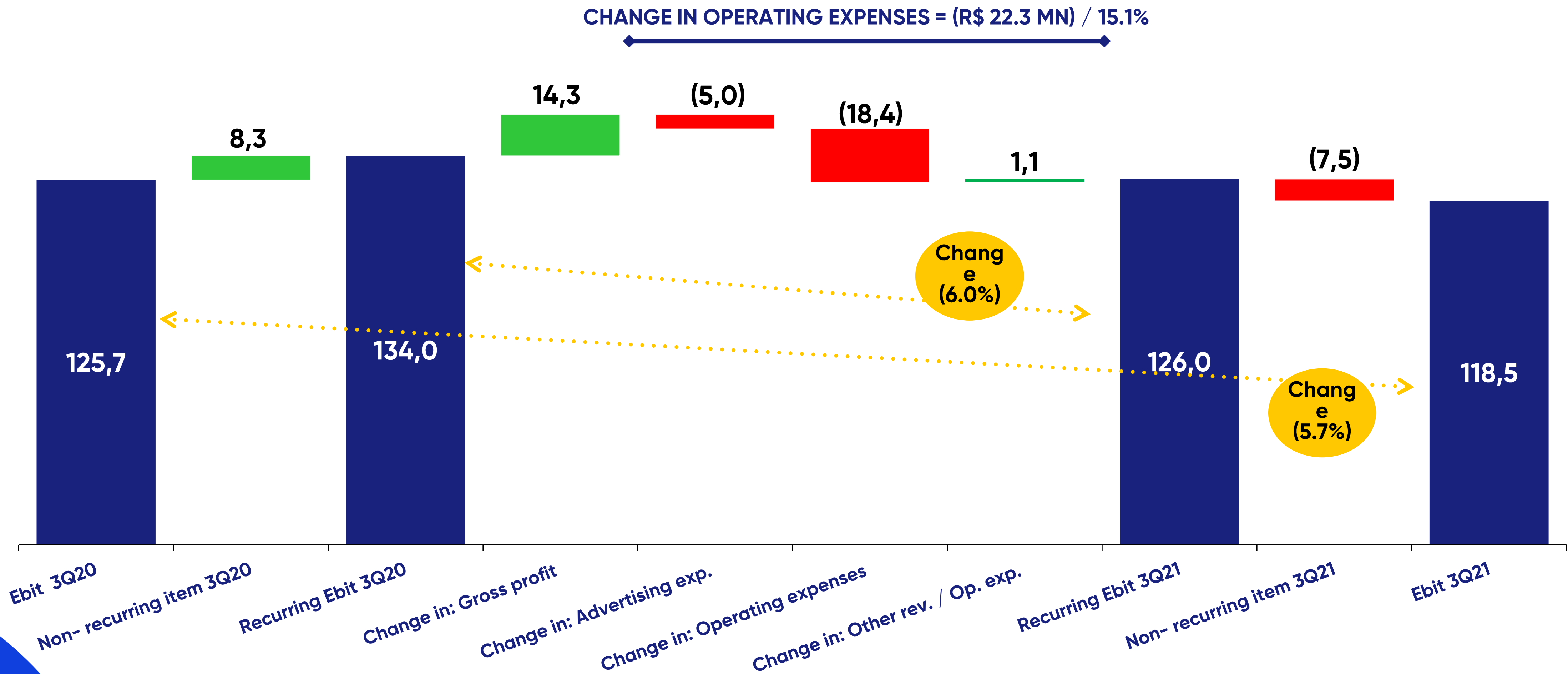


GROSS PROFIT CONSOLIDATED DATA

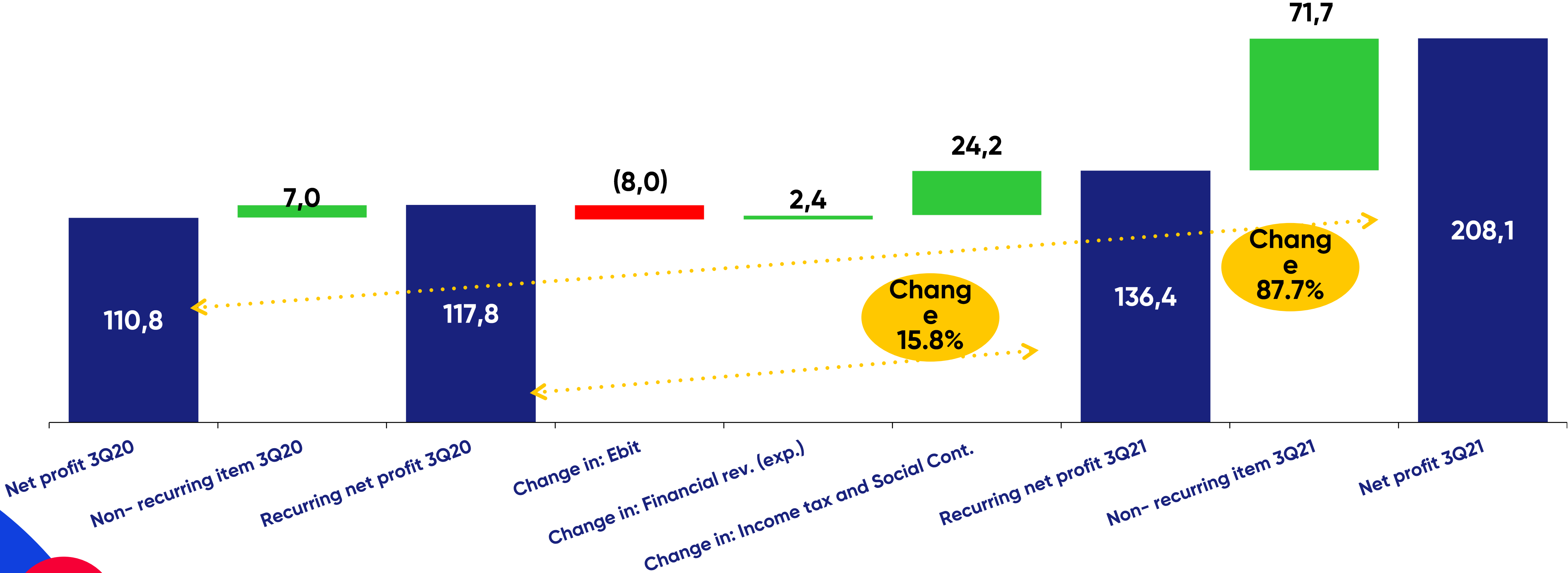
(R\$ MILLION)



EBIT
CONSOLIDATED DATA
(R\$ MILLION)



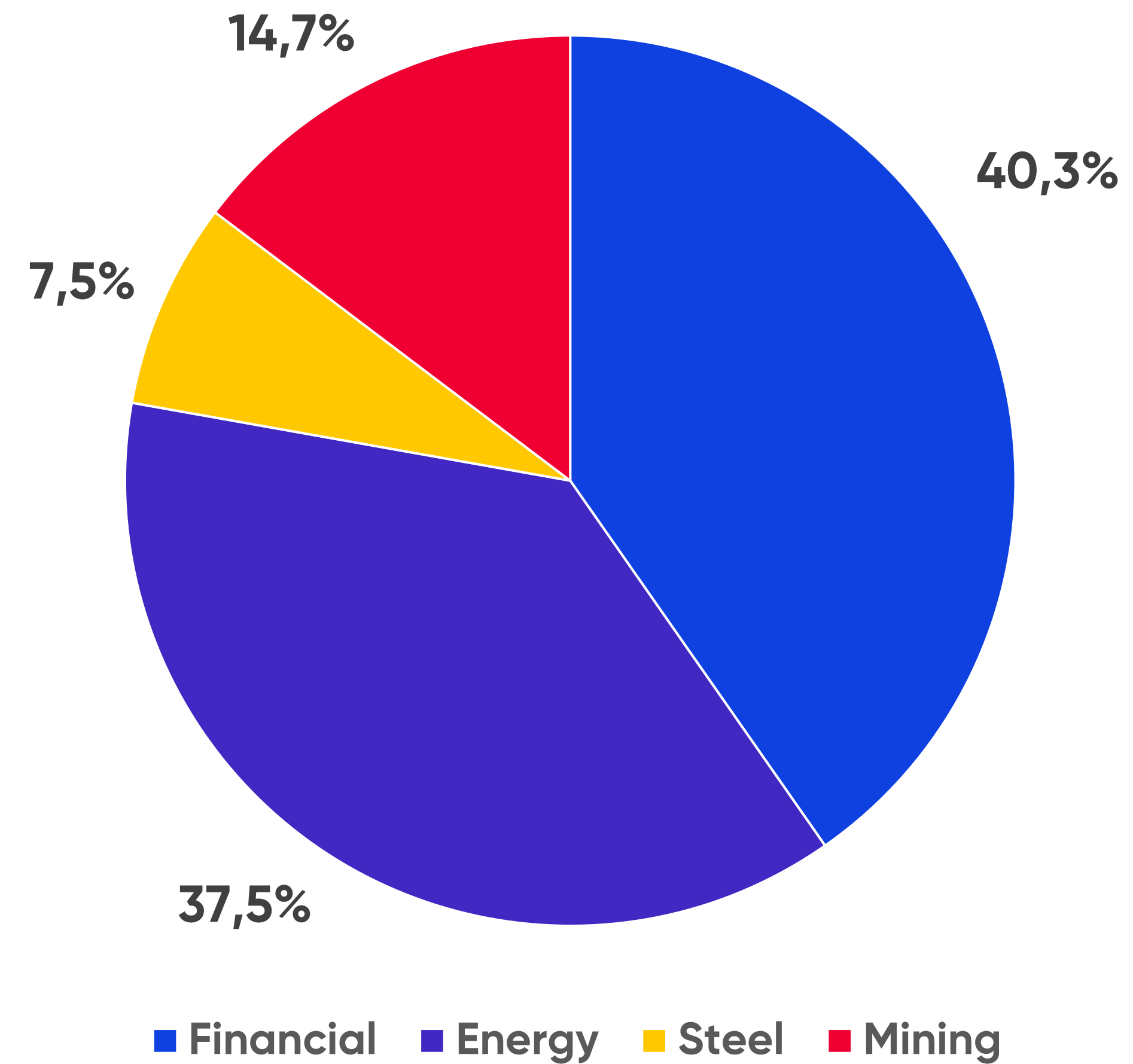
NET PROFIT
CONSOLIDATED DATA
(R\$ MILLION)





VARIABLE INCOME PORTFOLIO

Share by Sector, %
(September 30, 2021)



MELISSA PERFORMANCE DOMESTIC AND EXPORT MARKET

GROSS REVENUE

↑ **42.1%**
vs. 3Q20

NUMBER OF CLUBES MELISSA

367
Brazil

EXCLUSIVE STORES

127
Worldwide

=

35
Clube Melissa layout

% IN VOLUME

4.1%

**EXCLUSIVE
STORES &
CLUBE MELISSA**

E-COMMERCE

60.2%

**MULTI BRAND
STORES**

35.4%

0.3%

**MELISSA'S
GALLERY**

OMNICHANNEL

- Ship from store – 280 active stores
- Showrooming – active in 100% Clube Melissa
- Pick up in store – in testing phase and rollout in October

MELISSA

melissa / 

Melissa / Zee.dog

Melissa's first 'collab' with a pet brand.
Accessories on the Zee.Dog channel **sold out in the first 48 hours.**



melissa / CAMILA
COUTINHO.

Melissa / Camila Coutinho

Products in this Collab with the entrepreneur and influencer Camila Coutinho were **among Melissa's best-selling items in the quarter.**



HIGHLIGHTS 9M21 YOY

| VOLUMES | GROSS REVENUE | RECURRING EBIT | RECURRING NET PROFIT |
|--|--|--------------------------------|-------------------------------|
| 102.8 million | R\$ 1,900.4 million | R\$ 239.4 million | R\$ 307.6 million |
| ↑ 23.5% | ↑ 45.6% | ↑ 65.9% | ↑ 104.1% |
| Domestic market 81,8 mn Export market 21,0 mn | Domestic market R\$ 1.468,3 mn Export market R\$ 432,1 mn | Recurring EBIT margin 15.4% | Recurring Net margin 19.8% |

CONSOLIDATED PROFIT AND LOSS ACCOUNT 9M21

| R\$'000 | 9M20 | % Net sales | 9M21 | % Net Sales | Change % | Change R\$ |
|---|------------------|----------------|------------------|----------------|---------------|------------------|
| Gross revenue | 1,305,435 | | 1,900,406 | | 45.6% | 594,971 |
| Domestic Market | 1,053,679 | | 1,468,352 | | 39.4% | 414,673 |
| Export Market | 251,756 | | 432,054 | | 71.6% | 180,298 |
| Net sales revenue | 1,059,697 | 100.0% | 1,552,695 | 100.0% | 46.5% | 492,998 |
| COGS | (600,676) | (56.7%) | (893,042) | (57.5%) | 48.7% | (292,366) |
| Raw material | (266,030) | (25.1%) | (422,224) | (27.2%) | 58.7% | (156,194) |
| Labor | (212,180) | (20.0%) | (300,581) | (19.4%) | 41.7% | (88,401) |
| Other manufacturing costs | (122,466) | (11.6%) | (170,237) | (11.0%) | 39.0% | (47,771) |
| Gross profit | 459,021 | 43.3% | 659,653 | 42.5% | 43.7% | 200,632 |
| Operational expenses | (379,003) | (35.8%) | (438,070) | (28.2%) | 15.6% | (59,067) |
| Selling expenses | (264,850) | (25.0%) | (360,145) | (23.2%) | 36.0% | (95,295) |
| General and Administrative expenses | (55,162) | (5.2%) | (66,049) | (4.3%) | 19.7% | (10,887) |
| Other operational revenues | 4,289 | 0.4% | 14,407 | 0.9% | 235.9% | 10,118 |
| Other operational expenses | (15,300) | (1.4%) | (26,198) | (1.7%) | 71.2% | (10,898) |
| Non recurrent expenses (Covid 19) | (47,980) | (4.5%) | - | - | - | 47,980 |
| Equity accounting | - | - | (85) | - | - | (85) |
| Operational profit (Accounting Ebit) | 80,018 | 7.6% | 221,583 | 14.3% | 176.9% | 141,565 |
| Operational profit (Recurring Ebit) | 144,317 | 13.6% | 239,438 | 15.4% | 65.9% | 95,121 |
| Net Financial Revenue (expenses) | 45,938 | 4.3% | 104,362 | 6.7% | 127.2% | 58,424 |
| Net profit for the period | 96,207 | 9.1% | 370,396 | 23.9% | 285.0% | 274,189 |
| Recurring Net profit for the period | 150,701 | 14.2% | 307,581 | 19.8% | 104.1% | 156,880 |
| Total volume (Thousand pairs) | 83,313 | 100.0% | 102,858 | 100.0% | 23.5% | 19,545 |
| Domestic market (DM) | 67,636 | 81.2% | 81,820 | 79.5% | 21.0% | 14,184 |
| Export Market | 15,677 | 18.8% | 21,038 | 20.5% | 34.2% | 5,361 |

**Gross revenue/pair
+ 17.9%**

**Gross revenue/pair
DM: + 15.2%**

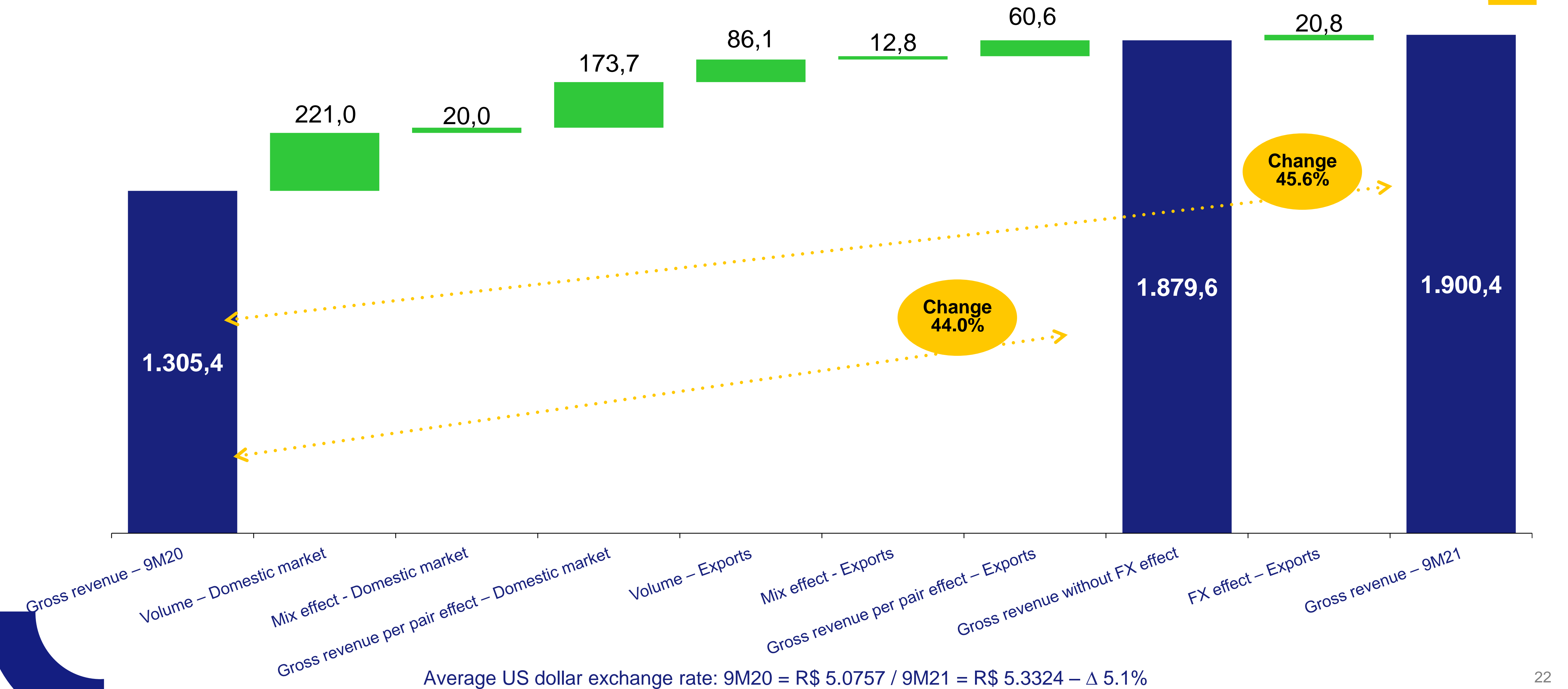
**Gross revenue/pair (R\$)
Export: + 27.9%**

**Gross revenue/pair (US\$)
Export: + 21.8%**

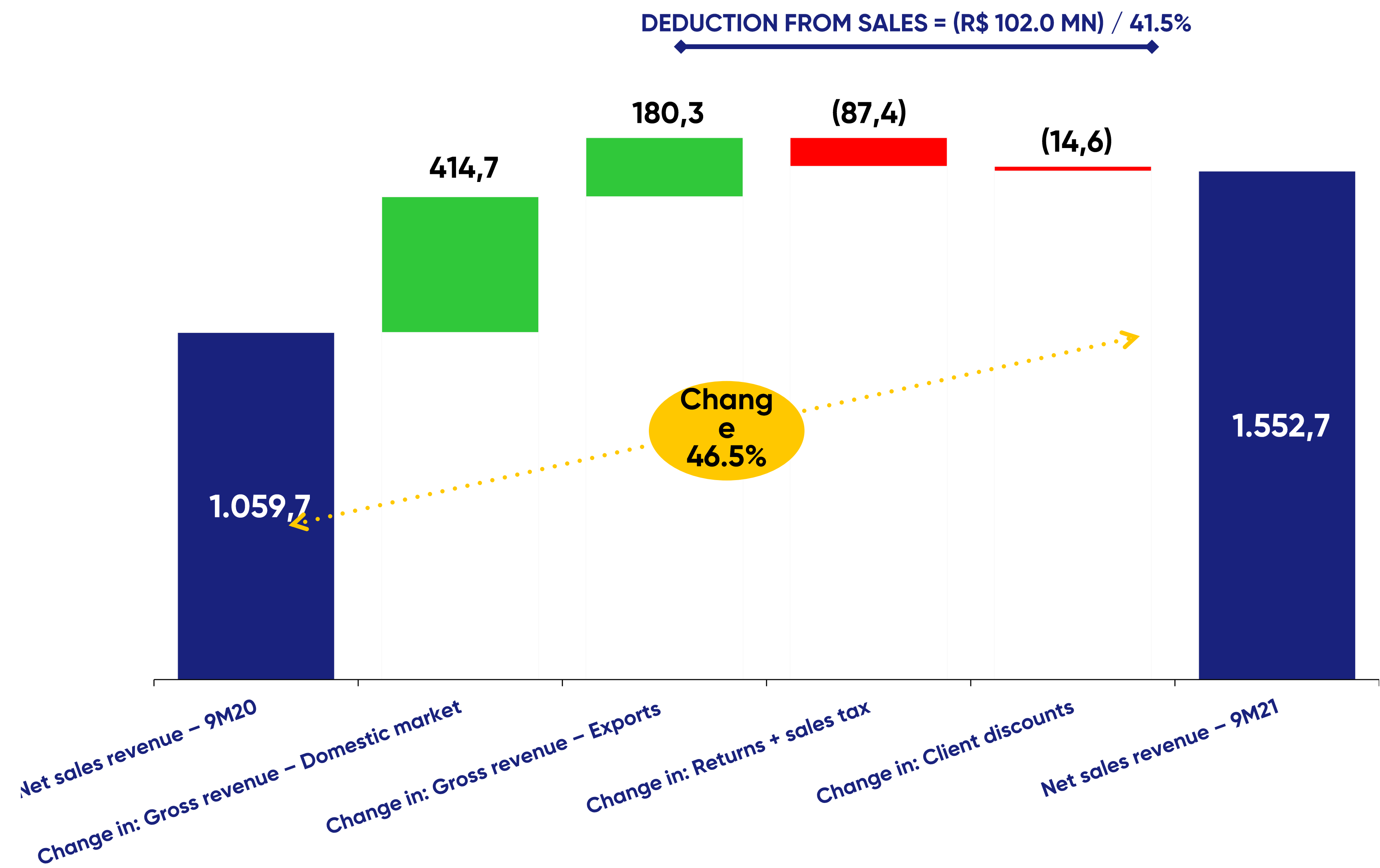
**Recurring EBIT/pair +
34.7%**

GROSS REVENUE DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix

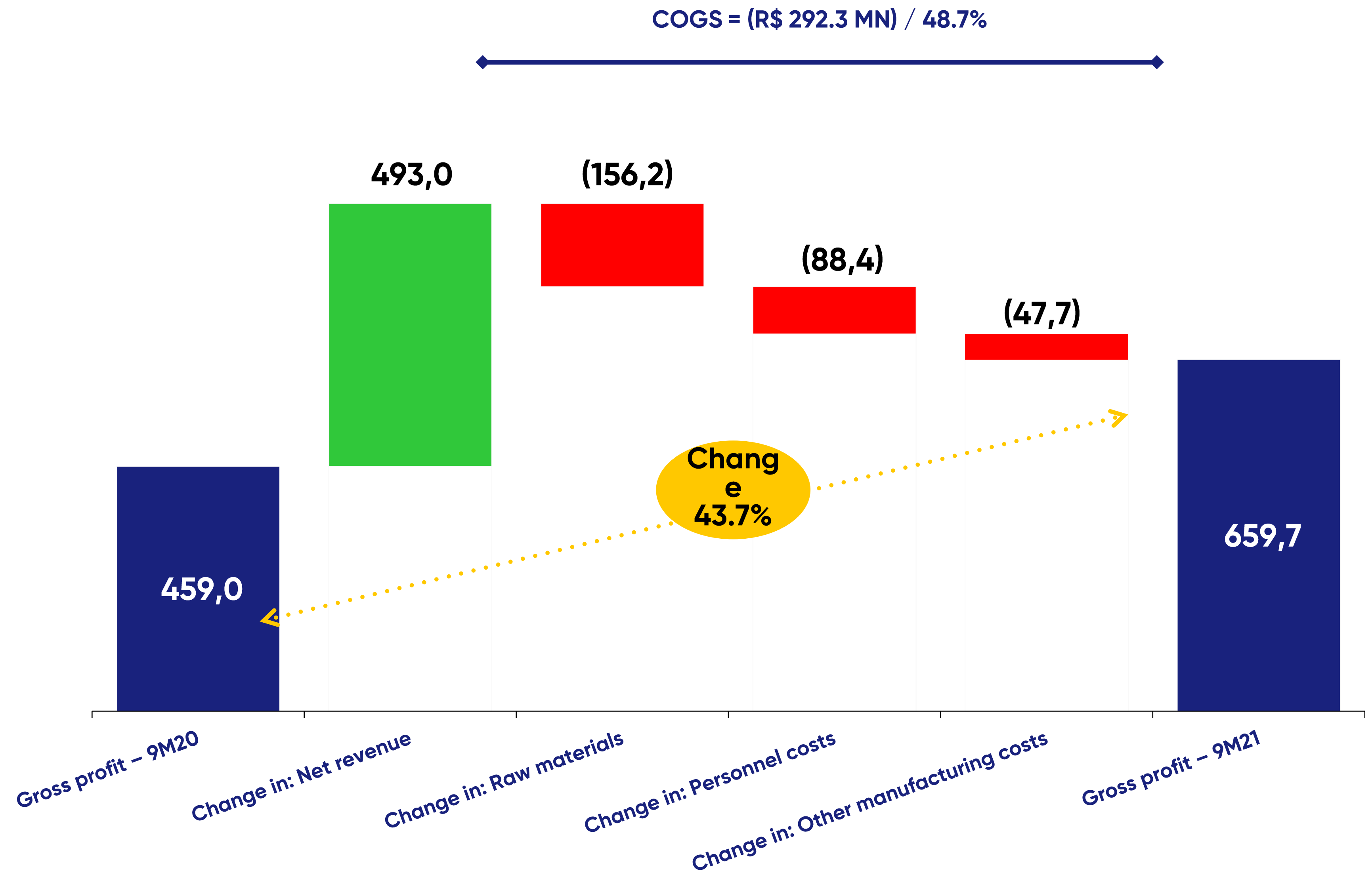


NET REVENUE
CONSOLIDATED
DATA
(R\$ MILLION)



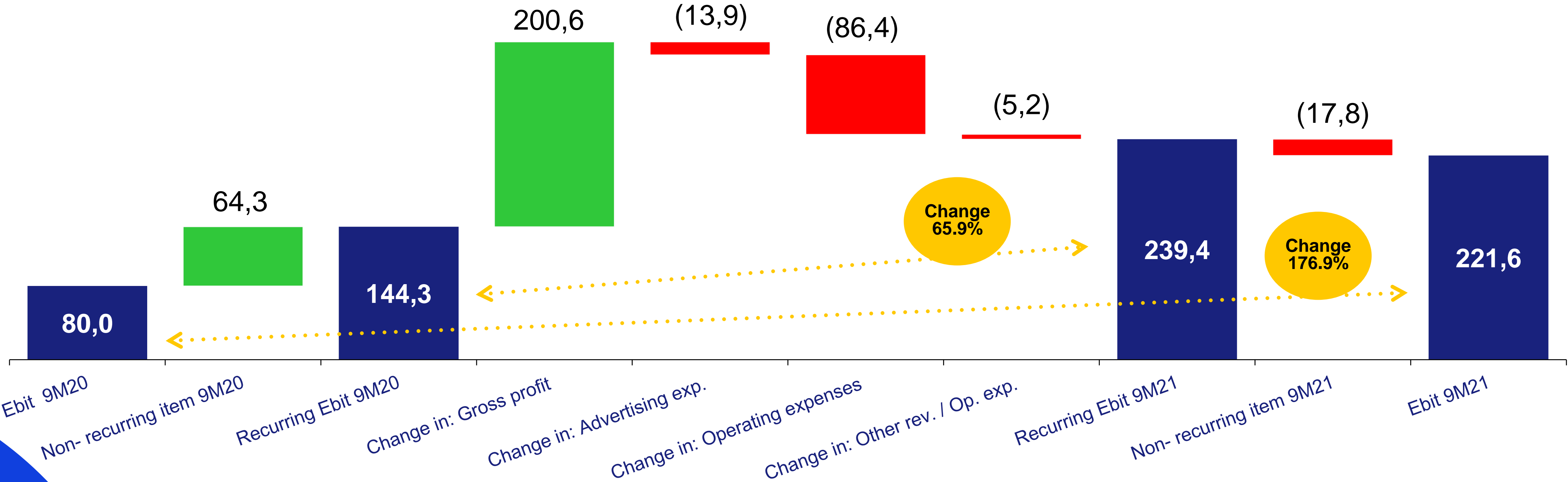
GROSS PROFIT CONSOLIDATED DATA

(R\$ MILLION)

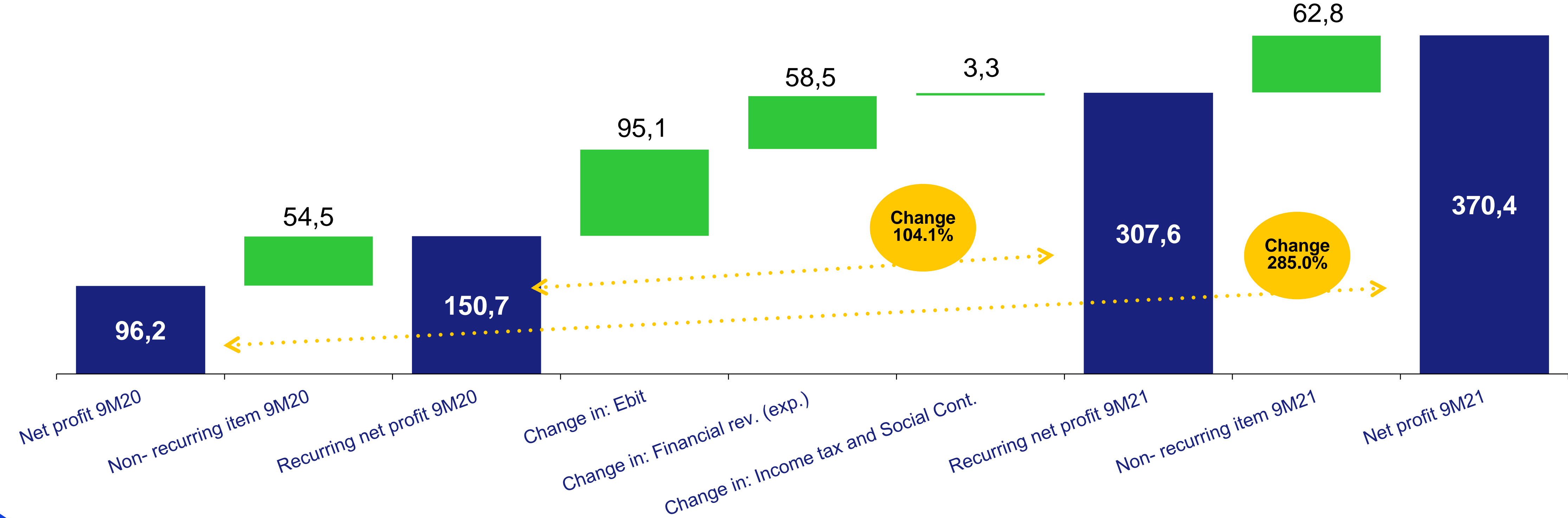


EBIT
CONSOLIDATED DATA
(R\$ MILLION)

CHANGE IN OPERATING EXPENSES = (R\$ 105.5 MN) / 33.5%



NET PROFIT
CONSOLIDATED DATA
(R\$ MILLION)



Q&A

To ask questions: please click on the Q&A icon and write your question. If announced, a request to activate your microphone will show up on your screen; then, you should enable your audio to ask your question. We kindly ask you to make all questions at once.



Ask your question

THANK YOU!

Grendene®